RETAIL STRATEGIC PLAN UPDATE
STOREFRONT VACANCIES
BEST PRACTICES

Economic Development and University Relations Committee
September 12, 2018

Prepared by: Cambridge Community Development Department, Economic Development Division
Presentation Outline

• Retail Strategy Implementation Update

• Vacant Storefronts Best Practices – Lessons Learned

• Vacant Storefronts Project – Next Steps
Retail Strategic Plan Guiding Principles

1. DRIVE EXPERIENCE
2. THRIVE ONLINE
3. HELP SMALL BUSINESSES REMAIN COMPETITIVE
4. IMPROVE ACCESS
5. SUPPORT AND BUILD CAPACITY OF LOCAL BUSINESS ASSOCIATIONS
6. FILL GAPS
7. ADDRESS REGULATORY BARRIERS
Retail Strategic Plan Update

1. **DRIVE EXPERIENCE**
   - District Assessment
   - Small Business Challenge

2. **THRIVE ONLINE**
   - Small Business Data Dashboard
   - Translation Services
   - Small Business Summit
   - Small Business Open Houses
   - Small Business Workshops

3. **HELP SMALL BUSINESSES REMAIN COMPETITIVE**
   - Provide access to legal services through the Small Business Coaching Program
   - Expand Storefront Improvement Program
Retail Strategic Plan Update

4. IMPROVE ACCESS
   ▪ Construction mitigation pilot (FY19)

5. SUPPORT AND BUILD CAPACITY OF LOCAL BUSINESS ASSOCIATIONS
   ▪ Central Square BID support
   ▪ Leadership training for business associations

6. FILL GAPS
   ▪ Food Truck Pilot Program
   ▪ Vacant Storefront (FY19)

7. ADDRESS REGULATORY BARRIERS
   ▪ Retail Land Use Initiative (FY19)
Storefront Vacancies Best Practices

OBJECTIVES:

• Identify strategies to help the City address the ongoing challenges with storefronts that are vacant
• Study reasons behind vacancies in Cambridge
• Conduct a scan of best practices implemented in municipalities around the country, specifically Massachusetts
Retail Vacancy Trends

• Cambridge ground-floor vacancy is approximately 3%. Nationally, vacancy is 8-10%. Healthy vacancy is considered 5%.

• Duration of vacancies in Cambridge range from 6+ years to less than a month.

• Costar is reporting that 2018 store closure announcements will outpace the record set in 2017.

• Retail trends have shown that many large and small retailers are downsizing, trying to find the mix between a physical footprint and e-commerce.
Main Findings – Cambridge Vacancies

SITE-SPECIFIC AND DISTRICT LEVEL CAUSES FOR VACANCIES

• Knowledge gap
• Tax write off
• Tenant attraction strategy / neighborhood retail mix
• Under development or lease negotiation
• High asking rents or speculative rents

• Disinterested or absent owner
• Community opposition
• Licensing and permitting challenges
• Generational change in ownership
Main Findings – Vacant Property Registration Ordinances

- Variety of causes, variety of techniques
- Fees and fines will not likely work on large property owners (passive loss write-off)
- Enforcement is largely discretionary – hard to determine what spaces are actually vacant
- Current programs have no empirical data that shows they are working
Next Steps

• Engage property owners and real estate agents
• Develop a Citywide Vacant Storefront Database (updated quarterly)
• Local Artist Building Wrap Contest – encourage installation of local art in vacant storefronts
• Support local organizations (like the ECBA concept) that want to facilitate temporary art/retail installations
• Understand the barriers for pop-ups