





The City of Northville has a number of significant assets that enable a vibrant retail district including the historical downtown, special events, restaurants, shopping, and services. The competitive environment surrounding Northville is strong and is likely to strengthen in the future. Preparation now by the retailers and the City will strengthen the retail district in Northville and better prepare it for potential competition. Providing a larger base of retail with a rounded mix of retailers in the downtown area will mitigate some of the impact.

Introduction

Based on MapInfo's observations and a review of the relevant data, it is reasonable to expect that the City of Northville may support just under 75,000 square feet of additional retailers. The Gibbs Planning Group (GPG) report offered three scenarios for retail development in Northville: Scenario 1 provided about 35,000 square feet of retail space; Scenario 2 about 65,000 square feet; and Scenario 3 about 215,000 square feet. MapInfo's recommendation is a blend of the retail categories suggested by GPG.

Currently in the downtown area, there are plans for the physical space to accommodate this amount, 75,000 square feet of retail. The space provided by The Village (65,000 square feet) and two other developments (offering an additional 10,000 square feet of space dedicated to retail) have been approved. The recommended total 75,000 square footage will be met at the conclusion of these three projects, though with a different retail mix than initially sought. The following table presents recommended retail categories and rationale: The rationale behind these findings is the favorable incomes and population base within the defined trade area, as well as the significant interest the community has in ensuring the success of the downtown. The beautiful architecture, walkability of the City, historic buildings, and special events all encourage a vibrant retail environment.

Square Feet of Retail	Recommendation	Reasoning for Recommendation
15,000	Apparel	The City of Northville has a couple of new entries to the market in the women’s category. One or two more stores may be supported, increasing the synergy within this category. Apparel stores to consider are women’s, teen, and children’s clothing.
15,000	Home Décor & Furniture	Home products and consulting services such as window treatments, furniture, and home theater furnishings. There is little competition within the trade area for window treatments and home theater supplies. While there are many furniture stores near the Twelve Oaks Mall, a small specialty shop may fit in Northville.
8,000	Family Restaurant With or Without Liquor	Most likely a small franchise or independent operator serving quality food, which may include an ethnic theme or items.
7,000	Specialty Fresh Food	Hiller’s offers significant competition in Northville. They offer many fresh-food options, such as service meat, service seafood, service bakery, and service deli departments, all with extensive offerings. Large-format grocers are located 2 miles from town at the periphery of the trade area. Further, Trader Joe’s at 8 Mile Road and Haggerty Road. An entry in this category will most likely be an independent operator with a unique character.
5,000	Restaurant	A national chain sandwich shop would round out the current offerings in Northville.
5,000	Restaurant / Entertainment	An upscale restaurant offering entertainment / music such as a jazz, piano, local musicians, or comedy would complement Genitti’s and would increase the nightlife. An independent retailer in this category would be most likely.
3,500	Books	An independently owned bookstore offering unique products and services may be able to withstand the competition from Barnes & Noble.
3,000	Jewelry	Most jewelry competition is concentrated in the vicinity of the Twelve Oaks Mall. Plymouth also has a number of jewelry stores. More retail space in this category may be justified in Northville and cater to the high-income households.
2,500	Shoes	A shoe store will complement the apparel offerings in Northville and cater to the high percent of white-collar workers.
2,500	Health & Beauty	Limited competition exists in Northville for bath soaps, fragrances, etc.
2,000	Personal Service	Potential for Curves for Women or for the Waterwheel to offer specials to cater to the aging population.
2,500	Electronics	An electronics supplier such as RadioShack.
1,500	Wine	There is some competition in this category. Vine to Wine, while they sell wine, it is in large batches to customers who are also there for the winemaking experience. An upscale facility specializing in wine and accessories with a knowledgeable staff would be a unique offering in Northville.
2,000	Pet Supplies and Services	There is significant competition on Haggerty Road for pet supplies. A pet supply offering may need to be supplemented with a strong offering of pet services, such as grooming, sitting, and exercising.
74,500 Square Feet – Total Retail Space		

The primary threats to the downtown area include further development along the Haggerty Road corridor and, specifically, the anticipated development of the 400-acre parcel at 7 Mile Road and Haggerty Road. In addition, through a proposal process the Township has selected a large commercial development at 5 Mile Road and Sheldon. At this juncture, the City has a unique opportunity to more clearly define and distinguish itself from the surrounding areas. The retail suggested in this report will strengthen the retail synergy in Northville, but this is not all that is needed to ensure success.

MapInfo recommends that the City of Northville maintain the ambiance of the downtown historic flavor and family atmosphere. Further, a strong branding / marketing campaign should be considered to create and reinforce awareness of what Northville has to offer. Finally, the merchants association, the Chamber of Commerce, and the DDA need to continue to collaborate and build for the future.

Assumptions

For the purpose of this opinion, MapInfo and the City of Northville have made the following assumptions:

- Northville Downs will continue to function as currently structured for the foreseeable future.
- The 120 W. Main Street Building is opened in October 2005 with six retailers adding approximately 8,000 square feet of retail space to Northville.
- The Michigan Gift Mart (Northville Shopping Center) will be vacated and renamed The Village, offering 65,000 square feet of space.
- Area developers are seeking to add about 10,000 square feet of retail space; however, at the time of this report, approval or complete plans have not been finalized.
- Trader Joe's grocer is open and operating near the intersection of 8 Mile Road and Haggerty Road.
- The Twelve Oaks Mall will expand by 2007 adding approximately 300,000 square feet of retail space including Nordstrom's, twenty-five smaller high-end retailers, and an expanded Marshall Field's.
- Although a 400-acre parcel has been purchased at the corner of 7 Mile Road and Haggerty Road, it is assumed that no other major developments (retail, infrastructure, or housing) will occur within the City of Northville or immediately outside of the Northville trade area. A development at this intersection may have a significant impact on the City of Northville retailers, particularly if it is comprised of quality retailers like a lifestyle center.
- Population growth and demographics will occur as projected within this report.

Methodology

The methodology for preparing this opinion is based on a field review of Northville, participation at the October 2005 visioning session, a review of the recent market study completed by GPG, and a review of the lifestyle and demographic characteristics of the trade area to determine the most feasible and beneficial retail plan for the City of Northville.

In September 2005, MapInfo visited the downtown and conducted a review of the inventory of retail space in and surrounding the Northville trade area. The area was visited during the daytime and evening to gain a qualitative understanding of the retail gravitational and traffic patterns within the study area.

The trade area was defined for the site based on the field evaluation and information provided by the City. Population and demographic characteristics were collected by the defined trade area and based on 2005 MapInfo demographic and PSYTE data.

PSYTE Advantage clustering is a MapInfo product that classifies every neighborhood in the U.S. into 72 mutually exclusive categories called clusters. Descriptive names and capsule summaries capture each cluster's distinct demographic characteristics and neighborhood flavor.

The opinion is based on MapInfo's observations of the retail space currently existing and proposed, information gathered at the visioning session in October 2005, and the demographic characteristics and spending patterns of the trade area residents as determined by the PSYTE profile of trade area residents. The following text describes the Northville trade area, trade area demographic characteristics, and the PSYTE segments that are the most dominant within the trade area.

Northville Trade Area

MapInfo is in agreement with the primary trade area as previously defined by the GPG report. Specifically, the Northville trade area is bounded by I-96 to the north, I-275 to the east, and M-14 to the south. Further, trade area extension is limited due to the barriers created by these highways, the strong retail nodes to the north and east, and the community focus in Novi and Plymouth. To the west, the trade area extends approximately 9 miles to South Lyon.

Location Characteristics

The City of Northville’s downtown is located about three miles west of I-275 between 7 Mile Road and 8 Mile Road. From a retailing perspective, the downtown district lacks convenient regional access and is somewhat intercepted from households outside of the trade area by the larger surrounding retail nodes at Twelve Oaks Mall and Laurel Park Place. Despite the lack of proximate regional access, there are a number of retailers and other uses in Northville that have a regional appeal including MacKinnons, Genitti’s, Little Italy, Tiramì Su, The Stampeddler, and Mill Race Village.

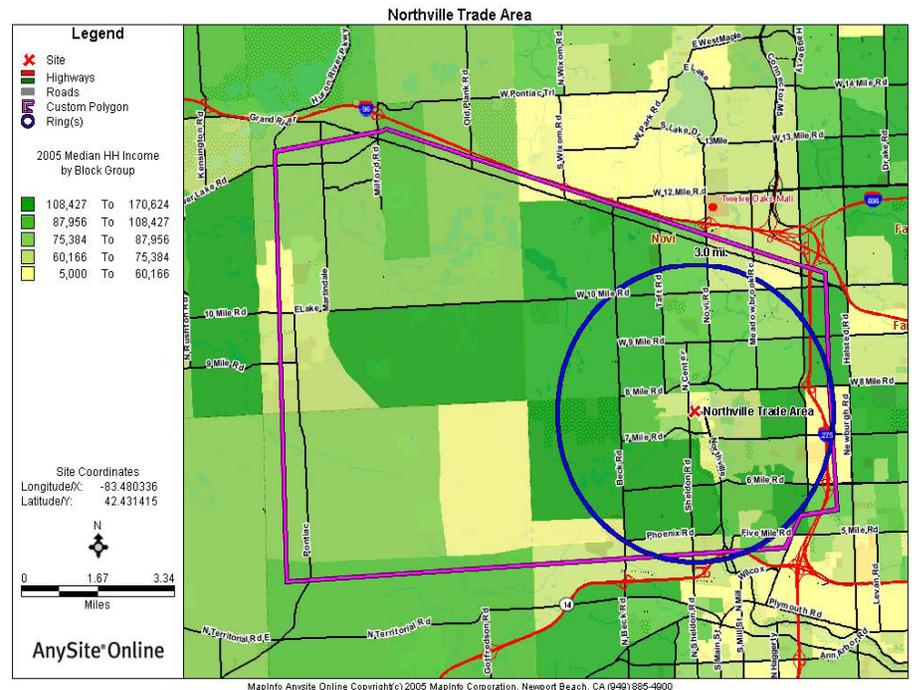
Trade Area Demographic Characteristics

The trade area population base may be characterized as high-income families with older children at home. The wage earners are typically in white-collar occupations (such as business professionals and health care). The following table summarizes the demographic composition of the trade area and the surrounding communities:

Trade Area Demographic Characteristics Compared to the Surrounding Communities

Demographic Characteristic	Trade Area	Northville	Northville Township	Novi	Plymouth	South Lyon
2005 Population	92,451	6,750	22,151	49,152	8,909	10,421
2010 Population	97,440	7,348	24,220	50,722	8,896	10,771
2005 Households	35,584	2,877	8,655	20,024	4,299	4,541
2005 Per Capita Income	\$44,245	\$52,627	\$47,353	\$45,693	\$38,664	\$32,692
2005 Median Household Income	\$87,846	\$93,038	\$89,634	\$84,075	\$55,808	\$62,983
Percent Households with Income Greater than \$150,000	18%	21%	22%	17%	8%	4%
2005 Percent White	89%	96%	88%	86%	96%	96%
2005 Percent Asian / Hawaiian / Islander	5.8%	2.1%	5.1%	8.9%	1.4%	1.3%
Persons Per Household	2.5	2.3	2.4%	2.4	2.0	2.3
2005 Median Age	36.9	40.6	40.3	34.8	37.3	34.2

The community of Northville has the strongest per-capita and household incomes within the trade area and of those communities surrounding it. The strongest incomes within the trade area are just to the north, south, and west of the downtown area as depicted on the map below:



PSYTE Segments

Based upon MapInfo's PSYTE Advantage 1 neighborhood clustering database, the predominant lifestyle segmentation group for the Northville trade area is "Executive Domain" (27%), followed by "Only in America" (16%), "Life's a Peach" (10%), "Changing Places" (8%), and "Live to Work" (5%). In general, these categories include older professionals with families and strong household incomes. Each of these segments is described in more detail below:

- Executive Domain (27%) Top business executives are busy and territorial. Their domain includes influential lifestyles, as well as land. This cluster indexes highest on business managers, financial and health care professionals. They are families with kids; executives in peak-earning years – aged 35 to 59. Sixty percent (60%) are dual-earner couples. They have the biggest homes – most rooms and lowest average number of persons per room. They

are educated with graduate and professional degrees; 88% are white, non-Hispanic. The remainders are “minority executives” indexing especially high on Asian householders.

- Only in America (16%) The new USA – but still a nation of immigrants. Multi-ethnic – 75% white non-Hispanic, Southern and Eastern European, Italian, Greek, Slavic immigrants, and others plus 10% Hispanic, 9% Asian, 6% African American. These college-educated homeowners are cluster neighbors in detached, duplex, and multi-unit structures. With an older family skew and school-aged kids and teens present, they have above average incomes – \$75,000 mean family income – and are mostly dual earners. Their settlement context is primarily Eastern U.S. regional and seaboard neighborhoods with traditional and “new” ethnic diversity.
- Life's a Peach (10%) Twenty-something college-educated, economically independent from mom and dad. These single and young married apartment dwellers are on a roll. A third have preschool children, but that was inevitable. Most are putting their education to work in business, entertainment, information, and educational organizations with the fourth highest index on computer-related employment. Their \$60,000 average household income goes a long way. What's to worry?
- Changing Places (8%) Today's Baby Boomer households reflect a diversity of living arrangements, the result of a generation that experienced historically high-divorce rates in the context of economic booms and busts during their prime earning years. This cluster reflects the reality of current boomer generation diversity: 50/50 owner-to-renter ratio, college educated but living in non-family households, fourth highest index on divorced males and females, 80% white non-Hispanic, 20% various minority ethnicities, metro area oriented, 50% in central cities.
- Live to Work (5%) This dawn-to-dusk cluster is the destiny of young families and young workers who either left high school early or took their high school diploma directly into the labor market. Their 50/50 owner-to-renter ratio reflects moderate incomes (median household

income \$46,000) and the need for mobility to find work. Half are married couples, and of those 60% are dual earners. White, gray, and blue-collar jobs are all represented.

Habits of Trade Area Residents

Based upon these PSYTE segments, shopping, recreation / leisure, and media watching / listening habits can be evaluated, and general commentary on likes and dislikes can be made that coincide with the demographic characteristics and lifestyles of the residents. When assessing the overall combination of the top five market segments, the following items were repeated most often and had the highest rankings.

Northville trade area residents were most likely to....

- Purchase china / crystal by mail / phone / internet
- Purchase goods from catalogs, such as J. Crew, L.L. Bean, and Land's End
- Purchase from Priceline.com
- Listen to sports or classical music
- Listen to all news and all talk radio
- Listen to alternative / modern rock, jazz, and contemporary music
- Watch Bravo and HBO TV
- Watch TV sports such as tennis, baseball specials, and golf
- Watch news programs such as CNBC and MSNBC
- Watch entertainment TV such as E! and the Food Network
- Participate as a business club member
- Go to a live theater or a museum
- Go to the movies or a rock concert
- Participate in a charitable organization

Northville trade area residents are least likely to.....

- Purchase hunting / fishing / camping supplies by phone or internet
- Purchase religious records / tapes / CDs by phone or internet
- Listen to country music, Spanish, black gospel religious, or variety on the radio
- Listen to the radio between the hours of midnight and 6:00 a.m.
- Watch TV via satellite dish, DirecTV, or Dish Network
- Watch Independent Film Channel, Outdoor Life Network, or Auto Racing
- Watch TV between 9:00 a.m. and 12 noon
- Participate in gambling or play bingo
- Participate in a Veterans club, collector's club, or be a union member
- Crochet or sew garments
- Attend a country music concert

A proposed list of retailers based on MapInfo's field observations and opinion is located in the Appendix (pg.__).

