

# National Chain Retailer Attraction Plan

## City of Rochester

Project Team 3

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# Executive Summary

## Overview

- **Status Quo**

Retailers concentrate in certain areas and lack diversity.

- **Objective**

To attract a certain retailer and identify an optimal location for it in city of Rochester

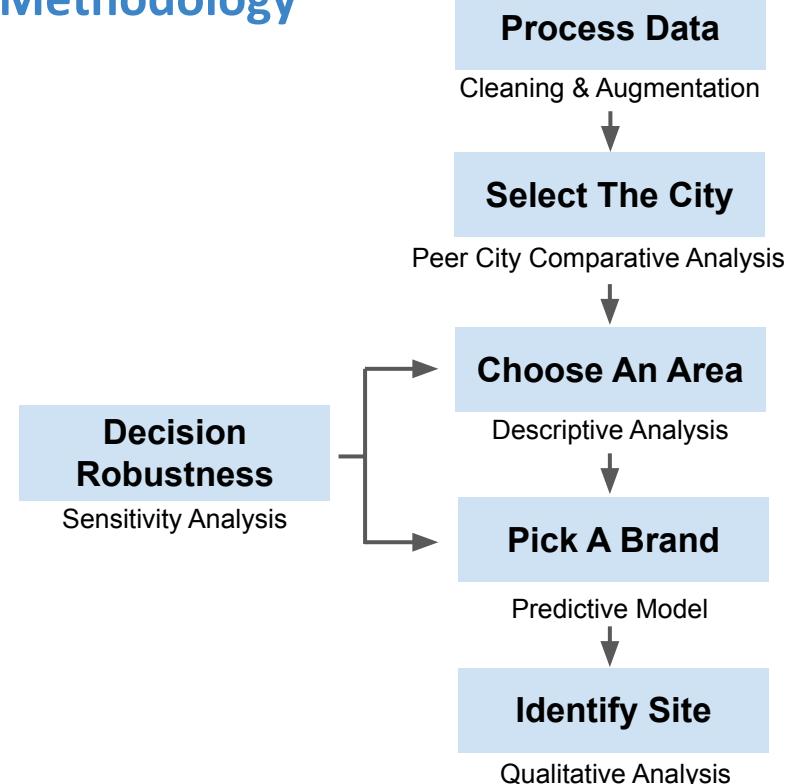
- **Main Focus**

How to attract and best locate desired business in Rochester, bringing positive impacts to both the business and the local economy.

## Recommendation

**Walgreens** can start a new business at **Three potential sites**.

## Methodology

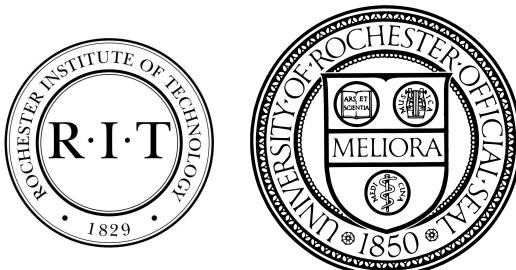


# Background Information: Why Rochester?

## Low Business Cost



Young professionals



## A Strong Talent Pipeline

## Low Cost of Living

\$848 median rent / month  
\$138,300 median home value



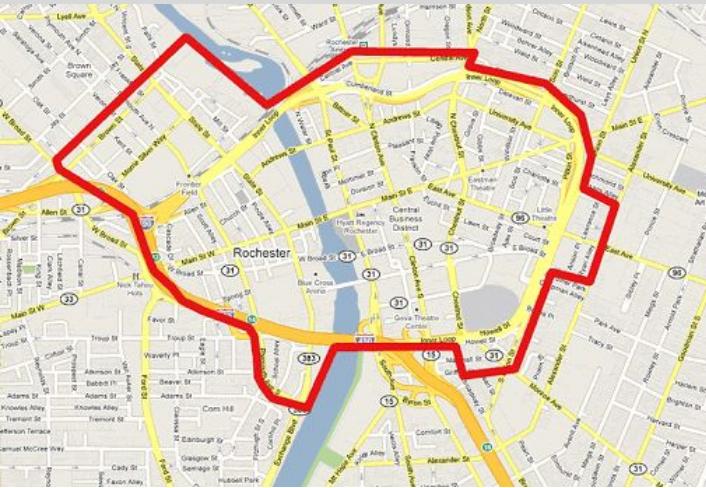
Easily affordable

Least at risk



## Recession Proof Housing Market

# Background Information: Why Downtown?



*where innovation and culture thrive*



**\$770 million**  
in development projects in  
the pipeline

**7.7%**  
workforce concentrate in  
downtown

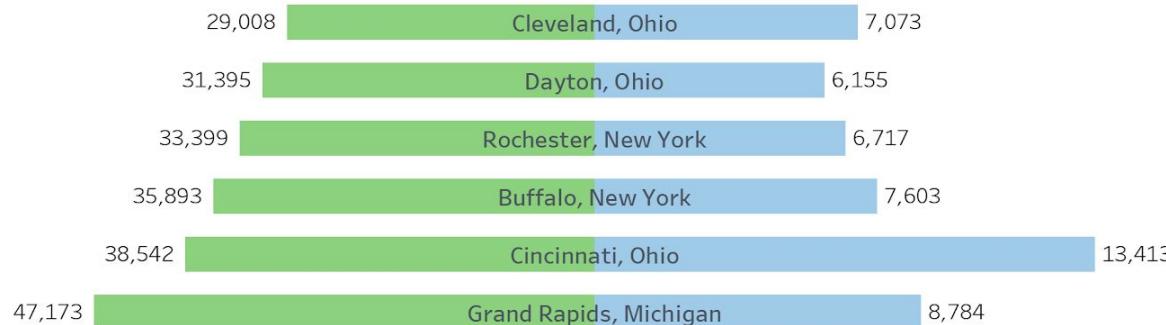
**5 million+**  
yearly visitors coming to  
downtown

**7.6%**  
downtown rental  
vacancy rate

## Business Assistance Programs

- Provide Financial Assistance
- Grant opportunities for purchasing
- Help develop and reuse underutilized land
- Offer economic support during disruption and uncertainty

# Peer Cities Comparative Analysis: Household Income & Retail Sales, Gender & Age



Median Household Income (\$), 2014-2018 ⚡

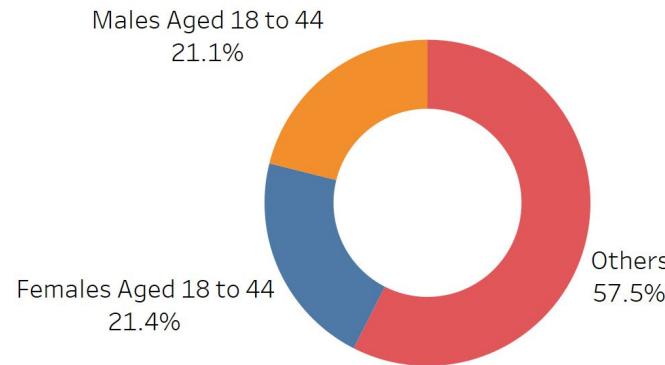
Total Retail Sales Per Capita (\$), 2012 ⚡

Gender and Age Composition:  
Focusing on **Males and Females Aged 18 ~ 44**

- Frequent Buyers & Active Consumers
- Similar among peer cities
- Average: 21.1% males 21.4% females
- Rochester: 21.9% males and 22.2% females

Median Household Income:  
• Rochester ranks **4th**.

Total Retail Sales Per Capita:  
• Rochester ranks **5th**.  
• Cincinnati is way ahead.



Source: US Census Bureau

# Peer Cities Comparative Analysis: Number of Retailers

Focusing on  
**Grocery Store,**  
**Department Store,**  
**Pharmacy**

- Rochester has the least Walgreens and HomeGoods.
- Cincinnati has far more retailers.

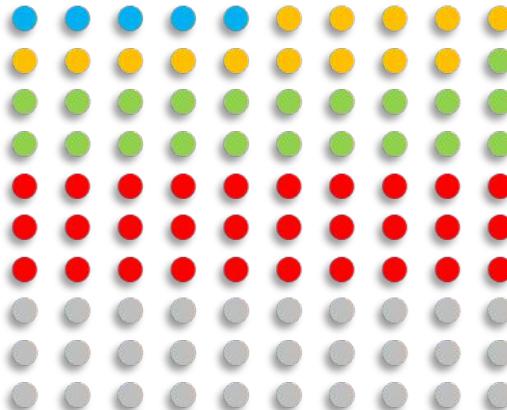
City  
Buffalo, NY  
Cincinnati, OH  
Cleveland, OH  
Dayton, OH  
Grand Rapids, MI  
Rochester, NY



# Peer Cities Comparative Analysis: Rochester vs. Cincinnati

Mosaic segments in downtown and adjacent areas

Rochester, NY



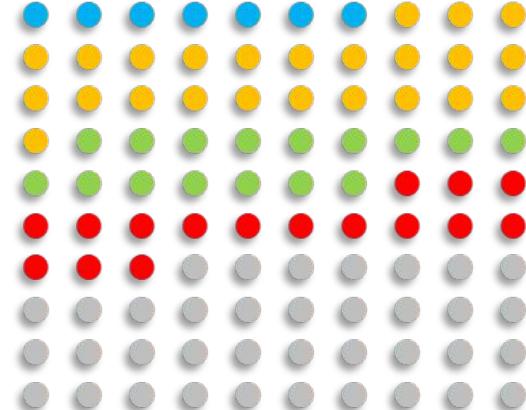
5% Young City Solos 7%

14% Singles and Starters 24%

21% Economic Challenges 16%

30% Aspirational Fusion 16%

Cincinnati, OH



Two segments:

- Racially diverse **young** singles or single parents with **low to medium income** living an active life, technology adopters and foodies
- **Older** singles or parents with **limited to modest budget** living a simple life



Find an affordable retailer providing versatile products/ services for full coverage.

Source: Mosaic USA

# Peer Cities Comparative Analysis: Success of Cincinnati



## How to attract and retain retailers?

### PLAN CINCINNATI in 2012

- Enhance economic competitiveness

### RETAIL ACTION PLAN in 2016

- Build accessible data
- Invest in place
- Get smart on retail
- Collaborate on messaging

## How did Walgreens benefit?

- Walgreens's **sales** increased by **4.1%** in 2019.
- Increased **cost efficiency**

Source: Downtown Cincinnati, Walgreens Annual Report

# Predictive Modeling: Data & Brand-Selection Model

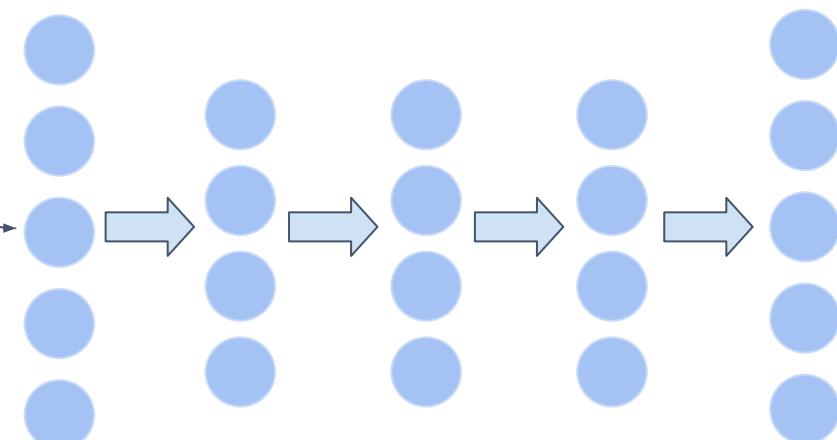
## Data

- **American Community Survey**
  - Demographics
  - Socio-economics condition
- **Mosaic Data**
  - Consumer Segments
  - Political Affiliation
  - Financial Status
  - Property Characteristics

...

## Model

- Multi-label Deep Neural Network



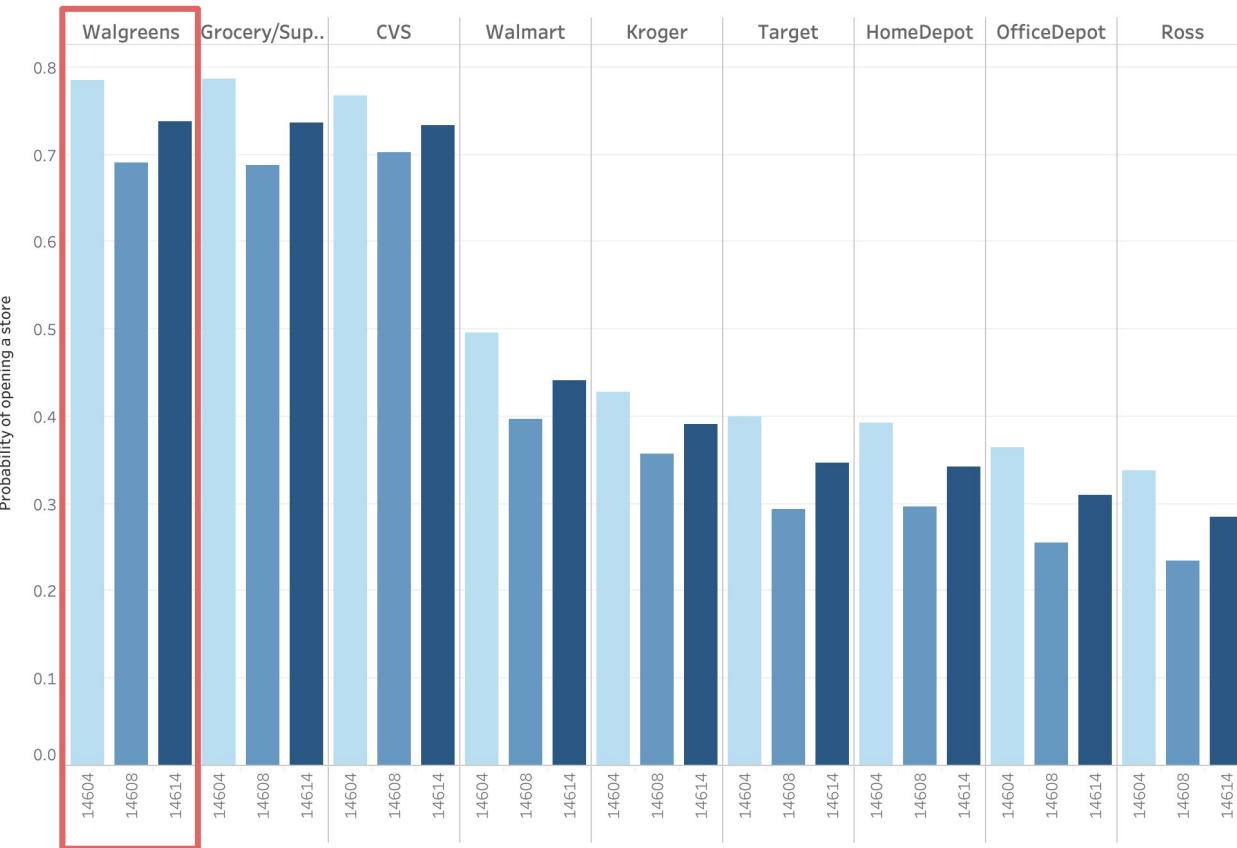
## Targeted Variable

zipcode	cvs	walgreen	mass	...
10001	TRUE	FALSE	TRUE	...
10002	TRUE	TRUE	TRUE	...
10003	FALSE	FALSE	TRUE	...
...	...	...	...	

246 Features

20 Probabilities

# Predictive Modeling: Results



Walgreens

Walgreens succeed in **Cincinnati**

Number of Walgreens **Small**

Probability of opening **Highest**

# Predictive Modeling: Justify Final Choice — Walgreens

## Predicted Results: Probabilities of Walgreens Open in Downtown ROC

### Methodology:

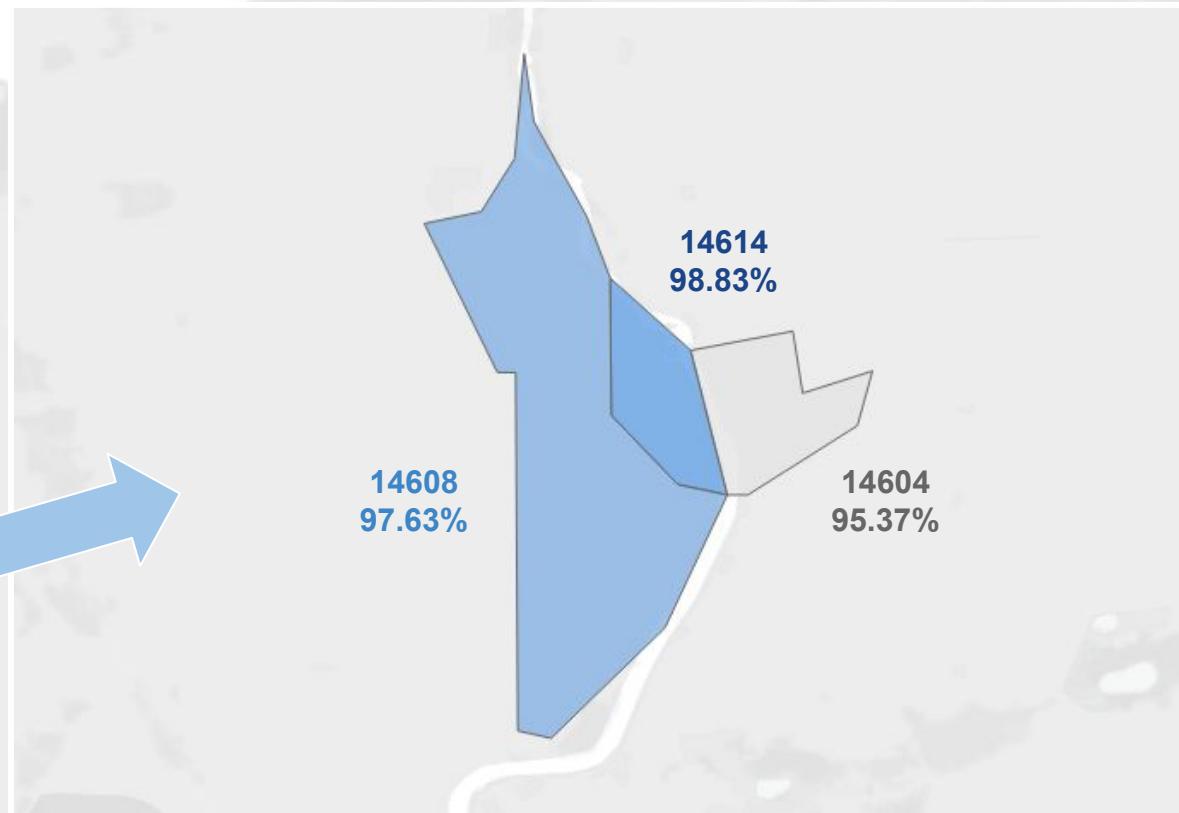
LightGBM Classifier

### Input Variables:

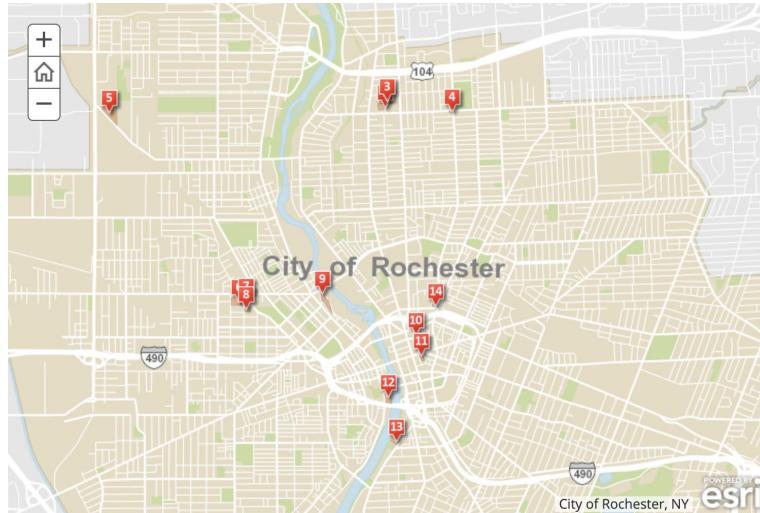
Same

### Label:

One-hot Encoding of “Walgreens”  
(binary)



# Site Selection: Criteria



Developed-ready Sites In Rochester

## Attributes To Consider:

- Sites available
- Adequacy of parking
- Complementary nature of the neighborhood
- Visibility
- Zoning regulations
- Site value assessment

## Potential Sites:

### 10. ST. JOSEPH'S SQUARE

101-113 Franklin St; 106 Pleasant St  
0.7 Acres

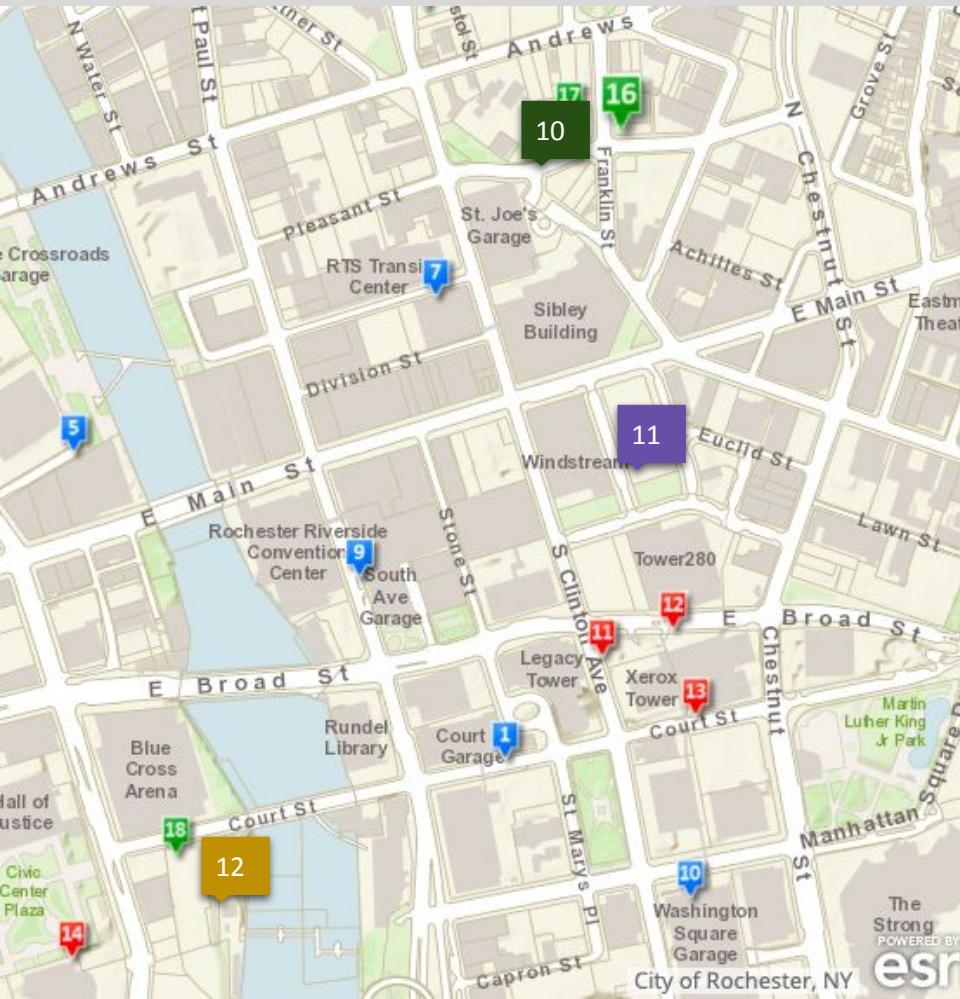
### 11. MIDTOWN PARCEL ON MAIN

275 E Main St; 40 Cortland St  
1.17 Acres

### 12. BRIDGE VIEW SITE

25 Court St; 132 Exchange Blvd, etc.  
3.69 Acres

# Site Selection: Parking



## Site No.10

### ST. JOSEPH'S SQUARE

Street parking

1 Parking Lot across street

## Site No.11

### MIDTOWN PARCEL ON MAIN

Street parking

3 Garage parking one block away

## Site No.12

### BRIDGE VIEW SITE

Parking lot itself

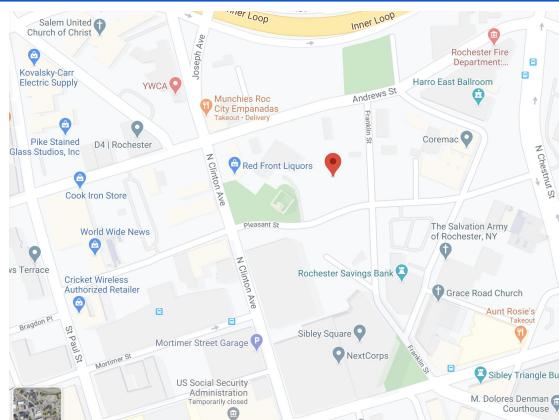
1 Garage parking one block away

## Recommendation:

Three sites need space left for parking.

Source: City Of Rochester - Garagesstorymap

# Site Selection: Neighborhood



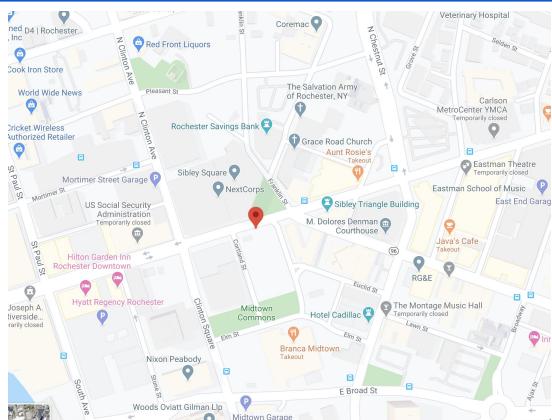
## 10. St. Joseph's Square

**Attraction:** St. Joseph Park

**Transportation:** RTS Transit Center  
Amtrak Station

**Campus:** Monroe Community College  
University of Rochester  
Rochester Institute of Technology

**Stores:** Red Front Liquors  
Convenience Mini Mart



## 11. Midtown Parcel On Main

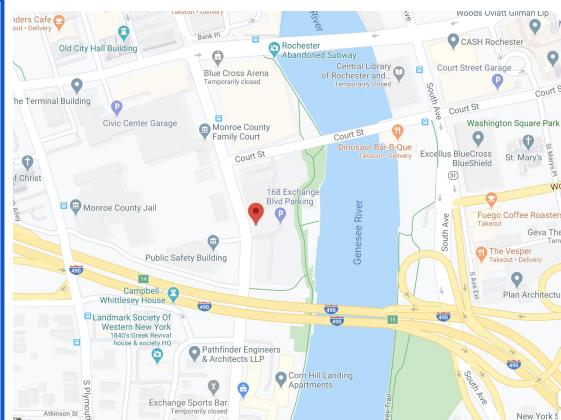
**Attraction:** Liberty Hole Plaza

Midtown Commons

**Transportation:** Transit Center  
Amtrak Station

**Campus:** Monroe Community College  
University of Rochester

**Stores:** Red Front Liquors  
Cricket Wireless Authorized Retailer



## 12. Bridge View Site

**Attraction:** Corn Hill Neighborhood

**Transportation:** RTS Transit Center  
Amtrak Station

**Campus:** Monroe Community College  
University of Rochester

**Stores:** Cornhill Fine Wines & Spirits

More retailers and various facilities around St. Joseph's Square and Midtown Parcel On Main.

Source: City Of Rochester; Google Map

# Site Selection: Visibility, Zoning and Assessment



## 10. St. Joseph's Square

### Visibility: ★★★★★

One-side building, two-side main street

### Zoning Regulation: ★★

C-1 Neighborhood District

- Low intensity, unobtrusive
- Low demand on transportation
- Low demand on public services

### Land Cost Assessment: ★★★★

\$286,500



## 11. Midtown Parcel On Main

### Visibility: ★★★

Three-side building, two-side main street

### Zoning Regulation: ★★★★

Midtown Urban Renewal District/  
CCD-T Center City District - Tower

- Promoting beautification
- Economic development promoting
- Vibrant, safe environment
- Retailers welcomed

### Land Cost Assessment: ★★★★

\$203,700



## 12. Bridge View Site

### Visibility: ★★★★★

Two-side building, two-side main street  
one-side river

### Zoning Regulation: ★★★★

CCD-R Center City District - Riverfront

- Vibrant, safe environment
- Retailers welcomed

### Land Cost Assessment: ★★

\$762,000

Source: City Of Rochester

# Positive Impacts that Walgreens can Bring to Rochester

## ❑ New Store Concepts Boosting On-site Shopping

1. FedEx package pickup and drop-offs



2. Health-centric store



3. Stand-alone pharmacy stores



Walgreens is testing concepts and piloting services to develop what is called the "**drugstore of the future.**"

- Provides **timely walk-in supply** of medical products, especially for emergencies.
- Continuously satisfies the demand of patients who have been newly prescribed a drug to **speak with a pharmacist in person.**
- Creates **job opportunities.**
- Increases retail offerings and **sales tax revenue.**

# Site Selection: Conclusion



## Walgreens at Site 10:

More retailers around, good visibility  
Less competitive zoning regulations  
Smaller land area: 0.77 acres

## Walgreens at Site 11:

Favorable zoning regulations  
Appropriate land area: 1.17 acres  
Might be controversial

## Walgreens at Site 12:

Excellent visibility  
Favorable zoning regulations  
Largest land area: 3.69 acres  
A bit costly