



COMMERCIAL CORRIDOR STUDY

ROCHESTER, NEW YORK

2019



ACKNOWLEDGEMENTS

Commercial Corridor Project Study Team

Baye Muhammad, Commissioner of Neighborhood & Business Development

Dana Miller, Director of Development Services

Daisy Rivera Algarin, Director of Neighborhood Service Centers

Thaddeus Schofield, Director of Strategic Business Development

Anne Dasilva Tella, Manager of Project Development

Dorraine Kirkmire, Manager of Planning

Jason Haremza, Senior Planner/Urban Design Specialist

Elizabeth Murphy, Senior Community Planner

Eric Van Dusen, Senior Economic Development Specialist

Brad Willows, Office of Community Wealth Building

CONTENTS

Acknowledgements.....	i
Contents.....	ii
Introduction	1
Approach.....	2
Background	3
Metropolitan-level market conditions.....	13
Market Area Overview	13
Regional Sales Trends.....	22
Evolution of the retail and dining sector.....	25
Changing Consumers.....	25
Retail Industry Restructuring	26
Implications for Rochester	28
Theory of change.....	29
Typology	29
Baseline Conditions	30
Elevating Factors	31
Study Area Market Analyses.....	33
Methodology	33
Rochester’s Commercial Corridor Strategy.....	37
Commercial Development Topics	37
Recommended Programs and Resources.....	40
Implementation.....	45
Commercial District Analyses	50
East Main Street Corridor	53
Summary	54

East Main Street Corridor Market Analysis and Strategy.....	56
Fitting East Main Street Into the Theory of Change.....	56
The Corridor.....	58
Market Assessment.....	60
Business Opportunities	64
Recommendations.....	65
Genesee Street Corridor	67
Summary.....	68
Genesee Street Corridor Market Analysis and Strategy	70
Fitting Genesee Street Into the Theory of Change.....	70
The Corridor.....	72
Market Assessment.....	74
Business Opportunities	78
Recommendations.....	79
Hudson Avenue Corridor.....	83
Summary.....	84
Hudson Avenue Corridor Market Analysis and Strategy.....	86
Fitting Hudson Avenue Into the Theory of Change	86
The Corridor.....	87
Market Assessment.....	90
Business Opportunities	92
Recommendations.....	94
Lake Avenue Corridor	97
Summary.....	98
Lake Avenue Corridor Market Analysis and Strategy	99
Fitting Lake Avenue Into the Theory of Change.....	99

The Corridor	102
Market Assessment	104
Business Opportunities	108
Recommendations	109
Lyell Avenue Corridor	113
Summary	114
Lyell Avenue Corridor Market Analysis and Strategy	116
Fitting Lyell Avenue Into the Theory of Change	116
The Corridor	118
Market Assessment	120
Business Opportunities	124
Recommendations	125
North Clinton Avenue Corridor	129
Summary	130
North Clinton Avenue Corridor Market Analysis and Strategy	132
Fitting North Clinton Avenue Into the Theory of Change	132
The Corridor	134
Market Assessment	136
Business Opportunities	140
Recommendations	141
Thurston Road Corridor	145
Summary	146
Thurston Road Corridor Market Analysis and Strategy	148
Fitting Thurston Road Into the Theory of Change	148
The Corridor	149
Market Assessment	152

Business Opportunities	156
Recommendations	157
West Main Street Corridor	161
Summary.....	162
West Main Street Corridor Market Analysis and Strategy	164
Fitting West Main Street Into the Theory of Change.....	164
The Corridor.....	166
Market Assessment.....	169
Business Opportunities	172
Recommendations	173

INTRODUCTION

This study is intended to inform neighborhood revitalization and business development strategies in the City of Rochester. The information and analysis in this document will guide the City in adopting market-driven approaches that recognize trends, challenges, and opportunities within its CDBG-eligible commercial corridors and the city as a whole. Through its update to the Rochester 2034 Plan, the City will identify strategic investments and new initiatives responding to these conditions, resulting in vibrant commercial districts where businesses can thrive and the needs of area residents can be met.

This study was completed over several months from 2018 into early 2019. It examines changes that have occurred up to the present time and describes current trends within the commercial sectors. Predictions of future conditions are modeled on those past trends and informed by an analysis of the present market. Changes in the regional or broader economy, in the commercial sector, in the demographic patterns of neighborhoods, and other factors can easily lead to outcomes different from what has been anticipated. For that reason, the City should periodically review and update the analysis to ensure that it is acting on the most reliable information.

Rochester is a place better described by its opportunities than by perceptions of many of the people living or working there. True, more middle or upper income households have chosen to live in the suburbs and most of the sought-after chain stores have followed them to highway strips and malls. But despite pockets of poverty and disinvestment, Rochester retains assets that any community would envy. Its densely-populated walkable neighborhoods, the architecture of its commercial and residential buildings, an improving downtown, trendy neighborhoods, the Genesee River and its falls, cultural and entertainment venues, and other assets are resources that can be leveraged to bring vitality back to its commercial districts.



Many of Rochester’s neighborhood commercial districts have unique qualities or nearby attractions that can be leveraged to attract new retail, dining, and service businesses, improve the performance of existing businesses, encourage investment in commercial or mixed-use real estate, and improve the quality of the urban environment.

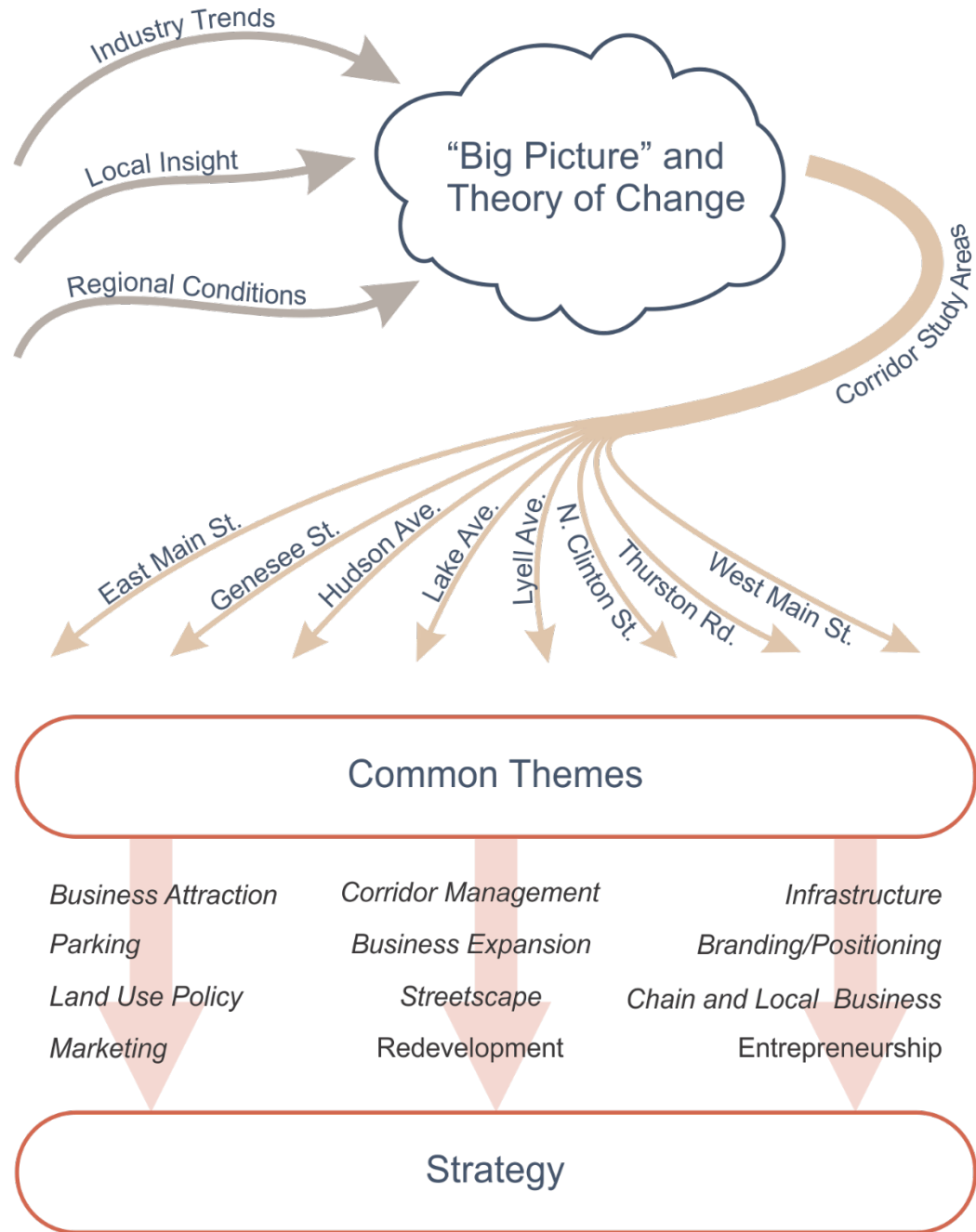
Physical constraints, demographics, and competitive forces will shape the opportunities available to the City and to the businesses and individuals who will invest in its neighborhoods. Built with an urban form, Rochester's pattern of small lots will not easily accommodate most chain stores and auto-oriented commercial strips. Instead, revitalization will occur through individual businesses and small local chains that compete by knowing and providing the merchandise and services desired by their neighbors, and offering an experience unique from chain stores and homogenous malls. The challenge for the City will be to create a conducive environment and align the necessary support for its entrepreneurs to thrive.

Approach

The team of Place Dynamics LLC and E.M. Pemrick & Company were retained to prepare the Commercial Corridor Study. Throughout the research and analysis, the consultant team collaborated closely with City staff and officials, and interacted with business owners, commercial property owners and brokers, and the general public to gather insight and feedback on findings and recommendations.

The analysis was completed in phases. The initial phase addressed broad issues of change and existing conditions in the commercial sector within Rochester and the region, along with trends in the retail, dining, and service industries locating in the region's commercial districts. These were related back to challenged and successful districts to develop a "theory of change" describing conditions that support healthy commercial districts and can be leveraged to spur revitalization.

The second phase of the study delved more deeply into a set of CDBG-eligible study areas (or districts) selected to learn greater detail about the issues and opportunities shaping them and their business communities. The analysis and recommendations from these corridors will provide models that the City can replicate in other parts of the community.



The final phase of the project brought together the theory of change and the observations from the eight study areas to recommend an overall program for the City to spur revitalization. This strategy combines elements of public infrastructure investment, real estate redevelopment, entrepreneurship and business development, and district management.

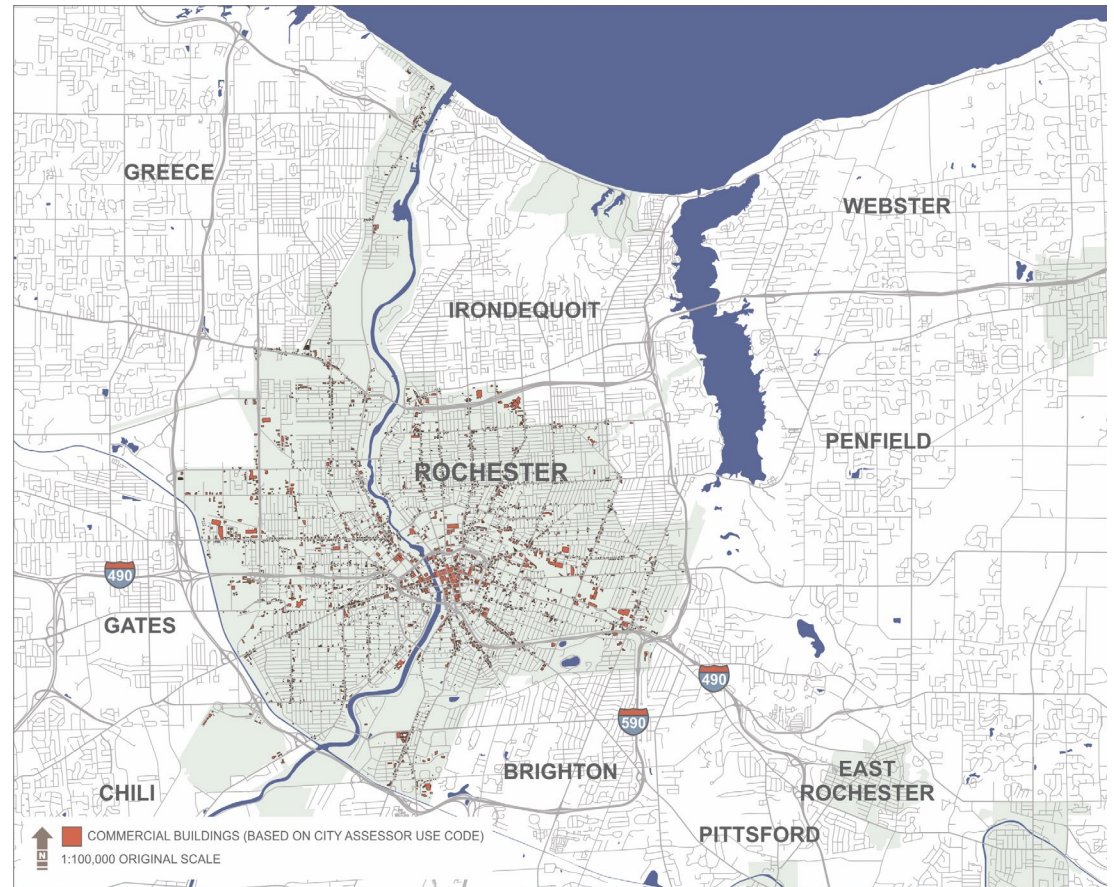
Background

Characteristics of the city and its population will have a bearing on its opportunities for commercial development. Urban patterns place limitations on the type of redevelopment that may be feasible, while population growth (or decline) and demographics influence spending. The City has addressed these and related issues of commercial development in the past, and already has adopted programs to spur commercial economic development. These topics are addressed in this chapter of the Commercial Corridor Study.

Setting and History

The City of Rochester is at the core of a metropolitan area, the Rochester MSA, comprised of six counties: Livingston, Monroe, Ontario, Orleans, Wayne, and Yates. With a population of 1.1 million, it is the third largest metropolitan area in New York State. The region has a diverse economy, driven by industry clusters such as health care, optics and photonics, life sciences, telecommunications, and higher education. The area is also home to a large number of colleges and universities, with 80,000 students enrolled. Student spending may be a growth opportunity for districts near campus.

Rochester is situated on the Genesee River along a series of falls that provided hydro power for its early industries. By 1838, Rochester was the largest flour-producing city in the United States. A new set of industries came to dominate the city as wheat production shifted further west. The city was a major manufacturer of clothing, and several industry-leading



Rochester and the surrounding region.

companies (Eastman Kodak, Bausch and Lomb, Western Union, and Xerox) got their start in Rochester. At one time these four companies employed about 60 percent of the city's workers. Although they now employ just a fraction of that number, they have spun off new technology companies that continue to be a source for research, development, and technology business growth in the region.

Having begun in the early 1800's and growing through the middle of the 20th Century, Rochester has a well-defined urban character. Transportation corridors radiate outward from downtown, only gradually adopting a more grid-like pattern toward the city's edge. Arterial routes tend to be dominated by commercial or mixed use buildings from the late 1800's to middle 1900's. Commercial lots are typically narrow and perhaps 150 feet deep, presenting size challenges for modern commercial buildings and site plans.

Surrounding neighborhoods contain a mix of single family and multifamily homes. In older parts of the city this can include some very large and attractive Victorian-era mansions along with more modest housing. The age, size, and materials used in construction of these homes can result in high maintenance costs, leading some to fall into decay. Towards the edges of the city and particularly to the north, homes tend to be smaller and of more recent vintage. Still, all parts of the city were developed with a relatively high household density and are very walkable, which should be an advantage in restoring the vitality of nearby commercial concentrations.

Population Change

Approximately 69 percent of the 1.1 million residents of the Rochester MSA live in Monroe County, which has a current (2018) population estimated at 756,700. Ontario County is the next largest county in the metropolitan area and the only other county with a population that exceeds 100,000. It has two small cities, Canandaigua and Geneva. The rest of the metro area is largely rural, made up of towns and villages with fewer than 15,000 residents.

Over the last several decades, the total population of the Rochester MSA increased at an average rate of 0.3 percent per year. This is triple the growth rate in Monroe County. Although Monroe County continues to account for the majority of the metropolitan area’s residents, other parts of the region are experiencing more rapid growth. Ontario County, for instance, added nearly 8,000 residents from 2000 to 2010.

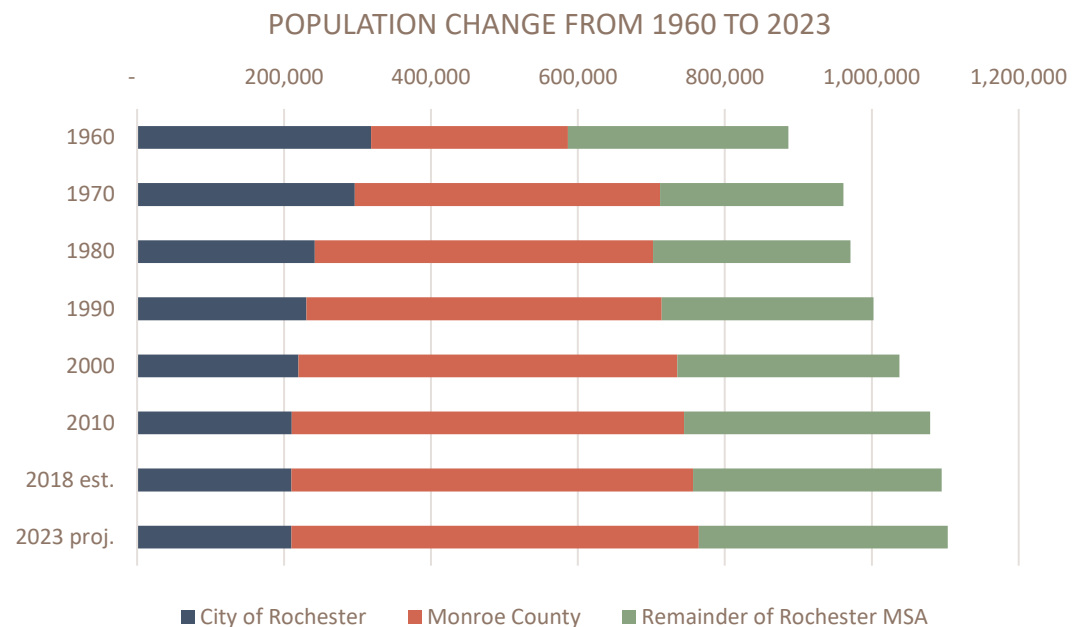
With 210,000 residents, the City of Rochester makes up about 19 percent of the metro area population, down from almost 31 percent in 1970. Between 1970 and 2010, the city lost more than 85,000 residents, 28.9 percent of its population, while suburban towns like Henrietta and Greece experienced growth. The shift in population from the city to the suburbs has had, and continues to have, a dramatic impact on the retail environment in Rochester.

Despite an increase in the number of people living downtown reported by Rochester Downtown Development Corporation, the city’s population is projected to grow only marginally (0.1 percent) by 2023. The projected growth rates are 1.0 percent for Monroe County and 0.7 percent for the Rochester MSA. These numbers suggest that most, if not all, of the growth in the region will continue to occur outside city limits.

Demographics

Rochester’s residents are younger and have smaller households than those in the broader region. They also have significantly lower median household income levels, and while their income is projected to increase, it will be at a slower rate than among metro area households.

The fastest rate of growth will be among householders aged 65 and over; this cohort is expected to increase by 12.7 percent. Declines are projected for all other householder age brackets in Rochester with the exception of the 35-44 category, which will increase by a modest 3.8 percent. Similar trends are anticipated in the Rochester MSA, which has a much larger share of middle-aged and older residents than the city. In fact, with people living longer and Baby Boomers entering their retirement years, the 65-and-over category is the fastest-growing age cohort in the U.S.





DEMOGRAPHIC CHARACTERISTICS

	City of Rochester	Rochester MSA
Total households	87,188	437,763
Average household size	2.29	2.41
Householders* by age		
Under 25 years	7.8%	4.1%
25 to 34 years	23.0%	14.7%
35 to 44 years	16.8%	14.8%
45 to 64 years	34.1%	38.8%
65 year and older	18.3%	27.6%
Median age	32.3	40.6
Median household income	\$31,813	\$56,468
2018-23 annual growth rate	0.08%	0.18%
2018-23 MHI annual growth rate	1.77%	2.21%

SOURCE: ESRI

* Householders = head of household

An aging population translates to less spending on retail goods. In contrast to people in their 20s and 30s who are forming households, purchasing a home, and raising children, people over age 65 spend less, on average, on furniture, décor, appliances, and other items. They may begin to downsize their household and make fewer purchases. They also tend to spend less on dining out and on discretionary goods such as apparel once they retire.

The City of Rochester is more racially diverse than the Rochester metro area overall. Roughly 42 percent of city residents identify as black alone and 40.9 percent as white alone. In the region, the majority of residents, 79.4 percent, identify as white alone. Individuals of Hispanic origin account for 19.5 percent of the city’s population, but only 7.7 percent of the region’s population. Half of all residents of Hispanic origin in the Rochester MSA reside in the city. This diversity can be leveraged to create unique shopping and dining experiences.

Market Segmentation

Market segmentation is a technique often used to classify consumers based on demographic and socioeconomic attributes, lifestyles, and spending behaviors. This information is used by some retail chains to understand their customers, develop effective marketing strategies, and identify future locations for growth. The practice is not without criticism, as it tends to make broad generalizations that are subject to misinterpretation. Nevertheless, it can provide insights into how retailers might see Rochester.

The largest market segments in the City of Rochester, as defined and described by the demographic data service, ESRI, are briefly described below. The seven segments account for about 79 percent of the households in the city. As might be expected, the segments are consistent with the demographic data; some are characterized as low- and moderate-income, reflecting high rates of poverty in Rochester, while others reflect the city’s racial and ethnic diversity.

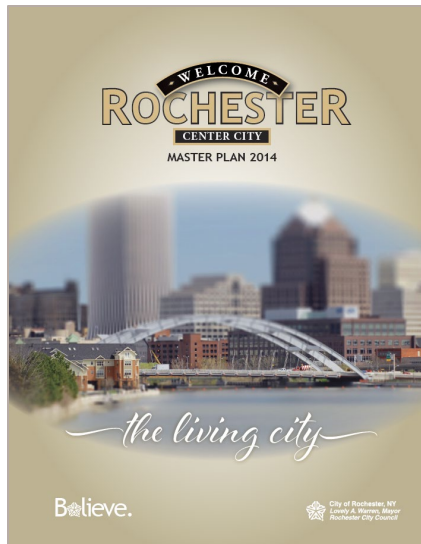
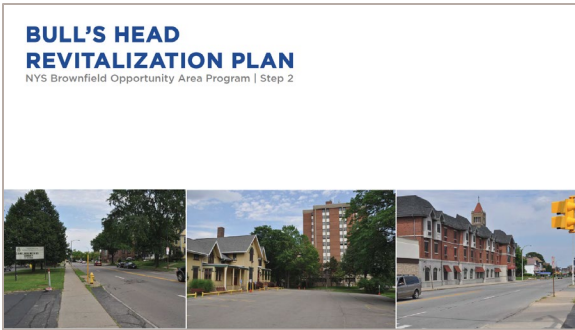
- **City Commons** (22.8 percent) - This segment is one of the youngest markets, primarily comprised of single-parent and single-person households living within large, metro cities. While more than a third have a college degree or spent some time in college, nearly a quarter have not finished high school, which has a profound effect on their economic circumstance. However, that has not dampened their aspiration to strive for the best for themselves and their children. *Selected spending behaviors:* Baby and children’s products and food are the primary purchases; try to keep up with the latest fashion trends; prefer the convenience of fast-food restaurants to cooking at home; shop primarily at discount department stores and warehouse clubs.
- **Traditional Living** (14.7 percent) - Residents in this segment live primarily in low-density, settled neighborhoods. The households are a mix of married-couple families and singles. Many families encompass two generations who have lived and worked in the community; their children are likely

to follow suit. The manufacturing, retail trade, and health care sectors are the primary sources of employment for these residents. This is a younger market – beginning householders who are juggling the responsibilities of living on their own or a new marriage, while retaining their youthful interests in style and fun. *Selected spending behaviors:* Cost-conscious and comfortable with brand loyalty, unless the price is too high; shop for groceries at discount stores; enjoy fast food.

- **Hardscrabble Road** (12.4 percent) - *Hardscrabble Road* neighborhoods are in urbanized areas within central cities, with older housing. This slightly smaller market is primarily a family market, married couples (with and without children) and single parents. Younger, highly diverse (with higher proportions of black, multiracial, and Hispanic populations), and less educated, they work mainly in service, manufacturing, and retail trade industries. Unemployment is high (almost twice the US rate), and median household income is half the US median. Almost 1 in 3 households have income below the poverty level. 60 percent of householders are renters, living primarily in single-family homes, with a higher proportion of dwellings in 2–4 unit buildings. This market is struggling to get by. *Selected spending behaviors:* Purchase sale items in bulk and buy generic over name brands; favor shopping at their local discount store and search for bargains on the Internet; tend to save money for a specific purpose.
- **Metro Renters** (8.9 percent) - Residents in this highly mobile and educated market live alone or with a roommate in older apartment buildings and condos located in the urban core of the city. This is one of the fastest growing segments; the popularity of urban life continues to increase for consumers in their late twenties and thirties. *Metro Renters* residents income is above the US average, but they spend a large portion of their wages on rent, clothes, and the latest technology. Computers and cell phones are

an integral part of everyday life and are used interchangeably for news, entertainment, shopping, and social media. *Metro Renters* residents live close to their jobs and usually walk or take a taxi to get around the city. *Selected spending behaviors:* Enjoy wine at bars and restaurants; prefer organic foods and environmentally safe products; value social status.

- **Social Security Set** (8.1 percent) - *Social Security Set* is an older market located in metropolitan cities across the country. One-fourth of householders here are aged 65 or older and dependent on low, fixed incomes, primarily Social Security. In the aftermath of the Great Recession, early retirement is now a dream for many approaching the retirement age; wages and salary income in this market are still earned. Residents live alone in low-rent, high-rise buildings, located in or close to business districts that attract heavy daytime traffic. But they enjoy the hustle and bustle of life in the heart of the city, with the added benefit of access to hospitals, community centers, and public transportation. *Selected spending behaviors:* Fixed incomes make them price-sensitive; prefer to have their meals at home; steer away from cell phones and computers.
- **Set to Impress** (6.5 percent) - *Set to Impress* is depicted by medium to large multiunit apartments with lower than average rents. These apartments are often nestled into neighborhoods with other businesses or single-family housing. Nearly one in three residents is 20 to 34 years old, and over half of the homes are single person and nonfamily households. Although many residents live alone, they preserve close connections with their family. Income levels are low; many work in food service while they are attending college. This group is always looking for a deal. They are very conscious of their image and seek to bolster their status with the latest fashion. *Set to Impress* residents are tapped into popular music and the local music scene. *Selected spending behaviors:* Always have an eye out for a sale and will stock up when the price is right; prefer name brands, but will buy generic when it is a better deal; eat quick meals on the run.
- **Fresh Ambitions** (5.3 percent) - These young families, many of whom are recent immigrants, focus their life and work around their children. *Fresh Ambitions* residents are not highly educated, but many have overcome the language barrier and earned a high school diploma. They work overtime in service, in skilled and unskilled occupations, and spend what little they can save on their children. Multigenerational families and close ties to their culture support many families living in poverty; income is often supplemented with public assistance and Social Security. Residents spend more than one-third of their income on rent, though they can only afford to live in older row houses or multiunit buildings. They budget wisely not only to make ends meet but also to save for a trip back home. *Selected spending behaviors:* Price-conscious consumers except when it comes to their children; wire money back home when their budget allows.



Prior Planning and Analysis

The City of Rochester has undertaken a number of planning initiatives that have relevance to this Commercial Corridor Strategy. These are summarized here.

- ***Bull's Head Brownfield Opportunity Area (BOA)***

Bull's Head is an area in the southwest quadrant that has been the subject of a revitalization plan funded through the New York State's Brownfield Opportunity Areas (BOA) Program. Centered at the intersection of West Avenue, Chili Avenue, West Main Street and Genesee Street, Bull's Head is characterized by a concentration of underutilized and environmentally challenged properties, low property values, and overall disinvestment.

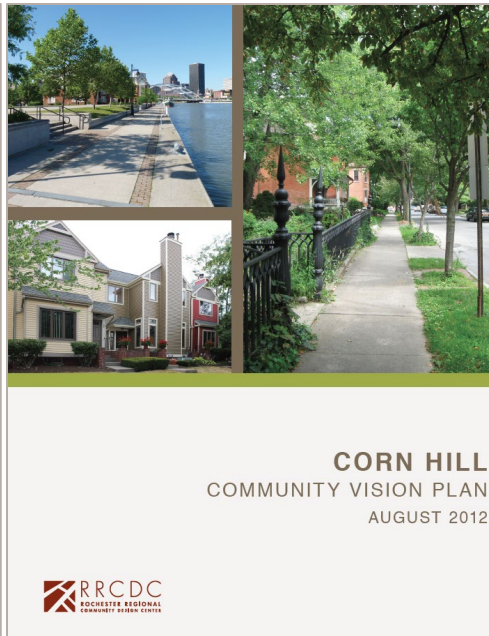
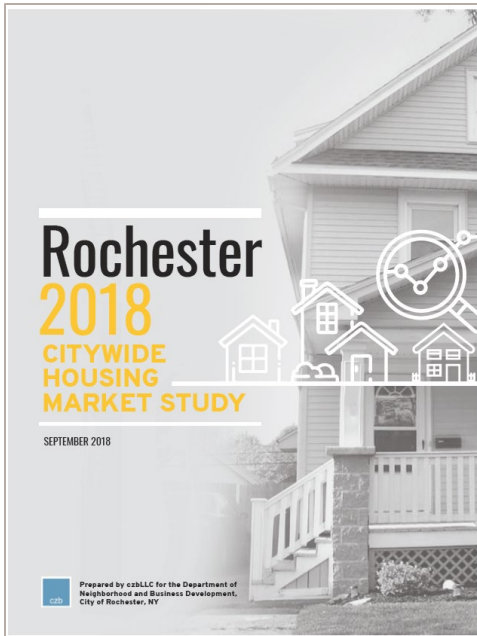
In 2009, as the first step in a process to assess neighborhood conditions, identify redevelopment opportunities, and attract new investment, the City of Rochester established study area boundaries, commenced a public planning process and drafted a preliminary vision for Bull's Head. A consultant team was hired in 2015 to create a revitalization plan to reposition Bull's Head as a vital community with enhanced job/business opportunities, quality housing and improved public amenities. Continued public engagement was a key component of this process, which also included a detailed analysis of existing conditions and opportunities. The BOA Nomination Study and Revitalization Plan is expected to be finalized this year.

- ***Brown's Square Circulation, Accessibility, and Parking Study (2010)***

Funded in part by the Federal Highway Administration, this study was prepared to develop feasible transportation planning and design concepts to improve circulation, accessibility, and parking for motorists, pedestrians, and bicyclists. Bounded by Lyell Avenue and White Street to the north, I-490 to the south, the Genesee River to the east, and Orchard Street to the west, the study area included the historic High Falls neighborhood and two major sports stadiums. Recommendations were designed to enhance the pedestrian experience, better integrate parking facilities with the neighborhood, and provide a sense of arrival to Brown's Square.

- ***Center City Master Plan (2014)***

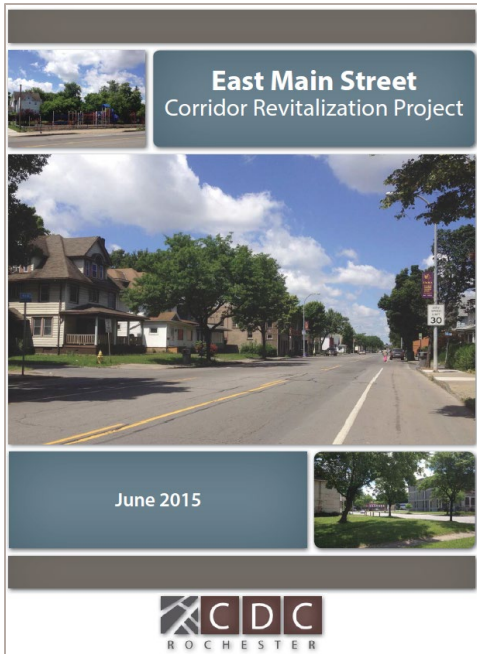
An update of a similar plan prepared in 2003, the Center City Master Plan is intended as a strategic document to assist the City of Rochester in prioritizing projects, measuring progress, and securing public and private funding to help implement its priorities. At the core of the plan is the concept that Downtown Rochester is a place for living, working, and visiting. The document acknowledges the nearly two dozen plans prepared by the City of Rochester, its consultants, and other government entities for various downtown projects since 2009, and refers in its actions to several additional studies, plans, and policy documents. The plan is organized around seven leverage points –



public spaces, engagement, heritage, mobility and transportation, places and neighborhoods, arts and culture, and connecting – and more than 80 specific actions.

- **Citywide Housing Market Study (2018)**

The 2018 Citywide Housing Study analyzed demographic, housing, and economic data at the block group level, most of them home to 600 to 3,000 residents. This data led to definition of a typology informing housing and neighborhood strategies. There are four components to the typology: terms of sale, market strength, bank foreclosures, and property distress. Based on their ratings in these four areas, block groups were placed into one of seven categories representing higher to lower demand. At the upper end of the scale, most areas have a positive outlook with continued private investment. At the middle of the scale, block groups might be expected to tip in either a positive or negative direction based on their health and proximity to amenities. At the lower end of the scale there is the potential for stabilization and repositioning of areas where amenities are present. Proximity to retail and services is one such amenity.



- **Corn Hill Vision Plan (2012)**

This vision plan for the Corn Hill neighborhood was largely based on a community design charrette held in 2011 that attracted more than 75 residents and stakeholders. It is intended as a resource for residents, businesses, neighborhood organizations, potential investors, and others interested in developing or improving properties in Corn Hill. Among the guiding principles of the plan are to make the neighborhood more attractive to visitors, residents, and business owners; enhance the pedestrian experience; and protect, improve, and utilize the river. The plan also calls for promoting existing businesses, addressing obstacles to economic growth, identifying businesses that meet community needs, and creating partnerships to develop initiatives that will attract new businesses.

- **East Main Street Corridor Revitalization Project (2015)**

This document provides a conceptual plan for the revitalization of the East Main Street corridor between North Goodman Street and Culver Road. Building on work previously completed, it identifies opportunities to improve and enhance the corridor, recommends changes to reconnect adjacent neighborhoods, and serves as a roadmap for future development. Maps are used to illustrate current conditions along the East Main Street corridor and the surrounding neighborhood.

EAST MAIN ARTS & MARKET INITIATIVE



NOVEMBER 2015



FOCUSED INVESTMENT FOR MAXIMUM IMPACT

An Evaluation of the Focused Investment Strategy (FIS)
Neighborhood Revitalization Program

June 27, 2016

Prepared for:
City of Rochester
Department of Neighborhood and Business Development

Prepared by:
INTERFACE STUDIO LLC
Real Estate Strategies, Inc. / RES Advisors



■ **East Main Arts & Market Initiative (2015)**

This multi-disciplinary study seeks to improve connectivity in several neighborhoods east of Rochester's Center City, providing opportunities for these areas to realize their potential as places to live, work, and visit. Spanning the EMMA, Neighborhood of the Arts, Marketview Heights, and Beechwood neighborhoods, the study area has numerous arts and cultural venues and creative production spaces, local businesses, and the Rochester Public Market. The project addresses multi-modal circulation, access, and parking; streetscapes; community branding; and land use. Recommendations build off of the neighborhoods' existing strengths and are designed to be complementary.

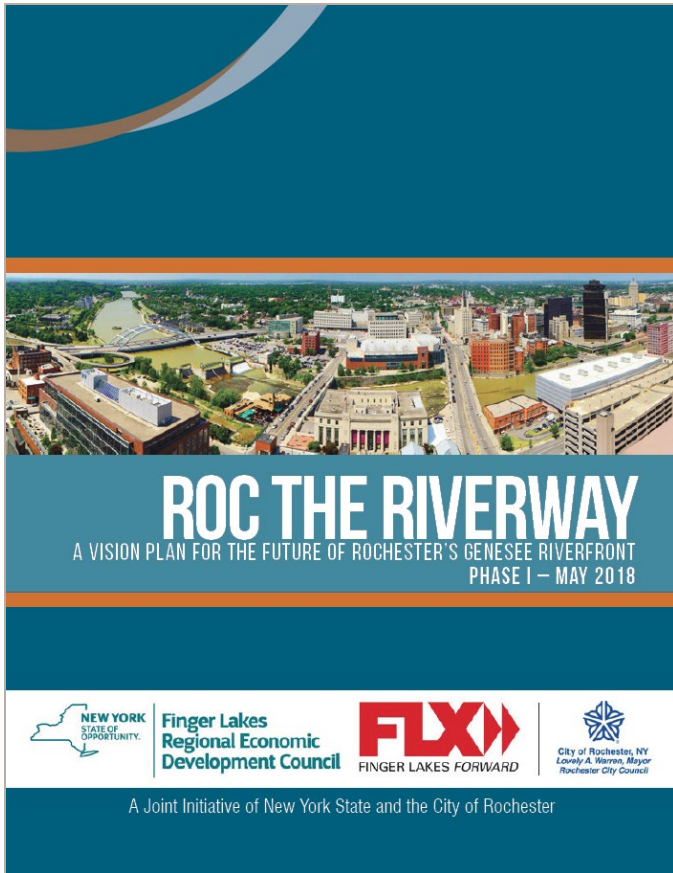
Development recommendations include creating new hubs for commercial and mixed-use development and supporting local housing initiatives. North Goodman Street is envisioned as a mixed-use and walkable retail corridor, with enhanced streetscapes and public spaces. The plan also recommends that consideration be given to downzoning sections of East Main Street to encourage walkable development.

■ **Focused Investment Strategy Areas**

As part of a policy decision in 2008 to target its scarce CDBG resources geographically, the City of Rochester undertook a Focused Investment Strategy (FIS) neighborhood revitalization program over seven years that represented a major shift in its approach to community development. Under the FIS program, 20 percent of the City's annual CDBG allocation was distributed to four neighborhoods, one in each quadrant of the city: Marketview Heights, in the Northeast Quadrant; Beechwood, in the Southeast; Dewey Driving Park, in the Northwest; and Jefferson, in the Southwest Quadrant. The federal funds were nearly matched 100 percent by local dollars. The financial investment in each FIS area was complemented by a new emphasis on interdepartmental coordination and a commitment to neighborhood engagement, with participation from multiple city agencies as well as community partners. The approach also emphasized physical improvements as a catalyst for positive change in each neighborhood.

■ **Focused Investment Strategy Common Themes, Strategic Implications, Best Practices (2009)**

This document discusses the opportunities and challenges common to the four Focused Investment Strategy (FIS) Areas selected by the City of Rochester, identifying relevant best practices. One of the priority issues cited in the report is the need to bolster commercial centers in the City's neighborhoods. Population declines and economic challenges have impacted not only the housing sector, but also neighborhood commercial nodes. "The reality," the report states, "is that Rochester is not likely to be able to support the square footage of commercial development it has in the past, so hard choices are necessary."



Best practices recommended for local implementation include the National Trust for Historic Preservation’s four-pronged Main Street approach; microbusiness lending programs that also provide technical assistance; and better defining where commercial nodes should be supported, taking into consideration alternative strategies such as increasing transportation linkages to other, more viable commercial areas.

- ***Focused Investment for Maximum Impact: An Evaluation of the Focused Investment Strategy Neighborhood Revitalization Program (2016)***

Upon the completion of the FIS program, the City commissioned this independent evaluation. The study provides an overview of program spending and community development activity, highlights key accomplishments in each FIS area, and assesses the extent to which the targeted investments met program goals. Ultimately, the consultants conclude, “FIS... made visible, tangible changes in the neighborhood fabric – if not on every property in each FIS Area.”

The study offers recommendations for sustained neighborhood revitalization, noting that the City should continue its commitment to the four FIS Areas, while building on lessons learned to select no more than two new areas for focused investment.

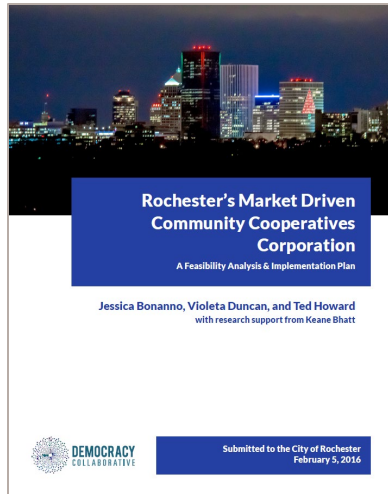
- ***ROC the Riverway (2018)***

ROC the Riverway is a plan to revitalize Rochester’s underutilized Genesee Riverfront. Acknowledging past accomplishments – including the creation of the Genesee River Trail (GRT), improved public access to the river, investments in the High Falls district, and redevelopment projects like Brooks Landing – the plan outlines the key projects necessary to launch the waterfront’s resurgence.

Among the primary objectives of the plan are to create dynamic public spaces, provide accessible pedestrian and bicycle connections on both sides of the river, and spur private investment and job growth. Proposed projects include park improvements, new parks and public spaces, trail upgrades, new trail connections, infrastructure improvements, and public facility upgrades. The plan also recognizes that multiple sites in the focus area have the opportunity to support private mixed-use development projects that enhance the riverfront experience and attract residents, tenants, and customers.

The focus area for the plan is comprised of three sub-areas: High Falls, Downtown, and South River. Downtown is the centerpiece of the initiative. An important objective here is to establish a more active urban center by creating new opportunities for riverside retail, restaurants, and entertainment establishments. In High Falls, the plan calls for the development of a recreation and outdoor adventure destination, capitalizing on views of the waterfall and gorge, as well as private mixed-use development on vacant and underutilized lands nearby.

Earlier this year, Governor Andrew Cuomo announced an initial commitment of \$50 million to implement the first phase of this vision.



- **Rochester's Market-Driven Community Cooperatives Corporation: A Feasibility Analysis & Implementation Plan (2016)**

This study evaluates the feasibility of developing a network of for-profit, employee-owned businesses as an economic development strategy in high-poverty neighborhoods of the city, and provides a strategy for implementation. Based on both primary and secondary research, the study concludes that cooperative business development is likely to succeed as a tool for job creation and community wealth-building in Rochester. The authors of the report recommend the establishment of a non-profit corporation, led by experienced, professional management, to develop, promote, and support a diverse portfolio of worker-owned businesses.

An appendix to the study offers a list of business ideas suggested by interview subjects. A second appendix provides a detailed overview of worker cooperatives. It includes a table showing the breakdown of U.S. worker cooperatives by sector, which indicates that 23% are in retail.

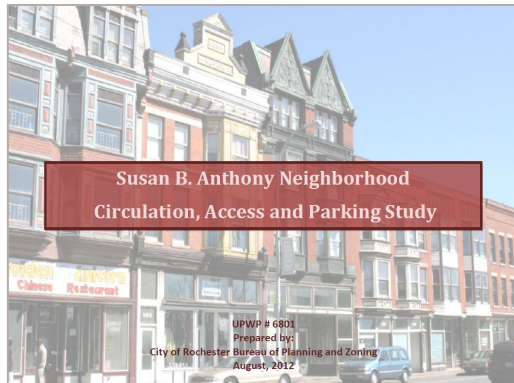
- **Susan B. Anthony Circulation, Accessibility, and Parking Study (2012)**

Funded in part by the Federal Highway Administration, this study examines pedestrian and vehicular circulation, access, and parking patterns and issues in the Susan B. Anthony Neighborhood, an historically significant residential area located just west of downtown Rochester. At the time, the Susan B. Anthony House was planning an expansion, and several residential developments were proposed in the neighborhood. The study includes recommendations for circulation, access, parking, public transportation, and signage.

- **Transit Supportive Corridors Study (2018)**

The City of Rochester has identified twelve corridors in which it seeks to promote transit-supportive development patterns. These are corridors in which there will be frequent bus service along with other transportation improvements to create multi-modal travel options. These corridors will support medium to higher density development and a mix of land uses. They are intended to be pedestrian-friendly, active, and vibrant. Seven of the eight corridors examined in this study are among those identified in the plan, including Lake Avenue, Lyell Avenue, Genesee Street, West Main Street, Hudson Avenue, East Main Street, and North Clinton Avenue. Only Thurston Road is not included.

Corridors were defined using criteria including average daily traffic, employment totals, population density, households without cars, means to work, bicycle and pedestrian infrastructure, building and land use, vacant land, average peak transit headway, mixed-use centers, and zoning. Priority corridors included East and West Main Street and Lake Avenue, while Genesee Street was seen to have low to moderate potential.



City Commercial Development Programs

The City of Rochester has already established several programs to support businesses in its commercial corridors. The City's loan and grant programs can consider uses that support business operations including furniture, fixtures, equipment, signage and working capital, as well as commercial property acquisition and renovation projects for business expansion. Projects need to demonstrate a public benefit, including job retention and creation. City business resources will not generally consider structural building improvement to commercial property, such as roofs, HVAC or other mechanical systems, and similar improvements. The Commercial Exterior Improvement Grant can consider façade improvement to qualified commercial buildings including doors, windows, lighting, siding, painting and landscaping.

Existing programs offered by the City include the following.

- REDCO Revolving Loan Fund – Rochester Economic Development Corporation gives grants and loans to businesses based on job creation, for uses such as furniture and fixtures, equipment, working capital, real estate acquisition, and construction or renovation.
- Philip J. Banks REDCO Small Business Assistance Program – Rochester Economic Development Corporation gives grants or loans up to \$50,000 for the cost of building renovations, additions, furniture and fixtures, equipment, and working capital.
- Small Business Matching Grant Programs – Essential neighborhood services are a focus of the grant program. The City of Rochester will match funding with a grant, up to \$8,000 in total for existing businesses, or \$5,000 for startups, for the following activities:
 - Advertising, architectural or engineering services, or technology (\$5,000 maximum)
 - Business signage (\$1,000 maximum)

- Security – alarms, cameras, lighting, or fencing (\$2,000 maximum)
- Furniture, fixtures, and equipment (\$2,000 maximum)
- Commercial Exterior Improvement Grant – The City of Rochester provides grants up to \$30,000 for façade improvements in targeted areas.
- Business Development Financial Assistance – The City of Rochester provides low interest loans for equipment, building renovations, and working capital.
- Rochester Public Market – The Public Market has a program to bring startup businesses into the market, where they can find an inexpensive space in which to start.
- KIVA – KIVA Rochester is a crowd-funded online loan platform where community members can contribute funding to loans offered to small businesses.

Other Commercial Development Programs

Several other organizations provide support for commercial business development within Rochester and the surrounding area. The following are among the more significant sources of assistance.

- Pathstone Enterprise Center administers a revolving loan fund and the Second Look program, which seeks to assist businesses who have been turned down for commercial loans.
- Volunteer Legal Services Project of Monroe County offers the Micro-Entrepreneur Pro Bono Project, providing free legal services to startup businesses.
- SCORE – The Service Corps of Retired Executives provides counseling and technical advice to small and startup businesses.
- Urban League Business Development Services – The Urban League offers classroom and one-on-one technical assistance for entrepreneurs looking to start or expand a business.
- RIT Center for Urban Entrepreneurship – The Center offers capacity-building programs for entrepreneurs and existing businesses.
- OWN Rochester – This organization promotes cooperative businesses as a solution to business development in the community, with local ownership and involvement.
- SBDC – The Small Business Development Center provides training and technical services to businesses in the region.
- Commissary Downtown Kitchen Incubator – The incubator has shared production facilities for food businesses, and may be part of a broader strategy to incubate restaurant businesses; and develop fresh or packaged products that can be sold through local businesses.

METROPOLITAN-LEVEL MARKET CONDITIONS

This chapter examines change and ongoing trends within the metropolitan market, and especially within the City of Rochester. It provides a “big picture” view of what is happening in the region’s commercial sector and how that is likely to affect Rochester. Shifts in population and employment, new or transitioning commercial areas, the patterns of competition, and other conditions may affect overall market potential and where people shop, or how they spend.

Market Area Overview

The City of Rochester is a small part of a large geographic area that makes up the Rochester Metropolitan Statistical Area (MSA). The city is the heart of the region, with most of its larger civic, educational, and cultural institutions, the primary city center, and a large share of the region’s employment is located within the city (19 percent of the population versus 29 percent of the jobs in the MSA).

What Rochester lacks is the retail base. This was not always the case. Even after World War Two the City was still the region’s retail center, when department stores and shops lined main thoroughfares and a greater part of the region’s population still lived within the city. Rising automobile usage, suburban growth, and the difficulty of adapting new models of retailing to a 19th Century urban pattern led to a shift of retailing to outlying locations.

Most of Rochester’s commercial corridors now serve a neighborhood-level function, which industry professionals usually define by anchor uses such as grocery stores, hardware stores, and pharmacies, with a mix of smaller shops and restaurants. A community-serving district is typically anchored by discount department stores or supercenters, and there is one such area bordering Irondequoit in the northeast quadrant of the city.

The city does contain a handful of districts that serve a specialty or destination market. These draw regionally for their mix of unique shops, dining, and entertainment. They include Lake Avenue in the Charlotte Neighborhood, the Neighborhood of the Arts, The South Wedge, Monroe Avenue, Park Avenue, and downtown. Most of these are located in the southeastern quadrant of the city.

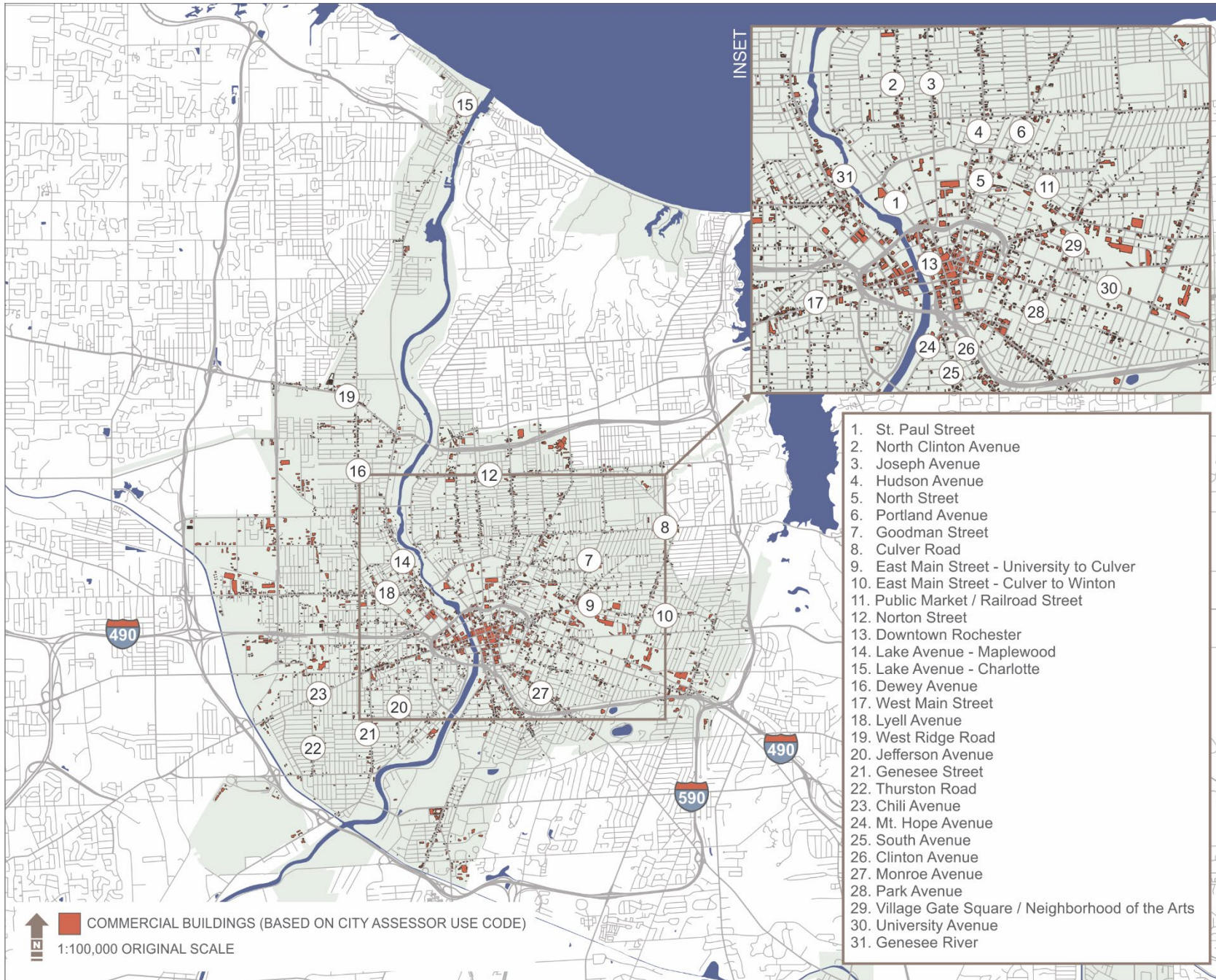
General Market Conditions

According to the real estate firm CBRE, which produces an annual real estate market outlook for the Rochester metro area, the regional retail market consists of 22.2 million square feet of space. As of the end of 2017, the metro area had a retail vacancy rate of 8.6%, a decline of more than 3% from the previous year and the lowest rate of vacancy in this market in a decade. The decreased retail vacancy rate is attributed in part to the removal of a 918,000-square foot vacant shopping mall from the retail inventory. The Medley Centre in Irondequoit has been closed since 2007, and it has been announced that the property will be converted to a mixed-use campus containing office and warehouse space, senior housing, and a community center.

CBRE reports that activity in the region’s retail market is currently focused on existing product – i.e., filling vacancies at existing retail centers – with a limited number of new retail developments on the horizon. The Southeast Submarket, which includes communities like Victor, Perinton, and Canandaigua, is cited as one location where retail development is taking place.

Outside the City of Rochester, many of the retail concentrations in the Rochester metro area lie along major commercial corridors, including Jefferson Road (Route 252) in Henrietta, West Ridge Road (Route 104) in Greece, East Ridge Road in Irondequoit, Monroe Avenue (Route 31) in Pittsford, and Pittsford-Victor Road (Route 96) in Victor. Eastern Boulevard in Canandaigua, Ontario County, has also developed as a commercial corridor.

In addition to the larger retail centers, the region has a number of traditional downtown business districts in places like Fairport, Brockport, Geneva, and Canandaigua with opportunities for shopping and dining, though they tend to have a relatively limited selection of stores and products. Livingston County has in the past operated a downtown revitalization program aimed at creating and expanding small businesses and filling vacant space in its historic village centers. Some communities have found a niche catering to visitors from outside the region. For example, downtown Geneva has been able to capitalize on tourism associated with Seneca Lake and the Finger Lakes wineries, while a lot of the commercial activity in the small village of Fairport revolves around its Erie Canal waterfront.



Rochester's Commercial Corridors

Many of the arterial streets in Rochester are lined with commercial or mixed use buildings. The vitality of those corridors varies widely, with some appearing to support strong businesses and a great deal of activity, while others have a large number of vacant buildings or uses that appear to struggle. The following is not an exhaustive list, but a short overview of these corridors.

1. **St. Paul Street** – The corridor begins at East Main Street and continues north to the city limits, running parallel to the Genesee River. Pockets of commercial businesses are interspersed with residential and industrial uses all along its length. There has been some redevelopment in the downtown, extending as far north as the Genesee Brewhouse at Cataract Street. Further north, there is enormous potential to transform the corridor to a mixed use district that embraces the river and its gorge. This can be accomplished through both new construction and repurposing buildings like the vacant Kodak Hawkeye plant. The corridor presents a unique opportunity to bring middle and upper income households back into Rochester and to develop clusters of commercial uses serving the new neighborhood and visitors to the river parks.
2. **North Clinton Avenue** – This corridor begins at Upper Falls Boulevard and continues north to Norton Street. Anchors in the district include a Tops Market in the Upper Falls Shopping Plaza, a Family Dollar, Rite Aid, and Advance Auto Parts. The surrounding neighborhood has a significant Latino concentration. La Marketa, a concept for a Hispanic marketplace, was proposed decades ago, but has not yet been developed. There is abundant street activity, but there are conditions that challenge its ability to become a destination shopping area. The El Pilon restaurant was started by an entrepreneur from the neighborhood and is well regarded.
3. **Joseph Avenue** – The corridor runs from Upper Falls Boulevard north to Norton Street. The intersection of Joseph Avenue and Clifford Avenue was the site of race riots in the 1960's. Despite having a high population density it remains challenged with poverty, unemployment, and crime. The corridor is dominated by "mom and pop" shops, corner stores, storefront churches, and check cashing businesses. There are many vacant lots scattered throughout its length. Vacant residential lots are also found throughout the surrounding neighborhood. A 2013 plan for the corridor mostly focuses actions on physical or design issues, such as redevelopment and improving bicycle and pedestrian safety.
4. **Hudson Avenue** – The corridor stretches from the Inner Loop north to Highway 104. Although transitioning to a Hispanic neighborhood, the northern end of the corridor retains a few vestiges of its Polish Heritage in St. Stanislaus Kostka Church and Dybowski Authentic Polish Market. While relatively stable at the north end, neighborhood conditions weaken to the south, where there are vacant lots where homes or commercial buildings once stood. Many of the businesses scattered along the corridor are Hispanic or Middle Eastern.
5. **North Street** – North Street begins at the Inner Loop and continues north to Norton Street, where the street ends. At its south end it has an industrial character, while a majority of the corridor further north is lined with residential buildings and frequent empty lots. Commercial uses are found in nodes around larger intersections.
6. **Portland Avenue** – Portland Avenue branches off from North Street at Nash Street, running north to the city limits. Although this corridor is anchored on the north by Rochester General Hospital, Rochester's second-largest employer, its employees and visitors travel north to businesses on Ridge Road in Irondequoit. There are many vacant lots on the southern portion of the corridor, along with a mix of industrial, residential, and commercial uses. Anchors include Family Dollar and Rite Aid, and a CVS closer to the hospital, where there are also some medical offices. Some new housing has been constructed in the area.
7. **Goodman Street** – Goodman Street is one of the main commercial corridors on the east side of Rochester. This corridor begins at East Main Street and extends north to Norton Street. Commercial uses are found in a small number of nodes, the most important of which is at Central Park, where an auto-oriented plaza contains Save-A-Lot, Family Dollar, and a freestanding Rite Aid. Most of the other businesses in the center, and along the remainder of the corridor, are independently-owned.
8. **Culver Road** – The commercial corridor begins south of East Main Street and largely ends at Bay Street, although there is a small collection of businesses at the intersection with Clifford Street. The Bay Street intersection does have several restaurants and a Rite Aid, while convenience



Top: The Genesee Brewhouse on St. Paul Avenue. Middle: El Pilon on North Clinton Avenue. Bottom: Village Gate Square in the Neighborhood of the Arts.

goods and services are located further south. There is a Dollar Tree and McDonald's at the Main Street intersection.

9. **East Main Street / University to Culver** – East Main Street is the primary arterial exiting downtown to the east side of the city. This is reflected in types of businesses having a greater draw than those found on many of the other corridors, such as fast food restaurants and banks. There is also redevelopment occurring in the corridor in sites like the Hungerford Building and the Fedder Building. The north side of the street, from Goodman Street to the RTS building, has a large number of vacant lots and presents an opportunity for redevelopment.
10. **East Main / Culver to Winton** – The quality of commercial activity on East Main Street improves considerably east of Culver Avenue. Sections of the corridor from Ohio Street to Minnesota Street, and again at Winton Road, have an attractive “Main Street” character with restaurants, shops, and service businesses. This continues a couple blocks either direction on Winton Road.
11. **Public Market / Railroad Street** – The Public Market is a significant regional destination, open on Tuesdays, Thursdays, and Saturdays. It draws people to other businesses in the area, particularly Railroad Street which is attracting restaurants, a brewery, and artists. Similar markets in other cities are open daily, and can act as incubator spaces to grown new businesses that will move into regular commercial space. The success of Railroad Street is seen as closely tied to that of the market. Some concerns were expressed about gentrification and residents of the neighborhood who do not patronize the market, or businesses on Railroad Street. Most of the restaurants and bars are only open during the evening hours, so there is little daytime activity.
12. **Norton Street** – The Norton Street corridor begins at St. Paul Avenue and continues east to the city limits. Commercial uses are mostly found at the major intersections. Rite Aid and CVS are the most important of these, while the others are primarily independent retail and service businesses. Residential areas separate the several commercial nodes.
13. **Downtown Rochester** – Downtown Rochester, defined here as the area within the CCD Center City zoning district, is making a clear comeback. About 3,000 residential units, including apartments and condominiums, have been added in the downtown between 2000 and 2018, with the Rochester Downtown Development Corporation reporting another 4,000 in the pipeline. As an employment center, though, downtown has lost about 5,000 jobs, from 37,424 in 2005 to 32,379 in 2015. Some portion of the unused office space has been converted to new residences. Downtown is a regional draw for civic, cultural, and entertainment purposes. It has considerable assets including its impressive architecture and the Genesee River and High Falls. Several redevelopment opportunities exist including Parcel 5, which is the former Midtown Plaza site.

14. **Lake Avenue / Downtown to West Ridge** – At its northern end, Lake Avenue has a character different from that in the Brown Square, Edgerton, and Maplewood neighborhoods. In these areas there are a mix of small and large traditional commercial or mixed use buildings, along with more recent auto-oriented development, particularly to the north. Chain businesses like Parts Plus, Aldi, Popeye's, Wendy's, McDonald's, Rent-A-Center, and Dunkin' Donuts are found on these sites in the Edgerton Neighborhood. This may be the largest concentration of chain retail and dining in the city. At the end of 2018 Tops closed its grocery store in the corridor. North of West Ridge Road there is a large break in which Kodak's facilities, cemeteries, and housing line the street.

15. **Lake Avenue / West Ridge to Ontario Beach** – Commercial uses line Lake Avenue north of Pattonwood Drive in the Charlotte Neighborhood, and there is a particularly attractive cluster of these in the vicinity of Ontario Beach Park. Marinas and the park are attractions that draw visitors as well as residents to the area, helping it to support several bars and restaurants. Undeveloped land along the waterfront, along with infill sites on Lake Avenue, present good redevelopment prospects for both commercial and residential uses.

16. **Dewey Avenue** – Dewey Avenue begins at Lyell Avenue and continues north until it passes out of the city at Eastland Road. Commercial uses are interspersed with residential along the entire length, with the intersections at West Ridge Road, Ridgeway Avenue, Driving Park Avenue, and Emerson Street having the greatest concentrations. North of the city, a Walmart Supercenter is located on Dewey Avenue at Denise Road. A Price Rite grocery store and US Post Office at Driving Park Avenue are the principle anchors within the city. Surrounding neighborhoods at the south end of the corridor show signs of disinvestment, while conditions improve to the north.



Unique restaurants and specialty food stores will often draw customers from beyond adjacent neighborhoods, and can play an important role in revitalizing corridors such as North Clinton Avenue.

17. **West Main Street** – West Main Street is the primary corridor west from downtown Rochester. It begins at the Broad Street / Ford Street intersection and proceeds west to West Street / Chili Avenue. The former railroad depot (now Nick Tahou Hots) is a dramatic starting point for the corridor, and there are several other new or historic buildings in the area that establish the beginnings of a cohesive, walkable commercial strip. The nearby Susan B. Anthony Museum and House could help to draw visitor traffic to the area, and there has been discussion of the need for a visitor center which might be located on Main Street. To the north, the potential to adapt classic multi-storied industrial buildings for housing would help to stabilize the neighborhood and attract a greater number of middle-income households to the area.

Mixed commercial and residential uses line the remainder of the corridor to its western end. An area on both sides of Main Street and West Avenue, from Jefferson Avenue west to Thorndale Terrace, has been designated as the Bull's Head Brownfield Opportunity Area. The focus of the City's planning, acquisition, and redevelopment efforts is a subarea lying mostly north of Main Street and West Avenue, from Essex Street to Colvin Street, and parcels to the south of Main Street bounded by Churchlea Place, Clifton Street, and Genesee Street.

18. **Lyell Avenue** – The Lyell Avenue commercial corridor begins at the State Street / Lake Avenue / Smith Street intersection. To the east, Smith Street passes over the Genesee River, resulting in significant traffic in the area. The first two blocks of Smith Street, west of Lake Street, might be considered as part of the Lyell Avenue corridor. Commercial and light industrial uses dominate the corridor until it passes out of the city where it crosses the Erie Canal. Chain businesses like Tim Horton's, McDonald's, Family Dollar, Dunkin Donuts, Burger King, Advance Auto Parts, Rite Aid, and a handful of banks anchor the district.

There is a current attempt to brand Lyell Avenue as "Little Italy". This draws on the district's roots, although there are no longer many ethnic Italian businesses, though there are many from Asian, Hispanic, and other ethnic communities. Collaboration among business and property owners to revitalize the corridor is a positive sign, and these efforts should be encouraged to address the diversity of cultures represented in the corridor and adjacent neighborhoods.

Its reputation may be the greatest challenge for the corridor, which is perceived to have a high rate of criminal activity including drug use and prostitution. Adult businesses have located on Lyell Avenue that reinforce the negative image. Adjacent neighborhoods have many vacant lots or boarded-up homes, although new housing is

being introduced a few blocks south at Orchard Street and Smith Street. Large lots, many of them vacant or covered in parking for adjacent industrial buildings, may offer an opportunity for auto-oriented commercial development (provided there is a sufficient demand).

19. **West Ridge Road** – This corridor extends from Lake Avenue to Mt. Read Boulevard, near Kodak Center. The strongest retail center in the western part of the metropolitan area, including The Mall at Greece Ridge, is located a short distance to the west. Because of heavy traffic from the mall, Kodak, and the fact that it is a major arterial connecting Irondequoit and Greece, the road was widened to six lanes for much of its length. This removed parking and caused speeds to increase, negatively impacting the more traditional business district at Dewey Avenue in Rochester.
20. **Jefferson Avenue** – Commercial uses are found on Jefferson Avenue from Flint Street north to Tremont Street. This is not a heavily traveled route, but there are several restaurants, churches and social services, and other small businesses serving the neighborhood. There are also many vacant lots.
21. **Genesee Street** – This corridor begins at West Main Street, and the first block on the east is part of the Bull's Head BOA subarea targeted for redevelopment. The block to the west is occupied by Rochester Regional Health – St. Mary's Hospital. Commercial and residential uses alternate heading south to the end of the corridor at Brooks Avenue, where the Brooks Landing development is located. This project demolished several derelict buildings to create Brooks Landing Apartments, a Staybridge Suites Hotel, and a mixed use building with Subway, Brue Coffee, a diner and offices. It has so far failed to trigger additional redevelopment, as had been hoped. Commercial brokers report that the hotel is successful, while there was difficulty securing tenants for the mixed use building.
22. **Thurston Road** – There is a small but relatively successful, walkable neighborhood commercial area along Thurston Road from Ravenwood Avenue south to Brooks Avenue. The district has several restaurants, specialty retail shops, a post office, and Rite Aid, in addition to the more typical corner stores and service businesses found in other areas. Segments of the corridor have an attractive streetscape with generous sidewalks that contribute to its walkability. There are lots that could be redeveloped to create a more cohesive district.
23. **Chili Avenue** – Chili Avenue begins where it joins with East Main Street and West Avenue at Rochester Regional Health – St. Mary's Hospital. The commercial portion does not begin until several blocks west, at Sherwood Avenue and extending to Salina Street. There is a second small commercial area from Fessenden Street to the Erie Canal. This second area is more auto-oriented, while the first has an urban character. Both areas are dominated by small, independently owned businesses such as corner stores, restaurants, auto repair, and other services. There is an Auto-Zone in the western district.



Top: West Ridge Road is challenged by a wide road and high speeds. Bottom: Chain businesses and auto oriented design are important considerations in meeting resident shopping needs.

24. **Mt. Hope Avenue** – While there are a few scattered businesses further north, the primary commercial district on Mt. Hope Avenue begins at May Street across from the cemetery, and extends south to the Erie Canal, which is the city limit. A much larger retail concentration begins about two miles further south in Henrietta, anchored by The Marketplace Mall. Larger lots in this area permit a more auto-oriented design, although usually only for single uses such as gas stations, banks, and chain restaurants like Wendy’s, Domino’s, Dunkin Donuts, McDonald’s, and Tim Horton’s. There are a few small strips with tenants such as Chipotle, Bunga Burger, Starbucks, AT&T, Supercuts, and Family Dollar.

College Town is a significant new mixed use development at the intersection of Mt. Hope Avenue and Elmwood Avenue, adjacent to the University of Rochester campus. It consists of several buildings with ground level commercial and upper floors on some, with loft apartments. One building is a Hilton Garden Inn. Other tenants include Barnes & Noble (the college bookstore operator), CVS, The Beer Market, GNC, Moe’s Southwest Grill, Verizon, Texas de Brazil, and other mostly national chains. There are vacancies, and reports of high turnover among the businesses.

25. **South Avenue** – The South Avenue commercial district starts at Byron Street on the north, and extends south to Caroline Street. It is a pedestrian-friendly shopping district with a large number of unique, local restaurants and specialty retail shops, centered on three blocks between Averill Avenue and Burkhard Place. It is considered one of the most successful districts in the city.

26. **Clinton Avenue** – From Byron Street to Beaufort Street, Clinton Avenue is lined by a mix of light industrial, residential, and commercial uses. There is a second, isolated strip center – outside of the City of Rochester – at the intersection with Rue de Ville. That center helps to anchor the corridor with uses such as Tops, Dollar General, and the US Post Office. The northern section is occupied by local businesses in traditional commercial buildings. There are a large number of ethnic restaurants, and restaurants in general.

27. **Monroe Avenue** – The Monroe Avenue commercial corridor begins at Howell Street and continues southeast to Culver Road. From Howell Street to Interstate 490 it is mostly lined with non-residential uses including office buildings, schools, and other civic or similar uses, in addition to commercial businesses. There are a large number of independent restaurants and shops, along with national chains like Arby’s, McDonald’s, Advance Auto Parts, Pet Supplies Plus, Rite Aid Pharmacy, and Starbucks. East of the interstate there are blocks of residential buildings with pockets of commercial activity. There are no chain businesses in this area.

28. **Park Avenue** – This is a primarily residential street with two pockets of commercial activity. One extends from Rutgers Street intermittently to Alexander Street and includes an art gallery, liquor store, gas station, and a small number of restaurants. A larger center extends a couple block in either direction from Berkeley Street. It also has a significant number of restaurants and independent specialty retail including an art gallery, bakery, and candy shop. National retailers include CVS, 7-Eleven, and The UPS Store. There are several service businesses as well. There are numerous apartment buildings in the neighborhood, which appears to be very stable, and the population density helps to generate good foot traffic. The corridor does have businesses that are able to draw regionally.

29. **Village Gate Square / Neighborhood of the Arts** – This is a former factory complex converted to office, retail, and restaurant space, residences, and art studios. It is located on Goodman Street and Anderson Avenue, just south of East Main Street. It was intended to have a strong arts focus, and there are several artists and galleries along with art or craft supply stores, and design services. In addition to these, there are small number of other retail businesses and several local restaurants.

30. **University Avenue** – Commercial businesses can be found along University Avenue from Atlantic Avenue southeast to Interstate 490. Northwest of Culver Road, these are small independent businesses mixed in with residential buildings and some industrial. At Culver Road there is an important collection of chain and local retail and dining businesses anchored by a Price Rite grocery store. A second concentration is found at Winton Road, which is anchored by Wegmans. CVS, the US Post Office, and several small retail and dining businesses are located in the few blocks north on Winton Road, from the University Avenue intersection. In 2018, Tops closed its grocery store in the corridor, although Aldi has plans to occupy the building.



ROC the Riverway will create new opportunities to bring retail and dining into Rochester. River parks and attractions will bring visitors to the area from outside of the community. Thoughtfully introducing dining and retail into these parks, and strategically developing access points and overlooks will create attractive settings for business development.

31. **Genesee River** – While not a corridor in the traditional sense, the Genesee River is an important feature that can be capitalized on to develop niche retail and dining opportunities. Some of these may be located on the bank overlooking the gorge, while sites others can be developed on sites adjacent to the river. These uses tie directly to the river for its setting or to support uses that may occur there, such as sporting goods stores and rental establishments (ex., bicycle and paddleboard shops and rentals). The river corridor is another opportunity to develop a destination for people from across the region.

Major Retail Centers in the Rochester Area

The metropolitan area's regional centers – commercial areas anchored by department stores, big box retailers, and specialty retail chains – are all found in the suburbs surrounding Rochester. The most significant of these is The Mall at Greece Ridge. Other regional centers include Eastview Mall, The Marketplace Mall, Pittsford Plaza, and Waterloo Premium Outlets.

Rochester's Midtown Plaza, which opened in 1962, was the first downtown indoor mall in the country. Initially successful, Midtown Plaza struggled as Rochester lost population and suburban malls changed where people shopped. It closed in 2008 and was mostly demolished two years later. Portions of the site have been successfully redeveloped with office, restaurant, and residential uses while the remainder awaits redevelopment.

- **The Mall at Greece Ridge** – At 1.63 million square feet, the mall is the largest in the market. It is anchored by Macy's, JC Penney, and Target. While the mall itself houses about 140 stores and other businesses, the West Ridge Road corridor is lined with many major retailers including Best Buy, Home Depot, Kohl's, Lowe's, Walmart, Wegmans, and others. The strength of this retail center draws people from all parts of the metropolitan area, with many passing through nearby neighborhoods in Rochester.
- **Eastview Mall** – Opened in 1971, Eastview Mall is only slightly smaller than The Mall at Greece Ridge, with 1.4 million square feet of space. Located just off Exit 45 of the NYS Thruway, it is anchored by Macy's, JC Penney, Lord & Taylor, and Von Maur. Of the three largest centers in the Rochester market, Eastview has distinguished itself as the place for luxury brands. The mall has 250 stores and services, many of them – like L.L. Bean, Pottery Barn, and Eddie Bauer – unique to the Rochester market.



The Mall at Greece Ridge and the concentration of big box and strip centers around it are significant competition for any retail or dining businesses in Rochester.

- **The Marketplace Mall** – Located south of Rochester in Henrietta, the Marketplace Mall contains 1.1 million square feet of space anchored by JC Penney, and Dick's Sporting Goods. BJ's Wholesale, Home Depot, Kohl's, Target, Walmart, and other major national retailers are located in the immediate area.
- **Medley Centre** – Located in Irondequoit, northeast of Rochester, Medley Centre closed in 2009, followed by Macy's and Sears in 2014 and 2016. The 918,000 square foot mall opened in 1990, but soon began to experience difficulty. The site is now planned to be redeveloped as an office park

with some retail, residential, and community center uses. Despite the mall’s lack of success, Ridge Road is the dominant commercial corridor in the area, with Home Depot, Target, Walmart, and other stores.

- **Bay Towne Plaza** – This open-air center is located on the eastern fringe of the metropolitan area, in Penfield. There is a total of 500,000 square feet, anchored by Walmart, with a Wegmans on the opposite side of the street.
- **Pittsford Plaza** – This is an open-air commercial strip with 492,000 square feet of space anchored by Barnes & Noble, Eastern Mountain Sports, Marshall’s, Michael’s, TJ Maxx, and Trader Joe’s. It is located on the southeastern edge of the metropolitan area, in Brighton.
- **Westgate Plaza** – An open-air strip with 332,000 square feet of commercial space, the plaza is anchored by Walmart. There are few other commercial developments in the area. It is located in Gates, on the southwestern edge of the urban area.

and bars, the city represented 35 percent of the businesses and nearly 30 percent of the sales in Monroe County – more than any of the communities for which data was available – though sales per establishment were, again, below the county average.

Table 2 shows retail sales in the City of Rochester beginning in 1997 based on the Economic Census. Total retail sales were reported as \$1.1 billion in 1997 and as \$1.4 billion fifteen years later – a net increase of 24 percent. When the figures are adjusted for inflation, however, they reveal a 13.4 percent *decline* in retail sales in the city. In fact, the only store types to have experienced sales growth during this time were gas stations, non-store retail, clothing, and food and beverage stores. Of these store types, only food and beverage stores – a category that includes grocery stores as well as specialty food retailers like bakeries – experienced a sizable increase in the number of establishments in the city. Rochester also saw growth in both the number and sales of eating and drinking places.

Taxable Sales

It is also possible to track retail sales trends using data on taxable sales provided by the State of New York. There are two caveats to using this data. The first is that it is an incomplete picture, as the sales totals provided are only for items that are taxed. The second is that after 2013 the State changed how they report sales. From 2014 to the present, the sales total provided is for all retail goods taxed at the county level. For 2013 and earlier, the total is the amount taxed by the state. While this does not allow

Regional Sales Trends

Data from the Economic Census, which is collected every five years, can be used to evaluate industry trends over time. Unfortunately, the most recent data available is from 2012; the results of the 2017 census will not be released until 2019 at the earliest. However, since the Economic Census provides extensive information, often at the municipal level, it is a useful tool for understanding retail business and sales trends in the City of Rochester relative to Monroe County as a whole.

Table 1 provides a “point-in-time” snapshot of the retail and food service industries in Monroe County. In 2012, Rochester accounted for fully one-third of all retail establishments in the county, but only 15 percent of total sales. Average sales per store were lower in the city than in the county across the board, in virtually all types of stores. In terms of restaurants

TABLE 1: RETAIL AND DINING ESTABLISHMENTS AND SALES (\$ Million)

	RETAIL		DINING	
	Establishments	Sales	Establishments	Sales
Henrietta town	229	\$1,881	121	\$142
Greece town	254	\$1,524	136	\$108
Rochester city	783	\$1,414	557	\$331
Irondequoit town	128	\$525	97	\$67
Gates town	86	\$366	85	\$56
Brighton town	100	\$244	74	\$64
Fairport village	31	\$30	32	\$17
Balance of Monroe County	738	\$3,511	481	\$332
MONROE COUNTY TOTAL	2,349	\$9,494	1,583	\$1,117
Rochester share of county	33.3%	14.9%	35.2%	29.7%

SOURCE: 2012 Economic Census

a direct comparison, it will still illustrate the overall trend. Data is reported for a fiscal year beginning on March 1st.

The taxable sales trends for retail and for eating and drinking establishments are shown in Figure 2, both in current dollars and adjusted over time for inflation. Figure 3 depicts these trends in actual and inflation-adjusted sales per capita.

Both charts clearly depict the impacts of the Great Recession on spending at the county level. While there has been some recovery beginning in 2010, sales did not return to pre-recession levels by the time the state switched its reported figures. There has been an upward trend in the years from 2014 to the present, and both nationally and in most major markets, sales returned to new highs beginning around 2016. That is most likely the case in Monroe County. Rochester performed somewhat better, both in having a less pronounced recessionary drop and in continuing to grow since that time. This may be attributed to the fact that the city has fewer stores selling discretionary goods, and is dominated by those selling necessities like groceries, drugs, and general merchandise – grocery stores, pharmacies, and dollar stores.

Adjusted for inflation, however, there has been an actual decline in sales totals, and the recovery has not been strong enough to make up for the losses experienced in the recession. The chart depicting sales per capita helps to further explain what is occurring. Population growth has been flat while spending per capita has trended only slightly higher, on average, and has not kept pace with inflation.

Within the City of Rochester, spending did increase in current dollars, but still declined when adjusted for inflation. Meanwhile, there was little change in population over this time. As in Monroe County, people are spending less, in adjusted dollars, than they did at the turn of the Millennium.

TABLE 2: CITY OF ROCHESTER RETAIL SALES BY CATEGORY
(Adjusted for Inflation – Shown in Constant 2012 Dollars - Millions)

Retail Category / Year	1997	2002	2007	2012	% Change
Motor vehicles and parts dealers	\$192	\$180	\$131	\$114	-40.3%
Furniture and home furnishings	\$29	\$48	\$26	\$19	-34.4%
Electronics and appliances	\$73	\$55	\$36	\$45	-38.3%
Building materials and garden supplies	\$292	\$131	\$163	\$175	-40.3%
Food and beverage	\$268	\$282	\$240	\$285	6.3%
Health and personal care	\$154	\$166	\$137	\$131	-15.3%
Gas stations	\$147	\$132	\$210	\$234	59.5%
Clothing and accessories	\$76	\$134	\$31	\$83	10.2%
Sporting goods, hobby, books, music	\$84	\$107	\$45	\$37	-55.6%
General merchandise	\$155	\$262	\$143	\$152	-1.8%
Miscellaneous retail	\$95	\$61	\$42	\$45	-53.2%
Non-store retail	\$67	\$113	\$99	\$93	39.1%
TOTAL RETAIL	\$1,633	\$1,671	\$1,302	\$1,414	-13.4%
Percent of all retail in Monroe County	17.5%	17.6%	13.9%	14.9%	
Eating and drinking places	\$261	\$295	\$301	\$331	27.1%
Percent of all eating and drinking places in Monroe County	28.5%	30.8%	29.7%	29.7%	

SOURCE: Economic Census, 1997, 2002, 2007, and 2012.

Adjusted for inflation, there has been an actual decline in sales totals, and the recovery has not been strong enough to make up for the losses experienced in the recession.

Within the City of Rochester, spending did increase in current dollars, but still declined when adjusted for inflation.

FIGURE 2: ACTUAL AND INFLATION-ADJUSTED RETAIL SALES IN MONROE COUNTY AND THE CITY OF ROCHESTER

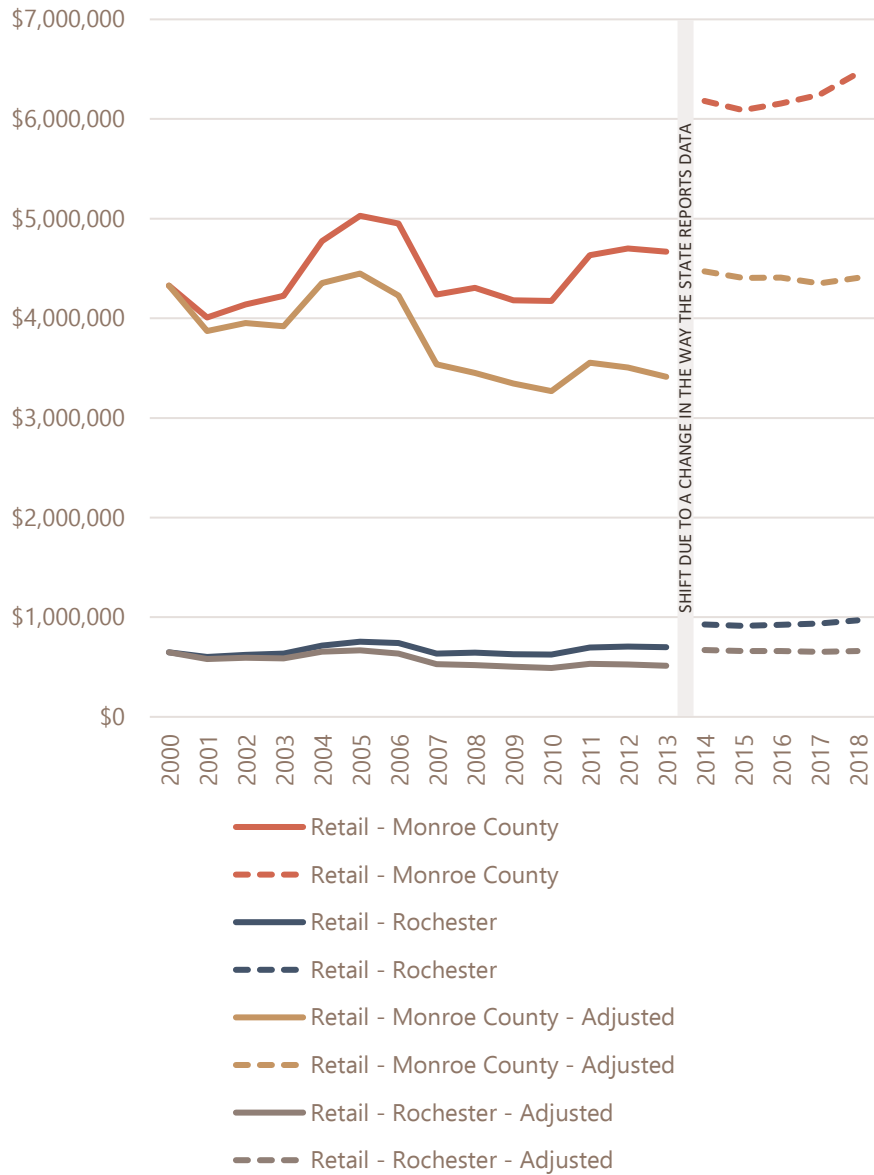
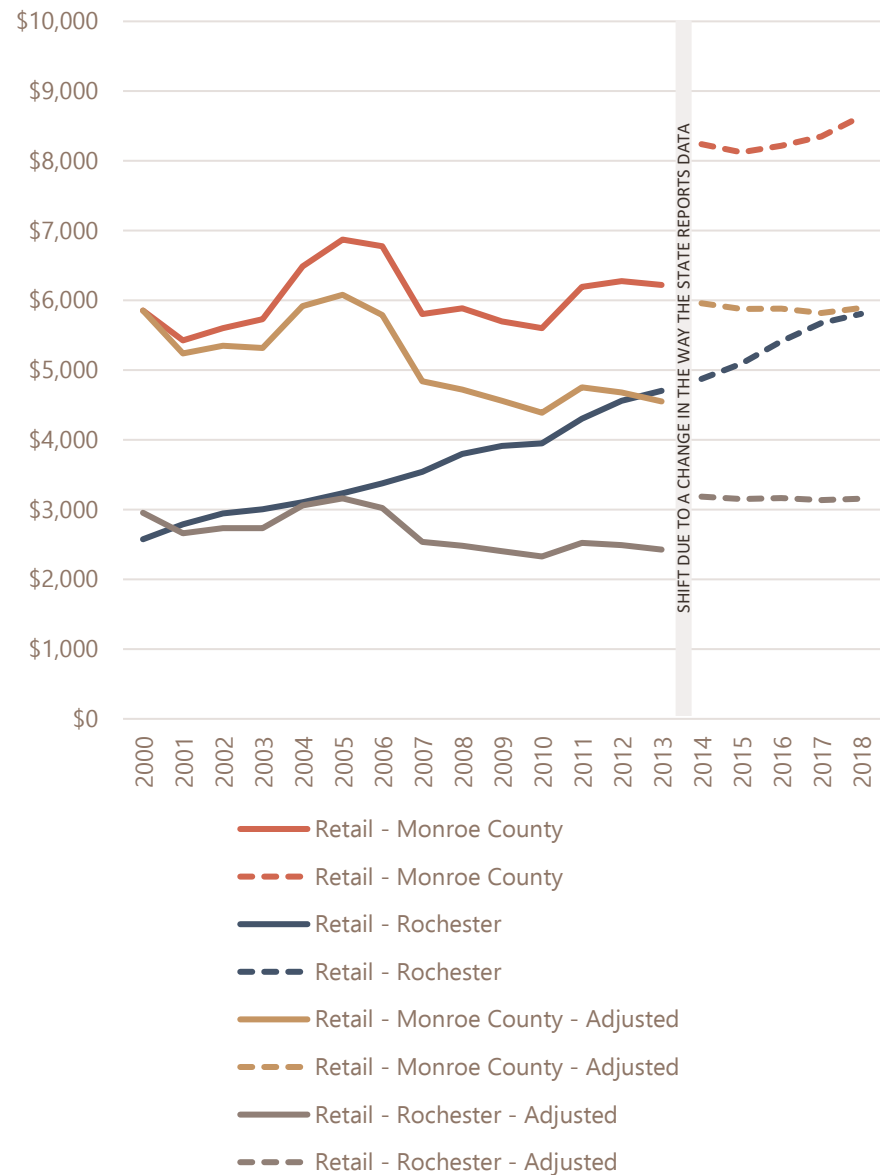


FIGURE 3: TAXABLE SALES PER CAPITA IN ROCHESTER AND MONROE COUNTY - ACTUAL AND ADJUSTED FOR INFLATION



EVOLUTION OF THE RETAIL AND DINING SECTOR

All industries evolve, and at times the changes they experience can come quickly and be dramatic. That is the case of retail in the last decade or so. In the years leading up to the start of the Great Recession in 2007, we saw an ever increasing number of new stores and retail developments, particularly in growing suburban areas. Chains measured growth by their store counts and the number of new openings, and most sought to have multiple points of presence in each market.

Since 2007, nationwide, more chain stores have closed than have been opened, with 2017 being the year with the most stores closed. Some closed through bankruptcy while others were part of an effort to pare back less profitable locations. There are certainly chains that have added new stores in this time, but they are few in comparison to those that cut back.

A number of forces – demographics, competition, changing preferences, income and the recession, and the rise of internet sales, to name a few – have brought about the changes being seen nationally and within the Rochester MSA. Locally, it is the suburban areas that have been most impacted by the industry’s restructuring, while new opportunities are emerging that favor neighborhoods in Rochester. Examples include a growing interest in starting retail and dining businesses, and consumer desires for unique businesses in walkable urban settings. City investment can help to position Rochester’s commercial corridors to capture new customers and business development opportunities from an evolving commercial sector.

Since 2007, nationwide, more chain stores have closed than have been opened, with 2017 being the year with the most stores closed.

Changing Consumers

A first set of issues deal with how the market is changing with regard to age, race, households, preferences, and shopping habits. These set the stage for changes in the retail sector as stores adapt to new conditions.

Demographic Changes

The country, and the Rochester area, are going through significant demographic shifts. Baby Boomers are now more than a decade into their retirement years. They and older generations are living longer, and the number of retirees, as a part of the population is growing. Older households making up a larger part of the market is significant in that they spend less than most other age cohorts and have different spending priorities. More is spent on health-related purchases. At the same time, these are households without children, and many are downsizing from their family home to a smaller home. Their spending on items such as clothing and home furnishings decreases accordingly.

At the other end of the age spectrum, more young people are waiting longer to marry and start families, and when they do it is often with more debt than previous generations. In these interim years it is growing more common to find adult children still living at home with parents. By delaying these milestones, they are not making the major expenditures that come with home ownership (or even rental) and raising children.

The growth of minority market segments is another notable shift. Their different spending priorities, brand preferences, and other shopping habits may challenge retail chains accustomed to replicating a single model across multiple stores. In places where several demographic groups have differing shopping preferences, it can be difficult for any retail business to maintain a product mix and approach to sales that responds to the needs of enough potential customers to sustain a viable business. Many in these market segments have below-average income and spending profiles, which further reduces the market potential available to a business.

Shifting Consumer Preferences

Adding to issues of changing demographics are a number of other shifts in spending patterns, often related to generational preferences. The first of these issues is a change in what is being purchased. In general, people are spending less on food meant to be consumed at home (i.e., not restaurants), clothing, and automobiles. Expenditures on food away from home – mostly restaurants – are up compared

to the recent past, but do not make up a larger percentage of purchases than they did in the 1990's. Nationally, the retail category that does show a notable increase is electronics, but Rochester has seen a decrease in sales in this category.

Consumers are also changing the formats in which they shop for certain items. Less food, for example, is being purchased from traditional grocery stores, while more is purchased at pharmacies and dollar stores, and formats from gas stations to hardware stores are stocking more food items, but it is superstores and warehouse clubs, and restaurants that are capturing a larger share of the food budget.

Especially among the younger generation, households are showing less inclination to accumulate things, unless it is technology. One of the more often cited examples is that the youngest generation of consumers is the first in which car ownership is less than in its predecessors. Overall, there has been a "shift to thrift" across most age and income brackets as an outcome of the recession. Middle and even upper income households have embraced discount retailers such as Aldi, Ross, TJ Maxx, Costco, and Target, who have simultaneously improved the look of their stores, merchandise selection, and shopping experience to reach out to these market segments.

When households are shopping, they are indicating a growing interest in the quality of the experience. In particular, the homogeneity of the modern mall is seen as one of the reasons why there has been a continuing decline in the number of visits made to malls, the length of time people remain at the mall, and the number of stores they visit. In place of this, people are looking to locations that have unique shops, dining, and settings that are stimulating and authentic. This has led malls to create open air lifestyle centers that try to mimic walkable urban streets.

Rise of Internet Sales

Online sales accounted for 9.6 percent of retail sales in the second quarter of 2018. While this is significant, it will offer some perspective to add that Walmart (including in-store and online formats) still accounts for 12.7 percent of all retail sales.

Americans are increasingly willing to shop online, and growing ever more willing to move beyond the traditional kinds of things purchased online, like electronics, books, and office supplies, and purchase more from categories once thought immune to the internet. Aside from retail goods, the internet has had a tremendous impact on other types of businesses found in commercial centers, like travel services, insurance agents, and banks. Still more services are expected to be impacted as ways are found to deliver them remotely.

The internet is particularly attractive in that it alleviates the chore associated with shopping or taking care of service needs. The peak time for internet shopping is in the evening, with the most volume between 8:00 and 9:00 PM. People are choosing to shop from the comfort of their living rooms as most brick and mortar stores are getting ready to close. Internet retailers are making the experience even easier by expanding access to an endless selection of goods, enabling price comparisons, and providing free shipping.

Retail Industry Restructuring

The situation documented in the Rochester market, in which inflation-adjusted total and per capita retail spending has declined for most of the past decade, repeats itself across most markets in the United States. Added to that, an increasing share of spending is occurring online, meaning there is still less spending to be captured in physical stores. This has led to a period of great turmoil in the retail industry. One of the more obvious outcomes is that there are simply fewer retail stores as chains close poorly performing store, abandon some market, or cease operations altogether.

For many of the specialty chains in industries such as apparel or furniture and home furnishings, the response to industry changes has been to adopt a "one-in-market" strategy in which it is not necessary to be represented in every mall. Instead a single store serves the market and is matched with an aggressive online presence to meet customer demand. Other chains continue to build out a larger presence with a smaller store format, stocking a more curated selection of goods. Only a handful of retailers are building out a much larger presence, and these are usually discount stores. Dollar stores are an example, locating in neighborhoods that are underserved by other stores, and selling a mix of mostly low-margin, high-turnover consumable goods.

Delivery is one of the areas in which many store chains and services are experimenting. Among retailers, the larger general merchandise chains like Walmart and Target, and grocery chains are all developing their own approaches to delivery or curbside pick-up. A host of other companies like Instacart, Uber, and Lyft are also attempting to develop delivery options. These may ultimately have an impact on the size and configuration of retail stores, if fewer customers actually travel to the store to shop.

With fewer retailers to court, commercial property owners are searching for new uses for commercial space. This, again, is leading to a shift. Health services, for example, are one use that is increasingly moving out of office buildings and office park settings to open facilities in commercial strips. Gyms and other recreation and entertainment uses are also taking over more formerly retail sites. Overall, the proportion of space within retail strips that has been allocated to retail is declining.

Unique Challenges for Grocery Stores

Most residents will desire a full-line grocery store – the traditional grocery stores with center aisles of packaged goods and specialty departments including produce, bakery, deli, dairy, and meat and seafood – located in or close to their neighborhood. These stores have always operated on thin margins (often one or two percent) even in the best markets. The changing competitive landscape makes it even more difficult to serve lower-income markets.

A full-line grocery will attract customers largely because of its specialty departments, but the products they stock tend to have higher price points and the risk of loss through spoilage. In areas where the majority of customers are low income, there can be weak demand for meats, vegetables, and other fresh items that often have a higher cost than other goods. The business can easily find itself in a catch-22 situation. If it does stock them, it runs the risk of having slow sales and unacceptably high losses. If it chooses not to carry them it risks



Commuter corridors such as Lake Avenue are able to attract fast food restaurants that pick up traffic passing through, while other corridors serve nearby neighborhoods, but have the potential to be destination districts if they can deliver unique and high quality experiences.

losing customers who will travel to shop stores with better selection. (There is a related issue that the profit margin on these items is usually larger than for packaged goods, provided they can be sold.)

The difficulty of finding a profitable strategy has kept many full-line grocers from opening stores in low income neighborhoods, but they are now facing growing problems even in better markets. Competition from new formats is taking market share from full-line grocers. Superstores and warehouse clubs have captured the most sales, but limited-assortment groceries (such as Aldi), fresh format groceries (such as Whole Foods or Fresh Market), convenience stores, dollar stores, and pharmacies are all taking business that once belonged to grocery stores. In this environment, most traditional grocery chains are reducing their store counts, more so than considering new locations.

The proportion of space within retail strips that has been allocated to retail is declining.

Changes in the Dining Sector

Changes in the dining sector have been mixed. Consumers are eating out more often and show a strong interest in food as a motivator to visit places, whether a different city or a commercial district outside of their own neighborhood. The interest in food as an experience has created an opportunity for new restaurants and new formats. Food halls and food trucks are gaining in popularity both among food entrepreneurs and among diners searching for new and innovative foods. Even among chains, the fast casual segment has had the most growth as people demand a better quality, even when in a hurry.

Implications for Rochester

Industry changes are likely to have a greater negative impact in the suburban Rochester market, and lead to greater opportunities for commercial districts in the City of Rochester.

The city does not have a significant presence of the chain retailers who are restructuring their approach to the market. As a result, it will be less impacted by future store closings. At the same time, the city's customers may be seen as an untapped market opportunity by some of the chains, leading to an interest in opening stores in its commercial corridors. Rochester also has several existing or potential commercial corridors that have the elements of what makes up a good urban retail street. These can be positioned to support unique local businesses and to draw customers from across the region.

THEORY OF CHANGE

In devising a strategy for its commercial corridors, the City of Rochester sought to first develop a framework for understanding how transformation can occur. The resulting “theory of change” can be applied to any commercial district within the city to understand the role it plays, the forces currently shaping it, and the interventions that will have the most meaningful impact on its future vitality.

The concepts underlying the theory of change have their origins in observations of why some of Rochester’s existing commercial corridors have maintained or restored their vitality. The result is a theory built from three components; a district

typology based on form and market, a set of baseline conditions that may be said to define its stability, and a set of elevating factors that enable it to thrive.

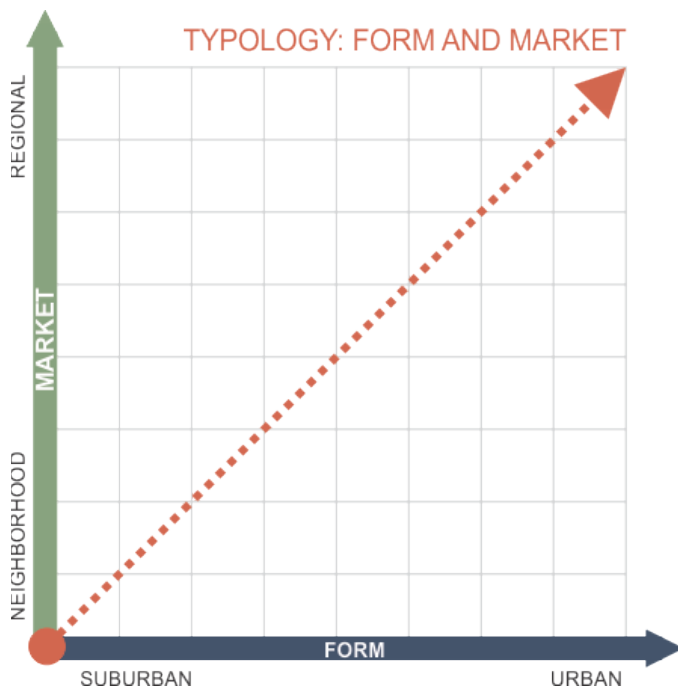
Typology

Every commercial district can be described in terms of its existing physical character and the scale of the market that it does, or could serve. These conditions help to define what businesses can be attracted to the area and what approaches might be considered with regard to physical enhancements or redevelopment.

Market

The market refers to an area from which businesses in the district will draw most of their customers. It might also be described as a trade area. That market is influenced by many things, but is primarily a function of the business mix, competition, and travel time. Although commercial centers are often described in discrete terms, it is more appropriate to think of them along a continuum from those serving a small area to ones drawing from across a metropolitan region, or beyond. The number of businesses in a center is not even necessarily an indicator of their market. That said, there are what may be called “waypoints” on that continuum that describe a general market for a district.

- **Neighborhood** – Neighborhood business districts or commercial corridors are concentrations of retail and other uses that mostly serve people living in close proximity. How far people will travel to the district is usually a function of where comparable competition is located. Anchor retail uses in these districts may include some mix of supermarkets, pharmacies, hardware stores, and increasingly, dollar stores. There may be some restaurants along with services such as banking, insurance, real estate, medical and dental services, salons, and similar uses. A significant number of the businesses in these districts are often independent, local chains, or franchise operations.
- **Community** – At this level, the commercial district is serving multiple nearby neighborhoods. In addition to the kinds of uses found in neighborhood centers, these areas will have stronger retail anchors like discount stores or supercenters, home centers, and specialty “mid-box” stores like Best Buy, Staples, Petco, or Marshall’s. It is not unusual for there to be some smaller specialty chain stores that might include apparel, shoes, sporting goods, and similar stores.
- **Regional** – These are commercial areas that regularly draw their customers from multiple communities, or even well beyond the metropolitan area. There are two types of regional districts,





and so for the sake of clarity, one will be called a regional district and the other will be called a destination district.

- **Regional districts** – These can be described as concentrations of mostly retail stores, most often comprised of power centers and sometimes anchored by enclosed malls and/or lifestyle centers. In addition to the kinds of stores found in neighborhood centers, they will have a large concentration of apparel and other specialty stores, and often department stores as anchors. These areas are dominated by national chains. The Mall at Greece Ridge and the surrounding strip is an example of this type of regional center.
- **Destination districts** – Destination districts are smaller concentrations of specialty retail and dining that draw people from a large area. The High Falls area of downtown Rochester, and the lakefront area of Charlotte are examples of areas that have great potential for this. They are highly walkable areas and often have a significant non-commercial attraction. Unique and better-quality dining is usually a critical factor in forming and sustaining these districts.



Commercial districts such as High Falls and Charlotte are attractive, walkable areas adjacent to major attractions. These are districts that should be able to attract visitors not only from Rochester, but also from surrounding communities.

Baseline Conditions

Upon examination of the well-regarded commercial areas in Rochester and elsewhere, four common factors can be observed. These baseline conditions set the stage for success.

- **Neighborhood stability** – A neighborhood must be stable for its commercial areas to be stable. Businesses “count rooftops” when they consider where to locate, and beyond that, they seek to be in places that present an image of success. Neighborhoods that are losing population (beyond minor variations due to aging households) offer a shrinking market to any new business, as well as those already in the area.

In addition to population, the neighborhood needs to present a physical appearance that suggests stability. Boarded-up properties, poorly maintained buildings, and vacant lots send a signal of decline that discourages businesses, and also deters customers from coming into the area.

- **Demographics** – Household income is the most important of all demographic variables. Aggregate income is all but irrelevant. Household income will dictate what each household will have available to spend after housing, transportation, health care, and other priorities. Lower income households will not be purchasing the higher-margin goods on which businesses like grocery stores depend in order to be profitable. Absent some other source of spending, such as a large daytime population (workers in the area), low income neighborhoods will have difficulty attracting and supporting most types of retail and dining businesses.

Aside from income, other demographic characteristics of the population may be seen either positively or negatively, depending on the business and the way in which the district is positioned. A significant older population may be seen as an opportunity for health care businesses. Other businesses may market largely to a minority population. In many cities, international districts are developed as a means to offer unique food, shopping, entertainment, and culture to a broader population.

Highly diverse markets, in which there are multiple demographic groups with different needs, can present a challenge to commercial businesses. These areas can be fragmented to a degree where there is not a threshold population in the demographic groups targeted by a particular business. This is often a situation that plays out with grocery stores in mixed-income neighborhoods. If the store stocks higher-priced items for its more affluent customers, it loses its lower-income customers, and it may end up with higher losses when perishables are not sold before expiring. On the other hand, if it stocks value items it will not draw the higher-income customers. Neither group, alone, is sufficiently large to support the store, but it can be challenging or impossible to find a merchandise mix that satisfies everyone.

- **Safety and the perception of safety** – For most people to shop an area, it must be perceived as safe. The perception is more important than the reality, and many places that are actually pretty safe are held back by a poor reputation. Addressing the crime – achieving rates that are in line with thriving commercial areas – is only part of the challenge when confronted by a longstanding reputation. The district needs to be designed to minimize the overt security measures that paint the area as dangerous, and other

visual cues that suggest an area is unsafe, like graffiti, litter, neglected or boarded-up property, and activities like loitering need to be eliminated.

- **Product (business) mix** – Simply put, are the market’s needs being met? Most people have options in where they can shop. Regardless of at which level a district may be functioning, it has competition. Especially at the neighborhood level, people will generally choose to shop at the nearest commercial district, provided it meets their needs. When it is lacking critical stores, or if the stores do not stock the merchandise the customer prefers, those customers will shop elsewhere.

Quality is also an important issue in the business mix. It is one thing to have businesses in an area, and it is another for those business to offer quality in terms of their goods, services, and value. It is often the case that businesses need to improve for the district to improve.

Elevating Factors

Assuming that a commercial district meets the baseline conditions for its type, there are another set of factors that can help it to achieve greater levels of vitality. These distinguish those commercial areas that emerge as treasured neighborhood districts or vibrant regional destinations. Most relate in some way to creating an engaging and stimulating environment that draws customers for the experience of the place.

- **Attractions** – Assets like the High Falls in downtown Rochester or the lakefront in Charlotte are features that will draw people to a place. That inflow of potential customers adds to the market potential for businesses that locate nearby. It is not only natural features that can have that effect. Other assets can include institutions like hospitals and universities, or entertainment or recreational venues that are programmed with continuous events.
- **Unique businesses** – A commercial district may offer the same businesses as others and still be successful. This is often the case at a neighborhood level, where some mix of two or three grocery, pharmacy, and dollar store chains may be found. The districts that rise above are often supplemented by several unique and good quality shops or restaurants that have the ability to draw people from further away, as they are not found elsewhere. These businesses may be related to activities in which people engage (ex., beer and winemaking supply stores or fabric shops) or more general in nature (ex., bakeries or furniture stores).
- **Design character** – Business districts that take design to a higher level will usually find that customers react positively, staying longer, shopping more stores, and returning more frequently. The district’s architecture can be one distinguishing factor, and Rochester has several districts with distinctive buildings. Public (and private) streetscape is another factor. Many of the best places

combine public investment in the sidewalk and landscaping with private investment in sidewalk seating and other personalization of the space in front of their business.

Creating a functional and attractive commercial corridor must balance several elements of design, especially in urban areas where design for people walking and design for people driving may involve differing needs and preferences. Wide sidewalks, near-continuous and largely transparent storefronts, and street-facing, frequently spaced, retail entrances are very important to people on foot. For people driving, adequate, visible, and convenient parking and car-oriented signage can be important. Attracting car-oriented businesses may also mean accommodating drive-through operation or curb side pick-up. Balancing the different design preferences of different users may vary corridor by corridor, or even site by site within a corridor, depending upon context and market. But even more car-oriented businesses or corridors will benefit if people traveling to them by car want to stay and walk around to other nearby businesses or destinations once they arrive, so elements of walkable, pedestrian-scale design should be integrated into all types of commercial development.

- **Social interaction** – The most successful commercial areas are also characterized by serving as a social gathering place. This may occur through businesses such as coffee shops and restaurants where people get together, or in public spaces such as pocket parks and plazas where people gather. Programmed activities such as concerts, festivals, art walks, and other events, occurring frequently, can support the role of the district as a social place.



Perceptions concerning crime and safety are reinforced through elements of urban design such as rolling doors and bars on windows, and vacant, poorly maintained, or boarded-up properties.

STUDY AREA MARKET ANALYSES

The City of Rochester selected eight study areas (or districts) for detailed analysis. These districts are all located within CDBG-eligible Census tracts. They were chosen as representative of different types of commercial districts within the city, and it is expected that lessons learned within these areas, and the strategies that are developed, will be applicable in similar places elsewhere in the city.

Methodology

Each of the district analyses follows a similar format, making it possible to compare conditions among the different commercial districts and their trade areas. These comparisons have more validity when considering population and housing conditions. Despite differences in the size and configuration of trade areas, the data is all obtained from the same source and estimated using the same methodologies. That is less true of data concerning floor area, sales, and assessed values.

TABLE 3: COMMERCIAL CORRIDOR TRADE AREA POPULATION SUMMARY

	City of Rochester	East Main Street	Genesee Street	Hudson Avenue	Lake Avenue	Lyell Avenue	N. Clinton Avenue	Thurston Road	West Main Street
Population - 2000	219,921	13,067	14,264	6,846	23,455	17,261	23,533	8,986	18,467
Population - 2010	210,565	12,487	13,414	5,486	22,338	16,285	20,677	8,819	17,426
Population - 2018	209,975	12,024	13,472	5,359	22,274	16,247	20,399	8,672	17,193
Population forecast - 2023	210,214	11,867	13,517	5,326	22,288	16,261	20,357	8,628	17,137
Median age	32.3	28.9	25.0	28.2	30.8	31.0	28.2	34.4	31.2
Age 65 or over	11.5%	13.0%	10.3%	9.0%	19.1%	9.3%	9.5%	11.7%	11.8%
No high school degree	18.5%	24.2%	19.3%	34.8%	24.4%	27.7%	34.8%	10.6%	23.0%
Enrolled in college	9.9%	7.1%	26.6%	5.9%	6.4%	5.3%	6.2%	9.1%	5.1%
Unemployment rate	5.1%	14.0%	13.2%	18.0%	15.9%	15.2%	21.0%	9.6%	14.3%
Services employment	62.3%	63.8%	70.4%	63.4%	58.7%	54.4%	60.8%	60.2%	65.3%
Retail employment	11.0%	12.9%	9.9%	11.6%	10.3%	10.3%	12.4%	8.4%	10.5%
Manufacturing employment	9.6%	7.9%	5.0%	8.9%	13.8%	15.7%	10.0%	7.3%	8.8%
White	40.9%	26.7%	24.8%	16.0%	30.9%	33.3%	19.9%	20.8%	12.2%
Black	42.1%	56.0%	63.8%	58.2%	45.4%	43.1%	50.5%	71.9%	78.8%
American Indian	0.5%	0.5%	0.3%	0.4%	0.8%	8.0%	0.8%	0.3%	0.5%
Asian / Pacific Islander	3.5%	1.2%	4.6%	0.6%	4.9%	5.9%	1.8%	1.0%	1.2%
Other race	7.9%	9.5%	1.5%	20.1%	10.9%	9.9%	21.1%	1.5%	2.7%
Two or more races	5.2%	6.0%	4.9%	4.8%	7.1%	7.0%	5.8%	4.5%	4.6%
Hispanic origin	19.5%	21.3%	6.1%	39.1%	25.9%	26.7%	43.5%	6.1%	8.4%

SOURCE: Place Dynamics LLC and ESRI Business Analyst

TABLE 4: HOUSEHOLD, INCOME, AND HOUSING TRADE AREA SUMMARY

	City of Rochester	East Main Street	Genesee Street	Hudson Avenue	Lake Avenue	Lyell Avenue	N. Clinton Avenue	Thurston Road	West Main Street
Households - 2010	87,027	4,637	4,246	1,978	8,705	6,071	7,183	3,522	6,734
Households - 2018	87,188	4,476	4,277	1,938	8,695	6,051	7,117	3,478	6,654
Households Forecast - 2023	87,552	4,426	4,300	1,927	8,715	6,056	7,114	3,465	6,637
Average household size	2.29	2.64	2.60	2.67	2.52	2.66	2.82	2.49	2.55
Households with children	30.4%	39.5%	37.8%	46.8%	38.5%	41.8%	45.6%	36.5%	39.2%
Households with children with one parent	21.0%	13.5%	27.8%	38.2%	28.1%	31.1%	36.0%	24.5%	30.3%
Below poverty level	29.5%	38.1%	27.6%	49.7%	39.6%	44.0%	50.5%	21.8%	38.8%
Median household income	\$31,813	\$28,456	\$32,978	\$18,446	\$22,487	\$19,747	\$20,437	\$41,889	\$25,100
Households with Social Security income	26.7%	24.0%	35.7%	26.0%	30.0%	25.3%	29.9%	32.2%	31.3%
Households with SNAP benefits	34.8%	44.5%	35.7%	64.7%	49.9%	49.3%	61.0%	31.5%	48.3%
Households with public assistance income	11.1%	15.0%	9.5%	17.2%	16.9%	17.7%	17.1%	10.9%	17.2%
No vehicle available	25.7%	31.1%	27.8%	39.3%	36.2%	35.5%	39.2%	19.6%	35.8%
Housing units (2018)	99,174	5,521	4,814	2,392	10,456	7,660	8,855	3,791	8,029
Housing units built prior to 1940	63.9%	66.8%	61.8%	45.0%	58.6%	64.5%	51.5%	76.6%	67.6%
Housing units built since 1990	5.5%	5.6%	3.4%	14.7%	5.6%	2.7%	12.5%	2.3%	12.9%
Median years in unit	6	6	9	6	6	6	6	9	7
Owner occupied	29.8%	21.0%	37.4%	17.1%	20.3%	24.7%	18.1%	48.5%	24.7%
Renter occupied	58.1%	60.4%	51.5%	63.9%	62.9%	59.7%	62.3%	43.3%	58.2%
Vacant	12.1%	18.6%	11.2%	19.0%	16.8%	15.6%	19.6%	8.3%	17.1%
Median home value*	\$85,648	\$69,355	\$78,373	\$46,330	\$76,401	\$59,682	\$40,390	\$79,132	\$76,587

* Owner-specified value of owner-occupied single family detached properties

SOURCE: Place Dynamics LLC and ESRI Business Analyst

ESRI Business Analyst is the primary data source used for population and related demographic information. The base data for ESRI's estimates is the decennial US Census and annual American Community Survey, along with other federal data products, to which it applies algorithms to estimate and project population characteristics for user-defined areas. As in any similar estimate, the methodology relies on prior trends and is not informed by substantial changes that may have taken place since the last Census year. This can result in population figures that do not always reflect observed conditions in the study area.

ESRI was also used to estimate market potential, however, a modified approach was used to estimate the sales of existing businesses and to calculate market share. Place Dynamics compiled business inventories during field work in each district. These inventories were used to make corrections and fill gaps in ESRI's database, which omits many of the small businesses found in Rochester's commercial corridors.

Some uncertainty is introduced in the estimates of business's sales volume. The majority of these estimates were taken from ESRI's database. ESRI uses a methodology that considers reported employment and average industry sales per employee. Place Dynamics developed independent estimates for businesses where no estimate was available, or where observations suggested that the ESRI estimate was not valid.

Square footage is an estimate of the ground floor area devoted to industry groupings such as retail, dining, and personal services, among others. These estimates are based on the City's property assessment records, which may not distinguish individual storefronts in buildings housing multiple businesses. Additionally, it is not always clear whether the full floor area is devoted to that use. These issues can introduce an uncertain degree of error.

Assessed values were also taken from the City of Rochester's property records. Aggregate values are used for comparison purposes. A word of caution is warranted in that several things can affect these values, and an increase or decrease is not necessarily an accurate reflection of market conditions. Issues that may affect aggregate numbers include:

- Demolitions that remove buildings and decrease the overall total, even when most property has stable or increasing values.

TABLE 5: COMMERCIAL CORRIDOR BUSINESS AND PROPERTY SUMMARY

	East Main Street	Genesee Street	Hudson Avenue	Lake Avenue	Lyell Avenue	N. Clinton Avenue	Thurston Road	West Main Street
Commercial floor area (sq. ft.)	418,864	80,922	269,488	633,841	161,299	389,248	142,575	532,401
Vacant commercial floor area (sq. ft.)	20,350	1,343	12,196	79,146	73,086	17,503	10,865	25,274
Commercial vacancy rate	4.9%	1.7%	30.9%	12.5%	45.3%	4.5%	7.6%	4.7%
Aggregate assessed value (commercial)*	\$5,399,000	\$10,830,400	\$10,282,900	\$17,788,100	\$4,280,400	\$8,140,300	\$4,618,000	\$3,719,500
Change in assessed value, 2007 to 2017	4.6%	3.9%	114.1%	15.4%	11.8%	18.5%	10.4%	38.1%
Average retail sales per square foot	\$149	\$298	\$190	\$150	\$170	\$187	\$244	\$279
Average restaurant sales per square foot	\$158	\$129	\$86	\$327	\$105	\$391	\$112	\$73
Average personal services sales per sq. foot	\$53	\$90	\$86	\$93	\$41	\$40	\$41	\$86

* The Hungerford and Fedder buildings are not included in estimates of vacancy or aggregate assessed value

SOURCE: Place Dynamics LLC and E.M. Pemrick & Company

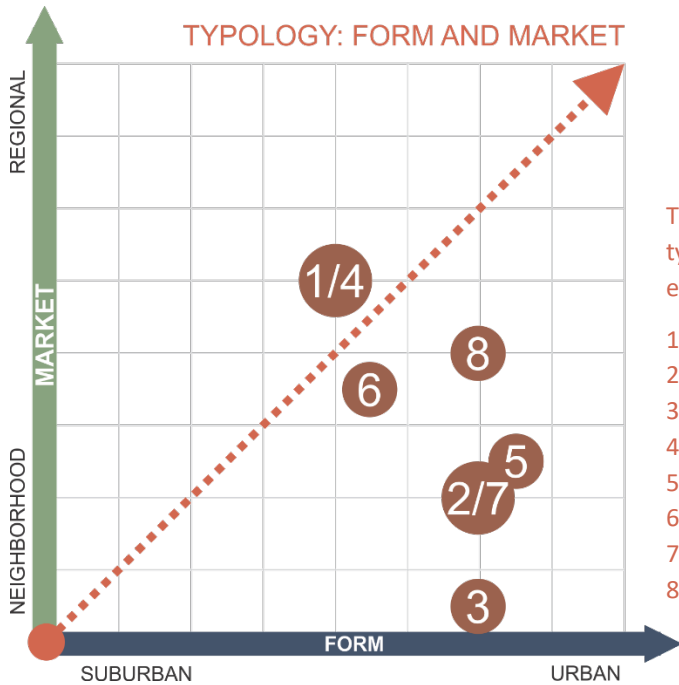
TABLE 6: COMMERCIAL CORRIDOR MARKET ESTIMATES

	East Main Street	Genesee Street	Hudson Avenue	Lake Avenue	Lyell Avenue	N. Clinton Avenue	Thurston Road	West Main Street
Trade area retail market potential	\$93,429,452	\$85,818,335	\$25,092,770	\$139,200,831	\$87,454,441	\$101,252,961	\$95,455,000	\$115,266,288
Corridor estimated retail sales	\$5,860,000	\$6,863,000	\$2,323,000	\$19,609,000	\$6,921,000	\$27,655,000	\$8,780,000	\$19,693,000
Corridor estimated retail market share	6.3%	8.0%	9.3%	14.1%	7.9%	27%	10.6%	17.1%
Trade area dining market potential	\$12,857,490	\$11,109,886	\$2,672,098	\$14,969,222	\$9,419,252	\$11,054,174	\$10,354,000	\$12,404,177
Corridor estimated restaurant sales	\$1,366,000	\$1,542,000	\$260,000	\$9,049,000	\$1,640,000	\$3,560,000	\$1,540,000	\$1,570,000
Corridor estimated dining market share	10.6%	13.9%	9.7%	60.5%	17.4%	32%	17.9%	12.7%

SOURCE: Place Dynamics LLC and ESRI

- New construction that can introduce substantial new value, resulting in a significant increase in the aggregate value and change, even while most properties show little or no increase in value.
- Conversion of property to or from a nonprofit use.
- Assessed values are a combination of land and buildings. Buildings in one district may be one or two stories, while other districts may include multi-story structures. Since floor area is only calculated for the commercial area on the ground floor, a comparison of the average value per square foot would not be valid.

The placement of each corridor in the typology developed for this analysis was a subjective call, based on a consideration of the market and form of each area.



The chart to the left depicts the relative position of all eight study areas on the typology developed for this study. Some districts (East Main Street and Lake Avenue, Genesee Street and Thurston Road) are similarly placed on the typology.

1. East Main Street
2. Genesee Street
3. Hudson Avenue
4. Lake Avenue
5. Lyell Avenue
6. North Clinton Avenue
7. Thurston Road
8. West Main Street

ROCHESTER'S COMMERCIAL CORRIDOR STRATEGY

The strategies offered in the individual commercial districts suggest a prioritization of investment. Several of the study areas have immediate potential for better performance, while others should be seen as a longer term potential. For this latter group, the most effective approach will be to secure sites for future commercial development once neighborhood conditions improve to a point where they can support new businesses. For those areas where there are immediate prospects, strategies need to address a similar set of needs.

Commercial Development Topics

Through the analysis, it was possible to identify ten topics – some of them a compilation of issues – under which to categorize initiatives related to commercial district vitality. Not all of these will be part of a commercial development strategy, as they are more appropriately addressed through different initiatives.

Neighborhood Revitalization

Throughout all eight study areas, and much of the City of Rochester, demographic conditions present the greatest challenge to business development and commercial district vitality. Low income neighborhoods lack the purchasing potential to support many businesses. Where markets are fractured among different demographic segments, it may be even more difficult for many businesses to develop a product mix and price point that can appeal to enough customers to generate the sales the business needs to thrive.

The City of Rochester has been engaged in neighborhood revitalization for decades, and recent investments to add new housing in neighborhoods surrounding corridors such as Lyell Avenue or Genesee Street can be seen to have an impact. The

City does need to be cautious, however, about building too great a concentration of assisted housing in any particular area. While building these units may improve housing conditions and remove blight, adding additional low income households will not generate the sales potential needed to support commercial businesses. In the end, the income profile of the poorest neighborhoods needs to increase for them to support viable commercial businesses.

Public Infrastructure

Public infrastructure is a broad term used here to describe streets, sidewalks, streetscaping, parking, street and wayfinding signage, traffic calming techniques, and other public realm investments. This might be described as the base on which the economic and social conditions of the corridor are developed. In all cases, function is more important than form. It is far more important to have a wide sidewalk that feels welcoming and that businesses can use for outdoor displays or dining, than it is to have decorative pavers. Ample and multi-level (pedestrian and auto-oriented) lighting is far more important than ornamental posts and lanterns.

With regard to streetscapes, the City of Rochester should consider an approach that creates a “blank canvas” that encourages personalization by the district, businesses, and property owners. Rather than investing in decorative elements that remain static and unchanging through the decades, the City can build infrastructure that is adaptable and will support the design elements that the local community brings to it, and changes as desired. This will result in unique, personalized, and evolving spaces that are often defined by the term “place-making”. There are other benefits to this approach including lower construction and maintenance costs for the City and the additional attention given to public space when it is “claimed” by an adjacent business or property owner.

The corridor market analyses identify several infrastructure initiatives such as streetscape improvements, new public parking lots, and traffic calming measures. Each corridor is most appropriately addressed individually based on its unique needs, rather than through any single program.

Catalyst Investment in Public Facilities

Significant projects like Rochester's public stadiums, event venues, and planned ROC the Riverway will bring visitors to Rochester, and businesses that embrace and connect with them can capture their spending. Whether these facilities already exist or are still being developed, a great deal of consideration should be given to helping businesses make beneficial connections. As an example, park development in or adjacent to the Genesee River gorge should include sites for private retail, dining, and entertainment that enhances the public space and create opportunities for business development that

would otherwise not exist. These catalyst projects can also be private, such as may be the case with the proposed Susan B. Anthony visitor center.

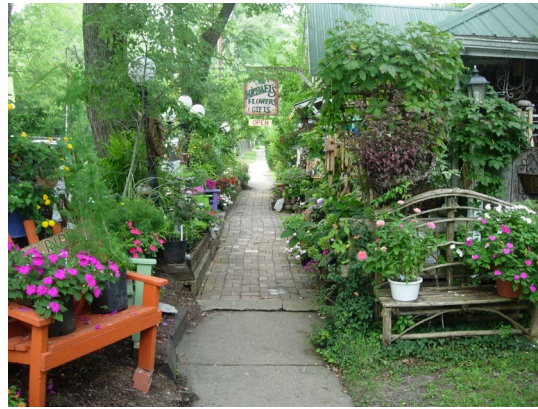
Individual recommendations for some of the eight study areas discuss some of these opportunities. They include establishing physical connections between Lake Avenue and the Genesee River gorge, and leveraging activities at the two stadiums to draw customers to Lyell Avenue and State Street, and to support redevelopment on State Street. The State Street parking lot owned by Kodak and Monroe County is itself identified as a possible site for a catalytic investment in a destination entertainment venue.

Code Enforcement, Zoning, and Urban Design

The condition of some private property continues to be an impediment to its use, and to the vitality of the corridors in which it is located. The City may consider targeting commercial areas for stepped up enforcement on an annually rotating basis, as one possible approach to the issue. Enforcement can target specific issues that are either very visible or present the greatest threats to safety. Enforcement can be coupled with grant and loan funding to help owners make corrections.

Zoning and urban design are considerations in a handful of districts. In site-specific instances in these or other corridors, issues may be dealt with through changes to the zoning map or code. Auto-oriented uses are a more general issue. In several corridors, additional retail development might be possible with a format that is more conducive to customers arriving by car. This is particularly true of chain or franchise businesses that may only consider a freestanding building or strip center with adequate off-street parking, but independent businesses will also benefit from being more accessible to customers coming from outside of the immediate area.

The City's commercial zoning districts do permit auto-oriented development to a degree. As districts progress from serving a neighborhood to a community, this ability becomes



Examples of streetscapes where public investment in static infrastructure is minimal, and businesses are encouraged to adopt and personalize the space in front of their storefront. Bottom right: market booths line a plaza. A similar approach might be considered in places where pop-up and truck-based retail and dining will be positioned.

more important. Greater zoning flexibility may be contemplated in conjunction with the assembly, planning, and redevelopment of larger sites, such as the Bull's Head Redevelopment Area, or sites within corridors such as East Main Street, Lake Avenue, and North Clinton Avenue.

Creating a functional and attractive commercial corridor must balance several elements of design, especially in urban areas where design for people walking and design for people driving may involve differing needs and preferences. Wide sidewalks, near-continuous and largely transparent storefronts,

and street-facing, frequently spaced, retail entrances are very important to people on foot. For people driving, adequate, visible, and convenient parking and car-oriented signage can be important. Attracting car-oriented businesses may also mean accommodating drive-through operation or curb side pick up. Balancing the different design preferences of different users may vary corridor by corridor, or even site by site within a corridor, depending upon context and market. But even more car-oriented businesses or corridors will benefit if people traveling to them by car want to stay and walk around to other nearby businesses or destinations once they arrive, so elements of walkable, pedestrian-scale design should be integrated into all types of commercial development.

Crime and Safety

Criminal activity keeps people from stopping in some of the city's commercial corridors. Because there are a large number of households with no vehicles available, nearly all commercial districts have some level of a captive market, but those with an option will avoid areas perceived to be unsafe. The City does have programs like the Small Business Matching Grant to help with private security enhancements. Streetscape design should also incorporate CPTED (Crime Prevention Through Environmental Design) practices. Aside from these measures, crime can be addressed through neighborhood improvement, economic opportunity, and increased enforcement.

Organization

Professional management is one of the critical factors in successful business district revitalization. Just like in mall settings, a commercial district manager will often take on responsibilities for coordinating with businesses and property owners on issues of common area (public realm) beautification and maintenance, marketing, event coordination, leasing (business recruitment), and other tasks. The Main Street Pro-



Examples of design that balances pedestrian and auto access. Top left: a gas station and convenience store with pumps located to the rear of the primary façade. Top right: district designed with parking on street and in small lots scattered throughout the area. Bottom left: fast food with dining in front and parking and drive through to the sides. Bottom right: parking to the side of a commercial building is screened by a wall and seating.

gram, developed by the National Trust for Historic Preservation in the 1980's and since replicated in hundreds of communities nationwide, is often looked at as a model for this approach.

Marketing

Rochester has several examples of commercial areas that are marketed as a distinct district. The Neighborhood of the Arts or College Town are examples. That same strategy can be extended to several of the city's remaining districts, including Genesee Street or Thurston Road, among the study areas. These two districts have a business mix that can attract customers from outside of the immediate neighborhood. Marketing the district helps to extend the advertising of individual businesses and creates the perceptions of a destination where customers may find multiple businesses. Marketing may focus on capturing more sales from existing customers, or on building a larger trade area to attract new customers.

Events and Promotions

Events can be a very effective tool for districts that are seeking to build an identity, and to reinforce their role as a social and gathering place within their neighborhoods. Thurston Road, Genesee Street, and North Clinton Avenue are three such districts. East Main Street, Lyell Avenue, and Lake Street are districts that can coordinate promotions around events held nearby, drawing new customers to their businesses.

Real Estate Development

All of the corridors present opportunities for infill development, redevelopment, rehabilitation, or adaptive reuse. In many cases there is market demand, but there is the probability of a gap between the rent that can be afforded by prospective businesses, and the income that is needed to fund construction. It may also be the case that there is little developer interest in some sites due to the higher levels of risk associated with struggling commercial districts, compared to safer projects that might be found in higher income suburbs with more demand.

Poorer market conditions such as those found in many of Rochester's districts often lead local governments to locate a particular set of uses in these areas, including income-assisted housing, social service agencies, and similar uses that cater to a low-income population. While these are all needed, their concentration can impede other development that could help to change the income profile of the neighborhood and business mix in the corridor. Finding the right balance is a challenge and will be unique to each area. A long-term strategy is needed to use some of these uses to initiate development, and then transition to a blend of market rate and affordable units to achieve diversity and balance.

Business Attraction and Startup and Existing Business Development

Rochester does have commercial corridors where there is the possibility of attracting chain retail and dining establishments, and those opportunities should be pursued. Chain (or franchised) businesses represent market stability. Their name recognition and marketing may draw customers who would otherwise travel to other district to shop, and in the process, invite the prospect of cross-shopping nearby businesses. As tenants they are better able to afford the higher rents needed to support redevelopment.

Locally-owned chain and independent businesses will be prospects for all of the City's corridors, and may be the only realistic potential for several of them. Rochester's existing independent businesses are not very diverse, with a great number being corner grocery stores or hair salons. To bring vitality to the city's corridors, it will be necessary to encourage a greater variety of store types in many of the specialty categories where sales are now lost to locations mostly outside of the city. This will be a major focus area in recommendations to develop a comprehensive business startup and growth program.

Recommended Programs and Resources

Five of the ten issues that impact the city's commercial corridors - neighborhood revitalization; public infrastructure; catalyst investment in public facilities; code enforcement, zoning, and urban design; and crime and safety – are topics that are addressed through corridor-specific actions. Additionally, they may be the primary responsibility of other organizations, and only touch on the role of commercial business development and corridor vitality. While commercial development staff may need to coordinate with partners to ensure that commercial-related issues are addressed and efforts are undertaken for the benefit of the corridors, the recommendations here target the five remaining topics.

The City has limited resources and there are many commercial corridors, or districts on those corridors. These districts should not receive equal funding under the City's commercial development programs. The intent should be to invest in those areas where there is the best likelihood of building strong businesses and creating vibrant commercial areas. In some cases, districts that are seen to be

successful could receive support, as there is an opportunity for growth and an environment that supports startups and other businesses. In the least promising areas, where there are few opportunities to generate new businesses or increased commercial vitality, the long term strategy may be to wait for conditions to improve before promoting commercial development. Alternative approaches, like food and retail trucks, may be used to help meet the shopping and service needs of area residents in the interim.

Recommended actions that the City of Rochester can take to restore vitality to its commercial districts, and to generate commercial business development, include the following.

- 1. Create a program similar to “Main Street” to provide coordinators for selected commercial districts in Rochester.**

The role of the coordinators will be to provide a level of management for the districts they represent. Importantly, each district that receives the assistance of a coordinator should be required to have an active organization with an independent budget and volunteers (or paid staff of the organization) to carry out its activities. They should be required to demonstrate adequate funding commitments for three years (sustainability) and develop an annual action plan along with an overall strategy to improve the district, with a focus on growing a strong and diverse business community. The role of the coordinator is seen to be to support, and not to do the work of each district.

Each coordinator may support three or four districts, depending on their size and the complexity of its issues. They would also play a significant role in developing citywide programs. The coordinators should have complementary areas of expertise such as marketing, real estate development, or event organiza-

tion and promotion. In addition to generally supporting their own corridors, each coordinator can bring their own expertise to the remaining districts in the program.

In implementing this recommendation, the recommended approach will be to hire two coordinators in the first year, one with expertise in marketing, and the other with the skills necessary to implement recommendations related to developing the infrastructure for city-wide and corridor-specific incubation and pop-up space. Each coordinator can be assigned three of the study areas as their primary responsibility, providing support to the remaining ones in their area of expertise. Genesee Street, Thurston Road, and North Clinton Avenue have similarities that may make them a good grouping, while Lake Avenue, West Main Street, and Lyell Avenue would be the second set of districts. An additional coordinator can be added in the third year, to expand the program to other areas.

- 2. Brand and/or market selected commercial districts within Rochester to challenge negative perceptions, generate increased customer traffic, and position the district.**

Branding, or defining a market position, is a recommendation relevant to several of the study areas, and it will be to other districts within the city. Rochester can bring together multiple resources to help define the brand, and to coordinate effective marketing campaigns for the districts. This might contain several components.

- The City’s commercial district coordinators can serve as a resource to help develop the brands of areas selected for participation.
- The City should explore the potential to collaborate with the Rochester Institute of Technology or other arts programs to secure additional professional support, and to use students to develop graphic designs, advertising materials, and other imagery and copy for use in advertising, or to develop digital content.
- The City can negotiate with local media to secure favorable rates for advertising, and use its own outreach channels to help promote the districts.
- The City can establish a matching grant program to assist commercial districts in purchasing advertising for key events or promotions.

- 3. Provide logistical and financial support to organizations in selected commercial districts to assist in developing and executing events.**

Events can range from annual festivals to seasonal activities like farmer’s markets or other weekly events. These are critical to reinforcing the social role the district plays as a neighborhood gathering place. For that purpose, frequently recurring seasonal activities are often easier to carry out, less costly, and more effective than annual festivals.

The City's role should include logistical, technical, and financial support. Financial support can be in the form of a small grant program to provide seed funding for events that are likely to have a significant impact on the district and its businesses. Technical support can be provided by district coordinators, in those districts that are part of the program. Logistical support might include additional policing or public services. The City should consider providing support at no cost for recurring small events like farmer's markets or evening activities. It may be more appropriate to recover costs for large events.

4. Expand upon the grant and loan programs available to property owners to repair or renovate their commercial properties.

The target for this assistance is the many small property owners whose typically one- and two-story buildings line most corridors in the city. Most of these buildings are at least fifty years old. In addition to the visible signs of aging, many will also have issues with HVAC, electrical, and plumbing systems that no longer meet code, or even structural issues. While facade elements are eligible for funding under the City's facade programs, the roof, mechanical systems, and structural repairs are not. The City should consider revising existing programs, creating new program, or partnering with others to address these more basic needs for building rehabilitation. Options may include grants, loans, or guaranteeing or writing down the interest on conventional loans.

5. Assemble commercial development sites and hold them, if necessary, until conditions are right to package them for redevelopment.

The City of Rochester owns real estate in many of its commercial districts. These are mostly vacant lots

that have been acquired through tax foreclosure or other means. Some are suitable for redevelopment, while others may be combined with adjacent property to create a more desirable site. A long-term strategic view is needed when considering the disposition of this property. Some sites could be held for public purposes such as to create parking or parks. Other sites should only be transferred with a commitment to redevelop them for the ultimate "highest and best" use. This may require passing on sales in the short term, for uses that do not support the vision for the corridor. The City may want to consider how its land bank can play a role in this strategy.

6. Create a nonprofit commercial development corporation that can partner with both the public and private sector to acquire, develop, own, manage, or otherwise engage in commercial and mixed-use development projects within the city.

The economics of commercial development projects in many parts of Rochester will not work out. Most businesses are not able to pay the amount of rent necessary to make a project financially feasible. Still, there is market demand for space. A nonprofit development corporation would have access to other funds, through private donations or grants, to write down development costs, enabling construction that will create attractive business locations, and help to spur additional revitalization in the corridor.

The City of Rochester may look to examples from other communities that have taken this approach. In addition to property acquisition and renovation or redevelopment, the commercial development corporation can be a partner in advancing other corridor initiatives such as blight elimination, developing anchor uses, and creating economic opportunities for neighborhood residents.

Most successful commercial development corporations leverage private foundations and other fundraising with public funds from local, state, or federal sources. They can include community investment such as crowd-funding or support cooperative development.

7. Participate with the city's commercial brokers and commercial property owners in retail and dining business attraction activities.

There are opportunities to attract chain and franchise retail and restaurants to several of the city's commercial corridors. One step in realizing this potential will be to identify appropriate sites where these businesses can locate in existing buildings or strip centers, or build in an urban format acceptable to the chain.

In promoting these opportunities, the City will find an advantage in partnering with its commercial brokerage community, tapping their knowledge and industry contacts to reach deci-

sion-makers within the targeted businesses. The City can be prepared with detailed information on the available sites, demographic data, and information concerning potential City participation in a redevelopment project.

8. Develop a technical support team to work with district coordinators and to provide training and technical support to startups or existing businesses.

Many other governmental, economic development and other organizational, corporate, educational, and other partners will have an interest in furthering the City's efforts to support startups and expand existing small businesses in the commercial corridors. The City can invest time in developing a network of subject matter experts who would be willing to commit time to offer technical assistance and education to City staff, district organizations, and businesses to help them deal with issues where they need professional guidance. This network can be an important ongoing resource.

9. Create a multi-faceted program to support retail, dining, and service business startups that will fill space in Rochester's commercial corridors.

Existing independent and locally-owned businesses in Rochester's commercial corridors can grow, and some may be in a position to add new locations. Meanwhile, the majority of new businesses opening in the city's commercial corridors will be startups. For many districts, these may be the only businesses that can be added, until conditions improve. The most significant economic development investment Rochester can make, therefore, will be to establish a comprehensive program of startup assistance and small business growth. That program should include train-

ing and technical assistance, alternative forms of incubation, and financial support. Additionally, these programs should be accompanied by marketing and promotion to raise the prospect of entrepreneurship as a path for community residents.

- **Promoting entrepreneurship.** Rochester needs to develop an entrepreneurial pipeline, creating a culture in which starting and owning a business is seen as a viable choice for earning an income. That is accomplished through education and promotion. Entrepreneurship and business management skills should be included in educational curriculum. National models like Lemonade Day in grade schools, or Junior Achievement in high school, can be adopted locally. Beyond this, the City should promote entrepreneurship through a marketing strategy aimed at media that reaches local neighborhoods.
- **Training and technical assistance.** The City's commercial district coordinators can serve as a conduit to professional and volunteer support, including organizations like the Small Business Development Center (SBDC) and Service Corps of Retired Executives (SCORE). Specific programs should be developed in startup issues for retail, dining, and service businesses, and coupled with more general programs on startup and continuing business issues. Some of the topics that these programs should address include:
 - Human resources management
 - Cash flow planning
 - Marketing and social media
 - Earning and keeping customer loyalty
 - Creating a compelling shopping/dining experience
 - Developing an internet strategy
 - Understanding customer preferences
 - Learning and using new technology
 - Merchandising and inventory management
 - Visual display and design
 - Food safety
 - Menu planning and regulatory compliance

There is limited availability of fresh food in many low income neighborhoods. This is an issue of interest to the City, and the analysis here does not support introducing full-line grocery stores to the eight corridors, or likely most parts of the city. The lack of access to fresh food is a concern shared in most large cities. Foodlink is currently using mobile grocery trucks to bring perishable items to neighborhoods on a regular schedule. This might be supplemented by retail and food trucks promoted under other City business development initiatives.

These mobile food trucks also serve as a training tool for people interested in starting their own business, or simply acquiring workplace skills. That role can be expanded.

- Retail and dining business incubation.
 - **Truck-based retail and dining businesses.** Food trucks have long been around, and more recently there has been a growing use of this technique for retail. Often these businesses intend to remain operating from a truck, while for some startups, a truck is seen as a stepping stone to acquiring fixed storefront space. As part of an incubation program, the City can organize a “mobile market”, establishing a rotation of trucks to different commercial districts on a fixed, and special event schedule. A daily rotation to different sites has advantages for both the businesses and neighborhoods. The business is exposed to more potential customers and can assess the areas in which they have

the best sales, in considering where they will set up permanently. Individual neighborhoods benefit by having access to products and services that would not otherwise be available in the area.

- **Retail and dining business incubators.** This strategy recommends developing four sites as business incubators. Two of these, the Rochester Public Market and The Commissary Downtown Kitchen Incubator, already exist. La Marketa is under development, and a final site is recommended in the Lyell Avenue corridor.
 - **Rochester Public Market.** Table space at the Public Market offers many people the chance to establish a small business, though few grow beyond that entry point to move into a conventional storefront. While the Market continues to provide space, the City can bring to it the new training and technical assistance programs that will help these businesses, and set a greater number on a path to growth.
 - **La Marketa.** While this project has spent a considerable time in development, the fundamental idea of a themed marketplace with affordable space for small and startup businesses is fundamentally sound. La Marketa can be developed as a business incubator, with some portion of its space reserved for businesses that will establish themselves, gain knowledge and a customer base, and graduate within a year to conventional storefronts.
 - **Lyell Avenue site.** Lyell Avenue is recommended as a site for a fixed incubator to serve the west side of Rochester. The eastern end of the corridor is easily accessible to much of the west side, and there is a significant volume of traffic. Additionally, the incubator can attract visitors to events at the nearby Frontier Field or Marina Auto Stadium. A space of 5,000 to 6,000 square feet is needed, with convenient parking. The space should be divisible into individual storefronts of about 400 square feet, for a combination of retail and dining uses.
 - **The Commissary Downtown Kitchen Incubator.** The Commissary will support restaurant startups, and a specialized curriculum should be developed for these businesses. There is a second opportunity associated with the kitchen. Products that are made there can be sold at businesses in the city’s commercial corridors. A baker, for instance, can make pastries that can be sold in restaurants or retail shops. This gives the storefront business a new product line and gives the manufacturer an outlet for their product.

- **In-situ business incubation.** Some businesses will have the ability to commit to conventional space as they start. These should still be given access to the training and technical assistance benefits of the City's startup programs.

In some cities, commercial landlords are participants in local incubation initiatives, offering reduced rent to startups that are part of the program. This is a public-private partnership strategy for Rochester to explore, especially where there are long-term vacancies. The City can assist in identifying potential startups and connecting them to landlords offering reduced rent while the business participates in startup programs. Over the long term, the landlord receives a benefit in having a stable tenant for the space.

- **Pop-up retail and dining.** Pop-up spaces are appearing in many communities. At times these are deliberately made available for only short-term use, while in other places vacant storefronts are temporarily made available while the space is available for lease. Either approach might be appropriate for Rochester, using both City-owned and privately-owned space.

City-owned space can largely consist of fixed container retail or dining space in corridors such as Thurston Road or Genesee Street, which are walkable areas with few vacant storefronts. The spaces can be placed on City-owned lots and made available for short-term (one to three month) lease to businesses in the startup phase, that are participating in the City's incubation programs. The intent is to give these businesses a "soft start" to test ideas, gain knowledge, and begin to develop customers, then graduate them to conventional storefronts.

- **Financial support.** While financial assistance programs are discussed in another recommendation, there are additional indirect initiatives the City can implement with a focus on startup businesses. Finding the capital to start a business is particularly difficult in low income communities. These programs replace conventional funding needed for common purchases and cash needs.
 - **Furniture and fixtures lending collection.** The City or a nonprofit entity such as the proposed commercial development corporation can purchase and accept donations of store and restaurant furniture and fixtures that can be loaned to startup businesses at a nominal, or no cost. If the business fails the items can be returned to the inventory and made available to another business. At the end of the loan period the borrowed items can be returned or purchased by the business, or the managing entity may write off the loaned items.
 - **Rent rebate.** Businesses that incubate in La Marketa, the Lyell Avenue space, or City-owned pop-up spaces will be paying rent to the City, which can use a portion of that income to establish a grant or loan pool. Grants or loans can be offered to businesses that graduate from these spaces, to be applied to rent, utilities, inventory, leasehold improvements, or other non-collateralized costs for which it can be difficult to obtain working capital loans.

Implementation

The following table offers a plan of implementation for both citywide and individual district recommendations.

TABLE 6: CITY-WIDE STRATEGY RECOMMENDATIONS

RECOMMENDATION	2019	2020	2021 AND LATER
<p>Create a program similar to “Main Street” to provide coordinators for selected commercial districts in Rochester. East Main Street, Genesee Street, Lake Avenue, Lyell Avenue, North Clinton Avenue, and Thurston Road have been identified for this program.</p>	<ul style="list-style-type: none"> ■ Create job descriptions and hire two coordinators, for Genesee Street, Thurston Road, and North Clinton Avenue, and for West Main Street, Lake Avenue, and Lyell Avenue. 		<ul style="list-style-type: none"> ■ Add third coordinator to expand the program.
<p>Brand and/or market selected commercial districts within Rochester to challenge negative perceptions, generate increased customer traffic, and position selected commercial districts.</p>	<ul style="list-style-type: none"> ■ Develop partnerships with Rochester Institute of Technology and others to support branding and marketing initiatives. ■ Initiate citywide campaign to enhance the image of Rochester and its commercial areas. 	<ul style="list-style-type: none"> ■ Expand branding and marketing support to individual corridors. ■ Launch a small grant program to match corridor spending on marketing 	
<p>Provide logistical and financial support to organizations in selected commercial districts to assist in developing and executing events.</p>	<ul style="list-style-type: none"> ■ Review current policies for permitting and logistical support, including fees, to identify ways that the City may be able to encourage more routine or unique events in targeted corridors. 	<ul style="list-style-type: none"> ■ Through commercial district coordinators, begin to provide technical support for events within targeted areas. 	
<p>Expand upon the grant and loan programs available to property owners to repair or renovate their commercial properties.</p>	<ul style="list-style-type: none"> ■ Modify existing programs, or create new programs to encourage structural, roofing, HVAC, plumbing, electrical, and similar repairs to commercial buildings. 		
<p>Assemble commercial development sites and hold them, if necessary, until conditions are right to package them for desired redevelopment.</p>	<ul style="list-style-type: none"> ■ Identify priority sites within the city’s commercial corridors, and utilize the land bank, along with other mechanism to acquire, hold, and promote desired redevelopment sites. 		

TABLE 6: CITY-WIDE STRATEGY RECOMMENDATIONS (CONTINUED)

RECOMMENDATION	2019	2020	2021 AND LATER
<p>Create a nonprofit commercial development corporation that can partner with both the public and private sector to acquire, develop, own, manage, or otherwise engage in commercial and mixed-use development projects within the city.</p>	<ul style="list-style-type: none"> ■ Determine the appropriate structure, identify partners, and solicit public-private support for the organization. 	<ul style="list-style-type: none"> ■ Establish the organization, determine priorities, and begin to implement activities. 	
<p>Develop a technical support team to work with district coordinators and to provide training and technical support to startups or existing businesses.</p>	<ul style="list-style-type: none"> ■ Enlist a team of business experts from education, partner organizations, and the private sector, who are willing to offer low cost or pro bono assistance to Rochester’s startups and small businesses in a one-on-one or classroom setting. 		
<p>Create a multi-faceted program to support retail, dining, and service business startups that will fill space in Rochester’s commercial corridors.</p>	<ul style="list-style-type: none"> ■ Emphasize the importance of entrepreneurship and assistance from the City in marketing for the corridors. ■ Build upon the technical support team to offer a more formal program of class instruction and technical services to support entrepreneurship. ■ Begin to assemble a lending collection of commercial furniture and fixtures that can be made available at low cost to startup and small businesses. 	<ul style="list-style-type: none"> ■ Establish a program for incubating retail and dining businesses based on food/retail trucks. ■ Develop programming to support entrepreneurs who will be utilizing the Rochester Public Market or the Commissary Downtown Kitchen Incubator as their business location. ■ Develop pop-up retail and dining space on Genesee Street, the Kodak/County parking lot on State Street (Lake Avenue corridor), and Thurston Road, along with policies and programs to support the space. 	<ul style="list-style-type: none"> ■ Develop incubation services centered on La Marketa and the incubator space proposed for Lyell Avenue. ■ Create a rent rebate grant and/or loan program, earmarking a portion of the rent paid for space in the City’s incubator or pop-up space to be offered back to businesses that graduate to conventional space in one of the City’s commercial corridors.

TABLE 7: CORRIDOR STRATEGY RECOMMENDATIONS

RECOMMENDATION	2019	2020	2021 AND LATER
East Main Street	<ul style="list-style-type: none"> Review land use, zoning, and urban design. Identify redevelopment sites centered on existing city-owned land. 	<ul style="list-style-type: none"> Coordinate retail and food truck activities with nearby events. Improve wayfinding signage 	
Genesee Street		<ul style="list-style-type: none"> Develop a brand tying the corridor to the U of R campus Initiate marketing campaign to target students and residents Promote infill and redevelopment sites 	<ul style="list-style-type: none"> Install streetscape improvements Develop a pop-up retail and food site in the corridor
Hudson Avenue	<ul style="list-style-type: none"> Review land use, zoning, and urban design 	<ul style="list-style-type: none"> Prepare a site for mobile retail and food truck use 	
Lake Avenue	<ul style="list-style-type: none"> Initiate discussion with Kodak and Monroe County to plan redevelopment of their parking lot 	<ul style="list-style-type: none"> Identify and implement traffic calming measures, and streetscaping to improve walking and bicycling Encourage infill and redevelopment north of Brown Street 	<ul style="list-style-type: none"> Plan and implement connections to the Genesee River Restore commercial uses to buildings near Ravine Avenue
Lyell Avenue		<ul style="list-style-type: none"> Expand the the “Little Italy” brand to an international theme Target for private façade investment Begin planning for a retail and dining incubator space 	<ul style="list-style-type: none"> Plan and install streetscape improvements Identify sites for public parking Promote redevelopment of the Tent City building

TABLE 7: CORRIDOR STRATEGY RECOMMENDATIONS

RECOMMENDATION	2019	2020	2021 AND LATER
North Clinton Avenue	<ul style="list-style-type: none"> ■ Continue developing the La Marketa project ■ Review land use, zoning, and urban design, with an emphasis at the corner of Upper Falls Boulevard. 	<ul style="list-style-type: none"> ■ Develop a brand campaign ■ Implement measures to address crime and perceptions ■ Target for façade investment 	
Thurston Road	<ul style="list-style-type: none"> ■ Step up code enforcement to address nuisance complaints ■ Prepare options to encourage storefront expansion 	<ul style="list-style-type: none"> ■ Develop a brand campaign ■ Work with property owners to provide public parking at Sawyer Street 	<ul style="list-style-type: none"> ■ Program events in the corridor ■ Convert the Midvale lot to parking and pop-up space ■ Restore commercial uses to converted space
West Main Street	<ul style="list-style-type: none"> ■ Explore the potential for live-work artist space ■ Identify options to provide more parking between Madison and Canal Streets 	<ul style="list-style-type: none"> ■ Enhance the streetscape near the Susan B. Anthony House and Museum ■ Redevelop the Bull’s Head area 	

THIS PAGE INTENTIONALLY LEFT BLANK

COMMERCIAL DISTRICT ANALYSES

East Main Street

Genesee Street

Hudson Avenue

Lake Avenue / State Street

Lyell Avenue

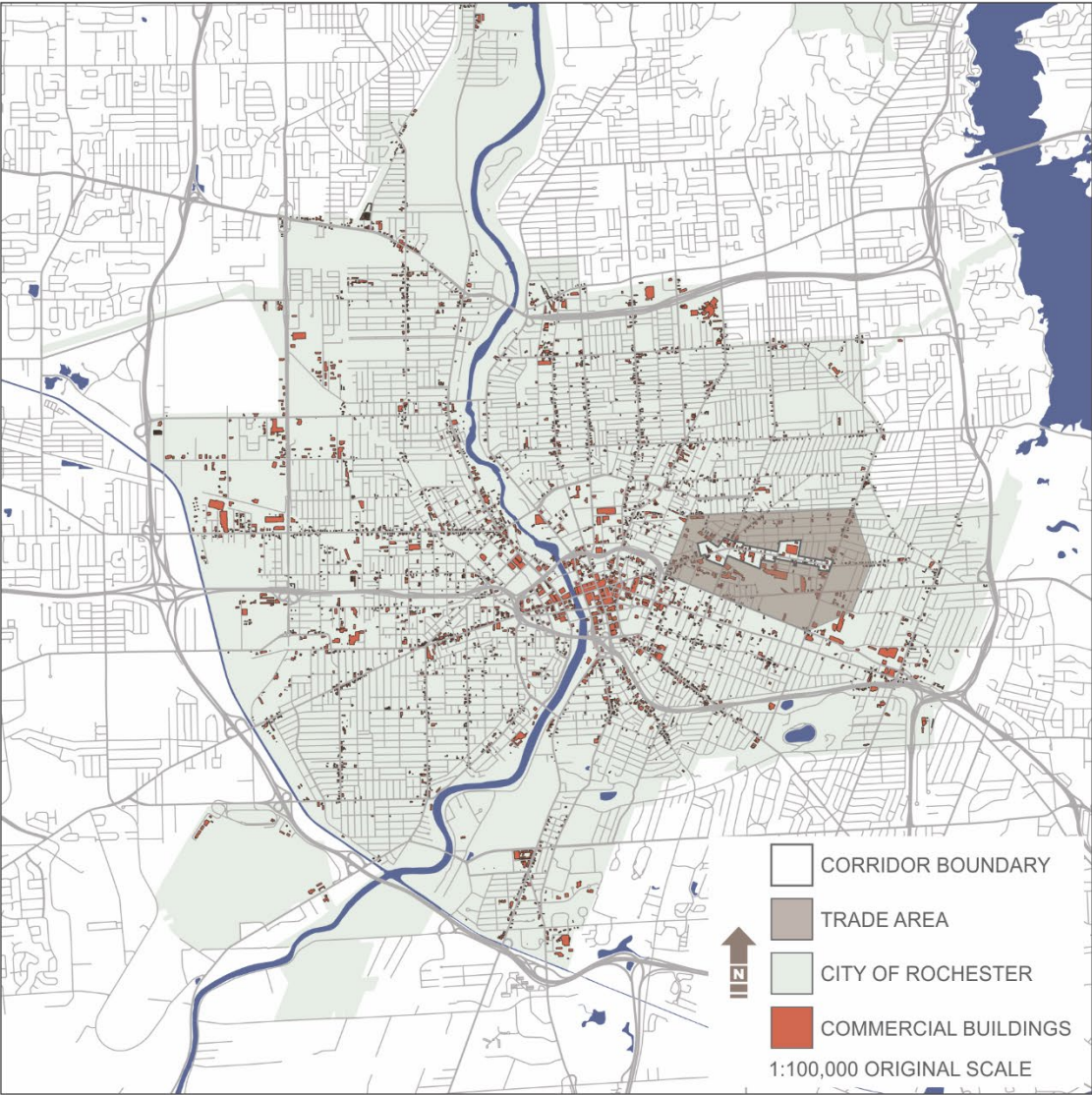
North Clinton Avenue

Thurston Road

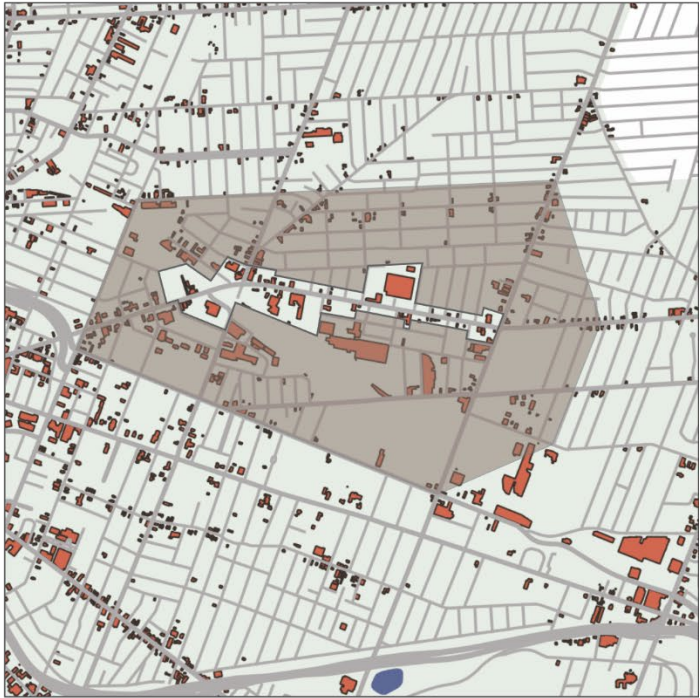
West Main Street

THIS PAGE INTENTIONALLY LEFT BLANK

EAST MAIN STREET CORRIDOR

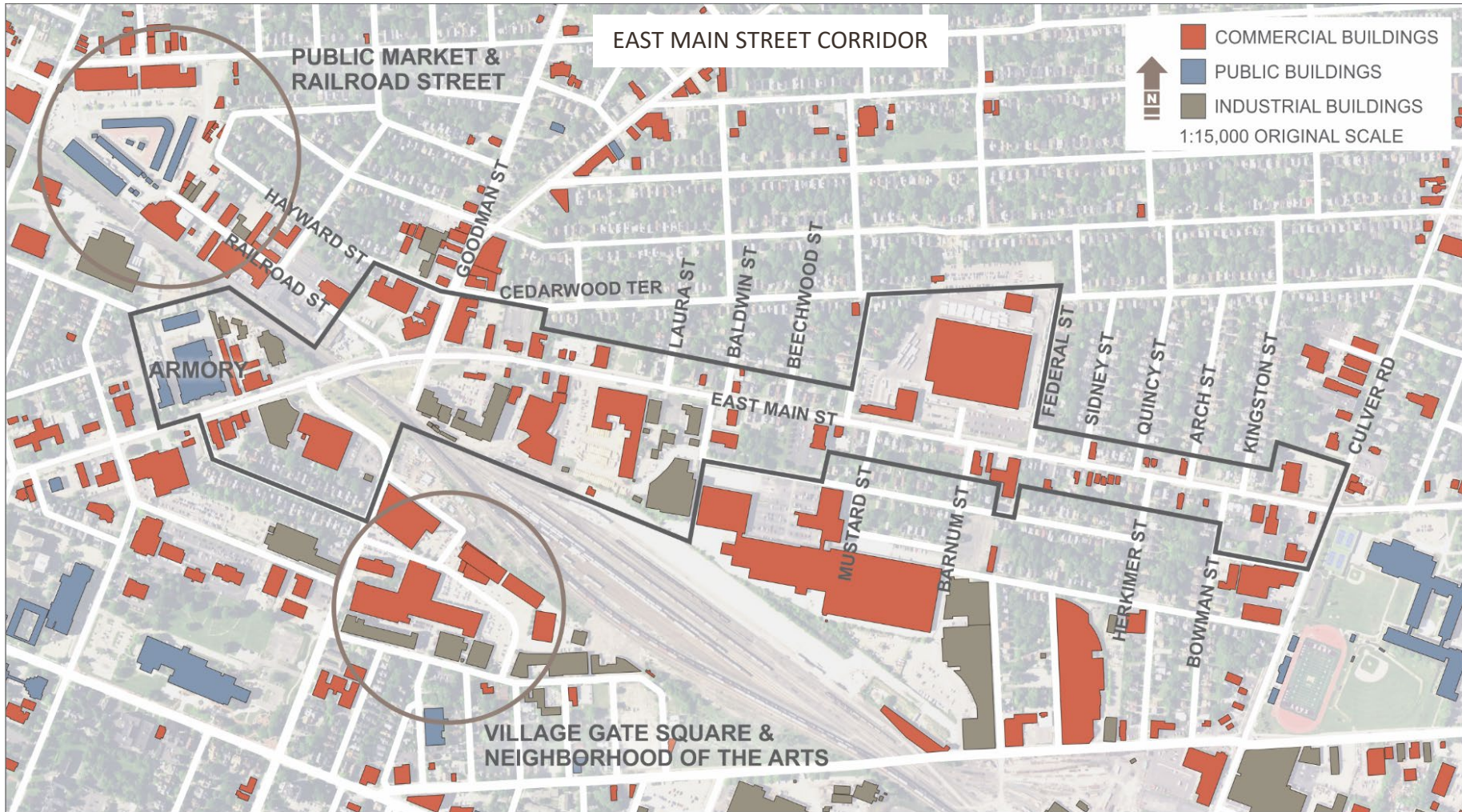


EAST MAIN STREET CORRIDOR AND TRADE AREA



SUMMARY

East Main Street can play a more significant role as a community shopping district. The western end of the corridor carries more traffic and acts as a gateway to destinations like downtown Rochester, the Rochester Public Market, and the Neighborhood of the Arts. This is also an area where there is ongoing redevelopment and reuse of former industrial properties to create new space for businesses, artists, and apartments. Further east the traffic drops off and the majority of the corridor is lined with residential buildings where limited office uses are permitted.



The redevelopment occurring between the Neighborhood of the Arts and the Public Market is bringing in younger households with incomes higher than those of the people already living in the neighborhood. These new households are supplemented by the potential to attract middle income consumers to the south, and visitors to popular destinations on or near the East Main Street corridor. Dining and entertainment venues have already clustered in places like Railroad Street and Village Gate Square, and the width and high speeds on East Main Street are not conducive to these activities. Instead, the west end of the study area can be a place where mixed auto/pedestrian development is possible, and chain or independent businesses can locate to be accessible to emerging markets in the neighborhood, along with the downtown and middle income areas to the south.

Redevelopment is bolstered by the presence of mostly large lots, and by the number of City-owned properties that can be combined to make larger redevelopment sites. These would accommodate freestanding commercial buildings or small commercial strips that would be well suited to either chain or independent businesses. Furniture, electronics, health care, clothing and accessories, and other specialty stores would all have potential in this corridor, along with gas stations and some restaurants. Fast food and family restaurants would be the dining options most suited to the corridor. This would be a site where mobile food and retail trucks can be positioned, and coordinated to take advantage of events in or near the corridor.

Some land use changes might be considered to the east, in the area that is mostly residential. Although the zoning does allow limited conversion of a portion of the structure to office use, this is very limiting. The area may attract business and professional services that will need a larger space than can be accommodated within existing residential buildings. Changes to the zoning can contemplate allowing redevelopment or more flexible conversion of existing structures.

CHARACTERISTICS OF THE EAST MAIN STREET CORRIDOR

CORRIDOR CHARACTERISTICS		TRADE AREA POPULATION		MARKET CHARACTERISTICS	
Commercial floor area (sq. ft.)	418,864	Population - 2018	12,024	Retail market potential	\$93,429,452
Vacant commercial floor area (sq. ft.)	20,350	Growth rate 2010 to 2018	-3.71%	Estimated retail sales	\$5,860,000
Commercial vacancy rate	4.9%	Median age	28.9	Retail market share	6.3%
Floor area used for retail	9.4%	Age 65 or over	13.0%	Dining market potential	\$12,857,490
Aggregate assessed value (commercial)	\$5,399,000	White	26.7%	Estimated dining sales	\$1,366,000
Average value per square foot	\$12.89	Black	56.0%	Dining market share	10.6%
Change in assessed value, 2007 to 2017	4.6%	Hispanic origin	21.3%		
		Households - 2018	4,476	TRADE AREA HOUSING	
		Average household size	2.64	Housing units (2018)	5,521
TRADE AREA INCOME		Households with children	39.5%	Housing units built prior to 1940	66.8%
Median household income	\$28,456	Single parent households	13.5%	Housing units built since 1990	5.6%
Below poverty level	38.1%	No vehicle available	31.1%	Median years in unit	6
Households with Social Security income	24.0%	No high school degree	24.2%	Owner occupied	21.0%
Households with SNAP benefits	44.5%	Enrolled in college	7.1%	Renter occupied	60.4%
Households with public assistance income	15.0%	Unemployment rate	14.0%	Vacant	18.6%
				Median home value	\$69,355

EAST MAIN STREET CORRIDOR MARKET ANALYSIS AND STRATEGY

Rochester's *Commercial Corridors Strategy* guides City investments and economic development initiatives to create more vibrant commercial districts. These corridors are vital to the City's quality of life. Their businesses offer the products and services needed by residents, they serve as social and economic centers for their neighborhoods, they provide an environment for entrepreneurship and small business growth, and they generate revenue to support City services.

The *Commercial Corridors Strategy* was developed in three parts. It began with an overview of the market and conditions for retail and dining businesses across the city and metropolitan area. Next, it delved more deeply into eight corridors, or study areas, representative of different conditions seen throughout the community. These are intended to serve as

models that may be replicated on other corridors. Lastly, it recommends a "toolkit" of programs and initiatives for business and district vitality.

The East Main Street corridor is one of the eight study areas chosen for detailed analysis. This district extends from the Armory on the west to Culver Road on the east. A variety of industrial, commercial, and residential uses have been located on the corridor, so that there is little consistency or concentration of retail activity. Industrial businesses have left over time, and many of these sites have been converted to other uses.

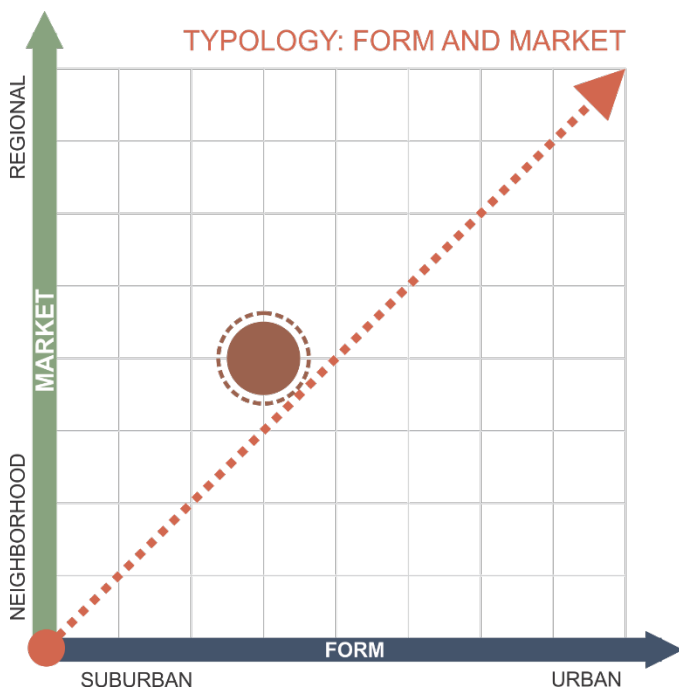
The east end of the corridor sits between two emerging destination districts. Railroad Street and the Public Market are situated to the north, and the Neighborhood of the Arts is located just to the south. East Main Street will benefit from their presence, but is unlike them. While they are pedestrian oriented shopping districts with specialty businesses, East Main Street is blended auto/pedestrian corridor that will serve the more routine needs of the community, but perhaps at a higher level than it currently does.

Fitting East Main Street Into the Theory of Change

The *Commercial Corridors Strategy* developed a theory of change to describe conditions that lead to revitalized commercial districts. This theory began by recognizing a range of characteristics based on urban form and the market being served. East Main Street is a wide corridor with fast-moving traffic and many buildings set back from the street. Several blocks of the study area are lined by one and two-family homes, and there is no concentration of commercial activity, so that businesses are generally reached by car. All of this lends the corridor a relatively suburban character. Retail businesses in the area serve a mostly neighborhood level of activity, and include some chain businesses.

The theory of change posits certain baseline conditions that are a platform from which to build a healthy commercial district. The basic conditions in this area are transitioning, with Rochester's most stable neighborhoods to the south and east. There is ongoing investment in the corridor and its vicinity, such as the conversion of former industrial buildings to new residential and commercial uses.

- **Neighborhood stability** –The most stable of Rochester's neighborhoods lie to the south and east of the study area. Even to the north, conditions begin to improve east of Goodman Street, with fewer foreclosures or demolitions (and almost none south of East Main Street or east of Culver Road). Even so, the area has experienced a sustained loss of population and the median household has lived in their home for six years.



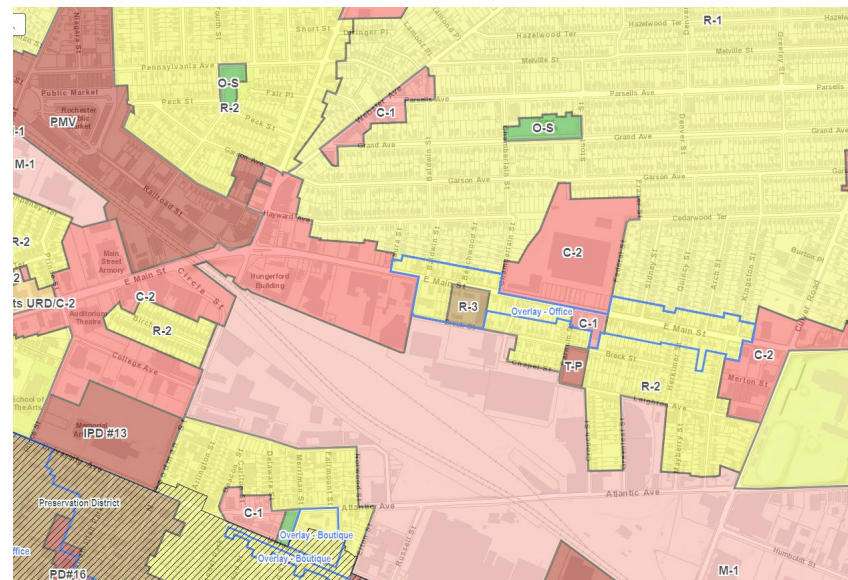
- **Demographics** – There are 12,024 people living within the trade area, in 4,476 households. Home ownership has been in decline, from 27.5 percent in 2000 to 21.0 percent in 2018. A growing percentage of the population is Hispanic. Median incomes are lower than the city’s median, and 38.0 percent of households are below the federal poverty level.
- **Safety/perception** – Compared to much of the remainder of Rochester, the area around East Main Street has seen far fewer crimes committed. Perceptions of the area are also more favorable than some other corridors.
- **Product mix** – The district supports a limited number of retail, dining, and service businesses. Auto Zone, Dollar Tree, and McDonald’s are the chain businesses. There are a small number of specialty stores.

with bars, restaurants, and other venues that serve the needs of visitors to the performance and event spaces, among others. The Public Market is at the far end of Railroad Street.

- **Unique businesses** – The Hungerford Building is a former industrial space that has been converted to apartments and studios for several artists. While unique, the building is not set up to be easily accessible to the public. There are several auto-related businesses in the district, and two financial institutions. Given their scarcity in the city, these can be a small draw, though the neighborhoods to the south and the downtown are well covered.
- **Design character** – Aside from a few examples such as the Armory and the Matilda Harper Building, the district does not have noteworthy characteristics that would contribute to its revitalization. It has a mix of new and older buildings and significant stretches of residential use that interrupt the commercial pattern. There has been little investment in streetscaping.
- **Social interaction** – The district is not conducive to neighborhood-level social interaction. Nearby areas like Railroad Street are emerging as an entertainment district, supported by the Main Street Armory and Auditorium Theater.

Elevating factors are strong assets that can be leveraged to drive additional customer traffic to a business district. Some of these exist in the corridor or nearby.

- **Attractions** – The Main Street Armory and the Auditorium Theater are located across from each other at the west end of the study area. These venues attract visitors to diverse performances and events. Railroad Street is immediately to the north, and Village Gate Square and the Neighborhood of the Arts are immediately to the south. These districts have emerged as entertainment districts



The corridor is mostly covered by the C-2 Community Center District and R-2 Medium Density Residential District with the Office Overlay District (above, left). The presence of Dollar Tree is significant in that it requires a more middle-income demographic than Family Dollar, which owns the chain.

The Corridor

The study area begins at Birch Crescent on the west, across from the Main Street Armory. Further to the west, the street is much the same as in the study area, containing a mix of auto-oriented office, industrial, service, and commercial uses until reaching the higher density downtown area. The study area ends at Culver Road on the east. A few blocks further east there is a very attractive and walkable neighborhood commercial district.

East Main Street is a primary corridor into downtown Rochester, heading east. It stops at Winton Road. It is a particularly wide street with three lanes of traffic to the west, quickly dropping to one lane in each direction, with a continuous center lane and on-street parking east of Goodman Street.

There is a lengthy rise in elevation and bridge over the railroad tracks between Circle Street and Railroad Street, which disconnects the east and west ends of the study area and separates the streets from adjacent uses.

Traffic on the east end is very good, with 24,000 cars per day at Circle Street. At its east end it only carries 12,700 cars per day, which is a low figure for many commercial uses. Traffic on Culver Road is somewhat higher, at 15,400 cars per day.

There are concrete sidewalks on both sides of the street. An attempt at beatification was made at the intersection of Goodman Street, where there is a large brick terrace and tree plantings, but the area is not used or well maintained. The sidewalk is often fronted by parking or vacant lots, with little to no landscaping or other buffering.

Because East Main Street was extended from downtown to Winton in phases throughout the 19th Century, and the mix of uses with which this area developed, there is no consistent pattern of platting or to the buildings that were constructed. The exception to this is the residential area, in which a pattern of lots with 42.5 feet of frontage and 125 feet of depth is normal.

There are several very large industrial, or former industrial buildings, along with the Regional Transit Service (RTS) facility. On the corridor, the Hungerford Building (1115 East Main Street) is one of two former industrial properties that has been converted to other uses. It is now a combination of apartments and commercial space for small businesses and artists. The Fedder Building (1237 East Main Street) is also being converted to space for small businesses and artists. It is in an earlier state of renovation and still has a significant amount of vacant space. These uses complement similar initiatives, such as Village Gate Square, that have redeveloped former railroad and industrial properties for new businesses and artists.

Development Patterns

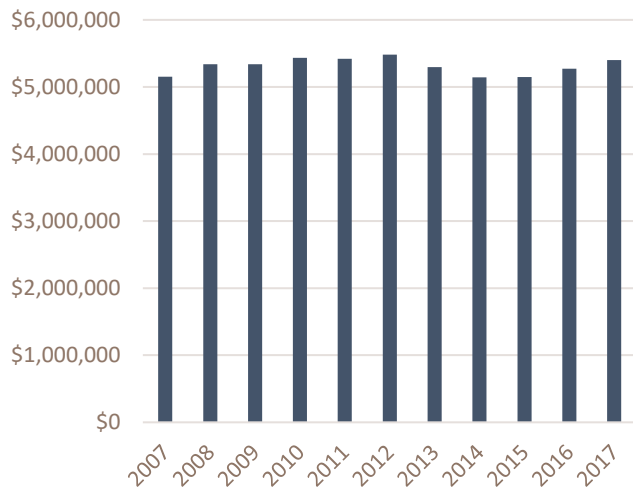
Parts of the study area have redeveloped with larger lots that allow freestanding buildings with ample parking. Examples of this include the Visions Federal Credit Union, Auto Zone, and Dollar Tree. In other places, there remain several traditional, mostly two-story commercial buildings, and small light industrial or service commercial buildings.

Assessed values in the study area have changed very little, increasing by just 4.6 percent between 2007 and 2017. Roughly half of the 54 properties within the district saw an increase in value, though seldom more than a few thousand dollars. The remainder were unchanged or experienced a drop in value.

The C-2 Community Center District covers much of the study area where commercial uses are found. The district permits a great number of possible uses and offers some flexibility in terms of design, but it does not allow industrial uses.

From a design perspective, the corridor is utilitarian, with little investment in the public realm.

ASSESSED COMMERCIAL PROPERTY VALUATION



Source: City of Rochester

Residential portions of the corridor are covered by the R-2 Medium Density Residential District, however, the street frontage is also covered by the O-O Office Overlay District. This overlay allows the use of “small-scale commercial uses that can exist proximate to neighborhoods without adversely affecting the residential environment. The preservation and rehabilitation of sound structures promote increased use options while dwellings remain the primary function of the district.”

There is reason to question whether the overlay district will achieve the intended result. The residential buildings on the

ESTIMATED SALES PER SQUARE FOOT

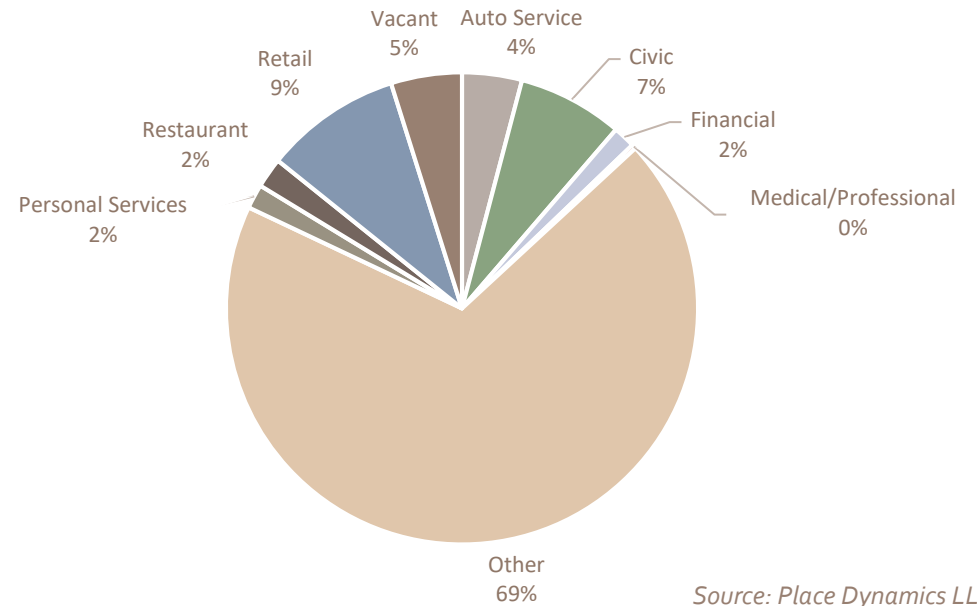
BUSINESS TYPE	E. MAIN STREET	ALL STUDY AREAS	NATIONAL AVERAGE
Retail	\$149	\$208	\$325
Restaurant	\$158	\$173	\$275
Personal Services	\$53	\$66	\$145

SOURCES: Place Dynamics estimates. National averages: Retail – Urban Land Institute; Restaurant – National Restaurant Association; Personal services – International Council of Shopping Centers.



The Hungerford Building, with Happy Feet in front.

USES IN THE EAST MAIN STREET CORRIDOR BY FLOOR AREA



corridor are not easily converted to offices, and at best, may seldom be more than space for one or two persons, with little investment in improvements to the structure. Meanwhile, there may be demand for larger office or other commercial space. Properties on the corridor usually have low assessed value and the City of Rochester already owns several vacant lots, such as in the block between Beechwood Street and Chamberlain Street. These could be areas to target for redevelopment that would create modern commercial space with parking, perhaps as part of a mixed use site.

Business Mix and Considerations

There is a total of 362,371 square feet of ground floor commercial space in the East Main Street district, not including the Rochester Transit Service property. Several of the study area’s buildings are large, current or former industrial structures that continue to house uses like small manufacturers, storage, offices, or artists’ studios. As a result, the “other” category is the largest use in the district, filling 288,618 square feet, or 68.9 percent of the floor area.

Retail is the next largest use with 9.4 percent of the floor area. No other use takes up much of the total space in the study area. These uses include civic (7.2 percent), auto service (4.1 percent), restaurants (2.1 percent) personal services (1.7 percent), financial (1.5 percent), and medical or professional offices (0.3 percent).



The East Main Street corridor trade area is outlined above.

The estimated vacancy rate is 4.9 percent, but this does not include space that may be available in larger buildings like the Hungerford Building or Fedder Building, which might house commercial or industrial uses.

There are only eight retail businesses in the study area, with aggregate sales of \$5,860,000. This figure results in sales per square foot of \$149, which is lower than the average of the eight study areas. Both chain stores in the area, Auto Zone and Dollar Tree, are performing below average for their respective chain. Never-the-less, they also have the highest sales volumes of the retail businesses in the district.

Restaurant and services sales per square foot also fall below the average. The study area has four restaurants and four personal service businesses. Total restaurant sales of \$1,366,000 result in an estimate of \$158 per square foot in sales. The \$367,000 in total personal service sales results in a figure of \$53 per square foot.

Neighborhood Characteristics

Mixed uses surround the East Main Street study area. Industrial buildings line the railroad which lies mostly south of the corridor, crossing its eastern end. Over time, many were adapted to new uses. This can be seen in the Hungerford and Fedder Buildings in the corridor and in Village Gate Square. Some contain apartments, and are among the larger apartment buildings in the area. Most residential neighborhoods are made up of one and two-family homes, with occasional larger structures.

Home ownership in the trade area is low, with just 21.0 percent of the homes owned by the person living in them. Another 60.4 percent of the housing is rented, while 18.6 percent is vacant. The median home value of \$69,355, for owner occupied homes, is 81.0 percent of the city median.

The neighborhoods around East Main Street are characterized in the 2018 Rochester Citywide Housing Study as having low to moderate demand. Areas with the lowest demand are found to the north. The neighborhoods to the east, and south of the railroad, are seen to be more desirable. The Housing Study points out that less healthy areas may improve if they have access to amenities which are generally lacking in this area. Redevelopment and new housing has been introduced on former industrial sites, but the neighborhood continues to see disinvestment typical of the northwestern quadrant of the city. This may support the prospect for redeveloping portions of the residential frontage on East Main Street.

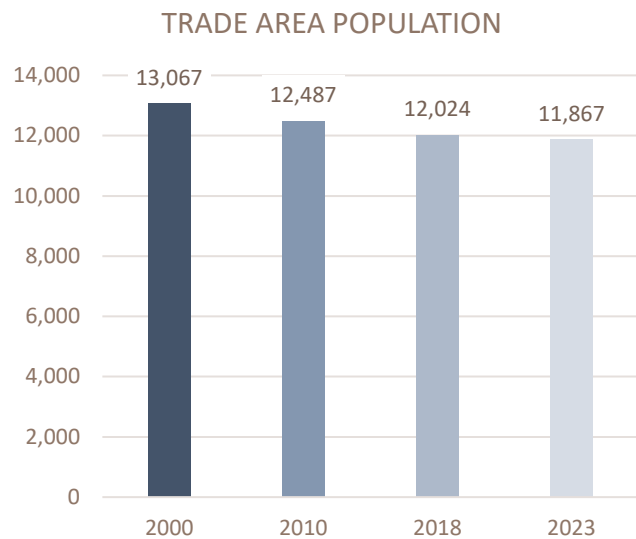
Market Assessment

East Main Street is serving a neighborhood population. In reality, much of the study area currently serves very little commercial purpose. There is a small node of commercial activity at either end, while the center is mostly residential with some industrial uses. It is an auto-oriented corridor, and therein lies its potential. Vacant lots, commercial and industrial sites, and older homes on the corridor could be targeted for redevelopment, creating large lots on which could be developed freestanding commercial buildings and small strip centers. The west end of the corridor has a stronger demand for these uses, where there is higher traffic and the corridor can even serve the needs of downtown residents, for uses that are not easily accommodated in a downtown setting.

Trade Area

A trade area is defined as the region from which a business, or in this case, a business district will draw between 60 and 80 percent of its customers. It is necessarily imprecise, as each of the district's businesses may have a varying ability to draw from a near or far distance depending on the business type and merchandise selection, pricing, customer service, marketing, or other factors.

The scarcity of retail, dining, and service businesses in the corridor, competition, and travel patterns contribute to defining this trade area. Businesses already in the corridor are mostly serving nearby neighborhoods. Residents in these neighborhoods are drawn off to other corridors including North Goodman Street, Culver Road, and University Avenue.



Source: ESRI

Demographics

There are 12,024 people living within the East Main Street trade area. This population has been declining and is anticipated to continue to do so. The loss of housing in neighborhoods to the north is contributing to this trend, even while some new housing has been added as industrial buildings are redeveloped. Household size is decreasing, in part due to the different character of new rental units being added, that are designed for singles and couples, while larger homes in the area are being removed. ESRI even forecasts a small increase in the number of households in the trade area between now and 2023, while the population is expected to decrease.

The median age is 28.9 years, and has increased only slightly since 2010. Children under 18 are present in 39.5 percent of households, and 13.0 percent of the population is aged 65 or older.

The median household income of \$28,456 is low compared to the remainder of Rochester. It is just 82.2 percent of the city's median income of \$31,813, and significantly less than the state median of \$62,447, or the \$56,969 median of the Rochester metropolitan statistical area (MSA). A total of 38.1 percent of the population is in a household earning below the poverty level, and 44.5 percent of households are receiving SNAP benefits. This area is HUD-designated as low-to-moderate income.

Most trade area residents were employed in services (63.8 percent). Retail was the next-largest sector with 12.9 percent of workers, and 7.9 percent of workers were employed in manufacturing. The unemployment rate is estimated at 14.0 percent, compared to 5.1 percent for the city and 3.7 percent for the MSA. Almost a quarter (24.2 percent) do not have a high school degree or GED.

Resident Market

Spending indices for all goods and services are below the national average in this trade area, which is to be expected given the lower median income of its households. Most spending indices fall between 50 and 60 percent of national averages. Higher income areas lie south of the corridor, and there is ongoing residential development in the downtown. Additional market potential would be available to businesses if they could attract consumers from these areas. Rochester's Public Market, arts, and entertainment districts could help to bring these customers into the corridor.

ESRI defines three significant market segments in the trade area. The largest of these is a group called "City Commons", making up 47.3 percent of the total. These tend to be single parents of young households. They are less likely to own a vehicle and tend to use public transportation. There is high unemployment within this group, which has the lowest income among the four groups common to the area. Fashion is an important expenditure, and many prefer fast food to cooking at home.

The second group is "Hardscrabble Road", comprised mostly of renters with a high percentage of single parent households. It is a low income group that has a tendency to purchase items in bulk, buy

generic, and save for larger purchases. About 17.9 percent of the trade area population falls into this group

The final market segment, at 15.3 percent of the trade area population, is a group called “Metro Renters”. These are the people moving into new industrial conversions and other housing. It is a fast-growing segment of people in their twenties and thirties who enjoy urban living. Over half are single. They are well educated, earn above average, enjoy the arts and creativity, and spend time socializing.

Cash Economy

Growing attention has been paid to an underground economy, or cash economy, consisting of earnings that go unreported to government entities. Nationwide, it is estimated that these earnings are equivalent to eight percent of gross domestic product. While some of it is comprised of illicit activities, the majority is earned through contingent work – temporary gigs, contract work, and freelancing – that is simply “off the books”. The internal revenue service estimates that 43 percent of this income goes unreported.

To understand the contribution of the cash economy to the market potential in any area, it is first necessary to estimate participation in the contingent workforce. The methodology used in this analysis is based off an extensive survey conducted by the Rand Corporation and Princeton University, which determined rates of participation based on an array of demographic and workforce characteristics, such as age, gender, race, educational attainment, industry, and occupation. Data for the trade area was obtained through the Longitudinal Employer-Household Dynamics (LEHD) program through the US Census Bureau’s Center for Economic Studies. County-level Nonemployer Statistics were used to estimate individual earnings. The aggregate sum was multiplied by 0.43, and the resulting income was distributed across all expenditure categories using the same percentage distribution as in the trade area population.

DETERMINING THE CONTRIBUTION OF THE CASH ECONOMY TO MARKET POTENTIAL



There are estimated to be the equivalent of 636 full-time workers in the East Main Street trade area. They are earning \$22.0 million annually, of which about \$9.5 million is unreported. This added income supports \$3.3 million in retail and dining spending, with \$2.9 million spent on retail, and \$391,000 spent on dining.

The cash economy adds an additional \$2.9 million in retail, and \$391,000 in restaurant spending by trade area residents.

Market Share

Market share – the percentage of potential spending captured by businesses in the study area – is the most important statistic used to assess how well the district is performing. Businesses outside of the district are capturing the remainder. Along with the size of the market being lost, that competition will determine whether it is possible to expand existing businesses or add new ones in the East Main Street corridor.

Businesses in the study area are capturing only 6.8 percent of the combined market for retail and dining. This is split between a 6.3 percent market share for retail, and 10.6 percent for eating and drinking. There are simply too few businesses in this corridor to capture much of the potential, though a respectable share is likely being captured elsewhere in Rochester, especially for eating and drinking.

Competition

The proximity of the Neighborhood of the Arts, Railroad Street, and the Public Market are strong factors in the demand for new housing that is bringing a younger, better-educated, and higher-income demographic into the area. These locations are also competition for some businesses that might locate on East Main Street. Restaurants, specialty food stores, and some kinds of retail businesses will have greater access to their market in these places, rather than in the study area. Other businesses will find the corridor to be accessible to customers in more stable neighborhoods to the south and east, and to new residents in this area as well as downtown.

MARKET DEMAND, EXISTING SALES, AND MARKET SHARE

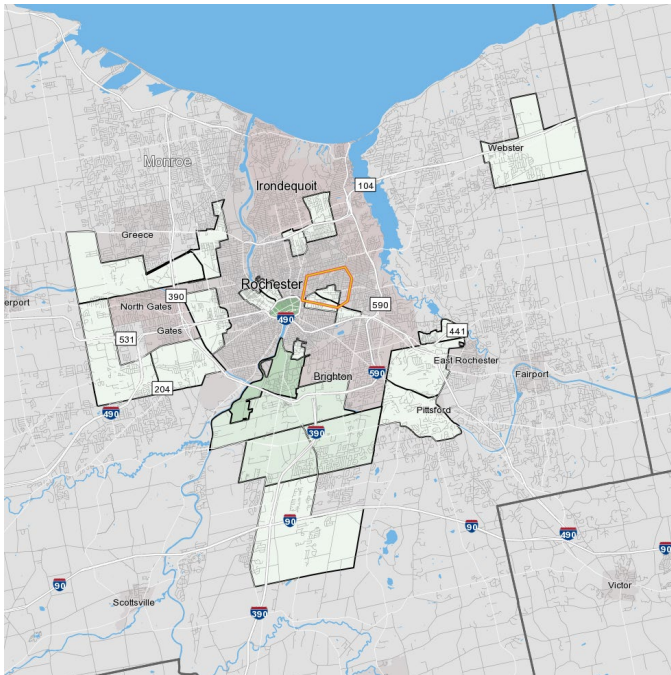
	NAICS	RESIDENT DEMAND	CASH ECONOMY	TOTAL DEMAND	EXISTING SALES	MARKET SHARE
Total retail trade and food and drink	44-45,722	\$100,137,542	\$6,149,399	\$106,286,941	\$7,226,000	6.8%
Total retail trade	44-45	\$90,159,443	\$3,270,009	\$93,429,452	\$5,860,000	6.3%
Total food and drink	722	\$9,978,100	\$2,879,390	\$12,857,490	\$1,366,000	10.6%
Automobile dealers	4411	\$15,781,852	\$572,395	\$16,354,247	\$0	0.0%
Other motor vehicle dealers	4412	\$1,291,871	\$46,855	\$1,338,726	\$0	0.0%
Auto parts, accessories, and tire stores	4413	\$1,442,114	\$52,304	\$1,494,418	\$2,118,000	141.7%
Furniture stores	4421	\$1,790,371	\$64,935	\$1,855,306	\$0	0.0%
Home furnishings stores	4422	\$1,442,438	\$52,316	\$1,494,754	\$0	0.0%
Electronics and appliance stores	4431	\$3,293,418	\$119,450	\$3,412,868	\$225,000	6.6%
Building material and supplies dealers	4441	\$4,072,689	\$147,713	\$4,220,402	\$0	0.0%
Lawn and garden equipment and supply stores	4442	\$362,909	\$13,162	\$376,071	\$0	0.0%
Grocery stores	4451	\$14,153,265	\$513,327	\$14,666,592	\$932,000	6.4%
Specialty food stores	4452	\$1,110,562	\$40,279	\$1,150,841	\$0	0.0%
Beer, wine, and liquor stores	4453	\$1,276,566	\$46,300	\$1,322,866	\$0	0.0%
Health and personal care stores	4461	\$7,519,097	\$272,711	\$7,791,808	\$0	0.0%
Gasoline stations	4471	\$9,539,247	\$345,981	\$9,885,228	\$0	0.0%
Clothing stores	4481	\$5,347,134	\$193,936	\$5,541,070	\$465,000	8.4%
Shoe stores	4482	\$888,600	\$32,229	\$920,829	\$0	0.0%
Jewelry, luggage, and leather goods stores	4483	\$1,225,849	\$44,461	\$1,270,310	\$0	0.0%
Sporting goods/hobby/musical instrument stores	4511	\$2,208,783	\$80,111	\$2,288,894	\$0	0.0%
Book, periodical, and music stores	4512	\$444,586	\$16,125	\$460,711	\$0	0.0%
Department stores excluding leased departments	4521	\$6,767,432	\$245,449	\$7,012,881	\$0	0.0%
Other general merchandise stores	4529	\$4,230,376	\$153,432	\$4,383,808	\$1,742,000	39.7%
Florists	4531	\$232,915	\$8,448	\$241,363	\$0	0.0%
Office supplies, stationery, and gift stores	4532	\$1,025,734	\$37,203	\$1,062,937	\$0	0.0%
Used merchandise stores	4533	\$467,261	\$16,947	\$484,208	\$378,000	78.1%
Other miscellaneous store retailers	4539	\$1,642,870	\$59,586	\$1,702,456	\$0	0.0%
Nonstore retailers	4541	\$2,601,504	\$94,354	\$2,695,858	\$0	0.0%
Special food services	7223	\$425,851	\$122,888	\$548,739	\$0	0.0%
Drinking places - alcoholic beverages	7224	\$548,163	\$158,184	\$706,347	\$0	0.0%
Restaurants/other eating places	7225	\$9,004,086	\$2,598,318	\$11,602,404	\$1,366,000	11.8%

SOURCE: Place Dynamics LLC and ESRI Business Analyst

The Wegman's on University Avenue is an important grocery destination for many residents of this trade area. Other community-level and specialty shopping will need to be done outside of the city, much of it in suburbs to the south and east.

Business Opportunities

There are too few existing businesses to make expansion an independent strategy for additional retail and dining on the corridor. The opportunity for business expansion will come through new businesses locating there. The best way to accommodate this will be to bring about redevelopment of the street frontage to allow a blended auto and pedestrian character, similar to the Auto Zone or Dollar Tree sites. This will appeal to both chain and independent businesses.



Workplace of residents of the East Main Street corridor's trade area.

New Business Potential

If allowed to develop in a blended hybrid (auto and pedestrian) fashion, the East Main Street corridor would be better positioned to attract businesses meeting the basic needs of residents of the trade area and a larger area including the downtown and neighborhoods to the south, both with a higher-income demographic. Possible businesses for this corridor include the following.

- **Furniture and home furnishings stores** – This use has the potential to build off of the growing presence of the arts in the corridor, particularly for independent stores that may blend home décor and locally-crafted items. The corridor is positioned to reach moderate and higher-income households along with the people who are moving back into the city, in the downtown and in other neighborhoods.
- **Electronics and appliance stores** – The primary items to consider here are mobile phones and services, along with gaming.
- **Health and personal care stores** – There is a good coverage of pharmacies in the area, even if there is not one located in this corridor. The opportunity would be for other, mostly small health and nutrition stores, home health care stores, and bath and beauty stores.
- **Gasoline stations** – This use is one that would be possible at the western end of the corridor, though it may not be possible to site on an appropriate corner.
- **Clothing, shoes, and accessories stores** – There is one clothing store in the corridor. Others, along with shoes and accessories, would need to carefully choose the market they serve – whether lower income and more heavily Hispanic consumers to the north, the more traditional households to the south, or the emerging market of younger consumers in the corridor and downtown.
- **Specialty stores** – These could be considered targets of opportunity, particularly for independent businesses that may be searching for a location. This corridor is accessible to more desirable markets, when combined with a blended auto-pedestrian site design.
- **Restaurants** – The corridor competes with the Public Market, Railroad Street, and the Neighborhood of the Arts for this use. Those established entertainment districts have advantages for some types of businesses, but the East Main Street corridor would be better suited to fast and fast casual dining, or a family-style restaurant with full service. These would need to be developed with ample on-site parking.

The business opportunities identified for the study area will be a combination of independent, franchise, and chain businesses. The Public Market and other facilities in the area can help to incubate businesses that may migrate to the East Main Street corridor as they grow.

Recommendations

Recommendations for the district are divided into two groups. The first are actions, policies, or programs specific to the corridor. The second are references to broader programs recommended for the City, which will have applicability to more than one district.

Corridor Recommendations

The following recommendations are specific to the East Main Street district.

1. **Review land use and zoning in the corridor to consider opportunities for redevelopment.** This is a hybrid auto and pedestrian corridor with the potential to attract businesses that would serve multiple neighborhoods, extending as far as the downtown. Businesses that could consider the area include chains and independents, and might include retail, restaurants, medical and professional services, banking, and other activities that need sites that are larger than typical city lots, and a site design that will accommodate a building and associated parking. This is permitted to some extent in the C-2 district, but the Office Overlay does not permit it and does not present much of an incentive to improve the existing residences.
2. **Assemble sites for private sector redevelopment.** The City of Rochester already owns several proper-

ties along the corridor. These can be held while additional property is acquired to assemble larger sites that will be attractive for redevelopment.

3. **Coordinate retail and food truck activities with events at the Public Market, Auditorium Theater, Main Street Armory, and Neighborhood of the Arts.** These occasions, attracting people from across the city and beyond, will provide excellent exposure for emerging retail and dining businesses. The City will need to identify suitable sites that are sufficiently large to set up, that have parking for patrons, and are safely accessible for pedestrians.
4. **Improve wayfinding signage along the corridor.** In many cases, the wayfinding signage will be directing people to attractions off of the corridor. Still, it will reinforce the role that East Main Street plays as a central “trunk” from which many of the city’s strongest attractions are located. This can help to establish traffic patterns that will benefit businesses in the corridor.

Applicability of City-wide Programs

This *Commercial Corridors Strategy* recommends that the City of Rochester develop several programs with city-wide applicability, mostly oriented to retail and restaurant business formation and small business growth.

5. **Commercial district coordinator.** The *Commercial Corridors Strategy* recommends that the City create a program with concepts similar to the National Main Street Program, to guide revitalization along targeted corridors in the City. A central need of that program is for coordinators (having an expanded set of skills and engaging in activities beyond those of the street liaisons already in place) who will be responsible for assisting local businesses, property owners, and organizations in their individual and collective efforts to improve the corridor. A limited role is seen for a coordinator in this corridor, primarily engaged in coordinating the participation of emerging businesses in area events, promoting and coordinating redevelopment opportunities in the corridor, and working with property owners to recruit new businesses.
6. **Retail and dining startup programs.** The Commercial Corridors Strategy recommends parallel programs to encourage retail and dining entrepreneurship. These utilize existing resources and establish new ones to: 1) create a “culture of can” in which business ownership is seen as a viable life path; 2) impart the knowledge and skills necessary to start and successfully operate a retail or dining business; and 3) guide startups through an incubation process that may take one of several routes (storefront, marketplace, food or retail truck, or pop-up space).

The recommended approach combines pop-up and mobile strategies with fixed-site incubation. The Public Market (east side), the Commissary Downtown Kitchen Incubator (central),

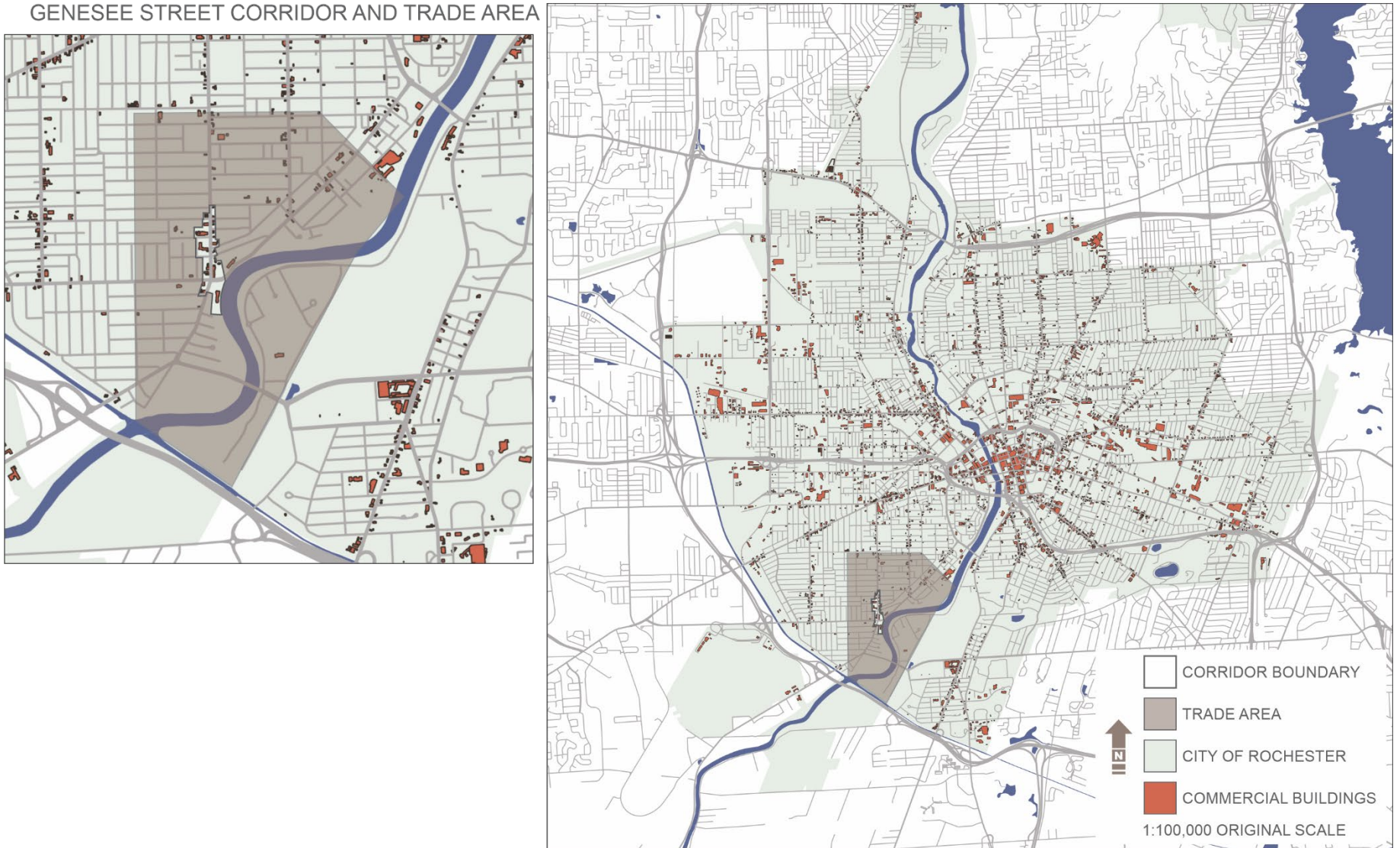
and a west side site are envisioned as physical sites where startup businesses can cluster and transition to conventional space. These sites can help to generate businesses that will locate in this corridor.

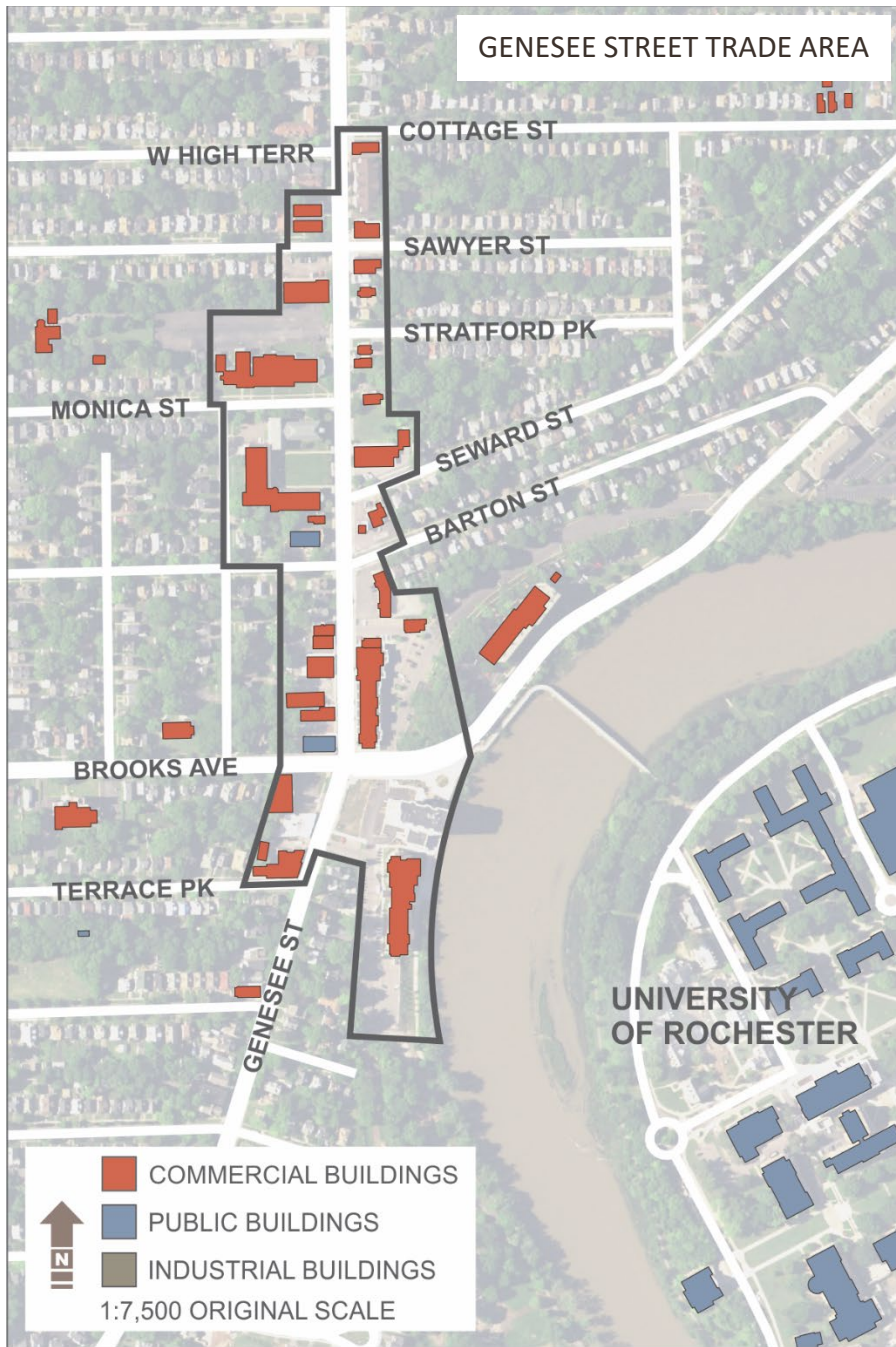
7. **Business growth program.** Business growth programs recommended in the Commercial Corridors Strategy overlap with educational and technical assistance components of the proposed startup programs. They are intended to bring resources to existing businesses to help in areas that are commonly a challenge for small retail and dining businesses. Common issues among these businesses include:
 - a. Human resources management
 - b. Cash flow planning
 - c. Customer service training
 - d. Marketing and social media
 - e. Earning and keeping customer loyalty
 - f. Creating a shopping/dining experience
 - g. Developing an internet strategy
 - h. Understanding customer preferences
 - i. Learning and using new technology
 - j. Merchandising and inventory management
 - k. Visual display / design issues
 - l. Menu planning
8. **Nonprofit commercial development corporation.** The Commercial Corridors Strategy recommends that the City join with partners to create a nonprofit entity that will invest in commercial renovation and redevelopment in support of corridor revitalization and small business development. This organization

will make targeted, impactful investments that anchor a district and/or address nuisance and blight concerns. Within the East Main Street corridor, this organization may prioritize property acquisition and redevelopment.

GENESEE STREET CORRIDOR

GENESEE STREET CORRIDOR AND TRADE AREA





SUMMARY

The Genesee Street commercial district has unique characteristics that set it apart from the seven other study areas. It is smaller than most commercial districts in Rochester, yet tends to see better sales. Proximity to the University of Rochester is the reason for this. The corridor is able to attract students and staff whose spending supplements the adjacent neighborhood. This enables it to support businesses that would otherwise not be located in the area, and improves the performance of the businesses that are there.

Tapping the potential on the University campus is also the best opportunity for this district to grow. It can attract additional student and staff spending, and can also attract campus visitors for special events. Its chief competition is the College Town area, and Genesee Street can position itself as the “authentic” alternative, with a concentration of independent local businesses. It will still be important for these businesses to understand the peculiarities of a college market, including spending priorities that are different from the neighborhood, and seasonal patterns that see a large number of students leave during December and again over the summer months. This will make it necessary for businesses to consider how they vary marketing, inventory, staffing, and other operations, and how they manage cash flow to carry through slower periods.

Restaurants, electronics stores, health and personal care stores, clothing and accessories stores, gift and novelty stores, and used merchandise stores are among the more likely prospects for the area. This would be a very good district to include in a program of pop-up or traveling mobile retail and food trucks, during months in which students are present. Over a longer term it should be possible to redevelop sites on the corridor to attract permanent businesses. In fact, the limited space in the district is one of the factors restraining its growth.

The Genesee Street commercial district will benefit from being included in a recommended program of district coordinators operating similarly to the National Trust for Historic Preservation’s Main Street Program. Marketing the district to both residents and the student population and branding it as the alternative to College Town should be a priority. The coordinator can also assist in packaging redevelopment opportunities and in business attraction.

CHARACTERISTICS OF THE GENESEE STREET CORRIDOR

CORRIDOR CHARACTERISTICS

Commercial floor area (sq. ft.)	80,922
Vacant commercial floor area (sq. ft.)	1,343
Commercial vacancy rate	1.7%
Floor area used for retail	28.5%
Aggregate assessed value (commercial)	\$10,830,400
Average value per square foot	\$133.84
Change in assessed value, 2007 to 2017	3.9%

TRADE AREA INCOME

Median household income	\$32,978
Below poverty level	27.6%
Households with Social Security income	35.7%
Households with SNAP benefits	35.7%
Households with public assistance income	9.5%

TRADE AREA POPULATION

Population - 2018	13,472
Growth rate 2010 to 2018	0.43%
Median age	25.0
Age 65 or over	10.3%
White	24.8%
Black	63.8%
Hispanic origin	6.1%
Households - 2018	4,277
Average household size	2.60
Households with children	37.8%
Single parent households	27.8%
No vehicle available	27.8%
No high school degree	19.3%
Enrolled in college	26.6%
Unemployment rate	13.2%

MARKET CHARACTERISTICS

Retail market potential	\$85,818,335
Estimated retail sales	\$6,863,000
Retail market share	8.0%
Dining market potential	\$11,109,886
Estimated dining sales	\$1,542,000
Dining market share	13.9%

TRADE AREA HOUSING

Housing units (2018)	4,814
Housing units built prior to 1940	61.8%
Housing units built since 1990	3.4%
Median years in unit	9
Owner occupied	37.4%
Renter occupied	51.5%
Vacant	11.2%
Median home value	\$78,373

GENESEE STREET CORRIDOR MARKET ANALYSIS AND STRATEGY

Rochester's *Commercial Corridors Strategy* guides City investments and economic development initiatives to create more vibrant commercial districts. These corridors are vital to the City's quality of life. Their businesses offer the products and services needed by residents, they serve as social and economic centers for their neighborhoods, they provide an environment for entrepreneurship and small business growth, and they generate revenue to support City services.

The *Commercial Corridors Strategy* was developed in three parts. It began with an overview of the market and conditions for retail and dining businesses across the city and metropolitan area. Next, it delved more deeply into eight or study areas, or districts, representative of different conditions seen throughout the community. These are intended to serve as

models that may be replicated in other areas. Lastly, it recommends a "toolkit" of programs and initiatives for business and district vitality.

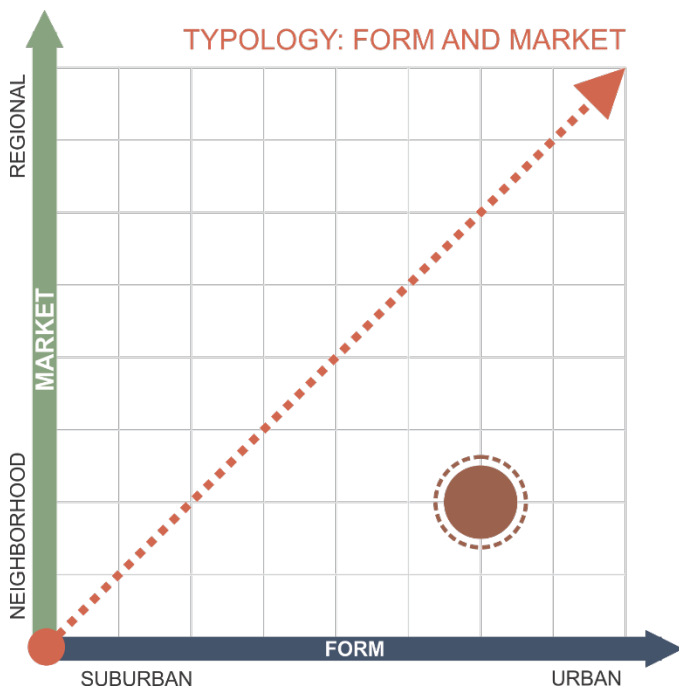
Genesee Street is one of the eight study areas chosen for detailed analysis. This is an area in which there has been a concerted effort to promote redevelopment, but the results have been mixed. The district is attractive and has a walkable urban design. It sits in a transitional area, serving both residents of the nearby neighborhood and students at the University of Rochester, but the needs of these two groups are not substantially different. The potential for student traffic to the district enables it to support businesses that might not otherwise locate there.

Fitting Genesee Street Into the Theory of Change

The *Commercial Corridors Strategy* developed a theory of change to describe conditions that lead to revitalized commercial districts. This theory began by recognizing a range of characteristics based on urban form and the market being served. Genesee Street has a classic, low density urban form, with mostly two story commercial or mixed use buildings, and several homes lining the corridor. That character is pretty consistent across the length of the corridor, and is reinforced by more recent redevelopment patterns.

The theory of change posits certain baseline conditions that are a platform from which to build a healthy commercial district. The demographics of this area are reasonably good, especially when combined with the potential to draw students and staff from the University of Rochester into the corridor.

- **Neighborhood stability** – Neighborhoods supporting this corridor show greater stability than others in the city. The median resident has lived in their home for nine years. This is true even while a quarter of the population in the area is enrolled in college. The areas south and west of the corridor had far fewer foreclosures and demolitions than other neighborhoods, but this is less true northeast of the corridor.
- **Demographics** – There are 13,472 people living within the trade area, in 4,277 households. Renters outnumber homeowners, but this is partly a function of the number of students living in the trade area. Median incomes come close to the average for Rochester, but there is still a significant part of the population living in poverty. The area population remained essentially unchanged, growing by 0.43 percent from 2000 to 2010.
- **Safety/perception** –The City's online crime maps do not show the same level of incidents in areas to the north, on either side of the river. Still, there have been high-profile shootings on

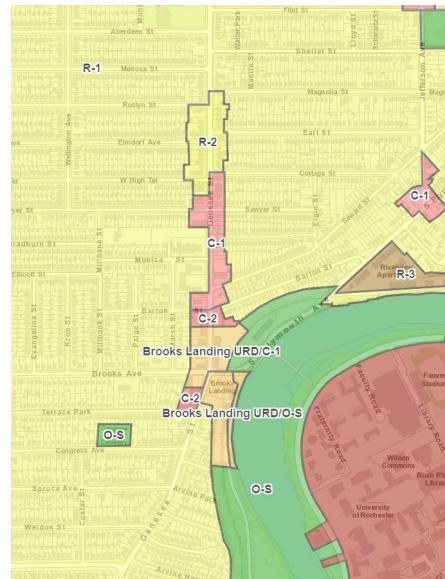


Genesee Street north of Sawyer Street, along with gang activity and loitering, which have helped to form a negative impression of the entire corridor.

- **Product mix** – The district is serving a neighborhood level of activity. While having some specialty businesses, it still lacks some of the uses that would normally anchor a neighborhood, so that residents will need to leave for visits to a pharmacy or hardware store, as examples.

Elevating factors are assets that enable the business district to supplement customer traffic from the neighborhood. This district lies close to the Genesee River, and as new recreational assets are developed they may generate additional visitors. Its best opportunities, though, are to attract customers from across the river, at the University of Rochester.

- **Attractions** – The river and the university campus are the two most important attractions in this area. The campus will draw many visitors along with students and staff, but getting them across the river into this corridor could be a challenge.
- **Unique businesses** – A sporting goods store and a furniture store are among the unique retail businesses in the district. Both will appeal to students along with residents. A coffeehouse, Brue, also benefits from students in its customer base, and there are several restaurants in the corridor. None of these are an especially



ThC-1 Neighborhood Center District covers most of Genesee Street's commercial area, except for parts of the urban renewal areas (above, left). Commercial and residential buildings have a similar scale and attractive design.

strong draw, but their aggregate presence does help to bring customers from the campus area. Staybridge Suites is the only extended stay hotel in the vicinity of the campus, and the only other nearby hotel is a Hilton Garden Inn east of the campus. There are additional hotels near the airport, about three miles to the west.

- **Design character** – Genesee Street is an attractive setting. Its commercial buildings are mostly two stories and have brick facing, while residential buildings are a similar height and sided with wood or similar materials. There are generous sidewalks with occasional planters. The streetscape includes a few bike racks, trash cans, and benches, along with decorative lighting in the vicinity of the redeveloped sites.
- **Social interaction** – Greenspace along the river is an amenity that may draw people to the area. Likewise, the coffee shop and restaurants function as gathering places where people from the neighborhood and from campus will congregate.



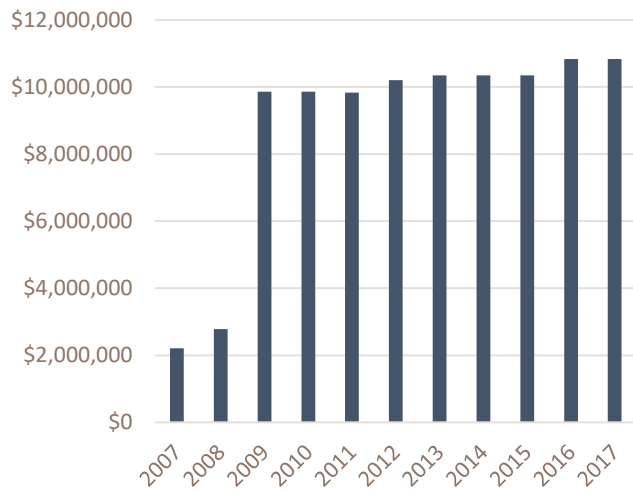
The Corridor

The study area extends along Genesee Street from Terrace Street in the south to Cottage Street in the north. This is a distance of about five blocks, making it one of the smaller study areas.

Uses in the district are mostly commercial, but there are several one or two unit homes and small apartment buildings. These have a comparable scale and the distance between commercial uses is not great, so the district still feels cohesive. The larger uses include St. Monica Church, Brooks Landing Apartments, and Staybridge Suites. The latter two are located at the edge of the district where they do not impact its rhythm, and the church fits within the architectural character of the area.

Genesee Street has one lane in each direction with on-street parking along most of its length. There are turn lanes at Brooks Avenue, which has two lanes in each direction with no on-street parking.

ASSESSED COMMERCIAL PROPERTY VALUATION



Source: City of Rochester

Traffic counts in the corridor are light, with 11,400 cars per day on Genesee Street, and 8,700 cars per day on Brooks Avenue. This is an area in which many people will be traveling by foot, especially to and from the University of Rochester campus.

Development Patterns

There is an underlying pattern of lots with 40 feet of frontage and 135 feet of depth through most of the study area, though there are many lots that have been assembled into larger parcels. This pattern would encourage a frequency of storefronts that is conducive to a walkable district, and buildings on single or double lots usually to have one or two storefronts. Buildings on larger sites, whether new or dating back decades, are mostly oriented parallel to the street with a much less frequently-spaced openings.

Older buildings in the corridor vary in size from a footprint of about 1,500 to 3,000 square feet, with one, or mostly two storefronts. A typical commercial space, then is about 1,250 to 1,500 square feet, but a larger area is possible if both storefronts are combined.

Residential uses line the corridor in several places. These are usually one or two family homes, and some may have an office or storefront attached at the front. There are two small apartment buildings at the north end of the study area, and Monica Place (supportive housing) toward the center. St. Monica Church, Rochester Academy Charter Middle School, and Rochester Fire Department Engine No. 7 occupy most of two blocks. The result is a comparatively low density of commercial uses compared to similar corridors in the city.

The aggregate assessed value of commercial property in the study area increased considerably, due to the addition of Brooks Landing and Staybridge Suites. If these two buildings are taken out of the calculation, property values have increased by about ten percent, from \$2.21 million to 2.43 million.

The district is in the C-1 Neighborhood Center district, except for the two newer renewal areas which are permitted as planned developments. This district is suited to the scale and intensity of the uses that are located, or that are likely to locate in the district. The design standards associated with the district are matched to the character of the area and will reinforce its attractiveness and walkability.

Most buildings in the district have onsite parking. In the case of Brooks Landing and the Staybridge Suites, this is placed behind the building, where it does not disrupt the street wall. Older buildings have been able to add parking by either placing it to the rear or on vacant lots on the side of the building. There are three sites where parking is in front of the building. One of these is on the intersection with Brooks Avenue, while the other two each take up a small block and are adjacent to each other, creating a gap in the center of the district.

The Genesee Street corridor is much smaller than others, with less floor area and fewer businesses.

Business Mix and Considerations

There is a total of only 80,922 square feet of ground floor commercial space in the Genesee Street commercial district. This does not include the Staybridge Suites. Retail is the largest use in the district, taking up 23,026 square feet, or 28.5 percent of the total floor area. There are seven retail businesses in the district.

ESTIMATED SALES PER SQUARE FOOT

BUSINESS TYPE	GENESEE STREET	ALL STUDY AREAS	NATIONAL AVERAGE
Retail	\$298	\$208	\$325
Restaurant	\$129	\$173	\$275
Personal Services	\$90	\$66	\$145

SOURCES: Place Dynamics estimates. National averages: Retail – Urban Land Institute; Restaurant – National Restaurant Association; Personal services – International Council of Shopping Centers.



A typical building configuration in the Genesee Street corridor..

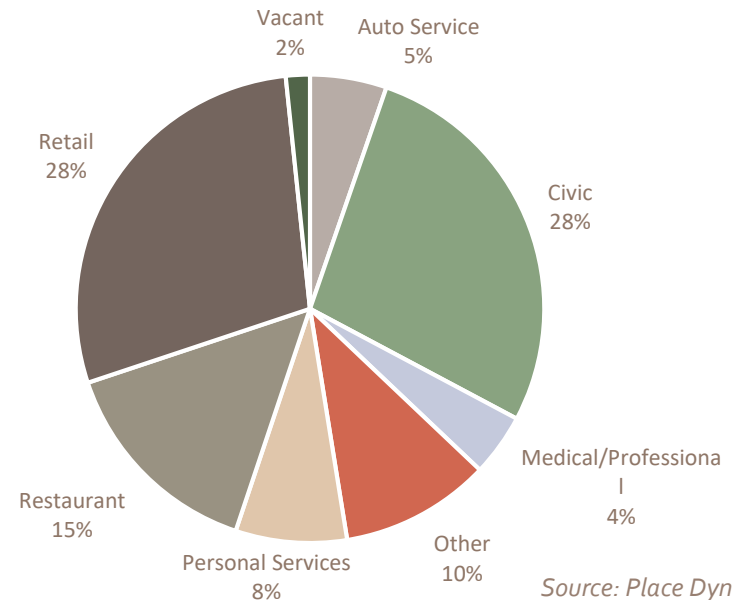
Civic uses follow at 27.5 percent, in large part due to the size of St. Monica Church. The fire department was included in this total, though the charter school was not.

Five restaurants are located in the district, which is a number larger than would be expected, given its small size. They take up 14.7 percent of the floor area in the district.

The “other” category, in this case small offices, comprises 10.4 percent of the total, followed by personal services (7.7 percent), auto services (5.3 percent), and medical and professional services (4.3 percent). Vacant space is the least common use, with just 1.7 percent of the district’s floor area unoccupied.

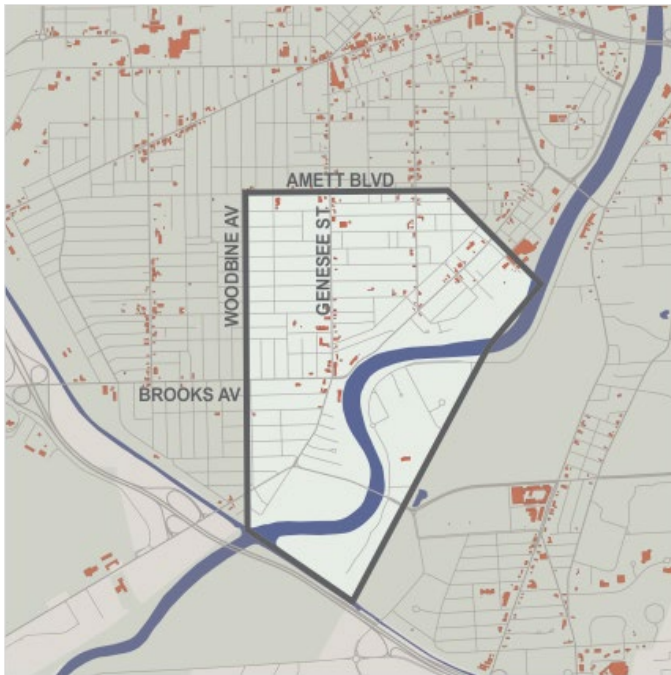
Estimated sales in the study area total \$6,893,000, or an average of \$298 per square foot. This approaches the national average, which places it well above most commercial districts in Rochester. Figures for restaurants (\$129 per square foot) and personal services (\$90 per square foot) are more consistent with other districts in the city. With few retail businesses in the corridor, the high sales volumes at Family Dollar and Sophia’s Stop N Shop tend to raise the average considerably. Excluding these two businesses, the remaining retailers average sales of \$180 per square foot. This is about average compared to most of the other study areas.

USES IN THE GENESEE STREET CORRIDOR



Average sales per square foot for restaurants and other eating and drinking establishments are below average, but that average is skewed by the fast food restaurants on Lake Avenue and North Clinton Avenue. It is still above the figures for each of the five remaining study areas. Sales per square foot for personal services fall near the middle of the eight study areas.

Nationally, retailers spend an average of 9.5 percent of gross revenue on rent. If this average is applied to the sales and floor area data for this district, the retail businesses would be expected to afford a rent averaging \$28.32 per square foot. If the two highest-volume retailers are left out, that figure drops to \$17.08 per square foot.



The Genesee Street corridor trade area is outlined above.

Neighborhood Characteristics

The Genesee Street study area sits at a transitional point, with three neighborhood types surrounding it. The immediate area is attractive and stable, becoming more so to the south, where there is increasing income and home ownership. The University of Rochester lies just across the river, connected by a pedestrian bridge. The main area of student housing is found at the base of the bridge, so that the district is very accessible. Income levels are not as high northeast of the district.

About 37.4 percent of the housing in the trade area is owner occupied. Ownership has fallen from 45.3 percent in 2000. While ownership declined in most parts of the city, this is higher than most, and the data may support observations that some homes are being acquired as student rentals.

Another 51.5 percent of the housing is rented, while 11.2 percent is vacant. That vacancy rate is lower than the city as a whole, and the other study areas. Home values are somewhat lower than those in the City of Rochester overall, with a median value of \$78,373, or 91.5 percent of the city-wide median. The housing market typology developed as part of the 2018 Rochester Citywide Housing Study categorizes this as an area of low to moderate demand.

The University of Rochester is the area's most significant economic asset. Students living on campus are a supplemental market for the district's restaurants, convenience stores, and some other businesses. The river lies between the district and the campus, and is also a significant attraction.

Market Assessment

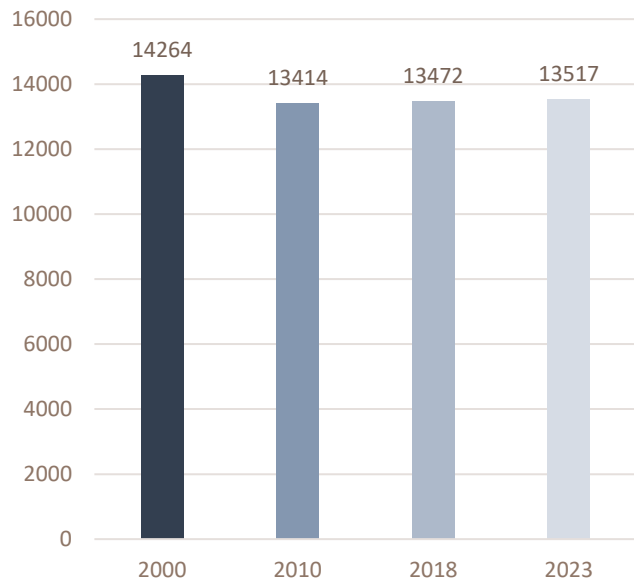
The Genesee Street commercial district serves a neighborhood level of activity. The most unique aspect of this study area is that it serves the students and faculty of the University of Rochester along with neighborhood residents. This position can be strengthened. Genesee can be an alternative to College Town, attracting students and visitors with unique local shopping and dining, as opposed to the chain experience in College Town. These same businesses will improve the quality of life of area residents, but would not be possible without the addition of college traffic.

Trade Area

A trade area is defined as the region from which a business, or in this case, a business district will draw between 60 and 80 percent of its customers. It is necessarily imprecise, as each of the district's businesses may have a varying ability to draw from a near or far distance depending on the business type and merchandise selection, pricing, customer service, marketing, or other factors.

Distance is a factor in defining the trade area for Genesee Street since many people will walk to its businesses, especially from the University campus. Competition also comes into play, especially from

TRADE AREA POPULATION



Source: ESRI

West Main Street and to a lesser extent, Thurston Road. College Town seeks to draw students, faculty, and visitors who might otherwise visit Genesee Street. Residents of all adjacent areas will travel out of the city to shop general merchandise and other stores, whether the Walmart Supercenter on Chili Avenue, or the Jefferson Avenue corridor in Henrietta.

Demographics

There are 13,472 people living in 4,277 households within the trade area. There are a large number of college students included in this, at 26.5 percent of the total. That is still likely an undercount, or at least partially so. The University of Rochester has more than 6,000 students living on campus in university-owned or affiliated housing. Most will only reside in Rochester a part of the year, and are counted in the Census at their parents' home. They may be considered an "extra" source of

consumption that adds to the market potential available to the study area.

The population declined some during the period from 2000 to 2010, but has since stabilized and begun to slowly grow. The City has been aggressive in promoting redevelopment that has introduced new owned and rental housing.

This is a predominantly black (63.8 percent) neighborhood, but again, the population numbers omit a large number of on-campus students, who are majority white. This results in a more racially diverse corridor. Only 6.1 percent of the population is Hispanic.

The median age reflects the number of college students living in the area, averaging 25.0 years. One in ten residents (10.3 percent) is aged 65 or older. There are a large number of children, with 37.8 percent of households having children under 18 living at home. Single parent households make up 27.8 percent of the total.

The median household income of \$32,978 is higher than the \$31,813 median for all of Rochester. It is significantly less than the state median of \$62,447, or the \$56,969 median of the Rochester metropolitan statistical area (MSA). Poverty is less widespread than in other study areas, but there are still 27.6 percent of households earning less than the poverty level, and 35.7 percent receiving SNAP benefits. More than third (35.7 percent) receive Social Security income.

Most trade area residents were employed in services (70.4 percent), followed by retail (9.9 percent). Only 5.0 percent of residents are employed in manufacturing. Proximity to the University and the employment it offers are a factor in these numbers. The unemployment rate is estimated at 13.2 percent, compared to 5.1 percent for the city and 3.7 percent for the MSA. About one in five adults (19.3 percent) have not received a high school diploma or GED.

Resident Market

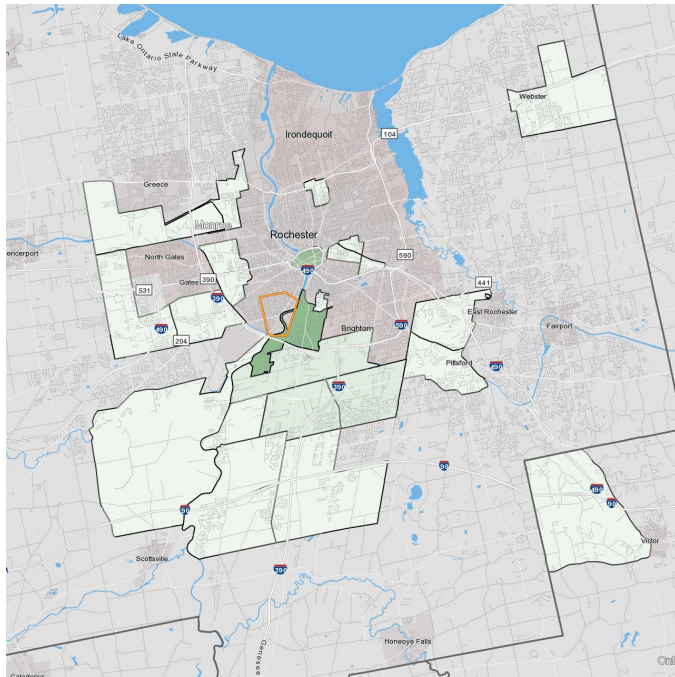
Spending indices for all goods and services are below the national average in this trade area, falling in a range from 50 to 60 percent of national averages in most retail product lines. Spending by residents makes up the largest part of the market available to businesses. College student spending is not so much different from resident spending to significantly shift these indices. Although there is some higher spending on electronics, the indices still do not reach 70 percent of the national average.

ESRI defines a handful of market segments in the trade area. The largest of these is a group called "Traditional Living" is a group making up 44.8 percent of the total. Married couples dominate, but are not as prevalent as expected based on the age profile of the population. There are higher percentages of single parents and single households. In their shopping habits, they are cost-conscious but brand-loyal. "City Commons" is the only other group represented in large numbers (41.6 percent). These tend to be single parents of young households. They are less likely to own a vehicle and tend to use public

transportation. There is high unemployment within this group, which has the lowest income among the four groups common to the area. Fashion is an important expenditure, and many prefer fast food to cooking at home.

Cash Economy

Growing attention has been paid to an underground economy, or cash economy, consisting of earnings that go unreported to government entities. Nationwide, it is estimated that these earnings are equivalent to eight percent of gross domestic product. While some of it is comprised of illicit activities, the majority is earned through contingent work – temporary gigs, contract work, and freelancing – that is simply “off the books”. The internal revenue service estimates that 43 percent of this income goes unreported.



Workplace of residents of the Genesee Street district's trade area.

DETERMINING THE CONTRIBUTION OF THE CASH ECONOMY TO MARKET POTENTIAL



To understand the contribution of the cash economy to the market potential in any area, it is first necessary to estimate participation in the contingent workforce. The methodology used in this analysis is based off an extensive survey conducted by the Rand Corporation and Princeton University, which determined rates of participation based on an array of demographic and workforce characteristics, such as age, gender, race, educational attainment, industry, and occupation. Data for the trade area was obtained through the Longitudinal Employer-Household Dynamics (LEHD) program through the US Census Bureau's Center for Economic Studies. County-level Nonemployer Statistics were used to estimate individual earnings. The aggregate sum was multiplied by 0.43, and the resulting income was distributed across all expenditure categories using the same percentage distribution as in the trade area population.

The cash economy adds an additional \$2.4 million in retail, and \$319,000 in restaurant spending by trade area residents.

The impact of the cash economy in this area is the equivalent of 520 persons working full time, with gross earnings of \$18.0 million, of which \$7.8 million is unreported. This unreported income supports an additional \$2.4 million in spending on retail goods, and \$319,000 on eating and drinking.

Market Share

Market share – the percentage of potential spending captured by businesses in the study area – is the most important statistic used to assess how well the district is performing. Businesses outside of the district are capturing the remainder. Along with the size of the market being lost, that competition will determine whether it is possible to expand existing businesses or add new ones in the corridor.

In part due to its small size and the relatively few retail businesses, the district is capturing just 8.7 percent of the combined market for retail and dining. Restaurants perform slightly better with 13.9 percent, while retailers capture 8.0 percent of the market. The presence of five restaurants in a small area is attributable to customer traffic from the university campus.

MARKET DEMAND, EXISTING SALES, AND MARKET SHARE

	NAICS	RESIDENT DEMAND	CASH ECONOMY	TOTAL DEMAND	EXISTING SALES	MARKET SHARE
Total retail trade and food and drink	44-45,722	\$92,540,708	\$4,387,513	\$96,928,221	\$8,405,000	8.7%
Total retail trade	44-45	\$83,785,610	\$2,032,725	\$85,818,335	\$6,863,000	8.0%
Total food and drink	722	\$8,755,098	\$2,354,788	\$11,109,886	\$1,542,000	13.9%
Automobile dealers	4411	\$14,858,482	\$38,762	\$14,897,244	\$0	0.0%
Other motor vehicle dealers	4412	\$1,286,749	\$84,604	\$1,371,353	\$0	0.0%
Auto parts, accessories, and tire stores	4413	\$1,352,365	\$120,043	\$1,472,408	\$0	0.0%
Furniture stores	4421	\$1,601,747	\$11,389	\$1,613,136	\$680,000	42.2%
Home furnishings stores	4422	\$1,379,206	\$363,244	\$1,742,450	\$0	0.0%
Electronics and appliance stores	4431	\$3,010,292	\$28,350	\$3,038,642	\$0	0.0%
Building material and supplies dealers	4441	\$4,271,247	\$202,791	\$4,474,038	\$0	0.0%
Lawn and garden equipment and supply stores	4442	\$405,228	\$249,855	\$655,083	\$0	0.0%
Grocery stores	4451	\$12,924,569	\$131,426	\$13,055,995	\$915,000	7.0%
Specialty food stores	4452	\$1,008,718	\$21,777	\$1,030,495	\$0	0.0%
Beer, wine, and liquor stores	4453	\$1,115,054	\$29,019	\$1,144,073	\$0	0.0%
Health and personal care stores	4461	\$7,215,514	\$29,019	\$7,244,533	\$0	0.0%
Gasoline stations	4471	\$8,890,092	\$55,786	\$8,945,878	\$3,373,000	37.7%
Clothing stores	4481	\$4,676,252	\$11,023	\$4,687,275	\$0	0.0%
Shoe stores	4482	\$774,849	\$171,829	\$946,678	\$0	0.0%
Jewelry, luggage, and leather goods stores	4483	\$1,032,534	\$109,263	\$1,141,797	\$0	0.0%
Sporting goods/hobby/musical instrument stores	4511	\$1,984,919	\$6,946	\$1,991,865	\$759,000	38.1%
Book, periodical, and music stores	4512	\$392,195	\$26,390	\$418,585	\$265,000	63.3%
Department stores excluding leased departments	4521	\$6,113,824	\$11,381	\$6,125,205	\$0	0.0%
Other general merchandise stores	4529	\$3,887,698	\$44,314	\$3,932,012	\$871,000	22.2%
Florists	4531	\$247,132	\$68,472	\$315,604	\$0	0.0%
Office supplies, stationery, and gift stores	4532	\$938,969	\$11,024	\$949,993	\$0	0.0%
Used merchandise stores	4533	\$404,944	\$13,557	\$418,501	\$0	0.0%
Other miscellaneous store retailers	4539	\$1,576,732	\$221,481	\$1,798,213	\$0	0.0%
Nonstore retailers	4541	\$2,436,300	\$0	\$2,436,300	\$0	0.0%
Special food services	7223	\$392,230	\$105,495	\$497,725	\$0	0.0%
Drinking places - alcoholic beverages	7224	\$482,355	\$129,735	\$612,090	\$0	0.0%
Restaurants/other eating places	7225	\$7,880,513	\$2,119,558	\$10,000,071	\$1,542,000	15.4%

SOURCE: Place Dynamics LLC and ESRI Business Analyst

The specialty retail businesses in this district are capturing sales from beyond the trade area, but are also ones that would be expected to benefit from a large college student market. Examples include the furniture store, sporting goods store, and convenience stores.

Competition

Competition for neighborhood shopping goods and services comes from West Main Street, Thurston Road, and the College Town area. West Main Street and Thurston Road offer uses such as pharmacies and personal services. The College Town area is strong competition for dining, and has a small number of stores tied to the university, such as the book store.

The Walmart Supercenter on Chili Avenue, and the Jefferson Road corridor around the Marketplace Mall in Henrietta, are the primary competition for community-level needs such as general merchandise and other big box stores, along with specialty goods. The West Ridge Road corridor in Greece has an even larger selection of big box and specialty retail businesses.

Business Opportunities

This district can leverage its proximity to the University of Rochester campus to supplement traffic from the neighborhood population with students, staff, and visitors from the campus area. Adding these consumers enables the study area to support businesses that would otherwise not usually be found in a similarly sized and positioned retail district. To realize these opportunities, there needs to be a concerted and sustained campaign to bring these consumers across the river to Genesee Street.

New Business Potential

While College Town is an area of mostly chain businesses, Genesee Street should be positioned to offer comparable and complementary goods and services from mostly locally-

owned, independent or small chain businesses. This should be considered a supplemental market. Businesses will need to understand that students, staff, and visitors add significantly to the market potential, but they are a seasonal addition. A large number are not present during the important December shopping season and over the summer months. This fluctuation in market size requires planning on the part of the business, with appropriate adjustments to marketing, inventory, staffing, and other aspects of the business.

Several business types are possible within the district. The following are some of the more likely prospects.

- **Electronics and appliance stores** – cellular phone services are the largest part of this opportunity, but a business here can also offer a judiciously-selected assortment of computer and gaming accessories and services aimed at the college student market.
- **Specialty food stores** – This is a use that is missing from the corridor, while common elsewhere. Because of the living situation of a significant part of the population (students) uses like a fish market or meat market would not be in as much demand as elsewhere, however, bakeries, confectionery stores, and other niche product stores could fit in the area. The demand for these kinds of goods may be met through collaboration, with emerging producers (such as from the kitchen incubator) selling products in other stores or restaurants in the corridor.
- **Health and personal care stores** – Demand may be too small for a traditional pharmacy, especially given the proximity of others in nearby corridors. Smaller stores specializing in bath products, beauty supplies, and health and nutritional goods could be viable in this corridor.
- **Clothing, shoes, and accessories stores** – Clothing and related stores in this area could cater to a combination of neighborhood and student shoppers. The mix of product might include unique university-themed apparel. There is an opportunity to tie merchandise and sales to social activities on campus.
- **Gift and novelty stores** – This is another use that can be tied to the campus market with branded items and other unique goods, with promotions coordinated to campus activities.
- **Used merchandise stores** – There is overlap between the student market and low to moderate income households in the neighborhood. Turnover in student housing will generate consistent demand for household goods.
- **Restaurants** – Restaurants in this corridor already draw students, staff, and visitors to the university, and that traffic can grow. The need can range from quick service restaurants such as sandwich shops, to full service dining at a modest price point. Having alcohol service will

help these establishments attract event-related traffic, but alcohol sales should be secondary to food service.

Recommendations

Recommendations for the district are divided into two groups. The first are actions, policies, or programs specific to the district. The second are references to broader programs recommended for the City, which will have applicability to more than one district.

Corridor Recommendations

The following recommendations are specific to the Genesee Street district.

1. **Brand the Genesee Street district to have a stronger connection with the University of Rochester Campus.** The influence of students, staff and visitors is already seen in the selection of businesses in the district, and on their sales. University-related customer traffic presents the greatest opportunity to attract additional spending in the corridor, which should be positioned as the alternative to Campus Town, and where local businesses dominate. A branding initiative will reinforce that connection, developing imagery and messaging for the district.
2. **Implement a streetscape program.** Parts of the corridor have seen improvements to sidewalks and lighting. Additional streetscape enhancements should build off of the branding work in the first recommendation, to create a distinctive environment that reinforces the connection to the campus. Rather than investing in substantial permanent infrastructure, the sidewalk area can be designed as a canvas that will allow new elements to be added seasonally or to recognize events as they occur. Some of these may be

sourced from the neighborhood or from student organizations. As an example, the corridor could dedicate space to encourage art students to place their work.

3. **Sustain a promotional campaign targeting students, staff, and visitors to the University of Rochester.** Businesses in this corridor should collaborate to conduct district-wide promotions targeting college students, staff, and visitors. These can be timed to coincide with events on campus.
4. **Secure a site to set up pop-up retail and food businesses, and in which to locate traveling retail and food trucks.** This is a district in which it will be possible to generate customers for pop-up and truck-based retail and dining. Pop-up retail will enable these businesses to temporarily set up in fixed small space such as shipping containers, while truck-based retail and dining will be part of a daily-revolving program crossing several commercial districts. Options for locating fixed, container space and permitting trucks might include the vacant lot next to the sporting goods store, the vacant lot adjacent to the furniture store, the church parking lot, or the undeveloped, southernmost part of the Plymouth Gardens property. Preference should be given to locating on Genesee Street, as close as possible to Brooks Avenue.
5. **Encourage infill development on vacant lots along with redevelopment.** There is very little vacant space in this district. The lack of space is a limitation on the ability of the corridor to attract new businesses. This is a district in which pop-up and truck businesses can be encouraged to occupy new commercial space. The City should proactively work with property owners and businesses to make matches, assist in project planning, and incentivize new development.

Applicability of City-wide Programs

This *Commercial Corridors Strategy* recommends that the City of Rochester develop several programs with city-wide applicability, mostly oriented to retail and restaurant business formation and small business growth. The Genesee Street corridor will be particularly attractive to some restaurants and retailers who understand, and can make solid connections with a market having college students and campus visitors.

6. **Commercial district coordinator.** The *Commercial Corridors Strategy* recommends that the City create a program with concepts similar to the National Main Street Program, to guide revitalization along targeted corridors in the City. A central need of that program is for coordinators (having an expanded set of skills and engaging in activities beyond those of the street liaisons already in place) who will be responsible for assisting local businesses, property owners, and organizations in their individual and collective efforts to improve the district. Within this district, issues that will initially deserve the attention of a coordinator include:

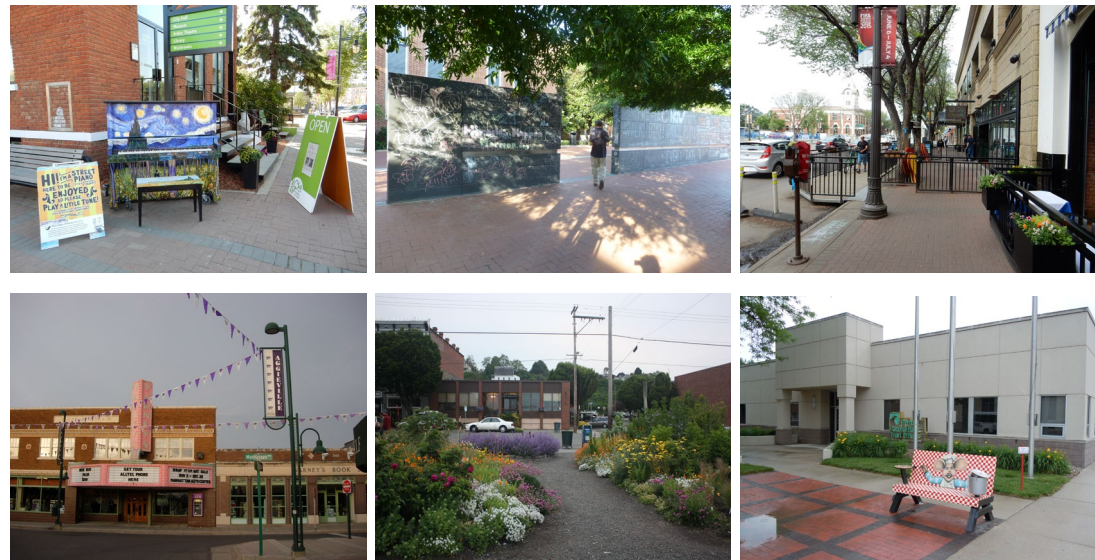
- a. Oversee a branding initiative that will establish the district as a locally-owned, independent business alternative to Campus Town.
- b. Assist in implementing a streetscaping initiative for the district.
- c. Coordinate a year-round, recurring promotional campaign targeting University of Rochester students, staff, and visitors.
- d. Promote redevelopment within the corridor and between the corridor and the Genesee River.
- e. Engage with individual businesses and property owners to understand their needs and facilitate connections to people or resources that can help them address those needs.
- f. Provide direct and proactive technical assistance to businesses with marketing and management issues.
- g. Coordinate consumer research within the trade area to determine perceptions, desires, and shopping habits of the customer base.

7. **Retail and dining startup programs.** The Commercial Corridors Strategy recommends parallel programs to encourage retail and dining entrepreneurship. These utilize existing resources and establish new ones to: 1) create a “culture of can” in which business ownership is seen as a viable life path; 2) impart the knowledge and skills necessary to start and successfully operate a retail or dining business; and 3) guide startups through an incubation process that may take one of several routes (storefront, marketplace, food or retail truck, or pop-up space).

The corridor may be considered as a site for mobile retail and food trucks, or pop-up space. Pop-up retail and dining might be accommodated on one of several sites in the district. Pop-up dates can be coordinated with activities on campus to give businesses additional exposure to potential customers.

8. **Business growth program.** Business growth programs recommended in the Commercial Corridors Strategy overlap with educational and technical assistance components of the proposed startup programs. They are intended to bring resources to existing businesses to help in areas that are commonly a challenge for small retail and dining businesses. Common issues among these businesses include:

- a. Human resources management
- b. Cash flow planning
- c. Customer service training
- d. Marketing and social media
- e. Earning and keeping customer loyalty

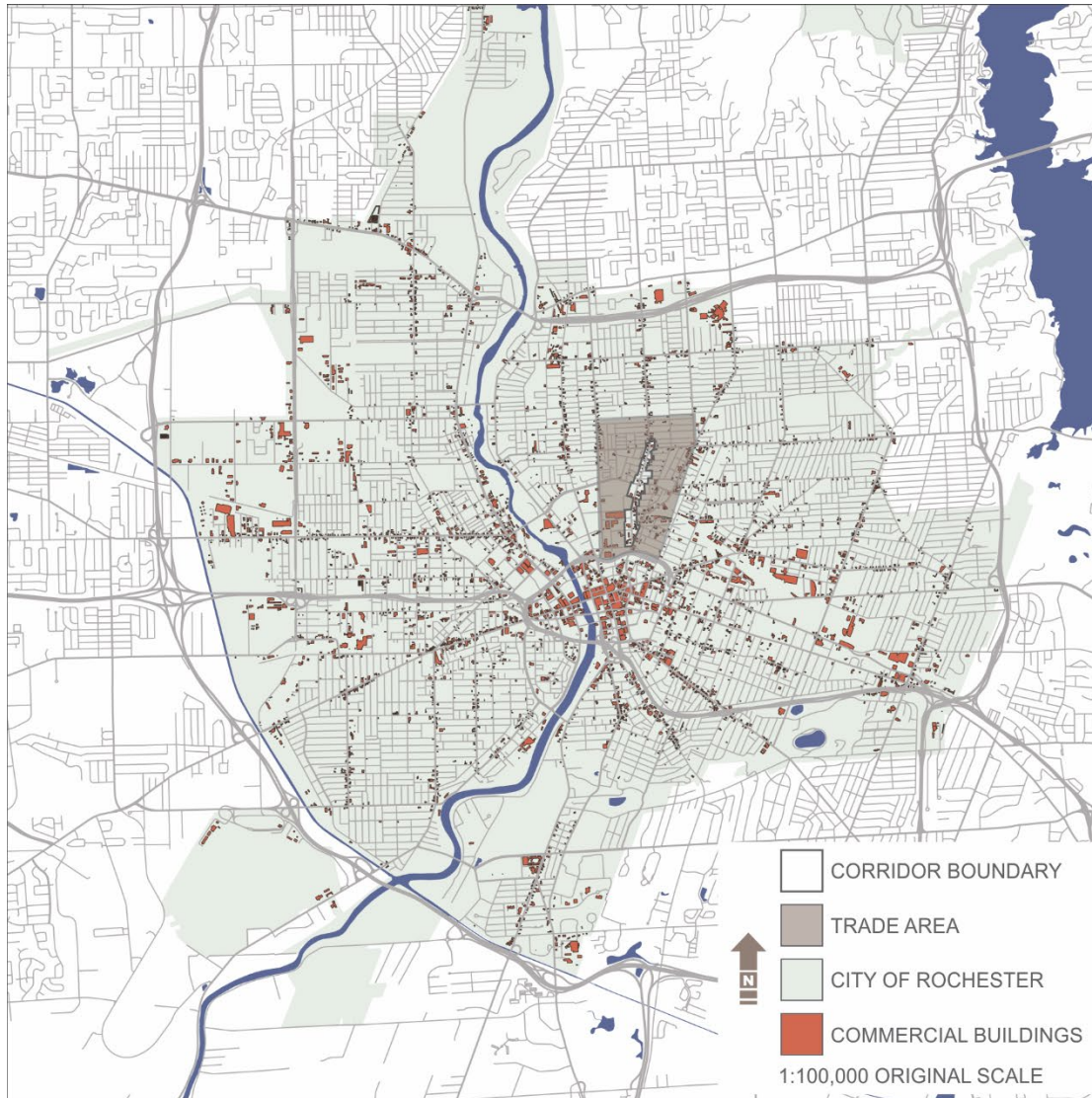


Examples of temporary or changeable streetscape features: street piano, chalkboard wall, seasonal sidewalk extension to allow outdoor seating in front of a restaurant, college pennants hung over street, vacant lot planted as a garden, a bench cleverly advertises a business in the corridor.

- f. Creating a shopping/dining experience
 - g. Developing an internet strategy
 - h. Understanding customer preferences
 - i. Learning and using new technology
 - j. Merchandising and inventory management
 - k. Visual display / design issues
 - l. Menu planning
9. **Nonprofit commercial development corporation.**
The Commercial Corridors Strategy recommends that the City join with partners to create a nonprofit entity that will invest in commercial renovation and redevelopment in support of corridor revitalization and small business development. This organization will make targeted, impactful investments that anchor a district and/or address nuisance and blight concerns. The development corporation can take the lead in bringing about infill development on vacant lots in the corridor.

THIS PAGE INTENTIONALLY LEFT BLANK

HUDSON AVENUE CORRIDOR



HUDSON AVENUE CORRIDOR AND TRADE AREA





SUMMARY

The Hudson Avenue commercial corridor lies within a weak market neighborhood. Because of the low income profile of most households in the area, the market potential for most goods and services is not very large. The corridor is also bracketed by stronger competition on North Clinton Avenue and Portland Avenue. These conditions of weak demand and stronger competition have discouraged businesses from locating in the corridor.

While its commercial vacancy rate is high, it might be higher if not for the fact that a large number of commercial buildings have been torn down, leaving behind vacant lots for which there has so far been little demand. Teardowns began after the 1964 riot and continued during the era of Urban Renewal, before slowing. While there have been far fewer buildings removed in recent years, most of the empty lots remain undeveloped.

The City of Rochester recognized the difficulty in attracting commercial uses to the corridor, and changed a significant portion of the Hudson Avenue frontage from commercial zoning to residential. That decision is one that is reinforced by this market analysis.

Hudson Avenue is an example of a commercial corridor in which the best option for the City will be to wait on making any significant investment until neighborhood conditions improve. Over time, the City can acquire and hold the most desirable commercial sites – in this case the intersections with Upper Falls Boulevard and Clifford Avenue – until conditions improve enough to permit a desirable commercial or mixed use redevelopment. Continuing to focus energy on housing, employment, and social issues will help to stabilize the neighborhood and improve incomes, so that it is able to support additional retail, dining, and services. During this period the City can help to meet the shopping and dining needs of residents using mobile vendors.

Traffic passing through will be an important supplement to patronage from households in the neighborhood. This additional traffic is what makes the Upper Falls Boulevard and Clifford Avenue intersections attractive sites for future redevelopment. While still maintaining a walkable urban form, these redevelopment sites will need to be designed in a manner that accommodates both automobile and pedestrian traffic.

CHARACTERISTICS OF THE HUDSON AVENUE CORRIDOR

CORRIDOR CHARACTERISTICS

Commercial floor area (sq. ft.)	269,488
Vacant commercial floor area (sq. ft.)	12,196
Commercial vacancy rate	30.9%
Floor area used for retail	4.5%
Aggregate assessed value (commercial)	\$10,282,900
Average value per square foot	\$38.16
Change in assessed value, 2007 to 2017	114.1%

TRADE AREA INCOME

Median household income	\$18,446
Below poverty level	49.7%
Households with Social Security income	26.0%
Households with SNAP benefits	64.7%
Households with public assistance income	17.2%

TRADE AREA POPULATION

Population - 2018	5359
Growth rate 2010 to 2018	-2.31%
Median age	28.2
Age 65 or over	9.0%
White	16.0%
Black	58.2%
Hispanic origin	39.1%
Households - 2018	1,938
Average household size	2.67
Households with children	46.8%
Single parent households	38.2%
No vehicle available	39.3%
No high school degree	34.8%
Enrolled in college	5.9%
Unemployment rate	18.0%

MARKET CHARACTERISTICS

Retail market potential	\$25,092,770
Estimated retail sales	\$2,323,000
Retail market share	9.3%
Dining market potential	\$2,672,098
Estimated dining sales	\$260,000
Dining market share	9.7%

TRADE AREA HOUSING

Housing units (2018)	2,392
Housing units built prior to 1940	45.0%
Housing units built since 1990	14.7%
Median years in unit	6
Owner occupied	17.1%
Renter occupied	63.9%
Vacant	19.0%
Median home value	\$46,330

HUDSON AVENUE CORRIDOR MARKET ANALYSIS AND STRATEGY

Rochester's *Commercial Corridors Strategy* guides City investments and economic development initiatives to create more vibrant commercial districts. These corridors are vital to the City's quality of life. Their businesses offer the products and services needed by residents, they serve as social and economic centers for their neighborhoods, they provide an environment for entrepreneurship and small business growth, and they generate revenue to support City services.

The *Commercial Corridors Strategy* was developed in three parts. It began with an overview of the market and conditions for retail and dining businesses across the city and metropolitan area. Next, it delved more deeply into eight districts, or study areas, representative of different conditions seen throughout the community. These are intended to serve as

models that may be replicated in other areas. Lastly, it recommends a "toolkit" of programs and initiatives for business and district vitality.

Hudson Avenue has a weak market. Much of the corridor is characterized by vacant lots with remaining commercial buildings often isolated from others, and often vacant. The corridor lies in a low-income neighborhood, where there has been sustained disinvestment, significant numbers of foreclosures and demolitions, and public safety concerns. Demand for retail and commercial services is weak, while nearby competition is better situated to capture customer traffic. There are few immediate prospects for the commercial development in the area, and a long term strategy is warranted, in which the City can acquire and hold retail sites for future redevelopment when conditions in the area improve. Short term strategies can include developing a site for mobile retail and food trucks to set up in the corridor.

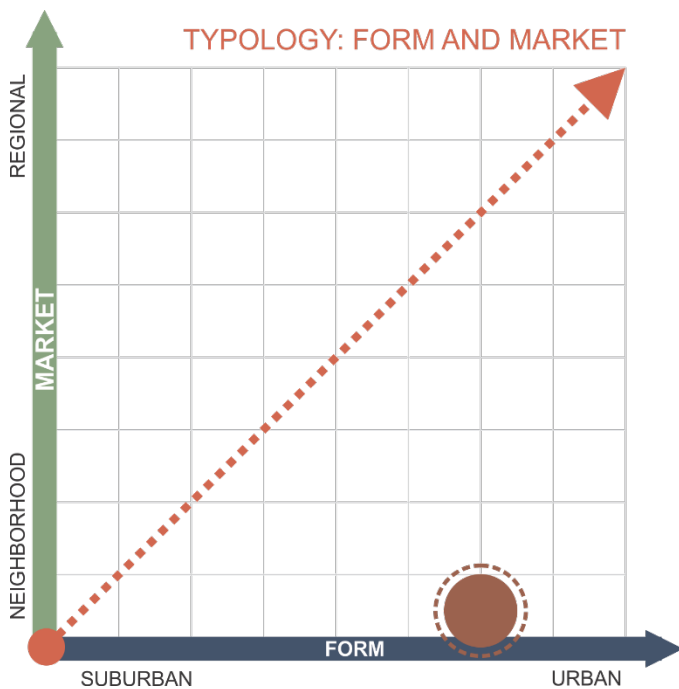
Fitting Hudson Avenue Into the Theory of Change

The *Commercial Corridors Strategy* developed a theory of change to describe conditions that lead to revitalized commercial districts. This theory began by recognizing a range of characteristics based on urban form and the market being served.

Hudson Avenue can be characterized as an area that has lost both its form and market. It was originally developed as a low density urban commercial street, with mostly two-story buildings having storefronts at the street level, and offices or living units above. Larger industries were interspersed with these. A very large number of these buildings have been removed along with the businesses they once housed. The few remaining businesses mostly serve the immediate neighborhood, but do not meet the basic shopping and service needs of residents.

The theory of change posits certain baseline conditions that are a platform from which to build a healthy commercial district. The basic conditions in this area are lagging compared to other parts of Rochester, with few businesses making available the goods and services needed by area residents.

- **Neighborhood stability** – Residential areas surrounding the Hudson Avenue corridor are among the city's most challenged, with high rates of foreclosure and demolition. Many vacant lots line neighborhood streets. Housing turnover is somewhat higher than other parts of the city, with half of all households having moved into their current unit in the past six years.



- **Demographics** – There are 5,359 people living within the trade area, in 1,938 households. About four out of every five is renting. The median income is very low, with half of the trade area’s households falling below the poverty level.
- **Safety/perception** – Although there are more police incidents reported in areas just outside of the trade area than there are within it, the corridor is still perceived as being unsafe.
- **Product mix** – The few retail and service businesses in the corridor are dominated by convenience stores and hair care. There are no chain businesses represented in the mix.

Elevating factors are strong assets that can be leveraged to drive additional customer traffic to a business district. The corridor has few of these assets.

- **Attractions** – There are a handful of churches and non-profit organizations located in the corridor, but on the whole, they are insufficient to generate additional traffic that might help the business community.
- **Unique businesses** – The businesses in the corridor are serving basic needs of area residents, and none will draw substantially from beyond the immediate area.
- **Design character** – The district is characterized by a mix of small manufacturing buildings, vacant lots, and

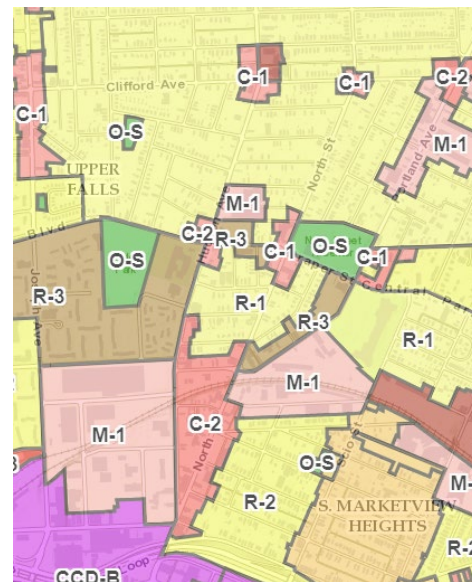
poorly maintained commercial buildings. The overall character is not inviting or amenable to either automobile or pedestrian traffic.

- **Social interaction** – There are no strong centers of social activity within the corridor. The David F. Gantt Recreation Center on North Street may fill this need for part of the community.

The Corridor

The study area extends along Hudson Avenue from its intersection with North Street, just north of the Inner Loop, to Clifford Avenue. There is one lane in each direction with parallel on-street parking on both sides, for most of the district’s length. Traffic in the district is relatively good, with counts of about 8,100 cars per day at North Street, 15,600 cars per day at Upper Falls Boulevard, and 12,500 cars per day at Clifford Avenue.

The study area has a combination of light industrial, commercial, and residential uses. One notable characteristic within each of these areas is a large number of vacant lots. These are, in part, a legacy of the 1964 riots that began on Joseph Avenue and spread throughout the area. Along with damage



Most of the commercial uses in the Hudson Avenue Corridor fall within the C-1 Neighborhood Center District (above, left). Most buildings on the corridor are not large and house a single business, or are vacant.

directly attributable to the riots, the City spent much of the next decade acquiring and demolishing buildings in both corridors as a part of its Urban Renewal programs. Fewer commercial buildings have been removed in the past decade, even while residential demolitions continue.

Industrial uses are located at the southern end of the study area, on the west side of Hudson Avenue. These buildings are in average to good condition, with some vacant lots. The commercial area begins on the east side of the street, where buildings fronting on North Street present their back to Hudson Avenue. The area retains an industrial feel north to Nash Street.

There is a large apartment complex on the northwest corner of Hudson Avenue and Kelly Street, followed by the Anthony L. Jordon Health Center and Public School 6. Commercial uses are found across from them. The commercial buildings are mostly in poor condition, with facades that have been substantially altered. Mixed commercial, residential, and light manufacturing uses continue on both sides of the street, north

to Clifford Avenue. There are a substantial number of vacant lots in this area.

The aggregate assessed value of the corridor's commercial properties changed little over much of the decade, until 2016-17. A new office buildings was added in 2016, and the largest increase came in 2017 with the conversion of 396-402 Hudson Avenue to an apartment building.

There are a large number of vacant lots on Hudson Avenue. Many have been there for decades.

Development Patterns

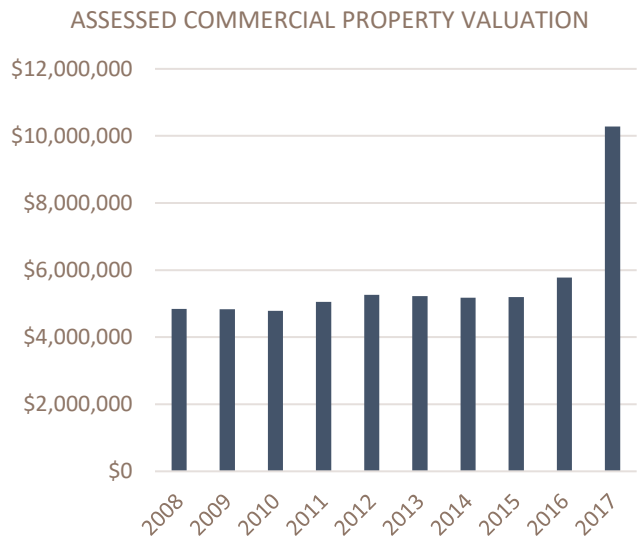
Lot area and dimensions vary considerably throughout the corridor. A pattern of 40 foot frontages and depths from 120 to 170 feet appears to underlie much of the corridor, though these have been assembled into larger lots in many places. Building sizes vary similarly. Industrial buildings are usually 10,000 square feet or larger, while a more traditional commercial building will have a ground level footprint of 1,500 to 2,000 square feet, with a few ranging up to about 5,000 square feet. The small size of these storefronts is not an impediment to the kinds of businesses that are locating in the corridor.

The corridor lies within the C-2 Community Center District, the M-1 Industrial District, the R-1 Low-Density Residential District, and the R-3 High-Density Residential District. This pattern creates a large commercial area south of Wilson Street, and nodes at the intersections of Hudson Avenue with Upper Falls Boulevard and Clifford Avenue. The standards of the C-2 district do not pose any challenged for the kinds of commercial uses that may locate in the corridor. The M-1 district also allows service-commercial uses like auto repair, that can fit within the corridor. Neither residential district permits much commercial activity as an accessory use. A handful of remaining commercial buildings are located in these areas. Zoning might pose challenges for their reuse.

Some of the vacant lots are used for parking, while others are merely covered with grass, but could be converted to parking if needed. The City owns several of the vacant lots in the corridor. At this time, though, there is sufficient parking for the businesses in the corridor and for those that may be anticipated in the near future.

Business Mix and Considerations

Nonresidential buildings in the study area total 269,488 square feet of ground floor space. The largest share of this is "other", which would include industrial and warehouse uses. These make up 40.3 percent of the total. Vacant buildings are the next largest use, with 30.9 percent of the floor area. Few parts of the city come close to a similar percentage of vacant space. Largely due to the health center,



Source: City of Rochester

medical/professional uses come in third with 16.2 percent of the area. Civic uses (churches, nonprofits, government, etc.) and retail are similar, with 4.9 percent and 4.5 percent of the district's floor area. These are followed by personal services (2.0 percent) and restaurants (1.1 percent). There are no chain or franchise businesses in this district.

All retail, restaurant, and personal service business sales in the district total \$2,973,000. The largest part of this is retail, with

ESTIMATED SALES PER SQUARE FOOT

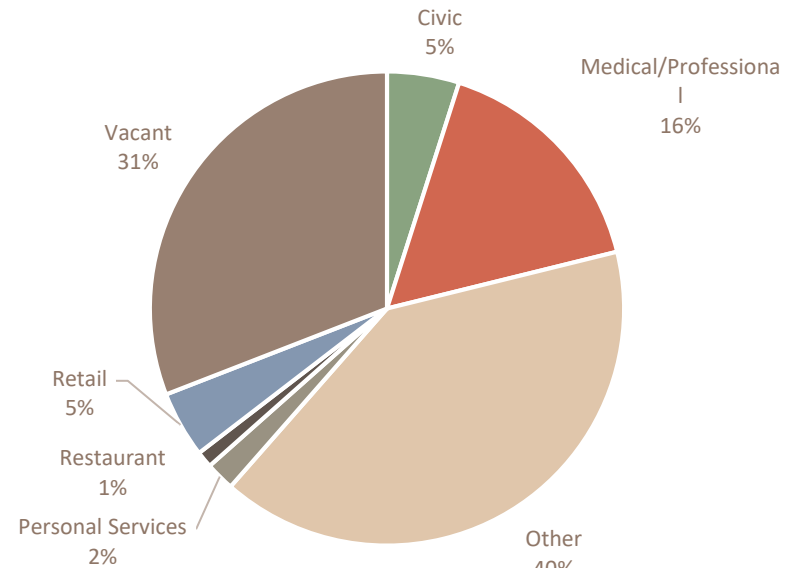
BUSINESS TYPE	HUDSON AVENUE	ALL STUDY AREAS	NATIONAL AVERAGE
Retail	\$190	\$208	\$325
Restaurant	\$86	\$173	\$275
Personal Services	\$73	\$66	\$145

SOURCES: Place Dynamics estimates. National averages: Retail – Urban Land Institute; Restaurant – National Restaurant Association; Personal services – International Council of Shopping Centers.



Building conditions vary considerably. Low demand for space and the large amount of vacant space work against the need for renovation and repair.

USES IN THE HUDSON AVENUE CORRIDOR BY FLOOR AREA



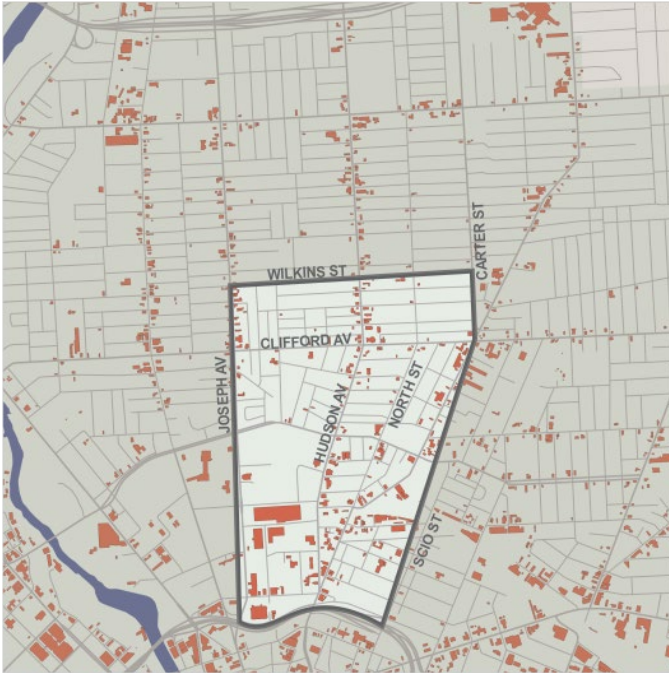
Source: Place Dynamics LLC

five businesses and \$2,323,000 in sales, or \$190 per square foot. Two restaurants and taverns total \$260,000 in sales and \$86 per square foot. Two personal service businesses average \$73 per square foot with \$390,000 in aggregate sales. While personal services appear to have sales slightly better than the average of all eight study areas, retail and restaurant sales are lower.

Nationally, retailers spend an average of 9.5 percent of gross revenue on rent. If this average is applied to the sales and floor area data for this district, the retail businesses would be expected to afford a rent averaging \$18 per square foot. Businesses in the national figure have larger sales volumes, and the lower volume of these businesses suggests that the amount they can actually afford would be less than 9.5 percent of gross sales. While no properties in this corridor are listed, most would rent for considerably below this figure. Citywide, a range of \$6 to \$10 per square foot is typical.

Neighborhood Characteristics

The neighborhood surrounding Hudson Avenue is made up of one and two-unit residences interspersed with larger apartment buildings and complexes. Many of the larger units are owned by the Rochester Housing Authority as low income housing. Less than a quarter of the housing (17.1 percent) is owner occupied. Nearly one of every five units (19.0 percent) is vacant. This is higher than most other



The Hudson Avenue corridor trade area is outlined above.

parts of Rochester, and is supported by observations of foreclosures and teardowns in the area. The median value of owner occupied homes is \$46,330, compared to \$85,658 for all of Rochester.

The housing market typology developed as part of the 2018 Rochester Citywide Housing Study categorizes the area around Hudson Avenue among those with the lowest demand for housing, with high levels of distress and disinvestment. Relative to this analysis, the Housing Study notes that “Low incomes and declining densities provide limited capacity to sustain neighborhood retail and other amenities”. It recommends aggressive blight removal, and the acquisition and holding of vacant land for future redevelopment, prioritizing employment-generating businesses and uses that meet neighborhood needs. There are few significant assets currently in the corridor. The City has been pursuing acquisition and demolition, and owns a significant number of properties in the neighborhood, and along Hudson Avenue.

There is more than four times as much vacant space in the corridor (30.9 percent) than the floor area of retail, restaurants, and personal services combined (7.9 percent).

Market Assessment

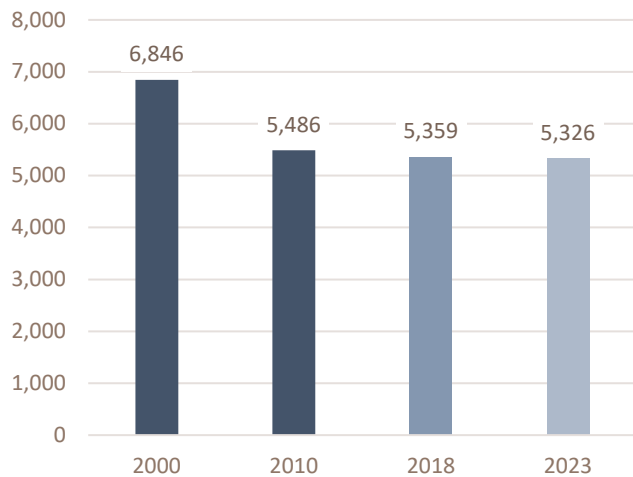
Hudson Avenue is serving the immediate neighborhood, but not well. The stronger North Clinton Avenue and Portland Avenue corridors are drawing much of the neighborhood that might otherwise travel to Hudson Avenue. The low income demographic of the northeastern quadrant of the city does not create a very large market for businesses to tap. Businesses on other nearby corridors have been more successful in capturing the limited potential available, and secondary corridors like Hudson Avenue struggle to support a viable business community. Rather than support continued retail throughout the corridor, the goal should be to reduce the commercial area to smaller nodes that can be supported, while seeking to convert the remaining land to other uses. This approach is already seen in the current zoning.

Trade Area

A trade area is defined as the region from which a business, or in this case, a business district will draw between 60 and 80 percent of its customers. It is necessarily imprecise, as each of the district’s businesses may have a varying ability to draw from a near or far distance depending on the business type and merchandise selection, pricing, customer service, marketing, or other factors.

Competition is a significant factor in determining the trade area for Hudson Avenue. Only the most basic businesses are found in the corridor. People without access to a car may be more likely to walk

TRADE AREA POPULATION



Source: ESRI

to these businesses, but those with a vehicle, or even access to public transportation, will travel to other corridors to do their shopping. Portland Avenue, East Main Street, and North Clinton Avenue all offer a greater selection of retail and services to meet basic shopping needs, while less common trips will be made to West Ridge Road and Jefferson Road in the suburbs.

Demographics

With the trade area's small size, and the fact that there have been many foreclosures and demolitions that have reduced the housing stock, there are only 5,359 people living within the trade area. Since 2000, there has been a considerable loss of population, from 6,846 residents. There are 1,938 households. These have been decreasing at a slower rate than the population, meaning that the average household size has been declining. The trade area is predominantly black (58.2 percent) and has a large percentage of persons with Hispanic origin (39.1 percent). The population is young, with a median age of 28.2 years. There is a high percentage of one-parent households (38.2 percent).

The median household income of \$18,446 is among the lowest in Rochester. It is less than a third of the state median of \$62,447, or the \$56,969 median of the Rochester metropolitan statistical area (MSA). Half (49.7 percent) of households earn less than the poverty level. This area is a HUD-designated low-to-moderate income neighborhood.

More than a third (34.8 percent) of the trade area's adults have not earned a high school diploma or GED. Most residents were employed in services (63.4 percent), followed by retail (11.6 percent), and manufacturing (8.9 percent). The unemployment rate is estimated at 18.0 percent, compared to 5.1 percent for the city and 3.7 percent for the MSA.

Resident Market

Spending indices for all goods and services are below the national average in this trade area, which is to be expected given the lower median income of its households. They are close to a third of what a typical household would spend, resulting in very low levels of demand for businesses located in the area.

ESRI defines a handful of market segments in the trade area. This area is especially homogenous, with 89.4 percent of households described as "City Commons". These tend to be single parents with children. They are less likely to own a vehicle and tend to use public transportation. There is high unemployment within this group, which has among the lowest income of any group. Fashion is an important expenditure, and many prefer fast food to cooking at home.

"Hardscrabble Road" is the only other group identified, making up 10.6 percent of households. These are predominantly renters with a high percentage of single parent households. It is a low income group that has a tendency to purchase items in bulk, buy generic, and save for larger purchases.

Cash Economy

Growing attention has been paid to an underground economy, or cash economy, consisting of earnings that go unreported to government entities. Nationwide, it is estimated that these earnings are equivalent to eight percent of gross domestic product. While some of it is comprised of illicit activities, the majority is earned through contingent work – temporary gigs, contract work, and freelancing – that is simply "off the books". The internal revenue service estimates that 43 percent of this income goes unreported.

To understand the contribution of the cash economy to the market potential in any area, it is first necessary to estimate participation in the contingent workforce. The methodology used in this analysis is based off an extensive survey conducted by the Rand Corporation and Princeton University, which determined rates of participation based on an array of demographic and workforce characteristics, such as age, gender, race, educational attainment, industry, and occupation. Data for the trade area was obtained through the Longitudinal Employer-Household Dynamics (LEHD) program through the US Census Bureau's Center for Economic Studies. County-level Nonemployer Statistics were used to estimate individual earnings. The aggregate sum was multiplied by 0.43, and the resulting income

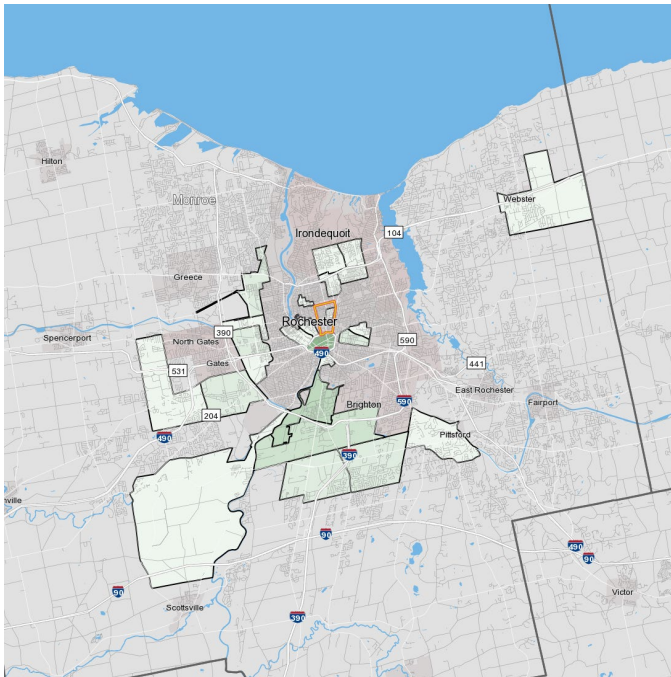
The cash economy adds an additional \$900,000 in retail, and \$107,000 million in restaurant spending by trade area residents.

was distributed across all expenditure categories using the same percentage distribution as in the trade area population.

Participation in the cash economy is equal to the equivalent of 175 full time workers. This group has aggregate earnings of \$6,067,000, of which \$2,609,000 is estimated to be unreported – the cash economy. These earnings will support an additional \$900,000 in retail spending, and \$107,000 in spending at restaurants.

Market Share

Market share – the percentage of potential spending captured by businesses in the study area – is the most important statistic used to assess how well the district is performing. Businesses outside of the district are capturing the remainder. Along with the size of the market being lost, that competition



Workplace of residents of the Hudson Avenue corridor's trade area.

DETERMINING THE CONTRIBUTION OF THE CASH ECONOMY TO MARKET POTENTIAL



will determine whether it is possible to expand existing businesses or add new ones in the Hudson Avenue corridor.

Businesses in the district capture 9.3 percent of the market for retail and dining. This is split between a 9.3 percent market share for retail, and 9.7 percent for eating and drinking. A significant part of this is one standout business, the Public Meat and Grocery on the corner of Hudson Avenue and Clifford Avenue.

Most retail categories are not represented in the study area, and there is only one restaurant and one tavern. Market potential within the district is very low, and more importantly, the typical household does not have a significant amount to spend in any category. That makes it a very challenging environment for businesses.

Competition

With almost no retail or services in the district, residents are making the majority of their purchases elsewhere. North Clinton Avenue (with the Top's grocery store), Portland Avenue, and East Main Street are the strongest nearby commercial corridors. Based on employment patterns, it appears that the majority of purchases for higher-order retail goods are occurring in the Ridge Road corridor in Irondequoit, or along Jefferson Avenue to the south, in Henrietta.

Business Opportunities

This is an area that does not support any strong, near-term business development opportunities. It does not have a strong enough demographic profile (population size and income level) to attract chain retail. When considering sites in which to open a business, owners will more likely choose to locate in areas with a stronger market potential.

MARKET DEMAND, EXISTING SALES, AND MARKET SHARE

	NAICS	RESIDENT DEMAND	CASH ECONOMY	TOTAL DEMAND	EXISTING SALES	MARKET SHARE
Total retail trade and food and drink	44-45,722	\$26,757,868	\$1,007,000	\$27,764,868	\$2,583,000	9.3%
Total retail trade	44-45	\$24,192,770	\$900,000	\$25,092,770	\$2,323,000	9.3%
Total food and drink	722	\$2,565,098	\$107,000	\$2,672,098	\$260,000	9.7%
Automobile dealers	4411	\$4,287,095	\$159,485	\$4,446,580	\$0	0.0%
Other motor vehicle dealers	4412	\$345,593	\$12,856	\$358,449	\$0	0.0%
Auto parts, accessories, and tire stores	4413	\$388,775	\$14,463	\$403,238	\$0	0.0%
Furniture stores	4421	\$479,166	\$17,826	\$496,992	\$0	0.0%
Home furnishings stores	4422	\$376,513	\$14,007	\$390,520	\$0	0.0%
Electronics and appliance stores	4431	\$866,961	\$32,252	\$899,213	\$0	0.0%
Building material and supplies dealers	4441	\$1,071,444	\$39,859	\$1,111,303	\$0	0.0%
Lawn and garden equipment and supply stores	4442	\$95,500	\$3,553	\$99,053	\$0	0.0%
Grocery stores	4451	\$3,848,964	\$143,186	\$3,992,150	\$2,323,000	58.2%
Specialty food stores	4452	\$302,027	\$11,236	\$313,263	\$0	0.0%
Beer, wine, and liquor stores	4453	\$323,040	\$12,017	\$335,057	\$0	0.0%
Health and personal care stores	4461	\$2,061,276	\$76,682	\$2,137,958	\$0	0.0%
Gasoline stations	4471	\$2,619,806	\$97,460	\$2,717,266	\$0	0.0%
Clothing stores	4481	\$1,390,749	\$51,738	\$1,442,487	\$0	0.0%
Shoe stores	4482	\$235,367	\$8,756	\$244,123	\$0	0.0%
Jewelry, luggage, and leather goods stores	4483	\$295,161	\$10,980	\$306,141	\$0	0.0%
Sporting goods/hobby/musical instrument stores	4511	\$578,335	\$21,515	\$599,850	\$0	0.0%
Book, periodical, and music stores	4512	\$117,093	\$4,356	\$121,449	\$0	0.0%
Department stores excluding leased departments	4521	\$1,785,517	\$66,423	\$1,851,940	\$0	0.0%
Other general merchandise stores	4529	\$1,144,947	\$42,593	\$1,187,540	\$0	0.0%
Florists	4531	\$897,194	\$33,377	\$930,571	\$0	0.0%
Office supplies, stationery, and gift stores	4532	\$58,793	\$2,187	\$60,980	\$0	0.0%
Used merchandise stores	4533	\$270,274	\$10,055	\$280,329	\$0	0.0%
Other miscellaneous store retailers	4539	\$121,304	\$4,513	\$125,817	\$0	0.0%
Nonstore retailers	4541	\$446,822	\$16,622	\$463,444	\$0	0.0%
Special food services	7223	\$682,248	\$25,380	\$707,628	\$0	0.0%
Drinking places - alcoholic beverages	7224	\$110,120	\$4,594	\$114,714	\$0	0.0%
Restaurants/other eating places	7225	\$136,947	\$5,713	\$142,660	\$78,000	54.7%

SOURCE: Place Dynamics LLC and ESRI Business Analyst

This situation leads to two questions: 1) how can the needs of area residents be served when the market is not likely to support new businesses; and 2) what would be an effective commercial development strategy for the district. The answer to the second question is much the same as recommended in the City's housing strategy. It will be to identify and acquire strategic locations for future redevelopment as conditions improve. In the interim, the City can look to alternate retail strategies being tested in underserved markets in other communities, such as mobile trucks to bring fresh produce and other retail goods into the area on a regular schedule.

Recommendations

Recommendations for the study area are divided into two groups. The first are actions, policies, or programs specific to the district. The second are references to broader programs recommended for the City, which will have applicability to more than one district.

Corridor Recommendations

The following recommendations are specific to the Hudson Avenue corridor.

1. **Identify a location where mobile retail and food trucks can set up on a weekly, or other periodic basis.** This study recommends retail and dining entrepreneurship programs that have a mobile component. As part of a regular rotation of venues, these businesses can have a periodic schedule of operations in the Hudson Avenue corridor. Although the City owns several properties, the most ideal location is the First Genesis Baptist Church parking lot, across from the health center. If this is not possible, the City should seek a site as near to the intersection with Upper Falls Boulevard as possible.

2. **Continue efforts to eliminate blighted and nuisance properties on the corridor and in the neighborhood, and to develop quality housing.** The opportunities for new businesses in the Hudson Avenue corridor will materialize only when the neighborhood improves. Specifically, blighted conditions need to be removed and residents' income needs to increase relative to the city and metropolitan area. Neighborhood stability is the essential ingredient for commercial businesses in the corridor.
3. **Evaluate and consider revisions to the corridor's zoning.** There are two nodes of commercial zoning at Clifford Avenue and at Upper Falls Boulevard. These are adequate for the uses presently there, but might benefit from being enlarged over the long term. These two locations have higher traffic counts than the larger block of commercial zoning further south.
4. **Consider allowing commercial redevelopment with a hybrid urban design.** The two commercial nodes serve auto traffic. Future redevelopment will be more attractive, and the space will be more conducive to successful businesses, if the sites are allowed to redevelop with a format that easily accommodates both pedestrians and vehicles, with parking and drive-through lanes.

Applicability of City-wide Programs

This *Commercial Corridors Strategy* recommends that the City of Rochester develop several programs with city-wide applicability, mostly oriented to retail and restaurant business formation and small business growth. This corridor is not an ideal location for business startups. Never-the-less, there may be interest from some people in starting a business in the corridor, and these programs would be available. This is not a corridor in which the City should be investing in a coordinator.

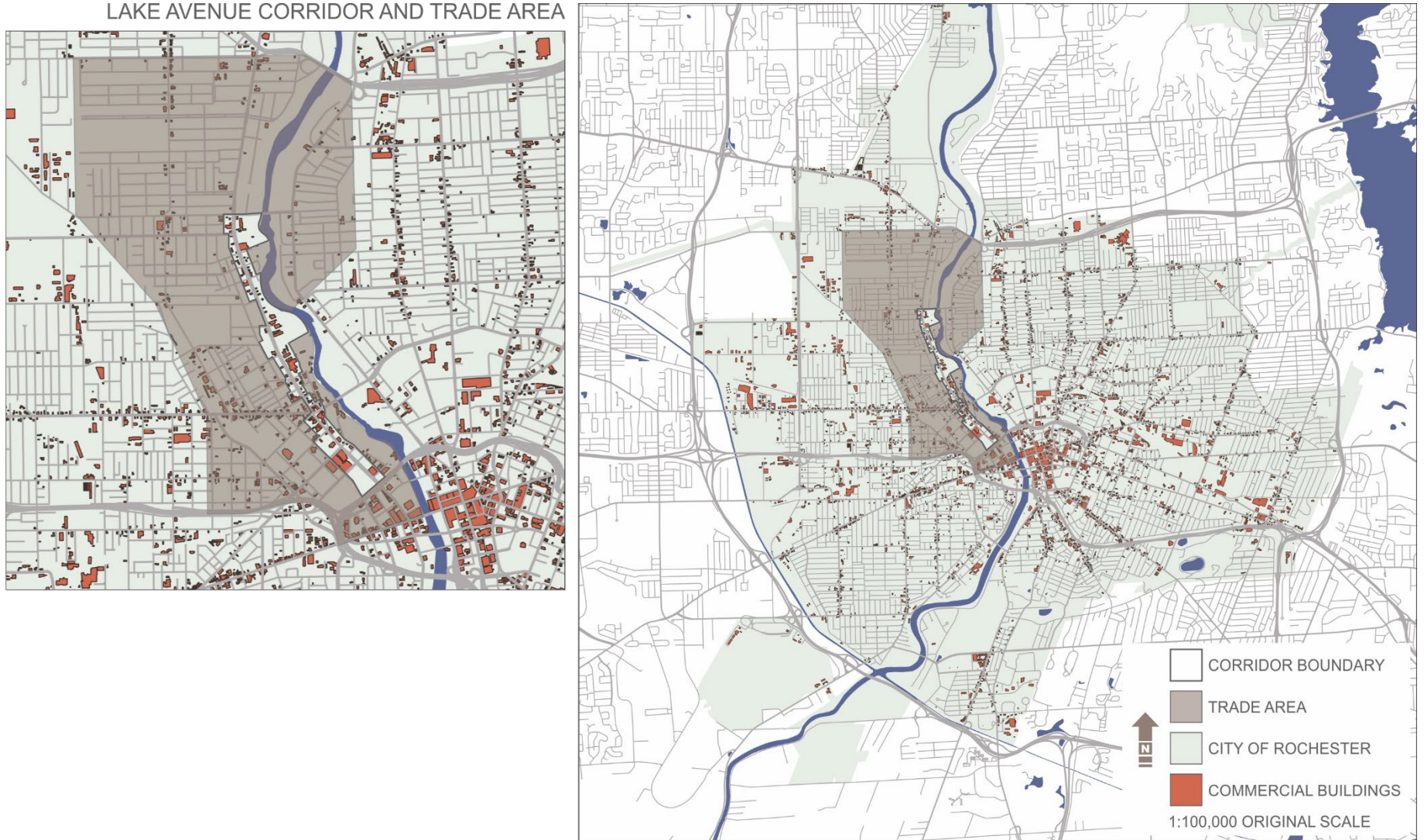
5. **Retail and dining startup programs.** The Commercial Corridors Strategy recommends parallel programs to encourage retail and dining entrepreneurship. These utilize existing resources and establish new ones to: 1) create a "culture of can" in which business ownership is seen as a viable life path; 2) impart the knowledge and skills necessary to start and successfully operate a retail or dining business; and 3) guide startups through an incubation process that may take one of several routes (storefront, marketplace, food or retail truck, or pop-up space).
6. **Business growth program.** Business growth programs recommended in the Commercial Corridors Strategy overlap with educational and technical assistance components of the proposed startup programs. They are intended to bring resources to existing businesses to help in areas that are commonly a challenge for small retail and dining businesses. Common issues among these businesses include:
 - a. Human resources management

- b. Cash flow planning
 - c. Customer service training
 - d. Marketing and social media
 - e. Earning and keeping customer loyalty
 - f. Creating a shopping/dining experience
 - g. Developing an internet strategy
 - h. Understanding customer preferences
 - i. Learning and using new technology
 - j. Merchandising and inventory management
 - k. Visual display / design issues
 - l. Menu planning
7. **Nonprofit commercial development corporation.**
The Commercial Corridors Strategy recommends that the City join with partners to create a nonprofit entity that will invest in commercial renovation and redevelopment in support of corridor revitalization and small business development. This organization will make targeted, impactful investments that anchor a district and/or address nuisance and blight concerns. Within the Hudson Avenue corridor, this organization may provide leadership in acquiring and holding property for future retail use.

THIS PAGE INTENTIONALLY LEFT BLANK

LAKE AVENUE CORRIDOR

LAKE AVENUE CORRIDOR AND TRADE AREA





SUMMARY

Lake Avenue and State Street present a combination of different business environments as they progress from the central part of Rochester out to the northern edge. Where the corridor begins on State Street, at the Inner Loop, one side of the street presents an unbroken wall of attractive facades, while the other side is a large parking lot owned by Kodak and Monroe County. This should be viewed as a future redevelopment opportunity with the potential for a significant attraction to complement the nearby stadiums and High Falls district. In the interim, it can be used as a site for mobile food and retail trucks. Mobile dining and shopping should be coordinated with events at the stadiums to expose emerging businesses to customers who might not otherwise come into the city.

Lake Avenue carries a significant volume of traffic including commuters and visitors to the city center. The more northerly portion of the corridor, up to Driving Park Avenue, reflects this with an auto-friendly urban character that allows fast food restaurants, commercial strips, and freestanding buildings with parking. These businesses are more effectively able to capture the consumers passing by, and the corridor performs especially well with fast food restaurants. A higher percentage of middle income households in the area supports more chain businesses, which in turn contributes to a wider mix of businesses in the corridor. Still, Tops closed its Lake Avenue store at the end of 2018, and its departure may impact the sales of businesses nearby that benefited from cross-shopping by its customers.

This is one of the areas in Rochester where retail attraction may be part of a development strategy. Other restaurant and retail chains may be attracted to existing buildings, strip centers, or redevelopment sites that offer good vehicular access, parking, the potential for drive-through lanes, and visibility. The presence of chain stores in a corridor is beneficial to independent businesses in that they generate customer traffic with the potential to cross-shop other businesses, and they are often perceived as a sign of the viability of a commercial area.

CHARACTERISTICS OF THE LAKE AVENUE CORRIDOR

CORRIDOR CHARACTERISTICS

Commercial floor area (sq. ft.)	633,841
Vacant commercial floor area (sq. ft.)	79,146
Commercial vacancy rate	12.5%
Floor area used for retail	20.6%
Aggregate assessed value (commercial)	\$17,788,100
Average value per square foot	\$28.06
Change in assessed value, 2007 to 2017	15.4%

TRADE AREA INCOME

Median household income	\$22,487
Below poverty level	39.6%
Households with Social Security income	30.0%
Households with SNAP benefits	49.9%
Households with public assistance income	16.9%

TRADE AREA POPULATION

Population - 2018	22,274
Growth rate 2010 to 2018	-0.29%
Median age	30.8
Age 65 or over	19.1
White	30.9%
Black	45.4%
Hispanic origin	25.9%
Households - 2018	8,695
Average household size	2.52
Households with children	38.5%
Single parent households	28.1%
No vehicle available	36.2%
No high school degree	24.4%
Enrolled in college	6.4%
Unemployment rate	15.9%

MARKET CHARACTERISTICS

Retail market potential	\$139,200,831
Estimated retail sales	\$19,609,000
Retail market share	14.1%
Dining market potential	\$14,969,222
Estimated dining sales	\$9,049,000
Dining market share	60.5%

TRADE AREA HOUSING

Housing units (2018)	10,456
Housing units built prior to 1940	58.6%
Housing units built since 1990	5.6%
Median years in unit	6
Owner occupied	20.3%
Renter occupied	62.9%
Vacant	16.8%
Median home value	\$76,401

LAKE AVENUE CORRIDOR MARKET ANALYSIS AND STRATEGY

Rochester's *Commercial Corridors Strategy* guides City investments and economic development initiatives to create more vibrant commercial districts. These corridors are vital to the City's quality of life. Their businesses offer the products and services needed by residents, they serve as social and economic centers for their neighborhoods, they provide an environment for entrepreneurship and small business growth, and they generate revenue to support City services.

The *Commercial Corridors Strategy* was developed in three parts. It began with an overview of the market and conditions for retail and dining businesses across the city and metropolitan area. Next, it delved more deeply into eight districts, or study areas, representative of different conditions seen throughout the community. These are intended to serve as

models that may be replicated on other districts. Lastly, it recommends a "toolkit" of programs and initiatives for business and district vitality.

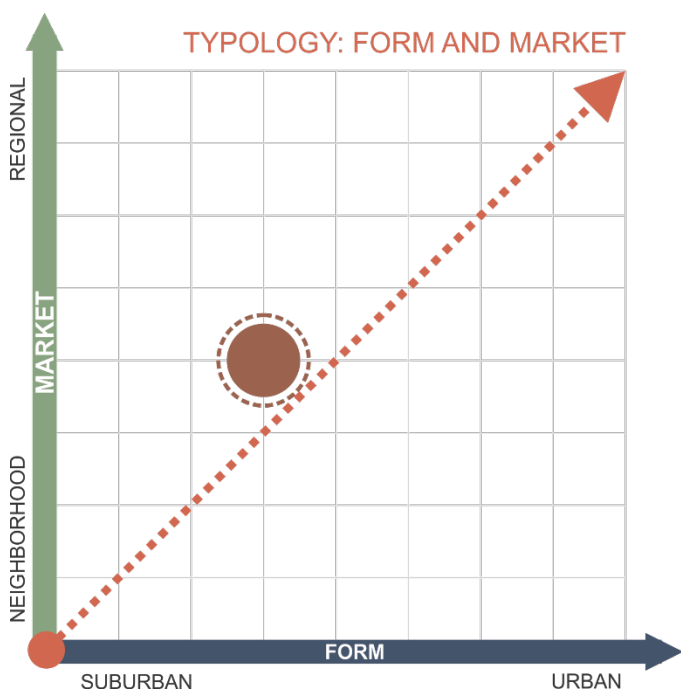
Lake Avenue is one of the eight study areas chosen for detailed analysis. While called the Lake Avenue Corridor for the purpose of this study, it is actually State Street south of Lyell Avenue – Smith Street, and Lake Avenue to the north. This district is longer than most and has a mixed character, from a more urban environment in the south to suburban character in the north. That suburban development pattern has made it possible to attract strip centers and chain tenants, but the district recently suffered the loss its Top's grocery store. Filling that vacancy and attracting other chain businesses should be a priority for the northern part of the study area, while redevelopment, reuse, and building on an eclectic mix of independent businesses will be a priority to the south.

Fitting Lake Avenue Into the Theory of Change

The *Commercial Corridors Strategy* developed a theory of change to describe conditions that lead to revitalized commercial districts. This theory began by recognizing a range of characteristics based on urban form and the market being served. Though the character of the district varies, businesses in the study area are drawing customers from beyond a typical neighborhood trade area. Some of these are commuters while others are drawn to specialty businesses. Walkability is challenged by a wide street with fast-moving traffic, and by an increasingly suburban pattern to the north.

The theory of change posits certain baseline conditions that are a platform from which to build a healthy commercial district. The demographics of this area are weak to the south, but improve to the north. The corridor's proximity to the Genesee River reinforces the potential for redevelopment and capturing traffic that may be generated as the ROC the Riverway project is completed.

- **Neighborhood stability** – The neighborhoods around the corridor vary considerably. Downtown is improving and the High Falls area, in particular, is viewed as an attractive location. Meanwhile, neighborhoods to the west are among the city's more challenged. Conditions improve north of Lyell Avenue.
- **Demographics** – There are 22,274 people living within the trade area, in 8,695 households. There are three times as many renters as there are homeowners. Median incomes are lower than the city as a whole, and two of five households fall below the poverty level. There are more people over 65 living in this area, compared to much of the city, which could account



for some of the population decline seen between 2000 and 2010. Population losses have stopped and the area is projected to add households.

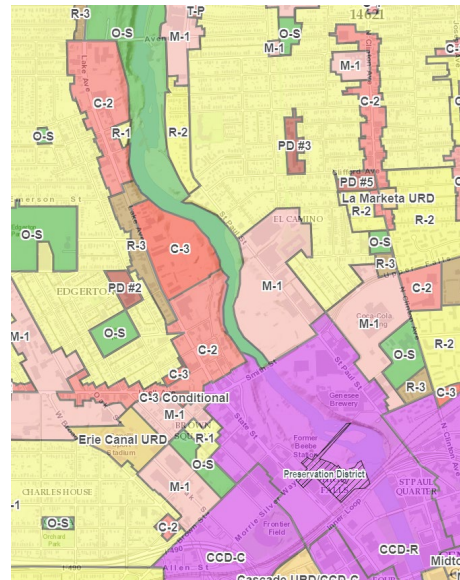
- **Safety/perception** – The City of Rochester’s online crime maps do show a concentration of incidents along the Lake Avenue corridor and in neighborhoods to the west, however, those within the district are mostly nonviolent crimes. The district may be seen as being safer than others in the city.
- **Product mix** – There is a greater selection of goods and services available in the Lake Avenue district than in most other parts of the city. The selection includes several chain stores and fast food restaurants. The district recently suffered the loss of its Top’s grocery store, though, which will have an impact on its ability to draw customers who will now shop elsewhere for groceries, and may combine that shopping with visits to other stores that before may have occurred at other businesses on Lake Avenue.

Elevating factors are strong assets that can be leveraged to drive additional customer traffic to a business district. This district has existing and potential attractions that can be leveraged for its transformation.

- **Attractions** – The High Falls area, Monroe Community College, Frontier Field, and Rochester Regional Health Clinic, and the Kodak Tower all front on State Street or

Lake Avenue. The Maplewood Family YMCA is located behind the corner of Lake Avenue and Driving Park Avenue. The Genesee River lies just to the east. Some parks and trails are already located along the east bluff, and the ROC the Riverway plan calls for additional improvements to create a major destination recreation site.

- **Unique businesses** – There are a small number of independent specialty shops mostly in the State Street segment of the district. There is the potential to build upon these to create a critical mass that will draw in more customers.
- **Design character** – The character of the study area varies greatly. The State Street frontage is the most urban, but it is broken up by parking and residential uses that interrupt the commercial street. North of Brown Street the character can be described as a low density urban corridor, with more suburban format uses (freestanding buildings with parking, and strip centers) to the north.
- **Social interaction** – Attractions like Frontier Field, the High Falls area, and trails and parks along the Genesee River have the potential to draw people together from across the community.



Three different commercial zones, and one residential zone line the corridor (above, left). The character transitions from a higher density urban district in the south, to a lower urban density with several suburban-style commercial sites.

The Corridor

The study area extends along State Street north from the Inner Loop as far as Lyell Avenue – Smith Street. From there it continues north as Lake Avenue as far as Driving Park Avenue. The core of downtown Rochester lies to the south on State Street, while Lake Avenue becomes more residential to the north of Driving Park Avenue.

While the predominant use in the district is and has been commercial (broadly including office and industrial uses), there is a stretch between Lorimer Street and Emerson Street that has long been residential and has some large apartment buildings. Other parts of the corridor were more recently redeveloped with residential uses. Industrial uses have largely left the area, though some smaller ones remain in the central part of the corridor. In terms of both uses and design, the district lacks a unifying concept.

The length of the corridor results in a varied character to the study area, with different potential uses for the northern and southern segments.

The width of Lake Avenue and the speed at which traffic passes are a defining characteristic of the corridor. State Street and Lake Avenue have two lanes of traffic in each direction, a median with left turn lanes, occasional right turn lanes, and on-street bike lanes, with little on-street parking. Traffic often travels faster than the posted 35 MPH limit (30 MPH south of Lyell Avenue).

Development Patterns

From the Inner Loop to Brown Street, the east side of State Street has a combination of newer and historic, multistory buildings. Commercial uses are broken up by the parking garage at Commercial Street and a newer residential building that occupies the entire block between Morrie Silver Way and Factory Street. The west side of the street has the Kodak Tower, Monroe Community College, and a very large surface parking lot. This lot, along with the smaller one in front of the college, negate the impact of streetscaping investments by the City, and historic building restorations that have occurred in the vicinity. Half of the lot is owned by Monroe County while the frontage is owned by Eastman Kodak. It might present an attractive redevelopment opportunity as a public-private partnership.

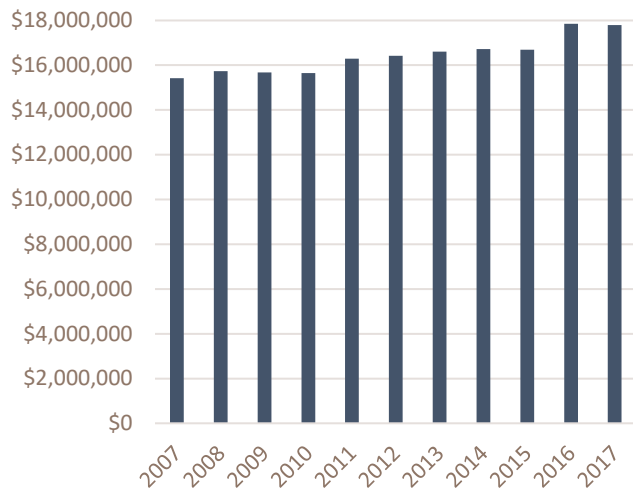
There is no “typical” lot configuration in the corridor. Lot depth is somewhat consistently between 110 and 230 feet, though some lots can be as deep as 400 feet. Many lots have between 40 and 70 feet of frontage, but there are several that have been combined or were originally platted with more frontage. Nearly all still have less than 200 feet of street frontage, but two sites have more than 500 feet of frontage. One of these is the Volunteers of America building, while the other is the strip center with the former Top’s store.

Buildings along State Street tend to be larger, especially south of Brown Street. They include the very large Kodak Tower and college building, along with several commercial buildings that are three to six stories in height. North of Brown Street there are still some three or four story buildings, but the majority are one or two stories and there are frequent gaps between them, mostly used for parking.

Older, small apartment buildings start in on the west side of Lake Avenue north of Jones Street. There is one multi-story apartment building (Lake Towers) and a condominium development that are significantly larger than the other residential uses in the area.

There is a relatively intact collection of historic buildings at Ravine Avenue, though several have been converted to apartments, including the ground floor. These end at Glendale Park, and from that point north it is more common to find single buildings with parking, or small strip centers.

ASSESSED COMMERCIAL PROPERTY VALUATION



Source: City of Rochester

Assessed valuation increased by 15.4 percent over the decade ending in 2017. Most of the properties in the district increased in value, though eight of the 82 properties accounted for more than 80 percent of the increase.

The district is covered by the C-2 Community Center District, the C-3 Regional Destination Center District, the CCD City Center District – Riverfront, and the R-3 High Density Residential District. Some commercial uses remain in the residential district, which generally does not permit them, except as part of mixed-use buildings with more than 20 units.

Both the C-2 and C-3 districts allow a large number of commercial uses matched to those that might locate in the district. The C-2 district, which is found in the central and northern parts of the study area, offers some flexibility to develop buildings or small strip centers that will be appropriate to the kind of vehicle traffic using the corridor.

Most buildings in the study area have onsite parking, with the exception of older historic properties. At the southern end of the study area, the parking garage and county-owned lot will meet the needs of businesses in the area.

Business Mix and Considerations

There is a total of 633,841 square feet of ground floor commercial space in the Lake Avenue study area. The largest use in the district is “other”, which includes manufacturing, warehousing, and offices (other than medical or professional). These make up 36.5 percent of the total floor area.

Retail takes up 20.6 percent of the available space. There are 31 retail businesses in the district.

Vacant space follows with 12.5 percent of the total. The former Top’s store makes up more than half of that total. Were it not for that recent closure, the district would have a vacancy rate well within a range that is considered normal. That is especially notable given the large commercial floor area within the district.

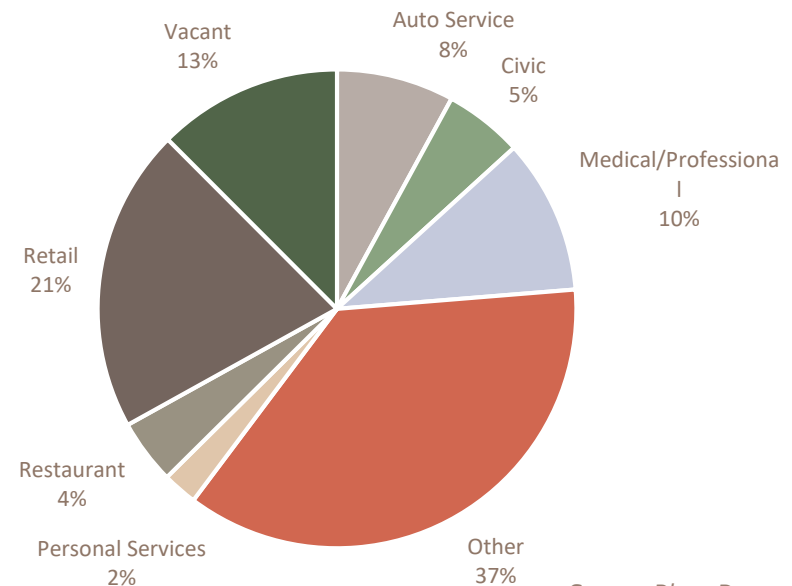
There are some large health care uses along with smaller professional offices in the district. Together, they comprise 10.5 percent of all of the space.

Auto services are well represented in this district, making it one of only a few where the use can be found in any concentration. These ten businesses occupy 7.9 percent of the district’s commercial space. They are followed by civic uses (5.3 percent), 14 restaurants (4.4 percent), and eight personal service businesses (2.3 percent).

Retail businesses in the district are estimated to have aggregate sales of \$19,609,000, while restaurant and bar sales total \$9,049,000, personal services total \$1,383,000, and auto service brings in \$5,009,000. These sums result in sales per square foot of \$150 for retail, \$327 for eating and drinking, \$93 for personal services, and \$100 for auto services. The figure for eating and drinking places is very good, but is strongly influenced by the number of fast food chain restaurants in the district. Fast food restaurants

The former Top’s store represents more than half of the vacant space in the corridor. Except for this recent closure, the Lake Avenue study area would have a vacancy rate well within a normal range.

USES IN THE LAKE AVENUE CORRIDOR



Source: Place Dynamics LLC

have sales per square foot well above other restaurants. The average sales for retail is among the lowest of the eight areas studied. This may be a factor of the kinds of businesses on the district, rather than poorer sales performance.

Nationally, retailers spend an average of 9.5 percent of gross revenue on rent. If this average is applied to the sales and floor area data for this district, the retail businesses would be expected to afford a rent averaging \$14.29 per square foot. Space in this district is highly varied. Newer, strip or

ESTIMATED SALES PER SQUARE FOOT

BUSINESS TYPE	LAKE AVENUE	ALL STUDY AREAS	NATIONAL AVERAGE
Retail	\$150	\$208	\$325
Restaurant	\$327	\$173	\$275
Personal Services	\$93	\$66	\$145

SOURCES: Place Dynamics estimates. National averages: Retail – Urban Land Institute; Restaurant – National Restaurant Association; Personal services – International Council of Shopping Centers.



Strip center at Lake Avenue and Driving Park Avenue.

standalone buildings will be close to this figure, while older commercial buildings may begin leasing around \$8.00 per square foot.

Neighborhood Characteristics

Just as the character of the study area changes from north to south, so too do the neighborhoods making up the trade area. At the south end, the High Falls is being reinvented as a location for urban living in renovated mill buildings. To the west, however, is one of the more challenged neighborhoods in Rochester, with a concentration of poverty, foreclosures, and demolished buildings. Neighborhoods to the north tend to see improving economic conditions with more stable housing. Most homes are one or two family structures, but there are several larger apartment buildings, mostly along the corridor.

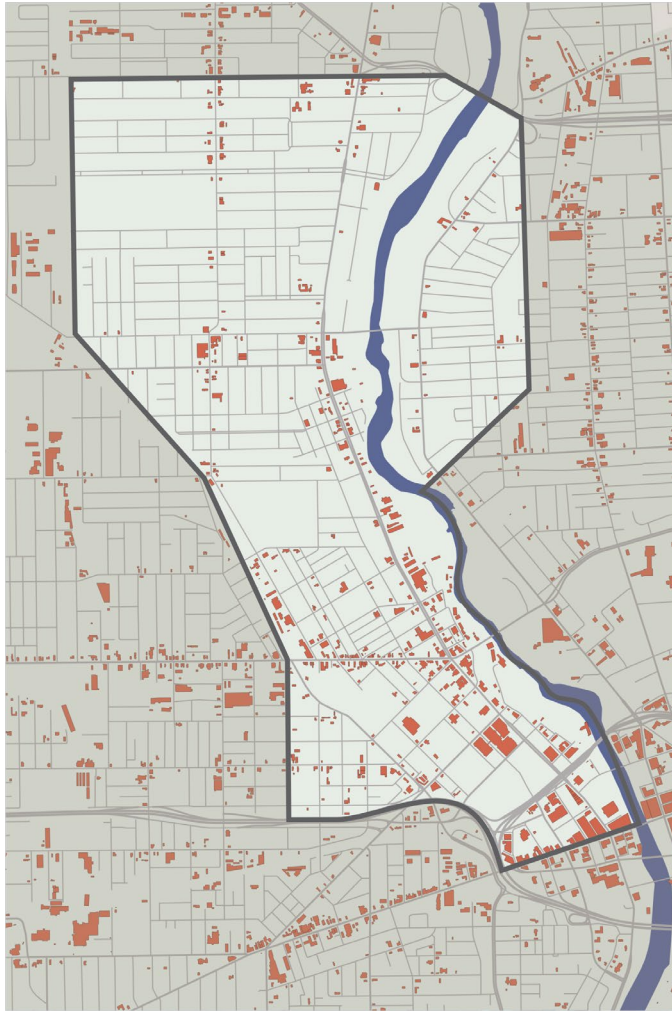
Only 20.3 percent of the housing in the trade area is owner occupied. Another 62.9 percent is rented, while 16.8 percent is vacant. Owner occupied home values are somewhat lower than those in the City of Rochester overall, with a median value of \$76,401, or 89 percent of the city-wide median. Values in the south end of the trade area are lower, while those to the north are higher.

The housing market typology developed as part of the 2018 Rochester Citywide Housing Study categorizes this as an area of low demand to the south, improving to moderate demand in the north. The Housing Study describes areas to the north as “areas that developed during the first half of the 20th Century to meet demand for homeownership by working-class or middle class households that were thriving in the city’s industrial economy. Over the past half-century, these have been some of the city’s most stable residential areas.”

The trade area’s educational, recreational, and institutional assets are mostly located in close proximity to the district. They include the Maplewood Family YMCA, Frontier Field, and Marina Auto Stadium. There are parks and a trail system along the Genesee River, along with neighborhood parks such as Brown Square Park, Jones Square Park, and Edgerton Park and Recreation Center.

Market Assessment

The Lake Avenue district serves a neighborhood to community level of commercial activity. Lake Avenue and State Street are centrally located and accessible to several neighborhoods. The district serves as a gateway to downtown Rochester and carries significant commuter traffic, bringing in potential customers from other parts of the city and suburbs. Historic buildings and suburban-style strips can meet the site requirements of diverse business types, including both chains and independents.



The Lake Avenue corridor trade area is outlined above.

Trade Area

A trade area is defined as the region from which a business, or in this case, a business district will draw between 60 and 80 percent of its customers. It is necessarily imprecise, as each of the district's businesses may have a varying ability to draw

from a near or far distance depending on the business type and merchandise selection, pricing, customer service, marketing, or other factors.

The trade area for the Lake Avenue study area was defined by distance and competition. West Main Street, Lyell Avenue, and North Clinton Avenue all offer many of the same retail and service businesses. Outside of Rochester, the West Ridge Road corridor in Greece, and East Ridge Road in Irondequoit offer a much greater selection of businesses. The pull of these two other areas may grow since the loss of Top's on Lake Avenue.

Demographics

There are 22,274 people living within the defined trade area. This population declined some during the period from 2000 to 2010, but has since stabilized. With the population loss came a corresponding decrease in the number of homeowners.

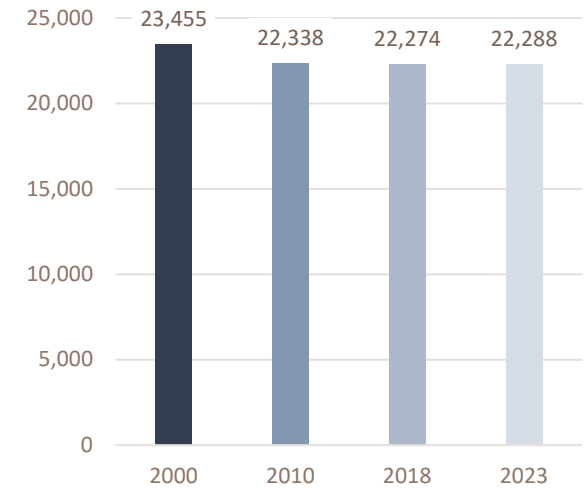
Racially, it is a diverse area, with blacks comprising the largest group, at 45.4 percent of the population. Whites follow at 30.9 percent, and 25.9 percent of the population is Hispanic.

The median age is 30.8 years, but despite this young age, almost one in five persons (19.1 percent) are 65 or older. There are a large number of children, with 38.5 percent of households having children under 18 living at home. Single parent households make up 28.1 percent of the total.

The median household income of \$22,487 is low when compared with the \$31,813 median for all of Rochester. It is significantly less than the state median of \$62,447, or the \$56,969 median of the Rochester metropolitan statistical area (MSA). Poverty is widespread, with 39.6 percent of households earning less than the poverty level, and 49.9 percent receiving SNAP benefits. Nearly a third (30.0 percent) receive Social Security income.

Most trade area residents were employed in services (58.7 percent), followed by retail (10.3 percent), and manufacturing (13.8 percent). The unemployment rate is estimated at 15.9 percent, compared to 5.1 percent for the city and 3.7 percent for the MSA. Nearly a quarter of adults (24.4 percent) have not received a high school diploma or GED.

TRADE AREA POPULATION



Source: ESRI

Resident Market

Spending indices for all goods and services are below the national average in this trade area, which is to be expected given the lower median income of its households. Spending indices mostly fall in a range from 40 to 50 percent of national averages. Spending by residents makes up the largest part of the market available to businesses in the district, presenting challenges for retailers and making it more important to be able to attract customers from outside of the area.

ESRI defines a handful of market segments in the trade area. The largest of these is a group called “City Commons”, with 31.4 percent of the total. These tend to be single parents of young households. They are less likely to own a vehicle and tend to use public transportation. There is high unemployment within this group, which has the lowest income among the four groups common to the area. Fashion is an important expenditure, and many prefer fast food to cooking at home.

The next largest group is “Social Security”, totaling 19.3 percent of the households in the trade area. One-fourth of householders here are aged 65 or older and dependent on low, fixed incomes, primarily Social Security. They usually rent and are often in larger buildings, living alone. Many of these consumers are on fixed incomes and are price-sensitive. They may have medical conditions that impact their mobility and lifestyle, and prefer to eat at home rather than dine out.

“Hardscrabble Road” is the third group, with 18.3 percent of the total. These are predominantly renters with a high percentage of single parent households. It is a low income group that has a tendency to purchase items in bulk, buy generic, and save for larger purchases.

“Traditional Living” is a group making up 12.4 percent of the total. Married couples dominate, but are not as prevalent as expected based on the age profile of the population. There are higher percentages of single parents and single households. In

their shopping habits, they are cost-conscious but brand-loyal.

The next significant group is “Fresh Ambitions”, with 12.4 percent of the area’s households. Young families and recent immigrants are common in this group. Multigenerational families are common, and they remain connected to their cultural group. Rent is typically their biggest expense and they live frugally. Their children’s needs and return trips to their country of origin are their largest expenses.

Cash Economy

Growing attention has been paid to an underground economy, or cash economy, consisting of earnings that go unreported to government entities. Nationwide, it is estimated that these earnings are equivalent to eight percent of gross domestic product. While some of it is comprised of illicit activities, the majority is earned through contingent work – temporary gigs, contract work, and freelancing – that is simply “off the books”. The internal revenue service estimates that 43 percent of this income goes unreported.

DETERMINING THE CONTRIBUTION OF THE CASH ECONOMY TO MARKET POTENTIAL



To understand the contribution of the cash economy to the market potential in any area, it is first necessary to estimate participation in the contingent workforce. The methodology used in this analysis is based off an extensive survey conducted by the Rand Corporation and Princeton University, which determined rates of participation based on an array of demographic and workforce characteristics, such as age, gender, race, educational attainment, industry, and occupation. Data for the trade area was obtained through the Longitudinal Employer-Household Dynamics (LEHD) program through the US Census Bureau’s Center for Economic Studies. County-level Nonemployer Statistics were used to estimate individual earnings.

The cash economy adds an additional \$3.9 million in retail, and \$461,000 in restaurant spending by trade area residents.

MARKET DEMAND, EXISTING SALES, AND MARKET SHARE

	NAICS	RESIDENT DEMAND	CASH ECONOMY	TOTAL DEMAND	EXISTING SALES	MARKET SHARE
Total retail trade and food and drink	44-45,722	\$149,850,793	\$4,319,260	\$154,170,053	\$28,658,000	18.6%
Total retail trade	44-45	\$135,342,471	\$3,858,360	\$139,200,831	\$19,609,000	14.1%
Total food and drink	722	\$14,508,322	\$460,900	\$14,969,222	\$9,049,000	60.5%
Automobile dealers	4411	\$23,358,315	\$665,902	\$24,024,217	\$1,960,000	8.2%
Other motor vehicle dealers	4412	\$1,947,792	\$55,528	\$2,003,320	\$0	0.0%
Auto parts, accessories, and tire stores	4413	\$2,184,187	\$62,267	\$2,246,454	\$0	0.0%
Furniture stores	4421	\$2,606,092	\$74,295	\$2,680,387	\$1,200,000	44.8%
Home furnishings stores	4422	\$2,174,076	\$61,979	\$2,236,055	\$0	0.0%
Electronics and appliance stores	4431	\$4,918,593	\$140,220	\$5,058,813	\$1,640,000	32.4%
Building material and supplies dealers	4441	\$6,356,072	\$181,200	\$6,537,272	\$0	0.0%
Lawn and garden equipment and supply stores	4442	\$575,639	\$16,410	\$592,049	\$0	0.0%
Grocery stores	4451	\$21,403,018	\$610,160	\$22,013,178	\$4,522,000	20.5%
Specialty food stores	4452	\$1,680,748	\$47,915	\$1,728,663	\$125,000	7.2%
Beer, wine, and liquor stores	4453	\$1,862,921	\$53,108	\$1,916,029	\$0	0.0%
Health and personal care stores	4461	\$11,608,180	\$330,927	\$11,939,107	\$2,047,000	17.1%
Gasoline stations	4471	\$14,305,887	\$407,834	\$14,713,721	\$1,098,000	7.5%
Clothing stores	4481	\$7,876,656	\$224,549	\$8,101,205	\$1,635,000	20.2%
Shoe stores	4482	\$1,301,771	\$37,111	\$1,338,882	\$450,000	33.6%
Jewelry, luggage, and leather goods stores	4483	\$1,771,165	\$50,493	\$1,821,658	\$199,000	10.9%
Sporting goods/hobby/musical instrument stores	4511	\$3,276,618	\$93,410	\$3,370,028	\$0	0.0%
Book, periodical, and music stores	4512	\$659,660	\$18,806	\$678,466	\$0	0.0%
Department stores excluding leased departments	4521	\$10,083,603	\$287,465	\$10,371,068	\$0	0.0%
Other general merchandise stores	4529	\$6,378,281	\$181,833	\$6,560,114	\$2,686,000	40.9%
Florists	4531	\$360,593	\$10,280	\$370,873	\$0	0.0%
Office supplies, stationery, and gift stores	4532	\$1,536,780	\$43,811	\$1,580,591	\$0	0.0%
Used merchandise stores	4533	\$680,105	\$19,389	\$699,494	\$940,000	134.4%
Other miscellaneous store retailers	4539	\$2,485,178	\$70,848	\$2,556,026	\$1,107,000	43.3%
Nonstore retailers	4541	\$3,950,544	\$112,623	\$4,063,167	\$0	0.0%
Special food services	7223	\$632,157	\$20,082	\$652,239	\$0	0.0%
Drinking places - alcoholic beverages	7224	\$801,518	\$25,463	\$826,981	\$0	0.0%
Restaurants/other eating places	7225	\$13,074,647	\$415,355	\$13,490,002	\$9,049,000	67.1%

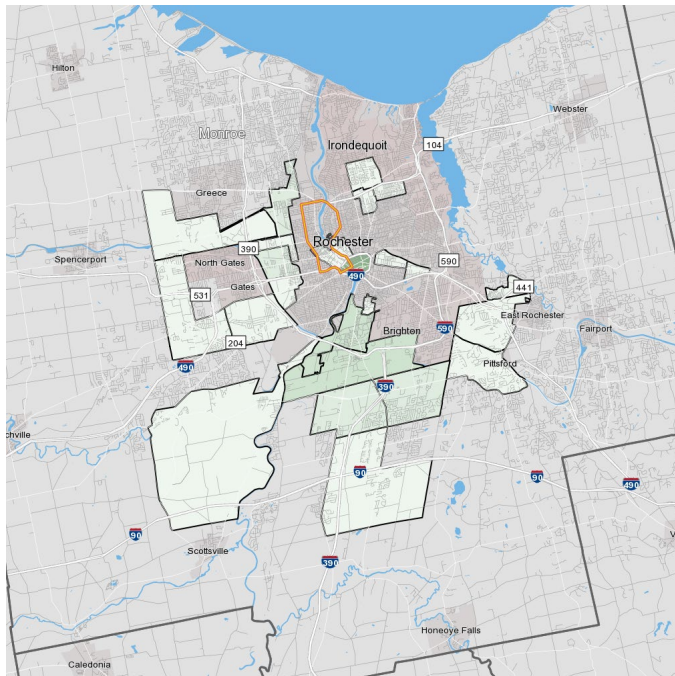
SOURCE: Place Dynamics LLC and ESRI Business Analyst

The aggregate sum was multiplied by 0.43, and the resulting income was distributed across all expenditure categories using the same percentage distribution as in the trade area population.

The impact of the cash economy in this area is the equivalent of 751 persons working full time, with gross earnings of \$26.0 million, of which \$11.2 million is unreported. This unreported income supports an additional \$3.9 million in spending on retail goods, and \$461,000 on eating and drinking.

Market Share

Market share – the percentage of potential spending captured by businesses in the study area – is the most important statistic used to assess how well the district is performing. Businesses outside of the district are capturing the remainder.



Workplace of residents of the Lake Avenue corridor's trade area.

Along with the size of the market being lost, that competition will determine whether it is possible to expand existing businesses or add new ones in the district.

Businesses in the district are capturing 18.6 percent of the market for retail and dining. This is split between a 14.1 percent market share for retail, and 60.5 percent for eating and drinking. The high figure for restaurants (67.1 percent) is due to the nature of the district and the type of restaurants found there. Lake Avenue serves a commuter population and has several fast food restaurants that are capturing people passing through.

Several retail categories are performing well, including furniture and appliances, clothing and shoes, general merchandise, and miscellaneous stores.

Competition

In most regards, Lake Avenue offers strong competition to other corridors in Rochester. Grocery stores may be an exception. When both Top's and Aldi were in operation, the corridor could attract more grocery shoppers. Now, with only Aldi remaining in the corridor, people may alter their shopping pattern to the Top's on North Clinton Avenue or to other grocery stores in the region.

When studying neighborhood retail, analysts typically expect anchor uses such as grocery stores, hardware stores, and pharmacies. Two of these uses are located in the study area. There are other uses, such as furniture and appliance stores, clothing and shoe stores, and miscellaneous specialty stores, that are more often found in community centers.

For shopping trips outside of the neighborhood, shopping patterns are often closely correlated to the locations in which people work. Residents of the Lake Avenue district trade area work across much of the city and suburban area, with concentrations in downtown Rochester, at the University of Rochester and hospitals just east of the river, and in areas to the south, in and around the airport and the Marketplace Mall. The mall and the adjacent Jefferson Road corridor are well represented with national chains that will meet most shopping needs of area residents. The West Ridge Road corridor in Greece has an even larger selection of retail businesses.

Business Opportunities

Business development opportunities in this district mostly revolve around new business formation and business attraction, including chain businesses. While many of its existing independent businesses may benefit from improved marketing, the expansion potential is not significant.

New Business Potential

Several kinds of businesses may be attracted to the district. This is an area where chain businesses may be attracted, along with branch locations of existing independent and small regional chains, and startups. Many of these will find the northern part of the district more appealing for its auto-friendly design, which is appropriate for a heavily-traveled corridor. Locations in the southern part of the district, more often in historic buildings, will be more appealing to independent specialty retailers and restaurants.

- **Auto dealers and services** – The district has significant traffic and some of these businesses are already located within it. It is one of only a few districts in which these uses (used car sales, auto repair, and specialty retail like auto electronics) are concentrated. Others can benefit from clustering with these businesses. The use is not necessarily one that will improve the appearance of the district, or contribute to its revitalization.
- **Furniture and appliance stores** – These businesses are already concentrated in the district, and additional ones may help to establish a destination serving a greater part of Rochester and surrounding suburbs.
- **Specialty food stores** – This is a use that is mostly missing from the district, while common elsewhere. Bakeries, meat markets, seafood markets, and similar uses can take advantage of higher traffic counts than are found in neighborhood centers.
- **Clothing, shoes, and accessories stores** – Existing businesses include clothing and shoe stores. There are actually several independently owned clothing stores in Rochester that may serve as models for future startups. A location in this district will offer ac-

cess to a larger market, but comes with higher operational costs that may be more difficult for a startup business to afford.

- **Specialty retail stores** – Several types of stores might be possible in the district, including sporting goods stores, gift shops, jewelry stores, used merchandise stores, and others. Many of these stores will be startups that have a better prospect for success in this district, as opposed to one that has less traffic.
- **Restaurants** – Other fast food restaurants may be attracted to the district, and there is the potential for independent businesses as well. Full service restaurants will fare better in the southern portion of the district, where they can pick up additional traffic from events at nearby attractions. Those locating to the north will want to provide drive-up service to capture commuter traffic.

Recommendations

Recommendations for the district are divided into two groups. The first are actions, policies, or programs specific to the district. The second are references to broader programs recommended for the City, which will have applicability to more than one district.

Corridor Recommendations

The following recommendations are specific to the Lake Avenue study area.

1. **Plan for redevelopment of the large parking lot shared by Kodak and Monroe County.** Redeveloping this site will help to balance the street scene, where midrise buildings on one side face a vast open space on the other. This is a downtown gateway site, where an entertainment-oriented use would complement the High Falls area, Frontier Field, and other attractions. The City may look at examples such as in Sioux City, Iowa, where the City sparked redevelopment containing a cinema, restaurants, and retail fronting on a plaza, at the entrance to one of its downtown sub-areas.
2. **Implement traffic calming measure to slow traffic south of Brown Street.** Traffic on the corridor is moving quickly. This is especially problematic in the more pedestrian-oriented area south of Brown Street. Signage, pavement markings, narrower lanes, and other techniques might be considered.
3. **Encourage infill development or redevelopment north of Brown Street.** The intent of this is to extend the pedestrian commercial district to the north, retaining historic buildings and filling in the gaps with more pedestrian friendly commercial space, which may have offices or residential units on the upper floors.



Entertainment, retail, and dining development in downtown Sioux City, Iowa.

Applicability of City-wide Programs

This **Commercial Corridors Strategy** recommends that the City of Rochester develop several programs with city-wide applicability, mostly oriented to retail and restaurant business formation and small business growth. The Lake Avenue corridor has advantages for startup businesses in that they may capture commuter traffic or visitors to nearby attractions, but they may also find the cost of space to be higher than within neighborhood centers.

4. **Connect State Street and Lake Avenue to the Genesee River.** The river is a truly great asset that is not replicated in the suburbs. It can be a magnet for visitors to the area. The ROC the Riverway initiative is a start. As it is implemented and as redevelopment occurs further to the north, connections should be made to the Lake Avenue corridor to allow direct access to parks, trails, and views such as the Lower Falls. Attractive wayfinding signage will help to direct people to these assets.
5. **Look for opportunities to restore commercial uses to the ground floor of historic buildings near Ravine Avenue.** The buildings at this intersection are very attractive and all four corners are intact. With the low vacancy rate on the district, it should be possible to attract retail, dining, and office uses to the space. Taking this space back to commercial use will help to strengthen the entire corridor.
6. **Commercial district coordinator.** The **Commercial Corridors Strategy** recommends that the City create a program with concepts similar to the National Main Street Program, to guide revitalization along targeted districts in the City. A central need of that program is for coordinators (having an expanded set of skills and engaging in activities beyond those of the street liaisons already in place) who will be responsible for assisting local businesses, property owners, and organizations in their individual and collective efforts to improve the district. Within this district, issues that will initially deserve the attention of a coordinator include:
 - a. Work with commercial property owners to recruit new businesses that will elevate the quality and improve the diversity of businesses in the district. This should include outreach to chain businesses.
 - b. Promote redevelopment within the district and between the corridor and the Genesee River.
 - c. Engage with individual businesses and property owners to understand their needs and facilitate connections to people or resources that can help them address those needs.
 - d. Provide direct and proactive technical assistance to businesses with marketing and management issues.
 - e. Coordinate consumer research within the trade area to determine perceptions, desires, and shopping habits of the customer base.
7. **Retail and dining startup programs.** The Commercial Corridors Strategy recommends parallel programs to encourage retail and dining entrepreneurship. These utilize existing resources and establish new ones to: 1) create a “culture of can” in which business ownership is seen as a viable life path; 2) impart the knowledge and skills necessary to start and successfully operate a retail or dining business; and 3) guide startups through an incubation process that may take one of several routes (storefront, marketplace, food or retail truck, or pop-up space).

The district may be considered as a site for mobile retail and food trucks, or pop-up space. Pop-up retail and dining might be accommodated on the large parking lot at the south end of the district. Pop-up dates can be coordinated with activities at Frontier field to give businesses additional exposure to potential customers. High traffic counts, the adjacent community college campus, and proximity to the downtown will also draw attention to the site.

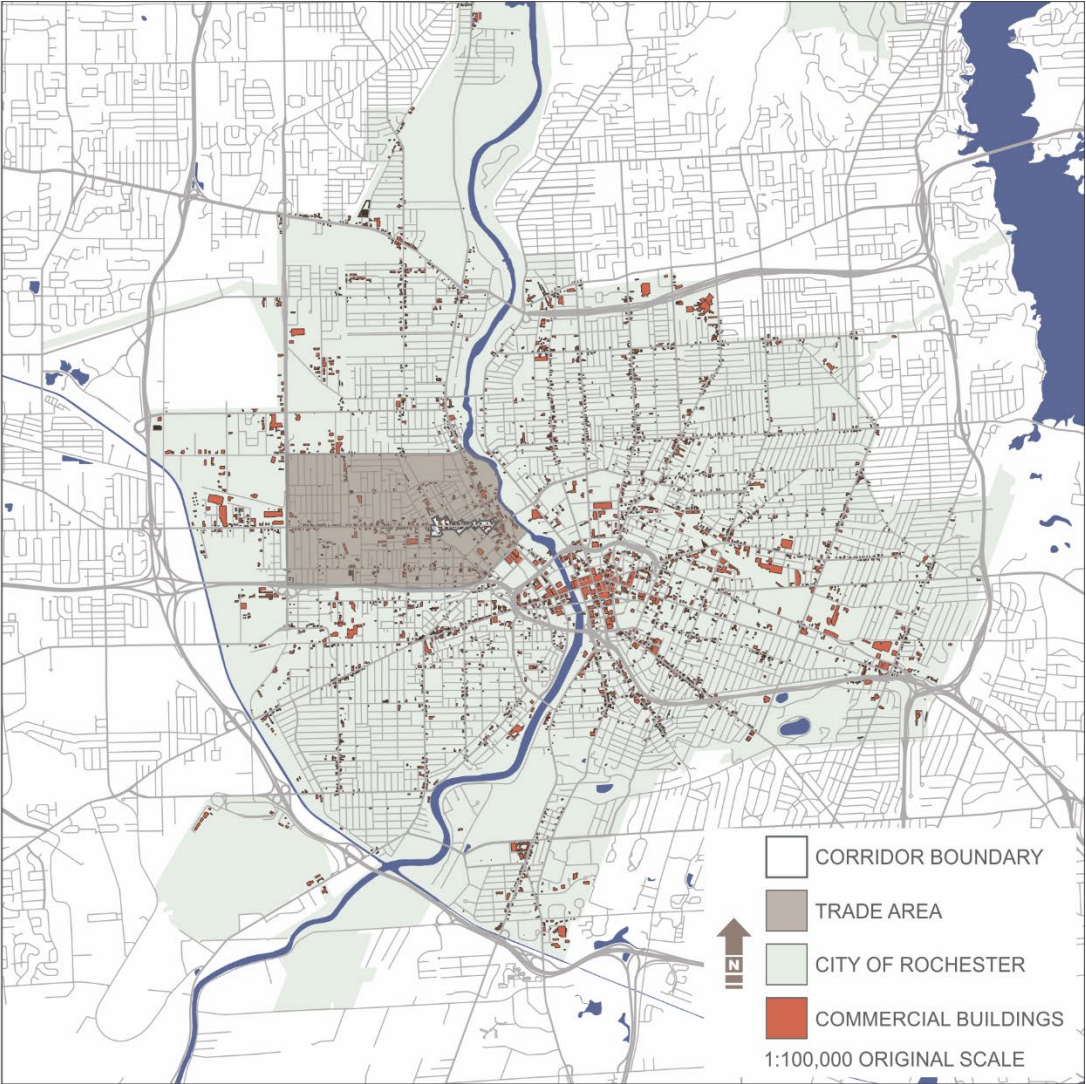
8. **Business growth program.** Business growth programs recommended in the Commercial Corridors Strategy overlap with educational and technical assistance components of the proposed startup programs. They are intended to bring resources to existing businesses to help in areas that are commonly a challenge for small retail and dining businesses. Common issues among these businesses include:
 - a. Human resources management
 - b. Cash flow planning
 - c. Customer service training
 - d. Marketing and social media
 - e. Earning and keeping customer loyalty
 - f. Creating a shopping/dining experience
 - g. Developing an internet strategy
 - h. Understanding customer preferences
 - i. Learning and using new technology
 - j. Merchandising and inventory management
 - k. Visual display / design issues
 - l. Menu planning
9. **Nonprofit commercial development corporation.** The Commercial Corridors Strategy recommends

that the City join with partners to create a nonprofit entity that will invest in commercial renovation and redevelopment in support of district revitalization and small business development. This organization will make targeted, impactful investments that anchor a district and/or address nuisance and blight concerns. The development corporation can take the lead in bringing about redevelopment on critical sites.

THIS PAGE INTENTIONALLY LEFT BLANK

LYELL AVENUE CORRIDOR

LYELL AVENUE CORRIDOR AND TRADE AREA



SUMMARY

Lyell Avenue has active stakeholders working to change conditions in the corridor. This is an important element in the revitalization of any commercial district. As the strategy develops, it should be integrated into the City's initiatives to transform the larger neighborhood and to develop programs for retail development. Lyell Avenue serves a market that has a low income profile, with limited means to spend on goods and services. It does, however, carry a significant amount of traffic entering and leaving the city center. That additional traffic can be converted into customers for Lyell Avenue's businesses, but the corridor will need to overcome its poor reputation to get them to stop. Urban design is also a factor in that businesses must be accessible to car traffic to attract commuters.

The neighborhoods surrounding Lyell Avenue have always served as a gateway for immigrants. Italian and other European immigrants settled here beginning in the 19th Century, and recent decades have seen a growing number of Hispanic, Middle Eastern, and South Asian immigrants choosing the area. Where the street was once lined



with Italian-themed businesses, the last Italian restaurant has closed. The neighborhood is also changing in that industries that lined the street have also departed, leaving behind large, often multi-storied industrial buildings. Sites like the Tent City building could be attractive candidates for redevelopment.

Businesses in this corridor are performing below average, compared to the other study areas and to national averages. There is a concentration of auto sales and service businesses that does make the corridor somewhat unique. Opportunities for the study arear can include more of these businesses along with furniture stores, specialty food stores, clothing stores, and restaurants. An approach to revitalizing the district may begin by expanding its brand beyond the Little Italy designation, to embrace a multi-cultural or international theme. Considerable improvements can be made to the appearance of both public and private space on the corridor, presenting a more inviting streetscape. This is also a district in which the City should locate a retail and dining business incubator, occupying 5,000 to 6,000 square feet of space that can be divided for multiple small businesses to operate while they receive startup assistance.

CHARACTERISTICS OF THE LYELL AVENUE CORRIDOR

CORRIDOR CHARACTERISTICS

Commercial floor area (sq. ft.)	161,299
Vacant commercial floor area (sq. ft.)	73,086
Commercial vacancy rate	45.3%
Floor area used for retail	25.3%
Aggregate assessed value (commercial)	\$4,280,400
Average value per square foot	\$26.54
Change in assessed value, 2007 to 2017	11.8%

TRADE AREA INCOME

Median household income	\$19,747
Below poverty level	44.0%
Households with Social Security income	25.3%
Households with SNAP benefits	49.3%
Households with public assistance income	17.7%

TRADE AREA POPULATION

Population - 2018	16,247
Growth rate 2010 to 2018	-0.23%
Median age	31.0
Age 65 or over	9.3%
White	33.3%
Black	43.1%
Hispanic origin	26.7%
Households - 2018	6,051
Average household size	2.66
Households with children	41.8%
Single parent households	31.1%
No vehicle available	35.5%
No high school degree	27.7%
Enrolled in college	5.3%
Unemployment rate	15.2%

MARKET CHARACTERISTICS

Retail market potential	\$87,454,441
Estimated retail sales	\$6,921,000
Retail market share	7.9%
Dining market potential	\$9,419,252
Estimated dining sales	\$1,640,000
Dining market share	17.4%

TRADE AREA HOUSING

Housing units (2018)	7,660
Housing units built prior to 1940	64.5%
Housing units built since 1990	2.7%
Median years in unit	6
Owner occupied	24.7%
Renter occupied	59.7%
Vacant	15.6%
Median home value	\$59,682

LYELL AVENUE CORRIDOR MARKET ANALYSIS AND STRATEGY

Rochester's *Commercial Corridors Strategy* guides City investments and economic development initiatives to create more vibrant commercial districts. These corridors are vital to the City's quality of life. Their businesses offer the products and services needed by residents, they serve as social and economic centers for their neighborhoods, they provide an environment for entrepreneurship and small business growth, and they generate revenue to support City services.

The *Commercial Corridors Strategy* was developed in three parts. It began with an overview of the market and conditions for retail and dining businesses across the city and metropolitan area. Next, it delved more deeply into eight districts, or study areas, representative of different conditions seen throughout the community. These are intended to serve as

models that may be replicated in other districts. Lastly, it recommends a "toolkit" of programs and initiatives for business and district vitality.

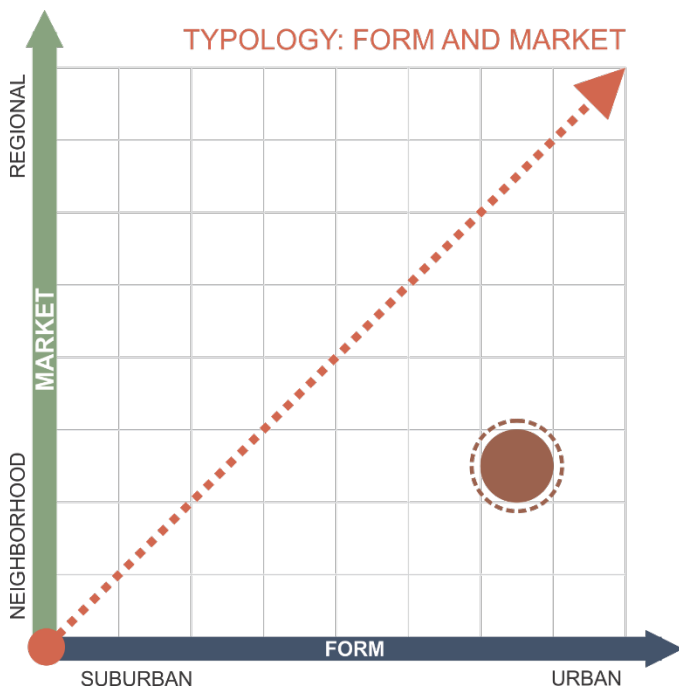
The Lyell Avenue district is one of the eight study areas chosen for detailed analysis. This district extends from Lake Avenue – State Street west to Broad Street. It has an active organization, the Little Italy Neighborhood Association, promoting its revitalization and an intact, walkable urban form with few vacancies or residential conversions. At the same time, the surrounding neighborhood is experiencing distress, and the district has a reputation for illicit activities such as drug sales and prostitution. These problems need to be addressed before businesses will be able to take advantage of the outside traffic passing through the area, and attract a larger customer base that will enable existing businesses to grow or bring in new ones.

Fitting Lyell Avenue Into the Theory of Change

The *Commercial Corridors Strategy* developed a theory of change to describe conditions that lead to revitalized commercial districts. This theory began by recognizing a range of characteristics based on urban form and the market being served. The form of the Lyell Avenue district is more urban than suburban, with both very good traffic and a pedestrian orientation. Businesses in the district are mostly drawing customers from adjacent neighborhoods, rather than capturing traffic passing through the corridor.

The theory of change posits certain baseline conditions that are a platform from which to build a healthy commercial district. The basic conditions in this area are somewhat poor, with a distressed neighborhood and a perception of significant criminal activity occurring within the corridor.

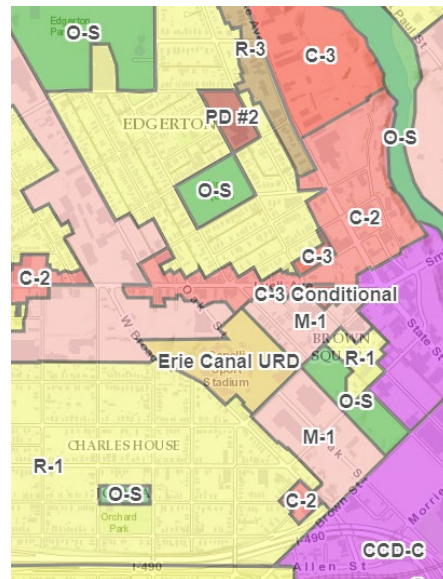
- **Neighborhood stability** – Lyell Avenue sits at a transitional point, with the greatest concentration of foreclosures and demolitions on the city's west side located to the south of the corridor, while conditions improve to the north. There is somewhat more turnover than the city as a whole, with the median household moving within six years.
- **Demographics** – There are 16,247 people living within the trade area, in 6,051 households. In 2000 they were closely split between owners and renters, but over time the percentage of renters has grown to 59.7 percent of the total. Median incomes are very low and 44.0 percent of households are below the federal poverty level. The white population has been declining and the black population has been stable, while those describing themselves as other have been increasing.



- **Safety/perception** – Based on incident reporting by the Rochester Police Department, overall crime in the area does not seem to be more common than in comparable Rochester neighborhoods. There is a pocket of greater activity along Lyell Avenue, from Hague Street to Whitney Street, which lies west of the study area. Perceptions of the area are poor, with drugs and prostitution often mentioned.
- **Product mix** – The district supports a diverse business mix, though none are large and there are few anchor retail establishments. This is one of few places in the city where there is a concentration of used car dealers and auto service businesses.

Elevating factors are strong assets that can be leveraged to drive additional customer traffic to a business district. Some of these exist in the district or nearby.

- **Attractions** – Marina Auto Stadium, Brown’s Square Park, and Frontier Field are located southeast of the district, in close enough proximity that traffic to these destinations could be drawn to the district. Lyell Avenue will compete with the High Falls area for these customers.
- **Unique businesses** – A small number of bars and restaurants, and auto sales and services are the most common uses in the district. Though none of these are particularly strong, there are few other places where auto businesses can be found, and



Aside from the eastern edge of the corridor, most of the street frontage lies within the C-2 Community Center District. One block is in the C-3 Regional Destination Center District, and the easternmost part is in the CCD-City Center District (above, left). The western part of the corridor is in the M-1 Manufacturing District.

their presence may help to bring in some traffic from outside of the usual trade area.

- **Design character** – The character of the district is unremarkable. Lyell Avenue has one lane of traffic in each direction, with bike lanes, parallel on-street parking, and sidewalks. There are occasional street trees, but no additional streetscaping. Sidewalk maintenance needs attention. The mostly two-story commercial buildings have often been altered, and none are particularly distinctive. Some older, brick industrial or warehouse buildings are located at the western edge of the study area.
- **Social interaction** – The area’s bars do provide for some social activity, but there is usually little street life and there are few public or private locations where there are active gatherings. Historically, the district was the center of the Italian community, though few vestiges of this remain. The Little Italy Festival is a popular annual event in the district, and there are plans for a Sunday farmer’s market from April through October.



The Corridor

Lyell Avenue has a history as a place where Italian immigrants settled in the late 1800's and early 1900's. At one time there were many Italian businesses in the district that the study is focused on, although almost all of these are no longer in business. There is a growing Hispanic and Middle Eastern population in the area, and several businesses from those cultures on the corridor. Nearby, Lake Avenue has a handful of Indian or Pakistani businesses. These observations suggest that an international theme, expanding on "Little Italy", may better appeal to area residents.

The study area extends from State Street / Lake Avenue on the east to Broad Street on the west. There is one lane of traffic in each direction, along with bike lanes and on-street parking. Traffic in the corridor is very good. At the east end of the study area, there are 22,700 cars per day headed south on State Street, and 30,500 cars per day heading north on Lake Avenue. There are 26,400 cars per day on Lyell Avenue at

Dewey Street. Traffic drops off further west, but is still as high as 19,700 cars per day at Child Street.

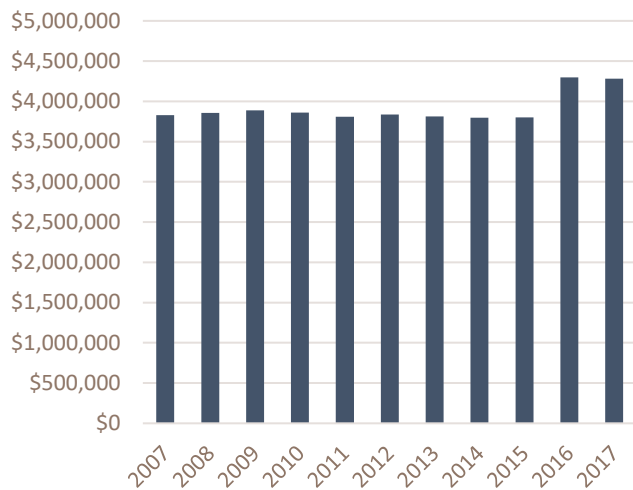
Commercial buildings line the corridor, with only a very small number of residences. The commercial buildings are mostly one or two stories, with an occasional three story building. Most blocks are only partially intact, as there are frequent gaps for parking and there are several buildings set back from the street. Overall, though, there is more of a street wall than there are gaps. Commercial footprints vary in size, with some as small as 500 to 700 square feet. Most fall within a range of 1,000 to 3,500 square feet. The buildings themselves are in average to poor condition. Many have been altered in a way that is not sympathetic to the original architecture.

Aggregate valuation has increased, but only due to the addition of Family Dollar in 2016. Between 2007 and 2015, the aggregate value decreased from \$3,830,200 to \$3,800,000. In 2016 it increased to \$4,296,100, and has since dropped to \$4,280,400 in 2017.

There are standard concrete sidewalks along both sides of the street, usually averaging six to eight feet in depth. These are not well maintained and during the summer there were weeds observed growing through the cracks along the entire corridor length. Occasional small cutouts are not landscaped, and street trees are sporadic. There are no amenities such as decorative lighting, benches, or trash containers. Businesses in the district do not appear to take ownership of the sidewalk or use it for outdoor dining or displays.

From a design perspective, the corridor is utilitarian, with opportunities for investment in public space realm.

ASSESSED COMMERCIAL PROPERTY VALUATION



Development Patterns

A majority of the commercial lots in this district are larger than a typical city lot. Because Lyell Avenue is oriented east-west, and side streets run southwest-northeast or northwest-southeast, many of the lots are also oddly-shaped. That pattern carries through to the buildings, many of which are triangular or have a façade that is angled to the remainder of the building. The odd shapes that result may lead to inefficient use of floor area. Otherwise, the range of building and storefront sizes available in the district can accommodate the kinds of businesses that may locate there.

Most of district is zoned for commercial use, though the area is covered by three districts. The Lake Avenue-State Street intersection is part of the City Center District. That zoning is consistent with the existing buildings and uses in the area. The majority of the district lies within the C-2 Community Center District. This is one that permit a great number of possible uses and offers some flexibility in terms of design.

Parking can be an issue within the district. Some businesses do have associated private parking, but many rely on the limited on-street parking to meet their employee and customer needs. This is a high-traffic corridor with the potential that many customers will access businesses by car, rather than walking or using public transportation. Redevelopment could enable new businesses to provide onsite parking, and there are locations, such as some of the used car lots, that the City might consider for public parking.

ESTIMATED SALES PER SQUARE FOOT

BUSINESS TYPE	LYELL AVENUE	ALL STUDY AREAS	NATIONAL AVERAGE
Retail	\$170	\$208	\$325
Restaurant	\$105	\$173	\$275
Personal Services	\$41	\$66	\$145

SOURCES: Place Dynamics estimates. National averages: Retail – Urban Land Institute; Restaurant – National Restaurant Association; Personal services – International Council of Shopping Centers.



The former Tent City building has been considered as a redevelopment opportunity. The building is listed for sale at \$1.2 million.

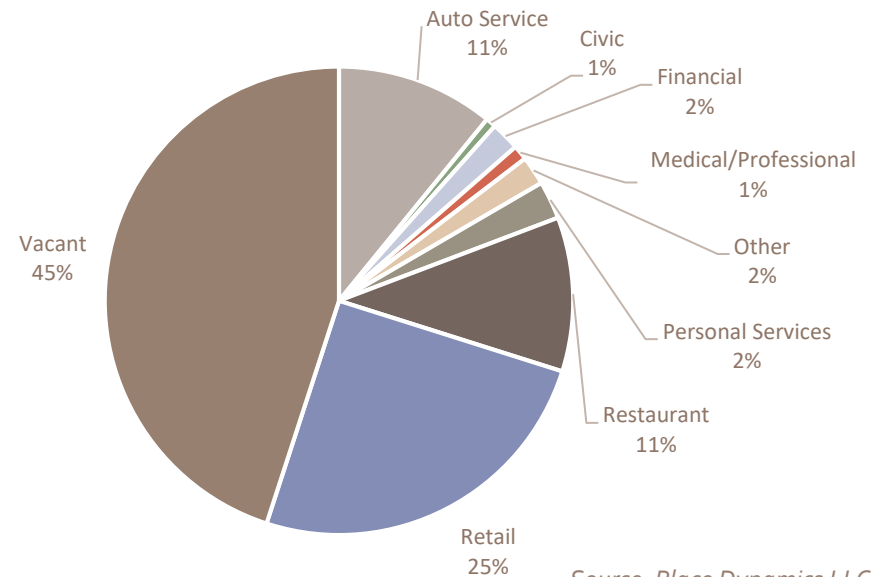
Business Mix and Considerations

There is a total of 161,299 square feet of ground floor commercial space in the Lyell Avenue district. The largest of the buildings are former manufacturing plants like the Petrillo Bakery (67 Lyell Avenue) and the Tent City building (280 Lyell Avenue) which are vacant. These contribute to a high vacancy rate (45.3 percent), but there are many smaller commercial buildings that are also vacant and advertised for rent.

Retail is the next largest use by floor area (25.3 percent), followed by auto service (11.0 percent) and restaurants or taverns (10.7 percent). No other uses are very large, and include personal services (2.6 percent), financial (2.0 percent), other (2.0 percent), medical/professional offices (1.0 percent), and civic (0.7 percent). The largest number of businesses (14) are retailers (including used car sales), followed by restaurants and taverns (6), auto service (5), personal services (4), other (2), and one each of civic, financial, and medical/professional.

Fourteen retail businesses in the district have aggregate sales of \$6,921,000. This figure results in sales per square foot of \$169.53. Typically, auto sales would help to raise that higher figure, as in addition to selling a high-value good, car dealers also have a small building footprint compared to their selling area, which is the lot. In the case of Lyell Avenue, auto sales per square foot are higher than most other

USES IN THE LYELL AVENUE CORRIDOR BY FLOOR AREA



Source: Place Dynamics LLC

uses, but not significantly so. If they are not factored into the estimate, retail sales in the district drop to \$149.16 per square foot.

Six restaurants or bars in the district have sales of \$1,822,000, resulting in an estimate of \$105.37 per square foot in sales. Four personal service businesses have aggregate sales of \$386,000, averaging \$90.70 in sales per square foot.

Nationally, retailers spend an average of 9.5 percent of gross revenue on rent. If this average is applied to the sales and floor area data for this district, the retail businesses would be expected to afford a rent averaging \$16.11 per square foot. While there are a large number of vacancies in the district, only two are listed online, for sale. One is a typical two story commercial building listed at \$40 per square foot. The second property

is the Tent City building, with an asking price of \$1.2 million. Another property is listed for lease further west on the Lyell Avenue district. It is a storefront in a newer strip center, and is listed at \$12 per square foot.

Average sales per square foot figures for businesses in the district fall below the average of the eight study areas, in addition to national averages. Trade area demographics can partially explain this, along with the lack of chain businesses that typically have higher sales volumes.

Neighborhood Characteristics

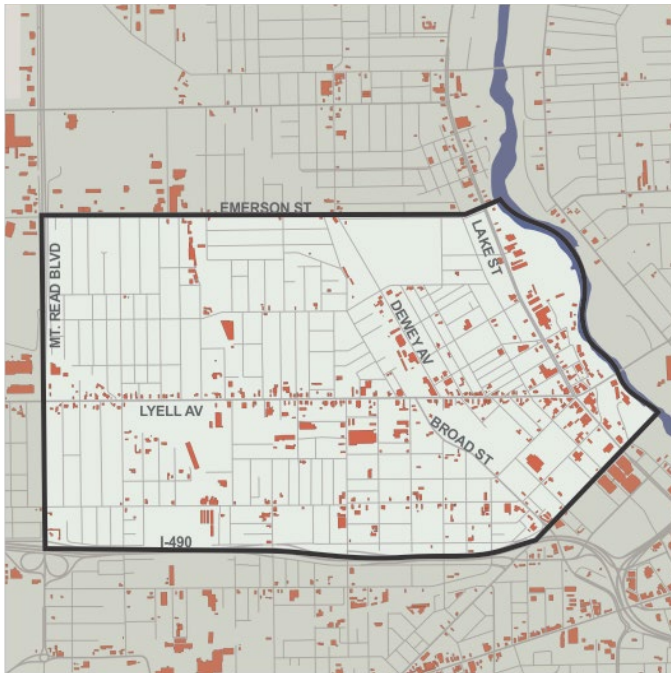
The neighborhood surrounding the Lyell Avenue corridor is characterized by a mix of one- and two-family homes and small apartment buildings, most (64.5 percent) built prior to 1940. This is an area in which home ownership has been declining, from 31.6 percent of housing in 2000, to 24.7 percent in 2018. A majority of households (59.7 percent) are renting, while 15.6 percent of housing is vacant. Owner occupied home values are very low, with a median value of \$59,682. This is just 69.7 percent of the citywide median value.

The 2018 Rochester Citywide Housing Study categorizes the neighborhoods around the Lyell Avenue study area as among those with the lowest demand in the city. The greatest concentration of foreclosure and demolition activity on Rochester's west side is found just to the south, between Lyell Avenue and Interstate 490. The Housing Study says of this area that the "ten-year outlook depends on location and duration of decline. Areas that are closest to amenity-rich blocks and where vacant land and buildings have been well-managed are most likely to be successfully stabilized and repositioned." Some housing redevelopment has been initiated with the Stadium Estates Phase II project. This will add 46 two-, three-, four- and five-bedroom homes, and double and triple townhomes. It is a Section 42 Low Income Tax Credit development.

The district is close to several entertainment or recreational venues, such as Marina Auto Stadium, Frontier Field, Brown's Square Park, Jones Square Park, Edgerton Park and Recreation Center. The High Falls area is not far to the east. Several schools and churches are located in the neighborhood.

Market Assessment

The Lyell Avenue study area is serving primarily a neighborhood population. Further to the west, there is a Save-A-Lot grocery store, Rite Aid, and fast food restaurants that serve a larger area. Because of its strong traffic and nearby attractions, the district has the potential to serve a larger community. Its poor reputation and appearance, and limitations due to its small lots and limited parking, work against that possibility. Opportunities exist to attract new businesses and to expand existing ones serving the neighborhood market.

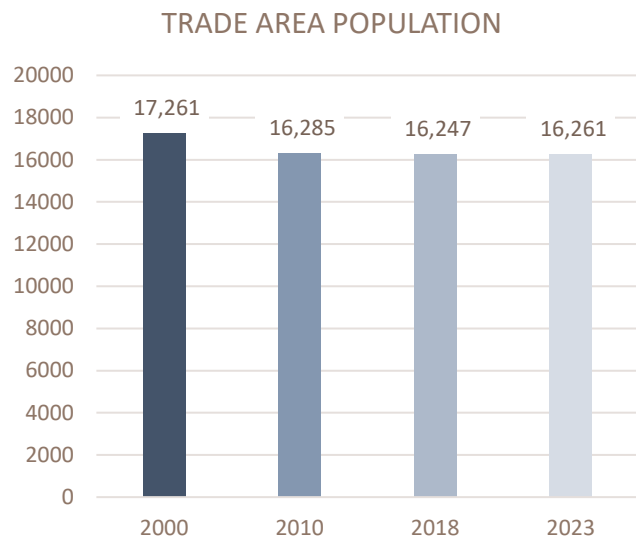


The Lyell Avenue corridor trade area is outlined above.

Trade Area

A trade area is defined as the region from which a business, or in this case, a business district will draw between 60 and 80 percent of its customers. It is necessarily imprecise, as each of the district's businesses may have a varying ability to draw from a near or far distance depending on the business type and merchandise selection, pricing, customer service, marketing, or other factors.

Competition is the main factor in drawing the boundaries of the trade area. Businesses in the district are mostly serving the neighborhood, with some exceptions. Comparable or stronger concentrations exist to the north on Lake Avenue, to the south on West Main Street, and further west on Lyell Avenue. Interstate 490 is also a partial barrier to the south. The trade area was extended to the west in recognition of the auto traffic passing through the district, and the potential for businesses to capture some portion of these customers.



Source: ESRI

Demographics

There are 16,247 people living within the defined trade area. After falling from 2000 to 2010, the population has stabilized in the years up to 2018. It is the trade area's white population (33.3 percent), and homeowners (24.7 percent), that have accounted for losses, while most of the gains have been among the Hispanic population (26.7 percent).

The median age is 31.0 years, and has increased only slightly since 2010. Children under 18 are present in 41.8 percent of households, and 9.3 percent of the population is aged 65 or older. A large number of households (41.8 percent) have children present, while 31.1 percent of households with children are headed by a single parent.

There are 6,051 households in the trade area. Between 2000 and 2010 there was a decline of only 20 households. Recent and ongoing housing redevelopment appears to be a factor in stabilizing population losses.

The median household income of \$19,747 is very low compared to the remainder of Rochester. It is just 57 percent of the city's median income of \$31,813, and significantly less than the state median of \$62,447, or the \$56,969 median of the Rochester metropolitan statistical area (MSA). A total of 44.0 percent of the population is in a household earning below the poverty level, and 49.3 percent of households are receiving SNAP benefits. This area is a HUD-designated low-to-moderate income neighborhood. More than a third of households – 35.5 percent – do not have a vehicle available.

Most trade area residents were employed in services (54.4 percent). Manufacturing followed at 15.7 percent, which is a higher percentage than most other areas. Retail employment stood at 10.3 percent. The unemployment rate is estimated at 15.2 percent, compared to 5.1 percent for the city and 3.7 percent for the MSA.

Resident Market

Spending indices for all goods and services are below the national average in this trade area, which is to be expected given the lower median income of its households. Most spending indices fall between 30 and 40 percent of national averages, which presents a challenging environment for retailers, as they have little to spend, but spending by residents still makes up the largest part of the market available to businesses in the district.

ESRI defines a handful of market segments in the trade area. There are five groups with significant numbers within the Lyell Avenue trade area. The largest of these is a group called "City Commons", making up 46.4 percent of the total. These tend to be single parents of young households. They are less likely to own a vehicle and tend to use public transportation. There is high unemployment within

this group, which has the lowest income among the four groups common to the area. Fashion is an important expenditure, and many prefer fast food to cooking at home.

The next group is “Fresh Ambitions”, making up 16.8 percent of the area’s households. Young families and recent immigrants are common in this group. Multigenerational families are common, and they remain connected to their cultural group. Rent is typically their biggest expense and they live frugally. Their children’s needs and return trips to their country of origin are their largest expenses.

“Hardscrabble Road” is the third group, making up 15.4 percent of households in the trade area. These are predominantly renters with a high percentage of single parent households. It is a low income group that has a tendency to purchase items in bulk, buy generic, and save for larger purchases.

“Traditional Living” (12.5 percent of the population) is a group that has usually seen at least two generations live in the community. They are a mix of married couples and singles. Manufacturing, retail trade, and health care sectors are the primary sources of employment for these residents. This is a younger market—beginning householders who are juggling the responsibilities of living on their own or a new marriage, while retaining their youthful interests in style and fun.

The final significant market segment is a group called “Social Security”, that makes up 9.0 percent of the total. One-fourth of householders here are aged 65 or older and dependent on low, fixed incomes, primarily Social Security. They usually rent and are often in larger buildings, living alone. Many of these consumers are on fixed incomes and are price-sensitive. They may have medical conditions that impact their mobility and lifestyle, and prefer to eat at home rather than dine out.

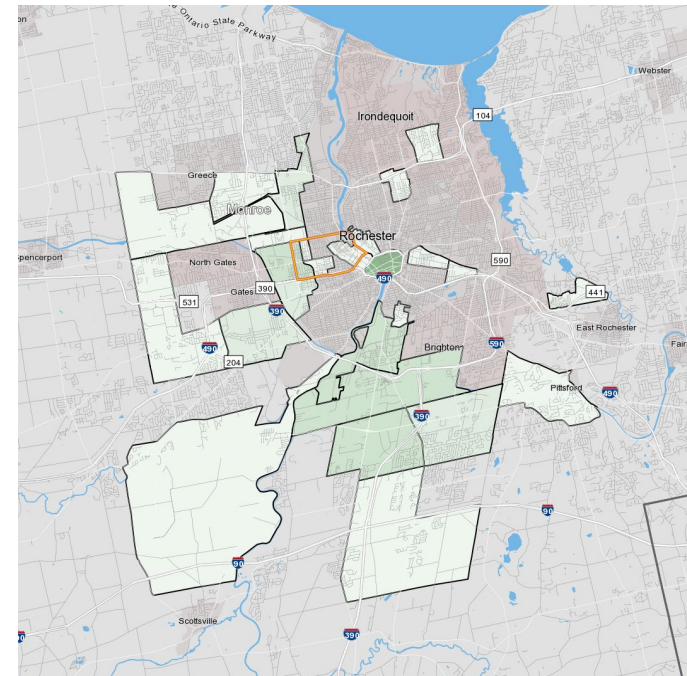
DETERMINING THE CONTRIBUTION OF THE CASH ECONOMY TO MARKET POTENTIAL



Cash Economy

Growing attention has been paid to an underground economy, or cash economy, consisting of earnings that go unreported to government entities. Nationwide, it is estimated that these earnings are equivalent to eight percent of gross domestic product. While some of it is comprised of illicit activities, the majority is earned through contingent work – temporary gigs, contract work, and freelancing – that is simply “off the books”. The internal revenue service estimates that 43 percent of this income goes unreported.

To understand the contribution of the cash economy to the market potential in any area, it is first necessary to estimate participation in the contingent workforce. The methodology used in this analysis is based off an extensive survey conducted by the Rand Corporation and Princeton University, which determined rates of participation based on an array of demographic and workforce characteristics, such as age, gender, race, educational attainment, industry, and occupation. Data for the trade area was obtained through the Longitudinal Employer-Household Dynamics (LEHD) program through the US Census Bureau’s Center for Economic Studies. County-level Nonemployer



Workplace of residents of the Lyell Avenue corridor’s trade area.

MARKET DEMAND, EXISTING SALES, AND MARKET SHARE

	NAICS	RESIDENT DEMAND	CASH ECONOMY	TOTAL DEMAND	EXISTING SALES	MARKET SHARE
Total retail trade and food and drink	44-45,722	\$93,705,803	\$3,167,890	\$96,873,693	\$8,561,000	8.8%
Total retail trade	44-45	\$84,664,971	\$2,789,470	\$87,454,441	\$6,921,000	7.9%
Total food and drink	722	\$9,040,832	\$378,420	\$9,419,252	\$1,640,000	17.4%
Automobile dealers	4411	\$14,701,384	\$484,369	\$15,185,753	\$1,960,000	12.9%
Other motor vehicle dealers	4412	\$1,222,351	\$40,273	\$1,262,624	\$282,000	22.3%
Auto parts, accessories, and tire stores	4413	\$1,364,163	\$44,945	\$1,409,108	\$0	0.0%
Furniture stores	4421	\$1,638,560	\$53,986	\$1,692,546	\$1,050,000	62.0%
Home furnishings stores	4422	\$1,356,190	\$44,683	\$1,400,873	\$0	0.0%
Electronics and appliance stores	4431	\$3,068,189	\$101,088	\$3,169,277	\$91,000	2.9%
Building material and supplies dealers	4441	\$3,979,481	\$131,113	\$4,110,594	\$0	0.0%
Lawn and garden equipment and supply stores	4442	\$358,096	\$11,798	\$369,894	\$0	0.0%
Grocery stores	4451	\$13,373,899	\$440,632	\$13,814,531	\$438,000	3.2%
Specialty food stores	4452	\$1,050,486	\$34,611	\$1,085,097	\$0	0.0%
Beer, wine, and liquor stores	4453	\$1,153,017	\$37,989	\$1,191,006	\$554,000	46.5%
Health and personal care stores	4461	\$7,219,488	\$237,862	\$7,457,350	\$858,000	11.5%
Gasoline stations	4471	\$8,982,454	\$295,946	\$9,278,400	\$291,000	3.1%
Clothing stores	4481	\$4,924,953	\$162,263	\$5,087,216	\$0	0.0%
Shoe stores	4482	\$818,705	\$26,974	\$845,679	\$0	0.0%
Jewelry, luggage, and leather goods stores	4483	\$1,091,269	\$35,954	\$1,127,223	\$0	0.0%
Sporting goods/hobby/musical instrument stores	4511	\$2,051,193	\$67,581	\$2,118,774	\$184,000	8.7%
Book, periodical, and music stores	4512	\$410,580	\$13,527	\$424,107	\$0	0.0%
Department stores excluding leased departments	4521	\$6,302,735	\$207,657	\$6,510,392	\$0	0.0%
Other general merchandise stores	4529	\$3,987,361	\$131,372	\$4,118,733	\$1,213,000	29.5%
Florists	4531	\$224,064	\$7,382	\$231,446	\$0	0.0%
Office supplies, stationery, and gift stores	4532	\$954,999	\$31,465	\$986,464	\$0	0.0%
Used merchandise stores	4533	\$423,715	\$13,960	\$437,675	\$0	0.0%
Other miscellaneous store retailers	4539	\$1,547,692	\$50,992	\$1,598,684	\$0	0.0%
Nonstore retailers	4541	\$2,459,948	\$81,048	\$2,540,996	\$0	0.0%
Special food services	7223	\$396,348	\$16,590	\$412,938	\$0	0.0%
Drinking places - alcoholic beverages	7224	\$497,912	\$20,841	\$518,753	\$548,000	105.6%
Restaurants/other eating places	7225	\$8,146,573	\$340,989	\$8,487,562	\$1,092,000	12.9%

SOURCE: Place Dynamics LLC and ESRI Business Analyst

Statistics were used to estimate individual earnings. The aggregate sum was multiplied by 0.43, and the resulting income was distributed across all expenditure categories using the same percentage distribution as in the trade area population.

There are estimated to be the equivalent of 617 persons working full time in the cash economy within the Lyell Avenue trade area. They are earning \$21.3 million annually, of which about \$9.2 million is unreported. This added income supports \$3.2 million in retail and dining spending, with \$2.8 million spent on retail, and \$378,000 spent on dining.

Market Share

Market share – the percentage of potential spending captured by businesses in the study area – is the most important statistic used to assess how well the district is performing. Businesses outside of the district are capturing the remainder. Along with the size of the market being lost, that competition will determine whether it is possible to expand existing businesses or add new ones in the Lyell Avenue district. Businesses in the district are capturing 8.8 percent of the market for retail and dining. This is split between a 7.9 percent market share for retail, and 17.4 percent for eating and drinking. An overwhelming share of the market available to the district is being captured elsewhere, and more than half of the possible retail categories are not even represented in the study area. While found in some other districts, there are no specialty food stores in the study area.

Furniture and health and personal care stores are the best performers in the district. The best performance overall is among bars and taverns, with a 105.6 percent share. The high traffic location and proximity to attractions is likely a factor in their sales.

Competition

There are several other corridors competing for customers who might choose Lyell Avenue. These include Lake Avenue,

West Main Street, and the commercial uses further west on Lyell Avenue. Based on the location of employment, it would be expected that residents of the trade area will be doing much of their shopping along the Jefferson Avenue corridor. Due to proximity, a significant share will also be drawn to West Ridge Road.

Business Opportunities

There are opportunities to expand existing businesses or to attract new retail and dining businesses to the Lyell Avenue district. Traffic passing through the district and the proximity to attractions brings potential customers to the area. Businesses will need to capture a greater share of this traffic, as the profile of the neighborhood does not offer an opportunity to generate new sales.

Business Expansion Potential

When considering ways to expand business activity in the district, it is important to first consider how existing businesses might be strengthened. The most promising initiatives are related to marketing, to draw customers who are currently passing, but not stopping. Restaurants, in particular, should be able to attract new traffic.

New Business Potential

New businesses face a challenge in locating in this district, both because of the low spending profile of the neighborhood and for the corridor's poor reputation. The advantage to the district lies in its high traffic and proximity to attractions. New businesses in the corridor need to locate to be convenient for that traffic, which will often mean having on-site parking. They will also need to market in a way that draws the attention of these visitors.

- **Auto-related uses** – These businesses might include used car sales, sales of other motor vehicles, auto parts and tire stores, or auto services. The corridor is one of few where more than one or two of these uses can be found. That concentration draws people from an area larger than the trade area.
- **Furniture and home furnishings stores** – Existing businesses in the corridor have already established a presence that others can build upon. The high traffic volume through the area helps to build awareness.
- **Specialty food stores** – These businesses are not represented, although there are some further to the west. Particularly with the immigrant populations in the area, there may be an opportunity for ethnic specialties.

- **Clothing, shoes, and accessories stores** – There are no clothing stores in the district. This is somewhat unusual compared to other commercial areas in the city. Clothing stores might be another type of retail that can have a cultural specialization.
- **Restaurants** – The traffic through the area will help to create awareness of these businesses. Event traffic is an added opportunity to attract customers.

The business opportunities identified for the study area will mostly be independent businesses. There is an opportunity to leverage assets of the district to help incubate new retail and dining businesses.

Recommendations

Recommendations for the district are divided into two groups. The first are actions, policies, or programs specific to the district. The second are references to broader programs recommended for the City, which will have applicability to more than one district.

Corridor Recommendations

The following recommendations are specific to the Lyell Avenue district.

1. **Consider expanding the “Little Italy” theme to a multi-cultural or international brand.** The neighborhood around Lyell Avenue may have once included many Italians, but that is no longer true. The “Little Italy” theme should be expanded to recognize the new immigrant groups whose businesses are now found there. A broader theme might recognize the area’s historic role as a port of entry for many immigrant groups, historically and up through today.

2. **Make improvements to the streetscape.** The district lacks basic improvements that will help to improve its visual appeal and walkability. These would include improvements to the sidewalks, landscaping and street trees, benches, trash cans, and other amenities, and improved lighting. The design can also incorporate CPTED (crime prevention through environmental design) enhancements to improve safety.
3. **Encourage building owners to invest in façade improvements.** Just as the public realm lacks significant investments, the same can be said of many of the private buildings in the district. The City can incentivize needed improvements by providing guidance with appropriate design, and through grants to offset the cost of making improvements. Design assistance should include an overall design concept and guidelines for the district, which reinforces its new brand and seeks to add some color and architectural interest to a district in need of these elements.
4. **Develop a retail and dining business incubator in the district.** Lyell Avenue is recommended as the site for an incubator space serving the west side of Rochester. It is central, has excellent traffic, and its presence can be a spark for revitalization in the district. While the Tent City building has been discussed, it is too large, and trying to accommodate an incubator may interfere with redevelopment plans for the remainder of the space. In concept, the incubator would need about 5,000 to 6,000 square feet of space could be divided into several booths in which startup businesses could test their concept while receiving training and technical support to establish their business. After a period of time, these businesses would be expected to “graduate” to conventional space in the Lyell district or elsewhere in the city.
5. **Redevelop the Tent City building as housing.** This building is attractive, but is problematic as it sits unused. Its character may enable it to be redeveloped as housing. Senior apartments are one option to consider. Redeveloping this property may also be an inducement to redevelop the adjacent city-owned lot.
6. **Add public parking toward the east end of the district.** On-street parking will be insufficient if additional businesses and customer traffic is attracted to the district. There will be a long term need to provide more parking. The City already has a lot at Dewey Avenue. A second lot should be planned in the vicinity of Plymouth Avenue.

Applicability of City-wide Programs

This *Commercial Corridors Strategy* recommends that the City of Rochester develop several programs with city-wide applicability, mostly oriented to retail and restaurant business formation and small business growth.

7. **Commercial district coordinator.** The *Commercial Corridors Strategy* recommends that the City create a program with concepts similar to the National Main Street Program, to guide revitalization along targeted corridors in the City. A central need of that program is for coordinators (having an expanded set of skills and engaging in activities beyond those of the street liaisons already in place) who will be responsible for assisting local businesses, property owners, and organizations in their individual and collective efforts to improve the district. Within this district, issues that will initially deserve the attention of a coordinator include:

- a. Assist in implementing a streetscape program and design guidelines, and encouraging investment in private buildings.
- b. Engage with individual businesses and property owners to understand their needs and facilitate connections to people or resources that can help them address those needs.
- c. Provide direct and proactive technical assistance to businesses with marketing and management issues.
- d. Coordinate consumer research within the trade area to determine perceptions, desires, and shopping habits of the customer base.
- e. Work with commercial property owners to recruit new businesses that will elevate the quality and improve the diversity of businesses in the district.

8. **Retail and dining startup programs.** The Commercial Corridors Strategy recommends parallel pro-

grams to encourage retail and dining entrepreneurship. These utilize existing resources and establish new ones to: 1) create a “culture of can” in which business ownership is seen as a viable life path; 2) impart the knowledge and skills necessary to start and successfully operate a retail or dining business; and 3) guide startups through an incubation process that may take one of several routes (storefront, marketplace, food or retail truck, or pop-up space).

The recommended approach combines pop-up and mobile strategies with fixed-site incubation. The Public Market (east side), the Commissary Downtown Kitchen Incubator (central), and a west side site are envisioned as physical sites where startup businesses can cluster and transition to conventional space. A space on Lyell Avenue can be developed as a site for retail and dining business incubation, with small shops that businesses can occupy as they seek to become established.

9. **Business growth program.** Business growth programs recommended in the Commercial Corridors Strategy overlap with educational and technical assistance components of the proposed startup programs. They are intended to bring resources to existing businesses to help in areas that are commonly a challenge for small retail and dining businesses. Common issues among these businesses include:

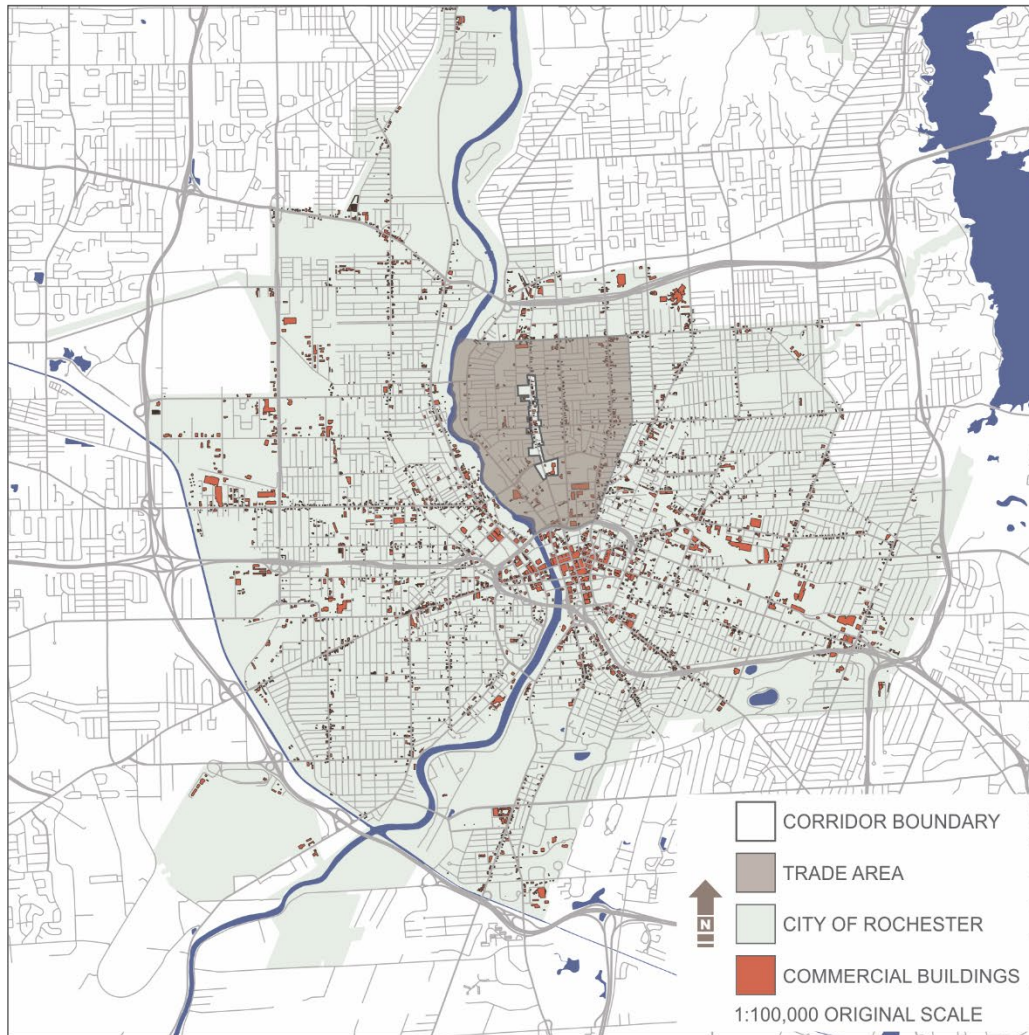
- a. Human resources management
- b. Cash flow planning
- c. Customer service training
- d. Marketing and social media
- e. Earning and keeping customer loyalty
- f. Creating a shopping/dining experience
- g. Developing an internet strategy
- h. Understanding customer preferences
- i. Learning and using new technology
- j. Merchandising and inventory management
- k. Visual display / design issues
- l. Menu planning

10. **Nonprofit commercial development corporation.**

The Commercial Corridors Strategy recommends that the City join with partners to create a nonprofit entity that will invest in commercial renovation and redevelopment in support of district revitalization and small business development. This organization will make targeted, impactful investments that anchor a district and/or address nuisance and blight concerns. Within the Lyell Avenue district, this organization may prioritize returning converted space back to commercial use.

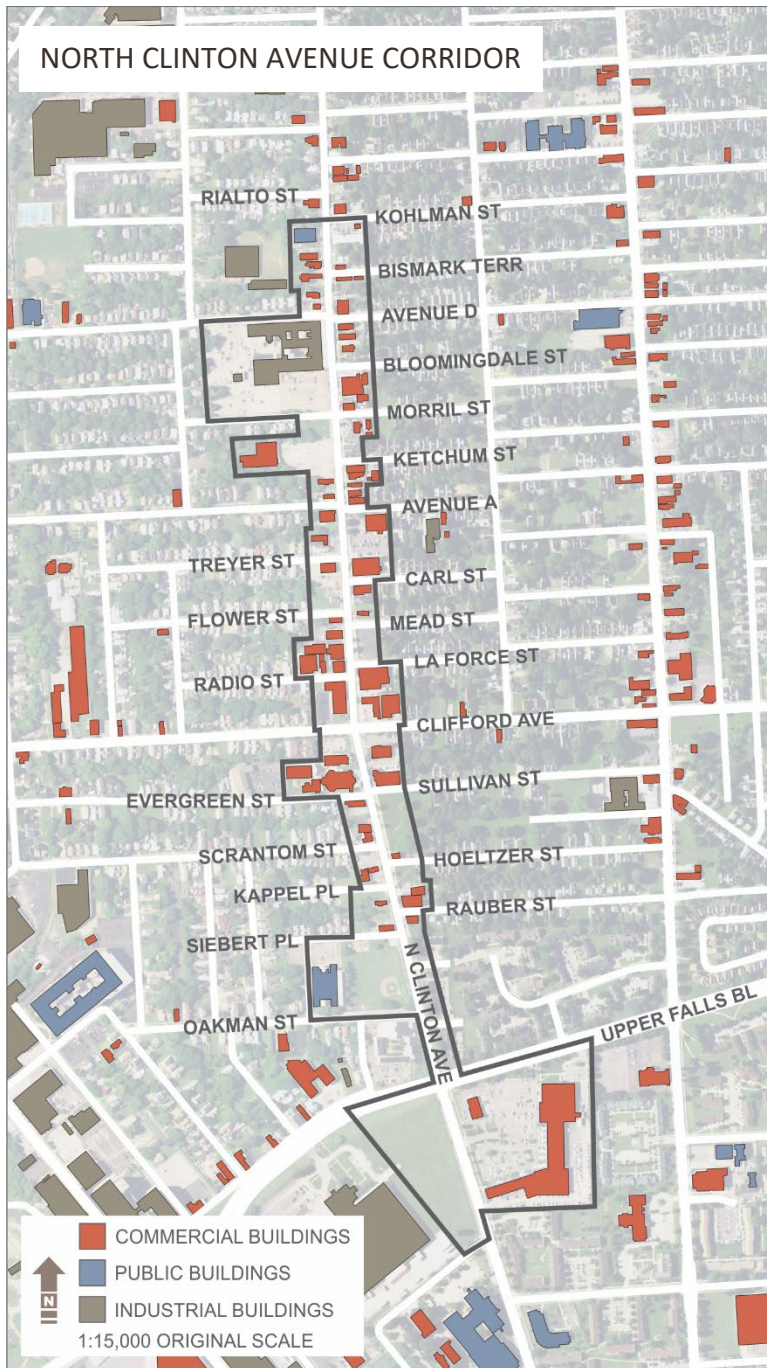
THIS PAGE INTENTIONALLY LEFT BLANK

NORTH CLINTON AVENUE CORRIDOR



NORTH CLINTON AVENUE CORRIDOR AND TRADE AREA





SUMMARY

North Clinton Avenue is poised to play a more significant role as a shopping and services corridor serving a wide swath of northeastern Rochester. The intersection of North Clinton Avenue and Upper Falls Boulevard is particularly significant, and the shopping plaza on the southeast corner offers a design favored by chain retailers. Tops is an important anchor for both the plaza and the corridor, especially given the lack of other grocery stores in this quadrant of the city. Other corners of the intersection could be redeveloped to bring more commercial into the area, perhaps in a mixed use configuration. Further north in the corridor, there are several independent clothing stores, restaurants, and other businesses that meet more than just the basic needs of area residents.

The corridor has a blended form of development, with remaining buildings often neighbored by parking lots that replaced buildings that have been removed. Businesses in the corridor are greatly benefitted by having that parking available. Even though many people will walk or take transit to the corridor, the large area it serves results in considerable vehicle traffic which requires convenient parking. The default pattern that has emerged is not the best, from a design perspective, and new development can accommodate cars without leaving large gaps between buildings. Aside from concerns about parking disrupting the street pattern, many of the buildings on the corridor would benefit from façade improvements to improve their appearance and more discretely accommodate security enhancements.

Safety is the greatest concern in the corridor, along with associated perceptions that keep some people from traveling to it. Low household incomes also pose a difficulty for many businesses, but that can be partially offset by the number of potential customers in the trade area, and the potential to draw from further neighborhoods, or passing traffic.

The La Marketa development proposed for the corridor can be transformative, creating a unique destination and serving to incubate new businesses that can grow into conventional storefront space. La Marketa should be integrated into a larger program or retail and dining business startup and supportive services, focusing the City's energies on the local entrepreneurs who are the most prominent source of new businesses in this, and nearly all other commercial corridors.

CHARACTERISTICS OF THE NORTH CLINTON AVENUE CORRIDOR

CORRIDOR CHARACTERISTICS

Commercial floor area (sq. ft.)	389,248
Vacant commercial floor area (sq. ft.)	17,503
Commercial vacancy rate	4.5%
Floor area used for retail	36.5%
Aggregate assessed value (commercial)	\$8,140,300
Average value per square foot	\$20.91
Change in assessed value, 2007 to 2017	18.5%

TRADE AREA INCOME

Median household income	\$20,437
Below poverty level	50.5%
Households with Social Security income	29.9%
Households with SNAP benefits	61.0%
Households with public assistance income	17.1%

TRADE AREA POPULATION

Population - 2018	20,399
Growth rate 2010 to 2018	-1.34%
Median age	28.2
Age 65 or over	9.5%
White	19.9%
Black	50.5%
Hispanic origin	43.5%
Households - 2018	7,117
Average household size	2.82
Households with children	45.6%
Single parent households	36.0%
No vehicle available	39.2%
No high school degree	34.8%
Enrolled in college	6.2%
Unemployment rate	21.0%

MARKET CHARACTERISTICS

Retail market potential	\$101,252,961
Estimated retail sales	\$27,655,000
Retail market share	27%
Dining market potential	\$11,054,174
Estimated dining sales	\$3,560,000
Dining market share	32%

TRADE AREA HOUSING

Housing units (2018)	8,855
Housing units built prior to 1940	51.5%
Housing units built since 1990	12.5%
Median years in unit	6
Owner occupied	18.1%
Renter occupied	62.3%
Vacant	19.6%
Median home value	\$40,390

NORTH CLINTON AVENUE CORRIDOR MARKET ANALYSIS AND STRATEGY

Rochester's *Commercial Corridors Strategy* guides City investments and economic development initiatives to create more vibrant commercial districts. These districts are vital to the City's quality of life. Their businesses offer the products and services needed by residents, they serve as social and economic centers for their neighborhoods, they provide an environment for entrepreneurship and small business growth, and they generate revenue to support City services.

The *Commercial Corridors Strategy* was developed in three parts. It began with an overview of the market and conditions for retail and dining businesses across the city and metropolitan area. Next, it delved more deeply into eight districts, or study areas, representative of different conditions seen throughout the community. These are intended to serve as

models that may be replicated in other districts. Lastly, it recommends a "toolkit" of programs and initiatives for business and district vitality.

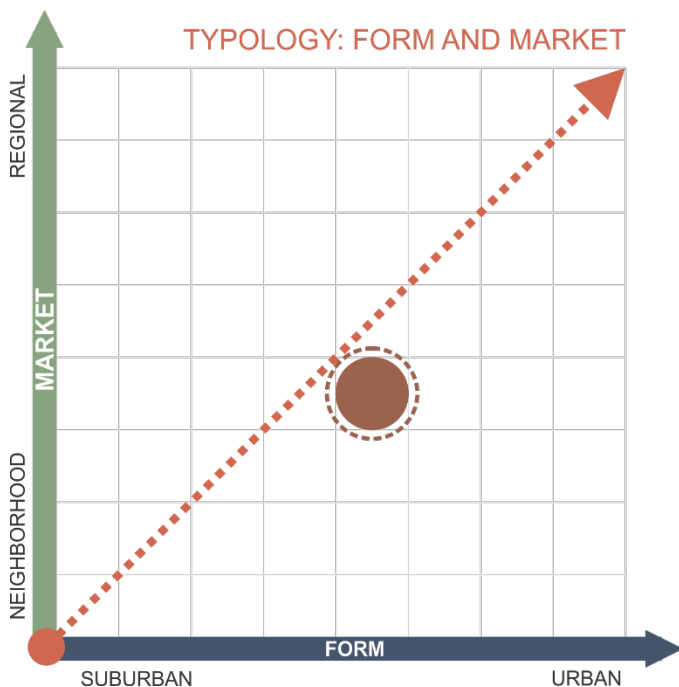
The North Clinton Avenue district is one of the eight study areas chosen for detailed analysis. This district is a place of transition. The surrounding neighborhood has attracted many recent immigrants along with a majority of minority households. It is a low income area, but continues to have an important commercial anchor (Tops) along with several local and startup businesses. The long-discussed La Marketa project is progressing on the 800 block of North Clinton Avenue, and is expected to be a center for the community as well as offer new opportunities for entrepreneurship. Still, crime is a significant challenge, and development patterns have left a fragmented district. Infill and redevelopment potential exists, and this is an area where some chain or franchise businesses can be attracted, but the City will need to participate in development and provide support to launch independent businesses in the area.

Fitting North Clinton Avenue Into the Theory of Change

The *Commercial Corridors Strategy* developed a theory of change to describe conditions that lead to revitalized commercial districts. This theory began by recognizing a range of characteristics based on urban form and the market being served. North Clinton Avenue originally had a more urban form, but demolition and redevelopment has altered it, leaving gaps and introducing new development (such as the apartment complexes north of Upper Falls Boulevard) with a lower density character. With the exception of Tops, most of the district's businesses are drawing customers from adjacent neighborhoods. A significant percentage of the customer base is walking to the district.

The theory of change posits certain baseline conditions that are a platform from which to build a healthy commercial district. The North Clinton Avenue district meets many neighborhood needs, and the presence of the Tops grocery store is particularly noteworthy.

- **Neighborhood stability** – The neighborhoods from which district businesses draw most of their customers are among the most challenged in Rochester, with lower rates of home ownership and higher numbers of foreclosures and demolitions. Just 80.4 percent of housing is occupied, and renters make up 62.3 percent of the total.
- **Demographics** – This is a large trade area with 20,399 people and 7,117 households, although both numbers have been trending down. It is a racially mixed area with half of the population



identifying as black, and 43.5 percent Hispanic (of any race). It is also a low income area with a median household income of only \$20,473.

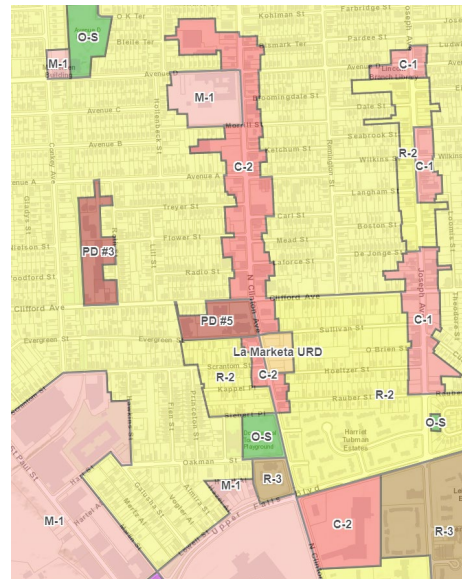
- **Safety/perception** – The North Clinton district has a higher concentration of crime than is the case for other parts of Rochester, and is perceived to not be safe. The area around the district has a higher incidence of violent crime than other parts of the city.
- **Product mix** – The shopping plaza at Upper Falls Boulevard is a significant anchor for the city’s north-east area, having one of the few grocery stores located in Rochester (Tops) along with a Family Dollar and other businesses. The district supports chain businesses such as McDonalds, Rite Aid, Advance Auto Parts, and AutoZone. El Pilon Criollo is a popular, mostly carry-out restaurant, and there are two bakeries in the district, along with other independent businesses.

Elevating factors are strong assets that can be leveraged to drive additional customer traffic to a business district. There are few elevating factors in the area, which would help to bring people from other neighborhoods into this area.

- **Attractions** – St. Michael’s Church is a significant draw to the area, for religious, civic, and cultural events.
- **Unique businesses** – El Pilon Criollo, the bakeries, and clothing shops form the nucleus of a small specialty shopping and dining cluster.

The Tops grocery store has the greatest ability to pull customers from adjacent neighborhoods.

- **Design character** – The district does not have a particularly attractive appearance. Some of the older buildings did have character, but their details have often been lost in newer remodeling that has closed window openings and added security grates or doors that amplify perceptions that the area is unsafe. Newer buildings tend to be chain businesses, and are built according to their respective prototype. The street pattern is broken by parking lots and intervening non-commercial uses.
- **Social interaction** – Businesses like Borinquen Bakery and El Morro Bakery do appear to serve as social gathering spots, in the same way that a coffee shop might in another neighborhood. Despite this positive aspect, there is a great deal of loitering in front of other businesses, which even if not for illegal purposes, presents an image that may be perceived negatively.



The street wall on North Clinton Avenue is broken by parking and noncommercial uses (above, left). Parking enables customers from outside of the immediate neighborhood to visit these businesses..

The Corridor

The study area is anchored on its south end by a small commercial plaza with Tops, Family Dollar, and smaller uses. It continues north to Kohlman Street. The intersection of North Clinton Avenue and Upper Falls Boulevard is the most desirable commercial location in the corridor. While the shopping plaza is located here, the other southern corner is vacant and the two northern corners are occupied by apartment complexes. These leave the smaller businesses to the north disconnected from the strongest commercial center, and represent a missed opportunity to attract other businesses.

This is one of the places in Rochester to have attracted recent chain retail investment, with the construction of a new store for AutoZone in 2007, and Family Dollar in 2016.

Buildings along the street include both older one and two-story structures set up to the sidewalk, and newer buildings that may have parking in front. There are a large number of

Parking lots may disrupt the street wall, but are needed to support customers coming into the corridor to shop.

vacant lots, and some one- and two-unit residential buildings that become more frequent to the north.

Property valuation remains largely unchanged over time. Increases are mostly attributed to a new AutoZone added in 2007, and the new Family Dollar constructed in 2017. Four buildings have been removed within the last decade.

Off-street parking is available for many of the commercial buildings, either in front or to the side. This parking is important. Even while many nearby residents will walk to the district, it is serving a larger area and most people from a greater distance will be driving.

Traffic in the corridor is good, with 15,200 to 15,500 cars per day on Upper Falls Boulevard and 14,500 cars headed north on Clinton Avenue. This increases to 15,400 cars at Clifford Avenue, and drops to 12,500 at Avenue D. About 2.5 percent of homeowners and 36.7 percent of renters do not own a car.

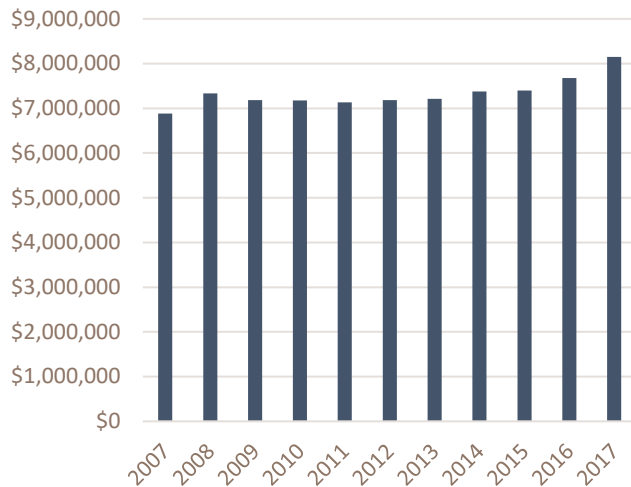
The City has made investments in the streetscape, mostly consisting of gateway signage. Trees may be planted where there is a street terrace, but the sidewalk is generally lacking other amenities. There are few attributes that would suggest that this is an important center of the Latino community in Rochester.

The City of Rochester has been planning the La Marketa project on 1.7 acres along the east side of North Clinton Avenue, between Hoeltzer Street and Sullivan Street. Officially dubbed The International Plaza at La Marketa, the project has been discussed for decades, but has not been successful in attracting private investment. It is expected to serve as a gathering place and a Latino-themed market with multiple small businesses.

Development Patterns

The North Clinton Avenue district differs from many others in that there is no regular pattern of lot sizes. This may be a result of the original platting or later lot combinations to create larger development sites. Lots in the southern part of the district tend to be large. In those areas where urban street front buildings exist, the typical lot has about 50 feet of frontage with a depth of 100 to 130 feet. While this pattern can be found throughout the district, it becomes more prevalent north of Avenue A. The larger lots vary considerably in terms of both frontage and depth, though rarely more than 200 feet in depth.

ASSESSED COMMERCIAL PROPERTY VALUATION



Source: City of Rochester

Larger lots have enabled more auto-friendly development (or redevelopment). These newer buildings are single story commercial structures with parking. They may be set to the sidewalk or behind parking. The most notable of these is the small strip center at Upper Falls Boulevard. These buildings tend to be in good condition, though may show some signs of neglect or deferred maintenance.

The district does have several older (late 1800's to early 1900's) commercial buildings with a first floor storefront and residential units above. These tend to be in poorer condition

ESTIMATED SALES PER SQUARE FOOT

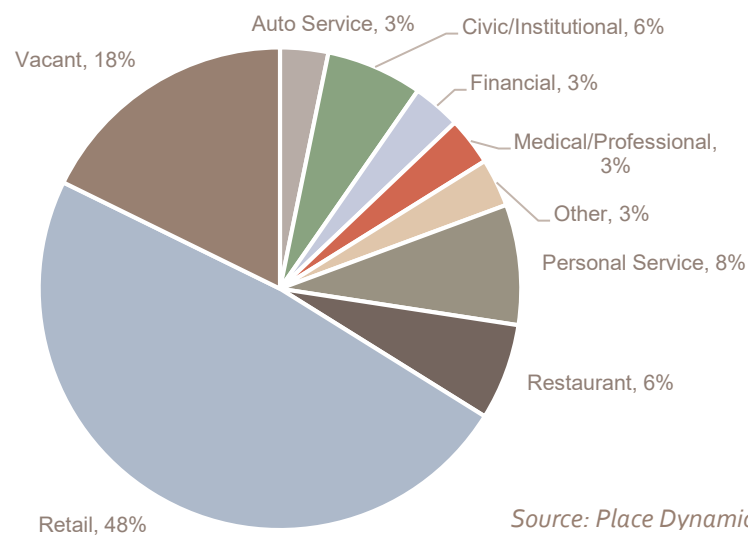
BUSINESS TYPE	N. CLINTON AVENUE	ALL STUDY AREAS	NATIONAL AVERAGE
Retail	\$187	\$208	\$325
Restaurant	\$391	\$173	\$275
Personal Services	\$40	\$66	\$145

SOURCES: Place Dynamics estimates. National averages: Retail – Urban Land Institute; Restaurant – National Restaurant Association; Personal services – International Council of Shopping Centers.



El Pilon Criollo is an example of a local start-up that has been noted for its quality and draws people to the corridor.

USES IN THE NORTH CLINTON AVENUE CORRIDOR



Source: Place Dynamics LLC

than the newer buildings. Facades have often been extensively altered. These buildings often have security measures such as rolling doors or grates that reinforce concerns about safety in the corridor.

Most of the district lies within the C-2, Community Center District. This district accommodates several potential residential and non-residential uses. It requires an urban form, but provides flexibility for auto-oriented uses, and even drive-through windows as a special permitted use. In most cases, buildings may be a maximum of five feet from the front lot line. The maximum building size for a nonresidential use is limited to 6,000 square feet, though larger structures may be considered. This size may be appropriate for a single freestanding use such as a restaurant, but it is not large enough for many chain retailers, or for a multi-tenant structure like the strip center at Upper Falls Boulevard.

There are no public parking lots on the corridor, though on-street parking is permitted. All of the chain businesses and many independent businesses have private parking. This pattern can continue through redevelopment along the corridor that preserves an urban form but is still accessible to customers driving to their destination.

Business Mix and Considerations

There is a total of 389,248 square feet of ground floor commercial space in the district, though about a third of this is the Hickey-Freeman Company's manufacturing building. Retail is the largest use by

floor area, with 30 businesses taking up a total of 148,093 square feet. Other uses – the Hickey-Freeman building and one other – follow with 136,912 square feet. Civic and institutional uses include a police station in the strip center with Tops, and total 42,468 square feet. Five other classes of uses occupy less space these include medical and professional offices (11,770 square feet), personal services (10,893 square feet), financial uses (9,144 square feet), restaurants (9,097 square feet), and auto service (3,368 square feet). The restaurant category only includes four businesses, although it should be noted that other businesses, such as the two bakeries, do include seating to allow dining on-premises.

Retail businesses in the district are estimated to have aggregate sales of \$27,655,000, with approximately half of that attributed to the Tops grocery store. Restaurant sales total \$3,560,000, and personal services total \$438,000. These sums result in sales per square foot of \$187 for retail, \$391 for restaurants, and \$40 for personal services. Lower retail sales per square foot figures in this district are more attributable to the larger physical size of the stores, than to lower sales volumes, compared to other study areas in the city. The higher figure for restaurants is due to the presence of McDonald's, as fast food restaurants tend to have higher sales per square foot than other restaurants.

Using the national average of 9.5 percent of retail business revenue allocated to rent, it would be expected that these businesses could afford to pay an average of \$17.74 per square foot.

Neighborhood Characteristics

The surrounding neighborhood contains a mix of uses, with many one- and two-family residences, and larger apartment buildings or apartment complexes along the primary streets.

Several older manufacturing or warehouse buildings are found mainly to the west. This is an area that has seen a large number of residential foreclosures and removal of derelict structures. Home ownership has been trending downward with only modest gains in the number of rental units.

Occupancy has also been trending lower, from 83.3 percent in 2010 to a current estimate of 80.4 percent. Turnover is also higher, as would be expected in an area with a very large number of renters. The median year in which householders moved into their unit is 2010, compared to Rochester's median of 2007.

About half of the homes in the trade area are valued under \$50,000, and the median value is \$40,390. That is just over half of the \$85,648 median for all of Rochester. The City's 2018 *Rochester Citywide Housing Study* characterizes the area around North Clinton Avenue among parts of the city with the lowest demand.

Restaurants in this corridor have sales per square foot that are higher than the US average.

There are a handful of public resources in the neighborhood, including three schools (Dr. Martin Luther King Jr. School #9, Henry Lomb School #20, and Dag Hammerskjold School #6), several churches, the Clinton-Baden Community Center, the Lincoln Branch Library, and parks. There is a neighborhood association that has existed since 1974. The Group 14621 Community Association represents different interest within the 14621 zip code, and has a mission "to advocate for and to involve our community members in collective efforts to improve the quality of life in our neighborhoods. By so doing we enhance education, employment, housing and recreation opportunities for residents and foster personal responsibility, understanding and appreciation of our diversity and differences." The North Clinton Business Association works to promote businesses on the corridor.

In 2016 the City prepared the El Camino Revitalization Area Community Charrette and Vision Plan, which addresses portions of North Clinton Avenue as one of its focus areas. The vision plan for the corridor continues to promote the La Marketa concept, with incremental redevelopment that encourages entrepreneurship and community-building. It calls for additional site amenities, development of the marketplace, infill development, and complementary redevelopment. In 2018 the City of Rochester secured a \$400,000 grant from the State of New York to begin implementing plans for La Marketa.

Market Assessment

The North Clinton Avenue commercial district is unusual in that it has a relatively strong draw, while still performing below average. The district is central to several neighborhoods with fewer anchor businesses, and most notably, a grocery store. Despite this, the neighborhoods served by the district all



The North Clinton Avenue corridor trade area is outlined above.

have a low-income profile, so that there is weak demand for many uses. A hybrid urban form has evolved to make businesses in the corridor accessible to people driving from elsewhere in the city, but much of the most desirable commercial intersection – at North Clinton Avenue and Upper Falls Boulevard – is occupied by other uses. Investments like the La Marketa project will help to reinforce the district as a gathering place for the Latino community, but neighborhood conditions will need to improve for there to be significant change on the corridor.

Trade Area

A trade area is defined as the region from which a business, or in this case, a business district will draw between 60 and 80 percent of its customers. It is necessarily imprecise, as each of the district's businesses may have a varying ability to draw

from a near or far distance depending on the business type and merchandise selection, pricing, customer service, marketing, or other factors.

This trade area is defined in part by competition to the north, along with distance to the east, the river to the west, and changing urban character to the south. Although there are a large number of people walking or using public transit to visit the corridor, the presence of several business types not found in other nearby corridors will help North Clinton Avenue to draw a greater distance than other typical of other corridors in the city.

Demographics

This trade area is larger than others in the city, reflecting the impact of the Tops and other chain businesses in the district. There are 20,339 people living in the trade area as of 2018, which is a decrease from 20,677 in 2010, and 23,533 in 2000.

Just over half of the population (50.5 percent) identifies as black, followed by "other". This is often attributed to confusion, as people are not clear on the distinction of race and Hispanic origin when completing Census questionnaires. A total of 43.5 percent of the population is Hispanic, regardless of race. Persons defining themselves as white make up 19.9 percent of the total population.

The median age within the trade area is 28.2 years, which is significantly younger than the US average of 38.3 years. Close to half of households in the trade area (45.6 percent) have children under 18 living at home, and 36.0 percent of households are headed by a single parent. Most of these (32.0 percent of all households) are headed by a woman.

There are 7,117 households in the trade area. Between 2000 and 2010 the number remained essentially unchanged, declining by 66. Between 2018 and 2023 it is expected to see the loss of only three more households. Most notably, though, losses are expected among homeowners, while an increasing share of the population will rent.

The median household income of \$20,473 makes this one of the lowest income areas in Rochester, which has a median income of \$31,813. This is significantly less than the state median of \$62,447, or the \$56,969 median of the Rochester metropolitan statistical area (MSA). This area is a HUD-designated low-to-moderate income neighborhood. Roughly three-fifths (61.0 percent) of households receive SNAP benefits, while 17.1 percent receive public assistance income.

Among the working population, the majority (60.8 percent) work in services. Roughly a third of the population (34.8 percent) over 25 has not received a high school diploma or GED.

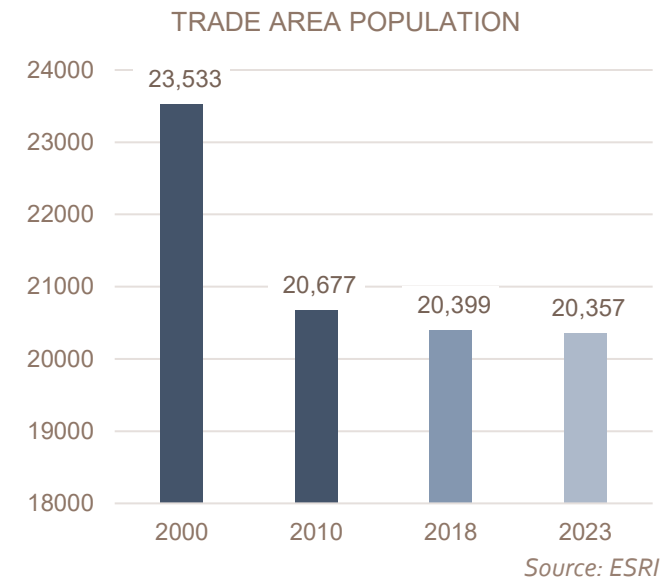
Most trade area residents were employed in services (60.2 percent), followed by retail (8.4 percent), and manufacturing (7.3 percent). The unemployment rate is estimated at 21.0 percent, compared to 5.1 percent for the city and 3.7 percent for the MSA.

The neighborhoods around North Clinton Avenue are seen to be a gateway community for immigrants to the United States. Much of this immigration is originating from Asia and the Caribbean, although Somalia and other parts of Africa are represented in the total. Rochester even has a sizable population of refugees from Bhutan. Immigrants are more likely than the general public to start a business, and their culture and food can be assets to spur revitalization in the area.

Resident Market

Given the very low income of the trade area, spending indices for all goods and services are well below the national average. Some electronics are among categories where spending rises above half of the US average, on items such as video game hardware and software, and rental and repair services.

ESRI defines a handful of market segments in the trade area. The largest of these is a group called “City Commons”, making up 55.5 percent of the total. These tend to be single parents of young households. They are less likely to own a vehicle and



DETERMINING THE CONTRIBUTION OF THE CASH ECONOMY TO MARKET POTENTIAL



tend to use public transportation. There is high unemployment within this group, which has the lowest income among the four groups common to the area. Fashion is an important expenditure, and many prefer fast food to cooking at home.

“Fresh Ambitions” make up the only other large set, comprising 13.6 percent of the total. These are young families and include many recent immigrants. They are low income and often multigenerational households. Although having higher rates of unemployment and poverty, they are hard-working and ambitious, and spend on their children.

Cash Economy

The cash economy is made up of earnings that go unreported to government entities. Nationwide, it is estimated that these earnings are equivalent to eight percent of gross domestic product. While some of it is comprised of illicit activities, the majority is earned through contingent work – temporary gigs, contract work, and freelancing – that is simply “off the books”. The internal revenue service estimates that 43 percent of this income goes unreported.

To understand the contribution of the cash economy to the market potential in any area, it is first necessary to estimate participation in the contingent workforce. The methodology used in this analysis is based off an extensive survey conducted by the Rand Corporation and Princeton University, which determined rates of participation based on an array of demographic and workforce characteristics, such as age, gender, race, educational attainment, industry, and occupation. Data for the trade area was obtained through the Longitudinal Employer-Household Dynamics (LEHD) program through the US Census Bureau’s Center for Economic Studies. County-level Nonemployer Statistics were used to estimate individual earnings. The aggregate sum was multiplied by 0.43, and the resulting income was distributed across all expenditure categories using the same percentage distribution as in the trade area population.

Cash economy participants come to an equivalent of 638 full-time workers, with aggregate earnings of \$22.12 million, of which \$9.51 million is the unreported part – the cash economy. This amount results in \$3.28 million in annual retail dining, with \$2.89 in retail spending and \$392,000 spent on dining.

MARKET DEMAND, EXISTING SALES, AND MARKET SHARE

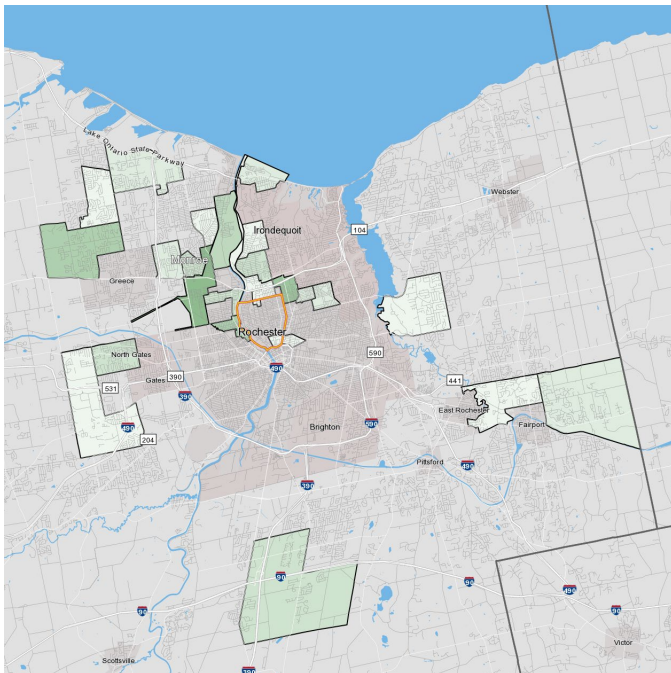
	NAICS	RESIDENT DEMAND	CASH ECONOMY	TOTAL DEMAND	EXISTING SALES	MARKET SHARE
Total retail trade and food and drink	44-45,722	\$109,027,135	\$3,280,000	\$112,307,135	\$31,215,000	28%
Total retail trade	44-45	\$98,364,961	\$2,888,000	\$101,252,961	\$27,655,000	27%
Total food and drink	722	\$10,662,174	\$392,000	\$11,054,174	\$3,560,000	32%
Automobile dealers	4411	\$16,827,472	\$494,055	\$17,321,527	\$0	0%
Other motor vehicle dealers	4412	\$1,354,971	\$39,782	\$1,394,753	\$0	0%
Auto parts, accessories, and tire stores	4413	\$1,584,715	\$46,527	\$1,631,242	\$2,478,000	152%
Furniture stores	4421	\$1,921,721	\$56,422	\$1,978,143	\$0	0%
Home furnishings stores	4422	\$1,546,615	\$45,409	\$1,592,024	\$0	0%
Electronics and appliance stores	4431	\$3,584,169	\$105,231	\$3,689,400	\$400,000	11%
Building material and supplies dealers	4441	\$4,378,659	\$128,558	\$4,507,217	\$0	0%
Lawn and garden equipment and supply stores	4442	\$373,129	\$10,955	\$384,084	\$0	0%
Grocery stores	4451	\$15,779,956	\$463,300	\$16,243,256	\$16,403,000	101%
Specialty food stores	4452	\$1,244,893	\$36,550	\$1,281,443	\$475,000	37%
Beer, wine, and liquor stores	4453	\$1,359,424	\$39,913	\$1,399,337	\$350,000	25%
Health and personal care stores	4461	\$8,321,747	\$244,327	\$8,566,074	\$1,272,000	15%
Gasoline stations	4471	\$10,430,221	\$306,232	\$10,736,453	\$2,719,000	25%
Clothing stores	4481	\$5,894,712	\$173,069	\$6,067,781	\$1,059,000	17%
Shoe stores	4482	\$984,494	\$28,905	\$1,013,399	\$0	0%
Jewelry, luggage, and leather goods stores	4483	\$1,308,639	\$38,422	\$1,347,061	\$131,000	10%
Sporting goods/hobby/musical instrument stores	4511	\$2,421,616	\$71,099	\$2,492,715	\$0	0%
Book, periodical, and music stores	4512	\$486,235	\$14,276	\$500,511	\$0	0%
Department stores excluding leased departments	4521	\$7,420,118	\$217,855	\$7,637,973	\$0	0%
Other general merchandise stores	4529	\$4,677,485	\$137,331	\$4,814,816	\$1,897,000	39%
Florists	4531	\$240,433	\$7,059	\$247,492	\$0	0%
Office supplies, stationery, and gift stores	4532	\$1,112,907	\$32,675	\$1,145,582	\$0	0%
Used merchandise stores	4533	\$501,559	\$14,726	\$516,285	\$150,000	29%
Other miscellaneous store retailers	4539	\$1,754,952	\$51,525	\$1,806,477	\$621,000	34%
Nonstore retailers	4541	\$2,854,121	\$83,797	\$2,937,918	\$0	0%
Special food services	7223	\$461,059	\$13,537	\$474,596	\$0	0%
Drinking places - alcoholic beverages	7224	\$588,771	\$21,646	\$610,417	\$0	0%
Restaurants/other eating places	7225	\$9,612,344	\$353,402	\$9,965,746	\$3,560,000	36%

SOURCE: Place Dynamics LLC and ESRI Business Analyst

Market Share

Market share – the percentage of potential spending captured by businesses in the study area – is the most important statistic used to assess how well the district is performing. Businesses outside of the district are capturing the remainder. Along with the size of the market being lost, that competition will determine whether it is possible to expand existing businesses or add new ones in the North Clinton Avenue district.

The North Clinton Avenue district is capturing 28 percent of its market potential. That can be split into 27 percent of the demand for retail, and 32 percent for dining. Actual performance among retail categories varies, and many are not represented in the district. Others, like auto parts and groceries, are doing very well due to the chain stores in the corridor, and lack of comparable stores in nearby corridors.



Workplace of North Clinton Avenue corridor's trade area residents.

Competition

Residents of the North Clinton Avenue trade area are leaving the city to make more than two-thirds of their purchases elsewhere. These purchases are being made in multiple locations. The most likely destination for many is the East Ridge Road corridor, where there is a significant concentration of big box and other chain stores.

Examining where people in the trade area work will also help to understand the competition for the district. A very high percentage of trade area workers are employed in retail, food service, and related service industries. The concentrations of where they work closely match the East Ridge Road corridor, and West Ridge Road (and the area around the Mall at Greece Ridge). Because they are working in these areas, residents are likely to also be doing a significant part of their shopping in them. Both locations offer a significantly larger variety of stores including those not represented on North Clinton Avenue.

Business Opportunities

Two approaches are appropriate for business development within the North Clinton Avenue district. The first targets small and startup businesses originating in the city, and particularly its more recent immigrant communities. This is being pursued through the La Marketa project. The second approach would be to build on the district's broader pull, to lure additional chain businesses to the district.

Business Expansion Potential

Expansion opportunities have been realized by the chain businesses already in the district, several of which have renovated or constructed new space in recent years. Tops made a commitment to retaining their store in this location, even while closing others in the metropolitan area. The district's independent businesses do have some potential to reach a larger market through a concerted marketing effort that would seek to draw traffic already coming to the chain businesses (especially Tops) from outside of the immediate area.

New Business Potential

Although the businesses in the district are capturing only a fraction of the market potential in the trade area, that potential is relatively low across many retail categories. As a result, independent and startup businesses are most likely to find an interest in the district.

- **Used car dealers** – Used car dealers are a common use found in lower income neighborhoods with good traffic. While this use can be supported, there are questions about how it impacts the urban environment.

- **Grocery stores** – This is a broad category, including everything from corner convenience stores to full-line grocers. The target most appropriate to this area will be smaller ethnic grocers carrying specialized products for the Hispanic, Asian, or other minority populations. A building footprint of 5,000 to 10,000 square feet would be appropriate, along with dedicated parking for customers from more distant neighborhoods. Larger businesses may include a restaurant and dining area along with additional merchandise selections.
- **Specialty food stores** – As with grocery stores, this target will cater to ethnic communities and might include uses like a Carniceria or Panaderia. These can include limited dining.
- **Clothing, shoes, and accessories stores** – There is an existing small cluster of these businesses, though none are very strong. They offer a selection more tailored to the community, compared to competition within the malls and at other chain stores. If the district can live up to its brand as the center of the Latino community in the region, more of these kinds of businesses can be possible. Even the existing ones will benefit from better design and marketing.
- **Used merchandise stores** – Thrift, or used merchandise stores, are common within lower income neighborhoods where customers seek economical solutions to meeting their shopping needs. There is a Salvation Army Store in the corridor. Other stores might be independently owned.
- **Specialty stores** – The corridor is branded as the center of the Latino community. That positioning should enable it to support unique stores serving the community. Examples might include sporting goods

stores or book stores, as well as any others that carry merchandise targeting the Latino customer.

- **Restaurants** – Both independent and chain businesses can be supported. Chains will include fast food franchises and will prefer the corner of North Clinton Avenue and Upper Falls Boulevard. Independent restaurants will locate further north in the corridor. These businesses can play a pivotal role in revitalizing the district, as people from across the region will travel to patronize high quality, authentic ethnic restaurants.

Recommendations

Recommendations for the study area are divided into two groups. The first are actions, policies, or programs specific to the district. The second are references to broader programs recommended for the City, which will have applicability to more than one district.

Corridor Recommendations

The following recommendations are specific to the North Clinton Avenue district.

1. **Develop and program the La Marketa redevelopment project.** The concept that has evolved, of a “business incubator” of small spaces for entrepreneurs, and a gathering place for the Latino community, is a good fit for the neighborhood and the site. It will create an anchor use at the center of the district, and will develop a pipeline of new businesses that may start at La Marketa, and move into conventional space as they prove their concept and develop a following. Physical space is not as important to the success of this project as is the technical support and education provided to the businesses started there. The City should also ensure that there is a plan and the resources to deliver ample cultural and entertainment programming to help drive traffic to the site.
2. **Implement a branding and marketing campaign for the district.** Although the district has been branded as “La Avenida” and the center of the region’s Latino community, it has not been heavily promoted and there is little within the area to reinforce that image, aside from some of its businesses. A notable and colorful streetscape should be designed to reinforce the brand. This may adopted CPTED (crime prevention through environmental design) concepts to improve safety and perceptions of safety in the area.
3. **Enable a hybrid urban design that preserves elements of urban character while also accommodating visitors arriving by car.** The district is drawing customers from areas outside of a typical pedestrian distance, and drawing more of these visitors is essential to its revitalization. Many businesses have their own private parking to serve these customers. Preserving

that amenity and allowing other businesses to develop parking (at the side or rear of the business) will help to attract those businesses, and meet the needs of customers.

4. **Continue to address crime and perceptions of criminal activity in the district.** Perceptions of the area are the biggest impediment to people visiting from outside of nearby neighborhoods. Increased enforcement and improved security measures will help, as will a campaign to work with media to change how the district is portrayed.
5. **Target façade renovation grants to mitigate the appearance of security measures.** The metal rolling doors and grates covering windows on many commercial buildings reinforces negative perceptions of the district. Replacing them with alternative, less visible systems can help the district present a more welcoming appearance.
6. **Assess the potential to convert corners at North Clinton Avenue and Upper Falls Boulevard to commercial uses.** This is the most attractive corner for chain retail development that will provide new shopping and services to the area, and further help to draw customers from more distant neighborhoods. Two of these corners are occupied by apartment buildings, but the third is vacant and may be prioritized for discussion.

Applicability of City-wide Programs

This *Commercial Corridors Strategy* recommends that the City of Rochester develop several programs with city-wide applicability, mostly oriented to retail and restaurant business formation and small business growth.

7. **Commercial district coordinator.** The *Commercial Corridors Strategy* recommends that they City create a program with concepts similar to the National Main Street Program, to guide revitalization along targeted districts in the City. A central need of that program is for coordinators (having an expanded set of skills and engaging in activities beyond those of the street liaisons already in place) who will be responsible for assisting local businesses, property owners, and organizations in their individual and collective efforts to improve the district. Within this district, issues that will initially deserve the attention of a coordinator include:
 - a. Assist in programming the La Marketa development.
 - b. Engage with individual businesses and property owners to understand their needs and facilitate connections to people or resources that can help them address those needs.
 - c. Provide direct and proactive technical assistance to businesses with marketing and management issues.
 - d. Coordinate consumer research within the trade area to determine perceptions, desires, and shopping habits of the customer base.
 - e. Work with commercial property owners to recruit new businesses that will elevate the quality and improve the diversity of businesses in the district.
8. **Retail and dining startup programs.** The Commercial Corridors Strategy recommends parallel programs to encourage retail and dining entrepreneurship. These utilize existing resources and establish new ones to: 1) create a “culture of can” in which business ownership is seen as a viable life path; 2) impart the knowledge and skills necessary to start and successfully operate a retail or dining business; and 3) guide startups through an incubation process that may take one of several routes (storefront, marketplace, food or retail truck, or pop-up space). Space within La Marketa will be central to the programs, which are necessary to generate successful businesses.
9. **Business growth program.** Business growth programs recommended in the Commercial Corridors Strategy overlap with educational and technical assistance components of the proposed startup programs. They are intended to bring resources to existing businesses to help in areas that are commonly a challenge for small retail and dining businesses. Common issues among these businesses include:
 - a. Human resources management
 - b. Cash flow planning
 - c. Customer service training

- d. Marketing and social media
- e. Earning and keeping customer loyalty
- f. Creating a shopping/dining experience
- g. Developing an internet strategy
- h. Understanding customer preferences
- i. Learning and using new technology
- j. Merchandising and inventory management
- k. Visual display / design issues
- l. Menu planning

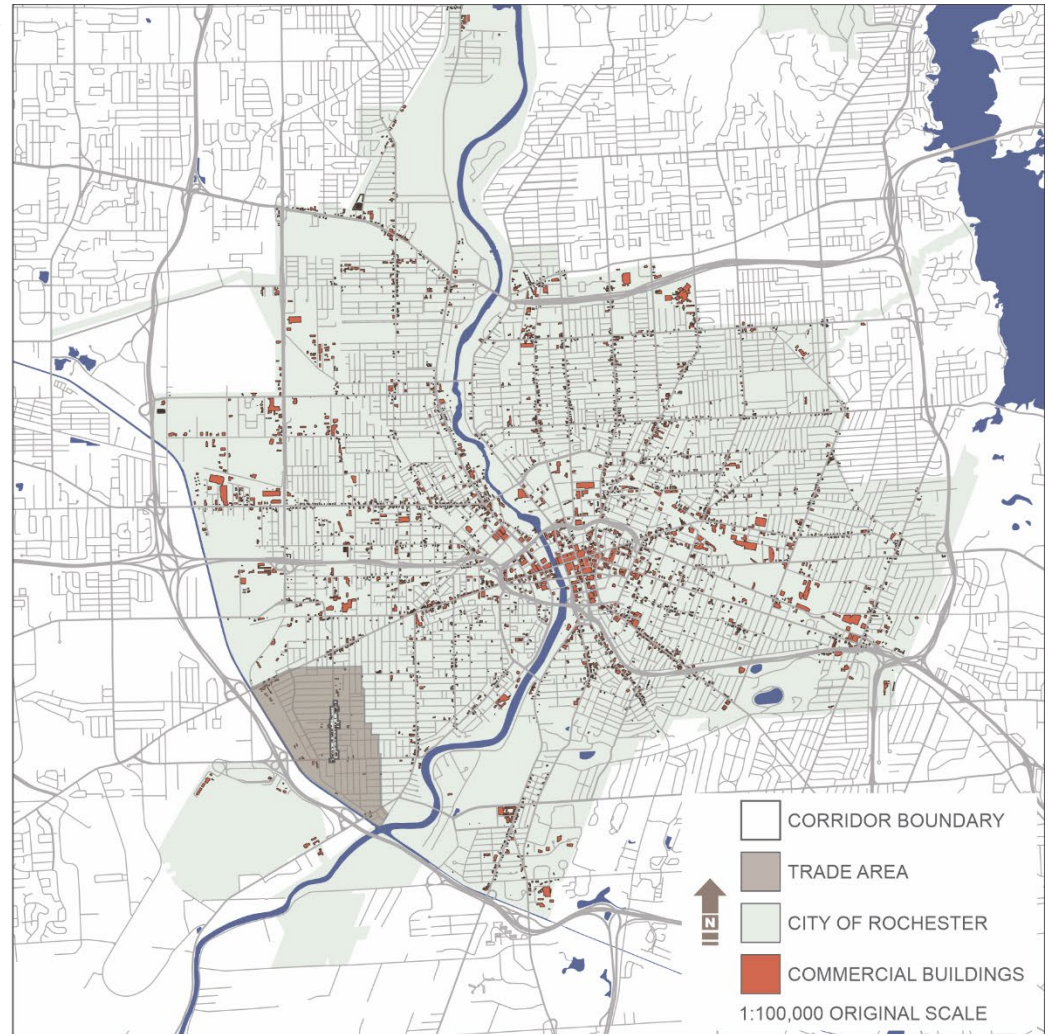
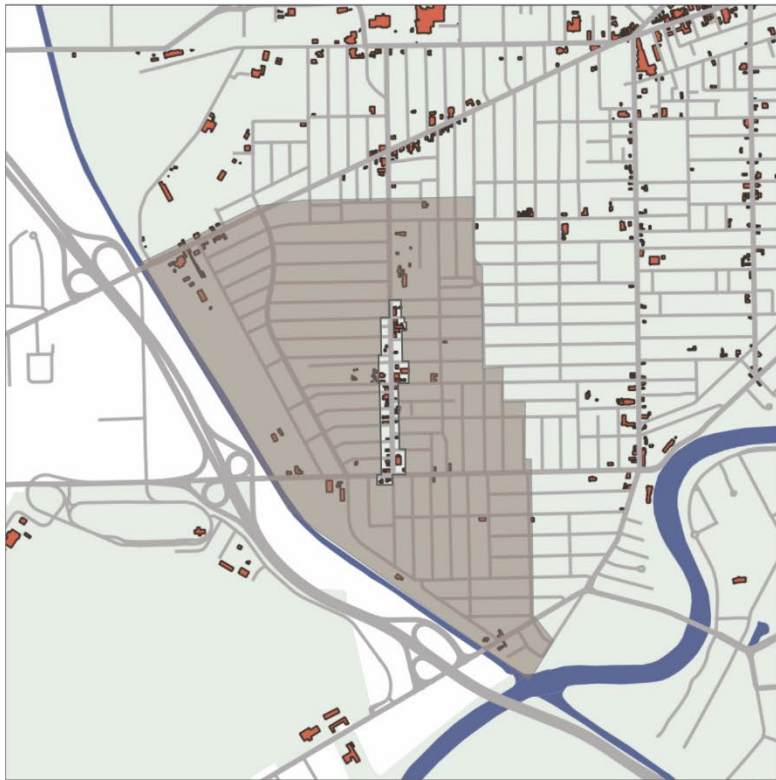
10. **Nonprofit commercial development corporation.**

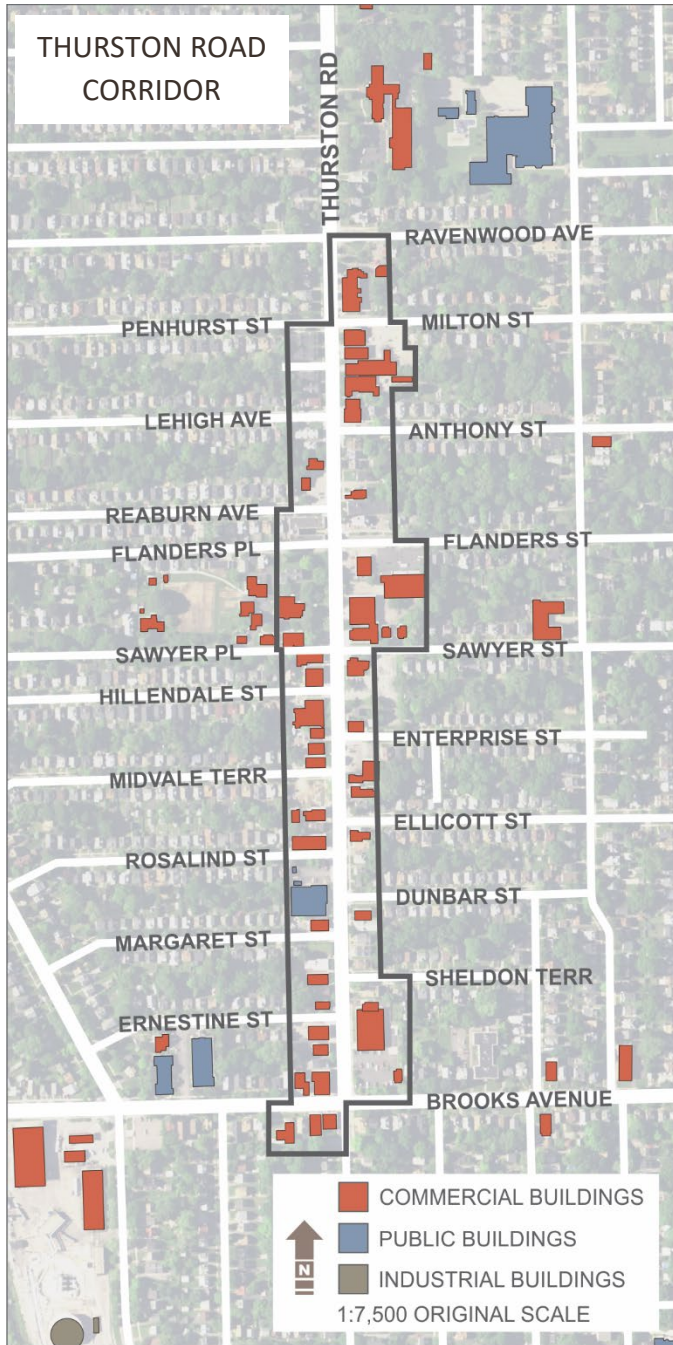
The Commercial Corridors Strategy recommends that the City join with partners to create a nonprofit entity that will invest in commercial renovation and redevelopment in support of corridor revitalization and small business development. This organization will make targeted, impactful investments that anchor a district and/or address nuisance and blight concerns. Within the North Clinton Avenue district, this organization may prioritize returning converted space back to commercial use.

THIS PAGE INTENTIONALLY LEFT BLANK

THURSTON ROAD CORRIDOR

THURSTON ROAD CORRIDOR AND TRADE AREA





SUMMARY

Thurston Road is the sort of charming, early 20th Century commercial district that could be a destination for unique shopping and dining. It is positioned to be southwestern Rochester's equivalent of South Avenue or Monroe Avenue. The Thurston Road commercial district is one with the potential to improve the performance of its existing businesses, diversify the retail base, and extend the district's ability to draw customers, stepping up from a district serving a small neighborhood to one that can serve most of Rochester's southwestern quadrant.

Design character is an important element in the district's appeal. Its attractive buildings, wide sidewalks, and trees create an environment that encourages people to walk, and gives businesses the opportunity to expand into the sidewalk in front of their storefront. This is especially true for restaurants and similar businesses.

Small storefronts are a challenge almost unique to this corridor. The buildings in the corridor are often small and are separated from adjacent structures, making it difficult to combine one or more storefronts to get a larger footprint. Some of these buildings may be expanded to the rear, offering more space, but potentially in an awkward (narrow and deep) configuration. Only a few could be expanded to the side, and using a basement or second floor could entail costly ADA upgrades.

Additional public parking is needed in the district, both at its southern end and near the US Post Office. The need for parking will grow if the district does attract new businesses to become a destination district. Two sites can be considered. The City may negotiate to purchase or obtain access to the private lot at Hillendale Street, where it may also be possible to locate a drive-up postal drop. The City-owned lot at Midvale Terrace is a second location where public parking can be provided.

The Midvale Terrace lot is also a location where the City can develop the frontage for pop-up retail and dining, as part of its overall retail and dining business development programs. This frontage could accommodate three or four spaces, using shipping containers or other small buildings to house startup businesses on a rotating basis. The space will offer the businesses a chance to get started, test their business concept, and begin to develop a customer base. Frequent rotation of these businesses will encourage people to return more often, to see what new businesses are at the site.

Recurring events will help to establish the district as a destination district. Small monthly events, or weekly events during the warmer months, will have more impact than occasional, larger festivals. These can be sales, dinners, entertainment, or other activities that invite neighbors into the district to socialize. Churches, schools, and other organizations in the area can be encouraged to contribute or even host these activities.

CHARACTERISTICS OF THE THURSTON ROAD CORRIDOR

CORRIDOR CHARACTERISTICS

Commercial floor area (sq. ft.)	142,575
Vacant commercial floor area (sq. ft.)	10,865
Commercial vacancy rate	7.6%
Floor area used for retail	24.6%
Aggregate assessed value (commercial)	\$4,618,000
Average value per square foot	\$32.39
Change in assessed value, 2007 to 2017	10.4%

TRADE AREA INCOME

Median household income	\$41,889
Below poverty level	21.8%
Households with Social Security income	32.2%
Households with SNAP benefits	31.5%
Households with public assistance income	10.9%

TRADE AREA POPULATION

Population - 2018	8,672
Growth rate 2010 to 2018	-1.67%
Median age	34.4
Age 65 or over	11.7%
White	20.8%
Black	71.9%
Hispanic origin	6.1%
Households - 2018	3,478
Average household size	2.49
Households with children	36.5%
Single parent households	24.5%
No vehicle available	19.6%
No high school degree	10.6%
Enrolled in college	9.1%
Unemployment rate	9.6%

MARKET CHARACTERISTICS

Retail market potential	\$95,455,000
Estimated retail sales	\$8,780,000
Retail market share	10.6%
Dining market potential	\$10,354,000
Estimated dining sales	\$1,540,000
Dining market share	17.9%

TRADE AREA HOUSING

Housing units (2018)	3,791
Housing units built prior to 1940	76.6%
Housing units built since 1990	2.3%
Median years in unit	9
Owner occupied	48.5%
Renter occupied	43.3%
Vacant	8.3%
Median home value	\$79,132

THURSTON ROAD CORRIDOR MARKET ANALYSIS AND STRATEGY

Rochester's *Commercial Corridors Strategy* guides City investments and economic development initiatives to create more vibrant commercial districts. These districts are vital to the City's quality of life. Their businesses offer the products and services needed by residents, they serve as social and economic centers for their neighborhoods, they provide an environment for entrepreneurship and small business growth, and they generate revenue to support City services.

The *Commercial Corridors Strategy* was developed in three parts. It began with an overview of the market and conditions for retail and dining businesses across the city and metropolitan area. Next, it delved more deeply into eight districts, or study areas, representative of different conditions seen throughout the community. These are intended to serve as

models that may be replicated on other corridors. Lastly, it recommends a "toolkit" of programs and initiatives for business and district vitality.

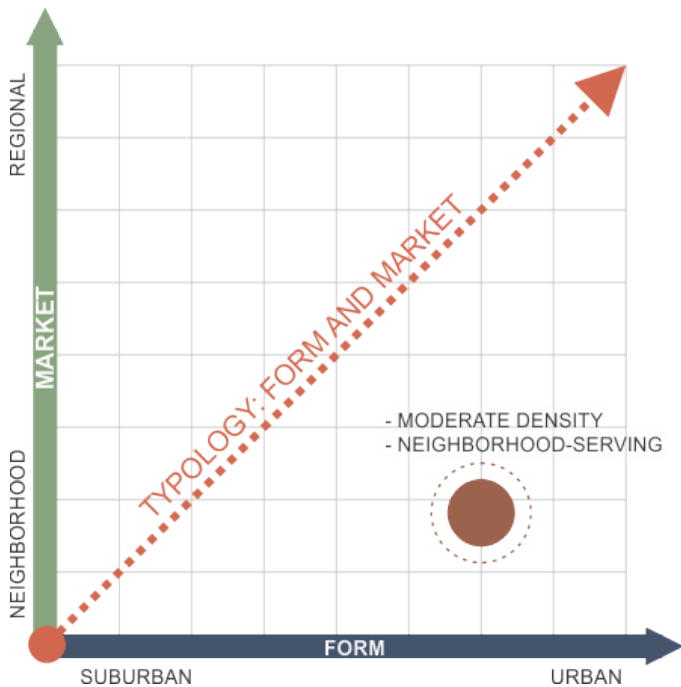
The Thurston Road commercial district – also known as Thurston Village – is one of the eight study areas chosen for detailed analysis. This district has several distinctive features. It is a walkable center within a neighborhood that has been stable, but is susceptible to downward trends seen elsewhere in the 19th Ward. The commercial area is largely intact, with few vacancies or residential conversions. Most of its businesses are not very strong, but the district has the potential for improved business performance and a broader business mix. Several design characteristics contribute to an attractive setting, and there has been recent investment from both the City and the private sector. There is an organization, the Thurston-Brooks Business Association, working to support the district and its business community.

Fitting Thurston Road Into the Theory of Change

The *Commercial Corridors Strategy* developed a theory of change to describe conditions that lead to revitalized commercial districts. This theory began by recognizing a range of characteristics based on urban form and the market being served. In the case of Thurston Road, the form is more urban than suburban, with a pedestrian orientation and a location within moderately dense residential neighborhoods. Businesses in the district are mostly drawing customers from within these neighborhoods, rather than from a broader part of the city.

The theory of change posits certain baseline conditions that are a platform from which to build a healthy commercial district. The basic conditions in this area are relatively good compared to other parts of Rochester, with the diversity of available goods and services being one notable weakness.

- **Neighborhood stability** – Residential areas surrounding the Thurston Road corridor are comparatively stable and attractive, with early 20th century homes on tree-lined streets. The average resident has lived in their home since 2007. There are concerns about negative trends elsewhere in the 19th Ward that could make their way into this district's trade area, such as the conversion of owned housing to rentals.
- **Demographics** – There are 8,672 people living within the trade area, in 3,498 households. They are nearly evenly split between owners and renters. Median incomes are higher than the city as a whole, although lower than for the metropolitan area and state. Nearly a quarter of households are below the federal poverty level. It is becoming less diverse, with a large and



growing portion of the population that is black, and significantly fewer white or Hispanic residents.

- **Safety/perception** – The online demographics provider *areavibes.com* estimates the total crime rate in the 19th Ward to be 2,831 per 100,000 people, which is average for the United States (2,837 per 100,000 people). The City of Rochester, meanwhile, averages 4,701 crimes per 100,000 people. This area is perceived to be safer than other parts of Rochester, although there are some locations that have been a concern to residents.
- **Product mix** – There are a limited number of retail businesses in the district, and only a few restaurants. While not a focus of this study, some common services are notably missing. Rite Aid is the primary anchor.

Elevating factors are strong assets that can be leveraged to drive additional customer traffic to a business district. There are some elevating factors in this district. Though none of them are especially strong, they are a starting point from which to build a stronger district.

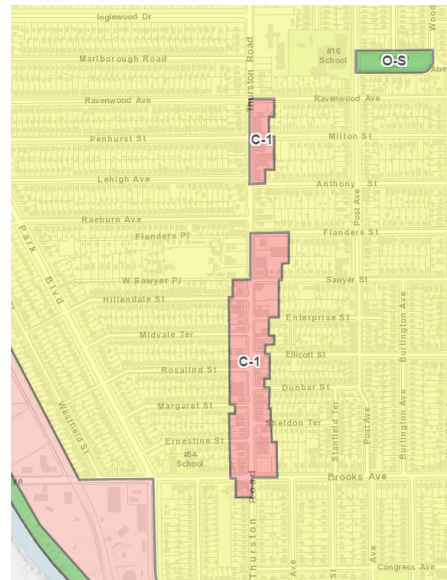
- **Attractions** – The Southwest Family YMCA is located in Rite Aid’s former store at the intersection of Thurston Road with Rosalind Street, and the US Post Office is located near Hillendale Street.
- **Unique businesses** – The Thurston Village Ice Cream Shop, Step It Up Shoe Boutique, and two tailor shops

also selling clothing are uncommon business types found in the district.

- **Design character** – The City has made investments in the streetscape on Thurston Road, including signage, banners, benches and bike racks. There are very wide sidewalks that can be a great asset, especially as they are shaded by mature trees.
- **Social interaction** – This is a missed factor, with few businesses open until late morning. There is more positive street activity during the day. One bar in the district has been the site of nuisance behavior.

The Corridor

The study area extends along Thurston Road from Ravenswood Avenue south to Brooks Avenue. Thurston Road has one lane in each direction with parallel parking on both sides. Traffic in the corridor is light for a commercial district, with about 7,100 cars per day on Thurston Road at Brooks Avenue, and 10,000 cars per day on Brooks Avenue. Traffic on Brooks Avenue is heavier to the west. Thurston Road is served by two bus routes through RTS. This is a significant amenity as 19.6 percent of households do not own a car.



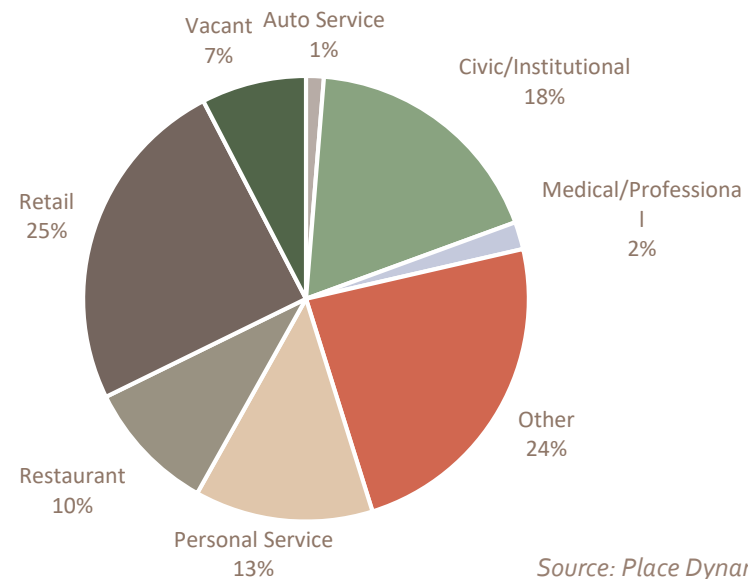
Most of the commercial uses in the Thurston Road Corridor fall within the C-1 Neighborhood Center District (above, left). Buildings along the corridor often do not share a common wall, which can limit the potential to assemble larger storefronts.

Commercial buildings line most of the district, with some homes and small apartment buildings interspersed. The commercial buildings are one or two stories in height, with most storefronts ranging from 800 to 1,500 square feet. Aside from a couple, they are built to the lot line and present a uniform street wall, though most buildings are separated from their neighbors. There are unusually wide sidewalks along both sides of the street, and the City of Rochester has invested in street trees, informative signage, benches, and other amenities to enhance the quality of the pedestrian environment. Some businesses are taking advantage of their sidewalk space to put out merchandise displays or tables for dining. A small park was installed at the southeast corner of Thurston Road and Ravenswood Avenue.

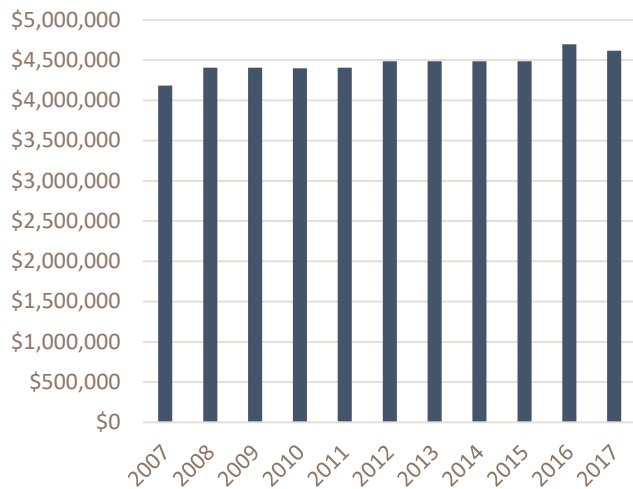
Development Patterns

A typical lot in the district has a frontage of 44 feet and 130 feet of depth. There is some variation, usually not exceeding more than about ten percent of these figures. Lots have been combined in a few locations to allow construction of larger

USES IN THE THURSTON ROAD CORRIDOR



ASSESSED COMMERCIAL PROPERTY VALUATION



Source: City of Rochester

buildings, or to provide surface parking. Lot size is a significant factor in the development pattern, which consists of mostly freestanding buildings being narrower than the lot, and seldom occupying the full depth.

Most of the commercial buildings have one or two storefronts measuring about 800 to 1,500 square feet. Their size is adequate for the small businesses located in the district, but some uses that might consider the area (for example, a furniture/home furnishings store or a large restaurant) may have difficulty finding a suitably sized space. Additionally, a larger floor area will allow businesses to expand the number of items they stock, with the potential to increase sales volume per square foot. Because many buildings do not share a common wall with a neighbor, it can be difficult to assemble a larger storefront by combining adjacent properties.

Aside from the residential district on the west side of Thurston Road from Sawyer Place to the north, and between Flanders Street and Anthony Street on the east side, the study area falls within the C-1, Neighborhood Center District. There are a handful of commercial businesses in the residentially-zoned part of the district. The commercial zoning is generally permissive of most retail, restaurant, and office uses. The study area was subject to a signage review that provides some flexibility in design to be consistent with the overall composition of the building façade. Site and building design criteria

contained in the zoning code is consistent with comparable cities, will ensure good design, and is not an impediment to development.

Parking is currently adequate, at most times of the day, for the level of activity on the corridor. The exception is in evening hours, when patrons of the bars are looking for a place to park. Additionally, there are concerns about businesses parking vehicles on the sidewalk, which makes it unattractive as well as potentially difficult for pedestrians to pass.

ESTIMATED SALES PER SQUARE FOOT

BUSINESS TYPE	THURSTON ROAD	ALL STUDY AREAS	NATIONAL AVERAGE
Retail	\$244	\$208	\$325
Restaurant	\$112	\$173	\$275
Personal Services	\$41	\$66	\$145

SOURCES: Place Dynamics estimates. National averages: Retail – Urban Land Institute; Restaurant – National Restaurant Association; Personal services – International Council of Shopping Centers.



Typical character of the neighborhood around Thurston Road.

There is on-street parking on both sides of Thurston Road. Many commercial properties are accessed by a back alley or have a small number of parking stalls behind the building, sufficient to enable the business operator to park off of the street. A small number have dedicated customer parking. Additional parking will be needed as more activity is drawn to the district. Future parking needs might be addressed on the City-owned lot at Thurston Road and Midvale Terrace, and at an existing private lot on Thurston Road across from Hillendale Street.

Business Mix and Considerations

There is a total of 142,575 square feet of commercial space in the Thurston Road study area. Only 7.6 percent of that space is currently vacant (as of November 2018). Fourteen retailers take up nearly a quarter of the total (24.6 percent), followed closely by “other” uses (23.8 percent). This category includes the two largest spaces in the district, a storage building and AlphaGraphics.

The civic and institutional category is comprised of churches, the US Post Office, and the YMCA. These can be significant contributors to the vitality of the district, and they occupy 18.1 percent of the non-residential floor area in the district.

Personal services account for the largest number of businesses by type (16), but only 12.9 percent of the district’s floor area. These businesses tend to occupy single, smaller storefronts, averaging 1,153 square feet per business. In comparison, retailers average 2,509 square feet, and restaurants average 1,525 square feet.

Restaurants occupy 9.6 percent of the floor area in the district. The remainder is filled by medical and professional offices (2.0 percent) and auto services (1.3 percent).

Retail businesses in the district are estimated to have aggregate sales of \$8,575,000, while restaurant and bar sales total \$1,540,000, and personal services come to \$753,000. These sums result in sales per square foot of \$244 for retail, \$112 for eating and drinking, and \$41 for personal services. It is important to note the presence of a Rite Aid store in the district (relocated from a few blocks north in the study area). This store helps to bring up the average sales per square foot for retail. Excluding this store from the total drops the average for retail to \$145 sales per square foot. Using this figure, the average sales per square foot on Thurston Road are below the average of all eight study areas. Small store sizes are a contributing factor.

Retail and restaurant sales average just 45 and 40 percent of national averages, on a square foot basis. Because of an over-saturated market, personal service businesses average just 28 percent of the national figure.

Nationally, retailers spend an average of 9.5 percent of gross revenue on rent. If this average is applied to the sales and floor area data for this district (leaving out Rite Aid), the retail businesses would be expected to afford a rent averaging \$13.78 per square foot. Very few commercial properties are listed in Rochester, and none on Thurston Road. For those few available, pricing varies from about \$6 to \$14 per square foot, with more at the lower end of the range.

Neighborhood Characteristics

The neighborhood surrounding the Thurston Road corridor is characterized by a mix of one- and two-family homes and small apartment buildings, most built prior to 1940. Approximately 49 percent of all housing units in the neighborhood are owner-occupied, compared to about 30 percent of units city-wide; 43 percent are occupied by renters, while the remainder (eight percent) are vacant.

Home values in the study area neighborhood tend to be lower than those in the City of Rochester overall. About 73 percent of owner-occupied units are valued between \$50,000 and \$99,999. The median home value is \$79,132, roughly 92 percent of the city-wide median.

There are nearly 225 housing units located along the Thurston Road study area. Two mid-sized apartment buildings at the Flanders Street intersection offer rental housing for 77 households. Housing can also be found in mixed-use buildings above storefronts, and in single-family and two-family structures scattered among the commercial properties.

The study area neighborhood is part of Rochester's 19th Ward. The housing market typology developed as part of the 2018 Rochester Citywide Housing Study categorizes the 19th Ward as an area of moderate housing demand. Housing values and value appreciation in the 19th Ward are close to the Rochester average, and bank foreclosure filings over the last ten years are rated average to above average. In areas of

Small storefronts may be a limiting factor for some retail businesses.

ing moderate- and middle-income households to purchase homes in the area.

The neighborhood has an abundance of educational, recreational, and institutional assets. Two schools serve children and teens: School 16 (also known as the John Walter Spencer School) on Post Avenue, and the Brooks campus of Rochester Prep Charter School on Brooks Avenue. Built in 1910, School 16 houses pre-kindergarten through grade six. The school recently celebrated its reopening following a major overhaul completed as part of the Rochester City School District Modernization Program. Rochester Prep Charter School established its Brooks campus in 2006. The facility serves students grades five through eight.

The Southwest Family YMCA on Thurston Road hosts programs for both youth and adults. Amenities include a teen center/game room, outdoor playground, an aerobics studio, and exercise equipment. Also on Thurston Road, just north of the study area, is Rochester Presbyterian Home, an assisted living facility that specializes in caring for individuals with dementia. Other neighborhood assets include the Arnett branch of the Rochester Public Library, the Developmental Disabilities Division of the Urban League of Rochester, the 19th Ward Community Association, the Thurston Brooks Merchants Association, and multiple churches.

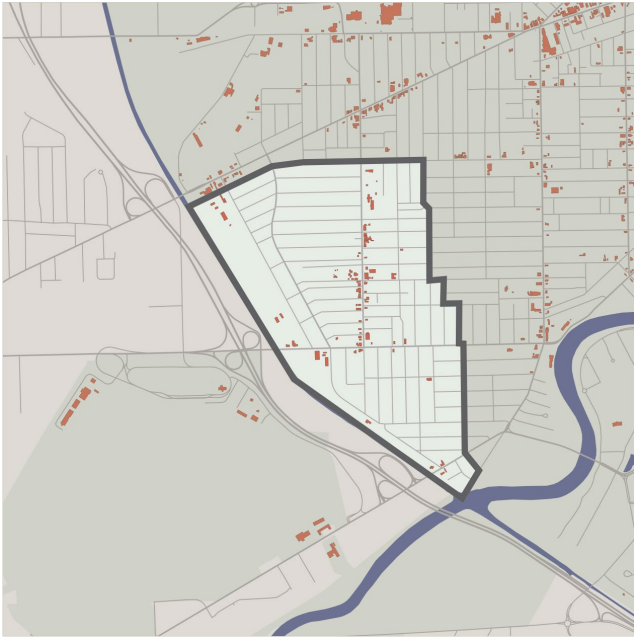
Market Assessment

Thurston Road serves a neighborhood level of commercial activity. Its location, limitations due to the configuration of commercial property, and competition may not allow it to move significantly up the hierarchy of retail centers, but there is a still considerable market opportunity to expand existing businesses or attract others that can add to the retail and dining options for area residents, and to increase its ability to pull from other parts of southwestern Rochester.

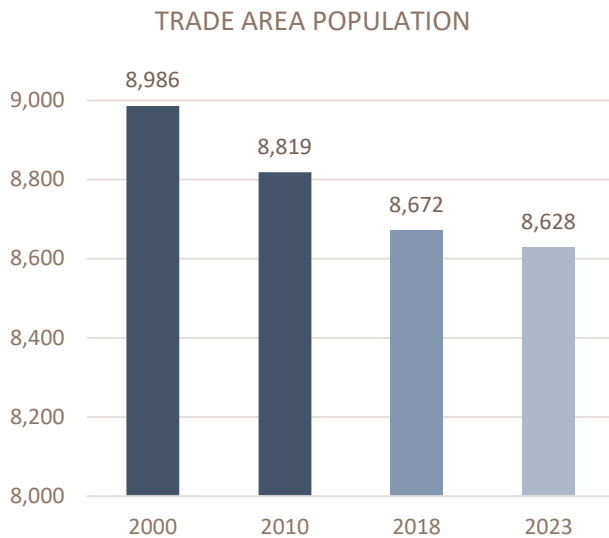
Trade Area

A trade area is defined as the region from which a business, or in this case, a business district will draw between 60 and 80 percent of its customers. It is necessarily imprecise, as each of the district's businesses may have a varying ability to draw from a near or far distance depending on the business type and merchandise selection, pricing, customer service, marketing, or other factors.

moderate demand, the study calls for "strengthening and revitalizing blocks to build confidence." Recommended strategies include investing in community gathering places and fostering connections to neighborhood anchors (e.g., business districts, parks, schools), supporting community-building events and programming, and increasing economic diversity by encourag-



The Thurston Road corridor trade area is outlined above.



Source: ESRI

The trade area for the Thurston Road district was chiefly defined by competition. West Main Street, Chili Avenue, and Genesee Street all offer a comparable to stronger set of retail businesses. Thurston Road will be convenient to people nearby, especially when walking, but those living closer to another commercial area are usually going to prefer to shop nearer to their home.

Demographics

There are 8,672 people living within the defined trade area. Since 2010 this population has been declining at a rate of 1.6 percent annually. More of the losses have been among the trade area’s white population, which has declined to 20.8 percent of the total, from 24.0 percent at the start of the decade. The black population has grown to 71.9 percent of the total. Just 6.1 percent of the total is Hispanic, which is significantly less than the city average of 19.5 percent.

The median age is 34.4 years, an increase from 32.3 in 2010. Somewhat more than a third of households (36.5 percent) have children under 18 living at home, and there has been a very slight increase in family households, from 31.2 percent to 31.5 percent. There are 3,478 households in the trade area. Between 2000 and 2010 the number actually increased from 3,402 to 3,522, but it was projected to have decreased since then, even while household size has remained essentially unchanged.

The median household income of \$41,889 compares favorably to the \$31,813 median for all of Rochester. This is still significantly less than the state median of \$62,447, or the \$56,969 median of the Rochester metropolitan statistical area (MSA). About a quarter (21.8 percent) of households earn less than the poverty level. This area is a HUD-designated low-to-moderate income neighborhood.

Some concerns were expressed that there appears to be a growing number of college students renting in the 19th Ward. There are 750 people living within this trade area who are enrolled in college, or about 8.7 percent of the total. Citywide, 9.6 percent of the population is enrolled in college. It may still be the case that these are higher numbers than in the past.

Most trade area residents were employed in services (60.2 percent), followed by retail (8.4 percent), and manufacturing (7.3 percent). The unemployment rate is estimated at 9.6 percent, compared to 5.1 percent for the city and 3.7 percent for the MSA.

Resident Market

Spending indices for all goods and services are below the national average in this trade area, which is to be expected given the median income, while higher than many parts of the city, still falls below the national average. Spending on groceries comes closest to the national average (71 percent), while diverging the most on travel (61 percent). Spending by residents still makes up the largest part of the market available to businesses in the district.

ESRI defines a handful of market segments in the trade area. The largest of these is a group called “Traditional Living”, making up 56 percent of the total. Married couples dominate, but are not as prevalent as expected based on the age profile of the population. There are higher percentages of single parents and single households. In their shopping habits, they are cost-conscious but brand-loyal.

The next-largest segment is “City Commons”, with 19 percent of the total. These tend to be single parents of young households. They are less likely to own a vehicle and tend to use public transportation. There is high unemployment within this group, which has the lowest income among the four groups common to the area. Fashion is an important expenditure, and many prefer fast food to cooking at home.

“Hardscrabble Road” is the third group, making up 12 percent of the total households in the Thurston Road trade area. These are predominantly renters with a high percentage of single parent households. It is a low income group that has a tendency to purchase items in bulk, buy generic, and save for larger purchases.

The final significant market segment is a group called “Modest Income Homes”, that makes up 10 percent of the total. These are also single parents or singles without children. Over half are renters, a third do not have a car, and there is a very high rate of unemployment among them.

Cash Economy

Growing attention has been paid to an underground economy, or cash economy, consisting of earnings that go unreported to government entities. Nationwide, it is estimated that these earnings are equivalent to eight percent of gross domestic product. While some of it is comprised of illicit activities, the majority is earned through contingent work – temporary gigs, contract work, and freelancing – that is simply “off the books”. The internal revenue service estimates that 43 percent of this income goes unreported.

DETERMINING THE CONTRIBUTION OF THE CASH ECONOMY TO MARKET POTENTIAL



To understand the contribution of the cash economy to the market potential in any area, it is first necessary to estimate participation in the contingent workforce. The methodology used in this analysis is based off an extensive survey conducted by the Rand Corporation and Princeton University, which determined rates of participation based on an array of demographic and workforce characteristics, such as age, gender, race, educational attainment, industry, and occupation. Data for the trade area was obtained through the Longitudinal Employer-Household Dynamics (LEHD) program through the US Census Bureau’s Center for Economic Studies. County-level Nonemployer Statistics were used to estimate individual earnings. The aggregate sum was multiplied by 0.43, and the resulting income was distributed across all expenditure categories using the same percentage distribution as in the trade area population.

There are an estimated 2,874 persons living in the trade area who are participating in the cash economy. Their earning support an additional \$13,002,000 in spending on retail goods, and \$1,764,000 on eating and drinking.

Market Share

Market share – the percentage of potential spending captured by businesses in the study area – is the most important statistic used to assess how well the district is performing. Businesses outside of the district are capturing the remainder. Along with the size of the market being lost, that competition will determine whether it is possible to expand existing businesses or add new ones in the Thurston Road study area.

Businesses in the district are capturing 11.3 percent of the market for retail and dining. This is split between a 10.6 percent market share for retail, and 17.9 percent for eating and drinking. A great deal of the potential market, then, is being lost to other locations. Many of these are outside of the City of Rochester.

The cash economy adds an additional \$13.0 million in retail, and \$1.8 million in restaurant spending by trade area residents.

MARKET DEMAND, EXISTING SALES, AND MARKET SHARE

	NAICS	RESIDENT DEMAND	CASH ECONOMY	TOTAL DEMAND	EXISTING SALES	MARKET SHARE
Total retail trade and food and drink	44-45,722	\$91,043,000	\$14,766,000	\$105,809,000	\$10,320,000	11.3%
Total retail trade	44-45	\$82,453,000	\$13,002,000	\$95,455,000	\$8,780,000	10.6%
Total food and drink	722	\$8,590,000	\$1,764,000	\$10,354,000	\$1,540,000	17.9%
Automobile dealers	4411	\$14,615,000	\$2,305,000	\$16,920,000	\$0	0.0%
Other motor vehicle dealers	4412	\$1,289,000	\$203,000	\$1,492,000	\$0	0.0%
Auto parts, accessories, and tire stores	4413	\$1,332,000	\$210,000	\$1,542,000	\$0	0.0%
Furniture stores	4421	\$1,561,000	\$246,000	\$1,808,000	\$0	0.0%
Home furnishings stores	4422	\$1,377,000	\$217,000	\$1,594,000	\$0	0.0%
Electronics and appliance stores	4431	\$2,969,000	\$468,000	\$3,437,000	\$90,000	3.0%
Building material and supplies dealers	4441	\$4,342,000	\$685,000	\$5,027,000	\$0	0.0%
Lawn and garden equipment and supply stores	4442	\$417,000	\$66,000	\$483,000	\$0	0.0%
Grocery stores	4451	\$12,615,000	\$1,989,000	\$14,605,000	\$1,294,000	10.3%
Specialty food stores	4452	\$983,000	\$155,000	\$1,139,000	\$557,000	56.7%
Beer, wine, and liquor stores	4453	\$1,097,000	\$173,000	\$1,270,000	\$130,000	11.9%
Health and personal care stores	4461	\$7,106,000	\$1,121,000	\$8,227,000	\$5,396,000	75.9%
Gasoline stations	4471	\$8,700,000	\$1,372,000	\$10,071,000	\$0	0.0%
Clothing stores	4481	\$4,576,000	\$722,000	\$5,297,000	\$509,000	11.1%
Shoe stores	4482	\$753,000	\$119,000	\$872,000	\$62,000	8.2%
Jewelry, luggage, and leather goods stores	4483	\$1,022,000	\$161,000	\$1,183,000	\$0	0.0%
Sporting goods/hobby/musical instrument stores	4511	\$1,953,000	\$308,000	\$2,261,000	\$0	0.0%
Book, periodical, and music stores	4512	\$384,000	\$60,000	\$444,000	\$0	0.0%
Department stores excluding leased departments	4521	\$6,008,000	\$947,000	\$6,956,000	\$0	0.0%
Other general merchandise stores	4529	\$3,806,000	\$600,000	\$4,406,000	\$742,000	19.5%
Florists	4531	\$254,000	\$40,000	\$294,000	\$0	0.0%
Office supplies, stationery, and gift stores	4532	\$925,000	\$146,000	\$1,070,000	\$0	0.0%
Used merchandise stores	4533	\$396,000	\$62,000	\$458,000	\$0	0.0%
Other miscellaneous store retailers	4539	\$1,556,000	\$245,000	\$1,801,000	\$0	0.0%
Nonstore retailers	4541	\$2,419,000	\$381,000	\$2,801,000	\$0	0.0%
Special food services	7223	\$390,000	\$80,000	\$470,000	\$0	0.0%
Drinking places - alcoholic beverages	7224	\$477,000	\$98,000	\$575,000	\$502,000	105.2%
Restaurants/other eating places	7225	\$7,723,000	\$1,586,000	\$9,309,000	\$1,038,000	13.4%

SOURCE: Place Dynamics LLC and ESRI Business Analyst

Among retailers, the best performance in this district is among health and personal care stores, which are capturing 75.9 percent of the market. Specialty food stores are also doing well with a 56.7 percent share. The best performance overall is among bars and taverns. With a 105.2 percent share, these businesses are drawing significant numbers of customers from beyond the trade area.

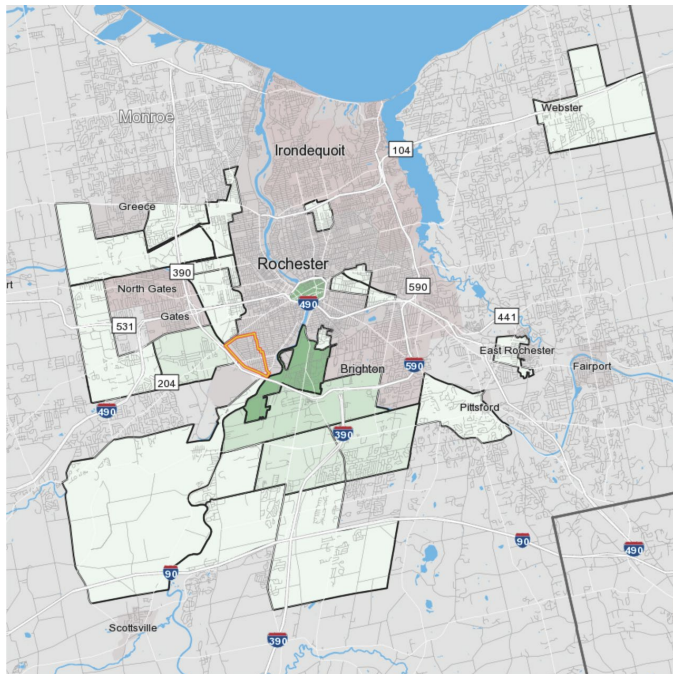
Competition

With relatively few options in the Thurston Road district, nearby residents are traveling to other places to purchase goods and services. Other commercial corridors in the southwestern part of Rochester have a somewhat stronger set of businesses. These include Genesee Street, Chili Avenue, and West Main Street. Even in these corridors, most competition

is still serving a neighborhood function, with chains including dollar stores, pharmacies, and auto parts stores. Still stronger competition is found outside of the city, with the Walmart Supercenter on Chili Avenue being among the most significant of these competitors.

When studying neighborhood retail, analysts typically expect anchor uses such as grocery stores, hardware stores, and pharmacies. The nearest full-line supermarket is the Tops at West Avenue and Gardiner Avenue, about one mile north. There is a Walmart Supercenter a little over a mile west, on Chili Avenue at Highway 204 (Brooks Avenue). There are no hardware stores in this part of the city, though a long-time hardware businesses on Thurston Road closed in recent years. The nearest banks are the Citizens Bank near Tops on West Avenue, and Key Bank on Chili Avenue.

For shopping trips outside of the neighborhood, shopping patterns are often closely correlated to the locations in which people work. Residents of the Thurston Road study area's trade area tend to work in downtown Rochester, at the University of Rochester and hospitals just east of the river, and in areas to the south, in and around the airport and the Marketplace Mall. The mall and the adjacent Jefferson Road corridor are well represented with national chains that will meet most shopping needs of area residents.



Workplace of residents of the Thurston Road corridor's trade area.

Business Opportunities

There are opportunities to expand existing businesses or to attract new retail and dining businesses to the Thurston Road district. Many of these can leverage the desirability of the built environment to develop something closer to a destination district pulling from beyond the defined trade area. This potential is bolstered by the lack of competition in close proximity. For many of these uses, the trade area could more closely approximate the entire 19th Ward.

Business Expansion Potential

When considering ways to expand business activity in the district, it is important to first consider how existing businesses might be strengthened. Three approaches are apparent.

- **Business hours** – This is primarily an opportunity for restaurants, given the current business mix. There is a demand for breakfast along with other typical morning dining (ex., coffee), that is not being met in the district. As the district continues to develop, the more customary demand for retail businesses with evening hours may be a consideration.
- **Expansion (larger space)** – Expansion potential is somewhat limited given the large number of buildings with small storefronts and no shared walls with other buildings. In many of these

cases, a growing business will only have the option of adding to the rear of the existing building, or relocating. Expansion allows businesses to carry a wider assortment of goods capable of meeting more of their customer's demands.

- **Expansion (product line)** – Several businesses in the district are already employing a technique of expanding sales in places where there is a small market and similar competition, which is to branch out to carry products or offer services usually found in another industry group. Examples may include hair salons that stock related retail health and beauty products, or grocery stores that may have office supplies and offer services like printing and shipping.

New Business Potential

Five kinds of businesses have the strongest potential to add to the mix on Thurston Road. These are furniture and home furnishings stores, specialty food stores, personal care stores, clothing, shoes, and accessories stores, and restaurants. All of these will be successful by taking advantage of the district's location and design character, to appeal to an area larger than the present trade area. Creating a visually appealing and active district raises the prospects of all businesses, including those already in the district, along with new prospects.

- **Furniture and home furnishings stores** – these businesses can appeal to two demographics with overlapping preferences. Moderate income households in the neighborhood, and students living in the area will both have a preference for affordable furniture. In addition, a store in this market should broaden its merchandise selection to include unique, low cost home décor and furnishings. The market might be described as lying between Walmart and a typical furniture store.

- **Specialty food stores** – The district already has a successful meat market. At the time this analysis was being prepared, there was discussion of a bakery and deli opening on the corridor. Aside from meat and bakeries, specialty foods might also include seafood markets, fruit and vegetable markets, confectionary and nut stores, and other types of niche food products stores. With the seafood markets on West Main Street and the meat market on Thurston Road, a bakery would be the most logical addition to the district. An existing business like Thurston Village Ice Cream Shop might explore the potential to add a line of candy, especially to extend sales into the winter months when ice cream does not sell well.
- **Personal care stores** – The targeted opportunity is for shops primarily engaged in retailing cosmetics, perfumes, toiletries, and personal grooming products. To an extent, some of these sales are occurring within hair and nail salons or other businesses in the district. A store focused on these goods will have a better selection and can curate its merchandise to meet the needs of neighborhood residents.
- **Clothing, shoes, and accessories stores** – two tailor shops and a shoe store with limited hours are already located in the district. Adding additional stores will create a critical mass to help draw in more customers from an area larger than the existing trade area.
- **Restaurants** – Some of the need for restaurants may be met by changes among those already in the district, such as extending hours, offering products not yet available in the district, changing practices (such as by enabling delivery), and improving quality. More than most businesses, restaurants have the power to draw people who might not otherwise come to the corridor. The emphasis should be on developing unique businesses that can deliver excellent products and service, in a desirable environment. This can take the form of outdoor dining on the sidewalk or a patio space. Businesses can consider having a private room for functions as an added means of generating customer traffic.

The business opportunities identified for the study area will all be independent businesses. The size of the market, its lower-income demographic, and physical form do not create an opportunity to attract chain businesses.

Recommendations

Recommendations for the district are divided into two groups. The first are actions, policies, or programs specific to the district. The second are references to broader programs recommended for the City, which will have applicability to more than one district.

Corridor Recommendations

The following recommendations are specific to the Thurston Road commercial district.

1. **Implement a branding and marketing campaign for the Thurston Road commercial district.** This campaign should highlight the unique character of the district, with imagery reinforcing it as a pleasant, walkable, tree-lined, and safe neighborhood commercial area. Initially focused on the 19th Ward, the



Potential use of the City-owned lot at Thurston Road and Midvale Terrace for parking and pop-up retail or dining.

marketing campaign may be extended as the district develops more businesses with a broader appeal.

2. **Program events that reinforce the district as the neighborhood's social hub.** The marketing campaign can reinforce frequent events that bring neighbors together, especially during the warmer months when it is possible to enjoy the wide sidewalks. Many of these should be scheduled on weekday evenings when they will not compete for other activities more common on weekend nights. They should include outdoor dining and sales, along with entertainment. Local organizations (such as churches and the YMCA) should be encouraged to play an active role.
3. **Better utilize the City-owned lot at Midvale Terrace.** The City-owned lot on Thurston Road at Midvale Terrace is a large and centrally-located site that may serve two purposes. This would be an ideal site in which to locate pop-up retail space or container stores and restaurants in order to help incubate new businesses in the district. Three, or even four spaces might be located along the Thurston Road frontage. The remainder of the lot can be used for parking and might be expected to yield about 25 parking stalls. These should be managed for customer traffic with a three-hour limit, and the lot might be closed in the evening hours to mitigate potential unwelcomed activities.
4. **Evaluate alternatives to add public parking at Thurston Road and Sawyer Street.** This is currently the Thurston Public Meat Market and had been developed as a bank, with a large surface parking lot. That lot is privately owned. The City might consider acquiring a portion of the parking lot, or an easement to a portion of the lot, to create public parking. This location is convenient to the Post Office, and there may be an opportunity to incorporate a drive-up mail drop.
5. **Continue efforts to address nuisance complaints and criminal activity that creates negative perceptions of the district.** Neighborhood residents and City officials raised concerns about nuisance and criminal activity in the evening hours. Along with code enforcement and policing, the City can work with Rite Aid to ensure that its parking lot is gated after hours. Over time, as more businesses remain open and more activities are scheduled in the evening hours, the nuisance activity is likely to abate.
6. **Evaluate the need for programs to assist in expanding storefront space.** The relatively small floor area of many storefronts, and lack of common walls with adjacent buildings, can make expansion more challenging within some buildings. The only option for some may be to expand on the rear of the building, which may trigger issues from code compliance to financing. While there does not appear to be an immediate need, one could develop as the district improves. The City should be monitoring this through interaction with the business

community, and be prepared to establish new programs targeted to specific obstacles that present themselves.

7. **Look for opportunities to restore commercial uses to buildings that have been converted to residential use.** Two properties, 629-31 and 637-41 Thurston Road, were originally built as mixed use buildings, but have since had their ground floor commercial space converted to residential apartments. To restore the continuity of uses on the street, these should be eventually restored to commercial spaces. City involvement might include grants and loan financing for building conversion, assistance in placing graduates of recommended business development programs as tenants, or acquisition and renovation.

Applicability of City-wide Programs

This *Commercial Corridors Strategy* recommends that the City of Rochester develop several programs with city-wide applicability, mostly oriented to retail and restaurant business formation and small business growth.

8. **Commercial district coordinator.** The *Commercial Corridors Strategy* recommends that they City create a program with concepts similar to the National Main Street Program, to guide revitalization along targeted corridors in the City. A central need of that program is for coordinators (having an expanded set of skills and engaging in activities beyond those of the street liaisons already in place) who will be responsible for assisting local businesses, property owners, and organizations in their individual and collective efforts to improve the district. Within this district, issues that will initially deserve the attention of a coordinator include:

- a. Assist the Thurston-Brooks Business Association in planning and marketing activities to establish the district as a social hub.
- b. Engage with individual businesses and property owners to understand their needs and facilitate connections to people or resources that can help them address those needs.
- c. Provide direct and proactive technical assistance to businesses with marketing and management issues.
- d. Coordinate consumer research within the trade area to determine perceptions, desires, and shopping habits of the customer base.
- e. Work with commercial property owners to recruit new businesses that will elevate the quality and improve the diversity of businesses in the district.

9. **Retail and dining startup programs.** The Commercial Corridors Strategy recommends parallel programs to encourage retail and dining entrepreneurship. These utilize existing resources and establish new ones to: 1) create a “culture of can” in which business ownership is seen as a viable life path; 2) impart the knowledge and skills necessary to start and successfully operate a retail or dining business; and 3) guide startups through an incubation process that may take one of several routes (storefront, marketplace, food or retail truck, or pop-up space).

There may be opportunities for storefront incubation within the district. The City-owned lot at Thurston Road and Midvale Terrace is also a location at which there may be the potential for truck-based, or pop-up space. The Thurston Road district is seen as a good location in which to place startup businesses, as the market is better established than in some parts of the City, and there is good potential for the district to expand its ability to draw customers as the business mix grows more diverse.

10. **Business growth program.** Business growth programs recommended in the Commercial Corridors Strategy overlap with educational and technical assistance components of the proposed startup programs. They are intended to bring resources to existing businesses to help in areas that are commonly a challenge for small retail and dining businesses. Common issues among these businesses include:
 - a. Human resources management
 - b. Cash flow planning
 - c. Customer service training

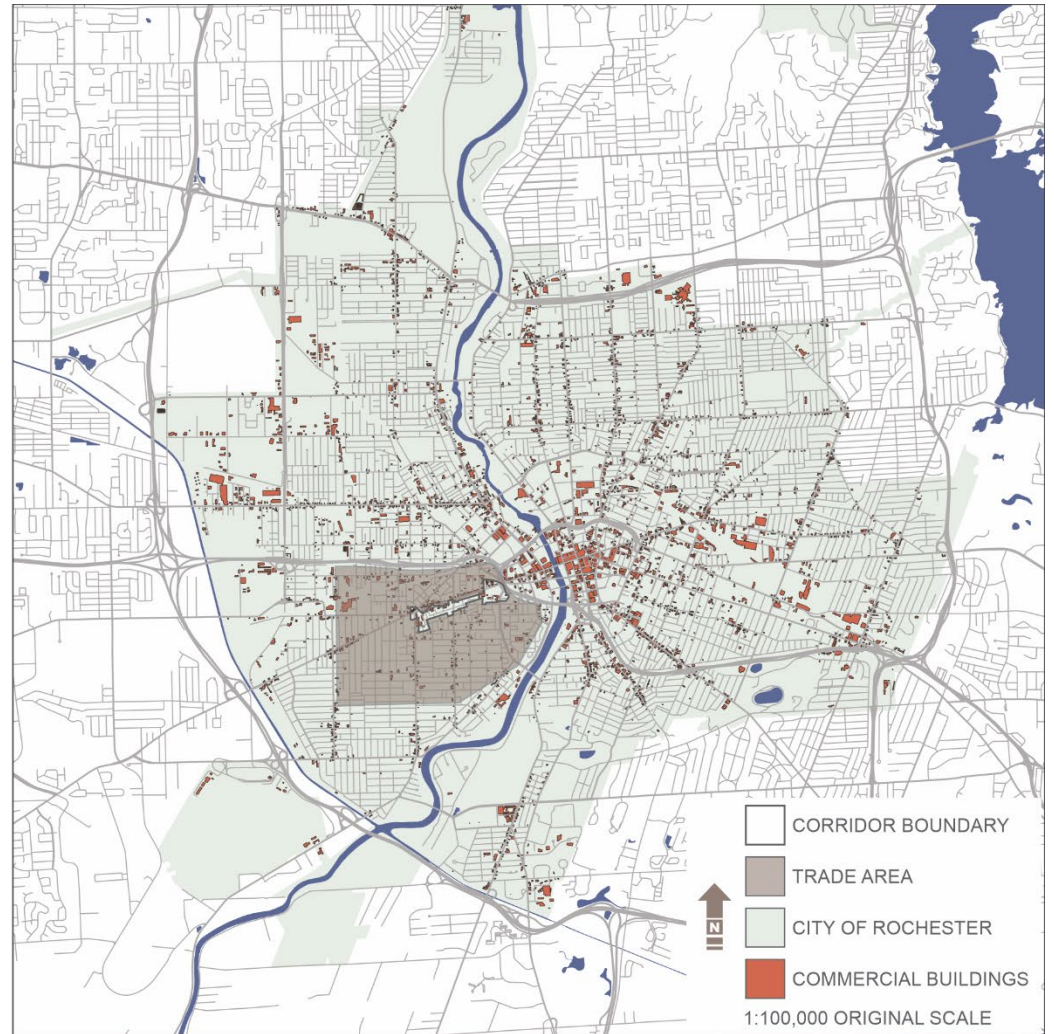
- d. Marketing and social media
- e. Earning and keeping customer loyalty
- f. Creating a shopping/dining experience
- g. Developing an internet strategy
- h. Understanding customer preferences
- i. Learning and using new technology
- j. Merchandising and inventory management
- k. Visual display / design issues
- l. Menu planning

11. **Nonprofit commercial development corporation.**

The Commercial Corridors Strategy recommends that the City join with partners to create a nonprofit entity that will invest in commercial renovation and redevelopment in support of district revitalization and small business development. This organization will make targeted, impactful investments that anchor a district and/or address nuisance and blight concerns. Within the Thurston Road district, this organization may prioritize returning converted space back to commercial use.

WEST MAIN STREET CORRIDOR

WEST MAIN STREET CORRIDOR AND TRADE AREA



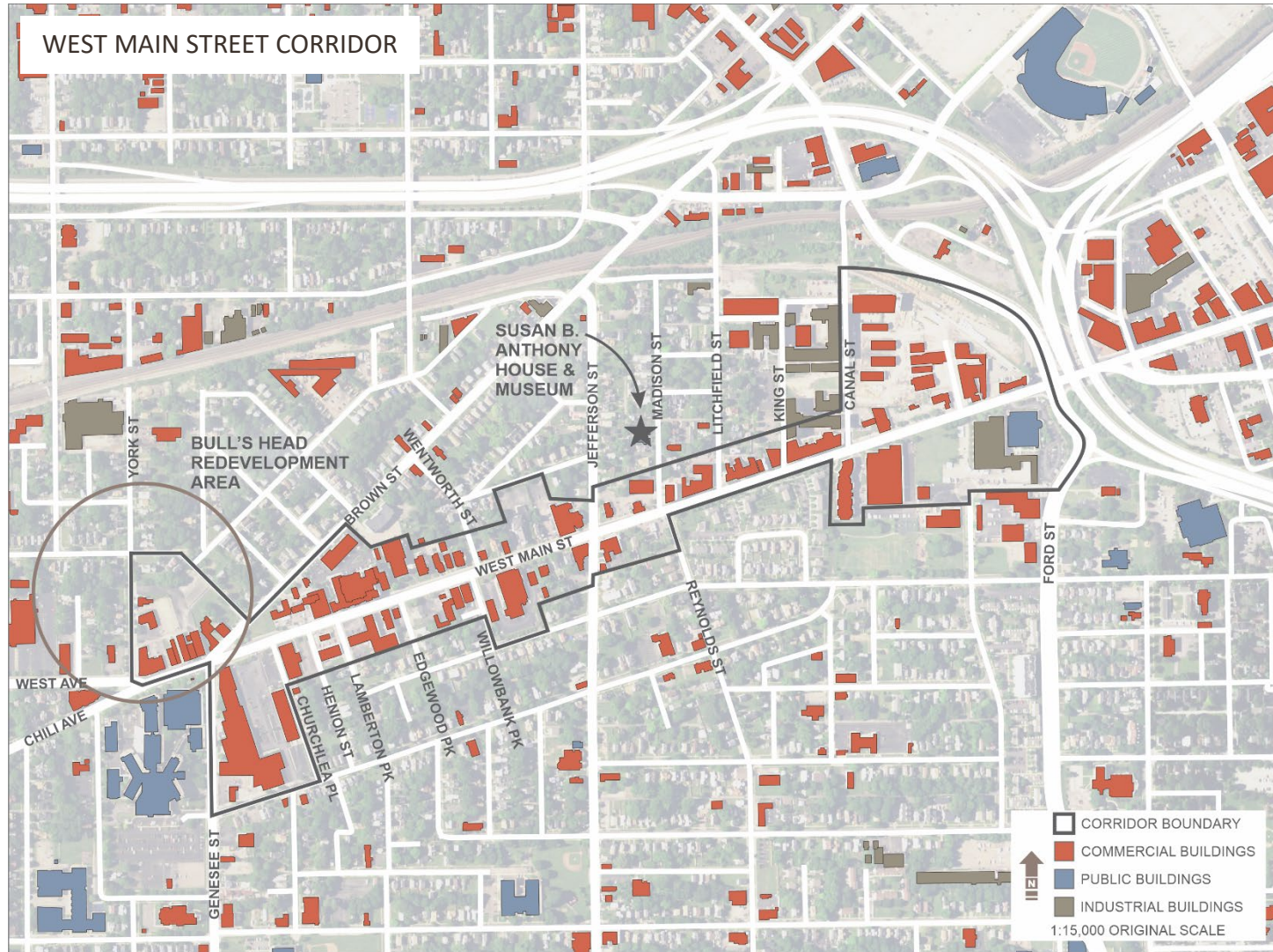
SUMMARY

West Main Street serves several important roles. It is a gateway to downtown Rochester, it holds anchor uses including Rochester Regional Health and the Susan B. Anthony House and Museum, and it serves as a higher-order commercial corridor for neighborhoods in the southwest quadrant of the city.

It holds several blocks of architecturally significant buildings dating from the 19th and early 20th Century, but only on the north side of the street. The south side was cleared and redeveloped in a form that does not support walkable commercial or mixed uses. The width of the road and traffic it carries is another impediment to walkability.

Blocks in the immediate vicinity of the Susan B. Anthony House have the potential to attract businesses serving a destination customer, including those visiting the historic site. Coinciding with the planned visitor center, the City can invest in streetscape improvements and other enhancements to create a distinct identity for this area. Building on its regional draw and architecture, there is the potential to also develop live-work artist space in the historic buildings, or on redevelopment sites on the corridor.

While the study area can support a mix of neighborhood and destination uses in an urban format, segments of the corridor further



to the west may be considered for uses that are designed to be more accessible to cars. This recognizes the role of the corridor as a commuter route into the city and as a community-level commercial district.

CHARACTERISTICS OF THE WEST MAIN STREET CORRIDOR

CORRIDOR CHARACTERISTICS

Commercial floor area (sq. ft.)	532,401
Vacant commercial floor area (sq. ft.)	25,274
Commercial vacancy rate	4.7%
Floor area used for retail	13.2%
Aggregate assessed value (commercial)	\$3,719,500
Average value per square foot	\$6.99
Change in assessed value, 2007 to 2017	38.1%

TRADE AREA INCOME

Median household income	\$25,100
Below poverty level	38.8%
Households with Social Security income	31.3%
Households with SNAP benefits	48.3%
Households with public assistance income	17.2%

TRADE AREA POPULATION

Population - 2018	17,193
Growth rate 2010 to 2018	-1.34%
Median age	31.2
Age 65 or over	11.8%
White	12.2%
Black	78.8%
Hispanic origin	8.4%
Households - 2018	6,654
Average household size	2.55
Households with children	39.2%
Single parent households	30.3%
No vehicle available	35.8%
No high school degree	23.0%
Enrolled in college	5.1%
Unemployment rate	14.3%

MARKET CHARACTERISTICS

Retail market potential	\$115,266,288
Estimated retail sales	\$19,693,000
Retail market share	17.1%
Dining market potential	\$12,404,177
Estimated dining sales	\$1,570,000
Dining market share	12.7%

TRADE AREA HOUSING

Housing units (2018)	8,029
Housing units built prior to 1940	67.6%
Housing units built since 1990	12.9%
Median years in unit	7
Owner occupied	24.7%
Renter occupied	58.2%
Vacant	17.1%
Median home value	\$76,587

WEST MAIN STREET CORRIDOR MARKET ANALYSIS AND STRATEGY

Rochester's *Commercial Corridors Strategy* guides City investments and economic development initiatives to create more vibrant commercial districts. These corridors are vital to the City's quality of life. Their businesses offer the products and services needed by residents, they serve as social and economic centers for their neighborhoods, they provide an environment for entrepreneurship and small business growth, and they generate revenue to support City services.

The *Commercial Corridors Strategy* was developed in three parts. It began with an overview of the market and conditions for retail and dining businesses across the city and metropolitan area. Next, it delved more deeply into eight districts, or study areas, representative of different conditions seen throughout the community. These are intended to serve as

models that may be replicated on other districts. Lastly, it recommends a "toolkit" of programs and initiatives for business and district vitality.

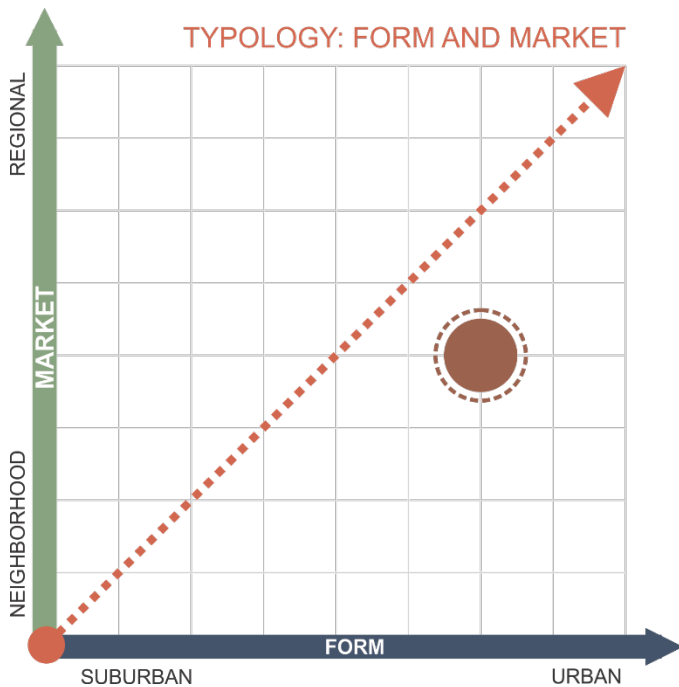
The West Main Street commercial district is one of the eight study areas chosen for detailed analysis. This district is seen as having the potential to attract visitors as well as serve shopping and service needs of community residents. It is the principal commercial arterial in the city's southwest quadrant and has the potential to serve downtown residents. The Susan B. Anthony House and Museum is a noteworthy attraction that can draw visitors to an area of relatively intact and attractive 19th Century commercial buildings. Further west, the Bull's Head redevelopment area may attract chain and franchise retail that is not represented in this part of the city.

Fitting West Main Street Into the Theory of Change

The *Commercial Corridors Strategy* developed a theory of change to describe conditions that lead to revitalized commercial districts. This theory began by recognizing a range of characteristics based on urban form and the market being served. West Main Street is the primary arterial in the city's southwest quadrant and carries significant traffic to and from the downtown. Its businesses include some that serve multiple neighborhood areas. While not serving a regional market, they do reach a threshold for serving the community. Although form varies across the length of the corridor, it is generally urban in character.

The theory of change posits certain baseline conditions that are a platform from which to build a healthy commercial district. Conditions in this area are good compared to other parts of Rochester, with the potential to become stronger with targeted investment.

- **Neighborhood stability** – Residential areas to the south of the corridor are generally more stable than those to the north, though the City has initiated new market rate and affordable housing construction in both areas. Low income apartment complexes tend to be clustered to the east, even bordering on the corridor. At the western end of the district, Rochester Regional Health – St. Mary's Campus is an important employment center.
- **Demographics** – The district has a relatively large trade area with 17,193 residents and 6,654 households, but household income is very low. About four out of five persons in the area are black, and the market is more homogenous than in some other parts of the city. This is helpful to businesses in targeting their customers, which is more important given the low income profile of the area.

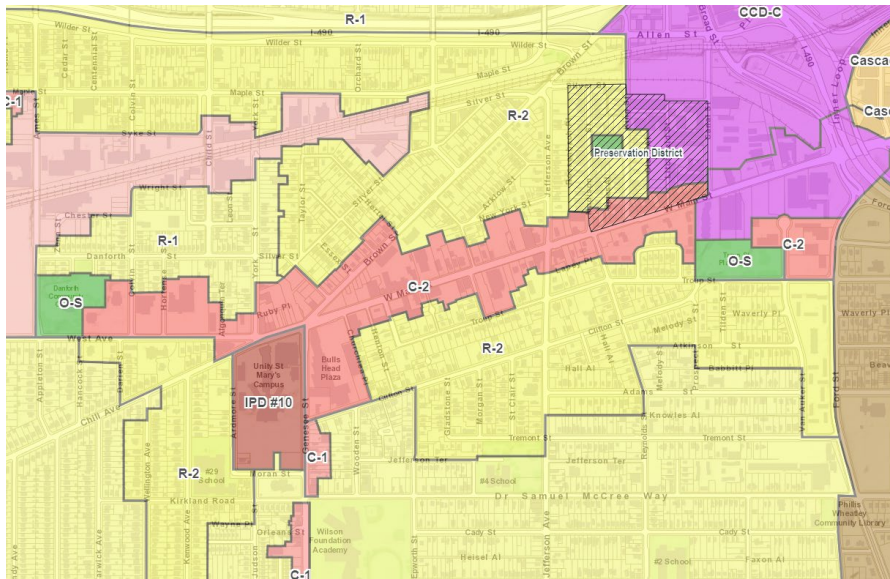


- **Safety/perception** – Crime rates vary from near the national average in the 19th Ward (touching the southwest part of the corridor, to more than five times that rate in the northwest part of the corridor. While West Main Street is not perceived as negatively as other corridors in the city, there are still concerns about safety that impact its ability to draw customers.
- **Product mix** – The district has few chain businesses to serve as anchors, and it has not attracted specialty shops that might serve visitors. There are some restaurants in the historic part of the district. There are also some offices, some of which are associated with the hospital (medical offices).

Elevating factors are strong assets that can be leveraged to drive additional customer traffic to a business district. There

are some elevating factors in this district. Though varying in strength, they are a starting point from which to build a stronger district.

- **Attractions** – The Susan B. Anthony House and Museum is an underappreciated asset for the district, able to help support businesses that would appeal to visitors. Rochester Regional Health – St. Mary’s Campus brings in both employees and visitors, but again, there are few businesses tapping this market.
- **Unique businesses** – West Main Street is supporting a small number of ethnic restaurants including African and Caribbean foods. Morris Lumber is one of only a handful of building material sellers in the city.
- **Design character** – The district originally developed in the 1800’s with mostly two-story buildings having ground floor commercial uses and offices or apartments on the second floor. An attractive section of this pattern remains between Canal and Madison Streets, on the north side of West Main Street. These three blocks are near the Susan B. Anthony House and Museum. The former railroad depot that now houses Nick Tahou Hots, at Ford Street, helps to make an impressive gateway to the district.



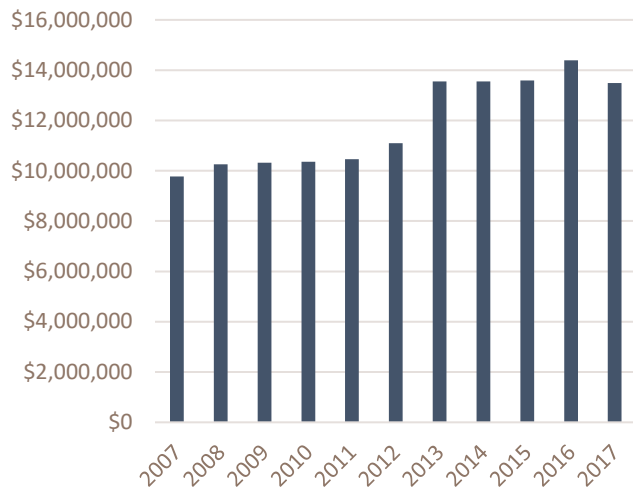
Most of the commercial uses in the West Main Street Corridor fall within the C-2 Community Center District (above, left). The eastern portion is part of the Center City District, and parts of the corridor fall within an historic preservation district.



Commercial buildings in the West Main Street Historic District.

- Social interaction** – The district has some of the elements that contribute to a walkable pedestrian environment, but it generally lacks much street activity. There are no natural gathering places in the district.

ASSESSED COMMERCIAL PROPERTY VALUATION



Source: City of Rochester

The Corridor

The study area begins at Ford Street on the east, and runs west to the Bull’s Head redevelopment area at York Street. Traffic counts at either end of the district are over 22,000 cars per day, dropping to a low of 17,100 cars east of Jefferson Avenue. These are good counts that should be attractive to neighborhood or community retailers.

West Main Street is a long corridor and its character changes throughout. At its eastern end it has a traditional pattern of mostly two story commercial buildings set to the street, while there are a larger number of freestanding commercial buildings with parking, office buildings, and residential buildings to the west.

Property valuations have held steady over the past decade. The increases seen in the area can be attributed to some renovation, and the construction of a new mixed-use building (431 West Main Street) in 2013. Family Dollar added a store in 2018, which will show an increase when additional years of assessment data are released.

Development Patterns

Lot widths and depth vary across the area, and are larger than common on a more typical urban street. Some of these large lots contain large commercial, religious, or apartment buildings that cover much of the frontage, but in other cases, the excess land is used for parking. That is apparent in segments such as between Jefferson Avenue and Madison Street, where older gas stations and fast food restaurants leave gaps in the street wall. It is in this area that the Susan B. Anthony House and Museum intends to construct a visitor center. The size of these lots does make them easier to redevelop.

The eastern end of the corridor developed in the mid-1800’s and had a pattern usual to the era, though this is only partially preserved from Canal Street west to Madison Street. These blocks contain some very attractive two-and three story buildings, with commercial spaces between 1,500 and 3,000 square feet. Multi-story brick industrial buildings in this area are being converted to residential and office use, and Victorian Era homes around Susan B. Anthony Square have been preserved. The entire south side of Main Street has been redeveloped, from Ford Street to Jefferson Avenue. New uses include large office buildings and a housing redevelopment project. For the most part, they do not have a pedestrian-friendly urban form and they preclude the potential to develop a mixed use district comparable to what may be possible on the north side of the street.

The character of the area becomes less consistent west of Jefferson Avenue. Some Victorian Era home remain, though several have been converted to new uses such as offices or a funeral home. Larger

West Main Street is the primary arterial in the city’s southwest quadrant and carries a good amount of traffic.

buildings include churches, office buildings, and apartments. Bull’s Head Plaza, at Genesee Street, was assembled from commercial buildings that once faced Genesee Street, but were opened at the rear to a large parking area. This center sits next to the Rochester Regional Health – St. Mary’s Campus, which should be an anchor for the vicinity, and the whole of the corridor. The Bull’s Head Redevelopment area lies on the north side of West Main Street in this area. There is a recently-relocated Family Dollar, and newer apartments in this

ESTIMATED SALES PER SQUARE FOOT

BUSINESS TYPE	W. MAIN STREET	ALL STUDY AREAS	NATIONAL AVERAGE
Retail	\$279	\$208	\$325
Restaurant	\$73	\$173	\$275
Personal Services	\$86	\$66	\$145

SOURCES: Place Dynamics estimates. National averages: Retail – Urban Land Institute; Restaurant – National Restaurant Association; Personal services – International Council of Shopping Centers.



A recent Family Dollar Store on West Main Street, with new apartments in the background.

western portion of the district. Twelve of the properties in the district have outstanding code violations.

Commercial zoning districts cover all of the corridor study area. The majority of the area is within the C-2 Community Center district, while the eastern end of the district lies within the Center City – Main Street district. This could be addressed through regulations or incentives related to both design and use. The C-2 district is more permissive and can accommodate most uses that might locate in the district. It offers flexibility to meet user requirements related to considerations such as parking and drive-through windows.

Parking needs are currently being met by a combination of mostly on-street parking in the eastern end of the district, and through private parking to the west. A need has been noted for the Susan B. Anthony House and Museum, for both cars and buses. This will be addressed as part of plans to construct a visitor center on West Main Street. Over a longer term, if new businesses are attracted to the historic district blocks, there may be a need to provide shared and/or public parking.

Business Mix and Considerations

There is a total of 532,401 square feet of ground floor commercial space in the West Main Street commercial district, not including the hospital campus. Only 25,274 square feet is vacant. This vacancy rate of 4.7 percent is better than many commercial areas in the city.

The category of “other” uses, which includes light manufacturing, warehousing, construction trades, and similar activities, comprises the largest amount of the district’s floor area. These uses occupy 169,565 square feet, or 31.8 percent of the total. Medical and professional offices follow with 99,372 square feet, or 18.7 percent. This does not include the floor area of the hospital building.

Retail uses take up 70,247 square feet, or 13.2 percent of the district’s commercial floor area. There are 22 retail businesses in the district. Auto service follows closely at 62,037 square feet and 11.7 percent. Civic uses, including two large churches, make up 10.9 percent of the total, with 57,982 square feet. This use also includes the City of Rochester Housing Authority offices. No other uses take up a significant percentage. In order, these are restaurants (4.1 percent), personal services (3.6 percent), and financial (1.4 percent).

Retail and personal services sales per square foot are better than the average for the eight study areas. Retail businesses in the district are estimated to have aggregate sales of \$19,623,000, while restaurant and bar sales total \$1,570,000, and personal services come to 1,630,000. These sums result in sales per square foot of \$279 for retail, \$73 for eating and drinking, and \$86 for personal services. Chain businesses in the district do help to elevate the average sales per square foot figure for retail, but independent businesses like William B. Morse Lumber Co., Main Street Meats, and Kicks N Caps also have high sales volumes.

Nationally, retailers spend an average of 9.5 percent of gross revenue on rent. If this average is applied to the sales and floor area data for this district (leaving out Rite Aid), the retail businesses would be expected to afford a rent averaging \$26.54 per square foot. That may be more realistic of businesses with higher sales volumes, but would not be possible for many of the smaller businesses grossing less than \$100,000 annually. Limited information is available, but those properties for which rent could be identified are listed between six and eleven dollars per square foot.

Retail sales average a respectable \$279 per square foot, even while restaurants and personal services are below national averages.

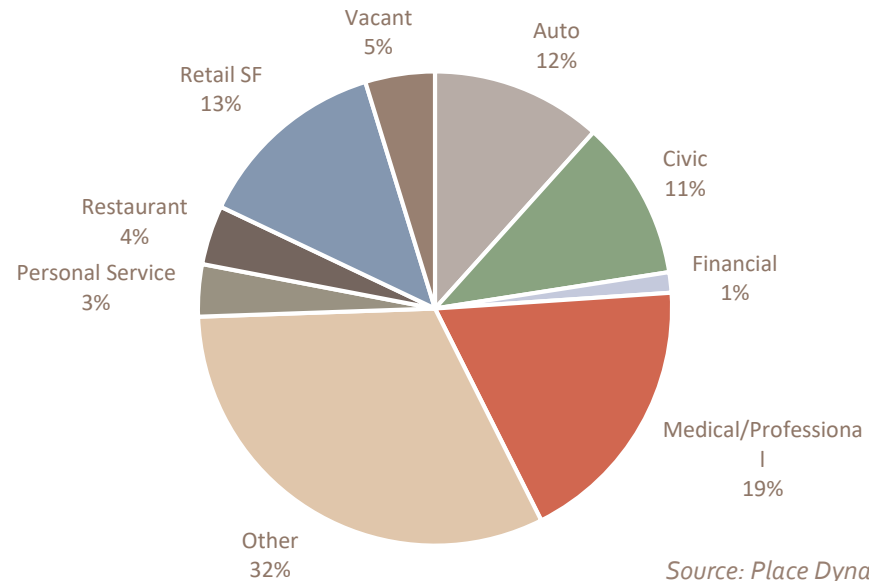
Neighborhood Characteristics

The neighborhoods surrounding the district tend to be made up of one and two-family homes, and some small apartment buildings. There are some larger public housing developments at the east end of the district and to the southeast. Only 24.7 percent of housing is owner-occupied, compared to about 30 percent of units city-wide. Another 58.2 percent is occupied by renters, while a very high 17.1 percent is unoccupied. About half of the vacant units are not being marketed.

Conditions vary across the area, with better conditions found further south, and poorer conditions to the north of the corridor. The greatest number of foreclosures and demolitions in the trade area have been north of West Main Street and east of Jefferson Avenue.

Home values in the study area neighborhood tend to be lower than those in the City of Rochester overall. About 73 percent

USES IN THE WEST MAIN STREET CORRIDOR BY FLOOR AREA

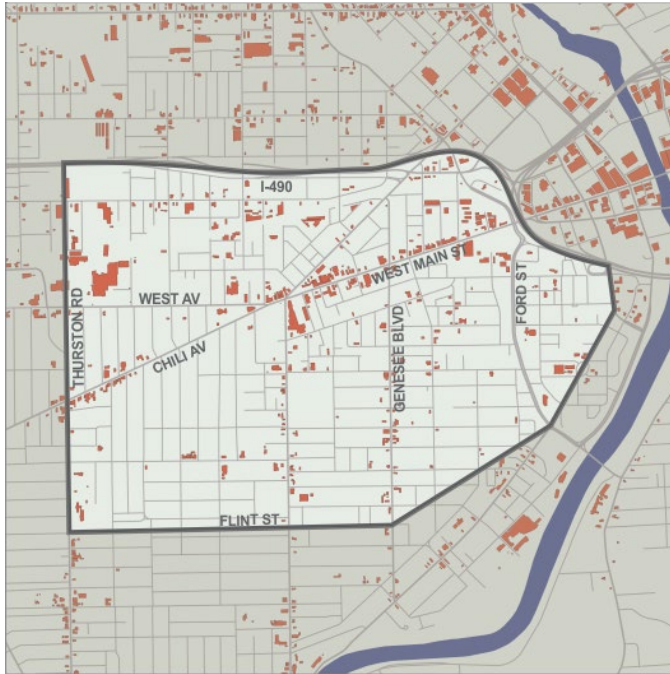


of owner-occupied units are valued below \$99,999. The median home value is \$76,587, roughly 90 percent of the city-wide median.

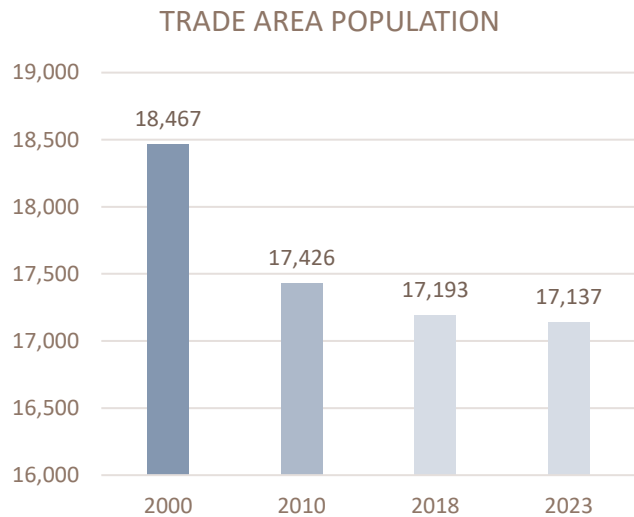
The study area falls within or touches on several neighborhoods with notably different character. Rochester’s 19th Ward, to the west, is a comparatively stable area, while neighborhoods to the north and east are experiencing greater stress. This includes an area south of the corridor which has been designated one of four Focused Investment Strategy Impact Areas, in which the City has concentrated Community Development Block Grant funding to promote neighborhood revitalization. Foreclosure and demolition activity has still been significant in this area and north of West Main Street, particularly in areas east of Jefferson Avenue.

The neighborhood contains important institutions. Rochester Regional Health – St. Mary’s Campus is a significant anchor, offering employment to nearby residents and also drawing people from across the region for health care services.

There are several public offices in the corridor, including Rochester’s Housing Authority and Emergency Communications Center. The Salvation Army also has their offices in the Bull’s Head redevelopment area. The Danforth Community center lies just to the west. It has an auditorium and kitchen. The Paul Louis Arena is an indoor ice center just east of the corridor. Other organizations include the



The West Main Street corridor trade area is outlined above.



Source: ESRI

Flying Squirrel Community Space and several churches. Four schools are located nearby; Adlai E. Stevenson School No. 29, Joseph C. Wilson Foundation Academy, George Mather Forbes School, and Clara Barton School No. 2.

Market Assessment

Because West Main Street is the primary arterial into downtown, and through the southwest quadrant of the city, it serves a higher level of commercial activity than a neighborhood center. Without stronger anchors, it still does not rise to the level of a community center. This has the potential to change through redevelopment of the Bull’s Head area and the potential for specialty retail further east in the district.

Trade Area

A trade area is defined as the region from which a business, or in this case, a business district will draw between 60 and 80 percent of its customers. It is necessarily imprecise, as each of the district’s businesses may have a varying ability to draw from a near or far distance depending on the business type and merchandise selection, pricing, customer service, marketing, or other factors.

The trade area for West Main Street has the potential to grow, if the district were able to attract chain businesses and strong independents that provided goods and services not currently available within the southwestern part of the city. The current lack of depth in its business mix, and strength of competition to the south and west are its limiting factors. Residents outside of the trade area can just as easily reach strong retail and service clusters outside of the city.

Demographics

There are 17,193 people living in 6,654 households within the trade area. Between 2010 and 2010 the population of this area declined significantly, but those losses have diminished in recent years. The City’s efforts to stabilize these neighborhoods appear to be bearing fruit.

There has been little change over time in the racial or ethnic composition of the area, where 78.8 percent of the population is black, 12.2 percent white, and 4.8 percent two or more races. The percent with Hispanic ancestry has edged up slightly, from 6.9 percent in 2010 to 8.4 percent in 2018.

The median age is 31.2 years, an increase from 29.9 in 2010, and 42.6 percent of households (36.5 percent) have children under 18 living at home.

Nearly a quarter of adults (23.0 percent) have not completed high school or obtained a GED. Unemployment is high, at 14.3 percent of the civilian population in the labor force. Nearly two-thirds of those working (65.3 percent) are employed in services, followed by retail (10.5 percent).

The median household income of \$25,100 is well below the \$31,813 median for all of Rochester, the state median of \$62,447, and the \$56,969 median of the Rochester metropolitan statistical area (MSA). Persons in households earning below the poverty level make up 38.8 percent of the population.

Even while the eastern edge of the trade area nears the University of Rochester campus, there appears to be little influence of college student housing in the area, with 843 persons enrolled in undergraduate or graduate studies. This is 4.9 percent of the trade area population, compared to 9.6 percent of the city's population enrolled in college.

Resident Market

Spending indices for all goods and services are below the national average in this trade area, and cluster around half of national averages. This presents a challenging environment for middle market retailers who will find small numbers of customers able to afford items they often sell.

ESRI uses related characteristics to define market segments in the trade area. The largest of these is a group called "City Commons", making up 62 percent of the total. These tend to be single parents of young households. They are less likely to own a vehicle and tend to use public transportation. There is high unemployment within this group, which has the lowest income among the four groups common to the area. Fashion is an important expenditure, and many prefer fast food to cooking at home. This group is followed by "Modest Income Homes" with 13 percent of the total. They include many single-parent and multigenerational families. Despite high unemployment, jobs are their primary source of income, though many households rely on Social Security or public assistance income.

DETERMINING THE CONTRIBUTION OF THE CASH ECONOMY TO MARKET POTENTIAL



Cash Economy

The underground economy, or cash economy, consists of earnings that go unreported to government entities. Nationwide, it is estimated that these earnings are equivalent to eight percent of gross domestic product. While some of it is comprised of illicit activities, the majority is earned through contingent work – temporary gigs, contract work, and freelancing – that is simply “off the books”. The internal revenue service estimates that 43 percent of this income goes unreported. This additional income should be considered in examining the potential for businesses in areas such as West Main Street.

The cash economy adds an additional \$3.1 million in retail, and \$418,000 in restaurant spending by trade area residents.

To understand the contribution of the cash economy to the market potential in any area, it is first necessary to estimate participation in the contingent workforce. The methodology used in this analysis is based off an extensive survey conducted by the Rand Corporation and Princeton University, which determined rates of participation based on an array of demographic and workforce characteristics, such as age, gender, race, educational attainment, industry, and occupation. Data for the trade area was obtained through the Longitudinal Employer-Household Dynamics (LEHD) program through the US Census Bureau’s Center for Economic Studies. County-level Nonemployer Statistics were used to estimate individual earnings. The aggregate sum was multiplied by 0.43, and the resulting income was distributed across all expenditure categories using the same percentage distribution as in the trade area population.

The cash economy is estimated to be the equivalent of 681 persons working in the trade area, with total earnings of \$23,602,000. Their income supports an additional \$3,082,000 in spending on retail goods, and \$418,000 on eating and drinking.

MARKET DEMAND, EXISTING SALES, AND MARKET SHARE

	NAICS	RESIDENT DEMAND	CASH ECONOMY	TOTAL DEMAND	EXISTING SALES	MARKET SHARE
Total retail trade and food and drink	44-45,722	\$124,170,465	\$3,500,000	\$127,670,465	\$21,263,000	16.7%
Total retail trade	44-45	\$112,184,288	\$3,082,000	\$115,266,288	\$19,693,000	17.1%
Total food and drink	722	\$11,986,177	\$418,000	\$12,404,177	\$1,570,000	12.7%
Automobile dealers	4411	\$19,829,367	\$544,765	\$20,374,132	\$0	0.0%
Other motor vehicle dealers	4412	\$1,634,858	\$44,914	\$1,679,772	\$0	0.0%
Auto parts, accessories, and tire stores	4413	\$1,809,190	\$49,703	\$1,858,893	\$0	0.0%
Furniture stores	4421	\$2,203,921	\$60,548	\$2,264,469	\$0	0.0%
Home furnishings stores	4422	\$1,796,751	\$49,362	\$1,846,113	\$0	0.0%
Electronics and appliance stores	4431	\$4,051,373	\$111,302	\$4,162,675	\$225,000	5.4%
Building material and supplies dealers	4441	\$5,263,576	\$144,604	\$5,408,180	\$1,000,000	18.5%
Lawn and garden equipment and supply stores	4442	\$473,486	\$13,008	\$486,494	\$0	0.0%
Grocery stores	4451	\$17,583,594	\$483,068	\$18,066,662	\$558,000	3.1%
Specialty food stores	4452	\$1,376,378	\$37,813	\$1,414,191	\$1,851,000	130.9%
Beer, wine, and liquor stores	4453	\$1,523,277	\$41,848	\$1,565,125	\$971,000	62.0%
Health and personal care stores	4461	\$9,580,527	\$263,202	\$9,843,729	\$5,978,000	60.7%
Gasoline stations	4471	\$11,992,774	\$329,473	\$12,322,247	\$3,960,000	32.1%
Clothing stores	4481	\$6,429,774	\$176,643	\$6,606,417	\$2,454,000	37.1%
Shoe stores	4482	\$1,077,452	\$29,600	\$1,107,052	\$0	0.0%
Jewelry, luggage, and leather goods stores	4483	\$1,424,529	\$39,136	\$1,463,665	\$0	0.0%
Sporting goods/hobby/musical instrument stores	4511	\$2,679,325	\$73,608	\$2,752,933	\$75,000	2.7%
Book, periodical, and music stores	4512	\$537,092	\$14,755	\$551,847	\$0	0.0%
Department stores excluding leased departments	4521	\$8,260,376	\$226,934	\$8,487,310	\$0	0.0%
Other general merchandise stores	4529	\$5,258,306	\$144,460	\$5,402,766	\$2,177,000	40.3%
Florists	4531	\$295,936	\$8,130	\$304,066	\$70,000	23.0%
Office supplies, stationery, and gift stores	4532	\$1,264,766	\$34,746	\$1,299,512	\$0	0.0%
Used merchandise stores	4533	\$558,903	\$15,355	\$574,258	\$125,000	21.8%
Other miscellaneous store retailers	4539	\$2,076,919	\$57,058	\$2,133,977	\$249,000	11.7%
Nonstore retailers	4541	\$3,201,836	\$87,963	\$3,289,799	\$0	0.0%
Special food services	7223	\$516,500	\$14,190	\$530,690	\$0	0.0%
Drinking places - alcoholic beverages	7224	\$654,210	\$17,973	\$672,183	\$75,000	11.2%
Restaurants/other eating places	7225	\$10,815,467	\$297,130	\$11,112,597	\$1,495,000	13.5%

SOURCE: Place Dynamics LLC and ESRI Business Analyst

Market Share

Market share – the percentage of potential spending captured by businesses in the study area – is the most important statistic used to assess how well the district is performing. Businesses outside of the district are capturing the remainder. Along with the size of the market being lost, that competition will determine whether it is possible to expand existing businesses or add new ones in the West Main Street district.

District businesses are capturing 16.7 percent of the market for retail and dining, split between a 17.1 percent market share for retail, and 12.7 percent for eating and drinking. A great deal of the potential market is being lost to other commercial districts. Many of these are outside of the City of Rochester.

The district displays a strength in specialty food stores, where a meat market and two seafood stores serve a population larger than the trade area. West Main Street's role as an arterial brings traffic through the area, making it an advantageous location for businesses such as these. Other specialty food stores, such as bakeries, may be attracted to the district.

Other strong retail industries include beer, wine, and liquor stores, and health and personal care stores. The presence of the hospital helps to support the latter.

Considering the district's role as an arterial and the principal route into downtown from the west, it is surprising to see few restaurants in the area. The lack of onsite parking at most potential locations may be a factor. This district should support more fast food, along with other types of restaurants.

Competition

While meeting more shopping needs than most districts, the West Main Street district is still losing business to stronger competitors. Most of these are found in suburban locations, with the Walmart Supercenter on Chili Avenue being among the most significant of these competitors.

When studying neighborhood retail, analysts typically expect anchor uses such as grocery stores, hardware stores, and pharmacies. The nearest full-line supermarket is the Tops at West Avenue and Gardiner Avenue, to the west of the study area. There is a Walmart Supercenter a little over a mile west, on Chili Avenue at Highway 204 (Brooks Avenue). The lumberyard meets some needs for hardware or building materials, and two long-time hardware businesses in the southwestern part of Rochester closed in recent years. The Rite Aid in this district has a higher sales volume than others in the southwestern part of the city.

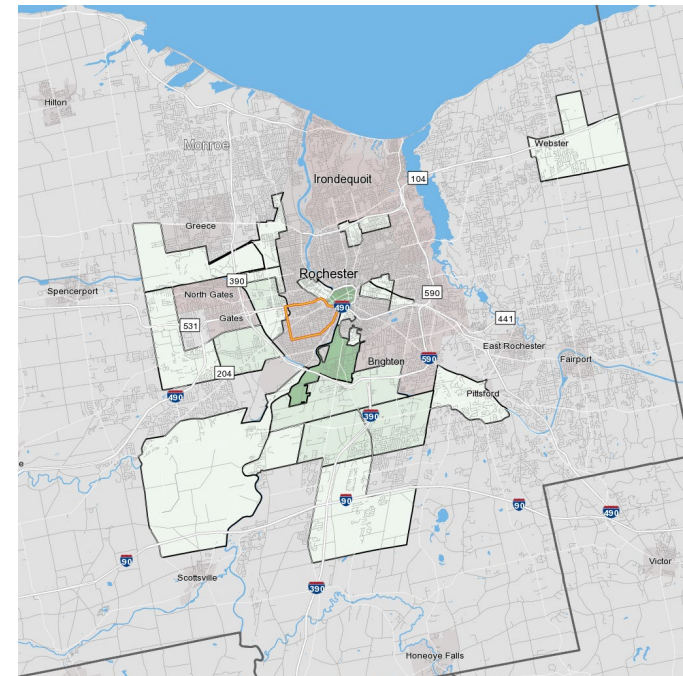
For shopping trips outside of the neighborhood, patterns are often closely correlated to the locations in which people work. Residents of the West Main Street district trade area work in downtown Rochester, at the University of Rochester and hospitals just east of the river, and in areas to the south, in and around the airport and the Marketplace Mall. The mall and the adjacent Jefferson Road corridor are well represented with national chains that will meet most shopping needs of area residents.

Business Opportunities

The West Main Street commercial district is able to support new businesses. Its opportunities are linked to redevelopment and to enhancing unique assets along the corridor, such as the Susan B. Anthony House and Museum, along with the adjacent historic district. The district can serve an area larger than its existing trade area, and can also be positioned to meet the needs of commuters and workers in the downtown.

Business Expansion Potential

When considering ways to expand business activity in the district, it is important to first consider how existing businesses might be strengthened. This can happen indirectly within this district, by continuing to



Workplace of residents of the West Main Street corridor's trade area.

work to stabilize the adjacent neighborhoods, by building on anchor uses in the district, and by improving the marketing practices of these businesses.

Stabilizing the neighborhoods and improving the economic prospects of their residents will create additional income to make purchases at nearby businesses. New spending may also be realized from employees at the hospital and other businesses in the area, and within the downtown. These workers have the potential to make workday purchases, whether during their commute or during breaks. Areas with a large nearby employment base often have significant lunchtime restaurant traffic, but aside from Nick Tahou's, this does not appear to be the case in the West Main Street corridor. For both restaurants and retail, marketing and associated offerings that target these workers could result in improved sales.

New Business Potential

With the low income profile of the surrounding area, prospects for new retail are closely tied to capturing commuter/worker traffic and visitors to the Susan B. Anthony House and Museum, to supplement the resident population.

- **Specialty food stores** – The district already has a successful meat market and two seafood stores. Other specialty food stores can also be successful in the district. Examples would include a bakery or ethnic grocers.
- **Health and personal care stores** – Home health supply stores are a use that can be tied to the presence of the hospital. Other personal care stores may be possible due to the potential for this district to serve multiple neighborhoods.
- **Clothing, shoes, and accessories stores** – There are clothing stores in the district, and others can be possible due to its larger pull, compared to neighborhood centers.

- **Specialty retail** – Specialty retail such as gift and novelty shops, book stores, or art galleries may be possible with further development of the node around the Susan B. Anthony House and Museum.
- **Restaurants** – Additional restaurants will serve unmet demand from the neighborhood, workers, commuters, and visitors. They will likely vary their format and location based upon which of these markets they will prioritize. Those serving workers and commuters are more likely to be franchised fast food establishments, while those serving the resident and visitor market are more often going to be locally owned. Franchise businesses will need parking and a drive-through window. Local restaurants will still benefit from parking, especially if they will offer full service dining.

Recommendations

Recommendations for the district are divided into two groups. The first are actions, policies, or programs specific to the district. The second are references to broader programs recommended for the City, which will have applicability to more than one district.

Corridor Recommendations

The following recommendations are specific to the West Main Street commercial district.

1. **Enhance the area around the Susan B. Anthony House and Museum.** This should include a significant streetscape project (improving upon the existing enhancements) that ties into the planned visitor center, and connects to the square. This should extend from Madison Street and Canal Street. A concerted effort should be made to restore the facades of the historic commercial buildings and to attract specialty retail businesses and restaurants that can capture visitor traffic. The design may consider strategies to accommodate outdoor dining on the sidewalk.
2. **Investigate the feasibility of live-work artists space.** Organizations such as ArtSpace International have developed an effective approach to leveraging the arts as a revitalization technique. This area has the character, affordability, and potential visitor traffic to make it a place where artists can set up shop. The ideal location is in the commercial blocks near the Susan B. Anthony House and Museum. The feasibility study should include developing a shared gallery space in one of the historic buildings.

3. **Explore options to provide more public parking between Madison Street and Canal Street.** The growth of this area will depend on the availability of convenient parking for customers of the businesses that locate there. Creative options might include back-in angled parking on Main Street.
4. **Redevelop the Bull’s Head area.** This is a large redevelopment site near the major anchor on the primary arterial through the southwest quadrant of the city. This site presents one of the City’s best prospects for attracting chain retail that can meet the shopping needs of area residents. Consideration should be given to allowing a hybrid pedestrian and auto-oriented design that will appeal to these potential users.
 - b. Engage with individual businesses and property owners to understand their needs and facilitate connections to people or resources that can help them address those needs.
 - c. Provide direct and proactive technical assistance to businesses with marketing and management issues.
 - d. Coordinate consumer research within the trade area to determine perceptions, desires, and shopping habits of the customer base, including visitors to the Susan B. Anthony House and Museum.
 - e. Work with commercial property owners to recruit new businesses that will elevate the quality and improve the diversity of businesses in the district.

6. **Retail and dining startup programs.** The Commercial Corridors Strategy recommends parallel programs to encourage retail and dining entrepreneurship. These utilize existing resources and establish new ones to: 1) create a “culture of can” in which business ownership is seen as a viable life path; 2) impart the knowledge and skills necessary to start and successfully operate a retail or dining business; and 3) guide startups through an incubation process that may take one of several routes (storefront, marketplace, food or retail truck, or pop-up space).

Restaurant startups in this district can include small storefront uses in the area around the historic district, and more auto-accessible sites further west along the corridor.

7. **Business growth program.** Business growth programs recommended in the Commercial Corridors Strategy overlap with educational and technical assistance components of the proposed startup programs. They are intended to bring resources to existing businesses to help in areas that are commonly a challenge for small retail and dining businesses. Common issues among these businesses include:
 - a. Human resources management
 - b. Cash flow planning
 - c. Customer service training
 - d. Marketing and social media
 - e. Earning and keeping customer loyalty
 - f. Creating a shopping/dining experience
 - g. Developing an internet strategy

Applicability of City-wide Programs

This *Commercial Corridors Strategy* recommends that the City of Rochester develop several programs with city-wide applicability, mostly oriented to retail and restaurant business formation and small business growth.

5. **Commercial district coordinator.** The *Commercial Corridors Strategy* recommends that they City create a program with concepts similar to the National Main Street Program, to guide revitalization along targeted corridors in the City. A central need of that program is for coordinators (having an expanded set of skills and engaging in activities beyond those of the street liaisons already in place) who will be responsible for assisting local businesses, property owners, and organizations in their individual and collective efforts to improve the district. Within this district, the coordinator should target the blocks from Madison Street east to Ford Street. Issues that will initially deserve the attention of a coordinator include:
 - a. Promote renovation of the area’s historic buildings.

- h. Understanding customer preferences
 - i. Learning and using new technology
 - j. Merchandising and inventory management
 - k. Visual display / design issues
 - l. Menu planning
8. **Nonprofit commercial development corporation.** The Commercial Corridors Strategy recommends that the City join with partners to create a nonprofit entity that will invest in commercial renovation and redevelopment in support of district revitalization and small business development. This organization will make targeted, impactful investments that anchor a district and/or address nuisance and blight concerns. Within the West Main Street district, this organization may prioritize renovating historic buildings and an arts-based initiative such as live-work space.