



Downtown Retail

ACTIVATION STRATEGY: EXECUTIVE SUMMARY



Downtowns are activated by lively retail. Retail is a critical component of healthy urban districts, contributing significantly to economic development, activating streets with pedestrian activity and making downtowns gathering places for people living throughout the market.

The Strategy

The Downtown Sacramento Partnership commissioned Downtown Works, a retail consultancy firm, to analyze retail conditions and develop a retail strategy and merchandise mix plan for Downtown Sacramento.

Released in early 2010, the study examined the size and character of the regional market and surrounding districts, how much retail can be supported and what types of shops and restaurants constitute the optimum mix. The study revealed that Downtown has the right size market, inventory and space conducive to a regional retail destination, but currently lacks the right product mix.

Key Findings

- 1 Strong customer base, encompassing a trade area population of 1.65 million
- 2 72% of the trade area population favors urban-oriented retail and dining experiences
- 3 The potential to increase market share by over \$400 million

1 TRADE AREA + CUSTOMER MARKETS

Downtown's market size is large enough to support a vibrant retail district with 1.65 million residents in the trade area. Not only is the market large enough, it also has enough of the right kind of shoppers.

- Downtown is gaining popularity as an alternative to suburban living. Currently the Central City has approximately 18,000 residents.
- The employee base is over 93,000 strong, which is over 20% of employee's citywide and larger than many other successful Downtowns including Austin, Memphis and St. Louis.
- In 2009, Downtown museums and attractions had over 3.7 million attendees. On average, visitor spending accounts for \$32 million annually.



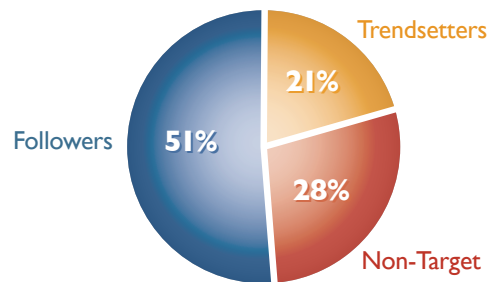
TRADE AREA DEMOGRAPHICS

	2009	2014
Population	1,655,393	1,787,654
Households	608,980	656,353
Average HH Income	\$75,923	\$79,245

2 PSYCHOGRAPHICS

In addition to demographics, the study looked at the trade area's psychographics, which identified characteristics tied to lifestyles, attitudes and behaviors. The psychographic characteristics of those within the trade area reinforce the possibility of Downtown as a major retail hub. Groups with a favorable disposition towards downtown retail accounts for 72% of the population – this constitutes Downtown's target market.

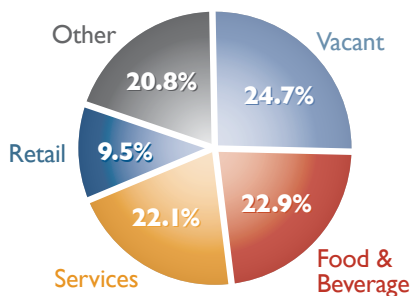
PSYCHOGRAPHIC PROFILES



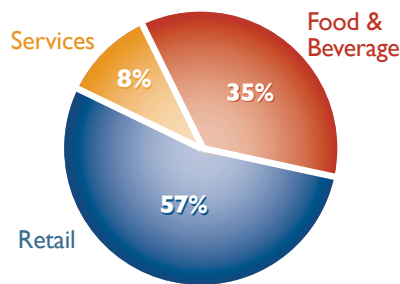
3 EXPENDITURE POTENTIAL

The study concluded that Downtown can significantly increase its market share. With the right product mix in place, the market share could increase by 150%, translating to an estimated \$694 million in general retail and food sales revenue.

CURRENT RETAIL MIX VS. OPTIMUM RETAIL MIX

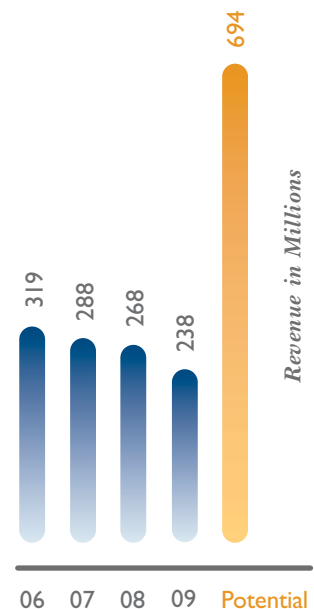


Current Mix



Optimum Mix

GENERAL RETAIL & FOOD SALES REVENUE





Next Steps

With a large trade area of 1.65 million, a robust market of urban-inclined shoppers, attractive pedestrian-scaled building stock and demand for existing space, Downtown Sacramento is ready for the next critical steps in transforming the retail landscape.

Moving forward, the Downtown Sacramento Partnership will implement a series of key strategies with a focus on engaging partners to attract favorable retail into the heart of Downtown.

Key Strategies

- 1 Establish a strategic mix plan, focusing on key corners and collaborative uses
- 2 Partner with and engage landlords and brokers
- 3 Encourage unique local/independent quality operators
- 4 Develop and initiate incentive programs
- 5 Open up K Street to two-way auto traffic

FOR MORE INFORMATION please contact DSP Business Recruiter, Valerie Mamone-Werder at (916) 442-8575 or valerie@downtownsac.org.

To download the full report, visit downtownsac.org.



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