Cliftondale Square

Business District Assessment & Market Analysis



Saugus, Massachusetts Prepared for: Town of Saugus Scott Crabtree, Town Manager

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Cliftondale Square Working Group

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Contents

Proje	ect Scope, Purpose and Study Area5
Part	: I.
Busi	ness District Profile and Analysis of Commercial Mix6
А.	Real Estate Overview
В.	Establishment Characteristics
C.	Business Interview Results - Business Age, Customer Volume, Sales Trends & Changes Desired
D.	Business District Composition Assessment
E.	Comparative Business Mix Analysis
Par	t II.
Und	lerstanding of the Potential Market16
	Overview of Potential Market Segments
В.	Resident Market Segment
	1. Trade Area Delineation
	2. Trade Area Consumer Characteristics
	3. Market Demand and Sales Leakage
C.	Resident Market Sub-Segment
D.	Non-Resident Market Segments
	t III. Imary and Suggestions for Consideration
Sum	inary and suggestions for Consideration



List of Tables and Figures

Figures

- Figure 1. Regional Context
- Figure 2. Study Area Map
- Figure 3. Commercial Center Size Comparison
- Figure 4. Commercial Units by Size
- Figure 5. Commercial Tax Rate Analysis
- Figure 6. Ownership Characteristics
- Figure 7. Establishment Operating Hours
- Figure 8. Years in Operation
- Figure 9. Average Daily Customers
- Figure 10. Composition of Uses
- Figure 11. Business Mix Comparison
- Figure 12. Location of Surrounding Commercial Facilities
- Figure 13. Drive Time
- Figure 14. Trade Areas
- Figure 15. Summary of Trade Area Demographics, Expenditures & Sales Leakage

Tables

- Table 1. Commercial Units & Establishments
- Table 2. Establishment Type by Number and Square Footage
- Table 3. Top Ten Most Frequently Found establishments
- Table 4. Eating & Drinking Establishment Types
- Table 5. Resident Annual Expenditures
- Table 6. Sales Leakage in Selected Categories (millions)
- Table 7. Eating and Drinking Places Sales Leakage Analysis
- Table 8. Additional Demographics Data



Project Scope, Purpose and Study Area

Purpose: To conduct a market and business district assessment for the Cliftondale Square area of Saugus that will provide a strong foundational base of information to help guide future revitalization activities and potential re-zoning efforts.

Scope: To work collaboratively with community representatives to assess business district conditions, develop a business and real estate profile, conduct a retail market assessment, summarize findings and actions for consideration.

Study Area: Cliftondale Square is located very close to Route 1, in the Town of Saugus, approximately 11 miles north of Boston. It is surrounded by the towns of Melrose, Wakefield, Lynn, Revere, Everett and Malden. (see Figure 1). In fact, Cliftondale Square is situated less than one-half mile from the Revere border. The commercial district radiates from a central rotary with businesses located along Lincoln Avenue, Essex Street and Jackson Street.





Figure 2. Study Area Map



Part I. Business District Profile and Commercial Mix Analysis

A. Real Estate Overview

- In total, Cliftondale Square contains close to 192,000 s.f.* of commercial space "under roof". To put this in perspective, this is about two-thirds the size of the Northgate Shopping Center and one-fifth the size of the Square One Mall. The vast majority (86%) of the commercial space is located on the first floor.
- There are 69 commercial units within the district; 64 have a first floor presence and 5 are located entirely on other floors. Median unit size is around 1,500 s.f.
- At the time of the inventory (July, 2016), there were 3 vacancies, comprising approximately 2% of the square footage and about 4% of the units. All vacant units contain first floor space. (Vacancy rates fluctuate and can change quickly). In addition to vacant space, there appears to be some underutilized space and at least one space that, while not available for lease, does not appear to be open for business during the posted operating hours (529 Lincoln Ave, sign reads Daria Kitchen & Interior Design).
- The tax rate for commercial property in Saugus is \$26.51 per \$1,000 in valuation. 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, the Saugus tax rate is lower than Wakefield, Revere, Lynn and Everett and higher than Melrose and Malden.

Table 1. Units & Establishments

		Commercial Units			Estabs
	#	Avg. sf	Median sf	Vacant	#
Cliftondale Square	69	2,781	1,468	3	66

*Note: This analysis is based upon a business and property inventory developed with information provided by the Town Economic Development Committee and primary data collection conducted by FinePoint Associates. The square footage information is an <u>estimate</u> of Gross Leasable Area obtained from a variety of sources. Inventory results may be less complete for commercial space and businesses not located on the first floor due to difficulty obtaining data.







Figure 5. Commercial Tax Rate Analysis



B. Establishment Characteristics

- Cliftondale Square is home to approximately 66 establishments including retail, restaurants, services, contractors, public and no- profit entities. For the purposes of this study, we define "establishment" as any non-residential entity. Some of the more wellknown and high customer-count establishments include: the Post Office (only one in Saugus), Cliftondale Liquors, Lena's Subs, Tumble Inn Diner and North Shore Bank.
- Most of the establishments are small with the median size at around 1,500 s.f., however, the business district also contains a few large religious, financial and community institutions.

Over 15,000 s.f.
Family United Methodist Church
Cliftondale Congregational Church
10,000 – 14,999 s.f.
Eastern Bank
5,000 – 9,999 s.f.
United States Post Office
Bisbee Porcella Funeral Home
St. Margaret's Church
Amicone Auto Body
MEG Foundation
Rossetti Insurance
Cliftondale Church of Nazarene
North Shore Bank & Loan Center



Business District Profile (cont'd)

Та	Ы	P	2
тa	D	e	Ζ.

Establishment Type	#	S.F.
Retail	13	24,735
Motor Vehicle & Parts	2	8,866
Furniture & Furnishings	0	-
Electronics & Appliances	0	-
Building Mat. & Garden Equip	2	4,022
Food & Beverage Stores	4	6,231
Health & Personal Care Stores	1	677
Gasoline Stations	1	2,279
Clothing and Accessories	2	1,509
Sporting Goods, Hobby, Books	0	-
General Merchandise Stores	0	-
Misc. Retail Stores	1	1,151
Eating, Drinking & Lodging	9	16,601
Arts, Entertainment & Recreation	0	-
Accommodation	0	-
Eating and Drinking Places	9	16,601
Services	41	136,944
Finance & Insurance	7	30,086
Real Estate and Rental/Leasing	2	3,115
Professional, Scientific & Tech.	8	7,489
Educational Services	0	-
Health Care & Social Assist.	3	7,106
Repair & Maintenance	1	651
Personal Care & Laundry	14	22,046
Relig., Grant, Civic, Prof. Orgs.	6	66,451
Other	3	10,066
Agric., Forest, Fishing, Mining	0	-
Util., Const., Mfg., Wholesale	0	-
Transport, Postal & Warehouse	1	9,052
Information	1	604
Admin./Sup. & Waste Mgmt	1	410
Public Administration	0	-
Total Establishments	66	188,346
Vacant Commercial Units	3	3.509
TOTAL Commercial Units and Space	69	191,855

Note: Table 2 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 in Cliftondale Square.

- Most of the establishments (72%) are independentlyowned, single location businesses. Chains and franchises comprise about 17% of the establishment mix including national multi-location businesses (e.g., Eastern Bank), regional chains (e.g., Geeks in Minutes, Hallmark Health Medical Associates) and franchises (e.g., Dunkin Donuts, Subway). About 11% of the establishments are public entities and nonprofits.
- There is not much consistency in operating hours among the establishments and many establishments do not have posted hours. Most businesses close before 6pm; only about 30% are open in the evening (one night or more after 6pm). Banks and offices close between 4 and 6 pm; banks are open until 1pm on Saturdays. Dunkin Donuts, Subway and Lena's Subs are open till 9pm and Victor's Italian Express is open until 10 pm. The Tumble Inn Diner closes at 2pm. Most businesses are closed on Sundays and some businesses, especially hair salons, are closed at least one other day during the week (e.g., Monday or Tuesday).
- Several business in Cliftondale Square do not have a strong online presence. Many do not have a website,
 Facebook page or google listing and in some cases, the business listings that are discoverable online do not include business hours or other specific information.



Figure 7. Operating Hours





C. Business Interview Results – Business Age, Customer Volume, Sales Trends & Changes

- Interviews were conducted with 18 business representatives. One-half of the businesses interviewed have been in business more than 20 years. A couple of the long-term businesses (Tumble Inn Diner and Cliftondale Liquors) have been under new management for approximately 2 years. The newest businesses include A&L Italian Bakery and Water's Edge Kitchen Design.
- Daily customer counts vary widely. The restaurants interviewed reported average daily customer counts ranging from 75 to 150 on weekdays and up to 400 on weekends at the Tumble Inn Diner. The retail stores reported lower customer volume with most under 30 customers per day except for Cliftondale Liquors that reported over 150 customers per day. Among the service businesses, the post office attracts the highest number of users (about 150 per day). The North Shore Bank draws approximately 50 walk in customers. The other service businesses reported much lower daily customer counts, most less than 10 customers per day.
- 31% of the businesses interviewed reported sales have increased in the last 3 years, 38% said their sales have gone down and 31% said sales stayed about the same.

Changes that Businesses Would Like to See:

- Improved parking, enforced parking More parking, church parking lot opened up for shared parking with businesses, unused bank parking shared with businesses, connect the rear parking lots, town purchase of property around the Square to create parking, enforced parking because some people park all day and take the bus to Boston
- Better trash management Pick up trash more frequently, bigger nicer trash receptacles
- More activities in the Square (e.g., Christmas Stroll)
- Famers market relocated back in the Square
- Improved environment/safety "shady characters", loitering, drugs, prostitutes, not conducive for professional office
- Stronger business, more variety of businesses
- Traffic speed control cars going too fast through the district, exceeding speed limit
- Beautification, more attractive storefronts, flowers/plants
- Cliftondale Square promoted, local shopping promoted

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Figure 9. Average Daily Customer Volume



Business District Profile (cont'd)

Business District Profile (cont'd)

D. Business District Composition Assessment

- Nearly two-thirds of the establishments (62%) in the commercial district are services, 20% are retailers, 14% are restaurants and 18% other.
- The most represented industry subsectors (based on the number of establishments include: 1) Personal Care, 2) Eating & Drinking Places, 3) Professional, Scientific & Technical, 4) Finance & Insurance, and 5) Religious, Grant, Civic & Professional Organizations.

Figure 10. Composition of Uses (# of establishments)



Note: Figure 11 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 in Cliftondale Square.

Table 3.

Top Ten Most Frequently Found Establishments

<u>Rank</u>	Industry Subsector	<u>No.</u>
1	Personal Care (hair, skin, nail services)	14
2	Eating & Drinking Places	9
3	Professional, Scientific & Technical	8
4	Finance & Insurance	7
5	Relig., Grant, Civic, Prof. Orgs.	6
6	Food & Beverage Stores	4
7	Health Care & Social Assist.	3
8	Motor Vehicle & Parts	2
9	Building Mat. & Garden Equip	2
10	Clothing & Accessories	2

Figure 11. Commercial District Business Mix



Retail Establishments

- The Downtown is home to 13 retail establishments.
- There are 2 convenience stores offering snacks, sodas, cigarettes and lottery tickets as well a liquor store in the district. The liquor store draws between 150 and 200 customers per day. The district is also home to A&L Italian Bakery (that has another location in Boston's North End) which specializes in bread and cookies.
- Water's Edge is a kitchen design business that also specializes in granite countertops. Most customers have designers go to their home, rather than visit the shop, however some customers come to view granite samples. There is a second kitchen design business in the district but it is not clear if this is an operating business as it does not appear to be open during posted hours.
- There are 3 automotive businesses including a gas station, auto body shop and Superior Radio, an auto electronics store that has been operating in the district over 20 years.
- Lomas Flowers, that has been in the district over 35 years, specializes in flowers for special occasions and also sells a selection of gifts and novelties.
- There are 2 jewelry stores that sell fine jewelry and diamonds and also buy jewelry and gold.
- Cliftondale Square does not have any of the following typical retailers: drugstore, dollar store, full-line grocery store, clothing or shoe store, home furnishings, electronics, or sporting goods/hobby store.







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Business District Profile (cont'd)

Business District Profile (cont'd)

Restaurants, Entertainment & Recreation

- There are 9 eating and drinking places in the district, ranging from ice cream and coffee shops, to pizza, subs, and other casual fare.
- The restaurant selection is very limited. There are no restaurants that serve alcohol of any kind in the district and no fine dining. None of the eateries offer entertainment or outdoor seating.
- There are only 2 "full service" restaurants that offer table service, both are very casual. One is the Tumble Inn Diner that serves breakfast and lunch and the other is Victor's Italian Express which has a few tables but also does a very large take out business.
- 4 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. Limited Service Restaurants include Lena's Subs (operating in the district over 50 years), Hometown Pizza, Hong Kong Express and Subway sandwich shop.
- The are 2 snack and beverage bars. Banana Splitz is an ice cream shop with a walk-up window and indoor seating open seasonally March to October. Dunkin Donuts specializes in coffee, donuts and other light fare.
- There are no entertainment or recreation establishments in the commercial district except for the MEG Foundation which hosts art exhibits, art classes and occasional musical events at the former Cliftondale School.





Table 4.

Eating & Drinking Establishment Type	#
Full Service Restaurants	2
Limited Service Restaurants	4
Snack & Non-Alcoholic Beverage Bars	2
Bars (Alcoholic)	0
Establishments that Serve Alcohols	0



Business District Profile (cont'd)

Service Establishments

- There are 41 service establishments in the business district including a large array of personal services such as hair salons. In all, there are 14 businesses that offer hair, skin, massage and nail services.
- There is also a compliment of professional services including 2 major banks, a credit union, 4 insurance agencies, 7 legal offices, 2 real estate companies, and 1 accounting firm.
- 3 establishments offer healthcare services (e.g., dentist, chiropractic services and other medical).
- Geeks in Minutes (part of a regional chain) provides computer and cell phone services.





Community Institutions

 Cliftondale Square is home to several community institutions including 5 churches, the Post Office and the former Cliftondale School which is operated by the MEG Foundation as a burgeoning cultural center/venue.



Business Listing by Category

Hardware & Home Improvement

Daria Kitchen Design/Select Marble and Granite Waters Edge Kitchen & Design

Food & Beverage A&L Bakery Cliftondale Liquors One Stop Market Saugustown Food Mart

Optical Goods Stephen Liberfarb, Optometrist

Jewelers GCA Jewelers J&S Jewelers

Auto Parts & Gas Stations Amicone Auto Body

Mobile Gas Station Superior Radio

Florists & Gifts Loma's Flowers

Eating & Drinking Places

Banana Splitz Dunkin Donuts Hometown Pizza Hong Kong Express Lena's Sub Shop Subway Tumble Inn Diner Victor's Italian Express

Banks, Mortgage & Other Credit

Eastern Bank North Shore Bank North Shore Bank Loan Center Webster First Federal Credit Union **Insurance** Ducott Insurance Kowalsky Insurance Rossetti Insurance

Real Estate and Leasing Century 21 North Shore D&S Realty

Legal Services Donna Digiovanni Elder Law Center Law Offices of Charles Donoghue Law Offices of Marc Chapdelaine Leah Paolini Richard Reynolds Law Offices Scott Crabtree

Accounting, Tax & Other Financial Services A P Lanzillotti, CPA

Healthcare Services Hallmark Health Medical Assoc Pace Family Chiropractic Stephen Petinge, DMD

Hair, Skin & Nail Services

A Step Above Alfio's Hairstyling All About Hair Allure Nails Diamond Nail Salon and Spa Everything's Hair George's Barber Shop Lindas Place Moni J Bella Rollins Barber Shop Rosemary Park Hair Salon Rumor Hair Design St James and Co Hair and Nails **Business District Profile (cont'd)**

Repair & Maintenance Geeks In Minutes

Civic/Community Organizations, & Public Institutions

Cliftondale Church of Nazarene Cliftondale Congregational Church Family United Methodist Church Iglesia El Ejercito De Dios Ministry MEG Foundation St. Margarets Church United States Post Office

Other

Bisbee Porcella Funeral Home Essence Fine Catering and Events Lucey Travel Saugus.com

E. Comparative Business Mix Analysis

The chart below illustrates the business mix in Cliftondale Square compared to two nearby town centers (Wakefield and Melrose) as well as three typical types of single-developer commercial centers. In comparison to all of the other commercial centers, Cliftondale Square has a larger proportion of Convenience Goods and Personal Services and a smaller portion of Comparison Goods businesses. The proportion of Eating, Drinking and Entertainment/ Recreation in Cliftondale Square looks much more comparable than it really is. Cliftondale Square has predominantly limited service and carryout restaurants while the other commercial centers have a much broader selection of establishments including sit-down dining and a variety of recreation uses.



Figure 12. Business Mix (excluding religious/civic organizations and & other)

Examples of a few establishment types often found in similar commercial districts that are not present in Cliftondale Square include:

- Dine-in restaurants with liquor available
- Drugstore
- Gently used goods/apparel resale/consignment shop especially fashion-oriented
- Home furnishings
- Recreation facilities/fitness centers (e.g., yoga, women's fitness, small gym)
- Educational service businesses, especially for young people (e.g., karate/martial arts, dance school, tutoring/ afterschool programs)
- Additional healthcare/medical offices (e.g., chiropractor, physical therapy, etc.)
- Additional professional services (e.g., accounting/tax/services, web design, photography, etc.)

Part II. Understanding the Potential Market

A. Overview of Potential Market Segments

Businesses located in the Cliftondale Square have the opportunity to serve a few potential market segments including: 1) Residents of the Surrounding Area (a.k.a Resident Market Segment) as well as 2) Non-Resident Segments.

Resident Market Segment - Residents of the Surrounding Area

The major potential customer base for businesses located in Cliftondale Square 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 14,537 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 merchandise or services being offered) is identified as a 2-mile radius, containing 52,554 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.

The **Overlook Ridge Apartment Community**, located approximately one mile from Cliftondale Square, is a subsegment of the surrounding resident market. This community is comprised of three apartment complexes (still under development) that could total close to 3,000 households when complete. More information about this sub-segment is provided in Section C 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
- Lincoln Avenue Thru-Traffic Travelers
- Attendees of Nearby Attractions/Events M.E.G. Cultural Center (in development)
- Customers from the North or South seeking Specialty Services or Products within Easy Access to Route 1
- Potential Opportunities Related to the Planned Casino Development in Everett

More information about the non-resident market segments is provided in Section D 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 <u>primary</u> 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.

<u>**Competition**</u>: Cliftondale Square is surrounded by a fairly intense competitive environment. Competing commercial facilities are identified on the following page (see Figure 12). (Note that this map is intended to be illustrative of key competitors; not all commercial facilities are shown.) The competition becomes greater beyond a 1-mile radius.

<u>Travel Time</u>: Figure 13 shows computer-generated drive time areas – the areas from which customers could travel to Cliftondale Square within 3-minute and 5-minute drive times. It should be noted that these areas are computer-generated and would vary with traffic conditions.

Business Owner Input: We asked 18 Cliftondale Square businesses about where their customers live. Around onethird of the businesses indicated they draw mostly from the immediate area with almost all of their customers coming from Saugus. These included local-serving businesses such as liquor store, bakery, insurance agency, bank, convenience store and hair dresser. In the case of the Post Office, almost all of the customers are likely to be Saugus residents, however, since it is the only post office in Saugus, customers are likely to come from all parts of town, not just the immediate area. About one-half of the businesses interviewed said that while a majority of their customers come from Saugus, especially the immediate area, they also attract customers from surrounding communities such as Revere, Lynn and Malden. These businesses included restaurants, a flower shop and professional services. A few of the businesses interviewed, that offer specialty services and products, indicated they draw from a larger area and attract a higher percentage of customers from surrounding communities. These included kitchen design services, computer repair, and car audio/electronics services.

After discussing consumers patterns with local business owners, residents, and Planning 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 a 1-mile radius (see Figure 14). The 1-mile radius includes part of Saugus and a small part of Revere.

There may also be potential to attract some customers from a **secondary trade area**, the area included within a 2-mile radius (see Figure 14). This secondary trade area was identified because it represents a relatively reasonable travel time to acquire goods and services. 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. The 2-mile radius includes the southern half of Saugus and parts of Revere, Malden, Melrose and Lynn.

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

Market Profile (cont'd)



Northgate Shopping Center Area - Burlington Coat Factory, Market Basket, PriceRite, Planet Fitness, Super Stop & Shop, Showcase Cinema, etc.

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



Market Profile (cont'd)

Figure 13. Drive Time (computer -generated)



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B. Resident Market Segment (cont'd)

2. Trade Area Consumer Characteristics

Primary Trade Area (TA1)

There are approximately 14,537 people living within the primary trade area. The estimated median household income for 2015 is \$70,817, which is 4% higher than the statewide median. There is a significant upper income segment – 1,906 households (33% of the total) earn over \$100,000 per year. The population is predominantly white (83%), with a small portion comprised of Asians (6%), Black/African Americans (5%) and other races (7%). 9% of the population is Hispanic compared to 11% in the State. The most significant ancestry concentrations are Italian (30%) and Irish (18%) compared to concentration in the United States of 4% and 7%, respectively. Approximately 34% of the population over the age of 25 have at least an Associates Degree or higher (compared to 47% in Massachusetts and 37% in the U.S.).

Compared to Massachusetts overall, the primary trade area population, on average, is similar in age, marital status and homeownership rate, just slightly less likely to have children in the household, and more likely to own a car. The median age is 40, less than 1% higher than in Massachusetts and 6% higher than in the US. 16% of the population is 65 years of age or older compared to 15% in the state and the U.S. 46% of the population is married, the same rate as statewide and very close to the U.S. rate of 47%. The population is comprised predominantly of family households (63%), meaning there is more than one person in the household related by blood or marriage. The percentage of single parent households is 9%, compared to 10% in MA and 11% in the U.S. 29% of the households contain children under 18 compared to 31% statewide and 33% in the U.S. About 28% of the households contain only one person, very similar to the statewide rate of 29%. Homeownership is also very similar to the statewide rate - 63% of the occupied homes are owner-occupied compared to 62% statewide. The vast majority of the market has access to a private vehicle for acquiring goods and services. Only a very small portion of households (5%) do not own a vehicle and therefore represent a market segment dependent on public transportation or walking to acquire goods and services. In fact, 56% of the households have 2 cars or more.

Projected Growth - The population and the number of households in the primary trade area has been growing at a substantially higher rate than Massachusetts overall. Between 2000 and 2010, population grew by 9% and the number of households grew by 14%, compared to statewide rates of 3% and 4%. According to projections obtained from Nielsen, between 2010 and 2020, the population is expected to grow annually by approximately 1.26% and the number of households by 1.34%, while the statewide projections are .67% and .74%. 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 52,554 people living within the secondary trade area. This population is more diverse than the Primary Trade Area and the median household income is lower. The population is 74% white, 8% Asian, 8% Black/ African American and 10% other races. 13% of the population is Hispanic compared to 11% in the State. The median household of \$64,192 is about 9% lower than the Primary Trade Area and 5% lower than the statewide median.

A summary of primary and secondary trade area consumer characteristics, expenditures and sales leakage data is presented in Figure 15 and Table 8.

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 for each trade area.

Note: These expenditures are currently being made by residents	Table 5. Resident Annual Expenditures		
at a variety of locations both inside and outside of the identified trade	-	TA1	TA2
areas.	Furniture & Home Furnishings Stores-442	\$5,478,899	\$18,523,154
al cas.	Furniture Stores-4421	\$2,907,670	\$9,837,621
	Home Furnishing Stores-4422	\$2,571,228	\$8,685,533
	Electronics & Appliances Stores-443	\$4,984,805	\$16,835,983
	Building Material, Garden Equipment Stores -444	\$28,224,702	\$94,429,225
	Building Material & Supply Dealers-4441	\$24,348,677	\$81,507,385
	Lawn/Garden Equipment/Supplies Stores-4442	\$3,876,025	\$12,921,839
	Food & Beverage Stores-445	\$34,677,121	\$120,505,476
	Grocery Stores-4451	\$22,452,519	\$78,610,035
	Specialty Food Stores-4452	\$2,777,992	\$9,750,449
	Beer, Wine & Liquor Stores-4453	\$9,446,609	\$32,144,992
	Health & Personal Care Stores-446	\$13,980,622	\$48,813,351
	Pharmacies & Drug Stores-44611	\$11,109,494	\$38,802,707
	Cosmetics, Beauty Supplies, Perfume Stores-44612	\$959,482	\$3,355,591
	Optical Goods Stores-44613	\$671,371	\$2,316,507
	Other Health & Personal Care Stores-44619	\$1,240,276	\$4,338,540
	Clothing & Clothing Accessories Stores-448	\$13,058,907	\$44,641,698
	Clothing Stores-4481	\$6,781,955	\$23,514,989
	Shoe Stores-4482	\$973,007	\$3,421,984
	Jewelry, Luggage, Leather Goods Stores-4483	\$5,303,945	\$17,704,720
	Sporting Goods, Hobby, Book, Music Stores-451	\$4,817,114	\$16,358,670
	Sporting Goods, Hobby, Musical Instrument Stores-4511	\$4,179,733	\$14,218,473
	Book, Periodical & Music Stores-4512	\$637,381	\$2,140,197
	General Merchandise Stores-452	\$31,131,206	\$108,229,255
	Department Stores, Excluding Leased Departments-4521	\$13,189,597	\$45,849,844
	Other General Merchandise Stores-4529	\$17,941,609	\$62,379,411
	Miscellaneous Store Retailers-453	\$7,208,312	\$24,364,174
	Florists-4531	\$279,482	\$938,563
	Office Supplies, Stationery, Gift Stores-4532	\$3,485,474	\$11,804,381
	Used Merchandise Stores-4533	\$548,860	\$1,878,251
	Other Miscellaneous Store Retailers-4539	\$2,894,495	\$9,742,979
urces: The Nielsen Company, U.S.	Eating & Drinking Places-722 (not including special foodservice)	\$27,051,146	\$91,891,857
nsus, InfoUSA, American Community	Full-Service Restaurants-7221	\$13,755,608	\$46,666,18
rvey, Social Explorer	Limited-Service Eating Places-7222	\$12,083,678	\$41,114,550
	Drinking Places - Alcoholic Beverages-7224	\$1,211,859	\$4,111,120
	Total	\$170,612,833	\$584,592,843

B. Resident Market Segment (cont'd)

Sales Leakage Analysis - General

A sales leakage analysis compares estimated annual expenditures of trade area residents with the annual sales of trade area businesses (by category). If the expenditures are greater than the sales, there is a gap/potential opportunity, often referred to as sales leakage, because this indicates that residents are currently making purchases outside of the trade area. If the analysis shows significant leakage within specific retail categories, it might point to possible opportunities for new or existing businesses within those categories.

Primary Trade Area (TA1)

More than 14,500 residents live within the 1-mile primary trade area (TA1) and they spend close to \$171 million per year at stores and restaurants as illustrated in Table 5. A comparison of the annual resident expenditures to the annual sales of trade area businesses is illustrated in Table 6. This analysis shows a gap (sales leakage) in several categories along with significant surplus in others. The gaps in these retail and restaurant categories total approximately \$46 million(27% of the expenditures) indicating that TA1 residents are spending at least that amount outside of the trade area. This **sales leakage** is fairly modest, especially when you look at how it is spread over the categories. For example, the \$4.7 million gap in the Supermarket category would not be adequate to support a new supermarket of average size. On the other hand, the \$4 million gap in the full service restaurant category is higher than the average annual sales for a small independent restaurant.

Categories with large gaps may 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.

There are many categories with no gap/sales leakage, In fact, several show a very large surplus including Department Stores, Clothing, Jewelry, and Drug Stores, among others. This is because there are several stores and restaurants within the 1-mile radius (primarily along Route 1) that attract customers from well beyond TA1.

In categories showing little or no leakage, opportunity is much more dependent on the ability to attract expenditures from non-resident segments (i.e., employees, visitors) and/or overtake trade from existing nearby competition by offering more desirable products or services.

Secondary Trade Area (TA2)

More than 52,500 residents live within the 2-mile secondary trade area (TA2) and they spend close to \$585 million per year at stores and restaurants as illustrated in Table 5. The sales leakage analysis shows that residents are spending at least \$95 million (16%) outside the trade area spread over many selected categories as shown in Table 6.

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

Table 6.

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

	TA1	TA2
Other General Merchandise Stores-4529	\$16.40	\$55.89
Supermarkets, Grocery (excl. convenience stores)-44511	\$4.68	-\$12.65
Full-Service Restaurants-7221	\$4.03	\$0.11
Furniture Stores-4421	\$2.68	\$4.49
Specialty Food Stores-4452	\$2.62	-\$11.24
Other Miscellaneous Store Retailers-4539	\$2.58	\$6.02
Hardware Stores-44413	\$2.41	\$8.15
Sporting Goods, Hobby Stores-4511	\$2.38	\$4.94
Electronics and Appliance Stores-443 TA 1 Gap/ Sales Leakage	\$2.21	-\$1.00
Home Furnishing Stores-4422	\$1.46	\$3.82
Office Supplies and Stationery -45321	\$1.40	\$3.24
Book, Periodical and Music Stores-4512	\$0.61	\$0.68
Drinking Places- Alcoholic Beverages-7224	\$0.55	\$1.73
Used Merchandise Stores-4533	\$0.53	\$1.36
Other Health/Personal Care Stores-44619	\$0.50	\$2.45
Paint and Wallpaper Stores-44412	\$0.42	-\$3.75
Florists-4531	\$0.19	\$0.50
Cosmetics, Beauty Supplies-44612	-\$0.17	\$1.39
Convenience Stores-44512	-\$1.10	-\$1.58
Optical Goods Stores-44613	-\$1.48	-\$1.06
Shoe Stores-4482	-\$2.60	-\$4.68
Beer, Wine and Liquor Stores-4453	-\$3.48	-\$3.64
Limited-Service Eating Places-7222 TA 1 No Gap/	-\$3.62	-\$19.55
Gift, Novelty and Souvenir Stores-45322 Surplus	-\$4.47	-\$3.14
Pharmacies and Drug Stores-44611	-\$10.83	-\$2.04
Jewelry Stores-44831	-\$20.39	-\$44.24
Clothing Stores-4481	-\$21.75	-\$26.55
Department Stores Ex Leased Depts-4521	-\$32.45	-\$58.54

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 1-mile spend over \$27 million per year at eating and drinking places while residents living within 2 miles spend
 close to \$92 million.
- The sales leakage estimates for full service restaurants, limited service restaurants and bars are provided in Table 6. Category definitions are provided below. (However, it should be noted that the distinctions between categories are not always consistently applied).
- There is at least \$4 million of unmet demand for Full Service Restaurants in the 1-mile trade area but only \$110,000 in the 2-mile trade area (indicating more intense competition). There is no leakage in the Limited Service Category, in fact, there appears to be a \$3.6 million surplus in the 1-mile trade area and \$19.6 million in the 2-mile trade area.

Table 7. Eating & Drinking Places Sales Leakage Analysis						
	Annual Resident Expenditures		Sales Leakage			
	TA1	TA2	TA1	TA2		
Total Eating & Drinking Places	\$27,051,146	\$91,891,857				
Full-Service Restaurants	\$13,755,608	\$46,666,181	\$4,029,699	\$109,957		
Limited-Service Eating Places	\$12,083,678	\$41,114,550	-\$3,616,038	-\$19,554,132		
Drinking Places	\$1,211,859	\$4,111,126	\$552,298	\$1,731,196		

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 6 and Table 4.

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

Market Profile (cont'd)

B. Resident Market Segment (cont'd)

Figure 15: 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, it was determined that a 1-mile radius and 2mile radius represent the market areas most accessible for businesses located in Cliftondale Square.

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

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

Retail & Restaurant Opportunity



GROWING MARKET

Trade Area 1 (TA1) = 1 Mile Radius		2015 Population	2015 Households	2015 Household Income Median Average	
	Residents spend	14,537	5,861	\$70,817 \$81,877	
1	171 million		,		
EEE	per year at stores &	Population	Households	During 2010-2020, the	
\$	restaurants*	16,000	6,500	population is expected to	
		15,000	6,000	grow by 11% and the number of households by	
Opportunity: Over \$46 Millio	n being spent in selected	14,000		12%, higher than the	
categories outside	0 1	13,000 — — —	5,500	statewide projection of close to 7% for both.	
\$23		12,000	5,000		
	a spent at non-store retailers	2010 2020	2010 2020	Source: Nielsen Company	
		2015 Population	2015 Households	2015 Household Income Median Average	
Trade Area 2 (TA2) = 2 Mile Radius Residents spend		52,554	20,591	\$64,192 \$78,908	
	585 million per year at stores &	Population	Households	During 2010-2020, the	
	restaurants*	60,000	22,000	population is expected to grow by 11% and the	
Onneutrunitar		55,000	21,000	number of households by	
Opportunity: Over \$95 Millio	n being spent in selected	50,000	20,000	11%, compared to the statewide projection of	
Over \$95 Million being spent in selected categories outside TA2 \$79			19,000	close to 7% for both.	
		45,000 +	18,000		
\$79	n spent at non-store retailers	2010 2020	2010 2020	Source: Nielsen Company	

* Excludes motor vehicle and gas station purchases. ** All data is 2015 estimates unless noted.

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

Market Profile (cont'd)



Median age is 40.0 in TA1 and 39.9 in TA2 compared to 39.7 statewide and 37.9 in U.S.

63% Families TA1 66% in U.S.

CULTURAL MI

Residents

\cap	A	
A	Å	29% of households in TA1 and 31% in TA2 contain children compared to 31%
ਰਿਠ	Ч	TA2 contain children compared to 31%
		statewide and 33% U.S.



Race & Ethnicity	TA1	TA2	MA
White Alone	83%	74%	79%
Asian	6%	8%	6%
Black/African American	5%	8%	7%
Other/More than 1 Race	7%	10%	8%
Latino/Hispanic			. 11%

Ancestry	TA1	TA2	US
Italian			
Irish	18%	15%	7%



21% of TA1 and 28% of TA2 residents speak a language besides English at home

Asian/Pacific Island Language: 2-4%, Indo/European Language: 12-13%, Spanish: 7-10%, Other: 0-2%

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

63% Homeowners in TA1, **60%** in TA2, 62% in MA

Foot Traffic XXXXX... 5% car-free households in TA1 and 8% in TA2 -- these residents are likely to shop close to home



Households by Income



2,768 households in TA1 have income > \$75,000; Median household income is \$70,817 and \$64,192 in TA1 & TA2; compared to \$67,928 statewide, \$53,706 in U.S.



of TA1 and 33% of TA2 residents have Associates Degree or higher; compared to 47% statewide, 37% in the U.S.

Sources: The Nielsen Company, U.S. Census, InfoUSA, American Community Survey, Social Explorer Prepared by: FinePoint Associates, www.FinePointAssociates.com, Peg Barringer, Project Director

Expenditures

Figure 15 (cont'd):

Lapen	anuics
TA1	Τ Δ2

	1/12	IAI	
Furniture & Home Furnishings	\$18.5	\$5.5	
Electronics & Appliances	\$16.8	\$5.0	
Bldg. Materials, Garden Equip. & Supply*	\$94.4	\$28.2	
Food & Beverage Stores	\$120.5	\$34.7	
Health & Personal Care Stores	\$48.8	\$14.0	ver
Clothing & Accessories	\$44.6	\$13.1	Power
Sporting Gds., Hobby, Books, Music	\$16.4	\$ <u>4.8</u>	Spending
General Merchandise	\$108.2	\$31.1	end
Misc. Store Retailers	\$24.4	\$7.2	S
Food Service & Drinking (excl. spec. foodservices)	\$91.9	\$27.1	
■ TA1 ■ TA2 -10	ons	\$ milli	

Summary of Demographics, Expenditures & Sales Leakage

Local Demand Compared to Local Business Sales



-100% -80% -60% -40% -20% 0% 20% 40% 60% 80% 100%

\$ millions

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	TA1	TA2
Furniture Stores-4421	\$2.68	\$4.49
Home Furnishing Stores-4422	\$1.46	\$3.82
Electronics and Appliance Stores-443	\$2.21	(\$1.00)
Paint and Wallpaper Stores-44412	\$0.42	(\$3.75)
Hardware Stores-44413	\$2.41	\$8.15
Supermarkets, Groc. (Ex Conv)-44511	\$4.68	(\$12.65)
Convenience Stores-44512	(\$1.10)	(\$1.58)
Specialty Food Stores-4452	\$2.62	(\$11.24)
Beer, Wine and Liquor Stores-4453	(\$3.48)	(\$3.64)
Pharmacies and Drug Stores-44611	(\$10.83)	(\$2.04)
Cosmetics, Beauty Supplies-44612	(\$0.17)	\$1.39
Optical Goods Stores-44613	(\$1.48)	(\$1.06)
Other Health/Personal Care Stores-44619	\$0.50	\$2.45
Clothing Stores-4481	(\$21.75)	(\$26.55)
Shoe Stores-4482	(\$2.60)	(\$4.68)
Jewelry Stores-44831	(\$20.39)	(\$44.24)
Sporting Goods, Hobby Stores-4511	\$2.38	\$4.94
Book, Periodical and Music Stores-4512	\$0.61	\$0.68
Department Stores Ex Leased Depts-4521	(\$32.45)	(\$58.54)
Other General Merchandise Stores-4529	\$16.40	\$55.89
Florists-4531	\$0.19	\$0.50
Office Supplies and Stationery -45321	\$1.40	\$3.24
Gift, Novelty and Souvenir Stores-45322	(\$4.47)	(\$3.14)
Used Merchandise Stores-4533	\$0.53	\$1.36
Other Miscellaneous Store Retailers-4539	\$2.58	\$6.02
Full-Service Restaurants-7221	\$4.03	\$0.11
Limited-Service Eating Places-7222	(\$3.62)	(\$19.55)
Drinking Places- Alcoholic Beverages-7224	\$0.55	\$1.73

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 8. Additional Demographics Data

Est. Population						
by Age	TA1		TA2		MA	U .S .
	14,537	%	52,554	%	%	%
Age 0 - 4	744	5	2,963	6	5	6
Age 5 - 9	762	5	3,019	6	6	6
Age 10 - 14	749	5	2,898	6	6	6
Age 15 - 17	471	3	1,792	3	4	4
Age 18 - 20	445	3	1,660	3	5	4
Age 21 - 24	657	5	2,381	5	6	6
Age 25 - 34	2,442	17	7,953	15	13	13
Age 35 - 44	1,996	14	7,356	14	12	13
Age 45 - 54	2,033	14	7,445	14	15	14
Age 55 - 64	1,874	13	6,821	13	13	13
Age 65 - 74	1,297	9	4,528	9	9	8
Age 75 - 84	728	5	2,525	5	4	4
Age 85 and over	342	2	1,213	2	2	2

Est. Households						
by Size	TA1		TA2		MA	U.S.
	5,861	%	20,591	%	%	%
1-persons	1,665	28	5,592	27	29	27
2-persons	1,927	33	6,496	32	32	32
3-persons	1,031	18	3,669	18	16	16
4-persons	740	13	2,799	14	14	13
5-persons	322	5	1,273	6	6	6
6 or more	176	3	761	4	3	5

Est. Households by						
Income	TA1		TA2	%	MA %	U.S.%
< \$15,000	627	11	2,221	11	12	13
\$15,000 - \$24,999	398	7	1,677	8	9	11
\$25,000 - \$34,999	522	9	2,054	10	8	10
\$35,000 - \$49,999	577	10	2,384	12	11	14
\$50,000 - \$74,999	968	17	3,452	17	16	18
\$75,000 - \$99,999	863	15	2,896	14	13	12
\$100,000 - \$124,999	748	13	2,148	10	10	8
\$125,000 - \$149,999	478	8	1,469	7	7	5
\$150,000 - \$199,999	461	8	1,427	7	8	5
\$200,000 - \$249,999	134	2	441	2	3	2
\$250,000 - \$499,999	73	1	361	2	4	2
\$500,000+	12	0	61	0	2	1
Med. Household Income	70,817		64,192		67,928	53,706

Market Profile (cont'd)

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

Est. Population 16+ by Employment Status							
	TA1-%	TA2-%	MA %	US %			
In Labor Force	70	70	67	64			
Employed	63	63	61	58			
Self-employed	6	8	9	10			
Unemployed	7	7	6	6			

Est. Population 16+ by Occupation								
	TA1-%	TA2-%	MA %	US %				
Architect/Engineer	2	1	2	2				
Arts/Entertain/Sports	1	1	2	2				
Building Grounds Maint	2	4	3	4				
Business/Financial Ops	7	7	6	5				
Community/Soc Svcs	1	2	2	2				
Computer/Math	3	4	4	3				
Construction/Extract	7	6	4	5				
Edu/Training/Library	5	4	7	(
Farm/Fish/Forestry	0	0	0	1				
Food Prep/Serving	5	6	5	(
Health Practitioner/Tec	7	6	7	(
Healthcare Support	2	3	3	2				
Maintenance Repair	3	2	3	3				
Legal	1	1	1	1				
Life/Phys/Soc Science	1	1	2	1				
Management	8	8	11	1(
Office/Admin Support	18	17	13	14				
Production	4	4	4	(
Protective Svcs	3	2	2	2				
Sales/Related	10	10	10	11				
Personal Care/Svc	4	4	4	4				
Transportation/Moving	6	6	4	(

Est. Population Age 25+ by Education

				US
	TA1-%	TA2-%	MA %	%
Less than 9th grade	3	4	5	6
Some High School	6	6	6	8
High School Grad/GE)	38	38	26	28
Some College, no degree	19	19	17	21
Associate Degree	8	8	8	8
Bachelor's Degree	17	16	22	18
Master's Degree	6	6	12	8
Professional School Degree	2	2	3	2
Doctorate Degree	1	1	2	1

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 4. (cont'd) Additional Demographics Data

Est. Population by Single-Classification						
Race	TA1	TA2			MA	U.S.
	14,537	%	52,554	%	%	%
White Alone	12,015	83	38,867	74	79	71
Black/African American Alone	732	5	4,312	8	7	13
Amer. Indian/Alaska Native Alone	29	0	148	0	0	1
Asian Alone	829	6	4,128	8	6	5
Native Hawaiian and Other Pac. Isl. Alone	3	0	14	0	0	0
Some Other Race Alone	472	3	3,322	6	5	7

Est. Hispanic								
Population by Origin	TA1 TA2		TA2	MA		U.S.		
	14,537	%	52,554	%	%	%		
Not Hispanic or Latino	13,293	91	45,651	87	89	82		
Hispanic or Latino:	1,244	9	6,903	13	11	18		
Mexican	100	8	443	6	6	63		
Puerto Rican	282	23	1,523	22	42	9		
Cuban	25	2	133	2	2	3		
Other	837	67	4,804	70	50	25		

Est. Population-Asian								
Alone by Category	TA1	TA2		MA		U.S.		
	14,537	%	52,554	%	%	%		
Not Asian Alone	13,708	94	48,426	92	94	95		
Asian Alone	829	6	4,128	8	6	5		
Chinese, except								
Taiwanese	314	38	1,491	36	35	22		
Filipino	34	4	50	1	3	17		
Japanese	1	0	12	0	2	5		
Asian Indian	266	32	1,129	27	21	19		
Korean	0	0	17	0	7	10		
Vietnamese	104	13	771	19	13	11		
Cambodian	106	13	386	9	8	2		
Hmong	0	0	1	0	0	2		
Laotian	1	0	26	1	1	1		
Thai	0	0	2	0	1	1		
Other	2	0	244	6	9	10		

Est Des later						
Est. Population	·T-A 1		TA 2		ъла	TTO
by Ancestry	TA1		TA2			U.S.
	14,537	%	52,554	%	%	%
Arab	40	0.3	436	0.8	0.9	0.5
Czech	2	0.0	108	0.2	0.1	0.3
Danish	2	0.0	26	0.0	0.1	0.2
Dutch	0	0.0	20	0.0	0.3	0.8
English	640	4.4	2,099	4.0	6.3	5.5
French (exc. Basque)	553	3.8	1,365	2.6	4.7	1.6
French Canadian	246	1.7	788	1.5	2.8	0.5
German	293	2.0	743	1.4	3.3	10.4
Greek	162	1.1	437	0.8	1.0	0.3
Hungarian	12	0.1	39	0.1	0.2	0.3
Irish	2,670	18.4	8,101	15.4	16.1	6.8
Italian	4,322	29.7	12,892	24.5	10.1	4.2
Lithuanian	95	0.7	150	0.3	0.5	0.1
U.S./American	358	2.5	1,215	2.3	3.8	6.7
Norwegian	30	0.2	64	0.1	0.3	0.9
Polish	348	2.4	940	1.8	3.2	2.0
Portuguese	204	1.4	815	1.6	3.7	0.3
Russian	99	0.7	415	0.8	1.3	0.6
Scottish	118	0.8	384	0.7	1.3	1.1
Scotch-Irish	25	0.2	108	0.2	0.5	0.8
Slovak	0	0.0	2	0.0	0.1	0.1
Subsaharan African	76	0.5	729	1.4	1.7	0.9

SIOVAK		0	0.0	4	0.0	0.1	0.1	
Subsaha	aran African	76	0.5	729	1.4	1.7	0.9	
Swedisł	ı	185	1.3	536	1.0	1.0	0.8	
Swiss		7	0.0	20	0.0	0.1	0.2	
Ukraini	an	5	0.0	87	0.2	0.3	0.2	
Welsh		0	0.0	16	0.0	0.2	0.3	
West In	idian (exc							
Hisp gr	oups)	208	1.4	1,217	2.3	1.7	0.8	
Other a	incestries	2,830	19.5	15,290	29.1	26.3	40.7	

= Cultural Concentrations

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

C. Resident Market Sub-Segment

Overlook Ridge Apartment Community

The residents of Overlook Ridge Apartment Community comprise a sub-segment worth noting because it contains a dense cluster of households with higher disposable income. This community is located at the edge of the one-mile radius, with some units located in the primary trade and some within the secondary trade area. Overlook Ridge is comprised of three apartment complexes still being built out. There are currently 1,343 units and the total could reach close to 3,000 units when complete. Based on the apartment rental rates, household incomes are estimated at \$75,000 - \$200,000. These residents live within about a mile of Cliftondale Square, however, they are situated even closer to Route 1, where many retail and restaurant options are located. Currently, it does not appear that Cliftondale Square is generating much patronage from this sub-segment (see notes below). If unique restaurants or other offerings were available and directly marketed to this population, it is possible that some of these residents might be attracted to dining or service options in a "village center" setting as an alternative to highway commercial development. However, it would also likely require improving the aesthetic appeal and image of Cliftondale Square to entice this sub-segment into unfamiliar territory.

Notes

- 1. When interviewed, the owner of Victor's Italian Express (the Cliftondale restaurant located closest to Overlook Ridge) said they were not attracting customers from that area. None of the other businesses interviewed mentioned this sub-segment.
- 2. The owner of Lomas Flowers said they very occasionally get orders for flower delivery to Overlook Ridge.

D. Non-Resident Market Segments

Employees of Area Businesses

There are no major employers located in close proximity to Cliftondale Square, however there are approximately 66 small businesses which generate a limited daytime population of employees. This represents a small market opportunity for lunchtime meal purchase and other convenience goods and services.

Lincoln Avenue Thru-Traffic Travelers

Lincoln Avenue is a very busy street with many residents from other communities going to and from Route 1. This might present some potential market opportunity, however it can be difficult to get thru-traffic to stop. First, there has to something that travelers perceive worth stopping for, since they are on route and it will delay arrival, and they have to know or expect it be there (through business visibility and/or the image that a business district projects). Cliftondale Square does not project a "stop-worthy", " likely place to find what I want" image. In addition, there are other potentially inhibiting factors such as: 1) high speed of traffic going through the Square, 2) perceived lack of safety crossing the street, and 3) uncertainty about the location of off-street parking options.

Attendees of Nearby Attractions and Events - MEG Foundation Cultural Center (in development)

People drawn to events and attractions that bring them within very proximity to a commercial center can create potential opportunities for area restaurants, retailers and service providers. The Marleah Elizabeth Graves (MEG) Foundation is a non-profit organization dedicated to restoring the former Cliftondale School (located in Cliftondale Square) to host cultural events and community organizations. The Foundation has raised enough funds to complete the first phase of the restoration and the facility currently hosts several annual events including the Christmas Tree Festival, Saugus Rotary Art Festival and Belmonte Middle School Band Soiree. As building renovation progresses and activity programming increases, event attendees inclined to browse and/or make purchases (especially food) before or after events might represent a small additional market opportunity for local businesses.

D. Non-Resident Market Segments (cont'd)

Customers from communities to the North or South seeking Specialty Services or Products within Easy Access to Route 1

Cliftondale Square is located just one mile off Route 1 making it easily accessed by customers coming from the north or south. Cliftondale Square might be a good alternative for businesses that require an affordable location with access to a regional market that can bring their customers through niche promotion. This locational advantage attracted at least one existing business that specializes in computer repair.

Potential Opportunities Related to the Planned Casino Development in Everett

A five star luxury resort and casino project is being developed in Everett approximately 5 miles from Cliftondale Square. This project is expected to generate economic benefits for businesses and citizens throughout the area. The Massachusetts Gaming Commission is currently sponsoring a study to evaluate opportunities for local businesses. Results of this study may be applicable to Cliftondale Square.

Part III. Summary of Findings and Suggestions for Consideration

A. Summary of Findings

1. Business and Real Estate Conditions

- Cliftondale Square contains close to 192,000 s.f. At the time of the inventory (July, 2016), there were 3 vacancies, comprising approximately 2% of the square footage. There also appears to be underutilized space and some businesses that may not be operating on a full-time basis.
- Cliftondale Square is home to approximately 66 establishments including retail, restaurants, services, contractors, and public and non-profit entities (median size is 1,500 s.f.).
- Most of the establishments (72%) are independently-owned, single location businesses, 17% are chains and franchises, and 11% are public entities and non-profits.
- Daily customer counts vary widely. Restaurants 75 to 150 on weekdays, up to 400 on weekends at the diner. Retail stores most under 30 except for liquor store with 150. Banks around 50. Post Office 150. Other services less than 10.
- 31% of the businesses interviewed reported sales have increased in the last 3 years, 38% said their sales have gone down and 31% said sales stayed about the same.

2. Locational Advantages and Challenges for Businesses

Locational Advantages of Cliftondale Square for Businesses:

- Proximity to Route 1, a major highway providing access from the north and south
- High visibility on a very busy thoroughfare
- Compact concentrated layout increases potential for crossover patronage among businesses
- Over 14,500 people live within 1 mile; median household income is above the state median, 33% of the households have incomes over \$100,000
- Over 52,500 people live within 2 miles

Locational Disadvantages/Challenges for Businesses:

- · Lack of identity as a square/commercial district, not well-promoted as a place for shopping, dining and services
- Some tired looking signage, facades and storefronts
- High speed of traffic through the Square, may be inhibiting people from stopping, walking around, crossing the street
- Common perception is that the parking is not well identified and public parking is insufficient. Most off-street parking is private, associated with specific properties and businesses
- Not many destination businesses, uses, or events generating high volume of potential customers
- Very few businesses open in the evening
- No sit-down dinner restaurants
- Perception of unsafe environment and possible criminal activity in the evening (loitering, drug transactions, prostitution)

A. Summary of Findings (cont'd)

3. Business Mix

More than one-half of the establishments (62%) in the commercial district are services, 20% are retailers, 14% are restaurants and 18% other.

- The restaurant selection is very limited. There are no restaurants that serve alcohol of any kind in the district and no sit-down dinner restaurants with wait staff service. None of the eateries offer entertainment or outdoor seating.
- In comparison to other commercial centers, Cliftondale Square has a larger proportion of Convenience Goods and Personal Services and a smaller portion of Comparison Goods businesses. Cliftondale Square has predominantly limited service and carryout restaurants while the other commercial centers have a much broader selection of Eating, Drinking, Entertainment & Recreation establishments including sit-down dining and a variety of recreation uses.

4. Market Conditions

Resident Market Segment

There are approximately 14,537 people living within a 1-mile radius, the primary trade area for Cliftondale Square. The estimated median household income is \$70,817, which is 4% higher than the statewide median. There is a significant upper income segment -1,906 households (33% of the total) earn over \$100,000 per year.

Residents of the primary trade area (TA1) spend close to \$171 million per year at stores and restaurants. A comparison of annual resident expenditures to annual sales of trade area businesses shows a gap of \$46 million indicating that TA1 residents are spending at least that amount outside of the trade area. This sales leakage is fairly modest, indicative of the surrounding competitive environment. Categories with over \$2 million of sales leakage are listed below.

\$16.40
\$4.68
\$4.03
\$2.68
\$2.62
\$2.58
\$2.41
\$2.38
\$2.21

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 non-resident market segments (i.e., employees, visitors) and/or overtake trade from existing competition within the trade area by offering more desirable products, services, or setting.

There are approximately 52,554 people living within 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 \$64,192, approximately 5% lower than the statewide median. Residents of the secondary trade area spend close to \$585 million per year at stores and restaurants and the sales leakage analysis shows they are spending at least \$95 million outside the trade area.

A. Summary of Findings (cont'd)

Resident Market <u>Sub-Segment</u>... The residents of Overlook Ridge Apartment Community comprise a sub-segment worth noting. This community, still undergoing development, is located at the edge of the one-mile radius. Overlook Ridge is comprised of three apartment complexes that could total close to 3,000 households (when completely developed) with estimated incomes of \$75,000 - \$200,000. If unique restaurant or other offerings were available and directly marketed to this population, it is possible that some of these residents might be attracted to dining or service options in a "village center" setting as an alternative to highway commercial development. However, it would also likely require improving the aesthetic appeal and image of Cliftondale Square to entice this sub-segment into unfamiliar territory.

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 no major employers, but 66 small businesses represent a small market opportunity for lunchtime meal purchases and other convenience goods and services.
- Lincoln Avenue Thru-Traffic Travelers however it can be difficult to get thru-traffic to stop. Cliftondale Square does not project a "likely place to find what I want" image plus has other potentially inhibiting factors such as: 1) high speed of traffic going through the Square, 2) perceived lack of safety crossing the street, and 3) uncertainty about the location of off-street parking options.
- Attendees of Nearby Attractions/Events M.E.G. Cultural Center (in development) As building renovation
 progresses and activity programming increases, event attendees inclined to browse and/or make purchases (especially
 food) before or after events might represent a small additional market opportunity for local businesses.
- Customers from the North or South seeking Specialty Services or Products within Easy Access to Route 1
- Potential Opportunities Related to the Planned Casino Development in Everett The Massachusetts Gaming Commission is currently sponsoring a study to evaluate opportunities for local businesses. Results of this study may be applicable to Cliftondale Square.

The market opportunity for new business is modest, especially given current conditions. To recruit new business and help existing businesses, it is important to address the locational challenges discussed earlier.

B. Suggestions for Consideration

1. Establish an entity (or entities) that can coordinate and carry out ongoing tasks associated with improving and maintaining vibrancy of Cliftondale Square.

Potential Strategies:

- Develop a community partnership organization to focus on the on-going revitalization of Cliftondale Square that would include business owners, residents, property owners and public sector representatives willing to work together. This might be accomplished by creating a new organization or directing the Economic Development Committee to perform this role and ensure the appropriate community representation and participation. Property and business owners could explore the option of creating a Business Improvement District that could generate funding for district improvements and promotion activities.
- Create working committees (could be sub-committees of the Economic Development Committee) such as Beautification Committee, Events & Promotion Committee, Development & Business Recruitment Committee, etc.

2. Establish an identity/brand for Cliftondale Square as a "Place" not just a "Pass-thru".

Potential Strategies:

- In addition to or instead of "Welcome to Saugus" sign and "Saugus" banners, include signage, banners and other elements that identify the commercial center as Cliftondale Square.
- Encourage businesses to use the name in advertising and social media (e.g., "... located in Cliftondale Square")
- Try to involve the community in placemaking activities, including Lighter, Quicker, Cheaper (LQC) strategies that might be used to reimagine and reinvent public spaces in the Square which could include sidewalks, the grounds of the M.E.G. building, area in front of the Post office, etc. For information on placemaking and LQC, visit: www.pps.org/reference/reference-categories/placemaking-tools/
- Look into Commonwealth Places, a funding mechanism to advance community placemaking projects. The statewide
 program will help fund place-based, community-driven projects art installations, parks, bike trails, markets, etc. that
 revitalize downtowns and neighborhood commercial districts. The program aims to engage and mobilize community
 members to make individual contributions through a crowdfunding platform with the incentive of a dollar-for-dollar
 funding match (up to \$50,000) from MassDevelopment. For more information, visit: <u>www.massdevelopment.com/
 what-we-offer/real-estate-services/commonwealth-places/</u>

3. Promote Cliftondale Square as a "Social" Place not just a "Shopping" Place – where customers can recreate, socialize, attend a cultural event, find food and entertainment in a place that is comfortable and safe.

Potential Strategies:

- Increase public safety measures to address criminal activity on the street.
- Consider traffic calming measures/enforced speed regulations to make customers feel safer, more apt to stop.
- Look for opportunities to create possibilities for outdoor dining.
- Increase/improve social gathering spaces. Consider placemaking activities as noted above to reimagine public spaces or share private spaces to that could accommodate activities, performers, vendors etc.
- Improve streetscape/pedestrian environment. A few businesses have included benches in the front of their establishment on what appear to be their private property. Consider allowing/promoting other businesses to add outdoor tables and chairs or benches to the sidewalk in front of their establishments (within guidelines) even if not for restaurant use.
- Recruit recreation, entertainment and dining uses.
- Connect Cliftondale Square via bike path to Anna Parker Playground and the Northern Strand Trail (as recommended in the "2015 ULI Technical Assistance Panel Report").

B. Suggestions for Consideration (cont'd)

4. Enhance the business mix – encourage restaurants, recreation, educational enterprises, healthcare and professional offices, creative/cultural enterprises as well as retail.

Potential Strategies:

- Obtain liquor licenses that could be targeted to Cliftondale Square to help recruit wider variety of restaurants including sit down restaurant with liquor.
- Encourage "pop-up" restaurants a strategy utilizing existing space for temporary restaurant operations (single night or short term) allowing young chefs to demonstrate their skills and/or help to prove a market demand.
- Create business recruitment fact sheet touting locational advantages of Cliftondale Square, distribute to realtors and property owners for use in tenant recruitment.
- Add a "For Businesses" tab to the Saugus Town website. Include guidance that makes it easy for businesses to know what they need to do to open a business in Saugus and information about Cliftondale Square as a Business Recruitment Target Area.
- Don't focus recruitment efforts only on traditional retail as the surrounding competition is quite intense -- encourage other uses such as: Educational service businesses especially for young people (e.g., karate/martial arts, dance school, tutoring/afterschool programs), Recreation facilities/fitness centers (e.g., yoga, women's fitness, specialty gym), Healthcare/medical offices (e.g., chiropractor, physical therapy, counseling, etc.), Professional services (e.g., business services, web design, photography, etc.) and Cultural/Creative enterprises(e.g., expanded uses at M.E.G.).
- Try to prioritize first floor space in the core of the Square to be used for retail and restaurants or other compatible uses that are open similar business hours and attract walk-in customers/users that could provide cross over patronage for other businesses in the district.

5. Attract more customers from all market segments and make the area more attractive to new business tenants by improving the aesthetic appeal of the Square.

Potential Strategies:

- Create a beautification committee that can work on small projects such as flower baskets, organizing periodic cleanups, help ensure required maintenance gets done, etc.
- If funding can be identified, help businesses design and implement storefront and signage improvements with a facade improvement program offering financial assistance (allowing the outside of the businesses to convey the value that can be found inside the businesses).
- Consider developing design guidelines that can be incentive-based (only applied with use of financial incentives).
- Encourage attractive window displays and maximum transparency to make the businesses and the district as a whole appear "open for business". Discourage the use of closed blinds and paper signs covering windows.
- Do a workshop for business owners about what they can do to improve appearance of their storefront especially with a small budget and perhaps include instruction on temporary ornamentation that can be tastefully incorporated to add vitality to the street (within provided guidelines).

6. Promote the hosting of special events in the Square to increase foot traffic and boost awareness of businesses and enhance the relationship between the business district and community residents.

Potential Strategies:

- Continue support for increased event programming at M.E.G. facility (inside and on the grounds).
- Create an events committee to organize events for the Square and coordinate with other cultural organizations that might be willing/interested in putting on events.
- When event planning, take into consideration how to increase the economic impact for local businesses.
- Explore possibility of relocating or expanding farmers market to Cliftondale Square.

B. Suggestions for Consideration (cont'd)

7. Address Parking Issues - better parking wayfinding and management.

Potential Strategies:

- Conduct a parking study to determine adequacy for existing and future uses and develop a plan for how to better use the public and private parking that is available.
- Explore the possibility of developing shared parking schemes with entities that may not require parking at all times or have excess parking (e.g., church, bank).
- Develop better wayfinding signage to direct users to parking areas.
- Enforce parking regulations to avoid employees, bus commuters or others from occupying prime street parking spaces all day.
- Consider public acquisition and development of additional parking depending on results of parking study.

8. Explore zoning and regulation changes that would increase the critical mass of compatible businesses and customers.

Potential Strategies:

- Consider encouraging mixed use and residential development in and near downtown especially including market rate units. Additional residents would mean more customers for businesses, more 24 hour and seven day per week vitality and more eyes on the street that would increase safety. Perhaps the Economic Development Committee could be charged with beginning this dialogue.
- Consider allowing/encouraging higher density, multi-story development.
- Explore options to increase uses that generate foot traffic on a daily basis.