

Charting Downtown Revitalization in the Flagship City

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Introductions



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Charting Downtown Revitalization in the Flagship City

Topics



- ▶ Downtown Revitalization in Erie
- ▶ Recent Downtown Progress
- ▶ Current State of Affairs
- ▶ Downtown Development Opportunities

Downtown Revitalization in Erie



Erie Downtown Partnership

- ▶ Created in 2004 with a 5 year sunset clause. An un-contested renewal occurred in July 2009 allowing the organization to exist through 2019.
- ▶ Created to address the needs of downtown businesses that were not being met by any other agency. Events, maintenance, advocacy, grant writing, etc.
- ▶ Continually works in partnership with the City of Erie and the Erie Redevelopment Authority.
- ▶ Each property owner is required to pay an annual assessment in the amount of ¼% of the property value. Annual assessments are capped at \$3,000 per property.



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Downtown Revitalization in Erie

Erie Downtown Master Plan

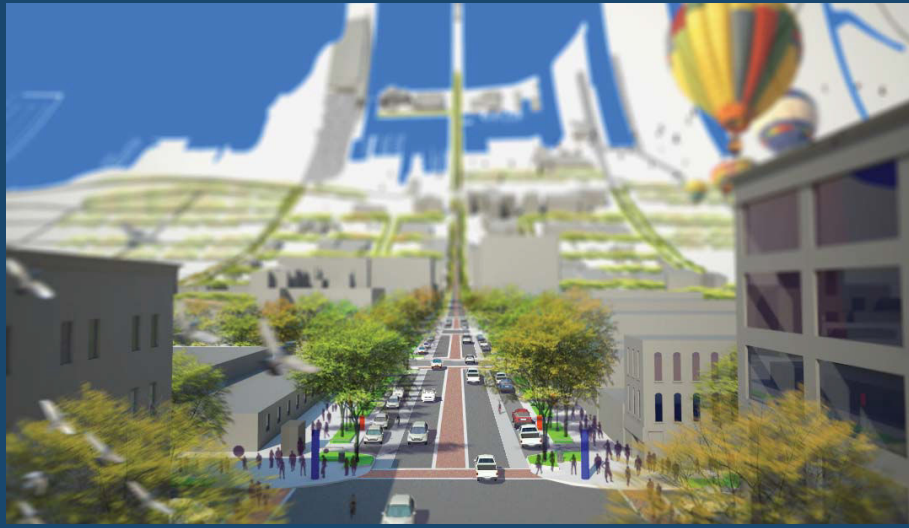
- ▶ Completed in 2006
- ▶ Set the stage for several completed major downtown projects
- ▶ The market analysis portion was updated in 2012 with the intent of development of a Master Plan update



Downtown Revitalization in Erie



PLAN.....PLAN.....PLAN



Streetscape – 2010

Perry Square – 2008

Griswold/Union Station - 2007



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Downtown Revitalization in Erie



Master Plan Actions

First Actions

- ▶ Forge Public Private Partnerships
- ▶ Business Retention & Attraction Program
- ▶ Mercantile Building design & financing
- ▶ Concept Plans for Griswold Park/Union Square
- ▶ Streetscape Improvements
- ▶ Main Street Designation

Intermediate Actions

- ▶ Construct improvements planned for in First Actions
- ▶ Identify potential developer for “Industrial Chic area”
- ▶ Concept Plans for Perry Square
- ▶ Identify developers for Bluff Condominiums
- ▶ Façade Grant program

Recent Downtown Progress



Bayfront Convention Center and Sheraton Hotel



- ▶ 145,000 SF of space
- ▶ 200 hotel rooms

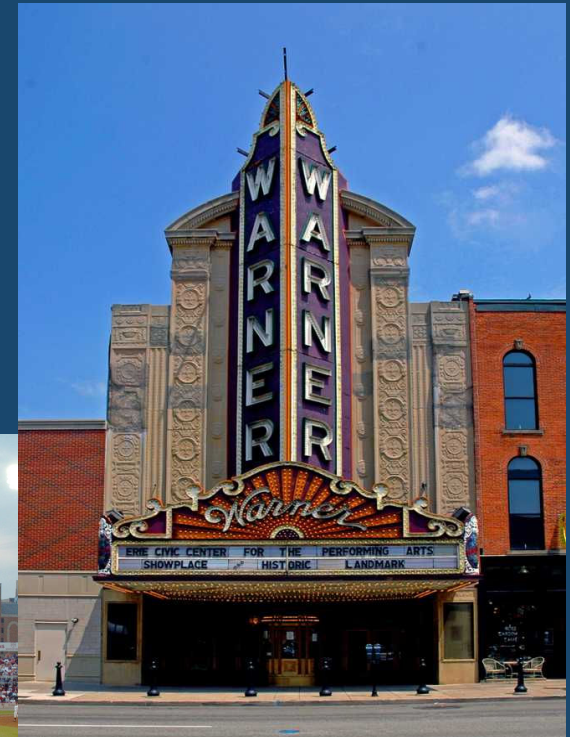


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Recent Downtown Progress



Erie Insurance Arena



Warner Theater



Jerry Uht Park

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Recent Downtown Progress



New Downtown Housing

- ▶ Mercantile Building Condominium Units:
 - ▶ 11 units sold
 - ▶ 3 units remain for sale
- ▶ Union Square Townhouse Units:
 - ▶ Will involve 140 units, retail and off-street parking
 - ▶ First phase of 7 units under construction, deposits for sale have already occurred
- ▶ Various affordable projects with Port Harbor Homes
- ▶ All new market not available prior to 2006



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Recent Downtown Progress



Gannon University Expansion



- ▶ Erie Technology Incubator
- ▶ Zurn Science Center
- ▶ Morosky Academic Center



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Recent Downtown Progress



Bayview Centre



- ▶ Class A office building
- ▶ 75,000 SF



Recent Downtown Progress



Hamot Medical Center Expansion

- ▶ Women's Hospital
- ▶ Heart Institute



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Recent Downtown Progress



Erie Art Museum Expansion



- ▶ Erie's first LEED-certified building



Charting Downtown Revitalization in the Flagship City

State of Affairs

- ▶ Demographics
- ▶ Housing Market
- ▶ Retail Market
- ▶ Office Market
- ▶ Hotel Market



State of Affairs – Demographics



Population

Area	2000	2010	2000-2010 Change	% Change
Erie Downtown Partnership Service Area	2,690	2,543	-147	-5.5%
Greater Downtown Erie	39,415	37,757	-1,658	-4.2%
Erie City	103,717	101,786	-1,931	-1.9%
Erie County	280,843	280,566	-277	-0.1%

U.S. Census Bureau

State of Affairs – Demographics



Housing Units

Area	2000	2010	2000-2010 Change	% Change
Erie Downtown Partnership Service Area	1,396	1,445	49	3.5%
Greater Downtown Erie	17,764	17,134	-630	-3.5%
Erie City	44,971	44,970	-181	-0.4%
Erie County	114,322	119,138	4,816	4.2%

U.S. Census Bureau

State of Affairs – Demographics



Housing Occupancy

Area	2000	2010	Occupancy Rate 2000	Occupancy Rate 2010
Erie Downtown Partnership Service Area	1,214	1,354	87.0%	93.7%
Greater Downtown Erie	15,135	14,980	86.2%	87.4%
Erie City	40,938	40,913	91.0%	91.3%
Erie County	106,507	110,413	93.2%	92.7%

U.S. Census Bureau

State of Affairs – Demographics



Housing Owner-Occupancy

Area	2000	2010	Occupancy Rate 2000	Occupancy Rate 2010
Erie Downtown Partnership Service Area	13	15	1.1%	1.1%
Greater Downtown Erie	5,172	4,345	33.8%	29.0%
Erie City	22,997	21,408	56.2%	52.3%
Erie County	73,729	73,847	69.2%	66.9%

U.S. Census Bureau

State of Affairs – Housing Market



Single-Family Housing Sales

Area	Total Sales 1/11-12/11	Median Sales \$ 1/11-12/11	Total Sales 1/05-12/05	Median Sales \$ 1/05-12/05
Erie Downtown Partnership Service Area	0	\$0	N/A	N/A
Greater Downtown Erie	101	\$49,000	382	\$56,000
Erie City	747	\$77,000	2,839	\$92,500
Erie County	2,182	\$112,900	3,941	\$95,000

U.S. Census Bureau

- ▶ 1/3 of homes sold in Greater Downtown were to investors
- ▶ Highest 2011 price in Greater Downtown: \$154,000
- ▶ Highest 2011 price in City: \$650,000
- ▶ Highest 2011 price in County: \$1,645,000

State of Affairs – Housing Market



Condominium Sales

Area	Total Sales 1/11-12/11	Median Sales \$ 1/11-12/11	Total Sales 1/05-12/05	Median Sales \$ 1/05-12/05
Erie Downtown Partnership Service Area	1	\$147,900	N/A	N/A
Greater Downtown Erie	1	\$147,900	7	\$105,000
Erie City	17	\$170,000	23	\$106,000
Erie County	95	\$177,900	29	\$106,000

U.S. Census Bureau

- ▶ 4% of housing units sold in Erie County were condos – up from 1% in 2005
 - ▶ Most were larger than 2,000 SF
- ▶ 2% of units sold in the City were condos – up from <1% in 2005
 - ▶ 70% were smaller than 2,000 SF
- ▶ Highest price condo was \$500,000 (in the City)

State of Affairs – Housing Market



Downtown Housing Survey

- ▶ On-line survey conducted through Erie Downtown Partnership's website
- ▶ 144 people completed survey
 - ▶ 42% interested in living Downtown if attractive, affordable housing were available
 - ▶ An additional 9% would be interested if financial incentives were available
- ▶ Based on results, ~90% of interested respondents fall into five "clusters":
 - ▶ Young Relocating Owners (35 and under) – 19%
 - ▶ Older Relocating Owners (majority 55 and older) – 19%
 - ▶ Prospective Owners with annual household income <\$50,000 – 18%
 - ▶ Relocating Owners with annual household income >\$100,000 – 12%
 - ▶ Prospective Renters – 23%

State of Affairs – Housing Market



Renter Housing

Area	2000	2010	2000-2010 Change	% Change
Erie Downtown Partnership Service Area	1,201	1,339	138	11.4%
Greater Downtown Erie	10,143	10,635	492	4.9%
Erie City	17,941	19,505	1,564	8.7%
Erie County	32,778	36,566	3,788	11.6%

U.S. Census Bureau

- ▶ Rental housing was 33% of housing market in the County, 48% in the City, 71% in Greater Downtown, and 99% in EDP service area in 2010
- ▶ Rental housing in Downtown Erie has 3 segments: university student housing, subsidized rental housing, and market-rate housing

State of Affairs – Retail Market



Retail Supply – Erie Downtown Partnership Service Area

Retail Category	# of Stores	Gross Leasable Area (SF)	Retail Sales
Community-Serving Goods/Services	67	222,400	\$47,036,000
Full-Service Restaurants	18	82,400	\$18,734,000
Department Stores	0	0	0
Apparel	8	24,000	\$5,693,000
Home Furnishings	5	74,100	\$10,360,000
Other Specialty Goods	7	48,800	\$8,318,000
Other Retail Stores	1	6,000	---
Total	106	457,700	\$90,561,000

- ▶ There were 98 retailers in 2006 occupying 442,500 SF of space
- ▶ Growth was in restaurants and bars – now total of 58
 - ▶ Take up half of occupied store space and generate 54% of all sales Downtown

State of Affairs – Retail Market



Retail Supply – Greater Downtown

Retail Category	# of Stores	Gross Leasable Area (SF)	Retail Sales
Community-Serving Goods/Services	196	588,800	\$139,095,000
Full-Service Restaurants	32	114,800	\$25,657,000
Department Stores	1	25,000	\$4,000,000
Apparel	13	32,500	\$7,506,000
Home Furnishings	24	160,600	\$28,727,000
Other Specialty Goods	20	77,800	\$13,568,000
Other Retail Stores	14	48,300	\$9,339,000
Total	300	1,047,800	\$227,892,000

- ▶ There were 328 retailers in 2006 occupying 1,122,800 SF of space
- ▶ Loss of 24 eating/drinking establishments outside of EDP area since '06
- ▶ Modest increase in apparel stores (4) outside of EDP area since '06

State of Affairs – Retail Market



Retail Demand

Retail Category	Greater Downtown Residents	Downtown Employees	Greater Erie County Residents
Community-Serving Goods/Services	\$110,209,000	\$33,178,000	\$94,854,000
Full-Service Restaurants	\$11,324,000	\$6,795,000	\$25,135,000
Department Stores	\$40,984,000	\$2,762,000	---
Apparel	\$9,437,000	\$2,837,000	\$13,871,000
Home Furnishings	\$23,021,000	\$3,779,000	\$18,822,000
Other Specialty Goods	\$10,153,000	\$3,038,000	\$18,512,000
Other Retail Stores	\$5,625,000	---	\$2,178,000
Total	\$210,753,000	\$52,389,000	\$90,561,000

State of Affairs – Retail Market



Retail Demand

Retail Category	Total Market Potential (Demand)	Current Greater Downtown Sales (Supply)	Total Development Opportunities (SF)
Community-Serving Goods/Services	\$159,723,000	\$139,095,000	124,000
Full-Service Restaurants	\$43,254,000	\$25,657,000	54,000
Department Stores	\$43,747,000	\$4,000,000	---
Apparel	\$26,145,000	\$7,506,000	66,000
Home Furnishings	\$45,622,000	\$28,727,000	49,000
Other Specialty Goods	\$31,703,000	\$13,568,000	41,000
Other Retail Stores	\$7,803,000	\$9,339,000	3,000
Total	\$357,996,000	\$227,892,000	337,000

State of Affairs – Retail Market



Retail Capture and Development Potential

Retail Category	Total Development Opportunities (SF)	Reasonable Opportunities for Downtown (SF)
Supermarket	105,000	55,000
Full-Service Restaurants	54,000	54,000
Specialty Apparel	51,000	25,000
Community Resident Needs	51,000	28,000
Regional Specialty Goods	44,000	21,000
Student/Employee Market Specialties	32,000	15,000
Total	337,000	198,000

State of Affairs – Office Market



- ▶ Highest quality office space (Class A) tends to be in owner-occupied single-user buildings for major employers
- ▶ Others include 100 State Street and Bayview Office Park
 - ▶ Rents tend to range between \$15 and \$19 per SF
- ▶ Downtown has many Class B properties including Lovell Place and the Renaissance Centre
 - ▶ Rents range between \$8 and \$12 per SF
- ▶ Several occupancies exist in Class A and B buildings but market has been relatively stable

State of Affairs – Hotel Market



- ▶ Analysis focuses on an area extending about 5 miles from downtown
 - ▶ Includes 30 hotels totaling 3,224 rooms
- ▶ Newest hotels opened in 2007 and 2008 (5 hotels totaling 620 rooms)
- ▶ Occupancy rate rose to 61.3% by 2011 after dropping with new supply
- ▶ Room rates rose from \$73.50 in 2005 to \$88.59 in 2011
- ▶ During 2011, rooms were >80% occupied every night in July and August except Sunday
 - ▶ Average monthly occupancy for July and August was 84% and 85% respectively
- ▶ On Saturday nights, Erie hotels were more than 80% occupied during 8 months of the year
- ▶ Since 2007, annual growth in demand has averaged 22,000 room-nights per year

Downtown Development Opportunities



Housing Sales Market Potential

50 to 60 new units over next 5 years targeted to “young relocating owners” and first-time buyers, priced \$140,000 to \$170,000

- ▶ Would complete Mercantile Building and advance Union Square
- ▶ Could provide opportunity for additional loft conversion

Another 50 to 60 new units targeted to “older relocating owners” and owners with incomes over \$100K, priced \$130,000 to \$250,000+

- ▶ Form of luxury condominium development and mid-rise building
- ▶ Should be near major employers with waterfront views

Downtown Development Opportunities



Housing Rental Market Potential

Demand for subsidized rental housing remains strong with significant waiting lists

No significant demand for additional student housing in next few years

- ▶ Gannon University enrollment appears to be stabilizing
- ▶ Additional on-campus housing projects would likely accommodate growth

Downtown Housing Survey indicates interest in additional market-rate rentals

- ▶ Rental portion of Union Square project could test this demand

Downtown Development Opportunities



Retail Development Potential

A new 55,000 SF supermarket targeted largely to meet the needs of Greater Downtown residents

54,000 SF of new restaurant space, continuing growth in the capture of the regional dining market

25,000 SF of women's and children's apparel, clothing accessories, and shoes to expand specialty clothing niche

Downtown Development Opportunities



Retail Development Potential

28,000 SF of retail to meet downtown resident needs, including furniture, basic electronics, and pet supplies

21,000 SF of strategically-clustered specialty stores to capture regional market, including home furnishing stores, gift shop, jeweler, art supply store, and toy/hobby store

15,000 SF of leisure-oriented specialty products to capture unmet needs of Downtown students and employees, including computer/software store, game store, bike shop, and running store

Downtown Development Opportunities



Office Market Potential

Assuring that large employers have adequate potential for expansion

Developing the capacity to market Downtown to external users by identifying specific sites for the development of new Class A space

Upgrading and converting warehouse and/or some Class B space to office condominiums to meet needs of smaller (medical?) firms

Converting surplus of Class B space to other uses to tighten up market and encourage improved maintenance

Downtown Development Opportunities



Hotel Market Potential

Introducing 90 to 100 rooms annually to capture on-going growth in room-night demand

Opportunity to support growth of convention business with addition of second more price-sensitive hotel within walking distance of Convention Center

Encouraging reinvestment and/or repurposing of older, less competitive current hotel properties

Questions/Discussion



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