

**CITY OF
WOODBURY,
NEW JERSEY**



2020 MARKET ANALYSIS



**An Examination of Business
Opportunities in Woodbury and its
Downtown Market District**

January 2020

Facilitated by:



2020 CITY OF WOODBURY, NEW JERSEY MARKET ANALYSIS

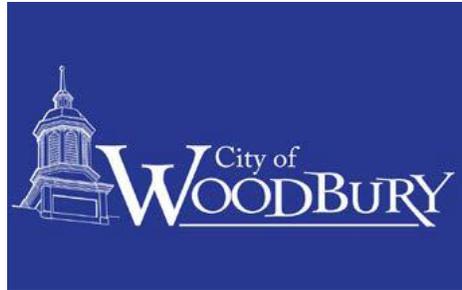


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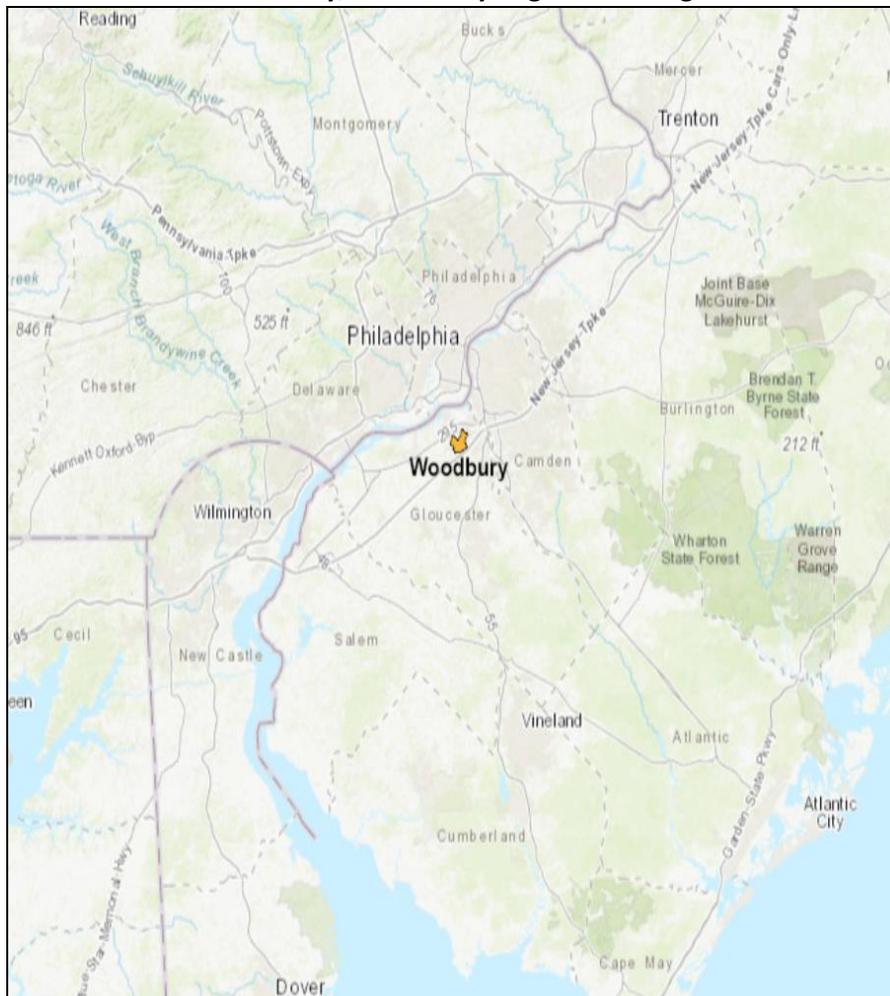
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WOODBURY MARKET STUDY Final Document

INTRODUCTION

The City of Woodbury is the County seat of Gloucester County, New Jersey. Located in the northwestern part of the County, Woodbury is situated in proximity to some of the region's most significant highway corridors including Interstate 295, the New Jersey Turnpike, U.S. Route 130 and N.J. Routes 45 and 55. In addition, the City is situated on the principal freight rail line which runs from Camden south to Glassboro, Vineland and other locations in the far reaches of southern New Jersey. This line is particularly important given that it is also a proposed route for the future extension of a light rail transit system. Map 1 highlights the City's regional location.

Map 1
Woodbury, New Jersey Regional Setting



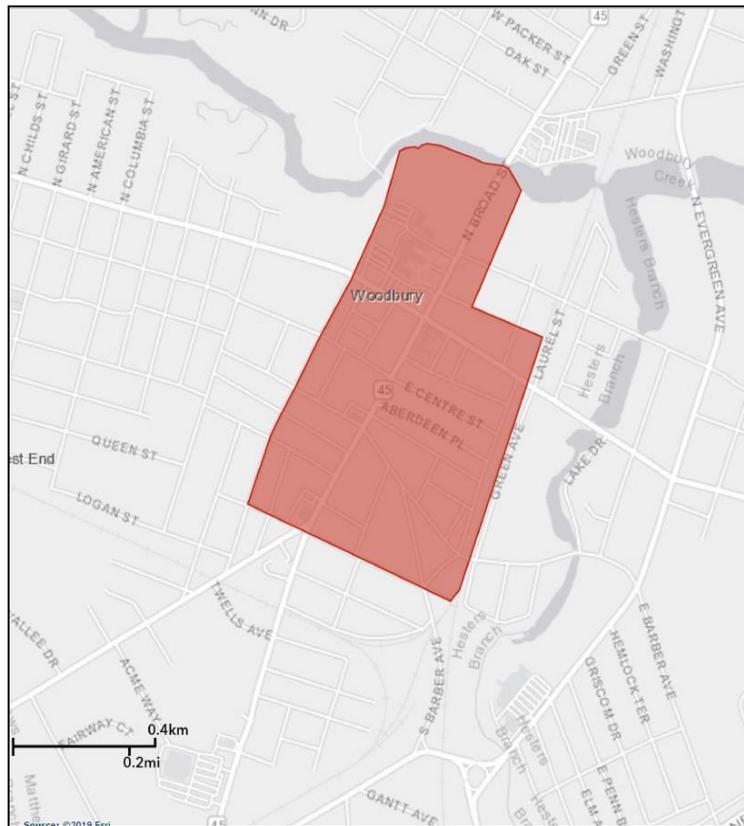
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For many years, the City has been working diligently to redevelop its downtown and to bring new investment and vitality to the City Center. The purpose of this analysis is to explore some of the existing strengths of the business activity in Woodbury, both downtown and city wide, and to examine sectors of the retail and service industries where new investment may be possible.

To accomplish this, the following pages of the report focus on three areas of interest. The first area takes a look at the economic composition of Center City Woodbury today. The current composition of business activity is presented; employment figures are analyzed; and these figures are compared to regional statistics to assess some of the strengths of the existing business community.

The second area that is explored contrasts three economic markets. These markets are defined by estimated “drive times” from Center City. The five minute drive time market is called the “convenience market.” This is the market within which people may be willing to walk or get in their cars to run a quick errand at a bank or pick up a gallon of milk. The second drive time market is the fifteen minute market. This is the area within which people might run out for lunch, fast food, a personal service such as hair cut or beauty treatment, or to tackle a more complex shopping run. The third area encompasses the 30 minute drive time market. This market includes regional residents who may be willing to drive 30 minutes to a fine restaurant or to take in a major shopping trip, purchase a unique or specialty item, or undertake a service that may not be available elsewhere in the region. By examining these three markets, it is possible to identify “gaps” in the local economy and to assess where new retail and service investments might be possible. For the purpose of this analysis, Center City has been defined by the boundaries shown on Map 2, on the right. These

Map 2
Woodbury Center City Market Area



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boundaries approximate the Neighborhood Preservation Program boundaries, but extend them slightly to encompass more of the downtown area.

The report concludes by offering some recommendations about the range of new businesses that might be prospective recruits for the Central Business District or for locations elsewhere in the City. There are a series of next steps offered that provide City officials and stakeholders with a strategy for pursuing such investment.

EXAMINING THE BASELINE DATA

The Center City Business and Employment Base

Within the Center City area as defined by Map 2, there are approximately 212 businesses employing 2,875 people. The various business and employment sectors are broken down as shown in Table 1.

Table 1
Business and Employment in Center City Woodbury

BUSINESS SECTORS	BUSINESSES		EMPLOYMENT	
	Numbers	Percent	Numbers	Percent
Agriculture & Mining	0	0%	0	0%
Construction	8	3.8%	27	0.9%
Manufacturing	4	1.9%	26	0.9%
Transportation	5	2.4%	18	0.6%
Communication	3	1.4%	10	0.3%
Utilities	1	0.5%	2	0.1%
Wholesale Trade	4	1.9%	32	1.1%
Retail Trade	24	11.35	293	10.2%
Finance, Insurance, Real Estate	27	12.7%	208	7.2%
Services	100	47.2%	1,020	35.5%
Government/Public Administration	32	15.1%	1,239	43.1%
Unclassified	5	2.4%	0	0%
TOTALS	212	100.0%	2,875	100.0%

Source: ESRI, 2019

Table 1 clearly shows that Woodbury’s downtown is dominated by two sectors – services and government/public administration. Retail trade and finance, insurance & real estate are the only other sectors where either the percentage of businesses or employment approaches double digits. Therefore, a closer look at these sectors is warranted.

Within the services sector, the largest employers are health services, followed by legal services and educational/library services. Food services (restaurants) are also contributors to local employment.

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Not surprisingly, given that Woodbury is the County seat for Gloucester County, government and public administration comprise a large percentage of the local employment base. This sector includes City, County, State offices and other government organizations and agencies. Retail trade employment is dominated by two sub-sectors – motor vehicle parts and repair and health and personal service stores.

How does this breakdown of the Center City economic base compare with the City as a whole and the surrounding region? Table 2 makes this comparison. The comparison is important because it illustrates the concentrations of certain sectors within Center City that then may be magnets for attracting other, similar businesses.

Table 2
Business and Employment Comparisons

BUSINESS SECTORS	BUSINESSES (%)			EMPLOYMENT (%)		
	Center City	Citywide	Region ¹	Center City	Citywide	Region
Agriculture & Mining	0%	0.2%	1.9%	0%	0%	1.0%
Construction	3.8%	4.6%	7.6%	0.9%	1.8%	6.8%
Manufacturing	1.9%	1.3%	3.5%	0.9%	1.6%	7.7%
Transportation	2.4%	1.8%	2.5%	0.6%	0.7%	3.6%
Communication	1.4%	0.7%	0.8%	0.3%	0.6%	0.4%
Utilities	0.5%	0.2%	0.4%	0.1%	0%	0.8%
Wholesale Trade	1.9%	2.4%	4.0%	1.1%	1.6%	4.4%
Retail Trade	11.35%	16.6%	22.2%	10.2%	14.5%	21.4%
Finance, Insurance, Real Estate	12.7%	10.5%	7.6%	7.2%	5.8%	4.9%
Services	47.2%	50.3%	43.4%	35.5%	50.1%	42.8%
Government/Public Administration	15.1%	9.6%	3.3%	43.1%	23.7%	5.1%
Unclassified	2.4%	1.7%	2.9%	0%	0%	1.2%
TOTALS	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: ESRI, 2019

As can be seen from this table, there are only two sectors where the percentage of businesses and employment in the City Center was greater than the City and Region. Those are the Finance, Insurance & Real Estate and the Government/Public Administration Sectors. Both of these sectors benefit from Woodbury being the seat of County government. With regard to retail trade and services, Center City's other large business and employment sectors there are many other concentrations of these establishments elsewhere in the City and Region, which puts downtown in direct competition with these locations.

¹ The region was defined as Gloucester and Camden Counties, since Woodbury is approximately central to both counties.

Employment Migration

Where people work and the extent to which the City imports or exports employment can also be indicators of economic potential. As noted in Table 1, there are approximately 2,875 people working in Woodbury's downtown business district. According to the 2017 American Community Survey, (U.S. Census), 65% of the population in Woodbury is part of the labor force. In Woodbury's downtown, there are 1,503 residents, so only 977 individuals are in the labor force. That means that there is an influx of 1,898 people on the average, every working day.

Citywide, there are 6,487 residents of the 9,980 people living in Woodbury who are part of the labor force. Yet, there are 8,461 jobs provided by businesses throughout the City. In addition, 84% of Woodbury's resident labor force works outside of the City. This means 3,883 people commute to work at locations elsewhere in the region. So, this means that 4,578 people commute into the City for work. This demonstrates Woodbury's strength as an employment center given that it imports 695 more workers than it exports.²

Examining Drive-Time Markets

There are three "drive-time" markets examined in this study: the 5 minute, 15 minute, and 30 minute markets. Map 3 on the following page shows the geographic range of these markets. As can be seen from the map, the 5 minute market encompasses much of the City. So anyone living anywhere in Woodbury can get into their car and be at a shopping destination in the City in approximately 5 minutes driving time. The 15 minute market extends well beyond the City boundary to the central parts of Gloucester County and into portions of Camden County. The 30 minute market reaches across the river into parts of Pennsylvania, south to Cumberland and Salem Counties, and north into portions of Burlington County.

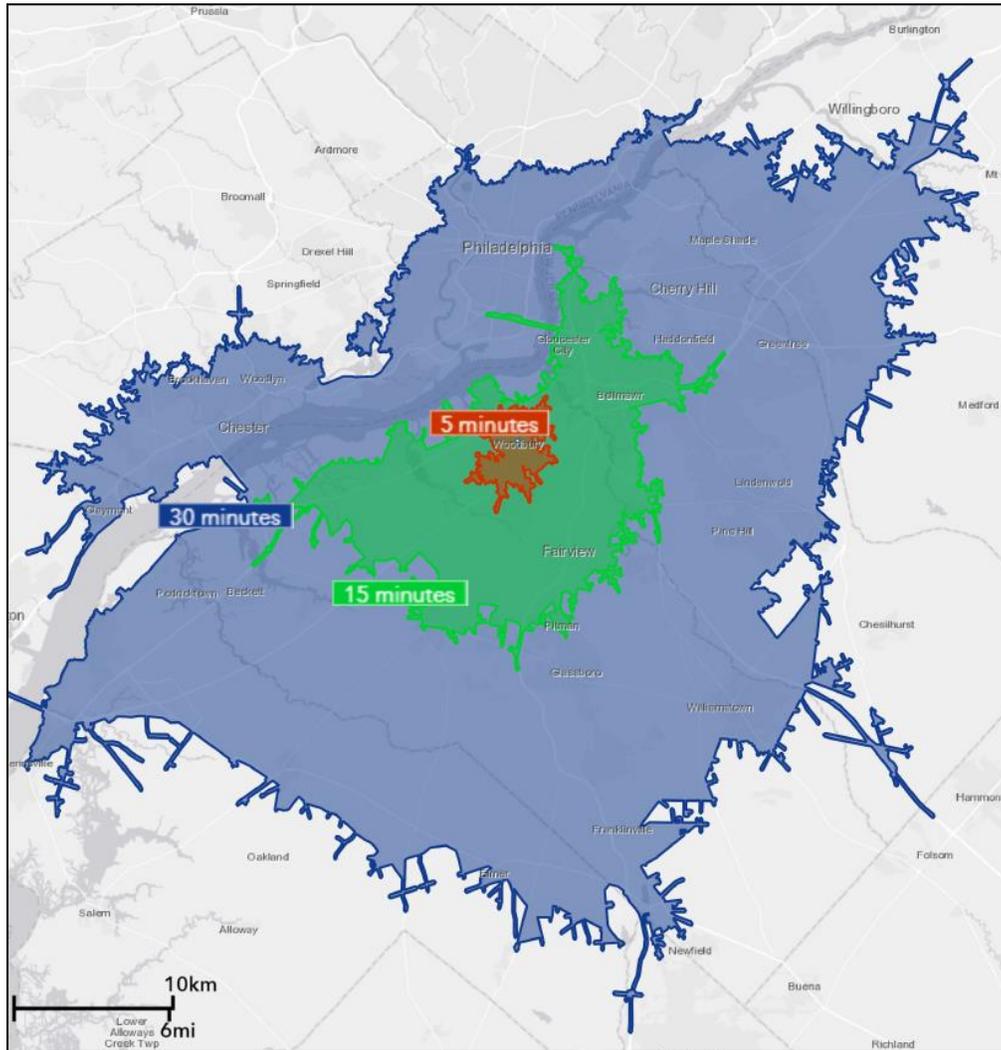
The following analysis looks at both statistical data as well as survey results from the Greater Woodbury Chamber of Commerce. The statistical analysis examines the business sectors where there is a surplus of spending or in other words, where businesses with the market area are attracting consumers from outside of that area. The analysis also looks at the flip side of that equation, and accounts for business sectors where there is a purchasing gap. In these areas, consumer purchasing is being lost to businesses outside of the defined market area.

Each of these market areas has different characteristics and a different composition of businesses. By examining the mix of businesses and the level of consumer spending that occurs within each drive time area, it can be determined how much spending is "lost" to other areas outside of the drive time jurisdictions.³

² Because Woodbury residents commute

³ Consumer purchasing statistics compiled by ESRI, 2019.

Map 3
Drive Times from Center City Woodbury



The 5 Minute Market

Within the 5 Minute Drive Time Market from Center City Woodbury, there are three sectors of the economy where consumer purchasing is being lost to areas outside of that market. They are:

- Health and Personal Care Stores: \$17,689,562 dollars are being spent outside this market
- Clothing, Shoes and Clothing Accessories: \$15,558,793 dollars are being spent outside this market
- Sporting Goods: \$4,672,884 dollars are being spent outside this market
- Beer, Wine & Liquor Stores: \$3,679,781 dollars are being spent outside this market

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- Office Supplies, Stationary, and Gift Stores: \$221,804 dollars are being spent outside this market
- Special Food Services: \$289,994 dollars are being spent outside this market
- General Merchandise: \$31,111,402 dollars are being spent outside this market

The 15 Minute Market

This market area reflects a drive time distance for people willing to spend a more significant amount of time in the car for more substantive purchases. The business sectors where there are gaps in this market's spending include the following:

- Motor Vehicle and Parts Dealers: \$102,658,637 dollars are being spent outside this market
- Home Furnishing Stores: \$20,344,729 dollars are being spent outside this market
- Electronics and Appliance Stores: \$2,873,630 dollars are being spent outside this market
- Beer, Wine & Liquor Stores: \$12,883,843 dollars are being spent outside this market
- Health and Personal Care Stores: \$67,669,153 dollars are being spent outside this market
- Jewelry, Luggage and Leather Goods: \$15,696,083 dollars are being spent outside this market
- Book, Periodical and Music Stores: \$2,303,471 dollars are being spent outside this market
- Florists: \$84,272 dollars are being spent outside this market
- Office Supplies, Stationary and Gift Stores: \$7,573,209 dollars are being spent outside this market
- Food Service & Drinking Places: \$13,539,321 dollars are being spent outside this market
- Restaurants and Other Eating Places: \$18,766,756 dollars are being spent outside this market

The 30 Minute Market

Within this market area, people are generally willing to travel some distance to a shopping or retail/service experience that is truly unique, or one that is offered nowhere else in the region. This can include an excellent restaurant, a special entertainment venue, a large shopping complex, or some other specialty experience. Within this market, the following retail spending gaps exist:

- Motor Vehicle and Parts Dealers: \$601,874,623 dollars are being spent outside this market
- Home Furnishing Stores: \$133,823,734 dollars are being spent outside this market

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- Electronics and Appliance Stores: \$151,354,357 dollars are being spent outside this market
- Building Materials, Garden Equipment and Supply Stores: \$67,984,252 dollars are being spent outside this market
- Gasoline Stations: \$194,210,624 dollars are being spent outside this market
- Sporting Goods, Hobby and Musical Instrument Stores: \$23,157,138 dollars are being spent outside this market
- Florists: \$16,215,077 dollars are being spent outside this market
- Office Supplies, Stationary, and Gift Stores: \$55,687,917 dollars are being spent outside this market

Implications

So, what do all of these consumer spending patterns mean? A simple way of looking at these numbers is to ask, which of the business sectors would be worth a five, fifteen or thirty minute drive? Or which ones might clearly fit within a downtown business district or along a highway commercial corridor?

In the case of the five minute market, there are only a couple sectors that might fit what is typically the convenience market. They are health and personal care stores – nail salons, barber shops, beauty parlors and similar experiences. The other might be beer, wine and liquor. As can be seen from the statistics on page 6, more than \$17 million dollars in consumer purchases on health and personal care is being spent outside of the 5 minute market. Retailers in the Health and Personal Care business can include pharmacies, beauty supply stores, optical supplies, health foods, and other such businesses. Health and Personal Care, and Beer, Wine and Liquor are also lines of business that show large numbers of consumer dollars being lost outside of the 15 minute market, which is another strong indication that these types of businesses would be strong competitors in a downtown location.

Another way to examine these numbers is to see which of the sectors appear in all of the market areas, and which ones might disappear from one of them. The example, again, of health and personal care stores is a good place to start this analysis. That sector exists in the five and fifteen minute market, but within the thirty minute market, that sector has disappeared. This is a good measure of how far people are willing to travel for these particular services and in this case, not much more than fifteen minutes. The same can be said for beer, wine and liquor. On the other hand, office supplies, stationary and gift stores appear in all three drive time markets, which clearly implies that this service is lacking both locally and within the region. Food Services and Eating and Drinking Places are also losing a large number of consumer dollars to locations outside of the 15 minute drive time market.

LOCAL STAKEHOLDER INPUT

Membership Surveys from the Chamber of Commerce and Main Street

As a way to validate the statistical base and complement the data with consumer sentiment, the Greater Woodbury Chamber of Commerce conducted a survey of its members and affiliate contacts. Survey participants were asked to identify those businesses they would like to see in Woodbury’s downtown or elsewhere in the City. They were also asked to identify those business sectors that are missing and that would complement their own ability to conduct business in the area. The Main Street Organization also polled its membership. These survey results reflected a good mix of business leaders from downtown Woodbury, other areas of the City, and from those outside of the City.

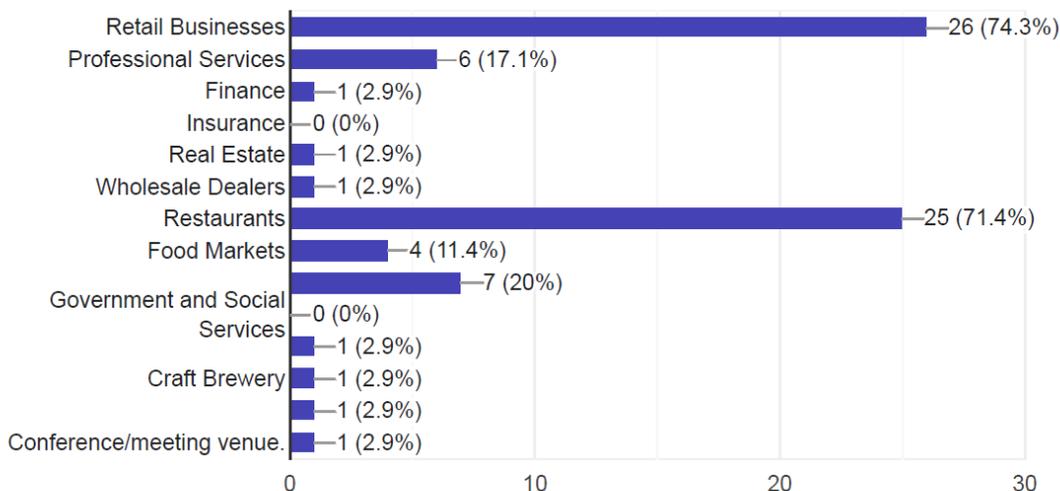
The results revealed the following:

The Chamber of Commerce Survey

There was an overwhelming sense among respondents to the Chamber of Commerce Survey that traditional retail and hospitality businesses are missing in Woodbury’s downtown, including restaurants and specialty food shops. There was specific mention of full service restaurants, coffee shops such as Starbucks, delis, and other shops. Figure 1 illustrates the survey question and results.

Figure 1
Graphic Showing Results of Missing Business Activity in Downtown Woodbury

Which of the following business sectors do you think is missing in Woodbury’s downtown?

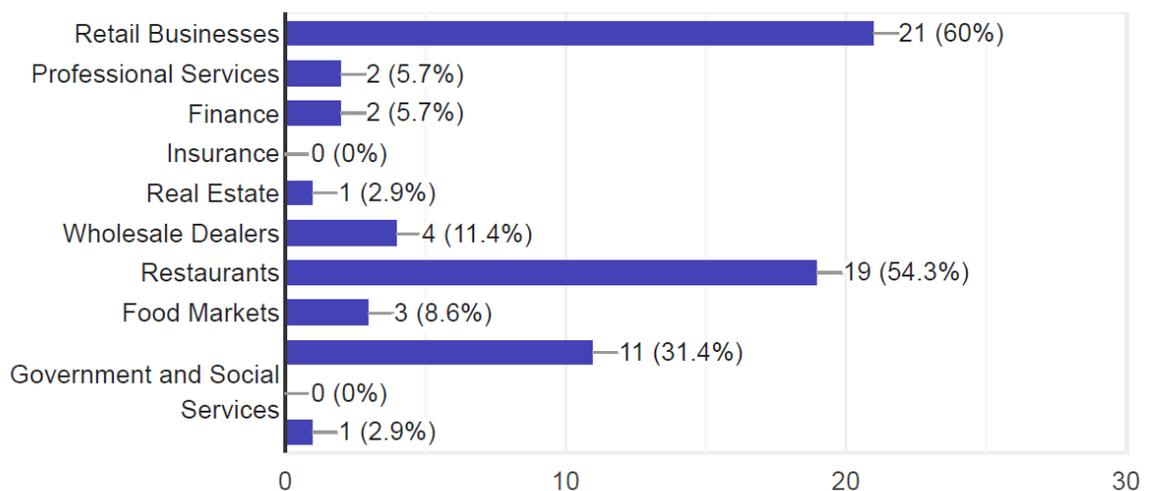


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As for the City as a whole, survey results were very similar with restaurants and traditional retail again reflecting a significant need, based on the impressions of the Chamber of Commerce respondents. However, there were two additional business types which showed sizeable percentages of responses. These were wholesale businesses and the food markets. Figure 2 illustrates the results to this question.

Figure 2
Graphic Showing Results of Missing Business Activity City-Wide

As opposed to the downtown exclusively, which of the following business sectors to you think is missing throughout the City of Woodbury?



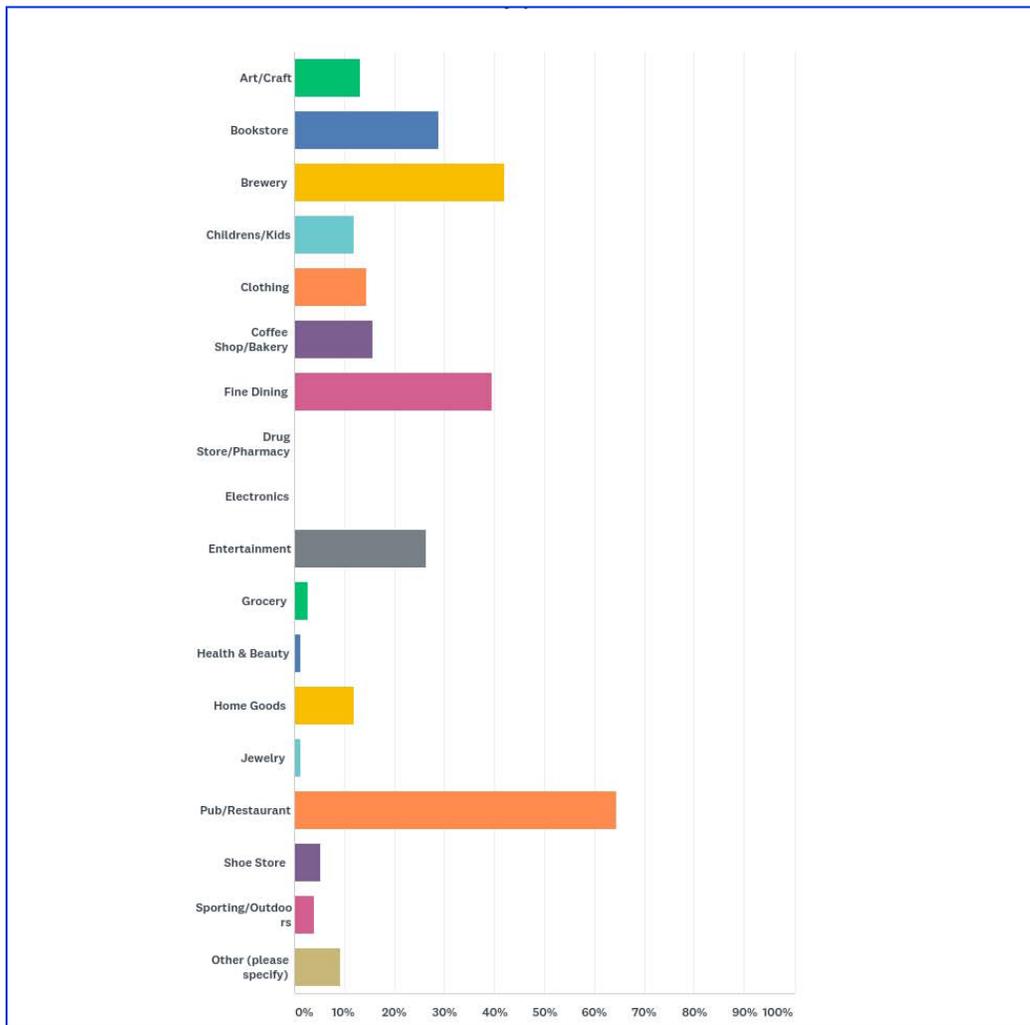
These results correspond very closely to what the raw data illustrated earlier. The survey data also help to refine a vision for the City's downtown, which paint a picture of a retail environment aimed more pointedly at the large number of employees and visitors to downtown which Woodbury reflects on a daily basis. Whether it is government employment, or residents of the County visiting Woodbury on business, the results of the Chamber survey show that there is a desire to diversify the range of eating, drinking and specialty food shops in town. This does not imply any sense of dissatisfaction with the restaurants and eateries that exist now; only a need to expand the options. One respondent mentioned Collingswood as an example. By increasing the diversity of restaurants in Collingswood, it has made the community a restaurant Mecca, where all restaurants benefit from the increased level of patronage.

Another interesting finding from the Chamber survey was that most respondents saw the City as a reasonably good place to do business, with just over half of all respondents indicating an average or above average response. When asked about the key strengths that the City has to offer, three responses dominated the field: 1) Location; 2) Business Friendly Environment; and

3) Highway Access. These responses also point to critical perspectives that can be reflected in the marketing material that the City uses to attract new business.

The Woodbury Main Street Survey

The Woodbury Main Street Program also conducted a survey of its membership. The results again, substantiate the findings provided by the other analytics of this report. A question posed by the survey asked what types of businesses that are not currently present the respondents would like to see in the downtown district. The answers are shown below.



Restaurants again, provided the dominant response (and with the addition of “brewery,” and “coffee shop/bakery” eateries of some sort became the overwhelming response.) Responses reflecting specific retail or service uses such as bookstores, clothing stores, and other sundries were also borne out by the ESRI and retail demographics outlined previously.

Complete copies of the Chamber of Commerce and Main Street Survey results can be found in the appendix of this document.

Other Market Considerations

The statistics and survey responses that comprise this Market Analysis provide guidance on what is a larger revitalization and business attraction effort ongoing in the City. The Chamber of Commerce and Main Street Surveys pointed to considerations such as lighting, streetscape needs, parking and other issues that should be addressed to enhance the retail and service environment. The Neighborhood Preservation Program also conducted a survey which yielded similar themes and results.

A comprehensive approach to downtown marketing and redevelopment is needed. Clearly, this is something that City officials understand and are initiating.

CONCLUSIONS/NEXT STEPS

The business data and survey data point to a number of areas of agreement.

Center City Woodbury is missing the types of convenience retail that can service the sizeable employment base and numbers of visitors that frequent center city on a daily basis

Promoting opportunities for new restaurants, coffee shops and other eateries are viable pursuits since the data show that over \$13 million dollars of consumer spending on food service and drinking places within the 15 minute market is being lost to locations outside of that market.

There are a number of business profiles that are also missing in both the immediate (5 minute) market and the convenience (15 minute) market that could be good sectors in which to recruit new businesses, particularly for Woodbury's downtown district. These include:

- Health and Personal Care Stores
- Beer, Wine and Liquor Stores
- Office Supplies, Stationary and Gift Shops
- Restaurants and Specialty Food Stores
- Sundries of various kinds

This brief overview offers preliminary suggestions regarding the business sectors and specific types of businesses that are targets for recruitment in Woodbury. Data alone cannot determine the likely success of these businesses, since operation, management, precise location, and other factors play very large roles in the ultimate success of any business.

The next steps in the business development process should be as follows:

1. Develop a consensus with City officials and business organizations about which business sectors to target;
2. Develop and coordinate a marketing strategy and materials among the key marketing partners (eg. Main Street, Chamber, City, County, State) to target selected business sectors. This strategy should be inclusive of business incentive programs such as Opportunity Zone financing, NPP financing, other governmental loan programs, and similar regulatory or financing programs;
3. Prepare an inventory of the specific type of business that is being recruited, (eg. full service family restaurant, coffee shop such as Starbucks or Dunkin Donuts, etc.);
4. Identify preferred sites in downtown or elsewhere in the City that can be marketed to prospective businesses or real estate brokers;
5. Prepare a strategy for accommodating additional parking, traffic, streetscape and any additional improvements needed to service the prospective business locations;

Woodbury has a prime location near major highways and population centers. It is a magnet for employees who work in downtown and elsewhere in the City, which means a daily, workday influx

of people. There are gaps in the local retail and service sectors that can be filled with new business recruits. The hospitality sector can be enhanced with overnight accommodations that can serve both the government and private sectors throughout the City and Region.

This analysis offers some suggestions for first steps in advancing new business development. The opportunities exist. With the coordination among levels of government and the business community, exciting new retail, service, and other business interests can be attracted to the City. The findings of this analysis offer important first steps.

APPENDICES

COMPLETE COPIES OF THE CHAMBER OF COMMERCE
AND MAIN STREET SURVEYS

2020 MARKET ANALYSIS

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