**City Council Committee On
Community Resources Research**

Prepared by Jonathan Goldman
May 2016

Online Retail
Key Terms
- Retail trade- entities "engaged in retailing merchandise, generally without transformation, and rendering services incidental to the sale of merchandise."[1]
  - This rules out businesses like strip malls, sidewalk storefront shops, restaurants and bars as well as personal services like barbers, nail salons, and repair shops.[1]

Online Research
- 88% percent of US consumers research a product online before buying.[2]
- In other words, online research doesn't just lead to online purchases, it's also critical in driving traffic to physical businesses.[2]

Online Purchases
- Total e-commerce sales for 2015 were estimated at $341.7 billion.[3]
  - E-commerce sales in 2015 accounted for 7.3 percent of total sales.[3]
- The Estimated Quarterly U.S. Retail E-commerce Sales as a Percent of Total Quarterly Retail Sales has increased from around .9% to around 8.5% from 2000 to 2015. [3,4]
- 70% of the overall growth in online sales in 2010 came from existing shoppers simply buying more online. [2]
- Of the product classes all but two (drugs, health, and beauty, as well as food and beverages) are projected to hit 50 percent ecommerce shares by 2025 (the music and videos category has already surpassed this level).[4]

Northampton Downtown Projects

All files regarding the King and Main Streets changes can be found at:
> http://archive.northamptonma.gov:8080/weblink8/Browse.aspx?startid=9&dbid=0
> *Proposal Summary* (page 8):
- This would create only two lanes with an increase in sidewalk space, change Main Street to reverse angle parking, and add a bike boulevard on Main Street.
  - This process would also include changes to some intersections, sidewalks, crossing islands, and curb extensions

For more information on previous/ongoing plans and reports go to this link:
> http://www.northamptonma.gov/DocumentCenter/View/5244
- This includes projects, regulations, and ideas to be implemented within Northampton

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1. Hortaçsu, A., & Syverson, C.. (2015). The Ongoing Evolution of US Retail: A Format Tug-of-War. *The Journal of Economic Perspectives*, 29(4), 89–111. Retrieved from http://www.jstor.org/stable/43611012
2. PricewaterhouseCoopers LLP. (2012). Understanding how US online shoppers are reshaping the retail experience. PricewaterhouseCoopers LLP: Boston, MA. Retrieved from

https://www.pwc.com/us/en/retail-consumer/publications/assets/pwc-us-multichannel-shopping-survey.pdf

3. U.S. Department of Commerce. (2016) Quarterly Retail E-Commerce Sales. *U.S. Census Bureau News*. Retrieved from
https://www.census.gov/retail/mrts/www/data/pdf/ec_current.pdf

4. Hortaçsu, Ali and Chad Syverson.(2015) The Ongoing Evolution Of US Retail: A Format Tug-Of-War. *National Bureau of Economic Research*. Retrieved from http://www.nber.org/papers/w21464.pdf

Other Communities

Summary

The main focus of all of the following four case studies is to create a downtown area that residents of that city and other cities want to be whether they are shopping, working, or looking for a place to relax. Each of these cities include ideas of minimizing the amount of traffic by shrinking lanes in some way, creating public private partnerships to fill vacant storefronts or to add something new to the city, improving natural scenery in the downtown area, and updating lights, benches, and other parts of the city.

2008 Downtown Burlington, NC Master Plan [5]

- Introduced a branding plan to adopt an image that could be pitched to new businesses
    - Part of this plan included new signs and banners to highlight important parts of the city
- To address an issue of empty storefront, they proposed programs for public-private partnerships to create office areas
- Recommendations they made included:
    - The city could participate in these developments through writing down the cost of the land or participating in developing the parking for mixed☐use projects
    - Develop special financing for purchase and rehabilitation of structures.
    - Develop a grant program.
    - Develop information sheets for each vacant and underutilized property in downtown.
    - Investing in a downtown revitalization corporation
- They proposed a program to shrink streets
    - Part of this proposal included a center island between the two lanes
- Introduced programs to improve tree inclusion in the downtown area
- Improved gateway signs and connections to major highways
- Created a biannual summit for business owners and the city to address major problems.

Burlington, VT Plan BTV Master Plans [6]

- Developed and implemented standards for new benches and trash receptacles
- To help implement programs, they created a city-wide survey (550 responses out of 2,000 random residents sampled)
- Like Burlington, NC, they included several programs for private-public partnerships
    - This included working with colleges, institutions, businesses, and volunteer groups
- Introduced programs to connect bike paths and walking trails to the main downtown area
- Introduced new signs
- Increasing areas for people to bring their dogs as well as introducing programs to make this work efficiently
- Increasing the number and quality of available public restrooms

5. Burlington Downtown Corporation Board. (2008). Downtown Burlington Master Plan. Burlington Downtown Corporation. Retrieved from http://www.burlingtonnc.gov/DocumentCenter/View/6498
6. Burlington Parks Recreation Waterfront. (2015). Burlington Parks, Recreation, & Waterfront Master Plan. Retrieved from https://www.burlingtonvt.gov/sites/default/files/ParksMasterPlan/Related_Documents/2015%20BPRW%20Master%20Plan%20FINAL%20LOW%20RES.pdf

Ithaca, NY Commons Rebuild Project
- The original plan turned the busiest street into a pedestrian walking and shopping area
- The new plan has focused on pushing out the curb, increasing the number of benches and natural scenery, and adding structures such as playground that makes it a place people want to be.
- A big focus of this project was making the Commons a place people wanted to be by creating ways for people to work there and feel as though they were in a hybrid between a city and nature.

Chapel Hill, NC Downtown 2020
- The overall focus is creating a place people want to be by improving lighting, adding greenery and areas to sit, and creating downtown art
- Additionally, they want to add more affordable downtown housing
- Like the previous case studies, they are also going to be widening sidewalks and increasing bike accessibility
- The city also wants to have designated areas for some combination of pop-up stores, incubator groups, or work centers that can change with time

7. Ithaca Commons Client Committee. (2012) Ithaca Commons Repair & Upgrade Project. Retrieved from
   http://www.cityofithaca.org/DocumentCenter/View/183
8. Sasaki Associates, Inc. (2010) Ithaca Commons Preliminary Design. Retrieved from
   http://www.cityofithaca.org/DocumentCenter/View/190
9. Downtown Imagined. (2014). Downtown Imagined: Community Visions. Retrieved from
   http://www.townofchapelhill.org/home/showdocument?id=24831
   http://www.townofchapelhill.org/residents/about-chapel-hill/demo-components/2020-downtown-strategy (Summary link)

City Council Committee On
Community Resources Research Pt.II

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Online Retail

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    - This rules out businesses like strip malls, sidewalk storefront shops, restaurants and bars as well as personal services like barbers, nail salons, and repair shops.[1]
- **Retailer - Businesses that sell goods in small quantities directly to consumers.**[5]
- **Vehicles are included in retail trade numbers** [6] (however, I would note here that when this is weighed against everything else bought in retail, the high cost of vehicles are unlikely to skew data)

Online *Research*

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- Of the product classes all but two (drugs, health, and beauty, as well as food and beverages) are projected to hit 50 percent ecommerce shares by 2025 (the music and videos category has already surpassed this level).[4]
- **People are more likely to purchase items online when they think those items will be cheaper, if they do not think local stores carry this item, or if they have a disinterest in going where those stores are located.** [7] (The main thing I think we should take away from this is that, yes, e-commerce is growing, but it doesn't need to make retail obsolete as long as people are shown and given reasons to still shop at retail stores.)

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1. Hortaçsu, A., & Syverson, C.. (2015). The Ongoing Evolution of US Retail: A Format Tug-of-War. *The Journal of Economic Perspectives, 29*(4), 89–111. Retrieved from http://www.jstor.org/stable/43611012
2. PricewaterhouseCoopers LLP. (2012). Understanding how US online shoppers are reshaping the retail experience. PricewaterhouseCoopers LLP: Boston, MA. Retrieved from https://www.pwc.com/us/en/retail-consumer/publications/assets/pwc-us-multichannel-shopping-survey.pdf
3. U.S. Department of Commerce. (2016). Quarterly Retail E-Commerce Sales. *U.S. Census Bureau News*. Retrieved from https://www.census.gov/retail/mrts/www/data/pdf/ec_current.pdf
4. Hortaçsu, Ali and Chad Syverson. (2015). The Ongoing Evolution Of US Retail: A Format Tug-Of-War. *National Bureau of Economic Research*. Retrieved from http://www.nber.org/papers/w21464.pdf
5. U.S. Department of Commerce. (2015). Monthly & Annual Retail Trade - Definitions. Retrieved from http://www.census.gov/retail/definitions.html
6. U. S. Department of Commerce. (2015). Monthly & Annual Relation Trade - Historical Data. Retrieved from

https://www.census.gov/retail/marts/www/timeseries.html
7. Forman, Chris, Anindya Ghose, and Avi Goldfarb. (2006). Competition Between Local and Electronic Markets: How the Benefit of Buying Online Depends on Where You Live. *Management Science*, 55(1), 47-57.
http://pages.stern.nyu.edu/~aghose/location_print.pdf

Other Communities (Events)

Summary

The overall mentality in these reports is "build it and they will come." There was also a common focus on trying to inspire groups outside of the city to put on events by creating incentives, providing resources, or making event areas for friendly. Two of the plans also included creating easier methods for groups to fill out forms or do the necessary work to be able to put on an event in the first place. Lowering the bar for how difficult it is to put on an event and then asking groups to put on events are likely two keys to success.

Ithaca, NY Commons Rebuild Project [8]

- They recommend creating designated areas for downtown events.
  - For example, having an area where electrical outlets, water, and other necessities are easily accessible.

Burlington, VT Plan BTV Master Plans [9]

- As part of their rebuild, Burlington created a spot for a downtown events coordinator to focus on outreach, accessibility, and putting on events
  - Part of this job also included creating an events map to show different areas events can be put on and the utilities in those areas

Plano, TX Downtown [10]

- This plan refocused on creating a series of frequent, smaller events in certain areas of downtown coupled with a few large events throughout the year
- They also created incentives for downtown businesses to put on events in the downtown area

Turning Around Downtown [11]

- The key to the most successful downtown cities appears to be "urban walkability," which is how easy and enjoyable it is for people to walk in a downtown area.

The Main Street Approach to Downtown Development [12]

- Create public-private partnerships to do things such as cooperative advertising
  - This can help incentivize events to be put on and make it less of a burden for outside parties

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8. Ithaca Commons Client Committee. (2012) Ithaca Commons Repair & Upgrade Project. Retrieved from
http://www.cityofithaca.org/DocumentCenter/View/183
9. Burlington Parks Recreation Waterfront. (2015). Burlington Parks, Recreation, & Waterfront Master Plan. Retrieved from
https://www.burlingtonvt.gov/sites/default/files/ParksMasterPlan/Related_Documents/2015%20BPRW%20Master%20Plan%20FINAL%20LOW%20RES.pdf
10. Downtown Plano. (2013). Downtown Arts, Culture and Events Plan. Retrieved from
http://www.plano.gov/DocumentCenter/View/14205

11. Leinberger, Christopher B. (2005). Turning Around Downtown: Twelve Steps to Revitalization. *The Brookings Institute*: Washington, DC. Retrieved from http://content.knowledgeplex.org/kp2/img/cache/documents/79501.pdf
12. Robertson, Kent A. (2004). The Main Street Approach to Downtown Development: An Examination of the Four Point Program. *Journal of Architectural and Planning Research*, 21(1), 55-73. Retrieved from http://japr.homestead.com/files/ROBERTSO.pdf