

Supporting Retail Development in New York City Commercial Districts

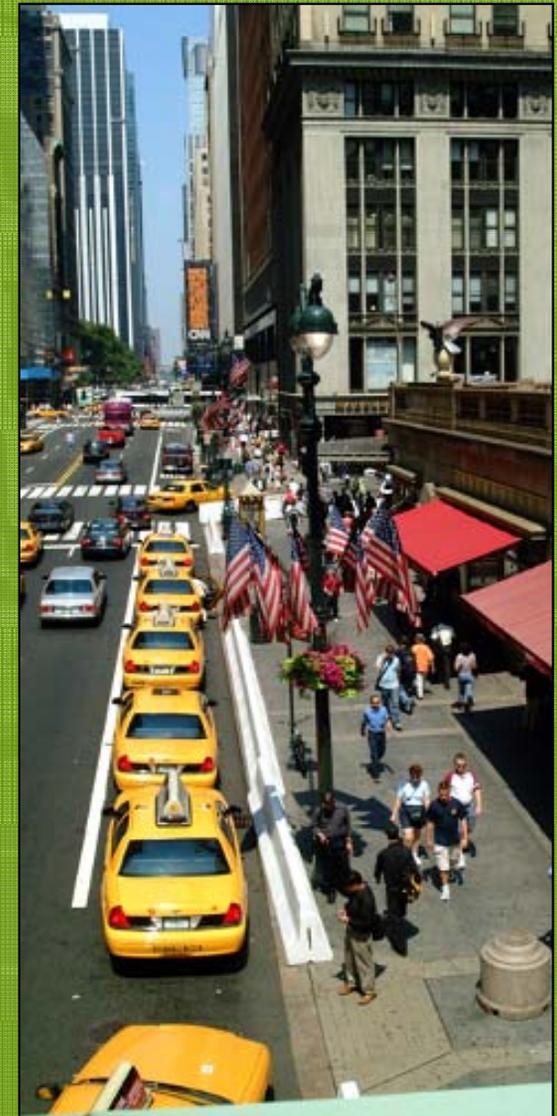
Federal Reserve Bank of Kansas City

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Agenda

- Barriers to Retail Development and Revitalization
- Two Examples of Local Government Responses
 - Avenue NYC Program
 - Business Improvement District (BID) Program
- Keys to Sustaining Commercial Revitalization Efforts



Barriers to Retail Development and Revitalization

What prevents retailers from locating in underserved, low- to moderate-income urban commercial districts?

- Crime / Perceptions of Crime
- Lack of Adequate Development Sites
- Weak Market Demand (Perceived or Real)
- High Costs of Development and Operations
- Inadequate Parking / Transportation Access
- Lack of Compatible Cotenants*

How can local government work with communities to address these issues and strengthen neighborhood retail markets?



*Sources: International Council of Shopping Centers (ICSC), *Developing Successful Retail in Underserved Urban Markets* (2004); Chapple, Karen and Rick Jacobus, "Retail Trade as a Route to Neighborhood Revitalization," *Urban and Regional Policy and Its Effects*, Brookings Institution (2009)

Avenue NYC Program



Objective

Foster a climate in which local businesses can thrive and residents enjoy access to a vibrant mix of goods and services

Approach

Leverage federal Community Development Block Grant (CDBG) funds to support local nonprofit economic development corporations' commercial revitalization projects in the corridors they serve



Avenue NYC

Funding

Avenue NYC funding provides organizations with the resources and oversight needed to carry out impactful commercial revitalization projects in the corridors they serve

Technical Assistance

Avenue NYC partnerships with service providers and consultants offer organizations access to training and expertise at no cost

Peer Learning

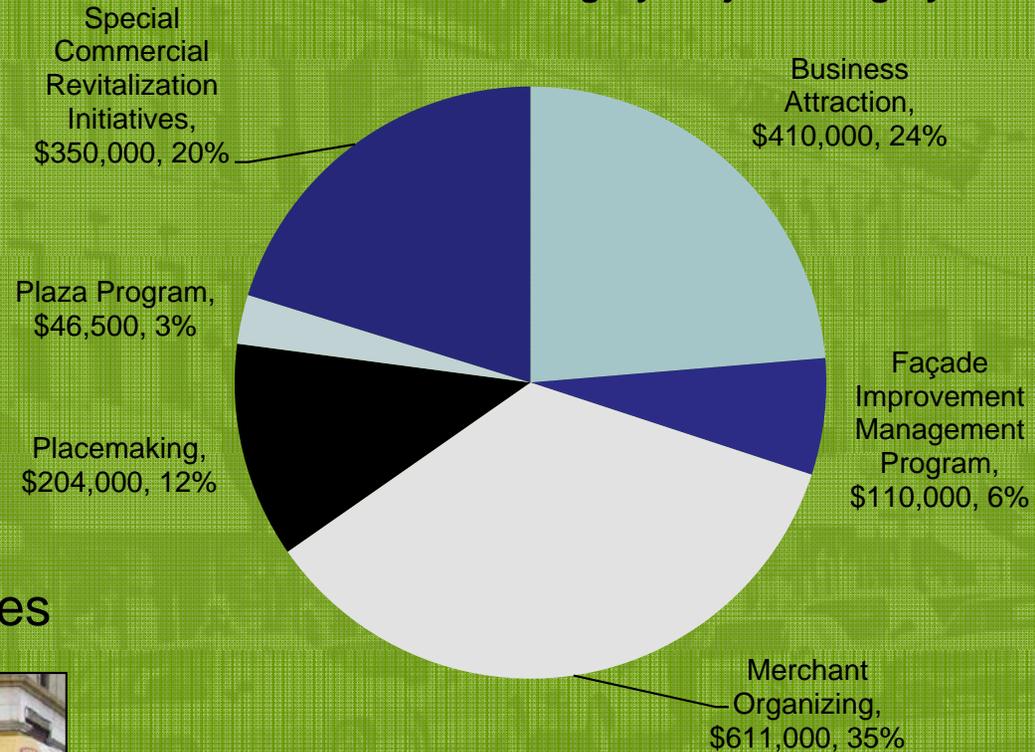
Avenue NYC project cohorts and group workshops provide forums for leaders and program staff to exchange ideas and establish productive working relationships

Avenue NYC-Funded Projects

This year Avenue NYC is investing \$1.7 million in 48 community-based organizations to carry out 75 commercial revitalization projects:

- Business Attraction
- Façade Improvement Management
- Merchant Organizing
- Placemaking
- Special Commercial Revitalization Initiatives

FY2011 Avenue NYC Funding By Project Category



Avenue NYC Program Management

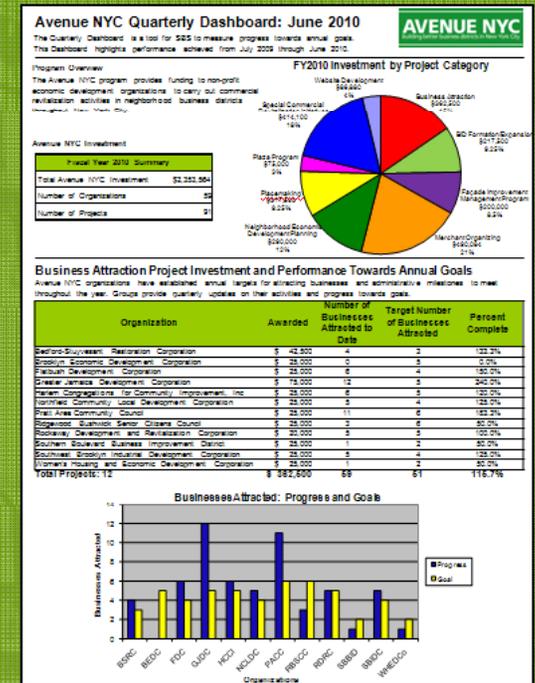


SBS staff works one-on-one with each Avenue NYC-funded organization to:

- Establish performance goals
- Monitor progress toward those goals
- Connect organizations with other resources to support their commercial revitalization programming

SBS provides a suite of capacity building programs and services to strengthen partner organizations:

- Group training workshops
- One-on-one technical assistance
- Low-cost technology solutions
- Access to low-cost legal assistance



Case Study: Pratt Area Community Council (PACC)



Project Specifics:

- PACC serves a 20-block stretch of Fulton Street in the Fort Greene/Clinton Hill neighborhood of Brooklyn and was facing a 23% vacancy rate.
- The organization sought to leverage its relationships with local property owners and State allocation of façade improvement capital dollars to attract new businesses to the district
- PACC also organized and hosted a series of “Roll Up the Gates” events which connected local entrepreneurs with property owners with available vacant space

Avenue NYC Investments:

- **\$45,000** in FY2009 (Business Attraction and Façade Improvement Management)
- **\$50,000** in FY2010 (Business Attraction and Façade Improvement Management)

Other City Investments:

- **\$75,000** in FY2008-9 for a LISC MetroEdge Market Study of the neighborhood

Results:

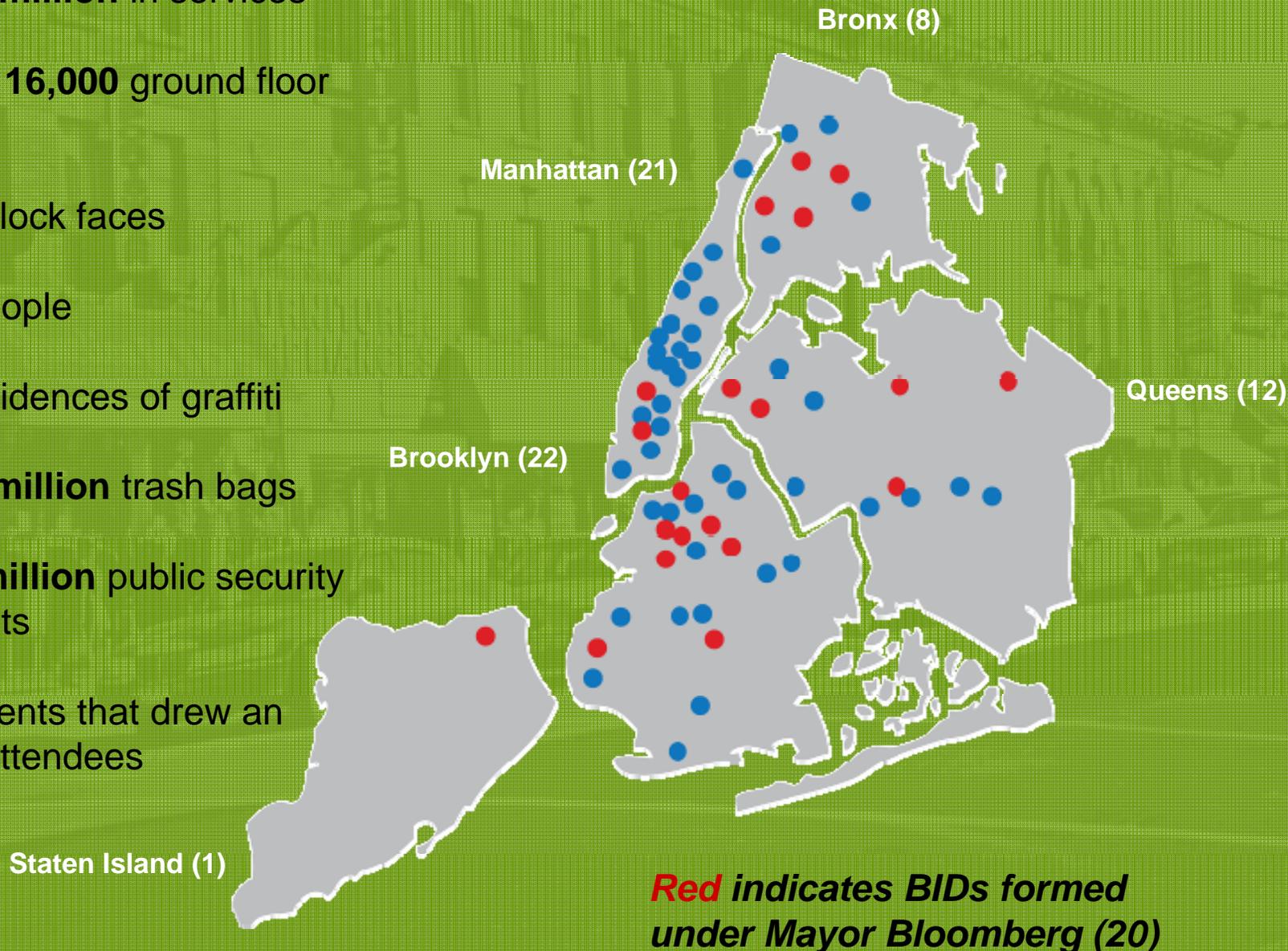
Over the course of two years, the organization was able to:

- Attract a total of **19 new businesses** to the commercial district
- **Reduce the vacancy rate** by 9 percentage points to **14%** (down from 23%)
- Share its strategies for retail attraction with other Avenue NYC-funded organizations



Last year New York City's 64 BIDs...

- Invested nearly **\$98 million** in services
- Provided services to **16,000** ground floor businesses
- Served **3,100+** city block faces
- Employed **1,200+** people
- Removed **55,000** incidences of graffiti
- Collected over **2.55 million** trash bags
- Recorded over **1.2 million** public security and assistance incidents
- Held **1,173** public events that drew an estimated **13 million** attendees



The Role of SBS: BID Formation and Beyond

Through a team of dedicated staff, SBS plays an active role in shepherding business and property owners through the BID formation process:

- Planning
- Community Outreach
- Legislative Authorization (City Council and Mayoral Approval)

Once a BID is formed and signed into law, SBS' District Development staff works with the BID to:

- Represent the Mayor as a voting member of BID Board
- Manage BID contract and ensure compliance
- Ensure adherence to BID by-laws and governance best practices
- Provide one-on-one assistance in resolving issues affecting the district



Keys to Sustaining Commercial Revitalization Efforts

- Dedicated staff working one-on-one with local community-based organizations
- Sharp focus on performance outcomes in all contracts
- Creation of organizational infrastructure for intensive program management
- Commitment to building the capacity of local non-profit organizations
 - Opportunities for groups to convene and share best (and worst) practices to learn from each other
 - Provision of non-profit management training and one-on-one technical assistance
- Innovation and willingness to leverage existing funding to pilot new initiatives



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