

How Can Social Compact's Neighborhood DrillDown Data Spur More Retail Development in Miami's Difficult to Develop Neighborhoods?

By

Dickson Benjamin Power

B.A., Urban Studies & Psychology
University of Pennsylvania
Philadelphia, PA (2004)

Submitted to the Department of Urban Studies and Planning and the Center for Real Estate
in Partial Fulfillment of the Requirements for the Degrees of

Master in City Planning
&
Master of Science in Real Estate Development

At the
MASSACHUSETTS INSTITUTE OF TECHNOLOGY
JUNE 2009

© 2009 Dickson Benjamin Power. All Rights Reserved.

The author hereby grants to MIT the permission to reproduce and to distribute publicly paper and electronic copies of the thesis document in whole or in part.

Author _____
Department of Urban Studies and Planning & Center for Real Estate
May 21, 2009

Certified by _____
Professor Karl Seidman
Senior Lecturer, Department of Urban Studies and Planning
Thesis Supervisor

Accepted by _____
Professor Joseph Ferreira
Chair, MCP Committee
Department of Urban Studies and Planning

Accepted by _____
Professor Brian Ciochetti
Chairman, Interdepartmental Degree Program in Real Estate Development

How Can Social Compact's Neighborhood DrillDown Data Spur More Retail Development in Miami's Difficult to Develop Neighborhoods?

By

Dickson Benjamin Power

Submitted to the Department of Urban Studies and Planning and the Center for Real Estate on May 21, 2009 in Partial Fulfillment of the Requirements for the Degrees of Master in City Planning & Master of Science in Real Estate Development

The inner-city neighborhoods of America continue to struggle with the economic blight they have faced ever since American urban growth began to abandon the urban city core fifty years ago. One of the most salient characteristics of the American inner-city is how it is constantly overlooked by private investment. This has many negative effects on the economic livelihood of these neighborhoods, including leaving these areas of the city void of much of the retail its residents need for their own purchases and for local economic activity. Recent theories have focused on the idea that one of the reasons there is a lack of investment is because of an information gap that exists in the inner-city, through which inner-city economic and demographic conditions are not accurately represented in the market data used for retail development market analysis.

This thesis researches how improved retail market analysis data can help spur more inner-city retail development, with a specific focus on how Social Compact's 2009 Neighborhood Market DrillDown report for the City of Miami can support increased inner-city retail development in the city. The research looked at the history of inner-cities, the retail development process, and the use of DrillDown reports in Cleveland, Ohio and Houston, Texas, and then studied Miami's economic development context and its developing strategy for the dissemination of the DrillDown report. It is concluded that the Neighborhood Market DrillDown reports have the potential to be an important enabler of increased inner-city retail development. However, this success is completely contingent on the data's passage through the Retail Market Information Flow framework that this thesis stipulates that actionable market data flows through in a city's development process. The essence of the flow framework is that it is a series of networking and collaboration steps that determine how effectively a city's public, private, and non-profit actors work together to support the use and acceptance of improved data and apply it effectively to retail development deals.

Thesis Supervisor: Professor Karl Seidman

Title: Senior Lecturer, Department of Urban Studies and Planning

How Can Social Compact's Neighborhood DrillDown Data Spur More Retail Development in Miami's Difficult to Develop Neighborhoods?

By

Dickson Benjamin Power

Submitted to the Department of Urban Studies and Planning and the Center for Real Estate on May 21, 2009 in Partial Fulfillment of the Requirements for the Degrees of Master in City Planning & Master of Science in Real Estate Development

The inner-city neighborhoods of America continue to struggle with the economic blight they have faced ever since American urban growth began to abandon the urban city core fifty years ago. One of the most salient characteristics of the American inner-city is how it is constantly overlooked by private investment. This has many negative effects on the economic livelihood of these neighborhoods, including leaving these areas of the city void of much of the retail its residents need for their own purchases and for local economic activity. Recent theories have focused on the idea that one of the reasons there is a lack of investment is because of an information gap that exists in the inner-city, through which inner-city economic and demographic conditions are not accurately represented in the market data used for retail development market analysis.

This thesis researches how improved retail market analysis data can help spur more inner-city retail development, with a specific focus on how Social Compact's 2009 Neighborhood Market DrillDown report for the City of Miami can support increased inner-city retail development in the city. The research looked at the history of inner-cities, the retail development process, and the use of DrillDown reports in Cleveland, Ohio and Houston, Texas, and then studied Miami's economic development context and its developing strategy for the dissemination of the DrillDown report. It is concluded that the Neighborhood Market DrillDown reports have the potential to be an important enabler of increased inner-city retail development. However, this success is completely contingent on the data's passage through the Retail Market Information Flow framework that this thesis stipulates that actionable market data flows through in a city's development process. The essence of the flow framework is that it is a series of networking and collaboration steps that determine how effectively a city's public, private, and non-profit actors work together to support the use and acceptance of improved data and apply it effectively to retail development deals.

Thesis Supervisor: Professor Karl Seidman

Title: Senior Lecturer, Department of Urban Studies and Planning

ACKNOWLEDGEMENTS

A Thank You to Those That Inspired, Guided, and Reassured Me

Dickson Benjamin Power was the name I was born into in my mother's homeland of Chile. I was raised in Miami, Fla. I received a Bachelor of Arts in Urban Studies and Psychology from the University of Pennsylvania, but more importantly while there I learned from the West Philadelphia community. Returning to work in Miami, I experienced South Florida's planning and real estate industries.

I entered the MCP and MSRED program with the goal of deciphering what path of analysis, activism, and action I should follow to best enjoy the rest of my life, while at the same time contributing to the betterment of the urban spaces that house us all. This thesis project has been an important culmination to my masters' experiences. Thus, the gratitude I want to express to those that helped me through this process is not meant only in relation to this document and its production, but also to my whole graduate education, and to the future I hope to live with continued virtue.

My thoughts and ideas owe thanks to the following:

- My family and friends, who supported me through phone calls, friendship, ridiculous comments, and smiles.
- The true excitement that Social Compact staff has expressed towards my ideas and endeavors. I dedicated a lot of my energy in this academic exercise to providing Social Compact with a useful and informative product.
- South Florida's community and development representatives that made themselves available for interviews, and with whom I look forward to working with in the future, as we work together to make the metropolitan Miami area a sustainable and equitable city. Let us preserve its culture, its heritage, its sun and fun, while also bringing to it progressive economic and social development.
- The American people that find themselves living in less than comfortable conditions; while it is inequitable that they face such conditions, it is their plight, perseverance and valor that motivates me every day of my life to be a better person, and I hope to work together with them to create change.
- The MIT faculty, staff, and classmates that smiled, exchanged laughs and sprints, and ideas and critiques with me, all in the name of completing our respective undergrad, masters, or PhD degrees with the hopes that the infinite knowledge we have explored can be used to make the world a better place.

Thank you.

TABLE OF CONTENTS

Abstract.	3
Acknowledgements.	5
Chapter 1. Introduction, Research Focus and Methodology.	9
- Socioeconomic Arguments For Why Inner-Cities Need To Be Revitalized	10
- Introduction To Research Question	13
- Thesis Outline and Research Methodology	14
- Hypothesized Impact of DrillDown Data	15
- Researcher’s Thesis Goals	18
Chapter 2. Inner-City History and Evolution.	19
- Defining Urban America’s Inner-City Neighborhoods	19
- Development History of American Inner-Cities	19
- Decline of Inner-City Retail in the 1950s	22
- Current State of Inner-Cities	22
- Financial Industry’s Treatment of the Inner-City	24
- Theories on How to Revitalize the Inner-City	25
Chapter 3. Inner-City Retail and Its Development Process	32
- Inner-City Retail Development Characteristics from 1960s to the Present	32
- Inner-City Retail Development Obstacles and Success Stories	33
- Inner-City Retail Site Selection Criteria	35
- Evolution of Inner-City Retail Market Information’s Role	40
Chapter 4. Social Compact’s Role in Market Data Information Gap.	42
- Introduction to Social Compact and their Work	42
- History of DrillDown Reports in the Context of Other Information Gap Solutions	43
- A Surveyed Reaction to DrillDown Data	45
- Identifying the Inner-City’s Information Gap and its Impact	46
- Role of Social Compact in Solving the information Gap	51
- Retailers’ Use of Market Data and Knowledge of Social Compact’s Work	53
Chapter 5. DrillDown Reports in Cleveland, Ohio and Houston, Texas.	55
- City of Cleveland’s DrillDown Report and Urban Market Actors’ Retail Market Information Flow	57
- City of Cleveland’s DrillDown Report and Urban Market Actors’ Retail Market Information Flow	65
- Lessons Learned from Cleveland and Houston	71
- Conclusions on Study Cities	80
Chapter 6. Miami’s Inner-City Retail Development and its DrillDown Report.	82
- The City of Miami’s Unique Socioeconomic Conditions and Social Compact’s Interaction with Them	82
- City of Miami’s Competitive Economic Advantages	84
- Existing Retail Conditions in South Florida and Future Opportunities	86
- City of Miami’s DrillDown Data and its Urban Market Actors’ Retail Market Information Flow	87
- City of Miami’s Retail Development Strategies and its Economic Development	

Resources	94
- Issues in Miami's Inner-City Neighborhoods' Retail Operation and Development	103
- City of Miami's Strategy for Working with DrillDown Report	106
Chapter 7. Recommendations & Conclusions.	108
- Urban Market Actors' Retail Migration Information Flow: Recommendations for the City of Miami's DrillDown Strategic Plan	108
- Improved Market Data's Ability to Influence More Inner-City Retail Development	115
- Conclusion and Reflections	119
Bibliography.	120

The inner-city is a symbol of the urban poverty that has plagued the United States for more than half of a century. Multiple federal and state programs have attempted to revitalize these downward spiraling communities, and yet thousands of Americans still find themselves living in such downtrodden neighborhoods. Health and educational conditions in inner-city communities are some of the worst in the US. Clearly, there continues to be a pressing need to find a way to interrupt the perpetuation of inner-city conditions in America's urban cities.

Fortunately, the urban city across America is seeing an economic and lifestyle revival for the first time in almost half a century. The urban core of American cities has once again become the center of a mixed-income and multi-cultural way of life. However, the inner-city residential neighborhoods interspersed throughout these urban cores have been minimally impacted by this lifestyle momentum change. A few blighted urban neighborhoods have successfully pulled themselves out of the economic and social mire associated with this crisis, but for the most part America's inner-cities remain in poor conditions.

One of the common characteristics shared by most blighted and downtrodden American inner-city neighborhoods is neglect by private investment forces, which they have endured for almost half a century. American companies and investors repeatedly refuse to consider the inner-city for investment purposes, unless their investment is part of an incentive-based program controlled by the government. Reversing the investment-neglect that American private business directs towards inner-city neighborhoods could be one of the most effective ways to achieve large-scale change in these neighborhoods.

Social Compact is a non-profit organization that works to recognize the inner-city's investment potential and supports those private enterprises that have become pioneers in focusing capital and debt investments within American inner-city neighborhoods. Social Compact's market data reports, the Neighborhood Market DrillDown, were begun in response to the organization's realization that conventional market data did not support the more optimistic risk-reward characterizations upon which pioneering private firms were basing their investment decisions. The DrillDown reports capture market information that is more detailed and accurate than the information captured in traditional data resources.

The DrillDown report should theoretically provide private sector investors and businesses with the information they need to be able to make more informed decisions on

whether or not to invest in the inner-city. The goal of the data is to show that the inner-cities do have some quantifiable competitive market advantages, and that there is profit to be successfully captured in the inner-city by responding to specific unmet demand sectors. Specifically, retail business is one of the principal areas within which DrillDown data is able to highlight specific market growth opportunities.

Aside from the fact that there are profitable business opportunities in inner-city retail growth, the DrillDown report also represents Social Compact's effort to help revitalize the inner-city by sparking more development of the basic retail service inner-city communities require to be able to become more sustainable and economically self-sufficient. Retail development can also be the foundation for workforce development, small business growth, and for overall more inner-city business growth.

This research project intends to explore how DrillDown data plays a role in spurring more retail development in the American inner-city. Specifically, a focus is placed on the role that the data set could have in the development of the City of Miami's inner-city retail sector. The larger question the research aims to address is how more accurate market information can be used to generate an increase in retail development in the inner-city throughout the US. In addition, it will address those relationships and partnerships that are necessary to make the use of more accurate market information effective in spurring retail development.

Socioeconomic Arguments for Why Inner-Cities Should be Revitalized

The decline of inner-city neighborhoods, which will be further discussed and elaborated on in Chapter 2, has left cities with many voids caused by the lack of retail-based services and product provisions. The retail sector of any neighborhood is usually an important component of the area's overall economic viability. It provides employment opportunities, workforce development networks, and the pedestrian activity that public spaces and streets need to be safe and vibrant places. It also provides the base upon which a neighborhood can establish sustainable economic self-sustenance. The products sold by retail establishments are also often the essentials that residents of inner-city neighborhoods need to be able to live healthy lives. The existence of a strong retail base also provides opportunities for entrepreneurial activity and small business incubation. Furthermore, locally owned businesses help ensure that the monies spent within them are monies that stay within the local neighborhood and provide the inner-city with wealth-building opportunities.

The stabilization of inner-city neighborhoods is not only important for the individual residents that live within them, but it is also an important component in the effort to create

greater overall equity and prosperity throughout the entire city. A city benefits from the stabilization of its inner-city neighborhoods because:

- A stable inner-city economy helps provide the city with a more robust tax base;
- Stable inner-city neighborhoods reduce the taxing that blighted neighborhoods have on city and federal budgets through social service expenditures and operational capacity;
- Adding the inner-city as a viable retail market makes the overall city a more attractive national retail market;
- The downtown core of cities will continue to be one of the most unique environments for economic and social activity, and the proximity of inner-city neighborhoods to these cores means the success of the downtown is directly influenced by the stability of the inner-city;
- Stable inner-city neighborhoods are essential to a more successful educational and health system, and the education and health of the populations that live within these neighborhoods are integral to their ability to market themselves as an employable labor force, contributing to the long-term stability of a city's workforce;
- The diminished quality of life of distressed neighborhoods goes against the fundamental American principle of equality of opportunity for all, and a stabilized inner-city neighborhood helps eliminate many of the greatest obstacles to achieving this equality.

(Research and Policy Committee of the Committee for Economic Development 1995)

A debate that has emerged amongst leading economic development experts addresses the issue of how to begin to restore the inner-city communities. Two opposing arguments have emerged: whether inner-city neighborhoods need to first be stabilized socially before they can be more viable centers for economic activity, or whether first focusing on the economic strengthening of the areas will help support the stabilization of many of its social ills. Within these two approaches there is also a struggle as to what role the public and the private sector should be fulfilling within the stabilization work. A milestone in this debate has been the work of Michael Porter, a Harvard Business School professor, author of the 1995 article, "The Competitive Advantage of the Inner City" in the Harvard Business Review.

Michael Porter: The Competitive Advantage of the Inner City

Michael Porter pinpoints specific business-related factors that have led to inner-city economic decline, which result from the general misperceptions about inner-city markets that market information gaps cause. His reasons include:

- Inaccurate perceptions from the private sector about the inner-city's social and economic conditions;
- Poor communication between the private, public, and non-profit sectors in strategizing a response to some of the inner-city's economic and social inequities;
- Poor policy strategies and leadership focus from the government in regard to working with the inner-city.

(Porter 1995)

The inner-city presents conditions that sometimes lead to a more complicated and expensive real estate development process. Despite this more complex context, Porter's argument is that the inner-city should be focused on as an area for economic development because it presents unique business opportunities for private enterprises. These opportunities are a result of the following inner-city competitive advantages:

- The inner-city areas are strategically located in close proximity to the city center, a spatial relationship that contributed to their economic success during the era of the industrial revolution. This location-based competitive advantage is especially beneficial for existing urban-situated firms with the need and capacity for expansion, but also for firms for whom a more strategic central city location would be advantageous.
- The inner-city bodes the ability to be part of a successful regional clustering strategy for industries, because its location in the center city means it offers an important strategic location for a business as it is in close proximity to all of a region's industry clusters. Development within the inner-city can cater to and be used by many of these different regional clusters.
- Economic activity in the inner-city can be structured to respond directly to the unmet demand that exists, which results from the absence of normal retail options for inner-city communities. Beyond the basic provision of goods and services that are currently unmet, there is also the opportunity to capitalize on the "microsegmentation" of products that cater to the unique ethnic and international populations within the inner-city, products which are not being offered in other traditional retail establishments.
- The inner-city population provides a strong source of human resources and workforce population that can be strategically used by many expanding businesses and industries, as long as the appropriate workforce training is implemented.

(Porter 1995)

Introduction to Research Question

Social Compact and the Neighborhood Market Drilldown Reports: Exploring Their Role in Sparking Inner-City Retail Development in Miami

The principal goal of this thesis project is to research how Social Compact's work and DrillDown analyses are playing a role in overcoming the market-information gap in the inner-city retail real estate development process. While not suggesting that the DrillDown data be the best and most accurate market data, for the purposes of this research, Social Compact's data collection and analysis methodology is being accepted as valid and reliable. An investigation into the role that the DrillDown data has in increasing the occurrence of inner-city retail development should lead towards a clearer understanding of what the role of improved market data in inner-city retail revitalization strategies might be.

This research will also focus on what types of relationships and partnerships are needed to effectively leverage improved market information as one of the essential variables in impacting the inner-city retail development process. Successful retail development projects require developers and investors to be able to not only assess the market demand for a neighborhood, but also to be able access capital and financing, comply with the legal and zoning framework, and to harness community support for a project. These steps require the collaboration of many different parties, and the creation of strategic partnerships. Similarly, the collection and dissemination of market data and information for the DrillDown reports relies heavily on the coordination of partnerships between Social Compact and a locality's public, private, and non-profit sector representatives. The partnerships and collaborations that support the DrillDown data collection and dissemination process can equally become important for the actual retail development process.

The City of Miami's Neighborhood Market DrillDown Report

The City of Miami is a unique city within which to study the struggles of inner-city economies. The metropolitan area does not have the historic industrial or manufacturing based past whose disappearance has led to the dismal economic conditions in inner-cities such as Cleveland's. Thus, the lack of a manufacturing or industrial base means low-skilled workers have to struggle to find employment in other skill sectors other than the traditional hard-skilled jobs. Second, the transient nature of Miami's population has led to an economy based on international commerce that has less of a focus on local production, and whose strongest industries are service-based. Finally, the heavy Latin American influence on Miami's culture

and demographics has led to a unique segregation of African-Americans into a low-income class that truly struggles to receive equal treatment from the City's economic forces.

The inaccurate depiction of the demand power of the inner-city communities in Miami is especially high because of the confluence of these unique socio-economic conditions (Walker 2007). All these factors mean investors and developers struggle to understand the risk, reward and demand characteristics of the inner-city neighborhoods and thus do not invest in them.

Social Compact's citywide DrillDown report for the Miami area has just been completed in late 2008, and a strategic use and dissemination plan is currently being coordinated in 2009. Thus, analyzing the role of improved market information in spurring retail development in Miami's inner-cities is made even more viable by being able to focus on the work and relationships that might be facilitated by the upcoming release and use of the DrillDown data. Miami's municipal leadership has shown great interest in the potential growth that can be achieved by using the DrillDown data to attract private developers to begin inner-city retail projects, and Social Compact is engaging in one of its most involved relationships ever with the client city by offering support services throughout 2009 (Walker 2007).

Thesis Outline and Research Methodology

The thesis research begins with a review of the literature-based history of the inner-city's economic evolution and a review of the history of inner-city retail. Key-informant interviews are used to document the retail development process, with a specific focus on the site selection process and the role of market data in these decision processes. A review of Social Compact's work and their role in filling the market information gap is then presented.

A key-informant based study of the role of the DrillDown reports in the retail development processes in Houston, Texas and Cleveland, Ohio was conducted to understand how the data was used and what effect it had in these two cities. Cleveland was chosen as one of the study cities because it was the first city for which Social Compact created a citywide DrillDown report, as was done in Miami, which is different from cities in which the reports is only produced for a select group of neighborhoods. The Houston case was chosen because its context is more similar to Miami's, as it is a more spatially sprawling city that is not dealing with the post-industrial redevelopment that Cleveland is going through.

The two study cities were studied through a series of phone interviews with key-informants from each city. Attempts were made to interview public, private, and non-profit sector key-informants from each city, although in Houston a non-profit sector key-informant was not interviewed. Interviews were conducted using a script of questions intended to gauge

the different key-informants' involvement with the DrillDown reports. The interviews also questioned their perception of the role of the DrillDowns and of Social Compact's networking work in enabling inner-city retail development. Finally, questions were also asked that attempted to identify what barriers to further inner-city retail development exist.

Information acquired from the interviews was then used to create an initial framework of understanding of what impact the DrillDown data had on inner-city retail development in each of the two study cities. A focus was specifically placed on the relationships and partnerships that emerged in each city to support the collection and dissemination of the DrillDown data, and on how these relationships affected the DrillDown data's impact on the retail development process.

An analysis of the City of Miami's inner-city retail development context was then conducted using interviews of key-informants from the public, private, and non-profits active in the retail development process. Interviews were structured around exploring what role DrillDown data and Social Compact's work can play in enabling more inner-city retail development, with an emphasis on understanding what type of networking and relationship-building between these actors would help support the data's role in impacting retail development.

The conclusions learned from the two study cities and from studying retail real estate development frameworks were then applied to create a framework model that suggests how market information can effectively flow between different Urban Market Actors and lead to spurring more retail development. A specific focus was placed on understanding the different economic development entities that influence Miami's retail development, and recommendations are made as to how the DrillDown data can effectively be leveraged through Miami's Retail Market Information Flow framework.

Hypothesized Impact of DrillDown Data

The DrillDown reports have a clearly unique role in presenting a more accurate market analysis of the inner-city. However, the DrillDown data is not always effectively leveraged or respected in the inner-city retail development process. Furthermore, there are other organizations also working to capture the unmet market demand of the inner-city in alternative data reports and through consulting services. Thus, it is important to constantly explore what is the value-add of Social Compact's work and of their DrillDown analysis. Furthermore, it is the intention of this research study to explore what Social Compact's data's unique value-add can be in the City of Miami, as the organization's staff begins to support the City in the

implementation of retail development and economic development strategies that incorporate the City's DrillDown report.

This research has explored the City of Miami's existing economic development infrastructure and the understanding and expectations that certain key-informants have about the data's possible impact on the inner-city's retail development. The unique role that the data could play in Miami can be hypothesized to be as follows:

- Miami is a young city whose civic capacity is not extensively developed, which thus leads to the non-profit sector having a weaker role in the retail development process in comparison with older cities like Cleveland. The DrillDown report is a crucial tool that can be used to jump-start some non-profit project efforts, and it also can be used to help strengthen the working relationships between non-profits and the two other sectors.
- The City of Miami's economic development infrastructure is undergoing a series of transformations as its departments are restructured, and collaborations with County-level programs are still being figured out. The application of the DrillDown reports to these transitions can be crucial in helping establish specific collaborative work strategies within the City's organizations and between the City, its neighboring jurisdictions, and the County's economic development organizations.
- The City of Miami is experiencing a unique series of economic shifts as a result of the end of the construction and real estate boom. Retail might be one of the hardest hit market sectors during this economic downturn, but it is also one of the primary necessities that needs to be stabilized for the City to be able to reestablish itself on a positive forward-moving economic growth track. Applying the DrillDown data sets to analyze neighborhoods where there has traditionally been unmet market demand can highlight areas that are ripe for immediate retail growth, which can be developed to help stabilize the city's overall economy.
- The City of Miami's inner-cities are faced with some unique socio-economic conditions, including an African-American-based poor population that is significantly segregated in the predominantly Latin-American City of Miami, and the existence of inner-city neighborhoods that are easily forgotten and circumvented during economic growth because of the City's compact size and strong spatially-correlated economic disparities. Thus, there are some very strong barriers to inner-city retail development, and unique strategies need to be devised for the City of Miami. An innovative strategy

that might work would involve bringing in outside investors who are comfortable with the accurate risk profiles associated with investing in Miami's African-American inner-city neighborhoods. The DrillDown data reports can be the main communication tool used to negotiate successful development partnerships with developers like Canyon-Johnson, or similar mission-specific urban investors and developers.

- It is important to focus retail development strategies on specific assets and demand opportunities highlighted by the DrillDown reports: a) small business development can be better coordinated by underwriting business ventures that match documented inner-city demand/ supply conditions; b) national retailers can be attracted to act as retail center anchors, with the understanding that in-line small businesses will also be brought in and supported; and c) existing retail establishments can maximize their operational productivity by improving their service quality and facilities' conditions, thus capturing the unmet demand that DrillDown reports highlight.
- From a more macro-economic perspective, the DrillDown reports are important to help the City of Miami gauge the extent of its population growth and distribution. Amendments to the City's official Census counts are important, especially as the 2010 decennial Census gets collected and the City's population numbers are officially updated.

These initial suggestions for how the DrillDown data can be used to directly support the development of retail in Miami's inner-city neighborhoods serve as an illustration of the impact that improved market information can have on retail development processes. Specifically, many of the benefits that might result from the incorporation of the data into the development process stem from the DrillDown data reports ability to be a strong networking tool that can be used to link together important actors from each of the three sectors through the Retail Market Information Flow framework. The report's data does not speak exclusively to actors in any one of these sectors, and thus it is an effective tool that can be used to communicate to all three, offering a shared platform for concordance. Furthermore, because actors from each of the three sectors have a role in the coordination of the data collection and dissemination, cooperative links have already been established through these initial partnerships that can be further leveraged.

In regards to how the data can affect actual retail development deals, its strongest impact seems to be through the improvement of the communication of information. The DrillDown data is effective as a marketing tool for a specific development site, whether it be

through a local marketing campaign, such as through municipally produced neighborhood marketing materials, or through a national outreach campaign, such as its use as marketing material at ICSC's RECon convention.

Its use as a tool for the actual analysis of business financing decisions is still very underdeveloped, and it has yet to be concluded whether it can have a strong influence in this realm. As of yet, the financial industry still seems hesitant to use this non-traditional data to back-up business and financial underwriting. More communication and partnerships between financial sector representatives and actors in the other sectors needs to focus on how the data can become an important component of the financial analysis process of retail development.

Researcher's Thesis Goals

An understanding of the role of improved market information's in spurring more inner-city retail development requires first understanding why the inner-cities are so uniquely entrenched in economic blight. The following research is meant to attempt to highlight broad inner-city retail development issues, and to explore how better market information can help public, private, and non-profit sector representatives find and capitalize on inner-city retail development opportunities. This thesis' information will hopefully be useful to inform macro-scale decision makers, such as municipal leaders or private sector directors and officers, with a specific focus on the City of Miami, on how to focus time and resources on strengthening the flow of inner-city market information. The thesis' end goal is to influence the effectiveness of the private business sector's collaborations with public and non-profit actors in working to create sustainable stability and equity in impoverished urban neighborhoods.

Defining Urban America's Inner-City Neighborhoods

The history of American inner-city neighborhoods is one filled with stories of change and struggle. Their proximity to the historical center of urban cities has meant that they have evolved and been impacted by almost every social, political, and economic change that has taken place in these areas. It also means that as cities have grown outwards through sprawl, despite the permanence of government operations and certain industrial establishments in the center of the city, inner-cities have been left behind as development has been focused on the newer growth areas in the outer rings of a city.

The American inner-city is generally defined as the low-income distressed neighborhoods located within urban metropolitan areas, although it sometimes also refers simply to the urban areas surrounding the city's core, regardless of socio-economic status. Its residents usually comprise some of the country's poorest and its physical conditions and spaces are some of the most underutilized, unhealthy, and unsafe within metropolitan urban areas. They are neighborhoods in need of intensive remediation if they are to become viable places for healthy and safe city-life. The areas referred to as the inner-city are generally located within or near the traditional core of the metropolitan areas because they were some of the first areas to develop as a city grew and served as the industrial or working-class base for the city.

Development History of American Inner-Cities

The American inner-city began as the residential foothold within which populations settled as industry grew in the 19th century. The working-class immigrant and minority populations settled in what were the closest areas to the factories that located near the center of the city. Manufacturing-based employment drove the development of these original inner-city neighborhoods, and before the proliferation of the automobile and highway infrastructure, these working-class populations concentrated themselves in small dense areas, where rents could be made cheaper by increasing the capacity of each living unit and maximizing the number of units developed on a site.

Walking-distances were necessary for workers to be able to quickly reach their factories, and many times residential communities were developed in the inner-city by the factories that needed them to house their workers. While the living conditions in these 19th

century inner-city communities was not good, the viability of their economic activity was not questionable because they were successfully dependant on the large factories that were churning and leading the nation's industrial revolution.

The advancement of modern technologies in urban development led to a rapid change in the urban spatial pattern. Automobiles and highways, electricity and telephone, and the dispersion of cultural resources through television and radio allowed workforces to spread themselves amongst newly developing population centers outside of the original city core. Streetcar suburbs began emerging in the early 20th century, and it was no longer necessary for workforce residential populations to concentrate themselves around the industrial center of the city (Law 1988).

Furthermore, production activity became less location-sensitive through the technological innovations of communication and transportation systems. This change in the importance of location-constraints on the site-selection of both workforce populations and of economic activity centers led to three clear trends that were heavily covered in the academic urban writings of the 1980s, as depicted by Law in "The Uncertain Future of the Urban Core":

- 1) Inter-regional differences were evident in the pace of growth that different regions faced, which led to the proliferation of new growth regions in the US and the slowdown of development in some of the original industrial areas.
- 2) There was a decline of large centralized cities and the emergence of small towns and rural settlements, as a sort of counter-urbanization or deconcentration trend.
- 3) Changes in urban regions were reflected in the decline of population and employment in the inner core of the urban area and increase in the cities' outer zones.

(Law 1988)

These varied economic and social trends from throughout the 20th century led to the general abandonment of the original inner-city areas, evidenced in both the government's poor public management of inner-city infrastructure and in the exodus of sectors of the population that had mobility options and could find employment and living opportunities elsewhere. Following the initial workforce-based shifts in post-industrial revolution America, the American middle class began responding to the changing conditions of the city through their selection of the new suburban lifestyle over the urban culture and experience of living in aging urban America. The inner-city gained a reputation of "having disamenities including a poor environment, poor schooling, plus a high level of crime, violence and vandalism" (Law 1988).

The status of inner-city areas further declined as the populations marginalized within them became easily distinguishable immigrants who did not speak English or who were of different colors and ethnicities. This led to a spatial division not simply based on employment but also based on issues of race and ethnicity. This status change led to even more economic and social differentiation between the inner-city and the more affluent urban areas, as financial lending practices began to change and look at inner-city clients and properties differently, further perpetuating the physical decline of many of these properties. Furthermore, population trends in the reduction of household size further reduced the already declining population of inner-city populations (Law 1988).

Today, inner-cities are comprised of minority or ethnic populations who are either new immigrants to the city or who, because of lack of opportunity or mobility, can't afford to live elsewhere (Ferguson 1999). Taken individually, these characteristics do not inherently make the inner-city a bad place, but it is the confluence of all of them in one place that makes the inner-city a distressed place where the community has lost its ability to cope with certain social and economic problems (Kemp 2001).

The resulting social effects that these economic changes have had on inner-city populations have included low educational levels, high incidences of illegal activity, and generally unsafe and violent private and public spaces. The overall resulting effect has pushed inner-city neighborhoods towards states of insecurity and disinvestment, which do nothing but ensure a continued poor quality of life for its residents.

Inner-city neighborhoods have struggled in finding economic self-subsistence as lots of the businesses and industries that used to employ its residents have moved out of the city. Especially tough for the inner-city has been the relocation or reduction in manufacturing activity, which has left many of the hard-skilled laborers without employment (Ferguson 1999).

The many economic activities that concentrated in the original inner-cities of the 19th century were usually situated there because of transportation connections related to sea and rail connections. However, as industry continued to grow throughout the industrial revolution, many of the commercial warehousing needs could no longer be met within the urban inner-city cores because of lack of space. This led to the eventual growth of warehousing centers outside of the inner-city neighborhoods (Law 1988).

Regardless of the drastic industrial changes that affected the inner-city in the beginnings of the 20th century, it is important to note that inner-city employment numbers did not drastically change until the 1950s. The moving of businesses and industries left vacant

space that began to serve an incubator role for smaller start-up economic ventures. However, in the post 1950s time period, inner-city building stock finally became obsolescent, and capital investment was no longer being allocated to renovating or rebuilding these structures. This is also the period of greatest expansion of the US highway system, and the newly accessible swaths of undeveloped land in the outer rings of the city were now strategically located along easily accessible highway corridors that were ready for new development. Decaying buildings in the inner-city eventually began being demolished around this mid-century point, leading to a further sense of abandonment in the inner-city (Law 1988).

Decline of Inner-City Retail in the 1950s

City center retail used to be one of the central locations for retail-based economic transactions in American urban cities. The central position of downtown within the pre-sprawl city meant that it was a host to any and anything that could be sold, including for example small convenience stores, large furniture stores, and luxury item retailing (Law 1988).

The sprawling outward growth of cities began to allow retail to proliferate along the transportation routes that began carrying people out of the city center to the newly developing suburbs. Highway intersections became a new nexus for retail development, and began replacing what had been the concentration of retail in small town centers located outside of the city. Regardless, throughout the 50s and the 60s there was still a strong attraction to city downtowns, despite the proliferation of retail outside of the traditional city core.

As metropolitan areas grew larger, these peripheral retail sectors became more capable of handling almost all retail needs, and city populations eventually stopped using city center retail options. The physical decline and population decline of the inner-city that had taken place during the first half of the 20th century made it difficult to continue to sell the downtown shopping experience, especially in comparison with the new suburban retail experiences. The lower inner-city population numbers also meant that less demand was many times being served by the same number of retail operators that had been in place during times of greater population, which in turn eventually led to the closing of many of these superfluous retail establishments (Law 1988).

Current State of Inner-Cities

It is important to note that the issues suffered by the inner-city are not isolated and disconnected from the health and prosperity of the whole urban area within which they are located. The inner-city is one of the many neighborhoods within a metropolitan area, and the success and stability of an urban area relies on the success and stability of each individual

neighborhood. Thus, the decline of inner-city neighborhoods has had a negative effect on the city as a whole.

The Committee for Economic Development described the state of American inner-cities in a published summary of the conditions, problems, and possible solutions for these neighborhoods, entitled “Rebuilding Inner-City Communities: A New Approach to the Nation’s Urban Crisis” (1995). In the report, the Research and Policy Committee outlines some of the basic reasons why inner-city decline affects cities as a whole and the nation as a whole, which include the fact that the “decay undermines the fiscal and operational health of major cities, threatens important downtown economic assets, and the costs of inner-city problems fall on taxpayers wherever they reside” (*Research and Policy Committee of the Committee for Economic Development 1995*).

Beyond the fact that the condition of the inner-city should be of national concern, it is essential to understand that the free-market practices upon which the American economy is built assume that for the most part, each different part of the nation, of a region, and of a city will sustain itself through its own unique economic activity. Although our governing structure has, at least for the past few decades, supported the financial and service-provision needs of communities where self-sustenance has not been achieved, this set of policies has usually been part of the belief that these areas should eventually trend towards a stronger economic future. Therefore, it is necessary to continue to learn and explore what barriers exist that prevent American inner-city communities from becoming more able to sustain themselves with locally controlled economic activity.

The conditions that have made inner-cities unfavorable for economic activity in recent times, leading them to become distressed communities with barriers to self-sustenance, include:

- Low levels of job readiness and job availability;
- High levels of crime, violence, gangs and drugs;
- High levels of poverty, family dissolution and welfare dependency;
- High levels of physical blight and inadequate housing.

(*Research and Policy Committee of the Committee for Economic Development 1995*)

These conditions were definitely salient in the 1990s, when the report was written, and are not yet absent from most American inner-cities. However, it is important to understand that although most inner-cities have not reached a state of self-sustenance, their conditions are not

always as dismal as they once were. Here is where market data is not tracking these positive changes and is still depicting the market characteristics and demand fundamentals negatively.

Financial Industry's Treatment of the Inner-City

The predominant relationship between much of the retail private sector and the inner-city seems to be weak at best, if at all existent, as the private sector has for the most part avoided these areas based on the belief that they are characterized by high risk and low financial returns. Redlining practices by the financial markets, described in the Rebuilding Inner-City Communities report, is one of the predominant overall characteristics of private investment's relationship with the inner-city throughout the greater part of the 20th century. The redlining process is the practice of denying financial goods and services to areas that were blocked out on maps, based on "reasons of real or perceived risk associated with the racial, ethnic, or economic background of its residents" (*Research and Policy Committee of the Committee for Economic Development* 1995). It has traditionally been associated with the residential mortgage lending practices of the early 20th century. However, redlining has pervaded throughout the later parts of the 20th century, and can even now be attributed as a practice continued by many modern day real estate development and financial industry actors.

Beyond simply being an inequitable and unjust practice, redlining has led to the creation of a series of additional barriers that further stunt economic development within the inner-city. Redlining practices have led to a lack of availability of capital, have raised the cost of whatever capital can be acquired by inner-city residents and businesses, and have influenced more than just lending practices but also the decision frameworks of other products such as commercial insurance underwriting. Redlining practices have contributed to an overall lack of strength in inner-city financial characteristics, including a lack of home-ownership and the stability it brings to communities, a lack of awarding of business loans to entrepreneurs, the hampering of business expansion overall, and have led to an overall further decline in the physical condition of residential and commercial properties by making it difficult to acquire funding for repairs (*Research and Policy Committee of the Committee for Economic Development* 1995).

Certain informal aspects of inner-city economies further hinder the area's ability to leverage capital. Assuming redlining is not always followed by lending institutions, the lack of information on historical loan performance behavior, which is one of the principal underwriting indicators for lending institutions, further impedes the lending process and makes it inefficient. Furthermore, this informality means there is a lack of recognized formal professional networks,

and the overall inner-city population is usually quite disconnected from the professional and social networks outside of their neighborhood, making them seem like even more of a risky investment to capital providers. Finally, it has also been equally difficult to establish a secondary market for inner-city investments, mostly because of the lack of basic financial information on these neighborhoods, and without this financial investment vehicle, primary lenders have a hard time capitalizing debt vehicles meant for the inner-city (Lee 2006).

Theories on How to Revitalize the Inner-City

Aside from arguments about why the inner-city should be revitalized, such as Porter's arguments in "The Competitive Advantage of the Inner-City", there is another series of debates regarding how this revitalization can best be brought about. One perspective focuses on government intervention and targeting many of the inner-city's social problems. Porter points out that these strategies have been flawed because they over-emphasized the role of government-sponsored programs in supporting the local population's social problems, instead of first focusing on how to spur the economic development of the neighborhoods. The Porter argument promotes reliance upon the assets of the inner-city. These, he argues, should be used as competitive advantages to attract private investment forces to push the development of the area's economy, allowing economic self-sustenance to provide the stability that will then make remedies for social problems more effective and long lasting (Porter 1995).

The decline of the American inner-city throughout the first half of the 20th century affected all of urban America. In the 1950s the federal government responded with many different programs focused on improving the inner-city's socio-economic conditions, some which followed theories of prioritizing social remedies and others following the Porter-styled argument of first stimulating the economic reconstruction of these areas. It is important to list some of the programs to highlight the multitude of attempts that have been made to revitalize the inner-city:

- **Housing and Urban Development Act of 1949:** Broadened Federal urban focus beyond housing issues, and established funding for eradicating slums and redeveloping urban areas.
- **Urban Renewal:** 1954 program encouraged and supported the redevelopment of blighted areas through commercial, residential, and infrastructure development programs.

- **War on Poverty:** President Lyndon B. Johnson's 1964 legislation established the Office of Economic Opportunity, along with a series of poverty-alleviation programs and incentives.
- **Department of Housing and Urban Development Act of 1965:** Established the cabinet-level agency in charge of urban housing and development issues.
- **Model Cities:** Established in 1966 as a mechanism through which to route more HUD (Department of Housing and Urban Development) involvement in the restructuring of inner-city communities. In light of the riots and unrest that these neighborhoods had seen in the 1950s and 1960s, the Model Cities program had a strong community involvement component.
- **Housing and Community Development Act of 1974:** Established Community Development Block Grants, which became some of the most successful funding streams of Federal funds towards local discretionary budgets. The grants are still in use today, and are intended for physical improvement, social services, or economic development projects.
- **Urban Development Action Grants 1977:** Further increased the sourcing of Federal funds to the private sector, although it had a short life ending in the early 1980s.
- **Enterprise Zones & Empowerment Zones:** Series of grant-based and tax incentive-based funding intended to support private investment in inner-city neighborhoods.

(Thompson 2006)

Two Basic and Contradictory Theories on How to Revive the Inner City

Michael Porter's perspective constructs one argument for change in inner-city revitalization models, with a call for an increased focus on the competitive advantage of inner-city locations and assets as a stimulus for private investment in inner-city economies. He criticizes a series of older models of inner-city revitalization that, in his opinion, spend too many public resources on attempts to restore and respond to specific inner-city social issues as part of the process of stimulating the inner-city economy.

The journalist Nicholas Lemann has considered the second body of theories in his 1994 New York Times article "The Myth of Community Development". The opinions that Lemann expresses support the idea that many of the past attempts to revitalize the inner-city have either been a "top-down bureaucracy" policy experiment or based on a "trickle-down economics" theory. Lemann argues that the largest ills that need to be resolved are the actual issues that affect the day-to-day lives of inner-city residents, which should be combated with

the provision of “poor people’s material needs, through cash grants, vouchers like food stamps and services like Medicaid” (Lemann 1994). This approach suggests that the inner-city does not necessarily have a “there there” worth investing in and preserving, in contrast to what Porter believes. Instead the approach is based on the idea that individuals who live in these neighborhoods should be given the resources and support they need to live healthy and safe lives in the inner-city, while also offering them the option to decide if they want to move out.

Michael Porter’s Survey of Inner-city Economic Revitalization Models

Michael Porter has provided an outline of economic revitalization models that have been applied throughout the US. He describes each model in a way that highlights the varying degrees of incentive-based characteristics that each has. According to Porter’s “The Competitive Inner City” these are the models of inner-city economic revitalization that have been applied in the past:

- The **location incentive model** uses tax-based and job credit incentives to attract business to the inner-city locations. The Empowerment Zones and Enterprise Zones are a form of location incentive based intervention. These funds can become permanent necessities for some firms, and thus when they cease to exist some firms will no longer be able to or be incentivized to locate within the inner-city. This model might attract businesses that don’t actually have the ability to profit from the inner-city’s competitive advantages, and thus don’t have the means to remain when the incentives are terminated.
- The **social conscience/ philanthropy model** is based on the offering of incentives to encourage businesses to locate within the inner-city primarily for reasons based on the principal of supporting the inner-city’s redevelopment. These monies are many times secondary to a primary incentive, and are very certain to fluctuate with the general economic well being of the funder.
- The **mandate model** distributes capital funds that help businesses comply with government instituted business mandates requiring specific site locations or employment characteristics. Examples of the *mandate model* include some forms of Small Business Administration funding.
- The **community entrepreneurship model** is more of a bottom-up approach that supports the creation of micro-enterprises and entrepreneurial endeavors by inner-city residents themselves. The government’s role in this model is the provision of business incubation programs and support. The flaw in a redevelopment strategy that focuses

purely on the bottom-up approach is that it risks not having enough momentum to actually turn around a struggling inner-city economy. Furthermore, this model passes over the economic linkages that can be created by reinforcing export-based commerce or allowing outside firms to locate within the inner-city. The *community entrepreneurship model* seems to work better as a compliment to a broader economic redevelopment plan.

- The **migration model** focuses on the individuals that live within the inner-city by supporting their employment opportunities outside of the inner-city. Sometimes this model is geared towards purely employing residents outside of the inner-city while other times it involves moving their residences to areas outside of the inner-city. This model weakens the inner-city's advantage of being able to offer a large employable workforce to firms that invest in and locate within it.

(Porter 1995)

These economic revitalization models all share a focus on attracting and sparking business development, either through the offering of incentives or through the offering of assistance to the establishment of firms. However, it seems that none of these models intend to actually change the actual systems through which business growth occurs in the inner-city. Thus, even the models that are void of actual incentives incorporate a heavy government-support role that Porter would probably criticize for pushing business growth unnaturally instead of pulling it in by highlighting the inner-city's assets. The struggles that these revitalization models have faced in turning around inner-city economic downturn highlight some of their deficiencies, and indicate that there is still a need for a different kind of business growth model to be implemented if a more sustainable inner-city revitalization is to be achieved.

The Miami Beach Case: A Hybrid of Social Service Based and Free-Market Based Revitalization of a Declining Neighborhood

The South Beach area of Miami Beach, Florida is an example of a successful urban economic redevelopment project. A study of the revitalization models implemented for its redevelopment highlight the innovation that can be attained by combining the different theories on inner-city revitalization. Its current appearance of success and glamour does not reflect the deteriorated conditions that characterized it in the early 1980s. Miami Beach's popular and acclaimed past includes an early 20th century history in which the resort city was as an international center for music, vacation, and luxury. Fame and economic success quickly

began to dissipate in the latter half of the century, as it began to evolve into a quieter retirement-type vacation spot, eventually facing significant vacancies in its buildings and having little sustainable economic activity.

The growth of South Florida's population in the 1980s, due almost completely to the large influx of Cuban immigrants to the Miami area, led the South Beach neighborhood of Miami Beach to face a new wave of economic demand and yet, at the same time, a new set of social issues. The Miami Design Preservation League and a sister organization it helped establish, the Miami Beach Community Development Corporation, began working to preserve the area's social fabric and its unique urban design and Art Deco architecture. The unique aspects of the Miami Beach CDC's work is that it incorporated many of the different economic intervention strategies highlighted above, and thus is a good example through which to observe the juxtaposition of Porter's ideas of free-market economic restoration with government-supported redevelopment.

The Miami Beach CDC helped orchestrate a series of real estate redevelopment projects that capitalized on the South Beach area's assets of being a unique beachfront community, of having a walkable and well-designed urban layout, and of having a large immigrant population that served as a strong workforce population. The revitalization's reliance on the area's competitive advantages reflects Porter's argument for the inner-city needs to capitalize on its unique assets. The first wave of economic redevelopment that the South Beach area experienced was real estate development primarily funded by independent private investment. The public and non-profit sectors that guided the area's redevelopment employed competitive bidding processes and marketing programs, which invited companies to come in and redevelop the area's historic buildings (Viegas 2005).

The social struggles that had plagued the South Beach area throughout the 1980s, before this new wave of economic revitalization, began to disappear as the area's new growth inevitably brought in gentrification. However, new social issues began to arise, especially as housing became unaffordable for many of the area's original inhabitants. Following the first few years of Miami Beach CDC's focus on direct business development and investment, the organization shifted its focus in the early 1990s and partnered with local government to coordinate the provision of affordable residential options. The strong and successful collaborations that the Miami Beach CDC had initially established with the private investment community allowed it to leverage private development and investment with public subsidies to successfully create new affordable living options.

The South Beach hybrid model of economic redevelopment is unique in that it represents the implementation of the two contrasting inner-city economic revitalization theories presented above. The area's revitalization began with a primarily free-market approach to stabilizing the area's financial characteristics. It then evolved to include incentive-based programs that supported development and social service provisions, which contributed to the community's overall physical, social, and economic stability (Viegas 2005).

Theoretical differences exist between the theories of inner-city economic revitalization primarily because there is disagreement over how to stabilize and create sustainable business activity. The redevelopment of housing in the past few decades has been much more successful and less divisive amongst urban economic thinkers and theorists, as both free-market and incentive-based public support have found ways to coexist through non-profit and private affordable housing business models. Lemann has said that the work of Community Development Corporations (CDCs), which are organizations that work to resolve inner-city housing and economic development issues, is most effective in the mission of "creating and operating housing for the poor" (Lemann 1994).

It is important to highlight this dichotomy between the success of inner-city housing redevelopment and the struggles of inner-city retail development, because it highlights an important difference in the development framework of housing versus retail development. Retail development relies a lot more on detailed and variable market data than residential development does. Thus, although this hybridization of free-market and government-incentivized economic stimulation models presents an important lesson that can be applied to both housing and retail development, the retail development framework is much more complex.

Economic Revitalization Models in the Context of Retail Development

Retail development is a specific type of private sector investment that serves inner-city economic revitalization strategies in a two-fold manner. Retail development is a conduit through which private businesses can invest profitably in the inner city. At the same time, retail is specifically important because it is a way through which to supply these neighborhoods with some of the basic goods they need for a healthy way of life. However, it seems that many economic revitalization theories might have overlooked, until recently, the reliance that any inner-city revitalization strategy should have on good market data and analysis. As mentioned above, retail development is particularly sensitive and reliant upon this market data.

Retail development, in contrast to housing development, requires not only gauging the demand of the consumer/ shopper but also gauging the demand of retailers for specific markets and specific site locations. A market analysis process culls data on a geographic area and hypothesizes what consumer behavior and demand might be. Market analysis is important to an actual retailer because it allows them to explore the demographic and socio-economic composition of a site's trade area, which is the area from which it can be expected that a retail establishment will attract shoppers. Demographics and statistics are necessary to understand what percentage of a trade area's buying power a retailer's establishment can expect to capture.

Thus, retail development can be considered a heavily data-driven real estate development process. It has been theorized over the past few decades, and recently studies have confirmed, that many market data sources are not very accurate. This is especially true and heightened when it comes to non-traditional inner-city communities. It has been shown that traditional data sources do not accurately capture all the nuances of these areas' demographic or economic conditions.

Market analysis data is generated by a multitude of public and private organizations, and there are many different types of data that can be collected. The analysis that a retailer does is usually different from the analysis conducted by the retail developer. However, both clients usually rely on outside data providers for some of their data provision and analysis. Despite the fact that both retailers and developers will usually conduct their own in-house analysis and use their own metrics for deciding whether a site is appropriate for development, they usually check or back-up their decisions with the secondary data provided by vendors. Traditional providers of this market analysis data include the US Census and Claritas.

This thesis aims to contribute to the idea that the revitalization of the inner-city, specifically through retail development, requires market data and information that is more accurate and robust. The revitalization models and theories presented above have fallen short of achieving sustainable economic growth for these struggling neighborhoods. Thus, more research and time should be spent on exploring the idea that better market information could be one of the keys that leads to better communicating the inner-city's competitive advantage, which might then attract more free-market investment to these areas.

Inner-City Retail Development Characteristics from 1960s to the Present

The decline of inner-city retail has been heavily intertwined with the other factors that have brought down the living and economic conditions of American inner-city areas. The two strongest statistically-based factors that are used by developers and retailers to determine site selection, population and income, were on the steady decline among inner-city demographics in the 20th century. Those retail establishments that survived the population decline of the 1960s, caused by heavy suburban migration, were also faced with dealing with trade areas that lost their purchasing power as their population's income constantly declined. The income reduction was largely a result of the continued disappearance of industrial-based jobs that supplied inner-city communities with employment, leading to inner-city residential populations that were left either unemployed or struggling with low-paying jobs (*Inner-City Economic Development: Successful Projects in Distressed Urban Neighborhoods* 1994).

Between 1970 and 1988 the cities of Los Angeles, Chicago, and the Brooklyn area of New York City lost many basic needs retail establishments, including almost half of their grocery stores (*Inner-City Economic Development: Successful Projects in Distressed Urban Neighborhoods* 1994). The US Conference of Mayors has worked to survey and track some of these retail fluctuations in the larger urban areas, and found data that shows that of 25 cities surveyed, only two experienced an increase in supermarkets in inner-city neighborhoods between the 1970s and 1990s. The supermarket is an important litmus test for retail establishment conditions in the inner-city because it represents retail that serves basic daily needs, and when these essential establishments don't even survive because of other extraneous business and real estate development issues that plague the inner-cities, then retail as a whole is sure to struggle.

Thus, there is clearly a divide between the fact that profitable businesses opportunities exist in the need to provide inner-city residents with their basic daily needs and services and the fact that private business seems to not be developing inner-city retail establishments that responds to these demands. Private business is not always unaware of the untapped market potential of the underserved inner-city communities, but there are still many imbedded barriers to inner-city retail development, ranging from the lack of availability of development capital to

the outdated zoning rules that sometimes make it difficult to bring in the right building scale or density of retail into urban areas.

The small size of urban inner-city parcels, their antiquated building prototypes, the lack of necessary infrastructure to support new or expanded development, and the environmental conditions of inner-city sites all have made the development of inner-city retail a difficult endeavor. It has clearly been more difficult to develop or redevelop inner-city sites, cost-wise and efforts-wise, when compared with suburban or Greenfield redevelopment sites that were readily available throughout the 1970s and the 1980s. These newer sites also required much less rigorous data and market information analysis. Essentially, developers and retailers simply needed to identify growth areas, and they knew that some sort of retail could be supported and attracted.

Inner-City Retail Development Obstacles and Success Stories

Despite the difficult development environment that new retail faces in the inner-city, there have been some success stories throughout the past few decades, which are important to study to understand what fundamental characteristics inner-city neighborhoods have that make them competitive locations for retail development. The ULI working paper series entitled “Inner-City Economic Development: Successful Projects in Distressed Urban Neighborhoods” highlights some of these fundamental characteristics, for example, the advantage of developing historical retail corridors and locating in the dense and highly trafficked areas of the inner-city. The 1980s success stories covered by the report, some of which are presented below, were also able to capitalize on the opportunity of offering the supply of goods whose demand hadn’t been met by other establishments within these neighborhoods in over ten years. The following are the inner-city’s unique development obstacles:

Security

The Alexander Haagen Company was a development firm in California that partook in a lot of retail development throughout the Los Angeles area in the 1980s and 1990s. One of the strongest focuses of the Haagen Company’s inner-city retail development model is a focus on improving the security and safety of the areas within which projects are developed. The security issues are important not just from the perspective of storeowners worried about product shrinkage, or theft, but also because the retail developer needs to ensure that the shoppers’ perception of safety is such that they feel safe in coming to shop at specific establishments. The cost of security still remains a hurdle for many retail developers, because it can lead to development costs that are 15% to 30% more expensive compared with similarly

constructed but less security intensive developments in safer neighborhoods (*Inner-City Economic Development: Successful Projects in Distressed Urban Neighborhoods* 1994).

Land Assemblage

Land assemblage is another one of the top hurdles to developing retail in the inner-city. Successful retail needs to be organized in agglomerated centers that increase the effective capturing of foot traffic. Creating a large development-ready area in the inner-city involves land assemblage of the many small parcels that usually make up traditional inner-city neighborhoods. The time delays associated with more complex city entitlement and land assemblage processes, compared with the ease of assembling suburban Greenfield development sites, along with the many linkage and impact fees charged by urban regulatory bodies, contribute to a higher cost of land in the inner-city.

Higher Development Costs

Other cost increases associated with inner-city retail development include higher insurance rates, utility rates, higher rents associated with proximity to the city center, and higher workers' compensation costs. Furthermore, the elevated costs associated with heightened security are not always opted for, and under regular inner-city security conditions the risks of operating retail sometimes include costs associated with property damage and product loss through stealing. These cost increases are particularly higher in grocery stores, where the product being sold is more difficult to regulate, leading to what is sometimes a 2% overall cost increase in operations (*Inner-City Economic Development: Successful Projects in Distressed Urban Neighborhoods* 1994). Costs associated with environmental remediation and demolition also lead to higher development costs.

Private Investment's Requirements for Inner-City Retail Developments

The Chicago Crossings retail development created in Minneapolis, Minnesota in 1992 was created through the strategic partnering of the community, with the public sector and with a private development entity. The project's location was in the Phillips Neighborhood, a neighborhood that was facing economic and physical decline in the late 1980s, and that had few retail establishments serving the local population, despite having historically been a retail anchor for the area. The partnership between the non-profit developer Project for Pride in Living, the community residents represented through People of Phillips, and the City of Minneapolis was structured to provide the project with a strong public financing profile, because it was understood that traditional bank-sponsored financing would not provide the inner-city project with the traditional 75% construction financing it needed.

Specific stipulations were designed to ensure the risks associated with inner-city development were hedged before dispensing public funds. These funding requirements included:

- Project had to be 75% pre-leased;
- The anchor tenant in a neighboring project, which was being relocated as the new anchor tenant for the new development, needed to be replaced;
- New anchor tenant had to sign a 20-year lease;
- All other tenant leases had to be for at least 5 years;
- Developer needed to have detailed management plan and participate in a job linkage program.

(Inner-City Economic Development: Successful Projects in Distressed Urban Neighborhoods 1994)

Despite the strict stipulations from the public sector as to what was required to ensure the allocation of public funding, the development of the project still faced strong resistance from private lending bodies that did not want to take the risk of lending to an inner-city shopping center. Thus, the necessary private financial lending was coordinated through a consortium of four local banks (*Inner-City Economic Development: Successful Projects in Distressed Urban Neighborhoods 1994*). The banks created even stricter lending requirements for the project, with one example being the requirement of an 85% pre-leasing hurdle goal before funds could be disbursed.

This example highlights how private investment does sometimes consider inner-city retail development, but does so with extreme precaution. The retail development deal is much more scrutinized in the inner-city in comparison with a more stable market's deal, and any risky component of the deal that can be controlled and safeguarded against is regulated. While these solutions offer a strategy that supports the development of some retail projects, the stringent requirements also make inner-city deals more costly and time-consuming.

Despite the fact that inner-city retail deals are usually more scrutinized, it is interesting that this same scrutiny seems to not have pushed for better, more accurate market information for these development scenarios. The provision of better market information would theoretically make the coordination of inner-city retail deals more efficient and less costly.

Inner-City Retail Site Selection Criteria

The decision to develop in the inner-city is a multi-partied effort that includes both the retail tenant or retailer and the retail developer. The retail tenant is the most important client for

retail developers, since a developer rarely creates a development without knowing that there is interest from retailers in locating within their project. The retailer is also the direct supplier of services or products to the residents of an area, and they need to understand the demographics of the community they will be supplying, and they need to have data that confirms the existence of a trade area population that provides them with sustainable demand.

The Spaghetti Warehouse’s Site Selection Process

The Spaghetti Warehouse, a national restaurant tenant, has created a business model that focuses specifically on developing establishments within transitional urban neighborhoods and within redeveloped buildings. Their menu price point is below average and they capitalize on being able to be a fun and unique restaurant within usually underserved urban retail markets. Understanding their site selection process and criteria provides some insight into the general retail site selection process, and specifically into the site selection process for a more complex urban neighborhood context.

The site selection process for the Spaghetti Warehouse is based on very specific city and site criteria. The Spaghetti Warehouse considers locating new establishments within low-income transitional neighborhoods, but avoids extremely blighted and poor neighborhoods that have not yet shown growth or redevelopment characteristics. The ULI Inner-City Economic Development report from 1994 documents Spaghetti Warehouse’s Site Selection Criteria (*Inner-City Economic Development: Successful Projects in Distressed Urban Neighborhoods* 1994):

City must have:
Minimum metropolitan area population of 500,000, preferably over 1,000,000
Well-planned and articulated revitalization plan
City officials and regulators who appreciate the Spaghetti Warehouse concept and appear willing to facilitate Spaghetti Warehouse in its renovation efforts
Ability of major employers to withstand a recession
The site location must have:
Access and proximity to major expressways
Access and proximity to the central business district
Visibility
Well-kept low-income homes adjacent to warehouse district
Neighborhood where revitalization is expected in three to five years
Favorable demographics within a 3, 5, 10, and 20-mile radius
Site characteristics must include:
Available adjacent parking or the potential to create such parking
Building with character
Building that is free of environmental problems or a seller who is willing to accept environmental liability

It is important to consider the role that restaurants can have in pioneering inner-city retail development. Their product is usually, assuming prices are reasonable, able to fulfill demand from many different demographic categories of a population. The establishment of a restaurant within an inner-city neighborhood, while not always the service that the local population of an inner-city community needs, provides an inner-city commercial district with greater foot and vehicular traffic, serving as an anchor or junior-anchor establishment, which in the end helps support the establishment of other related retail in the area (*Inner-City Economic Development: Successful Projects in Distressed Urban Neighborhoods* 1994).

Walgreens' Site Selection Process

Walgreens pharmacy stores are well known as a pioneer of inner-city development, and their real estate portfolio includes a significant percentage of stores in low-income areas. They do not have the same explicit site location strategy that the Spaghetti Warehouse uses, which means they are not solely focused on locating in transitional neighborhoods. However, because of their product offerings, which include pharmaceutical drugs and many other basic daily-needs, they can capture a strong market share by ensuring they are serving the dense inner-city neighborhoods. Their site selection methodology is not highly complex, but it is sufficiently thorough so that they are able to perceive potential market demand where other traditional retailers many times see too much risk (Heller 2002).

Interviews with Walgreens' Corporate Strategy staff, tasked with performing site selection recommendations for the company's board, highlighted the groups' attempt to create an unbiased research method. Specifically, the staff relies on the PopStats brand of market demand data analysis, which is one of the nation's largest traditional secondary data providers. Aside from this primary data set, the staff also uses locally collected ground-level data whenever it is available from a municipality or from another local organization. Their analysis process also includes assessing sites through local ground-level site visits. Finally, because Walgreens already has established stores in a wide range of neighborhoods, its analysis of a new site might take into account the sales performance of a neighboring Walgreens store in a similar neighborhood.

Walgreens recognizes that there are risks associated with developing and operating an establishment in an inner-city neighborhood, such as shrinkage, but they want to capture these markets' buying power because of the basic necessity purchases they can profitably supply. Inner-city Walgreens stores capture a lot of purchasing power in the sale of basic daily and grocery needs through front-store sales, which is different from the sales trends seen

throughout the rest of their stores, which are dominated by pharmacy sales. This significant difference in sales trends are partly a result of the fact that inner-city neighborhoods aren't well served by traditional grocery stores, and thus there are few suppliers of basic-needs goods. Inner-city Walgreens stores are not only able to capture the areas' unmet demand, they also face little to no competition from their traditional market competitors.

Aside from taking into account inner-city neighborhood operational risks, the market analysis for an inner-city Walgreens site differs from a more economically stable neighborhood's site analysis in that the trade area for an inner-city site might be larger. This is mainly due to what Walgreens statistically perceives to be the lower spending capacity of neighborhoods based on their ethnic composition, specifically in regards to pharmaceutical purchases, and thus a store needs to be able to capture a larger population to maintain the company's store-earning goals.

Crime is one of the unique market data components that Walgreens spends a significant amount of time researching. They have intentionally sought out a second set of data, the CAP Index, which provides them with crime data analysis that is more detailed than the crime information available in their basic market analysis data set. This level of analysis allows the company to decide what the operational security needs of an individual site might be.

Much of Walgreens inner-city work is not only focused on new development, but also on reinvesting in areas where they have already made a market entry. While many retail operators have focused on new market expansion, Walgreen has strongly focused on preserving their existing market capture shares, and in the 1990s Walgreens' spent significant portions of their capital expenditure budget on remodeling existing stores. These types of investments are just as significant as new development, because it leads to the preservation of their market share and helps them capture any newly unmet demand through the offering of a better store experience (Frederick 1994).

General Retail Site Selection and Marketing Processes

The site selection process is a little different for each player in the retail development process, differing if it is the retail developer or the actual retailer selecting a site. Furthermore, the public and non-profit sector can play an important and different role in the site selection process by conducting much of the initial market analysis and neighborhood marketing that private sector retailers and developers can then use. A unique role that the more macro-

focused public sector entities can help coordinate is the determination of an actual retail mix that is appropriate for an area, which can thus lead to more targeted recruitment strategies.

Some of the most important factors that play a role in the site selection process are physical site location and dimensional characteristics. Intersections and “thru” areas are some of the best viable retail sites in urban business districts, and historic shopping areas offer some of the best store footprints. Improved market information like the DrillDown reports cannot do much to facilitate this component of the site selection process, but more accurate and improved market information highlighting an inner-city neighborhood’s market advantage can make a properly situated retail site even more attractive. The one data element that Social Compact has been able to include in their DrillDown reports is an analysis of how much new square footage of specific types of retail could be supported given the perceived unmet demand. This figure can then be used to direct the size criteria for site selection.

A retail consultant, MJB Consulting, has described what the competitive advantage of inner-city sites can be, and how these advantages can be used to help market these sites to retailers and developers. These advantages are:

- Beyond daily service needs, an inner-city site can become a niche provider of a specific type of retail;
- Inner-city sites aren’t as vulnerable as suburban strip sites to competition from large malls;
- A growth-city overall will continue to attract immigrants, and thus immigrant communities in the inner-city can profit from establishing a permanent immigrant retail niche.

(Berne)

The process of selling inner-city neighborhoods should focus on describing the basic market characteristics of retail sites. These market analysis fundamentals should include a focus on density as one of the strongest selling points for establishing a retail operation in a neighborhood. Density can help overcome weak income statistics, because the agglomeration of many households with lower incomes can equal the same buying power as a higher-income but lower density neighborhood.

Tenant recruitment strategies should also understand the type of sites that can be occupied by different types of retailers. MJB Consulting describes different tenants as lying along a credit-character spectrum, in which large national retailers are seen as being 100% credit-safe tenants that bring very little in unique character to the sites they occupy, while very

small start-up businesses lie at the opposite end of the spectrum and have almost zero credit worthiness but can potentially bring a strong and unique character to the retail areas they are brought into. The detailed spectrum is shown below:

National or regional chain (100% CREDIT; 0% CHARACTER)
“Faux-boutique” chain (e.g. Urban Outfitters, multi-concept restaurant companies)
National or regional franchise
Regional “chain-let”: one or two units in two or more metros within a given region
Local “chain-let”: less than 10 units in just one metro
Fledgling chain: one unit going on two
New concept by existing local/regional “chain-let”
Aspiring entrepreneur: opening his/her first unit (0% CREDIT; 100% CHARACTER)

(Berne)

A heed that MJB Consulting offers is that the entities driving inner-city revitalization processes are sometimes not from the neighborhood, and the recruitment process can become elitist. Herein, strong market information can help ensure that entities target businesses that can truly respond to the unique demands untapped in inner-city neighborhoods.

Evolution of Inner-City Retail Market Information’s Role

The inner-city was one of the first parts of the city to be developed, and thus little marketing encouragement was needed to support its economic growth, especially its retail development. Therefore, it could be argued that historically there had been little need to rely on strong market information to motivate the development of these inner-city neighborhoods. Market information was predominantly used in the analysis of the characteristics of the new growth neighborhoods located in outer rings of the cities.

The inner-city was eventually abandoned and neglected by private business, but little was done in the way of establishing a better method for market data collection on these neighborhoods. Therefore, when market information and data started to become an integral part of economic development decision processes, the market data information industry based much of its standardized methodologies and strategies on those that had evolved from the suburban market information collection efforts.

The retail development processes for inner-city sites have now evolved and become more sophisticated, but little has been done to update the role of and quality of market information for these areas. Therefore, although unique inner-city retail development strategies have been developed to overcome these neighborhoods’ development obstacles, a lot still stands in the way of making the development process efficient and effective. Market

information is undeniably one of the last variables in the development equation to have been focused on and is only recently receiving critical attention.

Introduction to Social Compact and their Work

Social Compact is a non-profit organization that emerged in response to the private sector's neglect of inner-city markets, by offering support to companies that successfully invested in the inner-city in a manner that benefited the local residents. Their interaction with inner-city business ventures led them to discover some of the deficiencies present in the market data being used in the business development process. Specifically, they realized that deficiencies in the market data were one of the reasons for the poor performance of inner-city retail attraction strategies.

Social Compact initially recognized successful public-private partnerships in inner-city investment efforts through an awards program. However, realizing that the work of their award recipients involved investments and developments deemed too risky by many, Social Compact realized that the larger business world viewed the inner-city with what seems to be a skewed perspective. Social Compact leaders and the organizations that were receiving their awards understood something about the inner-city that few others noticed or believed, and this was that the inner-city neighborhoods actually had a quantifiable and viable market that could be worked with and that could produce investment returns. These realizations boiled down to an understanding that one of the biggest issues in the misperception of the market characteristics of inner-city neighborhoods was a result of the market data that was being used to understand them.

The inner-city's unique competitive advantages are principally the density of their populations, which result in concentrated purchasing powers. The informal economy that takes place within them also is important to track because a lot of the area's economic activity is informal in character and thus does not show up in traditional data. Furthermore, the median incomes and financial savings of inner-city populations are many times higher than traditional data accounts for. Many private sector actors have known that these are some of the inner city's selling points for inner-city retail development, but there has been little in the way of accurate documentation of these data elements.

Social Compact's Neighborhood Market DrillDown reports were begun in 1999, and have been produced in 20 cities so far, with Miami, Florida becoming the 11th. These reports

consist of the cross-referencing, aggregation and analysis of public and private data sets used to develop a host of neighborhood market indicators. These indicators comprise market-profiles of low-income inner-city neighborhoods. The reports usually highlight demographic and economic conditions either undercounted by or missed by more traditional commercial market analysis data sources such as the US Census and Claritas.

Social Compact's work is distinguishable from past inner-city revitalization programs in that past efforts give little support to the idea of preserving and leveraging the already active local economic assets located within these neighborhoods. Many historic revitalization programs did not directly leverage the existing buying power and untapped competitiveness of inner-city communities. For example, Enterprise Zones and Empowerment Zones instead tend to recruit large job-producing or tax-generating ventures, which do not always integrate well with the existing social or economic networks of these neighborhoods. Here is where Social Compact's approach partly differentiates itself, as it focuses on highlighting the value of the community's buying power, entrepreneurial abilities, and social networks and works to spark economic development that ties in directly with these assets (Alderslade 2006).

Furthermore, until recently, the negative perspective that traditional data sources portrayed the inner-city through was compatible with the goal cities and neighborhoods had of demonstrating need in order to receive federal and state funds for social service programs, etc. Need-based market profiles inadvertently focus on deficiencies rather than strengths. Thus, DrillDowns now help show the theorized competitiveness of inner-city neighborhoods by highlighting the facts that they are more populous, safer, and have a much greater buying power than what is usually perceived and indicated through traditional data sources (Alderslade 2006).

History of DrillDown Reports in the Context of Other Information Gap Solutions

The first Neighborhood Market DrillDown report was produced for a series of neighborhoods in Chicago in 1998. Since then, more than 20 cities have had reports produced either for the city as a whole or for a series of neighborhoods within the city. Many other communities are also exploring data analysis opportunities with Social Compact, and some of the original cities that were studied are being worked with to have their data updated in new DrillDown reports.

The data gap that Social Compact is helping bridge is a simple one, but one that has significant repercussions. The informal characteristics of inner-city neighborhoods means that traditional data research and analysis methods do not produce the same accuracy of results

that they produce in middle- and upper-income communities. The resulting traditional data sets, thus, have been inaccurately representing the socioeconomic conditions of inner-city neighborhoods, which have in turn perpetuated a series of poor investment and operational decisions from both the public and private sectors.

Despite the emergence of theories about the investment potential of inner-city neighborhoods, it has been difficult for private business entities to defensibly make inner-city investment decisions because there has been little in the way of concrete data to help them defend these decisions to shareholders or investment boards. Public government entities also have had little they can offer in the way of information-based support to private investors, as they also rely heavily on traditional data sets like the Census.

Throughout the past few decades, a series of data-based methods began emerging to contest this deficiency in traditional market data information about the inner-city. Social Compact began producing the DrillDown reports while a few other organizations also developed innovative methodologies and analysis techniques aimed at presenting inner-city markets in a more positive and accurate perspective. Some examples of these other data products and related services are the following:

- ShoreBank began producing the MetroEdge data set, which has since been acquired by LISC, and is a data set similar to the DrillDown report, that focuses on capturing the positive demand indicators in inner-city neighborhoods. However, one important difference is that MetroEdge bases its analysis on traditional data sets like Claritas, albeit with a more effective and detailed level of analysis. Social Compact is the only data provider that does not rely on Census or Census estimates data.
- Brookings Institution's Urban Markets Initiative began in 2003 and focused on identifying "ways to create more accurate, accessible, and 'actionable' information on urban areas that could catalyze increased public and private investment in those markets" ("The Urban Markets Initiative"). Despite ending in 2008, the initiative created sparked a lot of research, and in one example it partnered with Social Compact to analyze and refine the DrillDown reports under a program called Catalyst Intelligence for Underserved Markets (CIUM).
- LISC's Commercial Markets Advisory Service (CMAS) was a consulting arm of LISC, which used to offer clients guidance in the use of the MetroEdge data products and other market data resources, and also assisted with the creation and implementation of strategic economic development plans. It has since been discontinued.

A Surveyed Reaction to DrillDown Data

The Brookings Institution's Catalyst Intelligence for Underserved Markets (CIUM) partnership performed a survey-based study of some of the cities for which Social Compact has produced DrillDown reports. The surveys focused on how the public, private, and non-profit sector actors that interacted with the data perceived its usefulness and what they thought of its role in sparking more retail development. The following are some of the most salient points taken from the study's results:

- The role of a "Data Champion" entity leading the collection and dissemination of the DrillDown data is important.
- The top 3 most popularly stated uses of the data were: confirm intuitions of market strength, support commercial investment, and market neighborhoods.
- The top 3 most popularly stated indicators of importance to decision-making processes were: informal economy indicators, buying power, and market size. Other important indicators were unbanked counts, retail leakage rates, and crime indicators.

Other important results from this study include feedback as to what else retail professionals would like to see in the DrillDown data sets. There was an expressed need for more trend-based data, and not just snapshot data sets. These were especially important for private sector financial representatives, as economic trends would help them better assess risk profiles for underwriting purposes, especially for investments whose impact extends over long periods of time. Many public sector representatives hoped for indicators like housing financing data, existing retail provisions, lifestyle indicators, and immigrant spending power indicators. (*Catalyst Intelligence for Underserved Markets (CIUM) 2007*)

The format in which the data is delivered to end-users has proven to be one of the most sensitive elements of the dissemination process. Traditional data users, such as retailers and developers, are used to the Census and Claritas report formats. The report format in which DrillDown data is delivered is different enough that it initially seems to disorient private sector representatives, probably leading them to feel unfamiliar with the information being communicated and being reluctant to use it. The data needs of representatives from the public, private and non-profit sectors are also all very different, and thus the reporting formats that best fit their needs and analysis styles are probably different too. This needs to be taken into account as Social Compact continues developing the DrillDown reports, so that they can continue to evolve as effective tools for actors in all three sectors (*Catalyst Intelligence for Underserved Markets (CIUM) 2007*).

Identifying the Inner-City's Information Gap and its Impact

The lack of information regarding the composition of inner-city populations or the economic activities that undergo within them, and the lack of reliable accurate data on these neighborhoods, is referred to as an “information gap”. The Brookings Institute’s Urban Markets Initiative (UMI) was established primarily to respond to this urban market information gap, through research on the role of information in the development patterns of urban markets. Their research focused on understanding how this “information gap” affects development transaction processes between the three different sectors and inner-city communities (Sabety and Carlson 2004).

The flow of market information through a data creation process helps explain the different levels of impact poor information or lack of information can have on an urban development process (**See Figure 1 below**). The role of information in inner-city transactions is similar to the role it plays in transactions that take place in more stable neighborhoods, but the impact of an information gap is greater in the inner-city than it is elsewhere. Stabilized neighborhoods usually have more resources, abilities, and connections through which to overcome an information gap, while inner-city neighborhoods are usually only known by how they look through the lenses of market data.

The role of information in development decisions can range from helping investment parties decide whether to proceed with a development proposal, or it could have the greater role of initially introducing a geographic area to entities that aren’t familiar with it and representing the area’s market fundamentals, strengths, and assets to them. Market information forms the basis for deciding the viability and success probability of a project, from its financial characteristics and performance prognosis to its short-term and long-term operational needs. Again, missing information leads to the inability to make well-analyzed decisions, which leads many times to no decision being made at all. The inability to make a safe decision means the urban or inner-city area for which there is an information gap suffers from a perpetual cycle of disinvestment.

An information gap does not usually exist simply because the information does not exist, but instead because many times information is scattered and not consolidated or interpreted in a single location or data source. The United States has a multitude of data-sources that cover a range of geographic and socio-economic topics, from credit bureaus that track the credit worthiness of individuals to municipal agencies that track the electric consumption of individual households. The secondary information industry in the US is also

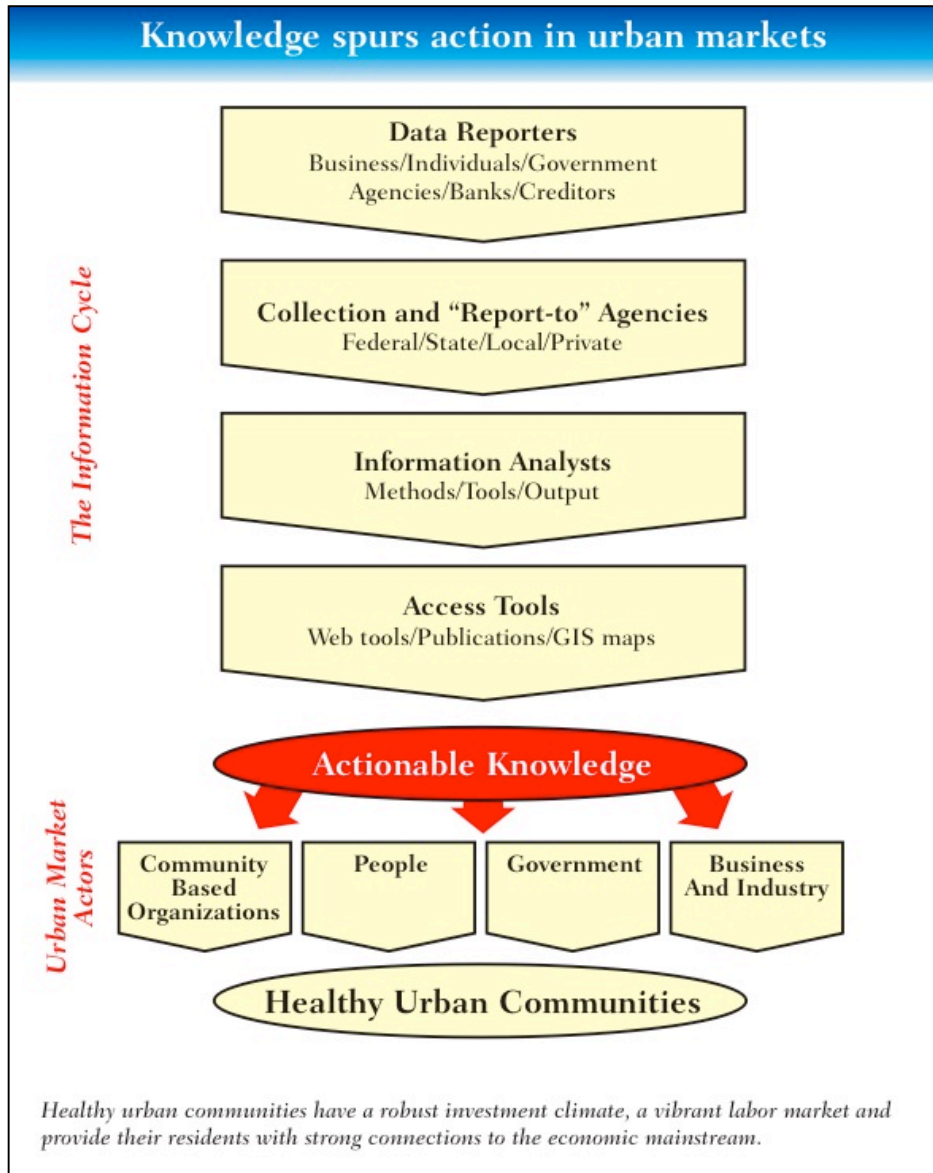
large, and entities such as Claritas or ESRI usually cull the large swaths of available data for different end-users into user-friendly information that has been analyzed, coded, and summarized. These processes seem to have been least effective and accurate in relation to the data for inner-city neighborhoods.

The final step in the information cycle presented below is its conversion into actionable knowledge, which can then be used by decision makers to make a market-informed decision. Data and information on the inner-city either never reach this stage or reach it after having passed through many rungs of misinterpretation or biased handling that do not accurately or positively represent the inner-city neighborhoods and their markets, again leading to the perpetual disinvestment that these communities constantly face. Therefore, it seems clear that one of the most important solutions to the inner-city's information gap is to change the way data on inner-city neighborhoods flows through this information cycle, ensuring it becomes more accurate and reliable actionable knowledge.

Aside from the flawed information cycle through which inner-city data flows, there are a few important data elements that do not get tracked at all for traditional inner-city neighborhoods (**See Figure 2 below**). For example, as it relates to retail activity, stores that are smaller than a certain threshold are not required by law to report their operating facts to state unemployment insurance agencies, which is one of the principal ways through which local economic activity data is collected. Many of the retail operations in the inner-city are this small, and thus a lot of the area's economic activity is not being tracked. Also, cash-based transactions, which represent a large percentage of inner-city transactions, are also completely untracked (Sabety and Carlson 2004).

The actual data collection and analysis methods are also problematic in perpetuating the information gap, because the intricacy and diversity found throughout inner-city communities can be lost through data assimilation techniques that try and create a whole out of many parts. Inner-city physical and social fabrics inherently have a lot of diversity across relatively compact physical areas, and thus some of the data assimilated for retail decisions might not actually represent the many unique conditions found within a population. Instead, data presented at a more macro-area level, like Census Tracts, present only a blended picture that actually doesn't accurately represent any of the individual communities located within a geographic area (Sabety and Carlson 2004).

**Figure 1: The Market Information Cycle
(Sabety and Carlson 2004)**



**Figure 2: Sources of the Urban Information Gap
(Sabety and Carlson 2004)**

Sources of the Urban Information Gap			
Urban Market Actor	Examples of Investment Decisions	Standard Information Sources	Potential Urban Information Gap
Banks	Personal and business loans, other financial services	Credit-scoring models Personal income reports Credit reports	<ul style="list-style-type: none"> • Credit scoring models do not include typical urban expenses, such as rent • Reported business or personal income may not reflect significant cash or barter transactions
Government	The siting of new schools and libraries; investments in transportation infrastructure	U.S. Decennial Census, local data on commuting trip patterns	<ul style="list-style-type: none"> • Misstate the balance between suburban and urban needs • Variable intercensal estimates of local population changes • Undercount at-risk populations
Commercial and Retail	New retail locations, commercial establishments	U.S. Decennial Census, drive-by inventories of existing stores, speed of zoning or permitting process	<ul style="list-style-type: none"> • Underestimate daytime commuting population, foot traffic, disposable income • Misestimate time for zoning or permitting decisions
Community-based Organizations	Develop new types of constituent services, workforce development programs, reinvestment strategies, etc.	U.S. Decennial Census, Home Mortgage Disclosure Act data	<ul style="list-style-type: none"> • Undercount immigrants, homeless populations • Unreliable intercensal estimates of local population changes
Chambers of Commerce, Economic Development Organizations	Industrial retention strategies, workforce training programs, etc	Census Employment data Dun and Bradstreet ESRI Business Analyst	<ul style="list-style-type: none"> • Understate personal income • No employment data for small areas • Accurate business establishment location data is not available
Consumers	Locate new housing alternatives, transportation, jobs, schools	Real Estate listings, transit schedules, job applications, online government services, school outcomes information	<ul style="list-style-type: none"> • Consumers may not have access to these listings or tools
Industry	Locate warehouse, new suppliers or customers	Real Estate listings, CBRE's Real Estate Index, Dun and Bradstreet, other industry datasources	<ul style="list-style-type: none"> • Inaccurate or incomplete real estate and parcel information

The Information Gap as a Barrier to Retail Development

Inner-city neighborhoods are not always a hard sell for retailers and developers. Many in the retailing industry are aware of the untapped markets that exist in the inner-city, and are aware that suburban development is reaching saturated levels in many markets. Certain costs in suburban locations are also actually higher than in the inner-city, as crime is sometimes reaching higher levels in some suburban locations. Furthermore, the surge of residential populations within traditional city cores means there is a growing demand for more retail.

However, when it comes to considering development in the inner-city there are many unknown variables and information gaps that still hold developers and retailers back from pursuing inner-city development.

The Initiative for a Competitive Inner City (ICIC) was founded in 1994 by Harvard Business School Professor Michael Porter, whose writings, mentioned above, brought focus to the inherent market competitiveness that inner-city neighborhoods have. ICIC research concludes that the interpersonal recruitment work of public officials is sometimes the most crucial element in determining the success of a retail development strategy. Their research further elaborates that these relationships between public officials and private retailers can be summarized in two models, a *push* and a *pull* model. The *push* model relies on the idea that public officials have the ability to successfully recruit retailers to underserved areas through marketing efforts. A *pull* development is one in which a retailer or developer has decided on their own that there are strong market fundamentals in a neighborhood and that they would like to explore development opportunities within these areas (Coyle, Jr. 2007).

More detailed market data is sometimes needed for inner-city stores than it is for suburban locations because of the non-traditional clientele to which an urban inner-city store is catering. The low-income population groups many times do not follow the trends indicated by large national retail demand data sets, and thus inner-city retailers perform custom analyses of their markets to decide their ideal product mixes.

Private developers surveyed by the ICIC for its *Realizing the Inner City Retail Opportunity: Progress & New Directions* study agreed that an important requisite in “pushing” them to develop in the inner-city is that of having lots of support from the local government. That support is best when it accomplishes showing that the public sector is committed to:

- Investment in infrastructure and crime reduction in targeted underdeveloped areas;
- Believing that inner-city retail can succeed and then recruiting an equally convinced developer;
- Help developers form mutually beneficial relationships with leading community groups; and,
- Leverage market successes to attract other developers.

(Coyle, Jr. 2007)

Role of Social Compact in Solving the Information Gap

Social Compact began producing the DrillDown reports to respond to three data-related issues that they identified as having the greatest role in preventing more inner-city investment:

1. **Problem:** Data and information on the inner-city have focused on its problems and not on the characteristics that give it investment potential, as per Michael Porter's writings.
Solution: Develop an asset-based marketing approach that highlights the inner-city's strengths.
2. **Problem:** There is a lack of accurate and reliable data and information on emerging urban inner-city neighborhoods.
Solution: Close this information gap by collecting new data and repackaging information on the inner-city.
3. **Problem:** City-level or similar macro-level data sets do not highlight the specific strengths of specific neighborhoods.
Solution: Packaging market data in neighborhood-focused sets helps ensure neighborhood sites are considered for their unique characteristics.

(Valencia July 2008)

Creating the Neighborhood Market DrillDown Reports

Social Compact's response involves working with the existing local and national data sets, both publicly available and proprietary ones, along with also collecting some new data, to begin constructing an analytical picture that highlights the positive characteristics of the inner-city. Creative and innovative analysis and data collection techniques were devised that help implement the three solutions mentioned above, with the mission of making the DrillDown reports a tool for demonstrating inner-city market potential.

This more positive picture focuses more on the inner-city's assets versus its deficiencies, culls existing data and repackages it into new information formats, and focuses on new information at the neighborhood level, thus offering investors and developers the ability to more accurately decipher an inner-city project's risk and return fundamentals. Social Compact staff summarizes the DrillDown data analysis methodology as a process that culls existing data and produces a series of outputs that are indicators of what the data is portraying.

The four basic collection and analysis goals that Social Compact aims for to achieve these more optimistic data and information reports is to:

1. Achieve a more accurate count of households and population numbers at a neighborhood level;
2. Account for an area's cash-based informal economy;
3. Determine how much money flows out of a neighborhood through retail leakage; and,
4. Track an area's crime statistics over time to highlight instances in which crime rates are dropping.

The DrillDown reports have documented significant changes in the statistics for multiple data categories when compared with the US Census or Claritas statistics for the same data elements, for most of the cities they have been produced for. As of 2008, the multiple DrillDown reports Social Compact has produced for the different cities and neighborhoods it has worked with have captured the following total statistical changes compared with traditional market estimates:

- 350 underserved neighborhoods
- 1.2 million additional residents
- \$36 billion of additional buying power

An example of the individual city-level statistics the reports capture can be seen in Washington D.C.'s citywide DrillDown report. The report captured a 4% greater population count than the Census, a 15% greater median income than the Census, and \$3.8 billion more in aggregate income as compared with more conventional estimates (Valencia 2008).

Social Compact's mission of having the DrillDown reports act as a tool for investment decisions is realized by ensuring the reports are made available to those decision makers and actors that play a part in the development of retail in urban areas. For specific retail development purposes, the reports are effective as a method of communicating information to banks, retailers, and developers considering a new development site or the redevelopment of an existing or under-used store (Valencia 2008).

The data is also effective as a tool for community-based initiatives, supplying non-profits and government-based organizations with important information for creating competitive grant applications and annual reports. It is also suggested by Social Compact that the data in the DrillDown reports is particularly effective in supporting small business development efforts, helping create more accurate market profiles for new ventures seeking funding (Valencia 2008).

It is important to note that throughout this thesis, references to DrillDown reports and their data refer to more than just a set of data, and includes all the information contained within

the DrillDown reports along with the additional information that Social Compact provides client cities with outside of the report. The DrillDown reports consist of a series of information types packaged within a document. The reports contain some summary data and statistics, but they are also augmented with a series of narrative explanations and narrative analyses. The DrillDowns are also augmented with a series of GIS-based maps, highlighting some of the important indicators, and Social Compact is also able to offer client cities the GIS data for their own mapping purposes.

Retailers' Use of Market Data and Knowledge of Social Compact's Work

A study conducted by ICSC in conjunction with Social Compact has attempted to gain some insight into the role of market data in retail development decisions, particularly in relation to inner-city retail. The study concludes with some lessons on retailers' decision making processes, which are similar to the Spaghetti Warehouse and Walgreens' market analysis and site selection processes mentioned above. Retailers depend heavily on their own data analysis and on a series of gut-based intuitions. According to the study's survey of retailers, when data does not support their intuition or if data is not available, they either seek other forms of data, conduct their own raw data collection and information generation, or look for incentives that might help defray the added risk associated with the cost of operating the particular store in question (Social Compact 2008).

Regarding the role of data in inner-city development decisions, the survey shows that retailers felt the most pressing barriers to a go-ahead decision were the ability to piece together the right land areas, the ability to match market demand to support a specific business, and the ability to prove, in hard numbers, that market demand exists (Social Compact 2008).

Retailers that were surveyed by the joint ICSC-Social Compact study were, for the most part, comfortable with the level of data they have available to them. This presents a problematic scenario because it could be argued that these survey results suggest that some retailers still do not understand the information gap that exists as a result of the inaccuracies in the traditional inner-city data sets. Alternatively, some retailers might recognize the existence of the information gap, but they seem to be content with the existing levels of available data because their predictive site selection models still allow them to make profitable development decisions. Regardless, some data elements that retailers indicated were missing included indicators on short-term neighborhood changes, ethnic compositions, and levels of educational attainment (Social Compact 2008).

This study also highlights the fact that retailers have not significantly increased their aggressiveness in seeking out innovative data sets, which could perhaps supply them with alternative market perspectives. For the most part, retailers and developers continually rely on the traditional mainstream data providers, such as Claritas, US Census, and PopStats. Thus, it appears the existence of new data sets and providers will only be as effective as the marketing employed by these new providers to alert end-users of the new data offerings.

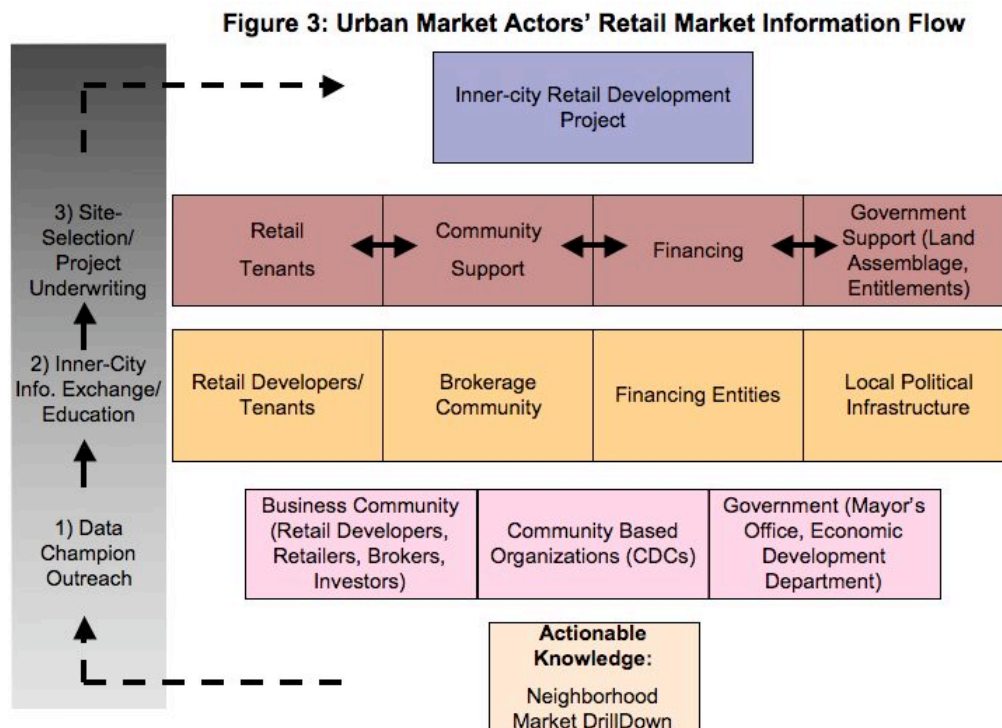
Thus, overall, the outcomes of the survey point towards the need for more improved and fluid communication between data providers, end-users, and intermediaries. This goal, the study hypothesizes, will help overcome the issue of having retailers and developers not know of all the data and information that is available for their use, and will increase the collaborative work involved in deciphering what data needs to be produced to help retail development parties make the most informed decision possible (Social Compact 2008).

DrillDown's Use and Perception in Cleveland, Ohio and Houston, Texas

This thesis project explores two cities for which Social Compact has produced the DrillDown reports: Cleveland, Ohio and Houston, Texas. The key-informant interviews discussed in the next Chapter found that many of the results from the surveys and studies mentioned above hold true in these two cities. The availability of the DrillDown data sets seems to help conquer some of the barriers associated with inner-city market information gaps. However, the partnerships and relationships that develop during the production and dissemination of the DrillDown data sets appear to be equally as integral to determining the impact of Social Compact's reports as is the actual availability of the data. Thus, the market information gap, as discussed above, is not always purely an issue of the absence of the actual data, but can many times be interpreted as a result of flaws in the actual information flow processes.

The information gap dilemma presented above is partly resolved through the provision of the DrillDown data. However, as will be seen below, simply having more accurate data available does not ensure that the inner-city retail development process will operate more effectively. The information flow diagram presented in **Figure 1** above focuses on the flow of data and information into actionable knowledge. Assuming data and information successfully reach that stage of the information flow process it then must proceed through to the “Urban Market Actors” networks indicated at the bottom of the information flow diagram. Here exists another portion of the information flow processes, and it is through this process that the use of DrillDown data in these case study cities will be analyzed.

Based on the analysis of the retail development process and the role of market information in that process, the following is what appears to be an “Urban Market Actors’ Retail Market Information Flow” process (**See Figure 3 below**), which tracks how DrillDown data, or any market data, can influence the actual development of a retail development project. Although further research is needed to explore the details of this flow framework, this thesis research indicates that the process seems to operate like this diagram highlights, starting with the release of “actionable knowledge” and eventually leading to the sparking of new retail development activity:



The first rung in the flow process is the Data Champion Outreach stage, reflecting the important role that the CIUM survey results' indicated that a Data Champion plays in determining the effectiveness of improved market data. The exact entity that is the Data Champion changes depending on the partnership established by Social Compact for its DrillDown work within a city, and these initial partnerships are crucial in determining the data's effectiveness. Furthermore, the Data Champion controls the method through which DrillDown data begins to flow through to a city's Urban Market Actors, and also determines how quickly the data becomes available to the development community and how widely its effect is cast.

The next rung, labeled the Inner-city Information Exchange and Education stage, is the step in the process during which a city's Urban Market Actors begin to learn about the data and plan how they can use it. The two variables that determine the effectiveness of the data's flow through this framework stage are how wide and unbiased the initial dissemination of the data is and how much training and education is applied to the dissemination process. This stage of the information flow process determines how well a city's Urban Market Actors accept the data as a reliable resource that can be worked with, and how much the information educates the different development actors from the public, private, and non-profit sectors on the competitive market advantages of the inner-city.

The third and final rung in this framework is the actual project-influencing stage during which the data's role as an enabler for real retail development deals is enacted. The crucial variable in the Site Selection/ Project Underwriting level of the information flow process are the cross-collaborations formed between the different Urban Market Actors. The cross-collaboration between the different actors is necessary to improve the communication that could help combat what Porter describes as the lack of collaborative revitalization strategizing occurring amongst the different sectors.

Specifically, assuming the data's dissemination and explanation in the second stage has been effective, then the actors involved in the deal-specific rung are those that give a project the go-ahead approval. These are the actors without whom a project becomes almost impossible to get enacted, and they include the actual tenants for a retail site, the community and stakeholders whose support is almost always needed to receive entitlement approvals, the financing entities that control whether a developer receives funding or not, and the public sector entities that control and can help support the land assemblage and entitlement process.

Assuming the data from DrillDown reports moves through all these different rungs in this information flow model, the lessons learned from the interviews of key-informants seem to

suggest that the data should be an effective enabler for actual retail development projects. However, the steps in the model are many, and each requires thorough and purposeful work with the data and information from multiple actors. The review of the DrillDown reports' application in the cities of Cleveland and Houston point out many instances in which the data has not successfully flowed through all the rungs of the model, and thus this research has not observed a fully successful example of the data's ability to systematically enable inner-city retail development throughout a city.

City of Cleveland's DrillDown Report and Urban Market Actors' Retail Market Information Flow

The City of Cleveland was one of the first cities for which Social Compact produced a Neighborhood Market DrillDown analysis report. Social Compact staff had introduced their DrillDown data analysis methods to the Cleveland community through a presentation to the Federal Reserve Bank of Cleveland. The presentation introduced local officials and private sector representatives to Social Compact's ability to correct undercounted demographic and socioeconomic statistics and present what is believed to be more accurate data.

The City of Cleveland had been dealing with the stark reality that its economy was in a harsh downturn since the 1950s, as a result of its abandonment as a post-industrial city, and it reached official municipal bankruptcy in 1978 (Nelson 2009). However, Cleveland's housing market had seen a unique boom in the 1980s and 1990s, as a result of the successful work of its Community Development Corporations' to develop new housing, and its economic base had diversified to establish some post-industrial stability. However, the city's retail development was still at a standstill. The city was constantly struggling with how to encourage more retail development in its lower-income neighborhoods, even as the city was successfully growing despite its post-industrial economic shift.

The CDC community in Cleveland is one of the strongest in the nation. Currently there are more than 40 CDCs that are well established and represent every neighborhood in the city. Most political and development activity involves a local CDC whose neighborhood it affects and relies on them for the community's perspective. The CDC's have been one of the most important organizations in helping stabilize the city and their work has many times helped pioneer socioeconomic change in the city.

Cleveland's housing development was initially spearheaded by the independent work of the CDCs in the late 1980s, in response to the need for a revitalized housing stock, but also as part of the area's economic stabilization strategy. It was only after the CDC's pioneered the

new residential development boom that public and private sector followed with their own development and funding support (Keating, Krumholz, and Perry 1995).

The model of development that was initiated by CDCs and eventually supported by private and public forces was successful for residential development but it was not successfully replicated in the city's retail development sector. One of the principal reasons that the collaborative model has not successfully been reproduced is because, despite the existence of two important organizations that help connect the work of the many CDCs in Cleveland, the CDC community has grown in numbers and is now too divided. This division means that they can no longer generate the same critical mass of retail development needed to encourage a large private sector following that they generated with the housing development work.

KeyBank, a commercial retail bank headquartered in Cleveland that has a strong community development banking division, played a key role in bringing Social Compact's work in to the Cleveland area. KeyBank's director of community development banking had attended the Social Compact presentation at the Cleveland Fed, and was immediately interested by the DrillDown data's ability to help KeyBank in its community development banking efforts.

The initial pitch for the impact of DrillDown data on economic and retail development in Cleveland was that it could specifically help retail banks identify areas with unbanked monies, and thus potentially identify areas where new retail banking outlets should be established, a pitch that was clearly of interest to KeyBank's business development. The theory behind this pitch is that the establishment of a new retail bank in an underdeveloped area can help spark further retail development.

Cleveland's Retail Market Information Flow: Data Champion Outreach

A relationship was created between KeyBank and Social Compact, and a data study began to be coordinated. The brokering of a DrillDown data study involved figuring out what areas of Cleveland would be studied, how the research would get funded, and what organizations would serve as local partners for the study. KeyBank was established as the principal funder and local coordinator of the partnership, thus becoming the DrillDown's Data Champion. The other organizations that were brought in to financially support the project were the Cleveland Foundation, Fannie Mae, and Forest City Developers. It was decided that the whole city would be analyzed for the DrillDown report, making it the first city that Social Compact would create a citywide DrillDown report for, in contrast to the previous studies done

in New York City, Chicago, and Houston, in which only certain neighborhoods were captured within the study.

The Mayor, representing the City, became involved once the private and non-profit sector actors established the initial funding base. The entrance of the public sector helped serve to broaden the recruitment of more private-sector support for the DrillDown project, and further helped improve the fluidity of the data collection system and increase the anticipation for the new analysis that would come out of Social Compact's work. This networking was important, as it set up some of the relationships necessary for the Inner-City Information Exchange/ Education rung of the information flow process.

The previous experience of the Cleveland community with studies similar to the DrillDown report included a retail development study sponsored by the Greater Cleveland Partnership, the area's regional chamber of commerce organization. The general opinion expressed by some public and private sector representatives is that many of these retail studies were underused, and they were not well supported by staff or by sustainable partnerships once they were completed. The Cleveland Foundation was involved with many of these studies. Thus, when they decided to fund the DrillDown study, they stipulated that the DrillDown data and analysis be used effectively and updated frequently.

Cleveland State University played an important role in helping Social Compact staff clean up primary local data sets. The university's web-based neighborhood information system, the Neighborhood Link, has hosted the initial 2003 data report on its website since the data's release, making it available to the public. Again, their involvement in the data collection process was also important because it added to the network KeyBank had available for their dissemination work.

Since the release of the first report, Social Compact staff has been coordinating with KeyBank and Cleveland's Case Western University to establish Social Compact's research methodology within one of the university's research centers. The goal of this partnership is for Case Western to be able to continually collect data so that Social Compact can begin to produce updated market analysis reports on Cleveland. KeyBank's inclusion in the coordination ensures that they are being maintained as the principal Data Champion.

Cleveland's Retail Market Information Flow: Inner-City Information Exchange/ Education

The release of the data in Cleveland in 2003 was executed by delivering the data in a hard-copy report format to the KeyBank representatives. Social Compact staff traveled to Cleveland to give an introductory presentation explaining the data and its significance and

potential impact on economic development and retail development decisions. A community development banking staff member from KeyBank, Stephanie Turner, was subsequently trained to be the permanent point person for presenting and explaining the data in Cleveland.

According to some non-profit sector representatives, the release of the data to the general retail and economic development community was delayed by the fact that the report passed through the KeyBank offices first. KeyBank did not immediately release the report to the rest of the Cleveland area business community for a few months after receiving it, and its eventual release date was in October 2004 after the annual ICSC (International Council of Shopping Centers) RECon retail convention in May. This delayed release led to the data being somewhat outdated when a team of Cleveland representatives took the data to the next year's convention in 2005.

The report was shared with the project's funding partners in mid-2004, and plans for how to use the data set began to be coordinated. Cleveland's Mayor at the time, Jane Campbell, had not previously traveled to the ICSC annual RECon convention, which is the largest meeting of retailers, developers, and retail site representatives in the US. The conference allows all the parties involved in retail development and leasing to meet, exchange ideas, and many times broker deals. Mayor Campbell was encouraged to attend the conference and to travel with the newly released DrillDown data as a way of marketing specific sites within the city to prospective retail developers and tenants. She traveled with a group of local public and private sector representatives to present a series of development sites. The DrillDown report data was used to show the untapped purchasing power that could be captured in certain inner-city neighborhoods that had been previously neglected.

The initial format through which the data was delivered to the City was also somewhat problematic, as it was packaged in a hard-copy paper report and was not accompanied by electronic databases that could be dynamically worked with. Furthermore, beyond the effect that KeyBank's delay in releasing the data had in outdating the data a little, the static data set was not updated after its first release, and thus became further outdated as time passed.

The most unique problem that the DrillDown data had that reduced its effectiveness was the geographic neighborhood divisions that Social Compact delineated and used when reporting the demographic statistics. Both private and public sector representatives have expressed sentiments that the geographic divisions created by Social Compact for reporting Cleveland's data did not represent the most logical divisions, and that these divisions have

reduced the data's effectiveness because it is difficult to correctly understand the aggregate statistics for neighborhood divisions that do not fit the DrillDown divisions.

Results from DrillDown Data in Cleveland

The most salient information from the data was the increased population numbers and the higher median income statistics for the inner-city neighborhoods (**See Figure 4 below**). There had previously been some expectations that higher income numbers would be found through Social Compact's DrillDown analysis, but the discovery of greater population numbers surprised many economic development professionals in the Cleveland area. Together, these two increases in socio-economic data elements led to an understanding that there was overall a greater buying power in some inner-city neighborhoods than had been previously thought.

**Figure 4 – Cleveland's DrillDown Data Results
(Source: Cleveland Neighborhood Market DrillDown Profile)**

	Census 2000	DrillDown 2003
Population	475,165	588,362
Households	190,368	211,719
Daytime Population	NA	546,735
Median Housing Sales Value	\$71,100	\$80,000
Median Household Income	\$25,928	\$28,585
Cash Economy Overlay	NA	\$828 million
Adj. Aggregate Household Income	\$6,445,769,089	\$7,596,282,893
Change in Reported Violent Crime (1993 – 2003)	NA	-26.6%

Along with the partnerships that formed to fund and facilitate the collection of the data, the DrillDown data provided added energy to a pre-existing series of public-private partnerships that had begun forming before the dataset's release. A mentoring relationship had been begun between private sector development professionals and the Cleveland CDC community, through which the private sector representatives guided CDCs in understanding how retail business development processes worked. Specifically, private real estate professionals along with private banking personnel taught CDC staff how to work with retail development processes and their market analyses. Real estate brokers created a site selection guide that was given to CDC staff so that they could learn how to follow the site selection process themselves. The brokers also traveled with some of the CDCs to the ICSC convention during the Mayor's first trip there. It was during this collaborative trip that many of the deals for Steelyard Commons, a successful inner-city mall development, were brokered.

Cleveland's Retail Market Information Flow: Site Selection/ Project Underwriting

The first example of how the data impacted Cleveland's inner-city retail development was the establishment of a new KeyBank retail-banking outlet in the city's Central neighborhood. KeyBank knew that the establishment of this bank outlet would not instantly produce competitive profits compared with their other locations, but it would serve to capture a set of clients that were currently underserved by the retail banking market. The DrillDown reports for this area showed a strong cash economy that could benefit from the establishment of a quality retail bank. KeyBank was confident that the clients that would use the retail banking services would become potential customers for the rest of KeyBank's financial services and products.

The same shopping center in which the new KeyBank was established eventually attracted a new grocery store, Dave's Markets. The company's business model usually incorporates check-cashing operations within its stores, but through a partnership with KeyBank the new bank located right next to the grocery store. The two establishments are interconnected through internal doors so that KeyBank now services Dave's Markets' customers.

Another successful impact of the DrillDown data was the development of the Steelyard Commons shopping mall in the Flats neighborhood (**See Figure 5 below**). The development was a redevelopment of an industrial site near the inner core of Cleveland. Although the project had been planned before the release of the DrillDown data, it was the data's release that facilitated the negotiation of important anchor tenant contracts. The developers traveled with the Mayor during the 2005 trip to the ICSC convention, and armed with the DrillDown data report they were able to negotiate these tenancies. A second project being developed in the East Flats neighborhood by Developers Diversified Realty (DDR) is also in a difficult to develop neighborhood and is using arguments about the untapped purchasing power potential of these inner-city neighborhoods to help sell the development to tenants.

Figure 5 – Steelyard Commons



Small business development has not been strongly impacted by the release of the DrillDown data. KeyBank’s control of the data led it to be initially used directly by KeyBank and other medium-sized retail establishments, such as the Dave’s Market store and not so much by smaller business development efforts. The community development division of KeyBank has begun discussions about how to focus on small business development. There has been a specific plan to use it to bolster the development of small business in inner-city areas where big box retailers have shown repeated refusal to open new establishments. KeyBank is also exploring how it can use the data within its small business lending operations, to help its lenders better evaluate small business proposals in underdeveloped and neglected inner-city neighborhoods.

Some of Cleveland’s CDCs have expressed interest in the DrillDown data set’s ability to support their work in establishing small business enterprises. The Fairfax Renaissance Development Corporation approached KeyBank seeking assistance in responding to the inability to attract big box retail, and KeyBank provided the CDC with DrillDown data to help them create a small business development strategy.

Cleveland DrillDown Data's Critiques and Current Status

Stephanie Turner is still the main point person for coordinating with Social Compact staff, and she speaks with them a few times a month. Despite the fact that the data has not been updated for the whole city, Social Compact staff has been able to provide Ms. Turner with specific updates to some of the market analysis data categories. However, the data's useful life as an actual valuable source of market analysis and information has come to an end, as it is now more than five years past its collection period. The primary criticism the data received from local representatives is that it needed to have been distributed to a wider community and promoted better as a resource during its initial release period.

The second most important amendment that most key-informants recommended is a different delineation of the statistical areas Social Compact used to summarize the data, more in line with community-based definitions of the local neighborhoods. A process should be followed by which community and industry representatives help determine a more logical division of data-assimilation areas, so that the DrillDown data can be more effectively applied to understanding existing neighborhoods. This highlights the fact that more community input throughout the data development process would be useful to add a richer community-based dimension to the DrillDown report information.

Finally, the most obvious and yet most time-consuming improvement to the DrillDown data sets would be the ability to periodically update its statistics. The initial release of Cleveland's DrillDown report aimed to accomplish two goals, with one being the introduction of the development community to a new data source, and the second being the actual delivery of the message that the inner-city neighborhoods have more purchasing power and competitiveness than previously understood. This two-part mission is the focus of the Inner-City Information Exchange/ Education stage of information flow, and it highlights this stage's complexity.

The time and energy spent educating Urban Market Actors about the role of DrillDown data means that the actual data becomes outdated while actors learn how to use it and accept it. Updated releases of the data would partly overcome this issue, as the educating process of the stage would be over and the stage would primarily be a series of exchange interactions. Furthermore, incorporating educating elements into the actual exchange process could make this stage more efficient.

City of Houston's DrillDown Report and Urban Market Actors' Retail Market Information Flow

The City of Houston presents a completely different context of economic conditions from Cleveland, and thus it is a much different case city in which to analyze the role of DrillDown data. The city is a large sprawling urban area that didn't develop around an industrial base and instead largely had growth sparked by the wealth emanating from the local oil industries. It hasn't had to face the same industrial abandonment as Cleveland, and it has largely experienced population growth instead of shrinkage. However, its sprawl pattern has resulted in socioeconomic stratifications that have left the inner-city core filled with low-income populations, and lots of vacant and abandoned areas. Whereas in Cleveland, the economic struggle is about determining how the city as a whole can viably be a place for retail development, in Houston the focus is more on finding information that shows there is reason to develop retail primarily in the city center.

Houston's Retail Market Information Flow: Data Champion Outreach

First DrillDown Report

Social Compact was introduced to the City of Houston in 2001 through a private developer, Mr. Ed Wulfe. Mr. Wulfe is a commercial real estate developer whose work focuses on all forms of real estate development, but his firm has a special focus on urban infill retail development, leasing, and management. The Mayor of the City of Houston, a personal friend of Mr. Wulfe's, contacted him asking him to consider how to redevelop a specific dying mall in the city, the Gulfgate Mall, which was struggling in a neighborhood that had been going through strong economic decline. The Gulfgate shopping center was in need of rehabilitation and the Mayor knew Mr. Wulfe had the experience to be able to explore its redevelopment opportunities.

The Gulfgate Mall, which is now known as the Gulfgate Center, was originally opened in 1956 in a southeastern neighborhood of the City known as Gulfgate. The mall was the city's first regional enclosed shopping center. Its decline began in the 1980s as the concentration of regional shopping centers in the city continued to move outwards into the sprawling suburbs. The Gulfgate neighborhood became a predominantly low-income Hispanic neighborhood that still attracts recent immigrants (Chang 2006). Overall, the neighborhood has struggled to maintain a middle-income residential base, although its location is an excellent site for retail development because of its situation next to two main interstate highways.

Mr. Wulfe's firm explored the Gulfgate Mall's issues and its surrounding market through the creation of a market analysis study. This initial study gave a clear indication that the area surrounding the mall was underserved and could support more retail. Thus, there was what seemed to be the perfect opportunity to redevelop the mall into the Gulfgate Center and capture this unmet demand. However, when Mr. Wulfe began working on redevelopment plans for the mall he came across many retailers that were hesitant to consider locating within the site, mostly because the project's location within a transitional neighborhood made them question whether business would be strong in the new Gulfgate Center.

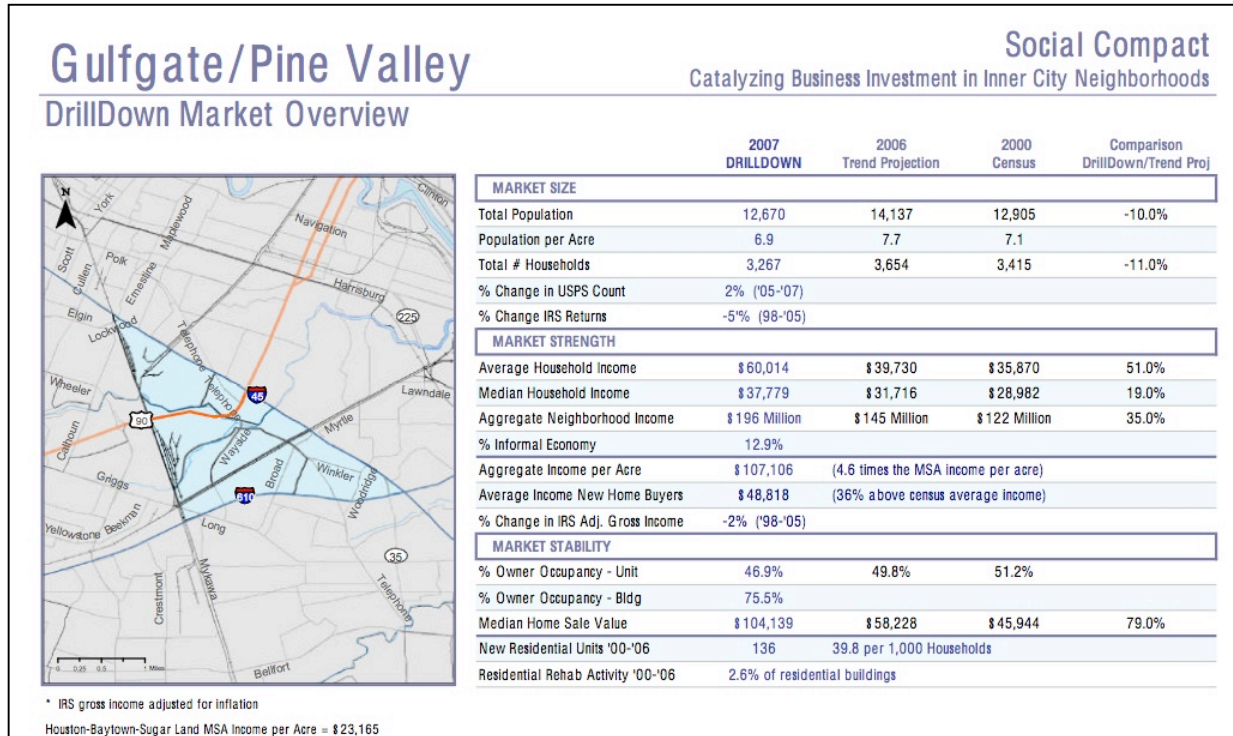
Most retailers that were turning down opportunities to locate within Gulfgate Center were doing so because their own market analysis studies were showing them numbers that did not match up with their requirements for site selection decisions. Their analysis was based on US Census data, and was showing population numbers lower than those represented by Mr. Wulfe. Wulfe's market analysis had used non-traditional data acquisition methods, and thus his firm's higher population numbers were different from the US Census' numbers for the neighborhood. He also believed that the informal cash economy in the area was strong, but knew it was difficult to track and prove the existence of this informal economic activity using standard market analysis methods **(See Figure 6 below)**.

Mr. Wulfe had become aware of Social Compact's data collection methods through his involvement in real estate trade organizations, and he knew that their data acquisition and analysis methods might help to quantify the unmet purchasing power that he strongly believed existed in the neighborhood surrounding the Gulfgate Center. He invited Social Compact to come and create a DrillDown report for the City of Houston, and he began coordinating a partnership between the City and Social Compact. Funding limitations constrained the geographic reach of Social Compact's analysis, and so only the neighborhoods surrounding the Gulfgate Center were analyzed in the first DrillDown report in 2001.

This DrillDown report, which was Social Compact's third ever, was released to Mr. Wulfe in 2001. Wulfe began using the DrillDown data to support the marketing of retail spaces within the newly redeveloped Gulfgate Center, but he continued facing retailers that were skeptical of the neighborhood's purchasing power. The DrillDown reports provided an interesting data story, but they did not offer a data format retailers felt comfortable working with. The leasing of the spaces was eventually successfully completed, but it was not an easy process. The DrillDown report helped support Mr. Wulfe and his firm's belief that the area had an untapped market potential that merited redevelopment of the site. The report also provided

an anecdotal pitch that provided the base for more quantitative discussion with some retailers, but it was not largely effective in getting retailers to make the go-ahead decision to sign leases within Gulfgate Center. The final deal closing for most of these tenants was achieved through Mr. Wulfe's traditional deal making methods.

**Figure 6: 2007 Houston DrillDown Report
Gulfgate/ Pine Valley Neighborhood Data**



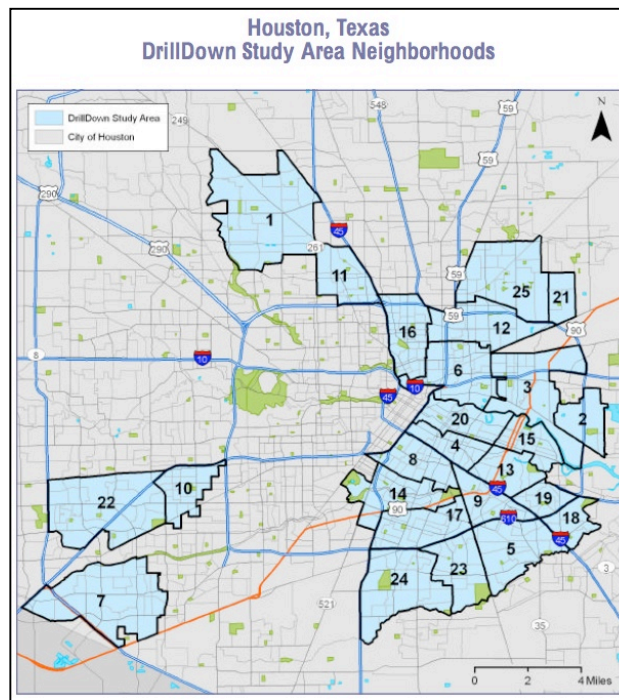
Second DrillDown Report

The first DrillDown report for Houston was produced in 2001 and only covered a small part of the city. Thus, the City knew there was a need for a more encompassing and up to date report. The City thus requested a second Houston DrillDown report from Social Compact, and subsequently 25 neighborhoods within the City were studied and presented in a report that was published in 2007 (See Figure 7 below). The completed report was delivered to the City, and it eventually made its way to the City's Planning and Development Department. Within the department, the data reports were delivered to Gwen Tillotson, a previous private sector business development advisor, who is now guiding business development for the City.

This new partnership represented a shift in the Data Champion role for the City of Houston. Initially the role was held by the developer Ed Wulfe, but during this second DrillDown

report the City government, and specifically the Planning and Development Department acted as the Data Champion. A much different Urban Market Actors' Retail Market Information Flow process was thus begun through the production of the second report. The first report's release didn't generate an opportunity for the data to move beyond the Data Champion Outreach role because its Data Champion was, for the most part, its end-user.

**Figure 7: 2007 Houston DrillDown Report
Second DrillDown Report Neighborhood Areas Covered**



Gwen Tillotson's role in the Planning and Development Department is to interact with private developers throughout the City of Houston, promoting development sites within the City or coordinating the incentives that could help developers successfully begin projects. Her role involves working primarily with the private business sector, but she also coordinates with other departments within the City to determine how other city resources can be harnessed for specific development deals. The second DrillDown report was delivered to her group so that they could explore whether the data had a role in their work with developers and other private businesses.

An internal city task group was created to analyze the importance of the DrillDown data and the ability for it to be used in supporting retail development in Houston. One of the clearest and most upfront conclusions that the DrillDown reports helped confirm was the lack of

specific retail establishments, such as grocery stores, within difficult to develop neighborhoods. Furthermore, it was determined that the DrillDown report could be tied-in with and coordinated with the energies coming from the City's Bank-on-Houston and Houston HOPE efforts, two programs focused on improving the socioeconomic fabric of Houston. Bank-on-Houston's work focuses on improving low-income residents' access to and use of formal financial institutions. Houston HOPE's mission is to increase the quality of life of impoverished residents in the City's struggling neighborhoods through advocacy work.

The second DrillDown report data thus was determined to be a strong source of base data for the creation of market analysis reports for the City's neighborhoods, with a focus on revitalizing areas where basic retail was missing. These reports are currently being written for an investor audience, with the aim of marketing these areas for development by highlighting their unmet demand, cash economies and purchasing power. Data from the Texas Department of Health and Human Services, the City's Economic Development Department, and the Planning and Development Department is being used to augment these market analysis reports.

The reports are currently being internally prepared and tested within the City, to determine whether enough information is being covered within them. The reports still need to also be vetted by the Mayor's Office before it is decided if the market analysis report model is something that the City should replicate for all neighborhoods. The data within the reports is compiled from many data sources. Many times the City already has the basic data that DrillDown reports cover, but Social Compact's analysis covers these basic data elements at a smaller geographic level.

Houston's Retail Market Information Flow: Inner-city Information Exchange/ Education

An important advancement in the work of Social Compact staff with the City of Houston during this second DrillDown release has been the ability to provide the City's staff with dynamic data sets. The initial delivery of the DrillDown data report is still being done in a hard copy format, but Ms. Tillotson has contacted the Social Compact staff at times with specific data requests, and the staff has been able to deliver her a more detailed and dynamic data set, further divided into smaller geographic divisions.

The data set seems to have been the impetus for coordinating and bringing together the many different data sources that the City has access to into the marketing report prototype, which has also induced increased collaboration between different City and State agencies. The DrillDown present a strong set of data on its own, but not connecting it with the

other data sources that the City has access to would inevitably lead to follow-up questions and requests for more information, which is why they were compiled together into one marketing report instead of using the DrillDown data as a standalone document. The actual second DrillDown report is being included in the City's prototype neighborhood market analysis reports as an appendix.

The proposed release of the marketing reports should provide an excellent opportunity for multiple collaborations between different Urban Market Actors. Wulfe Urban, a subsidiary of Ed Wulfe's development firm, has also sponsored the production of a series of urban neighborhood marketing materials, which have served to begin conversations about the development opportunities located within Houston's urban core. Therefore, the DrillDown data will directly compliment this developing focus that private real estate development actors are showing towards urban neighborhoods.

Houston's Retail Market Information Flow: Site Selection/ Project Underwriting

This stage of the data's passage through the Urban Market Actor's Retail Market Information Flow framework has not been thoroughly observed in Houston because the second reports' data is only just now passing through the second stage. The release of the first report didn't provide a clear example of this stage in the flow framework, because the data was never widely disseminated beyond Ed Wulfe's direct control and use of it for the Gulfgate Center. However, the perspective of some of the interviewed key-informants is that the DrillDown reports could be influential in reinforcing and enhancing deal-specific decisions that retailers and developers have already begun to formulate.

Social Compact's intention in generating the report and its data is not to directly formulate deal decisions for developers or investors. It is the responsibility of these private business entities to go through their own due diligence analysis and produce decisions on their own. The DrillDown report and the City of Houston's proposed neighborhood market analysis reports are meant to be the base-data that developers and investors can then use to perform due diligence with. The City of Houston views this as the most important way in which they can directly support retail development with improved market data. The City aims to maintain a strong and effective supporting role in retail development processes, so that retailers and developers can do what they do best, which is make the final site selection decision.

The first Houston DrillDown report did support the Gulfgate Center development project, even though the Center's planning was already underway when the data was released. The data did not directly push retailers to make the decision of locating within the mall.

However, the data did provide Ed Wulfe, an experienced private developer, with the concrete data he felt he needed to support what he intuitively believed about the Gulfgate neighborhood market's cash economy and untapped potential.

The DrillDown reports have been important for initiating dialogue about how to market and sell retail sites in the difficult to develop inner-city neighborhoods. The market analysis reports being produced by the City might prove to be very effective tools for encouraging more communication between the different Urban Market Actors. This increased communication might then lead to more effective partnerships that can strategize how to effectively plan profitable retail development ventures in the inner-city, but this has yet to have been tested.

Lessons Learned from Cleveland and Houston

The two cases of Cleveland and Houston have presented very different economic contexts and political realms in which to assess the impact of DrillDown data on inner-city retail development. The value of the data for actual retail development projects in Cleveland and Houston varied significantly. However, the challenges that the DrillDown data sets faced in the two cities were generally similar, although they manifested themselves differently. In Cleveland, the data quickly became outdated, and it was only in the initial year after its release during which the data's most significant impact could be observed. The city's extremely dismal economic conditions made it difficult for the DrillDown data to have a large significant impact, especially in the realm of small business development. Houston faced an overall strong indifference from the retailer community regarding the value and legitimacy of the data.

The initial method through which the DrillDown reports were commissioned for each city established unique contexts for each city's Data Champion Outreach stages. The partnerships and relationships that were established during the Data Champion Outreach stage of the Retail Market Information Flow process also varied significantly between the two cities, which led to overall differences in how effective the data has been in encouraging more inner-city retail development within each city. The system through which the data reports were disseminated through to local development actors during the Inner-City Information Exchange and Education process and the use of the reports and their data in the Site Selection/ Project Underwriting process was also different in each city as a result of a few different factors.

1. The Value and Impact of Drilldown Data on Retail Development in Cleveland and Houston

The lack of actual development decisions that were made as a result of the release of the DrillDown data in Cleveland alludes to the fact that its first release had more of an

anecdotal value versus that of providing actual detailed metrics that could be worked with. However, this isn't necessarily a negative outcome, as one of the principal goals a DrillDown report's release has in a city is that of educating the area's business and public-sector representatives about retail market information gaps and about the value and validity of DrillDown data in resolving these gaps. Achieving this goal, which is primarily accomplished during the Inner-city Information Exchange and Education stage of the Retail Market Information Flow framework, is dependant on an effective Data Champion Outreach stage.

The most interesting conclusion observed from the flow of DrillDown data in Cleveland concerns the role of a private bank as the City's Data Champion. While it is advantageous for the private sector to be one of the principal supporters and funders of the DrillDown data, it seems to have been problematic in Cleveland for KeyBank to be the principle director of the dissemination of the data. KeyBank appears to have respected the interests of the overall Cleveland retail community, but it also stood to directly benefit itself from the use of the DrillDown data. Thus, one lesson learned from Cleveland's Data Champion Outreach stage is that planning and negotiations should be enacted in brokering the initial Data Champion role, to prevent a conflict of interest from reducing the Champion's effectiveness in disseminating the data through the flow framework.

The actual retail development projects that can be identified as being influenced by the application of DrillDown data in both Houston and Cleveland are few, but lessons can be learned from some of the patterns they highlight. Cleveland's successful development of private retail banks directly supports one of the initial intentions of the DrillDown data, which was to bolster the development of the retail financial industry by highlighting unbanked funds and informal economies. Furthermore, within the Site Selection/ Project Underwriting stage in Cleveland, KeyBank partnered with Dave's Markets to develop two projects within the same mall.

Cleveland and Houston both had examples of large regional mall centers whose development was aided as a result of the application of the DrillDown data. The data was usually not directly a reason for why the inner-city mall was successfully redeveloped, as evidenced by the example of Houston's Gulfgate Center. However, DrillDown report data seems to have played an important role during the Inner-city Information Exchange and Education stage in providing the developers of these large retail centers with the added confidence they needed to be able to persevere and do what they do best, which is sell the retail spaces to tenants.

Key-informants have suggested that small business development was not directly aided by the DrillDown data. However, as large-scale retail centers and big box retailers emerge as sometimes the only retailers to develop in the inner-city, DrillDown data can be crucial as an input into the creation of strategies on how small business can coexist with larger national retailers.

The City of Cleveland hired an outside consultant in 2006 to help explore how existing locally owned retail establishments and small businesses would be impacted by the opening of a series of big box retailers in the Steelyard Commons shopping center. The Steelyard Commons center was one of the retail projects whose development was aided by DrillDown data. The neighborhood's community knew that many of the new retailers that were being brought in would pose a threat to the area's existing small businesses and to the prospect of developing new small business establishments.

The consultant's report suggests strategies for how small businesses can shift their business models to adapt to the competition presented by big box retail. The consultant successfully used DrillDown data to highlight the rationale for these shift strategies. In the presence of this sort of competition it is necessary for the private sector to work together, and shopping centers in which big box retailers are located can be designed and planned so that locally owned small businesses comprise the center's in-line retailers (Berne 2006).

DrillDown data's use as a marketing tool is one of the most effective uses that both Houston and Cleveland were able to leverage from it. Cleveland's use of the report at the RECon convention seems to have helped the city's retail development market at least gain a lot of national recognition that it had not had before. Houston's neighborhood marketing reports might help accomplish a similar goal, but on a more local level. The cities' marketing efforts are not completely dependant on the DrillDown data, but the reliable accuracy of the data and the drastic statistical changes that they highlight provided the renewed energy that each city's public sector appears to have needed to implement these new and innovative marketing strategies.

Finally, as will be discussed in more detail below, the DrillDown data effectively acted as a tool that provided a common ground that all three sectors active in the retail development process could meet upon and communicate throughout both the second and third stage of the Retail Market Information Flow framework. The data sets speak directly to the interests of all three sectors and thus make it possible for stronger collaborations to be initiated with the end goal of driving more retail-based economic development.

2. Challenges to the Successful Flow of Drilldown Data in the Urban Market Actors' Retail Market Information Flow Framework

The challenges that were clearly visible in both case study cities have a lot to do with the processes that Social Compact has control over. That is to say, Social Compact's involvement with the DrillDown reports and their use throughout the three stages of the flow framework seems to be one of the biggest factors in determining how successful the flow of the reports' data is within the framework. The challenges outlined below can all be responded to through improvements Social Compact can make to the data's transfer to a city's Data Champion in the first stage of the framework.

a. The data must be applied quickly after its release.

The Cleveland case most explicitly highlights the issues that DrillDown data faces as a result of being a time-sensitive static data set. KeyBank's control of the data in the Data Champion Outreach stage led to it being held back longer than what some key-informants would deem to be ideal, which led to it being a few months old when it was released to the larger development community. Houston's first DrillDown report did not face this issue because it was primarily intended for a smaller audience, directly connected with Ed Wulfe. However, the second DrillDown data reports is currently in the Data Champion Outreach stage and has not yet been released to the development community.

b. Once data is out of date it needs to be updated.

Attempts to resolve the first challenge associated with DrillDown data sets can be observed in both cities. In Cleveland there have been plans to establish Social Compact's proprietary data culling and analysis processes within Case Western University, and if this is accomplished it will allow the data set to be periodically updated. Houston's second DrillDown report is more recent, and Social Compact staff seems to have increased its capacity to service the data client, as the City's key-informants have stated that when updates or different types of analysis are requested Social Compact provides them.

c. The control of the data needs to be more flexible.

The City of Cleveland's issues with KeyBank's control and dissemination of the data highlights the fact that Social Compact needs to be more sensitive to the partnerships that are established for the collection and dissemination of the data. There is no per se correct partnership configuration, but what can be done to ensure that the data is most effectively used throughout the retail development markets is require the instatement of a partnership agreement that holds all parties accountable to a certain level of collaboration and cooperation.

d. Data collection/analysis methodology needs to be more transparent.

The City of Houston's first DrillDown report was met with quite a bit of skepticism, as retail tenants showed hesitance when Mr. Wulfe attempted to communicate the Gulfgate neighborhood's unmet market demand through the provision of the data report. The entrenched belief and trust in the standard traditional data sets, such as Claritas and US Census, on the part of retail developers and retailers, will continue to provide DrillDown data with a challenge.

Currently, Social Compact's data collection and analysis methodology is introduced through the actual data reports. However, a more elaborate explanation and education of the methodologies throughout the Retail Market Information Flow framework's second stage might provide the intended audiences with a greater ability to understand and trust the reliability of the data sets. Although these methods are described at length in the reports and Social Compact's website, the willingness of end-users to learn from this information is not certain. Furthermore, the use of examples of successful retail development projects that have been supported by DrillDown data will help show the retail industry that DrillDown data is accurate and can be safely relied on to assess market risk and underwrite deals with.

e. Data dissemination needs to incorporate more data-use training.

The private financial sector is one of the principal intended audiences of the DrillDown reports, and thus their perception and use of the data is important to assess. A challenge that was evident in Cleveland was the fact that the banking industry does not always know how to work with certain market data and information elements, and thus the industry's use of the data as an underwriting tool is inhibited.

Cleveland's retail development community coordinated the mentoring of banking personnel by retail development professionals during the Information Exchange and Education stage of the flow framework, offering trainings on how to interpret and apply the information contained in the DrillDown reports. Without this training, the data partially reaches a roadblock within the local financial lending industry, because bankers are not able to use it for underwriting. This roadblock trickles beyond the actual financial industry, and also affects small business development by preventing the DrillDown data from being an effective tool for underwriting processes, thus preventing the data from ever effectively being used in the third stage of the flow framework.

3. Effect of Partnerships and Relationships in the Effectiveness of the Drilldown Data's Application

The lessons taken away from the Cleveland and Houston cases highlight the fact that, not only is the involvement of Social Compact staff in the dissemination and explanation of the data crucial to determining the effectiveness of the data in impacting inner-city retail development, but the partnerships that are established to work with the data throughout the flow framework are equally as important. The involvement of public, private, and non-profit sector actors in the collection and dissemination of the data, along with their partnering together in the Retail Market Information Flow framework, are all important issues to focus on when assessing the impact of the data on retail development.

a. Private Sector

The private sector has the important role of sometimes pushing government to improve their role in supporting the development process. The symbiotic relationship that was created between the City of Houston and developer Ed Wulfe is representative of this sort of role the private sector can play. Mr. Wulfe, upon be asked by the Mayor to explore the redevelopment options for a blighted commercial center, realized he needed more data to support parts of his proposals and business assumptions. Upon Mr. Wulfe's actions, the initial DrillDown generation contract was set up between the City and Social Compact.

A unique role that Mr. Wulfe's development firm has also helped play in Houston is that of spurring another series of marketing materials for different urban neighborhoods within the City. Mr. Wulfe's principal real estate development firm, Wulfe & Co., has established a subsidiary firm, Wulfe Urban, whose mission is to help broker and consult the development of infill land in Houston. This separate organization allows the company to market its unique services in the development of inner-city areas that have been neglected by private development over the past few decades.

One of Wulfe Urban's principals, Jeff Kaplan, coordinated the creation of an urban design based survey that analyzed the development potential of a series of urban neighborhoods in Houston, highlighting their strengths and weaknesses anecdotally and through the use of an urban design survey system. The "State of Place" assessment of neighborhoods was published in a local development/ business magazine, and is used to promote the development value of potential sites to different investment and development clients. This sort of effort is similar to the market analysis reports being produced by the City's Planning and Development department, and again is an example of the important role that

both public and private sector forces need to play in promoting the untapped development market potential of urban and inner-city areas.

However, the “State of Place” assessments have not yet incorporated the data from the DrillDown reports, and thus, although Mr. Wulfe’s firm was one of the initial advocates for the hiring of Social Compact, they have not proactively sought out the use of the newly updated data reports, nor has the City aggressively aimed to get the second report’s data directly into the developer’s hands.

The private sector should also focus on supporting the work of a strong CDC community, when it is present, as is the case in Cleveland. The capital that the private sector has access to, much more readily than the non-profit CDC community, can be crucial to supporting the community-based economic development efforts that CDCs have the capacity and realm of influence to affect. The private sector’s access to financial capital is also one of the necessary resources public sector initiatives need to succeed, and a CDC’s understanding of a local community ensures that a partnership can be established through which the capital is effectively applied.

The role of the private sector is also represented by the work of private consultants who are brought in to help strategize retail development processes. In this sense, there are many consulting roles within the private sector that are directly involved in all aspects of retail development, offering support in market analysis and site selection. The work of these firms is only as effective as the data upon which they base a lot of their analysis, and thus the release of the DrillDown reports directly increases their analysis’ effectiveness, even though the consultants themselves are usually not directly involved in the coordination or dissemination of Social Compact’s work within a city. The MJB Consulting report discussed above based a lot of its analysis on the DrillDown reports, and thus it is important to highlight that these new data sets can help the consulting industry overall support the private sector’s role in retail development. In Houston, the work of Wulfe Urban seems to be ripe for the application of DrillDown data to their downtown neighborhood marketing reports.

b. Public Sector

The Mayor of Cleveland’s trip to the ICSC RECon convention is an example of the support that the public sector can successfully provide to retail developers. The role is one of truly representing and promoting the resources available throughout the different neighborhoods of a city. Prior to the Mayor’s visit in 2005, a representative from Cleveland had not gone to the convention in some time, and this was evidenced by anecdotal stories of

people approaching the Mayor at the 2005 convention and letting her know that they were surprised Cleveland had not been represented earlier. Similarly, in Houston, the City is now spearheading a more localized marketing effort, through the production of the neighborhood marketing reports.

The complexities of politics means that a lot of what the public sector sets forth to do can quickly be stopped or disappear under the influence of political forces. A more sustainable role for government to play in the retail development process is to provide support to development forces outside of the political regime's influence, which can continue to be sustained even after a switch in political regimes happens. The public sector should ensure that the DrillDown data makes its way into the local retail development community's market information flows, instead of occupying itself with coordinating direct government-sponsored development projects.

CDCs need government support through funding and regulatory incentives, so that they can begin the work of pioneering retail development within low-income communities. This entails the public sector making CDCs, and similar development or investment-based non-profits, a priority for funding streams. Aside from actual funding-based support, the implementation of political support and development regulation support can help reduce the overall costs of the development process for non-profits by reducing barriers associated with permitting and entitlement.

One of the perspectives of government officials in Houston is that the public sector's principal support role in the development process is to validate trends and decisions that the private sector was already thinking about acting upon, and improving the data which private developers and investors are using to make these decisions with. According to Gwen Tillotson, of the City of Houston's Planning and Development Department, the city is not in the business of being a consultant to the private sector and should not be directly helping make actual go-ahead decisions for private sector projects. The government's role is to ensure that the private sector's decision processes are able to operate as fluidly as possible, and that all data and information that might facilitate these processes is made available to them. The provision of accurate data and information can save the private sector costs, because less consultant-time is needed for initial data collection, and consultant services can be hired by the private developers once the base data is available and understood.

The market analysis reports the City of Houston is producing have the objective of supporting the internal analysis that an investor usually does on its own. The reports are

prefaced with the caution that the data is only meant to support decision processes and not to supplant an investor's own analysis. These reports are an excellent example of the information provision role the government is best suited to play.

Furthermore, the inaccuracies of Census data, which DrillDown data helps highlight and correct, can only truly be corrected by having municipal and state authorities coordinate with the US Census Bureau to amend counts and estimations. Thus, not only is the public sector tasked with ensuring that all available data is accessible to the private sector, but it is also the entity that should be tasked with ensuring that data is as accurate and valid as possible and encouraging its amendment when its not.

The private sector many times thinks that the best data and decision making help comes from an outside consultant, when in reality the public sector many times has the best local knowledge and talent necessary to figure out a lot of complex development issues. Therefore, it is important that the private sector learn to work more with the public sector and cooperate with the use of their existing resources. City governments have the capacity to be more effective in helping support private development. Government can help add value through preliminary data analysis and repackaging, and don't have to be seen simply as providers of raw data and information. As mentioned above, Houston's government is acting as a sort of refiner of the DrillDown data set, and as the data passes through government offices and staff is properly trained, this makes the market data more valuable during the Site Selection/ Project Underwriting stage of the flow process.

c. Non-profit Sector

Non-profit organizations provide an important networking component to all three stages of the Retail Market Information Flow framework. However, it is interesting to note that in neither of these two examples was a non-profit the Data Champion. A non-profit could arguably be one of the Urban Market Actors that requires the least convincing of the value of innovative market data like DrillDown reports. However, they might require some training to understand how to appropriately understand and apply the DrillDown information, as was the case in Cleveland where the private business sector helped mentor CDC's on retail market analysis processes.

CDC's are usually at the forefront of breaking the vicious cycle of a lack of development in the inner-city. Many times this lack of development is a result of a lack of trust in the inner-city market's potential and an aversion to the risk associated with establishing businesses in the difficult to develop neighborhoods. The CDC community has shown it can be a pioneer in

leading the private sector into this type of risky investment, by first investing in projects and businesses themselves and then offering partnership opportunities to the private business and investment community.

Non-profits working on issues other than retail or economic development can also play an important role in facilitating the effectiveness of the Retail Market Information Flow framework, by providing important links with the community. In Houston the work of Bank-on-Houston and Houston HOPE were part of the impetus for the City of Houston's decision to put together their marketing material, because of the work they were already doing with increasing the sustainability of community fabrics. Thus, the initiatives of non-profit organizations can also lead to the creation of partnerships between all three sectors.

The Houston Hope organization is a strong example of a non-profit movement that is helping coordinate the community's involvement in public-private partnerships. The organization was established in 2003 and was the outgrowth of concerned private business representatives that wanted to respond to the stark economic disparities that existed between Houston neighborhoods. It has tasked itself with the mission of analyzing these disparities and creating action plans for how to reverse the growth of poverty in these areas. One of Houston Hope's first initiatives was an assessment of a few specific neighborhoods and their community fabric, upon which it was decided that certain neighborhoods could benefit from targeted infrastructure improvement projects.

Conclusions on Study Cities

The process of analyzing the role of DrillDown data in Cleveland and Houston is important to this thesis' goal of understanding how data can be used in the City of Miami to affect the development of retail in the inner-city. Some strong similarities were found in both the challenges and successes faced by the application of DrillDown data in the two case study cities, and that speaks to the idea that a national strategy could be deciphered to guide the improvement of market information's role in supporting inner-city retail development.

Cleveland, Houston, and Miami are all sufficiently different that it might be expected that they all present completely different retail development contexts. While the market information for the inner-city neighborhoods of each city does have to pay attention to the unique community characteristics of each city, the DrillDown reports for all three cities are capturing similar discrepancies and offering a new perspective on inner-city markets' unique assets and competitive advantages. Paying attention to these new flows of information can

lead to an improved series of collaborations and relationships that can help support and guide improved retail development processes in the inner-cities.

Understanding the City of Miami's unique inner-city economic plight requires exploring its diverse demographics and economic context. The attention that the DrillDown report analysis gives to the unique socioeconomic characteristics of the City of Miami have helped capture a more accurate depiction of Miami's demographic and economic statistics. This more accurate statistical depiction can be leveraged to create new retail development strategies if the data is properly disseminated, exchanged, and used to create strong partnerships. The data itself does not indicate how the City's assets should be worked with, and thus it is important to try and learn lessons from past applications of DrillDowns in other cities. The partnerships and collaborations influenced by Social Compact's work in Miami and formed between the public, private, and non-profit sector are at the crux of determining how effective the DrillDown data can be in influencing more inner-city retail growth.

Miami is one of the most culturally diverse cities for which Social Compact has produced their DrillDown reports and thus an interesting new series of social interactions can be observed by analyzing how Miami's public, private and non-profit sectors can and will work with this new market analysis data. Miami's municipal leadership has also shown great interest in the potential leverage that can be achieved by using the DrillDown data to attract private developers to create more inner-city retail projects, and Social Compact has stated that it will be engaging in one of its most involved relationships ever with the client city by offering support services for the next year (Walker 2007).

The City of Miami's Unique Socioeconomic Conditions and Social Compact's Interaction with Them

Miami's role in the recent national housing bubble has been uniquely drastic, and its housing prices have seen some of the greatest increases in the nation, leading to the heightened proliferation of multiple low-income households living inside of one housing unit. The recent bursting of the housing bubble and the downward tracking of housing prices has further negatively impacted some low-income communities by destroying much of their housing value-based wealth, and pushing more households to live together in non-traditional arrangements. Social Compact staff used innovative research techniques that helped them count the multiple households living within each structure.

Furthermore, the large groups of immigrants that comprise Miami's population means that many data sources' population numbers are inaccurate as illegal immigrants usually are not successfully tracked or counted, whether because they do not want to be counted and avoid researchers or because language barriers make it difficult to cull accurate responses. The level of assimilation of an immigrant person or household can also influence how much they use standard financial systems versus maintaining cash reserves at home, which further clouds standard data results in a unique demographic community such as Miami's. Therefore, the inaccurate depiction of the purchasing power of inner-city communities is especially high in this City because of the confluence of these unique socio-economic conditions (Walker 2007). Data sets that provide inaccurate demand characteristics mean that investors and developers struggle to understand the actual risks, demand, and possible returns involved with inner-city business.

Miami is overall a young city with only a little more than 100 years of history as a growing urban area. Throughout most of the past half century it has also had a heavily transient population, comprised largely of new international immigrants, but also has been experiencing large population fluctuations as a result of tourist visitors. Thus, the City lacks a strong established and shared sense of history to influence or form its civic thinking (Nijman 2007).

The city's low-income population is, for the most part, poorly educated, which further perpetuates the City workforce's lack of marketable skill sets stemming from Miami's lack of an industrial base or tradition (**See Figure 8 below**). This lack of education is not only problematic for workforce development purposes, but also because this means that inner-city struggling communities cannot rely on a well-educated native population, or on a strong internal civic capacity, capable of leading successful non-profits that could redirect the economic trends of these neighborhoods.

The City of Miami's location within the larger Miami-Dade County metropolitan area means that much of the wealth that resides in South Florida and is coming in through commerce and other economic activity, does not always stay in or pass through the actual City of Miami (**See Figure 9 below**). As the City has gone through tough times, middle- and upper-income residents have had the ability to migrate to another municipality or to a nearby suburban community.

Figure 8: City of Miami's Educational Attainment (US Census 2000)
 (Source: City of Miami GIS)

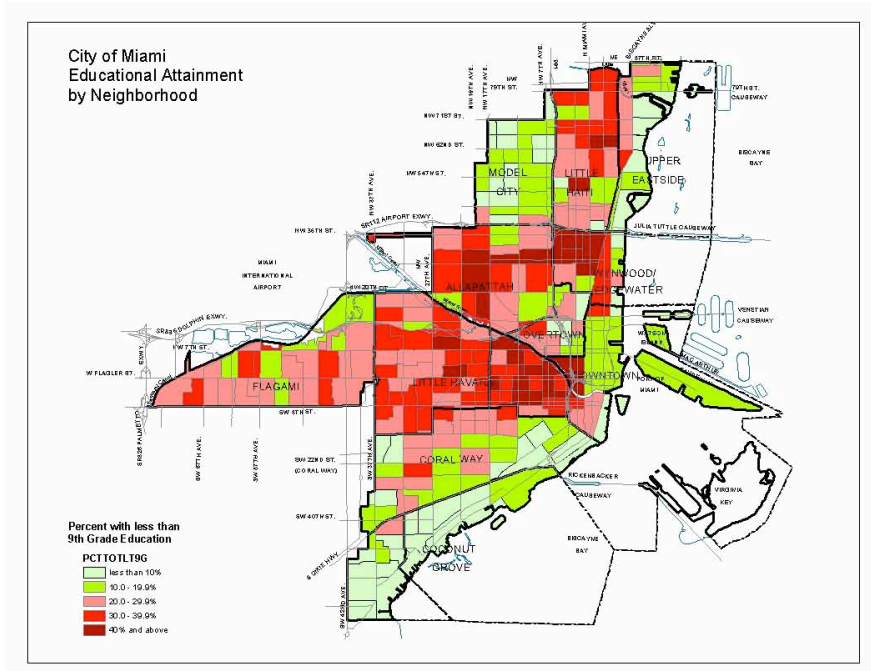
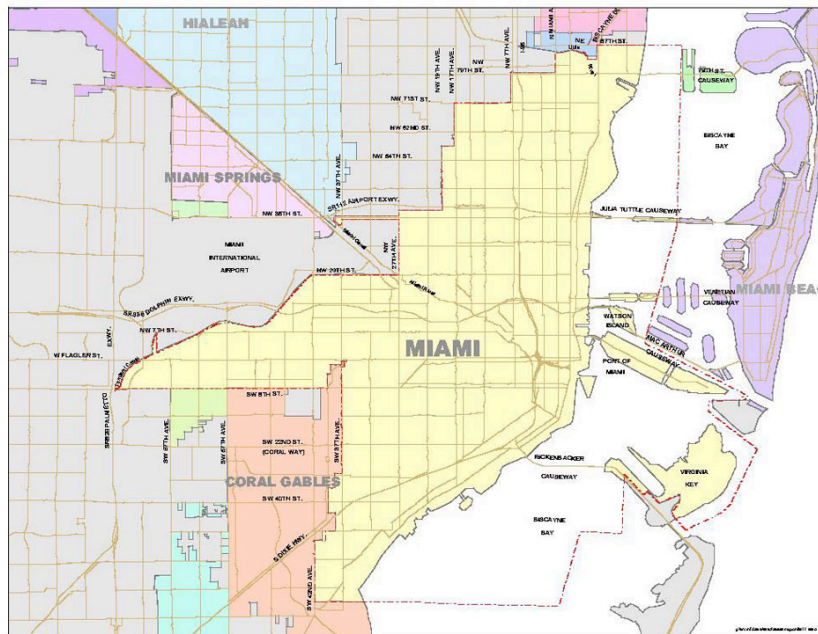


Figure 9: City of Miami Political Boundaries
 (Source: City of Miami GIS)



City of Miami's Competitive Economic Advantages

Despite the struggles the City faces as a result of being part of a larger suburban sprawl area, it has some strong geographic advantages that lend it an economic advantage. Miami is

host to many of the area's most important business resources, including the Central Business District, the Port of Miami, the Miami River Port, the Miami International Airport, and many of the area's more cultural and historically significant resources. Its connection to Latin America is strong both through its demographic ties, but also because it serves as one of the main points of entry for Latin American commerce into the US, both through the import and export of products but also through service-based industries. The City's tourism base is very strong as a result of its unique climate and environmental conditions, and provides the City with an almost year-round influx of hospitality-based and tourist-based commerce.

Miami's current Mayor, Manny Diaz, has been proactive in trying to revolutionize Miami's responses to economic and social woes, especially in light of the economic conditions that plagued the City when he took over in 2001. The City was declared bankrupt in 2001 as a result of poor fiscal management, and its bond rating reached "junk" levels. The City went through a series of investigations that found not only managerial negligence but also a few incidents of corruption. Miami struggled with a strong negative perception along with a series of restructuring years in the beginning of the 21st century.

Mayor Diaz created an "Anti-poverty Initiative" in 2001 to help align the work of city agencies and resources to drastically improve the socio-economic conditions that were making Miami one of the poorest large cities in the nation (percent of families living at or below the poverty level), with a poverty rate of 28% in 2000 (Cruz-Taura and Farr 2009) **(See Figure 10 below)**. The Mayor has also used his two four-year terms to focus on making the City a more business-friendly environment, and through this work, he has helped restore the City's bond rating to an investment-worthy level.

The City was clearly a development friendly environment during the recent real estate boom, as its Downtown area and Biscayne Boulevard corridor were some of the areas of greatest construction in the nation. Mayor Diaz's work has also included revamping the City's zoning code to make it more compatible with free-market development forces, as the form-based Miami21 zoning code focuses on ensuring the city develops following a physical form guideline, while allowing a more organic mix of uses to develop per market demand needs.

Thus, retailers are forced to rely on local demand as much as possible during these times of economic transition. Applying more up-to-date reliable market information data to better hone an understanding of the local demand fundamentals and of what services are needed by local residents can help ensure that local retail strategies evolve to include a strong basic-needs supply. Inner-city neighborhoods are particularly well suited to adapt with these strategies, because tourist-based retail is not usually established in the inner-city because of its perception as a dangerous neighborhood. Therefore, inner-city retail districts, if planned well, could theoretically see some of the greatest stability during economic transition times such as these, because they should not be significantly affected by the fluctuation in the tourism industry.

Overall, however, despite the evident hindering effects of the economic downturn on the South Florida retail economy, many economic and retail forecasters believe cities like Miami will fare better than many other areas in the country in the next few years. The South Florida economy can still be considered a growth economy because of its capacity for population and jobs growth. The slowdown of retail development has also actually been a healthy occurrence, because it has allowed existing retail to be absorbed, which means that new retail development can continue to come on line in the future without the worry that the local retail development market undergo the same over-saturation that the residential sector is currently facing. Furthermore, the currently over-saturated residential sector will soon lead to the need for new retail to respond to the new populations that will eventually live within these new residential developments (Bowden 2008).

City of Miami's DrillDown Data and its Urban Market Actors' Retail Market Information Flow

The citywide Miami DrillDown is one of Social Compact's most recent analyses. The City became aware of the existence of Social Compact's work through presentations at local economic development seminars and meetings at which Social Compact's director, John Talmage, presented and spoke. Mayor Diaz also directly learned about the DrillDown reports from Alberto Ibarguen, the director of the locally headquartered John S. and James L. Knight Foundation (Knight Foundation), one of the principal funders of the Miami DrillDown analysis. The Mayor decided that the DrillDown report would be an important tool in helping restore Miami's economic soundness, which had struggled in the past decade. One of the initial selling points of the dataset for Miami was that it would help the City argue for an amendment to its

Census population numbers, with the goal of aiming for a citywide population of greater than 500,000, which would trigger many new state and federal funding allocations.

Miami's Retail Market Information Flow: Data Champion Outreach

An initial study of five low- to moderate-income neighborhoods was ordered by the City's Mayor in 2006 and was coordinated with a funding partnership between the City, Citibank and BankUnited, the Human Services Coalition, ACCION USA, Washington Mutual and the Knight Foundation. The community affairs departments of each of the funding banks knew that this new data would support redevelopment in the City's struggling neighborhoods. The Knight Foundation represented the local non-profit sector's support of the DrillDown report, as the Foundation's work has a strong focus on the Miami area through its Communities Programs, which focuses on creating more sustainable communities and improving the quality of life of its residents. Despite the varied funding partners, the City of Miami Mayor's office was the Data Champion for this first phase of the DrillDown report and also for the second phase that was just completed.

The first phase of data analysis was released in 2007, and focused on the most impoverished neighborhoods within the City, which are the five neighborhoods of Little Haiti, Liberty City, Allapattah, Wynwood-Edgewater, and Overtown (**See Figure 11 below**). This first phase of DrillDown results immediately captured the more accurate increased population counts and higher median incomes that Social Compact had found in its other DrillDown cities, although in Miami the reports uniquely "revealed the most significant unrecognized potential of any DrillDown studies to date" (*Miami Neighborhood Market DrillDown Phase 1: Catalyzing Business Investment in Inner City Neighborhoods 2007*) (**See Figure 12 below**). The Mayor's office began coordinating with the US Census to request an amendment to the official population numbers for the City of Miami.

Figure 11: City of Miami 2007 DrillDown Neighborhoods (1, 5, 6, 9, 13)
 (Source: Miami Neighborhood Market DrillDown 2007)

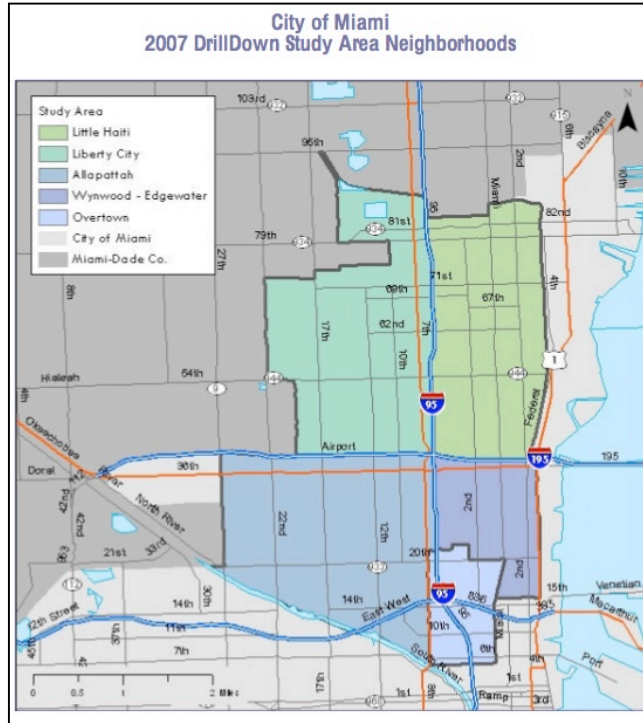
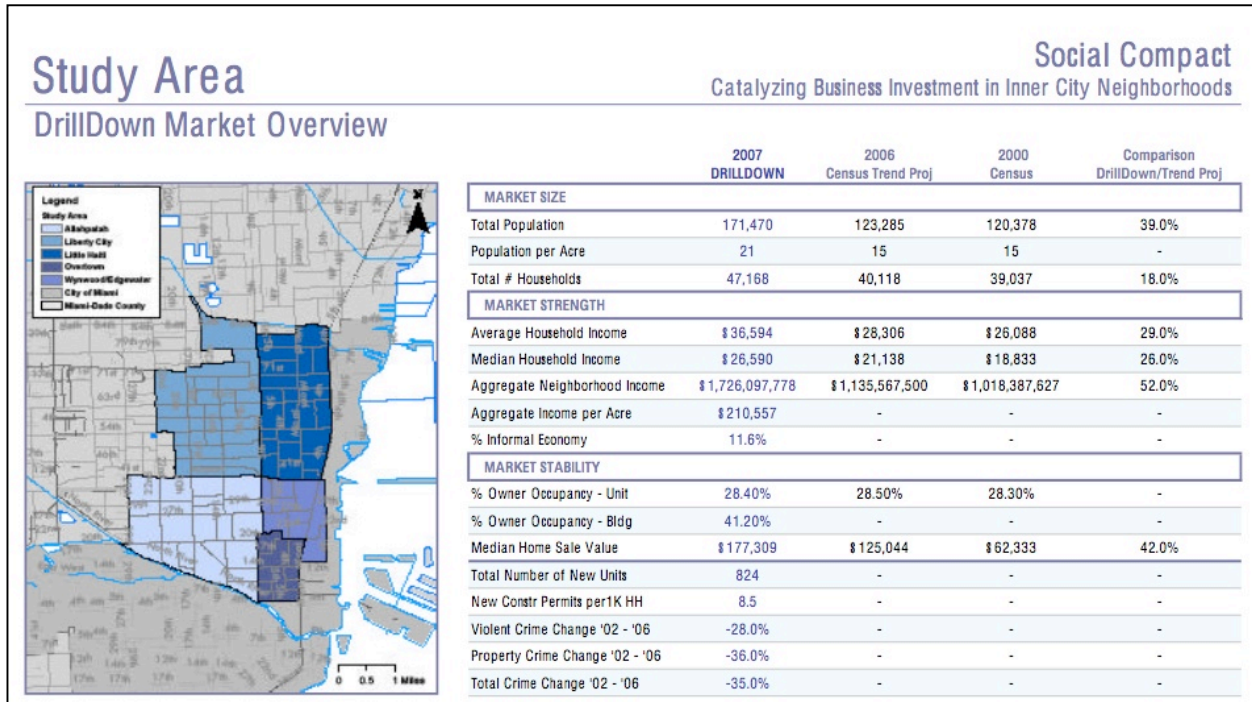


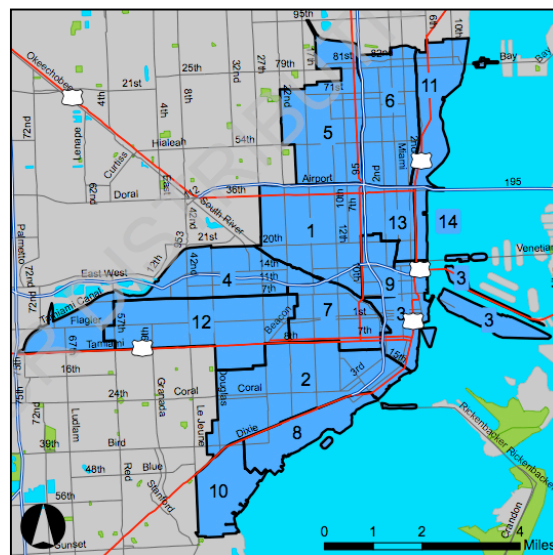
Figure 12: City of Miami 2007 DrillDown Neighborhoods' (1, 5, 6, 9, 13) Overview
 (Source: Miami Neighborhood Market DrillDown 2007)



Upon realizing that the DrillDown report was capturing drastic changes in market information, the Mayor's office began coordinating with Social Compact to create the second phase of the DrillDown report, which would canvas the whole city (**See Figure 13 below**). This report was just completed near the end of 2008, and is being released and introduced to the City's Mayor's Office through a series of meetings taking place throughout the months of March and April of 2009. The actual strategy of how the DrillDown reports will be used within the City have not yet been decided. However, the initial 2007 five-neighborhood study has had some positive impacts and actionable use in the past few years, some of which is described below.

The role of the City as the Data Champion has been very effective in ensuring that the relationship with Social Compact be a strong one. The Mayor's Office has successfully been aggressive in coordinating the collection of the full citywide data report, and in corresponding with Social Compact to create a strategic dissemination planning. One weakness to their continued role as Data Champion has been the limited exposure that other organizations and sectors have had to the data. The City has created a diverse funding partnership, and has brought in a few community based organizations to help with the strategic planning, but the DrillDowns are not yet available for the general development community's access.

Figure 13: City of Miami 2009 DrillDown Neighborhoods
(Source: Miami Neighborhood Market DrillDown 2009)

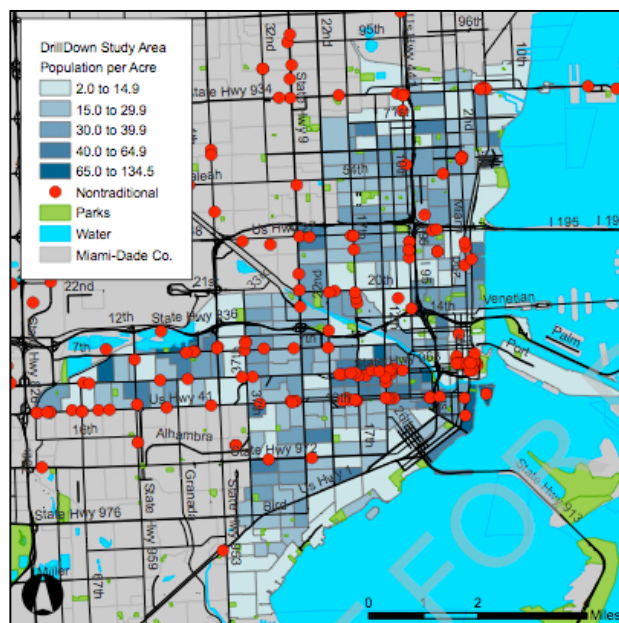


Miami's Retail Market Information Flow: Inner-city Information Exchange and Education

The Miami DrillDown report makes explicit mention of its intentions, which are primarily to “identify those areas that are significantly underserved with regard to retail (with an emphasis on grocery stores) and financial services” (*Miami Neighborhood Market DrillDown Phase 1: Catalyzing Business Investment in Inner City Neighborhoods* 2007). However, an auxiliary effect of the first phase’s report was the heightened attention on inaccurate Census population counts for the City, and thus the work that has begun to amend the official Census population counts has initially been one of the greatest and most tangible responses to the reports. The City of Miami’s 2000 population was a little above the 300,000 count and as mentioned above, it is the 500,000 person count that triggers many state and national funding streams, and Social Compact staff believe the City actually has these population numbers.

The 2007 Phase I report also had other important findings, similar to those found in other cities in which Social Compact has worked, and these include the documentation of a reduction of crime rates in the five low-income neighborhoods, a discovery of large numbers of unbanked households, the documentation of higher median incomes, and related to the higher population numbers, a discovery of greater population densities (**See Figure 14 below**). Since 2007, Social Compact staff has worked with the Mayor’s office to create actionable plans based off of these data findings.

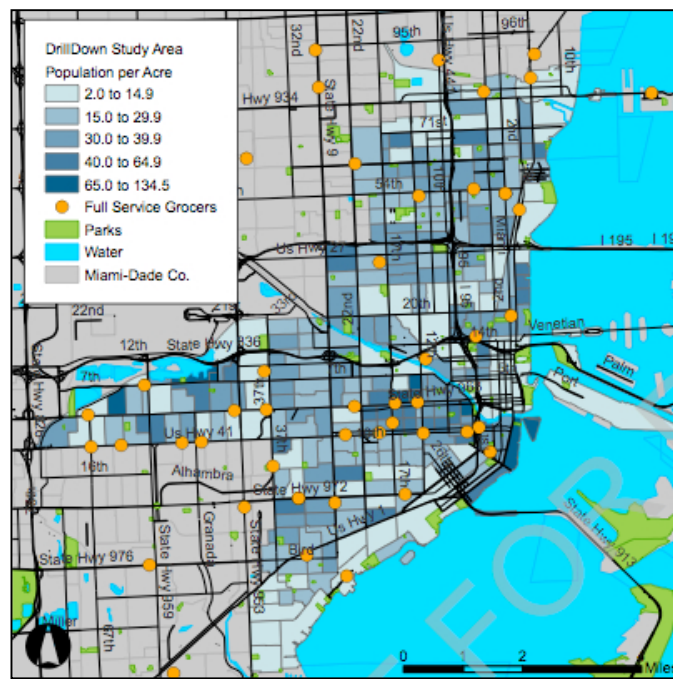
Figure 14: Miami’s Nontraditional Financial Service Providers (Check Cashers, Pawn Shops, Payday Lenders)
(Source: Miami Neighborhood Market DrillDown 2009)



Miami's Retail Market Information Flow: Site Selection/ Project Underwriting

An example of the actual development impact that the Miami DrillDown report has had is the redevelopment of a local grocery store in the Liberty City neighborhood of Miami. A Winn-Dixie grocery store located at the corner of Martin Luther King Boulevard (NW 56 St.) and NW 7th Avenue had been one of the only large full-service grocery stores in the area (**See Figure 15 below**), but was in poor condition and offered poor-quality service. Based on the DrillDown data it was evident that the market needs of this specific area of the neighborhood were not being met, despite the existence of an established grocery store within the area. The Phase I report indicated a \$29.8 million retail leakage figure for grocery demand, above the \$39.7 million that was being spent in the local area's grocery stores. This leakage means that the neighborhood's residential population could support about 80,000 sq. ft. of new grocery store retail (*Miami Neighborhood Market DrillDown Phase 1: Catalyzing Business Investment in Inner City Neighborhoods 2007*). Social Compact's staff worked with the Mayor's office to explore ways to increase the role of private retail in fulfilling this area's demand, and it was decided that an improvement of the existing grocery store would immediately help meet this unfulfilled demand.

Figure 15: Miami's Full Service Grocers
(Source: Miami Neighborhood Market DrillDown 2009)



Social Compact staff helped broker a partnership between the City and Winn-Dixie, and the redevelopment of the Liberty City Winn-Dixie was accomplished in 2007. The refurbished grocery store immediately started showing better market performance, compared to its old sales volumes. Thus, the grocery store was able to improve its overall financial performance by staying at the same site and simply improving its physical infrastructure and the quality of its operations. This increased volume of sales was the result of capturing the unmet market demand in the area, which simply put, means that the residents of the area had always been spending more on groceries, but either weren't attracted to this specific grocery store previously or did not find the products or services they needed.

Aside from this one example, there has not yet been any other explicit example of the role that DrillDown data has had in specific real estate deals in Miami. Much of the report data has not been publicly disseminated yet. Thus, as of now, Social Compact's work in the City of Miami has been centered around preparing the City and its agencies on how to use the DrillDown data. The Winn-Dixie project was an example of the project-based impact DrillDown data can have, while the City's efforts in working to amend the Census population numbers are part of a larger macro-economic response to Miami's inner-city struggles.

In Miami it seems that this stage of the Retail Market Information Flow framework might require the greatest attention and effort on the part of the Data Champion and Social Compact. The role of community-based organizations at the site selection stage of the process will challenge Miami's young civic network. The role of organizations like CDCs in the actual site selection and deal making process is particularly important in inner-city development, because it helps ensure that projects are designed with the existing residents in mind. Although, this component of the information flow process will be the most challenging, a strong second stage of information exchange and education could arguably help set-up a strong civic role for this third stage.

One example of the way that the information exchange and education process can help organize new social campaigns and organizations is a City of Miami District 5 social involvement campaign, called Wake Up Miami. The campaign, which is described in more detail below, was begun in response to some of the deficiencies that the DrillDown data highlights. This type of social networking and relationship building is significant, especially during this period of time before the public release of the data, as it is potentially establishing some of the crucial civic relationships that can be effective in applying the market data to actual retail development deals, once the data is disseminated.

City of Miami's Retail Development Strategies and its Economic Development Resources

The DrillDown report for the City of Miami is only in the beginning stages of being worked with as a tool for change. It has not yet been disseminated, and because the Data Champion is the City itself, it has also not been reviewed much by private business representatives, as it was in the first Houston case. Therefore, as the City plans how it will integrate the DrillDown report into its future retail development strategy plans, it is important to first understand the City's existing economic development frameworks.

The City of Miami's Economic Development department underwent significant reorganization in 2008 that led to its closing, and its staff and direction are now officially housed and working in different city agencies. The City's Economic Development Director, Lisa Mazique, works out of the Mayor's office, and thus the inclusion of the DrillDown report into the City's economic development operations is also coordinated through the Mayor's office. However, there are many entities involved in Miami's economic development coordination, and thus a discussion of the role of DrillDown data in supporting more inner-city development requires understanding these different economic development efforts.

City Commission District 5's Economic Development

Prior to Social Compact's work with the City, some of the City's political representatives had already begun assessing how to improve Miami's inner-city retail. Commissioner Spence-Jones is the city commissioner in charge of the most impoverished of Miami's official governing districts, District 5 (**See Figure 16 below**), which also has the largest concentration of African-Americans in the City of Miami. Commissioner Spence-Jones' office understands the need for retail development processes to be revitalized as a crucial component in restoring stability and economic self-sufficiency to the inner-city, and believes that a retail development strategy needs to focus on:

- 1) Developing a retail product that is consistent with what the community wants and needs;
- 2) Ensuring that new retail development and operations use local businesses in construction and service operations;
- 3) Ensuring that local retail hires locally.

Some of the issues that the Commissioner's office has focused on in trying to support retail development within District 5 have been the higher costs of insurance that commercial tenants and developers face in lower-income neighborhoods. The concepts of retail migration also plague the Commissioner's inner-city district, as retailers know that they can locate their

retail operations outside of the inner-city neighborhoods and still attract the inner-city neighborhood residents out to these areas. Retailers many times don't consider locating in what they perceive to be the riskier inner-city sites, because they know that the vice-versa migration pattern will not happen, and non-inner-city residents will probably hesitate to visit these inner-city locations.

Commissioner Spence-Jones has partnered with Social Compact on a project that is separate from the DrillDown report, called "Wake Up Miami", which is a community-outreach process that is focusing on incorporating District 5 residents into discussions about how to improve their communities. Interventions of this sort are important in a civically underdeveloped Miami, because the DrillDown reports on their own have very little direct impact on building-up the actual social fabric of an area, and because a stronger civic capacity will ensure that better market information is more effectively applied to the Retail Market Information Flow process. The data's effectiveness is fully dependant on the ability of the local community to work with both the public and private sector, and this community work is only possible when there is a strong sense of civic capacity. "Wake Up Miami" presents an opportunity to try and invigorate the District 5 community's civic capacity.

**Figure 16: City of Miami's District 5
(Source: City of Miami GIS)**



Although “Wake Up Miami” is not an innovative intervention, in that it is a basic campaign focused on organizing the community and increasing their involvement in the area’s economic development, the fact that it is happening at the same time as the release of the expanded DrillDown report and that it is being administered with the help of Social Compact, is important because the findings from the DrillDown report can be fluidly incorporated into many of the campaign’s activities. The DrillDown reports themselves can also be used to guide the determination of some of the campaign’s strategies, by encouraging a specific focus on small business development in areas where untapped market demand is identified.

Beacon Council

The City of Miami’s economic development strategies are directed by a few different official entities. The City is located within Miami-Dade County, a fully chartered and self-governing political jurisdiction, and the Beacon Council is a quasi-public independent organization tasked with directing the large scale planning of economic growth and recruitment of businesses within the County. Thus, the City relies on the Beacon Council for the attraction of large industries and business operations. For the most part, the Beacon Council does not focus on retail development or attraction, except for a few cases in which it coordinates negotiations with a large national retailer.

However, the DrillDown reports are sources of data that can help the Beacon Council identify specific areas where large industries can be strategically brought in. The identification of potential workforce populations in the inner-city can be an important method through which to inform Beacon Council staff as to what areas might be able to provide certain industries with a strong local staffing population. Furthermore, understanding that the location of a new business might attract further development, specifically retail development, the use of the DrillDown report could help coordinate the identification of sites that present the opportune location not only for a specific office or industrial operation, but also for the complimentary retail that will follow it.

Miami Downtown Development Authority

The Downtown core of the City of Miami has its economic development and retail development directed by a city-sponsored non-profit authority known as the Downtown Development Authority (Miami DDA). The DDA tasks itself with infrastructure and physical improvements of the Downtown area along with actual business development services.

The newly expanded DrillDown report covers the Downtown area, and thus it will also be helpful in deciphering some of the market demand indicators for the Downtown area,

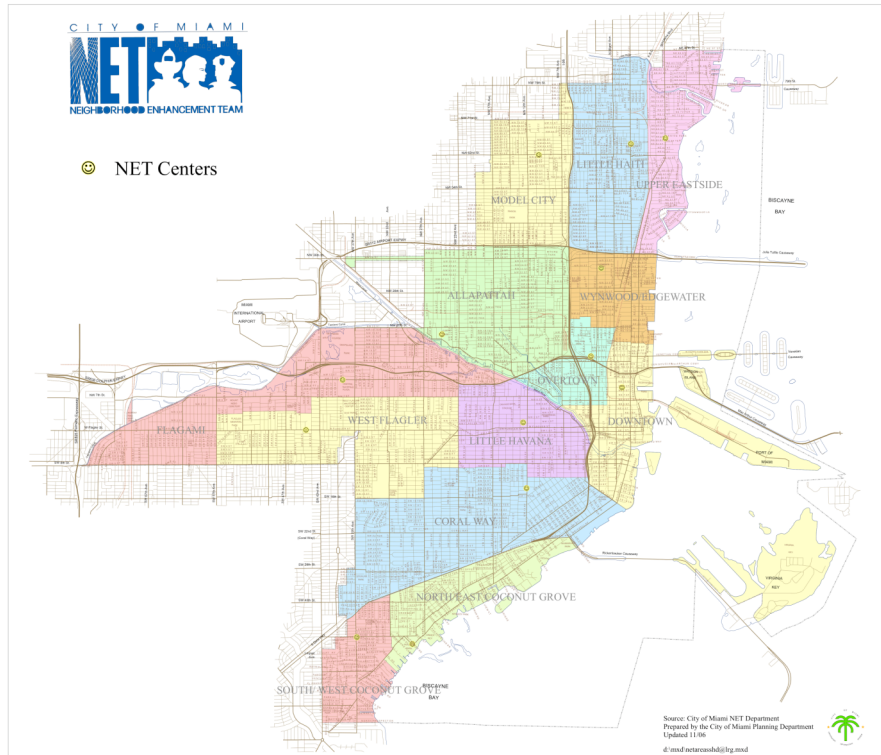
although these will probably not capture the same magnitude of discrepancies that the inner-city neighborhoods face. However, Miami's Downtown has also struggled with retail development, as the sprawling suburban character of the city hosts a citizenry that only recently, in the past decade, has shown signs of returning to appreciating an urban lifestyle. Therefore, the detailed and innovative research techniques of the DrillDown report might provide DDA staff with some information that could support its retail attraction strategies.

The work of marketing urban retail sites, especially in a city that has not always been well known for its urban areas, is sometimes as difficult as developing inner-city retail. The DDA website has a retail site selection application that assists in finding available existing spaces for retail tenants to locate in. The "State of Place" report produced in Houston by the Wulfe Urban firm represented a similar marketing tactic, although it focused more on the marketing of Houston's urban core neighborhoods for both retailers and developers, and not only listing existing available retail sites. The DrillDown report could be the basis for the development of more detailed pitch material for the downtown area's different neighborhoods.

The Miami DDA does have one significant role in the development of Miami's inner-city retail development strategy, which stems from the fact the City's CBD is located right next to one of the City's most impoverished inner-city neighborhoods, the Overtown area (**See Figure 17 below**). The proximity of the two areas is important to take into account because their development could be symbiotically coordinated. The retail that is developed within the Downtown area could serve some of the Overtown community's unmet demand, or it could also serve as employment opportunities for the Overtown residents. The DrillDown data on the Overtown neighborhood will highlight which retail sectors have unmet buying power, and these sectors could be developed either within Overtown itself or in the Downtown areas.

One important critique that surfaced amongst some of Miami's interviewed key-informants is the argument that the bolstering of the Central Business District, through the use of publicly funded subsidies administered by the DDA, reduces the amount of funding available for the development of neighborhoods beyond the CBD, such as the City's inner-city neighborhoods. Although this argument could have some validity, it could also be partially ameliorated if the development of retail in the CBD is coordinated with the Overtown neighborhood's unmet demands and purchasing power, as mentioned above.

Figure 17: City of Miami Neighborhoods
(Source: City of Miami GIS)



Metro-Miami Action Plan Trust

The Metro-Miami Action Plan Trust (MMAP) is an effort coming out of the Miami-Dade County government, and focuses specifically on dealing with issues concerning the County’s African-American population. As mentioned above, the Miami metropolitan area has serious issues of income disparities being correlated with race, and much of the area’s low-income population is African-American. MMAP emerged after racial tensions erupted in the form of riots during the early 1980s, and is intended to be an official government-sponsored effort aimed at combating these disparities.

MMAP focuses on working on all issues affecting Miami-Dade County’s African-American population, although economic development issues are one of the campaign’s principal focuses. MMAP’s Economic Development Action Committee (EDAC) has worked on supporting the communities’ economic development through education and advocacy efforts, and is currently strategizing how to work more directly with private sector partners to get more business involvement within the African-American community. A prominent goal of all of MMAP’s work has been to support the existence and growth of African-American owned businesses in the County.

MMAP has contracted the production of a series of Disparity Studies meant to track the status of the African-American community in Miami-Dade County, which have been conducted three times since the 1980s. The report could benefit from the use of DrillDown data to focus in on the areas of Miami-Dade County that fall within the City of Miami's predominantly African-American neighborhoods, and capture the more accurate and reliable data for these areas.

The work of a purely public organization such as MMAP brings to light the differences between their mission and that of the quasi-public Beacon Council. The Beacon Council, for the most part, explicitly does not deal with small business development, and focuses instead on attracting large businesses and industries. The theory behind the Council's work is that the activity of large industry will bolster the local economy as a whole. However, the class-based and race-based divisions of urban societies like Miami's means that even though a city might enjoy economic prosperity, it is still capable of having areas with disparate economic blight. Some critics believe the Beacon Council should also be charged with small business development and attraction, because the Council receives such a large portion of the County's funding for economic development (Reid 2008).

The Beacon Council has no specific emphasis on any geographic sector of the County, and instead the County as a whole is marketed for its resources and location amenities. Company's that are successfully attracted to the County are then worked with to decide what their location needs are, and the Beacon Council represents them as they search for a development site. However, if the Council is operating its search functions using traditional market data sets such as Census data, we now know that they are probably working with some misrepresentations of certain communities in the County. Thus, as mentioned above, incorporating the DrillDown report data into the Council's analysis and site selection research can ensure that inner-city sights are not overlooked or misrepresented, and increases the probability that an inner-city might be a good match for a new businesses' location needs, which in turn helps increase the opportunity for greater economic equity amongst Miami's economic classes.

Miami's Citywide Economic Development Initiative

The rest of the City of Miami's economic development is coordinated through an economic development initiative located within the Mayor's office. As mentioned above, the City's economic development services used to be located in a stand-alone department, but after an outside consultant suggested the City had too much redundancy amongst some of the agencies serving its economic development needs, it was recommended that the stand-alone

department be eliminated, although most of the staff was preserved and relocated to other offices (Polansky 2008). The Mayor's office became the headquarters for most of the principal economic development coordination work and staff, headed by the previous director of the department, Lisa Mazique, while other City departments now house the other programs that had existed under the department.

In regards to small business development and general retail development, the City has some related programs that have been included in the coordination of the DrillDown data's dissemination plan. ACCESS Miami is the City's official strategy for workforce development and citizen financial education and empowerment. The resources coordinated by ACCESS Miami focus on topics such as financial literacy, small business development, credit counseling, and job training and linkage. ACCESS Miami's small business lending programs can be directly benefited by the DrillDown data, as the market results for specific neighborhoods can make the underwriting process for small business development funding more effective and responsive to more accurate risk profiles, by better depicting the viability of demand bases for specific businesses.

The economic development initiative staff has partaken in scouting trips to ICSC's RECon convention, which takes place during May of each year, similar to those that Cleveland's municipal delegation began doing after the release of their DrillDown data set. The initial impetus for the City's attendance at the 2007 RECon event was the data results that Social Compact was beginning to deliver to them, which were formally highlighting the previously hypothesized unmet market demand that existed within the inner-city neighborhoods. City staff solicited requests from private retail developers and brokers to represent their sites at the 2007 conference. However, the City has not yet been able to attend the convention with the information from the completed citywide DrillDown market analysis, because this was just recently released. The Miami DDA also attends the convention regularly, but primarily represents Downtown property owners and businesses.

The City's Brownfield efforts are also important to note, both because inner-city neighborhoods have many Brownfield redevelopment opportunities, but also because one of Miami's largest successful retail redevelopment projects was just begun a few years ago at the Buena Vista Yards rail and freight storage site (**See Figure 18 below**). The redevelopment of Brownfield sites many times leads to the opportunity to establish new retail in areas where it is lacking, and the redevelopment of these specific rail yards into a project known as the Midtown Miami project focused on bringing a series of big box retailers into an area that they had not

been able to previously access, because of the difficulties of inner-city land assemblage. Thus, Brownfield projects such as this one present the perfect opportunity for developers and retailers to capture unmet demand.

Figure 18: Buena Vista Yards



Development began at Buena Vista Yards in 2002 and the program includes a residential project called Midtown Miami and a retail segment call The Shops at Midtown. The planning and marketing stages of the project happened before Social Compact had begun its work in the City of Miami. However, the project inadvertently covered some of the same goals as the DrillDown data set's goals, by attracting retail operators to what used to be a blighted area, very near Miami's two largest inner-city neighborhoods, with Liberty City to the north of it and Overtown to the south. The successful retail marketing strategy for the site was to highlight the fact that the project was in an underserved market and that there was a lot of buying power to be captured.

The New Market Tax Credits are one of the newest tools with which the City's economic development initiative is working, and they are ideal for the type of development and business growth that DrillDown data can help spur. A Community Development Entity (CDE) has been created by the City, which is the federally required entity needed to be able to funnel New Market Tax Credits into a project. The use of these tax credits is still a relatively new practice, especially in South Florida, and thus the effectiveness of how to apply them and how to qualify for them will need a lot of work in the City of Miami. However, the use of new and

more accurate data such as the DrillDown reports can help the City create stronger funding applications, and better strategize where and how to use these credits.

Community Redevelopment Agencies

The City of Miami does not have a citywide redevelopment agency, and instead relies on the work of the City's Community Redevelopment Agencies (CRA) to focus on the redevelopment of heavily blighted areas. The ordinance that establishes a CRA district establishes a governing authority with land owning and trading rights, which is administered by City staff and overseen by a Board of Directors comprised of the City's Commissioners.

The City has three different CRA districts, with the first being the Southeast Overtown/Park West CRA (SEOPW-CRA), which was established through an ordinance in 1995. The SEOPW-CRA boundaries include some of the most blighted inner-city areas within the City, including the historic African-American neighborhood of Overtown, located just to the west of Downtown Miami. The other two CRA districts in the City are the Omni CRA, which covers an area just north of Downtown, and the Midtown CRA, which encompasses the Buena Vista Yards Brownfield site mentioned above, and was created in 2005, specifically for the redevelopment of the site.

The CRA districts not only are authorized to direct specific real estate transactions, but they also have funding power through the ability to issue bonds and distribute grant monies. Many of the grants that the CRAs administer are directly targeted towards supporting small business development and economic development in the blighted neighborhoods. Here again is an opportunity for the DrillDown report data to be used strategically in the assessment of funding applications, to help better assess the viability of specific businesses or real estate development projects within specific neighborhoods of the City.

Enterprise Zones & Empowerment Zones

Enterprise Zones and Empowerment Zones are two federally sponsored programs that provide specific tax-related benefits and other financial incentives to economic development projects developed within these areas. The Empowerment Zone is managed by a Trust, which is informed by community-driven Neighborhood Assemblies that guide the management of the Zone's incentives. These two incentive-based zones have seen varying degrees of success in Miami. One negative example of their performance is that the Miami-Dade Empowerment Zone, which was at the heart of a commercial development scandal that involved the misuse of funds by a commercial developer for a redevelopment project in the Liberty City neighborhood that has now gone defunct (Grotto 2007).

Issues in Miami's Inner-City Neighborhoods' Retail Operations and Development

The economic development resources that the City of Miami has available for retail development coordination and planning work can all be coordinated to create strategic plans for inner-city retail development. Although the resources are quite spread out organizationally, the political and private sector of the City is used to operating within this type of intertwined framework of different systems. However, the coordination of these different resources and systems is important and can be furthered by offering some common ground upon which they can all meet and work. The DrillDown data seems to offer one form of common ground, which is especially applicable during this current period of economic transition. The coordination of these different economic development systems should also focus on responding to some of the prevalent issues and barriers that Miami's inner-city retail markets face.

Retail Migration

The City of Miami is a relatively small, compact city that is intersected by many highways, which means that its inner-city neighborhoods are usually either proximate to a more economically stable neighborhood or to a highway. These spatial characteristics of Miami's urban layout means retailers and developers know that they can rely on retail migration to serve the unmet buying power found in inner-city neighborhoods, instead of developing directly in the inner-city neighborhood. Thus retail development in Miami banks on retail migration habits of shoppers instead of trying to figure out how to successfully develop establishments in the inner-city.

Miami's Segregated Poverty Classes

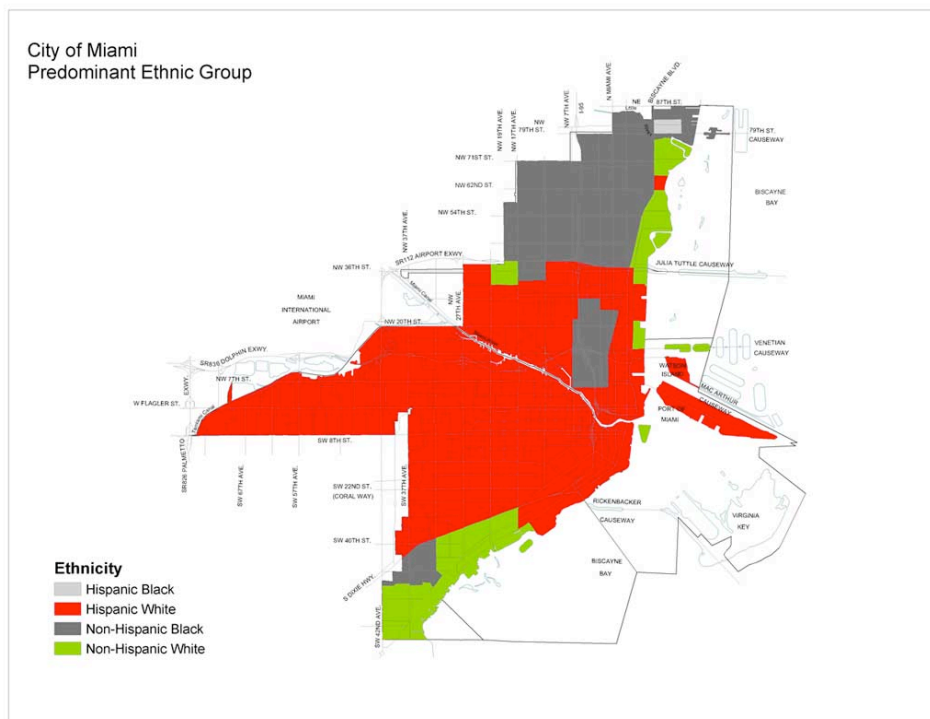
A unique condition of Miami inner-city demographics is that, while most of the City's low-income populations are either African-American or Hispanic, the low-income neighborhoods that are Hispanic have more success with retail development (**See Figure 19 below**). There are two reasons for why this might be, with the first being that in South Florida the Hispanic population comprises a majority of all income classes, and thus, Hispanic developers and retailers may be more apt to develop in Hispanic low-income neighborhoods than in African-American neighborhoods because they feel more comfortable working with populations that they understand and identify with. The second reason could arguably be that non-local developers, investors, and retailers might feel more comfortable developing in low-income Hispanic neighborhoods versus a low-income African-American neighborhood for what seems to be un-intentional racism in site selection processes, an argument that some of Miami's interviewed key-informants agree with. Once again, related to the retail migration

mentioned above, retailers and developers know that locating in a Hispanic neighborhood could bring African-American shoppers to migrate for their purchasing needs, but a vice-versa migration is not expected (Croucher 1999).

In understanding the unique demographic and economic context of Miami it is also important to differentiate the status and place of its African-American population from that of African-American populations in other cities for which DrillDown reports have been produced. Cities such as New York, Washington D.C. and Atlanta have a strong middle-class African-American demographic, whereas in cities like Miami and Cleveland the division of economic classes is strongly visible as a division based of race. Most of Miami’s African-American population is in the lower-income classes.

There are a few communities with middle-income African-American demographics in South Florida, but they are located outside of the City of Miami, and thus some developers or retailers that might be looking to capture an African-American demand sector can establish themselves in these more well off areas, once again avoiding the City’s African-American inner-city neighborhoods.

Figure 19: Miami’s Predominant Ethnic Group Distributions (US Census 2000)
(Source: City of Miami GIS)



Miami's Unique Extreme Poverty

Another unique detail of Miami is that, as one of the poorest large cities in America, even the untapped market potential that the DrillDown reports are helping uncover and make clear might still be overall lower monetary amounts in comparison with those of the untapped market potential found by DrillDown reports for other cities. Thus, national retailers might still not want to locate in Miami, despite the new information showing that there is greater purchasing power than previously thought.

Miami's Security Issues

Issues of security cannot be overlooked when discussing retail site selection. Surveyors have worked with retailers to understand what they perceive to be barriers to locating within some inner-city sites, and 93% of the responses indicated perceived crime as one of the principal barriers (Stewart and Morris 2002). Social Compact employs alternative methods of measuring actual crime rates, based on FBI Uniform Crime Reports, and reports annual crime statistics per 1000 residents, many times showing that crime rates are actually tracking downwards and are many times lower than what the media covers or is commonly perceived by visitors and residents. This data is essential in attracting retailers who are wary of sites with high security risks.

It is generally accepted that the government has a responsibility to maintain public safety throughout the city, but this is clearly something that is not always performed equitably throughout a city. However, the DrillDown reports can be an important communication tool to help coordinate dialogues about public measures for increasing safety, which in turn can provide retailers with a greater sense of security. The economic gains that can be captured by developing inner-city retail are beneficial to a city as a whole. Improved market demand information, coupled with statistics depicting more accurate crime rates, can be used by city officials to defend the need for intensified crime reduction measures, with the goal of increasing the capture of these economic gains.

The Miami CRA is supporting the increased policing of the Overtown CRA area through the coordination of a partnership between the City and a community based group, Progressive Land Development International, that will focus on increasing the street patrolling of the streets within neighborhoods with high levels of crime. The DrillDown reports can again be used to further coordinate these efforts, as Social Compact staff have devised plans for how to accurately capture the actual levels of crime incidence within neighborhoods.

City of Miami's Strategy for Working with DrillDown Report

The City's economic development entities, along with the Mayor's Office, are in the midst of planning how to use the newly completed DrillDown report, which was just released internally to the City in April 2009. The Mayor's Office has stated that its goal is to create a long-term strategic plan for what impact the DrillDown data should have on the area's local economic development.

The goal of creating a long-term plan assumes that the DrillDown data will be updated more often, but regardless of whether it is updated or not, a long-term plan also serves to track how far out an economic impact can be observed from the time the data is disseminated. The development times for retail can be more than a few years long, and so the release of the data in mid-2009 means that actual new development or retail growth sparked by this new data will not be seen for at least a year. After the creation of new retail offerings in the inner-city it will still take another few years before any significant economic impact can be measured at the local neighborhood level, making it necessary to incorporate the DrillDown reports into a long-term retail development plan.

However, before the long-term plan can be successfully developed or adopted the Mayor's office needs to succeed in getting buy-in from the City Commissioners, so that the impact and application of the DrillDown report, and any programs into which it is incorporated, is equal throughout the city, as evidenced by unilateral support from all political players. This process will require showing the Commissioners why it makes sense to invest time and confidence in the DrillDown reports, and to push the reports as a City-sponsored source of information that can lead change. Some Commissioners have shown hesitancy towards supporting the DrillDown because they are new to the concept, and the process of applying the DrillDown data to retail development strategies is still not a well-established process in Miami.

According to conversations with Mayor's Office representatives, the initial value proposition used to sell the concept of creating a DrillDown report for Miami was that it could help increase revenue for the City as a whole, whether through the achievement of increased funds from property, business, or sales taxes or from the increased overall wealth of citizens in the inner-city and the associated benefit this wealth has for the City as a whole. Another possible revenue increase comes from the ability to show that the City's population numbers are actually greater than the 500,000 threshold mark, leading to the increased distribution of federal and state funding.

The City staff's initial reaction to the release of the first phase of the Miami DrillDown report was mostly in response to the City's expectations that the data set would be a tool with which to make policy decisions. The City realized that the data set's applicability was too narrow to use to make large economic development policy decisions. Given this realization, the City has been explicit in its belief that it needs the increased direct involvement of Social Compact staff in a strategizing role, so that they can better explain what the conclusions highlighted in the DrillDown analysis mean for the long-term viability of retail in Miami's low-income inner-city neighborhoods. This need is not necessarily a result of the City's inability to do its own strategizing and planning, but it is more a result of the limited staff that the City has to work with. Thus, it seems the DrillDown data set is exponentially more valuable to the City when it is accompanied by support and staff time from Social Compact.

As Miami explores their plans for the use of the DrillDown data, they are at the same time serving as an excellent learning experience for Social Compact itself. The Mayor's staff has expressed the thought that Social Compact needs to be clearer in indicating upfront what kind of Social Compact staff support will be provided to a city throughout the production and dissemination of a DrillDown report. The Mayor's staff wants to understand what should be a fair expectation of Social Compact's involvement, and they want to understand what the appropriate and sustainable role for the organization is in determining the impact and effectiveness of DrillDown data in the City.

Social Compact's staff and Board of Directors seem to effectively capture the mission of combining private sector interests with a public good, but unless this mission is more clearly integrated with the delivery of the DrillDown reports, it seems the public sector within a city is left confused as to how to integrate the reports and their data into interactions with the private sector. Therefore, this is another reason for why the City of Miami is hoping that Social Compact could have a more involved role in the dissemination and application of the DrillDown reports within Miami.

The study of the application of DrillDown data in the cities of Cleveland and Houston and the exploration of its future application in Miami have all contributed to a greater understanding of what role improved market data can have in supporting an increase in inner-city retail development. The observations and information learned through this thesis research have been used to formulate the Urban Market Actors' Retail Market Information Flow framework, which allows for an objective conceptualization of what pathways the DrillDown data follows on its way towards impacting actual retail development projects.

The most important component of the flow framework are the partnerships and relationships it highlights. These interactions between the public, private, and non-profit sector actors are what determine whether the DrillDown data, as a form of actionable knowledge, successfully triggers the appropriate relationships necessary to increase the development of inner-city retail.

Urban Market Actors' Retail Migration Information Flow: Recommendations for the City of Miami's DrillDown Strategic Plan

The City of Miami can learn from the lessons captured in Social Compact's past DrillDown cities. Specifically, this research has focused on what lessons can be learned from the Cleveland and Houston cases, but a larger recommendation is for the City staff to work with Social Compact to explore lessons learned from the multitude of cities for which DrillDown reports have been produced.

The public, private, and non-profit sector each influences the retail development process in unique ways. Based on the observations of the use of DrillDown data in the two sample cities and the general role of the public, private, and non-profit sector in the development of retail, basic models can be used to understand the different effects that result from the different partnerships Social Compact created with the three cities discussed in this thesis project:

- Model #1: Private sector entity is principal coordinator of DrillDown data collection, and also acts as coordinator of its use and dissemination (Cleveland's DrillDown Report);

- Model #2: Private sector entity is the initial liaison between Social Compact and the City, and the use of data is limited to a few specific areas directly in line with private sector entity's interests (Houston's 1st DrillDown Report);
- Model #3: Private sector entity is the initial liaison between Social Compact and the City, but the eventual control of data is directed by City government (Houston's 2nd DrillDown Report);
- Model #4: Public sector is the principal coordinator and disseminator of the DrillDown reports (Miami's DrillDown Report).

Model #4 is representative of the partnership that has evolved in Miami. The public sector is the sole entity involved with inviting Social Compact to work with the City, and is then also the principal sponsor for the DrillDown report's data collection and dissemination processes. The City of Miami's economic development functions have been divided throughout a few different departments in the City, but the principal coordination work is being housed in the Mayor's office, and thus the Mayor has been the principal champion for bringing Social Compact in to analyze the city.

This model has the weakness of being completely dependant on the political regime that brought Social Compact in. Miami's political structure is similar to Cleveland's in that the Mayor stands apart from a city council, which is comprised of Commissioners that represent the city's different geographic divisions. Therefore, despite the Mayor's full support and interest in the DrillDown data set, the actual effectiveness of how the report is leveraged is heavily dependant on the support of the City Commission. Moreover, Mayor Diaz will be concluding his second term this November and thus the next mayoral regime will have a different take and opinion on the data.

The success of DrillDown data in affecting Miami's inner-city development is dependant on the Mayor's ability to incorporate the data into the City's operations by transferring the control and dissemination of the data out of the Mayor's office and into one of the City agencies. Currently, the incorporation of the data into the City's small business development office, ACCESS Miami, is being explored.

Although the brokering of the relationship with Social Compact has primarily been initiated and created by the City, financial support is in place through partnerships with local non-profits and private sector entities. It has yet to be seen what the overall dissemination of the data throughout the local development industry will be like, but the fact that both private and non-profit sector partners have been included from the beginning should allow the three

different sectors to cooperate in leveraging the DrillDown reports from the beginning of its dissemination. The following is a discussion of how each stage of Miami's Retail Market Information Flow process can most effectively utilize the DrillDown reports.

Miami's Data Champion Outreach: Increase Coordination with Urban Market Actors

The actual retail project-related successes observed in Cleveland and Houston were few, but do present some applicable lessons for Miami. Houston's redevelopment of the large Gulfgate Center retail center is similar in context to Miami's sprawled but densely developed area. However, Miami is more densely developed than Houston, because it has greater land constraints. Cleveland is host to many Brownfield development opportunities, and while Miami has many Brownfield sites, most lack the size to be redeveloped with the same success as the Buena Vista Yards project. However, these smaller Brownfields present opportunities for the City of Miami to coordinate its different economic development agencies together and use the DrillDown data to create retail options that directly respond to the specific demand in their surrounding areas.

However, regardless of what the City of Miami hopes to accomplish in relation to retail development, the true decision makers that will determine what kind of retail growth will take place in Miami are the actual retailers themselves. Therefore, what the City can best do as the DrillDown's Data Champion is increase its involvement and coordination with retail developers, retailers, and community-based organizations and serve as the central clearinghouse for the use of and learning about the DrillDown reports. One of the strongest ways through which to do this is to increase the city's marketing efforts, as these present not only the opportunity to sell specific sites within the City, based on their competitive advantages, but it also is one of the more effective ways to establish the dialogue through which the City can learn what retailers are looking for in sites and development support.

The outreach work that the City of Cleveland did through the RECon convention, the interactions that Ed Wulfe's firm had with different retailers in trying to sell the Gulfgate Center projects, and the neighborhood marketing reports that the City of Houston is creating are all strong examples of opportunities for a city's retail developers and public sector representatives to learn what retailers are looking for. The City of Miami can base an innovative marketing campaign on the new statistics that are being uncovered by the DrillDown reports.

The City of Kansas City, Missouri was one of the subjects of a DrillDown study done by Social Compact in 2007, and they have created a public-private partnership called Kansas City Urban Market Areas (KCUMA) that, amongst other things, runs a website that coordinates

many of the city's new economic development strategies and resources. The website is focused around the release of the 2007 DrillDown report, and provides many different forms of information that elaborate on what the report's findings are. The website also provides a centralized platform through which developers and retailers can learn about the City as a whole and about its efforts to support and encourage new retail development.

The improved DrillDown market information will also be directly usable by retail development consultants. Cleveland's report on how small business could be sustained in light of an influx of big box national retailers was produced with the added accurate insight that the City's DrillDown report provided. In Miami, consultants will be able to use the improved market data to explore the unique issues that the City's demographics present. For example, research and consultation is needed to explore how the retail migration experienced by the African-American neighborhoods can be counteracted and how the City's retail composition can be balanced between fulfilling the strong demand presented by the tourism industry and the local needs of residents that don't fluctuate as much with economic cycles.

Miami's Data Champion Outreach: Take Early Action Following the DrillDown Release and Plan for DrillDown Updates

The first pitfall that needs to be avoided is the rapid expiration of the data's usefulness. Although the networking and relationship coordination value of the DrillDown data is long lasting, its use as actual market data for the brokering of retail deals has a limited life. The City, which is currently the principal coordinator of the data's release, needs to act quickly to establish the method through which it will disseminate the data to the City's retail development community.

Directly paralleling the need to ensure the data does not become out-dated is the need to work with Social Compact staff to coordinate a method through which the data can be updated periodically. The updating can either be established as a task that Social Compact will continue to conduct for the City, or the City and Social Compact can work together to establish the organization's data collection and analysis methodology within a localized entity.

The release of the data to the City has already established the City as the principal "Data Champion" of the DrillDown data. The only case study city that was studied that had a similar structure for the data's dissemination was the case of the second DrillDown report in the City of Houston, but it has yet to be seen how this City-led data dissemination role has succeeded or not. Regardless, what seems to have been missing from previous releases of DrillDown data reports in other cities is the creation of a dissemination agreement amongst

some of the City's key retail development actors, which would serve to ensure that all actors are in agreement on and have an understanding of how the data will be shared and controlled.

The City of Miami should host a meeting between some of the City's key retail development players, and establish an agreement of what the City's role should be as the data's principal champion and representative. Social Compact staff should also be present at these meetings, to also include an understanding of what their role will be in the future use, dissemination, and updating of the data.

Miami's Inner-City Information Exchange and Education: Make DrillDown Data User Friendly

Along with ensuring that the DrillDown data is used as the foundation for marketing different sites and neighborhoods throughout the City, efforts need to be put forward to establish a better understanding of the validity of the data and of the methodologies used to collect and analyze it. The marketing material and campaigns can directly begin to explain these methodologies, and offer transparency as to how these new statistics were achieved. However, the establishment of a local data collection and analysis partner would further support the augmentation of the methodology's transparency, because the local partner would hopefully be a well-respected entity that could garner more trust and respect from local retail representatives. The establishment of the local data collection partner should be one of the responsibilities of the Data Champion.

Finally, beyond getting the retail industry to trust the DrillDown data more, its effectiveness is not fully maximized unless the City can be sure that retailers, developers, lending institutions, and non-profits understand how to work with the data. Herein is one of the areas in which Social Compact has the greatest expertise and should, if available, be at the forefront of coordinating trainings because of their understanding of the significance of the data. Another important step to incorporate into this stage of the information flow process is to ensure that those local partners and business representatives that know how to work with the data partner together and serve as mentors or trainers to the rest of the local retail development community.

This challenge is one of the most important to overcome because it ensures that the data can actually be used by the different public, private, and non-profit entities for direct development decisions.

Miami's Inner-City Information Exchange and Education: Target Retailers Aiming to Achieve a Double-Bottom Line

The unique retail migration that Miami has experienced, as a result of the extreme segregation of its African-American populations within the inner-city neighborhoods, means developers that have some personal or pre-existing investment-based connection to the inner-city might be more apt to consider viable business opportunities in the inner-city than other developers or retailers. These businesses, either because of their direct experience with inner-city cultures or because of a mission-based goal to improve their inequities, better understand inner-city cultures and customs or at least feel that the risk of working with the inner-city is worth the return that a venture might bring them and to the inner-city.

The Canyon-Johnson Urban Funds company is an investment and development firm example of how this type of investment relationship can be formed between a mainstream capital financing source and commercial properties located in difficult to develop neighborhoods. The investment model of Canyon-Johnson is based on finding strong returns from investments in locations traditionally deemed risky, and they ensure their ability to produce a fair return by working with difficult to develop neighborhoods that they have the staff-capability to understand. However, beyond the value structure of Canyon-Johnson's investment model, the partnership between Canyon Capital Realty Advisors and Magic Johnson has been built on the mission of improving the quality of life in inner-city neighborhoods, as is evidenced in the firm's website-stated reasons for investing in urban communities:

- There is a significant mismatch between supply and demand of housing and quality retail options.
- The population of urban areas is growing significantly faster than suburban markets.
- Government leaders in urban areas tend to be more supportive of growth and attracting investment.
- There is still a lack of capital in urban markets.

(Canyon-Johnson Urban Funds)

Local Miami economist, Andy Dolkart, believes that models of investment and development similar to the Canyon-Johnson approach could be one of the most effective ways to bring about a momentum shift in the development industry's approach towards inner-city neighborhoods in Miami. There are many minority-owned development firms and retailers throughout the nation that are achieving successes in developing inner-city retail projects, and

attracting some of these firms to consider business opportunities in the City of Miami would be one of the ways to begin this trend. Miami does not have a strong tradition of minority-owned development and investment firms, and thus bringing in successful ones from outside cities could also help inspire more local Miami minority entrepreneurs to consider inner-city investments.

These outside developers would need local community representatives to serve as their introduction to the local community and business fabric, and the DrillDown report seems to be an effective tool with which to begin the negotiation of these partnerships. Community groups such as Elaine Black's Liberty City Trust could work with the City to put together marketing material that promotes the strengths and unmet demands of specific Miami neighborhoods, and then use these to market development or investment opportunities to minority-owned firms.

Retail development can also be planned with some foresight as to the future demographics of an area, and not just developing for existing demand. Taking into account the life-cycle of a community's population can help those planning retail expansion strategies for the inner-city neighborhoods to identify what retail needs new migratory populations might bring to a neighborhood. The improved demographic and socio-economic shifts that the DrillDown data can help decipher can form the basis for understanding a neighborhood's evolution, and thus more sustainable retail developments could be planned that incorporate retailers that fulfill both existing demands and some that serve emerging demand categories.

Miami's Site Selection/ Project Underwriting: Using improved market information to facilitate retail development process through barrier reductions

The application of up-to-date, reliable market information can be effective in creating a more productive retail development deal brokering process by helping alleviate many of the other barriers that make inner-city retail difficult to develop. Assuming the DrillDown data has successfully passed through the first two stages in the information flow process, then there should be a strong and well-established series of networks and collaborative relationships that have been established in the City. These relationships will have been created as the City initially disseminates the market information, and they will have been fortified during the Inner-City Information Exchange and Education process. The following deal-specific goals should then be more effective to work towards:

- Actual site selection will be more efficient as government officials should have more fluid communication with brokers and land owners, based on the identification of

underdeveloped inner-city areas where profit opportunities exist and are identified through DrillDown indicators. Furthermore, the DrillDown data should provide support to expedite or alleviate land assemblage processes in the political arena.

- Financing entities, having been trained and educated in the meaning of DrillDown data, should be more apt to underwrite small business loans and retail development construction loans with more favorable and realistic risk profiles, thus making project financing easier to attain.
- The negotiation of financial and legal deal terms, including lease rates and lease durations, should become more based on fair-market principles, as a more accurate risk-reward and value profile for inner-city retail opportunities is discernible through the use of DrillDown indicators.
- Community-based groups should have been part of the data dissemination process, and should be active in marketing inner-city development sites through the use of DrillDown neighborhood snapshots. Thus, the presentation of retail development projects at entitlement boards and hearings should garner increased community support, reducing impediments to the attainment of regulatory approvals.

Improved Market Data's Ability to Influence More Inner-City Retail Development

This thesis research has touched on many of the issues that negatively affect the inner-city retail development process. Michael Porter's simple and pointed critiques of existing and past inner-city economic revitalization strategies seem to be at the crux of exploring what an improved revitalization model can look like. The three principal arguments he portrays are an appropriate context through which to understand the impact that improved market information can have on the actual inner-city retail development process, and herein a concluding discussion of how the DrillDown data and Social Compact's work with the DrillDowns are helping resolve the issues in Porter's critiques.

Porter's Critique #1: Inaccurate perceptions from the private sector about the inner-city's social and economic conditions.

The DrillDown reports, assuming they are valid and reliable sources of accurate information, can directly conquer the struggle of correcting the private sector's perception of the inner-city's socioeconomic conditions. The data quantifies in a clear manner the actual economic conditions present in the inner-city.

However, the private sector's inaccurate perception won't be dissuaded until they learn to trust and understand improved market data sources such as the DrillDown reports. One

important step in accomplishing the establishment of the trust-factor is to offer the private sector examples that speak in the language that they best understand, which can be done by illustrating actual deal structures and development projects that based their underwriting and risk assessment on DrillDown data.

A second important step is the need for establishing training and mentoring partnerships through which professionals that understand the DrillDown data, and understand how it can be incorporated as a new input in retail development planning, can guide private sector actors that do not have this understanding. This training and guidance will ensure that the data's impact is multidimensional, making it applicable for both recruiting national big box retailers and also for helping lending institutions underwrite small business loan applications.

Porter's Critique #2: Poor communication between the private, public, and non-profit sector in strategizing how to respond to some of the inner-city's economic and social inequities.

There has yet to be determined a specific formula for what sort of partnership works best when coordinating the production of a DrillDown report for a city. The lessons learned from the partnership models observed in the work in Cleveland, Houston, and Miami indicate that there are strengths and weaknesses to aligning Social Compact's work with certain representatives from the public, private, and non-profit sector. The greatest benefit seems to be attained from incorporating all the sectors in the coordination of Social Compact's work and in the dissemination of the completed DrillDown reports throughout the development community.

LISC's MetroEdge provides one example of how a model can be systematized in the data collection process. MetroEdge's research and analytics work are similar to that of Social Compact's, and partnerships between the two organizations have been discussed above. MetroEdge establishes a specific type of partnership within a local municipality, always requiring that a community-based partner be on board with the local partnership coordinating the data's research and dissemination. This requirement ensures that the data's impact goes beyond its ability to be used solely by the public or private sector. The community partner is also important because it allows the community to attain some form of ownership and control with the data, and to be part of the energies that push the use of the data forward. Furthermore, the inclusion of a local community partner allows for some community perspectives to be incorporated into the collection and analysis processes.

The overall requirement for a diverse representation in a partnership model helps support the concept that data sets like the DrillDown reports and MetroEdge's analysis are not only valuable or important because of the actual quantitative data they capture and analyze, but also largely because of the partnerships and networking that can be established and strengthened as a result of the data collection process. The highlighting of the untapped market potential of inner-city communities does not on its own immediately initiate a retail development response, but it is the energies sparked amongst community members, investors, business owners, and government representatives that actually leads a movement to respond to these untapped purchasing powers. Herein is where understanding and tracking improved data's flow through the Retail Market Information Flow process is important, because it highlights the importance of incorporating the data into networks and relationships throughout the process.

The evolution of Social Compact's relationship with different cities has provided many positive lessons that can be built upon going forward. It is important to ensure that each city's partnership is structured in a manner that best suits the political and community context of the each individual client-city. The strong inclusion of a Mayoral or council-based sponsor seems to be, overall, a more sustainable and effective relationship if the municipal representatives have long terms remaining after the release of their DrillDown report, or if their role in the city government is not heavily battled or opposed by other council members.

Private-sector partners are very important because they serve to pioneer the role of free enterprise in turning poverty-ridden areas around. Their inclusion in the data collection process also helps ensure that the private sector representative be exposed to the raw data and have greater faith in its validity, leading to a greater chance that they believe in the data's depiction of an area's retail market potential.

These different partnerships and relationships are usually established through the initial data collection process, but lead to lasting connections between the three different sectors. The connections occur upon the common ground of needing to focus on the DrillDown data and its application, and thus communication between the three different sectors is given a focal point upon which to strengthen itself. Improved communications between Urban Market Actors extend the impact of improved market data much beyond the actual data set's ability to effect change.

Porter's Critique #3: Poor policy strategies and leadership focus from the government in regard to working with the inner-city.

The larger issue of dealing with the poor policy strategies and leadership that the public sector has shown towards working with the inner-cities' retail deficiencies is most directly responded to through Social Compact's direct work with the cities it produces reports for. The DrillDown reports provide a strong entry point for Social Compact's guidance and consulting, and many times also leads to the establishment of new projects, beyond just the creation of the DrillDown reports. For example, the "Wake Up Miami" project in Miami's District 5 was begun because the Commissioner met Social Compact through the coordination of the DrillDown reports.

Social Compact can work with cities to help them improve their inner-city economic development strategies, and provides them with new perspectives and communication tools. The organization's focus on data-driven results removes them from being associated with any one ideology, making them more amenable to many different political regimes. This political impartiality is also one of the reasons why they can effectively unite different political forces within a city, bringing them together to focus on obtaining a fundamental and accurate understanding of the inner-city's conditions and assets before moving forward with policy and action strategies.

However, to completely resolve the issues highlighted by Porter in this critique, Social Compact will need to continually evolve and adjust its role in working with cities. As already evidenced through the study of the work in this project's three cities, it is clear that Social Compact can improve its role through:

- Presenting a clearer proposal of its involvement in the DrillDown data collection and dissemination process, so that expectations on the part of the public sector are realistic and can be used to plan retail development strategies;
- Establishing more partnerships with local research institutions, so that the type of data-driven work that Social Compact has been able to use as a vehicle for change does not disappear once the organization stops interacting with the city;
- Clearly helping establish purposeful partnerships between a client-city's public, private, and non-profit sectors, with the inclusion of negotiated agreements that outline the role and expectation of each of the Urban Market Actors for each other.

Conclusions and Reflections

The Neighborhood Market DrillDown reports have the potential to significantly be an important enabler of increased inner-city retail development. However, this success is completely contingent on the data's passage through the Retail Market Information Flow framework that this thesis stipulates that actionable market data flows through in a city's development process. The essence of the flow framework is that it is a series of networking and collaboration steps that determine how effectively a city's public, private, and non-profit actors work together to support the use and acceptance of improved data and apply it effectively to retail development deals.

The flow of improved market data, like the DrillDowns, through the Retail Market Information Flow process ensures that the relationships necessary to combat some of the inner-city's development barriers are formed and leveraged. A successful information flow process does not guarantee a successful inner-city retail development strategy will be enacted. There are many barriers that still need to be worked through, including the struggle that inner-city development faces in acquiring development capital and financing, the difficult process of inner-city land assemblage and entitlement, and the issues that arise from the complex social fabric of an inner-city community.

The improved market data simply ensures that the proper partnerships and relationships are in place to most effectively combat these barriers to inner-city development. The DrillDown data itself is innovative because it is one of the first accurate, reliable, and detailed portrayals of inner-city socioeconomic characteristics. The competitive advantages and untapped market potential of the inner-city has always inherently been present, it simply had not been quantifiably reported before.

The proprietary model of Social Compact's DrillDowns is a very unique data product that is very time intensive and costly. Therefore, the long-term viability of the production of DrillDowns for cities is questionable, even if Social Compact can successfully establish local data partners in their client-cities. Thus, perhaps the most significant contribution of the DrillDowns is not the exact data model they represent, but instead the discussion they have started in the retail market analysis community and the partnerships they have helped form in their subject cities.

This thesis has stipulated that the Retail Market Information Flow process exists and operates in a certain manner, but further research is needed to confirm the relationships and flows depicted in the model. A continuation of this thesis would look into more than the two

study cities that were observed. Furthermore, it would be important to revisit the City of Miami and study its actual use of the DrillDowns once they are disseminated and worked with.

Overall, the retail development of inner-cities is one of the most important components of an economic stabilization strategy for these neighborhoods. It provides an inner-city community with a source of economic self-sustenance while also providing its residents with workforce opportunities and the provision of the basic daily-needs and goods they need to live healthy lives. The lack of private investment in inner-city retail development that has been observed over the past few decades is due to a multitude of reasons, of which one of the principal and least equitable is the misrepresentation of inner-city socioeconomic characteristics in traditional market analysis data sets.

The work of Social Compact and their Neighborhood Market DrillDown reports is a step in the right direction to represent inner-city neighborhoods in a more accurate light. It is hoped that this more accurate and reliable data will at least allow for more productive collaborations and strategies to be created amongst public, private, and non-profit sector actors as they work together to resolve the disparities of the inner-city economic condition. The City of Miami faces especially unique inner-city disparities, and will hopefully be able to leverage their DrillDown data set to begin to forge ahead with partnerships focused on creating economic change for Miami's residents.

- Alderslade, Jamie. HIDDEN IN PLAIN SIGHT: How different data yield vastly different understandings of the same market. A comparative analysis by asset vs. deficiency data. Working paper No. Social Compact, Inc. Greenlining Institute, 2005.
- Alderslade, Jamie, John Talmage, and Yusef Freeman. Measuring the Informal Economy - One Neighborhood at a Time. Working paper No. Metropolitan Policy Program, The Brookings Institution. 2006.
- Alexander, Koteles. "City of Miami Commissioner Spence-Jones' Staff." Telephone interview. 10 Mar. 2009.
- Bacon, Phil, and Don Patterson. "Miami's Collins Center and Mt. Zion CDC." Telephone interview. 6 Mar. 2009.
- Berne, Michael J. Big-Box Centers and Neighborhood Business Districts: Impact Analysis and Competitive Strategy. Rep. MJB Consulting, 2006.
- Berne, Michael J. Bringing Retail into Neighborhoods and Urban America. Proc. of IEDC Annual Conference, September 19, 2006. 19 May 2009
<<http://www.downtowndevelopment.com/pdf/berne.pdf>>.
- Boston, Thomas D., and Catherine L. Ross, eds. The Inner City: Urban Poverty and Economic Development in the Next Century. New York: Transaction, 1997.
- Bowden, Marilyn. "Analysts project strengthening of Miami retail realty market." Miami Today 7 Feb. 2008. 19 May 2009
<<http://www.miamitodaynews.com/news/080207/story7.shtml>>.
- Breuer, Bradley. "Walgreens Market Planning & Research." Telephone interview. 27 Mar. 2009.
- Canyon-Johnson Urban Funds. 20 May 2009 <<http://www.cjuf.com/>>.
- Chang, Yushan. Newcomer's Handbook Neighborhood Guide: Dallas-Fort Worth, Houston, and Austin. New York: First Books Inc, 2006.
- City of Miami Neighborhood Market DrillDown: Catalyzing Business Investment in Inner-City Neighborhoods. Rep. Washington D.C.: Social Compact, Inc., 2009.
- Cleveland Neighborhood Market DrillDown Profile. Rep. 19 May 2009
<http://www.nhlink.net/socialcompact/pdf/cleveland_drill_down/overallreport/cleveland_overview_executive_summary.pdf>.

- Coulton, Claudia. "Case Western University NEO CANDO Director." Telephone interview. 26 Feb. 2009.
- Coyle, Jr., Deirdre M. "Realizing the Inner City Retail Opportunity: Progress and New Directions." The IEDC Economic Development Journal 6 (2007): 6-14. 19 May 2009 <http://www.icic.org/atf/cf/%7BC81898B2-76E9-4A18-B838-A3F65C9F06B9%7D/EDJ_winter07_final.pdf>.
- Croucher, Sheila L. "Ethnic Inventions: Constructing and Deconstructing Miami's Culture Clash." The Pacific Historical Review 68 (1999): 233-51.
- Cruz-Taura, Ana, and Jessica LeVeon Farr. Miami, Florida: the Little Haiti neighborhood. Rep. Atlanta: Federal Reserve Bank of Atlanta, 2009.
- Dluhy, Milan J., Howard A. Frank, and Harvey A. Averch. The Miami Fiscal Crisis: Can a Poor City Regain Its Prosperity? Westport, CT: Praeger, 2002.
- Dolkart, Andy. "Miami Economic Associates." Telephone interview. 20 Mar. 2009.
- Downing, David. "Twining Properties Retail Leasing Representative." Telephone interview. 5 Mar. 2009.
- Ferguson, Ronald F., and William T. Dickens, eds. Urban Problems and Community Development. New York: Brookings Institution P, 1999.
- Frederick, James. "Walgreens focuses on 21st century plans." Drug Store News (1994). 19 May 2009 <http://findarticles.com/p/articles/mi_m3374/is_n18_v16/ai_15844473/>.
- Grotto, Jason. "Developer reaped millions for biotech park never built." Poverty Peddlers. 24 June 2007. The Miami Herald. 20 May 2009 <<http://www.miamiherald.com/multimedia/news/povped/part1/index.html>>.
- Heller, Laura. "Taking the lead in urban markets." Drug Store News (2002). 19 May 2009 <http://findarticles.com/p/articles/mi_m3374/is_4_24/ai_84237943/>.
- Hendrickson, Eric. "Walgreens Market Planning & Research." Telephone interview. 7 Apr. 2009.
- Houston Neighborhood Market DrillDown: Catalyzing Business Investment in Inner City Neighborhoods. Rep. Washington D.C.: Social Compact, Inc., 2007.
- Inner-City Economic Development: Successful Projects in Distressed Urban Neighborhoods. Working paper no. 632. Washington D.C.: The Urban Land Institute, 1994.
- Keating, William Dennis, Norman Krumholz, and David C. Perry. Cleveland: a metropolitan reader. Kent State UP, 1995.
- Kemp, Roger L. The Inner City : A Handbook for Renewal. Boston: McFarland & Company, Incorporated, 2001.
- Law, Christopher M., ed. The Uncertain future of the urban core. London: Routledge, 1988.

- Lee, Alyssa S. Fueling Community Development. 25 May 2006. Social Compact, National Urban Advisory Council. Brookings Institution, Metropolitan Policy Program, Urban Markets Initiative.
- Lemann, Nicholas. "The Myth of Community Development." New York Times Magazine 9 Jan. 1994.
- Martin, Jeff. "Developers Diversified Realty Corporation Real Estate Developer." Telephone interview. 3 Mar. 2009.
- Miami Neighborhood Market DrillDown Phase 1: Catalyzing Business Investment in Inner City Neighborhoods. Rep. Washington D.C.: Social Compact, Inc., 2007.
- Nelson, Lisa. Cleveland, Ohio: the Central neighborhood. Rep. Cleveland: Federal Reserve Bank of Cleveland, 2009.
- Nijman, Jan. "Locals, Exiles and Cosmopolitans: A Theoretical Argument About Identity and Place in Miami." Tijdschrift voor Economische en Sociale Geografie 98 (2007): 176-87.
- Nunn, Samuel. "Planning for inner-city retail development: The case of Indianapolis." Journal of the American Planning Association 67 (2001): 159-72.
- O'Grady, Monette Klein. "Miami Prime Sites Real Estate Consultant." Telephone interview. 2 Mar. 2009.
- O'Neill, David. "Colliers International Commercial Real Estate Broker." Telephone interview. 24 Feb. 2009.
- Ortiz, Larisa. "Economic Development Consultant." Telephone interview. 25 Mar. 2009.
- Pitts, Otis. "Miami Real Estate Developer." Telephone interview. 24 Mar. 2009.
- Polansky, Risa. "Economic development services live on after City of Miami department's death." Miami Today 11 Jan. 2008. Www.miamitodaynews.com. 20 May 2009 <<http://www.miamitodaynews.com/news/080111/story4.shtml>>.
- Polansky, Risa. "Miami-Dade's retail development doesn't need a miracle but a little luck and reentry of national players would help." Miami Today 26 Mar. 2009. 19 May 2009 <<http://www.miamitodaynews.com/news/090326/story7.shtml>>.
- Porro, William. "City of Miami Economic Development." Telephone interview. 30 Mar. 2009.
- Porter, Michael E. "The Competitive Advantage of the Inner City." Harvard Business Review (1995): 55-71.
- Reid, Joy-Ann. "County agencies spar over funds." South Florida Times 3 July 2008. 20 May 2009 <http://www.sfltimes.com/index.php?option=com_content&task=view&id=1633&Itemid=1>.

Research and Policy Committee of the Committee for Economic Development. Rebuilding inner-city communities: a new approach to the nation's urban crisis. New York, N.Y: Committee for Economic Development, 1995.

"Retailers, Data Sources and Cities: Bridging the Information Gap." ICSC's Research Review 15 (2008).

Sabety, J. Pari, and Virginia L. Carlson. Using Information to Drive Change: New Ways to Move Urban Markets. Publication. Washington D.C.: The Brookings Institution: Urban Markets Initiative, 2004.

Satin, Wendy. "Cleveland Neighborhood Development Coalition." Telephone interview. 3 Mar. 2009.

Social Compact, Inc. Catalyst Intelligence for Underserved Markets (CIUM). Tech. 2007.

Social Compact. Inside Site Selection: Retailer's search for strategic business locations. Rep.No. International Council of Shopping Centers. 2008.

Spring, Larry. "City of Miami CFO." Telephone interview. 1 Apr. 2009.

Stepick, Alex, Max J. Castro, and Marvin Dunn. This Land Is Our Land: Immigrants and Power in Miami. Berkeley, CA: University of California P, 2003.

Stewart, Cynthia, and Alexis Morris. Development in Underserved Retail Markets: A summary of a discussion of the challenges and recommendations for improving the process of retail development in underserved, urban markets. Rep. International Council of Shopping Centers & Business for Social Responsibility, 2002.

Swack, Michael. Investment in Community Development and Emerging Domestic Markets. 16 May 2008. Boston Federal Reserve Bank.

Talmage, John. "Social Compact President." Telephone interview. 16 Apr. 2009.

Thompson, Lawrence L. A History of HUD. 2006.

Tillotson, Gwen. "Houston Planning Department." Telephone interview. 5 Mar. 2009.

Turner, Stephanie. "KeyBank Community Development Banking Representative." Telephone interview. 24 Feb. 2009.

"The Urban Markets Initiative." 19 May 2009
<http://www.brookings.edu/metro/umi_overview.aspx>.

The Use of Federal Housing and Economic Development Funds in St. Louis: From Team 4 Into the Future, Written Testimony before the House Committee on Financial Services Subcommittee on Housing and Community Opportunity Cong. (2008) (testimony of Tom Zuniga, Managing Director, DSG Community Marketing Services LLC).

- Valdez, Suzanna. "City of Miami Mayor Diaz's Chief of Staff." Telephone interview. 18 Mar. 2009.
- Valencia, Carolina. "Capturing Community Strengths and Opportunities in Urban Markets." 2008 New Markets Tax Credit Symposium: Measuring Community Benefits in NMTC Transactions. July 2008.
- Valencia, Carolina. Capturing Community Strengths and Opportunities in Urban Markets: Washington D.C. Neighborhood Market DrillDown. Social Compact, 2008.
- Viegas, Michelle S. "Community Development and the South Beach Success Story." Georgetown Journal on Poverty, Law & Policy XII (2005): 389-408.
- Walker, Elaine. "Study: Inner-city economies are undervalued." The Miami Herald 26 Apr. 2007.
- "Woolbright Development." Telephone interview. 18 Mar. 2009.
- Wulfe, Ed. "Houston Real Estate Developer." Telephone interview. 3 Mar. 2009.
- Young, Kevin. "Developers Diversified Realty Corporation Real Estate Market Analyst." Telephone interview. 5 Mar. 2009.
- Zabzhinsky, Leo. "Miami Downtown Development Authority Economic Development Coordinator." Telephone interview. 10 Mar. 2009.