

# Elmira

## Downtown Revitalization Initiative



**Retail Market Analysis**

**December 14<sup>th</sup>, 2016**

**Stantec Consulting Services, Inc.**

Urban Planning

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## OVERVIEW

The Retail Marketplace Analysis is intended to assist DRI efforts in defining strategic interventions that catalyze investment in downtown Elmira. This report is organized into five main sections:

1. Main Findings Summary
2. District Assessment
3. Market Demand Analysis
4. Retail Opportunity
5. Recommendations

## MAIN FINDINGS SUMMARY

Our main findings are as follows:

**Multiple nodes and dispersed offerings undermine competitiveness.** At this time, existing business nodes, anchors and destinations are scattered throughout downtown. This fragmentation of commercial, cultural and recreational activities undermines cross-shopping opportunities, diminishes “sense of place” and discourages visitors and customers who are unable patronize multiple businesses in a single visit.

**Opportunities offered by busy arterial are not being exploited.** Water Street and Clemens Center Parkway is the busiest downtown intersection (in commercial industry parlance this is typically called the 100% Corner), with over 24k vehicles passing daily. However, this high visibility corner is filled with parking rather than activities or businesses, and the opportunity to communicate and capture economic activity in downtown is lost of the thousands of travelers who pass by every day. The Clemens Center, with its limited signage along Clemens Center Parkway, also misses opportunities to market its events and downtown presence.

**Customer base and profile is primarily local and workforce related, but Arena and Clemens Center offer opportunities to drive visitation.** The majority of downtown customers (56%) are residents, followed by workers (39%). Within 1 mile of downtown, residents and workers drive local demand while students drive niche demand. Successful businesses are those that meet the needs of these market segments. Additional opportunities exist to drive demand from further afield, notably First Arena and Clemens Center that do currently attract visitors from outside the immediate area, however existing businesses give visitors limited reasons to prolong a stay beyond the event itself. These two anchors would benefit from complementary retail and restaurant offerings that help retain visitors and lengthen their stay.

**Retail opportunities exist under the right conditions.** There is some opportunity for new retail, but it must be well curated and properly located to survive. While Elmira retail rents are lower than nearby

competitive districts, they also reflect lower sales expectations. Therefore new tenants may require competitive rental rates at the outset to overcome challenging market conditions, and rent abatements may be necessary.

At this time main downtown anchors (Clemens Center and First Arena) drive visitation but do not contribute to visitor spending at downtown businesses. Additional retail opportunities exist to serve Clemens Center and First Arena visitors through complementary dining and retail options but these must be conveniently located and within a pedestrian-friendly environment that provides visitors additional activities and that encourages them to prolong their stay.

## DISTRICT ASSESSMENT

### Existing Retail Conditions

#### Commercial District Classification

Downtown Elmira has approximately 316,000 SF of commercial space and its main anchors include the Clemens Center, First Arena, civic buildings, eating establishments and banks. The Commercial District Classification developed by the International Council of Shopping Centers (ICSC) considers shopping areas with 125,000 to 400,000 SF a ‘Large Neighborhood Center’. However in Elmira, the 300,000 SF of commercial space is dispersed throughout a large geographic area, and without a clear business node. For that reason, downtown Elmira functions more as a ‘Small Neighborhood Center,’ pulling its primary customers from a 3 mile radius or less.

Typical Offering	# Anchors	Amount of retail SF	Anchors	No. of Businesses	Trade Area Guidelines
Downtown Elmira	2+	Approx. 316,000sf (dispersed throughout downtown area)	Clemens Center, First Arena, eating establishments, civic buildings, banks	221	3-6 miles
<b>ICSC Shopping Center Classification</b>					
<b>General Purpose Centers</b>					
	# Anchors	Amount of retail SF	Typical Anchor	Typical No. of Tenants	Trade Area Guidelines
Downtown Elmira	Anchor-less/ convenience store	<30,000sf	Sometimes a convenience store, but generally no real anchor.	NA	1 mile or less
	1+	30,000 – 125,000 sf	Grocery store (conventional or specialty), local dining, convenience	5-20 stores	3 miles
	2+	125,000 – 400,000 sf	Discount store, supermarket, specialty grocery store, drugstore, eating establishments etc.	15-40 stores	3 – 6 miles
<b>Specialized-Purpose Centers</b>					
	3+	400,000 sf +	Big-box category killers such as home improvement, discount department, warehouse club	NA	5- 10 miles
	0-2	150,000 – 350,000 sf	Large format specialty stores	NA	8 - 12 miles

Figure 1: ICSC Commercial District Classification Table

## Accessibility

Traffic Counts are moderate throughout Main Street and range between 8,542 and 12,252 Average Daily Traffic (ADT). The heaviest traffic is found along W Water Street (16,174 to 12,847 ADT) and along Clemens Center Parkway (14,024 -12,969 ADT). These traffic counts through Downtown Elmira suggest some opportunities to attract national retailers. In fact the node located at W 2<sup>nd</sup> and North Main is indicative of a market that can support larger, convenience oriented retailers in downtown, including Weis Markets, Walgreens, and Rite Aid. . As a point of comparison, retailers like Family Dollar and Dunkin Donuts typically require between 11,000 and 20,000 vehicles daily while Applebee’s, Walgreens and Old Navy typically require between 24,000 and 59,000 vehicles daily.

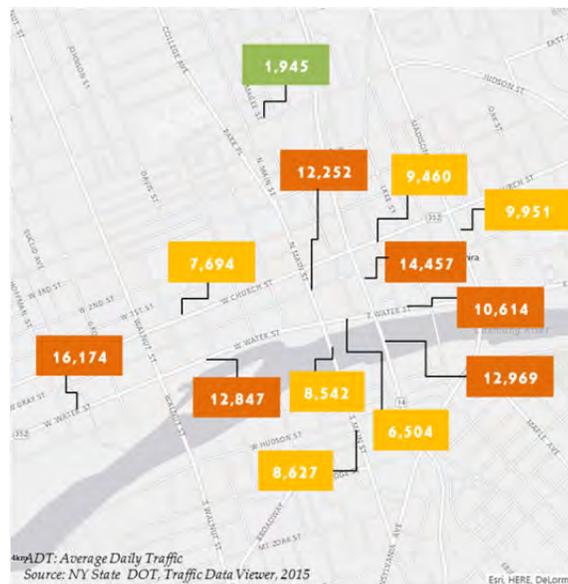


Figure 2: Average Daily Traffic Counts in downtown Elmira

Stakeholder and business owners indicated that most customers arrive by car and pointed to the need of parking availability. Despite the presence of a large parking garage located at the core of downtown, most customers choose not to park at that location due to safety perceptions and concerns. Addressing safety concerns and improving connectivity to and from the downtown parking garage will be critical for fostering a one-stop shop environment where customers can park their car and conduct multiple shopping visits in the same trip.

## Physical Conditions of Downtown Retail Environment

### *Public Realm (i.e. street, sidewalks, public spaces)*

Much of Downtown Elmira functions as an auto-oriented environment that discourages walking and minimizes the potential synergy between downtown uses. There is no clear commercial district; instead businesses are scattered throughout downtown. The main downtown anchors (Clemens Center and First Arena) are located in close proximity to one other, but are physically disconnected by poorly maintained walkways fronted by vacant retail spaces. Furthermore, existing streetscape configurations prevent easy flow from one area to another. For example, the Clemens Center Parkway is very difficult to cross owing to lack of traffic signals and the high speed of traffic. Yet, many patrons elect to park across the street at the Chemung Canal Trust parking lot and attempt a dangerous mid-block crossing. Another issue raised by Clemens Center staff included the fact that many patrons discharge passengers at the entrance along Clemens Center Parkway. While this may not be the official entrance, it reads as such to the casual observer and could benefit from accommodations to the right of way that allow for safe drop offs and a safe mid-block crossing.

Figures 3 and 4: Connection between Clemens Center and First Arena and view of Clemens Center Parkway



### *Private Realm (privately owned buildings)*

Downtown storefronts are also in mixed condition. The high rate of vacant ground-floor retail spaces and the presence of suburban infill development results in visual and physical discontinuity in the district. Unfortunately, many of these vacant retail spaces are not viable retail spaces and unless rehabilitated, will remain without tenants. The presence of a number of buildings of historical value in downtown Elmira, especially properties highlighted for adaptive re-use in the Elmira Refresh Plan, are an asset to be explored.



Figures 5 and 6: Many downtown buildings have historical value but are in mixed conditions

### Business Nodes and Competitive Districts

Business presence in downtown Elmira is scattered, with a slight concentration of businesses along Main Street and along W Water Street. There are three main competitive districts that compete for customer spending in the area. They include Market Street in Corning, Big Flats Consumer Square, and Horseheads.

Corning is a regional visitor destination, with Corning Museum of Glass, Rockwell Museum and a number of dining establishments serving as anchors. When contrasted with downtown Elmira, business presence in downtown Corning is concentrated within five well-defined blocks along Market Street between Wall Street and South Bridge Street (see figures 7 and 8).

Big Flats is a retail destination for comparison goods and groceries in the region with anchors that include TJ Maxx, Bed Bath & Beyond, Old Navy and Sam’s Club.

Horseheads is a dining and retail destination for affordable convenience goods and services with anchors such as Kmart, Bargain Outlet and a number of dining establishments. Like Big Flats, the stores in Horsehead are likely serving the needs of the region’s large middle income population, many of whom seek affordable, convenient “traditional” goods and services that fulfill basic needs.

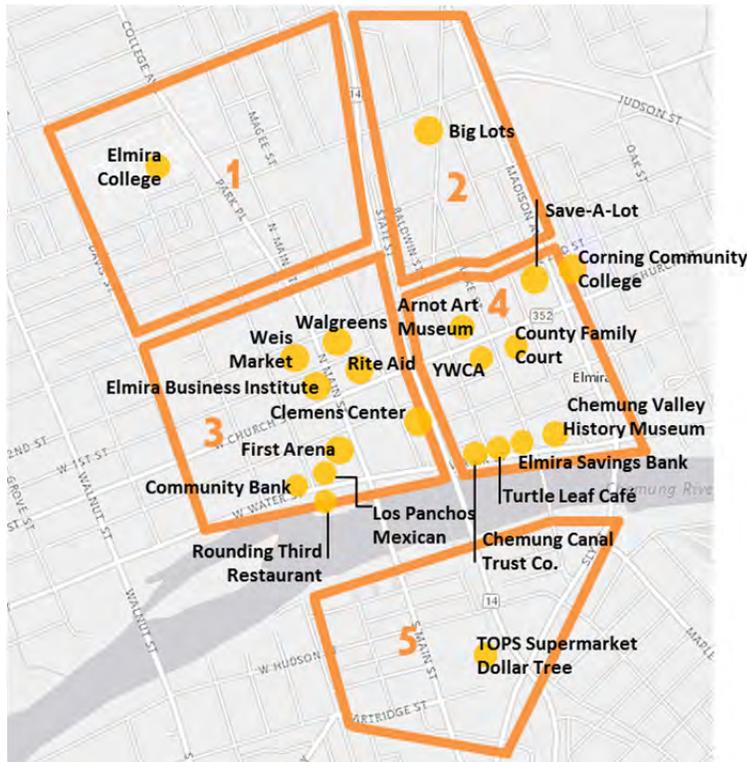
### Business Mix

There are 221 businesses in downtown Elmira. The categories with the largest number of businesses in downtown Elmira correspond to eating and drinking establishments (limited and full service restaurants, cafes and lounges) with 27 businesses (12%), followed by professional services with 21 businesses (9.5%) and medical services with 21 businesses (9.5%). Elmira’s retail offerings are commensurate with a district that is primarily meeting the accessory food (particularly lunchtime offerings) and convenience retail needs of workers and locals.

It is worth noting that arts and cultural institutions drive additional visitation but bring minimal retail impact at this time.

### **Anchors and Destinations and Retail Micro Climates**

Anchors and destinations are dispersed throughout downtown, with two nodes of concentrated activity along or in the vicinity of Water Street. Overall, anchors correspond to entertainment and civic institutions as well as grocery stores and dining establishments. Elmira College is another important anchor and brings 1,2000 students to the area.



**Figure 8: Retail Microclimates and Anchors and Destinations in Downtown Elmira.**

Five different micro climates can be identified in downtown Elmira. Retail microclimates refer to small areas within a wider retail district that contain a mix of complementary businesses that also have similar price points and customer profiles, and serve a specific lifestyle. The first, the 'College+ Convenience microclimate, located from W 3<sup>rd</sup> Street and W Washington Ave and between Davis Street and the Clemens Center Parkway. Retail activity in this microclimate is mostly focused around College students needs and include convenience-oriented retail and casual dining options at low to moderate price points.

The second microclimate corresponds to the area north of E 2<sup>nd</sup> Street, between Clemens Center Parkway and Madison Avenue. This ‘Industrial + Services’ microclimate is characterized by the presence of manufacturing establishments, wholesalers, non-profit organizations, and grocery stores.

The third microclimate, ‘Dining + Entertainment’, corresponds to the area between W Water Street and W 3<sup>rd</sup> Street and between the Clemens Center Parkway and Davis Street. This microclimate contains the two main downtown entertainment anchors (Clemens Center and First Arena) as well as a range of eating and drinking establishments and miscellaneous retail at higher price points.

The fourth microclimate, ‘Services + Institutions’, is located west to the Dining + Entertainment microclimate, between the Clemens Center Parkway and Madison Avenue and between E Water Street and E 2<sup>nd</sup> Street. This microclimate is characterized by the presence of civic and various banks institutions, casual dining establishments and miscellaneous retail.

Finally, the ‘Neighborhood Convenience’ microclimate, located in the southernmost section of downtown, south of the Chemung River, features local neighborhood -serving and convenience-oriented retail, including groceries and casual limited-service restaurants at lower price points.

### Retail Landscape

There are four retail spaces for lease in Elmira listed on Loopnet, with retail rents ranging from \$6 SF/Year to \$6.75 SF/Year. In contrast, asking retail rents in Horsehead average \$10.70 SF/Yr and in Corning they range from \$8 to \$16 SF/Yr. Based on these rents and assuming a 10% rent to revenue ratio LOA calculated expected retail sales for businesses to be able to afford these rents. The table below shows the retail sales needed for a 2,000 SF space considering \$7 SF/Yr, \$11 SF/Yr and \$12, SF/Yr.

Rent/SF/Yr	Elmira	Horseheads	Corning
Low	\$6.70		\$8
High	\$7	\$10.70	\$16
Retail Sales (for a 2,000 SF space)	Considering \$7 SF/Yr	Considering \$11 SF/Yr	Considering \$12 SF/Yr
	\$14,000 annual rent	\$22,000 annual rent	\$24,000 annual rent
	\$140,000 annual sales	\$220,000 annual sales	\$240,000 annual sales
	\$11,660 monthly sales	\$18,333 monthly sales	\$20,000 monthly sales

**Table 1: Rents and expected retail sales assuming a 10% rent to revenue ratio**

Rents are typically a reflection of sales. At this time the market in Elmira is not as strong as Horseheads or Corning, which is evident in current rental rates. New tenants in Elmira will require competitive rental rates at the outset to overcome weaker initial sales. Leases can be structured in a number of ways to address this issue, including rent abatements with rent increases over a period of years, percentage rent

where a business pays a base rent and only contributes more than that if their sales go over a certain amount, etc.

## **Proposed Downtown Developments**

### ***West Water Street Project***

Proposed mixed-use development on West Water Street estimates to bring additional 54 residential units and 16,482 SF of retail space to a key section of downtown Elmira.

Estimated retail rents range between \$10 – 13.5 SF/Year, which are more expensive than typical Elmira retail rents and are comparable to rents in nearby competitive districts such as Horseheads and downtown Corning. Moderate traffic counts at this section of Water Street (6,504 vehicles daily) might create challenges for attracting prospective retail tenants.

Securing tenants willing to pay those rents will be a critical component of project success and impact. Assuming a 10% rent to revenue ratio, a retailer with a 5,000 SF space paying \$12 SF/Yr would need to bring \$600k in annual sales (or \$50k monthly) to cover rent and expenses.

### ***Clemens Square Reimagined and Complete Streets***

Clemens Square Reimagined proposes increase pedestrian connectivity between two main downtown anchors: the Clemens Center and the Arena. This connection would create a safer and more inviting environment where visitors could stroll and patronize businesses located in the vicinity of both. For project success, however, vacant spaces along path must be activated with permanent or temporary activities.

The additional implementation of the Complete Streets Initiative, especially along Clemens Center Parkway, is another critical component for enhancing customer safety and district attractiveness.

### ***Adaptive Re-use***

Proposed properties to be targeted for adaptive re-use/mixed-use development are concentrated in the northern section of downtown, between Church and Water Streets.

Properties located within or adjacent to existing retail nodes and in immediate vicinity to major anchors including First Arena and Clemens Center have potential to create a greater (and connected) set of offerings that can pull customers from a larger trade area and bring increased vibrancy downtown.

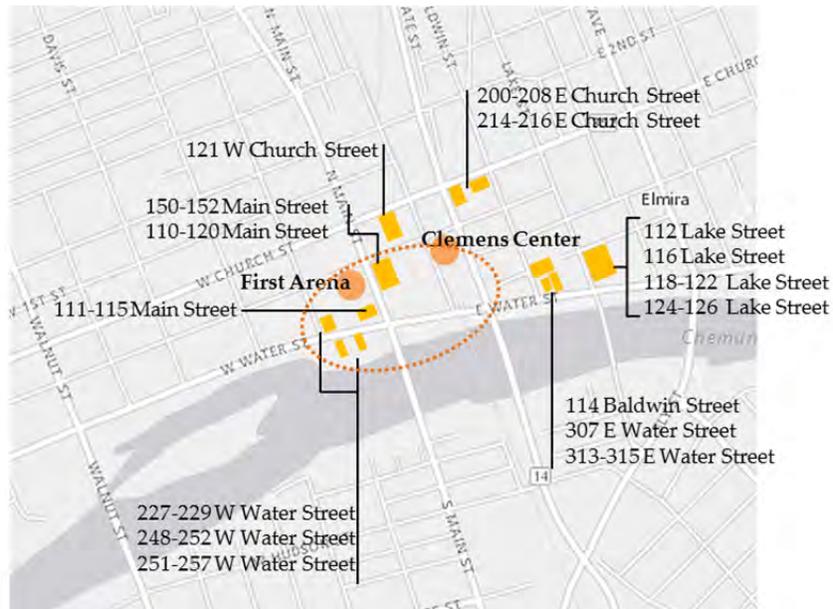


Figure 9: Properties targeted for adaptive re-use in the Elmira Refresh Plan.

## MARKET DEMAND

### Trade Area

Given Elmira’s business environment and retail presence primary and secondary trade areas were determined based on typical drive times revealed by stakeholders and its downtown’s classification as a ‘Small Neighborhood Center’. Elmira’s primary trade area is commensurate with a “convenience trade” area and corresponds to an approximately 10 minute drive from the downtown core, or a 3 –mile radius. A convenience trade area is a market area that draws customers from the immediate area for goods and services that are typically inexpensive and are purchased with greater frequency, including but not limited to grocery items, newspapers, personal care items, etc.

A secondary trade area was determined to include a 15 minute drive from the downtown core, and equivalent to a 6 mile-radius of downtown (Fig 10). In addition, demographic data was also obtained for the Downtown Study Area as defined by the DRI application as well as NY State as a base of comparison.

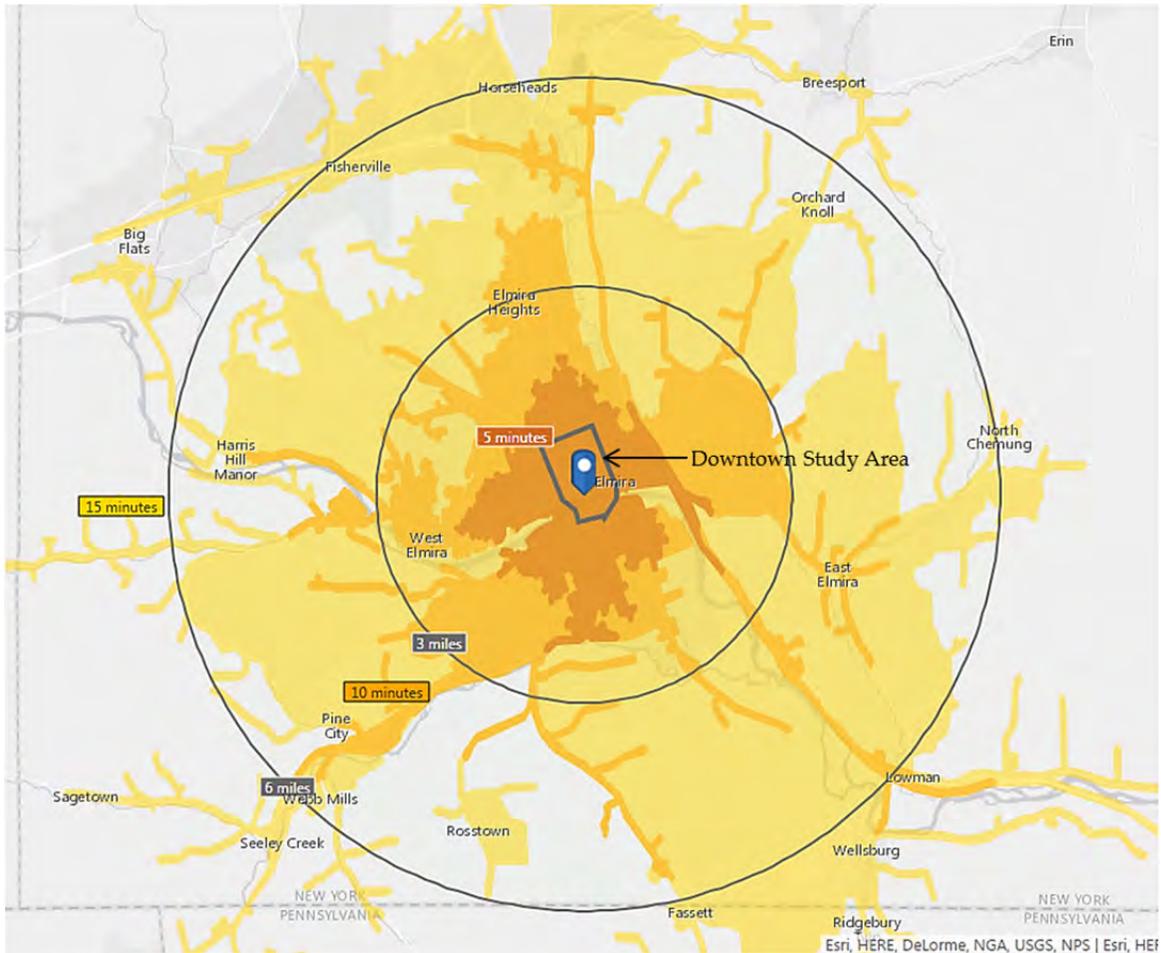


Figure 10: Elmira trade areas

### Demographics

As illustrated in the table below, there are 3,240 people living in the Downtown Study Area and 44,505 people living within 3 miles of downtown Elmira. Population within the Downtown Study Area and in the 3 mile radius is denser than other trade areas and NY State but estimated to decline. As trade area increases in size, population becomes older and with a higher presence of family households.

	Downtown Study Area	3 miles	6 miles	NY State
2016 Total Population	3,240	44,505	58,568	19,934,506
Population Density (pop. per square mile)	3,483	1,574	518	365
Population Growth (2016 - 2021)	-0.56%	-0.28%	-0.24%	0.51%
Households	1,013	17,482	23,544	7,508,958
Family Households	41.6%	57.8%	59.2%	62.8%
Median Age	24.2	37.7	39.2	38.7

Table 2: Overall population characteristics. Source: ESRI Business Analyst, 2016

The Downtown Study Area has a larger share of renters and higher vacancy rates. Additionally, a lower share of its households own vehicles and are thus more reliant on public transit. Incomes in the Downtown Study Area are also the lowest of all trade areas.

	Downtown Study Area	3 miles	6 miles	NY State
Owner Occupied Housing Units	14.5%	49.5%	53.1%	46.6%
Renter Occupied Housing Units	56.6%	39.8%	37.1%	41.1%
Vacant Housing Units	28.8%	10.7%	9.8%	10.3%
Households who own vehicles	63%	80.7%	82.70%	75.9%
Median Household Income	\$24,128	\$38,583	\$40,750	\$58,196

Table 3: Overall population characteristics. Source: ESRI Business Analyst, 2016

### Age Distribution

The Downtown Study Area has higher share of younger population groups than all trade areas. About 65% of the Downtown Study Area residents are 34 years old or younger. In the 3 and 6 mile radius population is fairly distributed among age groups, and this distribution is also similar in NY State.

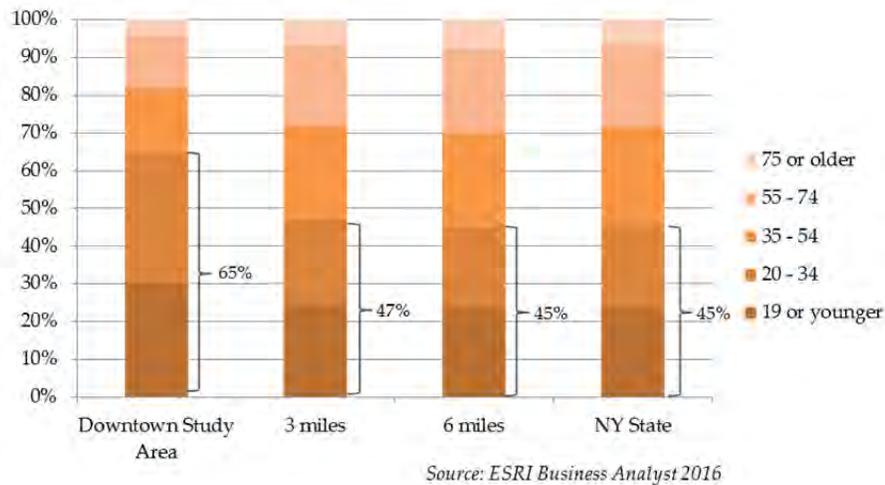


Figure 11: Age distribution of residents. Source: ESRI Business Analyst, 2016

### Race and Ethnicity

The vast majority of the population in all trade areas is white, ranging from 79% in the Downtown Study Area to 84% in the 6 mile radius, followed by blacks, ranging from 13% in the Downtown Study Area to 10% in the 6 mile radius. In comparison to NY State, population in all trade areas is more homogeneous.

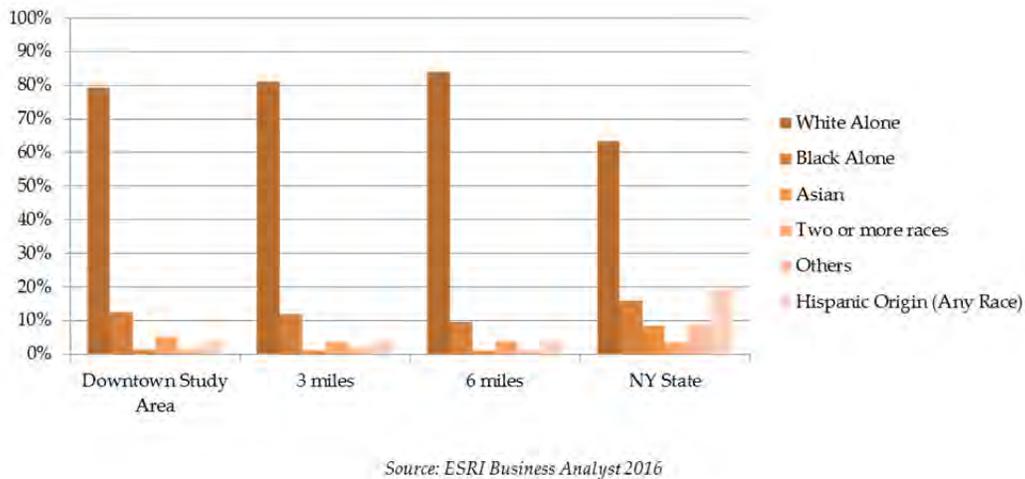


Figure 12: Race/ethnicity of residents. Source: ESRI Business Analyst, 2016

### Education

Population in all trade areas is less educated than NY State. Less than 10% of downtown residents have a Bachelor's Degree whereas in NY State 35% do. Between 49% and 58% of residents in all trade areas have a High School Diploma or less.

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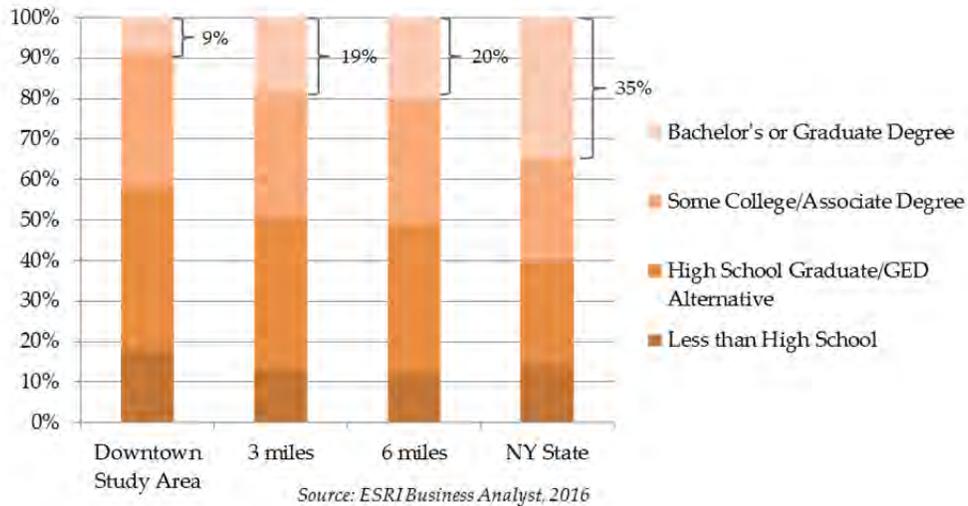


Figure 13: Educational attainment of residents. Source: ESRI Business Analyst, 2016

### Income Distribution

The Downtown Study Area has higher shares of households in the lower income brackets. As trade area increases in size, the share of lower income brackets decreases and the share of upper income brackets increases. It is worth noting that the share of mid income brackets remains somewhat constant in all trade areas ranging from 40% - 47%.

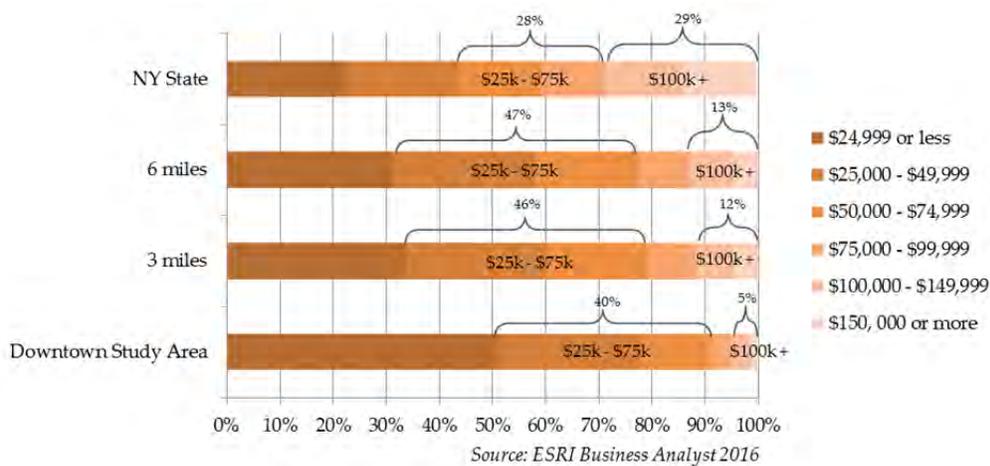


Figure 14: Income distribution of residents. Source: ESRI Business Analyst, 2016

## Psychographics

A psychographic analysis was conducted to identify tapestry segments (customer groups) in the various trade areas (Downtown Study Area, 3-, 6-mile radii). This analysis paints a more vivid picture of who is living in the trade area and what their habits and preferences are, and is a tool frequently used by retailers to quickly understand a community. Within the Downtown Study Area two main groups correspond to over 90% of customers:

**Set to Impress (54%):** Family and non-family households composed typically of image-conscious consumers that dress to impress and often make impulse buys. They look for sales, are tapped into popular music and typically eat quick meals. Median age: 33.1 and median HH income is \$29,000

**Social Security Set (38%):** Older households dependent on low, fixed income. They typically live in low-rent high rise buildings and enjoy the hustle and bustle of life in the city, with the added benefit of access to hospitals, community centers, and public transportation. Median age: 44.2 and median HH income is \$16,000

In the primary and secondary trade areas, there is a diverse range of customer groups— with groups of low to moderate incomes. In both trade areas the largest customer groups corresponds to the following:

**Traditional Living (27% to 25%):** Married couples and single households typically employed in retail and healthcare. They are cost-conscious consumers who shop at discount stores such as Walmart and Kmart. They frequent fast food restaurants and enjoy outdoor activities. Median age: 34.8 and median HH income is \$37,000

**Midlife Constants (17% to 16%):** Older traditional households, not trendy; and who opt for convenience and comfort, not cutting-edge. Residents prefer to buy American and natural products but are attentive to price. Enjoy home improvement and gardening. Median age: 45.9 and median HH income is \$48,000

**Hardscrabble Road (15% to 11%):** Married couples (with and without children) and single parents. Younger, highly diverse (with higher proportions of black, multiracial, and Hispanic populations), and less educated who are cost-conscious consumers, purchase sale items in bulk and buy generic over name brands. Median age: 31.7 and median HH income is \$26,000

Overall, the psychographic analysis reveals that main customers are generally cost-conscious consumers with traditional lifestyles and looking for convenience. There are, however, customer groups that place value on image and style and who enjoy outdoor activities. For a full list of customer groups refer to Appendix A.

### Concentrated Buying Power

Concentrated Buying Power is a useful metric to demonstrate the viability of retail in areas typically considered too risky due to the lower income of residents. In a number of markets, the higher density of residents put them in advantage and their lower incomes might be offset by the larger number of residents. Concentrated Buying Power corresponds to the Total Consumer Demand (or Retail Potential) for Retail Trade and Food and Drink in the Trade Area divided by its total area in square miles. Consumer demand corresponds to the amount expected to be spent by residents on products in the retail market, including groceries and services, after housing and transportation costs.

Concentrated buying power was calculated based on a 3-mile radius from main downtown intersection for Elmira as well as competitive districts in Corning and Horseheads. The numbers show that despite modest incomes, Elmira primary trade areas has concentrated buying power (\$18.24M) significantly larger than the nearby competitive districts of Horseheads (\$11.15M) and Corning (\$10.3M), which attest to the financial viability of additional retail in the area.

### Workforce Demand and Workforce Characteristics

There are 9,569 workers within 1 mile of downtown Elmira and 18,107 and 21,884 workers within 3 and 5 miles. The highest density of workers is found in downtown Elmira with over 6,704 workers per mile. Despite higher worker density, the 3 mile radius trade area has a 1: 2.45 worker to resident ratio, indicating that local residents create higher demand for goods and services than workers.



Figure 15: Worker presence within 1, 3 and 5 miles of downtown. Darker colors correspond to higher numbers of workers per square mile. Source: U.S. Census Bureau, OnTheMap Application and LEHD Origin-Destination Employment Statistics (2nd Quarter of 2014)

Workers across all trade areas share a number of characteristics. The majority of workers in all trade areas are between 30 to 54 years old, white, female and earn in the mid to top income brackets. Nearly

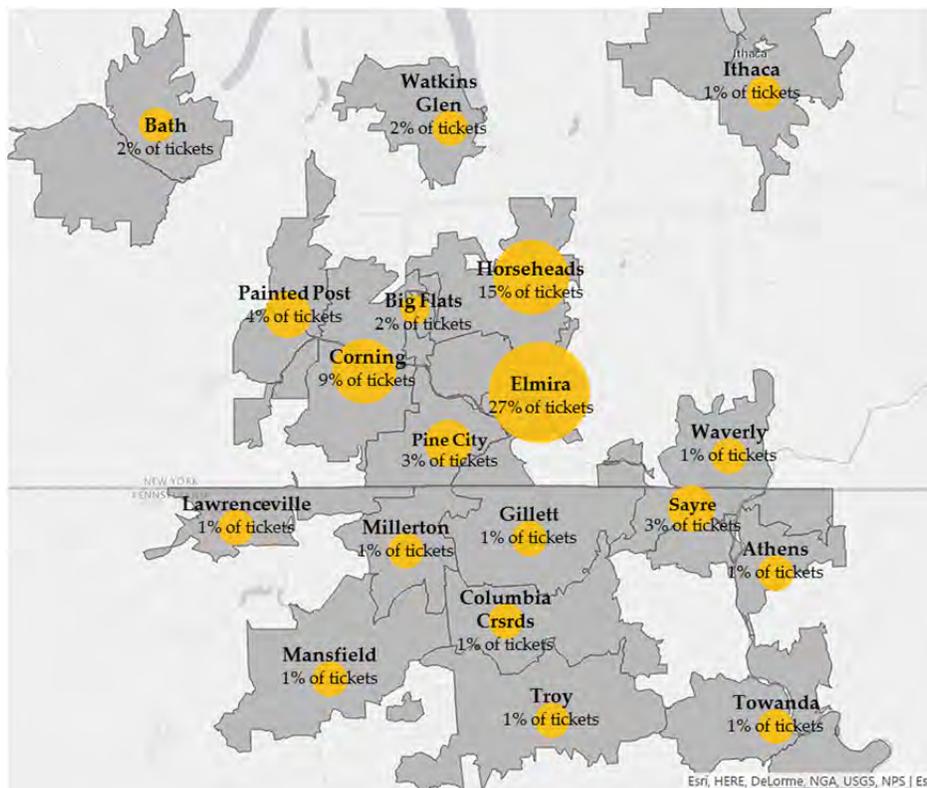
half of workers in all trade areas have some college or Associate degree or a Bachelor’s degree or advanced degree.

The three main industries employing workers are Healthcare and Social Assistance, Public Administration, and blue-collar occupations (Agriculture, Construction, Manufacturing, Wholesale Trade and Transportation). Additionally, in the 1 mile trade area Educational Services also occupy a large share of workers, given by the presence of Elmira College.

**Visitor Demand**

**Clemens Center**

Approximately 80,000 people visited the Clemens Center in the past year. These visitors come from municipalities within an approximate 40-minute drive from downtown Elmira. The map below (Fig. 20) shows the municipalities with the largest share of visitors and that amount to over 70% of total tickets sold in the last year.



**Figure 16: Clemens Center Visitors mapped by zip code of residence. Map shows top 19 municipalities that correspond to over 70% of tickets sold in the past year.**

A look at the psychographic profile of Clemens Center patrons reveal that they belong to a wide variety of customers groups. Despite this variety, some similarities among groups can be identified and reveal that these customers are part of **middle-age to older households** with **country and rural** lifestyles, who embrace **traditional** values, enjoy **outdoor activities** and look for **convenience** goods and services.

### Market Composition

A look at the overall market composition for Elmira reveals that 56% of its downtown customer base is composed on residents, 39% is composed of workers and 5% of College students. This indicates that to be successful retailers will need to cater accordingly to these groups.

### Strategic Positioning Matrix

To better understand what the profiles of residents, workers and visitors mean for retailers, we plotted them on the LOA Lifestyle Matrix, a tool for mapping customer profiles in terms of lifestyle and income. This tool communicates what types of retail offerings are a good fit for the consumers of a particular district. The horizontal axis represents “lifestyle”. Retailers and customers with more traditional merchandise and preferences fall to the left under “traditional”, “contemporary” retailers and customers fall in the middle, and trendy retailers and customers gravitate to the right. The vertical axis reflects retailer price point and consumer income.



Figure 17: Strategic Positioning Matrices of Downtown Study Area, 3-6-mile radii.

In all trade areas customers fall toward the lower left corner of the Lifestyle Matrix, signifying that they shop for more traditional or basic goods at a low-to-moderate price points. As such, the retailers that would best meet local needs will offer “the essentials” at affordable prices. If such retailers were mapped onto this matrix, they would fall within the dotted oval, suggesting they are a good fit for the existing shopper base.

### **Administrative Capacity**

The Elmira Downtown BID covers 52 blocks of downtown Elmira and assists businesses through marketing and beautification efforts. It has an operational budget of \$130k and it employs one full-time and one part-time staff.

The bulk of its efforts concern marketing and promotional activities to raise visibility and awareness of downtown businesses. BID organized events are very popular and attract significant number of visitors downtown. Among them are: Street Painting Festival, Alive After Five, Jazz Festival, Christmas Tree Lighting, and the Farmers' Market.

Its small budget and minimal staff limits the BID's impact. Additional resources dedicated to the BID would enhance the scale and scope of its efforts.

## **RETAIL OPPORTUNITY**

### **Retail Leakage Analysis**

An analysis of **retail leakage** compares the **discretionary income of residents within the trade area** against the **total sales** estimated for **local businesses**, also within the same trade area. For some store types, local businesses sell more than local residents are purchasing. This means that outsiders may be coming into the area to shop (known as a 'surplus'). In other categories, residents are spending more than local stores are selling, suggesting that residents are spending outside the trade area (known as 'leakage'). Depending on the size of leakage, this may suggest opportunities for both existing and new businesses to better meet the needs of the residential customer base.

The graph below reveals that in all trade areas, business sales in the last year were higher than the total discretionary income of residents, indicating a surplus and that all trade areas are attracting visitors who spend between \$21.5 million in businesses within 3 miles of downtown and \$311million in businesses within 6 miles of downtown.

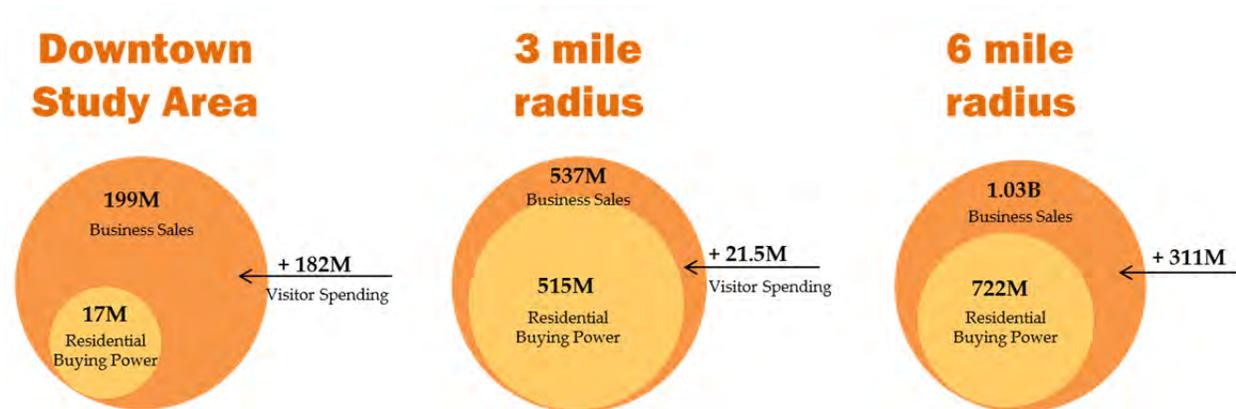


Figure 18: Leakage Diagrams for Downtown Study Area, and 3-6-mile radii.

A look at the leakage numbers by retail categories reveals that despite overall surplus, there is leakage in a number of retail categories. The overall surplus is due the presence of large grocery stores in downtown or in its immediate vicinity that capture over \$43 million in sales and offset leakage numbers in all other categories.

Industry Group	Downtown Study Area	3 mile radius	6 mile radius
Furniture & Home Furnishings Stores	\$504,219	\$10,718,995	\$9,086,201
Furniture Stores	\$280,556	\$7,854,898	\$6,012,653
Home Furnishings Stores	\$223,663	\$2,864,097	\$3,073,549
Electronics & Appliance Stores	-\$2,403,190	\$22,017,127	\$20,156,246
Bldg Materials, Garden Equip. & Supply Stores	\$14,329	\$5,660,766	-\$39,452,705
Bldg Material & Supplies Dealers	\$148,454	\$3,924,865	-\$41,054,563
Lawn & Garden Equip & Supply Stores	-\$134,125	\$1,735,902	\$1,601,858
Food & Beverage Stores	-\$44,549,407	-\$139,007,776	-\$122,930,950
Grocery Stores	-\$43,714,902	-\$147,999,509	-\$129,573,221
Specialty Food Stores	\$358,193	\$8,044,210	\$8,725,606
Beer, Wine & Liquor Stores	-\$1,074,496	\$947,524	-\$2,083,334
Health & Personal Care Stores	-\$4,101,174	\$14,723,255	\$16,255,019
General Merchandise Stores	-\$1,406,905	\$38,814,751	-\$129,434,684
Clothing & Clothing Accessories Stores	-\$2,864,695	\$25,260,541	\$21,572,509
Clothing Stores	\$588,787	\$21,834,697	\$17,382,421
Shoe Stores	-\$2,477,678	\$1,414,331	\$2,127,732
Sporting Goods, Hobby, Book & Music Stores	-\$1,249,315	\$4,305,712	-\$7,345,082
Sporting Goods/Hobby/Musical Instr Stores	-\$181,205	\$4,735,182	-\$5,602,047
Book, Periodical & Music Stores	-\$1,068,109	-\$429,469	-\$1,743,035
Office Supplies, Stationery & Gift Stores	-\$470,303	\$2,035,418	\$694,206
Food Services & Drinking Places	-\$9,782,406	\$10,274,715	-\$12,164,027
Full-Service Restaurants	-\$4,917,097	\$10,428,551	\$2,110,616
Limited-Service Eating Places	-\$3,833,660	\$1,573,757	-\$11,824,434
Special Food Services	\$49,550	\$519,261	\$711,769
Drinking Places - Alcoholic Beverages	-\$848,689	-\$2,246,854	-\$3,161,977

Source: ESRI Business Analyst, 2016

Table 4: Retail leakage and surplus for Downtown Study Area, 3-6-mile radii.

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As the numbers on Figure 22 reveal, there is opportunity for additional retail in most categories including: General Merchandise, Clothing, Electronics and Appliances, Health and Personal Care, Furniture and Home Furnishings, Food Services and Drinking Places, Building Materials & Garden Equipment and Sporting Goods. The comparison nature of many of them (clothing, electronics) requires these types of stores to be clustered and more likely to be successful in places with an established presence of similar businesses. In contrast, convenience businesses (hardware stores, health and personal care, general merchandise) are suitable to locations of higher traffic counts and visibility, which downtown Elmira offers.

The table below presents the amount of additional square footage (Total SF) the 3 mile radius district could support based on residential leakage numbers. **CR, or Capture Rate**, refers to the percentage of total potential spending in any retail category that can reasonably be expected to occur within a 3 mile radius from downtown Elmira based on competitive venues, proximity to customer base, and quality of a potential business. LOA estimated supportable square feet of retail space by applying a range of conservative capture rates (between 40% and 20%). According to our calculations, downtown Elmira could potentially add between 34k SF to 68k SF in retail spaces to meet unmet residential demand for goods and services in the area.

Store Types	Total SF	New SF (40% CR)	New SF (20% CR)
Clothing & Clothing Accessories Stores	69,588	27,835.31	13,918
Furniture & Home Furnishings Stores	26,865	10,745.86	5,373
Sporting Goods, Hobby, Book & Music Stores	18,322	7,328.87	3,664
Bldg Materials, Garden Equip. & Supply Stores	17,690	7,075.96	3,538
Full-Service Restaurants	16,118	6,447.33	3,224
Specialty Food Stores	12,300	4,920.01	2,460
Office Supplies, Stationery & Gift Stores	5,969	2,387.59	1,194
Limited-Service Eating Places	2,805	1,122.11	561
<b>Total Retail SF</b>	<b>169,658</b>	<b>67,863</b>	<b>33,932</b>

*Source: ESRI Business Analyst 2016, and LOA Calculations based on ICSC Research, Sales Productivity for Non-Anchor Tenants in U.S. Northeast Malls, August 2016.*

**Table 5: Additional square footage Downtown Elmira could support in specific retail categories**

## SUMMARY OF STRATEGY RECOMMENDATIONS

Our recommendations focus on four key interrelated aspects that aim to reinforce Elmira’s strategic positioning and bring greater vibrancy downtown. These include the following:

- 1) Improve connectivity between downtown anchors and stores to create a one-stop shopping environment,
- 2) Increase concentration of offerings through mixed use development and business attraction,
- 3) Build on existing cultural and recreational offerings as a basis for a downtown identity, and
- 4) Enhance operating capacity to administer and implement technical and financial assistance

### Strategic Positioning and Recommendations Approach

Elmira’s strategic position is a summary of what makes the downtown special and unique. A strategic positioning statement is a summary of differentiating qualities, and should give potential investors and partners a clear sense of the existing customer base, merchandise mix, offerings and price point. Our proposed strategic positioning statement for is as follows:

*Downtown Elmira is a service, cultural and entertainment downtown district with a traditional and down-to-earth lifestyle that is affordable and accessible for many and where locally-owned businesses can thrive.*

### Retail Recommendations

**Main Objective: Increase concentration of offerings** through mixed use development and business attraction and thus establishing a larger (and connected) set of offerings that can pull customers from a larger trade area.

#### Strategies:

- Promote mixed-use redevelopment and adaptive reuse of strategic sites including W Water Street Mixed-used development and targeted properties along W Water Street and N Main Street (fill-in the gaps to promote retail density and continuity).
- Assist property owners to retrofit existing spaces for retail and upper floor residential uses within key business nodes through loans and grants, technical assistance, and design support.
- Encourage geographically targeted business attraction by providing loans and grants to assist new businesses that will serve as an amenity to existing culture and recreational offerings.

**Main Objective: Improve connectivity between downtown anchors and stores to create a one-stop shopping environment** where customers can park and easily walk to multiple anchors and shops and thus increasing browsing and cross-shopping opportunities.

**Strategies:**

- Implement the Clemens Center Reimagined Project with animated retail and/or restaurant spaces that help activate the outdoor pedestrian environment.
- Implement the Complete Streets Project along the Clemens Center Parkway (reduce vehicle speed and create safe crosswalks along Clemens Center Parkway).

**Main Objective: Build on existing cultural and recreational offerings as a basis for a downtown identity** that attracts visitors from a 30 minute drive time shed.

**Strategies:**

- Emphasize Clemens Center presence along busy Clemens Center Parkway to reinforce downtown identity as a cultural destination.
  - Create drop off and pick up area
  - Improve pedestrian safety through dedicated crossing, stop light, and appropriate sidewalk space.
  - Adopt signage that highlights the Clemens Center presence downtown and communicates upcoming events to drivers and passersby and creates possibilities for revenue through advertisement.

**Main Objective: Enhance Operating Capacity** to administer and implement technical and financial assistance and continue revitalization efforts

**Strategies:**

- Set aside resources for implementation and administration of DRI recommendations including loans and grants to small businesses (State might consider establishing a DRI Small Business Grant/Loan Fund), promotional activities, and coordination with local businesses.
- Strengthen the capacity of Elmira Downtown BID through financial resources so it can continue to implement programs, events and promotions and expand its role to include retail attraction.