State of Detroit's Commercial Corridors

WE Global Convening, July 9, 2015

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A place-based economic revitalization strategy

The team at ProsperUS Detroit believes that residents, small businesses and neighborhood groups in all neighborhoods have the talent, energy and ability to engage and revitalize their own communities. It is our mission to empower entrepreneurs and community partners to transform low-income neighborhood economies from within.

MISSION

TO SUPPORT

nonprofit community organizations in Michigan that serve low income individuals and communities, with an emphasis on community economic development, by providing pro bono legal services and technical assistance.

- **Community LEGAL Resources**

- **Community EDUCATION Resources**

- **Community PLANNING Resources**

A Neighborhood-level commercial and market analysis to help community partners:

- **Identify key locations to target commercial retail amenities**
- **Identify business types to target for entrepreneurship**
- **Summarize shopping habits of residents**
- **Keep track of business mix and vacant property on an ongoing basis**

Common Market Studies

- **Area demographics**

- **Either within driving distance or varying radii**

- **Potential market base**

MCR's Supplemental Study

- **Potential vs. actual customer base**

- **Compare actual customer base with area demographics**

  - ○ **A sense of market being lost**

- **Engage those who typically shop elsewhere**

  - ○ **Qualitative, albeit not quantitative, picture of retail leakage and corridor's needs**
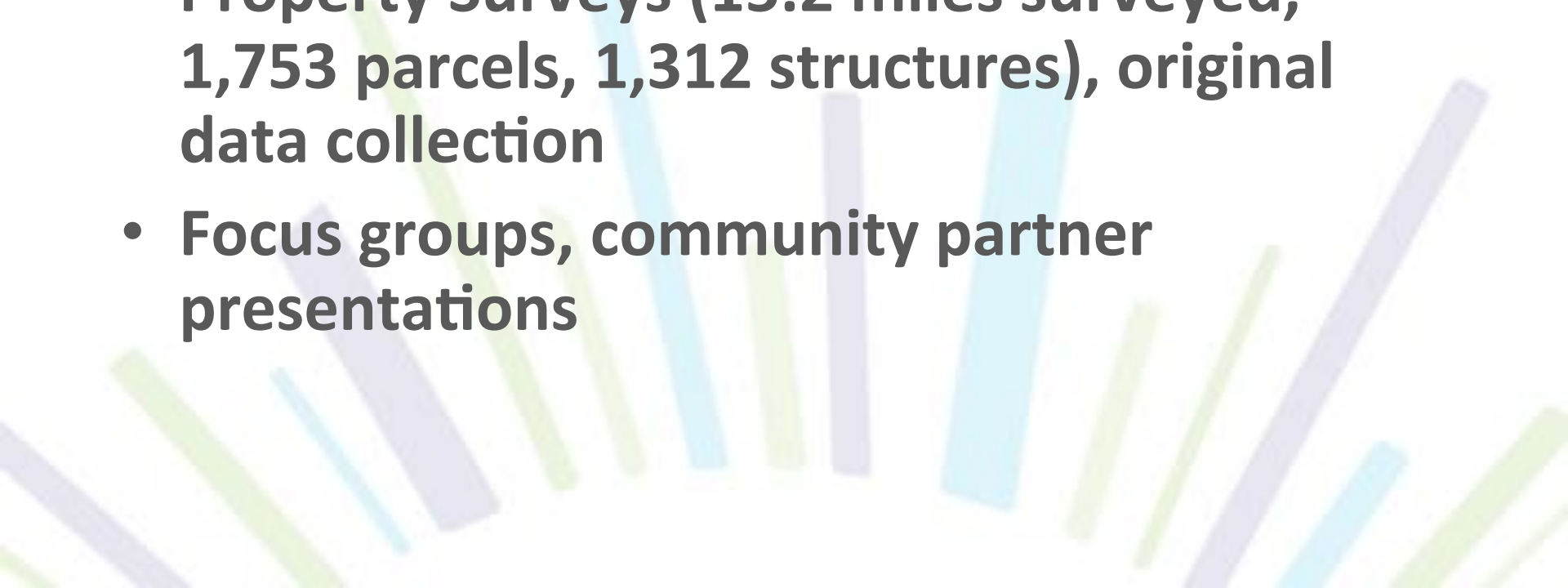
PROSPERUS DETROIT TARGET AREAS

Breakdown by Race & Ethnicity

Target Area	Total Population*	Median Monthly Household Income*	Hispanic or Latino	White Alone	Black or African American Alone	Asian Alone
Cody Rouge	20,816	$2,276	4.2%	15.5%	77.9%	0.3%
Grandmont Rosedale	7,493	$4,226	1.1%	5.5.%	91.5%	0.1%
Lower Eastside	7,543	$2,560	1.6%	6.4%	90.0%	0.5%
North End	12,258	$1,977	0.4%	4.1%	91.6%	1.5%
Southwest	24,543	$2,053	59.0%	20.5%	17.7%	0.2%

*Data compiled census tract. Source 2010 US Decennial Census
Race/Ethnicity data compiled by zip code. Source 2009-2013 ACS 5-year estimates.

- **Community Profile and market analysis, using proprietary data**

- **Customer Surveys (861), original data collection**

- **Property Surveys (15.2 miles surveyed, 1,753 parcels, 1,312 structures), original data collection**

- **Focus groups, community partner presentations**
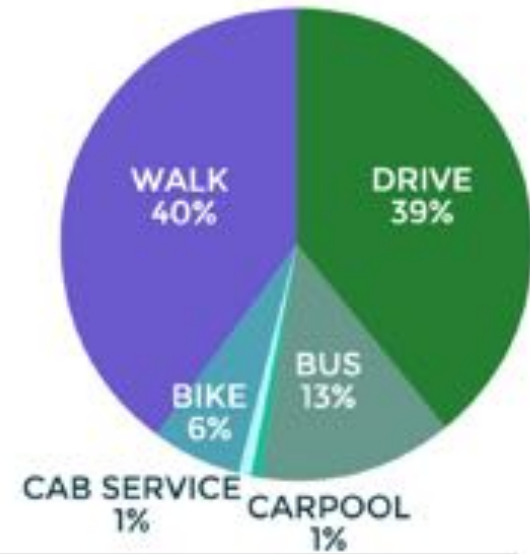
Overall Customer Questionnaire Findings

Total Monthly Household Income of Respondents

- <$800 — 28%
- $800–$1249 — 26%
- $1250–$2249 — 21%
- $2250–$3449 — 12%
- >$3500 — 13%

Total Respondents by Mode of Transportation

- WALK 40%
- DRIVE 39%
- BUS 13%
- BIKE 6%
- CAB SERVICE 1%
- CARPOOL 1%

Number of Visits to Local Businesses per Month

- NEVER — 26
- ONCE — 78
- 2-3 TIMES — 136
- >3 TIMES — 606
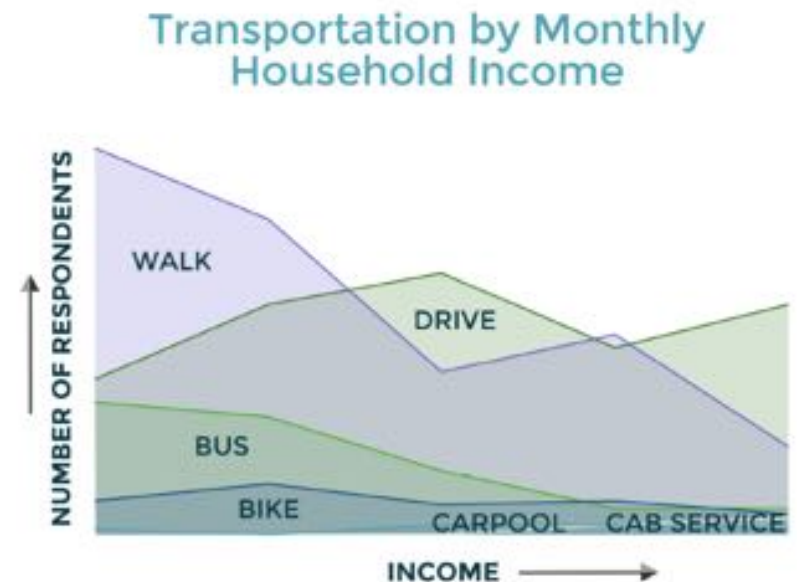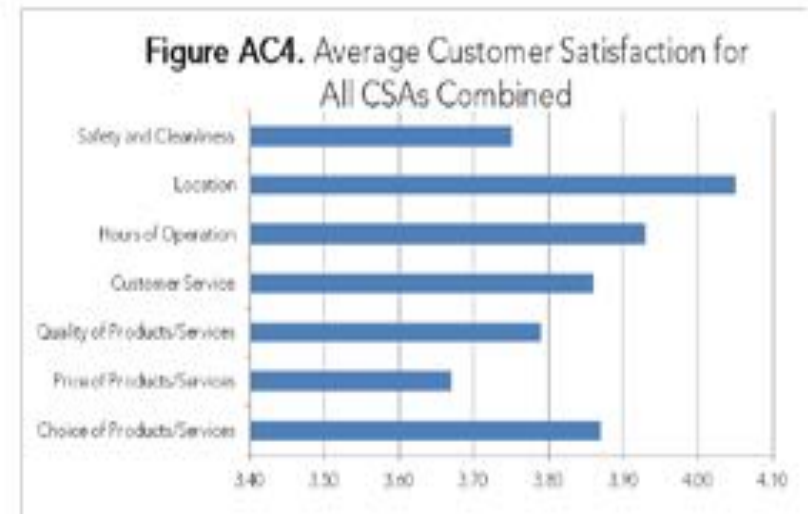
- **Most respondents from local zip code**

- **Respondents' age in line with City trends**

- **60% respondents male; Detroit is 47% male**

- **Most Prevalent Income: less than $800 per month; Detroit Median Income: $2,246 per month**

Major Trends & Implications

- **Corridors studied predominantly cater to lowest income bracket of neighborhood**
- **Few businesses studied attract patrons from other neighborhoods**
- **Store location is primary force attracting customers**

Trends play a role in determining business mix…

Figure AC4. Average Customer Satisfaction for All CSAs Combined

Transportation by Monthly Household Income

The six most prevalent business types were:

- **Religious, Civic & Similar – 11%**

- **Healthcare & Caregiving Facilities – 10%**

- **Beauty and Grooming Services – 9%**

- **Auto Dealer & Repair Shops – 8%**

- **Sit-Down Restaurants – 5%**

- **Take-Out or Drive Thru Restaurants – 5%**

Desired Business Mix

Table BM1. Average Desirability of Business Types						
	All CSAs Combined	Southwest CSAs	North End CSAs	Cody Rouge CSAs	Grandmont Rosedale CSA	Lower Eastside CSAs
Auto Dealer & Repair Shops	3.36	3.17	3.5	3.31	3.54	3.4
Banks & Credit Unions	3.66	3.6	3.85	3.26	3.78	3.41
Bars & Night Clubs	2.54	2.38	2.82	2.49	2.46	2.57
Beauty & Grooming Services	3.53	3.34	3.77	3.39	3.40	3.56
Car Washes	3.17	3.11	3.14	3.08	3.22	3.14
Clothing & Apparel	4.04	4.1	3.93	4.3	3.84	4.2
Convenience Stores	3.53	3.46	3.88	3.23	3.40	3.41
Discount Supply Stores	3.76	3.56	3.86	3.68	3.82	3.71
Family Entertainment Venues	4.34	4.36	4.44	4.4	4.33	4.26
Fitness & Recreation	4.36	4.27	4.35	4.23	4.37	4.36
Grocery Stores	4.1	3.75	4.33	3.88	3.84	4.38
Hardware, Home Goods & Appliances	3.88	3.72	3.62	4.1	4.07	4.06
Healthcare & Caregiving Facilities	4.3	4.34	4.35	4.2	4.25	4.21
Laundromat & Dry Cleaners	3.9	3.61	4.17	3.67	3.59	4.02
Legal & Accounting Services	3.79	3.76	3.76	3.69	3.91	3.82
Music Book, & Electronic Stores	4.2	4.16	4.3	4.27	4.24	4.22
Sit-Down Restaurants	4.05	3.48	4.22	3.92	4.24	4.48
Take-Out or Drive Thru Restaurants	3.43	3.23	3.3	3.81	3.00	3.92

Existing Business Mix

TABLE BM2. Per Capita Quotients for all Target Areas*

Business Type	Cody Rouge PCQ	Grandmont Rosedale PCQ	Lower Eastside PCQ	North End PCQ	Southwest PCQ
Auto Dealer & Repair Shops	1.66	0.80	0.62	0.42	1.15
Banks & Credit Unions	0.20	0.83	0.76	1.81	0.73
Bars & Night Clubs	0.97	0.58	0.35	0.53	1.24
Beauty & Grooming Services	1.06	1.72	1.00	0.65	0.49
Car Washes	1.69	1.42	0.29	0.00	0.84
Clothing & Apparel	0.62	1.39	0.66	1.63	0.50
Convenience Stores	1.25	0.70	1.15	1.10	0.95
Discount Supply Stores	0.92	0.32	0.66	1.65	1.44
Drug Stores & Pharmacies	0.68	1.11	1.10	1.16	0.66
Family Entertainment	0.41	0.29	1.54	0.85	0.34
Fitness & Recreation	0.60	2.22	1.17	1.16	0.84
Gas Stations	1.01	1.06	1.01	1.03	1.10
Grocery Stores	0.86	1.00	0.57	0.73	1.19
Hardware, Home Goods & Appliances	1.68	0.98	0.72	0.86	1.22
Healthcare & Caregiving Facilities	0.44	0.92	0.87	1.70	0.38
Laundromat & Dry Cleaners	0.34	2.83	1.30	0.78	0.94
Legal & Accounting Services	0.19	0.70	0.27	0.61	0.16
Music, Book & Electronics Stores	0.87	0.91	1.21	0.50	0.95
Sit-Down Restaurants	0.66	0.80	0.41	0.89	1.10
Take-Out or Drive-Thru Restaurants	1.16	0.53	0.75	0.87	0.90

Conclusions

- **Improve corridor safety and pedestrian access**

- **Attract more median-income women**

- **Connect to mainstream economic development agencies**

Questions

- **How critical are destination businesses?**

- **Culture as destination strategy?**

- **What does a low-income retail strategy look like?**

Questions?

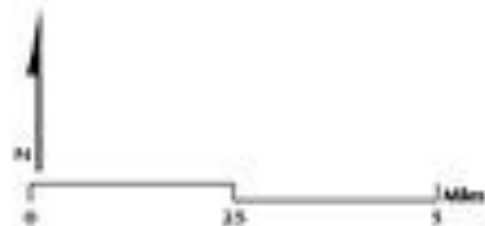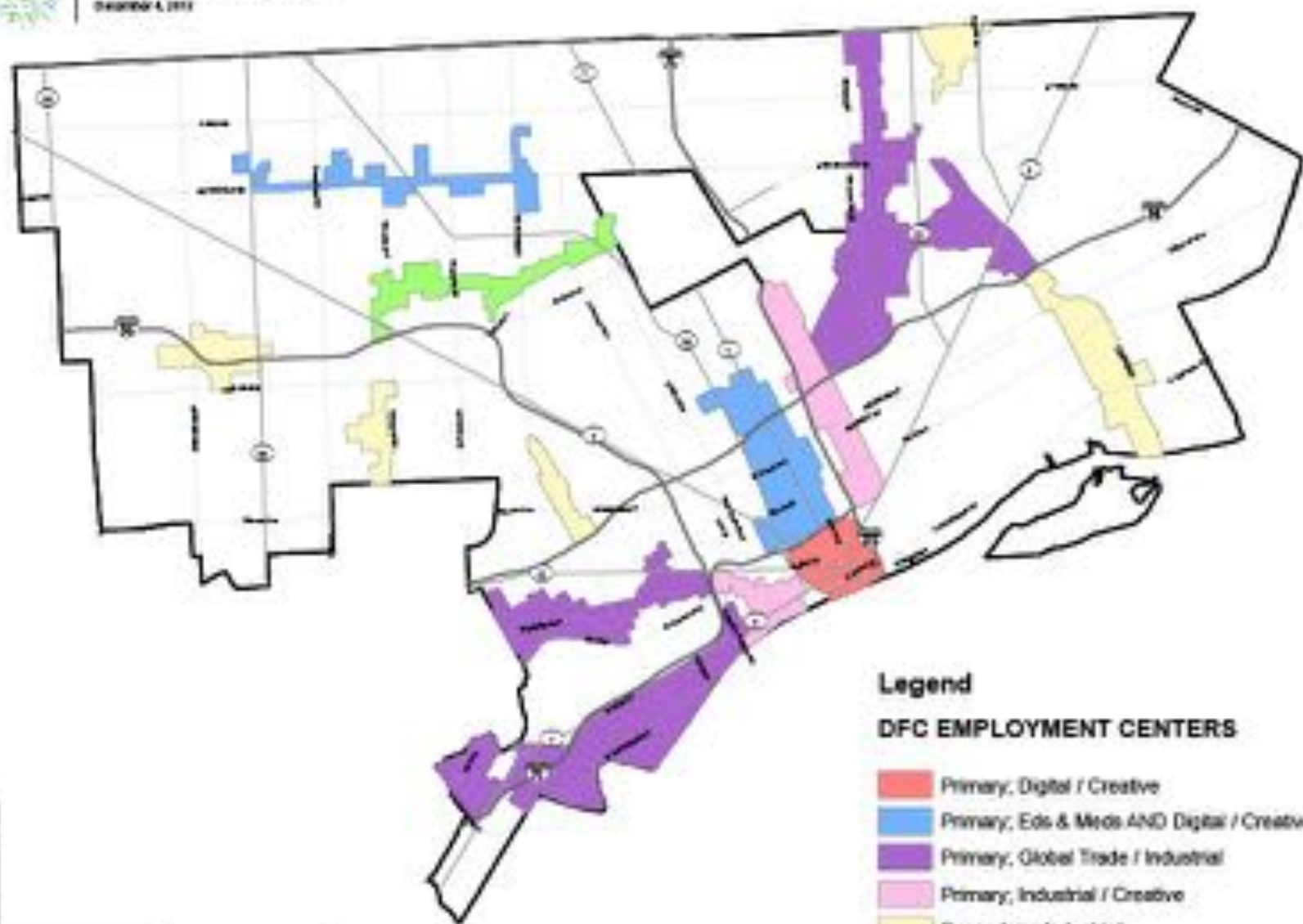For More Information:

www.mi-community.org
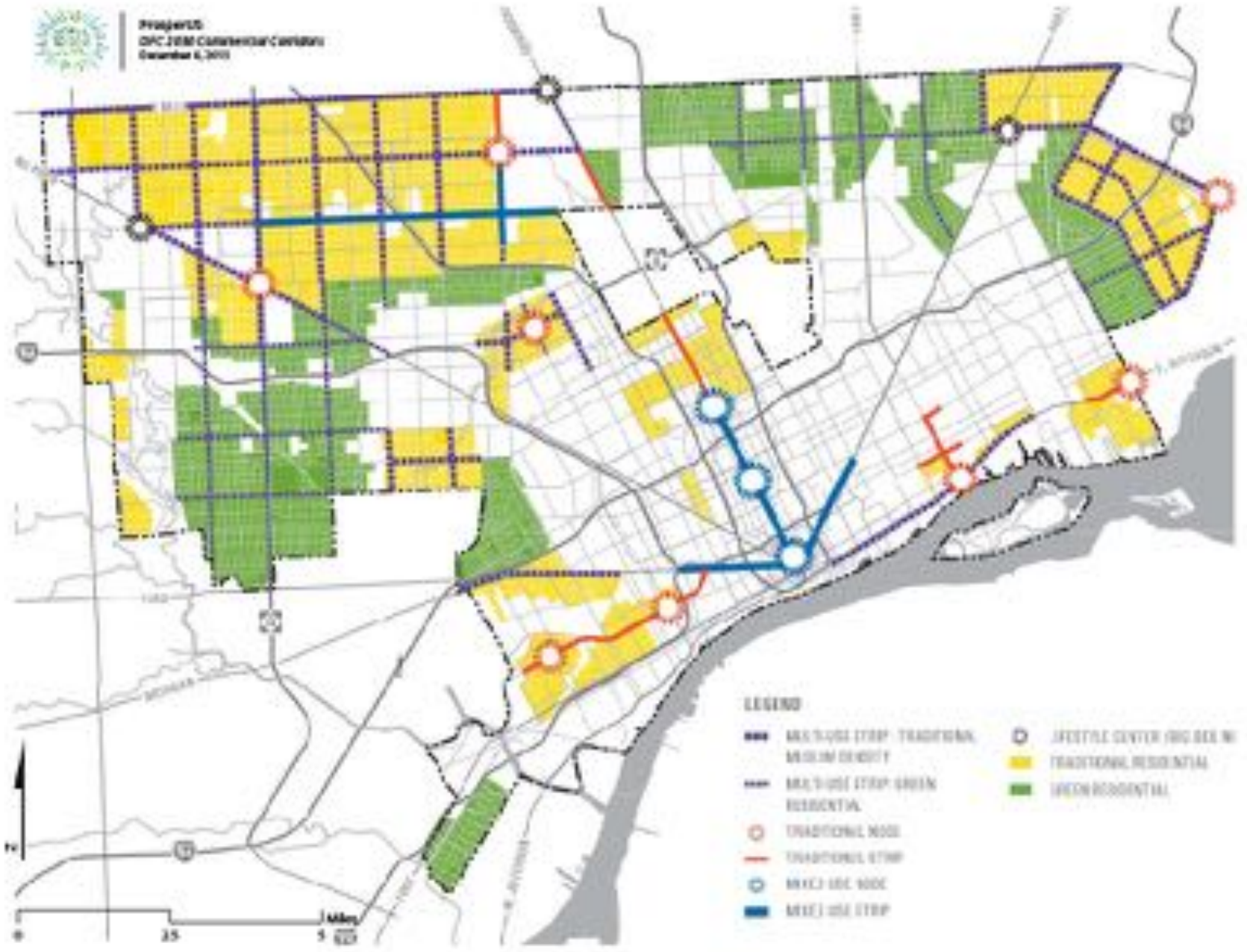
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PROSPERUS DETROIT TARGET AREAS

Legend

DFC EMPLOYMENT CENTERS

- Primary; Digital / Creative
- Primary; Eds & Meds AND Digital / Creative
- Primary; Global Trade / Industrial
- Primary; Industrial / Creative
- Secondary; Industrial
- Secondary; Industrial / Creative