Bringing Back Downtown Retail After COVID-19

Wednesday, October 6th, 2021
Bringing Back Downtown Retail After COVID-19

Today’s Moderator:

BILL RYAN
Community Business Development Specialist

Contact
william.ryan@wisc.edu
Bringing Back Downtown Retail after COVID-19

Today’s Panelist

Michael J. Berne, President, MJB Consulting
Michael is one of North America’s leading experts and futurists on urban and Downtown/Main Street districts as well as the retail industry more generally.

Kristen Fish-Peterson, Partner, Redevelopment Resources
Kristen Fish-Peterson has 20 years of direct experience leading the business development efforts of a municipality and working in both media and manufacturing sectors.

N. David Milder, President, DANTH, Inc., and Founding Editor of The ADRR
David has completed leading-edge work on downtown central social districts, arts districts, multichannel retailing as well as numerous retail assessments and downtown revitalization strategies across the United States.

The ADRR
The American Downtown Revitalization Review
Recession has Nearly Ended for High-Wage Workers, but Job Losses Persist for Low-Wage Workers

While employment rates have rebounded to nearly pre-COVID-19 levels for high-wage workers, they remain significantly lower for low-wage workers.
MISSOURI STAR QUILT CO

Company Info
- $20 million annual sales
- 200+ employees
- Owns 20 buildings; has B&M store
- Part owner of three restaurants
- Sends thousands of packages daily
- ORDERS COME VIA INTERNET

Its Town, Hamilton, MO
- Population: 1,711
- Median Income: $28,214
- Average Income: $42,555
- Have Bach degree+: 6.6%
- Closest big cities:
  - 47 miles to Saint Joseph
  - 62 miles to Independence
Mitchell Park in Greenport, NY – year-round population 2,200

- Has a strong flow of tourists in season (many shops close in winter)
- The park has an antique carrousel, marina and winter skating rink on a waterfront location
- Cost about $14.9 million to build
- Costs about $1 million/year to operate. Most of the costs are covered by user fees
- Reportedly gets about 390,000 visitors/year
Operating Characteristics of Successful Downtown Retail

- Quality Products and Services
- Unique Product Offering
- Placed-based
- Located in Historic Buildings
- Locally Owned & Operated
- Customer Service
Retail Categories with Likelihood of Succeeding in Downtown

- Pets, Supplies, Grooming
- Specialty / Organic Grocery
- Personal Care
- Health Specialties
- Wine Beer Liquor
- Ice Cream
- Clothing Boutiques
- Home Health Aids / Pharmacy
- Experiential Retail
<table>
<thead>
<tr>
<th>Quarter</th>
<th>Retail Sales (millions of dollars)</th>
<th>E-commerce as a Percent of Total</th>
<th>Percent Change From Prior Quarter</th>
<th>Percent Change From Same Quarter A Year Ago</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
<td>E-commerce</td>
<td>Total</td>
<td>Total E-commerce</td>
</tr>
<tr>
<td>Adjusted</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4th quarter 2020(p)</td>
<td>1,476,952</td>
<td>206,666</td>
<td>14.0</td>
<td>0.5 -1.2</td>
</tr>
<tr>
<td>3rd quarter 2020(r)</td>
<td>1,469,769</td>
<td>209,251</td>
<td>14.2</td>
<td>12.1 -1.1</td>
</tr>
<tr>
<td>2nd quarter 2020</td>
<td>1,311,345</td>
<td>211,595</td>
<td>16.1</td>
<td>-3.8 31.9</td>
</tr>
<tr>
<td>1st quarter 2020</td>
<td>1,363,543</td>
<td>160,414</td>
<td>11.8</td>
<td>-1.3 2.6</td>
</tr>
<tr>
<td>4th quarter 2019(r)</td>
<td>1,381,381</td>
<td>156,391</td>
<td>11.3</td>
<td>0.6 2.1</td>
</tr>
</tbody>
</table>
The "Chasm"

- **Innovators**: Willing to take a risk on a good idea.
- **Early Adopters**: Waits to hear a few good anecdotes.
- **Early Majority**: Needs solid anecdotal evidence.
- **Late Majority**: Wants to see three good case studies at similar organizations.
- **Laggards**: Wants solid proof that something works.
The surge in new businesses in the US has continued into 2021.

Monthly new business formations

Seasonally adjusted
Source: US Census Bureau
Thank you for joining us today!

For more information please contact Bill Ryan
william.ryan@wisc.edu