Dracut Navy Yard Business District

Analysis of Economic and Market Conditions

Dracut, Massachusetts

Prepared for: Town of Dracut
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In collaboration with Elizabeth Ware, Director of Community Development

November, 2017

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Sponsored by:
MA Dept. of Housing & Community Development,
MA Downtown Initiative Program, Emmy Hahn, Coordinator

Acknowledgements

This project was sponsored by **MA Dept. of Housing & Community Development, MA Downtown Initiative Program, Emmy Hahn, Coordinator.**

This project was conducted by **FinePoint Associates, Peg Barringer, Project Director**, for the Town of Dracut.

The Town was represented by: **James A. Duggan, Town Manager** and **Elizabeth Ware, Director of Community Development**

Special Thanks to:

Elizabeth Ware, Director of Community Development for her guidance, feedback and insights throughout this project as well as data collection and business outreach assistance.

Susan Provencher, Volunteer, for data collection and business outreach assistance.

The business owners and representatives, property owners and real estate professionals that graciously agreed to be interviewed and/or surveyed as part of this project.

This report is presented to the **Dracut Economic Development Committee** for their consideration.

- Alison Hughes, Board of Selectmen Chairman
- Tami Dristiliaris, Board of Selectmen, Vice Chairman
- Frank Antifonario, Member
- Phillipe Thibault, Member

Staff to the Committee include:

- Jay Donovan, Northern Middlesex Council of Governments
- Jim Duggan, Town Manager
- Elizabeth Ware, Director of Community Development

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Project Purpose, Process and Study Area

Purpose: To analyze economic and market conditions in the Navy Yard Business District to assess the potential for new businesses and help guide future revitalization activities.

Process: FinePoint worked collaboratively with the Dracut Community Development Department during the course of this project. The Dracut Community Development Director and Volunteer Assistant conducted a business inventory and comprehensive outreach effort to the Navy Yard District businesses. FinePoint Associates followed up with surveys and interviews with business and property owners, completed a real estate profile and commercial mix analysis, evaluated business conditions, completed a market analysis and summarized findings.

Context and Study Area: Dracut is located in Middlesex County, approximately 25 miles northwest of Boston on the New Hampshire border. It is surrounded by the communities of Lowell, Lawrence, Methuen and Tyngsborough in Massachusetts and Pelham, new Hampshire (see Figure 1). The Navy Yard Business District is one of several commercial nodes in the town. It is located at the busy intersection of Lakeview Avenue and Pleasant Street and is situated very close to the border of the City of Lowell.

Figure 1. Regional Context

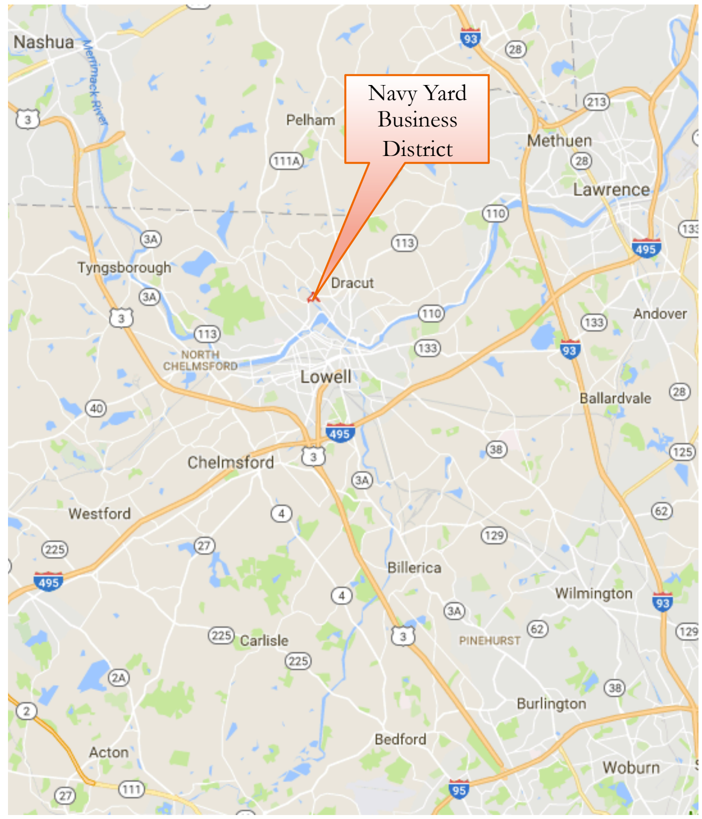
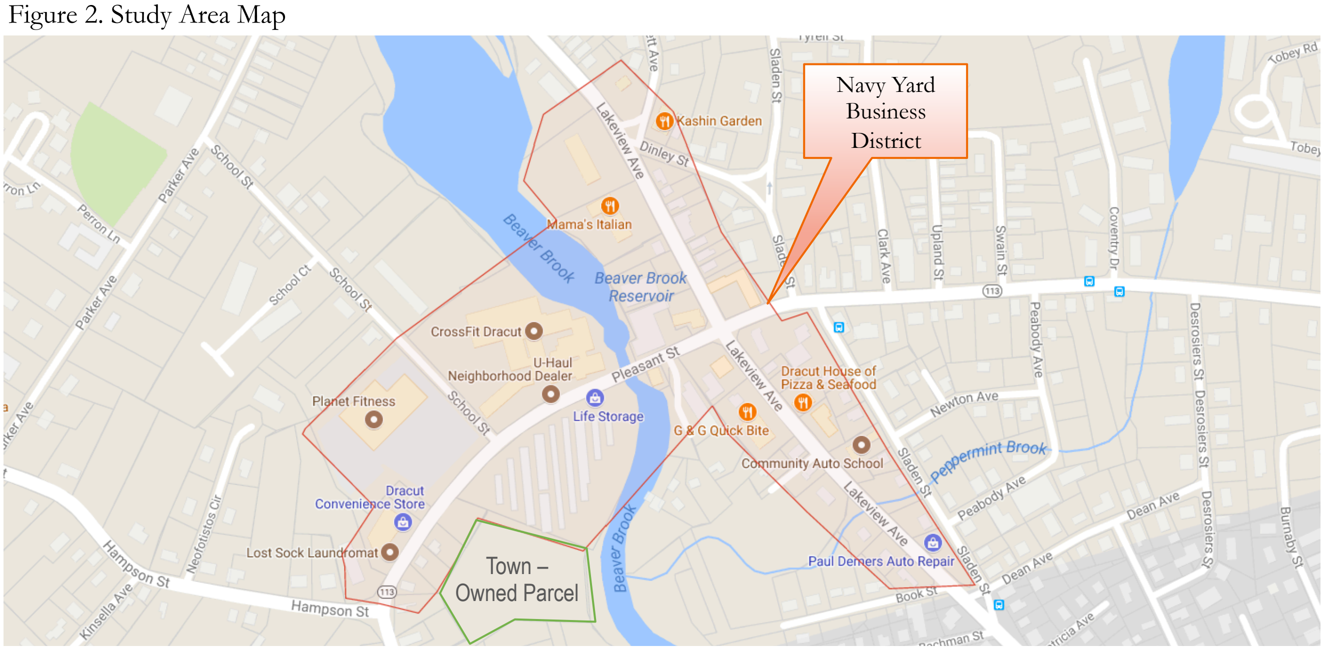


Figure 2. Study Area Map

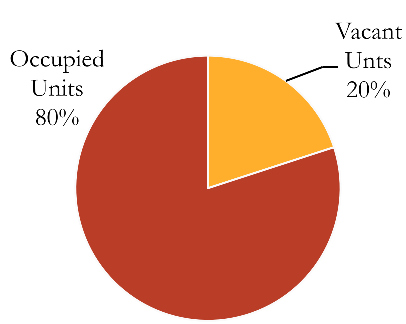


Part I. Business District Profile and Commercial Mix Analysis

A. Real Estate Overview

- In total, the Navy Yard Business District contains over 380,000 s.f. of commercial space "under roof". To put this in perspective, this is slightly over one-third the size of Pheasant Lane Mall (the nearest large regional mall located in Nashua, New Hampshire). The majority (66%) of the commercial space is located on the first floor.
- The buildings are mostly one and two story structures, many situated in several small shopping plazas. In addition, the District contains the Navy Yard Mill, a former woolen mill, which is home to several enterprises, but also has a large amount of vacant and underutilized space.
- The District is centered around a busy intersection. There is not a strong sense of place, no unifying elements or defining gateways into the District.
- In total, the District contains approximately 91 commercial units; 76 have a first floor presence and 15 are located entirely on other floors. Most of the units are quite small, the median size is 1,242 s.f.
- At the time of the inventory (August 23, 2017), there were 18 vacant commercial units totaling approximately 88,500 s.f. The vacancy comprises 20% of the total units and 23% of the total commercial space. The vast majority of vacant space is within the Navy Yard Mill (70,000 s.f.), however there are also 15 vacant small commercial units throughout the District representing close to 19,000 s.f. .

Figure 3. Commercial Vacancy

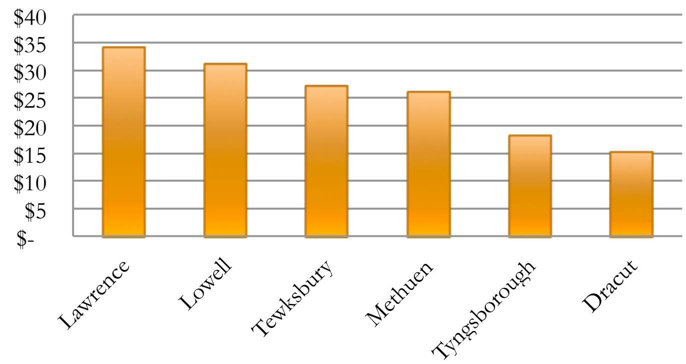


**Note: This analysis is based upon a business space inventory developed with information provided by the Town Community Development Department and primary data collection conducted by FinePoint Associates. Inventory results may be less complete for commercial space not located on the first floor due to difficulty obtaining data.*

- Commercial rental rates in the District vary by unit size, location, condition and amenities. We found retail spaces around 2,000 square feet or less available from $14 to $17 per square foot (annually) and small office spaces around 1,000 square feet or less available from $12 to $14 per square foot (annually). Larger commercial/industrial space is available at significantly lower per square foot rental rates.

- 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, Dracut's commercial property tax rate is lower than the surrounding communities.

Figure 4. Commercial Tax Rate Analysis (2016)



- Two properties at the intersection of Lakeview Ave and Pleasant Street are largely vacant. The property owner has been making improvements and two spaces have been recently rented; several spaces remain available.

B. Establishment Characteristics

- The District is home to approximately 73 establishments including retail, restaurants, services, contractors, manufacturing, 2 large self-storage businesses and non-profit entities. For the purposes of this study, we define "establishment" as any non-residential entity. Some of the more well-known and higher customer-count establishments include: Dracut Appliance, Dracut House of Pizza and Seafood, Family Dollar, Mama's Italian Restaurant, CardSmart, Enterprise Bank and Planet Fitness.
- Most of the establishments are small (the median size is around 1,200 s.f., however, the District also contains several large enterprises as listed below.

Over 40,000 s.f.
A-Lowell Storage
Life Storage

Over 10,000 s.f.
Vintage Millworks
Catie's Closet
Normandin & Son
Planet Fitness
Crossfit

- Most of the establishments (79%) are independently-owned, single location businesses. National or regional multi-location businesses, chains and franchises comprise about 15% of the establishments (e.g. Family Dollar, O'Reilly's Auto Parts, Planet Fitness, Shell, CardSmart). Approximately 5% of the establishments are public sector entities or nonprofits.

Figure 5. Ownership Characteristics

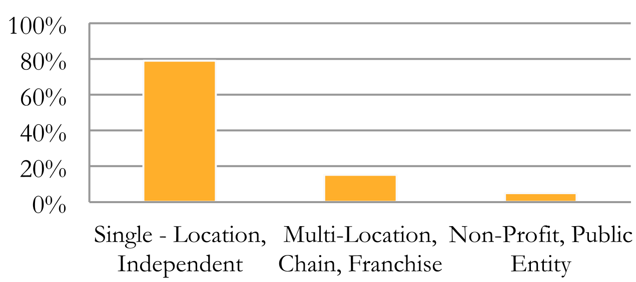


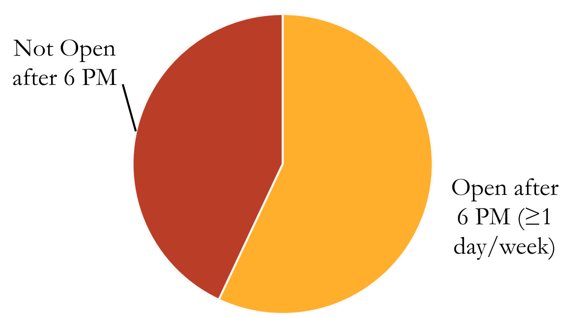
Table 1.

Establishment Type	#	S.F.
Retail	**11**	**28,059**
Motor Vehicle & Parts	1	5,500
Furniture & Furnishings	0	-
Electronics & Appliances	1	4,212
Building Mat. & Garden Equip	0	-
Food & Beverage Stores	3	5,170
Health & Personal Care Stores	0	-
Gasoline Stations	1	2,427
Clothing and Accessories	2	2,228
Sporting Goods, Hobby, Books	0	-
General Merchandise Stores	1	4,000
Misc. Retail Stores	2	4,522
Eating, Drinking & Lodging	**12**	**41,960**
Arts, Entertainment & Recreation	2	20,000
Accommodation	0	-
Eating and Drinking Places	10	21,960
Services	**42**	**184,371**
Finance & Insurance	4	7,571
Real Estate and Rental/Leasing	3	113,367
Professional, Scientific & Tech.	3	3,518
Educational Services	2	1,145
Health Care & Social Assist.	6	6,698
Repair & Maintenance	7	22,462
Personal Care & Laundry	15	17,610
Relig., Grant, Civic, Prof. Orgs.	2	12,000
Other	**8**	**38,669**
Agric., Forest, Fishing, Mining	0	-
Util., Const., Mfg., Wholesale	5	23,424
Transport, Postal & Warehouse	1	14,000
Information	1	245
Admin./Sup. & Waste Mgmt	0	-
Public Administration	1	1,000
Total Establishments	**73**	**293,059**
Vacant Commercial Units	**18**	**88,532**
TOTAL Commercial Units and Space	**91**	**381,591**

Note: The Establishment Type Table shows all business categories that may be present in downtowns/commercial districts. Showing all categories is intended to illustrate those that are represented as well as not represented.

- There is not total consistency in operating hours among the establishments. A few of the businesses operate less than 5 days per week (e.g., A's Tux, Pets Pleasure). Many hair salons are closed on Sundays and Mondays and a few of the restaurants are closed on Mondays. 57% of the establishments are open after 6 PM at least one night per week. Several businesses have a later-than-usual closing time on Thursday.
- Many businesses in the District do not have a strong online presence and are not easily discoverable online. Only 38% of the establishments have a website. Many of the businesses have facebook pages, however, in many cases, business hours or other pertinent information is not provided.

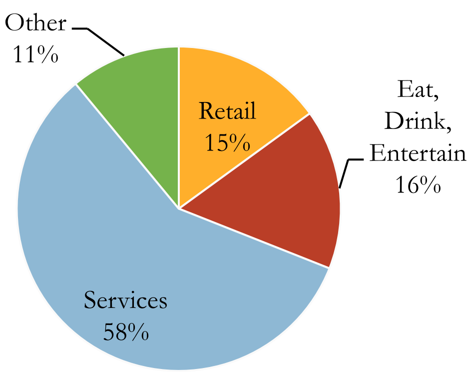
Figure 6. Operating Hours



C. Business District Composition Assessment

- More than half of the establishments (58%) in the commercial district are services, 15% are retailers, 16% are restaurants and 11% other.
- The most represented industry subsectors (based on the number of establishments include: 1) Personal Care (e.g., hair salons), 2) Eating & Drinking Places, 3) Repair & Maintenance (includes auto repair), 4) Health Care & Social Assistance, and 5) Utilities, Construction, Manufacturing., Wholesale.

Figure 7. Composition of Uses
(# of establishments)



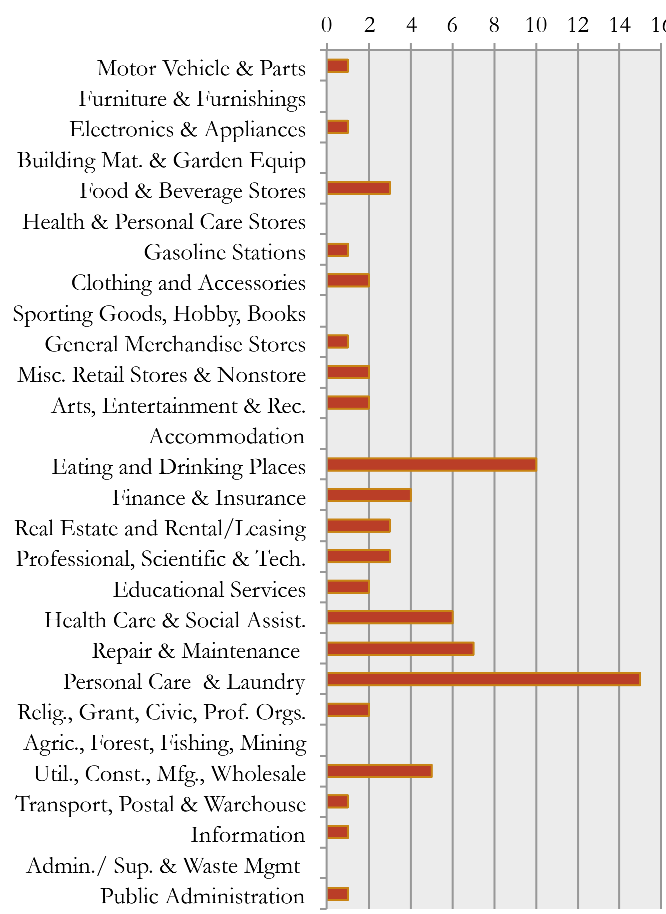
Note: The Commercial District Mix Chart shows all business categories that could be present in downtowns/commercial districts. Showing all categories is intended to illustrate those that are represented as well as not represented.

Table 2.

Top Ten Most Frequently Found Establishments

Rank	Industry Subsector	No.
1	Personal Care & Laundry	15
2	Eating and Drinking Places	10
3	Repair & Maintenance (includes auto repair)	7
4	Health Care & Social Assistance	6
5	Utilities, Construction., Manufacturing., Wholesale	5
6	Finance & Insurance	4
7	Food & Beverage Stores	3
8	Real Estate and Rental/Leasing	3
9	Professional, Scientific & Technical	3
10	Clothing & Accessories	2

Figure 8. **Commercial District Business Mix**



Retail Establishments

- The District is home to 11 retail establishments including a well-known appliance store, a discount store (Family Dollar), a card and gift shop, a couple of convenience stores, liquor store, small specialty women's clothing store, jewelry store, a vape shop, auto parts stores and a gas station.

Restaurants, Entertainment & Recreation

- There are 10 eating and drinking places in the District – 1 American dining restaurant specializing in pizza and seafood, 1 Italian restaurant, 1 pizza/sub shop, 1 Caribbean restaurant, 1 Mexican restaurant, 1 Asian restaurant and an ice cream stand (open April – October). There are also 2 bars. There are no coffee shops or breakfast restaurants in the District.

- There are 2 recreation facilities, both are fitness centers.

Table 3.

Eating & Drinking Establishment Type	#
Full Service Restaurants	6
Limited Service Restaurants	1
Snack & Non-Alcoholic Beverage Bars	1
Bars (Alcoholic)	2
Total	10
Establishments that Serve Alcohol	6

Service Establishments

- There are 42 service establishments in the District including a large array of personal services. In all, there are 12 businesses that offer hair, skin, and nail services, 2 laundry/dry cleaning businesses and a pet groomer.
- The District is home to a cluster of 5 auto service businesses.
- There is a complement of professional services including a bank, mortgage broker and other financial services, insurance agencies, legal office, and a cluster of 6 healthcare services along with a few other service establishments.
- One of the unique characteristics of the District is that it is home to 2 large self-storage facilities, one operated in the mill complex and one located across the street from the mill.

Manufacturing and Other Establishments

- In addition to traditional retail and service establishment commonly found in downtown or neighborhood business districts, the Navy Yard Business District contains a few manufacturing/construction uses. For example, Essex Silver Line, located in the heart of the District, manufactures floor sanders and Vintage Millworks, located in the Navy Yard Mill, is a distributor and manufacturer of cabinetry, moulding and other home interior woodwork products.

Green Spaces and Other Assets

- The Town is currently in the process of developing a park at the edge of the District (in honor of a soldier lost to the war in Afghanistan). The park will have water views, seating, a canoe/kayak launch and parking.

- Beaver Brook runs though the District, however, it is somewhat of an unrealized asset. Water views are accessible from the back of some of the commercial buildings and from the new park. The dam and water area near the mill complex is picturesque if glimpsed through fencing when walking by but generally not very visible. The dam is owned by the mill and in need of repairs.

- The Town owns a parcel (approximately 3 acres) that abuts Beaver Brook just at the edge of the Navy Yard Business District Study area (see Figure 2). This could be considered for the creation of a greenspace amenity in the future.

Business Listing by Category

Food and Beverage
Dracut Convenience
Nason's Quick Mart
Navy Yard Liquors

Clothing & Accessories
Industry
Roberts Jewelers

General Merchandise/ Department Stores
Family Dollar

Gifts & Cards
Card$mart

Appliances & Electronics Sales & Service
Dracut Appliance
Lakeview Appliance

Eating & Drinking Places
Cancun Mexican Restaurant
Dracut House of Pizza & Seafood
Dragon Kitchen
Frosty Boy
G & G Quick Bite
It's A Wrap
Kashin Garden
Mama's Italian Restaurant
Rally Cap
Rendezvous Lounge

Entertainment & Recreation
Crossfit
Planet Fitness

Banks and Financial Services
CDM Mortgage
Enterprise Bank
Gorman Tax Service

Insurance
Coughlin Insurance Agency
Falcons Ins. & Financial Serv.

Legal Services
Panas Attorney at Law

Educational Services
Community Auto School
Learning Greek

Healthcare Services
Advanced Nursing Care
Affordable Dental Center
Dr. Marie K. Salvas - Optomotrist
Gerry Casazza DMD PC
James Phelan DMD
Merrimack Valley Podiatry PC

Hair, Skin & Nail Services
Ahead of Time Hair Salon
Cutting Corner Hair Salon
DE Nails & Spa
Dracut Nails & Spa
Five Stars Barber Shop
Gorgeous Nails
Hairs Perfection
Mill City Barber Shop
Nail Loft
Star Nails & Spa
Vivid Hair Salon
Yvonne's Cuts

Dry Cleaning, Laundry & Tailoring
Brite Kleen Cleaners
Elegant Tailor & Design
Lost Sock Laundromat

Pet Services/Supplies
Pets Pleasure

Gas, Auto Sales, Parts & Services
Dracut Auto Butler
Normandin & Son
O'Reilly Auto Parts
Paul Demers Towing & Service
R. R. Radiator & Towing
Shell Gas Station

Contractors, Arch./Interior design
Joel Kath Woodworking
Nappa Interiors
Phillipe Thibault Architect (new since completion of inventory)
Quinn Construction
Solargasoline LLC
Vintage Millworks Corp

Real Estate/ Leasing - Self Storage
A-Lowell Self Storage
Life Storage

Other
A's Tux Formal Center
Catie's Closet
Divine Radio One
Essex Silver Line Corporation
Hookahs & Vapahs
Lowell Textile Museum (storage)
Manolis Family Foundation Inc.
MassDot Field Office
Northeast Steno

Business Linkages and Clusters

The presence of significant linkages between businesses is an important aspect of a good business mix. This should be considered when exploring opportunities for new businesses. Identifying existing business linkages and clusters that already exist in a commercial district can reveal existing customer patterns as well as point to potential opportunities for new related businesses.

Sometimes businesses are linked because they provide crossover-shopping opportunities for customers. In other words, a customer might be likely to patronize several of the businesses in a cluster in order to purchase related goods or services (e.g. shoes and clothing) or to complete several transactions during the same shopping trip (e.g. bank, post office, drugstore). Or, the businesses might be linked because they serve similar market segments, customers with common characteristics (i.e., interests, needs, tastes, lifestyles, buying behavior). Business can also be linked because they provide comparative shopping opportunities. In this case, a grouping of businesses can attract more customers than a single business because the consumer can explore a greater variety of options in the same shopping trip and because an area sometimes gets known for offering a certain type of good or service.

The District has several existing crossover, comparative and market segment clusters. New businesses might be able to feed off customer traffic from existing businesses and complement/expand these clusters.

Restaurants, Entertainment, Recreation
Dracut House of Pizza and Seafood
Mama's Italian Restaurant
It's a Wrap
Dragon Kitchen
Frosty Boy
G&G Quick Bite
Rendezvous Lounge
Rally Cap
Planet Fitness
Cross Fit

Businesses that target UMass Lowell Students (at least partially)
A-Lowell Storage
Family Dollar
Industry
Hookahs and Vapahs
It's a Wrap
Planet Fitness
Navy Yard Liquor
Dracut Convenience
Life Storage

Healthcare
Merrimack Valley Podiatry
Dr. Marie Slavas, Optometrist
3 Dentists (Phelan, Casazza, Affordable Dental Center)

Contractors, Woodworking, Interior Design
Vintage Millworks
Quinn Construction
Nappa Interiors
Phillipe Thibault Architect

Multicultural Business Owners and Offerings
Cancun Mexican Restaurant
Dragon Kitchen
It's a Wrap

Errands and Personal Services
Card$mart
Drycleaners
Enterprise Bank
12 hair and nail salons and barber shops
Pets Pleasure

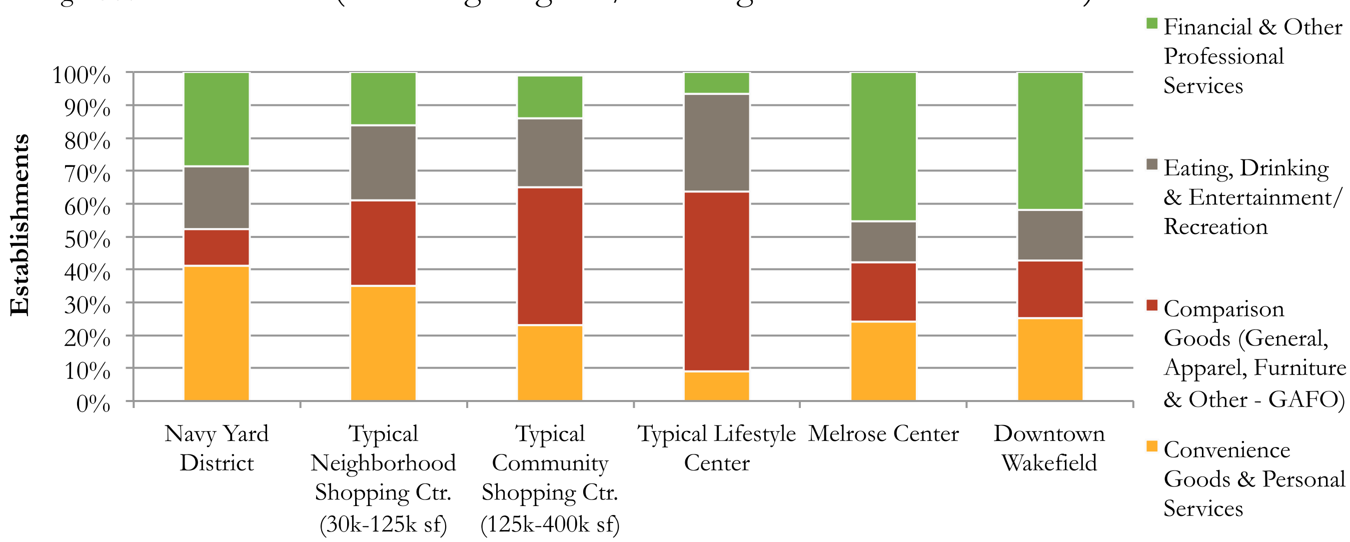
Women's Goods & Services
Multiple hair & nail salons
Industry

Auto Services & Parts
4 auto service businesses and a gas station
O'Reilly Auto Parts

D. Comparative Business Mix Analysis

The chart below illustrates the business mix in the Navy Yard District compared to three typical types of single-developer commercial centers as well as two other town centers that have a reasonably healthy mix of goods and services. Compared to shopping and lifestyle centers and the Town Centers, the District has a larger proportion of Convenience Goods and Personal Services and a smaller portion of Comparison Goods businesses. In addition, compared to other town centers, the District has a smaller portion of financial and other professional services.

Figure 9. Business Mix (excluding religious/civic organizations and & other)



Examples of establishment types often found in downtowns/commercial districts that are not present in the District include:

- Coffee Shop (all-day, light food, coffees/tea)
- Wider variety of restaurants (e.g., full service – sit down dinner, Breakfast restaurant, sports pub –style), restaurants with entertainment
- Limited outdoor dining (Dracut House of Pizza & Seafood Only)
- Pharmacy/drugstore
- Consignment/vintage shop
- Food/grocery/bakery (beyond convenience stores)
- Additional recreation/entertainment uses (e.g., bowling alley, etc.)
- Additional healthcare/medical offices and professional offices/small companies (e.g., web design, engineering, etc.)
- Additional Educational service businesses, especially for young people (e.g., karate/martial arts, dance school, tutoring/afterschool programs)

Part II. Business Conditions, Stakeholder Input & New Commercial Development

A. Business Conditions

- We conducted interviews with 23 businesses in the Navy Yard Business District during August, 2017.
- The respondents represent new as well as more established businesses but the majority are fairly new to the District. 60% of the business respondents have been in business at their location for less than 5 years, while 18% have been at the location for 5-19 years, and 23% for more than 20 years.
- Sales have increased for some while declined for others. 53% of the businesses reported sales have increased in the last 3 years, 10% said sales stayed about the same and 37% said sales have gone down.
- Several businesses are contemplating changes. 7 are considering renovation, 4 are considering expanding their facility and 7 are considering adding personnel. A couple of businesses are considering selling their business and 1 is actively looking for a new location. (This business had moved from a downtown Lowell location and is not doing as well at this location.)
- Where do customers/sales come from?
  - ✓ When asked where their customers live, most of the businesses that depend on "through-the-door" sales mentioned Dracut and Lowell. Some business specified "this side of Dracut". A couple of businesses also mentioned Tyngsborough and Pelham, NH At least one business cited Methuen and Lawrence.
  - ✓ We are not aware of any businesses in the District that are supplementing their "through-the-door sales with Internet sales (through a website, E-Bay, Amazon, Etsy, etc.).
  - ✓ UMass Lowell students and employees are an important market segment for some businesses and not for others. 28% of the respondents estimated that 10% or more of their sales come from this segment. It's a Wrap, Dracut Convenience, located in the section of the District closest to the North Campus reported the largest draw from this segment. Other businesses that draw an estimated 10 – 20% of sales from this segment include Family Dollar, Planet Fitness and Hookahs and Vapahs. And although, we do not have an estimate, we know from conversations, that the self-storage businesses also also draw customers associated with UMass Lowell.

Figure 10. Revenue Trend Last 3 Years

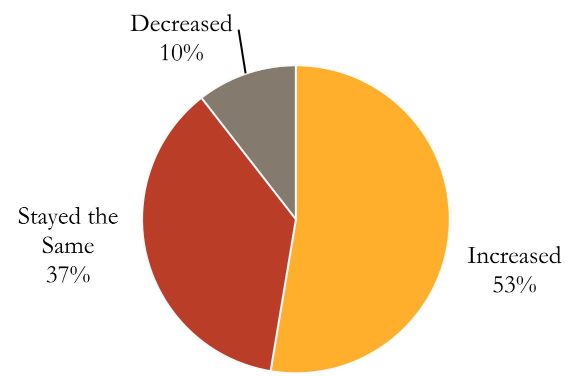
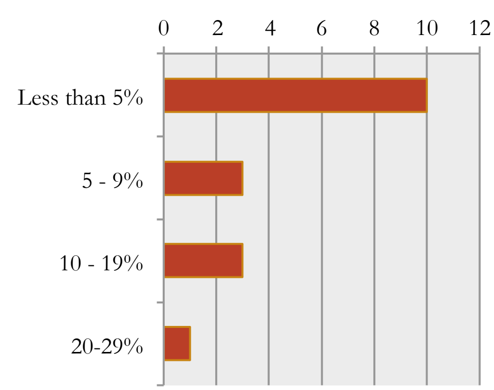


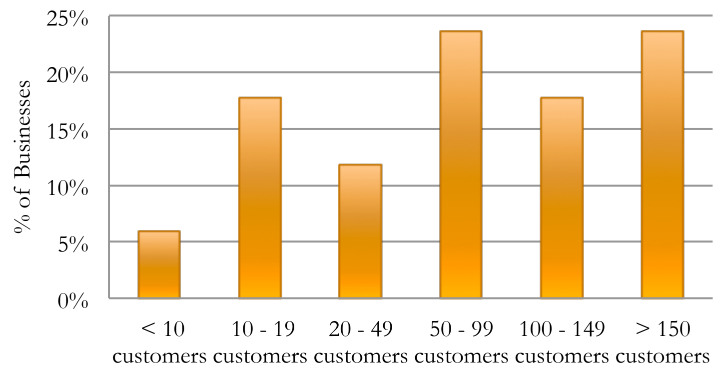
Figure 11.
Actions Considering in Next 5 Years

Figure 12.
Sales Generated from UMass Lowell



- Daily customer counts vary widely; the median among the businesses that were interviewed/surveyed was 50 – 99. Several businesses attract more than 100 customers per day (such as the bank, gift shop, discount store, liquor store, gym, etc.) while there are also several businesses that serve less than 20 customers per day (including a few of the personal service businesses.).

Figure 13. Average Daily Customer Volume



B. Business and Property Owner Input

We asked business owners and property owners about their opinions regarding the advantages and challenges associated with the Navy Yard District as a business location, what additional businesses they would like to have in the District and what improvements/changes that would like to see happen. The following section presents the most common responses.

Advantages of Business Location

- ✓ Main road, high traffic volume (5)
- ✓ Proximity to UMass and Lowell (4)
- ✓ Access to Dracut customers, proximity to other businesses (3)

Challenges of Business Location

- ✓ Not walkable, lack of sidewalks (6)
- ✓ Busy intersection and road but traffic going by, not aware of what businesses are there, need better visibility, restrictions about signage (5)
- ✓ Some storefronts/buildings need updating/tired appearance; some spaces vacant for years (e.g., G and G Quick Bite Building) (3)
- ✓ Do not feel there is concern/help for small businesses form the Town (2)
- ✓ Traffic congestion(2)

New Businesses would Like to have in Downtown/would enhance Success of Businesses

- ✓ Restaurants, healthy food restaurant, burger restaurant, coffee shop, (5)
- ✓ Offices with employees, large employer (3)
- ✓ Healthy food store, bakery, food store (2)
- ✓ More retail, franchise clothing store (2)

B. Business and Property Owner Input (cont'd)

Suggested Improvements for the District

- ✓ More outreach from Town to business owners, more Town involvement with businesses, help with promotion and other issues, more coordination among businesses (e.g., when business was located in Lowell, City highlighted businesses in Lowell Sun, brought Chronicle to businesses)
- ✓ More flexibility with business signage, allow businesses to put promotional items in front of stores, more signage to tell customers what is available, help with visibility
- ✓ Increase walkability of the District, sidewalks and crosswalks
- ✓ Improvements to intersection of Lakeview Avenue and Pleasant Street, address traffic backup
- ✓ More policing, have been broken into 3 times, drug activity in parking lot
- ✓ Improve general aesthetics of the area, encourage landlords to renovate properties

Part III. Market Assessment

A. Overview of Potential Market Segments

Businesses located in the Navy Yard business District have the opportunity to serve Resident Market Segments and Non-Resident Market Segments.

Resident Market Segment - Residents of the Surrounding Area

The major potential customer base for businesses located in the District is the adjacent residential population. The identified **primary trade area** (where most of the repeat business is expected to be derived) is a 1-mile radius containing 19,953 residents. The **secondary trade area** (where it might be possible to draw a small portion of sales depending on the uniqueness and quality of the offerings) is identified as a 2-mile radius, containing 73,668 residents. The rationale for the trade area delineation and the demographic and consumer characteristics of the population in each trade area are described in detail in Section B of this report.

Non-Resident Market Segments

In addition to the residential customer base, there may be some additional market opportunity presented by other segments such as:

- Employees of Area Businesses (small establishments in and near the District)
- Students and Employees at UMass Lowell (located within close proximity to to the District)

More information about the non-resident market segments is provided in Section C of this report.

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 sales for all of the businesses 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 such as: location of competing commercial centers, travel time and distance for shoppers, travel patterns, 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.

Competition: The location of surrounding commercial facilities is illustrated in Figure 14. The nearest regional malls/ commercial shopping centers include: the Pheasant Lane Mall and surrounding plazas in Nashua, the malls and plazas at the intersection of Rt. 3 and Rt. 495 at the border of Chelmsford and Lowell and the commercial development at the intersection of Rt. 495 and Rt. 38 in Tewksbury. More local, smaller scale commercial facilities include the downtown restaurant and shopping area in Lowell Center and the Hannaford's area, Market Basket area and CVS area in Dracut.

Business Owner Input: We asked over 20 businesses in the District about where their "through-the-door" customers live. While some businesses have specialty products or services and are drawing from significant distances and mentioned they were attracting customers from Tyngsborough, Methuen, Lawrence and New Hampshire, the majority of the restaurants, retailers and small service businesses indicated most of their customers were coming from Dracut and part of Lowell. [Some business in the District do not depend on "walk-in" trade such as the manufacturing enterprises, and for these businesses, proximity to customers is not an issue, however the trade area analysis is useful for traditional retail and service businesses typically found in neighborhood and downtown commercial nodes.)

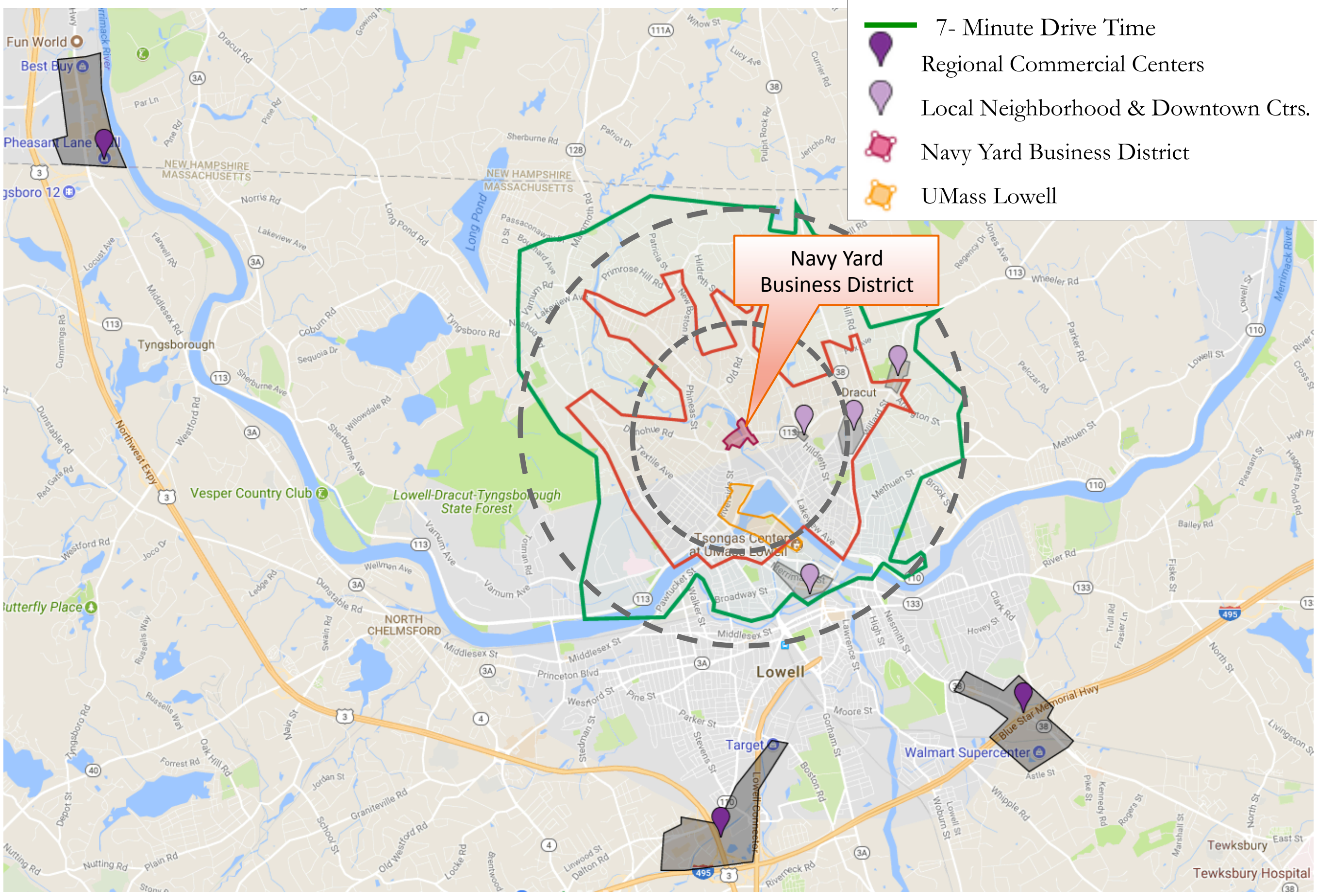
After discussing consumers patterns with local business owners, residents, and Community Development Department Staff, and reviewing the location of existing commercial facilities, travel times and circulation routes, it was determined that the likely potential **primary trade area** for the business district is about a 1 – mile radius. (see Figure 15).

There may also be potential to attract some customers from a **secondary trade area,** the area included within a 2-mile radius (see Figure 16). This secondary trade area was identified because it represents a relatively reasonable travel time to acquire goods and services and several business mentioned that they are currently attracting customers from this distance. However, it is expected that the capture rate would be significantly less than in the primary trade area and would greatly depend on the uniqueness and quality of the merchandise or services being offered.

(Note: For specialty product and services, businesses may be able to draw customers from even further. Some businesses mentioned the easy access to Rt. 3 and Rt. 495 as an advantage of this business location.)

The demographic and consumer characteristics of the population in these trade areas, along with a sales leakage analysis is provided in the following sections.

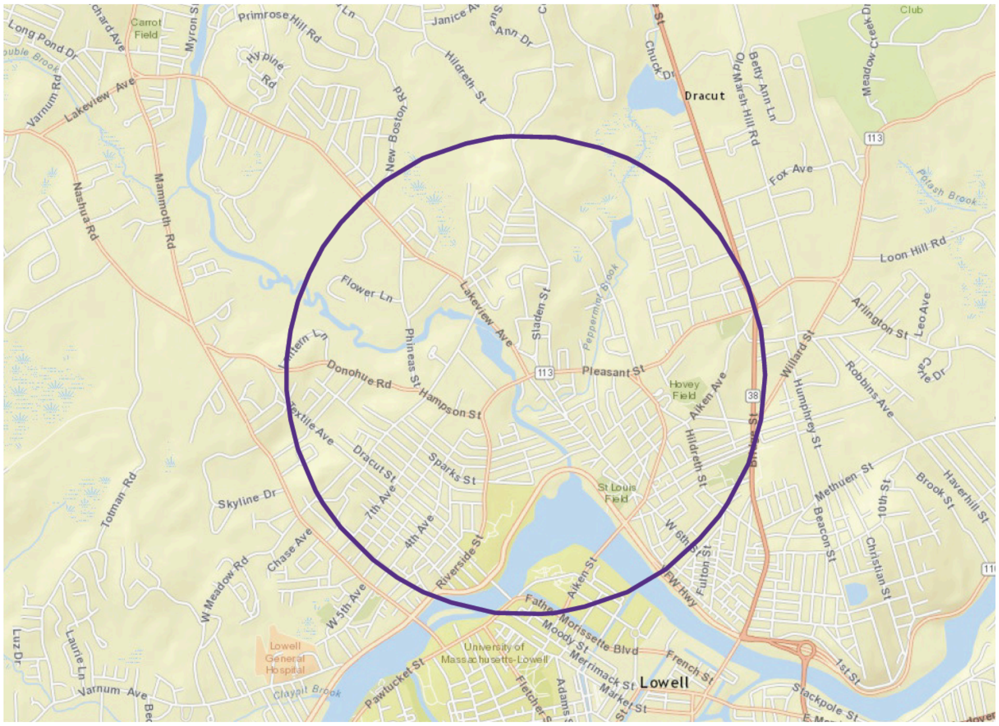
Figure 14.
Location of Surrounding Commercial Facilities



***Note:** This map is intended to be <u>illustrative</u> not exhaustive.*
All commercial facilities are not shown.

Figure 15.

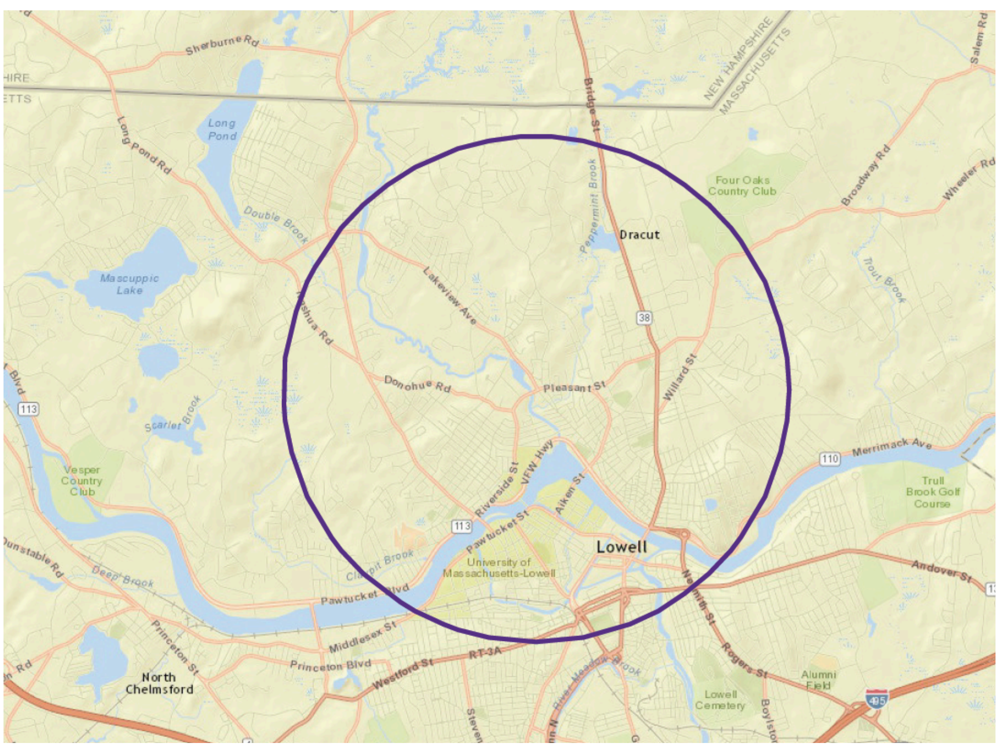
Primary Trade Area (TA 1): 1 - Mile Radius



1-Mile Radius

Figure 16.

Secondary Trade Area (TA 2): 2 - Mile



2-Mile Radius

B. Resident Market Segment (cont'd)

2. Trade Area Consumer Characteristics

Primary Trade Area (TA1)

The primary trade area, defined as a 1-mile radius, is quite densely populated with approximately 19,950 people. The trade area is growing in both population and number of households at the same rate as the state overall. The average household income is $72,607. Given the density, this translates to over $262,000 of income (spending power) per acre -- close to 5 times the statewide average (about one-third the rate of Boston). The estimated median household income is $59,184 (19% lower than the statewide median). Compared to Massachusetts, the percentage of households earning below $25,000 is higher (25% compared to 19%) and the percentage of households earning over $150,000 is lower (9% compared to 19%) , while the percentage of households in the middle is fairly similar. The population is 72% White, 10% Asian, 7% Black/African American, and 11% other/more than one race. 18% of the population is Hispanic compared to 12% in Massachusetts. The most significant ancestry concentrations are French/French Canadian (18%), Irish (15%) and Italian (7%) compared to concentrations in the United States of 2%, 7% and 4%, respectively. Approximately 29% of the population over age 25 have at least an Associates Degree or higher. (This rate is 48% in Massachusetts and 38% in the U.S.)

Compared to Massachusetts, the TA1 population is younger, with more people per household, more likely to have children, and less likely to be married and own a home. The median age is 32.7, 18% lower than in state and 14% lower than in the US. 11% of the population is 65 years of age or older compared to 16% in MA and 15% in the U.S. 39% of the population is married, lower than the state and U.S. rate of 46% and 49%. The population is comprised predominantly of family households (60%) with an average household size of 2.6 persons (compared to 66% and 2.2 persons statewide). The percentage of single parent households is 15%, compared to 10% in MA and 11% in the U.S. 34% of the households contain children under 18 compared to 31% statewide and 36% in the U.S. About 27% of the households contain only one person, which is close to the statewide rate of 29%. The homeownership rate is lower than it is statewide - 54% of the occupied homes are owner-occupied compared to 62% in MA overall. The majority of the market has access to a private vehicle for acquiring goods and services, however 14% of households do not own a vehicle and therefore are dependent on public transportation or walking to acquire goods and services. 48% of the households have 2 cars or more.

Projected Growth - The population and the number of households in TA1 grew at slower rate than Massachusetts overall between 2000 and 2010 but is expected to increase by similar rates between 2010 and 2022. Between 2000 and 2010; the TA1 population grew by .9% and the number of households grew by .2% (compared to statewide rates of 3.1% and 4.2%). According to current estimates obtained from Nielsen, between 2010 and 2017, the TA1 population growth is estimated at 4.6% and household growth at 5.2% (compared to statewide estimates of 4.8% and 5.3%). Between 2017 – 2022, Nielsen projects a population growth rate of 3.1% and household growth of 3.7% in TA1 (compared to statewide estimates of 3.5% and 3.9%). These projections are based on data from the American Community Survey (conducted more frequently than 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 73,670 people living within the secondary trade area. Compared to TA1, this population is more diverse in ethnicity, slightly older, with a lower median household income and homeownership rate; the population is similar in education level, household size and likelihood of having children in the household. The average household income is $69,714; median household is $53,762 (9% lower than TA1.)

A summary of primary and secondary trade area consumer characteristics, expenditures and sales leakage data is presented in Figure 17 and Table 7.

Sources: The Nielsen Company, Environics Analytics, 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. The table below represents the annual retail market demand by category for each trade area.

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

Table 4.
Resident Annual Expenditures

	TA1	TA2
Furniture & Home Furnishings Stores-442	$6,451,446	$23,206,238
Furniture Stores-4421	$3,448,733	$12,542,149
Home Furnishing Stores-4422	$3,002,713	$10,664,089
Electronics & Appliances Stores-443	$6,504,465	$21,308,244
Building Material, Garden Equipment Stores -444	$31,306,852	$111,441,260
Building Material & Supply Dealers-4441	$28,623,873	$102,069,070
Lawn/Garden Equipment/Supplies Stores-4442	$2,682,979	$9,372,190
Food & Beverage Stores-445	$45,711,817	$162,480,026
Grocery Stores-4451	$41,227,864	$147,082,186
Specialty Food Stores-4452	$1,561,568	$5,589,766
Beer, Wine & Liquor Stores-4453	$2,922,384	$9,808,075
Health & Personal Care Stores-446	$16,062,238	$58,013,068
Pharmacies & Drug Stores-44611	$13,100,108	$47,321,314
Cosmetics, Beauty Supplies, Perfume Stores-44612	$1,290,323	$4,673,123
Optical Goods Stores-44613	$678,570	$2,429,044
Other Health & Personal Care Stores-44619	$993,237	$3,589,587
Clothing & Clothing Accessories Stores-448	$16,910,748	$57,778,005
Clothing Stores-4481	$12,659,554	$42,858,290
Shoe Stores-4482	$2,242,924	$7,898,553
Jewelry, Luggage, Leather Goods Stores-4483	$2,008,270	$7,021,162
Sporting Goods, Hobby, Book, Music Stores-451	$7,450,902	$23,675,203
Sporting Goods, Hobby, Musical Instrument Stores-4511	$5,881,230	$19,295,606
Book, Periodical & Music Stores-4512	$1,569,672	$4,379,597
General Merchandise Stores-452	$37,248,463	$131,971,792
Department Stores, Excluding Leased Departments-4521	$18,981,869	$67,089,842
Other General Merchandise Stores-4529	$18,266,595	$64,881,949
Miscellaneous Store Retailers-453	$9,639,324	$33,328,609
Florists-4531	$403,530	$1,425,291
Office Supplies, Stationery, Gift Stores-4532	$3,366,081	$11,867,193
Used Merchandise Stores-4533	$1,477,958	$4,743,674
Other Miscellaneous Store Retailers-4539	$4,391,754	$15,292,452
Eating & Drinking Places-722 *(not including special foodservice)*	$42,210,133	$142,925,814
Full-Service Restaurants-7221	$22,660,443	$76,384,855
Limited-Service Eating Places-7222	$18,004,535	$61,596,878
Drinking Places -Alcoholic Beverages-7224	$1,545,155	$4,944,081
Total	$219,496,388	$766,128,259

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

B. Resident Market Segment (cont'd)

Sales Leakage Analysis - General

A sales leakage analysis compares the annual expenditures of trade area residents with the sales of trade area businesses. If the expenditures are greater than the sales, it indicates that residents are currently making purchases outside of the trade area. Significant sales leakage within specific retail categories might point to possible opportunities for new or existing businesses.

Primary Trade Area (TA1)

Close to 20,000 residents live within the primary trade area (TA1) and they spend $219 million per year at stores and restaurants (excluding motor vehicle and gas purchases). Based on the sales leakage analysis, these residents are spending over $162 million (approximately 74%) outside of the trade area. The sales leakage in selected categories is illustrated in the Table below. This analysis shows a gap (sales leakage) in several categories along with a surplus in others.

Categories with large gaps might suggest market opportunity for local businesses, however, it would be necessary to evaluate relative strength of competing businesses outside the trade area currently attracting resident expenditures. The sales leakage also must be evaluated compared to the sales requirement for a new business based upon its projected size. For example, the $19 million in sales leakage in the "Department Store" category would not be enough to attract a new department store of average size. On the other hand, the close to $12 million gap in the "Limited-Service Eating Places" category and $11 million in the "Full-Service Restaurant Category" is more than adequate to support an average size restaurant in those categories.

Categories with negative sales leakage indicate existing businesses are currently meeting more than just local demand. In these categories, sales are coming from customers that live outside of the identified trade area. This could include residents from outlying areas travelling further to acquire certain goods and services as well as non-resident market segments such as the employees of nearby businesses or visitors travelling into the area for attractions or events. (For example, a "Hardware" category surplus may indicate the presence of a hardware store drawing customers from beyond the trade area.)

In categories with only a small amount of sales leakage, no leakage or negative leakage, there is no clear evidence of an opportunity gap. In these categories, opportunity for new businesses or expansion of existing businesses would be dependent on the ability to attract expenditures from beyond the delineated trade area or from non-resident segments (e.g., employees, visitors).

Secondary Trade Area (TA2)

Close to 74,000 residents live within TA2 and they spend $766 million per year at stores and restaurants. The sales leakage analysis shows that residents are spending at least $354 million outside the trade area (46%).

Table 5. **Sales Leakage in Selected Categories (millions)**
(positive number = gap/opportunity, negative number = surplus)

		TA1	TA2
Supermarkets, Groc. (Ex Conv)-44511	**TA 1 Gap/ Sales Leakage**	$35.96	$38.32
Department Stores Ex Leased Depts-4521		$18.98	$65.26
Other General Merchandise Stores-4529		$15.09	$53.95
Limited-Service Eating Places, Snack/Beverage -722513-5		$11.95	$12.26
Full-Service Restaurants-722511		$11.05	$18.41
Clothing Stores-4481		$10.89	$31.70
Pharmacies and Drug Stores-44611		$6.79	$2.87
Sporting Goods, Hobby Stores-4511		$4.00	$11.59
Other Miscellaneous Store Retailers-4539		$3.40	$10.62
Furniture Stores-4421		$3.28	$9.14
Home Furnishing Stores-4422		$2.62	$9.28
Shoe Stores-4482		$2.24	$7.42
Beer, Wine and Liquor Stores-4453		$2.14	-$3.21
Office Supplies and Stationery -45321		$1.91	$6.51
Electronics and Appliance Stores-443		$1.81	-$5.82
Book, Periodical and Music Stores-4512		$1.57	$0.68
Jewelry Stores-44831		$1.38	$2.44
Cosmetics, Beauty Supplies-44612		$1.29	$3.69
Drinking Places- Alcoholic Beverages-7224		$1.10	$0.35
Gift, Novelty and Souvenir Stores-45322		$1.04	$2.32
Other Health/Personal Care Stores-44619		$0.99	-$9.37
Used Merchandise Stores-4533		$0.92	$3.34
Paint and Wallpaper Stores-44412		$0.51	$0.71
Florists-4531		$0.19	-$0.05
Optical Goods Stores-44613	**TA 1 No Gap/ Surplus**	-$0.83	-$1.46
Specialty Food Stores-4452		-$0.89	-$6.31
Hardware Stores-44413		-$0.93	-$0.61
Convenience Stores-44512		-$1.85	-$2.63

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

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

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 TA1 spend close to $42 million per year at eating and drinking places while residents living within TA2 spend close to $143 million.

- The sales leakage analysis for various categories of eating and drinking establishments along with definitions are provided below. (However, it should be noted that the distinctions between categories are not always consistently applied).

- There is at least $11 million of unmet demand for Full Service Restaurants in TA1 and $18 million of unmet demand in TA2. The leakage in the Limited Service Category is $12 million of unmet demand for Limited Service in TA1 and $12 million in TA2.

Table 6.
Eating & Drinking Places Sales Leakage Analysis

	Annual Resident Expenditures		Sales Leakage/Opportunity	
	TA1	**TA2**	**TA1**	**TA2**
Total Eating & Drinking Places	$42,210,133	$142,925,814		
Full-Service Restaurants	$22,660,443	$76,384,855	$11,050,352	$18,406,667
Limited-Service Eating Places	$18,004,535	$61,596,878	$11,951,789	$12,260,969
Drinking Places	$1,545,155	$4,944,081	$1,101,685	$352,895

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.

A summary of trade area demographic characteristics and consumer patterns is presented in Figure 17 and Table 7.

B. Resident Market Segment (cont'd)

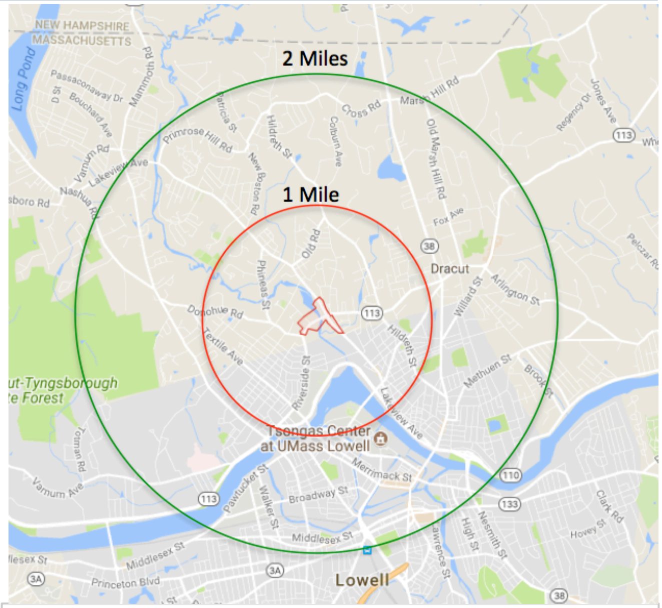
Figure 17:

Summary of Trade Area Demographics, Expenditures & Sales Leakage

Residents living in the surrounding area represent the major market opportunity for the business district. After discussing consumers patterns with local business owners and residents, and reviewing the location of existing commercial facilities and circulation routes, the trade areas were determined as follows.

Primary Market/Trade Area 1 (TA1): 1-Mile Radius
Secondary Market/Trade Area 2 (TA2): 2-Mile Radius

The following presents an analysis of the market population living within two trade areas.



TA1 TA2

Retail & Restaurant Opportunity

MARKET GROWTH

Trade Area 1 (TA1) = 1–Mile Radius

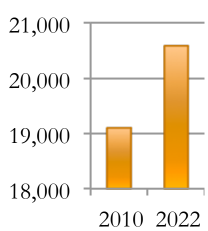
Residents spend
219 million
per year at stores & restaurants*

Opportunity:
Over **$162 Million** being spent in selected categories outside TA1

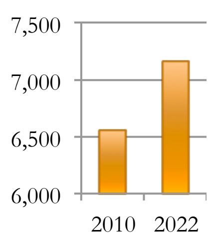
Million spent at non-store retailers

2017 Population	2017 Households	2017 Household Income Median	Average
19,953	6,897	$59,184	$72,607

Population



Households



Spending Power

Income per Acre: $262,171
5 X Massachusetts Average

During 2010-2022, the population is expected to grow by 8% and the number of households by 9%, -- the same growth rate expected statewide.

Trade Area 2 (TA2) = 2-Mile Radius

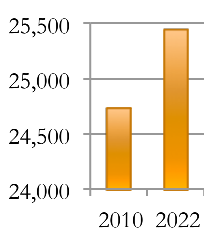
Residents spend
766 million
per year at stores & restaurants*

Opportunity:
Over **$354 Million** being spent in selected categories outside TA2

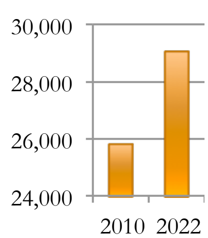
Million spent at non-store retailers

2017 Population	2017 Households	2017 Household Income Median	Average
73,668	27,696	$53,762	$69,714

Population



Households



Spending Power

Income per Acre: $252,711
5 X Massachusetts Average

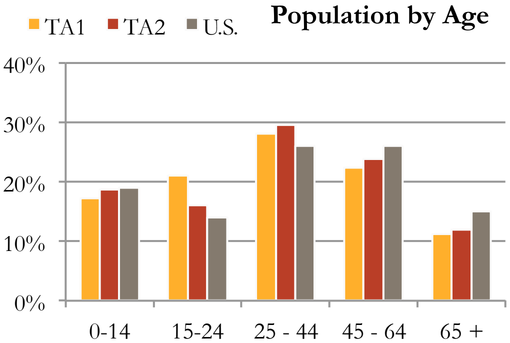
During 2010-2022, the population is expected to grow 11% and number of households by 13% -- below statewide projections of 8% for population and 9% for households.

** Excludes motor vehicle and gas station purchases. ** All data is 2017 estimates unless noted.*

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

Figure 17 (cont'd):

Summary of Demographics, Expenditures & Sales Leakage



Residents

Median age is **32.7** in TA1 and **35.0** in TA2 compared to 40.3 statewide and 39.1 in U.S.

60% Families TA1
66% in U.S.

34% of households in TA1 and **33%** in TA2 contain children compared to 31% statewide and 36% U.S.

CULTURAL MIX

Race & Ethnicity	TA1	TA2	MA
White Alone	72%	64%	77%
Black/African American	7%	7%	7%
Asian	10%	15%	7%
Other/More than 1 Race	11%	14%	10%
Latino/Hispanic	18%	20%	18%

Ancestry	TA1	TA2	US
French/French Canadian	18%	14%	2%
Irish	15%	14%	7%
Italian	7%	5%	4%

29% of TA1 and 34% of TA2 residents speak a language besides English at home

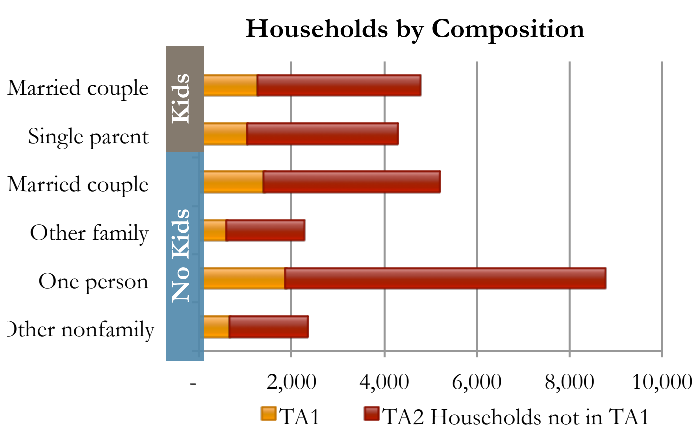
Asian/Pacific Island Language: 6-9%, Indo/European Language: 8%, Spanish: 13-14%, Other: 1-2%

Lifestyle

2.6 Persons per Household in TA1 and 2.5 in TA2 compared to 2.2 statewide

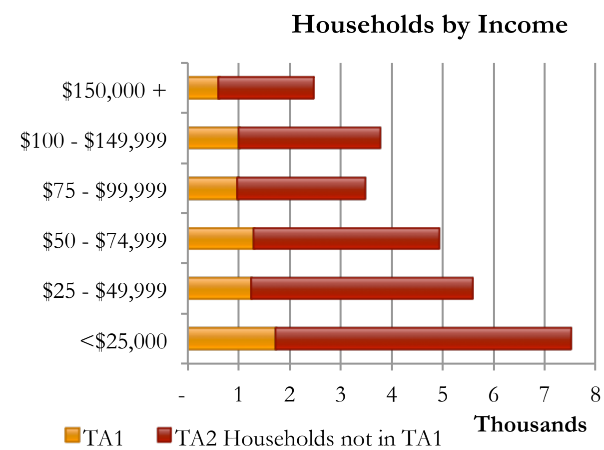
54% Homeowners in TA1, **47%** in TA2, 63% in MA

Foot Traffic . . **14% car-free** households in TA1 and **17%** in TA2 -- these residents are likely to shop close to home



Work

67% in workforce in TA1, 67% in TA2 (68% in MA, 64% in U.S.)
4% self-employed in TA1, 5% in TA2 (9% in MA, 10% in U.S.)



2,613 households in TA1 have income > $75,000; Median household income is $59,184 and $53,7762 in TA1 & TA2; compared to $72,671 statewide, $56,672 in U.S.

29% of TA1 and 29% of TA2 residents have Associates Degree or higher; compared to 48% statewide, 38% in the U.S.

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

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

Figure 17 (cont'd):

Summary of Demographics, Expenditures & Sales Leakage

Expenditures

Spending Power

TA1	TA2	
$6.5	$23.2	Furniture & Home Furnishings
$6.5	$21.3	Electronics & Appliances
$31.3	$111.4	Bldg. Materials, Garden Equip. & Supply*
$45.7	$162.5	Food & Beverage Stores
$16.1	$58.0	Health & Personal Care Stores
$16.9	$57.8	Clothing & Accessories
$7.5	$23.7	Sporting Gds., Hobby, Books, Music
$37.2	$132.0	General Merchandise
$9.6	$33.3	Misc. Store Retailers
$42.2	$142.9	Food Service & Drinking (excl. spec. foodservices)

$ millions

Local Demand Compared to Local Business Sales

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 with only a small amount of leakage, no leakage or negative leakage, there is no clear evidence of an opportunity gap, however, this does not necessarily mean that there is no opportunity. In these categories, opportunity for new businesses or expansion of existing businesses would be dependent on the ability to attract expenditures from beyond the delineated trade area or from non-resident segments (e.g., employees, visitors)

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 people travelling further to acquire specific goods and services and/or non-resident market segments such as employees of nearby businesses or visitors travelling into the area because of attractions, events 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	TA1	TA2
Furniture Stores-4421	$3.28	$9.14
Home Furnishing Stores-4422	$2.62	$9.28
Electronics and Appliance Stores-443	$1.81	($5.82)
Paint and Wallpaper Stores-44412	$0.51	$0.71
Hardware Stores-44413	($0.93)	($0.61)
Supermarkets, Groc. (Ex Conv)-44511	$35.96	$38.32
Convenience Stores-44512	($1.85)	($2.63)
Specialty Food Stores-4452	($0.89)	($6.31)
Beer, Wine and Liquor Stores-4453	$2.14	($3.21)
Pharmacies and Drug Stores-44611	$6.79	$2.87
Cosmetics, Beauty Supplies-44612	$1.29	$3.69
Optical Goods Stores-44613	($0.83)	($1.46)
Other Health/Personal Care Stores-44619	$0.99	($9.37)
Clothing Stores-4481	$10.89	$31.70
Shoe Stores-4482	$2.24	$7.42
Jewelry Stores-44831	$1.38	$2.44
Sporting Goods, Hobby Stores-4511	$4.00	$11.59
Book, Periodical and Music Stores-4512	$1.57	$0.68
Department Stores Ex Leased Depts-4521	$18.98	$65.26
Other General Merchandise Stores-4529	$15.09	$53.95
Florists-4531	$0.19	($0.05)
Office Supplies and Stationery -45321	$1.91	$6.51
Gift, Novelty and Souvenir Stores-45322	$1.04	$2.32
Used Merchandise Stores-4533	$0.92	$3.34
Other Miscellaneous Store Retailers-4539	$3.40	$10.62
Full-Service Restaurants-7221	$11.05	$18.41
Limited-Service Eating Places-7222	$11.95	$12.26
Drinking Places- Alcoholic Beverages-7224	$1.10	$0.35

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

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

Table 7. Additional Demographics Data

Est. Population by Age	TA1		TA2		MA	U.S.
	19,953	%	73,668	%	%	%
Age 0 - 4	1,195	6	4,802	7	5	6
Age 5 - 9	1,155	6	4,677	6	5	6
Age 10 - 14	1,083	5	4,271	6	6	6
Age 15 - 17	817	4	2,854	4	4	4
Age 18 - 20	1,946	10	4,375	6	5	4
Age 21 - 24	1,453	7	4,562	6	6	6
Age 25 - 34	2,977	15	11,271	15	14	13
Age 35 - 44	2,615	13	10,486	14	12	13
Age 45 - 54	2,383	12	9,263	13	14	13
Age 55 - 64	2,088	10	8,330	11	14	13
Age 65 - 74	1,259	6	5,047	7	9	9
Age 75 - 84	650	3	2,530	3	5	4
Age 85 and over	331	2	1,199	2	2	2

Est. Households by Size	TA1		TA2		MA	U.S.
	6,897	%	27,696	%	%	%
1-persons	1,880	27	8,773	32	29	27
2-persons	2,070	30	7,699	28	32	32
3-persons	1,238	18	4,521	16	16	16
4-persons	964	14	3,635	13	14	13
5-persons	467	7	1,756	6	6	6
6 or more	278	4	1,312	3	3	3

Est. Households by Income	TA1		TA2	%	MA %	U.S.%
< $15,000	917	13	4,395	16	11	12
$15,000 - $24,999	816	12	3,112	11	8	10
$25,000 - $34,999	637	9	2,652	10	7	10
$35,000 - $49,999	611	9	2,923	11	10	13
$50,000 - $74,999	1,303	19	4,921	18	15	17
$75,000 - $99,999	986	14	3,475	13	12	12
$100,000 - $124,999	625	9	2,325	8	10	9
$125,000 - $149,999	388	6	1,432	5	7	5
$150,000 - $199,999	375	5	1,468	5	9	6
$200,000 - $249,999	116	2	520	2	4	2
$250,000 - $499,999	96	1	376	1	5	3
$500,000+	27	0	97	0	2	1
Med. Household Income	59,184		53,762		72,671	56,672

Avg. Length of Residence (Years)	TA1	TA2	MA	US
Homeowners	20	17	19	17
Renters	7	7	8	7

Est. Population 16+ by Employment Status	TA1-%	TA2-%	MA %	US %
In Labor Force	67	67	68	64
Employed	61	60	62	58
Self-employed	4	5	9	10
Unemployed	6	6	5	5

Est. Population 16+ by Occupation	TA1-%	TA2-%	MA %	US %
Architect/Engineer	3	2	2	2
Arts/Entertain/Sports	1	1	2	2
Building Grounds Maint	5	4	4	4
Business/Financial Ops	4	5	6	5
Community/Soc Svcs	2	2	2	2
Computer/Math	3	3	4	3
Construction/Extract	5	5	4	5
Edu/Training/Library	7	6	7	6
Farm/Fish/Forestry	0	0	0	1
Food Prep/Serving	9	7	6	6
Health Practitioner/Tec	4	4	6	6
Healthcare Support	4	4	3	2
Maintenance Repair	3	4	2	3
Legal	0	1	1	1
Life/Phys/Soc Science	1	1	2	1
Management	6	7	11	10
Office/Admin Support	15	13	12	13
Production	5	8	4	6
Protective Svcs	2	2	2	2
Sales/Related	9	9	10	11
Personal Care/Svc	5	5	4	4
Transportation/Moving	6	7	4	6

Est. Population Age 25+ by Education	TA1-%	TA2-%	MA %	US %
Less than 9th grade	8	10	5	6
Some High School	10	10	5	8
High School Grad/GE)	35	34	25	28
Some College, no degree	18	18	16	21
Associate Degree	8	8	8	8
Bachelor's Degree	13	13	23	18
Master's Degree	7	6	12	8
Professional School Degree	1	1	3	2
Doctorate Degree	0	1	2	1

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

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

Table 7. (cont'd) Additional Demographics Data

Est. Population by Single-Classification Race	TA1		TA2		MA	U.S.
	19,953	%	73,668	%	%	%
White Alone	14,326	72	46,907	64	77	70
Black/African American Alone	1,406	7	5,519	7	7	13
Amer. Indian/Alaska Native Alone	43	0	230	0	0	1
Asian Alone	1,959	10	11,281	15	7	6
Native Hawaiian and Other Pac. Isl. Alone	11	0	31	0	0	0
Some Other Race Alone	1,435	7	6,765	9	5	7
Two or More Races	774	4	2,936	4	3	3

Est. Hispanic Population by Origin	TA1		TA2		MA	U.S.
	19,953	%	73,668	%	%	%
Not Hispanic or Latino	16,441	82	59,105	80	88	82
Hispanic or Latino:	3,513	18	14,563	20	12	18
Mexican	73	2	431	3	6	62
Puerto Rican	2,323	66	9,373	64	42	10
Cuban	30	1	122	1	2	4
Other	1,087	31	4,637	32	50	25

Est. Population-Asian Alone by Category	TA1		TA2		MA	U.S.
	19,953	%	73,668	%	%	%
Not Asian Alone	19,910	100	62,387	85	94	95
Asian Alone	43	0	11,281	15	6	5
Chinese, except Taiwanese	153	8	480	4	35	22
Filipino	51	3	255	2	3	17
Japanese	6	0	19	0	2	5
Asian Indian	138	7	733	7	21	19
Korean	54	3	244	2	7	10
Vietnamese	132	7	1,175	10	13	11
Cambodian	991	51	6,569	58	8	2
Hmong	34	2	77	1	0	2
Laotian	245	13	776	7	1	1
Thai	4	0	10	0	1	1
Other	151	8	942	8	9	10

Est. Population by Ancestry	TA1		TA2		MA	U.S.
	19,953	%	73,668	%	%	%
Arab	122	0.6	629	0.9	0.9	0.5
Czech	4	0.0	13	0.0	0.1	0.3
Danish	31	0.2	65	0.1	0.1	0.2
Dutch	11	0.1	28	0.0	0.3	0.8
English	474	2.4	2,028	2.8	6.0	5.3
French (exc. Basque)	1,981	9.9	5,954	8.1	4.3	1.5
French Canadian	1,598	8.0	4,352	5.9	2.7	0.5
German	346	1.7	1,295	1.8	3.2	10.2
Greek	542	2.7	1,812	2.5	1.0	0.3
Hungarian	4	0.0	15	0.0	0.2	0.3
Irish	2,957	14.8	10,361	14.1	15.6	6.6
Italian	1,332	6.7	3,903	5.3	10.0	4.2
Lithuanian	23	0.1	111	0.2	0.4	0.1
U.S./American	14	0.1	74	0.1	0.3	0.9
Norwegian	491	2.5	1,428	1.9	3.0	1.9
Polish	584	2.9	2,272	3.1	3.5	0.3
Portuguese	56	0.3	145	0.2	1.2	0.6
Russian	31	0.2	318	0.4	1.3	1.1
Scottish	47	0.2	202	0.3	0.5	0.7
Scotch-Irish	0	0.0	5	0.0	0.1	0.1
Slovak	398	2.0	1,559	2.1	1.7	0.9
Subsaharan African	57	0.3	279	0.4	1.0	0.7
Swedish	14	0.1	33	0.0	0.1	0.2
Swiss	6	0.0	19	0.0	0.2	0.2
Ukrainian	393	2.0	1,451	2.0	3.5	6.4
Welsh	15	0.1	53	0.1	0.2	0.3
West Indian (exc Hisp groups)	274	1.4	1,131	1.5	1.7	0.8
Other ancestries	6,391	32.0	27,464	37.3	26.5	39.9

= Cultural Concentrations

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

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

C. Non-Resident Market Segments

Employees of Area Businesses

There are no large employers within the immediate area of the Navy Yard Business District, however, there are 73 small establishments within the District that generate a limited daytime population of employees. Most of the businesses have less than 5 employees; a few have more, such as Enterprise Bank, Essex Silver Line, Vintage Millworks and Family Dollar. The area employees represent a small market opportunity for meal and snack purchases as well as other convenience goods and service purchases before, during or after work hours.

UMass Lowell Students and Employees

UMass Lowell is located only a short distance from the Navy Yard Business District. Most of the campus is within a mile from the District. The North Campus, situated on the north side of the Merrimack River, in particular, is within easy access of the District, approximately one-half mile from the intersection of Pleasant Street and Hampson Road.

In total, UMass Lowell has approximately 2,000 employees and 17,000 students which present a potential market opportunity for businesses located in the Navy Yard Business District.

Some business in the District are currently attracting UMass students. It's a Wrap and Dracut Convenience, located in the section of the District closest to the North Campus reported the largest draw from this segment. Other businesses that draw an estimated 10 – 20% of sales from this segment include Family Dollar, Planet Fitness and Hookahs and Vapahs. (Although, we do not have an estimate, we know from conversations that the self-storage businesses also draw customers associated with UMass Lowell.)

UMass Lowell	
Students	17,000
Regular Faculty and Staff	1,976

Source: Donahue Institute, UMass Lowell Economic Development Study, 2015

Part IV. Summary of Findings and Recommendations

Trends Impacting All Downtowns and Business Districts

Excerpted from "Considering the Future of Downtowns", © 2017 Peg Barringer, FinePoint Associates

1. Businesses Adjusting to New Conditions

- ☑ Large number of store closings in last couple of years
- ☑ Many retail businesses are right-sizing, merging and re-visiting strategy
- ☑ More demand for experiences and services
- ☑ Significant restaurant growth - many new food concepts
- ☑ Rising minimum wage is impacting businesses

2. Changes in the Way Consumers Connect with Goods and Services

- ☑ E-commerce continues to grow, competition with offline retail stiffens
  - Most impacted: apparel & accessories, electronics/computers
- ☑ Businesses are responding with omni-channel retailing
  - Traditional retailers expanding online presences
  - Online stores opening bricks & mortar outlets to increase visibility
- ☑ Everything is getting quicker and easier
  - Online ordering & store pick-up, order ahead coffee/food

3. Trends in Consumer Characteristics and Tastes

- ☑ Desire for experiential shopping, socializing & recreating = good news for business districts
  - Business Districts are well positioned to be "Social Locations"
  - Millenials prioritize experiences over Stuff!
  - Product spending on decline
  - Experience/service spending on the rise . . . Restaurants, Entertainment, Health, Fitness, Recreation
  - Making retail more of an experience . . . In-store events - demonstrations, tastings, trunk shows, classes, etc
- ☑ Dining out on the rise, Americans spend as much eating out as on groceries
  - **Food is new anchor** in many downtowns & commercial districts!
- ☑ Fitness and wellness expanding . . . Many facets of fitness – new niches
- ☑ The "sharing economy" meets retail
  - More used merchandise stores
  - Apparel & accessory rental

4. Other

- ☑ "Walkable" business districts are attracting residential growth & companies

Observations about the Navy Yard Business District

It is not apparent that any retail businesses in District supplement "through-the-door" sales with Internet sales.

Several restaurants have online ordering and delivery (using ChowNow app or Foodler)

No "all day" coffee shop, social gathering place.

District has 2 fitness centers & new park (opportunity for activities/ events); no other entertainment/ cultural/recreation uses.

The District has small selection of eating places; 2 anchor restaurants (Dracut House, Mama's), ice cream shop, pizza/sub, Chinese/sushi and a few small ethnic restaurants.

The District does not contain any vintage/consignment stores (often in business districts and near college populations)

District is not very walkable

Summary Analysis of Economic Conditions in Navy Yard Business District

1. Real Estate Conditions

- The Navy Yard Business District is centered around a busy intersection. The average daily traffic count is 16,600.
- There is not a strong sense of place, no unifying elements or defining gateways into the District. The buildings are mostly one and two story structures, many situated in several small shopping plazas. In addition, the District contains the Navy Yard Mill, a former woolen mill, home to several enterprises and also a large amount of vacant space.
- The District contains 91 commercial units totaling over 380,000 s.f. At the time of the inventory (August, 2017), there were 18 vacant commercial units, comprising 23% of the total commercial square footage. The vast majority of vacant space is located in the mill complex (70,000 s.f.) however there are 15 vacant units located elsewhere in the District.
- Commercial rental rates in the District vary by unit size, location, condition and amenities. We found small retail spaces available from $14 to $17 per square foot (annually) and small office spaces available from $12 to $14 per square foot (annually). Larger commercial/ industrial space is available at significantly lower per square foot rental rates.

2. Business Mix

- The District is home to approximately 73 establishments including retail, restaurants, services, contractors, manufacturing and large self-storage businesses. Some of the well-known establishments include Dracut House of Pizza and Seafood, Dracut Appliance, Card$mart and Family Dollar.
- Most of the establishments are small (the median size is 1,200 s.f.), but there are also several larger enterprises over 10,000 s.f. (e.g., A-Lowell Storage, Vintage Millworks, Catie's Closet, Planet Fitness).
- Most of the establishments (79%) are independently-owned, single location businesses, 15% are chains and franchises, and 5% are public entities and non-profits.
- More than one-half of the establishments (58%) in the commercial district are services, 15% are retailers, 16% are restaurants and 11% other.
- There are several restaurants in the District, but the selection is somewhat limited. There are a couple of anchor restaurants (Dracut House, Mama's), a Chinese/Sushi place, a sub/pizza place, an ice cream shop and a few small ethnic-specialty restaurants. The cluster of 3 small multi-cultural restaurants is located at the southwest end of the District; these restaurants attract customers from Lowell but seem to be struggling to find a following in Dracut. Two of the establishments have limited English-speaking staff. Only one of the restaurants offer outdoor seating and none offer entertainment. There are 6 establishments that serve alcohol including two bars.
- Examples of establishments and uses often found in business districts and town centers that are not present include:
  - Coffee Shop (all-day, light food, coffees/tea)
  - Wider variety of restaurants (e.g., sit-down dinner, breakfast restaurant, sports pub), restaurants with entertainment
  - Limited outdoor dining (Dracut House of Pizza & Seafood Only)
  - Pharmacy/drugstore
  - Consignment/vintage shop
  - Food/grocery/bakery/specialty food (beyond convenience store)
  - Additional recreation/entertainment uses
  - Additional healthcare/medical offices and professional offices/small companies (e.g., web design, engineering, etc.)
  - Additional Educational service businesses, especially for young people (e.g., karate/martial arts, dance school, tutoring/afterschool programs

2. Business Mix (cont'd)

- The District has several existing crossover, comparative and market segment clusters. New businesses might be able to feed off customer traffic from existing businesses and complement/expand these clusters.
  - Restaurants, Entertainment, Recreation
  - Businesses that target UMass Lowell Students
  - Contractors, Woodworking, Interior Design
  - Multicultural Business Owners and Offerings
  - Errands and Personal Services
  - Healthcare
  - Auto Services and Parts

3. Business Conditions

- Sales have increased for some while declined for others. 53% of the businesses reported sales have increased in the last 3 years, 10% said sales stayed about the same and 37% said sales have gone down.

- Several businesses are contemplating changes. 7 are considering renovation, 4 are considering physical expansion and 7 are considering adding staff. A couple of businesses are considering selling their business and 1 is actively looking for a new location.

- Daily customer counts vary widely; the median among the businesses interviewed was 50 – 99. Several businesses attract more than 100 customers per day (such as the bank, gift shop, discount store, liquor store, gym, etc.) while several businesses serve less than 20 customers per day (including a few of the personal service businesses.).

4. Locational Advantages and Challenges for Businesses

Locational Advantages for Businesses – Top Most Cited

1. Main road, high traffic volume.
2. Proximity to UMass and Lowell.
3. Access to Dracut customers, proximity to other businesses .

Locational Disadvantages/Challenges for Businesses – Top Most Cited

1. Busy intersection and road but traffic not stopping, not aware of what is there, need visibility/signage.
2. Some storefronts/buildings need updating, some spaces vacant for years.
3. Do not feel there is concern/help for small businesses from the Town.
4. Traffic congestion.

6. Market Conditions

Resident Market Segment

There are close to 20,000 people living within a quite densely populated 1-mile radius, the primary trade area. The population and number of households are expected to grow at the same rate as the state overall. The average household income is $72,607. Given the density, this translates to over $262,000 of income per acre (spending power) -- close to 5 times the statewide average. The estimated median household income is $59,184 (19% lower than the statewide median). There are approximately 73,700 people living within a 2-mile radius, the secondary trade area (where it might be possible to draw a small portion of sales depending on the uniqueness and quality of the merchandise or services being offered). The median household income is $53,762, approximately 9% lower than the primary trade area.

6. Market Conditions (cont'd)

Residents of the primary trade area (TA1) spend $219 million per year at stores and restaurants. A comparison of the annual resident expenditures to the annual sales of trade area businesses shows a gap of $162 million, indicating that TA1 residents are spending at least that amount outside of the trade area (76%). Residents of the secondary trade area spend $766 million per year at stores and restaurants and the sales leakage analysis shows they are spending at least $354 million outside the trade area.

A detailed analysis by category shows a gap (sales leakage) in several categories along with a surplus in others. Categories with over $10 million of sales leakage are listed below.

Sales Leakage in Selected Categories (millions)	TA1	TA2
Supermarkets, Groc. (Ex Conv)-44511	$35.96	$38.32
Department Stores Ex Leased Depts-4521	$18.98	$65.26
Other General Merchandise Stores-4529	$15.09	$53.95
Limited-Service Eating Places, Snack/Beverage -722513-5	$11.95	$12.26
Full-Service Restaurants-722511	$11.05	$18.41
Clothing Stores-4481	$10.89	$31.70

There is a large amount of sales leakage in the 'Supermarkets" category which might indicate enough potential sales to attract a new grocery store somewhere within in the trade area. However, currently there is not a large enough available parcel to accommodate an average size store plus parking in the Navy Yard District and there is a Hannaford Supermarket within one-half mile. There might be opportunity for a smaller format food store in the District..

Although there is $19 million leakage in the "Department Stores" Categories, this is not sufficient to support an average size department store (nor adequate foot print available) in the District. The sales leakage in the "Other General Merchandise Stores" category includes general merchandise stores (except department stores) which range from dollar stores to warehouse clubs. The District already has a Family Dollar.

There appears to be some market opportunity for restaurants. Currently, residents of TA1 spend approximately $42 million per year at eating and drinking places and they make at least 57% of those expenditures ($24 million) outside of the primary trade area. Restaurant sales leakage is much less in TA2 where residents spend $143 million per year at eating and drinking places and make at least 22% of those expenditures ($31 million) outside of the secondary trade area. This indicates that there is substantial restaurant competition between 1 mile and 2 miles from the District. While it is expected that residents will always do some portion of their restaurant spending outside of the trade area (e.g., near where they work, on vacation, at destination dining locations, etc.), it seems reasonable to assume that there is a potential to capture more of the TA1 restaurant expenditures if the appropriate offerings were made available.

Restaurant sales leakage is spread over several categories: 1) limited-service eating places and snack/beverage bars, 2) full-service restaurants, and 3) drinking places. As shown in the table above for TA1, there is approximately $12 million of sales leakage in the limited-service category, $11 million in the full-service category and $2 million in the drinking place category. Definitions for these categories are not always consistently applied and there can be less of a distinction between the two, so it is useful to look at the total of the categories ($24 million) rather than only looking at the individual categories.

There is substantial leakage in the clothing store category (over $10 million for TA1 and $31 million for TA2), however, this may present less of an opportunity because clothing stores usually do best when they are clustered with other clothing and accessory stores. Clothing is also very vulnerable to online competition.

In categories showing little or no sales leakage, it does not necessarily mean that there is no opportunity, however, it is more dependent on the ability of local businesses to attract expenditures from beyond the trade area and non-resident market segments (i.e., employees, visitors).

6. Market Conditions (cont'd)

Non-Resident Market Segments

In addition to the residential customer base, there may be some additional market opportunity presented by other segments such as:

- **Employees of Area Businesses -** There are no large employers within the immediate area of the Navy Yard Business District, however, there are 73 small establishments within the District that generate a limited daytime population of employees. Most of the businesses have less than 5 employees. The area employees represent a small market opportunity for meal and snack purchases as well as other convenience goods and service purchases before, during or after work hours.

- **UMass Lowell Students and Employees –** UMass Lowell is located only a short distance from the Navy Yard Business District. Most of the campus is within a mile from the District. The North Campus, situated on the north side of the Merrimack River, in particular, is within easy access of the District, approximately one-half mile from the intersection of Pleasant Street and Hampson Road. In total, UMass Lowell has approximately 2,000 employees and 17,000 students which present a potential market opportunity for businesses located in the Navy Yard Business District.

Recommendations for Consideration

Based upon the findings of this research, we present the following recommendations for consideration.

1. Consider creation of a working group(s) to focus on the District including business owners, property owners and interested residents to help address issues such as creating identity/branding, business recruitment, promotion, etc.

2. Explore opportunities for grant or private funding to be be used to help develop an identity and sense of place for the District (e.g., name for the District, signage, gateway treatment, branding).

3. Improve the intersection of Lakeview and Pleasant (better traffic control, aesthetic improvement, signage for increased awareness of businesses, re-enforce the area as a “place” not “just pass-thru”).

4. Encourage mixed income residential development. Revise zoning to allow for financially feasible mixed use development with housing in upper floors. (Current zoning only allows 2 residential units per parcel.) Review parking requirements, reduce existing parking space requirements as appropriate to encourage residential development.

5. Improve walkability of the District (e.g., sidewalks, cross walks).

6. Review existing sign by law (with business participation). Make businesses aware of effective allowable sign options.

7. Explore opportunities for state funding (e.g.,MassDevelopment, MassWorks) to promote further utilization of the Navy Yard Mill complex. This might include studies to evaluate the potential for accommodating a variety of uses (restaurants, recreation, bowling & pub, brew pub, etc.) by reviewing regulatory, physical, environmental and market conditions as well as addressing specific issues related to the dam.

8. Work with Dracut Cultural Council to encourage programming of cultural events and attractions at the new park and other sites within the District to increase vitality and foot traffic.

9. Encourage activities that will help attract new businesses to the area (especially coffee shop, restaurants, recreation/entertainment, food, healthcare). Examples include: Create business recruitment fact sheet or brochure, Create business recruitment committee, Add business recruitment page to Town website, Petition for additional liquor licenses and promote availability of liquor licenses, and Re-enforce/expand Town business ombudsman designation and responsibilities.

10. Contact technical assistance entities (such as Small Business Development Center) to determine if they can help local enterprises with promotion (in particular, to help businesses create strategies to attract the UMass Lowell market segment.)

11. Explore options for allowing/facilitating outdoor dining to increase vitality.

12. Continue outreach to existing businesses in the District.

13. Encourage property owners to fill vacancies.

14. Review public safety concerns and adequacy of policing (e.g., break-ins, suspected drug activity in NY Liquor Plaza parking lot).

15. Explore resources available through regional planning agency and elsewhere for assistance with economic development.