Retail Performance Factors for TOD

*Rail~volution 2012*

*Hollywood, California*

Stephen Lawton
Main Street Property Services, Inc.
The Common Aspiration
The RFP

"... objective is to create a high quality, **economically successful** public / private development that results in a **vibrant, active mixed-use “village center”**, that includes community and neighborhood serving **retail uses and services**, and / or urban housing all designed to complement and enhance the character of the community.”
Vision at Entitlement
Retail Failure
Not the Vision
Shopfront Design
High Hopes
Factors Across the Building Cycle

- Land Use Planning; Entitlements
- Design & Cost of Buildings
- Ownership; Interests of Owners
- Tenants, Operators, Leasing
- Property Management Competence
Industrial Organization

Land Use Planning

Concept & Entitlement

Architecture, Engineering & Construction

Property Management

ROW Alignment & Station Location

Site Plans

Architecture

Leasing

Current Planning

Civil

Management

Advance Planning

Environmental Review

Structural

Re-Leasing

Finance

Hearings & Approvals

MEP

Real Estate
Vision at Entitlement
As Delivered
Multifamily Architecture
Mixed Use in Large Multifamily Building
Market Profile

Avalon Bay
1367 Treat Blvd, Central Contra Costa, CA 94597
Latitude: 37.92681
Longitude: -122.05654
Ring: 1, 3, 5 Miles radii

Demographics

18

How to Make a TOD

PCL Sacramento - January 30, 02010

1 Mile radius 3 Miles radius 5 Miles radius

Top 3 Tapestry Segments

1. Metro Renters Urban Chic Urban Chic
2. Urban Chic Connoisseurs Connoisseurs
3. Trendsetters Metro Renters Wealthy Seaboard Subur

2009 Consumer Spending shows the amount spent on a variety of goods and services by households that reside in the market area. Expenditures are shown by broad budget categories that are not mutually exclusive. Consumer spending does not equal business revenue.

<table>
<thead>
<tr>
<th>Category</th>
<th>1 Mile radius</th>
<th>3 Miles radius</th>
<th>5 Miles radius</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apparel &amp; Services: Total $</td>
<td>$25,533,731</td>
<td>$140,612,231</td>
<td>$274,376,116</td>
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<tr>
<td>Average Spent</td>
<td>$2,399.11</td>
<td>$2,625.71</td>
<td>$2,667.11</td>
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<tr>
<td>Spending Potential Index</td>
<td>105</td>
<td>107</td>
<td>107</td>
</tr>
<tr>
<td>Computers &amp; Accessories: Total $</td>
<td>$3,422,707</td>
<td>$18,757,452</td>
<td>$36,208,821</td>
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<tr>
<td>Average Spent</td>
<td>$321.59</td>
<td>$350.27</td>
<td>$351.97</td>
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<td>141</td>
<td>153</td>
<td>154</td>
</tr>
<tr>
<td>Education: Total $</td>
<td>$18,172,806</td>
<td>$103,757,342</td>
<td>$205,760,335</td>
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<tr>
<td>Average Spent</td>
<td>$1,707.49</td>
<td>$1,937.51</td>
<td>$2,000.12</td>
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<td>Spending Potential Index</td>
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<td>154</td>
<td>159</td>
</tr>
<tr>
<td>Entertainment/Recreation: Total $</td>
<td>$45,006,756</td>
<td>$255,460,080</td>
<td>$503,804,938</td>
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<tr>
<td>Average Spent</td>
<td>$4,228.77</td>
<td>$4,770.32</td>
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<td>133</td>
<td>142</td>
</tr>
<tr>
<td>Food at Home: Total $</td>
<td>$62,554,633</td>
<td>$346,375,860</td>
<td>$680,796,204</td>
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<td>Average Spent</td>
<td>$5,877.54</td>
<td>$6,468.03</td>
<td>$6,617.77</td>
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<td>142</td>
<td>145</td>
</tr>
<tr>
<td>Food Away from Home: Total $</td>
<td>$46,750,432</td>
<td>$256,418,336</td>
<td>$501,865,440</td>
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<tr>
<td>Average Spent</td>
<td>$4,392.60</td>
<td>$4,788.21</td>
<td>$4,878.45</td>
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<td>144</td>
<td>147</td>
</tr>
<tr>
<td>Health Care: Total $</td>
<td>$46,297,191</td>
<td>$269,226,790</td>
<td>$549,330,656</td>
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<tr>
<td>Average Spent</td>
<td>$4,350.01</td>
<td>$5,027.39</td>
<td>$5,339.84</td>
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<td>133</td>
<td>142</td>
</tr>
<tr>
<td>HH Furnishings &amp; Equipment: Total $</td>
<td>$27,644,800</td>
<td>$157,625,640</td>
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<td>Average Spent</td>
<td>$2,597.46</td>
<td>$2,943.41</td>
<td>$3,000.73</td>
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<td>Investments: Total $</td>
<td>$20,489,436</td>
<td>$128,460,012</td>
<td>$260,017,172</td>
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<td>Average Spent</td>
<td>$1,925.16</td>
<td>$2,398.79</td>
<td>$2,527.53</td>
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<td>167</td>
<td>176</td>
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<td>Retail Goods: Total $</td>
<td>$335,747,535</td>
<td>$1,901,519,783</td>
<td>$3,746,724,975</td>
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<tr>
<td>Average Spent</td>
<td>$31,546.32</td>
<td>$36,527.91</td>
<td>$36,420.52</td>
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<td>Spending Potential Index</td>
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<td>138</td>
<td>142</td>
</tr>
<tr>
<td>Shelter: Total $</td>
<td>$237,401,145</td>
<td>$1,352,329,097</td>
<td>$2,600,600,411</td>
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<td>Average Spent</td>
<td>$22,305.85</td>
<td>$24,879.17</td>
<td>$25,337.80</td>
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<td>Spending Potential Index</td>
<td>143</td>
<td>159</td>
<td>162</td>
</tr>
<tr>
<td>TV/Video/Sound Equipment: Total $</td>
<td>$16,668,451</td>
<td>$91,733,515</td>
<td>$180,067,301</td>
</tr>
<tr>
<td>Average Spent</td>
<td>$1,566.14</td>
<td>$1,712.98</td>
<td>$1,750.37</td>
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<tr>
<td>Spending Potential Index</td>
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<td>141</td>
<td>144</td>
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<tr>
<td>Travel: Total $</td>
<td>$27,290,677</td>
<td>$159,005,413</td>
<td>$314,764,798</td>
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<tr>
<td>Average Spent</td>
<td>$2,564.19</td>
<td>$2,969.19</td>
<td>$3,059.71</td>
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<tr>
<td>Spending Potential Index</td>
<td>139</td>
<td>161</td>
<td>166</td>
</tr>
<tr>
<td>Vehicle Maintenance &amp; Repairs: Total $</td>
<td>$13,031,246</td>
<td>$73,283,723</td>
<td>$144,043,237</td>
</tr>
<tr>
<td>Average Spent</td>
<td>$1,224.40</td>
<td>$1,366.46</td>
<td>$1,400.19</td>
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<tr>
<td>Spending Potential Index</td>
<td>131</td>
<td>146</td>
<td>150</td>
</tr>
</tbody>
</table>

Data Note: The Spending Potential Index represents the amount spent in the area relative to a national average of 100.

Source: Consumer Spending data are derived from the 2005 and 2006 Consumer Expenditure Surveys, Bureau of Labor Statistics, ESRI.

Variety of Shop Fronts & Depths
The New Department Store
Leasing

- Independents vs. Nationals
- Categories
- Lease Terms
- Operators
- Management
“Regional Superstar” Tenants
Tenant Coordination

SUPPLEMENTARY GUIDELINES for TENANTS

Avalon Walnut Creek  December 6, 2011
Commentary

- Retail in mixed use
  - Quantity and location
  - Cost and form problems
- Public sector often has unrealistic expectations for retail
  - Commodity vs. amenity
  - Displacement of effort on civic works
  - Town square cartoons
Some Factors for Success

- Public sector understanding of retail metrics
  - ADT & pedestrian traffic
  - Demographics
  - Parking ratios
  - ...

- Low Shell Cost

- Disciplined leasing & management
Industrial Organization

Land Use Planning → Concept & Entitlement → Architecture, Engineering & Construction → Property Management

- ROW Alignment & Station Location
- Advance Planning
- Site Plans
- Current Planning
- Architecture
- Civil Management
- Retail Advisory
- Leasing
- Finance
- Environmental Review
- Structural
- MEP
- Real Estate
- Re-Leasing
- Hearings & Approvals
“I don’t believe there’s a challenge anywhere in the world that’s more important to people everywhere than finding solutions to the problems of our cities.”

-- Walt Disney
Before & After: Public Market, Emeryville
Steve Lawton
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steve@lawton.net