TOWN OF BEDFORD

BEDFORD, MASSACHUSETTS 01730

www.bedfordma.gov

Richard T. Reed, *Town Manager*

Town Hall
Bedford, MA 01730
781-275-1111

November 30, 2016

Sean Cronin
Senior Deputy Commissioner
Division of Local Services
Department of Revenue
P 0 Box 9569
Boston MA 02114

Re: Great Road Market Study

Sean
Dear Mr. ~~Cronin~~:

Per the guidance of Juan Vega of the Executive Office of Housing and Economic Development, please be advised that the Town of Bedford has completed the Great Road Market Study with the assistance of Economic Development consultant, Fine Point Associates. We have enclosed a hardcopy report for your records.

This project provided a comprehensive and detailed assessment of Bedford's main commercial corridor and provided important economic data highlighting business strengths of the corridor as well as the identification of future opportunities to pursue to maintain the vibrancy of the corridor. The report has already been presented to a Working Group comprised of staff and community representatives from the Bedford Selectmen, Planning Board, and Chamber of Commerce.

Staff has planned a presentation and joint meeting of the Selectmen and Planning Board for December 6, 2016 to review and discuss the report. The report will be helpful for the Boards to utilize and guide them in developing priorities and zoning recommendations for the Great Road over the next two years.

Very truly yours,

Rick

Richard T. Reed
Town Manager

Encl.

Great Road Commercial Corridor

Business District Assessment & Market Analysis





Prepared for: Town of Bedford
Alyssa Sandoval, Economic Development Coordinator

In Collaboration with: The Great Road Working Group

December, 2016

Prepared by: FinePoint Associates, www.FinePointAssociates.com
Peg Barringer, Project Director

FinePoint Associates LLC

Acknowledgements

This project was conducted by FinePoint Associates, Peg Barringer, Project Director, in collaboration with the Bedford Great Road Working Group, comprised of Town Staff and community representatives.

Funding support was provided by the **Massachusetts Community Compact Initiative.**

Special thanks to **Alyssa Sandoval, Economic Development Coordinator**, for guidance, support, insights and data collection provided throughout this project.

Great Road Working Group

Jeff Cohen, Planning Board
Amy Lloyd, Planning Board
Catherine Perry, Planner
Richard Reed, Town Manager
Alyssa Sandoval, Economic Development Coordinator
Adam Schwartz, Bedford Chamber of Commerce
Mark Siegenthaler, Bedford Selectman

Thank you to the real estate professionals that provided information and expert opinions, and the 26 business representatives that graciously agreed to be interviewed.

And, thank you to to the over 900 community residents and area employees that responded to the Consumer Preferences Survey.

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FinePoint Associates LLC

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Definitions of Terms

Triple Net Lease: agreement where the tenant agrees to pay real estate taxes, building insurance, and maintenance.

Modified Gross Lease: agreement where the tenant agrees to pay some expenses (e.g., real estate taxes, building insurance, and maintenance).

Vacancy Rate: percentage of total square feet not currently occupied.

Primary Trade Area, Secondary Trade Area: The term retail trade area refers to the geographic area from which a retail entity generates its sales. The primary trade area for a commercial center such as a downtown, business district or shopping plaza, is the area from which most of the steady, repeat business is derived (typically, where 65-80% of the total sales are generated). The secondary trade area is the area beyond that represents a further 10 – 20% of sales.

Limited Service Restaurants: establishments primarily engaged in providing food services where patrons generally order or select items and pay before eating.

Full Service Restaurant: establishments primarily engaged in providing food services to patrons who order and are served while seated (i.e., waiter/waitress service) and pay after eating.

Drinking Places: establishments primarily engaged in preparing and serving alcoholic beverages for immediate consumption.

Home Center: establishments primarily engaged in retailing a general line of home repair and improvement and lawn and garden materials and supplies, with no one merchandise line predominating. (e.g., Home Depot, Lowe's)

Project Scope, Purpose and Study Area

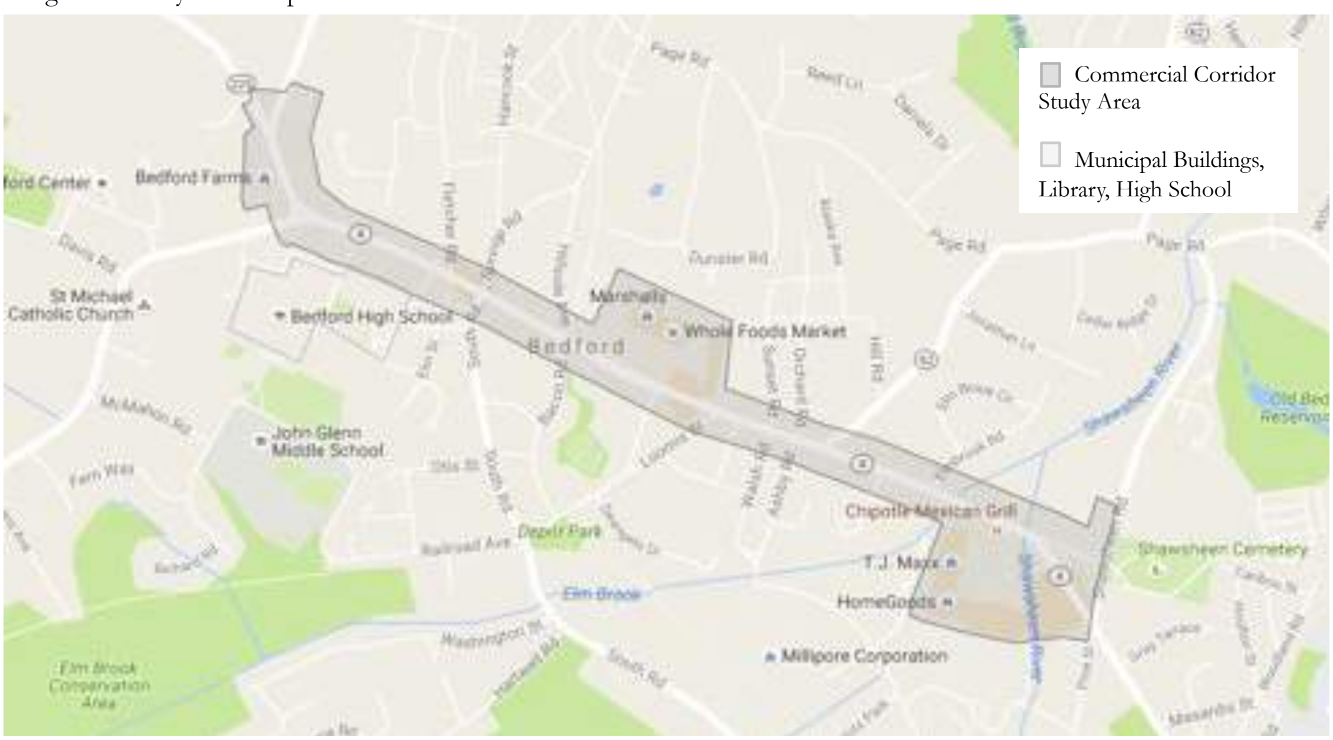
Purpose: To conduct a business district assessment and market analysis for the Great Road Commercial Corridor that will help to inform future revitalization activities and potential re-zoning efforts.

Scope: To work collaboratively with community representatives to 1) assess business and real estate conditions and analyze the commercial mix, 2) conduct a retail market study, identify market segments, analyze trade area demographics, expenditures and sales leakage, 3) design a consumer preference survey and analyze results, and 4) summarize findings and suggestions for consideration.

Study Area: The Great Road Corridor is located in the Town of Bedford approximately 15 miles northwest of Boston. The Corridor is easily accessed 1.5 miles off Rt. 95 via Rt. 4 and 2 miles off Rt. 3 via Rt. 62. Bedford is surrounded by the towns of Burlington, Lexington, Concord, Carlisle and Billerica. The Corridor extends along Rt. 4 approximately 1.5 miles from Shawsheen Road to the intersection of Carlisle Road.

Figure 1. Regional Context

Figure 2. Study Area Map



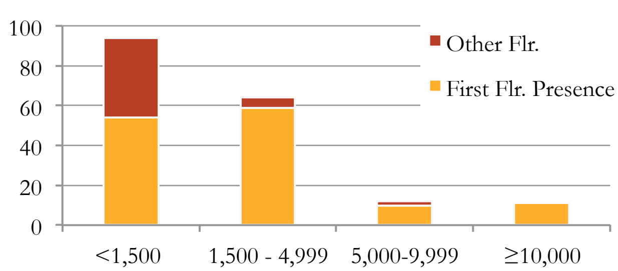
Part I. Business District Profile: Real Estate, Business Conditions & Commercial Mix

A. Real Estate Overview

Note: This analysis is based upon a business and property inventory developed with information provided by the Town's Economic Development Department and primary data collection conducted by FinePoint Associates. The square footage data pertaining to businesses and commercial units is an estimate of Gross Leasable Area obtained from a variety of sources and should be considered approximations. Information may be less complete for businesses not located on the first floor due to difficulty obtaining data.

- In total, the Great Road Corridor contains 678,571 s.f. of commercial space "under roof". To put this in perspective, this is about one-half the size of the Burlington Mall. Approximately 83% of the commercial space is located on the first floor.
- There are 181 commercial units within the district; 134 have a first floor presence and 47 are located entirely on other floors. Median unit size is 1,328 s.f.
- At the time of the inventory (August, 2016), approximately 7% of the total commercial space was vacant (representing a mix of retail and office space). The vacancy rate for only space with a first floor presence (presumably retail) was 4%. *(Note: vacancy rates fluctuate and can change quickly.)* Nationally, shopping center vacancy is 7.6%, down from 8.1% from the previous year, and the vacancy rate for Boston stands at 3.8% (according to Cushman and Wakefield 2016 Q2 Report).
- The Great Road Corridor has two concentrations of vacant space, along with a few scattered single sites.
  - Several newly developed vacant retail units at the Marketplace Shopping Center (152 – 170 Great Rd.), which has been undergoing major renovation
  - Several vacant office space units (renovated and build-to-suit) at Emerson Place (41-55 North Rd.)

Figure 3. Commercial Units by Size (s.f.)



Configuration and Nodes

- The commercial district is largely an auto-oriented corridor with free-standing businesses and several shopping plazas along the 1.5 mile stretch. It is comprised of three commercial nodes.

Figure 4. Commercial Nodes

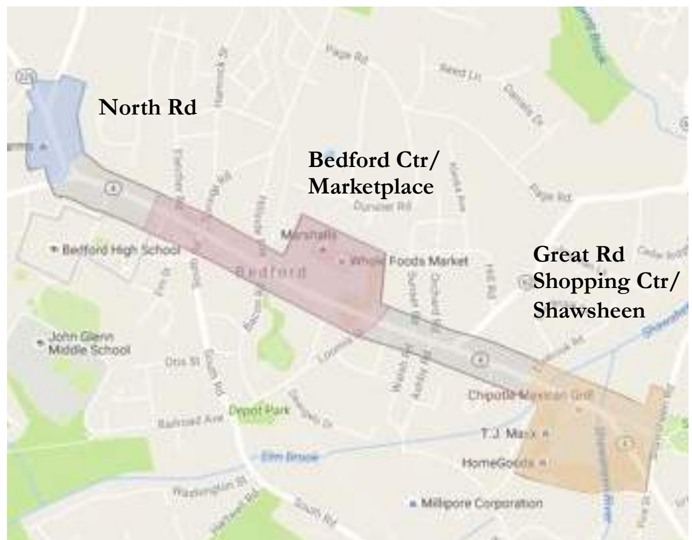


Table 1. Units & Establishments by Sub Area

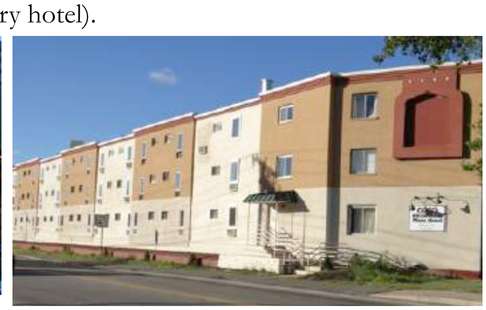
	Commercial Units				Estabs.
	Total s.f.	#	Avg. s.f.	Median s.f.	#
North Rd	106,540	33	3,228	900	27
Bedford Ctr/ Marketplace	239,771	93	2,578	1,300	83
Great Rd Shopping Ctr/ Shawsheen	332,260	55	6,041	1,500	53
All	678,571	181	3,749	1,328	162

- **North Road Node** – has the smallest number of businesses and is the least pedestrian-oriented. This node contains Bedford Farms, a very well-known ice cream shop, Emerson Place, a large property with many recently renovated medical office suites, a small plaza, small motel and free standing auto sales, gas, tire shop, appliance store and other businesses.


- **Bedford Center/Marketplace Node**– the most central and walkable node, contains the largest number of businesses, situated along Great Road and in 3 shopping plazas (the largest and newly renovated Marketplace, anchored by Whole Foods, Marshalls and Learning Express Store with Activity Center), 200 Great Road, a retail and office plaza and Blue Ribbon Plaza, containing Starbucks). The northern end of this node contains the Town Common and is the area that is the closest in atmosphere to a village center.



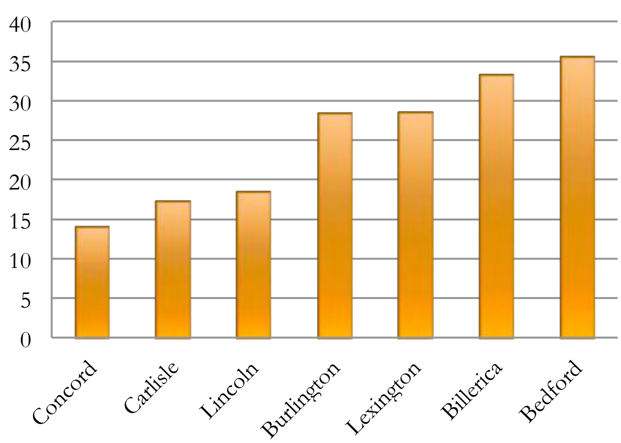
- **Great Road Shopping Center/Shawsheen Node**– contains Great Road Shopping Center (anchored by Stop & Shop, Home Goods, TJ Maxx, and Ocean State Job Lot), 363 Great Road Village (a retail and office plaza), some free-standing fast food and auto businesses, and the Bedford Plaza Hotel (a 99-room, 3-story hotel).

Commercial Tax Rate

- The tax rate for commercial property in Bedford is $35.50 per $1,000 in valuation. Bedford has chosen a 1.75 shift to commercial property to offset residential tax burden. A simple comparison of tax rates among communities is difficult because the services included varies significantly from town to town. With that caveat in mind, compared to the surrounding communities, Bedford's commercial tax rate is fairly close to Billerica (within 7%), 25-26% higher than Lexington and Burlington, and 93% - 155% higher than Lincoln, Carlisle and Concord. During the business interviews that we conducted, taxes were not mentioned as a disadvantage of a business location in the Great Road Corridor (many of the tenants are on triple net leases which means they pay their portion of the real estate taxes as well as other expenses).

Figure 5. Commercial Tax Rate Analysis



Commercial Leasing Environment

- We contacted several real estate professionals and reviewed local property listings to get an understanding of the leasing environment. It appears that commercial lease rates in corridor for new/renovated first floor commercial space situated in shopping centers is $35-$45 per square foot (triple net lease) for the spaces closest to the road with highest visibility and $25 - $30 for spaces set further back. Rent for less prime spaces along the corridor in converted residential properties and other small buildings is significantly less ($15 - $25 for first floor space). Renovated office space in upper floors appears to be available for approximately $20 per square foot, with a modified gross lease.
- When we asked real estate professionals about recent trends, we heard . . . .
  - It seems there is an upward and upscale trajectory. Bedford has become a more desirable location with more shopping and dining options.
  - There has been increasing demand for space. The brokers receive many inquiries about availability, especially from food-related enterprises. One broker expressed there was demand for food businesses, convenience retail and medical uses. Another broker indicated that the demand was high for food and services but much less for retail.
  - Both shopping centers have recently received new tenants. The amount of businesses and depth, especially in the restaurant category, has increased.
- When we asked real estate professionals about obstacles to leasing space, we heard . . . .
  - There is concern that traffic congestion on Great Road result in restricting uses that would otherwise want to locate along the corridor.

B. Establishment Characteristics

- The Great Road Corridor is home to approximately 162 establishments including retail, restaurants, banks, services, contractors, etc. *(Note: There is a complex of municipal buildings adjacent to the corridor on Mudge Way (Town Hall, Library, Police, High School, Town Center Building, etc.) that have not been included in the inventory.*
- Most of the establishments are small with the median size at around 1,300 s.f., however, the business district also contains several large establishments.

Over 50,000 s.f.
Bedford Plaza Hotel
Super Stop and Shop

20,000 – 49,999 s.f.
Whole Foods Market
HomeGoods
Ocean State Job Lot
Marshall's
TJ Maxx

10,000 – 19,999 s.f.
Minuteman Volkwagen
Ace Hardware
CVS

5,000 – 9,999 s.f.
Sullivan's Tire and Auto Service
Gas Station/Dunkin Donuts
Learning Express Toys/Activity Center
The Paper Store
Chestnut Dental
Bedford Funeral Home
Red Heat Tavern
Lincoln Liquors
Bedford Car Wash

Table 2.

Commercial Establishment Type	#	S.F.
Retail	**35**	**303,653**
Motor Vehicle & Parts	3	30,284
Furniture & Furnishings	3	28,685
Electronics & Appliances	2	4,630
Building Mat. & Garden Equip	3	14,848
Food & Beverage Stores	5	114,370
Health & Personal Care Stores	2	11,832
Gasoline Stations	4	13,989
Clothing and Accessories	2	1,860
Sporting Goods, Hobby, Books	2	9,210
General Merchandise Stores	3	60,050
Misc. Retail Stores	6	13,895
Eating, Drinking & Lodging	**31**	**183,305**
Arts, Entertainment & Recreation	5	4,446
Accommodation	2	119,312
Eating and Drinking Places	24	59,547
Services	**81**	**121,422**
Finance & Insurance	16	32,348
Real Estate and Rental/Leasing	3	3,400
Professional, Scientific & Tech.	11	11,900
Educational Services	2	4,600
Health Care & Social Assist.	22	29,110
Repair & Maintenance	4	8,434
Personal Care & Laundry	23	31,630
Other	**15**	**20,065**
Agric., Forest, Fishing, Mining	0	-
Util., Const., Mfg., Wholesale	5	7,200
Transport, Postal & Warehouse	2	1,250
Information	7	6,715
Admin./Sup. & Waste Mgmt	1	4,900
Total Establishments	**162**	**628,445**
Vacant Commercial Units	**19**	**50,126**
TOTAL Commercial Units and Space	**181**	**678,571**

- Most business establishments (64%) in the Great Road Corridor are independently-owned, single location businesses. 35% are chains and franchises including 15% national multi-location businesses (e.g., CVS, Chipotle, Marshalls, The Paper Store, Whole Foods), 13% regional/local chains (e.g., Ocean State Job Lot, Pet Life, Stop & Shop) and 8% franchises (e.g., Dunkin Donuts, Subway, D'Angelo's). 1% are public entities/nonprofits.
- Close to one-half of the establishments are open after 6 pm (at least 1 night or more per week). Business hours vary among the establishments, even among businesses located in shopping centers. Most of the large retailers are open 7 days per week with slightly shorter hours on Sunday. Several of the salons and smaller service businesses are closed on Mondays.
- Most of the businesses have at least some online presence and are discoverable through a Google search by category.

Figure 6. Ownership Characteristics

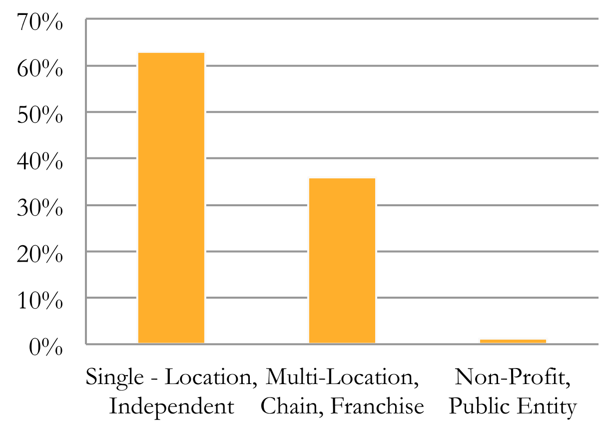
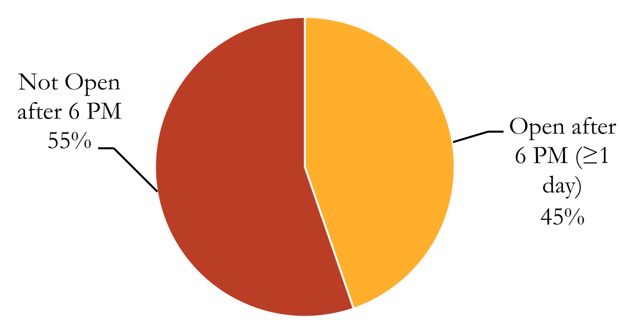


Figure 7. Operating Hours



C. Business Interviews – Customers, Sales Trends, Location Advantages & Disadvantages

- Interviews were conducted with business representatives to get information about their market draw, operating characteristics, and sales trends as well as their views on locational advantages and disadvantages. This survey is representative of tenants under 10,000 s.f. We did not include any of the large anchor tenants (Whole Foods, TJ Maxx, Home Goods, Stop & Shop, Ocean State Job Lot) due to the difficulty of getting a representative respondent given corporate management structures. We interviewed 26 businesses (33% retailers, 33% restaurants, recreation, lodging, 30% service providers and 4% other)

- 35% of the businesses interviewed have been in operation at a Great Road Corridor location for more than 20 years while 19% have been in operation for 10 to 19 years and 46% for less than 10 years.

- Daily customer count varies widely among the businesses interviewed (and also varies from day to day). The chain restaurants and a long time local eatery reported average daily customer counts ranging from 301 to 500. Most local independent restaurants and convenience goods retailers reported 101 to 300. Busy service providers and medium-size retailers reported 51 to 100 customers while service providers with less foot traffic (e.g., banks and some personal services) along with small retailers (e.g., furnishings, appliance, jewelry) reported counts of under 30.

- Approximately three-quarters of the businesses indicated that sales had increased or stayed the same over the last 3 years while one-quarter reported that sales had declined. 43% of the businesses indicated a positive sales trend.

Figure 8. Years in Operation

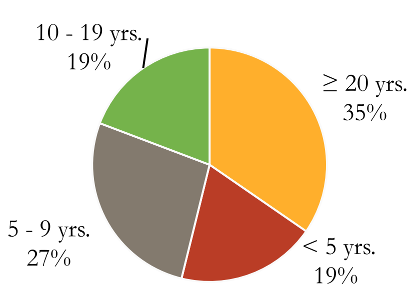


Figure 9. Average Daily Customers

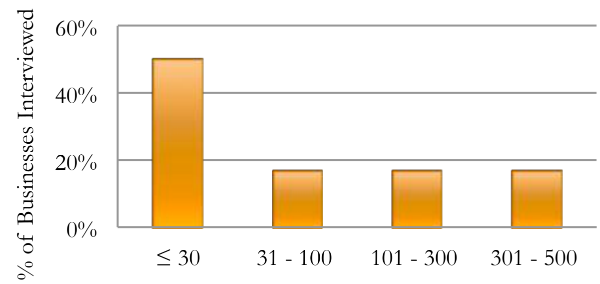
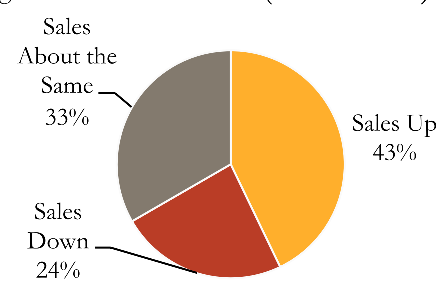


Figure 10. Sales Trends (Last 3 Years)



- Several businesses cited the following Advantages of a business location within the Great Road Corridor . . .
  - Easy access from 128
  - Lots of traffic, "main drag", people passing through from other communities
  - High visibility for business
  - Location close to Lexington
  - Opportunity for crossover patronage from other nearby businesses

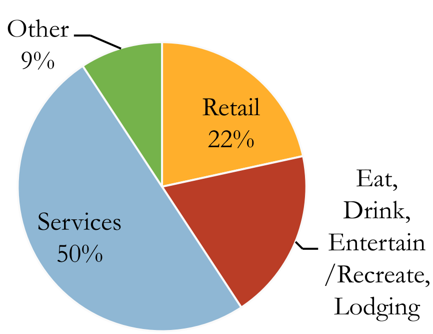
- Several businesses cited the following Disadvantages . . .
  - Traffic congestion, especially certain times of day, resulting in customers avoiding the area
  - Restrictive sign regulations prevent visibility for business (e.g., sign process difficult, size regulations, can't get name added to shopping center sign, would like to be able to have lighting for sign, want to be able to have "open" sign)
  - Inadequate parking, signage about available parking
  - Too many chains/franchises, and too many of the same kind, would like more independent businesses and more variety (fewer banks, nail salons)
  - North Road Node is not friendly for pedestrians/ bikes, no cross walk, unsafe for walking customers, especially for large number walking from school to Dunkin Donuts, Bedford Farms & Callahan's Karate

D. Business District Composition Assessment

- 50% of the establishments in the commercial district are services, 22% are retailers, 19% are restaurants and 9% other.
- The most represented industry subsectors (based on the number of establishments include: 1) Eating & Drinking Places, 2)Personal Care & Laundry, 3) Health Care & Social Assistance, 4) Finance & Insurance, and 5) Professional, Scientific & Technical
- There are several existing business clusters that create crossover and comparative patronage synergy:
  - Eating & Drinking (e.g., 9 full service restaurants, 12 limited service and 3 coffee/snack shops
  - Women's Clothing & Accessories (e.g., TJ Maxx, Marshalls, Wearovers, The Paper Store)
  - Home Furnishing (e.g., Home Goods, Bostonwood)
  - Home Improvement (e.g, Colorworks, Ace, Design 1, Doyon's Appliance, Baudanza Electric)
  - Hair, Skin, Nail & Spa Services

Figure 11. Composition of Uses

By Number of Establishments



By Square Feet

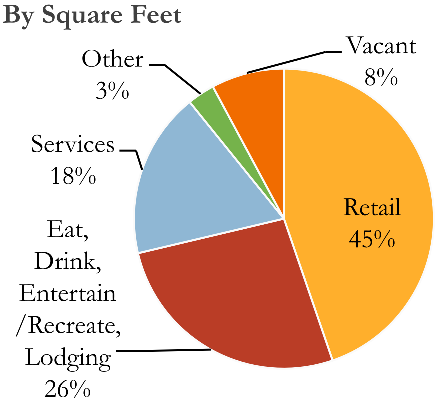
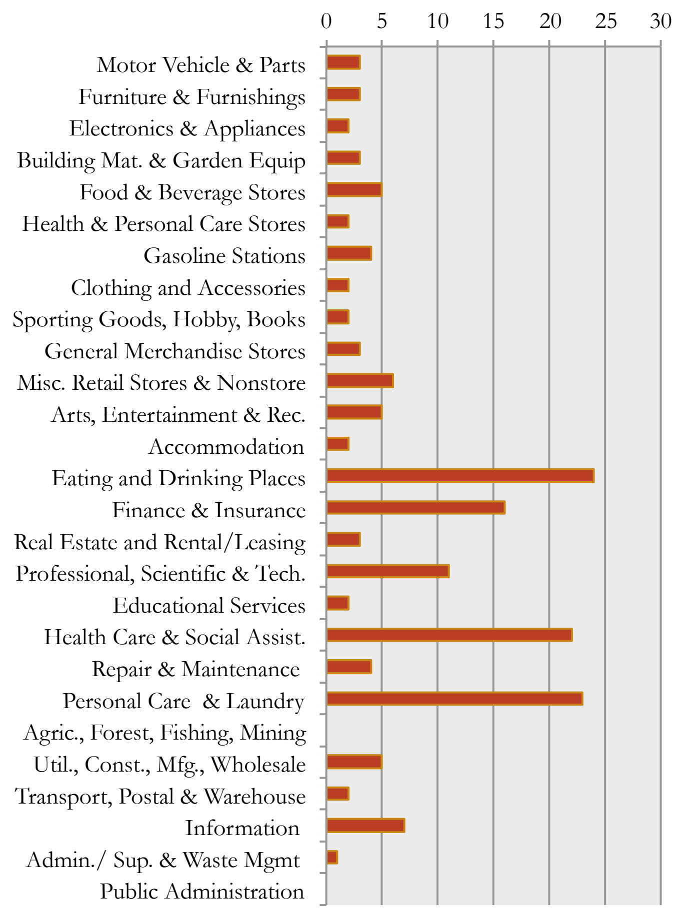


Table 3.

Top Ten Most Frequently Found Establishments

Rank	Industry Subsector	No.
1	Eating and Drinking Places	24
2	Personal Care & Laundry	23
3	Health Care & Social Assistance	22
4	Finance & Insurance	16
5	Professional, Scientific & Tech.	11
6	Information (data processing, communication)	7
7	Misc. Retail	6
8	Food & Beverage Stores	5
9	Arts, Entertainment & Recreation	5
10	Util., Const., Mfg., Wholesale	5

Figure 12. **Commercial District Business Mix**



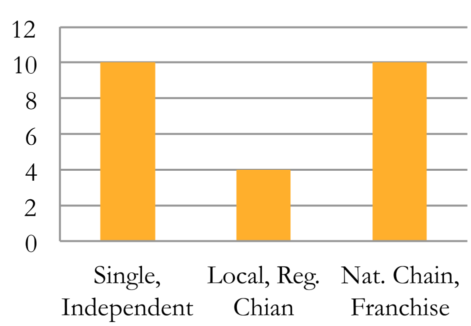
Retail Establishments

- The Commercial Corridor is home to 35 retail establishments.
- Some of the major retail destination anchor stores include Marshalls, Home Goods, TJ Maxx, Ocean State Job Lot and Whole Foods. The specific TJ Maxx, Home Goods and Marshalls stores located in Bedford are considered to be some of the best merchandized outlets within the chain and as a result, likely have wider than average customer drawing power (e.g., the Home Goods is known for wider than average selection, TJ Maxx contains a higher end "runway" department).
- To meet everyday needs, there are 2 major supermarkets, 3 liquor stores and a brand name drugstore as well as hardware and paint store.
- For comparison and specialty goods shopping, the Corridor offers 3 discount department stores, 2 home furnishings stores, appliance store, 2 jewelers, 2 florists, a gift shop, music shop, large educational toy shop/children's activity center and a well-merchandized women's clothing consignment shop.
- There are also several auto related retailers (e.g.,Volkswagon dealership, auto parts, tires, gas).

Restaurants, Entertainment & Recreation

- There are 24 eating and drinking places in the business district, ranging from ice cream, coffee shops and quick food to casual full-service dining. 41% are independently owned, single-location establishments, 17% are local or regional chains, and 42% are national chains and franchises. The central Bedford Ctr/Marketplace node contains the largest number of restaurants,
- There are 9 "full service" restaurants that offer table service, including several ethnic restaurants (4 Asian, 2 Indian, 2 Italian), a pub restaurant specializing in fire-grilled offerings and a new restaurant, Pepper's Grille, in the process of opening by Fall 2016. Most of the restaurants provide moderately priced food in a casual setting.

Figure 13. Restaurants by Ownership Type



Restaurants, Entertainment & Recreation (cont'd)

- 12 of the eating places offer more casual dining options and fall into the category of "limited service", meaning that customers order and/or pay at a counter rather than at a table. These restaurants include quick service (e.g. McDonalds), pizza/sub shops (e.g., Steve's House of Pizza, Papa Gino's) and fast casual restaurants (B. Good, Prince Street Café and Bakery, Ken's NY Deli).

- The are 3 snack and beverage bars. Starbucks and Dunkin Donuts are well-known coffee shops specializes in coffee, tea and very light fare with all-day customer traffic. Bedford Farms is a local/regional favorite ice cream stand open year-round a walk-up window (and the oldest business in Bedford, evolving from the original dairy farm).

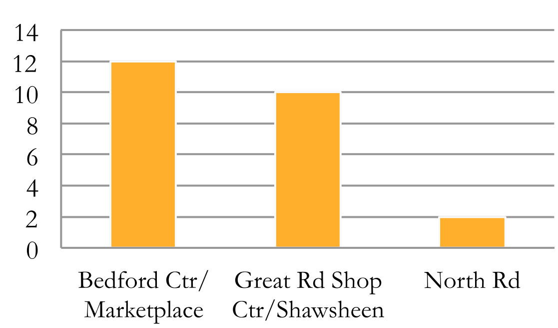
- 11 restaurants serve alcohol. All 9 of the full service restaurants have a full liquor license and 2 of the limited service restaurants serve wine and beer. 2 full service restaurants offer outdoor dining and a few limited service restaurants have outdoor tables. None of the restaurants offer entertainment.

- There are 3 recreation establishments (yoga & fitness related). In addition, there are recreation facilities located in the Town Center municipal complex adjacent to the Commercial Corridor. There are no entertainment establishments located in the Corridor.

Table 4.

Eating & Drinking Establishment Type	#
Full Service Restaurants (with wait staff)	9
Limited Service Restaurants	12
Snack & Non-Alcoholic Beverage Bars	3
Establishments that Serve Alcohols	11

Figure 14. Restaurants by Node



Service Establishments

- There are 81 service establishments in the Corridor including a large array of personal services. In all, there are 23 businesses that offer hair, skin, massage and nail services, 6 dry cleaners/tailoring, and 2 pet care services.
- There is also a large compliment of professional services including 10 banks, 4 insurance agencies, 4 legal offices, 3 real estate companies, 3 financial services and other services.
- 22 establishments offer healthcare services and social assistance services (e.g., dentists, physical therapy, chiropractic services, acupuncture)
- 2 establishments offer educational services, both are karate schools and 4 establishments provide repair services.

Other

- Other establishments include information/telecommunication businesses, contractors, and postal/courier businesses. There are also 2 lodging establishments in the corridor – the Bedford Plaza Hotel and Bedford Motel.

Business Listing by Category

Furnishings & Furniture
Bostonwood
Great Road Gallery and Framing
HomeGoods

Appliances & Electronics
Doyons TV & Appliances Inc.
Verizon

Hardware & Home Improvement
Colorworks
Ace Hardware
Bedford Lock and Key

Food & Beverage
Super Stop and Shop
Bedford Package Store
Fitzgeralds Package Store
Lincoln Liquors
Whole Foods Market

Health Care Stores & Optical Goods
CVS
Bedford Vision Center

Jewelry
Bedford Jewelers
KB Jewelers

Sporting Goods, Hobby, Toy & Game
Learning Express Toys/Activity Center
Leonard's Music

Gen. Merchandise/Department Stores
Marshall's
TJ Maxx
Ocean State Job Lot

Florists & Gifts
Art of Flowers by Bonnie
Bedford Florist
The Paper Store

Used Goods
Corner Antiques
Wearovers (clothing consignment)

Eating & Drinking Places
Asiana Bistro
B.Good Restaurant
Bedford Farms
Bedford House of Roast Beef
Bruegger's Bagels/Jamba Juice
Chipotle Mexican Grill
Comella's Restaurant
D'Angelo's Grilled Sandwiches
Domino's Pizza
Dunkin' Donuts
Ginger Japanese Restaurant
Great Wall Chinese Restaurant
Holi Restaurant
Ken's NY Deli
Ken's Pub
McDonald's
Papa Gino's
Pepper's Grill
Prince Street Café and Bakery
Red Heat Tavern
Starbuck's
Steve's House of Pizza
Subway
Virsa De Punjab

Amusement & Recreation
Get in Shape for Women
Live Long Pilates
Serenity Yoga

Postal Services, Couriers
UPS Store
U.S. Post Office

Banks
Bank of America
Bank of America ATM
Brookline Bank
Cambridge Savings Bank
Citizen's Bank
Hanscom Federal Credit Union
Middlesex Savings Bank
SalemFive Bank
Santander Bank
TD Bank

Insurance
Harold F. Nichols Insurance
Magovern Office Baldwin Insurance
Normland Insurance
Richard A. Egan Insurance Agency

Real Estate
Higgins Group Realtors
Shawsheen Realty
Suzanne and Company Realty

Legal Services
Brown and Brown
Michael Fulton Law Office
Neil F. McCarran Attorney at Law
Robert D'Auria Law Office

Finacial Advice, Investing, Services
H&R Block
Aavishkar Innovations, Inc.
College Funding Advisors

Arch., Engin., Design & Other Prof. Services
Dahlgren Creative
Mary Peacock Photography
Newlex
QEI, Inc.
Seaglex Software

Educational Services
Callahan's Karate
Elite Freestyle Karate

Business Listing by Category

Healthcare Services
American Muscle Care Clinic
Back on Track Physical Therapy
Barbara Crème, LMHC
Bedford Chiropractic
Bedford Dental Arts
Bedford Muscular Therapy
Bedford Orthodontics
Bedford Periodontal & Dental Implant
Chestnut Dental
Dogan Naomi M. Licensed Psychologist
Dr. Beth Douglas, Chiropractor
Great Meadows Dental Group
Jennifer Cecchetti
KLK Associates
Massage Therapy Associates
Qigong Acupuncture
Reliance Dental Care
Robert M. Kennedy DDS
The Moss Group
Well Effect

Social Assistance
Clarendon Family Day Care Inc.
Right at Home

Artists
Clayful Expressions
Martha Shea Smith

Accommodations
Bedford Motel
Bedford Plaza Hotel

Hair, Skin & Nail Services
Aglow Tanning Salon
Barber Shop
Body Temple Massage
Great Clips
Nails and Spa
Organic Nail and Spa
Organix Spa and Salon
ProNails Spa
Salon Elegante
Salon Reyna
Simply Nails and Spa
Simply Natural Nails
Spa and Polish
Supercuts
TL Nail Salon

Dry Cleaning, Laundry & Tailoring
Papazian Tailoring & Alterations
Bedford Cleaners
Great Cleaners
Lapel's Dry Cleaning
Luongo's Cleaners
Top Cleaners

Pet Supplies & Services
Cat Doctor
FetchIt
Pet Life

Gas, Auto Sales, Parts & Services
Minuteman Volkwagen
Bedford Auto Parts
Bedford Car Wash
Gas Station/Dunkin Donuts/Northside Convenience
Gulf/Convenience Store
Jiffy Lube
Shell/Convenience Store
Sullivan's Tire and Auto Service
Sunoco

Funeral Homes
Bedford Funeral Home
Shawsheen Funeral Home

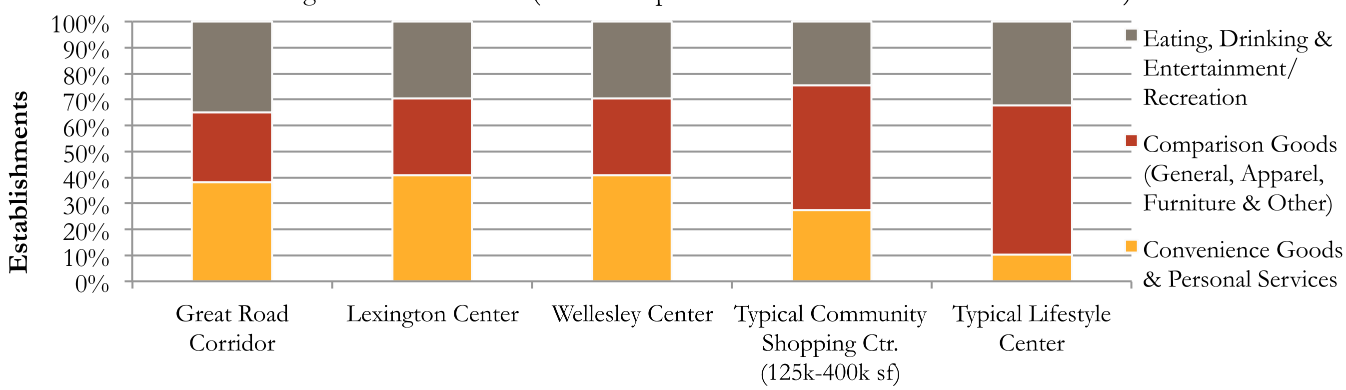
Other
Bedford Mechanical
Argus Construction
Baudanza Electric Company
Bedford TV
Bridge Interface Systems
Builderwire Inc.
Design 1 Kitchen and Bath
Hub Recruiting
Mass Building Solutions
Mead Bros Tree Service
RNK Telecommunications
Technology Expectations, Inc.
Trans Tech
Verdant Networks

E. Comparative Business Mix Analysis

For a community the size of Bedford, there appear to be quite a large and varied mix of retail and services.

The chart below illustrates the business mix in the Great Road Corridor compared to two other town center commercial districts (Lexington and Wellesley) as well as two typical types of single-developer commercial centers. In comparison to all of the other commercial centers, Great Road has a slightly larger proportion of eating and drinking places. In comparison to Typical Community Shopping Centers and Lifestyle Centers, Great Road has a smaller proportion of comparison goods and a larger portion of personal services.

Figure 15. Retail Mix (*excludes professional services and other non-retail)



Compared to Lexington Center and Wellesley Center, a few establishment types that Great Road has in lower supply include:

- Clothing & Accessory Stores (although Great Road contains TJ Maxx and Marshalls which are classified as general merchandise/department stores but contain predominantly clothing)
- Sporting goods, hobby
- Additional educational service businesses, especially for young people (e.g., dance school, tutoring/test prep/ afterschool programs)
- Additional healthcare/medical offices (e.g., chiropractor, acupuncture, physical therapy, psychologist, etc.)
- Additional professional services (e.g., accounting, architecture, web design, photography, etc.)

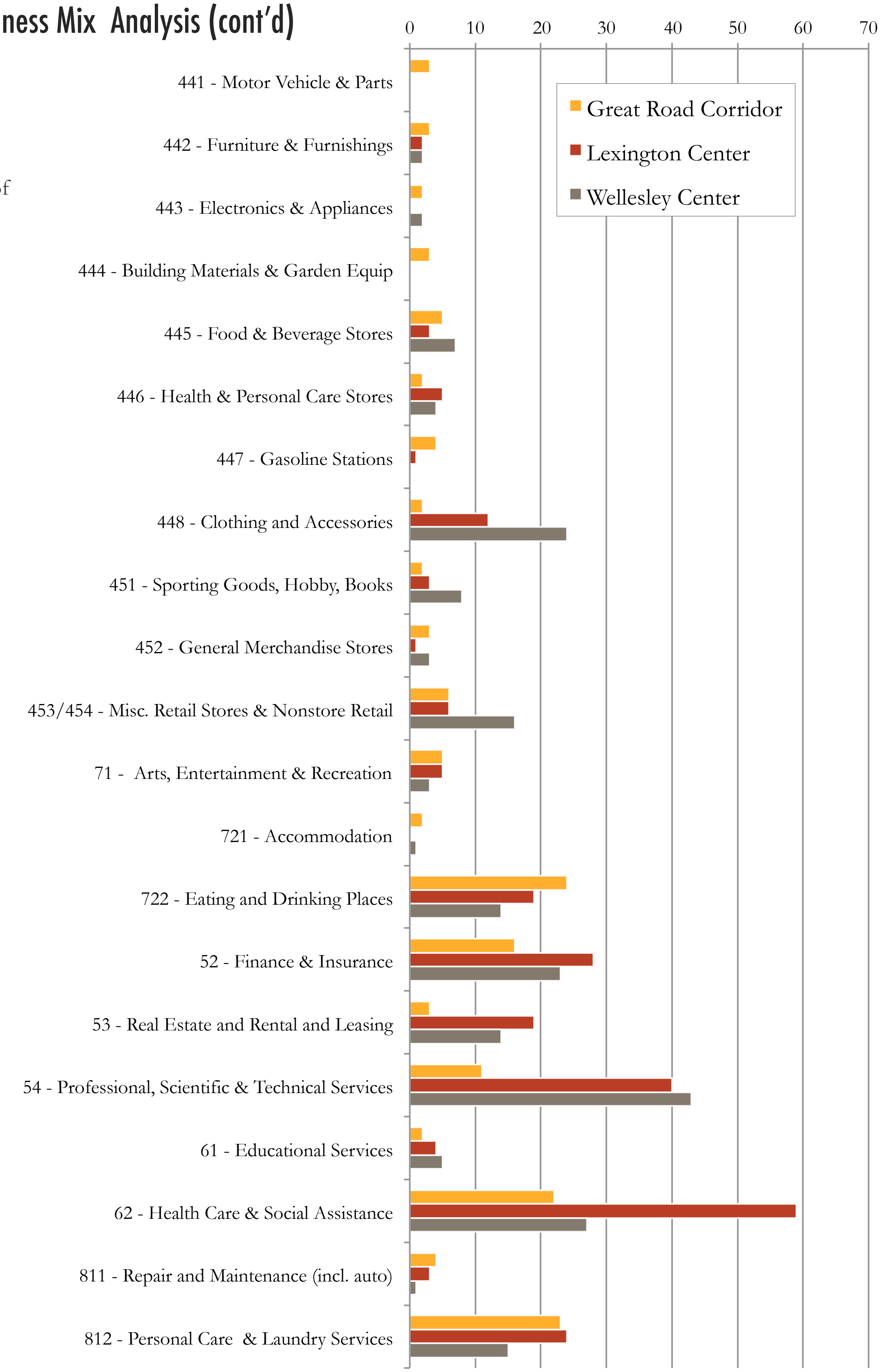
A few other commonly found tenants not present in the Great Road Corridor include:

- Restaurants that offer entertainment such as live music, open mic nights games, etc. (although Red Heat Tavern has recently begun hosting Trivia Nights)
- Fine dining options
- Cosmetics/beauty products store
- Gym/fitness center/YMCA (however, there are two fitness centers located just outside of the study area, Summit Fitness and Boston Sports Club nearby in Lexington)

On the other hand, Great Road has an abundance of restaurants and personal services.

E. Comparative Business Mix Analysis (cont'd)

Figure 16.
Comparison with Other Commercial Centers (Selected Categories by Number of Establishments)



Part II. Market Profile: Understanding the Potential Retail Market

A. Overview of Potential Market Segments

Businesses located in the Great Road Corridor have the opportunity to serve several potential market segments. These market segments include:

1) Residents of the Surrounding Area (primary trade area residents and secondary trade area residents) and
2) Non Resident Market Segments, consisting of
   - Employees of Nearby Businesses (primary segment)
   - Employees and College Students located elsewhere in Bedford (secondary segment)

Residents of the Surrounding Area

The major potential customer base for the Great Road Corridor is the adjacent residential population. The identified **primary trade area** (where most of the repeat business is expected to be derived) is comprised of the Towns of Bedford, Carlisle, Concord, Lexington and the Hanscom Air Force Base. The primary trade area contains approximately 75,153 residents. The **secondary trade area** is identified as a 7-mile radius, containing approximately 236,231 residents. The rationale for the trade area delineation and the demographic and consumer characteristics of the population in each trade area are described in following sections of this report.

Non Resident Market Segments - Employees of Area Businesses and College Students

In addition to the residential customer base, there is a very large daytime population of employees and college students that represent a market opportunity for lunchtime meal purchase as well as other convenience goods and services purchased before and after work or school. The **primary employee market segment** is comprised of the employees that work in very close proximity to the business corridor. This includes the Great Road/Wiggins Avenue Area and the Hanscom Air Force Base. The Great Road/Wiggins Avenue Area has over 4,000 employees and the Hanscom Air Force Base (located in Bedford and Lincoln) has close to 10,000 employees. A **secondary employee and student market** segment is comprised of employees in Bedford not located in the immediate area (estimated over 15,000) and students of Middlesex Community College. A large concentration of employees is located in the Crosby Road/Middlesex Turnpike Area. The Bedford campus of Middlesex Community College is located about 2.5 miles from the Great Road Corridor. More information about the non-resident market segments is presented later in this report.

Note: According to "Municipal Data", Massachusetts Office of Workforce and Labor Development Website, the total 2015 employee count for Bedford is 21,942.

B. Resident Market Segment

1. Trade Area Delineation

Defining the trade area is the first step in determining market potential for a commercial district. Once the trade area is defined, we can quantify the amount of potential customers that live within the area as well as examine their characteristics and purchasing habits to provide a picture of the potential market.

The term retail trade area refers to the geographic area from which a retail entity generates its sales. The primary trade area for a commercial center, such as a downtown, business district or shopping plaza, is the area from which most of the steady, repeat business is derived (typically, where 65-80% of the total sales are generated). A combination of factors determines the size and boundaries of the primary trade area include: travel time and distance for shoppers, travel patterns, location of competing commercial centers, physical barriers that might effect access, socio-economic characteristics, and the size and scope of the commercial center itself. (Generally, the larger the variety, breadth and uniqueness of the merchandise offerings, the greater the distance customers are willing to travel, and therefore, the larger the trade area will be.)

The competing commercial facilities surrounding the Great Road Commercial Corridor are identified in Figure 18 on the following page. (Note that this map is intended to be illustrative of key competitors; not all commercial facilities are shown.) The competition becomes much greater to the east of Route 3 (Burlington) and to the south of Lexington.

After assessing the location of existing commercial facilities, discussing consumers patterns with local business owners and residents and reviewing travel times and circulation routes, it was determined that the likely potential **primary trade area** for the Business District is comprised of the communities of Bedford, Carlisle, Concord, Lexington and the Hanscom Air Force Base (see Figure 19). Only part of the Town of Lincoln (the part that contains the Hanscom Air Force Base) is included in the primary trade area. While the residents of the Hanscom Air Force Base can easily exit the Hartwell Avenue gate and travel the short distance to shop in the Great Road Corridor, access for the rest of the Lincoln residents is more difficult. The Hanscom Air Force Base and Airfield create a trade barrier that Lincoln residents living south of Route 2A must circumvent to travel to the Great Road Corridor, making them more likely to shop in Lexington, Waltham and Concord.

There may also be potential to attract some customers from a **secondary trade area,** the area included within a 7-mile radius (see Figure 19). This secondary trade area was identified because it represents a relatively reasonable travel time to acquire goods and services. However, it is expected that capture rate would be significantly less than in the primary trade area and would depend on the uniqueness and quality of the merchandise or services being offered.

The demographic and consumer characteristics of the population in these trade areas is described throughout the following section.

Sources: The Nielsen Company, U.S. Census, InfoUSA, American Community Survey, Primary Data Collection, FinePointAssociates

Figure 17.
Location of Surrounding Commercial Facilities

Regional Malls large (enclosed mall with apparel, home goods, restaurants, etc.)

- ☑ Burlington Mall
- ☑ Square One Mall
- ☑ Cambridgeside Galleria

Lifestyle Centers (restaurants, entertainment, apparel, home goods, specialty chains, in open-air, town center-like setting, etc.)

- ☑ Market Street

Whole Foods

Marshalls, TJ Maxx, Home Goods

Ocean State Job Lot

3, 5, 7 Mile Radii

*** Note:** This map is intended to be illustrative not exhaustive. All commercial facilities are not shown; the map highlights regional malls and the location of additional establishments belonging to the same chains present in the Great Road Corridor (ie., Whole Foods, Ocean State Job Lot, TJ Maxx, Home Goods, and Marshalls). Commercial competition is more intense to the east and less intense to the west. Burlington, in particular has an abundance of commercial development, Carlisle has very little.

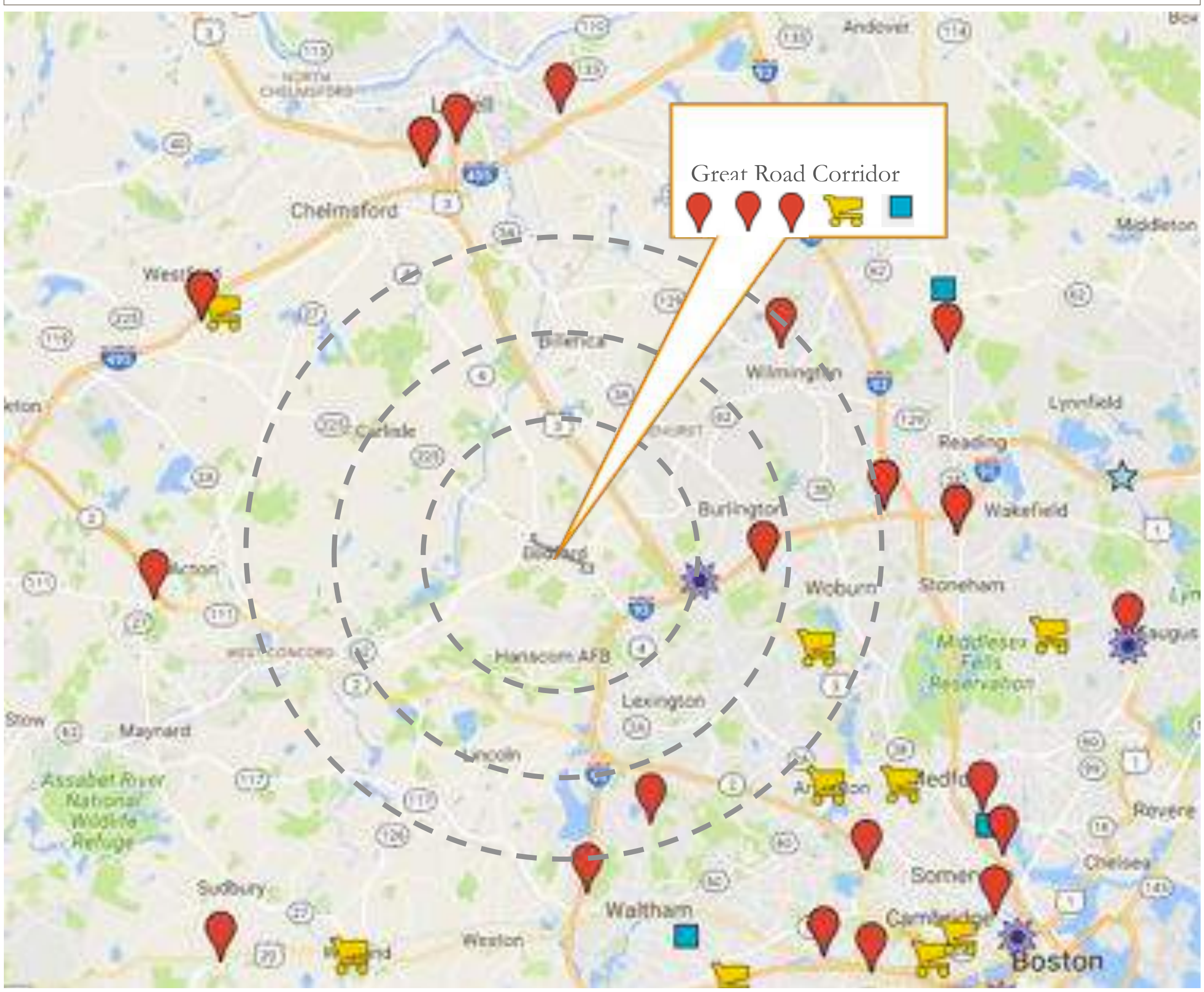


Figure 18.
Zip Code Map

Zip Codes included within Primary Trade Area

01730 Bedford
01731 Hanscom AFB
01741 Carlisle
01742 Concord
02420 Lexington (east)
2421 Lexington (west)

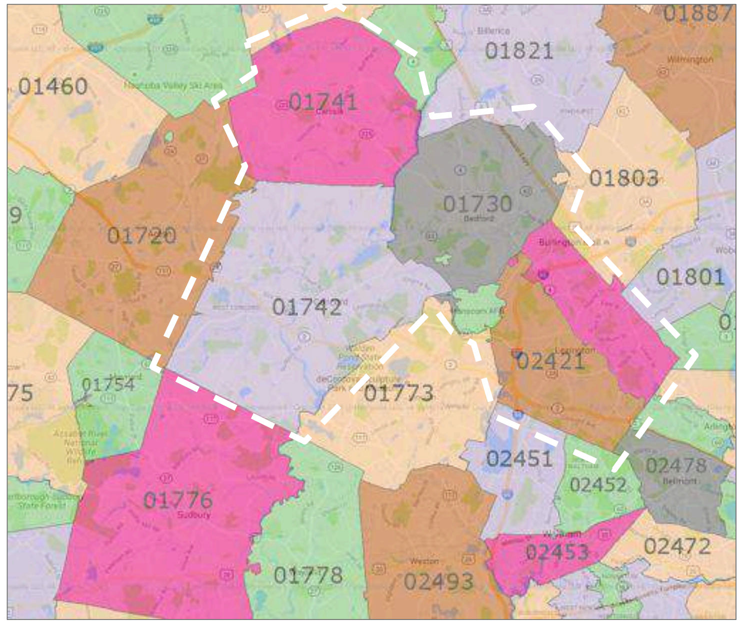
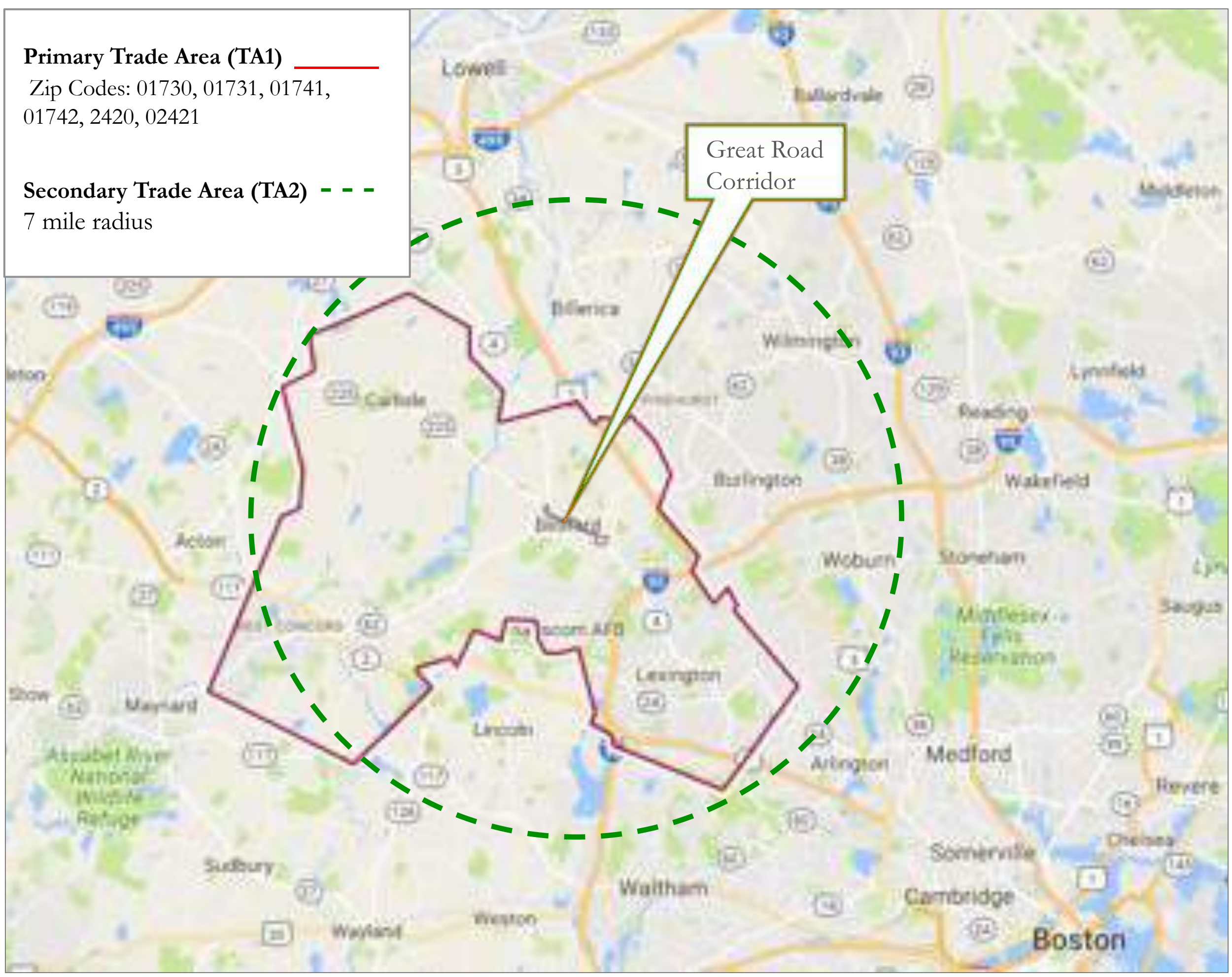


Figure 19.
Trade Areas

Primary Trade Area (TA1)
Zip Codes: 01730, 01731, 01741, 01742, 2420, 02421

Secondary Trade Area (TA2)
7 mile radius



B. Resident Market Segment (cont'd)

2. Trade Area Consumer Characteristics

Primary Trade Area (TA1)

There are approximately 73,153 people living within the primary trade area. The population is predominantly high income, and highly educated. The estimated median household income for 2016 is $137,363, which is close to double the statewide median of $69,807. There is a significant upper income segment – 32% of the households earn over $200,000 per year. Educational attainment is high -- 72% of the population (over the age of 25) has at least a Bachelor's Degree and 43% has a Master's Degree or higher compared statewide rates of 40% and 18% respectively. The population is predominantly White (78%), with a significantly large portion of Asians (15% compared to 6% in MA), and relatively small portion of Black/African Americans (3%) and other races (4%). Only 4% of the population is Hispanic compared to 11% statewide. The most significant cultural/ancestral concentrations are Asian (15%), Irish (12%), Italian (9%) and English (8%) compared to concentration in the United States of 5%, 7%, 4% and 5% respectively.

Compared to Massachusetts overall, the primary trade area population, on average, is older, more likely to be married, have children under 18 in the household, own their home and have a car. The median age is 44.6, about 17% higher than in Massachusetts and 23% higher than in the US. 20% of the population is 65 years of age or older compared to 16% in the state and 15% in the U.S. The population is comprised predominantly of family households (74%), meaning more than one person in the household related by blood or marriage, with an above-average percentage of 2-parent households. 37% of the households contain children under 18, compared to 31% statewide and 34% in the U.S. About 23% of the households contain only one person, compared to 29% statewide. Homeownership is significantly higher; 77% of the occupied homes are owner-occupied compared to 62% statewide. The vast majority of the market has mobile access to a private vehicle for acquiring goods and services. Only a very small portion of households (6%) do not own a vehicle and therefore represent a market segment dependent on public transportation or walking to acquire goods and services. In fact, two-thirds of the households have 2 cars or more.

Projected Growth - The population and the number of households in the primary trade area is expected to grow at a higher rate than rate than Massachusetts overall. According to projections obtained from Nielsen, between 2016 and 2021, the population is expected to grow annually by approximately .99% and the number of households by 1.1%, while the statewide projections are .69% and .76%. These projections are based on data from the American Community Survey (conducted more frequently that the decennial census), data from the U.S. Post Office, new construction data, and the Nielsen Master Address File.

Secondary Trade Area (TA2)

There are approximately 236,231 people living within the secondary trade area. Household income and educational attainment is lower than in the primary trade area but still higher than in Massachusetts overall. The median household income of $108,597 is about 21% lower than the primary trade area but still 55% higher than Massachusetts. In the secondary trade area, 54% of the population (over the age of 25) has at least a Bachelor's Degree, compared to 72% in the primary trade area and 40% statewide. Race and ethnicity is similar in both trade areas, although the secondary trade area has a slightly lower percentage of Asian residents (12%) compared to 15% in the primary trade area and 6% in MA. The annual growth rate between 2016 and 2021 is projected at .95% for population and 1.0% for the number of households, fairly close to the primary trade area projections (.99% and 1.1%) and higher than the statewide projections (.69% and .76%).

A summary presentation of data charts and tables illustrating trade area consumer characteristics, expenditures and sales leakage analysis is presented in Section 4.

Sources: The Nielsen Company, U.S. Census, InfoUSA, American Community Survey, Social Explorer

B. Resident Market Segment(cont'd)

3. Market Demand and Sales Leakage

Market Demand - Trade Area Resident Expenditures

Given the demographic, lifestyle and other consumer characteristics of the trade area population (presented in the previous section), their total annual expenditures for a variety of retail goods and services can be estimated. Table 5 represents the annual retail market demand by category.

Note: These expenditures are currently being made by residents at a variety of locations both inside and outside of the identified trade areas.

Table 5.
Resident Annual Expenditures

	TA1	TA2
Furniture & Home Furnishings Stores-442	$37,843,309	$111,247,433
Furniture Stores-4421	$21,177,089	$61,758,881
Home Furnishing Stores-4422	$16,666,220	$49,488,551
Electronics & Appliances Stores-443	$31,804,453	$95,998,875
Building Material, Garden Equipment Stores -444	$176,597,229	$536,221,974
Building Material & Supply Dealers-4441	$152,378,539	$460,886,871
Lawn/Garden Equipment/Supplies Stores-4442	$24,218,690	$75,335,103
Food & Beverage Stores-445	$194,254,922	$613,449,134
Grocery Stores-4451	$126,102,744	$397,267,773
Specialty Food Stores-4452	$15,843,357	$49,990,268
Beer, Wine & Liquor Stores-4453	$52,308,821	$166,191,093
Health & Personal Care Stores-446	$86,525,793	$259,134,386
Pharmacies & Drug Stores-44611	$68,456,183	$204,981,238
Cosmetics, Beauty Supplies, Perfume Stores-44612	$6,000,658	$17,903,822
Optical Goods Stores-44613	$4,502,791	$13,541,641
Other Health & Personal Care Stores-44619	$7,566,161	$22,707,685
Clothing & Clothing Accessories Stores-448	$81,836,464	$245,769,208
Clothing Stores-4481	$42,594,488	$129,319,801
Shoe Stores-4482	$5,965,966	$18,534,848
Jewelry, Luggage, Leather Goods Stores-4483	$33,276,010	$97,914,558
Sporting Goods, Hobby, Book, Music Stores-451	$31,851,200	$95,152,461
Sporting Goods, Hobby, Musical Instrument Stores-4511	$26,546,384	$80,036,754
Book, Periodical & Music Stores-4512	$5,304,816	$15,115,706
General Merchandise Stores-452	$177,472,127	$547,295,750
Department Stores, Excluding Leased Departments-4521	$78,186,399	$237,650,032
Other General Merchandise Stores-4529	$99,285,728	$309,645,718
Miscellaneous Store Retailers-453	$40,826,010	$128,431,996
Florists-4531	$1,821,833	$5,500,752
Office Supplies, Stationery, Gift Stores-4532	$21,306,621	$65,182,371
Used Merchandise Stores-4533	$3,738,564	$11,118,076
Other Miscellaneous Store Retailers-4539	$13,958,992	$46,630,799
Eating & Drinking Places-722 *(not including special foodservice)*	$169,734,034	$524,017,313
Full-Service Restaurants-7221	$87,035,307	$268,080,397
Limited-Service Eating Places-7222	$75,090,091	$232,697,290
Drinking Places -Alcoholic Beverages-7224	$7,608,636	$23,239,626
Total	**$1,028,745,541**	**$3,156,718,529**

Sources: The Nielsen Company, U.S. Census, InfoUSA, American Community Survey, Social Explorer

B. Resident Market Segment (cont'd)

Sales Leakage Analysis - General

A sales leakage analysis estimates the amount and type of annual purchases that residents are currently making outside of the trade area by comparing the projected resident expenditures with area business sales. If the analysis shows significant leakage, it might point to possible opportunities for new or existing businesses within those categories.

- More than 75,000 residents live within the primary trade area (TA1); these residents spend over $1.03 billion per year at stores and restaurants. Currently, more than $493 million is being spent outside TA1 in selected categories. There is at least some sales leakage in most categories, however, there is no sales leakage in the categories of Drug Stores, Limited Service Restaurants, Home Furnishings, Shoe Stores, Paint & Wallpaper Stores and Florists. The most significant sales leakage is in categories indicated by an asterisk in the table below. For the purposes of this analysis, "most significant" is defined as the categories in which a 60% market capture rate in the trade area would be sufficient to support at least one new business.

- More than 236,000 residents live within the secondary trade area (TA2); these residents spend over $3.16 billion per year at retail stores and restaurants. Currently, more than $774 million is being spent outside TA2 in selected categories. A much smaller market capture would be expected within this secondary trade area, however, depending on the uniqueness of the offering, there may be some opportunity for capturing expenditures especially for specialty retail or services.

Table 6.
Sales Leakage in Selected Categories (millions)

	TA1	TA2
Other General Merchandise Stores-4529	$90.99 *	$208.54
Department Stores excl. Leased Depts-4521	$61.65 *	$22.74
Home Centers-44411	$61.36 *	$153.95
Supermarkets, Groc. (excl. Conv)-44511	$43.66	$33.82
Beer, Wine and Liquor Stores-4453	$39.96 *	$130.20
Full-Service Restaurants-7221	$32.30 *	$12.74
Clothing Stores-4481	$29.52 *	-$49.18
Jewelry Stores-44831	$25.31 *	$65.96
Furniture Stores-4421	$16.83 *	-$0.28
Sporting Goods, Hobby Stores-4511	$13.14 *	$22.74
Specialty Food Stores-4452	$13.04 *	$39.43
Electronics and Appliance Stores-443	$9.52	-$9.53
Other Miscellaneous Store Retailers-4539	$9.30 *	$24.60
Drinking Places- Alcoholic Beverages-7224	$7.47 *	$22.52
Office Supplies and Stationery -45321	$7.25	-$8.44
Gift, Novelty and Souvenir Stores-45322	$7.16 *	$13.76
Hardware Stores-44413	$5.41	-$34.24
Cosmetics, Beauty Supplies-44612	$4.81 *	-$1.48
Book, Periodical and Music Stores-4512	$4.15 *	$4.25
Other Health/Personal Care Stores-44619	$2.59	$9.20
Used Merchandise Stores-4533	$2.48 *	$7.61
Optical Goods Stores-44613	$2.43	$1.23
Convenience Stores-44512	$2.36	-$0.09
Florists-4531	-$0.76	$0.38
Paint and Wallpaper Stores-44412	-$1.16	$0.10
Shoe Stores-4482	-$1.28	-$1.47
Home Furnishing Stores-4422	-$3.19	-$8.94
Limited-Service Eating Places-7222	-$14.26	-$1.03
Pharmacies and Drug Stores-44611	-$61.04	-$125.89

Sales leakage indicates a retail gap and a geographic advantage for new or existing businesses within the trade area (as it indicates that residents are currently traveling outside the trade area to acquire goods and services). However, some caveats should be noted as follows. 1) The potential for businesses to capture this sales leakage would be dependent on their ability to offer comparable quality goods, services and shopping environment to change existing consumer patterns. 2) Some business types (e.g., shoes, clothing, accessories) do best when they are clustered with related businesses that offer comparative and/or crossover options for consumers; therefore if there is no existing similar or related establishments already in the business district to build on, there might be less potential to recruit these types of businesses. 3) Some business categories are experiencing substantial decline in bricks and mortar locations due to intense online sales competition (e.g., bookstores) and therefore it would be less likely to attract new outlets of this type. 4) Although there may be sales leakage in certain categories, there might not be adequate space available or infrastructure (e.g., parking) to support the type of enterprise in the business district (e.g., large department stores, large electronic stores, supermarkets).

Sources: The Nielsen Company, U.S. Census, InfoUSA, American Community Survey

B. Resident Market Segment (cont'd)

Sales Leakage Analysis – Eating and Drinking Places

- Restaurants are typical recruitment targets for business districts and therefore worthy of special attention. Residents within the primary trade area (TA1) spend close to $170 million per year at eating and drinking places while residents living within the secondary trade area (TA2) spend over $524 million.
- The findings of the sales leakage analysis for the various restaurant categories are provided in the Table 7. Category definitions are provided below. (However, it should be noted that the distinctions between categories are not always consistently applied.)
- There is at least $32 million of unmet demand (annual expenditures not captured) for Full Service Restaurants in the primary trade area and close to $13 million in the secondary trade area.
- The analysis shows no sales leakage in the Limited-Service Eating Places Category. In fact, there is a substantial surplus. This is likely due to significant sales in this category generated from a non-resident market segment, specifically the employees of area businesses. It is possible that there is unmet market opportunity in this category, but it cannot be identified from this sales leakage analysis.

Table 7.
Eating & Drinking Places Sales Leakage Analysis

	Annual Resident Expenditures		Sales Leakage	
	TA1	**TA2**	**TA1**	**TA2**
Total Eating & Drinking Places	$169,734,034	$524,017,313		
Full-Service Restaurants	$87,035,307	$268,080,397	$32,304,390	$12,741,875
Limited-Service Eating Places	$75,090,091	$232,697,290	-$14,261,997	-$1,030,961
Drinking Places	$7,608,636	$23,239,626	$7,473,423	$22,516,143

Definitions

Full Service Restaurant: This industry group comprises establishments primarily engaged in providing food services to patrons who order and are served while seated (i.e., waiter/waitress service) and pay after eating. Establishments that provide these types of food services to patrons with any combination of other services, such as takeout services, are classified in this industry.

Limited Service Restaurants: This industry group comprises establishments primarily engaged in providing food services where patrons generally order or select items and pay before eating. Most establishments do not have waiter/waitress service, but some provide limited service, such as cooking to order (i.e., per special request), bringing food to seated customers, or providing off-site delivery.

Drinking Places: This industry group comprises establishments primarily engaged in preparing and serving alcoholic beverages for immediate consumption.

Sources: The Nielsen Company, U.S. Census, InfoUSA, American Community Survey, Social Explorer

B. Resident Market Segment (cont'd)

4. Summary of Demographics, Expenditures & Sales Leakage

Residents living in the surrounding area represent the major market opportunity for the business district. After discussing consumer patterns with local business owners and residents, locating competing commercial offerings and reviewing circulation routes, the following trade areas were identified.

- Primary Trade Area – TA1 (where most sales are expected to generate from): Towns of Bedford, Carlisle, Concord, and Lexington and the Hanscom Air Force Base
- Secondary Trade Area – TA2: 7-Mile Radius

The following charts summarize demographic characteristics and annual expenditures of the market population along with an analysis of sales leakage.

Primary TA (TA1) Secondary TA (TA2)

Figure 20.
Summary Demographics, Expenditures & Sales Leakage

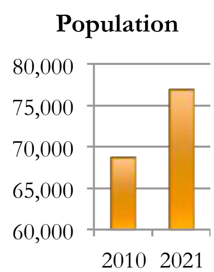
Retail & Restaurant Opportunity — GROWING MARKET

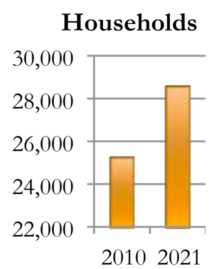
Primary Trade Area 1 (TA1)

2016 Population	2016 Households	2016 Household Income Median	2016 Household Income Average
73,153	27,092	$137,363	$180,106

Residents spend **1.03 Billion** per year at stores & restaurants*

Opportunity:
Over **$493 Million** being spent outside TA1 in selected categories





During 2016-2021, the population is expected to grow by 5.0% and the number of households by 5.4%, compared to the statewide projection of 3.4% and 3.8% respectively.

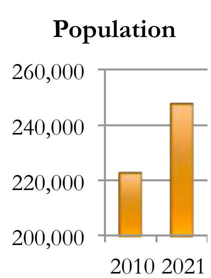
Source: Nielsen Company

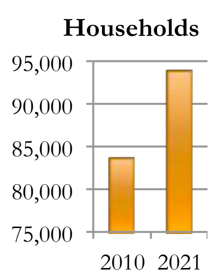
Secondary Trade Area 2 (TA2)

2016 Population	2016 Households	2016 Household Income Median	2016 Household Income Average
236,231	89,296	$108,597	$140,503

Residents spend **3.16 Billion** per year at stores & restaurants*

Opportunity:
Over **$774 Million** being spent outside TA2 in selected categories





During 2010-2020, the population is expected to grow by 4.7% and the number of households by 5.0%, compared to the statewide projection of 3.4% and 3.8% respectively.

Source: Nielsen Company

** Excludes motor vehicle and gas station purchases. ** All data is 2016 estimates unless noted.*

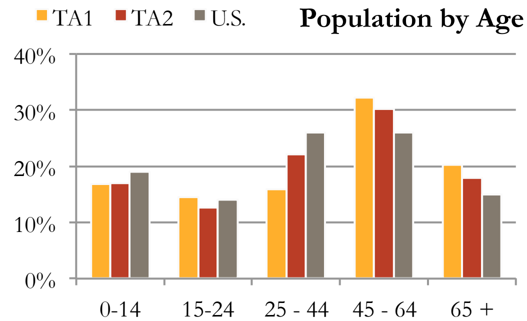
Figure 20. (cont'd):
Summary Demographics, Expenditures & Sales Leakage

Residents

Median age is **44.6** in TA1 and **43.5** in TA2 compared to 39.7 statewide and 38.0 in U.S.

74% Families TA1
66% in U.S.

37% of households in TA1 and **34%** in TA2 contain children compared to 31% statewide and 34% U.S.



CULTURAL MIX

Race & Ethnicity	TA1	TA2	MA
White Alone	78%	82%	78%
Black/African American	3%	3%	7%
Asian	15%	12%	6%
Other/More than 1 Race	4%	4%	8%
Latino/Hispanic	4%	4%	11%

Cultural Concentration/Ancestry	TA1	TA2	US
Asian	15%	12%	5%
Irish	12%	18%	7%
Italian	9%	14%	4%
English	8%	7%	5%

21% of TA1 and 19% of TA2 residents speak a language besides English at home

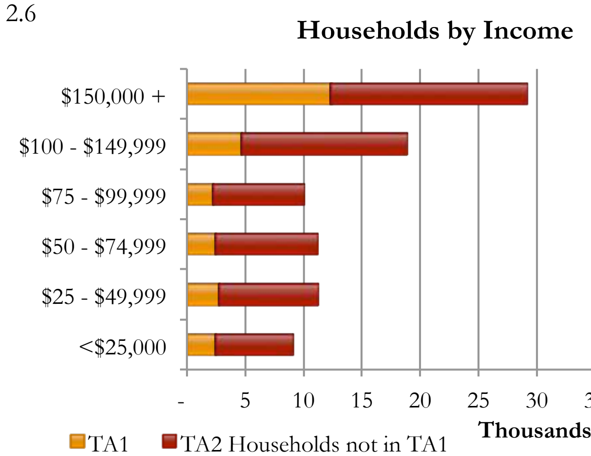
Asian/Pacific Island Language: 9% and 6% Indo/European Language: 9%, Spanish: 2%, Other: <1%

Lifestyle

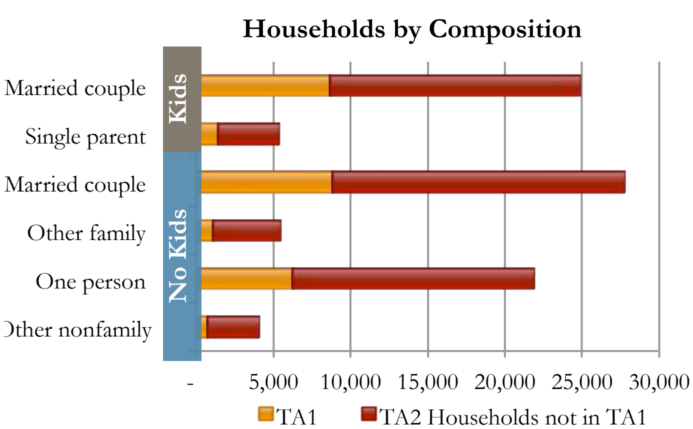
2.6 Persons per Household in TA1 and 2.6 in TA2 compared to 2.5 statewide

77% Homeowners in TA1, **75%** in TA2, 62% in MA

Foot Traffic . . **6% car-free** households in TA1 and **6%** in TA2 -- these residents are likely to shop close to home



19,363 households in TA1 have income > $75,000; Median household income is $137,363 and $108,137 in TA1 & TA2; $69,807 statewide, $55,551 in U.S.



77% of TA1 and 60% of TA2 residents have an Associates Degree or higher (48% MA, 37% U.S.). 72% of TA1 and 54% of TA2 have at least a Bachelor's Degree (40% MA, 29% U.S.).

Figure 20. (cont'd)

Summary Demographics, Expenditures & Sales Leakage

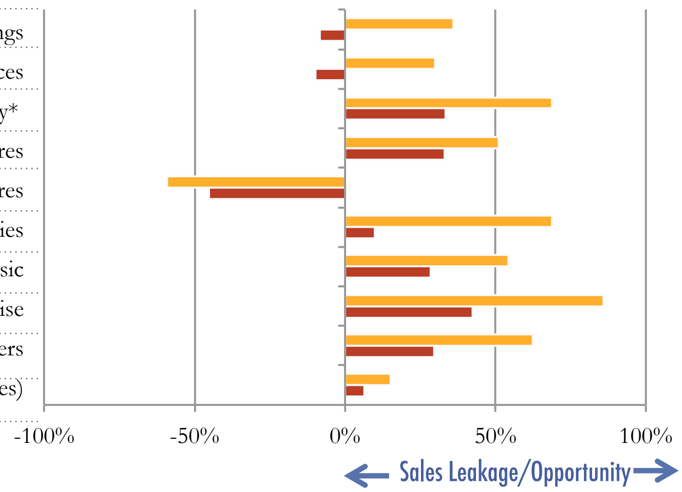
Spending Power

Expenditures

TA1	TA2	
$37.8	$111.2	Furniture & Home Furnishings
$31.8	$96.0	Electronics & Appliances
$176.6	$536.2	Bldg. Materials, Garden Equip. & Supply*
$194.3	$613.4	Food & Beverage Stores
$86.5	$259.1	Health & Personal Care Stores
$81.8	$245.8	Clothing & Accessories
$31.9	$95.2	Sporting Gds., Hobby, Books, Music
$177.5	$547.3	General Merchandise
$40.8	$128.4	Misc. Store Retailers
$169.7	$524.0	Food Service & Drinking (excl. spec. foodservices)

$ millions

Local Demand Compared to Local Business Sales



***Sales Leakage -** In the categories indicated with an asterisk, the current sales leakage is sufficient to support at least one new business (of average size) under a 60% capture ratio in the Primary Trade Area (TA1).

Opportunity Gap (Sales Leakage)
The retail categories with high sales leakage may suggest opportunity for local businesses (existing and/or new businesses). To determine the feasibility of capturing the leakage, it is necessary to evaluate the strength of the competing businesses outside of the trade area that are currently attracting resident expenditures.

In categories showing little or no leakage, it does not necessarily mean that there is no opportunity. There might be opportunity depending on the ability of local businesses to attract expenditures from non-resident market segments (i.e., employees and visitors) and/or overtake trade from existing competition by offering more desirable products or services.

Negative Sales Leakage (Surplus)
Categories with negative sales leakage indicate that businesses are currently meeting more than just local demand. Businesses in these categories are generating sales from customers that live outside of the identified trade area which may include employees of nearby businesses or visitors travelling into the district from beyond the immediate area because of attractions or destination businesses.

*Note: Sales leakage calculations include all businesses in the trade area, not just the business in the commercial district.

Est. Sales Leakage - Select Categories	**$ millions TA1**	**TA2**
Furniture Stores-4421	$16.83 *	($0.28)
Home Furnishing Stores-4422	($3.19)	($8.94)
Electronics and Appliance Stores-443	$9.52	($9.53)
Home Centers-44411	$61.36 *	$153.95
Paint and Wallpaper Stores-44412	($1.16)	$0.10
Hardware Stores-44413	$5.41	($34.24)
Supermarkets, Groc. (Ex Conv)-44511	$43.66	$33.82
Convenience Stores-44512	$2.36	($0.09)
Specialty Food Stores-4452	$13.04 *	$39.43
Beer, Wine and Liquor Stores-4453	$39.96 *	$130.20
Pharmacies and Drug Stores-44611	($61.04)	($125.89)
Cosmetics, Beauty Supplies-44612	$4.81 *	($1.48)
Optical Goods Stores-44613	$2.43	$1.23
Other Health/Personal Care Stores-44619	$2.59	$9.20
Clothing Stores-4481	$29.52 *	($49.18)
Shoe Stores-4482	($1.28)	($1.47)
Jewelry Stores-44831	$25.31 *	$65.96
Sporting Goods, Hobby Stores-4511	$13.14 *	$22.74
Book, Periodical and Music Stores-4512	$4.15 *	$4.25
Department Stores Ex Leased Depts-4521	$61.65 *	$22.74
Other General Merchandise Stores-4529	$90.99 *	$208.54
Florists-4531	($0.76)	$0.38
Office Supplies and Stationery -45321	$7.25 *	($8.44)
Gift, Novelty and Souvenir Stores-45322	$7.16 *	$13.76
Used Merchandise Stores-4533	$2.48 *	$7.61
Other Miscellaneous Store Retailers-4539	$9.30 *	$24.60
Full-Service Restaurants-7221	$32.30 *	$12.74
Limited-Service Eating Places-7222	($14.26)	($1.03)
Drinking Places- Alcoholic Beverages-7224	$7.47 *	$22.52

Table 8. Additional Demographics Data

Est. Population by Age	TA1		TA2		MA	U.S.
	73,154	%	236,231	%	%	%
Age 0 - 4	3,716	5	12,789	5	5	6
Age 5 - 9	3,618	5	12,864	5	6	6
Age 10 - 14	5,052	7	14,598	6	6	6
Age 15 - 17	3,480	5	9,701	4	4	4
Age 18 - 20	3,125	4	8,810	4	5	4
Age 21 - 24	4,035	6	11,231	5	6	6
Age 25 - 34	5,148	7	24,571	10	13	13
Age 35 - 44	6,529	9	27,752	12	12	13
Age 45 - 54	11,720	16	36,653	16	14	13
Age 55 - 64	11,881	16	34,821	15	14	13
Age 65 - 74	7,601	10	22,811	10	9	9
Age 75 - 84	4,594	6	13,067	6	5	4
Age 85 and over	2,655	4	6,564	3	2	2

Est. Households by Size	TA1		TA2		MA	U.S.
	27,092	%	89,296	%	%	%
1-persons	6,260	23	21,822	24	29	27
2-persons	8,805	33	28,590	32	32	32
3-persons	4,864	18	15,765	18	17	16
4-persons	4,787	18	14,552	16	14	13
5-persons	1,771	7	5,904	7	6	6
6 or more	605	2	2,663	3	3	5

Est. Households by Income	TA1		TA2	%	MA %	U.S.%
< $15,000	1,467	5	4,474	5	11	12
$15,000 - $24,999	1,011	4	4,562	5	9	10
$25,000 - $34,999	1,139	4	4,441	5	8	10
$35,000 - $49,999	1,644	6	6,751	8	10	13
$50,000 - $74,999	2,468	9	11,125	12	16	18
$75,000 - $99,999	2,261	8	10,045	11	12	12
$100,000 - $124,999	2,432	9	9,986	11	10	8
$125,000 - $149,999	2,273	8	8,832	10	7	5
$150,000 - $199,999	3,731	14	11,417	13	8	5
$200,000 - $249,999	2,097	8	5,389	6	3	2
$250,000 - $499,999	3,837	14	7,814	9	4	2
$500,000+	2,732	10	4,460	5	2	1
Med. Household Income	137,363		108,137		69,807	55,551

Avg. Length of Residence (Years)	TA1	TA2	MA	US
Homeowners	18	19	19	17
Renters	8	8	9	8

Est. Population 16+ by Employment Status	TA1-%	TA2-%	MA %	US %
In Labor Force	61	68	67	64
Employed	58	64	62	58
Self-employed	15	10	9	9
Unemployed	3	4	5	6

Est. Population 16+ by Occupation	TA1-%	TA2-%	MA %	US %
Architect/Engineer	4	4	2	2
Arts/Entertain/Sports	3	2	2	2
Building Grounds Maint	1	2	4	4
Business/Financial Ops	10	8	6	5
Community/Soc Svcs	1	2	2	2
Computer/Math	9	7	4	3
Construction/Extract	2	3	4	5
Edu/Training/Library	10	7	7	6
Farm/Fish/Forestry	0	0	0	1
Food Prep/Serving	2	3	6	6
Health Practitioner/Tec	6	7	6	6
Healthcare Support	1	2	3	3
Maintenance Repair	1	2	2	3
Legal	3	2	1	1
Life/Phys/Soc Science	6	3	2	1
Management	20	14	11	10
Office/Admin Support	7	12	13	13
Production	2	3	4	6
Protective Svcs	1	2	2	2
Sales/Related	7	9	10	11
Personal Care/Svc	3	3	4	4
Transportation/Moving	1	3	4	6

Est. Population Age 25+ by Education	TA1-%	TA2-%	MA %	US %
Less than 9th grade	1	2	5	6
Some High School	2	3	5	8
High School Grad/GE)	11	21	26	28
Some College, no degree	9	13	16	21
Associate Degree	5	7	8	8
Bachelor's Degree	29	26	22	18
Master's Degree	26	18	12	8
Professional School Degree	7	4	3	2
Doctorate Degree	10	5	3	1

Table 8. (cont'd) Additional Demographics Data

Est. Population by Single-Classification Race	TA1		TA2		MA	U.S.
	73,154	%	236,231	%	%	%
White Alone	57,287	78	192,840	82	78	71
Black/African American Alone	1,888	3	7,250	3	7	13
Amer. Indian/Alaska Native Alone	76	0	345	0	0	1
* Asian Alone	11,307	15	27,295	12	6	5
Native Hawaiian and Other Pac. Isl. Alone	21	0	51	0	0	0
Some Other Race Alone	501	1	2,806	1	5	7

Est. Hispanic Population by Origin	TA1		TA2		MA	U.S.
	73,154	%	236,231	%	%	%
Not Hispanic or Latino	70,364	96	226,892	96	89	82
Hispanic or Latino:	2,790	4	9,339	4	11	18
Mexican	539	19	1,394	15	6	62
Puerto Rican	634	23	2,339	25	42	9
Cuban	121	4	392	4	2	4
Other	1,496	54	5,214	56	50	25

Est. Population-Asian Alone by Category	TA1		TA2		MA	U.S.
	73,154	%	236,231	%	%	%
Not Asian Alone	61,847	85	208,936	88	94	95
Asian Alone	11,307	15	27,295	12	6	5
Chinese, except Taiwanese	5,709	50	9,337	34	35	22
Filipino	229	2	542	2	3	17
Japanese	347	3	628	2	2	5
Asian Indian	2,089	18	9,584	35	21	19
Korean	1,449	13	3,006	11	7	10
Vietnamese	173	2	1,221	4	13	11
Cambodian	221	2	469	2	8	2
Hmong	2	0	17	0	0	2
Laotian	1	0	154	1	1	1
Thai	63	1	97	0	1	1
Other	1,024	9	2,239	8	9	10

Est. Population by Ancestry	TA1		TA2		MA	U.S.
	73,154	%	236,231	%	%	%
Arab	578	0.8	2,175	0.9	0.8	0.5
Czech	201	0.3	331	0.1	0.1	0.3
Danish	112	0.2	610	0.3	0.1	0.2
Dutch	543	0.7	1,076	0.5	0.3	0.8
* English	5,866	8.0	15,392	6.5	6.0	5.4
French (exc. Basque)	1,391	1.9	5,168	2.2	4.4	1.5
French Canadian	894	1.2	5,114	2.2	2.8	0.5
German	3,737	5.1	8,532	3.6	3.2	10.3
Greek	624	0.9	2,385	1.0	1.0	0.3
Hungarian	125	0.2	386	0.2	0.1	0.3
* Irish	8,905	12.2	42,172	17.9	15.4	6.6
* Italian	6,840	9.4	33,001	14.0	10.0	4.2
Lithuanian	298	0.4	804	0.3	0.4	0.1
U.S./American	2,658	3.6	8,376	3.5	3.7	6.5
Norwegian	461	0.6	886	0.4	0.3	0.9
Polish	1,624	2.2	5,308	2.2	3.1	2.0
Portuguese	340	0.5	4,375	1.9	3.6	0.3
Russian	1,770	2.4	3,770	1.6	1.2	0.6
Scottish	1,451	2.0	4,577	1.9	1.3	1.1
Scotch-Irish	622	0.9	1,540	0.7	0.5	0.7
Slovak	109	0.1	225	0.1	0.1	0.1
Subsaharan African	239	0.3	1,363	0.6	1.7	0.9
Swedish	864	1.2	2,385	1.0	1.0	0.7
Swiss	196	0.3	335	0.1	0.1	0.2
Ukrainian	257	0.4	574	0.2	0.2	0.2
Welsh	205	0.3	518	0.2	0.1	0.3
West Indian (exc Hisp groups)	86	0.1	1,318	0.6	1.8	0.8
Other ancestries	24,244	33.1	59,464	25.2	26.2	39.8

* = Cultural Concentrations

C. Non Resident Market Segments

In addition to the residential customer base, there is a very large daytime population of employees and college students in Bedford. This represents a market opportunity for lunchtime meal purchase as well as other convenience goods and services purchased before and after work. Employees or college students might be interested in taking care of errands and personal care close to their work or school (such as dry cleaning, tailoring, hair and nail services, dental services, banking services), purchasing lunch, coffee, breakfast or snacks, or shopping at one of the large retailers (e.g., Marshalls, TJ Maxx).

1. Employee Market Segment – Primary

The primary employee market segment is comprised of the employees that work in very close proximity to the business corridor. This includes two primary employee concentrations: 1) the Great Road/Wiggins Avenue Area in Bedford and 2) the Hanscom Air Force Base (AFB) in Bedford and Lincoln. The Great Road/Wiggins Avenue Area includes many employers and over 4,000 employees. A few of largest employers are Instrumentation Laboratories, Toxicon Corporation, Anika Therapeutics and EMD Millipore. Hanscom Air Force Base has close to 10,000 military and civilian employees on site. A breakdown is provided below.

Hanscom AFB Total Employees: 9,936
MIT Lincoln Lab – 3,798
Contractors – 2,054
Active Duty – 1,412
Life Cycle Management Center Civilians – 1,873
Dept. of Defense Civilians – 417
MA National Guard – 290
Non-Dept. of Defense Civilians – 92

Source: http://www.hanscom.af.mils

2. Employee & Student Market Segment – Secondary

The secondary employee and student market segment is comprised of the other employees in Bedford not located in the immediate area (estimated at over 15,000) and the students of Middlesex Community College. The largest concentration of employees is located in the Crosby Road/Middlesex Turnpike Area (about a 2.2 – 3.2 mile drive from Great Road) on the east side of Route 3. Middlesex Community College is located about a 2.2 mile drive from Great Road on the west side of Route 3. This segment is considered secondary because the consumers (employees and students) are located further away from Great Road and close to Route 3, with easy access to other dining and shopping options. However, recently the Town has launched a new shuttle service which might attract more users from this segment. Currently only in the pilot phase, the shuttle runs a route from the Crosby Drive Area to the Great Road Commercial Corridor once per week bringing employees into the area at lunchtime. A few of the largest employers in Crosby Road/Middlesex Turnpike Area includes: Interactive Data, MITRE Corporation, Progress Software, RSA Security and iRobot Corporation. Middlesex Community College is also located within close proximity to Route 3 offering employees and student easy access to competing facilities.

Part III. Consumer Patterns and Preference Survey

A. Survey Overview

The purpose of the Consumer Patterns and Preference Survey is to expand on the findings of the Market Profile research. This primary research provides information specifically about the customers of the Great Road Corridor including consumer behavior that might point to potential market opportunities as well as satisfaction level with the current offerings and conditions. The survey was conducted from September 26 to October 26, 2016.

Survey Market Segment Targets

The survey was targeted to the users of the Great Road Corridor. The two primary market segments targeted were the residents of the primary trade area and the employees of businesses located within close proximity and easy access to the Corridor. These segments are identified as "primary" because the potential market capture is expected to be the greatest due to juxtaposition and other previously discussed locational factors. We also attempted to obtain information about "secondary" employee and student segments located in other parts of Bedford that may also present market opportunity for businesses in the corridor, although likely to a lesser extent due to their access to competing commercial facilities.

- **Primary Trade Area (TA1) Residents** - residents of Bedford and surrounding communities of Carlisle, Concord, Lexington and Hanscom AFB.
- **Primary Employee Market Segment** - employees of Great Road/Wiggins Avenue Area and Hanscom AFB.
- **Secondary Employee and Student Segments** - employees and students of Middlesex Community College and employees of Crosby Road/Middlesex Turnpike Area (although we only received a small number of responses from the later)

Survey Response

In total, 927 survey responses were received, a very strong response for a community the size of Bedford.

Table 9.

Survey Response Tally	
Total Survey Responses	**927**
Primary Trade Area Residents	**706**
Bedford Residents	660
Other TA1 Residents	46
Primary Employee Market Segment	**162**
Great Road/Wiggins Area Employees	95
Hanscom Air Force Base Employees	67
Secondary Employee & Student Segments	**135**
Middlesex Community College Employees/Students	105
Crosby Road/Middlesex Area Employees	15

Explanation of Survey Response Segregation & Data Labels

Many survey respondents fall into more than one category. For example, some Middlesex Community College students and Great Road Area employees are also TA1 residents. In the analysis and charts that follow, the responses from employees and students whom are not TA1 residents are frequently segregated and highlighted. This is done in order to provide a more accurate portrayal of the market consumers whom represent an additional demand segment. We have also segregated Bedford responses from Other TA1 residents to illustrate any differences and to better represent Other TA1 residents, given the large portion of Bedford respondents.

Data Label	Definition
All TA1 Res.	Includes responses from all TA1 residents
Bedford Res.	Includes responses from only Bedford residents
Other TA1 Res.	Includes responses from other TA1 residents (Carlisle, Concord, Lexington, Hanscom AFB)
Primary Empl – Non Res.	Includes only responses from primary employee segment respondents whom are not residents of the TA1
Second. Empl/Stu – Non Res.	Includes only responses from secondary employee & student segment respondents whom are not residents of the TA1
Primary Empl – All	Includes all responses from primary employee segment
Second. Empl/Stu – All	Includes all responses from secondary employee & student segments

B. Consumer Patterns

1. Patronage Frequency and Trends

Customers visit the Corridor frequently. Bedford residents visit Great Road establishments an average of 3.07 times per week, while other TA1 residents visit 2.21 times per week. The primary employees (whom are not TA1 residents) make an average of 1.9 visits per week and the secondary employees & students (whom are not TA1 residents), on average, visit just under once per week.

Patronage appears to be holding constant or increasing among all market segments. All Bedford residents reported either no change or an increase in their visits to Great Road establishments over the last few years. Not a single Bedford resident reported a decrease in visits. Among the other TA1 residents, close to the same portion increased their visits (24%) as decreased their visits (20%). This was also the case with the primary employee segment - 25% reported an increase and 25% reported a decrease. On the other hand, the secondary employee/student segment showed an overall increase in visits; 31% reported an increase while only 9% reported a decrease.

Figure 21.

Weekly Visits to Great Road Corridor Establishments
(Weighted Average Estimate)

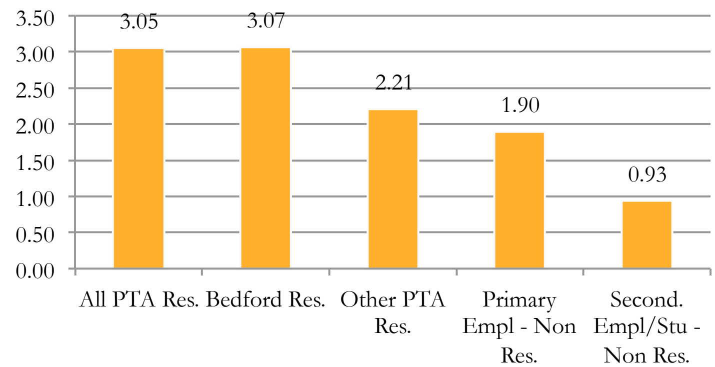
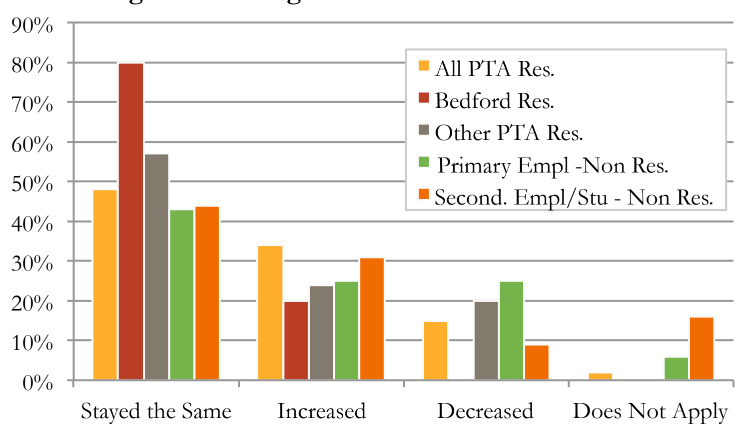


Figure 22.

Change in Patronage Over Last Few Years

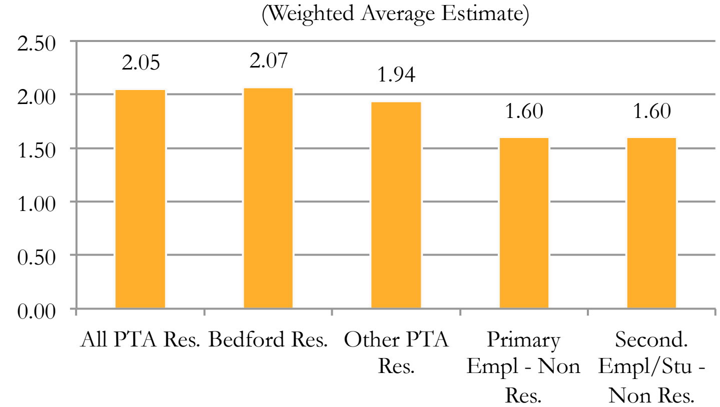


2. Establishments Visited

Consumers tend to visit more than one establishment during their shopping/dining trips to Great Road. TA1 residents visit an average of 2.05 establishments each trip. Even the employee segments visit multiple establishments per trip (an average of 1.6) indicating they are patronizing other establishments beyond just making meal purchases.

Figure 23.

Number of Establishments Visited During Most Recent Great Road Shopping/Dining Trip
(Weighted Average Estimate)



2. Establishments Visited (Cont'd)

As illustrated in Figure 24, Great Road Establishment of all types enjoy significant patronage from both resident and employee market segments.

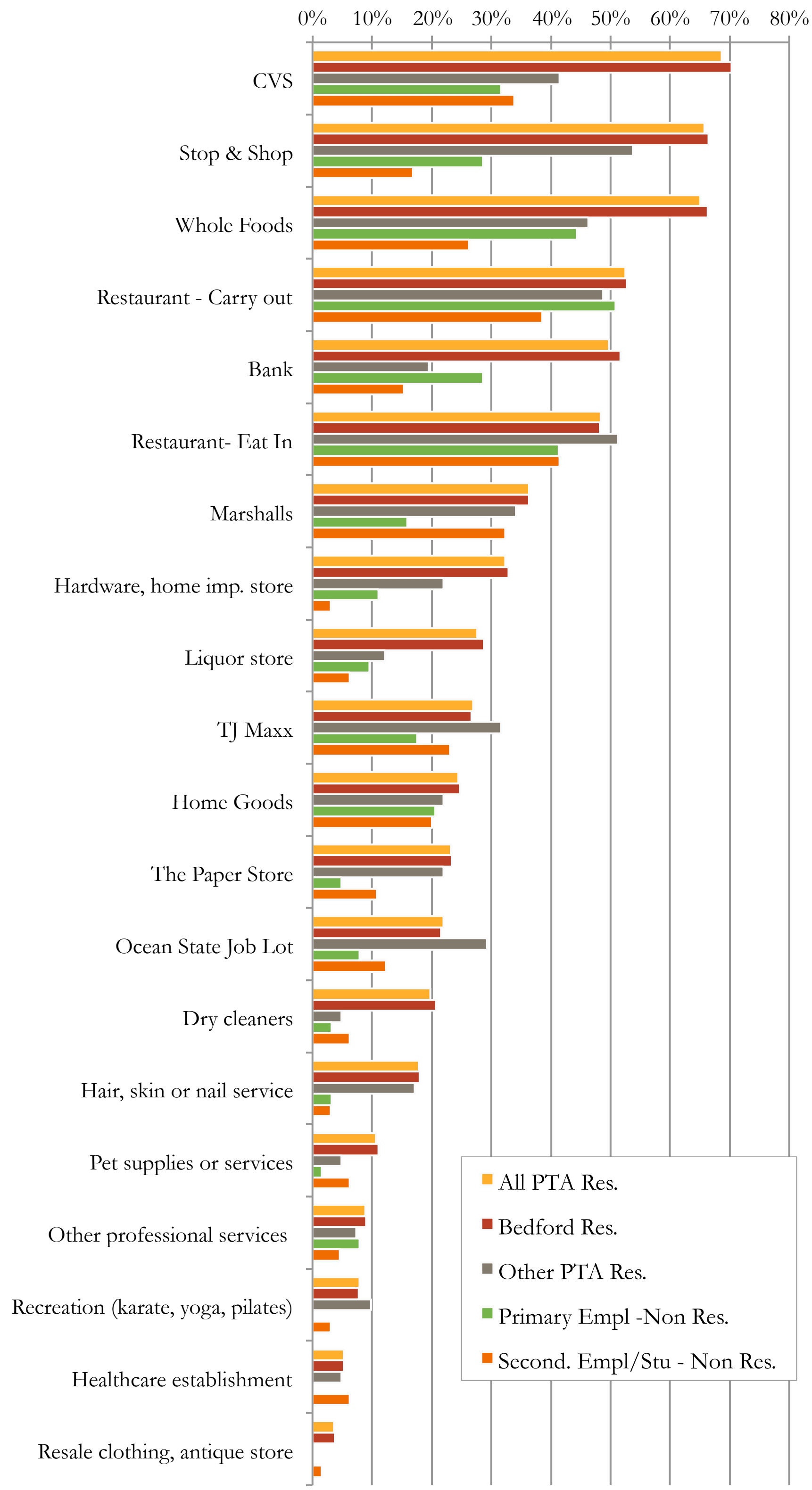
The most frequently visited establishments by TA1 residents (more than 35% each week) include CVS, Stop & Shop, Whole Foods, Restaurants for Carryout, Banks, Restaurants for Eat-In, and Marshalls. This list comprises the most frequently visited establishments by both Bedford residents and Other TA1 residents with the exception of Banks, which are much less frequently visited by non-Bedford residents.

The survey results further suggest that 15 – 34% of Bedford residents visit the following establishments each week: Hardware/Home Improvement Store, Liquor Store, TJ Maxx, Home Goods, The Paper Store, Ocean State Job Lot, Dry Cleaners, and Hair, Skin or Nail Services.

For Other TA1 residents, the survey results suggest 15 – 34% visit the following establishments each week: TJ Maxx, Ocean State Job Lot, Hardware/ Home Improvement Store, Home Goods, The Paper Store, Liquor Store, Banks, and Hair, Skin or Nail Services.

As expected, the employee and student segments most frequently visit restaurants (both for carryout and eat-in), however, they also frequently visit Whole Foods. The survey results suggest that 35-50% of the primary employee segment (whom are not TA1 residents) visit the following establishments each week: Restaurants for Carryout, Whole Foods, and Restaurants for Eat-In. In addition, 15-34% visit: CVS, Stop & Shop, Banks, Home Goods, TJ Maxx, and Marshalls.

Figure 24. **Great Road Corridor Establishments Visited in Last 7 Days**



3. Restaurant Usage and Opportunity – Resident Market Segment

TA1 residents eat out an average of 2.8 times per week without counting breakfast/coffee and 4.1 times per week in total. This is below the Boston average according to the 2016 Zagat Survey, which found that Boston residents eat out an average of 3.8 times per week (not counting breakfast/coffee). The millennial sub-segment of the TA1 (residents ages 18 – 34) eats out more frequently, 3.0 times per week without counting breakfast/coffee and 4.4 times per week in total.

The frequency of eating out is quite similar for Bedford Residents and Other TA1 Residents (with the average for Other TA1 Residents just slightly lower for breakfast/coffee and slightly higher for lunch).

Table 10.

Number of Meals Purchased Out Per Week - Residents
(Weighted Average Estimate)

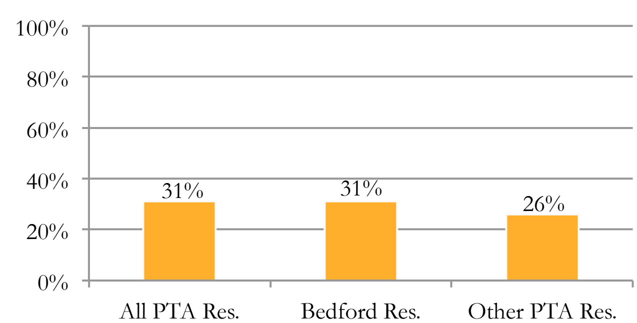
	All TA1 Res.	Bedford Res.	Other TA1 Res.
Breakfast/Coffee	1.3	1.3	1.0
Lunch	1.0	1.0	1.3
Dinner at Quick Service Restaurant (main courses <$7)	0.5	0.5	0.6
Dinner at Fast Casual Restaurant (main courses $7 - $10)	0.5	0.5	0.5
Dinner at Casual Restaurant (main courses $10 - $19)	0.6	0.6	0.5
Dinner at Fine Dining Restaurant (main courses ≥ $20)	0.3	0.3	0.2
Total without Breakfast/Coffee	**2.8**	**2.8**	**3.0**
Total	**4.1**	**4.1**	**4.1**

Unmet Demand points to possible Market Opportunity. . . TA1 residents report spending over two-thirds of their annual restaurant spending outside the Great Road Corridor.

TA1 residents indicated that they do most (69%) of their restaurant spending outside of the Great Road Corridor Area. Bedford residents and Other TA1 residents reported making only 31% and 26% of their restaurant purchases in the Corridor (respectively). This may point to potential market opportunity for additional restaurants in the Corridor. While we have to assume that residents will continue to patronize restaurants in other locations near where they work, have friends, or seek out destination eateries, it might be possible to capture more expenditures locally if the right offerings were available. This is also supported by the fact that that survey respondents reported a fairly low satisfaction level with the selection of existing selection restaurants (discussed later).

Figure 25.

Portion of Restaurant Spending Done in Great Road Corridor - Residents
(Weighted Average Estimate)



4. Restaurant Usage and Opportunity– Employee and Student Market Segment

The large daytime population of employees creates a significant market opportunity for Great Road businesses especially restaurants. Lunch and coffee are the most frequent purchases made close to work locations, but employees also may stop for drinks after work, have dinner at a local restaurant or pick up a carryout meal on their way home.

The employee and student segments spend an average of $32 - $37 per week on work day/school day meal purchases. Multiplied by the over 25,000 primary and secondary employees, this adds up to a very sizeable market, but it appears that the Great Road Corridor is only capturing a small portion. This may point to potential market opportunity.

The table below indicates the work-related meal purchasing habits reported by local employees. The reported spending habits by the primary employee segment amounts to an average of $36.47 per week. The primary employee segment reported making a fairly modest portion of their work day meal purchases in the Great Road Corridor --- 33% of breakfast/coffee purchasing , 37% of lunch purchasing, 27% of dinner after work purchasing and only 19% of drinks/appetizers spending. The overall capture rate for all meal categories is 31%. The secondary employee and student segment reported spending even less in the Great Road Area; the capture rate for all meal categories is 15%.

Table 11. **Meal Purchasing Frequency and Amount Spent – Employees and Students**

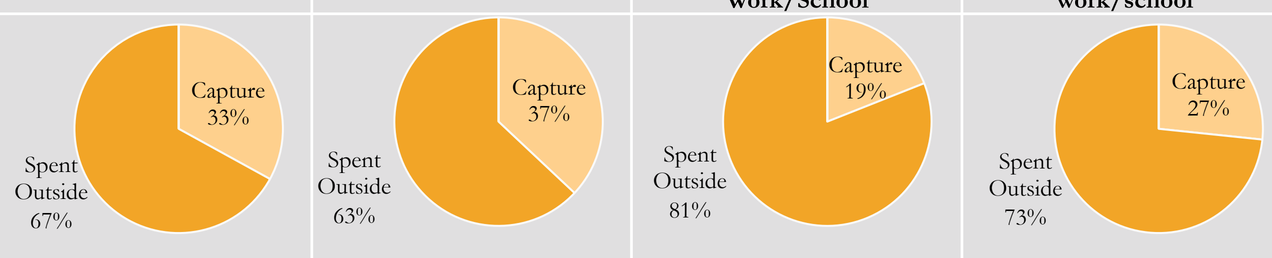
Work Day/School Day Meal Purchasing	Times Per Week		Amount Spent Per Employee/ Student Per Week	
(Weighted Average Estimates)	**Primary Empl - All**	**Second. Empl/Stu - All**	**Primary Empl - All**	**Second. Empl/Stu - All**
Coffee/Breakfast	1.6	1.9	$6.27	$9.47
Lunch	1.4	1.3	$12.89	$11.79
Drinks/appetizers after Work/School	0.4	0.5	$4.42	$4.34
Dinner on the way from or to work/school	0.7	0.6	$12.89	$7.23
Total --- Work Day/School Day Only	**4.1**	**4.3**	**$36.47**	**$32.84**

Figure 26. **Meal Purchasing Market Capture by Great Road Businesses – Employees and Students**

Work Day/School Day
Meal Purchasing Market Capture by Great Road Businesses – Employees and Students

Primary Employee Market Segment

Coffee/Breakfast	**Lunch**	**Drinks/appetizers after Work/School**	**Dinner on the way from or to work/school**



Secondary Employee and Student Segment (Great Road Market capture)

Coffee/Breakfast	Lunch	Drinks/appetizers after Work/School	Dinner on the way from or to work/school
18%	**15%**	**10%**	**12%**

Unmet Demand points to possible Market Opportunity. . .

Employees working within close proximity spend an average of $36.47 per week on work day meal purchases but report spending only 31% at Great Road restaurants.

C. Consumer Satisfaction and Preferences

1. Customer Satisfaction

The survey asked respondents to indicate their level of satisfaction with several elements of the Great Road Corridor based on a 5-tiered scale from "very dissatisfied" to "very satisfied". A score of less than 3 indicates the respondent is less than satisfied. The average satisfaction ratings are listed in Table 12.

TA1 residents appear most dissatisfied with: Entertainment Options, Ease of Getting Around and Amount of Public Art. The first two of these elements received the lowest satisfaction ratings from all market segments.

TA1 residents are also less than satisfied with: Selection of Restaurants, Amount and Type of Events & Activities, Bicycle Safety & Amenities, Public Spaces/Seating Areas, Appearance/Aesthetic Appeal and Pedestrian Safety Accommodations.

As noted above, the primary employee segment is most dissatisfied with: Entertainment Options and Ease of Getting Around. Employees are also less than satisfied with: Amount of Public Art, Pedestrian Safety, Amount and Type of Events & Activities, Public Spaces/Seating Areas and Bicycle Safety & Amenities.

Table 12.

Consumer Satisfaction Ratings (1 to 5, from very dissatisfied to very satisfied)

TA1 Residents		Primary Empl -Non Res.		Second. Empl/Stu - Non Res.	
Satisfaction Scores ≤ 2.5 . . . Most Dissatisfied					
Entertainment Options	2.3	Ease of Getting where I want to go	2.2		
Ease of Getting where I want to go	2.4	Entertainment Options	2.3		
Amount of Public Art	2.5				
Satisfaction Scores 2.6 – 2.9 . . . Not Satisfied					
Selection of Restaurants	2.7				
Events & Activities Amount/Type	2.7				
Bicycle Safety and Amenities	2.7				
Public Spaces/Seating Areas	2.8	Amount of Public Art	2.8	Ease of Getting where I want to go	2.9
Appearance/Aesthetic Appeal	2.8	Pedestrian Safety Accommodations	2.8	Entertainment Options	2.9
Pedestrian Safety Accommodations	2.9	Public Spaces/Seating Areas	2.8	Events & Activities Amount/Type	2.9
		Events & Activities Amount/Type	2.9		
		Bicycle Safety and Amenities	2.9		
Satisfaction Scores 3+ . . . . Satisfied					
Info about Businesses & Offerings	3.2	Info about Businesses & Offerings	3.0	Amount of Public Art	3.0
Selection of Retail Stores	3.2	Ability to Find Parking	3.0	Bicycle Safety and Amenities	3.0
Ability to Find Parking	3.2	Selection of Restaurants	3.1	Ability to Find Parking	3.1
		Appearance/Aesthetic Appeal	3.2	Pedestrian Safety Accommodations	3.1
		Selection of Retail Stores	3.3	Public Spaces/Seating Areas	3.2
				Info about Businesses & Offerings	3.2
				Selection of Restaurants	3.3
				Appearance/Aesthetic Appeal	3.4
				Selection of Retail Stores	3.4

C. Consumer Satisfaction and Preferences

2. Preferences About Business Mix

The survey asked respondents to indicate how they felt about having more various types of establishments in the Great Road Corridor based on a 5-tiered scale from "very undesirable" to "very desirable".

All market segments reported wanting more: Outdoor Dining, Casual Restaurants with Wait Staff, and Entertainment Venues (theater, music). In addition, TA1 residents would like more Fine Dining, Recreation (bowling, fitness, sports) and Arts Instruction (dance, music, art, etc.)

Both employee segments expressed a desire for more Fast Casual Restaurants with Counter Service and Food & Beverage Stores, while TA1 residents were less interested in expanding these offerings.

TA1 residents were also clear about what they feel would be less than desirable additions to the Corridor. . . including Banks, Hair, Skin & Nail Services, Other Services (real estate, legal, acctg) and Department Stores.

Table 13.

Consumer-Desired Business Mix Changes (ratings of 1 to 5, from very undesirable to very desirable)

TA1 Residents		Primary Empl -Non Res.		Second. Empl/Stu - Non Res.	
Want More - Scores ≥ 3.5					
Outdoor Dining	3.8	Outdoor Dining	3.7	Food & Beverage Stores	3.6
Casual Restaurants with Wait Staff	3.7	Restaurants offering Entertainment	3.7	Outdoor Dining	3.6
Fine Dining Restaurants	3.7	Food & Beverage Stores	3.6	Casual Restaurants with Wait Staff	3.6
Entertainment Venues (theater, music)	3.5	Casual Restaurants with Wait Staff	3.6	Fast Casual Restaurants -Counter Serv.	3.5
Recreation (bowling, fitness, sports)	3.5	Recreation (bowling, fitness, sports)	3.6	Clothing, Shoes & Accessory Stores	3.5
Arts Instruction (dance, music, art, etc.)	3.5	Entertainment Venues (theater, music)	3.6	Entertainment Venues (theater, music)	3.5
		Fast Casual Restaurants -Counter Serv.	3.5	Fine Dining Restaurants	3.5
Do NOT want More – Scores ≤ 2.5					
Department Stores	2.5				
Other Services (real estate, legal, acctg)	2.5				
Hair, Skin & Nail Services	2.3				
Banks	1.8				
Nuetral - Scores 2.6 – 3.4					
Sporting Goods/Hobby/Craft Supply	3.4	Sporting Goods/Hobby/Craft Supply	3.4	Gifts, Novelty Stores	3.4
Restaurants offering Entertainment	3.3	Fine Dining Restaurants	3.4	Sporting Goods/Hobby/Craft Supply	3.4
Food & Beverage Stores	3.3	Clothing, Shoes & Accessory Stores	3.3	Recreation (bowling, fitness, sports)	3.4
Clothing, Shoes & Accessory Stores	3.3	Arts Instruction (dance, music, art, etc)	3.1	Restaurants offering Entertainment	3.4
Gifts, Novelty Stores	3.2	Home Imp., Hardware, Garden Supply	3.1	Arts Instruction (dance, music, art, etc)	3.2
Fast Casual Restaurants -Counter Serv.	2.8	Gifts, Novelty Stores	3.1	Banks	3.2
Healthcare Establishments	2.8	Electronics & Appliance Stores	2.9	Healthcare Establishments	3.2
Home Imp., Hardware, Garden Supply	2.8	Department Stores	2.9	Department Stores	3.2
Electronics & Appliance Stores	2.6	Other Services (real estate, legal, acctg)	2.8	Hair, Skin & Nail Services	3.1
Home Furnishings & Furniture Stores	2.6	Home Furnishings & Furniture Stores	2.8	Home Imp., Hardware, Garden Supply	3.0
		Healthcare Establishments	2.7	Home Furnishings & Furniture Stores	3.0
		Banks	2.6	Electronics & Appliance Stores	3.0
		Hair, Skin & Nail Services	2.6	Other Services (real estate, legal, acctg)	2.8

C. Consumer Satisfaction and Preferences

2. Preferences About Business Mix (Cont'd)

The survey asked respondents an open-ended question about establishment types or specific businesses they would like to see in the Great Road Corridor -- the following represent some of the recurring themes among the responses.

- Entertainment and recreation uses: bowling, movie theater, gaming arcade, dance instruction, rock climbing, board game pub, live music cafe
- Fitness facilities: gym, fitness centers, yoga
- Better selection of restaurants
    - More sit-down restaurants, fine dining, gastro pub, upscale, nicer restaurants, small-menu fresh made food
    - More ethnic restaurants of all kinds, especially Thai and Mexican
    - Healthy food restaurants: healthy food options, Life Alive,
    - Specific types of restaurants: diner, seafood, steakhouse, breakfast place, Panera, brew pub
    - Independent/non-chain restaurants: independent café/coffee shop
    - Many people mentioned how much they miss Café Luigi's
- More small, independently owned businesses instead of chains
- Craft/hobby store, needlework, yarn, art supply
- Bakery/pastry shop
- Sporting goods
- Gift shop, small boutiques
- Cosmetics, Ulta
- Concern about additional retail increasing traffic
- Many people commented about wanting the full-size post office back in operation
- Some people mentioned how much they miss Staples

Part III. Summary of Findings and Suggestions for Consideration

A. Summary of Findings

1. Business and Real Estate Conditions

- The commercial district is largely an auto-oriented corridor with free-standing businesses and several shopping plaza along the 1.5 mile stretch. It is comprised of three commercial nodes: 1)North Road Node, 2)Bedford Center/ Marketplace Node (the most central and walkable node), and 3)Great Road Shopping Center/Shawsheen Node.

- The Great Road Corridor contains close to 680,000 s.f. At the time of the inventory (August, 2016), 7% of the total commercial space was vacant.

- Lease rates for new/renovated commercial space in shopping centers is $35-$45 per square foot for the spaces with highest visibility and $25 - $30 for spaces set further back. Rent for less prime retail space along the corridor is $15 - $25 and renovated office space in upper floors is available for around $20 per square foot.

- The local realtors interviewed were positive about market conditions and rising demand, citing a rise in inquiries about space (especially food-related) and noting "there is an upward and upscale trajectory". However, they also expressed concern over traffic congestion potentially restricting uses.

- The Great Road Corridor is home to approximately 162 establishments including retail, restaurants, services, contractors, public and non profit entities. (median size is 1,300 s.f.)

- Most of the establishments (64%) are independently-owned, single location businesses, 35% are chains and franchises, and 1% are public entities/nonprofits.

- Daily customer counts vary widely. Chain restaurants reported 300 to 500 daily customers while most independent restaurants and convenience goods retailers reported 100 to 300 customers. Busy service providers and medium-size retailers reported 50 to 100 customers and service providers with less foot traffic such as banks and small retailers reported counts of under 30. (We were not able to get customer counts for the large anchor retail stores.)

- 43% of the businesses interviewed reported sales have increased in the last 3 years, 33% said sales stayed about the same, and 24% said their sales have gone down.

2. Locational Advantages and Challenges for Businesses

Locational Advantages of Great Road Corridor:

- Easy access from 128
- Lots of traffic, "main drag", people passing through from other communities
- High visibility for business
- Location close to Lexington line
- Opportunity for crossover patronage from other nearby businesses
- Access to market population with high disposable incomes

A. Summary of Findings (cont'd)

Locational Disadvantages/Challenges (cited by businesses that were interviewed):

- Traffic congestion, especially certain times of day, resulting in customers avoiding the area
- Restrictive sign regulations prevent visibility for business
- Too many chains/franchises, too many of the same kind, would like more independent businesses and more variety
- North Road Node is unfriendly for pedestrians/bikes, no cross walk, unsafe for walking customers, especially children
- Inadequate parking, signage about parking

3. Business Mix

- 50% of the establishments in the Corridor are services, 22% are retailers, 19% are restaurants and 9% other. Large anchors include Stop & Shop, Whole Foods, Marshalls, TJ Maxx, Home Goods and Ocean State Job Lot

- The most represented industry subsectors (based on the number of establishments include: 1) Eating & Drinking Places, 2) Personal Care & Laundry (especially salons), and 3) Health Care.

- Several existing business clusters create crossover and comparative patronage synergy, including: Eating & Drinking, Women's Clothing & Accessories, Home Furnishing, Home Improvement and Hair, Skin, Nail & Spa Services

- In comparison to other commercial centers, Great Road has a slightly larger proportion of eating & drinking places (likely due to the large daytime employee base). Example of establishments less present in Great Road compared to other town centers (Wellesley, Lexington) or similar commercial corridors: fine dining, sporting goods/hobby, independent clothing boutique/gift store, educational services, cosmetics/beauty products store, additional healthcare services, restaurants that offer entertainment such as live music, open mic nights games, etc. (although Red Heat Tavern has recently begun hosting Trivia Nights)

4. Market Conditions

Resident Market Segment

75,153 people live within the primary trade area (consisting of Bedford, Carlisle, Concord, Lexington and the Hanscom Air Force Base). This population is growing faster than the statewide average. The median household income is $137,363, close to double the statewide median of $69,807. There is a significant upper income segment – 32% of the households earn over $200,000 per year. Educational attainment is high (72% have Bachelor's Degrees, 43% have Master's Degrees).

Residents of the primary trade area (TA1) spend approximately $1.03 billion per year at stores and restaurants. A comparison of resident expenditures to sales of trade area businesses shows a gap of $493 million indicating that TA1 residents are spending at least that amount outside of the trade area. The most significant leakage is in the categories illustrated in the table to the right.

236,231 people live within the secondary trade area (where it might be possible to draw a small portion of sales depending on the uniqueness and quality of merchandise or services being offered). The median household income is $108,597, 55% higher than the statewide median. Residents of the secondary trade area spend $3.16 billion per year at stores and restaurants and the sales leakage analysis shows they are spending at least $774 million outside the trade area.

Most Significant Leakage	TA1
Other General Merchandise Stores-4529	$90.99
Department Stores Ex Leased Depts-4521	$61.65
Home Centers-44411	$61.36
Beer, Wine and Liquor Stores-4453	$39.96
Full-Service Restaurants-7221	$32.30
Clothing Stores-4481	$29.52
Jewelry Stores-44831	$25.31
Furniture Stores-4421	$16.83
Sporting Goods, Hobby Stores-4511	$13.14
Specialty Food Stores-4452	$13.04
Other Miscellaneous Store Retailers-4539	$9.30
Drinking Places- Alcoholic Beverages-7224	$7.47
Gift, Novelty and Souvenir Stores-45322	$7.16
Cosmetics, Beauty Supplies-44612	$4.81

A. Summary of Findings (cont'd)

Non-Resident Market Segments

In addition to the residential customer base, there is a very large daytime population of employees and college students representing a market opportunity for lunchtime meal purchases as well as other convenience goods and services.

The primary employee market segment . . . is comprised of the employees that work in very close proximity to the business corridor including: 1) the Great Road/Wiggins Avenue Area with over 4,000 employees, and 2) the Hanscom Air Force Base with close to 10,000 military and civilian employees.

The secondary employee and student market segment . . .is comprised of the other employees in Bedford not located in the immediate area (estimated at over 15,000), with the largest concentration in the Crosby Road/Middlesex Turnpike Area, and the students of Middlesex Community College. This segment is considered secondary because the consumers (employees and students) are located further away from Great Road and close to Route 3, with easy access to other dining and shopping options. (However, the Town recently started testing a once-per-week shuttle service that bring Crosby Road employees into the Great Road area at lunchtime.)

5. Consumer Patterns and Preferences Survey

The survey was conducted from September 26 to October 26, 2016 and generated a host of information about consumer behavior and satisfaction level with current offerings in the Corridor described in the final report. Below are some highlights.

Consumer Patterns

- It appears that citizens are very engaged and care about the Great Road Corridor, as evidenced by the overwhelming response – 927 people willing to take the time to provide information about their consumer habits and preferences.
- Customers visit the Corridor frequently. On average, Bedford residents visit 3.1 times per week, other TA1 residents visit 2.2 times per week. The primary employees visit 1.9 visits per week and the secondary employees & students visit just under once per week (.9).
- Patronage appears to be holding constant or increasing among all market segments.
- TA1 residents visit an average of 2.0 establishments during each trip. Even the employee segments visit multiple establishments (an average of 1.6) indicating they are not just making meal purchases.
- The most frequently visited establishments by TA1 residents include: CVS, Stop & Shop, Whole Foods, Restaurants for Carryout, Banks, Restaurants for Eat-In, and Marshalls (more than 35% of TA1 residents visit these establishments each week). As expected, the employee and student segments most frequently visit restaurants, but they also, just as frequently, visit Whole Foods (which may be serving as a restaurant/carry out place for them). Each week, 35-50% of the primary employee segment visits: Restaurants for Carryout, Whole Foods, and Restaurants for Eat-In.
- TA1 residents eat out an average of 4.1 times per week, however according to the survey results, they currently are doing most (69%) of their restaurant spending outside of the Great Road Corridor Area. Bedford residents and Other TA1 residents reported making only 31% and 26% of their restaurant purchases in the Corridor (respectively). This may point to potential market opportunity for restaurants in the Corridor.

A. Summary of Findings (cont'd)

- The employee and student segments spend an average of \$32 - \$37 per week on work day/school day meal purchases. Multiplied by the over 25,000 primary and secondary employees, this adds up to a very sizeable market, but it appears that the Great Road Corridor is only capturing a small portion. This may point to potential market opportunity for restaurants in the Corridor.

- Employees working within close proximity spend an average of \$36.47 per week on work day meal purchases but report spending only 31% at restaurants in the Great Road Corridor. (33% of breakfast/coffee purchasing , 37% of lunch purchasing, 27% of dinner after work purchasing and only 19% of drinks/appetizers spending.) The secondary employee and student segment reported spending even less in the Great Road Area; the overall capture rate for all meal categories is 15%.

Consumer Satisfaction and Preferences

- TA1 residents appear most dissatisfied with: Entertainment Options, Ease of Getting Around and Amount of Public Art. (These elements received a rating of 2.5 or below, based on a 5-tiered scale from "very dissatisfied" to "very satisfied".)

- TA1 residents are also less than satisfied with: Selection of Restaurants, Amount and Type of Events & Activities, Bicycle Safety & Amenities, Public Spaces/Seating Areas, Appearance/Aesthetic Appeal and Pedestrian Safety Accommodations.

- The primary employee segment is most dissatisfied with: Entertainment Options and Ease of Getting Around. The employees are also less than satisfied with: Amount of Public Art, Pedestrian Safety, Amount and Type of Events & Activities, Public Spaces/Seating Areas and Bicycle Safety & Amenities.

- All market segments reported wanting more: Outdoor Dining, Casual Restaurants with Wait Staff, and Entertainment Venues (theater, music). In addition, TA1 residents would like more Fine Dining, Recreation (bowling, fitness, sports) and Arts Instruction (dance, music, art, etc.)

- Both employee segments expressed a desire for more Fast Casual Restaurants with Counter Service and Food & Beverage Stores, while TA1 residents were less interested in expanding these offerings.

- TA1 residents were also clear about what they feel would be less than desirable additions to the Corridor. . . including Banks, Hair, Skin & Nail Services, Other Services (real estate, legal, accounting) and Department Stores.

- Below are some recurring themes for the open-ended question about what consumers want to see in Great Road
  - ✓ More entertainment, recreation, fitness uses - all kinds (bowling, theater, dance, live music, rock climbing…)
  - ✓ Better selection of restaurants (higher end, sit-down, independent, ethnic, seafood, steakhouse, fresh, healthy…)
  - ✓ Craft/hobby store, needlework, yarn, art supply
  - ✓ Bakery/pastry shop
  - ✓ Sporting goods
  - ✓ Gift shop, small boutiques
  - ✓ Cosmetics, Ulta
  - ✓ More small, independently owned businesses instead of chains
  - ✓ Several people expressed concern about additional uses increasing traffic congestion

B. Suggestions for Consideration

1. Improve the business mix, work toward recruiting business that people want and the market will support in the Corridor

Potential Strategies:
- Get the word out . . . Write press release and/or news articles about results of this study and desired businesses.
- Make existing businesses aware of study results (especially business that could possibly meet unmet market demand).
- Develop business recruitment brochure, fact sheets or other material to provide to business prospects, realtors, and property owners including why GRC is a great place to do business, market data and targeted business types. Consider developing a business card-size format that residents can present to favorite businesses located outside of Bedford.
- Focus on encouraging existing and new restaurants with specific sought-after characteristics, entertainment/recreation uses and other business types that were cited as desirable. Review current entertainment regulations.
- Add a "Would your Business be Great on Great Road?" document to the town website economic development page.
- Develop a "How to open a Business Guide" targeting small business and outlining permitting and signage regulations (also see signage workshop under suggestion #2 below).

2. Promote Great Road businesses to residents and especially to the employee segment

Potential Strategies:
- Develop an attractive hard-copy business directory showcasing businesses by category (indicating location) that could be available at Great Road businesses to encourage crossover patronage and distributed to employees, students, on the shuttle, etc. (or could start with only restaurant and retail directory).
- Develop online, searchable version of business directory.
- Provide a workshop for businesses about signage, including strategies for creating effective attractive signage that is compatible with the recently revised signage regulations, along with other promotional ideas.

3. Alleviate traffic congestion

Potential Strategies:
- Improve vehicular and pedestrian connectivity between parking lots so customers can navigate from one to the other without re-entering the street and/or park once and walk to multiple commercial locations.
- Promote walking - improve sidewalks, connectivity, pedestrian comfort and safety amenities within and between nodes (especially in the North Road Area).
- Make sure drivers know where they need to go; confused drivers add to congestion. Improve wayfinding signage directing drivers to parking, public facilities, businesses, etc.
- Evaluate the impact of the Crosby Drive Pilot shuttle with regard to impact on traffic. Consider testing a shuttle service route that would stop at two or three nodes along Great Road Corridor.
- Create a parking map showing all public and private parking areas along Great Road.
- Evaluate the need for additional municipal parking.
- Investigate new transportation modes; be open to new strategies and technologies and how to support them (e.g., car-sharing, bicycle-sharing, electric vehicle charging, etc.).

4. Activate public spaces, promote hosting of special events on the Common and in other public areas

Potential Strategies:
- Increase the number and variety of events and activities in the Corridor. Residents expressed dissatisfaction with the current amount and type plus events can generate positive economic impacts. *(A FinePoint Associates Study of the economic impact of events in 9 Boston commercial districts showed that events attract people from beyond the local zip code, increase awareness of local businesses and generate sales - attendees visit an average of 2 local businesses before, during or after events).*

B. Suggestions for Consideration (cont'd)

- Promote the establishment of an events committee to organize special events for Great Road.
- Consider creating an initiative that might be coordinated by a community partnership organization that would put out a call to cultural organizations and artists interested in putting on events in the Corridor, accept proposals and provide small grants to support festivals, concerts, art shows, creative art installations, street musicians, etc.
- Work with Bicycle/Pedestrian Master Plan Committee/Chamber of Commerce to host street festivals such as the Walkabout Series and extend to other areas of the Great Road Corridor.

5. Engage community in placemaking activities to explore options for public art, public seating, and social gathering spaces

Potential Strategies:
- Look for funding mechanisms to advance placemaking and public art (e.g., Commonwealth Places is a statewide program that can help fund community-driven projects – art installations, parks, bike trails, markets, etc. through a crowdfunding platform with the incentive of a dollar-for-dollar funding match).
- Explore the possibility of a public art initiative for the utility boxes in the Corridor.
- Develop a walking and bike map highlighting trails, bike rack locations, public restrooms, seating areas, historic sites, commercial areas and other areas of interest in and near Corridor.
- Promote Great Road's historic character and link to the American Revolution

6. Ensure that zoning, licensing or other regulations allow and promote desired uses and take into account identified issues

- Desirable Uses:
  - ✓ Outdoor dining (i.e., on-premise and sidewalk dining)
  - ✓ Entertainment and Recreation Uses (e.g., theater, live music, bowling, dance/sports instruction, fitness, games)
  - ✓ Restaurants (especially full service, sit-down restaurants with wait staff)
  - ✓ Preference for independent businesses and smaller businesses over chains and department stores
  - ✓ Broadening the variety of the business mix with uses other than additional banks and salons
  - ✓ Pedestrian and vehicular connectivity between parking lots to limit requirement for street re-entry
  - ✓ Pedestrian connectivity especially within nodes
  - ✓ Bicycle accommodations and amenities

- Identified Issues
  - ✓ Need to review adequacy of parking and wayfinding signage
  - ✓ Concern about traffic congestion (see suggestion #3)

7. Consider establishing an entity to coordinate and carry out tasks associated with maintaining the vibrancy of Great Road

Potential Strategies:
- Develop a community partnership organization to focus on the on-going vibrancy-maintaining activities that would include business owners, residents, property owners and public sector representatives willing to work together. The feasibility of creating a Business Improvement District (BID) could be explored.
- Create working committees as appropriate (e.g. events, promotion, beautification).