Charting Downtown Revitalization in the Flagship City

APAPA Annual Conference

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Introductions

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City of Erie

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Urban Partners
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.
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

Charting Downtown Revitalization in the Flagship City
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

Charting Downtown Revitalization in the Flagship City
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
Recent Downtown Progress

Gannon University Expansion

- Erie Technology Incubator
- Zurn Science Center
- Morosky Academic Center
Recent Downtown Progress

Bayview Centre

- Class A office building
- 75,000 SF
Recent Downtown Progress

Hamot Medical Center Expansion

- Women’s Hospital
- Heart Institute

Charting Downtown Revitalization in the Flagship City
Recent Downtown Progress

Erie Art Museum Expansion

- Erie’s first LEED-certified building
State of Affairs

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

Charting Downtown Revitalization in the Flagship City
## State of Affairs – Demographics

### Population

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

U.S. Census Bureau
## Housing Units

<table>
<thead>
<tr>
<th>Area</th>
<th>2000</th>
<th>2010</th>
<th>2000-2010 Change</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Erie Downtown Partnership Service Area</td>
<td>1,396</td>
<td>1,445</td>
<td>49</td>
<td>3.5%</td>
</tr>
<tr>
<td>Greater Downtown Erie</td>
<td>17,764</td>
<td>17,134</td>
<td>-630</td>
<td>-3.5%</td>
</tr>
<tr>
<td>Erie City</td>
<td>44,971</td>
<td>44,970</td>
<td>-181</td>
<td>-0.4%</td>
</tr>
<tr>
<td>Erie County</td>
<td>114,322</td>
<td>119,138</td>
<td>4,816</td>
<td>4.2%</td>
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</tbody>
</table>

U.S. Census Bureau
### State of Affairs – Demographics

#### Housing Occupancy

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

U.S. Census Bureau
## State of Affairs – Demographics

### Housing Owner-Occupancy

<table>
<thead>
<tr>
<th>Area</th>
<th>2000</th>
<th>2010</th>
<th>Occupancy Rate 2000</th>
<th>Occupancy Rate 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Erie Downtown Partnership Service Area</td>
<td>13</td>
<td>15</td>
<td>1.1%</td>
<td>1.1%</td>
</tr>
<tr>
<td>Greater Downtown Erie</td>
<td>5,172</td>
<td>4,345</td>
<td>33.8%</td>
<td>29.0%</td>
</tr>
<tr>
<td>Erie City</td>
<td>22,997</td>
<td>21,408</td>
<td>56.2%</td>
<td>52.3%</td>
</tr>
<tr>
<td>Erie County</td>
<td>73,729</td>
<td>73,847</td>
<td>69.2%</td>
<td>66.9%</td>
</tr>
</tbody>
</table>

U.S. Census Bureau
### Single-Family Housing Sales

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

- 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

<table>
<thead>
<tr>
<th>Area</th>
<th>Total Sales 1/11-12/11</th>
<th>Median Sales $ 1/11-12/11</th>
<th>Total Sales 1/05-12/05</th>
<th>Median Sales $ 1/05-12/05</th>
</tr>
</thead>
<tbody>
<tr>
<td>Erie Downtown Partnership Service Area</td>
<td>1</td>
<td>$147,900</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Greater Downtown Erie</td>
<td>1</td>
<td>$147,900</td>
<td>7</td>
<td>$105,000</td>
</tr>
<tr>
<td>Erie City</td>
<td>17</td>
<td>$170,000</td>
<td>23</td>
<td>$106,000</td>
</tr>
<tr>
<td>Erie County</td>
<td>95</td>
<td>$177,900</td>
<td>29</td>
<td>$106,000</td>
</tr>
</tbody>
</table>

- 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)
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%
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

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

- 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

Charting Downtown Revitalization in the Flagship City
## State of Affairs – Retail Market

### Retail Supply – Greater Downtown

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

- 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

*Charting Downtown Revitalization in the Flagship City*
## State of Affairs – Retail Market

### Retail Demand

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

#### Retail Demand

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

## Retail Capture and Development Potential

<table>
<thead>
<tr>
<th>Retail Category</th>
<th>Total Development Opportunities (SF)</th>
<th>Reasonable Opportunities for Downtown (SF)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supermarket</td>
<td>105,000</td>
<td>55,000</td>
</tr>
<tr>
<td>Full-Service Restaurants</td>
<td>54,000</td>
<td>54,000</td>
</tr>
<tr>
<td>Specialty Apparel</td>
<td>51,000</td>
<td>25,000</td>
</tr>
<tr>
<td>Community Resident Needs</td>
<td>51,000</td>
<td>28,000</td>
</tr>
<tr>
<td>Regional Specialty Goods</td>
<td>44,000</td>
<td>21,000</td>
</tr>
<tr>
<td>Student/Employee Market Specialties</td>
<td>32,000</td>
<td>15,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>337,000</strong></td>
<td><strong>198,000</strong></td>
</tr>
</tbody>
</table>
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 the 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
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
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.

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Charting Downtown Revitalization in the Flagship City
Office Market Potential

1. Assuring that large employers have adequate potential for expansion
2. Developing the capacity to market Downtown to external users by identifying specific sites for the development of new Class A space
3. Upgrading and converting warehouse and/or some Class B space to office condominiums to meet needs of smaller (medical?) firms
4. 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 ongoing 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

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