

APPENDIX C

Market Analysis

Village of Brockport

MARKET ANALYSIS

Prepared for Clark Patterson Associates

October 2009

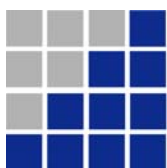


Saratoga Office:

P.O. Box 3367
Saratoga Springs, NY 12866
Phone: (518) 899-2608

NYC Office:

304 Park Avenue South, 11th Flr
New York, NY 10010
Phone: 646.434.5682



camoin associates
ECONOMIC DEVELOPMENT

www.camoinassociates.com

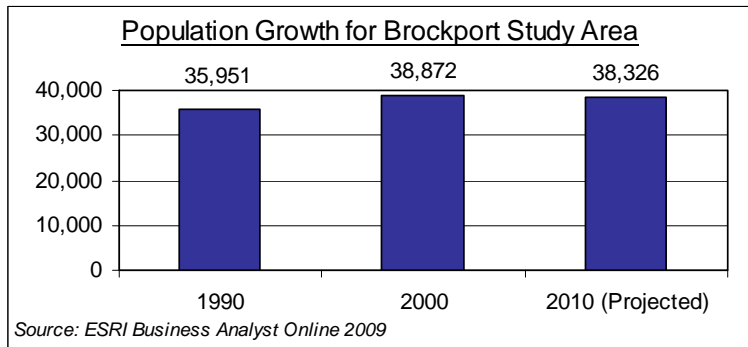
EXECUTIVE SUMMARY

The Village of Brockport has an interest in forming a redevelopment strategy for the Clinton Street district in the Village’s Downtown. Camoin Associates was hired to conduct a market analysis to identify what, if any, demand may exist for commercial development in the Clinton Street redevelopment district. The results of the analysis will be used to guide subsequent stages of the redevelopment process. This executive summary provides a brief overview of the results of the analysis and major findings. More detailed findings are included in each of the attached reports.

Demographic and Employment Trends

Camoin Associates worked with representatives of the Village and Clark Patterson Lee to define a Study Area that would serve as the target market for the redevelopment of Clinton Street. Demographic and employment trends within the Study Area are compared to trends in upstate New York and the United States. A more detailed description of the Study Area can be found in the Demographic and Employment Trends Report.

Compared to the upstate New York average, the Brockport Study Area has a higher median household income and lower poverty rate. While relatively affluent, the population is projected to have little or no growth in the coming years.



Median Household Income				
Year	Study Area	Monroe County	Upstate NY	National Average
2000	\$46,855	\$44,898	\$39,131	\$42,164
2009	\$60,535	\$59,670	\$51,057	\$54,719
2014	\$63,057	\$62,843	\$54,610	\$56,938

Source: ESRI Business Analyst Online 2009

The leading industries by employment in the Study Area are government, health care, retail, accommodation and food services, and transportation and warehousing. The fastest growing industries are transportation and warehousing, professional services, and other services besides public administration. The hospital, College, and distribution logistics center in the Town of Sweden play a leading role in the local economy.

Retail Market Assessment

A retail sales leakage analysis was performed for the Brockport Study Area to identify what, if any, retail gap exists. A positive retail gap shows that sales in that industry group are leaking out of the Study Area. A positive retail gap is also an indication that the Study Area can potentially support one or more businesses within that industry group or industry subsector. The table below shows industry groups in the Brockport Study Area that have a significant retail gap (industry groups are shown in bold, industry subsectors are shown in regular typeface).

Retail Sales Leakage: Brockport Target Industry Groups			
Industry Group	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap
Clothing and Clothing Accessories Stores (NAICS 448)	\$20,294,226	\$2,779,319	\$17,514,907
Clothing Stores (NAICS 4481)	\$16,271,798	\$2,260,117	\$14,011,681
Shoe Stores (NAICS 4482)	\$2,240,483	\$365,978	\$1,874,505
Jewelry, Luggage, and Leather Goods Stores (NAICS 4483)	\$1,781,945	\$153,224	\$1,628,721
Sporting Goods, Hobby, Book, and Music Stores (NAICS 451)	\$5,738,181	\$1,874,770	\$3,863,411
Sporting Goods/Hobby/Musical Instrument Stores (NAICS 4511)	\$3,530,766	\$365,203	\$3,165,563
Book, Periodical, and Music Stores (NAICS 4512)	\$2,207,415	\$1,509,567	\$697,848
Miscellaneous Store Retailers (NAICS 453)	\$6,706,429	\$2,465,846	\$4,240,583
Florists (NAICS 4531)	\$734,537	\$329,946	\$404,591
Office Supplies, Stationery, and Gift Stores (NAICS 4532)	\$1,872,370	\$723,536	\$1,148,834
Used Merchandise Stores (NAICS 4533)	\$975,662	\$330,263	\$645,399
Other Miscellaneous Store Retailers (NAICS 4539)	\$3,123,860	\$1,082,101	\$2,041,759
Food Services & Drinking Places (NAICS 722)	\$49,817,266	\$31,593,887	\$18,223,379
Full-Service Restaurants (NAICS 7221)	\$30,068,134	\$9,891,452	\$20,176,682
Limited-Service Eating Places (NAICS 7222)	\$11,249,022	\$15,397,906	-\$4,148,884
Special Food Services (NAICS 7223)	\$5,553,159	\$3,761,254	\$1,791,905
Drinking Places - Alcoholic Beverages (NAICS 7224)	\$2,946,951	\$2,543,275	\$403,676

Source: ESRI Business Analyst 2009

Based on this analysis, businesses in the following retail industry subsectors could potentially operate successfully in the Clinton Street redevelopment district:

- Clothing Stores
- Sporting Goods/Hobby/Musical Instrument Stores
- Full-Service Restaurants

Downtown retail businesses often struggle to compete with regional retail centers such as shopping malls and big box retail centers. To gain market share, downtown retailers often need to focus on a niche market, bundle both products and services, focus on an upscale or downscale market, or establish some other method to differentiate their business in the marketplace.

There is significant sales leakage in the Full-Service Restaurant industry. This indicates that Clinton Street could support one or more new restaurants. There are currently many pizza shops and sports bars in the downtown area. A restaurant that offers a more upscale

atmosphere, but at reasonable prices to fit the spending habits of the community would likely be a good fit. One or more “family-style” restaurants would be an appropriate opportunity.

Commercial and Residential Market Analysis

Distinct segments of the office, residential and retail market could be targeted for redevelopment opportunities in the Clinton Street redevelopment district. There is a market in commercial office space for professional firms and organizations that serve local customers, as well as niche retail. There is also a market for residential space for general student renters and possibly higher-end residential units marketed to local residents and graduate student renters.

The rents for retail and residential space in downtown Brockport and the area wide rents for office space are all below market levels for the greater Rochester area. This will impede a development project in the Clinton Street redevelopment district because rents may be too low to overcome the cost of renovation or construction. To compensate for this, it may be necessary to identify and secure public funding to be used in combination with private financing to make a redevelopment project financially feasible.

Target Markets

Based on the demographic analysis and interviews conducted in the commercial market analysis, the Brockport Study Area has four primary markets that could potentially induce businesses to locate in the Clinton Street redevelopment district. These markets include:

- **Student Population and Faculty**
The College is a leading asset for the community and can be utilized as a target market or partnership organization for redevelopment efforts. The existing Village housing stock provides many of the housing needs to students living off-campus. The downtown area also provides some entertainment amenities to students. As described in the conclusions section of this report, partnering with the College could be a key strategy for redevelopment of Clinton Street.
- **Longtime Residents**
This is one of the largest demographic segments in the community. Redevelopment efforts that serve this segment may include family style restaurants, office space for professional services that market to area residents, and niche retail.
- **Commuters**
There are commuters that live in the area and travel to Rochester for work. This group may be targeted for restaurants, niche retail, and office space for professional services that market to area residents.

- **Recreational Canal Users**

The Erie Canal brings recreational users to the Village, but the volume of recreational users is not high enough to completely support new businesses. The recreational users do provide a supplemental revenue stream to existing and new businesses. The canal is an important community resource that should be used to market the area, create recreational opportunities and add to the overall appeal of the downtown area. Furthermore, improvements to the canal and waterfront will likely attract additional visitors in the future to help build a stronger tourism market.

Conclusions

There are a number of opportunities that could be successful as part of a redevelopment project in the Clinton Street redevelopment district. Our analysis found that the following types of commercial development have the strongest demand in the Village's downtown and waterfront setting:

- Student Centered Projects
- Small Office
- Niche Retail
- Residential Rental

Each of these commercial uses is described in more detail below. While streetscape, beautification, water access, and pedestrian improvements are not components of a traditional market analysis, these elements are often integral components to downtown and waterfront redevelopment efforts. Therefore, we have included some discussion on beautification which should be considered as the Village moves forward with improvements to the Clinton Street area.

Student Centered Projects

The College at Brockport is the community's leading asset. Building on this should be a priority to improve the downtown. Clinton Street forms a natural connection between the off-campus student areas to the west of downtown and the entertainment and eating areas on Main Street. There is strong pressure on single family residential neighborhoods within the Village to accommodate student housing needs of the College because of limited alternative residential options within the Village. Facilitating the construction of student housing as part of the redevelopment of Clinton Street would provide an economically feasible project in the downtown and relieve pressure on single family residences to provide housing for students.

A proposed project in Binghamton, NY is using a privately constructed student residential development as a major component of revitalization efforts in the City's downtown waterfront. The Binghamton project is relatively large and includes nearly four hundred beds. A more appropriately scaled project on Clinton Street could be very successful. Not

capitalizing on the student market will likely encourage future private student housing construction to occur in the surrounding towns, as with the currently ongoing College Suites development. Facilitating construction of student housing in the Village downtown will bring important customers to local businesses, as well as add significant tax revenue to the Village.

As an alternative to student housing, many college towns have been able to partner with the local universities on mixed-use or commercial projects. The Big Tree Inn in Geneseo is an example of a downtown project conducted in partnership with the College. The College Auxiliary in Geneseo purchased a historic building on the community's Main Street and renovated it into a hotel and restaurant. Geneseo is of comparable size to Brockport, and the Village could certainly do something similar and market the hotel to visiting parents, canal users and others. Cornell is also a useful example. The University partnered with the City of Ithaca and a private developer to construct a prominent downtown development called Seneca Place on the Commons. The project includes first floor retail and office space for Cornell staff with residential units on the upper stories.

There may be any number of ways to work with SUNY Brockport on a project that meets the needs of both the Village and the College. Revitalization of the Village will benefit the College in the long term by making the community more marketable to future students, and by further embracing the College, the Village can capitalize one of its strongest assets.

Small Office and Retail

Based on the retail sales leakage analysis, there is room in the Brockport market for more retail. Brockport's Main Street has a fairly well developed retail base, with few retail unit vacancies. There is an opportunity to expand this retail district to include side streets and adjacent areas. Improvements to Clinton Street could include a retail component that ties waterfront amenities into the central shopping areas on Main Street.

Growth in professional and technical services will increase the demand for office space in the Brockport market in the coming years. Due to the travel distance from Rochester, Brockport will be much less competitive for regional or national firms than locations closer to the metropolitan center. However, smaller firms that primarily serve the Brockport market and surrounding communities will likely be a successful target market.

Many communities have had success converting older downtown buildings into mixed-use office and retail projects. For example, "The Factory" in Ballston Spa, NY converted a vacant chocolate factory into a combination of retail and small office space. The project also includes a full service restaurant on the first floor. The historic mill on Clinton Street in Brockport may be an opportunity to undertake a similar project.

Both retail and office space in Brockport rent at a rate that is lower than the Rochester area average. This will be an impediment to any private developer trying to renovate a building in the Clinton Street redevelopment district, as market rents may not be high

enough to provide a reasonable return on investment when the cost of renovation is taken into account. To overcome this, the Village or other local entity may need to offer public funding or other incentives to make a potential redevelopment project feasible for a private developer.

Restaurant

Retail sales leakage data indicate that Brockport can support additional full service restaurants. Brockport has a number of pizza shops, sports bars and restaurants that offer inexpensive fare. There is no higher-end restaurant currently available in Brockport. However, discussions with area business operators question whether a higher-end restaurant would be marketable to Brockport residents. The demographic analysis suggests that the Brockport Study Area is made of households that would prefer family style dining over high end dining. So we believe there is room for more full service restaurants in the market, but a proprietor will need to carefully target the atmosphere and prices to differentiate itself as more upscale than many of the existing offerings, while still remaining attractive to area residents in terms of price.

Residential Uses

The Village of Brockport serves as a center for residential renters for the Brockport Study Area. There is a strong market for off-campus housing as less than fifty percent of enrolled students live on campus. Incorporating residential rentals into a redevelopment project on Clinton Street would add to revenues of the property, support other downtown businesses by building a critical mass of downtown residents, and serve both the student population and year round resident population.

Beautification

A key component to any redevelopment effort on Clinton Street will be beautification elements to the streetscape and canal frontage. Increasing the aesthetic appeal of the area through landscape and streetscape improvements will have long term benefits to redevelopment efforts. There should also be an effort to form pedestrian connections between the redevelopment area, the waterfront, and Main Street to encourage foot traffic.

INTRODUCTION

The Village of Brockport is located on the Erie Canal on the outskirts of the greater Rochester metropolitan area in Monroe County, New York. The Village lies in the transition zone between the relatively large metropolitan area of Rochester located to the east, and the more sparsely populated rural towns and villages to the west. Sitting on the banks of the Erie Canal, the Village experienced significant growth during the industrial era, but has struggled to maintain that growth in the post-war period. As a result many sections of the Village have seen little or no investment for many years, and need the focused attention of the private and public sectors to overcome issues of disinvestment and deterioration. Clinton Street is one of those areas, and because of its position on the bank of the Erie Canal and adjacent to the Village's primary downtown retail district on Main Street, has become an important redevelopment district. This market analysis specifically examines potential opportunities for the Clinton Street redevelopment district in downtown Brockport.

There is now a state-wide effort to reconnect with the Erie Canal as a historic and recreational resource rather than an industrial corridor. This effort has been driven as much at the community level as it has been at the state level, and there are a number of examples of communities along the canal that have engaged in successful redevelopment and revitalization efforts.

This parallels a national trend whereby a combination of economic, structural and cultural forces in the United State has begun to create a reemergence of many neglected and underutilized city centers. Prior to World War II, city centers were often characterized by industrial development. The post war years saw the decline of manufacturing and the flight of residential and commercial development to the outskirts of communities. In more recent years, that trend has changed and communities have begun to reinvest in neglected city and village centers. During this process the role of village centers has also evolved, and are now characterized as cultural, recreation, and entertainment centers catering to the needs of a population that is looking for a varied range of community amenities not available in single-use suburban style residential neighborhoods.

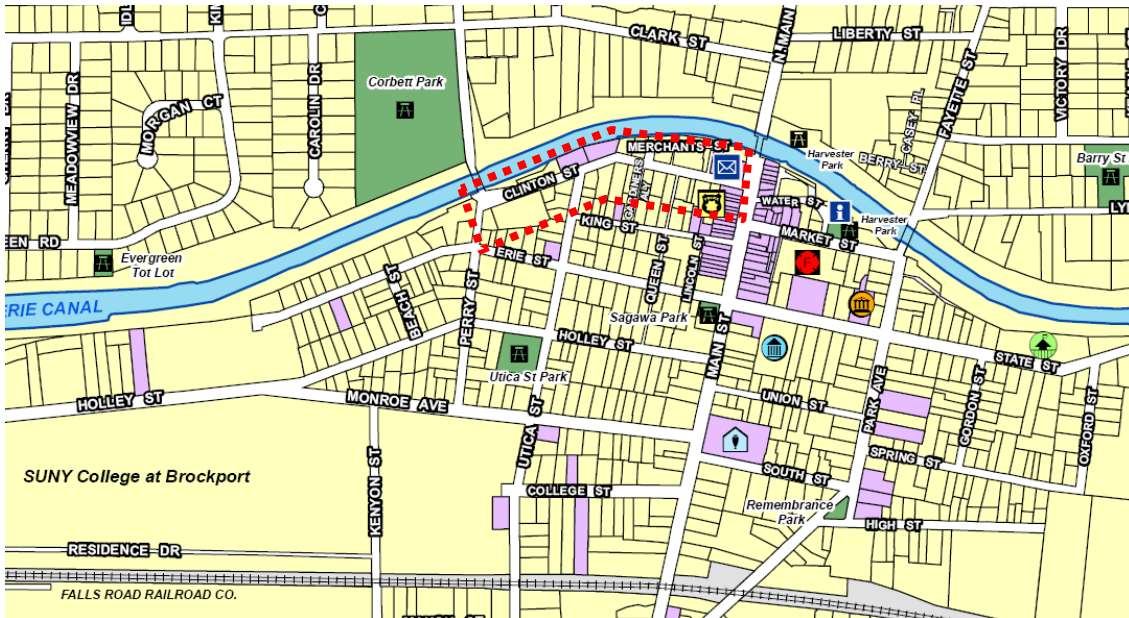
The types of commercial development that fit in village centers in today's market are:

- Small-scale retail and personal services
- Residential (Rental or condominium, typically on the upper stories of buildings, geared toward "active lifestyle" seniors and young people without children)
- Office space for professional services and small scale office users
- Civic and cultural space
- Restaurants and entertainment venues

This market analysis focuses primarily on these five uses to assess an appropriate direction for the redevelopment of Clinton Street in the Village of Brockport. The redevelopment district includes some vacant properties including a historic mill, and the opposite side of the canal includes a number of park features and multi-use trail. Clinton Street's position on the

Erie Canal and perpendicular to Brockport’s primary downtown commercial district on Main Street (Map 1) provide the opportunity to integrate waterfront development, pedestrian amenities, and mixed-use renovations.

Map 1: Map with Clinton Street Shown in Red



KEY TO FEATURES			
	Railroad		Seymour Library
	Tax Parcels		Post Office
	NYS Erie Canal		Lakeside Memorial Hospital
	Historic Landmarks		Police Department
	Parks & Playgrounds		Fire Department
	Village Boundary		Fire Station
	Village Sites		Public Works
	Village Hall		
	Town Hall		
	Oliver Middle School		
	Senior Center		
	Morgan Manning House		
	Welcome Center		

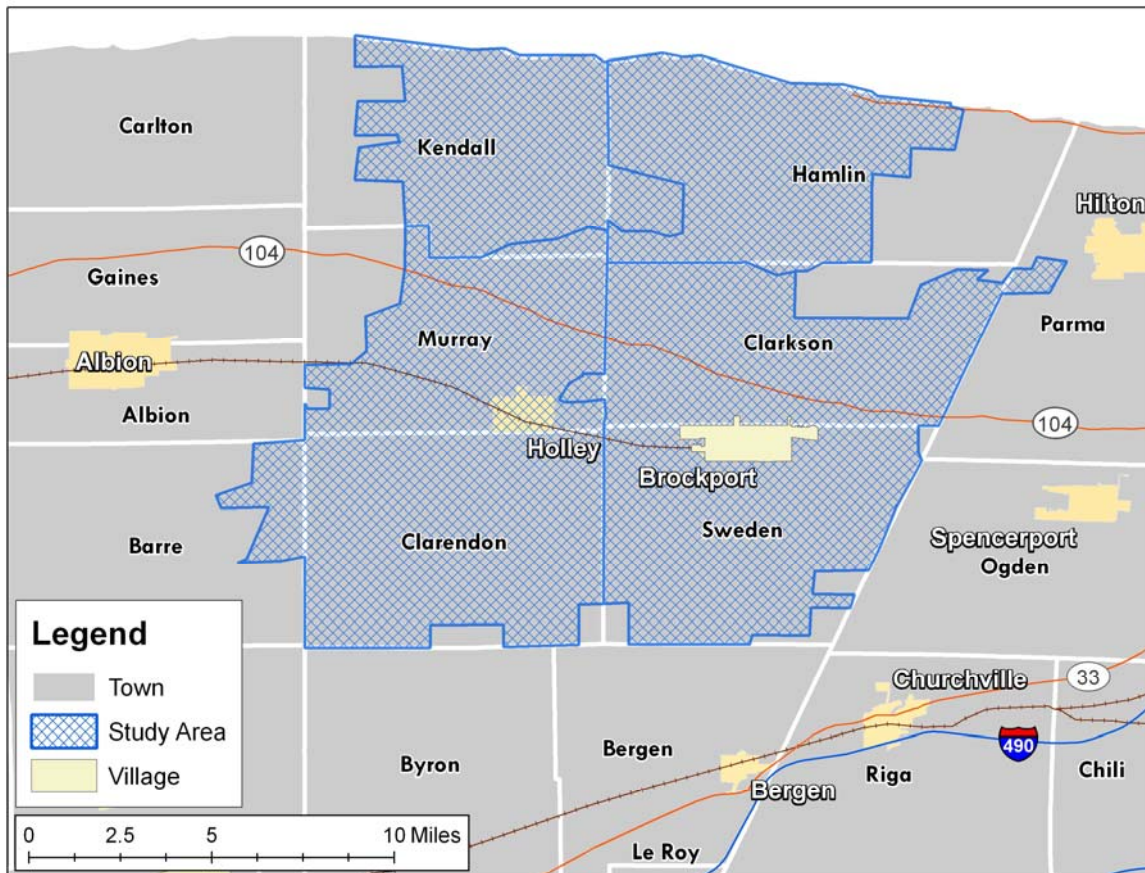
The market analysis will provide a general overview of the market forces in the community, and what, if any, uses may be successful in the Clinton Street redevelopment district. The analysis will be used in subsequent portions of the redevelopment process to help identify specific uses for properties within the district. Camoin Associates will analyze social and economic trends, real estate vacancy and lease rates, retail sales, and other important information to help narrow the search of possible uses for each property. This analysis focuses primarily on what uses may be economically viable. Redevelopment efforts will no doubt also include public recreation and beautification that will complement potential commercial, residential or retail uses; however, public recreation and beautification are not a focus of this analysis.

DEMOGRAPHIC REPORT

The initial stage of the market analysis is to assess and analyze major economic and demographic trends occurring in and around the Village of Brockport. This analysis is used to form a general overview of the population, identify key economic sectors, and highlight any major trends that would support or inhibit efforts to redevelop Clinton Street. The analysis is used in conjunction with data gathered in other reports to identify market segments, i.e. particular cross sections of the local population that will form likely target markets for redevelopment opportunities. Since potential users of Clinton Street businesses will likely come from surrounding municipalities as well as the Village proper, the assessment was performed for the Village and surrounding towns that form the “Study Area”, shown in Map 1 below.

Study Area

Map 1: Brockport Study Area



The Village of Brockport and the surrounding areas form the Study Area that was used to analyze demographic and industry trends that are relevant to redevelopment of Clinton Street. The Study Area (Map 1) was defined using the zip codes 14420, 14470, 14476, and 14454. The Study Area was chosen to include the Town of Clarkson and the Town of Sweden, as well as the areas west of the Village. The areas to the east including the town of Ogden and the Village of Spencerport were not included as the residents of these areas will likely travel to Rochester or Spencerport for downtown services. There is however anecdotal evidence that many of the customers that use the existing downtown Brockport amenities are from the Spencerport area.

Population Growth and Income

The Study Area is characterized by little or no population growth. Population growth has leveled off in recent years and is projected to stay relatively flat if current trends continue (Figure 1).

Figure 1: Population Growth

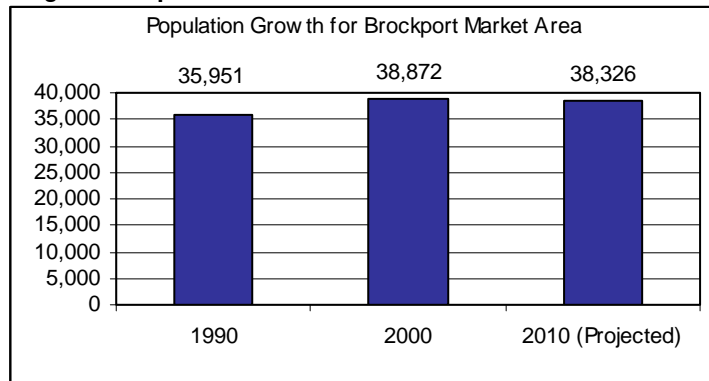
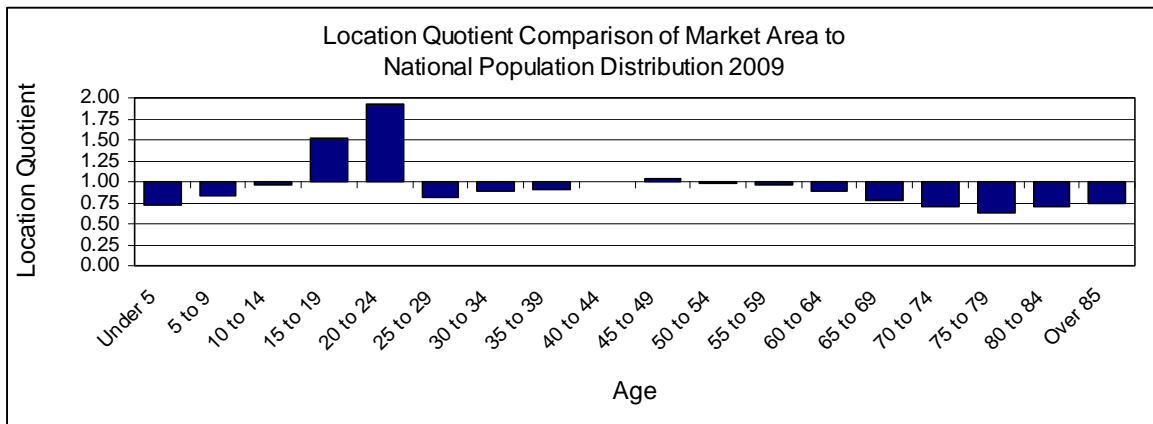


Figure 2 shows the location quotient for each age group in the Study Area in 2009. Location quotient is a comparison of the local

distribution of ages to the national distribution. A location quotient of 1 means that the value for the Study Area is equal to the value for the nation. A location quotient greater than 1 means there is a higher proportion of persons in that particular age group for the Study Area as compared to the national average. A location quotient of less than 1 means that there is a lower proportion of persons in that particular age group in the Study Area than the national average.

SUNY Brockport’s influence on the population is clearly shown in high location quotients for the group aged 15-19 and the group aged 20-24. Outside of college age persons, the next highest concentrations of population are in the groups aged 40 to 59. In terms of workforce, this a strong group to have, as they are in the highest earning stage of their careers and therefore will have more disposable income compared to other population ranges. The location quotient for children under the age of 5 is 0.73, indicating that there are fewer young families as compared to the national average. There is also a relatively low proportion of persons aged 65 and over.

Figure 2: Population Location Quotient 2009



Despite the large student population, the Study Area as a whole tends to be aging. The percentage of households over 55 is rising and is projected to continue to do so for the next several years. This is a common pattern in many communities as baby boomers move further into retirement age. Services that target this group of residents will likely be successful moving forward.

Table 1: Households Over 55

Percentage of Households Over 55 Years of Age			
Year	2000	2008	2013
Percentage	29.9%	35.1%	38.2%

Source: ESRI Business Analyst Online 2009

The population in the Study Area is relatively affluent with a low poverty rate. The median household income in 2000 was \$46,855 which was higher than the national average of \$42,164. The number of households living in poverty in the Study Area in 2000 was 8.1%, which was lower than the national average of 11.8%. Median household income is projected to continue to be higher in the Study Area than in the nation as a whole, upstate New York, and Monroe County (Table 2).

Table 2: Median Household Income 2000-2014

Median Household Income				
Year	Study Area	Monroe County	Upstate NY	National Average
2000	\$46,855	\$44,898	\$39,131	\$42,164
2009	\$60,535	\$59,670	\$51,057	\$54,719
2014	\$63,057	\$62,843	\$54,610	\$56,938

Source: ESRI Business Analyst Online 2009

The demographic indicators show an odd mix of forces. Generally an aging population with few young families is characteristic of small rural communities that are struggling to retain young professionals. However, rural communities often have low incomes and high poverty rates as compared to the national average. The incomes in Brockport show that it is also serving as an outer suburb or “bedroom” community for the greater Rochester area.

Rents

Residential rents in the Study Area are less than rents in the Rochester metro area (Table 3), but higher than rents in upstate New York. This re-enforces the area’s role as a transition zone between rural New York and the greater Rochester metro area. Rental vacancy rates are not high in the Study Area either (Table 4). Based on vacancy rates there is no clear over or under supply of rental units in the Study Area. The Village does have a higher vacancy rate than the Study Area.

Table 3: Residential Rental Rates 2000

Residential Market Rents in 2000			
	Study Area	Upstate NY	Rochester Metro
Median Rent	\$488	\$435	\$516
Average Rent	\$473	\$448	\$526
Average Gross Rent (with Utilities)	\$584	\$551	\$620

Source: ESRI Business Analyst Online 2009

Table 4: Rental Vacancy Rates 2000

Rental Vacancy Rates 2000				
	Village Only	Study Area	Upstate NY	Rochester Metro
Vacancy Rate	9.4%	7.7%	8.5%	7.7%

Source: ESRI Business Analyst Online 2009

Industry

The leading industry supersectors for the Brockport Study area are shown in Table 5. The largest sectors are government, retail trade and health care and social assistance. Post secondary instructors associated with the College are included in the government supersector. Workers at the Lakeside Hospital would be in the health care supersector. The fastest growing industry supersector is transportation and warehousing. This is due in part to the activity at the Allied Frozen Foods site in the Town of Sweden.

Table 5: Industry Breakdown

Industry Breakdown Brockport Study Area 2002-2014						
Industry Supersector	2002 Jobs	2009 Jobs	2014 Jobs	Absolute Change in Jobs 2002-2014	Percent Change in Jobs 2002-2014	Earnings Per Worker 2009
Government	3,089	2,960	2,906	(183)	(6%)	\$44,228
Retail trade	1,875	1,725	1,699	(176)	(9%)	\$21,409
Health care and social assistance	1,798	2,075	2,199	401	22%	\$34,483
Accommodation and food services	992	1,000	1,042	50	5%	\$14,083
Other services, except public administration	753	918	991	238	32%	\$15,345
Transportation and warehousing	563	956	1,137	574	102%	\$31,510
Manufacturing	556	571	554	(2)	(0%)	\$40,477
Construction	501	525	583	82	16%	\$39,892
Professional and technical services	414	589	713	299	72%	\$40,337
Administrative and waste services	204	156	173	(31)	(15%)	\$23,001
Arts, entertainment, and recreation	191	179	194	3	2%	\$9,226
Finance and insurance	144	134	131	(13)	(9%)	\$52,901
Real estate and rental and leasing	124	121	127	3	2%	\$23,977
Wholesale trade	109	93	103	(6)	(6%)	\$56,286
Mining	69	26	20	(49)	(71%)	\$40,587
Information	41	31	25	(16)	(39%)	\$27,942
Agriculture, forestry, fishing and hunting	23	36	38	15	65%	\$22,297
Management of companies and enterprises	21	24	25	4	19%	\$85,114
Educational services	20	19	19	(1)	(5%)	\$22,880
Utilities	0	<10	<10		--	\$--
Total	11,487	12,138	12,679	1,192	10.4%	\$32,253

The industry supersectors that are projected to add the most jobs over the next five years are transportation and warehousing, health care and social assistance, professional and technical services, and other services except public administration. Transportation and warehousing is the leading growth industry supersector; however, this is not an industry that typically locates in a downtown due to difficult trucking access. Health care is also a leading growth industry. Health care offices tend to locate near hospitals, but this may not prohibit medical offices from locating in downtown Brockport as travel times from downtown to the hospital are very short. However, the major issue that could prohibit medical office construction in downtown is that outfitting medical offices is significantly more expensive than general office space.

Professional and technical services includes lawyers, accountants, consultants, and other professional occupations. These types of industries often will locate in office space in downtowns, and often prefer downtown space to suburban style locations. The growth in this industry may mean that there will be increased demand for office space in the downtown area. Other services except public administration also includes businesses that may locate in a downtown area, such as hair salons; however, this group has a low earnings per worker which may limit the maximum rent a proprietor can afford to pay.

The accommodation and food service industry is the fourth largest industry supersector by total employment. For the Brockport Study Area, this supersector is made up almost entirely of food service occupations. There is little or no employment in accommodation. This shows that there is limited supply of overnight stay facilities within the Brockport Study Area.

Population Segments

Segmentation is a method of analyzing a population based on demographic and geographic indicators. The analysis assumes that people and households with similar tastes and preferences tend to locate together. Using socioeconomic indicators such as income, employment, age, housing type, and other factors, ESRI Business Analyst separates a population within a defined geography into one or more predefined classifications, or segments. ESRI has 65 predefined segments, and will identify the predominate segments within a community. This is useful to gain a general feel for the spending habits, tastes, and cultural preferences of a community. The segments of the Study Area are compared to the segments of the United States to form an index. The index shows the size of a particular segment in the local Study Area compared to the United States. An index of 100 is average, an index above 100 is above average, and an index of below 100 is below average.

Table 6: Tapestry Segments

Ranked Tapestry Segments								
		Study Area Households			U.S. Households			
Rank	Tapestry Segment	Percent	Cumulative Percent	Percent	Cumulative Percent			Index
1	32. Rustbelt Traditions	20.1%	20.1%	2.8%	2.8%			708
2	26. Midland Crowd	18.8%	38.9%	3.7%	6.5%			503
3	19. Milk and Cookies	14.5%	53.4%	2.0%	8.5%			743
4	18. Cozy and Comfortable	14.0%	67.4%	2.8%	11.3%			493
5	55. College Towns	7.4%	74.8%	0.8%	12.1%			936
		74.8%		12.1%				
6	13. In Style	7.3%	82.1%	2.5%	14.6%			293
7	17. Green Acres	4.6%	86.7%	3.2%	17.8%			143
8	28. Aspiring Young Families	3.8%	90.5%	2.4%	20.2%			164
9	22. Metropolitans	3.1%	93.6%	1.2%	21.4%			262
10	14. Prosperous Empty Nesters	2.9%	96.5%	1.8%	23.2%			158
		21.7%		11.1%				
11	30. Retirement Communities	2.4%	98.9%	1.5%	24.7%			162
12	25. Salt of the Earth	1.1%	100.0%	2.8%	27.5%			40
13	29. Rustbelt Retirees	0.1%	100.1%	2.1%	29.6%			4

Source: ESRI Business Analyst Online 2009

The leading five segments in the Study Area are: Rustbelt Traditions, Midland Crowd, Milk and Cookies, Cozy and Comfortable, and College Towns. Of the largest five segments, there are three that have a very high index which are: College Towns, Milk and Cookies, and Rustbelt traditions. A brief description of each of the top five segments in the Study Area is shown below:

- College Towns:

As the description suggests, this population segment has a high student population. The median age is young, about 24 years old. Spending habits tend to focus on fast food and short order restaurants, spending at bars, and shopping at discount retailers with a preference for name brand clothing stores. Access to the internet is a priority for this group.

- Milk and Cookies

This group is characterized by young, affluent families with dual incomes that live in single family homes. Over 50% of households have children and the median age is about 34 years old. The group owns two vehicles, and generally spends money on their children and at fast food and short order restaurants.

- Rust Belt Traditions

This is a middle income group with a median household income of slightly less than the national average. The group includes a varied mix of married couples, families, and singles. This is generally a financially conservative segment that has a high rate of homeownership, approximately 75%. The defining characteristic is geography, as many members of this segment have grown up in the area around the Great Lakes. The Great Lakes region has been impacted by the decline of manufacturing. Many of those residents that no longer work for manufacturing companies have transferred to jobs in the service sector.

- Midland Crowd

The Midland Crowd is a middle income married population. 84% of households own a home. Spending is often on used cars, household furniture and large screen TV's.

- Cozy and Comfortable

This segment has an upper middle class median income level and the median age is around 42. 88% of households own a single family home. Households typically include married couples. They will eat out at family restaurants and shop at stores such as Kohl's. This tends to be a settled group with a moderate to high level of disposable income.

These segments help to highlight the major demographic forces in the community. College Towns is a description of students and professors, and makes up about 7.4% of the total population. The index for this demographic segment is 936. An index of 100 shows that a segment is equal to the national average, so an index of 936 is very high and is an indication that there is a disproportionately high number of students and faculty in the

Brockport Study Area. Due to this high concentration, students and faculty are a key market in Brockport.

The other four of the five top segments tend to be characteristic of suburban and rural or small town areas. These are generally middle income married couples and families with modest to moderate spending habits. The segmentation analysis tends to reinforce the Brockport area's role as both a small town and a suburban community.

Canal Users

Brockport's history is closely tied to the Erie Canal. Clinton Street is located immediately adjacent to the Canal, and as such an investigation into canal usage is important for this study. While the freight traffic on the canal has declined since the 1950's, in recent years recreational boaters have begun using the canal in increasing numbers. The NYS Canal Corporation and the municipalities and counties located along the canal have also made a concerted effort to beautify the waterway and connect a multiuse trail system along the banks of the canal for hikers and bikers. Many communities have been able to leverage the Erie Canal as a recreational resource for residents and for tourists.

A welcome center located in the Village of Brockport records the number of boaters that stop in Brockport every season. For the years 2006, 2007, and 2008 the welcome center recorded 466, 573, and 536 boat nights per season. This represents approximately 3.2 boats per night per season. This volume of recreational boater traffic is not high enough on its own to sustain a hotel or restaurant. However, the increased traffic is a supplement to any business that is operating in the Village. There are also tourist users that will bike the canal trail, however, statistics for these users are unavailable.

The Canal may not provide a significant market for tourist dollars, however, that does not mean that the Canal cannot serve an important role in the redevelopment of Clinton Street. Site specific redevelopment projects should be combined with a district wide effort to beautify the area, provide access to the canal, and form pedestrian connections between the redevelopment district, the Canal and Main Street. Clinton Street's physical location between the University, Main Street and the Canal provides the opportunity to redesign the area as a pedestrian centered connection between these three important community resources.

Target Markets

Based on the demographic analysis and interviews conducted in the commercial market analysis, the Brockport Study Area has four primary markets that could potentially induce businesses to locate in the Clinton Street redevelopment district. These markets include:

- **Student Population and Faculty**
The College is a leading asset for the community and can be utilized as a target market or partnership organization for redevelopment efforts. The

existing Village housing stock provides many of the housing needs to students living off-campus. The downtown area also provides some entertainment amenities to students. As described in the conclusions section of this report, partnering with the College could be a key strategy for redevelopment of Clinton Street.

- Longtime Residents

This is one of the largest demographic segments in the community. Redevelopment efforts that serve this segment may include family style restaurants, office space for professional services that market to area residents, and niche retail.

- Commuters

There are commuters that live in the area and travel to Rochester for work. This group may be targeted for restaurants, niche retail, and office space for professional services that market to area residents.

- Recreational Canal Users

The Erie Canal brings recreational users to the Village, but the volume of recreational users is not high enough to completely support new businesses. The recreational users do provide a supplemental revenue stream to existing and new businesses. The canal is an important community resource that should be used to market the area, create recreational opportunities and add to the overall appeal of the downtown area. Furthermore, improvements to the canal and waterfront will likely attract additional visitors in the future to help build a stronger tourism market.

RETAIL MARKET REPORT

Retail components are often an important element of downtown redevelopment efforts. Successful retail brings foot traffic and activity to an area. Brockport has a number of successful retail businesses located on Main Street. An investigation into the retail market was undertaken to identify the potential for additional retail in the Clinton Street redevelopment district.

Retail Sales Leakage Analysis

The retail sales leakage analysis examines the potential market for new retail stores in the Study Area. A retail sales leakage analysis compares the potential spending of households in the Study Area on retail goods based on household income, and compares that to the amount of retail sales being captured by local businesses based on gross receipts. Retail sales dollars that are not being captured by local businesses are called a retail gap. A significant retail gap indicates that a new retail business or businesses could be successful, as there is unmet demand for that good in the area. A negative retail gap shows that the supply of a particular retail subsector exceeds local demand, and households are traveling from outside the Study Area to inside the Study Area to purchase goods.

Table 1 shows the sales leakage summary table for the Brockport Study Area. Industry subsectors are shown in bold and industry groups are shown as sub-headings under each industry subsector. All but two industry subsectors show a retail gap. The two subsectors that do not show a gap are:

- food and beverage stores
- general merchandise stores

This means that there is limited room in the local market for new businesses that serve these two industry subsectors. However, there appears to be room for new businesses in other industry subsectors. Of the subsectors that do show a gap, there are some that would not be a good fit for a downtown, because they would not match the character of a downtown or are geared towards shoppers who are more likely to travel to a shopping mall or retail power center to purchase that good. Those subsectors that show a gap but are not necessarily likely to locate in a downtown are:

- motor vehicle and parts dealers
- furniture and home furnishings stores
- electronics and appliance stores
- building material, garden equipment and supply stores
- health care and personal services
- gasoline stations
- general merchandise stores
- nonstore retailers

Table 1: Retail Sales Leakage by Industry Subsector

Retail Sales Leakage			
Industry Group	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap
Motor Vehicle & Parts Dealers (NAICS 441)	\$74,655,318	\$28,473,237	\$46,182,081
Automobile Dealers (NAICS 4411)	\$62,897,765	\$24,321,927	\$38,575,838
Other Motor Vehicle Dealers (NAICS 4412)	\$6,824,332	\$132,290	\$6,692,042
Auto Parts, Accessories, and Tire Stores (NAICS 4413)	\$4,933,221	\$4,019,020	\$914,201
Furniture & Home Furnishings Stores (NAICS 442)	\$10,615,224	\$3,145,733	\$7,469,491
Furniture Stores (NAICS 4421)	\$5,732,118	\$1,419,287	\$4,312,831
Home Furnishings Stores (NAICS 4422)	\$4,883,106	\$1,726,446	\$3,156,660
Electronics & Appliance Stores (NAICS 443/NAICS 4431)	\$12,222,563	\$3,874,112	\$8,348,451
Bldg Materials, Garden Equip. & Supply Stores (NAICS 444)	\$12,741,916	\$9,330,983	\$3,410,933
Building Material and Supplies Dealers (NAICS 4441)	\$11,665,028	\$7,563,815	\$4,101,213
Lawn and Garden Equipment and Supplies Stores (NAICS 4442)	\$1,076,888	\$1,767,168	-\$690,280
Food & Beverage Stores (NAICS 445)	\$75,096,871	\$94,760,611	-\$19,663,740
Grocery Stores (NAICS 4451)	\$69,293,048	\$87,528,032	-\$18,234,984
Specialty Food Stores (NAICS 4452)	\$2,399,738	\$4,336,546	-\$1,936,808
Beer, Wine, and Liquor Stores (NAICS 4453)	\$3,404,085	\$2,896,033	\$508,052
Health & Personal Care Stores (NAICS 446/NAICS 4461)	\$15,132,814	\$8,855,478	\$6,277,336
Gasoline Stations (NAICS 447/NAICS 4471)	\$38,365,337	\$21,446,201	\$16,919,136
Clothing and Clothing Accessories Stores (NAICS 448)	\$20,294,226	\$2,779,319	\$17,514,907
Clothing Stores (NAICS 4481)	\$16,271,798	\$2,260,117	\$14,011,681
Shoe Stores (NAICS 4482)	\$2,240,483	\$365,978	\$1,874,505
Jewelry, Luggage, and Leather Goods Stores (NAICS 4483)	\$1,781,945	\$153,224	\$1,628,721
Sporting Goods, Hobby, Book, and Music Stores (NAICS 451)	\$5,738,181	\$1,874,770	\$3,863,411
Sporting Goods/Hobby/Musical Instrument Stores (NAICS 4511)	\$3,530,766	\$365,203	\$3,165,563
Book, Periodical, and Music Stores (NAICS 4512)	\$2,207,415	\$1,509,567	\$697,848
General Merchandise Stores (NAICS 452)	\$15,562,235	\$18,362,504	-\$2,800,269
Department Stores Excluding Leased Depts. (NAICS 4521)	\$11,441,546	\$8,128,757	\$3,312,789
Other General Merchandise Stores (NAICS 4529)	\$4,120,689	\$10,233,747	-\$6,113,058
Miscellaneous Store Retailers (NAICS 453)	\$6,706,429	\$2,465,846	\$4,240,583
Florists (NAICS 4531)	\$734,537	\$329,946	\$404,591
Office Supplies, Stationery, and Gift Stores (NAICS 4532)	\$1,872,370	\$723,536	\$1,148,834
Used Merchandise Stores (NAICS 4533)	\$975,662	\$330,263	\$645,399
Other Miscellaneous Store Retailers (NAICS 4539)	\$3,123,860	\$1,082,101	\$2,041,759
Nonstore Retailers (NAICS 454)	\$11,174,044	\$761,998	\$10,412,046
Electronic Shopping and Mail-Order Houses (NAICS 4541)	\$4,953,929	\$761,998	\$4,191,931
Vending Machine Operators (NAICS 4542)	\$4,237,721	\$0	\$4,237,721
Direct Selling Establishments (NAICS 4543)	\$1,982,394	\$0	\$1,982,394
Food Services & Drinking Places (NAICS 722)	\$49,817,266	\$31,593,887	\$18,223,379
Full-Service Restaurants (NAICS 7221)	\$30,068,134	\$9,891,452	\$20,176,682
Limited-Service Eating Places (NAICS 7222)	\$11,249,022	\$15,397,906	-\$4,148,884
Special Food Services (NAICS 7223)	\$5,553,159	\$3,761,254	\$1,791,905
Drinking Places - Alcoholic Beverages (NAICS 7224)	\$2,946,951	\$2,543,275	\$403,676

Source: ESRI Business Analyst 2009

The industry subsectors that would likely be a good fit for the Brockport area are shown in Table 2. The industry groups that are highlighted in yellow are those with the largest retail gap as measured in absolute dollars.

Table 2: Good Fit Industry Groups for Brockport Study Area

Retail Sales Leakage: Brockport Target Industry Groups			
Industry Group	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap
Clothing and Clothing Accessories Stores (NAICS 448)	\$20,294,226	\$2,779,319	\$17,514,907
Clothing Stores (NAICS 4481)	\$16,271,798	\$2,260,117	\$14,011,681
Shoe Stores (NAICS 4482)	\$2,240,483	\$365,978	\$1,874,505
Jewelry, Luggage, and Leather Goods Stores (NAICS 4483)	\$1,781,945	\$153,224	\$1,628,721
Sporting Goods, Hobby, Book, and Music Stores (NAICS 451)	\$5,738,181	\$1,874,770	\$3,863,411
Sporting Goods/Hobby/Musical Instrument Stores (NAICS 4511)	\$3,530,766	\$365,203	\$3,165,563
Book, Periodical, and Music Stores (NAICS 4512)	\$2,207,415	\$1,509,567	\$697,848
Miscellaneous Store Retailers (NAICS 453)	\$6,706,429	\$2,465,846	\$4,240,583
Florists (NAICS 4531)	\$734,537	\$329,946	\$404,591
Office Supplies, Stationery, and Gift Stores (NAICS 4532)	\$1,872,370	\$723,536	\$1,148,834
Used Merchandise Stores (NAICS 4533)	\$975,662	\$330,263	\$645,399
Other Miscellaneous Store Retailers (NAICS 4539)	\$3,123,860	\$1,082,101	\$2,041,759
Food Services & Drinking Places (NAICS 722)	\$49,817,266	\$31,593,887	\$18,223,379
Full-Service Restaurants (NAICS 7221)	\$30,068,134	\$9,891,452	\$20,176,682
Limited-Service Eating Places (NAICS 7222)	\$11,249,022	\$15,397,906	-\$4,148,884
Special Food Services (NAICS 7223)	\$5,553,159	\$3,761,254	\$1,791,905
Drinking Places - Alcoholic Beverages (NAICS 7224)	\$2,946,951	\$2,543,275	\$403,676

Source: ESRI Business Analyst 2009

The industry group with the largest retail gap is full-service restaurants. There is a retail gap of over 20 million dollars in the Study Area for this industry group. This means that households are either not spending money on full service restaurants or spending money on full service restaurants outside the Study Area. This is a very strong indication that additional full service restaurants could be supported in the Study Area provided the right circumstances.

Similar to full-service restaurants, clothing stores and sporting goods/hobby/musical instrument stores have a large retail gap in the Study Area and additional retail establishments could be supported inside the Study Area. However, there is an important difference between these two industry groups and full service restaurants. Clothing stores and sporting goods/hobby/musical instrument stores located in a downtown will compete more directly with a retail center such as a shopping mall or big box power center. Restaurants tend to face less of this type of competition as restaurants tend not to be built in planned clusters the way shopping malls and retail power centers are constructed. While there is a significant retail gap for the clothing and sporting goods/hobby/musical industry groups, a new retail business in these industry groups may have more trouble operating successfully than a full-service restaurant and will therefore need to offer a product or range of services that differs from what is offered at a shopping mall or big box store. This may include a focus on a niche market, bundling of both products and services, focusing on an upscale or downscale market, or some other method to differentiate the business in the marketplace.

The data from the retail market sales leakage analysis shows that there is a potentially large market of retail spending that is not being captured in the Study Area. In particular, the area is being strongly underserved by full service restaurants. A restaurant or restaurants in the downtown area that are appropriately targeted to the Brockport community’s tastes could be successful.

A review of the sales per store provides additional insight into the viability of more retail establishments in the Study Area. Table 3 shows average sales per store in the Study Area, Monroe County, upstate New York and the United States as a whole. The table also shows the median of these four values for each industry subsector.

Table 3: Average Sales per Store 2008

Sales Per Store					
	Study Area	Monroe County	Upstate NY	USA	Median Value
Clothing Stores (NAICS 4481)	\$277,932	\$338,207	\$406,810	\$542,667	\$372,508
Sporting Goods/Hobby/Musical Instrument Stores (NAICS 4511)	\$60,867	\$163,663	\$161,228	\$219,322	\$162,445
Full-Service Restaurants (NAICS 7221)	\$509,579	\$533,259	\$431,578	\$665,427	\$521,419

Source: ESRI Business Analyst 2009 & Camoin Associates 2009

Taking the median sales figure included in Table 3 and comparing that to the retail trade gap yields an estimate of the number of new stores that would be supported by residents of the Study Area. A 25% capture rate was used for this calculation, meaning that the analysis assumes that only 25% of the potential sales dollars would be spent within the Study Area. The remaining 75% is assumed to continue to be spent outside the Study Area, or not spent at all. The results of this analysis are shown in Table 4. Based on per store average sales, and a 25% capture rate, the Study Area could potentially support 9 clothing stores, 5 sporting goods/hobby/musical instrument stores and 10 full-service restaurants.

Table 4: Potential Number of New Stores

Potential Number of New Stores in Study Area by NAICS Code			
Industry Group	Retail Gap	Median Sales per Store	Number of New Stores (25% capture rate)
Clothing Stores (NAICS 4481)	\$14,011,681	\$372,508	9
Sporting Goods/Hobby/Musical Instrument Stores (NAICS 4511)	\$3,165,563	\$162,445	5
Full-Service Restaurants (NAICS 7221)	\$20,176,682	\$521,419	10

Source: ESRI Business Analyst 2009 & Camoin Associates 2009

The numbers shown in Table 4 are based on local and national averages and therefore include a combination of both small local stores, and large national chains. National chain retailers require a much higher per store annual revenue than independently owned stores. The Olive Garden and Red Lobster chains recorded 2008-2009 fiscal year per store average revenues of \$4.8 million, and \$3.8 million respectively. TGI Friday's restaurants per store revenues in 2005 were \$3.8 million. National clothing retailers also have similar revenue demands. The Gap had an average per store revenue of \$4.6 million in the year ending in the first quarter of 2009. With a 25% capture rate, a national chain could still draw enough revenue to locate in the area. However, these numbers may not be attractive enough to lure a national chain, and it may be more appropriate to utilize downtown space for locally or regionally owned establishments.

Demand for Retail Space

The market for retail space development is generally strong for the greater Rochester area. Table 5 shows the retail vacancy rates for the greater Rochester area, and shows an overall retail vacancy rate of 7.16%. The northwest portion of the greater Rochester area has a low vacancy rate of 6.80%. A low vacancy rate is generally an indication that there is enough demand in the market to support development of new or renovated space for lease or sale.

Downtown Brockport also shows signs that there is room for additional development of retail space. An interview conducted with the downtown merchants association showed that there were approximately 30 operational downtown businesses, and few retail vacancies in buildings located on Main Street.

Table 5: Retail Vacancy Rates

Retail Market Vacancy Rates 2008		
Rochester Metro Area	Inventory (sq)	Vacancy Rate
Northeast	4,297,370	9.06%
Northwest	2,777,494	6.80%
South Central	4,952,192	6.40%
Southeast	2,801,832	4.15%
Southwest	1,686,616	12.19%
Downtown	1,283,345	4.53%
Total	17,798,849	7.16%

Source: Pyramid Brokerage 2009

Based on conversations with area property owners and retail proprietors, the going rent for downtown retail space in Brockport is approximately \$8.5 to \$9 triple net¹ per square foot annually. These are below market retail lease rates for the greater Rochester area. The average retail lease rate for neighborhood retail in the greater Rochester area is about \$12.00 per square foot annually.

The going rates for retail space in downtown Brockport are below market. If any of the buildings in the Clinton Street redevelopment district require significant renovations, the cost for renovation will likely exceed the income that a property owner will derive from leases to retail tenants. This will impede a developer from renovating an underutilized property. To overcome this, the Village will likely need to assist the developer in identifying and securing public funding to make a renovation project financially feasible.

¹ Triple net includes rent, utilities and property taxes

COMMERCIAL MARKET ANALYSIS REPORT

To gain an initial indication of the feasibility of the redevelopment of existing properties in the Clinton Street redevelopment area, an investigation of the vacancy rates, lease rates and sales rates of commercial property was conducted. A review of economic trends and projected employment growth in Monroe County was performed as framework for the investigation into industrial, commercial, retail, and residential lease and vacancy rates.

Employment Trends Overview:

Table 1 shows recent job growth and projected employment trends in Monroe County for the next five years. The strongest growth areas are educational services, administrative and waste services, health care, and management of companies. It is important to note that instructors at private universities are classified in educational services, while instructors at public universities, such as SUNY Brockport, are classified in government.

Table 1: Monroe County Industry Change 2002-2014

Industry Breakdown Monroe County 2002-2014						
Industry Supersector	2002 Jobs	2009 Jobs	2014 Jobs	Absolute Change in Jobs 2002-2014	Percent Change in Jobs 2002-2014	Earnings Per Worker 2009
Manufacturing	71,798	51,444	38,168	(33,630)	(47%)	\$87,309
Health care and social assistance	61,241	69,143	73,010	11,769	19%	\$40,583
Government	49,126	46,797	45,456	(3,670)	(7%)	\$60,572
Retail trade	48,896	46,798	46,244	(2,652)	(5%)	\$25,881
Professional and technical services	31,666	33,874	36,514	4,848	15%	\$57,567
Educational services	26,433	31,837	35,383	8,950	34%	\$50,117
Accommodation and food services	24,817	24,744	25,387	570	2%	\$17,185
Administrative and waste services	23,543	27,628	30,340	6,797	29%	\$32,009
Other services, except public administration	18,201	19,631	19,821	1,620	9%	\$22,035
Finance and insurance	18,102	18,026	18,838	735	4%	\$64,655
Construction	17,637	17,018	18,344	707	4%	\$52,576
Wholesale trade	16,643	15,792	16,013	(630)	(4%)	\$75,533
Real estate and rental and leasing	13,435	14,772	15,929	2,494	19%	\$25,622
Information	13,379	9,971	9,444	(3,936)	(29%)	\$74,799
Management of companies and enterprises	10,476	11,821	12,325	1,848	18%	\$98,604
Transportation and warehousing	9,886	10,382	10,642	755	8%	\$43,022
Arts, entertainment, and recreation	9,458	9,539	10,407	949	10%	\$14,978
Utilities	1,874	1,043	735	(1,139)	(61%)	\$111,224
Agriculture, forestry, fishing and hunting	1,302	1,093	1,042	(261)	(20%)	\$18,465
Mining	580	309	344	(236)	(41%)	\$24,988
Total	467,915	461,351	464,041	(3,874)	(1%)	\$32,253

Educational services has shown strong growth in recent years, and is projected to be the fastest growing industry in the County through 2014. With the presence of a major college, Brockport is well positioned to be a participant in this growth of educational services. There are many examples of communities that have successfully partnered with local colleges and universities on downtown redevelopment projects. The Big Tree Inn in Geneseo is an example of this, as well as Seneca Place on the Commons in Ithaca New York. Binghamton University recently completed a large downtown complex in the City of Binghamton which has spurred proposals by several private developers for student housing projects and other associated developments in the Downtown. SUNY Brockport is a leading asset to the

Village, and finding a project that can be a partnership between the community and the College would be a boon to Clinton Street as well as position the community to capitalize on the growing education industry in Monroe County.

There has also been strong growth among management of companies and professional and technical services. These industries include businesses that may look to locate in office space located in the Village center. As noted in the demographic report, the Brockport Study Area has seen a rise in professional and technical services as has the County. A redevelopment project on Clinton Street could capitalize on this growth by providing office space to professionals.

Industrial property:

While industrial uses are probably not appropriate for Clinton Street, a brief analysis of industrial property was conducted to gain a more complete view of the real estate market. The western Rochester industrial market, particularly the northwest, is characterized by very high vacancy rates. In 2008 the northwest Rochester region had an industrial vacancy rate of over 31% (Table 2). The surplus in supply of industrial space combined with the limited transportation access to Clinton Street indicate that industrial uses for the area should not be a primary focus of redevelopment efforts.

Table 2: Industrial Vacancy Rates 2008

Industrial Market Vacancy Rates 2008		
Rochester Metro Area	Inventory (sq)	Vacancy Rate
Northeast	7,561,608	5.9%
Northwest	6,493,470	31.2%
South Central	10,727,263	4.7%
Southeast	4,553,418	5.2%
Southwest	13,304,271	22.9%
City Center	30,070,361	10.5%
Total	72,710,391	12.8%

Source: Pyramid Brokerage 2009

Office Property:

The office market vacancy rate for the greater Rochester area is shown in Table 3. Data is only available for the city center, and the suburban south central and suburban southeast markets in the greater Rochester area. Rochester is characterized by a surplus of office space in the central business district (CBD), and lower vacancy rates in the suburban office market. Data is not available for the Northwest Rochester market, which is where Brockport is located; however, this information does give a general view of the suburban office market.

Table 3: Office Market Vacancy Rates 2008

Office Market Vacancy Rates 2008				
Rochester Metro Area	Inventory (sq)	Vacancy Rate	Class A Per Square Foot Rental Rate	Class B Per Square Foot Rental Rate
South Central (suburban)	3,178,181	8.8%	\$19.25	\$14.00
Southeast (suburban)	3,871,268	13.6%	\$19.25	\$14.00
City Center (CBD)	6,234,178	21.6%	\$21.00	\$12.00
Total	13,283,627	14.3%	\$19.83	\$13.33

Source: Pyramid Brokerage 2009

Table 4 summarizes the vacancy rates for all major U.S. office markets in the second quarter of 2009. The total U.S. vacancy rate in 2009 is slightly higher than that of the Rochester area in 2008. Vacancy rates in Rochester have increased through the first and second quarter of 2009, as have vacancy rates all across the county, which would bring vacancy rates in the greater Rochester area to a similar level to that shown in Table 4. The major difference between the Rochester market and the other major U.S. markets is that Rochester’s central business district is characterized by a higher level of vacant office space compared to the suburbs, while the reverse is true for the other major markets.

Table 4: Summation of 70 largest U.S. Office Markets

U.S. Office Market Vacancy Rates 2nd Q. 2009	
CBD	13.9%
Suburban	17.3%
Total	15.4%

Source: Cushman & Wakefield 2009

Table 3 also shows the annual per square foot lease rates for office space in the Rochester area. Based on an internet search, per square foot lease rates in the Brockport area are lower than the Rochester average. Lease rates range from \$8 to \$12 per square foot triple net for class A and Class B space. Discussions with office space realtors that work in the area indicate that the going rate for office space in western Monroe County is approximately \$10 per square foot triple net. This is the case as of summer 2009, when rates have been at historic lows. Rates would be higher in more competitive periods, but still below the greater Rochester area average.

Brockport is on the outer edge of the Rochester metro area. This will severely limit the Village’s competitiveness in attracting firms that serve the entire Rochester region, as the commute is too far. A regional or national insurance provider looking to open an office that serves western Monroe County will likely locate in the Spencerport or the Canal Ponds area. However, small firms that primarily serve the Brockport area or are otherwise connected to the community may be interested in space in the Clinton Street redevelopment district.

Many suburban communities have had success with development of suburban city centers that incorporate an office component. This is usually successful in metro areas that have a

very desirable central city downtown office market, and the suburban centers can offer a similar feel with lower rents. The high vacancies in the Rochester’s central business district show that there is an over supply of office space, which will translate into lower prices. This means that the primary users of office space in the Brockport area will be users whose service area is Brockport, as office users whose service area is all of Rochester will be able to find space in Rochester’s CBD at a reasonable lease rate.

Conversations with individuals involved with the local real estate market indicate that there are very few large office users that may want to locate in the area. These conversations however, did indicate that there is a market for smaller users including real estate, law, insurance and small scale professional offices. Industry data also shows that professional services is a growing industry supersector in the Brockport Study Area, so the small office market could be targeted for redevelopment of some buildings in the Clinton Street redevelopment district. The primary office market users of this space will be professional businesses that serve the local Brockport area rather than serve the region or nation. Providing space in downtown in a mixed-use or single use property marketed to this segment of the office user market could be a focus for redevelopment efforts.

Recent Sales Data:

Recent sales data in downtown Brockport show that older buildings sell for about \$39 per square foot. This is a low sales price, and is either an indication of the low market lease rates, or that many of the buildings are in need of significant renovation.

Table 5: Brockport Row Building Sales Data

Brockport Downtown Row Building Sales						
Address		Total Floor Area	Year Built	Sale Date	Sale Price	\$/Sq Ft
Number	Street					
1	Main	5,016	1900	10/30/2005	\$ 225,000	\$ 44.86
2	Main	3,976	1940	8/16/2004	\$ 250,000	\$ 62.88
15	Market	1,760	1900	5/20/2006	\$ 80,000	\$ 45.45
21/25	Main	7,644	1895	2/6/2007	\$ 198,000	\$ 25.90
27/31	Market	4,498	1900	12/30/2005	\$ 148,000	\$ 32.90
32	Main	2,138	1850	8/9/2005	\$ 55,000	\$ 25.72
61/65	Main	8,325	1850	6/7/2007	\$ 285,000	\$ 34.23
77	Main	2,916	1900	11/8/2006	\$ 160,000	\$ 54.87
Average \$/Sq Ft						\$ 38.62

Source: Monroe County RPTS

Residential

Strategies for downtown and waterfront redevelopment generally focus on creation of first floor retail and second floor residential and office uses. Residential uses can come in the form of rental or condominium units. Due to the relatively modest median home price in Brockport, a condominium style unit may not be attractive to many buyers as a full sized

house can be purchased for a comparable or lower price. However, there has been a growing national trend among empty nesters and active retirees to downsize from a full sized house to a condominium because condominiums offer “maintenance free living”. With the growing number of retirees in the area there may be a market for this style of development. Brockport also serves as a center for rentals in the Study Area and the rental market may be a viable focus for a downtown redevelopment project.

The Brockport Study Area has a high rate of owner occupied housing units as compared to upstate New York and the Rochester metropolitan area (Table 6). Table 7 shows that rental vacancy rates in the Brockport Study Area are not particularly low or high, and therefore there is not an over supply or under supply of apartments. The high rate of owner occupancy in the Brockport Study Area is likely indicative of the preferences of consumers in the Brockport market, rather than a shortage of rental space. Consumers locating in Brockport are there to buy a house and live in the small town setting. However, in the Village proper, the percentage of rentals is significantly higher. There are more renter occupied units than owner occupied units in the Village boundaries, with about 55% of occupied units in the Village being occupied by renters. Rental vacancy rates in the Village are a little high, being about 1 percentage point higher than the upstate New York Average (Table 7).

Table 6: Occupied Units by Tenure 2000

Occupied Housing Units By Tenure				
	Village Only	Study Area	Rochester Metro	Upstate NY
Owner Occupied	45.1%	73.6%	67.8%	67.6%
Renter Occupied	54.9%	26.4%	32.2%	32.4%

Source: ESRI Business Analyst

Table 7: Rental Vacancy Rates 2000

Rental Vacancy Rates 2000				
	Village Only	Study Area	Upstate NY	Rochester Metro
Vacancy Rate	9.4%	7.7%	8.5%	7.7%

Source: ESRI Business Analyst Online 2009

Currently, there are some apartments on the second and third floor of downtown buildings. Based on conversations with downtown property owners, downtown apartments generally have asking rents that are lower than the rest of the Brockport area. Rents in downtown apartments are approximately \$400 to \$425 for a one bedroom. These rents are lower than the rents in the Study Area, and in the student market.

Based on conversations with local stakeholders, students make up a large portion of the rental market in the Village. Student rentals tend to be concentrated in converted residential units in the areas west of Main Street, between Main Street and the University Campus. Clinton Street does extend west of Main Street, and therefore a discussion of the student rental market is relevant. Student rental rates in converted residential units are

approximately \$400 for a studio, \$450-\$500 for a one bedroom, \$600 for a two bedroom, and \$900 per month (\$3,600 per person per academic year) for a three bedroom.

The perception among those interviewed for this analysis is that student housing within the Village is often poorly maintained and that student rentals tend to make a neighborhood less attractive to homeowners. This is a common concern expressed by homeowners that live near campus in college towns. As mentioned before, most of the rentals offered in the Village are converted from single family residential to rental properties, this may be due to the restrictions outlined in the zoning code that prevent construction of an apartment complex with more than four residential units, leaving landlords limited options to fill market demands in the area. Student rental rates in converted residential units are fairly low, usually running approximately \$450-500 for a one bedroom. The Village code limits the size of converted residential units as it is a zoning violation to rent a single unit to three or more unrelated individuals in a residentially zoned district.

Construction of a new student apartment complex in the Town of Sweden, College Suites, is scheduled for completion in 2009. This will be a 401 bedroom project that will charge rents above the market rent in the Brockport area. The development company targets locations where 50% or more of the student population lives off campus. At SUNY Brockport, 60% of the student population lives off campus. The asking rents at College Suites are significantly higher than average rents in the Village or Study Area, and are \$1,366 per month (\$8,200 per person per academic year) for a 2 bedroom, \$1,850 per month (\$7,400 per person per academic year) for a 3 bedroom and \$2,400 per month (\$7,200 per person per academic year) for a 4 bedroom. If these apartments are successful, it may show that there is a shortage in the market for newer, high quality rentals.

Property owners and real estate professionals that were contacted as part of this analysis have indicated that there is a sufficient supply of residential rentals in the Village. The high proportion of rental units in the Village and above average vacancy rates would tend to confirm this. The issue is not the supply of rentals, but rather the quality of rentals in the Village. Older properties tend to be in poorer condition than newer properties and according to Monroe County Real Property, there have only been two apartment properties built in the Village since 1975.

The Village serves as a center for residential rentals not only for students but for the non-student population in the Study Area as well. The perception is that student rentals in the Village and rentals in the downtown area are of lower quality with lower asking rents than other local area rental units. Redevelopment of a building in the Clinton Street area may include residential property on the upper floors. The limited supply of quality student rentals and quality rentals in the downtown may mean that there is room in the market for construction of higher quality rental units. Residential construction, particularly upstairs residential, is often a key component of redevelopment of older downtown buildings as this helps to build a critical mass of residents to bring vibrancy to downtown. If there is a residential component to plans for redevelopment of buildings in Brockport, the focus should

be on high quality units that are currently lacking in the downtown area. The low asking rents in downtown, and zoning that limits downtown buildings to no more than two residential units will impede a developers ability to recover the cost of renovation through rental income. It may be necessary to assist a developer with a renovation project by identifying and securing pubic funding sources, or amending the zoning ordinance to allow for higher density development.