

Retail in Transit Stations: Capitalizing on the Opportunities

The Economics of Land Use



Darin Smith
Economic & Planning Systems, Inc.

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Berkeley
Sacramento
Denver

Economic & Planning Systems, Inc.
2501 Ninth Street, Suite 200, Berkeley, CA 94710
510.841-9190 • 510.841-9208 fax

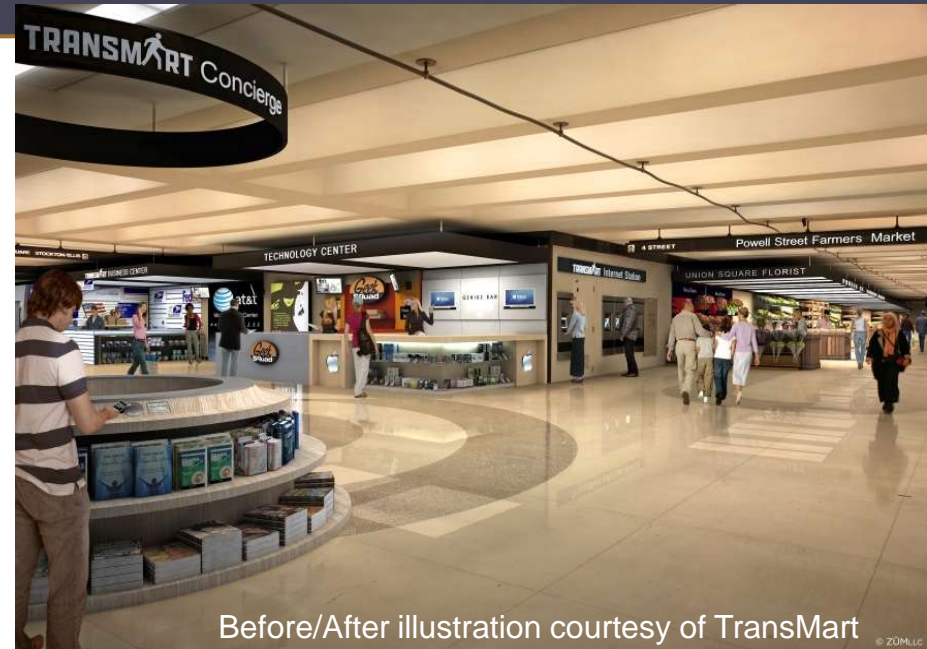
Economic & Planning Systems, Inc.

- Land Use Economists with offices in:
 - Berkeley
 - Sacramento
 - Denver
 - Los Angeles
- Frequently consult on:
 - Transit Agency real estate projects
 - Station Area Plans for public sector and private clients
- Current projects include:
 - BART's retail program and station property portfolio
 - RTD's Denver Union Station commercial programming

Potential Benefits of In-Station Retail



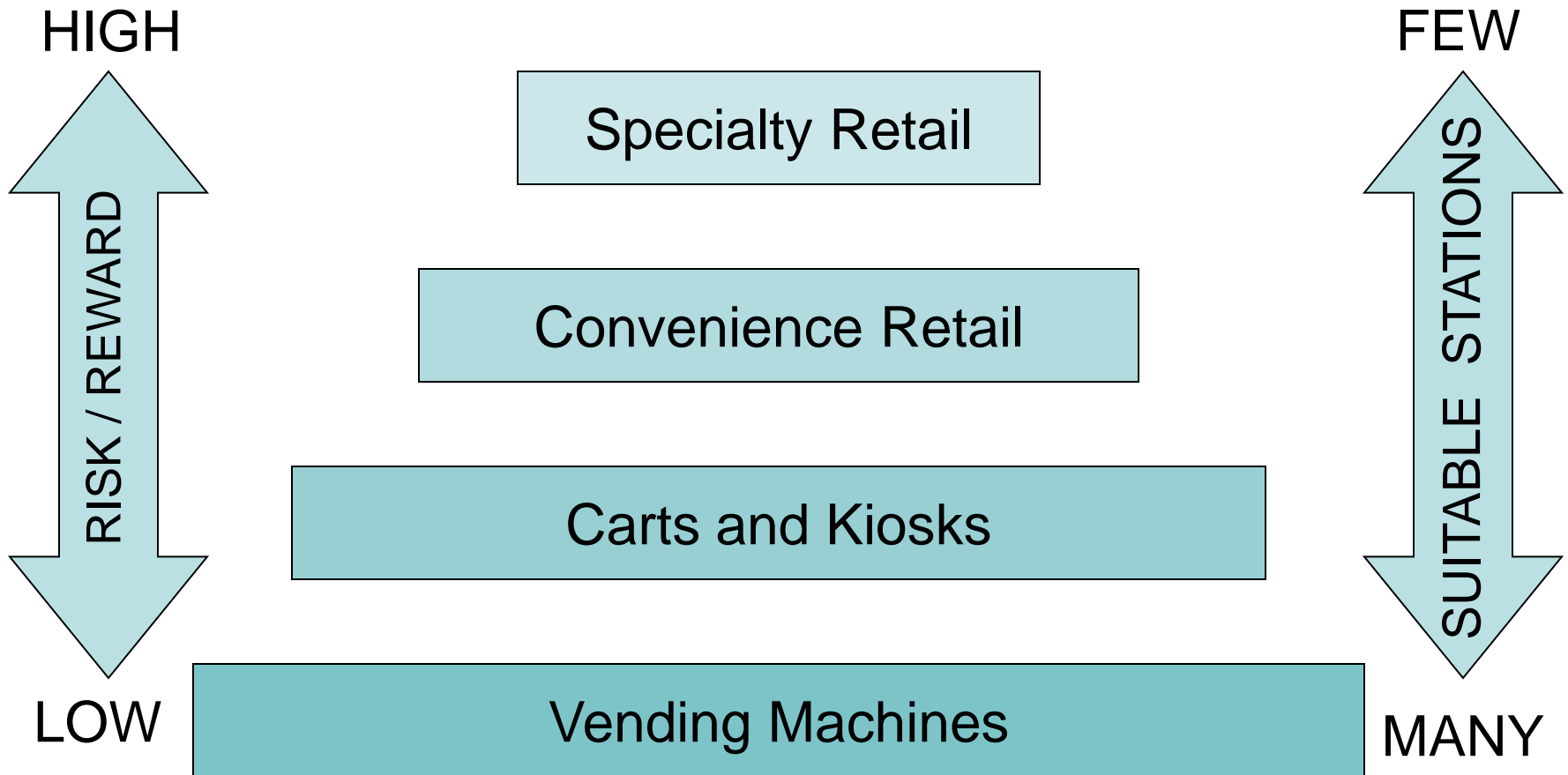
vs.



Before/After illustration courtesy of TransMart

- Station as more than just a Commute Portal
- Revenue for Transit System
 - Lease Revenues and/or Percent of Sales
 - Increased Ridership?

Hierarchy of Opportunities



Vending Machines

- Traditional or Innovative
 - Soda, snacks, coffee
 - Electronics, cosmetics, DVDs
- Low Ridership Threshold
 - Minimum 150 passersby/day
(healthyvending.com)
- Low Needs / Impact
 - One floor, one wall, one outlet
 - <100 SqFt
 - Maintained by vendors
- Modest Revenue Generation
 - 5-15% of gross sales
 - \$1K - \$10K / machine



rollasole.com



zoomsystems.com

Carts and Kiosks

- Florists, Hot Dogs, Coffee, Newspapers, Chair Massage
- Modest Ridership Threshold
 - 3K+ exits / day
- Low Needs / Impact
 - Mobile or temporary fixtures
 - <200 SqFt
 - Hot food carts usually outside
- Modest Revenue Generation
 - \$5K - \$10K / Cart / Year for BART



Alexander the Great Dogz, Glenview IL

Convenience Retail

- Florists, Cleaners, Food Mart, Coffee, Shoe Repair, News
- Moderate Ridership Threshold
 - 7K+ exits / day
- Moderate Needs / Impact
 - Permanent fixtures
 - <500 SqFt with modest TI's
 - Power, ventilation, access
- High Revenue Generation
 - Rents / SqFt > market average
 - Nat'l tenants pay more than locals

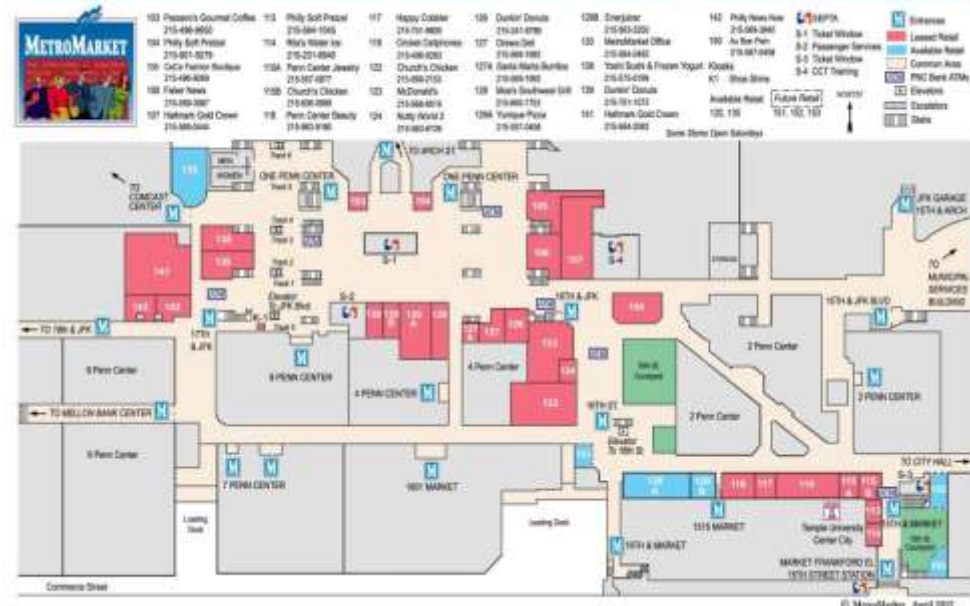
BART coffee shop photo from waymarking.com



Specialty Retail

- Bakeries, Books, Clothes, Chocolates, Restaurants
- High Ridership Threshold
 - 20K+ exits / day
 - CBD / tourism locations
 - Intermodal stations
- Higher Needs / Impact
 - Permanent fixtures
 - <1,000 SqFt w/ quality TI's
 - Power, ventilation, access, seating
- High Revenue Generation
 - Rents / SqFt > market avg.

San Francisco Ferry Building photo from slanteddoor.com



MetroMarket map of SEPTA Suburban Station retail

Coordinated Transit “Malls” – The Next Wave?

- TransMart proposal to BART
 - Unified operations among multiple stations
 - Range of retail: vending machines through specialty
 - Includes indoor *and* outdoor transit agency property
 - **Status:** Negotiating deal terms and due diligence on physical/operational constraints

TransMart Concept: Powell St. BART *Before*



TransMart Concept: Powell St. BART After



Challenges

- Operational
 - Food/drink policy
 - Security
 - Advertising contracts?
- Physical
 - Egress/flow
 - Utilities
 - Retrofit
 - Wayfinding
- Organizational
 - Solicitation process and policy
 - Ongoing management
- Legal
 - Project entitlement

Process

- Establish Goals
 - Revenue Generation
 - Rider Experience
- Assess Opportunities and Constraints
 - Physical Inventory
 - Market Conditions
 - Operational Needs
- Solicit Partners
 - RFQ / RFP vs. Ongoing Invitation
 - Commit to Partnership