

THE GROOVE KRATE OF CLEAR WATER



REPORT BY:

THE CONSULTATION TEAM

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THE CONSULTING TEAM



Dr. Andy Rojas

Inspired by SPC mission “Better Jobs, Better Lives” for our students, my goal was to give our student consultants a unique "Real Business World" experience that builds their skills and helps them prosper in their careers while supporting the socioeconomic growth of local families and small businesses.

City of Clearwater trustees, mayor Bruce Rector, Jesus, Audra, Gloria, and Marilyn; I thank you for your trust by allowing me to launch this collaboration, and I look forward to many more.



I am honored to have been invited by Dr. Rojas to be a part of this project, helping make the Grove happen. The experience I have gained and the people I have met means so much to me and has been unforgettable.

Joseph Mineo

It has been a privilege to consult for the coalition and the City of Clearwater under the guidance of Dr. Rojas. This experience has pushed me to grow professionally and to transform our knowledge and analytical frameworks into meaningful, value-adding contributions for your organization. As an MBA, I recognize the importance of integrating academic research with real-world industry practices to uncover insights and angles that others may overlook.



Hector Amortegui, MBA



John Musallam

It has been a privilege to be part of **The Groove Krates of Clearwater**. From the moment Dr. Rojas approached me, I didn't hesitate to join. I wanted to support a meaningful cause that uplifts the community while taking on a challenge that demands creativity, resilience, and strategic problem-solving. I'm grateful for the trust placed in me and excited to help The Groove Krates of Clearwater grow into the vibrant destination it is meant to be.

Participating in this project has been a rewarding experience that allowed me to step outside the classroom and work on something real and meaningful. Being involved with *The Groove Krates of Clearwater* taught me how community development, strategy, and teamwork come together to create lasting impact. I'm thankful for the chance to contribute, learn, and support a project that will bring new opportunities to Clearwater and beyond.



Aimen Mudassar



I am honored to be a part of the Grove Container business consulting project. I look forward to collaborating with you to ensure the Grove Container Project strengthens Clearwater's reputation as a forward-thinking community and delivers meaningful benefits to those you serve.

Lisa Jones, PDO, ABO, NCLC

Working as a business consultant on this project has been one of the best experiences in my career. I'd like to thank the Urban Coalition, the City of Clearwater, and Dr. Rojas for providing me with this opportunity to support the local community.

Ryan Davidson



SECTION 1

EXECUTIVE SUMMARY

This report analyzed The Groove Krates of Clearwater—a retail container plaza project to be located in North Greenwood. One of its main objectives is to become a destination in Clearwater. It is owned and will be operated by the nonprofit Urban Coalition organization, whose mission is to uplift African American communities by fostering an inclusive space for entrepreneurship, culture, and growth.

The primary challenge was to develop a well-designed commercial space, identify the most suitable mix of retail and food concepts, and implement a strategic plan for successful execution.

The team of consultants in this project conducted Primary Market Research (PMR) at the micro and macro industry level. In addition, secondary market research was conducted. Our findings from PMR at Sparkman Wharf in Channelside, Tampa, and The Krates in Wesley Chapel revealed that both locations have transitioned from mixed retail concepts into social-gathering destinations defined by clusters of restaurants. However, some key risks were identified: disconnected landlord–tenant relationships related to operations, high rent-to-tenant revenue ratio, high tenant turnover, low trust in management, flaws in architectural design, and limited financial commitment from tenants—all of which can significantly impact long-term success. Best practices that drive growth were particularly identified at Sparkman Wharf.



Based on the findings, our recommendations for The Groove are focused on establishing a unique cluster of restaurants, entertainment options, with a big 'DNA' factor as a social destination that attracts families, children, locals, and even tourists. To support operational excellence, risk mitigation, and growth, a comprehensive *Operations Manual* should be developed by the Urban Coalition and must be followed by all tenants. To sustain financial stability and profit growth, a financial model that aligns the mutual interests of both the landlord and the tenants is also essential; thus, an enhanced revenue-sharing structure has been included to address this need. Ongoing marketing, social media management, and event promotion must be designated as formal responsibilities to maintain consistent visibility and community engagement. Most importantly, the Urban Coalition should leverage its nonprofit status to build strong strategic partnerships with churches, high schools, colleges, universities, and local businesses, encouraging their involvement in promotion, donations, and collaboration to increase revenue and help replicate similar projects throughout the area. To develop a competitive advantage over other retail plazas and destinations, the Urban Coalition needs to infuse a well-defined organizational culture for tenants, employees, vendors, and all stakeholders; a culture that follows this principle: “*This is how we do things at The Groove.*”



MISSION

The **Groove** empowers North Greenwood by creating an inclusive space that fuels family, culture, entrepreneurship, and collaboration. We support local businesses, celebrate community heritage, and strengthen connections through shared growth and opportunity for Clearwater and beyond.

CLIENT PROFILE

The **Urban Coalition** is a nonprofit organization representing and uplifting the African American community of North Greenwood in Clearwater. The idea for The Grove container plaza was founded in 2019 as a vision to improve local socioeconomic conditions through community-based development. The Coalition is the

driving force behind this project, designed to create business opportunities and shared cultural space. Its mission is to support entrepreneurship, economic mobility, and a stronger, more connected community.

Three major problem areas have been identified for The Urban Coalition: the need for a clearer strategic plan, sustainable growth pathways, and the absence of a formal risk and operational management structure to support ongoing development.

PROBLEM IDENTIFICATION

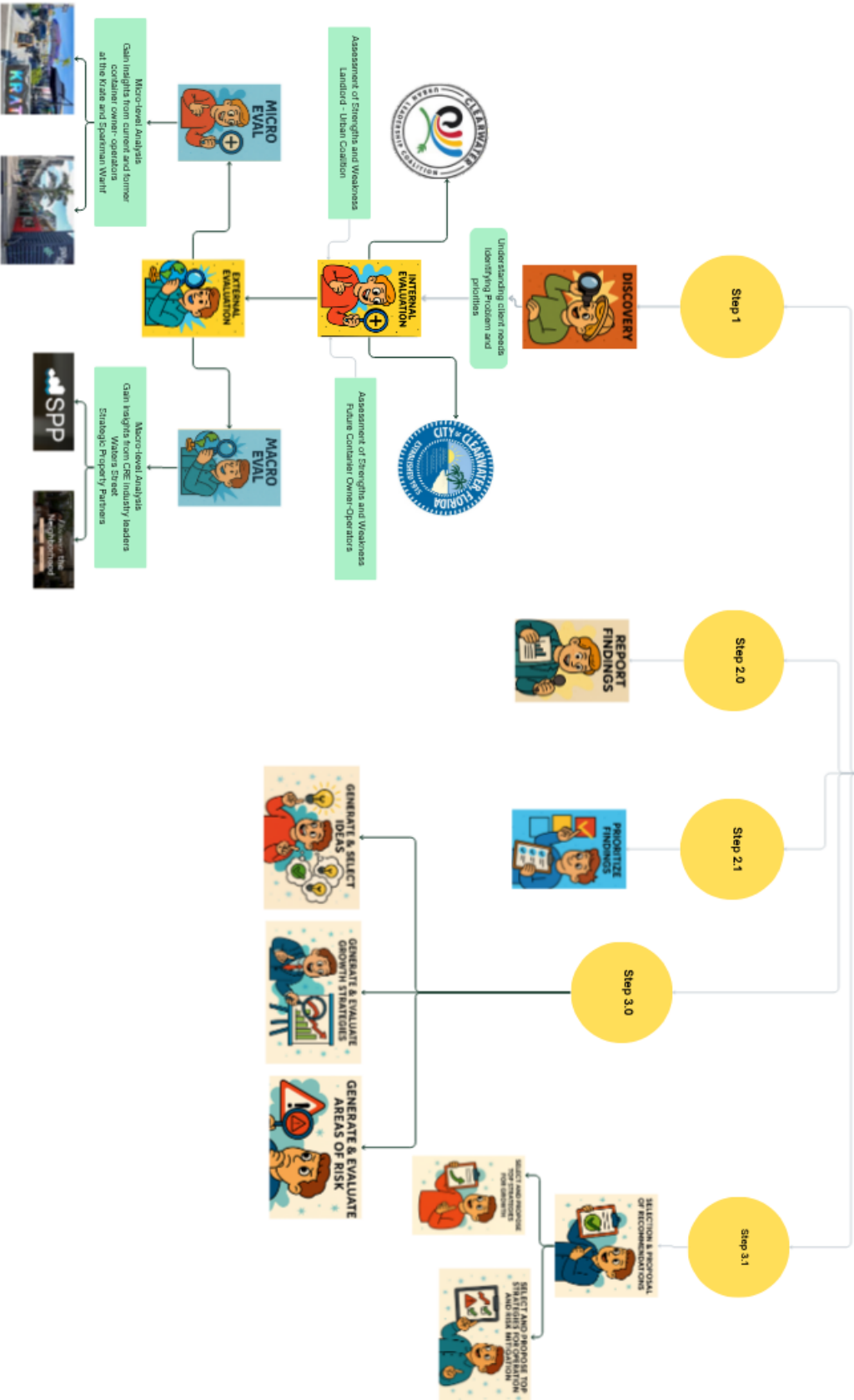
Three major problem areas have been identified for The Urban Coalition: the need for a clearer strategic plan, sustainable growth pathways, and the absence of a formal risk and operational management structure to support ongoing development.

DISCLAIMER

This project was completed by students for academic credit. All research findings, information, and recommendations are solely the result of academic study. Neither the students nor the supervising professor assumes any liability for any future implications, actions, or consequences that may arise from the use of this project's content by the City of Clearwater, The Grove, or The Urban Coalition.

METHODOLOGY MAP

The Groove Methodology Map Point



SECTION 2

SWOT ANALYSIS



INTERNAL FACTOR EVALUATION

The Internal Factor Evaluation (IFE) identifies the strengths and weaknesses within the Container Plaza, with separate assessments for both the plaza owners and individual tenant businesses. Each factor is assigned a weight and rated on a scale from 1 to 4, where 1 indicates poor performance and 4 represents superior performance. At the end, a more detailed description of a few is provided.

LAND LORD OPERATORS

	Strengths	Weight	Rating	Weighted
1	Low rent	0.15	4	0.60
2	Low nearby competition	0.10	4	0.40
3	Support from local banks	0.10	2	0.20
4	Access to local agencies	0.05	3	0.15
5	close to the amphitheater	0.03	4	0.10
6	City of Clearwater Contributions	0.05	3	0.15
7	Leadership commitment Urban coalition	0.05	4	0.20
8	Local community support	0.03	3	0.09
9	the container concept itself	0.03	4	0.12

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	Weaknesses	Weight	Rating	Weighted
1	First-time Landlords (operating manual)	0.05	2	0.10
2	Increasing the cost of crates to 100,000	0.10	1	0.10
3	Low parking spots	0.05	2	0.10
4	Neighborhood history	0.03	2	0.06
5	Undecided theme/identity	0.05	1	0.05
6	Capacity Managers	0.05	2	0.10
7	Parcel	0.02	2	0.04
8	unidentified criteria	0.01	1	0.01
9	lack of storage space	0.05	1	0.05
	Total IFE Score	1.00		2.62

TENANT BUSINESS OWNERS

	Strengths	Weight	Rating	Weighted
1	Affordable rent	0.20	4	0.80
2	Good relationship with the landlord	0.08	3	0.24
3	Banks and Agency resource training	0.05	2	0.10
4	Very Low Competition	0.15	4	0.60
5	Residential Proximity	0.10	4	0.40

	Weaknesses	Weight	Rating	Weighted
1	Limited financial records	0.10	2	0.20
2	Limited/ no business experience	0.12	3	0.36
3	Part-time business owners	0.05	2	0.10
4	No storage	0.15	1	0.15
	Total IFE Score	1.00		2.95

1. **Limited storage capacity** at the plaza may pose operational challenges. In our research, we found it is essential to ensure that all businesses have sufficient space to store ingredients and supplies effectively.
2. **Tenants with limited business experience** often struggle to make sound decisions during their critical first three years. Offering guidance and encouraging the use of free educational resources can significantly improve their chances of success.
3. **Low rent** is a key driver of growth, reinvestment, and long-term sustainability. When strategically leveraged, it becomes the Grove project's most valuable asset.
4. **The Urban Coalition's** strong commitment and leadership are key advantages that support the successful stewardship of the Grove. Engaged and proactive landlords contribute positively to every aspect of their development and operations.

EXTERNAL FACTORS EVALUATION (EFE)

External Factor Evaluation (EFE) is an external evaluation for the owners and operators of the plaza that goes over possible external opportunities and possible external threats. Like the IFE, the EFE is weighted and rated on a scale from 1 to 4, where 1 indicates poor performance and 4 represents superior performance.

	Opportunities	Weight	Rating	Weighted Score
1	No competitors	0.25	4	1
2	Local Events	0.15	2	0.3
3	Expansion	0.10	2	0.2

	Threats	Weight	Rating	Weighted Score
1	Noise pollution risk	0.28	3	0.84
2	Expansion denial	0.10	2	0.20
3	Tenant Cohesion	0.12	3	0.36
	Total EFE Score	1.00		2.90

COMPETITIVE PROFILE MATRIX (CPM)

A field review was conducted in Clearwater to identify potential competitors for a proposed shopping plaza constructed from repurposed shipping containers. Three locations were evaluated. Although none proved to be direct competitors, the analysis revealed important insights about market gaps, differentiation opportunities, and common pitfalls among similar retail formats.

Location 1 – Recently Closed Shopping/ Restaurant Concept

Status: Out of business (closed approximately one week prior to visit)

Key Observations

- Poor tenant mix: The businesses selected for the plaza were not aligned with local demand or demographic preferences.
- Lack of marketing: Minimal online presence and no visible branding or promotional efforts contributed to low awareness.
- Google Maps/online listing issues: Incorrect or poorly managed location data made it difficult for customers to find the site.

Relevance as a Competitor



1. Not a direct competitor due to closure and traditional building format, not container-based.
2. Indirect insight: Highlights the importance of visibility, targeted tenant selection, and digital presence for any retail plaza—especially a unique concept like shipping containers.

Locations 2 & 3 – Traditional Strip Malls

Status: Fully operational, standard retail strip malls

Key Observations

- Typical layout and tenant composition (services, restaurants, small retail).
- Not designed to be experiential or visually distinctive.
- Standardized, predictable retail environment lacking unique destination appeal.

Relevance as Competitors

- Not direct competitors due to:
- Different construction style (traditional buildings vs. shipping containers).
- Different strategic focus (convenience shopping vs. destination-oriented experience).
- Their model does not align with the innovative, aesthetic, and modular design appeal that a shipping-container plaza offers.

BOSTON CONSULTING GROUP (BCG) EVALUATION

The BCG Matrix is a tool companies use to look at all their products (or services) and quickly decide where to spend money and resources, and where to cut potential risks or losses.



Considering the client's ultimate goal for the Groove Plaza to be a destination, this BCG matrix was customized and developed under this important consideration. The BCG matrix provides examples of businesses that fall under cash cows, stars, question marks, and dogs.

This BCG matrix was customized and developed with the consideration to make the Groove Krates of Clearwater a destination.

KEY DEFINITIONS

Cash Cows: High market share but low growth. They generate more cash than they consume, providing funds for stars and other investments.

Stars: High market share and high growth. These products require significant investment to maintain their growth.

Dogs: Low market share and low growth. These products typically do not generate significant cash flow and may be candidates for divestment

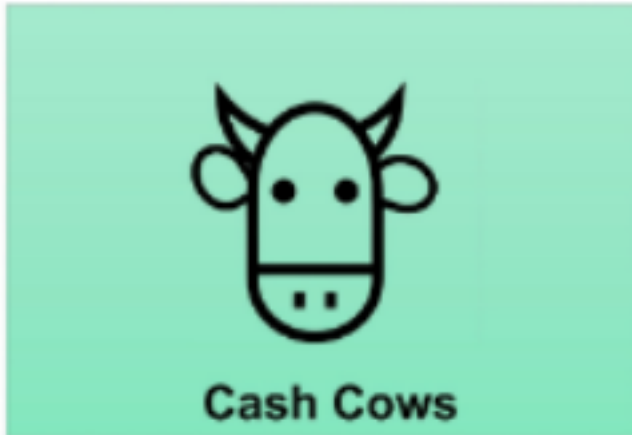
Questions Marks: Low market share but high growth. These products require investment to increase market share but are uncertain in their potential.



MAIN RESULTS

CASH COW SECTION

Profit Margin: Soul food and comfort food restaurants typically earn gross profit margins



between 60% and 75%, depending on menu design and ingredient sourcing.

These cuisines rely on affordable staples and high perceived value, making them financially attractive when managed well.

BusinessDojo reports that for restaurants in general, **gross profit margins** are around **60–65%**, with food & beverage costs being 28–35% of sales

Politz, M. (2025, month). *Cobbler & Dumpcakes: The sweet profit centers for restaurants*. Food & Beverage Magazine.

🍗 Soul Food Spot

Serve classics like fried chicken, collard greens, mac & cheese, and cornbread.

🍔 Affordable Burger & Wings Joint

Focus on value meals, flavored wings, and loaded fries.

- Great for takeout and late-night crowds.

🌮 Southern-Inspired Taco Bar

- Fusion tacos with fillings like catfish, jerk chicken, or BBQ pulled pork.
- Add sides like sweet plantains or hush puppies.

🍷 Caribbean Takeout Spot

- Jerk chicken, curry goat, patties, and rice & peas.

- Emphasize bold flavors and quick service.

🦞 Seafood Shack

- Fried fish, shrimp baskets, crab boils.
- Offer seasonal specials and combo platters.

🍦 Dessert & Ice Cream Bar

Southern-style sweets: banana pudding, peach cobbler, sweet potato pie.

Include affordable treats for kids and families

Ice cream and specialty desserts: **70–85% gross margin** per item.

Source: Food & Beverage Magazine (2025), Flavor365 (2025)

STARS SECTION



The average gross profit margin for a cup of coffee in a café is around 70 – 85%.

Specialty Drinks

The business story about why McDonald's decided to introduce the McCafé represents in the world of business one of the most effective business decisions to maximize profits.

The theory of three Big Macs equaling one cup of coffee exemplifies that the cost of producing, assembling, and selling food items has a higher overhead compared to making a cup of coffee, which essentially requires water and coffee.

Coffees, drinks, and specialty drinks carry a much higher gross profit margin compared to any food item. This is a key consideration for business owners.

The average gross profit margin for a cup of coffee in a café is typically very high—around 70–85%. This means that for every dollar earned from selling a cup, only 20–30 cents go toward direct costs like beans, milk, and sugar, while the rest contributes to covering overhead and profit.



CoffeeShopHub. (n.d.). *Wake up and smell the coffee: Gross profit margin for a cup.*
CoffeeShopHub.

Specialty drinks show rapid market growth and strong consumer demand. They deliver high margins and differentiate the brand from competitors. Continued investment will sustain leadership and maximize long-term profitability.

Boba Tea

Profit Margin: The gross profit margin of a cup of boba tea typically ranges from 60% to 80%, depending on ingredients, pricing, and location. This makes it one of the more profitable beverage options in the food industry.

- BusinessDojo – Boba tea: average revenue, profit and margins
- Toast – How Much Do Boba Shops Make?
- 7shifts – How Much Do Boba Shop Owners Make?
- Entrepreneurs.ng – How Profitable Is a Boba Tea Business

Boba tea enjoys rapid market growth and strong popularity among younger demographics. High margins and unique flavors make it a standout in the beverage industry. Continued investment will expand market share and secure long-term profitability.

BusinessDojo. (n.d.). *Boba tea: Average revenue, profit and margins.*

BusinessDojo. <https://dojobusiness.com/blogs/news/tool-revenue-boba-tea>

Vegan Soul Kitchen

Plant-based versions of soul food staples.

Appeals to health-conscious diners and younger crowds.

- Specialty drinks show rapid market growth and strong consumer demand.
- They deliver high margins and differentiate the brand from competitors.
- Continued investment will sustain leadership and maximize long-term profitability.

Vegan soul food is experiencing rapid growth as plant-based dining gains mainstream popularity. Unique cultural flavors combined with health-conscious appeal create strong differentiation and high margins. Continued investment will expand market share and establish leadership in this emerging niche.

Precedence Research. (2025, July 4).

Vegan food market size to hit USD 55.88 billion by 2034, plant-based demand drives 10.7% CAGR.

GlobeNewswire. <https://www.globenewswire.com/news->

QUESTION MARKS SECTION



Healthy Comfort Kitchen

- Soulful but nutritious: baked proteins, grain bowls, and veggie-forward dishes.

Healthy comfort food is in a growing market, but still holds a low relative share. Strategic investment is needed to determine if it can become a star or fade away.



Pizza & Subs Counter

- Budget-friendly slices, hoagies, and family meal deals.
- Great for families and students

Pizza and subs remain in a competitive market with modest growth but a low relative share. Focused investment or repositioning is needed to determine if it can grow into a star.

DOGS SECTION



- Toy or Gaming Store: Demand has declined as online platforms dominate the market. Limited growth opportunities make profitability difficult to sustain.
- General Merchandise Store: These stores struggle to stand out in a crowded, price-driven retail environment. Low margins and weak differentiation keep them from gaining market share.

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- Clothing Store: Intense competition and fast-changing fashion trends erode profitability. Without strong brand identity, growth prospects remain minimal.
- Grocery stores operate in a low-growth, highly competitive market with thin margins. Limited differentiation and rising costs make it difficult to gain market share or sustain profitability.
- General service providers operate in a mature, low-growth market with heavy competition. Limited differentiation and shrinking margins make it difficult to expand market share or sustain profitability. (PMR, 2025) KRATE retail shops don't grow fast and don't dominate the market → **low growth + low share = Dog** in the BCG Matrix.

SECTION 2.1

MARKET RESEARCH: MACRO AND MICRO-ANALYSIS

In this project, consultants utilized a **Primary Market Research (PMR)** methodology for gathering new, original data and industry insights directly from sources. This firsthand data and information were collected through interviews with seven participants, providing customized, relevant insights that were specific to a business's needs, management of operations, growth strategies, challenges, and risks.

This document offers key findings from interviews with seven participants, providing customized, relevant insights that are specific to a business's needs, management of operations, growth strategies, challenges, and risks.

WHY MACRO-ANALYSIS WAS USED.

The objective of the macro-analysis was to provide the Urban Coalition and the City of Clearwater with **credible, insightful knowledge and practical tools about how to develop, operate, and manage both risks and growth for a retail shopping plaza.**

To achieve this objective, consultants obtained key information from owner-operators,



and executives at Strategic Property Partners (SPP) located in Tampa, Florida. SPP is a leading commercial real estate organization responsible for developing the largest and most significant transformation of downtown Tampa called Water Street, with an estimated value of approximately \$4 billion. Notably, the SPP group acquired the former bankrupt Tampa Channelside Plaza and transformed it into a thriving and successful family-oriented Container Retail Plaza known as Sparkman Wharf.

KEY FINDINGS: HEALTH RATIO

Plaza operators must pay close attention to a tenant's Health Ratio (HR)

Findings from our macro-analysis revealed the importance of managing health ratios

Retail tenants' financial strength in commercial real estate is gauged using the health ratio (or occupancy cost ratio). This ratio compares a tenant's yearly space costs (like rent and taxes) to their annual sales. A low health ratio is a sign of a sustainable and financially healthy tenant, but a high ratio signals a greater chance of tenant turnover (SPP-Velazquez, 2025).



Why this is important

Especially for landlords, **HR helps assess the financial stability of a tenant**, which affects the property's overall value and can help determine fair rental rates. A low ratio can mean a landlord has room to increase rent, while a high ratio might suggest the need to renegotiate or prepare for a vacancy (SPP-Velazquez, 2025).

The formula for how to calculate it:

How to calculate it

The formula is:

$$\text{Health Ratio} = \frac{\text{Total Annual Occupancy Costs}}{\text{Gross Annual Sales}}$$

Example: If a store has \$150,000 in occupancy costs and \$1,200,000 in gross annual sales, its health ratio is 12.5% (150,000 ÷ 1,200,000). [🔗](#)

Traffic

Risk: **Traffic Management**

Careful consideration must be paid to daily traffic management and the flow of pedestrians, cars, children, and families. Findings revealed that injuries and accidents have occurred at shopping plazas.(Tarek, 2025)

This risk is even more critical during events as traffic increases significantly.

Risk Mitigation: **Traffic Management**

The site development and architectural design of the plaza must be done in such a way that mitigates this risk from the start. Sidewalks, street crossing signs, parking signs, fences in key places, gates for entrances and exits, stop signs, warning signs, street lights, block streets during events, and other similar factors should be carefully considered. It is also advised to discuss these issues with the City of Clearwater, neighborhood residents, and the police department (Tarek, 2025)

Business Mix

The Krate opened in 2022. The initial business mix was based on 50% restaurants and 50% retailers. The Krate has experienced high tenant turnover, particularly for retailers. Fierce competition from e-retailers and nearby malls was noted. Today, the business mix has drastically changed; it is about 90% restaurants and 10% retailers (Gabe, 2025)

Risk: **Product and People, Bars and Alcoholic Beverages**

Careful consideration must be paid to tenants that operate bars or sell alcoholic beverages. Findings from our macro-research revealed risks from people's poor behavior, intoxication, fights, property damage, or injuries.

This risk is exponentially greater during events.

Risk Mitigation: **Product and people, Bars and Alcoholic Beverages**

The leasing contract for bars and businesses that sell alcoholic beverages should include concrete language related to the prevention and management of these risks.

Outsourcing services for security is also advised, particularly during events.

The Krate opened in 2022. The initial business mix was based on 50% restaurants and 50% retail. The Krate has experienced high tenant turnover, particularly for retailers. Today, the business mix has drastically changed, becoming 85% restaurants and 15% retailers.

*Back in 2022,
50/50. Now, 2025 is
15% retail - 85%
Restaurants Facing
out retail.*

PRE-OPENING RECOMMENDED BEST PRACTICES

OPERATIONS MANAGEMENT

Plaza Operators Must Have an Operating Manual

Risk: Operation, process, and execution

The largest challenge at this point is not having any operation, process to execute.

Risk Mitigation: Operation, Process, and execution.

The foundation of a successful business lies in a well-designed and thoroughly implemented Operations Manual. This document should outline clear procedures, responsibilities, and performance standards to ensure consistency, compliance, and efficiency across all activities.

A comprehensive Operations Manual helps prevent confusion, minimizes risk, and supports accountability among all staff, tenants, and partners. It should include, at a minimum, the following components:

1. Operational Framework

- Business Plan: Defines objectives, mission, target market, and revenue model.
- Operating Hours: Establish consistent and approved business hours for all tenants and operations.
- Standard Operating Procedures (SOPs): Detailed instructions for day-to-day activities to maintain quality and compliance.

cleanliness, signage, and shared space etiquette.

- Trash and Waste Management: Clear instructions for waste segregation, disposal, and recycling to maintain cleanliness and health standards.
- Rent Collection and Default Procedure: Steps to follow in case of late payments, disputes, or non-compliance.
- Vendor and Tenant Contracts: Written agreements defining lease

2. Tenant Management

- Tenant Rules and Responsibilities: Guidelines covering conduct,

terms, operational boundaries, and performance expectations.

3. Staffing and Human Resources

- Hiring and Onboarding Procedures: Policies for screening, training, and onboarding employees to ensure alignment with company standards.
- Volunteer Program Process: Defined roles, expectations, and supervision guidelines for volunteers.
- Internship Program: structured plans for student or community interns, including schedules, mentorship, and reporting expectations.
- Employee Code of Conduct: Standards for professional behavior, dress code, attendance, and communication.

4. Marketing and Promotion

- Promotion Guidelines for Crate Tenants: Clear policies on marketing, signage, and collaborative advertising.
- Event Marketing and Ticket Sales: Procedures for pricing, distribution, and reconciliation of ticket revenue.
- Community Engagement: Strategies for outreach, partnerships, and local collaborations to enhance visibility and goodwill.

5. Financial and Administrative Controls

- Budgeting and Expense Management: Framework for tracking operational costs, vendor payments, and event budgets.
- Procurement and Vendor Rules: Clear process for vendor selection, contracting, and compliance with payment terms.
- Reporting and Recordkeeping: Standard templates for financial and operational reporting.

6. Risk and Safety Management

- Incident Reporting Procedures: Documentation process for accidents, complaints, or security issues.
- Safety and Emergency Protocols: Steps for fire safety, crowd control, and coordination with local authorities.
- Insurance and Liability Coverage: Requirements for tenants, vendors, and events.
- Performance Review System: Regular evaluation of tenant satisfaction, sales performance, and operational efficiency.
- Feedback Loop: Channels for receiving and addressing feedback from tenants, customers, and staff.
- Periodic Manual Updates: Annual or semi-annual reviews to keep

- policies current with regulations and business needs.
- **Zoning & Permitting:** Ensure compliance regarding container placement, utilities, fire code, and ADA access before installation.
- **Anchor Tenants:** Secure at least one high-traffic draw (ex: coffee or dessert) to establish baseline daily foot-traffic.

Risk: Architectural Design - Sun, Rain - and the Social Factor

Weather Exposure and Socializing in Plaza Design

Weather exposure significantly impacts plaza use, as high heat, rain, and humidity can reduce visitor time. Therefore, the architectural design must incorporate adequate shading and cooling solutions to ensure visitors and families can comfortably enjoy the plaza year-round, even during inclement weather or intense heat.



The social factor is a key determinant of a plaza's success. The architectural design should actively facilitate socialization, allowing children, adults, and families to connect with each other and build memories. This emphasis on social areas was a major contributing factor to the success of places like Sparkman Wharf Plaza.

Conversely, while The Krate does have social areas, feedback from owner-operators suggests that the design could be improved by providing better-protected spaces for socializing during rainy or very hot days, specifically indicating a need for more shade areas.

Feedback from owner-operators suggests that the design could be improved by providing better-protected spaces for socializing.

To enhance the social factor, a key feature in the high-traffic social areas of successful designs like Sparkman Wharf and Armature Works is the use of **synthetic turf**. This material not only provides an appealing surface but also allows for the diversification of its usage for various activities, including social events, outdoor classes, and play areas.

POST-OPENING RECOMMENDED BEST PRACTICES



Operational Consistency: Maintain standardized hours, cleaning schedules, and customer service expectations across all tenants.

Management Presence: On-site management supports coordination, maintains quality standards, and resolves issues quickly. Show your tenants that you are present.

Event Programming: Schedule recurring events (live music, markets, workshops) to increase visitation and build routine community engagement.

Customer Feedback Loop: Collect ongoing feedback to improve seating, shade placement, traffic flow, or vendor/tenant's needs.

Scalability: Introduce seasonal pop-ups and rotating vendor slots to stay adaptable and maintain novelty.

Market Expansion: Leverage partnerships with local organizations, schools, and community groups to broaden visitor reach.

Shared Standards: Consistent expectations for hours, cleanliness, and presentation across all units reinforce brand identity.

- **Centralized Maintenance:** Common areas, trash, and exterior upkeep should be plaza-managed to ensure uniform quality.

Clear Signage: Wayfinding and vendor identification signage should be uniform and visible from all entry approaches.

- **Inventory & Storage Coordination:** Assist vendors in managing limited storage space effectively.

PROCESS

For a smoother process, below are some recommendations suggested by participants included in our research:

- **Onboarding System:** Provide written guidelines covering layout, signage, hours, and shared responsibilities.
- **Communication Structure:** Set recurring vendor check-ins to address needs and maintain alignment.
- **Issue Resolution Protocol:** Establish a clear process for reporting maintenance or operational concerns.
- **Compliance Tracking:** Maintain organized records for inspections, licensing, and required permits.

FAMILIES, VISITORS, CLIENTS - CUSTOMERS

- **Customer Comfort:** Provide seating variety, shade, and social gathering zones to support longer stays.
- **Vendor Collaboration:** Encourage cross-promotions and shared specials to increase average visitor spending.
- **Community Participation:** Involve schools, artists, and cultural organizations in events and programming.
- **Customer Comfort:** Provide seating variety, shade, and social gathering zones to support longer stays.

GROWTH BEST PRACTICES POST OPENING

Risk: **Membership Strategy**

Charging a membership fee can be an effective way to generate revenue; however, it carries a high risk if not properly structured and communicated.

If the program lacks clear benefits or transparency, members may become confused or perceive it as a way to capitalize on events rather than add genuine value

Risk Mitigation: **Membership Strategy, community involvement, Communication & Promotion**



To give back and uplift the local neighborhood by offering free memberships to residents and local businesses, encouraging community involvement, and local economic growth.

Free Membership for Local Neighborhood Residents, Businesses, and Staff:

- Offer discounts and perks to local members and businesses as incentives for participation and spending.
- Encourage residents to participate in The Crate experience.
- Invite residents to apply for employment opportunities within The Crate.

MICRO-ANALYSIS INSIGHTS AND FINDINGS

WHY MICRO-ANALYSIS WAS USED.

The micro-analysis sought to gather credible, real-world knowledge and best practices in **managing risk and growth** from current and former owner-operators of businesses in a container shopping plaza. This information is intended to provide the Urban Coalition, the City of Clearwater, and **primarily future owners/operators** with a clear framework. The consultant achieved this by conducting in-depth interviews with seven participants.

Micro-analysis PMR revealed the following notable information and key findings:



Risk: **Lack of Commitment**

Being a business owner, especially in years 1 to 3, takes 125% commitment.

Micro-research (interviews with business owners) revealed that owners who were not fully committed to managing the business 24/7 experienced financial difficulties, slow growth, and, in some instances, financial losses.

Risk Mitigation: **Clear Expectations and Commitment**

A key finding from an interview revealed that clear expectations about the enormous amount of commitment must be set from day one. It is a lifestyle choice and decision that must be carefully considered. Social life, family time, and

other leisure time often take 2nd place while the business takes 1st place.

Risk: **Irresponsible Personal Financial Management**

Micro-research (interviews with business owners) revealed that some business owners who are not used to making good money, once they do, they begin overspending on the personal side.

Poor management of personal finance is a leading cause of business failure, particularly among micro-enterprises and small businesses.

Findings revealed an occasion in which business owners had a superb week of high revenues, and later decided to close various stores for two weeks to spend the profits.

**Risk Mitigation: Responsible Growth -
Reinvest in the Company**

During the growth stage (years 1-to-3) a best practice is to reinvest any excess of revenues/profits into the company.

Risk: Time & Commitment

Time management is a foundational skill for successful business owners. Unfortunately, our micro-analysis reveals that a common initial weakness among new owners is effective time allocation. A

key finding was that some owners didn't consistently dedicate sufficient time to the core operations of their new venture. This lack of consistent presence and commitment can significantly impact early growth and stability.

Risk Mitigation: Best Practice Insights

To help mitigate this risk, our micro-research included an interview with one owner who successfully scaled his restaurant business from one location to three in five years. His shared best practice provides a clear roadmap for early commitment:

"In the first year of operating my first restaurant, I took no vacation time and was present seven days a week on the front lines, working shoulder to shoulder with my employees. Once I built enough confidence in my team, specifically how efficiently and how committedly they could run the business, only then did I begin to shift my focus toward building and managing the other locations."

This example highlights the critical need for front-line, immersive commitment during the initial startup phase to build a reliable team and operational stability.

OTHERS

Digital Presence: Maintain active social media to reinforce brand awareness beyond in-person visits.

Customer Retention: Use loyalty programs or digital punch cards to encourage return visits.

Profits

- **Cost Control:** Monitor ingredient and supply costs closely to protect margins.
- **Labor Efficiency:** Schedule staff according to peak hours to avoid overspending.
- **Upselling:** Offer small upgrades or add-ons to increase transaction value.
- **Sales Tracking:** Use daily and weekly sales trends to refine staffing and production schedules.

SECTION 3

STRATEGIES AND RECOMMENDATIONS

Strategic Map for the Success of the Groove Krate of Clear Water



1- RETAIL MIX VERSUS RESTAURANT CLUSTER

A retail mix offers a variety of shops and services, while a restaurant cluster focuses mainly on food and beverage vendors to create a strong dining destination. Based on our research, we recommend the Coalition adopt a restaurant cluster for The Groove Krates of Clearwater. This approach attracts families, encourages repeat visits, and creates a lively, welcoming environment for the community.

2- PLAZA PERSONA AND SOCIAL VIBE

For The Grove to succeed, its concept, design, vendor selection, and operations must all align with one clear identity: a strong social vibe. The plaza should be known as a place where families, neighbors, and visitors naturally gather, connect, and enjoy shared experiences.

Research from Sparkman Wharf shows that defining the character early, shifting toward a family-friendly destination and designing open, welcoming spaces, was key to its success. The Grove should follow this approach by establishing itself as a family-oriented social destination from the start, offering food, entertainment, music, games, and creative activities for all ages. This consistent persona will guide every decision and help make The Grove a true community hub.



3. ENHANCED FINANCIAL MODEL

PMR findings suggest that tenant performance is significantly better when tenants have sufficient financial investment and a vested interest in their business's success. To align the landlord's and tenant's mutual financial interest, the project consultants recommend an enhanced financial model. This model is designed to ensure the tenant has "skin in the

game," providing motivation for improved performance and helping to double rental income in a short timeframe.

The following Financial Revenue/Rent model presents various options to achieve these goals: **Review Appendix A and Appendix B**

4- ROBUST OPERATIONS MANUAL

A critical foundation of a successful business lies in a well-designed and thoroughly implemented Operations Manual. This document must clearly outline procedures, responsibilities, and performance standards to ensure consistency, compliance, and efficiency across all activities. The Operations Manual is essential to mitigate risk, promote order, ensure consistency of processes, address possible legal issues, establish best practices in operational excellence, and support growth. Critically, it also creates full transparency regarding operational rules, guidelines, laws, and expectations between the landlord and the tenants.

5- MARKETING EVENTS, TACTICS, STRATEGIES

To strengthen The Grove's visibility and build a vibrant community presence, we recommend hosting recurring events such as music festivals, arts and crafts activities, and weekend farmers markets, along with partnering with local schools and colleges for special promotions. Strategically, The Grove should also introduce branded merchandise like keychains, t-shirts, and small souvenirs while using brand ambassadors and PR collaborations to expand reach and create consistent buzz around the plaza.

A list of various local events in the calendar year of 2026 is shown in Appendix B

5.1 MEMBERSHIP STRATEGY

Membership is a best practice successfully utilized by organizations to cultivate a strong sense of community and belonging. Companies like Walmart and Costco have effectively driven the membership marketing strategy for decades. To replicate this success and create alignment, Consultants recommend establishing a membership program for this Plaza. This program will connect the plaza operators, tenants, and shoppers/clients, fostering a feeling that they belong and are part of a new era for the neighborhood and Clearwater. Furthermore, this membership recommendation will help uplift the local community.

It is recommended that the Landlord determine specific perks and benefits that members can receive. For instance, to drive traffic during slow hours (such as 2:00 p.m. to 5:00 p.m. on Tuesdays or Wednesdays), members may receive special discounts or offers by shopping during these designated times.

5.2 POP-UP STORES

Utilizing temporary pop-up stores is an excellent strategy to maximize revenue and rent, particularly during holiday weekends and peak seasons throughout the year.

5.3 STRATEGIC PARTNERSHIP & CLEVER PROMOTIONS

It is recommended that Urban Collision leverage its non-profit status to develop strategic partnerships that can generate extra revenue, such as through the sponsorship of events and participation in community activities. Examples of potential partnerships include schools, universities, colleges, banks, law firms, hospitals, and various local businesses. For instance, a best practice observed in the Wesley Chapel area is an ice cream shop offering local K-12 schools a 30% discount on ice cream after school on Fridays, and a "bring your own banana" promotion that gives customers a \$3 banana split ice cream.

5.4 BRANDED MERCHANDISE

Developing branded merchandise featuring the small Krates logo or an actual Krates figurine can significantly help promote the Plaza. Members can receive items like bracelets, pins, keychains, and wearables that they can use to tell their friends, effectively spreading word-of-mouth marketing about the Plaza.

5.5 GUERRILLA MARKETING: LOW COST & HIGH IMPACT PROMOTION



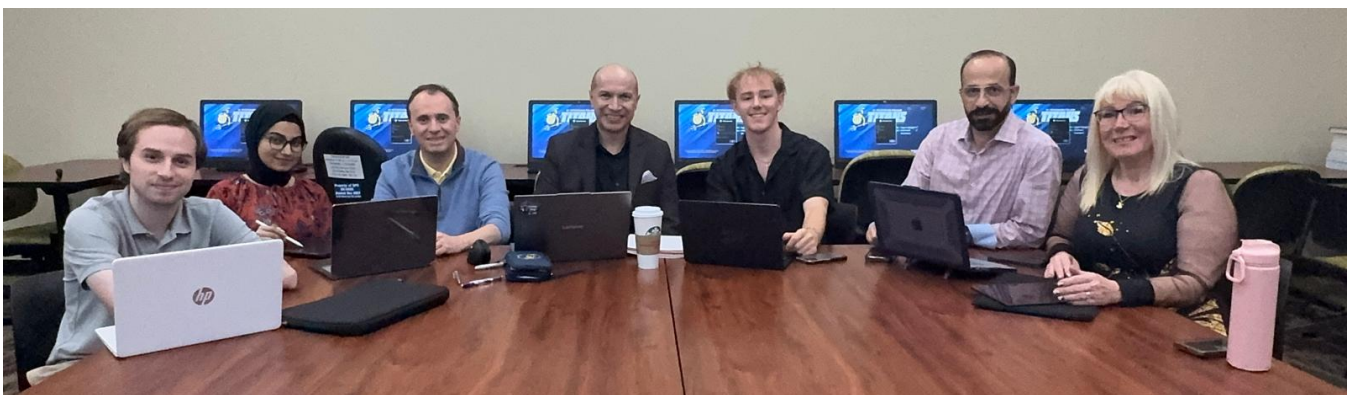
Small box placed strategically in high-traffic and visible areas

The Team of consultants is inspired by one of the most successful low-cost, high-impact marketing campaigns developed by the national fitness chain, Orangetheory. That campaign involves strategically placing an old bike painted orange at high-traffic intersections with high visibility. These orange bicycles are typically parked about 90 days before the opening of the next location, generating free word-of-mouth social media marketing from Facebook and commuters about the upcoming retail location. Therefore, the consulting team recommends creating a similar promotion using a smaller-scale old crate that can be strategically placed in key locations, including high-visibility spots in Clearwater, Pinellas County, and both the St. Pete/Clearwater (PIE) and Tampa International (TPA) Airports.

6 - TECHNOLOGY AND SOCIAL MEDIA MANAGEMENT

To achieve the maximum exposure essential for the plaza's success, its technology and social media presence must be overseen by a dedicated professional. This management should focus on generating high visibility through strategic digital outreach, including the execution of strategic online campaigns, impactful collaborations with influencers, and targeted digital advertising. Furthermore, an important social strategy recommendation is for the plaza to participate in local podcasts to promote its unique offerings to a community-focused audience. Another idea is to invite influencers for a private soft opening

A separate but equally critical recommendation is the optimization of the Google Maps locator (Google Business Profile). This optimization is vital to ensure that the Container Plaza is effortlessly discoverable by anyone, whether a local resident or a tourist, making physical access as easy as possible.



7- ARCHITECTURAL DESIGN FOCUSED ON SOCIAL CONNECTION

The main goal of the plaza's design must be to create a dynamic social space that strongly appeals to families and children. The design needs to focus on facilitating diverse entertainment, events, and activities where socialization is key.

Because this social factor is critical, the team of consultants recommends limiting the development to no more than ten containers. This ensures ample open space remains dedicated to cultivating the essential social atmosphere.

Market research shows that using synthetic or artificial turf in family gathering areas is very successful (like at Armature Works and Sparkman Wharf). Sparkman's success is largely due to its design prioritizing enough space for family activities.

The design must also include sufficient shady areas. This is vital for making the location pleasant and usable for families, providing comfort from hot weather and protection from rain

8 - IMPROVE NAME: THE GROOVE KRATES OF CLEARWATER

PMR Findings reveal that a business name should represent the vibe and persona of the organization. For this reason, the Consulting Team recommends

improving the name to: *The*

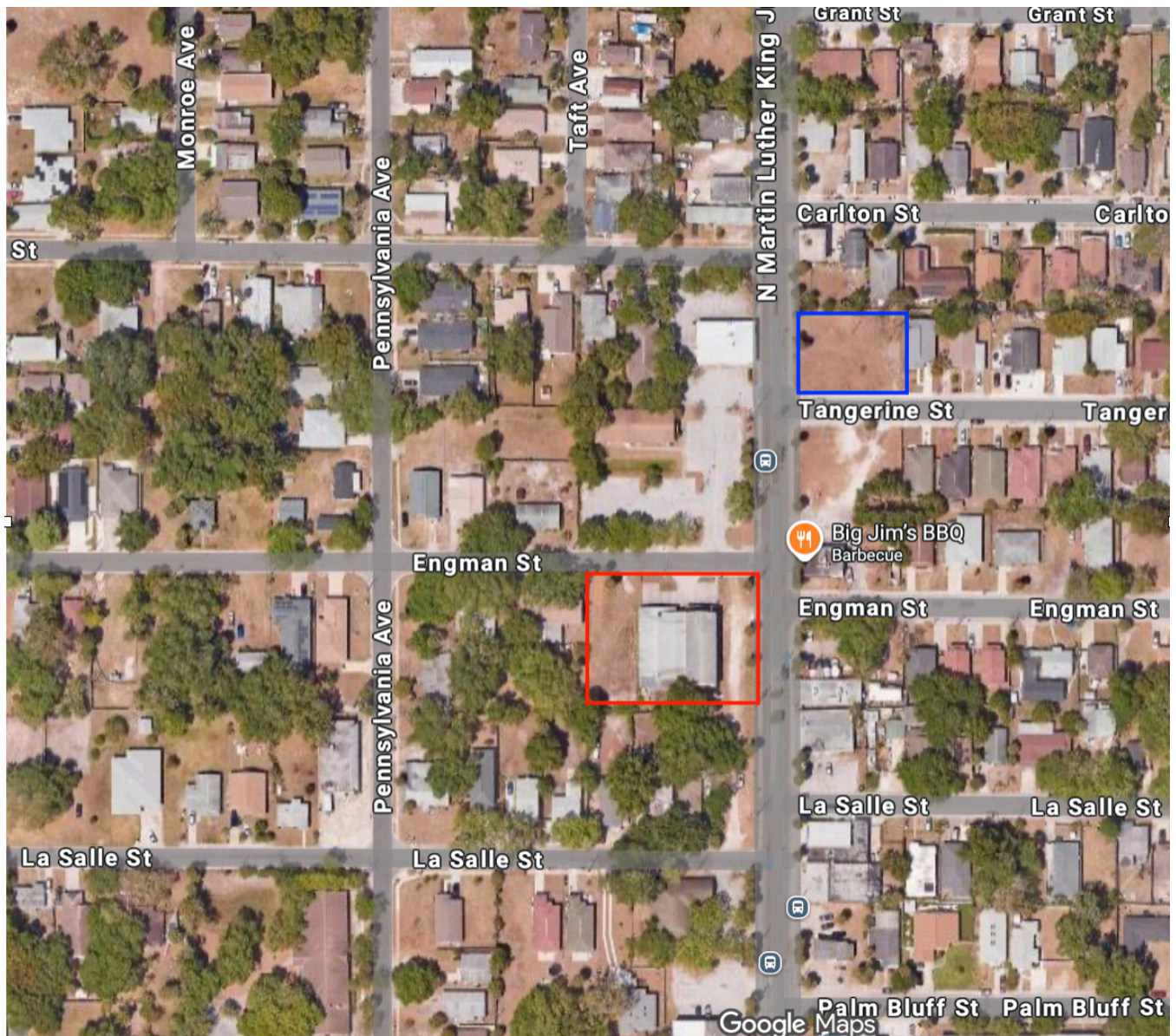
Groove Krates of

Clearwater. This new name will help attract tourists and families in Clearwater and beyond Pinellas County. Additionally, it will complement the nationally recognized Clearwater Beach vibe—a place known for good music, fun, entertainment, and a family-oriented atmosphere.



9 - OPTIMAL LOT/LOCATION

Primary Market Research clearly indicated that selecting an optimal location for the plaza development is absolutely critical for effective operational management. This involves efficiently handling the flow of vehicular traffic, the movement of pedestrians, managing adequate parking, and the necessary control of noise generated by events that involve music. Due to the significant impact of these factors, consultants recommend utilizing the alternative lot. This specific site is preferable because it has a lower density of surrounding residential houses, which intrinsically offers a better flow for pedestrians, simplifies the management of car traffic, and improves overall parking logistics.



10- BUILD A UNIQUE ORGANIZATION CULTURE

To develop a competitive advantage over other retail plazas and destinations, the Urban Coalition needs to infuse a well-defined organizational culture for tenants, employees,

vendors, and all stakeholders; a culture that follows this principle: “*This is how we do things at The Groove Krates of Clearwater.*”

*Defining a clear
organizational
culture is essential
for the plaza's
success.*

Beyond strategy, defining a clear organizational culture is essential for the plaza's success. This culture must establish a standard way of doing business, strictly guided by the Operational Manual.

The core focus must be on delivering exceptional customer service between the plaza and its tenants. This requires open and consistent communication. We highly

recommend implementing quarterly tenant meetings, especially during the first year of operation, to ensure alignment and continuous improvement. Critically, tenants must perceive that management (Landlords) is genuinely receptive to feedback and new ideas that can enhance the plaza's growth and operation.

APPENDIX A

FINANCIAL MODEL - RENT REVENUE LANDLORD AND TENANT STRATEGY

TENANT INVESTMENT PROPOSAL

Having “skin in the game” will motivate the tenant to perform better and help double rental income in a short period of time.

Three Lease Structure Options

OPTION 1: REDUCED BASE RENT + HIGHER % REVENUE SHARE

- Rent 10 units = \$7,000 per month (\$84,000 per year)
 - a. Base rent: \$700 per month per unit (8,400 per year)
 - b. Percentage rent: 10% of gross sales
 - c. Annual rent increase: 3%
 - d. Incentive: 1–3 months of free rent

OPTION 2: REDUCED BASE RENT + LOWER % REVENUE SHARE

- Rent 10 units = \$14,000 per month (\$168,000 per year)
 - a. Base rent: \$1,400 per month per unit (\$16,800 per year)
 - b. Percentage rent: 5% of gross sales
 - c. Annual rent increase: 3%
 - d. Incentive: 1–3 months of free rent

OPTION 3: FIXED RENT

- Rent 10 units = \$21,000 per month (\$252,000 per year)
 - a. Base rent: \$2,100 per month per unit (\$25,200 per Yr)
 - b. Annual rent increase: 3%
 - c. Incentive: 1–3 months of free rent

APPENDIX B

EVENT REVENUE STRATEGIES

To strengthen financial sustainability and community engagement, a balanced mix of revenue mechanisms can be implemented alongside traditional vendor fees.

1. FOOD TRUCK PARTNERSHIPS

- Revenue Share: Participating food trucks contribute 15–20% of their total sales during each event as a commission fee.
- Ticket System:
 - Visitors purchase event food tickets on-site.
 - Tickets are used as payment at participating food trucks.
 - At the end of the event, each food truck redeems collected tickets for reimbursement at 80–85% of their total ticket value, based on negotiated terms.
- Advantages:
 - Provides accurate and transparent revenue tracking.
 - Ensures a consistent percentage of proceeds dedicated to event management and community reinvestment.

2. ENTRY FEES

- Resident Policy: Local residents (within the venue's ZIP code) receive free entry upon presenting valid identification as proof of residence.
- General Admission: Non-residents are charged a \$5–\$10 entry fee per person, while children attend free.

APPENDIX C

LIST OF EVENTS

Date	Event	Location	Notes	Source
01/20	Morrissey Concert	Mahaffey Theatre, St. Petersburg	Rescheduled concert	https://themahaffey.com/show/morrissey/
01/28	Forever Motown	Mahaffey Theatre, St. Petersburg	Motown tribute show	https://www.visitstpeteclearwater.com/event/forever-motown-mahaffey/59386
01/31	The Rocket Man Show	Mahaffey Theatre, St. Petersburg	Elton John tribute	https://themahaffey.com/show/rocket-man/
02/06 - 02/08	Needlepoint Retreat	Clearwater	Arts & crafts retreat	https://www.facebook.com/groups/748907069549635/posts/1329409721499364/
02/12 - 02/15	Shriners Children's Clearwater Invitational	Eddie C. Moore Complex, Clearwater	College softball tournament	https://www.clearwaterinvitation.com/
02/20 - 02/22	St. Petersburg Seafood & Music Festival	Vinoy Park, St. Petersburg	Seafood and live music festival	https://www.visitstpeteclearwater.com/event/st-petersburg-seafood-music-festival/43411
02/27	Styx & Cheap Trick Concert	Coachman Park, Clearwater	Classic rock concert	https://www.myclearwater.com/Visit-Coachman-Park/03-Coachman-Park-Events
03/06	Little River Band with Billy Joel Legends	Coachman Park, Clearwater	Live music concert	https://www.myclearwater.com/Visit-Coachman-Park/03-Coachman-Park-Events
03/12 - 03/15	Reggae Rise Up Florida	Vinoy Park, St. Petersburg	Major reggae festival	https://reggaeriseup.com/florida/
03/21	Joe Bonamassa Live	Coachman Park, Clearwater	Blues guitarist concert	https://www.myclearwater.com/Visit-Coachman-Park/03-Coachman-Park-Events
03/27 - 03/28	Dancing With The Stars: Live! Tour	Ruth Eckerd Hall, Clearwater	National tour stop	https://www.rutheckerdhall.com/events/detail/dancing-with-the-stars
03/27 - 04/12	Pier 60 Sugar Sand Festival	Clearwater Beach	Annual sand sculpting event	https://www.myclearwater.com/Events-and-Meetings/Pier-60-Sugar-Sand-Festival

THE GROOVE KRATE OF CLEAR WATER

04/01 - 05/31	Making Waves Arts Festival	Various locations in Pinellas County	Art & culture festival	https://creativepinellas.org/event/making-waves/
04/10 - 04/12	Tampa Bay Blues Festival	Vinoy Waterfront Park, St. Petersburg	Multi-day blues festival	https://www.tampabaybluesfest.com/
05/02 - 05/03	Pinellas Pepper Fest	England Brothers Park, Pinellas Park	Hot & spicy food event	https://www.sikpromotions.com/applicants/spring/pinellas-pepper-fest
05/09	Luau 5K & 10K Run	Tarpon Springs	Community running event	https://runningintheusa.com/race/list/pinellas-county-fl/may
05/13	Business Electronics & Chemical Collection Event	Pinellas County	Environmental collection program	https://pinellas.gov/event/business-electronics-chemical-collection-event-43/
05/17	Dunedin Rotary Triathlon	Dunedin	Annual triathlon event	https://runningintheusa.com/race/list/pinellas-county-fl/may
10/16 - 10/18	Clearwater Jazz Holiday	Coachman Park, Clearwater	Annual jazz festival	https://www.clearwaterjazz.com/
11/12 - 11/15	Symposium in the Sun	Clearwater	Fire/first-responder professional conference	https://www.iafc.org/events/event/2025/11/13/default-calendar/symposium-in-the-sun-2025

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