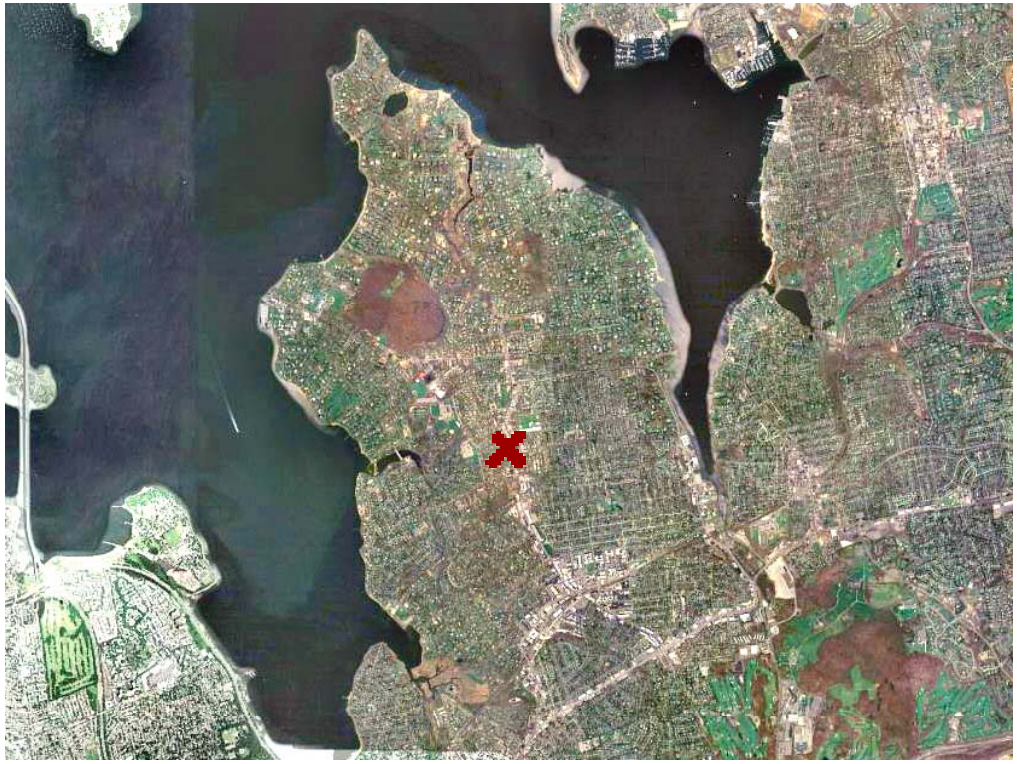
The Village of Great Neck Plaza

Retail Potentials & Strategy

Executive Summary



Prepared for:
Mayor Jean Calendar
July 17, 2008

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Objectives

- Increase Annual Sales of Existing Tenants by 10%
- Attract 60,000 SF of New Complementary Tenants
- Increase Retail Employment from 2,000 to 2,500
- Identify and Fill Merchandise and Service Voids

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Comparable Markets

1.5-mi radius	**VoGNP**	East Hampton	Westport	Greenwich	New Canaan
Population	**40,673**	5,846	12,505	18,539	9,998
Race	**White: 73%** **Black: 6%** **Asian: 15%**	White: 96% Black: 1% Asian: 2%	White: 90% Black: 2% Asian: 4%	White: 83% Black: 5% Asian: 8%	White: 90% Black: 3% Asian: 4%
Median Age	**47.3**	41.1	44.1	44.3	44.8
Median HH Income	**$107,229**	$78,299	$164,277	$108,683	$142,894
Education	**Bach: 29%** **Grad: 34%**	Bach: 19% Grad: 13%	Bach: 39% Grad: 35%	Bach: 33% Grad: 25%	Bach: 39% Grad: 32%

- The VoGNP is more dense, more ethnically diverse, older, equally educated and affluent when compared to a random selection of comparable communities.
- The VoGNP is live & work market, as is Greenwich, CT and not a seasonal market, as is East Hampton.
- Predictably these markets seek books, wellness, healthcare, live and fine arts, art cinema, better women's apparel, jewelry, and fine dining.

Retail/Food & Services Demand

Trade Area Defined

- The Trade Area is a Peninsula bounded to the West, North by water
- The East by Community Drive and water
- The South by Northern State Parkway & Grand Central Parkway
- Access to Competition to the South, East & West

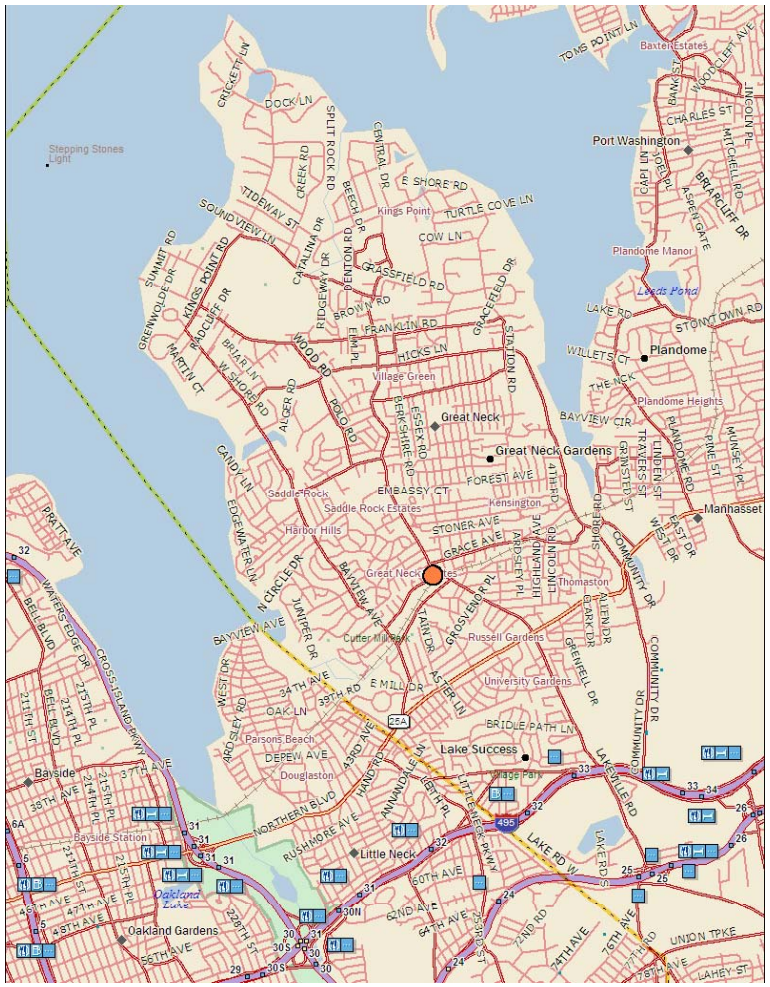
Trade Area Demographics

- The Trade Area residential population total demand for retail, restaurants, personal, and financial services exceeds $350 million annually.
- The Trade Area Daytime Working Population demand for retail, restaurants, personal and financial services exceeds $100 million annually.
- Total Demand $ 450 million

Retail/Food & Services Supply

Representative Competition Shopping Centers

Douglaston Plaza	3 mi.
Americana Manhasset Mall	3 mi.
Bay Terrace	6 mi.
College Point	9.5 mi.
The Flushing Mall	10 mi.
Queens Center Mall	11 mi.
The Shops at Atlas Park	13 mi.
Metro Mall	14 mi.



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Retail/Food & Services Supply

VoGNP Current Supply

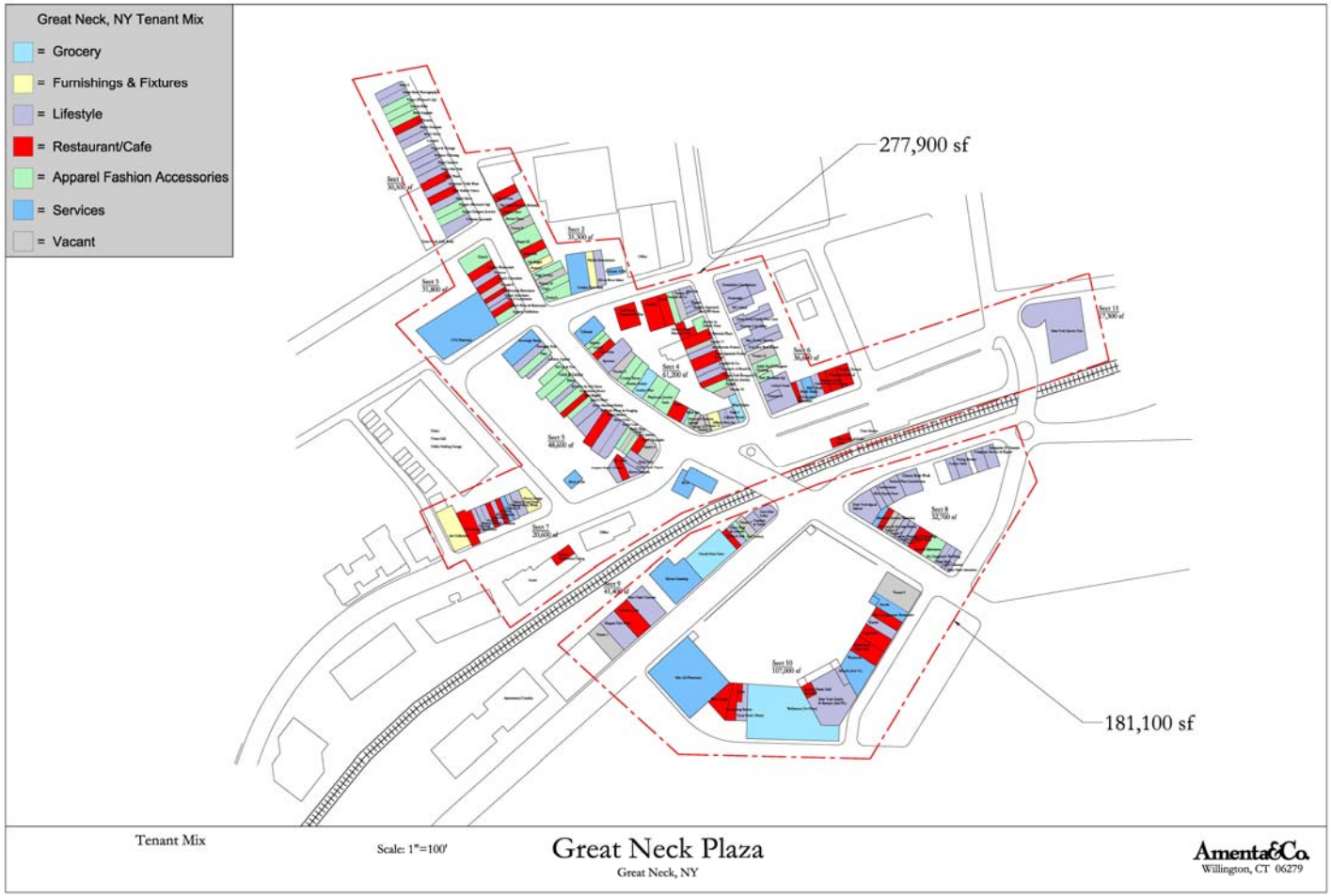
- 457,000 plus square feet of convenience retail, grocery, general merchandise, restaurants, personal and financial services, with 6.5% vacancy, in two principal zones.

- The Gardens – 195,000 SF Community Center
- "Downtown" – 245,000 SF Main Street

Economic Dimension

- These commercial uses generate over $200 million in retail sales and employ over 2,000 people in VoGNP

VoGNP Tenant Mix



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Evaluation of VoGNP Retail

The Gardens of VoGNP

- The Gardens is a conventional (ICSC – ULI) 160,000 square foot suburban community shopping center anchored by a grocery (Walbaum's); the merchandise offering is convenience and need-driven.

- The Gardens is centrally managed, appeals to national brands, common hours of operation, contemporary lease terms and unity of merchandise presentation.

- The architectural configuration is conventional with surface parking provided directly in front of the retail stores

Evaluation of VoGNP Retail

The "Downtown" of VoGNP

- The "Downtown" of VoGNP is a street-related 200,000 SF random collection of national/local tenants providing "specialty" merchandise and services.

- The architectural configuration is "Main Street USA" with parallel parking and sidewalks, above ground utilities, and no storefront design criteria.

- "Downtown" shopping is independently managed with varied lease terms and hours of operation; offering regional, local, and national brands to the consumer.

Voids & Redundancies

1. Books: There is a shortage of books in the downtown.

Market Demand: The primary trade area has a population of 8,200 households. This population generates a demand for $8 million with annual household expenditures of $1,000 for books, magazines, etc. With 26,000 daytime workers the primary trade area also has the potential to generate $6 million in books.

Total Book Demand $14 million

Voids & Redundancies

2. Women's Apparel: There is a retailer saying "There is never too much women's apparel." This is the core merchandise for a "specialty" shopping experience. It is divided by price-point: couture, "better," and "moderate" or "popular" price. The presence of the Chico's and other local merchants indicates more is possible. Additional women's apparel or "better" ready-to-wear often often require beneficial lease terms, which an independent landlord finds difficult.

Voids & Redundancies

3. Nail Salons, Hair Salons, Cleaners at 45,000 SF are nearly 10% of the total area or 5 times the national average for shopping centers.

Redundancy occurs until satisfaction is reached, making each business marginal. Redundancy reduces the variety of merchandise and depth of inventory. Redundancy reduces the the shopping experience or appeal as a shopping destination.

Introducing national retail franchise opportunities, for example Rocky Mountain Chocolates or Curves, would increase the variety available to the shopper and increase total sales for all tenants.

Existing Tenant Mix

The evaluation of the tenant mix includes retail that may extend outside the VoGNP as this distinction is largely irrelevant to the shopper experience.

The VoGNP 495,000 square feet of commercial tenant space can be divided into merchandising categories to compare with managed shopping collections as follows:

Merchandise Category	VoGNP
Grocery	10.69%
Pharmacy	8.54%
Personal Services	9.39%
Convenience	3.82%
Recreation & Entertainment	13.50%
General Merchandise/Electronics	7.77%
Restaurants/Cafe	15.24%
Apparel, Jewelry, Accessories	14.38%
Financial Services	7.81%
Furniture & Fixtures	2.63%
Vacant	6.16%

Existing Tenant Mix

- Apparel, Jewelry, Fashion Accessories at 69,000 square feet of 15% is 30% of the national average when considering the total shopping area, but when considering only the downtown approximately 60%. A concerted effort should be made to recruit both national and regional brands.

- The presence of several national brands is encouraging and might be used to seek additional national brands. Chico's, White House / Black Market, J. Jill, Talbot's, Coldwater Creek are desirable examples.

Existing Tenant Mix

Recreation & Entertainment at 13.57% of the VoGNP retail area fortunately includes cinema and fitness; this may be reinforced with age-appropriate entertainment:

- Child-oriented game and craft rooms offering education, entertainment, and recreation booked individually with parent and child or offering birthday parties for groups.

- Pre-teen & Teen: game rooms with videogames, laser tag, air hockey, fuse ball with snack foods.

- Blackbox Theater: performing arts company with local repertory theater and booked traveling performances, music et. al.

Strategic Next Steps

1.) Marketing, Events, Promotion, Advertising

Retailers expend 5% +/- of gross sales for marketing; or for every dollar spent for marketing events, promotion, and advertising the retail should experience an increase in sales of $20.

Rent is correlated, at 6% +/-, to sales. An increase in sales increases the supportable rental rates.

Thus a $100,000 marketing/event budget ($.20 / SF x 500,000 SF of VoGNP retail) should produce $2.0 million in increased sales; or $4.00 / SF, or $.24 / SF in additional rent.

A VoGNP "matching" grant could leverage this to a multiple of 1 to 40.

Strategic Next Steps

2.) Design Criteria, Façade Easement, Signage, Underground Utilities

Ambience plays an increasingly important role in the shopping experience where the shopping center tenant mix has become ubiquitous. Regional mall vacancy is at the highest in 25 years, while the fastest growing segment of retail is "outdoor."

"Downtown" VoGNP could use visual improvement with adoption of an overarching harmonious design vocabulary. This would include signage, storefront display, and public improvements.

Strategic Next Steps

3.) Leasing - Marketing

There is an entrepreneurial vigor in VoGNP retail unlike many "downtowns." There may also be a lack of access to creative store concepts and experience in establishing new retail businesses.

VoGNP should identify specific merchandise voids that could be filled by new merchants through franchise, relocation, or opening second locations for regional merchants and identify experienced volunteers or professionals (Chamber of Commerce, SBA, Economic Development).

VoGNP should collaborate with the brokerage and retail-oriented leasing community to actively recruit retail tenants; attend and market at the regional and possibly national ICSC.

Strategic Next Steps

Concept #1—Medical

- Hospitals compete in the healthcare market with "out-reach" off-campus facilities

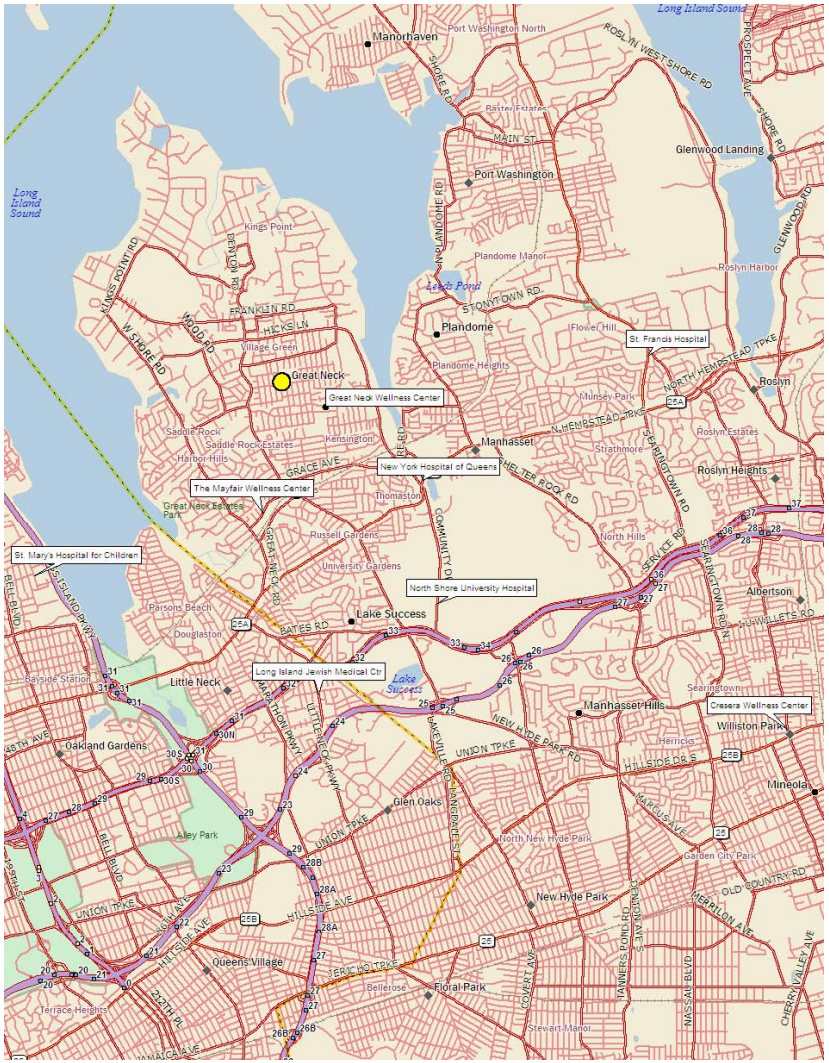
- Market penetration by physical out-posts of primary care physicians anchors of surgical centers and/or wellness centers

- Competition emphasizes "fitness" targeted to younger market

Concept: VoGNP Medical Center, comprised of 15,000 SF wellness center or out-patient surgical center and 20,000 SF of primary care physicians, specialists and medical laboratory.

Map of Hospitals/Wellness

Hospitals/Wellness Centers	Distance
Mayfair Wellness Center	.25 mi
Great Neck Wellness Center	1.18 mi
North Shore University Hospital	1.28 mi
Long Island Jewish Medical Center	2.29 mi
St. Francis Hospital	4.37 mi
St. Mary's Children Hospital	4.68 mi
New York Hospital of Queens	4.8 mi
Cresera Wellness Center	4.85 mi



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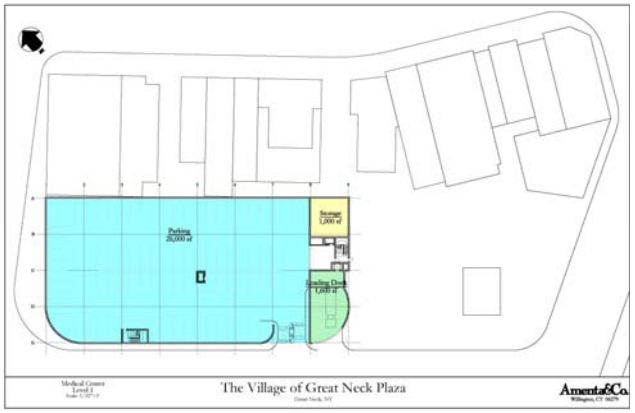
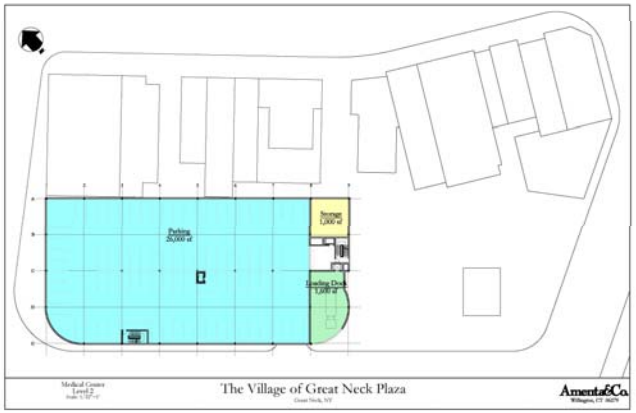
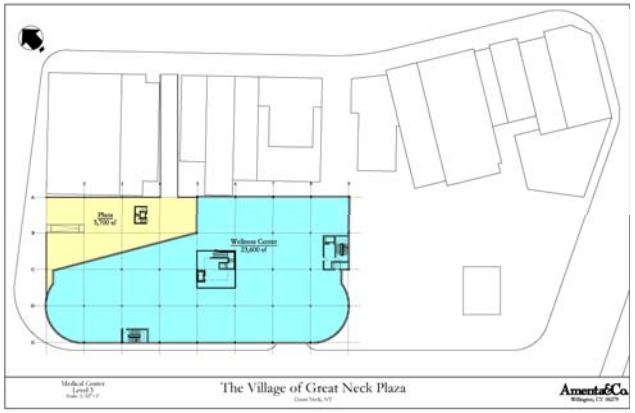
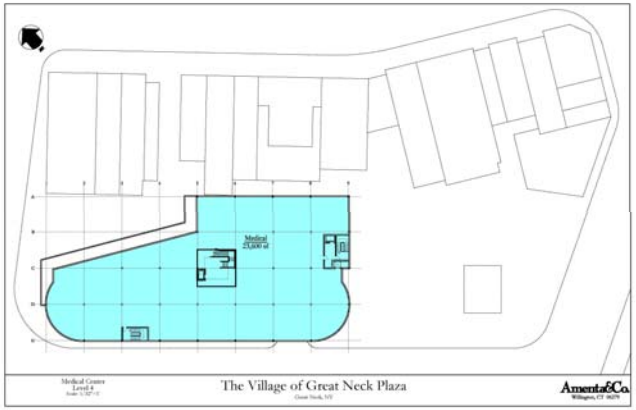
Medical Center

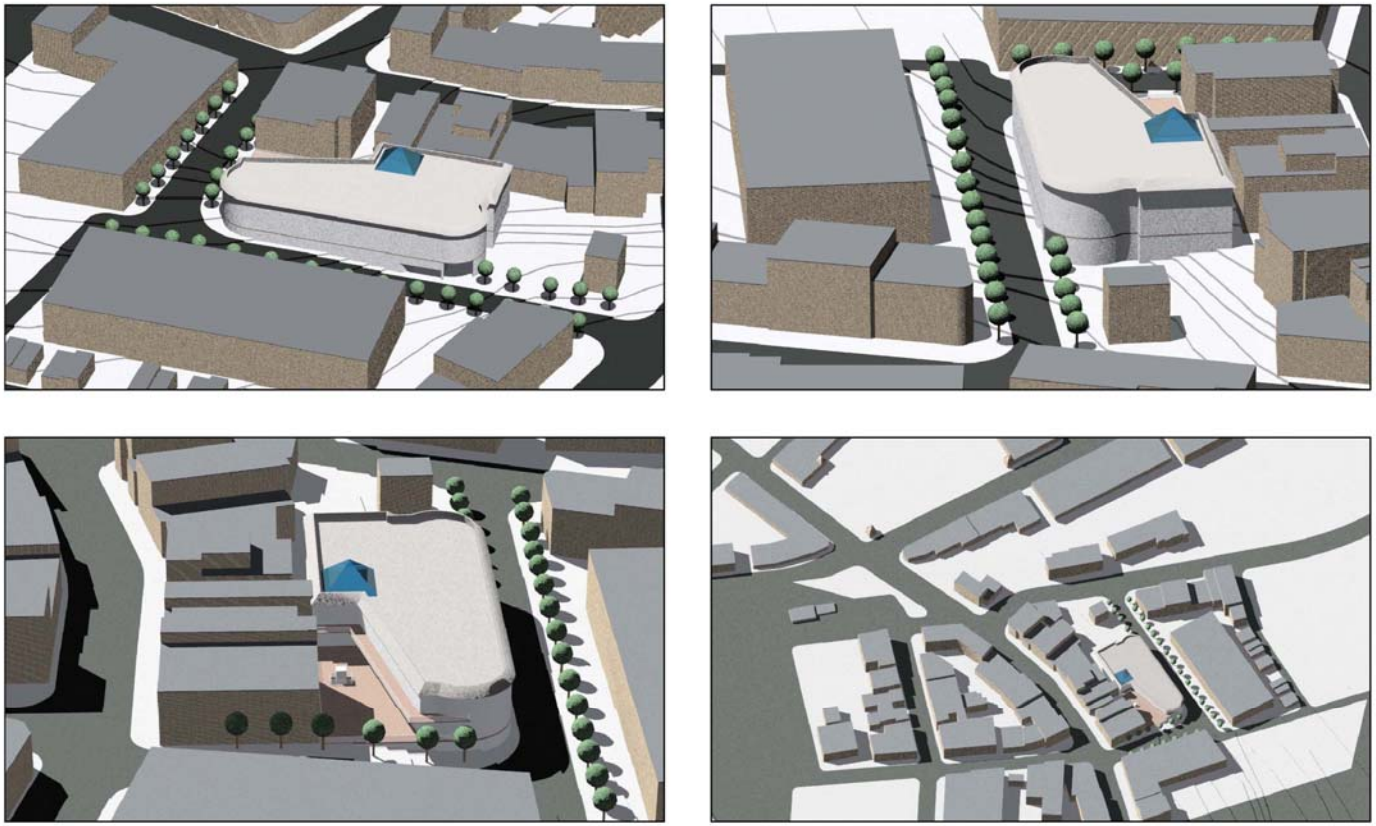








Medical Center



Medical Center
3D Perspective

The Village of Great Neck Plaza
Great Neck, NY

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Strategic Next Steps

Concept #2—Books

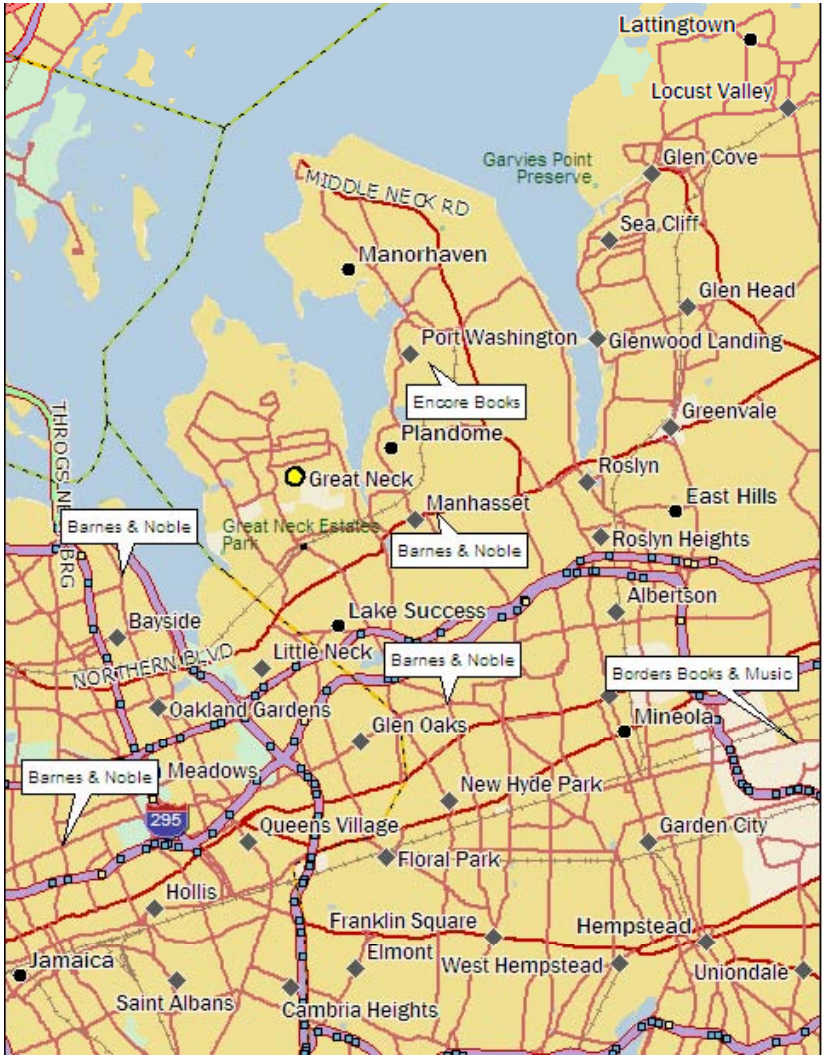
- Booksellers are a destination attraction that complements apparel and general merchandise tenants.

- Current state of bookseller market: Barnes & Noble dominates the U.S. and N.Y. bookseller industry. New York fortunately has several independent booksellers who might be attracted to VoGNP.

- The VoGNP is affluent and educated. The addition of books as merchandise line would be appealing and advantageous to the total shopping experience. Unfortunately, the structure of the bookseller market is dominated by only two brands and of these one is struggling.

Map of Bookstores

Booksellers	Distance
Barnes & Noble—Manhasset, NY	2.56 mi
Barnes & Noble—New Hyde Park, NY	3.81 mi
Barnes & Noble—Flushing, NY	6.03 mi
Encore Books—Port Washington, NY	6.32 mi
Barnes & Noble—Flushing, NY	7.70 mi
Borders Books—Westbury, NY	10.22 mi



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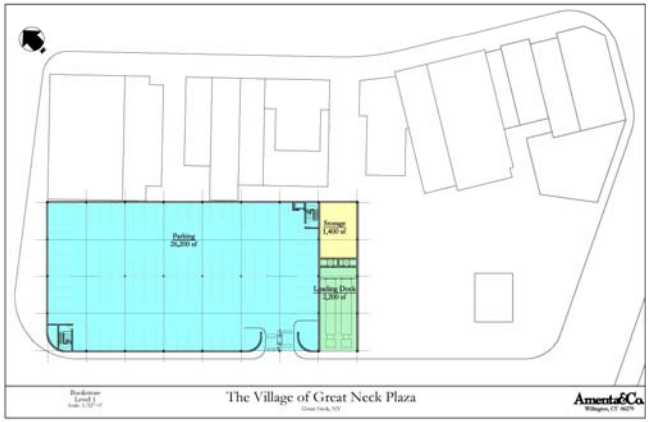
Bookstore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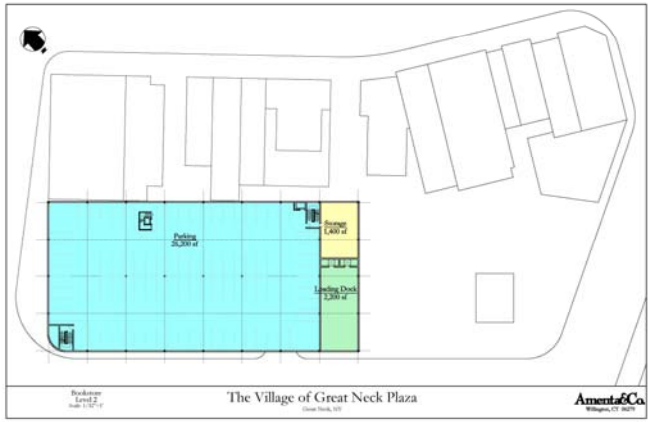
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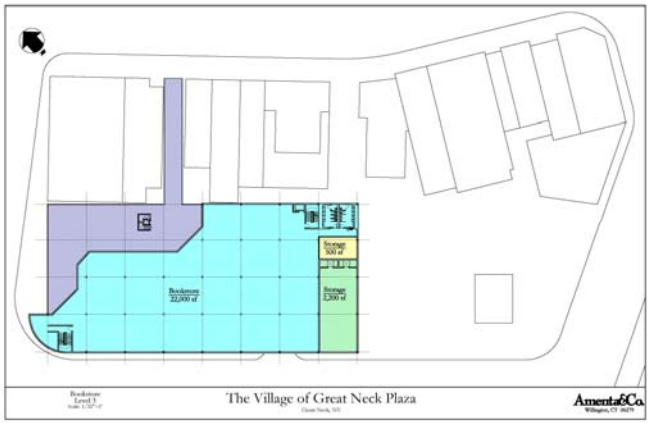
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Bookstore

Bookstore
3D Perspective

The Village of Great Neck Plaza
Great Neck, NY

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Appendix

VILLAGE OF GREAT NECK PLAZA					
Great Neck, New York					
		Store			
TENANT	MERCHANDISE	Area	Total	Percent	
Grocery					
Family Fruit Farm	Fruit	8,500			sc
Great Neck Wine & Spirits	Liquor	1,500			dt
Poultry Mart	Poultry	2,200			dt
Walbaums	Fresh Food Grocer	39,000			sc
		51,200	51,200	10.69%	
Pharmacy					
CVS Pharmacy	Pharmacy	18,000			dt
Medicine Avenue Pharmacy	Pharmacy	900			sc
Rite-Aid Pharmacy	Pharmacy	22,000			sc
		40,900	40,900	8.54%	
Personal Service					
Chinese Body work	Salon	3,000			sc
Cion Hair Color	Hair Specialist	1,800			sc
Cosmo Nails	Nails	1,200			sc
Dan's Salon	Salon	1,600			dt
Elegant Hair Styles	Hair Salon	4,500			sc
Great Neck Family Foot Care	Podiatrists	1,500			dt
Joseph's & Co.	Salon	1,100			dt
May Flower Beauty	Salon	2,300			dt
Medi Spa	Salon	500			dt
Men's Salon	Salon	1,600			dt
Moon River Salon	Salon	2,000			dt
Nails 1	Nails	1,000			dt
Nails 2	Nails	1,600			dt
New York Spa & Salon	Spa & Salon	4,300			sc
Oriental Body Work	Salon	900			dt
Pappino's Classic Barber Shop	Barber Shop	900			sc
Ruby Nail	Nails	1,200			dt
Star Spa	Salon	1,300			dt
Super Cuts	Hair Salon	2,500			dt
Super Star Hair	Hair Salon	1,700			dt
Tanning	Tanning	700			dt
The Salon at Great Neck	Salon	1,600			dt
Thomas Cole Salon	Salon	2,200			dt
Tribecca Salon	Salon	1,400			dt
Vincent's Of Bond St	Men's Salon	1,200			dt
VS1 Salon	Salon	1,400			dt
		45,000	45,000	9.39%	

Convenience					
Beauty Melody Cleaners	Dry Cleaners	1,000			dt
Cleaners & Tailor	Dry Cleaners	1,300			sc
Cleaner's 1	Dry Cleaners	900			sc
Cleaner's 2	Dry Cleaners	700			dt
Efriam's Tailoring	Tailoring	1,600			dt
Enterprise II Cleaners	Dry Cleaners	1,800			sc
Judy's Cleaners	Dry Cleaners & Lau	1,000			sc
Kim's Cleaners	Dry Cleaners	1,000			dt
Mart-Valet Cleaners	Dry Cleaners	4,900			sc
Shoe Repair Store		900			sc
Station Plaza Laundromat	Laundromat	2,300			sc
Tony's Shoe Repair	Shoe Repair	900			dt
		18,300	18,300	3.82%	
Recreation & Entertainment					
American Trails West	Tours	1,600			dt
Clear View Cinema	Film	20,000			dt
Great Neck Library	Library	2,000			sc
Kumon	Learning Center	900			dt
New York Health & Racquet	Fitness Center	11,600			sc
New York Sports Club	Fitness	17,300			dt
Spin City Billiards	Pool Hall	800			sc
Sylvan Learning	Learning Center	8,800			sc
Tiger Schulman's Karate	Karate	2,000			sc
		65,000	65,000	13.57%	
General Merchandise / Electronics					
Cellular World	Wireless Phones	900			dt
Computer Service & Repair	Computer	1,800			sc
Convenience		1,200			sc
Direct Page & Cellular	Wireless Phones	1,000			sc
Empire Home Theatre	Home Theatre	1,100			dt
Frederick's Convenience		4,600			dt
Fresh Fruit Bouquet Co.	Edible Fruit Arrang	1,200			dt
Great Neck Photographers	Photo	1,500			dt
Great Photo & Imaging	Photo	1,100			dt
Healthy Approach	Health	500			dt
Hi Tech Photo & Imaging	Photo	2,000			dt
KC Graphics	Printing	900			dt
Muddworks Pottery	Craft	1,300			dt
Plant Creation	Flowers	1,600			dt
Plant Mart	Flowers	900			sc
Radio Shack	Electronics	800			dt
Sabi's Antiques	Antiques	1,600			dt
Sportset	Sporting Goods	3,600			dt
The Open Door to Stichery	Craft	1,300			dt
The UPS Store	Shipping	400			dt
United Floral	Flowers	5,800			dt
Young Flower	Flowers	2,100			sc
		37,200	37,200	7.77%	

Appendix

Restaurant, Café						
Best Bagel's	Café	1,300				dt
Bruce's Bakery	Bakery	2,700				dt
Café Kriza	Café	1,200				dt
Chatanooga Restaurant	Italian	3,000				dt
Classico Ristorante/Café	Italian	1,700				dt
Cold Stone Creamery	Ice Cream	2,000				dt
Cosi	Café	700				sc
Dunkin Donuts	Café	1,700				dt
Elaine's Asian Bistro & Grill	Asian	1,400				dt
Elite Pizza	Pizza	1,600				dt
Entre	Café	2,000				dt
Etkos	Greek Cuisine	1,700				dt
Fransecas Pizzeria	Pizza	1,100				dt
Gino's Pizza & Restaurant	Pizza	1,100				dt
Giraffe Restaurant	Great Neck Inn	1,500				dt
Great Neck Bagel Café	Café	3,300				sc
Haagen Dazs	Ice Cream	1,400				dt
Hinta Japanese Fusion & Bar	Japanese	2,300				dt
Koryu/dong Bakery	Bakery	1,900				sc
Kroasters	Kosher Food	1,400				dt
Kron Chocolatier	Chocolate	1,000				dt
La Gioconda	Restaurant	1,000				dt
La Pizzeria	Pizza	1,600				dt
La Rotonda Ristorante	Pizza	700				dt
La Rotonda Ristorante	Pizza	2,000				dt
Lazar's Chocolate	Chocolate	1,300				dt
Matsuya	Japanese	2,000				sc
Mi Casa Es Su Casa	Bakery	900				sc
Naru Sushi	Japanese	900				dt
Nocello	Italian	2,400				sc
Pancho's Mexican Grill	Mexican	3,500				dt
Plaza Café of Great Neck	Café	1,300				dt
Quizno's Sub	Sandwich	900				sc
Santorinni Café	Restaurant	4,100				sc
Season's Fresh Grill	Restaurant & Tapa	1,000				sc
Shish Kabob Palace	Kosher Mediterrane	1,600				dt
Starbucks	Café	1,500				dt
Subway	Sandwich	900				dt
Tasti D Lite	Ice Cream	1,400				dt
The 5 Continents	Specialty Foods	700				dt
Turquoise Seafood	Seafood	1,600				dt
Wild Ginger	Café	2,800				sc
Yogurteria	Café	2,900				sc
		73,000	73,000	15.24%		

Apparel, Jewlery, Fashion Accessories						
Adele Kauff Designer Clothing	Women's Apparel	1,800				dt
Apparel Addiction	Men's & Women's A	1,300				dt
Bee's Lingerie	Women's Apparel	1,600				dt
Boudoir du Sub Salon	Women's Apparel	1,300				dt
Camp & Campus	Women's Apparel	2,300				dt
Chico's	Women's Apparel	3,500				dt
Clogs	Shoes	1,600				dt
Cortina Shoes	Shoes	1,900				dt
Diamond Essence	Jewelry	700				dt
Donnys	Women's Apparel	2,200				dt
Fael	Women's Apparel	700				dt
Fantastic Kids	Toys	2,000				dt
Flair	Women's Apparel	2,000				dt
Gabby	Women's Apparel	1,000				dt
Hipster	Women's Apparel	1,600				dt
Infinity	Women's Apparel	800				dt
Iris Singer	Women's Apparel	1,400				dt
Italian Designer Jewelry	Jewelry	1,600				dt
Jewelry By Joseph Tatar	Fine Jewelry	1,100				dt
Jildor	Shoes	1,700				dt
Keith Inc. Jewelry Design	Fine Jewelry	1,300				dt
Keri Jewelry	Jewelry	800				sc
London Optical	Eyewear	1,000				dt
Marel Gifts	Gifts	2,500				dt
Mati's Place	Jewelry	800				dt
My Daughter's Wedding III	Women's Apparel	2,400				sc
Nado	Women's Apparel	2,600				dt
Nikia Jewelry	Jewelry	800				dt
Per Lei & You	Fine Jewelry	1,500				dt
Playhouse Jewelry	Jewelry	2,500				dt
Postur-line Shoe's	Shoes	1,900				dt
Singer 22	Women's Apparel	3,000				dt
Stacy's Place	Women's Apparel	1,100				dt
Steven Dann	Shoes	1,800				dt
Steven Robert	Women's Apparel	1,800				dt
Tommie & Co.	Women's Apparel	1,400				dt
Trendy Kids	Kids Wear	1,600				dt
Ultimate Spectacle	Eyewear	2,300				dt
Valass	Women's Apparel	1,600				dt
Viggi Jewelry	Fine Jewelry	1,600				dt
Vision Associates	Eyewear	900				dt
Vogue & Vintage	Women's Apparel	1,600				dt
		68,900	68,900	14.38%		

Appendix

Financial Services							
Astoria		Bank	3,000				sc
Bank Of America		Bank	5,200				dt
Bank of America		ATM	1,200				dt
Century 21		Realty Services	1,000				dt
Citibank		Bank	3,000				dt
Citibank		ATM	800				dt
Edna Marshall Realty		Realty Services	1,900				dt
Golden First Bank		Bank	5,200				dt
M&T Bank		Bank	1,500				dt
Prudential		Realty Services	2,200				dt
Remax		Realty Services	500				dt
Sovereign		Bank	4,000				dt
State Farm Insurance		Insurance	900				sc
Turn Key Real Estate		Realty Services	1,600				dt
Wachovia		Bank	5,400				sc
			37,400	37,400	7.81%		
Furnishings & Fixtures							
Allison Fine Art			1,300				dt
Custom Framing Oil Paintings			900				sc
Home Design			2,000				dt
Phyllis Decorations			2,000				dt
Poster's			1,200				dt
The Art Collection Inc.		Artwork	5,200				dt
			12,600	12,600	2.63%		

Vacant							
Vacant 1			3,800				sc
Vacant 2			6,400				sc
Vacant 3			1,100				sc
Vacant 4			900				sc
Vacant 5			1,200				sc
Vacant 6			1,800				dt
Vacant 7			800				dt
Vacant 8			1,100				dt
Vacant 9			1,500				dt
Vacant 10			1,600				dt
Vacant 11			1,800				dt
Vacant 12			500				dt
Vacant 13			1,000				dt
Vacant 14			500				dt
Vacant 15			1,100				dt
Vacant 16			1,800				dt
Vacant 17			1,100				dt
Vacant 18			1,500				dt
			29,500	29,500	6.16%		
GRAND TOTAL				479,000	100.00%		
Note:	Certain tenants offer merchandise in several categories.						
	This is allocated in the table above.						
Source: Amenta & Co.							