



Niche Marketing Plan: Town of Kent Route 52 Corridor

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PUTNAM COUNTY MAIN STREET PARTNERSHIP PROGRAM

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Introduction

Funded through a grant from the New York State Department of State, the Putnam County Main Street Partnership Program is a partnership between Putnam County and its towns and villages to address issues of community revitalization in Putnam's hamlets, villages, and traditional commercial centers. It is administered by the Putnam County Planning and Purchasing Departments. Through this program, funds are earmarked to conduct a variety of planning studies, including niche marketing plans, the development of design guidelines and signage ordinances, traffic analysis to improve pedestrian access, and the identification of public spaces for future pocket parks.

All Putnam municipalities were invited to participate, and the towns of Kent, Putnam Valley, and Philipstown and the villages of Cold Spring and Brewster joined the program. Topics for study were selected by each community to reflect their needs. Following a Request for Proposals process, Putnam County selected The RBA Group in association with E.M. Pemrick and Company to conduct the various planning studies requested by the participating communities. E.M. Pemrick and Company was responsible for the preparation of niche marketing plans for study areas in the Town of Kent and Village of Brewster.

Project Objectives

The purpose of the Niche Marketing Plan is to identify commercial uses that are economically viable, compatible and appropriate and make specific recommendations to the Town of Kent to enhance and market those uses. The niche plan will be used to adjust zoning laws, as appropriate, to accommodate the desired uses and expand the local tax base.

A niche marketing plan is designed to answer the question, "What makes us unique and marketable?" It provides strategies for promoting the area to new businesses, potential investors, and resident markets. Typically, niche strategies for commercial districts focus on opportunities within the following categories:

- ***Consumer-based niches (demand)*** – Ethnic groups; college students; families with young children; teens and tweens; young professionals; area employees (e.g., office workers); artists; pass-through traffic; outdoor recreation enthusiasts; and other market segments.
- ***Goods- and services-based niches (supply)*** – Antiques; home furnishings; children's products (e.g., clothing, toys, books, entertainment); apparel (usually very high-end, or serving a distinct market segment); restaurants; specialty or gourmet foods; visual arts; performing arts and entertainment; weddings; "convenience" retail; etc.
- ***Other niches*** – Capitalizing on natural, cultural, and other features that attract people to an area, such as history (e.g., historic structures and sites, museums); the waterfront (e.g., connections to a river or lake, walking trails); or parks and recreational areas. With these niches, the mix of businesses tends to be secondary to the "main attraction"; economic benefits are derived from related business activity.

Identifying a niche usually involves interviews, research and analysis to answer several questions:

- What already exists in the study area? Complementary businesses? Businesses serving complementary markets? What currently attracts people to the study area?
- What makes this area unique? What are its characteristics and attributes?
- What do outsiders say about the area?
- What are some of the major issues or obstacles affecting the area's success?

Work Completed

To address the objectives of the project, E.M. Pemrick and Company completed a scope of services that included:

- Review of existing planning studies and reports, including the most recently adopted Kent Comprehensive Plan.
- Fieldwork to assess commercial uses and existing conditions in the study area.
- Interviews with economic development and real estate professionals.
- Facilitation of a focus group meeting with business and property owners in Kent, followed by a brief mail survey mailed to Route 52 businesses to solicit additional input.
- Analysis of market demographics, consumer spending patterns, and retail sales.
- Identification of potential niche opportunities and development of recommendations.

Related Plans and Studies

Kent Revitalization Study for Route 52, Route 311, and Towners Road

The *Kent Revitalization Study* was prepared for the Kent Revitalization Committee in November 2006. Its purpose was to conduct a visual assessment of the three roadway corridors and suggest recommendations and initiatives that could be used to improve their appearance and condition. The report characterized the Route 52 corridor as "spread out, incoherent and lacking in identity or character" due to automobile-based suburban development: "This drive-by culture dissuades drivers from slowing down or stopping to shop in the stores. It also does not allow pedestrians to walk from store to store safely or efficiently." The study recommended that the Town develop design guidelines to govern new and expanded non-residential development in the commercial districts along Route 52 and on Towners Road.

The design study was updated in September 2008 and its recommendations were incorporated into the Kent Comprehensive Plan. Over time, the design guidelines are expected to result in a more concentrated, rather than linear, style of commercial development along Route 52. They will also address a number of streetscape design issues, including unattractive signage; a "sea of pavement" around stores; the lack of street trees, landscaping and street furniture; and excessive curb cuts and surface parking lots fronting roadways.

Kent Comprehensive Plan

The Town of Kent adopted a new Comprehensive Plan in November 2008, updating and replacing an earlier plan from 1990. The plan included a discussion of the economic base and existing non-residential development in the Town.

The plan noted that although Kent has not had much additional residential growth since 1990, due to environmental constraints and Watershed regulations, it is mainly a bedroom community. The largest employers in the Town are the Putnam Nursing and Rehabilitation Center, the Town of Kent, and Putnam County Savings Bank. Economic development has centered on the eastern portion of the township around Lake Carmel and along Route 52. Route 52 as well as Route 6 in Carmel serve as convenience shopping locations for residents.

More than half of Town residents who are employed work outside Putnam County. Kent has good transportation access, via Interstate 84, to major employment centers in Westchester County and in Danbury, Connecticut; there are also many residents who commute to jobs in New York City.

The Comprehensive Plan identified a number of tourism assets in Kent: two I-84 interchanges, Clarence Fahnestock State Park and Wonder Lake Park, Chuang Yen Monastery, scenic byways, bicycle and hiking routes, stone chambers, and historic structures. Citing the development of the Old Mill as a museum and tourism center by the Kent Historical Society, the plan recommended “preservation of the remaining physical aspects of Kent’s history... [to] make the town’s history salient to newcomers, a source of pride to existing residents, and a potential source of historic tourism dollars.”

The plan recommended significant changes in zoning regulations to support economic development in Kent. These included:

- A new Industrial Office Commercial (IOC) district, repurposing and redrawing the existing I Industrial district, to allow for a mix of light industrial, office, and commercial development.
- Redrawing the C Commercial district for local-scale retail goods and services.
- A mixed-use overlay district for residential districts that would allow some expansion of existing limited commercial uses.
- A Towner’s Road overlay district that provides for the mixed-use character of the street, with commercial uses (mainly neighborhood retail) interspersed amongst residential uses.

The Comprehensive Plan also called for the adoption of an access management plan for Route 52 to limit the construction of new curb cuts and require access between adjacent parking lots; and the creation of a capital budget to finance the gateway, infrastructure, and roadway improvements recommended in the *Kent Revitalization Study*.

Other planning policies specifically for economic development in the Kent Comprehensive Plan included:

- Prepare a GEIS for the economic development areas.

- Adopt design guidelines for new and expanded commercial development along Kent's major arterial roadways such as Route 52 and throughout all commercial areas in the town.
- Use the time-limited tax-payment period negotiated with the New York City Department of Environmental Protection (DEP) to determine and implement effective measures to enhance Kent's tax base; aim to diversify the tax base by attracting consumer goods and services, office buildings, and light industry.
- Develop an economic development advisory committee to act as an advocate and recruiter for economic expansion in the Town and to work with the county to implement an economic development program.
- Attract tourism to historic, natural, and cultural sites by allowing bed-and-breakfasts, encouraging the state to maintain the two state parks in Kent, and developing additional hiking and biking routes.

The Vision for Kent

Over the next twenty years, Kent will become a better place to live and work as the following actions are taken:

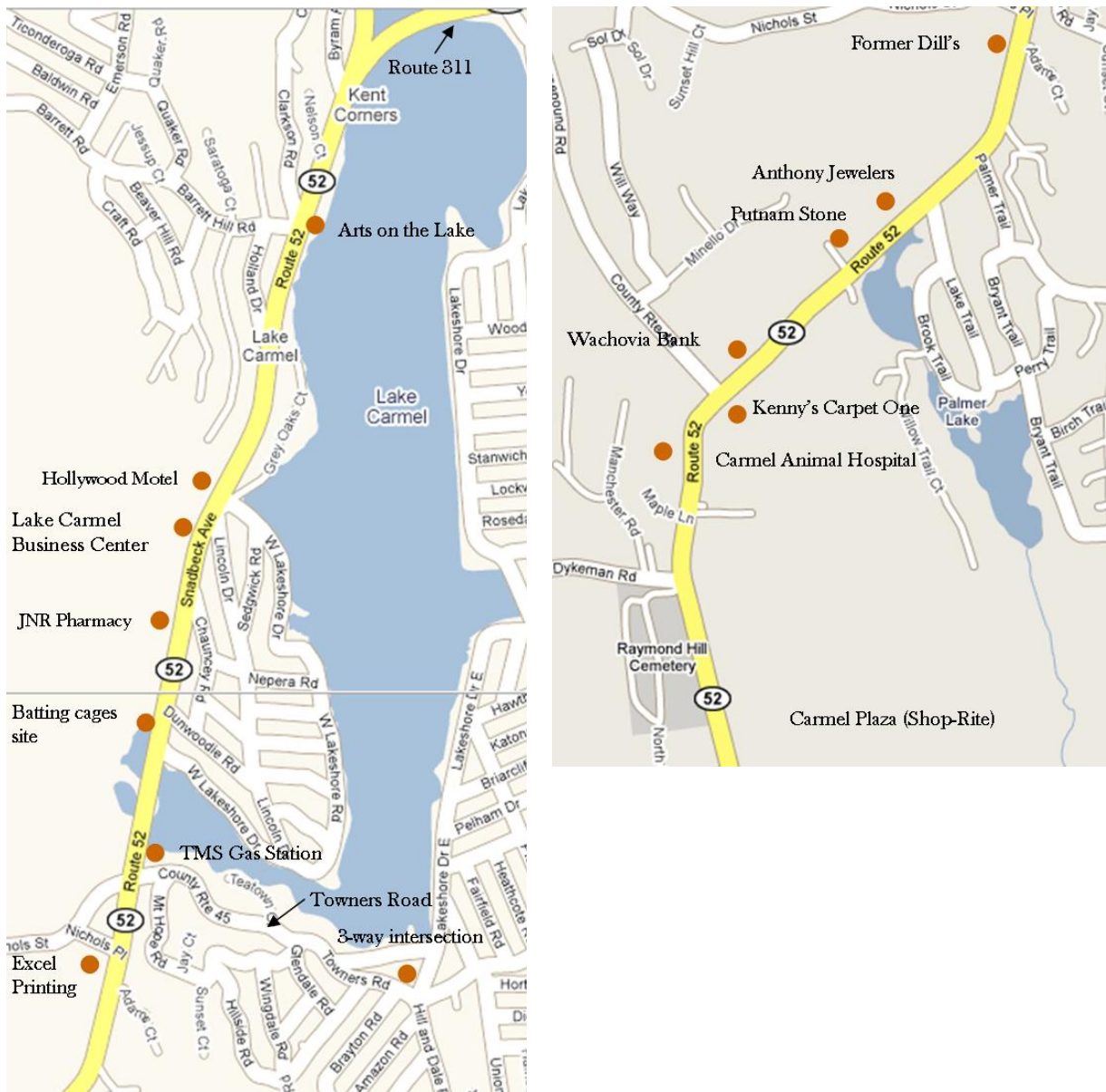
- The town will exercise good stewardship of its surface water and groundwater. Wetlands, lakes, and reservoirs will be protected. Stormwater runoff will be controlled. Steep slopes will be protected from over-development and erosion.
- Town residents will have more local parks, hiking trails, and bicycle routes.
- Kent's rural character will be protected through judicious acquisition of more dedicated open space and improved connections among open space, parks, recreation areas, and hiking trails.
- Kent's historic character will be protected, including structures, sites, stone chambers, and scenic roads.
- New housing development will produce dedicated open space where possible and ensure appropriate development based on soil carrying capacity.
- New economic development will be concentrated in eastern Kent based on updated zoning and will adhere to published design guidelines.
- Kent will prepare and adopt a series of official documents to modernize its land use planning actions: amended zoning and subdivision regulations, a parcel-based zoning map, an official map, a Recreation and Open Space Plan, and an open space map.
- Kent will adopt a Capital Improvement Program, with an initial focus on road maintenance, parks and trail creation, and intersection and infrastructure improvements listed in the Revitalization Study. The intent of the CIP will be to provide public services and infrastructure in good working order and in a fiscally sound manner.

- Kent Comprehensive Plan, October 2008

Existing Conditions

The study area for the Niche Marketing Plan was defined by Town of Kent as the Route 52 corridor, from the former Lake Carmel Firehouse (now occupied by Arts on the Lake), just south of the Route 311 intersection, to Carmel Plaza (Shop-Rite) at the Carmel town line. New sidewalks are planned for this corridor, which includes the Lake Carmel business district. The study area also includes the Towners Road Overlay District, which extends an estimated one-eighth of a mile from Route 52 to the three-way intersection of Towners Road, Lakeshore Drive East, and Hill and Dale Road.

Route 52 Study Area, north and south, with selected businesses and locations shown



Business Mix

Fieldwork conducted in December 2008 identified approximately 51 active businesses in the study area, including six (6) on Towners Road. As shown below, 21.6% of the businesses provide personal or repair services, including four (4) spas and salons, a dry cleaner, tailor, and appliance service. An equal number of establishments in the study area are automotive-related: gas stations, automotive repair shops, a trucking company, and a small used car lot.

Personal and Repair Services (Non-Automotive)	11	21.6%
Automotive-Related Uses	11	21.6%
Retail (Non-Automotive)	8	15.7%
Food Services (Restaurants and Delis)	6	11.8%
All Other Establishments	6	11.8%
Financial Services (Banks & Insurance Agencies)	5	9.8%
Professional Services	4	7.8%
TOTAL	51	100.0%

Source: Consultant field survey, December 2008.

The food service businesses are comprised of a three (3) delis (two of which are on Towners Road), an informal Italian eatery, a Mexican restaurant, and McCarthy's, a family restaurant. There are no fine dining restaurants, or banquet facilities for meetings and events, in the study area. Three banks and two insurance agencies provide financial services to residents and businesses in Kent. The study area has several medical, dental, and veterinary practices, but other professional service providers such as attorneys, accountants, architects, and real estate brokers are based in Carmel (the county seat) or maintain offices elsewhere in Putnam County; although there are a few small office buildings along Route 52, the corridor is generally not perceived as an office location.

With respect to retail, a limited array of goods is available in the study area. The corridor does have a pharmacy and a beverage center, but the nearest grocery store is in Carmel. Anthony's Jewelers represents one of the few specialty retailers in this part of Kent. Two businesses, Kenny's Carpet One and Putnam Stone, serve the home improvement market in a relatively broad geographic area, from Danbury to Fishkill to Cold Spring; Putnam Stone has opened a second location in the new Putnam Home Design Center on Route 6 in Mahopac. The newest additions to the Route 52 business community are Cookies & Spice, a purveyor of chocolates, cookies, and "custom confections" for special events, next to Anthony's Jewelers, and a gift shop near the Towners Road intersection.

Other businesses in the study area include a printing company, food wholesaler, and day care provider. Arts on the Lake, a non-profit organization formed in 2006, is located at the northern end of the study area near Beach 6. Offering music and theater performances, exhibits, and art classes, the organization is working with the Town of Kent, which received a \$400,000 grant to renovate the old firehouse and turn it into a community arts center, with a theater and gallery upstairs and classrooms downstairs. Although Arts on the Lake primarily serves Kent, it also attracts people from Putnam Valley, Patterson, and Carmel, and has approximately 250 members.

In describing what Kent has to offer, a 2005 *New York Times* article noted: “There are few restaurants to dine in, no shopping malls and no movie theater. There is definitely no ‘scene’ to speak of. But then those aren’t the kinds of things most people are looking for when they move [to Kent]... With no downtown, [Kent] relies on nearby Carmel for its post office, zip code, public schools and movie theaters.”¹ In many respects, this is still the case. Since the creation of Lake Carmel in the 1920s, businesses like inns, restaurants, and markets that catered to summer visitors have come and gone. While Kent has retained a few older businesses, very little has been added to expand the mix of businesses in the study area. Most establishments are oriented to local markets, and the condition of buildings and infrastructure along the corridor has discouraged reinvestment and the attraction of new tenants and users.

Vacancies

The field survey identified a number of vacancies in the study area. As of December 2008, these included the following:



264 Route 52



501-507 Route 52



520 Route 52

- **208 Route 52** – This building was occupied by Excel Printing prior to its relocation to a new, larger structure further north on Route 52.
- **264 Route 52** – Listed with Houlihan Lawrence, this commercial property near two banks is described as a “first class, 3,000-sf bi-level office building” suitable for office or retail. The asking price is \$799,000.
- **217 Route 52** – Also listed with Houlihan Lawrence, this is a 2.91-acre property with an asking price of \$1.5 million.
- **387 Route 52** – Formerly Country Gardens, this large site is known locally as “Dill’s property.” It is listed with the Dwyer Agency in Mahopac.
- **501-507 Route 52** – The former Lake Carmel Hardware store, this property includes a freestanding, 4,918-square foot structure plus two additional buildings that, according to the listing, “provide a steady income stream.” It is listed with Covington Properties with a price of \$829,000.
- **520 Route 52** – This quaint 1929 building, perhaps one of the oldest commercial structures on Route 52, once housed Al’s Grocery and Meat Market. Listed with Houlihan Lawrence, the 2,448 square foot structure features a duplex three-bedroom and a one-bedroom apartment along with retail and office space. It is on the market for \$390,900.

¹ “Good Prices and the Great Outdoors,” *New York Times*, November 27, 2005.

- **523 Route 52** – Located next to the Lake Carmel Business Center, this is a dilapidated former gas station on a 8.41 acre parcel.
- **529-533 Route 52** – Part of the Lake Carmel Business Center owned by Frangel Realty, this is the former location of a barber shop.
- **86 Towners Road** – This site was occupied by Town & Country Liquors until it was destroyed by fire.

Physical Conditions

The northernmost segment of the study area, from the Arts on the Lake site near the base of Barretts Hill Road to the intersection of Route 52 and Grey Oaks Road is almost entirely residential, with single-family homes on densely planted lots. Other than the arts center and Beach 6, the road offers limited views of Lake Carmel.

From Grey Oaks Road to West Lakeshore Drive near the batting cages site, the Route 52 corridor becomes commercial, with small, mostly one-story structures. There are several vacant buildings that contribute to the run-down appearance of this segment. A few of the establishments, however, seem to do a brisk business. There may be an opportunity to spruce up some of the attractive older structures, add green space and landscaping, and make this relatively compact area (defined by the residential neighborhood to the north and wetlands to the south) into an appealing, even picturesque commercial node.



Of the Route 52 and Towners Road intersection, the authors of the 2006 *Kent Revitalization Study* observed: “[This] intersection is currently dilapidated and unsightly. The businesses within this area are not well-maintained and give the appearance they are abandoned. This intersection could be enhanced with signage, landscaping, thematic lighting, fences, walls and hedges.” The gas station and convenience store at this intersection is currently on the market, although the business continues to operate. Just south of Towners Road is a small cluster of service establishments (e.g., dry cleaner, hair salon, clothing alterations) in a series of nondescript buildings.



The next segment of the study area is characterized by two large commercial structures on the west side of Route 52: the new building occupied by Excel Printing, and the former site of Country Gardens. At the time of the field visit, the latter was being used for the sale of Christmas trees, but otherwise the property remains vacant, awaiting a new owner and perhaps a more marketable use. Because of the curve in the road to the south and lack of sidewalks, this area can be particularly difficult for pedestrians to navigate.

As the road curves and begins to move in a more southwesterly direction, its appearance and character change yet again. Here, the corridor is dominated by a variety of automotive repair shops and a beverage center with large parking areas. A jewelry store with an attractive façade and signage is tucked in between the beverage center and the expansive site of Putnam Stone; the building sits closer to the road than most structures in this area. A floor covering business, in a well-maintained, updated building, is located on the east side of the road near the intersection of Horsepound Road.

As the *Kent Revitalization Study* noted, vacant land south of the curve near the Horsepound Road intersection and north of the Kent/Carmel town line could be used to enhance this area as an important commercial gateway. Currently, the property on the east side of the corridor has a neglected appearance, with large sections of bare ground; the west side has some automotive-related uses, including two gas stations, as well as a veterinary hospital, with large, undefined spaces between buildings.

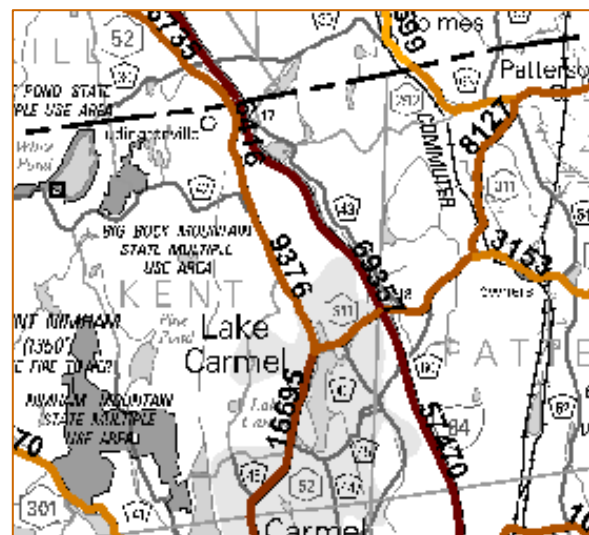
This segment of the study area is aesthetically uninviting. Shoppers may well prefer to visit the businesses at Carmel Plaza rather than exploring nearby establishments in Kent. In addition to the Shop-Rite grocery store, the plaza has several “quick-service” restaurants (e.g., a sub shop, Chinese take-out, pizza), a pharmacy, bank, liquor store, nail and tanning salon, fitness center, and a movie theater.



The commercial spur on Towners Road that is included in the study area can be characterized as a small neighborhood retail district. With two delis and a gas station, among other establishments, it offers access to a limited array of convenience items.

Traffic Counts

One of the most important factors in marketing the Route 52 corridor as a commercial location is the volume of traffic. According to the NYS Department of Transportation, the most annual average daily traffic (AADT, dated 2006) along the Route 52 corridor is 6,416 from the Putnam County/Town of Kent line to Farmers Mill Road, and 9,376 vehicles per day from Farmers Mill Road to Route 311. South of Route 311, traffic volumes on Route 52 are high, averaging 16,695 vehicles per day to Route 301 (Carmel) and 21,217 from Route 301 to Route 6 in the Carmel hamlet.



Traffic volumes have increased in the study area. From 2004 to 2006 alone, the AADT along Route 52 from Route 311 to Route 301 increased by nearly 15%.

Along I-84, the AADT is 63,486 vehicles near the Exit 17-Ludingtonville Road interchange and 69,357 near the Exit 18-Route 311 exit. These interchanges have also experienced growth in traffic over the last several years.

The DEIS for Patterson Crossing examines current and future transportation operations in the vicinity of the proposed 400,000-square foot regional retail center, including several intersections in Kent. Access to the center will be via Route 311, in close proximity to the I-84 intersection. The traffic analysis predicts that the heaviest weekday traffic associated with Patterson Crossing will occur during the late afternoon: “Retail weekday peak traffic... coincides with p.m. peak hour commuter traffic as commuters stop at retail establishments they normally pass by. Other commuters return home and then travel to retail stores. During the day many workers cannot shop and hence the late afternoon tends to combine commuter and retail traffic.”²

The analysis distinguishes between “passby” and “non-passby” trips to the retail center, defining the former as “those already passing the site on Route 311 that would be attracted into the site.” Passby trips are projected to account for 25% of all trips to Patterson Crossing. “Although the effect of traffic generated... may be found on roads in the nearby area, the bulk of the traffic would travel along NYS Route 311 between the site access and Exit 18 of Interstate 84.”³

Non-passby trips come from nearby homes and businesses or are trips diverted from roads other than Route 311. Approximately 42% of the diverted trips are expected to travel directly to and from I-84, predominantly from the south. Since most of the traffic is “destined to and from the interstate,” increased traffic along Route 52 is expected to be “relatively moderate” during peak hours.

Perceptions of the Study Area

At the start of a focus group meeting with business and property owners in December 2008, participants were asked to answer the question, “What makes the Route 52 corridor in the Town of Kent unique?” The responses, and others provided on the follow-up survey distributed to other stakeholders, included:

- It’s a major corridor through several towns
- It’s the economic center of Kent
- The distances covered by the 52 corridor
- It is the main street, but it lacks a sense of community, or coordination... you don’t know when you’ve arrived in Kent
- Regional access and the lake – but Kent has stagnated – time has passed us by
- Lake Carmel
- “Problems”
- A good environment for shopping, but from Arts on the Lake to the batting cages, it looks terrible
- There is room for improvement of aesthetics



² Patterson Crossing Draft Environmental Impact Statement (DEIS), July 27, 2006, page 4.8-14.

³ Patterson Crossing DEIS, page 4.8-37.

- It has eyesores, but also has potential... what's here is old
- Lack of community – no center of town
- Need [more] businesses to keep the small ones alive
- We can live with the buildings, but we need uniform, consistent signage
- Route 52 has possibilities – we have hit the bottom and we can go up!

The interviews and survey conducted for this project provided an opportunity to further assess perceptions of the study area, particularly among economic development and real estate professionals, a representative of the Carmel-Kent Chamber of Commerce, and the owners of businesses and property along the Route 52 corridor. The feedback received is summarized below.

General Perceptions

Questions about the Route 52 corridor in Kent elicited a generally negative response. The area is not seen as a good business location; interview and survey participants cited such characteristics as outdated shops, sprawl, a lack of continuity, numerous vacancies, and a generally run-down appearance. The corridor is “a large collection of 1950s buildings that have never been improved,” according to an interview participant. “There is no reason for a retailer to come here.” Another said, “Anyone looking for a nice location with prestige won’t come to Kent,” because of the appearance of buildings in the study area.

The Town is also perceived by respondents as being anti-business. “Investors are not interested when informed that a [commercial] property is in the Town of Kent. The negative attitude and length of time to get approvals are major obstacles to a sale,” said one person interviewed. Several individuals cited examples of delays in the approval process: in one instance, it took four months for a homeowner to get permission to replace an existing shed on his property; in another, it took two-and-a-half *years* for a local business to obtain the required approvals for constructing a pre-fab building. A survey respondent asserted, “There is office space available [that is] reasonably priced, but there is little or no interest in it because if someone wants to rent it, approvals will take a minimum of six months.”

Businesses that want to locate or expand in Kent, according to one of those interviewed, “have to go through hoops to develop anything.” Whether those “hoops” are due to attitudes among Town leaders or the complex regulatory environment associated with the New York City Watershed is unclear, but virtually everyone who provided input agreed that changes are needed. These changes might include methods to add predictability to the development process as well as other steps to create a more “business-friendly” environment in Kent.

Property Conditions

Elaborating on their characterizations of the Route 52 corridor as aesthetically unappealing, interview and survey participants noted the condition of property and signage as significant challenges to recruiting businesses to the study area. Some people singled out property owners, saying, “We need to get them to clean up their properties,” while others criticized what they see as lax property maintenance codes or inadequate enforcement. The Town was also taken to task for allowing “too many islands of development,” including the Town Center complex, which is isolated from existing businesses along the Route 52 corridor. Participants agreed, however, that the buildings in the study area must be improved, because there are few remaining commercial sites that can be developed. They would also like to see better signage,

with guidance and specific examples provided to business owners instead of using a mainly punitive approach to enforcement.

Lack of Water and Sewer

Another significant challenge in the study area is the lack of public water and sewer infrastructure. “It’s a big hindrance to development,” one person noted. Indeed, many site selectors and developers will not even consider a community without public water and sewer systems as a potential location for a business. This is a major impediment to commercial development in the Town.

Businesses that require a lot of water, like fast food restaurants, are generally excluded from the study area. In addition, septic systems often do not allow for high-density uses, like a hotel. As a result, the Town is unable to take advantage of some significant opportunities to enhance its tax base.

Opportunities for Commercial Development

Asked about potential opportunities for business recruitment and the development of a “niche” identity in the study area, interview and survey participants provided a wide range of responses, with no real consensus about the types of uses that should be pursued.

Responses were split between those who think Route 52 can continue to accommodate retail businesses and those who believe that the Town should essentially “give up” on retail and pursue office development instead. With respect to retail, suggestions included developing clusters of small “boutique” shops, recruiting specialty retailers (e.g., antiques, food, books), creating a home improvement niche (“if [businesses] are not killed off by big boxes”), and using the “personalized service” offered by many independent businesses as a way to compete with chain stores. Most respondents acknowledged that without public water and sewer, large commercial businesses are unlikely to locate in the study area.

Within the retail category, some focused on the arts, capitalizing on the success of Arts on the Lake, which “will be a destination.” The corridor could accommodate art galleries and other businesses of interest to Arts Center members. They also pointed to other cultural assets in Kent, such as the Buddhist monastery, which brings many visitors to the Town.⁴ One person asserted that through better marketing, visitors to events at the monastery could be directed to Route 52 for shopping and dining.

With respect to offices, it was noted that Kent has “a lot of people working out of their homes.” (The 2000 Census indicates that 330, or 4.5% of Kent residents who are employed, work from home; more recent figures are not available.) They might be interested in leasing office space. “Our only hope is to turn Route 52 into offices,” one interview participant said, although he acknowledged that Kent would have a tough time competing with Carmel, which has numerous legal, medical, and other professional offices.

A handful of respondents identified other potential uses. One survey participant stated that mixed-use development, with residential, commercial, and office uses, is excluded from the

⁴ According to the website of the Chuang Yen Monastery, approximately 500 people attend its annual New Year’s Day celebration.

study area, creating a hardship for property owners. Along the same vein, another suggested that “where appropriate, the provision of affordable housing as a second story on commercial space can support the commercial entity through rents and built-in customers.”

Traffic is viewed as both a challenge and an opportunity for Kent. While one survey participant described Route 52 as congested, others welcome any increased traffic that results from the Patterson Crossing project. According to a survey respondent, Route 52 is “very well-positioned near I-84 – [it] should be the next big thing as businesses slowly move north.”

There was also disagreement regarding the impact of the new sidewalks planned for the study area. On one hand, the improvements “will change this area; people will be more inclined to walk along the road. Some would in fact like to see the project taken a step further, by putting overhead utility lines underground, installing street lights, and cutting back brush to “display our hidden stone walls along the road.” Others firmly stated that the new sidewalks “will be a waste of money - there’s no place to walk to!”

In identifying other potential changes to improve the viability of the study area as a commercial corridor, participants offered a number of ideas, most related to simplifying and/or expediting the development review and permitting process, “pre-qualifying” certain properties to make them easier to market, and “putting out a welcome mat” to potential tenants and investors. Along with addressing the condition and appearance of the Route 52 corridor, being more attentive to the needs of the business community is perhaps the biggest priority cited in the interviews and completed surveys.

Market Analysis

Trade Area Definition

A *trade area* is generally defined as the geographic area from which local retailers draw the majority of their customers. For the purpose of this analysis, we have defined the trade area as the Towns of Kent, Carmel, and Patterson, as outlined in red in the map below.



The delineation of the trade area is not meant to suggest that prospective customers of local businesses will be drawn *solely* from this geographic area. In fact, a few businesses along the Route 52 corridor in Kent acknowledge that they serve customers from Cold Spring, Fishkill, and even Danbury, Connecticut. However, based on the markets of the *majority* of the businesses in the study area, nearby retail competition (both current and planned) and other factors, this trade area provides a reasonable basis for assessing retail potential.

Market Demographics

This section analyzes the demographic and socioeconomic characteristics of residents in the defined trade area. The statistical data presented is derived from the U.S. Census Bureau and ESRI Business Information Solutions, a leading national provider of market information. ESRI's proprietary methodology employs both federal and private data sources to develop demographic estimates and projections. For comparative purposes, demographics are provided for the larger trade area as well as for the Town of Kent and Putnam County.

Population and Household Growth

- As shown in Table 2, the 2008 population of the Kent trade area is estimated at 61,791. This reflects an average annual increase of 0.7%, or a net gain of approximately 3,500 residents

since 2000. During the 2008-2013 time period, the population is projected to grow at the same rate as it did from 2000 to 2008.

- With an estimated 13,980 residents, the Town of Kent accounts for about 23% of the trade area population. The number of residents in Kent is expected to remain relatively steady over the next five years, according to ESRI projections.

Table 2. Market Area Population & Household Growth					
Market Area	2000	2008 (est.)	2013 (proj.)	% Avg Annual Change	
				2000-08	2008-13
Kent Trade Area					
Population	58,321	61,791	63,884	0.7%	0.7%
Households	19,244	20,615	21,427	0.9%	0.8%
Avg. Household Size	2.94	2.91	2.90	-0.1%	-0.1%
Town of Kent					
Population	14,009	13,980	14,094	0.0%	0.2%
Households	4,868	4,920	4,986	0.1%	0.3%
Avg. Household Size	2.84	2.80	2.79	-0.2%	-0.1%
Putnam County					
Population	95,745	101,684	105,316	0.8%	0.7%
Households	32,703	35,075	36,504	0.9%	0.8%
Avg. Household Size	2.86	2.84	2.82	-0.1%	-0.1%

Source: ESRI and E.M. Pemrick and Company.

- Data from the 2000 Census indicates a total of 650 seasonal housing units in the trade area. Based on the average household size of 2.91 persons, the seasonal population is estimated at 1,892. This only includes people living in dwellings counted by the Census Bureau as “seasonal, recreational, or occasional use.” Anecdotal information suggests that seasonal residents and out-of-towners visiting the area during the summer months generate additional demand for goods and services in the study area.
- The Census Bureau defines a household as all persons who occupy a housing unit. The occupants may be a single family, one person living alone, two or more persons living together, or any other group of individuals who share living arrangements outside of an institutional setting. There are approximately 20,600 households currently residing within the trade area, with an average household size of 2.91 persons. This is slightly larger than the average of 2.84 persons in Putnam County overall, reflecting a higher proportion of households with related children.
- Although 2008 and 2013 data on households by type are not available, figures from the 2000 Census reported by ESRI indicate that 67.1% of trade area households are married-couple families, 11.8% are other family households, and 21.1% are nonfamily households, mostly individuals living alone. Nearly 43.0% of trade area households – compared to 40.5% of households in the Town of Kent and 41.0% of Putnam County households – have related children under age 18 present.

Population and Householders by Age

- As shown in Table 3, the combined trade area population has a higher proportion of residents under age 25 than either the Town of Kent or Putnam County. The differences are most apparent among children age 4 and under. The trade area also has a higher percentage of individuals in the 25-34 age category. There may be an opportunity to attract businesses targeting families with young children to the Route 52 corridor.

	Kent Trade Area		Town of Kent		Putnam County	
	Number	Percent	Number	Percent	Number	Percent
Under 25	20,885	33.8%	4,557	32.6%	33,657	33.1%
25 - 34	6,303	10.2%	1,314	9.4%	10,067	9.9%
35 - 44	9,825	15.9%	2,181	15.6%	15,964	15.7%
45 - 54	10,813	17.5%	2,530	18.1%	17,998	17.7%
55 - 64	7,415	12.0%	1,803	12.9%	12,711	12.5%
65 - 74	3,707	6.0%	867	6.2%	6,304	6.2%
75 and over	2,842	4.6%	727	5.2%	4,983	4.9%
Total population	61,791	100.0%	13,980	100.0%	101,684	100.0%
Median age	39.4		40.6		40.1	

Source: ESRI (estimates) and E.M. Pemrick and Company.

- The current median age for the trade area population is estimated at 39.4. This is slightly younger than that of the Town of Kent (40.6) or Putnam County (40.1).
- Age is one of the most important factors impacting consumer spending patterns. During the 1990s, the aging of the vast baby-boom generation resulted in a significant increase in the number of households headed by individuals between the ages of 45 and 54, peak earning years for most Americans. According to the annual Consumer Expenditure Survey conducted by the Bureau of Labor Statistics, the typical household headed by a person aged 45-54 spends more, on average, than other households.

	2000		2008 (est.)		2013 (proj.)		% Avg Annual Change	
	Number	Percent	Number	Percent	Number	Percent	2000-08	2008-13
Under 25	243	1.3%	318	1.5%	314	1.5%	3.9%	-0.3%
25 - 34	2,523	13.1%	2,169	10.5%	2,306	10.8%	-1.8%	1.3%
35 - 44	5,618	29.2%	4,658	22.6%	3,906	18.2%	-2.1%	-3.2%
45 - 54	4,830	25.1%	5,692	27.6%	5,969	27.9%	2.2%	1.0%
55 - 64	3,033	15.8%	4,172	20.2%	4,744	22.1%	4.7%	2.7%
65 - 74	1,764	9.2%	2,071	10.0%	2,438	11.4%	2.2%	3.5%
75 and over	1,216	6.3%	1,535	7.4%	1,750	8.2%	3.3%	2.8%
Total households	19,244	100.0%	20,615	100.0%	21,427	100.0%	0.9%	0.8%

Source: ESRI and E.M. Pemrick and Company.

- Consistent with national trends, households in the trade area became more concentrated in the 45-54 age category between 2000 and 2008. As illustrated in Table 4, householders (heads of household) aged 45-54 accounted for 25.1% of total households in 2000, increasing to an estimated 27.6% in 2008. In the next five years, more dramatic growth is anticipated in the number of householders aged 55-64 as well as those 65 and over.

Household Income

- Household income is a good indicator of purchasing power, since it often correlates with retail expenditures. As shown in Table 5, income levels in the Kent trade area are consistent with those in Putnam County overall. ESRI estimates that 82% of trade area households have incomes of at least \$50,000, and fully 51.0% have incomes of \$100,000 or more.

	Kent Trade Area		Town of Kent		Putnam County	
	Number	Percent	Number	Percent	Number	Percent
Less than \$15,000	701	3.4%	207	4.2%	1,263	3.6%
\$15,000 - \$24,999	722	3.5%	192	3.9%	1,333	3.8%
\$25,000 - \$34,999	680	3.3%	148	3.0%	1,228	3.5%
\$35,000 - \$49,999	1,567	7.6%	305	6.2%	2,771	7.9%
\$50,000 - \$74,999	3,752	18.2%	1,043	21.2%	6,208	17.7%
\$75,000 - \$99,999	2,659	12.9%	576	11.7%	4,595	13.1%
\$100,000-\$149,999	6,494	31.5%	1,486	30.2%	10,768	30.7%
\$150,000 or more	4,020	19.5%	964	19.6%	6,910	19.7%
Total households	20,615	100.0%	4,920	100.0%	35,075	100.0%
Per capita income	\$ 39,520		\$ 41,525		\$ 40,945	

Source: ESRI (estimates) and E.M. Pemrick and Company.

- The 2008 per capita income in the trade area is estimated at \$39,520, and the total income for the area is more than \$2.4 billion. Based on ESRI forecasts of population and income, the total income in the trade area in 2013 is projected at \$3.4 billion, an increase of nearly 8% per year, adjusted for inflation.
- The adult population within the trade area is fairly well-educated: 32.3% of residents age 25 and over have at least a bachelor's degree and 13.0% have a graduate or professional degree. Nearly two-thirds of employed trade area residents work in white-collar occupations, including 24.9% in the professions and 15.6% in managerial, business and financial occupations.
- Figures from the 2000 Census indicate that workers living in the trade area commute an average of 38.6 minutes each way, with one in five workers commuting an hour or more. However, 929 residents – including 330 in the Town of Kent alone – work from their homes.

Market Segmentation

Market segmentation is defined as the classification of consumers according to demographic and socioeconomic characteristics, lifestyles, and product preferences. It is based on the notion that “birds of a feather flock together”; that is, people with similar tastes, household types, and behaviors naturally gravitate toward each other and into the communities in which they live. Segmentation systems allow businesses to better understand the needs and interests of local shoppers, develop effective strategies that attract consumers to their stores, and select products suited to customer preferences and lifestyles. Market segmentation offers yet another perspective in understanding existing and prospective customers for businesses in the study area.

Developed by ESRI Business Information Solutions, Community Tapestry categorizes U.S. neighborhoods into 65 market segments, each reflecting a range of opportunities and influences. Neighborhoods are analyzed and sorted by a variety of demographic and socioeconomic attributes as well as other determinants of consumer behavior.

Households in the defined trade area have been grouped into the Community Tapestry market segments as summarized in Table 6. The descriptions reflect the propensity of households within that segment to exhibit certain characteristics and preferences relative to the general population. While each segment paints a slightly different “picture” of the trade area market, there are some common features: for example, households in the three largest segments are affluent married-couple families, mostly with children.

Table 6. Top Tapestry Segments in the Kent Trade Area

Market Segment	Demographic & Socioeconomic	Residential	Consumer Preferences
Pleasant-ville <i>(31.2% of trade area households)</i>	<ul style="list-style-type: none"> ▪ Mostly married-couple families, slightly older than average ▪ "Prosperous domesticity" ▪ Little ethnic diversity 	<ul style="list-style-type: none"> ▪ Length of residency >10 years ▪ Single-family homes ▪ Own two or more vehicles ▪ Long commutes 	<ul style="list-style-type: none"> ▪ Home remodeling is a priority, but doing the projects themselves is not ▪ Shop at warehouse-type stores as well as department stores ▪ Enjoy dining out and baseball games
Wealthy Seaboard Suburbs <i>(26.8%)</i>	<ul style="list-style-type: none"> ▪ Mostly married-couple families ▪ "Older, established quarters of affluence" ▪ High median net worth 	<ul style="list-style-type: none"> ▪ High-value single-family homes ▪ Slow to change residences 	<ul style="list-style-type: none"> ▪ Shop at warehouse-type stores as well as upscale retailers ▪ Travel in the U.S. and abroad ▪ Enjoy going to the beach, skiing, and attending theater performances
Sophisticated Squires <i>(18.8%)</i>	<ul style="list-style-type: none"> ▪ Mostly married-couple families ▪ Well-educated; most in white-collar jobs ▪ Affluent market 	<ul style="list-style-type: none"> ▪ "Cultured country living" on fringes of urbanized areas ▪ Single-family homes ▪ Own two or more vehicles ▪ Long commutes 	<ul style="list-style-type: none"> ▪ Do own landscaping work, home improvement and remodeling projects ▪ Family activities include soccer and baseball games ▪ Enjoy photography and golf
In Style <i>(6.3%)</i>	<ul style="list-style-type: none"> ▪ Live in the suburbs but prefer the city lifestyle ▪ Mostly households without children ▪ Prosperous and educated; many in professional and management positions 	<ul style="list-style-type: none"> ▪ A mix of single-family homes and townhomes 	<ul style="list-style-type: none"> ▪ Computer-savvy ▪ Health and exercise conscious ▪ Favor domestic travel

Table 6. Top Tapestry Segments in the Kent Trade Area

Market Segment	Demographic & Socioeconomic	Residential	Consumer Preferences
City Lights (6.0%)	<ul style="list-style-type: none"> ▪ Mix of families and singles ▪ Work in white-collar and service occupations 	<ul style="list-style-type: none"> ▪ A mix of townhomes, apartments, and single-family homes 	<ul style="list-style-type: none"> ▪ Live an urban lifestyle ▪ More likely to buy household furnishings than spend on home maintenance

Source: ESRI and E.M. Pemrick and Company.

Consumer Spending Patterns

To evaluate potential consumer demand in and around the Route 52 corridor, current estimates of consumer spending by households in the trade area – whether purchases were made within or outside Kent, Carmel, and Patterson – were obtained from ESRI Business Information Solutions. The data are based on the annual Consumer Expenditure Survey conducted by the Bureau of the Labor Statistics. Excluded from the analysis are expenditures for goods and services not typically found at a retail establishment: home mortgages, utilities, financial investments, vehicle loans, insurance, child care, transportation, and so on. It should be noted that the categories listed represent purchases by merchandise line or product type rather than store type, and items may be sold by several types of establishments.

Based on the ESRI data, the estimated consumer demand for apparel, computers, entertainment and recreation, food and beverage, health and personal items, household furnishings and equipment, and other goods by trade area households totals more than \$668.7 million, or \$32,400 per household per year (see Table 7 on the following page).

The aggregate demand for food and beverage represents 46.8% of the consumer demand. This includes approximately \$126.7 million for food consumed away from home, including while on trips, and translates to roughly \$6,150 per household every year.

The entertainment and recreation category includes spending on video and sound equipment, sporting goods, pets, toys and games, photographic equipment, and books. The demand for entertainment and recreation in the trade area is estimated at more than \$120 million a year, or \$5,837 per household.

In part due to their above-average income levels, trade area households spend more than the average U.S. household on many goods and services. The Spending Potential Index is significantly higher for such items as travel (airfares, lodging, and dining while on trips), fees and admissions for entertainment and recreation, floor coverings, apparel products and services (e.g., shoe repair, dry cleaning), reading materials, luggage, lawn and garden products, furniture, and major appliances.

Table 7. Selected Retail Goods and Services Expenditures, Kent Trade Area				
	Total Annual Spending (000s)	% Share	Avg. Spending Per Household	Spending Potential Index*
Apparel & Services	\$ 73,225	10.9%	\$ 3,552	132
Women's	\$ 24,698	3.7%	\$ 1,198	127
Men's	\$ 13,980	2.1%	\$ 678	137
Children's	\$ 12,241	1.8%	\$ 594	143
Footwear	\$ 10,216	1.5%	\$ 496	103
Watches and Jewelry	\$ 7,529	1.1%	\$ 365	164
Apparel Products and Services	\$ 4,560	0.7%	\$ 221	175
Computers	\$ 7,900	1.2%	\$ 383	160
Computers and Hardware for Home Use	\$ 6,927	1.0%	\$ 336	160
Software and Accessories for Home Use	\$ 972	0.1%	\$ 47	164
Entertainment & Recreation	\$ 120,331	18.0%	\$ 5,837	157
TV, Video and Sound Equipment	\$ 45,177	6.8%	\$ 2,191	153
Fees and Admissions	\$ 22,728	3.4%	\$ 1,102	178
Pets	\$ 14,718	2.2%	\$ 714	161
Recreational Vehicles and Fees	\$ 12,664	1.9%	\$ 614	140
Reading	\$ 9,953	1.5%	\$ 483	168
Sports/Recreation/Exercise Equipment	\$ 6,325	0.9%	\$ 307	142
Toys and Games	\$ 4,621	0.7%	\$ 224	150
Photo Equipment and Supplies	\$ 4,145	0.6%	\$ 201	158
Food & Beverage	\$ 312,983	46.8%	\$ 15,182	-
Food At Home	\$ 153,163	22.9%	\$ 7,430	152
Food Away from Home	\$ 110,197	16.5%	\$ 5,345	156
Alcoholic Beverages	\$ 19,918	3.0%	\$ 966	162
Food and Drink on Trips	\$ 16,547	2.5%	\$ 803	171
Nonalcoholic Beverages At Home	\$ 13,158	2.0%	\$ 638	145
Health, Household, & Personal Items	\$ 58,686	8.8%	\$ 2,846	-
Housekeeping Supplies	\$ 23,962	3.6%	\$ 1,162	152
Prescription Drugs	\$ 15,787	2.4%	\$ 766	135
Personal Care Products	\$ 13,316	2.0%	\$ 646	149
Nonprescription Drugs	\$ 3,164	0.5%	\$ 153	135
Eyeglasses and Contact Lenses	\$ 2,457	0.4%	\$ 119	155
Household Furnishings and Equipment	\$ 46,222	6.9%	\$ 2,242	162
Furniture	\$ 22,408	3.4%	\$ 1,087	165
Major Appliances	\$ 10,254	1.5%	\$ 497	165
Household Textiles	\$ 4,673	0.7%	\$ 227	162
Floor Coverings	\$ 3,566	0.5%	\$ 173	178
Housewares	\$ 2,872	0.4%	\$ 139	147
Small Appliances	\$ 1,156	0.2%	\$ 56	159
Telephones and Accessories	\$ 947	0.1%	\$ 46	106
Luggage	\$ 345	0.1%	\$ 17	167
Other Expenditures	\$ 49,397	7.4%	\$ 2,397	-
Lodging on Trips	\$ 15,890	2.4%	\$ 771	181
Airline Fares	\$ 15,620	2.3%	\$ 758	181
Lawn and Garden	\$ 14,617	2.2%	\$ 709	167
School Books and Supplies	\$ 3,271	0.5%	\$ 159	135
Total, Selected Expenditures	\$ 668,742	100.0%	\$ 32,439	-

Source: ESRI and E.M. Pemrick and Company.

* The Spending Potential Index represents the amount spent relative to the national average (=100).

Retail Sales

Table 8 profiles the retail sector within the Kent trade area. It includes the total number of establishments, estimated sales, and the distribution of sales for each store type. According to ESRI, the 416 retail establishments within the trade area generate an estimated \$428.6 million in annual sales.

Table 8. Retail Sales Profile - Kent Trade Area			
	Store Count	Estimated Retail Sales	Sales Distribution
Food Services & Drinking Places	131	\$36,115,936	8.4%
Limited-Service Eating Places	46	\$17,746,599	4.1%
Full-Service Restaurants	79	\$14,377,695	3.4%
Drinking Places	2	\$2,546,364	0.6%
Special Food Services	4	\$1,445,278	0.3%
Convenience Retail	69	\$176,263,866	41.1%
Grocery Stores	13	\$152,143,028	35.5%
Building Materials & Supplies Dealers	26	\$11,195,750	2.6%
Health & Personal Care Stores	16	\$10,021,365	2.3%
Lawn and Garden Equipment Stores	11	\$1,951,440	0.5%
Specialty Food Stores	3	\$952,283	0.2%
Automotive-Related Retail	58	\$137,003,638	32.0%
Automotive Dealers	14	\$74,886,171	17.5%
Gasoline Stations	23	\$48,817,997	11.4%
Auto Parts, Accessories and Tire Stores	17	\$9,758,093	2.3%
Other Motor Vehicle Dealers	4	\$3,541,377	0.8%
Shoppers' Goods Retail	158	\$79,235,257	18.5%
General Merchandise	8	\$43,931,155	10.2%
Beer, Wine, & Liquor Stores	12	\$9,586,480	2.2%
Electronics & Appliance Stores	27	\$5,562,483	1.3%
Furniture & Home Furnishings Stores	19	\$4,245,872	1.0%
Clothing Stores	11	\$4,210,907	1.0%
Other Miscellaneous Store Retailers	17	\$2,745,442	0.6%
Office Supplies, Stationery, and Gift Stores	15	\$2,597,227	0.6%
Used Merchandise Stores	10	\$2,055,364	0.5%
Sporting Goods/Hobby Stores	17	\$1,923,974	0.4%
Shoe Stores	4	\$846,151	0.2%
Jewelry, Luggage, and Leather Goods Stores	5	\$787,237	0.2%
Florists	10	\$476,777	0.1%
Book, Periodical, and Music Stores	3	\$266,188	0.1%
Total Retail Sales	416	\$428,618,697	100.0%

Source: ESRI and E.M. Pemrick and Company.

The store types with the highest level of sales in the trade area are grocery stores (\$152.1 million, a whopping 35.5% of the total), automotive dealers (\$74.9 million), and gas stations (\$11.4 million). All of these are typical sales leaders, the automotive category due to the price of the product, and food stores because they offer items consumed virtually every day by households regardless of income level. Notably, 32.0% of all retail sales in the trade area are

associated with automotive-related commercial establishments, consistent with the business mix within the study area.

Consumer shopping patterns vary depending on the items being purchased:

- For *convenience goods*, such as groceries and over-the-counter drugs that people purchase frequently to meet everyday needs, shoppers tend to make purchasing decisions based on proximity to home, work or school and expediency. Stores that sell these items draw from a limited geographic area.
- For *larger, big-ticket items* like cars and major appliances that are purchased infrequently, shoppers are often willing to travel to find the right deal.
- For *clothing, household furnishings, and other shoppers' goods*, shopping habits tend to fall somewhere in between these two extremes. Consumers usually prefer to compare prices, styles and brands before making a purchasing decision by visiting a number of different stores. For this reason, retailers selling similar products tend to cluster together; in general, these clusters are more likely to be successful than freestanding retailers. There are exceptions, however. Specific high-quality retailers that offer unique products or highly personalized service may be able to draw their clientele from a much broader geographic market than might otherwise be expected.

In the shoppers' goods category, there are few standouts. With the exception of general merchandise and liquor stores, retail sales in the trade area are relatively limited. Estimated sales per establishment range from less than \$50,000, on average, for florists to an average of \$382,000 for clothing stores. The data suggest that household expenditures in this category are made primarily at businesses *outside* the trade area.

Table 9. Retail Gap Analysis - Kent Trade Area			
	Estimated Surplus (millions)	Estimated Leakage (millions)	Leakage/ Surplus Factor
Total Food & Drink		\$81.5	53.0
Total Retail Trade		\$404.4	33.6
Beer, Wine, & Liquor Stores		\$3.4	15.2
Lawn and Garden Equipment Stores		\$1.4	26.8
Used Merchandise Stores		\$2.8	40.7
General Merchandise		\$69.2	44.1
Health & Personal Care Stores		\$18.7	48.3
Florists		\$1.0	50.3
Building Materials & Supplies Dealers		\$23.5	51.2
Office Supplies, Stationery, and Gift Stores		\$7.3	58.6
Sporting Goods/Hobby Stores		\$5.8	60.0
Shoe Stores		\$3.6	68.1
Jewelry, Luggage, and Leather Goods Stores		\$3.5	69.0
Specialty Food Stores		\$4.3	69.2
Book, Periodical, and Music Stores		\$1.3	71.5
Electronics & Appliance Stores		\$28.6	72.0
Furniture & Home Furnishings Stores		\$23.9	73.8
Clothing Stores		\$28.2	77.0
Total Retail Trade and Food & Drink	\$0.0	\$486.0	35.8

Source: ESRI and E.M. Perrick and Company.

The demand for goods and services that is not being met locally is referred to as *sales leakage*. Because the trade area is comprised of towns that serve largely as bedroom communities for employment centers to the south and east, and residents have high disposable income levels, the area evidences a substantial amount of sales leakage.

Table 9 shows the retail gap for various retail categories within the trade area. The Leakage/Surplus Factor, calculated by ESRI, presents a snapshot of retail opportunity. It is a measure of the relationship between supply and demand that ranges from +100 (total leakage) to -100 (total surplus). A positive value represents a leakage of retail opportunity outside the trade area, with the potential for local businesses to recapture a portion of the sales that are leaving the area. A negative value represents a *surplus* of retail sales, a market where customers are drawn in from outside the area.

As Table 9 indicates, an estimated \$486.0 million in retail purchases is “leaking” from the trade area. It is important to note, however, that the data do not account for the retail development planned for the area. The Patterson Crossing Retail Center, for example, may in fact absorb a significant portion of the unmet demand.

Another factor to consider is that the identified gaps may not be enough to support the development of an entirely new business, and some categories are not easily accommodated, appropriate, or likely to be successful in the context of a commercial corridor like Route 52. There may be opportunities for existing businesses, however, to expand the products or services that they offer and enhance marketing efforts to attract prospective customers.

Conclusions and Recommendations

The chart below summarizes the strengths, challenges, and opportunities of the study area, based on the preceding sections, in no particular order.

Strengths, Challenges, and Opportunities

The Route 52 Corridor in Kent: Strengths, Challenges, and Opportunities

Strengths

- High and increasing volume of traffic along Route 52 and on Interstate 84
- Regional access
- Affluent and growing trade area market
- Attractive residential neighborhoods close by
- Reasonably-priced commercial space relative to other areas of Putnam County (but *condition* is a significant challenge)
- Arts on the Lake as a potential anchor in the northern end of the study area
- Proximity to historic, cultural and recreational assets in Kent

Challenges

- Generally outdated and uninviting appearance of the study area
- Negative perceptions of the Town of Kent as anti-business, slow in approving projects, etc.
- Lack of public water or sewer
- Limited retail mix; lack of identity as a place to shop
- Most businesses oriented to local markets
- Anticipated competition with Patterson Crossing Retail Center
- Weak marketing – few businesses in the study area have websites
- Limited organizational capacity – small chamber organization

Opportunities

- Renovation and reuse of vacant and underutilized properties
- New sidewalks planned for segments of Route 52
- Build on arts-based venues
- Mixed-use (retail/office/residential) development
- Additional capture of retail purchases currently made at establishments outside the area
- Potential for independent specialty stores and businesses that offer personalized service

Market Identity

Returning to the question originally posed in the introduction, what makes the study area unique and marketable? We believe that the key elements of the Route 52 corridor's commercial "niche" are twofold: *convenient shopping and services* and *home and family*. These elements should be used to differentiate the Route 52 corridor in Kent and communicate what it has to offer.

- ***Capitalize on the high volume of traffic*** along the corridor and the use of Route 52 to connect residents to shopping, services, and places of employment. Promote Route 52 as a place where both resident and business consumers can conveniently and easily access goods and services that meet their everyday needs.

- **Focus on opportunities suited to consumer preferences and lifestyles** – Householders in the trade area are generally prosperous and well-educated; they commute long distances to work and live in high-value single-family homes. For these consumers, *their home is their castle* – and to protect their investment, they tend to spend much more than average on improving, maintaining, remodeling, and furnishing these residences. They also enjoy entertainment and recreational activities with their children.
- **Incorporate references to the Town’s strengths:** its history, recreational amenities, and cultural resources. The theme of *home and family* should suggest not only a lifestyle but also an appreciation of beauty and comfort, the decorative arts, a visual aesthetic.

Additional strategies to strengthen and market the niche identity are provided in the sections that follow. There are some critical issues, however, that must be addressed before the study area can be marketed to potential consumers.

The Built Environment

As the *Kent Revitalization Study* stated: “First impressions are important to community residents and visitors... If the environment is cluttered with unsightly buildings, signs, landscaping and inappropriate land uses, the community will be perceived as poorly planned, inevitably leading to poor economic conditions that discourage business expansion or relocation.”⁵ Although it has been more than two years since that study was completed, participants in the focus group meeting, interviews, and survey readily concur that the condition and appearance of the Route 52 corridor have inhibited the expansion of economic activity in the Town of Kent for some time. The age of buildings and haphazard character of streetscapes have had an adverse affect on the corridor’s image and threatened its continued viability as a commercial location.

It is imperative that the visual image of the Route 52 corridor be improved to establish a stronger sense of place, enhance existing commercial uses, and encourage private investment.

This issue is expected to be addressed, in part, in the context of comprehensive plan implementation; the plan recommended, for example, that the Town adopt design guidelines for commercial development along Route 52. We offer the following additional suggestions to accommodate commercial uses and enhance the retail environment in the study area:

- **Consider new forms of commercial development** – Commercial corridors in communities like Kent are often criticized for being one-dimensional, fragmented, and inefficient, lacking a distinct sense of place. Designed for a different time, the eclectic mix of small, freestanding buildings that characterize the Route 52 corridor is no longer suited to many of today’s consumers, who have unprecedented options for shopping and dining.

The study area faces an increasing amount of competition from new retail centers as well as from other commercial corridors that have been cleaned up to create a more welcoming retail environment. To capitalize on potential opportunities, the Town should consider forms of

⁵ Synthesis LLP, *Kent Revitalization Study for Route 52, Route 311 and Towners Road*, November 2006, page 2.

commercial development that offer “something different,” perhaps a design that reflects Kent’s history, or that provide amenities such as extensive landscaping, gathering areas, and walkways that encourage visitation and maximize the retail experience. These do not need to be large retail developments, but rather, sensitively designed, attractive shopping destinations.

- **Facilitate private land assembly** – Land assembly may be required to support commercial revitalization in the study area. To provide opportunities for clusters of small shops rather than stand-alone retail stores, the Town should encourage the consolidation of smaller parcels. It should also allow for the development of shared parking areas to reduce the tendency toward creating large, uninteresting expanses of pavement along the corridor.
- **Pursue mixed-use development opportunities** – Most successful commercial corridors are not exclusively retail. Business recruitment should include not only shops, restaurants and other service businesses, but also professional offices and, where feasible, even residential uses on the upper floors of commercial structures. These non-retail uses add diversity to the business mix along the corridor and create a built-in market for local shops and restaurants.

Although an analysis of the office and residential markets was not included as part of this plan, we encourage the Town of Kent to allow for mixed-use development where appropriate. This would offer developers and investors more flexibility in financing projects and also provide opportunities for the creation of innovative retail environments within the study area.

The Evolution of Retail Development

The retail environment is changing rapidly as it looks for ways to stand out in a crowded marketplace and meet the expectations of increasingly sophisticated and jaded consumers. Intense competition from new shopping destinations and the threat posed by nonstore shopping alternatives have retailers constantly looking for new formats, innovative combinations of stores and entertainment, mixed uses, and unusual retail environments and experiences. Increasingly, retail development is reconnecting with the larger community around it, becoming integrated into a total destination where people can participate even when they are not shopping...

From Michael D. Beyard and Michael Pawlukiewicz, *Ten Principles for Reinventing America's Suburban Strips*. Washington, DC: Urban Land Institute, 2001.

- **Address streetscape design issues** – Streetscape improvements should be made to enhance the study area and complement the new sidewalks planned for the Route 52 corridor. Gateway signs, lighting, street trees and plantings, historic plaques, landscaped areas with seating, and pocket parks have a highly visible impact, and could go a long way to create a sense of place and make commercial corridors more inviting. Completion of these public improvements in the short-term will make a big difference in encouraging investment by the private sector.
- **Involve Arts on the Lake in aesthetic improvements** – Members of Arts on the Lake and other talented artists in the Town could be recruited to enhance the appearance of the study area by designing decorative banners, coordinating holiday light displays, or decorating gateways. These improvements would help to establish a sense of place and reinforce elements of the area’s niche identity.

Business Development and Recruitment

A primary objective of the Niche Marketing Plan is to identify commercial uses that are economically viable, compatible and appropriate. We offer several recommendations for business recruitment as well as the enhancement of existing establishments.

Recruit Additional Businesses

The recruitment of additional businesses to the study area should build on its existing strengths, while enhancing longer-term opportunities for capturing the trade area market. Business recruitment should be used as a means to fill vacancies and gaps in the retail mix, but also to strengthen the identified niche for the study area. The following types of new businesses and/or product lines are recommended:

- Home improvement, selling high-quality/specialty items and offering a high level of customer service – e.g., paint and wallpaper, lighting, window treatments, cabinets
- Home furnishings – including antiques and art galleries
- Specialty merchandise for children, infants, and teens – e.g., boutique clothing, educational toys and hobbies, computer/video games
- Gourmet food items not produced on-site – e.g., wines, cheeses
- Additional convenience services for home-based / small business owners as well as residents – e.g., mailing and shipping service, copy shop, computer repair

It is worth noting that the “home & hearth” niche has been quite successful in communities where a Lowe’s or Home Depot store has opened: Maplewood, New Jersey, for example. Rather than being crushed by the larger stores, independent retailers have taken advantage of the increased traffic to attract affluent consumers. The “independents” offer goods and services that complement or are of higher quality than those offered by the big-box stores. They also provide personalized services to busy homeowners who lack the time or inclination to “do it themselves.”

We recognize that the Route 52 corridor and Towners Road has had some of these businesses in the past. There are many reasons why retailers and other businesses fail or decide to cease operations, however. One should not assume that a particular type of business that was not successful before will not be able to succeed in the future.

Business recruitment is often a long-term effort. Suitable locations for all of these businesses may not be available now, but over time, buildings will be renovated, some business turnover will occur, and there will be other vacancies to be filled.

Develop and Promote Business Clusters

A business cluster is a group of businesses that shares customers or has complementary goods. The concept of locating stores near each other enables a group of businesses to develop a critical mass; when they are grouped together, the stores benefit from each other's sales, customers, and markets, allowing them to generate more business together than any one

store could do alone. Although developing clusters where they do not currently exist takes time, new and existing businesses can be directed to specific locations which will increase their chances of success.

Examples of potential business clusters that could be cultivated and marketed along the Route 52 corridor include:

- Convenience services – dry cleaning, tailor/alterations, shoe repair, day care
- Home improvement and remodeling – plumbing supply, floor coverings, window treatments and blinds, kitchen cabinets, major appliances, interior design
- Small business center – mailing and shipping, copy shop, computer repair, insurance agency, accounting or tax preparation services
- Arts and culture – antiques, art galleries, frame shop (located near Arts on the Lake)

An alternative to relocating certain stores to create a business cluster is to “link” similar or complementary businesses together in the mind of the consumer through cooperative marketing. This is further discussed under Marketing and Promotion below.

Establish An Economic Development Advisory Committee

The recently-adopted Kent Comprehensive Plan recommended the development of an advisory committee to “act as an advocate and recruiter for economic expansion in the Town and to work with the county to implement an economic development program.” We support the establishment of an Economic Development Advisory Committee, specifically to coordinate the recruitment and marketing of business opportunities in the study area.

The membership of the Committee should include real estate professionals, business owners, and representatives of the Carmel-Kent Chamber of Commerce and the Kent Planning Board, as well as municipal officials.

Address Perceptions and Concerns About Commercial Development

Along with the condition and appearance of property, the perception of Kent as anti-business represents one of the biggest challenges to economic development in the Town. Addressing this perception and more importantly, finding ways to reform and improve the commercial development review process should be among the tasks of the Economic Development Advisory Committee.

Development review and permitting requirements are often a significant issue for property owners and small businesses that do not have in-house resources at their disposal. In addition to the cost associated with hiring attorneys, engineers, and architects, getting approvals for commercial projects is time-consuming, and unexpected delays and misunderstandings can arise even in the best of circumstances.

We recommend that the Advisory Committee conduct an analysis of the commercial development review process in Kent, including regulations imposed by external agencies like the NYC Department of Environmental Protection, and provide recommendations to the Town

on ways to reform, simplify, or expedite the process. The identification of case study examples from other communities within the New York City Watershed that have developed more effective review and approval processes would be especially helpful.

The Committee should also consider other ideas to create a more business-friendly environment in Kent, such as pre-qualifying certain commercial properties to make them easier to market.

Consider Financial Incentives

The Town of Kent should consider the use of financial incentives to encourage the rehabilitation of commercial buildings and property in the study area. It could, for example, create and publicize the availability of tax incentives to owners of commercial property who are willing to make major improvements. Under Section 485-b of the state's Real Property Tax Law, towns may offer a partial tax exemption for commercial, business or industrial property that has been improved.⁶ The cost of the improvement must exceed \$10,000 (ordinary maintenance and repairs do not qualify for exemption). Generally the amount of the exemption in the first year is 50% of the increase in the assessed value attributable to the improvement; the exemption amount then decreases by 5% in each of the next nine years. A municipality that restricts the exemption to specific types of property and geographic areas may establish a different exemption schedule.

Marketing and Promotion

It is said that timing is everything – and at this point, an elaborate effort to promote what the study area has to offer would *not* be appropriate. Progress must first be made in improving the physical environment, making the area more inviting for commercial business activity, and attracting new investment. In the meantime, marketing and promotion should focus on some basic elements.

Establish a Web Presence for Kent Businesses

Today, a website is an essential element of marketing and promotion. Online research revealed that few businesses in the study area have websites, making it a challenge to access any information about them, and few websites have information about Kent businesses. A link to the Carmel-Kent Chamber of Commerce is provided on various websites but the domain name has long since expired. To paraphrase the 2005 *New York Times* article cited earlier, Kent seems to lack an identity as a commercial location, relying on Carmel for its zip code, grocery store, and movie theater.

We recommend that the revived Carmel-Kent Chamber of Commerce continue its efforts to establish a new website, preferably using the same URL as the one that expired. This would serve as the “home page” for the study area, offering lists of businesses, an area map, and perhaps materials developed by the Economic Development Advisory Committee to recruit and market business opportunities in the study area. An alternative would be for the Advisory Committee to set up its own website. Whichever option is pursued, *it is extremely important to keep the information updated regularly, i.e., at least once a month.*

⁶ Authorization under 485-b also applies to counties, cities, villages and school districts that levy taxes.

Pursue Cooperative Marketing Opportunities

By definition, cooperative marketing refers to an agreement between two or more establishments to promote each other's products and services with their own; it is essentially a cost-sharing arrangement that benefits all partners. Cooperative advertising could be conducted by the Carmel-Kent Chamber of Commerce on its own or in conjunction with other chambers representing independent businesses along the Route 52 corridor in Putnam County. By participating in joint advertising that promotes the corridor as a single entity, integrating the recommended niche identity, local businesses would be able to maximize their advertising dollars.

Revive the "Shop Putnam County" Campaign

The Town of Kent and local businesses should work with other Putnam County communities and chambers of commerce to revive the "Shop Putnam County" campaign. Shop Putnam County is still on the web, but the site is outdated. A countywide "Buy Local" campaign would be beneficial to all of Putnam County's Main Street communities.

Incorporating public education, marketing, advertising, and business and community involvement, "Buy Local" initiatives have been conducted in communities across the United States to encourage patronage of locally-owned, independent businesses. The idea behind shopping locally is that it is an investment in the community; studies have found that because local retailers are more likely to purchase from *other* local businesses, service providers, and farms, buying local has a greater economic impact on the community than buying from a national retailer. Local business owners also have a vested interest in the community because they live there, and are less likely to pick up and leave. Finally, because "Buy Local" is a form of cooperative marketing, it often allows local businesses to compete with the economies of scale achieved by big-box stores and franchise companies in advertising.

Numerous examples of how communities are encouraging people to buy locally can be found at the website of the Institute for Local Self-Reliance (www.newrules.org/retail/slides/index.html). Other resources, including an excellent publication about how to start a buy local campaign and a fact sheet explaining why shoppers should support local businesses, are available at no cost at <http://newrules.org/retail/tools.html>.

Other Recommendations

- Consider Public Water and Sewer Infrastructure – As a long-term strategy, the Town should determine the feasibility of developing public water and sewer systems town-wide or in selected locations to promote economic development.
- Work with Putnam County to hire a Main Street Circuit Rider – Putnam County could appoint or contract with an experienced Main Street manager or consultant to provide the County's hamlets, villages, and commercial centers with assistance in marketing, retail recruitment, events planning, and related services. Volunteers – some of whom operate businesses full-time – can only do so much. Having a paid, professional Main Street manager serving each community for a certain number of hours per week would provide the staff resources and commitment necessary to help them implement the marketing plan.