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BATAVIA

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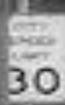
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czbLLC

czb is a neighborhood planning practice specializing in the development of healthy communities and neighborhoods. Founded in 2001 we have worked in a range of markets across the United States. We primarily work with local and state governments, nonprofit community organizations, and private foundations helping cities address a range of interconnected housing and community development challenges using a combination of precise econometric analysis, demand-based strategies, and community organizing.

About the Community Land Use + Economics Group, LLC

The Community Land Use and Economics Group is a small, specialized consulting firm that helps community leaders create vibrant downtowns and neighborhood commercial centers. We work with local and state governments, nonprofit organizations, business improvement districts, developers, planning firms, and others to develop practical and innovative economic development strategies, cultivate independent businesses, identify regulatory and financial barriers, attract new investment, and make solid, forward-looking decisions about the economic uses of older, historic and traditional commercial districts.

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Batavia, New York

Making a Good Small City Great

Batavia is an authentic, small American city. It is an outstanding place to buy a home and raise a family. The street network is walkable. Many homes are historic. In a few minutes, any eight-year-old girl or boy can safely walk or ride their bike to a number of beautiful parks, school playgrounds, or downtown. They can stop at Oliver's Candies or the Pok-a-Dot on the way home from school, and, in general, live a life and be a part of a community that is nurturing. This is simply rare in America today, and every effort must be made by the citizens of Batavia to protect and grow these qualities.

Of course, like so many communities, Batavia is finding it hard to move from a manufacturing base to a knowledge economy, in the midst of meeting the challenges of profound demographic shifts in the aging region. Also, like the rest of the nation, the city is struggling to navigate the turbulent waters of globalization. Along this journey, Batavia illustrates many of the virtues and some of the flaws of similar small cities across the country. Batavia demonstrates how resilient and valuable such cities can be in defining what is good about our nation. Amidst these challenges, czb and the Clue Group were struck by the deep love many Batavia citizens have for their community; justifiably so, for all the reasons cited, *and more*.

Batavia is simply far better than many local people acknowledge.

But we also found a troubling range of self-destructive *norms* in Batavia that require attention. These can best be understood as habits that result in a mixed message expressed in both the property standards of the place, and the themes conveyed by and about the community. This disconnect between what is actually happening and what is perceived must be addressed if Batavia wants its story to be reflective of its reality. It impacts downtown - how it is used and perceived. It impacts housing values - how the real estate market determines what constitutes a good buy. It impacts the community's sense of itself. It pervades internal Northside-Southside views, and external city-town issues, and it is self-destructive. No strategy for revitalizing the housing market or downtown can, by itself, succeed in the face of persistent negativity. The community must come to together and redirect its energy towards the positive reinforcement of the great qualities in Batavia. Added to this, excellent public services are under-promoted and under-valued. There are unproductive and unrealistic expectations about police and code enforcement. And there is problematic undervaluing of the city as a whole that limits the municipality's ability to successfully implement reinvestment initiatives.

The essence of our findings comes down to this: Batavia has all the ingredients to be great – economically, physically, and socially. But for that to happen, those strengths must be identified, be reinvested in, and become the focal point of the community's story about itself. This report helps identify the strengths, suggest ways to reinvest in them with limited resources, and begin to tell the true and positive story about this amazing community.

Understanding Batavia as a city market in the region

The City of Batavia lies halfway between Rochester and Buffalo and is part of the larger 9-county region (including Erie, Genesee, Livingston, Monroe, Niagara, Ontario, Orleans, Wayne, and Wyoming counties) that encompasses the Greater Rochester and Greater Buffalo areas. The three primary job centers in this region – where the number of jobs exceeds the number of households – in this region are Erie County (Buffalo), Monroe County (Rochester), and Ontario County.

Of these, Monroe County (Rochester) represents the strongest center – with 1.15 jobs for every household. Wages are also highest, on average, in Monroe County (\$40,689 in 2008). This average is well above Erie County's, the next highest average (of \$36,569), and one-third (32%) greater than Genesee County's average (just \$30,724 that year). In addition, with more jobs-per-household, Monroe County draws worker from a broader geography than does Erie County.

This economic reality sets the stage for the regional housing market. All of the counties on the western half of this region (Erie, Genesee, Niagara, Orleans, and Wyoming) lost population between 2000 and 2010 – over 31,000 residents in Erie County's case and nearly 3,400 in Niagara County's case; Genesee County lost 291 residents. The counties with the largest gains were Livingston (up 1,065 people), Ontario County (adding 7,707), and Monroe County (growing by 9,001). (While Wayne County did gain population, that gain was negligible: just 7 people.)

Between the 2000 Census and the just-released 2005-2009 American Survey, Batavia city itself lost nearly 1,000 residents (a 6% drop); Batavia town's population stayed roughly constant. Most county subdivisions in Genesee County lost population over this time period; the most recent for which data is available at the county subdivision level. Just three grew, each by less than 2.5%. Most of the region's growth was in Rochester's exurban communities and around Canandaigua, and this is also where the region's newest housing is located.

Changes in the number of owner households reaffirms the strength of market in Monroe County and portions of Ontario County (where most of the growth in owner households occurred), and the general weakness of Genesee, Orleans, and Wyoming counties; it additionally shows that most of the household growth in Erie County was due to an increase of renters rather than owners. The number of owners in Erie County actually declined by nearly 500 during this period.

Homeownership rates are fairly high (over 80%) throughout most of the area; only 23 of nearly 160 county subdivisions in the region have homeownership rates below 70%; the City of Batavia is one of these low homeownership rate places. Closely related to this is the fact that few multifamily units exist throughout the wider area. Most multifamily units are concentrated in

All of the counties on the western half of this region lost population between 2000 and 2010.

**Translation?
Fewer households means less income to spend, means fewer stores can be supported.**

Rochester and Buffalo and these cities' inner ring suburbs. The City of Batavia is the one county subdivision outside the orbit of these two larger cities with at least 2,500 housing units in structures with two or more units.

The region's highest value properties surround Rochester, particularly to the city's east and south (stretching to Canandaigua), and in a few Buffalo exurbs – all far from Batavia. These areas and their nearby county subdivisions also saw the largest dollar increase in median values between 2000 and 2009. In county subdivisions to the southeast of Rochester, extending all the way through Ontario County, median values consistently rose by more than \$40,000 over the course of the decade. This was also the case in several county subdivisions in Erie County, particularly to the far southeast of Buffalo. In contrast, median values throughout central Genesee County increased less than \$15,000 and by just \$12,100 in the City of Batavia.

As with values, the highest median gross rents are in communities ringing Rochester. Rent levels are low throughout Genesee County and are low relative to the region, particularly the area surrounding Rochester.

To define and become the type of community its residents want it to be, the City of Batavia has to look to and understand its surroundings.

There are nearly 160 communities throughout the Greater Rochester-Buffalo region. Some of these directly compete with Batavia for renter and owner households. Some of these communities model the types of characteristics or qualities that Batavia stakeholders want to cultivate. Some of these communities reflect more ominous trends that Batavia stakeholders want to avoid.

To identify those communities that currently have the most in common with Batavia, czb reviewed data for all of the region's county subdivisions – describing each community's size, socioeconomic characteristics, housing stock and housing demand, as well as how these features changed between 2000 and 2009 – and clustered places based on this data.

According to czb's analysis, Batavia's closest competitors – those places that share most characteristics in common with the city – include Arcadia, Canandaigua, Geneva, and Tonawanda. These communities are the region's smaller cities; in all but Tonawanda's case, they are far from Buffalo and Rochester.

Looking to trends between 2000 and 2009, one community – Lackawanna – experienced changes most similar to those in Batavia. Putting characteristics and trends together highlights fifteen “competitor communities”:

County Subdivision	County
Batavia city	Genesee County
Arcadia town	Wayne County
Canandaigua city	Ontario County
East Rochester town	Monroe County
Evans town	Erie County
Genesee Falls town	Wyoming County
Geneva city	Ontario County
Lackawanna city	Erie County
Lockport city	Niagara County
Lockport town	Niagara County
North Dansville town	Livingston County
Oakfield town	Genesee County
Ogden town	Monroe County
Perry town	Wyoming County
Tonawanda city	Erie County
Wilson town	Niagara County

Sources: 2000 U.S. Census, 2005-2009 American Community Survey, czbLLC.

This list includes most of the region’s smaller cities (with the exception of North Tonawanda and Niagara Falls), rural towns, and a few suburban or exurban communities surrounding Rochester or Buffalo.

The challenge before the City of Batavia is how to “beat” this competition for households. This means:



1. **Taking advantage of existing residential stability.** Batavia’s housing stocks are generally older; but they remain in good condition. The population is aging, but many residents continue as solid homeowners who are excellent property stewards. This stability will not last forever without supports from local government in the form of policies and program initiatives that help current owners add to existing stability and find quality buyers when the time to sell arises. The community can continue to have a counter-productive theoretical argument about local government with some being adamant that government is too large and ineffectual and others disagreeing. But without initiatives to help current owners reinforce existing stability, many blocks will deteriorate. Such initiatives may arise from the non-governmental sector (churches or nonprofits, for example; corporations, and foundations as another). Make no mistake, though, the mobilization of either local government or such non-governmental groups to fund and undertake such initiatives is absolutely essential. If the harangue about local government pushes aside the real work of mobilizing the community to achieve stability, the market will become more and more unstable.

2. **Taking advantage of current affordability.** Housing ownership – carrying and maintenance costs – are extremely affordable in Batavia. This is a marketing strength presently unleveraged. It is more a reflection of lighter comparative demand than stock inadequacy when it comes to existing homes, so marketing will be important, as will on-going existing stock reinvestment. But it is also a reflection of missing product. At the affordable end of the spectrum in Batavia, there is more supply than demand (an excess of 97 homes at any moment in time affordable to families earning \$35,277 or less per year). The opposite is true at the higher end. At the upper end, the City at any moment in time is short 187 homes priced to appeal to families earning \$50,258 or more. The prize is a function of converting affordability to a competitive advantage. The moral of the story is that when the right product exists in a good setting, it sells. So sell it.
3. **Taking advantage of the excellent rental market.** All eyes in Batavia are on the handful of troubled rental properties on Raymond, Colorado, Prune, Central, and a few other streets where neglectful absentee owners are bleeding value down to zero. These are troubled sites and deserve attention, and the owners are toxic and also deserve attention. But these hardly tell the whole or even a large share of the rental housing story in Batavia. The overall rental market is very good and merits reinvestment assistance from the City and the City’s corporate and philanthropic partners. The prize is to maintain a full range of quality housing options in Batavia. Mobilize the renter community.
4. **Taking advantage of a great main street.** Batavia has a downtown with great potential, as thoroughly analyzed and discussed later in this report. But the predominant form of infill no longer works, there is extensive under-utilization of space, and as a “main street” the downtown has become a marginalized, second tier retail space instead of the primary community gathering and celebration point it could be. The prize is to re-establish downtown in Batavia as the emotional center of the community after which it can become the destination and revenue generating space it has the potential to be. **The community has the income to support a vibrant downtown of locally owned businesses, but it must choose to do so.** Batavia has the downtown setting, but the community must support businesses until they are fully established. This must be intentional.
5. **Taking advantage of the excellent leadership now in place at City Hall and the outstanding public services and amenities in Batavia.** Current leadership has successfully negotiated a complex set of financial circumstances that in previous years limited the city’s ability to invest and be aggressive. It is clear to czb and the Clue Group that the time is right for Batavia to invest in itself in creative ways,



leveraging great parks and supportive infrastructure, keying on good property owners while cracking down on troubled ones, and supporting a renewal of civic vibrancy through activities that remind everyone how special Batavia is.

Know this: Batavia cannot compete successfully by complaining. It cannot compete successfully by being cheap. The community – local government through taxes, citizens through time and energy and a positive spirit, corporations through leadership and cash contributions, churches through leadership and partnership – will have to spend (time and energy and money) to succeed.

Another important question is whether the above municipalities represent the league in which Batavia wishes to operate. Do city stakeholders and residents aspire to bring Batavia more in line with a municipality or municipalities not listed among these closest competitors? If so, what would have to change and is such a transformation realistic or practical?

As our regional analysis notes, the City of Batavia is somewhat outside the orbit of the region’s two largest job centers (Buffalo and Rochester) and part of the weakest section of the region – where populations have declined, household counts have grown the least, and owner incomes and property values are lowest and showing the smallest gains. Batavia functions as the “urban center” of this section: it has a high renter-occupancy rate and a large supply of multifamily housing, a higher concentration of poverty, and higher population and housing unit densities than anywhere in its surroundings. Consequently, the City of Batavia faces several challenges. Each is addressed in this report, each was discussed with the Batavia community during 2011, and each requires attention now by citizens.

Population Loss	Less people means less spending on retail and less spending on retail means more commercial vacancy
More Residents w Less Income	Lower incomes means less spending which means less demand which means lower priced housing and lower priced goods and services
More vulnerable households	More vulnerable households means higher municipal costs for supportive services, and greater challenges in residential community life
More elderly	More elderly means less disposable income, reduced capacity to lead in the community, and future property disposition challenges
Less new housing stocks	Housing stocks that are older can be less appealing to the market, which may then look for such housing elsewhere

For the most part, in Batavia, older homes averaged lower sale prices. This was the case even though units built in the 1940s and 1950s were among the city's smallest (in terms of square footage and number of bedrooms). The average sale price of a new home (built in 1990 or later) was more than double that of a home built before the Great Depression. On a square foot basis, properties built in the 1940s and 1950s were selling for nearly twice the amount as the oldest homes: the average sale price per square foot of a 1950s home was \$73.50, more than one-and-a-half times the average price of homes built in the 1910s or earlier.

This devaluation of older homes has serious consequences for the City of Batavia, particularly its center-city blocks. In these areas, most properties were built prior to 1930.

One particular challenge related to the City's housing stock is the prevalence of smaller multifamily units. Units in structures with two to four units per building comprise 25% of the entire unit total, and account for nearly two-thirds (62%) of Batavia's multifamily units. Nearly all of the City's two- and three-family properties (87%) were built before 1930 and are concentrated in the center of the city.

A large percentage of these structures were likely originally built for single-family occupancy and have since been converted into multiple apartments. Property surveys and informational interviews with residents, landlords, and Realtors suggested that these smaller multifamily properties provide marginal rental options for tenants. The units are far inferior to better-managed, larger complexes in other parts of the city. According to the American Community Survey, 12% of these units were vacant in 2009, affirming these units are not greatly desired and, thus, rent to the more marginal households.

A closer look at the parcel data also shows that these units bring down the values of surrounding properties. According to sales data in the parcel file that czb analyzed, the average sale price and the average sale price per square foot both declined when on the same blocks as these troubled multifamily properties. To put this another way, the degraded condition of these smaller multifamily properties "costs" the community greatly; that is, adjoining owners lose value they would otherwise have, the City loses tax base it would otherwise have, and the community is responsible for providing services that are, in effect, not paid for in a fair way. In other words, some landlords are a net drag on the local economy: stop complaining about them, and regulate them out of business (as the state of New York allows and as is being done in nearby Geneva). This alone should not be the sum of Batavia's focus on rental housing, but it is a key part of the overall strategy.

The prevalence of these smaller multifamily units, as well as the high level of vacancy in these and single-family, attached units – suggests weak demand for at least a portion of the city's single-family housing units. In fact, even in single-family homes, the homeownership rate fell between 2000 and 2009 –



from 89.2% to 87.1% in detached single-family units and from 87.1% to 84.1% in all single-family units.

In 2009, Batavia's median value remained well below (equal to just 78% of) the typical median value in the region. It had increased far less than was typical among other county subdivisions in the region (\$12,100 versus a regional average of more than \$25,000). The average sale price of a single-family home in the City of Batavia since 2000 – roughly \$82,500 – was more than \$16,000 less than the average in Batavia town.

Batavia as a place

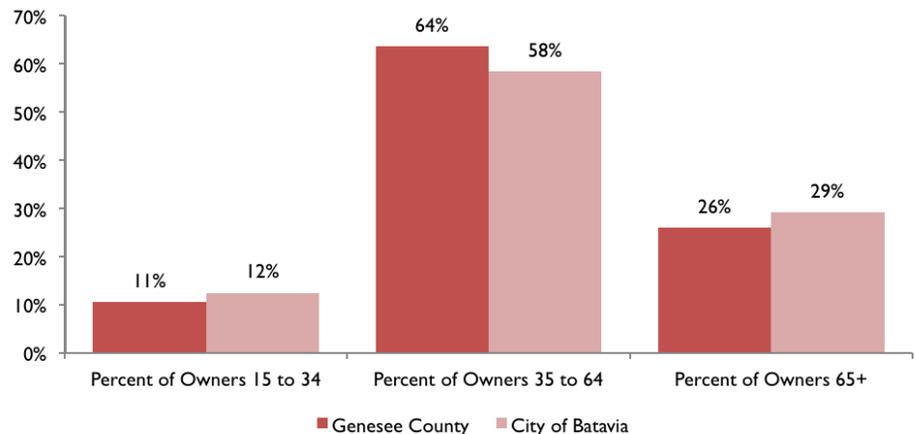
We found that many essential components are in place in Batavia: great housing, walkable streets, amenities, attractive views, and good schools.



Our analysis shows that the housing market and the neighborhoods can be described as having five elements that relate to place and market position.

1. **Stability:** Batavia is comprised of a stable group of conscientious homeowners that have set good standards of home maintenance although the owners are aging. This stability is a very encouraging strength, and it merits reinvestment. But, it is not stable enough to evolve to further strength without attention.

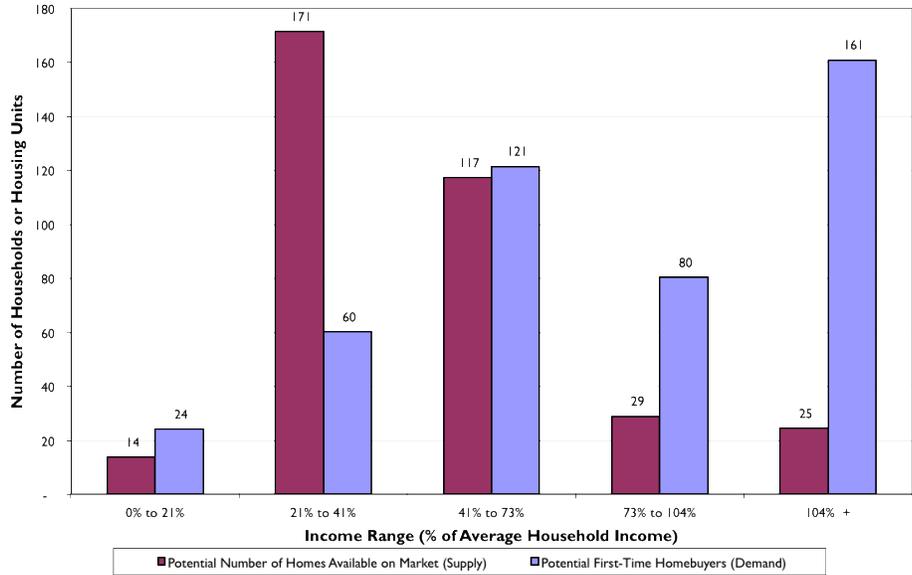
Age of Owners in Genesee County and the City of Batavia, 2009



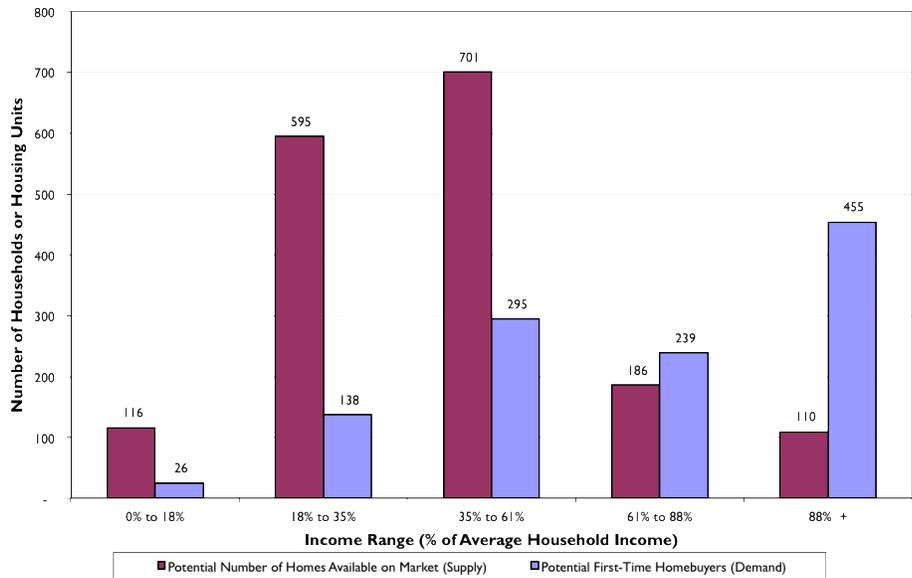
- Affordability:** Overall, the market is viable. The chief characteristic is that prices (and ownership costs) are a good match for the profile of the residents, although our observation is that marketing is weak. Affordability in this case means two things. There is little need for more affordable housing production. And existing affordability is a distinct marketing advantage for families wanting a traditional neighborhood to live in. Promote the great value of buying in Batavia.

In Batavia, where median rent is \$671/month, a household with combined total monthly income based on \$11.75/hr can procure housing without any public assistance. To buy a detached single family home in the city requires a combined annual household income of \$38,900.

Supply and Demand for Housing by Price Point, City of Batavia

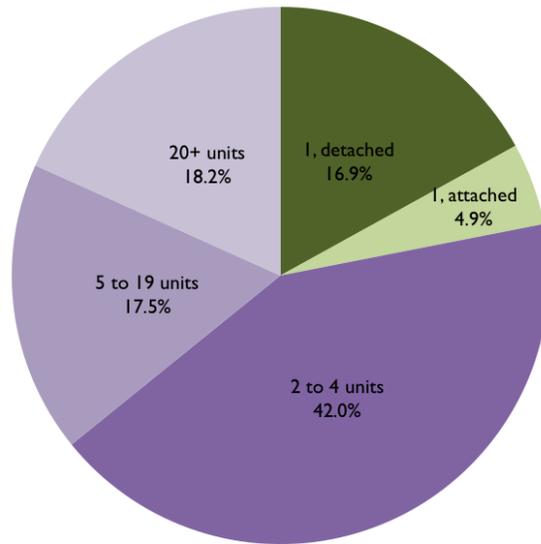


Supply and Demand for Housing by Price Point, Genesee County

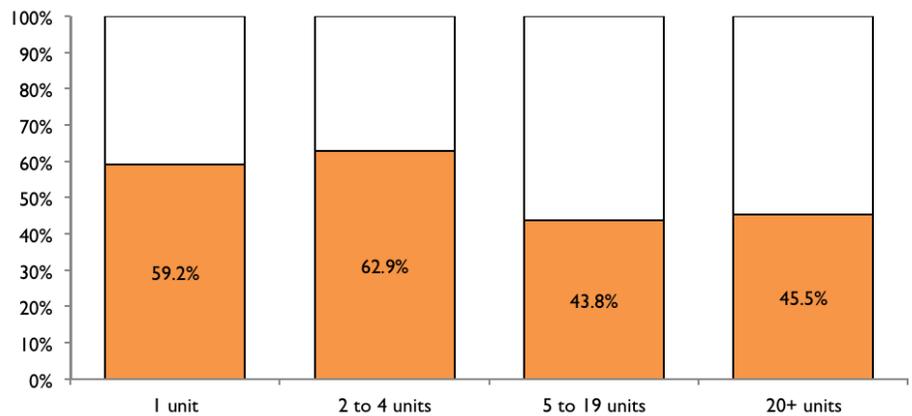


3. **Rental Fragmentation:** The rental market breaks into three parts – a) the quality larger complexes, b) the well-maintained scattered rentals on good blocks, and c) the troubled single-family and multi-family rentals of poor quality on at-risk blocks. A great deal of attention in Batavia is given to the issue of poor performing rentals on troubled blocks. While these properties and their owners and tenants do merit attention, the larger story of exemplary rental property being the dominant narrative is obscured. Focus attention on the strengths even as attention is given to addressing the weaknesses. Deploy a *both/and* strategy.

Units per Structure of Rental Units in the City of Batavia, 2009



Percent of Renters with Unaffordable Costs by Units per Structure in the City of Batavia, 2009



Recognizing the market challenges we have outlined, there is significant room for optimism in Batavia.

- 4. **Underperforming Commercial:** What should be a viable commercial life is under-performing. As subsequently noted in this report, only 11 percent of the business entities within one-half mile of the Jackson/Main intersection are retail businesses – a very low percentage for a central business district in a community of Batavia’s size (and purchasing power). And, while retail trade ranks third in number of business entities within this radius, it ranks fifth in number of jobs, behind health care/social services, public administration, accommodation and food services, and “other services (except public administration)”. Translation? Downtown is where many financially successful entrepreneurs are doing well, such as those in the medical fields. But the nature of these businesses is 9-5, and when a high percentage of real estate is dedicated to 9-5 businesses, the area empties out at dusk, greatly reducing the chance for civic vibrancy. As this report later discusses, it is not that there are too many non-retail establishments so much as too few retail and with too little intentional co-location advantages sufficient to stretch 9-5 in to 8-9.
- 5. **Commendable Public Facilities and Services:** The local government has recovered well from recent financial distress, and not by accident. Hard work, tough decisions, and public management expertise are the reason. This is a victory in the best of times and is nearly unheard of in today’s economy. It is a record to be proud of, promoted, and talked about. It is also the basis for shifting away from a defensive problem-solving posture to an aggressive reinvestment approach.

These interrelated elements require strategic attention from citizens working in partnership with local government. Citizens of Batavia have to organize and move beyond an underlying complacency that has resulted in the kind of a stalemate described later in this report regarding neighborhood life and downtown.

While superb housing stocks are a great value in Batavia, they are not marketed as such.

While most rental properties in Batavia are good neighbors, too much attention focuses on a handful of troubled properties, which, while important, hardly constitute the whole.

Paying attention to what is working and on the importance of reinvestment will pay off.

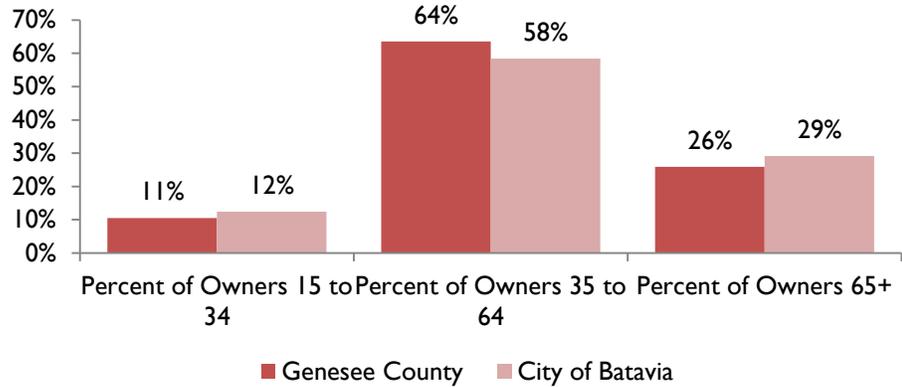
Recognizing the market challenges we have outlined, there is significant room for optimism in Batavia.

The City boasts a committed base of long-time residents. On average, owners have been in their current homes for just over 15 years. The housing stock has

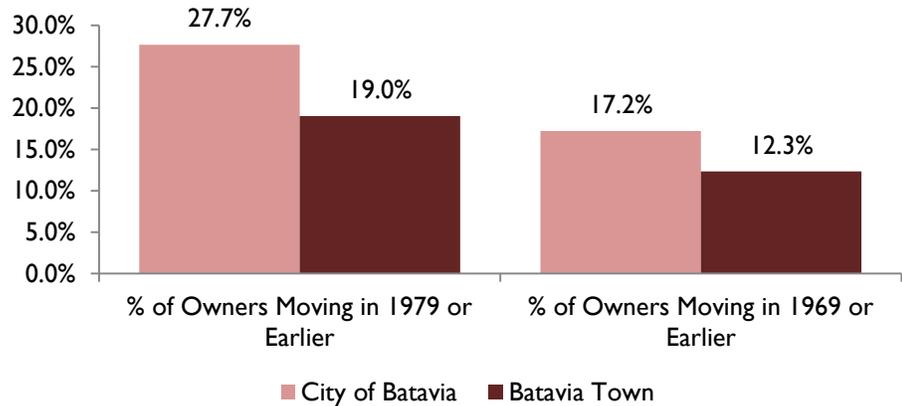


substantial potential usually due to its historic character, larger size, and neighborhood strength, especially case in northeastern Batavia.

Age of Owners in Genesee County and the City of Batavia, 2009



Portion of Long-term Owners in the City of Batavia and Batavia Town, 2009



Batavia also plays a role as the urban center of the stretch of western New York outside exurban Rochester and Buffalo that it can leverage to attract new households and improve the quality of life for current residents.

But the key word is *can*. The key action is to *take advantage of*.

In addition, while the City of Batavia may not have higher-priced units, the city is home to households who can afford them. This is a crucial market finding. In 2009, 1,635 owner households had incomes greater than the area average income, but the city had only 432 owner units valued at the levels these households could afford. In other words, most (74%) pay less than they could afford to pay for housing. Similarly, 324 renter households had incomes greater than the area average income in 2009, but there were only 52 rental units valued at levels these households could afford. This means that nearly all (84% of renters) were paying less than they could afford to pay for housing.



All of this clearly shows that in terms of its physical conditions and market strengths, Batavia does not suffer from many of the worst urban challenges that are undermining less fortunate towns and cities.

Unfortunately, many in Batavia think in terms of dire problems. The truth is:

- 
- ✓ Housing abandonment is uncommon.
 - ✓ Foreclosure is extremely modest compared to many places.
 - ✓ Prices are stable and many houses represent outstanding values.
 - ✓ Quality houses are available at affordable prices and can be affordability maintained.
 - ✓ There are few severely distressed properties.
 - ✓ Though there are vacant and under-utilized commercial spaces, there are compelling images of thriving businesses and viable start-ups.

Every resident should understand the following five key points and how they relate to the city's future.

First, the vast majority of homeowner properties are maintained at a good level or better. Clearly, homeowners take pride in their houses and see that good maintenance makes good economic sense. This simple formula no longer works in many cities and neighborhoods nationally, and in too many places in upstate New York. But on most Batavia blocks, *owning a home is a good investment*. That said, there are a few troubled blocks that are undermined by low quality rental, heavy traffic, or poorly operated commercial facilities. Too many of these blocks are on key gateway streets or near public facilities, and this visibility distorts the picture of what is really happening, disproportionately giving the false sense that the overall market is troubled. Overwhelmingly however, the standards of property improvement and everyday maintenance on most residential blocks are commendable and this should be the basis for policy and programming; reward residents who are standard setters and whose home reflects pride.



Second, the costs of ownership are reasonable for many of the households in Batavia, so there is every reason to believe that homeownership can continue as a strong force for stability. Consider the costs of owning a good home in Batavia compared to typical earnings. In Batavia, where median rent is \$671/month, a household with combined total monthly income based on \$11.75/hr can rent good housing without any public assistance. To buy a detached single family home in the city requires an annual household income of \$38,900. Put another way, two \$10/hr wage earners can afford to own a home in Batavia, even after utility costs are taken into consideration. Affordability is such that policy and programming should *not* at this time be focused on access so much as on the challenge of standards. Do not add any more affordable product to the Batavia market.

Third, in terms of rental property, there are different standards operating at the same time, which means that the rental market cannot be described in one over-arching statement. Generally speaking, the larger rental complexes are well maintained and professionally managed. At the other end of the quality spectrum, although there are great examples of quality single-family rentals adjacent to homeowner properties, far too many of the rental single-family and small multi-family houses are not maintained at a standard compatible with the surrounding houses. What accounts for these differences and what are the market and policy implications?

- A larger rental complex has a greater likelihood that it is professionally managed and adequately capitalized. This is certainly true in Batavia. Most of the larger complexes are newer (the older ones, while dating to the 1950s are still 50 years *newer* compared to single family stocks

largely built at the turn of the 20th century), have more desirable floor plans, were originally designed for multi-family use to begin with, provide adequate off-street parking, operate with good rental application procedures, and have professional management. These features contribute to the low vacancy levels and higher standards of upkeep. In addition, such structures in Batavia never deteriorated to a condition where cash flow became the predominant objective, as is the case in the troubled single family and small multifamily rental in Batavia. Instead, increasing property values and tax benefits have consistently been the positive forces motivating capital improvements. And, as such, the larger apartment complexes in Batavia are typically very good neighbors. These properties have high occupancy rates, reflecting quality ownership intentions and management practices.

- The scattered site rentals usually are single-family houses or are conversions of large houses into smaller units. A few are duplexes that were designed for rental use, but in general most housing in Batavia was built as single houses. Some of rental houses are on solid homeowner blocks and it is in the owners' best interests to keep these houses in good condition and to rent to stable tenants. If these houses are well maintained and carefully rented, the owners can expect to maintain or even increase the equity value of the houses and to be able to price the rentals to receive a positive return. These properties remain liquid for the most part and sellers able to find good buyers because the properties have been maintained and are on desirable blocks.
- Regrettably, too many of the scattered site rentals are not so fortunate. Often they are on blocks dominated by other rental, some of which are poorly maintained and badly managed. These rental properties were built to lower standards originally, or are too close to businesses, or are too dense, or are on a block with a negative reputation. These houses are harder to maintain and are less attractive to stable tenant households. Stable tenants prefer better quality units and will pay a premium for them, leaving these lower quality and less desirable units to be rented primarily to struggling families who have few of the life skills needed to be good neighbors. To make the investment numbers work, landlords often decide to under-maintain the units and rent to less qualified tenants who will pay higher rents, unable to secure housing elsewhere.



Clearly, rental does not follow one particular pattern, but generally speaking, larger rental complexes strengthen Batavia, some of the better scattered-site rentals reflect homeowner standards and are a valuable part of the inventory, and a third and highly visible group of rental houses are undermining investment in the city. The implication is clear. Policy in Batavia needs to help quality rental properties continue to succeed, while concurrently being strategically focused toward problem rentals to reduce their measurable and considerable negative impacts.

Fourth, commercial life needs to be understood in its many different forms, but underneath them the dominant reality is that commercial life functions as one market. Residents of the town support businesses in the city and *vice versa*. And residents of both “leak” disposable income to various Rochester and Buffalo markets. But beneath this is a two-sided challenge.

- On one side is the importance of treating commercial life not in “the city” versus “the town” terms, which only serves to treat the market as a zero sum equation, with one side getting and the other losing when the reality is one overlapping market.
- On the other side is the issue of *commercial life*, less in terms of financial feasibility, but how it relates to the civic heart of Batavians.

At one point in time, commercial vitality was synonymous with a vibrant civic life: downtown businesses did not just thrive economically; they hosted civic life. Main Street was *alive*. It was a regional destination that city residents justifiably took pride in. For many reasons, commercial *activity* is now co-located, primarily both along Main Street in the city, and outside Batavia in the form of big box retail.

While the two markets - the Main Street market in the city and the suburban market in the town - together provide the full array of goods and services residents *of the region* want, its bifurcated nature has undermined the *life* part of commercial life. In other words one can still get shoes and copy paper and groceries and everything in between; what’s missing is a vibrant civic life often - and historically - anchored by Main Street. Therefore, it is crucial that a renewed focus on commercial challenges view a revitalized Main Street not merely as a place for commercial activity, but, rather, as one of the community’s cultural gathering places. In other words it is not mainly an economic challenge, instead it is more one of civic pride.

Fifth, the city offers an outstanding array of public services and facilities.

There are beautiful traditional urban spaces, good recreation sites, parks, and access to the river. These public spaces are the result of a century’s worth of public commitment to the public realm. Additionally, city finances are well managed, and there is a highly professional municipal staff on board. However, city government has yet to effectively target its investments to have the greatest impact. For example, entry streets to the city are in good repair, but as gateways to the city, they are uninviting, often busy and confusing.

There is code compliance focus, but it isn't strategic. Assistance to owners exists, but not in a focused and geographically strategic manner. Infrastructure improvements are occurring and in quality ways, but not necessarily in sync with neighborhood opportunities. Code compliance assistance and enforcement occurs with remarkable effectiveness and professionalism, but in the absence of resident leadership capacity is less leveraged than it might be. The most important policy and program thrust Batavia can take in this regard is focused strategic coordination on a geographic basis.ⁱ

In sum, Batavia is a city with a large supply of high quality houses on stable, desirable blocks. Most of these properties are homeowner houses that are maintained by conscientious owners and some are scattered rental houses. Quality housing in Batavia is not inexpensive, but an array of houses are consistently on the market at affordable sales prices and rents, both of which offer excellent value for the dollar.

There are some good quality scattered rentals, but the primary focus of conversation and programming is on the extremes, which range from excellent large rental complexes to substandard scattered rental units in second and third choice locations.

The commercial vitality of the city is strong in comparison to many comparable older cities. Batavia has shown innovation and has weathered some poorly conceived projects of past decades. Now it must show that it can "learn" as a community: ceasing repetition of past mistakes, boldly taking some chances, improvising with limited resources. In short doing the things that are pre-requisites for competing successfully. There remains enormous potential for improving the downtown. The challenges are not insignificant, but they are clearly within the capacity of Batavia to tackle.

The city government has a good record of dealing with basic housekeeping issues even while addressing severe budgetary challenges. The work of the city is good, but the outcomes are limited because there is a lack of strategies to leverage the impact of investments, and a somewhat limited appetite in the community for green lighting City Hall to be creative.

These observations mean that the challenges that remain are not insignificant, but they are clearly within the community's capacity to address.



Batavia as a community

While the physical condition of Batavia is crucial - *it is what people see* - the buildings and their condition are important in no small measure because they stand as reflections of the community.

Who lives in Batavia? What kind of community is there at James and Otis near Farrell Park? What is the history of the Pappalardo building? What's for sale on Faletti's lot these days? What's going on over at Williams Park? Who's running laps around the track? Who was that buying an engagement ring at Valle's?

Porch lights "on" say something about the family living there. Neat rows of tomato plants out back, properly tied to their stakes in July, communicate important stories. The stories are many: the crowded church parking lot, Christmas chocolates from Oliver's, active ball fields, and the busy Pok-A-Dot.

The places where people live, where they shop, and the kinds of jobs they have in what kinds of factories or office buildings explain the story of Batavia. Together, these places tell both the community and visitors alike something important about the values and shared experiences in Batavia.

Where the community is headed. Where it came from. Where it is now.

There is no question that Batavia is very different today compared to what it was in the 1950's. This is, of course, true throughout America.

But the observation has great resonance in Batavia because of the scale of its losses in terms of its employment, businesses and downtown the last 60 years. Batavia is no longer the manufacturing center it was; today's firms are smaller and typically pay lower relative wages. Downtown has lost many historic structures, and while the replacement buildings facilitate commerce, they neither evince pride in the community nor do they reinforce the character of the old downtown people miss and want. With such changes, it is now hard to even envision the dynamic life that defined Batavia only sixty years ago.

Of course, sixty years ago, people didn't drive to regional shopping centers. They didn't expect grocery stores to have pharmacies and specialty foods. And they didn't order books online or shop through 800 numbers. There's not a downtown anywhere in the US that has weathered these challenges without dramatic changes. Some have literally emptied while others have become tourist centers or clusters of marginal businesses. Only a few have fully recovered, and those usually transformed into very different places over the last six decades.

Manufacturing in Batavia and in America has seen similar changes. Jobs have relocated to other states and globalization has literally moved jobs elsewhere in the world. These changes have re-defined Buffalo and Rochester and even smaller cities like Jamestown.

There's a strong core of volunteers and community leaders who have done remarkable work in Batavia. Many committed elected officials have been excellent boosters for the community.

Batavia isn't immune to this transformation, but czb has been very impressed by the foresight shown in Batavia with on-going support of the incubators and its recent investments in the downtown, such as the municipal offices at the City Centre. The results are uneven, but compared to other localities; Batavia is well positioned to successfully weather on-going economic uncertainty.

This being said, there are certain internalized values and viewpoints that we have concluded have already and will likely continue to undermine Batavia's future. These are habits or ways of thinking that weaken the city as a place for investment.

Of course, not everyone in Batavia follows these habits; there are many people that recognize the unique and desirable features of the city. There's a strong core of volunteers and community leaders who have done remarkable work in Batavia. Many committed elected officials have been excellent boosters for the community.

However, visitors are too often confronted by negative language, old grievances, and a dewy sense of nostalgia. These habits aren't benign; they actually weaken the city in fundamental ways. They cause many residents to avoid public life, and they establish patterns that reinforce decisions to not invest.

In this report, for example, we make it clear that the City will have to invest in order to trigger greater stability. If residents hear no other message, let it be this: a failure to make investments - to spend money - will be a penny wise but pound foolish decision, the consequence of which will be to risk further weakening the assets Batavia can still leverage.

Such a failure to reinvest would be to succumb to the negativity in the form of a lack of confidence that investing would generate good returns. Moreover, such a failure would fly in the face of evidence to the contrary: when Batavia has reinvested recently, there has been considerable success. The Housing Authority has done remarkable work. The incubator is a great example of success. Downtown has made some important gains. When risks have been taken, the results have often been good. Now it's time to go a step further.

The takeaway is that more investment is needed, and in a highly coordinated manner that builds on strengths.

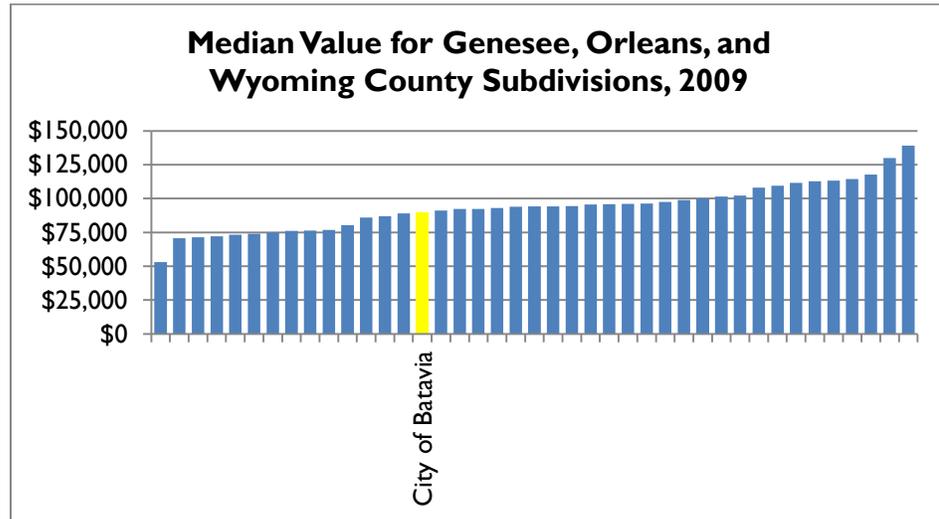
What patterns have emerged that would be cause for concern?

First, there is the habit of destructive language and behaviors.

- Many individuals and groups focus on the negative. What isn't working is a typical refrain when asked about Batavia. The litany of complaints focuses on poorly maintained property, marginal businesses, and declining services.
- This is coupled with a behavior of assigning blame. Problems are seen

as the result of poor city systems, unmotivated public employees, bad landlords, disruptive tenants, or unconcerned businesses. In this viewpoint, the glass is not even half empty; it is nearly dry.

- However, statistically the story proves to be much different, particularly if we look at Batavia in light of its many nearby competitor communities in Upstate New York.



Median Value of Owner-Occupied Homes. Source: czb and MLS

Second, the city and its institutions don't present the community in the best possible light.

- There isn't a sense of positive promotion nor is community pride conveyed widely. Of course, there are exceptions such as Austin Park, the new municipal offices, and so on. But overall, the messages conveyed are at best muted, or more likely are actually off-putting. Many entry signs announce what not to do in the city or in a park. As stated above, there is already too much negative language and complaints, and there is too little boosterism, pride, and positive messaging. *It is vital to create new language around high standards.* These positive messages need to be consistently communicated through public signage, in community spaces, and even on businesses and private residences. Sometimes the message will be as simple as beautiful landscaping. In other cases a homeowner or a business owner will attach a logo testifying to Batavia's specialness. Essentially, every place in Batavia is an opportunity to make a statement and provide a sort of marketing "billboard" that communicates proactive themes.

Third, the Southside/Northside split reflects historic ethnic and economic differences that really aren't relevant today, but continue to distort investment patterns.

- There are greater differences among just a few blocks in the Northside than there are differences with the Southside, but old patterns are

allowed to shape where people invest and how parts of the city are described.

- Batavia is a city of 15,144 residents. This means Batavia is not a large and anonymous place. People are a part of a very understandable picture. There are everyday linkages through work, school, church, shopping and the dozens of other ways that people see and relate to each other.
- Houses with various characteristics and conditions are located throughout the city. It does no one any favor to think of, much less label whole parts of the city as less desirable, especially in a city of such modest size when to do so paints the whole market negatively.
- Everyone in Batavia - regardless of where in Batavia they call home - lives in the same small city with distinct neighborhoods with unique features. Taken together, nearly two-dozen areas create a dynamic city with opportunities for families to thrive. To start young families and participate in school life. To move up and become a civic leader as one's children grow. To retire and enjoy the community one helped build. Discounting investment on one side of the city or in any one area doesn't make sense; each area should be looked as a place to maximize quality of life and housing values.

Fourth, there is a belief that better enforcement of rules will change the way the community looks and functions.

- This viewpoint suggests that if the police would just enforce the drug laws, or if the city government would just force rental properties to be code compliant, or if the schools would just monitor the students after classes, or if (fill in the blank), then Batavia would again be like it used to be. While this kind of thinking has a certain clarity, it doesn't work in most cases.
- Policing is enormously complicated in our complex society. Enforcing rules has a certain precision to it, but there is also the need to form relationships and to build trust. Not every delinquent in the 1950s was arrested; many were taken home to face the wrath of an outraged parent. Not every petty misdemeanor warrants a police action. Public safety can be driven by rigid rules, but a broader commitment to a safe community recognizes that people are very different and enforcement needs to be tailored.
- Housing codes help set a minimum standard of property maintenance, but *such a standard is well below what most citizens of Batavia would strive for, and indeed well below the standard of most blocks already.* Codes of property repair don't go very far in shaping tenant behavior nor do codes address the difficult economic times for investment property owners facing depressed housing prices.
- Experience shows that code compliance usually achieves only minimal standards, and that compliance only happens after much resistance. Prosecuting code violations should be a last resort when other methods of getting improvements have failed.
- These same observations can be used when looking at students

congregating after school, individuals loitering on public streets or in parks, or any of the other urban behaviors that might be managed by enforcing rules. It would be great if setting and enforcing rules achieved the desired changes, but most of the time the real world cannot be governed by these certitudes.

Fifth, the community habitually discounts its important resources.

- The most undervalued assets are the residents and businesspersons, who aren't encouraged and assisted to become volunteers and promoters of the city.
- The major institutions, businesses of all sizes, and nonprofit groups should all be engaged in promoting a more positive view of the city. In some cases this involves providing space for meetings, staff on loan to make events happen, and resources to support the activities. But in many other cases it requires supporting change by opening doors and involving the community more broadly.
- This process of engaging people and promoting institutions, groups, and businesses is critical if Batavia intends to use its assets to re-build its marketability.
- It also requires resources – staff time, and staff time costs money. There was a time when civic associations, social clubs, and churches filled this facilitative role and provided resources like meeting space and assembly halls, all of which brought people together. For better or worse, these institutions lack this capacity in 2012 at the level needed. So it is important that Batavians, through local government, re-imagine and financially support regenerating earlier mechanisms and creating new ones.

The creative – and necessary – way to move forward and to be competitive is to unify markets in the City and unify markets in the City and Town to strategically promote great housing options, and a remarkably livable community with a textured and vibrant history.

A Central Observation

Batavia is simply far better than many local people acknowledge. Residents of the City often discount their own community. Residents of the Town often take a perverse pleasure in pillorying the City, not unlike City residents help perpetuate ancient Northside/Southside biases. As residents of a small city in a largely rural county presently being outcompeted in the region, this is self-destructive. There's no other way to describe it. The creative – and necessary – way to move forward and to be competitive is to unify markets in the City and unify markets in the City and Town in order to strategically market great housing options and to promote a remarkably livable community with a textured and vibrant history.

A self-deprecating habit is at the core of the community's inability to establish itself as a thriving community of choice. The problem isn't the absence of a good plan, but the questioning of the wisdom of investing in itself.

Building consensus on the strengths of Batavia is more than re-branding, which is too often characterized as just a sales campaign of puffery that puts lipstick on a pig.

We are not talking about some kind of superficial boosterism. Rather we are focused on creating consensus, which is critical for community renewal.

Of course, deciding on the message and acting to promote the city is not without costs, but the greater cost is the continued under-valuing of the city, which creates a cycle of negative language and actions. In our experience, some of the costs of this negative cycle are:

- People don't invest in their homes as much as they might and landlords follow a conservative course of property improvements.
- Current businesses take fewer risks on further investment and fewer new businesses are attracted.
- New buyers look to the Town of Batavia or beyond and the more stable renter households choose other places first.
- It is more difficult for the city government to discuss issues and reach innovative conclusions, especially if reinvestment activity is required.
- Other community dynamics also happen: people shop elsewhere, or students consider other community colleges, or there are subtle changes in how diverse people relate.

Clearly, there are real costs to undervaluing Batavia. Indeed, until this pattern is reversed there can be no sustainable recovery of the city past its stalemate, much less realization of its potential. What should be done?

Re-discovering a Great American City

Managing a city is demanding work and is especially difficult when economic growth is stagnant. Buildings need to be repaired, failing sewer lines must be replaced, and streets need to be plowed. There are enormous pressures to somehow rebuild the economy, create jobs, and stimulate new businesses. And all of these actions need to be done with smaller public budgets and fewer community resources.

And, in any case, the real *management of a city* is not done by a city council, or the city manager, but by residents who sweep their porches, scrape and paint their homes, parent the children on their block, pitch in to help an elderly shut in, vote, coach Little League, and otherwise do those things that weave the community together, for these are the building blocks of demand. Beyond this, great cities do have committed and talented staff at City Hall and in council chambers, and fortunately that is the case in Batavia.

There are good examples of cities that have been able to rebuild housing values in struggling neighborhoods, and other cities that have re-invigorated a failing downtown or shopping center, but in almost all cases there were particular critical factors that made success possible.

One of these factors was the ability of the city to define itself as a place that can thrive, a place where people choose to live and invest themselves. Communities that focus on deficiencies are seldom able to create the broad-based buy-in and the consistent momentum that are necessary for success.



This is the conundrum: successful change usually can't happen without shared confidence in the community that exists today and in the potential for the future, but the lack of such confidence is often holding many communities back. For a place with tangible, marketable assets, the competitive advantage comes from creating the confidence that the community is a good place to call home and that positive change is happening and can be sustained.

Batavia reflects these dynamics.

It is a solid community with outstanding assets, but its competitiveness is being undermined by too many residents and business leaders who express little confidence in the community as a place of choice.

In public meetings leading to this report, the czb-Clue Group team made the community aware of the extent of retail leakage out of Batavia. The first reaction was "wow, that's a lot of money...that can't be true." The second reaction was "that's because there's nothing good in Batavia to spend money on." The third reaction was "we can't get a piece of that because (fill in the blank)." In the face of cold, hard facts that communicate good news (> \$30M in annual retail leakage) and opportunity (a definitive gap between demand and supply that could support more than 100,000 square feet of various kinds of retail) the reaction was negative. There was little initial sense of confidence; either in the facts, or the possibilities they suggest.

Notice the above words: "express little confidence". In fact, many residents and business leaders alike are quick to say what is right about the place, but only after they or others have said how it is not the community it used to be. This habit goes to the core of the challenge for Batavia. Regardless of how effective the city government is, or how successful the schools are, or how homeowners keep up beautiful homes, there is always the perception that things used to be better.

This sets up an impossible goal: Batavia needs to be as good as its finest past features, but without any of its previous problems, and certainly without any of yesterday's resources. It allows critics to say, "see, I told you so." It lives on phrases like "that can't be done," and "we tried that", and "here's why that won't work." Until the community addresses this problem, Batavia won't achieve its full and substantial potential.

Fortunately in this planning process, our team has begun to witness a shift. Though subtle, we have begun to hear a bit more "interesting...how could we use that to our advantage?" and "that looks like an opportunity," and less "that's not possible." No new businesses will ever equal the scale of the past factories; no recovered downtown will be the single dominant commercial center; no older neighborhood will be as perfect as when it was first built. But new versions of Batavia can be positive, vibrant, prosperous, and civic-minded.

Batavia must project that it is a desirable, thriving community that is deeply

valued by its residents and business leaders.

When this becomes what people believe, and what they say, it's not just civic boosterism; instead it signifies a core economic principle: People don't invest themselves or their resources in places that don't appear to be sensible, desirable investments. No government incentives, no special lending program, no redevelopment scheme can work unless the community is seen as worthy of investment. And the building blocks for this are not found in special financing, they are located in the everyday fundamentals of pride shown through mowed lawns and painted porches, participation in community festivals, support for local business, and resident leadership in the form of strong neighbor to neighbor relationships.

Any city policy must be realistic and recognize at least two facts.

- ✓ To attempt economic development without addressing this basic economic reality is to hobble the city in competing with the surrounding areas and with other cities.
- ✓ Moreover, to attempt to re-position the city as a community of choice without making conscious, consistent investments in changing the way its presents itself is foolhardy.



Therefore, if Batavia is serious about strengthening its economy and its downtown and is committed to improving its neighborhoods, the community must invest in the programs and staff that can produce the necessary change.

There are many possible actions that can be undertaken, but the resources of the community limit what makes sense to recommend.

Recommendations

The following suggestions were chosen by czb to meet the goal of changing behaviors and perceptions while doing so on the most modest budget possible.

First, consider the topics Batavia needs to promote: its institutions, businesses, public facilities, entertainment sites, neighborhoods and history.

Second determine the likely audiences for the messages: current residents, potential residents, investors, business leaders, regional residents, and visitors.

Third, once the topics and audiences are identified, decide on the themes that communicate the right messages: the value of the institutions, the continuity of businesses, the quality of civic life, the role of volunteerism, the desirability of the housing stock, the neighborliness of residents, and the demonstrated responsibility of the property owners.

Consider each of these areas: the messages, the audiences, and the actions.

The Messages

In terms of assets, promote your excellent institutional assets by highlighting the New York State School for the Blind, the Veterans Administration facility, the school system and public library, an outstanding medical community and medical center, the numerous community-serving agencies and the variety of churches. Identifying these assets further defines the whole city as a place with an institutional life, serving people with different needs and interests.

Remember that the larger public doesn't segment the institutions as being inside or outside the city limits. When someone chooses the community college, that decision is based on the quality of the institution and not its address. Batavia is the term used for all of the area and it is reasonable that all the local institutions are seen as serving the Batavia community.

Promote your employers, whether it is O-AT-KA Milk Products and the dairy sector, Chapin, P. W. Minor Footwear, or the downtown businesses, the start-ups, "unique" businesses, or the "incubator" - *develop a language around the city as a place that works*. Right now the Chamber of Commerce has one message, the Business Improvement District another, residents another. These require strategic coordination.

As a vital part of positioning Batavia as a quality community, it is critical to highlight the remarkable amenities and public facilities of the city, including the parks, the baseball stadium, river access, and the Holland Land Office

Museum. This simply cannot be done in 2012 with a second tier web presence and one-off promotions. As noted repeatedly in this report, a coordinated message is essential. The content will be addressed in the next part of this document; for now the tone is what is important to communicate: it must be positive.

Batavia is a city of almost 16,000 residents, but it has many of the amenities of much larger cities without the density of those communities. Examples of how the baseball stadium and the parks are used and how the new Peace Garden is being developed offer concrete insights into Batavia as a place of choice. Yet these are hard to discover, and this pattern must change.



While it is easy to recall the numerous amenities of the city, it is also easy to just assume that this isn't very special. When these amenities are taken for granted, they send out a less powerful message about Batavia as a place to call home. The grass is not greener.

Whether the focus is on city residents, regional residents, or occasional visitors, it is important to pay attention to the entertainment assets of Batavia.

- There is a rich diversity of restaurants, ranging from beef-on-weck to outstanding steaks, barbeque, and, of course, pizza.
- A meal can be followed by a movie, or by an evening watching the Muckdogs game (and explaining that remarkable team name).
- And there are church fairs and numerous events at the ice arena.

Moreover, the point must be made again that people don't see the city's boundary lines. The general public sees the racetrack – Batavia Downs – as being in Batavia, the Darien Lake Theme Park is a Batavia regional entertainment asset, and the various regional golf courses all offering recreation for Batavia. For most people Batavia is the central city of The Genesee Country, which is rich in entertainment options, especially for families.

Although it is easy shorthand to refer to Batavia's Northside and Southside as neighborhoods, in reality the city has more than twenty distinct areas that have unique housing stock or patterns of development. This makes sense when considering more than 200 years of occupancy and nearly 100 years since being established as a city.

Through these years, Batavia was the center of an unprecedented land sales initiative and then a thriving rural community. Later, it was a manufacturing center that attracted large immigrant populations who shared the city with middle class families who themselves built whole neighborhoods, along with truly rich families who erected mansions on spacious streets. How much of this is celebrated?

This interplay of historic change and economic and ethnic transition has created the city that Batavia is today. As a result of those years of

development and the rich heritage of the various people and places in Batavia, there is a compelling story to be told and that story can encourage people to learn about and engage in this fascinating city. It is a positive story that needs to be repeated.

The Audiences

When tailoring and presenting the various positive messages about Batavia, it is critical to remember that there isn't just one group of people that need to hear about the value of this community.

It is easy to think that the story should be presented to visitors and to possible new residents, but it is more important to speak to *current* residents of the city and the region.

Members of this varied group are shaping opinions about the city, and many of them are voting for actions that will further shape the city going forward. The more that local residents know and value about Batavia, the more effective will be their participation in community change.

Each audience receives information in different ways. Quality websites and blogs are vital in this technology era. But there is a continuing role for a wide variety of communication including print media, entry signs, historic markers, public events, ceremonies, school programs, exhibits, window displays, and the scores of other ways that people learn about a city. The central task is selecting the message and defining who needs to hear the message and knowing how they access information. Public meetings work for a certain group. Door-to-door flyers make sense to others. Signs and banners work for many, especially automobile drivers. The internet for others. We are in a transitional time, so multiple media ways of getting your messages through will be needed. The question that begins to emerge is who will do this? Who will coordinate these words and actions?

In all cases, it is important to make sure that the form of communication achieves the goal. A sign might have all the right information, but it must be remembered that many people only see the sign while passing at 20 or 30 miles an hour.

Simplicity and impact are critical to conveying the story. And marketers caution that a message must be said, said again, and then repeated for it to register in this era of continuous communication.

A well-written article in a newspaper or an on-line paper can clearly explain an issue to the public, but the number of persons reading is often small and the retention of the ideas is limited. A coordinated announcement can be made at all the area churches, but for those not in attendance the message never existed and even for those present, the ideas are often quickly forgotten.

To be effective, messages need to be concise, targeted and repeated. This



reality must inform all the work of communication about the city, its amenities, and its future.

Events, activities, and meetings should communicate consistent messages. And signs, banners, and gateways must support those themes. Media stories, government press releases, and neighborhood handouts should reinforce the same messages. The good news about Batavia deserves to be told in ways that it can be heard. This is not presently being done in an effective way.

The Actions

Reinforcing the message that Batavia as a much loved, highly valued community of choice for a diverse population is achievable, if it takes place on many fronts and repeatedly.

Listed below are examples of what we believe can be done in Batavia, but they are not final statements of what should be done.

The process of selecting the right strategies and related actions is a central part of making the shift to a more proactive approach to communicating about the city. Moreover, these examples only make sense if there is a commitment to the financial investment needed to make these kinds of actions happen. Why? Two reasons. First the actions have costs; without financial resources, they will not happen. But second – and perhaps more importantly – the work to raise the money is itself empowering. The work of making the financial “ask” by citizens of employers, by local government of taxpayers, by and of everyone in Batavia will be what fuels the transformation.

Therefore, these examples are provided under the assumption that there is at least a community initiatives (or neighborhoods) coordinator (not a volunteer) charged with engaging residents to improve their community through their homes, their blocks, and their neighborhoods and through promoting the city as a good place to call home. Therefore, assuming that there is an individual hired to facilitate these ideas, what follows are suggestions for actions.

- ✓ Promote the history and unique features of the town. Remind everyone that this place is special with the Land Office, architecturally impressive houses, historic Centennial Park, and dozens of other important sites.
 - There ought to be house tours of the outstanding residences aimed both at local and regional audiences. We recommend there be a holiday tour of a dozen or more of the churches in town with seasonal decorations highlighting the outstanding architecture. In the summer there can be a special event held each month in a different park with handouts describing the history of the park and the facilities and programs offered.
 - Since Batavia is more than 200 years old, it is important to remind people of its founding and early years. Coordinated

store window displays could describe the first years, the agricultural roots, the arrival and development of the railroad, Batavia's transformation into an industrial powerhouse. This educational process could take place over the next three years culminating during the centennial of the city's incorporation. Special emphasis should be put on engaging school children, especially with a focus on some of the key people in the history of the city, such as Robert Morris, who was a central figure in creating the national government in Revolutionary times and Joseph Ellicott, who was responsible for much of the development of the region but was also a key player in surveying Washington, the nation's capital city.

- ✓ Create and manage systems for engaging volunteers at the level of blocks, neighborhoods, or institutions.
 - Batavia has a commendable record of individuals offering selfless service to the community and to people in distress. It deserves to be known as a community that cares. It would not be the wonderful city that it is without people volunteering to serve, to assist, and to give. But it must be acknowledged that volunteerism is in many ways a second job and in today's economy, systems must be in place to make it easier for people to contribute their time and energy.
 - Further, there needs to be a consistent plan to thank volunteers and to give credit to those who go the extra mile. It has been observed nationally that involved volunteers actually seek to do more and to do it more effectively. As a result, in addition to encouraging and support volunteers, it is important to develop resident leadership training programs that help the volunteers learn how to work both hard and smart and how to encourage others to be part of the efforts.

- ✓ Develop and maintain celebration habits throughout the city by building on current and past efforts and by finding new themes to celebrate like the opening of the Peace Garden, the completion of any public facility, the expansion of the Incubator, or any other local milestone.
 - The challenge isn't finding activities and events worth celebrating; the challenge is recognizing that celebrating the activities is a central part of moving any community forward. Without this habit, good things happen, but they are given little importance and they are more easily forgotten as other events occur. Batavia must be intentional and consistent about recognizing good work.
 - A closed business – perhaps the result of someone's long sought retirement – might mean another vacant storefront.

To partially mitigate this negative outcome, there could be a commitment to photograph the retirement party and put a display in the window thanking the owner for years of business in the city and offering good wishes for the future. This demonstrates emphasizing the positive aspects of change and minimizing the negative impact of a vacant storefront. Celebration needs to be a habit and with repetition there will be broader buy-in to themes of community success.

A “danger” in these recommendations is that some may miss the forest for the trees. There are no magic beans that will fix the housing market, even if a blanket flood insurance policy proves workable. There is no single step to downtown renewal. And there are no special home buying programs that are as important as the pride of taking care of one’s home, or being thanked by the City Council for a volunteer success. As in the Wizard of Oz, Dorothy had the red slippers all along.



- ✓ Honor those who maintain their homes in excellent condition and who cultivate beautiful gardens and well-tended landscapes. This, of course, encourages people to continue their work and it encourages others to do likewise.
 - Create a citywide Awards Committee charged with establishing and determining annual awards. These awards should honor the beautiful yards and gardens that typify so much of Batavia. And plaques should be offered to identify special houses from the various periods of the city’s history or houses that are excellent role models in different parts of the city.
 - There should be best block contests to promote those places where people work together and media events could honor those houses and the businesses that are decorated for the various holidays and events. In particular, special attention should be given to rental properties that maintain high standards of improvement and upkeep.
 - Finally, this focus on honoring the best should include awards for those volunteers that consistently make Batavia more attractive and more livable. The central premises of all of this work 1) should recognize that Batavia already has high standards and 2) should thank those people that are taking the lead in making the city even more special.

- ✓ Work with owners of the many excellent large apartment complexes to add visual punch. This effort recognizes that most of these complexes are already very well maintained, but sometimes lack the color, landscaping, and exterior amenities of their neighborhoods.

Remember that the main impediment to implementation is not cost. We have dialed the work plan to a low cost bottom line and realistically scaled the plan to existing capacity. The real impediments will be the negativity contained in possible reactions to what can seem like simple boosterism.

- These quality apartments could be even better neighbors and attract even stronger tenants if there were certain upgrades. New signs, fresh landscaping, more tree planting, attractive benches or small gardens, colorful awnings and seasonal decorations would make these properties into outstanding rental projects. Moreover, this sort of effort would provide a model for the many good scattered rental properties that could easily be upgraded to the next higher standard of appearance. Of course, there would still be some rental properties that will need to be addressed more aggressively, but the fact remains that most rental in Batavia is of good quality and could easily become a hallmark of the city.
- ✓ Target a specific number of distressed properties annually for volunteer or nonprofit treatment.
 - There is already an excellent Habitat program, but this program is aimed at renovating severely troubled properties as future homes for low-income households. This should be continued but should be augmented by a volunteer effort on homeowner properties. There are a significant number of distressed single-family homeowner houses in trouble because of the owner's age, health, disability, or economic problems. These houses would benefit from weatherization, health and safety repairs, and improvements to the exteriors, so that the houses again support the neighborhood.
 - Church clubs, contracting companies, union, real estate groups, service clubs, and others are the base for the volunteers to make this happen.
 - Batavia has the history and the values to support this sort of hands-on problem solving. These activities will clearly demonstrate the pride and passion of Batavians.

Again it must be noted, these examples are just that – examples, ideas, options, and suggestions. These aren't plans...yet. They represent ideas that the Batavia community must demand resources in order to implement.

The process of deciding what to do is a critical part of re-building the civic life and pride of the city. In order to suggest the format for that process, what follows is our recommended work plan.

We assume there will be a core of committed citizens who want to see action and that a modest amount of resources can be found. The particulars of the plan aren't as important as the agreement that such a plan is necessary to achieve the community change that so many people are seeking.

The main impediment to implementation is not cost.

We have dialed the work plan to a low cost bottom line and realistically scaled the plan to existing capacity. The real impediments will be the negativity contained in possible reactions to what can seem like simple boosterism. If Batavia were a community with major real estate challenges or infrastructure shortcomings, a different sort of report and slate of recommendations would be appropriate. Given that Batavia is long on assets and short on optimism, and not the other way around, the real work is mobilize the community around Batavia's inherent strengths and richness.

It's not the elements of what a resident volunteer coordinator would do if hired by the city, but the courage required of residents to demand their tax dollars help support the creation of such a position, and the funding of the work required to be coordinated along the way.

The central issue is that the community must want the outcomes badly enough to be willing to pay and work for them, and the community must believe – as we strongly do – that the outcomes are achievable, rather than something that could never be done.

Work plan for Community Change

The above discussions address the messages, the audiences, and the example activities for re-discovering the specialness of Batavia.

What is needed is a strategic work plan for making all of this happen.

This plan needs to be carried out over the next 36 months leading up to the mid-summer 2015 celebration of the 100th anniversary and should be extended beyond at least two years (long enough for new habits to emerge and root).

Efforts should begin in spring of 2012 and operate in a rapid fashion so there is an activity, event, or accomplishment by May and each month thereafter.

The core goal will be to stimulate greater pride in Batavia while in the process building capacity for more extensive programs over the years.

As stated earlier, this will happen only with a commitment to invest in the staff and programmatic costs to support this level of change.

In addition to creating and training a resident-driven committee to support neighborhood-based activities and to collaborate with the new resident coordinator regarding volunteer efforts, the following should occur:

1. Develop 12 block clubs (or 3 neighborhood associations) annually with at least one third on the Southside and one third in the older parts of the Northside.
2. Sponsor or assist 24 new and current celebrations and events
 - a. Hold garden events with classes, cuttings, and discounts on materials

- b. Hold a citywide 1915 picnic in Centennial Park with local performers
 - c. Celebrate graduations with student recognition events
 - d. Expand on events at the baseball park and at the VA
 - e. Promote the Peace Garden
 - f. Partner with the Land Office around tourism
 - g. Partner with Batavia Downs and Darien Lakes Theme Park
 - h. Coordinate a citywide health fair tied to bike or running event
 - i. Broadly disseminate a community calendar for events, church festivals, and parades.
3. Promote 6 to 8 events that focus on business successes
 - a. Celebrate businesses around for 100 and for 50 years
 - b. Promote the new spaces at the Business Center
 - c. Spotlight area businesses tied to the rural community
 - d. Honor the “Best of Batavia” award winners
 - e. Undertake joint projects with the downtown and City Centre leaders
 - f. Sponsor a Taste of Batavia
 4. Establish a citywide Awards Committee charged with making annual awards
 - a. Honor the best yards and gardens
 - b. Commend the most outstanding houses of each era or each part of town
 - c. Announce the winners of best block contests
 - d. Co-sponsor with the media the best-decorated houses and businesses
 - e. Observe the most involved volunteers, new and old
 - f. Recognize young people for their volunteer work to encourage a life-long pattern of service
 - g. Identify outstanding rental properties, both large and small
 5. Create at least one community tour for residents and visitors each year
 - a. Promote historic house tours
 - b. Encourage holiday church tours
 - c. Coordinate garden tours
 6. Encourage open houses at key institutions and businesses
 - a. Completing an average of ten sponsored houses each year through Habitat and volunteer groups serving low income, disabled, and senior households mostly through renovation and weatherization of existing houses for current owners
 7. Graduate three classes of at least 8 participants each from a Resident Leadership Training program
 8. Complete at least one new gateway entrance sign for each of three years
 9. Install community identity banners at a minimum of twelve sites a year
 10. Create a resident communication initiative through the web and/or through conventional media

11. Lobby for a community-wide tree planting program with tree guardians
12. Plan and implement beautification projects on award-winning blocks.

These activities will re-energize the sense of pride that defined Batavia for so many years, yet which has become dormant. The planning of the activities and their execution become the step that moves Batavia past stalemate. It is this sense of stalemate that must be addressed at every opportunity. By following this outline not as a script, but as a permission slip to improvise, the onus will be where it has always been: in the civic heart of Batavia to do these things. In doing so, there will emerge a fuller understanding of Batavia’s history, its assets, and its potential to be a great small city. There will be an improved sense of cooperation and more participation in the civic process, especially in government, schools, and community groups. And, over time, there will be a new ability to achieve the goals of positive change that will serve the city well.

The greatest costs in this initiative will be the time and effort by a vast number of residents and business leaders. But there should be no doubt: this effort will not be accomplished only through volunteers. Institutions, government, and businesses need to be actively involved and willing to participate financially. There must be a defined position, funded for both the staff costs and the program costs. And those costs must receive a commitment for several years. We estimate the staff costs for these efforts to be \$42,000 per year. We believe there needs to be no less than a five year commitment from a partnership of city, the Chamber, and the private sector (\$210,000), which means from citizens authorizing city focus and expenditures. Further, more than \$50,000 a year will be needed to carry out the various initiatives generated through these efforts and through the volunteer activities.

A five year \$42,000 per year commitment to hire a resident volunteer coordinator is the minimum needed for this effort to succeed in energizing the community. The \$210,000 total requires significant city and private matching funds.

Batavia, NY Workplan for Community Change

Summary of Projected Costs for Neighborhood Stabilization Through Community Building

USES	2012	2013	2014	2015	2016
Full Time Resident Volunteer Coordinator (contractor)	42,000	42,000	42,000	42,000	42,000
Activities					
Block Club Organizing	2,700	3,600	3,600	3,600	3,600
Citywide Celebratory Events	14,200	3,600	3,600	3,600	3,600
Business Recognition	9,900	3,600	3,600	3,600	3,600
Citizen Recognition	4,660	3,600	3,600	3,600	3,600
Tours	1,200	3,600	3,600	3,600	3,600
Elderly Assistance/Civic Service	4,000	3,600	3,600	3,600	3,600
Gateways	2,800	3,600	3,600	3,600	3,600
Web Design	1,400	3,600	3,600	3,600	3,600
Trees and Tree Guardians	6,800	3,600	3,600	3,600	3,600
Block Beautification	2,400	3,600	3,600	3,600	3,600
	50,060	50,060	50,060	50,060	50,060
Total Uses	92,060	92,060	92,060	92,060	92,060
SOURCES					
City of Batavia	50,050	50,050	50,050	50,050	50,050
Corporate Partners and Sales	42,010	42,010	42,010	42,010	42,010
Total Sources	92,060	92,060	92,060	92,060	92,060

No successful initiative can be funded only by the city government. Nor can the government be exclusively in charge.

There should be buy-in by large corporations and small businesses, by the medical and legal communities, by regional businesses, by financial institutions, and by individuals. Through pledging dollars and through lending staff, these stakeholders can make a serious investment, one that will improve Batavia for everyone. But it will only work with broad-based support financially and through direct participation.

To achieve this means empowering a blue ribbon committee of leaders, who establish the initial program goals, determine budgets, create the fundraising campaign, and operate the initiative until a permanent system is in place.

One part of the blue ribbon committee must consist of the financial and employment leaders of Batavia. There should be leaders drawn from the major corporations, from the financial and real estate community, from civic service organizations, and from the medical community.

The second part of the blue ribbon committee should consist of some of those same leaders but also include a cross-section of civic leaders, neighborhood advocates, religious and institutional leaders, and concerned residents. The second group would focus on programs, policies, and making things happen promptly.

The work of these two leadership groups is a substantial job and, in order to meet the 2015 goal, they must convene promptly and must demonstrate quick, visible results.

Our recommendation is a committee of 12 that is established immediately, whose immediate task is to generate support for the initiative and raise the funds as we have outlined, so that a coordinator can be hired in the spring of 2012, and work can begin right away. The longer-term task of the committee is to serve as an advisory board overseeing the work of reknitting Batavia through a series of community-building projects the next five years.

These are the actions that the community must – and can - take. Each by itself is a small step forward. But they all share the common denominator of incrementally working towards a rebuilding the sense of pride and confidence in Batavia that are essential building blocks for future competitiveness. Some of these actions used to occur organically through churches and social clubs. Going forward, since Batavia – like the rest of the country - has changed, renewed civic leadership will be needed, and creative partnership with local government will be essential.

FIVE YEAR PROGRAM BUDGET AND IMPLEMENTATION SCHEDULE (Community Building / Neighborhood Strengthening Component)

Highlights

- Resident Coordinator @ \$42,000/year (contract to the City)
- 176 activities from 2012-2016 @ \$50,060/year
- Financial support from the City of Batavia/year: \$50,050
 - o \$30,050 for Resident Coordinator
 - o \$20,000 for activities
- Financial support from business community/year: \$42,010
 - o \$11,950 for Resident Coordinator
 - o \$27,240 for activities
- Budget differential \$180/yr

Batavia, NY Workplan for Community Change

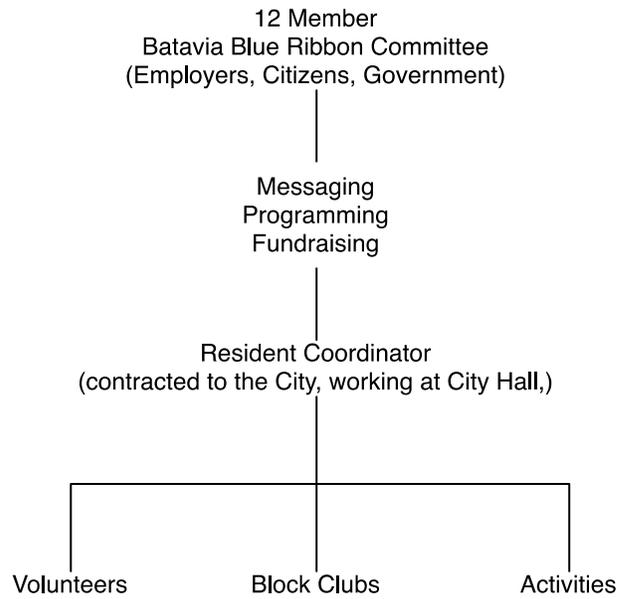
Task No	Task	2012	2013	2014	2015	2016	Total Activities	Hard Costs/ Unit	Total	Annual Avg
1	Establish a Healthy Batavia Coordinating Task Force									
2	Task Force Develops Relationships w Key Employers									
2	Hire a Resident Volunteer Coordinator	X								
3	Train and Establish Block Clubs									
	Southside									
7	South of Ellicott; North of River	1	1	1	2	2	7	375	2,625	525
3	Between Ellicott and Main		1	1	1		3	375	1,125	225
3	Between Pearl and South Main		1	1	1		3	375	1,125	225
	Northside East of Oak									
4	Between West Main and Washington		1	1	1	1	4	375	1,500	300
9	Between East Main and North	1	2	2	2	2	9	375	3,375	675
3	Near/Around Centennial Park	1	1	1			3	375	1,125	225
	Northside West of Oak									
5	Between West Main and Richmond	1	1	1	1	1	5	375	1,875	375
	North of North; East of State									
1	West of Vine			1			1	375	375	75
1	East of Vine			1			1	375	375	75
4	Sponsor/Operate 24 Celebratory Events									
	Garden/Landscaping		1	2	3	4	10	250	2,500	500
	Citywide Picnic	1	1	1	1	1	5	3,500	17,500	3,500
	Muckdog Event		1	1	1	1	4	5,000	20,000	4,000
	Peace Garden Promotion		1	1	1	1	4	1,500	6,000	1,200
	Citywide Health and Fitness Event (Batavia 10K)			1	1	1	3	5,000	15,000	3,000
	Batavia Turkey Trot (upstaging Oakfield)		1	1	1	1	4	2,500	10,000	2,000
5	Celebrate and Promote Business Success									
	100 Year Celebration			1			1	7,500	7,500	1,500
	Best of Batavia		1	1	1	1	4	7,500	30,000	6,000
	Taste of Batavia			1	1	1	3	2,500	7,500	1,500
	Incubator Spotlight			1	1	1	3	1,500	4,500	900
6	Citywide Awards/Recognition Events									
	Yards/Gardens (12)		1	1	1	1	4	1,200	4,800	960
	Outstanding Houses (12)		1	1	1	1	4	1,200	4,800	960
	Best Block (6)		1	1	1	1	4	2,800	11,200	2,240
	Volunteer Recognition (12)	1	1	1	1	1	5	500	2,500	500
7	Historic House and Garden Tours									
	Historic (1)		1	1	1	1	4	500	2,000	400
	Holiday (1)		1	1	1	1	4	500	2,000	400
	Summer Garden (1)		1	1	1	1	4	500	2,000	400
8	Community Service									
	Elderly Housing Cleanup Assistance Effort (6)		1	1	1	1	4	5,000	20,000	4,000
9	Gateway Installation/Signage		1	1	2	3	7	2,000	14,000	2,800
10	Establish a new Web Presence for Batavia		1				1	7,000	7,000	1,400
11	Install and Fund Tree Guardian Program for Key Blocks (5 @ 10)	4	8	8	8	6	34	1,000	34,000	6,800
12	Beautification Projects on Award Winning Blocks		6	6	6	6	24	500	12,000	2,400
TOTAL HARD	ANNUAL VOLUNTEER ACTIVITIES TO BE COORDINATED + FUNDED	10	38	44	43	41	176			50,060
TOTAL SOFT	Resident Volunteer Coordinator									42,000
ALL COSTS ANNUAL AVERAGE										92,060

PROPOSED COST STRUCTURE
(Sources + Uses Statement)

Highlights

- Examples of broad participation levels of a variety of leading employers
- Five year commitment
- Oversight by corporate representatives, citizens, and local government working together

A dedicated group of 12 leaders from Batavia focused on message and programming, with the expertise of a full time paid resident volunteer coordinator, and with program funds as we recommend, will be able to make powerful change happen in Batavia. A direct result will be a rise in the capacity of the community to then tackle larger, eventually necessary efforts such as housing and other real estate development.



SOURCES			2012	2013	2014	2015	2016	Total	Annual Avg		
Soft Costs	Emp	Contributor									
		City of Batavia	30,050	30,050	30,050	30,050	30,050	150,250	30,050		
		280 RE Chapin Manufacturing	1,400	1,400	1,400	1,400	1,400	7,000	1,400		
		250 PW Minor Shoes	1,250	1,250	1,250	1,250	1,250	6,250	1,250		
		180 O-AT-KA Milk	900	900	900	900	900	4,500	900		
		330 Graham Engineering	1,650	1,650	1,650	1,650	1,650	8,250	1,650		
		First Niagara Bank	2,000	2,000	2,000	2,000	2,000	10,000	2,000		
		State Farm	250	250	250	250	250	1,250	250		
		M&T Bank	2,500	2,500	2,500	2,500	2,500	12,500	2,500		
		Merrill Lynch	2,000	2,000	2,000	2,000	2,000	10,000	2,000		
			42,000	42,000	42,000	42,000	42,000	210,000	42,000		
		Hard Costs		City of Batavia	20,000	20,000	20,000	20,000	20,000	100,000	20,000
				Muckdogs	2,000	2,000	2,000	2,000	2,000	10,000	2,000
				280 RE Chapin Manufacturing	2,800	2,800	2,800	2,800	2,800	14,000	2,800
250 PW Minor Shoes	2,500			2,500	2,500	2,500	2,500	12,500	2,500		
180 O-AT-KA Milk	1,800			1,800	1,800	1,800	1,800	9,000	1,800		
330 Graham Engineering	3,300			3,300	3,300	3,300	3,300	16,500	3,300		
First Niagara Bank	2,000			2,000	2,000	2,000	2,000	10,000	2,000		
750 United Memorial + Medical Community	3,000			3,000	3,000	3,000	3,000	15,000	3,000		
Merrill Lynch	2,000			2,000	2,000	2,000	2,000	10,000	2,000		
Race Entry Fees				500	500	500	500	2,000	400		
Other Ticket Sales	300			300	300	300	40,000	41,200	8,240		
State Farm	200			200	200	200	200	1,000	200		
M&T Bank	2,000			2,000	2,000	2,000	2,000	10,000	2,000		
	41,900			42,400	42,400	42,400	82,100	251,200	50,240		
ALL SOURCES		83,900	84,400	84,400	84,400	124,100		92,240			

Finally, there are other possible actions that would significantly improve the housing market in Batavia. The actions would include encouraging and assisting home purchases by strong buyers, and undertaking programs to raise maintenance standards.

But such an effort would require considerable additional cost and city commitment, and more participation from the private sector - especially lenders and the real estate community. Plus institutional capacity to implement and manage such efforts needs to be built. If built, or possibly outsourced, the work we recommend for Batavia would include

To actually “move the market” through focused home buyer efforts and, a minimum \$250,000 per year in acquisition, rehabilitation, and sales efforts is required. Again, such efforts cannot be funded by government alone, but must be matched by the private sector.

- a. Facilitation of 6-12 home purchases *annually* with the use of Farmers Home resources and through a partnership with Rochester NeighborWorks.
- b. City purchase of blanket flood insurance policy for the Southside tied to equity sharing (repayment) clause for new buyers. (A policy can be purchased by Batavia under the NFIP program provided the city manages the floodplain in a manner exceeding FEMA standards)
- c. Development of joint compliance programs through the police, fire, health, and code departments to impact a dozen targeted properties annually

If the community wants to act, the time is ripe. According to Genesee County data, Batavia’s smaller multifamily properties typically sell for less (overall and on a square-foot basis) than single-family homes. We would recommend Batavia take advantage of this by establishing a grant or loan program (or other type of incentive) to encourage current or new owners to de-convert these buildings back into single-family homes. This would both remove problematic or low-quality rental units from the housing stock and also increase demand for single-family homes, and ownership opportunities, close to downtown Batavia.

If it were determined by citizens, city councilors, and the city overall that there should be a program to facilitate a stronger housing market, we recommend encouraged targeted home buying, the creation of a program to weatherize and upgrade houses, and efforts to purchase, repair, and sell distressed properties. This degree of work would be substantial and as there are no existing local organizations with the capacity to do this work; it would have to be done by the city or through a subcontract with an organization that can, such as NeighborWorks Rochester.

The costs of such a more substantial housing effort would be much greater but the outcomes would be more dramatic. Instead of one staff person (volunteer coordinator), there would need to be an additional staff person and the ability to contract for services from nearby nonprofit groups. **In this case the annual costs would likely double.** Further, there would be a demand for about an equal sum to finance capital activities. Certainly, some of these dollars can

come from CDBG, from the Federal Home Loan Bank of New York, from State grants and loans, and from Federal programs, which are announced periodically.

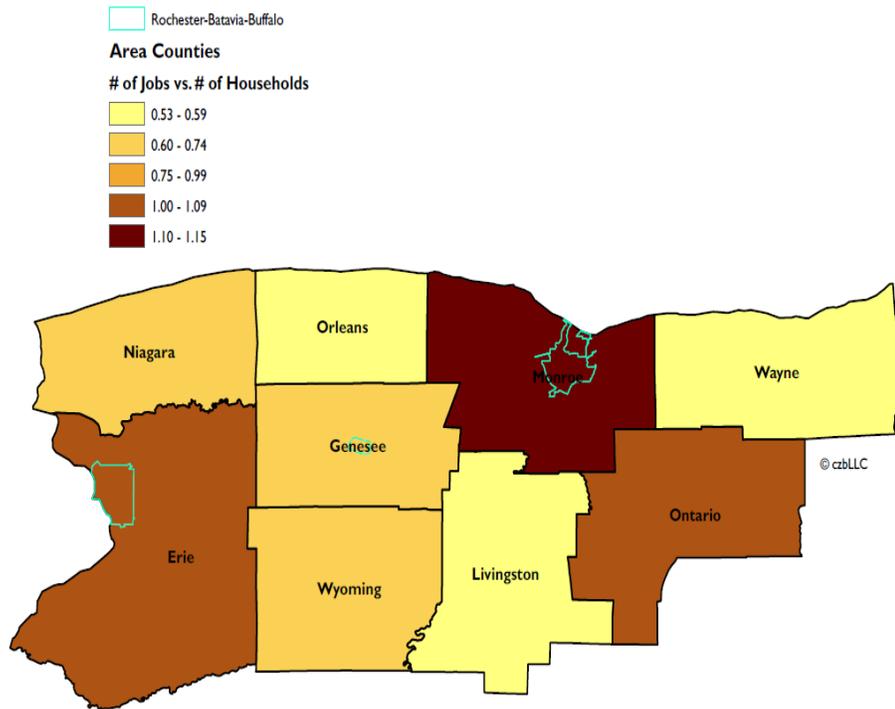
What should *not* happen is the implementation of the above described housing market interventions without fully funding the previously detailed community building initiatives. This would be a mistake, for it would inaccurately the challenge as being primarily about bricks and mortar, when, in fact, it is not.

Batavia, New York Housing Market Analysis

The Region

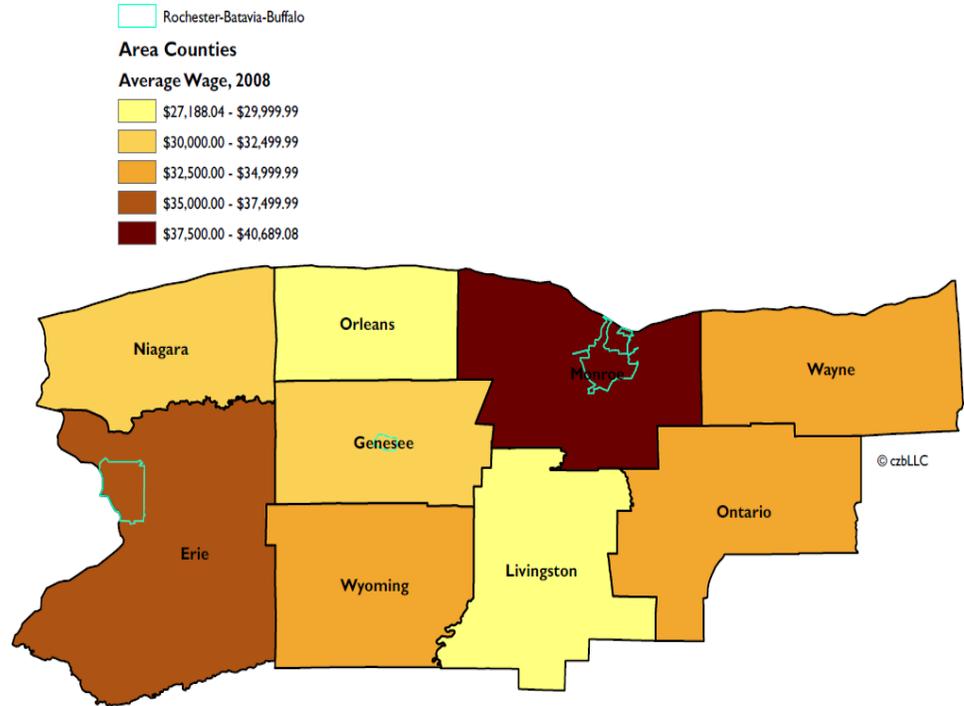
The City of Batavia lies halfway between Rochester and Buffalo and is part of the larger 9-county region (including Erie, Genesee, Livingston, Monroe, Niagara, Ontario, Orleans, Wayne, and Wyoming counties) that encompass the Greater Rochester and Greater Buffalo areas.

The three primary job centers – where the number of jobs exceeds the number of households – in this region are Erie County (Buffalo), Monroe County (Rochester), and Ontario County. Of these, Monroe County (Rochester) represents the strongest center – with 1.15 jobs for every household.



Sources: 2008 County Business Patterns, 2005-2009 American Community Survey, czbLLC.

Wages are also highest, on average, in Monroe County (\$40,689 in 2008). This average is well above Erie County's, the next highest average (of \$36,569), and one-third (32%) greater than Genesee County's average (just \$30,724 that year).

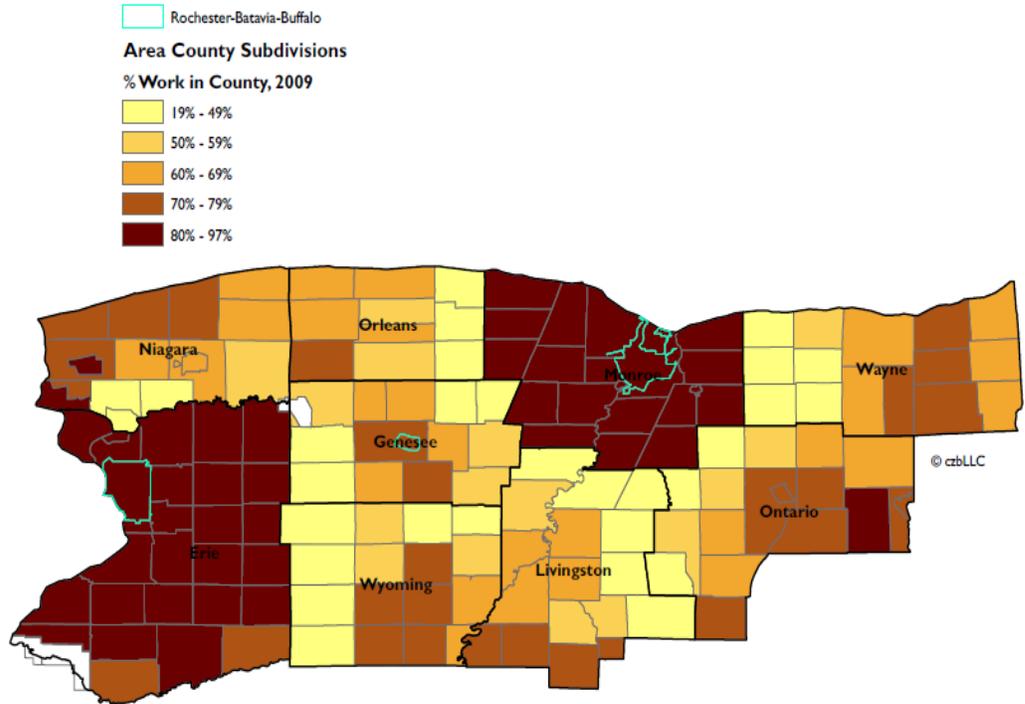


Sources: 2008 County Business Patterns, czbLLC.

With more jobs-per-household, Monroe County also draws worker from a broader geography than Erie County does. Looking at the portion of workers who work in the same county in which they reside, at least 80% of workers living in most county subdivisions within Erie County and all within Monroe County work in their county of residence.

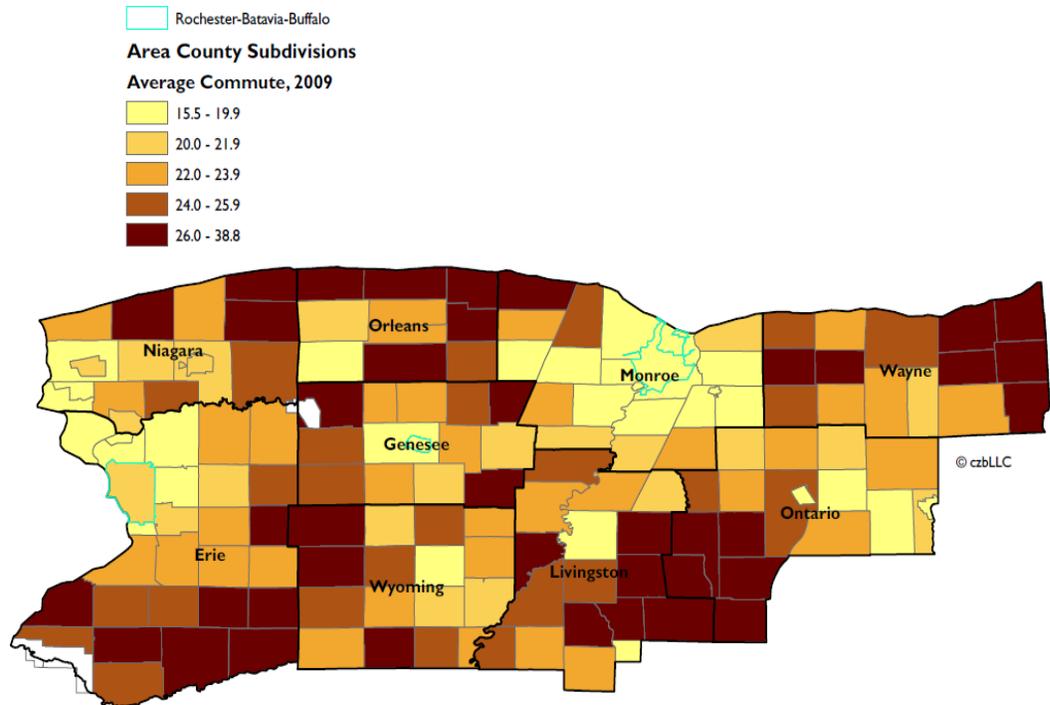
The Rochester economy also draws workers from those areas of Orleans, Genesee, Livingston, Ontario, and Wayne counties that are directly adjacent to it; the Buffalo economy draws workers primarily from Erie County but also from those areas of Niagara, Genesee and Wyoming counties that are directly adjacent to it. In these county subdivisions, less than half of all workers travel to jobs within the counties in which they live.

The City of Batavia, Batavia town and Bethany town, lying in the center of Genesee County, collectively act as a separate job center (much like the City of Geneva and its surrounding townships in Ontario County) and send far fewer workers (less than 30% in each case) to jobs outside the county.



Sources: 2005-2009 American Community Survey, czbLLC.

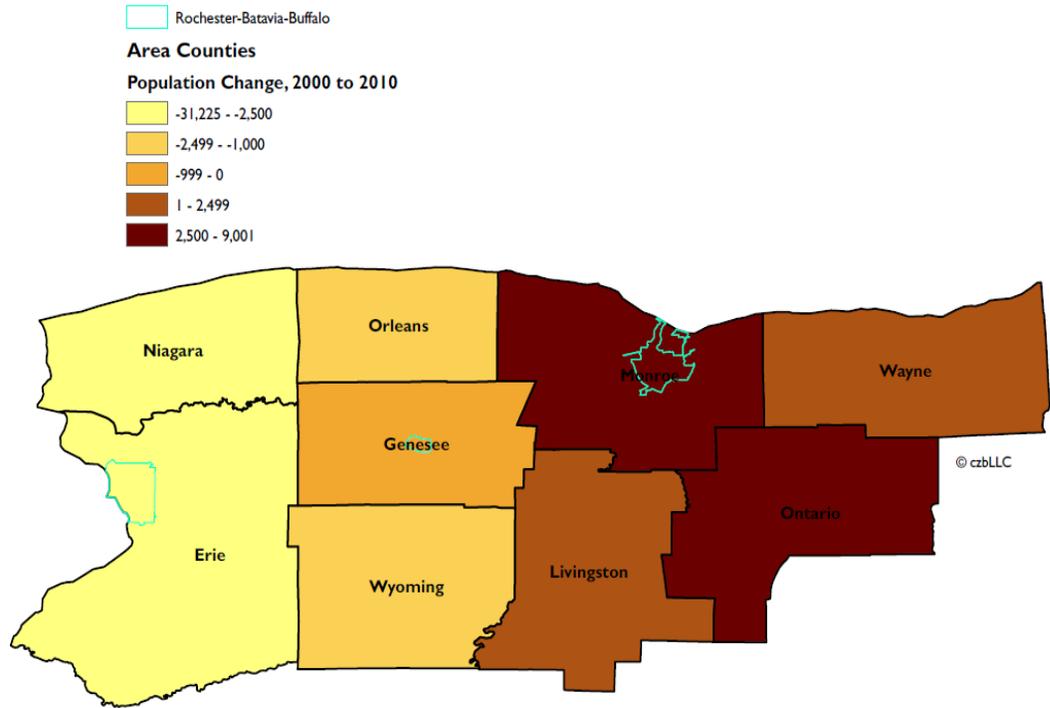
The closer to these economic centers, the shorter the typical commute for workers. In nearly all of Monroe County (Rochester), for example, the average commute ranges from 15 to less than 20 minutes. The same is true for those county subdivisions to the north and northeast of Buffalo (in Erie County), for the City of Batavia and Batavia town, and for the City of Geneva and a few of its surrounding townships (as well as a handful of other county subdivisions in the region).



Sources: 2005-2009 American Community Survey, czbLLC.

If access to employment is a key factor in households' location decisions (where they choose to buy or rent), the City of Batavia must "compete" against the inner suburbs of Buffalo, Rochester as well as its inner and even some outer suburbs, and the City of Geneva and its surrounding townships. (These "competitor communities" will be discussed in more detail later.)

This economic reality sets the stage for the regional housing market. All of the counties on the western half of this region (Erie, Genesee, Niagara, Orleans, and Wyoming) lost population between 2000 and 2010 – over 31,000 residents in Erie County's case and nearly 3,400 in Niagara County's case; Genesee County lost 291 residents. The counties with the largest gains were Livingston (up 1,065 people), Ontario County (adding 7,707 people), and Monroe County (growing by 9,001 people). (While Wayne County did gain population, that gain was negligible: just 7 people.)

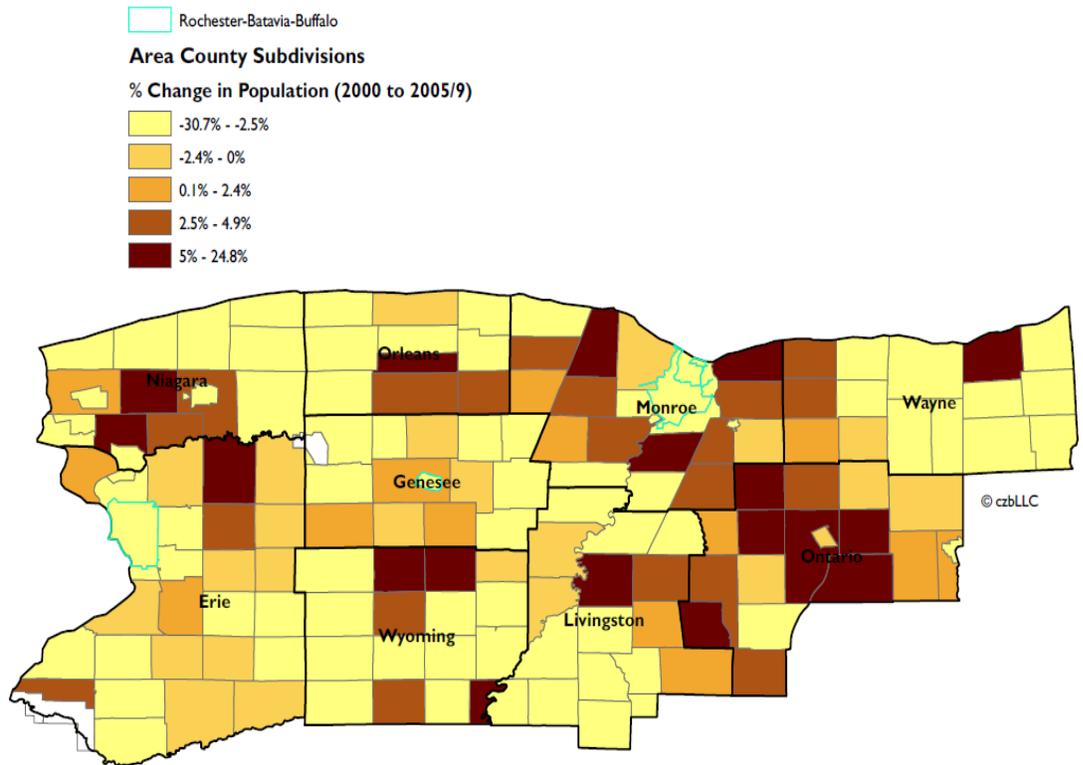
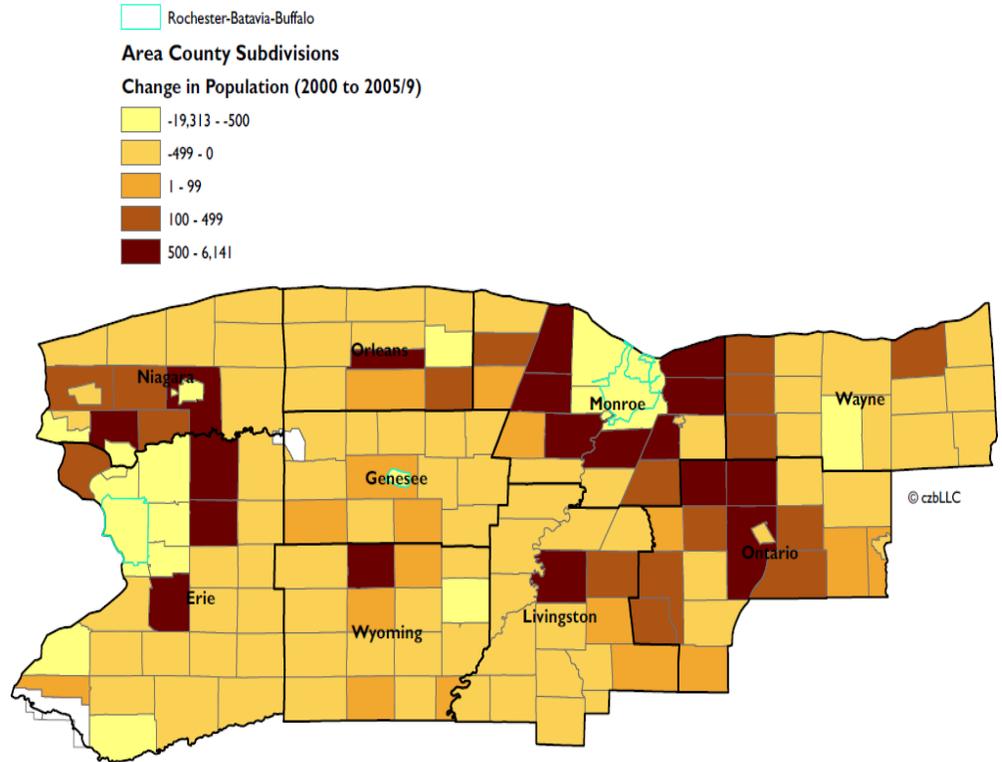


Sources: 2000 U.S. Census, 2010 U.S. Census, czbLLC.

Between the 2000 Census and the just-released 2005-2009 American Survey, Batavia city itself lost nearly 1,000 residents (a 6% drop); Batavia town’s population stayed roughly constant.

	Batavia city	Batavia town
Population (2000 Census)	16,256	5,915
Population (2005-2009 ACS)	15,270	5,979
Change	-986	64
% Change	-6.1%	1.1%

Most county subdivisions in Genesee County lost population over this time period (the most recent for which data is available at the county subdivision level); just three grew, each by less than 2.5%. Most of the region’s growth was in Rochester’s exurban communities and around Canandaigua.

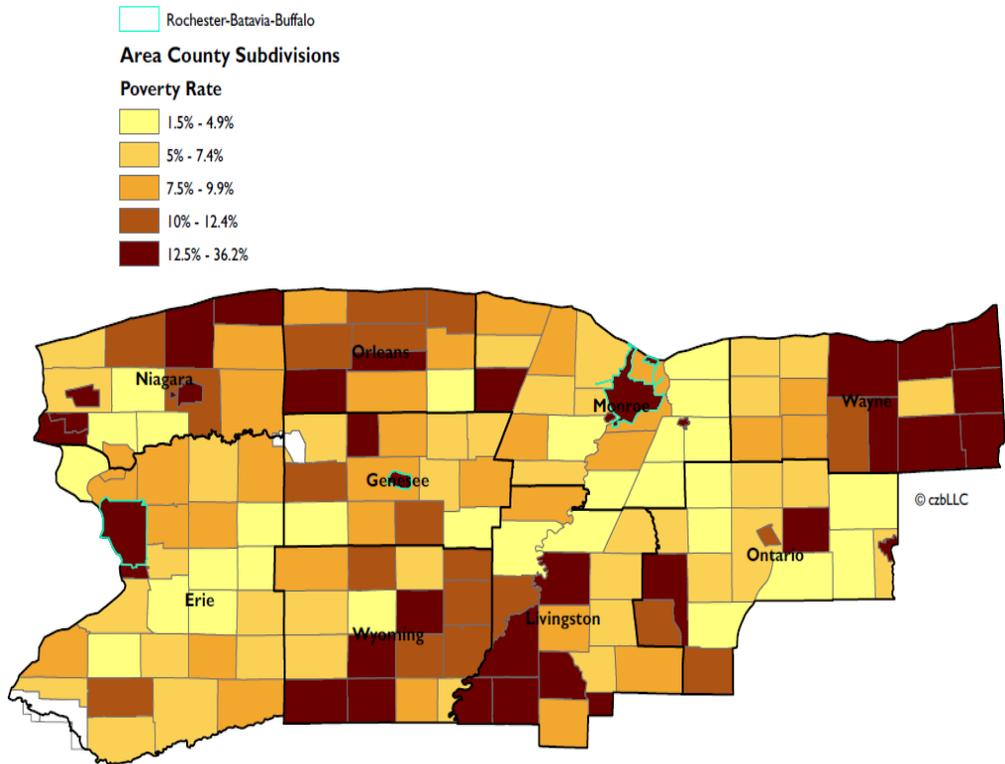


Sources: 2000 Census, American Community Survey (2005-2009), czbLLC.

Between 2000 and 2005/2009 (the years leading up to the current recession), Batavia city’s poverty rate increased by more than 50% - from 12.3% to 18.6% - while Batavia town’s poverty rate remained just under 10% (or roughly half Batavia city’s rate in 2005/2009).

	Batavia city	Batavia town
Poverty Rate (2000 Census)	12.3%	9.6%
Poverty Rate (2005-2009 ACS)	18.6%	9.6%
% Change	51.5%	0.1%

In Genesee County, poverty is largely concentrated in Batavia city (as well as in Oakfield). In this way, the city looks much as Rochester and East Rochester do in Monroe County, and Buffalo and Lackawanna do in Erie County. Rural Wyoming County, Livingston County, and Wayne County (particularly on the east side of the county) to Genesee’s south and east, as well as Orleans County and Niagara County (to a lesser extent) to Genesee’s north and west, have more widespread poverty.

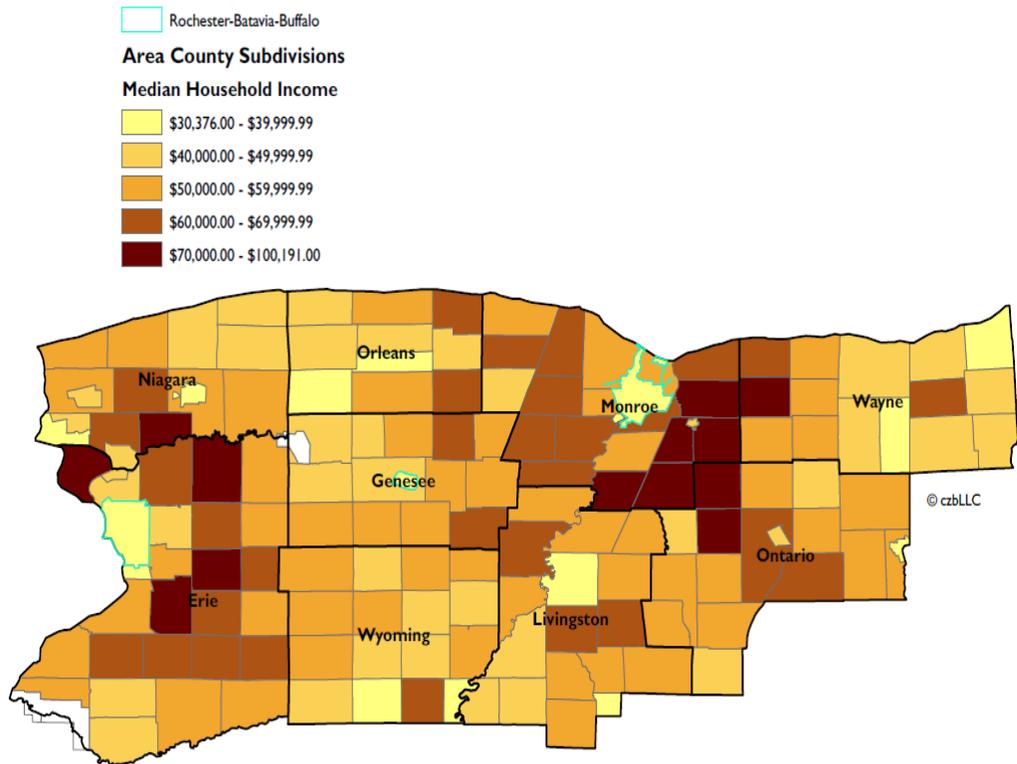


Sources: American Community Survey (2005-2009), czbLLC.

During the first half of the 2000s, incomes rose more slowly in Batavia city than in Batavia town – by less than \$5,000 (14.7%) in the city versus more than \$7,000 (18.6%) in the town.

	Batavia city	Batavia town
Median Household Income (2000 Census)	\$33,484	\$38,449
Median Household Income (2005-2009 ACS)	\$38,397	\$45,584
Change	4,913	7,135
% Change	14.7%	18.6%

Across Genesee County, county subdivisions' median household incomes are typically below \$60,000 – and below \$50,000 in the county's northwestern quadrant (which includes both Batavia city and Batavia town). The highest-income places ring Rochester, particularly to the city's southeast (far from Batavia), and stretch into exurban Buffalo. These patterns, not surprisingly, align closely with county-wide wages (which are highest in Monroe County, next highest in Erie County, and lower throughout the less populated areas in this region).



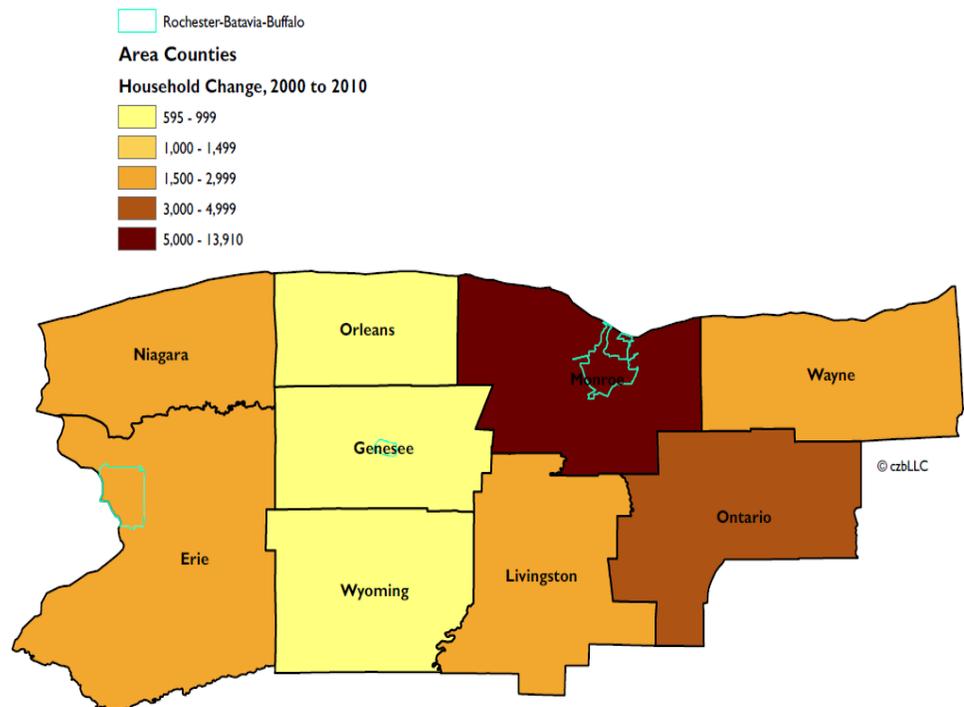
Sources: American Community Survey (2005-2009), czbLLC.

Considering at households generally, the average household size declined in all of the region’s counties between 2000 and 2010, falling below 2.5 in nearly all area counties.

County	Average Household Size		
	2000	2010	Change
Erie County	2.41	2.32	-0.09
Genesee County	2.59	2.45	-0.14
Livingston County	2.60	2.44	-0.16
Monroe County	2.47	2.39	-0.08
Niagara County	2.45	2.34	-0.11
Ontario County	2.53	2.43	-0.10
Orleans County	2.65	2.50	-0.15
Wayne County	2.64	2.53	-0.11
Wyoming County	2.62	2.46	-0.16

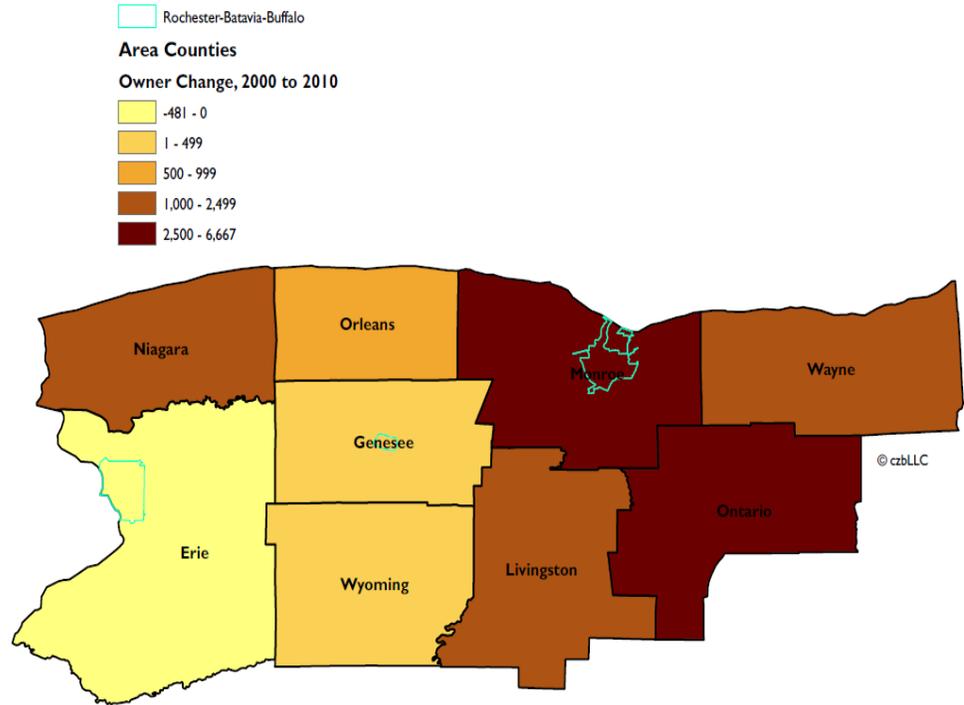
Sources: 2000 U.S. Census, 2010 U.S. Census, czbLLC.

This explains why, while populations fell, the number of households increased in all counties throughout the region between 2000 and 2010. During this decade, though, Genesee, Orleans, and Wyoming counties all added fewer than 1,000 households (958, 756, and 595, respectively). In contrast, Erie and Livingston added nearly 2,300 households, Niagara County more than 2,700, Ontario County roughly 4,650, and Monroe County nearly 14,000.



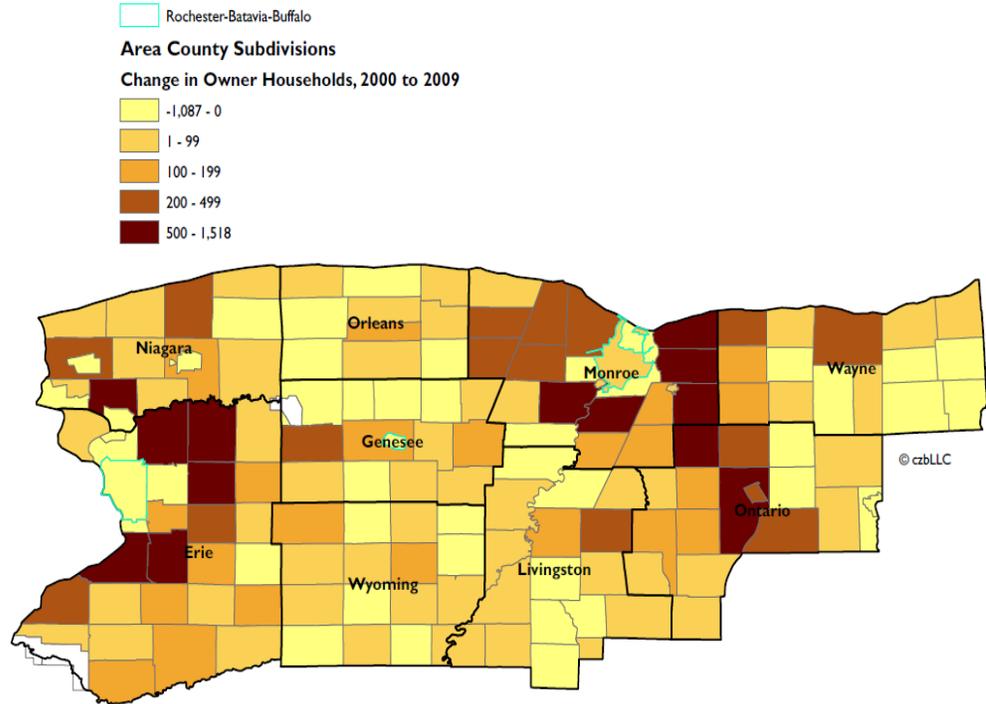
Sources: 2000 U.S. Census, 2010 U.S. Census, czbLLC.

Changes in the number of owner households reaffirms the general weakness of Genesee, Orleans, and Wyoming counties in attracting new households, shows that most of the household growth in Erie County was due to an increase of renters rather than owners (the number of owners in Erie County actually declined by nearly 500 during this period), and reinforces the impression that the strongest owner market is in Monroe County and, to a lesser degree, Ontario County.



Sources: 2000 U.S. Census, 2010 U.S. Census, czbLLC.

Most of the growth in owner households occurred in suburban and exurban Rochester and Buffalo (with the exception of Canandaigua, in Ontario County).

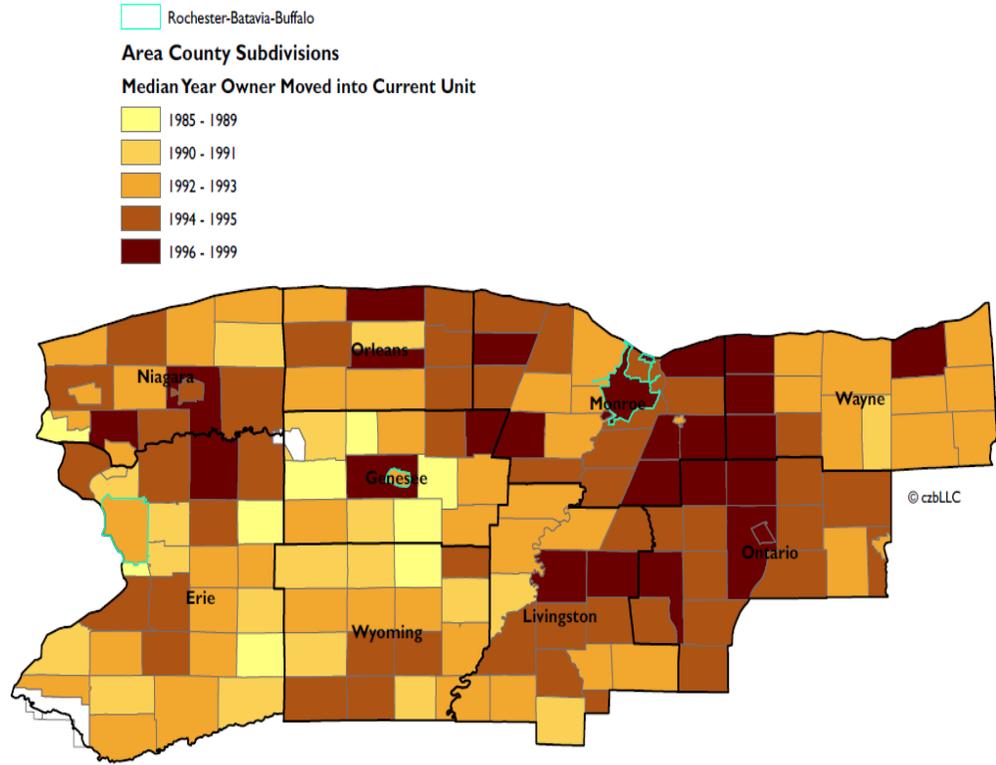


Sources: 2000 U.S. Census, 2005-2009 American Community Survey, czbLLC.

By the 2005-2009 American Community Survey, the typical owner had lived in Batavia city for more than 10 years (compared to just under 10 years in Batavia town), while the typical renter had lived in Batavia city for just 1 year (compared to 2 years in Batavia town).

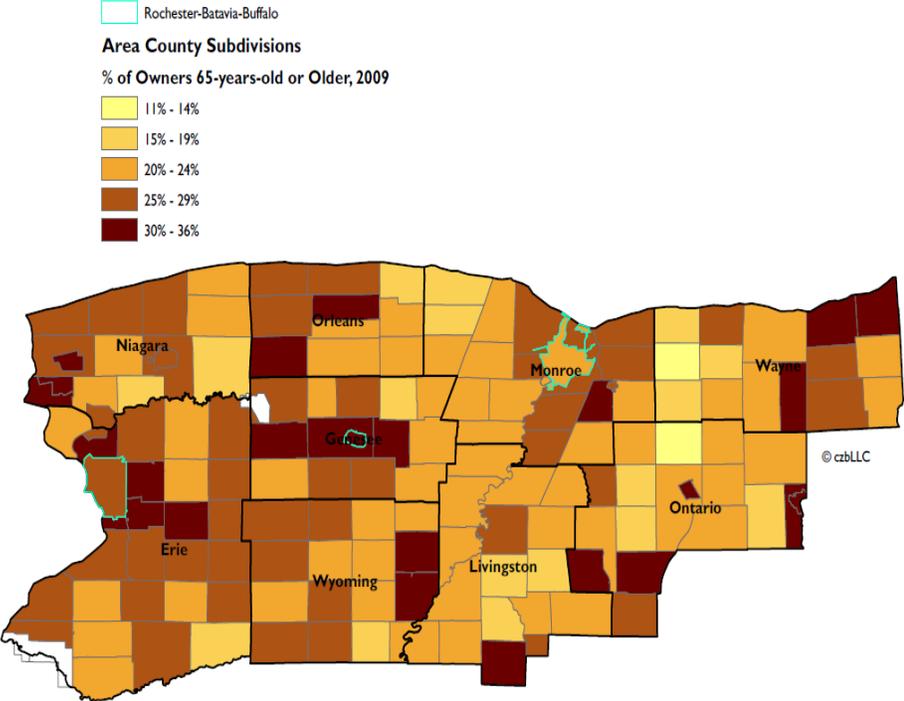
	Batavia city	Batavia town
Median Year Moved (2005-2009 ACS)	2000	1997
Median Year Moved, Owners (2005-2009 ACS)	1993	1996
Median Year Moved, Renters (2005-2009 ACS)	2005	2003

Recently moving owners were most likely to live in and to the east, southeast, and far west of Rochester, to the northeast of Buffalo, and in Batavia town. In contrast, those areas surrounding Batavia town (like Bethany, Oakfield, Pembroke, and Stafford) had among the region's least-recently moving owners.



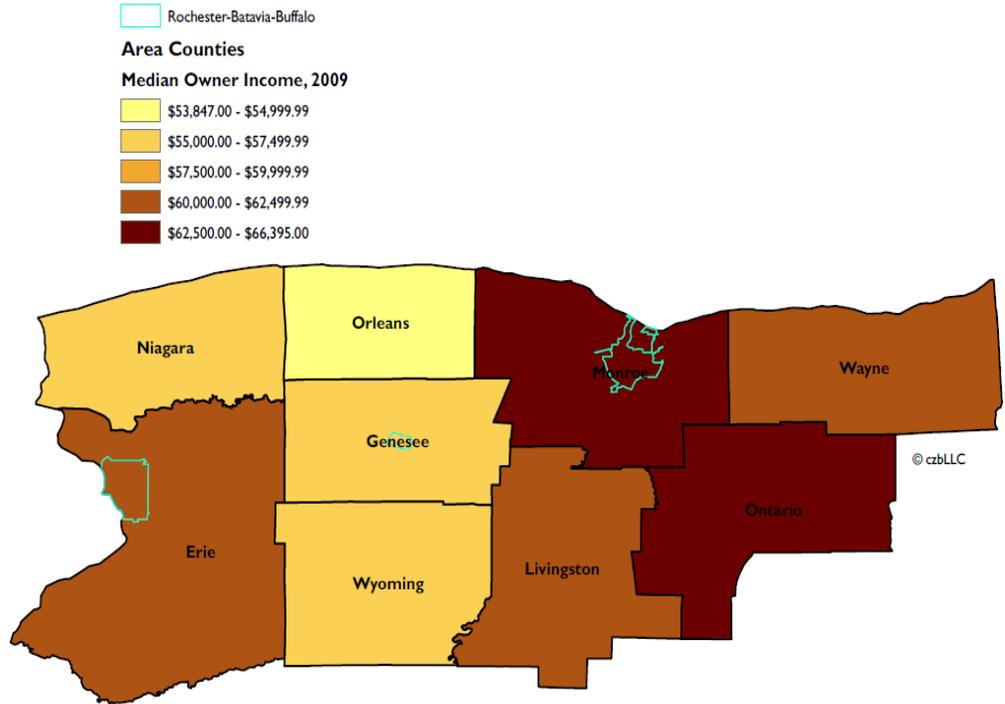
Sources: 2005-2009 American Community Survey, czbLLC.

For the most part, those county subdivisions that added fewer owner households or lost owner households between 2000 and 2009 have higher percentages of owners over 65 years of age.



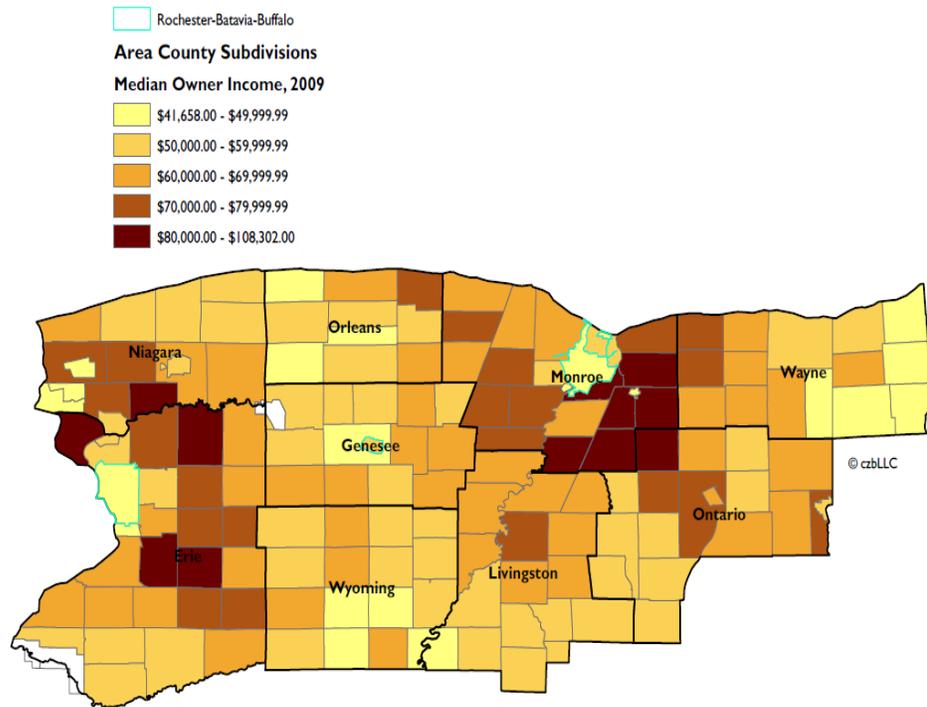
Sources: 2005-2009 American Community Survey, czbLLC.

On the flip side, growing counties and county subdivisions typically have the highest median owner incomes. At the county level, median owner incomes were highest in Ontario County (\$65,982) and Monroe County (\$66,395) and lowest in Orleans County (\$53,847), Wyoming County (\$55,594), and Genesee County (\$56,557).



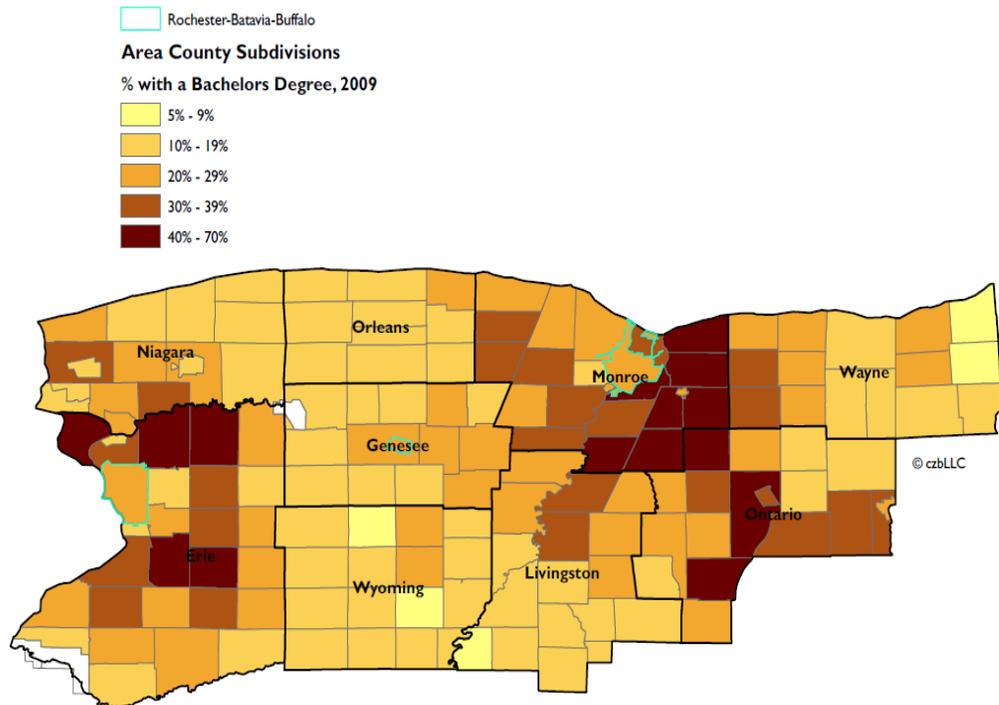
Sources: 2005-2009 American Community Survey, czbLLC.

Median incomes were highest in suburban and exurban Rochester and Buffalo.



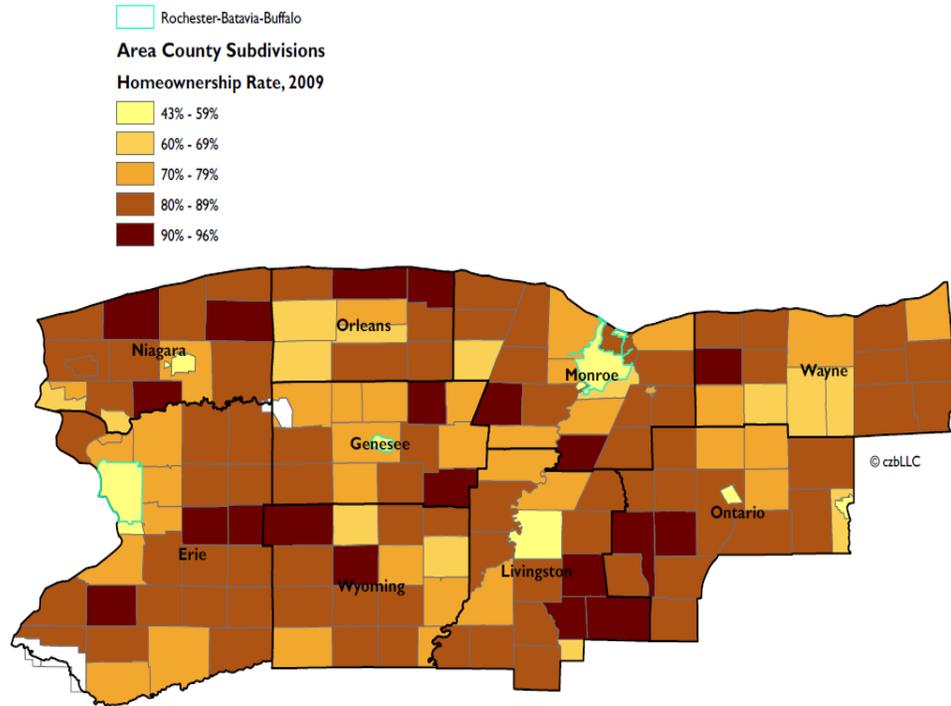
Sources: 2005-2009 American Community Survey, czbLLC.

These high-owner-income areas are also home to the largest shares of adults with at least a Bachelor's degree.



Sources: 2005-2009 American Community Survey, czbLLC.

Returning to the region’s housing market, homeownership rates are fairly high (over 80%) throughout most of the area; only 23 of the nearly 160 county subdivisions in the region have homeownership rates below 70%. (The City of Batavia is one of these low homeownership rate places.)



Sources: 2005-2009 American Community Survey, czbLLC.

While the number of renter households in Batavia city fell during the early 2000s, the city’s homeownership rate remained around 55%.

	Batavia city	Batavia town
Renter Households (2000 Census)	2,879	402
Renter Households (2005-2009 ACS)	2,779	594
Change	-100	192
% Change	-3.5%	47.8%
Homeownership Rate (2000 Census)	55.4%	82.8%
Homeownership Rate (2005-2009 ACS)	56.2%	78.1%
% Change	1.4%	-5.7%

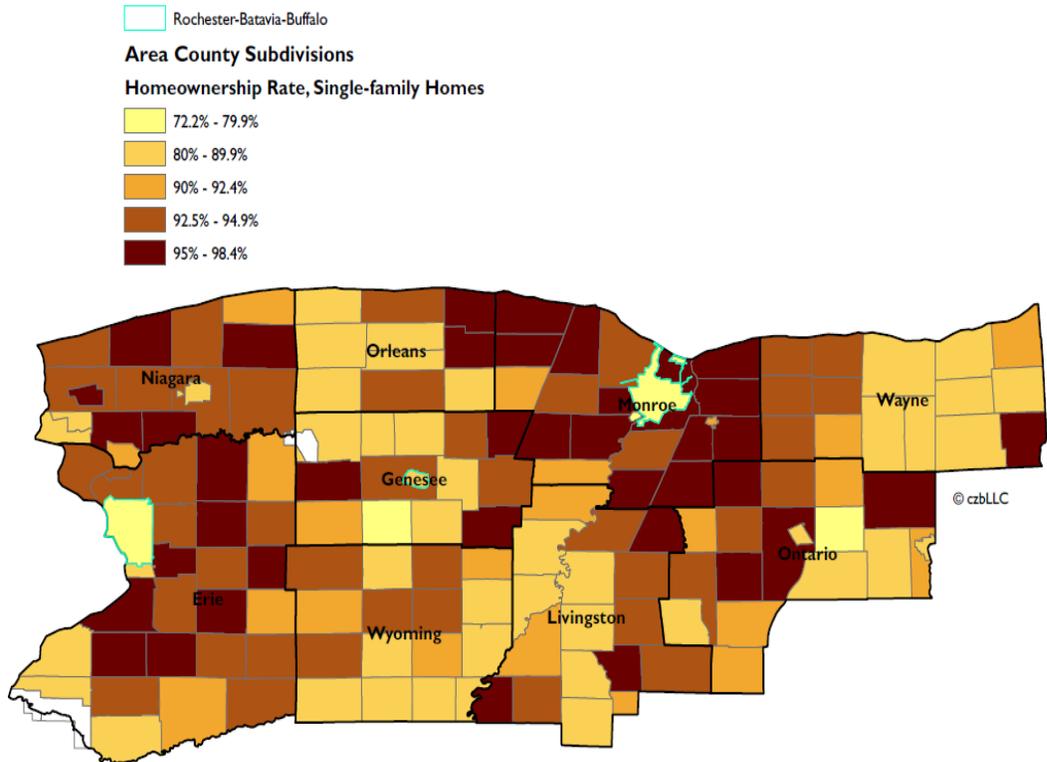
These varying rates are attributable, at least in part, to the different housing stocks (both in terms of configuration and age) in these different communities. While most (59%) of Batavia city's housing stock is comprised of single-family homes, 40% of the city's stock are multifamily units, roughly half of which are smaller multifamily properties with just 2 to 4 units per structure.

	Batavia city	Batavia town
% of Units Single-family (2005-2009 ACS)	59%	66%
% of Units Mobile Homes (2005-2009 ACS)	0%	21%
% of Units Multifamily (2005-2009 ACS)	40%	13%

Looking at homeownership rates in single-family properties, the city's rate (just 84%) is well below Batavia town's (94%).

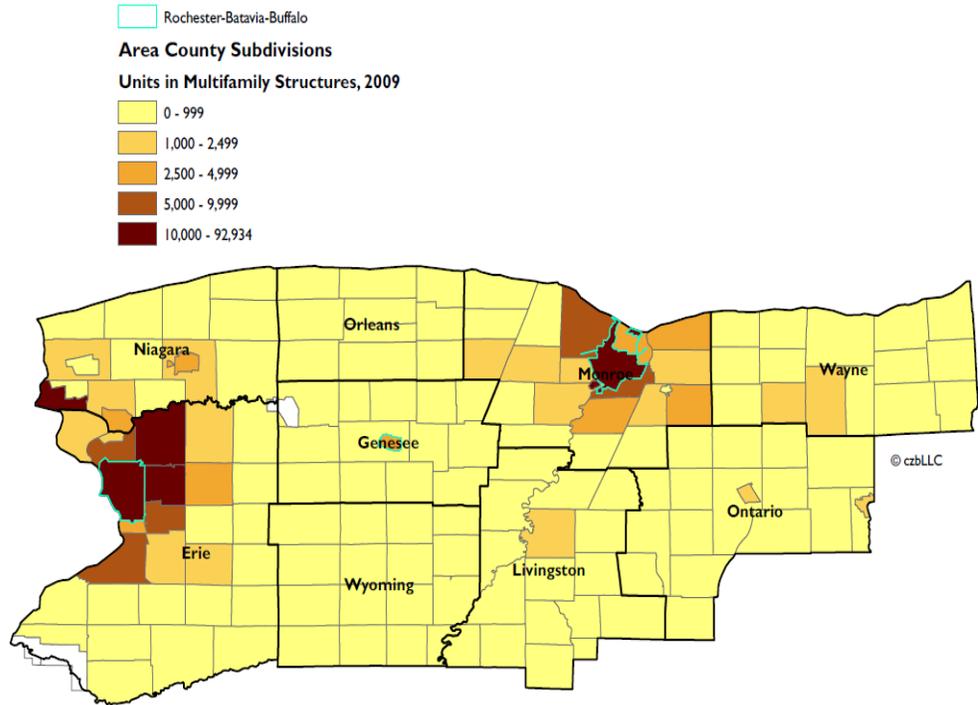
	Batavia city	Batavia town
Homeownership Rate in Single-family Units (2005-2009 ACS)	84%	94%

It also trails the homeownership rates in single-family properties throughout suburban Rochester (in Monroe County and stretching into Wayne, Ontario, and Livingston counties) and suburban Buffalo (in Niagara and Erie counties). These rates are much lower throughout much of Orleans, Genesee, and Wyoming counties, in western Livingston County, and in eastern Wayne County.



Sources: American Community Survey (2005-2009), czbLLC.

Few multifamily units exist throughout the area. The multifamily units that do are concentrated in Rochester and Buffalo and these cities’ inner ring suburbs. The City of Batavia is the one county subdivision outside the orbit of these two larger cities with at least 2,500 housing units in structures with two or more units.

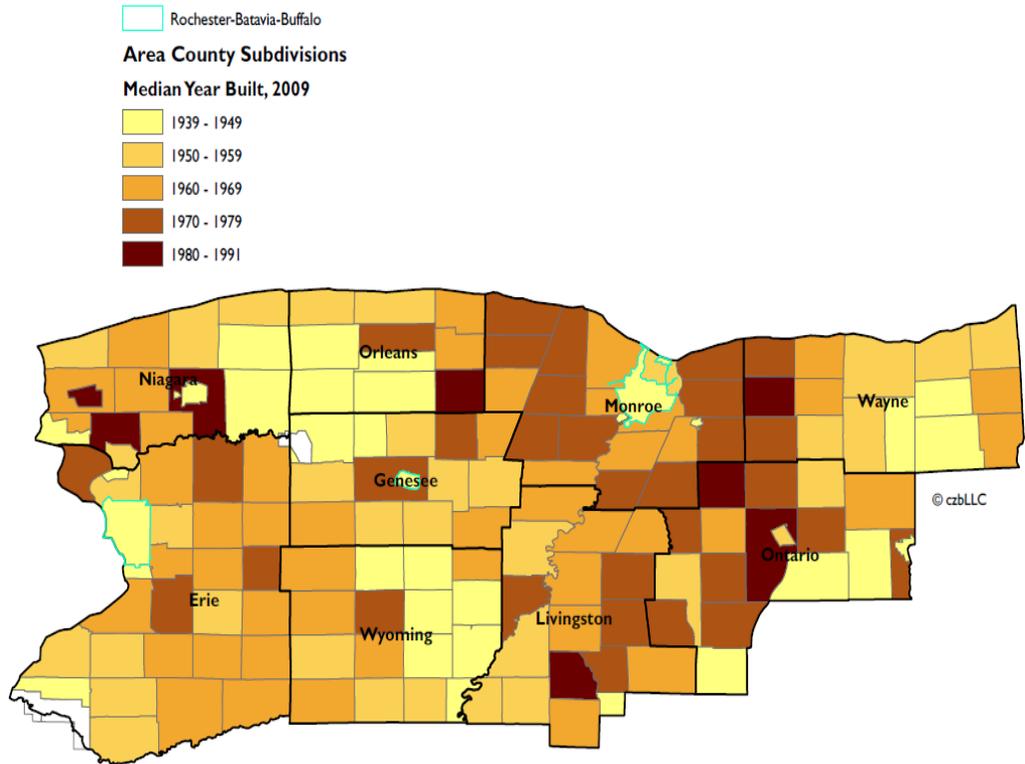


Sources: 2005-2009 American Community Survey, czbLLC.

Batavia also has an older housing stock – the median year owner-occupied units were built is 1939; the median year renter-occupied units were built is 1952.

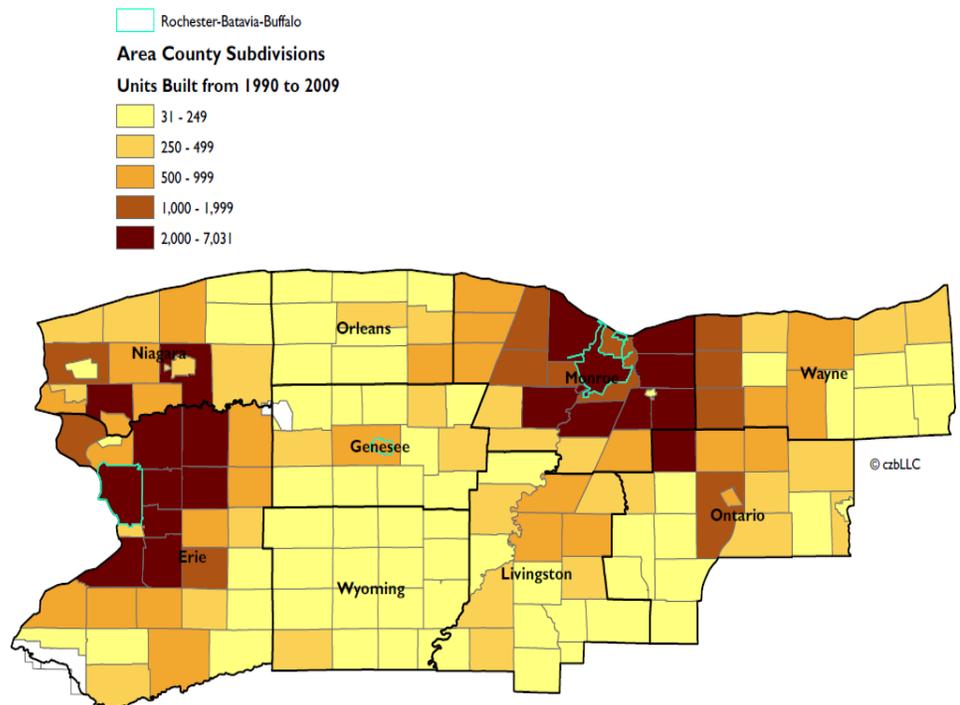
	Batavia city	Batavia town
Median Year Built (2005-2009 ACS)	1939	1971
Median Year Built, Owner Units (2005-2009 ACS)	1939	1969
Median Year Built, Rental Units (2005-2009 ACS)	1952	1974

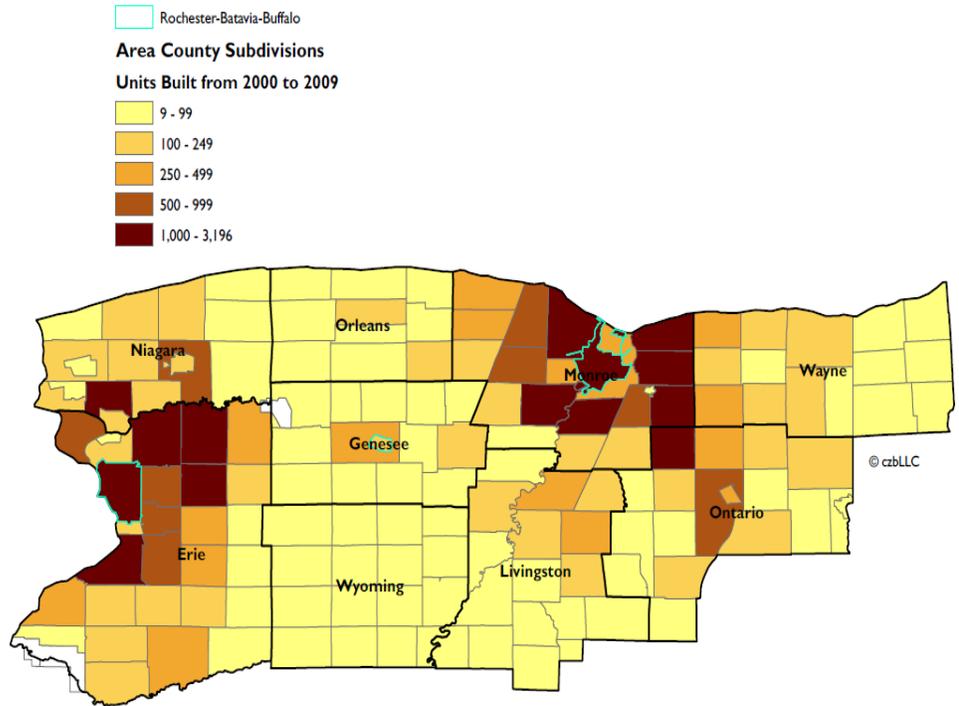
While Batavia town’s housing is newer (with a median year built of 1971), the region’s newest housing is in exurban Rochester and surrounding Canandaigua.



Sources: American Community Survey (2005-2009), czbLLC.

Most new construction since 1990 was concentrated in the region’s population centers – in and around Rochester and Buffalo. This was true to an even greater degree when looking strictly at units built since 2000.



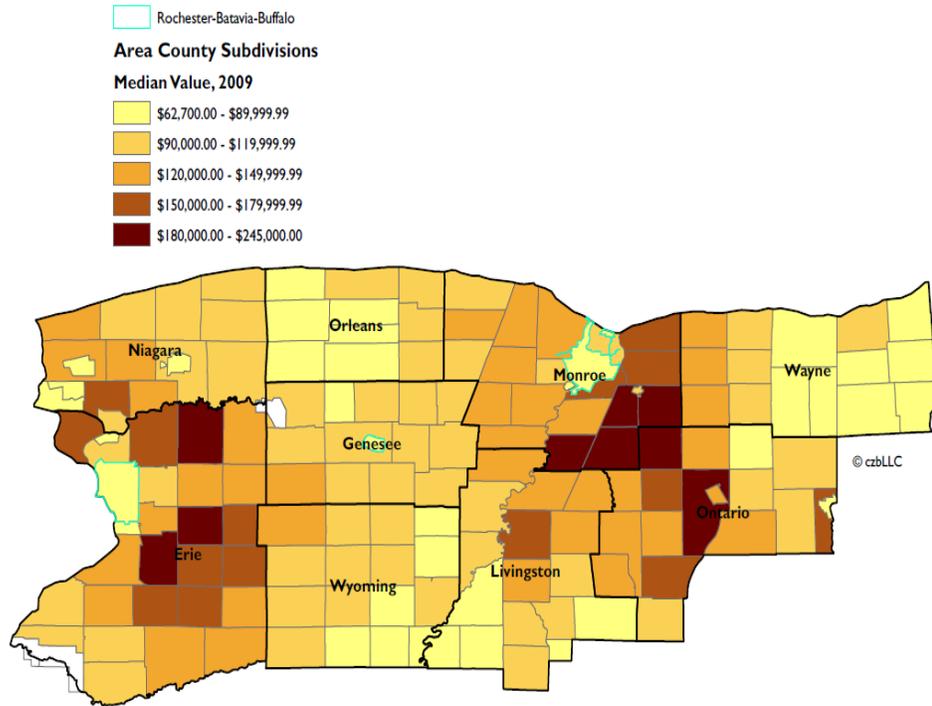


Sources: 2005-2009 American Community Survey, czbLLC.

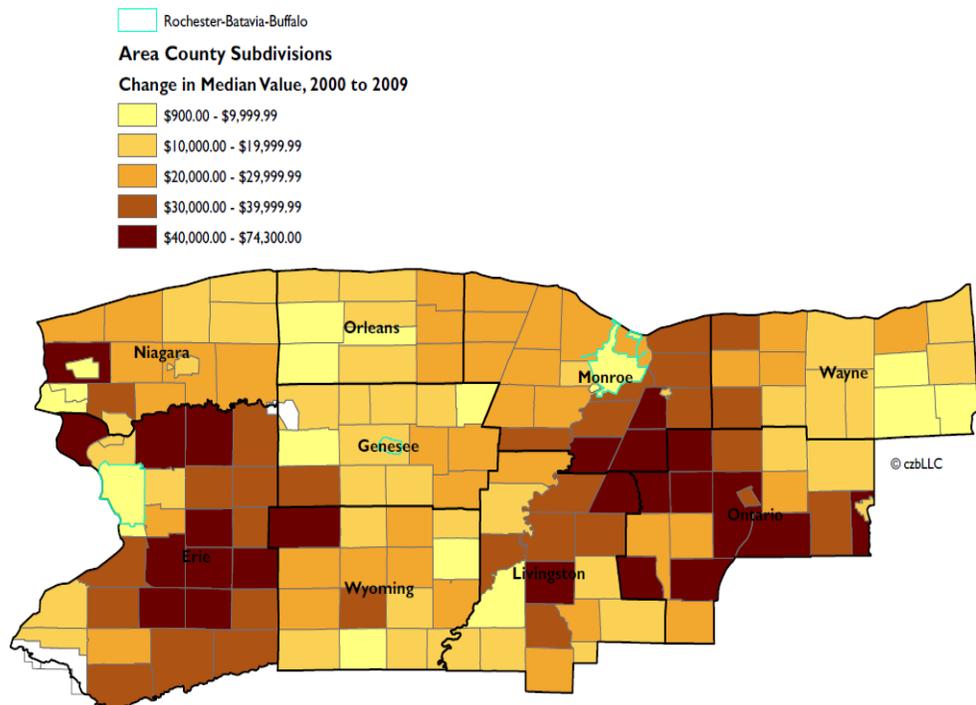
While the median value of owner-occupied housing increased in Batavia city in the early 2000s, it rose by less than it did in Batavia town; the city median continued to trail the town’s by roughly \$10,000.

	Batavia city	Batavia town
Median Value (2000 Census)	\$77,400	\$81,400
Median Value (2005-2009 ACS)	\$89,500	\$96,000
Change	\$12,100	\$14,600
% Change	15.6%	17.9%

The region’s highest values are surrounding Rochester, particularly to the city’s east and south (stretching to Canandaigua), and in a few Buffalo exurbs – far from Batavia. These areas and their surrounding county subdivisions also saw the largest dollar increase in median values between 2000 and 2009. In county subdivisions to the southeast of Rochester, extending all the way through Ontario County, median values consistently rose by more than \$40,000 over the course of the decade. This was also the case in several county subdivisions in Erie County, particularly to the far southeast of Buffalo. In contrast, median values throughout central Genesee County increased less than \$15,000 (specifically by just \$12,100 in the City of Batavia).



Sources: 2005-2009 American Community Survey, czbLLC.

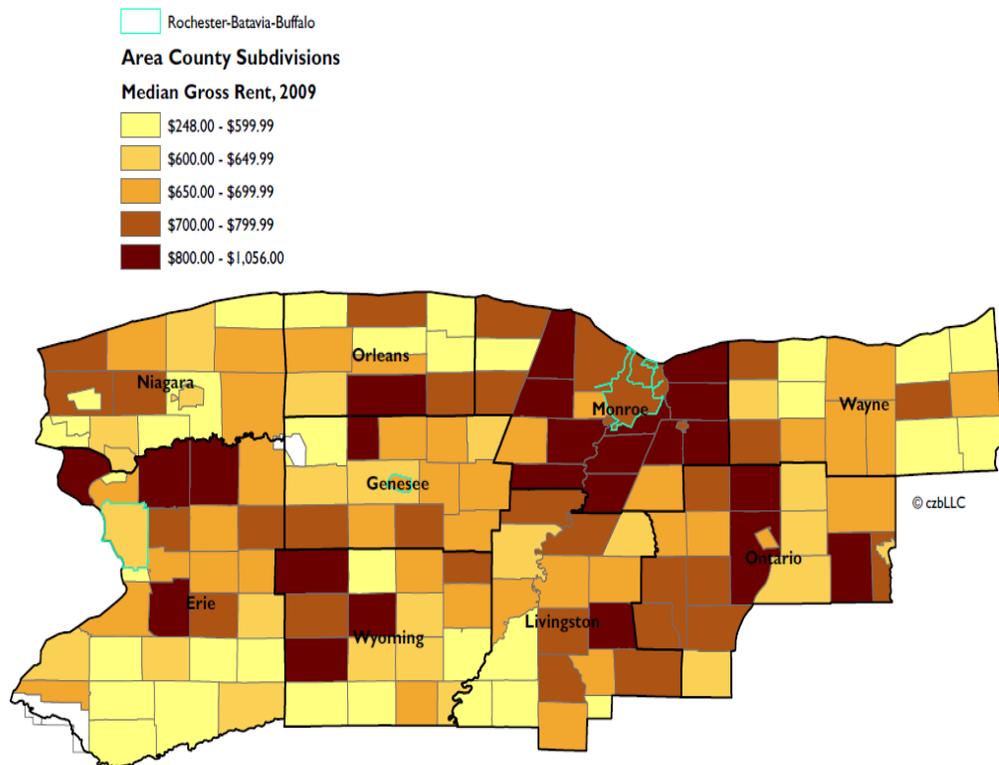


Sources: 2000 U.S. Census, 2005-2009 American Community Survey, czbLLC.

Batavia city's median gross rent has consistently exceeded Batavia town's.

	Batavia city	Batavia town
Median Gross Rent (2000 Census)	\$519	\$490
Median Gross Rent (2005-2009 ACS)	\$671	\$649
Change	\$152	\$159
% Change	29.3%	32.4%

As with values, the highest median gross rents are in communities ringing Rochester. Rent levels are low (relative to the region, particularly the area surrounding Rochester) throughout Genesee County.



Sources: American Community Survey (2005-2009), czbLLC.

The Competition:

To define and become the type of community its residents want it to be, the City of Batavia must not only focus within, it has to look to its surroundings.

There are nearly 160 communities throughout the Greater Rochester-Buffalo region. Some of these directly compete with Batavia for renter and owner households. Some of these communities model the types of characteristics or qualities that Batavia stakeholders want to cultivate. Some of these communities reflect more ominous trends that Batavia stakeholders want to avoid.

To identify those communities that currently have the most in common with Batavia, czb reviewed data for all of the region's county subdivisions, calculated "Z Scores" for several indicators, and clustered places based on these scores.

"Z Scores" are a particularly useful tool for illustrating how the values for different geographies compare because they provide relative values, and tailor that relativity to the group of geographies being analyzed. They do this by converting indicator values (from percentages or dollars, for example) into distances (measured in standard deviation units) from the group's overall average value. Literally, a Z Score equals the variable value for individual geography minus the average value for that variable for the group of geographies being reviewed, divided by the group's standard deviation for that variable.

The standard deviation for a set of values reflects how tightly they are clustered around the average. When values are "normally distributed" around the average, roughly two-thirds are within one standard deviation unit (either above or below) the average. A large standard deviation among a set of values indicates that the values vary widely; a small standard deviation implies that most values are very close to the average. In this way, Z Scores quickly highlight extreme cases – those not among the bulk of values right around the average.

To identify Batavia's "competition," czb looked at variables describing communities' size, socioeconomic characteristics, housing stock and housing demand, as well as how these features changed between 2000 and 2009.

The list of "key" variables included communities' population, number of households, and number of housing units (collectively reflecting communities' size); median household income; portion of single-family detached homes and multifamily units (collectively reflecting communities' housing stock); median value; and median gross rent. An expanded list of variables also included communities' median age, portion of adults with less than a high school degree or more than a Bachelor's degree, poverty rate, median owner income, average commute, portion of resident workers commuting to jobs within the county, median year housing units were built, homeownership rate (overall

To identify Batavia's "competition," czb looked at variables describing communities' size, socioeconomic characteristics, housing stock and housing demand, as well as how these features

and specifically in single-family units), abandonment rate, and a number of trends (in population, income (among all households and owners in particular), number of owners, homeownership rate in single-family units, and median value).

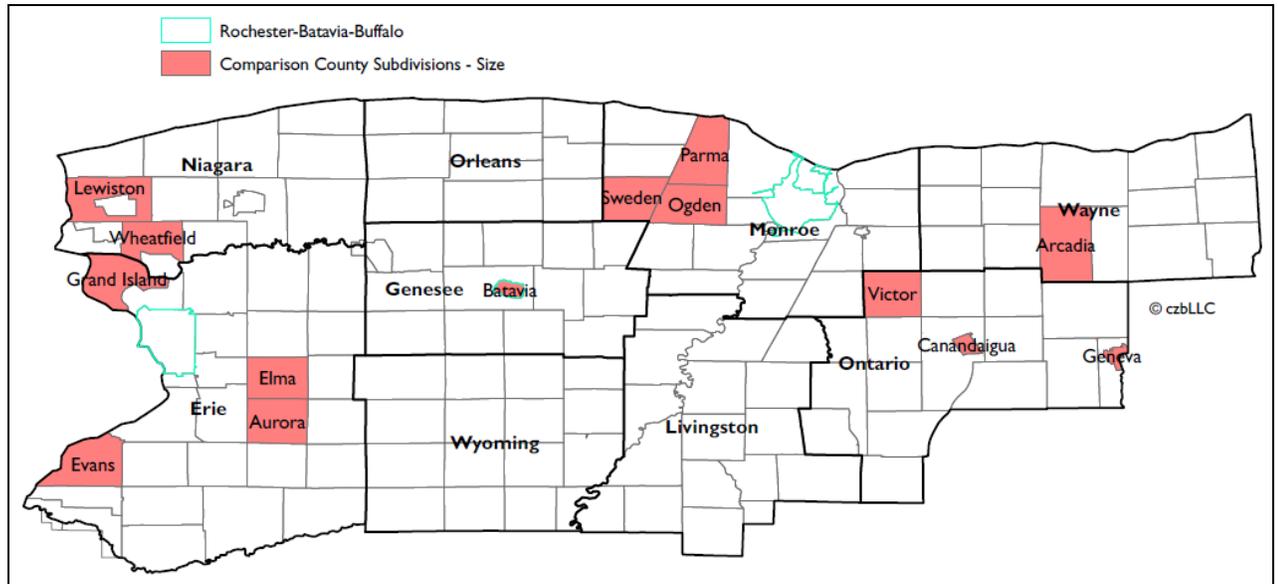
Whenever a community’s Z Score was within 0.15 standard deviation units of Batavia’s Z Score (either above or below it), the community received one “point” for that variable. Communities with the most “points” were considered to be Batavia’s closest competitors.

For example, to measure a community’s size, czbLLC looked at its number of residents, number of households, and number of housing units. As a result, the maximum “size score” a community could receive was 3 – one point for each of these three variables. The following communities all received a “size score” of 3, having very similar population, household, and housing unit counts to Batavia.

County Subdivision	County	Population	Households	Housing Units
Batavia city	Genesee County	15,270	6,341	6,784
Arcadia town	Wayne County	14,073	5,930	6,181
Aurora town	Erie County	13,558	5,389	5,808
Canandaigua city	Ontario County	11,202	5,019	5,332
Elma town	Erie County	11,265	4,571	4,745
Evans town	Erie County	16,937	6,931	7,879
Geneva city	Ontario County	13,271	5,045	5,491
Grand Island town	Erie County	18,879	7,244	7,575
Lewiston town	Niagara County	16,633	6,368	6,780
Ogden town	Monroe County	19,141	6,775	7,114
Parma town	Monroe County	15,667	5,737	5,961
Sweden town	Monroe County	13,797	4,695	4,959
Tonawanda city	Erie County	14,949	6,287	6,770
Victor town	Ontario County	12,076	4,617	4,829
Wheatfield town	Niagara County	16,450	6,268	6,866

Sources: 2005-2009 American Community Survey, czbLLC.

These communities are spread throughout the region, a number on the outskirts of Buffalo and Rochester and others (like Canandaigua, Geneva, and Arcadia) stand-alone communities like Batavia.



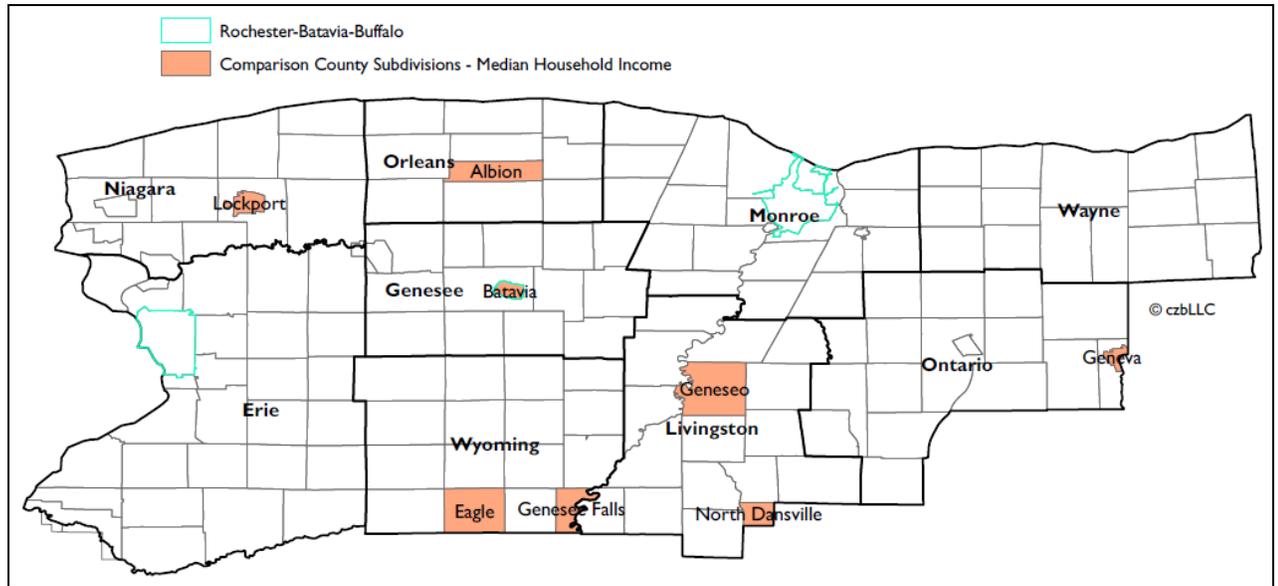
Sources: 2005-2009 American Community Survey, czbLLC.

Seven communities had median household incomes very similar to Batavia's:

County Subdivision	County	Median Household Income
Batavia city	Genesee County	\$38,397
Albion town	Orleans County	\$38,018
Eagle town	Wyoming County	\$39,375
Genesee Falls town	Wyoming County	\$38,906
Genesee town	Livingston County	\$39,118
Geneva city	Ontario County	\$37,474
Lockport city	Niagara County	\$37,006
North Dansville town	Livingston County	\$38,180

Sources: 2005-2009 American Community Survey, czbLLC.

These communities are also spread throughout the region but are all located outside the orbit of Rochester and Buffalo.

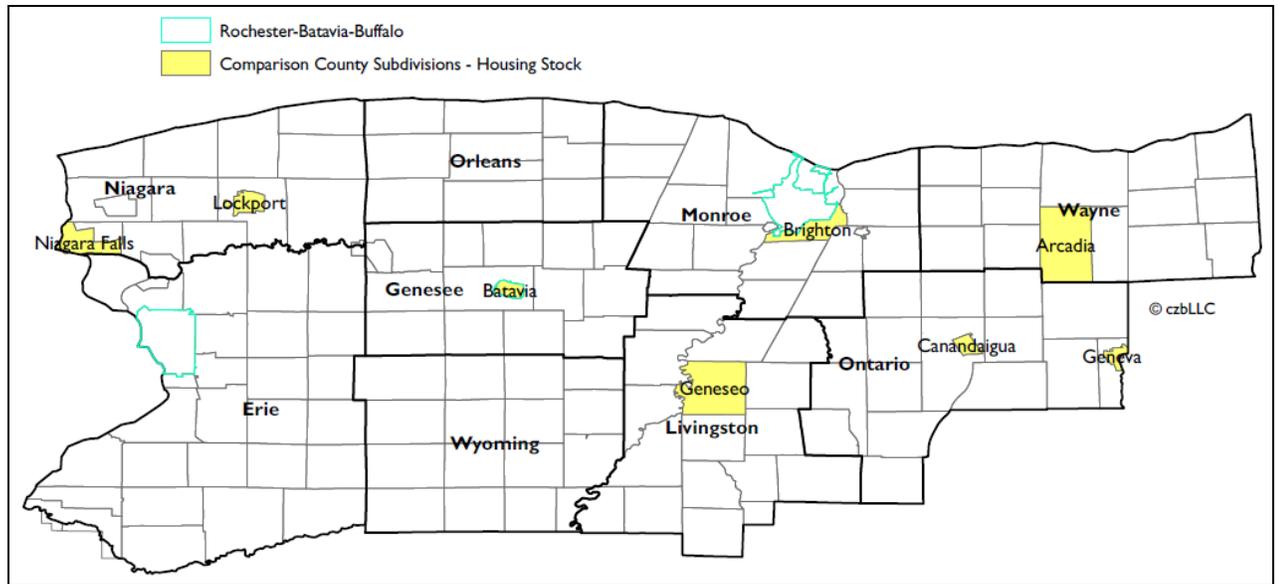


Sources: 2005-2009 American Community Survey, czbLLC.

Seven communities had housing stocks that largely mirrored Batavia’s – similar portions of single-family detached units and/or multifamily units. Among these communities, Geneva (Ontario County), Lockport (Niagara County), and, to a slightly lesser degree, Niagara Falls (Niagara County), have similarly-aged housing.

County Subdivision	County	% Single-Family Detached	% Multifamily	Median Year Built
Batavia city	Genesee County	55%	40%	1939
Arcadia town	Wayne County	57%	33%	1955
Brighton town	Monroe County	54%	39%	1960
Canandaigua city	Ontario County	48%	41%	1954
Genesee town	Livingston County	53%	42%	1968
Geneva city	Ontario County	54%	43%	1939
Lockport city	Niagara County	57%	41%	1939
Niagara Falls city	Niagara County	54%	42%	1942

Sources: 2005-2009 American Community Survey, czbLLC.



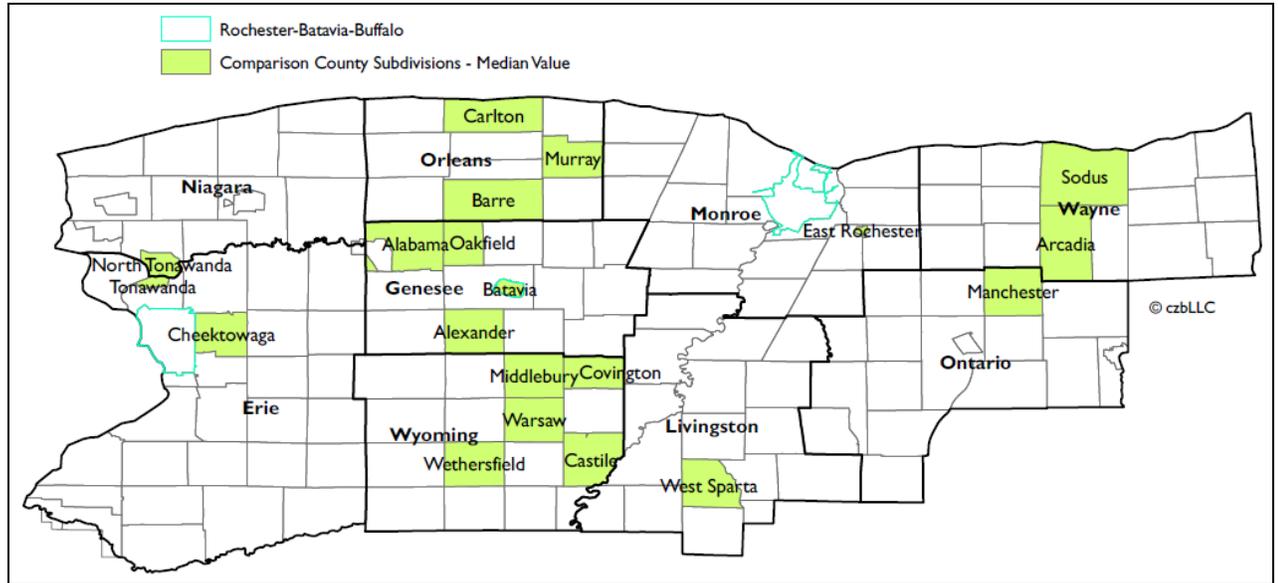
Sources: 2005-2009 American Community Survey, czbLLC.

Nineteen of the region’s communities have median values that compare closely with Batavia’s.

County Subdivision	County	Median Value
Batavia city	Genesee County	\$89,500
Alabama town	Genesee County	\$91,100
Alexander town	Genesee County	\$94,000
Arcadia town	Wayne County	\$89,300
Barre town	Orleans County	\$86,800
Carlton town	Orleans County	\$92,400
Castile town	Wyoming County	\$92,200
Cheektowaga town	Erie County	\$91,400
Covington town	Wyoming County	\$89,100
East Rochester town	Monroe County	\$92,300
Manchester town	Ontario County	\$88,000
Middlebury town	Wyoming County	\$94,200
Murray town	Orleans County	\$94,100
North Tonawanda city	Niagara County	\$92,600
Oakfield town	Genesee County	\$85,900
Sodus town	Wayne County	\$89,700
Tonawanda city	Erie County	\$86,300
Warsaw town	Wyoming County	\$93,100
West Sparta town	Livingston County	\$92,200
Wethersfield town	Wyoming County	\$94,500

Sources: 2005-2009 American Community Survey, czbLLC.

Eleven of these nineteen communities are, like Batavia, in the central part of the region (in Genesee, Orleans, and Wyoming counties). A few, however, are close to Buffalo (Cheektowaga, North Tonawanda, and Tonawanda) and Rochester (East Rochester), providing similarly-priced homes more proximate to the region's job centers.



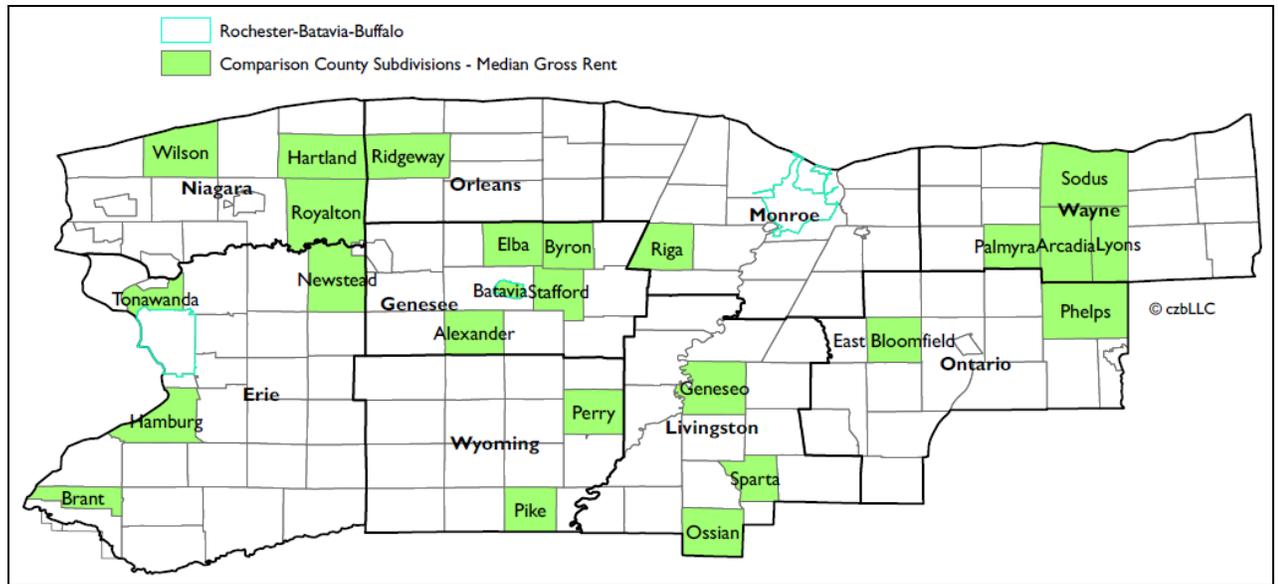
Sources: 2000 U.S. Census, 2005-2009 American Community Survey, czbLLC.

Twenty-four communities have median gross rents very similar to Batavia's. (Four of these communities (Byron, Ossian, Pike and Sparta) have fewer than 100 renter-occupied units, though.)

County Subdivision	County	Median Gross Rent
Batavia city	Genesee County	\$671
Alexander town	Genesee County	\$663
Arcadia town	Wayne County	\$681
Brant town	Erie County	\$675
Byron town	Genesee County	\$679
East Bloomfield town	Ontario County	\$681
Elba town	Genesee County	\$668
Genesee town	Livingston County	\$667
Hamburg town	Erie County	\$673
Hartland town	Niagara County	\$667
Lyons town	Wayne County	\$657
Newstead town	Erie County	\$662
Ossian town	Livingston County	\$660
Palmyra town	Wayne County	\$667
Perry town	Wyoming County	\$664
Phelps town	Ontario County	\$674
Pike town	Wyoming County	\$668
Ridgeway town	Orleans County	\$672
Riga town	Monroe County	\$664
Royalton town	Niagara County	\$658
Sodus town	Wayne County	\$657
Sparta town	Livingston County	\$681
Stafford town	Genesee County	\$683
Tonawanda town	Erie County	\$682
Wilson town	Niagara County	\$680

Sources: 2005-2009 American Community Survey, czbLLC.

All of these, except for Hamburg and Tonawanda, are well beyond easy commuting distance from the region's two economic engines.



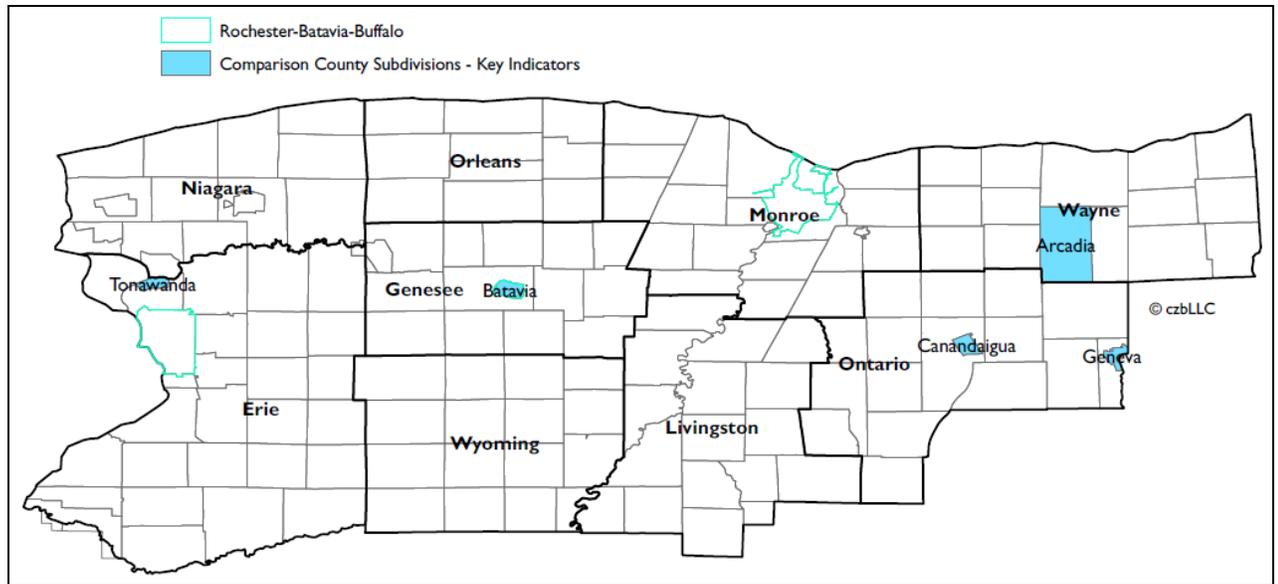
Sources: 2005-2009 American Community Survey, czbLLC.

Putting these characteristics together – related to the number of residents, households, and housing units; median household income; the portion of single-family detached and multifamily units; median value; and median gross rent – highlights four communities that have the most in common with Batavia (at least two if not three or four of these categories). Batavia’s closest competitors include Arcadia, Canandaigua, Geneva, and Tonawanda.

County Subdivision	County	Size Score	Median Household Income Score	Housing Stock Score	Median Value Score	Median Gross Rent Score	Combined Score (Key Indicators)
Batavia city	Genesee County	3	1	2	1	1	8
Arcadia town	Wayne County	3	0	1	1	1	6
Canandaigua city	Ontario County	3	0	1	0	0	4
Geneva city	Ontario County	3	1	1	0	0	5
Tonawanda city	Erie County	3	0	0	1	0	4

Sources: 2005-2009 American Community Survey, czbLLC.

These communities are the region’s smaller cities; in all but Tonawanda’s case, they are far from Buffalo and Rochester.



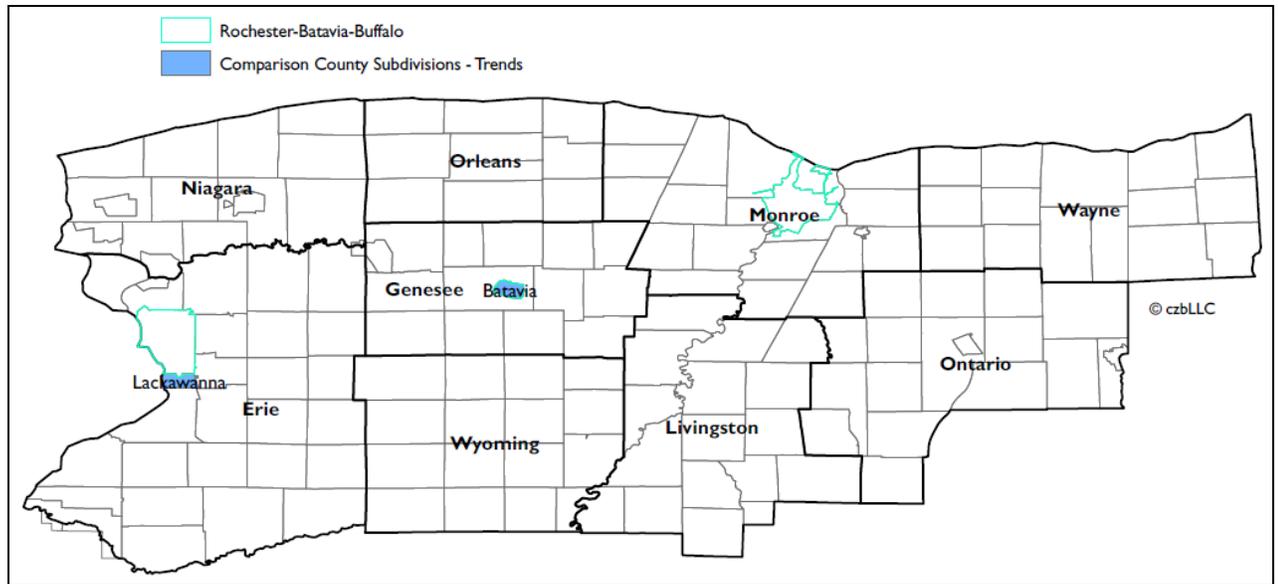
Sources: 2005-2009 American Community Survey, czbLLC.

Looking also to trends between 2000 and 2009, one community – Lackawanna – experienced changes most similar to those in Batavia.

County Subdivision	County	Change in Population		Change in Median Household Income		Change in Median Owner Income		Change in Owners	
		#	%	\$	%	\$	%	#	%
Batavia city	Genesee County	-986	-6.1%	\$4,913	14.7%	\$7,763	16.8%	-16	-0.4%
Lackawanna city	Erie County	-1,299	-6.8%	\$4,101	14.0%	\$7,710	18.9%	-10	-0.2%

County Subdivision	County	Change in Homeownership Rate		Change in Median Gross Rent		Change in Median Value	
		All Units	All Single-family Units	\$	%	\$	%
Batavia city	Genesee County	0.8%	-3.0%	\$152	29.3%	\$12,100	15.6%
Lackawanna city	Erie County	0.3%	-3.0%	\$119	27.5%	\$7,300	10.1%

Sources: 2000 U.S. Census, 2005-2009 American Community Survey, czbLLC.



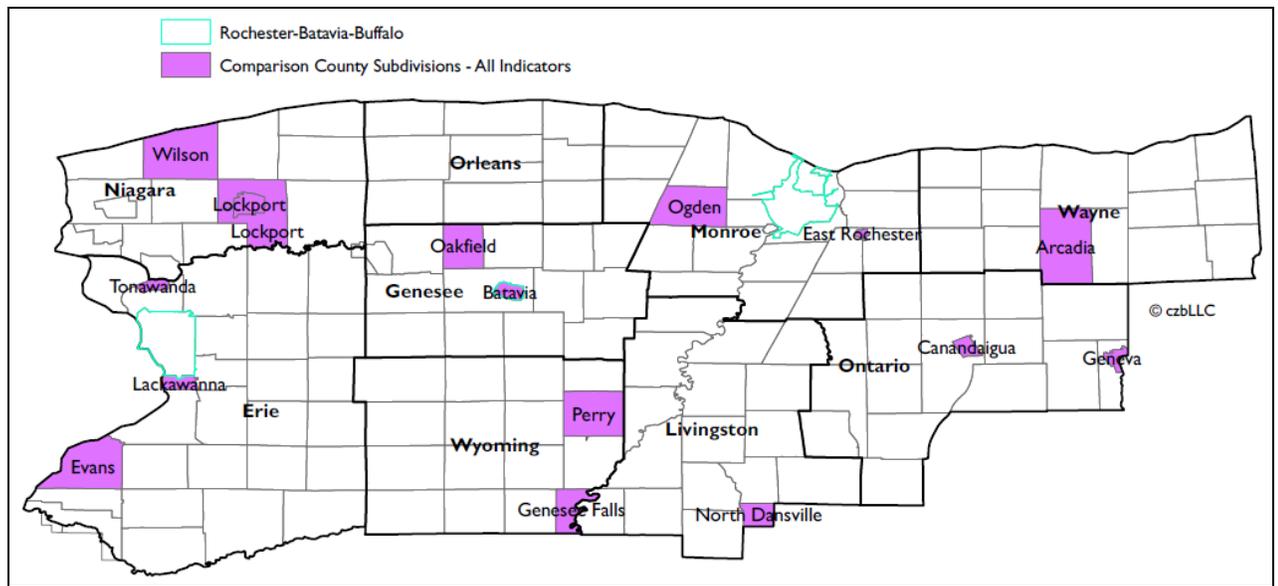
Sources: 2000 U.S. Census, 2005-2009 American Community Survey, czbLLC.

By including these trend indicators, as well as the others described earlier used to illustrate socioeconomic status and housing demand, czb was able to expand the list of “competitor communities” from the four shown above to fifteen:

County Subdivision	County
Batavia city	Genesee County
Arcadia town	Wayne County
Canandaigua city	Ontario County
East Rochester town	Monroe County
Evans town	Erie County
Genesee Falls town	Wyoming County
Geneva city	Ontario County
Lackawanna city	Erie County
Lockport city	Niagara County
Lockport town	Niagara County
North Dansville town	Livingston County
Oakfield town	Genesee County
Ogden town	Monroe County
Perry town	Wyoming County
Tonawanda city	Erie County
Wilson town	Niagara County

Sources: 2000 U.S. Census, 2005-2009 American Community Survey, czbLLC.

This list includes most of the region’s smaller cities (with the exception of North Tonawanda and Niagara Falls), rural towns, and a few suburban or exurban communities surrounding Rochester or Buffalo.



Sources: 2000 U.S. Census, 2005-2009 American Community Survey, czbLLC.

The challenge for the City of Batavia becomes: how to “beat” this competition for households.

Another important question is whether these municipalities represent the league in which Batavia wishes to operate. Do city stakeholders and residents aspire to bring Batavia more in line with a municipality or municipalities not listed among these closest competitors? If so, what would have to change and is such a transformation realistic or practical?

The City:

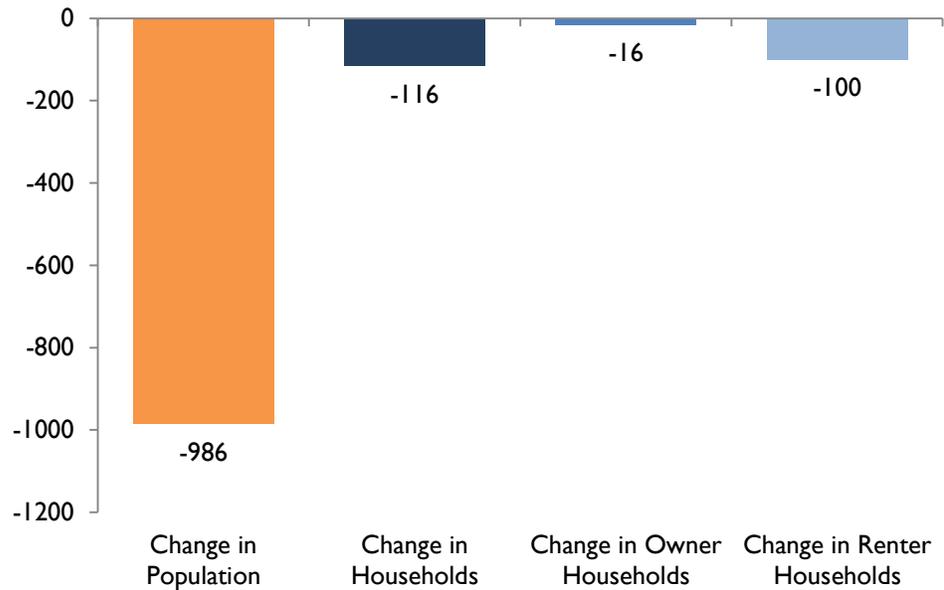
As the regional analysis suggests, the City of Batavia is somewhat outside the orbit of the region’s two largest job centers (Buffalo and Rochester) and part of the weakest section of the region – where populations have declined, household counts have grown the least, and owner incomes and property values are lowest and showing the smallest gains. It acts as the “urban center” of this section: it has a high renter-occupancy rate and a large supply of multifamily housing, and higher population and housing unit densities, than anywhere in its surroundings.

Specifically, the City of Batavia experienced population and household declines between 2000 and 2009, shrinking from a city of 16,256 people to one of just 15,270 – a more than 6% drop. While the number of owners in Batavia remained roughly the same, the city lost 100 renter households over the course of the decade.

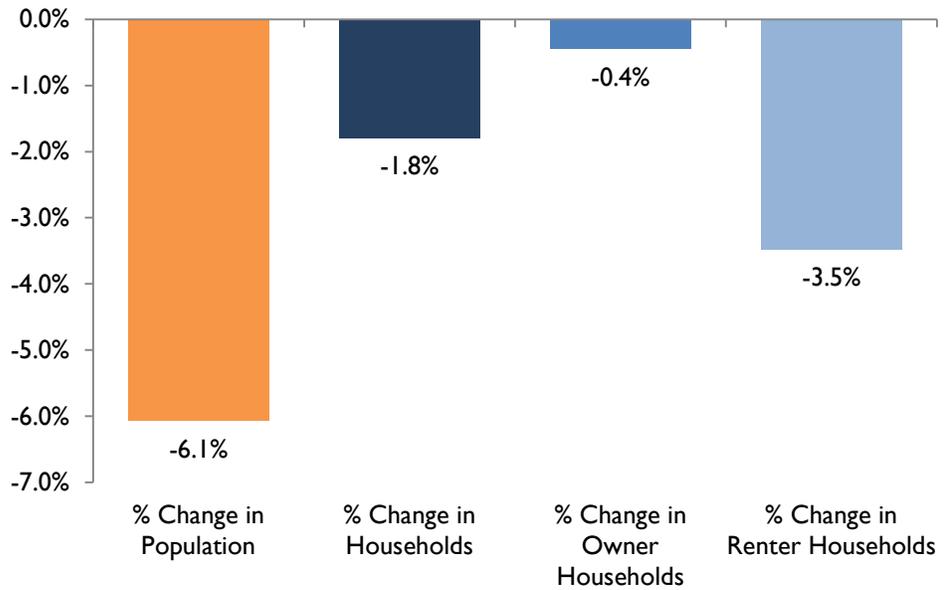
Population and Households	2000	2009	Change	% Change
Population	16,256	15,270	-986	-6.1%
Owner Households	3,578	3,562	-16	-0.4%
Renter Households	2,879	2,779	-100	-3.5%
All Households	6,457	6,341	-116	-1.8%

Sources: 2000 U.S. Census, 2005-2009 American Community Survey, czbLLC.

Population and Household Trends in Batavia, 2000 to 2009

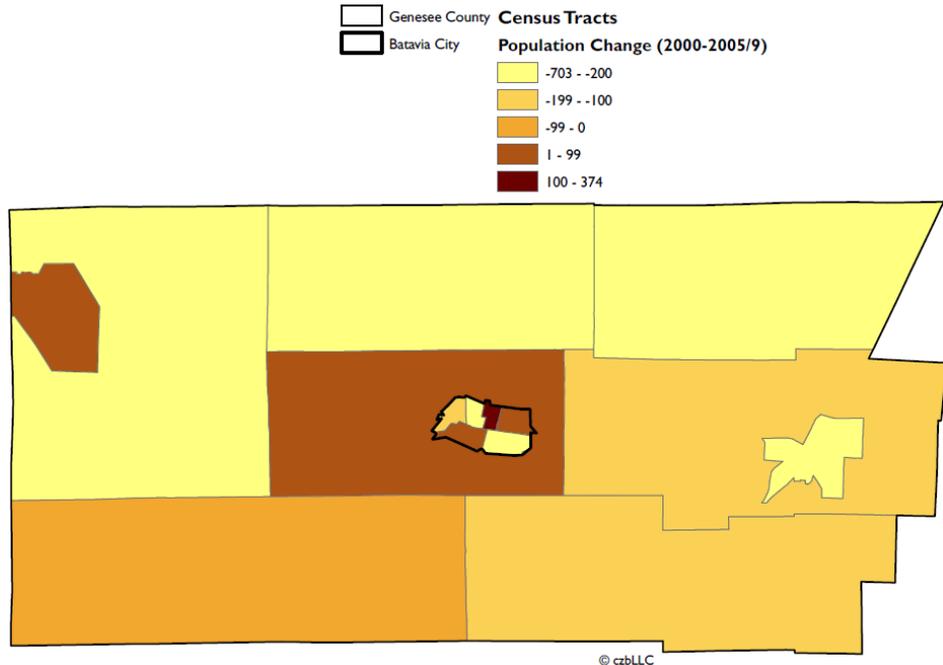


Population and Household Trends in Batavia, 2000 to 2009



Sources: 2000 U.S. Census, 2005-2009 American Community Survey, czbLLC.

Those tracts along the county’s northern boundary, as well as in Le Roy and north central and southeastern Batavia city lost the most residents. A second tract in north central Batavia city, registered the largest gain in the county.



Sources: 2000 Census, American Community Survey (2005-2009), czbLLC.

In 2009, the city's population was largely (91%) white

Race/Ethnicity	#	%
Non- Hispanic White	13,857	91%
Non-Hispanic Black	697	5%
Hispanic	231	2%
Other	485	3%

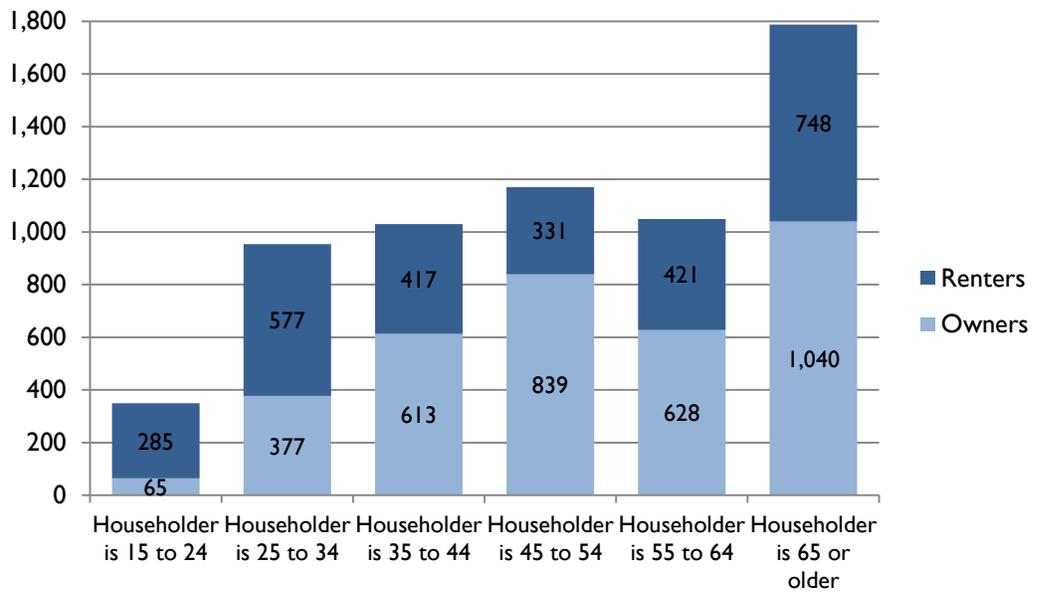
Sources: 2005-2009 American Community Survey, czbLLC.

Those households currently in Batavia are primarily headed by older householders. Just 30% of owner householders, for example, are under 45 years of age and just 13% are under 35 years of age. Alternatively, more than one-in-four renter and owner households are headed by someone 65-years-old or older; nearly half (47%) of all owner households are headed by someone 55-years-old or older.

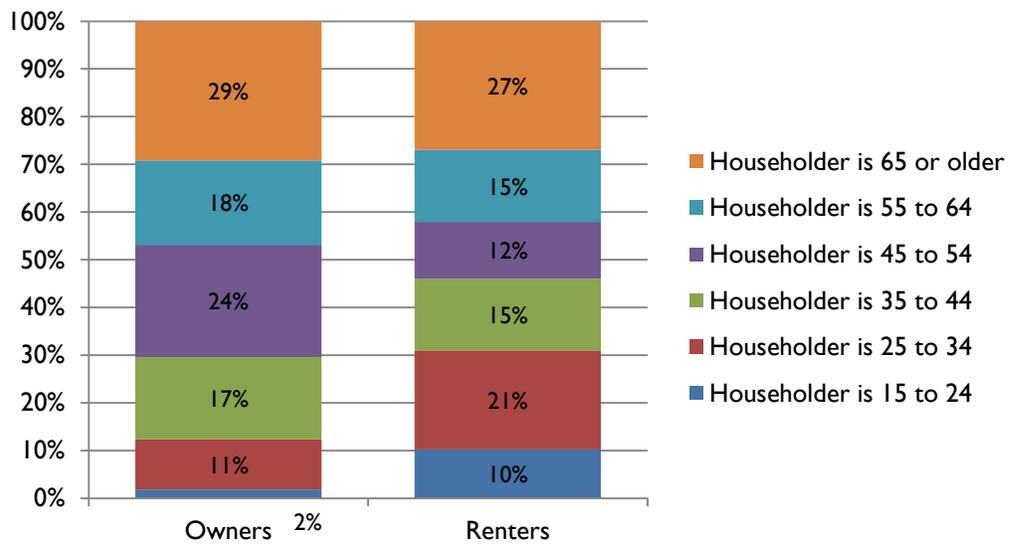
Age of Householder	Owners		Renters		Total	
15 to 24 years old	65	2%	285	10%	350	6%
25 to 34 years old	377	11%	577	21%	954	15%
35 to 44 years old	613	17%	417	15%	1,030	16%
45 to 54 years old	839	24%	331	12%	1,170	18%
55 to 64 years old	628	18%	421	15%	1,049	17%
65 years old or older	1,040	29%	748	27%	1,788	28%
Total	3,562		2,779		6,341	

Sources: 2005-2009 American Community Survey, czbLLC.

Batavia Households by Age of Householder and Tenure, 2009

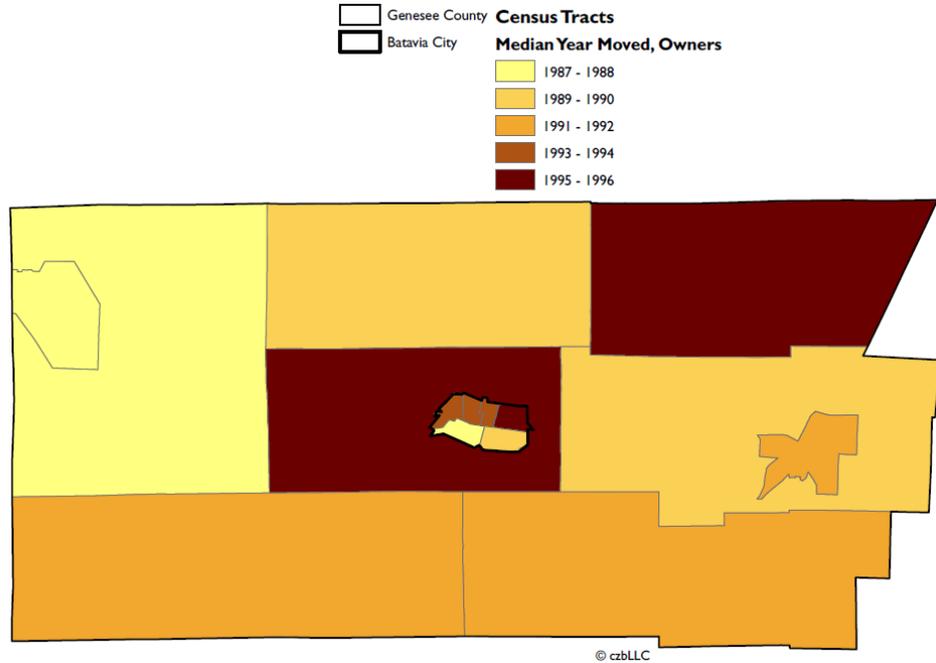


Batavia Owner and Renter Households by Age of Householder, 2009



Sources: 2005-2009 American Community Survey, czbLLC.

These age breakdowns at least partially reflect the stability (in terms of migration) of many city owner households. Owners in northwest Batavia typically moved into their current unit in the early 1990s; those in southern Batavia did so in the 1980s, or more than twenty years ago.



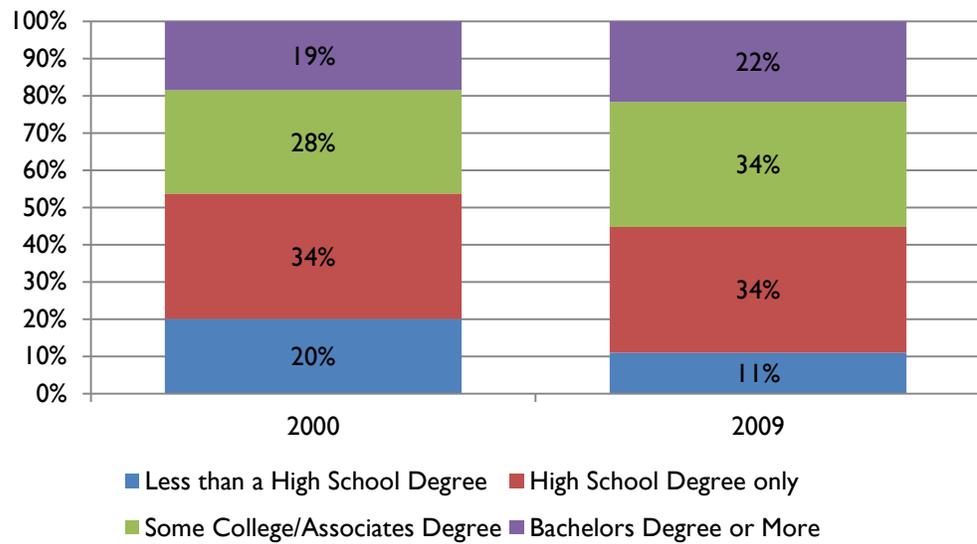
Sources: American Community Survey (2005-2009), czbLLC.

Between 2000 and 2009, the educational attainment of Batavia adults increased dramatically. According to the U.S. Census, one-fifth (20%) of Batavia adults had less than a high school degree in 2000. That portion was halved by 2009 – when the American Community Survey found just 11% of adults with less than a high school degree. The percentage of adults with some college or an Associate’s Degree increased from 28% to 34% during this same period, and the portion of adults with at least a Bachelor’s Degree ticked up slightly, from 19% to 22%.

Educational Level	2000	2009	Change	% Change
Percent with Less than a High School Degree	20%	11%	-9%	-45.2%
Percent with Only a High School Degree	34%	34%	0%	0.4%
Percent with Some College or an Associate’s Degree	28%	34%	6%	21.1%
Percent with a Bachelor’s or Graduate Degree	19%	22%	3%	16.8%

Sources: 2000 U.S. Census, 2005-2009 American Community Survey, czbLLC.

Educational Attainment of Batavia Adults, 2000 and 2009



Sources: 2000 U.S. Census, 2005-2009 American Community Survey, czbLLC.

Despite these gains, the City of Batavia lost substantial ground in terms of poverty among its residents. In 2000, 12.3% of city residents lived below the poverty line. The poverty rate climbed to 18.6% by 2009 – a more than 50% increase.

Poverty	2000	2009	Change	% Change
Poverty Rate	12.3%	18.6%	6.3%	51.5%

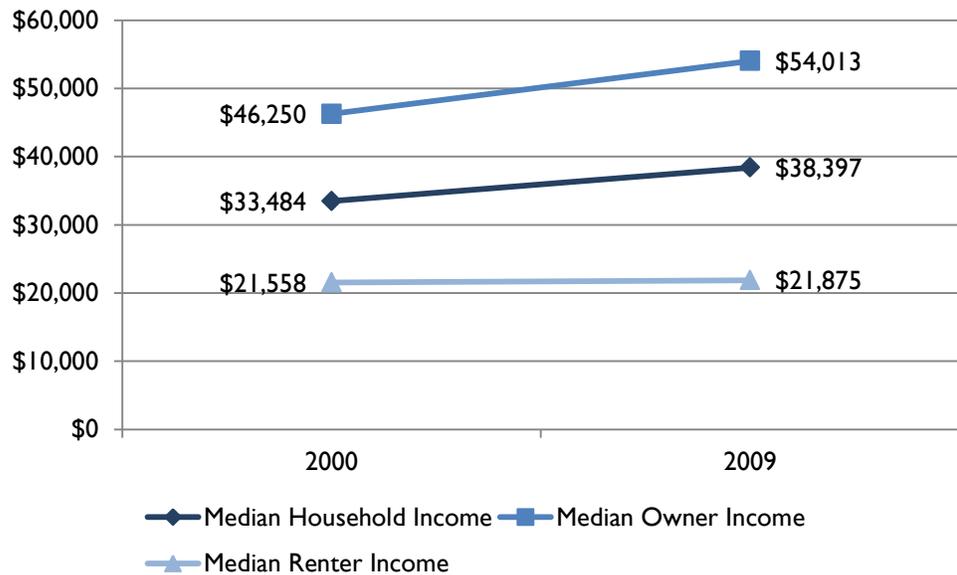
Sources: 2000 U.S. Census, 2005-2009 American Community Survey, czbLLC.

Median incomes – of all households, of owners, and of renters – did increase between 2000 and 2009 in Batavia. Gains were most dramatic for owners, whose median income rose from \$46,250 to \$54,013, a 17% increase. Renters’ median income increased just \$300, or 1.5%, during the same period. Despite these gains, Batavia’s 2009 median household income, at \$38,397, was equivalent to roughly 70% of the region’s median household income.

Median Income	2000	2009	Change	% Change
Median Household Income	\$33,484	\$38,397	\$4,913	14.7%
Median Owner Income	\$46,250	\$54,013	\$7,763	16.8%
Median Renter Income	\$21,558	\$21,875	\$317	1.5%

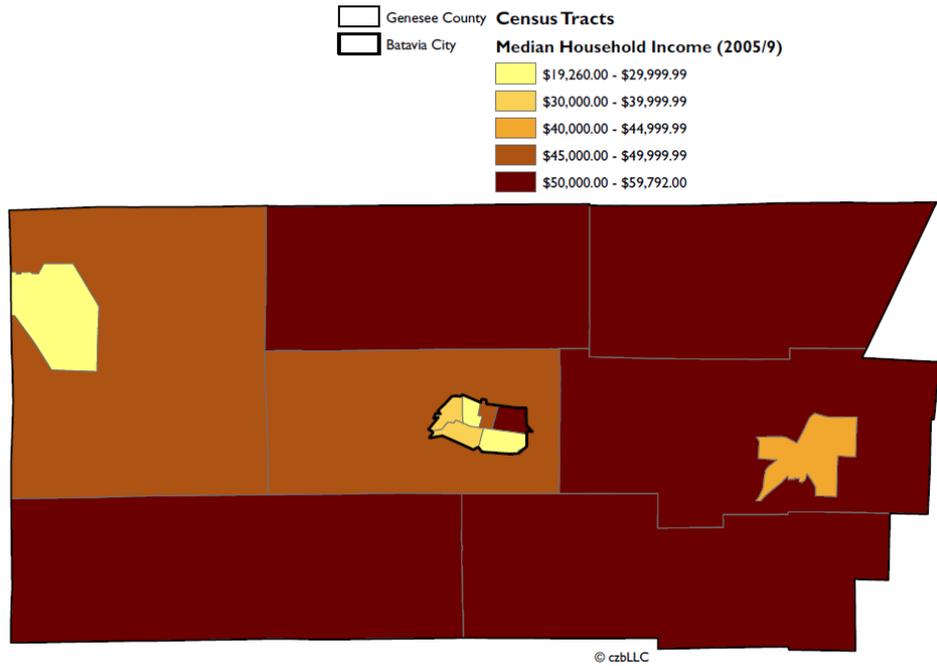
Sources: 2000 U.S. Census, 2005-2009 American Community Survey, czbLLC.

Batavia Median Income Trends, 2000 and 2009



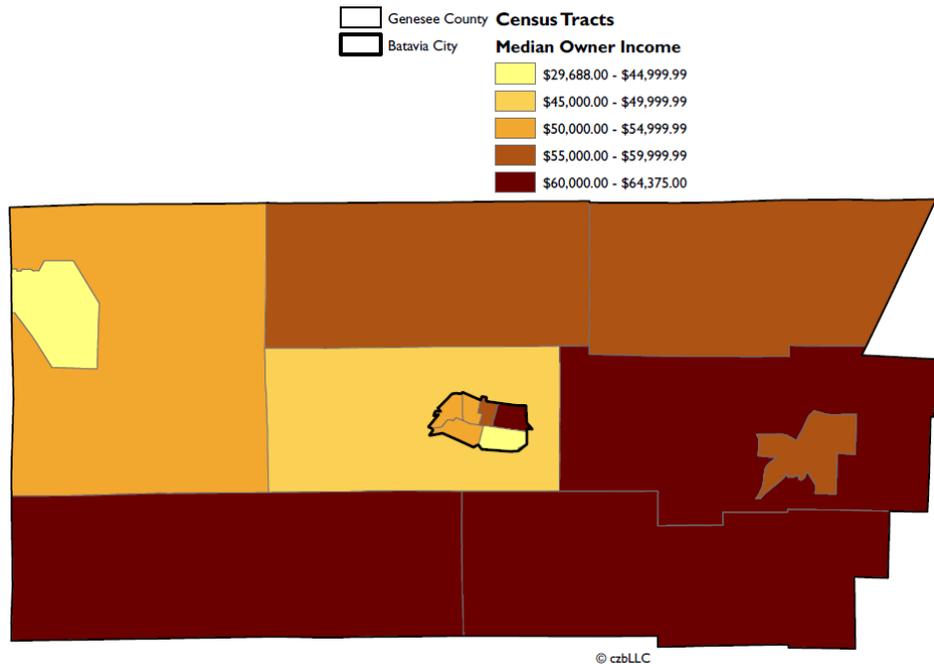
Sources: 2000 U.S. Census, 2005-2009 American Community Survey, czbLLC.

Median household incomes are highest in Batavia city's northeastern corner and lowest in northwest and southeast Batavia.



Sources: American Community Survey (2005-2009), czbLLC.

Median *owner* incomes are also highest in northeastern Batavia city. Interestingly, median owner incomes exceed Batavia town's median in all city Census tracts except tract 9510, in the city's southeastern corner.



Sources: American Community Survey (2005-2009), czbLLC.

Both a cause and effect of lower incomes among renter households is the lack of vehicles available to renter households. In Batavia in 2009, one-third (33%) of all renters – a total of over 900 households – did not have a vehicle. This was true of just 3% of city owners. In all, more than 1,000 Batavia households (16% of all city households) do not have a car.

Availability of Vehicles	#	% of Households	% of Owners/Renters
Households with No Vehicle Available	1,022	16.1%	
Owner households	109	1.7%	3.1%
Renter households	913	14.4%	32.9%

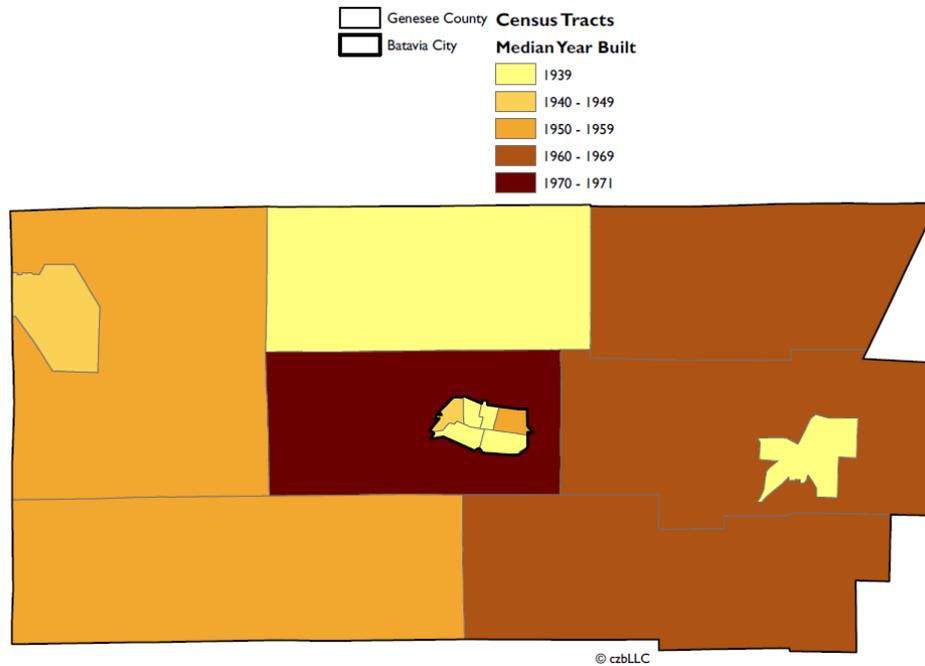
Sources: 2005-2009 American Community Survey, czbLLC.

This has serious implications for the ability of members of these households to access employment, particularly in a county with only 0.73 jobs per household, or only three jobs for every four households. Indeed, while the average commute for City of Batavia residents declined slightly, from 18.5 minutes to 17.8 minutes, between 2000 and 2009, the percent of Batavia residents working outside Genesee County increased slightly, from 27% to 28%.

Work Place	2000	2009	Change	% Change
Average Commute	18.52	17.80	-0.71	-3.8%
Percent Working in County of Residence	73.4%	72.3%	-1.1%	-1.5%

Sources: 2000 U.S. Census, 2005-2009 American Community Survey, czbLLC.

As discussed earlier, the City of Batavia acts as the “urban” center for Genesee County. Batavia, along with Alabama and Oakfield (to the city’s northwest), have the county’s oldest housing: the median year housing units were built in the three communities is 1939, the earliest year documented by the Bureau of the Census. This is also the case in most census tracts.



Sources: American Community Survey (2005-2009), czbLLC.

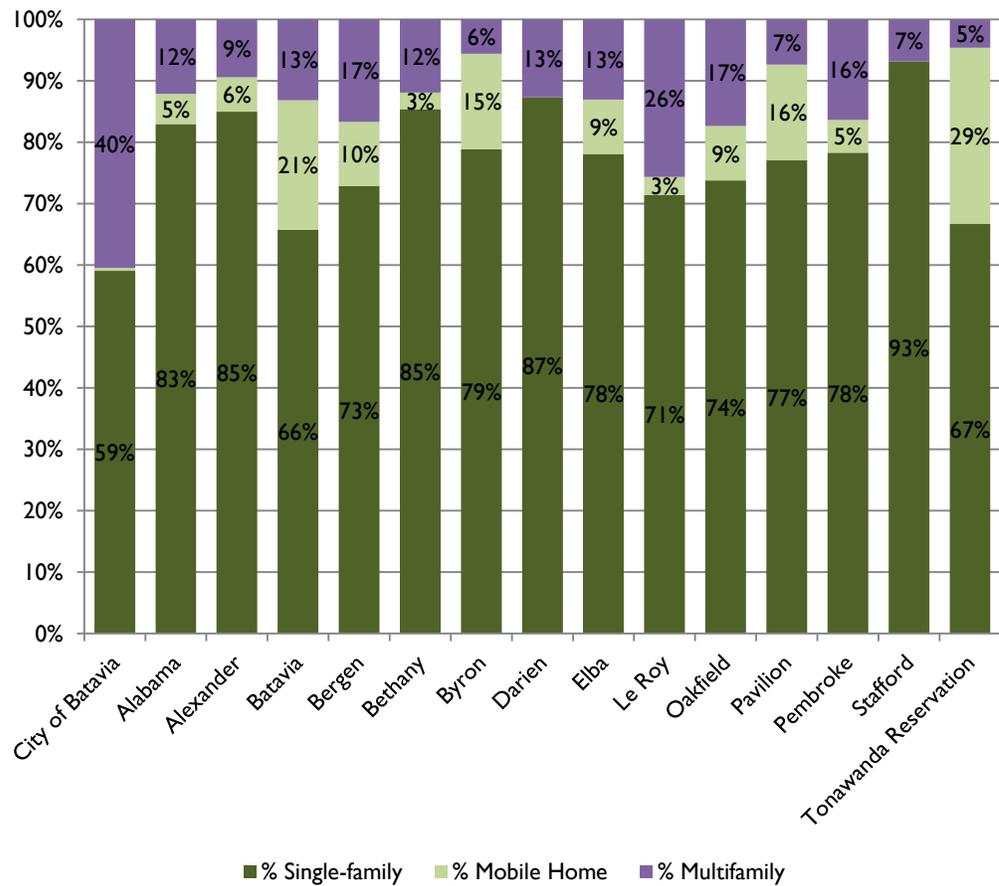
In Batavia, less than 8% of all units were added since 1990 and only 2% (or 133 units) were built since 2000.

Year Built	#	%
Built in 1990 to 1999	385	5.7%
Built in 2000 or Later	133	2.0%
Built Since 1990	518	7.6%

Sources: 2005-2009 American Community Survey, czbLLC.

In addition, Batavia's housing stock is far more diverse than other municipalities in Genesee County. Two-fifths (40%) of Batavia's units are in multifamily structures. Throughout the rest of Genesee County, the percent of multifamily units is closer to 10%.

Units per Structure for County Subdivisions in Genesee County, 2009



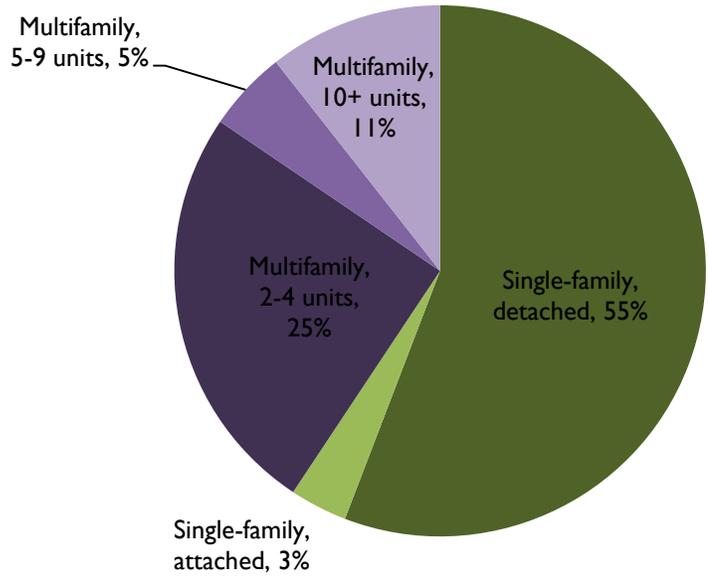
Sources: 2005-2009 American Community Survey, czbLLC.

Nearly two-thirds (62%) of Batavia’s multifamily units are in structures with just 2 to 4 units, suggesting that several of these were originally built for single-family occupancy and have since been converted into multiple apartments. Just one-fourth (26%) of Batavia’s multifamily units are in structures with at least 10 units.

Units in Structure	#	%
<i>Single-family, Detached Units</i>	3,762	55%
<i>Single-family, Attached Units</i>	236	3%
All Single-family Units	3,998	59%
<i>Multifamily Units, in structures with 2-4 units</i>	1,696	25%
<i>Multifamily Units, in structures with 5-9 units</i>	331	5%
<i>Multifamily Units, in structures with 10+ units</i>	714	11%
All Multifamily Units	2,741	40%
Mobile Homes	31	0%

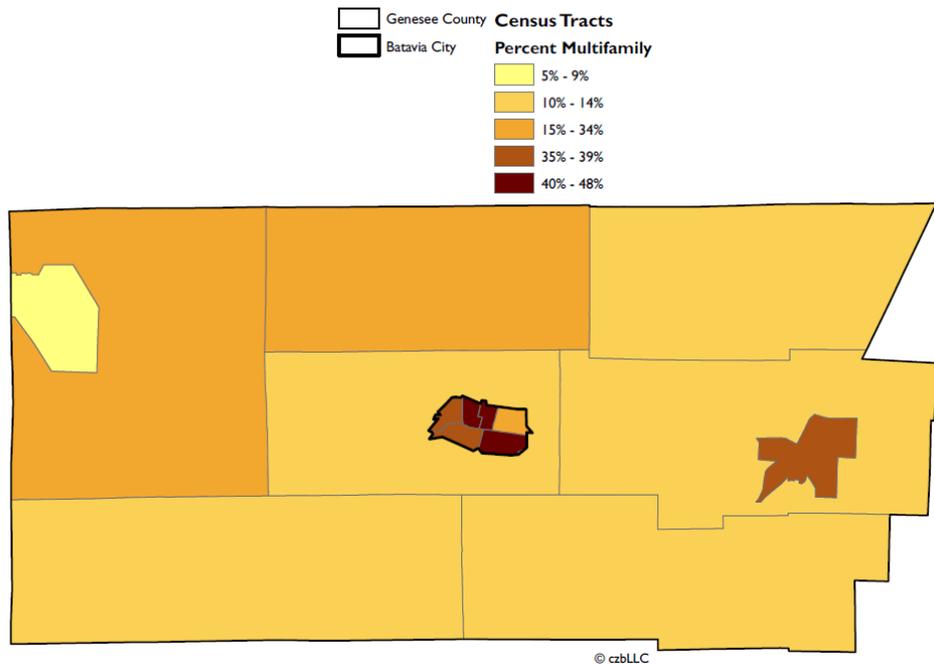
Sources: 2005-2009 American Community Survey, czbLLC.

Batavia Housing Units by Units in Structure, 2009



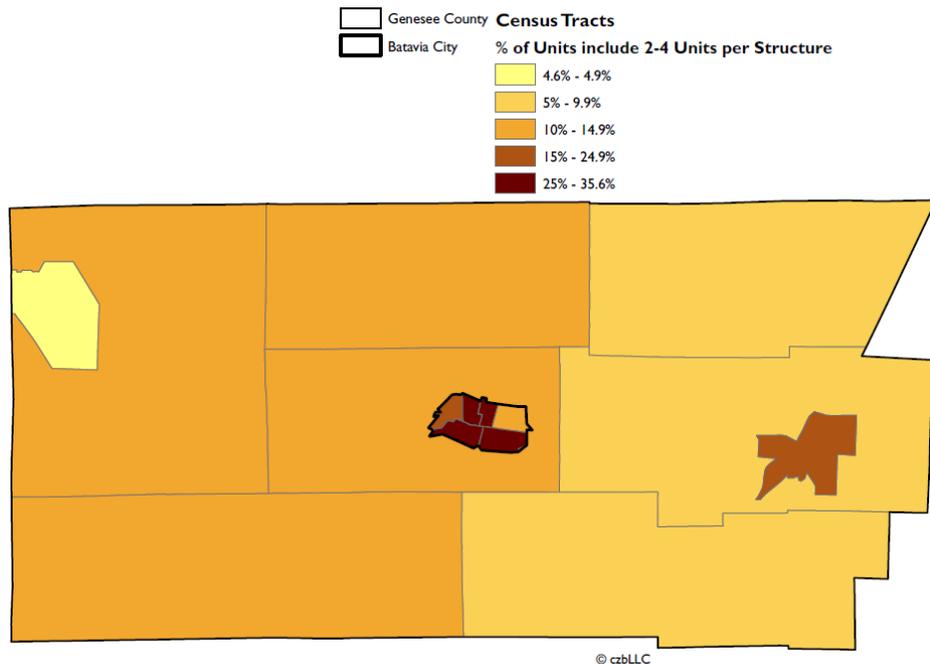
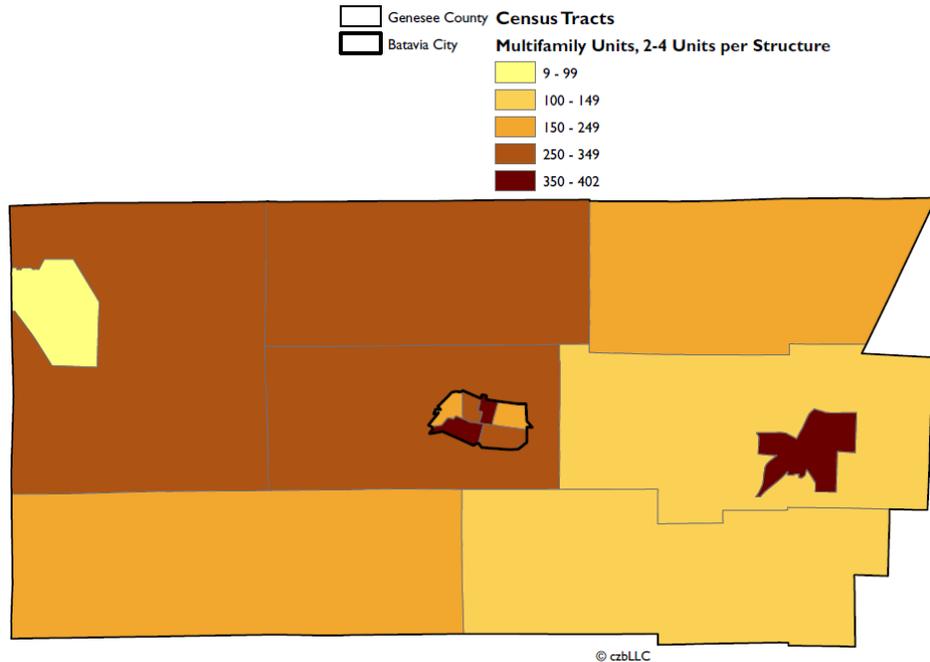
Sources: 2005-2009 American Community Survey, czbLLC.

Most of the county’s multifamily housing is concentrated in Batavia; in north-central and southeastern Batavia, nearly half of all units are in multifamily properties.



Sources: American Community Survey (2005-2009), czbLLC.

The bulk of these units are smaller multifamily properties (with just two, three, or four units per structure). In most city Census tracts, at least one-in-four units is part of a 2- to 4-unit building.



Sources: American Community Survey (2005-2009), czbLLC.

The City of Batavia’s vacancy rate has hovered between 6% and 7% since 2000; the city’s abandonment rate (the portion of units classified as “Vacant, other” by the Bureau of the Census) dropped between 2000 and 2009, from 1.1% of all units to just 0.7% of all units.

Vacant Units	2000	2009	Change	% Change
All Vacant Units	467	443	-24	-5.1%
Vacancy Rate	6.7%	6.5%	-0.2%	-3.2%
Vacant, Seasonal/Recreational Units	51	55	4	7.8%
% Vacant, Seasonal/Recreational	0.7%	0.8%	0.1%	10.1%
Vacant, Other (Abandoned)	78	48	-30	-38.5%
Abandonment Rate	1.1%	0.7%	-0.4%	-37.2%

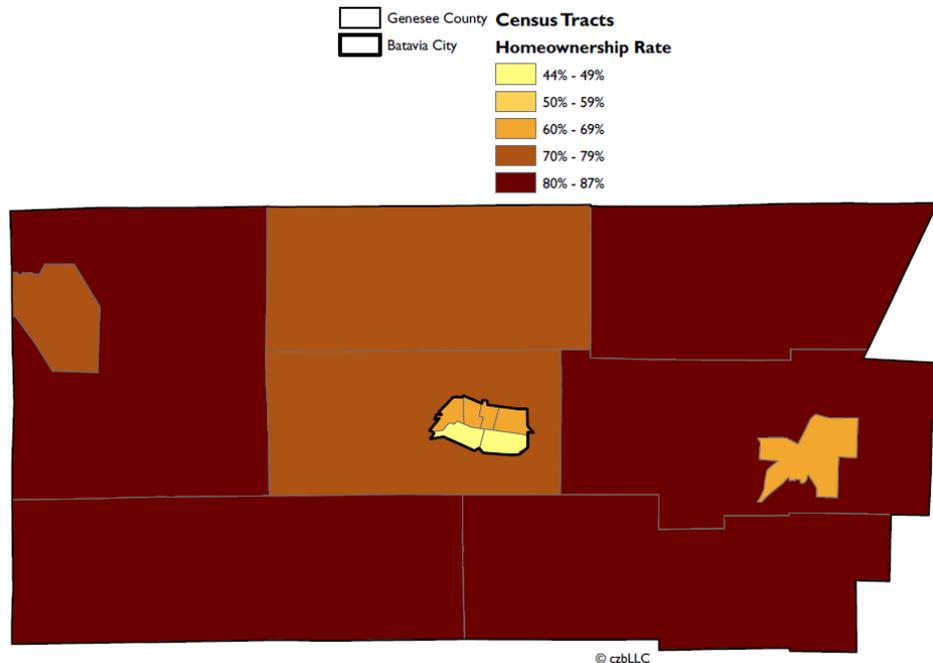
Sources: 2000 U.S. Census, 2005-2009 American Community Survey, czbLLC.

The homeownership rate in Batavia also remained fairly constant between 2000 and 2009, increasing just 0.8 percentage points (from 55.4% in 2000 to 56.2% in 2009). The homeownership rate in single-family units, however, declined slightly: from 89.2% to 87.1% in detached single-family units and from 87.1% to 84.1% in all single-family units.

Homeownership Rate	2000	2009	Change	% Change
Homeownership Rate	55.4%	56.2%	0.8%	1.4%
Homeownership Rate in Single-family Detached Units	89.2%	87.1%	-2.1%	-2.4%
Homeownership Rate in Single-family Units	87.1%	84.1%	-3.0%	-3.4%

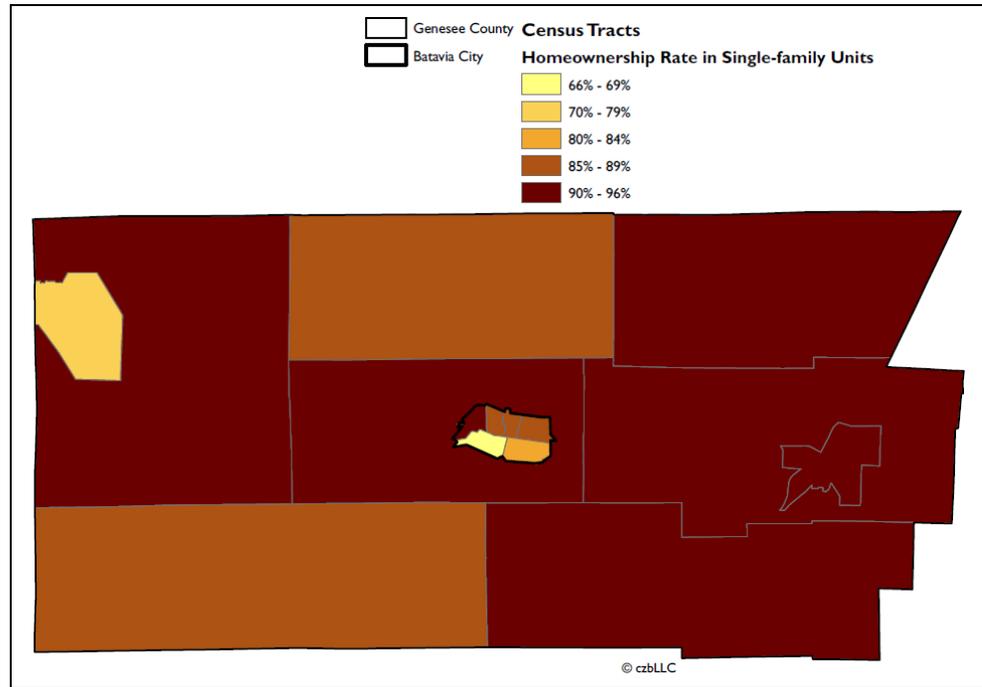
Sources: 2000 U.S. Census, 2005-2009 American Community Survey, czbLLC.

The kicker is that homeownership rates are lowest (less than 50%) in southern Batavia city. This creates a significant opportunity for policy initiative focus.



Sources: American Community Survey (2005-2009), czbLLC.

In southern Batavia, the homeownership rate is below 80% even in single-family units. This suggests significant capacity to increase demand for homeowner housing.



Sources: American Community Survey (2005-2009), czbLLC.

Not surprisingly, homeownership rates were substantially lower in multifamily units. Occupancy rates, however, were lowest in attached single-family units: just 77% of these units were occupied in 2009. The next-lowest occupancy rates (88%) were in smaller multifamily structures (those with 2, 3, or 4 units).

Units in Structure	#	%	Homeownership Rate	Occupancy Rate
Single-family, Detached Units	3,762	55%	87%	97%
Single-family, Attached Units	236	3%	25%	77%
All Single-family Units	3,998	59%	84%	95%
Multifamily Units, in structures with 2-4 units	1,696	25%	22%	88%
Multifamily Units, in structures with 5-9 units	331	5%	0%	91%
Multifamily Units, in structures with 10+ units	714	11%	0%	96%
All Multifamily Units	2,741	40%	13%	90%
Mobile Homes	31	0%	100%	100%

Sources: 2005-2009 American Community Survey, czbLLC.

Both the City of Batavia’s median gross rent and median value increased between 2000 and 2009, by 29% and 16%, respectively. Still, in 2009, Batavia’s median value was equivalent to just three-fourths (roughly 78%) of the typical median value in the region. In addition, the region’s county

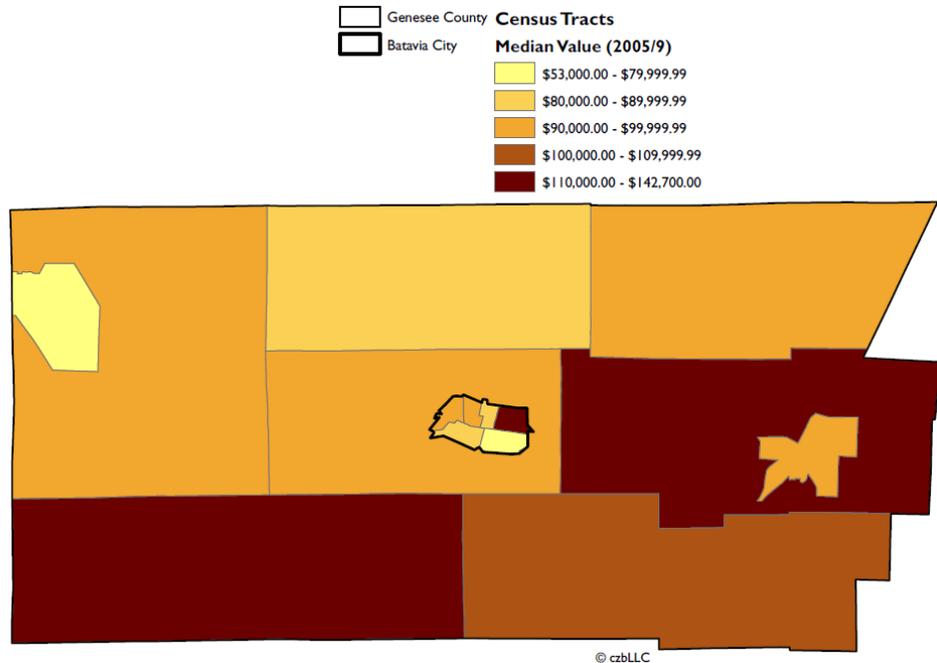
subdivisions, on average, saw median values increase more than \$25,000 between 2000 and 2009 – or by more than double the amount that Batavia’s median did.

Price of Housing	2000	2009	Change	% Change
Median Gross Rent	\$519	\$671	\$152	29.3%
Median Value	\$77,400	\$89,500	\$12,100	15.6%

Sources: 2000 U.S. Census, 2005-2009 American Community Survey, czbLLC.

In contrast to median values and average sale prices, Batavia’s median gross rent - \$671 in 2009 – was approximately the same as the region’s typical median gross rent. The city’s increase in rent levels (of \$152 between 2000 and 2009, a more than 29% increase) exceeded the region’s typical increase (of roughly \$130).

Owner-occupied properties in northeastern Batavia city have among the county’s highest median values; this census tract’s median exceeds that for Batavia town.



Sources: American Community Survey (2005-2009), czbLLC.

czbLLC reviewed recent real estate sale activity to specify this Census and American Community Survey data on property values. Information on sales came from two sources: Genesee County’s parcel file and the Multiple Listing Service (MLS). The parcel file includes data on a property’s last sale (in some cases a significant transaction and in others an insignificant one, such as a \$1 transfer between spouses or another non-arms-length party) for residential

and non-residential parcels, in the City of Batavia as well as in Batavia town. The MLS data is limited to residential sales.

According to the parcel file, there were 1,286 single-family homes sold in the City of Batavia since 2000. These properties averaged approximately 1,500 square feet (about one hundred less than in Batavia town), were built, on average, in 1924 (compared to 1951 for the town), and sold, on average, for nearly \$82,500 (about \$16,500 less than the typical sale price in Batavia town).

Municipality	Property Type	#	Sq. Ft. of Living Area	Year Built	Sale Price	Sale Price per Sq. Ft.
Batavia	Residential - Single-family	475	1,615	1951	\$98,931	\$63.89
City of Batavia	Residential - Single-family	1,286	1,509	1924	\$82,483	\$55.31

Sources: Genesee County, czbLLC.

In addition to these single-family homes, 250 two-family properties and 26 three-family properties also sold in the City of Batavia since 2000 (according to the parcel file). These multifamily properties were typically older than the single-family homes that sold and also, importantly, sold for *less* – in all and on a square foot basis. (Two-family buildings sold, on average, for just \$34.50 per square foot, and three-family buildings for only \$31.36 per square foot, equivalent to 62% and 57%, respectively, of the per-square-foot sale price of single-family homes.)

Municipality	Property Type	#	Sq. Ft. of Living Area	Year Built	Sale Price	Sale Price per Sq. Ft.
City of Batavia	Residential - Single-family	1,286	1,509	1924	\$82,483	\$55.31
City of Batavia	Residential - Two-family	250	1,969	1899	\$65,274	\$34.50
City of Batavia	Residential - Three-family	26	2,576	1893	\$76,568	\$31.36
		1,562				

Sources: Genesee County, czbLLC.

According to the Multiple Listing Service data provided to czbLLC, there were 1,496 sales in Batavia from 2000 through 2010. Nearly half (47%, or 707) of these were three-bedroom homes; another third (36%, or 538) were homes with 4 or more bedrooms, 16% were 2-bedroom homes, and less than 1% had only 1 bedroom.

Over the course of the decade, the average sale price of a 2-bedroom home rose from nearly \$68,000 to more than \$88,000; a 3-bedroom from \$83,000 to \$97,000; and a larger home (with at least 4 bedrooms) from \$79,000 to more than \$109,000 (in 2006 and 2009), before falling back to \$96,000 in 2010.

Sale Year	2 Bedrooms		3 Bedrooms		4+ Bedrooms	
	# of Sales	Avg. Sale Price	# of Sales	Avg. Sale Price	# of Sales	Avg. Sale Price
2000	30	\$67,993	59	\$82,636	44	\$79,235
2001	24	\$73,346	74	\$85,094	47	\$79,945
2002	25	\$76,518	62	\$82,583	57	\$83,515
2003	27	\$79,794	78	\$81,384	58	\$94,562
2004	21	\$82,210	78	\$88,508	57	\$87,646
2005	17	\$80,098	74	\$83,988	66	\$87,334
2006	27	\$78,837	63	\$100,025	60	\$109,022
2007	23	\$88,963	54	\$95,422	45	\$99,334
2008	9	\$83,144	55	\$92,468	38	\$101,660
2009	18	\$84,878	51	\$96,884	39	\$109,208
2010	22	\$88,241	59	\$97,377	27	\$96,111

Sources: MLS, czbLLC.



Sources: MLS, czbLLC.

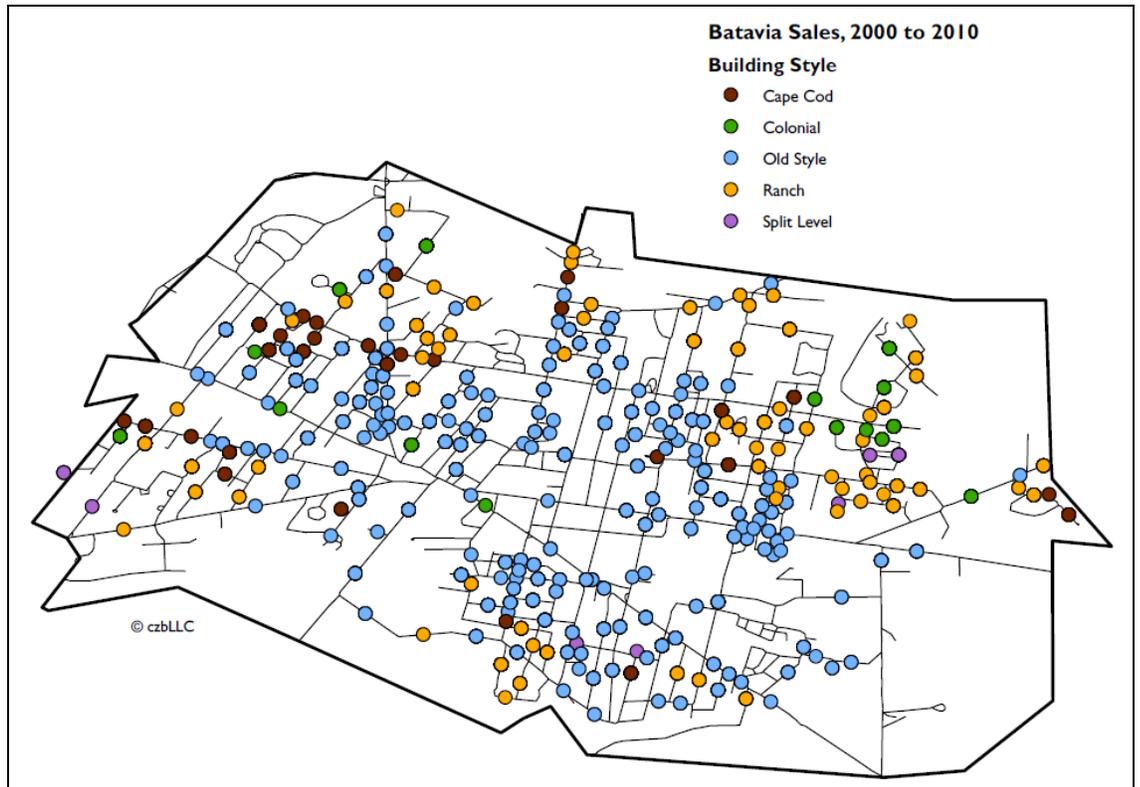
Most (1,000) were classified as “Old Style” by the MLS, or units that were built, on average, in 1901. These units had an average sale price of nearly \$76,000 between 2000 and 2010. In contrast, the city’s Ranch homes and Cape Cod homes (built, on average, in 1960 and 1948, respectively) sold for just over

\$100,000. The city's Colonial, Split Level, and Raised Ranch homes sold, on average, for more than \$125,000.

Building Style	# of Sales	Average Sale Price	Average Year Built	Average Building SF
Old Style	1,000	\$75,904	1901	1,661
Ranch	221	\$101,221	1960	1,275
Cape Cod	113	\$102,213	1948	1,468
Colonial	75	\$163,749	1962	2,284
Split Level	36	\$134,951	1965	2,009
Raised Ranch	22	\$125,327	1972	1,947

Sources: MLS, czbLLC.

“Old Style” homes sold were located closer to the core of the city; other building styles were primarily found on the periphery.



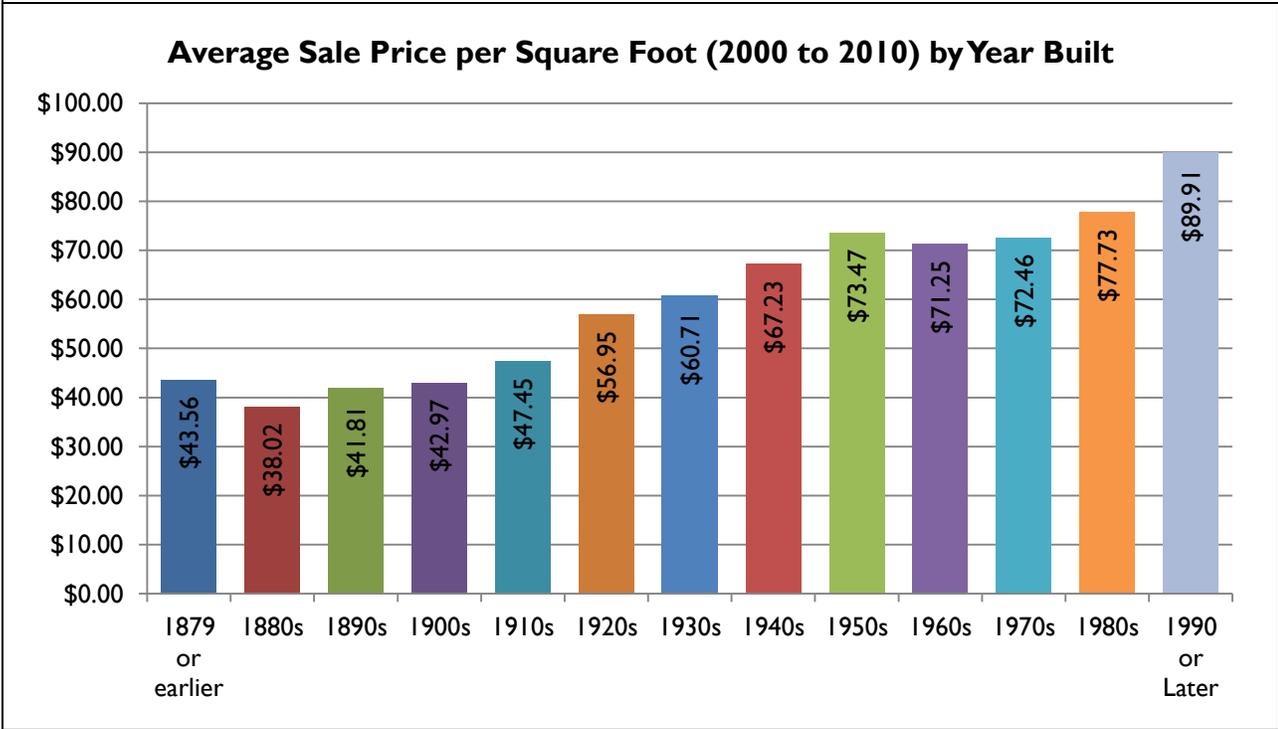
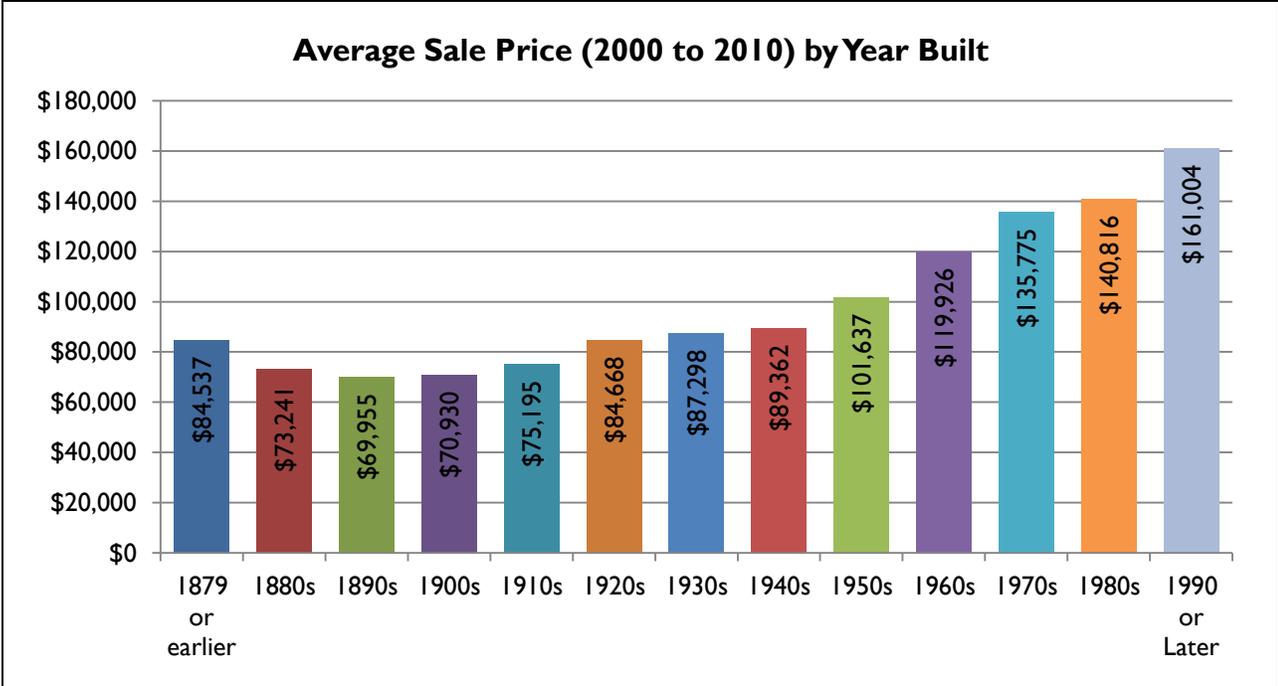
Sources: MLS, czbLLC.

For the most part, newer homes averaged higher sale prices. This was the case even though units built in the 1940s and 1950s were among the city's smallest (in terms of square footage and number of bedrooms).

Year Built	# of Sales	Average Sale Price	Average Building SF	Average # of Bedrooms
1879 or earlier	108	\$84,537	1,941	3.6
1880s	102	\$73,241	1,927	3.7
1890s	102	\$69,955	1,673	3.5
1900s	312	\$70,930	1,651	3.6
1910s	142	\$75,195	1,585	3.5
1920s	194	\$84,668	1,487	3.1
1930s	79	\$87,298	1,438	3.0
1940s	69	\$89,362	1,329	2.8
1950s	164	\$101,637	1,383	2.8
1960s	92	\$119,926	1,683	3.1
1970s	57	\$135,775	1,874	3.4
1980s	30	\$140,816	1,812	3.1
1990 or Later	45	\$161,004	1,791	2.9

Sources: MLS, czbLLC.

The average sale price of a new home (built in 1990 or later) was more than double that of a home built before the Great Depression. On a square foot basis, properties built in the 1940s and 1950s were selling for nearly twice the amount as the oldest homes: the average sale price per square foot of a 1950s home was \$73.50, more than one-and-a-half times the average price of homes built in the 1910s or earlier.



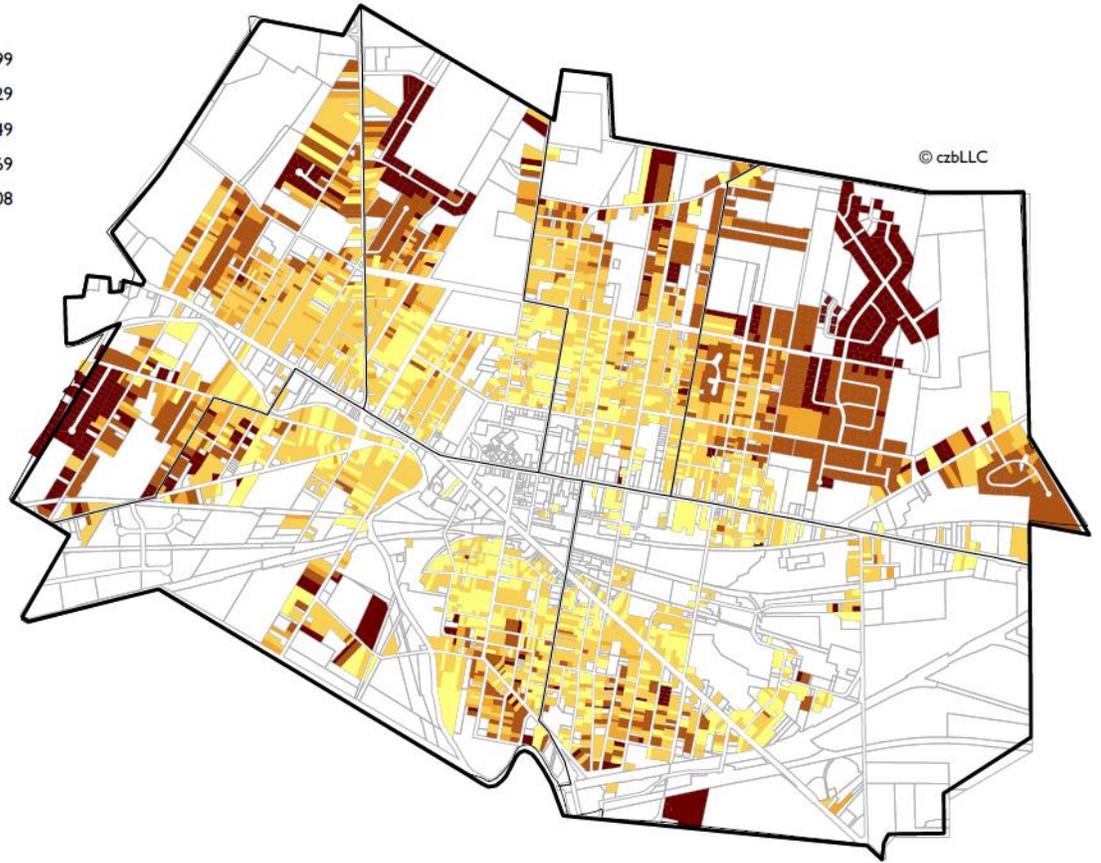
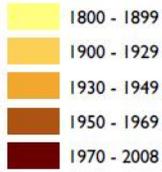
Sources: MLS, czbLLC.

This devaluation of older homes has serious consequences for the City of Batavia, particularly its center-city neighborhoods. In these areas, most properties (if not all) were built prior to 1929.

□ Batavia Census Tracts (2010)

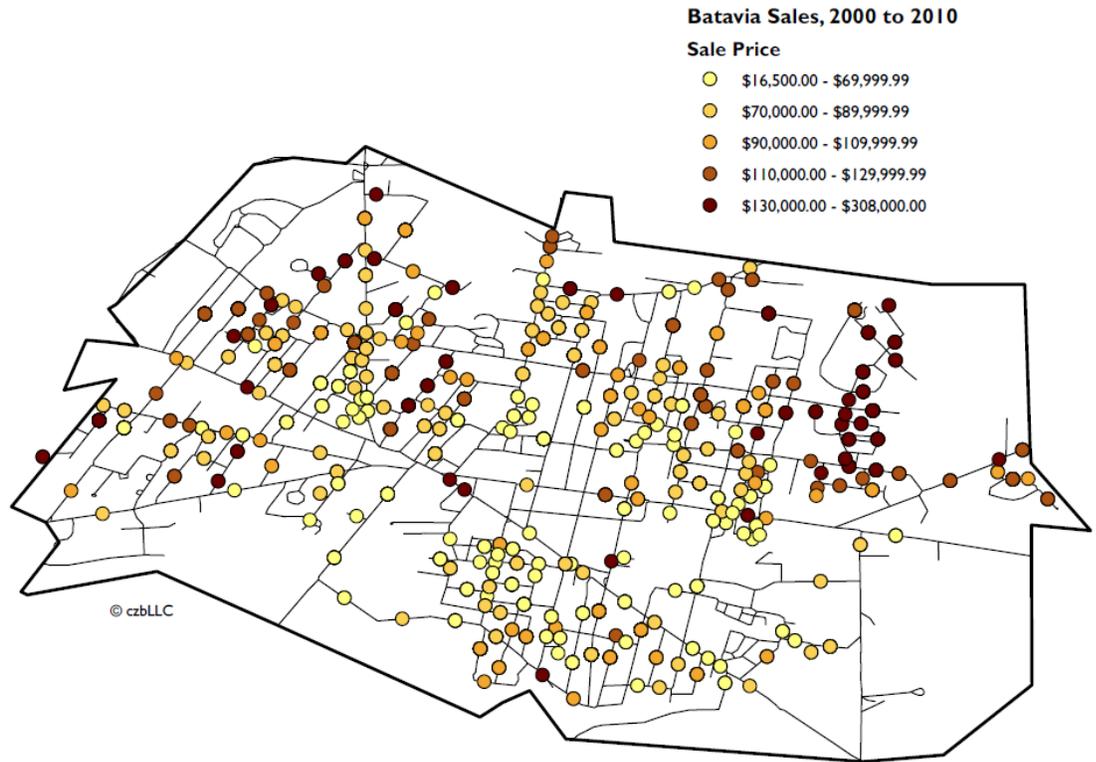
Batavia Residential Parcels

Year Built



Sources: Genesee County, czbLLC.

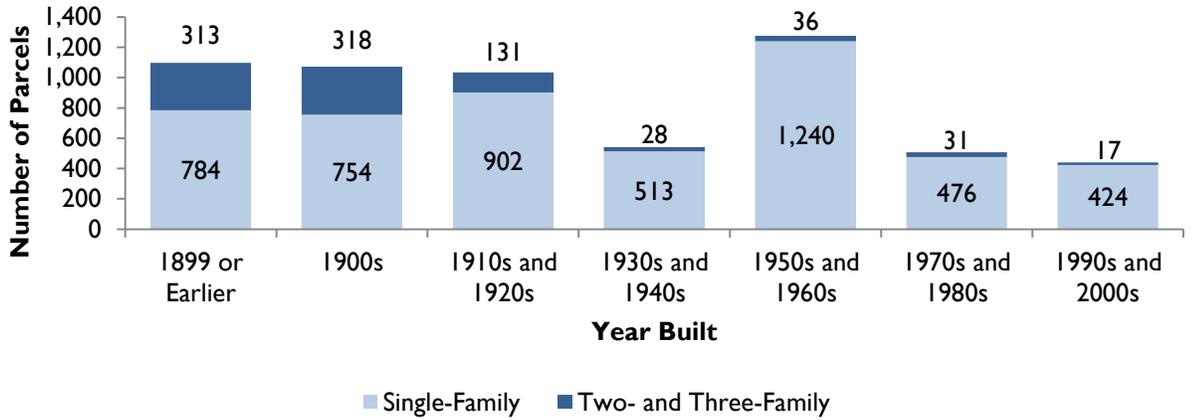
Not surprisingly, the city's highest-priced sales (those over \$130,000) were clustered in Batavia's northeast corner and, to a lesser extent, on the city's far west side – where newer units are located.



Sources: MLS, czbLLC.

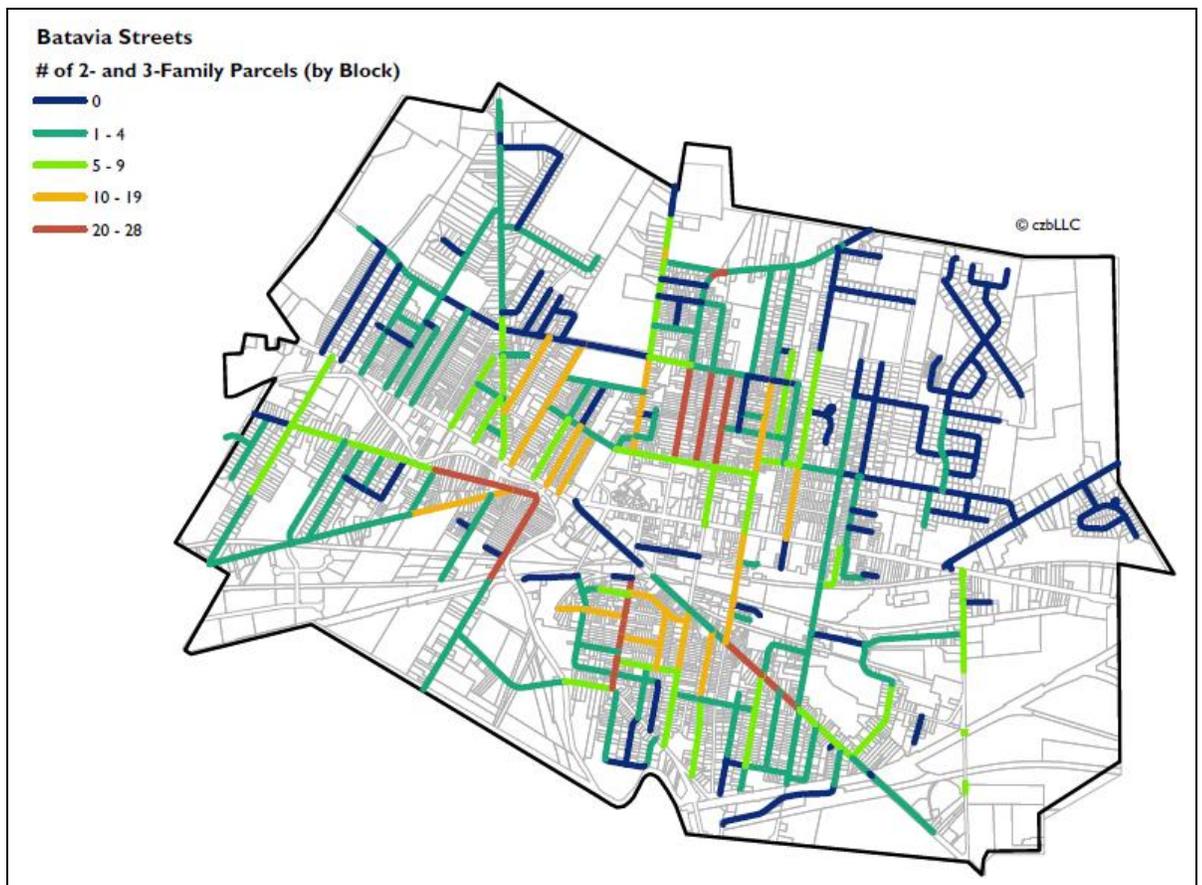
One result of lower values (a function of lower demand) is that many older homes in central Batavia have been converted into small apartment buildings – with two or three units in what used to be a single-family home. In fact, nearly all two- and three-family properties (87%) were built before 1930.

Number of Residential Parcels in Batavia by Property Type and Year Built



Sources: Genesee County, czbLLC.

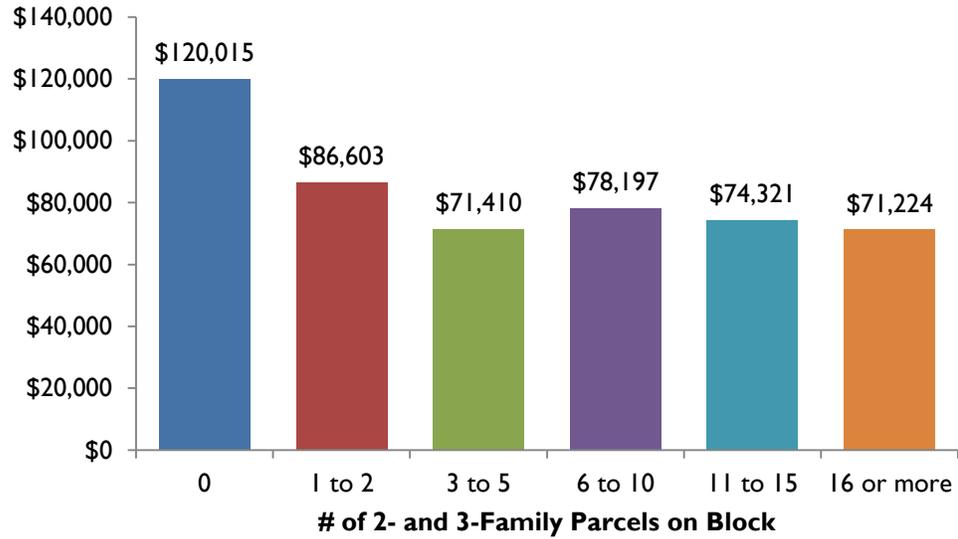
These smaller multifamily properties are largely concentrated in the center.



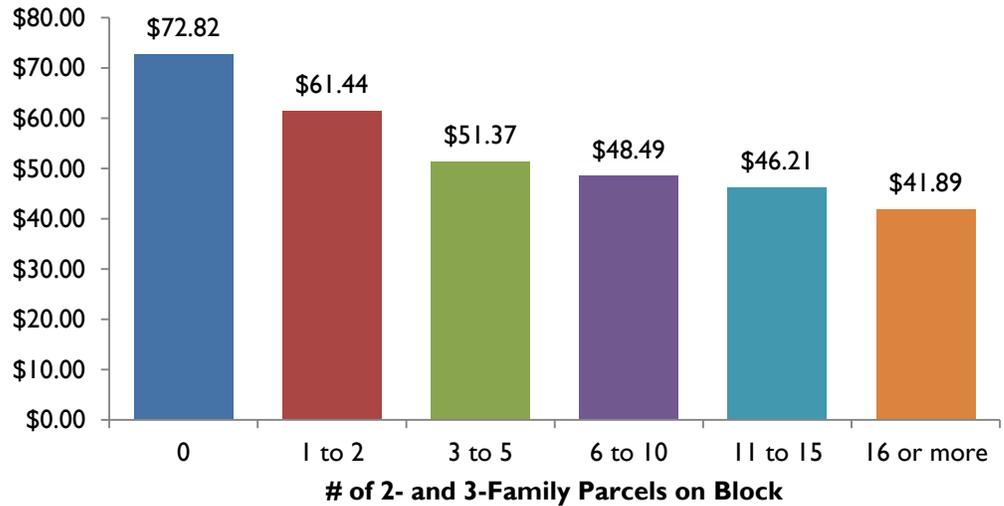
Sources: Genesee County, czbLLC.

Property surveys and informational interviews with residents, landlords, and Realtors, suggested that these smaller multifamily properties provide marginal rental options for tenants, ones far inferior to units in better managed, larger complexes in other parts of the city. A closer look at the parcel data also suggested that these units bring down the values of surrounding properties. According to county sales data in the parcel file, the average sale price, and average sale price per square foot, both declined as selling properties were on blocks with increasing numbers of smaller multifamily properties.

**Average Sale Price by the # of 2- and 3-Family
Parcels
on the Block**



**Average Sale Price per Square Foot by the # of 2- and 3-Family
Parcels on the Block**



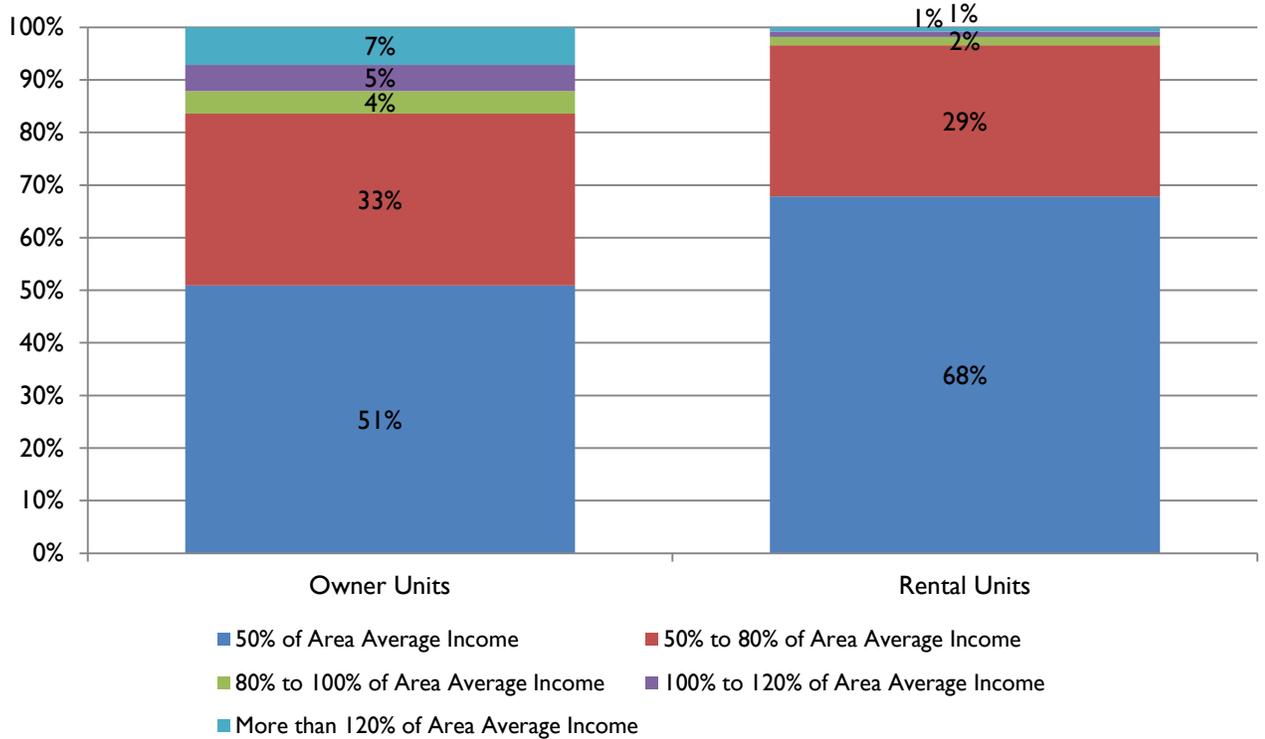
Since smaller multifamily properties are currently selling for less, on average, than single-family homes, the City has an opportunity to establish a grant or loan (or other type of incentive) program to encourage current or new owners to de-convert these buildings back into single-family homes. This could both remove problematic or low-quality rental units from the housing stock and also increase demand for single-family homes, and ownership opportunities, close to downtown Batavia.

Batavia Affordability Analysis

With both owner-occupied units and rentals, though, the vast majority of Batavia's stock is priced at levels affordable to households at or below 80% of the region's average income (or with incomes less than roughly \$50,000). In fact, over half (51%) of owner units are valued below \$90,000 (affordable to households below 50% of the area average income, or with incomes below \$30,000) and another third (33%) of owner units are priced between \$90,000 and \$149,999, affordable to households with incomes between 50% and 79.9% of the area average income.

Similarly, more than two-thirds (68%) of Batavia's rental units are affordable to households below 50% of the area's average income, with rents below \$750, and another 29% are affordable to households between 50% and 79.9% of the area average income, with rents between \$750 and \$1,249. Just 7% of all owner units and 1% of rental units are priced at levels appropriate for households above 120% of the area average income (with values greater than \$225,000 or rents higher than \$1,875).

Batavia Units Affordable to Households at Various Income Levels, 2009



Sources: 2005-2009 American Community Survey, czbLLC.

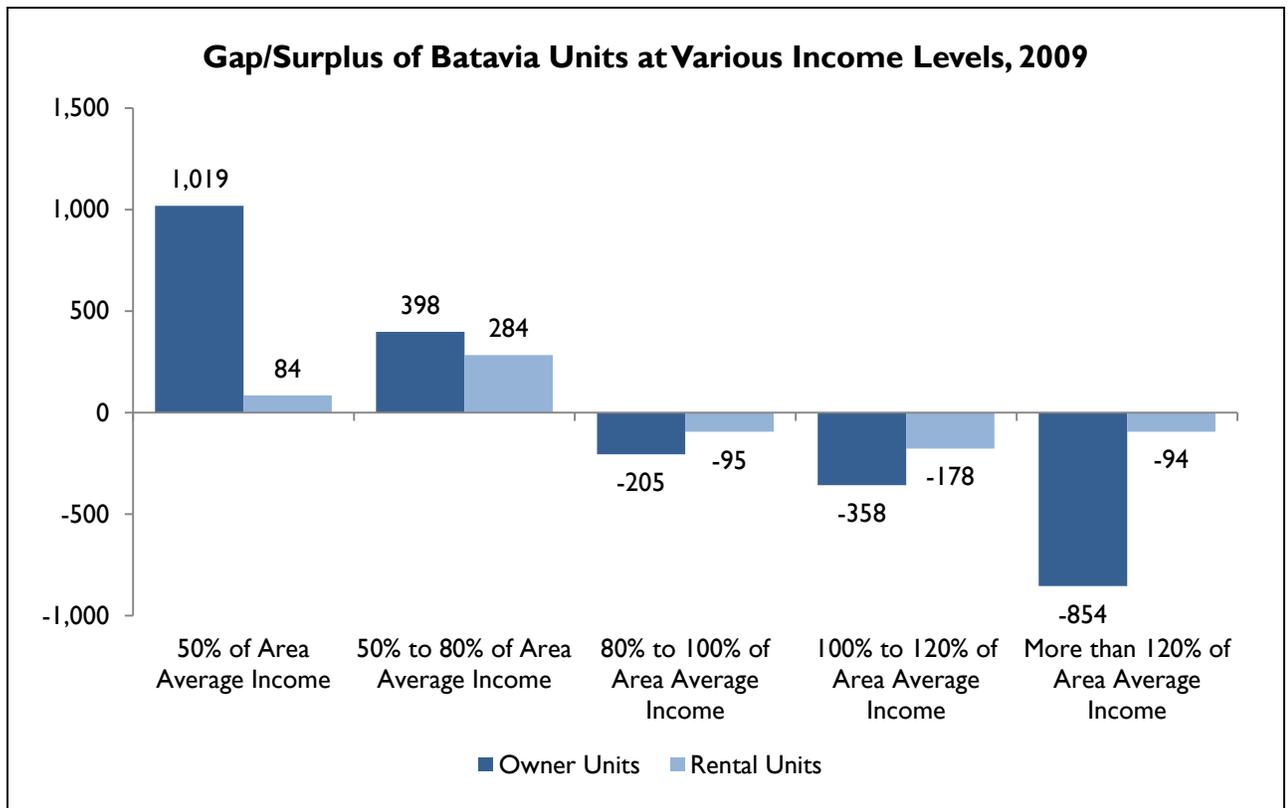
While the City of Batavia may not have higher-priced units, the city is home to households who could afford these units: more than 1,100 owner households had incomes of \$75,000 or more in 2009 (greater than 120% of the area average income), as did 117 renters. Another 535 owners and 207 renters had incomes between \$60,000 and \$74,999 (or 100% to 119.9% of the area average income). As a result, Batavia has a surplus of lower-priced units (both owner and rental) and gaps in higher priced units.

Income Level	Owner Income	Owner Households	Value	Owner Units	Gap/Surplus
Less than 50% Area Average Income	Less than \$30,000	794	Less than \$90,000	1,813	1,019
50% to 80% Area Average Income	\$30,000 to \$49,999	767	\$90,000 to \$149,999	1,165	398
80% to 100% Area Average Income	\$50,000 to \$59,999	357	\$150,000 to \$179,999	152	-205
100% to 120% Area Average Income	\$60,000 to \$74,999	535	\$180,000 to \$224,999	177	-358
More than 120% Area Average Income	\$75,000 or More	1,109	More than \$225,000	255	-854

Sources: 2005-2009 American Community Survey, czbLLC.

Income Level	Renter Income	Renter Households	Gross Rent	Rental Units	Gap/Surplus
Less than 50% Area Average Income	Less than \$30,000	1,801	Less than \$750	1,885	84
50% to 80% Area Average Income	\$30,000 to \$49,999	515	\$750 to \$1,249	799	284
80% to 100% Area Average Income	\$50,000 to \$59,999	138	\$1,250 to \$1,499	43	-95
100% to 120% Area Average Income	\$60,000 to \$74,999	207	\$1,500 to \$1,874	29	-178
More than 120% Area Average Income	\$75,000 or More	117	\$1,875 or More	23	-94

Sources: 2005-2009 American Community Survey, czbLLC.



Sources: 2005-2009 American Community Survey, czbLLC.

Batavia, New York

Downtown economic development: ACTION PLAN

As is the case in communities everywhere, the economic fortunes of Batavia's main street and its residential neighborhoods are tightly interlinked. Healthy, vibrant main streets attract new residents. So, one of the most important steps in the process of stabilizing and improving a community's residential neighborhoods is to make the community's downtown a more exciting, dynamic, and successful place.

The City of Batavia engaged czb, an urban planning and neighborhood revitalization consulting firm, to create a community improvement plan. As part of the process of creating this plan, czb engaged our firm – the Community Land Use and Economics Group – to focus specifically on downtown Batavia and to outline an action plan that evaluates the revitalization work completed over the past decade and recommends additional actions to attract more businesses to downtown Batavia, reduce the district's vacancy rate, stimulate building rehabilitation projects, and improve the district's overall economic performance. Our work focuses primarily on downtown Batavia but, by necessity, involves the commercial health of the overall community and, to an extent, the region.

We found that many essential components are in place in downtown Batavia: a strong commitment from local government; a diversity of economic uses; several retail businesses that attract sales and visitors from throughout the region; a steady stream of cars passing through the district every day; a network of partner organizations with significant expertise in business development. The downtown BID has been very effective in improving and maintaining the attractiveness of the district's public spaces and has created several effective marketing events.

But the district continues to have a relatively high vacancy rate, little upper-floor housing, and somewhat sub-par retail sales levels. We found two key problems.

First, the mall's failure as a retail space has, in effect, erased a key block from the district's retail supply and is working against the overarching goal of making downtown Batavia a vibrant, mixed-use district with a strong core of retail shops and restaurants.

Second, a number of vacant storefronts on both sides of the street are owned by property owners who have not yet made needed improvements or made space available for rent – so, while vacant storefront space *exists*, much of it is effectively unavailable to new shops and restaurants.



Third, while downtown business development is a priority, there does not appear to be a clear process in place for cultivating and attracting new businesses. The Downtown Batavia BID includes business development on its list of responsibilities – but maintaining the district’s public spaces, marketing the district, and responding to public inquiries is a more-than-full-time job, leaving the BID with little time for business development (which is also a more-than-full-time job). The Harvester Center is an effective business incubator, but relatively few of its businesses later “graduate” to downtown storefronts. And, while there are several entities providing property development assistance within the region, there does not appear to be an entity charged with the responsibility for doing so specifically for the downtown area.



We sense a sort of stalemate underlying all three of these problems – uncertainty about how to un-do the problem of the mall, uncertainty about how to go about developing and attracting new businesses, some frustration over the shift of retail sales from the city to the town to shoppers, some frustration with downtown property owners unwilling or unable to improve and rent their property. We believe the most critical need is to break these stalemates.

Observations and key findings

- 1. The city's population is slowly shrinking.** Batavia lost 791 residents and 157 families between 2000-2010 – but, according to recently released 2010 *Census of Population* data, it also gained 207 households during this decade. This suggests several things with implications for retail development. First, as the city loses population, it also loses resident buying power. With every family the city loses, it loses approximately \$20,000 in annual retail demand. Second, the number of non-family households in the city has increased, in spite of the drop in population and families. This suggests that Batavia has more single-member households and households with non-family members than it had a decade ago – more widows or widowers, more young single adults living alone, and/or more divorcees. As the US Census Bureau releases more data from the 2010 *Census of Population* over the next year, this will come into clearer focus. But, regardless of which type of non-family household is growing, this trend could perhaps represent an opportunity for modest growth in furniture and home furnishings for single-person households.

Batavia's population loss is relatively small – and it is likely that, with a reinvigorated downtown, the city could quickly reverse its population loss and begin attracting new residents.

- 2. Many of the physical characteristics that help commercial districts function properly were erased by Batavia's urban renewal project in the 1960s.** Historically, downtown commercial districts were designed to maximize retail activity and profitability. Large storefront windows invite people inside to browse and buy, blurring the distinction between the sidewalk and store. Contiguous storefronts draw people along the sidewalk, helping businesses benefit from spinoff traffic from other businesses. Recessed entries provide shoppers with shelter from bad weather. Upper-floor uses provide multiple sources of rental income for property owners.

Unfortunately, Batavia's urban renewal project demolished dozens of traditional downtown commercial buildings, wiping out many of the district's retail-supportive physical characteristics and crippling the district's effectiveness as a retail center. Fortunately, some key physical characteristics of this economic directive remain. A core group of historic/older mixed-use commercial buildings on the south side of Main Street are still intact, offering the district its greatest potential for regaining a foothold as a retail and commercial center. For the district to significantly boost its economic performance, it will be imperative that the community physically knit the district back together, re-connecting the

north and south sides of Main Street and re-establishing the design characteristics that maximize retail performance.

3. Many of downtown Batavia's upper floors are vacant or under-used. Upper-floor offices, housing, and small industries could benefit the district by enlarging the number of district customers, by enhancing the district's safety, and by providing additional revenue streams for property owners, making building maintenance and rehabilitation more viable for them.

4. The mall has failed as a retail center. The Genesee County Mall – remodeled several years ago, with City Hall now a prominent component, and with a somewhat more street-friendly Main Street façade – has failed as a retail space. Its ownership interests are complicated, and tension between partners (particularly between the City and the mall's individual property owners) is complicating the facility's management and making it difficult to look beyond immediate problems towards long-range resolution. The mall's failure to work well as a retail space is a significant obstacle to the district's overall economic health – but it also works against the interests of the mall's individual property owners, who could almost certainly be generating more income from their property if it were configured and used differently. Going forward, it will be crucial that the community – property owners, business owners, the City, the BID, and everyone else with an interest in downtown Batavia's future – look objectively at the community's need for a healthy downtown and work collaboratively to gradually reverse the mistake made in the 1970s.

5. Batavia and environs are approaching an over-built retail scenario. In addition to the hundreds of thousands of square feet of retail space on Veterans Memorial Drive, there are many concentrations of substantial retail space within a 45-mile radius, including some of the largest regional malls in the nation; "power centers" like those in Cheektowaga; and scores of grocery-anchored neighborhood shopping centers. The town, city and county currently have relatively modest retail sales surpluses, but, without active intervention, these will diminish as the amount of retail space within the region continues to grow.

Given the growth of new retail shopping areas on the periphery of the city and in the absence of significant new population growth, it will be increasingly important for downtown Batavia to:

- attract customers from a larger geographic region
- create more housing downtown (in turn, supporting increased downtown retail activity)
- aggressively market to the district's two major captive market groups: downtown workers and people driving through the district on Main Street

- 6. There are several retail categories in which Batavia and Genesee County are attracting sales.** Both the city and county are experiencing retail sales surpluses in several store categories: building materials and garden equipment stores; food and beverage stores; health and personal care stores; gas stations. This means that the city and county are attracting people from outside their jurisdictions for these products and services – and this could present opportunities to encourage the people shopping for these products and services to shop for other, additional products and services in Batavia.
- 7. Downtown Batavia lacks market-based strategies to focus and guide its economic development.** During our July 2011 meetings and interviews, we asked representatives of more than a dozen groups, organizations, and agencies to describe the market-based strategies guiding downtown Batavia’s economic development activity – and no one could name a strategy, either for downtown Batavia or for the community as a whole. Many people could name individual projects for which there seems to be demand or desire, such as a small downtown hotel, or a downtown grocery store, but these individual projects do not appear to be part of a comprehensive market-based strategy.
- 8. Many of the economic development activities typically undertaken by local government entities are instead being carried out by private-sector entities in Batavia.** One of the people with whom we spoke described Batavia as a community that has “largely privatized its economic development activities,” and many people cited examples of private-sector economic development activity: business development training at the BEST Center at Genesee Community College, business incubation at the Batavia Industrial Center, and revolving loan funds administered by the Chamber of Commerce, for example. Sharing responsibility for economic development between public- and private-sector partners can provide valuable stability for community economic development agendas – but it is important that shared economic development agendas be built around market-based strategies, with coordinated implementation.
- 9. Batavia has a history of finding creative community development solutions.** For example, when Main Street needed physical improvements, the state “gave” the road to the city, with money to make improvements according to the community’s timetable. The city then gave the road back to the state once the improvements were complete.

10. The community has created, and offers, a variety of economic development tools and resources. Its tools include:

- Three revolving loan programs
- A façade improvement program, providing matching grants (in the form of expense reimbursements) up to \$15,000 to downtown property owners for exterior building improvements
- The BEST Center (Business and Employee Skills Training) at Genessee Community College, offering hundreds of training programs to improve and expand the region’s workforce
- A microenterprise program, funded by the state
- State tax credits, via the Empire Zone program, to encourage job creation and capital investment

11. Tools for historic preservation appear to be underused. No one with whom we spoke – including members of the city’s historic preservation commission – was aware of any recent building rehabilitation projects in Batavia that took advantage of federal or state historic rehabilitation tax credits for rehabilitating historic buildings. It appears that the prevailing public perceptions of historic preservation in Batavia are of preservation being a regulatory process rather than of preservation being a valuable redevelopment tool.



12. Batavia has a proud history of voluntarism. The community’s history of voluntarism emerged as a common theme in many of our discussions.

13. Batavia is home to thousands of commuters, but relatively few businesses appear to cater to the community’s commuter market. Property cost advantages, rather than the presence of a vibrant commercial core, appear to be driving the community’s residential market demand.

14. The people commuting through downtown Batavia represent a significant potential market for downtown businesses. With 19,000 vehicles traveling through downtown Batavia on a daily basis, representing – conservatively - \$82 million in retail buying power, downtown Batavia has an enviably lucrative potential customer segment at its fingertips.

Recommendations

1. Focus tightly on two major market-based strategies. A market-based strategy is one that, over time (typically five years or less, with concerted effort), brings about a major transformation in market performance in a downtown district. To succeed, a market-based strategy must focus tightly on a particular customer segment, must change public attitudes about one or more negative perceptions of the district, and must encompass coordinated, inter-supporting activities in four broad areas of work:

- Design: Building rehabilitation, new construction, graphics, window displays, parking, circulation, and all other aspects of the district’s physical appearance and graphic identity
- Organizational partnerships: Engaging a broad coalition of public- and private-sector partners in a shared agenda for the district’s economic growth
- Marketing and promotion: Events, activities, and marketing messages that build visibility for the district, engage the public, and change attitudes
- Economic development: Guiding and stimulating business and property development in the district, maintaining a constant focus on the market-based strategies

These four areas of work correspond with the four “points” of the Main Street Center, which the Downtown Batavia Business Improvement District has adopted.

Based on our analysis, we believe there are two potential market-based strategies that could be economically viable and appealing to Batavia-area residents:



1. Shaping downtown Batavia into a local and regional entertainment center, with a cluster of successful restaurants, a vibrant calendar of public events, several film exhibition and performing arts venues, engaging storefront window displays, a small boutique hotel, and several galleries featuring regional and national artists



2. Creating a strong cluster of unique apparel and home furnishings businesses that serve a regional market, and through aggressive internet marketing, a global clientele

We recommend that these two be implemented simultaneously, with implementation woven into all four areas of work outlined above – design, organizational partnerships, marketing and promotion, and economic development.

- **Local and regional entertainment district:** Downtown Batavia has a movie theatre, and it has some popular coffee shops and restaurants – but these are not quite enough to tip the scale towards establishing it as a local and regional entertainment district. It appears that the County (including the City and Town of Batavia) is experiencing a sales leakage of \$12.4 million annually in restaurant sales. This suggests that the county lacks a district with a strong cluster of restaurants – and represents a promising opportunity for downtown Batavia.

Arts and dining are good partners. While estimates of the amount of money people in Batavia and Genessee County spend annually on arts and entertainment activities, we estimate that County residents (including residents of the City and Town) are spending around \$17.8 million *somewhere* on ticketed events annually. Given the relatively small numbers of arts and performance venues in Batavia and the County, we suspect that a significant percentage of this is being spent outside the County.

- Work with a skilled entrepreneur to create a restaurant that blends dining, live entertainment, and art. Scores of restaurants combining arts and dining functions have taken root throughout the US in recent years. For example, a Washington, DC entrepreneur with a professional background in art gallery administration opened a restaurant called Busboys & Poets in 2005ⁱⁱ. The restaurant's entry provides comfortable chairs, sofas, and communal tables where customers can get a cup of coffee while using free wifi. The entry is framed by a small bookstore, leased to and operated by a national nonprofit organization; the bookstore – in addition to being a pleasant place for customers to browse while waiting for a table – provides an additional source of revenue for the restaurant. The restaurant includes a large room that is used almost every night for performances – live music, poetry readings and poetry slams, classic films, videos provided by the community, book readings, and author events (usually featuring authors whose books are sold in the lobby bookstore). When the room isn't being used for a performance or other event, it is used as an extension of the main dining room. The restaurant's walls are an art gallery, exhibiting framed art by regional artists. We believe a similar restaurant might work well in downtown Batavia.

- Consider recruiting or developing a mid- to up-market restaurant that incorporates sports activities. Bowling alley chains like Lucky Strikeⁱⁱⁱ and Splitsville, and restaurants that incorporate miniature golf^{iv}, bocce^v, and other sports activities have become very popular in recent years, particularly with families and for special events like birthdays, anniversaries, and bridal showers.
- Explore the possibility with the Genesee Community College of bringing some of its classes (particularly Creative Arts classes) into downtown Batavia – initially into storefront spaces, where they will be visible to passers-by. Colleges like the Savannah College of Art and Design (in Savannah, Georgia) and Montserrat College (in Beverly, Massachusetts) have had profound impacts on the downtowns in which they operate by bringing students, arts, and energy into these two districts.
- Incorporate arts and entertainment, in the informal sense, into as many downtown businesses as possible. Some examples:
 - A restaurant in a New Jersey seaside town hires aspiring singers as servers. When a customer asks what flavors of ice cream the restaurant offers for dessert (prompted by a leading phrase in the menu), the servers quickly assemble at the table and sing the ice cream menu in four-part harmony, to the tune of Handel’s “Hallelujah Chorus”.
 - An art gallery in Ellensburg, Washington nails bicycle reflectors in the shape of various objects to its blank exterior side wall, encouraging motorists to flash their headlights on to the wall to see the hidden objects outlined there.
 - A clothing store – Stop the Shop – in a London suburb built its walls around the slowly-revolving platform base of an old carousel on which most of its merchandise is displayed. When a customer wants to enter the store, she/he pushes a button on the storefront to literally stop the shop from revolving.
- Incorporate art, video, and theatre into storefront windows in both vacant and occupied downtown buildings.
- Explore the possibility of creating a special incentive program to help skilled food service entrepreneurs open new restaurants in downtown Batavia. Winston-Salem, North

Carolina created a very effective restaurant incentive program several years ago, and its program – called Restaurant Row – might serve as a good model for a similar program in downtown Batavia. The City of Winston-Salem was interested in attracting eight restaurants to two blocks of its downtown that were experiencing high vacancy rates, hoping to jump-start development of a food and entertainment district there. Restaurants are expensive to launch, though – equipment and furnishings are expensive, and it takes months to test a new menu and develop clientele. So, the City partnered with two area banks to offer a financing package to experienced restaurateurs interested in opening a new restaurant there. Restaurateurs could borrow up to 70 percent of the money needed to open a restaurant from one of the participating banks; the City then used \$1.6 million in Community Development Block Grants to make loan payments for the restaurants for their first two years, deferring repayment for the restaurants for two year, giving them time to develop a customer base.

- **Cluster of apparel and home furnishings businesses:** Under normal circumstances, it would be unrealistic for a district of Batavia’s size and with as much retail competition as exists within the region to support a sizable cluster of apparel-related stores. When people shop for apparel, they have a strong preference for shopping in a district or shopping center offering a variety of apparel stores so that they can compare styles, prices, and other characteristics before deciding what to buy. This means that, in order to successfully support a cluster of apparel stores, a community must have enough unmet market demand in this category to support five or ten apparel stores, not just one or two. Batavia is a rare example of a community that, despite overall sales surpluses, appears to have enough unmet market demand to support a cluster of apparel-related businesses (combined, the city and county have a sales leakage of \$5.8 million in apparel and apparel accessories stores^{vi}). Downtown Batavia has the added benefit of a strong category anchor: Charles Men’s Shop.

Similarly, furniture and home furnishings stores work best in clusters – and, similarly, Batavia is relatively rare in having a sizable-enough amount of unmet market demand in this category to potentially support a small cluster of furniture and furnishings businesses (combined, the city and county have a sales leakage of \$4.2 million in furniture and home furnishings, plus \$7.9 million in electronics^{vii}). And, the fact that the community appears to have a retail sales surplus in the category of building materials and garden stores suggests that the community is already attracting shoppers from outside the city and

town who might be potential furniture and home furnishings shoppers.

In both instances – apparel and furniture/home furnishings – it will be important to offer products and services (a) at a range of price points; (b) that are somewhat different and distinct from apparel and home furnishings products and services already available within the city and town^{viii}; and (c) are of high quality, regardless of price point. Both product clusters should be marketed throughout the region – from Rochester to Buffalo. It will be important (a) for businesses in both clusters to sell products and services not only in their physical storefronts but also through websites; (b) for retail store staff to develop ongoing marketing relationships with shoppers – particularly regional shoppers – in order to translate one-time sales into long-term, repeat sales; and (c) for businesses in these clusters to actively cross-merchandise their products with other businesses within the clusters.

Retail businesses generally fall into one of three broad categories:

- Convenience: products and services that people usually buy from the closest, most convenient businesses (like groceries and gasoline)
- Comparison: products for which people like to visit several stores and compare different styles, brands, and prices before making a purchase
- Destination: unique products and services for which people will travel significant distances, will develop strong loyalty, and will often be willing to pay a premium

Both of the clusters we are recommending for downtown Batavia – apparel/accessories and furniture/home furnishings – consist of comparison businesses. For that reason, it will be important that the businesses in each cluster be placed in relatively close proximity to one another, so that shoppers can easily see them.

These two market-based strategies should serve as a litmus test for the revitalization activities undertaken by the network of agencies and organizations involved in the district's development: the Downtown Batavia BID, City agencies, the Chamber of Commerce, the Genesee County Economic Development Center, the Harvester Business Center, the Genesee Community College and its BEST Center, the Historic Preservation Board, the Batavia Development Corporation, property and business owners, and others. All activities undertaken should explicitly support one or both of these two economic development strategies.

Both economic development strategies should be bolstered by strong, innovative marketing activities and events.

2. Adopt an aggressive retail development implementation plan for the district's two major market-based strategies. The implementation plan must include active, ongoing solicitation of new businesses; active pairing of investors and skilled entrepreneurs; clear benchmarks; an active system of tracking the district's retail sales performance on a monthly or quarterly basis; an effective system of working with property owners and realtors to place businesses; adequate capital resources for small business development and expansion; and effective incentives for small business development. A few key program points:

- **Place equal emphasis on strengthening new businesses and developing new ones.** Some of Batavia and Genesee County's sales leakages can almost certainly be absorbed by existing businesses.
- **Add new product lines to existing businesses to round out the variety of goods and services currently available.** Adding new product lines strengthens existing businesses by increasing sales. New product lines could be related to a business's core products (for example, a clothing store might add a line of shoes, uniforms, or hats). Or, new product lines could be completely unrelated to the business's core products – and, if successful, could build a market niche for a spin-off business in the future. For example, Osborn Drugs, in Miami, Oklahoma, sells Precious Moments and Jim Shore collectibles. Camera Land, in downtown Burlington, Iowa, added a line of televisions and audiovisual equipment.
- **Look from within the community before looking outside.** Existing businesses and local entrepreneurs are often the best sources of new businesses. Locally owned businesses have a greater net economic impact on their communities than chain businesses.
- **Stress development of multiple distribution channels.** Small businesses – particularly retail businesses – are more dependent now than ever before on non-traditional sales distribution channels to serve current customers and to find new customers. Online sales, local deliveries, co-merchandising, and wholesaling merchandise to other retailers, for example, are all becoming common, and essential, to small business success. Several downtown businesses – Charles Men's Shop and Roxy's Music Store, in particular – are outstanding examples of locally based retail businesses that have used the internet to develop a national clientele.
- **Try to develop or recruit a small group of related businesses together.** Businesses that offer comparison goods and services usually



perform better when co-located with businesses that offer similar goods and services and that attract similar types of customers. Prospective businesses might therefore be more willing to open in downtown Batavia if they are one of several related businesses opening at roughly the same time and in relatively close proximity to one another.

A few general suggestions for developing and recruiting new businesses:

- National retail chains almost always have very specific requirements for the demographics and traffic volume of the districts in which they locate, as well as specific physical requirements for the spaces they lease, for the other tenants in the district, and for the district's marketing program. Retail brokers are familiar with many retail chains' specifications; specifications for about 10,000 chains are also available in the *Retail Tenant Directory*, produced by Trade Dimension International.
- Like national retail chains, independently owned businesses will be interested in the demographic characteristics and traffic volume of the districts in which they consider locating. But their site selection process is not as formulaic as that of national retail chains and is often driven by needs for space that is larger or smaller, or configured differently, than their current space; for a location that has greater visibility, or a safer environment, or a marketing program that is more appropriate for them; for greater synergy with nearby businesses; or for any one of a number of other factors likely to be unique to each business.
- Very few independently owned businesses are on the radar screens of retail brokerages. Encouraging independently owned businesses to open an additional location, or encouraging entrepreneurs to launch a new business, is almost always a one-off process that involves simultaneously cultivating potential entrepreneurs, keeping a current inventory of available spaces and pending vacancies, and maintaining ongoing communication with property owners, realtors, and others who need to be involved in the process.
- The best candidate for launching a new retail businesses in a downtown dominated by independently owned businesses is often a business already operating successfully in the district or in a nearby community. The business owner is familiar with the district and its customers. Lenders, investors, and realtors are familiar with the business and its track record. And having an additional business within the district provides some economies of scale for the business, making it possible to share storage space, for example, and to shuffle staff between locations when one location is busier than another.

- Focus on recruiting entrepreneurs, in addition to recruiting businesses. Many of the most successful and innovative businesses in older and historic downtowns today are driven by business owners with strong entrepreneurial skills and vision. Given the ability of the internet to augment local sales for downtown retail businesses, it is quite possible – and becoming more common – for community leaders to develop profiles of the sorts of specialized businesses they would like to see in their downtown districts. Successful entrepreneurs can then implement the businesses profiled. In addition to looking exclusively for businesses that already exist (somewhere) and encouraging them to relocate to or open an additional business in downtown Batavia, we therefore recommend looking for talented entrepreneurs (including existing area business owners) who are willing to craft unique businesses that fit the district’s priorities.
- When developing and recruiting new businesses, always stress retail contiguity on the ground floors of commercial nodes. As demand for ground-floor retail and restaurant space gradually increases, encourage offices and non-retail uses to move to side street and upper-floor locations within the district.
- Put together a prospectus describing downtown Batavia’s business development strategy. The prospectus should include information that would help an entrepreneur understand the regional market, the demographics and buying power of regional residents and visitors, and the rent levels of available downtown buildings.
- Working with the BEST Center, the Harvester Center, and other sources, assemble contact information for entrepreneurs who might consider opening a downtown business. Also, put together a list of the owners of successful businesses within the region that already provide products or services similar to those desired for downtown Batavia. Send each of them an initial letter or email message of introduction, then follow up with a phone call to gauge interest. If the contact is interested, schedule an appointment for a meeting. During the meeting, pay particular attention to the prospective business’s needs – e.g., a smaller or larger storefront space, more assembly space, better access to major arterials, proximity to compatible businesses, etc. After the meeting, follow up with detailed information on available space, financing, and other information that would be useful to the prospective business owner. Maintain contact with the prospective owner, sending or emailing new information and updates periodically and calling every month or two. Independently owned businesses often need months, or even years, to adequately plan for and make the logistical arrangements to relocate or open an additional location, and maintaining ongoing contact is crucial for providing encouragement and answering questions.

- Familiarize a broad network of partners (property owners, bankers, realtors, local and regional economic development staff, area chambers of commerce and business associations, schools, civic clubs, foundations, etc.) with downtown Batavia’s retail development strategy, asking them to help identify prospective businesses, business models, and entrepreneurs. Maintain ongoing contact with this group of partners, providing at least quarterly updates on business development progress.

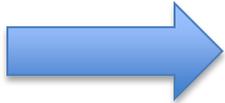
3. Expand downtown Batavia’s marketing and events strategy to reinforce the district’s market-based strategies. These two market-based strategies – (1) creating a dining/entertainment district downtown, and (2) creating a cluster of unique apparel and home furnishings businesses, should become a guide for selecting and planning all marketing activities and events.

Several of the events organized and managed by the Downtown Batavia BID already do an excellent job in positioning downtown Batavia as a dining and entertainment district. The Wine Walk and summer Jackson Square Concerts, for example, effectively reinforce the district’s role as an arts and dining hub, and this year’s “Taste of the Holidays” event, which will replace an older Christmas event, will also help reinforce this role.

We recommend that the BID and its partners expand the district’s marketing calendar further, adding two or three additional signature events that will reinforce one or both of the proposed market-based economic development strategies. In particular, we recommend adding events that will capitalize on the district’s daytime worker population and on cars passing through the district (particularly on Main Street) during the day; events that promote the district’s apparel and home furnishings clusters (both of which will hopefully grow over the next several years); and events that continue to promote the district as an arts and entertainment center.

Downtown Geneva, Illinois has created a popular and effective event to promote its apparel businesses. The annual event, called JULIETs (an acronym for “Just Us Ladies Into Eating Together”), a weekend-long series of open houses, fashion shows, special sales, musical entertainment, and other events for women. Geneva’s downtown development organization recognized that the town’s proximity to Chicago (about 30 miles away) presented an excellent opportunity to attract women from the larger metropolitan region for weekend shopping and special events. JULIETs charges a nominal registration fee of \$35; registration helps the event’s organizers estimate how much food and seating will be needed for events and helps cover the costs of some of the weekend’s activities. All registrants are given a feather boa when they arrive (and which many of them wear all weekend); they also receive a coupon book, offering

specials on a variety of downtown merchandise and services; a ticket for an opening-night reception; and a ticket for a Saturday fashion show. The event now attracts several thousand women from throughout the Chicago area each year.



- 4. Create a dynamic, customer-focused website.** The Downtown Batavia BID's website fulfills an important role in making information available on the organization's activities and achievements, on properties available for lease or sale, and on other aspects of the ongoing revitalization process. But people interested in shopping or dining out are not likely to go to an organization's website to look for information about their shopping and dining options.

We therefore recommend creating a dynamic, consumer-focused website that makes it possible for people interested in shopping or dining in downtown Batavia to quickly find a business, explore shopping and dining options, learn about entertainment and special events in the district, and read about special offers. The website should make it easy for residents and visitors to find retail businesses in downtown Batavia. It should tie together categorical business clusters, promote the district's distinctive retail personality, and generate buzz for the district. It should be searchable by category and experience. Adams Morgan, a neighborhood commercial district in Washington, DC, offers an excellent example of a consumer-focused website, www.adamsmorgannow.com. Each of the district's business has access to a web portal through which it can quickly update information about sales, special events, and new merchandise.



- 5. Make a commitment to funnel new commercial development downtown.** Batavia (city and town) and Genesee County are approaching the point of having too much commercial space – a dangerous line to cross, from community land use and community economic perspectives. It is crucial that downtown become the community's priority location for new retail businesses, personal and professional service businesses, entertainment activities, and other small enterprises, driving this concentration with a combination of zoning tweaks and development incentives.



- 6. Encourage Main Street property owners – particularly those on the south side of the street – to make turnkey storefront space available.** The older and historic commercial buildings on the south side of Main Street offer the most immediate opportunity to place new retail and restaurant development in downtown Batavia. But many of the buildings have ground-floor vacancies, and many need rehabilitation. Getting these buildings back in service should be one of the district's top priorities.



7. **Prioritize commercial buildings owned by property owners ready to move forward.** We recognize that each downtown property owner has unique ownership motivation, financing needs, timelines, and development priorities. We recommend speaking with each property owner again – even though these discussions have most likely taken place before – to gauge each one’s readiness to move forward with building improvements and leasing, then to prioritize incentives and assistance for those who are most ready to begin.

8. **Aggressively encourage conversion of vacant upper-floors to apartments and offices.** New downtown residents and office workers would provide a built-in market for downtown businesses, a new revenue source for downtown property owners, and greater security for the district. Every new household in downtown Batavia brings with it approximately \$19,000 in demand for retail goods and services. So, for example, 100 new downtown households would generate roughly \$1.9 million in demand.

A few suggestions:

- Appoint a short-term task force to review the city's building code, zoning code, and other regulations that affect development. The task force should identify any potential regulatory barriers that might make deter property owners from using their upper floor spaces for commercial or residential purposes. For each potential barrier, it should propose one or more solutions for eliminating or overcoming the barrier.
- Review articles about upper-floor housing in *Main Street News*, which has published half a dozen or so articles on this topic in the past several years^{ix}.
- The Illinois Main Street Program has developed an award-winning program to help property owners use their upper floor spaces, called Upstairs Downtown^x. Although its consulting services are not available to communities outside Illinois, some of its resources are available online, including a slide presentation^{xi} that outlines issues involved in reusing downtown upper floor spaces.
- Develop a package of incentives to encourage upper floor development. Some communities have created incentive programs to help property owners use upper floor spaces. For example, Rock Island, Illinois created a Tax Increment Finance (TIF) district, generating revenue to capitalize a loan pool that makes up to five forgivable loans of \$20,000 per unit each year. The community also adopted the International Existing Building Code, amended its zoning ordinance to streamline the process of developing mixed-use buildings

downtown, and listed its downtown district in the National Register of Historic Places so that property owners could take advantage of the federal historic rehabilitation tax credit.

- Communicate with property owners to encourage them to redevelop their upper floor spaces. We recommend holding several group meetings for downtown property owners and others in the area interested in investing in or developing downtown property, explaining the benefits of developing upper floor space for new uses, possible uses for upper floors, some of the techniques for overcoming obstacles, and the incentives and tools available for upper floor development. Follow up individually with property owners to explore options for each space and to gauge each property owner's interest and should maintain periodic contact for at least the next three years, providing updates on projects underway and completed, on new incentives, and on other relevant news.
- Develop and launch a marketing campaign to market upper floor development opportunities. We recommend that, as upper floor spaces are rehabilitated and put back in service, the Downtown Batavia BID organize and conduct periodic "Upstairs/Downtown" open-house tours to publicize the availability of upper floor office space, apartments, condominiums, etc. We also recommend boosting the visibility of upper floor development with window signs ("Looking up downtown!" or something similar).

There is a specialized federal funding program available for development of affordable housing (particularly upper-floor housing) in communities under 50,000 in population with active Main Street programs. The program, called HOPE VI Main Street (because it receives its funding via the federal HOPE VI program), provides grants of up to \$1 million for eligible projects. It is likely, but not certain, that the program will be reauthorized in FY2012. Assuming it is reauthorized, the application deadline is likely to be in August or September 2012. We recommend devoting some time this coming year to learning about the HOPE VI Main Street program and deciding whether to submit a proposal in for the program's 2012 funding round. We believe that the best chance for securing a grant would likely be for several property owners to plan a rehabilitation project together, sharing the grant. More information about the HOPE VI Main Street program is available on the US Department of Housing and Urban Development's website^{xii}. The website will be updated when HUD releases the 2012 Notice of Funding Availability (NOFA) for the program.

- 9. Create a small downtown inn/hotel and meeting center.** We believe downtown Batavia can support a small downtown hotel or inn with 20-35 rooms, at a slightly higher price point than is currently available within the

region. The hotel's lodging revenues should be augmented by restaurant sales, catering services, and meeting room rentals. There are many examples of successful small downtown inns in communities of Batavia's size, or smaller. For example:

- Tremont on Main, in downtown Marshalltown, Iowa, offers three ground-floor restaurants (a grill serving breakfast and lunch; a "white tablecloth" restaurant serving lunch and dinner; and a sports pub), seven second-floor lodging rooms, and several meeting rooms in three contiguous downtown storefront buildings. The lodging rooms, which are sold out most weeknights, provide the majority of the inn's revenues.
- The Craddock-Terry Hotel, in downtown Lynchburg, Virginia, offers 44 guest rooms, several meeting rooms, a restaurant, and a brewery in a rehabilitated historic shoe factory.
- The upscale Alluvian Hotel and Spa, in downtown Greenwood, Mississippi, has become a regional destination. It offers 45 guest rooms, five suites, conference rooms, a restaurant, a cooking school, and a spa – in a town of 15,000.



10. Work with the Harvester Center to expand retail visibility for the incubator's small artisans and manufacturers. The Harvester Center houses many innovative and creative businesses – but these businesses appear to have little commercial presence in Batavia outside the Center itself. We recommend bringing some of these goods and services into downtown Batavia, either via businesses sharing sales space and/or integrating incubator-produced merchandise into existing downtown businesses.

11. Explore the possibility of creating a local investment fund to help capitalize the development of key businesses. The investment fund would own the businesses, hiring highly skilled management staff for each business. The investment fund could offer managers the option of buying out the group's investment after a period of years (either revolving the repaid investment into new businesses or returning the capital to the investors) or it could maintain ownership of the businesses. Doing so would accelerate the business development process, pair skilled local mentors with business managers, and help ensure development of one or more key businesses that could help catalyze business development in downtown Batavia. The investment group could also purchase key downtown businesses whose owners are retiring, holding them until a new buyer can be found.

There are a number of examples of similar investment funds and investment groups throughout the country – and their popularity as a business development catalyst is growing. A few examples:

- A group of investors in Bonaparte, Iowa (population: 500) formed Township Stores in the late 1980s, selling 50 shares of stock, at \$2,000 each, and using the capital to buy and rehabilitate several downtown buildings and to launch a small grocery store, which the investment group has successfully operated for over 20 years.
- In the early 2000s, a group of 15 investors in Effingham, Illinois created an investment fund to launch several new downtown restaurants^{xiii}.
- More than a dozen small towns in the Mountains/Plains states have created local investment groups to launch and operate small downtown discount department stores, offering viable alternatives to big-box retailers^{xiv}.

12. Promote the use of federal and state historic rehabilitation tax credits.

The federal government offers a federal income tax credit to owners of historic^{xv} commercial buildings who choose to rehabilitate their buildings. The credit is equal to 20 percent of qualified rehabilitation expenses^{xvi}. A rehabilitation project with \$100,000 in qualified rehabilitation expenses would therefore reduce the property owner's federal income tax liability by \$20,000. The credit can be carried backward one year or forward 20 years. This makes the historic rehabilitation tax credit one of the largest and most significant rehabilitation financing resources available to property owners in downtown Batavia.

In order to use the credit, a project must meet several requirements, including these:

- The rehabilitation must be “substantial”, meaning that its total qualified rehabilitation expenses must equal or exceed the adjusted basis of the building or \$5,000, whichever is greater.
- The rehabilitation must comply with the ten design principles contained in the Secretary of the Interior's Standards for Rehabilitation.
- No more than 50 percent of the building can be leased to tax-exempt entities.
- In most cases, rehabilitation must be completed within 24 months.

To claim the tax credit, a property owner files a three-part application with the state historic preservation office. Part 1 certifies that the building is

historic. Part 2 outlines the rehabilitation plan. Part 3, filed at the end of the rehabilitation process, documents the rehabilitation work and certifies that it was completed as outlined in Part 2. When the state historic preservation organization approves the Part 3, it passes it along to the National Park Service – and, once the Park Service concurs, it sends a letter approving the credits to the property owner, who attaches the letter to IRS Form 3468 and files it with his/her federal income tax return.

New York State offers a state-level historic rehabilitation tax credit, augmenting the federal credit. Buildings that have been approved for the 20 percent federal historic rehabilitation tax credit and that are located in an eligible census tract^{xvii} are automatically eligible for the state's tax credit. Like the federal credit, the state's income tax credit is equal to 20 percent of qualified rehabilitation expenses, but with a cap of \$5 million (with the possible exception of a handful of historic industrial buildings, it is very unlikely that the rehabilitation costs for any historic commercial building in Batavia would approach this cap).

There are some limitations on the use of the federal historic rehabilitation tax credit (and thus also on the state credit) by individuals for whom income from the rehabilitated property is passive income (e.g., not related to the individual's primary occupation) and by individuals subject to the Alternative Minimum Tax. But, in many instances, the credit can be converted to rehabilitation project equity by partnering with a tax credit investor (typically a corporation that wants to reduce its federal income tax liability).

Using Loopnet, an online real estate industry database, we searched commercial property records in Batavia and found 150 commercial buildings built before 1936. A large concentration of these 150 buildings is in downtown Batavia. We recommend that those involved in commercial development, real estate sales, historic preservation, and community development learn more about historic rehabilitation tax credits and actively encourage their use to help finance building rehabilitation projects in downtown Batavia.

- 13. Activate storefront windows.** Whether storefront spaces are occupied or vacant, it is essential that their storefront windows are active. Storefront activity is vital to encouraging pedestrian movement. Storefront display windows blur the distinction between the public space of the sidewalk with the semi-private space of the store or business, sending a visual signal to pedestrians that they are welcome inside. When pedestrians encounter a storefront whose display window is vacant or obscured, they subliminally interpret this to mean that they have reached the end of the district's retail core, and they are likely to stop browsing and turn around.



Filling downtown Batavia's storefronts will take some time – but, in the meantime, we believe it is essential to make the district's storefront windows more active and engaging, helping draw pedestrians along the sidewalk and attract attention from people driving along Main Street. Activating storefront windows will also be helpful in positioning downtown Batavia as an entertainment and dining hub.

There are countless ways to activate storefront windows. For example:

- Offer storefront windows to artists. The Boston Main Streets Program's Boston Art Windows^{xviii} and Downtown Evanston, Illinois's Art Under Glass program^{xix} have both been very successful in attracting visitors – and, in at least several instances, attracting new businesses.
- Create displays that blend merchandise from multiple downtown businesses.
- Encourage personal and professional services businesses in ground-floor locations to integrate something active into their display windows. An investment broker might put an electronic ticker in its window, for example, or a physician might display vintage medical equipment.
- Hold special events in storefront windows. For example, Washington, DC neighborhood organized an event called "Power Lunch" several years ago, inviting well-known people to eat lunch in the commercial district's storefront display windows – and attracting hundreds of spectators.
- Launch an annual window display competition, awarding prizes to businesses in different categories for the most creative and engaging window displays.

We recommend beginning in two or three locations with concentrations of retail businesses and focus initial efforts in these places.

14. Redevelop the mall. Making downtown Batavia an economically vibrant commercial center will require (among other things) a concentration of street-facing retail space, on both sides of the street – and this will require (among other things) redeveloping the mall. Previous studies have hinted at this need, recommending ways to soften the mall's street edge and bring the mall's retail businesses towards Main Street, for example. But they have fallen short of recommending that the mall be redeveloped.

In addition to the benefits for the overall district's physical appearance and function, we believe redeveloping the mall would also be quite

advantageous for the mall's property owners by supporting higher rents and generating additional sources of rental revenue.

We recognize that redeveloping the mall sounds like an enormous undertaking, with considerable expense. But the expense ultimately almost certainly pales in comparison to the economic activity and property value the community and the district have lost, and will continue to lose, by failing to do so. The lack of a mixed-use complex of buildings with ground-floor, street-oriented retail spaces on the north side of Main Street, in the downtown core, is crippling the district's ability to function successfully as a retail district and as a high-caliber job and business generator for the community.

Batavia would be in good company by doing so. The number of communities that have demolished malls or redeveloped them to function like traditional, mixed-use, open-air commercial districts is quickly growing. In Glendale, Wisconsin, for example, the Glendale Community Development Authority partnered with three developers to demolish part of the mall, then to redevelop it, adding 115 upper-floor loft residences and doubling the amount of retail space the mall previously contained. In Mashpee, Massachusetts, the New Seabury Shopping Center has been redeveloped into a mixed-use commercial district with 95 businesses (shops, restaurants, and offices), 40 upper-floor apartments, a movie theatre, post office, library, church, and senior center. This November, the owner of White Flint Mall in Bethesda, Maryland, announced that the mall will be demolished and replaced by a new town center, with five million square feet of shops, offices, and apartments. There are scores of similar examples.

There are several ways this might be done, physically. For example, the roof might be removed, with a single-lane road created in what is now the central court, additional openings created along Main Street, and second and third floors added. Or, portions of the building might be demolished and rebuilt. But, ultimately, we believe the most effective approach would be to demolish the existing building and redevelop the site using traditional main street urban and architectural design characteristics.

There are also several ways this might be done, organizationally. We believe that one of the most promising mechanisms is land readjustment (sometimes called "land pooling"), a tool that has been widely used in France, Germany, Hong Kong, Lebanon, the Netherlands, Japan, and several other countries as a tool for assembling property for redevelopment^{xx}. Unlike eminent domain, in which local government takes property from private owners, compensates them for the property, and redevelops it for a public purpose, land readjustment involves property owners and local government volunteering to pool their property and make collaborative decisions about how to redevelop it. Each property owner maintains an ownership share in the redeveloped property

proportionate to the value of his or her pre-redevelopment property. In theory, if the mall is replaced with a multi-floor development, the value of each property owner's share should even grow, as the current one-story building would be replaced with a block of multi-floor buildings, providing property owners with additional sources of rental income.

Land readjustment also usually makes it possible to set aside land for public facilities, such as parks, parking garages, roads, and sidewalks – and, in fact, this is one of the major reasons for its use in rural areas. In an urbanized area like downtown Batavia, land readjustment could provide a very valuable opportunity to reorganize parking on the mall site. For example, if used in conjunction with a financing tool like tax increment finance, it could perhaps facilitate development of underground or above-ground structured parking^{xxi}.

In the interim, there are a number of intermediate steps that might be taken to move towards redevelopment:



- The Main Street-facing façade might be redesigned to provide street-facing storefronts. Modifications such as these could take place relatively quickly – within a year, most likely – and could be pivotal in establishing a foothold for bringing retail back to the mall.
- A portion of the mall (most likely a section near JCPenney and the cinema) could be redeveloped first, with upper-floor office and apartment space built above the existing ground-floor mall space.
- Representatives of projects from other communities in which shopping malls have been converted into (or back into) traditional mixed-use downtown storefronts could visit Batavia and meet with mall property owners and with representatives of BDC, the BID, and other partners.
- One or more downtown buildings could be made available for mall-based personal or professional services businesses interested in relocating and/or willing to relocate. If the business owner also owns the space in the mall that she or he currently uses, she/he could potentially trade her/his ownership share in the mall for a comparable ownership share in the new building.

This could take place on a larger scale, also. If the city were to treat the overall downtown as a redevelopment area, and if other downtown property owners were willing to do so, the city could include other downtown properties in the redevelopment plan. So, for example, owners of vacant storefront buildings on the south side of Main Street could potentially trade their ownership of those buildings with mall business/property owners who would like to relocate there. The essential components of such an arrangement would include

preservation of older and historic buildings, accommodation of the needs of mall businesses currently in operation, and transferring the dollar value of property owned from one building to another.

- The community might also want to explore the possibility of designating a master developer (through a Request for Qualifications, circulated nationally) who, in addition to redeveloping the mall site as a mixed-use site, could also work with other downtown property owners to redevelop their buildings, gaining greater fiscal efficiency and greater momentum in securing equity and debt financing. The master developer would help simplify and streamline the process for current mall property owners.

15. Resolve the conflict between the City and mall owners over mall maintenance and management issues. It is our understanding that, several decades ago, when the mall was developed, the City agreed to be responsible for some common area maintenance components for a certain period of time, after which responsibility would shift to mall owners. But it is also our understanding that there is a relatively long-standing dispute about roof repairs, leaking silos, and which party is responsible.

We strongly recommend that all parties involved in this dispute take a fresh look at the issues and move as quickly as possible to resolve this stalemate. The presence of this conflict alone makes it difficult to have forward-looking conversations about the future of the mall and, to an extent, the overall downtown district. There are lots of potential ways the conflict might be resolved - including possibly some design solutions that might negate the need for roof repairs at all. For example, it might be possible to build upper floor space over a portion of the mall, effectively replacing a roof leak with a new superstructure. We suspect it would be quite worthwhile for mall owners and City representatives to engage and innovative architect and strategic planner for a half day or day long brainstorming session to generate some creative ideas about how the conflict might be resolved.^{xxii}

16. Create or designate an entity to guide and coordinate downtown property rehabilitation and development. Downtown Batavia has numerous, complicated property development needs and opportunities. Redeveloping the mall alone will require someone's full-time attention – and it is possible that some of the property on the south side of Main Street and elsewhere within the district might also be included in the redevelopment process (e.g., in order to rehabilitate historic commercial buildings and optimize the efficient use of historic rehabilitation tax credits, and/or in order to provide new locations for businesses that might be displaced from the mall during redevelopment). Even if the community were to search for and designate a master developer to redevelop the

mall site and other properties, the community would need someone to serve as liaison to the developer and ensure that the community's needs are being fully met.

The idea of creating a specialized development entity to guide downtown property rehabilitation, development, and redevelopment is not a new one. The 2006 *Central Corridor Plan* recommended that one or more entities (the City, the Downtown Batavia BID, the Genesee County Economic Development Corporation, or a new entity) create local limited partnerships to redevelop downtown property and stimulate business development (noting, in particular, that "This strategy works well on older vacant buildings"). It also recommended that the City partner with developers for the purpose of redeveloping key downtown properties.

We think the best option would be to create a new downtown development entity specifically to guide the district's property development and redevelopment needs – the mall redevelopment, rehabilitation of historic commercial buildings (primarily on the south side of Main Street and on Jackson), and infill development. We think it is *possible* that this responsibility could be given to an existing organization or agency – but, it looks to us like the logical entities are already working at capacity level and would not be able to devote the time needed. This is particularly true of the Downtown Batavia BID, whose marketing activities are likely to increase, and for the City's new economic development staff, whose business development responsibilities are extensive.

It will be crucial that the new entity have expertise in commercial real estate development and finance, with particular knowledge and experience in financing the rehabilitation of historic commercial buildings. It should also be very knowledgeable about typical municipal economic development tools, such as tax-exempt bond financing^{xxiii}, tax increment financing, and property tax abatement.

17. Create an *ad hoc* coordinating committee for downtown economic development activity. Batavia is fortunate in having a number of organizations and agencies involved in various aspects of downtown development. As the amount of downtown development activity grows, it will become imperative that these groups work from a jointly adopted work plan and that they coordinate their activities with one another on an ongoing basis. We recommend that this take place through an annual half-day planning meeting, with quarterly meetings to provide updates and plan for upcoming work plan items. The core organizations and agencies that should be involved should include:

- Downtown Batavia BID: marketing the district; maintaining and improving public spaces; liaison with downtown businesses

- City of Batavia’s Department of Community and Economic Development: strengthening existing businesses; cultivating and attracting new businesses
- Chamber of Commerce: strengthening existing businesses; cultivating and attracting new businesses
- Genesee Community College’s BEST Center: entrepreneurship; small business development finance
- Historic Preservation Board: encouraging rehabilitation of historic commercial buildings; promoting use of historic rehabilitation tax credits

There are other agencies and organizations that might also be included, as each year’s work plan requires.

Implementation

Transforming the economy of an older or traditional commercial district requires diligence, creativity, and coordination of many groups working together collaboratively. A few suggestions for implementing the recommendations in this report:

- **Break large tasks into small steps:** Large tasks often seem impossible until they are broken down into small, discreet steps that can be easily implemented by an individual, organization or agency in a relatively short period of time.
- **Divide and conquer:** It would be impossible for any one entity to singlehandedly undertake all the tasks that need to take place to strengthen downtown Batavia. Just as there are literally hundreds of small actions that have contributed to downtown Batavia's challenges over the past several decades, strengthening the district's economy and improving its infrastructure to effectively encourage and facilitate commercial activity will require literally hundreds of small actions.
- **Coordinate:** In order to effectively implement hundreds of activities being done by dozens or even hundreds of different agencies, organizations, constituencies, businesses, property owners, and individuals, it is critical that there be a solid system in place for coordinating the many activities that need to happen. We have made several recommendations for improving the organizational infrastructure for community economic development and marketing in downtown Batavia our report.
- **Leverage resources:** Every agency, organization, constituency, and individual interested and involved in downtown Batavia's improvement has particular skills, resources, and vantage points that can be useful to the revitalization process. When breaking the major objectives contained in this report into smaller action steps, give careful thought to which entities might already have the skills and resources needed for each particular action step. In this way, the revitalization initiative can leverage existing knowledge, financial, and skill resources as fully as possible.
- **Start with many small projects ... and a few catalytic ones:** Starting with small projects helps participants develop the skills and collaborative partnerships needed to gradually tackle more complicated projects - and doing so can mobilize hundreds or even thousands of volunteers, building a broader base of support for the overall initiative. At the same time, moving forward with a few catalytic projects can accelerate the timeline and provide tangible evidence that positive change is taking place.

- **Monitor changes:** Over the next 3-5 years, carefully monitor changes in the numbers of businesses opening and closing, the numbers of people who attend special events and festivals, and new investment in physical improvements to existing buildings as well as investment in building rehabilitation projects and in new mixed-use construction in downtown Batavia.
- **Spread the word broadly:** It is particularly important that *all* businesses and property owners in downtown Batavia be kept up to speed on what's happening and that no business or property owner feel left out. As with so many aspects of commercial district revitalization, there is no one single tool that will reach all business and property owners. Use a variety of tools, including e-mail distribution lists, announcements in community bulletins, announcements at public meetings, websites, postcards, and personal contact.
- **Take a leap of faith:** In our 25-plus years of working with communities throughout the United States and around the world on commercial district revitalization and development, we have consistently found that the single biggest obstacle to revitalization is skepticism. When people believe that revitalization will succeed, it almost always does.

Sources of information

The information we used for our research came from many different sources.

We obtained demographic data for Batavia, Genesee County, and the region from several sources – the US Census Bureau’s 2000 and 2010 Census of Population databases, the Census Bureau’s American Community Survey; ESRI; and the Office of the City Manager.

Our primary source of information for our business inventory, which we used to analyze downtown land uses and to identify physical and dispersed business clusters and to estimate the volume of retail sales currently taking place within the district, was Polk City Directory, a print and online service that provides directories of businesses throughout the United States, updated quarterly. We checked the accuracy of this data source during our first two site visits. We also examined the US Census Bureau’s Economic Census (particularly its *Census of Retail Trade* and *Census of Food Services and Accommodation*), which provided us with general information on the sales performance of larger businesses in Batavia. We obtained some specialized data from the Office of the New York State Comptroller and from the US Bureau of Labor Statistics.

The Office of the City Manager and the Downtown Batavia Business Improvement District provided us with copies of maps, news articles, planning documents, previous studies, and marketing materials for downtown Batavia.

We reviewed a number of plans. These include:

- *Brownfield Opportunity Area nomination application* (November 2009), and *Batavia Central Corridor Brownfield Opportunity Area Pre-Nomination Study* (October 2009), prepared by the City of Batavia’s Office of the City Manager
- *Development Plan for Downtown Batavia, New York*, prepared by the Batavia Business Improvement District’s Business Development Committee (2008)
- *City of Batavia Comprehensive Master Plan*, prepared by The Saratoga Associates (February 2007)
- *Central Corridor Strategic Plan*, prepared by Dufresne-Henry (January 2006)
- *Batavia Economic Resource Guide*, prepared by the City of Batavia (2005)

- *Downtown Batavia Business Improvement District: Consumer Demographics and Market Analysis*, prepared by Cornell student Labelle Kumoji (June 2004)

Finally, we conducted interviews with approximately 30 individuals (mostly in small groups) representing downtown business owners and property owners, realtors, public commissions, municipal agencies, and business associations.

General limitations and disclaimer

Retail market analyses, their components (such as retail sales void analyses), and derivative business development plans provide important guidance on how a commercial center should, theoretically, be able to perform and on the sales levels businesses should be able to achieve. However, a number of factors affect the actual performance of retail businesses and commercial centers, including the skills of the business operator, level of business capitalization, the quality of the physical environment, changes in overall economic conditions, the effectiveness of business and district marketing programs, and many other factors. The information in this report is intended to provide a foundation of information for making retail recruitment decisions in Batavia, but it does not, and cannot, ensure retail success.

As is true of all demographic, economic, and market studies, the reliability of our analysis is limited to the reliability and quality of the data available. Our research assumes that all data made available by federal, state, county and municipal sources, from community organizations, and from business owners is accurate and reliable. For Batavia, there are several specific limitations worth mentioning:

First, because our analysis was conducted before the US Census Bureau has released complete data for New York State, we have had to use demographic data from several different sources. We have relied on early-release data from the 2010 Census of Population, on American Community Survey updates from the US Census Bureau, on anecdotal information from credible and informed local sources, and our own observations of population and retail sales changes in the neighborhoods included in this analysis.

Second, the retail market catchment areas of urban commercial districts are not confined to the boundaries of Census tracts or political jurisdictions. We have therefore had to make estimates based on available data and on our professional judgment.

Given these limitations, our report reflects what we believe are reasonable estimates of trends, current conditions, and future possibilities.

About the Community Land Use + Economics Group, LLC

The Community Land Use and Economics Group is a small, specialized consulting firm that helps community leaders create vibrant downtowns and neighborhood commercial centers. We work with local and state governments, nonprofit organizations, business improvement districts, developers, planning firms, and others to develop practical and innovative economic development strategies, cultivate independent businesses, identify regulatory and financial barriers, attract new investment, and make solid, forward-looking decisions about the economic uses of older, historic and traditional commercial districts.

Appendix 1

Retail market analysis

Business composition

As of August 1, there were 442 business entities within one-half mile of the intersection of Jackson and Main, cumulatively employing more than 3,100 people [TABLE 1]. The largest percentage of these business entities – 26 percent – provide health care and social assistance. Public administration accounts for another 12 percent. Only 11 percent of the business entities within one-half mile of the Jackson/Main intersection are retail businesses – a very low percentage for a central business district in a community of Batavia’s size. And, while retail trade ranks third in number of business entities within this radius, it ranks fifth in number of jobs, behind health care/social services, public administration, accommodation and food services, and “other services (except public administration)”.

NAICS	Description	Businesses		Jobs	
		#	%	#	%
22	Utilities	1	-	20	1%
23	Construction	15	3%	73	2%
31-33	Manufacturing	8	2%	91	3%
42	Wholesale trade	7	2%	31	1%
44-45	Retail trade	48	11%	277	9%
48-49	Transportation and warehousing	9	2%	100	3%
51	Information	11	2%	58	2%
52	Finance and insurance	30	7%	230	7%
53	Real estate and rental and leasing	15	3%	75	2%
54	Professional, scientific, technical services	43	10%	212	7%
56	Admin, support, waste mgmt, remed. svcs	8	2%	33	1%
61	Education services	10	2%	102	3%
62	Health care and social assistance	113	26%	600	19%
71	Arts, entertainment, and recreation	7	2%	22	1%
72	Accommodation and food services	24	5%	387	12%
81	Other services (except public admin.)	42	10%	349	11%
92	Public administration	51	12%	473	15%
		442		3,133	

TABLE 1: Numbers of businesses and jobs within a ½-mile radius of Main and Jackson Streets, by 2-digit NAICS category, and the percentage of all businesses and jobs within that radius that each category represents (*Sources:* Polk City Directories, CLUE Group)

Regional commercial centers

Batavia has experienced a substantial influx of new retail space within the past decade, decisively shifting the community’s center of retail gravity to Veterans

Memorial Drive. There are approximately 40 retail businesses clustered here, but they include the city’s largest retail businesses: Lowe’s, Home Depot, Michaels, Bed Bath & Beyond, PETCO, Target, and a recently enlarged Walmart Supercenter.

The amount of retail space within the larger region – from Buffalo to Rochester – has grown dramatically over the past 10-15 years, as well. There are now more than 50 commercial centers within 45 miles of downtown Batavia with more than 50,000 square feet of retail space [TABLE 2]. These include several of the largest shopping malls in the United States: Walden Galleria (1.7 million square feet), The Mall at Greece Ridge (1.6 million square feet), and Marketplace Mall (1.1 million square feet).

Miles	Name	City	SF	Anchors + representative tenants
0.9	Batavia Eastown Plaza	Batavia	101,548	Family Dollar, Social Security, Aldi
1.3	Batavia Commons	Batavia	49,431	Dollar Tree, Advance Auto Parts
1.3	Batavia Plaza	Batavia	124,861	JoAnn Fabrics, Valu Home Center, Fashion Bug, Payless Shoes
1.6	Batavia Shopping Center	Batavia	80,000 (est)	Cato, Peebles, Pawn King
1.8	BJ’s Plaza	Batavia	95,846	BJ’s Wholesale Club
1.8	Walmart Supercenter	Batavia	212,041	Walmart
9.2	Tops Plaza	LeRoy	62,747	Tops Market
22.8	Tops Plaza	Warsaw	74,105	Tops Market
32.3	Park Point at RIT	Rochester	66,000	Barnes & Noble
33.2	Marketplace Mall	Rochester	1,100,000	Macy’s, JCPenney, Bon Ton, Sears, Dick’s Sporting Goods, Old Navy, LOFT
34.0	Southtown Plaza	Rochester	510,332	Burlington Coat Factory, Casual Male, Dollar Tree, Advance Auto Parts, Office Max, Bruegger’s Bagels
35.6	Tops Plaza	Cheektowaga	151,357	Tops Market
35.6	Walden Consumer Square	Cheektowaga	255,964	Office Depot, PetSmart, Payless Shoes, Michaels, Target, Pier 1
36.1	Walden Village	Cheektowaga	209,500	Burlington Coat Factory, Olive Garden, Jared’s Jewelers

36.2	Union Road Plaza	Cheektowaga	170,533	Simply Fit, Applebees, Evans Law
36.2	Walden Galleria	Buffalo	1,700,000	Macy's, Apple, Dick's Sporting Goods, JCPenney, Lord & Taylor, Sears, Urban Outfitters, Melting Pot
36.6	Thruway Plaza	Cheektowaga	572,616	Walmart, Home Depot, Tops Market, Value City Furniture, IHOP
37.5	Union Consumer Square	Cheektowaga	386,548	Sam's Club, Circuit City, Marshalls, Office Max, Dress Barn
37.5	The Mall at Greece Ridge	Rochester	1,630,000	Macy's, Sears, JCPenney, Target, Dick's Sporting Goods, Michaels, Barnes & Noble, Burlington Coat Factory
39.0	Pittsford Plaza	Rochester	450,000	Barnes & Noble, Cheesecake Factory, Wegmans, Chico's, Michaels
41.7	Delaware Consumer Sq.	Buffalo	238,531	Target, Dollar Tree, Office Max
43.1	Eastview Mall	Victor	1,300,000	Coldwater Creek, Coach, Apple, Pottery Barn, LL Bean, Lord & Taylor, Anthropologie, PF Chang

TABLE 2: Representative sample of shopping centers over 50,000 square feet in size within 45 miles of the intersection of Main and Jackson (*Sources:* LoopNet, Polk City Directories, ICSC's Directory of Major Malls, CLUE Group)

Retail demand

Using data from the US Bureau of Labor Statistics' *Consumer Expenditure Survey* and from the US Census Bureau's 2010 *Census of Population*, we estimated the amount of retail demand generated by residents of the City of Batavia and of Genesee County. We found that Batavia residents generate approximately \$468 million in demand for retail products and services annually, and Genesee County residents generate approximately \$542 million.

We also estimated the amount of retail demand likely to be generated by the people traveling by car or truck through downtown Batavia. It is our understanding that approximately 40,000 vehicles travel along Main Street on an average day. To estimate this group's retail buying power, we have conservatively assumed that the 40,000 daily vehicle trips actually represent 20,000 *unique* vehicles (in other words, that each car makes a round trip and has been counted *twice*). Based on this conservative assumption, we estimate that the people traveling through downtown Batavia each day represent approximately \$172 million in annual buying power for retail products and

services. Of course, many of these people are likely to be Batavia or Genesee County residents and their buying power is therefore also included in our estimates of buying power for residents of these two jurisdictions.

Category	City of Batavia	Genesee County	Main Street vehicles
Food eaten at home	\$ 86,571,000	100,277,000	31,882,000
Food eaten in restaurants	69,834,000	80,890,000	25,718,000
Housekeeping supplies	13,531,000	15,672,000	4,983,000
Furniture + household furnishings	35,822,000	41,491,000	13,196,000
Apparel + footwear	47,731,000	55,289,000	17,578,000
Automotive	126,599,000	146,643,000	46,624,000
Med. products, pharmaceuticals	12,385,000	14,345,000	4,560,000
Entertainment	50,831,000	58,879,000	18,719,000
Personal care products + services	14,025,000	16,246,000	5,165,000
Reading materials	3,059,000	3,544,000	1,126,000
Smoking supplies	7,682,000	8,898,000	2,829,000
Total	468,070,000	542,176,828	172,380,000

TABLE 3: Estimated retail demand for retail products and services, by category, generated by residents of Batavia and Genesee County and by people traveling through downtown Batavia by car or truck (sources: US Bureau of Labor Statistics’ Consumer Expenditure Survey, US Census Bureau’s 2010 Census of Population, CLUE Group)

Retail sales voids

Using data from ESRI, we compared the volume of sales currently being captured by businesses in Batavia and in Genesee County by various types of businesses with the retail buying power of Batavia and Genesee County residents [TABLES 4 and 5]. For those categories in which actual sales (“supply”) exceed buying power (“demand”), the city or county is experiencing a sales surplus – meaning that it is attracting more sales dollars than its residents themselves are spending. For those categories in which sales demand exceeds actual sales, the city or county is experiencing a sales leakage – meaning, in most instances, that residents are making at least some of their retail purchases outside the jurisdiction.

We found that both the city and county are experiencing leakages in several store categories:

- motor vehicle and parts dealers
- electronics and appliance stores
- clothing and clothing accessories stores

There are several categories in which either the city or county is experiencing a leakage, but in which the other jurisdiction is experiencing a surplus, effectively erasing the leakage:

NAICS	Category	Supply	Demand	Void
441	Motor vehicle + parts dealers	18,062,000	23,698,000	(5,635,000)
442	Furniture + home furnishings stores	3,243,000	2,444,000	799,000
4431	Electronics + appliance stores	3,125,000	3,160,000	(35,000)
444	Bldg materials, garden equip + supply stores	4,984,000	4,142,000	843,000
445	Food + beverage stores	44,946,000	20,139,000	24,807,000
446	Health + personal care stores	20,575,000	6,766,000	13,809,000
4471	Gasoline stations	22,731,000	21,874,000	857,000
448	Clothing + clothing accessories stores	1,943,000	2,428,000	(485,000)
451	Sporting goods, hobby, book, music stores	5,964,000	2,173,000	3,791,000
452	General merchandise stores	10,300,000	14,997,000	(4,697,000)
453	Miscellaneous store retailers ^{xxiv}	2,543,000	2,249,000	(294,000)
454	Nonstore retailers ^{xxv}	697,000	2,429,000	(1,731,000)
722	Food services + drinking places	22,619,000	17,300,000	5,319,000
		161,732,000	123,799,000	37,933,000

TABLE 4: Retail supply (current sales), demand (resident buying power), and sales voids for major store categories in the City of Batavia (*sources:* ESRI, CLUE Group)

NAICS	Category	Supply	Demand	Void
441	Motor vehicle + parts dealers	59,912,000	97,697,000	(37,785,000)
442	Furniture + home furnishings stores	6,684,000	10,058,000	(3,374,000)
4431	Electronics + appliance stores	4,741,000	12,767,000	(8,025,000)
444	Bldg materials, garden equip + supply stores	41,464,000	18,247,000	23,217,000
445	Food + beverage stores	86,460,000	79,267,000	7,193,000
446	Health + personal care stores	27,605,000	27,177,000	428,000
4471	Gasoline stations	178,311,000	87,568,000	90,743,000
448	Clothing + clothing accessories stores	3,271,000	9,601,000	(6,330,000)
451	Sporting goods, hobby, book, music stores	7,407,000	8,481,000	(1,074,000)
452	General merchandise stores	83,048,000	60,093,000	22,955,000
453	Miscellaneous store retailers	8,904,000	9,341,000	(438,000)
454	Nonstore retailers	12,320,000	10,364,000	1,956,000
722	Food services + drinking places	56,043,000	68,403,000	(12,360,000)
		576,170,000	499,064,000	77,106,000

TABLE 5: Retail supply (current sales), demand (resident buying power), and sales voids for major store categories in Genesee County (*sources:* ESRI, CLUE Group)

- Sporting goods, hobby, book, and music stores
- General merchandise stores
- Nonstore retailers

The County's sales surplus in the general merchandise stores category, in fact, almost certainly includes sales *deflected* from other store categories in both the City and County. It is particularly likely that the sales leakages in the clothing stores, furniture/home furnishings stores, electronics and appliance stores, and sporting goods/hobby/book/music stores categories are reflected in the general merchandise stores category's sales surplus.

There is one category – food services and drinking places – in which the city has a small surplus but the county has a large leakage.

Sales void analyses are not precise indicators of where the people who live in a given area make their retail purchases. Estimates of actual sales, for example, invariably include purchases made by visitors, and community residents always make some of their purchases outside the community (and, increasingly, online). But sales void analyses are very helpful in illustrating significant trends – and they are invariably a starting point for exploration, rather than a conclusion.

Detailed estimates of retail sales demand

	Batavia	Genesee Co.	Main Street vehicles
Food + beverages			
Groceries	80,369,000	93,093,000	14,102,000
Dining out	63,984,000	74,114,000	11,227,000
Alcoholic beverages (consumed at home)	6,202,000	7,184,000	1,088,000
Alcoholic beverages (consumed in restaurants)	5,850,000	6,776,000	1,026,000
Housekeeping supplies			
Laundry and cleaning supplies	2,901,000	3,360,000	509,000
Other household products	7,032,000	8,145,000	1,234,000
Stationery, gift wrap	2,035,000	2,357,000	357,000
Postage	1,518,000	1,758,000	266,000
Delivery services	45,000	52,000	8,000
Furniture and furnishings			
Household textiles	2,901,000	3,360,000	509,000
Furniture	8,053,000	9,328,000	1,413,000
Floor coverings	1,648,000	1,909,000	289,000
Major appliances	5,315,000	6,156,000	933,000
Small appliances, misc. housewares	2,446,000	2,833,000	429,000
Window coverings	236,000	273,000	41,000
Infants' equipment	318,000	368,000	56,000
Laundry + cleaning equipment	303,000	351,000	53,000
Outdoor equipment	520,000	602,000	91,000
Clocks	55,000	64,000	10,000
Lamps + lighting fixtures	377,000	437,000	66,000
Household decorative items	3,937,000	4,560,000	691,000
Telephones + accessories	903,000	1,046,000	158,000
Lawn + garden equipment	1,541,000	1,785,000	270,000
Hand and power tools	776,000	899,000	136,000
Hardware	1,142,000	1,323,000	200,000
Office furniture for home use	185,000	214,000	33,000
Indoor plants + fresh flowers	1,294,000	1,499,000	227,000
Closet and storage items	328,000	380,000	58,000
Furniture rental	58,000	67,000	10,000
Luggage	132,000	153,000	23,000
Computers/hardware (nonbusiness use)	2,940,000	3,405,000	516,000
Computer software/accessories (nonbusiness use)	360,000	417,000	63,000
Telephone answering devices	20,000	23,000	4,000

Business equipment for home use	34,000	39,000	6,000
Apparel and footwear			
Men's clothes	8,958,000	10,376,000	1,572,000
Boys' clothes	2,158,000	2,500,000	379,000
Women's clothes	15,781,000	18,280,000	2,769,000
Girls' clothes	3,063,000	3,548,000	538,000
Clothes for children under 2	2,135,000	2,473,000	375,000
Footwear	8,308,000	9,623,000	1,458,000
Watches, jewelry + repair	3,959,000	4,586,000	695,000
Shoe repair	52,000	60,000	9,000
Tailoring, alterations, repair	120,000	139,000	21,000
Laundry + dry cleaning	3,004,000	3,480,000	527,000
Other apparel items + services	193,000	224,000	34,000
Automotive			
Vehicle purchase	67,164,000	77,798,000	11,785,000
Gasoline and motor oil	44,327,000	51,345,000	7,778,000
Vehicle maintenance and repairs	15,108,000	17,500,000	2,651,000
Medical			
Nonprescription drugs	1,372,000	1,589,000	241,000
Nonprescription vitamins	668,000	774,000	117,000
Prescription drugs	7,510,000	8,699,000	1,318,000
Eyeglasses and contact lenses	1,192,000	1,381,000	209,000
Hearing aids	300,000	347,000	53,000
Medical supplies	603,000	698,000	106,000
Medical equipment (rental + sales)	740,000	857,000	130,000
Entertainment			
Movie, theatre, opera, ballet tickets	2,677,000	3,101,000	470,000
All other fees and admissions	12,685,000	14,693,000	2,226,000
Musical instruments	269,000	312,000	47,000
TVs, stereos, radios, recorded movies + music	21,049,000	24,382,000	3,693,000
Pets, pet supplies, pet care	7,199,000	8,339,000	1,263,000
Toys, games, arts, crafts, tricycles	2,053,000	2,378,000	360,000
Stamp and coin collecting	100,000	116,000	18,000
Playground equipment	133,000	154,000	23,000
Athletic gear, game tables, exercise equipment	1,594,000	1,846,000	280,000
Bicycles	242,000	280,000	42,000
Camping gear	258,000	299,000	45,000
Hunting + fishing equipment	404,000	468,000	71,000

Winter sports equipment	84,000	97,000	15,000
Water sports equipment	133,000	154,000	23,000
Other sports, recreation and exercise equipment	107,000	124,000	19,000
Photographic equipment, supplies, services	1,844,000	2,136,000	324,000
Personal care			
Hair care products	1,141,000	1,322,000	200,000
Wigs + hairpieces	1,300,000	1,506,000	228,000
Shaving needs	356,000	412,000	62,000
Cosmetics, perfume, bath preparations	2,914,000	3,375,000	511,000
Other personal care products	1,564,000	1,812,000	274,000
Personal care services	6,750,000	7,819,000	1,184,000
Reading			
Newspapers + magazines	1,722,000	1,995,000	302,000
Newsletters	0	0	0
Books	1,337,000	1,549,000	235,000
Tobacco products/smoking supplies			
Tobacco products/smoking supplies	7,682,000	8,898,000	1,348,000
Total	468,070,000	542,176,828	82,130,000

Appendix 2

Some specialized apparel product lines

Athletic clothing (many sports specialties)
Athletic shoes
Backpacks and messenger bags
Ballet clothes and shoes
Bathing suits
Belts and belt buckles
Big and tall men's clothing
Boy Scout/Girl Scout uniforms
Bridal gowns (new and used)
Camping + hunting clothes
Clothing storage
Costume sales and rentals
Diaper service
Dry cleaning
Costume jewelry
Evening gown sales and rentals
Embroidery service
Eyeglass frames
Fabric, patterns, and sewing notions
Formal gowns (new and used)
Furs (new and used)
Handbags and purses
Hand-knitted sweaters
Hats
Hemp clothing
Hosiery
Jeans
Kimonos and robes
Leather goods
Lingerie
Maternity clothing
Medical scrubs
Motorcycle wear
Neckties
Orthopedic shoes
Petite women's clothes
Plus-sized women's clothing

Prom gowns (new and used)
Safety clothing
Scarves
Second-hand children's clothing
Shoe repair
Sleepwear
Square dancing and swing dancing clothes
Suspenders
Tailoring services
Team uniforms
Tie-die clothing
T-shirts in a can
Tuxedo (rental and sale)
Uniform sales and rentals
Vintage clothing
Vintage and estate jewelry
Western wear
Women's business clothing
Work boots

Appendix 3

Some specialized furniture/home furnishings product lines

Antique hardware
Antique radios and televisions
Architectural salvage
Artificial/silk plants
Bath linens
Bird feeders and bird houses
Bonsai
Cacti and exotic plants
Candles
China, crystal, glassware
Clocks
Closet organizing fixtures and supplies
Cutlery
Decorative hardware
Dining linens and table accessories
Draperies
Dried flowers
Fireplace accessories, mantles
Floor cloths
Furniture covers
Futons
Gourmet cookware
Hammocks
Hot tubs
House plants
Knock-down bookshelves
Lamps and lamp shades
Lawn and patio furniture
Log or willow furniture
Loft beds and trundle beds
Mirrors
Picture frames
Pillows
Posters (new and vintage)
Rag rugs
Scandinavian-design furniture
Second-hand baby furniture
Shutters

Small kitchen appliances
Telephones
Unfinished wooden furniture
Vintage kitchen appliances
Weather vanes
Wicker and rattan furniture and accessories
Window blinds

ⁱ Fortunately, there is an excellent example of this to build on. Recent infrastructure upgrades at the circle where Oak, South Main, Pearl, and Franklin converge illustrate the multiplier effect of good urban design, thoughtful landscape architecture, and effective transportation planning. But like a newly painted living room with old furniture, many of the structures within 500 yards of the circle are tired. Some falling beneath minimum codes. Some poorly managed by problem rental property owners. This project is illustrative of superb planning effort by the city that the community should both commend and demand more of, and also seek even a bit more strategic investment. Imagine if massive code compliance efforts, sidewalk and streetlamp investments, community organizing, master gardening initiatives, porch repair efforts, and other similar endeavors had been taking place for the last two years, all inside the 160 areas immediately surrounding the circle?

ⁱⁱ <http://www.busboysandpoets.com>

ⁱⁱⁱ <http://www.bowlluckystrike.com>

^{iv} See, for example, Washington, DC's H Street Country Club (<http://www.hstreetcountryclub.com>)

^v See, for example, Detroit's Palazzo di Bocce (<http://www.palazzodibocce.com>)

^{vi} See Appendix 1 for more information.

^{vii} See Appendix 1 for more information.

^{viii} See Appendices 2 and 3 for lists of some specialized product lines in these two business clusters.

^{ix} See, for example, "Upstairs Downtown", at <http://www.preservationnation.org/main-street/main-street-news/pdfs/members-only/msnews-2002-03.pdf>, and "Living Downtown", at <http://www.preservationnation.org/main-street/main-street-news/pdfs/members-only/msnews-2004-04.pdf>.

^x <http://www.upstairsdowntown.org>

^{xi} <http://www.smartgrowthonlineaudio.org/np2008/222-c.pdf>

^{xii}

<http://www.hud.gov/offices/pih/programs/ph/hope6/grants/mainstreet/>

^{xiii} See, for example, www.boomtowninstitute.com/News/news061206b.html. Also, attorney Michael Shuman cites numerous examples of local ownership programs in his book *Going Local: Creating Self-Reliant Communities in a Global Age* (Routledge, 2000).

^{xiv} See, for example, “Community-Owned Stores Provide Alternatives to Chains” on the New Rules Project’s website (www.newrules.org/retail/news_archive.php?browseby=slug&slugid=228).

^{xv} “Historic” means that a building is listed on the National Register of Historic Places, or that it contributes positively to the defining characteristics of a historic district listed on the National Register of Historic Places, or that it is eligible for listing on the National Register.

^{xvi} “Qualified rehabilitation expenses” include most bricks-and-mortar rehabilitation expenses, professional fees, and construction-period financing and utilities. Building acquisition, site improvements, landscaping, building enlargement, and certain other costs are not considered “qualified”. Program regulations are available on the National Park Service’s website, at www.nps.gov/history/hps/tps/tax/download/36cfr67-2011.pdf.

^{xvii} An eligible census tract is one that is at 100 percent of the state median family income level or below (currently \$67,040).

^{xviii} <http://www.bostonredevelopmentauthority.org/press/PressDisplay.asp?pressID=267>

^{xix} <http://www.nytimes.com/2010/03/12/us/12cncpopup.html>

^{xx} One of the best publications on this topic is *Analyzing Land Readjustment*, edited by Yu-Hung Hong and Barrie Needham and published in April 2007 by the Lincoln Institute of Land Policy.

^{xxi} In many instances, land readjustment creates new value for property owners, as the redeveloped land is generally more valuable than the development it replaces.

^{xxii} The mall is both an impediment and an opportunity. So long as it remains in the present state, the full potential of Batavia’s downtown will remain unrealized. Yet to allow no progress on changing the status quo to become an obstacle to any downtown action will paralyze the best efforts. It is important the community both take the mall situation very seriously and move creatively for a change, while at the same time not waiting for change before acting elsewhere in the interest of downtown.

^{xxiii} The Internal Revenue Code includes some restrictions on the use of historic rehabilitation tax credits for projects that also use tax-exempt financing, if the tax-exempt source is organizationally related to the owner of the historic building.

^{xxiv} “Miscellaneous store retailers” include florists; office supplies, stationery, and gift stores; used merchandise stores.

^{xxv} “Nonstore retailers” include online shopping and mail order businesses; vending machine operator; and direct selling establishments (such as door-to-door sales, home parties, and home delivery businesses).