

MAIN STREET BUSINESS DISTRICT MARKET ANALYSIS

Executive Summary, March 19, 2007

Introduction

As part of the analytical process for the Village of Williamsville Master Plan, devonomics (the consulting team's economic development firm) completed a market analysis for the Village of Williamsville's Main Street Business District. This analysis examined the potential for the Main Street corridor to accommodate future retail, office, residential and other uses; its results will be used to inform future decisions in the Master Plan regarding zoning, regulation, transportation and urban design along Main Street.

General Market Conditions

Contrary to public perception the job base in the Buffalo-Niagara region has grown over the past 35 years. However, during that span, the region's economy has shifted from a manufacturing base to a base in services industries. As a result, household income levels and buying power have shown weaker growth. Slow growth in income has led to lagging retail sales throughout the region. Economic projections for the region foresee continued slow growth, though the region's affordable housing and low wages may prove increasingly attractive to investors.

All types of commercial real estate in Western New York are experiencing the same general trend: despite modest vacancy rates, low rent expectations have limited the incentive for new development. While Williamsville has lower vacancy and higher rents than other areas in the region, its rents are still not quite high enough to support much in the way of new construction for office or multi-family housing. Retailers find Williamsville's demographics attractive, but the limited supply of modern space and prohibitively high cost of land limit its potential.

Findings from Comparable Village Area Review

To better understand the broader regional context and to glean ideas to help Williamsville plan for its future we examined five other historic village centers in the region: 1) East Aurora; 2) Hamburg; 3) Kenmore; 4) Lewiston; and 5) Pittsford. General findings from this review follow:

- **Business activity profile** – Williamsville has a much stronger concentration of office uses and retailers, but trails the others in the leisure & hospitality, education & health services and other services categories.
- **Urban design issues** – All five other villages have either recently made or are current making major investments in their streetscape, signage, pedestrian environment and appearance. Those that have made such investment, especially Lewiston, have seen increased activity.
- **Traffic and parking issues** – Most of the other villages have emphasized parking management, pedestrian improvements and wayfinding over adding new parking. Hamburg is now completely overhauling Route 62's appearance and function by adding four roundabouts.
- **Planning and development activities** – The strength of regulation varies greatly: Pittsford's are very strong, while East Aurora relies on negotiation with developers. Hamburg recently adopted a form-based code for its commercial core and is exploring expanding it.
- **Marketing activities** – The other villages largely rely on special events and linkages with local destinations (ArtPark in Lewiston, Roycroft in East Aurora) as marketing tools, and do not undertake major, permanent village market efforts, though Hamburg is exploring this idea.

Resident Market Profiles

Williamsville draws retail and commercial demand from three distinct resident markets: neighborhood (0-1 miles, including most of the village); sub-regional (1-5 miles, including most of Amherst and parts of Clarence and other nearby towns); and regional (balance of the Buffalo-Niagara MSA). Each of these resident markets has unique demographic characteristics and each views and uses Williamsville differently.

- **Neighborhood Market** – Located within walking distance, has small (about 7,400) and aging (25 percent 65 or older) population. Has strong household income levels, with younger households typically earning more than the older households they replace. Primarily uses the village for neighborhood conveniences, personal services and dining.
- **Sub-Regional Market** – Local drive-to market (<5 minutes driving time from village center) with very strong (242,000) and diverse population base. Large variance in age, income level and shopping patterns depending on exact location, but is primarily drawn to Williamsville for dining, entertainment and specialty shopping. This market accounts for more than two-thirds of purchases in Williamsville.
- **Regional Market** – Located more than 15 minutes from village center, includes remaining 900,000 residents of the MSA. Generally younger and less affluent than closer markets, but has pockets of wealth. Uses the village primarily for destination shopping and personal services, and also dining and convenience shopping as part of destination visits.

Potential Market Capture

Four types of land uses were analyzed in order to determine market support for future land uses in the Main Street Business District: retail, office, residential and lodging. The following findings were made from this analysis:

- **Retail** – Williamsville can expect to attract between \$95-\$148 million of retail spending, which would support between 300,000-470,000 SF of retail space (current inventory is about 241,000 SF). Nearly all of the “gap” is in the General Retail/Service category—this includes niche retailers and food/drug stores. Depending on the ability to develop new space and to enhance the village’s pedestrian appeal, Williamsville could attract between 91,000-232,000 SF of such space. There is little support for additional Eating & Drinking or Personal Services uses.
- **Office** – Nearly all office demand is from very small businesses (<1,500 SF), mostly medical and professional services. Given the small scale of demand and the high costs of new construction, there is little supportable demand for new office development in Williamsville.
- **Residential** – Local realtors report strong demand for high-density condominium units in the Amherst/Williamsville area, but the limited land supply in Williamsville would like put such units at the very top of the market. On-site garaged parking would be a necessity.
- **Lodging** – The Hampton Inn’s success points to additional lodging demand. There may also be opportunities for B&Bs in historic homes.

Findings from Market Analysis

- Williamsville’s office and retail markets face different challenges: office is stagnant and cannot support new development or reinvestment; retail has strong potential but is hemmed in by a lack of quality space and a perception of a parking shortage.
- Other villages have had success using special events as marketing tools and have benefited greatly from streetscape improvements.
- Despite a strong regional draw for its specialty shops, boutiques, and salons, restaurants and service businesses mainly draw a local clientele.
- Meeting unmet demand for retail will require more suitable spaces; larger floorplates, better access to parking and truck loading
- Strong demand exists for multi-family development in the village, but any such product would require garage parking.
- There may be more interest in Williamsville for additional lodging development, including B&Bs.

Questions for Discussion by the Committee

The following questions are posed to the Committee for discussion at the upcoming meeting on March 27, 2007. These questions are aimed at fleshing out issues that will help apply the findings of the market analysis to the land use, urban design and transportation components of the Master Plan. Some of these questions are based on issues raised by the Committee at the November 28, 2006 and others are based directly on the findings of the market analysis. These questions will form the basis of the time allotted to discuss the Main Street Business District at the March 27 meeting.

1. What pedestrian improvements (at which locations) will have the greatest impact on improving the walkability and village feel of Main Street?
2. What special events can and should be held in the village and which entity will take responsibility for planning and marketing such events?
3. How can the Water Mill's potential redevelopment support the need for an "anchor" use in the village while still meeting its community objectives?
4. Is the Village willing to offer density bonuses or financial incentives for affordable housing, shared parking or other items that serve the public good?
5. Given the identified need for more retail and residential uses (but not office uses), should the current commercial zoning classification system be altered?
6. How should the village encourage higher density retail and residential development along Main Street without negatively impacting nearby residential neighborhoods?
7. How much effort is the Village willing to put into gateway and wayfinding signage?
8. Could building demolition with façade preservation be allowed?
9. Is there any possibility of expanding the size of Commercial zoning districts so that Main Street lots are deeper?