

VILLAGE OF HAMBURG ECONOMIC DEVELOPMENT STRATEGY



SUBMITTED TO VILLAGE RESIDENTS BY ANDRE GRAVES AND DARREN
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AUTHORS' NOTE

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EXECUTIVE SUMMARY

This report is a strategy designed to address a host of economic factors the Village of Hamburg is facing and to prepare for the negative and positive impacts of the impending New York State Department of Transportation (NYSDOT) project. Most of the strategy was formulated through the use of two basic qualitative methods. The first is the utilization of strategic planning techniques and the second is the use of the "Main Street Approach."

To gain a thorough understanding of the current environment of in the Village a standard strategic planning procedure known as SWOT analysis was used. A SWOT analysis analyzes the Village's strengths, weaknesses, opportunities, and threats. Phone, face to face interviews, and an informal focus group were conducted to gather information from business owners. Information was solicited from residents using a citizen survey. The SWOT Analysis revealed several key recurring themes in the data we collected:

1. There is much lament and concern over the loss of businesses and empty storefronts.
2. The Village's "small town" character is a major appeal.
3. The short-term effects of the construction will be problematic.
4. The personal service found in the Village is a strength.
5. The Village's events and activities are enjoyable but there aren't enough of them.
6. The walkability and safe feeling of the Village is an asset.
7. The stores should have uniform hours.
8. The stores should cross promote.
9. The Village is "tired" looking.
10. The Palace Theatre and the Farmer's Market are popular draws for the Village.

Although there is much concern for the future of the Village, business owners and residents were almost unanimous in proclaiming that the Village has great

potential. Their laments were sentimental at times and focused on the need for physical improvements and for additional shopping, entertainment and recreational opportunities.

A market analysis was also completed utilizing Census data to quantitatively define the socio-economic environment of the Village. The market analysis revealed that the Village experienced population decline and a shrinking number of total households between 1990 and 2000. At the same time the population and number of households in the Town of Hamburg increased. In addition, households in the Village and Town contain a higher percentage of families than the surrounding County. In 2000, households in the Village of Hamburg were home to a higher percentage of residents age 25 and older with a bachelor's degree than in the surrounding Town and County. To that end, the Village's median income is higher than the Town and the County. This indicates that Village residents have more disposable income than Town and County residents.

The National Trust's National Main Street Center provides a proven template to utilize as an additional method for the strategy. "The Main Street Approach" was designed specifically to address many of the current issues the Village is facing. The approach emphasizes four points: Design, Organization, Promotion, and Economic Restructuring. The Main Street Approach also cites historic preservation as an integral part of the revitalization process. These ideas were all used as guiding principles in the development of the strategy.

Strategic initiatives were written based on analytical findings. Goals and actions areas were developed from the SWOT analysis and then categorized for the strategy utilizing the four points of the Main Street Approach.

Under *Organization* we recommend not only establishing a Main Street Organization. We also recommend designating a liaison who communicates with NYSDOT, their contractors, and the business community on an ongoing basis to understand and manage the construction process through all phases.

Under *Design* we recommend the establishment of urban design guidelines for the Village. The guidelines should reflect the historic character of the Village. There should also be a commitment to historic preservation and its role in providing aesthetic authenticity and economic development.

Under *Promotion* we suggest that the Village build its future around a tourism model. This entails creating numerous creative entertainment and recreational opportunities to attract both local and non-local individuals. In addition, the basic premise of the tourism model is to develop identity, experiences, events and activities around community history and assets. We also suggest that the transformation engendered by the construction project should be promoted. As the construction process comes to a close, the Village of Hamburg, complete with roundabouts and sharp streetscaping, should be touted as "the next big thing."

Under *Economic Restructuring* we recommend that, especially in the short-term, the Village should focus on maintaining existing businesses. To that end, existing businesses could benefit from the creation of a low-interest loan fund. The fund could be utilized by any business that endures financial hardship during the construction period. Village officials should also be amenable to the adaptive reuse of existing buildings. Establishing mixed used buildings featuring residential space above retail storefronts, promotes a live, work, play atmosphere that keeps a Main street busy and vibrant. Also, the formation of a retail business owner group would assist in establishing uniform hours/days open.

Finally, Village stakeholders must remain cognizant of the historic charm that was cited repeatedly as a strength. Building owners must be aware that national retailers and chain stores compromise the authenticity of the Village. The long-term success of the Village depends on its ability to remain unique and aesthetically pleasing.

INTRODUCTION

In the last two decades the world has realized unprecedented economic changes. Some trace these changes back to the fall of the Berlin Wall in 1989 and its definitive impact on globalization. Others point to the United States' gradual shift from a manufacturing based economy to a service based economy. Each of these underlying factors has impacted regions across the country in a myriad of ways. For example, globalization's ability to provide cheap labor and in turn, cheap goods, has contributed to the overwhelming success of "big-box" stores like Wal-Mart. The United States' transition from a manufacturing economy to a service economy has also engendered a problematic downshift--- from higher paying jobs in the former economy, to a growing number of lower paying jobs in the latter. Western New York's economy has not fared well in light of these events. Real per capital personal income, a measure of living standards, was \$28,489 in 2002 in Erie and Niagara counties, 25.7 percent below the New York State average and 8.5 percent below the national average.¹

In addition, the United States has been afflicted by "sprawl." Federal government transportation initiatives like the Highway Act of 1956 have facilitated the steady dispersion of businesses and residents to outlying areas. The pervasive phenomena of ad hoc, low density suburban development has led to a steady exodus of residents from both cities and Villages alike and established the shopping mall as "the place to be" for retail. In particular, this has spelled disaster for traditional Main Streets across the country, but has forced them to learn the following lessons:

1. If you don't choose your destiny, it will be chosen for you.
2. You can't rely on government alone to solve civic problems.
3. Change is inevitable.
4. A strategy that recognizes and plans for change is needed.

¹ Pendall. (2004).
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Simply put, communities must organize to prepare themselves for a rapidly changing set of circumstances, rather than just letting things happen. Moreover, the exodus of businesses and residents from cities and Villages has proven to be a complex puzzle that the public sector has been unable to solve without new, innovative approaches. As budget constraints and economic recession become the rule rather than the exception, collaboration between government, the business community, local residents, and community leaders has proven to be not only smart, but necessary. Recognizing this, the Village of Hamburg and volunteers from the community have sought to develop an economic development strategy.

This economic development strategy is designed to address several critical issues. According to the Hamburg Chamber of Commerce, the Village has lost 11 retail businesses in recent months, and several professional offices. The loss of businesses and resulting empty storefronts has led to a decline in foot traffic. In turn, the loss of foot traffic has had a negative economic impact on the remaining businesses in the Village. A recent editorial in the Hamburg Sun suggested that the Village is going through the most difficult stretch in its 130 year history.² There is also concern because the New York State Department of Transportation (NYSDOT) has slated a reconstruction project for US Route 62 and NY Route 391; both of which traverse through the heart of the Village. Although this project entails the addition of new infrastructure, streetscaping, and traffic calming measures, the fact that it's scheduled to take "no less than two construction seasons" is troublesome to both business owners and residents.³ Business owners have suggested that the proposed project has dissuaded those considering retail or professional space in the Village. Others have expressed concerns about whether their businesses can survive the construction period. Residents have a myriad of concerns ranging from noise during construction and inevitable traffic congestion, to the mess and visual disarray that the project will create. These issues and concerns serve as a serious challenge facing the Village as well as being part of the local context for a strategy.

² The Hamburg Sun. (2004).

³ New York State Department of Transportation. (2003).
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THE MAIN STREET APPROACH

As discussed, economic decline is a problem that small towns and Villages are experiencing across the country. Recognizing the need for a comprehensive strategy to address the situation, the National Trust for Historic Preservation's Main Street Center developed an action plan called the "Main Street Approach" in 1980. The approach has proven to be a potent impetus for commercial district revitalization and consists of the following four points:

1. **Organization** – Building consensus and cooperation among all stakeholders in the revitalization process. (This often happens through the development of a Main Street Organization).
2. **Design** – The maintenance and enhancement of the district's aesthetic qualities.
3. **Promotion** – The consistent marketing and promoting of the district focusing on its unique characteristics.
4. **Economic Restructuring** – economic development initiatives that focus on strengthening existing businesses and the recruitment of new businesses.

These four points should be used as guiding principles and objectives for the Village of Hamburg's revitalization. The good news is that much of the work has already begun. The Village is well on its way to establishing a Main Street Organization and has been an active participant in the design process for the Route 62 and 391 projects. Furthermore, this document will serve as part of a concerted effort to market and promote the Village, as well as the foundation for an economic restructuring process.

Finally, the Village must utilize the four-point approach to build on its distinct "sense of place." Sense of place is primarily linked to a community's history and visual appeal but is also linked to economics. It's part of what attracts new businesses, retains existing ones, and stimulates commercial activity. Not

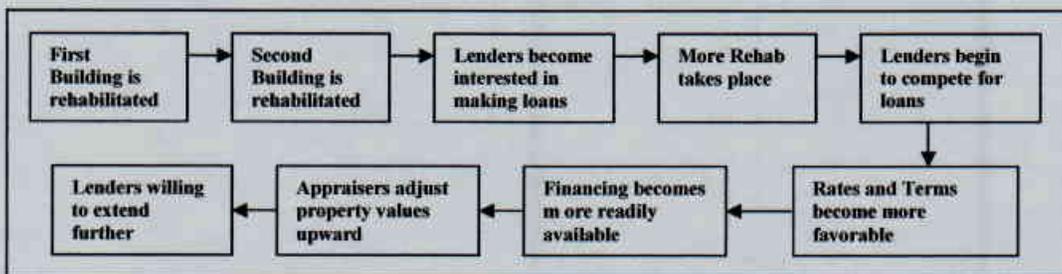
surprisingly, the link between historic preservation and economic development is touted by the National Trust as an integral part of revitalizing a Main Street commercial district. Consequently, establishing this link should serve as a primary strategy for the Village of Hamburg going forward.

Historic Preservation and Economic Development

Historic preservation is often at the core of revitalizing most Main Street commercial districts. The pattern of disinvestment can then be replaced by a new reinvestment pattern, which is described by Donovan Rypkema, one of the foremost authorities on economic development and historic preservation:

Property renovation is a catalytic activity; one renovation supports another. This pattern of reinvestment has a multiplier effect. As more properties are rehabilitated, lenders are more interested in making loans. As more lenders compete for these loans, their rates and terms become more attractive. As financing becomes more readily available, appraisers adjust property values upward. As property appraisals increase, lenders are willing to extend further credit.⁴

Figure 1 – Graphic Illustration of the Historic Preservation Reinvestment Multiplier



Source – Rypkema. (1996).

The “catalytic activity” that Mr. Rypkema describes is also encouraged through use of *the federal historic rehabilitation tax credit*. As an incentive for the adaptive reuse and rehabilitation of historic buildings, the government awards a

⁴ Rypkema. (1996).
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20% tax credit to building owners. In addition, a 10% credit is rewarded to non-historic buildings that were built before 1936. These percentages reflect the amount that can be deducted from the total cost of rehabilitation. This credit was created for the sole purpose of spurring community investment and revitalization. According to the National Trust's "Guide to Tax Advantaged Rehabilitation," to qualify for the 20% credit a building must be a "certified historic structure" that is listed in the National Register of Historic Places or located in a "registered historic district."

Historic preservation efforts also contribute to economic development in the following ways:

1. Increasing business for local construction companies, their suppliers, and other occupations such as engineers and architects.
2. Cost saving alternative to new construction.
3. Rehabilitations lead to a rise in property value, which subsequently has a positive impact on the tax base.
4. Small start-up businesses are often drawn to historic Main Street buildings. Rypkema notes that the "size, location, character, and pricing" of historic buildings means they frequently serve as natural incubators of emerging enterprises.

Applying the Main Street Approach and historic preservation efforts to the physical and human assets of the Village of Hamburg will spur economic development. Before identifying particular action steps for economic development, a strategy must examine the physical and human assets currently present in the Village of Hamburg.

ENVIRONMENTAL SCAN

An environmental scan articulates the current characteristics of the Village and lays the foundation for economic development goals and objectives presented herein. The following methods of analysis were used to analyze the current environment:

1. Market Analysis – Maps the demographic, business, and other socioeconomic characteristics of the Village business district and its most frequent customers.
2. SWOT Analysis – Strategically assesses the strengths, weaknesses, opportunities and threats of the Village business district in four categories: quality of place, infrastructure, customer experience, and business environment.

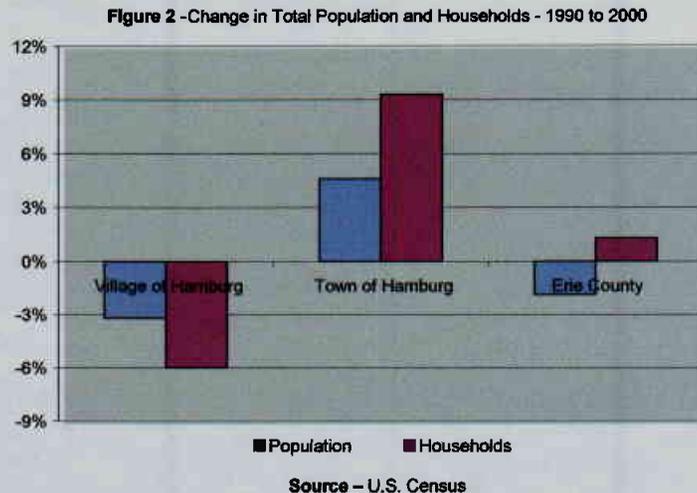
MARKET ANALYSIS

Village of Hamburg, Town of Hamburg, and Erie County residents who primarily reside in towns in the Southern portion of the County, depend on the Village business district to meet their retail and service preferences. In order to understand the preferences of Village business district customers this section of the strategy analyzes demographic and business information from the 1990 and 2000 U.S. Census and the 1997 Economic Census. Salient findings of the analysis and their implications for the Village business district are discussed.

The Village of Hamburg had a total population of 10,107 in 2000 while the Town of Hamburg was home to an additional 46,089 residents. Erie County's population in 2000 was 950,265.⁵ The Village experienced population decline and a shrinking number of total households between 1990 and 2000 (see Figure 1). At the same time the population and number of households in the Town of Hamburg increased. Erie County saw its population decline from 1990 to 2000

⁵ U.S. Census. (2000).
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while the number of households increased. The result was a decrease in average household size in the Village, Town, and County that mirrors nationwide trends.^{6,7} A declining Village yet increasing Town population and number of households indicates that Hamburg residents are moving farther from the Village business district and therefore reducing the number of residents who are within a short walk or drive of the Village core.



The Village business district serves a population that is not equally balanced by age, race, or sex (see Figure 2 for age and sex analysis). In the Village, school aged children and middle-aged adults make up a larger percentage of the population than in other communities in the County. In the 2000 U.S. Census, 99.3 percent of Village residents identified their race as white compared to 97.8 percent in the Town and 82.3 percent in the County. Also, the percentage of women age 60 and older in the Village is higher than the surrounding Town and County.

Households in the Village and Town contain a higher percentage of families, especially those with children under the age of 18, than the surrounding County. In 2000, households in the Village of Hamburg were home to a higher percentage of residents age 25 and older with a bachelor's degree than in the surrounding Town and County.⁸

In 2000 in the Village of Hamburg, higher levels of education resulted in a higher median household income. Median household income in the Village was

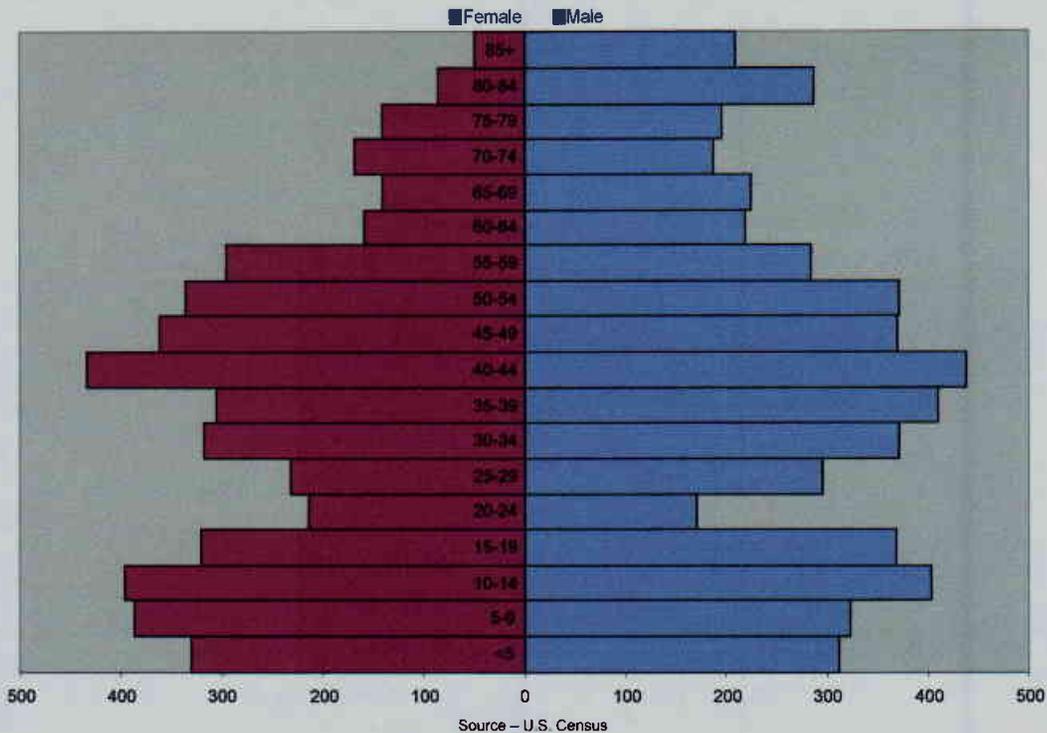
⁶ U.S. Census. (2000)

⁷ U.S. Census. (1990).

⁸ U.S. Census, (2000).

\$51,239 in 2000, compared to \$47,888 in the Town of Hamburg, and \$38,567 in Erie County.⁹

Figure 3 - Village of Hamburg Age Pyramid - 2000



Village residents not only had higher education levels and a higher median household income than Town residents, but also received more of their income from sources other than wages. In 2000, 57 percent of Village residents received a portion of their income from interest, dividends, and net rental income while 48.2 percent of Town residents and 42.7 percent of County residents realized income in the same year from similar sources.¹⁰ However, a larger proportion of the Village community relied on Social Security Income. In 2000, 32.1 percent of Village residents received some income from Social Security compared to 29.7 percent in the Town and 30.8 percent in Erie County.¹¹

Of those Village residents receiving income from various sources in 2000, 32 percent of Village residents 16 and older considered themselves not in the labor

⁹ U.S. Census. (2000).

¹⁰ Ibid.

¹¹ Ibid.

force.¹² In the Town of Hamburg and Erie County, 32.8 percent and 37.6 percent of residents classified themselves as not in the labor force in the same year, respectively.¹³ In 2000, 66.3 percent of Village residents 16 and older were employed compared to 64.1 percent in the Town of Hamburg and 57.8 percent in Erie County.¹⁴

Demographic analysis paints an intricate and distinct picture of the community served by the Village of Hamburg business district. Such analysis would not be complete, however, without an examination of the businesses serving the residents profiled above. The most recent data on retail establishments at the Village level is from the 1997 U.S. Economic Census. Benchmarks should be established in the near future using 2002 Economic Census data when it becomes available in 2005.

Village retail businesses make up a significant portion of the total retail businesses in the town of Hamburg (see Table 1). Of all the retail businesses in the Town of Hamburg in 1997, 49% were in the Village.¹⁵ Retail establishments in the Village grossed \$143.6 million in sales in the 1997 calendar year and paid \$13 million in salaries during the year to 1,124 employees. Retail establishments in the Town of Hamburg grossed nearly four and a half times as much in sales than similar businesses in the Village while paying \$52.9 million to 3,666 employees.¹⁶

Table 1 –Village of Hamburg, Town of Hamburg and Erie County Retail Trade Data – 1997

	<i>Village</i>	<i>Town</i>	<i>County</i>
Establishments	86	176	3,628
Sales	\$143,554	\$622,452	\$8,036,261
Payroll	\$13,034	\$52,945	\$797,237
Employees	1,124	3,666	55,286

Source – U.S. Economic Census

¹² U.S. Census. (2000).

¹³ Ibid.

¹⁴ Ibid.

¹⁵ U.S. Economic Census, (1997).

¹⁶ Ibid.

The type of retail establishments in the Village and the Town in 1997 varies significantly (see Table 2). In 1997, there were 15 food and beverage stores and 11 gasoline stations in the Village.¹⁷ This amounts to more than half the total of food and beverage and gasoline stations in the entire Town for the same year. There were 46 clothing and clothing accessories stores in the Town in 1997 compared to 10 in the Village¹⁸.

Table 2 – Sample of Kinds of Businesses in the Village and Town of Hamburg - 1997

	<i>Village</i>	<i>Town</i>
Food and Beverage Stores	15	12
Gasoline Stations	11	12
Clothing and Clothing Accessories Stores	10	46
Women's Clothing Stores	0	13
Shoe Stores	0	16
Jewelry, Luggage, and Leather Goods Stores	0	6
Children's and Infant's Clothing Stores	1	0

Source - U.S. Economic Census

The U.S. Economic Census provides information on the types of clothing and clothing accessories stores in the Village and Town. In 1997, there were 13 women's clothing stores, 16 shoe stores, and 6 jewelry, luggage, and leather goods stores in the Town. In the same year there were 10 clothing and clothing accessories stores including 1 children's and infant's clothing store in the Village.¹⁹

SWOT ANALYSIS

The following SWOT Analysis (strengths, weaknesses, opportunities, and threats) was completed using information collected from business owners and citizen. Information was gathered from business owners using a business survey and an informal focus group. Business surveys were administered over the phone or face to face over a three-month period beginning in September of 2004

¹⁷ U.S. Census. (1997).

¹⁸ Ibid.

¹⁹ Ibid.

and concluding in November of 2004 (see Appendix 1). The informal focus group was held with business owners at Village Hall on December 9, 2004. Information was solicited from residents using a citizen survey (see Appendix 2). Citizen surveys were distributed at the Village of Hamburg Farmer's Market, The Comfort Zone, a coffee shop located in the heart of the Village business district, and local PTA meetings.

The Village of Hamburg business district SWOT analysis is built around four themes: quality of place, customer experience, business environment, and infrastructure. Each is intended to capture a different aspect of the strengths, weaknesses, opportunities, and threats relevant to the Village business district.

Table 3 – Quality of Place	
STRENGTHS/OPPORTUNITIES	WEAKNESSES/THREATS
Historic: The Village business district is the traditional center of the community and it has a number of buildings that hold historic value.	Storefronts: Storefronts are “tired looking,” not uniform, or not well kept. A high quality business district depends on having attractive storefronts.
Housing Stock: High quality housing stock within a short walk of the Village business district makes the surrounding community a desirable place to live and walk around.	Not much going on: Events are not frequent enough to make the Village business district feel like a happening place.
Scale: The buildings in the Village business district have a human scale that helps pedestrians or shoppers feel comfortable.	
Americana: The Village business district has a quaint, small-town America feel.	

Table 4 – Infrastructure	
STRENGTHS/OPPORTUNITIES	WEAKNESSES/THREATS
Easy Access: The street layout in the Village is easy to navigate and provides easy access to parking behind businesses.	Pavement Markings: Road striping on Buffalo St. is poor and must be fixed in the short-term. Waiting for the reconstruction of the intersection is too dangerous.
	Narrow Streets: Main Village business district thoroughfares are too narrow for traffic and street parking in some locations.

Table 5 – Customer Experience

STRENGTHS/OPPORTUNITIES	WEAKNESSES/THREATS
Personal Service: Shop owners who take the extra minute to explain how to apply a coat of paint or use a new electronic device are a selling point for the Village business district.	Inconvenient Hours: Customers who work 9 to 5 jobs found it difficult to shop at some Village business district stores because of the hours they were open.
Restaurants: There are a variety of well-known food and drink establishments that draw customers to the Village business district.	Restaurants: For some there were not enough quality food and drink establishments. The lack of a diner and other restaurant options that used to be available was mentioned.
Specialty Shops: Unique shops in the Village business district draw customers from all over the County.	Limited Shopping Options: Customers were unable to find small items like socks, thread, or underwear and the related stores that provide those items such as men's, women's, and children's clothing stores, a hardware store, a shoe store, and a green grocer. A discount shop was also identified as a need.
Atmosphere: The Village business district has a quaint, charming, relaxed, and friendly atmosphere that distinguishes it from other retail shopping options.	No Uniform Hours: Some stores are open at night, others in the day, some on weekends only, others on select days of the week.
Convenience/Walkability: For those customers who live in the Village, shopping for food or a gift can be as easy as walking a few blocks versus having to use a car.	Below the Critical Mass: The current number and mix of business is not seen as meeting a critical mass. "Businesses and restaurants are leaving."
Parking: Ample parking close to the business district is available.	Parking: Handicap parking was mentioned as lacking despite the plethora of parking for some businesses. Some customers did not feel there was ample parking to others within close proximity.
Proximity: The concentration of stores, restaurants, banks, and civic buildings gives the Village business district an advantage over mall shopping.	Speeding Traffic: Traffic speeds and a unfriendly pedestrian traffic flow take away from the shopping experience in the Village.
Safety: Shops do not have bars on the windows and the Village police are often nearby to wave or follow someone to their car. Business owners often look out the window and wave at passers by.	Handling of Snow: Sidewalks are difficult to traverse in the winter months because snow removal is insufficient or non-existent.

Table 6 – Business Environment

STRENGTHS/OPPORTUNITIES	WEAKNESSES/THREATS
<p>Location: The Village business district still retains its central location and Routes 62 and 391 remain heavily traveled arterials.</p>	<p>Visibility: Business owners noted instances when long-time Village residents mentioned they never knew a business was there because they always just drive by.</p>
<p>Entertainment Destinations: The Hamburg Public Library and Palace Theatre located in the Village business district serve as a draw just as well-known restaurants bring people into the Village.</p>	<p>Local and Regional Economy: Several business owners noted frustration with the state of the local and Western New York economy. The area has not participated in the rapid economic growth experienced in some areas of the country in the 1990s. Small businesses grow and decline with the disposable income of area residents.</p>
<p>Business Synergy: The businesses that are currently located in the Village are able to feed off of each other because of their proximity and location.</p>	<p>Reconstruction: The pending reconstruction of Routes 62 and 391 is a threat to the viability of each and every business. Drawing customers will be more difficult when streets are under construction.</p>
<p>High School Students: Having a number of high school students living in and around the Village ensures that there will be supply of labor for all kinds of activities. It also allows business to mentor the next generation.</p>	<p>Nature of Building Ownership: With many businesses renting their space building owners do not have an incentive to make investments in the façade. Also, some business are not willing to keep up the sidewalks and building clean and in good shape.</p>
	<p>Mall: The nearby McKinley Mall has a concentration of department and other small retail stores that draw shoppers away from the Village business district.</p>

VISION

A vision statement articulates what the Village aspires to be. The following is a draft vision statement for the Village of Hamburg:

The Village of Hamburg business district will be:

1. A unique destination.
2. An open and inviting place that is full of unique shops and special events for residents and visitors to enjoy throughout the year.
3. An aesthetically pleasing, walkable, and authentic community.
4. A cohesive community where residents, civic leaders, and business owners all work together for continued success..

Building off of this draft vision statement, the community should create a final vision statement. A key question in creating a vision statement is asking what success looks like for the Village of Hamburg business district.

GOALS AND ACTION AREAS

A goal is a broad statement that expresses a desired end result of strategic actions. As a means to achieving the above vision we have drafted a set of economic development goals for the Village of Hamburg business district. Goals are organized under the applicable category of the Main Street Approach. Organizing goals under the “four-point Main Street Approach” will help the Village business district build on its distinct “sense of place.” The Village’s sense of place is linked to its history, visual appeal, and why it works and doesn’t work economically. Action areas are listed under each goal and should be pursued by the Village to reach goals.

Table 7 – Goals Organized Under the Main Street Approach

Organization	<i>Building consensus and cooperation among all stakeholders in the revitalization process</i> A. Create a Process for Building Consensus and Cooperation
Design	<i>Maintenance and enhancement of the district’s aesthetic qualities</i> B. Maintain Character and “Small Town” Feeling C. Proper Building and Property Maintenance D. Historic Preservation
Promotion	<i>The consistent marketing and promoting of the district focusing on its unique characteristics</i> E. Promote the “Next Big Thing” F. Long-Term Strategy of Developing a Tourism Model for the Village G. Marketing Eighteen-Mile Creek
Economic Restructuring	<i>Economic development initiatives that focus on strengthening existing businesses and the recruitment of new businesses</i> H. Strengthening Existing Businesses and Creation of New Businesses I. Diverse Building Uses

Organization

A. Create a Process for Building Consensus and Cooperation –

Organizing is the first step the Village must take to leverage its innate assets for action.

- 1. Establish Main Street Organization (MSO) –** An MSO should serve as the umbrella for Village of Hamburg revitalization activity. We suggest that the organization be broken down into committees that tackle each of the four points of the “Main Street Approach.”
- 2. Recruit Additional Members for MSO –** A diverse committee dedicated to achieving a vision of the Village of Hamburg business district will make it easier to reach goals. It is important to have people with a variety of technical and professional expertise as well as “different working styles” (National Trust, 1996). Candidates such as Small Business Assistance Agency Executive Directors, Consumers, and Developers should be recruited for the MSO.²⁰
- 3. Recruit Volunteers from the Community for Assistance –** There will be numerous tasks for MSO members to tackle, and volunteers can help in many ways. For example, keeping in touch with the many business owners in the Village could be a full-time job. If volunteers are assigned to talk with a certain number of business owners and report back the whole process can be expedited. Passing out promotional material, preparing mailings, and staffing community events are just a few more ways

²⁰ National Trust Main Street Center. (1996).
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volunteers from the high school or senior living community can help.

4. **NYS DOT Liaison** – An official liaison must be established between NYS DOT, their contractors, and the business community. Communication is critical throughout the construction process. The Village must have a full understanding of the entire process from start to finish. For instance, are there financial incentives and/or penalties if work is finished ahead of schedule, or fails to meet deadlines? If not, why not? If so, what are they? Furthermore, a consistent campaign that focuses on having DOT expedite the project, or at very least, live up to its commitments, must be waged.

Design

B. Maintain Character and "Small Town" Feeling – The Village's unique character and charm was mentioned time and again by residents and business owners. Many lamented over all the lost stores and felt the Village has lost its luster. Obviously, the reconstruction project will put some of the shine back on the Village, but in the meantime the Village should remain walkable and should maintain its aesthetic integrity.

1. Design Guidelines – Future efforts to improve aesthetics should include the establishment of design guidelines for all new construction and rehabilitation. Forever Elmwood, a community-based organization representing Buffalo's Elmwood Village, has design guidelines online and is in the process of updating those guidelines. Their efforts should be leveraged by the Village of Hamburg.

C. Proper Building and Property Maintenance – Building owners must commit to maintaining their buildings and the Village must hold up its end by enforcing codes, timely snow removal, and controlling traffic.

1. Increasing Access Points – Business owners should be encouraged to provide alternate access (other than Main Street or Buffalo Street) to their establishments if they haven't already done so.

D. Historic Preservation – The Village's recent granting of "certified local government status" from the State Historic Preservation Office serves as a positive step towards the development of this piece of an economic development strategy.

Promotion

E. Promote the “Next Big Thing” – Promotion involves the tireless promotion of changes the Village will undergo with the construction project. As the construction process comes to a close the Village of Hamburg should be touted as “the next big thing,” complete with roundabouts and sharp streetscaping.

- 1. Publicity** – A relentless effort to publicize the completion of each phase of the construction process and a major celebration at the completion of construction.
- 2. Informing Real Estate Professionals** – Informing local and regional real estate companies about the upcoming changes to the community’s aesthetic character, including periodic updates as to construction status.

F. Long-Term Strategy of Developing a Tourism Model for the Village – The Village’s best opportunity may lie in its ability to market itself as a historic, unique place to visit. Tourism is often thought of as going on a vacation, but in actuality it is simply the act of visiting a place for any form of recreation, including shopping or sightseeing. Very often tourism is also tied to connecting with the past, or to an area’s unique characteristics and heritage. This is known as cultural tourism and is a legitimate economic engine. A recent study by Travel Industry of America shows that 81% (118 million) U.S. travelers in the last year are considered cultural travelers.²¹ A small, historic Village like Hamburg can capitalize on this trend in several ways.

For one, the Village and its business owners should continue to develop special events throughout the year. In addition, the Village should begin

²¹ www.tia.org.

to see itself as a developing tourist destination. The fact that it is not currently a tourist destination should not preclude it from becoming one in the future. Regions and Villages always have the power to reinvent themselves. That's what strategic planning is all about! The Village can start this process through the development of a cultural tourism model based on a simple premise: developing identity, experiences, events and activities around community history and assets.

1. Form a "Buy Local" or "Support the Village" Campaign

– This concept has been used for years in farming communities and can work in the Village of Hamburg. Just as residents come out faithfully each week for the Farmer's Market they must be encouraged to come into the Village to shop, dine, and conduct business whenever possible. This campaign is critical during the duration of the construction period.

2. Retailers to Work with Village on Promotions – People

enjoy events and activities in the Village and have expressed an interest in having more events and activities. They are also interested in fun things to do with their kids in the Village. The idea of cross promotion such as a "dinner and movie" package was raised by several respondents.

3. Marketing the Village's Unique Architecture – This

action is best addressed through the aforementioned historic preservation effort.

G. Marketing Eighteen-Mile Creek – This action requires additional research and a distinct marketing plan. The creek is a valuable community asset that features two notable draws: fossil hunting and fly-

fishing. The latter's significance was recently touted in *Fly-Fisherman Magazine*. Rick Kustich, an avid fly-fisherman (from Williamsville) wrote:

There are more than 40 rivers, streams, and small creeks that feed Lake Erie along the shorelines of New York, Pennsylvania, and Ohio. Virtually all of them receive some returns of steelhead (trout), either from direct stocking or from strays from other rivers, and I have fished or investigated nearly half of them. This experience leads me to believe that Steelhead Alley provides the best fly-fishing opportunity in the world today for a high number of steelhead hookups in a day of fishing. (Steelhead Alley is the name given to 11 points along the shorelines of Lake Erie in New York, Pennsylvania, and Ohio of which 18 mile Creek is the 1st point).²²

Granted both fossil hunting and fly-fishing are more accessible from Route 5 and Route 20, but we would argue that the Village's proximity to the Creek is significant enough to market itself as the "creek side Village" or as the gateway to these unique attractions. After all, the Village's early beginnings can be traced back to the creek and its importance in the operation of water-powered mills. In addition, a design charrette in the Village identified Eighteen Mile Creek as the Village's most important asset. It should also be noted that County and State officials along with local planning professionals are near completion of a cultural tourism initiative for the region.

²² Kustich. (2004).
Village of Hamburg Economic Development Strategy
December 2004

Economic Restructuring

H. Strengthening Existing Businesses and the Creation of New

Businesses – The attraction of new businesses is a tall order in lieu of the impending construction project. Therefore, the focus in the beginning should be largely on maintaining the existing businesses in the Village. (In his recent lecture at Village Hall, Tim Cullenen of the Community and Rural Development Institute (CaRDI) at Cornell suggested that the focus should be about 80% on maintaining existing businesses and 20% on attracting new businesses.)

Although some might view the Village as being poised for investment, the Western New York business community has proven to be extremely cautious and conservative when making business decisions. *In the short-term, trying to expand on its existing business rather than attempting to attract new businesses may best serve the Village.* This means focusing on solidifying and building its base customers through the creation of more activities and events that continue to draw them to the community. Village residents do have more disposable income than Town and County residents for investment in the Village business district.

In the long-term, attracting new businesses that meet customer demands and provide a diverse range of services is essential. Many surveys of both business people and citizens spoke of the need for a *women's and men's boutique, a green grocer, and specialty stores.* Others expressed the need for "kid-friendly" options. Attracting local entrepreneurs will require the development of a shrewd public relations effort. The Village's main goal in regards to attracting new business should be to make the construction process the talk of the town. Everyone should know about it, everyone should be anticipating its completion, and every local entrepreneur should want to be there.

1. **Form a Separate Committee of Business Owners** – An additional committee of business owners can help create the consensus necessary for reaching the action areas below.
2. **Retailers Setup Uniform Hours/Days Open** – Besides the forming of a Main Street Organization (MSO), “organization” means building consensus and working together with residents and the business community. Business owners must take an active role in the organization process and work together to meet customer needs.
3. **Brainstorming Sessions** – The brainstorming session held in December 2004 demonstrated the capacity of business owners to have an open discussion without the political wrangling that is present in other situations. Brainstorming sessions on various topics should continue in the future. For example, the idea of Village businesses opening on a more uniform schedule of days and hours could be discussed in a session.
4. **Work Closely with Building Owners to Monitor Inquiries from Prospective Business Owners** – Despite the hard economic times that the Village is facing, building owners must still be selective when choosing their tenants. This can be facilitated through the creation of a “preferred list” of business types that reflects the needs and desires of local residents. Moreover, building owners must be aware of and understand the strategy and philosophy of the

Village's revitalization efforts. In addition, the Village should be leery of national chains who express interest in locating in the Village. These stores compromise the unique character that is critical to the Village's revitalization, no matter how tempting they may seem. The Village is best served by local businesses that rely on local resources rather than antithesis.

5. The Creation of a Low Interest (or No Interest) Loan Fund – Working with both public and private entities the Village must attempt to develop a fund which can be utilized for the purpose of providing loans, if any business endures financial hardship. This has been accomplished in other communities facing an extensive construction project.

6. Business Trend Monitoring – Business owners should be asked to report on how they are trending versus the previous month and previous year. Consistent trend reporting will facilitate a proactive approach to any economic hardship that may arise, and will serve as constant economic barometer for the Village. This can be done confidentially if need be, through the completion of a standard reporting form.

7. Establish Macroeconomic Benchmarks – Macroeconomic progress should also be measured through the use of benchmarks. Benchmarks should assess achievement, or the lack thereof, on objectives.

I. Diverse Building Uses – The Village should retain and attract retail, service, and other types of businesses to its business district as well as

encouraging new, diverse uses of existing buildings. Village officials and building owners should also be open to converting commercial buildings to residential. Buildings with storefronts at street level can also be adapted to include deluxe residential living space on upper floors. This mixed-use approach creates a live, work, play environment that has become increasingly appealing in today's world.

- 1. Review and Update Zoning Code** – Reviewing and updating the Village zoning code in order to encourage diverse building and land use is necessary.

CONCLUSION

The Village of Hamburg has the ability to choose its destiny. With reconstruction of the Village's main thoroughfares set for the near future and businesses leaving the Village, the time for action is now. The same changes in the global and local economy that have impacted the Village of Hamburg's have decimated the economy of Main Street's across the United States. Those communities that have mobilized, set an action plan, and implemented the plan are now enjoying the benefits that a successful Main Street can bring.

If followed, the strategies in this report will help the Village choose its destiny. Each goal and action area recognizes the wealth of assets currently present in the Village and aims to leverage those assets for success. By taking small steps in action areas, success will feed off of success. Time tables will help to ensure timely completion of each action and benchmarks will help to track progress in action areas. The "four-point Main Street Approach" which has helped other Village's achieve their vision will assist the Village of Hamburg in organizing and building on its distinct "sense of place."

As outsiders working with Village of Hamburg citizens for the past three months, the passion necessary for positive change in the Village is readily apparent to us. Citizens are concerned about the future, but that concern comes out of a love for the Village. The organizational process, goals, and action areas will harness that concern and love for positive action. Independent steps are already being taken to take control of the Village's destiny. It is imperative that those steps are taken in a coordinated, cooperative, and strategic manner. Embracing a collaborative approach for a common, agreed-upon vision will create a Village of Hamburg that reflects its glorious past and promising future.

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**Village of Hamburg
Economic Enhancement Committee
Business Survey**

General Information

Business Name: _____ Contact: _____

Address: _____

Type of Business: _____

How long have you been in business? _____ How long at current location? _____

Does your current location meet your needs in terms of its size? Y N location? Y N

If not, explain: _____

Are you a resident of Hamburg? Y N If not, where? _____

Number of Employees, including yourself: _____ Where do they reside? _____

Building Ownership

Is the building owned by the business? Y N If not, by whom? _____

If you lease, when does your lease expire? _____ Do you plan to renew? Y N

In what way is your landlord alert to your needs? _____

In what ways could s/he be more helpful? _____

Business Trends

Has your number of customers increased? _____ decreased? _____ remained steady? _____
for the current year, compared with the previous?

If the resulting income has reflected a significant change, what percentage do you consider
significant? _____%

Do you have a system to identify who your customer is? Y N Can you estimate what
percentage of your business comes from village residents versus town and outlying area
residents? _____%

When did you last change the number of employees? _____ By what number, plus or minus ____?

Business Enviroment

What is your estimation of the overall business climate in the Village? _____

What are some of the positive aspects of locating your business in the Village? _____

What are some of the biggest deterrents to business in the Village? List in order of importance?

Is there a business type that you would consider complimentary to your business that is not currently located in the village? Y N If so, what? _____

Has the banking community been of any assistance to you in meeting your business needs? Y N

How do you feel the Village of Hamburg can help your business?

Construction

What do you anticipate will be the short- and long-term effects of the RT 62 reconstruction project on your business?

**Village of Hamburg
Economic Enhancement Committee
Citizen Survey**

General Information

Are you a resident of Hamburg? Y N If no, where? _____

If yes, how long? _____

What brought you out in the Village today? _____

How often do you come out in the Village? _____

How has the frequency of your visits to the Village business district changed over time?

_____ increased? _____ decreased? _____ remained steady?

If the frequency of your visits has changed, what drove the change?

Market Analysis

What types of businesses do you frequency, if any?

What types of products or services are not currently offered in the Village that you could use?

Where do you purchase products or services outside of the Village?

Customer Experience

What are the strengths of the Village business district?

What are the weaknesses of the Village business district?

What immediate interventions could Village officials take to make the business district more user friendly?

How does the parking situation in the Village affect your visits?

Construction

What do you anticipate will be the effects of the Route 62 reconstruction project on your visits to the Village business district?

APPENDIX 3 - HAMBURG ECONOMIC DEVELOPMENT PROGRAMS

Program	Agency	Program Description
Hamburg Business Development Fund	Hamburg Development Corporation	The HBDF helps to bridge the gap in the conventional financial marketplace, which may hinder the growth of otherwise financially sound, employment generating companies. HBDF financing generally offers lower interest rates, longer maturities or more flexible repayment schedules than conventional business loan sources. Partnerships, corporations and proprietorships are eligible for financial assistance from the HBDF. Priority is given to manufacturing, transportation, service industries and wholesale trade. Financial assistance must result in the creation of new jobs. The development fund can be used for any of the following: acquisition or development of land, buildings and /or facilities, permanent working capital, pollution control, and related compliance improvements, company buy outs where the employment base is in jeopardy.
Industrial Revenue Bonds	Hamburg Industrial Development Agency	<p>The HIDA is authorized to issue Industrial Revenue Bonds to assist with our goal of stimulating economic growth in Hamburg. Industrial Revenue Bonds are available to finance the purchase and improvements of land, buildings, property and equipment for firms engaged in light manufacturing, office construction, warehousing/distribution, research and development and some commercial activities.</p> <p>Similar to conventional mortgages, local banks, insurance companies and /or pension funds purchase the bonds issued by the HIDA. The rates, terms and conditions are all set by the purchaser and are backed by the full faith and credit of the borrower, not the HIDA.</p>
Enhancement Areas	Hamburg Industrial Development Agency	It is a goal of this program to encourage small, locally owned businesses to invest in their physical assets such as building and modern equipment to allowing them to be more productive and competitive. This will be accomplished by offering tax incentives through the Hamburg IDA at a cost that is not prohibitive to our local businesses. The Hamburg IDA will review each project application on an individual basis and determine eligibility based on the goal of the program. Businesses must be located in designated enhancement areas
Tax Exemptions and Tax Abatements	Hamburg Industrial Development Agency	The HIDA provides real property tax abatements for 10 to 15 years on increased valuation in addition to state and local sales tax exemptions on equipment and materials for qualified projects.