

Downtown Georgetown



Downtown Assessment 2016

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Executive Summary

Purpose

The City of Georgetown and the Georgetown Economic Development Corporation (GEDCO) partnered with Catalyst Commercial to conduct a five-part retail study that would be the basis for a Retail Merchandising Plan. As part of this process, Catalyst conducted a separate assessment for Downtown to develop a custom strategy for Downtown. Downtowns are unique environments and should have a custom strategy for retail recruitment. This is an important component to the Retail Merchandising Plan because Downtowns play an important role in the community and concurrently serves as a key retail area. This assessment complements the 2014 Downtown Master Plan by using the existing vision set for the in the plan to develop a merchandising strategy with an overall goal of activating the plan and creating a more vibrant, sustainable, and broader retail environment.

Process

As part of this process, Catalyst conducted a physical review of downtown, conducted downtown stakeholder interviews and facilitated a workshop in June 2016. The interviews and workshop provided input regarding current efforts to attract and retain businesses, as well as to input on the perceptions and challenges and opportunities facing Downtown.

Summary

Downtown is a successful and vibrant component of Georgetown's commercial core. Our findings show that, in Downtown, \$2 out of every \$3 is from restaurants. Downtown consists of over 45 retailers and 28 restaurants, of which many are "unique" to Texas or one of a kind. This creates Downtown as a destination and differentiates Georgetown from other regional retail. Georgetown has had an influx of new investment and as a result retail sales increased in Downtown by 161% from just over \$18,000,000 in 2012 to more than \$29,000,000 in 2015.

While Downtown is successful, we uncovered three main themes that encompassed a majority of the opportunities and challenges for Downtown. These include a need for enhanced operational improvements, better organizational structure and improved tenant mix or "merchandising." A summary of findings is below:

Business Operations Downtown would benefit from more retailers offering extended hours during the week and on weekends to draw more customers. Non-retail uses should focus on second floor spaces or non "core" areas to enhance vibrancy. Increased residential would also build market and add to the vibrancy for Downtown.

Downtown Organization Downtown has a large number of various groups and organizations that work to promote and Downtown. An inter-organizational group consisting of all (or a majority) of the various downtown stakeholders could be created to align independent activities and coordinate merchandising and programming of Downtown.

Merchandising Strategy. Downtown should expand entertainment options, increase mixed-housing, attract more destination restaurants and limit non-retail on the square in the core of Downtown. Mix-use opportunities should be encouraged to leverage existing infrastructure and merchandising should also include unique concepts that expand arts and entertainment to increase the thru put of existing dollars.

A survey of Downtown patrons would assist in developing a targeted marketing campaign to increase alignment with market opportunities. Tenants should be aligned with the vision and values for Downtown.

Additional information and the full list of recommendations and strategies can be found starting on Page 10.

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Downtown Georgetown

Georgetown's greater downtown is a 40+ block area that surrounds the historic Town Square and is generally bounded by the South San Gabriel River to the north, University Avenue to the south, Martin Luther King Street to the west, and Myrtle Street to the east. It includes a mix of commercial and residential uses framed by established neighborhoods. The Downtown core, which contains a majority of existing retail, is between 5th and University (highway 34) along and parallel to Austin Street.

Champions of Downtown

Downtown consists of many organizations (non-profits, businesses, and government) with different operational goals. It is critical that organizations meet regularly and discuss opportunities to support Downtown as well as one another to achieve outcomes that will provide mutual benefits.

Non-profits also play an important role. For example, the Downtown Georgetown Association (DGA) is a member based non-profit organization focused on Downtown. The DGA coordinates a large number of events to promote Downtown. The Georgetown Convention and Visitors Bureau (CVB) functions as the marketing and branding arm for the City. Per the 2013-2015 CVB Board Priority Focus Areas, the focus is to develop a marketable identity that focuses on signature elements and to market Georgetown as a signature destination thereby raising exposure and promoting tourism as a whole. The Chamber of Commerce also plays a key role in Downtown and the city's business community. With over 1,000 members, it is one of the largest chambers in Central Texas. Its focus on Georgetown's economic growth and vitality aligns with the goals and mission for Downtown.

The City and County also has an important role in Downtown to establish governance and policies in support of the health and vitality of Downtown. Locally, the City controls zoning, development standards, and infrastructure. The City can also support economic development through retention, recruitment, expansion, and incentives to retain and attract key merchants. The City's Main Street Program seeks to build partnerships among stakeholders, supports marketing and promotional activities, preservation of historic, commercial buildings, and the overall economic vitality of the Downtown. It promotes public-private partnerships and reinvestment in historic commercial structures in Downtown through the Main Street Facade and Sign Grant Program.

In addition, businesses must understand that their operations can directly impact the function and vitality of Downtown. For example, if a majority of restaurants and businesses have limited hours, this can create a missed opportunity to impact people leaving an event or looking for nightlife after hours. The private sector has a responsibility to ensure that storefronts are active, customer service and products are exemplary, and uses are suitable for the environment.

Our assessment revealed one of the most critical issues impacting Downtown is structural alignment. While a common vision has been established for Downtown through the 2014 Downtown Master Plan, we observed a lack of collaboration/joint effort between the numerous Downtown focused organizations.

Downtown Market Summary

Downtown Georgetown is strategically located to serve a wide audience. Located on Interstate 35 and near the SH 45 and SH 130 toll roads creates super regional accessibility. Just 26 miles from Austin creates significant synergy with Austin's large population base and tourism.

Downtown Retail Market Highlights

1. There are over 45 unique shops and 28 restaurants in Downtown.
2. Retail sales increased in Downtown by 161% from just over \$18,000,000 in 2012 to more than \$29,000,000 in 2015.
3. Every 2 out of 3 dollars from retail sales in Downtown are related to food and beverage sales.
4. Almost 50% of all Georgetown residents, or approximately 34,000 people (11,875 households), live within a 3 mile radius of Downtown.
5. Downtown has a regional draw with a trade area of over 134,000 people.

Trade Area Summary:

Population: The population of the Primary Trade Area (PTA) is 134,000 compared to the city of Georgetown at 56,798, with a growth rate estimated at 22.5% from 2015 to 2020 (STI PopStats).

Workforce: The 2015 estimated workforce in Georgetown's PTA is over 31,215.

Income: The 2015 estimated average household income in Georgetown's PTA is \$92,418.

Purchasing Power: The residential population in the PTA creates over \$10B in spending power and the workforce creates over \$2.5B. The total supportable retail square footage in the PTA is 41M square feet.

Interviews and Workshop Summary

Catalyst interviewed Downtown stakeholders and conducted a Downtown Retail Workshop attended by over 45 representatives from the downtown business community and the various stakeholder organizations including the City of Georgetown Convention and Visitors Bureau (CVB), Downtown Georgetown Association, Georgetown Economic Development Corporation, Georgetown Chamber of Commerce, the City's Main Street Advisory Board, and the Williamson Museum. The open forum provided insight into areas of common interest as well as issues that will be addressed in the recommendations.



What we heard

As part of our process we asked stakeholders what “one word” best describes downtown (Figure 1). The following were the top five responses:

- Downtown serves as the "Heart of Georgetown"
- Downtown represents "Community of businesses"
- Downtown is "Beautiful"
- The stakeholders are "Caring"
- The "Historic character is an asset to Georgetown"

In gathering public comment about Downtown, we received several positive comments in regards to its unique character and the trend in recent years for a stronger tenant mix. However, stakeholders expressed a number of issues affecting the Downtown area, including:

1. Limited tenant mix
2. Restaurant locations
3. Storefront quality
4. Lack of Parking
5. Safety issues crossing Austin Ave between east and west Downtown
6. Lack of communication and coordination between business operators
7. Lack of brand – “all things to all people”
8. Limited hours of operation



Figure 2 – word cloud

While Downtown has a broad mix of successful tenants, there are several notable gaps in the tenant mix, such as entertainment, hospitality, mixed-use housing, services, and restaurants that have active patios. Another observation is the mixed merchandising. While Downtown has a national reputation, its core tenant mix is fragmented in the audiences it serves. Downtown has access to a broad target audience, such as creating tourists out of locals, regional Austinite's, students and people seeking a nightlife, but currently only services a limited base.

In addition, non-retail uses are located at strategic locations that would be more viable for restaurants with patios or retail locations with active storefronts. Georgetown has an effective program to address storefronts, mainly through facade and sign grants. However, there are several core areas that need improved storefront quality for pedestrian appeal.

Parking was a key issue brought up by many stakeholders. To mitigate these issues, the City conducted a parking study for the downtown area and has adopted parking standards specific for Downtown. The City has taken a proactive approach in developing additional parking areas and encourages private projects to integrate additional parking where appropriate. Nonetheless, there remains a perception by the stakeholders that more parking would be an asset to the businesses Downtown.

Existing Tenant Mix

The Primary Trade Area for Georgetown shows Downtown Georgetown has a wide potential target audience to draw from, however Downtown should not be “all things to all people.” The merchandising strategy should align with the various target audiences and align with their needs and wants.

Downtown already has a significant base of high quality tenants. These include personal services, antiques, boutiques/apparel store, jewelry stores, and artisans. Downtown also has several museums, theaters and regional attractions that draw tourists and regional visitors to downtown.

Future merchandising should compliment the existing service retail, 35 unique shops and 29 destination restaurants. This will ensure that new concepts will continue to increase the draw for downtown and create expanded options for downtown customers.

Downtown's Merchandising Strategy

Downtowns are unique and so should the recruitment strategy and “Merchandising strategies are a valuable component of any retailers success, but a one size fits all approach will not work in today's competitive environment. Strategies should vary by category and sometimes by segment depending on the overall objective for the brand, category and retailer. Each strategy should be carefully crafted to target a specific objective such as increasing foot traffic, inviting new customers to try your brand, developing loyal committed customers or increasing sales.” – *This is an example from language taken off of the internet*

- ▲ Expand entertainment options near the Downtown core using music venues and family entertainment options

Existing Downtown Tenant Mix	
Category	Total
Antiques/Collectables/Décor	9
Boutique/Apparel	8
Restaurant/Bistro/Café	6
Hair/Beauty	5
Restaurant/Mexican	4
Restaurant/Winery	4
Restaurant/Pizza	3
Restaurant/Upscale	3
Jewelry/Gifts	3
Bank	3
Artisans	3
Restaurant/Asian	2
Restaurant/Coffee	2
Spa	2
Restaurant/Bakery	2
Consignment/Resale	2
Shipping	1
Restaurant/Chicken	1
Specialty Glass	1
Restaurant/BBQ	1
Music	1
Textile	1
Toys/Books/Gifts – Kids	1
Food	1
Sporting Goods	1
Restaurant/Sandwich	1
Floral	1
Interior Design	1
Restaurant/Burgers	1
Grand Total	74

- ▲ Increase in-fill housing options for 24/7 activity, including affordable housing choices and urban living
- ▲ Target active restaurants with patios on the square to create more energy in the Downtown core
- ▲ Limit non-retail on the square and at key locations
- ▲ Support iconic mixed use at Downtown gateways to strengthen the entryways and create better transitions between Downtown and other areas
- ▲ Develop strategy to attract unique high-quality retail operators through targeted recruitment
- ▲ Consider expanding arts/cultural events to attract and incubate artists/the creative class.
- ▲ Consider promoting culinary concepts and expanded food option

Values based merchandising

As part of this workshop, Catalyst explored potential core values, or the themes that merchandising should align with to be congruent with the Downtown vision. For example, attraction of uses could place emphasis on uses that reinforce the historic character, such as a restaurant/bar that uses an authentic western motif. While these themes are applicable to Downtown, this was a limited exercise, both in terms of participants and duration. A summary of a few core values that were mentioned in the workshop are shown in the adjacent text box.

Recruitment should focus on expanding uses that cater to the broader audience but also uses that compliment existing established customer base so that new efforts do not dilute the existing success of Downtown. The recruitment should also align with the Downtown Master Plan. For example, active retail and restaurants should be clustered within the core, and in-fill mixed-use concepts may be more appropriate along Austin Street. This could also include eclectic restaurants for students (i.e. Taco Deli & Amy's Ice Cream) or spa's for tourists and locals with discretionary income, shopping for daytrippers, etc.

Targeted concepts should also be identified from the themes that emerge from the values that get developed during the next phase of implementation. For example, if experience or arts/culture are a priority, then recruitment should focus on concepts that focus on arts and entertainment and expand the existing artisan base. This could include experiential retail such as "pop up shops" and active storefronts².

If active living is a key focus, then a targeted focus may include gyms, yoga studios and dance studios. Supporting uses would sporting goods, athletic wear (i.e. Lululemon and Athleta) to cater to "active" lifestyles.

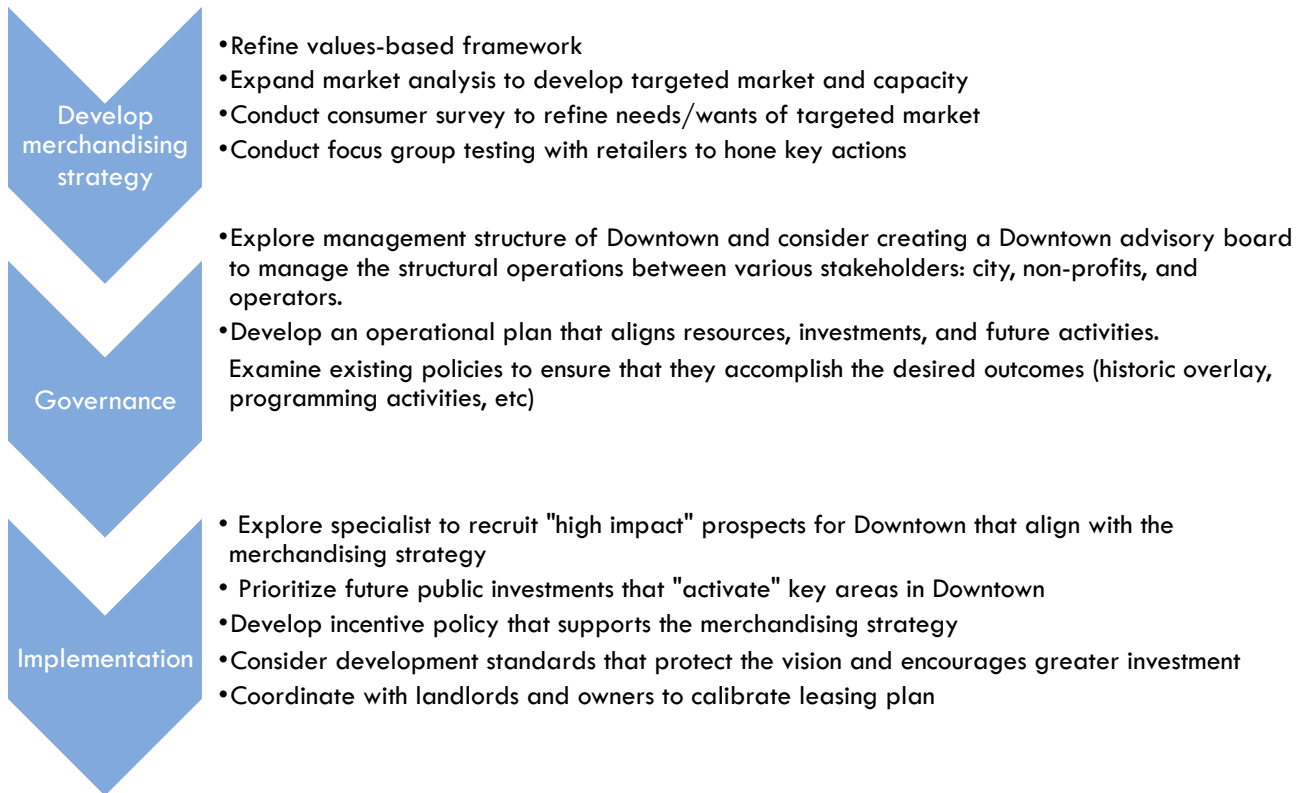
In addition the Merchandising Plan recognized capacity in Georgetown for greater spending on household related items, therefore targeted merchandising for Downtown could focus on home goods and boutiques with high quality housewares to cater to the regional appetite for home-related retail merchandise.

Emerging Merchandising Themes

- ▲ Uses that Enhance Georgetown's Historic Character
- ▲ local or niche to promote Downtown as a Signature destination
- ▲ Unique uses that are "one of a kind" as a differentiation to other retail shopping
- ▲ Experiential that can create vibrancy and engage customers
- ▲ Uses that enhance the quality of life to support Georgetown's existing tenant mix

² See: repetto.com for an example of active storefront displays

Recommendations



PROCESS

The Downtown Master Plan should be the guiding document that serves as the framework for the merchandising strategy for Downtown. The targeted merchandising mix should reinforce the brand for Downtown and align with the established vision and (to be refined) core values. The strategy should allow enough flexibility to consider a broad range of quality uses while guiding decision making for Downtown as a whole to ensure alignment with Georgetown's historic and authentic context.

Recruitment should focus on expanding selection of high quality destination restaurants, services, and specialty stores that have a unique selection and are targeted to align with the vision. One example of this would be a food based market district. Successful examples can be found nationwide in mature cities such as New York, Philadelphia, and Las Angeles but also in emerging regional markets such as Bentonville, Arkansas. For example, the Bentonville model is holistic and focuses on providing place for "foodpreneurs" to create food products (i.e. catering kitchen), providing a distribution hub for locally sourced foods, providing access to locally grown food through local restaurants, and providing experience through classes and demonstration.

Recruitment should also include developers that have experience in revitalization of historic buildings, or developers that have experience developing buildings in downtown environments that align with the vision. This can be accomplished through RFQ and RFP processes on city-owned land, or working through individual owners and their representatives to find partners to activate existing under-utilized properties.

Recruitment should be a continuous engagement process. Downtown should have dedicated resources for a full-time "concierge" for downtown that includes recruitment. This role should also serve as a steward who has oversight on

events, design guidelines, and drives the brand awareness for Downtown. This concierge should take a lead role in the “Downtown Advisory Board”.

Downtown should be proactive in sourcing additional public spaces, such as parks, outdoor art, splash pads, and outdoor lawns. As it has been identified in the Downtown Master Plan, the City should continue to explore opportunities for an active green space/lawn that can be used for a wide variety of events. The open space should allow for programming and be managed to mitigate impacts on Downtown operators, but continue to draw a regional audience and keep Downtown active and vibrant.

While the Downtown Master Plan suggested continued events, these should occur in key areas (not just the square) and involve coordinated theming with the merchandising strategy for Downtown.

To explore expanding arts/culture the City will initiate an Economic Impact Study for Arts and Culture, including but not limited to visual and performing arts, art education, cultural festivals, art supply stores and live music, within the city limits to be completed in spring/summer 2017. This study will measure arts, entertainment, and other events and can be used for future decision-making and support for future investments for art related uses.

One major opportunity observed is the need for an inter-organizational group consisting of all (or a majority) of the various downtown groups to align efforts in Downtown. Although Downtown has substantial resources, an overarching committee that can champion consensus on overall operations and management would optimize the efforts of all stakeholder. This body should be Independent and not an internal function within the City. Many cities use a downtown association, or similar organization to serve this function. This body should coalesce the many organizations and coordinate the various missions and activities. A coordinated strategy would greatly enhance the functionality of Downtown.

In order for Downtown to grow to the next level, it must take advantage of a broader customer base and explore a concerted approach to extending hours of operation. This represents a challenge. Many owners do not stay open because of the cost/benefit of staying open later and the lack of customers in the evening. The easiest solution is to be consistent. Offer extended hours around events or nights and work toward expanded hours.

In addition, there were diverse thoughts on what type of retail businesses should be recruited to Downtown. The 2014 Downtown Master Plan identified the need to establish a “Retail Recruitment Program” to target specific businesses and industries as well as strengthen marketing and events programming. The Downtown stakeholders should build consensus on a unified set of principles/core values that can be used to develop targeted retail recruitment and Downtown marketing strategies. This core values could be the glue between all the different stakeholders and help create alliance on future policy making, including retail recruitment and economic development prioritization.

Upon completion of identifying targeted categories, a block-by-block merchandising strategy could be created that supports the master plan goals and principles. This would prevent ad-hoc merchandising and ensure a strategic approach. Just as zoning must be flexible to accommodate market changes and evolving needs, the merchandising strategy should also allow for a broad range of uses, but should be thoughtful and aligned with physical constraints and local context.

We heard a range of opinions about what Downtown customers are looking for. The City should conduct a survey of Downtown patrons to identify their needs/wants for Downtown. This can assist with refining a retail merchandising strategy and calibrate attraction to real time needs and wants. This should also be founded in market research to ensure targets are more than aspirational and ensure a broad range of options and choices.

While vision and strategy are key, value creation will be achieved through implementation. Activation should include a marketing plan and a specialist to recruit “high impact” prospects for Downtown. This role should lead the merchandising strategy and work with the “overarching committee” to facilitate key investments and “activate”

strategic areas in Downtown. This role should include strong collaboration with existing owners to ensure alignment with the individual business plans of owners/landlords and the overarching Downtown strategy.

EXISTING RESOURCES

Downtowns are complex environments that have multiple layers of policy, governance, structure, owners, and organizations. To orchestrate these moving parts, there are several City resources that provide direction and guidance for development in Downtown.

Summaries of the major components guiding Downtown Georgetown are:

Downtown Master Plan

The 2003 Downtown Master Plan was updated in March 2014 to update the overall vision for downtown in response to changing demographics, new priorities, and recent development successes. It established a policy base regarding capital improvements and other public investments, new private-sector development, and opportunities for public-private partnerships. The Plan identified three fundamental elements for a successful downtown Georgetown:

1. It is a pedestrian-oriented place.
2. It is the heart of the city.
3. It is a key economic center for the entire business community. The goal was to maintain the Downtown's uniqueness and historic character while accommodating growth and new opportunities.

The Plan reviewed existing conditions, provided updated framework and development strategies, addressed forms of access (pedestrian, bike, auto), parking, way-finding signage, landscaping, green space, and the arts with implementation strategies to serve as guidelines for the future development of the downtown district.

Downtown Design Guidelines

The Downtown (and Old Town) Design Guidelines and regulations are used to guide redevelopment in order to preserve the character of Downtown while supporting current development needs. This is a process that will continue to change as Downtown evolves. For example, the City recently updated the Unified Development Code (UDC) to include a Downtown Overlay District. The guidelines are used to promote infill and redevelopment while preserving the unique character and history of downtown.

Main Street Program 2015-16 Strategic Plan

The Georgetown Main Street Program seeks to enhance downtown vibrancy and historic preservation by using the National Main Street Center's Four-Point Approach of organization, promotion, design, and economic restructuring. The Main Street Program Strategic Plan has 3 goals:

- 1) Attract and retain a healthy business mix;
- 2) Raise awareness and funding for Georgetown Main Street Program projects; and
- 3) Promote Downtown's image as a signature destination.

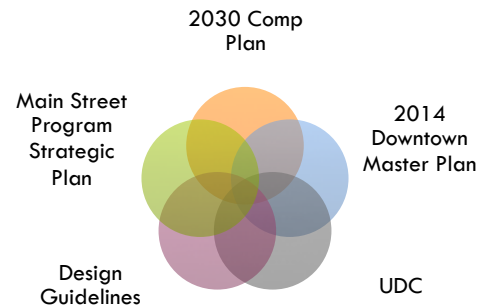


Figure 4 – City Plans and Policies

Other studies and plans:

- 2013-15 Convention and Visitors Bureau Board Priority Focus Areas
- City of Georgetown Management Services Economic Development Strategic Plan 2011
- Market Study for Downtown District 2011
- ERA Strategic Retail Plan and Market Feasibility Report 2007
- Economic Development Strategic Plan 2002-2004 Cultural District designation by the Texas Commission on the Arts in 2013

RECENT CITY IMPROVEMENTS

One of the greatest catalysts in downtown redevelopment and revitalization are upgrades and replacement of public infrastructure. The City of Georgetown has played a large role in the renaissance of Downtown Georgetown by investing significantly in planning projects, the recent parking study, and facility improvements, including streets, sidewalks, and parking lots. A partial list of improvements is included below:

Accomplished

- ▲ MLK and 8th Parking Lot
 - ▲ Rehabilitation of 9th St. from Main to Rock
 - ▲ Rehabilitation of 8th St. from Austin to Rock
 - ▲ Rehabilitation of 2nd St. from Austin to College
 - ▲ Installation of CDBG funded sidewalk along 3rd St. from Rock to MLK
 - ▲ Installation of DCBG funded sidewalk along 8th St. from MLK to Rucker
 - ▲ Downtown Parking Study
 - ▲ Downtown West Program Document and Schematic Design
 - ▲ 6th St. rehabilitation between Austin and Main
 - ▲ Cutler St. rehab all around the Square
 - ▲ Expanded the Downtown Overlay District
 - ▲ Expanded the boundary and extended the duration of the tax increment reinvestment zone (TIRZ)
 - ▲ Adopted the Sidewalk Accessibility Ordinance
- ▼ 8th St. (MLK-Rock)
 - ▼ 10th St. (Main-Rock)
 - ▼ 11th St. (Main-Rock)
 - ▼ Church St. (8th-9th)
 - ▼ 8th St. (Church-Myrtle)
 - ▼ Austin Ave (9th-University)

Upcoming/Planned

- ▼ Founders Park improvements
- ▼ Vehicular way finding update (vendor currently printing signs)
- ▼ Signal at 5th and Austin
- ▼ Austin Ave Bridge preferred alternative (Winter 2017)
- ▼ VFW Park Renovation
- ▼ Downtown west phase I construction
- ▼

Upcoming Sidewalk Projects

SWOT ANALYSIS SUMMARY

▼ STRENGTHS

- Quality Historic Downtown
- Historic Courthouse
- Strong Resources
- National Reputation

▼ WEAKNESSES

- Lack of coordinated vision
- Lack of communication between businesses and organizations
- Conflicting/competing organizational goals
- Merchandising strategy

▼ OPPORTUNITIES

- Cater to Millennials
- Expand market
- Brand awareness
- Increase hours of operators

▼ THREATS

- Loss of historic integrity
- Development regulations that constrain growth
- New development which dilutes the historic fabric of downtown
- Success of City events outgrowing public space on the Downtown square