1. Introduction

Delridge Neighborhood Association (DNDA) has three clear desires for retail development in the Brandon Node. First, the development should function as a community gathering place. Second, the development should help build neighborhood identity around the Brandon Node. And, third, the development should enhance the economic life of the community. Therefore, the starting point for research was community building and identity formation. If an economic development strategy was financially viable, but did not serve these goals, it was rejected. Conversely, if a development strategy or business model did not look financially feasible on its own, but supported both DNDA's client's goals, we explored ways that it could still be pursued. The market cannot always support socially desirable uses. Therefore, throughout the study we looked for innovative businesses mixes and points in the development process at which DNDA could intervene and support retail uses that meet their community goals.

After completing the study, the final recommendations involve two phases of development, at least five years apart. Recommendations to develop in Phase One are:

- Three restaurants with combined central kitchen
    - Café/coffee shop
    - Family restaurant
    - Casual dining restaurant serving beer and wine
- Small grocery store

And in Phase Two:

- Ice cream parlor
- Outdoor footwear and equipment shop
- Outdoor cinema

The steps taken to reach these conclusions are detailed in the following report.

This effort involved many assumptions and early decisions. First, "economic development" was defined for the purposes of the project as retail development, with the secondary benefit of job creation. This definition was decided on both because of the need to limit the scope of

the project, and because retail development was the first priority for DNDA, in keeping with their goals as stated above. Second, the analysis focuses primarily on retail development opportunities in the "Central Node" as defined by the neighborhood plan. Throughout this report the Central Node is referred to as the Brandon Node. Some of this research ventures to the Brandon Node's southern fringe and considers the Louisa Boren School site. Finally, an effort was made to focus on attracting local business whenever possible. Corporate chains were only considered when the capital outlay and/or risk seemed infeasible for a small local business.

The goals of the economic development study were to:

- Assess the business climate and current conditions in Delridge through surveys and analysis.
- Offer suggestions for individual businesses and combinations of businesses that might thrive in the Brandon Node.
- Offer suggestions for the role DNDA might play in business development.

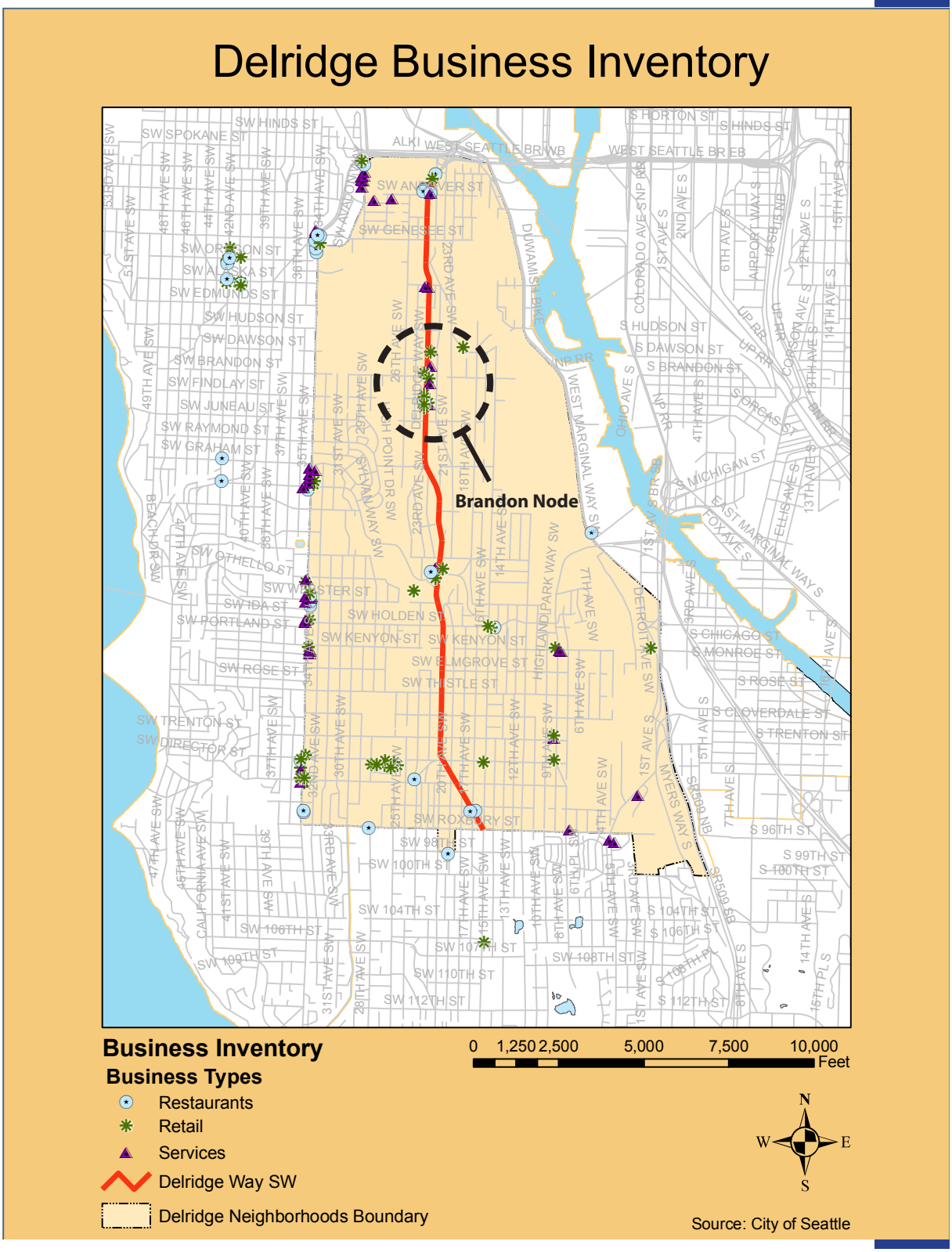


Figure 1.1: Map General Inventory – retail, service, restaurants

Delridge Restaurant Inventory

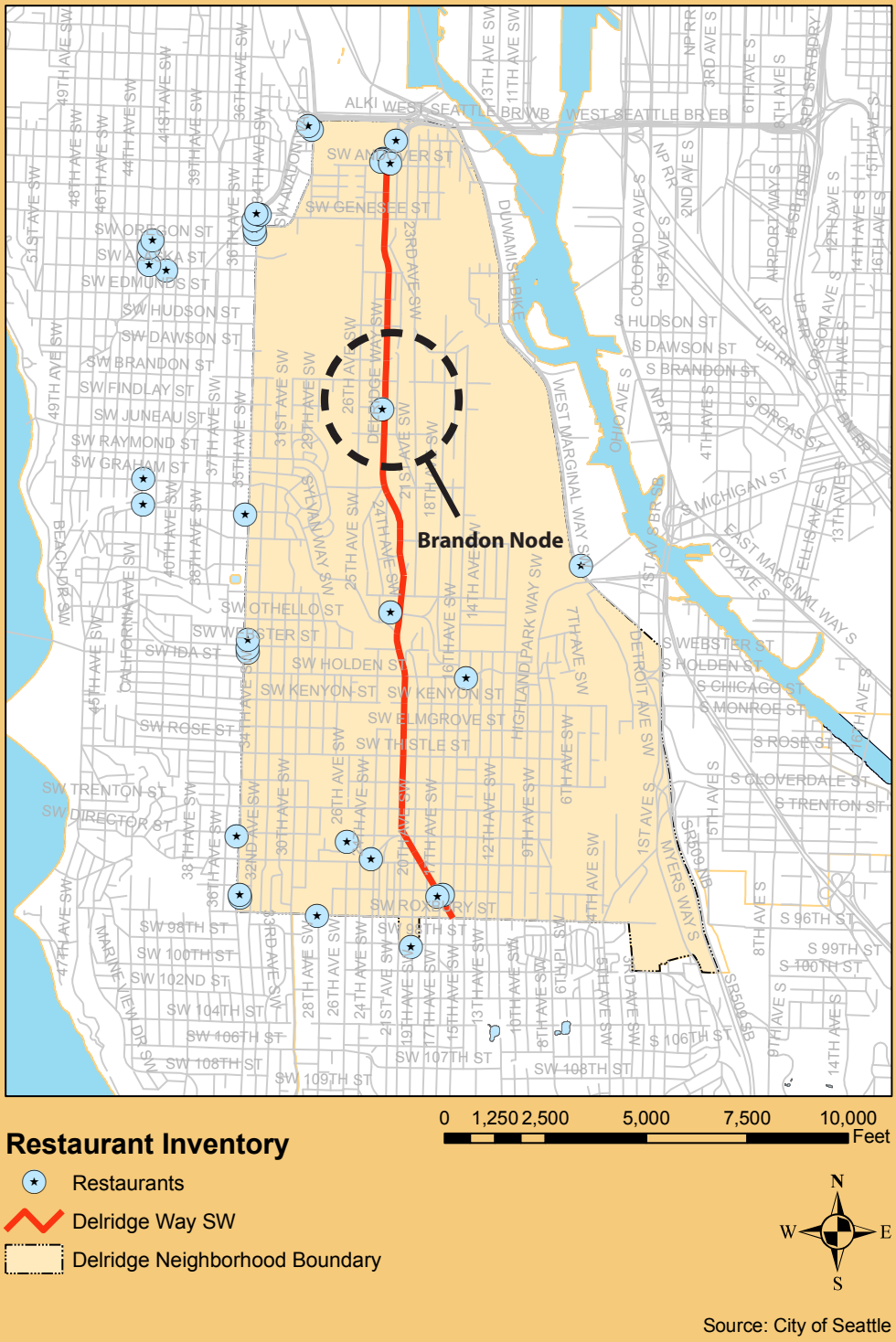
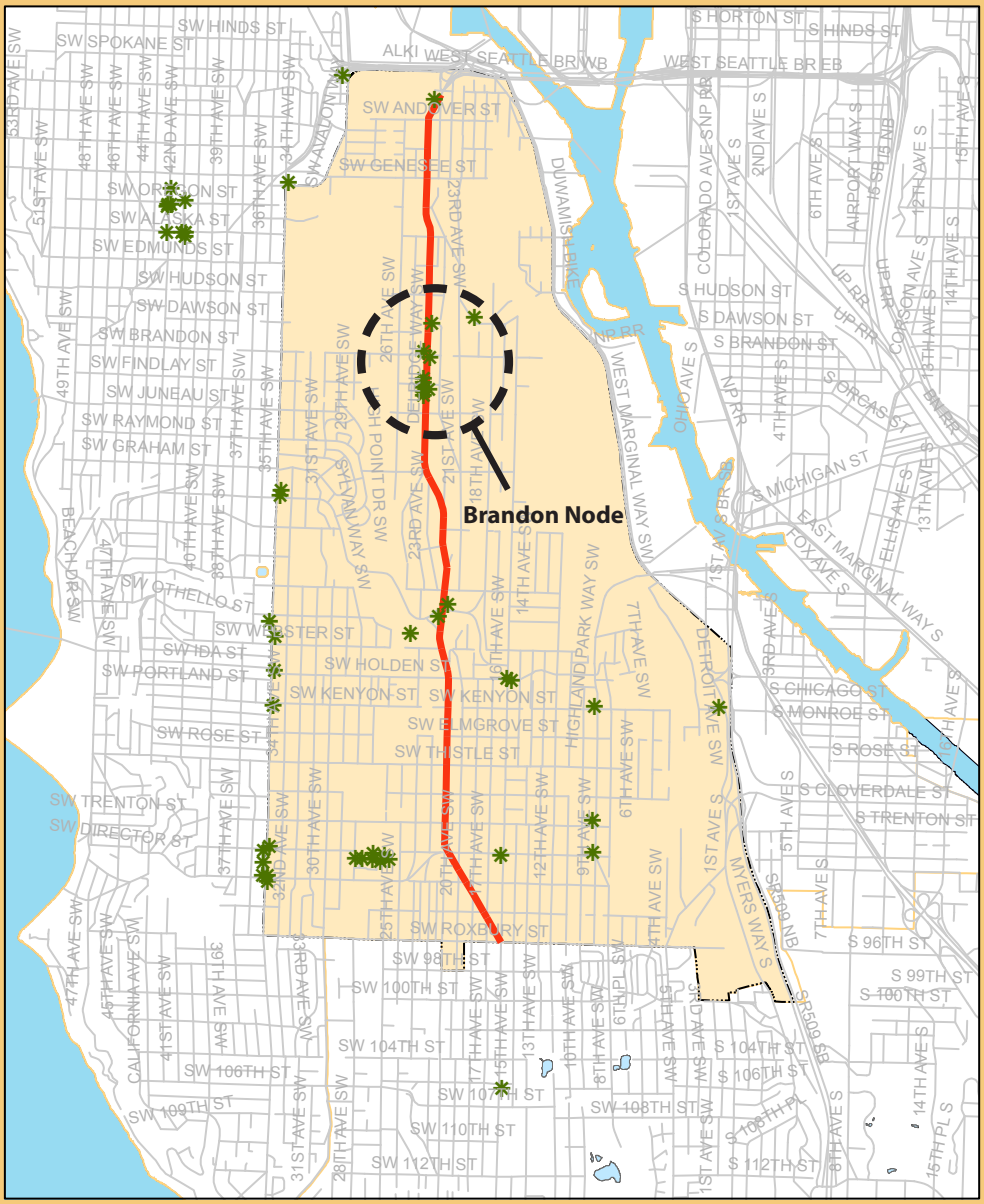


Figure 1.2: Map By Type - Restaurants

Delridge Retail Inventory



Source: City of Seattle

Figure 1.3: Map By Type - Retail

Delridge Services Inventory

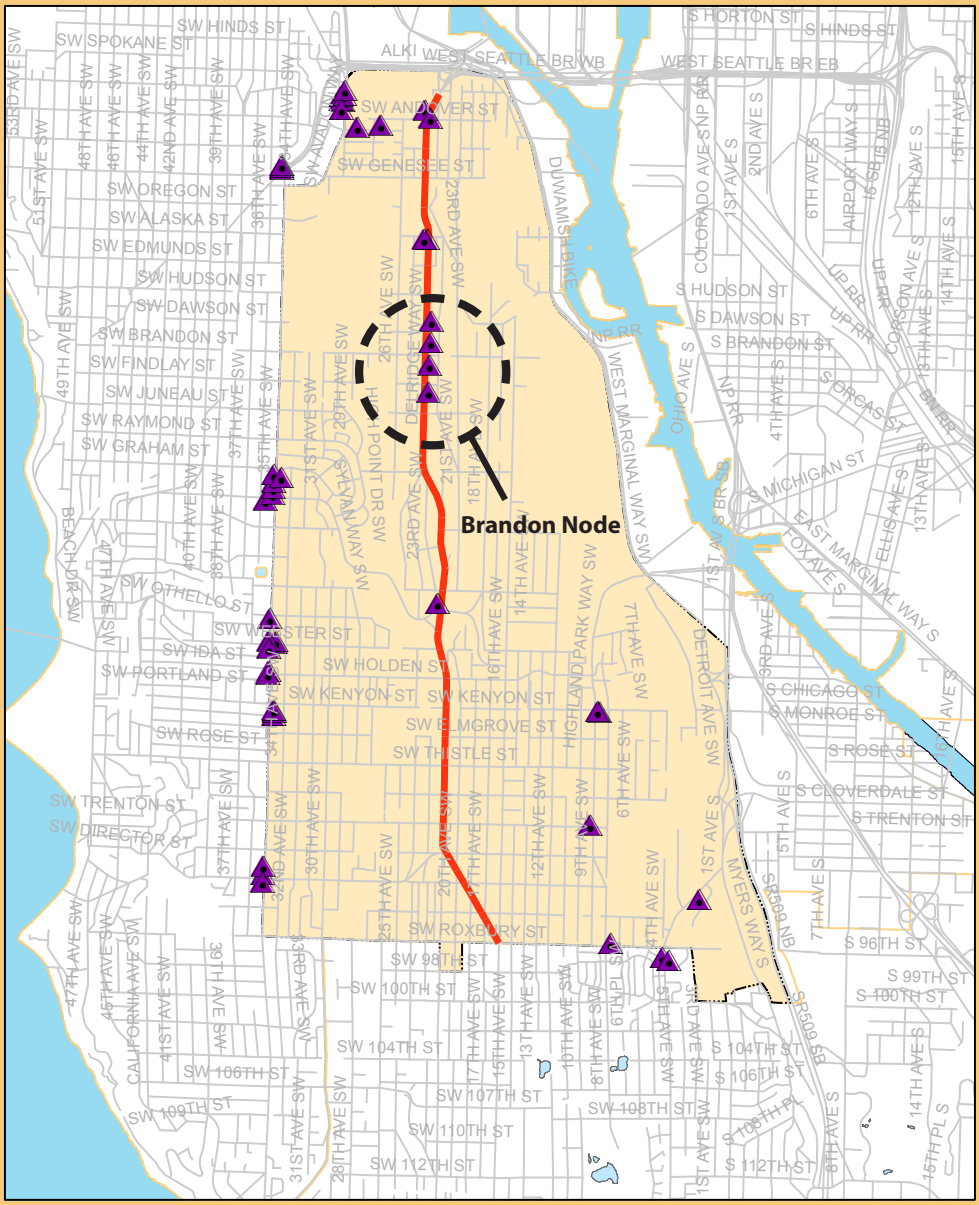


Figure 1.4: Map By Type - Services

Business Inventory

Business Type	Count
Restaurant	38
Services	46
Retail	51

Restaurant	Count
Restaurant - Bar	13
Restaurant - Coffee	6
Restaurant - Deli	2
Restaurant - Fast	9
Restaurant - Sitdown	8

Retail	Count
Retail - Beds	1
Retail - Boat Sales	1
Retail - Bookstore	6
Retail - Catering	1
Retail - Convenience Store	5
Retail - Department Store	2
Retail - Drug Store	2
Retail - Florist	4
Retail - Footwear	2
Retail - Gallery	2
Retail - Gas - Convenience Store	11
Retail - Glass	1
Retail - Grocery Store	4
Retail - Grocery Store - Deli	2
Retail - Grocery Store - Produce Stand	1
Retail - Hardware/Lumber	1
Retail - Ice Cream	2
Retail - Stone	1
Retail - Textiles	1
Retail - Tires	1

Services	Count
Services - Auto	1
Services - Auto Repair	8
Services - Baseball	1
Services - Beauty Care	2
Services - Construction	1
Services - Dry Cleaner	1
Services - General Services	1
Services - Hair Care	6
Services - Health Club	1
Services - Laundry	4
Services - Locksmith	1
Services - Pet Care	1
Services - Photo Studio	1
Services - Physical Therapy	1
Services - Plumbing	1
Services - Printing	1
Services - Repair	2
Services - Roofing	1
Services - Self Storage	5
Services - Spa	3
Services - Transportation	1
Services - Upholstery	1
Services - Video Store	1

Figure 1.5: Table Detail of inventory results

2. Analysis

2.1 Business Inventory

The goal of the business inventory was to catalogue the current retail situation in Delridge. The information collected provided data for the Retail Feasibility Analysis and Gap Analysis.

Inventory Methodology

Three different methods of data collection were used in conducting the inventory; each method differs in the resolution of information and accuracy. Within the Brandon Node, a walking survey of the neighborhood businesses was conducted. Using this method of visual inventorying, the resulting data was the most detailed of the three methods. Business names and types, addresses and phone numbers, hours of operation, and an estimated number of parking spaces were among the attributes gathered and input into a GIS database. Next, we performed a windshield survey[1] covering the entire Delridge Neighborhood[2]. Because of the speed of driving, less information (business names, types, and approximate locations) was collected than with a walking survey. However, we were able to cover more area in a shorter amount of time. Finally, Internet searches were employed to locate specific business types within the West Seattle area. Since search engines provide informational snapshots, the data's accuracy is dictated by the last time the database was updated, with errors or omissions in these sources. Although these searches are generally accurate, they are not as reliable as the visual methods listed above. But, like the windshield survey, a much greater area could be included in the inventory. Also, search engines provide query features that assist in locating desired business types.

2.2 Brandon Node Business Survey

Survey date: April 20th, 2006
Sample size: 18
The goal of the business survey was to assess perceptions of the business climate along Delridge way in the Brandon Node. Questions were aimed at determining which attributes

1 Inventorying by driving in an automobile with note-takers collecting the information.
2 As defined by the City of Seattle.

of the community made Delridge a good place to do business and what specific challenges threatened business in this area. Through this survey we also hoped to better understand trends of business expansion or retraction. Although we attempted to interview every business in the Node, three or four businesses either declined the survey or were unavailable during the survey period. Each respondent was asked the same thirteen questions *(see Appendix 1.1 for survey questions).*

Delridge Business Climate

The businesses surveyed generally indicated that Delridge is a good place to do business, and that prospects for future business improvement seem positive, due to new construction and growth occurring in the area. In particular, high traffic volumes contributed to the success of the gas stations and automobile-oriented businesses. Drug-related crime and theft were mentioned as reasons why the area was not good for business types that are oriented to walk-in customers (such as a retail store or a café).

Affordability of land and rents was mentioned as the main reason most businesses decided to locate in Delridge. Other reasons included the high traffic volume, neighborhood demand for their business, and business owners' optimism about their contribution to or participation in future neighborhood improvements.

Most businesses in the Brandon Node are not oriented to walk-in business, and customer access is by appointment only. However, those businesses with a retail emphasis (gas stations, convenience stores and the library) reported between 400-640 customers per day.

The busiest times for these businesses were during the morning and evening commuting hours and in the late afternoons when the high school lets out.

Most businesses reported that their customers did not necessarily come from the neighborhood, but were likely from surrounding areas in the "commuter shed" leading to and from downtown. By "commuter shed" we mean that distance around a high-occupancy commute corridor in which businesses tend to attract commuters. A few businesses reported a regional or even national client base.

Character of Brandon Node Business District

The survey revealed that, similar to the residential sector, the Delridge business community is undergoing a period of transition. Of the eighteen businesses surveyed, seven were fairly new to the neighborhood, having established their business in the past five years. Only four businesses have been in their present location for longer than ten years, and out of these four, two had plans to sell or close their business in the immediate future.

Nearly all of the commercial space in Delridge is owned by the business proprietors (only three respondents were renters). The median size for commercial space was 1,900 square feet, but the range in size went from less than 1,000 square feet to over 15,000 square feet.
Through this survey, we also learned of two additional commercial spaces that are either planned or under construction along Delridge Way. Each will be 1,000 square feet.

The eighteen businesses surveyed support a total of 41 full-time positions and 20 part-time positions. Since the majority of the businesses are owner operated, there is potential that the one employee, the owner, devotes more hours than a typical full-time employee.

S.W.O.T. Analysis for Brandon Node Businesses

Survey respondents were asked to identify attributes of the Delridge neighborhood that either helped or harmed their business, and what they perceived as future opportunities for expansion. The responses to these questions help to identify some Strengths, Weaknesses, Opportunities, and Threats of doing business in Delridge, and specifically in the Brandon Node.

The primary strengths respondents identified related to the recent increase in growth and development along Delridge Way. Many businesses believe developments and added growth will lead to improvements to the neighborhood. Respondents seemed optimistic that the new police precinct in the area could help reduce crime (though they mentioned that this has not happed yet) and that new growth will bring more customers. Some respondents also mentioned specific businesses and organizations as positive catalysts, such as DNDA, the Seattle Public Library and Westwood Village.

Crime, drugs, and disruptive high school students were the primary weaknesses businesses named. Among the businesses closest to the Louisa Boren School (Cleveland High School)

almost all respondents mentioned the presence of students as harmful to their business. The students were perceived as "rowdy,""vulgar,""drug-users," and were said to be responsible for large amounts of litter and vandalism.

Theft was mentioned as a neighborhood-wide problem and it was not clear if this was due to the students or suspected major drug (methamphetamine) dealers in the area. One business owner went into detail describing the drug network in the neighborhood (including stealing, selling the stolen items, purchasing drugs, and then repeating the cycle). Several business owners, especially in the north end of the Node, have contacted the police with detailed descriptions of where these crimes are happening and when. The police response has been described as ineffective and too infrequent. The chart below summarizes concerns of business owners.

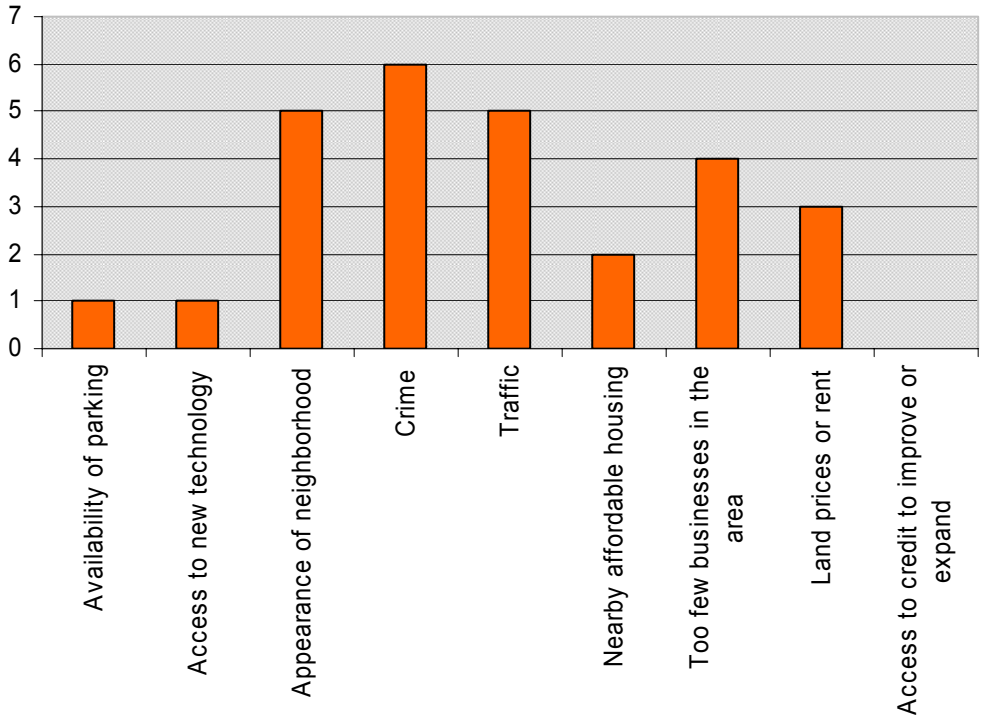


Figure 1.6: Graph, Business proprietor concerns

In terms of opportunities for expansion, most of the businesses surveyed seemed to be content with their current size or situation. Four businesses have definite plans for expansion or improvements, and two businesses indicated possible plans to redevelop their current building into a mixed-use structure. As noted above, two out of the eighteen businesses reported they would be closing or selling their business. Businesses that are oriented to cars or commuters see the growing housing density and high traffic level in the area as future opportunities for an increased customer base. One opportunity for auto-oriented business is that most businesses reported having adequate or a surplus of available parking. Interestingly, those businesses that were less auto-oriented and did not have designated lots complained that on-street two hour parking limits were problematic for employees.

Persistent crime and the uneasy relationship with the temporary students at the Louisa Boren School will continue to threaten the business community in the Brandon Node if these issues are not addressed.

Business Survey Conclusions

Despite having several valid concerns relating to the business climate in the Brandon Node, most businesses surveyed seemed optimistic about the future of Delridge as a place to do business. There was a high level of interest among respondents in joining a business association to address some of the concerns they had mentioned.

In order to encourage development of a positive business climate, strategies should focus on making Delridge Way a better place for retail business. Some Delridge businesses expressed worries about expanding their services to include a retail or walk-in element because of real or perceived threats of crime and an inadequate customer base. Currently customers have few retail choices in the Brandon node. However those businesses that do offer retail services reported up to 640 customers a day. A business association may be a useful tool in unifying businesses to address threats and capitalize on opportunities.

2.3 Retail Gap Analysis

The goal of the retail gap analysis was to provide data on unmet demand for retail stores in Delridge, and specifically in the Brandon Node. This type of analysis measures the difference between the quantities and types of retail already in the area and the mix of retail desired by the community. In addition, this analysis compares the retail mix of 'community shopping centers' nationwide, with the existing and desired retail mixes of the neighborhood.

The first step in the analysis was to survey community members on the types of businesses they would prefer to have in the neighborhood, and to understand the preferred character of that commercial development. Community input was collected during a public community meeting held on March 2, 2006, as part of this studio's initial scoping and program development phase. In this informal survey, area residents were asked to identify the business types they would like to see in the Brandon Node. The chart below *(Figure1.7)* identifies those preferences. Results are presented in the same order as the form used to collect the data.

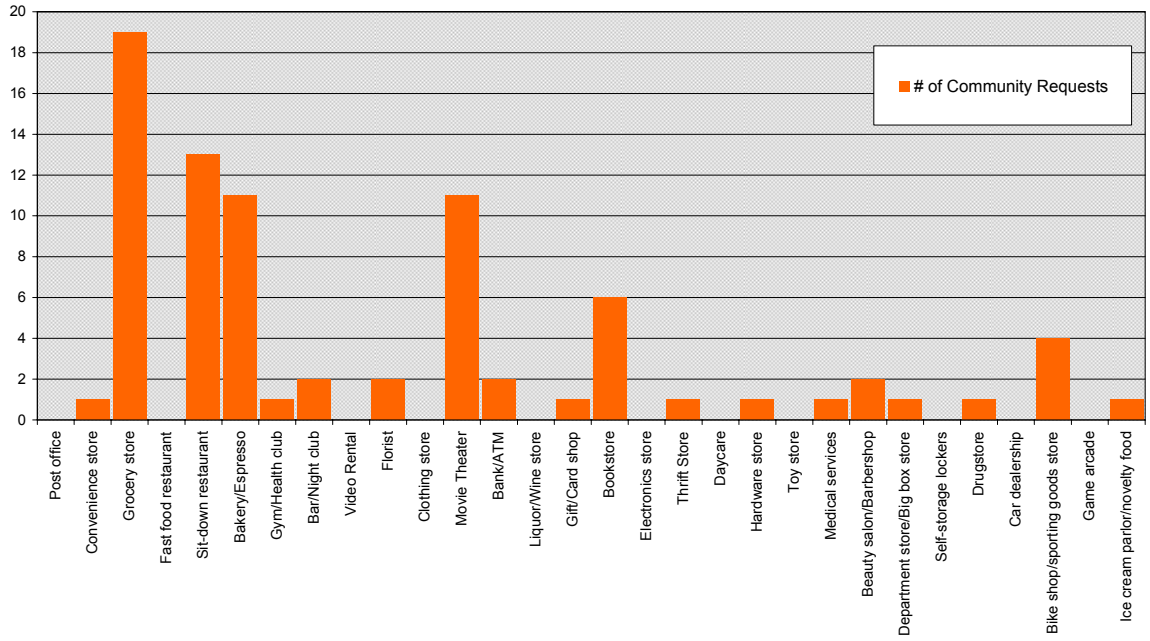


Figure 1.7: Chart, Community requests for business types

Community feedback at that meeting also suggested a need for social spaces as part of this retail node – places (either as public open space or as part of retail businesses) that could be used for casual social activity, and for community events. It appears that many Delridge residents are looking for a community anchor. The community survey results were then compared with the business inventory results reported above. The chart of this comparison is below in *Figure 1.8*. In order to facilitate comparison across data sets of different sizes, the data was compiled as percentages. Several observations arise from this data.

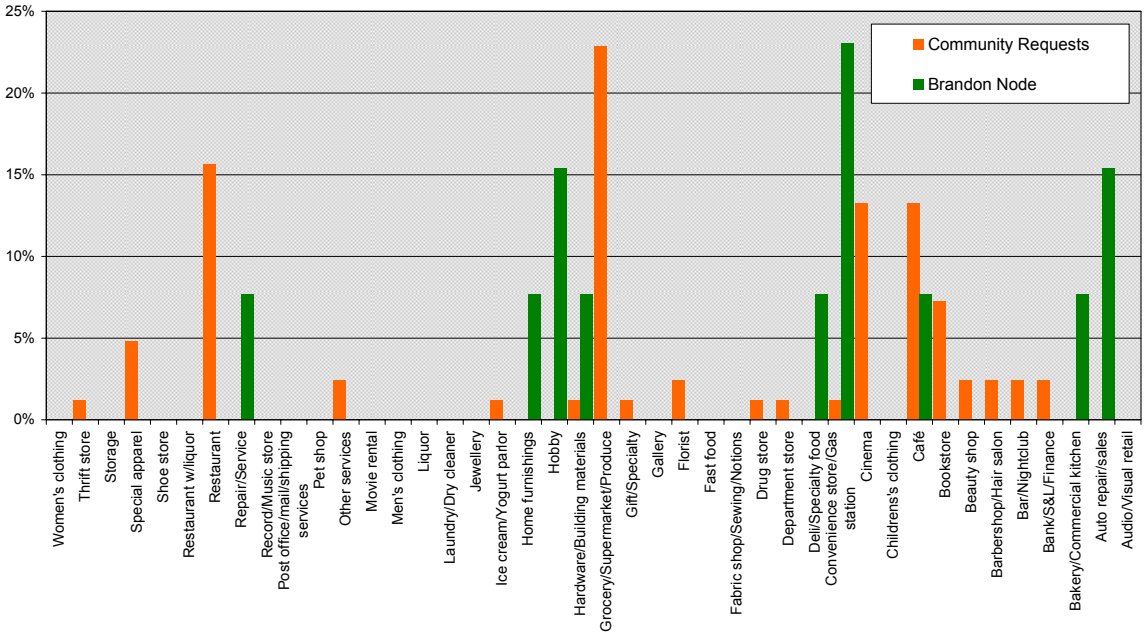


Figure 1.8: Chart, Comparison of existing retail businesses in the Brandon Node and community requests

First, it can be assumed that community requests are for business types not supplied or undersupplied in the neighborhood. Therefore it can not be assumed that the small number of community requests for 'convenience store' businesses, for example, means that the community does not use or value these businesses, only that there is no unmet need for this business type among respondents.

Second, it can be observed that the supply of food businesses (convenience stores, specialty food stores, and cafes) do not satisfy demand for these businesses – in fact, food businesses comprise three of the top five requests for business types (grocery store, restaurant, and café/bakery – *see Figure 1.9*). This may reflect the strong demand for these business types in general, or may suggest that the existing businesses are not the optimal types for all users. The current mix of food businesses (predominantly convenience stores) seems directed toward commuters, as opposed to local residents. Another possible reason for this high demand may be the potential social component of these businesses, especially restaurants and cafes. This social component may also play a part in the non-food businesses in the top five requests. Both movie theaters and bookstores can also play social roles in a community.

In addition to the comparison of community requests with businesses in the Brandon node, a comparison was conducted with businesses in the larger Delridge Neighborhoods area. This chart is in *Figure 1.10*. It is worth noting that in many cases the business types requested by the community are already present in significant numbers in the larger area. The fact that the community desires these business types despite their presence in the area may be due to unmet need, or may be due to the challenges of travel in the neighborhood. The topography and street grid of the neighborhood make travel, especially by non-motorized transportation, difficult and makes shopping inconvenient.

TOP 5 REQUESTS	Community Component	Commuter Component
Grocery/Supermarket/Produce	Y	Y
Restaurant	Y	Y
Cinema	Y	N
Café	Y	Y
Bookstore	Y	N

Figure 1.9: Chart, Top 5 community business requests

In order to counter the effects of the small and unrepresentative sample of the community survey, a more general national survey of business types in community shopping centers[3] was consulted for a typical retail mix. This survey aggregated business types at small shopping centers (averaging 150,000 square feet of leasable space) throughout the US, and so gives a general sense of the types of businesses and the proportions that are economically viable, at least in a general sense. The applicability of this data when applied at a local or regional level is open to question, but it provides a general benchmark by which the existing mix and desired mix can be compared. The comparisons of this 'typical' mix with the existing ix in both the Brandon Node and the Delridge area are presented in *Figures 1.11 and 1.12*.

Business Type in Brandon Node	Benchmark's Square Feet Median Size	Projected Annual Sales/Square Foot
Sit Down Restaurant	2,314	$723.80
Hair Salon	1,200	$398.44
Department Store	33,000	$235.59/$278.01*
Coffee Store	1,344	$463.28/$552.57*
Ice Cream Shop	1,200	$282.49/$382.49*
Shoe Store	2,700	$245.18
Florist	1,200	$164.07/$205.74*
Grocery Store	31,500	$214.20/$248.48*
Movie Theatre**	28,128	$29.54
Bookstore	2,400	$62.18
Shopping Center	54,723	$19.60/$27.64*
Pub/Bar	2,600	$80.39

Figure 1. 10, Chart: comparison between community business requests and large Delridge Neighborhoods area

3 Michael D. Beyard, et al.(1990). Dollars & cents of super community centers, 1990, a special report. Washington, D.C.: Urban Land Institute

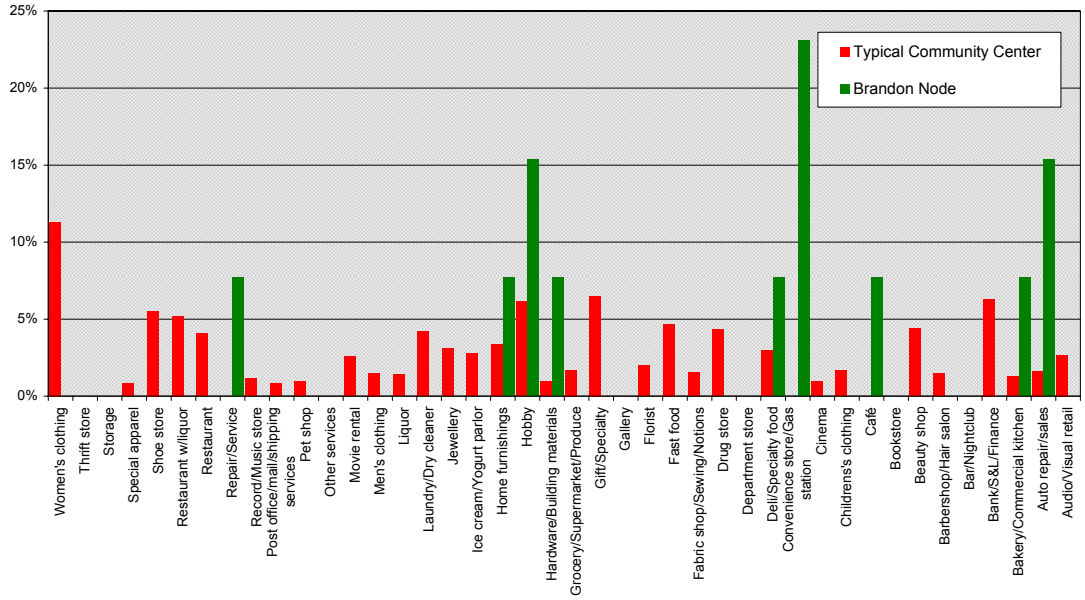


Figure 1.11: Chart, comparison of 'typical' mix with existing mix in Brandon Node

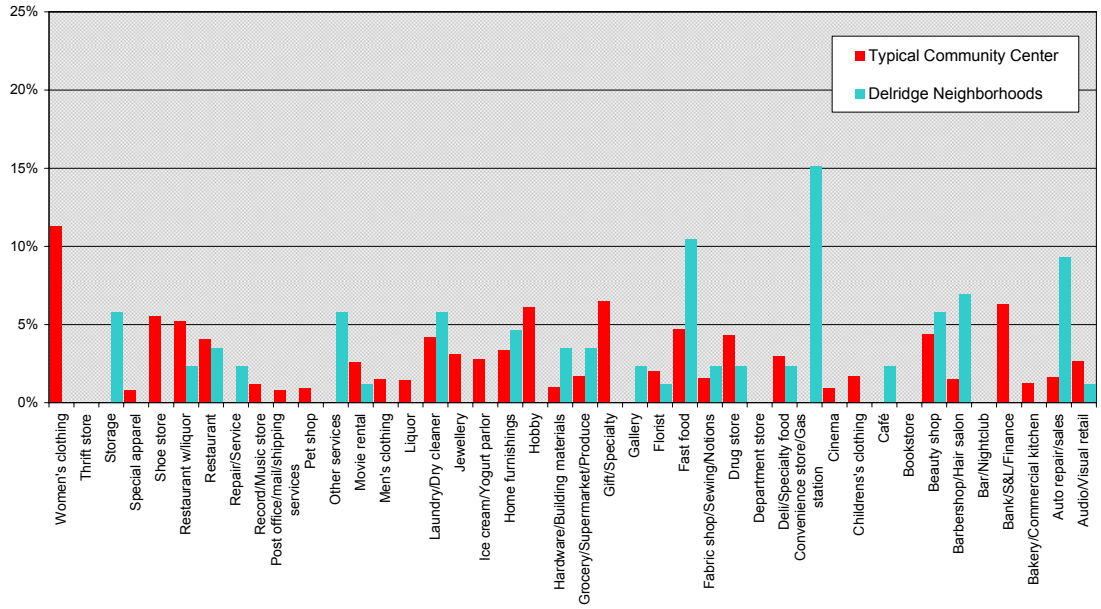


Figure 1.12: Chart, comparison of 'typical' mix with existing mix in Delridge area

It is worth noting that of the top five business types nationwide, the Brandon Node only has businesses in one type (hobby stores), and even in this type, the businesses in the node are not typical retail stores. Neither store is easily accessible to walk-in customers. It is also interesting that there is no overlap between the top 'typical' types and the top community requests. This may suggest that the typical business types are sufficiently provided in other shopping areas – which would indicate that these uses function well in 'destination' shopping centers, and do not need to be distributed throughout neighborhoods.

Another possible explanation for the mismatch is that these uses do not correspond well with the desires of the community for a social component to retail shopping areas as these uses typically do not have a social role in a community.

TOP 5 TYPICAL	Community Component	Commuter Component
Women's clothing	N	N
Gift/Specialty	N	N
Bank/S&L/Finance	N	Y
Hobby	N	N
Shoe store	N	N

Figure 1. 13: Chart, Top five typical business types

Gap Analysis Conclusions

The results of the gap analysis suggest that there is a strong disparity between the desires of the community, the current economic viability of businesses in the neighborhood, and larger national trends for shopping centers. While any plan for the expansion of retail businesses in the neighborhood must be economically sustainable, it is clear from this analysis that a dependence on economic viability and market forces alone will likely not result in the type of community node that is the intent of the neighborhood plan and the wishes of local residents. Some amount of targeted investment or subsidy will likely be required, at least in the short term until the character of the node has been firmly established.

The full gap analysis is available at *Appendix 1.5.*

2.4 Case Studies

The goal of the case study search was to locate national examples of neighborhood retail development that might hold lessons for the Delridge community and for our client. We focused specifically on cases that involved innovative financing strategies, partnerships with local community development corporations, and unusual business models. Given strong interest of our client and the community in a community grocer, we also focused our case search on grocery examples.

Our primary challenge was to find case studies that did not involve the revitalization of an existing neighborhood commercial area. Instead, we looked for sample locations that shared Delridge's residential, low-density and quasi-suburban character. These characteristics dictate the type of retail development our cases and Delridge are able to support.

The matrix below details our findings. The full cases can be found at *Appendix 1.2.*

2.5 Retail Feasibility Analysis

In order to recommend a strategy for developing retail in the Brandon Node, we needed to first understand the feasibility of different retail types within the node, based upon conventional siting requirements. Several methods were employed, including GIS analysis of the node and competing markets, consultation with experts in the retail field, and retail gravity modeling.

GIS Analysis

Traffic, accessibility, population, income, and competing markets were mapped using GIS. These maps display commuter volumes through the node, ease of access to the node from other areas, and also areas over and under-served by various retail types.

Figure 1.14: Intervention Strategy Case Studies

Development Name	Location	Source	Summary	Applicability to Delridge	Reference
Mission Farms	Kansas City, Missouri	Urban Land Institute (ULI)	Redevelopment of large parcel of land in suburban Kansas City created urban ambience and amenities in suburban strip.	• Primary challenge of project was introducing sense of urbanity in suburban context. • Focused on secondary-need businesses that residents enjoy walking to (cafes, restaurants) • Also included extensive office space to develop mutually supportive relationship with retail • Disconnect: project is much larger than Delridge's current capacity	"An Urban Island in a Sea of Urban Sprawl." *Multifamily Trends*. Urban Land Institute: Fall 2004.
North Park Street Plaza	Kalamazoo, Michigan	Local Initiatives Support Coalition (LISC)	Article includes three case studies. Most interesting is study of Kalamazoo grocery store initiative for small, underserved urban community.	• Community of 8,000 • Could only support 25,000 sq ft store • Needed brownfields clean-up on site • Got planning grant and technical assistance from LISC (total grants were about 2.8 million)	Proscio, Tony. "Food, Markets, and Healthy Communities: How food stores accelerate local development and enrich residents' lives". Published by Local Initiatives Support Corporation January 2006. http://www.lisc.org/content/publications/detail/1388

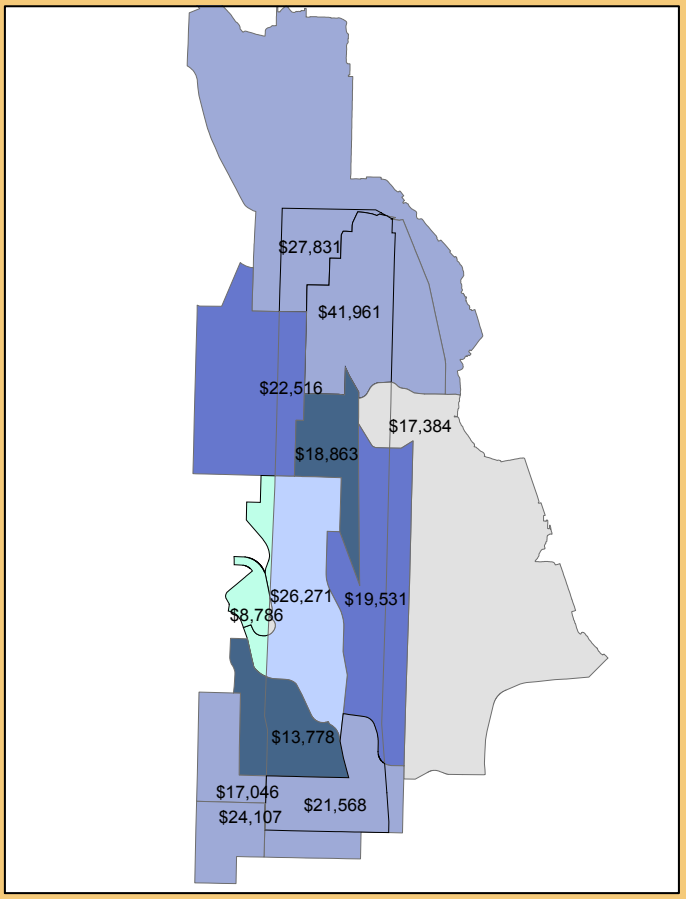
Figure 1.14: Intervention Strategy Case Studies

Development Name	Location	Source	Summary	Applicability to Delridge	Reference
The Village Market	Knoxville, TN	Progressive Grocer	Mid-size grocery combines traditional grocer features with convenience store features in suburban outskirts.	• 17,000 sq ft store. • Serves suburban population of 20,000 in 3-mile radius. • Disconnect: project is larger than Delridge can support and more convenience-store oriented than Delridge wants.	Turscik, Richard. "Shooting under par." *Progressive Grocer;* Oct 1999; p. 78
DeVylder's Market	Wolfeboro Falls, New Hampshire	Progressive Grocer	Small grocer with farming experience starts mid-sized store that specializes in fresh produce.	• Town of 5,000 in winter and 40,000 in summer. • Store is 10,000 sq ft. • More of a gourmet niche than Delridge might want.	Bennett, Stephen. "Produce Has Pride of Place." *Progressive Grocer*. January 1996, 123-124.
Inner Harbor Redevelopme nt	Baltimore, Maryland	Progressive Grocer	Baltimore urban redevelopment includes two small thriving grocery stores.	• Grocer successful because of willingness to special order for customers. • New technology in scanning check-out lines. • Local CDC built the store and provided at low long-term lease to tenant. • Challenge: parking supply.	Turner, Ronald. Baltimore: a model of success. *Progressive Grocer*. Feb 1985, v 64 p22.
Pennsylvania Fresh Food Financing Initiative	Philadelphia, Pennsylvania	The Food Trust	"The Reinvestment Fund" (TRF) provides innovative new capitalization program to	TRF provides: • predevelopment • grants and loans • land acquisition financing • equipment financing • capital grants for project funding gaps • construction and permanent finance	http://www.thefoodtrust.org/php/programs/super.market.campaign.php#2

			increase the number of supermarkets, or other grocery stores in underserved communities across Pennsylvania.	• Potential market customer base must have more than 50% living in a low income census tract	
Food for Every Child Initiative	Philadelphia, Pennsylvania	The Food Trust	New economic models for predicting grocery store success in low-income neighborhoods.	The analytical techniques used combine: • conventional metrics • on-the-ground information (such as community surveys) • retail business point data • local datasets (for example, from city agencies) • concentration of buying power measures • retail float measures	http://www.thefoodtrust.org/php/programs/super.market.campaign.php#2

Figure 1.14: Intervention Strategy Case Studies

Population & Per Capita Median Income in Delridge



Legend

Census Block Groups

Population

- 564 - 738
- 739 - 955
- 956 - 1,204
- 1,205 - 1,374
- 1,375 - 2,316

N
W E
S

Source: 2000 US Census, Summary FIle 3 & City of Seattle

Figure 1.15: Map, Population and Median Income in Delridge

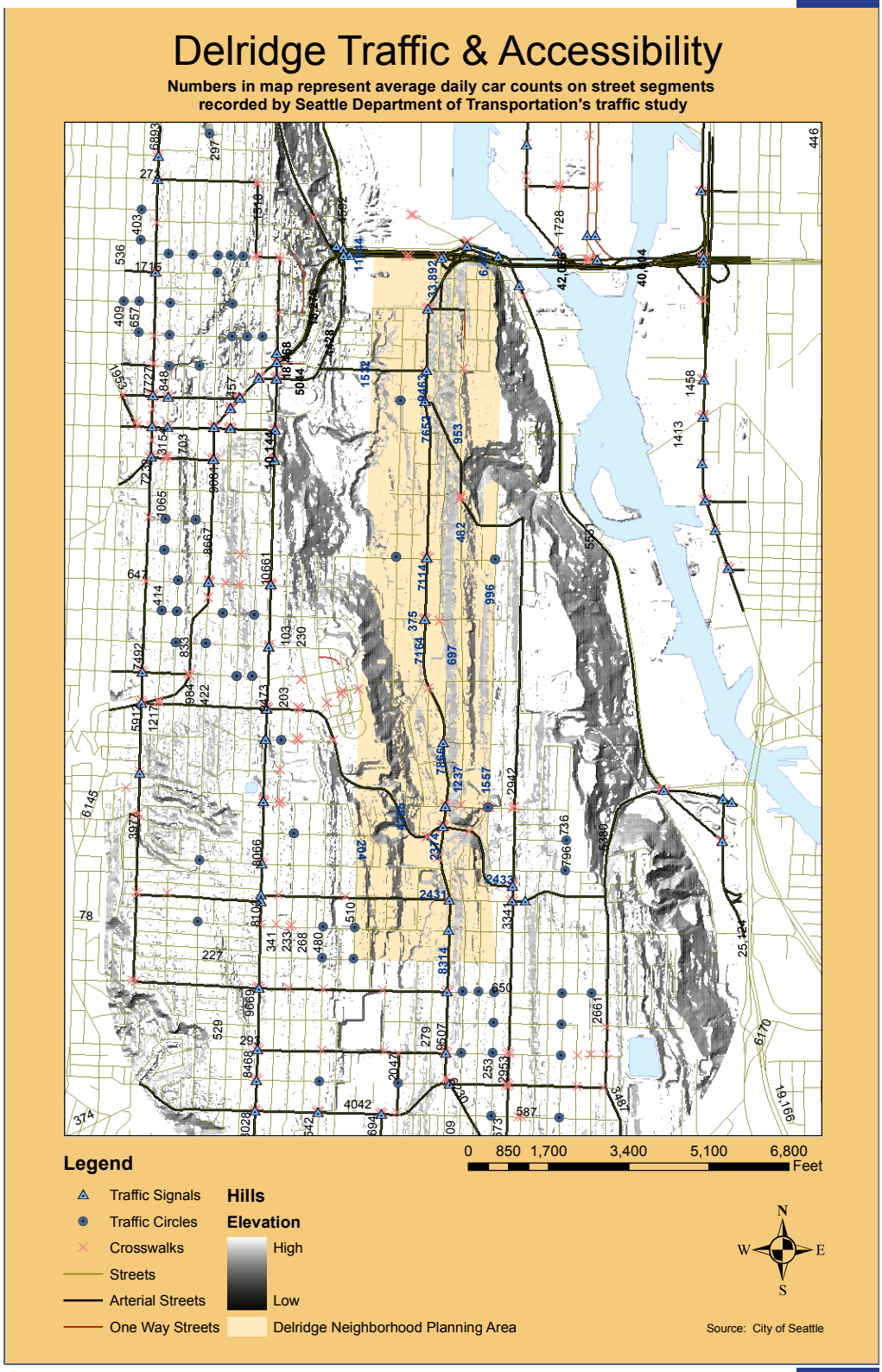
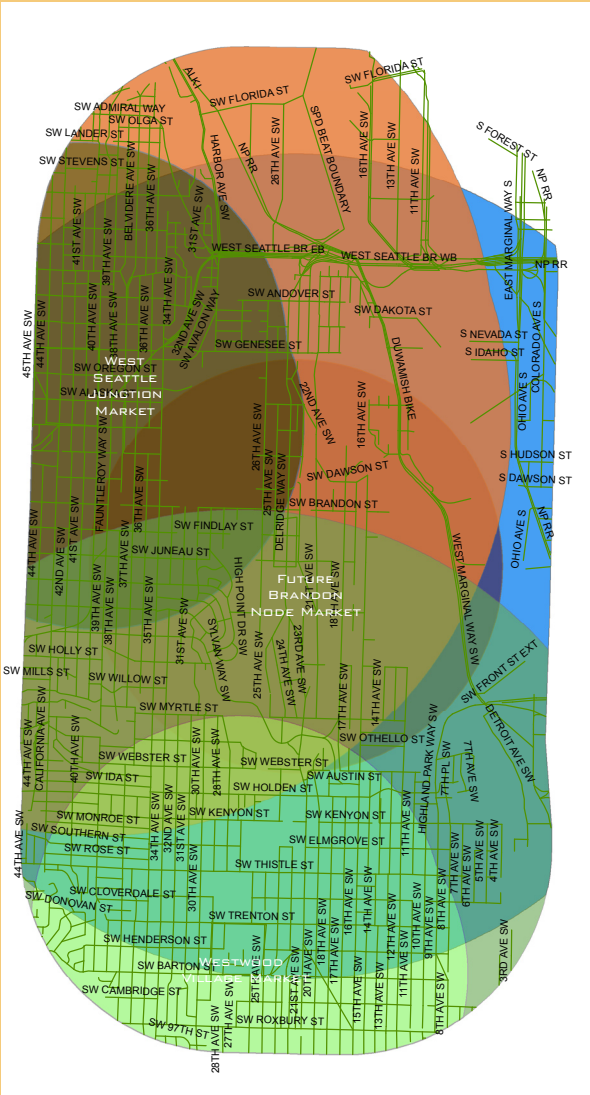


Figure 1.16: Map, Traffic and Accessibility in Delridge

Competition Zones in Delridge



Legend

Streets

Westwood Village Market Stretch distance

1 mile away

2 miles away

Junction Market Stretch distance

1 mile away

2 miles away

Brandon Node Market Stretch distance

1 mile away

2 miles away

This map shows the overlap between market centers in Delridge. Most typical businesses depend on 60% of their customers coming from the "Convenience Zone". Typically this zone is 1 to 2 miles from the business. Where convenience zones overlay each other, there is a greater challenge to attract customers. Denser areas can sustain greater business market overlaps.

0 1,250 2,500 5,000 7,500 10,000 Feet

N W E S

Source: City of Seattle

Figure 1.17: Map, Competition Zones in Delridge

Industry Rules of Thumb

We contacted experts in the retail development field, including an economic development analyst, retail real estate broker, and commercial real estate developer, to give their insights regarding Delridge. According to our contacts, Delridge would need to significantly increase its present density to acquire neighborhood commercial uses identified in the community meeting. Interestingly, they suggested that large retail "big box" stores showed the most promise because they could draw in consumers from outside of the Delridge neighborhood. They also indicated that small retail might be feasible if it could cluster to create a draw for those same non-Delridge residents. For instance, a restaurant cluster with at least three restaurants would brand the Node as a destination with options, variety, and the ability to handle overflow.

Given the community and our client's preference for small retail, our next questions were about the right retail mix. Understanding the right retail mix requires knowing what is missing from nearby retail centers. Investing in what West Seattle Junction and Westwood Village do not offer would give the Brandon Node a wider customer base.

Gravity Modeling

Next, we created a gravity model that examined the projected sales of businesses of the following types, were they to locate in the Node:

- coffee shop
- grocery store
- bookstore
- movie theatre
- shoe store
- clothing store
- florist
- hair salon/spa
- restaurant
- pub/bar
- department store
- shopping center
- ice cream parlor

The gravity model operates on the principle that the likelihood of attracting customers increases with size of store(s) and decreases with distance from stores. For instance, variety, wait time, and value are assumed in the "size" factor and convenience to location is assumed in the "distance" factor. A gravity model explores the conventional feasibility of various businesses based on estimations of demand in the neighborhood. Demand is calculated from the population in each census block of the area, distance to each store of the same type,

and square feet of stores of the same type.[4] For a detailed description of data sources and the gravity model process, see *Appendix 1.3.*

For businesses that would also capture commuter dollars, a commuter adjustment was factored into total projected sales, based on traffic counts on Delridge Way SW. These figures were then converted into projected sales per square foot and compared against a benchmark. The benchmark data reflected lower decile, median decile, and upper decile sales per square foot of the listed business types.[5]

Business Type in Brandon Node	Benchmark's Square Feet Median Size	Projected Annual Sales/Square Foot
Sit Down Restaurant	2,314	$723.80
Hair Salon	1,200	$398.44
Department Store	33,000	$235.59/$278.01*
Coffee Store	1,344	$463.28/$552.57*
Ice Cream Shop	1,200	$282.49/$382.49*
Shoe Store	2,700	$245.18
Florist	1,200	$164.07/$205.74*
Grocery Store	31,500	$214.20/$248.48*
Movie Theatre**	28,128	$29.54
Bookstore	2,400	$62.18
Shopping Center	54,723	$19.60/$27.64*
Pub/Bar	2,600	$80.39

Figure 1.18: Gravity Model Analysis Results
*adjusted for commuters (assumption 5% of commuters stop)
**analysis performed without consideration of competition from Admiral Theatre

The table summarizes the results of the gravity model analysis.

While the gravity model has its fallibilities, it can help with understanding competition and other possible impacts on potential retail. Business types that are performing above the benchmark in the model are of two types. The first type is businesses that do not have much competition in the area given the amount people are willing to spend on those goods (i.e. ice cream parlor, shoe store, florist, department store, and coffee store). The second type is businesses where the amount people spend on the good and the convenient distance to the Node make it perform better than the benchmark (i.e. restaurants, hair salon). The businesses that over-perform the benchmark are those that may signify less risky ventures.

4 While a gravity model will tell the probability of a population frequenting a store for its shopping needs, it does not indicate total projected sales. However, total sales are an important factor in understanding the feasibility of a business. To account for this missing piece, we extended the simple gravity model. We multiplied probability of trips by the population, percentage spent on the type of good under study, and median per capita income. (See Appendix 1.3 for the gravity model and list of data sources).

5 Deciles are from the Urban Land Institute's (ULI) Dollars and Cents of Shopping Centers: 2000 tables on West Region Neighborhood Shopping Centers. Not all business types have lower decile and upper decile information. In these instances, the hypothetical sales per square foot are only benchmarked to the median sales per square foot listed in the ULI tables.

Alternatively, those businesses that underperformed the benchmark have either competition located very close or competition that is large enough to capture a wide market despite the greater distance from the Node. For instance, the West Seattle Junction District presents this challenge to a conventional shopping center in the Brandon Node.

Finally, the gravity model should always be coupled with qualitative measures of feasibility to better inform decision-making. Any neighborhood retail in the area will need to first overcome challenges posed by lack of east-west connectivity, perceptions of safety in Delridge, differences in daytime and evening demand, parking, and ease in exiting and entering the retail site (see Universal Site Requirements). These issues are not reflected in the gravity model. Conversely, the gravity model does not always predict opportunity. For instance, while it underperformed in the gravity model, there was large community interest voiced for a movie theatre. This interest indicates that innovative strategies might make a cinema a feasible option that invigorates business within the node, despite its underperformance in the model.

3. Business Type and Combination Recommendations

3.1 Initial Business Type Recommendations

Based on the information gained from this first layer of analysis, our recommendation is to pursue strategies to incorporate the following businesses into the Brandon node:

- Sit down restaurants
- Ice cream parlor
- Coffee shop
- Small grocer *(see Grocery Strategy, Section 3.3).*

While a shoe store was not on the list of stores specifically requested in the community meeting, it did perform well in the gravity model. An outdoor footwear and equipment shop could work well with the activities surrounding the Longfellow Creek Legacy Trail. Furthermore, despite not performing well in the gravity model, the community value of a second run movie theatre or outside cinema indicates that it should be studied further.

3.2 Retail Mix Strategies

While industry rule of thumb suggests big box stores might do well within the Brandon Node, this type of retail does not fit the space available for redevelopment in the neighborhood. More importantly, it does not fit the community goals outlined in the 1999 Neighborhood Plan and reiterated in the community meeting. Likewise, convenience businesses, such as gas stations and mini-marts capture most of their market in drive-through traffic and do not contribute to the immediate neighborhood. In contrast, the community desires neighborhood commercial uses that engender neighborly co-mingling. Based on this desire, our recommendations focus on businesses that create a "third place" for social interaction, while meeting some of the community's retail needs.

The sections below address strategies to incorporate sit down restaurants, an ice cream parlor, coffee shop, a small grocery, indoor or outside summer cinema, and outdoor footwear and equipment shop. While small retail of this type can grow organically, it can also be stimulated artificially through a variety of strategies. We will address recommendations for developing retail within the Brandon node that matches community goals and our basic feasibility studies.

Retail Site Needs

As outlined in the Gravity Model Analysis, several business types show promise of profitability. These types include a sit down restaurant, ice cream parlor, coffee shop, small grocer, outdoor shoe and equipment store, and outside or indoor cinema. Each business type will have its unique advantages and needs that should be considered when phasing in retail and designing financing strategies. At the same time, there are universal considerations upon which all retail depends. Below we outline universal and individual siting factors for retail recommendations in the Brandon Node.

Universal Site Requirements

Most retail business will benefit from the following conditions[6]:

- Automotive and pedestrian accessibility
- Good visibility of business from the road
- Perception of safety
- High population density (both workers and residents)
- Other retail located nearby

Auto and Pedestrian Accessibility

The ease with which someone can get to a business is a critical site factor. Issues to consider in accessibility are: connectivity, terrain, road speed, traffic signals, direction on road, and parking. The Brandon Node has accessibility challenges and assets.

The Node's lack of east-west connectivity bars easy car access from adjacent neighborhoods like West Seattle. Furthermore the terrain limits easy east-west walking. However, these barriers also constrain those living within Delridge or commuting via Delridge Way SW to opt for businesses along Delridge Way SW. As density increases within Delridge, this topographical constraint will help in capturing the local market.

6 Fenker, Richard. (1996). The Site Book: A Field Guide to Commercial Real Estate Evaluation. Mesa House Publishing.

Because of the 16,000 daily commute trips along Delridge Way, the side of the road on which a business is situated is important. A business that only requires a right turn from a potential customer will fare much better than a business that requires a customer to make a left turn. The east side of the road will be advantageous for those who are trying to capture morning commuter traffic and the west side better for businesses that get more customers when they are heading home. Parking is another important feature of accessibility and certain businesses depend more on ample parking than others. For the purposes of the Brandon Node, we recommend that a hub of businesses share a small parking area (15 to 30 spots) with a time limit of under two hours. Setting the time limit on parking will allow for turnover, but still support businesses like restaurants that require longer stays.

Visibility of Business

A business needs to be seen to be frequented. The Brandon Node has many easily visible sites from Delridge Way. As a rule of thumb, as traffic speed increases, the necessity of larger and more visible signs increases. Business signs or visual clues are also an important factor in place-making. The Urban Design section of this report offers suggestions for signs or visual clues to the south and north of the Brandon Node announcing a retail center.

Perception of Safety

The business survey indicated a perception of crime in the neighborhood largely attributed to Cleveland High School. Nevertheless, several improvements have been made in Delridge that are promoting a greater sense of safety, such as the new police station and Longfellow Creek Legacy Trail improvements. To further this progress, environmental design could be strengthened within the Brandon Node. Funds could be sought from the City of Seattle Neighborhood Matching Fund. If the program is reintroduced, Delridge could also apply for the City's Façade Improvement Program.

High Population Density

Neighborhood retail thrives in dense settings, which Delridge does not yet offer. In addition to low residential densities, the Brandon Node does not include many offices or workplaces, which provide the bulk of daytime retail business. Paradoxically, the inception of retail in the Brandon node can spur on greater density, especially with the inclusion of a grocery store. It is an auspicious time to seed local retail that serves the community, with the understanding that this retail will need to be phased in as density becomes great enough to support it. Flexible businesses that can adjust their services, products, and operation to time of day and peak hours will have the best chance of initial success. An example is a café, which operates in the morning primarily as a coffee store, during the day is minimally staffed and open for pre-made sandwiches and coffee, and at night expands its menu and also incorporates light evening entertainment (such as acoustic music).

Other Retail Nearby

Retail benefits from other retail by sharing foot traffic. In addition, retail stores often co-locate with convenience or "necessity" businesses. Convenience businesses such as dry cleaners are often retail pioneers, acting as magnets to draw foot traffic to new neighboring businesses[7]. As we will elaborate later, we suggest that several small businesses be located within the same building or within one block of each other, anchored by a small grocer.

3.3 Specific Business Type Recommendations

Sit Down Restaurants

Both community residents and business owners expressed interest in sit down restaurants in Delridge. Gravity modeling indicates that this form of retail is the most likely to succeed. To optimize a sit down restaurant's profitability, it is important to establish an awareness of the Brandon Node as an area that offers this service. Multiple restaurants will also brand the area as a place one can go to get food. With performance at 246% of the median benchmark for the Western Region (see Gravity Model Summary Table), opportunity exists to create two to three small restaurants that would capture different market segments. By diversifying type and pricing between each restaurant, individual restaurants can pull in the greatest volume. For further detail on the restaurant business model, see *Appendix 1.6.*

Ice Cream Parlor

Ice cream parlors are a large draw during the summer and would work well with the activities on the trail. Typically, an ice cream shop ranges in the size from 1,200 to 1,400 square feet and generally pays $14-$24 per square foot in rent.[8] Only two ice cream parlors exist within the competing areas. Because of the seasonal nature of the ice cream business, we would recommend a dual-use approach. One example is a chowder house in the winter and an ice cream parlor during warm seasons. Another dual-use approach is to create a hybrid of low-intensity uses for the ice cream shop. Both an ice cream parlor and a florist did well on the gravity model and a small corner florist could take as little as 200 square feet of a 1,400 square foot business. If both operations maintained some type of storefront, they could bolster sales for one another by creating a strong and unique branding image, associated with fun, gifts, and recreation.

7 Phone interview conducted with Constance Wilde, Retail Broker at CB Ellis Seattle. April 28, 2006.
8 Email on typical business type site requirements from Constance Wilde, Retail Broker at CB Ellis. May 8, 2006.

Coffee Shop

The coffee shop is the easiest mechanism for drawing in commuter traffic from Delridge Way. A coffee shop located on the east side of the street would be more accessible to morning commuters. Probability of catching the morning commuters increases with the addition of a drive up window. In order to serve the neighborhood, the shop would need seating space as well. A typical coffee shop ranges in size from 1,200 to 1,800 square feet. For further detail on the coffee shop business model, *see Appendix 1.6.*

Small Grocery

The smallest grocery store in the Seattle area is PCC with an average store size of 22,000 square feet. DNDA must employ innovative techniques in order to get a grocery store in the neighborhood. The most optimistic calculations in the gravity model still show a grocery store significantly underperforming the typical benchmark. Because grocery stores operate with such a low profit margin, any typical grocery store model is not feasible.

However, an alternative grocery store model is. According to our research, a store of this type could be a satellite of a larger chain. It would have approximately 700 common grocery items in stock, including some fresh dairy, meat and produce. It would then offer customers the option of ordering their other groceries in the store, which would be delivered via small delivery truck from the "main" store. Customers would then be able to pick up their remaining groceries that same day. A small, alternative grocery store would still serve as the anchor store to other restaurants and stores in the Brandon Node. For further detail on the grocery store model, *see Appendix 1.7.*

Cinema

A cinema was the third most desired business within Delridge according to participants' responses at the community meeting. At present, Admiral Theatres is the main theater serving the greater West Seattle area. While second-run theaters will only consider occupying a pre-built space and current densities do not justify a first-run theater, opportunities exist for outdoor "sidewalk cinema". For further information on the outdoor cinema business model, *see Appendix 1.6.*

Outdoor Footwear and Equipment Shop

Another long term retail development goal could be to recruit an outdoor footwear and equipment shop. At present, only two shoe stores are within our study area—Famous Footwear and Payless Shoes in Westwood Village. These stores target a different market than the outdoor footwear and equipment store. The lack of this type of competition in surrounding areas and the prevalence of nature trails in Delridge make the store an attractive retail use, which could act as a destination store outside the greater boundaries of Delridge.

3.4 Retail Mix Strategy

Phase I (1-5 year strategy)

DNDA should begin to acquire parcels within walking distance in the Brandon Node. In so doing, DNDA would be acting mainly as developer and property manager. The first phase of retail implementation should focus on capitalizing on existing buildings and spaces that could be repurposed to meet the needs of the following businesses: [9]

- Three restaurants with combined central kitchen (about 1,000 square feet)[10]
  - 1,200 square foot café/coffee shop with drive up window on corner of building
  - 1,500 to 2,000 square foot family restaurant
  - 1,500 to 2,000 square foot restaurant w/ alcohol

    Total Square feet: 5,200 to 6,200 square feet
- Small Grocery Store: 1,000 to 1,200 square feet

Total ground floor square feet: 6,200 to 7,400 square feet.

To encourage business solvency and interest in the site, subsidizing or offering below market rents should be considered. Subsidizing rent is particularly recommended for the small grocery. The recommended model is new and will need to be encouraged by lower rents which provide assurance for grocery stores that operate with a low margin of profit (and hence risk). Providing below market rent to restaurants may also encourage greater interest in the space, allowing DNDA more discretion in choosing which businesses occupy it.

Operating an outdoor cinema could be pursued at the end of Phase I and early part of Phase II development

Phase II (5-10 year strategy)

At this point, two things could happen. First, DNDA should look at redeveloping sites for the businesses incubated above. Mixed-use development is appropriate here, with housing offered above the business. Second, other parcels near the parks and trail should be developed and leased to the other suggested businesses: an ice cream parlor and outdoor footwear and

9 It should be noted that certain business types not mentioned specifically above are often pioneers in a retail area and encourage other retail to co-locate. Examples of these convenience uses are drug stores and dry cleaners .

10 The site at the southeast corner of Findlay Avenue and Delridge Way currently has a shared kitchen, and might be easily re-used.

3.5 Implementation Strategies

equipment shop. The outdoor cinema should be pursued within the same summer as the opening of the ice cream shop to create combined draw. It is unlikely that the cinema will be financially solvent but adds value overall to community development and other retail nearby. Financial feasibility of the cinema might be realizable with the addition of other concessionaire businesses.

Alternative models for fostering business can take two specific forms: creating cooperatives and offering reduced rent or subsidized rent. Cooperatives are especially appropriate in the first phase of development. Restaurants cannot necessarily afford the initial capital investment for equipment and would benefit from pooling their delivery and food orders to access bulk rates available to larger restaurants. Holding rent below market value allows businesses to overcome site challenges posed by the present conditions of Delridge. As businesses establish themselves, subsidies or reduced rents can be phased out. For smaller businesses this phasing can be negotiated on a yearly basis dependent on business profitability. For the proposed grocery store, a longer-lasting incentive will be necessary to induce interest from a corporate grocer in pioneering a new store model.

DNDA Least Control

DNDA Most Control

Strategy	Development	Ownership	Operation
Strategy A DNDA acts as recruiter and organizer.	Recruit developer and potential tenants for mixed-use development.	Commercial developer and/or anchor tenant (grocery store).	Grocery store and individual businesses would manage operations separately.
Strategy B DNDA acts as recruiter and developer.	DNDA develops project.	DNDA or anchor tenant. Sell grocery at incentive rate or hire external property manager to oversee operations.	Grocery store and individual businesses would manage operations separately.
Strategy C DNDA acts as recruiter, developer, owner and partial manager.	DNDA	DNDA owns and leases retail spaces at incentive rate.	Grocery store and individual businesses. DNDA could incent a cooperative, but it would be managed between businesses.
Strategy D DNDA acts as recruiter, developer, owner and manager.	DNDA	DNDA owns and leases retail spaces at incentive rate.	DNDA acts as property manager and broker over restaurant and retail spaces. Cooperative operates under DNDA management.

This is a matrix of possible roles for DNDA in developing one or two mixed-use buildings in the Brandon Node. Strategy A represents the least amount of involvement or control from DNDA and Strategy D represents the most involvement and control from DNDA.