

**Appendix B**

Downtown Greenfield Master Plan – Market Analysis



# **Greenfield Downtown Master Plan**

## **Executive Summary**

### Task 3: Market Analysis

To: Greenfield Office of Planning and Community Development

From: FXM Associates

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The purpose of this study is to provide a market assessment of current and proposed uses aimed at revitalizing Downtown Greenfield. Specifically the study addresses the concerns outlined in the Downtown Action Plan, including lack of reinvestment in downtown property, the high level of vacant space and deteriorated buildings, sales and tenancy leakage. It also aims to address the concerns and wishes of the resident population as evidenced by the summary comments from the different Visioning Meetings held over the winter of 2001/2.

#### **Summary**

Based on population and income statistics for a resident market within a five-mile radius of downtown, as well as student, employee, and visitor populations, overall consumer spending potential was calculated for Downtown Greenfield. Statistical measures of existing retail inventory were reviewed and a literal, store-by-store survey was conducted to determine the level of existing sales. The difference between potential and existing spending was calculated and a level of leakage determined. The data collected from this market study is included in the full report. Following this Executive Summary is the final worksheet (Table 5) in which the conclusions, or leakage, are quantified. The market study indicated that approximately three shoe stores, one each of children's, men's and women's clothing stores, one each of beauty services and laundry services, and several gift stores could all be comfortably supported in Downtown Greenfield. To encourage people to support these stores, the nature of the goods being offered needs careful attention and the overall climate of the downtown needs to change to the positive. This shift in atmosphere and attractiveness can come from the introduction of additional restaurants and entertainment. These establishments are demand generators and both could be supported by current downtown spending potential. Leakage for restaurants in Greenfield is actually negative if considered for the extended area. For downtown alone, there is ample spending potential for additional restaurants of a particular type. A casual, youth-oriented, large restaurant and a formal, smaller restaurant are suggested. Both would be for lunch and dinner, or dinner only. Smaller novelty restaurants are also suggested, for ice cream, tea or coffee. It is highly recommended that efforts be made to keep ArtSpace and the Garden Theater in the downtown. Entertainment is another demand-generating category of use and Greenfield is seriously underrepresented in this use type. Expanded facilities for art and music, and a banquet/function room in connection with a restaurant are supportable. Space is available in highly desirable locations above the Garden Theater and in the First Federal Bank Building on Bank Row for both. It is also suggested that the town consider a live theater in the near future and begin fundraising for it in the immediate future. The Sears Building that will house the District Attorney's offices temporarily would provide the space and the time to develop the concept.

## Greenfield, MA as Community Center Retail Market Analysis - Leakage

Sales potential shown here includes both resident and non-resident (student, employee, visitor, tourist) spending. Tourist spending in the misc. retail category is divided equally into the non-food store types. Visitor and student spending is divided equally among each of the store types being considered.

Only sales potential from the 5-mile radius was used, assuming it to represent the majority of shoppers, and the average figure of the calculated sales data.

**Statistical Analysis:** National information sources (2002 Claritas Business Facts, including data from "infoUSA"), provide data on retail sales for any given location in the country. The data on existing sales for an area with Wilson's at the center of a 5-mile radius produced figures that were far in excess of actual downtown sales. These statistical sources include "big box" retailers located by Routes 2 and I-91, and fast food chains found at the northeast and western ends of Main Street. The market study being done here is to determine what gaps exist in retail stores directly in the study area, the center blocks of Main Street. The MA Department of Revenue did have information on a few retail categories of existing sales data. In particular they had Women's Apparel and Food Away From Home, and in both cases the data collected from direct surveys was confirmed by their data.

**Local Perspective:** The data provided below represent the summary conclusions from interviews and surveys done amongst downtown business people. In total approximately 65 businesses were surveyed in 10 to 15 different sales categories to arrive at the average number, store size and existing sales levels. Much of this information was derived from data collected by Booth Associates during the months of February and March 2002. It was tested for reasonableness against national averages.

Store Type	Sales <u>Potential</u>	No. Stores <u>Potential</u>	Existing Retail <u>Sales (local)</u>	No. Stores <u>Existing (local)</u>	<u>Leakage</u>
Women's Apparel	\$ 10,260,656	19	\$ 3,000,000	5	\$ 7,260,656
Food Away From Home	\$ 37,406,964	49	\$ 9,500,000	19	\$ 27,906,964
Entertainment (fees)	\$ 6,334,640	21	\$ 1,500,000	5	\$ 4,834,640
Personal Care/Beauty	\$ 8,842,928	44	\$ 2,000,000	13	\$ 6,842,928
Miscellaneous	\$ 9,810,800	18	\$ 5,100,000	14	\$ 4,710,800
Gifts (incl jewelry)	\$ 13,477,808	37	\$ 3,000,000	7	\$ 10,477,808
Footwear	\$ 3,553,712	7	\$ 450,000	2	\$ 3,103,712
Children's Apparel	\$ 3,471,920	9	\$ 500,000	3	\$ 2,971,920
Men's Apparel	\$ 4,208,048	7	\$ 800,000	3	\$ 3,408,048
Laundry/Cleaning Supply	\$ 1,581,312	11	\$ 550,000	3	\$ 1,031,312
Drug/Medical Supplies*	<u>\$ 5,261,952</u>	<u>3</u>	<u>\$ 7,000,000</u>	<u>5</u>	<u>\$ (1,738,048)</u>
<b>TOTALS</b>	<b>\$ 104,210,740</b>	<b>225</b>	<b>\$ 33,400,000</b>	<b>79</b>	<b>\$ 70,810,740</b>

\*The drug and medical supplies category includes modern day drug stores such as CVS and Brooks in its calculation of "existing retail sales". These stores include items that may fall into other categories such as personal care/beauty, miscellaneous and jewelry. The negative leakage shown is therefore likely to be overstated.

Upper floor space in Downtown Greenfield is largely vacant, keeps property values low, and gives the downtown a look of neglect. There is no single use type that is likely to fill it all. The market is small and steps to fill the space need to be diverse and modest. A combination of a few entertainment uses, as outlined above, some office, and some residential is suggested. The proposed market to target for office users includes startups, or incubator space, and pre-retirees. The population statistics do not support a market based simply on growth from within. However, the growth within certain segments of the population, the very young adult and the 55- to 65-year-olds, does support demand from these submarkets. Office suites, the equivalent of office “lofts” are suggested, where a 3,000-square-foot upper floor can offer a meaningful presence to a startup in need of low rent and only 500 square feet. A home away from home for consultant-type, pre-retiree businesses is also well suited to the kind of space available in these vacant second floor spaces. Shared meeting rooms, services, parking, and access are necessary components to attract these smaller office suite users. The rents and costs shown in the Targeted Buildings section to follow indicate that office reuse is financially feasible.

In combination with office suites, residential units are also suggested to fill upper floor space. The demand is strong for additional housing in Greenfield, but to make a tenant choose downtown depends on the ability of the town to attract and keep new restaurants and offer existing and proposed entertainment and cultural activities. A few successes in these areas will help change the downtown’s image and make it more attractive to residents seeking older, unique apartments or lofts. A market that draws from the arts community, people over 55 years old, and to some degree from graduate or graduated students from the Amherst area is there to fill a small number of residential units in the downtown. Again, diversification is recommended, not just in use type, but also in the apartment type. A combination of lofts on the top floor of Wilson’s, and of two-bedroom apartments above two of the older retail buildings along Main Street, is suggested. These uses are included in the Targeted Building section to follow and shown to have financial merit.

All of the suggestions outlined above have market support. They are all incorporated in different degrees into the specific buildings identified as pivotal in the creation of a more dynamic and attractive downtown. Considered collectively, a 12% addition to the existing inventory is represented, although in the case of entertainment and residential categories, the additions represent a larger percentage because the numbers of existing downtown entertainment/cultural establishments and residences is so small.

The Town of Greenfield can take some steps to realize some of these activity-generating suggestions. As part of their Community Development Block Grants, other communities (Providence, RI, and New Bedford, MA, for example) have earmarked a certain amount of funds available under these programs to be used specifically for façade restoration. They are generally matching grants with a certain upside limit per request. They have been very successful in motivating owners and developers to improve the exteriors of their buildings. Tax Increment Financing is another method for encouraging owners to fix up their properties without fear that taxes will increase prior to their cash flow increasing. Through public, vocal support, and through pamphlets, signage, and advertisement, the town can also help promote initiatives that are already in place. ArtSpace and other cultural endeavors need more public support and the Retail Marketing Committee of the Chamber of Commerce deserves public support as well. This latter organization has the potential of further improving signage, sharing ideas and leads, and accomplishing in the collective what any one individual property owner cannot. It is also suggested that someone within the town be a coordinator for grants and loans available to entrepreneurial initiatives. This person could disseminate information, provide assistance for application and grant writing, and in the case of the 20% Investment Tax Credit for older buildings, be the hand that leads property owners through the difficult process.

## **Specific Buildings**

In the last segment of the report, the market analyses of retail, restaurant, office, and residential space, and the comments and initiatives suggested in interviews and public meetings, are all applied to specific buildings. A worksheet is provided in the full report on each of the targeted buildings identifying size, condition, suggested use, construction costs (rough), net income figures (potential), and a bottom line indicating the level of equity needed and its return on investment. For this Executive Summary, the buildings are listed below. Nine buildings were selected: some are vacant, and some have significant amounts of vacant or underutilized space. One building has a new, temporary use, so that a future use and initiative are suggested. Each building has a prominent location, architectural merit or potential, and would contribute significantly to the character and life of the critical blocks of, or just off, Main Street. If fully occupied and renovated, these buildings could have a major impact on the overall character and personality of the downtown.

### Targeted Buildings

1. The Garden Theater, 361 Main Street
2.
  - a) 3 Bank Row
  - b) 9 Bank Row
  - c) 21 Bank Row
  - d) 25 Bank Row
3. Clark's Sports Shop, 285 Main Street
4. Wilson's Department Store, 242 Main Street
5. Rooney's Store, 229 Main Street
6. Sears Building, 102 Main Street

These buildings are proposed as illustrations of what could happen in Downtown Greenfield. The locations and uses are not the only ones that could be developed, but they represent opportunities that could be supported by the market.