TRANSIT NORTH

HISTORIC CANALWAY CORRIDOR

TRANSIT NORTH CORRIDOR:
Market & Economic Benefits Assessment

Prepared for: the Town of Lockport

By: Economic Stewardship, Inc.

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Table of Contents

Synopsis

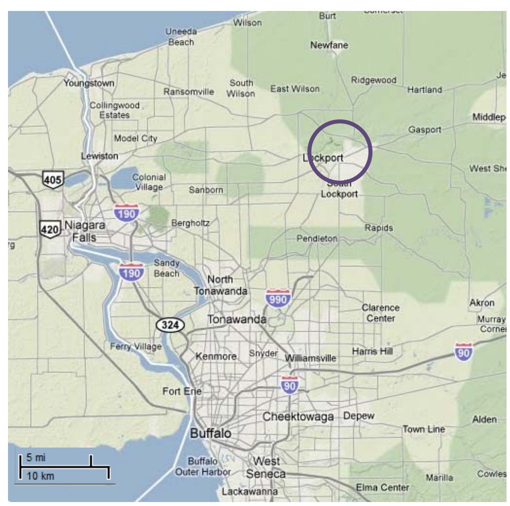
Transit North offers developers and retailers an opportunity to gain access to a growing and underserved market balanced between residents, employees and visitors. The project area encompasses about 1200 acres in the historic Lockport, NY (Niagara County) vicinity. Transit North is bisected by South Transit Road (NYS 78), a major arterial with average daily traffic volume numbering about 32,000 vehicles. Untapped demand from readily available markets indicates support for an additional ±425,000 square feet of retail space over the next decade, of which about 150,000 can be accommodated by re-tenanting and redeveloping existing under-performing space. Corresponding office space demand would add an additional ± 40,000 square feet to the mix. Jobs from all sources would number approximately 550 full-time equivalent positions. Evidence for Transit North's promise includes its ongoing transformation as older properties undergo redevelopment and increasingly upscale tenants arrive, even as the ongoing recession batters numerous other retail nodes.

Transit North's transition benefits from a strategic collaboration between three adjacent communities: the Town and City of Lockport and the Town of Pendleton. These communities worked together to structure a flexible regulatory environment that streamlines the approvals process while ensuring that projects re-enforce their vision for the this important crossroads: a coherent built environment featuring both new construction and adaptive reuse that provides a pleasant experience for shoppers, rewards investors with ample returns and strengthens the municipalities' competitiveness as places to live, work and visit.

Introduction

The Town of Lockport retained Economic Stewardship, Inc. (ESI), to assess the market potential for future commercial development activity within the Transit North Corridor over the next ten (10) years. Between October and December 2009, ESI staff toured the Transit North Corridor and nearby competing commercial districts, reviewed demographic and market data, spoke with key real estate professionals, and evaluated the corridor's development potential. This report summarizes ESI's findings as follows:

- **Characteristics of Available Markets –** an overview of Transit North's customer base
- **Market Context** – an overview of issues and opportunities affecting development potential
- **Market Capture Analysis** – an evaluation of unsatisfied and inducable demand available for capture under alternative growth assumptions
- **Economic Benefit Assessment** – an estimate of how additional market activity might deliver jobs and other benefits to the Lockport economy.



The Lockport area's ability to support additional retail inventory stems from three sources: market strength, unmet demand and the ongoing reinvention and segmentation tactics used by retailers to differentiate their offerings and capture greater market share of today's increasingly mobile consumers.

The Transit North corridor is located on the northeastern fringe of the Buffalo-Niagara metro area, about 20 miles northeast of downtown Buffalo. The corridor connects the historic City of Lockport with the established suburban communities of Amherst and Clarence. The Corridor's core, located between Robinson Road and the City of Lockport, functions as the primary concentration of retail businesses serving eastern Niagara County, including Lockport and the largely rural communities located to its north and east. Population in this part of the county has remained largely constant over the past 20 years; little growth is expected over the next decade. However, the area around Transit North is experiencing growth thanks to a relatively strong new residential construction activity.

From a market standpoint, both population patterns and existing character/competition constrain Transit North Corridor businesses to a primary market consisting of the close-in population living and working within about a five mile radius, shown in the map at right. Beyond five miles to the north and east, there is simply very little population to be served. Those living more than five miles to the west or south are as close or closer to far larger concentrations of retail development, including Eastern Hills Mall and Boulevard Mall. However, traffic congestion patterns favor heading towards Transit North rather than the southern stretches of Route 78. For people living beyond the immediate area, the corridor's chief draw consists of its role as an informal "auto row," featuring a concentration of new and used car dealerships and service centers.

As an office location, the Corridor is mainly comprised of low-density (1-2 story) medical and professional office businesses. Many such office businesses are located in former residences or storefront spaces along Transit Road itself, though there have been several properties specifically developed for office use along Snyder Road over the past 10 years. Close-by competition includes the concentration of business parks found in northeast Amherst, as well as smaller professional office buildings in the City of Lockport and along Transit Road in Amherst and Clarence.

Transit North is not presently a major lodging provider but nearby visitor destinations, along with business activity, suggests that some opportunities may emerge. There are a few limited-service hotels and motels in the City of Lockport, including a Holiday Inn with meeting facilities just across the City's southern border, but there are no hotels located within in the Town of Lockport's portion of the corridor. At present, the closest lodging property to the south is the newly-opened Staybridge Suites, which is about 10 miles south of Lockport at Transit and Sheridan.

The corridor features limited industrial business activity; principally small repair shops and public utility operations. There is, however, substantial industrial activity on the City of Lockport's west side, including the GM Components Holdings (formerly Delphi) automotive parts plant, with plenty of land available for more. The planned Yahoo! data center, set to open in 2010, represents a strong addition to the area's industrial base as well.

Positive characteristics of the Corridor affecting its market potential include its:

- Ability to capitalize on Lockport's somewhat self-contained and underserved market vis-à-vis everyday goods and services.
- Affordable lease rates, which (as elsewhere in Lockport) make retail space attractive to small entrepreneurs launching new enterprises or testing unique business concepts.

- Proximity to Lockport's existing concentration of woman-owned retail shops, which could present a marketing opportunity.
- Niagara County location, where lower tax rates give local businesses a leg up on competitors operating just across the border in Erie County.

Characteristics of Available Markets

Understanding the characteristics of potential customers is fundamental to retail market assessment. Transit North draws from three distinct pools: tourists and employees, who together comprise the daytime population, and residents. The demographic profile that follows reflects the data retailers use to evaluate potential new store sites, including population and projected population growth, household income, household size, and household age characteristics. In summary, the Lockport market area is showing steady growth in population, employment, and income at rates that compare favorably to regional metrics.

The table below presents 1990 and 2000 estimates, along with 2030 projections for population and employment in the five-mile area.

Population and Employment Projections, 2000-2030
Five-Mile Area Around Transit North Corridor

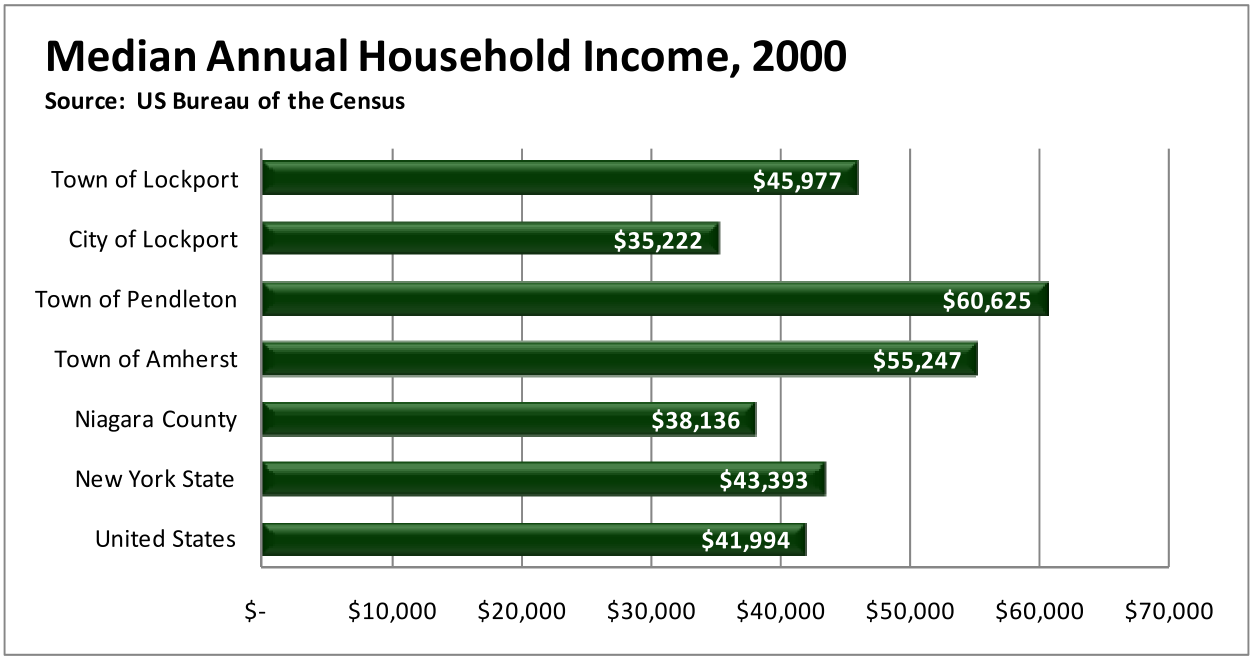
	Population			Employment		
Jurisdiction	**1990**	**2000**	**2030**	**1990**	**2000**	**2030**
Town of Lockport Portion	12,004	14,849	20,108	4,440	6,706	9,543
City of Lockport Portion	24,426	22,279	22,518	18,792	16,774	16,800
Town of Pendleton Portion	1,931	2,782	2,782	356	1,037	1,495
Area Total	38,361	39,910	45,408	23,588	24,517	27,838
Change		**1990-2000**	**2000-2030**		**1990-2000**	**2000-2030**
Number		1,549	5,498		929	3,321
Percent		4.0%	13.8%		3.9%	13.5%

Source: GBNRTC

The market area's population and employment each showed significant growth between 1990 and 2000, with both growing at about four percent during the decade. Although the City of Lockport's population remains essentially stable—the community is essentially built-out—the Towns of Pendleton and, especially, Lockport have posted consistent growth that regional demographers expect to continue or even slightly accelerate. Moreover, the growth reflects new housing construction that carries its own set of retail opportunities.

The data indicate favorable perceptions of the area by the market which is growing despite losses in the broader region. In comparison, Niagara County's population declined about 0.41 percent during the same period and the metropolitan statistical area's population shrank as well, posting a 1.61 percent loss. Projections through 2030 suggest a similar rate of growth for the Transit North region, as the 30-year growth rates of 13-14 percent equate to slightly more than four percent per decade.

The following chart compares 2000 median household income levels for the jurisdictions in and around the Transit North Corridor with state and national benchmarks.



Within Transit North's immediate trade area, the Town of Lockport's median income level of $45,977 exceeded both New York State ($43,393) and Niagara County ($38,136) levels and the country as a whole. However, it is offset by the lower median income level in the City of Lockport ($35,222). The nearby Towns of Pendleton ($60,625), part of the consortium advancing Transit North, and Amherst ($55,247) had far higher income levels but their influence on market potentials is somewhat muted: Pendleton is sparsely populated and Amherst consumers would need to discover advantages to shopping at Transit North to counterbalance habit and other factors drawing them to other nearby commercial centers.

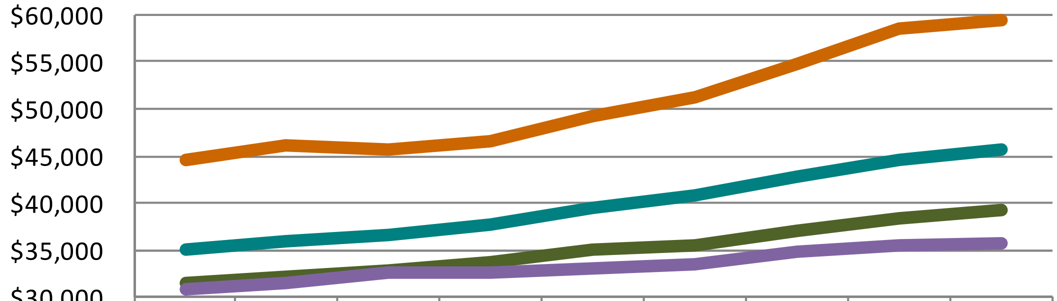
However, recent research conducted by Claritas, Inc., a commercial market data provider, found that median household income for the Transit North market—the population within ten miles—totaled $62,024. Average household income associated with the population living within ten miles of Transit North totaled a whopping $77,688 as of 2007.

The relative strength of the Transit North market's available buying power is underscored by another indicator of earnings, average wages per job. The chart that follows, which shows Niagara County lagging behind the region and the state in earnings per job, suggests that Transit North exists within a pocket of prosperity relative to the area.

As the chart reveals, between 2000 and 2008 the average wage in Niagara County increased from $30,849 to $35,692, an annual growth rate of 1.8 percent. Meanwhile the MSA's average wage increased by 2.8 percent annually and New York State's rate of increase (which, of course, reflects dramatic earnings changes in finance and other sectors centered in New York City) was 3.6 percent—double that of Niagara's.

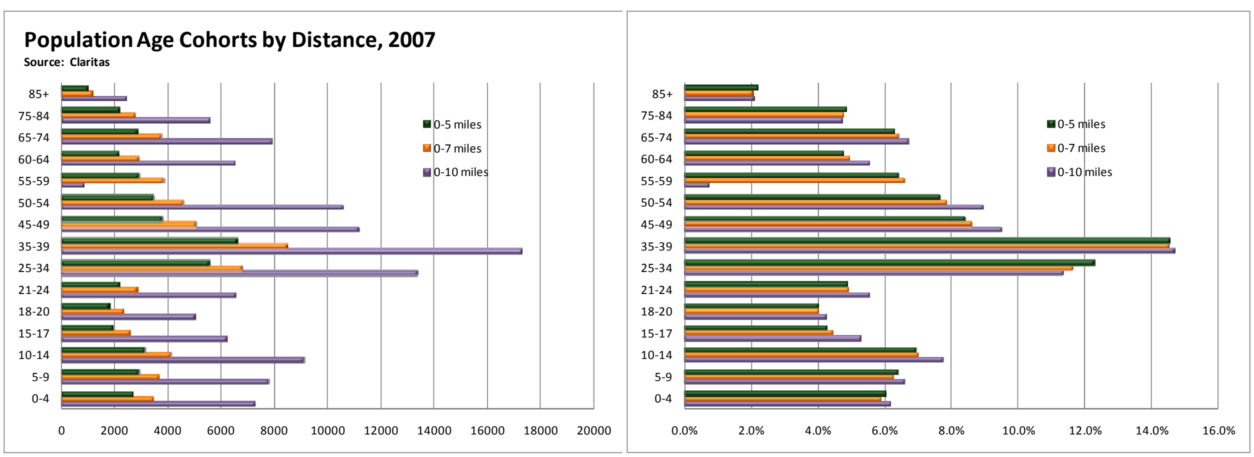
Average Annual Wage Per Job, 2000 - 2008

Source: Bureau of Economic Analysis



	2000	2001	2002	2003	2004	2005	2006	2007	2008
United States	$35,054	$36,035	$36,642	$37,730	$39,389	$40,807	$42,703	$44,605	$45,716
New York State	$44,663	$46,041	$45,634	$46,573	$49,168	$51,226	$54,701	$58,576	$59,404
MSA	$31,556	$32,076	$32,850	$33,697	$35,037	$35,425	$37,078	$38,438	$39,214
Niagara County	$30,849	$31,588	$32,600	$32,626	$33,078	$33,435	$34,874	$35,573	$35,692

Household size offers important clues to retail potential; larger households that include children require a broader array of goods and services, leading to relatively high per capita expected expenditures and demand for a wide variety of retailers. Knowing the age distribution in a trade area enables retailers geared towards a specific niche market to evaluate whether the opportunity represents a good fit. Toddlers, teenagers, young professionals, middle-aged adults and seniors all present different opportunities based on both their buying power (adjusted for affluence) and their propensity to spend New retail opportunities emerge as the population moves through the various life cycle stages: from youth to singleton to young married to family formation to empty nester to retiree. The more stable the population, the more integrated the retail opportunities. The chart below shows the population's distribution by age cohort:



In the broader market living within ten miles, 38.0 percent of household include people under age 18. Closer in, within 5 miles, the share remains impressive at 34.1 percent and, significantly, 12.67 percent of the population has yet to reach their tenth birthday.

Since women typically dominate household purchasing decisions, they represent a key target demographic and their characteristics offer an important metric for developers evaluating the potential new store sites and markets. Within the primary Lockport market area, the median female age is about 39, suggesting potent opportunities. Regardless of marital status, women this age spend money on an enormous array of retail goods for themselves and, often, their families: household goods, apparel and accessories, furniture and textiles, groceries, small and large appliances, personal care products and services, etc.

Areas that include robust employers can offer retailers expected expenditures from the local workforce, a key element of the daytime population. Although the region has taken a few lumps during the most recent economic downturn, the Lockport vicinity has also scored some economic development triumphs, including landing a Yahoo! branch facility which, once construction is complete, will bring about 125 jobs within a few minutes' drive of Transit North.

As a tourist destination, the Lockport area's historic character and the evocative Erie Canal lock system have always drawn visitors. The Erie Canalway National Heritage Corridor, which received Congressional designation in 2000 in recognition of its significance, works to share the region's legacy with appreciative visitors. Lockport holds a special place in the canal's history, for it was here that engineers conquered the final barrier to the west: the Niagara escarpment, which required a five-lock series known as "the Lockport Flight" to ascend, creating a navigable waterway on to Lake Erie and the Upper Great Lakes. Visitors can experience the locks as they raise and lower vessels during a cruise aboard a canal boat. 2010 has been designated as the "Year of the Escarpment" and the ensuing publicity may increase visitation to the charming historic canal-side community.

Lockport also hosts a series of annual festivals, races and other events designed to draw visitors and residents from further afield to the area. For example, the Beast of Burden Winter 100-Miler and 24-Hour Ultra Marathon are scheduled for Winter, 2010. The race follows a 12.5 mile towpath segment between Lockport and Middleport; competitors make four round-trips. The event is attracting national attention among endurance athletes and their fans.

Each year some 3 million people make the pilgrimage to Niagara Falls, one of the world's natural wonders and located only 20 minutes away. And while no one disputes the Falls' magnificence, and many visitors enjoy the nearby casinos and other entertainment options, some visitors seek a quiet, authentic experience in an historic small town: for them, Lockport offers several lodging choices.

Transit North's Evolving Retail Character

Transit North's existing retail supply includes shopping centers organized into several configurations based on tenants, size, target market(s), and layout. The larger existing retailers—Home Depot and WalMart, for example—draw clients from beyond ten miles to Transit North.

Recent arrivals suggest that retailers are taking notice that the region's demographics are improving. More and more national restaurants and retailers are arriving on the scene, but popular local chains, like Jim's Steakout, are also choosing locations in Transit North, confident they can succeed in the company of established competitors. The trend may have begun a few years ago when Starbucks opted for a company-owned location in Transit North, causing other nationals to reconsider the area. Sadly the store was not afforded a chance to establish prior to the corporate retrenching that led to mass closings of nearly 1000 locations; heartbroken patrons mounted a petition to save it. More recently a Panera Bread unit is doing well at Home Depot Plaza serving a similar market.

For Transit North, several major development projects in the pipeline mean some near-term opportunities for new entrants into the market as the area repositions. In light of the young families and new residential development within the Transit North Trade Area, Crawford Furniture's decision to take 30,000 square feet at Home Depot Plaza supports a nascent cluster of home goods emerging to serve the market. Ground will soon break on a long-awaited Super Wal-Mart which will, significantly, entail the redevelopment of the Lockport Mall, an outmoded shopping center site awaiting partial demolition. Once the dust settles the Super Wal-Mart and a BonTon department store with a long-time presence on the site will anchor the project.

Wal-Mart's new investment creates significant redevelopment opportunities for retailers that would benefit from a close-by location at the former Lockport Mall or envision retrofitting the original building at Tops Plaza, just to the south. Fundraising for a new YMCA planned for a greenfield site adjacent to the east is underway; although occupancy is several years away, the facility will create a steady stream of habitual repeat clientele for Transit North.

To capitalize on Transit North's momentum and make good use of available incentives, local economic development practitioners are reaching out to retailers that fulfill several strategic objectives, in addition to representing a good fit with local market characteristics and needs. For example, retailers seeking a toehold in Western New York would find Transit North an especially welcoming location. Companies extending their presence east from Ohio or north from Pennsylvania would benefit from convenient access to Interstates to ease distribution. New entrants to the regional marketplace would contribute to Transit North's distinctive identity and could also motivate shoppers from Amherst and other Erie County communities to the south to investigate the fresh retail experience(s).

Throughout Transit North, parcels and demised spaces are available for retailers geared towards several shopping center configurations. Transit North includes:

- **Convenience Centers** – Convenience center tenants provide personal services (e.g., salons, banks and dry cleaners) along with convenience goods. These offerings are distinguished by the lack of comparison shopping associated with their purchase and the high premium placed on ease of acquisition and, hence, proximity to home or office, e.g., most items carried by grocery and drug stores, flowers and newspapers. A typical convenience center relies on a trade area extending only a mile or so from its location: that is, roughly 75 percent of its sales originate with people who live or work within just a few minutes travel time. Convenience Centers' size typically totals 25-35,000 square feet of gross leasable area.
- **Neighborhood Centers** offer similar goods with a mix of establishments providing the market with personal services and convenience goods, but they are larger and so draw from a larger pool of consumers. Neighborhood Centers usually feature a supermarket as the anchor tenant and draw from a 2-3 mile radius or about a ten minute drive. They typically total about 50,000 square feet although they can approach triple that size while retaining their characteristic blend of retailers and trade area. South Transit Square characterizes itself as a neighborhood center. Further north, Lockport Plaza with its Shoppers' Choice, Blockbuster and Aaron's fits the description as well.
- **Community Centers** typify the traditional shopping strip format. In addition to the convenience goods and services described above, Community Centers usually feature a few shops offering comparison goods. Comparison goods entice consumers to travel farther in a quest for

whatever their standards suggest is the optimal price, quality and variety necessary to make the decision to purchase a given type of merchandise. Goods included in this category include sporting goods, jewelry, electronics, gifts, luggage, apparel and accessories, home furnishing, tools, etc. Smaller big boxes (Target, ShopKo), category killers (retailers offering an extensive selection within a narrow line of goods, like PetSmart or Staples), shops (e.g., Pier One, Men's Warehouse) or discount department stores (e.g., Marshalls or Ross Dress-for-Less) often serve as an anchor tenant.

With anchor tenants often including at least one of the above plus a supermarket, Community Centers often total between 150,000 and 500,000 square feet and require 30 acres or more. For Community Centers, which draw from 3-6 miles, the key to success concerns access to major roads, interchanges and/or other large retail concentrations. Whereas the transportation access opens up more distant markets, eliminating the need to locate within a dense residential area, proximity to other shopping centers creates critical mass and offers coattails for retail concepts that are new to a given trade area. Shoppers often find Community Centers located close to each other and, especially, Regional Centers because they can enjoy a symbiotic relationship despite being competitors. Tops Plaza, which features the existing Wal-Mart, a Sears Hardware, a Factory Card Outlet, Payless Shoes, Fashion Bug, and other stores in addition to a Tops Market provides a good example. The eponymous Big Lots Plaza and Office Max Plaza offers additional examples of the format within Transit North.

- **Regional Centers** feature a mix of tenants that, for the most part, offer comparison goods to shoppers. Whether enclosed or open air, regional centers typically feature two or three department store anchors and/or the bigger category killers (e.g., Best Buy, The Sports Authority, Bed Bath & Beyond, Bass Pro Shop etc.), targeted specialty shops (Avenue, Victoria's Secret, Borders), and an assortment of merchants that benefit from agglomeration, e.g., jewelers and shoe shops, which all do well when it's easy to compare the offerings at more than one establishment. Regional Centers may group restaurants together and include entertainment components (movie theatre, Dave and Busters, etc.). With such density of offerings Regional Centers draw from at least a ten mile radius (20-30 minutes) and require at least 50 acres to accommodate floor areas totaling 500,000 square feet and more. The even larger Super-Regional Centers can total as much as 2 million square feet, requiring over 100 acres. They draw from further afield, boasting trade areas extending out 25 miles or more in suburban areas.

In addition to locations within existing and renovating shopping centers, Transit North offers free-standing parcels and buildings that could accommodate a wide range of commercial uses, including hotels, office spaces and medical services.

Current Performance Indicators – Market Context

ESI's understanding of the Transit North Corridor's retail and commercial market potential reflects our familiarity with the Buffalo-Niagara region, past work in Lockport and analysis of readily available market and demographic data. To gain further insight into factors affecting the Corridor's potential, ESI also interviewed commercial developers and brokers active in the area, including:

- Doug Emerson, Sperry Van Ness
- Boudi Jaoude, Cosal Development
- David Marotta, Marotta Management

- Glen Miller, Miller Real Estate Group
- Rick Recckio, Recckio Real Estate & Development
- Gunner Tronolone, MJ Peterson
- Eric Tudor, CB Commercial
- Jeff Wereski, Benderson Development

These local experts agreed to share their insights with ESI on the condition that we keep the information they provided in confidence, in order to protect their business interests. However, ESI integrated market data and other insights revealed during these interviews into our general findings, without attributing them to specific individuals or organizations.

Transit North's experience during the past decade sets the stage for making a quantum leap through redevelopment and accounts for the optimism with which many greet the recent investments described earlier. With few nationals in place, Transit North remained faint on site selection professionals' radar screens. Due to both the Transit North Corridor's local market positioning and muted residential growth within the primary market area, the total square footage of occupied commercial space in the corridor has increased only slightly during recent years. Moreover, the Corridor's newer projects found it challenging to command top rents in an environment with so many older low-cost options. Disappointing occupancy rates dampened developers' motivation to build. A few examples of the corridor's historic struggles include:

- After eight years, vacancies remain at the Home Depot Plaza and rents top out at about $16-18/SF, triple net (before utilities, taxes, or insurance, commonly called "NNN"). Similar space in closer-in markets rents for up to $25/SF, NNN.
- Older properties, such as Big Lots Plaza, have suffered from high vacancy and very low rents for a long time. Space at such properties rents for about under $10/SF, NNN. At such low rents, there is no economic incentive for property owners to reinvest.
- Developers of office buildings report that it takes 3-4 years to fill up small buildings with medical and professional tenants. Once full, these buildings are profitable, but it is difficult for a developer or a lender to justify new construction when several years of losses must be assumed.
- Building a critical mass that attracts shoppers from outside the resident market remains a work in progress. The historic canal district in the City of Lockport holds some potential destination appeal and could motivate visits by local and regional tourists. However, translating this activity into much specialty retail or other commercial activity could require a sustained strategic effort

Area real estate professionals interviewed by ESI applaud the region's efforts to increase its appeal as a retail destination via a two-pronged approach:

- <u>Indigenous Market — Expand Lockport's Residential and Commercial Base</u>: As greater Lockport expands its base of office and industrial businesses and job opportunities, it will be easier to attract new residents and generate additional demand. In tough economic times it's difficult to attract large employers, but the region is also growing the economy from within. Attracting Yahoo! to Lockport is a good start (and should be leveraged), but more employers will be needed to drive residential and, in turn, retail demand.
- <u>Induced Market — Give Residents and Tourists More Reasons to Visit (and Spend)</u>: At present, downtown Lockport offers a pleasant setting along the historic Erie Canal, and a few scattered

attractions. Building a critical mass of things to see and do (including shop) will improve visitation rates among both regional residents and tourists. As the historic downtown offers visitors more to see and do, the real estate community believes new opportunities to draw spending to Transit North will emerge.

By the same token, if Transit North offered a unique retail destination (a la, for example, the antiques mall in Wheatfield), that too could increase the corridor's appeal to non-residents. This approach would also reduce the leakage of Lockport-area residents' retail dollars, who purchase their conveniences locally, but also frequent nearby malls and/or shopping areas for specialty purchases, fine dining, and entertainment.

The good news? The Transit North corridor is a well established retail and commercial district…in a way, perhaps too well established. Its identity as a good place to purchase everyday goods and services, while functioning as a regional destination for car shoppers, is very well defined and widely recognized by the marketplace. For the Town of Lockport to move the corridor in a new direction, it needs to continue growing the size of the local resident market and creating ways to make residents and visitors more inclined to visit the area and shop. The strategies in place are sound.

In short, the real estate community does believe that such a transformation is feasible and that, given the right mix of incentives and marketing initiatives, the Transit North Corridor can evolve in a new and positive direction over time.

Market Capture Analysis

The Transit North corridor's retail businesses draw on a local market population numbering about 40,000 people and representing three jurisdictions: the Town of Lockport, the City of Lockport and the Town of Pendleton.

Retail Opportunities

As discussed above, local real estate professionals consider Transit North to be largely self-sustaining, with most of its retail activity originating from those living in and around Lockport. The analysis also reflects an assumption stemming from the consensus among the real estate professionals ESI interviewed that there are essentially two resident markets for the Transit North corridor:

- a primary market area consisting of people living within 0-5 miles, and;
- a secondary market comprised of people living between 5-10 miles away.

To understand how opportunities might vary based on how the surrounding market area changes over the next ten years, we tested three future scenarios:

- a worst case alternative in which growth ceases and the market area simply replaces its existing population as the years progress;
- a stable state alternative reflecting current projections, suggesting continued residential growth during the next decade at about 4 percent, and;
- an increased market appeal alternative, which postulates the potential effect on the Transit North corridor's commercial markets associated with realizing a 10 percent increase in the resident market area's population through a series of strategic interventions.

To estimate potential market capture in Transit North, ESI relied on the Retail Opportunity Gap Report prepared by Claritas MarketPlace for the Town of Lockport in February 2009, reprised here:

Retail Opportunity Gaps

Source: February 2009 report by Claritas MarketPlace

	Demand (Consumer Expenditures)	Supply (Retail Sales)	Opportunity Gap/ Surplus
0-5 MILES			
Total Retail Sales	$ 713,646,525	$ 645,547,211	$ 68,099,314
Motor Vehicle & Parts Dealers	$ 144,670,893	$ 105,987,794	$ 38,683,099
Furniture & Home Furnishings	$ 18,548,310	$ 6,127,290	$ 12,421,020
Electronics & Appliances	$ 17,181,771	$ 9,504,478	$ 7,677,293
Building Material, Garden Equipment	$ 84,563,052	$ 82,175,296	$ 2,387,756
Food & Beverage Stores	$ 96,748,455	$ 158,824,682	$ (62,076,227)
Health & Personal Care	$ 34,907,420	$ 52,279,788	$ (17,372,368)
Gasoline Stations	$ 85,692,231	$ 86,435,967	$ (743,736)
Clothing & Clothing Accessories	$ 34,524,326	$ 7,335,442	$ 27,188,884
Sporting Goods, Hobby, Book, Music	$ 13,630,865	$ 16,120,871	$ (2,490,006)
General Merchandise	$ 91,934,097	$ 67,363,112	$ 24,570,985
Miscellaneous Stores	$ 20,024,223	$ 13,661,140	$ 6,363,083
Food Service & Drinking Places	$ 71,220,882	$ 39,731,351	$ 31,489,531
0-10 MILES			
Total Retail Sales	$ 2,146,721,951	$ 1,603,524,012	$ 543,197,939
Motor Vehicle & Parts Dealers	$ 430,176,679	$ 356,048,712	$ 74,127,967
Furniture & Home Furnishings	$ 61,299,655	$ 15,105,087	$ 46,194,568
Electronics & Appliances	$ 53,737,685	$ 27,785,783	$ 25,951,902
Building Material, Garden Equipment	$ 272,037,860	$ 174,257,493	$ 97,780,367
Food & Beverage Stores	$ 275,784,254	$ 337,284,292	$ (61,500,038)
Health & Personal Care	$ 100,530,387	$ 122,844,649	$ (22,314,262)
Gasoline Stations	$ 244,051,923	$ 255,866,827	$ (11,814,904)
Clothing & Clothing Accessories	$ 112,973,320	$ 21,052,676	$ 91,920,644
Sporting Goods, Hobby, Book, Music	$ 43,826,238	$ 30,485,228	$ 13,341,010
General Merchandise	$ 280,104,027	$ 121,083,430	$ 159,020,597
Miscellaneous Stores	$ 61,185,498	$ 43,714,377	$ 17,471,121
Food Service & Drinking Places	$ 211,014,425	$ 97,995,458	$ 113,018,967
5-10 MILES			
Total Retail Sales	$ 1,433,075,426	$ 957,976,801	$ 475,098,625
Motor Vehicle & Parts Dealers	$ 285,505,786	$ 250,060,918	$ 35,444,868
Furniture & Home Furnishings	$ 42,751,345	$ 8,977,797	$ 33,773,548
Electronics & Appliances	$ 36,555,914	$ 18,281,305	$ 18,274,609
Building Material, Garden Equipment	$ 187,474,808	$ 92,082,197	$ 95,392,611
Food & Beverage Stores	$ 179,035,799	$ 178,459,610	$ 576,189
Health & Personal Care	$ 65,622,967	$ 70,564,861	$ (4,941,894)
Gasoline Stations	$ 158,359,692	$ 169,430,860	$ (11,071,168)
Clothing & Clothing Accessories	$ 78,448,994	$ 13,717,234	$ 64,731,760
Sporting Goods, Hobby, Book, Music	$ 30,195,373	$ 14,364,357	$ 15,831,016
General Merchandise	$ 188,169,930	$ 53,720,318	$ 134,449,612
Miscellaneous Stores	$ 41,161,275	$ 30,053,237	$ 11,108,038
Food Service & Drinking Places	$ 139,793,543	$ 58,264,107	$ 81,529,436

This report documented current spending patterns by residents and retail business activity in three market areas defined by concentric rings extending outward from the center of the corridor with radii of, respectively, 5, 7, and 10 miles. The Claritas report provided data on 13 major and more than 100 minor spending categories for each ring. While this information offers a thorough basis for understanding Lockport's retail market, using it to project future retail demand in a small market area entailed aggregating these categories into six "super-categories" corresponding to the type of space used by retailers offering different types of goods and services:

"Super Categories"	**Major Categories from Claritas Report**[1]
General/Apparel/Furniture/Other	General Merchandise
	Clothing & Clothing Accessories
	Furniture & Home Furnishings
	Miscellaneous Stores
Electronics/Appliances/Specialty	Electronics & Appliances
	Sporting Goods, Hobby, Books, Music
Building Material/Garden Equipment	Building Material/Garden Equipment
Food/Beverage/Health/Convenience	Food & Beverage Stores
	Health & Personal Care
	Gasoline Stations
Food Service & Drinking Places	Food Service & Drinking Places
Motor Vehicle & Parts Dealers	Motor Vehicle & Parts Dealers

Based on the above retail categorization, the two market definitions, and three potential residential growth scenarios, the potential retail spending opportunity as reported by Claritas for the market area is summarized in the following table. To maintain a conservative approach to the analysis, the two growth scenarios assume that these future residents wield incomes and buying power similar to the households within the market area today and so the sales volumes are proportional.

[1] The 13th major category from the Claritas report, "Nonstore Retailers," consists of catalog, online and other merchants that do not occupy retail storefronts and so has been excluded.

Potential Spending Opportunity from Resident Markets

Category	0-5 Miles	5-10 Miles	Total
SCENARIO 1: WORST CASE - NO RESIDENTIAL GROWTH			
General/Apparel/Furniture/Other	$ 70,543,972	$ 244,062,958	**$ 314,606,930**
Electronics/Appliances/Specialty	5,187,287	34,105,625	**$ 39,292,912**
Building Material/Garden Equipment	2,387,756	95,392,611	**$ 97,780,367**
Food/Beverage/Health/Convenience	-	-	**$ -**
Food Service & Drinking Places	31,489,531	81,529,436	**$ 113,018,967**
Motor Vehicle & Parts Dealers	38,683,099	35,444,868	**$ 74,127,967**
Total	**$ 148,291,645**	**$ 490,535,498**	**$ 638,827,143**
SCENARIO 2: STABLE CONDITIONS - 4% RESIDENTIAL GROWTH			
General/Apparel/Furniture/Other	$ 73,365,731	$ 253,825,476	**$ 327,191,207**
Electronics/Appliances/Specialty	$ 5,394,778	$ 35,469,850	**$ 40,864,628**
Building Material/Garden Equipment	$ 2,483,266	$ 99,208,315	**$ 101,691,582**
Food/Beverage/Health/Convenience	$ -	$ -	**$ -**
Food Service & Drinking Places	$ 32,749,112	$ 84,790,613	**$ 117,539,726**
Motor Vehicle & Parts Dealers	$ 40,230,423	$ 36,862,663	**$ 77,093,086**
Total	**$ 154,223,311**	**$ 510,156,918**	**$ 664,380,229**
SCENARIO 3: INCREASED MARKET APPEAL - 10% RESIDENTIAL GROWTH			
General/Apparel/Furniture/Other	$ 77,598,369	$ 268,469,254	**$ 346,067,623**
Electronics/Appliances/Specialty	5,706,016	37,516,188	**$ 43,222,203**
Building Material/Garden Equipment	2,626,532	104,931,872	**$ 107,558,404**
Food/Beverage/Health/Convenience	-	-	**$ -**
Food Service & Drinking Places	34,638,484	89,682,380	**$ 124,320,864**
Motor Vehicle & Parts Dealers	42,551,409	38,989,355	**$ 81,540,764**
Total	**$ 163,120,810**	**$ 539,589,048**	**$ 702,709,857**

Source: Claritas MarketPlace; Economic Stewardship, Inc.

The figures suggest millions of dollars in lost retail sales opportunities at full capture. However, some leakage is unavoidable. The next step entailed estimating the percentage of each spending category that could realistically be captured within Transit North over the next ten years. These capture percentages represent our understanding of how the corridor may change if the Town of Lockport and its partners are able to effectively maximize its appeal to resident markets. These capture percentages represent the amount of the current resident market "leakage" that could be retained in the corridor.

Maximum Potential Capture of Resident Market Spending

Category	0-5 Miles	5-10 Miles
General/Apparel/Furniture/Other	40%	10%
Electronics/Appliances/Specialty	20%	5%
Building Material/Garden Equipment	40%	10%
Food/Beverage/Health/Convenience	5%	1%
Food Service & Drinking Places	50%	20%
Motor Vehicle & Parts Dealers	25%	15%

Source: Economic Stewardship, Inc.

The final consideration in understanding retail market potential is that of "inflow," which encompasses spending from those living more than 10 miles away from the corridor. Since Transit North is not generally a "drive-by" location—although that would change as more residents, jobs and tourists are drawn to the region—this spending will have to be attracted to the area via enhancements to its appeal as a shopping destination: choice, ambiance, access, etc. Inflow percentages represent additional non-resident spending as a share of resident spending. For example, if resident spending is $10 million and the inflow percentage is 15%, the inflow amount would be $1.5 million.

Maximum potential inflow percentages are estimated as follows:

Maximum Inflow Potential

Category	Inflow Potential
General/Apparel/Furniture/Other	10%
Electronics/Appliances/Specialty	2%
Building Material/Garden Equipment	2%
Food/Beverage/Health/Convenience	1%
Food Service & Drinking Places	7%
Motor Vehicle & Parts Dealers	5%

Source: Economic Stewardship, Inc.

The final set of assumptions involves average sales per square foot of retail space. These figures are adapted from the "2007 Retail Store Sales Estimates" report by The HDL Companies, a national real estate developer and are shown below.

Average Retail Sales per Square Foot

Category		Sales Per SF
General/Apparel/Furniture/Other	$	379
Electronics/Appliances/Specialty		400
Building Material/Garden Equipment		350
Food/Beverage/Health/Convenience		250
Food Service & Drinking Places		300
Motor Vehicle & Parts Dealers		350
Overall Average	**$**	**320**

Source: The HDL Companies; Economic Stewardship, Inc.

The following tables puts all of these assumptions together to project potential growth in supportable retail space in the Transit North corridor for each of the three population growth scenarios.

Retail Opportunity Analysis

SCENARIO 1: WORST CASE - NO RESIDENTIAL GROWTH

LOCAL RESIDENT MARKET

	Potential Spending Opportunity		Projected Capture		Potential	Average	Potential
Category	0-5 Miles	5-10 Miles	0-5 Miles	5-10 Miles	Spending Captured	Sales Per Sq Ft	New Sq Ft Supported
General/Apparel/Furniture/Other	$ 70,543,972	$ 244,062,958	40%	10%	$ 52,623,885	$ 379	138,800
Electronics/Appliances/Specialty	5,187,287	34,105,625	20%	5%	2,742,739	400	6,900
Building Material/Garden Equipment	2,387,756	95,392,611	40%	10%	10,494,364	350	30,000
Food/Beverage/Health/Convenience	-	-	5%	1%	-	250	-
Food Service & Drinking Places	31,489,531	81,529,436	50%	20%	32,050,653	300	106,800
Motor Vehicle & Parts Dealers	38,683,099	35,444,868	25%	15%	14,987,505	350	42,800
Total	**$ 148,291,645**	**$ 490,535,498**			**$ 112,899,144**	**$ 320**	**325,300**

INFLOW ANALYSIS

Category	Current Retail Sales in 0-5 Mile Radius	Potential Additional Resident Spending	Potential Local Resident Spending	Inflow Potential	Potential Spending From Inflow	Average Sales Per Sq Ft	Potential Sq Ft Supported by Inflow
General/Apparel/Furniture/Other	$ 165,030,956	$ 52,623,885	$ 217,654,841	10%	$ 21,765,484	$ 379	57,400
Electronics/Appliances/Specialty	17,181,771	2,742,739	19,924,510	2%	398,490	400	1,000
Building Material/Garden Equipment	84,563,052	10,494,364	95,057,416	2%	1,901,148	350	5,400
Food/Beverage/Health/Convenience	131,655,875	-	131,655,875	1%	1,316,559	250	5,300
Food Service & Drinking Places	71,220,882	32,050,653	103,271,535	7%	7,229,007	300	24,100
Motor Vehicle & Parts Dealers	144,670,893	14,987,505	159,658,398	5%	7,982,920	350	22,800
Total	**$ 614,323,429**	**$ 112,899,144**	**$ 727,222,573**		**$ 40,593,609**	**$ 320**	**116,000**

* Inflow is defined as any spending by people not living within 10-mile radius

Retail Opportunity Analysis

SCENARIO 2: STABLE CONDITIONS - 4% RESIDENTIAL GROWTH

LOCAL RESIDENT MARKET

Category	Potential Spending Opportunity 0-5 Miles	Potential Spending Opportunity 5-10 Miles	Projected Capture 0-5 Miles	Projected Capture 5-10 Miles	Potential Spending Captured	Average Sales Per Sq Ft	Potential New Sq Ft Supported
General/Apparel/Furniture/Other	$ 73,365,731	$ 253,825,476	40%	10%	$ 54,728,840	$ 379	144,300
Electronics/Appliances/Specialty	5,394,778	35,469,850	20%	5%	2,852,448	400	7,100
Building Material/Garden Equipment	2,483,266	99,208,315	40%	10%	10,914,138	350	31,200
Food/Beverage/Health/Convenience	-	-	na	na	-	250	-
Food Service & Drinking Places	32,749,112	84,790,613	50%	20%	33,332,679	300	111,100
Motor Vehicle & Parts Dealers	40,230,423	36,862,663	25%	15%	15,587,005	350	44,500
Total	**$ 154,223,311**	**$ 510,156,918**			**$ 117,415,110**	**$ 320**	**338,200**

INFLOW ANALYSIS

Category	Current Retail Sales in 0-5 Mile Radius	Potential Additional Resident Spending	Potential Local Resident Spending	Inflow Potential	Potential Spending From Inflow	Average Sales Per Sq Ft	Potential Sq Ft Supported by Inflow
General/Apparel/Furniture/Other	$ 171,632,194	$ 54,728,840	$ 226,361,034	10%	$ 22,636,103	$ 379	59,700
Electronics/Appliances/Specialty	17,869,042	2,852,448	20,721,490	2%	414,430	400	1,000
Building Material/Garden Equipment	87,945,574	10,914,138	98,859,712	2%	1,977,194	350	5,600
Food/Beverage/Health/Convenience	136,922,110	-	136,922,110	1%	1,369,221	250	5,500
Food Service & Drinking Places	74,069,717	33,332,679	107,402,396	7%	7,518,168	300	25,100
Motor Vehicle & Parts Dealers	150,457,729	15,587,005	166,044,734	5%	8,302,237	350	23,700
Total	**$ 638,896,366**	**$ 117,415,110**	**$ 756,311,476**		**$ 42,217,353**	**$ 320**	**120,600**

Retail Opportunity Analysis

SCENARIO 3: INCREASED MARKET APPEAL - 10% RESIDENTIAL GROWTH

LOCAL RESIDENT MARKET

Category	Potential Spending Opportunity 0-5 Miles	Potential Spending Opportunity 5-10 Miles	Projected Capture 0-5 Miles	Projected Capture 5-10 Miles	Potential Spending Captured	Average Sales Per Sq Ft	Potential New Sq Ft Supported
General/Apparel/Furniture/Other	$ 77,598,369	$ 268,469,254	40%	10%	$ 57,886,273	$ 379	152,600
Electronics/Appliances/Specialty	5,706,016	37,516,188	20%	5%	3,017,013	400	7,500
Building Material/Garden Equipment	2,626,532	104,931,872	40%	10%	11,543,800	350	33,000
Food/Beverage/Health/Convenience	-	-	na	na	-	250	-
Food Service & Drinking Places	34,638,484	89,682,380	50%	20%	35,255,718	300	117,500
Motor Vehicle & Parts Dealers	42,551,409	38,989,355	25%	15%	16,486,255	350	47,100
Total	**$ 163,120,810**	**$ 539,589,048**			**$ 124,189,059**	**$ 320**	**357,700**

INFLOW ANALYSIS

Category	Current Retail Sales in 0-5 Mile Radius	Potential Additional Resident Spending	Potential Local Resident Spending	Inflow Potential	Potential Spending From Inflow	Average Sales Per Sq Ft	Potential Sq Ft Supported by Inflow
General/Apparel/Furniture/Other	$ 181,534,052	$ 57,886,273	$ 239,420,325	10%	$ 23,942,032	$ 379	63,100
Electronics/Appliances/Specialty	18,899,948	3,017,013	21,916,961	2%	438,339	400	1,100
Building Material/Garden Equipment	93,019,357	11,543,800	104,563,157	2%	2,091,263	350	6,000
Food/Beverage/Health/Convenience	144,821,463	-	144,821,463	1%	1,448,215	250	5,800
Food Service & Drinking Places	78,342,970	35,255,718	113,598,688	7%	7,951,908	300	26,500
Motor Vehicle & Parts Dealers	159,137,982	16,486,255	175,624,238	5%	8,781,212	350	25,100
Total	**$ 675,755,772**	**$ 124,189,059**	**$ 799,944,831**		**$ 44,652,970**	**$ 320**	**127,600**

The tables below suggest additional supportable space over the next decade ranging from about 440,000 square feet if no growth occurs to about 485,000 square feet if community and economic development efforts deliver population growth totaling about ten percent. Should current 4 percent growth rates continue, Transit North could support about an additional 460,000.

A final consideration in understanding future retail demand in the Transit North corridor is the fact that the corridor has significant vacancy in its existing property inventory. Based on our current market knowledge, the following significant retail spaces in the corridor are presently vacant.

Available Retail Space in Transit North Corridor

Site	Sq. Ft. Available
Home Depot Plaza	16,968
Home Depot Plaza	4,455
Home Depot Plaza	1,912
Big Lots Plaza	50,000
South Transit Square	15,540
South Transit Square	2,200
Tops Plaza*	55,232
Tops Plaza	2,966
Tops Plaza	1,920
Total Retail Space	**151,193**
Gambino Ford	30,000

Source: Town of Lockport Assessor; Economic Stewardship, Inc.

* This represents the difference in size between the planned Wal-Mart SuperCenter (185,000 SF) and the currently occupied Wal-Mart store (129,768 SF) that will be vacated.

While some level of vacancy is to be expected even in a healthy retail market, the figures above include several highly visible spaces that need to be addressed either through re-tenanting or redevelopment to create a climate conducive to fulfilling Transit North's potential. With this in mind, the final step in the analysis was to compare currently vacant space available for absorption with future opportunity in order to estimate the total amount of supportable new space over the next ten years.

The table on the next page shows potential supportable new square feet in retail space, net of the absorption of existing space, for each population growth scenario.

Future Retail Growth Potential - Transit North Corridor

	Increased Resident Market Capture (0-10 Miles)	Increased Inflow	Total Increase	Sq. Ft. Currently Available	Future Sq. Ft. Needed
SCENARIO 1: WORST CASE - NO RESIDENTIAL GROWTH					
Retail					
General/Apparel/Furniture/Other	138,800	57,400	196,200		
Electronics/Appliances/Specialty	6,900	1,000	7,900		
Building Material/Garden Equipment	30,000	5,400	35,400		
Food/Beverage/Health/Convenience	-	5,300	5,300		
Food Service & Drinking Places	106,800	24,100	130,900		
Retail Total	**282,500**	**93,200**	**375,700**	151,200	**224,500**
Automotive					
Motor Vehicle & Parts Dealers	42,800	22,800	65,600	30,000	**35,600**
				Total Supportable Future Space (Sq. Ft.):	**260,100**

SCENARIO 2: STABLE CONDITIONS - 4% RESIDENTIAL GROWTH					
Retail					
General/Apparel/Furniture/Other	144,300	59,700	204,000		
Electronics/Appliances/Specialty	7,100	1,000	8,100		
Building Material/Garden Equipment	31,200	5,600	36,800		
Food/Beverage/Health/Convenience	-	5,500	5,500		
Food Service & Drinking Places	111,100	25,100	136,200		
Retail Total	**293,700**	**96,900**	**390,600**	151,200	**239,400**
Automotive					
Motor Vehicle & Parts Dealers	44,500	23,700	68,200	30,000	**38,200**
				Total Supportable Future Space (Sq. Ft.):	**277,600**

SCENARIO 3: INCREASED MARKET APPEAL - 10% RESIDENTIAL GROWTH					
Retail					
General/Apparel/Furniture/Other	152,600	63,100	215,700		
Electronics/Appliances/Specialty	7,500	1,100	8,600		
Building Material/Garden Equipment	33,000	6,000	39,000		
Food/Beverage/Health/Convenience	-	5,800	5,800		
Food Service & Drinking Places	117,500	26,500	144,000		
Retail Total	**310,600**	**102,500**	**413,100**	151,200	**261,900**
Automotive					
Motor Vehicle & Parts Dealers	47,100	25,100	72,200	30,000	**42,200**
				Total Supportable Future Space (Sq. Ft.):	**304,100**

In summary, our conclusion is that the Transit North corridor can support between 260,000 and 304,000 square feet of new retail space construction over the next 10 years.

Note that this square footage suggests sufficient demand to support a Lifestyle Center or a Power Center, two shopping center configurations presently lacking from the Transit North mix:

- **Lifestyle Centers** feature upscale apparel shops and specialty stores carrying high quality merchandise with corresponding price tags. Although they sometimes include restaurants, they need not include traditional anchor tenants. The layout offers high architectural values and landscaping in keeping with the expectations of the wealthy trade areas they serve. Lifestyle Centers can post sales per square foot at double the volume found in more conventional formats
- **Power Centers** draw trade by offering a collection of large anchors, including discount department stores, off-price stores, warehouse clubs, or "category killers," typically on sited on unconnected pads organized around shared parking.

If Transit North succeeds in attracting either format to the mix, the impact on sales, rents and redevelopment potential on surrounding sites would be substantial.

Potential Office Demand

In addition to its inventory of retail space the Transit North corridor is also home to a fairly substantial amount of office space. Based on a review of properties coded as “Office” in the town’s assessment database, the current inventory of office space in the corridor is about 107,000 SF, of which 56,000 is comprised of banks and professional offices, and 51,000 SF is medical and dental offices.

Though there is likely to be some growth in office space in the corridor over the next decade, local real estate professionals report that the absorption of new office space tends to be geared more to medical than professional users and has been fairly slow for both types. In our view, the overall supply of professional office space in the Transit North corridor will grow by 20-30 percent over the next ten years and the supply of medical office space will grow by 40-50 percent. The following table summarizes the current inventory and projected growth of office space in the corridor: an estimated 32,000 - 47,000 square feet of additional office development in the next decade.

Future Office Growth Projection - Transit North

	Future Household Growth		
	None	4 percent	10 percent
Current Inventory of Office Space (per Town Tax Asessor)			
Finance/Insurance/Real Estate			
Key Bank	2,236	2,325	2,460
First Niagara Bank	4,632	4,817	5,095
HSBC	2,400	2,496	2,640
M&T Bank	5,300	5,512	5,830
State Farm Insurance	1,132	1,177	1,245
Esther Gulyas Tax Service	1,657	1,723	1,823
Cornerstone Federal Credit Union	36,725	38,194	40,398
American Dream Homes	1,624	1,689	1,786
Subtotal	**55,706**	**57,934**	**61,277**
SF/Job	**250**		
Medical			
Dr. Breloff DDS	1,504	1,564	1,654
Medical Office Building (Marotta)	23,904	24,860	26,294
Lockport Footcare	1,140	1,186	1,254
Prime Service Inc	5,370	5,585	5,907
Medical Office Building (Marotta)	6,520	6,781	7,172
Medical Office Building (P&D)	4,061	4,223	4,467
Medical Office Building (LMAC)	6,008	6,248	6,609
VA Outpatient Clinic	3,280	3,411	3,608
Subtotal	**51,787**	**53,858**	**56,966**
SF/Job	**400**		
Total Office Space	**107,493**	**111,793**	**118,242**

Future Projection			
Potential Increase in Finance/Insurance/RE Space	20%	25%	30%
Potential Increase in Medical Office Space	40%	45%	50%
Potential New Square Footage			
Finance/Insurance/RE Space	11,100	14,500	18,400
Medical Office Space	20,700	24,200	28,500
Potential Total New Space	**31,800**	**38,700**	**46,900**

Economic Benefit Assessment

The final step in our analysis was to translate the above retail and office space projections into estimates of employment and earnings. Ordinarily, this sort of analysis would also examine property tax revenues, but the Town of Lockport does not levy a municipal property tax.

The two key figures needed to translate square footage into employment and earnings are: 1) average square feet of space per employee; and 2) average wage per job. The former were adapted from Urban Land Use Planning by Chapin, Kaiser, and Godschalk, a longtime industry standard publication. The latter reflect the 2008 annual figures for Niagara County by employment sector from the New York State Department of Labor. The following table presents these results.

Projection of Future Employment & Earnings, Transit North Corridor

Space Type	Net Gain in Occupied SF	SF per Employee*	Net Employment Increase	Average Wage/Job**	Net Wage Increase
SCENARIO 1: NO RESIDENTIAL GROWTH					
Retail Space	375,700	1,000	376	$ 21,769	$ 8,185,100
Motor Vehicle & Parts Dealers	65,600	1,500	44	$ 34,553	$ 1,520,300
Finance/Insurance/Real Estate	11,100	250	44	$ 38,953	$ 1,713,900
Medical Office	20,700	400	52	$ 37,303	$ 1,939,800
Totals	**473,100**		**516**		**$ 13,359,100**
SCENARIO 2: 4% RESIDENTIAL GROWTH					
Retail Space	390,600	1,000	391	$ 21,769	$ 8,511,700
Motor Vehicle & Parts Dealers	68,200	1,500	45	$ 34,553	$ 1,554,900
Finance/Insurance/Real Estate	17,400	250	70	$ 38,953	$ 2,726,700
Medical Office	26,900	400	67	$ 37,303	$ 2,499,300
Totals	503,100	-	573		**$ 15,292,600**
SCENARIO 3: 10% RESIDENTIAL GROWTH					
Retail Space	413,100	1,000	413	$ 21,769	$ 8,990,600
Motor Vehicle & Parts Dealers	72,200	1,500	48	$ 34,553	$ 1,658,500
Finance/Insurance/Real Estate	18,400	250	74	$ 38,953	$ 2,882,500
Medical Office	28,500	400	71	$ 37,303	$ 2,648,500
Totals	**532,200**		**606**		**$ 16,180,100**

Source: Urban Land Use Planning (Chapin/Kaiser/Godschalk), NYS Department of Labor; Economic Stewardship, Inc.

* SF/Employee estimates adapted from *Urban Land Use Planning* , by Chapin/Kaiser/Godschalk, 1995
** Average Wage per Job data are 2008 values for Niagara County as reported by NYS Department of Labor

Based on the projected growth in retail and office space in the Transit North over the next ten years, the corridor can be expected to add between **516-606 new jobs** that produced **$13.4-16.2 million in new earnings** (in 2008 dollars).

Ground Rules: Creating a Welcoming Regulatory Environment

Transit North offers prospective developers and retailers a regulatory environment conducive to business. The three communities established coordinated development guidelines and zoning regulations to encourage upscale projects along with non-retail commercial activity. Other economic development initiatives, including the new Yahoo! facility and the YMCA, ensure a healthy daytime population in addition to the spending potential associated with the region's permanent residents and tourists. Other aspects of the regulatory environment that should enable retail to flourish include:

- Protected opportunities for commercial development to ensure a diverse economic base and minimize NIMBYism;
- Flexible re-development standards to encourage diversification and repositioning of underperforming existing neighborhood and community centers;
- Site planning provisions friendly to new-to-market retail development concepts, such as lifestyle centers. Transit North developers can incorporate the features that lend character to these projects and distinguish them from competing shopping opportunities, such as street orientation and scale, managed parking, capacity to incorporate public amenities and other non-retail uses;
- Respect for opportunities associated with future transit improvements and intra-development pedestrian-oriented land use patterns and scales, as in town center-style retail centers.

In addition, incentives are available to stimulate interest and reduce investor risk. All in all, Transit North offers an intriguing