

# Durkee Street Real Estate Market Analysis & Financial Feasibility Study

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Prepared for:

City of Plattsburgh, NY



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## About Camoin Associates

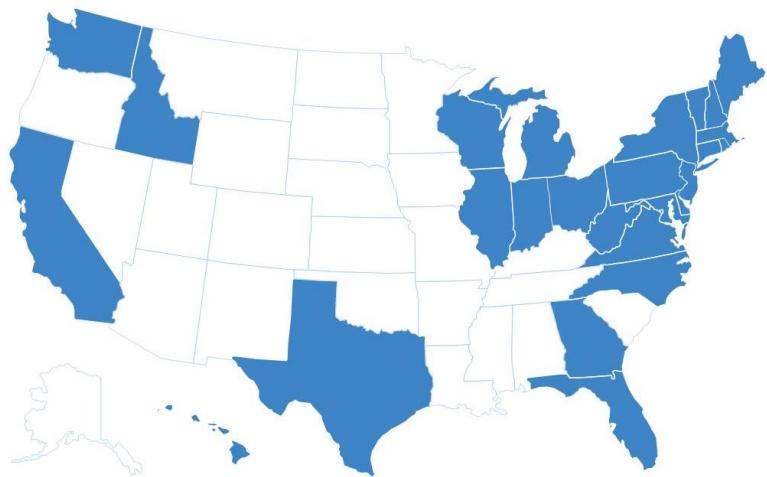
Camoin Associates has provided economic development consulting services to municipalities, economic development agencies, and private enterprises since 1999. We specialize in real estate market analysis to evaluate the feasibility and impacts of proposed projects. Through the services offered, Camoin Associates has had the opportunity to serve EDOs and local and state governments from Maine to California; corporations and organizations that include Lowes Home Improvement, FedEx, Volvo (Nova Bus) and the New York Islanders; as well as private developers proposing projects in excess of \$600 million. Our reputation for detailed, place-specific, and accurate analysis has led to projects in 26 states and garnered attention from national media outlets including *Marketplace* (NPR), *Forbes* magazine, and *The Wall Street Journal*. Additionally, our marketing strategies have helped our clients gain both national and local media coverage for their projects in order to build public support and leverage additional funding. The firm currently has offices in Saratoga Springs, NY; Portland, ME; and Brattleboro, VT. To learn more about our experience and projects in all of our service lines, please visit our website at [www.camoinassociates.com](http://www.camoinassociates.com). You can also find us on Twitter [@camoinassociate](https://twitter.com/camoinassociate) and on [Facebook](https://www.facebook.com/camoinassociates).

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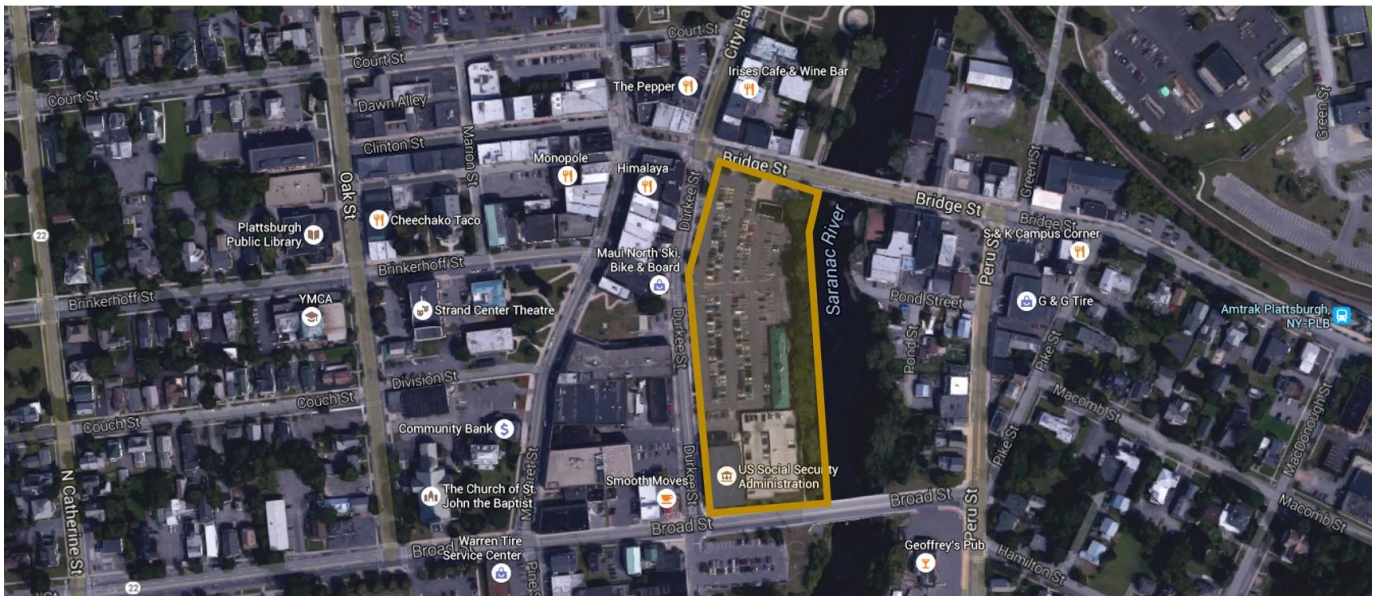
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# Introduction

The City of Plattsburgh retained the team of Camoin Associates and The Chazen Companies for assistance in the completion of a feasibility study for the Durkee Street development area. Durkee Street is located in Plattsburgh’s downtown district and is one of the last publically owned sites available for development in the city.

The overall objective of this project is to provide the City and potential developers the information needed to make sound decisions regarding future development of Durkee Street. This plan is grounded in information and analysis around market conditions, financial viability, site realities, and has support from City and community leaders.

## Durkee Street Site



## PROJECT STATUS: APRIL 2016

The Real Estate Market Analysis Report is designed to highlight key issues, trends, and other findings to date from the research and analysis. Results will be used to inform discussion among the committee, identify topics that require further investigation and confirmation, and ultimately to assist The Chazen Companies to workshop redevelopment concepts that enhance the use of the Durkee Street site. Camoin Associates will assess the concepts for financial feasibility and provide recommendations to make them financially viable.

## Process & Methods

This market analysis is comprised of both primary and secondary data. Our analysis seeks to identify market trends at the regional level that are impacting real estate development, as well as trends at the local and even site level that may impact development opportunities at Durkee Street and Downtown Plattsburgh. Together, the market analysis will provide a snapshot of the strengths and weaknesses of the Plattsburgh region in moving forward with development at the Durkee Street site.

Camoin conducted in-person and telephone interviews with commercial and/or mixed-use property developers, economic development professionals, and licensed real estate professionals to further understand the current economic and real estate environment. Interviews focused on the projected demand for different types of space (commercial, residential, retail, mixed-use, etc.), price points, recent developments, and amenities. Key economic development officials at the county and regional level, as well as local officials and private business leaders were also interviewed to gauge on-the-ground perspectives of the true opportunities for real estate development and redevelopment.

Additional information was collected from businesses owners in the Plattsburgh area through a survey that was distributed by the Community Development Office. Survey results were aggregated into three categories based on where the business was located: downtown, city or town.

The City was successful in obtaining several grants from public agencies through the last round of the Consolidated Funding Application (CFA) process in 2015. Opportunities to build on the momentum that these grant awards create will be further explored in the Durkee Street buildout scenarios. Perhaps of greatest relevance to the Durkee Street site is the New York Street Main Street Grant that was awarded to the North Country Food Co-op, located at 25 Bridge Street. This popular, and growing co-op is a unique draw for locals and could act as a key component to further activities downtown.

## Market Analysis Summary: Opportunities & Challenges

Based on the analysis of the real estate market in Plattsburgh, the following redevelopment opportunities and challenges have been identified. It is important to note at this stage in the project that while the following uses present a market opportunity for downtown Plattsburgh, they may not all be desired uses for the Durkee Street site. The ultimate decision will come down to the Plattsburgh community and future private sector investment partners. In the coming weeks, the City and project steering committee will work with the consultant team and use this market assessment to workshop redevelopment scenarios that capitalize on market opportunities.

### General Opportunities & Challenges

#### Opportunities

- **Public sector leadership** - One of the most important opportunities for Durkee Street is the ongoing leadership by the City and steering committee who are taking action and guiding this project. They will be champions for redevelopment of the site moving forward.
- **Saranac River** – Situated along the bank of the Saranac River, development at Durkee Street could offer views and access to the river.
- **New-build** – This site is one of few remaining developable properties in the city’s urban core, which gives this site a unique opportunity for new construction, as most others in the downtown area would entail rehabilitation of existing buildings.
- **Competitive price points** – Real estate prices in Plattsburgh are much lower compared to larger cities in the Northeast. Your dollar can go a long way in this region, which is attractive to outside investors.

- **Connectivity** – This site is well positioned in Plattsburgh’s urban fabric and has the potential to be a node of activity for amenities and assets throughout the city.
- **Well-known property** – As the home of the farmer’s market and public parking, this site is highly visible and well known among the community. Investment and activity at this site will easily generate interest and buzz.

### Challenges

- **Parking** – The primary use of the site today is parking. Nearly any future use of the site will contribute to parking demand and the City must be willing to collaborate with the private sector on this issue. Maintaining the parking supply is imperative for maintaining support from the resident and business community.
- **Car-centric culture** – Related to the parking challenge, Plattsburgh’s dominate mode of transportation is the car. Most people are simply not used to walking for a few blocks downtown or biking to get somewhere, and most of the community completely forgets about the train station. Plattsburgh is certainly not alone in this challenge, and things are beginning to change as the perception of urban areas is changing, but it will be a notable challenge.
- **Low price points** – While attractive to buyers, low price points in the market can make it challenging for investors to attain a desired return on their investment (ROI).
- **Need more “feet on the street”** – When people come downtown it is typically for a single reason – have a meal, visit a specific store, go to the office, etc. The restaurants are doing quite well, but there is not yet a critical mass of activities happening downtown that invite people to explore the area.

### Downtown Rental Units

Throughout the United States, there is a growing trend of people moving back to urban centers, which is changing the housing market landscape. The trend has moved away from single-family owner-occupied houses to an array of other projects. Trends driving this transition include:

- Empty nesters looking to downsize into less maintenance-intensive properties,
- Senior housing for those looking for amenities tailored to the needs of retirees,
- 20- and 30- year olds rediscovering the benefits of living in a downtown setting close to amenities,
- Families displaced by foreclosure looking for an alternative to home ownership, and
- Young people just starting out their careers and professionals looking for upscale housing options.

Together, these trends are driving a substantial change in the attitudes, tastes, and market choices of individuals. Residential re-urbanization is just beginning in Plattsburgh but it has not completely “hit” yet. The Durkee Street site presents an opportunity to capitalize on this trend.

### Opportunities

- **Growing demand for the urban experience** – There is a renewed interest in the local urban environment in Plattsburgh and regional residents are beginning to move closer to the city. College students, local professionals, and “baby boomers” looking to downsize are all market segments that would be potentially interested in modern urban rental units.
- **Lead the market** – Over the past few years, the market for rental units has been creeping upward in terms of price and quality. New, high-quality residential units would support continued growth in a positive direction (1.5 and 2 bedrooms at the \$1,200 to \$1,500 price range).



- **Create a 24/7 environment** – Currently people work, eat and do some limited shopping downtown. The next step in Plattsburgh’s urban revitalization is to get more people living downtown that can support continued business growth.
- **Offer something new and different in the market** – There are some apartments downtown, but most have not been renovated in some time and tend to be at the lower end of the market in terms of quality and price.
- **Conversions to condominiums** - A potential development opportunity for downtown Plattsburgh is market rate rental units that may be converted to condominium units in the future (as market allows).

### Challenges

- **Limited population growth = Limited demand** - While the region is not shedding residents, it is not growing substantially either, which means demand for new housing is limited. The residential market is only able to absorb small-scale projects. Development would likely need to occur in phases.
- **Need to prove the local urban market potential** – The first project is always the hardest because it has not been done before and there will be naysayers. However, the good news is that there are countless successful urban residential development projects in similarly sized communities across New York and the Northeast. Plattsburgh is actually a bit behind the re-urbanization trend.

### Class A Office Space

Class A Office space is high-quality, top-of-the-line space that competes for prominent users. Rents for Class A space are typically above average for the area (currently \$10-\$12 per square foot in the region). Plattsburgh does not have any available Class A space.

### Opportunities

- **Support regional economic development growth in manufacturing** – Over the past few years there have been examples where manufacturing companies moving to the area were also in the market for office space to cover their back-office operations. These companies were forced either to make due with lower quality space than what they were hoping for or look in other markets such as Burlington, VT. This current market situation can actually inhibit growth of companies or force them to relocate.
- **Low vacancy rate** – Vacancy in the office market for quality office is extremely low, which is a good thing for property owners whose spaces are full, but a challenge for buyers who have very few options.
- **Projected growth** – Office utilizing industries are showing growth in the region and based on projections and standard space requirements we estimate that by 2025 there will be demand for about 89,000 square feet of commercial office space.
- **Medical Office Space** – Ambulatory care or outpatient care service industries have been growing in Clinton County and, as the regional population continues to age, these industries are expected to continue to grow. This growth will create a demand for specialized medical office space for dentists, chiropractors, physical therapists, etc.
- **Fiscal Impact** – Commercial office space projects tend to have the greatest fiscal benefits through direct and indirect tax revenue generation for a community.
- **New space design trends (National)** – Today’s employees are less tied to their office space or “cube” than in the past and new work-styles are creating demand for a different type of space. Emerging trends in office space include standing/adjustable desks and conference tables, shared workspaces, open collaboration space such as conference rooms in common areas, booths for private conversations, and “touchdown” spaces where employees who are frequently on the road can quickly set up a laptop when in the office.

## Challenges

- **Risk** – While the market is growing slowly, there is not necessarily pent-up demand for office space in Plattsburgh. The market is relatively stagnant. The ideal situation would be to identify a tenant committed to occupy at least some of the new space to reduce the uncertainty and risk involved for a developer.

## Small Scale Retail/Services/Amenities Offering an Experience

Downtown needs a draw; something to keep people in the area beyond checking off an item on a to-do list. Something that engages the visitors' senses for a memorable, meaningful experience by creating an inviting environment that helps visitors escape from the over-sensitized, frantic pace of life. The retail and services industry is getting very creative in this space, as competition from online retailers increases. Examples of businesses that offer unique experiences include:

- [Paint N' Sip](#): where amateur painters are guided through creating a painting while enjoying a drink and often food (one location offers a Mac Cheese bar). These types of businesses connect people with their creative side in a low-key environment.
- [Fleet Feet Sports](#): where they analyzing a runner's stride and let them test out several brands to help customers find the perfect pair of shoes.
- [Elements](#): which is a book store, coffee shop, and bar that offers plenty of seating and fast Wi-Fi that draws college students out of their dorms and professionals out of their offices.
- [Lake George Olive Oil](#): where customers not only get to taste all of the olive oil and balsamic vinegar they want but learn about the products, get recipes and cooking tips, and partake in live chef demonstrations and cooking classes.

These are just a few examples of the types of businesses, beyond restaurants, that are succeeding in small downtowns throughout the northeast.

## Opportunities

- **Extended stays** – Offer a second activity for visitors, which can keep them in the area longer, boost spending, and contribute to the overall vibrancy of downtown.
- **Creates a story** – Much of community marketing is about storytelling, and when people have a memorable experience, they help tell that story.
- **Connect with arts and culture** – This type of space could offer local artists an opportunity to connect on a personal level to new customers and audiences who may not typically visit an art gallery or show at the theater.

## Challenges

- **Low household income** – City residents tend to have low household income and limited discretionary income so their ability to support new businesses in the downtown is limited. Like the current business community downtown, any new business will need to be able to draw regional residents and visitors.
- **Low price points** – The average rent for retail space downtown now is too low for a developer to build new retail space and generate a reasonable return on their investment. It will be difficult for a project to attract tenants and expect them to pay rent well above market rate unless the space has been specifically customized for them in some way.
- **Consumer perception: "Closed on Sunday"** – There is not a lot of activity on the weekends in downtown, particularly on Sundays. The business community is trying to change this and bring more people downtown with events and are seeing limited success.



## Access to the Saranac River & Public Space

### Opportunities

- **Public benefit** – A small park would offer a downtown gathering place with great views of the river, contributing to the overall quality of life in the area.
- **Place for community events** – The park could be designed to create an open-air venue for hosting community events.

### Challenges

- **Limited opportunities for consumer spending** – Though parks can help attract visitors, they do not directly generate significant spending or direct economic impacts.
- **No tax revenue** – As a public amenity, a park will not directly generate tax revenue for the City.
- **Required maintenance** – Maintenance of public spaces requires staff-time and financial resources. A Business Improvement District (BID) may work with the City to cover maintenance.
- **Safety** – As with any public space, insuring safety is an important concern.
- **Ample existing public space** – Plattsburgh has many public parks and recreational opportunities.

## Food Movement

The national discussion around the source, production, and quality of food is growing and this trend is really just starting to take hold in Plattsburgh, with the strong restaurant cluster downtown and recent success of the North Country Food Co-Op. With its diverse agricultural economy and growing interest in quality, regionally sourced food, this is an emerging opportunity for Plattsburgh.

### Opportunities

- **Wineries, Distilleries, Breweries, & Cideries** - This industry is a good fit for Plattsburgh as it is surrounded by several large apple orchards and vineyards. There is already a successful tasting room downtown and through partnerships with other regional growers and producers, there may be an opportunity to expand this sector in the downtown.
- **Refresh the Farmers Market** – The site is already known as a hub for local farmers to sell their produce and this can be expanded upon.
- **College students** – College students typically do not have a lot of discretionary income, but they will spend money on food that they cannot get on campus.

### Challenges

- **Limited consumer market** – While there seems to be room for growth in this sector, it will need to occur incrementally to avoid over-saturating the market and jeopardizing the existing business community.
- **Local perception** – While students and visitors appreciate the local food movement and are big supporters of the existing businesses in this sector, it is not as widespread among the regional consumer market.

## Embrace the Sharing Economy

The sharing economy is built around the sharing of human and physical resources and when it comes to real estate, it can take many forms. During the research for this project, several sharing economy ideas were discussed, many which relate to other opportunities described above.

### Opportunities

- **Co-working space** – As mentioned above, there is very little quality office space available in Plattsburgh. An opportunity to address this issue at a small scale could be to create co-working space, where people working for different companies rent office space in a shared environment. It might just be a desk or more amenities like conference rooms, equipment, etc. Typically, the rental terms are flexible and are customized based on different needs. Example: [BEAHIVE](#)
- **Shared kitchen** – Some communities have fully equipped kitchens that can be rented for events, cooking demonstrations, training, and pop-up restaurants (see below). This ties in well with the farm-to-table trends noted above. Example: [Hoosick Kitchen](#)
- **Pop-up space** – One day it is an empty storefront, the next someone is selling custom made hats normally only sold online. Pop up shops and restaurants work great for small businesses who have large online networks and dedicated customers who are willing to travel for a chance to engage with these businesses in-person. These spaces are used to test products or recipes, sell seasonal products, access new markets, or just do something different. Example: [3 Chefs and a Baker](#)
- **Residential rentals** – Companies like [Home Away](#) and [Airbnb](#) that allow people to rent out their residences are increasing in popularity. This is not typically a market traditional developers enter, but important to note as many owners of upscale condos and apartments rent their space using these sites as a way to supplement their income making these higher-end living units more affordable. It is important for the City and property owners to find ways to accommodate this trend and avoid legislating against it.

### Challenges

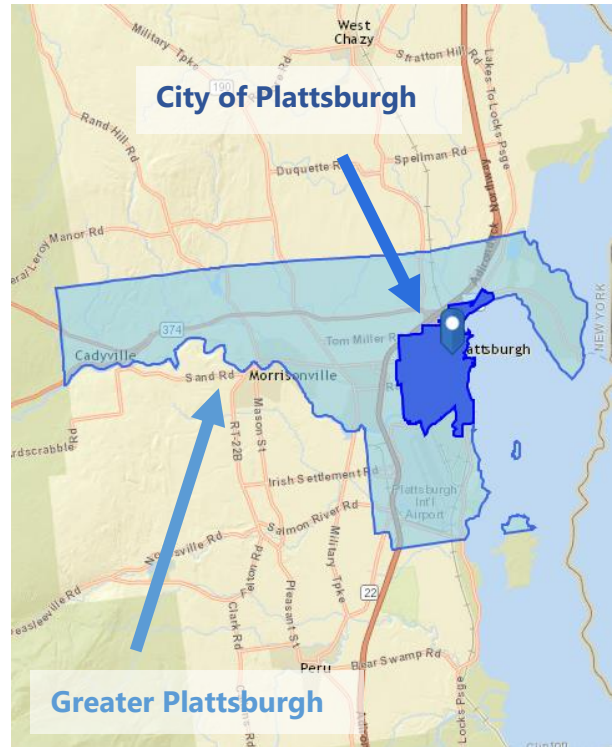
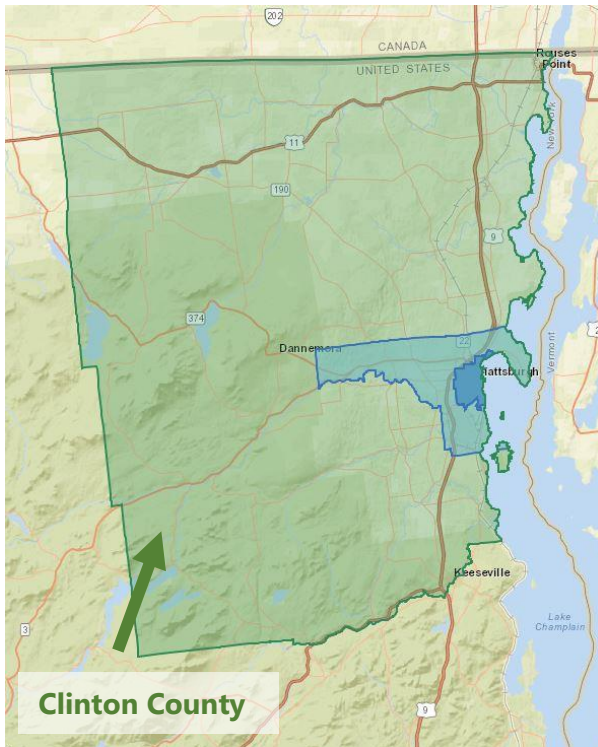
- **Collaboration is challenging** – The sharing economy relies on getting several people or groups to work together when nobody is an elected leader or “the boss”, which can be a challenge. Successful collaboration at this level takes practice and patience and, most importantly, trust among all stakeholders.
- **Regulatory environment** – Most communities do not have the regulatory structure to accommodate sharing economy businesses because in most cases the technology did not exist to allow these things to happen. As a result, good ideas and proposals are sometimes shot down or put through a costly and time-intensive regulatory review. For these types of businesses to work, the City needs to be a willing partner.

# Socioeconomic Profile

## Geographies Studied

The maps below illustrate the various geographic regions from which demographic and socio-economic data was collected.

### Study Area Geographies



## Demographic Snapshot

Demographic data for the three study area geographies illustrates the clear demographic and socioeconomic differences between the city and surrounding regions. On average, city residents are considerably younger and earn much less than their neighbors in the surrounding areas. We dig deeper into these differences in the subsequent pages and explore what this means in terms of market demand and redevelopment opportunities for Durkee Street.

Demographic Profile, 2015			
	City	Greater Plattsburgh	Clinton County
Population	19,741	31,591	81,849
Households	8,134	12,916	31,897
Average Household Size	2.05	2.17	2.35
Median Age	31	35	40.1
Median Household Income	\$ 37,296	\$ 42,089	\$ 50,010

Source: ESRI

## Population Trends

Within all three geographies, there was little change in population since 2010. Although the change was small, every geography did lose residents between 2010 and 2015. It appears that most of this decline occurred as residents left the city. In the coming years, the city is expected to continue to shrink in population while Greater Plattsburgh and Clinton County are projected to grow slightly.

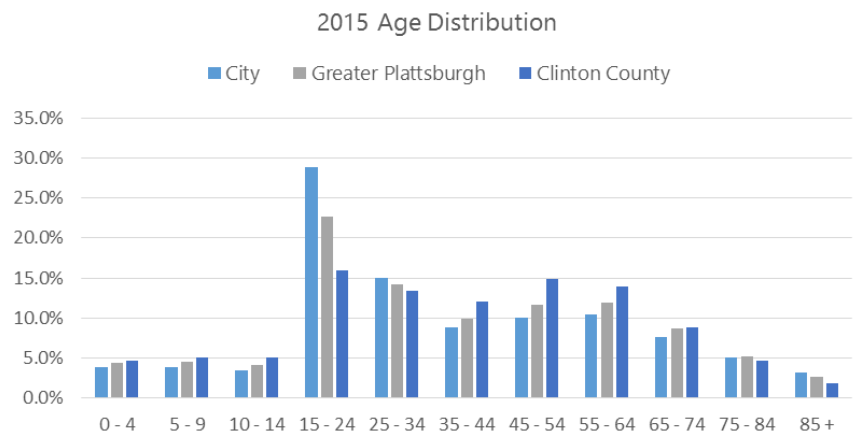
Historic and Projected Population							
	2010	2015	2020 (proj.)	2010-2015		2015-2020	
				# Change	%Change	# Change	%Change
City	19,989	19,741	19,732	-248	-1%	-9	-0.05%
Greater Plattsburgh	31,859	31,591	31,600	-268	-1%	9	0.03%
Clinton County	82,128	81,849	82,126	-279	0%	277	0.34%

Source: ESRI

About 30% of city residents are between the ages of 15 and 24. The concentration of young adults living in the city reflects the large college student population combined with the lower housing costs for living in the city compared to the surrounding region.

College students represent a large market segment that is being overlooked by the community. Undergraduate enrollment at SUNY Plattsburgh is about 5,375 and Graduate enrollment is about 340.<sup>1</sup> Clinton Community College, is located just south of the city near the former Plattsburgh Air Force Base and has an enrollment around 2,000.

The population in Greater Plattsburgh and Clinton County is more distributed by age. Clinton County, in particular, has a more “typical” population distribution with includes large baby boomer (age 45-64) and millennial (age 15-34) market segments.



Age Range (years)	2015 Age Distribution					
	City		Greater Plattsburgh		Clinton County	
0 - 4	3.80%	750	4.4%	1,390	4.6%	3,765
5 - 9	3.80%	750	4.5%	1,422	5.0%	4,092
10 - 14	3.50%	691	4.1%	1,295	5.0%	4,092
15 - 24	28.80%	5,685	22.7%	7,171	16.0%	13,096
25 - 34	15.00%	2,961	14.2%	4,486	13.4%	10,968
35 - 44	8.80%	1,737	9.9%	3,128	12.0%	9,822
45 - 54	10.00%	1,974	11.7%	3,696	14.9%	12,196
55 - 64	10.40%	2,053	12.0%	3,791	13.9%	11,377
65 - 74	7.60%	1,500	8.7%	2,748	8.8%	7,203
75 - 84	5.10%	1,007	5.2%	1,643	4.6%	3,765
85 +	3.20%	632	2.7%	853	1.8%	1,473
<b>Total</b>	<b>100%</b>	<b>19,741</b>	<b>100%</b>	<b>31,591</b>	<b>100%</b>	<b>81,849</b>

Source: ESRI

<sup>1</sup> Source: SUNY Plattsburgh website: <http://web.plattsburgh.edu/admissions/fastfacts.php>

## Household Income

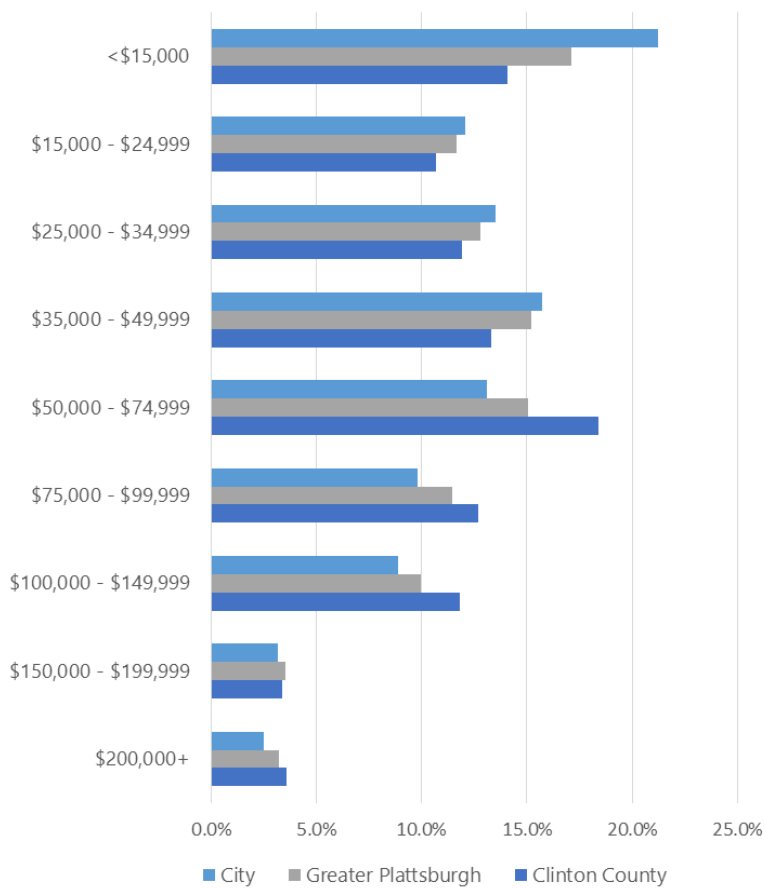
In both the city and Greater Plattsburgh, the lowest income bracket, less than \$15,000, captured the greatest percentage of households, 21.2% and 17.1%, respectively. Nearly half of the households in the city earn less than \$35,000 annually. In the county, the largest income bracket is \$50,000-\$74,999 and includes just over 18% of the population.

In general, incomes in the county trend towards higher earnings than incomes in the city and Greater Plattsburgh Region.

2015 Income Distribution, Comparison Geographies			
	City	Greater Plattsburgh	Clinton County
<\$15,000	21.2%	17.1%	14.1%
\$15,000 - \$24,999	12.1%	11.7%	10.7%
\$25,000 - \$34,999	13.5%	12.8%	11.9%
\$35,000 - \$49,999	15.7%	15.2%	13.3%
\$50,000 - \$74,999	13.1%	15.0%	18.4%
\$75,000 - \$99,999	9.8%	11.5%	12.7%
\$100,000 - \$149,999	8.9%	9.9%	11.8%
\$150,000 - \$199,999	3.2%	3.5%	3.4%
\$200,000+	2.5%	3.2%	3.6%
Total Households	8,134	12,916	31,897

Source: ESRI

2015 Income Distribution Across Geographies



Based on income distribution figures, residents of the city generally have lower spending power than residents of the Greater Plattsburgh Region or the county.

## Resident Education

Relative to the other geographies, the city's population is the most educated when looking at post-secondary degree attainment. While all geographies fall within similar ranges, the city exceeds the Greater Plattsburgh area and the county in the percentage of the population with higher education training, including college, Associate's degrees, Bachelor's degrees and Graduate or Professional degrees. Nearly a third of the city's population has a Bachelor's degree or higher, and 15% of the population has a Graduate or professional degree. An educated population is vital to fulfilling workforce requirements of local employers and anticipating whether populations will be suitable for potential employers in the area.

2015 Population 25+ by Educational Attainment			
	City	Greater Plattsburgh	Clinton County
Less than 9th Grade	3.9%	4.6%	5.7%
9th - 12th Grade, No Diploma	6.7%	8.0%	9.0%
High School Graduate	21.4%	23.7%	27.6%
GED/Alternative Credential	6.1%	6.2%	8.2%
Some College, No Degree	19.8%	18.9%	17.2%
Associate Degree	10.1%	9.5%	9.1%
Bachelor's Degree	17.4%	15.4%	12.7%
Graduate/Professional Degree	14.5%	13.6%	10.5%
Total 25+ Population:	11,881	20,295	56,748

Source: ESRI

Educational Attainment Summary			
	City	Greater Plattsburgh	Clinton County
High school diploma or higher	89%	87%	85%
Bachelor's degree or higher	32%	29%	23%
Graduate or professional degree	15%	14%	11%

Source: ESRI

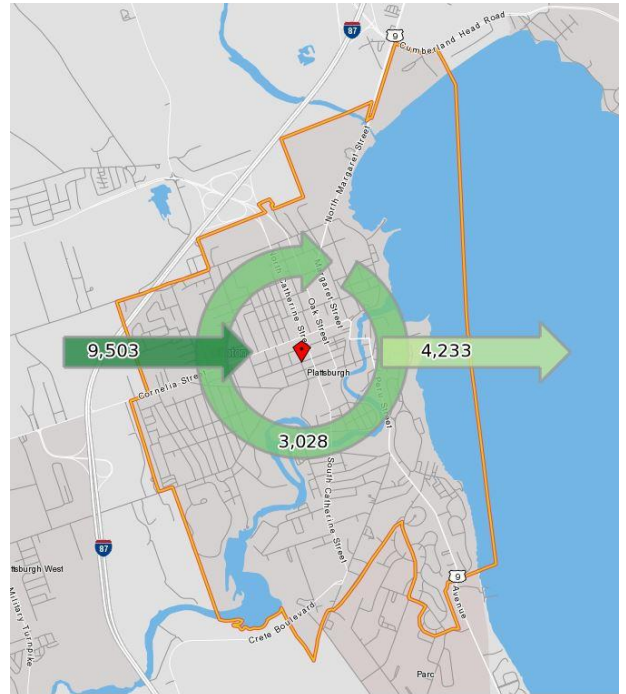


## Commuting Patterns & Labor Shed

The adjacent map illustrates the inflow and outflow of workers in the City of Plattsburgh. About 9,500 workers are employed within the city but reside outside city boundaries. Another 4,200 workers live in the city but commute out for their job. More than double the number of people come into the city for work than are leaving for work, indicating the employment opportunities in the city are likely greater than those outside of the city. The smallest proportion of workers, 3,000 people, are employed and live within the city boundaries.

The table below on the left shows where the city's workforce lives. A majority of workers, nearly 78%, live and work in Clinton County, while the other 22% of workers are disbursed across Upstate New York counties and Chittenden County, VT across Lake Champlain.

The table on the right shows where residents of the city work. A majority of city residents work in Clinton County, over 68%, while the remaining 32% are also scattered at jobs across neighboring counties and Chittenden County, VT.



Source: On the Map

Where City Workers Live - Primary Jobs, 2014		
	#	%
Clinton County, NY	9,748	77.8%
Essex County, NY	768	6.1%
Franklin County, NY	565	4.5%
St. Lawrence County, NY	189	1.5%
Chittenden County, VT	162	1.3%
Oneida County, NY	81	0.6%
Onondaga County, NY	68	0.5%
Saratoga County, NY	61	0.5%
Albany County, NY	52	0.4%
Jefferson County, NY	50	0.4%
All Other Locations	787	6.3%
<b>Total</b>	<b>12,531</b>	<b>100%</b>

Source: On the Map

Where City Residents Work - Primary Jobs, 2014		
	#	%
Clinton County, NY	4,942	68.1%
Albany County, NY	217	3.0%
Franklin County, NY	197	2.7%
Essex County, NY	195	2.7%
St. Lawrence County, NY	192	2.6%
Chittenden County, VT	172	2.4%
Warren County, NY	102	1.4%
Saratoga County, NY	97	1.3%
Monroe County, NY	94	1.3%
Oneida County, NY	93	1.3%
All Other Locations	960	13.2%
<b>Total</b>	<b>7,261</b>	<b>100%</b>

Source: On the Map

This data shows that Plattsburgh is a magnet for employment within the regional labor market. In addition to the resident population, the city has a strong workforce population, which may present market opportunities.

## ½ Mile Workforce

To better understand characteristics of the workforce within immediate vicinity of the project site, we took a closer look at the labor shed within a ½ mile of Durkee Street. This distance represents roughly a 15 minute walk or a few minute commute by car.

The workforce population within a ½ mile radius of the Durkee Street site is about 3,850 and is relatively diverse in terms of age and earnings. Roughly 60%, or 2,000 workers, are between the ages of 30 to 54 and about 800 workers aged 29 or younger and about 900 workers aged 55 or older.

Regarding earnings, 75% earn at least \$1,250 per month and about 40% earn more than \$3,333 per month. Top industry sectors employing these workers include Public Administration (32%), Educational Services (15%), Accommodations and Food Services (10%), and Health Care and Social Assistance (10%).

Other demographic information collected on the ½ mile workforce show that the population is predominately white (96.7%) not Hispanic or Latino (98.4%); most have some college (70%); and just over half are female (57.8%).

### Labor force Profile within 1/2 Mile of Durkee St., 2014

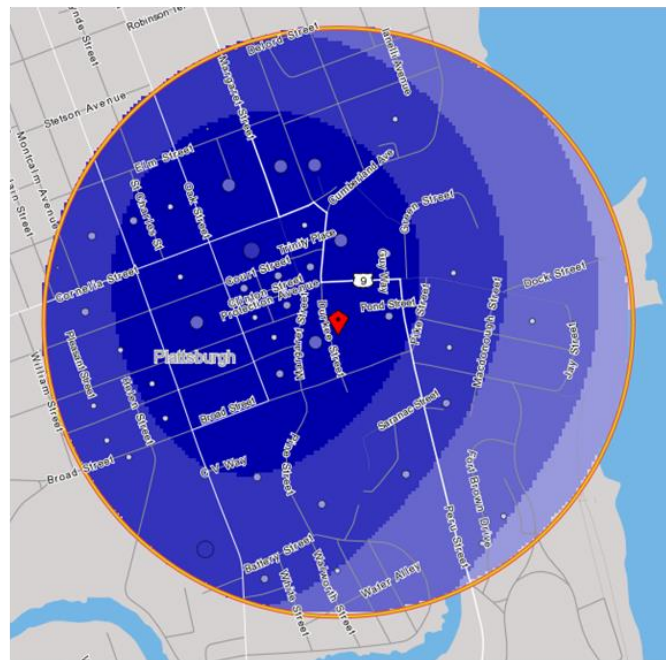
Jobs by Worker Age	#	%
Age 29 or younger	788	20.5%
Age 30 to 54	2,152	56.0%
Age 55 or older	902	23.5%

Jobs by Earnings	#	%
\$1,250 per month or less	964	25.1%
\$1,251 to \$3,333 per month	1,330	34.6%
More than \$3,333 per month	1,548	40.3%

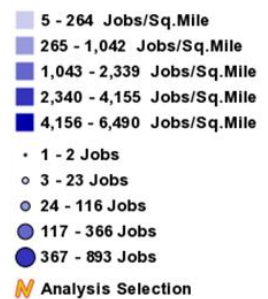
Jobs by Worker Sex	#	%
Male	1,622	42.2%
Female	2,220	57.8%

Source: On the Map

## Workforce within 1/2 Mile of Durkee St.



Source: On the Map



While not an incredibly large population, this group – along with the local resident population – includes the people that likely pass near by the project site on a daily basis and will see first-hand any development that takes place. Any future development that takes place at Durkee St. has the potential to draw these workers.

## Economic Development Projects

Public and private investment is occurring throughout the Greater Plattsburgh region. Collectively, these projects are strengthening Plattsburgh's economy, elevating its quality of life, and building on local assets and strengths. Some of these projects are summarized below.

- Plattsburgh was awarded \$300,000 in AHC funding to revive its **housing rehabilitation** efforts. Plattsburgh will use AHC funds for the moderate rehabilitation of 12 owner-occupied, single-family homes (1-4 units) scattered throughout Plattsburgh.
- The **Saranac Street Bridge** will be repurposed into a hub of activity that enhances the walkability for local pedestrians, cyclists and visitors alike. The project will address the crucial structural issues needed to get the bridge open once again, and transform it into a Science, Technology, Engineering, Arts and Math (STEAM) learning station for children that will include a variety of hands-on, museum quality exhibits that engage users with their natural surroundings.
- Grant funds will assist in the renovation of **the North Country Food Co-Op** in downtown Plattsburgh. North Country Food Co-op (NCFC), a natural foods grocery store in downtown Plattsburgh, New York, is beginning the process of renovation of NCFC property at 25 Bridge Street – around the corner from Durkee Street. Construction will be confined to the building façade, which is approximately 58 feet long by 40 feet high, and the building first floor, which is approximately 2,400 square feet.
- Expansion of the **Plattsburgh International Airport Terminal** will allow the area to capitalize on its proximity to Canada and compete with Canadian airports. In 2013 85% of airport passengers were Canadian, the goal is to double activity with this project.
- CVPH Medical Center is now part of University of Vermont Healthcare Network, which has created a new **residency program for Plattsburgh Hospital**. Access to quality healthcare is crucial for small communities who are challenged with attracting and retaining talent.
- Significant investments in the **tourism-accommodations sector**, including the newly constructed Hampton Inn and New Fairfield Marriott that is under construction, are drawing vacation and business travelers that formerly stayed at hotels in Burlington, VT.
- Restoration of the **Strand Theater** not only provides an events venue for people living in the community, but an attraction for Canadian visitors who come to Plattsburgh for shopping and recreation.
- Clinton Community College (Clinton) will receive \$12.7 million in state funding as part of the SUNY 2020 Challenge Grant Program to construct an **advanced manufacturing institute (AMI)** on Clinton's main campus. The AMI will link Clinton Community College and SUNY Plattsburgh with Clarkson University, creating a system to support the economic growth of the entire region, as well as space needed to provide timely and effective training to area residents.
- Over the past 20 years, Plattsburgh has successfully positioned itself as the **suburb of Montreal** and local leaders have created very strong relationships with their Canadian counterparts. These relationships have opened doors for foreign direct investment (FDI) by Canadian companies such as Nova Bus, and there are very real opportunities to land other Canadian, and even European, companies seeking access to U.S. markets.
- Continued residential development is successfully occurring on the **Plattsburgh Airforce Base**.

Details about these economic development projects as well as other projects not mentioned can be found in the [North Country Regional Economic Development Council 2015 Progress Report](#) and the [City of Plattsburgh Local Waterfront Revitalization Program](#).

# Residential Market

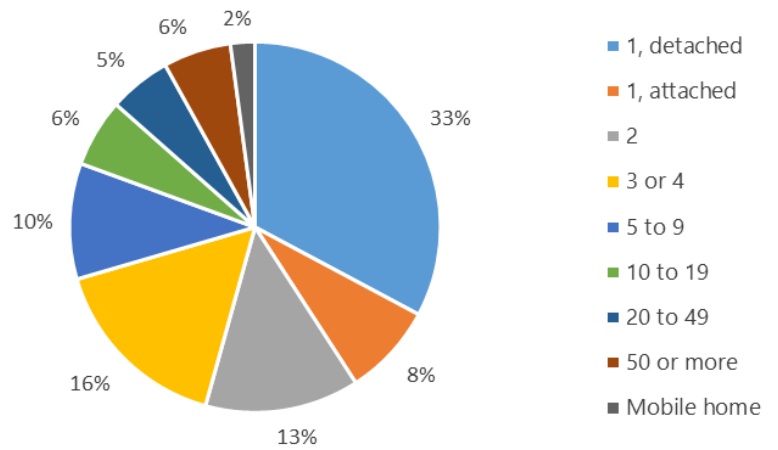
The purpose of the residential market analysis is to assess market trends, evaluate the types of housing that currently exist compared to what is in-demand, and identify opportunities for future redevelopment of the Durkee Street site to meet future residential demand.

## Units by Type and Tenure

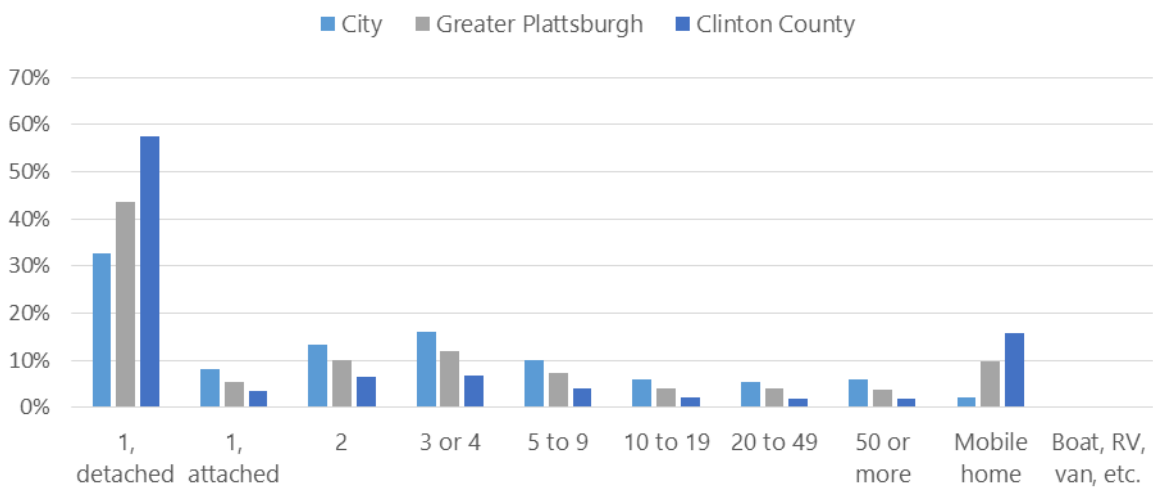
In all three study area geographies, detached, single family homes comprise the largest portion of the residential housing market, covering a third of all housing in the city. The city has the most diversity in alternative housing options, with a greater number of multi-unit residences than either benchmark geography.

Through interviews, Camoin learned that several multi-unit apartment and condo buildings came online in the town and the city over the last three to five years – and most of these projects have been quite successfully. We also heard that bringing more residential options to the downtown area, particularly apartment style rental options, would help to attract young professionals to the downtown area, which could in turn bring in amenities and services desired by apartment tenants.

Housing Units by Structure in the City



Housing Unit by Structure



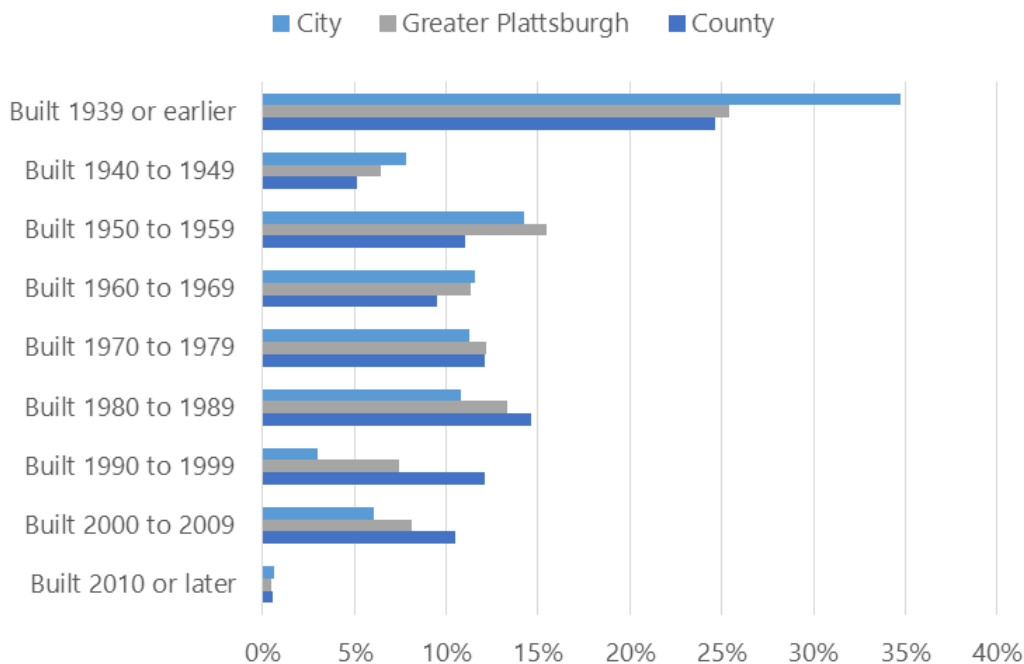
## Housing Stock Condition

The age of an area's housing stock is an important indicator because it can provide a high-level estimate of the quality of the housing stock. Although well-maintained older homes can contribute to the preservation of an area's local history and community character, older houses also tend to be more costly to maintain and have more structural and environmental concerns. In many communities, substandard older housing is often occupied by those residents that are least able to afford the regular maintenance that an older home requires.

The housing stock in the city is significantly older than housing in Greater Plattsburgh or in the county. Over a third of housing in the city was built before 1940, and over 50% of housing is half a century old. Large portions of older housing is also present in Greater Plattsburgh and the county, however, newer housing is more prevalent in the county where nearly a quarter of housing was built within the last 25 years.

Since the city or Greater Plattsburgh region will not likely experience any great net population growth in the next five years, there will not be a significant new demand for housing. However, the exception would be in the case of replacement demand for the large proportion of older housing stock in the city. Further housing demand can be induced by improving quality of place or ensuring the city has the right kind of housing for the demographic composition or targeting specific populations, e.g. drawing young professionals to the downtown with different housing options not currently in the market today.

### Housing Units by Year Structure was Built



## Occupancy & Vacancy Rates

The number of vacant units in the city has increased in the last five years; however, this is not necessarily a negative trend. In 2010, the overall residential vacancy rate was about 6% and the rental vacancy rate hovered around 5%. With vacancy rates this low, buyers/renters have limited options when it comes to housing. Typically, a healthy market has a vacancy rate around 10%. Over the past few years the vacancy rate in the city has crept up as the private sector responded to pent up demand for new housing, particularly modern rental units.

During the interviews, we heard that the vacancy for newer, quality rental units is currently around 5% and “good landlords” have no problem filling their space quickly. For new higher end units that go for around \$1,200 to \$1,500 per month, vacancy rates might be a little higher, but still within a healthy range as that price point is where the market is trending (more on price pints below).

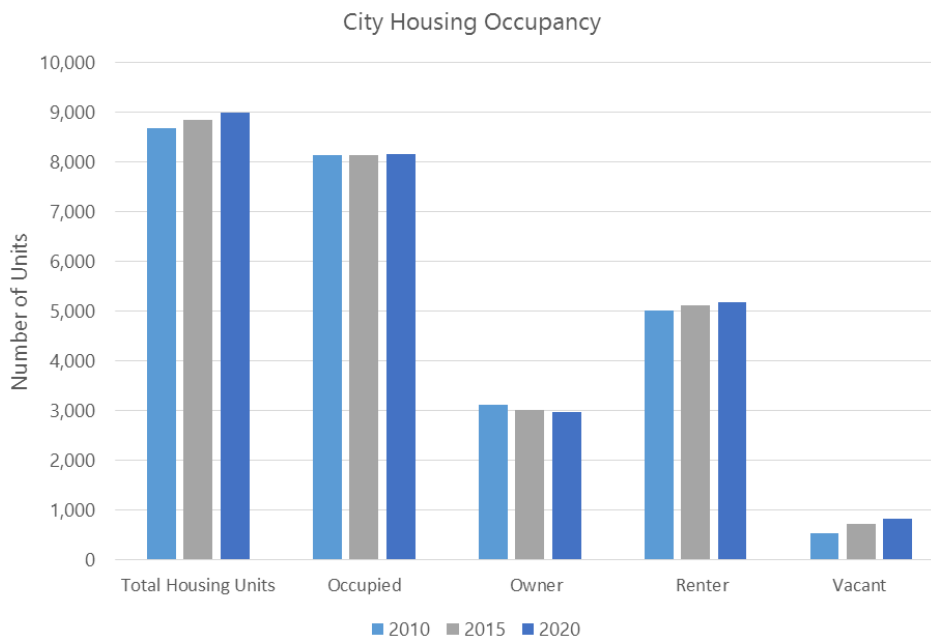
City Occupancy Trends			
	2010	2015	2020
Total Housing Units	8,691	8,858	8,998
Occupied	8,146	8,134	8,162
Owner	3,130	3,012	2,978
Renter	5,016	5,122	5,184
Vacant	545	724	836
Vacancy Rate (Own & Rent)	6%	8%	9%
Homeowner Vacancy Rate*	9%	N/A	N/A
Rental Vacancy Rate*	5%	N/A	N/A

Source: ESRI

\* Includes For Migrant Workers, Seasonal, Sold-not occupied, and Other categories. Some properties in Other and Sold-not occupied include those in foreclosure or tied up in other legal proceedings (about 150 units in 2010).

Change in Units Owned/Rent in City		
	2010-2015	2015-2020
Owner	(118)	(34)
Renter	106	62
Total Occupied	(12)	28

While the total number of occupied housing units in the city has remained relatively flat, we are seeing a shift emerging from owner-occupied units to rental units.





## Residential Values

About 70% of the city's owner-occupied housing units are valued between \$100,000 and \$249,000. The Greater Plattsburgh area and Clinton County also have the highest concentration of housing units within the same bracket. The city has the lowest percentage of units valued at less than \$50,000 compared to both benchmark geographies.

Owner-Occupied Housing Units by Value						
	City		Greater Plattsburgh		Clinton County	
	#	%	#	%	#	%
Less than \$50,000	91	3%	478	7%	2,297	11%
\$50,000-\$99,999	422	14%	1,144	17%	5,259	25%
\$100,000-\$249,000	2,052	68%	4,061	61%	11,635	54%
\$250,000-\$499,999	335	11%	762	11%	1,889	9%
\$500,000-\$999,999	49	2%	116	2%	236	1%
Greater than \$1,000,000	63	2%	84	1%	150	1%

Source: ESRI

## Housing Affordability

Based on assumptions about the typical mortgage that a homeowner takes on when purchasing a house, the household income threshold to own a median-priced house in the City of Plattsburgh is just over \$28,000. This is the highest household income threshold compared to Greater Plattsburgh or the county, however, the difference in the income threshold between the city and the Greater Plattsburgh region is less than \$1,500.

The 2015 median household income for each geography exceeds the income threshold calculated to purchase an average priced home in their respective locations. The city exceeds the threshold by nearly \$10,000, while the county has the largest difference between median income and the threshold income, almost \$26,000. This data indicates that housing prices are not prohibitive to owning property in all three geographies.

Estimated Mortgage Payment			
	City of Plattsburgh	Greater Plattsburgh	Clinton County
Median Price of Home	\$152,865	\$145,011	\$128,073
Down Payment @ 10%	\$15,287	\$14,501	\$12,807
Loan Amount	\$137,579	\$130,510	\$115,266
Average Mtg Payment 30 Years @ 4%	\$657	\$623	\$550
HH Income Threshold	\$28,157	\$26,700	\$23,571
Median Household Income	\$37,296	\$42,089	\$50,010

Source: ESRI, Camoin Associates

## Rental Market

The city's median rent price at \$659 slightly edges out the Greater Plattsburgh area by \$8 to be the highest rent among benchmark geographies. The average rent in the city is about \$40 more expensive than rent in Clinton County as a whole – likely a product of newer rental units in the city.

Median Contract Rent		
City	Greater Plattsburgh	Clinton County
\$659	\$651	\$617

Source: ESRI

Fair Market Rent in City of Plattsburgh	
Studio	\$ 631
One Bedroom	\$ 633
Two Bedroom	\$ 759
Three Bedroom	\$ 964
Four Bedroom	\$ 1,253

Source: U.S. Department of Housing and Urban Development

The Fair Market Rent (FMR) refers to how much rent could potentially be collected for a property if it were currently available on the real estate market and is a metric used to determine how much rent is covered by public agencies in subsidized housing units. The FMR for a one-bedroom unit in the city is \$633, which is slightly less than the median contract rent of \$659.

The 2013 rental market in the city consisted of about 4,630 units and Greater Plattsburgh as a whole contained nearly 5,900 units. Roughly 20% of the market (nearly 1,500 renters) paid over \$800 per month and about 5% of renters paid over \$1,250 per month (roughly 330 households).

A desktop analysis of asking rents for available modern apartments in Greater Plattsburgh offers some insight into where the rental market is today and where it is headed. Relatively modern and/or recently refurbished units with modern appliances are being marketed at \$895 per month and up – just over \$1/SF. Higher end, larger units are at \$1,300 to \$1,500 per month.

Asking rents do not always reflect actual rents as units are often marketed a bit higher to allow for negotiation; however, today's elevated asking prices suggest that since 2013<sup>2</sup>, the Plattsburgh rental market has strengthened, pushing price points up.

Note, all of the available apartments are in buildings that are residential and, for the most part, are surrounded by other residential properties. There are very few units in Plattsburgh that offer a true mixed-use living option in the urban core.

Renter Occupied Housing Units by Contract Rent (2013)				
	City		Greater Plattsburgh	
	#	%	#	%
Less than \$100	37	1%	37	1%
\$100 to \$149	15	0%	26	0%
\$150 to \$199	109	2%	109	2%
\$200 to \$249	139	3%	170	3%
\$250 to \$299	53	1%	98	2%
\$300 to \$349	234	5%	308	5%
\$350 to \$399	95	2%	192	3%
\$400 to \$449	266	6%	294	5%
\$450 to \$499	205	4%	283	5%
\$500 to \$549	278	6%	399	7%
\$550 to \$599	335	7%	418	7%
\$600 to \$649	426	9%	586	10%
\$650 to \$699	703	15%	860	15%
\$700 to \$749	177	4%	225	4%
\$750 to \$799	324	7%	398	7%
\$800 to \$899	396	9%	475	8%
\$900 to \$999	250	5%	283	5%
\$1,000 to \$1,249	313	7%	396	7%
\$1,250 to \$1,499	43	1%	49	1%
\$1,500 to \$1,999	120	3%	136	2%
\$2,000 or more	109	2%	143	2%
<b>Renter Households paying rent</b>	<b>4,627</b>	<b>100%</b>	<b>5,885</b>	<b>100%</b>

Source: ESRI

<sup>2</sup> Note: 2013 is the date of the ESRI data, which is based on the American Community

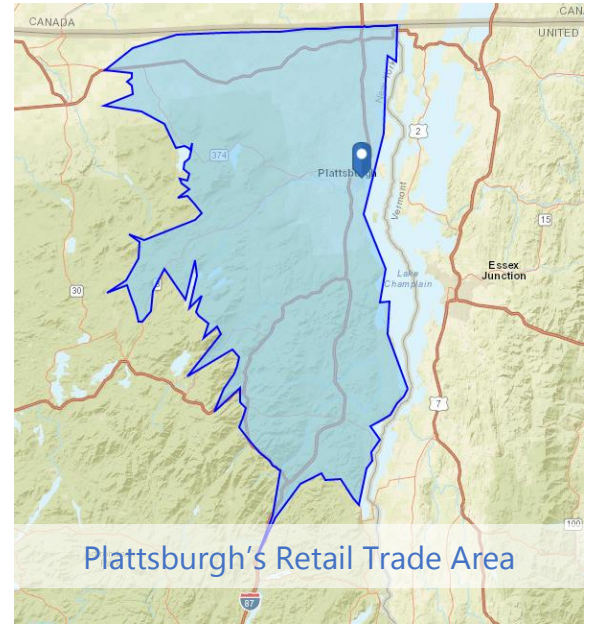
## Retail Market

Retail market analysis examines the supply and demand for goods and services within a particular region. This process also helps to identify the unique shopping characteristics and amenities that can be expanded upon. The market analysis outlines consumer habits within the region, estimates retail demand, classifies household characteristics of the consumer market, and can help identify business opportunities or niche markets that are not being served by current offerings.

## Trade Area

The retail trade area is the geographic extent within which Plattsburgh businesses generate the majority of their customers. It was delineated starting with a 60-minute drive time from the city and adjusted based on physical, government, and other boundaries, nearby hubs of retail activity, known traffic patterns, and input from local business leaders.

Outside of this area, consumers would typically travel to a different location to find similar services and goods. The regional trade area extends north to the Canadian border, west to the Vermontville Hamlet, south to North Hudson, and east along Lake Champlain. The resulting trade area illustrates how Plattsburgh is the regional commercial and retail hub for a very large geographic region. It functions as a regional draw for the residents of that region.



2015 Demographic Profile Retail Trade Area			
	Retail Trade Area	City	Greater Plattsburgh
Population	99,986	19,741	31,591
Households	39,547	8,134	12,916
Average Household Size	2.34	2.05	2.17
Median Age	41.4	31	35
Median Household Income	\$ 50,203	\$ 37,296	\$ 42,089

Source: ESRI

Plattsburgh's retail trade area has a population of nearly 100,000 and over 39,500 households. Considering it reaches just beyond the borders of Clinton County, the two geographies have similar demographic and socioeconomic characteristics. On average, residents of the Trade Area have greater household income and are older compared to residents of the city and Greater Plattsburgh region.

2015 Demographic Trends, Retail Trade Area			
	2010	2015	2020
Population	100,056	99,986	100,417
Households	39,087	39,547	39,956
Average Household Size	2.36	2.34	2.33
Median Age	40.2	41.4	42.7
Median Household Income	N/A	\$ 50,203	\$ 55,152

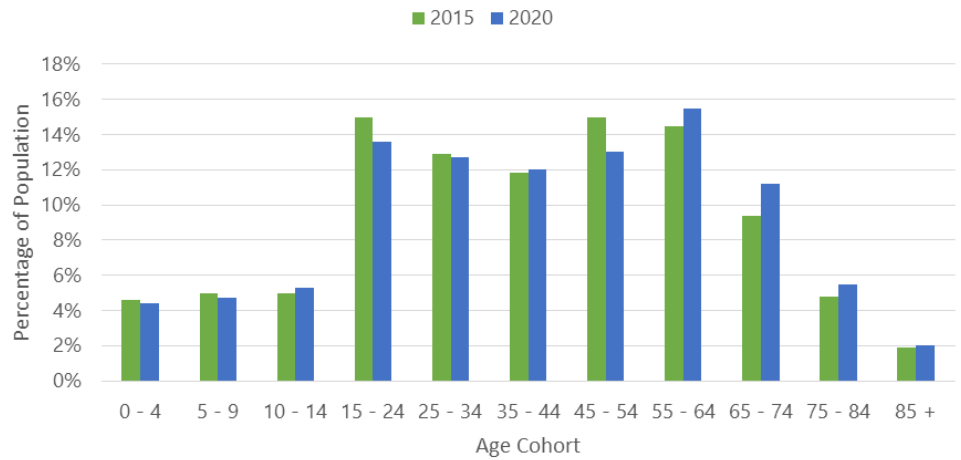
Source: ESRI

While the population in the trade area declined from 2010 to 2015, this trend is expected to reverse and the area will grow by about 430 residents by 2020. The population is projected to continue to age and see a nearly 10% increase in median household income by 2020.

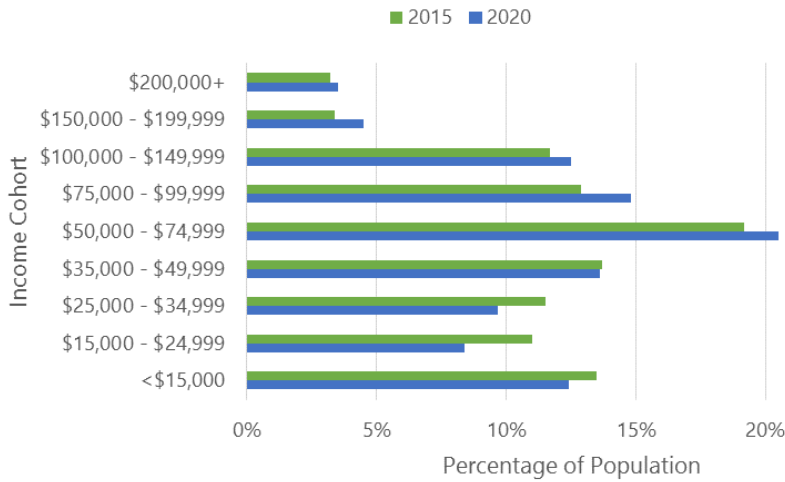
Large age groups in the trade area include 15-24 year olds, 45-54 year olds, and 55-64 year olds; each cohort makes up 15% of the total population.

However, of those three cohorts, only 55-64 year olds are expected to grow over the next five years, while the other two cohorts are expected to shrink in size.<sup>3</sup> The older cohorts, those 55+, are also projected grow in size between 2015 and 2020 as the population ages.

Age Distribution in Retail Trade Area



Household Income Distribution in Retail Trade Area



Slightly less than 20% of households in the Trade Area earn between \$50,000 - \$74,999, but this figure is expected to exceed 21% by 2020. Overall, household income in the trade area is on the rise.

<sup>3</sup> Note: Considering that there are several colleges in the trade area, the decline in the 15-24 age group is likely over stated in the data. Unless enrollment fluctuates unexpectedly, this age group will remain relatively the same size as individual students cycle through their programs.

## Retail and Tourism Landscape Overview

In addition to the in-person interviews, the project team issued a digital survey asking local business leaders to contribute their own observations and ideas to the market analysis. What follows is a brief summary of some of the comments and ideas put forth in the surveys and during the interview discussions.

### *Retail, Services, & Accommodations*

Businesses leaders generally noted that the area's business community was welcoming and friendly; however, there were comments that indicated that downtown businesses in particular felt the City could offer greater support and that there is room for better collaboration between the City government and business community.

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*"Someone might say they are going to Burlington, VT or Saratoga Springs, NY for the day, which means they are going to spend time exploring and experiencing the community. Plattsburgh has that potential - to be a place to explore and experience."*

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A common challenge for businesses of all types is that people only come for one particular reason and then leave, instead of strolling the streets while popping in and out of stores and restaurants. To build a more vibrant downtown community, business owners feel that downtown shops need to build a higher profile for locals and for visitors, while offering a unique experience.

There are instances of business owners collectively working together to raise the profile of downtown shops, although one of the obstacles to doing this is the significant number of stores that are closed on Sundays. While shops and restaurants feel there is not a substantial market to serve on Sundays, consumers stay away from the area because they believe stores will not be open – posing a dilemma for both parties. One interviewee noted that businesses were trying to hold more events on Sundays in order to draw people to the area and inform them that businesses were in fact open.

One of the most frequent responses to major challenges that face downtown businesses is parking. Businesses noted that at peak times during the day and evening, parking relatively close to their destination was challenging to find. Limited parking time and lack of accessibility for parking spaces throughout the downtown core was also described as a hindrance to their success. There was strong support among interviewees and survey respondents to incorporate an element of parking at the Durkee St. site, as eliminating the current parking spots from the site would only exacerbate parking problems.

To better connect the Durkee St. site with the rest of downtown, a "hub and spoke" model was suggested by multiple interviewees. In other words, the Durkee St. site would act as a hub to attract people to the downtown core, while other elements across the city would draw people from Durkee St. into the interior streets. A key theme for the future of the Durkee St. site, as well downtown in general, was *movement* and *connectivity*. This will be key to enhancing all businesses downtown and to get visitors and locals moving throughout city streets, not just one-off visits to a specific destination.

### *Tourism*

Interviewees and survey respondents revered the city's tourism industry, which brings in many visitors from Quebec, as well as other provinces, states and other international locations. Although, the caveat to Canadian tourists is their visits are often tied to the strength of the Canadian dollar. As the Canadian dollar dropped in value over the last six months, Plattsburgh saw fewer visitors from the north, affecting overall sales tax collection. However, one interviewee noted that because the connection between Quebec and Plattsburgh was so strong, their tourist trade was not as hard hit as it could have been because there is such an ingrained relationship between the two locations. Many business owners noted that wintertime is financially difficult and that they rely on their summertime sales from tourists to pull them through the quiet winter months.

## Tapestry Segmentation

A tool used by retail site selectors in determining the characteristics of a particular trade area is market segmentation, which is the classification of consumers according to demographic, socioeconomic, housing, and lifestyle characteristics. It is how retailers and site selectors compare consumer trends across trade areas when considering many site locations.

Market segmentation is based on the concept that people with similar demographic characteristics, purchasing habits, and media preferences naturally gravitate toward each other and into the same neighborhoods. Businesses utilize market segmentation to understand their customers' lifestyle choices, purchasing preferences, and how they spend their free time. Market segmentation data for Plattsburgh's trade area were obtained from ESRI's Tapestry Segmentation model. Additional information about ESRI's model can be found here: <http://www.esri.com/landing-pages/tapestry>.

It is important to recognize that the classifications and labels that ESRI uses for defining market segments are generalizations. The descriptions of each segment are based on comparisons with the U.S. as a whole and reflect the propensity of households within that segment to exhibit certain demographic, lifestyle, and consumer characteristics relative to the overall population. The purpose of this exercise is to compare local consumer trends to those of consumers across the U.S. so businesses and developers not familiar with the Plattsburgh region can better understand consumer demand in this area.

The top ESRI Tapestry segments are listed in the table, with profiles of each segment, including household composition, housing type, income, age, education, and consumer habits following.

Top ESRI Tapestry Segments in the Retail Trade Area			
Rank	Tapestry Segment	Households	
		#	%
1	Southern Satellites	5,893	15%
2	The Great Outdoors	5,616	14%
3	Heartland Communities	3,520	9%
4	Green Acres	2,689	7%
5	Rural Resort Dwellers	2,610	7%
6	Rooted Rural	2,531	6%
7	Midlife Constants	2,254	6%
8	Salt of the Earth	2,215	6%
9	Old and Newcomers	2,096	5%
10	Set to Impress	1,859	5%

Source: ESRI

### Southern Satellites (15%)

- Average Household Size: 2.65
- Median Age: 39.7
- Median Household Income: \$44,000

This market is typically non-diverse, slightly older, settled married-couple families, who own their homes. Almost two-thirds of the homes are single-family structures; a third are mobile homes. Median household income and home value are below average. Workers are employed in a variety of industries, such as manufacturing, health care, retail trade, and construction, with higher proportions in mining and agriculture than the US. Residents enjoy country living, preferring outdoor activities and DIY home projects. [Read more>>](#)

### The Great Outdoors (14%)

- Average Household Size: 2.43
- Median Age: 46.3
- Median Household Income: \$53,000

These neighborhoods are found in pastoral settings throughout the United States. Consumers are educated empty nesters living an active but modest lifestyle. Their focus is land. They are more likely to invest in real estate or a vacation home than stocks. They are active gardeners and partial to homegrown and home-cooked meals. Although retirement beckons, most of these residents still work, with incomes slightly above the US level. [Read more>>](#)



### Heartland Communities (9%)

- Average Household Size: 2.38
- Median Age: 41.5
- Median Household Income: \$39,000

Well settled and close-knit, Heartland Communities are semirural and semiretired. These older householders are primarily homeowners, and many have paid off their mortgages. Their children have moved away, but they have no plans to leave their homes. Their hearts are with the country; they embrace the slower pace of life here but actively participate in outdoor activities and community events. Traditional and patriotic, these residents support their local businesses, always buy American, and favor domestic driving vacations over foreign plane trips. [Read more>>](#)

### Green Acres (7%)

- Average Household Size: 2.69
- Median Age: 43
- Median Household Income: \$72,000

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

### Rural Resort Dwellers (7%)

- Average Household Size: 2.21
- Median Age: 52.4
- Median Household Income: \$46,000

Although the Great Recession forced many owners of second homes to sell, Rural Resort Dwellers residents remain an active market, just a bit smaller. These communities are centered in resort areas, many in the Midwest, where the change in seasons supports a variety of outdoor activities. Retirement looms for many of these blue collar, older householders, but workers are postponing retirement or returning to work to maintain their current lifestyles. Workers are traveling further to maintain employment. They are passionate about their hobbies, like freshwater fishing and hunting, but otherwise have very simple tastes. [Read more>>](#)

### Rooted Rural (6%)

- Average Household Size: 2.47
- Median Age: 44.1
- Median Household Income: \$38,000

Rooted Rural is heavily concentrated in the Appalachian mountain range as well as in Texas and Arkansas. Employment in the forestry industry is common, and Rooted Rural residents live in many of the heavily forested regions of the country. Nearly 9 of 10 residents are non-Hispanic whites. This group enjoys time spent outdoors, hunting, fishing, or working in their gardens. Indoors, they enjoy watching television with a spouse and spending time with their pets. When shopping, they look for American-made and generic products. These communities are heavily influenced by religious faith, traditional gender roles, and family history. [Read more>>](#)

### Midlife Constants (6%)

- Average Household Size: 2.30
- Median Age: 45.9
- Median Household Income: \$48,000

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

[Read more>>](#)

### Salt of the Earth (6%)

- Average Household Size: 2.58
- Median Age: 43.1
- Median Household Income: \$53,000

Salt of the Earth residents are entrenched in their traditional, rural lifestyles. Citizens here are older, and many have grown children that have moved away. They still cherish family time and also tending to their vegetable gardens and preparing homemade meals. Residents embrace the outdoors; they spend most of their free time preparing for their next fishing, boating, or camping trip. The majority has at least a high school diploma or some college education; many have expanded their skill set during their years of employment in the manufacturing and related industries. They may be experts with DIY projects, but the latest technology is not their forte. They use it when absolutely necessary, but seek face-to-face contact in their routine activities. [Read more>>](#)

The top ten tapestry segments in the regional trade area generally paint a picture of an older population with rural lifestyles and modest incomes with the exception of two segments: Old and Newcomers and Set to Impress. These two market segments are typically found in more urban neighborhoods and are primarily renters. Together they make up about 4,000 households in the trade area and most of these households are located in the Greater Plattsburgh region. Because they prefer a more urban experience and lifestyle at this stage in their lives, these two market segments would likely be early supporters of any retail or residential development in Plattsburgh's urban core. It will be more challenging to attract customers used to shopping in "big box" stores to the downtown, but communities are having success by working with their "urban dwellers" to help create a buzz around downtown activity, which over time spreads to more suburban and exurban neighborhoods.

### Old and Newcomers (5%)

- Average Household Size: 2.11
- Median Age: 38.5
- Median Household Income: \$39,000

This market features singles' lifestyles, on a budget. The focus is more on convenience than consumerism, economy over acquisition. Old and Newcomers is composed of neighborhoods in transition, populated by renters who are just beginning their careers or retiring. Some are still in college; some are taking adult education classes. They support environmental causes and Starbucks. Age is not always obvious from their choices. [Read more>>](#)

### Set to Impress (5%)

- Average Household Size: 2.10
- Median Age: 33.1
- Median Household Income: \$29,000

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 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. [Read more>>](#)

## Retail Gap Analysis

In a retail gap analysis, the existing retail sales ("supply") of trade area businesses are compared to the estimated retail spending of trade area residents ("demand"). The difference between demand and supply is referred to as the "retail gap."<sup>4</sup>

When the demand (spending by trade area residents) for goods and services is greater than sales at trade area businesses, sales are said to "leak out" of the trade area, creating a positive retail gap (i.e. sales leakage). Conversely, if the supply of goods sold (local trade area sales) exceeds trade area demand (spending by trade area residents), it is assumed that non-residents are coming into the trade area and spending money, creating a negative retail gap (i.e. sales surplus).

Sales leakage and sales surplus carry different implications. In many cases, sales leakage presents an opportunity to capture unmet demand in a trade area since a percentage of residential spending occurs outside the trade area. This demand can be met within the trade area by opening new businesses or expanding existing businesses within retail sectors that show sales leakage. However, not all retail categories that exhibit sales leakage within a particular trade area are a good fit for the region.

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

The following Retail Gap Analysis table contains a list of industry groups sorted by 3- and 4-digit NAICS codes and includes figures for sales demand (estimated spending by local trade area residents), sales supply (existing retail sales within the trade area), and retail gap (demand minus supply). Retail categories with sales leakage are in green, and those with sales surplus are in red.

### **Industries experiencing the greatest sales leakage include:**

- Electronics and Appliance Stores
- Clothing Stores
- Other Miscellaneous Store Retailers

### **Industries with a large sales surplus include:**

- Other Motor Vehicle Dealers
- Department Stores Excluding Leased Departments
- Other General Merchandise Stores

There are a greater number of retail industries that show leakage (figures in green), as opposed to surpluses (those figures in red). This indicates that there may be opportunities for the industries with leakage to recapture some consumer demand. However, this does not necessarily indicate that new businesses would succeed in the city. The following spending demand analysis provides further insight into opportunities for and feasibility of investments in different retail sectors.

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<sup>4</sup> Note that existing retail sales are specific to the defined trade area whereas retail spending is an estimate of gross spending by residents living in the trade area regardless of where the retail spending occurs and could include internet sales.

Retail Gap - Regional Trade Area				
NAICS	Industry Group	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap
441	Motor Vehicle & Parts Dealers			
4411	Automobile Dealers	\$251,191,657	\$299,996,012	-\$48,804,355
4412	Other Motor Vehicle Dealers	\$34,668,422	\$145,173,541	-\$110,505,119
4413	Auto Parts, Accessories & Tire Stores	\$16,347,958	\$17,413,491	-\$1,065,533
442	Furniture & Home Furnishings Stores			
4421	Furniture Stores	\$23,173,054	\$16,818,882	\$6,354,172
4422	Home Furnishings Stores	\$20,173,387	\$13,199,992	\$6,973,395
443	Electronics & Appliance Stores			
4431	Electronics & Appliance Stores	\$89,737,941	\$37,307,011	\$52,430,930
444	Bldg Materials, Garden Equip. & Supply Stores			
4441	Bldg Material & Supplies Dealers	\$50,164,447	\$94,702,913	-\$44,538,466
4442	Lawn & Garden Equip & Supply Stores	\$8,610,200	\$5,863,068	\$2,747,132
445	Food & Beverage Stores			
4452	Specialty Food Stores	\$28,130,432	\$27,964,802	\$165,630
448	Clothing & Clothing Accessories Stores			
4481	Clothing Stores	\$63,296,250	\$35,954,269	\$27,341,981
4482	Shoe Stores	\$11,267,834	\$10,382,906	\$884,928
4483	Jewelry, Luggage & Leather Goods Stores	\$16,814,197	\$6,863,989	\$9,950,208
451	Sporting Goods, Hobby, Book & Music Stores			
4511	Sporting Goods/Hobby/Musical Instr Stores	\$34,351,769	\$30,716,503	\$3,635,266
4512	Book, Periodical & Music Stores	\$4,195,822	\$13,298,251	-\$9,102,429
452	General Merchandise Stores			
4521	Department Stores Excluding Leased Depts.	\$102,125,857	\$189,562,672	-\$87,436,815
4529	Other General Merchandise Stores	\$50,548,431	\$100,051,826	-\$49,503,395
453	Miscellaneous Store Retailers			
4532	Office Supplies, Stationery & Gift Stores	\$10,757,635	\$15,635,441	-\$4,877,806
4533	Used Merchandise Stores	\$4,649,481	\$3,079,071	\$1,570,410
4539	Other Miscellaneous Store Retailers	\$47,241,650	\$21,306,852	\$25,934,798
722	Food Services & Drinking Places			
7221	Full-Service Restaurants	\$79,040,147	\$86,434,297	-\$7,394,150
7223	Special Food Services	\$4,120,513	\$715,974	\$3,404,539

Source: ESRI

## Retail Potential Analysis

In the following table, we compare the retail spending gap in the Plattsburgh trade area within the retail categories that have sales leakage to the average sales of similar businesses in Upstate New York. This allows us to identify which of the industries with sales leakage may have enough unmet demand to warrant opening a new store or expanding existing stores.

The table below identifies the number of new businesses that, theoretically, could be supported in the trade area, assuming:

1. 15% of the sales leakage is recaptured (this is typical among various retail categories), and
2. New businesses have sales comparable to the average sales of all Upstate New York businesses in the same retail category.

Spending Demand Analysis - Potential for New Retail Businesses					
NAICS	Industry Group	A Retail Sales Gap (i.e. unmet demand)	B 15% Leakage Recapture* (A x 15%)	C Avg. Sales per Business (Upstate NY)	D Potential Businesses (B/C)
<b>Regional Trade Area</b>					
4421	Furniture Stores	\$6,354,172	\$953,126	\$1,979,785	0.5
4422	Home Furnishings Stores	\$6,973,395	\$1,046,009	\$897,290	1.2
4431	Electronics & Appliance Stores	\$52,430,930	\$7,864,640	\$1,520,056	5.2
4442	Lawn & Garden Equip & Supply Stores	\$2,747,132	\$412,070	\$723,338	0.6
4452	Specialty Food Stores	\$165,630	\$24,845	\$948,770	0.0
4481	Clothing Stores	\$27,341,981	\$4,101,297	\$1,049,479	3.9
4482	Shoe Stores	\$884,928	\$132,739	\$884,525	0.2
4483	Jewelry, Luggage & Leather Goods Stores	\$9,950,208	\$1,492,531	\$749,829	2.0
4511	Sporting Goods/Hobby/Musical Instr Stores	\$3,635,266	\$545,290	\$964,459	0.6
4533	Used Merchandise Stores	\$1,570,410	\$235,562	\$235,807	1.0
4539	Other Miscellaneous Store Retailers	\$25,934,798	\$3,890,220	\$1,065,494	3.7
7223	Special Food Services	\$3,404,539	\$510,681	\$396,416	1.3

Source: ESR; Camoin Associates

Color designates potential for at least 1 new retail business

Several industry sectors in the trade area show sufficient sales demand to support opening new businesses assuming the conditions noted above are met. Regionally, the single greatest potential was in the category of Electronics & Appliance Stores, followed by Clothing Stores, and Other Miscellaneous Store Retailers. It should be noted that the potential for Electronics & Appliance Stores is limited, despite having significant sales leakage, because many of these types of products are purchased online. Consumer preferences for shopping at brick and mortar stores versus online shopping is a constantly evolving trend and should be considered during any retail or commercial endeavors. To draw consumers away from online shopping and back into physical stores, retailers have begun offering specialized experiences at stores that provide the consumer with something they would not be able to enjoy online. To provide the best experience for consumers at a physical store, it is necessary for the retailer to understand their clientele's preferences and desires – showing the value in understanding the Tapestry Segmentation categories.

## Trends in Tourism

The following is a summary of notable trends in tourism based on Camoin Associates' experience working with communities on growing their tourism sector throughout New York and the Northeast. These trends may present opportunities for downtown Plattsburgh.

**Immersion Experiences & Learning by Doing** – During the interviews we heard a lot about Plattsburgh's history and how this is a significant tourism draw. Cultural and heritage leisure travelers are looking for more than information they could easily find on the internet. They are looking for an experience, a challenge, a chance to engage or give back. They want to learn-by-doing, but not feel like they are learning. Hands-on experiences formerly associated with children's museums are being incorporated into visitor experiences for all ages. Visitors want to literally get their hands dirty and have an experience they would not otherwise be able to have by reading a blog or watching a how-to video on the internet.

**Growing Discussion about Food – "Foodie" Market** - According to the National Association of the Specialty Food Trade, 54% of casual diners are considered "foodies" because of their desire to try new menu items when going to a restaurant. The national discussion around the source, production, and quality of food is growing. With its diverse agricultural economy and growing interest locally in quality regionally sourced food – demonstrated by the success of the Co-Op and restaurants like Blue Collar Bistro - this is an emerging opportunity for Plattsburgh.

**Wineries, Distilleries, Breweries, & Cideries** - This industry has grown rapidly since the 1990s with the widespread cultivation of cold hard grape varieties. Additionally, over the past several years, New York has been working to promote its micro-alcohol industry by enacting legislation to incentivize the creation of new breweries, cideries, and distilleries; streamline regulations; and reinforce linkages with agriculture and tourism. This industry is a good fit for Plattsburgh as it is surrounded by several large apple orchards and vineyards. There is already a successful tasting room downtown and through partnerships with other regional growers and producers, there may be an opportunity to expand this sector in the downtown.

**Partnering and Packaging** – As easy as it is to plan a trip using the internet, many people still like to have travel arrangements and itineraries laid out for them to minimize their own decision making. This is largely why the cruise line industry has experienced an annual compound growth rate of 7% despite all of the negative press in recent years.<sup>5</sup> Packaging involves combining a number of products to create a visitor experience. This is a growing trend in the tourism industry as the tourism market becomes increasingly competitive. Businesses and tourism organizations are using partnerships and packages to create experiences designed to target specific visitor markets.

**Digital Marketing** - Marketing today is about storytelling. This is nothing new for tourism-based organizations but because businesses of all types are now using storytelling to attract customers, organizations and businesses need to find new creative ways to set themselves apart. Many are doing this with the help of digital technology such as social media, blogs, YouTube channels, interactive websites, Wi-Fi, and mobile-based applications. In addition to spreading your message to large networks, these channels naturally encourage visitors help tell the story based on their own unique experiences.

**Technology to Enhance the Visitor Experience and Tell Better Stories** - Emerging technologies such as Aurasma ([www.aurasma.com](http://www.aurasma.com)) are being used to provide unique visitor experiences. Instead of competing with mobile phones, many sites are embracing digital technology and encouraging visitors to use their hand-held devices to enhance their experience. For example, taking a picture of a particular object or scene with a user's phone can make that object come to life. New technologies like this allow storytelling through the perspective of the characters, which is another emerging trend in tourism across the U.S.

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<sup>5</sup> Source: Growth of the Cruise Line Industry: <http://www.cruisemarketwatch.com/growth/>

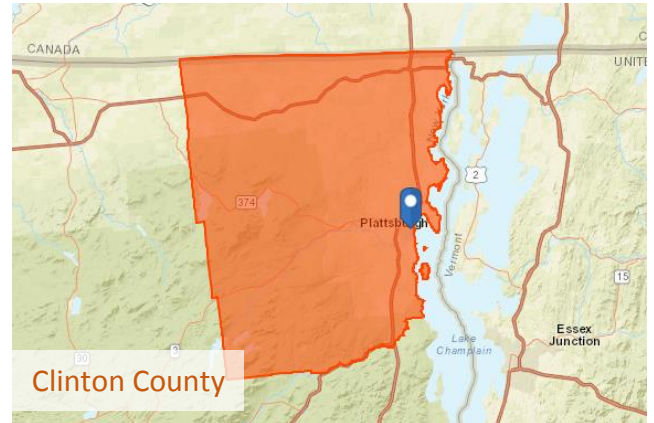


## Office Market

The office space market analysis provides an overview of recent trends and projections within regional office-utilizing industries to identify potential opportunities for redevelopment at Durkee Street site.

Individuals who are knowledgeable about the local and regional commercial real estate market were interviewed, including real estate professionals, property owners, business owners, and others. The combination of interviews and research helped to refine our understanding of the current market conditions and the types of development occurring in the region.

Clinton County was used as the primary geography for data collection in the office market analysis. Data acquired from interviews about the Town or City of Plattsburgh were also considered in the analysis.



## Office Space Overview

It was clear from stakeholder interviews that there is little activity in the commercial office market in the City of Plattsburgh. There were several examples of incoming manufacturing companies to the area, in the recent past and near future, where companies were satisfied and impressed with the real estate availability of industrial manufacturing sites, however officials found that locating corresponding office space to accommodate the business side of these manufacturing companies was lacking. Interviewees reported that there was not necessarily a lack of office space, but a lack of *quality* office space. This could be a potential problem in the future, as Plattsburgh is able to build a cluster of manufacturing companies based on industrial capacity, but not able to provide the necessary office space for these operations. Many of the manufacturing firms in Plattsburgh are high tech, international firms that will expect Class A office space to accompany their state of the art manufacturing activities.

Rental rates for office space across Clinton County were relatively low compared to other Northeast locations. Loopnet.com reports that an office building on Margaret Street in the city had five units available, all rentable for \$10 per square foot. This is in line with what we heard in interviews, that typical office space was renting for between \$10-\$12 per square feet.

## Office Demand

### Office-Utilizing Industry Growth

The demand for future office space in the county is largely a product of industry growth as measured by jobs. Job growth in industries that typically require office space drives demand that is generally proportional to the number of employees. That is, as the number of jobs increases (or decreases) in office-utilizing industries, demand for office space will respond proportionally.

The tables below shows projected 10-year job growth by 2-digit NAICS industries that utilize office space in Clinton County. Between 2015 and 2025, Clinton County is expected to have a net gain of approximately 446 "office jobs." Under a conservative assumption that each new worker will require 200 rentable square feet (RSF) of office space, new demand for space in the county will reach just over 89,200 RSF.

Project Growth of Office-Utilizing Industries - Clinton County					
NAICS	Description	2015 Jobs	2025 Jobs	2015 - 2025 Change	2015 - 2025 % Change
51	Information	434	385	(49)	(11%)
52	Finance and Insurance	462	477	15	3%
54	Professional, Scientific, and Technical Services	838	1,037	199	24%
55	Management of Companies and Enterprises	77	20	(57)	(74%)
56	Administrative and Support and Waste Management and Remediation Services	1,388	1,700	312	22%
81	Other Services (except Public Administration)	1,137	1,163	26	2%
	<b>Total Office Utilizing Industries:</b>	<b>4,336</b>	<b>4,782</b>	<b>446</b>	<b>10%</b>

Source: EMSI

## Medical Office Buildings (MOB)

Aside from traditional office space, Medical Office Buildings (MOBs) are another classification of commercial space that may be an opportunity to pair with Plattsburgh's already strong healthcare industry. MOBs have particular characteristics and therefore have a different market than the office space referred to in the previous section.

According to Colliers International's 2015 Medical Office Outlook, nationally, medical office vacancy rates are at their lowest level since the 2008 recession, and are continuing on a downward trend, as there continues to be strong tenant demand but slowed construction activity.<sup>6</sup> While the full ramifications of the Affordable Care Act cannot yet be evaluated fully, the expected increase in patients has driven demand for healthcare real estate. Additionally, the ageing population will continue to tax the healthcare system and force hospitals and their affiliates to expand their square footage if they are to keep up with the demand from the population. Colliers also reports that the healthcare sector was one of the few that managed to add jobs throughout the recession. As well, the Outpatient Care Centers subsector has expanded 4% to 6% for the last three years. This confirms the trend in lower-cost outpatient facilities closer to the target consumer base.

During the recession, MOBs were more stable than suburban or CBD office space, due in part to relatively long-term leases of 7 to 10 years. Colliers International, as well as other real estate developers, note that medical office buildings are becoming more common as investment properties.

Other significant trends in the field of MOBs include: the necessity for flexibility space and multi-specialty offices, which has resulted in the overall increasing size of MOBs. Due to technology advances and the growing amount of technological equipment being used in procedures and follow-ups, space must allow for the technology to be used efficiently. Flexible space opens the possibility for adaptability when technology changes or the needs of the patient change.

To estimate the future demand for MOBs in Clinton County, we examined employment projections for ambulatory care or outpatient care services within Clinton County. Employment in this sector is projected to grow by 380 positions over the next 10 years. Assuming an average of 200 RSF per employee, this amounts to 76,000 SF of medical office space needed.

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<sup>6</sup> Colliers International, Medical office Highlights, 2015 Outlook, 2015, [http://www.colliers.com/-/media/files/marketresearch/unitedstates/2015-market-reports/1HMedicalOffice\\_d10\\_FINAL.pdf](http://www.colliers.com/-/media/files/marketresearch/unitedstates/2015-market-reports/1HMedicalOffice_d10_FINAL.pdf)

# Financial Feasibility Analysis

Note: To be completed during the next phase of this project.

## Appendix A. Data Sources

Camoin Associates derived the data for this analysis from several different sources. Proprietary data providers such as EMSI, described below, pull raw data from local, state, and national government data sources as well as private and non-profit research organizations. Individual data providers apply adjustments and corrections to the data based on proprietary models, which can sometimes cause discrepancies when comparing data points from different sources.

Brief summaries of the proprietary and public data sources used in this analysis are provided below along with links to where additional information can be found.

### American Community Survey (ACS)

The American Community Survey (ACS) is a yearly survey that asks about: age, sex, race, family and relationships, income and benefits, health insurance, education, veteran status, disabilities, where you work and how you get there, and where you live and how much you pay for some essential items. The survey is mandatory to fill out, but the survey is only sent to a small percentage of the population on a rotating basis. The survey is crucial to major planning decisions, like vital services and infrastructure investments, made by municipalities and cities. The questions on the ACS are different than those asked on the decennial census, and help to create yearly snapshots of the nation as a whole, as well as our smaller communities.

### Bureau of Labor Statistics (BLS)

The BLS collects data on monthly unemployment figures using the Current Population Survey (CPS). The survey reaches approximately 110,000 individuals, or 60,000 households, each month. The sample is chosen to represent the United States population as a whole, which means about 800 geographic areas are chosen to represent each state and the District of Columbia. The sample includes urban and rural areas, industrial and farming lands, and major geographic divisions of each state. The live interview survey is conducted by a Census Bureau employee every month. The respondent's answers are input into a computer where individuals are then classified as employed, unemployed, or not in the labor force. Additional information can be found at: [http://www.bls.gov/cps/cps\\_htgm.pdf](http://www.bls.gov/cps/cps_htgm.pdf)

### Economic Modeling Specialists International (EMSI)

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

The U.S. Census Bureau maintains NAICS codes, which are the standard used by Federal statistical agencies in classifying business establishments. 2-digit codes are the highest aggregate NAICS code level and represent broad categories such as "retail", whereas 4-digit industry codes present a finer level of detail such as "grocery stores". For those interested in understanding the composition of the NAICS and for more detail about what is included in each industry, the reader is directed to <http://www.census.gov/eos/www/naics/>.

### Environmental Systems Research Institute, Business Analyst Online (ESRI BAO)

ESRI's base data are the 2000 and 2010 Census. It uses proprietary statistical models and updated data from the U.S. Census Bureau, the U.S. Postal Service, and various other sources to project current statistics and future trends. ESRI

data are used for economic development, marketing, site selection, and strategic decision-making. For more information, visit [www.esri.com](http://www.esri.com).

### U.S. Census On-the-Map

OnTheMap helps to visualize US Census and Local Employment Dynamics (LED) data about where workers are employed and where they live. There are also visual mapping capabilities for data on age, earnings, industry distributions, race, ethnicity, educational attainment, and sex.



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