Main Street Strategy:
Action Plan and Market Analysis
Town of Clarence, Erie County, NY

April, 2018

Prepared for:

The Town of Clarence Industrial Development Agency
One Town Place
Clarence, NY 14031

camoin associates
ECONOMIC DEVELOPMENT

About Camoin Associates

Camoin Associates has provided economic development consulting services to municipalities, economic development agencies, and private enterprises since 1999. Through the services offered, Camoin Associates has had the opportunity to serve EDOs and local and state governments from Maine to California; corporations and organizations that include Lowes Home Improvement, FedEx, Volvo (Nova Bus) and the New York Islanders; as well as private developers proposing projects in excess of $600 million. Our reputation for detailed, place-specific, and accurate analysis has led to projects in 30 states and garnered attention from national media outlets including *Marketplace* (NPR), *Forbes* magazine, and *The Wall Street Journal*. Additionally, our marketing strategies have helped our clients gain both national and local media coverage for their projects in order to build public support and leverage additional funding. We are based in Saratoga Springs, NY, with regional offices in Portland, ME; Boston, MA; and Brattleboro, VT. To learn more about our experience and projects in all of our service lines, please visit our website at www.camoinassociates.com. You can also find us on Twitter @camoinassociate and on Facebook.

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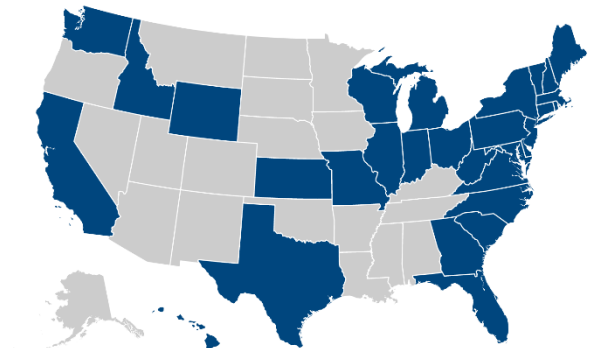
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Introduction

The Town of Clarence has engaged in major long-term planning and visioning efforts, creating the *Clarence Comprehensive Plan 2030* in December of 2016, and following it up with *Vision Main Street* in April of 2017. Camoin Associates was engaged by the Town in 2018 to develop targeted, actionable recommendations for the community to undertake to implement its vision for the Main Street Corridor.

This *Main Street Strategy: Action Plan and Market Analysis* therefore builds on the work and commitment of the many Town leaders, business owners, and residents who participated in these prior efforts, as well as additional site visits, community tours, meetings, and stakeholder interviews conducted during the course of our own work. This report combines an understanding of the Town's vision, and our qualitative and quantitative analysis of factors in the Town and the region, with insight about successful economic development practices that is drawn from our experience working in Western New York, the Northeast, and the nation.

This report is organized into two parts:

Part I - Action Plan, begins with a map of Clarence's Main Street, with descriptions of the three character areas studied, to orient the reader and underscore the uniqueness of the Town's central corridor. It then lays out five Goals that guide the activities recommended to support the Town's vision and plans:

Goal 1 – Support the Vision Main Street Plan

Goal 2 – Build Sewer Infrastructure to Guide Smart Growth

Goal 3 – Attract Businesses by Capitalizing on Talent within the Town

Goal 4 – Support the Business Lifecycle with Space that Helps Them Grow

Goal 5 – Communicate to Town Leaders, Residents, and the Business Community that Smart Growth Works for Clarence

These goals are implemented through the three individual Action Plans that follow the Goals, one for each of the three "Character Areas" identified by *Vision Main Street* and included in this study: Harris Hill, Central Main Street (Main@Sheridan and environs), and Clarence Hollow. A fourth character area designation, Agrarian Clarence, maintains open space along Main Street. These individual Action Plans affirm and support the unique identity and community vision for each of the character areas by identifying opportunities and strengths, and recommending specific actions. Each Action Plan is created in a workbook format that will be filled in during implementation, as partners, timeframes, and resources are identified and deployed. The workbook format allows for tasks to be updated or added over time, as new knowledge is gathered and successes are celebrated.

To facilitate understanding of what sections of Main Street contribute to each character area, a map and neighborhood descriptions precede the individual Action Plans.

Part II – Market Analysis, begins with Key Findings drawn from Camoin Associates' qualitative and quantitative research, and our review of prior plans and reports. These Key Findings form the basis for the goals recommendations in the Action Plans. They connect the Town's vision and planning efforts with "facts on the ground" in the Town of Clarence and the Buffalo-Niagara region. The full *Market Analysis* is included as an Appendix, and its detailed analysis includes:

Review of Prior Plans and Reports

Demographic and Socioeconomic Profile

Transportation and Commuting Profile

Economic Base Profile

Real Estate Market Analysis

Executive Summary

The Town of Clarence has engaged in significant planning and visioning processes, with Town leaders, residents, businesses, and other stakeholders dedicating time, imagination, and resources. The next step is "How do we make this happen?"

The most important aspect of this report is therefore that it is *for and about Clarence*. This *Action Plan and Market Analysis* began with a deep look at existing conditions in Clarence and the region, identifying past performance, emerging trends, and potential opportunities. Among the most important finding of the *Market Analysis* were:

Town of Clarence residents are a major asset, with high levels of education and skill. They have significantly more disposable income than the rest of the Buffalo-Niagara region, with a median household income of nearly $95,000, high workforce participation rates among both men and women, and more family households. Market segmentation analysis shows that a majority of Clarence residents are financially savvy but willing to spend when they believe there is value. They prize experiences over pure retail, have high standards for dining and food, and place a high value on conveniences and services that help them manage busy lives. Town of Clarence residents are also well educated and highly skilled, but commuting patterns show that the town exports is best asset every morning when 86% of workers leave for work in other communities. The Town should therefore tailor retail and experiences to serve these preferences, group services to enhance convenience, and attract high-quality jobs to reduce commuting, to make Clarence the best community in the region to live, work, play, and raise a family.

Key high-wage industries are growing regionally and will demand the workforce Clarence provides. Financial services and insurance, and professional/scientific/technical services, pay higher-than average wages and are adding jobs. Manufacturing overall is in decline, but high-tech sectors such as pharmaceuticals, sensing and measuring equipment, and advanced Machine Shops are growing and need the computer skills and education of Clarence's workforce. The Town should attract satellite offices of national and regional service businesses, welcome high-tech Advanced Manufacturing, and support entrepreneurship and local business growth in these sectors.

Sewer capacity is not just limiting development, it is preventing Clarence from realizing its vision for locally guided, community supported, "smart" growth. Smart growth, as envisioned in *Clarence 2030*, supports a diverse and sustainable local economy that reflects community values, encourages local businesses, and restrains escalation of residential real property taxes. Investing in sewer infrastructure in strategic areas targeted for well-planned commercial development strongly supports the Town's vision.

These insights led directly to the five Goals and the individual Action Plans for each of the three neighborhoods studied along Main Street: Harris Hill, Central Main Street, and Clarence Hollow. These Goals are:

Goal 1 – Support the Vision Main Street Plan

   Goal 2 – Build Sewer Infrastructure to Guide Smart Growth

      Goal 3 – Attract Businesses by Capitalizing on Talent within the Town

         Goal 4 – Support the Business Lifecycle with Space that Helps Them Grow

            Goal 5 – Communicate to Town Leaders, Residents, and the Business Community that Smart Growth Works for Clarence

The Action Plans are designed as workbooks, to be updated, reviewed and revised. They answer "How do we make this happen?" and provide a record for accomplishments. They also encourage one of the most critical activities for implementation: telling the story by publicizing goals and performance, engaging stakeholders around specific tasks as well as general goals, building support by showing how outcomes match the Town of Clarence's values and vision, and celebrating successes.

Action Plan - Main Street Character Areas

Main Street in the Town of Clarence is New York State Route 5, traversing the state from the capital in Albany through the Finger Lakes to Buffalo before shifting southward to the Pennsylvania border, travelling through diverse communities and landscapes. From the east, Route 5/Main Street passes through a rural area, then enters the Town and transforms into the historic neighborhood of Clarence Hollow, earliest of settlements in Erie County, but at the western border of the Town it enters a major regional shopping and commercial district. This establishes the corridor's pattern of neighborhoods separated by green space that characterizes Main Street in Clarence. Preserving the open space and enhancing the distinct "character areas," from Clarence Hollow through Harris Hill, is a goal of the *Vision Main Street* plan. The Action Plan component of this report therefore begins with descriptions and a map of these character areas. Five Action Plan Goals follow the map, after which individual Action Plans, one for each character area, detail specific actions and tasks to implement the Town's vision of Main Street.

Harris Hill

- A more rural feel, with rich history and small shops
- First introduction to visitors arriving from Buffalo
- Includes the Harris Hill Hamlet

Agrarian Clarence

- Open and green space between hamlet and character areas
- Provides "breathing space" between more populated centers
- Shows off the agricultural side of Clarence

Central Main St.

(Main@Sheridan)
- The crossroads between north and south Clarence
- Primarily commercial and residential space
- Anchored by the Clarence High School

Clarence Hollow

- The eastern Gateway to the Town of Clarence
- Strong historical feel
- Includes the Clarence Hollow Hamlet
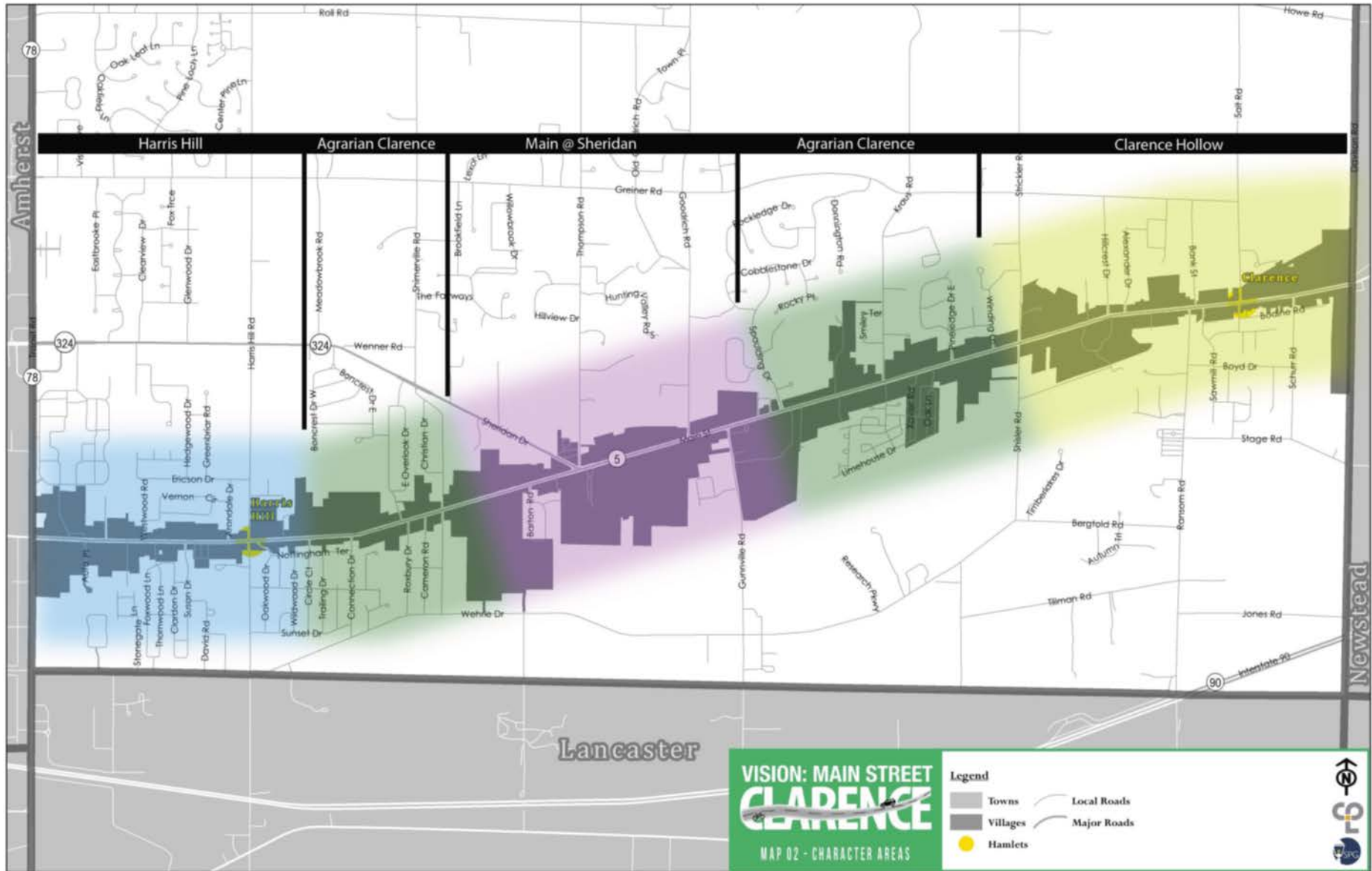
This section includes photos and a map from Vision Main Street Clarence, with character areas descriptions by Camoin Associates

Source: Vision Main Street Clarence

Action Plan - Goals

Goal 1 - Support the Vision Main Street Plan

The *Market Analysis* confirms that the Town's vision for its Main Street, including plans for the three character areas of Harris Hill, Central Main Street, (which includes key intersections such as Main@Sheridan),[1] and Clarence Hollow, makes sense economically and demographically and are supported by real estate market trends.

Many of the recommendations in this Action Plan center around communicating Clarence's goals and its valuable resources to businesses, developers, and community leaders and residents. Listening is also critical: sustained, coordinated and deliberate efforts to engage existing businesses about their plans, successes, and challenges should be a natural outgrowth of the public participation and outreach that have strengthened Town's planning efforts. It opens a dialogue that can sustain business growth and attract new activity through understanding strengths and gaps, connecting business with resources and guidance, and expanding the stakeholders "at the table" for the Town of Clarence.

Actions and strategies are designed to promote *sustainable* economic growth, or "smart growth" that reflects community priorities and concerns about overdevelopment and sprawl, the retention of open space, and the balance of commercial and residential development. In particular, four strategies concerning economic development and hamlet revitalization from *Clarence 2030* guided discussion and development of Action Plan recommendations:[2]

    A. *Encourage and support the growth of local businesses and enterprises.*
    B. *Foster a mix of residential and commercial activity in the hamlets that contributes to a walkable and affordable lifestyle.*
    C. *Pursue and promote the attraction and expansion of local commercial, industrial, and office investments.*
    D. *Monitor the balance and location of residential and nonresidential development throughout the Town.*

Goal 2 - Build Sewer Infrastructure to Guide Smart Growth

Sewer infrastructure expansion is critical to the Town's ability to guide new growth. Currently, commercial growth, including multi-family housing, is constrained by sewer availability. With limited hook-ups, businesses needing sewer must choose among parcels that may not suit their needs or fit within the Town's goals and zoning. In addition, strict requirements for septic siting by the state's Department of Environmental Conservation may have the unintended, and unwelcome, consequence of driving new development into undeveloped land in order to obtain parcels large enough to accommodate the system. As this continues, it will limit the Town's ability to increase its commercial base and achieve a balance between commercial/industrial and residential tax contributions, and to diversify its economy and restrain escalation of residential real property taxes. The Town of Clarence should prioritize sewer expansion and access, specifically for the Central Main Street character area which is designated as a central business district and would be served by the proposed Spaulding Lake/ Main Street Sewer District.[3] It should also, as noted in the *Action*

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[1] "Central Main Street" refers to the stretch that includes key intersections such as Sheridan, Goodrich, and Strickler. It encompasses more of Main Street than "Main@Sheridan" implies and conforms to the vision of a central business district.
[2] *Clarence 2030* page 41.
[3] *Town of Clarence Master Sewer Plan - 2030, Draft dated March 1, 2018, Map 4: Proposed Improvements*

Plans below, complete a return on investment analysis (ROI) to understand the value of future development to be gained by investing local public funds in sewer infrastructure.

Goal 3 - Attract Businesses by Capitalizing on Talent within the Town

Town of Clarence residents have above-average educational attainment and workforce participation rates, making them a resource for employers throughout the region. This is evidenced by the 86% of working residents who leave Town every morning. Workforce is the number one challenge for employers nationwide, and many businesses consider it more important than factors such as tax abatements. Clarence exports its best assets to Buffalo, Cheektowaga, Tonawanda, and Amherst. Recommended actions such as adding satellite offices of major regional businesses, connecting entrepreneurs to support systems, and adding co-working space, all propose to retain more residents for their work life as well as their home life.

Consumers nationwide, particularly those with the wages and disposable income of many Clarence residents, increasingly patronize local retail and food businesses. In the business sector, the parallel trend is for communities to encourage new service and manufacturing businesses started by residents, and are therefore also "locally grown." While much media attention focuses on young entrepreneurs, business founders who are mid-to-late career, which would include many Clarence residents, are frequently more successful.

Goal 4 - Support the Business Lifecycle with Space that Helps Them Grow

Clarence's character areas present a unique continuum of commercial real estate, for businesses from startup to second-stage growth. It can offer interesting and reasonably-priced space in Clarence Hollow for solo and startup businesses, which can then grow into larger space with more amenities in the business district along Central Main Street, and later easily access regional markets by expanding in Harris Hill and west toward Transit Road. The Action Plans suggest opportunities to engage idea-generators, startups, and small businesses within the regional entrepreneurial ecosystem. Becoming a long-term home for locally-grown and expanding businesses also fits well with keeping the Town's educated, skilled residents working and investing locally. Communication infrastructure such as broadband is essential to these businesses and service gaps should be identified and addressed.

The introduction of co-working space is an early point on this continuum. It brings remote workers and home-based businesses into the community, where workers can interact and share ideas as well as enjoy convenient space and access to resources such as professional-quality office equipment. Co-working space is targeted here for Clarence Hollow to take advantage of lower rents and unique buildings and setting, but as the business district grows around Central Main Street, larger facilities could be set up there as well.

Goal 5 - Communicate to Town Leaders, Residents, and the Business Community that Smart Growth Works for Clarence

Town leaders and residents need to keep hearing that commercial growth, in keeping with *Clarence 2030* and *Vision Main Street,* will benefit the town. Development can and will be directed to retain the community character and open space residents love, but only by balancing the economy between commercial and residential use while maintaining residential affordability. Businesses and developers need clear information and transparent, consistent processes around permitting and siting, land use, infrastructure and service availability, and workforce and demographics. Furthermore, the Town's real property tax rates are highly competitive regionally. While the Town of Clarence Industrial Development Agency faces strict requirements for granting financial assistance to retail businesses in particular, it can assist all enterprises by promoting the use of good Town business development processes, and supporting business retention and expansion and marketing and branding efforts. In addition, as development successes happen, they must be widely celebrated, and clearly attributed to policies and initiatives that made them possible.

Character Area Action Plans and Implementation

In support of the Action Plan Goals, an individual Action Plan has been developed for each of the Main Street character areas targeted for strategic development: Harris Hill, Central Main Street, and Clarence Hollow. Each area already has a distinct role in the life of Main Street, and the Action Plans include opportunities that leverage each area's existing strengths of character, design, and "feel." They also recognize the importance of the area's location within the Town and region. For example, Harris Hill is closest to the City of Buffalo and major highways, and can be targeted for commuter residences and services; and Central Main Street, which includes centrally-located, widely-used intersections with Sheridan and Goodrich, and near Clarence High School, can be targeted as a center for jobs, business, and services for Clarence's many family households. "Rural Clarence," including stretches along Main Street between character areas as well as toward the eastern border, is not targeted for development and should continue to serve as the open space that Clarence residents prize.

Recommended strategic actions for each character area are presented in the following Action Plans. These are in keeping with the vision for each area as expressed in the 2017 *Vision Main Street* report and supported by key findings from the *Market Analysis* prepared by Camoin Associates. Action Plan strategies are not, however, strictly limited to one character area alone, and certain themes, such as adaptive re-use and preservation of buildings, or clustering amenities to encourage "one-stop" by residents from key demographic profiles, can be implemented throughout the Main Street corridor.

The Action Plans present the vision as well as an overview of opportunities for each character area, followed by goals and implementation activities. These are supported by spaces for timeframe, potential partners, and resource intensiveness. These Action Plans are intended to be ongoing workbooks, updated and revised over time as implementation proceeds, ideas are tested, and goals accomplished. Timeframe and Allocation of Resources in particular are likely to develop over time, and early or preliminary entries in these plans – including any entries that are initially unfilled – should be revisited and updated regularly.

Throughout each Action Plan are references to "tapestry segments." Definitions of tapestry segments discussed in this report can be found in *Attachment B: Tapestry Segment Definitions*.
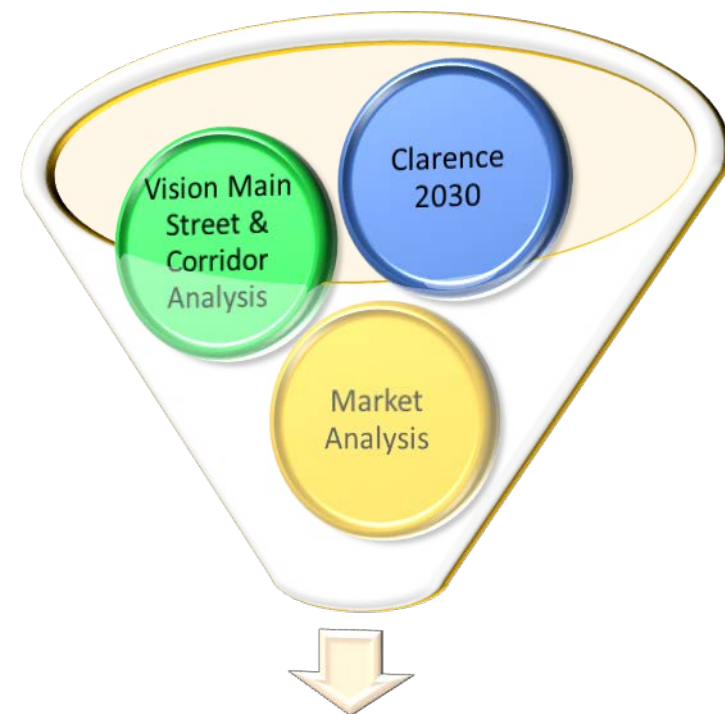
Strategic Action Plans

Harris Hill Action Plan

Main Street Vision[4]: "The overall style of the Harris Hill district is late post-war suburbia, with a mix of residential neighborhoods and businesses along Main Street. From Amherst, Cheektowaga, and other points west, this is the gateway or first view of Clarence to travelers."

Opportunities: This neighborhood is closely connected to jobs and economic activity centered in the City of Buffalo and inner suburbs and can be an attractive residence area for professionals and younger families who work in those areas, but are seeking an engaging but less urban neighborhood. It should attract businesses and retailers appealing to a region-wide service area but looking for lower rents, less traffic, and better access than are available on Transit Road. Use development to draw activity further east along Main Street by enhancing the neighborhood as a gateway.

Targeted Business Uses: As a Traditional Neighborhood, Harris Hill will attract or retain commuters, including young professionals, young families, and Tapestry Analysis segments "In Style" and "Golden Years."

(Note: with a high level of existing buildout, a major focus should be on appearance, ease of access especially by neighborhood residents, and pedestrian connections to complementary businesses.)

Retail, Dining, & Personal Services	Office & Professional	Manufacturing & Industrial
Automotive-related retail, with a focus on SUVs, minivans, and high-end sportscars	Family-oriented medical offices	Not recommended given high level of buildout and lack of sewer connections
Casual dining, sandwich and coffee shops, ice cream shops	Childcare and preschool education	
Commuter conveniences: dry cleaning, take-out dining (quality), banks	Financial services for individuals and small business, including financial advisory, accounting, insurance, and banking	
Quality home maintenance/gardening/ remodeling stores that offer more than "big box" choices	Other day-to-day professional services	
Fitness and exercise equipment and clothing		
Locally owned yoga, fitness, wellness centers		
Pet care including dog sitting and grooming		

[4] *Vision Main Street*, p. 8

Strategic Actions and Tasks	Timeframe	Town of Clarence IDA[5] & Partners	Allocation of Resources
Continue to support efforts to differentiate Harris Hill from Transit Road and its immediate environs, and create a clear gateway/neighborhood difference by adhering to the goals of Traditional Neighborhood District zoning:			
✓ Encourage adaptive re-use and preservation of character-rich buildings with incentives; review processes and communication to ensure projects proceed smoothly.			
✓ Implement hamlet development as proposed in *Vision Main Street* that is responsive to a developer understanding of market preferences. Allow mixed-use to be both first floor commercial and commercial in adjacent buildings; allow adequate parking for residents; allow two floors of residential above first-floor commercial to improve market feasibility.			
Encourage mixed-use developments serving commuters by coupling multi-family development with the commercial amenities that they need:			
✓ Target professionals and young families, especially associated with the medical centers, with convenient services and retail such as quality take-out dining, dry-cleaning, and mailing/shipping. Childcare services would be a plus.			
✓ Reorient activity away from Transit Road and from motor transit. Establish visible, easy-to-find signage or connections to bicycle routes and other pathways east into Clarence.			
Embrace the existing cluster of automotive businesses and encourage compatible uses; leverage to bring visitors east during service times.			

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[5] Town of Clarence IDA will coordinate with all appropriate local government, community, and private sector partners.

Strategic Actions and Tasks	Timeframe	Town of Clarence IDA & Partners	Allocation of Resources
✓ Create pedestrian connections to mixed-use and small commercial developments featuring dining, small retail, fitness: uses that appeal to people having cars serviced and therefore have time to spend in Clarence.			
✓ Work with existing automotive dealers to identify supply chain and related services for co-location such as insurance brokers, detail shops, accessory/parts retailers *for locations that can be accessed via walkable sidewalks or paths.* Let people having cars serviced explore more of the neighborhood on foot.			
Keep open a dialogue with any potential developer of a lifestyle center at Eastern Hills Mall.			
✓ Advocate for well-marked, easy-to-access roads east into Harris Hill including, if possible, a bicycle trail connection.			
✓ As plans come together, identify resident/visitor needs that will *not* be met, e.g. professional services, medical office and/or specialty medical, fine dining, small local retail.			
✓ Facilitate a good relationship between the Senior Center, which is relocating to Clarence Hollow, and new lifestyle center residents to draw senior residents eastward for leisure and services.			
Envision the West Shore Trail as a second "Main Street" for bicycles, bringing Harris Hill residents east, not west: park 'n' bike, restrooms, signage, and bike-accessible businesses. Trail would act as a gateway to Clarence for non-motorized transport.			

Central Main Street Action Plan

(*Includes intersection of Main with Sheridan and Goodrich and nearby areas*)

Main Street Vision[6]: "This area is a primary intersection or crossroads that provides a linkage to areas to the north and northwest in Clarence. It is a key node of activity and handles a significant amount of traffic. Most of the land uses are business-based and tend to have a more suburban feel with some newer development mixed with older, small-scale businesses and residences… anchored by two elements – the Goodrich Road intersection and Clarence High School off of Gunnville Road. The former linking Main Street to the Town Hall campus to the north and the High School a significant economic and community asset as well as a traffic generator."

Opportunities: Well-planned development along this central section of Main Street will be suitable for businesses that want high quality space (plus parking) and will draw from Clarence's highly skilled workforce. Retail and entertainment amenities focused on serving these workers, two-earner families, and families with students at the high school can provide an attractive and convenient activity cluster.

As the business center of the Town, as proposed in *Vision Main Street*, and as the section of the Main Street Corridor with the most available and larger parcels, this area should be targeted for manufacturing businesses. This is the highest priority area for sewer expansion.

Targeted Business Uses: For retail and personal service, the central location and proximity to Clarence High School make this district attractive to the Tapestry segments "Professional Pride," "Savvy Suburbanites," and "Soccer Moms." These residents have spending power but want quality, goods and experiences, and an environment that is convenient but well-differentiated from "big box" and mall/strip mall/plaza settings.

Retail, Dining, & Personal Services	Office & Professional	Manufacturing & Industrial
Day spas and massage	Legal, including solo practitioner and satellite offices of larger firm; legal services for small businesses highly desirable	*Regionally growing/important sectors:*
Yoga, Pilates, meditation in addition to small targeted fitness		Pharmaceutical
Dining featuring local food	Financial services for individuals and small business, including financial advisory, accounting, insurance, and banking	Advanced manufacturing including machine shops (with landscaping, setbacks, etc.)
Tea/honey/olive oil tasting and buying		Medical devices
Small, curated clothing/accessories and kitchen/home goods stores	Family-oriented medical offices	Sensing/measuring instruments and controls, especially for use in automotive, solar panels, medical devices
Commuter conveniences: dry cleaning, take-out dining (quality), banks		

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[6] *Vision Main Street*, pp. 8-9

Strategic Actions and Tasks	Timeframe	Town of Clarence IDA & Partners	Allocation of Resources
Prioritize this area for new sewer infrastructure, as recommended in the draft *Sanitary Sewer Master Plan 2020.*			
✓ Welcome larger projects that are more likely to demand – and provide revenues to support – infrastructure investment is suitable for designated business district and commercial zoning.			
✓ Engage prospective businesses and developers in a dialogue about public/private partnerships to fund costs.			
✓ Complete a return on investment (ROI) analysis on the fiscal benefits of, and potential for, commercial and mixed-use development enabled by sewer infrastructure investment.			
Welcome strategic manufacturing opportunities: manufacturing has changed and can physically fit in the Town's commercial areas, is cleaner and more high-tech, and needs highly-skilled workers.	Ongoing	IDA, commercial banks, local business leaders	
✓ Identify areas or parcels that will suit facilities: use setbacks, greenspace and trees, and integrate with neighborhood amenities such as shared driveways and bicycle/pedestrian paths, to make a strategically sized building fit.			
✓ Communicate to the community that manufacturing will diversify the economy, expand the commercial tax base, and attract skilled workers; it can provide revenues to fund infrastructure, and it benefits other local businesses such as banks, which can diversify their lending and account portfolios.			
✓ Target the "Light" manufacturing that is growing in the region: pharmaceuticals, medical devices, and measurement and sensing instrumentation; success at Solar City will create supply chain demand. Machine shops are in high demand and are transforming into high-tech, high-skill businesses with a greener footprint.			

Strategic Actions and Tasks	Timeframe	Town of Clarence IDA & Partners	Allocation of Resources
✓ Open a dialogue with business and community leaders about siting manufacturing facilities for businesses they already own or work for. Clarence is more likely to attract facilities started/managed/owned by Clarence residents who may be working elsewhere than it is to pull in an enterprise from outside the region.			
Be the easiest community for two-earner couples and families with children to live, work, and play.			
✓ Encourage market rate, high-quality mixed-use developments with both retail and multifamily components to create a right-sized "live/work/play" experience; orient young professionals toward Clarence's green/open space and amenities with units that are still an easy commute to jobs in Buffalo.			
✓ Help commuters handle daily errands locally, not at their jobs, and bring the activity and revenue into Clarence by creating mini-downtown clusters where multiple tasks are accomplished in one setting – encourage grouping convenience amenities such as high-quality take-out food, doctor/dentist/orthodontist offices, cafes and sandwich/salad shops. *Aim for a downtown feeling of walkable blocks of buildings, parking behind, and landscaping/greenspace.*			
✓ Leverage regional demand for high-quality suburban office space to bring professional jobs into Clarence: reach out to firms such as attorneys, CPAs, medical, finance & insurance, engineering, etc. to locate satellite offices where the workforce lives. *For a two-earner family, having one spouse within a few miles of work is a major benefit.*			

Clarence Hollow Action Plan

Main Street Vision[7]: "The hamlet of Clarence Hollow... is a well-established historic area that includes a mix of locally historic businesses and residential properties. Seeped in history, Clarence Hollow, is the point of origin of development in the Town of Clarence, which is reflected in this unique character. Although the history and character of the hamlet are its primary economic asset, the seasonal farmers market... and Clarence Pathways Bike Trail also have a significant contribution to the hamlet with various events held there throughout the year."

Opportunities: Continue to support neighborhood strengths in historic character, small business, pedestrian and bike travel, arts and culture, and dining/entertainment, including supporting events such as Hollowfest and the Bicycle Pub Crawl, that create visible activity. Encourage businesses that leverage these characteristics, including especially non-retail small businesses with a creative element such as architecture, graphic design, software, small food and/or manufacturing.

Targeted Business Uses: The Hollow will attract Tapestry segment "Golden Years" for retail and personal services because of its history and walkability. These same attributes can appeal to small businesses and solo practitioners in creative fields, who value unique spaces and proximity to other creative workers and establishments. Some uses such as a music studio and lesson space cross between these segments and family needs but are proposed for the Hollow to take advantage of the overall feel and affordability compared to new development at Central Main Street.

<u>Retail, Dining, & Personal Services</u>	<u>Office & Professional</u>	<u>Manufacturing & Industrial</u>
Tourism and history related retail including locally made food, home goods (cheese, textiles)	Architects	Workshop for handmade crafts/goods such as textiles, woodworking, printing
Dining featuring local produce and products	Graphic designers	Small-batch food processing or a commercial kitchen facility, where sewer is available
Boutique clothing/accessories targeting senior women shoppers	Interior designers	
Boutique toys/children's clothing targeting senior women shoppers and young families	Software and computer services	
Ice cream shop or mix of ice cream/coffee/bakery to serve multiple generations	Medical offices	
Bicycle shops and/or rentals	Local or regional pharmacy with focus on customer care	
	Music studio/lessons	

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[7] *Vision Main Street* p. 10

Strategic Actions and Tasks	Timeframe	Town of Clarence IDA & Partners	Allocation of Resources
Create a more defined eastern gateway into the Town with streetscaping and other recommendations from *Vision Main Street*. The increased perception of the Hollow as a place to shop, dine, *and* work will make it more attractive to businesses as well as residents and visitors.			
Seek a partner for a co-working space: Clarence demographics indicate potential demand for workspace to bring remote workers out of the home, and to encourage professionalism and collaboration among residents starting solo businesses such as interior design. City of Buffalo workspace is relatively low-cost but not convenient.			
✓ Meet with existing co-working space businesses about the potential for a satellite facility. CoWork Buffalo www.coworkbuffalo.com Innovation Center & dig www.innovationcenterbuffalo.org			
✓ Identify unique, well-located existing space or parcel for infill development.			
Establish an information hub for entrepreneurship. The history and creative vibe of the Hollow will continue to attract small, unique businesses and moving beyond retail will diversify the neighborhood's economic contribution and activity. The hub can have an online component but should also occupy a physical space such as a bulletin board at an established business or similar site. Names, activities, and websites of regional resources should be presented. It is important to understand that even incubators offer much more than space, and entrepreneurs can access regional resources but start and grow their businesses in Clarence.		IDA Clarence Chamber of Commerce	
✓ Nonprofit, privately funded economic development organization: Invest Buffalo Niagara www.buffaloniagara.org			
✓ Regional newsletter/booster: www.upstartny.org			

Strategic Actions and Tasks	Timeframe	Town of Clarence IDA & Partners	Allocation of Resources
✓ U.S. Small Business Administration Regional Office (Buffalo State College): www.nyssbdc.org			
✓ Western New York Incubator Network: www.wnyincubators.com			
✓ NYS Empire State Development Corporation Entrepreneurial Assistance Center www.esd.ny.gov/entrepreneurial-assistance-program (locally at Medaille College, Buffalo: www.iaal.org)			
✓ University at Buffalo Entrepreneurial Programs (and incubators): www.buffalo.edu/research/business/start/entrepreneurship.html			
Generate visible activity and excitement with a focus on quality experiences mixed with redefined retail. Retail must include experiences, particularly shared experiences. These non-development activities contribute to the sense of place, making the Hollow attractive for the types of businesses targeted for this neighborhood.			
✓ Engage active seniors, who are a major market segment, with culture and history activities that also engage commercial businesses for coffee, lunch, locally made/grown retail, outdoor oriented retail (birding store, e.g.)			
✓ Highlight connections to bicycle paths and parks to encourage "getting there" as part of activity in the Hollow.			

Strategic Actions and Tasks	Timeframe	Town of Clarence IDA & Partners	Allocation of Resources
✓ Identify small-scale experiential retail to broaden spending beyond shopping and dining. For example: Paint 'n' sip combines craftmaking with wine tasting and is suited to major demographic groups[8] as described in the *Market Analysis* who are affluent but savvy with their money and seek quality leisure activities. Interactive entertainment venues engaging groups in solving mysteries. www.tru-escape.com, www.allinadventures.com.			
✓ Encourage multi-generational activities: add child-oriented amenities such as a pocket playground within easy walking distance of commercial offering; seniors can spend time and money to share experiences with grandchildren.			
✓ Identify a partner for bicycle rental for those who want access to the trails but cannot easily transport their own cycle. *A town-wide partner could offer multiple locations.* For example, https://reddybikeshare.socialbicycles.com/			

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[8] Clarence Schools Education Fund held a paint/sip fundraiser in 2015 but had to use a studio in Lancaster.

Key Findings of the Market Analysis

Key findings have been identified based on quantitative research, reviews of prior plans and reports, discussions with Members of the Town of Clarence Industrial Development Agency and the town Planning Department, and a tour of the town. These findings will be discussed and refined during the Workshop on March 15 and further informed by a series of stakeholder interviews scheduled to be conducted on March 15. They will form the basis of the final recommendations and the Executive Summary for the completed report.

Demographic and Socioeconomic Profile

Developing lively neighborhoods includes attracting people as well as businesses – visible activity cues passers-by that something interesting is happening. Some of the passers-by will start businesses or be responsible for location decisions, and others will seek opportunities for entertainment or community engagement. Therefore, demographic findings are focused around what will bring people into the neighborhood centers.

- **Clarence residents have significantly more disposable income than the rest of the region.** In addition to higher spending in the retail, entertainment, household furnishings, and automobile sectors, these households demand professional and financial services such as attorneys, accountants, financial advisors for college and retirement savings, and household services that in a tech-savvy environment may expand from cleaning and yard maintenance to include computer and communications support. In addition, since many of these households will have two earners, time can be a critical resource and the location and ease of access to services will be an important factor in where they are purchased.

- **Market segmentation can help direct development to encourage more time and spending in Main Street character areas.** Demand for goods and services varies among demographic groups and by household composition. Encouraging location of amenities near each other can encourage visitors to spend more time and money. Identifying the preferences of different groups further encourages matching visitor demand with available goods and services. Preliminary findings around demographic groups in the town include:

  o **High-quality public schools will continue to attract new residents.** The reputation of both districts serving the town creates a draw for families with, or planning for, school age children. Much has been written in news media for several years about Millennials breaking the pattern of previous generations and maintaining their urban lifestyles, but recently they have begun to drive up homeownership rates[9] as they marry and start families. This trend will support continuing demand in Clarence for single-family homes with some surrounding yard, and proximity to similar properties and neighbors for social opportunities. In addition to the real property effects, well-regarded school districts will draw families with higher levels of disposable income that they choose to spend on resources and activities for their children, such as youth sports, libraries, arts and performing arts activities, and music. Sports and recreation facilities (indoor and outdoor), dance schools, and art and music studios are private-sector businesses supported by these residents.

  o **Seniors are remaining active and retaining their spending power**. A major national trend among the cohort of residents 65 years of age and older is to remain active, including pursuing outdoor activities such as trail walking, mild hiking, birding, and bicycling. This market segment in the town represents more than 6,000 residents, or approximately 19% of the population. The town is already developing connections among neighborhoods, with the extension of the bicycle lane along Main Street and an expanding network of green trails. For the active senior market segment, the journey to a destination can also be an enjoyable experience, and locating amenities that this market segment prefers in proximity to the alternate means of transportation will increase usage. This includes daily

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[9] "Homeownership Rate Rose in 2017 for First Time Since 2004," *Wall Street Journal* 1/30/18.

and periodic needs as well as leisure choices, as this age cohort does consume more medical services even as they remain active.

o **The town's highly educated workforce is in demand throughout the region**. More than half of residents have at least a four-year college degree, and a quarter have earned a graduate degree. As of 2016, labor force participation for individuals between the ages of 20 and 64 was 81.6%. Among males it was 88.9% and among females it was 74.4%. More than 85% work outside of the town. With nearly 75% of working age women employed, the town has many two-earner families; the ordinary stresses of commuting are exacerbated when both parents work at a distance from home, daycare, school, and activities. Clarence is exporting talent every morning, possibly indicating that office and light industrial space could keep residents in town.

Two market segments – regardless of gender – are likely to welcome opportunities to work in town. The first is working parents, who gain time every day that they are not driving to another community. Businesses that require the high skills level of Clarence residents should be attracted to competitively priced new or redeveloped locations with amenities such as parking. Real estate research firm CBRE notes that regional demand for suburban office space is rising, and vacancy rates east of Buffalo were 10.8% in the fourth quarter of 2017, the lowest in the region.[10] The "right sizing" also reported by CBRE shows a trend toward smaller spaces, more suitable for integration into mixed-use and hamlet style neighborhoods. The town is already seeing this demand in the 36% increase in permits for commercial/industrial development for 2016.

The second market segment is remote or home-based workers, either independent or part of a larger company. While the growth of remote work has put downward pressure on demand for traditional office space, co-working and other shared space arrangements are gaining ground nationally as resources for access to equipment, professional meeting space, and an opportunity to interact with other workers.

Transportation and Commuting Profile

Western New York residents are willing to drive for both work and entertainment, and with a system of large and small highways connecting communities, a 30-minute drive covers approximately 1,037 square miles. The high quality of its housing stock and schools attract residents, but these residents have a wealth of choices outside of Clarence where they can spend their time.

- **86% of Clarence residents commute out of town and therefore other communities are competing for their time and spending.** As noted in the demographic discussion above, Clarence's educated, skilled residents are in demand, and they work not just in the City of Buffalo but in other suburban communities where they can conveniently purchase goods and services on their way home. Recreation and leisure activities in their destination communities can also be highly visible and therefore attractive.

- **Public transportation is scarce in the town**. The Niagara Frontier Transportation Authority provides bus service from a stop on Transit Road, the western border of the town and not a convenient location, since system users must in most cases drive a car to the bus stop.

- **Buffalo-Niagara International Airport is well-located**. From Clarence Center the airport can be reached in under 20 minutes, as it is fewer than 12 miles away. Direct service reaches national hubs such as Atlanta, GA or Charlotte, NC but flights are available to major cities such as Boston, Philadelphia, and New York as well as tourist destinations in Las Vegas, NV and Miami and Orlando, FL.

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[10] CBRE, *Buffalo Marketview, Office Q4 2017.*

- **Residents drive themselves and need parking**. There is increased demand for office space in the suburbs because of the demand for parking[11]. With no public transportation available east of Transit Road, many residents don't have a choice about how they commute.

Economic Profile

The main focus of the Economic Profile is on the Buffalo-Niagara Metropolitan Statistical Area (the "MSA"), which includes all of the communities in both Erie and Niagara counties. The town occupies a fairly central place in the region, and the majority of residents commute to other communities for work. As noted among the findings of the Transportation and Commuting Profile, residents of the region also travel for leisure and entertainment, further supporting the study of the region as a whole. Information about jobs and businesses located in the Town of Clarence is also studied to provide an understanding of the town's relative position.

- **83% of Gross Regional Product (GRP) comes from the private sector, and Manufacturing is a major source of wealth and employment in the region, providing 16% of GRP.** Only Government is higher, at 17%. Finance and Insurance (10% of GRP) and Professional and Scientific Services (5%) are also key private sectors. Motor vehicle manufacturing jobs have declined by more than a third since 2007, but there is growth in "light" industries such as pharmaceuticals and electrical and navigational equipment. These industries use smaller spaces than heavy manufacturing, and demand high levels of skill, making them more suitable for sites in residential communities such as Clarence that offer an educated and skilled workforce.

- **Unemployment is low regionally and in Clarence**. The 2016 unemployment rate for New York State was 7.1%, but the MSA experienced a lower rate of 5.8%, and the Town of Clarence still lower at 3.1%. Labor force participation is higher in Clarence than in the region. High employment supports demand for and value of the town's housing stock, and demand for goods and services.

- **Key high-wage industries are growing regionally and will demand the workforce Clarence provides**. Management of Companies[12] (+38%), Finance and Insurance (+3%), Professional, Scientific, and Technical Services (+1%) each pay $70,000 or more. Health Care and Social Assistance (+12%) has lower average wages, approximately $52,000, but includes many highly paid positions for trained physicians and specialists. All of these industries are users of office space.

Consumer Behavior and Characteristics

Since Western New Yorkers tend to drive, and feel comfortable with a 30-minute trip, the trade area established for the study of consumer behavior and retail demand is quite large. As a result, there are few unmet demands for goods or services, and there are many dining opportunities. However, the region and the town are experiencing trends, such as demand for experiential retail and activities, compared with browsing and shopping, that should inform planning and siting of projects, in conjunction with the market segmentation discussed above in *Key Findings from the Demographic and Socioeconomic Profile.*

- **The town can support additional dining and drinking venues**. A retail surplus/leakage analysis that measures local demand against local offerings determined that there is enough unmet demand in Clarence to support a new restaurant and a new bar/drinking establishment. Securing a regional draw would not only keep residents local but bring in outside dollars. The town understands the limits that its current sewer capacity places on larger developments, and the inability to provide a site for the regional brewery is unlikely to be the only instance of lost opportunity.

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[11] Ibid.

[12] These businesses include bank holding companies, other business holding companies, and corporate or administrative offices of companies. (NAICS Code 5511, www.naics.com/naics-search-results/ accessed 3/5/18)

- **"Tactile" shopping opportunities are still demanded in Clarence and the region**. Many goods are readily purchased online, but the retail analysis indicates unmet demand for clothing, home furnishings, and jewelry and luggage. All of these are items that can be difficult to buy online but are "tactile" in that browsing, touching, and trying-on are important and enjoyable, and the items are often unique and not easily evaluated from online photos. Reasonably sized, curated collections of these goods are suitable for village-style and mixed-use development.

Real Estate Market Analysis

- **Sewer capacity is a more limiting factor than demand for all types of development.** Housing as well as business and commercial development is increasingly aligned with available municipal sewer or package plants. Where service is not available, the size and type of development is limited by the cost and environmental suitability of septic systems; mid-size to large multifamily housing, for example, or a hotel, would use more sewer capacity than can be managed with a septic system, and cannot be developed in most of the town even though demand may exist.

- **Demand for office space is increasing but additions to supply are uneven**. The vacancy rate along the Main Street corridor peaked at 8.1% in 2013 but declined to 3.0% by 2017. Delivery of supply has been uneven, which is not unusual for a community the size of Clarence. Just over 7,600 square feet (SF) were added in 2014 and 4,400 in 2017. Rents have stabilized at roughly $14/SF and are not increasing despite the low vacancy, indicating that Clarence is competing with other communities. Rent prices often overlap with those of the Buffalo-Niagara Falls MSA, which has fluctuated between $14.33 and $15.71 per SF over the last 10 years.

  Regionally, job growth trends in office-using industries suggest demand for approximately 787,000 new SF by 2022, and under 6,000 new jobs, for a job growth rate of under 3%. Over these five years, however, total office inventory is expected to increase by 700,000 SF, offering opportunity for Clarence to accommodate this gap of 78,000 SF in unmet demand. For Clarence to be competitive, new space will need to be well located and of high quality; these are already goals for new projects in the town. As real estate research firm CBRE notes, demand for office space is moving into the suburbs of the MSA, because of demand for parking, as noted above, but also for amenity-filled space. Both of these characteristics support employer efforts to attract and retain a high-quality, skilled workforce, which is particularly important for growing office-using businesses in the finance and banking sectors. In addition, while the downtown City of Buffalo live/work/play developments are adding appealing modern space, they are not fully meeting regional demand, and are also driving up local rents, making suburban projects more cost competitive. [13]

  As noted throughout this report, Clarence offers a highly educated workforce needed by professional services, healthcare, and management or consulting and will continue to be a target for additions to space. Office space integrated with retail, entertainment, and outdoor/greenspace amenities is likely to be highly attractive, beyond its appeal to personal business services serving Clarence. Additional targets should include satellite offices of large law firms, regional offices for securities firms and financial holding companies, or engineering and architecture firms. Employers could offer desirable workplace settings and an easy commute, and Clarence would gain visible activity in neighborhoods being developed.

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[13] CBRE, *Buffalo Marketview, Office Q4 2017*.

- **Retail vacancy is low and supply has not increased in seven years.** Vacancy peaked in 2008, at the beginning of the recession and financial crisis at 7.3% but has stabilized at low levels between 2.2% and 4.5%, with variation associated more with new supply in 2011 than with loss of use. Despite this, landlords have little pricing power and rents have remained between $10/SF and $11.50/SF since 2009. Rents are regionally competitive.

- **Clarence remains a single-family home community**. More than 80% of housing units are single-family homes. As noted above, multi-family projects are constrained by sewer capacity. New projects are targeted at seniors, both low-income and market rate, and at renters seeking high-end apartments or townhomes. Not well served by rental housing are younger professionals early in their careers, recent college graduates, or mid-level skilled workforce households.

- **Industrial/Flex Space is not a major real estate segment**. Demand for space in which to manufacture or assemble products (industrial) or to combine office with such manufacture/assembly appears to be low, and approximately 4,000 SF exists in the town. Given the limitations imposed by the sewer capacity, this does not necessarily mean that demand does not exist; vacancy rates for the existing space have been less than 10% since 2012. Rents were on average $8.40/SF for 2014 – 2016 but dropped to $4.59 in 2017. With these constraints, and the town's greater attractiveness for office and retail, industrial/flex is not likely to be strongly demanded in the near future. Furthermore, for the village- and hamlet-scaled development that is the focus of this report, industrial/flex users would necessarily be fairly small. Rents and vacancy rates are similar in the town and in the Buffalo-Niagara MSA, indicating that Clarence properties are price competitive.

APPENDIX A: MARKET ANALYSIS

Appendix A contains the full market analysis completed as part of this study. Key Findings begin above on page 18.

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Introduction

The Main Street Strategy project began with a comprehensive analysis of existing conditions in the Town of Clarence and the region, with comparisons to the State of New York. Data were gathered from nationally-recognized databases for demographic, economic, and real estate trends, and informed by insight gained through a tour of Clarence, meetings and discussion with the Town of Clarence Industrial Development Agency, and interviews with stakeholders from business and the community.

Key Findings from this *Market Analysis* were used to develop the Goals and Action Plans for this project, revealing existing strengths, identifying opportunities, and highlighting areas where the community's goals and vision are well-supported by demographic, economic, and real estate trends. These Key Findings are presented above on page 18. The detailed data and analysis presented here support these findings.

This analysis includes the following sections:

- Review of Prior Plans and Reports
- Demographic and Socioeconomic Profile
- Transportation and Commuting Profile
- Economic Base Profile
- Real Estate Market Analysis

Study Areas

For this analysis, the following geographies were benchmarked for comparison, shown in Figure 1 and Figure 2:

- **The Town of Clarence** – The Town of Clarence is bordered to the north by Tonawanda Creek and to the west by Transit Road.

- **Buffalo-Cheektowaga-Niagara Falls Metropolitan Statistical Area (MSA)** – Also referred to as the Buffalo-Niagara Falls MSA, this region encompasses the counties of Erie and Niagara Falls. The Town of Clarence resides in Erie County, and borders Niagara County directly to the north.

- **The State of New York** – Examining demographic data at the state level provides the broadest level of relevant data for this analysis.

Figure 1: The Town of Clarence (blue) and the Buffalo-Niagara Falls MSA (red)
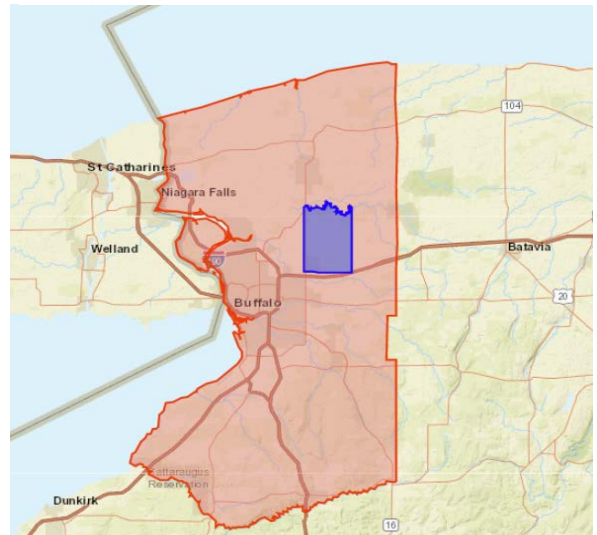
Figure 2: The State of New York (yellow)
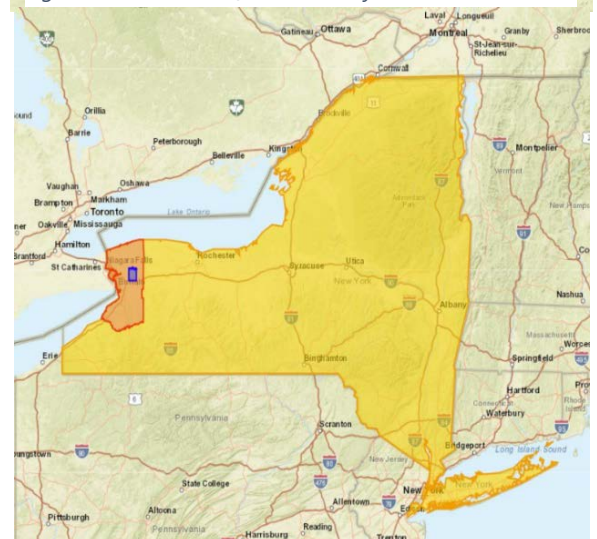
Prior Plans and Reports

Town of Clarence Comprehensive Plan 2030

Building upon the foundations set in the *Town of Clarence Master Plan 2015*, this comprehensive plan provides a framework to guide economic development within the Town of Clarence.

Key Initiatives

■ Enhance the town's agricultural assets through investments to protect farmland and inform the public of the value of agriculture to the community.

■ Support environmental sustainability by identifying key environmental areas and enacting practices to minimize negative impacts to the environment.

■ Increase mobility of residents across numerous transportation types, to aid in improving walkability and reducing traffic congestion.

■ Upgrade and maintain public services and infrastructure and be mindful of where community resources can be best allocated for the community's benefit.

■ Ensure historic site preservation and promote the town's history as part of its community culture and identity.

■ Support the growth of local businesses, and pursue economic development in a way that leverages and enhances the community's existing culture and local strengths.

Vision Main Street Clarence

Completed in April 2017, *Vision Main Street Clarence* provides a look at the Main Street corridor and its associated assets. Main Street serves as the major artery for community, travel, and culture in Clarence. *Vision Main Street* aims to extend the work done in the *Comprehensive Plan* to focus specifically on Main Street, by developing a unified approach to economic development in terms of aesthetic, branding, and business offerings. Key to this vision are four unique character areas, which each put forth their own local flavor and personality.

Key Initiatives

Per the document, the three goals of *Vision Main Street Clarence* are:

■ Identify a unified approach to improve the physical and visual appeal of Main Street,

■ Recognize and build upon the unique character areas contained within the corridor, and

■ Bridge the broad initiatives and policies in the *Comprehensive Plan* with focused efforts for Main Street.

Demographic and Socioeconomic Profile

Demographics and socioeconomics refer to the characteristics of the people living and working in the community. This *Market Analysis* presents data on the Town of Clarence, the Buffalo-Niagara Falls MSA, and the State of New York, identifies trends and characteristics, and draws key findings specifically created to help focus on the potential for Main Street corridor development that furthers the goals of *Vision Main Street.*

Overview of Demographic Indicators

The Town of Clarence has been growing more rapidly, has a significantly higher household income, and is home to more families than the surrounding region. An expanding population with high levels of disposable income will demand goods, services, and activities. All of these indicators underscore the importance of deliberate and thoughtful planning that facilitates development that supports the community's vision.

Over the last 7 years, the Town of Clarence has seen a roughly 7% growth in population, equivalent to an additional 284 new residents annually. This level of growth exceeds that of both the Buffalo-Niagara Falls MSA and the State of New York as a whole, which either showed tepid growth (in the case of the State of New York) or slight decline (in the case of the Buffalo-Niagara Falls MSA). The number of new households has grown at roughly the same rate as overall population growth for all three geographies,

Figure 3: Change in Population, 2010 - 2016

Source: American Community Survey

resulting in very little change to the average household size. In the five years between 2017 and 2022, this growth is projected to decrease across the three geographies, with decline in growth being most pronounced in Clarence. The town is expected to see 3.2% population growth between 2017 and 2022, equivalent to an additional 207 new residents annually.

Over the same period of 2010-2017, the median household income for the Town of Clarence grew from just over $80,000 to nearly $95,000. This is equivalent to 16% income growth, over twice that of the other two geographies (both of which were 9%). This growth is projected to slow between 2017 and 2022, not passing 10% growth. Despite this, Clarence should fare better than the rest of the MSA, which is projected to see 3.3% growth.

Table 1: Demographic Overview

Demographic Overview							
	2010	2017	2022 (proj.)	# Change 2010 - 2017	% Change 2010 - 2017	# Change 2017 - 2022	% Change 2017 - 2022
Town of Clarence							
Population	30,673	32,661	33,697	1,988	6.5%	1,036	3.2%
Households	11,282	12,051	12,452	769	6.8%	401	3.3%
Average Household Size	2.68	2.68	2.67	0	0.0%	(0.01)	-0.4%
Median Household Income	$81,623	$94,280	$103,285	$12,657	16%	$9,005	9.6%
Family Households	8,423	8,920	9,184	497	5.9%	264	3.0%
Buffalo-Niagara Falls MSA							
Population	1,135,509	1,141,001	1,145,153	5,492	0.5%	4,152	0.4%
Households	473,720	477,854	480,392	4,134	0.9%	2,538	0.5%
Average Household Size	2.33	2.32	2.32	(0.01)	-0.4%	0.00	0.0%
Median Household Income	$47,093	$51,505	$53,215	$4,412	9%	$1,710	3.3%
Family Households	286,822	285,153	284,903	(1,669)	-0.6%	(250)	-0.1%
New York							
Population	19,378,102	20,096,494	20,596,596	718,392	3.7%	500,102	2.5%
Households	7,317,755	7,541,950	7,708,587	224,195	3.1%	166,637	2.2%
Average Household Size	2.57	2.59	2.60	0.02	0.8%	0.01	0.4%
Median Household Income	$55,603	$60,832	$67,501	$5,229	9%	6,669	11.0%
Family Households	4,649,791	4,727,306	4,803,167	77,515	1.7%	75,861	1.6%

Source: Esri, American FactFinder

Age

The age of a community's residents is a critical factor in identifying likely demand for housing, goods and services, and recreation, since preferences as well as needs change as people age. Similarly, the percentage of a population living in households with children will have a very strong effect on services, from childcare for two-income and single parents, to youth sports, to restaurant style.

Table 2: Population Comparison, 2017

Population Comparison, 2017			
	Town of Clarence	Buffalo-Niagara Falls MSA	New York
% Under 18	23%	19%	21%
% 18 - 64	58%	62%	63%
% Aged 65+	19%	19%	16%
Total Population	32,661	1,141,001	20,096,494

Source: Esri

As shown in Table 2: Population Comparison, 2017, while the number of young persons and family households stands out as significantly higher than in the region, the town is matching the region in residents nearing or already in retirement. As of 2017, 19% of the population (or more than 6,000 residents) were in that cohort. These residents will continue to demand high-quality experiences and services, but the preferences shift. Since this cohort has more leisure time, and likely sufficient household goods and furnishings, activity-oriented rather than shopping-oriented amenities will be more attractive. A national trend toward more active seniors is important, as they will not give up outdoor activities but may prefer walking, birding, and cycling to vigorous hiking. In addition to more leisure time, this cohort often has more disposable income than cohorts starting careers or raising families. Solid income levels and low poverty across all demographic groups in the town indicate that the spending power of seniors will be significant, and their preference important to identifying the types of businesses, services, and open space that are likely to succeed in village and hamlet areas of the town.

Figure 4 shows the population distribution of Clarence compared to both the MSA and New York. As a whole it reflects Clarence's role as a community for families looking for more open space than can be found in Buffalo's urban neighborhoods, while still enjoying close proximity to the amenities offered by the city's downtown. Residents between the ages of 20 and 39 are underrepresented in Clarence, with only 16% of residents falling into one of these cohorts compared to 25% of MSA residents and 27% of New York State residents. This age group has a high percentage of renters, and Clarence has relatively few multi-family rental housing units to attract them.

In turn, residents between the ages of 5 and 19 (who are typically young enough to live with their parents) as well as residents between the ages of 45 and 59 (who are typically raising children of their own) are particularly prevalent in the Town of Clarence compared to the MSA and state.

Figure 4: Population Distribution by 5-Year Age Cohorts, 2017

Population Distribution by 5-Year Age Cohorts, 2017
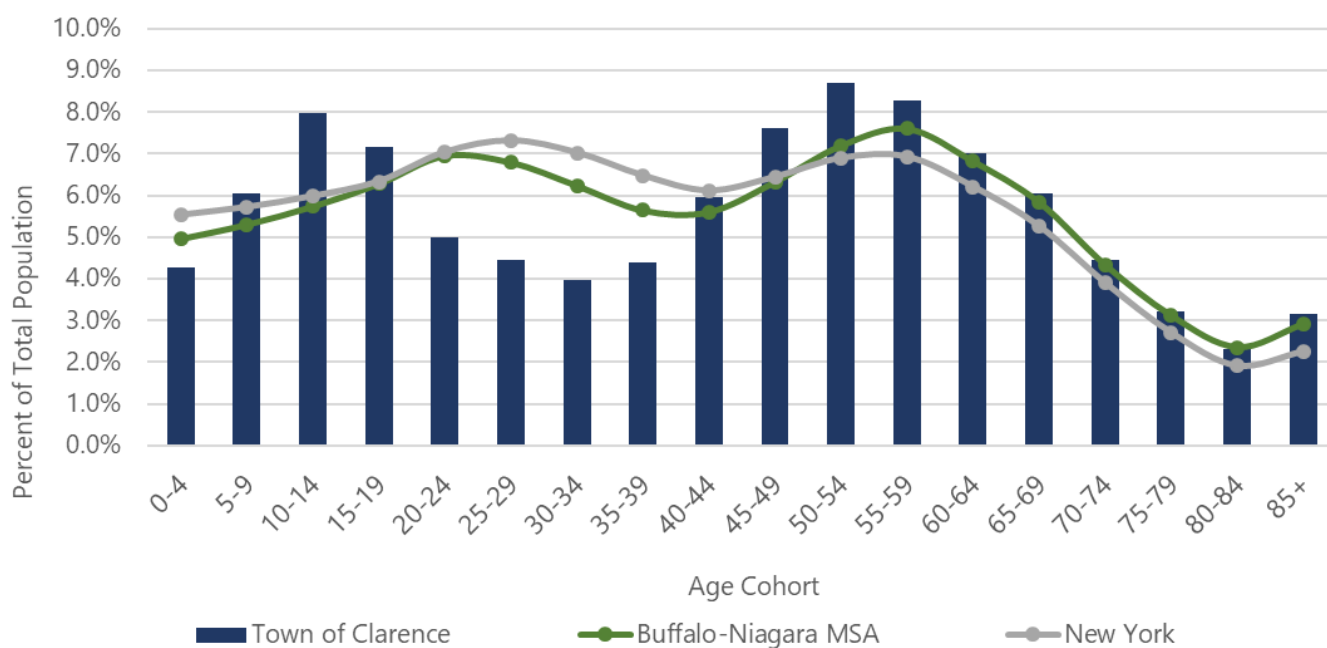
Source: Esri

Income

Like age, household income can be used to understand existing and future demand for housing and goods and services. At $94,280, the median household income in the Town of Clarence is nearly $35,000 higher than the rest of New York State ($60,832 in 2017) and approaching twice that of the Buffalo-Niagara MSA ($51,505 in 2017).

Clarence has fewer residents within the lower income levels: while 41% of New York households and 48% of the Buffalo-Niagara Falls MSA earned less than $50,000 in 2017, roughly 26% of Clarence households were in a similar situation. Household at income levels of $100,000 and above are consistently more prominent in Clarence than in the other examined geographies.

Figure 5: Distribution of Household Income, 2017

Distribution of Household Income, 2017

Study Region	<$15,000	$15,000 - $24,999	$25,000 - $34,999	$35,000 - $49,999	$50,000 - $74,999	$75,000 - $99,999	$100,000 - $149,999	$150,000 - $199,999	$200,000+	Median Income:
New York	12.5%	9.3%	8.5%	11.2%	16.2%	11.8%	14.9%	7.1%	8.4%	$60,832
Buffalo-Niagara Falls MSA	14.0%	11.2%	10.2%	13.0%	17.6%	11.9%	13.1%	5.1%	3.9%	$51,505
Town of Clarence	4.8%	4.0%	7.0%	10.5%	12.8%	13.3%	19.8%	12.7%	15.1%	$94,280

Percent of Total Population

■ <$15,000   ■ $15,000 - $24,999   ■ $25,000 - $34,999   ■ $35,000 - $49,999   ■ $50,000 - $74,999
■ $75,000 - $99,999   ■ $100,000 - $149,999   ■ $150,000 - $199,999   ■ $200,000+

Source: Esri

Race and Ethnicity

Different populations have different needs, and it is therefore important to understand who is living in a community. Clarence's racial and ethnic composition follows common patterns for Western New York, where suburban residents tend to be largely white. Black/African American and Hispanic populations are larger in the MSA and most concentrated in the City of Buffalo. The Town of Clarence is overwhelmingly White, as shown in Figure 6. The next largest group, at approximately 6% of the population, identify as Asian.

This analysis is derived from data collected by the US Census Bureau, and all racial and ethnic categories are self-selected by the survey respondent. It should also be noted that for this analysis, the Hispanic ethnicity is considered its own category which incorporates Hispanic residents of all races. All other categories include only non-Hispanic residents of each respective race.

Figure 6: Distributions of Race and Ethnicity, 2017
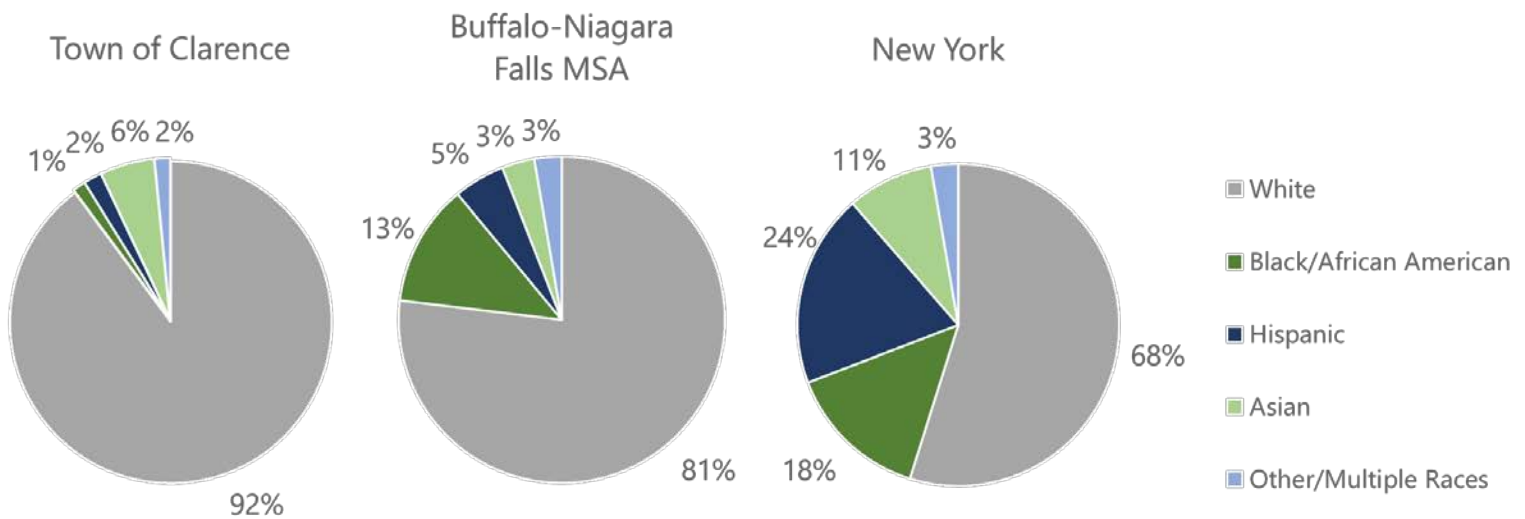
Source: Esri

Educational Attainment

Educational attainment is a reliable indicator of how skilled a community's workforce is, with higher levels of attainment strongly correlated to higher earnings. Nationally, employers are also increasingly recognizing the value of workers who have earned a high school diploma, plus certificates in advanced manufacturing processes or skilled trades, but who do not necessarily have a formal college degree.

Compared to the other study areas, the Town of Clarence has the highest rate of educational attainment, with 97% of residents aged 25 or above holding at least a high school degree or equivalent as of 2017, 25.6% holding at least a bachelors' degree, and another 26.0% earning a postsecondary degree. Town of Clarence residents are therefore in demand in industries throughout the region that require high levels of education and skills. This is reflected in the commuting patterns shown below in the Transportation and Commuting Profile.

Figure 7: Percent of Residents with a High School Education or Greater, 2017

Percent of Residents With a High School Education or Greater, 2017

Source: Esri

Study Region
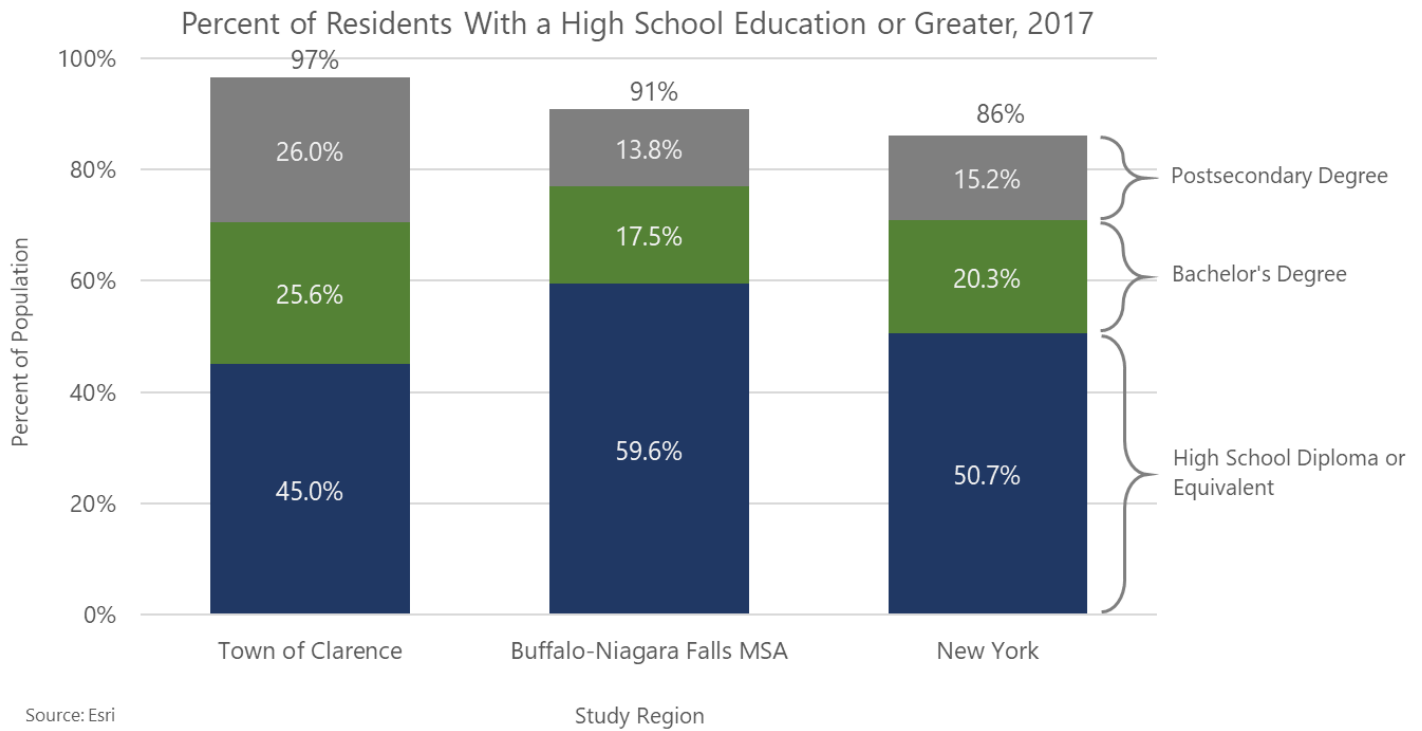
The magazine *Buffalo Business First* ranks both school districts in Clarence among the top three in Erie and Niagara counties.[14] Students in Clarence attend schools in either the Williamsville or Clarence District. The list of the top ten is shown in Table 3 below.

Table 3: Top 10 Regional School Districts

Top 10 Regional School Districts		
Rank	District	County
1	East Aurora	Erie
2	Williamsville	Erie
3	Clarence	Erie
4	Orchard Park	Erie
5	Iroquois	Erie
6	Starpoint	Niagara
7	Amherst	Erie
8	Lancaster	Erie
9	Lewiston-Porter	Niagara
10	Hamburg	Erie

Source: Buffalo Business First

Public schools are measured across a wide variety of indicators, from test scores to racial diversity to post-graduation plans, but the *perception* of quality is a critical factor for many households purchasing homes. The *Buffalo Business First* rankings are therefore influential. This affects both families with school-age children, and potential buyers who see good schools as a desirable amenity for. This has a clear effect on real property values because it increases demand, but it can also affect buyer preferences for the type of residence – family households are more likely to demand larger homes, larger lots, and often neighborhoods where there will be other children. Finally, well-regarded school districts will draw families with higher levels of disposable income that they choose to spend on resources and activities for their children, such as youth sports, libraries, arts and performing arts activities, and music.

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[14] *Buffalo Business First*, June 1, 2016, https://www.bizjournals.com/buffalo/news/2016/06/01/wnyhome.html, accessed 2/27/18.

Transportation and Commuting Profile

The manner in which residents move around a region is important for workforce identification, employment location, shopping for daily necessities, and leisure and entertainment. It can also be an important component of regional culture, covering how residents move around (public transportation, automobiles), how far they need to travel to find work suitable for their skills, and how far they are willing to travel for entertainment.

Transportation Systems

Highways and local expressways

The Buffalo-Niagara MSA is largely an automobile community. Interstate 90/NYS Thruway connects the City of Buffalo and its suburbs with the other major cities in the state, including Rochester, Syracuse, Albany, and then to the Massachusetts Turnpike (Hartford and Boston). It intersects with I-87 to bring drivers to New York City, although the nearly 400 miles takes more than six hours to drive. Toronto, Canada, is fewer than two hours away.

The interstate is accompanied by regional expressways that move residents among communities in Erie and Niagara counties by automobile, facilitating work and a wealth of leisure choices. A major limiting factor, however, is periodic severe weather during winter months, which can slow or stop roadway travel and, with large snowbanks created by plowing surfaces, diminish parking availability.

Public Transportation

The Niagara Frontier Transportation Authority provides bus service with the City of Buffalo as its central hub, with some direct connections among the suburbs. The eastern border of the service territory is Transit Road (State Route 78), which runs north-south between, roughly, Lockport and Orchard Park and forms the western border of the Town of Clarence. As a result, Clarence residents seeking public transportation must drive, or be driven, to a stop on Transit Road, a heavily developed area that despite planning and improvements is not exceptionally pedestrian-friendly.

The Buffalo-Niagara International Airport is well-located for Clarence residents. From Clarence Center the airport can be reached in under 30 minutes, as it is fewer than 12 miles away. Direct service is largely to national hubs such as Atlanta, GA or Charlotte, NC but flights are available to major cities such as Boston, Philadelphia, and New York as well as tourist destinations in Las Vegas, NV and Miami and Orlando, FL.

Parking

Parking is particularly important for family households transporting children and equipment (school bags, musical instruments, sports equipment, baby care, etc.) and for this critical market segment in Clarence, and for daily trips walkability and bicycle lanes are likely to be secondary to the ability to travel efficiently and safely from place to place. As efforts are made to relocate parking and encourage alternate transportation, attention should still be paid to the demographics of who is expected to use a site, and when. For example, even avid bicyclists must drive in inclement weather.

Commuting Data and Analysis

Figure 8 to the right lays out the flow of commuter traffic into and out of the Town of Clarence, based on 2015 Census estimates.

The majority of working residents, or 86%, travel to other communities for work.

Although there are approximately 16,000 jobs located in Clarence, most of them are filled by residents of other communities, with more than 10,500 workers travelling into Clarence for work. This pattern is not unique to Clarence, and indicates a free flow of workers across a fairly densely populated region.

For example, in the Village of Williamsville, in 2015 more than 3,500 workers with jobs in the village lived outside and commuted in, accounting for more than 95% of the jobs. At the same time, more than 2,500 of working Willliamsville residents, or nearly 95%, left the village for work. Orchard Park, just south of Clarence, shows a similar pattern.

In total, 15% of workers in the Town of Clarence also live in-town, equal to 1,911 workers. This is higher than in either Williamsville (5.1% of residents in the workforce) or Orchard Park (4.3% of residents in the workforce).

Figure 8: Inflow/Outflow of Clarence Residents and Workers, 2015
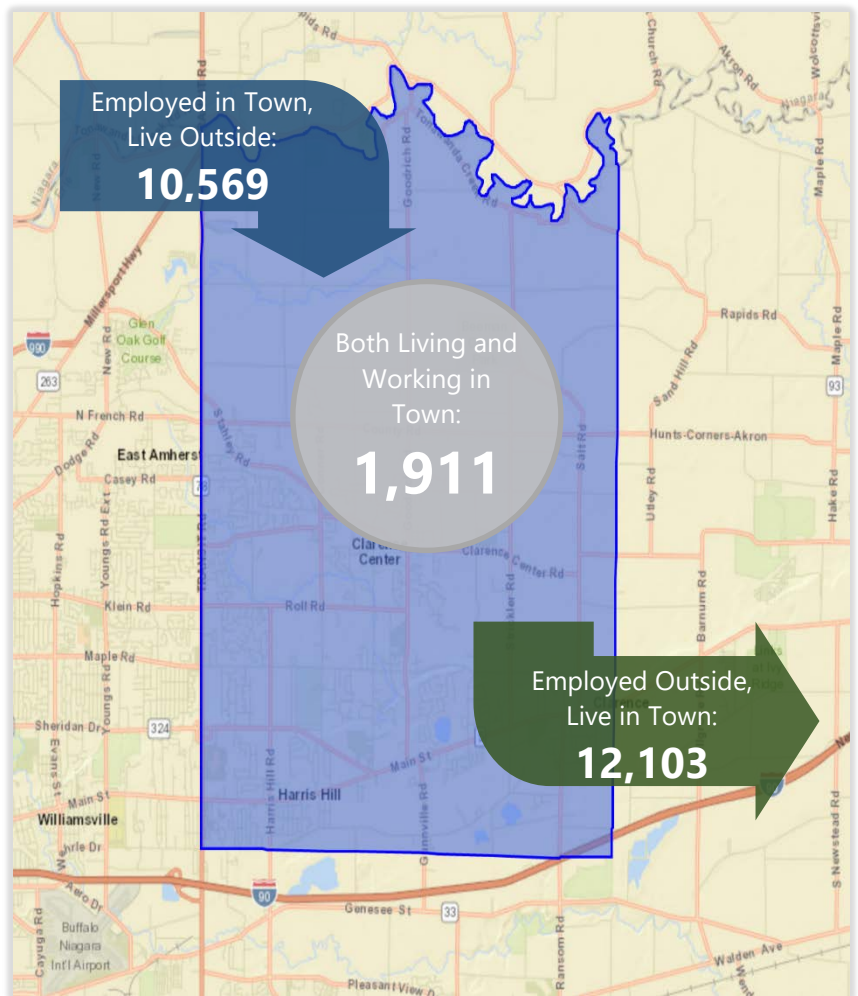
Source: Census OnTheMap
Note: Arrows do not designate actual direction of commuter flows.

Distance/Direction of Workers

Figure 9 charts where individuals who work in Clarence reside. Compared to the distance/direction analysis for Clarence's residents (shown to the right), which shows significant concentration in a few key locations, Clarence's workers are evenly distributed throughout Clarence and the Buffalo-Niagara Falls area. Areas of notable concentration include the Transit Road/Main Street intersection, and the suburbs within central Clarence. In total, 56% of workers travel less than 10 miles to reach their place of employment, while another 31% travel less than 25 miles.

Legend:
- 5 – 11 Jobs/Sq. Mile
- 12 – 29 Jobs/Sq. Mile
- 30 – 60 Jobs/Sq. Mile
- 61 - 104 Jobs/Sq. Mile
- 105 - 160 Jobs/Sq. Mile

Source: Census OnTheMap

Figure 10: Places where Clarence Residents Work, 2015
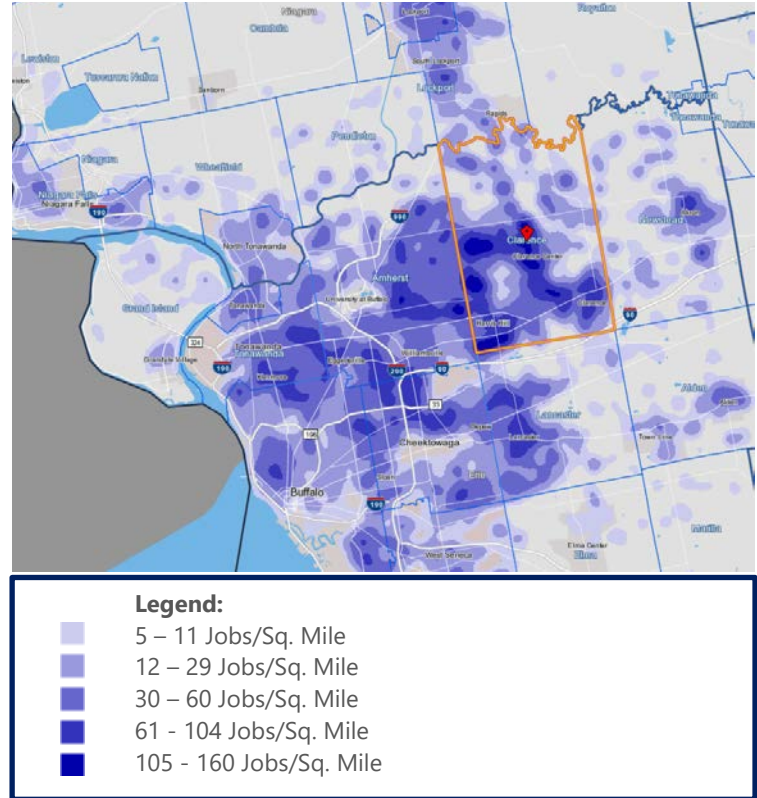
Distance/Direction of Residents

Figure 10 charts where individuals who reside in Clarence work. The greatest concentration of workers is in downtown Buffalo, centered around Niagara Square and north along Main Street, with a concentration in the Medical Park area. Other areas of employment include the University of Buffalo (across multiple campuses) and Erie Community College.

Legend:
- 5 – 46 Jobs/Sq. Mile
- 47 – 149 Jobs/Sq. Mile
- 170 – 376 Jobs/Sq. Mile
- 377 – 664 Jobs/Sq. Mile
- 65 – 1,036 Jobs/Sq. Mile

Source: Census OnTheMap

Economic Profile

The Economic Profile has been developed to facilitate an understanding of the broad economic trends in the region that surrounds the Town of Clarence, and the town's role in the region. This requires a review of past performance and an understanding of different performance measurements, including economic contribution to the region, jobs created, wages paid, expectations for growth, and competitiveness.

The term "industries" refers to public-sector activity such as state and local government, non-profits, as well as to for-profit commercial enterprise. Some public sectors, particularly Government and Health Care and Social Assistance, often provide the largest number of jobs in a community, although many of their facilities may be exempt from real property taxes. This analysis uses the North American Industry Classification System (NAICS) to identify jobs by industry.

This section of the *Market Analysis* measures industry performance within the MSA across four indicators:

- **Gross Regional Product (GRP)** measures the overall size of an economy.
- **Industry Performance** presents job trends and the contribution to the regional economy over the past 10 years, as well as information about wages, the current industry mix, and projections for future growth.
- **Business Establishments or Firms** identifies the number of firms in an industry, showing the composition of the region's business landscape.
- **Regional Competitiveness** uses Shift Share analysis to study causes of changes in employment. It distinguishes an industry's employment growth that is attributable to local competitive advantages or disadvantages from growth which is attributable to overall national employment trends or national employment trends in that industry.

Gross Regional Product

As of 2016, the Buffalo-Niagara Falls MSA Gross Regional Product (GRP) was $61.15 billion. In Figure 11 below, the MSA's GRP is broken down into all industries that contributed 5% or more. **Government** and **Manufacturing** were the two largest contributors to GRP, contributing a combined 34% of the MSA's annual GRP when rounded. Another important measure is the public sector/private sector breakdown, and although Government as a single sector is a significant 17% of the economy, the private sector, at 83% total, is the driver of jobs and wealth.

Figure 11: Buffalo-Niagara Falls MSA Gross Regional Product, 2016

Buffalo-Niagara Falls MSA Gross Regional Product, 2016

| 17% | 16% | 10% | 9% | 7% | 6% | 5% | 37% |

Percent of Total GRP

- ■ Government
- ■ Manufacturing
- ■ Finance and Insurance
- ■ Health Care and Social Assistance
- ■ Wholesale Trade
- ■ Retail Trade
- ■ Professional, Scientific, and Technical Services
- ■ All Other Industries
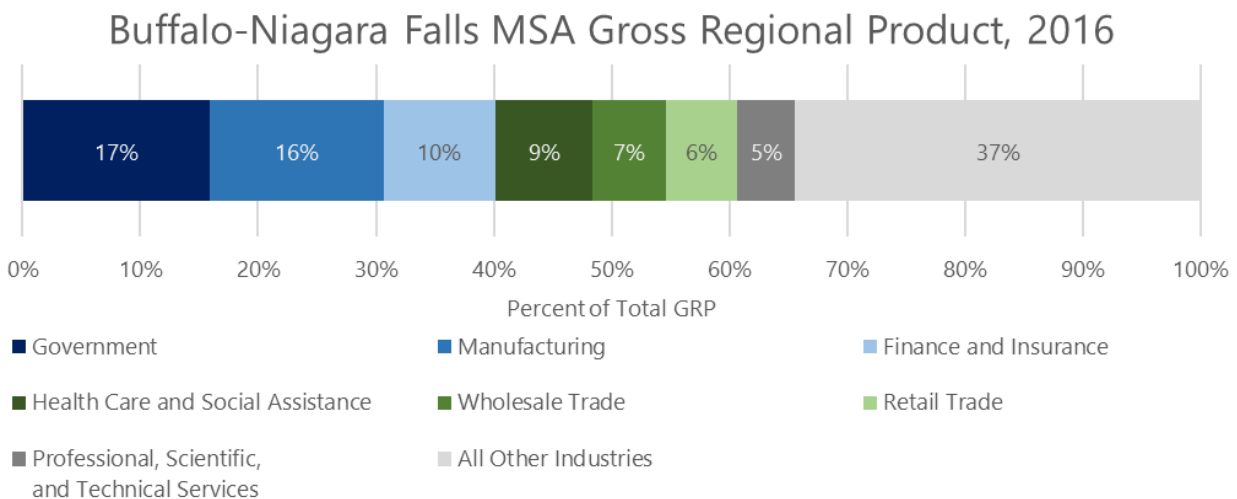
Source: EMSI

Employment and Industry Trends

Employment and industry are first analyzed for the MSA, followed by data for the Town of Clarence.

Overall Employment

As of 2016, the unemployment rate in the Town of Clarence was just above 3%. This is well below the unemployment rate in the Buffalo-Niagara Falls MSA (5.8%) as well as the State of New York (7.1%).[15] The MSA has lower unemployment rates for both male and female workers than does the state.

Table 4: Labor Force Participation Rate and Unemployment Rate, 2016

Labor Force Participation Rate and Unemployment Rate, 2016			
	Town of Clarence	Buffalo-Niagara Falls MSA	New York
Labor Force Participation Rate	81.6%	77.4%	77.1%
Male Labor Force Participation Rate	88.9%	80.4%	81.4%
Female Labor Force Participation Rate	74.4%	74.5%	73.0%
Unemployment Rate	3.1%	5.8%	7.1%
Male Unemployment Rate	3.5%	6.6%	7.4%
Female Unemployment Rate	2.6%	5.0%	6.7%

Estimates include only residents aged 20 to 64

Source: American Community Survey

Labor force participation is another critical measure of an economy, with low participation often indicating discouraged workers who cannot find suitable work. The reverse is true in the Town of Clarence, where nearly 82% of residents between the ages of 20 and 64 are employed. Particularly significant is the high number of women in the workforce, because while it is similar to regional and national levels, other demographic information about the town indicates that women in the workforce are likely to be highly educated but also, given the high percentage of families, also likely to be working parents, indicting a large cohort of two-earner family households.

Buffalo MSA Employment by Industry and Gross Regional Product (GRP)

As discussed in the *Transportation and Commuting Profile*, above, the majority of workers in the Town of Clarence commute each day to jobs in the region but not in the town. The employment base is therefore the entire Buffalo-Niagara Falls MSA, which will be profiled in more detail in this report to identify sources of jobs, industry trends, and generators of wealth.

Tables Table 5, Table *6*, and Table 7 outline current traits of the Buffalo-Niagara Falls MSA as well as historical and future trends. The region's total economic output exceeded $54 billion dollars in 2016. As of 2017, there were 572,584 jobs in the MSA. The three most prominent industries were **Government**, **Health Care and Social Assistance**, and **Retail Trade**, which comprise 16%, 14%, and 11% of the MSA economy, respectively. **The industries with wages above $75,000 include Government, Manufacturing, Finance and Insurance, Management of Companies**[16], and **Utilities**. Average wages for each of these industries exceed Median Household Income (MHI) for both the MSA and the State of New York, but Clarence's much higher MHI of nearly $94,000 suggests that town residents are either (1) at the upper end of earners in each industry, and/or (2) living in two-earner households. Both of these groups are likely to experience significant time constraints, first as a result of being salaried and in highly responsible positions, and second because two-earner households, even without children, have less time to engage in daily activities such as grocery shopping, and are more likely to visit shopping and services establishments that are conveniently located and efficient – this is also discussed below in the Consumer Behavior and Characteristics section of the report.

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[15] Data for the American Community Survey (ACS) for the New York State unemployment rate diverges from the official rate provided by the Bureau of Labor Statistics (BLS). The total unemployment rate for New York for 2016 per the BLS was 4.8%.
[16] These businesses include bank holding companies, other business holding companies, and corporate or administrative offices of companies. (NAICS Code 5511, www.naics.com/naics-search-results/ accessed 3/5/18)

Table 5: Economic Overview of the Buffalo-Niagara Falls MSA, 2017

NAICS	Description	2017 Jobs	% of Total	Avg. Earnings Per Job	2016 GRP Contribution
	Economic Overview of the Buffalo-Niagara Falls MSA, 2017				
90	Government	91,455	16%	$ 89,386	$ 9,342,123,938
62	Health Care and Social Assistance	79,741	14%	$ 53,657	$ 4,867,112,450
44	Retail Trade	64,579	11%	$ 31,716	$ 3,539,235,114
31	Manufacturing	52,043	9%	$ 81,027	$ 8,633,034,553
72	Accommodation and Food Services	51,550	9%	$ 21,692	$ 1,736,129,554
56	Administrative and Support and Waste Management and Remediation Services	30,145	5%	$ 39,552	$ 1,675,577,075
54	Professional, Scientific, and Technical Services	29,373	5%	$ 69,702	$ 2,866,999,022
52	Finance and Insurance	28,131	5%	$ 79,244	$ 5,565,335,224
81	Other Services (except Public Administration)	24,820	4%	$ 28,094	$ 953,932,929
23	Construction	23,395	4%	$ 62,430	$ 2,268,819,714
42	Wholesale Trade	20,165	4%	$ 72,021	$ 3,659,377,635
48	Transportation and Warehousing	16,092	3%	$ 52,722	$ 1,314,011,121
61	Educational Services	16,028	3%	$ 38,815	$ 703,903,755
55	Management of Companies and Enterprises	13,335	2%	$ 100,858	$ 1,740,615,580
71	Arts, Entertainment, and Recreation	10,012	2%	$ 59,089	$ 907,684,413
53	Real Estate and Rental and Leasing	8,208	1%	$ 50,906	$ 1,786,758,219
51	Information	7,160	1%	$ 73,366	$ 1,423,412,895
11	Agriculture, Forestry, Fishing and Hunting	2,665	0.5%	$ 32,342	$ 171,298,209
22	Utilities	1,544	0.3%	$ 130,579	$ 821,091,526
Total		572,584	100%	$ 58,737	$ 54,488,238,629

Source: EMSI 2017 Q4

The Buffalo region has a long history of manufacturing, and the job and wealth declines since the 1970s and 1980s are well recognized. It is therefore important to focus on the more recent trends, which are showing stability and job growth. Table 6, shows trends from 2007 to 2017 and projections through 2027.

Over the decade between 2007 and 2017, dramatic shifts in different industries have roughly cancelled each other out over time, for a 1% net increase in jobs. For example, job losses in industries like **Manufacturing** and **Government** were more than offset by gains in industries like **Accommodation and Food Services** and **Health Care and Social Assistance**. This is a trend nationwide, and the lower wage scale in Accommodation and Food Services does not generally replace the wealth lost with Manufacturing and Government jobs. Health Care and Social Assistance has more higher-wage positions, in physicians and specialists, and also often offers recognized training and career paths that move workers up the wage scale as they acquire skills.

Looking forward, the fastest growing sectors are expected to be **Finance and Insurance (+16%, or 4,538 jobs) Health Care and Social Assistance (+14%, or 10,875 jobs), Management of Companies (+11%, or 1,456 jobs)**[17] and **Construction (+12%, or 2,762 jobs).** Together these are expected to generate an estimated 18,175 new jobs, or 57% of new jobs over the next decade.

Table 6: Economic Overview of the Buffalo-Niagara Falls MSA, 2007 - 2017 and 2017 – 2027

NAICS	Description	2007 Jobs	2017 Jobs	2027 Jobs	2007 - 2017 Change	2007 - 2017 % Change	2017 - 2027 Change	2017 - 2027 % Change
	Economic Trends for the Buffalo-Niagara Falls MSA, 2007 - 2017 and 2017 - 2027							
90	Government	95,534	91,455	91,304	(4,078)	(4%)	(151)	(0%)
62	Health Care and Social Assistance	71,418	79,741	90,616	8,323	12%	10,875	14%
44	Retail Trade	63,410	64,579	67,178	1,169	2%	2,599	4%
31	Manufacturing	60,974	52,043	50,290	(8,932)	(15%)	(1,753)	(3%)
72	Accommodation and Food Services	42,430	51,550	56,746	9,120	21%	5,196	10%
56	Administrative and Support and Waste Management and Remediation Services	32,990	30,145	30,378	(2,845)	(9%)	233	1%
54	Professional, Scientific, and Technical Services	29,227	29,373	30,916	146	1%	1,543	5%
52	Finance and Insurance	27,346	28,131	32,669	785	3%	4,538	16%
81	Other Services (except Public Administration)	24,780	24,820	25,956	39	0%	1,137	5%
23	Construction	23,192	23,395	26,157	203	1%	2,762	12%
42	Wholesale Trade	22,692	20,165	20,159	(2,528)	(11%)	(5)	(0%)
48	Transportation and Warehousing	16,416	16,092	16,291	(324)	(2%)	200	1%
61	Educational Services	15,008	16,028	16,981	1,020	7%	953	6%
55	Management of Companies and Enterprises	9,644	13,335	14,791	3,691	38%	1,456	11%
71	Arts, Entertainment, and Recreation	7,950	10,012	11,153	2,062	26%	1,141	11%
53	Real Estate and Rental and Leasing	7,683	8,208	9,070	525	7%	862	11%
51	Information	8,579	7,160	6,307	(1,419)	(17%)	(853)	(12%)
11	Agriculture, Forestry, Fishing and Hunting	2,550	2,665	2,736	115	5%	71	3%
99	Unclassified Industry	721	1,946	3,229	1,225	170%	1,282	66%
22	Utilities	2,183	1,544	1,354	(639)	(29%)	(189)	(12%)
21	Mining, Quarrying, and Oil and Gas Extraction	247	197	146	(50)	(20%)	(51)	(26%)
Total		564,975	572,584	604,429	7,609	1%	31,845	6%

Source: EMSI 2017 Q4

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[17] These businesses include bank holding companies, other business holding companies, and corporate or administrative offices of companies. (NAICS Code 5511, www.naics.com/naics-search-results/ accessed 3/5/18)

The following four tables provide details of job trends in four key industries that are important both for the MSA and for the Town of Clarence. All of these industries pay high average wages and/or have been experiencing job growth. These trends are shown at a more fine-grained level using 4-digit NAICS codes to show which subsectors are growing and will likely need more workers[18]. Growth in these industries regionally is likely to create demand for more housing and amenities in Clarence, with the reverse also true. Office-using industries, which are discussed in more detail in the Real Estate Market Analysis, below, will also likely demand some space in the town.

- **Manufacturing** continues to shed jobs in heavy industry such as Motor Vehicle Parts Manufacturing, but over the past 10 years Pharmaceuticals, Dairy Products, Electrical Equipment, and Navigational/Measuring/Electromedical/Control Instruments have been growing. These are "lighter" industries that often demand higher skill levels, extensively use computer-aided and advanced manufacturing techniques, and need smaller but well-equipped spaces rather than large industrial sites.

- **Wholesale** receives and distributes goods throughout the region. Its subsectors reveal demand for certain kinds of goods because more employees are needed to match the end-user with the product. Groceries and miscellaneous goods are needed in all regions. In the MSA, there is particularly strong demand for NAICS 4251, which includes business-to-business electronic markets, or internet-based sales and marketing businesses as well as brokers and dealers in more traditional markets.

- **Finance and Insurance** has been a regional strength, in keeping with the City of Buffalo's role as a regional capital. The job trend details show the sharp drop in employment following the 2009 financial crisis and resulting recession, but jobs are growing again except in NAICS 5222, which covers a variety of lending such as credit cards and consumer lending, sectors which have been slower to reach pre-recession levels. The high wages and educational requirements for these subsectors indicate that they are likely sources of jobs for many Clarence residents. Overall this subsector is expected to add more than 4,500 jobs over ten years, a 16% job growth rate and one of the fastest growing sectors in the region.

- **Professional, Scientific, and Technical Services** encompasses a number of credentialed professionals such as law and accounting, but also Science/Technology/Engineering/Math (STEM) fields such as Computer Systems Design, Scientific Research and Development, Engineering, and Management of Companies and Enterprises (e.g. bank holding companies.) The region has a breadth of strengths in this sector and job growth among most of them. As with Finance and Insurance, these are subsectors demanding high skills and therefore likely to find suitable employees among Clarence residents, so their growth is a strong positive factor for the town.

  The greatest job losses over the past 10 years have been in Employment Services (NAICS 5613), an industry that includes employment placement and temporary help. This subsector typically sees strong growth during periods of economic stress that result in dislocated workers, and shrinkage as more full-time employment becomes available; its trend is inverse to general job growth. Business Support Services (NAICS 5614) includes call centers and telemarketing, mailing services, and document preparation. Of more concern is that the contraction in Legal Services (NAICS 5411) is projected to continue. In addition to high-wage jobs, this subsector is important for the startup and growth of companies as well as civil and criminal proceedings. This is, however, a national trend and not an indicator that the MSA is particularly disadvantaged, particularly with a well-regarded law school at the State University of New York at Buffalo.

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[18] The subsectors included in these tables include only those with substantial job numbers in the region as of 2017.

Table 7: Job Trends in Selected Manufacturing Sub-Sectors, Buffalo-Niagara Falls MSA

NAICS	Description	2007 Jobs	2012 Jobs	2017 Jobs	Change 2007- 2017	2022 Jobs	2027 Jobs	Change 2017 - 2027	Avg. Earnings Per Job
	Job Trends in Selected Manufacturing Sub-Sectors, Buffalo-Niagara Falls MSA								
3363	Motor Vehicle Parts Manufacturing	6,522	2,919	3,876	(2,646)	3,855	3,804	(72)	$112,147
3327	Machine Shops; Turned Product; and Screw, Nut, and Bolt Manufacturing	2,759	2,758	2,927	168	3,074	3,187	260	$71,834
3261	Plastics Product Manufacturing	3,369	2,847	2,548	(820)	2,275	2,056	(492)	$81,410
3339	Other General Purpose Machinery Manufacturing	2,565	2,791	2,542	(23)	2,601	2,616	74	$86,094
3251	Basic Chemical Manufacturing	2,383	2,378	2,227	(157)	2,072	1,923	(303)	$135,499
3231	Printing and Related Support Activities	2,938	2,022	2,038	(899)	1,879	1,805	(233)	$51,872
3254	Pharmaceutical and Medicine Manufacturing	1,641	1,581	2,038	397	2,343	2,509	472	$86,821
3391	Medical Equipment and Supplies Manufacturing	2,188	2,279	2,032	(156)	1,901	1,812	(220)	$74,195
3115	Dairy Product Manufacturing	1,433	1,707	1,773	340	1,821	1,824	51	$76,015
3399	Other Miscellaneous Manufacturing	1,531	1,509	1,669	138	1,655	1,607	(62)	$69,859
3353	Electrical Equipment Manufacturing	1,486	1,777	1,627	140	1,566	1,512	(115)	$119,927
3345	Navigational, Measuring, Electromedical, and Control Instruments Manufacturing	1,447	1,596	1,587	140	1,688	1,735	148	$73,721
3262	Rubber Product Manufacturing	1,604	1,538	1,503	(101)	1,396	1,291	(212)	$81,695
3222	Converted Paper Product Manufacturing	1,800	1,494	1,492	(308)	1,408	1,351	(141)	$67,497
3279	Other Nonmetallic Mineral Product Manufacturing	1,151	1,206	1,200	49	1,160	1,116	(84)	$61,411
3329	Other Fabricated Metal Product Manufacturing	961	890	1,055	94	1,202	1,302	247	$80,877
3323	Architectural and Structural Metals Manufacturing	1,277	1,171	1,052	(224)	969	917	(136)	$73,843
3314	Nonferrous Metal (except Aluminum) Production and Processing	1,095	1,019	1,011	(84)	984	952	(59)	$92,356

Source: EMSI 2017 Q4

Table 8: Job Trends in Selected Wholesale Sub-Sectors, Buffalo-Niagara Falls MSA

NAICS	Description	2007 Jobs	2012 Jobs	2017 Jobs	Change 2007- 2017	2022 Jobs	2027 Jobs	Change 2017 - 2027	Avg. Earnings Per Job
4234	Professional and Commercial Equipment and Supplies Merchant Wholesalers	3,677	3,488	3,509	(168)	3,477	3,468	(41)	$78,284
4238	Machinery, Equipment, and Supplies Merchant Wholesalers	2,736	2,392	2,506	(231)	2,544	2,581	76	$75,688
4244	Grocery and Related Product Merchant Wholesalers	2,289	2,097	2,339	49	2,427	2,475	136	$54,227
4251	Wholesale Electronic Markets and Agents and Brokers	1,554	1,718	1,764	210	1,997	2,191	427	$82,795
4239	Miscellaneous Durable Goods Merchant Wholesalers	2,112	1,998	1,703	(409)	1,741	1,807	104	$81,225
4231	Motor Vehicle and Motor Vehicle Parts and Supplies Merchant Wholesalers	2,198	1,303	1,436	(762)	1,358	1,321	(116)	$50,198

Source: EMSI 2017 Q4

Table 9: Job Trends in Selected Finance and Insurance Sub-Sectors, Buffalo-Niagara Falls MSA

NAICS	Description	2007 Jobs	2012 Jobs	2017 Jobs	Change 2007- 2017	2022 Jobs	2027 Jobs	Change 2017 - 2027	Avg. Earnings Per Job
5221	Depository Credit Intermediation	9,827	8,219	10,368	541	11,368	12,053	1,686	$77,242
5241	Insurance Carriers	7,008	6,394	7,427	418	8,490	9,316	1,889	$81,115
5242	Agencies, Brokerages, and Other Insurance Related Activities	5,269	5,574	6,127	859	6,498	6,682	555	$67,511
5222	Nondepository Credit Intermediation	2,614	1,637	1,565	(1,050)	1,486	1,488	(77)	$73,520
5231	Securities and Commodity Contracts Intermediation and Brokerage	1,296	1,271	1,414	117	1,586	1,724	310	$140,193
5239	Other Financial Investment Activities	714	694	780	66	903	996	216	$78,250
5223	Activities Related to Credit Intermediation	383	1,737	415	32	372	400	(15)	$81,560

Source: EMSI 2017 Q4

Table 10: Job Trends in Selected Professional, Scientific, and Technical Services Sub-Sectors, Buffalo-Niagara Falls MSA

NAICS	Description	2007 Jobs	2012 Jobs	2017 Jobs	Change 2007- 2017	2022 Jobs	2027 Jobs	Change 2017 - 2027	Avg. Earnings Per Job
	Job Trends in Selected Professional, Scientific, and Technical Services Sub-Sectors, Buffalo-Niagara Falls MSA								
5511	Management of Companies and Enterprises	9,644	12,569	13,335	3,691	14,304	14,791	1,456	$100,858
5613	Employment Services	11,412	11,313	7,752	(3,660)	7,550	7,707	(45)	$39,073
5617	Services to Buildings and Dwellings	6,352	6,012	6,825	473	7,118	7,274	449	$25,477
5614	Business Support Services	8,002	7,713	6,496	(1,506)	5,726	5,220	(1,275)	$41,410
5411	Legal Services	6,664	5,800	5,748	(916)	5,591	5,529	(219)	$71,461
5415	Computer Systems Design and Related Services	4,455	5,443	4,797	342	5,157	5,406	609	$91,734
5417	Scientific Research and Development Services	4,521	4,164	4,226	(294)	4,169	4,118	(108)	$65,857
5616	Investigation and Security Services	2,970	3,319	4,178	1,208	4,732	5,043	865	$30,649
5413	Architectural, Engineering, and Related Services	3,624	3,446	3,901	276	4,095	4,242	341	$76,939
5412	Accounting, Tax Preparation, Bookkeeping, and Payroll Services	3,743	3,516	3,573	(169)	3,578	3,579	6	$63,905
5416	Management, Scientific, and Technical Consulting Services	2,423	2,655	2,905	482	3,145	3,306	401	$63,388
5419	Other Professional, Scientific, and Technical Services	2,112	2,641	2,479	367	2,688	2,817	338	$43,053
5611	Office Administrative Services	1,164	1,271	1,431	267	1,522	1,576	146	$69,592
5418	Advertising, Public Relations, and Related Services	1,096	933	1,225	129	1,333	1,391	166	$66,937
5619	Other Support Services	726	810	980	253	1,086	1,154	174	$44,325

Source: EMSI 2017 Q4

Employment Trends in the Town of Clarence

The dominant industries in the Town of Clarence in terms of total jobs are **Health Care and Social Assistance** as well as **Educational Services**, which make up 15% and 14% of total employment in the Town of Clarence, respectively. This is a common trend among communities below the MSA level, such as towns or smaller cities, because the provision of medical and educational services to the population is highly local.

Another key element that Clarence shares with other highly residential communities is that the industry with the highest number of total firms is **Retail**, with 286 firms, followed by **Other Services (Except Public Administration)**, with 182, as shown below in Table 11. This industry includes all services that are not otherwise categorized under a separate industry, such as hair salons, pet grooming, laundromats, and private civic organizations. It makes up 4% of total jobs, but 13% of total businesses within the town. These are small enterprises located throughout the community, serving nearby residents.

Industries that have been growing regionally and that have locations in Clarence include Professional, Scientific, and Technical Services, Finance and Insurance, and Construction, indicating that the town is participating in some of the positive regional economic trends.

Table 11: Town of Clarence Total Firms and Jobs by Industry, 2017

NAICS	Description	Total Firms	% of Total	Total Jobs	% of Total	Average Firm Size
	Town of Clarence Total Firms and Jobs By Industry, 2017					
11	Agriculture, Forestry, Fishing and Hunting	7	1%	51	0.3%	7
21	Mining, Quarrying, and Oil and Gas Extraction	0	0.0%	22	0.1%	N/A
22	Utilities	1	0.1%	142	1%	142
23	Construction	134	10%	784	5%	6
31	Manufacturing	60	4%	1,866	11%	31
42	Wholesale Trade	55	4%	554	3%	10
44	Retail Trade	286	21%	1,711	10%	6
48	Transportation and Warehousing	10	1%	380	2%	38
51	Information	21	2%	209	1%	10
52	Finance and Insurance	78	6%	1,179	7%	15
53	Real Estate and Rental and Leasing	49	4%	400	2%	8
54	Professional, Scientific, and Technical Services	119	9%	1,413	8%	12
55	Management of Companies and Enterprises	2	0.1%	13	0.1%	7
56	Administrative and Support and Waste Management and Remediation Services	58	4%	732	4%	13
61	Educational Services	33	2%	2,377	14%	72
62	Health Care and Social Assistance	87	6%	2,472	15%	28
71	Arts, Entertainment, and Recreation	25	2%	458	3%	18
72	Accommodation and Food Services	83	6%	973	6%	12
81	Other Services (except Public Administration)	182	13%	685	4%	4
90	Government	30	2%	502	3%	17
Total		1,380	100%	16,923	100%	12

Source: Esri

Shift Share Analysis

The purpose of a Shift Share Analysis is to understand the competitiveness of a community in a particular industry. Industry growth or contraction is attributable to a mix of factors. National industry trends and national economic growth have strong effects across all markets. Local factors can be affected by community and regional initiatives.

The Shift Share Analysis helps to answer the question, "*Why is employment growing or declining in this local industry*?" To do this, Shift Share analysis splits regional job growth into three components: national change effect, industrial mix effect, and regional competitiveness effect. The tables in this section show where the Buffalo-Niagara MSA and the State of New York may have particular competitive advantages compared to the nation

Shift Share shows areas of competitive strength. It can also highlight industries that are negatively affected by regional factors, which are more readily improved by regional and local initiatives. It is important not to dismiss "underperforming" industries because determining that an industry is not competitive can be the first step in understanding the dynamics and evaluating what might be done locally to create strategic support.

A Shift Share Analysis is based on four factors:

- **Industrial Mix Effect** – The industrial mix effect represents the share of regional industry growth explained by the growth of the specific industry at the national level. To arrive at this number, the national growth rate of the total economy is subtracted from the national growth rate of the specific industry, and this growth percentage is applied to the regional jobs in that industry.

- **National Growth Effect** – The national growth effect explains how much of the regional industry's growth is explained by the overall growth of the national economy; if the nation's whole economy is growing, you would generally expect to see some positive change in each industry in your local region (the proverbial "rising tide that lifts all boats" analogy).

- **Expected Change** – This is the rate of growth of the particular industry at the national level. Algebraically, the expected change is the sum of the industrial mix and the national growth effects.

- **Regional Competitive Effect** – The regional competitive effect is the most actionable of the four indicators. It explains how much of the change in a selected industry is due to some unique competitive advantage that the region possesses, because the growth cannot be explained by national trends in that industry or the economy as whole. This effect is calculated by taking the total regional growth of the given industry and subtracting the national growth for that same industry. Note that this effect can be positive even as regional employment in the industry declines. This would indicate that regional decline is less than the national decline.

Figure 12: Components of a Shift Share Analysis
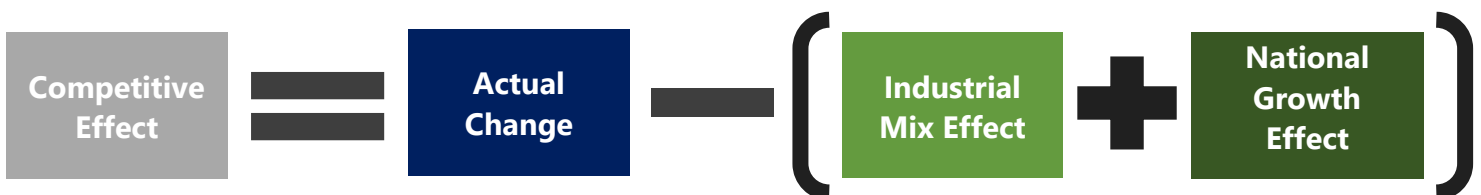
Overall, the Buffalo-Niagara Falls MSA has a strong net negative regional competitive effect over the last ten years, resulting from negative competitive effects across the majority of its industries. Much of this negative effect can be attributed to industries where the total number of jobs grew, but at a lower-than-expected rate. These include industries like **Health Care and Social Assistance**; **and Professional, Scientific, and Technical Services**, all of which saw positive growth that fell short of national and industry growth estimates.

On the positive side, three industries already highlighted above as regional strengths are also competitive compared to other regions: **Finance and Insurance** and **Management of Companies and Enterprises**[19]. **Construction** has the highest competitive effect at 3,473, although many of these jobs would be related to the Solar City plant in Buffalo, which is nearly complete and will need fewer construction workers in the future.

Table 12: Buffalo-Niagara Falls MSA Shift Share Analysis, 2017

NAICS	Description	Ind. Mix Effect	Nat'l Growth Effect	Expected Change	Competitive Effect
	Buffalo-Niagara Falls MSA Shift Share Analysis, 2017				
11	Agriculture, Forestry, Fishing and Hunting	(78)	112	34	25
21	Mining, Quarrying, and Oil and Gas Extraction	(33)	11	(22)	(27)
22	Utilities	(55)	96	41	(676)
23	Construction	(4,230)	1,015	(3,215)	3,473
31	Manufacturing	(9,416)	2,669	(6,747)	(2,191)
42	Wholesale Trade	(1,625)	993	(632)	(1,910)
44	Retail Trade	(1,804)	2,847	1,043	(727)
48	Transportation and Warehousing	1,103	719	1,822	(2,142)
51	Information	(964)	376	(588)	(805)
52	Finance and Insurance	(2,057)	1,197	(860)	1,677
53	Real Estate and Rental and Leasing	(692)	336	(356)	822
54	Professional, Scientific, and Technical Services	3,030	1,280	4,310	(4,176)
55	Management of Companies and Enterprises	1,696	422	2,118	1,573
56	Administrative and Support and Waste Management and Remediation Services	771	1,444	2,215	(5,198)
61	Educational Services	2,871	657	3,528	(2,466)
62	Health Care and Social Assistance	13,166	3,127	16,293	(7,916)
71	Arts, Entertainment, and Recreation	803	348	1,151	823
72	Accommodation and Food Services	5,445	1,858	7,303	1,842
81	Other Services (except Public Administration)	(610)	1,085	475	(331)
90	Government	(3,594)	4,182	588	(4,666)
99	Unclassified Establishments	251	32	283	943
Total		3,977	24,805	28,782	(22,053)

Source: EMSI 2017 Q4

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[19] These businesses include bank holding companies, other business holding companies, and corporate or administrative offices of companies. (NAICS Code 5511, www.naics.com/naics-search-results/ accessed 3/5/18)

By contrast, the State of New York has a positive competitive effect of 27,362 based on industry trends over the last decade. A few industries in particular showed particular growth above and beyond that of the nation and their respective industries, including **Accommodation and Food Services** and **Construction** which together added 84,094 and 68,981 more jobs than expected. The industry where New York was the *least* competitive was **Health Care and Social Assistance** which fell short of national job growth by 72,800 jobs.

Growth in these sectors does not obscure a lack of competitiveness across a broad range of industries: of 21 sectors, nearly half (10) gained fewer jobs than industry and national trends predicted. An economy as large as New York State's should not show such a dichotomy between competitive and non-competitive industries; there should be room in the economy for more industries to succeed. It is almost certain that the state's poor competitive position across so many industries serves as a strain on the Buffalo-Niagara MSA.

Table 13: State of New York Shift Share Analysis, 2017

NAICS	Description	Ind. Mix Effect	Nat'l Growth Effect	Expected Change	Competitive Effect
	New York State Shift Share Analysis, 2017				
11	Agriculture, Forestry, Fishing and Hunting	(1,324)	1,891	567	739
21	Mining, Quarrying, and Oil and Gas Extraction	(733)	242	(491)	(557)
22	Utilities	(972)	1,686	714	(1,526)
23	Construction	(84,623)	20,311	(64,312)	68,981
31	Manufacturing	(87,181)	24,716	(62,465)	(44,819)
42	Wholesale Trade	(26,334)	16,099	(10,235)	(15,378)
44	Retail Trade	(26,717)	42,157	15,440	9,047
48	Transportation and Warehousing	18,652	12,158	30,810	(6,921)
51	Information	(31,484)	12,273	(19,211)	22,755
52	Finance and Insurance	(42,542)	24,757	(17,785)	(22,453)
53	Real Estate and Rental and Leasing	(19,525)	9,490	(10,035)	13,634
54	Professional, Scientific, and Technical Services	69,638	29,403	99,041	(13,547)
55	Management of Companies and Enterprises	22,515	5,604	28,119	(13,931)
56	Administrative and Support and Waste Management and Remediation Services	11,067	20,741	31,808	14,887
61	Educational Services	70,696	16,176	86,872	1,676
62	Health Care and Social Assistance	243,702	57,872	301,574	(72,800)
71	Arts, Entertainment, and Recreation	18,549	8,040	26,589	2,269
72	Accommodation and Food Services	74,159	25,301	99,460	84,094
81	Other Services (except Public Administration)	(10,842)	19,280	8,438	46,442
90	Government	(57,619)	67,042	9,423	(67,504)
99	Unclassified Establishments	11,001	1,385	12,386	22,275
Total		150,085	416,624	566,709	27,362

Source: EMSI 2017 Q4

Consumer Behavior and Characteristics

Retail Leakage/Surplus Analysis

Retail Trade Area Definitions

A retail trade area is defined as the area from which businesses in a given location draw the majority of their customers. The boundaries of a retail trade area are the point where residents have no preference between shopping in the selected location or somewhere else. These boundaries considers factors such as drive time, geographic boundaries, and other retail centers.

Given the aim of this study is to provide a more detailed analysis of the opportunities available to the Main Street Corridor, two geographies were examined, one local and one regional.

The local trade area is defined as the Town of Clarence itself, to present a thorough analysis of the local retail demand that can be satisfied by businesses within the boundaries of the town.

The regional trade area, defined in Figure 13 to the right, is the trade where residents are likely to consider traveling for retail and experience

Figure 13: Town of Clarence (blue) and Regional Retail Trade Area (red)

purchases. The Town of Clarence lies at the eastern end of the Buffalo-Niagara Falls MSA, and acts as a middle ground between the downtown Buffalo and more rural centers like Batavia and Akron. **This area is deliberately very large to reflect Western NY driving patterns**, as discussed with the town's planning department.
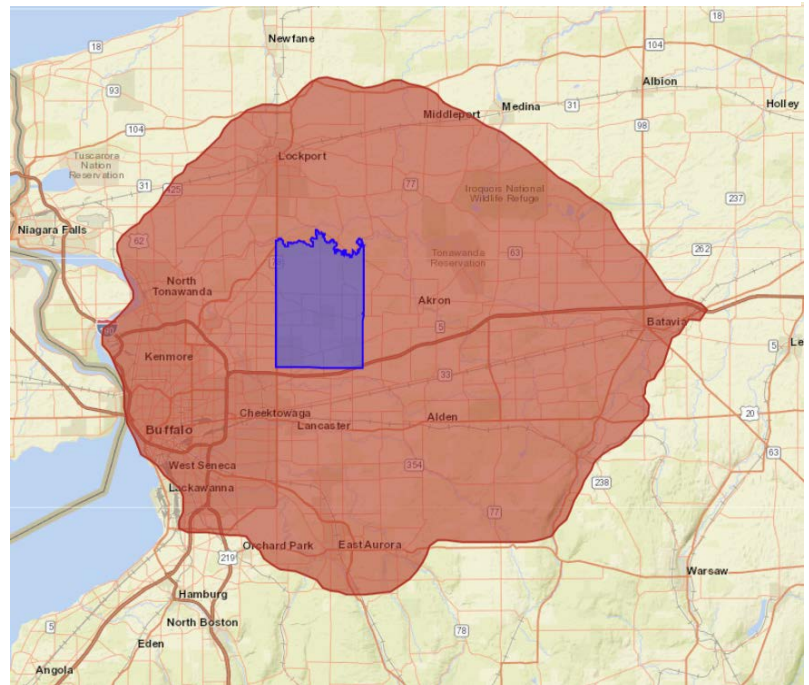
There is a national trend away from straight browsing for and purchasing goods toward "experiential" retail, with unique experiences not currently available in existing retail centers. A local example is the Cabela;s outdoor and sporting equipment store in Cheektowaga, which also offers a café and archery range. In economics, *Reilly's Law of Retail Gravitation* describes the tendency of retail customers to be willing to travel farther distances as retail centers present greater and greater value for them, creating a sort of "gravity" that pulls consumers away from local and more convenient retail to these larger centers.[20]

Based on this, the regional retail trade area reflects regional consumer willingness to patronize "experiential" retail and provides a more all-encompassing look at retail supply and demand for the consumers that Clarence is hoping to target. Given retail gravitation, the distance individuals are willing to drive to patronize Clarence businesses that offer a unique experience may be 20 to 30 minutes from west of the town, and as much as 40 minutes from rural areas to the east. Consumers faced with a drive longer than 40 minutes may choose to drive to Rochester or shop locally instead. In discussions about local business patterns, it was evident that residents living to the east of Clarence are more than willing to drive more than half an hour into Clarence for a variety of retail and services, while residents closer to Buffalo were more willing to enjoy the amenities they have locally. As a result, Clarence's retail centers have a greater "pull" east of town.

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[20] Reilly WJ (1931). "The Law of Retail Gravitation". Knickerbocker Press

Defining Retail Leakage/Surplus Analysis

Sales leakage and sales surplus carry different implications. In many cases, sales leakage presents an opportunity to capture unmet demand in a trade area since a percentage of residential spending occurs outside of the trade area. This demand can be met within the trade area by opening new businesses or expanding existing businesses within retail sectors that show sales leakage. However, not all retail categories that exhibit sales leakage within a particular trade area are a good fit for the region. Changes in consumer expectations and shopping habits have upended the retail market, rendering the retail sector a challenging bid for any business. Within Erie County and areas like the Transit Road corridor, shifts in consumer preferences for retail have warranted creative new ideas to revitalize retail demand. Finding the right retail mix and density is essential for a community that seeks to create a sense of place that can provide services to residents and offer interesting finds to attract visitors.

A sales surplus might exist for several reasons. For example, the region might be a popular shopping destination for tourists and other out-of-town visitors, or a cluster of competing businesses offering a similar product or service may be located within the trade area, creating a specialty cluster that draws in spending by households from outside the trade area. Alternatively, a sales surplus could be an indicator of market saturation.

Defining Retail Spending Potential

Retail spending potential can be identified for industries where the amount of unmet demand is high enough that a new business in that industry can reasonably expect to survive, based on that industry's average sales per business and the level of unmet demand that would potentially be captured by a new business within the Retail Trade Area. The tables below for each trade area identify retail categories that have the potential to recapture sufficient unmet demand to survive in the local retail trade area, based on a conservative leakage recapture rate (defined as the share of total unmet demand that can be recaptured by a new business) of 10%. Each column has been labeled appropriately to illustrate how retail spending potential is calculated.

Understanding the retail patterns in Clarence and the region is a first step toward addressing the question of *where* new or expanding retail businesses in the town could be guided to conform to the town's vision for Main Street.

Column D in each table shows the potential recaptured leakage for each industry, based on the current retail gap shown in **Column C**. These are then divided by the average sales for all businesses in the State of New York within each industry, to arrive at the number of potentially supported businesses in **Column F**. **Column G** outlines the typical sales per square foot of each retail type; dividing the recapture amount by the average sales per square foot provides the total square footage of new development that can be supported in the Retail Trade Area.

Leakage/Surplus: Local Trade Area

In the Town, there is very little retail demand not already accommodated by existing supply, and where there is a gap in demand, only a few new businesses are expected to be needed to satisfy it. Of the nine 3-digit NAICS retail categories studied, five are currently satisfied by existing supply. The industries where demand is currently not met are:
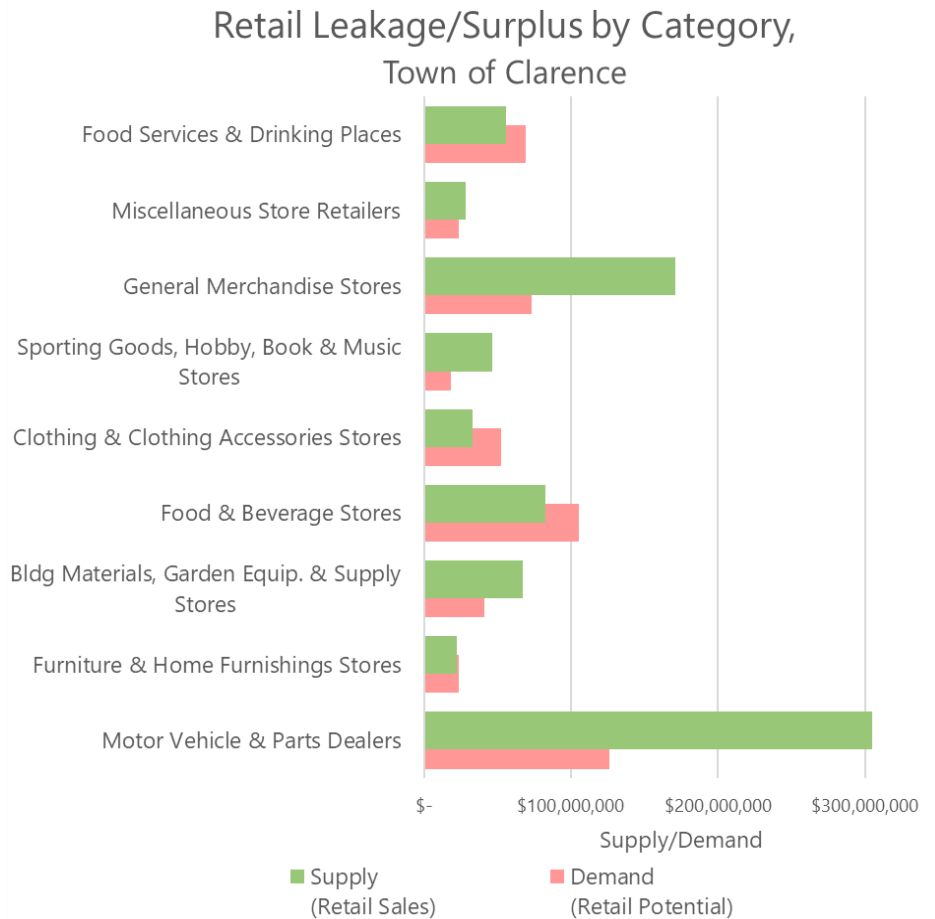
- **Food Services and Drinking Places**
- **Clothing & Accessories**
- **Food and Beverage Stores**
- **Furniture and Home Furnishing Stores**

Given this demand gap, and using highly conservative assumptions about sales, data suggest that the Town can currently support one additional clothing store; one additional beer, wine, & liquor store; one additional drinking place; and one additional restaurant or other eatery. Continued growth in the Town, particularly through the implementation of actions to attract more businesses and jobs, will support retail opportunities greater than those currently predicted.

Figure 14: Retail Leakage/Surplus by Category, Town of Clarence

Retail Leakage/Surplus by Category, Town of Clarence

Source: Esri Marketplace Profile Report

This analysis is based on statewide data. A brief comparison with Upstate-only data, that eliminates higher-cost New York City, predicts the same number of supportable businesses, plus one additional Clothing/Accessory store.

Table 14: Supportable Retail - Town of Clarence

|							
A	B	C	D	E	F	G	H
NAICS	Retail Category	Retail Gap	10% Leakage Recapture	Average Sales per Business	Supportable Businesses (D / E)	Average Sales per SF	Supportable SF (D / G)
4453	Beer, Wine & Liquor Stores	$ 7,047,460	$ 704,746	$ 1,204,840	1	$ 350	2,014
4481	Clothing Stores	$ 13,289,732	$ 1,328,973	$ 1,572,375	1	$ 300	4,430
7224	Drinking Places - Alcoholic Beverages	$ 4,274,688	$ 427,469	$ 530,855	1	$ 250	1,710
7225	Restaurants/Other Eating Places	$ 5,855,779	$ 585,578	$ 589,323	1	$ 350	1,673

Source: Esri, Camoin Associates

Leakage/Surplus: Regional Retail Trade Area

As the scope of study expands, inevitably the level of satisfied retail demand increases as more niche shopping destinations are included in the measurement. In the case of the Regional Retail Trade Area, nearly all retail demand has been satisfied and even exceeded at the 3-digit NAICS level. Within this larger scope, the industries with unmet demand include:

- **Miscellaneous Store Retailers**
- **Clothing and Clothing Accessories Stores**
- **Motor Vehicle Parts and Dealers**

Figure 15: Retail Leakage/Surplus by Category, Regional Trade Area
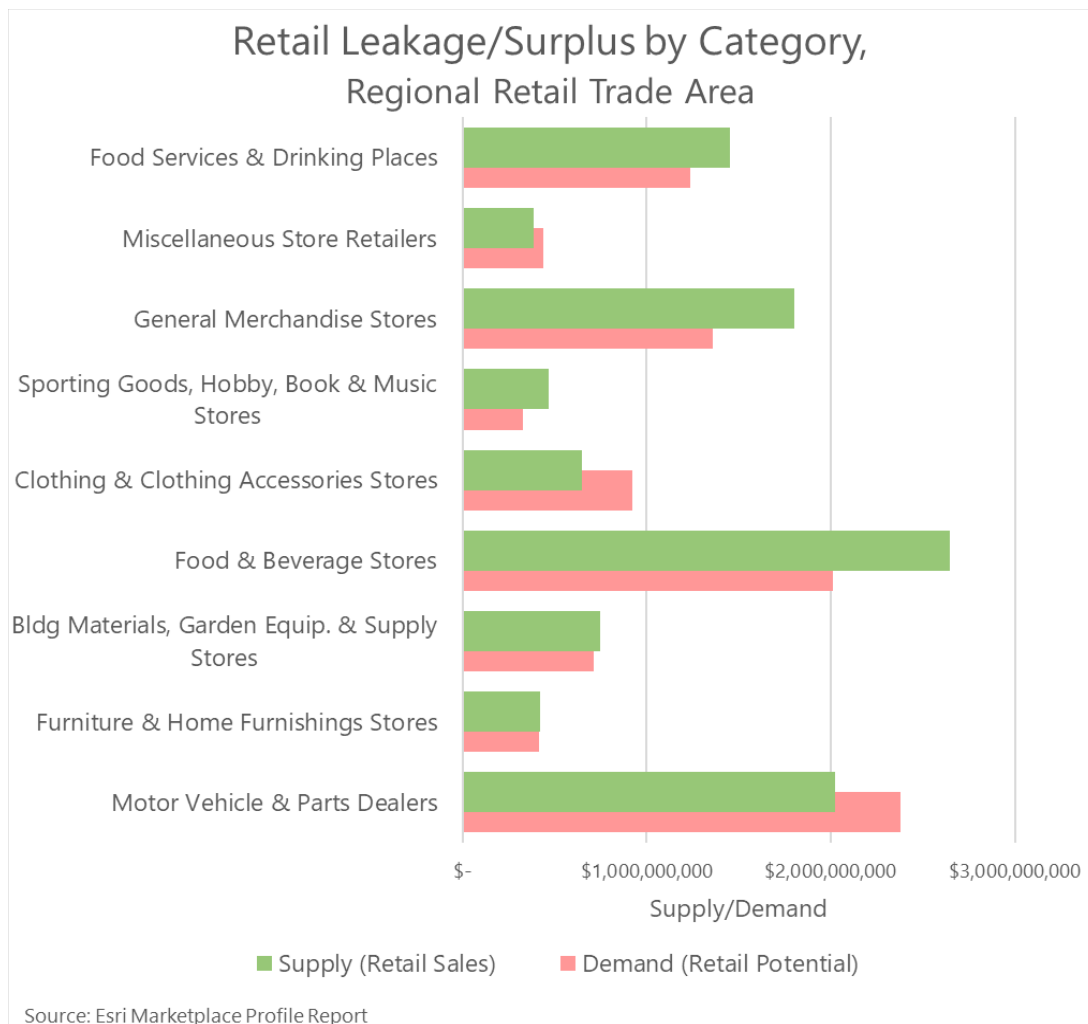
At the 4-digit NAICS level there appear to be some retail gaps that can be addressed. For example, while there are enough general food and beverage stores in the regional retail trade area, there is enough unmet demand for **Beer, Wine, and Liquor Stores** specifically to warrant four additional businesses. These are also businesses that have little to no competition from online retailers. Other retail sectors where unmet demand could potentially be accommodated include **Clothing Stores** and **Jewelry, Luggage, and Leather Goods Stores**, which have large enough retail gaps to support 11 and five new businesses, respectively.

Table 15: Supportable Retail - Regional Retail Trade Area

Supportable Retail - Regional Retail Trade Area							
A	B	C	D	E	F	G	H
NAICS	Retail Category	Retail Gap	10% Leakage Recapture	Average Sales per Business	Supportable Businesses (D / E)	Average Sales per SF	Supportable SF (D / G)
4422	Home Furnishings Stores	$ 41,025,945	$ 4,102,595	$ 1,266,603	3	$ 300	13,675
4431	Electronics & Appliance Stores	$ 45,360,007	$ 4,536,001	$ 2,194,137	2	$ 500	9,072
4442	Lawn & Garden Equip & Supply Stores	$ 4,529,031	$ 452,903	$ 819,251	1	$ 250	1,812
4453	Beer, Wine & Liquor Stores	$ 47,993,689	$ 4,799,369	$ 1,204,840	4	$ 350	13,712
4481	Clothing Stores	$ 167,515,463	$ 16,751,546	$ 1,572,375	11	$ 300	55,838
4482	Shoe Stores	$ 26,146,896	$ 2,614,690	$ 1,438,752	2	$ 300	8,716
4483	Jewelry, Luggage & Leather Goods Stores	$ 80,906,747	$ 8,090,675	$ 1,790,514	5	$ 500	16,181
4512	Book, Periodical & Music Stores	$ 24,495,976	$ 2,449,598	$ 1,123,119	2	$ 250	9,798
4531	Florists	$ 7,892,047	$ 789,205	$ 403,384	2	$ 200	3,946
4532	Office Supplies, Stationery & Gift Stores	$ 20,188,380	$ 2,018,838	$ 792,645	3	$ 300	6,729
4533	Used Merchandise Stores	$ 8,428,394	$ 842,839	$ 323,314	3	$ 200	4,214
4539	Other Miscellaneous Store Retailers	$ 19,102,170	$ 1,910,217	$ 1,140,143	2	$ 300	6,367
7224	Drinking Places - Alcoholic Beverages	$ 16,166,795	$ 1,616,680	$ 530,855	3	$ 250	6,467

Source: Esri, Camoin Associates

Tapestry Segmentation Analysis

A market segmentation analysis provides insight into the likely preferences and behaviors of a community's residents, based on their demographic and economic characteristics. For the Town of Clarence, this analysis is used to understand what types of activities, shopping, dining, and experiences its residents are likely to enjoy. Market segmentation is based on the concept that people with similar demographic characteristics, purchasing habits, and media preferences naturally gravitate into the same neighborhoods.

Businesses utilize market segmentation to understand their customers' lifestyle choices, purchasing preferences, and how they spend their free time.

Figure 16: Example of a Tapestry Segmentation Profile

The Tapestry Segmentation System was developed by Esri to classify U.S. neighborhoods based on socioeconomic and demographic composition. Descriptions of all tapestry segments listed below are included in *Attachment B*.

Table 16 below shows the breakdown of the ten tapestry segments that make up the Town of Clarence. The largest group, which makes up one-fifth of the total population, is Segment 1B: "Professional Pride." This segment has a median net worth of over half a million dollars, and a median annual income of $127,000. They often hold technical or scientific jobs, and are well organized even while raising children, valuing order and efficiency.
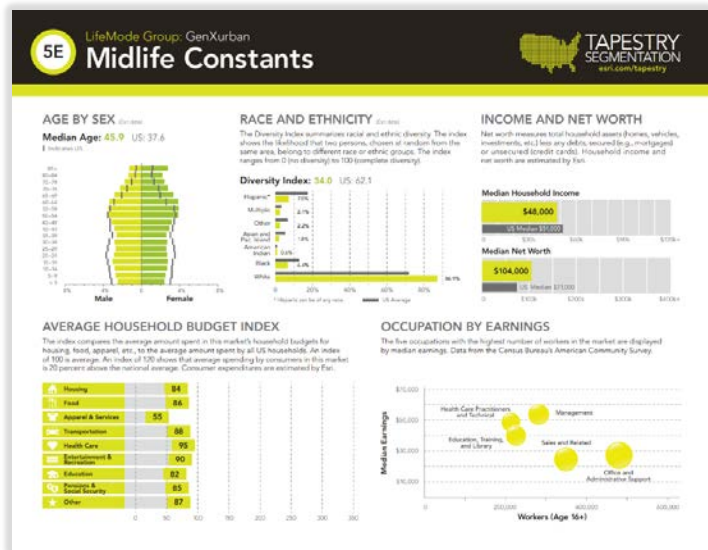
Table 16: Town of Clarence Tapestry Segments

Town of Clarence Tapestry Segments					
Tapestry Segment	Households	Percent	Median Age	Median Income	Median Net Worth
Professional Pride (1B)	2,507	21%	40.5	$ 127,000	$ 540,000
Savvy Suburbanites (1D)	1,809	15%	44.1	$ 104,000	$ 502,000
Golden Years (9B)	1,324	11%	51	$ 61,000	$ 140,000
In Style (5B)	1,296	11%	41.1	$ 66,000	$ 128,000
Soccer Moms (4A)	1,277	11%	36.6	$ 84,000	$ 252,000
Exurbanites (1E)	1,268	11%	49.6	$ 98,000	$ 451,000
Top Tier (1A)	1,028	9%	46.2	$ 157,000	$ 567,000
Comfortable Empty Nesters (5A)	771	6%	46.8	$ 68,000	$ 258,000
Midlife Constants (5E)	464	4%	45.9	$ 48,000	$ 104,000
Green Acres (6A)	307	3%	43	$ 72,000	$ 226,000

Source: Esri Tapestry Segmentation Report

As of 2016, the median income in the United States was $59,039. Of the tapestries shown in Table 15, all except one (Segment 5E: "Midlife Constants") have annual median incomes above the national level. Combined, these nine other tapestries comprise roughly 96% of the town's population. This is consistent with the high median household income in town ($94,280) which is well above the national median income.

The five largest Tapestry segments present in the Town of Clarence are described below[21]:

■ *Professional Pride* consumers are well-educated career professionals that have prospered through the Great Recession. To maintain their upscale suburban lifestyles, these goal-oriented couples work, often commuting far and working long hours. However, their schedules are fine-tuned to meet the needs of their school age children. They are financially savvy; they invest wisely and benefit from interest and dividend income. They take pride in their homes and spend valuable time and energy upgrading. Their homes are furnished with the latest trends, including finished basements equipped with gyms and in-home theaters.

■ *Savvy Suburbanites* residents are well educated, well read, and well capitalized. Families include empty nesters and empty nester wannabes, who still have adult children at home. Located in older neighborhoods outside the urban core, their suburban lifestyle includes home remodeling and gardening plus the active pursuit of sports and exercise. They enjoy food and wine, plus the amenities of cultural events.

■ *Golden* Years residents are independent, active seniors nearing the end of their careers or already in retirement best describes *Golden Years* residents. This market is primarily singles living alone or empty nesters. Those still active in the labor force are employed in professional occupations; however, these consumers are actively pursuing a variety of leisure interests—travel, sports, dining out, museums, and concerts. They are involved, focused on physical fitness, and enjoying their lives. This market is smaller, but growing, and financially secure.

■ *In Style* denizens embrace an urbane lifestyle that includes support of the arts, travel, and extensive reading. They are connected and make full use of the advantages of mobile devices. Professional couples or single households without children, they have the time to focus on their homes and their interests. The population is slightly older and already planning for their retirement.

■ *Soccer Moms* is an affluent, family-oriented market with a country flavor. Residents are partial to new housing away from the bustle of the city but close enough to commute to professional job centers. Life in this suburban wilderness offsets the hectic pace of two working parents with growing children. They favor time-saving devices, like banking online or housekeeping services, and family-oriented pursuits.

Overall, the Tapestry analysis shows that a majority of Clarence residents share important preferences:

■ **A preference for SUVs as the primary mode of transportation.** They usually buy late model and domestic, though some segments may splurge for newer models or luxury imports.

■ **Strong financial savviness.** Most tapestry segments in Clarence stay up-to-date on financial news and maintain a diverse array of investments to maintain their financial stability.

■ **DIY for the fun aspects of life.** While most chores and maintenance duties are outsourced to hired hands, many of the segments listed above find joy in do-it-yourself projects around the house as well as maintaining their own garden.

■ **Patronization of the arts.** Residents across almost all tapestries enjoy attending live theatre or music performances, and may donate to NPR (National Public Radio) or PBS (Public Broadcasting Service).

■ **Exercise as a key part of life.** While the type of exercise varies, all tapestries included make an active lifestyle a priority. Common exercises include Pilates, biking, and golf.

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[21] These descriptions were prepared by Esri and are reproduced here. Tapestry Segment profiles are publicly available at: https://doc.arcgis.com/en/esri-demographics/data/tapestry-segmentation.htm

Real Estate Market Analysis

The Town of Clarence is experiencing demand for new development, and this is a major reason for the extensive planning and visioning efforts undertaken for the *Clarence 2030 Comprehensive Plan* adopted at the end of 2016, and the *Vision Main Street* that was completed in 2017. The Town has conducted a *Main Street Corridor Catalogue & Analysis*, and each year's State of the Town includes updates on real estate development and permitting activity.

This Real Estate Analysis takes a deeper dive into the supply and demand relationship, square footage, vacancy, and lease rates. This information is then informed by research from the Demographic and Socioeconomic, Economic, and Consumer Behavior and Characteristics sections of this report to develop reasonable projections of future demand and competitiveness.

For this analysis, focus will be paid to the Main Street Corridor, which runs east/west through the southern half of the Town of Clarence between Davison Road and Transit Road. Members of the Town of Clarence IDA accompanied the Camoin team on a driving tour of Main Street and other significant areas of the town, and observations from the tour, including information from the accompanying discussion, also inform this section.

As part of the *Vision Main Street Clarence*, the Town defined four distinct character areas, shown in Figure 17 below.

Figure 17: Main Street Character Areas

Harris Hill

- A more rural feel, with rich history and small shops
- First introduction to visitors arriving from Buffalo
- Includes the Harris Hill Hamlet

Rural Clarence

- "Transition areas" between major character areas
- Provides "breathing space" between more populated centers
- Shows off a more agricultural feel compared to the rest of Clarence

Central Main Street

(Main@Sheridan)

- The crossroads between north and south Clarence
- Primarily commercial and residential space
- Anchored by the Clarence High School

Clarence Hollow

- The eastern Gateway to the Town of Clarence
- Strong historical feel
- Includes the Clarence Hollow Hamlet

Source: Vision Main Street Clarence

Real Estate Overview

Overview of the Town of Clarence and Main Street Corridor

The data included in this analysis includes properties located within 0.1 miles of the Main Street corridor in Clarence, and therefore covers properties along the corridor as well as those that are diagonally adjacent and equally accessible as Main Street properties. *Figure 18* organizes the number of existing properties along the Main Street Corridor across the six property categories studied. The two dominant real estate types along the Main Street corridor are general retail and office space, with 108 and 67 properties respectively. General retail holds 52% of all properties in the corridor while office holds approximately 32%.

Figure 18: Main Street Number of Properties by Type
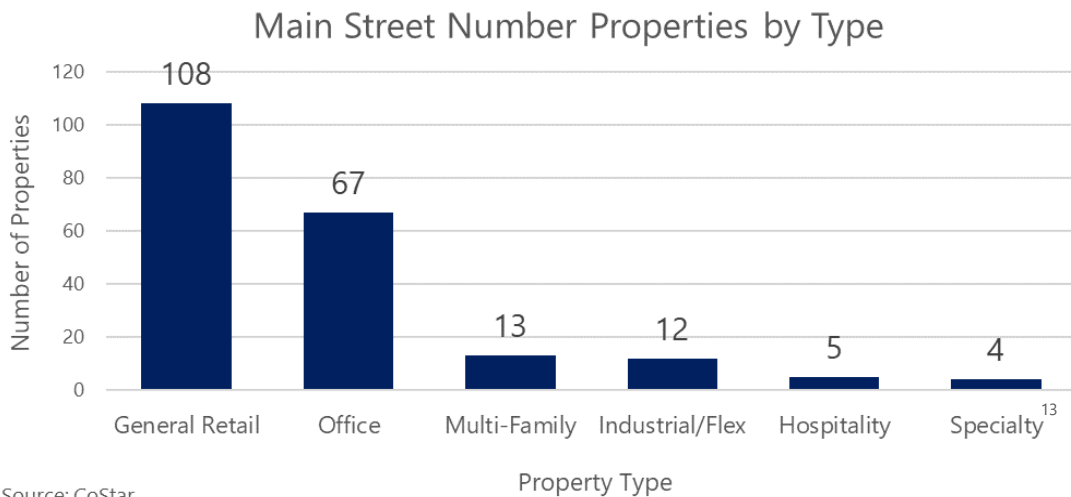
Source: CoStar

In the last decade, the two major property types that saw deliveries (new construction or redevelopment) along this corridor were office and retail. This is consistent with the role of the corridor in providing goods and services to residents travelling Main Street on their way to work or home as well as residents engaging in shopping and patronizing services throughout the day.

Figure 19: Total SF Delivered by Property Type, 2007 - 2017
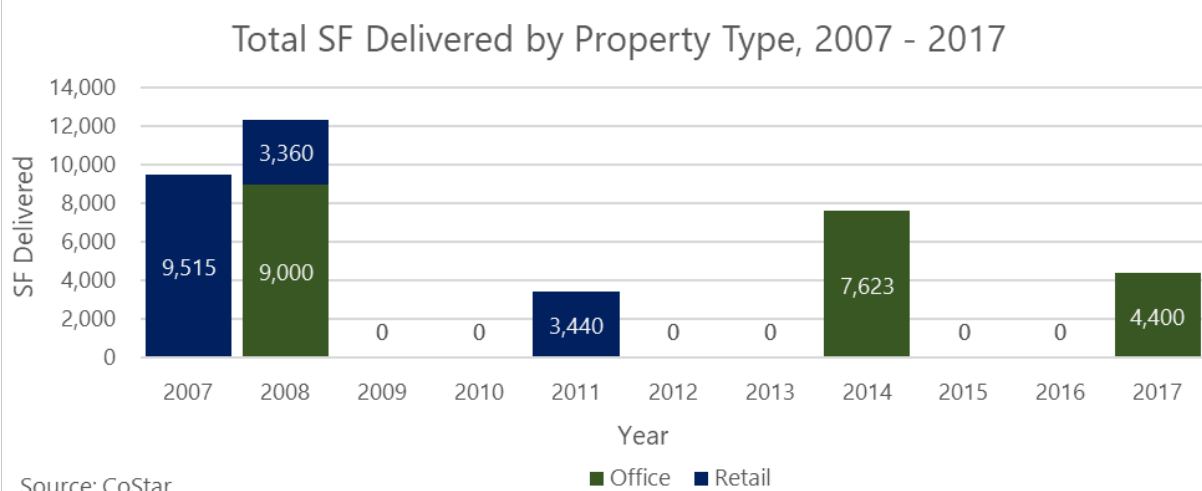
Source: CoStar

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[22] The "Specialty" property type includes properties that do not fill any of the other property types, like post offices, fire stations, libraries, religious centers, and sports/entertainment complexes.

Trends in Office Space Use

As shown in Figure 20, office vacancies along the Main Street corridor saw a steady increase in the five years leading up to 2013, before seeing an equally rapid decline into 2017. Vacancy in office space in the Town of Clarence has been consistently below that of the MSA. As of 2017, the vacancy rate in the Town of Clarence is 3.0% compared to 8.6% at the MSA level.

Figure 20: Main Street Office Vacancy Rate, 2007 - 2017

Source: CoStar

Net absorption is the change in occupied space between one measured interval and another. It is a way of understanding whether tenants are choosing to move into new space, move out of existing space, or remain where they are. For office space, net absorption saw fairly low-to-negative net absorption between 2009 and 2013, before seeing strong positive net absorption between 2014 and 2017. This positive net absorption was potentially the result of delivered space in 2014 and 2017.

Figure 21: Main Street Net Absorption SF, 2007 - 2017
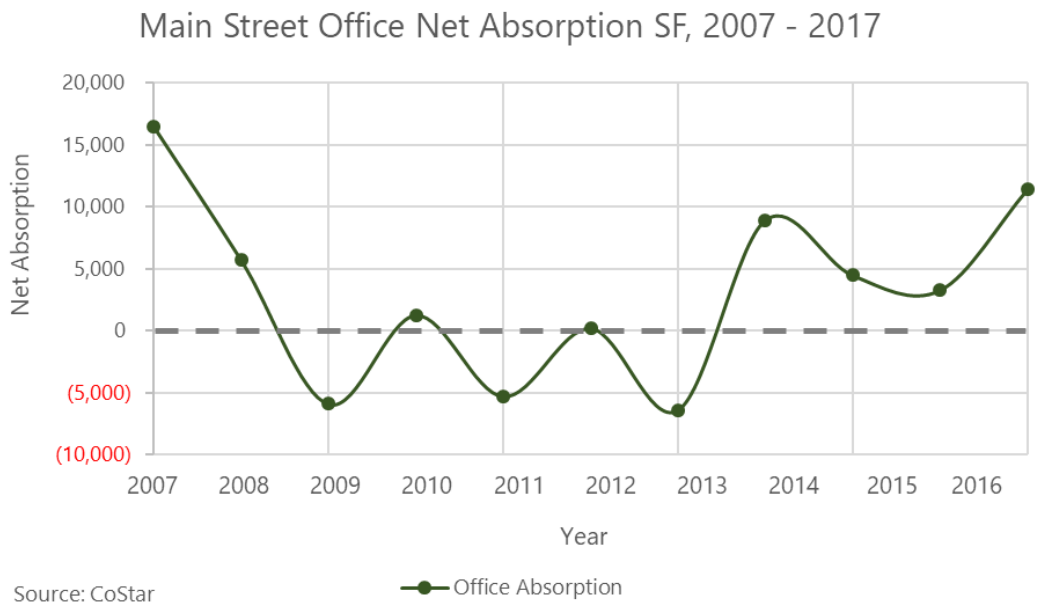
Source: CoStar

Over the last ten years, gross rent prices[23] per square foot of office space have maintained a consistent rate. Gross rent per square foot peaked in the Town of Clarence in 2013 at $16.77 per SF, but otherwise has increased by 50 cents (or 3.7%) between 2007 and 2017. Rent prices often overlap with those of the Buffalo-Niagara Falls MSA, which has fluctuated between $14.33 and $15.71 per SF over the last 10 years. Clarence's higher volatility is largely a result of the smaller sample size, where small changes have a larger effect.

Figure 22: Main Street Office Rent Trends, 2007 - 2017
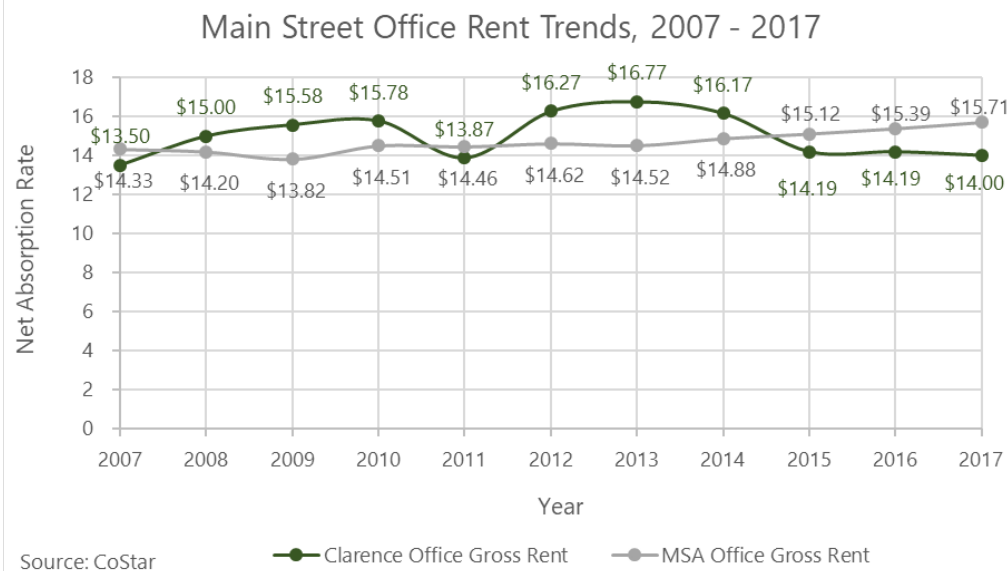
Demand for Office Space in the Buffalo-Niagara Falls MSA

Estimated office space demand in the MSA is calculated by totaling the number of jobs in office-using NAICS industries, and multiplying this amount by estimated office space needed to accommodate these employees using an estimated 200 SF per employee.[24] Based on this, demand for office space is estimated to increase by 787,000 SF between 2017 and 2022, which offers opportunity for Clarence to accommodate unmet demand.

Figure 23: Buffalo-Niagara Falls MSA Total Demanded Jobs and SF by Industry, 2017 - 2027

Buffalo-Niagara Falls MSA Total Demanded Jobs and SF by Industry, 2017 - 2027						
NAICS	Description	Total Jobs (2017)	Total Demanded SF (Jobs*200)	Total Jobs (2022)	Total Demanded SF (Jobs*200)	Change in Office Space Demand
51	Information	7,160	1,432,050	6,610	1,322,000	(110,050)
52	Finance and Insurance	28,131	5,626,214	30,397	6,079,400	453,186
54	Professional, Scientific, and Technical Services	29,373	5,874,608	30,281	6,056,200	181,592
55	Management of Companies and Enterprises	13,335	2,667,007	14,304	2,860,800	193,793
56	Administrative and Support and Waste Management and Remediation Services	30,145	6,029,050	30,194	6,038,800	9,750
81	Other Services (except Public Administration)	24,820	4,963,908	25,472	5,094,400	130,492
90	Government	91,455	18,291,085	91,097	18,219,400	(71,685)
Total		224,420	44,883,922	228,355	45,671,000	787,078

Source: EMSI 2017 Q4

[23] Gross rent does not include costs like taxes and maintenance, which are typically paid for by the landlord.
[24] A 2010 report from the U.S. General Services Administration, "Workspace Utilization and Allocation Benchmark," found average rentable office space per employee to be 230 square feet. As a result of efforts to implement more efficient design standards, the typical office standard has declined from around 250 square feet per workstation in the early 2000s to around 190 square feet or less. An estimate of 200 square feet per employee provides a conservative estimate for further planning.

Trends in Major Shopping Centers and Retail

Town of Clarence Retail

Figure 24 shows a map of major retailers within the Buffalo-Niagara Falls MSA, including the four within Clarence which are described below in further detail.

Figure 24: Map of Major Shopping Centers in the Buffalo-Niagara Falls MSA
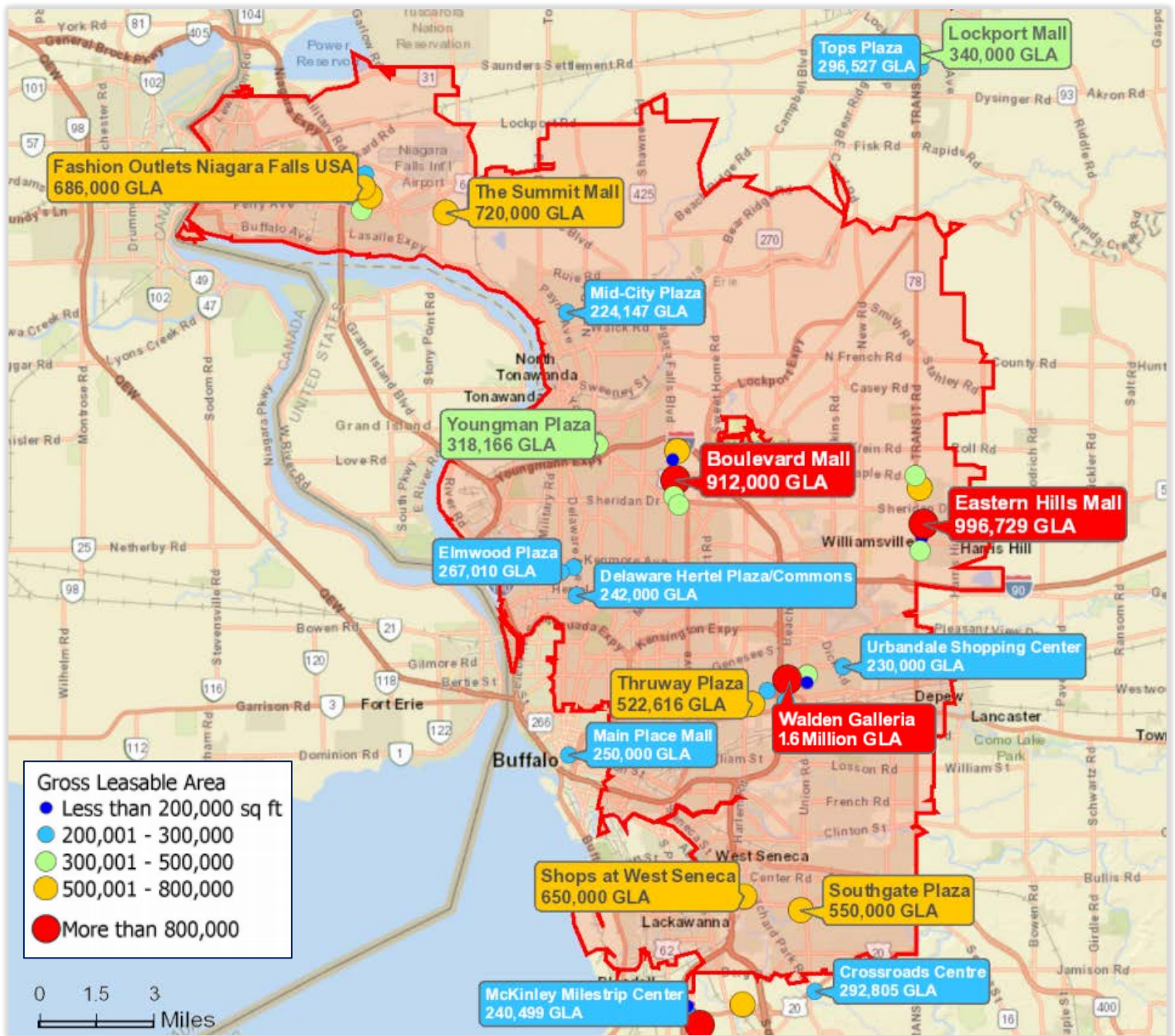

Source: Esri

The four major shopping centers in the Town of Clarence are all located along Transit Road.

- **Eastgate Plaza** – Redeveloped for 2017, this shopping center holds 530,000 SF of gross leasable area and is anchored by a national retailers such as BJs, Dicks Sporting Goods, Walmart, Michael's Craft Store, and Petsmart.

- **Eastern Hills Mall** – The Eastern Hills Mall is the largest mall on Transit road, with nearly 1 million SF of gross leasable area. The mall is currently planned to be re-branded for lifestyle and experiential retail. Real estate research firm CBRE specifically discusses the Eastern Hills Mall in its Q4 report for the region, stating that interest in redevelopment is likely to be strong because of its location.[25]

- **Shops at Main/Transit** – This 224,000 SF shopping center is anchored by Best Buy, Barnes & Noble, and Bed, Bath, & Beyond[26]. This plaza was renovated in 2007.

- **Transitown Plaza** – Transitown Plaza has roughly 500,000 SF of gross leasable area, and is situated at the intersection of Main Street and Transit Road. Major retailers include Toys-R-Us, Home Depot, and TJ Maxx. These are "big box" national retail chains that offer a wide range of known goods at competitive prices.

Main Street Corridor Retail

Demand for retail in Clarence is strong. Since peaking at 7.3% in 2008, retail vacancy along the Main Street corridor has seen a steady decline to 3.0% in 2017. Over the last decade, Clarence has consistently maintained a lower retail vacancy rate than the MSA, which had an 8.5% vacancy rate as of 2007 and a 4% vacancy rate in 2017.

*Figure 25: Main Street Retail Vacancy Rate, 2007 - 2017*

Source: CoStar

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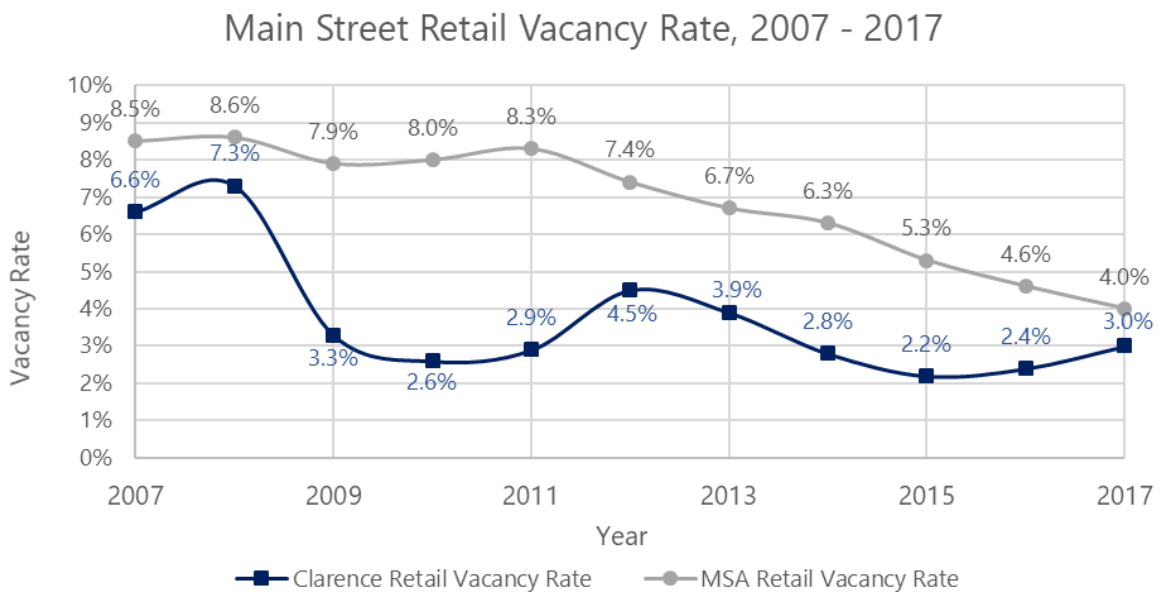
[25] CBRE, *Buffalo Marketview, Retail Q4 2017*, p. 2.
[26] Source: www.benchmarkgrp.com/commercial/retail-space-shops-main-transit/. Includes 33.8 acres of developed and undeveloped parcels.

The chart below presents retail vacancy rates and deliveries over ten years, with a low vacancy rate generally below 4.0% in 2009 and later. Spikes in vacancies in 2008 (7.3%) and 2012 (4.5%) appear to be the result of the lag between new retail delivery and occupancy, and not the result of negative impacts like businesses moving elsewhere or closing down due to the Great Recession in 2008. In 2007, 2008, and 2009, sudden spikes in vacancy rates can be explained by new deliveries of retail space.

Figure 26: Retail Vacancy Rate vs Retail Deliveries, 2007 - 2017

Retail Vacancy Rate vs Retail Deliveries, 2007 - 2017
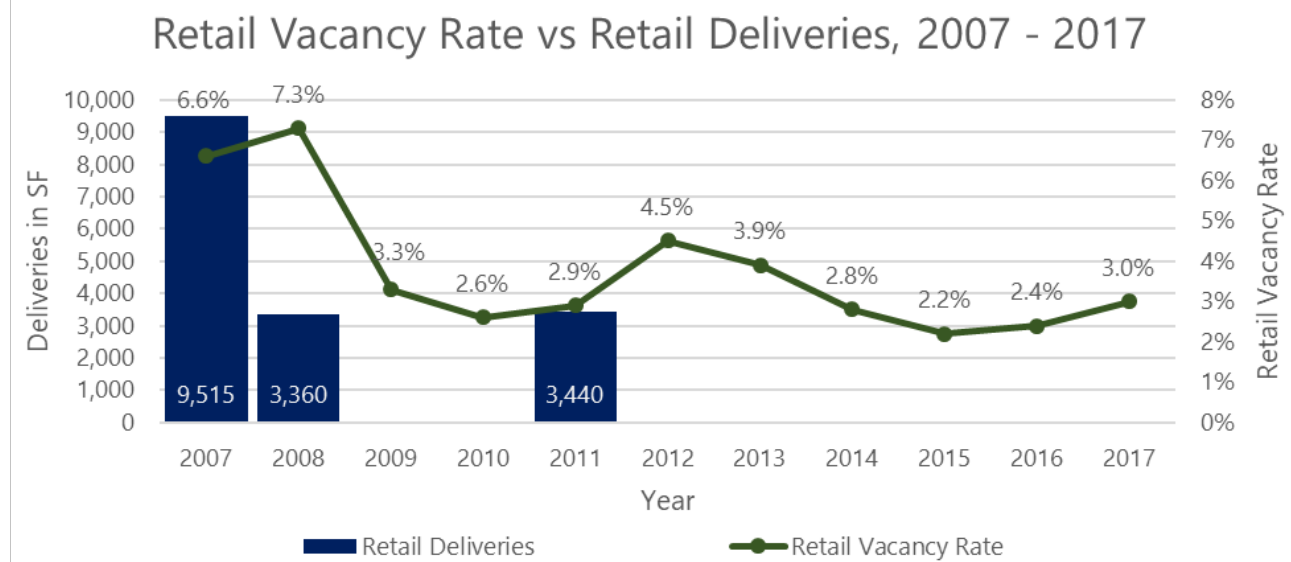
Source: CoStar

Trends in retail net absorption SF shown in Figure 27 validates the conclusion above, as Main Street saw strong positive net absorption in the years when new space was delivered with 25,038 SF in 2009 and 3,483 in 2012.

Figure 27: Main Street Retail Net Absorption SF, 2007 - 2017

Main Street Retail Net Absorption SF, 2007 - 2017

Source: CoStar

Figure 28 lists changes in the triple net[27] rent price per SF over time, rent prices per SF for retail space have seen an increase over the last 10 years at both the town and MSA level. Retail rental rates increased marginally at the MSA level from $10.10 in 2017 to $10.92 in 2017. In the Town of Clarence, rental prices increased from $8.00 per SF in 2007 to $10.29 in 2017, for a 28.6% increase in rent prices. Despite this increase, comparative retail rent prices in the MSA are currently above those in Clarence, though the pricing for both geographies often overlaps. Were rent prices tied to the national rate of inflation, they would be $9.60 as of 2017.

Figure 28: Main Street Retail Rent Trends, 2007 - 2017

Source: CoStar

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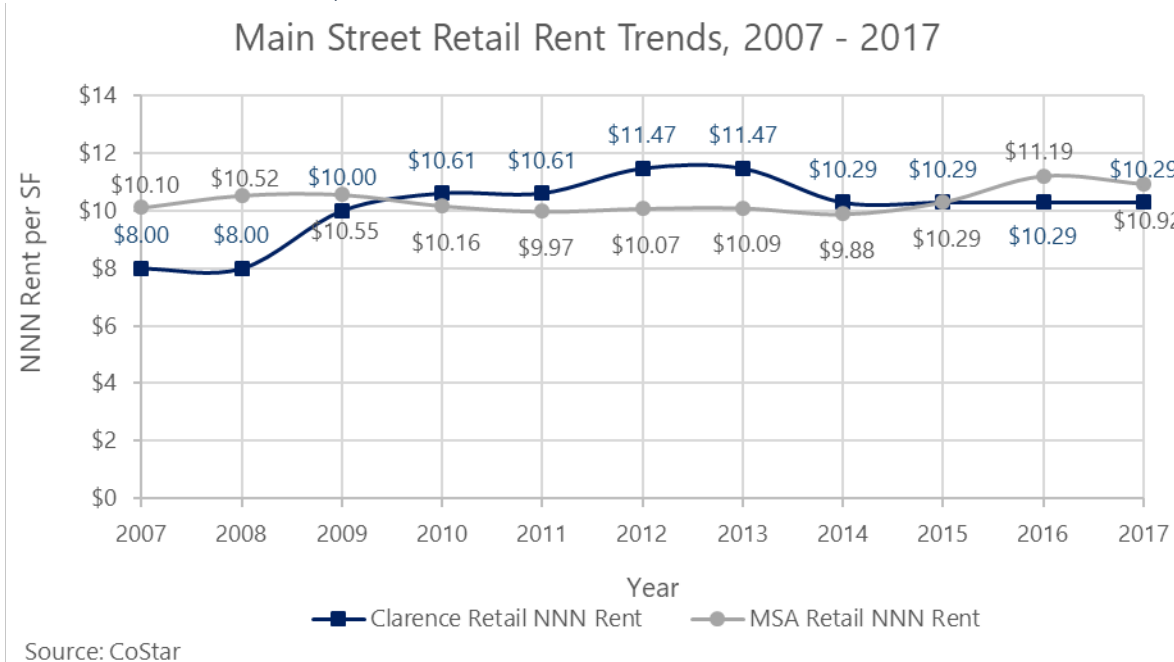
[27] A triple net (NNN) lease is defined as a lease in which the tenant is responsible for all expenses associated with their proportional share of occupancy of the building. This includes taxes, insurance, utilities, and maintenance fees.

Trends in Residential and Multifamily Development

Town of Clarence Multifamily Trends

As of 2015, over 80% of housing units in Clarence were single-family detached homes, with another 6% being single-family attached units or mobile homes. This means that of the nearly 12,000 housing units in the Town of Clarence, 12% (or 1,444 units) could be considered multifamily. Of the multifamily housing units, 2-to-4-unit structures are the most prominent with 700 total units. Though there are a few complexes with 50 or more units, there are 341 households in the 50 or more units category. Sewer service limitations currently prevent larger projects from begin developed in most areas of the town.

Figure 29 compares the breakdown of owner-occupied, renter-occupied, and vacant housing units across the three studied geographies, regardless of single-family or multifamily designation. Housing units within the Town of Clarence are almost exclusively owner-occupied, with less than one-fifth of all units being renter-occupied or vacant. This contrasts with the Buffalo-Niagara Falls MSA and the State of New York, which have vacancy rates that are roughly five times higher than that of Clarence, and proportions of renter-occupied units that are more than twice that of Clarence. These breakdowns match roughly with Clarence's single-family and multi-family makeup, with 16% of housing units being rented versus 12% of units being part of multifamily complexes.

Table 17: Town of Clarence by Number of Units in Structure, 2015

Town of Clarence by Number of Units in Structure, 2015		
Units in Structure	Households	% of Total
1 Detached Unit	9,665	81%
1 Attached Unit	225	2%
2 Units	318	3%
3 to 4 Units	382	3%
5 to 9 Units	173	1%
10 to 19 units	76	1%
20 to 49 units	154	1%
50 or more units	341	3%
Mobile Homes	598	5%
Boats/RVs/Vans	-	0
Total	11,932	

Source: American Community Survey

Figure 29: Distribution of Housing Units by Geography, 2017
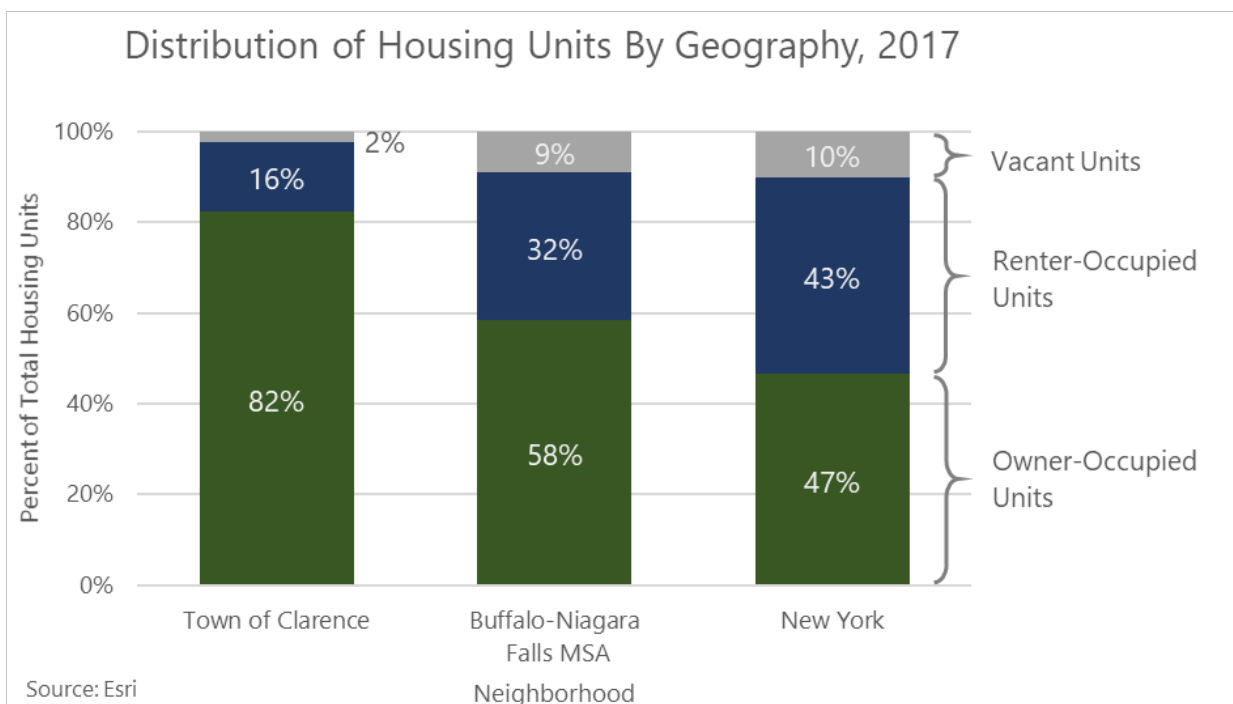
Within the Town of Clarence, major multifamily apartment complexes include:

Main Street Corridor

- **Oakwood Apartments** – Oakwood Apartments was built in 1959 and includes 14 units. The complex sits along Main Street, next to America's Best Value Inn & Suites.

- **Willow Square of Clarence**, 9500 Main Street - luxury upscale townhomes for young professionals, with commercial space25 units

- **The Claremount,** 10338 Main Street – an affordable housing community serving residents aged 62 and older, 75 units

Other Neighborhoods

- **Transit Pointe Senior Apartments**, 8040 Roll Road – located near Transit, with 124 units

- **Rock Oak Estates,** 9925 Whitwick Terrace –a senior living facility featuring detached single-story homes built to suit, potentially up to 71 lots to be developed

- **Coventry Green**, 8150 Wehrle Drive – market rate apartments with community amenities, 140 units

- **Fireside**, 8240 Wehrle Drive – market rate apartments with community amenities and access to indoor golf facility The Dome, 112 units

- **StoneGate of Clarence**, 8260 Wehrle Drive – active senior living, 100 units

- **Montabaur Heights**, 4520 Ransom Road – Since 1924, the Brothers of Mercy Community has been a Catholic of inter-related adult residential services committed to serving the sick and elderly and their families, with 112 units

- **Waterford Townhomes**, 8976 Roll Road –a mix of 1-to-3-bedroom townhomes and apartments, 17 units

There are 219 units in the Main Street corridor, with an average square footage of 1,013 SF per unit. Rent prices per square foot have seen a steady decline in the last decade, from $1.37 per SF at its peak in 2007 to $1.20 per SF at its trough in 2015. While rent is currently cheaper within the rest of the MSA, Clarence has seen modest declines in rent prices.

Multifamily rents have increased nationally for the last 8 years as well, and the Town of Clarence should have participated in this trend, given its demographics and proximity to a growing metropolitan area. However, nationally new units with amenities such as fitness centers and granite countertops have been leading the upward trend in rents, and while some have been developed in Clarence the numbers are not yet significant enough to move average rents substantially. A major constraint on multi-family is sewer capacity, and given regional demand trends, improvement of that infrastructure should provide an opportunity for strategic siting of appealing market-rate multi-family units in Clarence.

Figure 30: Main Street Multifamily Rent Trends, 2007 - 2017

Main Street Multifamily Rent Trends, 2007 - 2017

Source: CoStar
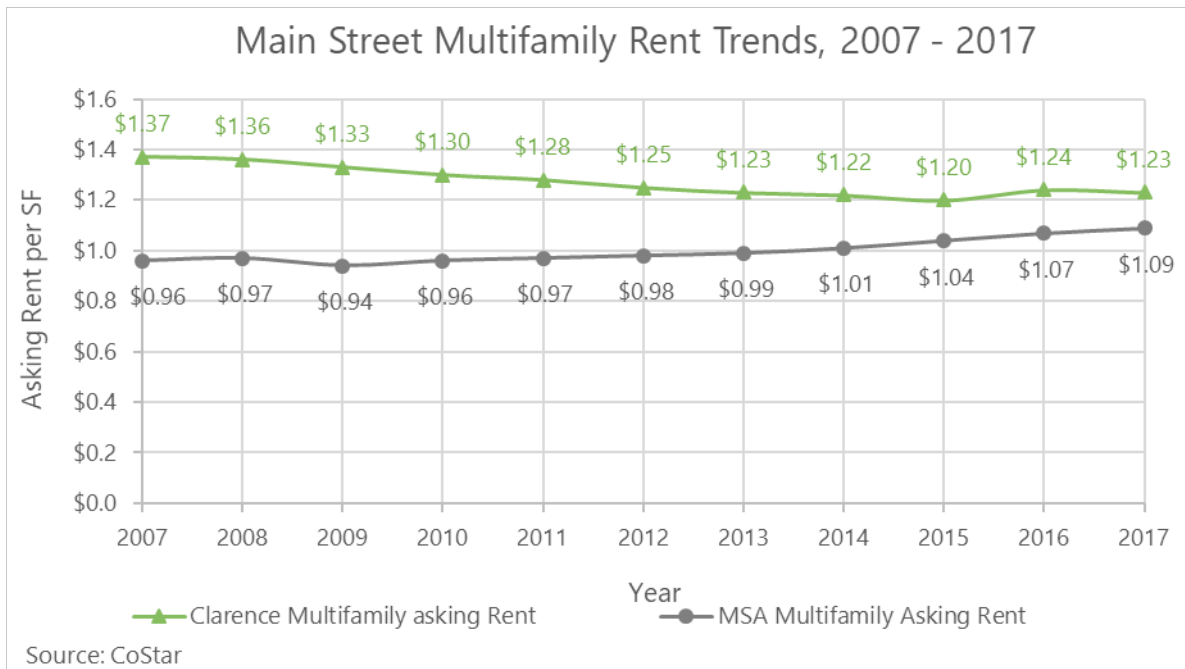
Trends in Industrial/Flex Space

Flex space properties are properties that are designed to accommodate varying uses. For example, a flex space can accommodate a mix of office and industrial space, then be refitted to accommodate a mix of warehousing and R&D space. In the Town of Clarence, there are 17 known industrial and flex properties totaling 488,963 SF of inventory, 12 of which were on Main Street. These properties are used for a variety of uses, ranging from storage warehouses to R&D spaces to distribution centers.

There have been no new deliveries in these property types in the last 10 years, the vacancy rate for industrial/flex spaces has varied significantly from year to year, which is not uncommon with a small number of properties. As of 2007, the vacancy rate was 9.1% in the Town of Clarence, before jumping to 13.3% in 2010 and fluctuating significantly before reaching a low of 3.1% in 2015 and declining to 4.4% in 2017. Despite these swings, the trend for industrial/flex space vacancy has generally trended downward. Industrial/flex space in the MSA, which has more properties, does not show as much variation but the vacancy rate also trends downward, showing that available space is filled quickly.

Table 18: Town of Clarence Industrial and Flex Properties

Town of Clarence Industrial and Flex Properties, 2017		
Building Address	Property Type	Secondary Type
4055 Casilio Pky	Industrial	Manufacturing
4075 Casillio Pky	Industrial	Warehouse
9670 Main St	Industrial	Warehouse
9775 Main St	Industrial	Warehouse
9823 Main St	Industrial	Warehouse
9825 Main St	Industrial	Distribution
9992 Main St	Industrial	Warehouse
9997 Main St	Industrial	Warehouse
10151 Main St	Industrial	Showroom
10155 Main St	Industrial	Warehouse
11358 Main St	Industrial	Distribution
11372 Main St	Flex	N/A
4225 Research Pky	Industrial	N/A
9645 Wehrle Dr	Flex	R&D
10000 Wehrle Dr	Flex	R&D
9685 Main St	Flex	N/A
11358 Main St	Industrial	Warehouse

Source: CoStar

Figure 31: Main Street Industrial Flex/Industrial Vacancy Rate, 2007 - 2017
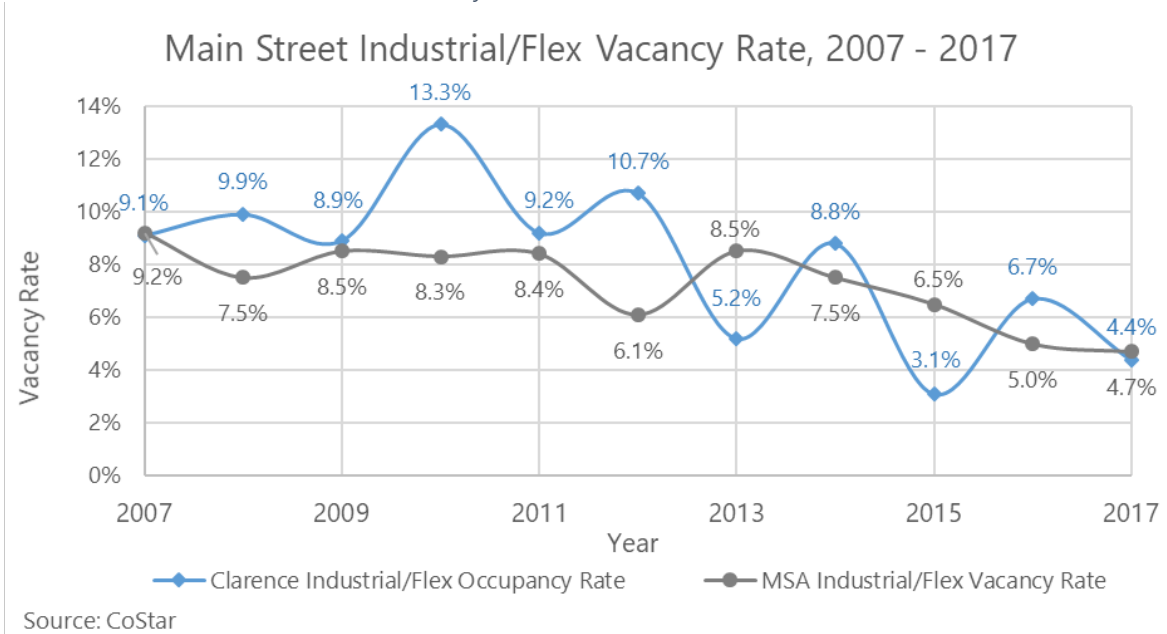

Source: CoStar

Figure 32's depiction of industrial/flex net absorption SF reflects a trend of increasing positive absorption combined with steady negative absorption in alternating years, indicating that vacated space was quickly filled. Between 2008 and 2016, there were no years where net absorption was below -10,000 SF. Conversely, between 2011 and 2015, net absorption in years with positive net absorption grew from 8,500 SF in 2011 to 11,400 SF in 2013 to 12,100 SF in 2015. This is potential evidence for an increasing demand for industrial/flex space in the Town of Clarence.

Figure 32: Main Street Industrial/Flex Net Absorption SF, 2007 - 2017

Source: CoStar
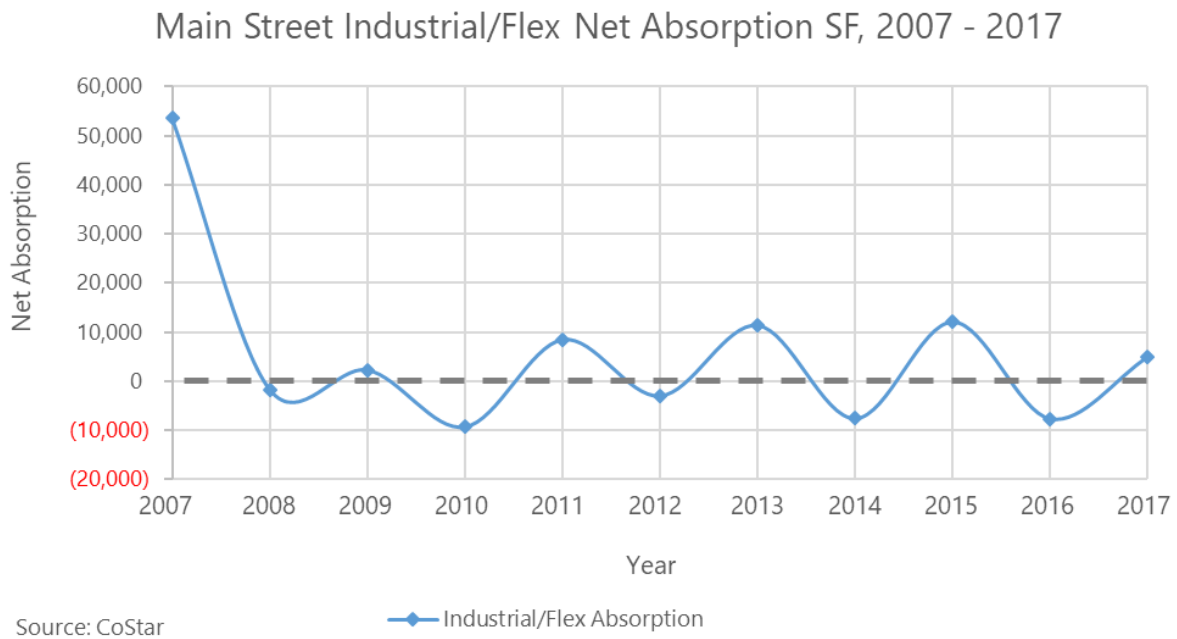
As noted above in the discussion of vacancy rates, with a fairly small supply of industrial/flex space, rent trends can be significantly affected by price changes at a single property. For example, in the Town of Clarence rents trended around $5.50/SF for most of the past 10 years, with a three-year period from 2014 to 2016 where they jumped substantially before returning to the trend. In cases like this, where a single corridor with a relatively small sample of properties is being examined, it is possible that a single property overpaid its rent for a three-year lease and subsequently skewed the available data. Therefore, to understand rent trends, it is best to consider the overall trend.

Figure 33: Main Street Industrial/Flex Rent Trends, 2007 – 2017

Source: CoStar
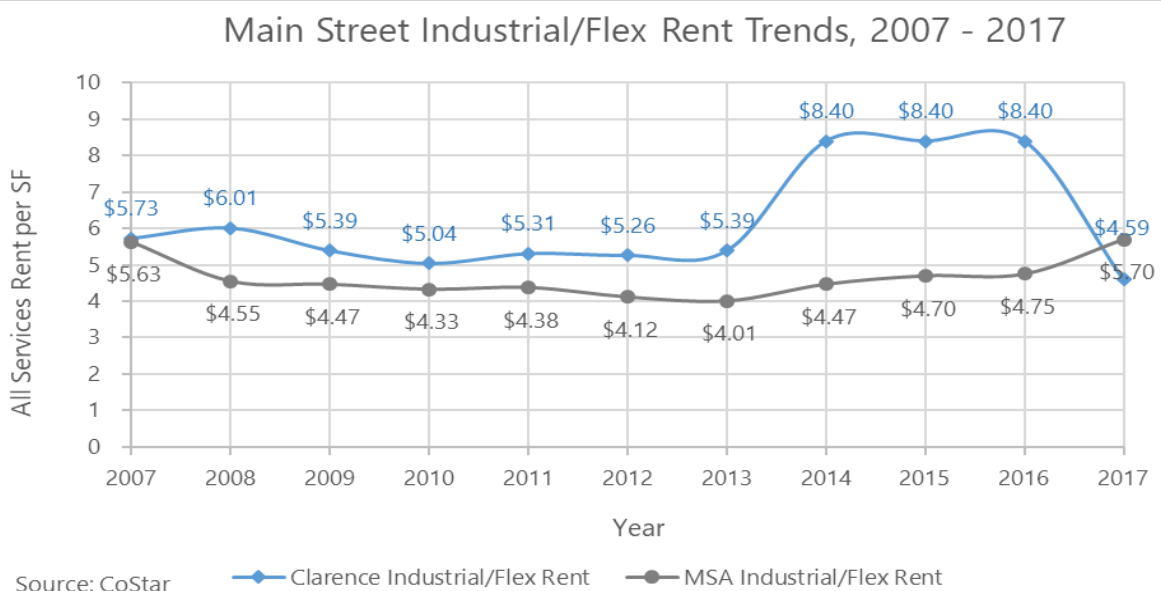
Attachment A: Data Sources

Proprietary Data Sources

Economic Modeling Specialists International (EMSI)

To analyze the industrial makeup of a study area, industry data organized by the North American Industrial Classification System (NAICS) is assessed. Camoin Associates subscribes to Economic Modeling Specialists Intl. (EMSI), a proprietary data provider that aggregates economic data from approximately 90 sources. EMSI industry data, in our experience, is more complete than most or perhaps all local data sources (for more information on EMSI, please see www.economicmodeling.com). This is because local data sources typically miss significant employment counts by industry because data on sole proprietorships and contractual employment (i.e. 1099 contractor positions) is not included and because certain employment counts are suppressed from BLS/BEA figures for confidentiality reasons when too few establishments exist within a single NAICS code.

Esri Business Analyst Online (BAO)

ESRI is the leading provider of location-driven market insights. It combines demographic, lifestyle, and spending data with map-based analytics to provide market intelligence for strategic decision-making. ESRI uses proprietary statistical models and data from the U.S. Census Bureau, the U.S. Postal Service, and various other sources to present current conditions and project future trends. Esri data are used by developers to maximize their portfolio, retailers to understand growth opportunities, and by economic developers to attract business that fit their community. For more information, visit www.esri.com.

CoStar

CoStar is the leading source of commercial real estate intelligence in the U.S. It provides a full market inventory of properties and spaces—available as well as fully leased—by market and submarket. Details on vacancy, absorption, lease rates, inventory, and other real estate market data are provided, as well as property-specific information including photos and floor plans. CoStar covers office, retail, industrial, and multifamily markets. CoStar data is researched and verified by the industry's largest professional research team. With 1,200 researchers and 130 field research vehicles, CoStar's team makes calls to property managers; reviews court filings, tax assessor records and deeds; visits construction sites; and scans the web to uncover nearly real-time market changes. More at www.costar.com.

Public Data Sources

American Community Survey (ACS), U.S. Census

The American Community Survey (ACS) is an ongoing statistical survey by the U.S. Census Bureau that gathers demographic and socioeconomic information on age, sex, race, family and relationships, income and benefits, health insurance, education, veteran status, disabilities, commute patterns, and other topics. The survey is mandatory to fill out, but the survey is only sent to a small sample of the population on a rotating basis. The survey is crucial to major planning decisions, like vital services and infrastructure investments, made by municipalities and cities. The questions on the ACS are different than those asked on the decennial census and provide ongoing demographic updates of the nation down to the block group level. For more information on the ACS, visit http://www.census.gov/programs-surveys/acs/

OnTheMap, U.S. Census

OnTheMap is a tool developed through the U.S. Census Longitudinal Employer-Household Dynamics (LEHD) program that helps to visualize Local Employment Dynamics (LED) data about where workers are employed and where they live. There are also visual mapping capabilities for data on age, earnings, industry distributions, race, ethnicity, educational attainment, and sex. The OnTheMap tool can be found here, along with links to documentation: http://onthemap.ces.census.gov/.

Economic Census

The Economic Census is the U.S. Government's official five-year measure of American business and the economy. It is conducted by the U.S. Census Bureau for years ending in '2' and '7'. The Economic Census is the most comprehensive source of information about American businesses from the national to the local level. Published statistics cover more than 1,000 industries, 15,000 products, every state, over 3,000 counties, 15,000 cities and towns, and Puerto Rico and other U.S. Island Areas. More at: https://www.census.gov/programs-surveys/economic-census/about.html.

Attachment B: Tapestry Segment Definitions

The descriptions of each segment are based on comparisons with the U.S. as a whole and reflect the propensity of households within that segment to exhibit certain demographic, lifestyle, and consumer characteristics relative to the overall population. Age, income, and net worth, and household spending habits are based on national statistics, and may vary from household to household or region to region based on geographical or cultural factors. The purpose of this exercise is to compare local consumer trends to those across the U.S. so businesses and developers not familiar with Clarence or the Main Street character areas understand consumer demand in this area.

Segment 1B: "Professional Pride"

Professional Pride consumers are well-educated career professionals that have prospered through the Great Recession. To maintain their upscale suburban lifestyles, these goal oriented couples work, often commuting far and working long hours. However, their schedules are fine-tuned to meet the needs of their school age children. They are financially savvy; they invest wisely and benefit from interest and dividend income. They take pride in their newer homes and spend valuable time and energy upgrading. Their homes are furnished with the latest in home trends, including finished basements equipped with home gyms and in-home theaters.

Socioeconomic Traits:

- Average household size: 3.11
- Median Household Income: $127,000
- *Professional Pride* consumers are highly qualified in the science, technology, law, or finance fields; they've worked hard to build their professional reputation or their start-up businesses.
- These consumers are willing to risk their accumulated wealth in the stock market. They have a preferred financial institution, read financial news, and use the Internet for banking transactions.
- These residents are goal oriented and strive for lifelong earning and learning.
- Life here is well organized; routine is a key ingredient to daily life.

Read More >> http://downloads.esri.com/esri_content_doc/dbl/us/tapestry/segment2.pdf

Segment 1D: "Savvy Suburbanites"

Savvy Suburbanites residents are well educated, well read, and well capitalized. Families include empty nesters and empty nester wannabes, who still have adult children at home. Located in older neighborhoods outside the urban core, their suburban lifestyle includes home remodeling and gardening plus the active pursuit of sports and exercise. They enjoy good food and wine, plus the amenities of the city's cultural events.

Socioeconomic Traits:

- Average household size: 2.83
- Median Household Income: $104,000
- Education: 48.1% college graduates; 76.1% with some college education.
- Low unemployment at 5.8% (Index 67); labor force participation rate at 68.5% (Index 109) with proportionately more 2-worker households at 65.4%, (Index 122).
- Well-connected consumers that appreciate technology and make liberal use of it for everything from shopping and banking to staying current and communicating.
- Informed shoppers that do their research prior to purchasing and focus on quality

Read More >> http://downloads.esri.com/esri_content_doc/dbl/us/tapestry/segment4.pdf

Segment 9B: "Golden Years"

Independent, active seniors nearing the end of their careers or already in retirement best describes *Golden Years* residents. This market is primarily singles living alone or empty nesters. Those still active in the labor force are employed in professional occupations; however, these consumers are actively pursuing a variety of leisure interests—travel, sports, dining out, museums, and concerts. They are involved, focused on physical fitness, and enjoying their lives. This market is smaller, but growing, and financially secure.

Socioeconomic Traits:

- Average household size: 2.05

- Median Household Income: $61,000

- Golden Years residents are well educated—20% have graduate or professional degrees, 26% have bachelor's degrees, and 26% have some college credits.

- Unemployment is low at 7% (Index 76), but so is labor force participation at 55% (Index 88), due to residents reaching retirement.

- Median household income is higher in this market, more than $61,000. Although wages still provide income to 2 out of 3 households, earned income is available from investments (Index 172), Social Security benefits (Index 153), and retirement income (Index 149).

- These consumers are well connected: Internet access is used for everything from shopping or paying bills to monitoring investments and entertainment.

- They are generous supporters of the arts and charitable organizations. They keep their landlines and view cell phones more as a convenience.

Read More >> http://downloads.esri.com/esri_content_doc/dbl/us/tapestry/segment41.pdf

Segment 5B: "In Style"

In Style denizens embrace an urbane lifestyle that includes support of the arts, travel, and extensive reading. They are connected and make full use of the advantages of mobile devices. Professional couples or single households without children, they have the time to focus on their homes and their interests. The population is slightly older and already planning for their retirement.

Socioeconomic Traits:

- Average household size: 2.33

- Median Household Income: $66,000

- College educated: 46% are graduates; 75% with some college education.

- Low unemployment, at 5.6%; higher labor force participation rate, at 68%, with proportionately more 2-worker households.

- Median household income of $65,600 reveals an affluent market with income supplemented by investments and a substantial net worth.

- Connected and knowledgeable, they carry smartphones and use many of the features.

- Attentive to price, they use coupons, especially mobile coupons.

Read More >> http://downloads.esri.com/esri_content_doc/dbl/us/tapestry/segment17.pdf

Segment 4A: "Soccer Moms"

Soccer Moms is an affluent, family-oriented market with a country flavor. Residents are partial to new housing away from the bustle of the city but close enough to commute to professional job centers. Life in this suburban wilderness offsets the hectic pace of two working parents with growing children. They favor time-saving devices, like banking online or housekeeping services, and family-oriented pursuits.

Socioeconomic Traits:

- Average household size: 2.96

- Median Household Income: $84,000

- Education: 37.7% college graduates; more than 70% with some college education.
- Low unemployment at 5.9%; high labor force participation rate at 72%; 2 out of 3 households include 2+ workers.
- Connected, with a host of wireless devices from iPods to tablets—anything that enables convenience, like banking, paying bills, or even shopping online.
- Well insured and invested in a range of funds, from savings accounts or bonds to stocks.
- Carry a higher level of debt, including first and second mortgages and auto loans.

Read More >>   http://downloads.esri.com/esri_content_doc/dbl/us/tapestry/segment13.pdf

Segment 1E: "Exurbanites"

Ten years later, *Exurbanites* residents are now approaching retirement but showing few signs of slowing down. They are active in their communities, generous in their donations, and seasoned travelers. They take advantage of their proximity to large metropolitan centers to support the arts, but prefer a more expansive home style in less crowded neighborhoods. They have cultivated a lifestyle that is both affluent and urbane.

Socioeconomic Traits:

- Average household size: 2.48

- Median Household Income: $98,000

- Residents are college educated; more than half have a bachelor's degree or higher; almost 80% have some college education.
- This labor force is beginning to retire. 1 in 3 households currently receive Social Security or retirement income. Labor force participation has declined to less than 60%.
- Unemployment remains low at 5.5% (Index 64); more of the residents prefer self-employment or working from home.
- Consumers are more interested in quality than cost. They take pride in their homes and foster a sense of personal style.
- Exurbanites residents are well connected, using the Internet for everything from shopping to managing their finances.
- Sociable and hardworking, they still find time to stay physically fit.

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Segment 1A: "Top Tier"

The residents of the wealthiest Tapestry market, *Top Tier*, earn more than three times the US household income. They have the purchasing power to indulge any choice, but what do their hearts' desire? Aside from the obvious expense for the upkeep of their lavish homes, consumers select upscale salons, spas, and fitness centers for their personal well-being and shop at high-end retailers for their personal effects. Residents fill their weekends and evenings with opera, classical music concerts, charity dinners, and shopping. With an accumulated average net worth of over 1.5 million dollars and income from a strong investment portfolio, many of these older residents have moved into consulting roles or operate their own businesses.

Socioeconomic Traits:

- Average household size: 2.82

- Median Household Income: $157,000

- Top Tier is a highly educated, successful consumer market: more than one in three residents has a postgraduate degree.

- These are the nation's wealthiest consumers. They hire financial advisers to manage their diverse investment portfolios but stay abreast of current financial trends and products.

- Socially responsible consumers who aim for a balanced lifestyle, they are goal oriented and hardworking but make time for their kids or grandkids and maintain a close-knit group of friends.

- These busy consumers seek variety in life. They take an interest in the fine arts; read to expand their knowledge; and consider the Internet, radio, and newspapers as key media sources.

- They regularly cook their meals at home, attentive to good nutrition and fresh organic foods.

Read More >> http://downloads.esri.com/esri_content_doc/dbl/us/tapestry/segment1.pdf

Segment 5A: "Comfortable Empty Nesters"

Residents in this large, growing segment are older, with more than half of all householders aged 55 or older; many still live in the suburbs where they grew up. Most are professionals working in government, health care, or manufacturing. These Baby Boomers are earning a comfortable living and benefitting from years of prudent investing and saving. Their net worth is well above average. Many are enjoying the transition from child rearing to retirement. They value their health and financial well-being.

Socioeconomic Traits:

- Average household size: 2.50

- Median Household Income: $68,000

- Education: 34% college graduates; nearly 66% with some college education.

- Low unemployment at 7%; average labor force participation at 61%.

- Most households income from wages or salaries, but a third also draw income from investments and retirement.

- Comfortable Empty Nesters residents physically and financially active.

- Prefer eating at home instead of dining out.

- Home maintenance a priority among these homeowners.

Read More >> http://downloads.esri.com/esri_content_doc/dbl/us/tapestry/segment16.pdf

Segment 5E: "Midlife Constants"

Midlife Constants residents are seniors, at or approaching retirement, with below average labor force participation and above average net worth. Although located in predominantly metropolitan areas, they live outside the central cities, in smaller communities. Their lifestyle is more country than urban. They are generous, but not spendthrifts.

Socioeconomic Traits:

- Average household size: 2.30

- Median Household Income: $48,000

- Education: 64% have a high school diploma or some college.

- Unemployment is lower in this market at 7.4% (Index 86), but so is the labor force participation rate.

- Almost 42% of households are receiving Social Security; 28% also receive retirement income.

- Traditional, not trendy; opt for convenience and comfort, not cutting-edge. Technology has its uses, but the bells and whistles are a bother.

- Attentive to price, but not at the expense of quality, they prefer to buy American and natural products.

- Radio and newspapers are the media of choice (after television).

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Segment 6A: "Green Acres"

The *Green Acres* lifestyle features country living and self-reliance. They are avid do-it-yourselfers, maintaining and remodeling their homes, with all the necessary power tools to accomplish the jobs. Gardening, especially growing vegetables, is also a priority, again with the right tools, tillers, tractors, and riding mowers. Outdoor living also features a variety of sports: hunting and fishing, motorcycling, hiking and camping, and even golf. Self-described conservatives, residents of Green Acres remain pessimistic about the near future yet are heavily invested in it.

Socioeconomic Traits:

- Average household size: 2.69

- Median Household Income: $72,000

- Education: 60% are college educated.

- Unemployment is low at 6%; labor force participation rate is high at 67.4%.

- Income is derived not only from wages and salaries but also from self-employment (more than 15% of households), investments (30% of households), and increasingly, from retirement.

- They are cautious consumers with a focus on quality and durability.

- Comfortable with technology, more as a tool than a trend: banking or paying bills online is convenient; but the Internet is not viewed as entertainment.

- Economic outlook is professed as pessimistic, but consumers are comfortable with debt, primarily as home and auto loans, and investments.

Read More >>   http://downloads.esri.com/esri_content_doc/dbl/us/tapestry/segment21.pdf

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