AVENUE A RETAIL ANALYSIS

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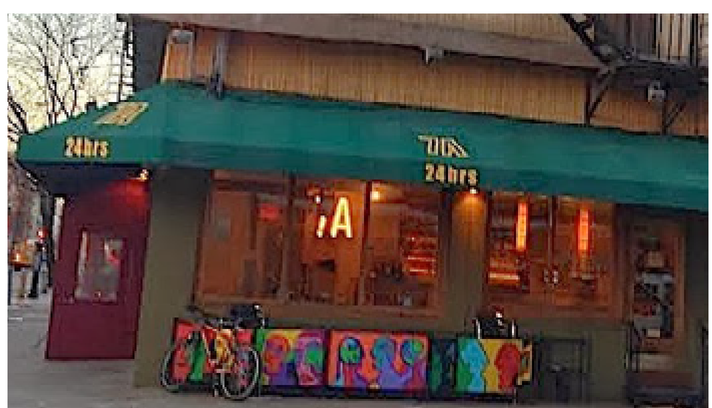
INTRODUCTION

OVERVIEW AND FRAMEWORK

This report analyzes the retail trends and attempts to address the growing need for retail diversity within Manhattan Community District 3's Ave A commercial corridor, through several preliminary recommendation.

Manhattan Community District 3 consists of the Lower East Side and part of Chinatown. CD3 is bound to the North by 14th Street, to the South by the Brooklyn Bridge and Fourth Ave, and spans west from the East River to Bowery, and to Baxter and Pearl Streets below Canal Street. This district includes several popular neighborhoods, well known for their vibrant and artistic atmosphere, and eclectic collection of retail options. Alphabet City is one of these neighborhoods, covering 14th Street to Houston St, and bound to the East by Ave D and to the East by Ave A. This area has a dense and diverse retail mix, but over the years it has exhibited some significant changes in its retail diversity, vacancy rates, and increasingly more rapid retail turnaround, predominantly along the Ave A commercial corridor. This neighborhood is also widely known for its abundance of restaurants, bars, and night time oriented entertainment, showing concern for meeting the needs of the local residents, in the form of basic service retail provision. More recently, these trends have noticeably increased thus causing the need for a better insight into the neighborhood and commercial corridor framework. In order to arrive at the necessary strategies to formulate any recommendations, several steps are taken in analyzing the neighborhood, as well as the Ave A commercial corridor.

This report works off of existing literature on neighborhood characteristics, existing conditions, and community needs, as well as existing reports and studies done on this particular issue within CD3. These resources include, but are not limited to District Profile, 2009-2010 Report on Loss of Retail in CD3, and 2012 Preserving Retail Diversity in CD3. The report builds on this existing knowledge to further develop a framework of analytical tools necessary to address the local retail needs and recommend a strategy maintain a desirable mix. The framework of the report is broken down into several sections of different types of analysis.



SOURCE: http://www.glittersnipe.com/wp-content/uploads/2012/06/ABC-FINAL.jpg ; http://evgrieve.com/ ; http://evgrieve.com/2014/01/reader-report-7a-will-close-at-end-of.html

NEIGHBORHOOD PROFILE

NEIGHBORHOOD PROFILE

Neighborhood Profile reveals the various demographic trends, and overall neighborhood themes and characteristics. This section addresses who is the target demographic within the area, how has this changed over the years, what existing facilities and institutions are in the study area, and how does transportation play into the neighborhood's character and possibly affect the retail within.

DEMOGRAPHICS

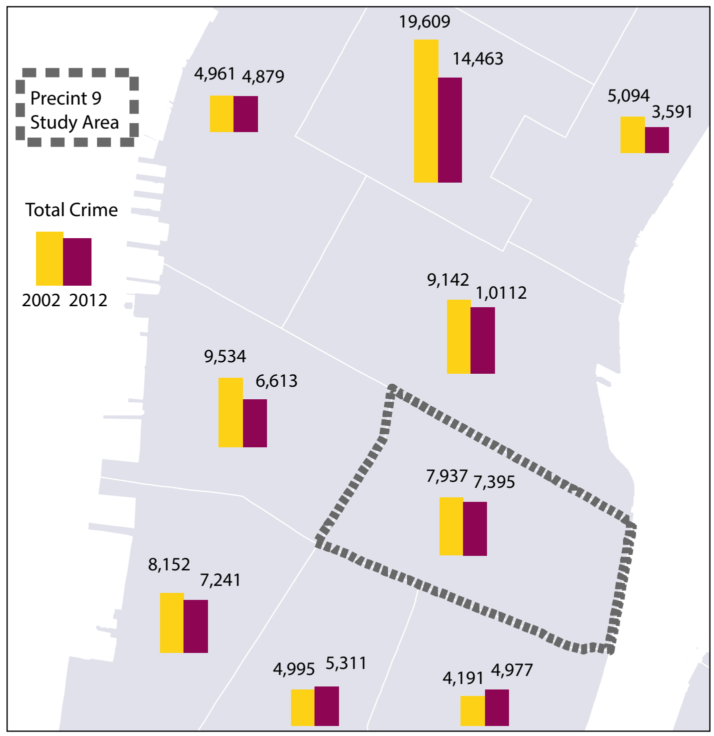
	2000		2012	
POPULATION	COUNT	%	COUNT	%
Total	57,056		61,350	
Under 5	1,590	2.79%	1,412	2.30%
17-May	4,043	7.09%	3,635	5.93%
18 - 64	46,427	81.37%	50,359	82.08%
Over 65	4,996	8.76%	5,944	9.69%
INCOME	COUNT	%	COUNT	%
% Population below poverty	10,997	19.27%	10,528	17.16%
Median household income ($)	36,470*		61,714*	
RACE	COUNT	%	COUNT	%
White	36,620	64.18%	41,381	67.45%
Black	4,475	7.84%	4,199	6.84%
Asian	7,106	12.45%	9,405	15.33%
Other	25,039	43.88%	27,777	45.28%
Non Hispanic	45,372	79.52%	50,433	82.21%
Hispanic	11,684	20.48%	10,917	17.79%
HOUSING	COUNT	%	COUNT	%
Total number of units	31,205		32,777	
Occupied	29,877	95.74%	30,167	92.04%
Vacant	1,328	4.26%	2,610	7.96%
Owner occupied	3,431	11.48%	4,118	13.65%
Renter occupied	26,446	88.52%	26,049	86.35%

SOURCE: ACS 5-year estimate 2006-2010 and 2008-2012
*See Appendix for breakdown by census tract in years 2000 and 2012

Community Board 3 is considered one of the largest and most densely populated neighborhoods, rich in history and diversity. As part of CB3, Alphabet City shares some of these similar characteristics, as shown in the table above. From 2000 to 2012 the population of the study area has grown from 57,056 to 61,350 residents. The majority of the residents within the study area are between the ages of 18 and 64 (of working age), which remains consistent through the same period, only increasing from 81.37% in 2000, to 82.08% in 2012. Population below poverty level decreased from 19.27% in 2000, to 17.1 6% in 2012. Median income increased from $36,470 in 2000, to $61,714 in 2012. The race component of the table reveals that white is the dominant race in the study area at 64.18%, however it is necessary to consider the breakdown of Non-Hispanic and Hispanic races. These findings confirm the diversity consistent throughout CB3. The total number of housing units increased from 31,205 in 2000 to 32,777 in 2012, with a majority of the housing types falling under the renter occupied category, at over 80% in both years. Vacancy rates increased from 4.26% in 2000, to 7.96% in 2012.

CRIME

Alphabet City is served by New York Police Department Precinct 9. The map and tables below show the study



Number of Violations

	2002	2012
NYC	97,259	61,131
Manhattan	17,547	12,211
Precinct 9	1,419	678

Number of Felonies

	2002	2012
NYC	225,802	168,390
Manhattan	55,525	36,120
Precinct 9	2,521	2,130

Number of Misdemeanors

	2002	2012
NYC	176,992	181,641
Manhattan	85,632	85,580
Precinct 9	4,445	4,587

SOURCE: NYC DCP 2012, NYPD

COMMUNITY FACILITIES: SNAPSHOT

CULTURAL
- 1 classical music facility
- 3 museums
- 7 theaters along Avenue A
- 15 art galleries along Avenue A

SAFETY AND HEALTH
- NYPD 9th precinct
- 3 community health clinics
- 9 fire companies in four battalions

OPEN SPACE, PARKS, AND GREEN MARKETS
- 2 playgrounds
- 2 green markets
- 3 public parks
- 5 green spaces along streets
- 8 open spaces
- 39 community gardens

EDUCATION
- 1 charter school
- 6 private schools
- 2 adult and continuing education facilities
- 3 head start programs
- 6 public schools
- 8 afterschool programs
- 11 universal pre-K programs

CITATION: maps.google.com

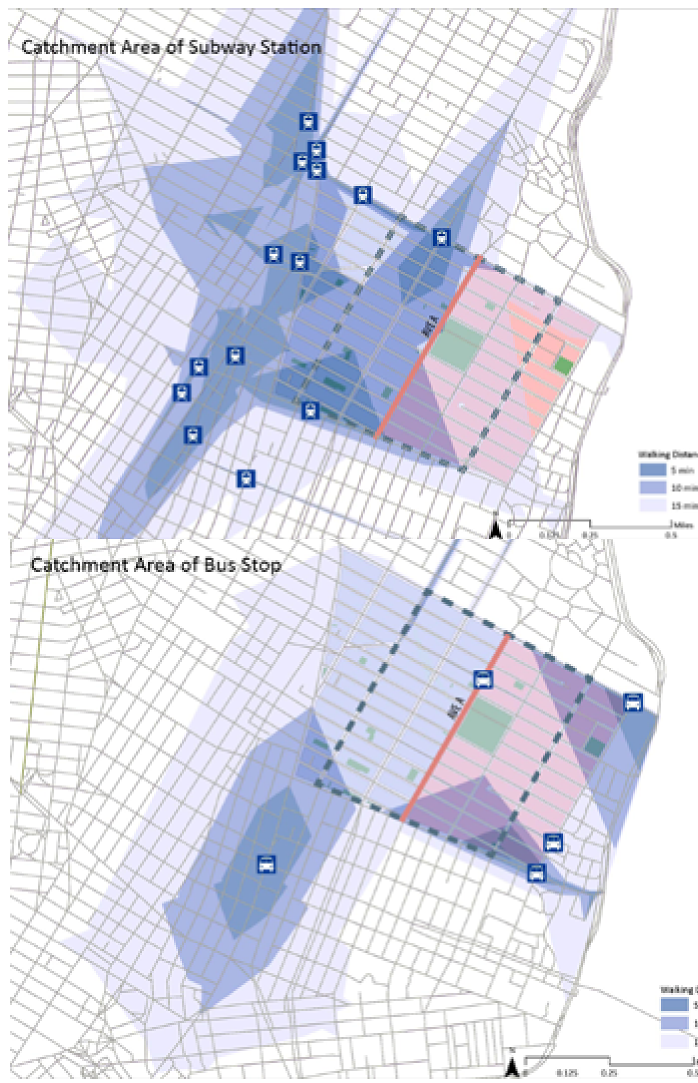
area crime rate in 2002 and 2012, in relation to the crime rate for Manhattan and for New York City overall for the same years. The total number of crime offenses is broken down into individual types of offenses, between three categories: Number of Violations, Number of Felonies, and Number of Misdemeanors.

There was a total of 7,937 criminal offenses for the study area in 2002, which dropped to 7,395 in 2012. These numbers are reasonably lower compared to other neighborhoods in Manhattan. There were 1,419 violations in 2002 within the study area, which significantly dropped to 678 violations in 2012; this is similar to the overall drop in the number of felonies in Manhattan and New York City as a whole. There were 2,521 felonies 2002, within the study area, showing a drop to 2,130 in 2012; similar to the overall drop in the number of felonies in Manhattan and New York City overall. There were 4,445 misdemeanors in 2002, within the study area, showing slight increase to 4,587 in 2012. The number of misdemeanors decreased in Manhattan and New York City overall during the same time period. This inconsistency may reflect the continuous increase of the nightlife and entertainment industry within the study area.

TRANSPORTATION

This map shows the transportation accessibility of our study area, which is represented and estimated by the catchment area of subway and bus stations nearby. According to the map, the whole study area is accessible by more than 10 subway stations within 15 minutes' walk, while when it comes to Ave A, the nearest station is more than 10 minutes' walk.

The whole area is served by 5 bus stations within 15 minutes' walk and there is one station on the Ave A.



SOURCE: TIGER 2012, NYC DCP, 2013 5-year American Community Survey

RECENT TRENDS

The study area is one of the largest, most diverse, and most densely populated districts. However, the area has been struggling from retain affordable housing stock. Between 2000 and 2012, the Lower East Side saw a 42 percent increase in average rent[1].

The area also struggles to retain local businesses and is seeing a rapid displacement of family-owned businesses. The rents on these lots are increasing and the bar and restaurant industries dominate the area. An increase in liquor licensed establishments has led to a decreased quality of life for some residents, increased night time noise complaints, lack of other local retail services, and inactive daytime storefronts as these establishments cater to a nighttime crowd. Moreover, the area is under-served by subway lines.

These trends form the backdrop of this report. With these in mind, a series of analyses have been performed to better understand what is happening to the retail in the area.

1. Office of the New York City Comptroller Scott M. Stringer. "The Growing Gap: New York City's Housing Affordability Challenge". April 2014.

CONSUMER SURVEY

CONSUMER SURVEY

INTRODUCTION

The consumer survey was conducted though on-street interviews along Avenue A between 14th Street and Houston. Interviewees were picked randomly during rush hour and non-rush hour times on both weekends and the weekdays.

In Question 1, we first differentiate the customer living in the study area or not. Then, we ask basic demographic information such as age and gender to get a very general sense of who we are talking to. We put more focus on asking the shopping reason of different groups of people to study the existing retail business in the study area. Then we explored where and why people purchase for certain type of retail service and goods to gain a better understanding of consumer behaviors and retail service performance in the study area.

In order to quantify the result, we divided shopping reasons into four categories -- proximity, quality, price and others. The shopping transportation method is also taken into consideration. We coded the their answers with a key as shown in question 5 in the image to the right.

The interview results were separated into two groups: residents that are living in the study area and visitors that are living out of the neighborhood. Thus the consumer analysis later is investigated separately for both residents and visitors to make a better comparison to the retail performance in the study area and out of the study area.

RETAIL CONSUMER SURVEY

Day: Time: Intersection/Location:

#1. Do you live here?

___Yes ___No

#2. How old are you?

___under 18 years of age ___18 to 35 years of age

___36 to 60 years of age ___over 60 years of age

#3. What is your gender?

___Female ___Male ___Other

#5. We'd like to know where and why you shop for these it ems and services. For each item and service below, please indicate whether or not you travel outside the neighborhood for the item/service, the reason, how you get there, and how frequently you go there.

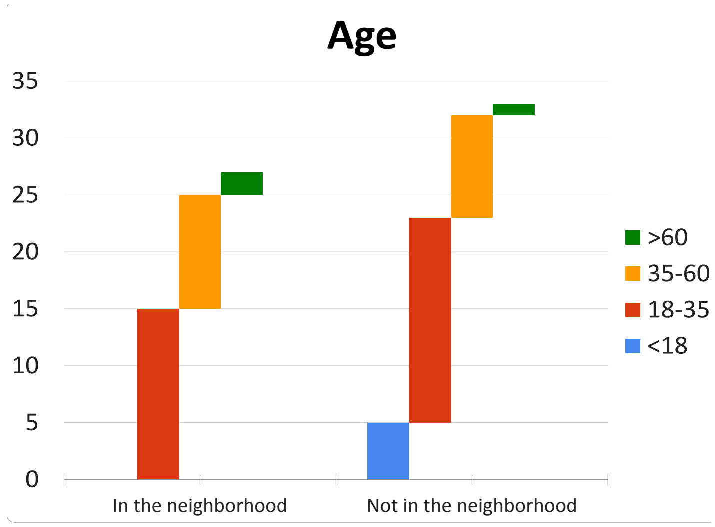
Good/Service	Where 1. In neighborhood 2. Out of neighborhood:______ 3. Online	Reason 1. proximity 2. quality 3. price 4. others	Transportation 1. subway 2. bus 3. bike 4. walking 5. drive	How Often
Groceries				
Liquor Stores				
Medical services/Pharmacy				
Clothing and Accessories				
Restaurant/Cafe/Bar				
Hardware/ Appliance/Furniture				
Banking				
Entertainment				
Gym/Fitness				
Beauty (nail and hair salon)				
Dry cleaning/Laundry				
Other (optional)				

CONSUMER SURVEY

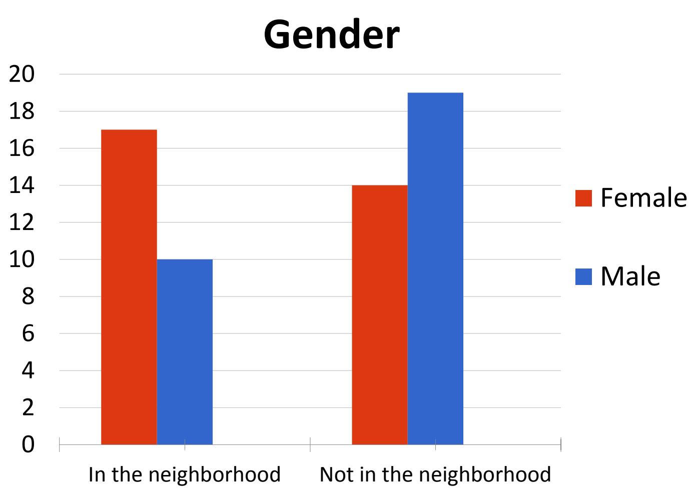
DEMOGRAPHIC BACKGROUND OF SURVEY PARTICIPANTS

Overall 60 surveys were taken. They were separated based on whether the survey participants were visitors or residents. In total, there were 27 residents living in the neighborhood and 33 visitors living out of the neighborhood.

According to the age analysis, the survey participants are distributed to different age cohorts. The majority survey participants are working population from 18 to 60 years old. But proportionally, there are more young teenagers who are visitors coming to the study area. Also, there were less seniors on the street.



Age	<18	18-35	35-60	>60	Total
In the neighborhood	0	15	10	2	27
Not in the neighborhood	5	18	9	1	33



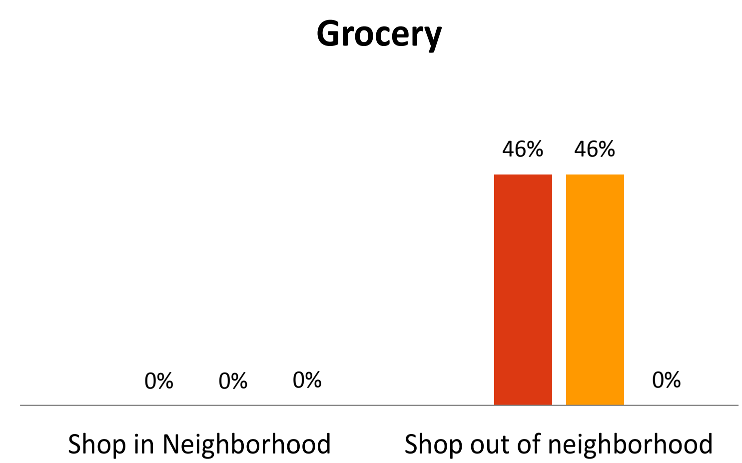
Gender	Female	Male
In the neighborhood	17	10
Not in the neighborhood	14	19

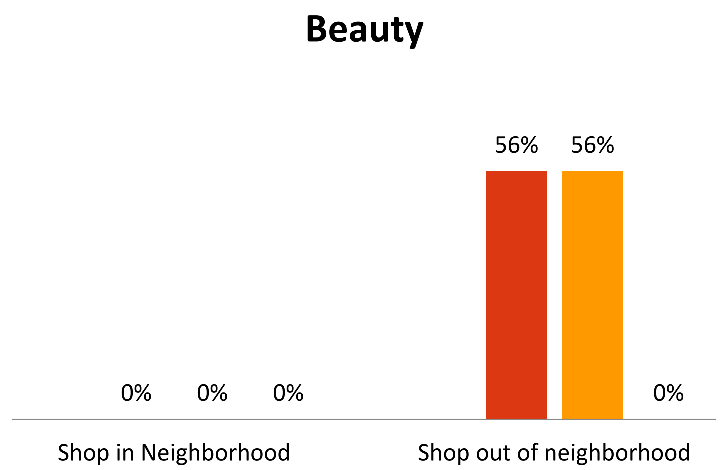
Among the 60 surveys, 31 female and 29 male participated to answer the survey questions. They live evenly distributed in and out of the study area.

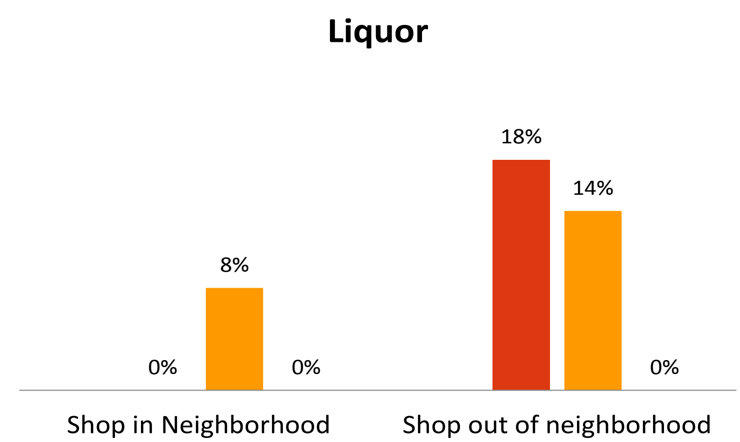
Furthermore, according to the interviews, their careers included students, teachers, babysitters, shop owners and businessmen etc.

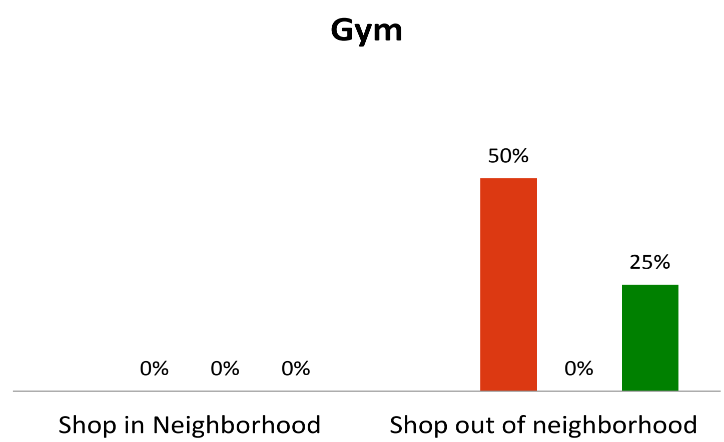
CONSUMER SURVEY

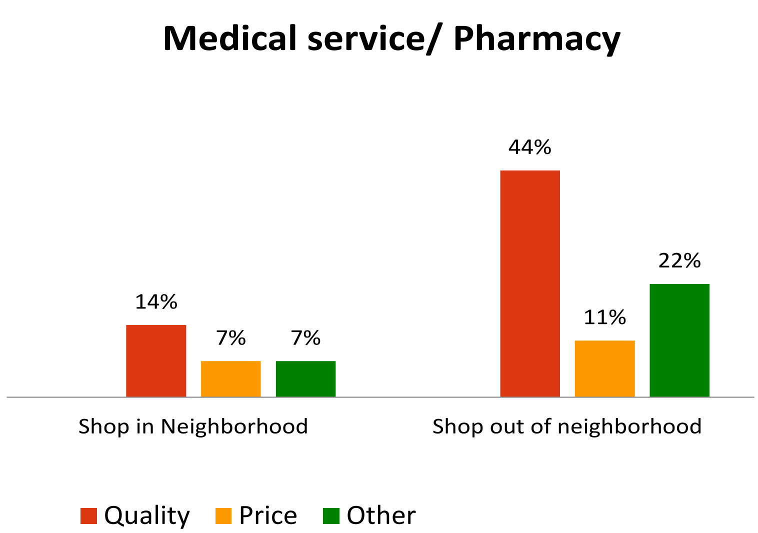
SHOPPING REASONS OF RESIDENTS









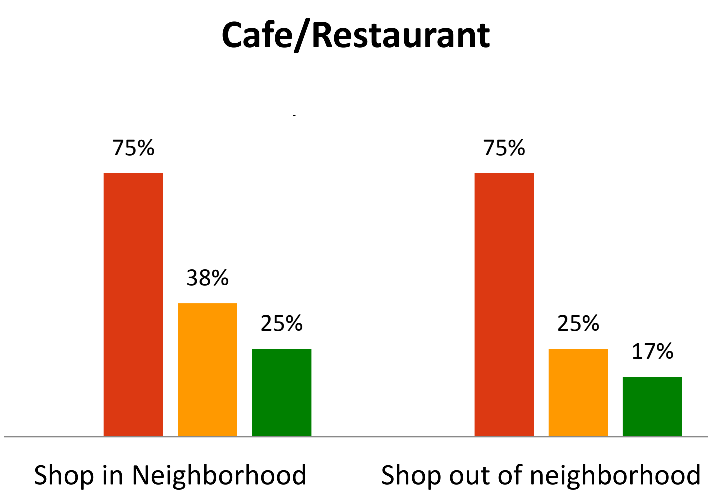


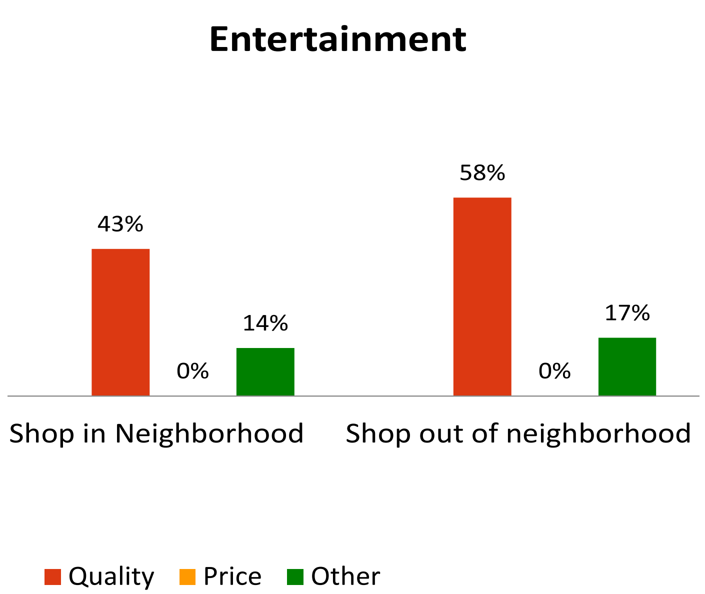
No matter whether people live in or out of the study area or if they shop in the study area, the most important shopping reason is always proximity, so in rest of the analysis we do not show the result of proximity.

People who live in the area shop more out of the study area because of product/goods quality and price when they shop groceries, beauties, liquor, gym and medical service/pharmacy service. The interesting finding is that almost all the residents live in the study area shop the daily-used grocery goods out of the neighborhood.

CONSUMER SURVEY

SHOPPING REASONS OF RESIDENTS





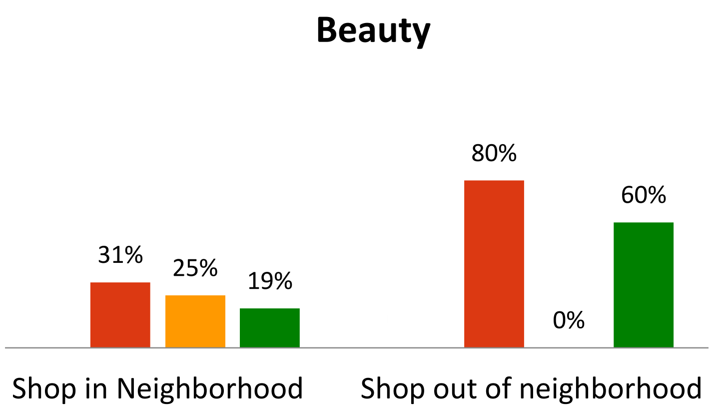
According to the results from the charts in left, reasons in shopping for entertainment, clothing and cafe/restaurant are quite similar. The charts to the left show the results of survey participants who live in the area. In all of these retail types on the left, over half attribute their shopping choices to quality.

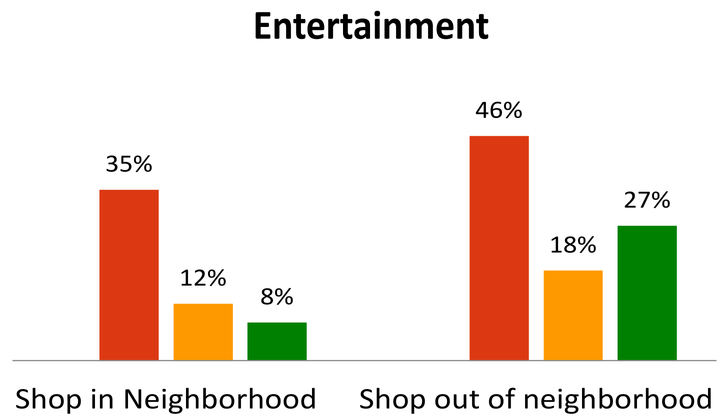
Moreover, the price of clothing and restaurants in the study area appears to cheaper than outside according to the residents living in the study area.

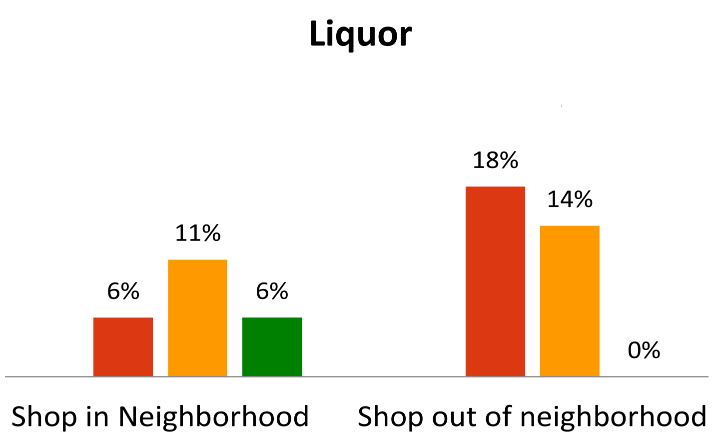
In the clothing and entertainment shopping retail industries, there are certain amount of people prefer online shopping. When it comes to restaurants and cafes, people also make their choices according to other influential factors such as recommendations and ratings from Yelp and their friends.

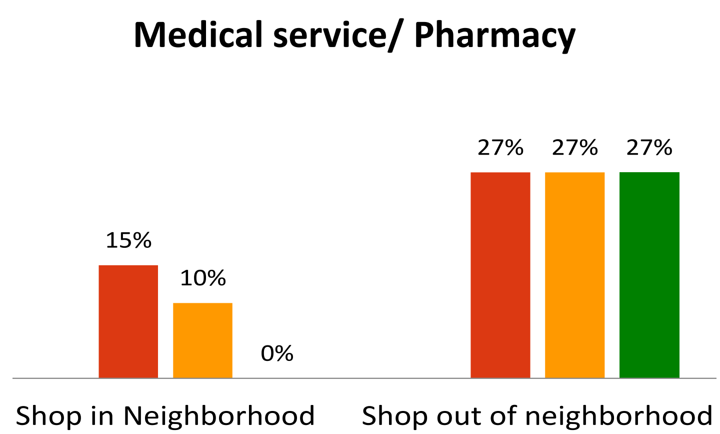
CONSUMER SURVEY

SHOPPING REASONS OF VISITORS









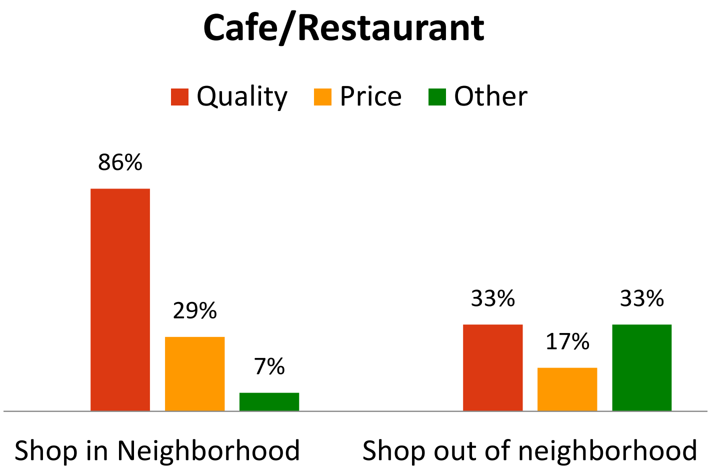
The charts on this page show the results from survey participants who live outside the study area, and are therefore visitors to the area.

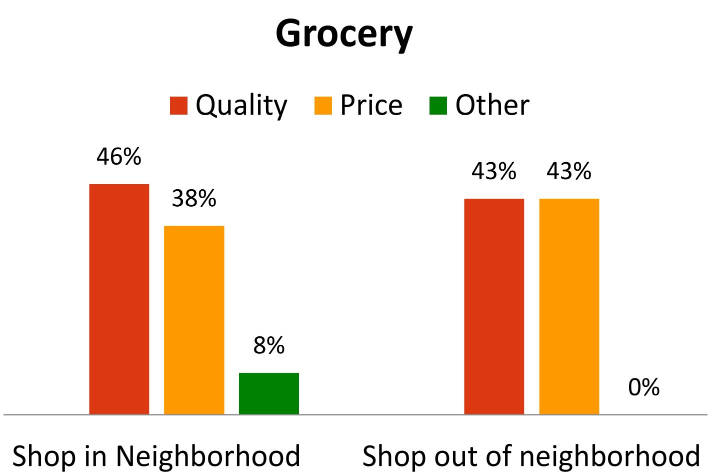
The shopping reasons of people who live out of study area is in a different pattern from the local shopper, and they overall has various reasons. Generally, they usually shop outside of neighborhood. The most important reason for shopping outside is because of proximity as well. However, besides proximity, people think the goods quality of these five types of retails is less competitive than outside.

Moreover, people consider entertainment, liquor and medical service/pharmacy in the neighborhood more expensive than outside.

CONSUMER SURVEY

SHOPPING REASONS OF VISITORS



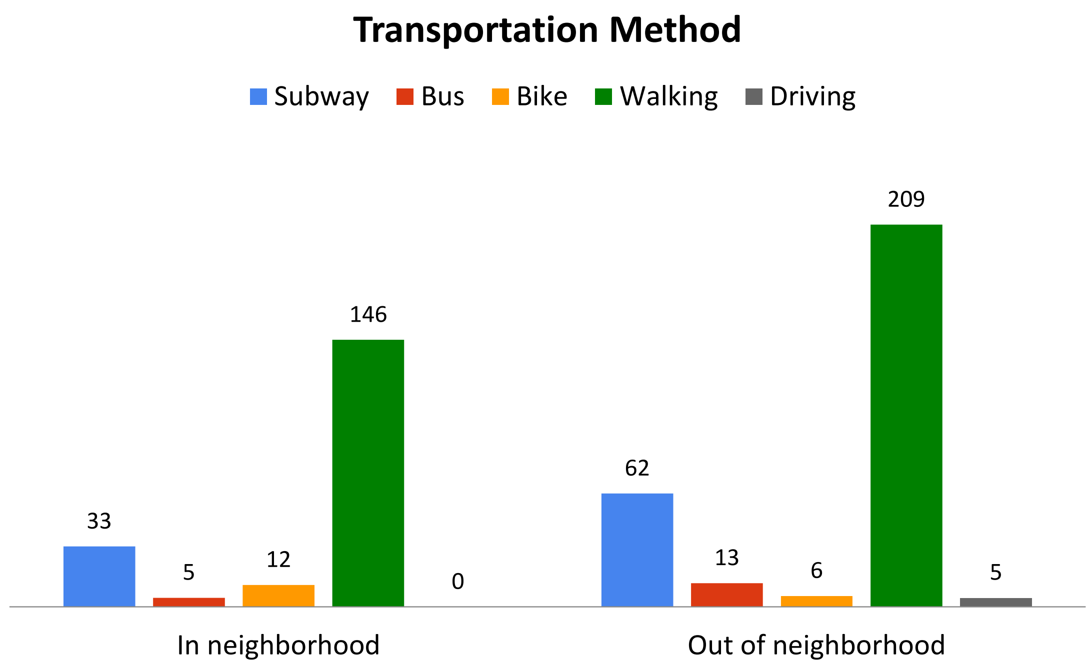


Quality Price Other

The charts to the left show two exception where visitors will shop in our study area because of better quality and price. Especially for the cafe/ restaurant service in the study area, 86 percent of visitors shop in the neighborhood because of the better goods and service quality provided in the study area. These findings might imply that the cafe/restaurant and grocery retail quality in the locality is better than the ones outside of the area.

CONSUMER SURVEY

SHOPPING TRANSPORTATION METHOD



Walking and subway are the top two transit modes that people choose, whether or not they live in the neighborhood. This result also supports the survey result that most of the people consider proximity as the dominant reason behind shopping choices.

The overall result also shows that taking the bus and biking are the least travel method for shopping retail, which is worthy of noticing that since the study area is not served well enough by a strong subway transit network (only one access of L train station needs more than 10min walking). While there are bus stops along the main avenues in the study area, people still prefer walking and taking subway due to the low frequency of bus service.

RETAIL TRENDS: ESTABLISHMENTS, EMPLOYEES, MARKET SHARE

RETAIL TRENDS: ESTABLISHMENTS

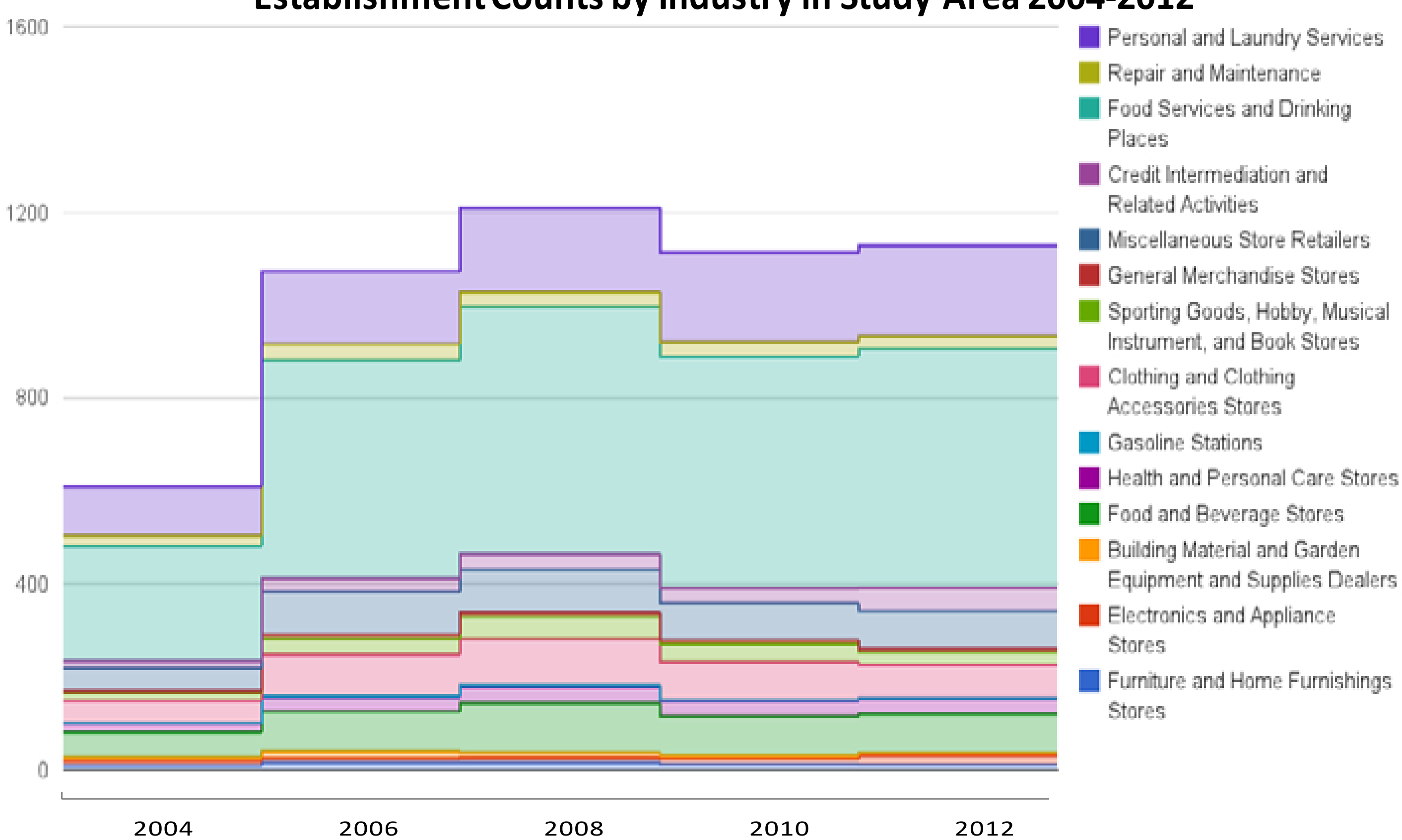
THREE DIGIT NAICS CODE: ESTABLISHMENT COUNTS BY INDUSTRY

With knowledge of trending and existing neighborhood demographics, the next step is to analyze the retail within the area. Retail trends were examined and analyzed in order to understand the existing retail mix and identify growing or declining sectors within the study area. The three digit NAICS codes were pulled for the existing retail and compared to the data provided by the Census Bureau every two years, from

Establishment Counts by Industry In Study Area 2004-2012

NAICS	Description	2004	2006	2008	2010	2012
442	Furniture and Home Furnishings Stores	10	16	16	12	11
443	Electronics and Appliance Stores	9	10	11	12	20
444	Building Material and Garden Equipment and Supplies Dealers	8	14	11	7	6
445	Food and Beverage Stores	55	86	106	85	84
446	Health and Personal Care Stores	18	31	34	33	32
447	Gasoline Stations	1	2	4	2	1
448	Clothing and Clothing Accessories Stores	49	89	99	81	72
451	Sporting Goods, Hobby, Musical Instrument, and Book Stores	17	34	49	39	27
452	General Merchandise Stores	3	9	8	8	7
453	Miscellaneous Store Retailers	49	93	94	80	82
522	Credit Intermediation and Related Activities	15	29	33	33	51
722	Food Services and Drinking Places	248	469	531	498	514
811	Repair and Maintenance	22	35	32	31	27
812	Personal and Laundry Services	105	155	182	192	194

Establishment Counts by Industry in Study Area 2004-2012



SOURCE: REFERENCE USA 2002-2012

2004 through 2012, as the most recent data. The following table shows the figures for establishment counts, by industry, within the study area.

For the purposes of showing the most pertinent data to the overall study, Gasoline Stations have been taken out of the visual charts. The chart below, also does not show This specific sector will be addressed later in this report, with a more in depth look at the different places at six digit NAICS code.

Food Services and Drinking Places industry, are shown in the data table as the top sector for establishment counts in the area, increasing from 248 establishments in 2004, to 514 establishments in 2012. After Food Services and Drinking Places, the next industry showing the most growth in the study area is Personal and Laundry Services, which shows consistent growth over the years, increasing from 105 in 2004 to 194 in 2012. Industries such as Credit Intermediation and Related Activities and Electronic and Appliance Stores are showing steady growth in establish counts, from 2004-2010, and a more increased growth from 2010-2012. Food and Beverage Stores and Clothing and Clothing Accessories Stores show significant increase from 2004-2008, but start to decline towards 2012.

In order to get a clearer understanding of the establishment counts within the study area, these results were compared to the establishment counts for similar industries within Manhattan. Although Gasoline Stations are shown in the data table below, these will not be shown in the charts to follow, as this industry is not pertinent to the analysis of retail mix within the study area.

Comparing the data from the study area to Manhattan reveals Food Services and Drinking Places as the top industry showing growth in establishment counts over the time period observed. The Manhattan data is also consistent with the study area in showing growth of industries like Personal and Laundry Services and Credit Intermediation and Related activities. Similarly, Food and Beverage Stores show a decline in both study area and the city overall. However, the Manhattan data revealed that Clothing and Clothing Accessories Stores are showing the next highest growth in city overall, while this specific industry is showing decline in the study area.

To further understand these trends, top five industries with the most establishments within the study area, were pulled from both the study area and Manhattan overall.

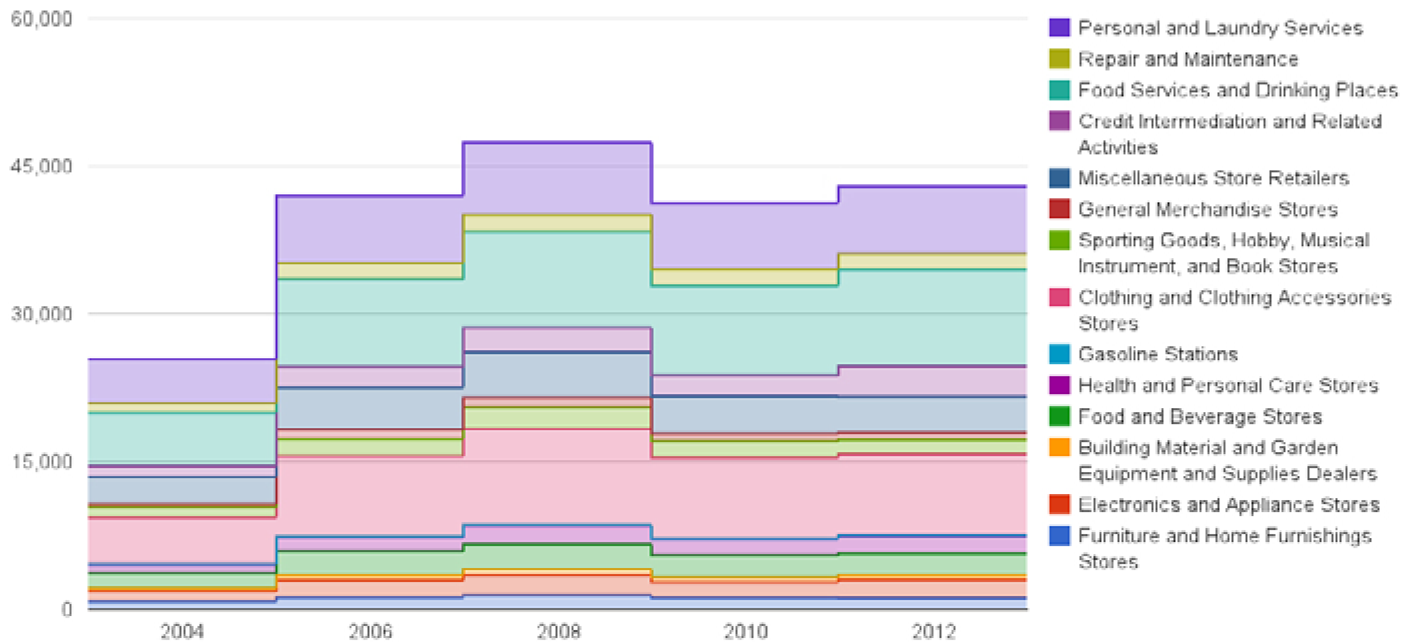
The next charts show the establishment trends for the above Manhattan data, as well as the top five industries within the study area as compared to Manhattan overall.

Establishment Counts by Industry in Manhattan 2004-2012

NAICS	Description	2004	2006	2008	2010	2012
442	Furniture and Home Furnishings Stores	782	1175	1374	1135	1105
443	Electronics and Appliance Stores	1024	1767	2104	1618	1881
444	Building Material and Garden Equipment and Supplies Dealers	328	510	580	480	478
445	Food and Beverage Stores	1482	2403	2552	2230	2184
446	Health and Personal Care Stores	971	1461	1838	1695	1807
447	Gasoline Stations	33	52	71	53	93
448	Clothing and Clothing Accessories Stores	4726	8166	9823	8169	8174
451	Sporting Goods, Hobby, Musical Instrument, and Book Stores	1023	1762	2106	1699	1506
452	General Merchandise Stores	284	928	1026	714	673
453	Miscellaneous Store Retailers	2803	4291	4639	3852	3690
522	Credit Intermediation and Related Activities	1077	2101	2486	2097	3070
722	Food Services and Drinking Places	5447	8904	9720	9165	9854
811	Repair and Maintenance	926	1659	1775	1628	1559
812	Personal and Laundry Services	4490	6779	7313	6703	6847

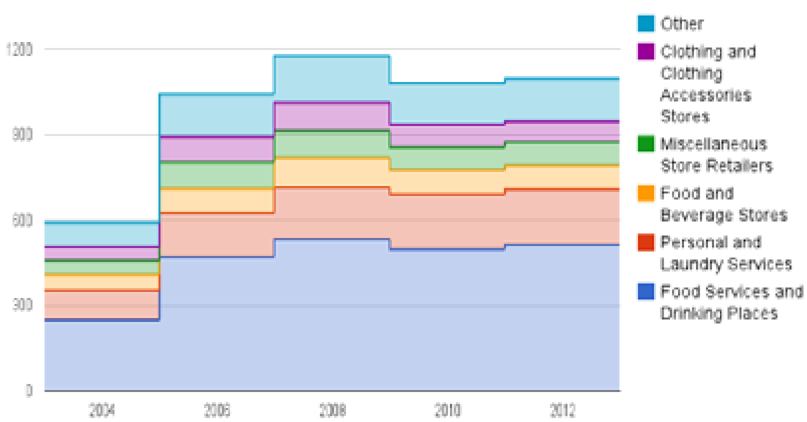
SOURCE: REFERENCE USA 2002-2012

Establishment Counts by Industry in Manhattan 2004-2012

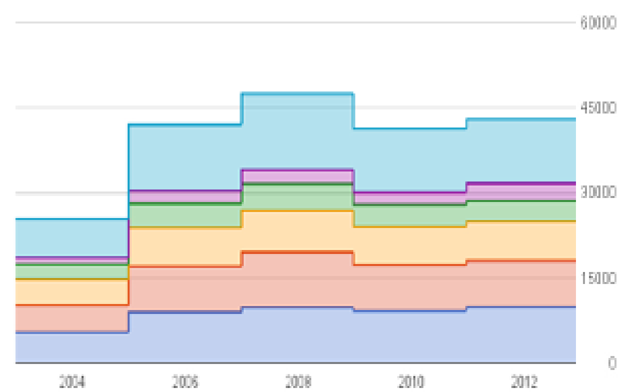


Top Five Industry Establishment Counts

Study Area 2004-2012



Manhattan 2004-2012



SOURCE: REFERENCE USA 2002-2012

Compared with Manhattan, the study area has dominant Food Services and Drinking Places (NAICS code 722 - Bars, Restaurants, and Cafes). Overall, the total number of industry establishments have increased from 609 to 1128 between 2004 and 2012, which is almost an 85.22% increase in establishments. The rest of the industries do not show significant changes over the same time period. According to the 3-digit NAICS code in the study area, the food and drinking places (Bars, Restaurants, and Cafes) represent 40.7% out of total industry establishments in 2004, and increased to 45.6% in 2012. This industry is dominant and rapidly increasing in the study area. Compared with Manhattan, the food and drinking places made up about 20% of total industry establishments from 2004 to 2012. The second dominant retail industry in study area is personal laundry services, which is 17% in 2004 which increased to 17% in 2012.

The General Merchandise Stores, Gasoline Stations, Building Materials and Garden Equipment and Supplies Dealers are the three industries with least establishments. The sum of establishments of these three industries is about 3% of total establishments within the zip code area 10009. Compared with Manhattan, the study area has relatively low rate of clothing and accessories stores.

RETAIL TRENDS: ESTABLISHMENTS

SIX DIGIT NAICS CODE: ESTABLISHMENT COUNTS BY INDUSTRY

Although analyzing three digit NAICS codes revealed that the study area is experiencing growth in similar industries as the city overall, each of these codes represents a broad category, with a variety of retail industries. It is necessary to break down the general three digit codes into more specific six digit codes, to get a better look at the trends among industries within the general categories. The top three codes, with the highest establishment counts within the study area, were chosen for further analysis: 445- Food and Beverage Stores; 722- Food Services and Drinking Places; and 812- Personal and Laundry Services.

Food and Beverage Stores (445) were chosen because they are showing a decline within both the city overall and the study area, but this industry is still among the top three with the highest establishment counts within the study area. The tables below show the break down of this general category into six digit NAICS codes, revealing seven more specific stores that fall into this category, for study area and Manhattan.

Analysis of the trends for these six digit codes within the study area reveal that Supermarkets and Other Grocery (except Convenience) Stores show a tremendous rise from 2004, with 21 establishments, to 2008, with 50 establishments, however after a significant decrease between 2008 and 2010, to 32 establishments, potentially due to the market downfall in 2007. But this industry looks like it is slowly picking back up in 2012. No other significant changes are visible from the data, only showing steady but consistent growth in the industries of Beer, Wine, and Liquor Stores, Fruit and Vegetable Markets, and Confectionery and Nut Stores.

Establishment Counts for Food and Beverage Stores In Study Area 2004-2012

NAICS	Description	2004	2006	2008	2010	2012
445110	Supermarkets and Other Grocery (expt Convenience) Stores	21	46	50	32	33
445120	Convenience Stores	6	6	7	12	9
445210	Meat Markets	3	3	3	1	1
445230	Fruit and Vegetable Markets	4	3	7	5	6
445292	Confectionery and Nut Stores	8	7	11	8	9
445299	All Other Specialty Food Stores	6	9	12	11	9
445310	Beer, Wine, and Liquor Stores	7	11	16	15	17

Establishment Counts for Food and Beverage Stores in Manhattan 2004-2012

NAICS	Description	2004	2006	2008	2010	2012
445110	Supermarkets and Other Grocery (expt Convenience) Stores	610	1066	1090	867	869
445120	Convenience Stores	87	131	168	155	159
445210	Meat Markets	74	102	115	95	89
445230	Fruit and Vegetable Markets	85	137	142	115	106
445292	Confectionery and Nut Stores	187	256	274	229	222
445299	All Other Specialty Food Stores	172	301	305	321	273
445310	Beer, Wine, and Liquor Stores	218	333	373	382	403

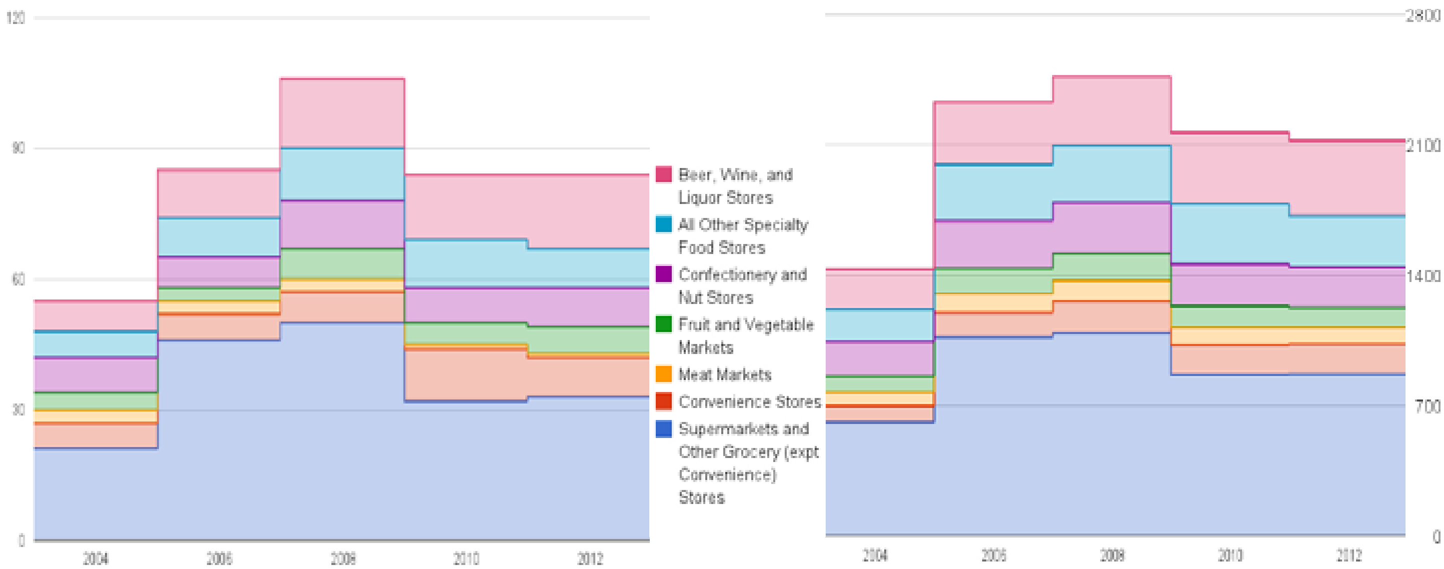
SOURCE: REFERENCE USA 2002-2012

The only declining industries in this category are Convenience Stores and All Other Specialty Food Stores. Although Convenience Stores show steady growth from 2004, with 6 establishments, to 2010, with 12 establishments, it drops back down to 9 establishments by 2012. Similarly with All Other Specialty Food Stores, showing growth from 2004 to 2008, 6 establishments to 12, and then a steady decline to 2012, with 9 establishments.

The next chart compares the study area establishment trends to the overall establishment trends in Manhattan.

Establishment Counts for Food and Beverage Stores in

Study Area 2004-2012 | **Manhattan 2004-2012**



Establishment Counts for Food Services and Drinking Places In Study Area 2004-2012

NAICS	Description	2004	2006	2008	2010	2012
722110	Full-Service Restaurants	175	330	331	345	380
722211	Limited-Service Restaurants	24	27	27	23	23
722212	Cafeterias, Grill Buffets, and Buffets	8	22	23	25	11
722213	Snack and Nonalcoholic Beverage Bars	9	17	22	17	27
722320	Caterers	8	12	13	11	8
722410	Drinking Places (Alcoholic Beverages)	24	61	80	68	59

Establishment Counts for Food Services and Drinking Places In Manhattan 2004-2012

NAICS	Description	2004	2006	2008	2010	2012
722110	Full-Service Restaurants	3976	6567	6283	6302	7117
722211	Limited-Service Restaurants	524	724	823	697	645
722212	Cafeterias, Grill Buffets, and Buffets	108	195	225	230	198
722213	Snack and Nonalcoholic Beverage Bars	346	520	676	728	733
722320	Caterers	202	321	334	274	256
722410	Drinking Places (Alcoholic Beverages)	265	530	652	616	618

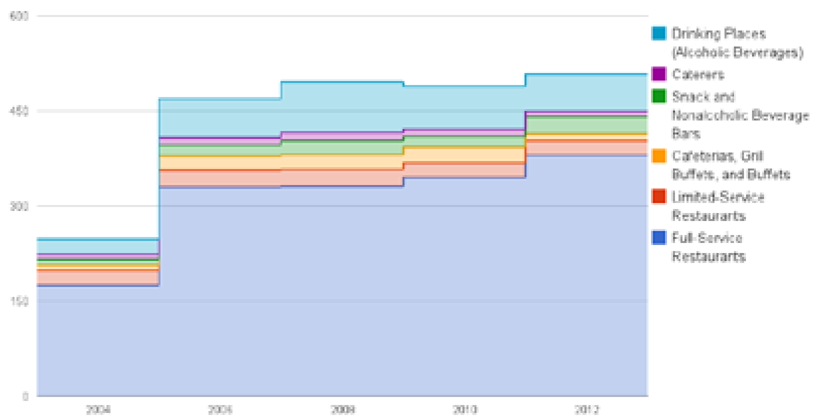
SOURCE: REFERENCE USA 2002-2012

This chart shows the similarities between the establishment counts for both study area and overall establishment counts in Manhattan. The only noticeable difference is Convenience Stores industry is declining in the study area, but in Manhattan overall, Convenience Stores are showing mild growth.

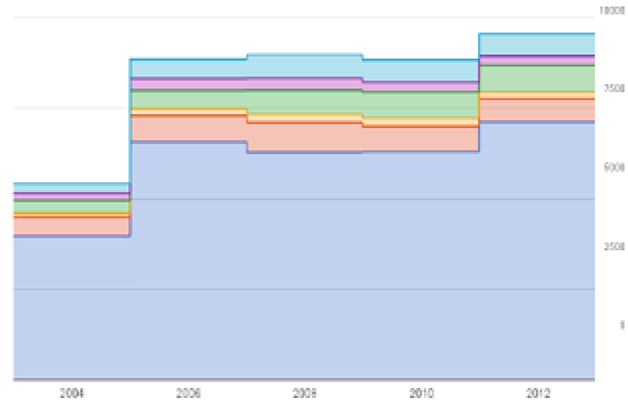
Food Services and Drinking Places (722) were chosen because they are showing the most significant growth in establishment counts within the study area and in Manhattan overall. The tables below show the break down of this general category into six digit NAICS codes, revealing six more specific places that fall into this category, for study area and Manhattan.

Analysis of the trends for these six digit codes within the study area reveal that Full Service Restaurants show significant growth, more than doubling in establishment counts from 2004 to 2012. This industry shows a similar growth pattern and proportion to other industries in this category, in Manhattan overall.

Establishment Counts for Food Services and Drinking Places in Study Area 2004-2012



Establishment Counts for Food Services and Drinking Places in Manhattan 2004-2012



SOURCE: REFERENCE USA 2002-2012

Although much smaller in relation, Limited Service Restaurants and Snack and Nonalcoholic Beverage Bars are the only other industries showing growth within the study area. A similar growth patter is seen in Manhattan overall. It is important to notice that the next highest establishment counts in the study area, after Full Service Restaurants, are in the industry of Drinking Places (Alcoholic Beverages), however analysis shows that this industry has been steadily declining since 2008, from 80 to 59 establishments in 2012. While similarly a declining industry in Manhattan overall, Drinking Places do not show as high of a proportion overall, as in the study area. Cafeterias, Grill Buffets, and Buffets are also showing a decline in establishment counts, within the study area, from 25 establishment in 2010 to 11 establishments in 2012, although this industry was growing from 2004 to 2010.

The chart shows the similarities between the establishment counts for both study area and overall establishment counts in Manhattan.

Personal and Laundry Services (812) were chosen because they are showing the second most significant growth in establishment counts within the study area, as well as among the top growing in Manhattan overall. The tables below show the break down of this general category into six digit NAICS codes, revealing 10 more specific services that fall into this category, for study area and Manhattan.

Establishment Counts for Personal and Laundry Services in Study Area 2004-2012

NAICS	Description	2004	2006	2008	2010	2012
812111	Barber Shops	7	8	11	13	15
812112	Beauty Salons	23	43	57	69	69
812113	Nail Salons	10	14	16	15	15
812191	Diet and Weight Reducing Centers	1	2	3	2	3
812199	Other Personal Care Services	4	4	6	6	3
812310	Coin-Operated Laundries and Drycleaners	8	13	12	14	13
812320	Drycleaning and Laundry Services (except Coin-Operated)	25	34	38	41	41
812910	Pet Care (except Veterinary) Services	3	4	5	4	5
812921	Photofinishing Laboratories (except One-Hour)	4	3	2	1	1
812990	All Other Personal Services	8	12	12	13	16

SOURCE: REFERENCE USA 2002-2012

Establishment Counts for Personal and Laundry Services in Manhattan 2004-2012

NAICS	Description	2004	2006	2008	2010	2012
812111	Barber Shops	231	330	368	309	313
812112	Beauty Salons	1165	1948	2133	2041	2153
812113	Nail Salons	342	463	492	476	458
812191	Diet and Weight Reducing Centers	95	162	160	126	129
812199	Other Personal Care Services	247	400	458	403	434
812310	Coin-Operated Laundries and Drycleaners	101	151	151	139	128
812320	Drycleaning and Laundry Services (except Coin-Operated)	919	1220	1316	1237	1215
812910	Pet Care (except Veterinary) Services	61	92	82	88	116
812921	Photofinishing Laboratories (except One-Hour)	288	338	326	193	170
812990	All Other Personal Services	298	451	601	595	600

SOURCE: REFERENCE USA 2002-2012

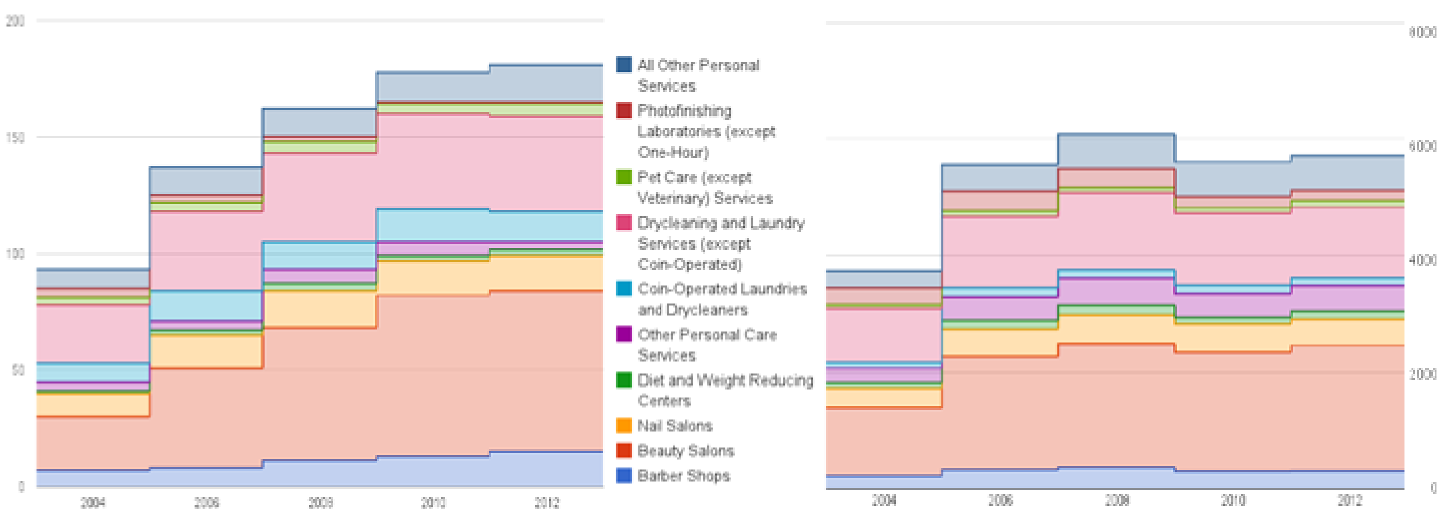
Analysis of the trends for these six digit codes within the study area reveal that Beauty Salons show the most significant growth, more than tripling in establishment counts from 2004 to 2012. This industry shows a similar growth pattern and proportion to other industries in this category, in Manhattan overall. Dry Cleaning and Laundry Services (except coin-operated) is the industry showing the second highest growth in establishment counts, increasing from 25 in 2004 to 41 in 2012. This industry shows a similar growth pattern and proportion in Manhattan overall. All Other Personal Services are also showing steady growth within the study area, as well as in Manhattan overall. Pet Care (except veterinary services), although small in proportion to the rest of the industries within the study area, reveals a consistent increase in establishment counts.

The chart shows the similarities between the establishment counts for both study area and overall establishment counts in Manhattan.

The analysis reveals for the most part both the study area and Manhattan overall show similar industry growth, in both pattern and proportion. The industries showing the most growth are: Supermarkets and Other Grocery (except convenience) Stores; Full Service Restaurants; Beauty Salons; and Dry Cleaning and Laundry Services (except coin operated).

Establishment Counts for Personal and Laundry Services in

Study Area 2004-2012 **Manhattan 2004-2012**



SOURCE: REFERENCE USA 2002-2012

RETAIL TRENDS: EMPLOYMENT

THREE DIGIT NAICS CODE: EMPLOYMENT BY INDUSTRY

For this section, the actual numbers for employee sizes were not used, because there were multiple blanks through the data representative of each year. As a result, the employee size ranges were used, and converted into averages; the numbers were then rounded up to the nearest hundredth. For example, range A was defined as 1-4 employees, and was converted into 2.5, which then rounded up to 3 employees for that particular establishment. However, there were additional discrepancies, as the range numbers were not always equivalent to the actual employee numbers provided in the data table. Therefore, this data may not be completely reliable. Another important consideration is that the data for 2004 was excluded from this employment analysis, due to inconsistency between 2004 and 2006.

Employee Counts were examined and analyzed in order to understand which industry provides the most employment and if the growth in that particular industry is reflected in the employment that industry provides. The same three digit NAICS codes from the existing retail,within the study area and Manhattan, analyzed earlier, were examined for this analysis. The tables below represent all the employee counts for each industry, in both the study area and the Manhattan overall, from 2006-2012.

Employment by Industry in Study Area 2006-2012

NAICS	Description	2006	2008	2010	2012
442	Furniture and Home Furnishings Stores	72	72	36	33
443	Electronics and Appliance Stores	72	69	72	84
444	Building Material and Garden Equipment and Supplies Dealers	112	103	65	62
445	Food and Beverage Stores	534	604	531	584
446	Health and Personal Care Stores	243	216	231	216
447	Gasoline Stations	18	36	24	15
448	Clothing and Clothing Accessories Stores	369	411	369	378
451	Sporting Goods, Hobby, Musical Instrument, and Book Stores	138	224	153	143
452	General Merchandise Stores	39	30	42	33
453	Miscellaneous Store Retailers	297	338	308	320
522	Credit Intermediation and Related Activities	209	239	251	268
722	Food Services and Drinking Places	5209	5903	5658	6158
811	Repair and Maintenance	111	102	111	99
812	Personal and Laundry Services	606	741	815	862

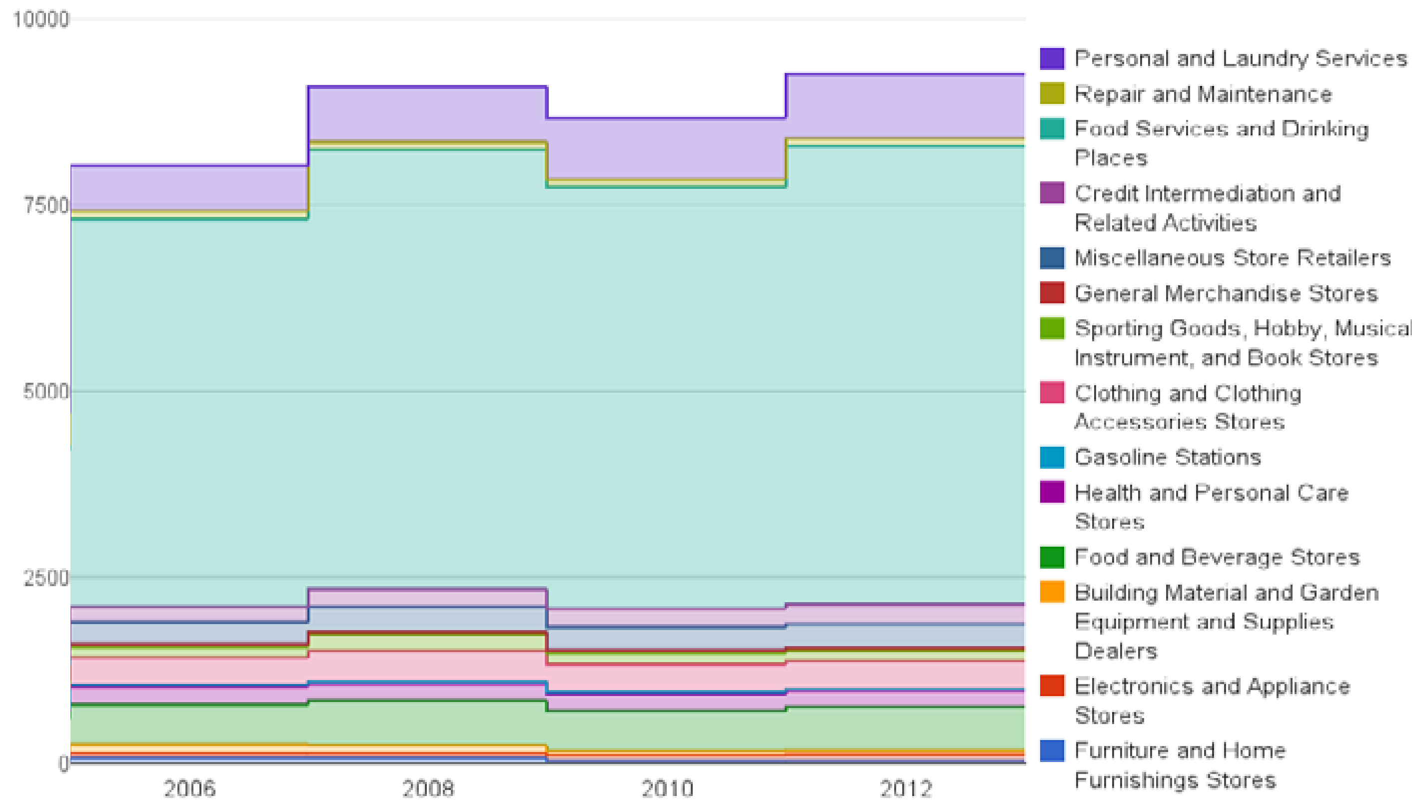
Employment by Industry in Manhattan 2006-2012

NAICS	Description	2006	2008	2010	2012
442	Furniture and Home Furnishings Stores	3525	4134	3417	3327
443	Electronics and Appliance Stores	5313	6324	4866	5655
444	Building Material and Garden Equipment and Supplies Dealers	1562	1752	1452	1446
445	Food and Beverage Stores	7209	7656	6690	6552
446	Health and Personal Care Stores	4421	6267	5091	5433
448	Clothing and Clothing Accessories Stores	24934	29951	24949	24592
447	Gasoline Stations	156	213	159	279
451	Sporting Goods, Hobby, Musical Instrument, and Book Stores	5286	6318	5097	4518
452	General Merchandise Stores	8778	9072	8136	8013
453	Miscellaneous Store Retailers	14016	14289	11728	11254
522	Credit Intermediation and Related Activities	17324	21819	15233	19399
722	Food Services and Drinking Places	28604	29344	27507	29559
811	Repair and Maintenance	4977	5325	4884	4674
812	Personal and Laundry Services	20521	21951	20115	20541

SOURCE: REFERENCE USA 2002-2012

For the purposes of showing the most pertinent data to the overall study, Gasoline Stations have been taken out of the visual charts. The following chart, also does not show the Food Services and Drinking Places industry, as it is clearly shown in the data table as the top sector for employment in the area, increasing from 5,209 employees in 2006, to 6,158 employees in 2012. Similarly, Manhattan overall shows this industry as the top provider of employment, increasing from 28,604 in 2006, to 29,559 in 2012. This analysis reflects the earlier findings of this industry showing the highest growth in establishment counts within the study area as well as within Manhattan overall.

Employment by Industry in Study Area 2006-2012



SOURCE: REFERENCE USA 2002-2012

This specific sector will be also addressed later in this report, with a more in depth look at the employment provided by the different places at six digit NAICS code.

The chart above shows the next top employment providing industry within the study area is Personal and Laundry Services, increasing from 606 employees in 2006, to 862 employees in 2012. This industry is followed by Food and Beverage Stores, increasing from 534 employees in 2006 to 584 in 2012. These finding for the most part reflect earlier findings of Personal and Laundry Services and Food and Beverage Stores showing the most establishment counts growth within the study area and within Manhattan overall. Industries like Clothing and Clothing Accessories Stores, Miscellaneous Store Retailers, Credit Intermediation and Related Activities, and Electronics and Appliance Stores are also showing steady an increase in employment.

Compared to the retail trends in establishment counts, Clothing and Clothing Accessories Stores are actually declining, but the employee count is steadily increasing. In comparing the number of Industry Establishments to the number of employees each provide, it is clear that the number of establishments does not always accurately reflect the number of employees they provide. Some industry establishments may have an increased number of locations, but they only provided very few employees, or even zero employees, as is the case with such Credit Intermediation and Related Activities as ATMs. The most consistent industries in providing more employees for every establishment are Food Services and Drinking Places and Personal and Laundry Services.

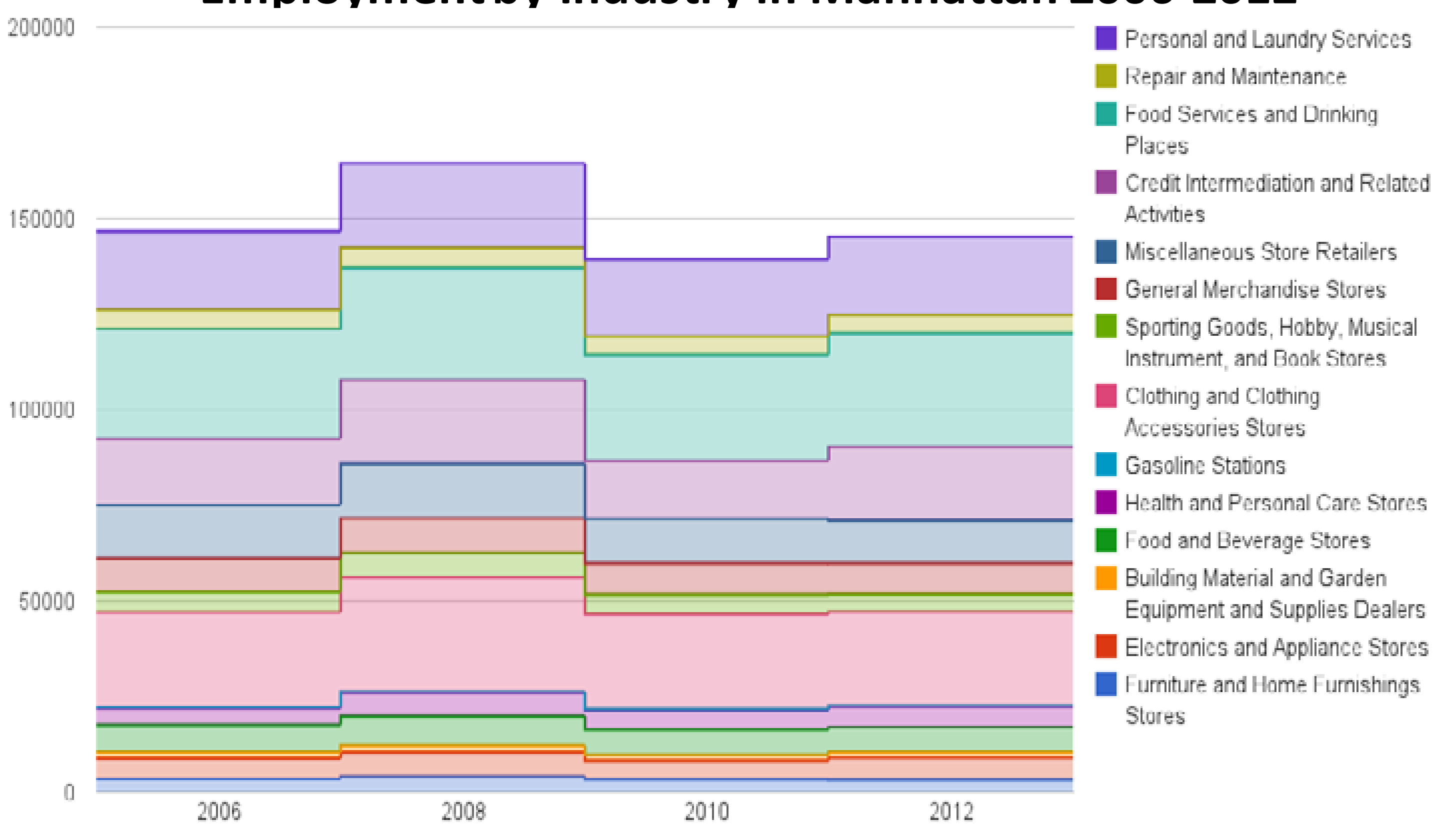
The chart below shows the employment provided by the general three digit industry codes within Manhattan overall. Compared to the study area, in Manhattan overall the top industry providing the most jobs is Food Services and Drinking Places, as shown by proportion to the other industries, however this industry does not show significant growth as it does in the study area, only growing from 28,604 employees in 2006, to 29,559 in 2012.

Unlike the study area, in Manhattan overall the next highest employment providing industry is Clothing and Clothing Accessories, which reflects the overall growth in industry establishment counts in Manhattan. Although currently declining in employment, showing 24,934 in 2006, and 24592 in 2012, this industry is still the second top provider of employment in Manhattan. The next industry providing the most employment is Personal and Laundry Services, similarly as in the study area, however, this industry is also decreasing in number of employees in Manhattan overall, but growing in the number of employees in the study area.

Compared to the study area, in Manhattan overall Food and Beverage Stores are not showing a significant number of employment, nor significant growth, while in the study area this industry is among the top employment providing industries.

The charts above show all the employment providing industries, however, not all the industries are pertinent to the retail study of this commercial corridor, therefore for the purpose of this study, the top employment providing industries were pulled out. In order to compare the top employment providing industries in the study and Manhattan overall, the next charts show these industries side by side, for a better visual comparison. This representation also shows a better proportion between the employment provided by the study area and the employment provided by Manhattan overall.

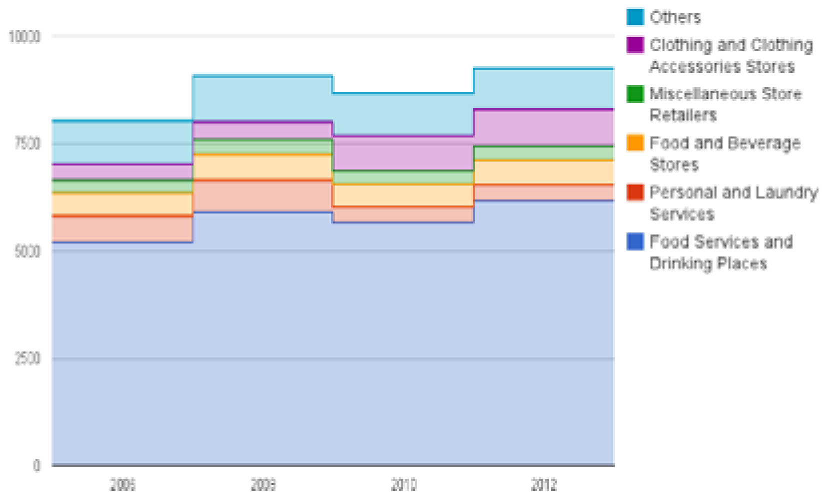
Employment by Industry in Manhattan 2006-2012



SOURCE: REFERENCE USA 2002-2012

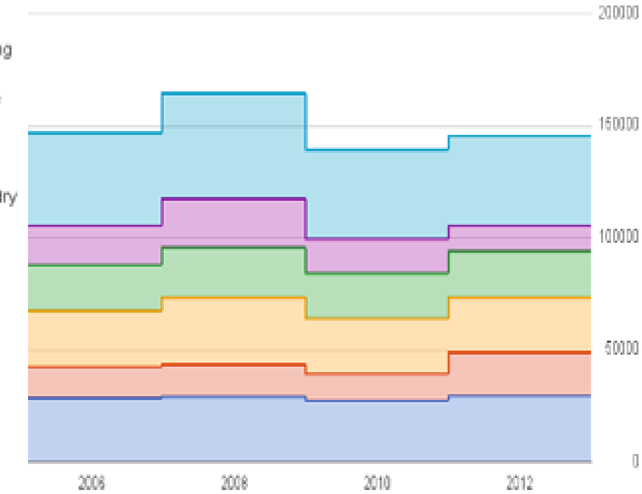
Top Five Industries by Employment in

Study Area 2004-2012



SOURCE: REFERENCE USA 2002-2012

Manhattan 2004-2012



The charts above clearly show the proportions of the top five job providing industries for both areas. In the study area Food Services and Drinking places dominate the field, providing over 70% of the employment in the area, and growing. In Manhattan overall, although showing slightly more employment than other industries, Food Services and Drinking Places, provides proportionately similar employment to the other industries.

Analysis shows Clothing and Clothing Accessories Stores as providing noticeable and growing employment within the study area. However, this industry is declining in establishment counts within the study area. Similarly, this industry is growing in establishment counts in Manhattan overall, but showing a significant decrease in employment over the years.

Food Services and Drinking Places, Personal and Laundry Services, and Food and Beverage Stores show the most significant employment providing and growing industries study area. However, these are general three digit categories, and in order to take a more in-depth look at the specific retail categories within these three industries, these NAICS codes were broken down into six digit codes. The following section address the breakdown of these NAICS codes.

RETAIL TRENDS: EMPLOYMENT

SIX DIGIT NAICS CODE: EMPLOYMENT BY INDUSTRY

Although analyzing three digit NAICS codes revealed that the study area is experiencing similar employment patterns as Manhattan overall, the study area reveals employment growth in three particular industries unlike Manhattan overall, where employment is decreasing. Food Services and Drinking Places, Personal and Laundry Services, and Food and Beverage Stores are showing the most employment and growth within the study area, therefore in breaking down the general three digit codes into more specific six digit codes, will allow a closer look at the growth within specific retail sectors.

Food and Beverage Stores (445) were chosen because it is among the top three with the highest establishment counts within the study area, as well as top employment providing industry. The tables below show the break down of this general category into six digit NAICS codes, revealing seven more specific stores that fall into this category, for both study area and Manhattan overall. Analysis of the employment trends for these six digit codes within the study area reveal that Supermarkets and Other Grocery (except Convenience) Stores shows the highest employment in the study area, and similarly reflects the establishment growth and overall numbers for this industry within the study area. This sector provides almost 50% of all employment within the study area. This data shows steady but consistent growth in the industries of Beer, Wine, and Liquor Stores, Fruit and Vegetable Markets, and Confectionery and Nut Stores, similar to the establishment counts growth within the study area.

Although Convenience Stores and All Other Specialty Food Stores decline in establishment counts in previous analysis, employment analysis reveals the number of employees is increasing in these particular sectors.

The charts below compare the study area employment trends to the overall employment trends in Manhattan overall. These charts show similar proportions of employment provided by all industries, however, the employment in the study area is steadily growing in all sectors, while the employment in Manhattan overall is steadily declining. This is somewhat inconsistent with the establishment counts analysis, where there is slight growth in the majority of the industries in Manhattan overall.

Employment for Food and Beverage Stores in Study Area 2006-2012

NACIS	Description	2006	2008	2010	2012
445110	Supermarkets and Other Grocery (expt Convenience) Stores	340	332	230	295
445120	Convenience Stores	30	33	48	39
445210	Meat Markets	21	15	9	9
445230	Fruit and Vegetable Markets	9	27	21	36
445292	Confectionery and Nut Stores	21	33	24	27
445299	All Other Specialty Food Stores	39	78	101	89
445310	Beer, Wine, and Liquor Stores	71	86	83	89

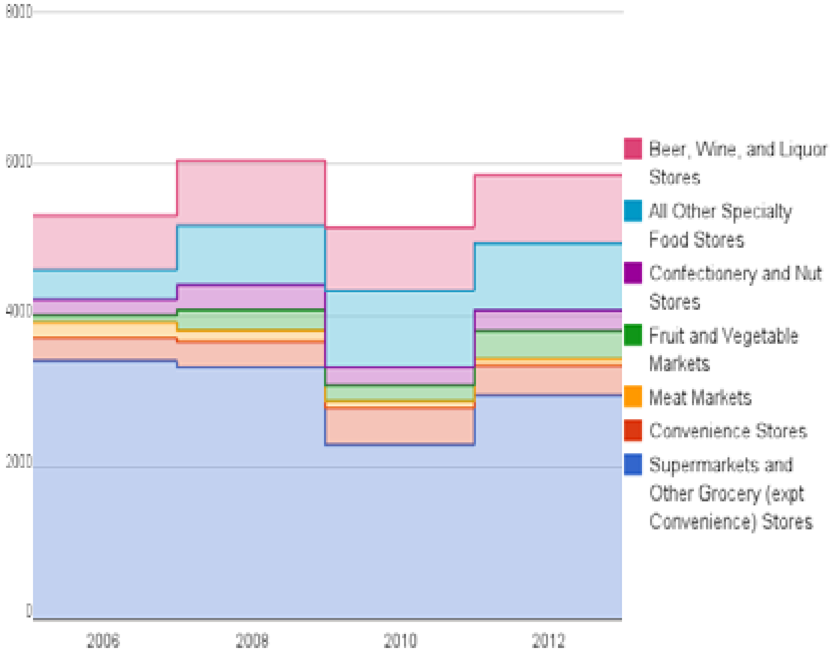
Employment for Food and Beverage Stores in Manhattan 2006-2012

NAICS	Description	2006	2008	2010	2012
445110	Supermarkets and Other Grocery (expt Convenience) Stores	3198	3270	2601	2607
445120	Convenience Stores	393	504	465	477
445210	Meat Markets	306	345	285	267
445230	Fruit and Vegetable Markets	411	426	345	318
445292	Confectionery and Nut Stores	768	822	687	666
445299	All Other Specialty Food Stores	903	915	963	819
445310	Beer, Wine, and Liquor Stores	999	1119	1146	1209

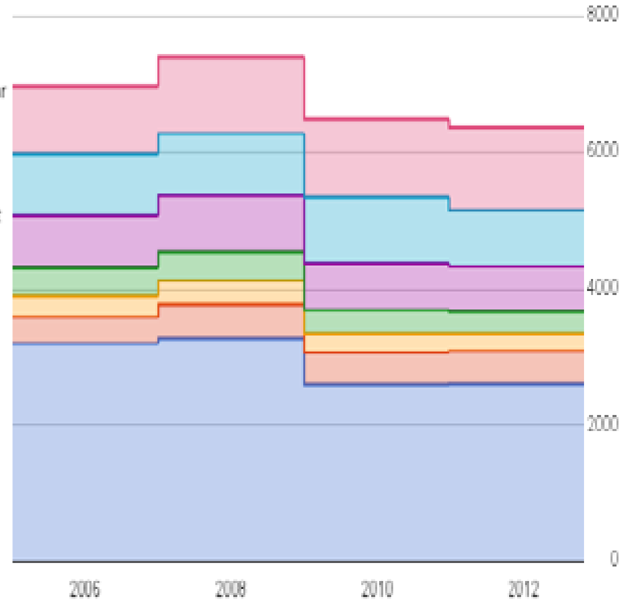
SOURCE: REFERENCE USA 2002-2012

Employment for Food and Beverage Stores 2006-2012

Study Area 2004-2012



Manhattan 2004-2012



Employment for Food Services and Drinking Places in Study Area 2006-2012					
NAICS	**Description**	**2006**	**2008**	**2010**	**2012**
722511	Full-Service Restaurants	4428	4589	4631	5242
722513	Limited-Service Restaurants	99	125	69	87
722514	Cafeterias, Grill Buffets, and Buffets	114	153	231	111
722515	Snack and Nonalcoholic Beverage Bars	167	200	149	253
722320	Caterers	96	137	119	92
722410	Drinking Places (Alcoholic Beverages)	305	448	426	355

Employment for Food Services and Drinking Places in Manhattan 2006-2012					
NAICS	**Description**	**2006**	**2008**	**2010**	**2012**
722110	Full-Service Restaurants	21421	18861	18918	21363
722211	Limited-Service Restaurants	2172	2469	2091	1935
722212	Cafeterias, Grill Buffets, and Buffets	585	675	690	594
722213	Snack and Nonalcoholic Beverage Bars	1560	2028	2184	2199
722320	Caterers	963	1002	822	768
722410	Drinking Places (Alcoholic Beverages)	1590	1956	1848	1854

SOURCE: REFERENCE USA 2002-2012

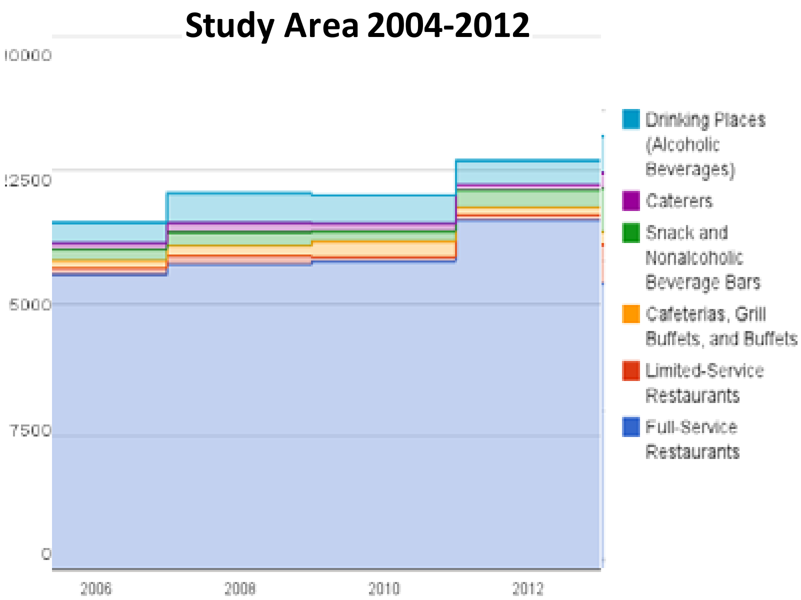
Food Services and Drinking Places (722) were chosen because they are showing the most significant growth in establishment counts as well as employment within the study area and in Manhattan overall. The tables below show the break down of this general category into six digit NAICS codes for both the study area and Manhattan.

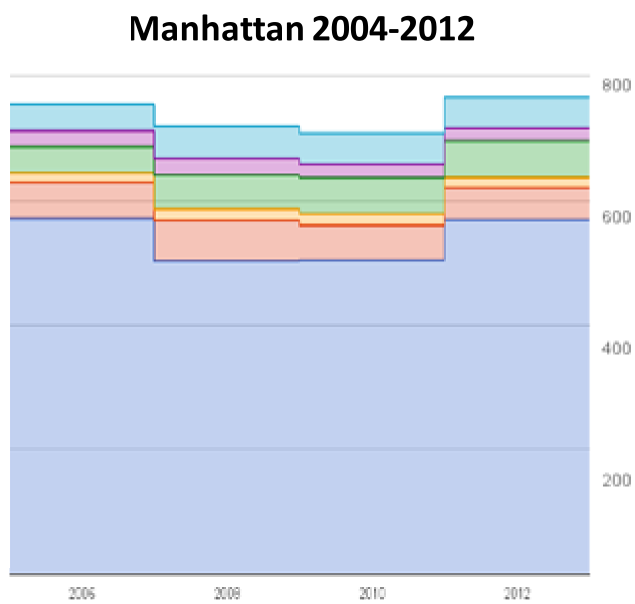
Although all industries are showing employment growth over the years, analysis of the trends for these six digit codes within the study area reveal that Full Service Restaurants are the dominating employment industry in this category, and reveal increase in employment over the years. This is consistent with the establishment counts for this sector within the study area, which also show dominance in proportion and overall growth. The same conclusion for this industry is similar within Manhattan overall.

Although much smaller in relation, Drinking Places (Alcoholic Beverages) and Snack and Nonalcoholic Beverage Bars are the next largest industries for employment within the study area. However, when comparing these results with the analysis of the establishment counts, although similarly growing in both analysis, Limited Service Restaurants show a much smaller proportion of employment compared with the other industries in the study area. In Manhattan overall, Limited Service Restaurants the second most significant growth in establishment counts within the study area, as well as among the top growing in Manhattan overall. However this is not reflected in the employment trend analysis, as this sector is loosing employment, and overall does not show a significant proportion in relation to the other industries over the years.

The tables below show the break down of this general category into six digit NAICS codes, revealing

Employment for Food Services and Drinking Places 2006-2012





SOURCE: REFERENCE USA 2002-2012

show the next highest employment and growth.

The charts below show the comparison between employment for both study area and overall in Manhattan. These clear show the employment proportion similarities between Full Service Restaurants in both areas, although Manhattan overall shows more spread out employment over all the industries within this particular category. Personal and Laundry Services (812) were chosen because they are showing 10 more specific services that fall into this category, for both study area and Manhattan. The data reveals that although this general category shows slight decline in the study area, the breakdown shows the individual sectors within this category are actually showing growth. And although Manhattan overall shows visible growth in employment of this general industry, the breakdown reveals each sector within to show only slight growth.

Employment for Personal and Laundry Services in Study Area 2006-2012

NAICS	Description	2006	2008	2010	2012
812111	Barber Shops	24	33	39	45
812112	Beauty Salons	177	225	311	323
812113	Nail Salons	66	78	75	69
812191	Diet and Weight Reducing Centers	12	15	6	41
812199	Other Personal Care Services	18	24	24	15
812310	Coin-Operated Laundries and Drycleaners	45	42	48	45
812320	Drycleaning and Laundry Services (except Coin-Operated)	126	138	159	159
812910	Pet Care (except Veterinary) Services	12	21	12	15
812921	Photofinishing Laboratories (except One-Hour)	15	6	3	3
812990	All Other Personal Services	42	54	63	72

SOURCE: REFERENCE USA 2002-2012

Employment for Personal and Laundry Services in Manhattan 2006-2012					
NAICS	**Description**	**2006**	**2008**	**2010**	**2012**
812111	Barber Shops	990	1104	927	939
812112	Beauty Salons	5856	6411	6129	6459
812113	Nail Salons	1389	1476	1428	1374
812191	Diet and Weight Reducing Centers	486	480	378	387
812199	Other Personal Care Services	1200	1374	1209	1302
812310	Coin-Operated Laundries and Drycleaners	453	453	417	384
812320	Drycleaning and Laundry Services (except Coin-Operated)	3660	3948	3711	3645
812910	Pet Care (except Veterinary) Services	276	246	264	348
812921	Photofinishing Laboratories (except One-Hour)	1014	978	579	510
812990	All Other Personal Services	1353	1803	1785	1800

SOURCE: REFERENCE USA 2002-2012

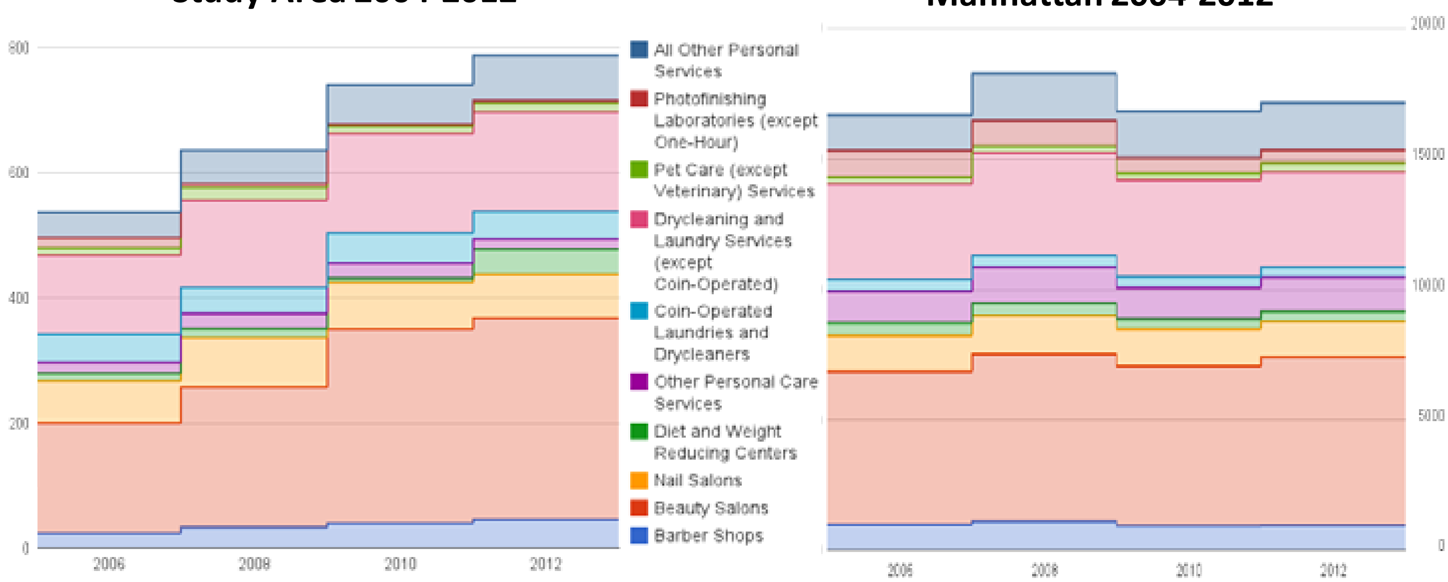
Analysis of the trends for these six digit codes within the study area reveal that Beauty Salons provide most of the employment within both the study area and Manhattan overall, similar to the establishment counts analysis. However the industry showing the most growth in employment in this category is Dry Cleaning and Laundry Services (except coin operated), this is also consistent with the growth in establishment counts within this specific sector.

The next highest employment industries are Nail Salons and Coin Operated Laundries and Dry Cleaners, also reflecting similar patterns of growth within the study area by establishment counts. Pet Care (except veterinary services) is showing a significant increase in employment in proportion to the rest of the industries within the category, in 2012, consistent with its growth in establishments counts from 2010-2012. All Other Personal Services are also showing steady growth within the study area, but a steady decline in employment in Manhattan overall, although establishment counts previously showed growth.

The charts below show the similarities in proportion between employment for both study area and overall in Manhattan. However the breakdown for this category reveals insignificant growth in proportion to each other, within Manhattan, while all industries reveal employment growth over the years.

Employment for Personal and Laundry Services 2006-2012

Study Area 2004-2012 **Manhattan 2004-2012**



SOURCE: REFERENCE USA 2002-2012

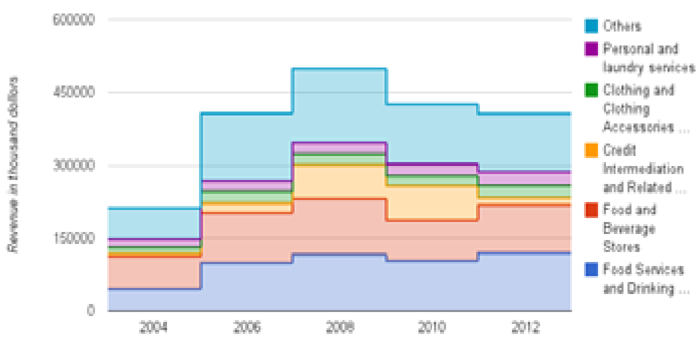
RETAIL TRENDS: MARKET SHARE

SIX DIGIT NAICS CODE: MARKET SHARE BY INDUSTRY

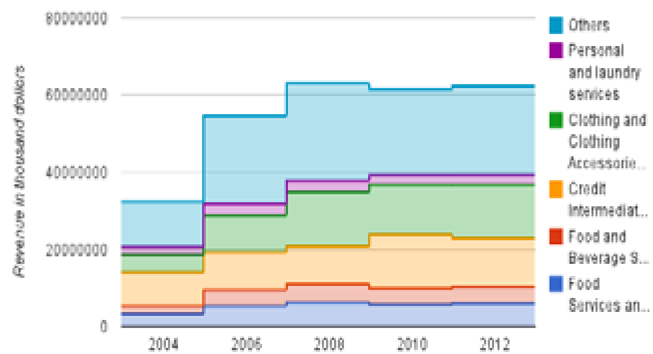
We define the market share as a percentage of the total revenue in one industry over the total revenue of all sectors. This metric is used to give a general idea of retail in this area and the business performance over the last ten years. At the three-digit NAICS level, we chose the leading top five industry sectors, which is food services and drinking places, food and beverage stores, credit intermediation and related activities, clothing, and personal services as our target industries, and integrated other sectors together.

TOP FIVE INDUSTRIES

Study Area 2004-2012



Manhattan 2004-2012



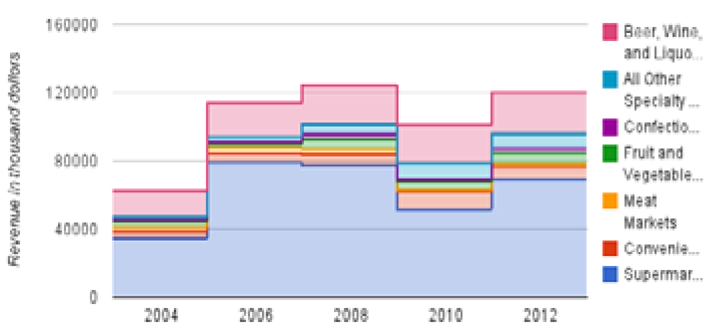
NAICS	Description	2004	2006	2008	2010	2012
722	Food Services and Drinking Places	24.9%	28.7%	31.4%	31.2%	32.0%
445	Food and Beverage Stores	18.1%	18.6%	18.5%	17.2%	18.8%
522	Credit Intermediation and Related Activities	20.7%	15.5%	12.9%	14.7%	14.7%
448	Clothing and Clothing Accessories Stores	7.9%	7.1%	7.1%	7.5%	8.1%
812	Personal and laundry services	5.9%	4.8%	5.3%	5.8%	5.8%
	others	22.5%	25.3%	24.8%	23.6%	20.6%

NAICS	Description	2004	2006	2008	2010	2012
722	Food Services and Drinking Places	10.2%	9.6%	9.8%	9.2%	9.6%
445	Food and Beverage Stores	6.1%	7.8%	7.5%	6.8%	7.0%
522	Credit Intermediation and Related Activities	27.1%	18.0%	15.7%	22.9%	20.3%
448	Clothing and Clothing Accessories Stores	14.0%	17.4%	22.5%	21.0%	22.2%
812	Personal and laundry services	6.5%	5.7%	4.4%	3.9%	3.9%
	others	36.2%	41.5%	40.0%	36.3%	37.1%

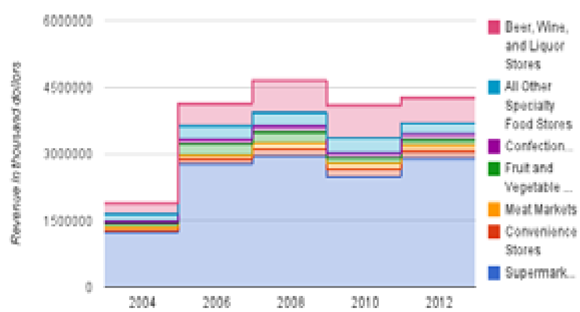
SOURCE: REFERENCE USA 2002-2012

FOOD AND BEVERAGE STORES

Study Area 2004-2012



Manhattan 2004-2012



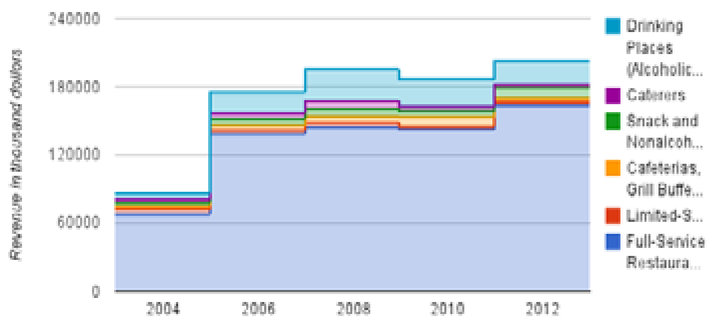
NAICS	Description	2004	2006	2008	2010	2012
445110	Supermarkets and Other Grocery Stores	55.7%	69.5%	62.1%	49.3%	57.7%
445120	Convenience Stores	6.1%	4.5%	5.2%	10.1%	6.3%
445210	Meat Markets	4.4%	3.0%	2.6%	1.3%	1.2%
445230	Fruit and Vegetable Markets	5.1%	1.8%	4.5%	4.0%	5.4%
445292	Confectionery and Nut Stores	1.9%	1.3%	2.5%	1.7%	2.2%
445299	All Other Specialty Food Stores	2.8%	2.6%	4.4%	9.2%	7.1%
445310	Beer, Wine, and Liquor Stores	23.9%	17.0%	18.7%	21.1%	20.2%

NAICS	Description	2004	2006	2008	2010	2012
445110	Supermarkets and Other Grocery Stores	62.5%	65.4%	63.2%	59.6%	67.8%
445120	Convenience Stores	2.3%	2.7%	3.5%	4.0%	4.0%
445210	Meat Markets	3.4%	2.2%	3.2%	3.2%	3.2%
445230	Fruit and Vegetable Markets	4.1%	6.0%	5.2%	2.7%	2.7%
445292	Confectionery and Nut Stores	2.1%	2.3%	2.8%	2.6%	3.1%
445299	All Other Specialty Food Stores	9.0%	7.3%	6.6%	8.4%	5.6%
445310	Beer, Wine, and Liquor Stores	11.6%	11.8%	15.5%	17.6%	13.5%

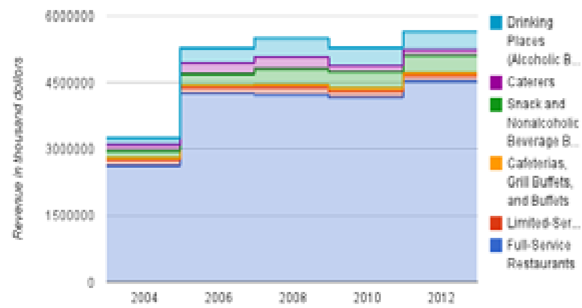
SOURCE: REFERENCE USA 2002-2012

FOOD SERVICES AND DRINKING PLACES

Study Area 2004-2012



Manhattan 2004-2012



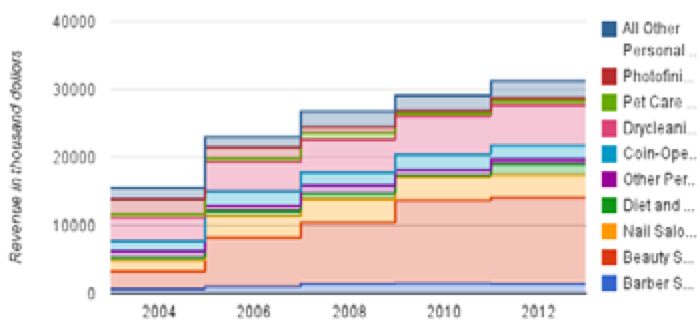
NAICS	Description	2004	2006	2008	2010	2012
722110	Full-Service Restaurants	78.8%	78.9%	68.5%	75.4%	80.2%
722211	Limited-Service Restaurants	5.0%	2.0%	1.9%	1.4%	1.4%
722212	Cafeterias, Grill Buffets, and Buffets	3.1%	2.5%	2.4%	4.4%	1.7%
722213	Snack and Nonalcoholic Beverage Bars	3.5%	3.3%	3.1%	2.4%	4.6%
722320	Caterers	3.7%	2.6%	3.5%	2.0%	1.5%
722410	Drinking Places (Alcoholic Beverages)	5.8%	10.7%	12.9%	12.9%	9.8%

NAICS	Description	2004	2006	2008	2010	2012
722110	Full-Service Restaurants	80.9%	80.8%	68.4%	74.0%	76.2%
722211	Limited-Service Restaurants	4.3%	2.7%	2.8%	2.4%	2.0%
722212	Cafeterias, Grill Buffets, and Buffets	1.2%	0.8%	0.9%	1.2%	1.0%
722213	Snack and Nonalcoholic Beverage Bars	4.9%	4.9%	5.7%	6.5%	6.6%
722320	Caterers	4.4%	4.7%	4.3%	2.4%	2.1%
722410	Drinking Places (Alcoholic Beverages)	4.3%	6.1%	6.9%	7.3%	6.7%

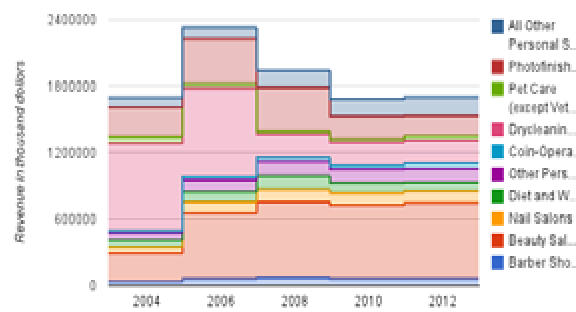
SOURCE: REFERENCE USA 2002-2012

PERSONAL AND LAUNDRY SERVICES

Study Area 2004-2012



Manhattan 2004-2012



NAICS	Description	2004	2006	2008	2010	2012
812111	Barber Shops	3.4%	3.5%	4.2%	4.5%	4.0%
812112	Beauty Salons	12.4%	24.0%	24.9%	34.5%	33.9%
812113	Nail Salons	8.0%	10.7%	9.3%	9.9%	8.7%
812191	Diet and Weight Reducing Centers	2.4%	2.7%	2.6%	0.6%	4.4%
812199	Other Personal Care Services	4.3%	2.7%	2.9%	2.1%	1.5%
812310	Coin-Operated Laundries and Drycleaners	6.9%	7.0%	5.5%	6.5%	5.7%
812320	Drycleaning and Laundry Services	17.1%	14.8%	13.5%	16.3%	16.1%
812910	Pet Care (except Veterinary) Services	2.5%	1.7%	2.8%	1.2%	1.6%
812921	Photofinishing Laboratories (except One-Hour)	10.8%	5.3%	2.2%	1.1%	1.0%
812990	All Other Personal Services	8.1%	5.5%	6.5%	6.2%	6.8%

NAICS	Description	2004	2006	2008	2010	2012
812111	Barber Shops	1.9%	1.9%	2.6%	2.5%	2.5%
812112	Beauty Salons	14.7%	1.9%	24.8%	27.7%	28.3%
812113	Nail Salons	3.0%	1.9%	4.0%	4.8%	4.5%
812191	Diet and Weight Reducing Centers	3.7%	1.9%	4.6%	3.8%	3.3%
812199	Other Personal Care Services	3.6%	1.9%	4.7%	5.1%	5.1%
812310	Coin-Operated Laundries and Drycleaners	0.9%	1.9%	1.3%	1.4%	2.1%
812320	Drycleaning and Laundry Services	44.8%	1.9%	7.7%	8.7%	8.6%
812910	Pet Care (except Veterinary) Services	3.6%	1.9%	0.8%	1.0%	1.5%
812921	Photofinishing Laboratories (except One-Hour)	15.1%	1.9%	14.5%	8.8%	7.7%
812990	All Other Personal Services	4.9%	1.9%	5.7%	6.4%	6.8%

SOURCE: REFERENCE USA 2002-2012

Since our study area is highly residential, the daily necessities are purchased mostly in the neighborhood. The sector 445, food and beverage stores, revenue share is higher than the entire Manhattan.

Since 2004, we found the credit intermediation sector has decreased by 6 percent. This would cause a drop of daytime traffic and activities. The loss of revenue share in this sector would eliminate more office space from our study area.

From the chart above, the food services and food stores show a much bigger proportion than the rest of the city. For example, in 2012, the sector 722 food services and drinking places referred to restaurants and bars are taking 32.0% of the total revenue in our study area. In Manhattan, the proportion is only 9.6%. As a famous destination of stylish restaurants and bars, we should maintain this character as this area's brand. However, any additional growth to this sector should be seriously considered due to already existing concerns within the community.

LAND USE SURVEY

LAND USE SURVEY

FOOD AND BEVERAGE NEW AND CLOSED ESTABLISHMENTS ALONG AVE A

Because of the overwhelmingly high market share of Food and Beverage stores, our land use survey analysis focuses on these industries. 2012 data is from Reference USA, and 2014 data is from our own survey of the area.

Between 2012 and 2014, only a handful of stores closed. However, these small changes seem to reflect a greater trend that has been discussed for the last few years, which is that there are an increasing number of bars and restaurants that cater to a night life not necessarily congruent with the lifestyle of nearby residents. For instance, between 2012 and 2014, one bar closed while three opened, with a net gain of two bars. During this same time, two restaurants closed while three opened with a net gain of one restaurant. On the other hand, three small pizza shops closed while only one opened, with a net loss of two pizza shops. Avenue A gained a night club while loosing a karaoke club. This may have implications on the types of people that can come to the area; increasingly, there are more establishments that cater to the young adult crowd and less for teenagers and young families.

Business Changes from 2012 to 2014

	2012	2014
Bars	10	12
Bagels	2	2
Coffee Shops	2	2
Cocktail lounges	1	1
Restaurants	36	37
Karaoke Clubs	1	0
Hookah Bar	1	1
Pizza	6	4
Night Clubs	0	1
Deli	0	1

New and Closed Establishments from 2012 to 2014

	Close	Open
Bars	1	3
Pizza	3	1
Restaurants	2	3
Karaoke Clubs	1	
Night Club		1
Deli		1
Coffee Shop		1
Frozen Custard Stand, Fixed Location		1
Automated Teller Machine		1

SOURCE: 2012 Reference USA

LEAKAGE ANALYSIS

ANALYSIS: LEAKAGE ANALYSIS

PULL FACTOR AND OVERALL

$$\text{Pull Factor} = \frac{\dfrac{\text{Study Area Sales}}{\dfrac{\text{Boro Sales}}{\text{Boro Population}} \times \dfrac{\text{Study Area Per Capita}}{\text{Boro Per Capita}}}}{\text{Study Area Population}}$$

The pull factor for leakage analysis measures whether one industry in certain area is leaking or capturing. A Pull Factor greater than 1 indicates that this area is capturing this industry, while a value below 1 means this industry is leaking from this area.

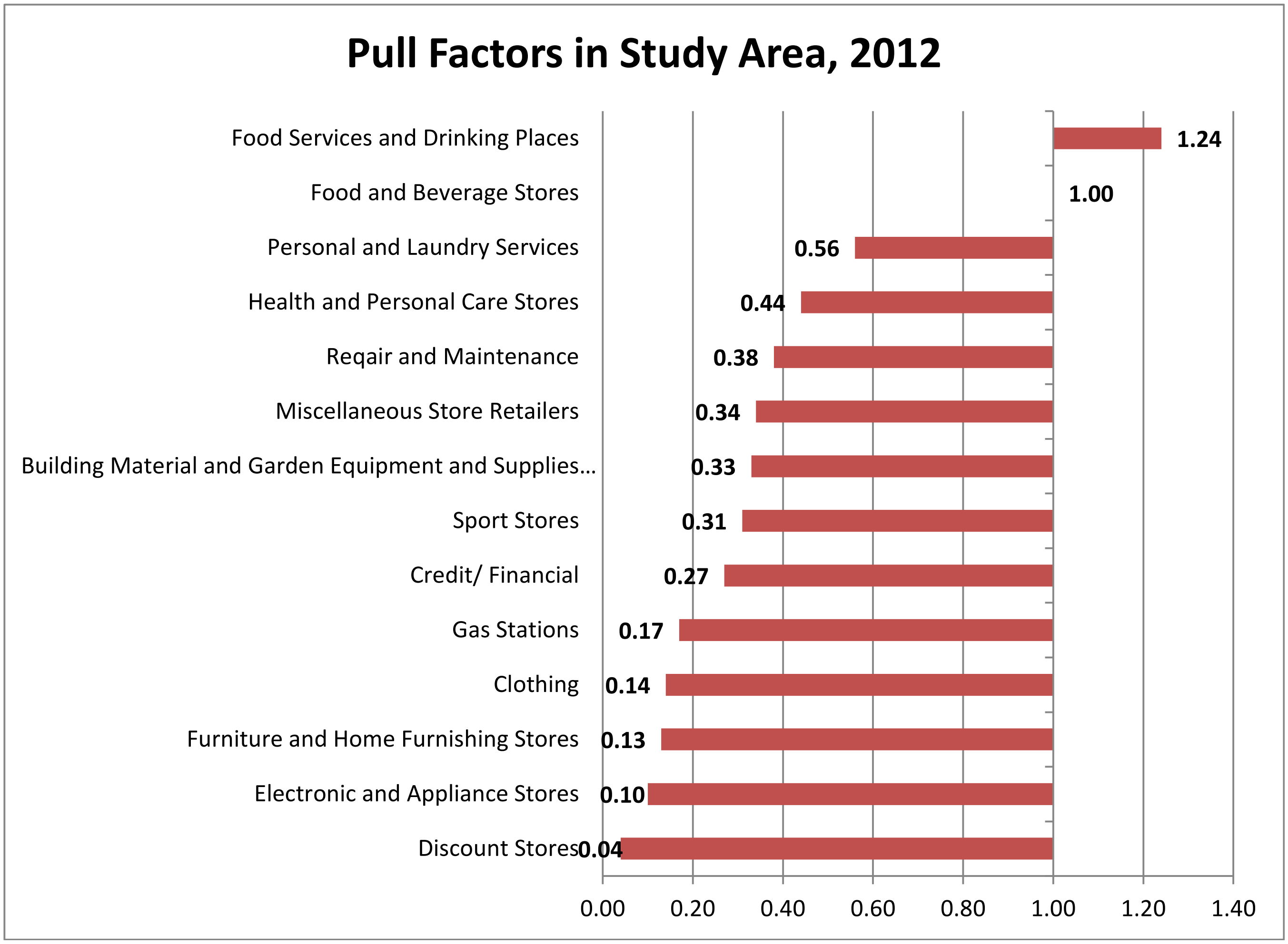
We used this method to perform a leakage analysis, to figure out which retail sectors are over-performing and under-performing in our study area.

Annual Sales and Pull Factors in Study Area by NAICS Code, 2012			
NAICS Code	**Industry Title**	**Sales**	**Pull Factors**
452	Discount Stores	3,604	0.04
443	Electronic and Appliance Stores	19,730	0.10
442	Furniture and Home Furnishing Stores	7,116	0.13
448	Clothing	51,417	0.14
447	Gas Stations	5,104	0.17
522	Credit/ Financial	93,904	0.27
451	Sport Stores	17,682	0.31
444	Building Material and Garden Equipment and Supplies Dealers	8,214	0.33
453	Miscellaneous Store Retailers	32,566	0.34
811	Reqair and Maintenance	8,121	0.38
446	Health and Personal Care Stores	29,301	0.44
812	Personal and Laundry Services	37,312	0.56
445	Food and Beverage Stores	119,953	1.00
722	Food Services and Drinking Places	204,113	1.24

SOURCE: REFERENCE USA 2002-2012

ANALYSIS: LEAKAGE ANALYSIS

PULL FACTOR AND OVERALL



SOURCE: REFERENCE USA 2002-2012

Based on the leakage analysis results table above, there is only one industry with a pull factor above 1: Restaurants and Drinking Places. Restaurants and Drinking Places have a pull factor of 1.24 which signifies this sector is performing above the potential of the study area. The one industry in the study area that is right at potential is the Supermarket/Convenience Store. The closest sector just below 1 is Personal Services with a pull factor of .56, with Pharmacy and Drug Stores following close in second below 1, with a pull factor of .44.

The top industries leaking out of the area are Discount stores, Electronics Stores, and Furniture Stores, which could potentially be justified as there is a variety of larger commercial corridors serving such needs within a reasonable proximity. However, just because a sector is not meeting potential does not necessarily mean it is a type of retail that is actually needed within this particular neighborhood.

In order to get a better understanding of this analysis, and get a more in depth look at three of the three-digit NAICS codes: Food and Beverage Stores (445), Food and Drinking Places (722), and Personal and Laundry Services (812). These industries were broken down by their 6-digits NAICS codes for the leakage analysis calculations. These codes represent the top over-performing industries as well as the top growing industries in the area.

ANALYSIS: LEAKAGE ANALYSIS

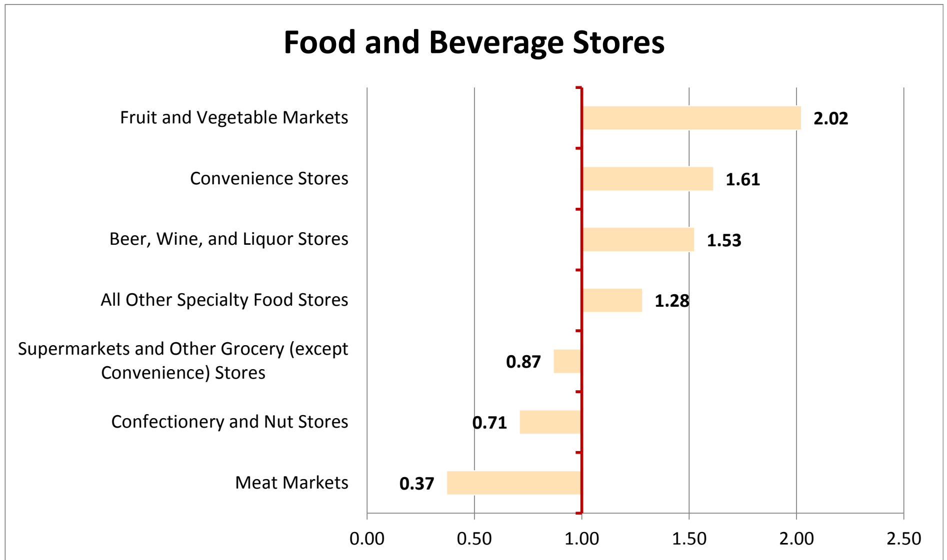
INDUSTRY BREAKDOWN

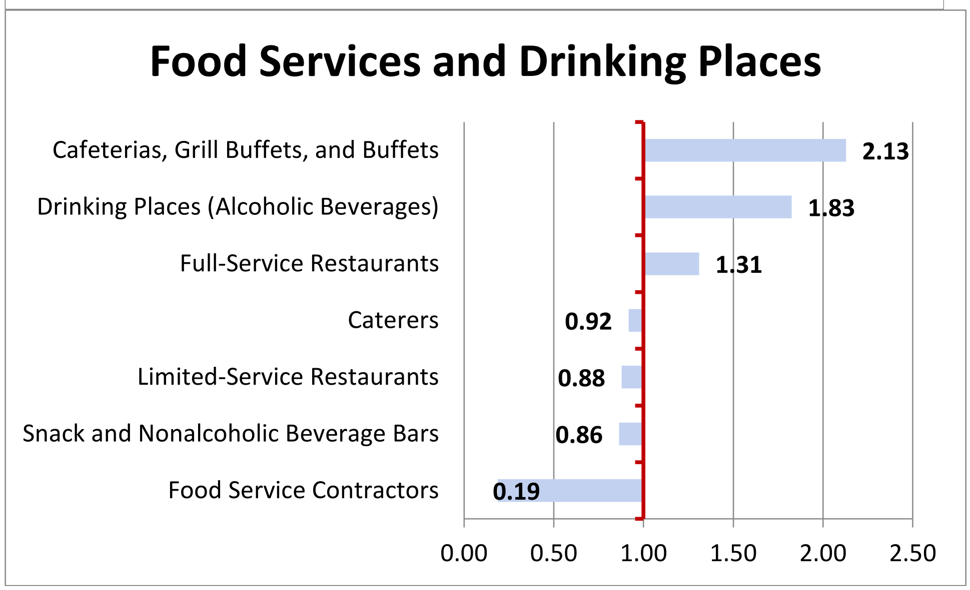
The 6-digit breakdown of NAICS code 445, Food and Beverage Stores, reveals four over-performing sectors: Fruit and Vegetable Markets, Convenience Stores, Beer, Wine, and Liquor Stores and All Other Specialty Food Stores. It is important to pay attention to the over-pefroming sectors within the study area, in order to see which industries are performing at their potential and perhaps do not require more additional establishments in order to maintain the existing ones without creating a supply/demand struggle.

The sectors that show room for potential development are Retailers specializing in Supermarkets and Other Grocery, Confectionery and Nuts Stores and Meat Markets. This reveals that perhaps introducing more of these types of retailers to the study area could improve these numbers and potentially create a niche for specialty products.

The 6-digit breakdown of NAICS code 722, Food and Drinking Places, reveals a wide variety of specific cafes, restaurants, bars, and other related food and drinking places. The highest sectors performing over their potential are Cafeterias, Grill Buffets, Drinking Places and Full-Service Restaurants.

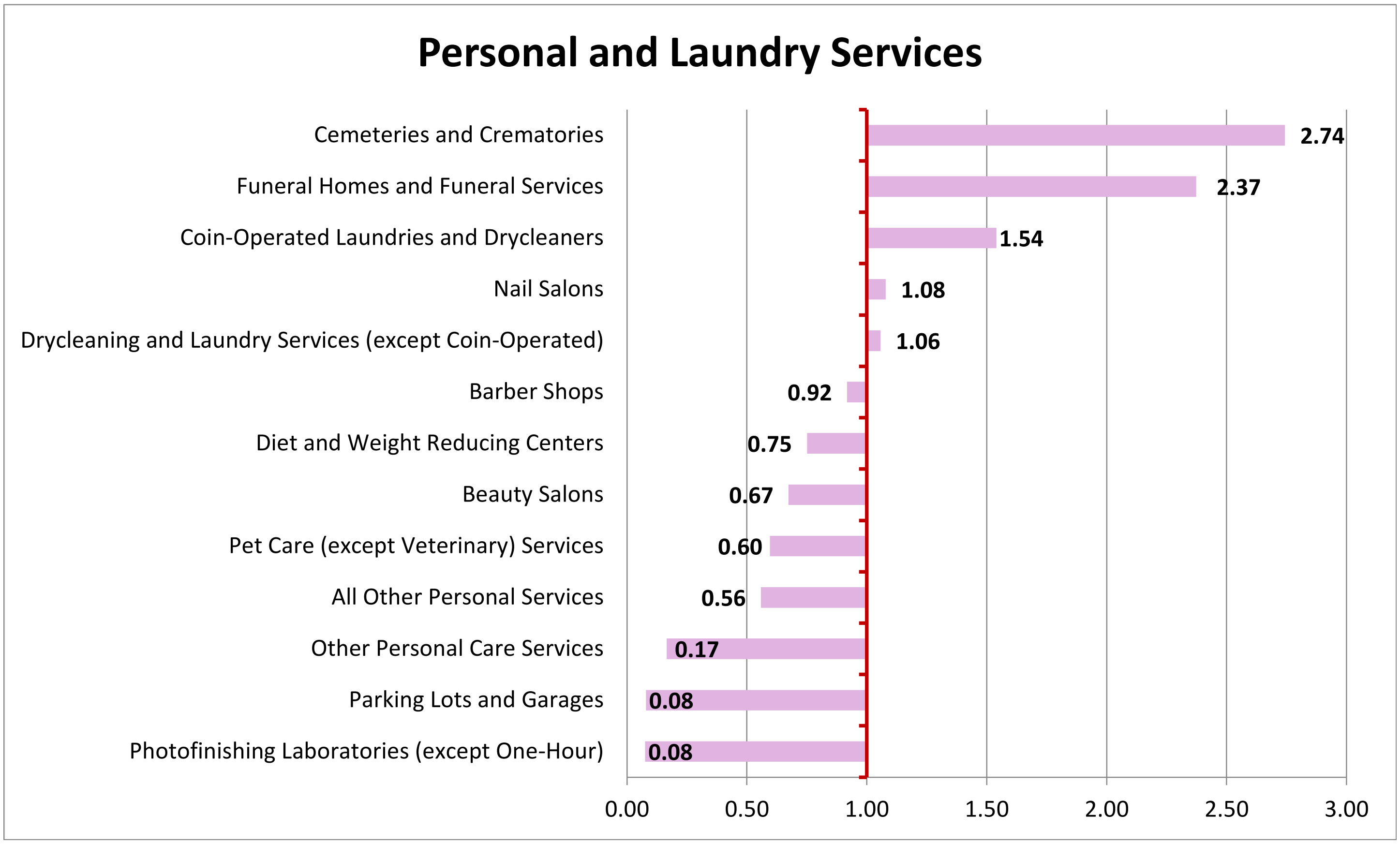
Among the highest under-performing sectors in this area are Caterers, Limited-Service Restaurants and Snack and Nonalcoholic Beverage Bars. There is still room for potential development within Food Service Contractors.





SOURCE: REFERENCE USA 2002-2012

ANALYSIS: LEAKAGE ANALYSIS
INDUSTRY BREAKDOWN



SOURCE: REFERENCE USA 2002-2012

The breakdown of NAICS code 812, Personal and Laundry Services, reveals the over-performance of Cemeteries and Crematories, Funeral Service, Dry-cleaners, Nail Salons and Laundry Service.

Sectors like Barber Shops, Diet and Weight Reducing, Beauty Salons and Pet Care are under-performing, while services like Parking Lots and Photofinishing Laboratories are among the top industries with room for potential development within the study area.

RECOMMENDATIONS AND CONCLUSIONS

To summarize the retail study of the Ave A Commercial Corridor, numerous analysis and factors were considered in the evaluation of the decline in retail diversity in this area – how different trends and factors influence or are reflected in one another. This was achieved by utilizing several different methodologies, collecting a great deal of existing statistical data, as well as raw data, through observation, interviews, and existing literature on the issue. Numerous case studies were also applied in analyzing and arriving at the strategies for recommendations. This project reveals that numerous retail and demographic factors, not only in the study area, but in Manhattan overall, influence each other and are reflected as so in the data analyzed.

Based on these findings, we have a series of recommendations:

Maintain existing but limit future restaurant, bar, and chain store openings

- Develop initiatives to inform and persuade building owners to look for and keep small business tenants
  - Materials to support these initiatives:
    - An updated land use inventory
    - A list of retail needs other than restaurants and bars
- Require special permits or special zoning regulations to make it difficult for these retail types to open in the area
- Use the current development patterns of Avenue A to inform appropriate development strategies east of Avenue A

Target NYC Small Business Services programs to lots with highest turnover and improve the quality of other retail sectors

- Research the causes of vacancies and high rates of turnover
- Research the spatial distribution of vacancies and high rates of turnover
- Research retail types with vacancies and high rates of turnover

Strategy for maintaining retail mix

- Leverage new proposed subway stations in the area to welcome diverse users to support the diversity of retail
- Recommend co-work/flex office spaces to building owners to promote after-hour uses besides restaurants and bars
- Consider a Business Improvement District for the maintenance and improvement of the physical streetscape and park

However, due to time constraints and other limitations, this study was not developed to its full potential and therefore only provides preliminary recommendations on how to utilize the existing initiatives and build on the analysis acquired. The question of causation for the decline in retail diversity and increase in retail tenant turnaround is a multifaceted issue which deserves a much more thorough examination. The recommendations are in place to inform CD3 of the existing trends revealed by the data collected, and how they compare to the historic trends as well as Manhattan overall. The recommendations are also in place to provide a better understanding of the local retail and resident needs, and how the different stakeholders should approach a compromise in order to achieve a better quality of life, be it residential, retail, or landlord.

This report hopes to initiate further research and investigation into the various recommendation strategies, to achieve a better cohesive understanding and arrive at concrete solutions to this problem of retail diversity.

APPENDIX

MEDIAN INCOME BY CENSUS TRACT

Year 2000	
Census Tract 22.02	$31,939.00
Census Tract 26.01	$28,156.00
Census Tract 26.02	$34,300.00
Census Tract 28	$28,560.00
Census Tract 30.02	$34,375.00
Census Tract 32	$36,470.00
Census Tract 34	$37,440.00
Census Tract 36.02	$45,655.00
Census Tract 38	$41,242.00
Census Tract 40	$51,052.00
Census Tract 42	$62,656.00
Year 2012	
Census Tract 22.02	$83,807.00
Census Tract 26.01	$33,893.00
Census Tract 26.02	$66,944.00
Census Tract 28	$39,479.00
Census Tract 30.02	$47,500.00
Census Tract 32	$60,902.00
Census Tract 34	$64,707.00
Census Tract 36.02	$53,546.00
Census Tract 38	$61,714.00
Census Tract 40	$85,055.00
Census Tract 42	$144,821.00

SOURCE: 2000 US Census and 2012 ACS 5-year Estimate