

Appendix B: Analysis of Neighborhood Businesses In Each Center

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A center attracts visits from its residents and Others largely because of what there is to do there. In Other words, its “functionality” provides much of the draw. This “functionality” derives largely from the businesses and institutions located there. To gain more insight, we analyzed these businesses and institutions using business data acquired from InfoUSA for each of the three centers.

Neighborhood Functions

One of the assumptions about mixed-use centers is that the mix will tend to satisfy many of the trip purposes of the residents. For this to happen, each center will need to provide at least those goods and services that generate the frequent short trips taken by residents. Such goods and services are referred to as *neighborhood functions*.

One of the questions about the performance of the three study-centers is the degree to which each provides the goods and services associated with neighborhood life.

The starting point for this analysis is the publication [Beyond the Neighborhood Unit: Residential Environments and Public Policy](#) (Tridib Banerjee and William C. Baer, Plenum Press, 1984). It contains the results of surveys that indicated that, with few exceptions, people in all income and ethnic groups desired the following uses close to home:

- Drug store
- Food market
- Gas station
- Post office
- Specialty food shop
- Bank
- Medical and dental office,
- Dry cleaner
- Barber shop
- Beauty salon.

This will be referred to as the *core neighborhood functions*. Since that research is over 20 years old, the list was updated with a good guess at more contemporary needs. The *new neighborhood functions* include the following:

- Liquor/wine store
- Coffee/tea/juice shop

Bakers, donut shop
 Restaurants and bar
 Shoe repair
 Video rental
 Church
 Health club

In original urban settings (approximately before 1920), neighborhood businesses were supported by neighborhood residents. People did not tend to travel outside of their own neighborhoods for products such as bread and green groceries. In current practice, the prospect that neighborhood businesses draw primarily from neighborhood residents depends on a number of factors which include scale or operations, location within the center, and the number of similar businesses. For example, a small, independent drug store might survive on strictly neighborhood demand but a large chain store probably draws on residents beyond a half-mile radius.

Core Neighborhood Functions

Drug Store

NAICS Code: 591205

s:

	RV		TORRANCE			IDT			
	Inner	Outer	Inner	Outer	Inner	Outer			
	2	0	2	1	0	1	1	5	6
Persons/store			3550			4550			2600

Fox Drug Store in TORRANCE
 Pill Box and Village Pharmacy RV
 Spaulding Pharmacy and Specialist Medical Pharmacy in IDT

Food Market

The tally included the following specific categories:

Grocery 541105
 Convenience store 541102

	RV			TORRANCE			IDT		
	Inner	Outer		Inner	Outer		Inner	Outer	
Groc	2	1	3	2	3	5	4	4	8
Conv	0	0	0	0	0	0	0	3	3
Persons/store			2350			900			1950
									1400

IDT ~ 7 Star Junior, Millers Market, Mega Value Food Market in inner

Specialty Food Shop

The tally included the following specific categories:

Health/diet	549901
Seafood retail	542101
Meat retail	542107

	RV			TORRANCE			IDT		
	Inner	Outer		Inner	Outer		Inner	Outer	
Health	1	1	2	1	1	2	0	0	0
Fish							0	2	2
Meat							0	1	1
Person per store			3550			2300			5200

IDT - Bates Fish Market, Happy Catch Seafood, La Mexicana Meats

Gas Station

554101

RV			TORRANCE			IDT		
Inner	Outer		Inner	Outer		Inner	Outer	
2	0	2	0	0	0	1	0	1
Persons per station		3550				-	15600	

Post Office

The tally included the following specific categories:

US Post Office 4311

Box Rental 738981

Packaging/mail 738988

RV			TORRANCE			IDT		
Inner	Outer		Inner	Outer		Inner	Outer	
PO		0	1	1		1	1	
Box	1	1						
Pack	2	2						

Bank/Savings and Loan

The tally included the following specific categories:

Bank 602101

S&L 603501 (excluding bail bonds from neighborhood functions)

Bank and S&L are combined in the table as bank

Credit union 606101

Check cashing 609903

RV			TORRANCE			IDT			
Inner	Outer		Inner	Outer		Inner	Outer		
Bank	3	1	4	2	1	3	2	2	4

Credit						1	1
Check						2	2
Persons per facility	1750			1500			3900
							2230

Medical Office

The tally included the following specific categories:

Physician/surgeon	801101 and 809913
Medical clinic	8011.04
Chiropractor	804101

Other medical specialties are tallied as part of the medical cluster.

	RV			TORRANCE			IDT		
	Inner	Outer		Inner	Outer		Inner	Outer	
Phys	8	1	9	0	2	2	5	50	55
Clinic							2	11	13
Chiro	5	2	7	3	4	7	1	7	8
Persons/office-clinic	800			2300			230		
Persons per chiro	1000			650			1950		

Medical services are a good example of where a center's concentration of what Otherwise might be considered neighborhood services actually serve an external population.

Dentist

8021	RV			TORRANCE			IDT		
	Inner	Outer		Inner	Outer		Inner	Outer	
	21	0	21	8	4	12	3	23	26
Persons per dentist	350			400			600		

Dry Cleaner

The tally included the following specific categories:

Dry cleaners 721201
 Laundromat (self-serve) 721501

	RV			TORRANCE			IDT		
	Inner	Outer		Inner	Outer		Inner	Outer	
Dry Laundry	4	0	4	1	2	3	3	2	5
				1	1	2	0	2	2
Person per cleaner	1800			1500			3120		
Persons per laundry	-			2300			7820		

Barber Shop

7241

	RV			TORRANCE			IDT		
	Inner	Outer		Inner	Outer		Inner	Outer	
	1	1	2	1	1	2	4	1	5
Persons per barber	3550			2300			3130		

Beauty Shop

The tally included the following specific categories:

Beauty salon 723106
 Manicure 723102

Other specialties such as skin care (723101) will be tallied as part of the personal services cluster.

	RV			TORRANCE			IDT		
	Inner	Outer		Inner	Outer		Inner	Outer	
Hair	43	23	66	5	11	16	22	14	36
Nails	5	1	6	1	0	1	3	3	6

Persons per beauty salon	100	300	435
Person per manicure shop	1200	4550	2500
Persons per hair & nails	100	275	350

New Neighborhood Functions

Liquor/Wine

	RV			TORRANCE			IDT		
	Inner	Outer		Inner	Outer		Inner	Outer	
	4	0	4	1	2	3	0	1	1
Persons per store			1800			1500			15600

Coffee-Tea-Juice

The tally included the following specific categories:

Coffee	5812.28
Tea	5499.15
Juice	5431

	RV			TORRANCE			IDT		
	Inner	Outer		Inner	Outer		Inner	Outer	
	4	1	5			0	0	1	1
Persons per store			1400			-			15600

Baker-Donut Shop

The tally included the following specific categories:

Baker	546102
Donut	546105

	RV			TORRANCE			IDT		
	Inner	Outer		Inner	Outer		Inner	Outer	
	2	0	2	2	1	3	4	3	7
Persons per store			3550			1500			2230

Restaurant

The tally included the following specific categories:

Restaurant	581208
Pizza	581222
Delicatessen	581209
Cafeteria	581213

These are tallied together as restaurant

Ice cream parlor	581203
Carry out	581203

	RV			TORRANCE			IDT		
	Inner	Outer		Inner	Outer		Inner	Outer	
Rest	17	11	28	12	10	22	15	20	35
Ice	1		1			0		1	1
Carry	1		1	1		1	2		2
Person per restaurant			250			200			450
Persons per all food			250			200			410

Bar/Cocktail Lounge

581303

	RV			TORRANCE			IDT		
	Inner	Outer		Inner	Outer		Inner	Outer	
	2	1	3	1	0	1	1	0	1
Persons per bar			2350			4500			15600

Video Rental

784102

	RV		TORRANCE			IDT	
	Inner	Outer	Inner	Outer		Inner	Outer
		0		1	1	2	2
Persons per store	-			4500			7820

Shoe Repair

7251

	RV		TORRANCE			IDT	
	Inner	Outer	Inner	Outer		Inner	Outer
	1	0	1	0	1	1	0
Persons per store		7000		4500			-

Church

8661

	RV		TORRANCE			IDT			
	Inner	Outer	Inner	Outer		Inner	Outer		
	1	4	5	0	8	8	3	21	24
Persons per church		1400		575				650	

Observations

1. All three centers support almost the full complement of neighborhood services, both core and new, thereby fulfilling one of the expectations of mixed-use centers. The exceptions are:

Torrance lacks a gas station

Torrance lacks a coffee/tea/juice shop – a fact lamented by the focus group

RV lacks a Post Office, however it has private businesses that offer related services.

IDT lacks a shoe repair store

2. In each center, some of those neighborhood functions are so plentiful that specialized clusters that serve a market area well beyond the neighborhood have formed. The evidence of this phenomenon can be seen in the persons per business ratio.

Torrance seems to have a concentration of grocery stores with only 900 persons per store, the lowest of the three centers and a ratio far too low to adequately support even a small market. It is arguably true that the ratios for the other two centers, while higher than Torrance, also suggest some degree of specialization that implies a larger market area.

The concentration of medical services in Inglewood, particularly in the outer ring, reflects the fact that the north east sector of IDT is a major node in the sub-regional medical system and includes Daniel Freeman Hospital and a Kaiser Permanente facility. While Kaiser may be more or less self-contained, Freeman Hospital like other hospitals attracts the offices of private practice physicians and the ancillary services such as medical laboratories.

[Although unrelated to the inventory of neighborhood functions, IDT is of course also a major node in the sub-regional criminal justice system with a County-court facility in the north-west sector of the outer ring. A large concentration of ancillary businesses such as bail bond services and attorneys will appear in the complete functional inventory.]

RV also appears to have a degree of medical specialization with 800 persons per medical office. Given that RV is not a major node in the sub-regional medical system, its ratio is surprisingly much closer to IDT's 230 persons per office than to Torrance's 2,300. That RV has a slight specialization in dentists supports this idea of a strong professional cluster – driven perhaps by the residential location of many of those professionals in the beach cities and on the PV peninsula. In Other words, my hypTorrancehesis would be that professionals set up business in RV because of convenience to themselves with the expectation that the business will draw from a much larger market area.

RV is most specialized in a subgroup within personal services – beauty salons and manicure shops. With a ratio of about 100 persons per beauty salon, RV is three times more

concentrated than Torrance and over four times IDT. Beauty salons in RV collectively draw from a market area much larger than the neighborhood. Although, it seems that each of these centers tend to attract a disproportionate share of hair and nail services.

RV with two gas stations for a center its size is also out of proportion to the other centers. This most likely is related to the fact that PCH, virtually the only north-south arterial in the immediate area, skirts the outer boundary of the inner core. So the gas business is pretty clearly related to the traffic passing through the outer ring of the center.

Both Torrance and RV have relative specializations in restaurants and cocktail lounges compared to IDT. In the case of Torrance, this is most likely related to the lunch and after work trade generated by the presence of Honda and other firms located in the adjacent industrial zone that is a legacy of Torrance's origins. However, the persons per business ratios for all three centers suggest that the food and beverage business is supported by a much larger market area than the neighborhood.

Churches in both IDT and Torrance would seem to draw from a market that goes well beyond the neighborhood. Although it is not clear whether synagogues are included in the SIC for churches and so the relatively high ratio of 1400 may simply indicate the presence in the area of more Jews, Buddhists, Muslims, and atheists.

All three centers are served by what appears to be independent drug stores, a surprise for this industry that tends to be dominated by chains such as Walgreens and SavOn. Independents seem also to dominate the fish and meat specialty food markets. Arguably, independents are more local oriented than chains.

- 3. The neighborhood oriented services, even counting those that serve residents from elsewhere, make up but a fraction of the businesses in each center. Accepting the definition of neighborhood services used in this analysis, 70% of RV's businesses, 77% of IDT's, and 83% of Torrance's are not neighborhood oriented.**

This suggests that mixed-use centers have evolved from a 19th Century model in which each center was somewhat self-contained and just a smaller version of a larger center. Larger centers were characterized as offering the goods and services with the greatest "range" or market area - the so-called "central goods." A hierarchy of centers was spatially arrayed around a single larger center, each of the smaller centers offering some subset of the goods and services available in the center. Smart growth principles seem roTorranceed in the 19th Century model.

In the 21st Century, centers are less a nested hierarchy and more like specialized nodes in sub-regional and regional systems. The automobile is apparently necessary to the efficient

operation of the whole system. This implies that it will be difficult to simply add housing density or some balance of housing and functionality to a single center as a mobility strategy, without considering the distribution of functionality in the whole nodal system. Shaping high performing centers may require redistribution of the specializations in other mixed-use as well as single-function centers such as retail malls, colleges campuses, medical complexes and job centers.

Although there is a great deal more to learn about the economics of mixed-use centers, it seems likely based on what we know at this point that economics behind the spatial distribution of functions will have more influence on the transportation performance of mixed-use centers than is generally acknowledged. Planning successful centers will require going beyond adding housing density and making improvements in physical design.

Some of the questions into the economics of mixed-use centers include:

- Are the rents paid by neighborhood functions lower than those for non-neighborhood functions?
- Are neighborhood functions more likely to be operated by sole proprietors?
- Do the operators of neighborhood businesses tend to own the buildings, suggesting their presence is related to nTorrance paying market rents?