

MASTER PLAN
AND
RETAIL RECOMMENDATIONS
FOR

FIFTH AVENUE SOUTH

CITY OF NAPLES
FLORIDA

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RETAIL RECOMMENDATIONS

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PART 1 - REPORT

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CLOSING PRESENTATION BY BOB GIBBS

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NAPLES CHARRETTE

Robert Gibbs

Over the last eight days I have had the pleasure of meeting with most of Naples' downtown merchants and business owners. I came early, ahead of the charrette, to start comparing Fifth Avenue with other retail centers in the area. This work included listening to Naples' merchants, gathering information on the issues they have had over the years and communicating these concerns back to city officials and the planning team. I also had the responsibility of relaying the changes and initiatives undertaken by both the city and the community to those businesses that are affected. As a consequence, I learned a great deal about Naples and enjoyed working with its merchants, city officials, and concerned citizens.

Tonight, I'm going to give an overview of what I learned about Naples and the processes I use to determine the best way of merchandising or marketing Fifth Avenue. This presentation is not the final product, but a summary of our analyses and recommendations. But first, what I did not do the last week. Given this short amount of time, I have not attempted to do a complete detailed market analysis or a primary demographic analysis. I am not promoting myself as a market research expert. This study is not intended to project whether opening a particular business — a restaurant or an antique shop, etc. — will be successful, nor whether there's a specific market for any particular type of business along Fifth Avenue. Rather, we relied on market studies prepared by the City and the County. Everyone we met or contacted was very generous in sharing information. So this plan for reviving Naples' retail is based on what we learned from others as well as our own experience with successful retail districts. And, as you shall see, many of our recommendations are simply common sense.

THE HISTORIC LOCATION OF COMMERCE

One of the first things I wanted to know about Naples was why did Fifth Avenue develop as its center of commerce. Why didn't business locate along Fourth or Sixth Avenues? We quickly discovered that, historically, the intersection of Fifth Avenue and Highway 41 was the original Four Corners of Naples. [Fig. 1] In the 1940s, as Highway 41 expanded to accommodate more and more traffic, more and more businesses located there, a developmental progression common to small towns. Initially, commercial activity almost always locates where the most people or cars are in the town. In Naples' case, because Highway 41 forms a right angle when it meets Fifth Avenue, cars had to stop and turn. And when traffic stops there is a chance for merchants to entice — with signs and window displays — motorists into shopping, a strategy for capturing potential customers that continues to work for many of Naples' retailers.

During peak season, approximately 40,000 cars per day pass through the intersection of Highway 41 and Fifth Avenue, which is almost the same number of cars that pass by Naples on Interstate 75. If a national retailer wanted to come into this market area, the Highway 41 corridor would seem to be the most lucrative location.

Then why did commercial and service businesses continue west along Fifth Avenue rather than on Highway 41? Because it was responding to trends in traffic and development, a basic pattern or functional relationship that continues to this day. Many people who live near downtown, such as in Port Royal, regularly travel along Fifth Avenue to reach their homes. In addition, the beaches and pier at the westernmost end of Fifth Avenue continue to be important regional attractions.

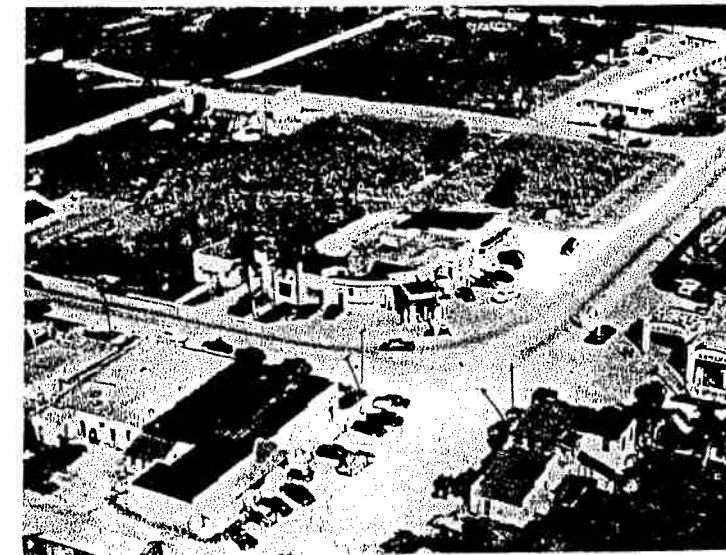


FIGURE 1

FIFTH AVENUE'S ORIGINAL NEIGHBORHOOD RETAIL

Early in the charrette, we realized that we wanted to know about the heyday of Fifth Avenue, so we asked almost everyone we met, "When do you consider Fifth Avenue to have been its most prosperous?" Nearly everyone responded that the zenith for its commerce was in the middle of the 1970s. That is, the peak for Fifth Avenue's retail was about a year or two before the Coastland Mall opened on Highway 41. [Fig. 2] About one year after this mall opened, Fifth Avenue's merchants published a promotional brochure showing the exact locations of their businesses. This was fortuitous and important to our research: knowing where the different retailers and service businesses were located during the district's prime helps us determine whether this tenant mix has any relevance today.

From the first signs of commercial development to the tenant mix of the mid-seventies, Fifth Avenue could be characterized as a "neighborhood service" type of retail district. It was a place where neighboring residents went to buy groceries, purchase medications, and meet with their bankers, lawyers, or doctors. In fact, many of these businesses are still active on Fifth Avenue. As you know, Fifth Avenue has an outstanding grocery market and very active pharmacy. [Fig. 3] That's significant to us, because it indicates that Fifth Avenue's shops probably never had a large regional draw. In other words, I don't think people ever drove, on a regular basis, 15 or 20 miles to shop on Fifth Avenue. During the mid-seventies, Fifth Avenue may have functioned as a semi-regional shopping district and many of its retailers may wish for this status to return, but historically, that was not the reason downtown developed there.

In addition to shopping for daily needs, we were told that many people continue to worship in churches downtown and that many residents visit their bankers or brokers almost every weekday. [Figs. 4 & 5] In fact, we discovered that the banks and brokerage firms on Fifth Avenue are serving as anchors for the entire district. In other words, these financial services draw people downtown, which other businesses can capitalize on. Drawn downtown for financial reasons, these people may become potential customers to other businesses.

Fifth Avenue has a number of very well-furnished clothing and general retail stores. And these businesses are well known for their excellent service. I can't tell you how many of Fifth Avenue's merchants know their customers by name and regularly send them clothing or new merchandise that may interested them. This attention to detail, this insistence on a high level of service and quality, is becoming rarer and rarer, and is nearly non-existent in chain retail stores. [Fig. 6]

TRAFFIC'S INFLUENCE ON THE LOCATION OF COMMERCE

In the 1940s, as more and more people came to Southwest Florida to vacation or live, Highway 41 became an increasingly important center for commerce. By the late 1950s strip shopping centers began to appear along Highway 41, a trend that continues today. As I mentioned before, the Coastland Mall opened on Highway 41 around 1975, and more upscale shopping centers, such as the Waterside Mall, have recently been built there. Again, it is important to understand that there is a direct relationship between the number of cars per day along Highway 41 and the demand for retail services. Commerce has always located along Highway 41 because that

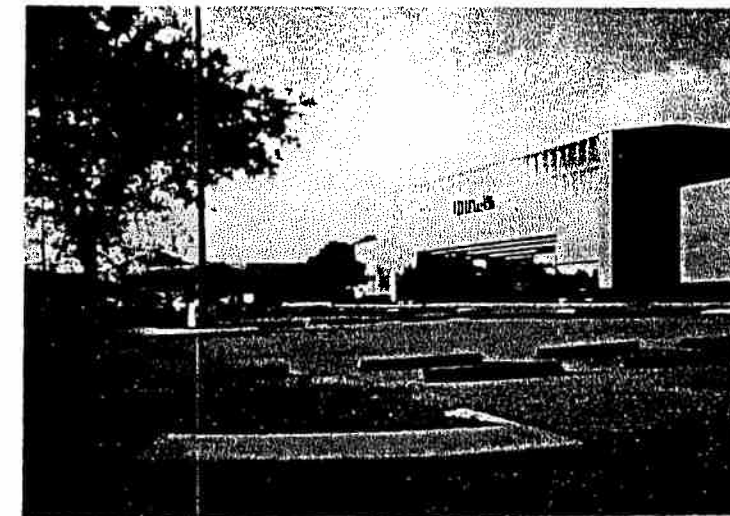


FIGURE 2



FIGURE 3



FIGURE 4

This diagram depicts the history of retail and commerce in the Naples area since 1930. Shown are the three primary places for retail in this area. [Illus. A] The top line represents Third Street, which was, before 1940, the retail and service center for the Naples region because of the pier and the original hotel. During the 1940s, as residential development grew and road improvements provided for more vehicular traffic, retail and neighborhood service developed along Fifth Avenue. Significant retail development along Highway 41 started later, near the end of the 1950s. This illustration correlates the total retail square footage with a subjective evaluation of the importance of each location's business activity. Although Third Street was the area's original center of commerce, its retail importance, although significant, was surpassed by Fifth Avenue in the 1940s. Presently, Highway 41 represents the region's primary retail corridor.

I have been told that both the Coastland and the Waterside Malls have fairly large trade areas. This means that people will drive long distances to shop at these malls. Typically, shoppers are drawn to a regional mall because of its department stores' advertising, as well as the tenant mix and overall selection of merchandise. A high quality, moderately large shopping center will attract people from great distances away. Although it has shops of high quality, Fifth Avenue has neither the variety of stores, the diversity of merchandise, nor the adequate advertising to create and sustain a large regional draw. Fifth Avenue does, however, have more of a regional draw than most towns Naples' size.

VEHICULAR VOLUME AND ITS RELATION TO RENTAL RATES AND SALES

As outlined earlier, we reviewed the vehicular traffic volumes during the charrette. Without going into a lot of detail, we were very surprised to find very high levels of traffic and, consequently, congestion. Over 20,000 cars per day travel along Fifth Avenue during the peak season. This is an extremely high number for a small town, and, I think, helps explain why Fifth Avenue continues to be an important retail and commercial center. If Naples had converted this avenue into a pedestrian mall, which many small towns did in the 1960s, then most of its businesses probably wouldn't have survived. If Naples built a road looping around Fifth Avenue, thereby reducing its vehicular traffic to two or three thousand cars per day, then most of this avenue's retail and service would have had to relocate.

This image graphically illustrates the quoted approximate rents for the Fifth Avenue shopping district compared to the number of cars that pass by its storefronts each day. [Illus. B] The reddish color represents the number of cars per day and the green represents the quoted rents for Fifth Avenue, the Waterside and Coastland Malls, and the strip centers along Highway 41. In retail, there is usually a direct correlation between vehicular traffic, rental rates, and actual sales. However, Naples has an exception to this rule: compared to Fifth Avenue and Highway 41, Third Street has fewer cars per day but higher quoted rents. Most likely, this is because of the high quality of its merchandise and consequent higher volume of sales per square foot.

Fifth Avenue need not have more vehicular traffic than it presently does, especially during peak season. We could all agree that the vehicular traffic could run more smoothly than it now does, but the high volume of traffic is very important to the avenue's commerce, directly affecting the success of its shops.



FIGURE 5

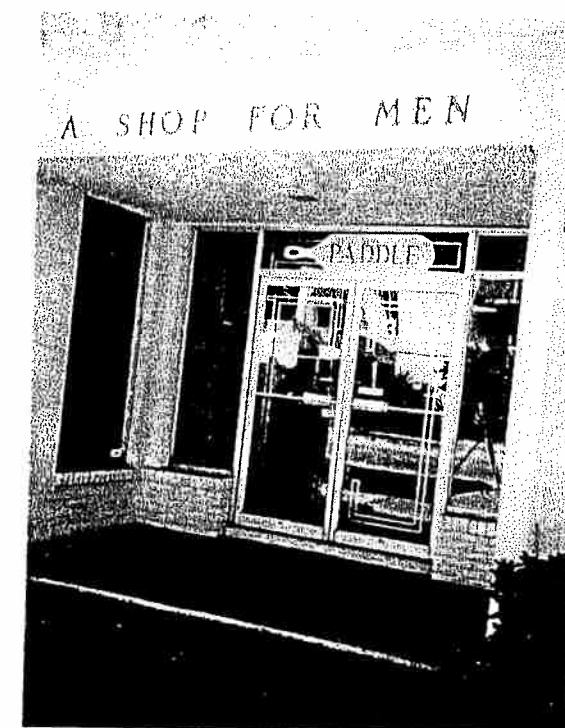


FIGURE 6

FIFTH AVENUE'S TENANT MIX

We also reviewed Fifth Avenue's current tenant mix, that is, the types of businesses located along it. This diagram represents our key for the existing business types. [Illus. C] We grouped the Avenue's businesses into five types: neighborhood service, such as banks, hair salons, drug stores, food markets; specialty shops, such as clothing and shoe stores; restaurants; financial services; home accessory shops. In general, the tenant mix — the types of retail — is evenly distributed along Fifth Avenue. For example, Fifth Avenue does not have a cluster of clothing stores in one location or a group of restaurants in another. Unfortunately, this probably works to this retail district's disadvantage. Most new shopping centers group similar types of businesses together to take maximum advantage of destination shoppers.

During the 50 years that Fifth Avenue has been a location for commerce, neighborhood service has remained its most important type of business. Winn's Market and the German Deli demonstrate that neighboring residents continue to use Fifth Avenue for their basic, daily shopping needs, which is significant. [Fig. 7] We propose that Fifth Avenue preserve and enhance the primacy of neighborhood businesses and services. This would not only improve the avenue, but also benefit its other businesses and surrounding neighborhoods.

Recently, several "special niche" businesses have opened on Fifth Avenue. The west end of Fifth has an emerging antiques district, which is significant because it serves both the year-round residential community and the area's tourist market. The Pair Tree, a home accessory and decorating shop, is a good example of a specialty shop. [Fig. 8]

I was pleasantly surprised to find so many high quality clothing and jewelry stores located along the Fifth Avenue. These stores seem to provide a wide selection of up-to-date styles, good values and excellent service. This type of store is rarely seen in a town of this size. Usually, apparel stores of this quality are located in regional malls. Much of the avenue's identity, I believe, is related to these stores. The quality of downtown is, in a large part, a result of these businesses, so we're proposing a number of ways for preserving and enhancing these types of stores.

During the charrette, we noticed that many new businesses are opening along Fifth Avenue. Actually, it was easy to see. It seemed that almost every other person I met was opening a new business downtown, which was very encouraging. Over ten businesses are currently moving to or opening on Fifth Avenue. I don't think I've ever seen that before in a town this size. This slide is of the New Digs, a home accessory and decorating shop, and, across the street, what will be a new linen shop. [Fig. 9] It was exciting to see so much activity; the owners were working on Saturday nights and Sundays painting and improving their stores.

FIFTH AVENUE'S IMAGE FROM HIGHWAY 41

We then stepped back and evaluated how nonresidents perceive downtown Naples. Most people's initial perception of downtown Naples is from Highway 41, as they drive by. Unfortunately, the image they get is not one of a downtown; rather, it looks like the rest of Highway 41. [Fig. 10] Most likely, touring motorists on Highway 41 don't even realize they're passing a town, unless they see the highway sign, "Downtown straight ahead."

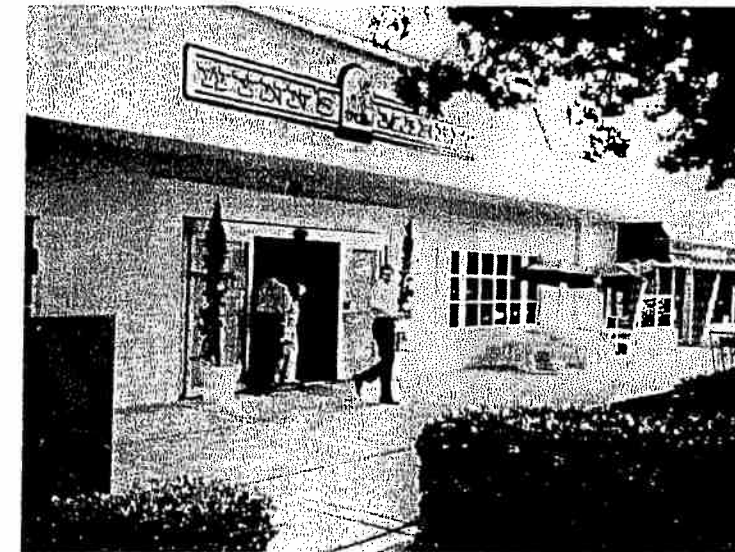


FIGURE 7



FIGURE 8

This is something that needs to be changed. From the Highway 41, Fifth Avenue should present itself as part of a small town not part of a highway. In the proposed plan, we developed a series of steps Naples can take to ensure that motorists on Highway 41 will know they are approaching a town of unique shops and restaurants.

A good first step is to encourage more of the high quality landscaping now lining Fifth Avenue. This includes installing more signs such as the existing one, "The Shops on Fifth Avenue." The second step includes looking at the building types, their locations and surrounding land uses. Close to downtown there is a middle school, a hospital, a pier, and the gulf's wonderful beaches, all of which draw traffic down Fifth Avenue. Naples continues to have the character of an American small town, as illustrated by this gentleman sitting on a bench. [Fig. 11] Amenities such as benches, shade trees, clean sidewalks, and storefronts contribute to this much sought after character. And although most shops are closed on Sundays, people are out strolling along Fifth Avenue. Last Sunday morning so many people were driving to the beach that I had a difficult time crossing this avenue. In fact, during a meeting with a retailer that morning, a pedestrian mistakenly thought that the store was open and made an expensive purchase. On a national level, many retailers sell more during five hours on Sunday than during nine hours on Saturday. So I would encourage Fifth Avenue's retailers to keep regular Sunday hours during the vacation season.

With regard to how first-time visitors actually perceive the downtown, Fifth Avenue communicates very mixed messages. New buildings should present an image of high quality. Fine detailing and well-groomed landscaping are important to the shopper. They convey to the customer that this is where the "good stuff" can be bought. The quality of the merchandise is directly reflected in the quality of the storefront and the detailing. This image typifies the other end of the mixed message. [Fig. 12] From the driver's seat, from the perspective of the 20,000 motorists who pass by Fifth Avenue each day, it's nearly impossible to see many of the storefronts. The final report will include specific suggestions for improving the visibility of Naples' storefronts. These recommendations will also help businesses capture the eyes of passing motorists, let them know what's in their stores and thus capture the sale!

Much of Fifth Avenue's landscaping, though extremely well-maintained, blocks the visibility of the merchandise in storefront windows. Plants are either overgrown and too high or were planted in the wrong place. So we'll have recommendations for correcting this. In addition, some of the avenue's site details are now completely out-of-date. [Fig. 13] They were fine when they were created, but we recommend revising these amenities and details with contemporary colors, materials, and textures.

THE IMPORTANCE OF IMPROVING STOREFRONTS

During the charrette I met with over 75 shop owners to discuss specific recommendations for improving their stores. Sometimes, when I talk to owners, they don't like to hear about their stores' drawbacks. For example, we may recommend removing handwritten signs from the storefront, changing wall colors or light fixtures, or rearranging the interior the store. Most of our suggestions for improving the presentation of merchandise are fairly inexpensive and can be implemented by the merchant. I was surprised and gratified to see that so many retailers started implementing our store planning and visual merchandise suggestions immediately after they closed shop. These shop owners were rearranging showcases, scraping decals off windows, changing lighting,



FIGURE 9



FIGURE 10

or repainting. In effect, each merchant was simply stepping back and reevaluating his or her store, its layout and operation and how to improve both.

So far, at least one-half dozen businesses have changed the way they present themselves to potential customers by adopting our recommendations. Our report will include a checklist of improvements that most business owners can use. [See Specific Recommendations] Rarely have I seen a downtown with so many retailers eager to improve their merchandising plan.

I should add that during these meetings any problems voiced by merchants regarding the city or county were relayed by us, with suggestions, to the appropriate departments.

A MERCHANDISING PLAN FOR FIFTH AVENUE

The unique thing about Naples is the high number of retirees (or people having mid-life crises) who have sold their homes in the northeast or midwest, moved here and opened new businesses. Many recent residents said something like this: "I turned 42, sold the house, came down here, and had the option of opening a dog kennel, clothing store, or antique shop." All of these businesses are completely unrelated; the transplanted snowbird simply picked one and became an entrepreneur.

As a result, we've developed a merchandising plan, a plan for grouping similar types of businesses, which is what would happen downtown under ideal conditions. [Illus. D] One of the problems with Naples' downtown is that the retail district is much longer than the typical mall of a new shopping center. It is simply too long for people to easily walk from one end to the other. So we recommend that the ends of Fifth Avenue's retail district be designated as "gateway retail." On the east end, adjacent Highway 41, the existing businesses should be supplemented by similar types of businesses. Similar businesses help one another by creating an identifiable area for their type of retail, allowing shoppers to browse and shop among their stores. In addition, if new businesses occupy vacant lots, then the image of a coherent, small town will be projected to motorists on Highway 41. In the same way, the west end should be completed with businesses similar to Paddle Mens Store, which is already there. We anticipate that people driving either north-south or east-west will stop and shop in these places known for their specific type of retail.

And two identifiable types of retail have started to develop at these opposite ends of Fifth Avenue. At the west end, a "home district" has emerged. This area includes antique shops, specialty designers, interior designers, and home accessory shops, which all complement each other. If a shopper is buying antiques, it's likely that he or she will want to get a complementary lamp or painting. This retail district has developed naturally, so we're making specific recommendations to enhance its viability and identity.

On the east end, a traditional "neighborhood service district" has developed. It's where Winn's Market, the pharmacy, financial services, and most banks are located. So we're recommending similar businesses for this area, including bakeries, gourmet foods, ice cream shops, and book stores. That is, if an entrepreneur wants to open a gourmet cheese shop on Fifth Avenue, then the city authorities should recommend that he or she open on this side of town because such a shop would complement other businesses in the area.

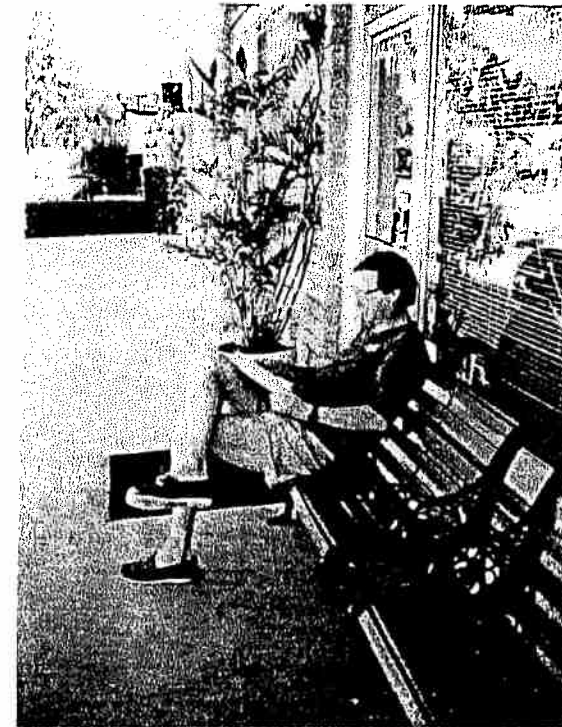


FIGURE 11

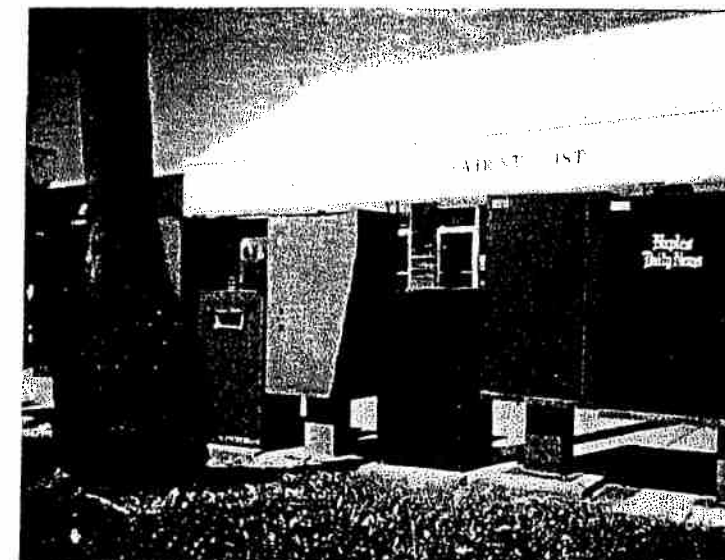


FIGURE 12

In the center of Fifth Avenue, we're proposing the "downtown district," which will be about 1,300 feet in length. Concentrated in its center will be restaurants and entertainment facilities. We're rewriting the city codes in order to allow sidewalk cafes and dining. We hope the city will encourage different kinds of restaurants in order to make Naples a destination for dining, a proven draw for towns this size. People will drive from Marco Island and elsewhere if a variety of dining and entertainment is provided. By bringing people into town, these restaurants will also help the existing stores. Since diners can shop before or after eating, merchants would be wise to extend their hours. In offering a variety of restaurants and entertainment, the downtown district will become a recognizable draw for nearby residents and tourists alike.

SPECIFIC RECOMMENDATIONS FOR INDIVIDUAL STORES

We are making specific recommendations to the city and shop owners about what they can do to increase sales and to project an image of providing high quality goods and service. In many cases, the quality of the goods merchants are selling here is much better than the perception people get when driving by. Some shops are run down; others have dirty windows or out-of-date signs. These stores simply don't reflect the quality of the wares they're selling.

Many retail centers clean their sidewalks every day, often with power washers. In fact, I've worked with retailers who wash their windows three times a day. A clean, well-lit, and updated storefront is crucial to increasing sales. It signals to customers that they are buying merchandise of high quality and value. So we're recommending a maintenance program of cleaning sidewalks and windows in order Fifth Avenue to present an image that is attractive and user-friendly to tourists and residents alike.

There are other things Naples needs to do to make Fifth Avenue more user-friendly. For example, we recommend the installation of kiosks or signs that have maps showing the locations of restaurants and businesses in the city.

The goal of our merchandising plan and specific recommendations for Fifth Avenue is to ensure that it continues to grow and prosper as the center of the community's commerce at the same time that it remains a place where neighbors can meet, where retailers and customers can know each other by name, and where the charms of a small town can be preserved. [Fig. 14]



FIGURE 13

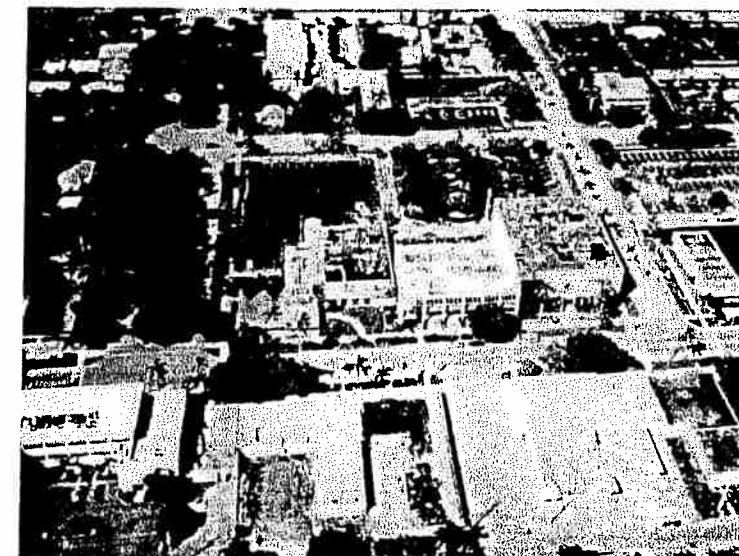
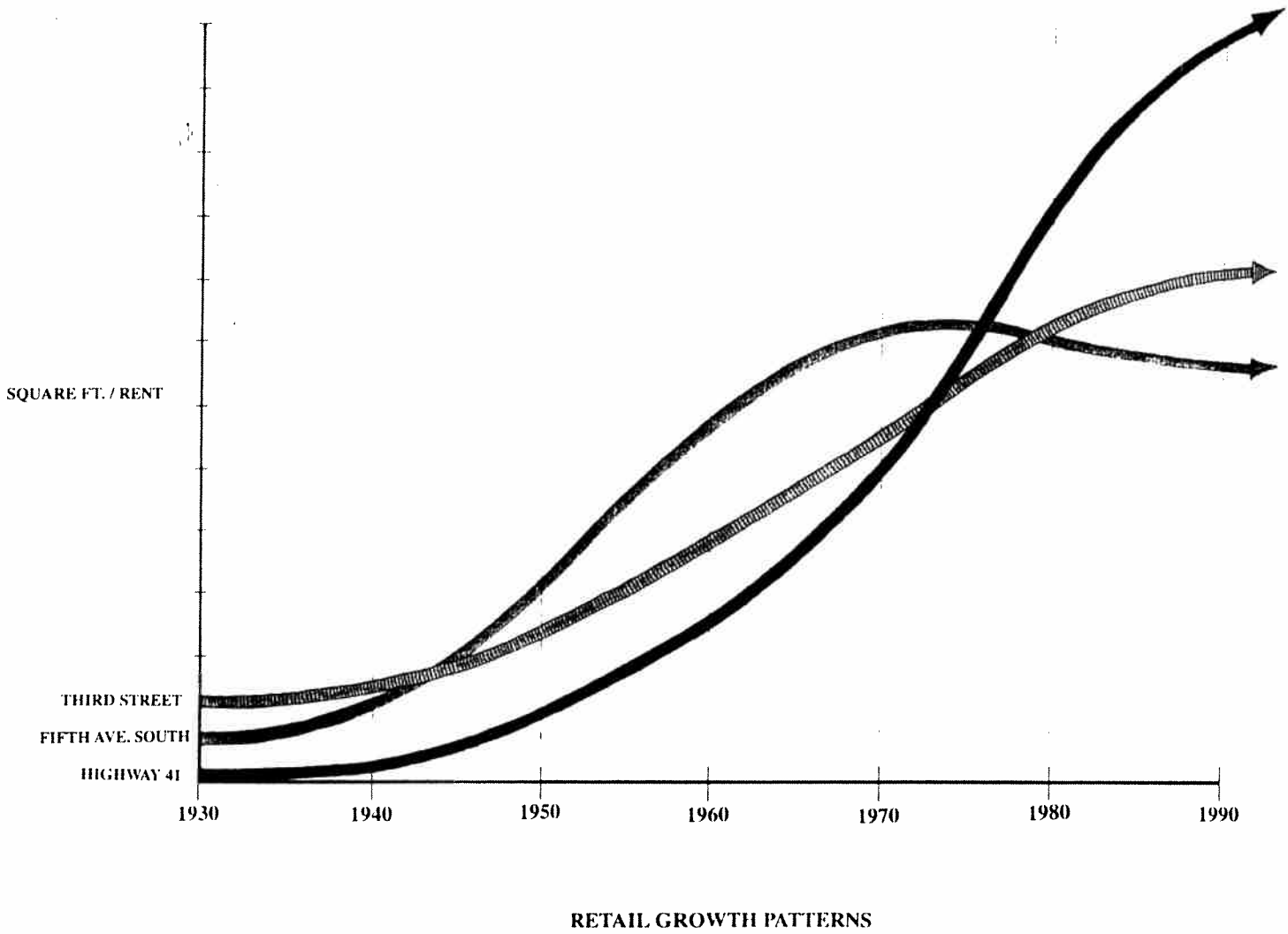


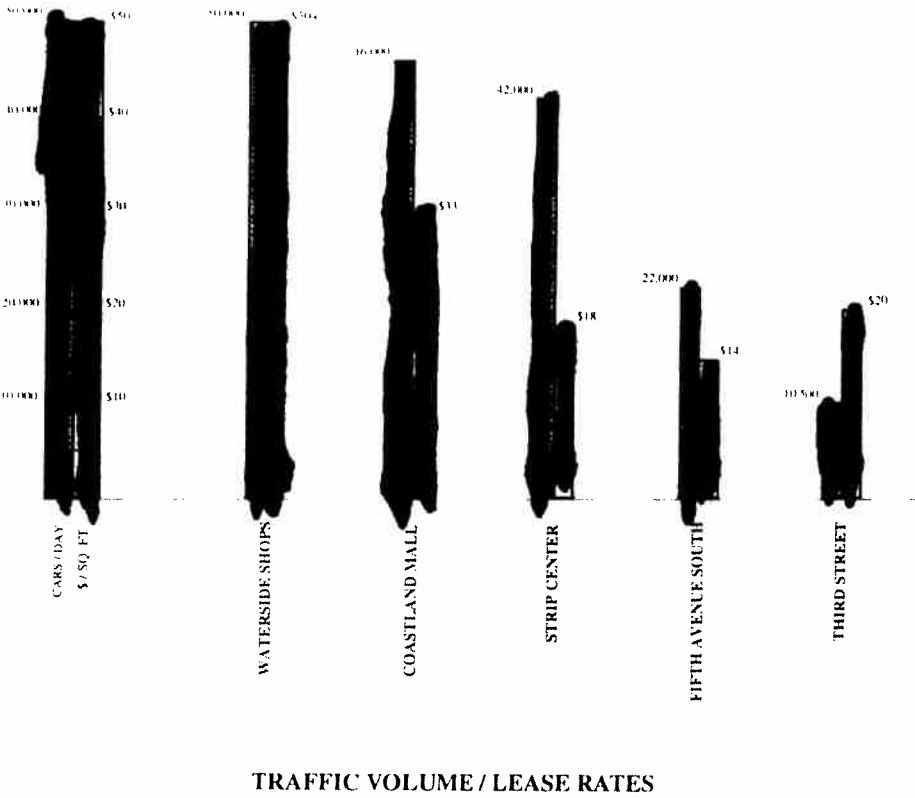
FIGURE 14

Fifth Avenue South

Retail Diagrams



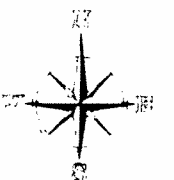
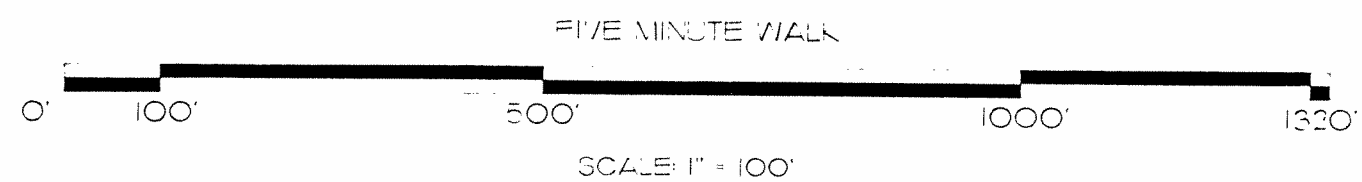
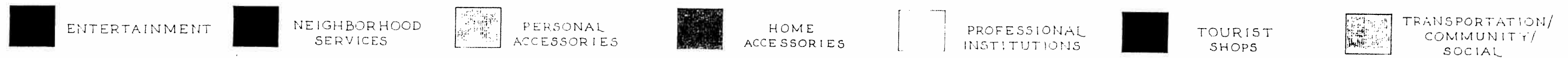
ILLUS. A



ILLUS. B

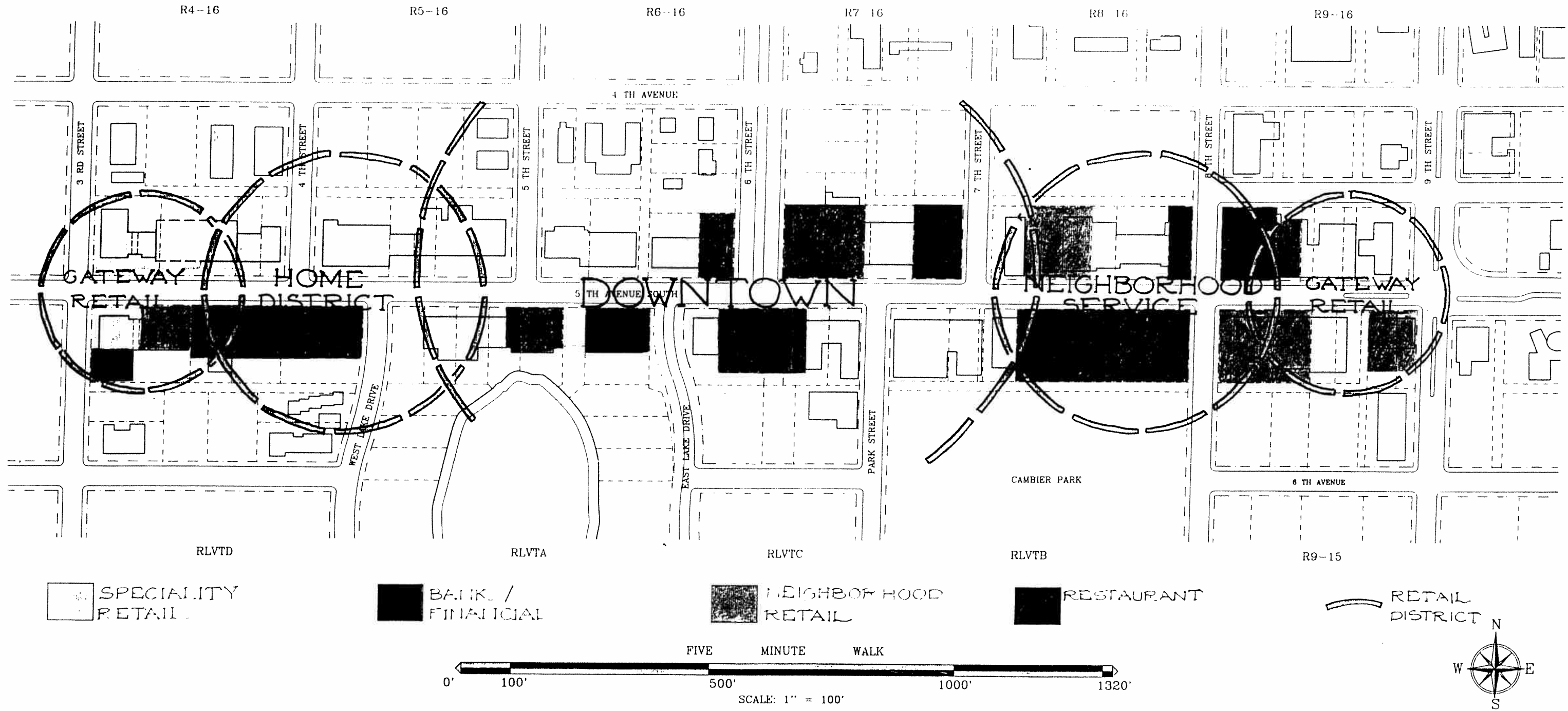
Fifth Avenue South

Existing Commercial Distribution



ILLUS. C

Fifth Avenue South Merchandising Plan



ILLUS. D