

ERA

Economics Research Associates

Final Project Report

**Harlem-Kensington-Cleveland Economic
Development Strategy**

Prepared for

**Towns of Amherst and Cheektowaga,
NY**

Submitted by

Economics Research Associates

July 1, 2002

ERA Project No. 14354



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TOWN OF CHEEKTOWAGA



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DEVELOPMENT STRATEGY
JULY 2002

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Introduction

Economics Research Associates (ERA) of Washington, DC, was retained by the Towns of Amherst and Cheektowaga, New York, to create an economic development strategy for the Harlem-Kensington-Cleveland (HKC) Business District. The HKC business district is a two-mile long commercial strip that runs along Harlem Road, and is located about five miles northeast of downtown Buffalo. This area has long served as a community retail and office district for both towns, as well as for parts of northeast Buffalo.

Over the past 30 years, a number of forces, including regional economic stagnation, commercial growth in outer suburbs, and a changing consumer base, have all combined to diminish the status of the HKC district. Today, the area is faced with a number of interrelated issues, and ERA's task was to address these problems. Some key issues facing the HKC district include:

- Obsolete commercial spaces
- Restricted land area for new development/redevelopment
- Leakage of retail demand to newer commercial areas
- Unsafe environment for pedestrians
- Unattractive streetscaping
- Traffic congestion and frequent accidents
- Loss of identity and character
- Aging population
- Unmet housing needs for local residents

The above list of issues formed the basis for this economic development strategy. Building on these challenges, ERA developed a six-phased approach to this project, as follows:

1. Existing Conditions Analysis
2. Stakeholder Interviews
3. Market Analysis
4. Redevelopment Site Analysis
5. Implementation Plan
6. Dynamics of Redevelopment

Each of these phases accounts for a chapter in this report. Chapter 5, the Implementation Plan, contains the specific findings and recommendations of the report and lists proposed action steps and responsibilities for each action.



I. Existing Conditions Analysis

The starting point for the HKC economic development strategy was to conduct a review of existing conditions in and around the business district. Items analyzed during this task included population and housing data, physical conditions, employment data, and consumer expenditure data. ERA also reviewed the results of the HKC Consumer Task Force Resident/ Consumer Survey. In addition, we have summarized findings from the task force workshop led by ERA on November 26, 2001, and from our foot survey of the corridor.

This section outlines the general findings of our data review and offers some key preliminary conclusions to inform the economic development strategy for the HKC corridor.

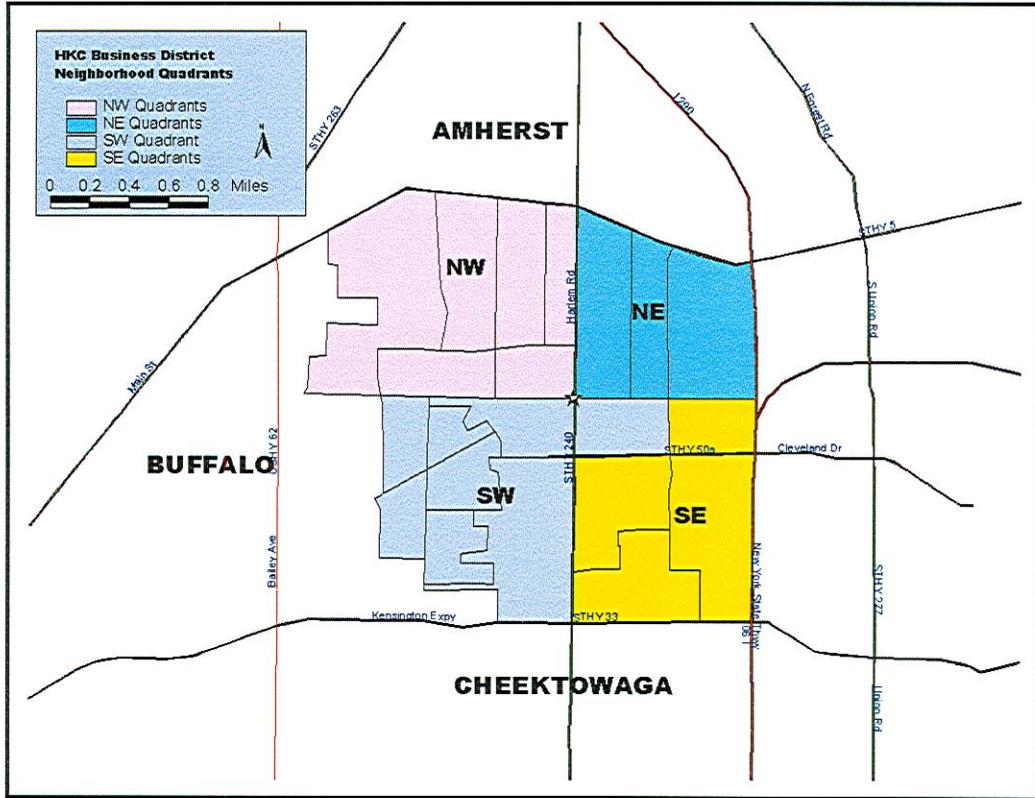
POPULATION AND HOUSEHOLD DATA

For the purposes of this study, the boundaries of the study area for the HKC district have been defined as follows:

- Northern boundary: Main Street
- Eastern boundary: Interstates 90 and 290
- Southern boundary: Route 33-Kensington Expressway
- Western boundary: Eggert Road north to the Cheektowaga-Buffalo line, then following the Cheektowaga-Buffalo, Cheektowaga-Amherst, and Amherst-Buffalo borders north to Main Street.

These borders will be used throughout this document to refer to the “Harlem-Kensington-Cleveland (HKC) study area.” The HKC Study area comprises a total of 19 U.S. Census block groups, of which nine are in Amherst and 10 are in Cheektowaga. For analytical purposes, ERA has organized these 19 block groups into four quadrants, as shown on the map on the next page. These four quadrants have been designed to match up with four Traffic Analysis Zones (TAZs), used by the Greater-Buffalo Niagara Regional Transportation Council for projecting population and employment growth at the local level throughout the region.

The map below shows the locations of the 19 block groups and the four quadrants.



In the 1990 Census, the study area’s total population was 19,803, with the Northwest and Southwest quadrants each comprising about 27 percent of the total, the Southeast quadrant representing 25 percent, and the Northeast quadrant rounding out the remaining 21 percent of the total. At the present time, data from the 2000 Census is not yet available at units of geography below the Town level. In the absence of Census data, ERA obtained data produced by CACI Information Systems, Inc., a national third-party source of demographic and consumer information. The population and household data for 2000, as well as projections for 2005, are summarized from CACI data.

Overall, the Study Area’s population has been shrinking, albeit at a fairly modest rate. The area’s total population dropped by about 400 residents during the 1990 to 2000 period, with each of the four quadrants losing around 100 residents. The table below summarizes key demographic data regarding the four quadrants. The points that follow describe each quadrant and compare them to one another.



Demographic Profile of Harlem-Kensington-Cleveland Study Area

	Subarea				Total
	Northeast	Northwest	Southeast	Southwest	
Population					
1990 Census	4,187	5,349	4,914	5,353	19,803
2000 CACI Estimate	4,094	5,269	4,814	5,220	19,397
2005 CACI Projection	3,927	5,061	4,495	5,034	18,517
Annual % Change, 1990-2000	-0.2%	-0.2%	-0.2%	-0.3%	-0.2%
Annual % Change, 2000-2005	-0.8%	-0.8%	-1.4%	-0.7%	-0.9%
Households (2000)					
Households	1,708	2,141	2,108	2,519	8,476
Average Household Size	2.40	2.46	2.28	2.01	2.27
Income (2000)					
Average Household Income	\$63,578	\$123,143	\$51,014	\$48,504	\$71,019
Per Capita Income	\$22,421	\$47,526	\$21,834	\$21,140	\$28,750
% Under \$50,000	44.0%	36.4%	63.3%	67.8%	54.0%
% Over \$100,000	12.0%	30.5%	5.6%	4.8%	12.9%
Housing Units (2000)					
% Owner-occupied	84.4%	89.8%	92.0%	65.3%	82.0%
% Renter-occupied	15.6%	10.2%	8.0%	34.7%	18.0%
Population by Age (2000)					
Under 15	19.7%	18.6%	15.2%	14.2%	16.8%
15-24	8.7%	9.1%	8.5%	7.2%	8.4%
25-44	31.4%	26.4%	27.1%	26.2%	27.6%
45-64	20.9%	26.0%	23.2%	17.9%	22.0%
65 or Older	19.0%	19.4%	25.5%	34.3%	24.8%

Source: U.S. Bureau of the Census; CACI Information Systems; Economics Research Associates

- Northeast Quadrant** – This quadrant, which includes much of the Snyder neighborhood, is the least populous of the four, with about 4,100 residents and has the fewest number of households with 1,708. Its average household size of 2.40 is the second largest of the quadrants, and it has the highest percentage of children under 15 (19.7 percent). The average household income of this quadrant is also the second highest of the four by a wide margin at \$63,600 (third place is \$51,000), but is still slightly below the Buffalo-Niagara regional average of about \$68,000. Its per capita income is very low, however, at just \$22,400, compared with the regional average of about \$27,000. Given the difference between household income and per capita income it is not surprise that this quadrant has the highest proportion of people of primary working age, with over 31 percent of its residents between the ages of 25 and 44. It is therefore likely that a large percentage of households in this quadrant have multiple wage earners.
- Northwest Quadrant** – The northwest quadrant is the most populous of the four quadrants, with over 5,200 residents. However, due to its average household size of 2.46 people, it only has 2,141 households. This quadrant is

home to some of the wealthiest neighborhoods in the entire Buffalo region. As a result, the average household and per capita income levels in the northwest quadrant are extremely high, at \$123,100 and \$47,500, respectively. In fact, the northwest's per capita income level is nearly as high as the southwest quadrant's average household income level of \$48,500. Fully 30 percent of this quadrant's households earn over \$100,000 per year, and just 36 percent earn less than \$50,000 (54 percent of all Study Area households earn under \$50,000). This quadrant has a high concentration of residents aged 45-64, as this group represents 26 percent of the total population.

- **Southeast Quadrant** – The southeast quadrant has 4,800 residents living in about 2,100 households, an average household size of 2.28. It is a mostly middle-class neighborhood, with an average household income level of \$51,000, and more than 63 percent of its households earn less than \$50,000 per year. Despite the relatively low income levels, this is a very stable neighborhood, with 92 percent of its housing units being occupied by their owners. Its population is rather old, with 23 percent between the ages of 45-64 and 26 percent over the age of 65.
- **Southwest Quadrant** – The southwest quadrant is the second largest of the four, with over 5,200 residents (just slightly fewer than the northwest). It has by far the greatest number of households at over 2,500 and the smallest average household size at 2.01. Its average household income level is the lowest of the four at \$48,500, but its per capita income is almost as high as the northeast and southeast quadrants, a likely outgrowth of having many single wage-earner households. Nearly 68 percent of households in this quadrant earn less than \$50,000 per year, and just 4.8 percent earn more than \$100,000. The housing stock contains a number of apartment developments, which accounts for its owner-renter split of 65-35, representing far more renters than any of the other quadrants.

In addition to these four quadrants, ERA also ran a “ring study,” illustrating the demographics of residents within three different distances of the center of the study area (the intersection of Harlem Road and Wehrle Drive). The three distances chosen were 0-0.5 miles, 0.5-1.0 miles, and 1.0-3.0 miles.



The table below summarizes a few key demographic indicators from this ring study. A map depicting these rings appears on the next page.

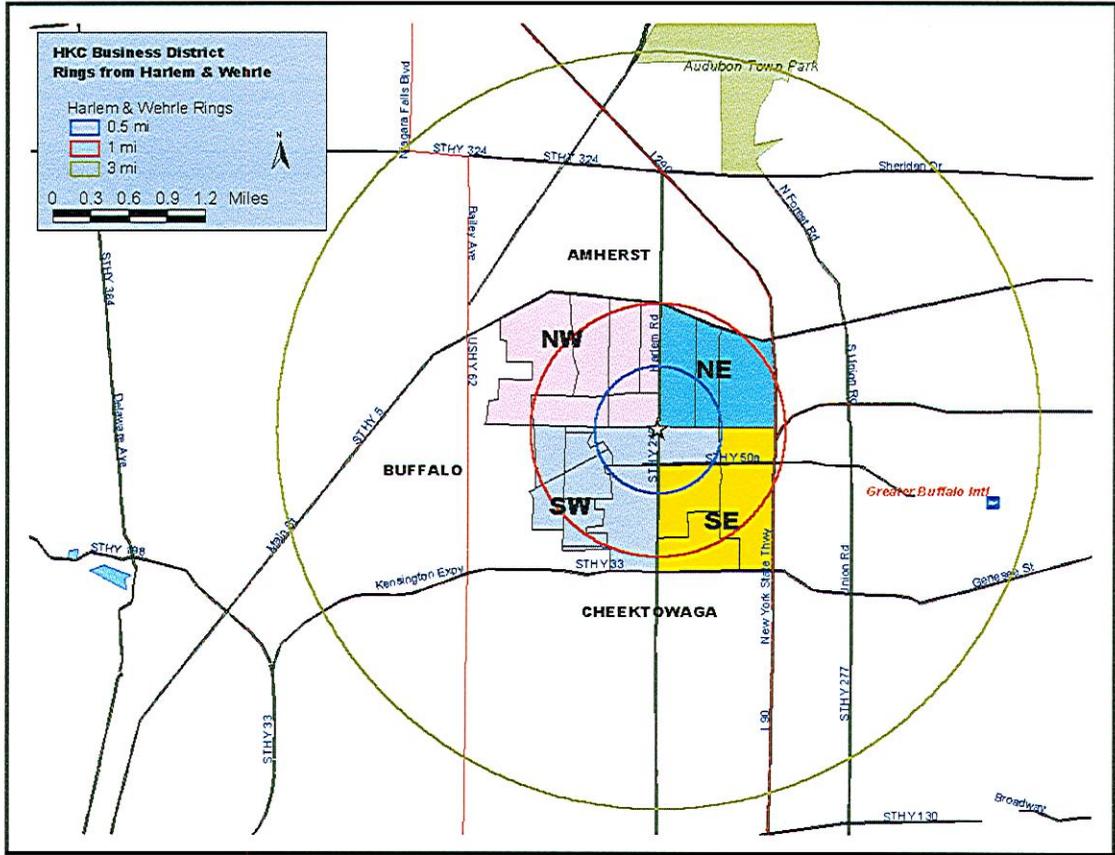
Summary of Demographics by Ring Area
Center Point: Intersection of Harlem Road and Wehrle Drive

	0-0.5 mi	0.5-1 mi	1-3 mi	Total 1-3 mi
Population				
2000 Estimate	4,057	13,143	131,686	148,886
2005 Forecast	3,892	12,613	125,899	142,405
Households				
2000 Estimate	1,839	5,854	54,708	62,400
2005 Forecast	1,797	5,726	53,273	60,796
Average HH Size, 2000	2.17	2.23	2.35	2.33
Income (2000)				
Average HH Income	\$49,413	\$59,264	\$47,009	\$48,230
Per Capita Income	\$22,607	\$26,466	\$19,680	\$20,359
Housing Units (2000)				
% Owner-occupied	80.3%	74.9%	63.5%	65.1%
% Renter-occupied	19.7%	25.1%	36.5%	34.9%
Population by Age (2000)				
Under 15	15.7%	16.7%	19.1%	18.8%
15-24	7.8%	8.9%	14.1%	13.5%
25-44	27.2%	28.4%	28.5%	28.5%
45-64	18.7%	21.3%	20.7%	20.7%
65+	30.6%	24.6%	17.5%	18.5%

Source: CACI Information Systems, Inc.

The area immediately around the center of the business district represents all population within easy walking distance of the Harlem-Kensington-Wehrle triangle, where much of the district's retail is concentrated. Only about 4,300 people live in this inner ring. Going out a bit further, another 12,400 people live between 0.5 and one mile away from the center point—a less convenient walking distance, but still close by. The one mile ring reaches nearly all residents of the study area, with just a few areas at its corners outside the boundary. Going out to the 1-3 mile ring, which reaches the airport to the east, Sheridan Drive to the north, and Broadway to the south, there are 130,000 residents in that area.

Average household income levels are lower in the innermost ring than in the 0.5-1.0 mile ring (\$59,000 to \$69,000), but dip down to \$47,000 in the 1-3 mile ring. The inner rings also have much older populations, with median ages of 43.6 and 43.7 in the two inner rings, but a median age of just 38.0 in the 1-3 mile ring.



PHYSICAL CONDITIONS OF THE HKC BUSINESS DISTRICT

For the purposes of analyzing the physical conditions of the HKC business district, ERA divided the corridor into three distinct sections. The Northern section is centered on the intersection of Harlem Road, Kensington Avenue, and Wehrle Drive; the Central section is centered on the intersection of Harlem Road and Cleveland Drive; and the Southern section comprises the rest of the Harlem Road corridor from Aurora Drive south to the Kensington Expressway.

In November, 2001, ERA staff walked through the district, taking notes and photographs to help document some of the key physical issues. The text and images below describe the physical conditions of these three sections of the HKC business district, based upon our review.

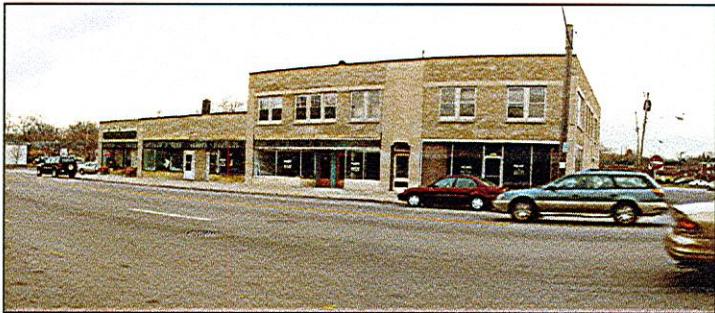
Northern Section

The Northern section features a mix of office and retail space, surrounded by closely packed residential lots. Retail and office space varies from older buildings that meet the road’s edge to larger, modern structures, such as the Walgreen’s

drugstore on Kensington Avenue, that are set back from the roadway amidst sizable parking lots.



- Properties set back from the street with street-side parking lots are often indistinguishable from the road, as the lack of curbs and street-side grass blurs the distinction between road and parking lot. Some business owners have erected guardrails in lieu of curbs to define their properties and protect them from traffic.



- Retailers located at the corner of Kensington and Harlem account for most of the area properties that are built up to the street frontage. Some of these buildings are vacant.
- The inconsistency of architecture in the area

creates difficulty for viewers trying to locate signage on a given building. Some stores locate signs at eye-level while others locate signs at the roof-level, creating confusion about where to focus one's attention.

- Street furniture, space for parking, and streetscaping compete with telephone poles for space in front of local stores.
- Shallow lots are characteristic of residential properties surrounding the retail center at Kensington and Harlem. Residences border retail stores, professional offices, and other residences. North of the intersection of Saratoga and Harlem, larger residential lots abound. The shallow lots also place the businesses along Harlem Road in very close proximity to the residences located on parallel streets like Merrymont and Hamilton Drives.



Central Section

Surrounding the Cleveland Hill Fire Department, this area of the corridor features retail stores and a scattering of professional offices, especially south of Cleveland Drive. Here again, tightly packed residential units surround the corridor.

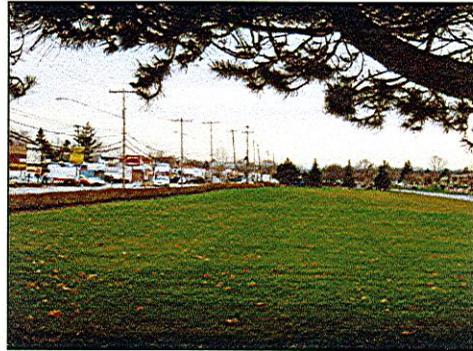
- Sidewalks in this area are not well-kept and are rarely defined from the edge of the road, lacking curbs and street-side greenery.
- Most of the professional offices in the area are located in old homes on the east side of Harlem Road. The residential orientation of these offices contrasts with the expansive retail buildings across the street. As well, many of these professional “homes” are dilapidated and are in need of aesthetic repairs.
- Automotive-oriented signage, meant to catch the eye of someone driving on an interstate or major thoroughfare, contributes to what some conceive as a pedestrian-unfriendly environment. Often situated in the center of a parking lot, this type of signage decreases the amount of useable parking space, as well.
- Parking in this area is difficult as most retail/office buildings are set back from the road only slightly. Despite the presence of lined parking spaces, many patrons of these businesses park haphazardly along the streetfront, creating a chaotic visual environment and a dangerous driving experience.



Southern Section

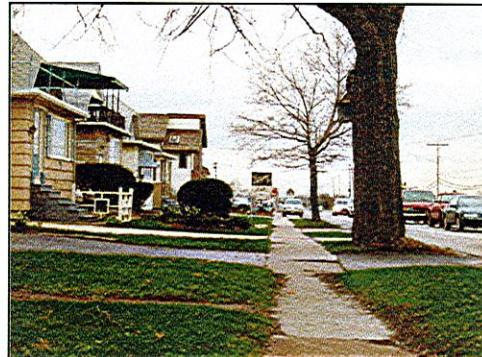
This southern third of the Harlem Road corridor is dominated by the cemetery on the road's west side. Office and residential space are more prevalent here than in the middle or northern thirds.

- The juxtaposition of the greenery from the cemetery and the cluttered environment along Harlem Road makes for a strange and somewhat jarring transition. The edge along the front of the cemetery is particularly odd, with only a short hedgerow and a battered guardrail separating it from the busy street.

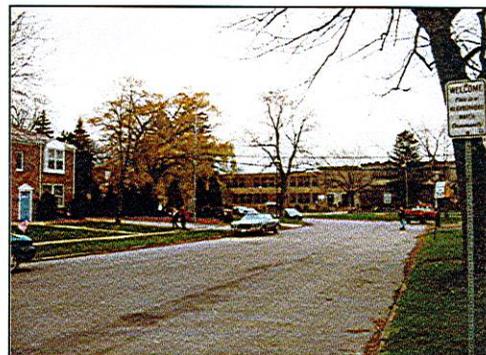


- Again, a lack of curbs makes it difficult to distinguish the road from the parking lots of local businesses. The cemetery has no curbside or fence, but like other businesses, has installed a guardrail along a portion of its Harlem Road frontage.

- Signs in this area are also inconsistent, sometimes appearing on the fronts of buildings and other times as automotive-oriented signage. As well, street signs often appear to “spring out” of the road due to the viewer’s inability to recognize the end of the street and the beginning of the street edge.



- The Southern section does have the benefit of Cleveland Hill High School. The school is located just half a block off of Harlem Road, but is oriented toward the residential neighborhood. However, its proximity to the busy road makes for a difficult walk for students who live on the other side of it.





EMPLOYMENT DATA

Current employment data is not kept at the local level within Erie County, so in order to understand the magnitude of employment in the area; ERA used data from the Greater-Buffalo Niagara Regional Transportation Council (GBNRTC). In 1997, the GBNRTC produced 1990 estimates and 2020 forecasts for employment and population each Traffic Analysis Zone (TAZ) in the region.

The HKC Study Area contains four TAZs: 138 and 139 in Amherst and 140 and 141 in Cheektowaga. The geography of these zones matches up exactly with the four quadrants described earlier in this report, as follows:

- TAZ 138: Northwest Quadrant
- TAZ 139: Northeast Quadrant
- TAZ 140: Southwest Quadrant
- TAZ 141: Southeast Quadrant

Prior to examining employment, it is worthwhile to compare the 2020 population projections for each TAZ with the 2000 population figures reported by CACI Information Systems, Inc. These compare as follows:

TAZ #	1990 Census	2000 (CACI)	2020 (Based on CACI)	2020 (GBNRTC)	Difference
138-NW	5,349	5,269	5,113	5,853	740
139-NE	4,187	4,094	3,914	4,767	853
140-SW	5,353	5,220	4,964	5,140	176
141-SE	4,914	4,814	4,620	4,798	178
Total	19,803	19,397	18,611	20,558	1,947

Clearly, the GBNRTC population forecasts for the study area are more aggressive than are CACI's. When examining employment projections for this area, the difference in population must be considered.

The amount of employment in the Harlem-Kensington-Cleveland business district is fairly small, with 5,419 total employees in the area as of 1990. Compared with the population of 19,803, this translates to an employment-population ratio of 27.4 percent. Since the ratio for the entire Western New York region is 46.4 percent, it is clear that the HKC study area is primarily a residential area.

Within these employment amounts from 1990, the GBNRTC reported that Retail Trade comprised 27.5 percent of the jobs, Wholesale Trade 8.0 percent, Manufacturing 5.6 percent, and All Other Employment the remaining 58.9 percent. All Other Employment includes mainly service jobs like business, personal, professional, legal, and health services.

The following table lists forecasted employment change by category for these areas, and the points after the table highlight the projections:

Quadrant	Projected Job Change, 1990-2020				
	Mfg.	Retail	Wholesale	All Other	Total
Northwest	-2	39	12	99	148
Northeast	-4	126	28	-112	38
Southwest	-26	-26	58	15	21
Southeast	-2	-18	13	60	53
Total	-34	121	111	62	260

- The Northeast and Southwest quadrants had the most employees in 1990, with 1,652 and 1,916 employees, respectively. These two quadrants accounted for 66 percent of all employment in the study area, but are projected to grow the least through 2020. The Northwest quadrant is projected to grow the most, particularly in the All Other Employment category.
- Overall, employment is forecasted by GBNRTC to grow at a very modest rate over the 1990 to 2020 period, with a total of just 260 new jobs created over the 30-year period.
- The Retail Trade category is projected to add 121, while Wholesale Trade is projected to add 111, All Other Employment just 62, and the Manufacturing category is projected to lose 34 jobs.



CONSUMER EXPENDITURES

As part of its demographic estimates and projections work, CACI Information Systems also tracks consumer expenditures data. The five major categories of expenditures are: Groceries, Food/Drink Away from Home, Apparel & Accessories, Leisure & Entertainment, and Home Furnishings. ERA took CACI's total expenditure data and converted it to expenditures by household. The statistics by quadrant are as follows:

Quadrant	Annual Expenditures per Household, 2000					
	Groceries	Food & Drink	Apparel & Acces.	Leisure & Ent.	Home Furnish.	Total
Northwest	\$3,628	\$2,025	\$3,844	\$1,116	\$1,243	\$11,855
Northeast	\$3,470	\$1,813	\$3,431	\$993	\$1,122	\$10,828
Southwest	\$3,139	\$1,440	\$2,708	\$773	\$848	\$8,908
Southeast	\$3,281	\$1,607	\$3,016	\$869	\$959	\$9,731
Average	\$3,365	\$1,704	\$3,217	\$928	\$1,031	\$10,244

While there is a sizable difference between spending per household in the more affluent quadrants and the less affluent ones, the difference in spending is not nearly as great as the difference in income. For example, the Northwest's average household income level is 154 percent higher than that of the Southwest, but its average retail spending per household level is only 33 percent higher. For convenience items like Groceries, the variation in spending is even less—with a 16 percent difference. However, the variation is much larger for Food & Drink (41 percent) Apparel & Accessories (42 percent) and Home Furnishings (47 percent), and Leisure & Entertainment (44 percent).

In total, the average household in the HKC study area spends \$10,244 per year on retail goods. Applying this figure to the entire area, the total annual retail spending by household in the area is \$86.8 million. This figure will be used later in the project as part of the Market Analysis piece, in order to analyze retail demand.

RESULTS OF RESIDENT/CONSUMER SURVEY

In 1999, the Harlem-Kensington-Cleveland Community Task Force commissioned a survey of 1,800 residents of the HKC Study Area, from which the majority of patrons of HKC's business district live. The purposes of this survey were to understand the shopping habits of area residents, to gauge residents' opinions of the business district, and to understand what residents and consumers see as the district's positives and negatives.



In examining the results of this survey, ERA paid close attention to HKC commercial district's strengths and weaknesses, as well as to potential opportunities for improvement and threats to its viability. This section restates some of the key results from the survey, and offers further insight as to how the results should be incorporated into the forthcoming economic development strategy.

According to the survey, future prospects for the HKC business district and its surrounding neighborhoods appear mixed. While area consumers frequent the business district and believe that the products/services there are of high quality, they are generally not optimistic about its future economic well-being. Furthermore, residents have a keen understanding that the business district's economic condition impacts the value of their homes, and that if the business district continues to decline, the whole neighborhood will be affected.

The subsections that follow summarize key results of the survey in three different categories: physical planning issues, retail shopping patterns, and housing and community issues.

Physical Planning Issues

In general, residents/consumers feel that the HKC district is in need of physical improvements, particularly the section south of Cleveland Drive. People would like to see the area become more hospitable to pedestrians, with improvements to sidewalks, crosswalks, and landscaping widely desired. Respondents would like to see improvements to the traffic flow along Harlem Road, but are split as to how to achieve this goal. Some key statistics are as follows:

- 65 percent of respondents feel that the district has experienced decline in the past five years, and 50 percent believe that it will continue to decline over the next five years. Only 24 percent think that the district will improve at all in the coming years.
- Nearly 88 percent of respondents feel that the district's character needs enhancement, and 74 percent said that a more visually attractive environment would encourage them to shop in the district more often.
- The section of the district around the intersection of Harlem, Kensington, and Wehrle was rated as having the best character and image of the three subareas, but even so, only 30 percent of respondents find it pleasing. Just 23 percent said the same about the section between Kensington and Cleveland, and only 19 percent said so about the section south of Cleveland.
- About 73 percent of respondents indicated that they would more likely walk through the district if it were friendlier to pedestrians, and roughly the same proportion (75 percent) feel that the district's sidewalks are in poor condition. Over 85 percent want to see more crosswalks around the Harlem-Kensington-

Wehrle triangle, and 81 percent find crossing Kensington Avenue on foot to be dangerous.

- The majority of respondents would like to see Harlem Road be a three-lane road all the way through the business district, as 56 percent said they favor reducing its width from four to three lanes north of Cleveland and 68 percent advocated widening it from two to three lanes south of Cleveland. However, a sizable minority has potentially conflicting views, as 28 percent of respondents feel that it is already difficult to pull onto Harlem Road, and 25 percent would like to see the southern section of Harlem Road widened to five lanes.

Retail Shopping Patterns and Preferences

Local residents currently shop at the pharmacy and hardware stores in the HKC business district most often. The frequency with which residents shop in the district bodes well for prospective retailers, as does residents' proximity to the area. However, residents note that improvements to the area are necessary. Residents prefer the small-scale, specialty retailers in the HKC district, and do not want to see the district draw in larger retailers. Residents also identified a number of key business types that are missing from the district's mix, most notably a bookstore and a coffee shop/café. The figures below summarize the survey's findings regarding retail shopping and spending.

- Almost 88 percent of respondents visit the business district's shops once per week or more. Respondents patronized the pharmacy (92.6 percent), the hardware store (74.9 percent), business district banks (66.9 percent), and pizza/sub shops (63.3 percent) most often when they visit the area.
- Almost 97 percent of respondents characterize the Business District as being "convenient" to their home.
- 60 percent of respondents believe that the businesses in the district offer high quality services/goods. 70 percent believe that there are a wide variety of professional services in the district.
- Residents were asked about what types of businesses were lacking in the district, and the top five selections were a bookstore (35 percent), a coffee shop/café (25 percent), a casual restaurant (24 percent), a men's/women's clothing store (23 percent), and a gift/collectibles shop (21 percent). Other notable uses mentioned were a home decorating shop (13 percent), a shoe store (11 percent) health club (10 percent), and a toy store (7 percent).

Housing & Community Issues

Residents clearly recognize the connection between a healthy business district and increasing housing values. Responses concerning the creation of a "pedestrian-friendly" environment indicate that residents may prefer a neighborhood amenable to walking. In keeping with the neighborhood theme, residents also expressed

interest in having representation in a local Business Association. The desire for a more walkable, neighborhood-oriented environment is not surprising, as a significant portion of respondents had lived in their homes for more than 20 years. Many residents also are concerned about their personal safety in the business district.

- 87 percent of residents believe that residential real estate values are influenced by the condition of the business district, and 78 percent of believe that enhancing the business district could positively affect their property value. 85 percent believe that if the business district declines, their property value will be negatively affected.
- Residents want to have a voice, as evidence by responses that 75 percent want to see a local Business Association formed and that 82 percent of residents would want neighborhood representation in such a group.
- Since 39 percent of respondents have lived in their homes for 20+ years, it is not surprising that the population of the neighborhood is older than the regional median age of 38, as 77 percent of those responding (i.e., heads of household) were over the age of 40.
- The condition of buildings is a concern, as 48 percent of respondents feel that businesses and commercial properties are not adequately maintained by their owners.
- Residents/consumers generally do not feel very safe in the business district, as 62 percent feel that personal safety and security is a concern.

OBSERVATIONS FROM TASK FORCE WORKSHOP

On November 26, 2001, ERA led a brief “workshop” with the Harlem-Kensington-Cleveland Task Force at the Harlem Road Community Center in Amherst. The purpose of this workshop was to lead the task force members through an exercise in identifying how and why the HKC business district has declined and to help form a vision of what the district can and should look like in the future.

To help participants reach these conclusions, ERA posed four questions to the task force members in attendance:

- What is the HKC Community?
- What was the HKC Community?
- What Happened to It?
- What Will It Be Someday?

Using these questions as a guide, participants then offered their responses to these questions, one at a time. The subsections that follow summarize the results to each question.

What Is the HKC Community?

The first question, “What Is the HKC Community?” generated a wide range of reactions from the group. In order to help sort out the responses, each response was rated by participants as representing an attribute that is positive, negative, or mixed. The matrix on the next page shows the results of this exercise.

Positive	Negative	Mixed
<ul style="list-style-type: none"> • Residential Neighborhood • Main Street of Two Communities • Small Business Environment • Wide Range of Businesses • A District with Potential 	<ul style="list-style-type: none"> • Empty Storefronts • Run-Down • Lack of Continuity • Unsafe for Pedestrians • Aesthetic Wasteland • Too Much Asphalt 	<ul style="list-style-type: none"> • By-pass for Thruway • High Traffic Corridor • Home to Cemetery

Generally speaking, the responses to this question were to rate observations regarding the history and the functionality of the HKC business district positively, while rating observations about its aesthetic appearance and its physical fabric negatively. Clearly, the task force’s members feel that the HKC area is a strong community with a business district that, while fairly solid, has serious physical concerns that must be addressed in the future.

What Was the HKC Community?

The next question posed to the group was: “What Was the HKC Community?” Many of the members of the task force have lived and/or owned businesses in the community for a long time, and therefore have vivid recollections of how it used to be. The points below list responses to this question.

- A walkable community with sidewalks
- No Big Box stores
- A great variety of businesses
- Not as many cars/parking spaces
- Narrower streets
- New houses being built—evidence of growth and prosperity
- More green space
- Used to be an American flag on one of the storefronts
- Kensington Avenue was major thoroughfare for all of Buffalo

Clearly, the perception by the task force is that the “good old days” were just that. All of the above responses reflect an attitude that the community was a better place to live a generation ago, and that many things that were once valued by the residents and business owners of the community have eroded since that time. The next question examined how this process occurred.

What Happened to It?

In response to the question of “What Happened to It?” the task force offered the following responses:

- Loss of neighborhood business due to suburban expansion and construction of malls and mega-stores in nearby areas
- Overall decline of Buffalo region
- More cars on Harlem Road, Kensington Avenue, and Cleveland Drive
- Trolley was removed and forced more people into cars
- No forethought in building design—ugly buildings
- Deterioration of physical environment
- Zoning restrictions/poor planning
- Demographic shift over time
- Schools in area are underperforming
- Transient population—many more renters in area

From looking at this list, it becomes clear that several of the items on it fall far beyond the control and scope of what can be accomplished through a community-based plan. The overall decline of the regional economy, continued suburban expansion, the removal of the trolley to downtown Buffalo, demographic trends, and the performance of local schools are all factors that need to be treated as givens when creating a plan for the community.

However, several of the above factors are, in fact, controllable within the bounds of local planning, including the flow of traffic, zoning restrictions, the design of buildings, the quality of the physical environment, and the homeownership rate. The identification of such key issues at such an early stage of the plan will be extremely useful as the plan progresses.

What Will It Be Someday?

The final question posed to the task force was: “What Will It Be Someday?” This question built on the preceding question, which had already helped flesh out how the community had gotten to where it is now. The following responses came from this exercise:

- A destination
- A community tied together with design elements to build an identity
- A clean and attractive district with high-quality businesses
- A supportive community that balances business and neighborhood interests
- Uses local currency to support neighborhood businesses
- Walkable and accessible to all users
- More Community Uses/Civic Uses
- Senior Housing



- More Regulatory Freedom
- Signage that Celebrates Buildings
- Beautiful Neighborhoods

Despite all that has happened to the HKC neighborhood, the task force is optimistic that intervening now will lead to positive change in the near-term and longer-term future. As with the comments regarding what happened over time to produce change, many of the above comments about what the district can be someday will be extremely helpful as the plan comes together.

II. Stakeholder Interviews

As a means of collecting data directly from residents, property owners, and business owners in the HKC district, ERA conducted a series of stakeholder interviews. At the outset of the interview process, ERA was supplied with the names of key stakeholders, including officials of both towns, representatives of neighborhood/community organizations, business owners, real estate owners, residential and commercial real estate owners, and economic development professionals.

In total, ERA conducted 14 interviews with these stakeholders, with the interviews conducted between the dates of January 14 and February 8, 2002. In order to allow stakeholders to speak freely and honestly, all comments were taken in confidence, and the comments of the interviewees were organized into more general findings.

This chapter is divided into four different sections, each with comments regarding a different topic. The four topics are as follows:

1. Physical and Aesthetic Conditions
2. Demographic, Economic and Societal Conditions
3. Key Concerns and Opportunities
4. What Can the Towns Do?

These four sections follow, beginning on the next page. The comments presented in the first three sections represent ERA's understanding of comments made by the stakeholders. Comments in Section 4 are based on the responses, but include some interpretation from ERA as to realistic actions that the two towns can take to address these concerns.

1. PHYSICAL AND AESTHETIC CONDITIONS

- The HKC commercial district is very well located for both neighborhood and regional access. It is an easy walk to get to the district from surrounding neighborhoods, and it has excellent automobile access—from I-290/I-90 via Kensington Avenue and from the Kensington Expressway via Harlem Road.
- There are a number of “eyesore” buildings throughout the corridor, including the office building at the corner of Harlem and Lexington, the rental duplexes on Harlem north of Saratoga, and the old houses/duplexes in the Central and Southern sections of the corridor.
- Building design in the district is bad and streetscaping and landscaping are even worse. There are few sidewalks, little green space, few trees, and ugly and inconsistent signage.
- Parking is in limited supply in most of the corridor, and access to individual businesses is problematic during peak traffic times. As a result, many people are concerned about the potential impact of widening/improving Harlem Road. While businesses fear losing parking spaces, they are more concerned about losing easy automotive access.
- Traffic on Harlem Road near the Kensington Expressway is brutal during afternoon rush hour. It is nearly impossible to turn onto or off of Harlem Road at that time of day. Many people feel that there should be more traffic lights in the southern section of the corridor. The idea of building a traffic circle near Cleveland Hill High School is not well liked by business owners.
- Property owners need to take better care of their properties. Many buildings are in disrepair, need to be painted, and have unattractive signage. In addition, many parking lots are in poor condition and need repaving.
- Although the Harlem-Kensington-Wehrle triangle itself was once a neighborhood business district, the central and southern portions of the Harlem Road corridor is, was, and will always be automobile-oriented.

2. DEMOGRAPHIC, ECONOMIC AND SOCIETAL CONDITIONS

- Commercial rents in the HKC district are low, with office rents averaging about \$9-10 per square foot (gross), and retail rents topping out at \$14 (triple net) for prime space, but more likely to be around \$6-8. In fact, commercial rents are not any higher than residential rents.
- There is a difference in opinion between residents/business owners and real estate professionals regarding the state of the surrounding communities. Residents and business owners see the area as stable, with many longtime residents and some younger families. However, some real estate professionals

believe that the area's demographics are changing, with lower income residents moving in.

- There are many vacant commercial spaces and buildings in the district. Many occupied buildings suffer from dilapidation, as well, particularly rental housing units. The presence of vacancies and the lack of investment combine to produce stagnant property values throughout the area.
- There are a number of retail business types that are lacking from the HKC district, with a Starbucks-type coffee shop being mentioned by many people as a need. Other uses identified include an office supply store, a computer store, and entertainment destinations.
- The HKC district has quietly become very popular for certain types of service and light industrial businesses. The business inventory revealed that there were a lot more medical, insurance, and other service businesses in the area than people realized.
- Despite the presence of most types of "necessity" stores in the district (grocery, drug, hardware, etc.), many residents choose to drive elsewhere to shop. For example, many residents would rather drive 10 minutes to shop at Tops or Wegman's than shop at the Jubilee store, which many people consider to be a "dump."
- Parks and open space are severely lacking in the community. In the commercial district, there is virtually no green space, and there are limited locations and programs for recreational programs.
- Despite the proximity of the HKC district to the residential communities (and the lack of parking), only select businesses see many patrons arriving on foot. A few restaurants have pedestrians coming in—mostly teenagers and senior citizens—but most patrons drive.
- Property owners in both towns commented that taxes are too high. While Amherst has the higher tax rate, property owners in both Amherst and Cheektowaga commented that the towns both continue to raise property assessments despite the fact that rents have not gone up. In response, one owner commissioned an independent assessment, and found that the town had overvalued his property substantially.
- The residential markets in Amherst and Cheektowaga are vastly different for one reason: schools. The Smallwood district is rightly acknowledged as one of the best in the region, and as a result, few homes in that district go on the market and those on the market sell very quickly. Conversely, many more homes are on the market in the Cleveland Hill district, are priced very affordably (as little as \$60,000 for a three-bedroom house), and stay on the

market longer. Some realtors find this discrepancy unfair, as Cleve Hill's performance has been improving greatly in recent years.

- Many new homebuyers in Cheektowaga are young families buying for the first time. A large percentage of these buyers take advantage of homeowner assistance programs and buy with little or no money down. Most of these buyers grew up nearby and are looking for an affordable place with good schools to raise their families.
- Reports that crime rates are rising in the southwest quadrant of the HKC area are false. Studies regarding crime in this part of Cheektowaga have revealed a very low crime rate. Residents and local realtors blame this perception on realtors who live and work in the outer suburbs, who spread misinformation regarding blight in older urban areas to spur "white flight."
- Many of the older houses along Harlem Road that have converted for business uses are simply obsolete at this point. A number of these houses are vacant and are not likely to be renovated, as the economics simply do not work.

3. KEY CONCERNS AND OPPORTUNITIES

- As commercial rents are so low, and so much competition exists in the market, landlords and brokers agree that reinvestment in older commercial buildings will not spur much higher rents. As a result, property owners find little reason to reinvest significantly in their buildings, unless redevelopment incentives are offered.
- The Amherst (Snyder) side of the HKC area has been more active in community affairs, as evidenced by its higher response rate to the recent community survey. More needs to be done to involve Cheektowaga residents in the community development process.
- There are too many vacant and/or underused commercial buildings in the corridor. Several interviewees thought that some commercial buildings could be rehabilitated and/or redeveloped for higher-density housing. There was also some sentiment to selectively demolish some dilapidated, obsolete buildings for use as either green space or parking.
- There was definite support for improving the visual environment, particularly in regard to sidewalks, trees, and signage. However, some interviewees were concerned that the cost of such improvements would be prohibitive, and that the money could be better spent in the short term.
- Residents and business owners alike would like to see more civic events in the business district. The Christmas tree lighting was a great event, but it was an isolated occurrence. Events should be held in the summer months as well.

- Some interviewees are worried that change will take a very long time to occur. Many feel that bureaucracy has already slowed down improvement efforts, as the small job of landscaping the Harlem-Kensington-Wehrle triangle took over two years to accomplish.
- The community is very interested in its future and supportive of redevelopment efforts. While many people see the community's involvement as a positive, some in the real estate community fear that the community is overly concerned with preservation and design issues, and not receptive enough to inducing real economic change.
- Despite the presence of many longtime, committed businesses in the area, the businesses exist first and foremost to make money, and many would leave the area if they found better opportunities elsewhere. Among the concerns of business owners are the impact of the reconstruction of Harlem Road on traffic flow and parking, public safety/crime, continued demographic change, high property taxes, and the deterioration of the physical environment. Businesses interviewed said they would move to places like Williamsville or even Clarence if such concerns were not addressed in the future.

4. WHAT CAN THE TOWNS DO?

- While just about every respondent agrees that the HKC area's major thoroughfares need to be repaired and made more attractive, there is some disagreement over the right approach. While many residents would prefer a more pedestrian friendly environment, many business owners are worried that "pedestrian friendly" means "hard to access and park." The two towns need to be sure that any major roadway improvements balance the preferences of residents with the needs of businesses.
- The economics of commercial real estate in the HKC area are such that rents for office and retail space are not significantly higher than rents for multi-family residential. Since the cost per square foot of building residential units is typically lower than that of commercial space, it may be preferable to encourage the redevelopment of older commercial properties for residential use. The towns can potentially help this process along by creating more flexible zoning, acquiring properties for redevelopment, or offering economic incentives.
- The poor visual environment created by inconsistent signage and a lack of streetscaping is a serious concern. The towns have already begun to consider this issue, and need to come up with a plan and/or design standards for improving the area's appearance.
- A number of interviewees commented that bureaucracy has already held up progress, citing the experience of landscaping the HKW triangle. Despite the

fact that the planning process has been underway for a while, people still complain that “nothing is getting done.” Initiatives that produce quick and visible results must be included in the plan in order to quell such complaints.

- Residents and business owners in both towns are encouraged by this project and the spirit of cooperation it is fostering. However, people from both towns already acknowledge that Amherst is the more vocal and active partner, and that Cheektowaga residents and businesses need to be more involved. The town governments can certainly help with balancing things.
- Property owners in both towns complain that assessments have been unfairly high in recent years. Overly aggressive assessments may be a disincentive to investment, as property owners may resist conducting any visible improvements to their properties, fearing that their assessments will go up as a result. The towns must be wary of maintaining fair property assessments in the future.
- Some property owners commented that if they saw direct benefits from their tax dollars, they would not be as averse to paying higher taxes. This may speak to an opportunity for creating a special improvement district, such as a business improvement district (BID) or a tax-increment financing (TIF) district.
- Many owners of derelict buildings choose to hold on to the buildings and wait for a higher price than to sell them to willing buyers. To combat this problem, the towns could either use “carrots” like tax incentives for selling and/or buying such buildings or “sticks” like the use of condemnation. Either way, the towns can work with prospective buyers and sellers to help spur reinvestment.
- Some businesses comment that, although crime is not really a problem in the district, a stronger police presence would be appreciated. Since many businesses in the HKC district draw customers from all over the region, some shoppers who do not really know the area think it is “dangerous.” If there was a greater police presence in the area, customers would feel safer.
- There is a glaring lack of park and green space in this area. The only significant open space is the cemetery, and even its edge along Harlem Road is unattractive, with a beat-up guardrail at the streetfront. Just about all interviewees agreed that some small park and gathering spaces need to be added to the district. It may therefore be necessary to acquire some underperforming commercial properties and convert them to public use.
- From Cheektowaga’s perspective, its school district’s perception as inferior to Amherst’s is probably unfair. In order to show that the Cleve Hill district’s real status, the Town of Cheektowaga could document performance statistics, and compare them with other nearby school districts, not just in Amherst. Presenting facts to counter arguments based on perception could help make Cheektowaga’s residential market more competitive.

- The central and southern sections of Harlem Road are emerging as a destination for highway-oriented industrial businesses. Since the market for neighborhood commercial development is limited, the towns must realize that the real estate market views the southern sections much differently from the northern section around the HKW triangle. Each portion of the corridor clearly must be examined in a different light when assembling the plan.

III. Market Analysis

This chapter summarizes ERA's research regarding demographic, economic, and real estate market conditions in the area and estimates demand for future growth in the corridor. Much of the information contained in the market analysis is based on research conducted during the existing conditions review.

AVAILABLE RESIDENT MARKETS

In Chapter II, ERA examined resident markets in and around the HKC corridor. This review defined three markets for retail goods and services in the corridor, based on distance from the corridor's center point, at the intersection of Harlem Road and Wehrle Drive. These markets are as follows:

- **Walking distance market (0-0.5 miles)** – The population living within a half-mile of the corridor's center point is fairly small, with a total of just over 4,000 residents and about 1,800 households. This central area has a very high concentration of owner-occupied households (over 80 percent), but has a very small average household size of 2.17 persons. This contradiction is explained by the fact that it has a very old population, with 30.6 percent of its residents over the age of 65. This inner ring has decent income levels, with an average household income of \$49,400 and a per capita income of \$22,600.
- **Outer Neighborhood market (0.5-1.0 miles)** – Residents living between 0.5 and 1.0 miles from the center of the HKC District likely live too far away from the center to walk, but are close enough to be part of the community. The borders of this market, in fact, closely parallel the residential district defined in the Existing Conditions memo—stretching from Main Street to I-90 to the Kensington Expressway to Eggert Road. This ring has over 13,000 residents in 5,800 households (average size is 2.23), a lower homeownership rate than the inner ring (75 percent), and higher income levels: \$59,300 per household and \$26,500 per capita. Its age profile is still on the older side, but it has a smaller percentage of people over the age of 65 (24.6 percent).
- **Community Market (1.0-3.0 miles)** – People living between one and three miles from the center of the HKC District can get to it within an easy ten-minute drive, and are therefore considered the community market. This market, which stretches well into Amherst, Cheektowaga, and Buffalo, has 131,700



REGIONAL ECONOMIC SITUATION

In 1970, the Buffalo-Niagara region employed about 563,000 people, according to the U.S. Bureau of Economic Analysis; by 1999 the region's total employment level stood at 644,400. While it would seem that adding over 80,000 jobs is substantial, it represents fewer than 2,800 jobs per year, and a compound annual growth rate of about 0.5 percent. Compared with the nation as a whole, which has been growing at a rate of more than 2.0 percent annually, the region has certainly lagged behind. In the late 1990s, when national employment growth was an even stronger, the Buffalo-Niagara region added just 20,000 jobs between 1995 and 1999. This resulted in a 0.8 percent annual growth rate, compared with the national average of 2.3 percent.

The table below profiles regional employment change over the past three decades.

Employment in Buffalo-Niagara Region

	1970	1980	1990	1995	1999	Annual % Change 1970-1999	Percent of Total	
							1970	1999
Construction	23,134	20,670	29,623	26,813	27,820	0.6%	4.1%	4.3%
Manufacturing	170,201	136,092	100,328	93,409	88,954	-2.2%	30.2%	13.8%
Transp/Public Utilities	32,437	28,634	28,985	28,915	29,260	-0.4%	5.8%	4.5%
Wholesale Trade	26,095	29,426	29,861	29,385	30,597	0.6%	4.6%	4.7%
Retail Trade	92,989	100,204	120,613	118,945	116,414	0.8%	16.5%	18.1%
Finance/Insurance/RE	35,322	41,502	42,849	43,677	51,502	1.3%	6.3%	8.0%
Services	92,536	131,324	184,192	195,930	211,779	2.9%	16.4%	32.9%
Government	90,270	89,485	91,219	87,439	88,111	-0.1%	16.0%	13.7%
Total Employment	562,984	577,337	627,670	624,513	644,437	0.5%	100.0%	100.0%

Source: U.S. Bureau of Economic Analysis; Economics Research Associates

Clearly, the major shift within the economy was the replacement of Manufacturing jobs with Services jobs. From 1970 to 1999, the region lost 82,000 jobs in the manufacturing sector, but added over 119,000 jobs in Services industries. While other industries have also lost or gained employment over this period, the most dynamic shift has been in these two industry groups. As of 1999, Manufacturing jobs only accounted for 13.8 percent of the region's jobs, down from 30.2 percent in 1970, and Services accounted for 32.9 percent of the jobs in the region, compared with its 16.4 percent share in 1970.

The greater importance of the shift from Manufacturing to Services jobs in the Buffalo-Niagara region is the issue of wages. On the whole, manufacturing industry jobs have much higher wages than do services jobs. Therefore, while the actual number of jobs may have increased, the level of earnings per job—and, by extension retail buying power—has been negatively affected. The table below shows how total earnings have changed in the region over the past three decades, adjusting for the average annual national inflation level of 5.1 percent during that



period, as reported by the U.S. Bureau of Labor Statistics. In reference to inflation, earnings in the Buffalo-Niagara region have only grown by 0.3 percent annually over the past three decades, an indication of the region's economic struggles.

Earnings by Industry in Buffalo-Niagara Region

	Average Inflation Rate, 1970-1999: 5.1%					Real Annual % Change 1970-1999	Percent of Total	
	1970	1980	1990	1995	1999		1970	1999
Construction	\$ 256,288	\$ 409,800	\$ 883,884	\$ 852,302	\$ 958,636	-0.4%	5.7%	4.6%
Manufacturing	\$ 1,712,236	\$ 3,264,436	\$ 3,888,534	\$ 4,308,301	\$ 4,502,929	-1.7%	37.8%	21.7%
Transp/Public Utilities	\$ 342,247	\$ 672,777	\$ 989,619	\$ 1,154,496	\$ 1,300,787	-0.4%	7.6%	6.3%
Wholesale Trade	\$ 240,948	\$ 523,817	\$ 848,337	\$ 942,174	\$ 1,125,076	0.4%	5.3%	5.4%
Retail Trade	\$ 447,016	\$ 785,908	\$ 1,488,566	\$ 1,646,724	\$ 1,922,892	0.1%	9.9%	9.3%
Finance/Insurance/RE	\$ 170,895	\$ 379,639	\$ 898,748	\$ 1,083,842	\$ 1,492,739	2.7%	3.8%	7.2%
Services	\$ 586,303	\$ 1,508,374	\$ 3,665,306	\$ 4,620,029	\$ 5,686,160	3.0%	12.9%	27.5%
Government	\$ 774,484	\$ 1,598,081	\$ 2,951,241	\$ 3,457,782	\$ 3,719,434	0.5%	17.1%	18.0%
Total Earnings	\$ 4,530,417	\$ 9,142,832	\$ 15,614,235	\$ 18,065,650	\$ 20,708,653	0.3%	100.0%	100.0%

Source: U.S. Bureau of Economic Analysis; U.S. Bureau of Labor Statistics; Economics Research Associates

The disparity between Manufacturing earnings and Services earnings is evident from the above data. In 1999, the average manufacturing salary was \$50,600 (\$4.5 billion in earnings for 88,950 jobs) while the average services salary was just \$26,900 (\$5.7 billion in earnings for 211,800 jobs). Other growing industry groups like Retail Trade (\$16,500) and Finance/Insurance/Real Estate (\$29,000) also have far lower wages than does Manufacturing.

There are two clear implications of the employment and earnings trends. First, office employment in the region has boomed, as evidenced by the tremendous growth of office development in Amherst, in particular. Second, despite some economic growth in the Buffalo-Niagara region, the region increasingly suffers from economic "leakage." Looking at the retail industry gives a clear indication of this trend. While retail spending in the region has increased from 1970 to 2000 by about 29 percent (according to Woods & Poole Economics) and retail employment has grown by 25 percent, earnings from retail jobs only increased by 1.7 percent. This disparity suggests that, with the increasing dominance of national retailers, retail dollars spent in the Buffalo-Niagara region are more likely to be moved to other regions rather than reinvested locally.

REGIONAL COMPETITION AND POPULATION ISSUES

Part of the challenge for a community commercial area like the Harlem-Kensington-Cleveland business district is to understand how it fits into the larger regional context. This issue includes two facets: first, its place in the regional commercial market; and second, how population and households are concentrated in the region. The subheadings below discuss these two issues.

Regional Retail Market Context

According to the 2001 edition of *The Shopping Center Directory*, there are 55 shopping centers located in the City of Buffalo and the Towns of Amherst, Cheektowaga, Clarence, and Tonawanda. Among these, 14 are neighborhood centers (under 100,000 sq. ft.), 22 are community centers (up to either 200,000 of 250,000 sq. ft., depending on tenant mix), eight are regional centers (up to 500,000 sq. ft.), and five are super-regional malls. There are also six “power centers,” which range from 200,000 to 600,000 square feet, but are held together by the fact that they are anchored by big-box retailers.

In comparing these different types of retail centers, the age of a property is a clear indicator of how retailing has changed over time. The average age of shopping centers in the area is as follows:

Neighborhood Centers:	33 years old
Community Centers:	24 years old
Regional Centers:	42 years old
Power Centers:	6 years old
Super-Regional Malls:	31 years old
Overall Average:	29 years old

Taking a closer look at each type, it becomes apparent that the only two types of shopping centers being built today in the region are power centers and community centers. Power centers, nationally, are a fairly recent phenomenon, with the majority of them built in the past 10 years. The Buffalo region is no different, as only one of its six power centers is more than 10 years old, and the average age is six years.

Looking at community centers, while the average age appears high, it is skewed by the presence of University Plaza, the oldest surviving shopping center in the region at 62 years old. Removing University Plaza from the analysis, the average age of the community center sample is 19 years. More importantly, this type of center has increasingly replaced the neighborhood center as locations for grocery stores, drug stores, and other convenience items. With the advent of the “mega-supermarket” (i.e., Tops and Wegman's), new grocery stores are commonly 50,000 square feet or larger, and simply cannot be accommodated within the bounds of a smaller neighborhood shopping center.

Another aspect of the regional retail market is the issue of retail concentrations. The map on the next page classifies retail in the region by size and location.

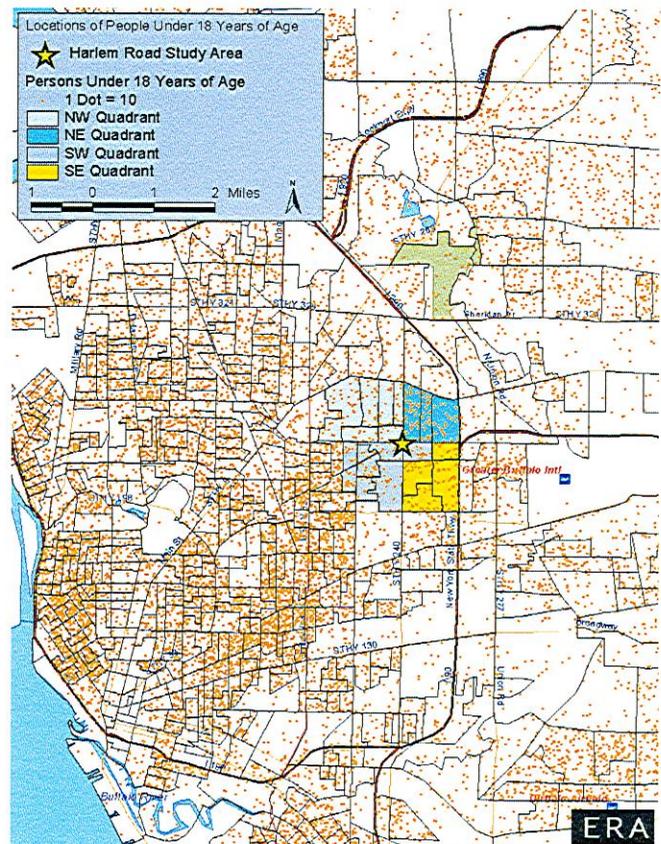
It is clear from this map that the three dominant retail areas are those anchored by the Boulevard Mall in Amherst, the Walden Galleria in Cheektowaga, and the Delaware Avenue corridor in Buffalo. The HKC district is located in between these three areas, less than five miles away from each. Clearly, in this context, the HKC district finds itself hemmed in by these larger-scale commercial districts that contain the modern models of successful retail.

Regional Population and Household Distribution

To gain further insight into available commercial markets, ERA analyzed data regarding the age of the population and average household income levels in the surrounding area. Our approach was to map the density of people in certain age groups and income categories in order to illustrate how the HKC district’s resident markets compare with the region as a whole. Maps and comments on each map follow.

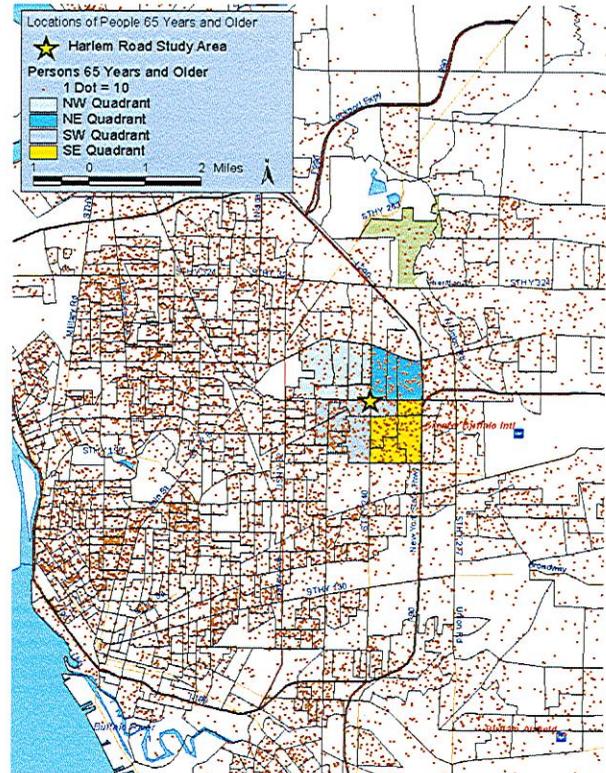
Population Under 18

The map to the right shows the density of people under the age of 18, with each dot representing 10 people. The highest density areas for children in the region are mostly in the City of Buffalo. Looking at suburban areas, though, the HKC district has a relatively low concentration of children, despite its fairly dense scale of development. Areas of East Amherst, which are less densely built-out, have higher concentrations of children under 18. Clearly, the HKC district and its surrounding areas do not present a strong market for families with children at this time.



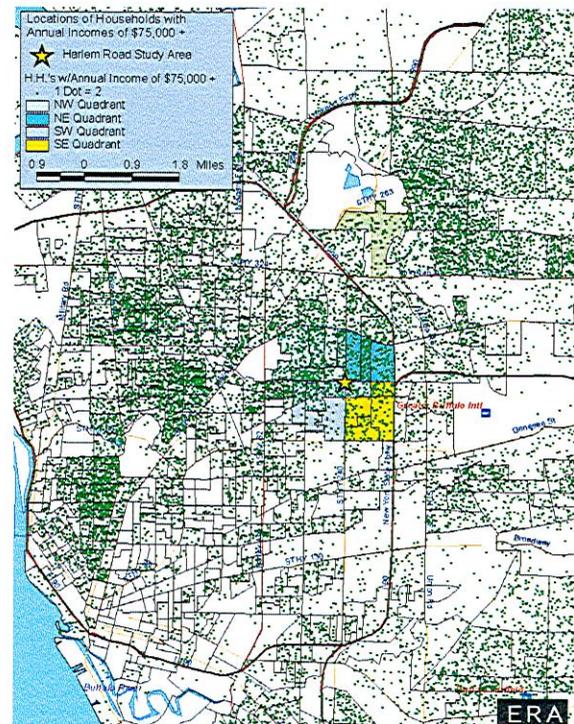
Population Over 65

This map shows density of people over the age of 65. The HKC district, particularly its southern quadrants in the Town of Cheektowaga, has a fairly high concentration of senior citizens. As many seniors either do not drive or simply do not like to drive very far, the concentration of older residents nearby could present market opportunities for the area. Neighborhood retail, particularly of the pedestrian-friendly convenience variety, is popular among older residents.



Households Earning Over \$75,000 Annually

Looking at higher income households in the area (those earning \$75,000 per year or more), the HKC district has a fairly high concentration, but it is heavily weighted towards the Amherst/Snyder side of the district. The density of higher income households falls off considerably in Cheektowaga. As with the concentration of children, even though it is less densely built, East Amherst has the highest density of higher-income households of any suburban area in the region.





COMMERCIAL REAL ESTATE MARKETS

ERA has assembled data regarding several aspects of commercial real estate markets in Amherst, Cheektowaga, and Western New York in general. This section briefly describes these markets and then examines the Harlem-Kensington-Cleveland Corridor within this context. The particular markets profiled are office, retail, and multi-family residential.

Office Market

As suggested in the preceding section, office employment in the Buffalo-Niagara region has increased dramatically over the past three decades, most notably in the Town of Amherst. At the end of 2000, Amherst's office inventory contained 4.7 million square feet of space, compared with 7.2 million in downtown Buffalo, according to Pyramid Brokerage Company's year-end report (since these are the only two substantial office concentrations in the region, Pyramid only reports for these two submarkets). More significantly than its total inventory, Amherst had a very low office vacancy rate of less than seven percent, compared with Buffalo's rate of about 16 percent at the end of 2000. As a result, Amherst's occupied office inventory of 4.4 million square feet compared even more competitively with Buffalo's total of 6.0 million square feet.

Almost all of the office space in Amherst has been built in the past 25 years, with the overwhelming majority located in one of the town's many office/business parks. Pyramid's report only identifies 417,000 square feet of "Class C" office space in Amherst (about 8.9 percent of the Town total), which is typically found in older, less competitive buildings—by comparison, about 25 percent of downtown Buffalo's stock is considered Class C space. Within the town's borders, only a few areas such as Eggertsville, Williamsville, and Snyder have such older office buildings. Vacancy in the Town's limited stock of Class C space is very low, with just 25,000 square feet available at the end of 2000—a vacancy rate below six percent.

Looking specifically at the HKC district, office space is housed in very small buildings, many of which were originally built as residences. Even buildings constructed for office use are small, with the largest of the district's office buildings being no more than about 12,000 square feet, with floorplates of at most 5,000 square feet. Considering that tenant demand for office space in the region has been mostly geared towards larger blocks of contiguous space, smaller and older properties have found it difficult to compete. New office park buildings can have floorplates as large as 25,000 square feet, in fact.

Pyramid's report states that, due to high rents and few vacancies, office development will continue to remain strong in the Amherst submarket. Although

large blocks of Class A space in new buildings are likely to be the locus of such growth, the nearly-complete Comprehensive Plan for the Town of Amherst envisions more reinvestment in older commercial areas in the Town, and less Greenfield office park development. With continuing pressure on the office market in Amherst, some “relief valve” locations are likely to be needed, and the HKC district may be able to fill this role.

A problem faced by the HKC district is its non-competitive rental rates for office space. Class A space in Amherst (newer, professional offices) rented for between \$18 and \$23 per square foot as of the end of 2000, with Class B space going for about \$15 and Class C space in the \$10-14 range. All of the above rents represent gross figures, including all expenses and taxes. During our stakeholder interviews, ERA determined that the typical office space in the HKC district leased for around \$9-10 per square foot on a gross basis. It is evident that the office buildings in this district fall short of even the typical lower end of the regional market, from a competitive perspective. The affordability of space in this area is borne out by the fact that most office users in the district are very small businesses in a limited number of fields that require low rents and central locations, such as medical, insurance, and business service professionals.

If new office development and/or reinvestment in existing office buildings is to be possible, rental rates in the area must increase. From interviews with developers and brokers, it is evident that the economics of investing in office development and/or redevelopment simply do not work with rental rates of \$10 per square foot, even with public assistance. To make the environment for reinvestment more attractive, several approaches can be taken, including land assembly, infrastructure and landscaping subsidies, tax abatements, or parking subsidies. The applicability of public intervention is discussed in the implementation plan (Chapter V).

Retail Market

According to Pyramid Brokerage Company, the Buffalo-Niagara region contains about 24 million square feet of retail space, or approximately 20 square feet per resident in the region. This ratio is about in line with the national average of retail space per capita. Among this inventory, 48 percent of it is located in either Amherst or Cheektowaga, with the bulk of the space in these two towns concentrated around the Boulevard and Walden Galleria malls.

Not only are Amherst and Cheektowaga the largest retail submarkets in the region; they also have some of the lowest vacancy rates in the region and are seeing the largest amount of new construction. However, the nature of new retail development in the two towns is overwhelming concentrated around the two malls, with automobile-oriented big box projects dominating the new construction. The Boulevard Consumer Square project in Amherst, a new addition to the Walden

Galleria mall in Cheektowaga, and the redevelopment of the Thruway Mall in Cheektowaga alone have brought or will bring over 1.5 million square feet of new retail space to the two towns. These three projects include major national retailers like Target, Best Buy, Home Depot, and Sam's Club, and will also include large-scale entertainment uses like new cinemas and restaurants.

In the community retail market, larger-scale multipurpose supermarkets located in community retail centers continue to replace older, neighborhood-scale markets, as mentioned earlier. Tops Markets has begun developing a new model: a 50,000+ square foot store with a gas station on-site. Wegman's combination food, drug, café, fresh market stores can be as large as 90,000 square feet (over two acres). Eckerd Drugs and Rite Aid continue to develop new, larger stores with drive-thru pharmacy services throughout the region.

The shift from older, smaller centers to newer developments is evident in vacancy rates in Amherst and Cheektowaga. In these two towns, neighborhood retail center space has an overall vacancy rate of around 12-14 percent; by comparison regional and super-regional centers in these towns are just 2-3 percent vacant. This disparity reflects the ages of such developments as well, as retail concepts are always evolving, thus rendering older spaces obsolete all over the country.

Rental rates for retail space are extremely varied throughout the region, with high end in-line space in malls renting for as much as \$50 per square foot, and older, neighborhood center space for as little as \$5 per square foot (all figures are net of expenses). Unfortunately, for the HKC area, retail rents tend to be towards the bottom of the range. For the most desirable retail space in the district, around the Harlem-Kensington-Wehrle triangle, rents can be as high as \$14 per square foot, net of expenses. However, less desirable, older, and smaller spaces can rent for as little as \$5-6 per square foot, net.

Retail development in Amherst and Cheektowaga is mostly being undertaken on a very large scale, either in power centers, regional malls, or outsized supermarkets than can be as much as twice as large as older food stores. Since the region's retail market is only growing modestly, these new developments are mostly shifting demand from older stores to new developments. The end result is that older commercial areas like the HKC district find it harder and harder to compete against new developments. In comparison to new retail experiences, the HKC district offers less selection, fewer parking spaces, a perception (not necessarily a reality) of being less safe, and an unattractive visual environment.

In examining the potential for retail redevelopment in the HKC district, the primary obstacle is land area. Lots along major arteries like Harlem Road, Kensington Avenue, and Cleveland Drive are very shallow, and back onto densely built residential neighborhoods. As a result, the scale of retail development that can

occur in the district is very limited, with no possibility for the big box development being realized elsewhere in Amherst and Cheektowaga. However, there is a national trend emerging for smaller-scale retail development, concentrating more on the pedestrian and visual environments, and retrofitting old retail space for new, higher-end merchants.

Many models for this sort of redevelopment exist. One model is an affluent district where national retailers invest in new, edgy spaces. Another is a middle-class urban district that uses local entrepreneurial strength to incrementally improve itself. Yet another is a niche district that replaces neighborhood-serving uses with arts, antiques, or other specialty items. A final model is an entertainment district, which uses a theater or other entertainment destination to generate activity. Forthcoming discussions will examine these different models and determine their applicability for the HKC district.

Multi-Family Residential Market

Over the past few years, multi-family residential construction in Amherst and Cheektowaga has far outstripped single-family construction. As these town inner-ring suburban towns become ever more built-out, there are fewer and fewer locations suitable for single-family developments, and higher-density residential projects have gained steam. The table below illustrates housing permit trends for the two towns for the five-year period from 1997 through 2001.

Housing Permit Figures, 1997-2001

Year	Amherst			Cheektowaga			Total--Both Towns		
	Single-Family	Multi-Family	Total	Single-Family	Multi-Family	Total	Single-Family	Multi-Family	Total
1997	88	482	570	13	20	33	101	502	603
1998	125	280	405	26	136	162	151	416	567
1999	137	211	348	47	-	47	184	211	395
2000	179	194	373	33	80	113	212	274	486
2001	250	232	482	39	66	105	289	298	587
Total	779	1,399	2,178	158	302	460	937	1,701	2,638
Annual Avg.	156	280	436	32	60	92	187	340	528

Source: U.S. Bureau of the Census; Economics Research Associates

It is evident from this information that the multi-family housing market in both towns has been fairly solid, as new units continue to be added. Over the five-year period, in fact, the average number of multi-family units permitted per year was a very healthy 340 units, while just 187 single-family units were permitted.

In considering the demand for multi-family housing in the HKC corridor, a primary consideration is expected rents for apartments. Rental rates in older areas of Amherst and Cheektowaga range from about \$0.55 per square foot per month for older, lower quality properties to as much as \$0.90 per square foot for new, more upscale developments. Comparing these rates with annual rental rates for commercial space, the range would be from about \$7-11 per square foot, excluding utilities. These prices make potential residential developments in the HKC area competitive from a revenue standpoint with office and retail developments. Since residential buildout typically does not cost as much per square foot, the economics of residential development may be preferable in this area.

RETAIL DEMAND ANALYSIS

Prior to conducting a demand of retail market demand, it is first necessary to understand the different categories of retail spending, as the market for each type behaves differently. Using data from the *1997 Economic Census of the United States*, ERA has defined four major categories of retail, as follows:

1. **General Merchandise, Apparel, Furniture, and Other (GAFO)** – Includes the General Merchandise, Furniture & Home Furnishings, Clothing & Accessories, Sporting/Hobby/Book/Music, and Miscellaneous Retail groups from the Economic Census.
2. **Food & Drugs** – Includes the Food & Beverage Stores and Health & Personal Care categories.
3. **Home Improvement** – Includes the Building Materials & Garden Supplies and Electronics & Appliances categories.
4. **Eating and Drinking Places**

With these categories, ERA compared retail sales data from the Economic Census in the Towns of Amherst and Cheektowaga with regional sales data in order to determine the relative market draw for each type of retail. Market draw is estimated by comparing each town's share of regional retail sales with its share of households in the region. The following table summarizes this research:



Regional Retail Draw

	Buffalo MSA	Amherst	Cheektowaga		
Households					
Number of Households	468,719	45,076	40,045		
Percent of MSA Total	100.0%	9.6%	8.5%		
		% of MSA	% of MSA	Draw	Draw
		Total	Total	Factor	Factor
Retail Sales Draw by Category					
General, Apparel, Furniture, Other (GAFO)					
General Merchandise		na	na	19.4%	2.27
Furniture & Home Furnishings		19.2%	2.00	13.5%	1.58
Clothing & Accessories		20.7%	2.15	16.1%	1.89
Sporting, Hobby, Book, Music		27.9%	2.90	10.2%	1.20
Miscellaneous Retail		na	na	12.7%	1.49
Total		22.2%	2.31	16.5%	1.93
Highly Regional Market					
Food & Drugs					
Food & Beverage Stores		20.6%	2.14	9.9%	1.16
Health & Personal Care		9.5%	0.99	8.4%	0.98
Total		17.5%	1.82	9.5%	1.11
Community Market					
Home Improvement					
Building Material & Garden		11.1%	1.15	15.2%	1.78
Electronics & Appliances		40.8%	4.24	17.4%	2.03
Total		17.7%	1.84	15.7%	1.84
Sub-Regional Market					
Eating & Drinking Places		15.2%	1.58	8.8%	1.03
Neighborhood/Niche Market					

Source: U.S. Bureau of the Census; Economics Research Associates

This exercise demonstrated that the four categories have varied levels of regional draw. The most regional of the markets is GAFO, for which two towns' shares of retail spending more than double their share of regional households, showing that this category draws a market from all over the region. Home improvement, with a sales-to-household share ratio of 1.84 for both towns is more of a sub-regional market, drawing from a smaller area than the GAFO category. Food & Drugs draws a more local market, but still has some regional pull. In Amherst, the regional draw factor is 1.82, but Cheektowaga's is just 1.11. This disparity is due to two factors: Amherst's larger and newer stores, and its larger employment base, as people often buy these items while at work. The Eating & Drinking Places category has the least amount of regional draw, as the majority of such places are neighborhood-oriented. However, for certain types of restaurants, there may be a niche market for the whole region.

The Harlem-Kensington-Cleveland Business District is a smaller-scale, commercial area with a neighborhood/community orientation. It does not contain most of the stores that account for Amherst and Cheektowaga's regional pull, such as department stores (Kaufmann's, Lord & Taylor, JC Penney), home improvement

warehouses (Home Depot, Lowe’s), electronics superstores (Best Buy, Circuit City), or even full-service supermarkets (Tops, Wegman’s). Due to its scale and limited amount of developable land, the HKC district simply cannot accommodate such large scale retailers. However, its pedestrian scale has potential as a niche shopping district with regional appeal.

Combining the above research regarding regional draw with our information collected during stakeholder interviews and site visits, ERA then estimated potential “capture rates” for each retail use type in the HKC district. Capture rates measure the percentage of retail spending by each market segment within a given area; therefore, unique capture rates have been determined for each of the three resident markets: walking distance (0-0.5 miles), outer neighborhood (0.5-1.0 miles), and community (1.0-3.0 miles).

In addition to resident capture rates, ERA has estimated an additional “inflow” factor for each retail type. Inflow represents potential spending from those who do not live within three miles of the center of the HKC district. This spending may come from other residents of the region, people who work nearby, or visitors from elsewhere. Inflow is a reflection of the level to which each market draws spending from niche and/or non-resident markets, and therefore differs for each category.

The table below lists ERA’s assumed capture rates for the HKC Business District.

Capture Rates for HKC District

	Walking Distance (0-0.5 mi)	Outer Neighborhood (0.5-1.0 mi)	Community (1.0-3.0 mi)	Additional Inflow Factor
GAFO	10.0%	7.5%	2.0%	20.0%
Food & Drugs	60.0%	25.0%	2.0%	2.0%
Home Improvement	20.0%	15.0%	2.0%	10.0%
Eating & Drinking Places	65.0%	25.0%	5.0%	40.0%

The next step in projected retail demand is to apply these capture rates to the total potential retail spending from each of the market areas. ERA calculated potential spending by taking the 1997 Economic Census data for spending by household, then adjusting each market area’s potential average household spending by comparing each area’s average household income level with that of the entire region. The table below shows the derivation of potential spending for each of the three market areas.



Potential Retail Spending by Market Area

	Avg. HH Income	% of Reg. Average
Buffalo-Niagara MSA	\$ 57,384	100.0%
Walking Distance	\$ 49,413	86.1%
Outer Neighborhood	\$ 59,264	103.3%
Community	\$ 47,009	81.9%

	GAFO	Food & Drugs	Home Improve.	Eating & Drinking	Total
Retail Spending/HH					
Buffalo-Niagara MSA	\$ 5,685	\$ 5,897	\$ 2,247	\$ 2,239	\$ 16,068
Walking Distance	4,895	5,077	1,935	1,928	13,836
Outer Neighborhood	5,871	6,090	2,321	2,313	16,594
Community	4,657	4,830	1,841	1,834	13,163

Number of Households	
Walking Distance	1,839
Outer Neighborhood	5,854
Community	54,708

Total Potential Spending (\$000s)					
Walking Distance	\$ 9,002.6	\$ 9,337.5	\$ 3,558.3	\$ 3,546.1	\$ 25,444.5
Outer Neighborhood	\$ 34,370.6	\$ 35,649.4	\$ 13,585.1	\$ 13,538.7	\$ 97,143.7
Community	\$254,785.8	\$264,265.2	\$100,704.6	\$100,361.2	\$720,116.9
Total--All Areas	\$298,159.0	\$309,252.1	\$117,848.0	\$117,446.0	\$842,705.1

The total potential amount of annual retail spending from households located within three miles of the center of the HKC Business District is \$843 million, of which \$25 million is from the inner (0-0.5 mile) ring, \$97 million is from the middle (0.5-1.0 mile) ring, and the remaining \$720 million is from the outer (1.0-3.0 mile) ring.

The final step in the model applies the capture rates and inflow factors to the potential spending figures. As part of this step, average sales productivity levels per square foot were estimated. These figures are estimated at: \$275 for GAFO, \$200 for Food & Drugs, \$175 for Home Improvement, and \$300 for Eating & Drinking, based on typical performance at the national level. The table below documents this last step.



**Total Retail Demand
Harlem-Kensington-Cleveland Business District**

	GAFO	Food & Drugs	Home Improve.	Eating & Drinking	Total
Total Potential Spending (\$000s)					
Walking Distance	\$ 9,002.6	\$ 9,337.5	\$ 3,558.3	\$ 3,546.1	\$ 25,444.5
Outer Neighborhood	34,370.6	35,649.4	13,585.1	13,538.7	97,143.7
Community	254,785.8	264,265.2	100,704.6	100,361.2	720,116.9
Total--All Areas	\$ 298,159.0	\$ 309,252.1	\$ 117,848.0	\$ 117,446.0	\$ 842,705.1

Resident Market Capture Rates					
Walking Distance	10.0%	60.0%	20.0%	65.0%	
Outer Neighborhood	7.5%	25.0%	15.0%	25.0%	
Community	2.0%	2.0%	2.0%	5.0%	

Retail Spending by Market Area (\$000s)					
Walking Distance	\$ 900.3	\$ 5,602.5	\$ 711.7	\$ 2,305.0	\$ 9,519.4
Outer Neighborhood	2,577.8	8,912.3	2,037.8	3,384.7	16,912.6
Community	5,095.7	5,285.3	2,014.1	5,018.1	17,413.2
Subtotal	\$ 8,573.8	\$ 19,800.2	\$ 4,763.5	\$ 10,707.7	\$ 43,845.2
+ Inflow @	20.0%	2.0%	10.0%	40.0%	
Total Spending	\$ 10,288.5	\$ 20,196.2	\$ 5,239.9	\$ 14,990.8	\$ 50,715.4

Retail Square Footage Demanded					
Spending/SF	\$ 275.00	\$ 200.00	\$ 175.00	\$ 300.00	
Total Square Feet	37,410	100,980	29,940	49,970	218,300

As shown by the table, the HKC Business District can support as much as 218,300 square feet of retail space, based on today's population and retail spending levels. Of this amount, Food & Drugs dominates, with enough demand for 101,000 square feet of space in this category. About 50,000 square feet of Eating & Drinking establishments can be supported, which is the equivalent of about eight to ten sit-down restaurants. Additional demand exists for about 37,000 square feet of General Merchandise, Apparel, Furniture, and Other Retail establishments and another 30,000 square feet for home improvement, which covers hardware, garden, and appliance stores.

Based on ERA's understanding of the HKC District's current supply of retail space, it appears that significant opportunities exist for Food & Drug stores, as well as for adding smaller scale Eating & Drinking establishments and Home Improvement goods. The GAFO category appears to have little capacity for growth in the district at this time.



IV. Redevelopment Site Analysis

This chapter discusses potential redevelopment projects and other physical initiatives that may be undertaken in the HKC District in the next few years. Based on the findings of the Market Analysis, ERA developed a number of project prototypes for the HKC district, with a brief examination of the particular site requirements for each project type. The site analysis presented here lays the groundwork for the economic development strategy outlined in the subsequent chapter.

POTENTIAL REDEVELOPMENT PROJECTS

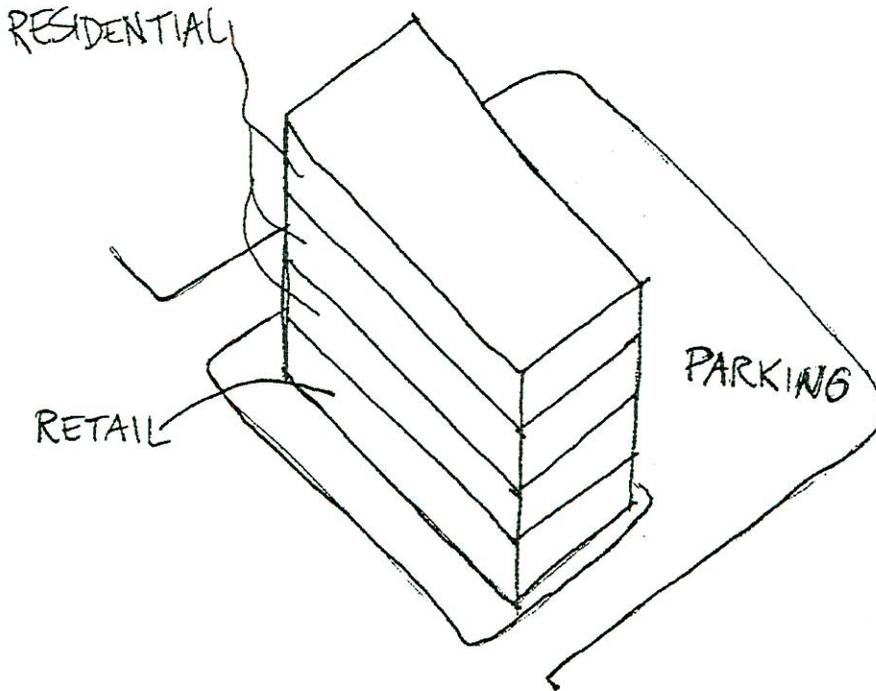
The pages that follow list below are a series of potential redevelopment projects that, based on our market research, should be feasible to undertake in the Harlem-Kensington-Cleveland Business District. Following a project description, each project is then analyzed for its site needs, including size, parking, access, visibility, and suggested location.

Project #1 – Retail/Residential Loft Development

A priority project to help enhance the HKC District should be a multi-family residential development. As discussed in the Market Analysis, there is potential for multi-family residential development in the area, provided that it is done in small increments and is directed at the proper market niche. The suggested prototype is a four-story building containing one and two-bedroom “loft-style” apartment units, with street-level retail and on-site parking for residents.

Profile

- Multi-family residential: 10-15 units (12,000 square feet total)
- Streetfront retail space: 4,000 square feet
- Parking: 25-30 spaces
- Access: 2 curb cuts
- Minimum lot size required: 0.4 acres
- Height: 4 stories
- Preferred Location: Northern Section, north side of triangle

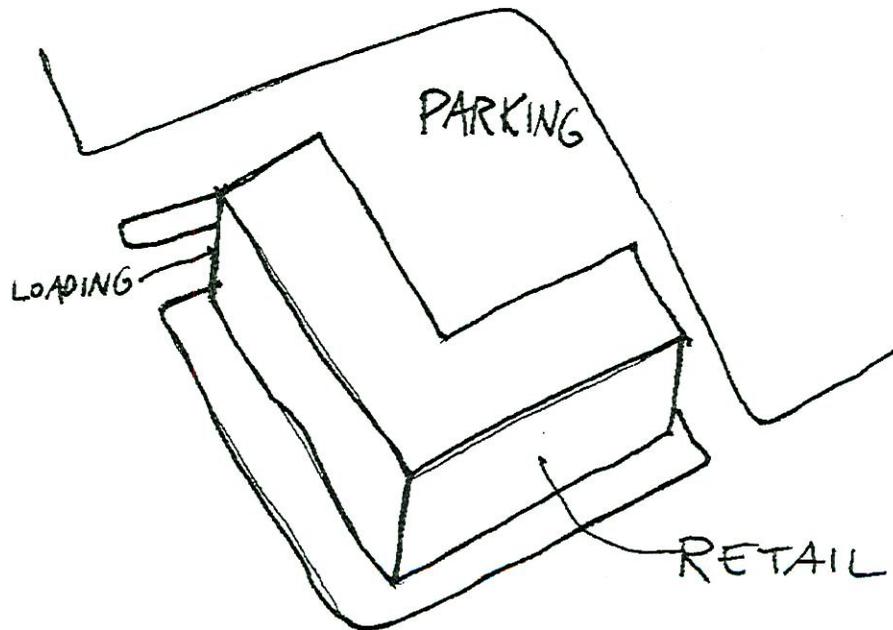


Project #2 – Streetfront Boutique Retail Development

This prototype should be implemented as part of a redevelopment of a site with a large parking lot, with an emphasis on forming a more pedestrian-friendly street edge. This will be a small project, but should contain high-traffic food service and convenience retail tenants such as a coffee shop, a gourmet carry-out/deli, a florist, or other small-scale users.

Profile

- Streetfront retail space: 10,000 square feet
- Parking: 40 spaces
- Access: loading dock, 3 curb cuts
- Minimum lot size required: 0.6 acres
- Height: 1 story
- Preferred Location: Northern Section, south side of triangle

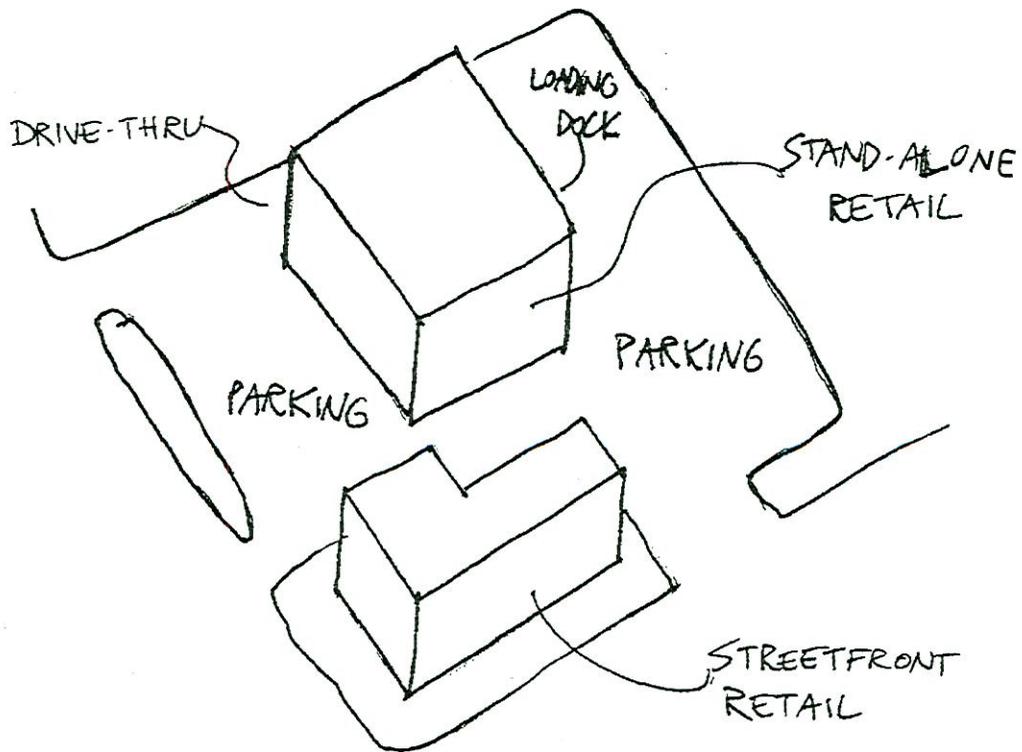


Project #3 – Community Retail Development

New service-oriented retail projects, particularly drugstores, demand stand-alone locations, preferably with drive-through access. Although such a model can be at odds with fostering a pedestrian environment, good landscaping and responsible site design can overcome this problem. With this in mind, a prototype that combines a pad retail development with community-oriented streetfront development is recommended:

Profile

- Streetfront retail space: 5,000 square feet
- Stand-alone retail space: 15,000 square feet
- Parking: 80 spaces
- Access: loading dock, drive-through window, 3 curb cuts
- Minimum lot size required: 1.2 acres
- Height: 1 story
- Preferred Location: Central Section, near Harlem-Cleveland intersection

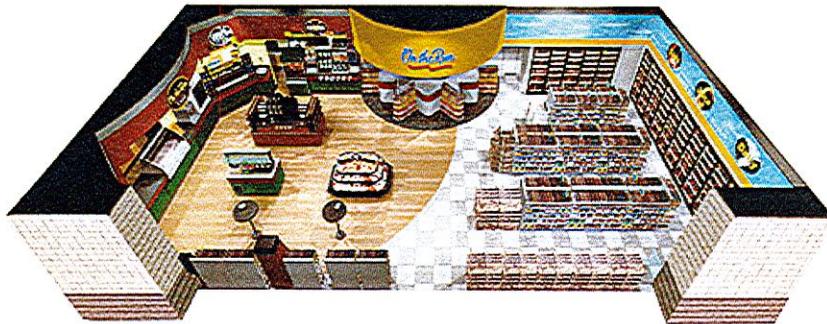


Project #4 – Corner Store Development

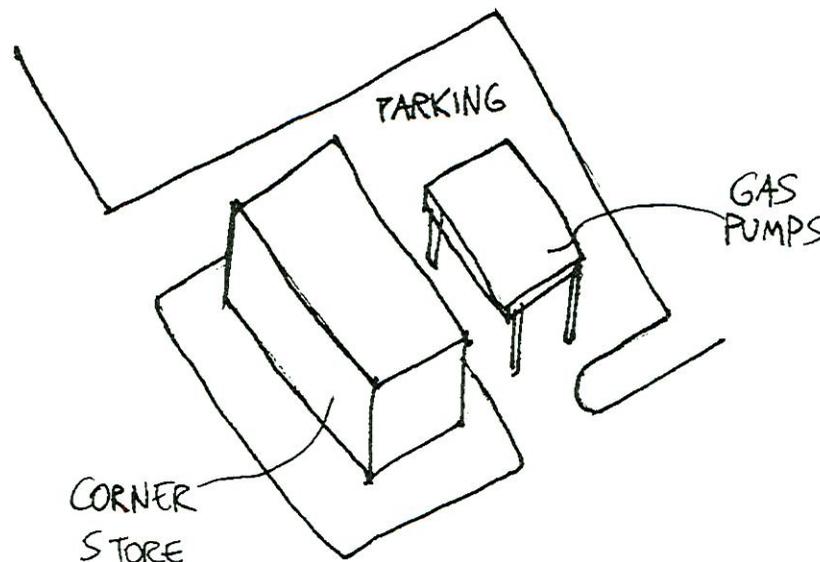
An older commercial corridor like the HKC district contains a number of gasoline stations, which continue to do well, thanks to the high volume of automobile traffic along Harlem Road, Cleveland Drive, and other major thoroughfares. In recent years, many gasoline chains, notably Exxon, Mobil and Texaco, have developed prototypes for neighborhood-friendly “corner stores” as part of their gas stations. These stores contain typical convenience store goods, as well as gourmet coffee, prepared foods, and fresh sandwiches. As the HKC district looks for ways to make itself more community-friendly, such a model can be applied.

Profile

- Retail space: 3,000 square feet
- Gas Station: 6-8 pumps
- Parking: 20 spaces
- Access: loading dock, 2 curb cuts
- Minimum lot size required: 0.6 acres
- Height: 1 story
- Preferred Location: Central Section, near Harlem-Cleveland intersection



A computer image of a Mobil “On the Run” convenience store.

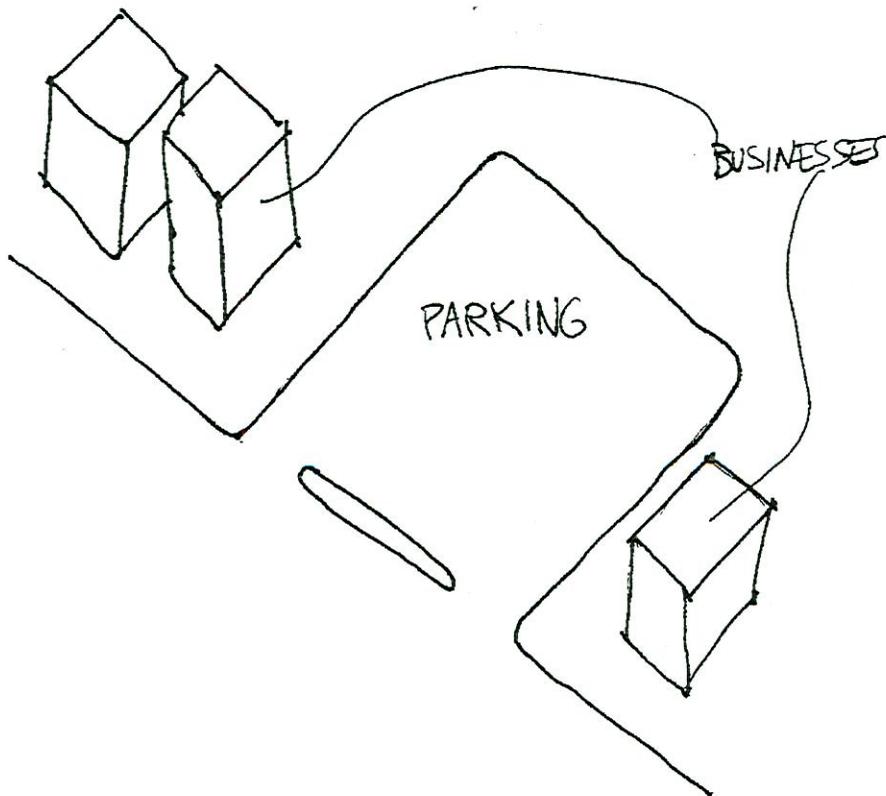


Project #5 – Shared Parking Developments

A major concern raised by stakeholders in the HKC Business District is the lack of parking and difficulty of access, particularly in the southern section of Harlem Road. The southern section is a diverse area, with a hodgepodge of retail, office, light industrial, and residential uses housed in a dense array of buildings, a fair percentage of which are presently vacant. As a result, parking and access to businesses in the area has become increasingly difficult, particularly around rush hour. A suggested intervention would be to demolish contiguous vacant buildings in this area and use the open lots for shared parking for viable businesses. It is important in this undertaking to choose demolition sites carefully, though, as too many open spaces will harm the continuity of the neighborhood.

Profile

- Parking: 25-50 spaces
- Access: 1-2 curb cuts
- Minimum lot size required: 0.2 acres
- Location: Southern Section, adjacent to viable businesses

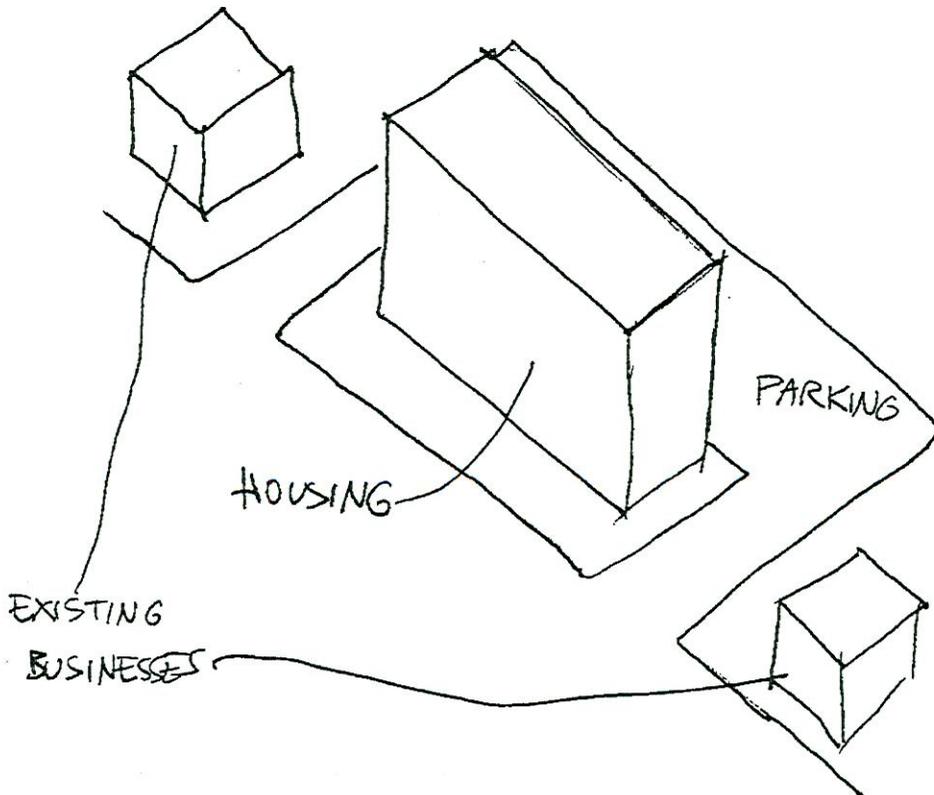


Project #6 – Multi-Family/Senior Housing

Although more parking and better access are certainly needed in the central and southern sections of the business district, it will simply remove buildings and replace them with open lots. More can be done to help infill these areas without creating too many gaps in the streetfront. Since office and retail developments are not in demand, the logical use to introduce is housing. There is already some housing in these areas, but it is mainly in older houses and duplexes that are no longer compatible with the location. A higher density model of housing would be more useful here, potentially even for senior housing.

Profile

- Multi-family residential: 25 units
- Parking: 40 spaces
- Access: 2 curb cuts
- Minimum lot size required: 0.6 acres
- Location: Central or Southern Sections





V. Implementation Plan

INTRODUCTION: A VISION FOR THE DISTRICT

The Harlem-Kensington-Cleveland (HKC) business district has long been a community-oriented commercial district serving the neighborhoods of southwestern Amherst and northwestern Cheektowaga. Over the past several decades, the HKC district has been challenged on many fronts to remain competitive, as it faces new types of shopping (malls, power centers, wholesale discounters, modern supermarkets, Internet retail), modern office and industrial parks, and changing demographics.

In response to the many challenges posed by the ever-changing market for commercial development, the HKC district has had to adapt in order to survive. While a number of older businesses have remained in the area, the overall district now serves more as a drive-to district than a walk-to district. Beyond the streetfront retail in the Harlem-Kensington-Wehrle triangle area, there are dozens of office and light industrial businesses located along Harlem Road, many of which are in buildings that were once private residences. Even in the triangle area, new buildings like Walgreen's have been built far back from the street with large parking lots along the streetfront.

Another change that has occurred in the area is the Kensington Expressway, commonly known as "the 33." This freeway connects Harlem Road to downtown Buffalo, the New York State Thruway, and the airport. While it has certainly improved road access to the area, it has shifted the focus of the area from the Harlem-Kensington triangle towards the interchange to the south. At morning and evening rush hours, the Harlem Road interchange with the 33 becomes very congested, and makes life difficult for businesses and residents along Harlem Road.

Over the past few years, neighborhood groups and businesses in the HKC district have come together to help forge a vision for the future of the district and its surrounding residential neighborhoods. As this vision has taken shape, it has become clear that the majority of people in the area value its neighborhood attributes and seek to reclaim the district's historic character as a walkable, safe, family-friendly area. The community has rallied around the principles of traditional neighborhood development (TND), advocating attractive streetscaping, street-fronting commercial development, and traffic-calming measures like raised crosswalks and traffic circles.

Following on the creation of this vision, the Towns of Amherst and Cheektowaga retained Economics Research Associates (ERA) to devise a market-driven redevelopment strategy for the HKC district. Up to this point, this study has focused on documenting existing market conditions and analyzing opportunities for



future development. At this point in the study, these preliminary considerations must be discussed in light of the vision laid out for the district.

This implementation plan document is essentially a synthesis of the physical vision for the HKC district with the real estate market realities faced by the district. It is divided into three sections, as follows:

- A description of the redevelopment approaches for each sub-area of the district
- A summary of proposed action items and responsibilities
- An analysis of the dynamics of development for different land uses in the district

DESCRIPTION OF REDEVELOPMENT APPROACH

From the outset of the redevelopment strategy for the HKC district, the two-mile long corridor has been considered in three distinct sections: Northern, Central, and Southern. As outlined in the Existing Conditions report, each section has unique physical characteristics, and each serves a different purpose for the community. As such, initiating redevelopment activities in the HKC district will require a different approach for each of the three sections in the district.

This section outlines in general terms the challenges to be addressed and the approach to redevelopment in each of the three sections of the HKC district.

Northern Section

The Northern section of the HKC district is focused on the Harlem-Kensington-Wehrle triangle. It is the historic neighborhood commercial center for the area, with a mix of retail, office, and multi-family residential uses. This area has suffered economically in recent years due to its inability to compete with newer models of commercial development, both retail and office. In response to this trend of decline, redevelopment activities in the district must center on capturing new and/or niche markets. The niche markets available to the district include many different types of uses, such as fine dining, destination retail, upscale apartments, and professional offices.

The prospects for destination retail merit further discussion. During the market analysis process, ERA found that the neighborhood resident market of those living within a mile of the district's center is fairly small (17,000 residents), rather old (26 percent over 65), and has solid income levels. This neighborhood market has been the historic base of customers for the district, but it is limited. Furthermore, many local residents now drive to newer and larger supermarkets, home improvement stores, and big-box stores outside the neighborhood, rather than patronizing businesses in the immediate area. This leakage of retail dollars once spent in the HKC district has been a major contributor to its struggles.

Looking beyond the one-mile range, there are 130,000 people living in the ring located one to three miles away, a fairly high percentage of whom are under the age of 25 (33 percent). Beyond the three mile ring, there are another 1.1 million people living in the Buffalo metropolitan area who could be potential customers for retail with a regional draw. Clearly, there is a potential market for more regional retail destinations.

There are constraints to developing regional retail destinations, however. First of all, the vacant retail spaces in the area at the present time are mostly very small storefronts. Secondly, building lots in the district are much smaller and shallower than commercial development sites in newer suburban areas. Thirdly, these small lots put restrictions on the amount of parking available to customers. Finally, there are still many existing neighborhood-oriented businesses in the area, and the introduction of higher-end regional retail stores could threaten the survival of such businesses.

The above considerations point to a balanced approach to redevelopment, one that creates selected opportunities for destination retail development without disturbing the existing business environment. This approach will not be easy to achieve, however. It will require a well-organized, long-term initiative with commitments from the Towns of Amherst and Cheektowaga, business owners, and property owners.

Central Section

The HKC district's central section is concentrated around the intersection of Harlem Road and Cleveland Drive. At the present time, of the four corners of the intersection, two contain gas stations, a third has a vacant office building, and the fourth is a large, empty parcel. The areas along Harlem Road on either side of the intersection are a microcosm of the larger district, containing a mixture of retail businesses, office businesses, and residences.

The community's vision foresees this section of the district, particularly the Harlem-Cleveland intersection, as a neighborhood-based shopping area. As stated above, though, the market for such neighborhood services is already limited, and the better-established northern section struggles to capture demand from nearby residents. Given that the northern section already finds it difficult to compete for local retail dollars, it seems difficult to imagine the central section thriving. However, to truly grasp the prospects of the central section, a number of factors must be considered, as described in the following points.

- The Harlem-Cleveland intersection is very busy and difficult for pedestrians to cross. This condition both limits the ability to draw customers on foot from

surrounding neighborhoods and restricts the potential of creating a cohesive commercial area around the intersection.

- The gas stations already located at the corner are not likely to go away. These businesses are located where they are because of the heavy traffic volume, and both appear to be doing well. Furthermore, sites with gas stations are difficult to redevelop for other uses due to environmental remediation costs. Finally, the gas stations are on very small sites, and their re-use potential is limited.
- The vacant site on the southwest corner of Harlem and Cleveland is foreseen by its present owner as an automobile-oriented retail development, which puts it at odds with the community's stated vision.
- There are several vacant and/or dilapidated buildings along Harlem Road in this section of the district, and these eyesore structures contribute negatively to the marketability of the area.
- Sidewalks along this portion of Harlem Road are in poor condition, and are regularly interrupted by continuous parking lots without real curb cuts. These conditions make walking dangerous and undesirable.

With the above challenges presented by the real estate market, the pedestrian environment, and the need for traffic flow, conducting redevelopment activities in the Central section will need to initially focus on improving the physical environment. Although there will be a few immediate opportunities for new real estate developments, particularly for the vacant site on the southwest corner, the overall improvement of this area will need to begin with making it a safer and more attractive place for pedestrians and motorists alike.

Southern Section

The Southern section of the HKC district consists of a one-lot deep commercial strip along Harlem Road, with these commercial lots backing onto single-family housing units. The strip is mostly confined to the eastern side of the road, as the western side is mostly taken up by the edge of a cemetery. Along the eastern side, several cross streets that lead into residential areas intersect with Harlem Road.

The Southern section has the most automotive-oriented physical layout of the three sections. However, many pedestrians do use the area, especially students from Cleveland Hill High School, which is located just off of Harlem Road. Some businesses in this area do also get customers on foot from the adjacent neighborhood. As with the Central section, though, walking along Harlem Road can be very dangerous for pedestrians, as the sidewalk-parking lot relationships are similarly disjointed.

For businesses in the Southern section, far and away the most glaring problem is parking. The very shallow lot depths that are common throughout the HKC district are most bothersome here, as there is no streetfront parking on the public right-of-



way of Harlem Road, and having customers park on side streets upsets nearby residents. During busy times, businesses in the Southern section frequently find their patrons having to park on someone else's property nearby, as public parking is so scarce.

Two other major concerns in the Southern section are access management and traffic flow. These issues are being addressed at the present time by the New York State Department of Transportation (NYSDOT), as it examines impending improvements to Harlem Road. While these issues are very important, they unfortunately are beyond the scope of local control. NYSDOT's work will also include landscaping for the road, a major issue as well.

Since the issues of traffic flow and vehicular access are the state's domain, this plan's primary concentrations for the Southern section should be parking and pedestrian access. It seems unlikely that the improvement of Harlem Road will include streetfront parking, as traffic flow is so critical. Given the existing shortage of parking, steps should be taken to increase parking capacity in key locations along Harlem Road. Regarding pedestrian access, the Town of Cheektowaga, businesses, and property owners must all make it clear to NYSDOT that providing adequate and safe pedestrian access along Harlem Road needs to be a goal of the access management plan.

GOALS AND OBJECTIVES

In order to effectively pursue the general approaches to redevelopment in each of the above areas, many specific action items must be undertaken in the HKC business district. In order to organize these action items effectively, goals and objectives must first be defined. These goals and objectives are based directly on the approaches to redevelopment described above. This section lays out in simple terms the goals and objectives for each of the three districts.

Northern Section

Goal

- A long-term, balanced redevelopment strategy that creates selected opportunities for destination retail development without disturbing the existing business environment.

Objectives

- Introduce new destination retail uses to the area
- Improve the visual and physical environment
- Capture a greater share of retail expenditures from the local resident market
- Ensure stability among current retail and office tenants
- Provide niche housing opportunities near the core area



Central Section

Goal

- The creation of a small but vibrant neighborhood commercial district anchored by uses that respond to the demands of local residents

Objectives

- Improve the physical environment, in order to ensure the safety and comfort of pedestrians
- Encourage development of vacant sites with market-supportable uses that promote pedestrian activity
- Create opportunities to reinvest in existing underused commercial buildings
- Slow down the speed of traffic along Harlem Road

Southern Section

Goal

- Conduct the necessary physical improvements to help existing businesses maintain their competitive positions in the regional market

Objectives

- Address the shortage of convenient parking spaces in critical sections along Harlem Road where numerous thriving businesses coexist
- Improve pedestrian access and safety along the corridor
- Ensure that multiple agencies collaborate on traffic and vehicular access management plans as they are developed
- Encourage existing businesses to reinvest in their properties

ACTION ITEMS AND RESPONSIBILITIES

Building on the goals and objectives presented above, this section lists specific action items for each of the three districts, and then assigns responsibility for pursuing each item. Though some of these items relate specifically to the redevelopment priorities for each section of the district, a number of them are more general. At the end of this section, a matrix is presented to illustrate all players in the redevelopment process and their particular roles and responsibilities in the process.

Infrastructure and Property Investments

District-Wide

1. Reconstruction of Harlem Road, including turning lanes, access management, landscaping, and stormwater improvements. Responsibility: New York State Department of Transportation (NYSDOT)
2. Landscaping improvements on key side streets leading off from Harlem Road. Responsibility: Erie County or Towns of Amherst and Cheektowaga
3. Improvements to sidewalks and pedestrian crossings. Responsibility: Erie County, Towns of Amherst and Cheektowaga
4. Landscaping of parking lots and street frontages. Responsibility: Towns of Amherst and Cheektowaga, Property Owners, or Business Organization
5. Introduce thematically-consistent signage to area, to announce arrival in the district, point visitors to member businesses and points of interest, and provide color. This can include “Welcome to Harlem-Kensington-Cleveland” signs along major roads, decorative flags mounted on lightposts, and other features. Signs should also be added to point people to parking. Responsibility: Business Association, Towns of Amherst and Cheektowaga

Northern Section

1. Build new street-fronting retail space for destination retailers. Responsibility: Property Owners
2. Renovate existing retail and office buildings. Responsibility: Property Owners
3. Develop multi-family housing. Responsibility: Property Owners

Central Section

1. Develop pedestrian friendly, community-oriented retail project. Responsibility: Property Owners
2. Improve physical appearance of existing uses at corner of Harlem and Cleveland. Responsibility: Town of Cheektowaga, Property Owners
3. Renovate existing retail and office buildings. Responsibility: Property Owners

4. Construct traffic calming measures in vicinity of Harlem Road and Cleveland Drive. Responsibility: NYSDOT, Erie County, and Town of Cheektowaga

Southern Section

1. Acquire vacant and/or marginal properties in key locations and develop shared parking for active businesses. Responsibility: Property Owners, Town of Cheektowaga, or Business Association
2. Renovate existing retail and office buildings. Responsibility: Property Owners
3. Add traffic lights at key intersections where safety is a concern. Responsibility: NYSDOT, Town of Cheektowaga
4. Build continuous sidewalk along eastern side of Harlem Road. Responsibility: NYSDOT, Town of Cheektowaga, or Property Owners

Economic Incentives

District-Wide

1. Offer tax abatements. Under the newly-crafted eligibility requirements from the Erie County Industrial Development Agency (ECIDA), properties in the HKC district should qualify for several different types of tax abatements—sales tax exemptions on construction materials, mortgage recording tax exemptions, and, most importantly, long-term property tax abatements. Responsibility: Towns of Amherst and Cheektowaga and/or Business Association in cooperation with Amherst IDA and Erie County IDA
2. For priority development sites, offer developers zoning incentives, like higher densities or the relaxation of parking requirements, in exchange for financing infrastructure and/or landscaping improvements. Responsibility: Towns of Amherst and Cheektowaga
3. Establish a loan program to finance both investments in real estate and business start-up costs. In cooperation with local lending institutions, a Revolving Loan Fund (RLF) could be created that offers low-interest loans to potential investors. An RLF, by design, is supposed to become self-supporting. Responsibility: Towns of Amherst and Cheektowaga, Business Association, Local Lenders
4. Make use of the Small Business Development Center (SBDC) at Buffalo State University. This program offers technical assistance to small businesses in drafting business plans and in obtaining funding assistance, and works with banks, industrial development authorities, community development venture capital funds, and municipal authorities in order to match funding programs with businesses in need. Responsibility: Business Association, Individual Business Owners

5. Explore possibility of using Federal TEA-21 money to fund economic incentive programs. In locations where a direct connection exists between transportation and access improvements, TEA-21 funding can be used to pay for related economic and community development activities.
Responsibility: Towns of Amherst and Cheektowaga, in cooperation with NYSDOT and/or Greater Buffalo-Niagara Regional Transportation Council (GBNRTC)
6. Offer CDBG funding for developing moderate-income housing.
Responsibility: Towns of Amherst and Cheektowaga
7. Make use of HOME Investment Partnership program to encourage prospective homebuyers to purchase in surrounding neighborhoods.
Responsibility: Towns of Amherst and Cheektowaga, Neighborhood Groups

Marketing and Management

1. Establish Business Improvement District (BID) to conduct maintenance, provide marketing and promotions activities, represent local businesses to governments and community groups, and plan activities. A BID should be structured by expanding the role of the existing Business Association, and may be funded either by membership fees from businesses or by a special tax assessment on all properties. Responsibility: Business Association, Individual Business Owners and/or Property Owners
2. Ensure that streets and sidewalks are kept clean and in good condition. This may include street sweeping, snow removal, regular sidewalk repairs, and consistent trash removal. Responsibility: NYSDOT, Towns of Amherst and Cheektowaga, Business Association, Individual Business Owners
3. Plan seasonal special events aimed at families and children to get local and regional residents to come to the area. The Christmas tree lighting is a good example of an event to use for building interest. Responsibility: Business Association
4. Encourage local residents to spend their retail dollars locally. This can be done through a number of means, including creating a local “currency” good at participating businesses, discounted offers in local papers, or even just a publicity campaign touting the benefits of supporting local businesses. Responsibility: Business Association, Individual Business Owners, Neighborhood Groups
5. Develop collateral marketing materials with common graphics, such as area maps showing retail and dining options (similar to existing area guide), bumper stickers, t-shirts, et cetera. Responsibility: Business Association, in cooperation with Individual Business Owners who could provide free services as part of this



MATRIX OF ORGANIZATIONS AND RESPONSIBILITIES

The table on the following page lists all potential partner organizations that could potentially be involved in the revitalization of the Harlem-Kensington-Cleveland area and the particular items for which each partner would be responsible. This matrix is designed to serve as an illustration of the level of involvement required from each partner.

Definite Responsibilities	<ul style="list-style-type: none"> • Reconstruct Harlem Road 	<ul style="list-style-type: none"> • Landscape improvements on county maintained roads • Pedestrian and sidewalk improvements 	<ul style="list-style-type: none"> • Landscape improvements on local roads • Pedestrian and sidewalk improvements • Development of consistent signage • Offer tax abatements and zoning incentives • Use CDBG funds for housing 	<ul style="list-style-type: none"> • Landscape improvements on local roads • Pedestrian and sidewalk improvements • Development of consistent signage • Offer tax abatements and zoning incentives • Use CDBG funds for housing 	<ul style="list-style-type: none"> • Development of consistent signage • Work with SBDC at Buffalo State • Plan seasonal events • Encourage local spending • Develop marketing materials 	<ul style="list-style-type: none"> • Work with SBDC at Buffalo State • Encourage local spending • Develop marketing materials 	<ul style="list-style-type: none"> • Build new retail space • Renovate existing retail and office properties • Develop multi-family housing 	<ul style="list-style-type: none"> • Encourage local spending
Potential Responsibilities	<ul style="list-style-type: none"> • Use T-21 money for incentives 	<ul style="list-style-type: none"> • Introduce traffic calming measures • Add traffic lights at key intersections along Harlem Road • Use T-21 money for incentives 	<ul style="list-style-type: none"> • Landscaping of parking lots and street frontages • Introduce traffic calming measures • Establish RLF for incentives • Use T-21 money for HOME Investment program 	<ul style="list-style-type: none"> • Landscaping of parking lots and street frontages • Improve appearance of existing uses at Harlem and Cleveland • Introduce traffic calming measures • Build sidewalk at southern end of Harlem Road • Establish RLF • Use T-21 money for incentives • Use HOME Investment program 	<ul style="list-style-type: none"> • Offer tax abatements • Establish RLF • Establish BID • Conduct street and sidewalk maintenance 	<ul style="list-style-type: none"> • Establish BID • Conduct street and sidewalk maintenance 	<ul style="list-style-type: none"> • Landscaping of parking lots and street frontages • Build sidewalk at southern end of Harlem Road • Establish BID 	<ul style="list-style-type: none"> • Use HOME Investment program
Required Level of Commitment	High	Low	High	High	High	Moderate	Moderate	Low

VI. Dynamics of Redevelopment

In order to effectively implement the Economic Development Strategy for the Harlem-Kensington-Cleveland business district, it is necessary to understand a number of key factors that will impact the potential success of redevelopment in the area. These factors center on the interrelationships among retail, residential, and office, and entertainment uses in a business district like HKC. Understanding how these different uses complement each other provides tremendous insight into the dynamics of redevelopment.

This chapter serves as an addendum to the implementation plan, and analyzes a number of issues that will likely come about during the next several years as the plan is implemented.

RETAIL DEVELOPMENT

Retail development comprises the bulk of the commercial space in the HKC district and provides it with much of its identity. Retail and dining businesses in the area such as Jimmy's, the hardware store, John & Mary's, and the Jubilee supermarket serve as landmarks for the district and fill important needs for residents of the surrounding area. Clearly, the future prospects of redevelopment in the HKC district depend heavily on the success of its retail businesses.

During the process of the economic development strategy, a number of different needs for retail businesses were suggested by various stakeholders. One of the major challenges facing the Towns of Amherst and Cheektowaga in implementing the plan will be to decide whether it makes more sense to attempt to lure national-credit retailers to the district, or to concentrate on fostering opportunities for local entrepreneurs. The points below describe the advantages and disadvantages of the two types of tenants for several different retail categories.

Category #1 – Coffeehouse

The most frequently mentioned need in the HKC district is for an upmarket coffeehouse where people of all ages can congregate. The business that comes to mind immediately is, of course, Starbucks. However, there is some sentiment in the community that Starbucks, as a national chain, may not be appropriate for the area.

	National Chain	Local Entrepreneur
Examples	Starbucks, Barnie’s, Caribou	Caffe Aroma, Spot, Common Grounds
How to Attract	Demographics, aggressive marketing	Demographics, availability of capital, technical assistance
Advantages	Name recognition, turnkey operation, experience, quality	Unique experience, growth potential, local flavor, flexibility, high local impact
Disadvantages	Loss of local identity, rigid business practices, limited local economic impact	High risk to entrepreneur, uneven customer service, low profile, “growing pains”
Local Investment Needed	Little to None	\$100,000-150,000 from entrepreneur
Recommendation		α



Category #2 – Office Supply Store

With many professional businesses located in the HKC area, another identified retail need is an office supply store. Such stores can range in size from small, neighborhood oriented businesses (2,000 square feet) to superstores (25,000 square feet or more).

	National Chain	Local Entrepreneur
Examples	Staples, Office Max, Office Depot	Sutherland's, All Things Creative
How to Attract	Accessibility, available site/space, concentration of businesses	Affordable space, high traffic location, concentration of businesses
Advantages	Comprehensive selection, volume pricing, name recognition, full-service	Ease of shopping, personal relationships, local impact
Disadvantages	Needs large site, creates traffic, competition for local business	High cost of entry, small profit margins, higher pricing to consumers
Local Investment Needed	Need to have suitable development site or available retail space	\$500,000+ from entrepreneur
Recommendation		α

Category #3 – Gourmet/Natural Grocer

Nearly all participants in this study have acknowledged that the majority of HKC area residents no longer do their grocery shopping in the neighborhood, choosing instead to drive to larger supermarkets along nearby commercial strips. Since adequate land is not available for a full-size, modern supermarket in the area, a suggested alternative is a niche retailer such as a gourmet or natural food store.

	National Chain	Local Entrepreneur
Examples	Whole Foods, Trader Joe's	Premier Gourmet, Feel-Rite
How to Attract	Demographics, aggressive marketing, preference surveying	Demographics, availability of capital, technical assistance, documenting shopping patterns
Advantages	Turnkey operation, experience, quality, volume pricing, selection, potential regional draw	Local flavor, high impact, ability to offer local products
Disadvantages	Creation of traffic, competition for existing food markets in area	High risk to entrepreneur, very high start-up costs, lack of selection
Local Investment Needed	Need to have suitable development site or available retail space	\$1 million or more from entrepreneur, depending on size of operation
Recommendation	α	

Category #4 - Bookstore

Most vibrant urban shopping districts contain at least one bookstore, and such stores usually focus on used books. These stores draw loyal local and regional customer bases, and can easily drive demand for additional retail and dining purchases in neighboring businesses.

	National Chain	Local Entrepreneur
Examples	Books-A-Million, Border's, Barnes & Noble, B. Dalton	Talking Leaves, Book Revue
How to Attract	High-traffic location, large site or building, affluent and well-educated population	Educated and affluent customer base in retail area, affordable space, lack of local competition
Advantages	Large selection, name recognition, ease of ordering	Local flavor, adds to identity, potential driver of additional retail activity
Disadvantages	Creation of traffic, competition for existing bookstores in area, occupies larger space	Narrow profit margins for entrepreneurs, limited and unpredictable selection, higher prices
Local Investment Needed	Need to have suitable development site or available retail space	Varies, depending on existing collection of entrepreneur, but can be \$500,000-\$1 million if starting from scratch
Recommendation		α

RESIDENTIAL DEVELOPMENT

A key component of the HKC economic development strategy will be residential development. As described in the market analysis section, the population of the area is changing and, as these changes occur, new models for housing development will be needed. In particular, higher density housing should be built in close proximity to the center of the business district. However, given the limited depth of the potential market for this product type, such development must be undertaken very carefully and must keep in mind the following considerations:

- 1. A denser, more urban scale is needed** – The existing models for housing in the HKC area fall into one of three categories—detached single-family units, duplexes, or two to three-story garden apartment/condominium developments. There is a lack of pedestrian-oriented, urban-scale housing located along the street edges of the area. In order to attract the target markets of empty-nesters and young singles, a dense, street-oriented product is necessary.
- 2. Location “in the middle of things” is critical** – Creating a destination address for housing requires it to be located conveniently. Even a distance of a couple of blocks away from the desired location can cause a drop-off in desirability, typically leading to either higher vacancy or lower rental rates. In order to draw the desired markets, housing developments must be integrated into the fabric of the commercial district.
- 3. Proximity can be good and bad** – In any commercial districts, some businesses lend themselves to being located near residences and some do not. For example, low-scale convenience retail like newsstands, coffeehouses, and neighborhood diners are desirable uses for locations in proximity to residential buildings. On the other hand, residential development should not be located too close to busier and/or noisier uses like supermarkets, bars, or entertainment destinations, so as to avoid conflicts between uses.
- 4. People at various stages of life have different housing needs** – The housing stock of the neighborhoods around the HKC business district is mainly comprised of smaller, detached, single-family units. As children grow up and parents age, the housing needs of families change, and different household types seek out different types of homes. Growing families may seek larger units on larger lots, empty-nesters may want upscale townhouses with little yardwork, and young adults may want loft style apartments. At the present time, the HKC district does not meet the housing needs of these and other markets and, in order to remain vibrant, must cater to a wider variety of residents.

OFFICE DEVELOPMENT

The market for office space in the HKC business district is a difficult one. Most office buildings in the area fall into one of two categories: largely vacant or occupied with tenants paying very low rents. A majority of the tenants in the area are so-called “professional office” users, such as doctors, lawyers, accountants, insurance agents, and realtors. These users tend to be smaller firms with local clienteles that choose their spaces based mainly on value and accessibility. As a result, these tenants are highly sensitive to rental rates, and in a depressed office market like Buffalo’s, they can be mobile.

Despite the severe challenges in serving the area’s office market, it is critical to at least maintain the existing tenant base, as office workers are an essential ingredient for a successful business district. As discussed in the market analysis section, the prospects for constructing new office space in the HKC district are very limited at this time. However, there may be opportunities to re-energize the area’s office market by improving existing spaces. There are two key challenges to keep in mind:

- 1. The economics of office development are very shaky** – Given the availability of cheap office space in the Buffalo area, capital investments in older office buildings do not necessarily translate into increased rental revenues. As a result, many landlords do just enough maintenance to keep buildings functional, but do not invest in the modern conveniences and amenities demanded by today’s companies. Furthermore, the aesthetic appearance of many older office buildings is poor, as landscaping may look nice, but it does not help the bottom line. Spurring building owners to undertake major reinvestments in their buildings will likely require subsidies, tax breaks, or other economic incentives.
- 2. Expanding the tenant base will require larger blocks of space** – Since much of the HKC district’s existing office inventory is contained in small buildings, it simply cannot compete with modern office parks for larger tenants that are willing to pay higher rents. As there is a dearth of developable land in the district, it is unlikely that any new office buildings suitable for larger tenants could be built. In order to have a chance of attracting larger tenants to the area, larger blocks of space in existing buildings will need to be made available. However, freeing up space would require current businesses to move. As a result, an important choice must be made: preserve the stability of existing tenants or risk losing the existing base and pursue new types of tenants.

CULTURAL/ENTERTAINMENT USES

A significant gap in the menu of activities in the HKC business district is cultural and entertainment uses. These activities not only help shape the identity of a commercial district—they also bring in a substantial amount of people who would otherwise not come to the area. For example, the Theater in the Square just up Harlem Road in Snyder creates additional demand for several nearby restaurants and shops.

In the HKC district, there are very few outlets for evening or weekend entertainment, as there are no movie or performance theaters, no public parks, and few venues with live entertainment.

As evidenced by the Christmas tree lighting in 2001, special events can be successful, and can be used as a springboard for planning more cultural and social activities in the area. However, to round out the district's menu of things to do, businesses offering live entertainment should be introduced to the area. Even something as small-scale as an acoustic folk musician playing in the neighborhood coffeehouse can draw in new patrons and lead to greater spending at nearby retail businesses.