



Eggertsville Action Plan



APPENDIX A

ECONOMIC ISSUES AND STRATEGIES FOR EGGERTSVILLE MASTER PLAN

Draft Report
Economic Issues and Strategies for Eggertsville
Master Plan

Prepared for
Town of Amherst, New York

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1. Market Demand Analysis

DEFINITION OF MARKETS

The Eggertsville Study Area, as defined by the Town of Amherst, covers an approximately three square-mile area centered on the intersection of Millersport Highway and Eggert Road. It is located in the extreme southwestern corner of the Town, as is bordered by the Towns of Tonawanda and Cheektowaga, as well as the City of Buffalo. The Study Area itself is the primary source of neighborhood retail demand within its boundaries.

Since Eggertsville serves as much more than just a neighborhood node, a larger retail trade area needed to be identified. Within the boundaries of the study area, there exists about 1.2 million square feet of retail space, and there is an additional two million or so located just outside the Study Area. The character of the retail centers located within the study area (e.g. Northtown Plaza, TJ Maxx Plaza, Sheridan Centre) is of the neighborhood/community variety. The retail development located just outside the study area either is of the regional/super regional variety (Boulevard Mall, Boulevard Consumer Square) or serves a more unique/urban population (University Plaza). As a result, the study area itself provides a much different character of retail than does its immediate surroundings.

In order to determine the size of the community retail market draw for the Eggertsville Study Area, it is useful to examine its regional competition. The area is effectively bracketed to the west, south, and east by regional retail nodes, each located about five miles from the center of the study area. To the west, the newly-opened Delaware Consumer Square power center defines its own regional market, just as the Boulevard Mall/Boulevard Consumer Square does. To the south and east are the Walden Galleria and the Eastern Hills Mall, respectively. These two nodes both contain a variety of ancillary community retail development as well. The market to the north of Eggertsville is anchored by Boulevard Mall and its surrounding development.

Clearly, the markets for regional retailers around Eggertsville are more than adequately served by existing retail nodes. This leaves behind a local market for retailers located along the Sheridan Drive, Bailey Avenue, Main Street, and Millersport Highway corridors. In order to avoid competition from local retailers located near the other regional nodes, Eggertsville's primary market area should be defined as a **three-mile radius** at most.

MARKET AREA DEMOGRAPHICS

The estimated 1999 population of the Eggertsville Study Area is 15,302, and that amount is forecasted to decline by 3.8% over the next five years down to

14,714. Currently, there 6,428 households in Eggertsville, an average household size of 2.38. The number of households is forecasted to decrease to 6,270, lowering the average household size in Eggertsville to 2.35 by the year 2004. During the same period, household income levels are expected to rise substantially, though, from about \$49,000 now to close to \$54,000 by 2004. Currently, 24.5% of households in Eggertsville earn over \$75,000 annually; by 2004 this figure will climb to 27.6%.

The 1999 population of the 3-mile ring around the Millersport Highway/Eggert Road intersection (excluding Eggertsville) is 133,061, and this figure is forecasted to decline by 4.1 percent to 127,630 by 2004. Its average household size is larger than in Eggertsville, with its 53,714 households translating to an average household size of 2.48. In 2004, the number of households will have decreased to 52,171, an average size of 2.45. Though median household income figures cannot be isolated for the area within three miles of the center of Eggertsville but outside the study area, the median incomes of \$38,888 (1999) and \$42,877¹ (2004) for the 3-mile ring as a whole are substantially lower than for the study area. The lower income level is evident from examining households by income, as only 14.2% of 1999 households in the 3-mile earn over \$75,000 per year. However, this figure will increase by a healthy 18.1% by 2004.

Both the Eggertsville Study Area and its surrounding 3-mile ring are expected to post slight declines in population and households while substantially increasing household income levels over the next 5 years. This translates to increased buying power despite the population loss. The table below illustrates the total income in 1999 and 2004 for the study area and the 3-mile ring:

¹ Income figures for 2004 are in 2004 dollars.

**TOTAL MARKET INCOME COMPARISON
EGGERTSVILLE MARKET AREAS**

	<u>1999</u>	<u>2004</u>
Eggertsville Study Area		
Population	15,302	14,714
Per Capita Income	\$29,542	\$34,998
TOTAL INCOME	<u>\$452.1 million</u>	<u>\$515.0 million</u>
0-3 Mile Ring (Including Eggertsville)		
Population	148,363	142,344
Per Capita Income	\$20,166	\$23,347
TOTAL INCOME	<u>\$2.99 billion</u>	<u>\$3.32 billion</u>

HOUSEHOLD RETAIL EXPENDITURES

ERA collected data from the U.S. Bureau of Labor Statistics' *Consumer Expenditures Survey* for the Northeast Region in order to establish regional retail spending benchmarks. These benchmarks were then compared with total household spending in the Northeast region to determine the percentage of disposable household income that is spent annually on retail goods and services for the three major categories of General, Apparel, Furniture and Other (GAFO), Eating and Drinking, and Entertainment. The figures below assume that households spend 100% of their disposable income each year.

HOUSEHOLD SPENDING AS A PERCENT OF DISPOSABLE INCOME

GAFO:	25.1% of disposable income
Eating & Drinking:	15.9% of disposable income
Entertainment:	4.9% of disposable income
TOTAL RETAIL:	43.4% of disposable income

The next step in determining retail spending was to compare the Northeast region average for disposable household income with those for the Study Area and the 3-mile ring. The Northeast's average of \$36,070 falls short of Eggertsville's 1999 and 2004 average disposable incomes of \$43,097 and \$50,320, but exceeds the 3-mile ring's average of \$33,874. By 2004, though, the 3-mile ring's average disposable household income will rise to \$38,726.

The final step in calculating total household retail expenditures is to apply the above percentages for the Northeast Region to the two market areas. The results of this calculation are listed below:

**HOUSEHOLD RETAIL EXPENDITURES
EGGERTSVILLE MARKET AREAS**

	<u>1999</u>	<u>2004</u>
Eggertsville Study Area		
GAFO	\$10,799	\$12,609
Eating/Drinking	\$6,855	\$8,003
Entertainment	\$2,114	\$2,468
SPENDING PER HH	<u>\$18,702</u>	<u>\$21,837</u>
0-3 Mile Ring (Including Eggertsville)		
GAFO	\$8,488	\$9,704
Eating/Drinking	\$5,388	\$6,159
Entertainment	\$1,661	\$1,899
SPENDING PER HH	<u>\$14,700</u>	<u>\$16,806</u>

CAPTURE RATES

Due to the fact that the supply of retail space in Eggertsville is primarily of the neighborhood/community variety, its sales have been largely concentrated in the General Merchandise and Eating and Drinking categories. However, since national value-oriented tenants like Target have located just outside the Eggertsville Study Area, these tenants have captured substantial General Merchandise sales from within the 3-mile ring. However, these stores also draw from a larger area and bring consumers into the community from outside the primary market area, thus enhancing the ability of surrounding retailers to tap into “inflow” markets. The end result is that Eggertsville will, in the future, gain market share from the inflow market, but not from the residential market.

Based upon the above considerations and investigation of the existing retail market, the following assumptions were made regarding capture rates:

ASSUMED CAPTURE OF RETAIL EXPENDITURES

	<u>1999</u>	<u>2004</u>
GAFO		
Egbertsville	35.0%	35.0%
3-Mile Ring	10.0%	10.0%
Other Inflow	5.0%	10.0%
Eating & Drinking		
Egbertsville	50.0%	50.0%
3-Mile Ring	10.0%	10.0%
Other Inflow	5.0%	10.0%
Entertainment		
Egbertsville	20.0%	20.0%
3-Mile Ring	5.0%	5.0%
Other Inflow	5.0%	10.0%

RETAIL EXPENDITURES AND SUPPORTABLE RETAIL SPACE

Based upon the demographic, spending, and capture rate data listed above, retail expenditures were then calculated. Once these figures were established, the final step was to apply typical sales per square foot performance measures in order to determine the supportable square footage. Using established industry standards, these figure were set at \$225/SF for GAFO, \$275/SF for Eating & Drinking, and \$150/SF for Entertainment. Estimates of supportable square footage are listed in the following table:

SUPPORTABLE RETAIL SQUARE FOOTAGE

	<u>1999</u>	<u>2004</u>
GAFO	301,000	326,000
Eating/Drinking	181,000	199,000
Entertainment	47,000	51,000
TOTAL	529,000	576,000

SUPPLY VERSUS DEMAND

Comparing these market-driven figures regarding the supportable retail square footage in Eggertsville with the current inventory of retail space shows that the amount of existing retail space in the study area far exceeds the amount of space that it will be able to support in the future. Currently, the Eggertsville Study Area contains approximately 1.4 million square feet of retail space, over 80% of which is over 20 years old. Additionally, over 2.0 million square feet of retail space exists just outside the study area, both to the north and the south. Clearly, competition is very fierce.

Although the current high level of retail occupancy in the market does not reflect an oversupply, this is because larger developments like the new Sears store at Boulevard Mall and the build-out of Boulevard Consumer Square are not yet complete. When these competitive developments hit the market, they will certainly draw resident spending away from older retail destinations in the Eggertsville Study Area. As ERA's projections show, though, these new retail developments will enhance Eggertsville's ability to draw from the regional market.

What this all means is that property owners and businesses in Eggertsville must be prepared to adapt to increasing competition in the market. The results of the stakeholder interviews in the next section do demonstrate some awareness of this. However, the business community has certain expectations of the Town of Amherst to help shepherd these changes.

2. Summary of Stakeholder Interviews

During November and December, 1999, ERA interviewed several members of the commercial real estate community in Eggertsville in order to gain insight into the history, recent trends, and future of the area. The list of interviewees included property owners and managers, retail tenants, developers, and commercial brokers. Due to the sensitive nature of the topics discussed, opinions of individual stakeholders are not revealed here; only general findings from the larger sample are discussed.

The following points summarize ERA's findings from these interviews:

- Without question, the most controversial thing to happen to Eggertsville in the recent past is the construction of the Boulevard Consumer Square retail power center. Every single stakeholder expressed a strong opinion about the type of effects this development will ultimately have on the community, with feelings ranging from very positive to very negative.
 - The positives mentioned were that it brought in national tenants, solidified the area's standing in the regional market, induced existing property owners to reinvest in their properties, and generated more retail traffic in the area.
 - Negatives cited by the stakeholders were that it sped up the demise of older properties that can no longer compete, raised rents to the point that mom-and-pop retailers must leave the market, and added to the mounting traffic problems along Niagara Falls Boulevard and Sheridan Drive.
- The Boulevard Mall area remains the preeminent retail node in Western New York, as evidenced not only by the new power center, but also by the continued preference of national retailers to locate their regional flagship stores in the area. Further evidence of the area's continued success are the new Sears store under construction at the Mall itself, and the fact that the Mall still leads the metro area in sales per square foot.
- The majority of property owners view Consumer Square as a positive, and even those who do not are more unhappy with the Town of Amherst's handling of the review process than with the center itself. Those who see it as a positive addition commented that stores like Target and Barnes & Noble draw shoppers from a wider area and increase the possibility that they will then visit nearby centers for other purposes. The naysayers feel that though Consumer Square itself is not really damaging their properties just yet, Amherst's eager approval of the project is emblematic of a pro-growth attitude that ultimately will lead to more development that will begin to negatively affect the existing market.

- Though many residents of Eggertsville are growing unhappy with the traffic situation in the area, retailers obviously see traffic as a plus. The only major complaints regarding traffic from this group of stakeholders had to do with issues pertaining to specific “trouble spots.” One spot mentioned was Main Street, where on-street parking is allowed, and many accidents occur when cars are moving in and out of these spaces. Another was Millersport Highway north of Eggert Road, where the posted speed limit is 35, but enforcement is lax, particularly during the daytime.
- Amherst’s use of Industrial Development Authority (IDA) bonds to finance new retail development in outlying areas of the Town has stirred up a good deal of anger in Eggertsville. The prevailing feeling is that the Town’s current policies to induce new construction lead to the neglect of older buildings. A couple of stakeholders suggested that the Town could easily provide incentives to rehab old buildings, build new parking spaces for older developments, and install the high-tech infrastructure needed to convert old retail space into modern office space.
- Much has been made about the perceived decline in the character of Eggertsville, but the demographic profiles do not show any decline. As mentioned in the previous section, household income levels are rising in Eggertsville. Even if income levels were falling, that would really just be an opportunity. In neighboring sections of Buffalo, income levels (and housing values) are falling, but retailers have begun to refocus their strategies to accommodate different types of retail patrons. For example University Plaza, located on Main Street just south of Eggertsville, is now undergoing a major renovation and expansion aimed at better serving its surrounding community.
- The office market in Eggertsville is rather small, but does have some significant tenants. Those property owners who do own office space feel that the area is performing relatively well and that office tenants who are currently settled in the area are likely to stay. The larger concern expressed is not that tenants would leave to occupy new buildings in Williamsville, Clarence, or other suburban areas, but that they would leave Western New York entirely. There is a recognition that the entire region is in decline, and this prospect worries several of the stakeholders.
- The role of the University at Buffalo in the future of Eggertsville cannot be underestimated. As the community that separates the two campuses of UB, a great deal of back and forth traffic occurs between the two campuses. There are many examples of how communities have gotten together with colleges to promote mutually beneficial community development. As Eggertsville works to create strategies to ensure its future, UB can be called upon to utilize its resources to aid the cause.

3. Case Studies

Commercial Area Redevelopment

At the request of the Town of Amherst ERA assembled a series of case studies documenting model commercial area redevelopment efforts of other cities and counties around the country. This section contains first points listing key lessons learned from various approaches to commercial redevelopment used by this sample of communities. The case studies themselves can be found in Appendix 2.

- The approach taken by Chicago in addressing its oversupply of commercial land serves as an effective model for reusing obsolete properties along older commercial corridors. Furthermore, the scope and variety of incentive programs it provides illustrate how, in the world of redevelopment, one size does not fit all.
- It is important to realize that Chicago's initiatives represent an organized effort by the City government to aid *all* of its various neighborhoods. The goal of its redevelopment programs is not to make certain neighborhood centers prosperous at the expense of others—rather it is to increase the quality of the city as a whole. If similar programs are to be applied to Eggertsville, perhaps they should be as part of a town-wide initiative that can be also applied elsewhere in Amherst.
- Baltimore County, Maryland uses a combination of state funds (bonds) and county funds (General Obligation bonds) for its streetscape programs in these districts. The two applicable elements from this case study are: (1) the establishment of an interest-free loan program for exterior building improvements; and (2) the guarantee fund loan pool, which provides reduced interest rate loan funds for business start-ups, expansions or whole-property renovations within designated districts (such as Eggertsville).
- The key insight to be gained from Conshohocken, Pennsylvania's revitalization efforts is the structure of its public-private development management model: establishment of an independent, 501(c)(3) or (c)(4) organization to coordinate land assembly and to advise Montgomery County on the potential use IDA monies within designated districts. The activities of this organization could also include coordination with the Chamber of Commerce to structure a business recruitment program for tenants and/or owners of the buildings improved by the IDA funds.
- The Arlington County, Virginia model was consciously structured to place the greater share of financial and management responsibility on the private-sector property owners, retailers, businesses and developers to work within a designated commercial revitalization area. With the exception of limited technical assistance provided by County staff, Arlington County's principal role in each organization is to provide annual funds. Efforts at business recruitment and coordination between property owners and potential tenants and/or purchasers has resulted in attracting more than 30 new restaurants

and clubs in addition to the nine original ethnic restaurants in one commercial district. This district has emerged as a destination restaurant/entertainment district, which has resulted in stabilizing the tax base and boosting County sales tax revenues, largely due to the imposition of a new County-wide food and beverage sales tax.

- The structure of the non-profit development organization in Englewood is funded partly by an annual appropriation from the City of Englewood and partly by a special assessment on commercial properties within the designated revitalization district. Beyond the physical improvements (e.g., façades, streetscape, signage, etc.) that special assessment districts traditionally support, this structure also focuses on business recruitment efforts. This may be pertinent to the opportunity to allocate funds for business recruitment programs for Eggertsville.
- Using Englewood, New Jersey’s model, the Town of Amherst could also appropriate funds for: (1) land assembly of key parcels; and (2) funding for a revolving loan fund for redevelopment projects meeting job creation criteria.
- Results in Glen Burnie, Maryland suggest that substantial public investment in a redevelopment area requires many years to “pay back” the scale of investment of public funds. The revitalization program in Glen Burnie was structured to recognize that revitalization is most likely to occur over the long-term.
- Another useful aspect of the Glen Burnie model is the introduction of design and development guidelines to encourage and reinforce an appropriate image and identity.

Housing and Live/Work Development

Following up on our recommendation to investigate the possibility of constructing live/work units along the Bailey Avenue corridor, ERA examined a few examples of existing live/work units to gain insight into the development process. ERA also documented an example of a far-reaching public-private partnership used to expedite the development of an infill housing community in Yonkers, New York, as it used several techniques also available to the Town of Amherst. The full case studies can be found in Appendix 3, and these points summarize key findings:

- The exact type of development used in Santa Fe, New Mexico may not be realistic in Eggertsville, but it does demonstrate an important lesson that a unique concept such as live/work requires active coordination with planners in order to negotiate potential zoning difficulties. Even in a “slam dunk” real estate situation like this one, the previously existing use and parking requirements in Santa Fe would have likely prevented Second Street Studios from being built.

- In a less specialized environment than Santa Fe, the Fernwood Park development outside Atlanta shows that a mixture of residential and live-work units can be a good solution. Its inner suburban location in close proximity to rail transit and a college campus also speaks of the attraction of these amenities for entrepreneurs. As with Santa Fe, the lesson to be learned from Fernwood Park is that a live/work development process often requires reshaping the local zoning ordinance to fit the project, and not the reverse.
- The project in Yonkers is located on a difficult site in a downtrodden, inner suburban location in New York State and thus provides an interesting model to Amherst and Erie County as to how to create a public-private partnership that achieves mutually beneficial results. Though the partnership in this case was aimed at moderate-income housing, the model could easily be adapted for commercial or live/work purposes.

4. Short-Term Strategy Plan

What is Eggertsville?

The starting point for devising a strategic development plan is to establish a clear definition of the community in question. Through our efforts to date, Parsons Transportation Group and ERA have identified Eggertsville as having the following characteristics:

- Unique and historic character and relatively high density;
- A diverse mix of housing densities and types;
- A location in close proximity to both campuses of the University at Buffalo;
- A variety of commercial businesses and districts; and
- Rich ethnic diversity

The above list provides a present-day snapshot of the Eggertsville community as seen by its residents, business leaders, and the Town of Amherst. However a more important issue is how Eggertsville is seen by others, as this image will shape its future as population and businesses continue to turn over. It is often commented that the condition of a commercial district provides the “window” through which a neighborhood is viewed. If Eggertsville is to maintain its unique and well-regarded status in Western New York, immediate action must be taken to keep its commercial “windows” attractive and vibrant.

Overall Strategies

Without question, Eggertsville remains a relatively stable and desirable place for residents and businesses alike. As the early warning signs of deterioration begin to appear, particularly in its commercial nodes, the Town of Amherst has decided to take action to preserve one of its finest and most historic neighborhoods. Since the Town will soon be undertaking a comprehensive planning process for its entirety, Amherst clearly feels that Eggertsville’s needs are more immediate and require recommendations that are attainable in the very short term.

With this short-term focus in mind, ERA suggests the following five development principles and strategic recommendations to the Town of Amherst regarding overall strategies for Eggertsville:

- **Ensure a stable base of homeowners.** Research by the U.S. Department of Housing and Urban Development (HUD) has linked high rates of resident homeownership with strong neighborhoods. Though Eggertsville does currently possess a high level of homeownership, it is imperative to enact measures to prevent the rate from dropping.
- **Do not rely on zoning and design alone.** While attractive buildings and commercial districts can influence the locational decisions of businesses,

economics is unfortunately the usual deciding factor. If restrictive zoning and design standards are enacted without accompanying economic incentives, this can create the perception of a hostile environment for businesses and can lead to further decline.

- **Coordinate the resources of local business.** Presently, the healthiest commercial areas in Eggertsville are along Sheridan Drive and at University Plaza, where properties are owned by a few key developers; national tenants dominate in both areas. In more fragmented commercial areas like Six Corners properties and businesses alike depend upon the efforts of individual entrepreneurs. In areas like these, a lack of coordination among various players can lead to physical deterioration and parking and access problems, among other issues. If these individuals are encouraged to band together, perhaps as a community-wide business organization, mutual concerns can be addressed with mutually beneficial solutions.
- **Tap into the University at Buffalo's resources.** The University at Buffalo's establishment of the University Community Initiative to help support its \$100 million investment in its South Campus is a strong indicator of its commitment to the community, but Eggertsville has yet to really take advantage of the program. The University Heights and Kensington-Bailey neighborhoods have already established partnerships for housing and commercial development with UB, and since Eggertsville serves as the link between UB's two campuses, the door is open for Eggertsville to do the same.
- **Provide the community with information on available incentive programs.** To date, the Amherst IDA's 485B tax abatement program, which can be used for any project that adds more than \$10,000 to a property's value, has mainly been used by larger development companies to construct new commercial buildings. Furthermore, the Town has already established Eggertsville as a targeted 485B district. The fact that few small-scale and/or rehab projects have used this tax abatement is largely due to a lack of publicity. If local entrepreneurs are to take advantage of available economic incentives, Amherst must do more to raise awareness. The Town should publish a guidebook and create outreach programs for neighborhood redevelopment incentives and have neighborhood or business organizations be responsible for its distribution.

These five guiding principles must be kept in mind as individual strategies are developed for the smaller nodes within Eggertsville.

Short-Term Strategies for Individual Areas

Sheridan Drive

The Sheridan Drive corridor has been established for over 40 years as a highway-oriented commercial strip, and is therefore fundamentally different in character from the rest of Eggertsville. The oversupply of retail space in

Eggertsville identified by ERA in our December 9 memorandum is largely concentrated along Sheridan Drive between Niagara Falls Boulevard and Millersport Highway. As a result, alternative uses will need to be identified for old buildings and underused properties in this area. The following steps are recommended:

- Identify potential office developers/users that may be actively seeking space in Amherst. Obsolete retail space can be easily converted into flexible and inexpensive back-office space, as was done with Appletree Mall in Cheektowaga. As part of this process, the University at Buffalo should become a partner, as it can potentially provide tenants for research space or start-up businesses.
- Conduct discussions with key property owners (i.e. Benderson, Northtown) regarding their willingness to help finance the construction of aesthetic and accessibility improvements. Since property ownership along Sheridan Road is fairly centralized, establishing a BID would not be effective. Instead, the Town could ask owners of larger properties to include streetscape improvements and pedestrian/bicycle facilities as part of any renovations or expansions in exchange for increased development densities or other similar incentives.
- Identify vacant sites, sites with vacant buildings, or occupied but obsolete buildings and acquire some of these sites. Such sites and buildings represent the bulk of Eggertsville's surplus of retail space and are ripe for conversion to other uses. Wherever possible, existing buildings could be resold to the office developers and/or users mentioned above. Other sites could be sold to developers through RFP processes for office or high-density residential uses.
- Encourage the Amherst IDA to take the lead on making the reuse of obsolete commercial buildings a reality. The IDA has many tools at its disposal, and this would be an excellent location for the IDA to try its hand at redevelopment.

Bailey Avenue (between Main and Eggert)

Due to shallow lot depths along Bailey Avenue, Parsons Transportation Group has recommended abandoning the greater portion of this corridor as a commercial node and pushing a residential identity, but retaining some neighborhood commercial users near Grover Cleveland Highway. Since many old commercial buildings exist at the north end of the corridor, it may be too complicated to attempt to redefine this portion of the corridor to residential use. The recent move of a Harley-Davidson dealership into such an old commercial building shows that there may be some demand from businesses looking for unique space in off-center locations such as Bailey Avenue.

- For the north part of Bailey Avenue, the Town should work with owners of vacant buildings to undertake a recruitment campaign aimed at users that desire inexpensive but flexible space in a non-traditional location.

However, since Bailey Avenue is already a busy street that bisects a residential area, the types of businesses to be targeted should be lower impact than the recently-added motorcycle dealer.

- Parsons' recommendation to promote live/work units in the southern portion of Bailey Avenue could be achieved through partnerships with banks and/or the University at Buffalo. UB's University Community Initiative already has established a loan pool with 15 banks to provide mortgage lending for the purchase of renovated homes in the area. Even if the Town of Amherst does not choose to become part of this particular initiative, the Town could work with some of the same banks to create another lending pool to promote the purchase of live/work units along Bailey Avenue.
- Since the presence of businesses in live/work units will create substantially higher property values than would houses, the Amherst IDA's tax abatements could be used here as well.
- The identified neighborhood commercial node at Bailey and Grover Cleveland can be defined by zoning but cannot be expected to develop in the short term. Only as more housing and businesses are clustered around will enough critical mass exist for this node to develop.

Six Corners Area

As mentioned above, the fragmentation of land ownership and of business types in the Six Corners area makes it a prime candidate for the establishment of a business organization. In principle, this organization should perform similar functions to that of a Business Improvement District (BID), providing commonly desired services such as marketing, maintenance, and parking management. However, due to the small size of this node, actually creating a BID, where property owners pay an assessment based upon value and/or street frontage, would not be an appropriate strategy. Encouraging the businesses themselves to contribute to the creation of a business organization that could work with the Town to provide the services of a BID, would be more appropriate. The creation of such an entity would simultaneously enable physical improvements and business recruitment to take place as Six Corners strives to establish an identity as a niche-market retail destination. As this area is very small, it could provide the basis for a larger organization that could serve all of Eggertsville in the future.

In order to establish this business group, it should be noted that the impetus must come from individual business owners, not from the Town. It will become important to educate businesspeople about the advantages of working together and how their cooperation would provide mutually beneficial services. This organization could potentially perform the following services:

- Marketing: promotional materials, special events, tenant recruitment, technical assistance
- Streetscape: signage, trees, lighting, sidewalk repairs, seasonal decorations
- Maintenance: street cleaning, trash pick-up, plant maintenance

- Parking: shared off-street parking, on-street parking enforcement, permits for employees

Main Street/Eggert Road

This “town center” node is currently geared toward office and institutional uses, with some retail as well. The proposed neighborhood business district zoning for this area would allow some retail space to be added, but the market is unlikely to support much in the short term, as with the Bailey/Grover Cleveland area. Given the identified need for senior housing in Eggertsville, this area would make a good location for such uses due to its scale and accessibility. One suitable institutional use for this area that would add to its attraction as a senior community would be a medical clinic.

In order to foster such a mix, the Town of Amherst should pursue discussions with local hospitals to establish a medical clinic in this location—perhaps Millard Fillmore’s existing presence in Amherst would make it a logical choice. Such a development could be part of an RFP package aimed at assisted-living operators such as Marriott or Sunrise.

Kenmore Avenue

The Kenmore Avenue corridor’s orientation to the University at Buffalo’s South Campus makes it the most logical location to pursue partnerships with UB. As Parsons suggested, Amherst should address many issues—from transit to streetscaping to pedestrian access—in tandem with both UB and the City of Buffalo. ERA feels that Parsons’ recommendation to pursue mixed-use development related to the University is a sound approach, particularly given the existing retail anchor provided by University Plaza.

An appropriate model for this location is Sansom Common, a mixed-use development in Philadelphia owned by the University of Pennsylvania that was achieved through an RFP process. This recently completed development includes student housing and national and local retailers, and a future phase will contain a hotel. The idea and program for Sansom Common were generated internally by the University, which then chose a real estate developer to oversee the construction and tenant recruitment. Though the Town of Amherst cannot be expected to convince UB to pursue a similarly ambitious project on its own, perhaps some sort of partnership or lease arrangement with UB would be more feasible.

Niagara Falls Boulevard

As pointed out by Parsons, this busy corridor’s character is split, due to the fact that it defines the boundary between the Towns of Amherst and Tonawanda. For the most part, the single-family residential character of the Amherst side of the street is intact and should remain as is. The portion of Niagara Falls Boulevard that is in need of revitalization is centered around the intersection with Sheridan Drive, and recommendations for this area were addressed above.

Conclusion

Based upon our research, ERA believes that despite the immediate need for intervention in Eggertsville, to simply undertake a quick-fix approach will not generate the desired improvements. The recommendations in this memorandum are for immediate actions, but these immediate actions are only the first steps in a longer process. This short-term strategy plan must be viewed as the first step towards defining Eggertsville's future, and as a prelude to Amherst's forthcoming master plan.

ERA's short-term recommendations for Eggertsville therefore all possess two characteristics: 1) they are aimed at **stabilizing** the area's existing identity, not creating a new one; and 2) they are designed to **build a foundation** to support the preservation of Eggertsville's future economic viability. Once stability is achieved and a foundation is built, then longer-term improvements in Amherst's forthcoming master plan can be effectively enacted.

APPENDIX 1:
EGGERTSVILLE RETAIL DEMAND MODEL

Table 1

DEMOGRAPHIC CHARACTERISTICS OF EGGERTSVILLE, 1999-2004

1999	Egbertsville Study Area	3 Mile Ring From Route 263/ Egbert Road	3 Mile Ring Excluding Study Area
Population	15,302	148,363	133,061
Households	6,428	60,142	53,714
Median Household Income	\$ 49,222	\$ 38,888	n/a
Per Capita Income	\$ 29,542	\$ 20,166	n/a
Households by Income			
Less than \$15,000	13.4%	15.5%	15.7%
\$15,000-\$24,999	12.4%	13.8%	13.9%
\$25,000-\$34,999	13.4%	16.3%	16.6%
\$35,000-\$49,999	18.9%	20.4%	20.6%
\$50,000-\$74,999	17.5%	18.8%	18.9%
\$75,000-\$99,999	9.5%	7.8%	7.6%
\$100,000-\$149,999	8.1%	5.2%	4.9%
\$150,000 +	6.9%	2.3%	1.7%
2004	Egbertsville Study Area		
Population	14,714	142,344	127,630
Households	6,270	58,441	52,171
Median Household Income	\$ 53,813	\$ 42,877	n/a
Per Capita Income	\$ 34,998	\$ 23,347	n/a
Households by Income			
Less than \$15,000	11.3%	12.8%	13.0%
\$15,000-\$24,999	10.2%	11.9%	12.1%
\$25,000-\$34,999	13.1%	14.9%	15.1%
\$35,000-\$49,999	18.5%	21.0%	21.3%
\$50,000-\$74,999	19.2%	20.1%	20.3%
\$75,000-\$99,999	9.6%	9.1%	9.0%
\$100,000-\$149,999	9.4%	6.9%	6.6%
\$150,000 +	8.6%	3.2%	2.5%
PERCENT CHANGE 1999-2004	Egbertsville Study Area		
Population	-3.8%	-4.1%	-4.1%
Households	-2.5%	-2.8%	-2.9%
Median Household Income	9.3%	10.3%	
Per Capita Income	18.5%	15.8%	
Households by Income			
Less than \$15,000	-15.7%	-17.1%	-17.3%
\$15,000-\$24,999	-18.0%	-13.8%	-13.4%
\$25,000-\$34,999	-2.0%	-8.5%	-9.1%
\$35,000-\$49,999	-2.0%	3.2%	3.7%
\$50,000-\$74,999	9.8%	7.3%	7.1%
\$75,000-\$99,999	1.3%	16.3%	18.6%
\$100,000-\$149,999	17.2%	32.9%	36.0%
\$150,000 +	25.5%	40.8%	48.0%

Source: CACI, Inc.; and Economics Research Associates

Table 2

DEMOGRAPHIC CHARACTERISTICS OF EGGERTSVILLE, 1999-2004

Average Annual Expenditures--Northeast	\$ 36,070
1999 Average Disposable Income--Study Area	\$ 43,097
2004 Average Disposable Income--Study Area	\$ 50,320

<u>Expenditure Category</u>	<u>Annual Spending Per HH-- Northeast US</u>	<u>Percentage of Annual Expenditures</u>	<u>1999 Spending Per HH-- Trade Area</u>	<u>2004 Spending Per HH-- Trade Area</u>
General, Apparel, Furniture and Other (GAFO)	\$ 9,038	25.1%	\$ 10,799	\$ 12,609
Household Operations	\$ 473	1.3%	\$ 565	\$ 660
Housekeeping Supplies	\$ 418	1.2%	\$ 499	\$ 583
Apparel and Services	\$ 1,916	5.3%	\$ 2,289	\$ 2,673
Household Furnishings & Equipment	\$ 1,570	4.4%	\$ 1,876	\$ 2,190
Health Care	\$ 1,709	4.7%	\$ 2,042	\$ 2,384
Other	\$ 2,952	8.2%	\$ 3,527	\$ 4,118
Personal Care Products/Services	\$ 521	1.4%	\$ 622	\$ 727
Reading	\$ 192	0.5%	\$ 229	\$ 268
Education	\$ 772	2.1%	\$ 922	\$ 1,077
Tobacco Products & Smoking	\$ 260	0.7%	\$ 311	\$ 363
Life/Personal Insurance	\$ 386	1.1%	\$ 461	\$ 538
Miscellaneous	\$ 821	2.3%	\$ 981	\$ 1,145
Eating and Drinking	\$ 5,737	15.9%	\$ 6,855	\$ 8,003
Food at Home	\$ 2,970	8.2%	\$ 3,549	\$ 4,143
Food away from Home	\$ 2,388	6.6%	\$ 2,853	\$ 3,331
Alcoholic Beverages	\$ 379	1.1%	\$ 453	\$ 529
Entertainment	\$ 1,769	4.9%	\$ 2,114	\$ 2,468
Fees and admissions	\$ 528	1.5%	\$ 631	\$ 737
Other	\$ 1,241	3.4%	\$ 1,483	\$ 1,731
Total Retail Expenditures	\$ 15,653	43.4%	\$ 18,702	\$ 21,837

1/ Assumes that households spend the entirety of their disposable incomes.

Source: U.S. Bureau of Labor Statistics, Consumer Expenditures Survey; CACI, Inc.; and Economics Research Associates.

Table 3

DEMOGRAPHIC CHARACTERISTICS OF EGGERTSVILLE, 1999-2004

Average Annual Expenditures--Northeast	\$ 36,070
1999 Average Disposable Income--Trade Area	\$ 33,874
2004 Average Disposable Income--Trade Area	\$ 38,726

<u>Expenditure Category</u>	<u>Annual Spending Per HH-- Northeast US</u>	<u>Percentage of Annual Expenditures</u>	<u>1999 Spending Per HH-- Trade Area</u>	<u>2004 Spending Per HH-- Trade Area</u>
General, Apparel, Furniture and Other (GAFO)	\$ 9,038	25.1%	\$ 8,488	\$ 9,704
Household Operations	\$ 473	1.3%	\$ 444	\$ 508
Housekeeping Supplies	\$ 418	1.2%	\$ 393	\$ 449
Apparel and Services	\$ 1,916	5.3%	\$ 1,799	\$ 2,057
Household Furnishings & Equipment	\$ 1,570	4.4%	\$ 1,474	\$ 1,686
Health Care	\$ 1,709	4.7%	\$ 1,605	\$ 1,835
Other	\$ 2,952	8.2%	\$ 2,772	\$ 3,169
Personal Care Products/Services	\$ 521	1.4%	\$ 489	\$ 559
Reading	\$ 192	0.5%	\$ 180	\$ 206
Education	\$ 772	2.1%	\$ 725	\$ 829
Tobacco Products & Smoking	\$ 260	0.7%	\$ 244	\$ 279
Life/Personal Insurance	\$ 386	1.1%	\$ 362	\$ 414
Miscellaneous	\$ 821	2.3%	\$ 771	\$ 881
Eating and Drinking	\$ 5,737	15.9%	\$ 5,388	\$ 6,159
Food at Home	\$ 2,970	8.2%	\$ 2,789	\$ 3,189
Food away from Home	\$ 2,388	6.6%	\$ 2,243	\$ 2,564
Alcoholic Beverages	\$ 379	1.1%	\$ 356	\$ 407
Entertainment	\$ 1,769	4.9%	\$ 1,661	\$ 1,899
Fees and admissions	\$ 528	1.5%	\$ 496	\$ 567
Other	\$ 1,241	3.4%	\$ 1,165	\$ 1,332
Total Retail Expenditures	\$ 15,653	43.4%	\$ 14,700	\$ 16,806

1/ Assumes that households spend the entirety of their disposable incomes.

Source: U.S. Bureau of Labor Statistics, Consumer Expenditures Survey; CACI, Inc.; and Economics Research Associates.

Table 4

DEMOGRAPHIC CHARACTERISTICS OF EGGERTSVILLE, 1999-2004

MARKET HOUSEHOLDS	Inflow Factor/Per Household Expenditures/Capture Rates		1999	2004
	1999	2004		
Eggersville Study Area			6,428	6,270
3-Mile Trade Area (outside study area only)			47,286	45,901
Total Market Households			53,714	52,171
GENERAL MERCHANDISE , APPAREL, FURNITURE AND OTHER (GAFO)				
Eggersville Study Area				
Total Annual Expenditures	\$10,799	\$12,609	\$ 69,414,325	\$ 79,055,915
Captured Expenditure Potential	35.0%	35.0%	\$ 24,295,014	\$ 27,669,570
3-Mile Trade Area (outside study area only)				
Total Annual Expenditures	\$8,488	\$9,704	\$401,351,838	\$ 389,596,301
Captured Expenditure Potential	10.0%	10.0%	\$ 40,135,184	\$ 38,959,630
Subtotal--Captured Expenditure Potential			\$ 64,430,197	\$ 66,629,200
Other Market Inflow	5.0%	10.0%	\$ 3,221,510	\$ 6,662,920
Total Expenditure Potential			\$ 67,651,707	\$ 73,292,120
EATING AND DRINKING				
Eggersville Study Area				
Total Annual Expenditures	\$6,855	\$8,003	\$ 44,061,737	\$ 50,181,875
Captured Expenditure Potential	50.0%	50.0%	\$ 22,030,869	\$ 25,090,937
3-Mile Trade Area (outside study area only)				
Total Annual Expenditures	\$5,388	\$6,159	\$254,763,830	\$ 247,301,834
Captured Expenditure Potential	10.0%	10.0%	\$ 25,476,383	\$ 24,730,183
Subtotal--Captured Expenditure Potential			\$ 47,507,252	\$ 49,821,121
Other Market Inflow	5.0%	10.0%	\$ 2,375,363	\$ 4,982,112
Total Expenditure Potential			\$ 49,882,614	\$ 54,803,233
ENTERTAINMENT				
Eggersville Study Area				
Total Annual Expenditures	\$2,114	\$2,468	\$ 13,586,406	\$ 15,473,546
Captured Expenditure Potential	20.0%	20.0%	\$ 2,717,281	\$ 3,094,709
3-Mile Trade Area (outside study area only)				
Total Annual Expenditures	\$1,661	\$1,899	\$ 78,556,251	\$ 76,255,350
Captured Expenditure Potential	5.0%	5.0%	\$ 3,927,813	\$ 3,812,768
Subtotal--Captured Expenditure Potential			\$ 6,645,094	\$ 6,907,477
Other Market Inflow	5.0%	10.0%	\$ 332,255	\$ 690,748
Total Expenditure Potential			\$ 6,977,349	\$ 7,598,224

Source: Economics Research Associates

Table 5

DEMOGRAPHIC CHARACTERISTICS OF EGGERTSVILLE, 1999-2004

	1999	2004
<u>GENERAL MERCHANDISE , APPAREL, FURNITURE AND OTHER (GAFO)</u>		
Captured Expenditure Potential		
Egbertsville Study Area	\$ 24,295,014	\$ 27,669,570
3-Mile Trade Area (outside study area only)	\$ 40,135,184	\$ 38,959,630
Other Market Inflow	<u>\$ 3,221,510</u>	<u>\$ 6,662,920</u>
Total Expenditure Potential	\$ 67,651,707	\$ 73,292,120
Estimated Sales Per Square Foot	\$ 225	\$ 225
<u>Supportable Square Footage</u>	301,000	326,000
<u>EATING AND DRINKING</u>		
Captured Expenditure Potential		
Egbertsville Study Area	\$ 22,030,869	\$ 25,090,937
3-Mile Trade Area (outside study area only)	\$ 25,476,383	\$ 24,730,183
Other Market Inflow	<u>\$ 2,375,363</u>	<u>\$ 4,982,112</u>
Total Expenditure Potential	\$ 49,882,614	\$ 54,803,233
Estimated Sales Per Square Foot	\$ 275	\$ 275
<u>Supportable Square Footage</u>	181,000	199,000
<u>ENTERTAINMENT</u>		
Captured Expenditure Potential		
Egbertsville Study Area	\$ 2,717,281	\$ 3,094,709
3-Mile Trade Area (outside study area only)	\$ 3,927,813	\$ 3,812,768
Other Market Inflow	<u>\$ 332,255</u>	<u>\$ 690,748</u>
Total Expenditure Potential	\$ 6,977,349	\$ 7,598,224
Estimated Sales Per Square Foot	\$ 150	\$ 150
<u>Supportable Square Footage</u>	47,000	51,000
TOTAL EXPENDITURE POTENTIAL--ALL USES	\$ 124,511,670	\$ 135,693,578
TOTAL SUPPORTABLE SQUARE FOOTAGE	529,000	576,000

Source: Economics Research Associates

Table 6

RETAIL INVENTORY
Eggertsville Study Area

<u>Name of Center</u>	<u>Owner/ Manager</u>	<u>Year Open</u>	<u>Size (Sq. Ft.)</u>	<u>No. of Stores</u>	<u>Current Occupancy</u>	<u>Anchor Tenants</u>
IN STUDY AREA						
839 Boulevard	Benderson	1989	15,000	8	100%	
Grover Cleveland S.C.	Jay Birnbaum	1949	24,000	11		Bell's IGA
Hills Plaza	Gran-Mark Prop.	1979	117,000		95%	Hill's, Fay's Drugs
Northtown Plaza	Northtown Inc.	1953	400,000	73		Bon Ton, Fashion Bug, Kid's R Us, Party City, Shopper's Choice
Sheridan Centre	Benderson	1986	150,000	24		Vix Drugs, Dunham Sporting Goods
Sheridan/Eggert Plaza	Benderson		125,000	14		Computer City
Sheridan-Harlem Plaza	Buffalo Sylvette	1955	57,000	18		CVS, Super Duper
Shoetown Plaza	Berlow		3,700	1	100%	Shoetown
TJ Maxx Plaza	Vornado	1974	268,295	10	91%	TJ Maxx, Circuit City, Media Play, MJ Designs, Toys R Us
University Plaza	Hunt Commercial	1940	223,000	18		Tops, McCrory
Total Square Footage in Study Area:			1,382,995			
ADJACENT TO STUDY AREA						
Boulevard Consumer Square	Benderson		550,000	14		Kmart, Target, PETSMART
Boulevard Mall	Forest City	1962	1,000,000	100		JC Penney, Kaufman's, The Limited, Jenss
Burlington/Valu Plaza	Benderson	1960	250,000	20		Burlington Coat Factory, Homeplace, Valu Home Center
Tops Plaza	KIMCO Realty		101,066		100%	Tops
Wegman's	Wegman's	2000 (u/c)	150,000	1	100%	Wegman's
Total Square Footage Adjacent to Study Area:			2,051,066			

Source: National Research Bureau, *Shopping Center Directory*; Economics Research Associates.

APPENDIX 2:

CASE STUDIES OF PUBLIC SECTOR POLICY INITIATIVES FOR REDEVELOPMENT

Chicago, Illinois

Project Description:

Founded in 1994, the City of Chicago's Retail Chicago program focuses on stabilizing and improving the commercial centers of the city's neighborhoods.

Sources of Public Financing:

The City of Chicago's Neighborhoods Alive! program offers an arsenal of Federal, State, and local financing programs, and established Retail Chicago in order to direct these techniques to the commercial cores of its many neighborhoods. From the Federal Empowerment Zone program, income tax credits and tax-exempt bonds are available to businesses in selected areas of the city. Through the State of Illinois' Enterprise Zone program, sales tax exemptions, investment tax credits, and income tax credits are offered within specially designated geographic areas.

The aforementioned programs are aimed more at lower-income areas, though, and do not have universal utility. From the City of Chicago itself, numerous programs are available to all types of neighborhoods. The city offers property tax abatements in neighborhood commercial districts not only for the construction of new retail space, but also for the re-use of existing space that has been vacant for over two years. To individual businesses, Retail Chicago offers low-interest loans (both short and long-term) for capital investments required to start or expand a business. The city also has a Façade Rebate program that matches private investment in improvements to building exteriors up to \$5,000 per storefront.

Private Investment:

Retail Chicago has made use of a number of techniques designed to overcome investors' and retailers' fears of urban neighborhoods. The first is to push the idea that it is total income in the neighborhood that matters, not average household income. The second is to offer free guided tours of neighborhoods to prospective developers and retailers. Finally, the program office maintains close contacts with representatives of national chains in order to try to match them up with specific neighborhoods. The end result is that Retail Chicago serves as a "one-stop shop" for private investors.

Implementation Strategy:

The City of Chicago has identified 51 nodes within its limits as neighborhood centers, which are characterized by "sound housing, stable employment centers,

quality open space, and vibrant commercial districts.” The key to the success of these centers is that each one hosts a multitude of uses and densities, and retail is not the only focus. The existence of housing and non-retail employment in most of the nodes, in addition to providing economic vitality, also provides a stable level of demand for retail businesses in each area.

Through research into its existing zoning, the City realized that there was about 700 miles of street frontage within its boundaries that was zoned for commercial uses. If every parcel was to be built to its maximum allowable density, the resulting retail development could serve a population of 20 million. Since the City’s population is only 2.7 million, a conscious decision was made to downzone commercial land that was no longer viable for commercial uses. In several parts of the city, this strategy has allowed obsolete commercial land to be replaced with sorely needed elderly housing surrounded by open space managed by a public-private land trust.

For parcels deemed to still be viable for commercial development, Retail Chicago provides a number of services to potential developers and/or businesspeople. In addition to administering the various incentive programs described above, the program also provides several different types of technical assistance aimed at streamlining and simplifying the redevelopment process. The City maintains a database that contains market and demographic characteristics for each of the 51 neighborhoods, an inventory of potential sites, and contact information for officials with neighborhood and business development organizations all over Chicago. In addition, the Retail Chicago program also offers a centralized support network designed to shepherd the novice businessperson through the development approval process.

Program Results:

No formal evaluation program is used, but public awareness of the program has increased dramatically in the past couple of years. The number of cold calls from potential investors has jumped substantially as more and more retailers become aware of the program and the opportunities it creates.

Catonsville (Baltimore County), Maryland

Project Description:

Baltimore County is undertaking streetscape, building renovation, and business start-up and expansion programs in Catonsville and other suburban towns. Catonsville is an older residential and commercial area located just outside Baltimore City that is home to two college campuses: University of Maryland Baltimore County and Catonsville Community College.

Sources of Public Financing:

Streetscaping efforts are funded by matching state and county funds. The state (through bonds) and county (through General Obligation bonds) will spend \$1 million each on one streetscape project in Catonsville (which is currently in the design stage). If property assessments increase by \$50,000 or more, owners receive a property tax credit of 100% in year 1, 80% in year 2, and so on. An (optional) special assessment of \$0.25 per linear foot for each \$1.00 per linear foot spent by the county (for these streetscape improvements) is charged to property owners for a five-year period in participating streetscape program communities.

Property owners may choose not to pay this optional streetscaping assessment, if a similar level of investment is made in exterior improvements to their property. Interest-free loans (with 5-year terms) of up to \$10,000 are offered by the county for exterior improvements if property owners choose not to pay the special assessment. These loans are provided through a variety of sources, including CDBG monies and county bonds.

A county-administered loan pool is funded by 16 banks to cover 50% of costs for business start-up or expansion, or building renovations at a lower interest rate and down payment. This loan pool is available to businesses or property owners in “community conservation areas” (i.e., a growth management designation). For example, in Baltimore County, businesses or property owners in all areas below the Urban/Rural Demarcation Line (URDL), except Owings Mills and White Marsh, are eligible.

Baltimore County has contributed over \$300,000 to-date to a self-sustaining guarantee fund for this loan pool, which is funded by loan application fees and points. Property owners must obtain another 40% from one of the private banks represented and contribute 10% equity to fund remaining project costs.

Private Investment:

Catonsville property owners are expected to pay a minimum of \$250,000 in special assessments. The county estimates that private investment in Catonsville will exceed the special assessment levies.

Implementation Strategy:

Baltimore County is funding streetscape improvements in 12 revitalization districts, of which Catonsville is one.

Program Results:

No formal evaluation has been conducted, but county officials noted that streetscaping projects resulted in higher occupancy rates among commercial buildings in Pikesville, which was among the first of the 12 districts to receive improvements.

Conshohocken (Montgomery County), Pennsylvania

Project Description:

Commercial revitalization programs in West Conshohocken and Conshohocken boroughs, located to the west of Philadelphia.

Sources of Public Financing:

\$100 million in Federal UDAG grants funded site clearance, land assembly and marketing efforts to attract developers in the 1980s. Other sources: state infrastructure grants and Pennsylvania Industrial Development Authority (PIDA) grants; and a \$1.5 million revolving loan fund was started with various grant funds. Loan terms are based on business needs. A public-private leverage ratio was not defined.

Private Investment:

Through 1997, private investment totaled over \$200 million and resulted in the construction of seven Class A office buildings and one hotel. Strong locational factors, as noted in Other Comments below, were also critical to private investment.

Implementation Strategy:

Conshohocken was tapped as a state enterprise zone, with the initial state grant of \$50,000 used to determine revitalization area boundaries. The designation gave the Montgomery County Redevelopment Authority powers of eminent domain. The Greater Conshohocken Economic Development Corporation, a 501(c)(3) organization headed by a zone coordinator, acts as a loan committee and policymaker for the enterprise zone program. The organization's funding sources include: annual appropriations from Montgomery County and the borough, private contributions, and administrative fees from enterprise zone designation. The redevelopment authority, borough officials, and three designated developers comprise the Greater Conshohocken Improvement Corporation, which serves as the primary mechanism for redevelopment. Private development costs on sites purchased and assembled through eminent domain were paid by the developers designated to implement these projects.

In the event that a property owner rejects a purchase offer, a declaration of taking is filed by the redevelopment authority; another round of negotiations takes place; if no settlement is reached, a jury trial is held to determine land value. Developer risk is reduced by public participation in land assembly (through eminent domain). There is no business recruitment strategy.

Program Results:

Though no formal evaluation has been conducted, all seven office buildings completed in the Enterprise Zone are 100% occupied, and there is a waiting list for tenants.

Other Comments:

Considered critical in the project's success is Conshohocken's locational advantages, including: easy accessibility to the junction of I-76 and I-476; availability of commuter rail and bus service to Center City Philadelphia; and proximity to King of Prussia, an "edge city" with substantial retail and commercial development.

Arlington County, Virginia

Project Description:

Commercial revitalization of two commercial districts (Columbia Pike and Clarendon) in Arlington County, which is located across the Potomac River from Washington, D.C.

Sources of Public Financing:

The county has spent over \$4 million in General Obligation bonds on streetscape projects along Columbia Pike since 1984. An additional \$2 million has been appropriated for additional streetscape improvements. In Clarendon, \$2 million in county funds has been expended since 1988. In addition, county seed funds of \$50,000 per year from the county's General Fund are also provided to each of four redevelopment organizations.

Private Investment:

Arlington County has not calculated the amount of private investment in these programs, but new construction has occurred, including Courthouse Crossing, a 112-unit, market-rate garden apartment complex.

Implementation Strategy:

Arlington County has targeted two areas for commercial revitalization: (1) Columbia Pike (declared a designated revitalization area between Courthouse Road and Oakland Street); and (2) Clarendon, the traditional "downtown" of Arlington County. Along Columbia Pike, the Columbia Pike Redevelopment Organization (CPRO), a 501(c)(3) entity, serves as the primary vehicle for redevelopment, promotion, marketing, and business recruitment. Modeled after the National Main Street Program, CPRO serves as a link between private developers and property owners, community interests, and Arlington County government.

The Clarendon Alliance, also a 501(c)(3) entity, has largely focused its efforts on retaining both retail and the cluster of ethnic restaurants (which had relocated into Clarendon after the commercial district's decline), and recruiting additional retail, restaurants and clubs. In both cases, Arlington County funded public area improvements, including brick sidewalks, street trees, special lighting, benches and other amenities, public art, and façade improvements, such as graphics and awnings. In these and other commercial districts in

Arlington, the County has offered annual funding appropriations of up to \$50,000 per year to fund commercial district management offices. However, County funding is contingent upon commitment of private funds from property owners, retailers and other businesses, and developers. These management organizations coordinate community relations and development planning within Arlington's Commercial Sector Plans; they also organize marketing and image-enhancement campaigns, special events (e.g., the "Taste of Clarendon"). In addition, technical assistance is made available through the management organizations.

In addition to the Clarendon and Columbia Pike organizations, two 501(c)(6) partnerships have been created: Rosslyn Renaissance and the Ballston Partnership. Each of these partnerships has a full-time executive director, and is also funded by an annual County grant of \$50,000. The purpose of these two other organizations is more heavily weighted toward marketing and promotion and not on business recruitment or physical improvements (e.g., Rosslyn's summer lunchtime concert series). Again, County funds must be matched by private contributions in each of these two other organizations.

Program Results:

Gross sales tax revenue along Columbia Pike increased threefold between 1984 and 1994, according to a report issued in 1996.

Other Comments:

The creation of these public/private partnerships was cited as vital for establishing a mechanism for communication, promotion, and visibility.

Englewood (Bergen County), New Jersey

Project Description:

The revitalization of the historic commercial district of Englewood, a town located just across the Hudson River from New York City, near the George Washington Bridge.

Sources of Public Financing:

Various public sources are used, including: \$35,000 for consulting through the National Main Street Center (state-administered); state-administered CDBG grants for infrastructure (Englewood is not a direct entitlement community); no-interest or forgivable loans for housing/neighborhood preservation from the NJ Department of Community Services; a revolving loan fund funded and administered by Bergen County that designates up to \$75,000 per project based on job creation criteria; and approximately \$3 million in city funding for land assembly and infrastructure improvements such as streetscaping.

Private Investment:

Since 1990, private investment has totaled approximately \$50 million, including: Palisades Court, a 114,000 SF, \$20 million retail mall in the CBD anchored by Shop Rite. (The center is currently 91% occupied). The city assembled the site through eminent domain. In an 18-month period during 1996 and 1997 alone, more than \$3 million in rehabilitation activity involving private investment was completed in the business district, including: \$900,000 from Ann Taylor and \$250,000 from Starbucks.

Implementation Strategy:

A non-profit development corporation, Englewood Economic Development Corporation (EEDC), was created to undertake maintenance, signage improvements, façade loans, business seminars and business recruitment efforts. EEDC is headed by a full-time executive director, and its annual budget of \$250,000 requires approval by the City Council. Nearly 50% of the budget is funded by a special assessment of \$0.12/SF per year for commercial properties (residential properties are excluded) in the Englewood Financial Improvement District (the remaining funds are appropriated by the City). City funds are used for infrastructure maintenance, while FID revenues are used for projects as outlined above.

Program Results:

Retail sales have increased from \$185 million in the 1980s to over \$400 million today, in spite of Englewood's close proximity to Paramus - a major retail center. According to a local official, "the Paramus zip code contains the second highest amount of retail sales in the U.S."

Other Comments:

Englewood recently applied for designation as an urban enterprise zone through N.J.'s Department of Commerce. This is a competitive designation that allows cities to reduce sales taxes from 6% to 3% and to keep the 3% for the first year. Other revitalization efforts include New Jersey's Upstairs Downtown program, which provides low-interest (below-prime rate) loans to property owners interested in adding residential unit(s) above street-level retail space. Approximately \$10 million in state funds were appropriated and targeted to National Main Street-designated communities, neighborhood preservation business districts and special improvement districts. (Englewood is not participating because commercial properties in its neighborhood preservation and FID districts do not meet HUD's qualifying criteria).

Glen Burnie (Anne Arundel County), Maryland

Project Description:

Commercial revitalization based on the 1980 Urban Renewal Plan for Glen Burnie Town Center, located to the southeast of the City of Baltimore.

Sources of Public Financing:

Since 1979, Anne Arundel County has spent approximately \$20 million in county General Obligation bond funds for property acquisition, site assembly, building demolition, and streetscape improvements in Glen Burnie. The renewal plan for Glen Burnie resulted in the construction of a state multi-service center, a county government complex, 135 units of assisted elderly housing, a parking garage, and a 7-screen cineplex.

Anne Arundel is a CDBG entitlement community. Today, a non-profit organization, the Anne Arundel Community Development Services, Inc., administers the county's CDBG program in various communities. In addition, Glen Burnie is also eligible for additional funding through the state's Neighborhood Business Development Program (NBDP), which provides funding for various commercial revitalization activities such as property acquisition, site assembly, building demolition or streetscape improvements.

Private Investment:

Private investment in Glen Burnie has totaled over \$12 million, and another \$14 million in private investment is expected in the development of the project's remaining 5.56 acres. Private development includes: Towne Center Shopping Center, the North Arundel Plaza office building, and Oak Park Professional Village, an office complex for professional and service tenants.

Implementation Strategy:

No formal partnership or corporation was established. The county used its powers of eminent domain to attract developers and created design and development guidelines. Glen Burnie is designated as an urban renewal area. The state gives NBDP-designated areas preference when appropriating funds.

Program Results:

No formal evaluation conducted, but the plan and \$20 million in public funding has resulted in private investment of over \$12 million to date.

Other Comments:

The county may consider establishing either community development corporations or tax increment financing districts (TIF) to support future economic development projects.

APPENDIX 3:

CASE STUDIES IN HOUSING DEVELOPMENT

Trinity Court – Yonkers, New York

Completed in 1991, Trinity Court is a 30-unit infill development of two and three-bedroom attached townhouses on a narrow 1.5-acre parcel that formerly contained run-down, vacant rowhouses. Through a variety of techniques, this project put to use a public-private partnership that created low-cost homeownership opportunities for first-time buyers. The structures themselves are modular and were assembled on-site, an approach that kept construction costs suitably low.

The realization of Trinity Court came about due to cooperation from the private sector with non-profit groups and various levels of government, as the developer worked with the Yonkers Community Development Association (CDA), the Housing Action Council, Westchester County, and the State of New York to make the project happen. The following points summarize the role of each agency:

- The Yonkers CDA acquired and razed the site, then orchestrated a land write-down program for each homebuyer, offering grants for the land value of each unit. If the buyer stays as an owner-occupant for 10 years, the entire value of the grant is forgiven; otherwise a portion must be repaid.
- The Housing Action Council, using funding from the New York State Affordable Housing Corporation, issued a grant to Trinity Court that allowed the price of each housing unit to be reduced by \$25,000, an important consideration given that the average home value in Yonkers is \$232,000, well out of the affordable range. As with the land write down, the homeowner must stay put for 10 years in order for the grants to be forgiven.
- The Westchester County Housing Implementation Fund, a special fund authorized by the county government, contributed nearly \$450,000 in infrastructure improvements needed for the site.
- Through the New York State Economic Development Zone (EDZ) program, the City of Yonkers was able to grant six-year property tax abatements to properties in Trinity Court.

Second Street Studios – Santa Fe, New Mexico

The City of Santa Fe has become a haven for artists, software developers, and other “lone wolf” entrepreneurs over the years. In 1990, a development consortium teamed up to turn a 4.5-acre industrial site into a 35-unit live/work village, with the leases structured like retail leases. The site previously

contained a vacant industrial building that was transformed into a bakery and café as part of the project.

The units in Second Street Studios were designed to specifically accommodate both elements of the live/work concept, as the front face of each building is two stories, with a storefront and an apartment above. The roof of each building slopes down to the rear, where each unit contains a garage door to a service alley, providing an entrance for transporting large items separate from both the store and living space.

In terms of obstacles to development, this project was financed with a conventional loan, as Santa Fe's strong demographics made the project clearly feasible. However, the city's zoning ordinance had to be rewritten to allow the mixed-use structures in a commercial zone. Furthermore, existing parking requirements would have mandated one space per 150 square feet of built area, but given the unique nature of the project, the requirement was relaxed to one space per 420 square feet.

Fernwood Park – Atlanta, Georgia

Fernwood Park is a 52-unit townhouse development located on a 4.3-acre site in the Brookhaven section of DeKalb County, a first-ring suburb of Atlanta located near a MARTA transit station and Oglethorpe University. About 10 of the 52 units are three-story structures that have been tabbed live/work units. Unlike Second Street Studios, the live/work units at Fernwood Park were for sale, and this strategy led directly to the developer's approach with the county zoning board.

Since the developer wanted to sell the live/work units to individual homeowners, the preferred strategy was to allow buyers to obtain conventional mortgages to finance these unconventional units. As a result, the developers petitioned DeKalb County to give the project a multifamily zoning, but to waive home occupation restrictions for the live/work units. Given the strong demographics of the area, the project was entirely market driven, with no public assistance.