

LISC

Commercial Markets Advisory Service

*Connecting communities and
commercial markets.....*

www.metro-edge.com



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LISC's Mission

The transformation of distressed communities into healthy and sustainable communities.

LISC supports local development activities with:

- Loans and grants
- Technical and management assistance
- Local, statewide and national policy support



Community Development Principles in Practice

Our Partners:

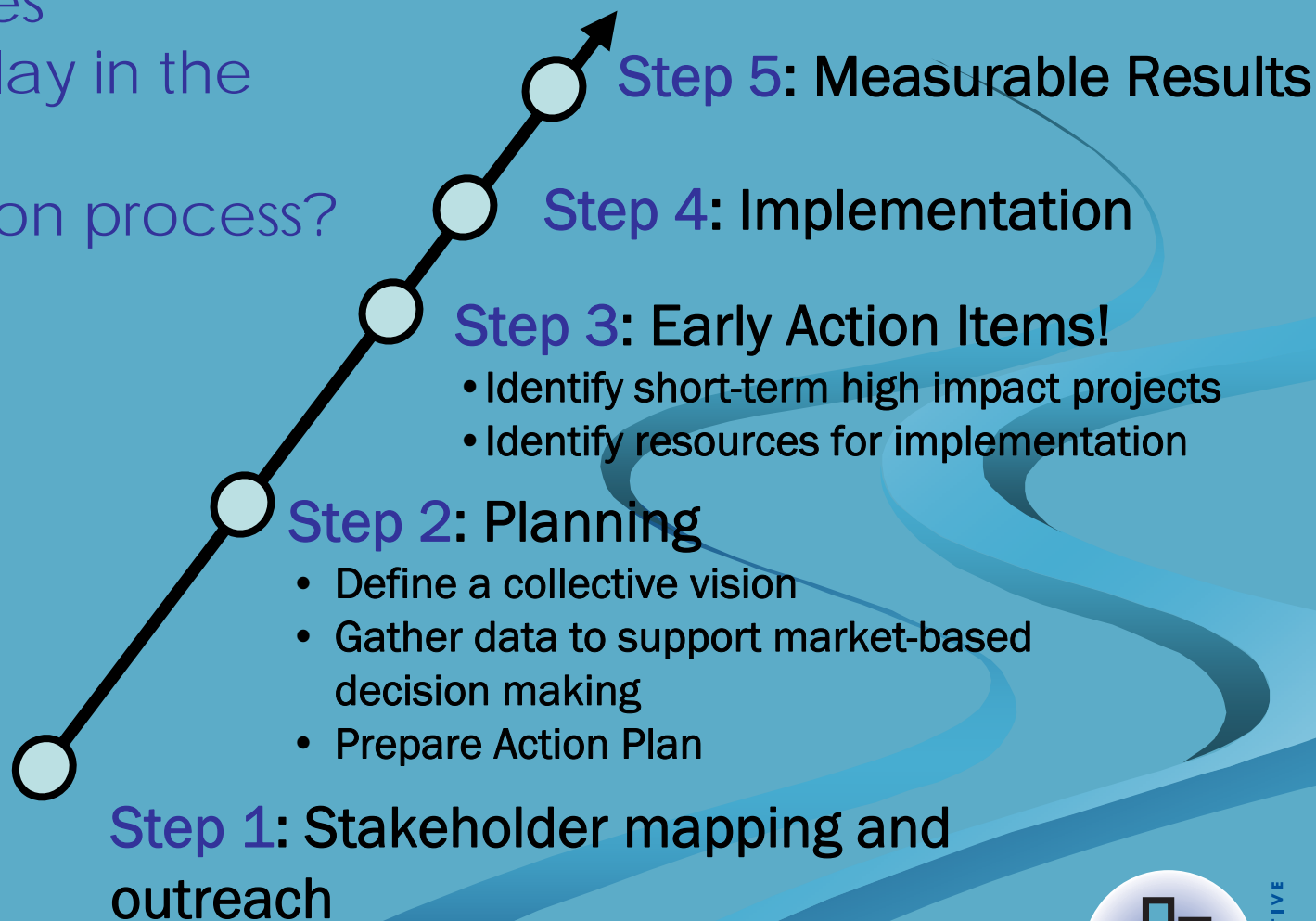
- Local community groups, local governments, philanthropic organizations

Their Challenges:

- Data collection is often not a priority
- Limited capacity and resources
- Many communities suffer from 'planning malaise'
- Connecting data to successful commercial investment

Comprehensive Planning as a Basis for Community Development

What role does information play in the planning and implementation process?



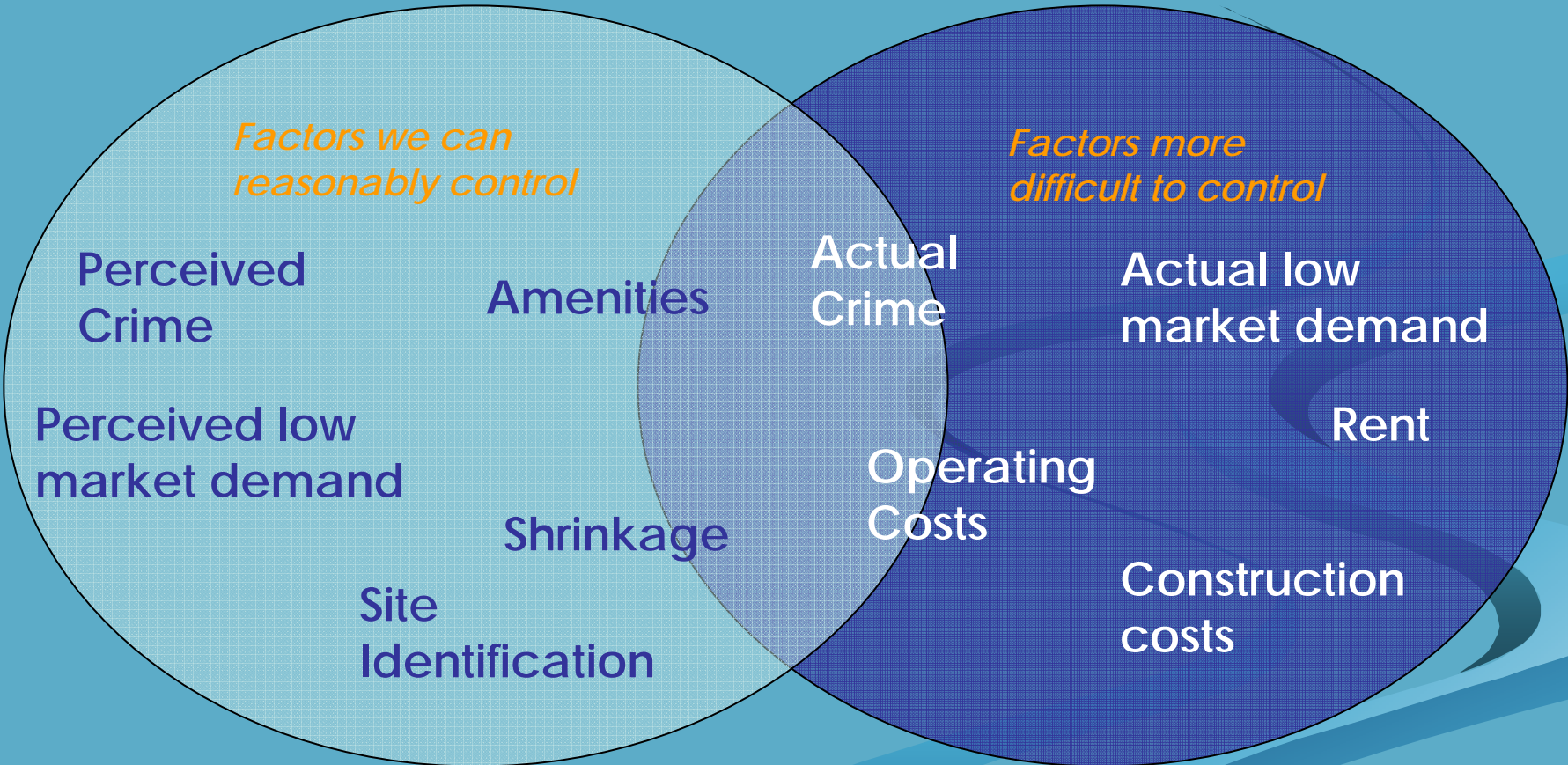
Why are we having so much trouble getting retailers to come to our communities?

	What is Required to Address these Factors?		
	Improved Data	Additional Project Funding	Improvements in Physical Context
1 Factors regarded as significant obstacles to entry into underserved markets			
1 Crime/percieved crime	√		
2 Insufficient concentration of retailer's target customer	√		
3 Lack of consumer purchasing power	√		
4 Potential Shrinkage			
5 Rent		√	
6 Buildout/rehabilitation costs		√	
7 Site identification			√
8 Inadequate parking			√
9 Higher operating costs		√	
10 Construction and development costs		√	
11 Lack of amenities to attract out-of-neighborhood employees			√

Source: ICSC, 2004. "Developing Successful Retail in Underserved Urban Markets"

How do we help communities use information to determine a course of action?

The Development Challenges Continuum



How can information help us address retailers concerns regarding crime and the perception of crime?

- Distinguish between perception of crime vs. actual crime

PERCEPTION-BASED STRATEGIES

- Education
- Marketing

ACTUAL-BASED STRATEGIES

- Requires additional data to differentiate between kinds of crime
- Address problem sites through development
- Improve the physical environment (lighting, fencing, landscaping, etc)

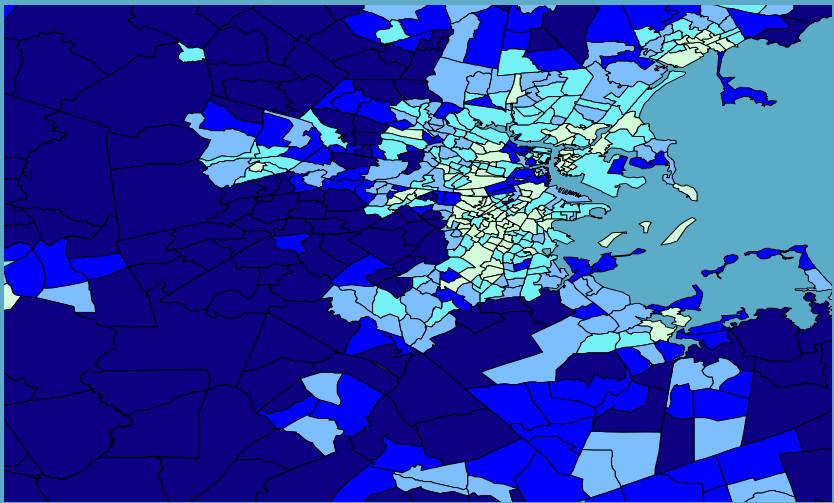
How can information help us address retailers concerns regarding local market demand?

- Addressing the deficiencies of current market data
- Helping communities set the stage for commercial development efforts
 - Site identification
 - Improve physical environment and visual standards
 - Understand retail attraction methods
- Customized market analysis

Using Alternative Local Demand Indicators

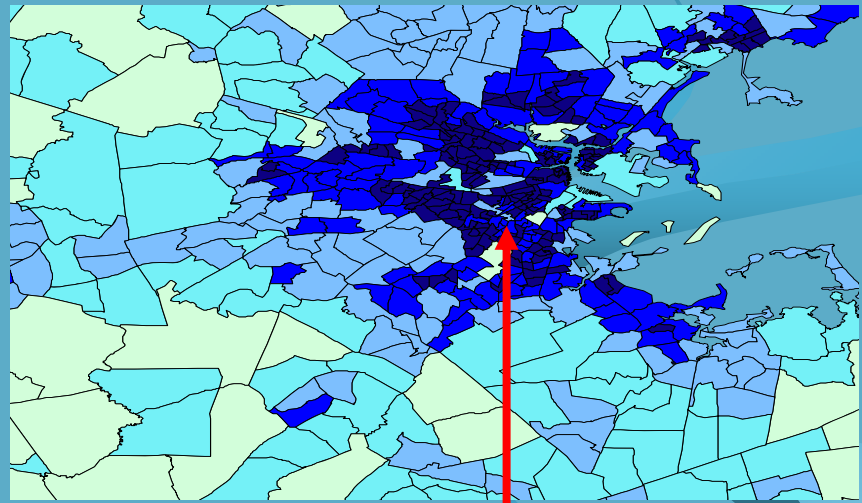
➤ Recognizing the value of density

Boston MSA, Median Income



Darker blue shades represents areas with higher median income.

Boston MSA, Concentrated Buying Power



Darker shades represent areas with higher concentrated spending power (\$ per mile).

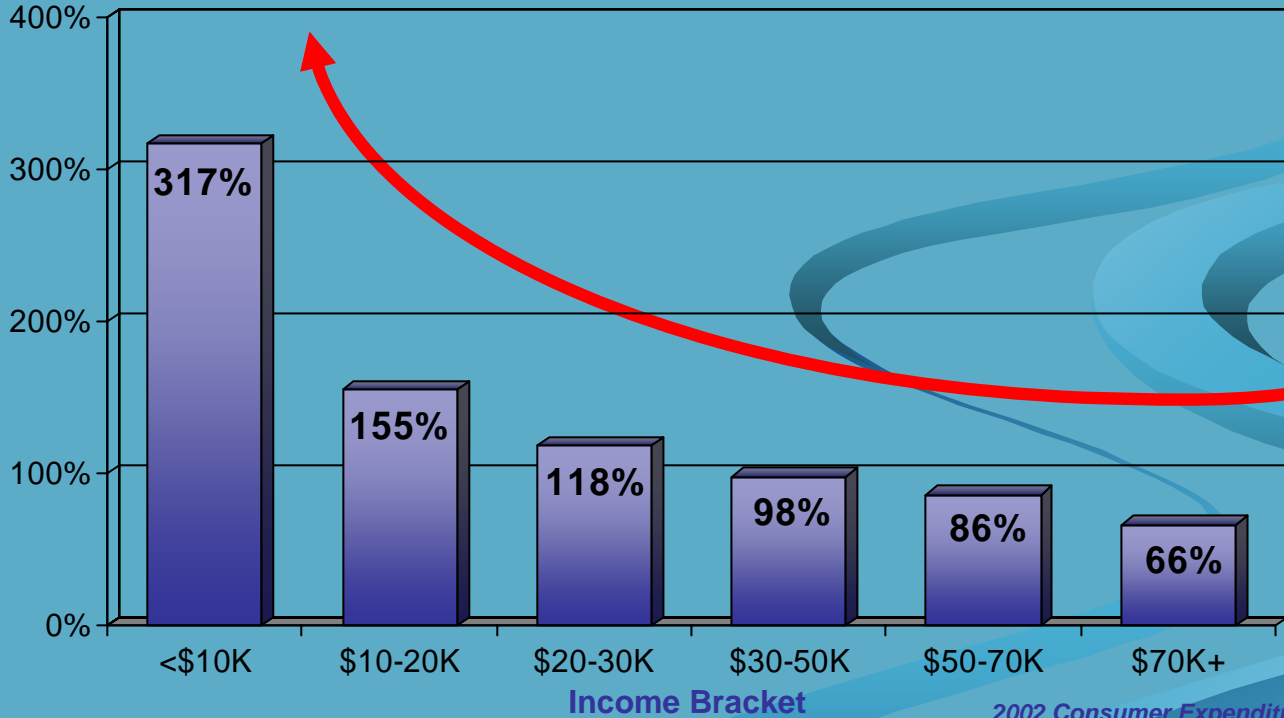
Conventional market analysis

New metrics suggest significant inner city buying power.

Using Alternative Local Demand Indicators

- Recognizing the value of the cash economy

Spending as a Percent of Income



2002 Consumer Expenditure Survey

Lessons Learned

- Data collection as a tool to open stakeholder doors
- Education is key – communities must be involved in the creation of data and know how to use it
- Accurate data must help us differentiate between perception vs. reality issues
- Local leadership is needed for on-the-ground knowledge, political support, access to resources and vision