

CITY OF ORANGE, NJ
Market Analysis & Retail Assessment
Executive Summary

Over the past year, JGSC Group has been conducting our market analysis and retail assessment process that is a part of our Community Insights™ program. Through the use of our custom research, we provide here an in-depth evaluation of the economic realities of Main Street, Central Avenue, and Scotland Road, offer strategies for retaining the businesses already in place, propose the recruitment of new businesses in categories that we have identified to be sustainable for Orange's Trade Area, and offer a plan for destination marketing of the re-fashioned downtown. Here, in summary, are the major points of this report:

Executive Summary

Orange's trade area (the geographic location from which the vast majority of your shoppers derive) is currently a two-mile radius around the downtown, centered on the intersection of Day and Main Streets. However, we uncovered a fascinating opportunity within a much smaller portion of your trade area. Of the people who live within a one-mile radius of downtown, only two of every three shoppers spend money on Main Street. Fully one-third of these shoppers—all residents of Orange—do not shop on Main Street. This is not an insignificant group, but rather a substantial consumer core with \$63 million in unmet consumer demand (demand for consumer goods that they are satisfied outside of Orange). If we include the entire trade area (the two-mile radius), we find that unmet consumer demand rises nearly fourteen times that, to \$800 million. Clearly, Orange has enough demand within its own borders to support substantial growth in sales on Main Street.

This unmet demand is broad-based in nature. There are numerous categories with unmet demand, allowing for potential growth in nearly any retail categories. Of the 87 retail categories we measure for retail supply and consumer demand, only 7 categories have surplus retail supply.

The challenge is not attracting visitors from outside of the local area, but rather from within Orange and its neighboring communities. These consumers have higher incomes and spending than is commonly assumed by Orange's merchants, and current retail offerings do not capture all potential shoppers, or even the full spending potential of those that *do* shop here. Stakeholders expressed that merchants perceive of those that shop on Main Street as people with low-income, unable to afford

better quality merchandise. This is reflected by the lack of retail variety, low quality merchandise, and the lack of strong customer service skills among retailers. Customers can sense this perception and, in some instances, resent the treatment they receive.

There are several large redevelopment projects planned in Orange, as well as nearby West Orange, which could increase available commercial space, including retail, and add residential units and population. New development is located on or close to active retail corridors and could alter their potential market, and increase the demand that already exists for higher quality merchandise and services. We project that this residential growth could increase households within the Trade Area by as many as 4,430, which could increase to consumer demand by as much as \$2 billion.

The redevelopment projects may currently be facing difficulties due to the current credit crunch and global economic slow-down. While Hope VI projects have funding from more stable sources (in this case the Federal Department of Housing and Urban Development), others may find themselves unable to proceed in the current economic environment. Given the length of time that has passed since many of these projects have been proposed, it may behoove the city to reexamine the redevelopment plans and assess their current viability.

The survey indicated that many of those who do not shop in downtown Orange work or live within the city. This group represents a very attractive demographic, with high income and discretionary spending. The survey explores their reasons for not shopping downtown, which include concerns about safety and security, limited variety of retail offerings and low quality merchandise.

Even those who said that they do shop in the downtown spend less there than elsewhere, and stated that they are not satisfied with the variety of retail offerings and quality of merchandise available throughout the downtown, and especially on Main Street.

Main Street is an ideal candidate to become a browse-shopping retail corridor. It already boasts heavy foot-traffic, shoulder-to-shoulder retail storefronts, low vacancy, street-side angled parking, wide sidewalks, pedestrian amenities, destination businesses, and easy access for those within a one- and two-mile radius.

The recent alteration of curb-side parallel parking to curb-side angled parking has added 40 percent more spaces along Main Street, while creating traffic friction, which—along with raised and painted crosswalks—improves pedestrian safety. However, there is still a lack of easily accessible, available parking. There are several private lots which sit behind the buildings fronting onto Main Street, which the city should consider acquiring for metered parking. Better wayfinding signage is currently needed to direct to parking available now and any future parking. In addition, pedestrian wayfinding signage would greatly contribute to the browse-shopping atmosphere of Main Street.

The safety and security concerns of shoppers need to be addressed before improvements or changes are made to attract them to the retail corridors. We recommend a Crime Prevention Through Environmental Design study, to address these concerns and improve retailing conditions in these corridors.

The current condition of visual merchandising throughout the retail corridors in downtown Orange is chaotic and poor, which discourages visitors from browse-shopping and does little to entice those who do not currently shop downtown, but work within the area or travel through it regularly. Merchants should be instructed in better visual merchandising standards, and standards should be enforced among those who continue to display poor visual merchandising. Urban Enterprise Zone (UEZ) funding should be tapped to create programs to educate merchants to strengthen their customer service and visual merchandising skills.

Education need not stop with the merchants: There is an unfortunate level of degradation of the downtown due to the littering, graffiti painting, and vandalism by city residents and visitors. We encourage the development of a “Pride in Orange” program that would remind residents that they should take pride in their city, and not deface it. A marketing program (perhaps featuring public school student artwork) to urge citizens to keep the city clean, coupled with enhanced penalties for littering and actual enforcement of anti-littering laws, should improve the appearance of the downtown, and the impression that visitors have of the city.

The inherent appeal of the original, older architecture of the grand buildings of Main Street has been hidden by a clash of newer styles that have been attached to the older facades at grade level. The chaotic appearance of businesses and buildings clashing with one another on Main Street (and at other retail corridors) detracts from the overall appeal of the shopping experience. Comprehensive design standards should be implemented to improve the overall aesthetic appeal of Main Street.

Main Street has great architectural character, and the city should work closely with business and property owners to do everything possible to reveal this character. In addition to design standards and visual merchandising standards, the revelation of the architectural character of the buildings and the creation of a harmonious overall atmosphere would facilitate a more appealing shopping atmosphere. This will not only make Main Street look better, but also make commerce there work better.

Currently there are no restaurants that take advantage of Main Street's large, boulevard-style sidewalks to offer sidewalk dining. Efforts should be undertaken to recruit more upscale dining into the downtown area, and activate these sidewalks with café-style sidewalk dining, which will attract dinners and improve the overall atmosphere of Main Street.

The retail present on Main Street is not sufficient to capture the potential spending of those that live and work within the downtown area. This was expressed repeatedly throughout the survey, as well as within stakeholder and merchant interviews. Therefore, we recommend a strategy to get existing merchants to improve the merchandise selection that they offer, and its presentation. We also recommend a long-term strategy to improve the retail mix through proactive relations with commercial property owners, and targeted retail recruitment.

Further, an unusual problem that became evident to us through several stakeholder and merchant interviews regards the economic and racial barrier between merchants on Main Street and their shoppers that is palpable, and is contributing to the decline in business there. Many feel that merchants are not respectful or trusting of their shoppers. We cannot over-emphasize the need to address this divide immediately, in order to restore Main Street as the social core of this community, improve the quality of life of the residents of this city and, in the process, capture the full spending potential of the shoppers present.

There is a need for physical unity in this city that has been divided by barriers imposed by the railroad more than a century ago, and by an interstate highway nearly fifty years ago. It has become impossible for the residents south of the interstate to reach Main Street on foot, and this has contributed to their feeling of isolation from the downtown and their impulse to shop elsewhere. The city needs to create linkages to overcome the physical divide. One such linkage may be a shuttle service that circulates through the northern and southern sections of the city to deliver people to the shops on Main Street.

We identified two great needs of this city that could be resolved with a single stroke: Orange has need for a sizable public space that could accommodate public celebrations, host outdoor events, and facilitate downtown socializing; the city needs a public square. In addition, the city needs to bring together the downtown train station with the commerce on Main Street. Currently, visitors arriving to the downtown train platform have no way of knowing where Main Street is, or that its shopping and dining opportunities even exist. Similarly, visitors shopping on Main Street have no idea that the train station sits one block behind the post office. We propose to resolve both of these needs with the creation of a public square in the area that is now public and post office parking, and deliberately connect this area to retail and outdoor dining that flows into Main Street.

Future plans for Central Avenue should include a strategy that extends—block by block—the successful, active retail corridor of Central Avenue in East Orange westward into the City of Orange. Building upon East Orange’s success can help to activate the walkable areas of Central Avenue, encouraging those who are already shopping to venture further into Orange. This will work if based upon a collaborative, regional effort in concert with officials of East Orange; proper teamwork to share costs and combine mutual goals will elevate the amount and quality of commerce on the Central Avenue corridor. This regional approach could also be applied to revitalization efforts on Main Street, and include both neighboring East and West Orange.

Design standards for Scotland Road should reflect the goal of developing the Valley Arts District. Design standards should allow for a broader palette of colors and decorative designs, and reflect less concern with preserving the present architecture. These designs need to take care to create a livable residential space that reflects the artistic nature of the redevelopment. There are twin goals for this redevelopment: to create a graphic arts destination that will attract arts shoppers and to create a neighborhood with a lifestyle that will appeal to new residents who wish to combine the convenience of access to New York City via commuter rail with the appeal of living in an arts neighborhood. It will be critical for the city to fill the new retail space that will be created through developing the Arts District as well as commercial vacancies nearby on Scotland Road with retail that is properly suited to these groups.