

**Church Street Marketplace
Burlington, VT
Retail Observations by Michael Stevens
August 22, 2008**

Introduction

Michael Stevens, AICP – Executive Director of the Capitol Riverfront BID in Washington, DC – made a site visit to the Church Street Marketplace BID in downtown Burlington, VT to provide an initial assessment of that district's retail strength and position in the regional marketplace. The visit and assessment occurred over two days, August 21-22, 2008, and included a walking tour of downtown Burlington and its waterfront with Ron Redmond, as well as a driving tour with Ron of three suburban retail centers that are emerging as suburban competitors to downtown's retail and restaurant environment. The site visit culminated with a three hour strategic planning workshop with the mayor, Council members, downtown stakeholders, property owners, and Church Street Marketplace board members.

The following is a summary of the presentation and observations that Stevens made at the strategic planning session, as well as additional follow-up observations and recommendations.

Retail Overview

Retail attraction and the development of a retail strategy for downtowns is an important component of a larger Economic Development Framework for any city. Any strategy should be based on a vibrant mix of retail categories that meet the basic needs of the community. Retail can serve a number of functions for downtown and the city at large:

- It enlivens a downtown environment and animates buildings and streetscapes, thereby supporting the employee population and attracting visitors
- It provide basic goods and services to residents, employees and visitors
- It creates full and part-time employment opportunities in the service industry
- It enhances a city's revenues through additional property tax, sales tax, and possibly income tax through the attraction of new residents

Any retail strategy and recommended tenant mix should be based on accurate information and analysis. That analysis should include a review of census demographics that can support new retail such as population in the city and surrounding trade areas; number of households and household incomes; percentage and amount of household incomes being spent in various retail categories; an inventory of existing retail and restaurant stores; number of employees in the trade area; number of annual visitors, visitor spending and hotel room nights; number of college students; etc. A retail market analysis of Burlington can examine this information and other data sources and then provide estimates of market demand that leads to a retail strategy and the types of stores that can be supported by existing and projected demand.

The purpose of the market analysis is to provide quantitative data that, when combined with a qualitative SWOT analysis, leads to the development of a supportable retail development strategy for the submarket. A key component of the quantitative analysis is determining how much retail space or square footage can be supported by the submarket.

Retail is a vibrant component of any downtown and it means many things to different segments of the population:

- It is the provision of basic goods and services
- It is experiential street theater that serves to animate the street and entertain various users...it creates opportunities for social engagement
- It is “edutainment” in that it has become education and entertainment rolled into a retail shop – look at the museums that have gift shops and retail experiences like the Discovery Store that educate through purchases
- Many people consider it retail therapy...a way to be social and feel better by purchasing goods
- It provides the backdrop and often the focal point for today’s “Agora” – the ancient Roman open air shopping district – where there is social interaction, engagement, trade, the exchange of ideas, and the opportunity to just “people watch”.

Retail is constantly evolving and reinventing itself to meet market demand and even set new trends. For example:

- 1) Downtowns were the first shopping environment in U.S. cities, and held dominance until the introduction of trolleys and the automobile.
- 2) Strip shopping centers emerged with the introduction of automobiles and the first suburbs, thereby defining the first competitive retail submarkets.
- 3) Regional malls began to dominate with the idea that shopping could be enclosed, climate controlled, with enough retail offerings to facilitate “one stop shopping”, all with convenient and free surface parking.
- 4) As the suburbs expanded and the American shopper demanded more value through bulk purchases, “Big Box” retail was introduced on the landscape and was further refined to become “Power Centers” that would include other in-line shopping and restaurant sites, all with convenient, free parking.
- 5) The current phase of retail evolution or “morphing” has resulted in “Lifestyle Centers”, a virtual recreation of the downtown shopping environment with several advantages over downtown – a well designed and maintained public realm and shopping environment usually managed by one entity; convenient, free parking; easy access from surrounding neighborhoods; a wide range of retail stores; and an entertainment component usually in the form of movie theaters.

When retail was in the early stages it was based on convenience, access, the provision of goods, and quality. Later stages of retail promoted lower prices, variety and a mix of retail, value on the dollar, bulk purchases and one-stop shopping. It has now morphed into a new set of qualities, those based on experience, a sense of place, community, social interaction, and even perceived authenticity with a reference to historical precedents.

Accessibility, a mix of retail, and value have remained as constants throughout the evolution of retail.

OBSERVATION: Downtown Burlington and the Church Street Marketplace embody many of those qualities of the retail evolution – variety, a mix of retail uses, a vibrant restaurant scene, fairly good access and convenience, quality of goods – but you really have the edge on suburban competitors in the areas of authenticity, history, sense of place, community, and an urban walkability.

While retail can serve as a “destination” in and of itself, and Church Street certainly has destination qualities, other attractions can serve as activity generators, be first into a market and even attract retail. Some of these attractions or destinations include museums, aquariums, sports arenas and stadiums, a critical mass of retail, arts and cultural facilities, theaters, and a critical mass of housing. Downtown Burlington certainly has the critical mass of restaurants as an attraction.

Retail Attraction Process

Attracting retail to your community and downtown is a year-round process that can be built upon the following actions:

- Developing good information, research and data
- Marketing and promotional efforts
- Making contacts in the retail industry with brokers and retailers
- Following-up on those contacts and arranging site visits
- Understanding market demand and identifying “gaps” in your retail market
- Researching the retailers that meet those “gaps” and seeing if they fit your retail opportunities
- Identifying your retail opportunities and matching them to the targeted retailers you need
- Using ICSC conferences and conventions as a platform to market your retail opportunities and demographics, and as a way to meet retailers and brokers

Retail attraction should be a public/private partnership that involves the city government, developers, brokers, and other downtown stakeholders.

Observations (SWOT)

Downtown has a very good physical framework that includes the following elements (this also serves as a strengths assessment):

- A very vibrant and active waterfront area with hike/bike trails, restaurants, parks and marinas
- A compact and dense downtown area that has intact historic fabric
- Good civic armature and assets – library, theater, churches, government, etc.
- Church Street Marketplace – an amazing asset with a critical mass of good restaurants, variety in retail, and historic storefronts...all anchored by the downtown retail mall
- Restaurants and retail throughout the downtown environment
- Authentic experience and history

- A walkable urbanity
- Colleges, universities and the medical center
- Quality of the public realm that is clean
- Strong downtown employment base and a growing residential population
- Downtown grocery store/coop and movie theaters
- Burlington seems to have solid demographics
- None of the identified problems are so large as to be unmanageable
- The suburban competitors are relatively weak in many respects...but they do have advantage of easy access and plentiful free parking

Several weaknesses were apparent that do warrant attention as they can erode the success of downtown and cause the loss of more market share to the suburban competitors:

- No coordinated parking system that offers relatively inexpensive, well signed parking that is convenient for users/visitors
- Safety – light levels are too low in several parks and some streets, possibly creating a perceived issue of safety
- The public realm – sidewalks, landscaping, street furniture, lighting, etc. – is showing some signs of age and lack of regular maintenance
- Downtown may need to strike a better balance between restaurants and consumer retail
- There are several “dead spots” where anti-social behavior is occurring
- There seems to be a lack of hotels and a commitment to the hospitality/tourism and convention industry
- There is not a critical mass of museums and cultural facilities in downtown
- Housing seems to have a good beginning in downtown, but it feels like there should be more units in production, especially overlooking the waterfront and parks

FINAL OBSERVATIONS

- Burlington should not look for one “big fix” project, but should embrace the concept of a series of smaller, mutually reinforcing strategies and projects that accomplish the desired goals.
- The city should undertake a retail needs analysis and market feasibility study to truly understand the retail position of downtown and the Church Street Marketplace in relationship to the region. This analysis can also give guidance as to what are the retail needs of the community.
- Based on the above referenced retail analysis, the city could embark on a retail attraction effort that is a year-round process and a public/private partnership.
- Burlington should also consider developing an office attraction and retention strategy and process, based on an understanding of the office market and the demand for new office space in the city and the region.
- It may be time for a public realm upgrade – a concerted effort towards maintenance and replacement of deficient areas – while exploring the expansion of the Church Street Marketplace improvements to other sections of downtown.

- The city should undertake a parking demand/supply analysis and develop an overall parking management strategy for downtown.
- The first wave of new downtown housing seems to have been successful. It may be time to encourage more residential through incentives or leverage city owned properties for housing development. Affordable and workforce housing should always be considered as part of any downtown housing strategy.
- Burlington should continue to build upon the themes of history, authenticity, sense of place and community that you already have and the suburban competitors desperately try to recreate.
- I was impressed with the amount of restaurants and quality retail in downtown Burlington, especially along the Church Street Marketplace. Many cities would love to have the special environment that you have created along the four blocks of Church Street. But the success of downtown and Church Street will be dependant on constant monitoring and evaluation to stay ahead of the trends; an analysis of your retail market to see what the “gaps” are and identify the best retailers to fill those gaps; constantly marketing downtown Burlington and Church Street as a citywide and regional asset; managing the public realm so that it is always in “best in class” condition; adding new housing which adds new users and builds a constituency; and exploring ways to expand your hospitality/tourism base.