

Neighborhood Corridor Industry and Inventory Analysis

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EXECUTIVE SUMMARY

This document consists of two distinct sections. The first section is composed of the Neighborhood Corridor Retail Analysis, while the second is comprised of the Target Industry Analysis and Additional Real Estate Market Analysis. These documents have been developed as part of the City's Commercial Corridor Study, which began in April 2019. This document builds off the City-Wide Economic Base from Summer 2019. The key takeaways from each component of these sections are collected in the Executive Summary that follows. Initial recommendations are presented within the context of the retail market and the target industries. The implementation plan for these recommendations continues to be an ongoing conversation with the City and their partners. The final piece of the Commercial Corridor Study will include an Action Plan that determines key roles for managing and progressing short and long-term goals.

RETAIL MARKET FINDINGS

The Neighborhood Corridor Analysis can be summarized in the Commercial DNA categories:

PHYSICAL CONDITIONS	MARKET + DEMOGRAPHIC DATA	BUSINESS ENVIRONMENT	ADMINISTRATIVE CAPACITY
<p>Challenged walkability.</p> <p>Limited retail continuity.</p> <p>Varying building facade conditions.</p>	<p>Limited population + income growth.</p> <p>Retail is not always the ground floor's highest + best use.</p>	<p>Few anchors (retail + other).</p> <p>High competition with suburbs + Destiny USA.</p>	<p>Community champions limited by available Resources.</p> <p>Challenges with permitting.</p> <p>Opportunity to incorporate node development in zoning update.</p>

PHYSICAL ENVIRONMENT

- ◆ **Downtown is among the most visible and high-profile walkable communities of all the study areas.** The downtown core, North Salina Street, West Onondaga Street and Geddes Street are among the most pedestrian and transit-friendly study areas in the City. Pedestrian, bicycle access, and networks are lacking and in need of improvement within the balance of the study areas.
- ◆ **Households without cars represent a significant percentage of total households in several study areas.** The corridor study areas consistently demonstrated a relatively high number of households without cars, from 22-44%. James Street is an exception where only 11% of households do not own cars. In some cases, the lack of car ownership reflects limited means (as in some areas of downtown), but in others, it is clearly a case of preference. Reinforcing pedestrian and bicycle network investments in these communities will enable more frequent patronage of local businesses, particularly for those without automobiles.

MARKET DATA & DEMOGRAPHICS

- ◆ **Limited population and income growth.** Outside of a few Census Tracts, the central core has experienced limited population and income growth. Both areas are projected to continue experiencing limited growth. The neighborhood commercial corridors are projected to have income growth exceeding the city's average. These statistics combined equate to a limited opportunity to attract additional retail on the corridors.

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- ◆ **Retail is not always the ground floor's highest and best use.** Brokers accounted for several instances in neighborhood commercial corridors where retail struggles to command the rent that office tenants can. This is manifesting as creative offices occupying spaces in Census Tract 32 and United Health on James Street. Non-retail use on retail corridors often create conditions where the ideal pedestrian experience is diminished. These uses serve as gaps in the retail continuity for customers who might have continued their shopping/dining experience if retail storefronts were contiguous. A strategy to circumvent this challenge is to create zones for retail and non-retail use along the corridor. This requires coordination with property owners who might be conflicted once a prospective tenant of the alternate use (retail vs. non-retail) offers a higher rent.

BUSINESS ENVIRONMENT

The commercial district classification system is an important tool that enables us to understand the size and scale, characteristics of the customer base, and how they might be arriving at each area. This information enables us to prioritize investments that enable each area to remain competitive and deepen the penetration of their dominant customer base.

- ◆ **Co-location among retailers is imperative to build retail density and increase customer traffic for all businesses in close proximity.** Neighborhood serving corridors typically offer between 30k – 125k of goods and services and reflect a mix of locally serving, convenient offerings with anchors that include drug stores, small grocery stores, and other convenience goods and services. The study areas that fall in this category include James Street, Wolf Street, South Salina Street, and West Onondaga Street. Convenience goods and services benefit greatly from co-location, enabling busy customers to accomplish multiple shopping errands during a single visit. Efforts to reinforce and improve co-location benefits are critical to improving the business environment for these districts. These districts are not in competition against one another for customers.
- ◆ **Burnet Avenue, Butternut Street, Geddes Street, and North Salina Street are *Community Serving Corridors*.** Community serving corridors typically offer between 125k – 400k sf of goods and services and reflect a set of offerings that serve a slightly larger geographic area. In some cases, there may be some comparison shopping or destination businesses that create a unique draw. North Salina Street is further differentiated from its counterparts by a diverse and international eating & drinking niche which helps to pull from a more regional market, particularly on the weekends. To some extent, these districts compete against one another and other similar competitive districts for customers.
- ◆ **The Central Core and Erie Boulevard East are *Regional Serving Districts*.** Downtown and Erie both offer more than 400k sf of retail and offer goods and services that draw in clientele from outside city boundaries. Erie serves a customer base that arrives largely by automobile, while the Central Core (particularly CT 32) is a walkable community that serves employees (the majority of whom arrive by automobile), residents and university students who arrive by transit, foot or bike. These districts are competitive with suburban destinations and Destiny USA.

ADMINISTRATIVE CAPACITY

- ◆ **The traditional downtown core (CT 32) benefits from the existence of a steward in the form of the Downtown Committee of Syracuse.** This private, not-for-profit downtown management organization has professional staff and raises dedicated resources for programmatic activities that address issues of cleanliness, safety, and accessibility. They are poised to advocate for policies and leverage additional resources for improvements that further reinforce downtown as a high-quality regional destination for businesses and residents.
- ◆ **There is limited capacity among the existing community groups outside of Census Tract 32 to facilitate consistent investments or advocacy at the individual corridor level.** The Northside and

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Southside of the city have a proliferation of community organizations that stretch available resources to fundraise, write and administer grants, communicate with residents and businesses, and otherwise help improve the community landscape. These organizations are primarily voluntary, with limited capacity to pay permanent staff members.

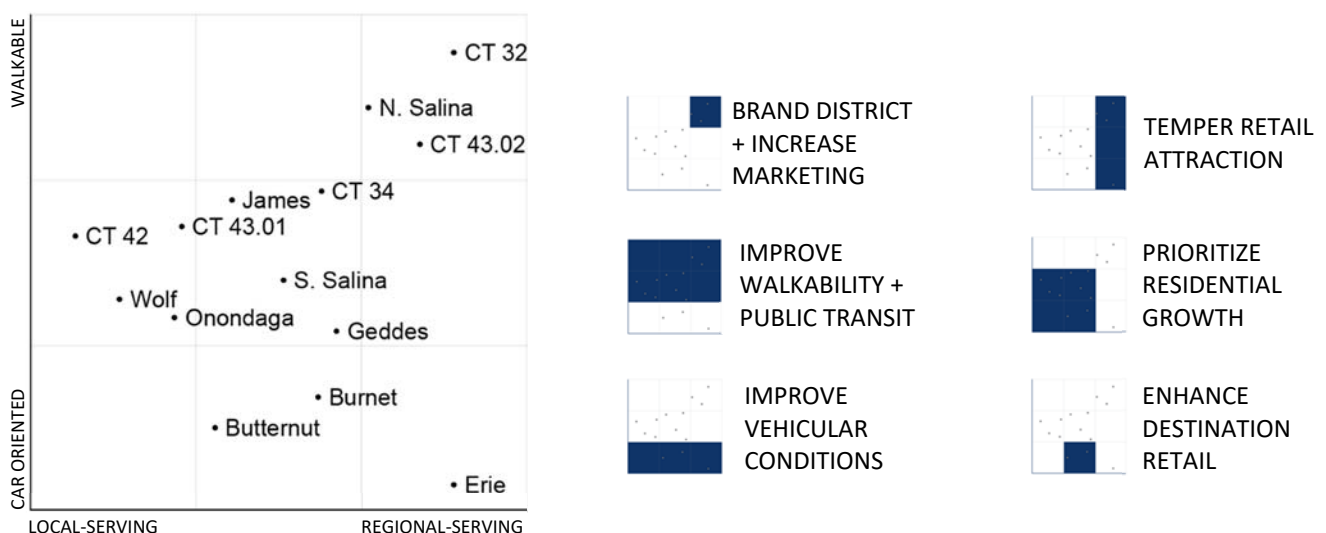
In addition to the Northside and Southside, there are important non-profit and local community organizations, but few dedicated business associations or management groups with the staff or resources to support consistent investments or advocacy at the individual corridor level. Despite this fact, we should note that not every district is well-positioned to create or maintain an organization of this type. Neighborhood-serving districts may not have enough density to support this type of merchant or property owner-led organizational efforts. Community-serving and Destination districts are places where enough interest in a dedicated management entity might be possible. In these areas, there may be potential non-profit or CDC-partners who (if resourced properly) could be well-poised to support dedicated commercial district management efforts. This CDC-led commercial management strategy has been pursued in many cities around the nation. In some cases, cities have set aside CDBG funds for local community organizations to support their district management efforts.

STRATEGIES FOR RETAIL GROWTH

The following diagram helps demonstrate the types of strategies that need to be taken to address the unique challenges and improve the health of each retail study area. For this project, two significant scales were identified to categorize these areas, pedestrian or car oriented-ness (y-axis) and the potential customer base defined as regionally or locally serving (x-axis).

The y-axis utilizes Walk Score data combined with an assessment of urban form (i.e. if contiguous, in-line retail conditions exist). The study area's position on the x-axis is a factor in the total square footage, number of existing businesses, and customer base opportunities (resident, employee, and visitor).

Depending on the location on the chart, different actions and strategies should be taken to enhance the retail environment. These strategies are outlined below and will be further evolved in the final report.



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Building upon the strategies for each study area, three categories can be led at the City level to help support localized growth.



Manage Limited Retail Expansion Opportunities

Prioritize Business Retention
and Growth



Reinforce Retail Density by Creating Nodes

Equity Driven Walkability
Improvements



Support Retail with Residential Growth

Increase Housing Production
+ Occupancy Rates

CITY-WIDE TARGET INDUSTRIES FINDINGS

With limited retail demand and an understanding that sustainable economic prosperity will require intentional support of other industries already predisposed to grow in the region, Camoin 310 determined alternative industries for growth within the Commercial Corridors and Central Core. Based on the high concentration of regional jobs within the city, and to not duplicate work that has already been done, we looked at regional reports and market analyses to understand the context of industries that have been supported through federal, state and regional systems.

Target industries were informed by several sources. First, we conducted an analysis of the top-performing 4-digit NAICS industries throughout the city. Then, we compared the top sectors we identified to those identified by the Industry Cluster Identification Tool provided by Economic Modeling Specialists International (EMSI); these clusters were defined according to the methodology of Harvard Business School's U.S. Cluster Mapping Project. In addition, we examined target industry sectors from regional reports to ensure continuity between region-wide and corridor-specific industry recommendations. This included a review of the 2015 Upstate Revitalization Initiative created by the Central NY Regional Economic Development Council (CNYREDC); the 2018-2019 CNYREDC Progress Report updating the 2015 report; and the 2013 Strategic Overview from the CenterState New York Agenda for Economic Opportunity.

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The target industries are defined as:

Life Sciences

Life Sciences encompass organizations that are involved in physical, engineering, or research and development (R&D) concerned with living organisms. For our research, and because a key economic driver in this industry (and in this region) is total health expenditure, we also included the healthcare industry in our discussion.

Data & Information

The Data & Information Sector creates and distributes media content to US consumers and businesses. The sector includes telecommunications services; data processing and hosting; print, internet, and software publishing; film, television and audio production and distribution; pay television programming; and broadcasting. Fintech, Insurtech, IT, engineering industries are also included here.

Advanced Manufacturing

Advanced Manufacturing includes Clean Tech, Aerospace, Defense, Unmanned Aerial Systems, and other innovative technologies to improve products or processes. It includes a high degree of technology adaption to refine product design, develop complex products, make products more affordable, and solve problems.

Transportation & Logistics

The Transportation and Logistics industries link producers and consumers through interconnected supply chains and an array of transportation modes. Logistics industries provide detailed coordination to increase efficiency in multi-modal transportation systems. Establishments in these industries use transportation equipment or transport-related facilities as a productive asset. Services within this sector primarily include transportation of passengers and goods, storing and warehousing products, providing service, and facilitating distribution to these establishments.

NEXT STEPS IN RECRUITING WITHIN TARGET INDUSTRIES

Know your target audiences: Syracuse is well-suited to attract 1) Businesses currently located in mega-urban centers looking to transition to a geography with a lower cost-of-living and with a skilled talent pool and, 2) Local and regional small businesses and entrepreneurs and, 3) People who grew up in the area, moved away for employment and school and are looking to return to familiar territory or family. Marketing efforts through goodlifecny.com are already underway to communicate Syracuse's strengths and continue to reinforce this message across City departments, regional economic development partners and strategic national players will help to solidify Syracuse as a top choice in the Northeast.

Encourage public-private partnerships: From the small-scale development of two-three properties to larger projects of 100+ residential units with office and retail space, adequately financing projects is increasingly a process that involves multiple players. Developing strong public-private-non-profit relationships allows entities to not only draw on collective resources but also require partners to be engaged and have a stake in the positive viable, positive, redevelopment projects.

Work with the industry experts: There are extensive industry sector relationships within the target industries. These sector organizations are already experts in their respective fields. They know what firms in the subsector need, what barriers they face, and what opportunities are just on the horizon. Along with other regional and city partners,

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frequent communication with these sector organizations will help the city align real estate availability with industry needs.

Assembling vacant properties into more desirable parcels: Property where the City, or their affiliates like the Land Bank, have site control is likely to be where the City is best able to induce development opportunities. Working to assemble vacant properties into larger, contiguous parcels are likely to be more desirable investments for the development community.

Roll out ReZone with a summary of the changes and opportunities in these corridors: While the community input process has been extensive throughout the ReZone initiative, continuing a campaign surrounding the roll-out of the finalized ordinances is just as important. While residents should be one target audience to communicate changes to, it is imperative that the development and real estate community is aware of these changes and explicit opportunities for these changes to gain traction.

Workforce, workforce, workforce: This continues to be a refrain from employers across the nation. The availability of skilled labor ranked #1 in site selection factors in 2018.¹ Promoting the pipeline of software engineers, architects, nurses, or aviation mechanics coming out of the region's educational institutions is a signal to growing or relocating companies that their business could succeed based on the workforce characteristics of the region. Directly marketing to known businesses or those within the realm of targeted industries is necessary to catch the attention of an increasingly competitive market place.

Build close relationships with the real estate broker community: Real estate agents are often the front line of a community. When a family is trying to find a home or a business is looking for appropriate space to relocate or expand, agents are the on-the-ground informants. Close relationships with residential and commercial real estate agents allow the City to have a pulse on trends in the market place to supplement data-driven strategies. On the flip side, building this relationship is mutually beneficial for brokers, who have a vested interest in being updated on the City's initiatives, planned development, and goals. Real estate round tables, brokers lunches or some type of collective event on a quarterly or bi-annual basis will allow the City to update the real estate community on what is happening in certain pockets of the city and create a feedback loop that will help identify barriers to overcome or identify potential opportunities.

Cultivate the pipeline of small business entrepreneurs that are looking for real estate: While this study can geographically identify where industry is best suited, the ongoing implementation of corridor strategies will rely on a constant feedback loop between NBD and regional partners that are fostering entrepreneurs and business development. Even if market demand is indicated within certain sectors, the prospective business that would need to open to meet those demands either needs to be attracted to or cultivated locally.

- ◆ The Onondaga Small Business Development Center (SBDC) provides free consulting for start-ups and existing businesses in seven counties surrounding Onondaga. SBDC could possibly align a business with a physical storefront if they are aware of what is available within Syracuse.
- ◆ The Allyn Foundation's Community Prosperity initiative aims to "disrupt concentrated poverty" in Syracuse neighborhoods and take a holistic approach to neighborhood revitalization. This includes supporting real estate projects that promote the Community Prosperity agenda in economic opportunity, economic empowerment, and vibrant neighborhoods.
- ◆ Center State CEO – Up Start is a collaborative business development program run through Center State CEO. The program offers training, technical assistance, lending opportunities, and connects entrepreneurs

¹ Reference survey

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with real estate options that make sense for the business. With the outcome of the Commercial Corridor Study, the city will be able to inform strategic partners where certain types of development are best suited in the city based on retail demand, industry trends, and real estate availability.

- ◆ JP Morgan Chase- the Advancing Cities grant is a unique opportunity to develop workforce pipelines in technology-related fields, especially within communities that do not typically have the access or resources to acquire the training necessary to break into the technology start-up scene.
- ◆ This list encompasses perhaps some of the largest players in the realm of business start-ups and entrepreneurship, but there are also entities like incubators and accelerators in the region that are key partners in encouraging fledgling businesses to locate in Syracuse, and perhaps along corridors that may not have been top of mind compared to the Central Core. The City's ability to disseminate individual messages about each corridor will be paramount to promoting economic opportunities across the city. These marketing messages will be strengthened through local partners who are experts on their neighborhoods.

Celebrate what's happening in Syracuse within the target industries: The Brookings Institute recently profiled "the presence of [these] global innovators" in Syracuse's incubator and accelerator. The article goes on to celebrate the regional strategy to "establish the central New York region as a global industry hub..." This is tremendous recognition from a major urban policy think tank. While words on paper are not the same as tangible results targeting messages to specific industries, site consultants, or even internally, can go a long way in transforming perception. Even as tangible positive signs of changes sprout in the city, negative perceptions can linger despite genuine efforts to reverse negative trends. Therefore, celebrating wins within the target industries and across the business spectrum is important to transforming Syracuse's perception, internally and externally.

Refine the permitting process for consistency: Consistency is key in the development process. Consistency can be rigorous while following a predictable path and timeline so that developers can take time into account while forecasting their funding and financing of a deal. The City's Business Portal has improved some of these processes, but lingering negative perceptions will persist if the City does not actively promote the new platform, work through ongoing issues with applicants, and demonstrate the City's willingness to receive feedback.

PART I: NEIGHBORHOOD CORRIDOR RETAIL ANALYSIS

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THE APPROACH – RETAIL ANALYSIS

Streetsense analyzed neighborhood commercial corridors with their “Commercial DNA” Framework. The process enables our team to develop a comprehensive and market-informed understanding of business conditions that must be addressed to improve the business environment and to support redevelopment opportunities. Through this framework, Streetsense devoted attention to each of the primary and auxiliary corridors, building on the assets of each location, and ensuring that additional development potential matches the scale of the neighborhood.

The graphic and text below provide an overview of the Commercial DNA Framework.²

“Commercial DNA” Framework

Physical Environment	Business Environment	Market Data & Demographics	Administrative Capacity
<ul style="list-style-type: none"> • Public realm • Private realm • Access/visibility 	<ul style="list-style-type: none"> • Nodes of retail density • Business mix 	<ul style="list-style-type: none"> • Residential demand • Employee demand • Visitor demand 	<ul style="list-style-type: none"> • Local leadership support • Regulatory environment • Potential funders • Potential partners

The award-winning Commercial DNA tool was developed by Streetsense (formerly Larisa Ortiz Associates) in collaboration with the Local Initiative Support Corporation (LISC). It is currently used by the City of New York to guide public investments along participating corridors throughout the five boroughs.

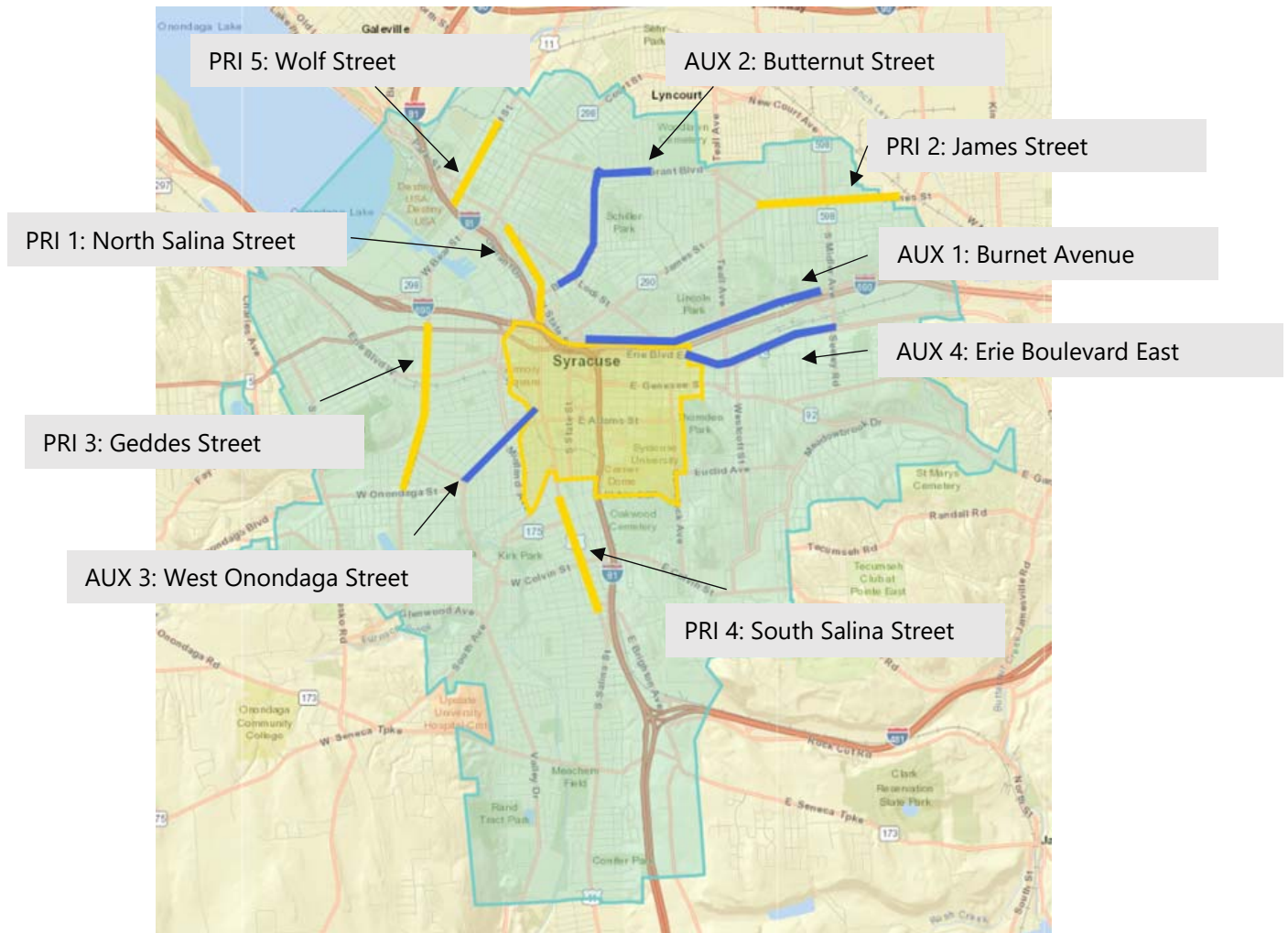
² A comprehensive outline of the Commercial DNA Elements can be found in Appendix A.

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THE COMMERCIAL CORRIDORS

The City of Syracuse has identified nine commercial corridors for redevelopment; five of which are priority corridors (labeled PRI, see map below) and four of which are auxiliary (labeled AUX). In addition to these nine commercial corridors, this analysis will also examine the Central Core of the city. This area follows the outline of Census Tracts 32, 34, 42, 43.01 and 43.02.

Study Areas – City of Syracuse Neighborhood Corridor Industry and Inventory Analysis



TRADE AREA METHODOLOGY

In studying the corridors, each had a unique set of characteristics and surrounding physical conditions that made using traditional methods of retail analyses, rings, buffers, and drive times unfit. Specifically, highways parallel to a few of the corridors serve as a physical and psychological boundary to potential customer sales, especially as competition continues to grow in the Central Core, at Destiny USA, and elsewhere regionwide.

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Alternative approaches were explored considering neighborhood boundaries, Census Tracts, and Census Block Groups. The consultant team landed on Census Block Groups as the most appropriate geography to analyze the primary customer groups for each corridor. Census Block Groups align with geographic boundaries that can be used to leverage Community Development Block Grant Funding and are the smallest geographies of the three considered, allowing for the team to analyze the customer base who can walk to their neighborhood corridor. The ability to walk to the corridor is paramount, as 42% of renter-occupied households are without a car. Ultimately, Census Block Groups within .25 mile (a five-minute walk) of the corridor were included in the analysis. Maps of these boundaries for each geography can be found in the Commercial Corridor Profiles, which begin on page. 26.

RETAIL MARKET LANDSCAPE IN SYRACUSE

DEFINING RETAIL CATEGORIES

Throughout this report, related goods and services will be grouped in major retail categories. These categories also represent groups of NAICS³ codes and reflect how retail spending information is collected by data providers. The categories are listed below.

Neighborhood Goods & Services (NG&S): Retail that services convenience-based needs, is easily accessible, relies on the patronage of residents and workers, and services daily and weekly needs. Ex: grocery stores, drugstores, dry cleaners, and salons.

- ◆ Food & Beverage Stores (Grocery, Specialty Food, Beer, Wine and Liquor)
- ◆ Health & Personal Care Stores
- ◆ Florists

Food & Beverage (F&B): Retailers that serve food/alcohol on the premises, for either dine-in or takeout. Ex: restaurants, cafés, bars, take-out establishments. Food Service & Drinking Places (Restaurants, Drinking Place, Special Food Services)

General Merchandise, Apparel, Furnishings, and Other (GAFO): Retailers that sell specialty merchandise that is actively sought out by customers. These retailers face the greatest amount of competition, as expenditures in this category make up the smallest percentage of overall spending, and these stores are facing increasing competition from online sales. Ex: furniture stores, bookstores, antique shops, electronic stores.

- ◆ Furniture & Home Furnishings Stores
- ◆ Electronics & Appliance Stores
- ◆ Building Materials, Garden Equipment, & Supply Stores
- ◆ Clothing & Clothing Accessories Stores
- ◆ Sporting Goods, Hobby, Book, & Music Stores
- ◆ General Merchandise Stores
- ◆ Miscellaneous Store Retailers (excluding Florists)

³ North American Industry Classification System

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Major shopping centers and large clusters of retail typically draw from a larger region, as a customer can accomplish many of their shopping needs in one trip and at one destination. These shopping centers often are home to General Merchandise, Apparel, Furnishings and Other (GAFO) retailers who are looking to benefit from cross shoppers, or a customer who initially intends to visit one store and during that visit decides to walk into nearby offerings. It is likely that Urban Outfitters, which recently decided to relocate from Armory Square to Destiny USA, the major shopping center in the City of Syracuse, did so to take advantage of the proximity to potential cross-shopping. Additionally, when examining retail trends locally and national retailers in the GAFO category are the most at risk to cannibalization by e-commerce, which has resulted in retailers in the category closing many stores in the City and nationwide.

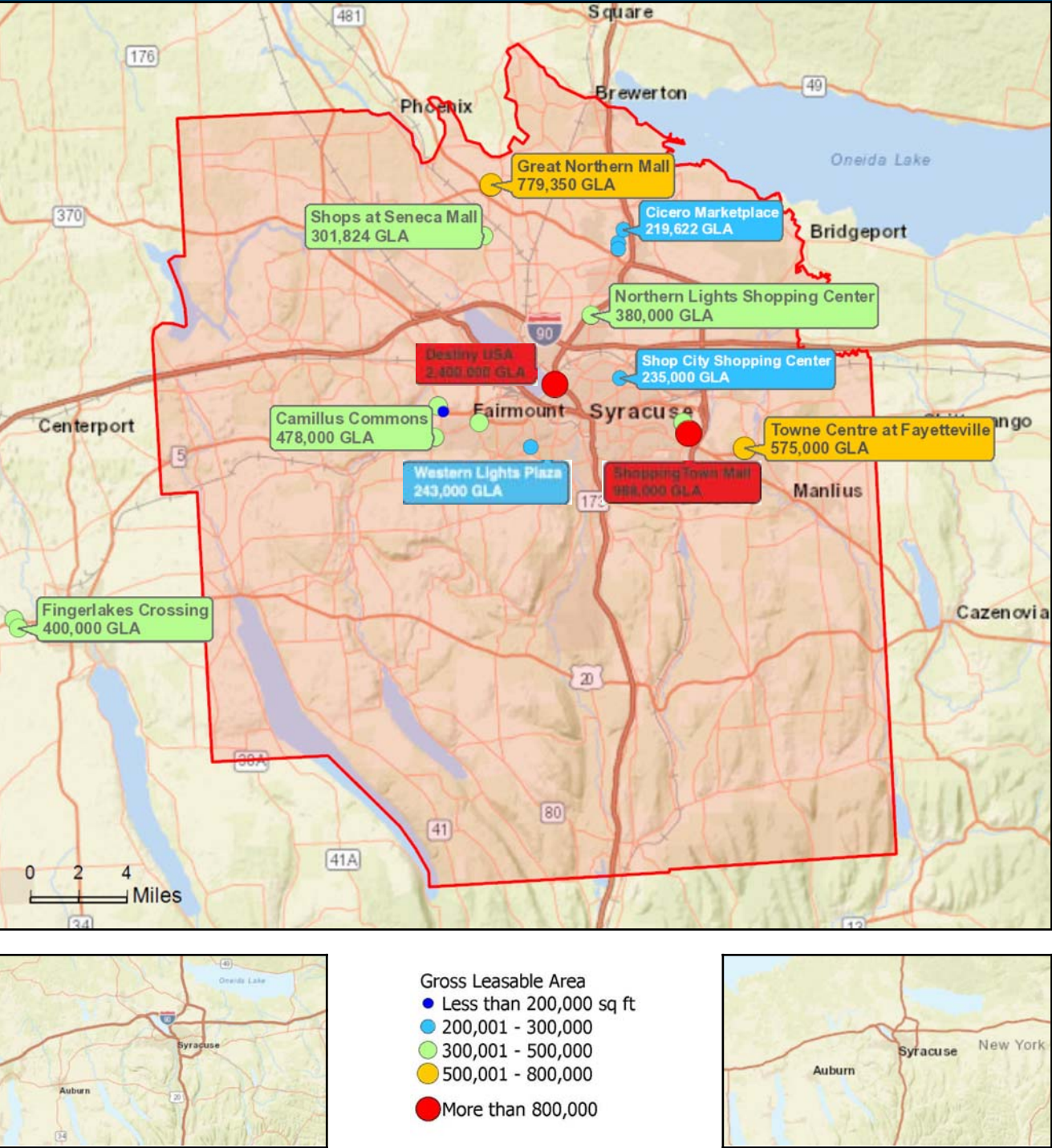
The most prominent retail shopping center in Syracuse is Destiny USA, a 2.4 million square foot shopping mall with close to 240 retail and entertainment venues in various categories including general retail, amusement, restaurants, and others. According to its website, it is home to over 26 million visitors annually, nearly 180 times Syracuse's population of over 145,000. Although other shopping and dining destinations exist inside of the city, many of the national brands (e.g. Wegman's, Walmart, Marshalls, Barnes and Noble, etc.) typically not found in malls are located outside of the City's boundaries. These conditions paired with Destiny USA's location outside of a study area limits the ability to offer additional GAFO retailers in any category studied without cannibalizing sales from the existing retailers.

Joining the mega-regional shopping mall in the Lakefront neighborhood are a few new developments, many of which will have space allocated to retail. At the recently delivered Iron Pier Apartments, vacancy still exists but the development team has attracted Bulfinch Brewpub. This apartment building was the first to deliver in COR Development's master plan, and if the entire plan is realized, the development will be home to 200,000 additional square feet of retail space in the Lakefront neighborhood.

The growing retail footprint in the Lakefront neighborhood draws the retail gravities away from the Central Core and the neighborhood corridors. This creates conditions where new, presumably, Class A retail space in the Lakefront neighborhood will be a sought-after opportunity by retailers looking to benefit from customers at the development and nearby at Destiny USA.

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Figure 1: City of Syracuse and Regional Malls, by Gross Leasing Area (Esri, January 2019)



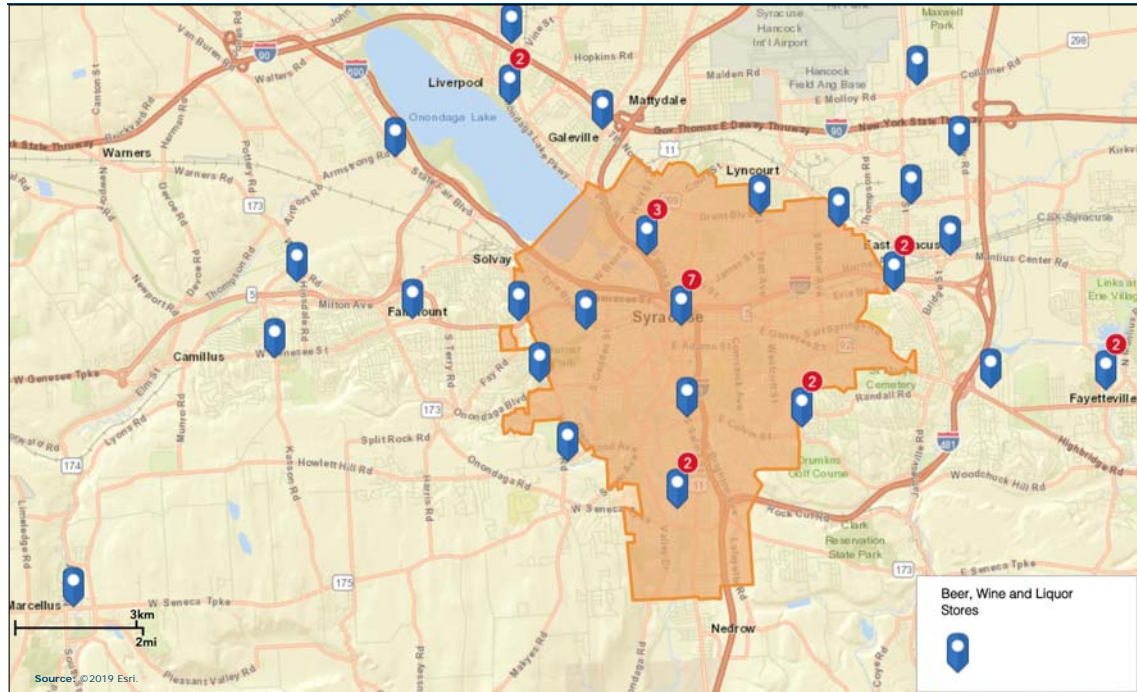
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NEIGHBORHOOD ORIENTED RETAILERS

Food at Home businesses, i.e. grocery stores, are one of the key indicators of immediate neighborhood retail conditions. These retailers along with others in the Neighborhood Goods and Services category are convenience-based, serving the most immediate neighborhood (in most conditions). Central New York's Regional Market, located west of Wolf Street along I-81, similarly serves customers looking to purchase Food at Home goods. Open year-round on Thursdays and Saturdays, it serves both restaurants and residents locally in Syracuse and throughout the greater Central New York region, as detailed in its name.

The region is scattered with a mix of Food at Home businesses. National brand Food at Home stores and the Regional Market are clustered everywhere except south of the city, joining the dearth of business typologies that exist south of the city. In the city itself, small businesses account for the majority share of grocery and alcohol purveyors, and many of the national brands exist outside of the city boundaries except for mostly discount grocers, such as Aldi, Save-a-lot, and Price Rite. Superstores, such as Wegmans, Walmart, etc., are all located outside of the city's boundaries, routinely drawing customers across jurisdictional boundaries. One Wegman's is found within the Syracuse city limits, in the far west of the city. Finally, other retailers in the convenience category, namely Rite Aid/Walgreens and 7-Eleven, have pulled some and all of their stores out of the market, respectively. Rite Aid/Walgreens extraction follows a merger of the two brands and the subsequent real estate strategy, while the rationale behind 7-Eleven's followed a similar pattern after the company acquired more storefronts in the surrounding suburbs.

Figure 2: Beer, Wine and Liquor Stores



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Retail Characteristics

Accessibility

The success of a district is directly correlated to its accessibility. Businesses that have easy access to a customer base, employees, and a supply chain (the goods and services that businesses need to function and serve their customers) are positioned for success over the long term. Our assessment below considers metrics that include a variety of transportation modes, including the automobile (personal car and public bus system), bike, and foot.

Central Core:


A Walk Score is an internationally recognized measure of how comfortable it is to walk in a neighborhood or city. The input for Walk Scores includes physical surroundings like lighting and sidewalks, as well as environmental and social considerations. Generally, the walkability in the Central Core is good, indicated by Walk Scores at or above 77. The categories which correspond to these scores are "Very Walkable" (score of 70-89) or the ability to conduct most errands on foot, and a "Walker's Paradise" (score of 90 or greater).

There is an opportunity to improve bicycle infrastructure, and while investments in transit are also needed, they will require increased coordination and funding by the city. With the lowest Walk Scores in Census Tracts 42 and 43.01, there are concerns about equity as households without access to a vehicle can be at a disadvantage when it comes to getting and keeping a job, and therefore the opportunity to prosper.

Figure 3: Accessibility Indicators by Census Tract

	CT: 32	CT: 34	CT: 42	CT: 43.01	CT: 43.02
Walk Score	94	84	80	77	87
Transit Score	64	59	62	64	61
Bike Score	73	79	64	46	70
Households without Cars	27%	35%	60%	74%	58%

Legend



Area of Strength

Area of Concern

Source: Walkscore.com; ESRI

Commercial Corridors:

Along the nine commercial corridors studied, traffic counts were added as a metric to assess accessibility. There is a range of conditions in each category, alluding to the varying physical, business, and market conditions that will be described in detail in the following subsections.

Most corridors are car-dependent with limited ability to accomplish many tasks by walking, biking, or riding public transit. In all corridors, to create truly walkable conditions complimentary bike and transit infrastructure is needed with the understanding that bicycle infrastructure is the lower hanging opportunity.

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North Salina Street is the most walkable of all the corridors studied. It also has the highest percentage of households without cars of any neighborhood corridor studied, denoting that the accessibility in this Walkers' Paradise should remain a characteristic as development progresses in the area.

Erie has the highest traffic count and lowest Walk Score of any corridor, highlighting its condition as a commuter thoroughfare. This condition lends itself to larger format retailers who benefit from increased sales opportunities than other corridors who are reliant on less traffic.

Figure 4: Accessibility Indicators by Commercial Corridor

	JAMES	WOLF	N. SALINA	GEDDES	S. SALINA	BUTTERNUT	BURNET	ERIE	ONONDAGA
Walk Score	69	64	90	78	65	69	69	58	78
Transit Score	39	43	57	42	45	39	45	43	61
Bike Score	61	56	58	63	64	53	65	61	69
Households without Cars	11%	28%	44%	30%	22%	23%	23%	31%	38%
Traffic Counts (AADT)	11,300	6,400	6,100	7,500	9,500	8,000	5,400	17,200	7,200

Source: Walkscore.com; ESRI



DEMOGRAPHIC CONDITIONS

Retail innately serves the population immediately surrounding it, as purchases are often made regarding convenience. For this reason, the populations within the census tract or the trade area of the commercial corridor were studied. In the following sections, major population statistics were studied to include:

- ◆ Residential density - an indicator of walkability and a concentrated customer base.
- ◆ Residential Population Growth - an indicator of the potential for expenditure growth, which can provide an opportunity for additional retailers in the submarket/study area.
- ◆ Population in Group Quarters (Central Core only) - group quarter population represents populations not living in housing units (house, apartment, mobile home, or rented room), institutional (correctional facilities, nursing homes, or mental hospitals), or non-institutional (college dormitories, military barracks, group homes, missions, or shelters) dwellings. For Syracuse's Central Core, group quarters mostly represent college dormitories. This population, although low earning, patronize retail nearby, although many of their expenses are Food Away from Home (i.e. meal plans on campus).
- ◆ Household Income - retailers use this statistic as an indicator of discretionary income and sales potential in a given study area.

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- ◆ Employee to Resident Ratios - an indicator of the number of employees contributing to retail sales. This statistic should be combined with residential density to truly understand the breadth of employees as the potential customer base.
- ◆ Other Demand Generators - other populations that contribute to potential sales in a study area as indicated by the presence of hotel rooms, attractions, and entertainment venues. Atypical customer bases are desirable conditions for retailers, and in Syracuse, they are typically business travelers, day-trippers, and overnight guests who anticipate spending money on shopping and/or dining.

Each statistic in the table below is also coded to visualize areas of strength for each study area to help quickly analyze the opportunity for a sustained customer base.

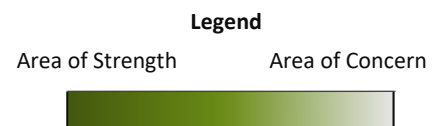
Central Core

The Central Core is home to the densest population in the city, especially in Census Tract 43.02 which encompasses University Hill. Although the least dense, Census Tract 32 is home to the most rapidly growing residential population segment due to the increased housing production over the past years. Census Tract 42 primarily relies on the residential population to support its limited amount of retail, as indicated by the nearly even employee to resident ratio and lack of other demand generators.⁴

Figure 5: Demand Generators in the Central Core

CENTRAL CORE DEMOGRAPHIC TABLE	CT: 32	CT: 34	CT: 42	CT: 43.01	CT: 43.02
Residential Density (per sq.mi.)	5,124	5,123	6,967	17,040	15,088
Residential Population Growth (2010-2018)	19%	4%	1%	13%	8%
Population in Group Quarters (a group living arrangement with services offered – e.g. college)	27%	1%	8%	43%	73%
Employee: Resident Ratio (per 100)	825	145	108	773	60
Median Household Income (City of Syracuse Median: \$31,973)	\$18,208	\$14,528	\$13,755	\$11,099	\$10,488
Other Demand Generators	Hotel/Visitors	Hotel	No	Hospital	Hotel/University

Source: Esri



⁴ The US Census defines group quarters as a place where people live or stay, in a group arrangement, that is owned or managed by an entity providing housing and/or services for the residents. This could include custodial or medical care or educational institutions. Examples of group quarters include: correctional facilities, residential treatment centers, nursing facilities or college dormitories.

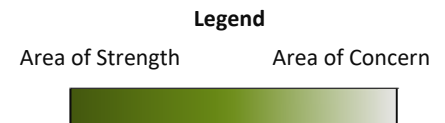
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Commercial Corridors

There are some positive indicators along each of the corridors, including residential density and the presence of other demand generators. James Street benefits from a comparatively affluent residential base, while North Salina has a sizeable employee population and a high residential density that pairs well with its international dining offerings. However, population growth in all the neighborhood commercial corridors studied is of concern, as it is minimal, null, or negative. With these growth trajectories, new retailers who employ data-based site selection practices are unlikely to choose any of the corridors, especially in comparison to the Central Core or the County.

NEIGHBORHOOD COMMERCIAL CORRIDOR KEY DEMOGRAPHICS	JAMES	WOLF	N. SALINA	GEDDES	S. SALINA	BUTTERNUT	BURNET	ERIE	W. ONONDAGA
Residential Density (per sq. mi.)	8,436	7,859	10,515	5,727	8,273	11,906	7,262	3,598	7,124
Residential Population Growth (2010-2018)	-1%	-3%	-2%	-3%	-1%	1%	0%	-2%	-5%
Household Income (City of Syracuse: \$31,973)	\$40,971	\$33,661	\$22,992	\$26,038	\$27,010	\$32,369	\$32,611	\$20,719	\$20,543
Employee : Resident Ratio (per 100)	22	38	103	55	13	45	90	101	45
Other Demand Generators	N/A	Sports	Dining	Shops	Furniture	N/A	Hotel	Shops	N/A

Source: Esri

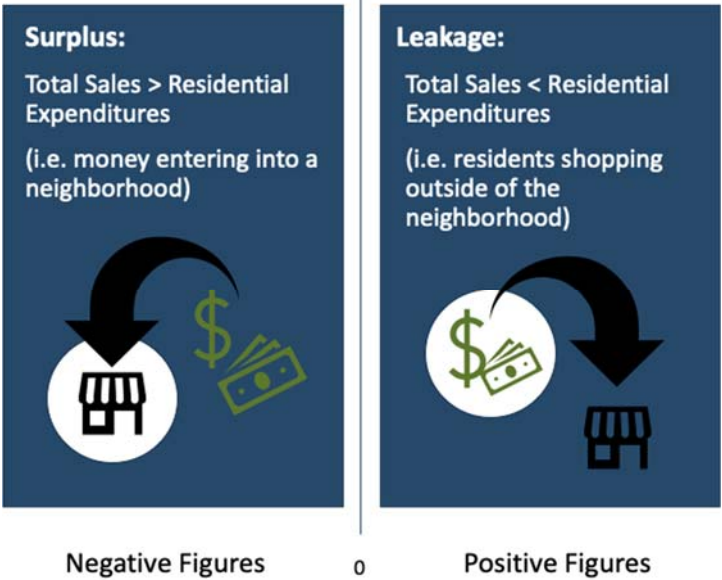


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Commercial Corridor Retail Gap Analysis

A retail gap analysis measures the relationship between estimated retail supply (retail sales estimates based on data collected in the Census of Retail Trade from the US Census Bureau) and retail demand (resident spending estimates based on Bureau of Labor Statistics' annual Consumer Expenditure surveys). This leakage analysis only accounts for resident spending. Worker and visitor spending is discussed in the next section.

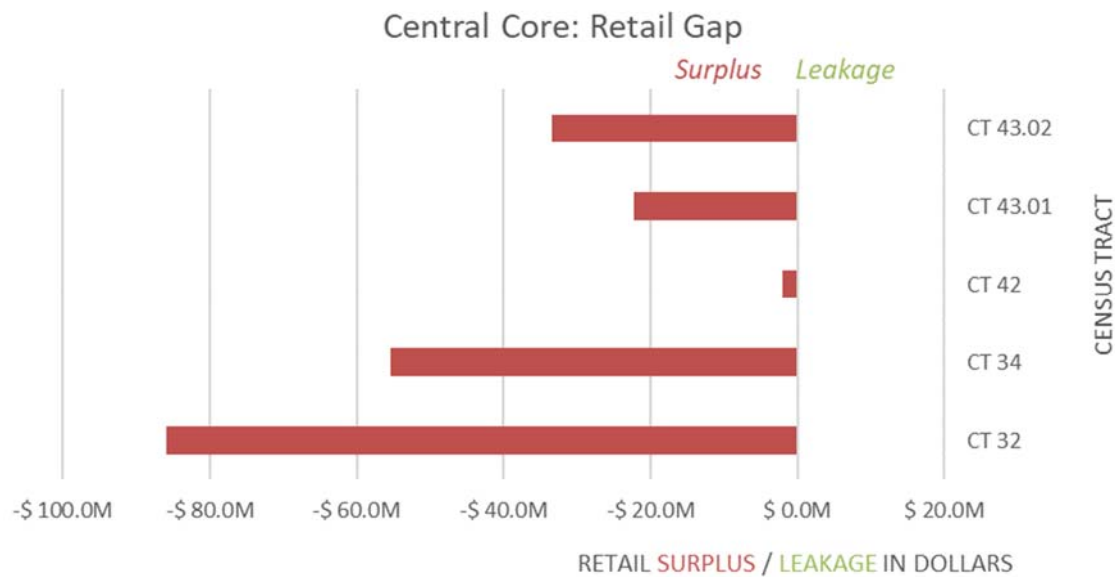
When resident spending exceeds retail sales, then resident spending is 'leaking' out of the trade area. However, when retail sales exceed resident spending, businesses are selling more than residents are buying (or there is a retail surplus).



Central Core

In the Central Core, there is nearly \$200 million of retail trade and food and drink surplus, indicating that about 77% of retail sales are already being made to shoppers visiting from outside the trade area.

Despite overall surplus, some retail categories are experiencing spending leakage. General Merchandise stores are the biggest category with \$4.9 million leakages. This leakage is likely attributed to the sales that are made by businesses at Destiny USA, which is nearby to the Central Core; a little over a mile from Census Tract 32's northwesternmost edge. The proximity of this major shopping center limits the ability to support and sustain additional retail in the General Merchandise category in the Central Core.



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Commercial Corridors:⁵

The retail gap conditions along neighborhood commercial corridors' trade areas vary widely. On one side of the spectrum, Erie Boulevard East has a surplus of over \$274 million, which is indicative of the thoroughfare conditions of the corridor, enabling it to support national big-box retailers that attract customers in the immediate surrounding neighborhood as well as those traveling to and from the eastern suburbs. Conversely, James has a leakage of approximately \$36 million, where sales are leaving the neighborhood for other nearby shopping destinations including Wegmans at approximately .5 miles east on James Street.

Overall, most of the leakage in the neighborhood corridors are in the General Merchandise, Apparel, Furnishings, and Other category which are most at risk of cannibalization by e-commerce and present in major shopping centers such as Destiny USA.

**Commercial Rental Rates Comparison****Central Core**

Over the past five years, the retail market has shown considerable signs of strengthening in the Central Core. The average lease rate in the area from 2007 through 2013 averaged approximately \$11.40/SF compared to the more recent 2014-2018 average of nearly \$19/SF. Data from 2018 and 2019 indicates the central core is becoming a very tight retail market with rates skyrocketing to nearly \$30/SF in 2018 and crossing the \$30 mark during the first half of 2019, which is well above citywide averages of \$11-\$12/SF. Despite this trend, no new retail space is under construction, and only 6,765 square feet of new inventory has been added to the market in the past decade. Furthermore, the market lost over 20,000 SF of retail space from 2015 to 2016, contributing to the lack of available spaces for tenants.⁶ Additional conversations with brokers conducting deals in Census Tract 32, demonstrates that retail demand and lease rates are not the highest or best use of the space on the ground floor. Office space has

⁵ESRI, Retail Marketplace Profile (July 2019)

⁶ Data originally reported in the City-Wide Economic Base Analysis, adapted for this report

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prevalently occupied ground floor space instead of traditional retail tenants. Overall, multifamily residential units in Census Tract 32 are the most sustainable product at the time.

Annual Retail Trends - Central Core									
Year	Total Inventory SF	Occupancy SF	Vacant SF	Net Absorption SF	Vacant Available Percent % Total	NNN Rent Overall	Leasing Activity SF Total	Deliveries SF	Under Construction SF
2007	2,036,265	1,937,657	98,608	71,446	4.8%	\$9.04	14,257	0	0
2008	2,036,265	1,946,849	89,416	9,192	4.4%	\$10.07	2,610	0	0
2009	2,036,265	1,957,740	78,525	10,891	3.9%	\$12.13	3,469	0	0
2010	2,036,265	1,974,342	61,923	16,602	3.0%	\$12.61	19,313	0	0
2011	2,036,265	1,966,352	69,913	(7,990)	3.4%	\$12.16	1,650	0	0
2012	2,036,265	1,915,187	121,078	(51,165)	5.6%	\$12.06	8,506	0	0
2013	2,036,265	1,936,567	99,698	21,380	4.3%	\$11.85	20,000	0	0
2014	2,036,265	1,938,410	97,855	1,843	4.7%	\$15.68	11,061	0	0
2015	2,036,265	1,981,439	54,826	43,029	2.0%	\$16.21	8,265	0	0
2016	2,012,959	1,952,786	60,173	(28,653)	2.9%	\$16.58	6,634	0	6,765
2017	2,019,724	1,938,205	81,519	(14,581)	3.8%	\$16.14	16,332	6,765	0
2018	2,019,724	1,954,909	64,815	16,704	3.2%	\$29.79	16,864	0	0
YTD	2,019,724	1,913,864	105,860	(41,045)	5.2%	\$30.32	3,332	0	0

Source: CoStar

Commercial Corridors:⁷

Commercial rent for ground floor space was studied for the Primary study areas (N. Salina, James, Geddes, S. Salina, and Wolf). Unlike the Central Core, these neighborhood corridors are not home to a large share of lease transactions (as available on CoStar), limiting the data that is available to analyze to understand trends and to triangulate reasonable rates per corridor. Effective rent rates are utilized to provide the most accurate comparison across properties and corridors. Effective rents are true rents after factoring in concessions offered, such as free or discounted rent periods.

Median effective rent rates are comparable across all corridors, except for Wolf Street, which features the lowest rates (\$4 per square foot). James street commands the highest effective rent at a median of \$10 per square foot. This condition is a factor of Walgreens at 2912 James Street which originally located on the corridor in 2008 with a rent of \$32.67. This Walgreens since closed and was replaced by Kinney Drugs.

The low rent rates along the corridors create conditions where property owners receive a small net profit, limiting their ability to reinvest into their property. This creates a cycle of disinvestment in commercial space, where alternative uses that can command higher ground floor rents should be considered. On James Street, we see this phenomenon manifesting. United Healthcare occupies the ground floor of nearly the entire north block on James between North Avenue and Marlborough Road.

⁷ CoStar

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Effective Rent Rates – Select City of Syracuse Locations				
	Min	Average	Median	Max
CT: 32	\$ 8	\$ 14	\$ 14	\$ 24
CT: 34	\$ 5	\$ 19	\$ 19	\$ 22
CT: 42	\$ 8	\$ 8	\$ 8	\$ 8
CT: 43.01	\$ 26	\$ 27	\$ 27	\$ 28
CT:43.02	\$ 35	\$ 43	\$ 42	\$ 49
N. Salina	\$ 4	\$ 6	\$ 8	\$ 8
James	\$ 6	\$ 28	\$ 10	\$ 32
Geddes	\$ 7	\$ 9	\$ 9	\$ 12
S. Salina	\$ 8	\$ 8	\$ 8	\$ 8
Wolf	\$ 2	\$ 4	\$ 4	\$ 10

Source: CoStar

Transportation Projects and Impact on Retail Market Potential

I-81 Street Grid Integration

Highway I-81 runs through downtown Syracuse and has reached the end of its lifespan. Built in the 1950s, it no longer conforms to federal highway standards, and there are plans underway to reconstruct the span at-grade, which would likely mean a reintroduction of the street grid. The original highway construction resulted in the displacement of a historically African-American community, and the current highway continues to create east/west barriers, particularly for CT 42, a predominantly low-income neighborhood marked by public housing.

The reconstruction will take the form of a “community grid”, taking the highway down and improving streets that will now carry I-81 traffic. Improved access to downtown is an opportunity to improve the capture rate of new customers who had previously avoided entering the traditional city grid.

The plan will also include a focus on pedestrian and bike accessibility, particularly in low-income communities that have low automobile ownership. Almond Street would be improved under the current iteration of the plan, resulting in bike lanes and improved pedestrian connections. Public housing projects (Pioneer Homes) will no longer be in the shadow of the viaduct.

We understand that the plan is in the final stages of approval and recommend the continued prioritization of a network of comfortable, safe, and direct walking and biking connections will help ensure that businesses benefit from residents who can now patronize them more easily.

It is also important to note the negative impacts on the business environment. Regionally serving businesses in the Central Core, as well as along the neighborhood corridors, depend on the highway system to attract customers from throughout the region. If the project is realized, regionally-serving operators may experience a loss in sales.

BUS TRANSIT

The bus system is a traditional hub-and-spoke system with most connections made through the downtown Syracuse Transit Hub located at the intersection of Salina Street and Harrison Street. The transit system reinforces the dominance of the traditional downtown core (CT 32). This area is the district most impacted by bus ridership patterns, drawing customers who come downtown to work and upon whom downtown businesses depend.

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While bus transit is a critical component of the region's transit offerings, the study areas under consideration predominantly serve residents. Our recommendation is to focus policy and investments on efforts to deepen customer penetration for each area through improvements that improve the patronage of these businesses by residents – the majority of whom will not be utilizing the bus transit system to get to/from the business district. As a result, we did not complete an in-depth study of the bus transit system.

Access to public transportation concentrates retail demand at the stops along the routes. However, the proposed bus line detailed in the February Syracuse Metropolitan Regional Transit Study Phase I (SMART 1) will drive limited visitation to the neighborhood corridors due to the limited retail activity currently present along a couple of corridors the proposed route - James Street and West Onondaga Street. Like current Centro buses, the two routes proposed in SMART 1 would connect some of these neighborhoods with dense areas of jobs in downtown, at hospitals and schools, and Destiny USA. The opportunity here is to ensure the retail environment at and near the bus transit hub downtown adequately serves the residents across the city.

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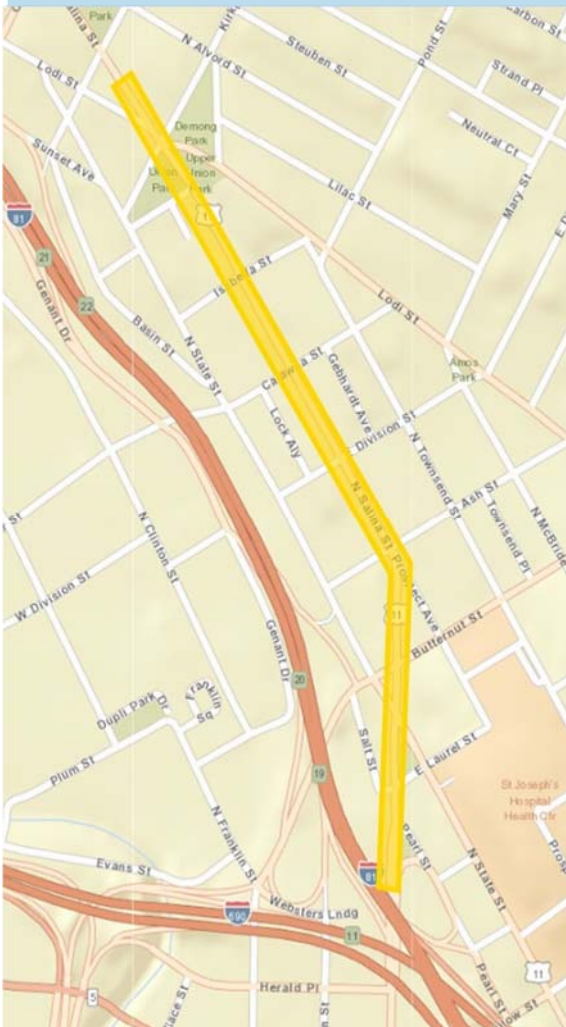
COMMERCIAL CORRIDOR PROFILES

The following section presents individual characteristics by Commercial Corridor to demonstrate the defining features of each area.

PRI 1: N. SALINA STREET

North Salina Street At-A-Glance

Walk Score:	90
Transit Score:	57
Bike Score:	58
HHs without Cars:	44%
Traffic Counts:	6,100



(From I-81 to Lodi Street)

PHYSICAL ENVIRONMENT⁸

There are few places in the region where living without a car is an option, and North Salina Street is one of them. Fully 44% of households do not own a car. North Salina Street is among the most pedestrian-friendly streets in the entire city. With a Walk Score of 90, it is considered a “Walkers Paradise”. The Street boasts excellent proximity to downtown and a built form that caters to pedestrians over cars (reflected in numerous zero lot line buildings and few to no curb cuts along major portions of the street). The cluster of mixed-use buildings offers a diversity of business offerings that make it an appealing place to live, work, and play.

Transit and bike scores for North Salina are below 60, like those found across the city, despite having the lowest rate of automobile ownership of any of our study areas. Improving alternative modes of transit in this neighborhood would not only improve the quality of life for those already living without an automobile but also enable others to reduce or eliminate their automobile usage as well.

Other observations include:

- ◆ Past investments include buried utility lines and period fixtures with both automobile and pedestrian lighting
- ◆ Few curb cuts to disrupt the pedestrian experience
- ◆ Strong built form reflected in its historic brick, mixed-use buildings
- ◆ Wide sidewalks to accommodate pedestrians and merchandising from retailers, including outdoor dining
- ◆ There are street trees, but the tree pits do not have protective tree guards.
- ◆ There is paid on-street parking, which encourages turnover
- ◆ The width of the street enables angled parking in some locations

⁸ Walkscore.com

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- ◆ There is no bike lane and limited to no bike infrastructure (bike corrals or racks)
- ◆ There are historic commercial signs painted on the side of some brick buildings. These add character and a sense of history to the street.

BUSINESS ENVIRONMENT

North Salina Street is a north/south thoroughfare located immediately to the north of Downtown Syracuse that has evolved over time to meet the needs of the broader community – both residential and businesses. It is categorized as a “Community Shopping Area” that serves a larger area and offers comparison shopping.

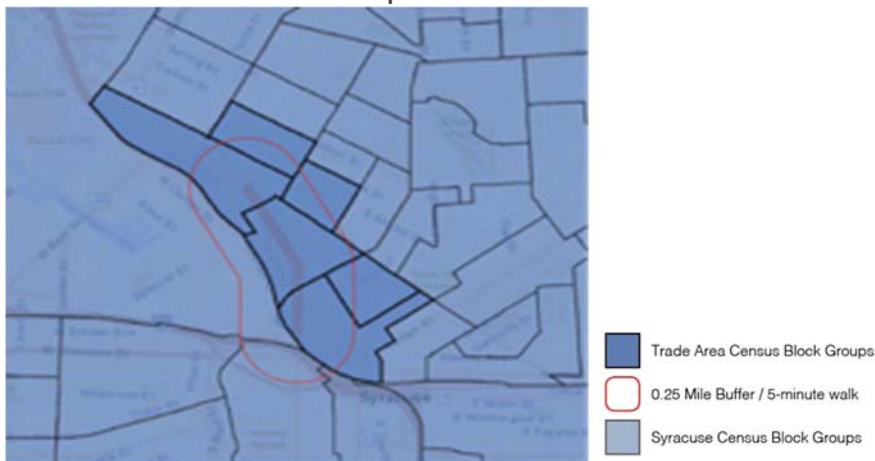
The area is further differentiated from the other Community Shopping Areas by its unique mix of diverse, high-quality ethnic businesses that draw from the broader region. In the category of Food Services & Drinking Places, the area could be further described as a regional destination. The offerings include international cuisine from Italy (Francesca Cucina, 4.6 Google Stars), Ethiopia (Habiba’s Kitchen, 4.6 Google Stars); the Caribbean (Mr. Biggs, 4.3 Google Stars), and Vietnam (Ky Duyen, 4.5 Google Stars). Enhancing and building upon the strength of this cluster would help these local businesses and create a heightened demand for their offerings.

MARKET DATA & DEMOGRAPHICS

TRADE AREA

The North Salina study area, spanning from I-81 at the south to Union Place at the north end of the corridor, runs nearby parallel to I-81 with few road connections across to the Lakefront neighborhood. The trade area responds to this limited connectivity and differentiated neighborhood typologies. Census Block Groups (west of I-81) were not included, although they lie within the .25-mile buffer of the corridor. The trade area included encompasses St. Joseph’s Hospital Health Center, commercial and industrial uses along the corridor and lining I-81, and residential uses. Note, retail along Butternut Street is within the trade area, and data assessed throughout this section includes this cluster, although it is outside of the study area.

North Salina Street Trade Area Map



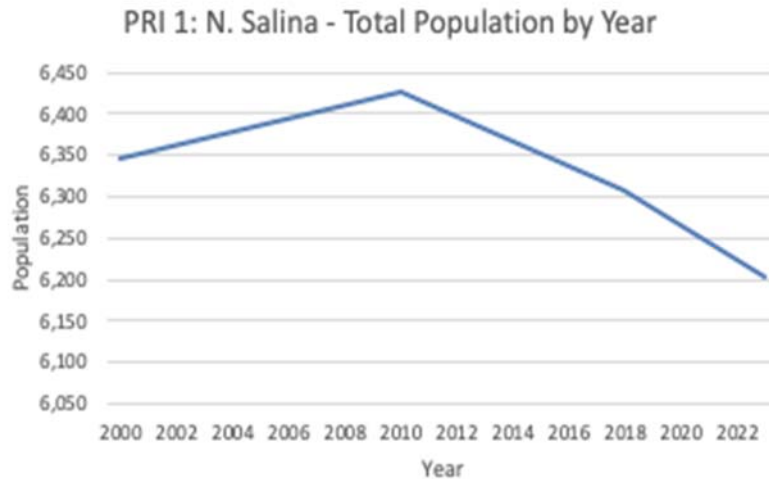
Source: City of Syracuse Open Data Portal

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RESIDENTIAL ANALYSIS

POPULATION GROWTH & DENSITY:⁹

- ◆ The residential population in North Salina's trade area has decreased since 2010 and is currently estimated at 6,309 (ESRI Report; 2018 estimates). This trend is projected to continue over the next 5-year period and by 2023 is projected to decline by 1.7% or 107 people annually.
- ◆ Currently, population density along N. Salina is 10,515 people per square mile, the second-highest among other neighborhood commercial corridors, behind Butternut, which is adjacent to the N. Salina study area. The corridor's rank is a factor of the industrial and commercial footprint that lines I-81.



Source: ESRI, Community Profile (July 2019)

KEY DEMOGRAPHIC FINDINGS:¹⁰

- ◆ The largest cohort of residents are working-aged Millennials and Gen Xers, a characteristic ideal for retailers who look for discretionary income as an indicator. However, median household incomes are nearly \$9,000 lower than the city's (\$31,973).
- ◆ Residents in the area surrounding the commercial corridor are diverse, with a mix of old and new American citizens. 38.4% identify as White, 26.8% Black/African American, 22.7% Asian, and 8.8% Hispanic. This diversity is further demonstrated by the comparatively low percentage of households that only speak English at home (63.9%). The growth of ethnic retailers in the corridor matches the diversity of the trade area's residential profile, serving their ethnicities' needs and growing as a destination for others through the city and region.
- ◆ Educational attainment is low, with 34% having no high school diploma and only 16% with a bachelor's degree or higher. Low educational attainment has been found to limit long term income growth and therefore limit the ability to increase their expenditures and support retailers nearby.
- ◆ Most of all, housing units are renter-occupied (70%), and of those renters, approximately half have a car. These statistics underscore how the walkable character of the corridor is optimal for retailers to attract a local population. There is a large percentage of housing units that are vacant (20%) and a small percentage of owner-occupied (10%).

⁹ ESRI, Retail Marketplace Profile (July 2019)

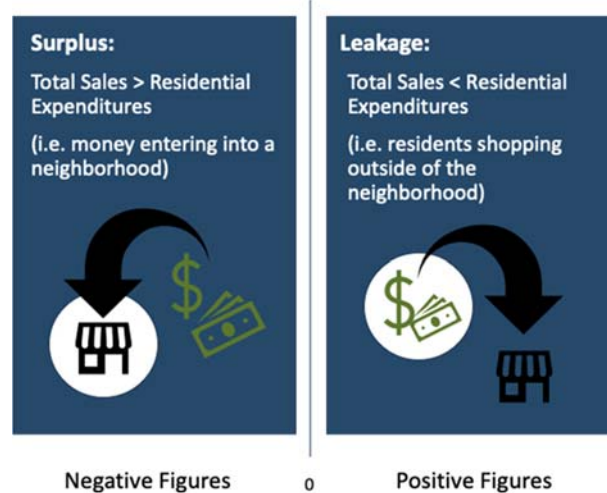
¹⁰ ESRI, Community Profile, 2010 Census Profile, Demographic and Income Profile (July 2019)

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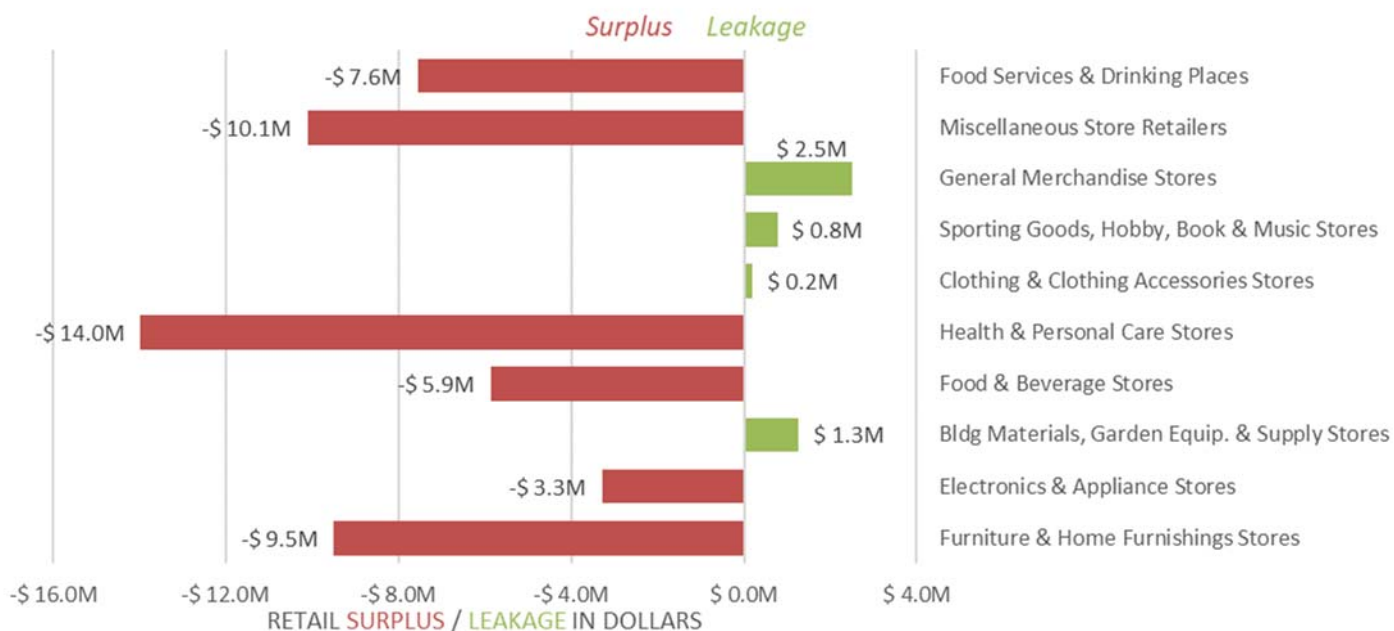
- ◆ Additionally, households in the trade areas surrounding N. Salina are the largest (3.02), 48.5% of which have children.

RETAIL GAP¹¹

- ◆ A retail gap analysis measures the relationship between estimated retail supply (retail sales estimates based on data collected in the Census of Retail Trade from the US Census Bureau) and retail demand (resident spending estimates based on Bureau of Labor Statistics' annual Consumer Expenditure surveys). This leakage analysis only accounts for resident spending.
- ◆ When resident spending exceeds retail sales, then resident spending is 'leaking' out of the trade area. However, when retail sales exceed resident spending, businesses are **selling more than residents are buying (or there is a retail surplus)**.
- ◆ North Salina has a surplus in sales, meaning the sales at retailers in the trade area exceed the expenditures by residents. Categories with a gap in sales are primarily in the General Merchandise, Apparel, Furniture, and Other (GAFO) category. This category is well-represented at Destiny USA and is at most risk to competition by e-commerce. Note, the retail leakage analysis includes sales at retailers along Butternut Street, which includes Save A Lot, Rite Aid, Kinney Drugs, and Dollar General, among other retailers.
- ◆ There is a \$7.875 million surplus in Restaurants and Other Eating Places, which are numerous on the North Salina corridor. This surplus indicates a market differentiator - populations see the corridor as a dining destination.



PRI 1: N. Salina - Retail Gap by Category



¹¹ ESRI, Retail Marketplace Profile (July 2019)

CAMOIN 310 & STREETSENSE**EMPLOYEE ANALYSIS**

Employees nearly mirror the residential population count at 6,525 total employees, primarily in the healthcare sector.¹² According to ICSC estimates, each employee spends approximately \$1,367 on food and beverages while at work annually and \$4,644 on other goods and services. For North Salina, that equates to over \$39 million in expenditures.¹³

Although the hospital is the primary employee generator, expenditures by medical staff and office staff likely differ. Medical staff are allotted a few shorter breaks through the workday and typically stay on campus, while office workers have greater flexibility. Off-campus spending behaviors are also inhibited by the limited physical connections between the medical campus and the corridor's retail offerings. The ability to increase retail sales will rely on improving these connections and increasing the offering to compete with food options on campus.

VISITOR ANALYSIS

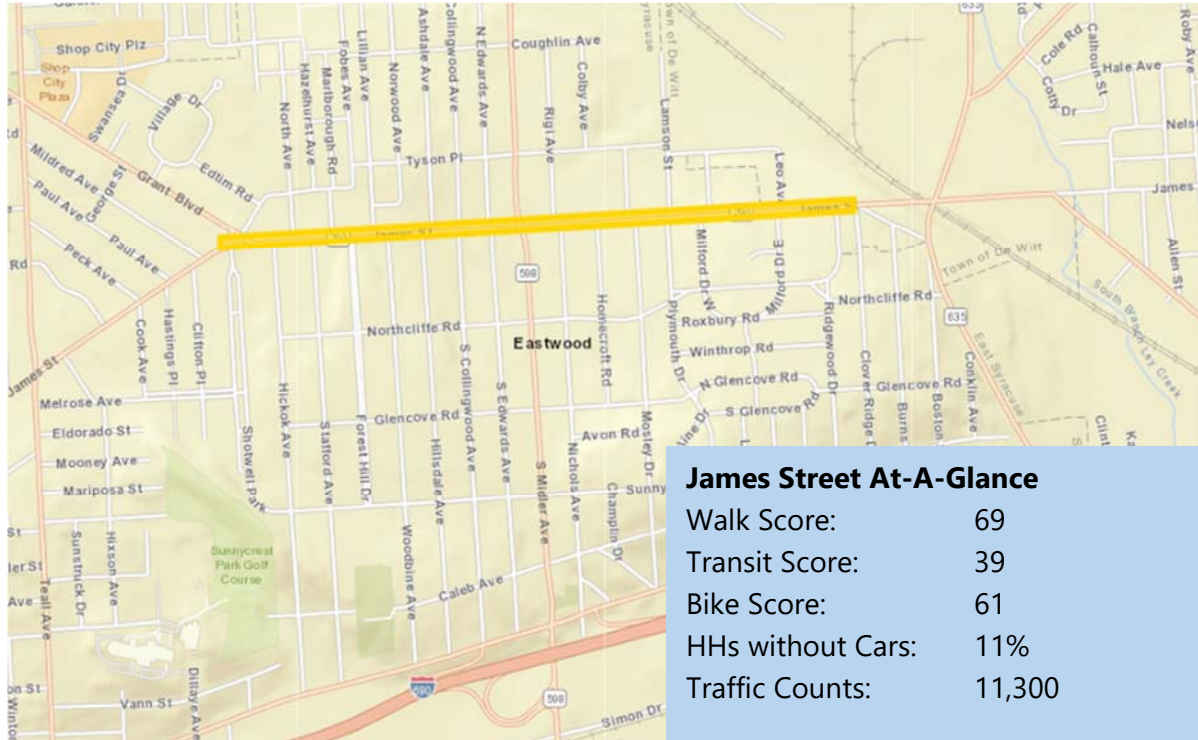
When combined with residential expenditures, there is still a surplus in sales, indicating that other populations patronize businesses in the trade area. It is assumed that most of these excess sales can be attributed to residents in the surrounding neighborhoods outside of the trade area that is coming to Butternut Street for items in the Neighborhood Goods and Services category, and/or residents and hospital visitors from the greater region patronizing the ethnic restaurants along North Salina.

¹² US Census, Center for Economic Studies, Longitudinal Employer/Household Dynamics, OnTheMap (July 2019)

¹³ International Council of Shopping Centers, Office-Worker Retail Spending in a Digital Age (2012)

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PRI 2: JAMES STREET

PHYSICAL ENVIRONMENT¹⁴

Overall, James Street has a relatively strong walkable environment, reflected in its Walk Score of 69 – “Somewhat Walkable” and Bike Score of 61.

The area is marked by two distinct micro-climates, each with different urban forms. Between Homecroft and Grant Boulevard, James Street is marked by a relatively dense, prototypical urban form with many zero Lot line mixed-use buildings. To the West of Homecroft, the built form becomes more “suburban” and residential.

Other observations include:

- ◆ Above ground utility lines and roadway lighting only. There are no pedestrian lights along the street
- ◆ There is no bike lane and limited to no bike infrastructure (bike corrals or racks)

Between Grant and Homecroft:

- ◆ While there is a legacy-built environment that favors walkability, there remain significant areas where the built form breaks down. For example, on the North side of the Street between Stafford Avenue and Forest Hill Drive, there are several automobile-oriented commercial businesses with front parking lots (including a Mobile gas station). There are multiple curb cuts along these stretches.
- ◆ Between North Avenue and Marlborough, there is an attractive, well-maintained office building (2425 James Street) with no ground-floor retail and a single retail store (Books Ends Bookshop) along the entirety of the block. The building was constructed to give the impression that it hosts commercial activity, but upon closer

¹⁴ Walkscore.com

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observation, the windows are dark, and there are no entrances save for the main entrance to the building. Moreover, this side of the street also has no street trees, despite having the width to accommodate them.

- ◆ With limited exceptions (buildings on the North Side of the Street between Ames Street and Marlborough Road, and the buildings on the South side between Woodbine Avenue and Hillsdale Avenue), street trees are absent.
- ◆ Where there are trees, the tree pits are missing tree guards that protect them from damage.
- ◆ An ornamental strip of brick was added to the street many years ago as an improvement, but the strip is unevenly maintained and serves to narrow the width of the sidewalk, reducing opportunities for outdoor dining or merchandising by retailers. Maintenance of the strip is required - grass and weeds are growing between the bricks in many locations. Some businesses have maintained the strip very well.

Between Homecroft and Thompson:

- ◆ Setbacks, vegetation, and lawns along this section of James reflect post-war construction and the end of the traditional commercial district. Commercial activity picks up again at West Milford Drive.
- ◆ Eastwood Plaza is in this section and includes a Dollar General and a popular local coffee shop.
- ◆ Between Eastwood Plaza and Thompson Road, there is intermittent commercial activity made up of free-standing commercial buildings (i.e. Friendly's). Each of these individual buildings has curb cuts to accommodate small parking lots.
- ◆ Immediately to the East of our study area, there is a Wegmans.

Other Observations:

- ◆ Over 10,000 average daily vehicles travel the street, making it a relatively strong location for convenience staples and chain stores, including Walgreens, Friendly's, and Dollar General.

BUSINESS ENVIRONMENT

James Street is an east/west thoroughfare in the northern section of Syracuse that focuses on the needs of neighborhood residents. It is categorized as a "Neighborhood Shopping Center" that serves the local community – including a small node of commercial offices – with a mix of convenience-oriented goods and services.

Immediately to the East of our study area, there is a Wegman's grocery store, which serves as a regional draw that draws from the greater trade area for its customers. However, the Wegman's is a stand-alone offering that does not result in cross-shopping along James Street.

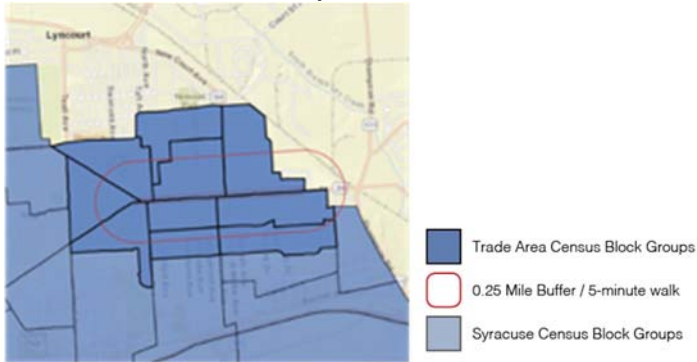
MARKET DATA & DEMOGRAPHICS

TRADE AREA

For this report, James Street is studied from Eastwood Road to Leo Avenue, the City's northeastern-most boundary. The neighborhood is well connected to surrounding residential areas with exception to the rail line that lies east and north of the corridor and disconnects the street grid from neighborhoods outside of the city. For this reason, the Census Block group that lies outside of the city's boundaries was not included in the study, as no residential population exists in the block immediately northeast of the boundary.

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James Street Trade Area Map

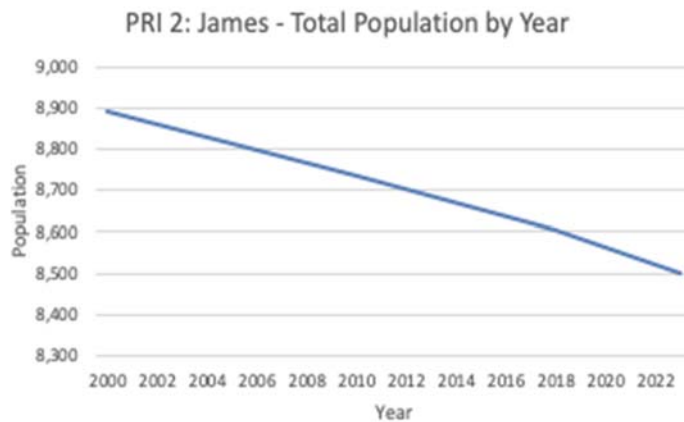


Source: City of Syracuse Open Data Portal

RESIDENTIAL ANALYSIS

POPULATION GROWTH + DENSITY:¹⁵

- Population growth around James Street has historically declined and is projected to continue to decline during the next five-year period. Currently, the population is estimated at 8,605 and projected to shrink to 8,502 by 2023, according to ESRI.
- Density in the neighborhoods surrounding James Street is fair at 8,436 residents per square mile, consisting of mostly single-family homes and a few multifamily buildings.



Source: ESRI, Community Profile (July 2019)

KEY DEMOGRAPHIC FINDINGS:¹⁶

- In comparison to the City, residents of the Census Block Groups surrounding James Street skew older, with a larger distribution of the population 25+ (72.3%) than the City (60%). The majority of the 25+ population are in the 25-44 cohort (31.4%) which is a sign of potential growth in families and household income over time.
- The older population surrounding James Street contributes to the higher median household income in the neighborhood in comparison to the City and the trade area of all other neighborhood corridors studied.

¹⁵ ESRI, Retail Marketplace Profile (July, 2019)

¹⁶ ESRI, Community Profile, 2010 Census Profile, Demographic and Income Profile (July, 2019)

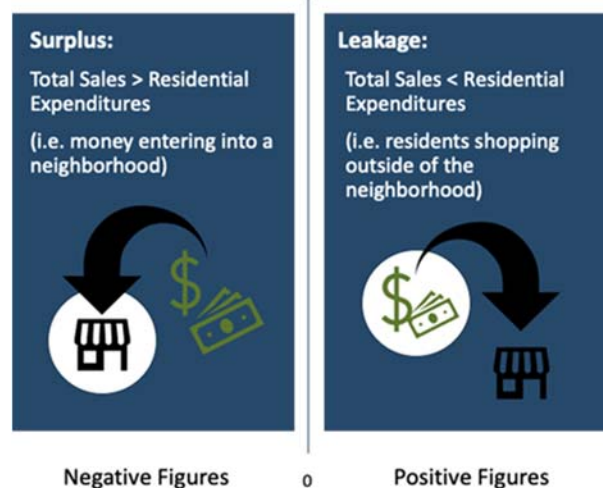
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James Street's median household income is estimated at \$40,971 and is expected to grow to \$48,824, an additional 19% over the next five years, the greatest growth rate of any area studied, including Onondaga County and the Central Core's Census Tracts. Higher incomes also offer economic mobility demonstrated by the sizeable share of the population in owner-occupied units (44%), the highest of any study area in this report. The corridor is also characterized by a low percentage of vacant housing units (7%) in comparison to other neighborhood commercial corridor trade areas.

- ◆ Pairing with a relatively high median household income, educational attainment rates are the highest of the neighborhood commercial corridors studied, with approximately 32% of residents earning a bachelor's degree or higher. Another 35% has obtained some college education.
- ◆ Less diversity exists in this neighborhood in comparison to other corridors studied; over 70% of the corridor's population identify as White; 31% Black/African American; and 12% Hispanic. The large white population combined with the high educational attainment and household incomes demonstrate the disparity in economic outcomes by race in the City. Regardless of race or ethnicity, 91.7% of the population speak only English at home.
- ◆ Households are approximately 2.06 people in size, smaller than most corridors studied and the city overall. This rate is attributed to the single householders (41%), and the few households with children (24.4%). At this small household size, the earnings per capita are even higher than in other corridors.

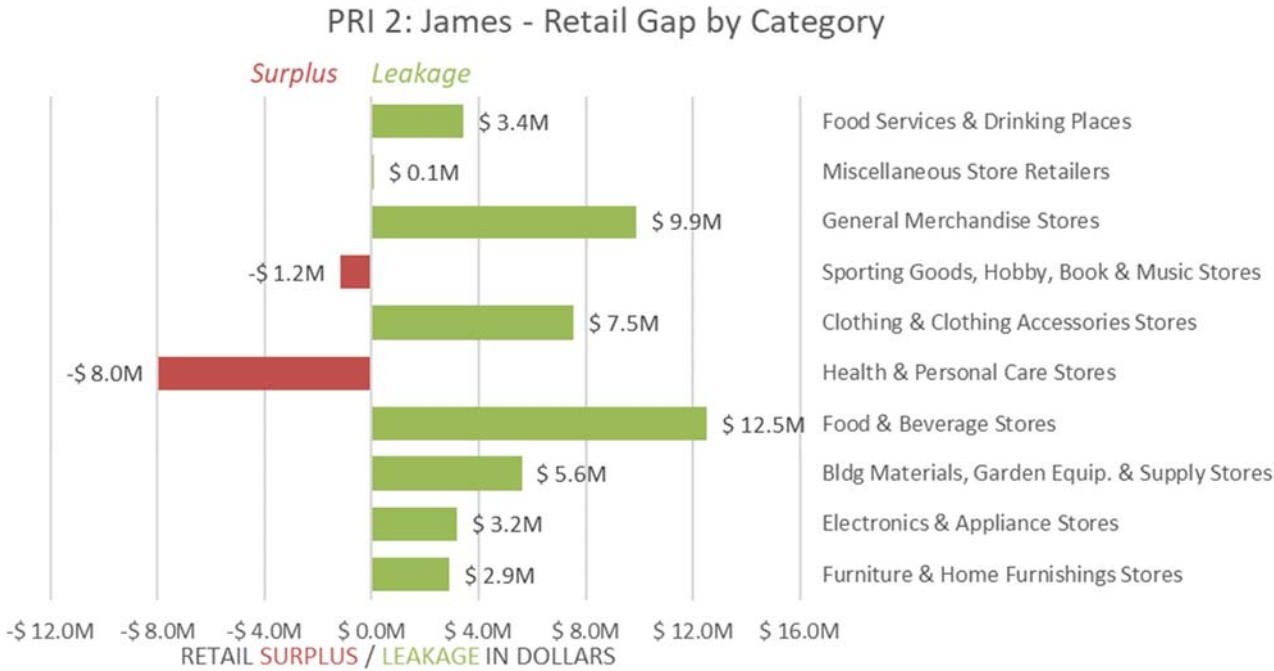
RETAIL GAP¹⁷

- ◆ A retail gap analysis measures the relationship between estimated retail supply (retail sales estimates based on data collected in the Census of Retail Trade from the US Census Bureau) and retail demand (resident spending estimates based on Bureau of Labor Statistics' annual Consumer Expenditure surveys). This leakage analysis only accounts for resident spending.
- ◆ When resident spending exceeds retail sales, then resident spending is 'leaking' out of the trade area. However, when retail sales exceed resident spending, businesses are **selling more than residents are buying (or there is a retail surplus)**.
- ◆ James Street trade area has a gap in sales, meaning the sales at retailers in the trade area are below the expenditures by residents. Many of the categories are well represented outside of the corridor at Shop City Shopping Center, Wegman's, Walmart, and other nearby retailers. The gap in sales in the General Merchandise, Apparel Furnishings, and Other (GAFO) category is likely going to suburban shopping centers and Destiny USA.
- ◆ Categories with a surplus, or more sales at retailers than expenditures by residents, are in the Beer, Wine and Liquor Stores, Health and Personal Care Stores, Books, Periodical and Music Stores, and Other Miscellaneous Store Retailers subcategories. These retailers are well represented along the corridor by Kinney Drugs, Books and Melodies, Books End, and other convenience stores.
- ◆ There is a \$3.445 million gap in the Food Services & Drinking Places category, providing an opportunity to serve nearby residents with additional food options.



¹⁷ ESRI, Retail Marketplace Profile (July 2019)

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EMPLOYEE ANALYSIS

In the James Street trade area, there are approximately 1,884 employees, a small portion of the potential customer base with an employee to resident ratio of 22 employees per 100 residents.¹⁸ A comparably large share (26%) of employees age 29 or younger exist on the corridor. According to ICSC estimates, each employee spends approximately \$1,367 on food and beverages while at work annually and \$4,644 on other goods and services. For James Street, that equates to over \$11.3 million in retail expenditures.¹⁹

¹⁸ US Census, Center for Economic Studies, Longitudinal Employer/Household Dynamics, OnTheMap (July 2019)

¹⁹ International Council of Shopping Centers, Office-Worker Retail Spending in a Digital Age (2012)

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PRI 3: GEDDES STREET**PHYSICAL ENVIRONMENT²⁰**

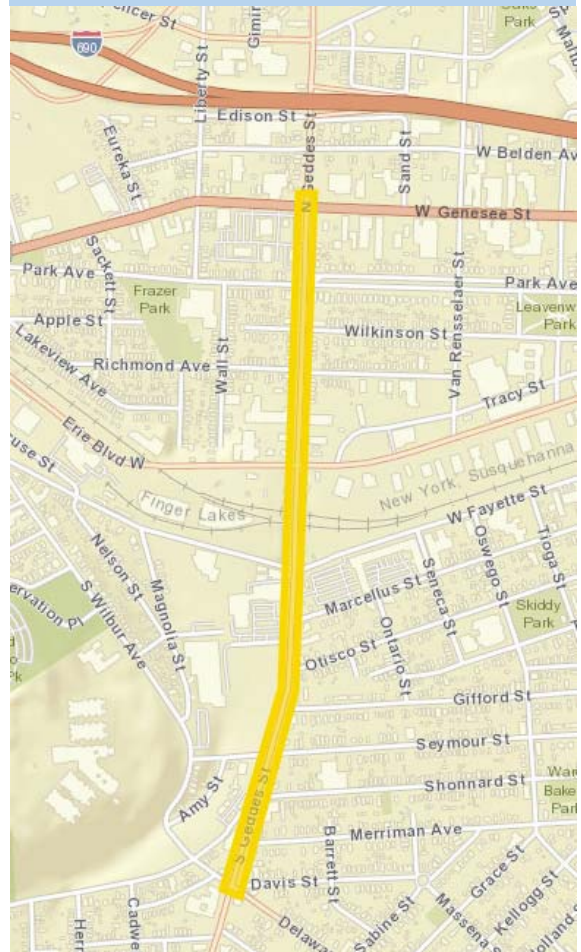
The street is a mixed bag of zero lot line pre-war buildings combined with post-war automobile-oriented development with numerous curb cuts, which is reflected in its walk score of 78, "Very Walkable". Moreover, 30% of residents do not own cars, making transit, pedestrian and bike improvements critical to the quality of life.

Geddes Street Study Area

- ◆ Above ground utility lines and roadway lighting only. There are no pedestrian lights along the street
- ◆ The sidewalks are generally in good condition, with an ornamental brick strip that needs some maintenance and weed removal.
- ◆ Along the entire length of Geddes, there are few safe places to cross the street. During our observation, we noted people jogging across the street mid-block during lulls in traffic. This is an unsafe condition that is further exacerbated by the fact that the bulk of the residential neighborhood lies to the West of Geddes, but the most significant commercial offering (Geddes St Plaza) lies on the West side of Geddes. Most residents, therefore, will elect to cross mid-block.
- ◆ Many businesses lack transparency into their stores, and some have permanent bars on the interior of their windows. While issues of crime and safety are a concern in the area, these crime prevention strategies have can also have the effect of scaring off new customers and further reinforcing perceptions about neighborhood crime and safety.

Geddes Street At-A-Glance

Walk Score:	78
Transit Score:	42
Bike Score:	63
HHs without Cars:	30%
Traffic Counts:	7,500

**Between W. Fayette St. and Delaware Street**

- ◆ Street trees planted intermittently. The City seems to have undertaken recent tree care along portions of South Geddes. Several empty tree pits require planting and sections along Geddes have no trees.
- ◆ There is a bike share station located along West Fayette at the intersection of Geddes, but there are no dedicated bike lanes along the four-lane street (reflected in the bike score of 63) and no visible bike infrastructure (bike corrals or racks)
- ◆ Important intersections, such as the triangular intersection where Grand Avenue meets South Geddes, have confusing and counterintuitive crosswalks that prevent pedestrians from crossing the shortest distance

²⁰ Walkscore.com

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between the node of businesses along Grand Street and the node along S. Geddes Street, effectively undermining the ability of residents to patronize both sides of the street safely.

BUSINESS ENVIRONMENT

South Geddes is an important north/south thoroughfare and serves a larger area, as well as residents. It is categorized as a "Community Shopping Center" that offers some comparison shopping. There are numerous isolated nodes of businesses along the corridor.

Between W. Genessee St. and W. Fayette St.

- ◆ One node, Geddes Street Plaza, is anchored by a Save-a-Lot and a Family Dollar. These businesses meet the needs of residents, many of whom are lower-income and seek value-oriented retailers for their daily convenience needs.

Between W. Fayette St. and Delaware Street

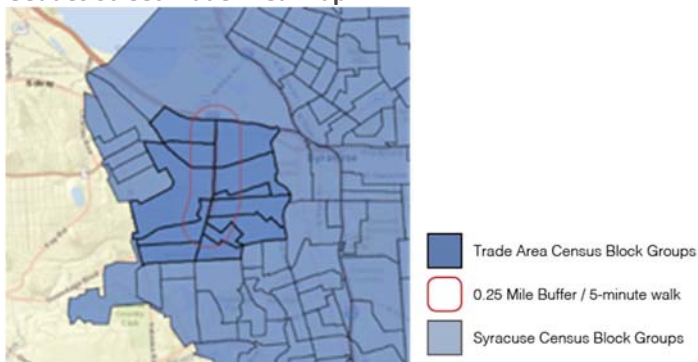
- ◆ At the intersection of S Geddes and W Fayette Street is another interesting intersection worthy of note. Large pre-war industrial buildings, some of which have been redeveloped and now house high-quality new businesses (Ponchitos Taqueria, 4.4 Google Stars), and high-quality murals speak to an emerging renaissance at this location.
- ◆ One small node of Caribbean themed businesses located at the intersection of Grand Street and South Geddes. There is an older, prominent pre-war building on the West side of South Geddes between Shonnard St and Merriman Avenue. While the upper floors seem vacant (and reflect a good opportunity for redevelopment) the ground floor hosts a robust set of offerings, including a high-end sneaker store (The Sneaker Cartel, 4.6 Google Stars), a Puerto Rican themed gift shop (La Tienda, Unlisted), and a barbershop (Caribena's Barber Shop, Unlisted). Across the Street is an abandoned gas station on the triangular plot of land between Grand and Geddes. On Grand, there is a Puerto Rican diner (Don Juan Café Restaurant, 4.5 Google Stars).

MARKET DATA & DEMOGRAPHICS

TRADE AREA

Geddes Street's commercial corridor, for this report, extends from Delaware Street as the southern boundary up north to W. Genessee Street. All surrounding Census Block Groups were included as the trade area for the corridor, except for the Lakefront neighborhood, north of I-690. The highway serves as a psychological boundary for customers, additionally the character of the neighborhood changes once one crosses the underpass.

Geddes Street Trade Area Map



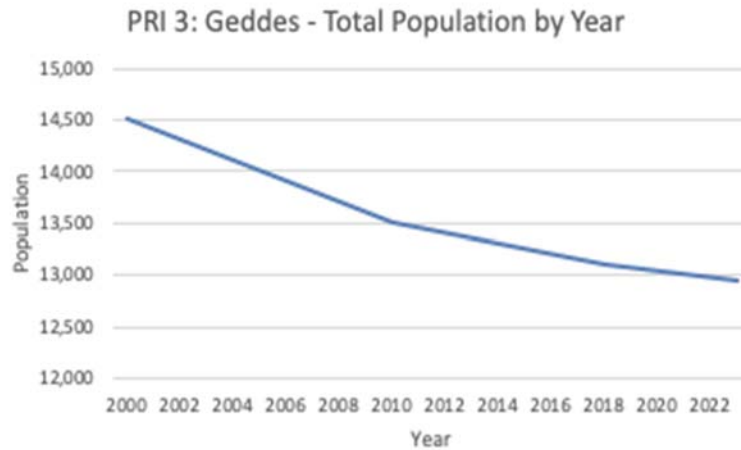
Source: City of Syracuse Open Data Portal

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RESIDENTIAL ANALYSIS

POPULATION GROWTH + DENSITY:²¹

- ◆ Geddes Street's population experienced a decline of -6.9% between 2000 and 2010 and has since curbed its decline to -2.9% (2010-2018). In the next five years, population growth is expected to continue declining, but at a lesser rate of -1.2%.
- ◆ The population density in the neighborhood surrounding the corridor, although higher than the City as a whole, is lower than most other neighborhood commercial corridors studied. It is currently observed at 5,727 people per square mile.



Source: ESRI, Community Profile (July 2019)

KEY DEMOGRAPHIC FINDINGS:²²

- ◆ Residents nearby Geddes Street skew younger than the city average. Approximately 25.7% of the residents are under the age of 15, the second-largest cohort (28.1% of the population is ages 25-44). The majority of the households are family households (55.8%) and 40.1% have children under the age of 18 in the house.
- ◆ Household incomes are lower than the city average with growth estimated at 11% in the next 5 years. Currently, the median income is estimated at \$26,038 and projected to grow to \$28,915, a figure still under the City's projected 2023 average (\$34,451).
- ◆ The lower incomes are likely a factor of low educational attainment; only 15% of the population has a bachelor's degree or higher.
- ◆ The neighborhood is diverse, with 40.2% identifying as White, 35.7% Black/African American, 12.3% another race, and 29.6% Hispanic. The sizable Hispanic population contributes to 12.5%, which is bilingual, speaking English and Spanish at home.
- ◆ Overall, renter-occupied housing units are prevalent (63%); while owner-occupied and vacant housing units represent nearly the same share at 19% and 18%, respectively.

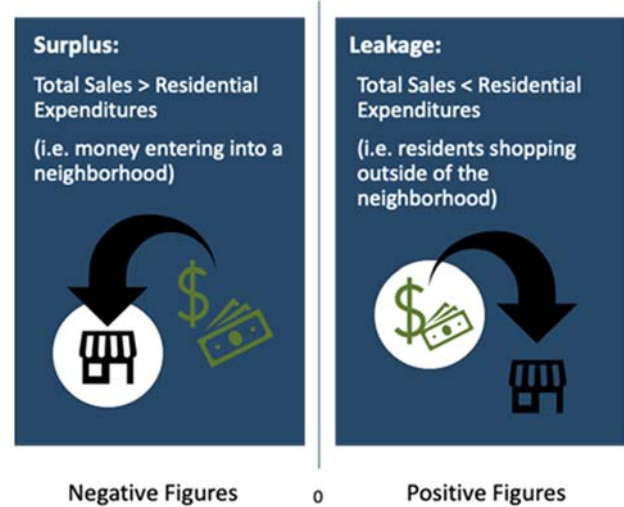
²¹ ESRI, Retail Marketplace Profile (July 2019)

²² ESRI, Community Profile, 2010 Census Profile, Demographic and Income Profile (July 2019)

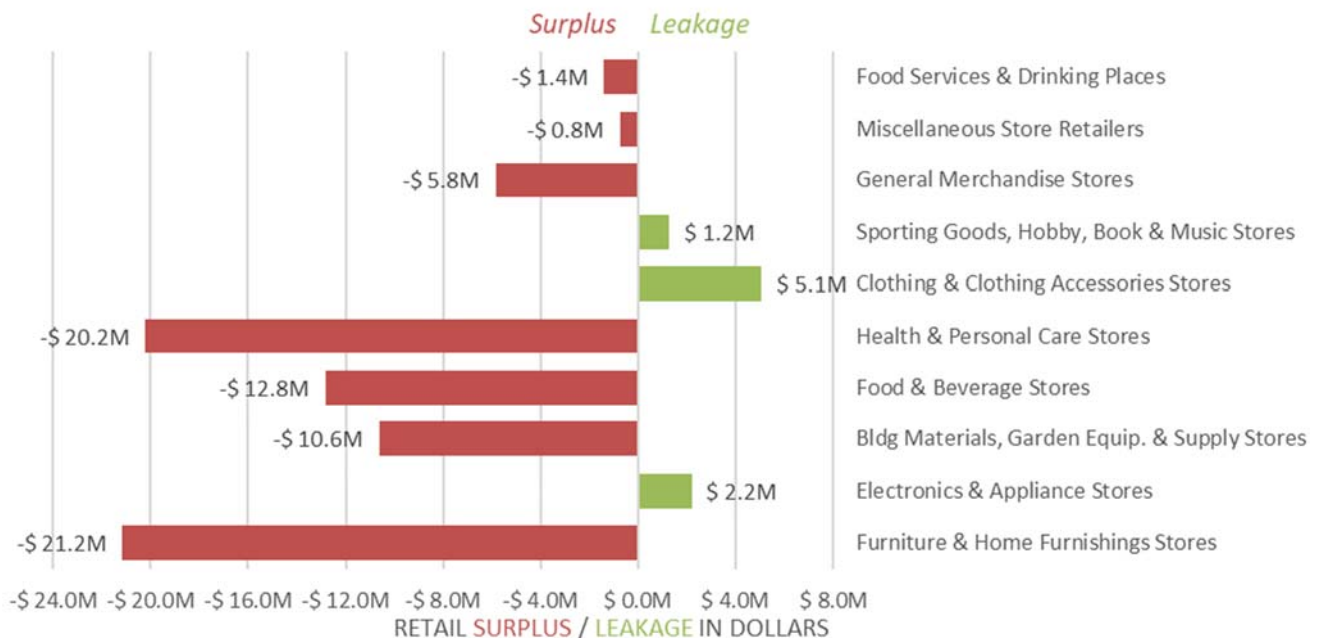
CAMOIN 310 & STREETSENSE

RETAIL GAP²³

- ◆ A retail gap analysis measures the relationship between estimated retail supply (retail sales estimates based on data collected in the Census of Retail Trade from the US Census Bureau) and retail demand (resident spending estimates based on Bureau of Labor Statistics' annual Consumer Expenditure surveys). This leakage analysis only accounts for resident spending.
- ◆ When resident spending exceeds retail sales, then resident spending is 'leaking' out of the trade area. However, when retail sales exceed resident spending, businesses are **selling more than residents are buying (or there is a retail surplus)**.
- ◆ Geddes Street trade area experiences a \$64.3 million surplus in sales, meaning the sales at retailers in the trade area exceeds the expenditures by residents. This condition is built by the numerous retailers along Geddes, which serve the larger neighborhood such as Aldi, Dollar Tree, and Ponchito's Taqueria, among others.
- ◆ Categories with a gap in sales are primarily in the General Merchandise, Apparel, Furniture, and Other (GAFO) category - Electronics and Appliance Stores, Clothing and Clothing Accessories Stores, and Sporting Goods, Hobby, and Musical Instrument Stores. A gap also exists in the Florists subcategory, a retailer that primarily relies on nearby populations and convenience.



PRI 3: Geddes - Retail Gap by Category



²³ ESRI, Retail Marketplace Profile (July 2019)

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EMPLOYEE ANALYSIS

In the Geddes Street trade area, there are approximately 7,199 employees with an employee to resident ratio of 55 employees per 100 residents. This means for one employee, nearly two residents serve as the immediate customer base for the corridor.²⁴ According to ICSC estimates, each employee spends approximately \$1,367 on food and beverages while at work annually and \$4,644 on other goods and services. For Geddes Street that equates to nearly \$43.3 million in retail expenditures.²⁵

VISITOR ANALYSIS

Visitors to Geddes Street are likely customers from the larger neighborhood and the region patronizing the retailers on the corridor as well as the automobile dealerships. There are approximately 21 million dollars in sales above residential and employee expenditures.²⁶

²⁴ US Census, Center for Economic Studies, Longitudinal Employer/Household Dynamics, OnTheMap (July 2019)

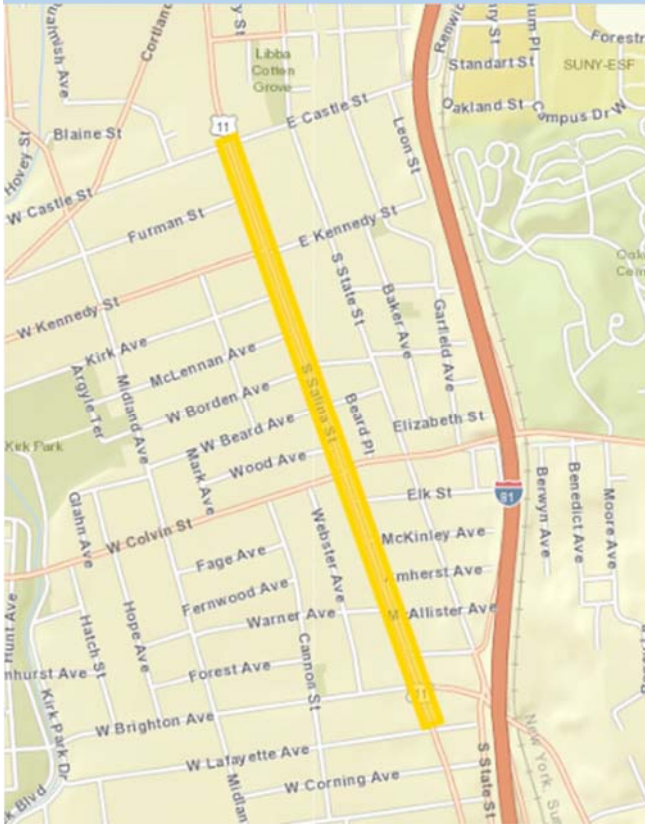
²⁵ International Council of Shopping Centers, Office-Worker Retail Spending in a Digital Age (2012)

²⁶ ESRI, Retail Marketplace Profile (July 2019)

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PRI 4: SOUTH SALINA STREET**South Salina Street At-A-Glance**

Walk Score:	65
Transit Score:	45
Bike Score:	64
HHs without Cars:	22%
Traffic Counts:	9,500

**PHYSICAL ENVIRONMENT²⁷**

South Salina is an automobile-oriented corridor, as reflected in its walk score of 65 – the second-lowest walk score of any study area.

Other observations include:

- ◆ Numerous vacant, brick, pre-war buildings in need of redevelopment (notably 2625 South Salina and 2520 South Salina)
- ◆ Above ground utility lines and roadway lighting only. There are no pedestrian lights along the street
- ◆ With very limited exception, there are no street trees
- ◆ Wide curb cuts that serve large parking areas (Deb's Convenience Store, 2412 South Salina Street is one example)
- ◆ In some locations, concrete sidewalks are missing, and have been entirely covered in asphalt (Mavis Discount Tire, 2520 S. Salina and the entire East side of S. Salina between McKinley Avenue and Amherst Avenue). The missing sidewalk gives drivers the impression that the sidewalk is part of the parking lot, and in several instances, cars parked in the pedestrian right of way.
- ◆ The traffic counts are just shy of the 10,000 ADT threshold. It is a busy street but not quite busy enough to attract a cluster of national tenants who require greater visibility than the street currently offers.

BUSINESS ENVIRONMENT

South Salina is a north/south thoroughfare and generally includes a set of retail offerings that are focused on the needs of neighborhood residents. It is categorized as a "Neighborhood Shopping Center" that serves the local community area and offers convenience goods and services.

A recently closed Food Cooperative (Eat to Live, 2323 South Salina Street) is an interesting business of note. The cooperative opened in 2013 was closed owing to self-described low sales volume. It had offered residents fresh affordable food in an area that is lacking in fresh food options. The cooperative was run by a local non-profit, Southside Community Coalition, in a newly renovated 3,000 square foot building. While it is difficult to determine

²⁷ Walkscore.com

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what exactly led to low sales volume, which may or may not have been related to structural management and operating issues, limited residential demand can make it difficult to keep the doors open and remain profitable.

The one exception to the above categorization is in the category of “Furniture and Home Furnishings”. South Salina is home to a popular and physically prominent regional furniture showroom (Dunk & Bright, 4.5 Google Stars) that draws from the greater Syracuse metropolitan area.

MARKET DATA & DEMOGRAPHICS

TRADE AREA

South Salina Street was studied from West Kennedy Street to West Brighton Avenue. The trade area/Census Block Groups are nearly a perfect fit with the 0.25-mile buffer from the corridor. Census Block Groups that lie across I-81 on the southeastern border were not included in the trade area, as the neighborhood character changes once one traverses the underpass. This condition is joined by the fact that once customers exit the highway, they choose to go towards Salina or in the other direction, separating the trade areas of each corridor.

S. Salina Street Trade Area Map



Source: City of Syracuse Open Data Portal

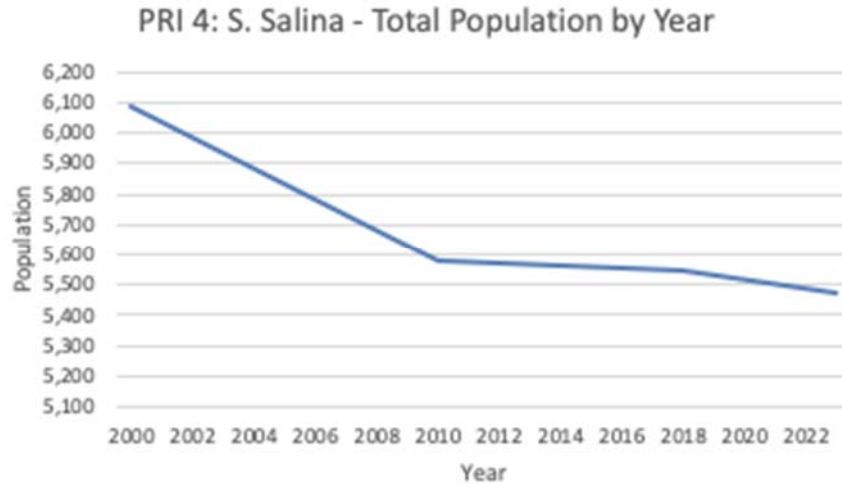
RESIDENTIAL ANALYSIS

POPULATION GROWTH:²⁸

- ◆ The population has declined in S. Salina’s surrounding neighborhoods since 2000. The period between 2000 and 2010 experienced the most substantial decline, with a loss of -8.3%. Since then, population growth has nearly reached a 0% change but is still expected to decline by -1.2% in the next five years.
- ◆ 2018 population density estimates are recorded at 8,273 residents per square mile, slightly above the average across all neighborhood commercial corridors studied (7,856).

²⁸ ESRI, Retail Marketplace Profile (July 2019)

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Source: ESRI, Community Profile (July 2019)

KEY DEMOGRAPHIC FINDINGS:²⁹

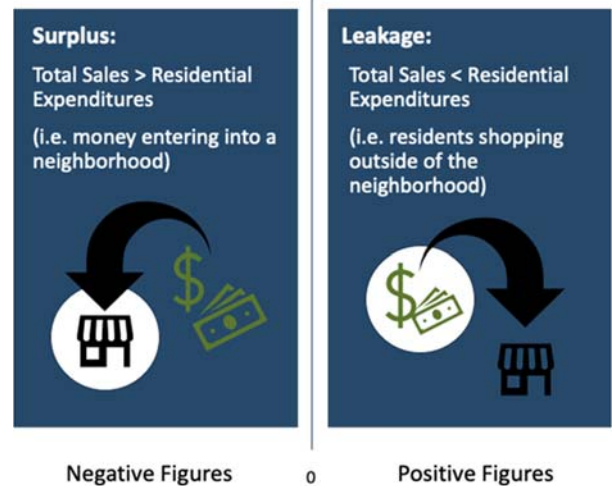
- ◆ Households surrounding South Salina Street are largely composed of families with an average household size of 3.02 (the largest of all study areas). Most of these households have children under the age of 18 (48.5%), contributing to 29.2% of the population age 15 or younger, the largest cohort of the age mix. Millennials (ages 25-44) are the second-largest cohort with 22.5%.
- ◆ These households make approximately \$27,010, nearly \$5,000 less than the city's average. The largest share of the households (47%) earns less than \$25,000, which is likely a factor of one-income households indicated by the percentage of households with no spouse present (50.5%). Income in the neighborhood is projected to grow by 12% over the next five years, a growth rate higher than the city's projected overall growth.
- ◆ Despite the income growth, renter-occupied units (53%) are on a par with the city's average (54%), yet there is a larger share of vacant housing units in the neighborhood (21%), a factor of population decline.
- ◆ Blacks/African Americans represent most of the population share (81.2%); 9.4% is white, and the same share (9.4%) identifies as Hispanic. This legacy African American population contributes to the large share of households that speak only English at home (85.3%).
- ◆ A small share of this population has obtained a bachelor's degree or higher (9%), which is among the lowest of all trade areas.
- ◆ Multigenerational households are also more common in this neighborhood than others studied (9.4%),

²⁹ ESRI, Community Profile, 2010 Census Profile, Demographic and Income Profile (July 2019)

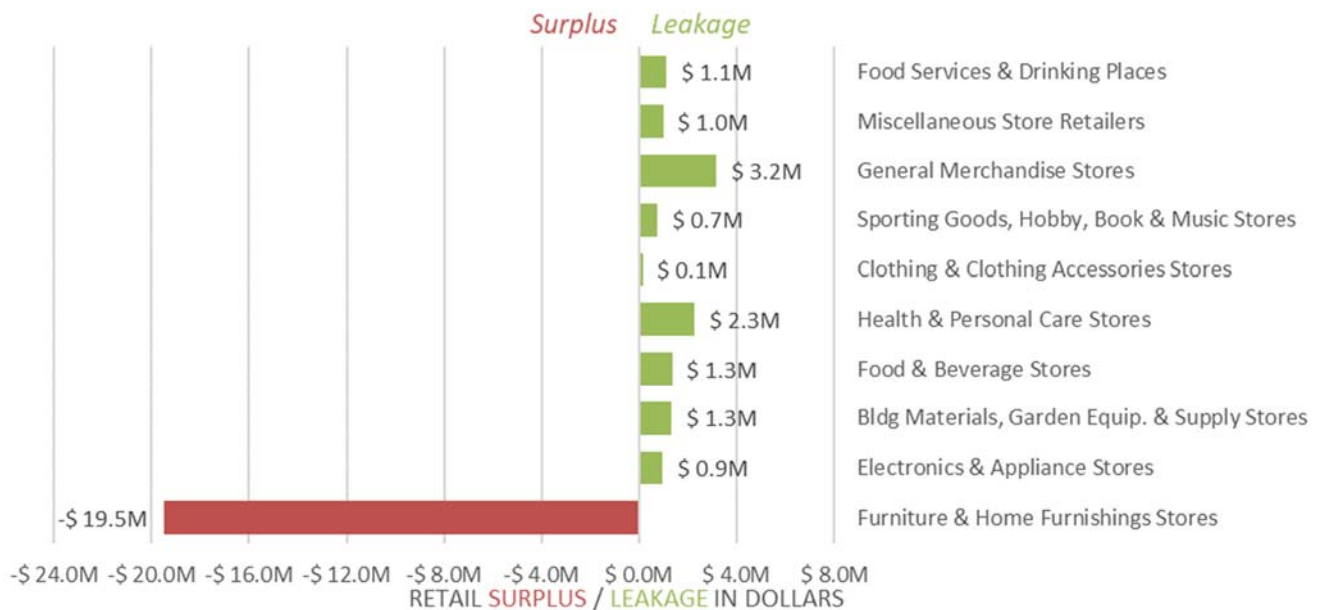
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RETAIL GAP³⁰

- ◆ A retail gap analysis measures the relationship between estimated retail supply (retail sales estimates based on data collected in the Census of Retail Trade from the US Census Bureau) and retail demand (resident spending estimates based on Bureau of Labor Statistics' annual Consumer Expenditure surveys). This leakage analysis only accounts for resident spending.
- ◆ When resident spending exceeds retail sales, then resident spending is 'leaking' out of the trade area. However, when retail sales exceed resident spending, businesses are **selling more than residents are buying (or there is a retail surplus)**.
- ◆ S. Salina trade area has a summed \$7.5 million surplus in sales, meaning the sales at retailers in the trade area exceed the expenditures by residents. This condition is because Dunk and Bright is a superregional shopping destination, grossing over \$20 million in sales annually.
- ◆ When examining the other categories of retail, there is a gap in every other category, except for Beer, Wine and Liquor Stores and Clothing Stores. These statistics highlight the chronically underserved nature of the corridor and the need for neighborhood-serving retailers.



PRI 4: S. Salina - Retail Gap by Category



³⁰ ESRI, Retail Marketplace Profile (July 2019)

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EMPLOYEE ANALYSIS

In the South Salina Street trade area, there are approximately 704 employees. With an employee to resident ratio of 13 employees per 100 residents, employees represent a small percentage of potential customers for the corridor, creating challenges to sustained daytime retail activity. Additionally, in comparison to other neighborhood commercial corridors, a large share (61%) of employees are age 30-54. Other corridors are all in the 50 percentiles.³¹ According to ICSC estimates, each employee spends approximately \$1,367 on food and beverages while at work annually and \$4,644 on other goods and services. For South Salina Street, that equates to approximately \$4.2 million in retail expenditures.³²

VISITOR ANALYSIS

South Salina is home to Dunk and Bright furniture, which attracts customers from throughout the greater region. In operation for over 90 years, they have a loyal customer base. These customers rarely shop at other retailers along the corridor, as there are few surrounding Dunk and Bright, and the physical conditions of the corridor do not encourage customers to leave the parking lot.

³¹ US Census, Center for Economic Studies, Longitudinal Employer/Household Dynamics, OnTheMap (July 2019)

³² International Council of Shopping Centers, Office-Worker Retail Spending in a Digital Age (2012)

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PRI 5: WOLF STREET**PHYSICAL ENVIRONMENT³³**

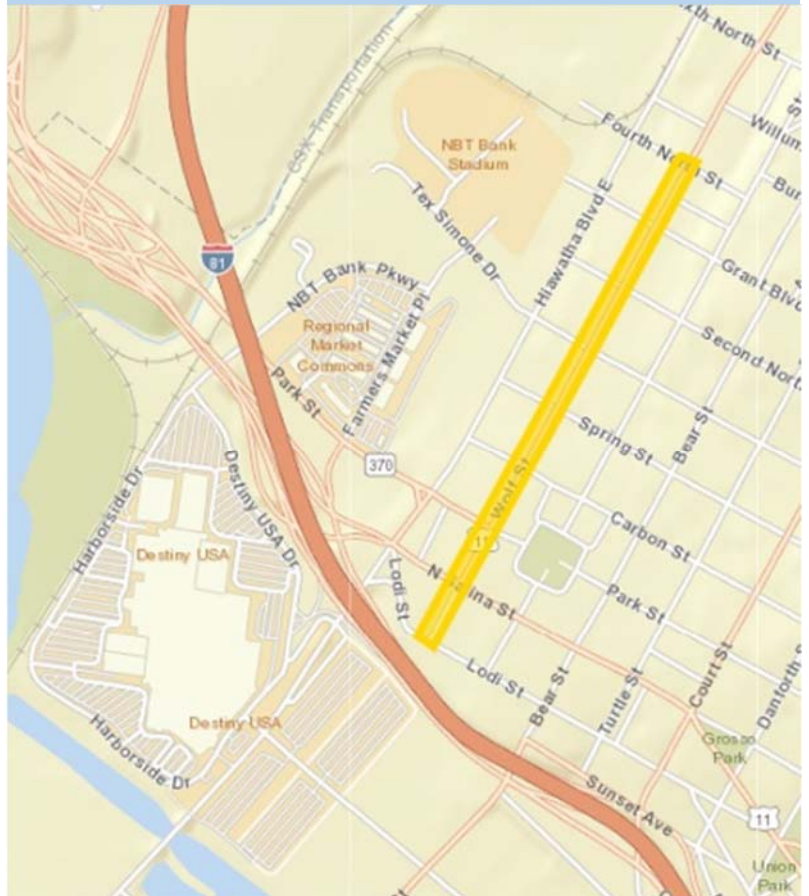
The street is comprised of two distinct sections, one to the South West where the buildings are larger, zero lot line pre-war industrial buildings. The other segment lies to the North East, where the street becomes more residential, with smaller convenience stores (often in converted residential buildings) mixed in with residential housing units. The area's Walk Score is 64. 28% of residents do not own cars, making transit, pedestrian and bike improvements critical to the quality of life.

Other observations include:

- ◆ An eclectic mix of single-family homes, some of which have been converted to mixed-use buildings (ground floor retail) over the years.
- ◆ A newly renovated Family Dollar is located at the intersection of North Salina and Wolf, but it does not have an entrance at the intersection. Pedestrians enter from the parking lot, which is located along North Salina Street.
- ◆ Between North Salina and Park Street, there are several zero lot line pre-war industrial and mixed-use buildings that create a strong sense of place, including a number of notable historic buildings, including but not limited to the former First Trust and Deposit Building at 301 Wolf Street and a fire station at 229 Wolf Street.
- ◆ Above ground utility lines and roadway lighting only. There are no pedestrian lights along the street
- ◆ No street trees of note
- ◆ Many of the sidewalks are cracked or in disrepair. This could be due, in part, to the fact that some of the industrial businesses park their trucks directly on the sidewalk, blocking pedestrian traffic, and the heavyweight of the vehicles results in cracked concrete.

Wolf Street At-A-Glance

Walk Score:	64
Transit Score:	43
Bike Score:	56
HHs without Cars:	28%
Traffic Counts:	6,400



³³ Walkscore.com

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BUSINESS ENVIRONMENT

Wolf Street is a corridor in the northern section of Syracuse relatively proximate to Destiny USA, the region's large megamall. It is categorized as a "Neighborhood Shopping Center" that serves the local community area and offers convenience goods and services.

While Wolf Street is proximate to NBT Bank Stadium, the connections are limited, and most visitors park on stadium grounds, making it unlikely that they would leave the stadium by foot after an event. The main street offering connections to the stadium is Grant Boulevard. Pedestrians walking along that street will walk passed unlit, overgrown vacant lots, and no sidewalks.

Along the North Eastern section of the corridor, the area is marked by convenience food markets interspersed with residential homes.

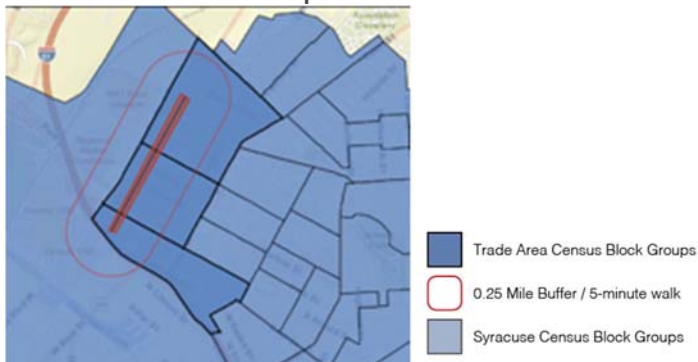
Closer to Destiny USA, along the South Western section of the corridor, the built form gets stronger, with pre-war industrial buildings of scale (301 Wolf and 255 Wolf).

MARKET DATA & DEMOGRAPHICS

TRADE AREA

The study area for Wolf Street extends from Lodi Street to Fourth North Street. The trade area for Wolf Street includes three Census Block Groups, which mostly flank east. The Census Block Group across Hiawatha Boulevard/south of I-81 was not included in this analysis, as the geographic area is expansive, including the entire Lakefront neighborhood. Fortunate for the analysis, non-residential uses are located in the portion of the Census Block Group bounded by I-81 (south), Hiawatha Boulevard (north), and the rail yard (east and north).

Wolf Street Trade Area Map



Source: City of Syracuse Open Data Portal

RESIDENTIAL ANALYSIS

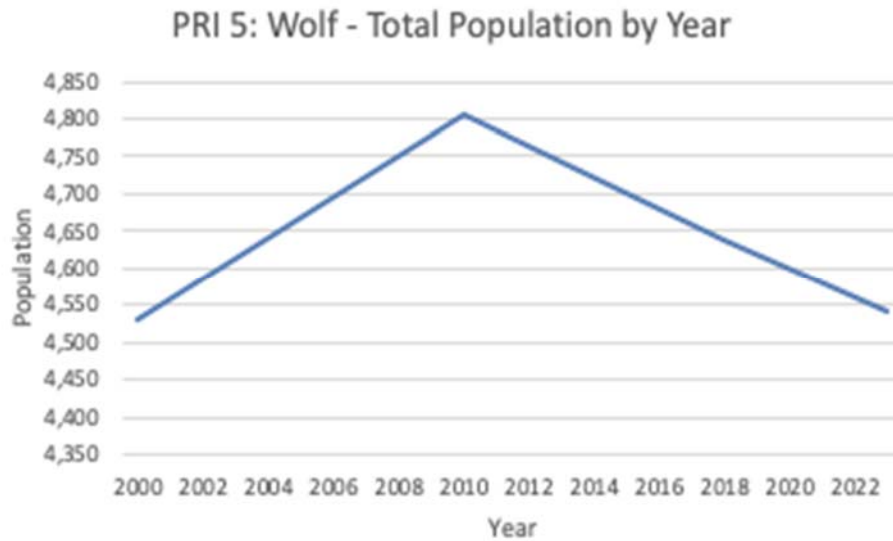
POPULATION GROWTH:³⁴

- ◆ Wolf Street's trade area residential population grew by 6.1% between 2000-2010 but has experienced a subsequent decline of -3.5% between 2000-2018. By 2023, it is projected that the population will be approximate to what was recorded in the 2000 U.S. Census at a count near 4,500.

³⁴ ESRI, Retail Marketplace Profile (July 2019)

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- The neighborhood's population density at 7,859 nearly mirrors the average across all neighborhood commercial corridors, estimated at 7,856.



Source: ESRI, Community Profile (July 2019)

KEY DEMOGRAPHIC FINDINGS:³⁵

- ◆ Residents in the neighborhoods of Wolf Street represent a fairly evenly dispersed age range, yet skew younger than the city as a whole. This age distribution contributes to an average household size of 2.47, 53% family households, and 34.6% of all households with children.
- ◆ Despite having a larger share of households with no spouse present (Wolf Street at 31.5% vs. city of Syracuse at 26%), the median household incomes are \$33,661 nearly \$2,000 higher than the city's average and expected to grow by 12% over the next five years to \$37,616.
- ◆ Even though incomes are higher, the educational attainment of residents in the Wolf Street trade area is much lower than the city. 12% have a bachelor's degree or higher, and 23% do not have a high school diploma.
- ◆ Most residents reside in renter-occupied housing units, accounting for 62% of the unit share. 13% of the units are estimated as vacant, equal to the city's average.
- ◆ Most of the population identifies as White (56.9%), 19.1% as Black/African American, and 10.9% Hispanic. These residents mostly speak English at home (81.3%), while 6.6% are bilingual, speaking Spanish and English at home.

RETAIL GAP³⁶

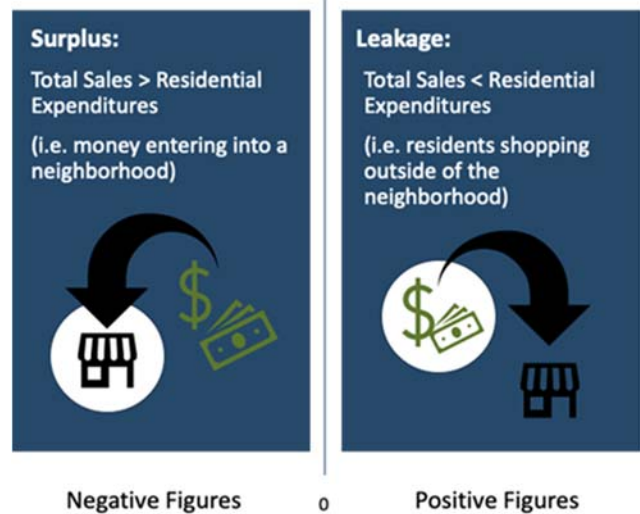
- ◆ A retail gap analysis measures the relationship between estimated retail supply (retail sales estimates based on data collected in the Census of Retail Trade from the US Census Bureau) and retail demand (resident spending estimates based on Bureau of Labor Statistics' annual Consumer Expenditure surveys). This leakage analysis only accounts for resident spending.

³⁵ ESRI, Community Profile, 2010 Census Profile, Demographic and Income Profile (2019)

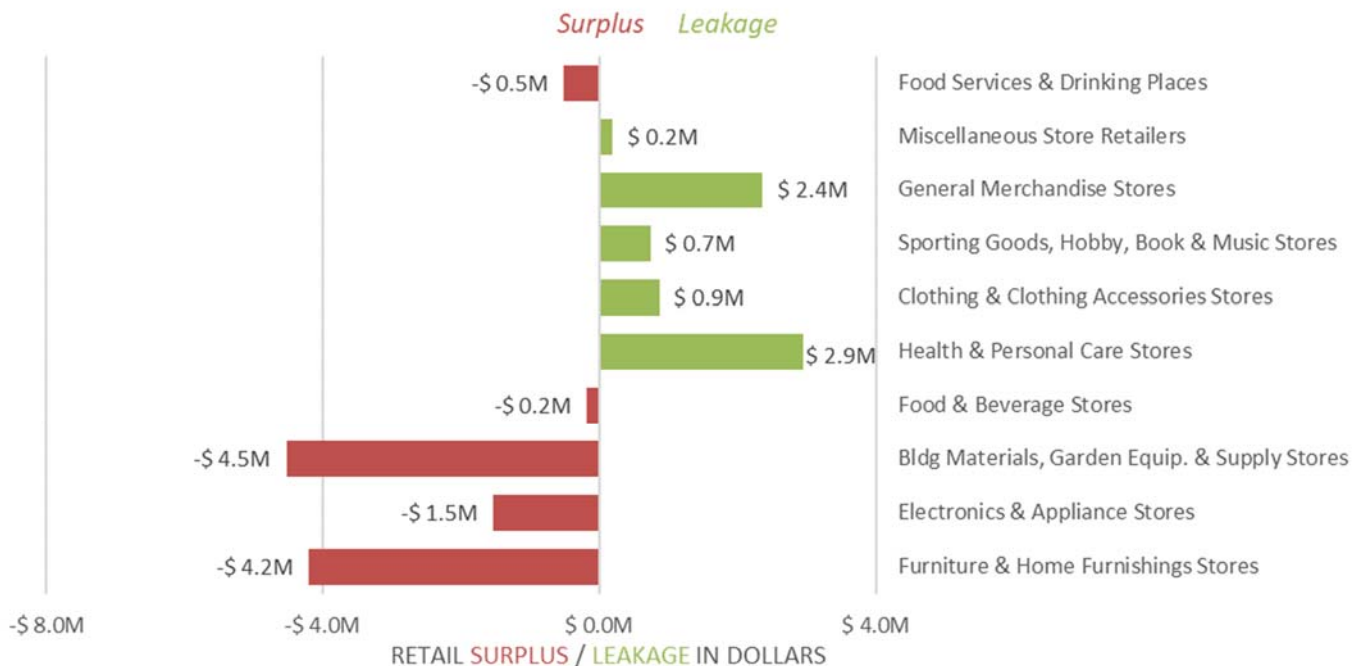
³⁶ ESRI, Retail Marketplace Profile (July 2019)

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- ◆ When resident spending exceeds retail sales, then resident spending is 'leaking' out of the trade area. However, when retail sales exceed resident spending, businesses are **selling more than residents are buying** (or there is a retail surplus).
- ◆ Wolf Street trade area has a summed surplus in sales of \$3.87 million, meaning the sales at retailers in the trade area exceed the expenditures by residents, primarily attributed by Home Furnishing Stores, Electronics and Appliance Stores, Building Materials, Specialty Food Stores, and Drinking Places.
- ◆ However, there is a gap in each retail category, mostly in the General Merchandise, Apparel, Furnishings, and Other (GAFO) category. The adjacency to Destiny USA enables customers to shop for these items with a short commute.
- ◆ Grocery Stores and Restaurants/Other Eating Places are also available near the corridor - TOPS Friendly Market located in the Northside neighborhood on 1st North Street, the Central New York Regional Market within walking distance, and a mix of restaurants along N. Salina Street.



PRI 5: Wolf - Retail Gap by Category



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EMPLOYEE ANALYSIS

In the Wolf Street trade area, there are approximately 1,761 employees, a small portion of the potential customer base with an employee to resident ratio of 38 employees per 100 residents.³⁷ Wolf Street has an uncharacteristic percentage of employees age 55 or older (32%) in comparison to other corridors studied. According to ICSC estimates, each employee spends approximately \$1,367 on food and beverages while at work annually and \$4,644 on other goods and services. For South Salina Street, that equates to approximately \$10.6 million in retail expenditures.³⁸

VISITOR ANALYSIS

Wolf Street's adjacency to the Central New York Regional Market (1 million visitors annually) and NBT Bank Stadium (325,000 visitors annually) positions the corridor to attract visitors, although they are faced with the physical barrier of a steep incline to reach the corridor. Currently, it is doubtful that the corridor attracts this visitor population due to the limited number of retailers present, as detailed by the \$6.7 million additional estimated residential and employee expenditures in comparison to sales volumes reported.

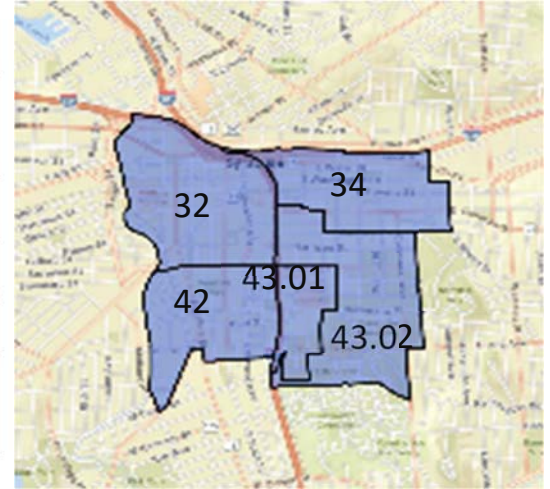
³⁷ US Census, Center for Economic Studies, Longitudinal Employer/Household Dynamics, OnTheMap (July 2019)

³⁸ International Council of Shopping Centers, Office-Worker Retail Spending in a Digital Age (2012)

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CENTRAL CORE

Central Core at a Glance					
	CT: 32	CT: 34	CT: 42	CT: 43.01	CT: 43.02
Walk Score	94	84	80	77	87
Transit Score	64	59	62	64	61
Bike Score	73	79	64	46	70
Households without Cars	27%	35%	60%	74%	58%

PHYSICAL ENVIRONMENT³⁹

The central core is a large geographic area wherein the quality of the physical environment varies greatly depending on your location. It is difficult to discuss the central core as a single monolithic area, given the vast differences in demographics, business mix, and economic drivers in each sub-area. As a result, our assessment split the area into five smaller sub-areas that correlated to existing Census Tract (CT) boundaries.

The Northwest section of downtown (CT 32) comprises the bulk of what most would consider the historic downtown. As expected, the width of the sidewalks and overall walkability is excellent, reflected in its Walk Score of 94, the highest of all our study areas. Interestingly, the high level of walkability is not reflected in low car ownership. CT 32 has the highest car ownership rates of any central core census tract, which is partly a reflection in the demographic makeup of residents in the area – generally younger and higher income. The area benefits from the existence of a dedicated organization, The Downtown Committee of Syracuse, which is a private, not-for-profit professional downtown management organization that represents property owners and tenants in the district. The Committee has helped to organize and provide professional maintenance, security, promotion, and marketing that is reflected in the excellent condition of the public realm.

Other observations include:

- ◆ Buried utility lines and pedestrian lighting
- ◆ Wide, well-maintained sidewalks that support retail merchandising and outdoor dining
- ◆ Well-maintained public spaces and pocket parks

Syracuse University is the economic driver in CT 43.02. With a student population and university-driven investments in walkability and bike-ability, the Walk Score of 87 and Bike Score of 70 are good, although they could be improved given the population in question. While the City should partner in the efforts to improve this district, these efforts can and should be led by Syracuse University. Previous University leadership has taken a keen interest in making improvements – adding a network of bike lanes for instance - that have improved accessibility to downtown.

³⁹ Walkscore.com

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Other observations include:

- ◆ Major commercial streets have buried utility lines and pedestrian lighting
- ◆ Wide, well-maintained sidewalks
- ◆ Street trees throughout the district
- ◆ Dedicated two-way bike lane/cycle track

Census Tract 42 is primarily home to a low-income community of color that lacks a strong pedestrian environment and insufficient bike infrastructure. This is particularly a concern given that this area has some of the lowest car ownership rates in the entire city (60% of households do not own cars). Our observations found cyclists biking along unsafe, uneven streets or on sidewalks for safety. Investments in walkability and bike-ability in these areas is a matter of equity.

Other observations include:

- ◆ In most places, there are underground utility lines. There is roadway lighting only. There are no pedestrian lights along some major streets.
- ◆ No bike lanes and limited to no bike infrastructure (bike corrals or racks)
- ◆ In some places, previous sidewalk improvements include an ornamental brick strip along the sidewalk that has not been maintained, marked by uneven bricks and weeds.

BUSINESS ENVIRONMENT

The downtown study area is too large of an area to be classified under a single category. The traditional downtown core, CT 32, is a regional destination, home to a cluster of restaurants, bars, and clothing retailers that serves a strong office worker population that is driving to the area from locations throughout the greater Syracuse metropolitan area. Business activity in CT 43.02 and 43.01 has evolved to meet the demand from Syracuse University students – many of whom live in university dorms in this area. This demand is reflected in the business mix, restaurants, bars, and student services, which is decidedly focused on the local student and university employee population. CT 42 is home to the fewest number of businesses are located, except for dollar stores serving local neighborhood residents. It is a neighborhood-serving shopping area. CT 34, the northeastern most quadrant of the downtown core, is a mixed bag of offerings. The area is home to several hotels that serve the university, and a diverse residential population that includes both students and permanent residents. The primary business mix is made up of restaurants, bars, and convenience goods and services.

DEMOGRAPHIC DATA⁴⁰

Census Tract 32: The high educational attainment (61% of the population carries a bachelor's degree or higher) and 47% Millennial population contributes to the understanding that this Census Tract is largely comprised of young professionals and/or graduate students. The small household size (1.3) attributes to the low household incomes, which are relatively low in comparison to Onondaga County. Growth in this Census Tract is the greatest of all Census Tracts in the Central Core.

⁴⁰ Retail market data for the Central Core can be found on page. 21 of this report.

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Census Tract 34: The population in this Census Tract is fairly diverse, yet skew younger – 39% are Gen Z and 27% are Millennials. Like all other Census Tracts in the Central Core, the median household income is low at \$13,755 with 67% of the households earning less than \$25,000.

Census Tract 42: Minority families with children are concentrated in this Census Tract. Educational attainment and household incomes are low. Population growth has been minimal over the past 8 years with limited growth projected.

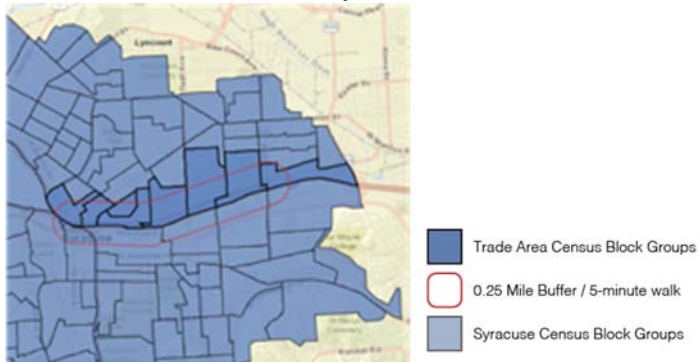
Census Tract 43.01: This population consists largely of low-income earning students with a mix of other generations of residents. Note, 5% of the population earn between \$150,000 - \$199,999, which is the largest cohort of high-income residents in the Central Core.

Census Tract 43.02: Home to Syracuse University, this Census Tract has characteristics aligned with a traditional university population – primarily Gen Z residents (88%), a low median income (\$10,488), and a high percentage of group quarter residents (73%).

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AUX 1: BURNET AVENUE**MARKET DATA & DEMOGRAPHICS****TRADE AREA**

Burnet Avenue's study area spans from Catherine Street (west) to South Midler Avenue (east), and spines along I-690. This condition is reflected in the Census Block Groups that comprise the trade area, as Census Block Groups south of the highway are excluded. I-690 serves as a barrier to customers who diverts towards their destination on either side of the highway. Note, the easternmost Census Block Group is shared with the N. Salina and Butternut study areas.

Burnet Avenue Trade Area Map

Source: City of Syracuse Open Data Portal

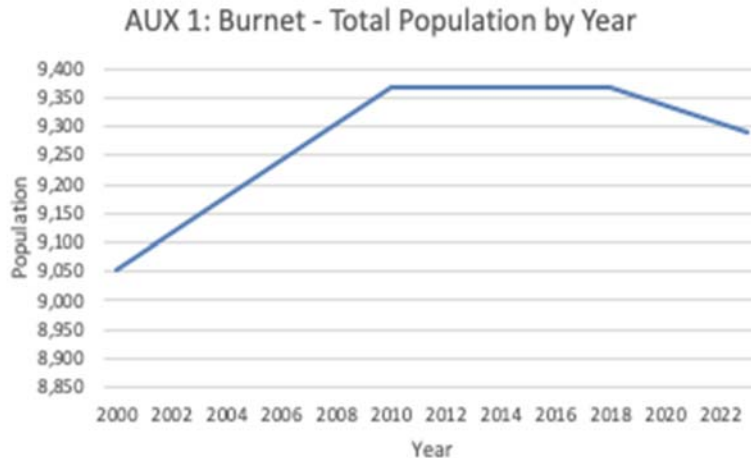
RESIDENTIAL ANALYSIS**POPULATION GROWTH:⁴¹**

Burnet Avenue experienced a 3.5% growth in population between 2000 and 2010. Following this growth, the population has since plateaued and is expected to decline in the next five years by -0.9% to a total population count of 9,288.

The population density is recorded at 7,262 residents per square mile, nearly 600 residents under the average for the neighborhood commercial corridors.

⁴¹ ESRI, Retail Marketplace Profile (July 2019)

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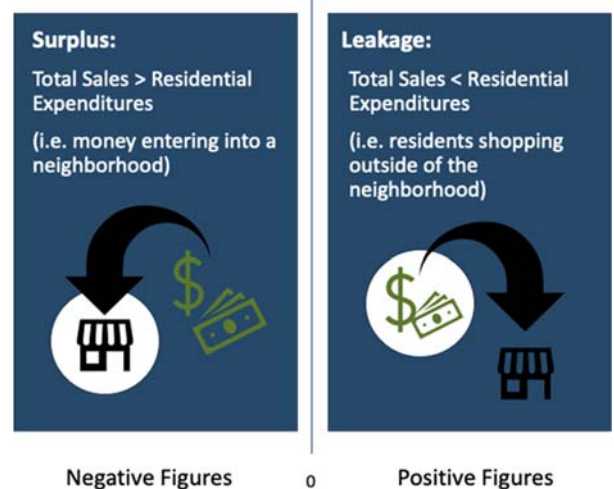
Source: ESRI, Community Profile (July 2019)

KEY DEMOGRAPHIC FINDINGS:⁴²

- ◆ The age distribution among Burnet Avenue's trade area resides skew older with a larger share of Millennials and Gen Xers ages 25-64. Combined, this population represents 56.9% of the residential population, a great opportunity for retailers to benefit from growing young, single professionals with higher discretionary incomes. The average household size is 2, and 50.3% of the households are occupied by a single person. Currently, there are few households with children under 18 (23.1%). Most of these residents rent their housing unit; 64% of total housing units are renter-occupied, and 13% are vacant.
- ◆ The median household income is \$32,611, marginally higher than the city's average, and will grow 9% over the next five years. However, educational attainment is lower than the city's; 21% have no high school diploma, and 23% have obtained a bachelor's degree or higher.
- ◆ White residents comprise the majority at 57.7%; Black/African American residents represent 23.7% of the population, and 10.4% are Hispanic. These residents primarily speak English only at home (77.2%), but a sizable group speaks Spanish (8.3%).

RETAIL GAP⁴³

- ◆ A retail gap analysis measures the relationship between estimated retail supply (retail sales estimates based on data collected in the Census of Retail Trade from the US Census Bureau) and retail demand (resident spending estimates based on Bureau of Labor Statistics' annual Consumer Expenditure surveys). This leakage analysis only accounts for resident spending.
- ◆ When resident spending exceeds retail sales, then resident spending is 'leaking' out of the trade area. However, when retail sales exceed resident spending, businesses are **selling more than residents are buying (or there is a retail surplus)**.



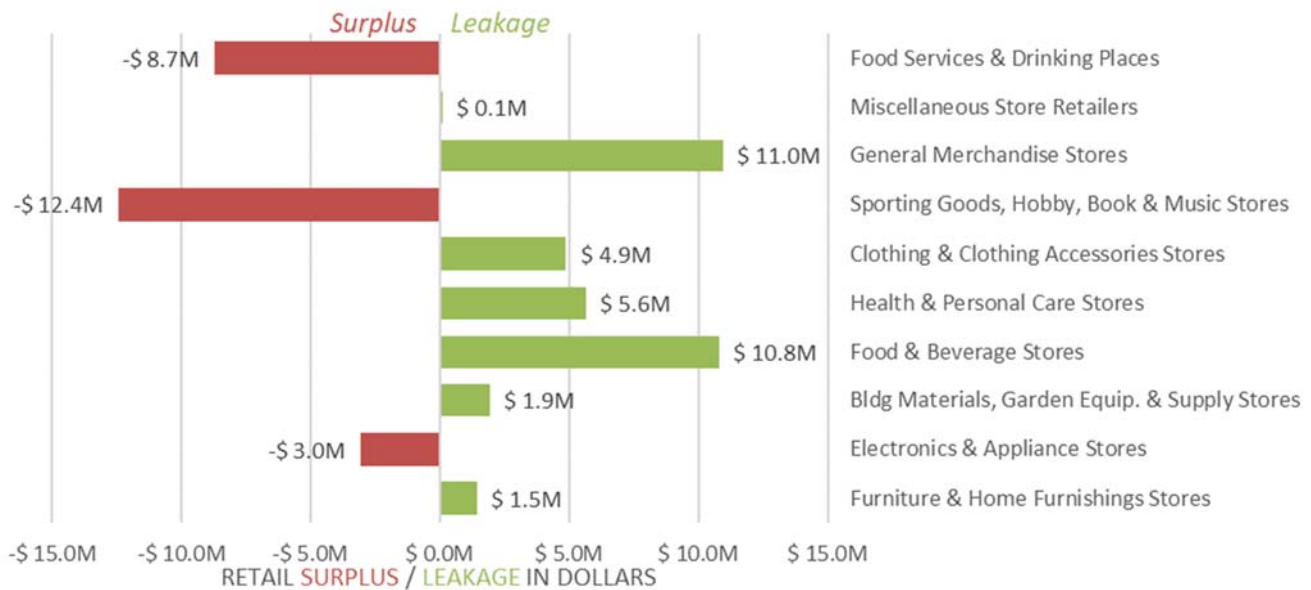
⁴² ESRI, Community Profile, 2010 Census Profile, Demographic and Income Profile (July 2019)

⁴³ ESRI, Retail Marketplace Profile (July 2019)

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- ◆ Burnet Avenue experiences a gap in retail sales of approximately \$11.66 million, due to the lack of retail offerings in the trade area. Residents here obtain the goods and services needed in nearby neighborhoods, especially Erie Boulevard East's mix of national retailers such as Price Chopper, Aldi, Red Lobster, and Family Dollar.
- ◆ However, many categories also experience a surplus in sales - Electronics and Appliance Stores, Sporting Goods, Hobby, Books and Music Stores, Food Services & Drinking Places. The surplus in Restaurant/Other Eating Places showcases the destination food options along the corridor - Brooklyn Pickle, Dominick's, and others. There's an opportunity to build upon this market distinction.
- ◆ Note, the trade area includes sales at retailers along N. Salina Street, Butternut Street, and at the medical campus, which attributes to the sales and expenditure volumes.

AUX 1: Burnet - Retail Gap by Category



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EMPLOYEE ANALYSIS

In the Burnet Avenue trade area, there are approximately 8,408 employees, a reliable portion of the potential customer base with an employee to resident ratio of 90 employees per 100 residents.⁴⁴ The density of employees is at the medical campus, near the corridor's western edge. According to ICSC estimates, each employee spends approximately \$1,367 on food and beverages while at work annually and \$4,644 on other goods and services. For Burnet Avenue, that equates to approximately \$50.5 million in retail expenditures.⁴⁵

VISITOR ANALYSIS

Burnet is home to Quality Inn and Suites that has 47 guest rooms available.⁴⁶ At an occupancy rate of 68.5% and the average party size of 2.7, there are nearly 31,728 visitors to the hotel annually.⁴⁷ This customer base spends approximately \$238.18 per person on shopping and dining, equating to \$7.56 million in retail expenditures.

⁴⁴ US Census, Center for Economic Studies, Longitudinal Employer/Household Dynamics, OnTheMap (July 2019)

⁴⁵ International Council of Shopping Centers, Office-Worker Retail Spending in a Digital Age (2012)

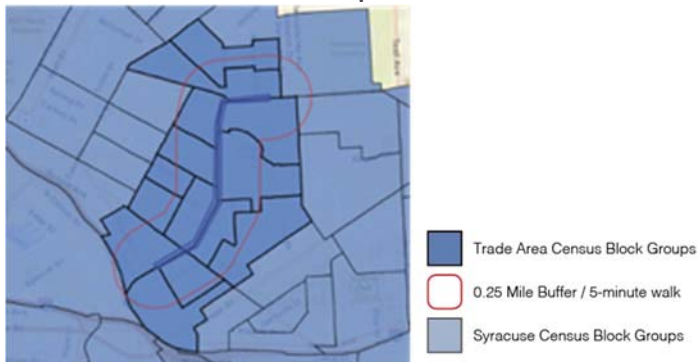
⁴⁶ Hotels.com (July 2019)

⁴⁷ Tourism Economics, The Economic Impact of Tourism in New York, Finger Lakes Focus (2017)

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AUX 2: BUTTERNUT STREET + GRANT BOULEVARD**MARKET DATA & DEMOGRAPHICS****TRADE AREA**

The Butternut Street study area includes two corridors, Butternut Street and Grant Boulevard. On Butternut Street, the study area runs from North Townsend Street to the south to Grant Boulevard, where it turns, following Grant Boulevard to Woodruff Avenue. Most Census Block Groups that touch the .25-mile buffer are included in the trade area except for those located east of the Grant Boulevard study area boundary. Those two are not included as the retail footprint on Grant Boulevard is minimal, limiting its ability to attract customers from far-reaching stretches of each Census Block Group. Note, the southernmost Census Block Groups are included in other trade areas of this study.

Butternut Street Trade Area Map

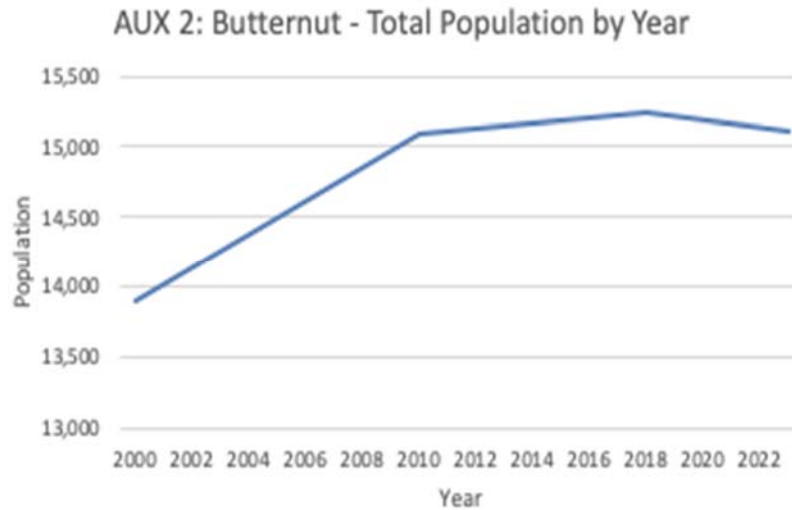
Source: City of Syracuse Open Data Portal

RESIDENTIAL ANALYSIS**POPULATION GROWTH:⁴⁸**

- ◆ Butternut Street's neighborhoods experienced the largest population growth of all neighborhood commercial corridors studied with +8.6% between 2000 and 2010, and +1% between 2000 and 2010. Despite a strong growth trajectory over the past 18 years, the population is projected to decline by -0.9% in the next five years.
- ◆ Butternut Street flanks some of the densest neighborhoods in the City outside of the Central Core. Currently, the population density is estimated at 11,906 residents per square mile, the highest among corridors studied.

⁴⁸ ESRI, Retail Marketplace Profile (July 2019)

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Source: ESRI, Community Profile (July 2019)

KEY DEMOGRAPHIC FINDINGS:⁴⁹

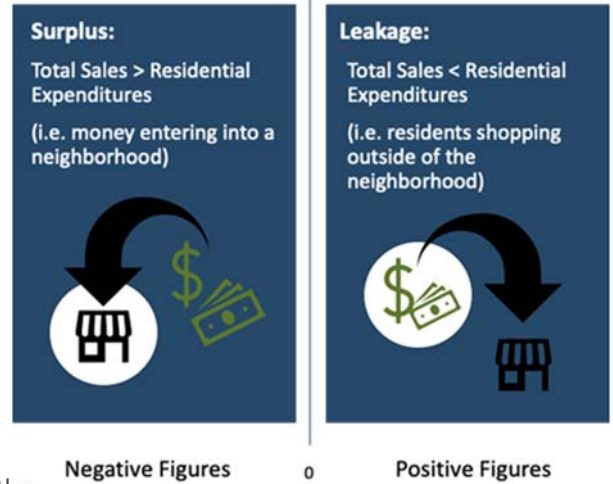
- ◆ The Butternut Street trade area is home to a large share of residents ages 25-44 and under age 15, 28.1% and 24.1%, respectively. With an average household size of 2.58, over a third of households have children under the age of 18.
- ◆ The racial and ethnic composition is diverse - 43.8% White, 24.6% Black/African America, 20.5% Asian, and 8.2% Hispanic. This diversity results in only 62.4% speaking English only at home; only 5% speak Spanish in the home, resulting in nearly a third of the population speaking other languages.
- ◆ This diverse population's median household incomes are currently estimated at \$32,369, a few hundred dollars higher than the city's average. However, income growth in the trade area is estimated at 12% over the next five years, resulting in an average household income of \$36,334, nearly \$2,000 over the projected median household income of the city.
- ◆ Despite a slightly higher household income, educational attainment and rates of homeownership is not as high. 18% have obtained a bachelor's degree or higher, and 30% are without a high school diploma. 24% of housing units are owner-occupied, 58% renter-occupied, and 16% vacant. Lower educational attainment and ownership rates may be a factor of the percentage of new Americans that reside in the trade area and are grappling with the complex American systems.

⁴⁹ ESRI, Community Profile, 2010 Census Profile, Demographic and Income Profile (July 2019)

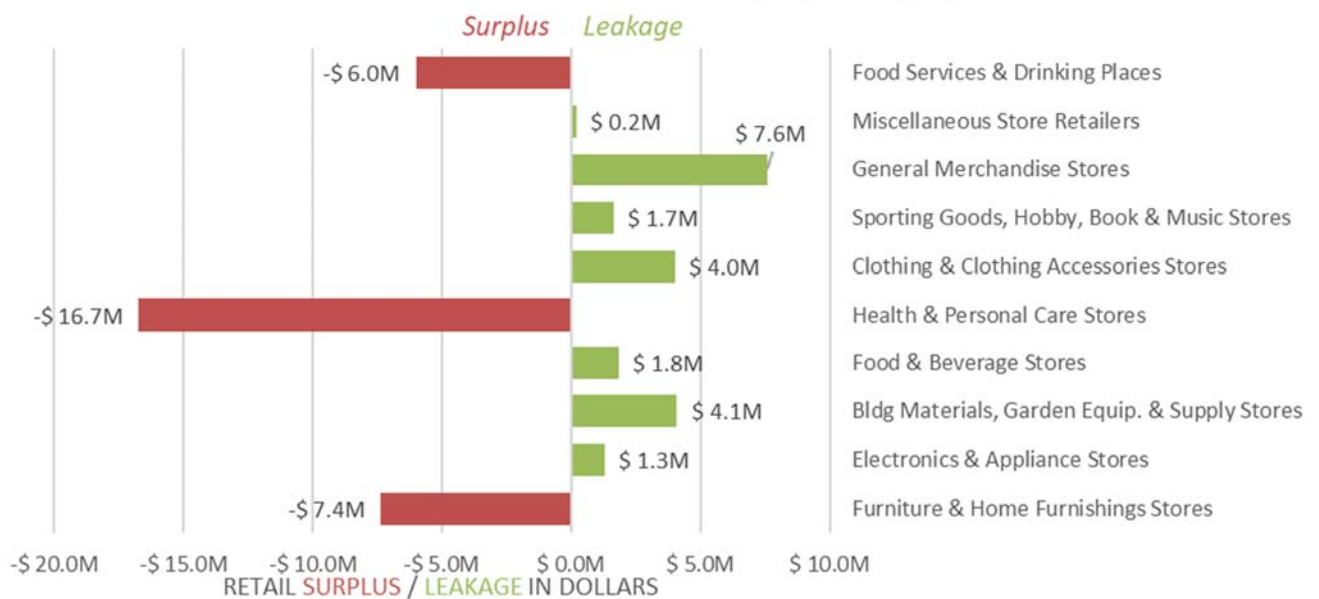
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RETAIL GAP⁵⁰

- ◆ A retail gap analysis measures the relationship between estimated retail supply (retail sales estimates based on data collected in the Census of Retail Trade from the US Census Bureau) and retail demand (resident spending estimates based on Bureau of Labor Statistics' annual Consumer Expenditure surveys). This leakage analysis only accounts for resident spending.
- ◆ When resident spending exceeds retail sales, then resident spending is 'leaking' out of the trade area. However, when retail sales exceed resident spending, businesses are **selling more than residents are buying (or there is a retail surplus)**.
- ◆ Despite having a mix of retailers on the southern end of the corridor, Butternut's trade areas experience a gap in sales across many categories, including ones represented on the corridor (Grocery Stores and Beer, Wine and Liquor Stores). Most categories with a gap in sales are in the General Merchandise, Apparel, Furnishings and Other category, including Clothing, Building Materials, Sporting Goods, etc.
- ◆ However, there is an overall surplus in sales of \$9.38 million in the corridor, driven by Furniture Stores and Restaurants/Other Eating Places.
- ◆ Note, the trade area includes sales at retailers along N. Salina and at the medical campus, which attributes to the sales and expenditure volumes.



AUX 2: Butternut - Retail Gap by Category

⁵⁰ ESRI, Retail Marketplace Profile (July 2019)

CAMOIN 310 & STREETSENSE**EMPLOYEE ANALYSIS**

In the Butternut Street trade area, there are approximately 6,861 employees, nearly half of the reliable customer base with an employee to resident ratio of 45 employees per 100 residents.⁵¹ The density of employees is at the medical campus, near the corridor's southern edge. According to ICSC estimates, each employee spends approximately \$1,367 on food and beverages while at work annually and \$4,644 on other goods and services. For South Salina Street, that equates to approximately \$50.5 million in retail expenditures.⁵²

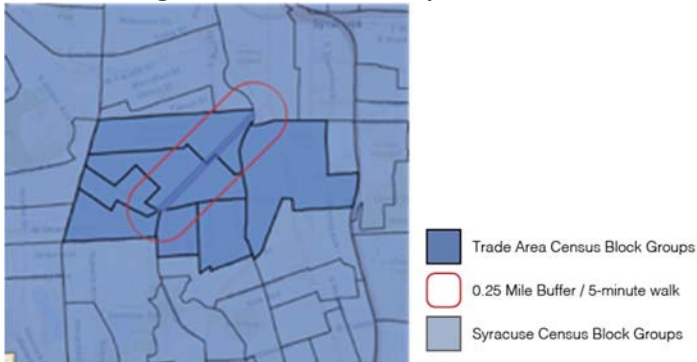
⁵¹ US Census, Center for Economic Studies, Longitudinal Employer/Household Dynamics, OnTheMap (July 2019)

⁵² International Council of Shopping Centers, Office-Worker Retail Spending in a Digital Age (2012)

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AUX 3: WEST ONONDAGA STREET**MARKET DATA & DEMOGRAPHICS****TRADE AREA**

West Onondaga Street's study area spans from the Onondaga Creek to Tallman Street. The trade area for West Onondaga Street includes most of the Census Block Groups within a .25-mile buffer of the corridor, except for those in the Census Tract 32 and north of Seymour Street, as the offerings in Census Tract 32 are more attractive to customer groups originating there or nearby. All the western Census Block Groups are shared with the Geddes Street trade area.

West Onondaga Street Trade Area Map

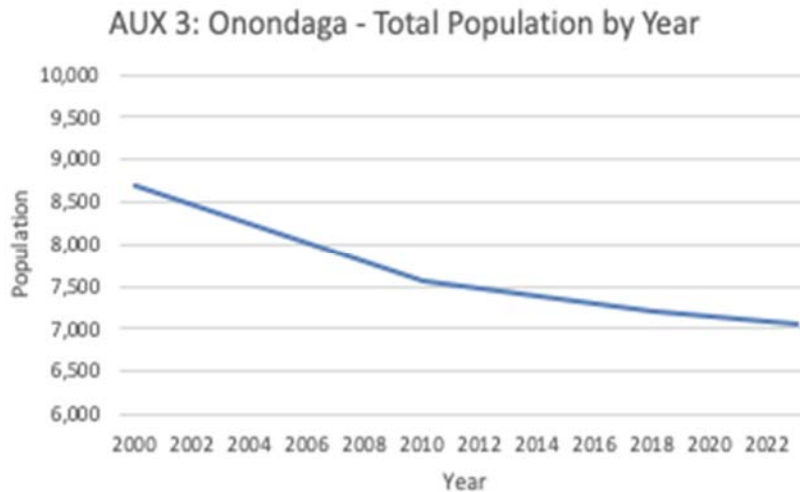
Source: City of Syracuse Open Data Portal

RESIDENTIAL ANALYSIS**POPULATION GROWTH:⁵³**

- ◆ Residential growth in the neighborhoods surrounding West Onondaga Street has been negative over the past 18 years, the worst of all neighborhoods studied. In fact, between 2000 and 2010, -13.2% of the population left the neighborhood and since has declined by -4.8% (2010-2018). This trend will continue through the next five years, where the population is projected to decline by another 2.1%.
- ◆ Population density is also lower than the average of all neighborhoods studied at 7,124 residents per square mile.

⁵³ ESRI, Retail Marketplace Profile (July 2019)

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Source: ESRI, Community Profile (July 2019)

KEY DEMOGRAPHIC FINDINGS:⁵⁴

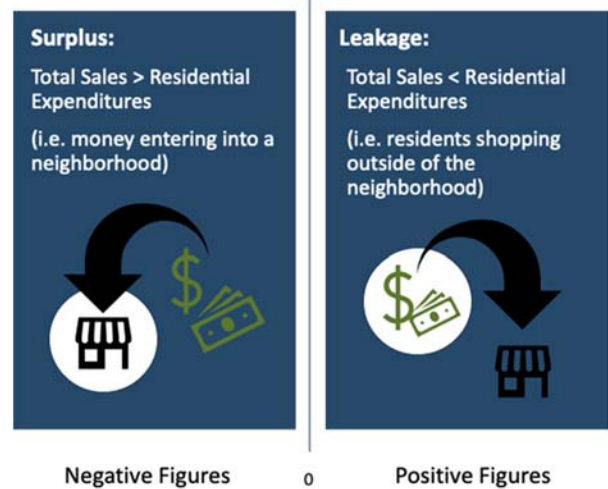
- ◆ Residents surrounding Onondaga Street skew younger, with a limited 8.3% of the population older than age 65. The largest age cohort is residents younger than age 15 (28.3%), followed by those age 25-44 (25.6%). The presence of youth contributes to a comparably large household size of 2.73, and 45.5% of these households have children under age 18.
- ◆ Median household income is low at \$20,543 but expected to grow by 14% over the next five-year period to \$23,399. In comparison to the median household income of the city, West Onondaga Street incomes will remain over \$11,000 lower than the city.
- ◆ Low incomes are potentially a factor of the limited population with a bachelor's degree or higher (6%). A large share of this neighborhood's population over age 25 do not have a high school diploma (34%).
- ◆ With these socioeconomic conditions, homeownership is low, with 18% of all housing units being owner-occupied, and vacancy is high at 20% of all housing units.
- ◆ This neighborhood is majority-minority. Black/African Americans represent 53.4% of the population, and 12.1% identify as another race. Hispanic residents account for 28.2% of the population. 10.5% of residents speak Spanish at home, and 8.8% speak another language.

⁵⁴ ESRI, Community Profile, 2010 Census Profile, Demographic and Income Profile (July 2019)

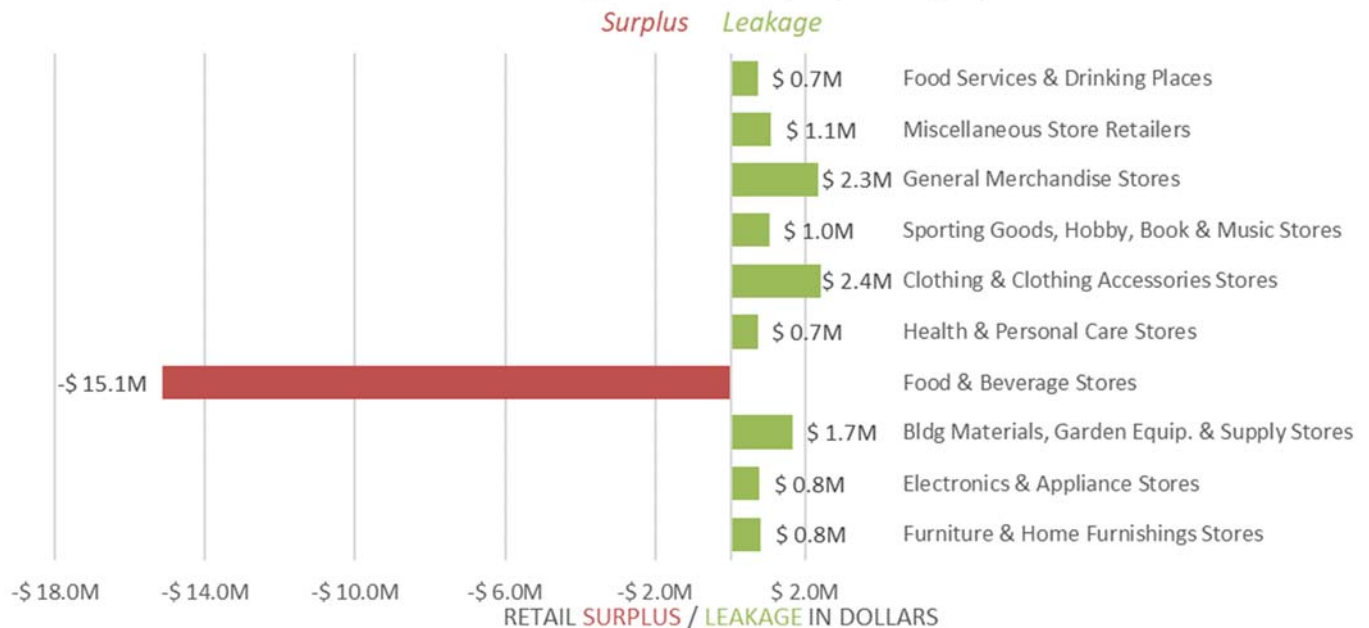
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RETAIL GAP⁵⁵

- ◆ A retail gap analysis measures the relationship between estimated retail supply (retail sales estimates based on data collected in the Census of Retail Trade from the US Census Bureau) and retail demand (resident spending estimates based on Bureau of Labor Statistics' annual Consumer Expenditure surveys). This leakage analysis only accounts for resident spending.
- ◆ When resident spending exceeds retail sales, then resident spending is 'leaking' out of the trade area. However, when retail sales exceed resident spending, businesses are **selling more than residents are buying (or there is a retail surplus)**.
- ◆ West Onondaga Street's trade area experiences a net surplus of \$3.6 million, driven by the grocery sales at PriceRite on South Avenue. This grocery store serves most of Syracuse's southern neighborhoods.
- ◆ However, West Onondaga Street has a limited retail footprint, and the trade area has a gap in most categories. Downtown Syracuse and Geddes Street serve these residents due to their proximity.



AUX 3: Onondaga - Retail Gap by Category

⁵⁵ ESRI, Retail Marketplace Profile (July 2019)

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EMPLOYEE ANALYSIS

In the West Onondaga Street trade area, there are approximately 3,255 employees, nearly half of the reliable customer base with an employee to resident ratio of 45 employees per 100 residents.⁵⁶ According to ICSC estimates, each employee spends approximately \$1,367 on food and beverages while at work annually and \$4,644 on other goods and services. For South Salina Street, that equates to approximately \$19.6 million in retail expenditures.⁵⁷

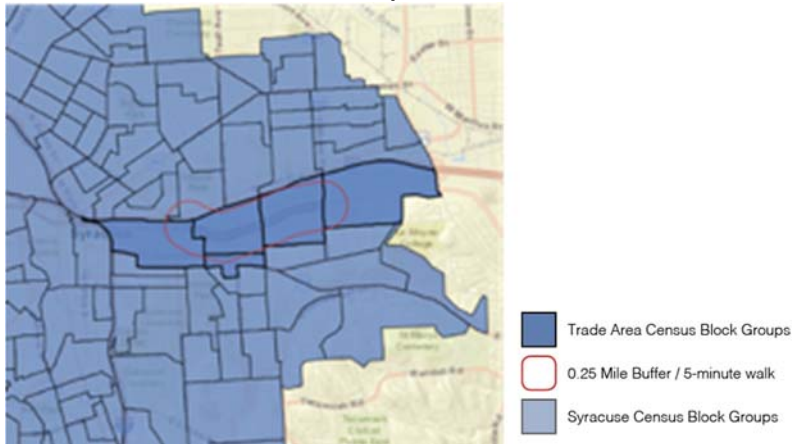
⁵⁶ US Census, Center for Economic Studies, Longitudinal Employer/Household Dynamics, OnTheMap (July 2019)

⁵⁷ International Council of Shopping Centers, Office-Worker Retail Spending in a Digital Age (2012)

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AUX 4: ERIE BOULEVARD EAST**MARKET DATA & DEMOGRAPHICS****TRADE AREA**

Erie Boulevard East runs east to west from Seeley Road to Beech Street. As mentioned previously, this corridor serves many commuters traveling between downtown and the eastern suburbs. Although primarily a commuter corridor, the same trade area methodology was used to analyze the populations that can patronize the corridor by walking. Census Block Groups that lie inside of the .25-mile buffer north of I-690 were not included.

Erie Boulevard East Trade Area Map

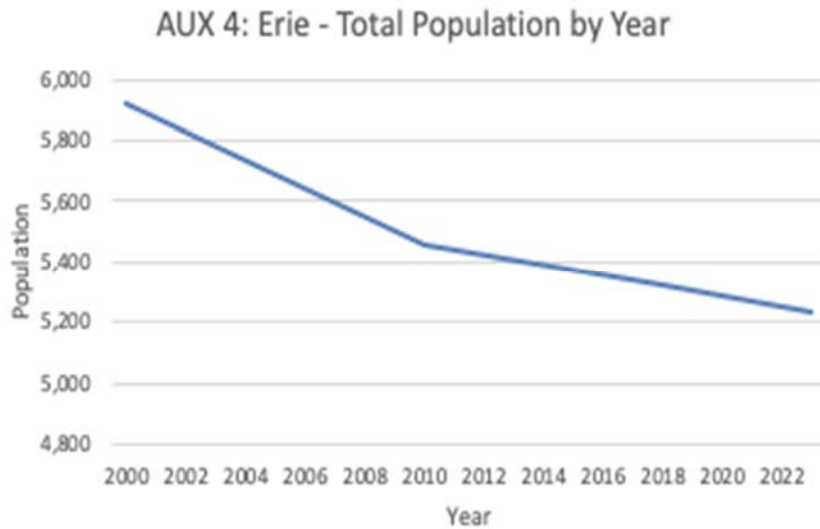
Source: City of Syracuse Open Data Portal

RESIDENTIAL ANALYSIS**POPULATION GROWTH⁵⁸**

- ◆ Erie Boulevard East has had and is projected to continue its negative population growth, with a projected net population change of -11.6% between 2000 and 2023. From 2000 to 2010, the neighborhood experienced the largest population decline at 7.9%, which represents a population count change of 5,924 to 5,458. The population is currently estimated at 5,325.
- ◆ The lowest population density estimates of all corridors studied exist in the neighborhoods surrounding Erie Boulevard East. Currently, this estimate stands at 3,598 and is a condition of the industrial and commercial nature of the corridor.

⁵⁸ ESRI, Community Profile (July 2019)

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Source: ESRI, Community Profile (July 2019)

KEY DEMOGRAPHIC FINDINGS⁵⁹

- ◆ Erie's trade area residents are composed primarily of residents age 24 and younger (43.5%), likely a factor of some students who choose the neighborhood due to its proximity to University Hill. Only 8% are over age 65. A large cohort of residents age 25-44 reside near Erie Boulevard (29.9%).
- ◆ Together these residents contribute to an average household size of 2.16. 28.4% of households have children under age 18, and 42.9% are occupied by a single person.
- ◆ The younger population likely earn less, factoring into the median household income of \$20,719, more than \$11,000 lower than the city's median. However, the educational attainment is comparably high for the population age 25 and older. 32% of this subset of the population holds a bachelor's degree or higher.
- ◆ Ownership is also low, 16% of the population live in owner-occupied units. Renter-occupied units represent the majority (73%), and 11% of units are vacant.
- ◆ The Black/African American population is the majority representing 57.7% in this neighborhood. The White population follows at 24.6%. The Hispanic population represents 12.4%, and over 7% speak Spanish at home.

RETAIL GAP⁶⁰

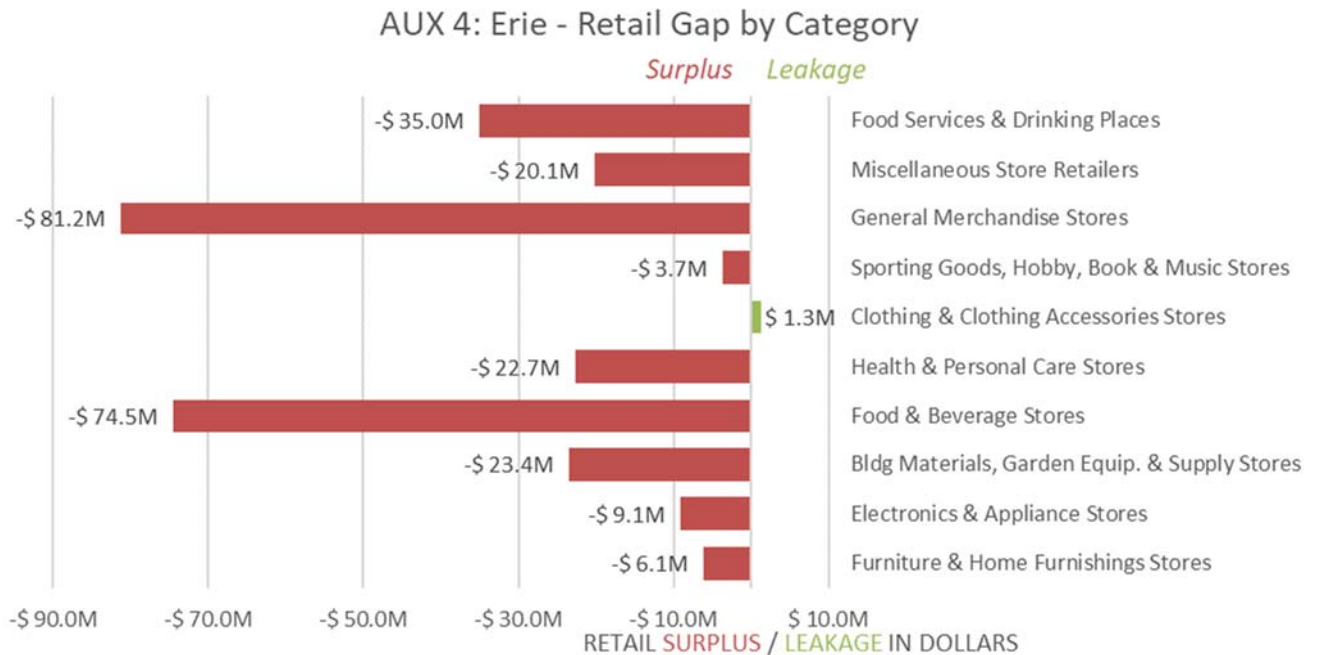
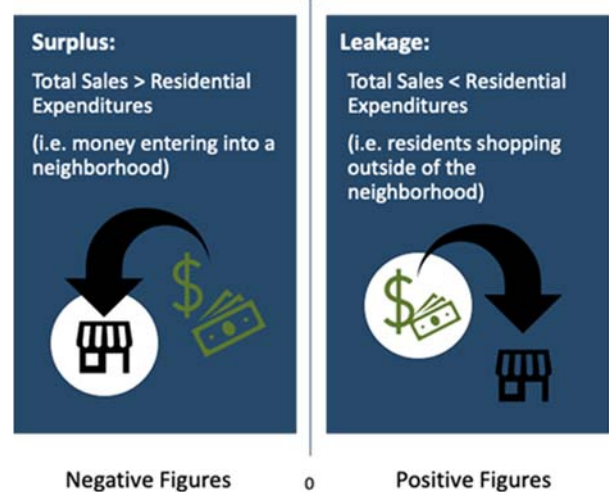
- ◆ A retail gap analysis measures the relationship between estimated retail supply (retail sales estimates based on data collected in the Census of Retail Trade from the US Census Bureau) and retail demand (resident spending estimates based on Bureau of Labor Statistics' annual Consumer Expenditure surveys). This leakage analysis only accounts for resident spending.

⁵⁹ ESRI, Community Profile, 2010 Census Profile, Demographic and Income Profile (July 2019)

⁶⁰ ESRI, Retail Marketplace Profile (July 2019)

CAMOIN 310 & STREETSENSE

- ◆ When resident spending exceeds retail sales, then resident spending is 'leaking' out of the trade area. However, when retail sales exceed resident spending, businesses are **selling more than residents are buying (or there is a retail surplus)**.
- ◆ Erie Boulevard East trade area experiences the highest surplus in sales of any study area in this report (\$274.5 million), as the mix of national retailers, attract nearby residents and other customers commuting to the eastern suburbs of the city.
- ◆ Only a few categories are experiencing a gap in sales - Clothing and Clothing Accessories Stores, Lawn and Garden Equipment and Supply Stores, Office Supplies, Stationery and Gift Stores, and Drinking Places - Alcoholic Beverages. Although there is an opportunity to meet these needs on the corridor, they are typically well served by other major shopping centers in the city and nearby suburbs.
- ◆ The corridor's market distinction is the potential for larger format retailers and automobile-oriented retailers/site design.



Source: ESRI Retail Marketplace Profile (July 2019)

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EMPLOYEE ANALYSIS

In the Erie Boulevard East trade area, there are approximately 5,368 employees, a reliable customer base with an employee to resident ratio of 101 employees per 100 residents.⁶¹ According to ICSC estimates, each employee spends approximately \$1,367 on food and beverages while at work annually and \$4,644 on other goods and services. For South Salina Street, that equates to approximately \$32.3 million in retail expenditures.⁶²

VISITOR ANALYSIS

Erie Boulevard East is home to an 80-room Hampton Inn and Suites by Hilton.⁶³ At an occupancy rate of 68.5% and an average party size of 2.7, there are nearly 31,728 visitors to the hotel annually.⁶⁴ This customer base spends approximately \$238.18 per person on shopping and dining, equating to \$12.86 million in retail expenditures.

⁶¹ US Census, Center for Economic Studies, Longitudinal Employer/Household Dynamics, OnTheMap (July 2019)

⁶² International Council of Shopping Centers, Office-Worker Retail Spending in a Digital Age (2012)

⁶³ Hotels.com (July 2019)

⁶⁴ Tourism Economics, The Economic Impact of Tourism in New York, Finger Lakes Focus (2017)

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PUTTING IT TOGETHER: RETAIL OPPORTUNITIES FOR THE PRIMARY CORRIDORS AND THE CENTRAL CORE

STRATEGIC POSITIONING

The preceding analysis shows that each retail node has a different customer base, with varying spending behavior and powers. Along Burnet Avenue, for example, resident spending will be critical to the health of businesses as the corridor competes with nearby shopping destinations and has limited accessibility. Conversely, Erie Boulevard East attracts customers from a greater distance.

To demonstrate how each area studied is positioned in comparison to other retail nodes city and regionwide, square footage was estimated by dividing sales volumes by the Northeast region's sales per square foot estimates. Based upon this calculation of total square feet by study area, corridors fall within one of four categories - convenience, neighborhood, community, and regional. This categorization can guide retailers looking to enter the market.

Strip/Convenience (<30k)	Neighborhood (30k – 125k)	Community (125k – 400k)	Regional (400k +)
CT: 42	CT: 34 Wolf CT: 43.01 S. Salina CT: 43.02 Onondaga James	CT: 32 Geddes Burnet N. Salina Butternut	Erie
Narrow Offering / Limited Trade Area	Convenient / Locally Serving	Serves Larger Area / Comparison Shopping	Automobile Oriented / Large Format

Source: ESRI Retail Marketplace Profile (July 2019); International Council of Shopping Center Northeast Mall Sales Productivity (November 2017)

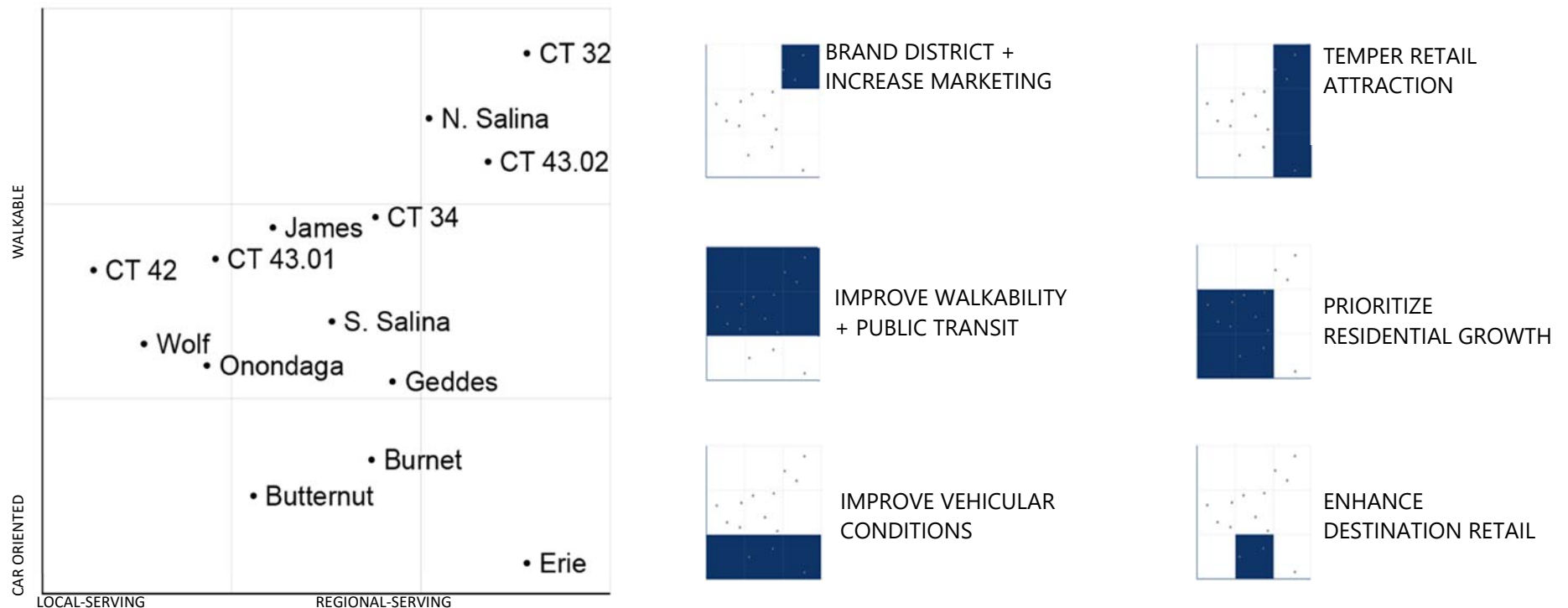
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STRATEGIES FOR GROWTH

The following diagram helps demonstrate the types of strategies that need to be taken to address the unique challenges and improve the health of each retail study area. For this project, two significant scales were identified to categorize these areas, pedestrian or car oriented-ness (y-axis) and the potential customer base defined as regionally or locally serving (x-axis).

The y-axis utilizes Walk Score data combined with an assessment of urban form (i.e. if contiguous, in-line retail conditions exist). The study area's position on the x-axis is a factor in the total square footage, number of existing businesses, and customer base opportunities (resident, employee, and visitor).

Depending on the location on the chart, different actions and strategies should be taken to enhance the retail environment. These strategies are outlined below and will be further evolved in the final report.



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PRELIMINARY RECOMMENDATIONS

Building upon the strategies for each study area, there are three overarching recommendations. The implementation and management of these recommendations continue to be part of ongoing conversations and will further define in the Action Plan Matrix in the coming months.



**Manage Limited Retail
Expansion
Opportunities**

Prioritize Business Retention
and Growth



**Reinforce Retail Density
by Creating Nodes**

Equity Driven Walkability
Improvements



**Support Retail with
Residential Growth**

Increase Housing Production
+ Occupancy Rates

PART II: TARGET INDUSTRY ANALYSIS AND ADDITIONAL REAL ESTATE MARKET ANALYSIS

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TARGET INDUSTRIES

INTRODUCTION

At the outset of this study, it was anticipated that some of the corridors would not necessarily be well suited to either grow or attract the retail market. Therefore, Camoin 310 was tasked with determining alternative industries for growth within the Priority Corridors, and where appropriate on the Auxiliary Corridors. To make this assessment, Camoin researched to determine the appropriate industries to target for growth and attraction.

Because of this high concentration of regional jobs within the city, and to not duplicate work that has already been done, we looked to regional reports and market analyses to understand the area context for supported target industries. Aligning corridor development with regional priorities has the added benefit towards future funding, as funders will see the linkage between city development efforts within regional target industries as favorable.

Target industries were determined regionally, then applied to each corridor based on its assets (access to transportation, workforce, available properties and usefulness of those properties), and surrounding uses (residential, retail, industrial, etc.).

Target industries were informed by several sources. First, we analyzed the top-performing 4-digit NAICS industries throughout the city. Then we compared the top sectors we identified to those identified by the Industry Cluster Identification Tool provided by Economic Modeling Specialists International (EMSI); these clusters were defined according to the methodology of Harvard Business School's U.S. Cluster Mapping Project. Both these analyses can be found in the City-Wide Economic Base Analysis.

We examined target industry sectors from regional reports to ensure continuity between region-wide and corridor-specific industry recommendations. This included a review of the 2015 Upstate Revitalization Initiative created by the Central NY Regional Economic Development Council (CNYREDC); the 2018-2019 CNYREDC Progress Report updating the 2015 report; and the 2013 Strategic Overview from the CenterState New York Agenda for Economic Opportunity.

Ultimately, we applied regional target industries to corridor strategies, as those strongest performers in the region typically have a strong city performance because of the high concentration of regional jobs located within the city. We also included regional priorities to complement the efforts undertaken by these regional partners such as CNYREDC and CenterState Corporation for Economic Opportunity (CenterState CEO).

To encompass both regional priorities, and corridor constraints and assets, target industries

Life Sciences

- *Rooted in R&D and Healthcare, supplemented by Biomedical*

Data & Information

- *Encourage IT fields like InsureTech, FinTech and Engineering*

Advanced Manufacturing

- *Includes Clean Tech, Aerospace, Defense, Unmanned Aerial Systems*

Transportation & Logistics

- *Distribution and Warehousing for the future*

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were ultimately grouped into the four categories listed. Target industries will continue to evolve into the future, and these groupings provide the depth and breadth to adapt as industries change. The next section outlines each target industry, the regional context, and the existing ecosystem, elements each industry will need to expand (space, workforce, access, etc.), and how the city is currently driving these target industries.

The following sections also highlight elements and characteristics of Priority Corridors that align well with target industry trends. These examples demonstrate how the corridors and partners can leverage community assets to foster business growth and catalytic projects that will advance business interests but also have significant ramifications for the quality of place for residents and businesses within the corridor. While this section does highlight related opportunities within the target industries, we stress that this does not eliminate other complimentary industry growth among or between the corridors. Market forces can bring unlikely elements together, and this plan supports fostering unique opportunities that arise.

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LIFE SCIENCES

Life Sciences encompasses organizations that are involved in physical, engineering or research, and development (R&D) concerned with living organisms. For our research, and because a key economic driver in this industry (and in this region) is total health expenditure, we also included the healthcare industry in our discussion.⁶⁵

How is this industry supported regionally?

Life Sciences is a major component of the CNYREDC strategy, which states that one in seven jobs in the CNY region is within this industry. Also, the CNYREDC sees the strengths of this cluster, leveraging the opportunity to align with health problems amplified by high concentrations of poverty, of interest to Syracuse's Central Core.

This industry has a stronghold of support via existing companies and institutions in the area. From the CNYREDC 2018-2019 progress report:

"The cluster includes many recognizable companies and institutions in the region, including Bristol-Myers Squibb, Ichor Therapeutics, Steri-Pharma LLC, Welch Allyn, Jadak, C&S Companies, OBG, BioSpherix, EAG Laboratories, Transluminal Technologies, GHD Engineering, Air Innovations, Healthway Home Products, Bitzer Scroll, Pelitex, Volpi USA, Applied Sciences Group, United Technologies Corp., and Quadrant Biosciences.

Among the LHBS (life, health, and biomedical science) educational and health services institutions are SUNY Upstate Medical University, Syracuse University, SUNY College of Environmental Science and Forestry, Le Moyne College, SUNY Oswego, SUNY Onondaga Community College (SUNY OCC), MedTech, Crouse Hospital, St. Joseph's Health, Loretto, Nascentia Health, Oswego Health, Syracuse Orthopedic Specialists, CNY Fertility Center, and the Health Foundation for Western and Central New York."

Also, the **CNY Biotech Accelerator** (CNYBAC) incubates and accelerates university-driven partnerships in the bioscience industries. Part of SUNY Upstate Medical University, it provides business acceleration services and access to industry-specific development resources and mentors.⁶⁶

CNYREDC sees these main strategies moving forward within this industry, which could align with potential corridor strategies:

- ◆ Build an R&D Pipeline for Rapid Response to Emerging Biological Threats
- ◆ Develop a Medical Device Innovation Ecosystem through Industry/Academic Collaboration
- ◆ Expand upon Environmental Health and Environmental Medicine Expertise in CNY
- ◆ Grow a Precision and Personalized Medicine (PPM) Cluster in Central New York

What elements are important for this industry to succeed?

Access to technological development is important in this industry, as is assistance via government funds because of the high cost of research. About 50% of all funding comes from federal government sources, national defense being the main driver. The ability to easily and cost-effectively patent technology is important to this industry, as companies can use a patent to corner a niche market or can earn money through licensing the patented technology. Overall, demand for R&D activity is more likely if appropriate labor skills, materials, and processes are available.⁶⁷

⁶⁵ "Total health expenditure" refers to the amount spent, public and private, on health care including preventative and curative care, family planning, and emergency aid.

⁶⁶ centerstateceo.com/about-us/partners-programs/cny-biotech-accelerator

⁶⁷ IBIS Industry Report 54171

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Space is often specialized for Life Sciences industries, and these companies traditionally want to be located near each other, creating a hub of activity. In terms of building requirements, lab space requires stronger floor loading relative to the office (100 pounds per square foot compared to 70 for office), 13.5- to 14-foot ceilings to run ductwork, ventilation with a high air-change rate, good power distribution, and access to wastewater treatment infrastructure.

What are the national trends and influences on this industry group?

Nationally, this industry will expand by 12% in the next 10 years (2018-2028). Major growth will come from the research and development in the biotechnology industry, which is expected to increase by 73,000 jobs or 40%. Scientific R&D is fueled by private investment, and this sector is expected to grow because of such continued investment. Federal funding will also drive this sector as federal grants and contracts for defense research are expected to rise, dedicating more resources to military technology.

Also, an aging population will drive opportunities for technological advances in these industries.⁶⁸ Generic pharmaceutical manufacturing is also expected to expand over the next five years as many biologic products are scheduled to lose patent protection, providing an opportunity to provide “biosimilars.” And similar to the scientific R&D fields, the aging baby boomer generation will boost revenues.⁶⁹

Applicability to Commercial Corridors

The North Salina Street corridor is anchored by St. Joseph’s Hospital Health Center at the southeast corner of the corridor boundary. St. Joseph’s employs over 3,700 people across a range of medical occupations. Office space, supporting medical uses, and services that support the employees of this institution could prove to be a catalyst for economic growth in North Salina.

Nationally, the health care industry has faced rising rental prices leading to a surge in downsizing office buildings and lower cost outpatient centers, which have expanded by over 50% from 2005 to 2016.⁷⁰ Development in medical office space is strongly correlated to population growth, with major metropolitan areas having prominent healthcare clusters booming with construction. Rising rental prices and the population focus of healthcare has resulted in downtown health care centers that provide services to where patients live. Medical office space has also backfilled vacant retail spaces in neighborhoods, and present more stable tenants for landlords looking to mitigate their risk of renting to retailers.

In some cities, medical and educational institutions have come together to lead transformative, long-term plans with the municipality. In Memphis, TN, eight anchor institutions - both medical and education - came together with philanthropic organizations to create the Memphis Medical District Collaborative (MMDC).⁷¹ The public-private partnership has taken a holistic approach to revitalizing Memphis, tackling policy on housing, safety, employment, and physical employment. Focusing first on physical streetscape elements that set the tone of the neighborhood, the corridor’s physical transformation has initiated other investments in the corridor. In addition to streetscape improvements, there are efforts to support hiring locals with the development of workforce pipelines, a shuttle that picks up and drops off district workers, and support programs for starting a business in the MMDC area.⁷²

Building and adopting a model like the Memphis Medical District could help bring together residents, the city, and institutions that are not only major economic drivers of the region but whose employees are an important part of the community. St. Joseph’s, coupled with the other prominent institutions in Syracuse like Upstate University Health

⁶⁸ IBIS Industry Report 54171

⁶⁹ IBIS Industry Report 32541b

⁷⁰ <https://www.cbre.us/about/media-center/strong-population-growth-leads-dfw-to-highest-medical-office-space-completions-in-us>

⁷¹ Steuteville, Robert. *Healing a troubled medical district*, Public Square: A CNU Journal, August 12, 2019.

⁷² <https://www.mdcollaborative.org/ced-overview>

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System, Syracuse University, Onondaga Community College, and Crouse Hospital, among others, could create a powerful philanthropic force for community building. Syracuse's philanthropic and non-profit organizations are already actively collaborating on similar efforts. Continuing to draw in the support and buy-in of the largest institutions in the City will bolster the impact that each action can make.

This type of collaboration is not limited to North Salina Street, but rather illustrates a model of how the City's institutions could leverage their collective resources along any corridor with a high concentration of community assets, which is reflected in individual ways across all nine commercial corridors and the Central Core. For example, the Upstate Biotech Accelerator is another anchor institution, located in Census Tract 34, that is poised to be an asset to expand the regional Life Sciences cluster. The Central Core is positioned to attract companies within Life Sciences that can be adaptable in office space, attract young professionals that enjoy downtown living and are within reasonable proximity to businesses in similar industries or clusters. However, lab space required to incubate high tech life sciences companies is in low supply in the City⁷³ and therefore businesses with more of an office focus would likely be a better fit in the Central Core.

DATA & INFORMATION

The Data & Information Sector creates and distributes media content to US consumers and businesses. The sector includes telecommunications services; data processing and hosting; print, internet, and software publishing; film, television, and audio production and distribution; pay television programming; and broadcasting. Fintech, Insurtech, IT, engineering industries are also included here.

How is this industry supported regionally?

Founded in 2012, **StartFast Venture Accelerator** is an accelerator specializing in technology startups with a focus on web-based, internet, software, and mobile companies. Based at the Madden School of Business at Le Moyne College in Syracuse, it is the only privately-owned business accelerator in New York State.

The cluster has seen significant activity in the last several years within the startup scene. Several businesses are located downtown, in the Warren and Jefferson Street area. **Density** is a startup that counts people inside workplaces and has raised more than \$17 million in venture capital, which supports its 20 Syracuse employees and 16 remote workers. **TCG Player**, an e-commerce destination for Magic: The Gathering trading cards, renovated space on Warren Street, where it located its 300-employee operation. **SpinCar** also renovated space downtown, and Ephesus Sports Lighting also located on Warren Street.⁷⁴ Also, Syracuse CoWorks and CommonSpace, a coworking and combo co-working/co-living space, respectively, are also located in this area. As these businesses and services continue to expand within this sector, it will create a nexus of learning, and spin-off and supporting businesses to further support this industry.

This industry is also supported via venture capital funds. From 2014 to date (summer of 2019), 53 companies have received \$59.7 million in venture capital investment within Syracuse. Of the 80 total deals, 28 have been in the Information Technology industry, for a total of \$27.8 million in investment. Other industries supported include Healthcare, Consumer Products, and Services (B2C) and Business Products and Services (B2B).⁷⁵

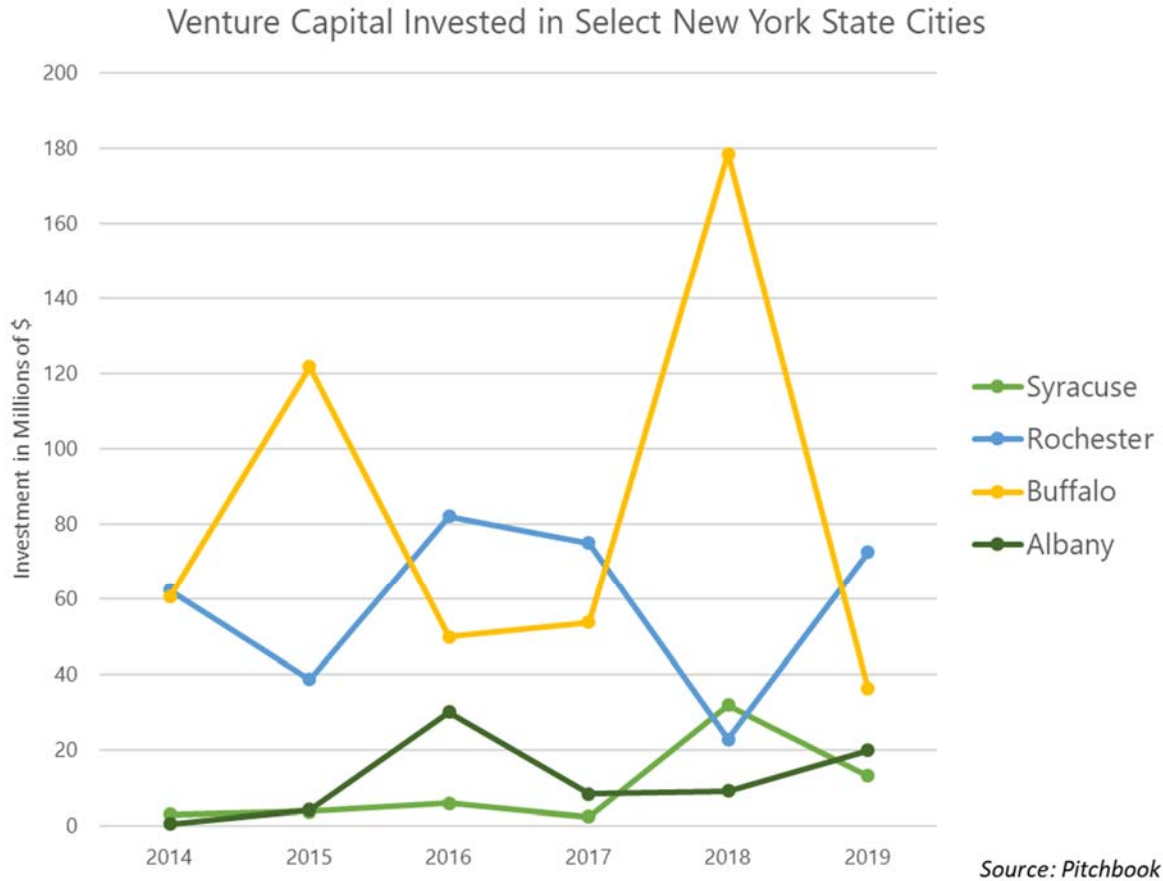
The chart on the following page compares venture capital investments in companies in Syracuse, Rochester, Buffalo, and Albany. These comparison geographies are other Upstate New York cities that are attracting attention as technology hubs for various specializations. While Syracuse has made gains in the level of venture capital injected into its firms, companies in Rochester and Buffalo have been more successful at attracting venture capital funding.

⁷³ Stakeholder interview

⁷⁴ Miner, Dan. Lessons from the Syracuse startup scene, Buffalo Business First, October 12, 2018.

⁷⁵ PitchBook

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Venture Capital Invested (in \$ millions)

Year	Syracuse	Albany	Buffalo	Rochester
2014	3	1	61	62
2015	4	4	122	39
2016	6	30	50	82
2017	2	8	54	75
2018	32	9	179	23
2019	13	20	36	73

Aside from venture capital, there are other public and private resources fueling the growth of the Data & Information sectors in Syracuse. In April 2019, the city beat out 250 other proposals and was awarded \$3 million as part of JP Morgan Chase's *Advancing Cities Challenge*. While the deployment of the funds is still in development, the goal is to use these funds to progress the Syracuse Surge initiative by developing programs that educate, train, and foster entrepreneurialism in vulnerable populations around the city. While tech-based economic development often conjures a stereotypical worker, Syracuse Surge and other ongoing initiatives aim to target women, New Americans, minorities and challenging workforce, industry, non-profit and municipal organizations to work together to surface pathways to economic prosperity.

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What elements are important for this industry to succeed?

Office and flex space is the predominant space type used by Data & Information industries. Office space is designed for a singular use of housing employees in a professional services role in a typically high-density fashion (150 -300 SF per employee). Flex space, however, can be used as an office, medical, industrial, warehouse, distribution, quasi-retail, or research and development.

Available space is particularly important for new businesses or businesses looking to scale up without over-committing to new overhead costs. Locations with amenities that are walkable, and have transit access, continue to perform best in terms of occupancy and command the highest rents. A recent Brookings report sought to quantify just how competitive walkable, well-connected real estate is in metros around the country. Their analysis found that walkable urban places commanded “rent premiums 75% higher than drivable suburban places [on commercial real estate].”⁷⁶ These also had higher educational attainment, higher GDP per capita, *and* also demonstrated higher degrees of social equity “as measured by housing and transportation costs and rental/for-sale housing mix.”⁷⁷

What are the national trends and influences on this industry group?

Information Technology is being driven by new technological advances, increased disposable income, and an ever-increasing need for security. As software and the increased adoption of new technologies becomes prevalent in many day-to-day activities, many industries will benefit, including those which create a database, storage, and backup software. Corporate investment in technology will spur growth in operating systems and productivity software, and as companies look to collect more and more data, the industry for data processing and hosting services will expand. The only declining industry within this cluster is the wired communications industry, whose revenues nationally are expected to decline by 3.4% at an annualized rate by 2023.⁷⁸

Across the US, professional and technical services are expected to expand by 14% (2018-2028). Major growth will come from engineering services, management consulting services, and management of companies and enterprises. Continually improving economic conditions will provide the consulting industries with solid growth. As businesses continue to expand, management consulting will also continue to grow. Environmental consulting and laboratory testing will be supported by environmentally conscious consumers, as well as new regulations. And as the residential and nonresidential construction markets continue to grow, so too will the architecture and landscape design industries as well as surveying and mapping services. Engineering services and building inspection services will benefit from this as well, particularly private nonresidential construction.

Another notable trend is the “urban outpost” model, by which traditionally suburban tenants have multiple locations to retain their existing suburban-oriented workforce while simultaneously accessing downtown talent. Stakeholder interviews confirmed that suburban office users were continuing to make the move to downtown spaces in Syracuse. The urban outpost model suggests employers will follow where their workers live or want to live. Increasingly, for millennials looking to buy homes and raise children, an option growing in appeal is the suburbs.⁷⁹ Further, growing companies seek vibrant parts of both urban and suburban areas.⁸⁰

As more established tech markets across the country price out start-ups, CBRE reports that secondary markets like Rochester, NY, Columbus, OH, and Kansas City, MO continue to grow more competitive in attracting tech firms who are relocating for affordable real estate and skilled labor.⁸¹ In addition to studying the top 40 cities for tech talent

⁷⁶ Loh, Tracy Hadden and Leinberger, Christopher. *The economic power of walkability in metro areas*, Brookings, July 2019.

⁷⁷ Loh, Tracy Hadden and Leinberger, Christopher. *The economic power of walkability in metro areas*, Brookings, July 2019.

⁷⁸ IBIS Industry Report 51711c

⁷⁹ <https://www.bloomberg.com/opinion/articles/2018-04-03/millennials-moving-to-suburbs-will-change-economic-development>

⁸⁰ <https://www.citylab.com/life/2018/12/high-growth-companies-urban-suburban-vibrancy/578296/>

⁸¹ CBRE 2019 Tech Talent Analyzer

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in 2019, CBRE also quantified the “Top 25 Emerging” tech economies based on the concentration of 20-somethings, the demand for skilled labor, educational pipeline and cost of real estate. Several northeast U.S. and Canadian cities make the list, including Buffalo and Albany, along with Providence, RI, and Harrisburg, PA.

Applicability to Commercial Corridors

The South Salina Street Corridor is immersed in the area of Syracuse that is slated for transformative investment in the coming years through a large-scale, transformational initiative known as Syracuse Surge. Surge is a comprehensive development endeavor that leads with technological advancements to parts of the City’s physical infrastructure. The plan was rolled out in Mayor Ben Walsh’s State of the City address in early 2019. To date, the plan has gained support from the County, as well as the Governor of New York. While the plan is intended to spur economic opportunities across the city, the plan does begin on the South Side, focused around several key investments, including⁸²:

- Converting city streetlights to LED technology;
- Renovating Central Tech into a countywide high school focused on science, technology, engineering, arts, and mathematics, or STEAM;
- An expansion of the SUNY Educational Opportunity Center;
- Expanding the Syracuse Technology Garden; and
- A housing component that will review and enhance the Pioneer Homes and Central Village public housing projects.

Although these extensive plans certainly do not limit the potential for business growth to technology-related industries on South Salina, the pieces of the ecosystem for technology-based companies already exist in this area and can further translate to additional business growth with the support systems in place. Surge is ultimately a city-wide plan, and as details emerge about the funding and programs built into the initiative, other corridors will have an opportunity to tailor the applicability of this initiative to their neighborhood.

ADVANCED MANUFACTURING

Advanced Manufacturing includes Clean Tech, Aerospace, Defense, Unmanned Aerial Systems, and other innovative technologies to improve products or processes. It includes a high degree of technology adaption to refine product design, develop complex products, make products more affordable, and solve problems.

How is this industry supported regionally?

This industry is a stronghold in the region, and many industry associations, incubators, and support organizations exist to ensure the Advanced Manufacturing sector is in the best position to succeed.

On the workforce side, the **Manufacturers Association of Central New York** worked with business and government to create the **Manufacturers Alliance Intermediary Apprenticeship Program (NYSMIAP)**, which has placed 150 apprentices in participating companies to work towards solving the pressing need for skilled workers.

Aerospace Alliance of Upstate New York (AAUNY), as a coalition of suppliers and manufacturers from the aerospace industry, represents every facet of the aerospace supply chain. Their main goal is to recruit an aerospace company to make its headquarters in Upstate New York.

CenterState CEO is a part of several programs within the city and region that cater to advanced manufacturing innovation and start-up needs:

- ◆ **The Tech Garden** | Initiated in 2005, The Tech Garden’s mission is to, “stimulate high-tech entrepreneurship, foster the development of emerging growth companies, and support technology commercialization throughout the region.” They offer affordable space for early-stage businesses, mentorship and marketing

⁸² Adapted from Knauss, Tim, “Cuomo backs ‘Syracuse Surge to revive South Side corridor, Central Tech.” Syracuse.com. Jan. 15, 2019.

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advice, and targeted referrals and networking opportunities. It is also home to other business resources, including Launch New York, the Small Business Development Corporation, and the WISE Women's Business Center.⁸³ Also, the **Clean Tech Center** is located within The Tech Garden, which helps develop renewable and clean energy technology companies.⁸⁴ **GENIUS NY** is also located within the Tech Garden, which is the largest business accelerator competition for the unmanned aerial systems (UAS) industry in the world, with grand prizes of up to \$1 million, and stipends, housing, programming, and connections to a growing ecosystem of resources in the UAS and related industries.⁸⁵

- ◆ **Syracuse Center of Excellence** | SyracuseCoE is New York State's Center of Excellence for Environmental and Energy Systems. Led by Syracuse University, SyracuseCoE engages faculty, students, and collaborators at 200+ firms and institutions to catalyze innovations that improve energy efficiency, environmental quality, and resilience in healthy buildings and cleaner, greener communities.⁸⁶

CNYREDC, from its 2018-2019 Progress Report, has several strategies to support and enhance the UAS industry, which is implemented by its UAS work group (members include Assured Information Security, C&S Companies, CenterState CEO, Griffiss International Airport, Gryphon Sensors, Niteo Park, Onondaga County, Saab, SRC Inc., Syracuse University, SUNY ESF, Automodality, Thales, Northeast Information Discovery, and the NUAIR Alliance). These strategies include:

- ◆ Construct a World-Leading Unmanned Aerial System Traffic Management (UTM) Corridor
- ◆ Establish a National Unmanned Aerial System Standardized Testing and Rating (NUSTAR) Facility
- ◆ Support UAS Business Development, Growth, and Innovation

Many of the region's colleges and universities have developed and dedicated research programs focused on UAS technologies, including the McDevitt Information Systems Research Fellows Program at Le Moyne College, Syracuse University's Department of Engineering and Computer Science, SUNY ESF, and SUNY Polytechnic University.

What elements are important for this industry to succeed?

The technological advances in this industry have not only affected how work is completed but *where* in the country it is completed. The number of workers in manufacturing that often work with more than one robot or machine increased by a third.⁸⁷ In a Toyota Assembly Plant in Georgetown, Kentucky, employees work alongside collaborative robots, or "cobots." The specialized skills to tend to the robots and continue their positions have changed the nature and expectations of typical manufacturing positions. CBRE Labor Analytics reports that in the next decade, another 23,000 jobs will be created specifically for workers that work alongside or oversee robotics or automated equipment. This is a 20% increase in the same labor force today. As the skills gap widens between traditional manufacturing positions and advanced manufacturing needs, labor markets that can show their ability and programs to retrain existing workers and producing a new pipeline of trained workers through technical or educational institutions will be competitive.

Other factors that go into locational decision making include proximity to suppliers, vendors, and clustering close to similar firms. This industry most often utilizes flex-space, typically with ceiling heights under 18', often incorporating a mix of space types within a building or complex, including office, light industrial, warehouse, distribution, and/or R&D spaces.⁸⁸

⁸³ <http://www.centerstateceo.com/about-us/partners-programs/tech-garden>

⁸⁴ <http://www.centerstateceo.com/about-us/partners-programs/clean-tech-center>

⁸⁵ <http://www.geniusny.com/about-us.html>

⁸⁶ <http://www.centerstateceo.com/about-us/partners-programs/syracuse-center-excellence>

⁸⁷ Volney, Chris. *Advanced Manufacturing Disrupts the Location Process*, Area Development Q3 2019.

⁸⁸ CoStar

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What are the national trends and influences on this industry group?

National trends in this sector suggest mass-produced and less-technical computer components (like computer keyboards, mice, and monitors) will continue to face competition from overseas. For companies relying on Chinese supply chains, additional uncertainty will come from the current US trade war with China. As of September 2019, the US has imposed tariffs on more than \$360 billion worth of Chinese goods. China has retaliated by applying tariffs on more than \$110 billion of US products.⁸⁹

Specific and specialized machinery manufacturing, too, can be a slow-growth industry, as demand can be highly volatile. Most national growth in this industry can be seen in southern states (Alabama, Kentucky, Tennessee, etc.), with most Northeast areas shedding jobs. However, while jobs are declining, overall revenue within this industry will rise. For instance, the electronic part and equipment wholesaling industry revenue are expected to increase 2.5% in 2018 and 1.9% over the next five years⁹⁰ and the semiconductor machinery manufacturing industry is expected to grow revenues by 1.7% over the next five years.⁹¹

Medical device and medical instrument manufacturing are expected to grow based on the aging baby boomer population, an increase in those with health insurance, and rising disposable income. Construction activity and industrial production too will help grow the electrical equipment wholesaling market. Also, consumer electronics and their increased integration into day-to-day life will increase demand and consumer spending in the electronic parts and equipment wholesaling market.

The unmanned aerial systems (UAS), subsector is highly influenced by the aerospace and defense industry cluster. Supported by Lockheed Martin, Saab Sensis, Tactair Fluid Controls, BAE Systems, etc., Central New York has built a reputation as a notable cluster of aerospace and defense manufacturers. Industry and location experts project growth will continue in the next several years, and talent recruitment and retention will be of significant concern for companies looking to fulfill on multi-year defense contracts. Area Development reports that economic development organizations that “proactively address how they will help build a pipeline for talent” will be looked upon favorably by companies. While manufacturing components is one angle of the cluster, technology and research and development are increasingly important for companies to remain on the cutting edge.⁹²

Beyond Advanced Manufacturing

Another side of the manufacturing-related industry, perhaps slightly outside the bounds of “advanced manufacturing” but relevant Syracuse’s move to modernize zoning codes and trends in goods production is “artisan manufacturing.” Artisan manufacturing refers to smaller-scale designer manufacturing that is more agile and faster and less costly than traditional manufacturing. These operations produce less volume and are quieter and smaller than traditional manufacturing facilities allowing them to mesh into neighborhood landscapes. These small footprint operations can occupy small storefronts that are vacant or hard to fill, thus contributing to the vibrancy of a corridor. Examples of artisan manufacturing include jewelry makers, 3D printing, specialty wood carving, to name just a few.

Artisan manufacturing provides an opportunity for individuals to start a business without a massive amount of capital or investment partners. Supporting local entrepreneurship and small businesses through small-scale

⁸⁹ A quick guide to the US-China trade war, Sept 2, 2019. <https://www.bbc.com/news/business-45899310>

⁹⁰ IBIS Industry Report 42369

⁹¹ IBIS Industry Report 33329a

⁹² Hatley, Von, *Aerospace and Defense Investment Projects Take the Long View*, Area Development, Q2 2019.

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manufacturing facilities can contribute greatly to neighborhood revitalization by creating a unique destination that builds neighborhood character and appeal, thus contributing to its walkability.⁹³

Artisan manufacturers are consumer-facing and have an array of revenue streams – business to business, e-commerce, specialty orders, as well as in-store products and services. These smaller operations are likely to invest in the local community. Research shows that on average small businesses, reinvest 50% of their revenue compared to approximately 14% from large chain stores.⁹⁴ These businesses help to create a resilient small business environment within the community. Offering local products can help to draw in customers from near and far by facilitating a connection between the store, customers, and products. Additionally, space that showcase workers creating the product can thrive through creating a consumer experience. The ability to market and build brand any artisan manufacturing concepts helps to make the operation a destination and remain successful.

Artisan manufacturing can take the shape of value-add food production and storefronts, such as shared kitchens. These facilities serve food entrepreneurs as they scale their business by offering commercial-style kitchens that can be rented by the hour or according to membership fees. The vast majority of kitchen incubators are less than 5,000 square feet.⁹⁵ Other artisan manufacturing concepts that have proved successful in downtown settings include sign manufacturing and brew masters.

Maker spaces, another iteration of a shared workspace, is a facility where individuals or groups can produce goods and materials. These facilities can host a range of activities, including advanced manufacturing companies that produce advanced computer technologies, or artisans creating handwoven clothing. Unlike coworking space, maker spaces have hardware such as 3D printers, electronics, hardware tools, and supplies, etc. to cater to a specific theme. Makerspace tenants can access the machines and tools without investing in startup capital. These spaces also have a range of lease options, from daily rates to monthly secured leases. Downtown environments benefit makers with a high volume of foot traffic contributing to interest, and product sales while also benefiting the community through increased vibrancy and character.

Applicability to Commercial Corridors

The Syracuse Tech Garden is a local and regional hub of world-class technology and talent. As companies develop with the Tech Garden, ideas turn into concepts and concepts turn into reality – but only if a location to manufacturer prototypes or gadgets can be found in Syracuse. It was noted through stakeholder interviews that the process of finding appropriate space for companies burgeoning out of the Tech Garden was unformalized. There must be coordination among the real estate community, the Tech Garden, and the City to work with these companies to find locations that can be adapted to produce, store, or otherwise meet the needs of these businesses. Cost is likely at the top of mind for these businesses who do not have deep pockets to finance exorbitant rehabilitation costs. Early conversations with companies could lead to a process where potential sites are identified and triaged in terms of being a match for certain companies.

According to CoStar, there are, as of August 2019, 42 industrial or flex properties available for sale or lease within the city limits. In the context of this study, properties are concentrated on Burnet Avenue, Erie Avenue, and Wolf Street. These areas have historically been Syracuse's industrial hubs but do contain residential elements along the corridor. Based on ReZone, these areas are likely to retain their industrial nature but will have greater flexibility in future development.

Based on characteristics provided for the properties listed in Costar and stakeholder interviews, these spaces are not typically move-in ready for tenants. This could be for two reasons: 1) Many of today's manufacturers rely on extremely specialized tools or processes that dictate the space they need, which is likely to be different than another manufacturer, or 2) Syracuse's building stock is dated and properties on the market are functionally

⁹³ <https://smartgrowthamerica.org/coming-soon-new-report-small-scale-manufacturing-neighborhood-revitalization/>

⁹⁴ <https://smartgrowthamerica.org/app/uploads/2017/11/made-in-place-small-scale-manufacturing-neighborhood-revitalization.pdf>

⁹⁵ <https://smartgrowthamerica.org/app/uploads/2017/11/made-in-place-small-scale-manufacturing-neighborhood-revitalization.pdf>

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obsolete for businesses' needs, even if the space is generally in good condition. Early identification of a company's needs could begin to match at least the baseline needs for space and expand joint conversations among partners for solutions like rehabilitation funds, operational needs for equipment sharing. For warehouse/flex space that ultimately does not fit the characteristics of modern-day advanced manufacturing, smaller-scale manufacturing operations or artisan manufacturing, mentioned above, may work in these spaces. More details on city-wide real estate trends can be found in the section that follows, the Real Estate Market Analysis.

TRANSPORTATION & LOGISTICS

The Transportation and Logistics industries link producers and consumers through interconnected supply chains and an array of transportation modes. Logistics industries provide detailed coordination to increase efficiency in multi-modal transportation systems. Establishments in these industries use transportation equipment or transport-related facilities as a productive asset. Services within this sector primarily include transportation of passengers and goods, storing and warehousing products, and providing service and facilitating distribution to these establishments.

How is this industry supported regionally?

Transportation and Logistics is a central component of the economy. It not only supports numerous jobs and output within its sector but also enables other sectors, namely manufacturing and retail, to generate and distribute supplies and products nationally and globally, creating new wealth through exports. Therefore, when other industries are supported and expand, so too does Transportation and Logistics.

In CenterState CEO's 2013 report, Transportation and Logistics were called out as a major contributor to the regional economy, employing more than 13,000 people with higher-than-regional average wages. General Warehousing and Storage is the largest subsector within this industry.

In addition, creating an inland port in the Syracuse area has been a topic of discussion on and off for several years, initiating in the 2015 CNYREDC report. The current site targeted is the DeWitt rail yard, which is in line to receive \$21 million in state transportation funding. The purpose of the project is to facilitate the transportation of 30,000 shipping containers annually between the Port of New York/New Jersey and Central New York by rail.⁹⁶

What elements are important for this industry to succeed?

A determining factor in locational decision-making for the Transportation and Logistics sector is proximity to areas of high market and population density, specifically pertaining to manufacturing and retail, as well as access to major transportation and distribution hubs.

The quality of general infrastructure for Transportation and Logistics has a significant influence on the ability to engage in trade and travel. Transportation infrastructure includes the quality of roads, bridges, railways, ports, etc. Deteriorating infrastructure has a negative impact resulting in longer travel times, increased wear on vehicles, and lowered accessibility. High-quality infrastructure has a positive effect on economic growth by increasing access to livelihood, decreasing travel time, and lowering transportation costs.

For Transportation and Logistics operators to continue successfully in their industries, they will need to:

- ◆ Understand clients' needs, maintain research of the market, and quickly adopt new technology
- ◆ Tighten financial control over costs and revenue as well as effective cost management
- ◆ Attract and retain a workforce that is appropriately skilled for the right position
- ◆ Create a reputation for consistently and high standards to retain customers

⁹⁶ https://www.syracuse.com/news/2018/06/ny_to_provide_up_to_21m_for_intermodal_cargo_handling_at_dewitt_rail_yard.html

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- ◆ Incorporate long term sales contracts

Overall barriers to entry in the Transportation and Logistics industry are low. In the more labor-intense subsectors, there is generally little capital, experience, or expertise needed to enter the industry. Basic warehousing and freight trucking require initial capital investment and employment of workers to handle basic functions. Barriers to entry are expected to rise as industries within Transportation and Logistics increasingly outsource supply chain logistics, add more value-added services, and increase the basic requirements that new entrants must meet to be competitive. There are some subindustries with high barriers to entry due to regulations that must be met to ensure staff and customer safety.

What are the national trends and influences on this industry group?

Nationally, the Transportation and Logistics sector grows consistently with general economic activity. Despite establishment proliferation, large integrated companies continue to gain greater market share. And, while there are exceptions, the location of these businesses is connected to areas of high manufacturing and retail sector concentration.

Services within the industry have been altered to cater to changing consumer demand. Technological developments have slowed due to diminishing returns and are mainly focused on efficiency rather than new services. Investment and industry growth are contingent on rising demand and integrated logistics. Key downstream markets such as manufacturers have widely accepted Transportation and Logistics services and will continue to rely on them, thus ensuring future demand. This sector is highly competitive and expected to remain so in the upcoming years.

Wages in this industry are dependent on the supply of truck drivers. Currently, there is a shortage of truck drivers, which has placed stress on the industry and resulted in increased wages as a percentage of total revenue. While operators mitigate this existing workforce challenge, the landscape for this field is anticipated to shift as technological advancements towards self-driving trucks emerge from technology firms. Firms developing the software for autonomous trucks aim to provide increased coordination, increasing fuel efficiency, and improved safety conditions. The uptake of this technology is still in the initial phases, and the full ramifications on the industry are challenging to quantify. If the technology for self-driving trucks continues to proliferate, the sector's workforce requirements will shift, as technicians to repair and maintain the software inside trucks will prove more valuable than drivers.

Warehousing is inextricably linked to transportation and logistics. For warehousing, in addition to increased demand resulting from increases in consumer spending and manufacturing output, the industry is experiencing increased demand from the outsourcing by producers (manufacturers) seeking to cut costs and preserve profit margins. This outsourcing will continue to increase demand, even though some major producers have developed their own logistics capacities such as Amazon, Walmart, and Target. Overall E-Commerce is also generating more demand driven by smaller sellers that lack or choose to forgo their own warehouse space.

Emerging Trends in Transportation and Logistics such as the increasing market share in E-Commerce and "just in time delivery"; autonomous vehicles; and industry 4.0 and digital supply chains (where part or all of the manufacturing supply chain are digitally interconnected and monitored) will continue to impact the Transportation and Logistics industry.

Applicability to Commercial Corridor

Growth in this industry is likely to occur within immediate to I-690 and I-81. This taps Burnet and Erie Boulevard as the targets for development in this industry. CoStar shows that properties on Erie Boulevard range from light manufacturing to warehousing to showrooms to food processing. On Burnet Avenue, there is less variation, as properties mainly consist of manufacturing and warehousing space.

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Similar to issues facing manufacturers, much of the existing warehouse space on the market do not meet the needs of modern transportation and logistics companies. These older warehouse spaces that are functionally obsolete for 21st-century warehousing and logistics could have a future in adaptive reuse projects or non-traditional uses if they are strategically marketed and the vision is defined. There are opportunities for adaptive reuse projects on Erie Boulevard, Burnet Boulevard, and Wolf Street.

REAL ESTATE MARKET ANALYSIS

The ability of target industries to expand in the City of Syracuse is closely related to the real estate market. The following section details the office, industrial, and housing markets in the city and throughout the region.

OFFICE DEMAND

Real estate brokerage firm Cushman & Wakefield's outlook for the Syracuse area is focused on the continued interest to be downtown, with rents expecting to increase as larger projects come online. Sales are also expected to rise as development investors look to cash out on their properties.⁹⁷ Vacancy rates with the general Syracuse office market are higher for Class A space (at the end of 2018 at 13.1%) than for Class B (5.8%) and Class C (6.3%). The overall rate is 6.7%. At the end of 2018, approximately 8,800 SF of space was under construction and 25,000 SF of space newly online.

The City of Syracuse has about 6.1 million SF of office space inventory, which does not include the Central Business District (CBD). The CBD office space comprises 8.2 million SF, and at the county level, there is about 25.8 million SF in the office space inventory. Vacancies vary throughout all geographies, at 7.5% in the county, 4.5% in the city, and 11.7% in the Central Core. New office space is being constructed within the county, but not within the city Central Core. Asking rents for 2019 are roughly the same among the regions hovering above and below \$16 per SF. Market sale per square foot within the Central Core is the highest, at \$251 per SF. This is about \$110 per SF higher than the city and \$150 per SF higher than the county. Approximately 53% of the office units in Syracuse are Class B, 42% are Class C, and 4% are Class A.⁹⁸

Office Market Comparison, 2019			
	Onondaga County	City of Syracuse (Not Including CBD)	Central Business District
Inventory SF	25,784,194	6,121,283	8,175,589
Under Construction SF	71,152	0	0
Vacancy Rate	7.5%	4.5%	11.7%
Market Rent/SF	\$ 15.99	\$ 15.51	\$ 16.12
Market Sale Price/SF	\$ 101.00	\$ 139.75	\$ 251.05
Market Cap Rate	8.0%	9.5%	8.1%

Source: CoStar

⁹⁷ Cushman & Wakefield 2018 Office Space Report – Syracuse Market

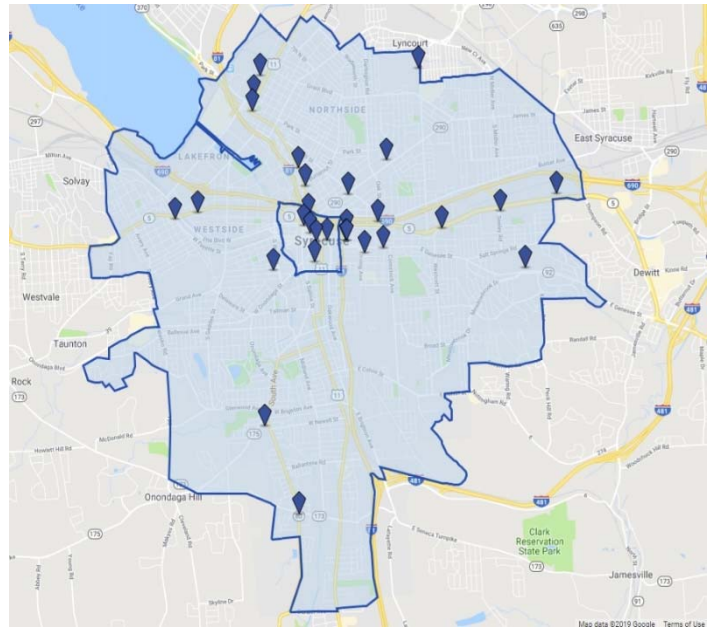
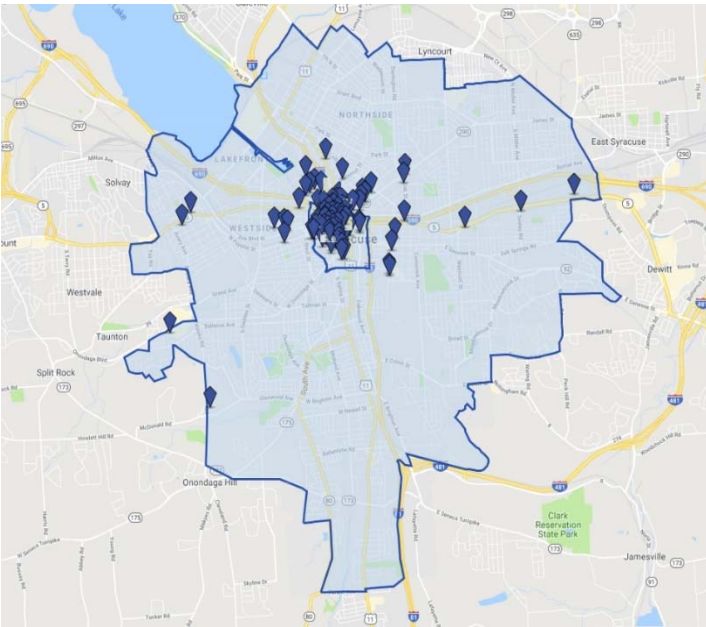
⁹⁸ Office building standards vary by market but can generally be described as: Class A: Newest and highest quality buildings in prime locations. Class B: Little older, but still have high-quality management and tenants. Class C: Lowest classification, older buildings, less desirable areas.

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The two maps below indicate where office space is currently available for lease (map to the left) and where office space is currently available for sale (map to the right). While there are considerably more office properties for lease within the Central Core, properties for sale are concentrated within Erie Boulevard, Wolf Street, and within the Central Core.

To determine future demand for office space, we examine the growth of industries that utilize office space. The county is expected to grow by just over 1,000 office-utilizing jobs by 2024. The City of Syracuse is expected to grow by only 87 office-utilizing jobs in the next five years. At the Central Core level, these jobs are expected to decline by 251 jobs. If we assume each worker needs 175 SF of space, this means at the county level there is a need for 181,000 SF of rentable space, at the city level, there is a need for 15,000 SF of rentable space, and a reduction in demand of 44,000 SF of space at the Central Core level. As there is a need for space at the county level but not particularly within the city or Central Core, it is unlikely that any new office space development will occur in these areas unless it is for a highly specialized user within the city or Central Core. However, it is worth understanding what is driving the growth of these industries within the county versus the city and central core, to understand if any county-wide growth can be driven to either of the two geographies.

City of Syracuse Available Properties for Lease (left) and for Sale (right). Source: CoStar



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Onondaga County Growth in Office-Utilizing Industries, 2019-2024					
NAICS	Description	2019 Jobs	2024 Jobs	2019 - 2024 Change	2019 - 2024 % Change
51	Information	4,157	4,009	(148)	(3.6%)
52	Finance and Insurance	9,687	8,512	(1,175)	(12.1%)
54	Professional, Scientific, and Technical Services	16,204	17,222	1,018	6.3%
55	Management of Companies and Enterprises	4,581	5,210	629	13.7%
56	Administrative and Support and Waste Management and Remediation Services	14,035	14,642	607	4.3%
81	Other Services (except Public Administration)	10,625	10,679	54	0.5%
90	Government	41,617	41,665	48	0.1%
Office-Utilizing Industries		100,905	101,939	1,033	1.0%

Source: EMSI

City of Syracuse Growth in Office-Utilizing Industries, 2019-2024					
NAICS	Description	2019 Jobs	2024 Jobs	2019 - 2024 Change	2019 - 2024 % Change
51	Information	1,851	1,714	(137)	(7.4%)
52	Finance and Insurance	4,379	3,759	(620)	(14.2%)
54	Professional, Scientific, and Technical Services	7,975	8,331	356	4.5%
55	Management of Companies and Enterprises	1,468	1,679	211	14.4%
56	Administrative and Support and Waste Management and Remediation Services	5,502	5,604	102	1.9%
81	Other Services (except Public Administration)	4,145	4,169	24	0.6%
90	Government	14,857	15,007	150	1.0%
Office-Utilizing Industries		40,177	40,264	87	0.2%

Source: EMSI

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Central Core Growth in Office-Utilizing Industries, 2019-2024					
NAICS	Description	2019 Jobs	2024 Jobs	2019 - 2024 Change	2019 - 2024 % Change
51	Information	637	539	(98)	(15.4%)
52	Finance and Insurance	1,332	1,168	(164)	(12.3%)
54	Professional, Scientific, and Technical Services	4,516	4,351	(165)	(3.7%)
55	Management of Companies and Enterprises	574	658	84	14.6%
56	Administrative and Support and Waste Management and Remediation Services	1,984	1,980	(4)	(0.2%)
81	Other Services (except Public Administration)	1,101	1,096	(5)	(0.5%)
90	Government	8,984	9,085	101	1.1%
Office-Utilizing Industries		19,129	18,877	(251)	-1.3%

Source: EMSI

New Demand for Office Space by 2024				
	2019 Office-Utilizing Jobs	New Office-Utilizing Jobs 2019-2024	Rentable SF per Worker	New Demand for Office Space (RSF)
Onondaga County	100,905	1,033	175	180,812
Syracuse	40,177	87	175	15,213
Central Core	19,129	(251)	175	(44,006)

Source: EMSI, Camoin 310

INDUSTRIAL/FLEX DEMAND

Industrial outlooks, as reported by brokerage firm Cushman & Wakefield, indicate that, within the broader Syracuse market, availability of space will tighten. Thus, new construction is a significant possibility if users are looking to the area's central location. While the labor force continues to be an issue, companies understand that the lower cost of living and a higher prevalence of affordable housing will encourage labor to transition to the area.⁹⁹

As of August 2019, there are 56.2 million SF of industrial and flex space in the county. Within the city, there are 10.3 million SF of space. Within the Central Business District, there is significantly less industrial and flex space – about 146,000 SF. The county has a vacancy rate of 5.1%, with the city at 6.3% and CBD much higher at 23%. Market rents go up the closer toward the city core, ranging from \$5-9 per SF, as do sales, which range from \$41-75 per SF.

⁹⁹ Cushman & Wakefield 2018 Industrial Space Report – Syracuse Market

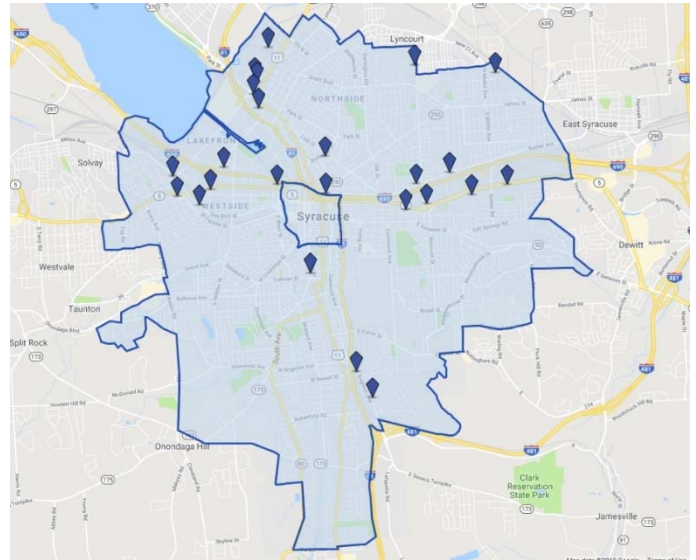
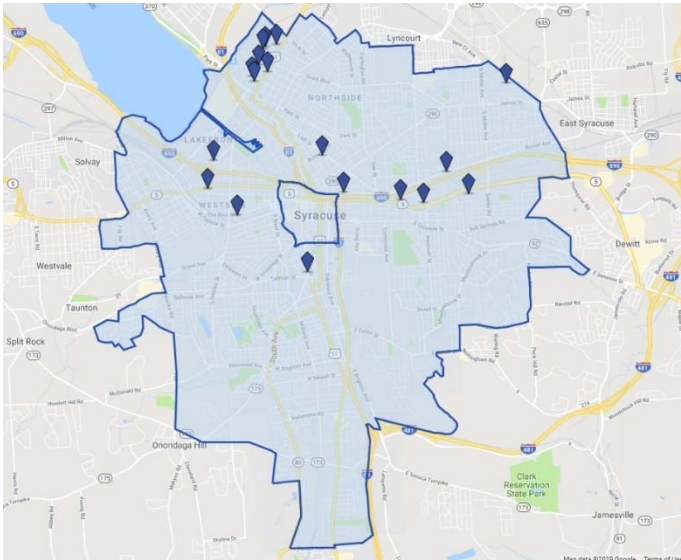
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Industrial/Flex Market Comparison, 2019			
	Onondaga County	City of Syracuse (Not Including CBD)	Central Business District
Inventory SF	56,167,888	10,349,744	145,789
Under Construction SF	0	0	0
Vacancy Rate	5.1%	6.3%	23.0%
Market Rent/SF	\$ 4.99	\$ 6.23	\$ 8.89
Market Sale Price/SF	\$ 41.00	\$ 50.91	\$ 74.57
Market Cap Rate	9.5%	9.0%	9.2%

Source: CoStar

Within the city, approximately 18% of industrial and flex units are Class B space; 79% are Class C, and 11% are Class F (demolished or needs to be demolished). There is no Class A industrial or flex space in the City of Syracuse. The map below outlines available properties for sale and lease within the city. Most spaces for sale are, not surprisingly, located along major highways running through the city, and in the northwestern corner.

City of Syracuse Available Industrial & Flex Properties for Lease (left) and for Sale (right). Source: CoStar



The two tables below outline the space inventory by secondary use and the size range and total rentable building area for the city's flex and industrial space. The largest spaces by secondary use include warehouse space, general industrial or flex space, and manufacturing space. Those buildings that are less than 20,000 SF make up about 270 units.

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Flex and Industrial Space Inventory in Syracuse by Secondary Use		
Secondary Use	Number of Buildings	Rentable Building Area (SF)
Warehouse	156	5,318,967
General Flex or Industrial	110	1,380,490
Manufacturing	58	3,103,831
Service	26	320,458
Light Manufacturing	20	249,563
Light Distribution	13	171,875
Showroom	8	191,668
Distribution	6	176,681
Food Processing	6	395,863
Truck Terminal	6	79,476
Telecom Hotel/Data Hosting	3	30,923
R&D	1	6,972
Showroom	1	11,090

Source: CoStar

Flex and Industrial Space Inventory in Syracuse by Secondary Use		
Size Range (Rentable Building Area SF)	Number of Buildings	Total Rentable Building Area (SF)
<20,000	268	2,371,060
20,000-39,999	78	2,149,337
40,000-59,999	27	1,348,440
60,000-79,999	13	824,814
80,000-99,999	6	526,935
100,000-119,999	4	440,434
120,000-139,999	4	519,810
160,000-179,999	3	525,709
180,000-199,999	2	383,506
200,000-219,999	2	403,196
220,000-239,999	1	225,692
240,000-259,999	2	490,000
260,000-279,999	2	540,898
320,000-339,999	1	330,000
340,000-359,999	1	358,026

Source: CoStar

CAMOIN 310 & STREETSENSE**AVAILABLE PROPERTIES**

According to CoStar, there are, as of August 2019, 42 properties available for sale or lease within the city limits. Of available industrial and flex properties for sale that list ceiling height, 20 available properties have ceilings 15' and under, and 11 properties have ceilings ranging from 18' to 25'. Nineteen of the available properties have loading docks, about half with five loading docks or more. Fifteen of the available properties have been on the market for more than a year, 18 for less than a year, and nine properties did not have this information. The average available property was built in 1950, with only three being renovated since the year 2000. For those available properties that have available space listed (27 properties), the average space available is just under 21,000 SF, with only nine properties offering above 20,000 SF.

SUPPORTABLE DEMAND

With a vacancy rate of 6.3%, the city falls into a healthy range (typically between 5-10%). However, with a 23% vacancy rate within the CBD, this points to an oversupply of industrial and flex space or supply which is not desired by the market. While recent stakeholder interviews indicated that there was market demand¹⁰⁰ for warehouse and flex space with the city, the anticipated construction costs for a typical project requires a well-financed developer or partnership. The carrying costs to mitigate environmental concerns, navigate permits, and manage the construction period prior to tenants entering the space at all at tremendous expense to the developer.

While there have been positive signs of investment in Syracuse, it is unlikely that a developer with the financing capability to float those costs will build in the city in the near term. Small to medium size developers, with a connection to the city and with a desire to expand opportunities for citizens are those that are most likely to enter the market. Therefore, to make a project viable across these nine neighborhood corridors and the Central Core, public-private partnerships are a critical component to induce and facilitate quality developments that respond to market forces and offer opportunities across Syracuse's diverse population.

Local brokers indicate a need for larger industrial spaces, approximately 100,000 SF, which can be broken down into 2,500-50,000 SF sections. Ideally, these would be a warehouse configuration with appropriately sized loading docks, 30-50' ceilings, highway access within one mile, and the ability to incorporate into growing industries with applicable equipment such as in the tech and lab industries. Given this information matched with the available properties in the city, the sites for these available properties seem favorable (within one mile of highway access), while the space seems less than favorable (with lower-than-needed ceilings and smaller overall footprint).

¹⁰⁰ Reflects market demand as of August 2019.

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SITE SELECTION PRIORITIES

Businesses searching for a site to locate their operations consider a wide range of factors in their decision. Figure 6 summarizes the responses from a 2018 national survey conducted of corporations by AreaDevelopment on their top priorities for site selection.¹⁰¹ The top three respondents were the availability of **skilled labor**, **labor costs**, and **highway accessibility**. Though many of these factors may be outside the City's control, they should be aware of where it stands within the state and nation on each for any business attraction campaign.

Figure 6: Corporate Survey

Combined Ratings*
CORPORATE SURVEY

Site Selection Factors	2018	2017
Ranking		
1. Availability of skilled labor	90.5	88.8 (3) **
2. Labor costs	89.1	91.1 (2)
3. Highway accessibility	87.2	91.3 (1)
4. Corporate tax rate	86.7	83.2 (8)
5. Tax exemptions	83.0	85.9 (5)
6. Quality of life	82.8	87.2 (4)
7. State and local incentives	82.5	81.3 (9)
8. Energy availability and costs	77.8	76.0 (13)
9. Available buildings	76.7	75.9 (14)
10. Occupancy or construction costs	76.1	85.9 (5T)
11. Available land	75.6	76.9 (10)
12. Low union profile	74.4	71.4 (18)
13. Proximity to suppliers	72.8	76.4 (12)
14. Proximity to major markets	71.8	84.6 (7)
15. Right-to-work state	70.2	74.7 (15)
16. Training programs/technical colleges	69.9	72.8 (16)
16T. Environmental regulations	69.9	70.2 (19)
18. Inbound/outbound shipping costs	69.2	71.8 (17)
19. Expedited or "fast-track" permitting	64.9	76.7 (11)
20. Accessibility to major airport	62.7	56.4 (21)
21. Availability of long-term financing	60.5	64.6 (20)
22. Availability of unskilled labor	59.4	52.0 (24)
23. Raw materials availability	55.6	56.0 (22)
24. Water availability	51.6	55.3 (23)
25. Availability of advanced ICT services	50.0	42.7 (26)
26. Railroad service	46.6	29.9 (28)
27. Proximity to innovation commercialization/R&D centers	41.5	44.7 (25)
28. Waterway or oceanport accessibility	34.1	31.2 (27)

*All figures are percentages and are the total of the "very important" and "important" ratings of the Area Development Corporate Survey and are rounded to the nearest tenth of a percent.

** 2017 ranking

¹⁰¹ <https://www.areadevelopment.com/Corporate-Consultants-Survey-Results/Q1-2019/33nd-annual-corporate-survey-15th-annual-consultants-survey.shtml>

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HOUSING DEMAND

The tables below contain data for the expected change in households between 2019-2024 by income and age of householder for Onondaga County, the City of Syracuse, and Syracuse's Central Core.¹⁰²

Onondaga County is expected to add 6,623 households between 2019 and 2024. The lowest income bracket, under \$15,000, and the higher income brackets, \$75,000 and up, will see net increases among all age cohorts. Those households making between \$15,000 and \$74,999 will see a net decrease. And, while those aged 25-34 will represent the age cohort with the largest growth, an increase of 6,437 households, those in the 45-54 and 55-64-year-old cohorts will decrease by roughly the same amount.

Onondaga County Change in Households by Income and Age of Householder, 2019-2024								
	<25	25-34	35-44	45-54	55-64	65-74	75+	Total
<\$15,000	(133)	4,905	(262)	(558)	(816)	(74)	115	3,177
\$15,000-\$24,999	(116)	426	(265)	(428)	(677)	(159)	(23)	(1,242)
\$25,000-\$34,999	(91)	(1,357)	(257)	(561)	(568)	(36)	356	(2,514)
\$35,000-\$49,999	(24)	(1,166)	(242)	(692)	(649)	103	486	(2,184)
\$50,000-\$74,999	(28)	(2,433)	(300)	(1,159)	(1,171)	372	660	(4,059)
\$75,000-\$99,999	33	2,135	90	(479)	(409)	647	316	2,333
\$100,000-\$149,999	42	(289)	790	(408)	151	1,000	626	1,912
\$150,000-\$199,999	29	3,369	843	368	692	651	323	6,275
\$200,000+	1	847	456	244	535	655	187	2,925
Total	(287)	6,437	853	(3,673)	(2,912)	3,159	3,046	6,623

Source: Esri

With a net increase of 4,663 households, **the City of Syracuse represents 70% of the county's household growth.** The city is projected to see the largest increases in those households making less than \$15,000 annually for a total increase of 2,025 households. Most of these households are in the 25-34-year-old cohort. Since this number is a projection of current households under 25, it is likely a significant portion of these households are students and may or may not stay in Syracuse after finishing college. Overall those in this age cohort will drive new households, adding 4,419; however, those making between \$25,000 and \$34,999 and \$50,000 and \$74,999 will see significant decreases, dropping by 633 and 604, respectively.

The largest decreases in households will occur from those earning less than \$75,000 annually and in the 45-54 and 55-64-year-old cohorts. Among all ages, those making between \$25,000 and \$34,999 and \$50,000 and \$74,999 will see significant decreases.

One-third of the household growth occurring within the city will occur within the Central Core, where there will be a net increase of 1,455 households. The table below shows much of this growth, as in the city, being driven by young, low-earning households; 781 households will be added to those earning less than \$15,000 within the 25-34-year-old cohort. This age cohort in total will add 1,314 new households.

¹⁰² Please note that these figures are projections based on historical trends for the areas and are not reflective of any transformative projects that might occur.

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How many multi-family units can Syracuse absorb?

Determining the number of new households in cohorts that show the greatest propensity to live in multifamily units in a downtown setting can help narrow down the approximate number of market-rate residential units that the Syracuse market can absorb over time. There are approximately 1,389 households, highlighted in green in the City of Syracuse table below, that fall within the income bracket and age range that generate the highest demand for market-rate multifamily units. Making a conservative estimate that 25% of these households would prefer to live in rental units over single-family homes means that there are potentially **347 new households** ($25\% \times 1,389$ households) that could be attracted to live in Syracuse's multi-family options (in the course of the next five years), assuming the units on the market reflect consumer demands.

Note that this figure only accounts for *new* demand and does not account for changing preferences of the existing population, who may also prefer to transition to rental units but are limited by Syracuse's current residential market. Especially as housing options that meet the demands of an older population become critical to "aging in place" strategies – multifamily units with appropriate amenities and located near cultural and social activities targeted at Baby Boomers could be competitive within Central New York.

City of Syracuse Change in Households by Income and Age of Householder, 2019-2024								
	<25	25-34	35-44	45-54	55-64	65-74	75+	Total
<\$15,000	(110)	2,912	(139)	(302)	(395)	0	59	2,025
\$15,000-\$24,999	(49)	634	(95)	(163)	(242)	(5)	53	133
\$25,000-\$34,999	(18)	(633)	(62)	(158)	(133)	58	148	(798)
\$35,000-\$49,999	27	62	12	(93)	(115)	94	95	82
\$50,000-\$74,999	11	(604)	25	(136)	(129)	145	92	(596)
\$75,000-\$99,999	20	899	117	30	(1)	97	60	1,222
\$100,000-\$149,999	18	142	226	157	121	131	70	865
\$150,000-\$199,999	11	868	120	119	97	79	59	1,353
\$200,000+	(6)	139	62	67	38	49	28	377
Total	(96)	4,419	266	(479)	(759)	648	664	4,663

Source: Esri

Indicates households that are most likely to desire multifamily living based on market trends. The total number of households in green is 1,389.

Central Core Change in Households by Income and Age of Householder, 2019-2024								
	<25	25-34	35-44	45-54	55-64	65-74	75+	Total
<\$15,000	(10)	781	8	(15)	(22)	24	25	791
\$15,000-\$24,999	12	336	6	(1)	2	13	10	378
\$25,000-\$34,999	11	41	6	2	3	3	4	70
\$35,000-\$49,999	10	(4)	7	5	2	5	3	28
\$50,000-\$74,999	(1)	24	8	2	1	7	3	44
\$75,000-\$99,999	0	86	5	2	0	2	2	97
\$100,000-\$149,999	0	37	0	0	1	0	0	38
\$150,000-\$199,999	0	19	1	(1)	(1)	0	0	18
\$200,000+	(2)	(6)	(1)	0	0	0	0	(9)
Total	20	1,314	40	(6)	(14)	54	47	1,455

Source: Esri

NEXT STEPS IN RECRUITING & EXPANDING TARGET INDUSTRIES

While each corridor has unique physical, community, commercial, and natural features, there remains a need for the City and its regional partners to cultivate holistic solutions that create an environment where each corridor is enabled and supported to grow economically, capitalizing on its own, unique competitive factors.

The following recommendations outline the necessary steps the city must take or initiatives the city can foster with its partners, to support, retain, and recruit target industries.

Know your target audiences: Syracuse is well-suited to attract 1) Businesses currently located in mega-urban centers looking to transition to a geography with a lower cost-of-living and with a skilled talent pool and, 2) Local and regional small businesses and entrepreneurs and, 3) People who grew up in the area, moved away for employment and school and are looking to return to familiar territory or family. While the mega-urban centers across the country like New York City, Chicago, and San Francisco are the usual suspects for top talent, innovation, and productivity, these cities are incredibly expensive to live. Secondary cities across the country have earned a more desirable reputation as being quality places to live, with a cost of living that is practical for the average wages. A leading site selection magazine writes, “Growing mid-sized urban markets are succeeding in retaining and attracting high wage jobs because they illustrate economic vitality...”¹⁰³. These trends are putting Syracuse in a position to attract additional public, private, and non-profit investment and convert that to equitable opportunities for prosperity. Marketing efforts through goodlifecny.com are already underway to communicate Syracuse’s strengths and continue to reinforce this message across City departments, regional economic development partners and strategic national players will help to solidify Syracuse as a top choice in the Northeast.

Encourage public-private partnerships: From the small-scale development of two-three properties to larger projects with 100+ residential units with office and retail space, adequately financing projects is increasingly a process that involves multiple players. Developing strong public-private-non-profit relationships allows entities to not only draw on collective resources but also require partners to be engaged and have a stake in the positive, viable, redevelopment projects.

Work with the industry experts: There are extensive industry sector relationships within the target industries. These sector organizations are already the experts in their respective fields, what firms in the subsector needs, what barriers they face, and what opportunities are just on the horizon. Along with other regional and city partners, frequent communication with these sector organizations will help the city align real estate availability with industry needs.

Assembly vacant properties into more desirable parcels: The property where the City, or their affiliates like the Land Bank, has site control is likely to be where the City is best able to induce development opportunities. Working to assemble vacant properties into larger, contiguous parcels are likely to be more desirable investments for the development community.

Roll out ReZone with a summary of the changes and opportunities in these corridors: While the community input process has been extensive throughout the ReZone initiative, continuing a campaign surrounding the rollout and the finalized ordinances are just as important. While residents should be one target audience to communicate

¹⁰³ Robinson, David. Mid-Sized Urban Markets Compare Well with Mega-Cities, Area Development, Q1 2019.

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changes to, the development and real estate community must be aware of these changes and explicit opportunities for these changes to gain traction.

Workforce, workforce, workforce: This continues to be a refrain from employers across the nation. The availability of skilled labor ranked #1 in site selection factors in 2018.¹⁰⁴ Promoting the pipeline of software engineers, architects, nurses, or aviation mechanics coming out of the region's educational institutions is a signal to growing or relocating companies that their business could succeed based on workforce characteristics of the region. Directly marketing to known businesses or within the realm of targeted industries is necessary to catch the attention in an increasingly competitive market place.

Build close relationships with real estate broker community: Real estate agents are often the front line of a community. When a family is looking for a home or a business is looking for appropriate space to relocate or expand, agents are the on-the-ground informants for what's hot and what's not. Close relationships with residential and commercial real estate agents allow the City to have a pulse on trends in the market place to supplement data-driven strategies. On the flip side, building this relationship is mutually beneficial for brokers, who have a vested interest in being updated on the City's initiatives, planned development, and goals. Real estate round tables, brokers lunches or some type of collective event on a quarterly or bi-annual basis will allow the City to update the real estate community on what the city is doing in certain pockets of the city and create a feedback loop that will help identify barriers to overcome or opportunities that need to be seized.

Cultivate the pipeline of small business, entrepreneurs that are looking for real estate: While this study can geographically identify where the industry is best suited, the ongoing implementation of corridor strategies will rely on a constant feedback loop between NBD and regional partners that are fostering entrepreneurs and business development. Even if market demand is indicated within certain sectors, the prospective business that would need to open to meet those demands either needs to be attracted to or cultivated locally.

- ◆ The Onondaga Small Business Development Center (SBDC) provides free consulting for start-ups and existing businesses for seven counties surrounding Onondaga and could be able to align businesses with a physical storefront if they are aware of what is available within Syracuse.
- ◆ The Allyn Foundation's Community Prosperity initiative aims to "disrupt concentrated poverty" in Syracuse neighborhoods and takes a holistic approach to neighborhood revitalization. This includes supporting real estate projects that promote the Community Prosperity agenda in economic opportunity, economic empowerment, and vibrant neighborhoods.
- ◆ Center State CEO – Up Start is a collaborative business development program run through Centerstate CEO. The program offers training, technical assistance, lending opportunities, and connects entrepreneurs with real estate options where it makes sense for the business. With the outcome of the Commercial Corridor Study, the city will be able to inform strategic partners where certain types of development are best suited in the city based on retail demand, industry trends, and real estate availability.
- ◆ JP Morgan Chase -Advancing Cities grant is a unique opportunity to develop workforce pipelines in technology-related fields, especially within communities that do not typically have the access or resources to acquire the training necessary to break into the technology start-up scene.
- ◆ This list encompasses perhaps some of the largest players in the realm of business start-up and entrepreneurship, but there are also entities like incubators and accelerators in the region that are key partners in encouraging fledgling businesses to locate in Syracuse, and perhaps along corridors that may not have been top of mind compared to the Central Core. The City's ability to disseminate individual

¹⁰⁴ Reference survey

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messages about each corridor will be paramount to promoting economic opportunities across the city. These marketing messages will be strengthened through local partners who are experts on their neighborhoods.

Celebrate what's happening in Syracuse within the target industries: The Brookings Institute recently profiled "the presence of [these] global innovators" in Syracuse's incubator and accelerator. The article goes on to celebrate the regional strategy to "establish the central New York region as a global industry hub..." This is tremendous recognition from a major urban policy think tank. And while words on a paper are not the same as tangible results, targeting messages to specific industries, site consultants, or even internally, go a long way in transforming perception. Even as tangible positive signs of changes sprout in the city, negative perceptions can linger despite genuine efforts to reverse negative trends. Therefore, celebrating wins within the target industries and across the business spectrum is important to transforming Syracuse's perception, internally and externally.

Refine permitting process for consistency: Consistency is key in the development process. This means it can be rigorous while following a predictable path and timeline so that developers can take this time into account while their forecasting funding and financing of a deal. The City's Business Portal has improved some of these processes, but lingering negative perceptions will persist if the City does not actively promote the new platform, work through ongoing issues with applicants, and demonstrate the City's willingness to receive feedback.

INCENTIVES & PROGRAMS TO MOVE FORWARD

Note: This is not an exhaustive list and provides those entities that can be engaged with future corridor development. Many of these are housed within the Centerstate Corporation for Economic Opportunity (Centerstate CEO), a chamber organization that provides additional resources in addition to this list. How and where these resources are utilized will be thoroughly assessed in the Action Plan Matrix.

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Name of Program	Geared Towards	About
Armory Square Ventures (ASV)	Technology focused entrepreneurs looking for capital	Investment firm.
Business Solutions of NY (BSNY)	NYS business owners	Offers business consulting services such as such as bookkeeping, payroll, HR, retirement, and more.
Central New York Regional Economic Development Council	Any entity engaging with economic development	Can assist with applying for funding via the NYS Consolidated Funding Application, of which many nonprofit and for-profit entities are eligible.
CNY Works	Job seekers needing skills and employers needing trained workers	Increased the skilled workforces via workshops, classes, and orientations.
Downtown Committee of Syracuse, Inc.	All property owners and tenants within the central business district	Promotes and supports downtown via running a marketing program, providing environmental maintenance, running a security team, and managing two parking garages. They maintain a robust financing and resource page.
Genius NY	Unmanned aerial systems (UAS) innovators	Largest businesses accelerator competition for the UAS industry.
Grants for Growth	Partnerships between universities and businesses	Seed program to support business competitiveness and job growth, focusing on innovative applied reach projects.
Launch New York	Entrepreneurs	Provides pro-bono support and access to capital for growth companies
MACNY - The Manufacturers Association of Central New York	Businesses who need manufacturing-specific training	Provides its members with employee training and development. Also offers a high school curriculum program that focuses on career pathways in advanced manufacturing and registered apprenticeship program.
New York Business Development Corporation (NYBDC)	New York Businesses who need financing	Housed at the Tech Garden, provides financing via the Small Business Administration 504 Loans and the Excelsior Growth Fund.
Northside Urban Partnership (Northside UP)	Northside businesses, community groups, residents and workers	Sponsored by St. Joseph's Health, the program focuses on improving the health of the community and strengthening the economy of the Northside.
Onondaga County Employee Productivity Program	Employers who need to provide specific training to workers	Provides up to 50% of total training costs (but no more than \$12,500) to employers to provide specific skill building to employees.
Project ION (Internship Opportunity Network)	Those seeking and looking to provide paid internships in Upstate NY	Hosts listings of approximately 450 regional internships from 200 companies.
Syracuse Center for Excellence (Syracuse CoE)	Partnerships between universities and businesses	Links university faculty and staff with over 200 firms to propel energy and environmental quality innovations.
SyracuseFirst	Locally owned, independent Syracuse businesses	Branded network of businesses sharing resources and amplifying each other on the same platform.
The Clean Tech Center	Energy startups	Helps startups commercialize technology in the renewable energy and other related fields.
The Tech Garden	Entrepreneurs	Helps startups by offering affordable space. Geared towards high-tech and growth companies.
Up Start	Entrepreneurs	Offers training, technical assistance, lending, mentorship, and real estate options for entrepreneurs in Syracuse.
Upstate Minority Economic Alliance	Central New York's minority population	Offers networking events to amplify and harness the economic power of the minority community.
WISE Women's Business Center	Women business owners or entrepreneurs in Syracuse	Provides training, information, resources and support for women entrepreneurs.
Work Train	For profit businesses and the employees they need	Connects employers, business organizations, educational institutions and community partners to meet workforce needs. Currently working in the healthcare and manufacturing industries.
Workforce Development Institute	Workers seeking skills and businesses who need trained workers	Provides training needed by employers. Works statewide.

APPENDIX A: COMMERCIAL DNA

THE FOUR ELEMENTS OF “COMMERCIAL DNA”

1.) Physical Environment: Our assessment of the physical environment considers the condition of both public and private realms, as well as issues of access and visibility.

The public realm includes the conditions of the streetscape, sidewalks, trees, and public spaces to determine whether they contribute to or detract from the quality of the district as a customer destination. These elements of the public realm inform the degree to which a customer can “cross-shop” and patronize multiple retailers during a single visit, thereby prolonging their stay in the district and increasing their average expenditures. Districts that exhibit characteristics that encourage synergies between businesses and foster cross-shopping generally experience higher business sales.

The second is the quality of the private realm, including the location and condition of underutilized opportunity sites. In some cases, these opportunity sites may be creating gaps in the retail environment. In other cases, they may be blighted properties whose conditions serve to undermine customer perception of the area, resulting in diminished sales for other businesses. Our assessment considers opportunity sites where proximity to existing retail nodes, underlying property ownership (the ability to control or assemble a site) and site location characteristics (access to the customer base, proximity to existing nodes, the ability to create sufficient concentration of offerings to support a new node) coincide.

Finally, we look at issues of accessibility and visibility, which affect the utility of the corridor as a shopping destination. We assess impediments to access, visibility, and circulation by a variety of transportation modes, including automobile, bicycle, walking, or public transit.

2.) Business Environment: The conditions of the local business environment – the density, quality, and types of offerings within areas of business concentration – play a role in how successful local businesses are in meeting the needs of their customer base. We look closely at these “retail microclimates” and spend time determining their location and scale, the degree of business concentration they exhibit, as well as what anchors or destination drivers are influencing customer traffic and affecting the type of businesses that are most likely to succeed.

3.) Market & Demographic Data: Sufficient buying power is critical to healthy commercial districts. In comparison to destination shopping areas – where people travel from farther distances to patronize businesses – successful retailers typically need to meet the needs of a varied clientele, including residents, local employees, and visitors. These districts are often centrally located with ease of access to/from major transportation thoroughfares. In convenience-oriented shopping districts, the area from which customers are drawn is typically smaller in size. Moreover, demand is typically driven by residents. As a result, the retail offerings are narrower and often focused on everyday goods and services that are purchased with greater frequency and at lower price points.

To assess the full extent of the buying power of comparison and destination shopping districts, additional analysis of non-resident demand (i.e. worker and visitor spending), must be taken into consideration. Districts that attract a significant number of daytime office workers or students, for example, will result in an undercount of market demand for new businesses. With that in mind, we consider a balance of both qualitative and quantitative data points necessary to understand both residential and non-residential demand and to build a comprehensive economic narrative.

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4.) Administrative Capacity: A strategic plan is only as effective as the capacity of the organization to support implementation. The successful execution of programs and interventions that positively impact the local business environment requires a viable organization with the expertise, know-how, and authority to carry out and advocate for resources and investments. As part of our stakeholder outreach, we consider the Clients' capacity to execute the plan of action, the extent to which local leaders and partners are engaged, and the degree to which additional resources are required to support the effort.

In addition, we will also consider the role of the existing regulatory and municipal permitting process in supporting business growth. As the retail industry continues to evolve, property owners and retail businesses are constantly adapting their models to include experiential components (in-store events, classes and workshops, micro and temporary retail spaces) and innovative storefront marketing (creative storefront signage, outdoor seating, and window design). However, as we have found in our work across the country, regulations and codes have not adapted as quickly and might be impeding pioneering retail concepts and strategies.