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Hudson Avenue Corridor Study

Phase One

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United Way of Greater Rochester

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Executive Summary

Between July and December 2007, Group 14621 in partnership with the Hudson Avenue Business Association initiated a corridor study sponsored by the United Way of Greater Rochester. Joan Roby Davison, Executive Director for Group 14621, Jim Trybalski, President of the Hudson Avenue Business Association as well as Bob Keiffer and John Kohut, Hudson Avenue business owners provided guidance to Doug McLaine of Customer Centered Consulting who conducted the interviews and provided the summary and implications.

Summary of our findings:

1. Hudson Avenue remains a major corridor into and out of the city, has over 100 commercial establishments as well as over 113 single and multi family residences.
 2. Compared to other North-South corridors, it is the most direct route into the City and is generally viewed as more stable, more interesting, more eclectic – and, as a result, a good candidate for re-vitalization.
 3. Concerns about public safety are seen as the number one barrier to economic development.
 4. Hudson Avenue has been on a long-steady decline in terms of population, and commercial activity. This decline is likely to continue until an effective revitalization program is initiated.
 5. Hudson Avenue infrastructure including water, sewer, and utility capacity will support growth and economic revitalization.
 6. The “House of Mercy” is widely viewed as a barrier to economic development efforts and respondents to this study strongly suggest relocation to a more suitable location.
 7. Rochester City government has been viewed by local businesses owners along Hudson as uninterested in helping to facilitate redevelopment the Hudson Avenue area.
 8. It is believed that the implementation of the” place holder strategy” in 2003 has resulted in a downward freeze of potential commercial properties that would provide the foundation for economic recovery.
 9. Business owners in particular are clear that the intent of the placeholder (R1) zoning strategy has not worked – and serves to discourage private funding for commercial development.
 10. The Hudson Avenue Corridor is in the heart of the Rochester Children’s Zone – and its revitalization is clearly in harmony with the RCZ strategy.
 11. The Hudson Avenue Business Association or its designate is willing to provide leadership to a revitalization initiative.
 12. Leadership for a grass roots level plan requires a dedicated resource – accountable to the business owners and residents of the Hudson Avenue
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Neighborhood. A “Street Manager” approach has been successful in other communities. In Rochester we have seen the results of having a dedicated resource in both inner-city neighborhoods as well as the “Downtown” area.

Study Methodology

Members of the Hudson Avenue Business Association, in partnership with Group 14621, initiated the Corridor Study in June of 2007 with Rochester-based *Customer Centered Consulting*.

The objective for this study is to determine the potential for commercial development along Hudson Avenue – with particular emphasis on the City of Rochester portion of the corridor. Select business and community leaders, along with business owners and operators, and neighborhood residents were interviewed in person using the following discussion questionnaire:

1. Role (Business owner, Resident, Government, Community leadership)
2. What is most important when considering a location for your business/organization?
3. Why is this important?
4. What are the implications if things don't go right?
5. Overall view of Hudson Avenue – what do you think of when Hudson Avenue is brought up?
6. How long have you been associated with HA?
7. What are the trends that you have observed?
8. Positives
9. Negatives
10. Potential
11. Specific ideas
12. Key commercial zones/intersections
13. Benchmarks
14. Willingness to provide further inputs?
15. Willingness to provide leadership?

Respondents

In order to assure the greatest possible candor, respondents were promised anonymity for their participation. Respondents included current businesses on Hudson, City of Rochester and Town of Irondequoit government leaders, community leaders, and residents

Hudson Avenue Businesses – 16
City, Town and State Government – 4
Community leaders – 7
Residents – 10

Summary of Interview Findings

1. When asked what is most important when considering a location for their business, respondents answered – in order of importance:
 - a. A safe and secure place to conduct business – public safety is clearly the number one consideration. Drug dealing, gang activity and prostitution were frequently mentioned as issues.
 - b. A clear need for the business – understand and serve the neighborhood. Provide products/services that are convenient to residents and businesses.
 - c. Traffic – volume of potential business
2. Respondents consistently expressed a sense that Hudson Avenue – within the City of Rochester, was in long-term economic decline characterized by:
 - a. Business closings – vacant former business properties
 - b. Vacant residential properties
 - c. The visibility of open-air drug dealing and prostitution (especially before the “Zero Tolerance” initiative)
 - d. The perception that Hudson Avenue was “not safe”
 - e. Frequent mention of the House of Mercy and their clients as a landmark of poverty and economic decline
 - f. Frequent mention of days gone by when there was a greater sense of community – where residents and visitors would enjoy village shops including specialty bakeries, butcher shops and grocery stores where patrons would be known by name and the streets were safe.
3. Bright spots on Hudson include:
 - a. The prosperity of Optical Gaging and their interest in expanding their footprint.
 - b. Plans to convert the former Pulaski Library into a community center
 - c. Recent improvements to St. Stanislaus RC Church
 - d. Recent improvements to Northside Church of Christ
 - e. Recent improvements to the City School Bus Depot

- f. Plans to invest \$4 Million in the expansion and improvement of the Hudson Avenue Fire Station
 - g. On-going investments in Franklin High School
 - h. Anthony Jordon Health Center
- 4. Business people frequently cited the negative impact of the 2003 “down-zoning” that has frozen economic development.
 - a. Business people also expressed a feeling of abandonment by the City – where there appears to be greater energy around code enforcement than on economic development
- 5. Today there is no unifying future vision for Hudson Avenue
 - a. The City Government appears to be focused on “easy” projects in the East End and in neighborhoods that have made the “turn” – e.g. the South Wedge.
 - b. Hudson Avenue is likely to stagnate without a shared vision and a plan for revitalization.
- 6. There is a willingness to join a grass-roots business initiative that is well-organized – and offers hope of better days ahead.
- 7. There is agreement that in order for retail and service businesses to succeed – that they must offer either specialized services targeted to the unique needs of the neighborhood – and not available – especially at a lower price from the “big box” stores on the northern end of the corridor.
- 8. Some business owners described the phenomenon whereby city streets all over the USA are looking more and more alike – with Wal-Mart, McDonalds, chain drug stores, with the same non-descript facades, the same predictable menus.
- 9. There is interest and grass roots support for an initiative that is focused on creating a re-vitalized shopping district – with businesses that are unique to the Hudson Avenue neighborhood – or at the very least are focused on providing the goods and services that are being purchased by Hudson Corridor residents on an every-day basis.
- 10. Based on our interviews, Hudson Avenue between Clifford and Norton seems to be the neighborhood with the greatest potential for economic development

Analysis

Hudson Avenue is one of the 15 or so major corridors in Rochester, New York that has over 20,000 cars traveling up and down the Avenue each day. The Avenue connects the Rochester suburb of Irondequoit with the “Inner Loop” area of downtown Rochester. Like so many other cities in the US, Rochester has experienced a substantial decline in population. Sadly, this population loss not only reflects the mega-trend of the post-WW2 suburban migration that is happening across the country, but the larger multiple county region has experienced significant job losses – especially in the manufacturing sector. Kodak, Xerox and Bausch and Lomb, have cut tens of thousands of jobs as a result of both overseas competition as well as technology advancements. While many of these net job losses have been offset by new jobs in healthcare and education, generally service jobs pay on a lower scale than the manufacturing sector.

Hudson Avenue experienced most of its initial development in the early 20th Century as a neighborhood of European families attracted to Rochester to work in the booming photographic and optical businesses. Churches formed the foundation for these neighborhoods where residents enjoyed both a deep sense of community and the familiar sights and tastes from the old country served by small, mostly family-run businesses that catered to the unique needs of the neighborhood. The post-war economic expansion with the population shift to the suburbs along with the life-cycle of family businesses resulted in a slow but steady decline in owner-occupied residential properties as well as many of the businesses that served the community.

Many of these business locations were re-occupied by opportunistic retail and personal services businesses that had none of the charm and only a nominal commitment to the community. Hudson Avenue was not alone with this trend and so in 2003 the city implemented a “placeholder” strategy that was intended to discourage undesirable businesses from moving into previously vacant businesses locations. The placeholder strategy meant that if a business location was vacant for six months or longer, it would be down-zoned from commercial to residential zoning status. As a result over 88* properties in the city have been down-zoned.

While the businesses operating out of a “storefront” facility have declined – the two-legged businesses operating on Hudson Avenue and its side streets– until recently – with nominal resistance from the criminal justice system – were viewed by respondents as operating without consequence. What is clear is that there is an undeniable perception amongst residents, business operators and thousands of commuters, that the drug dealers and prostitutes were visible evidence that the neighborhoods along Hudson were not safe. Addressing this issue of personal

safety was the most frequent answer to our question in this study—“what will it take to bring Hudson Avenue back as an attractive place to do business”.

A bright spot on Hudson Avenue is the sole survivor of the optics industry consolidation – Optical Gaging Products that successfully operates a 130,000 sq ft engineering and manufacturing facility employing 250 people. While the OGP buildings are encircled with barbed wire, there have been no public safety issues at this facility in over 30 years. The company has established itself as a global leader in using optics for precision measuring instruments, and has expressed an interest in expanding its facilities on Hudson Avenue and adjoining side streets.

Group 14621 – the sponsor of this report, is leading the effort to upgrade and update the former public library located at the corner of Norton and Hudson – turning it into a community center with a computer lab, a coffee shop and meeting rooms for the community to use, as well as offices for Group 14621.

The recent face lift of the City School Bus Depot , which included the installation of an attractive perimeter fence, is a positive upgrade to the corridor. The City Fire Department has also announced its intention to initiate a \$4 Million upgrade to the fire station – the busiest in Rochester.

St Stanislaus RC Church, which is on the corner of Hudson and Norton Street, has recently completed a major capital campaign for updates and renovation of the church..

Most of the people interviewed for this study pointed out that Hudson Avenue, between Clifford and Norton, seems to have the greatest potential for re-development. Community leaders have also pointed out that rather than take on the entire Avenue from the Inner Loop to the City line, a focused approach with a manageable scope seems to follow best practices both in Rochester, and around the country.

The next most mentioned challenge for developing new businesses on Hudson are the “Big-Box” retail stores on the North end of the Avenue. For residents of Hudson neighborhoods that have a car – these low-price retailers have both the selection and low prices that have resulted in so many small business closures not only on Hudson Avenue, but around the US.

The answer then to the question of what will it take to operate a successful business on Hudson Avenue is therefore to offer goods and services that are not available at the big box stores. This would include neighborhood – possibly ethnic stores - with a selection of specialty items that are focused on the distinctive needs of Hudson Avenue residents as well as commuters. In many ways this calls for the re-creation of a neighborhood-oriented business center with shops, restaurants and other businesses that are following a unified vision that produces a unique shopping experience.

When asked where the leadership would come from in order to sharpen the vision and build public support, there was doubt that the City government had much of an interest in Hudson Avenue. While city leaders have “walked” Hudson Avenue over the past year or two, residents believe City officials see greater interest in investing in parts of the city that have – or are approaching a turning point.

Conversations with several financial organizations and large retail businesses on the “North” end of Hudson Avenue regarding their potential support for revitalization initiatives indicated a low level of interest.

Residents and business owners along Hudson described a leadership vacuum at the County and City level – and were uniform in their perception that if Hudson is going to “turn around” the leadership must come from within the community. There is a clear role for government to play – but business people and residents expressed the belief that the city will not engage until strong evidence exists for a grass-roots redevelopment effort.

Community leaders favor form-based zoning and suggest an “overlay district” to promote a private-public economic development initiative.

Several community leaders have suggested that we take a good look at the idea of recruiting and hiring a “Street Manager” for Hudson Avenue. Asking individuals to volunteer for a job that is clearly a full-time position is not likely to be a successful approach. Rochester has seen the effectiveness of dedicated leadership in neighborhoods such as the “South Wedge” as well as in “Downtown” Rochester.

Recommendations

1. Meet with City Government leadership to review our findings and recommendations – and to seek support for a private-public economic development initiative for the Hudson Avenue Corridor.
2. Schedule community review meetings with businesses and residents and use this study as a strawman to encourage dialog and support for a grass-roots economic development initiative.
3. Seek support and funding for a “street manager” for Hudson Avenue
4. Create an “overlay district” with form-based zoning that encourages private/public investments on Hudson Avenue – especially between Clifford and Norton.
5. Seek support and funding for “Phase Two” of the Hudson Avenue Corridor study which would spell out a block-by-block plan for Hudson Avenue between North Avenue and the City Line.
6. Focus demolition efforts on economic development opportunities. For example Optical Gaging is interested in expanding its footprint to accommodate growth in their business. We urge the city to look at ways they can facilitate this expansion.
7. Continue increased police presence with a Zero Tolerance – like program.
8. Coordinate economic development within the Rochester Children’s Zone.
9. Consider the creation of a private and public land bank that is focused on economic development along Hudson Avenue.

Census

As of February 11, 2008 – based on information from the City's CIS system as well as first hand observation shows the following:

Occupied residences – 113 (both single and multiple residences)

Occupied commercial – 100

Vacant residences – 26

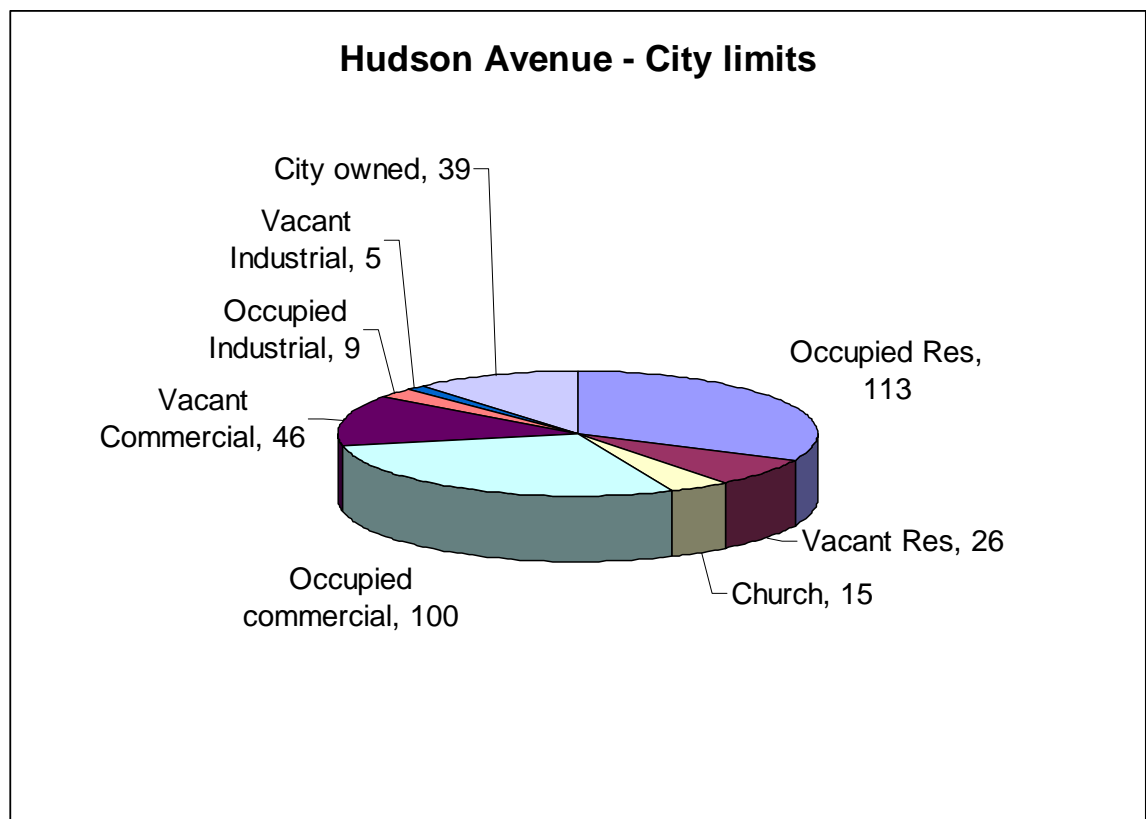
Vacant commercial – 46

Churches – 15

Occupied industrial – 9

Vacant industrial – 5

Total City owned properties – 39



Appendix

What follows is 2007 data from Claritas that allows us to project the needs of the community based on projections by the economic model used by the City of Rochester. Because we understand that economic development resources in Rochester are limited, our approach is to begin with the corners of Hudson and Norton – and for our planning purposes – focus on that corner as the epicenter for development activities. If we use a one mile radius from this corner we have the following statistics for the 3.35 Sq Mile area.

	1990 Census	2000 Census	2007 Estimate	2012 Projection	Growth 2007- 2012
Population	30082	28523	26,540	25135	-2%
Households and housing units	11384	10520	9,883	9361	-5%

2007 estimates

Average household size	2.64
Owner occupied	43%
Renter occupied	57%
Individual income less than \$15,000	32%
Income \$15,000 - \$24,999	19%
Income \$25,000 - \$34,999	13%
Income \$35,000 - \$49,999	15%
Income \$50,000 - \$74,999	13%
Income \$75,000 and above	6%
Average household income	\$33,332
Median household income	\$24,396
Per-capita income	\$12,616

The racial distribution is 47% African American and 29% White

The estimated Hispanic population is 27%

The average age is 34 years

Of the 15549 individuals over 25 years old:

12% have not completed the 9th grade

25% have some HS – but did not graduate

32% have graduated HS

16% have completed some college

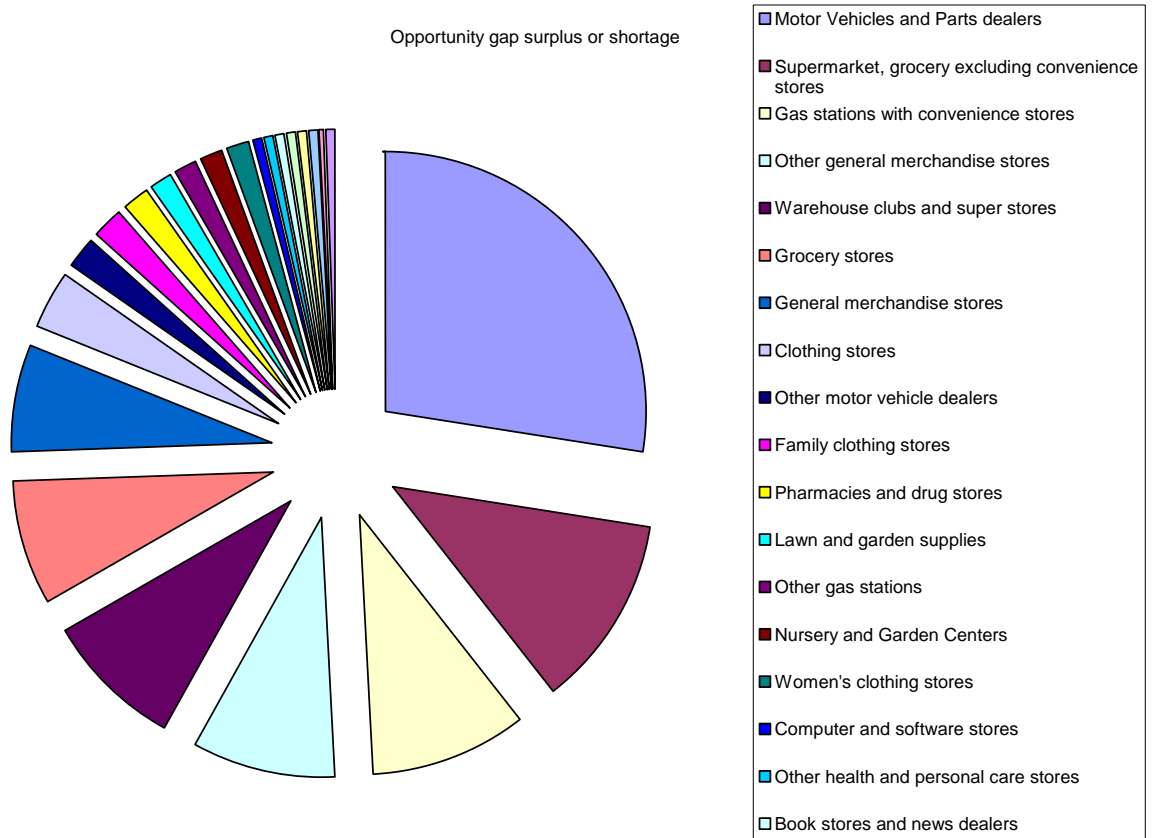
6% have an associate's degree

7% have completed their bachelor's degree

2.5% have an advanced degree

28% of the households are below the “poverty” level
 50% are employed
 6% are unemployed
 44% are not in the labor force

The following chart identifies business opportunities in with revenues in excess of \$ one half million / yr as spelled out by data compiled by Claritas – source US Census and Bureau of Labor Statistics



Opportunity and Gap Analysis for a radius of 1 mile from the corner of Hudson and Norton – Source Claritas

Store Type	2007 demand	2007 supply	Opportunity gap surplus or shortage
Auto dealers	\$42,763,099	\$3,090,295	\$39,672,804
Motor Vehicles and Parts dealers	\$49,348,194	\$10,065,577	\$39,282,617
Supermarket, grocery excluding convenience stores	\$33,752,079	\$16,936,455	\$16,815,624
Gasoline stations	\$29,498,584	\$13,330,225	\$16,168,359
Gas stations with convenience stores	\$22,478,513	\$8,299,206	\$14,179,307
Other general merchandise stores	\$18,845,047	\$6,188,376	\$12,656,671
Warehouse clubs and super stores	\$16,559,161	\$4,179,120	\$12,380,041
Grocery stores	\$35,472,220	\$24,691,400	\$10,780,820
General merchandise stores	\$33,734,922	\$24,070,614	\$9,664,308
Food and Beverage stores	\$39,078,138	\$31,721,689	\$7,356,449
Clothing and accessories stores	\$11,838,707	\$5,839,659	\$5,999,048
Clothing stores	\$8,735,947	\$3,713,188	\$5,022,759
Other motor vehicle dealers	\$2,904,487	\$0	\$2,904,487
Family clothing stores	\$4,681,706	\$2,075,114	\$2,606,592
Health and personal care stores	\$14,706,896	\$12,337,821	\$2,369,075
Pharmacies and drug stores	\$12,724,317	\$10,374,817	\$2,349,500
Lawn and garden supplies	\$2,232,767	\$0	\$2,232,767
Other gas stations	\$7,020,071	\$5,031,019	\$1,989,052
Nursery and Garden Centers	\$1,890,061	\$0	\$1,890,061
Women's clothing stores	\$2,040,877	\$203,027	\$1,837,850
Computer and software stores	\$1,091,762	\$0	\$1,091,762
Other health and personal care stores	\$976,612	\$182,712	\$793,900
Book stores and news dealers	\$791,060	\$0	\$791,060
Electronics and Appliance Stores	\$5,975,214	\$5,189,537	\$785,677
Book Stores	\$727,554	\$0	\$727,554
Radio, television, electronics stores	\$3,646,769	\$2,938,182	\$708,587

Gift, novelty and souvenir stores	\$974,510	\$363,633	\$610,877
Other, miscellaneous stores	\$3,024,470	\$2,422,313	\$602,157
Other clothing stores	\$560,894	\$71,176	\$489,718
Jewelry stores	\$1,151,397	\$679,543	\$471,854
Shoe stores	\$1,849,987	\$1,446,928	\$403,059
Outdoor power equipment	\$342,706	\$0	\$342,706
All other general merchandise stores	\$2,285,886	\$2,009,256	\$276,630
Camera and photographic equipment stores	\$225,474	\$0	\$225,474
Used merchandise stores	\$520,373	\$297,007	\$223,366
Hobby, toys and games	\$1,029,010	\$821,433	\$207,577
Cosmetics, beauty supplies, perfume	\$526,864	\$336,173	\$190,691
Men's clothing stores	\$584,372	\$416,489	\$167,883
Luggage, leather goods	\$101,376	\$0	\$101,376
Clothing accessories	\$170,150	\$84,353	\$85,797
News Dealers and newsstands	\$63,506	\$0	\$63,506
Furniture stores	\$3,396,800	\$3,430,567	-\$33,767
Children's and infants	\$697,948	\$863,029	-\$165,081
Sporting goods	\$1,744,162	\$1,917,380	-\$173,218
Specialty food stores	\$1,265,141	\$1,594,565	-\$329,424
Florists	\$442,242	\$870,358	-\$428,116
Appliances, televisions and electronics stores	\$4,657,978	\$5,189,537	-\$531,559
Books and music	\$1,219,248	1869213	-\$649,965
Paint and wallpaper store	\$531,215	\$1,280,656	-\$749,441
Musical instruments	\$318,947	\$1,228,850	-\$909,903
Miscellaneous Stores	\$6,233,297	\$7,147,873	-\$914,576
Optical Goods	\$479,103	\$1,444,119	-\$965,016
Household appliance stores	\$1,011,209	\$2,251,355	-\$1,240,146
Office supplies stationary and gifts	\$2,246,212	\$3,558,195	-\$1,311,983
Prerecorded tapes, CD's record stores	\$428,188	\$1,869,213	-\$1,441,025
Office supplies and stationary stores	\$1,271,702	\$3,194,562	-\$1,922,860
Sewing, needlework, piece goods	\$180,657	\$2,257,402	-\$2,076,745
Sporting goods, hobby, musical instruments	\$3,272,776	\$6,225,065	-\$2,952,289
Department stores, excluding leased departments	\$14,889,875	\$17,882,238	-\$2,992,363
Beer, wine and liquor	\$2,340,777	\$5,435,724	-\$3,094,947
Auto Parts/Accessories	\$3,680,608	\$6,975,282	-\$3,294,674

Sporting goods, Hobby, book and music	\$4,492,024	\$8,094,278	-\$3,602,254
Building Materials, lumberyards	\$3,646,338	\$9,448,270	-\$5,801,932
Convenience stores	\$1,720,141	\$7,754,945	-\$6,034,804
Home furnishing stores	\$2,540,587	\$8,950,134	-\$6,409,547
Furniture and home furnishings stores	\$5,937,387	\$12,380,701	-\$6,443,314
Other building materials dealers	\$11,121,449	\$27,706,645	-\$16,585,196
Home Centers	\$8,175,246	\$27,655,457	-\$19,480,211
Hardware stores	\$1,788,667	\$36,124,552	-\$34,335,885
Building material and garden equipment	\$23,849,344	\$92,767,310	-\$68,917,966
Building material and supply dealers	\$21,616,577	\$92,767,310	-\$71,150,733