

SANTA ANA WELLNESS DISTRICT

A Study of Demand and Supply for Wellness Goods and Services
in Downtown Santa Ana, California

September 2014



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01. Introduction

This study evaluates prevailing market conditions for the pursuit of a ‘wellness’ focused economic development strategy for downtown Santa Ana. The study was commissioned by The California Endowment (TCE) and was implemented by The Next Practice Ltd (TNP) in coordination with the Santa Ana Building Healthy Communities initiative (SABHC). Research support for both the quantitative and qualitative market studies was provided by MASdata. The related community workshops would not have been possible without the contributions made by elected officials and staff of the City of Santa Ana, staff of St. Joseph’s Health, and the participating community leaders and residents of Santa Ana.

TCE has made a 10-year commitment to support initiatives in central Santa Ana, as well as thirteen other California communities, that together can improve health and wellness outcomes for lower income residents. The Next Practice has been advising this Building Healthy Communities initiative on possible strategies for commercial/retail cluster development to facilitate more convenient and affordable access for lower income residents to the mix of services, retail goods, and amenities needed to support their improved health and wellness outcomes.

Prior to the commencement of this study, the SABHC arranged for The Next Practice to meet with members of the Santa Ana City Council and the Office of the City Manager, so as to coordinate its research with other studies and initiatives for downtown development. The Next Practice subsequently exchanged its research plans with an economic development advisor to the City Manager. The SABHC further ensured that City Council Members and municipal professional staff were invited to participate in a workshop, where the preliminary findings of the study were presented and deliberated. City officials and staff have been supportive of the research, and provided valuable comments and observations regarding the preliminary findings. The full and final findings and conclusions are now presented in this report.

02. Summary of Key Facts and Findings

- **Downtown Santa Ana is already a destination for the purchase of ‘Wellness Goods and Services’.** Groceries, meals and snacks, and pharmaceuticals and health aids are the top three sources of sales ‘surplus’ in downtown Santa Ana. A sales surplus means that downtown retailers sell more than the total household demand for these types of merchandise by downtown residents. The estimated 2014 sales surplus for all Wellness Goods and Food Services in downtown Santa Ana is \$67 million.
- **From a commercial property performance perspective, downtown Santa Ana already has a local and regionally competitive function as a Wellness Goods and Services district.** Sales of Wellness Goods and Food Services per leasable commercial area in downtown Santa Ana are already \$1,774 per square foot (data based on large commercial properties), compared with \$170 for the entire City of Santa Ana, and \$368 for Orange County. A Wellness District economic development strategy could, in principle, further substantially increase sales per gross leasable area in downtown Santa Ana relative to other retail areas in the city and beyond.
- **The greatest and most immediate potential for further Wellness Goods and Services sales growth in downtown Santa Ana is to improve offerings and to increase sales to the residents of central Santa Ana.** Due to the number of households, their proximity, lower travel times to downtown, and the greater amount of time spent in or adjacent to downtown, the residents of central Santa Ana are by far the largest pool of available demand for increasing downtown sales of Wellness Goods and Services. This statement is substantiated by the three sales growth scenarios considered in this study.

Although central Santa Ana residents have lower Effective Buying Income (EBI) than non-resident downtown commuters and weeknight/weekend visitors, they also have fewer alternative retail market areas than non-residents, especially considering their lower levels of car ownership. Non-resident segments can efficiently access a wider range of competing retail locations. Given the limited times of the week and day that commuters and visitors spend in downtown Santa Ana, they typically pursue a narrower range of shopping and services activities in downtown Santa Ana than the residents for whom the downtown has traditionally been a primary shopping area.

Each of the three considered scenarios explored how to increase downtown Wellness Goods and Services sales by 80% over 2014 levels. Such an increase in sales reflects a \$137 million per annum sales increase over the current baseline. The scenarios highlight the extent to which the most viable strategy for such an increase involves efforts to increase the downtown share of Wellness Goods and Services purchases by central Santa Ana households from the current estimate of 32% of their total household Wellness Goods and Services purchases being made downtown to 46% of their total purchases in this category being made downtown. Such an increase in downtown purchases would require a reallocation of just \$300 per annum of central residents' existing purchases from non-downtown locations to downtown locations. The scenarios are further described below.

- **In addition to the development of offerings by downtown fixed store locations, Non-Store Retailers account for a large share of sales in the downtown and in central Santa Ana market areas. Non-Store Retailers also account for a large share of the sales surplus in the downtown area.** Non-Store Retailers are the NAICS subsector consisting of businesses that retail goods and services from vehicles, temporary stands and stalls, door-to-door solicitation, catalogues, broadcasting and the Internet. In downtown Santa Ana, Non-Store Retailers account for 16% of total retail sales. In central Santa Ana, Non-Store Retailers account for 25% of total retail sales.

The surplus sales by Non-Store Retailers have two prominent implications. First, they indicate that households and institutional customers (e.g., in the Civic Center office area) are not finding competitive offerings from downtown fixed store retailers. They are therefore meeting their needs via on-line, catalog, and other non-store vendors. Downtown fixed-store retailers might be able to capture more of this local demand.

Second, local households are comfortable purchasing goods and food services from vehicles, door-to-door vendors, and temporary stands and stalls. This suggests that there is potential to more strategically develop and support the vendor sector in the downtown area.

03. Description of the Study

The study was designed to provide useful quantitative and qualitative market research findings to public and private sector parties who are involved in local economic development, property investment, and retail activities in downtown Santa Ana, which is the primary commercial/retail center for residents of central Santa Ana. The study was also specifically intended to provide guidance to SABHC and its participating community organizations regarding the opportunity to improve access to goods and services associated with health and wellness outcomes, especially by lower income central Santa Ana residents

For purposes of data gathering and analysis for this study, “downtown Santa Ana” has been defined as the area within a 0.5 mile radius of E. 4th Street and Main Street. “Central Santa Ana” has been defined as the area within a 2.0 mile radius of E. 4th Street and Main Street or, alternatively, the seventeen census tracts located within a 2.0 mile radius of E. 4th Street and Main Street. The methodology used in preparing this study is generally described below. More detailed methodological notes are provided in **Appendix A**.

In the first instance, the study required the definition of the ‘market basket’ of health and wellness-related goods and services that constitute the category defined here as ‘Wellness Goods and Services,’ to be explored as a focus for downtown economic specialization. The Wellness Goods and Services category needed to be distinguished from other goods and services types and commercial subsectors typically present in a downtown commercial district. Working within the constraints of available data based on NAICS industry codes, The Next Practice (TNP) consulted with SABHC to establish the Wellness Goods and Services category outlined in **Table 1**.

With this wellness focus for economic development and retail strategy in mind, the study explored opportunities and requirements for the development and promotion of downtown Santa Ana as a Wellness District, at three distinct levels of analysis:

Level 1 Analysis. Determination of the current status of retail merchandising in the market areas of downtown Santa Ana and central Santa Ana, specifically for Wellness Goods and Food Services. The Level 1 analysis relied substantially upon use of the Nielsen Claritas Retail Market Power model, using methodologies frequently applied in local retail market analysis across the United States. State sales tax data from the California Board of Equalization were also used for this purpose.

Level 2 Analysis. Detailed determination of available household demand for Wellness Goods and Services purchases, specifically associated with five distinct consumer segments. This analysis enabled the evaluation of specific downtown retail/services strategies targeting offerings and sales growth for distinct consumer demographics. A description of the five distinct consumer segments considered in the study is provided in **Table 2**. The Level 2 analysis relied upon data from the U.S. Census American Community Survey (ACS), the U.S. Bureau of Labor Statistics Consumer Expenditure Survey, Nielsen Effective Buying Income (EBI) data, and data from other household income and expenditure reports. In addition to determining the median household EBI allocated to Wellness Goods and Services in each segment, the analysis allowed us to prepare three main scenarios for Wellness Goods and Services sales growth in downtown Santa Ana, based upon different assumptions regarding the primary future consumers in the downtown area.

Level 3 Analysis. Identification of the consumer preferences and lifestyle priorities of the two consumer segments offering the greatest potential for downtown sales growth (i.e., traditional central Santa Ana homeowners and rental tenants). This aspect of the study was undertaken to inform the preparation of specific Wellness Goods and Services projects for the primary resident demographics of central Santa Ana. The segments that were the focus of the *qualitative* research account for the majority of downtown Santa Ana retail purchases under all three of the considered scenarios. The qualitative research method used was in-depth interviews. Day-in-the-life accounts were documented for each of 40 central Santa Ana residents, including homeowners and rental tenants, as well as senior citizens, younger and older adults, and youth. This data was entered into a tool developed by The Next Practice (TNP) to identify lifestyle and shopping patterns and preferences.

On the basis of the above three levels of market research, the SABHC convened a series of workshops to design some initial Wellness District project concepts. The concepts developed in these workshops are summarized in **Appendix B**. The findings of the research may also be useful for other retail and services development strategies for the downtown area, including by downtown business associations.

TABLE 1. Definition of the Wellness Goods and Services Category

| | U.S. Bureau of Labor Statistics, Consumer Expenditure Survey Categories | NAICS Business Establishments Categories |
|--|---|--|
| Wellness Retail Goods & Food Services | | |
| Health and Personal Care | Drugs, Health Aids, Beauty Aids | Health and Personal Care Stores (446) including Pharmacies & Drug Stores (44611), Cosmetics and Beauty Supply Stores (44612), Optical Goods Stores (44613) and Other Health and Personal Care Stores (44619) |
| Food and Beverages | Groceries and Other Foods | Food and Beverage Stores (445), including Grocery Stores (4451) and Specialty Food Stores (4452) but excluding Beer, Wine and Liquor Stores (4453) |
| Food Services | Meals and Snacks | Food Service and Drinking Places (722), including Full Service Restaurants (7221), Limited Service Eating Places (7222), and Special Foodservices (7223), but excluding Drinking Places-Alcoholic Beverages (7224) |
| Sporting Goods | Sporting Goods | Sporting Goods Stores (45111) |
| Toys and Hobby Goods | Toys, Hobby Goods, and Games | Hobby, Toys and Games Stores (45112) and Sew/Needlework/Piece Goods Stores (45113) |
| Music and Musical Instruments | Audio Equipment and Musical Instruments | Musical Instrument and Supplies Stores (45114), Pre-recorded Tapes, CDs, Record Stores (45112), but we have not included Electronics and Appliance Stores due to the breadth of the category definitions) |
| Books and Periodicals | Books | |
| Other Wellness Services | | |
| Educational Services & Childcare | These categories are as defined in the U.S. Bureau of Labor Statistics, Consumer Expenditure Survey | |
| Health Care & Social Assistance | | |

TABLE 2. Definitions of Key Consumer Segments Evaluated in this Study

| | Number of Households | Median Household Income (2012) | Median Household EBI | Median Age of Householder | % Latino Background |
|---|--|---------------------------------------|-----------------------------|----------------------------------|----------------------------|
| A. Traditional Central Santa Ana Renters | 27,843* | \$ 48,502 | \$ 27,062 | 27 years | 91% |
| | This segment is defined to represent the profile of a traditional or typical household that rents a residence in Central Santa Ana. 'Central Santa Ana' is defined in our study as the 17 census tracts within a 2.0 mile radius of the downtown proper. | | | | |
| B. Traditional Central Santa Ana Homeowners | 13,651* | \$ 48,502 | \$ 22,238 | 27 years | 82% |
| | This segment is defined to represent the traditional profile of household that owns a residence in Central Santa Ana, and area defined in our study as the 17 census tracts within a 2.0 mile radius of the downtown proper. A key differentiation from segment A is the lesser amount of EBI due to increased housing costs. | | | | |
| C. Weekday Downtown Commuters | 25,000** | 72,743 | \$ 40,225 | 37 years (est) | 23% (est) |
| | This segment is defined to represent the typical commuter to a place of employment in the downtown area, defined in our study as the area within a 0.5 mile radius of the downtown proper. These commuters are primarily residents of locations throughout Orange County. Their number is estimated by calculating the difference between the number of employed persons residing in the 0.5 mile area and the total number of persons employed within the same area of Santa Ana. Median household income and EBI is based upon a weighted average of the different median incomes of automobile and transit users and of homeowners and renters in Orange County. For purposes of this study, any one commuter to employment in the downtown area is considered to be a 'household,' i.e., to have full discretion over their household's EBI. | | | | |
| D. Weeknight and Weekend Destination Visitors | 75,000** | 66,564 | \$ 35,215 | 37 years (est) | Unknown |
| | This segment is defined to represent the profile of a household member who visits downtown Santa Ana on a weeknight weekend at least three times per year for cultural, recreational and/or shopping purposes. These visitors are considered to be primarily residents of an area within a 12.0 mile radius of the downtown proper. Median household income and EBI are based upon a weighted average of the different median incomes of automobile and transit users and of homeowners and renters, using ACS data. The median household income for this segment is close to the median income for households within a 12.0 mile radius of the downtown, i.e., those who are more proximate to downtown Santa Ana than Orange County households more broadly. | | | | |
| E. New Downtown Settlers | 310*** | \$ 39,360 | \$ 19,507 | 26 years (est) | Unknown |
| | This segment is defined to represent a new downtown residential demographic settling in the downtown area proper. The segment typically has the profile of a university student or graduate, who primarily rents the place of residence. | | | | |
| * Actual number of households based on American Community Survey (ACS). ** Estimated number of households represented by these commuters or visitors, based on Santa Ana-Garden Grove Alternatives Analysis Report, April 2014, pages 2-2 thru 2-4. | | | | | |
| *** Actual number of households in the immediate downtown census tract who have university-level education, based on the ACS. | | | | | |

04. Level 1 & 2 Analysis: Quantitative Market Research

The main conclusions derived from the quantitative and qualitative research are summarized below.

KEY FINDING #1 (Level 1 Analysis)

Downtown Santa Ana already has evident locational advantages and retail specialization in the Wellness Goods and Services category.

Sales of all types of merchandise and food services in the core downtown (0.5 mile radius of N. Main and 4th) are approximately \$117 million more per annum than the demand from downtown households. Wellness Goods and Food Services account for \$67 million or 57% of the total downtown sales surplus. In other words, Wellness Goods and Food Services are already an established competitive advantage for downtown Santa Ana, offering potential for further development. The question is: for whom (i.e., which consumer segments) will this development be focused?

A sales surplus means that retailers in these merchandise and services categories are selling more than the total annual expenditures in these categories by households residing within the downtown area. Additional purchases are being made in the downtown by households located outside of the downtown area, creating the sales 'surplus.' As with the downtown area, the central Santa Ana (2.0 mile radius) retail market area also generates a sales surplus. Households in and outside of central Santa Ana are together purchasing more in central Santa Ana than the total annual resident demand for Wellness Goods and Food Services in the central Santa Ana market area. Details on the estimated sales surplus (or gap) by type Wellness Goods and Food Services are presented in **Table 3**.

Across all retail merchandise categories, in the core (0.5 mile radius) downtown of Santa Ana, groceries, meals, and health and personal care products are the three largest areas of current sales surplus. Therefore, these are downtown Santa Ana's current areas of retail specialization. The downtown sales surplus in Wellness Goods and Food Services contrasts with downtown sales gaps or deficits in other merchandise categories. Sales of beer/wine/liquor, specialty foods, childrens' wear, small appliances, sewing goods, curtains and blinds, toys and hobby goods, lawn and garden supplies, and vehicles are below the levels of demand of resident households located in the downtown. Some of these gap areas—such as specialty foods, and toys and hobby goods—may merit further development in light of their inclusion in the Wellness Goods and Services category and of the quantified local demand.

Adding further nuance to the above findings, a study by Social Compact (2006) of downtown and central Santa Ana concluded that local residents in both areas were making a substantial amount of their purchases outside of central Santa Ana. This suggests that downtown Santa Ana could further build on its existing retail market power in Wellness Goods and Food Services by better servicing *local demand* while also continuing to upgrade existing competitive advantages and offers for non-resident customers. The specific sales surplus/gap findings are summarized in **Tables 3, 4, and 5**.

TABLE 3. Wellness Retail and Food Services Demand-Supply Outcomes, Downtown and Central Santa Ana

A **sales surplus** represents a situation in which the retail establishments in the studied area sell more goods and services than total demand for such goods and services from households located in the same area. A **sales gap** represents a situation in which the retail establishments in the studied area sell fewer goods and services than the demand for such goods and services from households in the market area.

| BY TYPE OF MERCHANDISE | Consumer Expenditures of Residents (2014 est) | Retail Sales (2014 est) | Surplus Sales/ (Gap) |
|---|---|-------------------------|-----------------------|
| 0.5 mile Downtown/Civic Center Santa Ana | | | |
| Total Retail Sales, including Eating and Drinking Places | \$ 146, 838,161 | \$ 259, 568, 521 | \$ 112,730,360 |
| Wellness-related Retail (includes allocations from General Merchandise Stores-NAICS 452) | \$65,246,304 | \$ 132,199,501 | \$ 66,953,197 |
| Groceries | \$ 31,998,433 | \$ 52,173,452 | \$ 20,175,019 |
| Meals and Snacks | \$ 14,212,824 | \$ 38,994,052 | \$ 24,781,228 |
| Health and Personal Care Goods | \$ 13,081,239 | \$ 30,678,854 | \$ 17,597,615 |
| Sporting & Hobby Goods, Musical Instruments, Stereo Equipment, Photographic Equipment & Supplies, and Books | \$ 5,953,808 | \$ 10,353,143 | \$ 4,399,335 |
| 2.0 mile Central Santa Ana (17 census tracts) | | | |
| Total Retail Sales, including Eating and Drinking Places | \$1,908,171,820 | \$ 2,416,734,566 | \$ 508,562,746 |
| Wellness-related Retail (includes allocations from General Merchandise Stores-NAICS 452) | \$793,193,988 | \$1,014,891,698 | \$221,697,710 |
| Groceries | \$ 376,088,359 | \$ 354,806,001 | -\$ 21,282,358 |
| Meals and Snacks | \$ 169,316,224 | \$ 176,355,230 | \$ 7,039,006 |
| Health and Personal Care Goods | \$ 169,756,063 | \$ 376,116,254 | \$ 206,360,191 |
| Sporting & Hobby Goods, Musical Instruments, Stereo Equipment, Photographic Equipment & Supplies, and Books | \$ 78,033,342 | \$ 107,614,213 | \$ 29,580,871 |

Table 4 and **Table 5** summarize the downtown sales surplus (or gap) in the Wellness Goods and Food Services category *by type of business establishment* (by NAICS code), for both the core downtown/civic center area and for the extended downtown/civic center area.

TABLE 4. Core Downtown/Civic Center, Wellness Retail and Food Services Demand-Supply ¹ for 0.5 Mile Radius (Mortimer St. to Ross St., 8Th St. to Walnut St.)

| BY TYPE OF BUSINESS ESTABLISHMENT | Consumer Expenditures (2014 est) | Retail Sales (2014 est) | Surplus Sales/ (Gap) |
|---|----------------------------------|-------------------------|-----------------------|
| Total Retail Sales, including Eating and Drinking Places | \$ 146, 838,161 | \$ 259, 568, 521 | \$ 112,730,360 |
| Total Sales by Wellness Goods & Food Services Establishments (excluding Wellness goods sold at General Merchandise Stores-452) | \$ 43,071,752 | \$ 88,181,224 | \$ 45,109,472 |
| Food & Beverage Stores-445 (excl Beer, Wine & Liquor Stores) | \$ 16,868,063 | \$ 29,470,699 | \$ 12,602,636 |
| Grocery Stores-4451 | \$ 14,937,319 | \$ 28,780,443 | \$ 13,843,124 |
| Supermarkets, excluding Convenience Groceries-44511 | \$ 14,037,652 | \$ 28,539,385 | \$ 14,501,733 |
| Convenience Stores-44512 | \$ 899,667 | \$ 241,058 | \$ -658,609 |
| Specialty Food Stores-4452 | \$ 1,930,744 | \$ 690,256 | \$ -1,240,488 |
| Pharmacy, Health & Personal Care Stores-446 | \$ 7,339,766 | \$ 12,627,959 | \$ 5,288,193 |
| Sporting Goods, Hobby Book, Music Stores-451 | \$ 3,179,957 | \$ 2,691,950 | \$ -488,007 |
| Sport Goods, Hobby, Musical Inst Stores-4511 | \$ 2,812,909 | \$ 1,455,132 | \$ -1,357,777 |
| Book, Periodical & Music Stores-4512 | \$ 367,048 | \$ 1,236,817 | \$ 869,769 |
| Restaurants & Foodservices-722 rev (excl Drinking Places) | \$ 15,683,966 | \$ 43,390,616 | \$ 27,706,650 |
| Full Service Restaurants-7221 | \$ 7,272,110 | \$ 16,680,883 | \$ 9,408,773 |
| Limited Service Eating Places-7222 | \$ 6,643,889 | \$ 19,276,409 | \$ 12,632,520 |
| Special Foodservices-7223 | \$ 1,767,967 | \$ 7,433,324 | \$ 5,665,357 |
| Sales by other types of retail establishments | | | |
| Non-Store Retailers-454 | 12,321,503 | 42,896,990 | 30,575,487 |

¹ Data for downtown resident consumer demand and retail sales were generated using the Nielsen Claritas Retail Market Power model, projections for 2014.

TABLE 5. Extended Downtown/Civic Center, Wellness Retail and Food Services Demand-Supply¹ for 1.0 Mile Radius
(Garfield St. to Flower St., Washington St. to Camile St.)

| BY TYPE OF BUSINESS ESTABLISHMENT | Consumer Expenditures (2014 est) | Retail Sales (2014 est) | Surplus/ (Gap) |
|---|---|--------------------------------|-----------------------|
| Total Retail Sales, including Eating and Drinking Places | \$ 146, 838,161 | \$ 259, 568, 521 | \$ 112,730,360 |
| Total Sales by Wellness Goods & Food Services Establishments (excluding Wellness goods sold at General Merchandise Stores-452) | \$ 168,101,797 | \$ 164,019,143 | \$ -4,082,654 |
| Food & Beverage Stores-445 (excl Beer, Wine & Liquor Stores) | \$ 66,064,850 | \$ 61,385,136 | \$ -4,679,714 |
| Grocery Stores-4451 | \$ 58,496,219 | \$ 60,170,444 | \$ 1,674,225 |
| Supermarkets, excluding Convenience Groceries-44511 | \$ 55,008,294 | \$ 58,203,751 | \$ 3,195,457 |
| Convenience Stores-44512 | \$ 3,487,925 | \$ 1,966,692 | \$ -1,521,233 |
| Specialty Food Stores-4452 | \$ 7,568,632 | \$ 1,214,693 | \$ -6,353,939 |
| Pharmacy, Health & Personal Care Stores-446 | \$ 28,906,773 | \$ 25,896,099 | \$ -3,010,674 |
| Sporting Goods, Hobby Book, Music Stores-451 | \$ 12,971,175 | \$ 4,861,599 | \$ -8,109,576 |
| Sport Goods, Hobby, Musical Inst Stores-4511 | \$ 11,508,201 | \$ 3,024,781 | \$ -8,483,420 |
| Book, Periodical & Music Stores-4512 | \$ 1,462,973 | \$ 1,836,818 | \$ 373,845 |
| Restaurants & Foodservices-722 rev (excl Drinking Places) | \$ 60,158,999 | \$ 71,876,309 | \$ 11,717,310 |
| Full Service Restaurants-7221 | \$ 27,871,363 | \$ 35,123,448 | \$ 7,252,085 |
| Limited Service Eating Places-7222 | \$ 25,496,208 | \$ 29,189,386 | \$ 3,693,178 |
| Special Foodservices-7223 | \$ 6,791,428 | \$ 7,433,324 | \$ 641,896 |
| Sales by other types of retail establishments | | | |
| Non-Store Retailers-454 | 49,246,947 | 145,552,559 | 96,305,612 |

¹ Data for downtown resident consumer demand and retail sales were generated using the Nielsen Claritas Retail Market Power model, projections for 2014.

KEY FINDING #2 (Level 1 Analysis)

Non-Store Retailers (NAICS 454) are a critical contributor to the generation of the downtown sales surplus.

As indicated in **Table 4** and **Table 5** above, Non-Store Retailers are the largest sector contributing to the downtown sales surplus, in both a 0.5 mile and 1.0 mile radius downtown market areas. Non-Store Retailers are enterprises that retail merchandise through door-to-door solicitation, in-home demonstration, selling from portable stalls (e.g., street vendors, except food), the broadcasting of infomercials, the broadcasting and publishing of direct-response advertising, and the publishing of paper and electronic catalogs.

Non-Store Retailers account for 16% of all merchandise sales in the 0.5 mile radius core downtown area, and for 27% of the total sales surplus in this market area. Non-Store Retailers account for a noteworthy 57% of all merchandise sales in the extended (1.0 mile radius) downtown area, and for 85% of the total sales surplus in this extended downtown area. However, as noted, in the 1.0 mile radius market area, there is not a sales surplus of Wellness Goods and Food Services.

The TNP study did not permit a detailed breakdown of sales by type of merchandise sold by Non-Store Retailers. However, it is clear that consumers and institutional buyers in the downtown area are very comfortable making purchases from Non-Store Retailers. Therefore, in developing a Wellness District strategy it will be important to:

- Consider how local fixed store establishments could more effectively capture the purchases made via online and catalogue retailers.
- Consider how non-store channels can be used to provide part of the overall ‘wellness’ offer in the downtown area, specifically through the further development of indigenous forms of non-store retailing (e.g., food vendors); and how such a sector can better contribute via fees or tax collections to municipal investments and services in support of the Non-Store enterprise sector.

KEY FINDING #3 (Level 2 Analysis)

A very substantial pool of household effective buying income (EBI)¹ is available to support a strategy for developing downtown Santa Ana as a wellness district with a distinctive Latino cultural and household living focus.

Having established that downtown Santa Ana already exhibits a retail niche function in the Wellness Goods and Food Services category, it is possible to consider targets and scenarios for further increasing the sale of Wellness Goods and Services in downtown Santa Ana. Scenarios for increased sales are based on an analysis of the Effective Buying Income (EBI) and of the household expenditure patterns in each of five studied downtown consumer segments. The characteristics of these segments are summarized in **Table 2**. TNP's definition of EBI is more conservative than that used in other studies, including by Nielsen and Social Compact, which define EBI as after-tax income. TNP's estimation of EBI is gross household income minus taxes and housing costs, including utilities costs. Having established the median EBI for households in each of the five consumer segments, U.S. Bureau of Labor Statistics Consumer Expenditure Data is then used to determine the allocation of EBI to Wellness Goods and Services by households in each segment.

The preparation of a strategy for downtown Santa Ana also requires estimation of the current and possible future geographic distribution of each segment's purchases between downtown Santa Ana business establishments and businesses located in other areas. The TNP scenarios applied standard retail analysis principles about shopping catchment areas. These principles include the following:

- All things being equal, business establishments secure a higher percentage of purchases from proximate households than from households in more distant places.
- Business establishments can secure a higher percentage of purchases from households that have lower travel time to the relevant market area than from households with a greater travel time to the relevant market area.
- Business establishments can secure a higher percentage of purchases from households that have fewer proximate retail/commercial areas in which to choose to shop than from households that have a greater number of proximate retail/commercial areas in which to shop.
- Business establishments can secure a greater range and higher percentage of purchases from households that spend more time in the relevant market area than from households that spend less time in the market area.

The above principles suggest that residents of downtown and central Santa Ana would more reliably allocate a higher percentage of their Wellness purchases to downtown establishments than non-residents and visitors. Non-residents and visitors would allocate a greater percentage of their purchases to commercial areas located near to their homes and/or along their commuting routes.

¹ The conventional measure of Effective Buying Income (EBI) is after tax household income. For purposes of this study, EBI is calculated as household income net of both of taxes, housing costs, home utilities and heating fuel. The amount of available EBI estimated in this study is therefore considerably lower and more conservative than typical studies of purchasing power or effective demand.

On this basis, The Next Practice considered a variety of scenarios for increasing downtown purchases. The scenarios evaluated the impact upon total downtown sales of different increases in the expenditures made by each segment in the downtown area for their Wellness Goods and Services. **Table 6** presents the estimated current allocation of Wellness Goods and Services expenditures to downtown establishments, which serves as the baseline for each of the three scenarios.

TABLE 6. Estimated Current Expenditures for ‘Wellness’ Goods and Services (Baseline) per Annum, by Consumer Segment

| | TOTAL All Consumer Segments | A. Traditional Central S.A. Renter | B. Traditional Central S.A. Homeowner | C. Weekday Downtown Commuter | D. Weeknight/ Weekend Destination Visitors | E. New Downtown Settler |
|--|-----------------------------------|--|---|--|--|-------------------------|
| Estimated # of Households Shopping in Core Downtown Santa Ana* | | 27,843 resident households | 13,651 resident households | 25,000 commuters to downtown jobs (representing 25,000 households) | 75,000 visitors who make 3 visits per annum (representing 75,000 households) | 310 resident households |
| Nielsen Company estimate of Core Downtown Wellness Goods & Food Services Purchases (2014 est)*** | \$132,916,143 | | | | | |
| TNP estimate of current core downtown Wellness Goods & Food Services Purchases, by segment** | \$132,428,345 | \$92,013,219 | \$37,071,246 | \$32,444,443 | \$6,719,877 | \$1,042,067 |
| Estimated percentage of Wellness Goods & Food Services expenditures to core downtown Santa Ana establishments | | 26% | 26% | 6% | 1% | 36% |
| TNP estimate of Other Wellness Services Purchases in the core downtown, by segment** | \$35,891,616 | 7,431,361 | \$18,445,117 | \$9,854,457 | - | \$160,682 |
| Estimated percentage of Other Wellness Services expenditures to core downtown Santa Ana establishments | | 15% | 15% | 5% | 0% | 17% |

* In preparing these estimates the term ‘core downtown’ was defined as the households and establishments within a 0.5 radius of the intersection of E. 4th Street and Main Street. ** Based upon data from the ACS-American Community Survey (U.S. Census) and U.S. Bureau of Labor Statistics. See **Appendix B** for a fuller description of methodology used. ***Nielsen RMP Retail Opportunity Gap report on consumer demand and retail sales within the above downtown radius. Nielsen estimates do not include sales of educational services, childcare, health care services, and other social services.

Three different scenarios for increasing the portion of Wellness Goods and Services purchased in the core downtown are summarized below. An overview of these three scenarios and of the differences between them is provided in **Table 7**.

TABLE 7. Overview of Presented Consumer Scenarios for Core Downtown ‘Wellness District’ Development

| SCENARIO | Estimated % change (from baseline) in downtown Wellness Goods & Services sales | | Scenario change in number of segment customers for downtown establishments | Estimated total change (from 2014 baseline) in downtown Wellness Goods and Services expenditures, all segments |
|--|--|------------------------------|--|--|
| | Segment | Change in downtown purchases | | |
| The Latino Downtown Revival Scenario | Central Homeowners | +53% | Number of customers from all segments held constant | +\$132 million |
| | Central Renters | +53% | | |
| | New Downtown Settlers* | +37% | | |
| | Weekday Commuters** | +155% | | |
| | Weeknight/Weekend** Visitors | +265% | | |
| The Santa Ana Downtown Tourism Scenario | Central Homeowners | 0% | Tripling of Weeknight/Weekend Visitors (from 225,000 visits to 675,000 visits per annum). Number of other segments held constant | +\$93 million |
| | Central Renters | 0% | | |
| | New Downtown Settlers | 0% | | |
| | Weekday Commuters | 0% | | |
| | Weeknight/Weekend Visitors | 955% | | |
| The Post-Latino Downtown Scenario | Central Homeowners | -31% | Tripling of Weeknight/Weekend Visitors (from 225,000 visits to 675,000 visits per annum) and of New Downtown Settlers (from 310 to 930 households). Number of other segments held constant | +\$100 million |
| | Central Renters | -31% | | |
| | New Downtown Settlers | +311% | | |
| | Weekday Commuters | +155% | | |
| | Weeknight/Weekend Visitors | +995% | | |

* The estimated increase in downtown purchases by the New Downtown Settlers is low because the baseline already estimates that this segment spends 45% of its Wellness Goods and Services ‘budget’ in the downtown. Therefore substantially increased downtown expenditures by this segment only arise when the number of households/customers in the segment is increased, as in the Post-Latino Downtown scenario.

**The estimated percentage increase in downtown expenditures by these segments is large because the baseline estimate is that the allocation of commuters’ and visitors’ Wellness Goods and Services ‘budget’ to the downtown is currently low, given all of the shopping and services outlet options that are more proximate to their places of residence.

The Latino Downtown Revival Scenario

This scenario is called the Latino Downtown Revival Scenario because it focuses primarily on better servicing the needs of traditional central Santa Ana residents and on investing in their traditional types of local business establishments, while also using the additional purchasing power of commuters, visitors, and the new downtown residential demographics to support revived and updated forms of Latino small business (e.g., cuisine; a mercadito, street vendors) and Latino cultural expression (e.g., music, dance). Of the scenarios presented here, the Latino Downtown Revival scenario takes the greatest ‘something for everyone’ approach to downtown renewal. This scenario is presented in **Table 8A** and **Table 8B**.

Under the Latino Downtown Revival scenario, the potential for increased Wellness Goods and Services sales in the downtown area is estimated to be as much as or more than \$137 million in new sales per annum. Together, the households in the five considered consumer segments make only 7% of their total household Wellness Goods and Services purchases in the downtown area. Increasing downtown sales to these five segments by \$137 million could be achieved by increasing the downtown market share of their Wellness Goods & Services purchases from 7% to 13%. We estimate that the most accessible, certain, and cost-effective way to achieve such an increase is to further develop Wellness retail and services tailored to the two traditional central Santa Ana resident segments (i.e., home owners and renters), increasing their allocation of expenditures to downtown establishments from the current 26% of their household Wellness Goods and Services purchases to 39% of their purchases in this category. The full-time residential proximity of these two segments to the downtown, and the lack of competing food store alternatives within a 2.0 mile radius, locates these households within a conventional primary retail catchment for the downtown.

Tables 8A and **8B** illustrate the changes in allocation of Wellness Goods and Services expenditures by all segments that could increase downtown sales by \$137 million/year. The scenario also involves significant percentage increases in the downtown expenditures by the other three consumer segments (i.e., weekday commuters, new downtown settlers, weekend visitors). The Latino Downtown Revival scenario holds the number of households (including visitors) in all five segments constant, although these numbers may also be increased through affordable housing development, cultural programming, tourism promotion and other measures.

The marginal increase in the dollar amount of each household’s downtown expenditures to achieve the Latino Downtown Revival scenario target is also presented in these tables. TNP views such a shift in the allocation of household expenditures to downtown establishments to be reasonable and achievable.

As noted, multiple alternative scenarios were also considered. Among these were a downtown tourism scenario and a scenario focused on a re-purposing the the downtown for non-traditional resident and visitor segments.

Table 8A and 8B: Latino Downtown Revival scenario for increased core downtown expenditures for ‘Wellness’ goods and services, per annum, by consumer segment.

TABLE 8A. Traditional Central S.A. Renter, Traditional Central Homeowner and New Downtown Settler

| Consumer Segment | Traditional Central S.A. Renter | | | Traditional Central Homeowner | | | New Downtown Settler | | |
|--|---|--|---|---|--|---|---|--|---|
| | 27,843 resident households | | | 13,651 resident households | | | 310 resident households | | |
| Estimated # of Segment Households | Estimated % of purchases currently made in downtown Santa Ana | Scenario % of purchases made in downtown Santa Ana | Estimated annual increase downtown purchases (scenario) | Estimated % of purchases currently made in downtown Santa Ana | Scenario % of purchases made in downtown Santa Ana | Estimated annual increase downtown purchases (scenario) | Estimated % of purchases currently made in downtown Santa Ana | Scenario % of purchases made in downtown Santa Ana | Estimated annual increase downtown purchases (scenario) |
| Health & Personal Care Stores | 35% | 45% | \$ 57 | 35% | 45% | \$ 47 | 40% | 60% | \$86 |
| Food and Beverage Stores | 50% | 65% | \$ 599 | 50% | 65% | \$ 493 | 65% | 80% | \$ 485 |
| Food Services (excluding alcohol) | 15% | 25% | \$ 138 | 15% | 25% | \$ 114 | 30% | 40% | \$ 110 |
| Sporting & Hobby Goods, Musical Instruments, Books/Periodicals & Recreation | 10% | 20% | \$236 | 10% | 20% | \$ 194 | 15% | 20% | \$ 79 |
| Educational Services & Childcare | 15% | 25% | \$ 171 | 15% | 25% | \$ 141 | 20% | 30% | \$ 112 |
| Healthcare and Social Services | 15% | 30% | \$ 405 | 15% | 30% | \$ 333 | 15% | 30% | \$ 294 |
| Reallocation of part of Other Discretionary Spending to additional Wellness purchases | 0% | 5% | \$ 140 | | 0% | \$ 115 | | 5% | \$ 76 |
| Per HOUSEHOLD ANNUAL INCREASE IN DOWNTOWN PURCHASES AMOUNT (UNDER THE 80% INCREASE SCENARIO) | | | \$1,746 | | | \$1,437 | | | \$1,242 |

TABLE 8B. The Weekday Downtown Commuter and Weeknight/Weekend Destination Visitor

| Consumer Segment | Weekday Downtown Commuter | | | Weeknight/Weekend Destination Visitor | | |
|--|---|--|---|---|--|--|
| Estimated # of Segment Households | 25,000 Downtown area employees | | | 75,000 (a person who visits at least three times per annum—225,000 visits per year) | | |
| | Estimated % of purchases currently made in downtown Santa Ana | Scenario % of purchases made in downtown Santa Ana | Estimated annual increases <u>downtown</u> purchases (scenario) | Estimated % of purchases currently made in downtown Santa Ana | Scenario % of purchases made in downtown Santa Ana | Estimated annual increase <u>downtown</u> purchases (scenario) |
| Health & Personal Care Stores | 5% | 10% | \$ 42 | 0% | 1% | \$ 7 |
| Food and Beverage Stores | 5% | 10% | \$ 235 | 0% | 0% | \$ 0 |
| Food Services (excluding alcohol) | 10% | 20% | \$ 202 | 4% | 10% | \$ 89 |
| Sporting & Hobby Goods, Musical Instruments, Books/Periodicals & Recreation | 5% | 10% | \$ 208 | 1% | 3% | \$ 73 |
| Educational Services & Childcare | 5% | 15% | \$ 394 | 0% | 3% | \$ 104 |
| Healthcare and Social Services | 5% | 20% | \$ 591 | 0% | 0% | \$ 0 |
| Reallocation of part of Other Discretionary Spending to additional Wellness purchases | | 2% | \$ 67 | | 2% | \$ 59 |
| Per HOUSEHOLD ANNUAL INCREASE IN DOWNTOWN PURCHASES AMOUNT (UNDER THE 80% INCREASE SCENARIO) | | | \$1,739 | | | \$332 |

The Downtown Tourism Scenario

In this scenario the number of weeknight/weekend visitors was increased threefold, to 225,000 visitors making at least three visits each per annum (or to a total of 675,000 visits per annum). The downtown expenditure allocation of these visiting households is also increased as in the above Latino Downtown Revival scenario. The downtown expenditures of the four other segments are held at the current baseline levels. Under such a scenario, downtown Wellness Goods and Food Services sales could be increased by \$70 million and Other Wellness Services sales by \$23 million, resulting in a total potential increase in purchases of \$93 million per annum. Such an increase (which is \$44 million less than the Latino Downtown Revival scenario) would likely require substantial further conversion of downtown properties to service the non-resident demographic, as well as considerable development of downtown festivals and events programming and marketing to achieve and sustain such visitor numbers. The prospect of downtown expenditure declines by central Santa Ana residents would need to be considered under this scenario; such declines have not been factored in the above figures.

The Post-Latino Downtown Scenario

If the expenditures of non-resident segments were substantially increased through a tripling of downtown visitors and also a tripling of new downtown settlers, and through the associated re-purposing of downtown properties for visitors and commuters, then an estimated \$100 million in increased Wellness Goods and Services purchases could be achievable (consistent with the assumptions and principles applied in the other above scenarios). Such a scenario has to consider the displacement of existing downtown expenditures by traditional central Santa Ana residents, due to the displacement of their retailers and service providers. For this scenario, we apply a 31% decrease in downtown Wellness Goods and Services expenditures by traditional central Santa Ana residents. However, we estimated a smaller decrease in downtown Food and Beverage Stores purchases by these traditional Santa Ana residents of only 25%, given the proximity of Food4Less and Northgate in particular.

(Even under current conditions, our qualitative research identified instances of central Santa Ana residents shifting their food shopping to superstores such as Costco. The loss of resident identification with the downtown could instigate a further trend towards shopping from large format retail chains and discounters. That being said, the low car ownership of central residents would support continued downtown food shopping by this segment.)

Under this scenario, the amount of household Wellness Goods and Services purchases made downtown by central Santa Ana residents would decline from 32% to 23% of their total household purchases in this category. The biggest negative dollar-of-sales impact would be on Groceries, which is the segments' largest category of Wellness Goods purchases. There would be a loss in an estimated \$12 million in sales in this category. It is not expected that Weeknight/Weekend Visitors would do grocery shopping downtown, and the estimated increase in the number of New Downtown Settler households purchasing groceries in the downtown area would not replace the reduced sales to central Santa Ana residents.

The Post-Latino Downtown scenario would leave unaddressed the substantial, underserved demand for Wellness Goods and Services by central Santa Ana households. This demand would need to be addressed in other convenient Santa Ana commercial locations. The details of the Post-Latino Downtown scenario are presented in **Table 9A** and **Table 9B**.

Table 9A and 9B: Post-Latino Downtown scenario for increased core downtown expenditures for ‘Wellness’ goods and services, per annum, by consumer segment.

TABLE 9A. The Traditional Central S.A. Renter, Traditional Central Homeowner and New Downtown Settler

| Consumer Segment | Traditional Central S.A. Renter | | | Traditional Central Homeowner | | | New Downtown Settler | | |
|--|---|--|--|---|--|--|---|--|--|
| Estimated # of Segment Households | 27,843 resident households | | | 13,651 resident households | | | 930 resident households | | |
| <i>This scenario assumes an increase in the New Downtown Settler and Weeknight/Weekend Visitor segment households, as well as increase in per household downtown expenditures.</i> | Estimated % of purchases currently made in downtown Santa Ana | Scenario % of purchases made in downtown Santa Ana | Estimated annual increase <u>downtown</u> purchases (scenario) | Estimated % of purchases currently made in downtown Santa Ana | Scenario % of purchases made in downtown Santa Ana | Estimated annual increase <u>downtown</u> purchases (scenario) | Estimated % of purchases currently made in downtown Santa Ana | Scenario % of purchases made in downtown Santa Ana | Estimated annual increase <u>downtown</u> purchases (scenario) |
| Health & Personal Care Stores | 35% | 21% | -\$ 80 | 35% | 21% | -\$ 66 | 40% | 60% | \$ 86 |
| Food and Beverage Stores | 50% | 30% | -\$ 500 | 50% | 30% | \$ 410 | 65% | 80% | \$ 485 |
| Food Services (excluding alcohol) | 15% | 9% | -\$ 83 | 15% | 9% | -\$ 68 | 30% | 40% | \$ 110 |
| Sporting & Hobby Goods, Musical Instruments, Books/Periodicals & Recreation | 10% | 6% | -\$94 | 10% | 6% | -\$ 78 | 15% | 20% | \$ 79 |
| Educational Services & Childcare | 15% | 9% | -\$ 103 | 15% | 9% | -\$ 85 | 20% | 30% | \$ 112 |
| Healthcare and Social Services | 15% | 9% | -\$ 162 | 15% | 9% | -\$ 133 | 15% | 30% | \$ 294 |
| Reallocation of part of Other Discretionary Spending to additional Wellness purchases | | 0% | \$ 0 | | 0% | \$ 0 | | 5% | \$ 76 |
| Per HOUSEHOLD ANNUAL INCREASE IN DOWNTOWN PURCHASES AMOUNT | | | -\$1,022 | | | -\$840 | | | \$1,242 |

TABLE 9B. The Weekday Downtown Commuter and Weeknight/Weekend Destination Visitor

| Consumer Segment | Weekday Downtown Commuter | | | Weeknight/Weekend Destination Visitor | | |
|--|---|--|---|---|--|--|
| Estimated # of Segment Households | 25,000 Downtown area employees | | | 225,000 (a person who visits at least three times per annum—675,000 visits per year) | | |
| <i>This scenario assumes an increase in the New Downtown Settler and Weeknight/Weekend Visitor segment households as well as an increase in per household downtown expenditures.</i> | Estimated % of purchases currently made in downtown Santa Ana | Scenario % of purchases made in downtown Santa Ana | Estimated annual increases <u>downtown</u> purchases (scenario) | Estimated % of purchases currently made in downtown Santa Ana | Scenario % of purchases made in downtown Santa Ana | Estimated annual increase <u>downtown</u> purchases (scenario) |
| Health & Personal Care Stores | 5% | 10% | \$ 42 | 0% | 1% | \$ 7 |
| Food and Beverage Stores | 5% | 10% | \$ 235 | 0% | 0% | \$ 0 |
| Food Services (excluding alcohol) | 10% | 20% | \$ 202 | 4% | 10% | \$ 89 |
| Sporting & Hobby Goods, Musical Instruments, Books/Periodicals & Recreation | 5% | 10% | \$ 208 | 1% | 3% | \$ 73 |
| Educational Services & Childcare | 5% | 15% | \$ 394 | 0% | 3% | \$ 104 |
| Healthcare and Social Services | 5% | 20% | \$ 591 | 0% | 0% | \$ 0 |
| Reallocation of part of Other Discretionary Spending to additional Wellness purchases | | 2% | \$ 67 | | 2% | \$ 59 |
| Per HOUSEHOLD ANNUAL INCREASE IN DOWNTOWN PURCHASES AMOUNT (UNDER THE 80% INCREASE SCENARIO) | | | \$1,739 | | | \$332 |

Conclusions from the Quantitative Research

The purpose of a study of this nature is to identify the variety of market-viable economic development scenarios for a downtown or other district, such as Santa Ana's historic downtown. The study identifies the breadth of available market opportunities, and the trade-offs and choices available to policy makers, local businesses and their associations, investors, and the public in considering the pursuit different strategies.

Towards this end, the study constructed and used a scenario model to estimate current and future Wellness Goods and Services purchases in downtown Santa Ana by five different consumer segments. The model was used to estimate possible increases in Wellness Goods and Services sales in the downtown, based upon estimated changes in the number of customers/households from each segment and upon the allocation of their Wellness-related expenditures to downtown business establishments. Each scenario highlights different directions and priorities for downtown renewal and marketing.

Under all the reasonable scenarios considered, two segments consistently demonstrated the potential to significantly impact total downtown Wellness Goods and Services sales. These segments are the traditional central Santa Ana homeowners and tenants. Although these two segments have lower Effective Buying Income (EBI) than the non-resident segments, they are more proximate, have lower travel times, and spend more time in or adjacent to downtown than the weekday commuters and weeknight/weekend visitors. As well, they have fewer alternative retail market areas than the non-resident commuters and visitors, especially considering their lower levels of car ownership. In contrast, the non-resident segments can efficiently access a wider range of retail locations. Given their limited times of the week and of the day in downtown Santa Ana, the weekday commuters and the weeknight/weekend visitors are also expected to do a narrower range of their retail shopping activities in downtown Santa Ana than the segments for whom the downtown has traditionally been a primary shopping area.

Our conclusion is that the most immediately viable opportunity for increasing downtown Wellness Goods and Services sales, which also offers the greatest potential increase in downtown sales, is to improve and multiply the Wellness retail and services offerings for the residents of central Santa Ana. Such a strategy for downtown economic development could also directly address two additional priorities:

- Addressing the wellness and health needs of central Santa Ana residents, as a social policy and community development priority
- Preserving and improving the downtown as a distinctive shopping, recreational and touristic destination for downtown commuters and for weeknight and weekend visitors from Orange County and beyond, in particular by preserving and accentuating the cultural distinctiveness and authenticity of the historic downtown relative to competing downtown retail/commercial centers in Orange County.

TABLE 12. Consumer Expenditures and Retail Sales per Gross Leasable Commercial Floor Area (GLA)

| | | Core Downtown Santa Ana (Nielsen 0.5.mi radius) | Central Santa Ana (Nielsen 2.0 mi radius) | Central City of Orange (Nielsen 2.0mi radius) | Orange County (Nielsen 12.0 mi radius) | City of Santa Ana (2012 CA Taxable Sales) |
|--|--------------------------------|---|---|---|--|---|
| GROSS LEASEABLE COMMERCIAL FLOOR AREA (GLA) | | 74,510 | 2,198,185 | 1,596,664 | 44,218,780 | 3,987,568 |
| RETAIL MERCHANDISE SALES (incl Eating and Drinking Places) | 2014 Downtown Sales (2014 est) | \$ 259,568,521 | \$ 2,416,734,566 | \$ 1,822,013,917 | \$ 40,081,919,435 | \$ 2,518,026,000 |
| | Sales/GLA | \$ 3,484 | \$ 1,099 | \$ 1,141 | \$ 906 | \$ 631 |
| WELLNESS MERCHANDISE RETAIL | Downtown Sales (2014 est) | \$ 132,199,501 | \$ 1,014,891,698 | \$ 727,194,384 | \$ 16,269,652,467 | \$ 676,714,000 |
| | Sales/GLA | \$ 1,774 | \$ 462 | \$ 455 | \$ 368 | \$ 170 |

Under any scenario, the contributions of both fixed location retailers and of Non-Store Retailers should be considered, recognizing the substantial market share of Non-Store Retailers in downtown and central Santa Ana. Specifically, the promotion of food vendors, pop-up markets, mercaditos, and other kinds of vendors could be examined as a way to rapidly augment existing offerings in the downtown, while supporting local livelihoods. A growing number of U.S. cities have demonstrated effective Non-Store Retail strategies and policies, including the establishment of licensing and fees regimes, resulting in a substantial contribution of the Non-Store sector to downtown area market awareness, retail foot traffic, and sales.

Public policy makers substantially shape market opportunities through the use of regulations, taxation and special assessments, public finance, public investments in infrastructure, streetscapes, facilities and services; through the disposition of public lands, public and quasi-public development agencies and utilities, and public marketing and communications. Private property developers and investors substantially influence market opportunities through their choices between alternative business models (e.g., build-sell; build-hold-manage) and building types. In an economically vibrant region like southern California there is no single ‘market’ or market opportunity. Market opportunities are crafted through coordinated government, civic, and private sector choices to pursue a common market opportunity. The preparation of development scenarios, as in this study, highlights the pros, cons, and challenges of different choices.

The City of Santa Ana has in the past applied a number of public sector instruments to shape the market for downtown investment and re-development. It is noteworthy however that, unlike many lower income districts in California and beyond, there is no community development corporation in Santa Ana to work with local government, local retailers and residents, the real estate and construction sector, and investors to implement strategic development projects geared towards the established residential population of central Santa Ana. Pending the establishment of such an institutional capacity, the Santa Ana Building Healthy Communities initiative has developed concepts for some smaller commercial and property-related projects that would begin to address Wellness priorities of local residents. These concepts are presented below in **Appendix A**.

05. Level 3 Analysis: Qualitative Consumer Research

The study's quantitative research indicated that the most viable opportunity for Santa Ana to increase downtown sales of Wellness Goods and Services is to improve the available offerings for Central Santa Ana residents. For this reason, qualitative research was conducted to gather insights regarding the lifestyles, needs and interests of the two primary Central Santa Ana consumer segments analyzed in the quantitative study and scenarios, Central homeowners and renters. Such in-depth and in-detail insights can be used in developing specific strategies and offerings to make downtown Santa Ana a more attractive shopping, services, and recreational destination for these segments. In specific, SABHC was interested to learn how the establishment of one or more Wellness-oriented retail-service hubs in the downtown area could be best designed for these segments.

The qualitative data was collected by MASData, with support and analysis by The Next Practice. The qualitative research consisted of two components:

1. In-depth interviews with 40 residents from the 92701 zip code in Santa Ana. The interviews were selected according to age, race and documentation status, and categorized as older youth (18-25), younger adults (26-40), older adults (40-65), and seniors (65+); documented or not documented; and Latino/Hispanic, white or other. All interviewees were residents earning less than \$50,000 per year (i.e., the area's median household income). All were renters or homeowners in central Santa Central area.
2. The data collected from the interviews were then entered into The Next Practice's User Optimization Tool, an excel-based software program used to identify and analyze patterns, preferences, needs and values from the in-depth interview data.

Preliminary findings from the qualitative interviews and User Optimization Tool were presented at two stakeholder workshops held in Santa Ana on June 19th and 21st, 2014. These workshops supported the use of the quantitative and qualitative research findings in the conception of Wellness District projects by local residents, City staff and members of community organizations. Workshop participants were given the chance to confirm and critique the analysis, and to discuss other segments that had not been explored in the qualitative research, specifically resident children (0-12); younger youth (13-17); weekend visitors; and downtown commuters. The presentation of the preliminary findings allowed the researchers to gather feedback from local residents, City staff and members of community organizations regarding the proposed insights. The participant list for the workshops can be found in **Appendix C**.

The following is a summary of the qualitative consumer/user information gathered from the use of the User Optimization Tool. The detailed qualitative findings are available for use by stakeholders in specific to 'hub' or other facilities or retail-commercial development projects.

Conclusions from the Qualitative Consumer Research

- **Central Santa Ana residents place high priority, and maintain a strong sense of responsibility, regarding time with family.** Meals, eating out at restaurants, commuting to school and shopping were often described as times to spend with family. Workshop participants stressed the importance of having intergenerational activities in future downtown wellness services as a way to reflect and support these values and lifestyle patterns. Given the unique preferences and sensitivities of each age group, activities should also be scheduled with particular attention to the varying needs of each group's activities, including not only facilities, but also issues of noise, pedestrian safety, toilet access etc.
- **Affordability and proximity were often cited as desirable qualities for choosing a restaurant.** Many respondents placed a primary emphasis on affordability and low priced food options when both shopping and eating out. Interviews tended to spend less than \$20 per individual on dinner meals, and less than \$12 on lunchtime meals. A few respondents indicated that they prefer to frequent locally owned restaurants and cafes. Walkability to restaurants was greatly appreciated and considered an enjoyable and integrated part of a shopping or dining experience for both pleasure and health reasons. Eating at restaurants was most commonly done with family, followed by friends. One interviewee felt that there were not enough family restaurants in the city.
- **Safety is a key issue for local residents.** Interviewees expressed considerable concern over safety, particularly in the context of transportation and walking. Several interviewees described the drunken people outside of bars and homeless individuals in parks as reducing their sense of safety while walking. Some participants also expressed concern for a loss of safety caused by new types of establishments in Santa Ana. Several others suggested that they perceive Santa Ana as not having a reputation for being safe by those living outside city, which impacts those who are entering the downtown.
- **Exercise and physical activity is a part of the life for many residents, and often done as part of a daily routine, with friends in parks, or at community centers or gyms.** Physical fitness was considered a positive outlet, “a way to feel good”, “to be healthy”, “relieve stress” or “have fun”. Interviewees were frustrated when parks or fitness facilities were not clean or well maintained or when the parks were used as a gathering place for homeless individuals or drug users. Youth primarily engaged in exercise at the gym or in parks. Adults were more likely to walk or bike as part of a commute to shopping outlets or for short errands; to attend exercise classes at the Latino Health Access (LHA); or to participate in outdoor sports activities. Seniors primarily do recreation and fitness activities at the Seniors Center or go for walks in their neighborhood or while on short errands. Most exercise activities are not associated with significant expenditure, except for gym memberships or yoga classes. Physical activity was often associated with food purchases. Seniors that visited the Seniors Center for extended daytime hours sometimes purchased lunchtime meals. Adults that exercise in the morning sometimes follow their activity with a purchased smoothie or coffee.
- **The user groups schedule their wellness activities at different periods within their daily work, shopping, and family routines.** The qualitative research revealed that adults and youth primarily engage in wellness activities in the morning or after work or school, while seniors tend to do so in the morning and daytime. Evenings and weekends are popular times for families to be together; to complete errands and grocery shopping; and to partake in fitness and recreational activities. Considering local behaviors in conjunction with existing community spaces, can prevent redundancies and make the best use of limited resources.

- **Many of the residents in Santa Ana commute by car and find traffic to be frustrating.** While some would like to commute by walking or biking, they do not feel that there are safe options available. Several interviewees indicated that particular intersections are dangerous. Those walking or biking will often use side streets to avoid the traffic of main streets. Overall, however, walking was considered a relaxing activity, whether alone or as a way to spend time with family.
- **Santa Ana residents want to buy affordable, high quality, healthy, nutritious and traditional (culturally relevant) foods at their local grocery store or market.** Affordability was a very important consideration for food purchases: some respondents described a sense of pride in being able to get good value for the food that they buy. They also enjoy the convenience of purchasing all of their needed items in a single place. Proximity was mentioned as a key factor in choosing which store to use. Interviewees primarily use Northgate and Food4Less, while Superior Foods was suggested as a good place for buying traditional foods. The local Farmers' Market was said to be too expensive for many Santa Ana residents. Grocery shopping is most commonly done in the evening after work, on the way home, or during the weekend. For some residents, it is a social experience, a time to be with family and get the things that they need for their home, providing them with a sense of service and accomplishment after completing family responsibilities.

Summary of Further Inputs from Workshop Participants

Workshop participants used their own experiences and perspectives to expand on the insights gathered from the qualitative research. The following is a recount of their feedback.

Older youth aged 18-25 are seeking employment to finance themselves and often their families as well. They value time to be social and hang out with friends. Many are still enrolled in school and seek guidance on the decisions that will impact their lives. Without proper entertainment options – they may choose dangerous alternatives, like “ditch parties.” This demographic would benefit from employment opportunities, business training, classes to pursue hobbies and interests, and positive spaces for social engagement as part of an ideal wellness service/center.

Weekday morning activities include commuting to work or school, eating at nearby coffee shops or restaurants, or grocery shopping for things that they or their family may need. Evening activities include time at the gym, outdoor fitness activities, and classes or hobby based activities. Weekend activities include visits and outings with family, grocery shopping and spending time in downtown Santa Ana and socializing with friends.

Younger adults aged 26-39 are starting to establish their lives, and have a particular interest in employment and educational opportunities, meeting others their age, starting families, childcare and housing. They often need support accessing local information on these issue areas, and may struggle for economic sustainability at this stage. They want to maintain relationships with family and friends and seek a variety of food and entertainment spaces that allow them to spend time with others and build these relationships. The types of needs vary widely across this demographic, but it was suggested by workshop participants that when this demographic is downtown, “they want to feel connected to their culture, who they are and where they come from.” This demographic tends to work during the day. Common weekend and evening activities include exercise, classes and hobbies, spending time with families and friends, grocery shopping for household necessities, and going out to bars and music venues.

Older adults aged 40-64 are primarily focused on safety, stability of their employment, finances, access to affordable health care, and the needs of their family members. As parents and grandparents they are concerned about their family’s wellbeing and want to satisfy their needs and demands. They want their children to access good education and are concerned that they may fall subject to crime or dangerous activities. They may work multiple jobs, but aspire for full time employment with medical benefits. It can be very stressful for the individuals in this demographic, especially if they have low levels of education and precarious work environments.

Morning activities include commuting to work or daily exercise routines for those that have flexible work schedules. Evening activities comprise of exercise and recreational activities, shopping for groceries, and meal times with friends and family. A large number of those interviewed in our qualitative sample used the Latino Health Access (LHA) for their regular fitness activities or went for walks in their neighborhood. Weekends are a time to share meals or go on outings with family members; to take care of household chores and grocery shopping for the week; and to do fitness and recreational activities.

Senior citizens over 65 years of age want to feel valued in the community and to be given opportunities to share their knowledge and experiences. They tend to do their activities earlier in the day, while weekends are an important time for them to spend with family. Health, affordability, safety and transportation are big areas of concern for them. Seniors in Santa Ana tend to prefer to communicate in their ethnic languages, often not English, and enjoy participating in culturally appropriate activities. The Seniors Center in Santa Ana plays an essential role in providing this demographic with access to recreation, fitness and social activities. Seniors need places that are accessible, safe, nearby, affordable, and culturally appropriate – where they can feel comfortable and respected. Their primary activities include volunteering in the community, social activities with friends and family, recreation and fitness activities, medical appointments, grocery shopping and buying necessities.

Children from 0-12 need educational resources outside of school, parks and outdoor play, positive mentors and safe, creative places to have fun. Playgrounds, green spaces and gardens, street closures, and community activities create positive spaces for children. Childcare and the activities aimed at their parents and caregivers are also an important part of servicing this demographic.

Younger youth aged 13-17 in Santa Ana are often accused of participating in crime when they are hanging out in large groups outdoors and risk conflict with local police. This demographic needs affordable indoor recreational places, where they are able to safely and comfortably gather and socialize, to do their homework, get advice, exercise, and have fun. Lots of youth in Santa Ana work after school jobs because they come from low income families; opportunities for employment and job search support would be very useful for this demographic. Participants described this demographic as benefiting from a wellness service location that resembles a “bigger El Centro”. [El Centro is a collectively run space where different organizations meet and community members come together to organize, take classes, and share information.]

Weekend visitors to Santa Ana place a primary emphasis on being able to have entertainment and enjoyment in the city. Services such as retail outlets with places for ethnic shopping, restaurants offering a diversity of food types, family events, arts and cultural activities, downtown professional services (attorneys or Mexican consultants) and educational institutions are desired by this demographic. Safety is also a big concern for weekend visitors. To attract this demographic, Santa Ana should consider promoting an improved image premised on safety and other notable elements of the city. Transportation to and out of the Santa Ana is also an important consideration for weekend visitors.

Downtown commuters are another important demographic group within the city. Many of those who come are working during the day and want quality childcare, food options and fitness services close to their places of work that are easy to access via car or foot. Since they are not from the area, they need to be informed of the amenities that are available nearby and around the city.

Workshop participants expressed a strong desire for culturally relevant programming and genuine consideration of the community’s skills, practices and needs as part of wellness goods and services. They further emphasized the need and importance of engaging the community in its selection of cultural programming to create a sense of ownership in future wellness services and programs. They also expressed the importance of having a sense of permanence and security in the places that they use. Participants in the workshops expressed a fear of displacement from their homes, businesses, and cultural centers.

Appendix A. Methodological Notes

This study and the methodology of this analysis was designed by The Next Practice Ltd (TNP). The TNP methodology incorporated data generated by TNP through customized use of the Nielsen Claritas retail analysis model, which is data copyrighted by The Nielsen Company. The downtown scenarios were generated using a customized retail scenario model for downtown Santa Ana that was created by TNP. MASdata provided local research services for both the quantitative and qualitative aspects of the study, including the 40 in-depth consumer interviews. TNP entered and analyzed the qualitative interview data using TNP's User Optimization tool.

A1. The Study Area

The first methodological task in a study of this nature is to define the geographical areas that serve as the consumer catchment areas for different consumer segments. Within the constraints of the study's terms of reference, two different data sets and sources had to be used to define the precise areas of 'downtown Santa Ana' and 'central Santa Ana.' Data on household characteristics, such as income, disposable income, ethnic background, educational background, employment and commuting patterns were taken from the U.S. Census Bureau, American Community Survey (ACS). This data is available by census tract.

To secure data on the commercial business mix, retail and services expenditures, and sales at the scale of part of a municipality, we relied upon the Nielsen Claritas data and model. The Nielsen Claritas model combines demand data from the U.S. Bureau of Labor Statistics Consumer Expenditure Survey and supply data from the U.S. Census of Retail Trade. This data is available by radial areas, the radii of which have been defined by TNP. TNP also secured data from the California Board of Equalization for this purpose.

Downtown Santa Ana

Within this context, TNP defined 'downtown Santa Ana' in two ways. For purposes of demographic and household profiles, the primary historical downtown/civic center area is Census Tract 750.02, Orange County, California. For purposes of retail and services trade data, the primary downtown area is defined as the area of 0.5 mile radius from the intersection of 4th Street and N. Main Street. This area extends to Mortimer Street to the east, 8th Street to the north, Ross Street to the west, and Walnut Street to the south. The distance of 0.5 mile is used to represent the walking catchment area whose longest distance is the 1.0 mile diameter of the circle.

An extended downtown/civic center area was also considered to generate and analyze data on commercial business mix, retail and services expenditures and sales. This is the circular area of 1.0 mile radius, whose center is the intersection of 4th Street and N. Main Street. This area extends to Garfield Street to the east, Washington Street to the north, Flower Street to the west, and Camile Street to the south. The distance of 1.0 mile is used to represent a catchment that includes walking customers from a distance of 1.0 mile and bicycling customers from a distance of up to the 2.0 miles diameter of the circular.

Unless otherwise indicated, the retail and services sales figures presented in the report and scenarios refer to the 'downtown' as the 0.5 mile radius area.

Central Santa Ana

For purposes of retail and services trade, the area of Central Santa Ana is defined as the area of 2.0 mile radius from the intersection of 4th Street and N. Main Street. This area extends to 17th street to the north, Fairview Street to the west, S. Grand Avenue to the east, and Edinger Avenue to the south.

For purposes of demographic and household profiles, the Central Santa Ana area is defined to consist of the following 17 census tracts in Orange County: 744.05, 744.06, 745.01, 746.01, 746.02, 748.01, 748.02, 748.05, 748.06, 749.01, 749.02, 750.02, 750.03, 750.04, 751, 752.01, and 752.02.

A2. Wellness Goods and Services

As indicated in Table 1 of the report, the definition of the “Wellness Goods and Services” category relied upon the selection of merchandise and services types as defined and quantified in the US Bureau of Labor Statistics Consumer Expenditure Survey. Goods and services associated with ‘wellness’ were selected in consultation with SABHC stakeholders. These goods and services categories were then associated with specific business establishment categories as defined by NAICS codes.

The Nielsen Claritas model was used for Level 1 analysis to determine total demand and sales, by the defined radial market areas such as ‘downtown core’ and ‘central Santa Ana,’ for Wellness Goods and Food Services only. The TNP model developed to generate Level 2 analysis scenarios for Wellness Goods and Services purchases used, in addition to the Nielsen Wellness Goods and Food Services data, purchases estimates for Educational Services, Childcare, Healthcare and Social Assistance services purchases within the total Wellness Goods and Services category. Household income allocations to these other services were also determined using the US BLS Consumer Expenditure Survey.

A3. Consumer Segments and Spending Patterns

Segment Populations

In the first instance, the five consumer segments were defined according to the consumers’ place of residence either in Central Santa Ana or in Orange County. Three segments of primary interest were then defined for Central Santa Ana residents. These are: Traditional Central Homeowners, Traditional Central Renters, and New Downtown Settlers. Two segments of primary interest were then defined for consumers residing outside of Central Santa Ana. These are: Weekday Commuters and Special Destination Weeknight/Weekend Visitors.

To define each of these segments, US Census Bureau, American Community Survey demographic data were used to differentiate the consumer groups within the Central and outside-of-Central geographic areas. The resulting profiles are summarized in Table 5 of the report. This data enabled the differentiated calculation of median Effective Buying Income for households in each of the five segments. The geographic factors and demographic factors used to differentiate each of the five segments are as follows:

- Traditional Downtown Homeowners: a household that owns a place of residence and resides in one of the 17 census tracts of Central Santa Ana
- Traditional Downtown: a household that rents its place of residence in one of the 17 census tracts of Central Santa Ana
- New Downtown Settler: a resident (renter or homeowner) who resides in Census Tract 750.02, Orange County who has a college or university degree

- **Weekday Commuter:** a household (renter or homeowner) that resides in Orange County and that has one family member who commutes by car or public transit to work in downtown Santa Ana
- **Special Destination Weeknight/Weekend Visitors:** a household (renter or homeowner) that resides in Orange County and travels, by car or public transit, for shopping, dining, entertainment and/or services to downtown Santa Ana at least three times per year

Household Effective Buying Income

Once each segment was defined, the median annual Effective Buying Income (EBI) was calculated for a household in each segment. This calculation was made by deducting the median housing and utilities costs for a household in the designated geographic area from the median after-tax household income for a household in the designated geographic area. In the instance of the Traditional Downtown segments, the median housing and utilities costs were different for homeowners and renters, based on ACS data. (Median EBI for homeowners is lower than for renters, among other reasons, due to the additional costs of mortgage finance, home repairs, and larger housing units.) In the instance of the New Downtown Settlers, the median after-tax income for university graduates was different than for other downtown residents, based on ACS data. In the instance of Weekday Commuters and Weeknight/Weekend Visitors, the median after tax income was lower for public transit users than for private vehicle users. The EBI for these two segments was calculated using a weighted average median household income of transit and automobile users.

A4. Level 2 Market Analysis: Household Expenditure Allocations and Shopping Location Choices

Median Household Expenditures, by Segment

Median household expenditures for each type of Wellness merchandise and service type were determined by calculating the percentage allocation of EBI to all household expenditure categories. These allocations were adjusted for downtown Santa Ana (0.5 mile radius), Central Santa Ana (2.0 mile radius), and Orange County (12.0 mile radius) using the Nielsen Claritas model (which uses the BLS Consumer Expenditure Survey). **Table 13** (below) presents the resulting allocation of EBI by merchandise/services areas.

TABLE 13. Allocation of Household EBI to Household Expenditures

| | DOWNTOWN (0.5 mile radius) | CENTRAL (2.0 mile radius) | ORANGE COUNTY (12.0 mile radius) |
|---|---------------------------------------|--------------------------------------|---|
| Wellness Goods & Services Purchases | 0.326 | 0.307 | 0.291 |
| Food at Home | 0.166 | 0.148 | 0.117 |
| Food away from Home | 0.057 | 0.051 | 0.050 |
| Sports, Sporting Goods, Hobbies, Musical Instruments & Books/Periodicals & Recreation | 0.081 | 0.087 | 0.103 |
| Education and Childcare | 0.057 | 0.063 | 0.098 |
| Health Care | 0.100 | 0.100 | 0.098 |
| Health & Personal Care Stores | 0.022 | 0.021 | 0.021 |
| Other Discretionary | 0.102 | 0.103 | 0.116 |
| Other Non-Discretionary | 0.572 | 0.589 | 0.593 |

Household Expenditures for Wellness Goods and Services, by Segment

Having estimated median EBI for each segment, based upon place of residence and selected demographic factors; and having estimated EBI allocation percentages based on the median for the selected geographic areas, the total dollar amount of expenditures can be estimated for a household in each of the five segments. Total expenditures by each segment can be estimated by multiplying the median household expenditures for each merchandise or service type by the number of households in the segment.

Shopping Location Estimates, by Segment

The current study did not allow for direct survey of downtown customers, representing each of the segments, regarding the geographic distribution of their purchases. Short of this, however, TNP prepared a baseline estimate of Wellness Goods and Services expenditures in downtown Santa Ana (0.5 mile radius), by segment and in total, by applying standard retail catchment and purchasing habits principles to estimate the percentage of expenditure by each segment to downtown business establishments and to non-downtown business establishments. These principles are stated in the report.

The reasonableness of the baseline downtown expenditure scenario, by segment, was tested by ensuring that total of Wellness Goods and Services expenditures estimated for all of the segments was equal to the Nielsen Claritas model projection of total 2014 Wellness Goods and Services expenditures for the 0.5 mile radius area; that is, \$132 million.

A5. Level 3 Consumer Analysis: Qualitative Market Research

So as to provide further, detailed guidance about consumer preferences of the two main Central Santa Ana consumer segments, The Next Practice also undertook a qualitative study of the values, preferences, life patterns, and aspirations of typical central Santa Ana residents. This qualitative research involved forty in-depth interviews of residents regarding a typical day in their lives. The respondents were selected using a snowballing technique, beginning with volunteers to downtown service and cultural organizations, who then introduced the researchers to friends and associates for further interviews.

Qualitative market research methods, such as in-depth interviews and focus groups are commonly used in commercial market research. They are not intended to use a statistical sample or to provide predictive conclusions. Rather, they are used to generate insights about consumers, which insights are then used to develop solution concepts. To support the identification of patterns and insights from the interview data, the day-in-the-life information, ranging from activities and schedules to emotions and key words, were entered into TNP's User Optimization tool. This is an advanced Excel tool that permits extensive sorting and filtering to identify patterns from detailed and divergent types of data and information about a large group of individuals. The tool supports the association of activities, preferences, and emotions with specific places, times of day, and other activities.

Appendix B. Wellness District Project Concepts

Three workshops were held to share the quantitative findings of the retail analysis; to build on the qualitative data collected from interviews; and to develop initial wellness ‘destination’ project concepts that reflect the findings of the research. These workshops were organized by SABHC, and TNP provided facilitation support for Workshops 2 and 3.

Workshop 1 was held for community members to identify the various vacant lots that present opportunities for developing wellness goods and services hubs or locations for central Santa Ana residents. Participants were given the opportunity to start brainstorming and sharing their ideas about the types of uses they envision for these sites.

Workshop 2 convened senior staff from the City of Santa Ana, leaders of community led organizations, and members of St. Joseph’s Hospital to build on the ideas for the sites that were identified in Workshop 1.

Workshop 3 brought together community members to review and discuss the wellness services and programs concepts that were developed in Workshops 1 and 2.

The workshops primary purpose was to begin the development of concrete project ideas that would address identified local priorities and contribute to a downtown Wellness District strategy. The concepts are not necessarily tied to one or more of the sites identified in Workshop 1.

Workshops 2 and 3 organized participants into groups to discuss the needs and priorities of each demographic group. Using the collective insights gathered, the groups were then re-organized to develop a single wellness destination/hub concept that could meet the needs of all the demographic groups.

The three main ideas generated in the workshops were:

B1. Fitness and Recreation Center

B2. Micro Farm and Community Education Center

B3. El Mercadito Santenera

B1. Fitness and Recreation Center

Prospective Site: Former YMCA

Mission statement: Empowering community with life skills for health, jobs and overall wellbeing for a more productive and self-actualized life

Key services and activities:

1. Social support services

2. Workforce development

- Vocational training and job placement
- Language training, classes about unemployment
- Job opportunities within the center for priority populations and youth

3. Family focused programs that are culturally relevant to the community

- Activities that relate to the cultures and interests of local demographics
- Strong interest from the community to participate in development of programs being offered

4. Health education and related services

- Medical fitness
 - ◆ Geared towards individuals with chronic illnesses or other health conditions
- Classes, resource fair, seminars on health and wellbeing
 - ◆ Stress management, mental health and spirituality classes
 - ◆ Integrative health activities
 - ◆ Yoga, Thai chi, Pilates, acupuncture
 - ◆ Nutritional counseling
 - ◆ Aesthetician and related services
 - ◆ Classes for people with special needs

5. Cardio, fitness and strength training

- Personal training services
- Sports facilities
- Intergenerational fitness options
- Group exercise for all ages
 - ◆ Ex. dancing, boxing, cumbia classes, danzon, folklorico

6. Offsite community activities

- Walking and cycling activities and events
- Transform the courthouse lot and front driveway area into event spaces or clinics “VCI-MNB Clinic”

7. Accessible to all Santa Ana residents

- Affordable regardless of income
- Migration status is not a requirement for participation
- Form partnerships with other groups in the community and exchange resources

8. Sales Opportunities

- Retail space that sells products based on demand
 - ◆ Ex. Traditional and non-traditional medicines and services
- Fitness membership
 - ◆ General public, senior, corporate, scholarship, day visitors
 - ◆ Geared towards residents of Santa Ana and commuter populations
- Corporate products
 - ◆ Employee Health Management solutions
 - ◆ Stress reduction, spinning, yoga
- Space rental
- Coffee shop
 - ◆ The center can run a coffee shop that sells healthy food and is managed by volunteers or as a form of work for youth

The community members in Workshop 3 envisioned a large space that opens early in the morning for those who want to do fitness first thing in the day, and offers classes throughout the day in the areas of nutrition and fitness. Afternoon classes would be focused on attracting youth and evening classes would be geared towards adults. Childcare would be offered all day long so parents can participate in activities.

B2. Micro Farm and Community Education Center

Prospective Site: Vacant property 823 E. 1st St.

Mission statement: Increase access to healthy, fresh, local food while creating opportunities for partnership, community building and entrepreneurship

Key services and activities:

1. Farmers' Market or regular farm stand

- Sale of the food and flowers produced on the micro farm for retail and wholesale
- Cultivate and grow traditional food types
- Can be sold to restaurants with interest in local food production, food trucks or other markets
- Easily accessible for Santa Ana residents and downtown commuters

2. Educational programs

- Organize and facilitate regular workshops on planning, planting, sprouting, maintenance and wellness classes related to food and cooking
- Different kinds of informational signs and posters throughout the space to educate visitors about plants and growing techniques
- Partnerships with local schools – can give tours or offer classes for students

3. Common area for events and community meetings

- Rentable space for community use
- Micro Farm is accessible via active transportation

4. Employment and volunteer opportunities

- Including: Lead farmer (horticulturalist), sales associate/farm assistance, volunteer coordinator etc.

5. Programming Design

- Connecting generations around food and farming
- Transfer of knowledge between Elders and younger generations on traditional herbs and growing
- Run programs for different age groups at different times of the day (ex. seniors can use the space in the morning, and children in the afternoon)
- Cultural activities in the daytime and evening - community meals, celebrations and events can be hosted at the micro farm
- Allocate plots to different families who want to maintain part of the garden

The participants described a space that opens early in the morning for seniors to use and enjoy. Throughout the day there would be numerous activities and events focused on food, gardening and agriculture. Late afternoon would have intergenerational activities, workshops, storytelling, music classes, cooking and preparation for large community meals to be held in the evening.

The community members in Workshop 3 shared concerns about how the community could create a system that would ensure that they are able to run and maintain a micro-farm for the long term. There was consideration of running a pilot. Questions were also raised about the consequence of partnering with the City. What if the city wants to take the land back? What is the process that can prevent that from happening? How does the community's power change by working with the City?

B3. El Mercadito Santenera

Site: Grand Ave – 2nd and 4th

Mission statement: El Mercadito Santanera serves as a community space that promotes healthy food, the development of small/local business and cultural and educational opportunities for the residents of Santa Ana.

Key services and activities:

1. A central market to host and incubate local micro business to sell their services and products

- Sells healthy food, seafood, produce, local, organic, traditional herbs, spices, grains, cultural artifacts, native medicine, juices
- Offers micro loans to small businesses and individuals
- Workshops and education classes about starting and running a business
- Technical assistance for small business owners
- Offers office space for micro businesses and helps to legitimate their work

2. A destination place that people from inside and outside of Santa Ana who want to visit and buy unique gifts and food items

- Offers cultural entertainment during the daytime, evening and weekend
- Used by members of the community and surrounding neighbourhood, commuters and weekend visitors, DMV, employees of local businesses and schools
- Accessible via active transportation – visitors can walk and bike there
- Potential to locate the Mercadito at the entry way to the Wellness Corridor

3. Creates job opportunities for the community to run and maintain the space

- Acts as a venue space for community events
- Access to outdoor and indoor space

4. Provides affordable housing and lofts/artist studios

Participants in Workshop 3 suggested that the Mercadito should also be connected to the micro farm or any other community based restaurants, businesses, services and programs. The idea of the Mercadito has its roots in the Mercados of Latin America and reminds community members of the strong connections that they have to those places. While the Mercadito will attract people from outside, it is designed to serve and support the community, as one member mentioned, “by the people for the people.” The Mercadito is not just a place to find food, but also a place to find business services, connect with community members and participate in cultural events.

Community members described a space that opens early in the morning for people to access on their way to work for coffee/breakfast, bike tune ups, or to wait for public transit. During the day, businesses are running and community events are being hosted. In the later afternoon, affordable and healthy food options are available for purchase and seniors are leading activities with children. In the evening there are social activities, music, dance, cinema, coffee and arts-based events.

Appendix C. Workshop Participants

Workshop 2 Participants

Alisa Barrios, St. Joseph Health
David Benavides, City Council Member, Santa Ana
Jeb Brugmann, The Next Practice
Ana Cabral, OCLF
Joel Cazares, SABHC
Robert Cortez, City of Santa Ana
Yenni Diaz, OCCORD
Jo Flatt, The Next Practice
Elizabeth Glenn-Bottari, St Joseph Health
Melody Gonzalez, KidWorks
Lisa Marie Gorman, St. Joseph Health
Scott Kutner, City of Santa Ana
Jessie Mosqueda, Chi Bank
Virginia Mosqueda, SABHC
Gerardo Mouet, City of Santa Ana
Nancy Moughney, Taller San Jose
Gabriela Robles, St. Joseph Health
Jeanette Rubio, Resident
Karen Sarabia, Centro Cultural Mexico
Carolina Sarmiento, MASData
Socorro Sarmiento, Centro Cultural Mexico
Revel Sims, MASData
Shawna Smith, Taller San Jose
Ana Urzua, SABHC

Workshop 3 Participants

Sarai Arpero, Latino Health Access
Jeb Brugmann, The Next Practice
Kathy Cardelli, St. Joseph Health
Carmen Cortez, resident
Jo Flatt, The Next Practice
Amelie Garcia, resident
Vanesa Gonzalez, resident
Lynette Guzman, KidWorks
Steve Kim, Project Kinship
Manuela Lopez, SACRED
Pedro Lopez, resident
Ozomatli Mazatl, resident
Nancy Mejia, Latino Health Access
Laura Pantoja, El Centro Cultural de Mexico
Esmeralda Perez, student
Araceli Robles, resident (LHA)
Rigoberto Robles, resident
Carolina Sarmiento, MASData
Socorro Sarmiento, El Centro Cultural de Mexico
Revel Sims, MASData
Madeline Spencer, SACRED
Estela Tejedo, resident
Cuatli, resident



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