New ways to save the city's shopping districts

By Eileen Auld and Sam Marks

Local commercial corridors play a vital economic and social role in New York City neighborhoods. But many shopping districts are facing complex challenges that threaten their future, whether it's falling foot traffic or dark and vacant storefronts. Obstacles to retail vibrancy are even more pressing in marginalized, long-neglected neighborhoods, mostly outside of Manhattan.

On Bay Street in Stapleton, Staten Island, for example, the storefront vacancy rate is an astounding 24% (it is 10% in Lower Manhattan). And on Fulton Street in East New York, Brooklyn, negative perceptions of public safety and the poor condition of storefronts contribute to a retail leakage of almost $600 million annually—meaning residents go elsewhere to spend their money. In these communities, nearly three quarters of merchants—mostly mom-and-pop businesses—lease their space, leaving them vulnerable to commercial displacement because of increasing rents.

Ironically, many commercial corridors in low-income neighborhoods are finding that after years of neglect, newfound interest by developers and city officials poses a risk to them. Property owners looking to cash in on improving conditions are sharply raising commercial rents or declining to renew leases with long-time storefront tenants. Even businesses that own their buildings or have long-term leases struggle to remain relevant as new consumers with different expectations move into the area.

It is important to preserve these neighborhood commercial districts and boost their vibrancy. They are not just places where local residents shop and gather, but where people build wealth through small businesses, find jobs and share community culture.

So, what can be done? We can use data on retail leakage, shopper preferences and business inventory to make targeted, strategic investments aimed at increasing foot
traffic and customer sales. Storefront improvements, combined with merchant organizing and supports, can further reinvigorate troubled commercial corridors. This has worked elsewhere. In Pittsburgh’s Mount Washington neighborhood, Local Initiatives Support Corp. piloted a similar strategy, and saw a simple investment of strategically placed signage result in a 30% increase in pedestrian traffic, enabling businesses to stay open longer in the day and increase sales.

Three New York City commercial corridors—Bay Street in Staten Island, Fulton Street in East New York and Southern Boulevard in The Bronx—are about to find out if they can replicate these impressive results.

On Bay Street, the Staten Island Chamber of Commerce will provide storefront and lighting assistance to more than a dozen diverse restaurants and shops near historic Tappen Park in Stapleton to activate the street after dark and attract pedestrians and new customers from the nearby development.

On Fulton Street in East New York, Brooklyn, Cypress Hills Local Development Corp. will provide storefront improvement grants to help businesses freshen facades, upgrade signage and reduce window clutter to improve visibility from the street and increase pedestrians’ sense of safety.

And on Southern Boulevard in the Crotona Park East section of the Bronx, WHEDco will use pop-up markets to activate vacant retail spaces and drive pedestrian traffic to existing businesses, install wayfinding to help pedestrians navigate their way to stores during a multiyear public infrastructure construction project, and help local businesses enhance their visibility and appeal through storefront improvements.

The effort is part of the new Commercial Corridor Challenge we developed. It will supplement the city Department of Small Business Services’ recently launched Neighborhood 360° program, an $8.5 million initiative that partners with community-based organizations to bring scaled resources to commercial corridors.

To meet today’s challenges, local commercial corridors can’t be expected to go it alone. Public-private partnerships can provide support through targeted investments in physical improvements and safety, not only helping local storefront businesses but also enabling residents to reap the rewards of improving neighborhood conditions.

With this kind of support, small businesses can not merely survive but thrive amid neighborhood change and continue to serve as vibrant social and economic anchors in New York City.

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