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NEIGHBORHOOD ECONOMIC RESILIENCE ASSESSMENT
MAIN STREET CORRIDOR
HACKENSACK, NJ



RESILIENT CITIES CATALYST

September, 2020

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About Resilient Cities Catalyst

Building on the pioneering legacy of 100 Resilient Cities (100RC), senior 100RC executives have now established Resilient Cities Catalyst (RCC). RCC helps cities and their communities build the capacities and partnerships needed to understand, prioritize, and concretely address their risks and chronic stresses as they pursue their strategic goals or recover from crisis.

RCC partners with city governments, businesses, neighborhoods, organizations and community stakeholders around the globe to:

1. Develop an enabling environment to build strong partnerships between cities and their communities allowing them to drive policy, planning, design, finance, and institutional resources for resilience-building efforts.
2. Ensure that ideas are turned into meaningful action by addressing gaps between project plans, project implementation and desired impacts.
3. Share and replicate learnings through a growing community of practice.

JEB BRUGMANN, AUTHOR/RCC PRINCIPAL

Jeb Brugmann is a Founding Principal at Resilient Cities Catalyst. For 30+ years he has supported cities, local governments, and low-income communities worldwide to address their economic development, sustainability, and resilience challenges.

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APPRECIATION

RCC appreciates the generous provision of proprietary data on small business closures by [Homebase](https://joinhomebase.com/). <https://joinhomebase.com/>

1 About This Report

This report provides a snapshot of the neighborhood-level economy of the Main Street District and its surrounding residential community in Hackensack, N.J., both immediately prior to and six months into the COVID-19 pandemic. The aim of the report is two-fold:

First, **to identify worsening or emerging vulnerabilities in the neighborhood economy**, both at the household and small business economy levels.

Second, **to identify ways to apply recovery funds that will not only address those vulnerabilities, but also support the neighborhood to bounce forward economically from the current crisis**, contributing to fulfillment of the neighborhood's own development vision.

The findings presented in this report are derived from desk research, using a variety of detailed data sets and data services provided by branches of the U.S. government, Environics Analytics, Homebase, and MIT. They should be viewed as a starting point for further research on specific vulnerabilities or opportunities through local surveys, consultations, and workshops. Recommendations for such further research and community planning are provided in section 8.

A neighborhood's household and small business economics are just two of the contributing factors to the vitality and resilience of a local community. They are also just two aspects of any local economy, which also includes larger employers and anchor institutions, public sector services and financial supports, as well as the impacts of underlying racial and other socio-economic inequities. The Main Street District's economy is anchored by institutional and public sector employers. Local ambitions to develop a new life sciences park in the area would further develop that pillar of the local economy. However, households and small businesses provide a unique financial foundation not only for neighborhood recovery and renewal, but also for healthy community relations, social development, and resilience.

Strong local small business communities provide convenient access to goods and services as well as unique, tailored consumer experiences. They contribute significantly to community identity and sense of place. Small business communities, together with public institutions and civic organizations, provide the foundation for local employment. Particularly in times of need, small businesses often serve as hubs of neighborhood gathering and service.

Strong local household economies are critical not only to the maintenance of local housing and the stability of property markets, but also to healthy and secure family lives and to the ability of neighbors to provide aid and support to each other in times of need. Strong household economies support the maintenance of local cultures of conviviality and community-mindedness that make communities special and healthy places in which to raise families.

For these reasons, the economic conditions detailed in this report may be used to inform local discussions and strategies that address a much broader range of community initiatives and investments, such as those being advanced through Opportunity Zone, Improvement District, and New Market Tax Credit incentives by the City and the Main Street Business Alliance Special Improvement District.

2 What is a 'Resilient Economy'?

Resilience is the capacity of households, communities, businesses and institutions to survive, adapt, and thrive in the face of acute shocks (e.g., pandemics, financial crises, super storms) and the interaction of these shocks with underlying chronic stresses (e.g., chronic poverty and household debt, increasing inequality, underfunded institutions, poorly maintained infrastructures). The word 'thrive' is an essential part of the resilience equation.

A resilient country, city, or community has the institutional capacity to 'bounce forward' in the face of shock events, and not just bounce back to a still-vulnerable pre-crisis state. It has the wherewithal to adapt and recover from shock events in ways that advance its fulfilment of development and societal ambitions.

An economy has resilience, and it builds resilience in society, when it is developed and managed in ways that contribute substantially to the reduction of chronic stresses in the national economy as a whole and in its households, communities, and businesses. The key words here are **preparedness** and **contribution**: prepared to continue economic function during a crisis and contributing to that 'bouncing forward' as communities adapt and recover.

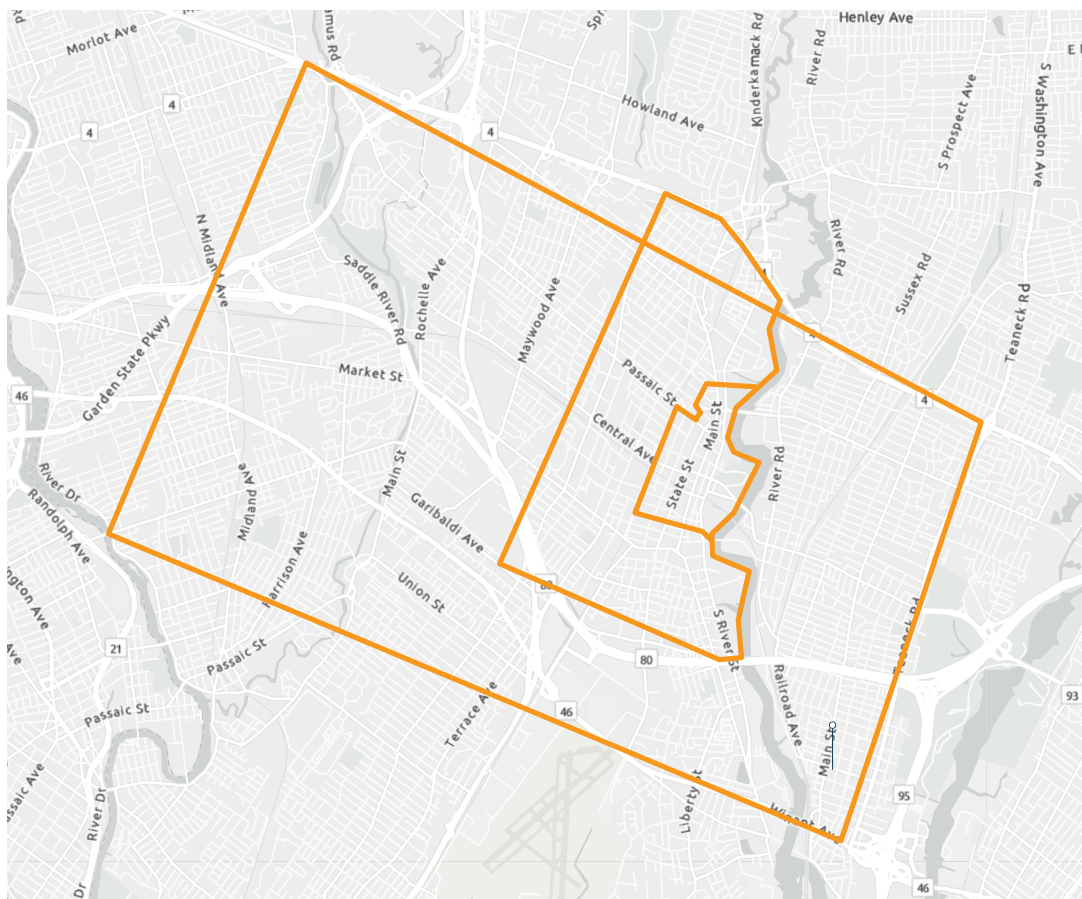
There is a third factor: economic resilience is not ephemeral; it is built in places. Unlike financial markets, which exist largely virtually, a nation's economic life takes place in neighborhoods and in specialized business districts, in ports, farm regions, and industrial campuses. To build resilience, the work of preparedness and economic stress reduction needs to **focus on the evident and distinct vulnerabilities, opportunities, and ambitions within these foundational units of the nation's economic life**. RCC Neighborhood Economic Resilience Assessments are designed to support local stakeholders to advance that essential place-based work.

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3 Key Findings of this Neighborhood Assessment

This assessment was undertaken using data available as of July 2020. The assessment identified the following recovery vulnerabilities and opportunities in the Main Street District.

FIGURE 1. THE MAIN STREET DISTRICT AND LOCAL RETAIL TRADE AREAS



Small business opportunity in the neighborhood is evaluated by considering three market areas: 1) the area within the Main Street corridor itself, 2) a city of Hackensack local shopping catchment area, and 3) a greater Hackensack trade area. The Hackensack local shopping catchment area for this study (2) is defined as the area of a potential walking, cycling, or short auto shopping trip. This area is approximately 1.0 miles from the edge of the Main Street corridor to the north, west and south and is bounded to the east by the Hackensack River, south by route 80, and north by route 4. This area aligns significantly with the City's boundaries. The greater Hackensack shopping trade area (3) extends approximately two miles east and four miles west of Main Street and includes the area's major, competing shopping malls as well as other 'main street' improvement districts.

Recovery Vulnerabilities

Main Street District Households

Recovery vulnerability in the local household economy arises from high unemployment (est. 15.4% in July 2020) combined with high pre-crisis economic stress, which includes a high level of cost-burdened households (55%+ in January 2020), of households earning less than the metropolitan area's living wage (est. 30%+/- in January 2020), and of households lacking or recently losing their employer provided of health insurance coverage.

The immediate Q2-3 2020 impact of these conditions on housing security were moderated through limited-term CARES Act Economic Impact Payments and federal unemployment benefits, combined with Paycheck Protection Program employer loans that slowed the loss of employment income. However, as supports have all but ended, an immediate survey-based assessment is recommended to pinpoint current and further potential Q4-2020 and Q1-2 2021 rent and mortgage default risks and credit score declines, in particular for cost-burdened households as the winter heating season approaches.

The challenge of stabilizing household residency and small business occupancy is of course exacerbated by the potential of family and proprietor health crisis. Twenty-five percent of neighborhood residents had no health insurance at the start of 2020. Among those who were insured, 38% secured health insurance through their employers. Therefore, health-related household financial vulnerability has been increased through recent job losses. Further survey-based assessment is recommended to pinpoint these residents and better understand their insurance options.

Independent Local Small Businesses

For the District's independent small business community, recovery vulnerabilities arise from both well-established challenges in the retail environment combined with new and pressing pandemic recovery challenges.

Consumers in the Hackensack area have had access to an enormous range of fixed store shopping options. This creates a highly competitive main street retailing environment. In 2019, fixed store retailers and food services providers in the greater Hackensack retail trade area (3), including most of Bogota, Maywood and Rochelle Park, and near parts of Garfield, Lodi, Saddlebrook, and Teaneck, sold an estimated \$3.047 billion more in goods and services than the \$573 million in fixed store goods and food services demanded by the residents and establishments of Hackensack (2). Meanwhile, Main Street District retailers and food services providers (excluding online retail) sold \$241 million more in goods and services than what was demanded by District residents. In other words, Hackensack residents are not only very well supplied, but they have convenient access to a wide range of choice. The District faces a highly competitive retail and food services marketplace.

These realities reflect long-established stresses in the independent, fixed store retail segment: competition from local shopping malls and chain retailers and growing competition from online retailers. The economic crisis arising from the COVID-19 pandemic has added to these. Consumers have further, rapidly turned to online retail. At the same time, pandemic lockdowns, and lifestyle and work location changes have caused dramatic reductions in consumer spending on cornerstone areas of main street retail: apparel, hospitality, personal services, and on-site food services.

Main Street District businesses share pandemic recovery vulnerabilities with their nationwide counterparts: difficulties restarting operations with depleted working capital in the midst of a deep loss of local consumer purchasing power—even as pandemic recovery requires business model innovation (e.g., from in-store to online) and retail space redesign (e.g., ventilation, seating arrangements).

Stabilizing the Main Street District and its adjoining household economy, thus enabling residents and business proprietors to advance their own recoveries and supporting renewal of the downtown as a social gathering and outing destination, will likely require:

- Timely assistance to help the unemployed re-gain health insurance coverage
- Extension of rent deferment programs and anti-eviction policies for both residential and commercial tenants, with a view towards the solvency of both landlords and tenants
- Renewal if not expansion of winter home heating subsidies for low income households
- Provision of household budget, credit and debt management counseling by organizations with a consumer protection orientation
- Establishment of a small business relief facility to assist proprietors in securing any further grant and loan support, as well as rent and tax deferments, and licensing relief needed to avoid permanent closure
- Support for small business continuity planning
- Re-allocation of sidewalk, street lane, and other public spaces in the Main Street corridor and adjacent streets in support of safe retailing and food services, and of programming and other activation of these spaces to attract social gathering and footfall

In addition to the above measures specific to the Main Street District, exploration of a broader, Hackensack-wide initiative with mortgage banks to adjust monthly mortgage payments for cost-burdened home and small business owners is recommended, thereby limiting defaults. City-wide, 39% of all Hackensack homeowners were cost-burdened prior to the crisis. Of the 20% of Main Street District residents who are homeowners, 62% were cost-burdened prior to the pandemic crisis.

Economic Resilience-building Opportunities

As business, community, City, and civic partners address immediate and Q4-2020 stabilization issues, the following opportunities to build resilience in the District's economy could be factored into Opportunity Zone, Improvement District, place making, and other revitalization initiatives implementation once the pandemic has passed:

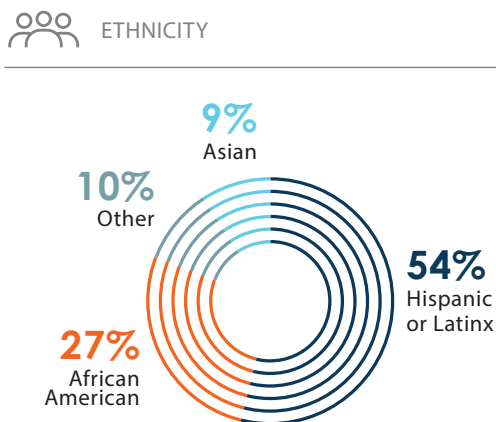
- Development and marketing of a set of niche shopping and outing trip experiences for a set of defined customer profiles that combine:
 - convenient access to an interrelated range of goods choices and services in defined and growing areas of consumer demand (e.g. home improvement—see Section 7 for details),
 - focusing place making with steadily better clustering of related retail, service, and programming offerings in nodes of the Main Street corridor to attract and more conveniently serve different customer segments and demographics,
 - meanwhile developing a unique Main Street-wide atmosphere and programming, relative to competing greater Hackensack retail and services nodes.

- Establishment of incentives and support mechanisms for Main Street customer loyalty, which could include:
 - dedicated efforts to encourage adjacent employers and institutions to 'buy Main Street,' and for local retailers to stock and offer such key items of demand at competitive prices
 - an integrated Main Street shopping loyalty points system or a local money system, and
 - a common Main Street online shopping and delivery platform, akin to the Cinchmarket.nyc approach, so that retailers can better compete with major online retail platforms.
- Ultimately, a major opportunity for the District is to support the development of new, adjacent demand, whether through further residential development or through the development of one or more anchor institutions that are committed to 'buying Main Street'. However, to maintain a vibrant and convivial Main Street area atmosphere, the development of the Main Street District for new and more affluent demographics should be paralleled by strategies to mitigate displacement of current District area residents (i.e. loss of affordability) and to prevent the wholesale gentrification of the District (i.e., loss of identity and sense of belonging). The mitigation of typical gentrification dynamics can be advanced through purposeful maintenance of commercial nodes that continue to cater to and to reflect the tastes, needs, and identities of current resident population groups. In other words, Main Street can be 'big enough for everyone'.

4 Community Profile

Demographics

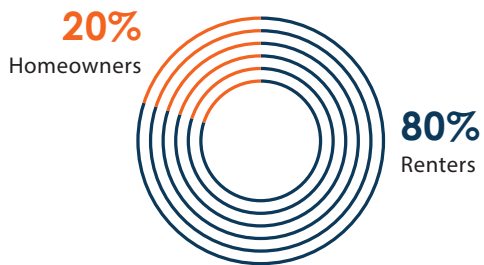
The Main Street District is largely a commercial/institutional area, but it is also home to a diverse residential community of 3,855 residents.



Fifty-four percent of district residents are of multi-racial Hispanic or Latinx origin. 27% are African American, 9% are of diverse Asian backgrounds. Twenty-three percent of residents have a primary language other than English. The Main Street District is home to the city's historic African American community, and the neighborhood continues to invest in the expression and evolution of its African American cultural identity.



AVERAGE RESIDENCE

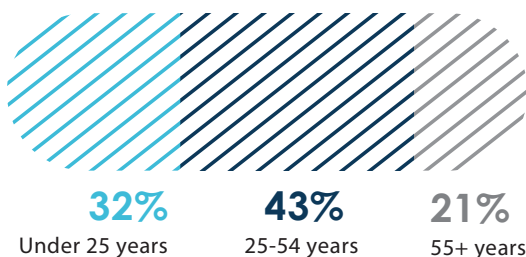


The district has a relatively high churn of renter households (80%) and homeowner households (20%). The average length of residence of homeowners is 11 years - less than the 16.6 average residence of Hackensack homeowners. Twenty-eight percent of the housing stock was built before 1940.

AVERAGE LENGTH OF RESIDENCE



AGE DISTRIBUTION



The district has a youthful population. Thirty-two percent of residents are younger than 25 years of age, compared with 27% for Hackensack as a whole. Twenty-five percent of district residents are younger than 18 years. Forty-one percent of households are one person households.



EDUCATION & MOBILITY



22%
with no high school diploma



29%
of residents have no personal vehicle



20%
rely on public transit to get to work

5 Neighborhood Economic Fundamentals

Neighborhood Incomes

The Main Street District's income profile is in the lower income range. Thirty percent of households have an income below \$35,000. The living wage for an adult individual in the Hackensack is estimated to be \$31,512¹. More than 50% of residents have a household income below the median income for Hackensack (\$67,300). An estimated 75% of households have an income below the median for Bergen county. Eleven percent of residents live below the poverty line.

Related to below average income levels, the neighborhood has a significant percentage of households that are cost-burdened by housing costs—their housing costs are more than 30% of gross income. Even before the recent large increase in unemployment due to the COVID-19 crisis, 55% percent of renting households were cost-burdened, as were 62% of homeowner households.

Households with an income of less than \$35,000



Cost-burdened households

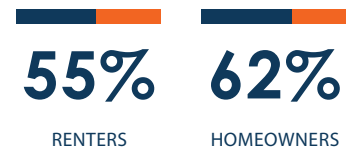
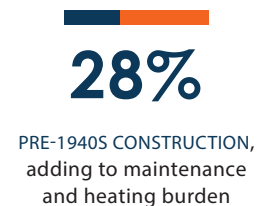
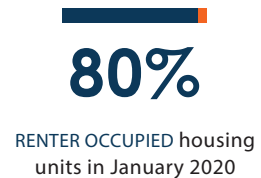
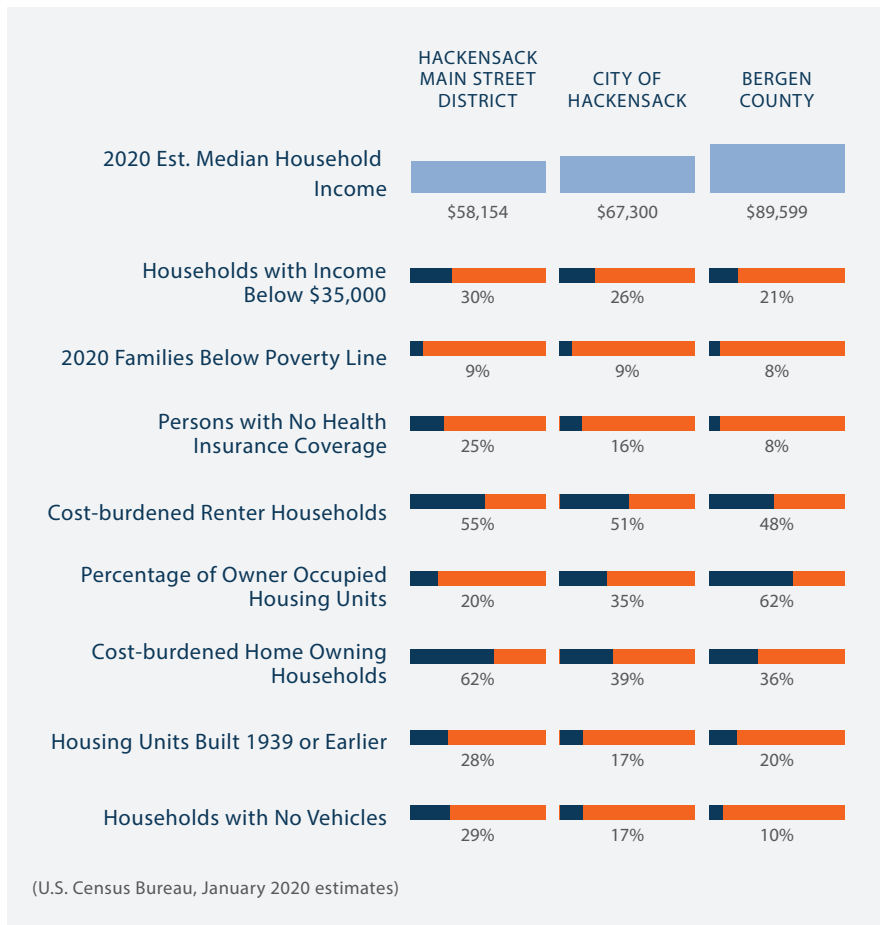


FIGURE 2. COMPARATIVE HOUSEHOLD STATUS



¹ Living wage calculations are drawn from the MIT living wage calculator <https://livingwage.mit.edu/>.

Employment and Occupations

Unemployment initially increased dramatically among district residents. Unemployment in the tri-county Bergen-Hudson-Passaic region rose from 3.5% in March to a peak of nearly 18% in June, recovering to a preliminary estimate of 15.4% in July 2020. The highest number of unemployment claims between January and March 2020 were in the following industry areas:

- Health care and social assistance (likely reflecting the reduction in elective health services)
- Accommodations and food services
- Transportation (including taxis, goods delivery)
- Retail trade
- Education and training
- Other services (including personal care services)

These most affected sectors relate directly to the major occupational groups in the Main Street District (see Figure 3), in particular to those in food services, office and administrative support, sales, building cleaning and maintenance, and health/health care support occupations

Vulnerabilities among persons in these occupational groups could be further exacerbated by 1) potential further peaks in COVID cases that force retail and food services shutdowns and 2) by the need for major adjustments in business models arising from sustained office building and storefront retail vacancies.

FIGURE 3. MAIN STREET DISTRICT OCCUPATIONS, JANUARY 2020

Standard Occupational Category	Percentage of Civilian Employed Persons
Food Preparation/Serving Related	14.6%
Office/Administrative Support	11.1%
Transportation/Material Moving	9.8%
Sales/Related	7.2%
Production	5.7%
Healthcare Support	5.7%
Management	5.5%
Building, Grounds Cleaning/Maintenance	5.4%
Construction/Extraction	4.7%
Healthcare Practitioner/Technician	4.6%
Personal Care/Service	4.5%
Education/Training/Library	3.9%
Other Occupations	17.3%

Health Insurance

Especially in times like these, health insurance coverage plays a central role in the stability of household income and wealth preservation. Prior to the start of the COVID-19 pandemic (January 2020), health insurance coverage among households in the Main Street District was insufficient, with 25% of residents having no coverage, compared with 8% in Bergen County. Thirty-eight percent of neighborhood residents received their health insurance fully through their employers. Therefore, significant loss of health insurance coverage may have occurred due to loss of employment.



25%

of residents did not have health insurance in January 2020.



38%

of the insured households secured all health insurance coverage through their employers

EMERGING HOUSEHOLD ECONOMY VULNERABILITIES

These and other conditions have a compounding impact upon the stability of basic household economy. Further local survey research, consultation, and evaluation with informed neighborhood stakeholders is recommended to assess how to immediately mitigate the combined effects of employment in sectors paying less than the metro area living wage sectors, the high number of cost-burdened households, high pandemic-related unemployment and loss of income, and recent loss of health insurance coverage. To prevent cascading effects for years to come, household support initiatives are likely needed to:



Avoid mortgage, rent, and property tax delinquency and default



Avoid loss of good credit standing



Recover health insurance coverage



Keep up with home energy bills and repairs (e.g., roofs, foundations) in particular in the older housing stock.

Pinpointing and efficiently targeting recovery support resources to households facing the above mix of vulnerabilities will require further local survey research.

6 Neighborhood Business Fundamentals

Small businesses in the Main Street District have been hard hit by the COVID-19 economic crisis (see Figures 4 and 5). Daily operations data for small businesses in the New York-Newark-Jersey City metropolitan statistical area (MSA), using Homebase scheduling software, reveals the slow status of recovery of MSA small businesses between the start of lockdown in March and into the reopening period in August 2020. Small business conditions in the district and in Hackensack are expected to follow the MSA pattern.

Figure 4 shows the decline in operations, employees working, and work hours between January 2020 and the late March lockdown. Figure 5 shows the extent of recovery from March levels by mid-August. These figures of small business impacts show not only the areas of deepest impact, but also the lagging and continuing impacts upon small businesses two months following the end of business lockdowns. Conditions in small transportation businesses have continued to decline since March. Retail and food services business conditions have improved, with an 18% and 24% increase in openings, respectively, since March. However, retail business operations are still down 30% and food services businesses are down 28% relative to the January 2020 baseline. These figures suggest the current extent of permanent closures in each sector.

FIGURE 4. CHANGE IN SMALL BUSINESS OPERATIONS, NY-NEWARK-JERSEY CITY MSA FROM JANUARY 2020 TO THE WEEK OF MARCH 16-22, 2020

Industry	Locations open	Employees working	Hours worked
Beauty & Personal Care	-60%	-67%	-75%
Charities, Education & Membership	-53%	-74%	-81%
Food & Drink	-37%	-59%	-63%
Health Care and Fitness	-35%	-38%	-40%
Home and Repair	-7%	-50%	-53%
Leisure and Entertainment	-53%	-69%	-62%
Other	-39%	-46%	-44%
Retail	-36%	-45%	-46%
Transportation	-15%	-56%	-63%

**FIGURE 5. CHANGE IN SMALL BUSINESS OPERATIONS, NY-NEWARK-JERSEY CITY MSA
BY THE WEEK OF AUGUST 20-26, 2020**

Industry	Locations open		Employees working		Hours worked	
	Change from January to August 2020	Improvement between March and August	Change from January to August 2020	Improvement between March and August	Change from January to August 2020	Improvement between March and August
Beauty & Personal Care	-60%	0%	-56%	17%	-65%	15%
Charities, Education & Membership	-53%	-1%	-75%	-1%	-77%	5%
Food & Drink	-28%	24%	-39%	33%	-40%	37%
Health Care and Fitness	-26%	27%	-37%	4%	-36%	11%
Home and Repair	-19%	-178%	-45%	11%	-45%	15%
Leisure and Entertainment	-44%	16%	-54%	21%	-49%	21%
Other	-35%	9%	-36%	22%	-34%	22%
Retail	-30%	18%	-33%	27%	-35%	24%
Transportation	-27%	-78%	-62%	-12%	-65%	-3%

Loan support from the federal Paycheck Protection Program (PPP) was widely received by businesses, independent contractors and self-employed persons, and non-profit organizations in Hackensack. A total of 1,185 loans were granted to support the continued employment of 4,683 persons in the city of Hackensack, until the end of the program in July 2020. U.S. Department of the Treasury data shows that the average PPP loan for all establishments and persons was \$41,525. Seventeen percent of the loans were below \$10,000.

The average loan size for retail establishments was \$40,708, with 33% of establishments receiving less than \$20,000. The average loan size for food services and drinking place establishments was \$43,071, with 42% of establishments receiving less than \$20,000. Twenty-eight non-profit organizations received an average loan of \$32,666.

Financial support at these levels does not likely enable improvements and business modifications required to operate in the 'new normal' context. Small business closures for such an extended period, and with such a low level of financial support, may have resulted in rent delinquency, loss of working capital for inventory or facility improvements, and insolvencies. Assessing the precise types of businesses that are struggling and that will continue to struggle to recover will require detailed investigation via local survey research.

7 Neighborhood Retail Sector Opportunities

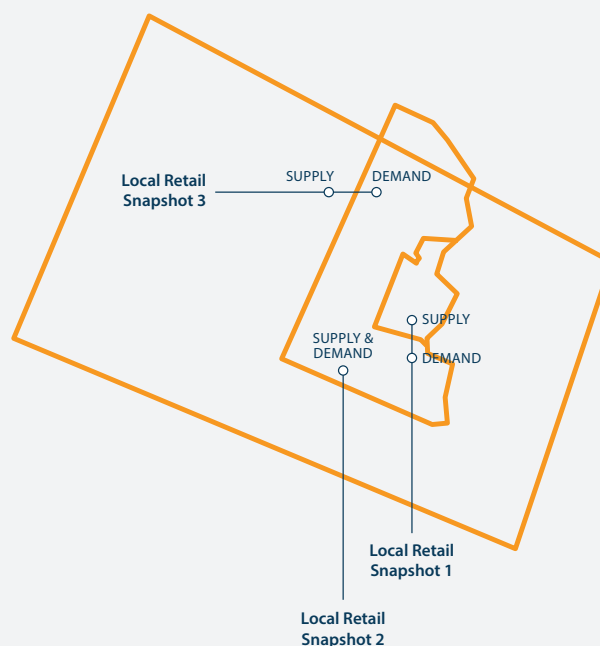
This section of the report presents three different local business supply and resident purchasing power snapshots for the retail and food services sector in the Main Street District area. These are snapshots of retail sector strengths, weaknesses, and opportunities as of January 2020.

Through exploration of these three supply and demand snapshots the report identifies potential for local growth in retail goods and services to which recovery investments and small business development support could be directed.

Local Retail Snapshot 1 compares the retail goods and food services **demand** of residents and establishments in the Hackensack area, located between route 80 and route 4, with the **supply** of those goods and services by businesses in the Main Street District. The District is defined as the area between the river and Railroad Avenue, and between Atlantic Street and Clinton Place.

Local Retail Snapshot 2 compares the **demand** for retail goods and food services in the Hackensack area located between route 8 and route 4 with the **supply** within the same boundaries.

Local Retail Snapshot 3 compares the **demand** of residents and establishments in Hackensack (between routes 80 and 4) with a greater Hackensack trade area extending approximately two miles east and four miles west of Main Street and including the major competing shopping malls and other 'main street' improvement areas and retail corridors that compete with the District for customers and sales.



Downtown or Main Street districts classically serve the whole city, as well as employees, shoppers, and visitors from beyond. By co-locating and clustering different types of goods, services, and amenities they provide a central, convenient, and efficient way for people and employers to at once work, shop, be served, and live their cultural and social lives. Reflecting their classic function, the challenges and opportunities of Hackensack's Main Street District are assessed by considering the ability of the District's retail and food services businesses to meet the demand of city residents and establishments.

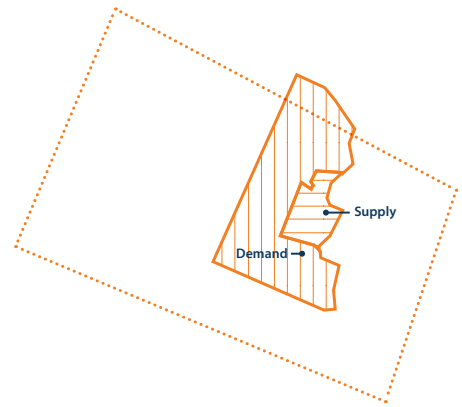
Local Retail Snapshot 1: The Main Street District Trade Area Sales

The figure below indicates the extent to which retailers within the Main Street District have been able to serve the demand of residents and establishments in the Hackensack local shopping catchment area.

The District is largely able to meet the demand of residents and establishments that are themselves located within the District. However, the District does not supply enough to meet the demands of the Hackensack local shopping catchment area. The only retail areas where the District sells more than the demand in the catchment area are women's clothing, and specialty clothing stores including furs and wedding attire.

FIGURE 6. LOCAL RETAIL SNAPSHOT 1

How well do retailers within the Main Street District serve the demand of neighborhood residents and establishments?

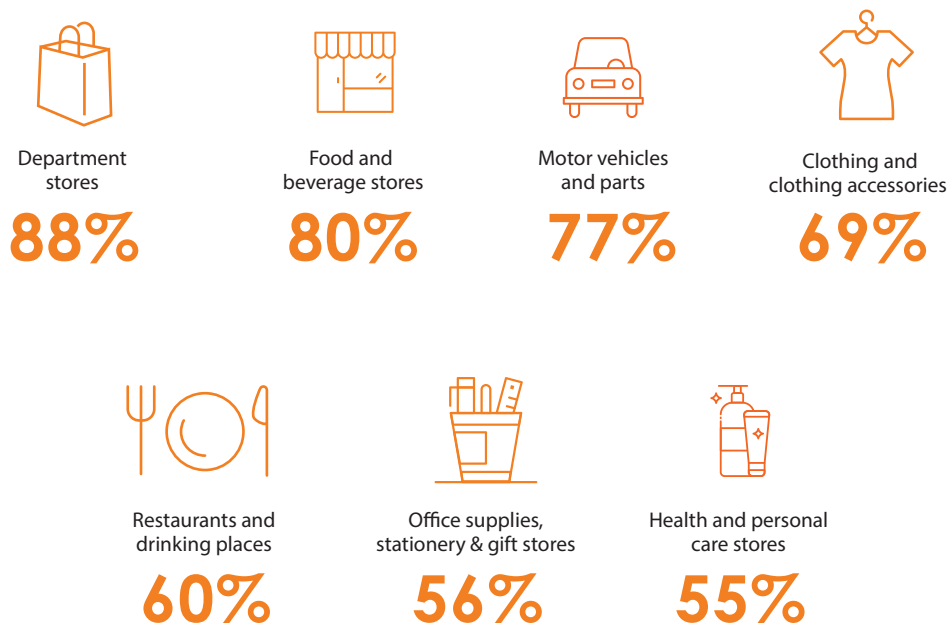


NAICS CATEGORIES	MAIN STREET DISTRICT SALES (2019 BASELINE)	DISTRICT SALES AS % OF HACKENSACK TRADE AREA DEMAND	DEMAND LEAKAGE (THOUSANDS OF US DOLLARS)	SUPPLY SURPLUS (THOUSANDS OF US DOLLARS)
FOOD AND BEVERAGE STORES	445	\$70,909,584	80%	-\$17,723,180
Grocery stores	4451	\$69,395,758	89%	-\$8,880,037
Convenience stores	44512	\$8,481	0%	-\$3,358,580
Specialty food stores	4452	\$541,004	19%	-\$2,275,166
Beer, wine, and liquor stores	4453	\$972,821	13%	-\$6,567,978
MOTOR VEHICLE AND PARTS DEALERS	441	\$79,059,230	77%	-\$23,335,013
FOOD SERVICES & DRINKING PLACES	722	\$49,590,874	58%	-\$36,020,175
Special food services, INCL CATERERS AND FOOD SERVICE CONTRACTORS	7223	\$2,733,084	39%	-\$4,234,396
Drinking places (alcoholic beverages)	7224	\$2,315,024	58%	-\$1,660,624
Restaurants and other eating places	7225	\$44,542,767	60%	-\$30,125,154
Snack and non-alcoholic beverage bars	722515	\$3,316,950	63%	-\$1,964,633
GENERAL MERCHANDISE STORES	452	\$20,335,364	25%	-\$59,965,797
Department stores	4522	\$13,958,301	88%	-\$1,896,862
Other general merchandise stores INCL WAREHOUSE CLUBS AND SUPER CENTERS	4523	\$6,377,062	9%	-\$49,706,769
HEALTH AND PERSONAL CARE STORES	446	\$20,836,993	55%	-\$17,112,694
Pharmacies and drug stores	44611	\$17,571,665	56%	-\$13,816,757
CLOTHING AND CLOTHING ACCESSORY STORES	448	\$22,137,657	69%	-\$10,033,086
Men's clothing stores	44811	\$337,159	26%	-\$946,597
Women's clothing stores	44812	\$5,389,397	115%	\$708,626
Family clothing stores	44814	\$5,955,589	45%	-\$7,391,337
Other clothing stores	44819	\$2,296,632	140%	\$657,316
Shoe stores	4482	\$2,157,006	45%	-\$2,615,033
BUILDING MATERIAL AND GARDENING EQUIPMENT AND SUPPLIES	444	\$7,347,200	16%	-\$39,848,704
Building material and supplies dealers	4441	\$6,986,725	17%	-\$34,764,292
Home centers	44411	\$1,111,835	5%	-\$22,095,970
Hardware stores	44413	\$144,723	4%	-\$3,221,200
Lawn and garden equipment and supplies stores	4442	\$360,475	7%	-\$5,084,412
FURNITURE AND HOME FURNISHINGS STORES	442	\$4,429,683	28%	-\$11,447,652
ELECTRONICS AND HOME APPLIANCE STORES	443	\$1,649,022	18%	-\$7,723,378
MISCELLANEOUS STORE RETAILERS	453	\$1,707,369	12%	-\$12,489,613
Office supplies, stationery, and gift stores	4532	\$803,765	56%	-\$2,136,025
Used merchandise stores	4533	\$63,730	3%	-\$2,086,801
Pet and pet supplies stores	45391	\$270,815	12%	-\$1,969,883
Art dealers	45392	\$4,095	0%	-\$1,213,303
GASOLINE STATIONS	447	\$3,075,176	6%	-\$49,525,517
SPORTING GOODS, HOBBY, AND MUSICAL INSTRUMENT STORES	4511	\$1,215,063	17%	-\$5,745,692
BOOK STORES AND NEWS DEALERS	4512	\$213,268	17%	-\$1,008,169

1.1 RETAIL STRENGTHS: BUILDING NICHE RETAIL OFFERINGS AND FOOD SERVICES EXPERIENCES

However, there are a number of areas in which District retail sales volume is more than 50% of the demand of households and establishments in the indicated shopping catchment area. In other words, these areas compete well, for certain consumer segments, against other retail locations. They likely attract destination shopping trips to the Main Street District and provide a foundation for the further development and marketing of retail, food services, and related destination outings. These goods and food services areas are:

% OF DISTRICT SALES RELATIVE TO HACKENSACK CATCHMENT AREA DEMAND



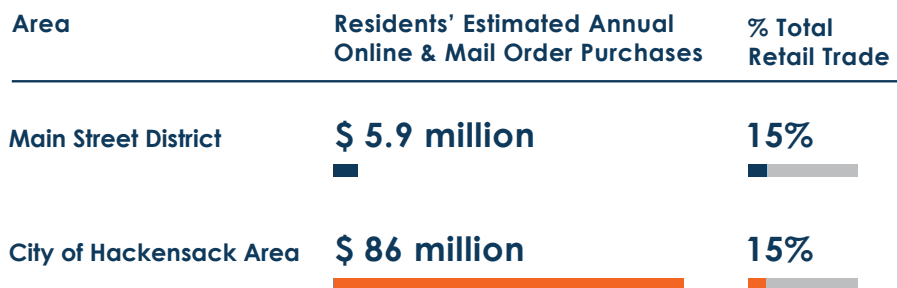
These are the areas of retail strength that may provide the strongest, initial foundation for further District business growth. As will be elaborated below, increasing the District's share of local purchasing power in these and other areas will likely involve a mix of 1) stabilizing the retail areas that have been severely impacted by the pandemic crisis (i.e., clothing and food services), 2) streetscaping and placemaking to increase safety and attractiveness, 3) better co-location of related goods and food services offerings, 4) Main Street cultural and other event programming, 5) 'buy local' loyalty incentives and platforms, and 6) targeted marketing to the key consumer segments.

The combination of grocery and health & personal care stores invites a typical basic needs shopping trip. Health & personal care stores, in addition to building materials, home & garden supply stores (which capture 16% of local demand), and motor vehicle dealers, also offer an average salary that is above the regional living wage. As home, gardening and lawn improvements have been a growth area in the pandemic context, the District's retailers in this area may in particular find further opportunities for growth, including by forging stronger relationships with local home improvement, décor, and landscaping service providers.

These immediate, near-term opportunities to support recovery and to further capture demand could be explored with all Main Street stakeholders:

- Activation of the Main Street corridor with safe-distance outdoor shopping and dining arrangements
- Implementation of consumer research to further understand the nature of the types of different shopping trips of local consumers, and how to improve those shopping and outing experiences, including through targeted promotion of different Main Street outing and shopping experiences (e.g., cross-marketing groceries shopping with home improvement and furnishings shopping, or clothing and sporting goods shopping with a cultural event and restaurant meal).
- Provision of support to existing Main Street retailers and restaurants to improve their online sales infrastructure, including the establishment of a collective local shopping platform such as that developed by Cinchmarket.nyc for Brooklyn small, independent retailers
- Provision of financial and debt management support, and other business continuity planning for Main Street establishments and property owners.

FIGURE 7. RECAPTURING LOCAL PURCHASING POWER FOR LOCAL BUSINESS ESTABLISHMENTS



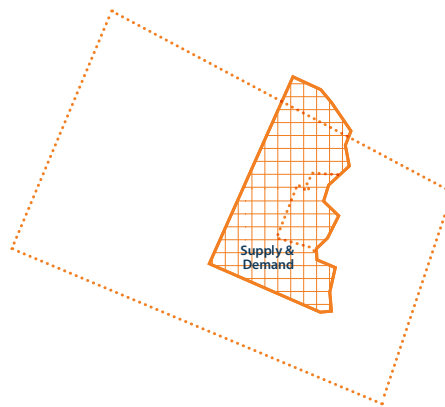
In addition to purchasing power leakage to other city districts, the Main Street District and the Hackensack local shopping trade area lose significant purchasing power to online retailers. Online purchasing has likely increased during the COVID crisis and local business shutdowns. Concerted efforts will likely be needed to recapture this leakage in support of local business establishments and employment.

Local Retail Snapshot 2: The City of Hackensack Trade Area

The figure below indicates potential areas where establishments located within the city of Hackensack local shopping trade area are not able to fully serve the demand of the city's residents and establishments located in that area. These gap areas may provide opportunities for the further development of existing Main Street retailers and/or for the recruitment of new retailers to be located in the District.

FIGURE 8. LOCAL RETAIL SNAPSHOT 2

To what extent are retailers and food services providers within the city of Hackensack local shopping trade area able to fulfill the demand of Hackensack resident and establishments? Is there a gap for Main Street to fill?



NAICS CATEGORIES		ESTIMATED ANNUAL INDUSTRY WAGE 2019	DEMAND LEAKAGE (THOUSANDS OF US DOLLARS)	SUPPLY SURPLUS (THOUSANDS OF US DOLLARS)
MOTOR VEHICLE AND PARTS DEALERS	441	\$70,377		\$194,162,882
FOOD AND BEVERAGE STORES	445	\$30,656		\$75,063,381
Grocery stores	4451	\$30,709		\$69,894,338
Convenience stores	44512	\$21,752		\$2,572,227
Specialty food stores	4452	\$33,418		\$2,241,108
Beer, wine, and liquor stores	4453	\$26,050		\$2,927,935
FOOD SERVICES & DRINKING PLACES	722	\$23,657		\$63,331,549
Special food services INCL CATERERS AND FOOD SERVICE CONTRACTORS	7223	\$28,694		\$15,206,147
Drinking places (alcoholic beverages)	7224	\$21,778		\$1,175,674
Restaurants and other eating places	7225	\$22,878		\$46,949,727
Snack and non-alcoholic beverage bars	722515	\$19,189		\$4,395,857
CLOTHING AND CLOTHING ACCESSORY STORES	448	\$26,348		\$52,153,619
Men's clothing stores	44811	\$39,959		\$221,227
Women's clothing stores	44812	\$25,306		\$11,419,467
Family clothing stores	44814	\$20,980		\$19,161,669
Other clothing stores	44819	\$29,458		\$1,570,380
Shoe stores	4482	\$21,793		\$5,571,000
HEALTH AND PERSONAL CARE STORES	446	\$37,151		\$20,841,598
Pharmacies and drug stores	44611	\$39,190		\$11,083,327
BUILDING MATERIAL AND GARDENING EQUIPMENT AND SUPPLIES	444	\$47,077		\$13,026,788
Building material and supplies dealers	4441	\$47,077		\$15,632,680
Home centers	44411	\$38,632	-\$12,175,450	
Hardware stores	44413	\$48,164		\$2,121,351
Lawn and garden equipment and supplies stores	4442	\$41,704	-\$2,605,892	
FURNITURE AND HOME FURNISHINGS STORES	442	\$40,408		\$12,623,860
GASOLINE STATIONS	447	\$28,321	-\$9,163,017	
ELECTRONICS AND HOME APPLIANCE STORES	443	\$58,821		\$9,143,297
SPORTING GOODS, HOBBY, AND MUSICAL INSTRUMENT STORES	4511	\$29,032		\$3,424,454
MISCELLANEOUS STORE RETAILERS	453	\$30,249		\$3,295,056
Office supplies, stationery, and gift stores	4532	\$25,971		\$4,730,228
Used merchandise stores	4533	\$25,044	-\$1,649,758	
Pet and pet supply stores	45391	\$23,466		\$614,889
Art dealers	45392	\$39,827	-\$1,174,965	
BOOK STORES AND NEWS DEALERS	4512	\$28,220		\$442,587
GENERAL MERCHANDISE STORES	452	\$29,724	-\$46,850	
Department stores	4522	n/a		\$23,016,000
Other general merchandise stores INCL WAREHOUSE CLUBS AND SUPER CENTERS	4523	n/a	-\$15,636,251	

● Wages under the Minimum Living Wage of \$31,512

2.1 VALIDATING OPPORTUNITIES FOR NEW DISTRICT RETAIL

This retail snapshot shows that, at a time when households are reallocating budgets from travel and apparel to home improvements, Hackensack businesses cannot fully meet citywide demand for: home improvement, lawn and gardening, general merchandise (including antiques and used merchandise) and art. The estimated leakage of household expenditure in these areas may suggest a potential for development of a coherent and differentiated Main Street home improvement and furnishings niche offering, focused on home centers and hardware, furnishings, gardening, antiques, and art. As indicated in Figure 8, the average salaries in the above retail areas are also above the region's living wage.

The development and marketing of such a shopping offering would build from existing establishments' offerings and involve recruitment of new retailers. Recruitment would focus in particular on the furniture and home furnishings area, which currently is one of the smaller retail areas in the District, with \$12.6 million in annual sales meeting 28% of local demand (see Snapshot 1). In addition to evaluation of this retail offering concept by District stakeholders and the availability of suitable retail locations, the concept also would need to be tested for competitive advantages relative to greater Hackensack trade area establishments and online platforms (see Snapshot 3).

Together, the above areas of leakage of local purchasing power to retailers located outside of Hackensack account for some \$15 million in unmet demand. An additional area of Hackensack resident demand that is not met by city-based businesses is general merchandise stores, including superstores and warehouse clubs. These account for a further \$15.6 million of purchasing power leakage. However, these store formats require ample parking and loading area, which may not be economically available or a best use of land in the District. Snapshot 3 (below) also indicates a current high level of supply by general merchandise stores in the greater Hackensack trade area. Other downtown development projects, such as the City's current exploration of a Life Sciences Park, may be a more suitable use of any large parcels required by superstores.

Retail areas with purchasing power leakage due to lack of available local shopping options include



HOME CENTERS AND LAWN & GARDEN EQUIPMENT AND SUPPLIERS



GENERAL MERCHANDISE STORES



USED MERCHANDISE STORES, INCLUDING ANTIQUES



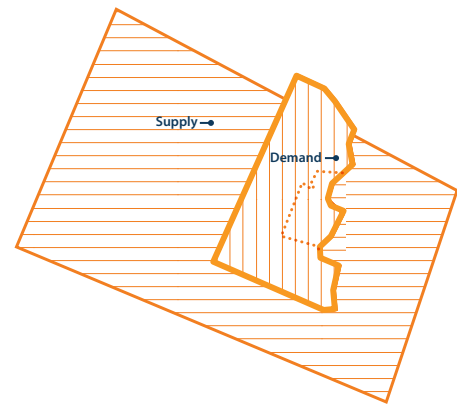
ART DEALERS

Local Retail Snapshot 3: The Greater Hackensack Trade Area

The figure below indicates the extent to which retailers within the greater Hackensack trade area have been able to fulfil demand from the residents and establishments in the city of Hackensack trade area. The supply area assessed for this snapshot extends approximately two miles east and four miles west of Main Street and includes the area's major, competing shopping malls as well as other 'main street' improvement districts. The demand area covers most of the city of Hackensack, i.e., the same as in Snapshot 2.

FIGURE 9. LOCAL RETAIL SNAPSHOT 3

How much are retailers within the greater Hackensack area able to fulfill the unmet demand of residents and establishments in the city of Hackensack? Ultimately, are there any gaps to be filled by the Main Street District in meeting the area’s existing demand?



NAICS CATEGORIES	ESTIMATED ANNUAL INDUSTRY WAGE 2019	DEMAND LEAKAGE (THOUSANDS OF US DOLLARS)	SUPPLY SURPLUS (THOUSANDS OF US DOLLARS)
MOTOR VEHICLE AND PARTS DEALERS	441 \$70,377		\$1,268,273,102
FOOD AND BEVERAGE STORES	445 \$30,656		\$531,039,667
Grocery stores	4451 \$30,709		\$487,988,370
Convenience stores	44512 \$21,752		\$14,580,133
Specialty food stores	4452 \$33,418		\$13,258,580
Beer, wine, and liquor stores	4453 \$26,050		\$29,792,717
FOOD SERVICES & DRINKING PLACES	722 \$23,657		\$368,038,276
Special food services INCL CATERERS AND FOOD SERVICE CONTRACTORS	7223 \$28,694		\$76,078,102
Drinking places (alcoholic beverages)	7224 \$21,778		\$7,116,933
Restaurants and other eating places	7225 \$22,878		\$284,843,241
Snack and non-alcoholic beverage bars	722515 \$19,189		\$37,605,940
CLOTHING AND CLOTHING ACCESSORY STORES	448 \$26,348		\$202,604,912
Men's clothing stores	44811 \$39,959		\$4,717,284
Women's clothing stores	44812 \$25,306		\$44,210,459
Family clothing stores	44814 \$20,980		\$70,372,927
Other clothing stores	44819 \$29,458		\$7,726,993
Shoe stores	4482 \$21,793		\$26,816,245
HEALTH AND PERSONAL CARE STORES	446 \$37,151		\$146,788,173
Pharmacies and drug stores	44611 \$39,190		\$111,951,794
GENERAL MERCHANDISE STORES	452 \$29,724		\$140,206,460
Warehouse clubs and super centers	452311 n/a		\$43,307,785
GASOLINE STATIONS	447 \$28,321		\$112,152,494
BUILDING MATERIAL AND GARDENING EQUIPMENT AND SUPPLIES	444 \$47,077		\$95,091,043
Building material and supplies dealers	4441 \$47,077		\$92,066,759
Home centers	44411 \$38,632		\$13,968,846
Hardware stores	44413 \$48,164		\$10,146,509
Lawn and garden equipment and supplies stores	4442 \$41,704		\$3,024,284
FURNITURE AND HOME FURNISHINGS STORES	442 \$40,408		\$78,441,124
MISCELLANEOUS STORE RETAILERS	453 \$30,249		\$39,919,901
Office supplies, stationery, and gift stores	4532 \$25,971		\$18,397,887
Used merchandise stores	4533 \$25,044		\$1,212,595
Pet and pet supply stores	45391 \$23,466		\$5,682,289
Art dealers	45392 \$39,827	-\$483,115	
ELECTRONICS AND HOME APPLIANCE STORES	443 \$58,821		\$39,849,447

● Wages under the Minimum Living Wage of \$31,512

3.1 DEVELOPING NEW DISTRICT BUSINESS AREAS THAT CAN COMPETE WITH OTHER GREATER HACKENSACK RETAIL AND FOOD SERVICES OPTIONS

The Snapshot 3 data indicate the extent to which the demand of Hackensack residents and establishments can be met by the retailers and food services providers located within a convenient drive from Hackensack into Bogota, Maywood and Rochelle Park, and the near parts of Garfield, Lodi, Saddlebrook, and Teaneck. The snapshot shows that the greater Hackensack trade area can meet the level of city of Hackensack demand in every retail and food services area. However, those greater Hackensack businesses also must serve the demand of adjacent municipal areas. Therefore, greater Hackensack retail areas with only small trade surpluses in Snapshot 3 may further validate the above observations regarding additional Main Street District opportunities. These may be:

- Home centers, hardware, and lawn and garden stores
- Men's and other clothing, including sport and athletic wear
- Art dealers and used merchandise stores (including antiques)

8 Recommendations for Further Research & Consultations

The above situational assessment is provided 1) to help local stakeholders consider how pre-existing neighborhood development efforts might be adjusted to factor COVID pandemic crisis impacts and recovery challenges, and 2) to help local economic development professionals and business associations focus any further on-the-ground assessment efforts. In addition to the above purposes, the assessment sheds further light on the nature and dimensions of chronic stresses that make the neighborhood vulnerable to shock events. Finally, it highlights issues to be addressed to build a stronger, future foundation for neighborhood economic life.

Given that the greater Hackensack retail landscape can meet Hackensack resident's diverse demands in a general way, the District's development opportunity appears to be threefold in nature:

- Development and marketing of a set of niche shopping and outing trip experiences for a range of different, defined customer profiles to maximize sales and vibrancy at different times of day and week. Pursuing such an approach would involve efforts to improve streetscape and place making, business location, programming and activation, and place-specific branding and promotion, including:
 - Further development of convenient customer/visitor access to destination clusters of related goods and services providers, including for defined and growing areas of consumer demand (e.g. home improvement). Currently, the location of businesses on the Main Street corridor often places unrelated businesses adjacent to each other. Individual blocks often lack clear retail focus and differentiation from each other. This reduces customer convenience and weakens the development of special identities for different block and intersection areas. Efforts to cluster businesses that are involved in similar areas of goods and services would help to establish multiple destination nodes within the District for different kinds of outings and customer profiles.

- Place making and place branding of key blocks and nodes can contribute to the above business clustering effect, while also generally making the District a more interesting place to visit, amble in, and explore. Public art and landscape design, naming, signage, and small performance and vendor spaces all contribute to the development of a unique sense of place that reinforces differentiation from destination mall, opportunistic strip retail, and big box competition.
 - Creating further street and laneway connectivity across the District and between the District and the riverside for pedestrians, cyclists, and drivers can increase both accessibility and convenience, and further enrich place making.
 - Programming cultural activities and events can further contribute to the overall quality of experience for the visitor and shopper, with approaches that range from individual busker and food vendor schemes, to thematic event series, to larger festivals.
- Establishment of incentives and support mechanisms for Main Street customer loyalty, which could include:
 - dedicated efforts to encourage adjacent employers and institutions to 'buy Main Street,' and for local retailers to stock and offer such key items of demand at competitive prices
 - an integrated Main Street shopping loyalty points system or a local money system, and
 - a common Main Street online shopping and delivery platform, akin to the aforementioned Cinchmarket.nyc approach, so that retailers can better compete with major online retail platforms.

Ultimately, a major opportunity for the District is to support the development of new, adjacent demand, whether through further residential development or through the development of one or more anchor institutions that are committed to 'buying Main Street.' However, to maintain a vibrant and convivial Main Street area atmosphere, the development of the Main Street District for new and more affluent demographics should be paralleled by strategies to mitigate displacement of current District area residents (i.e. loss of affordability) and to prevent the wholesale gentrification of the District (i.e., loss of identity and sense of belonging). The mitigation of typical gentrification dynamics can be advanced through purposeful maintenance of commercial areas and public spaces that continue to cater to and to reflect the tastes, needs, identities, and aspirations of current resident population groups. In other words, Main Street can be 'big enough for everyone'.

In developing strategies for the Main Street District, we recommend factoring the following issues:

- Is the strategy based on an understanding of why consumers choose to make purchases online or in other trade area shopping locations?
- Does the selected mix of prioritized retail and services areas reflect defined concepts and consumer experiences for different consumer profiles and times of day and week? What differentiated shopping trip and outing experiences can the Main Street District offer consumers that are not being provided in competing locations?
- Does the retail area offer an average wage that is at or above the metro area living wage?
- Is improved access to the product or service important to the achievement of community development objectives, e.g., to improved health outcomes?

- Would businesses in this area offer local employment opportunities to occupational groups facing high unemployment?
- Does the Main Street business development effort support maximum and safe public use and benefit from the District's public spaces and assets?

To maintain a vibrant and convivial Main Street area atmosphere, the development of the Main Street District for new and more affluent demographics should be paralleled by strategies to mitigate displacement of current District area residents and to prevent wholesale gentrification.

The mitigation of typical gentrification dynamics can be advanced through purposeful maintenance of commercial areas and public spaces that continue to cater to and to reflect the tastes, needs, identities, and aspirations of current resident population groups. In other words, Main Street can be 'big enough for everyone'.

Further Research

The data used for this report enables high-level identification of key vulnerabilities in the neighborhood that could lead to further, cascading economic losses and hardships. The gathering of more precise municipal and survey-based data is recommended to prepare public and charitable investments to address these vulnerabilities, so that resources can be tailored and directed to the most vulnerable households, businesses, streets and locations in the District.

Issues meriting local survey and interview efforts include:

- Identifying households and businesses currently in or soon facing rent or mortgage payment arrears
- Identifying households without health insurance, particularly those who lost insurance through loss of employment
- Identifying business proprietors who have permanently closed or will soon need to permanently close their businesses
- Identifying rental properties with growing and/or sustained vacancies

The collection and analysis of detailed locally sourced data provides an opportunity to provide training and temporary employment to selected local residents, and to build community organization capacity to monitor the recovery process and to evaluate future resilience issues.

This assessment also would be further improved through inclusion of trend data on health, public safety, and equity/justice outcomes; public/urban services provision; property values and rents; and demographic change.

Recovery Planning Workshops

The process of resilience building in any city or location involves the use of investments, grants, and initiatives to address the interacting shock (i.e., risk and exposure) and stress (i.e., vulnerability) dimensions of the community's situation. It further involves using all investments to further advance the community's vision for itself, with its multiple economic, social, and cultural objectives. Therefore, RCC recommends that assessments of this nature be used not only to design and target specific recovery measures but to craft a comprehensive set of initiatives to advance a local development and resilience agenda that addresses the interactions between multiple exposures, vulnerabilities, opportunities, and ambitions. In the case of the Main Street District, community stakeholders and leaders have already developed such a comprehensive agenda. In this instance, the assessment findings are best used to support more specific designs, adjustments, and expansions of the initiatives in the context of recovery planning.

Neighborhood Recovery and Resilience Monitoring

Resilient communities have the capacity and/or partnership support to monitor their exposures, vulnerabilities, recovery progress, and the achievement of targeted community development outcomes. Recovery resources should be targeted to build that capacity or support. In addition to monitoring the conditions identified in this report, consideration should be given to benchmarking the Main Street District neighborhood to city-wide conditions and to selected other target neighborhoods, reflecting the City's commitment to achieving equitable outcomes for the Main Street neighborhood and across the city's neighborhoods.