

A
RETAIL ANALYSIS
CONDUCTED FOR
NEAR SOUTHEAST NEIGHBORHOODS

Southeast Neighborhood Development (SEND)

Concord Community Development

By

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NEAR SOUTHEAST NEIGHBORHOODS

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KEY FINDINGS

- 32,715 residents live in the Near Southside area in 11,173 households, a stable base.
- Household incomes in the Near Southside area are estimated to be an average of \$41,753. Strong income growth is estimated to have occurred in the period from 1990 through 2001.
- The number of households in the area (11,173) multiplied by their average income (\$41,753) results in an aggregate income of \$466.5 Million, a sizeable “neighborhood economy”. If the undercounted Hispanic population is added in, this aggregate income would rise to \$480 Million.
- Approximately 45,000 employees work in the Near Southside area, in 1,600 establishments that range from very small to the largest which is Eli Lilly (14,000 employees in numerous facilities). Three major employers who were interviewed showed strong interest in new developments in Fountain Square, primarily food and personal services.
- The “outflow” of retail expenditures made by Near Southside area residents is significant, because the scarcity of local businesses forces residents to take their business elsewhere. This was confirmed in the telephone surveys when just 34% of area residents said they currently shopped most within the boundaries of the area.
- The 6 merchandise categories which represent the greatest future potential in Near Southside are shown below, in descending order of interest shown in the survey:
 - Reasonably-priced clothing and shoes (43% would shop in area)
 - Ethnic restaurant (37% would patronize in area)
 - Hobby/craft store (36% would shop in area)
 - Optical services (30% would shop in area)
 - Coffee shop/bakery (26% would shop in area)
 - Dry cleaner (14% would shop in area)
- The largest traffic counts in the area are found at these five locations: along Madison Avenue, at Twin Aire Shopping Center, at the I-65 exits onto Raymond Street, in the heart of Fountain Square on Prospect Street and entering/exiting the downtown area. Combining all of the major arteries that feed into historic Fountain Square results in an average count per day of 34,000 vehicles.
- The two interstates which bisect the Near Southside neighborhood are traveled on a daily basis by upwards of 100,000 vehicles. At the very least, this may represent a marketing opportunity for Fountain Square area businesses using signage.
- More than 200,000 visitors come into the Near Southside area on an annual basis for attractions such as Fountain Square Theater/duck-pin bowling, Garfield Park and unique restaurants/bars. Those attractions show strong interest in having more development in the area, particularly restaurants.

METHODOLOGY

The Near Southside Area of Indianapolis contracted with four Indianapolis research experts to determine what new retail businesses could be supported in this inner-city neighborhood. The objectives of the project are identified below:

- To quantify the market demand in the neighborhood using residential population, household incomes, other demographic variables such as age and ethnicity, and county-wide and regional data showing the levels of expenditures that are typically made by merchandise category.
- To compare that market demand with the existing supply of retail businesses in the neighborhood, in order to identify any voids which exist by merchandise category, that require residents to shop outside of the neighborhood;
- To learn residents' likelihood of shopping at the top six merchandise categories which are found to be currently lacking in the neighborhood, if new businesses were to open which provided those goods and services;
- And to quantify the other sources of retail support in the neighborhood, from "inflow" that might occur from commuters driving by the area, from employees that work in the area, from visitors at major attractions in the area and from church members who used to live in the area and now regularly return to attend services, or could be persuaded to return to the neighborhood for special events such as festivals.

Wabash Scientific was first responsible for establishing the market demand, through an analysis of two different sources of population, income and other demographic data: the U.S. Census and Claritas, Inc. **Wabash Scientific** and **Gentleman Associates** then divided that market demand into merchandise categories, using two different sources of expenditure data: the Bureau of Labor Statistics and the Census of Retail Trade. This resulted in the list of the 6 top retail voids currently in the Near Southside neighborhood.

Marketrends then conducted a telephone survey with 1,117 residents of the Near Southside neighborhood, to determine residents' likelihood of shopping in new businesses in the 6 retail categories, if they were to locate in the area. All four members of the research team – **Scott-Hilliard-Kosene, Wabash Scientific, Gentleman Associates and Marketrends** – then

researched the various other sources of retail support which might occur in this neighborhood, including:

- Commuting patterns on the major arterials and interstates that bisect the neighborhood;
- Daytime population and attitudes of 3 major employers to providing access for their employees to use local businesses;
- Visitors drawn to the major attractions in the neighborhood;
- And members of churches in the neighborhood who no longer live there, but who return on a regular basis to attend services.

This report was produced for use by Concord Community Development Corporation and Southeast Neighborhood Development, Inc. These non-profit community development corporations are guided by residents who seek to revitalize the Near Southside's commercial areas through partnerships with business, government and other non-profits. This study was funded through a grant to the Fostering Commercial Urban Strategies (FOCUS) initiative from the Central Indiana Community Foundation.

CONCLUSIONS REACHED THROUGH THIS PROCESS

- A total of 32,715 residents live in the Near Southside area in 11,173 households (2000 Census). There has been slight growth in this population base since the 1990 Census.
- While this area is still predominantly Caucasian (79%), the greatest growth has come in Hispanic residents, a population which by Census counts has quintupled in size from just 448 persons in 1990 to 2,407 in 2000. This Hispanic population, while impressive, may still have been undercounted by as many as 1,000 persons.
- In 2001 household incomes in the Near Southside area are estimated to be an average of \$41,753, less than the Marion County average of almost \$59,000. This gap appears to be narrowing, with very strong income growth estimated for the period from 1990 through 2001.
- The number of households in the area (11,173) multiplied by their average income (\$41,753) results in an aggregate income of \$466.5 Million. If the undercounted Hispanic population is added in, this aggregate income would rise to \$480 Million.
- The age distribution of residents living in the Near Southside area is almost identical to all of Marion County, with a median age of 32.4 years of age.
- Expenditures of area residents were calculated by merchandise category, using two different methods of analysis (the Bureau of Labor Statistics and the Census of Retail Trade). These expenditures were then compared to the business inventory prepared by Near Southside, to estimate how much of that spending is able to occur in the area and how much is “outflow”.
- The “outflow” of retail expenditures made by Near Southside area residents is significant; this was confirmed in the telephone surveys when just 34% of area residents said they currently shopped most within the boundaries of the area.
- The 6 merchandise categories which represent the greatest future potential in Near Southside are shown below.

Dry cleaner
Optical services
Reasonably-priced clothing and shoes
Hobby/craft store
Ethnic restaurant
Coffee shop/bakery

- A list of other merchandise categories are also lacking in the area, but in the current retail environment they are offered by “big box” retail formats which seek predominantly

suburban locations. These include: furniture/electronics/computers, home improvement, sporting goods, music, office supplies and pet supplies. These are therefore not recommended for Near Southside to pursue as new businesses.

- As mentioned earlier, only 34% of the 1,117 residents surveyed by telephone are able to do most of their shopping in the area. Their trips are scattered throughout the metropolitan area.
- There is very strong interest in having new businesses open in the area, particularly reasonably-priced apparel and shoes, ethnic restaurants and hobby/crafts stores.
- The lower response given to coffee shop/bakery was because many residents now purchase those items from existing restaurants and stores. And a relatively large segment of 37% do not purchase dry cleaner services. Both of those businesses might serve nearby employees, or visitors coming into the neighborhood for other purposes.
- The largest traffic counts in the area are found at these five locations: along Madison Avenue, at Twin Aire Shopping Center, at the I-65 exits onto Raymond Street, in the heart of Fountain Square on Prospect Street and entering/exiting the downtown area. Combining all of the major arteries that feed into historic Fountain Square results in an average count per day of 34,000 vehicles.
- The two interstates which bisect the Near Southside neighborhood are traveled on a daily basis by upwards of 100,000 vehicles. At the very least, this may represent a marketing opportunity for Fountain Square area businesses using signage.
- Approximately 45,000 employees work in the Near Southside area, in 1,600 establishments that range from very small to the largest which is Eli Lilly (14,000 employees in numerous facilities). Three major employers who were interviewed showed strong interest in new developments in Fountain Square, primarily food and personal services.
- More than 200,000 visitors come into the Near Southside area on an annual basis for attractions such as Fountain Square Theater/duck-pin bowling, Garfield Park, and unique restaurants/bars. Those attractions show strong interest in having more development in the area, particularly restaurants.

Table 1: Total GMA Population			
Data Source	1990	2000	Growth
U.S. Census	32,125	32,715	+2%
Claritas, Inc.	32,055	32,191	+0%

Population Split by Race

The population of the GMA was also examined by race, in order to more precisely describe the population and its growth components. As the table below shows, approximately 80% of the GMA's population is Caucasian. However, the greatest growth in population over the past ten years has been in Hispanic and African-American residents.

Table 2: Population by Race in the GMA (U.S. Census)					
Data Source	1990	Percent	2000	Percent	Growth
U.S. Census: Caucasian	28,791	90%	25,871	79%	-10%
U.S. Census: African-Amer	2,886	9%	4,439	14%	+54%
U.S. Census: Hispanic	<u>448</u>	<u>1%</u>	<u>2,405</u>	<u>7%</u>	+437%
U.S. Census: TOTAL	32,125	100%	32,715	100%	+2%

The population estimates by race are shown below from Claritas, Inc. for the year 2001. These statistics are not significantly different from the population composition shown above from the 2000 Census.

Table 3: Population by Race in the GMA (Claritas)					
Data Source	1990	Percent	2001	Percent	Growth
Claritas, Inc.: Caucasian	28,488	89%	24,975	77%	-4%
Claritas, Inc.: African-Amer	3,083	10%	4,617	14%	+30%
Claritas, Inc.: Hispanic	484	1%	2,497	8%	+91%
Claritas, Inc. Other race	<u>216</u>	<u><1%</u>	<u>320</u>	<u>1%</u>	+48%
Claritas, Inc.: TOTAL	32,055	100%	32,409	100%	+0%

It should be noted that the Hispanic population is believed to have been undercounted in the 2000 Census. In all of Marion County, the 2000 Census numbers indicate that there are just 33,290 Hispanic residents (4% of all residents), but that number is estimated by United Way of Central Indiana to actually be as high as 65,000-85,000 persons (7.5% to 10%). It is therefore possible that the 2000 Census undercounted the population of the Near Southside area by as many as 1,000 Hispanic persons. This possibility will be reflected later in this report, in the form of a range of retail potential.

Household Trends

The data in the table below shows a summary of the household data from the two sources. The number of households living in the GMA is essentially flat, at a count of approximately 11,500, but there has been an increase in the size of households in this area. The growth in household size may be related to the influx of Hispanics to this area, an ethnic segment which tends to have larger households.

Table 4: Number of Households in the GMA						
Data Source	1990 Number	1990 Per HH	2000 Number	2000 Per HH	Growth Number	Growth Per HH
U.S. Census	11,508	2.49	11,173	2.90	-3%	+16%
Claritas, Inc.	11,508	2.79	11,921	2.70	+4%	-3%

Both of the data sets appear to confirm a trend in this area, that the Hispanic population is having a significant impact. The growth in numbers of Hispanic residents, as well as the increase in household size are both important factors. When the possibility of under-counting is added to the mix, this trend appears to be substantial. For purposes of this analysis, a range of between 11,173 and 11,500 households was used, to account for the possible undercounting of Hispanic residents.

Income Trends

Income data within any area is a critical factor in any market analysis. The 2000 Census data for household income has just become available for Marion County, but is not yet available on a census tract basis. The data presented in the table below is taken from the 1990 Census (documenting household incomes for the prior year of 1989), the 2000 Census where data was available and estimates prepared by Claritas, Inc. for the year 2001, for both the GMA and for all of Marion County. While incomes in the GMA lag behind the Marion County average, strong growth in incomes is taking place.

Table 5: Median Household Incomes in the GMA				
Area	1990 Census ('89)	2000 Census ('99)	Claritas 1999 Est.	Growth
Near Southside Area	\$18,009	NA	\$28,721	+59%
Marion County	\$29,217	\$40,421	\$41,656	+43%

The median incomes shown above (the point at which half of all households have incomes greater than that, and half less than that) are less than the average household incomes. For purposes of this analysis, the average household income used for the GMA for the year 2001 is \$41,753. When the Census 2000 numbers become available on a census tract basis, this income statistic may be adjusted.

One source of income which is not included in the above statistics are “transfer payments”, which are welfare distributions made to lower-income households above and beyond the monies they report to the Census as income. Another source of unreported income is the “underground economy” or “cash economy”, which are transactions for goods and services that are not reported to the Census as income. One example would be the automobile mechanic who repairs a vehicle in exchange for a cash payment that is not reported to the IRS or to the Bureau of the Census. There is some evidence of both of these types of activity in the Near Southside area, but for purposes of this analysis the more easily-documented estimate of \$41,753 was used.

Appendix A shows the analysis which was conducted on transfer payments and cash economy in the Near Southside area.

Aggregate Income

The aggregate income in the Near Southside area is calculated by multiplying the number of households currently estimated to live there by the average household income. The first statistic is taken from the 2000 Census (11,173). Because Census data on income is not yet available, the second statistic was taken from an estimate prepared by Claritas, Inc. (\$41,753). This results in an aggregate income in the GMA of \$466,500,000. If the larger number of households (11,500) is used, to account for the undercounting of Hispanic residents, this aggregate income would rise to \$480,000,000.

Age Distribution in Near Southside Neighborhood

The distribution of age in the Near Southside neighborhood closely parallels the rest of Marion County. A slightly larger percentage of children under 15 years of age live in the Near Southside area than are found in all of Marion County. This causes the median age in the area to be just 32.4 years, younger than the Marion County median of 33.6 years.

<u>Age Range</u>	<u>NEAR SOUTHSIDE Area</u>	<u>Marion County</u>
Under 15 years	24%	22%
15 to 24 years	14%	14%
25 to 34 years	16%	16%
35 to 44 years	16%	16%
45 to 54 years	12%	13%
55 to 64 years	7%	8%
65+ years	12%	11%
MEDIAN AGE:	32.4	33.6

RETAIL SUPPLY & DEMAND

There are two methods for computing retail demand within a prescribed market area. One uses statistics from the Bureau of Labor Statistics on expenditures that households make by merchandise category, as a percentage of total household income; these statistics are self-reported by households in a diary format. The second method uses data collected every five years by the Census of Retail Trade, documenting actual sales by store type in each county nationally, which are then compared to aggregate income. Both of these methods were used in this analysis, so that they could be contrasted and compared.

Projecting GMA Expenditures Using Bureau of Labor Statistics

The Bureau of Labor Statistics data is collected every five years, most recently in 1997. BLS data is obtained from interviews and surveys of households both regionally and nationally. Once the size of the market (demand) is credibly estimated, the demand can then be “split” into individual categories of expenditures, using BLS data.

The main strength of the BLS data is that it allows the market analysis to be adjusted for household income levels. This technique is especially valid when applied to low income households. The basic calculations of market size (multiplying the number of households by the household income and then adjusting for taxes) were adjusted in 12 iterations, to take into account statistical anomalies such as uneven income distributions, uneven age distributions and variations in tax liabilities. The most conservative of these iterations results in a market demand of \$204 Million spent on retail goods and food.

Projecting GMA Expenditures Using Census of Retail Trade

The Census of Retail Trade (CORT) provides retail sales data every five years, most recently in 1997. Sales at retail stores in Marion County were analyzed by merchandise category, as a percentage of aggregate income, with the assumption that residents living in the Near Southside area spent dollars in a similar fashion as other Marion County residents. The

total dollars that are estimated to be spent by residents living in the GMA on retail goods and food are \$189 Million, which is remarkably close to the estimate derived by analyzing BLS data on expenditures.

Neither the BLS or the CORT analyses indicate where GMA residents spend these dollars. Because of the current scarcity of retail stores in the GMA – particularly in a few key merchandise categories – it is assumed that a majority of this spending now occurs outside of the neighborhood. This assumption was validated in the surveys conducted with more than 1,000 neighborhood residents, in which just 34% said they shopped primarily in the area (13% in Fountain Square itself, 12% at Twin Aire Shopping Center and 9% on S. Shelby Street/Raymond).

Retail Business Inventory

The Near Southside organization completed a retail business inventory in the Fall of 2001 in which data obtained from the City of Indianapolis on businesses in the neighborhood was enhanced and expanded upon through the use of a written survey form completed by many of those businesses, and through personal observation. In these ways, the retail business inventory used in this analysis can be considered significantly more accurate than the raw data from the City of Indianapolis, or than data purchased from vendors such as Dunn & Bradstreet.

This inventory was then re-organized and analyzed in two ways: first, by geographic location/corridor and secondly, by merchandise category. Businesses were first categorized as being either retail or non-retail, and all non-retail uses were excluded from this analysis. It was determined that the automotive retail category – which happens to be plentiful in the GMA – would be excluded from this analysis. The key categories which remained were those known as “GAFO” – general merchandise, apparel and accessories, furniture and other retail goods – and food (including “at home” food purchase from groceries as well as “away from home” food purchased from restaurants). Further sub-categorization was done using the national merchandise codes known as “NAICs”, an acronym representing the “North American Industry Classification” system.

Merchandise Voids in GMA

The result of this extensive analysis can be found in Table 7. This table shows the calculations made for expenditure potential in the GMA using both the CORT and BLS methods. It also shows an estimate of current sales being generated by retail businesses already located in Near Southside, using the number of stores in each merchandise category from the business inventory multiplied by an average sales volume for that store type provided by the Dollars & Cents of Shopping Centers (2000 edition). A calculation of “unmet potential” was made by subtracting dollars currently estimated to be spent in the neighborhood from the total demand.

The results by merchandise category can be organized into four groups, as indicated below:

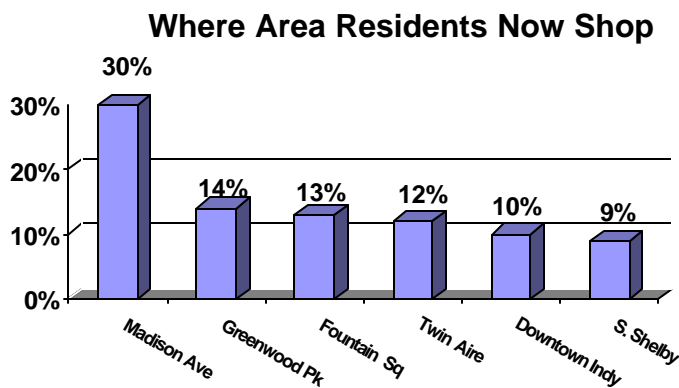
Table 8: Analysis of Merchandise Voids in Near Southside	
Merchandise voids which can realistically be filled in Near Southside:	Food away from home Reasonably-priced clothing/shoes Hobby/crafts Optical store Dry cleaner
Merchandise voids which cannot reasonably be filled in Near Southside, due to dominance in that category of suburban “big box” stores	Furniture, appliances, electronics, computers Home improvement Sporting goods Music Office supplies Pet supplies
Merchandise voids which are too small to warrant another business; should work with existing businesses	Grocery Pharmacy (once Walgreen’s opens) Music instruments Books/newsstands Florists
Merchandise which is currently over-represented in Near Southside	Convenience stores Liquor stores Sewing/needlework Gifts/art dealers Used merchandise

SURVEYS OF AREA RESIDENTS

A canvass was next conducted with area residents, to learn where they currently shop and to “test” six specific merchandise voids for their viability. A total of 1,117 residents of Fountain Square were surveyed during the weeks of January 7 and January 14, 2002. An automated call was first placed to each of the approximately 11,500 households in the neighborhood with an introduction by Mayor Bart Peterson, inviting residents to participate in the upcoming survey. The success of this approach is evident by the fact that 10% of the residents participated in the subsequent survey call, an interview lasting approximately 10 minutes in length.

Where Residents Currently Shop

Not surprisingly, given the lack of retail businesses in the Near Southside neighborhood, only 13% of those surveyed said they now do most of their shopping in Fountain Square and an additional 21% in the other 2 retail districts located within the study area boundaries (Twin Aire and South Shelby). Their retail trips are scattered throughout the metropolitan area, facilitated by the central location of Near Southside in close proximity to two interstates, several major thoroughfares, and IndyGo routes that would take a non-driver to any of the major suburban retail districts.



Neighborhood Interest in Six Merchandise Voids

The merchandise voids in Near Southside were identified in the previous section as food away from home, reasonably-priced clothing and apparel, hobby/crafts, optical services and dry cleaning services. “Food away from home” was further divided into two categories which were perceived to be lacking in this neighborhood: an ethnic restaurant and a coffee shop/bakery.

For each category, residents were first asked if they purchased those goods or services, and then whether those purchases were made in the neighborhood or elsewhere. Next, they were asked for their likelihood of purchase those goods or services if they were located in the neighborhood. The results from these questions are shown below.

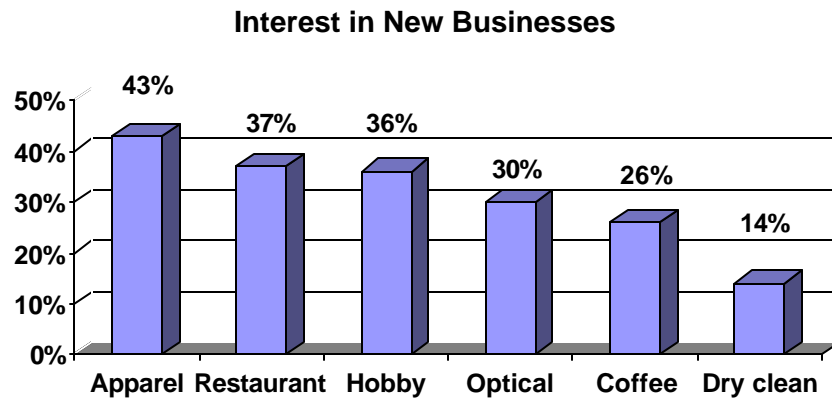
Table 9: Survey Responses to Six Merchandise Voids

<u>Business Type</u>	<u>Currently Purchase</u>	<u>Shop in Neighborhood</u>	<u>Shop Outside Neighborhood</u>	<u>Likely to Shop in the Area</u> ⁽²⁾
Dry cleaner ⁽¹⁾	63%	44%	19%	74%
Optical services	86%	31%	55%	54%
Hobby/arts & crafts	78%	32%	46%	79%
Reasonably-priced clothing and shoes	100%	45%	55%	78%
Coffee shop/bakery	88%	55%	33%	79%
Ethnic restaurant	100%	49%	51%	72%

1) Residents were given two options in this question: whether they did not purchase any dry cleaning services at all, and whether they purchased “do-it-yourself” dry cleaning services. Both of these have been combined here as “no purchase”, since neither would result in demand for a new dry cleaning establishment.

2) Only those residents who currently shop outside of the neighborhood for that category were asked the question about how likely they would be to shop at a new business if it were located there.

The percentages of residents who said that they were likely to shop at a new business if it were located in the Near Southside area were then re-calculated, on the basis of all residents surveyed (including those who opted out of that question because they currently do not purchase such goods or services anywhere, or who are already committed to shopping in the neighborhood). These percentages of all neighborhood residents surveyed are shown in the graph below.



The greatest demand is shown for **reasonably-priced apparel and shoe stores**, which nearly all residents say they patronize elsewhere because there is very little supply of such stores in the neighborhood. If a location could be found for a small shopping center in the neighborhood, an anchor tenant such as Fashion Bug or Payless Shoe Source could serve this demand for reasonably-priced apparel and shoes.

Having more **ethnic restaurants** in the area is another strong request by residents, because they currently patronize such restaurants but in many cases must drive a distance to do so. This type of business could also be an attraction for employees working at companies in the area, or for visitors drawn to the area for other reasons such as entertainment or church attendance. If space could be found for such restaurants, including nearby parking, in close proximity to historic Square, that is probably the best location to suit all of these needs.

Hobby/crafts stores was the third greatest request made by residents surveyed, which is in keeping with the current “theme” of the historic Fountain Square block where a growing

number of artists are in residence. There is an opportunity to attract several smaller stores selling decorative merchandise and perhaps offering educational classes in crafts.

The other three voids which were included in the survey received less of a response from the general population, but for different reasons. A surprisingly strong 86% of residents say they have some need for **optical services**, but they were more resistant to the idea of switching to a neighborhood business from the out-of-area businesses they now use. Perhaps these loyalties are not as easy to switch as most retail loyalties.

In the case of a **coffee shop/bakery**, a majority of those surveyed already purchase such items in the neighborhood and therefore do not feel that strong of a demand for new businesses. Starbuck's would be the obvious choice in this category, since that company has been opening successful locations throughout metropolitan Indianapolis. Starbuck's should probably continue to be pursued, if not to satisfy the desires of the neighborhood then to provide another destination for visitors who come in for other purposes such as entertainment or church attendance.

Lastly, a **dry cleaner** is currently not found in the Near Southside neighborhood and so was included in the list of voids. Less than two-thirds of the residents surveyed use the services of a dry cleaning establishment, some choosing instead to use do-it-yourself products. This brings the percentage of all residents who would use a new dry cleaner in the neighborhood down to just 14% (approximately 1,500 households). For this category, this lower demand by residents might be supplemented by a contract with a major employer such as Farm Bureau, to deliver dry cleaning to those nearby employees.

COMMUTING PATTERNS

The commuting patterns within and surrounding the GMA were examined, to determine if sufficient market exists for retailers to tap above and beyond the residential market described in the earlier section. Toward this end, an analysis was done of the IndyGo Route System and of 11 thoroughfare corridors, and of the two interstates which bisect the GMA.

Public Transit Ridership

An analysis was conducted of the eight (8) routes that go through the GMA. This route analysis shows that the GMA is well-served by mass transit opportunities. The routes clearly show that GMA residents have multiple mass transit options which can convey them anywhere between Carmel and Greenwood, as well as the Central Business District (Downtown) and the Shadeland retail corridor. Even GMA residents without cars can select between various retail options for virtually any need or product – assuming that they are willing to take the time to do so via IndyGo.

Table 10: IndyGo Route Service and Ridership				
Rt. #	Route Name	1999 Ridership	2000 Ridership	Growth
12	Beech Crest	111,245	119,858	+8%
14	Prospect	106,089	121,040	+14%
16	Beech Grove	58,920	68,611	+16%
22	Shelby	50,636	62,886	+24%
26	Keystone Crossing	131,307	156,060	+19%
31	Greenwood	176,849	204,364	+16%
46	South Meridian Express	9,713	4,772	-51%
55	English	87,320	108,142	+24%

As the table above shows, the four most heavily traveled routes are Beech Crest, Prospect, Keystone Crossing and Greenwood. Of these, Greenwood and Keystone Crossing routes offer major retail destinations. The Beech Crest route moves through the GMA in large loops, extending as far southeast as Troy and Sherman Avenues. The Prospect route runs

essentially due east along Prospect, extending from Downtown to as far east as Raymond and Southeastern.

The table on the previous page also shows strong growth in all of the most heavily traveled routes in and around the GMA, an increase in ridership which is not true of the entire IndyGo system. This would indicate that GMA residents not only have access via IndyGo to all parts of the City of Indianapolis, but they are also more reliant on that access. However, the survey which was conducted via telephone indicated that only 2% of those interviewed rely on IndyGo as their mode of transportation when shopping.

Thoroughfare Traffic Volumes & Trends

This analysis included a review of traffic counts for 11 thoroughfare corridors: 6 north-south corridors, 4 east-west corridors, and 1 southeast-northwest corridor. It should be noted that some of the corridor traffic counts are old, and it is difficult to accurately project traffic without current information. As Near Southside proceeds to attract new businesses to the area, it may therefore be necessary to request updated traffic counts from the City of Indianapolis.

Virginia Avenue Corridor

As shown in the chart below, the greatest traffic counts on Virginia Avenue are at Calvary Street leading into the heart of historic Fountain Square and between Delaware and Alabama, leading out of the downtown area.

From	To	1981 Counts	1997 Counts	Growth
Delaware St.	Alabama St.	7,904	9,161	+16%
Alabama St.	East St.	9,001	8,220	-9%
East St.	College Ave.	10,989	7,066	-36%
College Ave.	Calvary St.	13,324	8,937	-33%
Calvary St.	Prospect St.	NA	12,137	NA

Morris Street Corridor

The greatest counts on Morris Street are directly off of Meridian Street, either to the east toward Madison or to the west toward West Street. The counts on Morris Street to the White River Parkway are also noteworthy.

Table 12: Morris Street Corridor

<u>From</u>	<u>To</u>	<u>1980 Counts</u>	<u>1996 Counts</u>	<u>Growth</u>
White River Pkwy WD	White River Pkwy ED	12,523	11,759	-6%
White River Pkwy ED	West St.	9,686	8,859	-8%
West St.	Meridian St.	9,598	11,590	+21%
Meridian St.	Madison Ave.	9,173	13,216	+44%
Madison Ave.	East St.	4,135	8,481	+105%
East St.	I-65	5,520	8,630	+56%
I-65	Shelby St.	4,527	4,895	+8%

Prospect Street Corridor

As shown below, the largest counts on Prospect Street are close to the heart of Fountain Square, at State Avenue.

Table 13: Prospect Street Corridor

<u>From</u>	<u>To</u>	<u>1980 Counts</u>	<u>1996 Counts</u>	<u>Growth</u>
Madison Ave.	East St.	5,492	6,789	+24%
East St.	I-65	4,468	4,058	-9%
I-65	Shelby St.	3,756	3,236	-14%
Morris St.	State Ave.	10,479	10,563	+1%
State Ave.	Churchman Ave.	7,684	8,517	+11%
Churchman Ave.	Keystone Ave.	7,332	7,520	+3%
Keystone Ave.	Payne St.	5,243	5,055	-4%
Payne St.	Sherman Dr.	5,787	6,996	+21%

Shelby Street Corridor

The largest traffic counts on the Shelby Street corridor are to the south, off Raymond and the Pleasant Run Parkway.

Table 14: Shelby Street Corridor

From	To	1981 Counts	1995 Counts	Growth
Raymond St.	Pleasant Run Pkwy ND	13,881	12,452	-10%
Pleasant Run Pkwy ND	Morris St.	12,027	11,066	-8%
Morris St.	Prospect St.	11,086	10,720	-3%
Prospect St.	Woodlawn Ave.	3,162	3,364	+6%
Woodland Ave.	Fletcher Ave.	6,163	6,389	+4%
Fletcher Ave.	English Ave.	4,136	4,106	-1%
English Ave.	Bates St.	2,142	3,365	+57%
Bates St.	Southeastern Ave.	NA	2,549	NA

Meridian Corridor

Not surprisingly, the larger counts on Meridian Street are within the Mile Square of downtown Indianapolis, at South Street, Georgia Street and Maryland Street.

Table 15: Meridian Street Corridor

From	To	1980 Counts	1988 Counts	Growth
Raymond St.	Bluff Ave.	9,944	9,616	-3%
Bluff Ave..	Morris St.	11,892	11,864	-1%
Morris St.	McCarty St.	11,060	9,510	-5%
McCarty St.	South St.	5,340	4,547	-15%
South St.	Georgia St.	6,098	10,784	+77%
Georgia St.	Maryland St.	10,523	12,941	+23%
Maryland St.	Washington St.	10,208	11,067	+8%

Pennsylvania/Madison Corridors

Traffic counts on both the Pennsylvania and Madison corridors remain strong leading south of the downtown area. Because Madison is a two-way street that is a major commuter corridor, the counts there are significantly higher than most of the other major arterials going through the Near Southside area.

From	To	1979 Counts	1988 Counts	Growth
McCarty St.	South St.	11,619	14,992	+29%
South St.	Georgia St.	12,079	16,505	+137%
Georgia St.	Maryland St.	10,968	14,158	+29%
Maryland St.	Washington St.	15,545	13,786	-11%

From	To	1981 Counts	1997 Counts	Growth
Pleasant Run Pkway ND	Terrace Ave.	24,336	26,667	+10%
Terrace Ave.	Morris St.	26,657	26,085	-2%
Morris St.	McCarty St.	12,020	24,559	+104%
McCarty St.	Merrill St.	5,777	24,123	+318%
Merrill St.	South St.	5,088	23,885	+369%

East Street Corridor

East Street is another north-south thoroughfare, but counts on it are significantly less than on Madison.

From	To	1991 Counts	1996 Counts	Growth
Morris St.	Prospect St.	8,269	10,569	+28%
Prospect St.	McCarty St.	8,937	10,691	+20%
McCarty St.	Stevens St.	6,306	7,899	+25%
Stevens St.	Merrill St.	4,390	7,489	+71%
Merrill St.	South St.	NA	7,532	NA
South St.	Washington St.	6,791	7,155	+5%

Keystone/Rural Avenue Corridors

Keystone and Rural are additional north/south arterials at the eastern edge of the Near Southside neighborhood. The largest traffic counts there are on Keystone, at Prospect Street.

Table 18: Keystone Avenue Corridor				
From	To	1981 Counts	1997 Counts	Growth
Raymond St.	Pleasant Run Pkwy SD	NA	11,388	NA
Pleasant Run Pkwy SD	Prospect St.	9,043	10,775	+19%
Prospect St.	Pleasant Run Pkwy ND	10,478	12,750	+22%
Pleasant Run Pkwy ND	Hoyt Ave.	6,224	7,977	+28%

Rural Street Corridor				
From	To	1981 Counts	1995 Counts	Growth
Hoyt Ave.	English Ave.	4,365	5,591	+28%
English Ave.	Washington St.	8,406	9,459	+12%

Sherman Drive Corridor

Sherman Drive represents the eastern edge of the Near Southside neighborhood, and traffic counts have been increasing there. This is particularly true at Southeastern Avenue and English, perhaps driven by the success of the Twin Aire Shopping Center.

Table 19: Sherman Drive Corridor				
From	To	1979 Counts	1997 Counts	Growth
Raymond St.	Prospect St.	8,834	10,583	+20%
Prospect St.	Southeastern Ave.	9,023	12,019	+33%
Southeastern Ave.	English Ave.	8,205	13,142	+60%
English Ave.	Stanton Ave.	9,347	NA	NA
Stanton Ave.	Washington St.	10,996	NA	NA

English Avenue Corridor

English Avenue is one of the main east-west thoroughfares through the Near Southside area. Its largest traffic counts are approaching Twin Aire Shopping Center, from Rural to Sherman.

Table 20: English Avenue Corridor

<u>From</u>	<u>To</u>	<u>1980 Counts</u>	<u>1995 Counts</u>	<u>Growth</u>
Shelby Ave.	State Ave.	6,106	5,421	-11%
State Ave.	Rural St.	6,982	6,319	-9%
Rural St.	Sherman Dr.	14,028	15,112	+8%

Southeastern Avenue Corridor

Southeastern Avenue is a diagonal street leading out of Downtown Indianapolis and eventually connecting with I-465. In this neighborhood, the greatest traffic counts on Southeastern are as it leaves Washington Street and the downtown area.

Table 21: Southeastern Avenue Corridor

<u>From</u>	<u>To</u>	<u>1980 Counts</u>	<u>1997 Counts</u>	<u>Growth</u>
Washington St.	Arsenal Ave.	9,489	NA	NA
Arsenal Ave.	State Ave.	9,912	9,029	-9%
Washington St.	State St.	NA	10,745	NA
State St.	Rural St.	10,836	13,808	+27%
Rural St.	Sherman Dr.	9,525	9,589	+1%

Raymond Street Corridor

Raymond Street is the southern boundary of the Near Southside area. The greatest traffic counts are at the I-65 exit, going east to State or west to Shelby.

Table 22: Raymond Street Corridor

From	To	1980 Counts	1989 Counts	Growth
White River Pkwy.	Bluff Rd.	9,690	12,337	+27%
Alabama St.	Meridian St.	8,367	11,440	+37%
Meridian St.	East St.	9,107	12,682	+39%
East St.	Pleasant Run Pkwy.	8,493	NA	NA
Pleasant Run Pkwy	Shelby St.	12,256	15,780	+29%
Shelby St.	I-65	29,329	28,674	-2%
I-65	State Ave.	24,365	31,287	+28%
State Ave.	Keystone Ave.	22,087	25,210	+14%
Keystone Ave.	Churchman Ave.	21,090	NA	NA
Churchman Ave.	Sherman Dr.	20,887	21,661	+4%

Interstate Highway Traffic Levels

The traffic counts on I-65 and I-70 as they bisect the GMA were not originally planned to be included in this analysis, because people who want or need a local destination will exit those interstates and travel on local thoroughfares and so have already been counted in the data previously shown. However, the high volumes of traffic which pass by the GMA every day may provide future opportunities for “tourism” inflow to this neighborhood.

Counts on I-65 are generally higher than on I-70, particularly in the segment of I-65 which crosses I-70 West and Virginia Street as it angles down toward Fountain Square. Traffic on that segment of I-65 is now at more than 140,000 vehicles daily, and has increased dramatically in recent years. These counts are shown in the table on the next page.

Table 23: Interstate I-65

<u>From</u>	<u>To</u>	<u>1990 Counts</u>	<u>1998 Counts</u>	<u>Growth</u>
Keystone Ave.	Raymond St.	73,830	73,055	-1%
Raymond St.	I-70 (West)	99,150	87,885	-11%
I-70 (West)	Virginia/Fletcher Ramps	129,580	121,745	-6%
Virginia/Fletcher	I-70 (East)	92,010	140,251	+50%
I-70 (East)	West/Illinois/Delaware.	114,530	115,893	+1%

The greatest counts seen on I-70, and also the greatest increases in traffic, are at Madison Avenue and the intersection with I-65.

Table 24: Interstate I-70

<u>From</u>	<u>To</u>	<u>1990 Counts</u>	<u>1998 Counts</u>	<u>Growth</u>
Harding Street	West/Capitol/Illinois	91,430	87,876	-4%
West/Capitol/Illinois	Madison Ave.	80,950	89,475	+11%
Madison Ave.	I-65 (South Jct.)	71,400	96,937	+36%

OTHER SOURCES OF RETAIL DEMAND

Major Employers

It is estimated by Claritas, Inc. that there are currently more than 45,000 persons employed in the Near Southside area, in a total of 1,600 business establishments. These range in size from very small, independent or “Mom and Pop” retail stores and restaurants, on up to Eli Lilly & Company which is estimated to employ a total of 14,000 workers in its numerous facilities located in and around the Near Southside area. Lilly employees are about evenly split between the buildings located at the Lilly Center at McCarty and Delaware Streets, and at the Lilly Technology Center at Harding and Morris Streets.

These employees could provide another source of demand for businesses which would locate in Near Southside, although there would be some constraints in accessing that employee demand. One constraint would be to get access to market directly to those employees. Another constraint would be to provide convenient parking, to enable employees to have quick access during their busy day or commute home.

Interviews were conducted with the three major employers in the Near Southside area – Eli Lilly, Anthem Insurance and Farm Bureau, in order to learn more about such constraints and to determine the likelihood that these companies’ employees would provide much future demand for new businesses that located in the area. A summary of these companies and the services they currently offer is shown below.

Table 25: Three Major Employers Surveyed		
<u>Company</u>	<u># Employees</u>	<u>Current Services Provided</u>
Eli Lilly & Co. (split between 2 primary campuses)	14,000	Food service “Concierge” pilot with 700 employees Keeps lists of “preferred vendors”
Anthem Insurance	2,200	Limited food service, have considered a “concierge” service
Farm Bureau	700	Cafeteria, fitness center, dry cleaning, small gift shop

Eli Lilly Interest in Near Southside Area

Persons interviewed at Eli Lilly included Tom King and Bill Linder. Mr. Linder is responsible for a “pilot program” of 700 Lilly employees who pay a membership fee to receive a comprehensive concierge service that includes dozens of personal services including dry cleaning, oil changes, ticket purchases, etc. He indicated that the person who is currently operating this concierge service at Lilly is a former hotel concierge, who brought with him a list of “preferred vendors” that are used. In the future, it might be possible for businesses located in the Near Southside neighborhood to be included on this list. It is possible that this might be coordinated through the CDC.

Anthem Interest in Near Southside Area

Persons interviewed at Anthem included Dave Frick, Randy Brown and Linda Sobek. Mr. Brown is in charge of Human Resources for the entire company and is officed at Anthem’s Monument Circle location, while Ms. Sobek is in charge of Human Resources at the new Lytle Center located on Virginia Avenue. Ms. Sobek indicated that there would be strong interest at her location in knowing about businesses located in the Near Southside area, particularly restaurants which offer convenient parking and who might delivery carry-out food. There is also strong interest in being able to offer dry cleaning services to Anthem employees. Other businesses that would be of interest to Anthem employees include shoe repair and cards.

Farm Bureau Interest in Near Southside Area

The person interviewed at Farm Bureau was Lynn Jongleaux, the company’s Chief Counsel who is also responsible for decisions made about the East Street facility. The company cafeteria is run by Crystal, and according to that contract any interaction with Fountain Square restaurants could not be delivered but would need to be at those restaurant sites. Ms. Jongleaux therefore emphasized the need for convenient parking and even the possibility of drive-thrus for restaurants wishing to serve the needs of employees either at lunch or for evening carry-out. Although dry cleaning is currently offered to Farm Bureau employees, the company might be

persuaded to switch to a new dry cleaner located nearby. Delivery of pharmaceuticals and health and beauty ads from a nearby drug store could also be explored.

Major Attractions

Fountain Square has several unique restaurants and entertainment destinations, that bring more than 200,000 visitors in from outside the neighborhood on an annual basis. In the future, it is possible that these visitors would provide additional demand for new businesses in the neighborhood. Some of these attractions are listed below, along with the numbers of “tourists” they bring into the area on an annual basis. One fact that is particularly interesting is that the “duck-pin bowling” attraction estimates that 60% of its patrons live on the Northside of Indianapolis.

Table 26: Key Facts About Major Attractions		
<u>Attraction</u>	<u>Annual Tourists</u>	<u>Notes/Interest in New Businesses</u>
Theater/Bowling/Diner	130,000+	Strong interest in new restaurants Personal interest in other categories, like office supplies
Garfield Park	46,000	Strong upward trend with improvements made in past years
Bistro 936	26,000	Evening only (no lunch served) Traffic “spikes” with gallery openings Strong interest in new restaurants
Dunaway’s	26,000	Conservative estimate