Appendix C

Market Analysis Data

Technical Memorandum

Tonawanda Waterfront Study: Existing Social and Economic Conditions

To: Clark Patterson

From: FXM Associates

Date: November 2011

I.   Introduction

The Town of Tonawanda is located in western New York about ten miles north of Buffalo. It is adjacent to the US-Canada border and is served by I-90, a major east-west interstate artery, and several of its spur routes, I-190, I-290, and I-990. This Technical Memorandum is part of the Tonawanda Waterfront Land Use Plan Update Study.

This Technical Memorandum assesses key population, business and employment characteristics and trends affecting economic development potential in the Study Area of the Town of Tonawanda. Data have been compiled and analyzed for the Waterfront Study Area, the Town of Tonawanda, Erie-Niagara Counties, and New York overall.

The Waterfront Plan Study Area is shown in Figure 1. The Study Area has excellent access to/from the rest of the region via I-190 and I-290 and their several interchanges within the Study Area.

This Introduction section notes data sources used for the analysis. Section II covers Tonawanda Waterfront Land Use Plan Update Study Area Characteristics. Section III discusses Population-related Trends and Section IV assesses Employment-related Trends in Tonawanda and Erie-Niagara Counties.

Data Sources

FXM compiled extensive population, income and employment data from public and private data sources. These were:

- US Department of Commerce, Bureau of Economic Analysis, Regional Economic Information System, 2010. Tables CA 04, county level income and employment summary; CA 25N, full and part-time employment by NAICS industry code; CA 25, county level full and part-time employment by SIC industry code; and CA 30, regional economic profile including population and employment.

- US Bureau of Labor Statistics ("BLS"). Quarterly Census of Wages and Employment by NAICS industry code.

- US Census Bureau, 2010 Census: Public Law 94-171 redistricting population data.

- New York State Department of Labor, 2010. ES-202, Employment and wages data; CES-790, Current Employment Statistics.

- Claritas *SiteReports* and Claritas Business Facts for the Year 2010, by the Nielsen Company, August 3, 2011. Claritas is a proprietary data service that purports to use the most recent US Economic Census and "other" government and private data sources, including proprietary algorithms to disaggregate the data to the community level. Claritas provides data for their current or most recent year estimates (2010), and 5-year projections (2015) for certain population-related variables.

These sources provided continuous data on changes in population and employment characteristics at the county level from 1969 to 2000 by SIC industry group code, and from 2001to 2009/10 by NAICS industry group code. The Standard Industry Classification (SIC) was the employment classification system used by state and federal governments to track employment data by industry. In 2001, the federal government adopted the North American Industry Classification System (NIACS) that established a common industry classification system for the US, Mexico and Canada. FXM conducted extensive analysis of SIC and NAICS data for New York and Erie-Niagara Counties to establish a consistent dataset for 1990 to 2010 based on NAICS industry classifications to analyze trends in state and county employment.

Nielsen Claritas *SiteReports* is a proprietary database that provides annual detailed demographic and employment estimates and is reconciled with government estimates only for Census years. For all other years, Claritas conducts independent research and uses proprietary formulas to derive its estimates.

Figure 1. Tonawanda Waterfront Land Use Plan Update Study Area
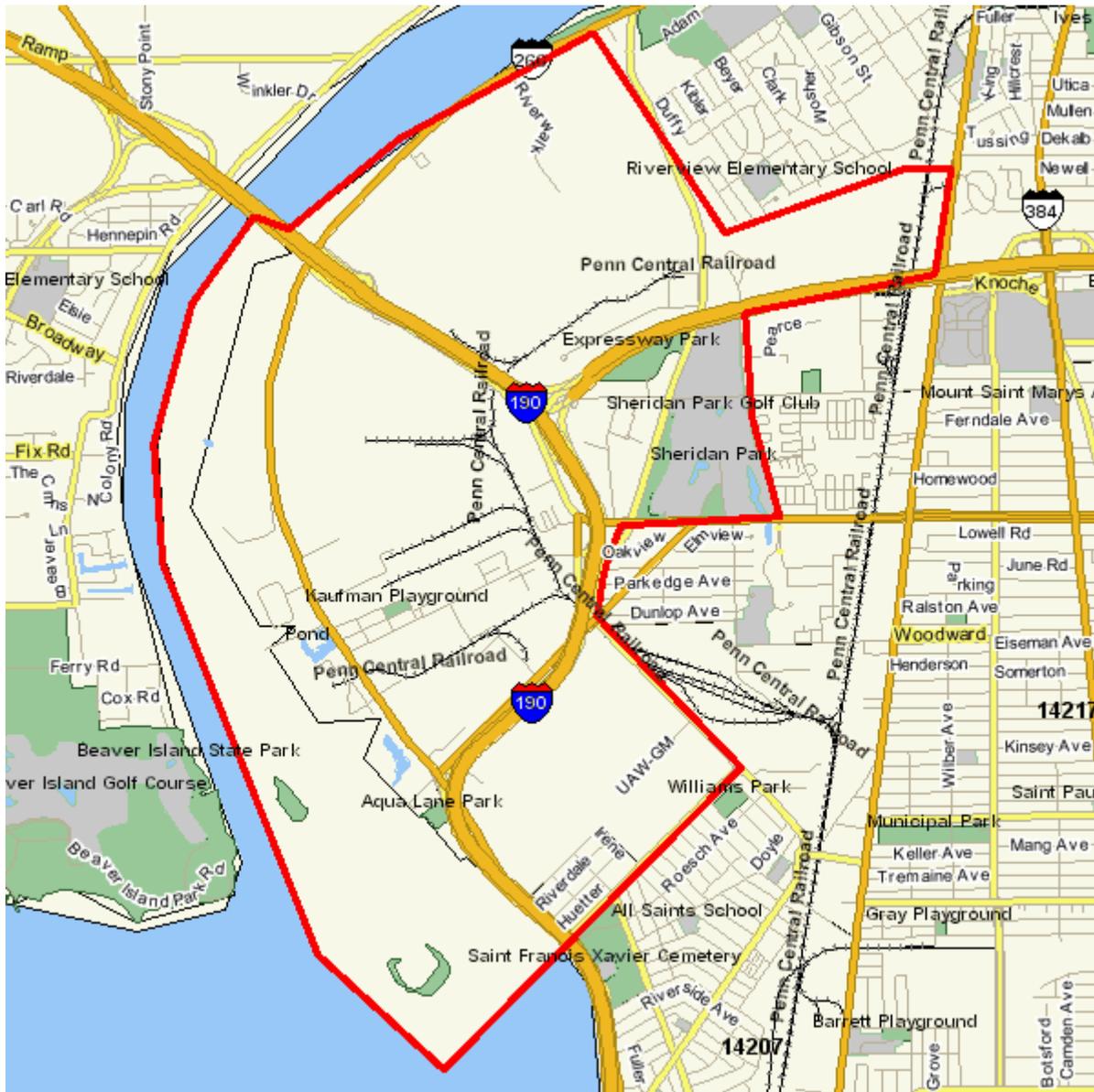
Source: Nielsen Claritas SiteReports 2010.

II.   Waterfront Study Area Characteristics

The Tonawanda Waterfront Study Area is located in western Tonawanda along the Niagara River. The Study Area is bordered by the Niagara River on the west, the City of Tonawanda and Kenmore Avenue and Vulcan Street to the south/southeast.

Demographics

Table A compares population and households within the Waterfront Study Area to those within the Town of Tonawanda, Erie-Niagara Counties, and the State of New York overall and shows projected changes in each through 2015. In 2010, the Waterfront Study Area had an estimated population of, 1,161 people and 492 households. Both population and households within the Tonawanda Town and the Erie-Niagara MSA are expected to decline slightly through 2015.[1]

Table A. Regional Population and Households, 1990 - 2015

Population	Study Area	Tonawanda	Erie-Niagara Counties	New York
1990 Census	1,329	82,464	1,189,288	17,990,405
2000 Census	1,318	78,155	1,170,111	18,976,457
2010 Estimate	1,161	73,567	1,117,169	19,562,561
2015 Projection	1,084	69,494	1,085,144	19,697,478
Growth 1990-2000	-0.83%	-5.23%	-1.61%	5.48%
Growth 2000-2010	-11.91%	-5.87%	-4.52%	3.09%
Growth 2010-2015	-6.63%	-5.54%	-2.87%	0.69%

Households	Study Area	Tonawanda	Erie-Niagara Counties	New York
1990 Census	591	33,765	461,803	6,639,305
2000 Census	548	33,278	468,719	7,056,860
2010 Estimate	492	32,295	457,435	7,263,927
2015 Projection	462	30,886	447,485	7,305,437
Growth 1990-2000	-7.28%	-1.44%	1.50%	6.29%
Growth 2000-2010	-10.22%	-2.95%	-2.41%	2.93%
Growth 2010-2015	-6.10%	-4.36%	-2.18%	0.57%

Source: Claritas SiteReports, 2010; and FXM Associates.

Selected key demographic characteristics in the Waterfront Study Area are compared to the Town of Tonawanda and Erie-Niagara Counties in Table B using Claritas *SiteReports* estimates for 2010. Key observations from Table B include:

- Nearly one-fifth (18.8%) of residents aged 25+ in the Waterfront Study Area have not completed a high school level education compared to 7% in the Town of Tonawanda and 3% in Erie-Niagara Counties overall.

- For residents of the Waterfront Study Area, Median Household Income ($27,716) is about 64% of median household income in the Town ($43,489 and 60% of Erie-Niagara Counties overall ($47,272). Per Capita Income ($18,505) is about 82% of that for residents of the overall Town of Tonawanda.

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[1] Claritas Demographic Snapshot, 2010.

- Twenty-seven percent (27%) of family households in the Study Area have incomes below the federal poverty level, compared to 11% in the Town, and 10% in Erie-Niagara Counties overall.

- Study Area residents have fewer vehicles per household, 1.1 in the Study Area compared to 1.5 in the Town and Erie-Niagara Counties overall. Nearly 29% of household in the Study Area have no vehicles compared to 12% of households in the Town and region reporting no vehicles.

- The majority of housing units in the Study Area (77%) are Renter Occupied. For those few that are Owner Occupied, the Median Value of this housing is about 85% that of other owner-occupied housing in Tonawanda.

- Only a few households in the Study Area live in residential structures with 50 or more units; most residents live in buildings with 3 to 19 units (64%). Only about 11% of households are in single-family detached houses.

Table B. Selected Waterfront Study Area Demographic Characteristics (2010)

Description	Study Area	Town of Tonawanda	Erie-Niagara Counties
2010 Est. Population	1,299	54,072	1,117,169
2010 Est. Households	606	23,100	457,435
Persons per Household	2.14	2.34	2.44
Median Age, years	31.50	40.6	40
Educational Attainment (Age 25+)			
Less than 9th grade	18.8%	6.6%	3.4%
Some high school, no diploma	18.2%	12.5%	8.3%
High school graduate	31.5%	39.7%	31.5%
College	31.5%	41.2%	56.8%
Income Statistics			
Median Household Income	$27,716	$43,489	$47,272
Per Capita Income	$18,505	$22,464	$25,468
% Family Households Below Poverty Level	27.3%	11.4%	9.5%
Population Age 16+ by Employment Status			
Not in Labor Force	39.5%	36.7%	36.5%
Unemployed	7.4%	4.8%	4.1%
Employed	53.1%	57.9%	59.4%
Population Age 16+ by Occupation Classification			
Blue Collar	43.0%	29.0%	22.2%
Service and Farm	19.5%	19.4%	19.1%
White Collar	37.5%	51.6%	58.7%
Transportation Characteristics			
Average travel time to work, minutes	23.5	20.8	22.8
Average number of vehicles per household	1.1	1.5	1.6
% with No Vehicles in Household	28.7%	11.6%	12.4%
Tenure of Occupied Housing Units			
Owner Occupied	23.4%	61.6%	67.0%
Renter Occupied	76.6%	34.4%	33.0%
Median Value Owner-Occupied Housing	$140,079	$164,198	$117,339
Housing Units by Units in Structure			
1 unit attached	1.2%	5.1%	3.0%
1 unit detached	10.4%	46.2%	58.2%
2 units	17.4%	13.6%	19.4%
3 to 19 units	64.2%	26.6%	13.0%
20 to 49 units	4.9%	2.6%	1.4%
50 or more units	1.8%	3.9%	2.9%
Modile home, trailer, boat, RV, etc.	0.0%	2.0%	2.1%

Source: Claritas SiteReports, 2010; and FXM Associates.

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Employment and Businesses

There are an estimated 217 business establishments within the Tonawanda Waterfront Study Area with over 8,500 employees and nearly $767 million in annual business sales. Table C summarizes number of establishments, employees, and sales by major industry group for the Waterfront Study Area, Tonawanda overall, and Erie-Niagara Counties. The Waterfront Study Area contains about 10% of total jobs and 6% of business sales in the Town of Tonawanda.[2] Other observations from the data shown in Table C include:

- The estimated 39 manufacturers within the Waterfront Study Area comprise 27% of all manufacturing establishments in Tonawanda overall. These businesses account for 55% of Town manufacturing jobs and 51% of Town manufacturing sales.

- The retail sector is the industry group least represented in the Waterfront Study Area relative to all business types, accounting for less than 3% of Town retail jobs and business sales.

Table D shows a more detailed breakdown of establishments and business sales for key sectors within the Waterfront Study Area and compares to total Study Area employment and the share of category employment for the Town of Tonawanda as a whole. Five (5) establishments in Transportation Equipment are the leading generators of business sales in the Waterfront Study Area with 21% of all Study Area sales; however it accounts for only 1% of citywide sales in that industry. Wholesale Trade businesses capture 18% of Study Area sales but only 2% of Townwide Wholesale Trade Services.

Table E presents similar data for employees by industry. Transportation Equipment, Rubber and Plastics Products, Chemical Products, Wholesale Trade, and Transportation and Warehousing are the top categories in number of employees. These five categories account for 69% of sales and 76% of employment in the Waterfront Study Area.

- The estimated 39 manufacturers within the Waterfront Study Area comprise 27% of all manufacturing establishments in Tonawanda overall. These businesses account for 55% of Town manufacturing jobs and 51% of Town manufacturing sales.

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[2] Claritas Business Facts for New York, Erie-Niagara Counties and Town of Tonawanda, 2010.

Table C. Summary of Employment by Geographic Area (2010)

Table C. Summary of Employment by Category, 2010

Erie-Niagara Counties

SIC Code	Business Description	Total Establishment	Total Employees	Sales (in Millions)	Sales Per Employee
TOT	All Industries	40,034	672,657	74,281.9	$110,431
MAN	All Manufacturing (SIC 20-39)	2,102	71,467	5,607.8	$78,467
RET	All Retailing (SIC 52-59)	8,507	113,070	12,689.3	$112,225
SERV	All Services (SIC 70-89)	17,982	290,225	27,169	$93,614
ADM	Public Administration (SIC 90-97)	1,483	36,223	0	$0

Town of Tonawanda

SIC Code	Business Description	Total Establishment	Total Employees	Sales (in Millions)	Sales Per Employee
TOT	All Industries	2,662	43,457	4,309.0	$99,155
MAN	All Manufacturing (SIC 20-39)	146	10,875	813.4	$74,795
RET	All Retailing (SIC 52-59)	624	8,851	928.2	$104,870
SERV	All Services (SIC 70-89)	1,174	14,292	1,400	$97,957
ADM	Public Administration (SIC 90-97)	77	1,667	0	$0

Study Area

SIC Code	Business Description	Total Establishment	Total Employees	Sales (in Millions)	Sales Per Employee
TOT	All Industries	217	8,574	766.9	$89,445
MAN	All Manufacturing (SIC 20-39)	39	5,957	410.7	$68,944
RET	All Retailing (SIC 52-59)	25	249	42.1	$169,076
SERV	All Services (SIC 70-89)	50	342	30	$88,012
ADM	Public Administration (SIC 90-97)	6	131	0	$0

Source: Claritas SiteReports, 2010 and FXM Associates

Table D. Key Study Area Sales by Category for 2010

Business Description	Establishment	Sales*	% of Study Area Total Sales	% of Tonawanda Category Sales	% of Erie-Niagara Category Sales
Transportation Equipment	5	160.5	20.9%	1.3%	2.3%
Wholesale Trade-Durable Goods	19	137.7	12.9%	2.3%	14.3%
Rubber and Miscellaneous Plastics Produ	3	99.2	12.3%	1.5%	1.4%
Chemicals and Allied Products	3	94.3	18.0%	0.7%	1.7%
Wholesale Trade-NonDurable Goods	14	36.8	4.5%	0.6%	7.8%
Motor Freight Transportation and Wareho	17	34.3	2.3%	0.7%	2.2%
Construction-Special Trade Contractors	16	28.1	1.8%	2.0%	8.0%
Transportation Services	10	19.9	4.8%	0.4%	2.2%
Industry and Commercial Machinery and	11	17.7	3.7%	1.3%	4.0%
Building Materials, Garden Supply and M	3	15.0	2.6%	0.7%	3.8%
Stone, Clay, Glass and Concrete Product	4	13.9	1.7%	0.1%	0.6%
Electric, Gas and Sanitary Services	2	13.0	1.1%	0.2%	1.3%

* in millions of dollars per year

Source: Claritas Site Reports, 2010, and FXM Associates

Table E. Key Study Area Employees by Category for 2010

Table E. Tonawanda Study Area Employment for Selected Industries, 2010

Business Description	Establishment	Employees	% of Study Area Total Employees	% of Tonawanda Category Employees	% of Erie-Niagara Category Employees
Transportation Equipment	5	2,796	33.2%	3.5%	2.3%
Rubber and Miscellaneous Plastics Produ	3	1,522	18.1%	3.4%	1.4%
Chemicals and Allied Products	3	943	11.2%	1.2%	1.7%
Wholesale Trade-Durable Goods	19	776	9.2%	2.0%	14.3%
Motor Freight Transportation and Warehou	17	376	4.5%	1.1%	2.2%
Industry and Commercial Machinery and C	11	246	2.9%	2.8%	4.0%
Stone, Clay, Glass and Concrete Products	4	208	2.5%	0.3%	0.6%
Wholesale Trade-NonDurable Goods	14	207	2.5%	0.5%	7.8%
Construction-Special Trade Contractors	16	176	2.1%	1.9%	8.0%
Transportation Services	10	120	1.4%	0.3%	2.2%
Electric, Gas and Sanitary Services	2	108	1.3%	0.4%	1.3%
Business Services	7	77	0.7%	51.4%	34.4%

Source: Claritas Site Reports, 2010, and FXM Associates

III.   Historic Population Trends

Erie-Niagara Counties had a population of 1,117,000 persons and the Town of Tonawanda had an estimated 74,000 persons in 2010.[3] As shown by data in Table A, the Study Area, the Town of Tonawanda, and Erie-Niagara Counties lost population and households over the past 10 years while New York overall grew during that period. The Town of Tonawanda is estimated to have declined in population (-5.8%) and households (-3.0%) over this same period. According to data provided by Claritas *SiteReports,* Tonawanda is projected to continue to lose both population and households over the next five years, as shown by data in Table A.[4]

As indicated in Figure 2, the Erie-Niagara Counties population has declined steadily since 1969 while the state has slowly but steadily gained population. Note that the scales are different with the left-hand scale applying to Erie-Niagara Counties and Tonawanda, and the right-hand scale for the state of New York.

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[3] Claritas SiteReports, New York, Erie-Niagara Counties, Town of Tonawanda, 2010.

[4] Ibid.

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Figure 3 compares New York, Erie-Niagara Counties, and Tonawanda annual population trends from 1990-2009. This chart shows even more clearly than Table A the gradual increase in New York State's population and the declines in Tonawanda and Erie-Niagara Counties population from 2000 to 2009.

Figure 2. Erie-Niagara Counties and New York Population, 1969 - 2009
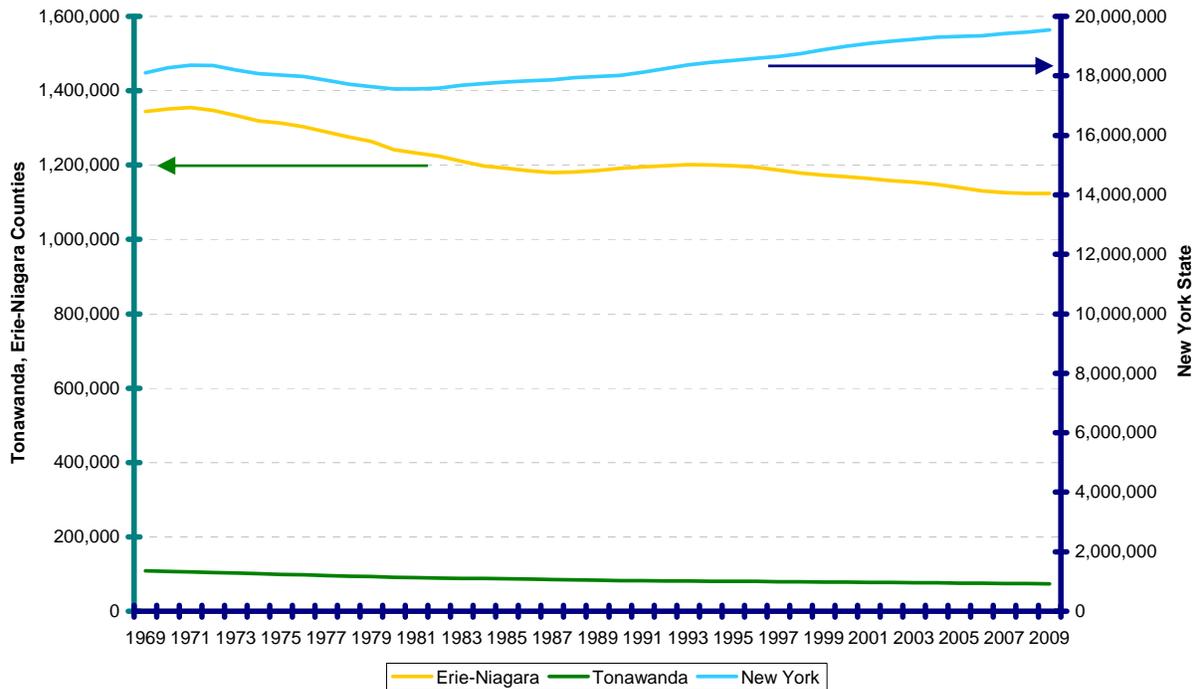
Source:

The 2010 population estimates for Tonawanda and Erie-Niagara Counties do not match exactly the values in Table A because they are from different sources. The data in Figure 2 are from published government sources that only go through 2009 and are intended to show short and long-term trends in major characteristics; they do not attempt to match the Claritas level of detail between Censuses.

One method commonly used to portray growth trends between two or more datasets is to create an index chart using a common base year and the ratio of annual values to that base year. For Tonawanda, Erie-Niagara Counties, and New York, 1990 was selected a common base year. Growth relative to 1990 is shown in Figure 3; this graph clearly shows that the State of New York has grown steadily since 1990. Tonawanda and the Study Area have declined since 1990 and are trending toward continued decline in the future.

A similar method is used to portray personal income data. That is to again use a common base year and illustrate income growth (total, by household or per capita) in current dollars (i.e., the year in which the dollars were earned) and in constant dollars (showing changes in relative purchasing power). Figure 4 shows the trend in per capita income for New York and Erie-Niagara Counties. These data are readily available only at the state and county levels. Income

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per capita increased steadily through 2008, but took a downturn from 2008 to 2009. Comparing Figures 4 and 5, which shows state and county per capita incomes in constant 1969 dollars, the Erie-Niagara Counties income doubled in current dollars since between 1990 and 2009, but increased by 63% in constant 1990 dollars.[5]

The number of persons per household has been declining statewide since 1990, and as illustrated in Figure 6, and that trend is reflected in Tonawanda as well as Erie-Niagara Counties. Erie-Niagara Counties had approximately the same profile as New York, but Tonawanda had a lower rate of persons per household at 2.34 versus 2.60 in 2010.

Other relevant demographic observations include:

- Tonawanda's Median Household Income ($61,065) and Per Capita Income ($31,810) are greater than incomes in Erie-Niagara Counties and New York Statewide. (Figure 8)

- Residents of Tonawanda are slightly better educated that the rest of the state. Forty-one percent (41%) of residents in Tonawanda have college degrees compared to 38% for the region and 39% for the state as a whole. (Figure 9).

- Residents of Tonawanda have a 10% shorter commute to work at 21 minutes than the average for Erie-Niagara Counties (23 minutes).[6]

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[5] Current dollars are the value of income in the year it is recorded (i.e., $1999 dollars are those earned in $1999), while constant dollars represented the change in purchasing power relative to the 1969 base year. As an example, an income of $38,000 in 2000 only buys as much as $30,000 would have in 1990. Personal income data were not available for the Town of Tonawanda.

[6] Claritas Site Reports, 2010.

**Figure 3. Tonawanda, Erie-Niagara Counties and New York Population Indices
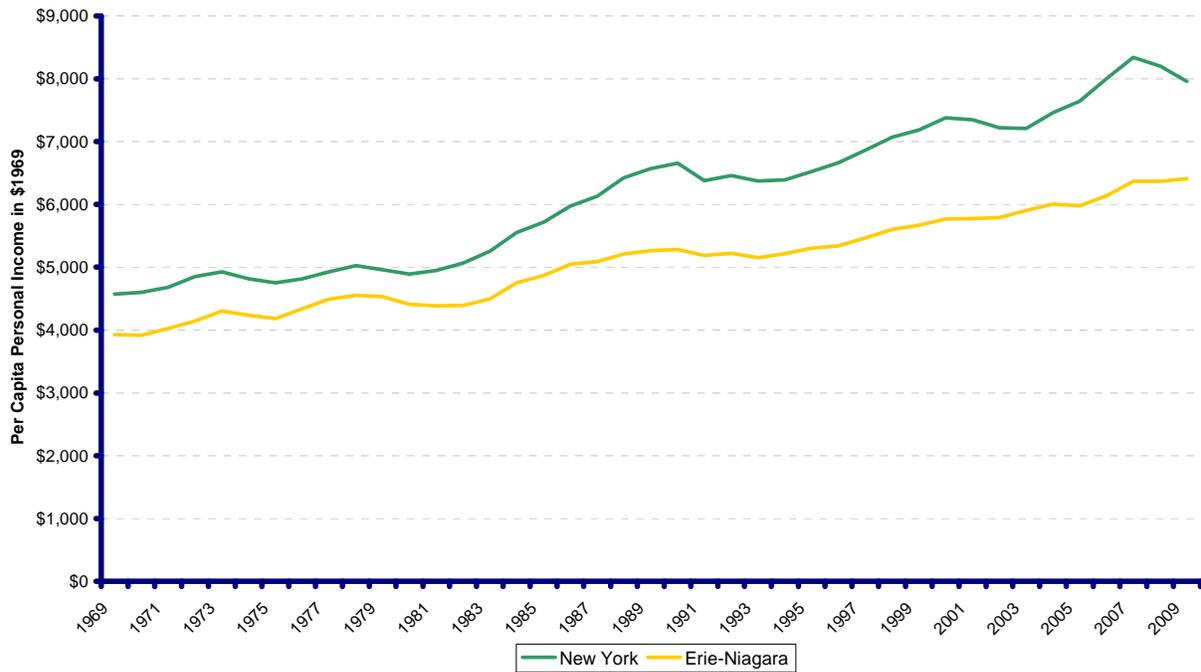1990 = 1.00**
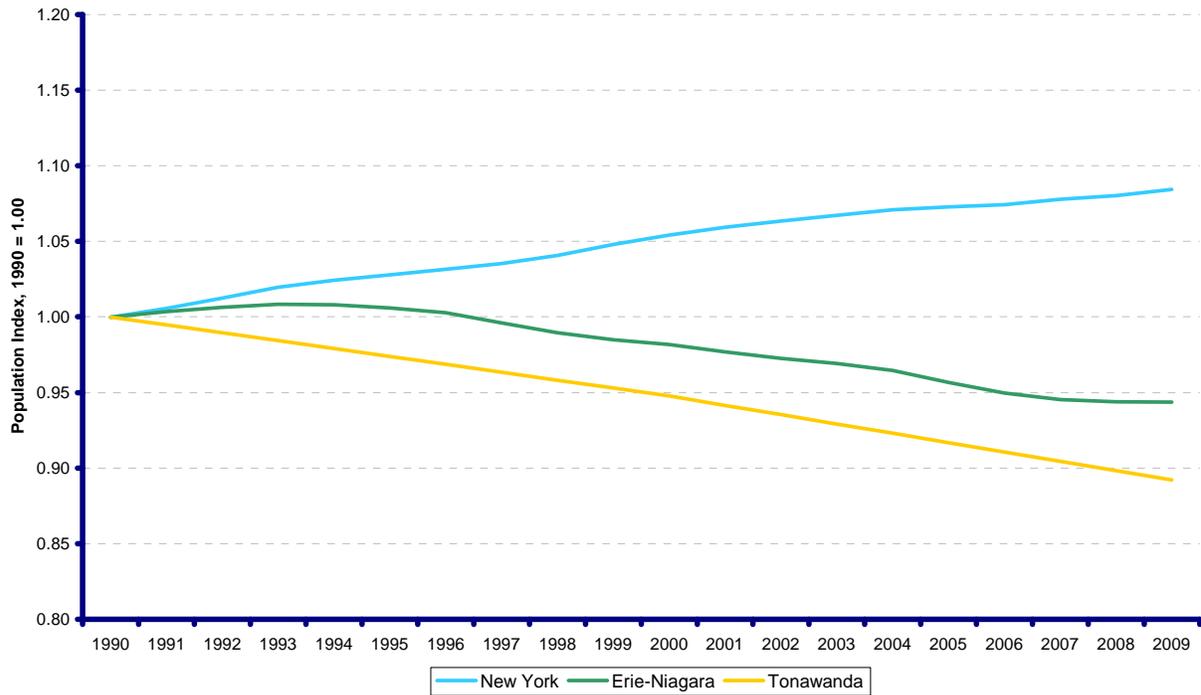
**Figure 4. Erie-Niagara Counties Personal Income per Capita,
Current Dollars and Constant Dollars, 1969 - 2009**
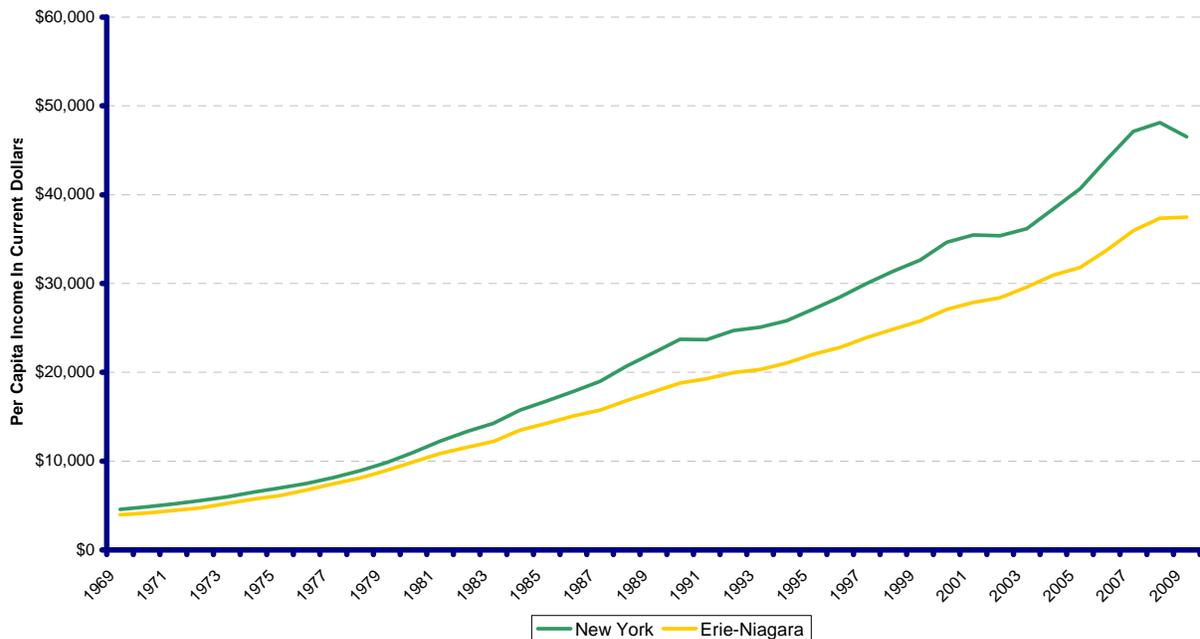
Source: US Department of Commerce, REIS Database, Table CA30 and FXM Associates.

Figure 5. Erie-Niagara Counties and New York Income per Capita, 1969 - 2009 in Constant $1969 Dollars

Source: US Department of Commerce, REIS Database, Table CA30 and FXM Associates.

Figure 6. Tonawanda, Erie-Niagara Counties and New York Persons per Household, 1990 - 2015

Source: Claritas Site Reports, 2010, and FXM Associates.
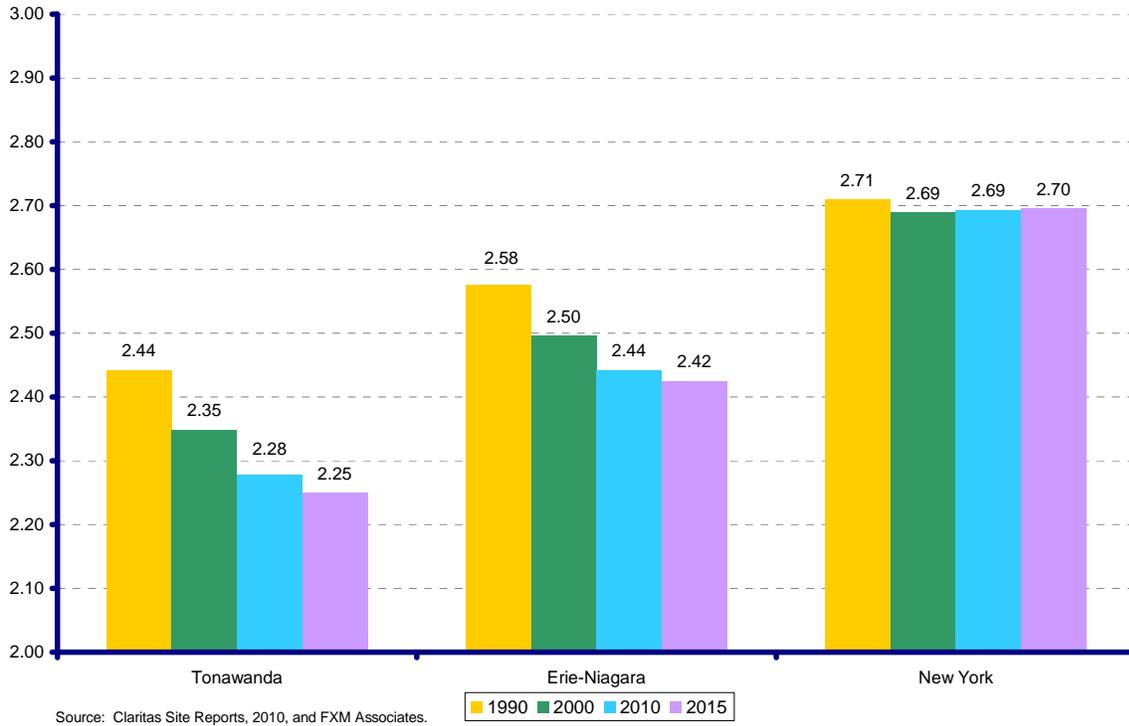
Figure 7. Percent of Dwellings Owner Occupied, 2009

Source: Claritas Site Reports, 2010, and FXM Associates.
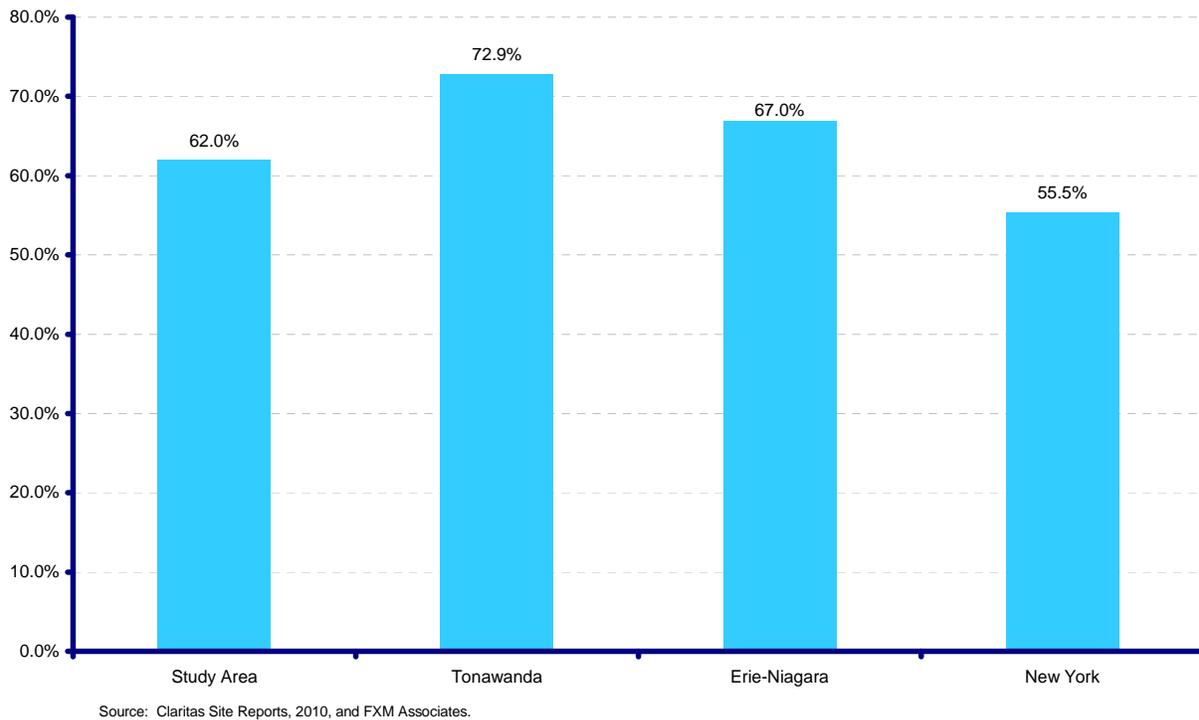
Figure 8. Tonawanda, Erie-Niagara Counties and New York Income Comparison, 2010
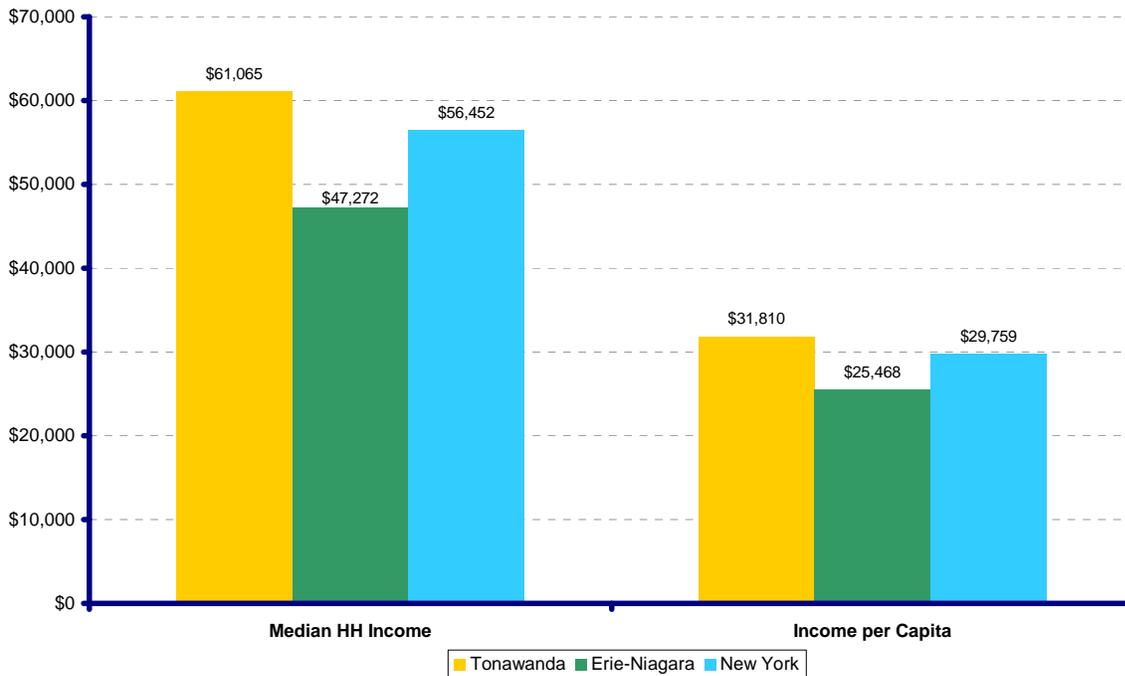
Source: Claritas Site Reports, 2010, and FXM Associates.

**Figure 9. Tonawanda, Erie-Niagara Counties and New York
Percent of Adult Population with College Degrees, 2009**
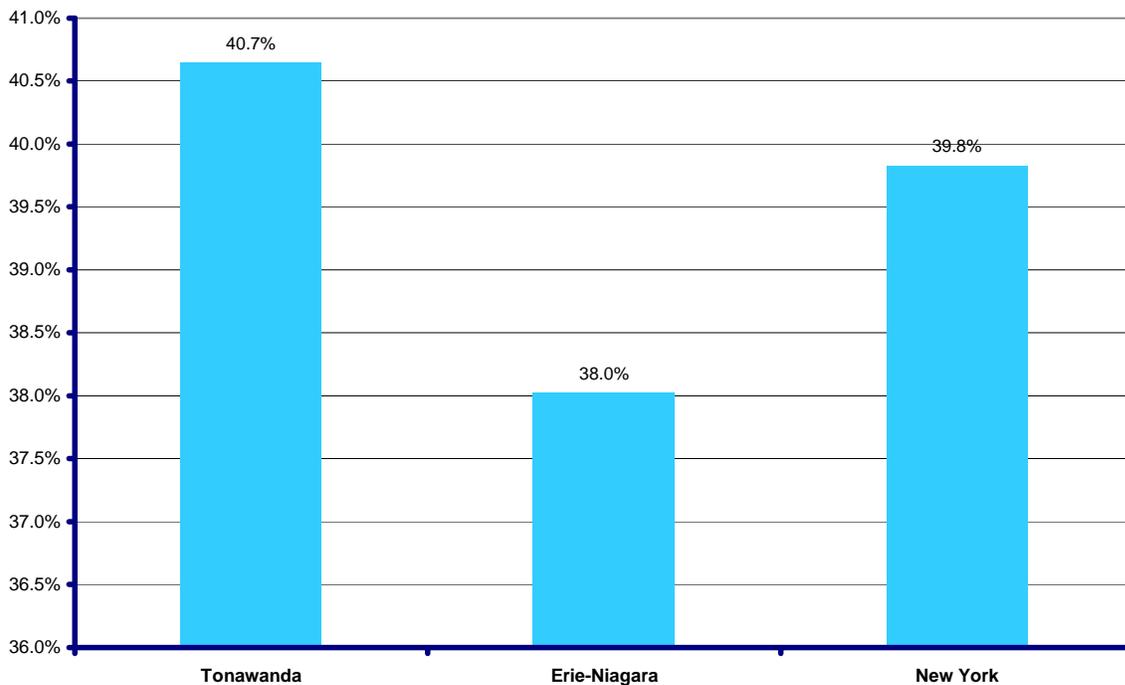
Source: Claritas Site Reports, 2010, and FXM Associates.

While historical changes in population and households are important to consider in understanding baseline, or Existing Conditions within the Waterfront Study Area, as well as the larger city-wide and county-wide social environment, they are not necessarily indicative of future conditions. Potential population and household growth over the long term, and the assumptions that underlie such forecasts, have been carefully considered by the regional planning agency (Greater Buffalo-Niagara Transportation Plan Council) in its forecasting process for year 2035 demographics. The same caveat needs to be considered in the subsequent section on Employment-related Trends.

IV.   Historic Employment Trends

Figure 10 shows long-term employment trends in Erie-Niagara Counties and New York from 1969 to 2009. The graph reflects that Erie-Niagara Counties' employment has been up and down since 1969 with a big drop from 1979 to 1983. More recently there has been a general increase from 1990 through 2009 and this growth trend looks poised to continue into the near term.

Figure 11 shows the relative employment growth indexed to 1990 for the county and state for 1990 to 2009.

Figure 10. Erie-Niagara Counties and New York Employment, 1969 - 2009
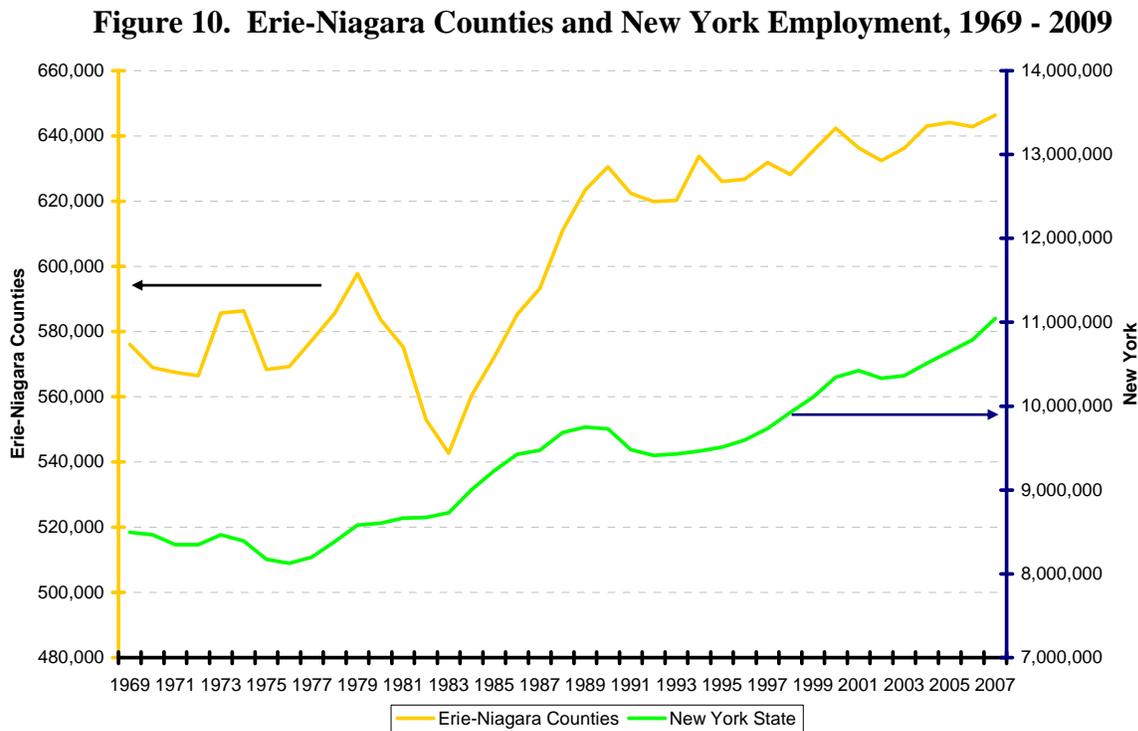
Source: US Department of Commerce, REIS Database, Table CA 30 and FXM Associates

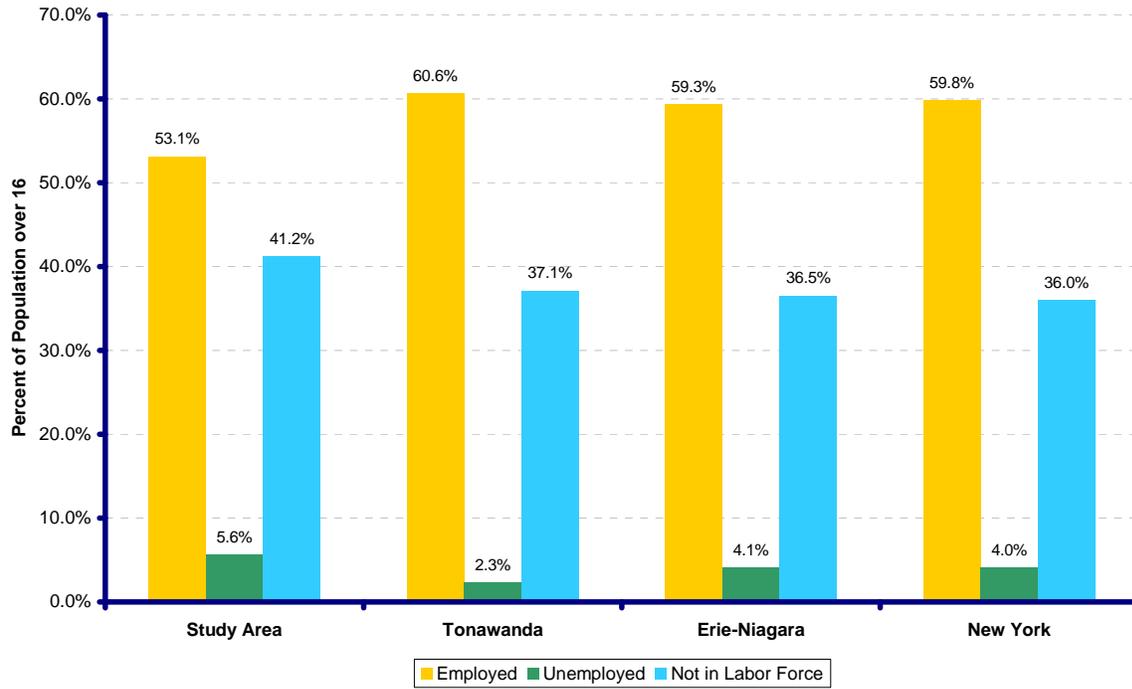**Figure 11. Erie-Niagara Counties and New York Employment Indices, 1990 = 1.00**
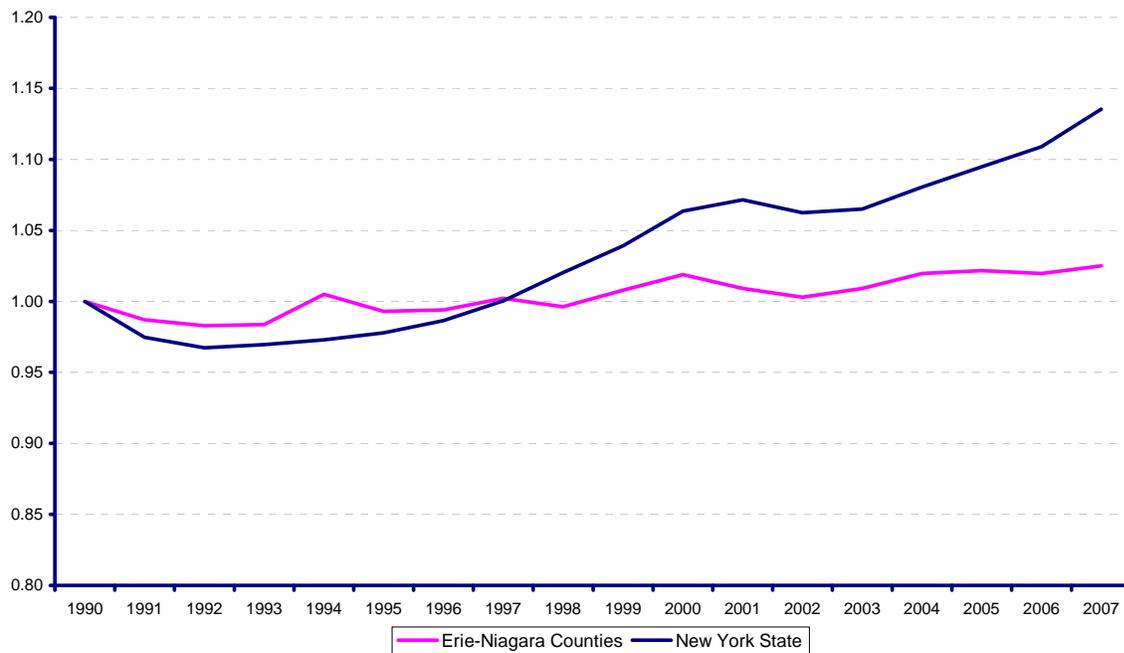
Source: US Department of Commerce, REIS Database, Table CA 30 and FXM Associates

Figures 12 through 14 present a snapshot of key employment characteristics for 2010 from Claritas *SiteReports*.

- Figure 12 indicates labor force status for the four geographic areas used in this analysis. The Waterfront Study Area has the lowest percent of employed labor force (53%) and the highest percentage of residents aged 16 and older not in the labor force (41%).

- Figure 13 shows that the Waterfront Study Area has noticeably lower rates of white-collar employment compared to the Town, region, and the statewide averages. The Study Area has a higher percentage of its employment in blue collar and service industries.

- Figure 14 illustrates the percentage of employed persons by occupation in Tonawanda, Erie-Niagara Counties and New York. This graph shows higher Town employment rates in Management, Office/Admin Support, and Sales-Related occupations, and lower employment percentages in Farming, Legal and Life Science occupations.
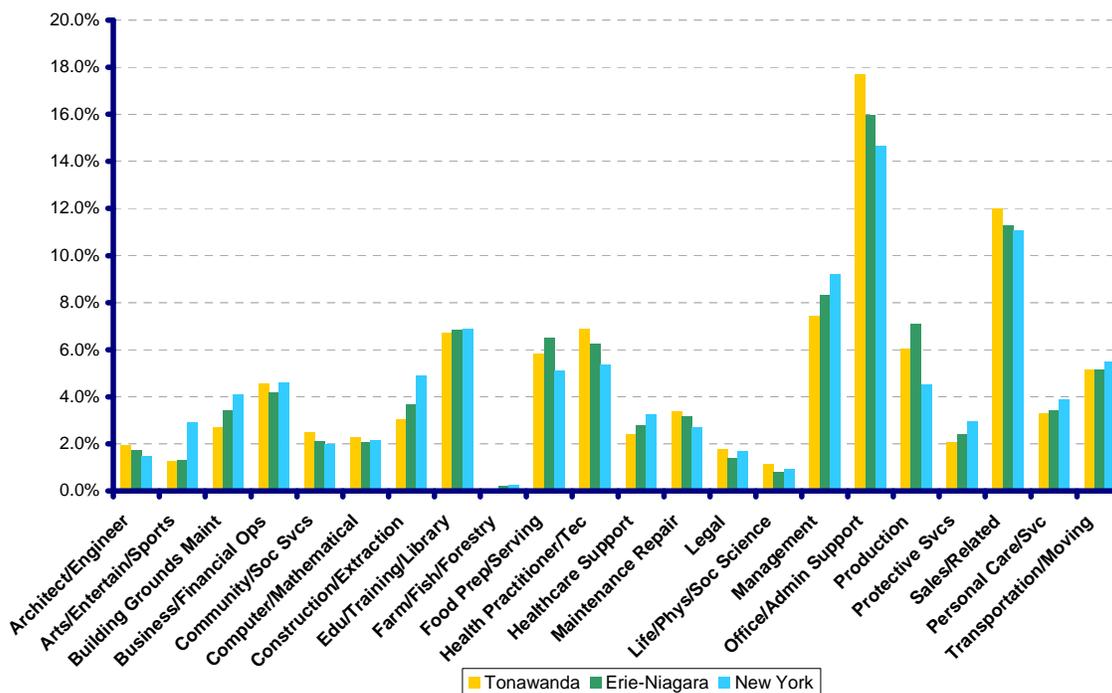
Figure 12. Employment Status, 2010

Source: Claritas Site Reports, 2010, and FXM Associates.

Figure 13. Percent of Workers by Occupation Class, 2009
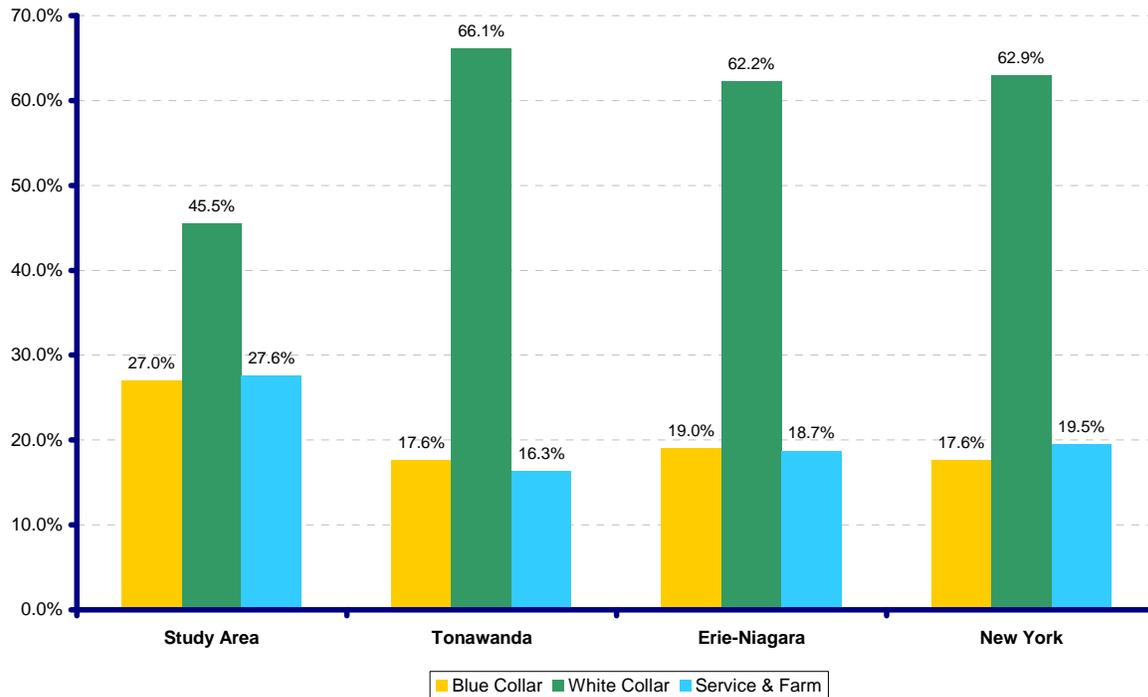
Source: Claritas Site Reports, 2010, and FXM Associates.

Figure 14. Tonawanda, Erie-Niagara Counties and New York Percent of Workers by Occupation, 2009

Source: Claritas Site Reports, 2010, and FXM Associates.

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Figure 15 portrays long-term trends in Erie-Niagara Counties for total employment by wage and salary jobs and sole proprietors' employment. Both population and employment have been increasing slowly but steadily since 1991. Wage and salary employment declined after 2000 with around 550,000 jobs in 2009. However, the number of proprietors in the region has grown by 26% since 2000 indicating that one and two person firms have been a primary source of new jobs in recent years.

Figure 16 shows growth indices for total employment and total county population indexed to 1990 levels. Regional population has dropped steadily since 1993, while employment has been up and down for the past two decades. The latest downward trend shows total employment approaching the same level as in 1990.

Figure 17 shows New York jobs per capita declined in the early 1990s but had increased from 0.51 in 1994 to 0.57 in 2008, but dropped to 0.56 by 2009. Values for Erie-Niagara Counties have been more constant going from 0.52 jobs per capita in 1993 to 0.58 in 2008.

As mentioned above, FXM used two basic data sources for employment: the Bureau of Economic Analysis (BEA), Regional Economic Information System (REIS); and the New York Department of Labor's Quarterly Census of Employment and Wages (QCEW). Figure 18 shows a comparison of employment estimates from these two sources of employment by category. The principal difference between the two datasets is that QCEW includes only those workers covered by state unemployment insurance while REIS includes all full-time and part-time employees and sole proprietors regardless of whether they are eligible for unemployment compensation or not. The differences are found in those jobs with a considerable amount of part-time and seasonal employment (Retail Trade,) or self-employed people (Finance and Insurance, Real Estate, and Professional and Technical Services).

Figure 15. Erie-Niagara Counties Total, Wage and Salary, and Proprietors Employment, 1990 - 2009
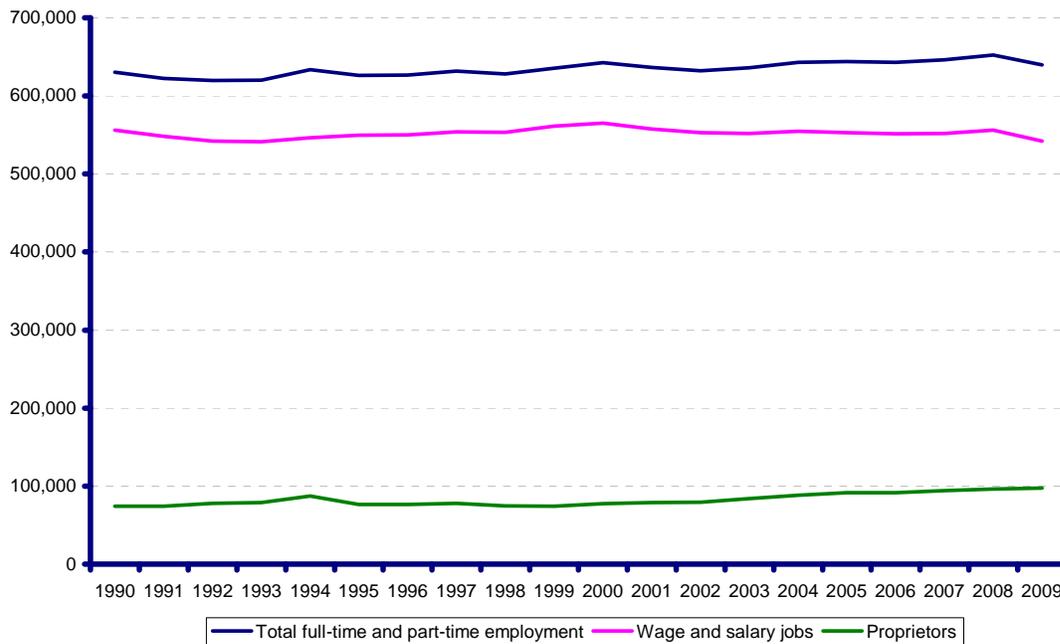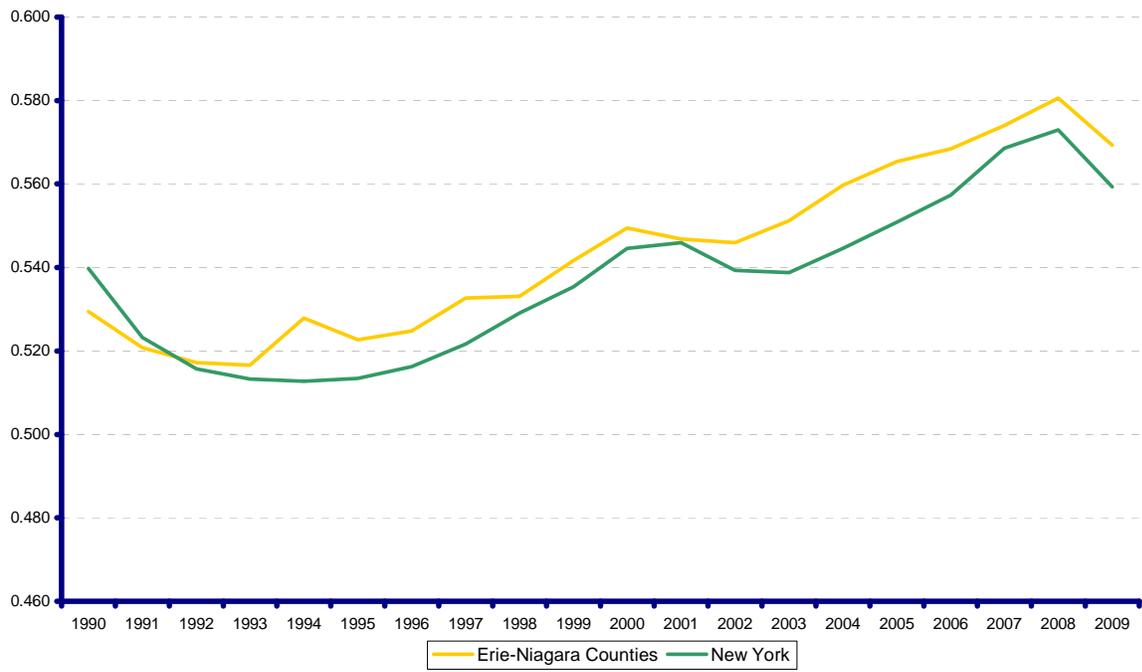

Source: US Department of Commerce, REIS Database, Table CA 30 and FXM Associates.

Figure 16. Erie-Niagara Counties Population and Employment Indices, 1990 – 2009 (1990 = 1.00)
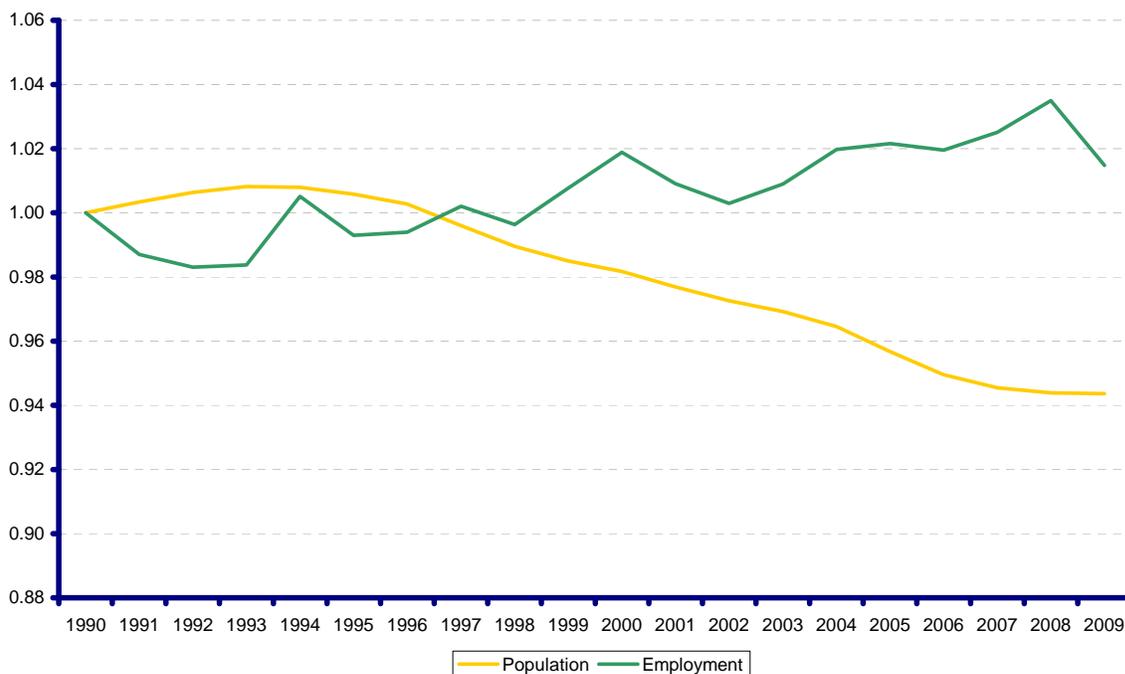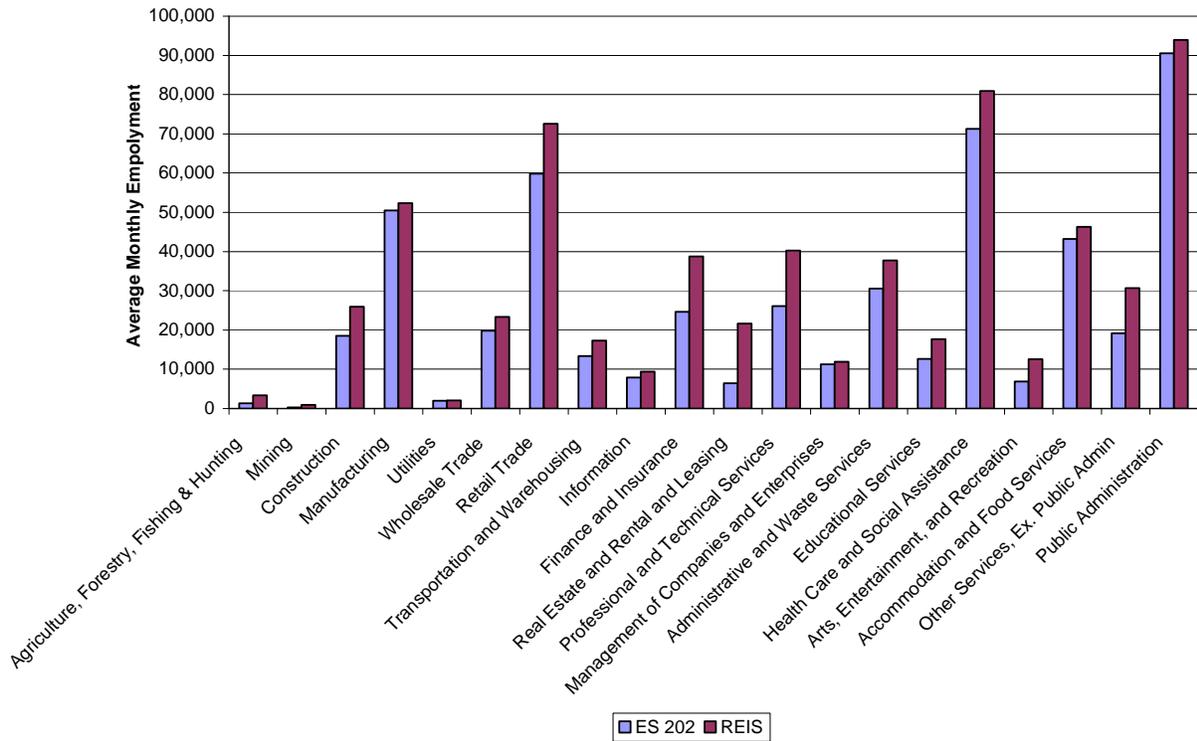

Source: US Department of Commerce, REIS Database, Table CA 30 and FXM Associates.

Figure 17. Erie-Niagara Counties and New York Employees per Capita, 1990 - 2009

Source: US Department of Commerce, REIS Database, Table CA 30 and FXM Associates.

Figure 18. Compare REIS and ES 202 Sources for Erie-Niagara Counties Employment, 2010

Year 2010 employment by NAICS category is shown in Table F and Figure 21 for Erie-Niagara Counties and Tonawanda. In the county, the top employers are in the Health Care and Social Assistance, Retail Trade, Educational Services and Manufacturing sectors. In the Town of Tonawanda, the leading categories are Manufacturing, Retail Trade and Educational Services.[7]

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[7] US Department of Labor, Bureau of Labor Statistics, Quarterly Census of Employment and Wages, 2010.

Table F. Erie-Niagara Counties Employment by NACIS Category, 2010

NAICS Category	Erie-Niagra Counties
Agriculture, Forestry, Fishing & Hunting	3,304
Mining	901
Construction	25,929
Manufacturing	52,353
Utilities	2,077
Wholesale Trade	23,340
Retail Trade	72,549
Transportation and Warehousing	17,319
Information	9,387
Finance and Insurance	38,772
Real Estate and Rental and Leasing	21,626
Professional and Technical Services	40,216
Management of Companies and Enterprises	11,917
Administrative and Waste Services	37,768
Educational Services	17,681
Health Care and Social Assistance	80,987
Arts, Entertainment, and Recreation	12,520
Accommodation and Food Services	46,277
Other Services, Ex. Public Admin	30,658
Public Administration	93,981
Total, All industries	639,562

Source: US Department of Labor, Bureau of Labor Statistics, Quarterly Census of Employment and Wages, average for 2010 calendar year.

Figure 19. Erie-Niagara Counties Employment by NAICS Code, 2009
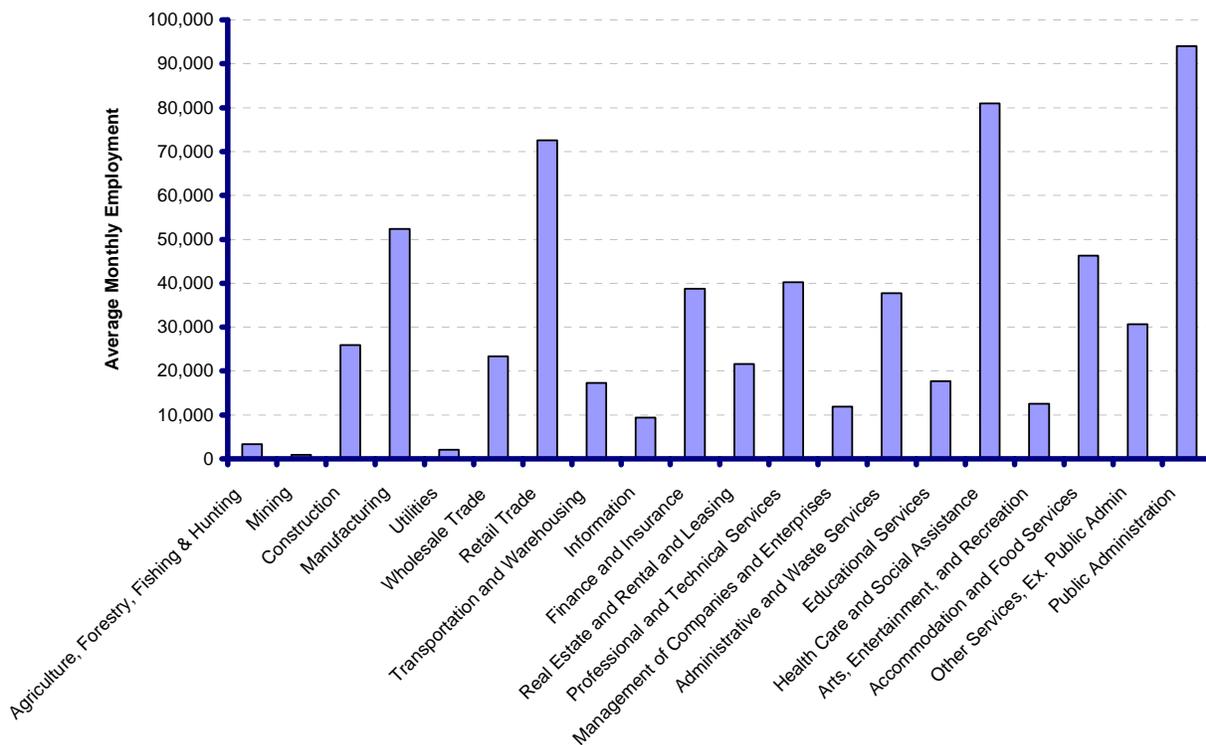
III. Population and Employment Forecasts

This section summarizes future population and employment forecasts for Tonawanda and the Erie-Niagara region from various public sources. The first source is the *Claritas* population and household projections for 2015 which have been included in Table A earlier in this report.[8] These projections are based on proprietary formulas from Nielson Claritas, and are basically short term trends based on the latest available Census and American Community Surveys data.

The second source is long term forecasts of population, households, and employment from the Greater Buffalo-Niagara Region Transportation Council (GBNRTC) which were prepared for the 2030 Long-Range Transportation Plan Update.[9]

The third source is the New York DOL 2018 forecasts of population and employment for New York State and the Erie-Niagara region.[10] Long-term industry employment projections are currently available at the statewide and regional levels for approximately 90 detailed industries (at the 3-digit NAICS industry level), and cover the 2008-2018 period.

Employment

Figure 20 illustrates the projected long term population (2030) trend for the Town of Tonawanda and Erie-Niagara Counties from the GBNRTC, incorporating the 2015 projection from Claritas (2018 projection from New York DOL for employment adjusted to 2015). The two trends are parallel, showing a dip bottoming out in 2015 and then recovering through 2030.

Households

The number of households in Tonawanda and Erie-Niagara Counties are expected to follow a similar pattern as population. As shown in Figure 21, households are expected to dip in the future until roughly 2015 and then recover through 2020.

Total Employment

Figure 22 shows historical and future employment in Tonawanda and Erie-Niagara Counties from 1990 through 2030. These estimates are from GBNRTC's projections TAZ-level forecasts developed for the 2030 Regional Transportation Plan Update. The forecasts for 2015 were derived by applying the annual growth rates from NYSDOL's 2008-2018 projections to the 2010 GBNRTC estimates. The resulting trend is about the same as the population trends for the 2010-2030 period: employment peaked about 2000, has declined and will continue to decline through about 2015, and then recover through 2030.

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[8] *Claritas SiteReports*, Demographic Snapshot, 2010.

[9] Greater Buffalo-Niagara Regional Transportation Council, *2030 TAZ Demographics-Employment and 2030 TAZ Demographics-Population and Households*; www.gbnrtc.org/data retrieved 918/2011.
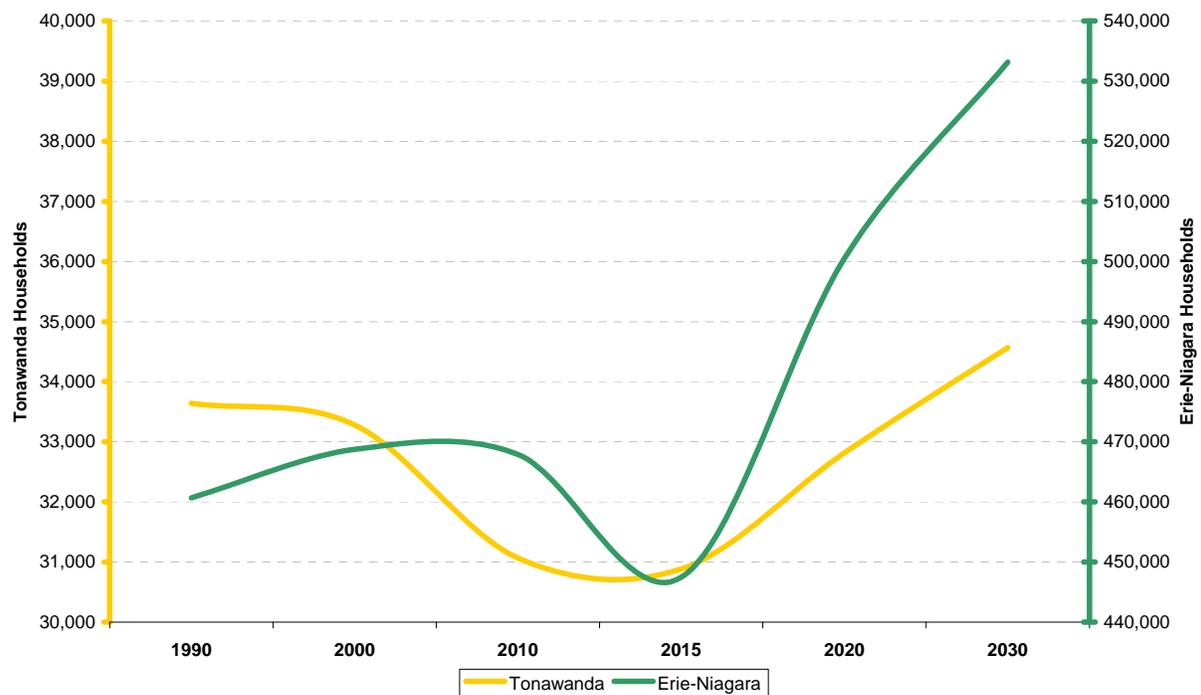
[10] New York State Department of Labor, Division of Research and Statistics, *Long-Term Industry Employment Projections, 2008-2018*, 2006.

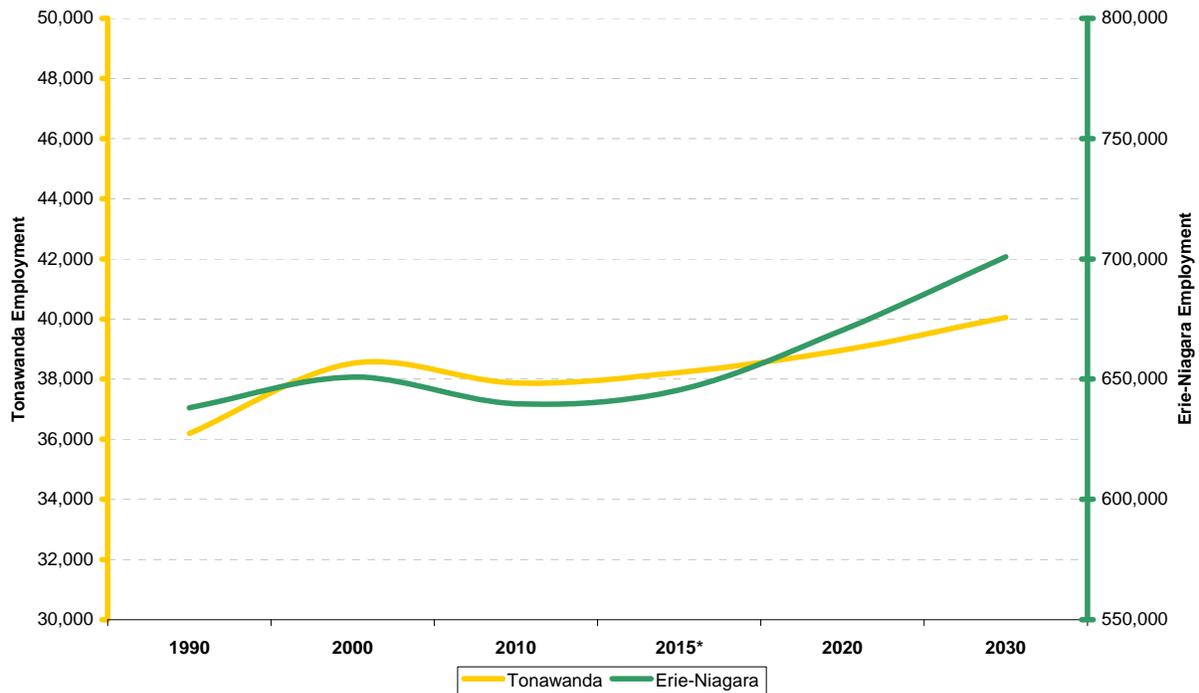## Figure 20. Population, Historical and Forecast, 1990 - 2030
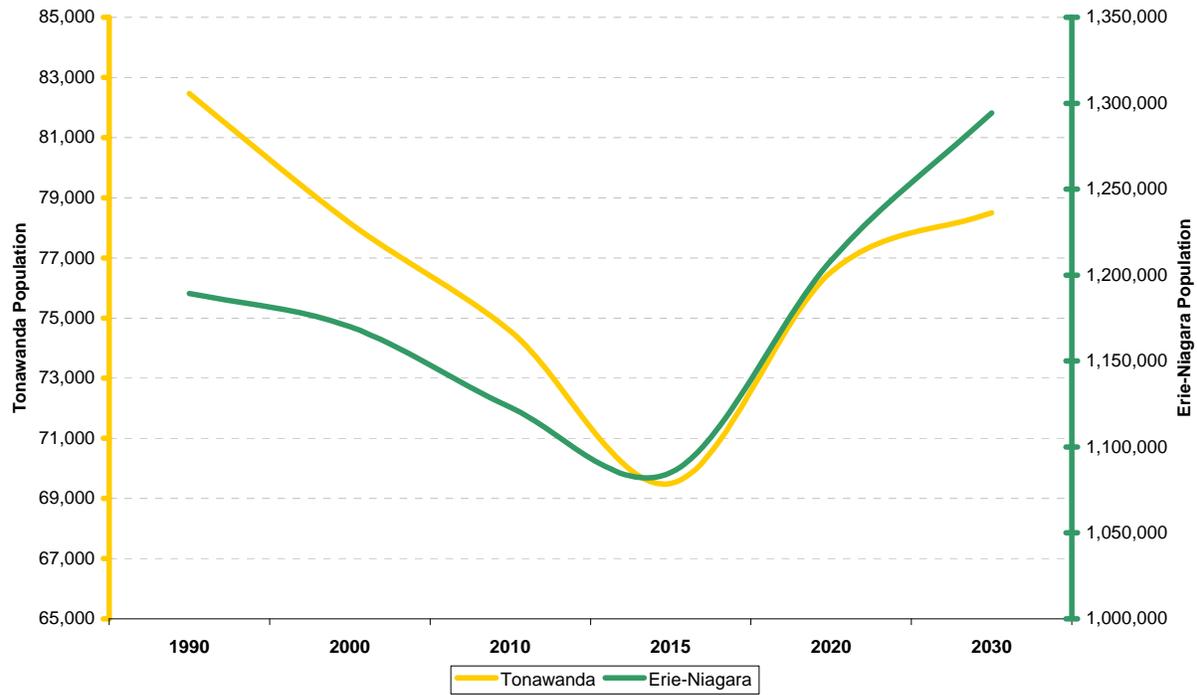
Source: Greater Buffalo Niagara Regional Transportation Council, 2006; and FXM Associates.

Figure 21. Households, Historical and Forecast, 1990 - 2030

Source: Greater Buffalo Niagara Regional Transportation Council, 2006; and FXM Associates.

figure 22. Employment, Historical and Forecast, 1990 - 2030

Source: Greater Buffalo Niagara Regional Transportation Council, 2006; and FXM Associates.

Summary Forecasts and Growth Indices

Table F summarizes population, household, and employment growth to 2030 as described above. The primary source for all forecasts is the Greater Buffalo Niagara Regional Transportation Council historical and forecast data by traffic analysis zone (TAZ).

Table F. Demographic and Employment Projections, 1990 - 2030

|	Population					
	1990	*2000*	*2010*	*2015*	*2020*	*2030*
Tonawanda	82,464	78,155	73,567	69,494	76,034	78,501
Erie-Niagara	1,189,288	1,170,111	1,123,000	1,085,144	1,208,685	1,294,370
	Households					
	1990	*2000*	*2010*	*2015*	*2020*	*2030*
Tonawanda	33,636	33,278	31,070	30,886	32,818	34,567
Erie-Niagara	460,707	468,719	467,917	447,485	500,536	533,155
	Total Employment					
	1990	*2000*	*2010*	*2015**	*2020*	*2030*
Tonawanda	36,193	38,528	37,877	38,218	38,966	40,055
Erie-Niagara	638,068	650,819	639,817	645,575	670,359	700,900

*FXM estimate based on growth rate from NYSDOL applied to GBNRTC Base data.

Source: Greater Buffalo Niagara Regional Transportation Council, 2006;
and FXM Associates.

Another way to portray growth is to index future years to some base year. In this case the base year was 1990, and population, households, and employment values for 2000-2030 were divided by their respective 1990 values and displayed in separate graphs in Figure 23.

Figure 23. Growth Indices for Population, Households, and Total Employment, 1990-2030
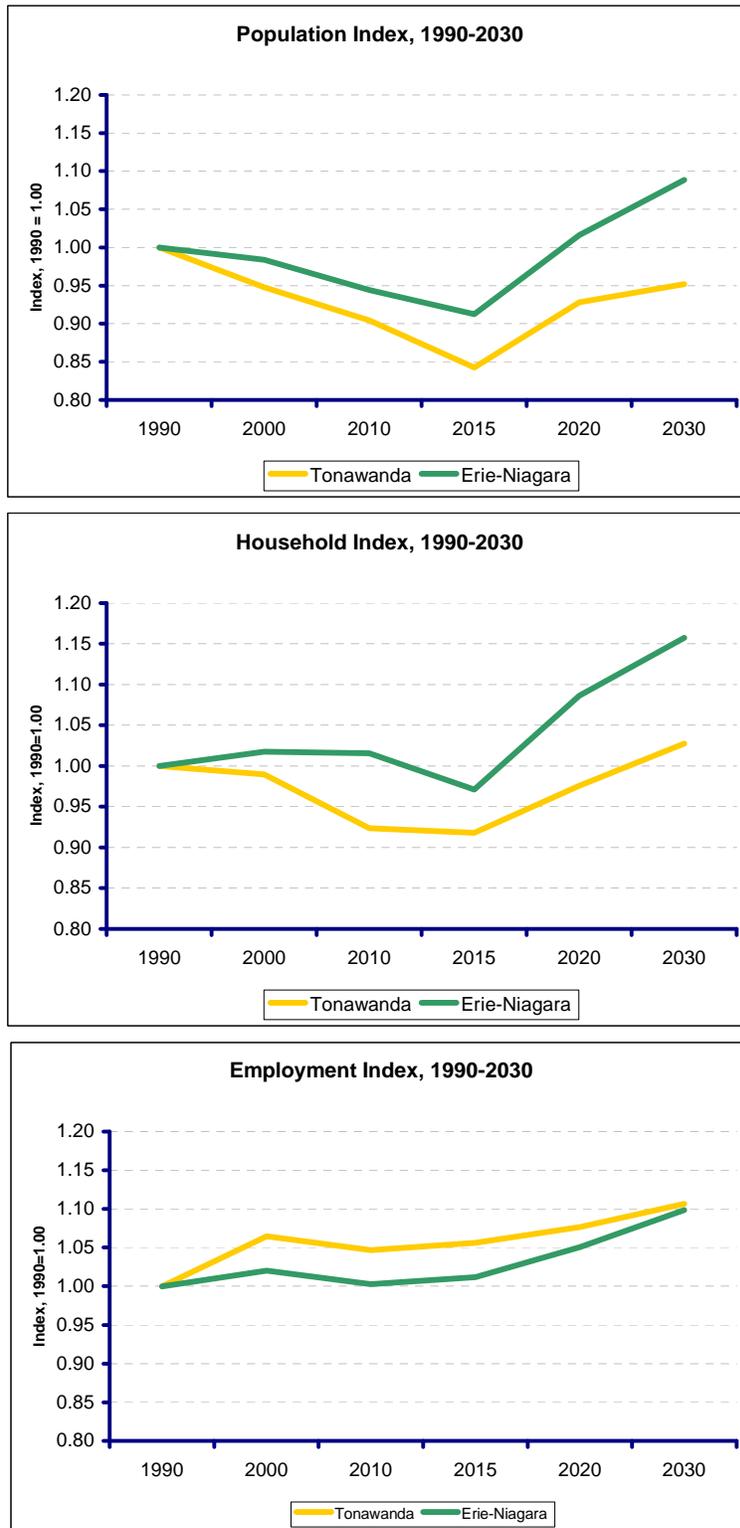
Source: Greater Buffalo and Niagara Falls Regional Transportation Council,
2006, and FXM Associates

Regional Economic Development Context

The Tonawanda Waterfront Study Area is situated within the Buffalo-Niagara sub-region of the larger Western New York region. The Town of Tonawanda and other communities in the Buffalo metropolitan area have mounted effective transformation of former industrial waterfronts through aggressive site remediation, and major emphasis on public realm improvements. Communities have targeted government brownfield funds, state and regional resources for Niagara River waterfront public improvements and infrastructure that supports existing companies and accommodate emerging business sub-sectors.

The Niagara River and its waterways, public water and waterfront access, water views are prominent, distinctive features of recent commercial and residential redevelopment projects in Buffalo and North Tonawanda, as well as residential development recently permitted in the Study Area. Parks, scenic overlooks, recreational facilities, water-dependent activities, landside waterfront access points interface with the Niagara River Greenway/Bikeway, and with other public realm amenities have attracted new private investment.

The *Western New York Regional Economic Development Plan* identifies eight key industry sectors with significant business and real estate development potential, including Advanced Manufacturing, Energy, Health/Life Sciences, and Tourism/Hospitality. Regional growth employment projections in Health/Life Sciences sectors are relevant in Buffalo, but not reflective of trends in Tonawanda. Moreover, any spin-off development in pharmaceutical businesses locating in Tonawanda are likely to choose one of the relatively new office parks in Tonawanda, each with 50+ acres and directly competitive with the Study Area.

Focusing on solar technology as a competitive advantage, *Riverview Solar Technology Park* is the 'flagship' public-private partnership that is establishing the Town of Tonawanda as a center for renewable energy commerce. T*M Montante Development* is implementing its 2010 master plan to transform a 100-acre vacant site on River Road into an eco-friendly business park powered by on-site solar energy systems. The Park has two fully leased buildings with 125,000 SF of occupied commercial space, and is expanding with construction underway for a 90,000 SF FedEx facility. The *DuPont* company operates a facility within the Study Area that manufactures material for solar modules, and is installing the latest version of its Apollo solar system to power signs and lighting at the Park entrance. The Town prepared new legislation promoting solar energy production, and *TMM* also can service solar projects on a 3rd party basis outside the Park. Other energy related business development in Tonawanda includes an engineering firm engaged in wind energy R&D recently received patents for small, more efficient turbines for residential, and commercial installation, and, plans to start-up manufacturing with 30 employees.

Tonawanda & Study Area Market Trends

Office/Industrial Commercial Market

Commercial real estate professionals report steady commercial demand in the Buffalo area over the past few years, primarily, for replacement space, and foresee no major change or signs of significant growth over the next three to five years. The Town of Tonawanda has been described as a secondary market within a secondary market, with Amherst being the nearest competitive location that captures most of any new demand for commercial space. The Tonawanda and Study Area market potential is constrained by prospective tenant's

ability to see beyond existing conditions, and accept it as a better deal than paying premium prices to locate elsewhere.

Currently, Tonawanda commercial demand is mainly from price-sensitive builders/tenants looking for 3-4 acre 'shovel ready' sites, inexpensive built space, or warehouse/distribution space. In addition, perceptions about Brownfield property redevelopment also could impede the Study Area revitalization plans. Commercial realtors indicate that many businesses view cleaned-up sites skeptically, and developers usually find site remediation costs don't warrant return on investment. However, the recently built industrial park on Route 5 in Buffalo attracted a large, single tenant, and the project was cited as a successful example of how cleaning-up Brownfields can be an incentive for private investment.

WATER-DEPENDENT COMMERCIAL USES

- *Marinas* – Three marinas operate in the Study Area: *Mid River Marina, Inc.* (3670 River Road), *Stinger's Marina, Inc.* (10 Aqua Lane), and *Collins Marine* (4444 River Road). Preliminary land use investigations of Study Area property conditions and developable indicate existing marinas in the Study Area have limited, if any, suitable area for facility expansion. Reportedly, the Niagara River has very swift current along the Tonawanda waterfront, narrow width between the shoreline and Grand Isle, and heavy vessel traffic. Local planners and developers identified these navigational constraints as problematic, and necessitating construction of an inlet to develop a marina site, which would require costly dredging and ACOE permits.

- *Marine Services* – *Collins Marine* and *Mid River Marina* provide a range of repair and maintenance services for marina boats, and *Collins Marine* offers on-site engine and related services to other vessels, as well as boat sales, charters, and transportation. Although suitable landside locations may exist in the Study Area, reportedly, the absence of such uses in the Tonawanda waterfront area is due to large vessel navigation restrictions at Black Rock Channel.

- *Excursion/Charter Tours* - The bulkhead and paved area along the former Wickwire-Spencer steel plan was designed for berthing and stevedoring large commercial vessels, and easily could accommodate waterborne passenger boats, including charter/excursion vessels. The Wickwire redevelopment concept promoting waterfront access and water-oriented activities, could incorporate a 'Wickwire Landing' for waterborne transportation uses, such as the *Miss Buffalo* operated by *Buffalo Harbor Cruises*.

Residential Market

The Study Area has large manufacturing facilities in the southern and middle sections that limit opportunities for feasible residential development. Residential developers and real estate brokers noted that the missing product is housing for older couples and singles, many are downsizing and some still employed. Residential and mixed-use development on the Buffalo waterfront has targeted this demand, and also attracted Canadian investors, who could be interested in the Tonawanda waterfront with its easy access from Lake Erie.

Residential demand in Tonawanda also is mostly for senior housing, and recently built patio homes with many high-quality upgrades sold for $200-$300,000 in a neighborhood with home prices in the $90,000 range. In the Study area, *Giuseppe Holdings LLC* has received Town approval to build a residential complex with three apartment buildings and 19 marina

slips. Originally planned as a condominium development with units priced at $500,000, reportedly, the townhouses will be rental units.

As part of the assessment of residential markets, FXM Associates applied its proprietary *Housing Demand Model* to specifically analyze the potential for market rate rental housing within the project area. Rental housing has been particularly dynamic over the past few years compared to other real estate markets, even in slow growth and declining urban areas, and developers have been able to obtain financing for rental housing projects more easily than for single family homes or commercial projects. FXM's model is unusual in that it focuses on overall market activity, including turnover in the existing housing supply, to quantify potential demand whereas most housing market studies focus on net new demand from population and household growth. Over 80 percent of housing market activity in all but the fastest growing areas is driven by households moving from one location to another within a region. Developers of new or rehabilitated housing units can and do capture a share of this mobility. FXM's model quantifies potential demand at various price points based on all local movers, including but not limited to new households within a region, and does so taking into account householder mobility by age group, income (and housing affordability) by age group, and propensity to own or rent by age group. Demand is projected outward by 5 years based on forecast changes in households by age and income groups and then converted to average annual demand over the 5 year period.

Figure 1 shows average annual demand for rental housing by householders of all age groups within the Tonawanda Market Area, defined as a 20-minute drive-time distance from the Study Area. As shown by the data in **Figure 1,** average annual demand ranges from 2,400 units per year for rental units priced at $900 per month to 260 units per year for rentals costing $2,700 per month.

Figure 2 shows average annual demand for rental units targeted to households under age 35 and over age 55. The rental rates tested for affordability are considered the minimum necessary to support the costs of new construction or rehabilitation of existing These two age groups – young working households and empty nester householders -- have been shown in prior projects assessed by FXM (and others) to be the two age groups most likely to choose rental housing in urban areas. Thee younger households are much more mobile (**Figure 3)** and more inclined to rent (**Figure 4**) than other age groups. The older households (over age 55) are the highest projected growth cohort (age grouping) with the financial ability to affordrental rates, as shown in **Figure 5**.

CAPTURING POTENTIAL DEMAND

The Study Area can capture a proportion of total rental housing demand within the Tonawanda Market Area. Most moving households will choose among existing units. Public realm and infrastructure improvements planned for the Study Area are essential to accomplish potential residential and mixed-use redevelopment. Even a site with water views may be unable to capture demand at prices high enough to warrant new construction or rehabilitation. Under conditions of significant site improvements that make the waterfront area attractive for residential development, 50 to 80 units per year renting at $1,200 to $1,800 per month **(Figure 2)** could be absorbed on an average annual basis within the Study Area through 2018.
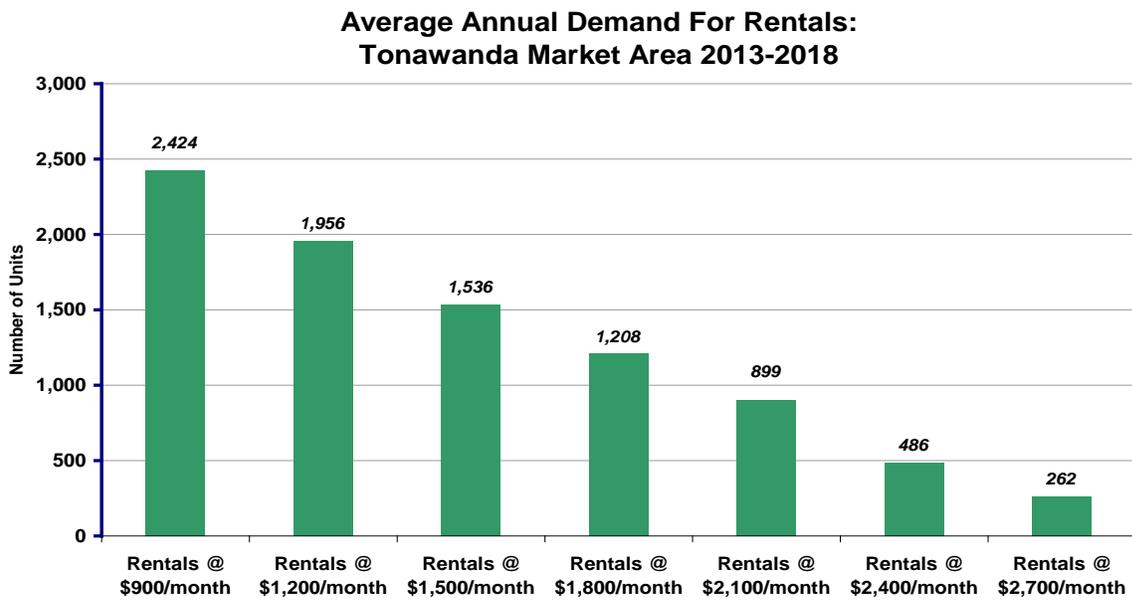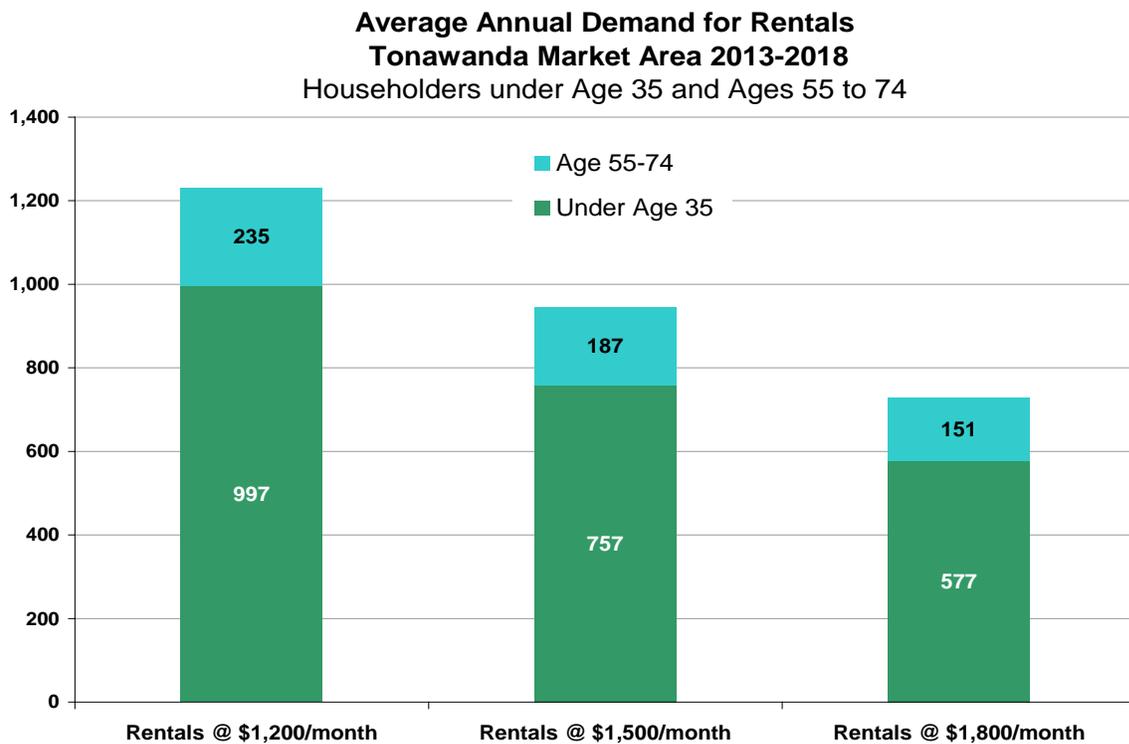
Figure 1

**Average Annual Demand For Rentals:
Tonawanda Market Area 2013-2018**

Figure 2

**Average Annual Demand for Rentals
Tonawanda Market Area 2013-2018**
Householders under Age 35 and Ages 55 to 74

Figure 3

Annual Mobility Rates by Age of Householder
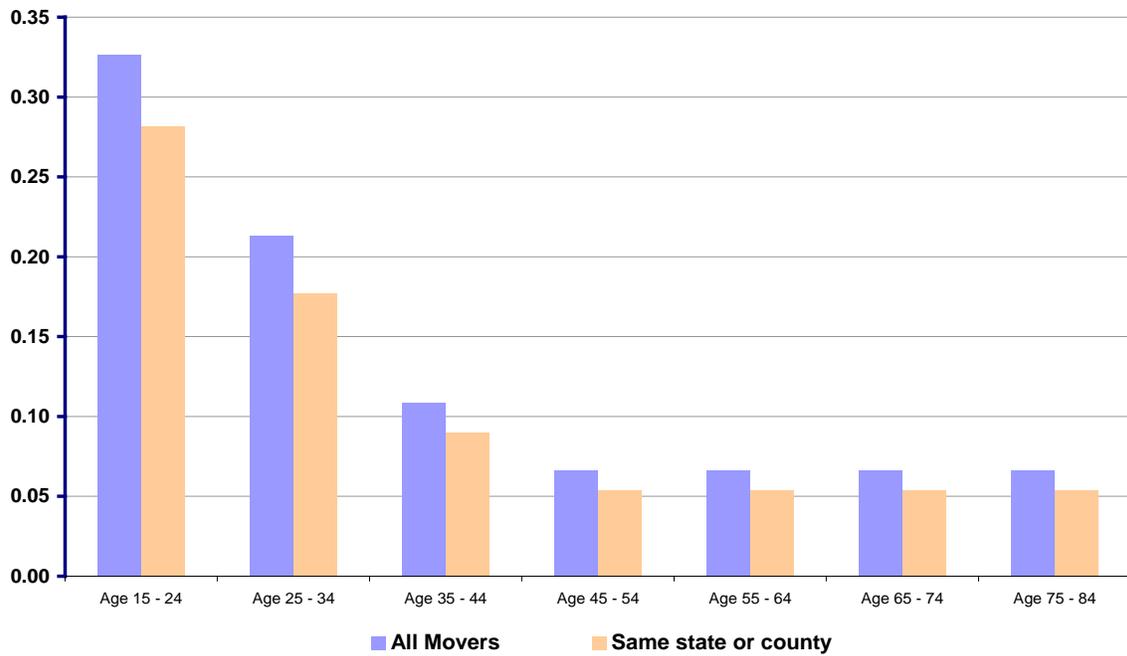
Figure 4

Propensity to Own or Rent by Age of Householder

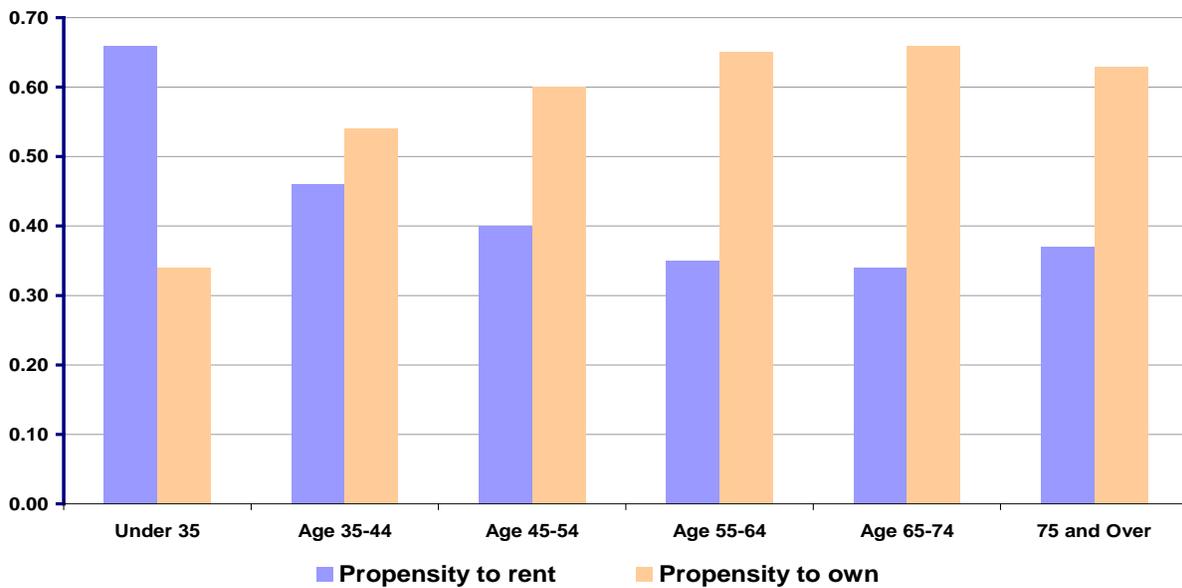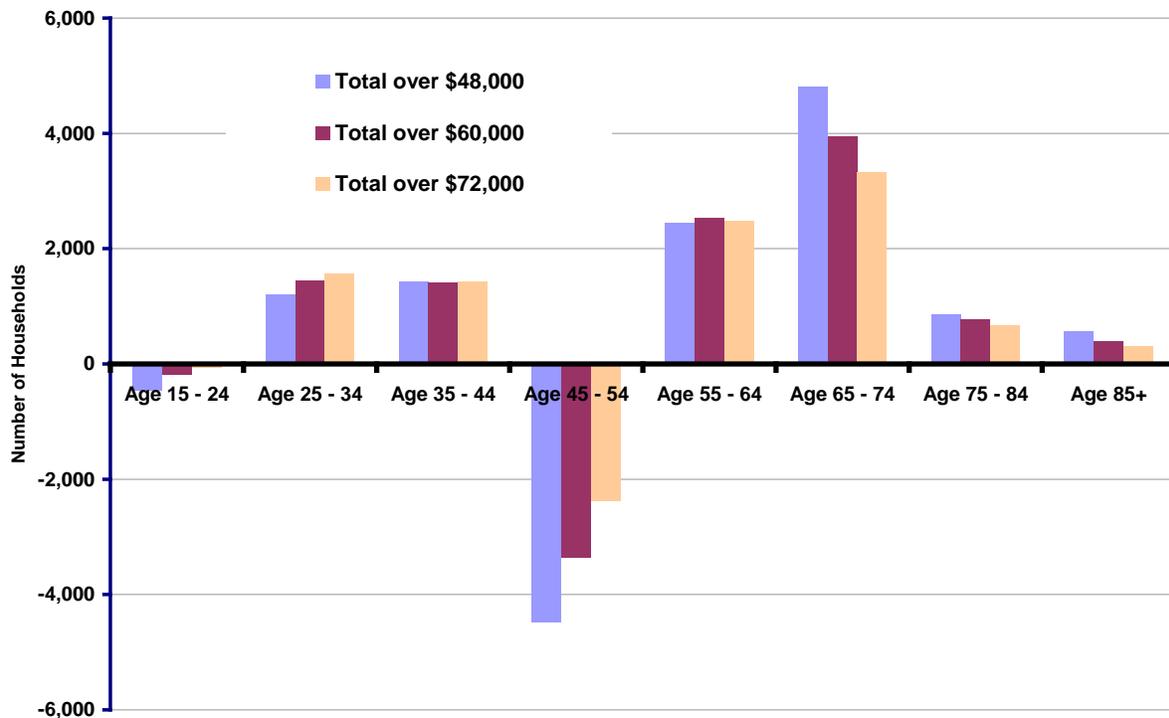*Tonawanda Waterfront Revitalization Plan*   *6/25/2013*

Figure 5

Change in Number of Households by Age and Income Cohorts: Tonawanda Market Area 2013-2018

STUDY AREA REDEVELOPMENT

Public Realm Improvements

Waterfronts can be a powerful lure to real estate development but only if the surrounding environment is attractive enough to compete with other prospective sites for development within the overall market area. As noted in the preceding description of potential rental housing development, public realm and other improvements are necessary within the Study Area for new residential or more commercial development to take place. Waterfront and infrastructure improvements also enhance the marketability of the Riverview Solar Technology Park and other industrial and commercial uses that currently represent the best short-term opportunities to generate jobs and tax revenue within the Study Area. Visitor attractions, such as excursion/charter vessels calling at the Tonawanda waterfront will also enhance the overall marketability of the Study Area and can help support ancillary retail uses that are important to successful residential and office space development.

Niagara River Greenway

The Niagara River Greenway contains interconnected parks, river access, links to upland communities, and waterfront trails along the right riverbank from Lake Ontario to Lake Erie, as presented in the 2004 plan prepared by The Niagara River Greenway Commission. The

Greenway boundaries include 13 municipalities, including the Town of Tonawanda, and will encompass approximately 35 miles of public 'greenspace' along the Niagara River. The Greenway incorporates land under public stewardship, including a linear park along the river edge (Isle View Park) and a bike/hike path (Riverwalk) that were developed by Erie County.

In May 2013, the Commission announced the 33rd round of projects determined consistent with principles, goals and criteria defining the Niagara River Greenway Plan. Tonawanda submitted its first project application, and is using the award for River Road landscaping improvements that will change the streetscape character. The Wickwire site redevelopment plans for waterfront public access improvements also are eligible for Greenway Commission support, and the Town/TDC may seek funds for design/engineering plans.

In addition to these on-going and planned public infrastructure projects, Town and regional officials have an immediate, significant opportunity to improve visibility of the Niagara River by removing overgrown foliage between the waterfront and landside locations. Although the river may be nearby, overgrown foliage obscures the water, except from the rocks and restaurants, creating a perceptual barrier that makes the river seem inaccessible.

Riverview Solar Technology Park

The *Riverview Solar Technology Park* on River Road will contain 1 Million SF of mixed-use space on a 180-acre scenic, waterfront campus with on-site solar power for businesses, based on an approved 2010 master plan. T*M Montante Development* designed the business park to preserve mature trees, protect wetlands and habitat by meandering roads, and provide a model of economic and real estate development coexisting with natural resources. *TMM* considers the Park environment an essential part of its attraction; existing walking and biking trails will be augmented with a range of amenities and facilities typical of contemporary business parks as the employment base grows.

Currently, two (2) buildings totaling 125,000 SF are fully occupied by seven companies engaged in diverse commercial and light manufacturing businesses. In 2012, the *Unifax* company moved its operations (high temperature insulation products) from Niagara Falls to the Park, and occupies 44,000 SF with 200 employees. Solar Technology Park users pay 30% less for energy, one occupied building is powered by a 25 kilowatt array nearby, and the Park master pan includes a 50-acre 'solar farm' to provide on-site power for tenants. Construction is underway for the FedEx 90,000 SF trade network facility consisting of a 35,000 SF building and 65,000 SF warehouse on 25 acres portion of a 125-acre campus that will accommodate future expansion plans. The *DuPont* company is weather-testing the newest version of its high –efficiency Apollo solar system in the Park, where it will power sign and lighting at the Park entrance.

TMM advertises 'shovel ready, build to suit' space for office, flex, assembly, and light manufacturing to conventional companies seeking a location with good roadway access, lower energy costs, and competitive pricing. As part of a national promotion, DuPont will install 'state of the art' solar panels at the new *FedEx* distribution center to spur production; DuPont manufactures Tedlar, an integral part of solar modules, at a nearby plant in the Town of Tonawanda. In partnership with National Grid, *TMM* will begin directly marketing commercial space at the Park, to companies engaged in alternative and green energy uses to generate jobs and investment in the Western New York region.

Wickwire Waterfront Project

The former Wickwire-Spencer steel plant, a 50-acre under-utilized waterfront site will be redeveloped as a priority project by the *Tonawanda Development Corp (TDC)* and the *Niagara River World* property owners. The Wickwire property redevelopment will target government funding for waterfront access to build public improvements that will attract private investors. The project will create an area extending 200 feet eastward from the water's edge for public access to the Niagara River, and will incorporate a variety of water-oriented activities. The Cherry Farm property adjacent to the Wickwire site is a key component of the overall redevelopment project, and will become a public park for active and passive recreational uses. Buildings for the site are planned for residential and commercial uses (office, flex, light manufacturing), and the state DEM has indicated the mixed-use residential/commercial uses are permitted.

TDC would welcome the *Miss Buffalo* or other charters/excursion boats, which could easily dock at a 'Wickwire Landing' using the paved bulkhead area designed for commercial vessels. Recreational boating uses at Wickwire are desirable but considered unlikely due to ACOE permit issues related to narrow river width, swift current, and volume of vessel traffic in the vicinity of Wickwire and Grand Isle. Prior studies determined that constructing an inlet for marina or recreational boating use would require cost-prohibitive excavation of slag/ore-contaminated soil under the paved area on the Wickwire waterfront.

Riverview Townhouse & Marina Project

Giuseppe Holdings LLC received Town approval to build three apartment buildings with a total of 51 units and 19 boat slips on a 3-acre site with 440 feet of shoreline (4530 River Road). The initial phase of the project includes site remediation to meet state DEC standards for residential use; the site was contaminated by run-off from previous operations of the United Refinery Company and is included within the Brownfield Cleanup Program. In addition to a small fishing pier, 3 docks will be for visitors, and 16 docks for residents and accessible from their front doors, an unique feature in Western New York. Each apartment building has an elevator, stone façade, a cupola, framed columns, French doors, and access to a shared garage. Originally planned as a condominium development with units priced at $500,000, reportedly, the development will be rental units when completed.