

# VISITOR IMPACT ASSESSMENT

District East Development  
Kinne Road and Erie Boulevard  
DeWitt, New York

June 2022



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# **CANYON RESEARCH SOUTHWEST, INC.**

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**COMMERCIAL REAL ESTATE RESEARCH AND ANALYSIS**

## **VISITOR IMPACT ASSESSMENT DISTRICT EAST DEVELOPMENT KINNE ROAD AND ERIE BOULEVARD DEWITT, NEW YORK**

June 2022

Prepared for:

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# CANYON RESEARCH SOUTHWEST, INC.

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COMMERCIAL REAL ESTATE RESEARCH AND ANALYSIS

June 17, 2022

John F. O'Brien  
Senior Project Manager  
Hueber-Breuer Construction Co., Inc.  
148 Berwyn Avenue  
Syracuse, NY 13210

Re: Visitor Impact Assessment  
District East Project in DeWitt, New York

Mr. O'Brien,

Canyon Research Southwest, Inc. has prepared the enclosed *Visitor Impact Assessment* for the redevelopment of the former ShoppingTown Mall site at the intersection of Kinne Road and Erie Boulevard in DeWitt, New York. The proposed District East project is a mixed-use development designed for 1.41 million square feet of health and wellness, educational, retail, entertainment, and residential uses.

The objective of the study is to evaluate the potential of the District East project as a tourism destination. A tourism destination is defined as a location or facility likely to attract visitors from outside of the area.

Upon review of the report, should any questions arise, or additional information requested, contact me directly at (716) 327-5576.

Respectfully submitted,

**CANYON RESEARCH SOUTHWEST, INC.**

Eric S. Lander, Principal

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Canyon Research Southwest, Inc.	



# SUMMARY OF MAJOR FINDINGS

Canyon Research Southwest has prepared a *Visitor Impact Assessment* for the District East project proposed for the former ShoppingTown Mall site at the intersection of Kinne Road and Erie Boulevard in DeWitt, New York. District East is designed as a mixed-use development featuring health and wellness, office, retail, entertainment, and recreational uses. The objective of the study is to evaluate the potential of the District East project as a tourism destination. The study findings are summarized in the text to follow.

## **Visitor Market Overview**

The recent upturn in domestics and international travel point to signs of the gradual recovery of the U.S. travel and tourism industry. The recovery is being led by domestic leisure travelers with business and group travel gaining traction at a slower pace with accelerated activity forecast throughout 2022. The recent national trends suggest Central New York will experience a sharp rise in traveler and spending volumes during 2022 compared to during the COVID-19 pandemic led by leisure travelers.

Tourism has a profound impact on the New York state economy, generating sales, jobs, and income. A record-high 265.5 million visitors enjoyed New York State in 2019, spending \$73.6 billion and generating an economic impact of \$117.6 billion. During 2020 visitor spending was severely impacted by the COVID-19 pandemic. Both the limitations and restrictions to mobility, as well as economic disruptions, hit travel hard. Visitor spending totaled \$33.94 billion in 2020, down 53.9 percent from 2019. After two years of depressed visitor volumes and spending, there is now a sense of optimism as air traffic and hotel bookings are up, travel restrictions have been eliminated, and the Canadian border is now open allowing for Canadians to enter New York.

From 2017 to 2019, visitor spending within the Finger Lakes region increased 7.0 percent, reaching \$3.261 billion. Of the upstate New York regions, the Finger Lakes region was second only to the Hudson Valley region in visitor spending. Due to the pandemic, visitor spending for the Finger Lakes region declined by 39.8 percent to \$1.963 billion in 2020.

Tourism has a significant impact on the Finger Lakes region and Onondaga County economies. Despite a down year in 2020, visitors to the Finger Lakes region spent \$1.96 billion which generated 41,682 jobs, labor income of \$1.25 billion, and local and state taxes of \$308 million. Onondaga County supported the second largest economic impact from tourism, capturing visitor spending of \$504.9 million (26 percent of the region's total), 11,884 tourism-related jobs, \$312.2 million in labor income, and local taxes of \$52.7 million. Prior to the pandemic, in 2019 visitor sales in Onondaga County totaled \$922.3 million, or 28 percent of the region's sales.

To conclude, the Finger Lakes region has historically served as a major tourism destination highlighted by lake living, wine trails, brewery tours, family attractions, state parks, and special events such as the new York State Fair. The Finger Lakes tourism market is on the road to recovery from the COVID-19 pandemic and visitor volumes and spending are forecast to return to pre-pandemic levels by 2023. Given the importance of shopping, dining, and entertainment on supporting tourism destinations, the District East's project plan and market niche are well positioned to compliment and support the Finger Lakes and Onondaga County tourism industries.

# **Visitor Impact Assessment Findings**

The *Tourism Impact Assessment* examined the potential of the District East project to serve as a tourism destination capable of drawing out-of-town visitors and capturing visitor expenditures. Specific issues examined include:

1. Competitive Retail Market Conditions
2. Project design and market niche
3. Project's synergy with area attractions

## **Competitive Retail Market Conditions**

By the second quarter 2022, the inventory of retail space in Syracuse market totaled 48.9 million square feet, operating at a healthy vacancy rate of just 3.6 percent. From 2010 through 2021, 1.24 million square feet of retail space was built in the Syracuse market and 2.28 million square feet of space was absorbed.

With net space absorption outpacing new construction since 2010, the overall retail vacancy rate for the Syracuse market declined steadily from a high of 5.9 percent in 2013 and 2014 to a healthy 2.6 percent by year-end 2017. Despite the business disruptions caused by the COVID-19 pandemic, from a high of 4.3 percent during 2020 at the height of the pandemic, the vacancy rate declined to 3.6 percent by the second quarter 2022 in response to increased tenant demand and positive net space absorption.

District East is located with the Southeast Outer Onondaga County submarket which supports 9.04 million square feet of retail space, equating to 18.5 percent of the Syracuse market total. As of the second quarter 2022, the Southeast Outer Onondaga County submarket was operating at a healthy vacancy rate of 2.4 percent.

The health of the Syracuse market and Southeast Outer Onondaga County submarket provide the opportunity to support additional retail development with an uptick in construction activity forecast by early 2023. District East's unique live, work, and play environment provides an excellent dynamic to support a mix of shopping, dining, and entertainment. No similar mixed-use development existing in DeWitt, New York.

## **Project Design and Market Niche**

District East is designed as a mixed-use destination development featuring a state-of-the-art medical and wellness campus, retail, restaurants, entertainment, recreation, and residential. When fully developed, District East will function as a destination attraction serving a trade area within a 4-hour drive-time.

The District East master plan calls for 1.41 million square feet of building area and parking for 3,125 vehicles. The property will be redeveloped into four distinct districts that include Gateway Retail, Mixed-Use Residential, Wellness/Medical/Office Campus, and Residential.



The master plan will transform the site into a vibrant urban center supporting a mix of complimentary uses designed as a “live, work, shop, dine, and entertainment experience.” The master plan features a “Main Street” concept including mixed-use buildings of varying levels of massing and an emphasis on walkability. A total 504 dwelling units will offer a diverse mix of apartments, condominiums, and townhomes. Common area amenities include bike paths, walking trails, and green space designed to encourage pedestrian activity and gathering places. No such integrated mixed-use development exists in DeWitt or the greater Syracuse area.

The principal attractions that distinguish District East as a destination development capable of generating out-of-town visitation and expenditures include the Wellness/Medical/Office Campus, Main Street Plaza/Village Green, and the trail head linking to the Empire State Trail.

The Syracuse area’s five hospitals serve a 15-county region. The District East project’s Wellness/Medical/Office Campus is designed as a healthcare and educational collaboration. Healthcare providers could include such specialties as orthopedics, cardiovascular, neurology, radiation oncology, surgery, and urology. Educational programs could include such healthcare fields as nursing, occupational therapy, physical therapy, biochemistry, and biological sciences, to name a few. This healthcare and educational collaboration would foster an innovate environment and draw students and patients from a regional trade area.

The Syracuse area’s five hospitals serve a 15-county region. The District East project’s Wellness/Medical/Office Campus is designed for 314,283 square feet of medical office space. Healthcare providers could include such specialties as orthopedics, cardiovascular, neurology, radiation oncology, surgery, and urology. Adjacent to the campus will be 112,836 square feet of educational space including classrooms and office space. Educational programs could include such healthcare fields as nursing, occupational therapy, physical therapy, biochemistry, and biological sciences, to name a few. This healthcare and educational collaboration would foster an innovate environment and draw students and patients from a regional trade area.

District East’s Main Street Plaza and Village Green will create a unique shopping, dining, and entertainment experience. Retail uses will feature 200,674 square feet of shops and restaurants, a 46,538 square foot grocery store, and 53,220 square foot multi-screen movie theater. Multi-story, mixed-use buildings with residential and offices above ground floor commercial space, outdoor café seating, and wide, well landscaped walkways will create a vibrant, pedestrian friendly urban environment. The Village Green offers flexible programmable open space suitable for hosting a wide variety of events such as concerts, live theatre, arts and crafts shows, fitness classes, and so much more. Together, the Main Street Plaza and Village Green will serve as active gathering spaces designed to attract and entertain people.

To conclude, the District East project’s integrated mixed-use design, distinctive attractions, and complementary mix of uses are designed to create a unique live, work, shop, dine, and play urban environment that currently does not exist in DeWitt and the great Syracuse area. The project’s uses, concepts, and market niches are designed to create a unique destination capable of generating large visitor volumes, drawing out-of-town travelers, and enhancing the Finger Lakes region’s status as a regional tourism destination.

## **Synergy with Area Attractions**

The Finger Lakes and Syracuse MSA serve as regional tourist and healthcare destinations given their central location within New York and wide selection of arts, cultural, sports, entertainment, shopping and dining, gaming, and recreational attractions. During 2018, the Finger Lakes region hosted 5.56 million visitors generating an overall \$3.0 billion economic impact. Based on the theory of tourism clusters, the introduction of additional complimentary destination attractions will improve the Finger Lakes region's status as a regional destination and generate increased visitation counts, expenditures, and economic activity.

The District East project's Wellness/Medical/Office Campus would complement the Syracuse area's five existing hospitals by providing specialty healthcare services and facilities. The campus' educational programs could foster collaboration between the area hospitals, physicians, faculty, and students.

The District East project's Main Street Plaza and Village Green as a "must see" shopping and entertainment destination that would both draw new visitors to the Syracuse area as well as complement other existing area shopping, dining, and entertainment venues. Examples of venues that the Main Street Plaza and Village Green would complement include shopping destinations such as Destiny USA, tourist destinations such as the Finger Lakes Wine Country and New York State Fair, sporting events at Syracuse University, arts and cultural venues such as the Everson Museum of Art and Landmark Theatre, and special events such as Discover NYS Blues Festival and Syracuse JazzFest.

One of the goals of building the Empire State Trail was to stimulate tourism-related economic development. The District East trail head would serve as the first trail service area for trail users entering the Syracuse area from the east. Therefore, the District East trail head would provide trail users with convenience access to the food, beverage, and entertainment within the project's Main Street Plaza.

To conclude, by increasing the critical mass and scope of destination attractions the District East project will improve the competitive position of the Syracuse area and Finger Lakes region as a tourism destination as well as complement the existing attractions by creating a unique shopping, dining, entertainment, and recreation destination. As designed, District East has the potential to both attract new visitors into the region as well as extend the length of stay for those visitors to the region attending other attractions.

## **Study Conclusions**

Based on the study findings, the following visitor impacts of the District East project were addressed:

- Define the project's trade area
- Estimated annual visitation
- Estimated retail sales potential



## **District East Trade Area**

The Finger Lakes region serves as a regional shopping and tourist destination attracting 5.56 million visitors per year from within a 4-hour drive. The District East project possesses the opportunity to capitalize on the large trade area reach and visitation volumes.

Within a trade area, customers closest to the site affect the center most strongly, with customer influence diminishing gradually as the distance increases. The District East trade area boundaries are identified.

**Primary Trade Area:** The primary trade area draws 65 to 75 percent of a destination's regular customers. District East's primary trade area includes people residing within a 50-mile radius. According to Esri Business Analyst, 1.25 million people reside within a 50-mile radius from the District East site

**Secondary Trade Area:** The secondary trade area generates about 15 to 25 percent of a destination's total sales. The 5.56 million out-of-town visitors to the Finger Lakes region represent District East's secondary trade area. Over 48.2 million people reside within a 4-hour drive from District East.

**Tertiary Trade Area:** The tertiary trade area forms the broadest area from which customers may be drawn. The tertiary trade area includes those visitors residing outside a 4-hour drive from District East.

## **Customer/Visitor Counts**

At project build-out, annual visitation to District East is estimated at 3.5 million. The elevated level of visitation is attributed to the multiple attractions. Regional visitors traveling more than 50 miles are estimated to account for approximately 21 percent of total visitation to District East, or 732,950 annual visitors.

### **District East Estimated Annual Visitation @ Within and Beyond 50 Miles**

<b>Project Component</b>	<b>Annual Visitors</b>	<b>Inside 50 Miles</b>	<b>Beyond 50 Miles</b>
Wellness and Medical Campus	977,250	732,938	244,313
Educational	41,250	10,313	30,938
Retail Shops and Restaurants	1,600,000	1,200,000	400,000
Grocery	695,000	660,250	34,750
Movie Theater	132,000	118,800	13,200
Trail Head	15,000	5,250	9,750
<b>Total Annual Visitors Estimate</b>	<b>3,460,500</b>	<b>2,727,550</b>	<b>732,950</b>
<b>Percentage of Total</b>		<b>78.8%</b>	<b>21.2%</b>

Source: Canyon Research Southwest, Inc.

## **Retail Sales Potential**

The District East master plan calls for 200,674 square feet of retail space, a 46,538 square foot grocery store, and 53,220 square foot multi-screen movie theater. At build-out, annual sales are estimated to total \$152,484,400.

### **District East Estimated Annual Sales at Build-out**

<b>Project Component</b>	<b>Annual Sales</b>
Retail Shops and Restaurants	\$120,404,400
Grocery	\$29,200,000
Movie Theater	\$2,880,000
<b>Total Estimated Annual Sales</b>	<b>\$152,484,400</b>

Source: Canyon Research Southwest, Inc.

The District East project is anticipated to generate significant expenditures from out-of-town visitors, both on-site and throughout other areas of the Finger Lakes region. Out-of-town visitors to the District East project are estimated to support total trip expenditures of \$360 million annually throughout their trip to the Finger Lakes region.

### **Estimated Total Trip Expenditures Generated by Out-of-Town Visitors to District East**

	<b>Day Trip Visitors</b>	<b>Overnight Visitors</b>	<b>Total Expenditures</b>
Annual Out-of-Town Visitors	139,260	593,690	732,950
Average Expenditure Per Trip	\$82	\$587	
Total Annual Out-of-Town Visitor Expenditures	\$11,419,320	\$348,496,030	\$359,915,350

The District East project involves the redevelopment of the former ShoppingTown Mall site at the intersection of Kinne Road and Erie Boulevard in DeWitt, New York. The mall closed in 2020 and remains unutilized. In its current state the former ShoppingTown Mall site is considered a highly distressed area. In fact, in 2002 a portion of the site was designated as an Empire Zone by New York State, which, by definition, qualified the site as distressed.

The District East project plan will transform the former ShoppingTown Mall site into a vibrant urban center supporting a mix of complimentary uses designed as a “live, work, shop, dine, and entertainment experience.” The master plan features a “Main Street” concept that emphasizes walkability and mixed-use buildings with residential and office uses over ground floor commercial space. Common area amenities include bike paths, walking trails, and green space designed to encourage pedestrian activity and gathering places. A trail head will provide connectivity to the

**Canyon Research Southwest, Inc.**



Empire State Trail. No such integrated mixed-use development with a mix of healthcare services, retail goods, eating and drinking establishments, and recreational and entertainment venues exists in DeWitt, New York.

Attractions are often the focus of tourist attention and serve as the primary motivation to visit the destination. Destination attractions can be natural, cultural, or built such as entertainment centers, sports and recreation venues, aquariums, zoos, theme parks, or casinos.

The District East project plan includes several destination attractions capable of drawing a substantial number of visitors from a 50-mile radius and beyond. These unique attractions include the wellness and medical campus in conjunction with the educational component, the Main Street shopping, dining, and entertainment district, and the trail head connecting to the Empire State Trail. These destination attractions at build-out are estimated to attract 3.5 million visitors annually, of which approximately 21 percent will be out-of-town visitors from outside a 50-mile radius. Out-of-town visitors to the District East project are estimated to support total trip expenditures of \$360 million annually throughout their trip to the Finger Lakes region. Therefore, this study concluded that the District East project will serve as a tourism destination drawing visitors and expenditures to the region.

**VISITOR IMPACT ASSESSMENT  
DISTRICT EAST DEVELOPMENT  
KINNE ROAD AND ERIE BOULEVARD  
DEWITT, NEW YORK**

June 2022



# INTRODUCTION

## **Study Objective and Organization**

Canyon Research Southwest has prepared a *Visitor Impact Assessment* for the District East project proposed for the former ShoppingTown Mall site at the intersection of Kinne Road and Erie Boulevard in DeWitt, New York. District East is designed as a mixed-use project featuring health and wellness, office, retail, entertainment, and recreational uses. The objective of the study is to evaluate the potential of the District East project as a tourism destination. A tourism destination is defined as a location or facility likely to attract visitors from outside of the area.

The Visitor Market Analysis section of the study evaluates tourism and visitor market forces that will influence District East. National travel and tourism outlook, New York state visitor trends, and Central New York tourism market forces are discussed.

- Historical trends in New York state visitor expenditures by category, economic impact, business sales, and employment,
- Finger Lakes region visitor attractions and historical trends in annual visitation, visitor expenditures by category and County, hotel room nights, and visitor profile,

The *Tourism Impact Assessment* portion of the study evaluates the potential of the District East project as a tourism destination.

- Competitive Retail Market Conditions
- Identify District East's market positioning and unique quality.
- Synergy with area visitor attractions.

Based on the study findings, the following visitor impacts of the District East development were addressed:

- Define the project trade area
- Estimate annual visitation
- Visitor spending estimates
- Creation of hotel room nights

## **District East Project Plan**

OHB Redev LLC, a joint venture made up of four CNY-based development firms including Redev CNY, Hueber-Breuer Construction, DalPos Architects, and Housing Visions, purchased the former ShoppingTown Mall from Onondaga County with the intent of redeveloping the 62-acre site into a mixed-use project known as District East.

ShoppingTown Mall was a regional mall first opened as an open-air shopping center in 1954. The property was enclosed in 1973 and remained a major shopping center until undergoing rapid decline in the late 2010's. The mall closed in March 2020 as part of New York's COVID-19 pandemic response and did not reopen. Moonbeam Capital served eviction notices to all remaining tenants in September 2020 and sold the property to the Onondaga County government. In January 2021, Onondaga County issued an RFP seeking developers interested in redeveloping the former mall site and selected OHB Redev LLC.

The District East master plan, depicted on page 5, calls for 1.41 million square feet of building area and parking for 3,125 vehicles. The property will be redeveloped into four distinct districts that include Gateway Retail, Mixed-Use Residential, Wellness/Medical/Office Campus, and Residential (see page 6).

The master plan will transform the site into a vibrant urban center supporting a mix of complimentary uses designed as a “live, work, shop, dine, and entertainment experience.” The master plan features a “Main Street” concept including mixed-use buildings and emphasis on walkability. The residential component will total 504 dwelling units offering a diverse mix of apartments, condominiums, and townhomes. Common area amenities include bike paths, walking trails, and green space designed to encourage pedestrian activity and gathering places. A trail head will provide connectivity to the Empire State Trail.

### **District East Master Plan**

<b>Project Component</b>	<b>Building Sq. Ft.</b>	<b>Housing Units</b>	<b>Parking Spaces</b>
Medical	314,285		
Educational	112,836		
Retail	200,674		
Grocery	46,528		
Entertainment	52,330		
Residential			
Multi-Family	327,657	318	
Condominium	168,810	138	
Townhome	187,200	48	
Surface/Street/Shared Parking			1,920
Structured Parking			1,205

The Wellness/Medical/Office Campus is designed for 314,283 square feet of building area. Healthcare providers could include such specialties as orthopedics, cardiovascular, neurology, radiation oncology, surgery, and urology.

District East's educational component will include 112,836 square feet of classroom and office space. Educational programs could include such healthcare fields as nursing, occupational therapy, physical therapy, biochemistry, and biological sciences, to name a few. Adjoining 60,000 square feet of multi-family residential space could provide student housing for 65 dwelling units.

The retail component will feature 200,674 square feet of shops and restaurants, a 46,538 square foot grocery store, and 53,220 square foot multi-screen movie theater. The retail space will feature a "Main Street" design including multi-story, mixed-use buildings.

The residential component will total 504 housing units with a mix of multi-family, condominium, and townhome product. The housing mix is designed to meet the housing products to meet a wide range of resident needs.

Tourism plays a significant role in the Finger Lakes region's economy, attracting an estimated 5.56 million visitors annually spending \$2.43 billion. The Finger Lakes is a tourism destination with 60 percent of visitors traveling from out of state. **Development of the District East project will foster economic growth by creating a unique tourism destination capable of catering to a statewide and regional trade area. District East will also transform the distressed former ShoppingTown Mall site into a vibrant mixed-use project where people can live, work, shop, and play**

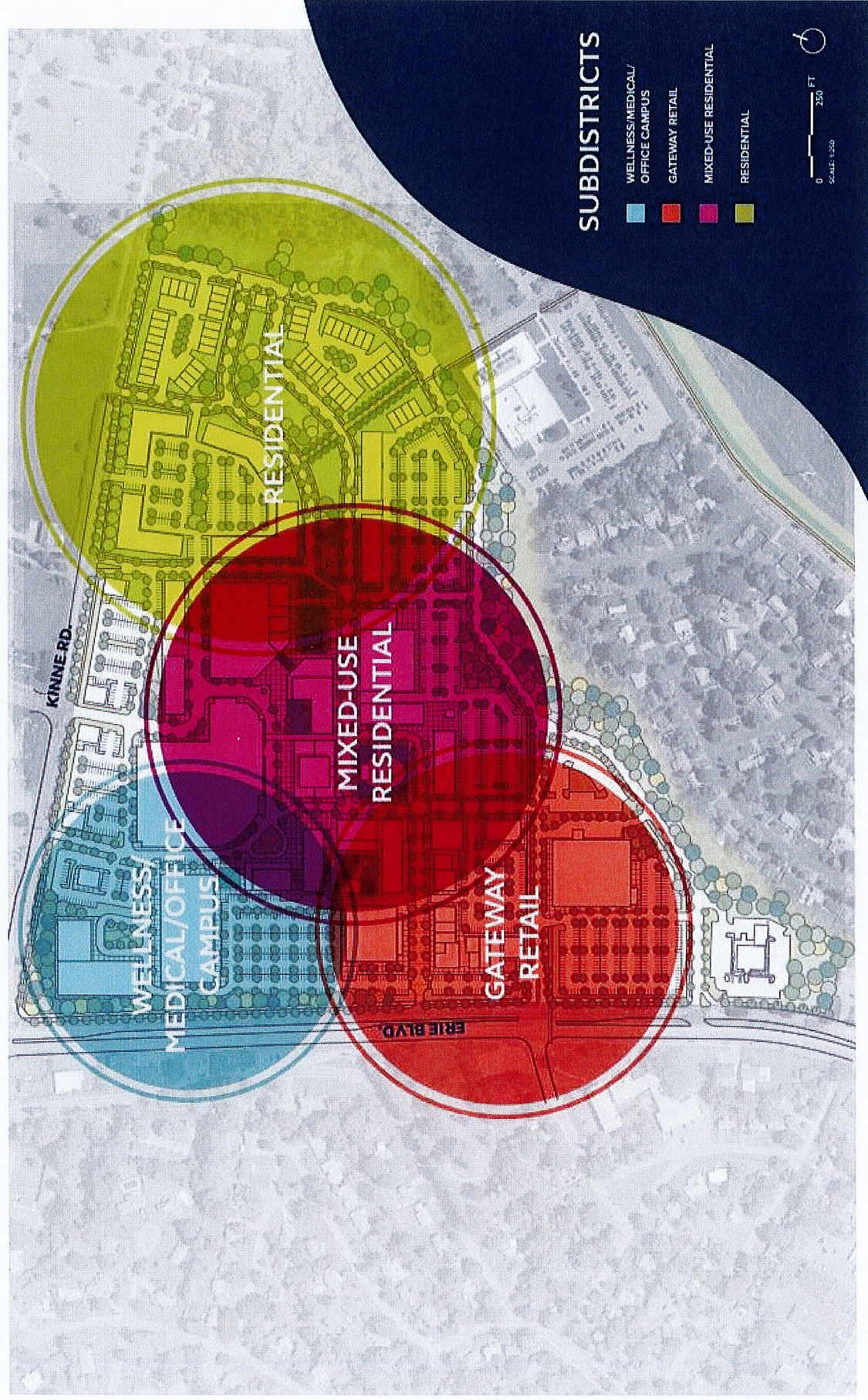


**DISTRICT EAST**  
CITY OF SYRACUSE, NY



Block	Lot	Area (sq ft)	Volume (cu ft)	Weight (lb)	Value (\$)	Notes
A	1	1,234	1,234	1,234	1,234	
B	2	1,234	1,234	1,234	1,234	
C	3	1,234	1,234	1,234	1,234	
D	4	1,234	1,234	1,234	1,234	
E	5	1,234	1,234	1,234	1,234	
F	6	1,234	1,234	1,234	1,234	
G	7	1,234	1,234	1,234	1,234	
H	8	1,234	1,234	1,234	1,234	
I	9	1,234	1,234	1,234	1,234	
J	10	1,234	1,234	1,234	1,234	
K	11	1,234	1,234	1,234	1,234	
L	12	1,234	1,234	1,234	1,234	
M	13	1,234	1,234	1,234	1,234	







# Empire State Trail

A unique feature of the District East project is the connectivity to the Empire State Trail. The 6-mile section of the trail system between DeWitt and Syracuse provides the opportunity for District East to attract visitors traveling along the trail. The District East master plan calls for a trail head at the northeast corner of the property.

In 2017, New York State launched the Empire State Trail to promote outdoor recreation, encourage healthy lifestyles, support community vitality, and bolster tourism-related economic development.

The State appropriated \$200 million of state capital funds to create the Trail and leveraged almost \$97 million of additional funds from various federal, state, local, and private sources – providing a total program budget of \$297 million. Completed in December 2020, the 750-mile Empire State Trail spans the state from New York City through the Hudson and Champlain Valleys to Canada and Buffalo to Albany, creating the longest multi-use state trail in the nation. The trail showcases New York’s special places, diverse history, and iconic landscapes.

The Trail welcomes bicyclists and walkers of all ages and abilities to experience the Empire State’s urban centers, village main streets, rural communities, and diverse history, from New York City through the Hudson River Valley, west to Buffalo along the Erie Canal, and north to the Champlain Valley and Adirondacks.





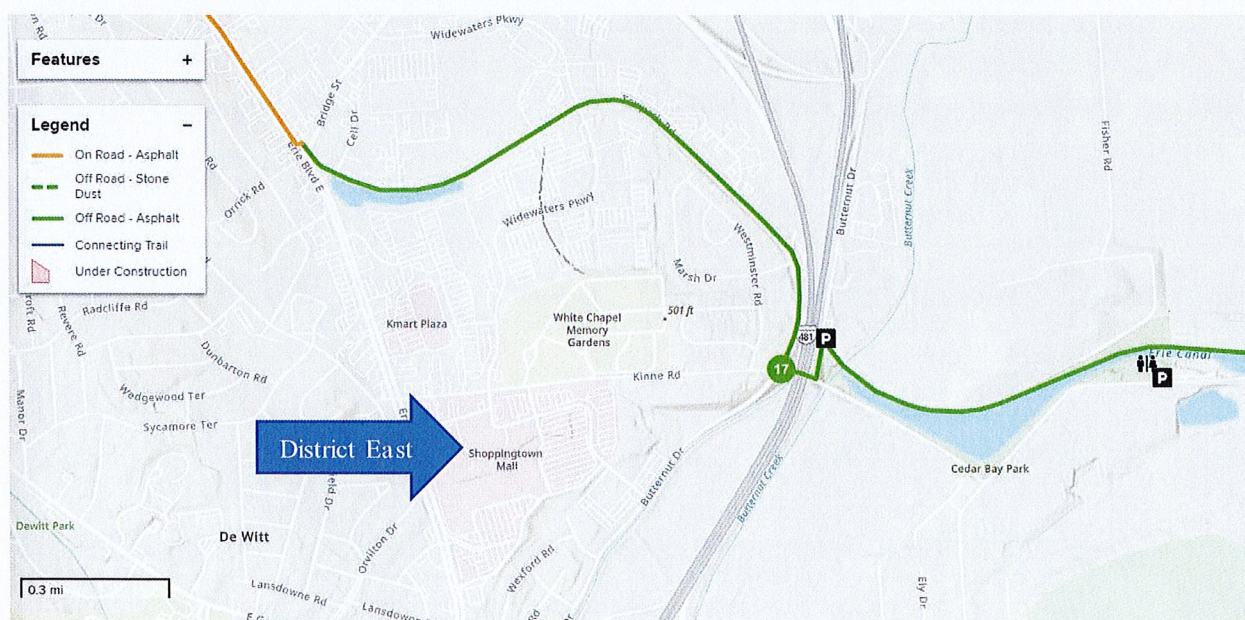
To promote public awareness and orient visitors, New York State has constructed more than 45 Trailheads and Gateways at designated parking areas along the trail. Most are in state and local parks near existing visitor amenities. The Gateways and Trailheads include welcome and orientation signage, maps of the trail route, benches, bicycle racks, and self-service “fix-it” stations. A trail head exists in DeWitt with a gateway located at the New York State Fairgrounds in Syracuse.

Visitation for the entire 750-mile Empire State Trail is projected to be approximately 8.6 million trail users annually, including 3.06 million bicyclists and 5.59 million walkers, runners, and hikers. Trail usage is expected to be highest within the largest population centers of New York State including New York City, Buffalo, and Rochester. Lower levels of trail use will occur in rural areas, and on the 110-mile section from Whitehall to Rouses Point in the Champlain Valley, where the trail will be an on-road bicycle route.

The 3-mile Erie Boulevard Trail was built at a cost of \$23.88 million that allows for convenient access from the District East site. The State forecast annual usage of the trail through DeWitt at 73,368, including 25,679 bicyclists and 47,689 pedestrians.

The Empire State Trail through DeWitt passes just to the east and north of the District East site. Connectivity of the District East trail head with the Empire State Trail at Kinne and Towpath Roads a short distance to the east could be accomplished along Kinne Road by either an on-road asphalt path or off-road asphalt path.

One of the goals of building the Empire State Trail was to stimulate tourism-related economic development. The District East trail head would serve as the first trail service area for trail users entering the Syracuse area from the east. Therefore, access to the Empire State Trail offers the opportunity for businesses within the District East project to cater to trail users. The below illustrates the location of the Empire State Trail relative to the District East site.





# VISITOR MARKET ANALYSIS

The *Visitor Market Analysis* section addresses national travel and tourism outlook as well as historical performance trends in the New York state and Central New York markets.

## Tourism Market Trends

### National Travel and Tourism Outlook

According to the U.S. Travel Association, the decline in travel due to the COVID-19 pandemic has been significant. Travel spending in the United States declined from \$1.17 trillion in 2019 to \$680.1 billion in 2020, a loss of approximately \$492 billion. Domestic travel spending dropped from \$993.5 billion in 2019 to \$638.1 billion in 2020, a decline of 36 percent. International travel spending in the United States dropped from \$179.1 billion in 2019 to \$38.1 billion in 2020, a decline of 79 percent.

Domestic person-trips declined from 2.3 billion in 2019 to 1.6 billion in 2020, a drop of 31 percent. Leisure travel declined from 1.9 billion person-trips in 2019 to 1.4 billion by 2020, a drop of 24 percent. Business travel was more adversely impacted with travel declining from 500 million person-trips in 2019 to just 200 million person-trips in 2020, a decline of 60 percent.

### **Domestic Travel Comparison; 2020 vs. 2019**

	2019	2020	Change	% Change
<b>Person-Trips (Billions)</b>				
Leisure	1.9	1.4	-0.5	-24%
Business	0.5	0.2	-0.3	-60%
Totals	2.3	1.6	-0.7	-31%
<b>Travel Spending (\$ Billions)</b>				
Leisure	\$993.5	\$638.1	-\$355.4	-36%
Business	\$297.3	\$95.8	-\$201.5	-68%
General Business	\$172.6	\$66.5	-\$106.1	-61%
Conference/Conventions/Trade Shows	\$124.7	\$29.2	-\$95.5	-77%

Source: U.S. Travel Association.

Domestic business travel spending declined 68 percent in 2020 to \$95.8 billion, a \$201.5 billion drop from 2019. Group travel for conference, conventions, and trade shows was particularly hard hit down 77 percent for the year to just \$29.2 billion, due largely to mandates barring large gatherings.



Prior to the COVID-19 pandemic, the U.S. travel industry experienced ten straight years of growth due to the strength of the domestic leisure travel, domestic business travel, and international inbound travel segments. The U.S. travel industry suffered unparalleled losses in traveler and spending volumes amid the COVID-19 pandemic.

According to the U.S. Travel Association, during 2021 the United States travel and tourism industry commenced recovering from the COVID-19 pandemic. Prior to the pandemic travel-related spending in the U.S. totaled \$1.17 trillion. During 2021, total travel-related spending rose 29.0 percent to \$877 billion. While travel-related spending remains at just 75 percent of the pre-pandemic level, recent trends are encouraging for a full recovery by 2023 or 2024.

Through April 2022, the U.S. travel industry continued to recover. Highlights from the U.S. Travel Association's *May 2022 Monthly Travel Recovery Data Report* include:

- For the first time since the start of the pandemic, travel spending (\$100 billion) was 3 percent above levels in April 2022
- Auto trips increased 6 percent above 2019 levels.
- Six in 10 Americans plan to travel this summer, up from five in 10 last year
- More than one-quarter (28%) of all travelers plan to spend significantly more this summer over their 2019 travel budgets for marquee trips, due to higher prices as well as accumulated savings

The U.S. Travel Association forecasts total traveler volumes in the United States increased by 27.5 percent to 2.04 billion. Domestic travel volumes were up 27.8 percent to 2.02 billion, with leisure travel up 26.4 percent to 1.77 billion and business travel up 38.1 percent to 250 million. During 2021, international travel was up 10.5 percent to 21 million. A full recovery to 2019 traveler volumes is forecast by 2023 for domestic travel and 2024-25 for international travel.

During 2021, travel spending in the United States increased 29 percent to \$877 billion. The initial stages of recovery are being led by domestic leisure travelers with total travel spending increasing 30.5 percent in 2021 to \$838 billion and is forecast exceed pre-pandemic levels by 2023. Domestic business and group travel will be slower to recover with spending increasing 55.2 percent in 2021 to \$136 billion, reaching pre-pandemic levels by 2024

International travel will also take a bit longer to fully recover. International travel spending increased just 4.1 percent in 2021 to \$40 billion and forecast to reach pre-pandemic levels by 2024.

To conclude, the recent upturn in domestics and international travel point to signs of the gradual recovery of the U.S. travel and tourism industry. The recovery is being led by domestic leisure travelers with business and group travel gaining traction at a slower pace with accelerated activity forecast throughout 2022. The recent national trends suggest Central New York will experience a sharp rise in traveler and spending volumes during 2022 compared to during the COVID-19 pandemic led by leisure travelers.

## U.S. Travel Industry Spending Forecasts

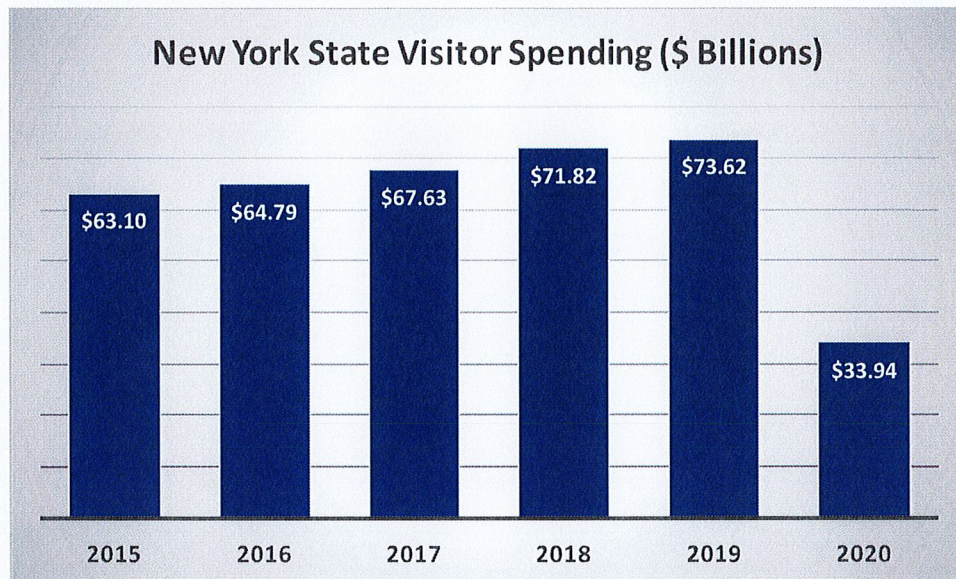
	Actual 2019	Actual 2020	Forecast				
			2021	2022	2023	2024	2025
<b>Travel Volume</b>							
Total Number of Trips	<b>2.40 B</b>	<b>1.60 B</b>	<b>2.04 B</b>	<b>2.29 B</b>	<b>2.47 B</b>	<b>2.57 B</b>	<b>2.61 B</b>
Domestic Person Trips	<b>2.32 B</b>	<b>1.58 B</b>	<b>2.02 B</b>	<b>2.24 B</b>	<b>2.40 B</b>	<b>2.49 B</b>	<b>2.53 B</b>
Leisure	1.85 B	1.40 B	1.77 B	1.86 B	1.95 B	2.01 B	2.04 B
Business	464 M	181 M	250 M	371 M	446 M	484 M	492 M
Auto	2.13 B	1.50 B	1.89 B	2.07 B	2.21 B	2.29 B	2.32 B
Air	189 M	79.0 M	131 M	166 M	189 M	206 M	214 M
International Arrivals	<b>79.4 M</b>	<b>19.0 M</b>	<b>21.0 M</b>	<b>52.0 M</b>	<b>68.0 M</b>	<b>78.0 M</b>	<b>84.0 M</b>
Canada	20.7 M	5.0 M	3.0 M	13.0 M	18.0 M	22.0 M	24.0 M
Mexico	18.3 M	7.0 M	9.0 M	17.0 M	18.0 M	19.0 M	19.0 M
Overseas	40.4 M	8.0 M	10.0 M	22.0 M	31.0 M	38.0 M	41.0 M
<b>Travel Spending</b>							
Total Travel Spending	<b>\$1.17 T</b>	<b>\$680 B</b>	<b>\$877 B</b>	<b>\$1.06 T</b>	<b>\$1.16 T</b>	<b>\$1.23 T</b>	<b>\$1.26 T</b>
Domestic	<b>\$994 B</b>	<b>\$642 B</b>	<b>\$838 B</b>	<b>\$932 B</b>	<b>\$997 B</b>	<b>\$1.04 T</b>	<b>\$1.06 T</b>
Leisure	\$724 B	\$555 B	\$702 B	\$726 B	\$745 B	\$766 B	\$776 B
Business	\$270 B	\$88 B	\$136 B	\$206 B	\$252 B	\$277 B	\$284 B
Transient	\$157 B	\$59 B	\$93 B	\$127 B	\$152 B	\$164 B	\$169 B
Group	\$113 B	\$28 B	\$43 B	\$79 B	\$100 B	\$113 B	\$115 B
International	<b>\$179 B</b>	<b>\$38 B</b>	<b>\$40 B</b>	<b>\$131 B</b>	<b>\$159 B</b>	<b>\$183 B</b>	<b>\$198 B</b>
Leisure	\$143 B	\$31 B	\$32 B	\$107 B	\$130 B	\$148 B	\$162 B
Business	\$36 B	\$7.3 B	\$8.0 B	\$24 B	\$30 B	\$35 B	\$36 B
Transient	\$22 B	\$4.6 B	\$5.0 B	\$16 B	\$19 B	\$22 B	\$22 B
Group	\$14 B	\$2.7 B	\$3.0 B	\$8.0 B	\$11 B	\$13 B	\$14 B

Source: U.S. Travel Association.

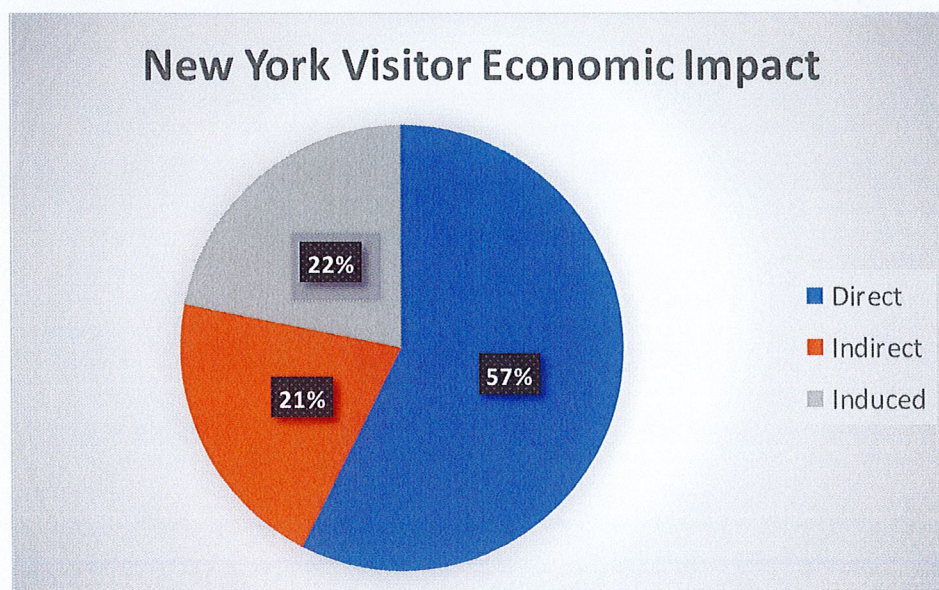


## New York State Visitor Trends

Tourism has a profound impact on the New York state economy, generating sales, jobs, and income. According to the *Economic Impact of Visitors in New York 2020* prepared by Tourism Economics, during 2020 visitor spending was severely impacted by the COVID-19 pandemic. Both the limitations and restrictions to mobility, as well as economic disruptions, hit travel hard. After several years of steady increases, visitor spending totaled \$33.94 billion in 2020, down 53.9 percent from 2019. During 2020, New York City remained the largest tourism region in the state. However, pandemic-related travel restrictions dropped the state-wide share of spending captured by New York City to 51 percent, compared to 65 percent in 2019.

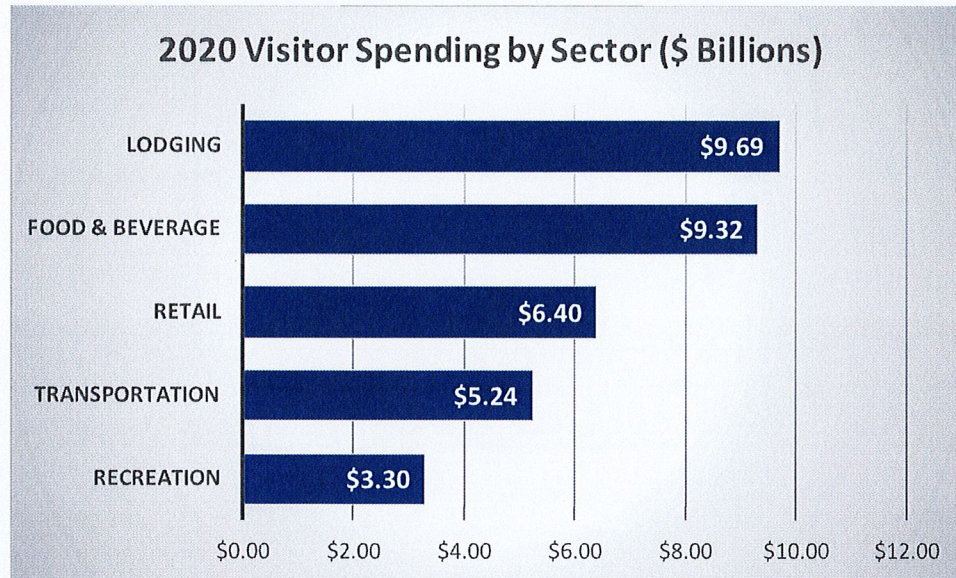


Tourism's direct economic impact on the State of New York was estimated at \$33.94 billion for 2020. Including indirect (\$12.2 billion) and induced (\$12.9 billion) spending, the total statewide economic impact of tourism totaled \$59.1 billion in 2020.





Of the \$33.9 billion spent in New York in 2020 by visitors, lodging spending captured \$9.69 billion, or 28 percent of visitor expenditures. Food and beverage purchases captured a 27 percent share, totaling \$9.32 billion. Retail, including spending at service stations, comprised 19 percent of visitor spending, with combined air and local transportation spending totaled 15 percent, or \$5.24 billion. Recreational spending tallied \$3.3 billion, 10 percent of visitor spending.



From 2016 to 2019 visitor spending in New York grew by \$8.83 billion, an increase of 13.6 percent. Tourism-related business sectors reporting the largest gains in visitor spending during the 4-year timeframe included food & beverages (+\$2.49 billion) and retail & service stations (+\$2.44 billion). During 2020, visitor spending declined the sharpest in the tourism-related sectors of transportation (-61.8%), recreation (-54.9%), and lodging (-54.7%).

### New York State Visitor Spending Trends by Business Sector; 2016-2020

Business Sector	2016	2017	2018	2019	Growth 2016-19	% Growth	2020	% Growth 2019-20
<b>Total Visitor Spending</b>	<b>\$64.79</b>	<b>\$67.63</b>	<b>\$71.82</b>	<b>\$73.62</b>	<b>\$8.83</b>	<b>13.6%</b>	<b>\$33.94</b>	<b>-53.9%</b>
Lodging	\$19.33	\$19.96	\$21.21	\$21.39	\$2.06	10.7%	\$9.69	-54.7%
Food & Beverages	\$15.37	\$16.17	\$17.14	\$17.86	\$2.49	16.2%	\$9.32	-47.8%
Transportation	\$12.72	\$12.71	\$13.24	\$13.72	\$1.00	7.9%	\$5.24	-61.8%
Retail & Service Stations	\$10.91	\$12.03	\$13.15	\$13.35	\$2.44	22.4%	\$6.40	-52.1%
Recreation	\$6.45	\$6.77	\$7.08	\$7.31	\$0.86	13.3%	\$3.30	-54.9%

Source: Tourism Economic.

Visitor spending, visitor supported jobs, and business sales in 2020 generated \$12.6 billion in governmental revenues, including \$5.9 billion in state and local taxes. Each household in New York would need to be taxed an additional \$801 to replace the visitor taxes received by the state and local governments in 2020.



From 2016 to 2019, domestic visitor spending in New York increased 16.2 percent. By 2019, domestic spending reached \$52.97 billion, accounting for 72 percent of total visitor spending. Despite sharing a border, over the 4-year timeframe visitor spending by Canadian visitors declined 2.7 percent and accounted for just 1.9 percent of total visitor spending in 2019. Foreign travelers accounted for 26.1 percent of total visitor spending in New York during 2019.

During 2020, domestic visitor spending mitigated the losses experienced by New York. As international inbound travel was severely restricted in 2020, visitor spending declined 80.5 percent. Border restrictions at the U.S./Canadian border also resulted in a 71.8 percent decline in visitor spending during 2020.

### **New York State Visitor Spending Trends by Market; 2016-2020**

Market Sector	2016	2017	2018	2019	Growth 2016-19	% Growth	2020	% Growth 2019-20
<b>Total Visitor Spending</b>	<b>\$64.79</b>	<b>\$67.63</b>	<b>\$71.82</b>	<b>\$73.62</b>	<b>\$8.83</b>	<b>13.6%</b>	<b>33.94</b>	<b>-53.9%</b>
Domestic	\$45.57	\$47.22	\$51.27	\$52.97	\$7.40	16.2%	\$29.79	-43.8%
Canada	\$1.46	\$1.56	\$1.60	\$1.42	-\$0.04	-2.7%	\$0.40	-71.8%
Overseas	\$17.75	\$18.86	\$18.95	\$19.22	\$1.47	8.3%	\$3.75	-80.5%

Source: Tourism Economic.

According to Empire State Development, a record-high 265.5 million visitors enjoyed New York State in 2019, spending \$73.6 billion and generating an economic impact of \$117.6 billion. Following two years where the travel industry has been hard hit by the pandemic, during 2022 there is a sense of optimism as air traffic and hotel bookings are up, travel restrictions have been eliminated, and the Canadian border is now open allowing for Canadians to enter New York. Upstate New York attractions are a convenient drive from Boston, New York City, Philadelphia, Pittsburgh, and Cleveland, providing for a large potential market from which to draw visitors.

New York State understands the value of tourism and has committed millions of dollars to promoting tourism businesses throughout the state with marketing efforts that include paid advertising, social media, earned media, tourism trade sales work and live event activations. New York State Welcome Centers are open in each of the eleven regions of the state. The Welcome Centers are regionally reflective of each area, helping inspire travelers to visit everything each region has to offer.

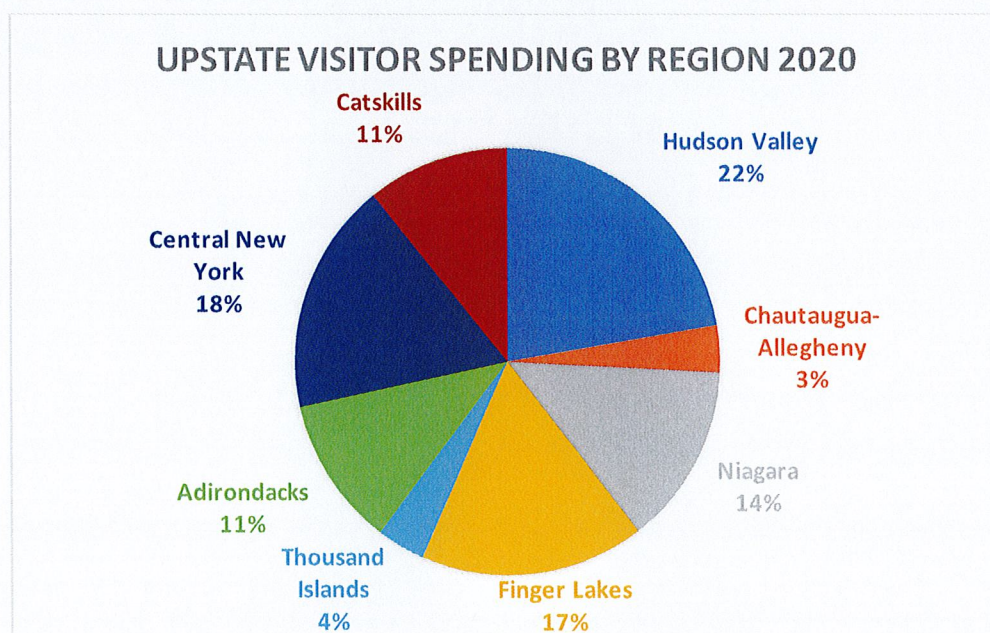
New York State prioritizes investment in major tourism infrastructure projects. From the transformation of Penn Station into a modern, world-class transportation hub to the renovation of most major airports (John F Kennedy International, LaGuardia International, Syracuse Hancock International, Plattsburgh International, Elmira Corning Regional, Rochester International, Ithaca Tompkins International, Albany International and New York Stewart International), New York State is committed to ensuring both visitors and residents have first-rate transportation options.

New York City hosts approximately one-quarter of visitors to New York state. According to NYC & Company, the city's tourism nonprofit organization, in 2019, New York City attracted 66.6 million visitors, keeping a tenth-consecutive annual record. As a result of pandemic-related restrictions travel to New York City declined to 22 million in 2020. During 2021 tourist began returning to New York City with 33 million visitors reported. There is real optimism about tourist spending levels growing and eventually returning to pre-pandemic levels. Projections for 2022 call for 56.4 million visitors, including 8 million foreign travelers. That's 85 percent of 2019's peak visitation by year end (reflecting a full domestic recovery and international travel at 82 percent of peak levels) and a 70 percent increase from 2021. While recent visitation numbers aren't available for New York state, New York City's rebound bodes well for tourism's full recovery throughout the state.

## New York Regional Visitor Trends

The *Economic Impact of Visitors in New York 2020* divides New York state into eleven tourism regions. Even with pandemic losses, New York City remained the largest tourism region in the state in 2020. However, pandemic-related travel changes dropped the state-wide share of visitor spending captured by this region to 51 percent, compared to 65 percent in 2019. Conversely, several regions saw their share of visitor spending increase as demand shifted towards more outdoor-friendly destinations.

During 2020, visitor spending across the upstate regions of New York, excluding New York City and Long Island, was more evenly distributed and comparable to 2019. During 2020, visitor spending in upstate New York totaled \$11.56 billion. Regions leading in the share of visitor spending included Hudson Valley at 22.3 percent (\$2.574 billion), Central New York at 17.6 percent (\$2.035 billion), and the Finger Lakes at 17.0 percent (\$1.963 billion). **District East can benefit from the prominence of the Central New York and Finger Lakes tourism markets, providing the opportunity attract visitors and spending.**





The table on the following page provides visitor spending trends from 2017 through 2020 for each of New York's eleven tourism regions. Prior to the COVID-19 pandemic visitor spending was on the upswing in all eleven of New York's tourism regions. From 2017 to 2019, regions experiencing the largest percentage gains in visitor spending included Hudson Valley at 21.9 percent and Catskills at 19.5 percent.

From 2017 to 2019, visitor spending within the Finger Lakes region increased 7.0 percent, reaching \$3.261 billion. Of the upstate New York regions, the Finger Lakes region was second only to the Hudson Valley region in visitor spending. **Again, the elevated level of historical visitor spending in the Finger Lakes region affords the District East project the ability to tap into an existing tourism market.**

### New York State Visitor Spending by Region

Region	2017	2018	2019	Growth 2017-19	% Growth	2020	% Growth 2019-20
<b>Total Visitor Spending</b>	<b>\$67,633</b>	<b>\$71,819</b>	<b>\$73,618</b>	<b>\$5,985</b>	<b>8.8%</b>	<b>\$33,941</b>	<b>-53.9%</b>
Chautauqua-Allegheny	\$553	\$589	\$596	\$43	7.8%	\$408	-31.5%
Greater Niagara	\$2,666	\$2,778	\$2,828	\$162	6.1%	\$1,593	-43.7%
Finger Lakes	\$3,048	\$3,169	\$3,261	\$213	7.0%	\$1,963	-39.8%
Thousand Islands	\$543	\$564	\$575	\$32	5.9%	\$424	-26.3%
Adirondacks	\$1,422	\$1,491	\$1,541	\$119	8.4%	\$1,310	-15.0%
Central New York	\$2,351	\$2,473	\$2,578	\$227	9.7%	\$2,035	-21.1%
Capital-Saratoga	\$2,011	\$2,136	\$2,207	\$196	9.7%	\$1,250	-43.4%
Catskills	\$1,319	\$1,469	\$1,576	\$257	19.5%	\$1,181	-25.1%
Hudson Valley	\$3,664	\$4,366	\$4,466	\$802	21.9%	\$2,574	-42.4%
Long Island	\$5,871	\$6,135	\$6,310	\$439	7.5%	\$3,999	-36.6%
New York City	\$44,185	\$46,650	\$47,679	\$3,494	7.9%	\$17,205	-63.9%

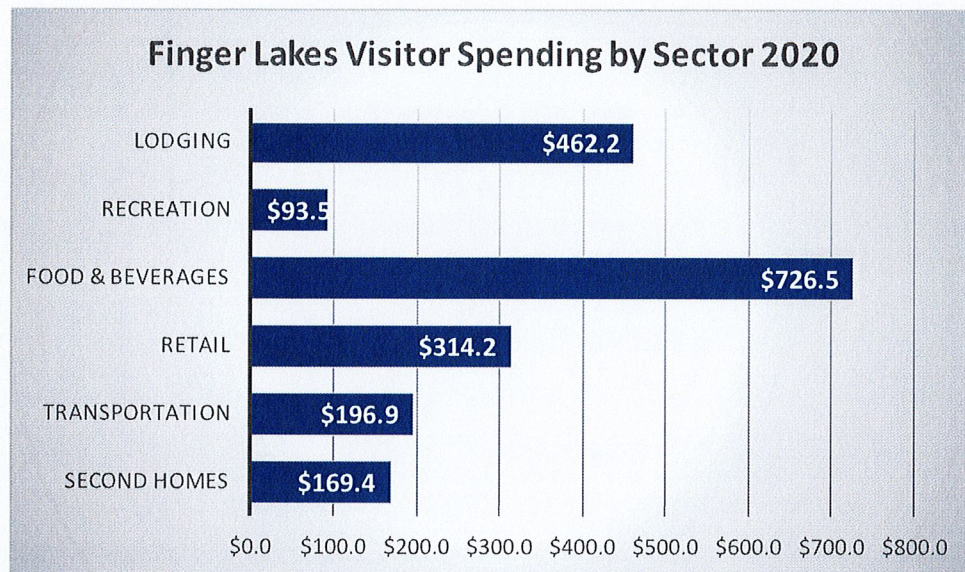
Source: Tourism Economics.

During 2020, as the pandemic took hold every tourism region in New York state was negatively impacted. New York City (-63.9%) and the neighboring regions of Long Island (-36.6%) and Hudson Valley (-42.4%) were particularly hard hit. In upstate New York, the Greater Niagara region was particularly hard hit (-43.7%) due to a large drop in Canadian and foreign visitors. The Capital-Saratoga (-43.4%) and Finger Lakes (-39.8%) regions were also experienced large declines in visitation and visitor spending.

In 2019, tourism in the Finger Lakes region was a \$3.3 billion industry, supporting 58,248 jobs. Due to the pandemic, visitor spending for the region declined by 39.8 percent to \$1.963 billion in 2020. Total employment fell to 41,682.

For 2020, visitor spending by sector in the Finger Lakes region is illustrated in the bar chart on the following page. Food and beverages led visitor spending with \$726.5 million, or 37.0 percent of total spending. Lodging was second with visitor spending of \$462.2 million, or 23.6 percent of total expenditures. Spending on retail amounted to 16.0 percent of total visitor spending, equating to \$314.2 million.





The future of upstate New York’s tourism industry is promising. An enormous upside potential exists in new or pending major tourism assets in upstate including the National Comedy Center, 750-mile Empire State Trail, LEGOLAND NY Resort, proposed National Marine Sanctuary anticipated in late 2022, and expansion at the Strong National Museum of Play scheduled for completion by summer 2023. These and other planned tourism destinations will fuel a decade or more of growth in the upstate New York tourism industry. Given DeWitt’s central location within upstate New York, the District East project is ideally located to benefit from the resurgence of the upstate tourism industry.

Visitor spending in 2020 for each county in the Finger Lakes region is outlined in the table on the following page. Monroe County represented 32 percent (\$621 million) of the region’s tourism spending. The District East project is in Onondaga County which accounted for 26 percent of the region’s tourism spending, or \$505 million. **Prior to the pandemic in 2019 visitor sales in Onondaga County totaled \$922.3 million, or 28 percent of the region’s sales.**

During 2020, visitor spending in Onondaga County was led by food and beverages (\$186.6 million), lodging (\$113.2 million), and retail (\$86.8 million). Prior to the pandemic in 2019, visitor spending in Onondaga County included \$159.8 million in food and beverages, \$219.9 million in lodging, and \$159.8 million in retail.

The District East project’s retail component is anticipated to support eating and drinking places, specialty shops, and entertainment. The high volume of visitor spending in the Finger Lakes region and Onondaga County on food and beverages, lodging, and retail bodes well for these business types.



## Finger Lakes Region Visitor Spending by County; 2020

County	Lodging	Recreation	F&B	Retail	Transport	Second Homes	Totals
<b>Totals</b>	<b>\$462.2</b>	<b>\$93.5</b>	<b>\$726.5</b>	<b>\$314.2</b>	<b>\$196.9</b>	<b>\$169.4</b>	<b>\$1,962.5</b>
Cayuga	\$29.7	\$3.0	\$20.4	\$10.0	\$7.2	\$16.7	\$87.1
Chemung	\$10.4	\$2.0	\$28.8	\$8.8	\$7.5	\$3.1	\$60.7
Cortland	\$9.1	\$3.6	\$25.0	\$8.5	\$0.5	\$4.6	\$51.3
Livingston	\$7.7	\$1.1	\$18.8	\$7.2	\$1.3	\$5.3	\$41.4
Monroe	\$155.9	\$32.7	\$242.6	\$110.8	\$72.9	\$5.6	\$620.6
Onondaga	\$113.2	\$19.7	\$186.6	\$86.8	\$74.7	\$23.8	\$504.9
Ontario	\$34.6	\$8.0	\$68.0	\$21.3	\$10.8	\$15.8	\$158.5
Schuyler	\$17.0	\$2.8	\$11.4	\$5.9	\$0.0	\$12.4	\$49.5
Seneca	\$11.8	\$1.7	\$19.9	\$7.8	\$0.5	\$11.0	\$52.6
Steuben	\$16.5	\$6.7	\$24.7	\$13.1	\$3.1	\$31.7	\$95.8
Tioga	\$5.7	\$1.9	\$6.1	\$2.9	\$0.1	\$3.2	\$19.8
Tompkins	\$31.6	\$8.1	\$43.6	\$21.1	\$15.0	\$4.8	\$124.2
Wayne	\$3.8	\$1.6	\$12.8	\$3.6	\$2.5	\$10.1	\$34.4
Yates	\$15.2	\$0.6	\$17.7	\$6.4	\$0.8	\$21.2	\$61.8

Source: Tourism Economics.

Tourism has a significant impact on the Finger Lakes region and Onondaga County economies. Despite a down year in 2020, visitors to the Finger Lakes region spent \$1.96 billion which generated 41,682 jobs, labor income of \$1.25 billion, and local and state taxes of \$308 million. Onondaga County supported the second largest economic impact from tourism, capturing visitor spending of \$504.9 million, 11,884 tourism-related jobs, \$312.2 million in labor income, and local taxes of \$52.7 million.

## Finger Lakes Region Tourism Industry Economic Impact by County; 2020

County	Direct Spending	Jobs Supported	Labor Income	Local Taxes	State Taxes
<b>Totals</b>	<b>\$1,962.6</b>	<b>41,682</b>	<b>\$1,254.5</b>	<b>\$187.5</b>	<b>\$120.7</b>
Cayuga	\$87.1	1,296	\$44.7	\$6.6	\$5.4
Chemung	\$60.7	1,438	\$39.9	\$5.5	\$3.7
Cortland	\$51.3	1,336	\$29.5	\$4.0	\$3.2
Livingston	\$41.4	1,151	\$26.5	\$3.2	\$2.5
Monroe	\$620.6	13,465	\$464.7	\$64.1	\$38.2
Onondaga	\$504.9	11,884	\$312.2	\$52.7	\$21.0
Ontario	\$158.5	3,364	\$91.7	\$13.4	\$9.7
Schuyler	\$49.5	575	\$15.5	\$3.9	\$3.0
Seneca	\$52.6	941	\$29.0	\$3.9	\$3.2
Steuben	\$95.8	1,857	\$55.3	\$8.5	\$5.9
Tioga	\$19.8	588	\$10.3	\$2.0	\$1.2
Tompkins	\$124.2	2,294	\$88.9	\$12.5	\$7.6
Wayne	\$34.4	807	\$18.4	\$2.4	\$2.1
Yates	\$61.8	687	\$28.0	\$4.9	\$3.8

Source: Tourism Economics.



During 2019, prior to the pandemic, Onondaga County benefitted from a robust tourism market supported by wineries, lake living, and major events. For the year, Onondaga County realized visitor spending of \$3.26 billion, creation of 58,248 jobs, labor income of \$1.638 billion, and local taxes of \$231 million. Tourism was beneficial to the local economy and municipal tax base. The tourism market is on the road to recovery and is forecast to reach pre-pandemic levels by 2023.

To conclude, the Finger Lakes region has historically served as a major tourism destination highlighted by lake living, wine trails, brewery tours, family attractions, state parks, and special events such as the new York State Fair. The Finger Lakes tourism market is on the road to recovery from the COVID-19 pandemic and visitor volumes and spending are forecast to return to pre-pandemic levels by 2023. Given the importance of shopping, dining, and entertainment on supporting tourism destinations, the District East's project plan and market niche are well positioned to compliment and support the Finger Lakes and Onondaga County tourism industries.

## **Finger Lakes Tourism Market**

The District East project is designed to cater to both residents and out-of-town visitors by offering a mix of shopping, dining, entertainment, recreation, and wellness activities. To understand the potential of attracting visitors, findings were summarized of the *Comprehensive Regional Travel and Tourism Study* prepared by Travel Market Insights for New York's Finger Lakes Tourism Alliance. Areas of emphasis include:

- Visitor Profile
- Visitor Counts
- Visitor Expenditures
- Length of Stay
- Trip Activities

### **Visitor Profile**

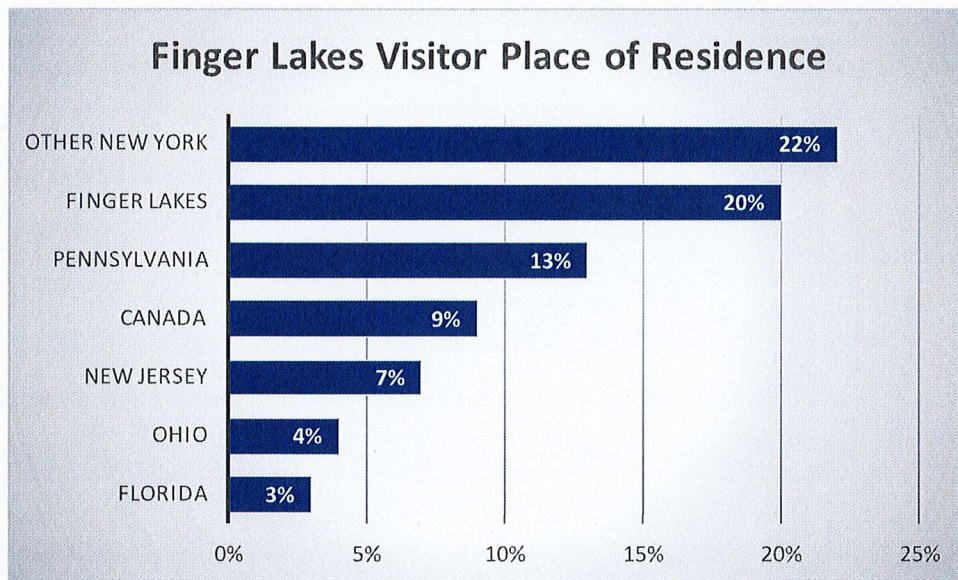
A reported 90 percent of visitors drove to the Finger Lakes while 9 percent entered the region by air

Leisure visitors accounted for 76 percent of all visitors to the Finger Lakes. Visiting friends and family ranked second (14%), followed by conference/convention/other business (6%), and other at 4 percent.

A reported 84 percent of the visitors traveled without children, with 16 percent traveling with children (of those the average number of children was 2.5). The typical party size was 2.8 persons with the average number of adults at 2.5. Residents of the Finger Lakes were more likely to travel with children.

The Finger Lakes tourism market supports a regional trade area. A reported 40 percent of visitors resided in New York State, with 20 percent from the Finger Lakes region. Other New York (outside the region) accounted for 22 percent. Pennsylvania was the top state market outside of New York, followed by Canada, Pennsylvania, then New Jersey, Ohio, and Florida.



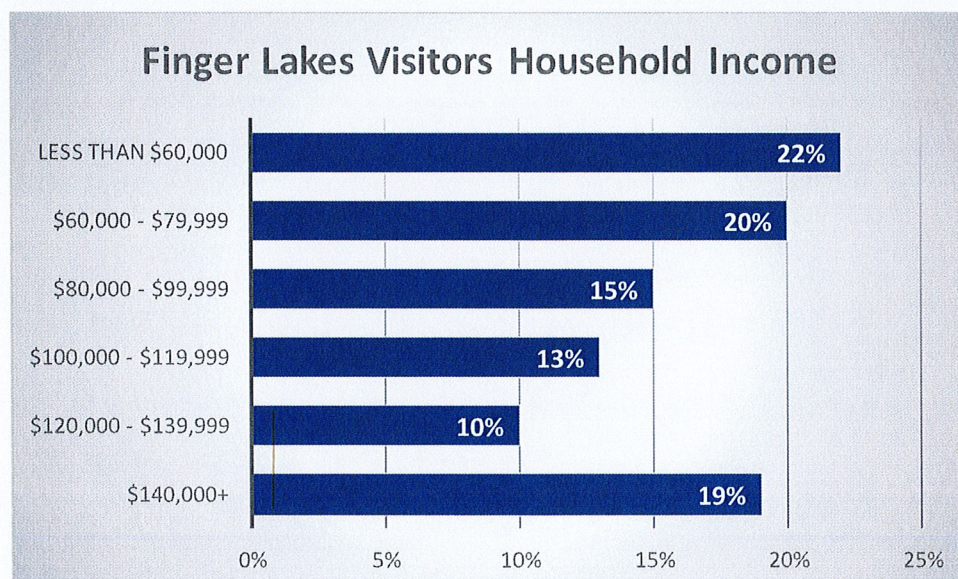


The average age for visitors was 59 years old with approximately half between the ages of 45 to 64 years old. Older visitors (65+) outnumbered visitors under the age of 45 years by 3 to 1. Under 45 accounted for only 13 percent of the visitors.

A reported 89 percent of visitors to the Finger Lakes had attended college, with 46 percent indicating they had a college degree and 27 percent attended graduate school. Higher educated individuals tend to possess above average income levels.

Half of the visitors worked full time and 37 percent were retired, 10 percent worked part time and 3 percent were unemployed.

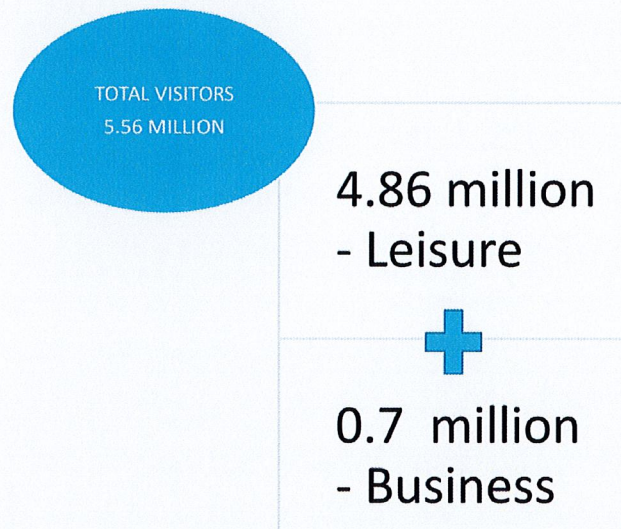
The average household income of visitors to the Finger Lakes was \$93,500. High-income households with annual incomes of \$100,000 or more account for 42 percent of visitors to the Finger Lakes regions. The high-income visitors are ideal customers for fine dining, boutique retail, and entertainment.





## **Visitor Counts**

A visitor to the Finger Lakes region is defined as a person who traveled 50+ miles from home or stayed overnight in a lodging facility.



The Finger Lakes Region was visited by 5.56 million persons in 2018. Leisure accounted for 4.86 million visitors. An estimated 700,000 persons traveled to the region for business activities.

The top types of trips were a weekend getaway of 1-3 nights (35%). Weekday getaways (1-3 nights) ranked second (16%). Day visits accounted for 15% (ranking third). Vacation (4+ nights) ranked fourth (13%). Visiting friends/relatives (8%) rounded out the top five.

A reported 53 percent visited during the summer months of May to August, 40 percent visited in the fall (September/October) and 7 percent of trips were between November and April.

A reported 57 percent of visitors stayed in a hotel/motel, 10 percent stayed with friends and family, 6 percent in a RV/camping/cabin, 5 percent at a B&B or Inn, 4 percent at an Airbnb, condominium, timeshare or rental, and 1 percent resort/spa.

## **Visitor Expenditures**

During 2018, leisure visitors spent \$2.432 billion and business traveler spent an estimated at \$5.3 million. This level of spending provides for a large market from which District East can capture.

Leisure visitors spent an estimated \$148 per person per day and \$505 per person per trip.

Overnight visitors spent more – spending \$161 per day compared to \$82 per day for day trip visitors. Total spending by overnight visitors per party was \$1,650 vs. \$272 per party by day visitors.

Leisure visitors from outside the region spent an average of \$163 per visitor per day and \$1,651 per travel party per trip. By comparison, residents of the Finger Lakes spent far less per trip per party (only \$705).

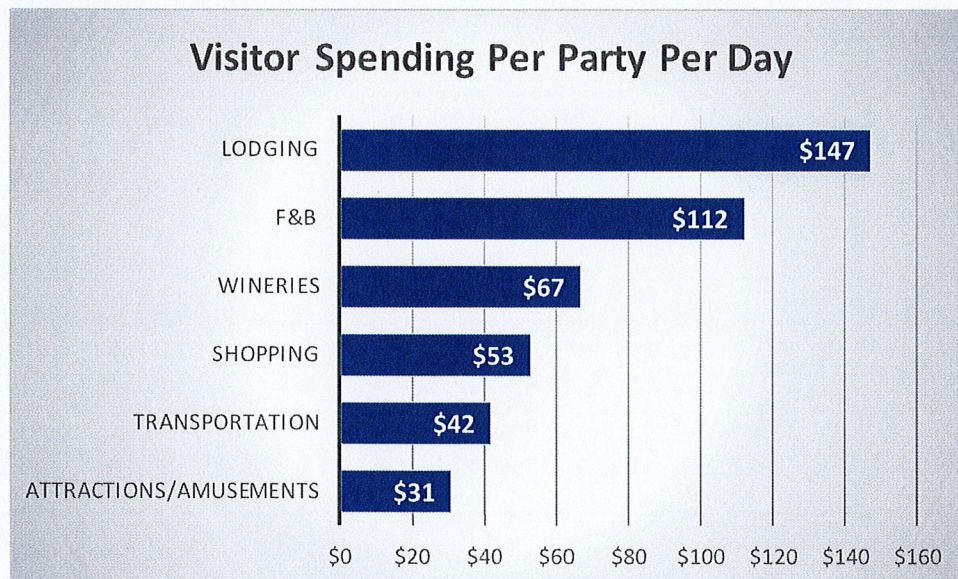


## Finger Lakes Region Leisure Traveler Spending

	Total Visitors	Overnight Visitors	Day Trip Visitors	Finger Lake Residents	Regional Visitors
Total Spending Per Trip	\$1,434	\$1,650	\$272	\$705	\$1,651
Spending Per Party Per Day	\$430	\$459	\$272	\$276	\$475
Spending Per Person	\$505	\$587	\$82	\$254	\$585
Spending Per Person Per Day	\$148	\$161	\$82	\$102	\$163

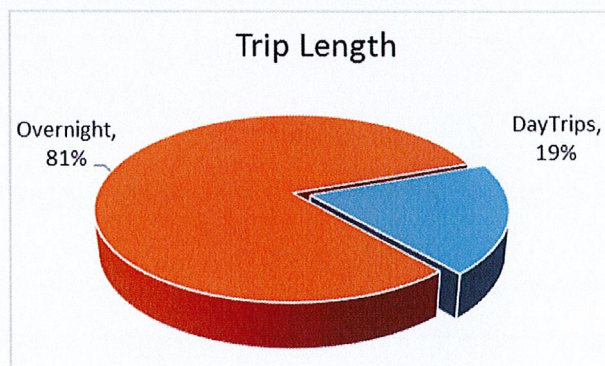
Source: Travel Market Insights, Inc.

The average leisure visitor party spent \$1,434 per stay and \$430 per day. Meals accounted for 27 percent of the visitor spending, followed by lodging (25%), shopping at wineries (16%), shopping other than wineries (13%), transportation (10%), and attractions (8%).



## Length of Stay

A total of 4.86 million leisure visitors stayed in the region 3.4 days on average and 2.4 nights on average. A reported 81 percent were overnight visitors and 19 percent were day visitors. The number of person nights totaled 11.67 million.



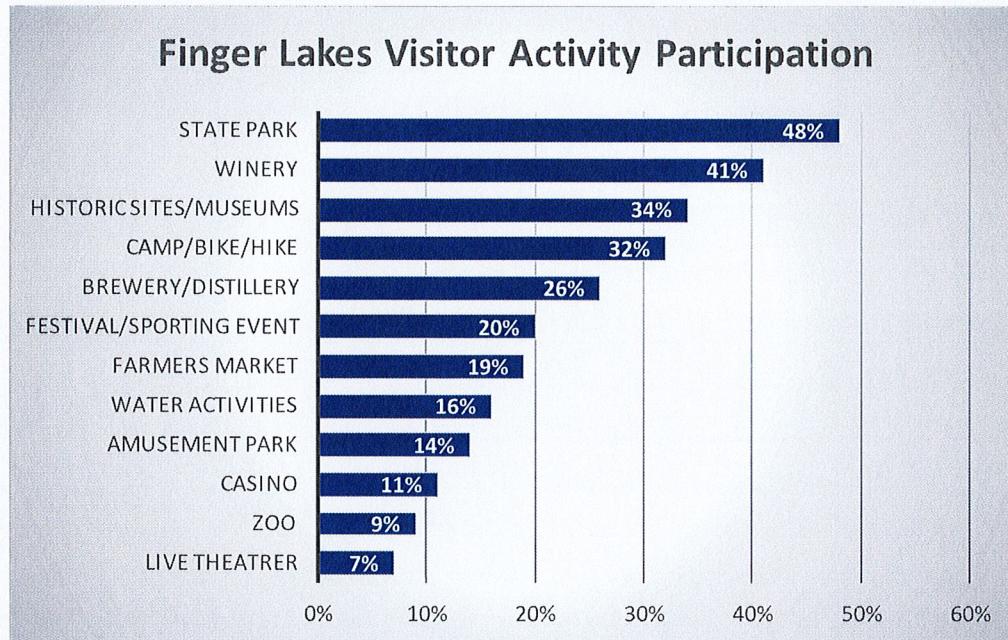
Average Days in Finger Lakes = 3.4

Average Nights in Finger Lakes = 2.4



## **Trip Activities**

Visiting state parks was the number one visitor activity at 48 percent participation. Wineries ranked second at 41 percent, followed by historic sites/museums at 34 percent, camp/hike/bike at 32 percent, and brewery/distillery/cidery at 26 percent.



Visitors were asked to check activities that they would have participated in if they were aware of it, and it was available while they were in the Finger Lakes region. The top three activities were: more fine dining restaurants (35%), more craft beverage festivals (31%), and overnight canal/lake barge cruises (31%).

In the area of potential new retail or areas where visitors would have been interested in shopping in the Finger Lakes, the top interest is Made in New York items (40%), followed by clothing (34%) and books/music (33%).

Visitor Satisfaction was strong with 67 percent of visitors rated the Finger Lakes experience as excellent. Nearly all (97%) rated there visit as positive.

Visitors were most satisfied with the attractions in the region, followed by craft beverages, visitor information, and service. Shopping was rated a bit lower for satisfaction (which is tied to visitors wanting to purchase more local “New York Made” products).

## **Conclusions**

The Finger Lakes region has historically supported a strong tourism industry drawing from a regional trade area. During 2018, 5.56 million people visited the Finger Lakes spending \$2.43 billion. While the COVID-19 pandemic has tempered visitation and spending over the past two years, market indicators suggest the Finger Lakes tourism industry is rebounding with visitation and spending anticipated to reach pre-pandemic levels by 2023.



Visitors to the Finger Lakes tend to be older and affluent, with approximately half between the ages of 45 to 64 years old, nearly three-quarters have attained a college or graduate degree, 42 percent possess household incomes of \$100,000 or more, and 86 percent traveled without children. The average leisure visitor party spent \$1,434 per stay, led by food and beverage, lodging, and shopping.

The high volume of visitors to the Finger Lakes region and their demographics and spending patterns provide for a large prospective market from which businesses at District East can capture. The District East's retail component consisting of restaurants, specialty retail, and entertainment plays well into the Finger Lakes' visitor demographic and activities participation rates.

## **Visitor Attractions and Events**

The Finger Lakes region supports a diverse mix of visitor attractions and special events that draw people from throughout New York state and neighboring metropolitan markets such as Boston, Philadelphia, Pittsburgh, and Cleveland. The region hosts an assortment of festivals, arts and cultural venues, parks and historical sites, farms and markets, restaurants, sports facilities, and entertainment.

The Finger Lakes Wine Country is a major visitor destination, home to more than 100 wineries, breweries and distilleries centered around Keuka, Seneca, and Cayuga Lakes. The Finger Lakes is a world-class wine producing region that specializes in aromatic white varieties like Riesling and Gewurztraminer. The region is also finding success with cool-climate reds like Cabernet Franc and Pinot Noir.

The Syracuse area benefits from the Finger Lakes region's tourism industry by attracting visitors to a wide range of family attractions, arts and cultural venues, sports facilities, and annual events. The clustering of attractions and events assists in creating a critical mass capable of attracting a diverse mix of visitors. The table on the following page provides a sample list of family attractions, art and cultural venues, and annual events available in the Syracuse area.

The District East project master plan is designed to complement Syracuse's existing visitor attractions and add to the area's visitor draw by providing an attraction that is not currently available in a single location. The mix of health and wellness, boutique shopping, restaurants, entertainment, and recreation will create a unique visitor attraction.



## Syracuse Area Visitor Attractions

### Family Attractions

Rosamond Gifford Zoo  
Milton J. Rubenstein Museum of Science & Technology  
Destiny USA  
New York State Fairgrounds  
WonderWorks Destiny  
Beaver Lake Nature Center  
Onondaga Lake Park

### Art & Cultural Attractions

Everson Museum of Art  
Landmark Theatre  
Gifford Family Theatre  
Palace Theater  
RedHouse Arts Center  
Syracuse Opera  
Syracuse University Art Museum  
Salt City Improv Theater  
St. Joseph's Health Amphitheater  
Erie Canal Museum  
Camillus Erie Canal Park  
Syracuse Stage

### Festivals & Events

Polish Festival  
Greek Festival  
Syracuse Bacon Festival  
CNY Wine & Chocolate Festival  
Discover NYS Blues Festival  
Taste of Syracuse  
Syracuse Film Festival  
Syracuse Wine Festival  
Syracuse JazzFest  
Great New York State Fair

# TOURISM IMPACT ASSESSMENT

The *Tourism Impact Assessment* examined the potential of the District East project to serve as a regional tourism destination capable of drawing out-of-town visitors and capturing visitor expenditures. Specific issues examined include:

4. Competitive Retail Market Conditions
5. Project design and market niche
6. Project's synergy with area attractions

## Competitive Retail Market Conditions

The District East master plan calls for 219,000 square feet of retail space and 107,900 square feet of entertainment space. This section of the study identifies the competitive retail market conditions impacting the District East project.

According to CoStar, DeWitt is located within the Syracuse, New York retail market. The *Syracuse Retail Market Report* published by CoStar quantifies historical retail market trends.

By the second quarter 2022, the inventory of retail space in Syracuse market totaled 48.9 million square feet. General retail and neighborhood shopping center space accounted for the bulk of the total inventory with 29.4 million square feet and 9.77 million square feet, respectively.

At the close of the second quarter 2022, the Syracuse market was operating at a healthy vacancy rate of 3.6 percent and an average asking rent of \$14.23 per square foot. Through the first half of 2022, the Syracuse market absorbed 4,660 square feet of net retail space. Malls were hardest hit, losing 53,495 square feet of occupied space, followed by strip centers at -10,103 square feet of net space absorption. By comparison, a total of 356,626 square feet of retail space was absorbed during 2021. At the close of the second quarter 2022, no retail space was under construction within the Syracuse market.

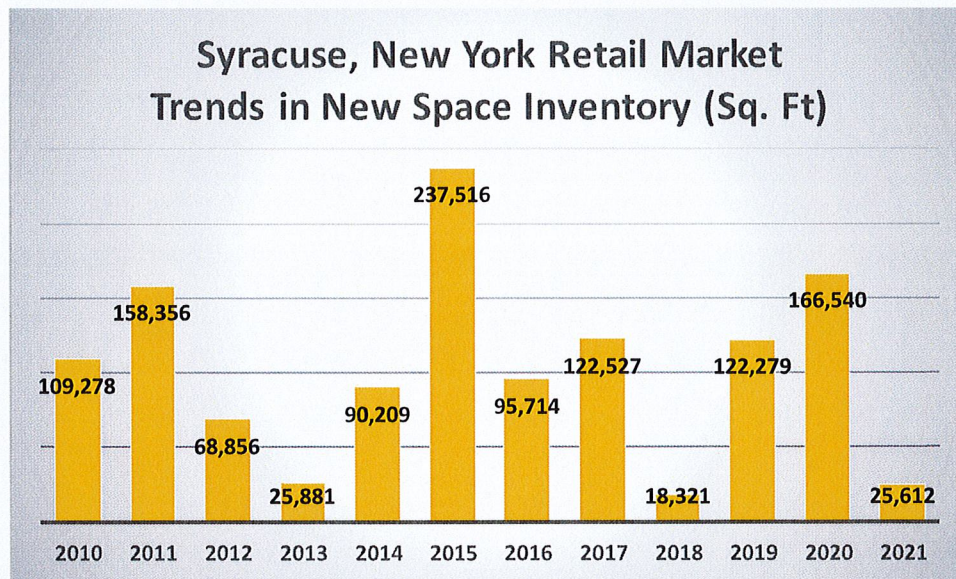
### Syracuse Retail Market Conditions; 2022 Q2

Center Type	Building Sq. Ft.	Vacancy Rate	Asking Rent	Absorption YTD	Space U/C
Malls	5,988,182	2.7%	\$25.51	-53,495	0
Power Center	2,690,843	6.9%	\$14.67	1,500	0
Neighborhood Center	9,766,176	6.3%	\$12.00	12,790	0
Strip Center	1,026,040	4.3%	\$13.33	-10,103	0
General Retail	29,420,431	2.6%	\$12.67	54,679	0
<b>Totals</b>	<b>48,891,672</b>	<b>3.6%</b>	<b>\$14.23</b>	<b>4,660</b>	<b>0</b>

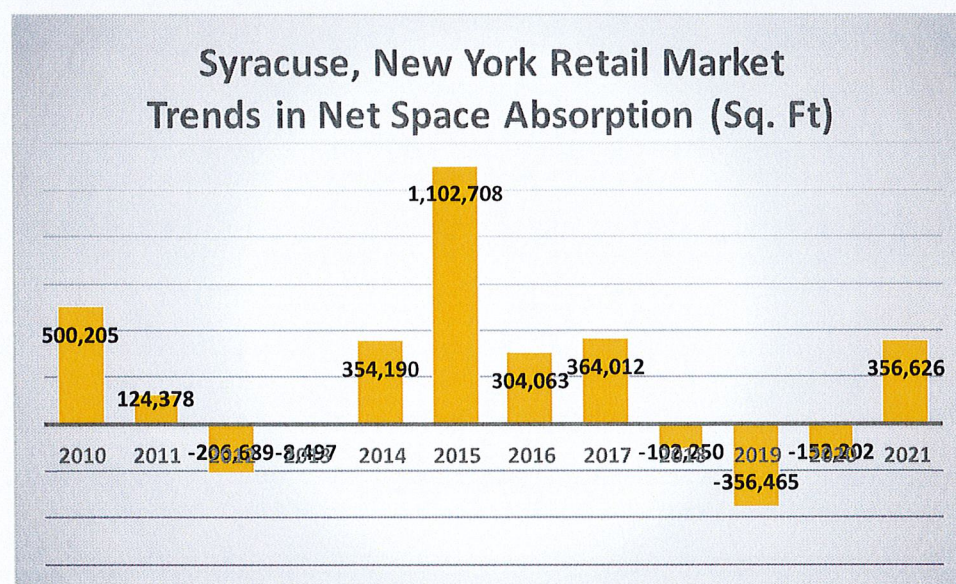
Source: CoStar.



From 2010 through 2021, Costar reported 1.24 million square feet of retail space was constructed in the Syracuse market. Retail construction peaked in 2015 with the completion of 237,516 square feet of space. Leading up the COVID-19 pandemic new retail construction was on the rebound, increasing from 18,321 square feet in 2018 to 166,540 square feet in 2020. Retail construction activity has since declined to 25,612 square feet new space in 2021 and 2,500 square feet through the first half of 2022. New retail construction volumes are forecast to rebound starting in early 2023.

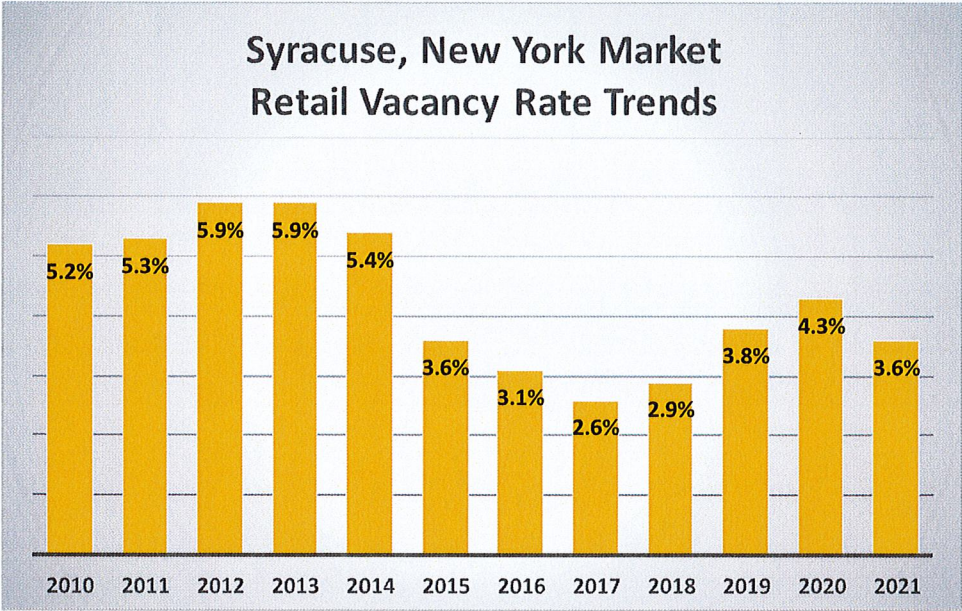


Since 2010, Costar reported 2.28 million square feet of retail space was absorbed in the Syracuse market. Retail space absorption peaked in 2015 with the net occupancy of 1.1 million square feet of space. Negative space absorption was reported from 2018 through 2020, totaling -610,917 square feet. Despite the continued negative impact of the pandemic, during 2021 the Syracuse retail market rebounded with the net absorption of 356,626 square feet of space.





With net space absorption outpacing new construction since 2010, the overall retail vacancy rate for the Syracuse market declined steadily from a high of 5.9 percent in 2013 and 2014 to a healthy 2.6 percent by year-end 2017. Despite the business disruptions caused by the COVID-19 pandemic, from a high of 4.3 percent during 2020 at the height of the pandemic, the vacancy rate declined to 3.6 percent by the second quarter 2022 in response to increased tenant demand and positive net space absorption.



Destiny USA is New York’s largest shopping mall and the eighth largest in the United States. The 6-story, 2.4 million square foot super regional mall sits on the shore of Onondaga Lake. After struggling during the pandemic like so many shopping malls, Destiny USA is now experiencing an uptick in tenant demand as illustrated by the recent openings of Anthropologie, Ardene, Armani, Earthbound Trading Company, Hugo Boss, Hobby Lobby, Sake Japan, and Urban Outfitters.

Centrally located in Syracuse, Destiny USA serves a trade area population of 5.3 million. The shopping and entertainment destination draws 26 million guests annually from a 4-hour drive and attracts tourists from all 50 states, Canada, and worldwide. Destiny USA illustrates the potential of the District East project’s mix of shopping, dining, and entertainment uses to serve a regional trade area and attract out of town visitors and tourists.

DeWitt is located with the Southeast Outer Onondaga County submarket. As outlined in the table on the following page, the Southeast Outer Onondaga County supports 9.04 million square feet of retail space, equating to 18.5 percent of the Syracuse market total.

As of the second quarter 2022, the Southeast Outer Onondaga County submarket was operating at a healthy vacancy rate of 2.4 percent, comparing favorably to the Syracuse market vacancy rate of 3.6 percent. General retail accounts for 56 percent of the total retail space inventory, or 5.1 million square feet. Malls and general retail are operating at healthy vacancy rates of 0.7 percent and 1.5 percent, respectively.



## Southeast Onondaga County Submarket Retail Market Conditions; 2022 Q2

Center Type	Building Sq. Ft.	Vacancy Rate	Asking Rent	Absorption YTD	Space U/C
Malls	2,164,887	0.7%	\$16.61	2,954	0
Power Center	639,689	9.6%	\$14.44	1,500	0
Neighborhood Center	873,164	4.0%	\$13.92	19,444	0
Strip Center	262,828	9.9%	\$15.32	-1,800	0
General Retail	5,101,560	1.5%	\$14.51	-11,328	0
<b>Totals</b>	<b>9,042,128</b>	<b>2.4%</b>	<b>\$14.23</b>	<b>10,770</b>	<b>0</b>

Source: CoStar.

The health of the Syracuse market and Southeast Outer Onondaga County submarket provide the opportunity to support additional retail development with an uptick in construction activity forecast by early 2023. District East’s unique live, work, and play environment provides an excellent dynamic to support a mix of shopping, dining, and entertainment. No similar mixed-use development existing in DeWitt, New York.

## Project Design and Market Niche

District East is designed as a mixed-use destination development featuring a state-of-the-art medical and wellness campus, retail, restaurants, entertainment, recreation, and residential. When fully developed, District East will function as a destination attraction serving a trade area within a 4-hour drive-time.

The District East master plan calls for 1.41 million square feet of building area and parking for 3,125 vehicles. The property will be redeveloped into four distinct districts that include Gateway Retail, Mixed-Use Residential, Wellness/Medical/Office Campus, and Residential.

The master plan will transform the site into a vibrant urban center supporting a mix of complimentary uses designed as a “live, work, shop, dine, and entertainment experience.” The master plan features a “Main Street” concept including mixed-use buildings of varying levels of massing and an emphasis on walkability. A total 504 dwelling units will offer a diverse mix of apartments, condominiums, and townhomes. Common area amenities include bike paths, walking trails, and green space designed to encourage pedestrian activity and gathering places. No such integrated mixed-use development exists in DeWitt or the greater Syracuse area.

The principal attractions that distinguish District East as a destination development capable of generating out-of-town visitation and expenditures include the Wellness/Medical/Office Campus, Main Street Plaza/Village Green, and trail head linking with the Empire State Trail.

The Syracuse area's five hospitals serve a 15-county region. The District East project's Wellness/Medical/Office Campus is designed for 314,283 square feet of medical office space. Healthcare providers could include such specialties as orthopedics, cardiovascular, neurology, radiation oncology, surgery, and urology. Adjacent to the campus will be 112,836 square feet of educational space including classrooms and office space. Educational programs could include such healthcare fields as nursing, occupational therapy, physical therapy, biochemistry, and biological sciences, to name a few. This healthcare and educational collaboration would foster an innovative environment and draw students and patients from a regional trade area.

District East's Main Street Plaza and Village Green will create a unique shopping, dining, and entertainment experience. Retail uses will feature 200,674 square feet of shops and restaurants, a 46,538 square foot grocery store, and 53,220 square foot multi-screen movie theater. Multi-story, mixed-use buildings with residential and offices above ground floor commercial space, outdoor café seating, and wide, well landscaped walkways will create a vibrant, pedestrian friendly urban environment. The Village Green offers flexible programmable open space suitable for hosting a wide variety of events such as concerts, live theatre, arts and crafts shows, fitness classes, and so much more. Together, the Main Street Plaza and Village Green will serve as active gathering spaces designed to attract and entertain people.

A unique feature of the District East project is the direct connectivity of the 6-mile section of the Empire State Trail between DeWitt with Syracuse. New York State forecast annual usage of the 750-mile Empire State Trail at approximately 8.6 million annually with the trail through DeWitt at 73,368, including 25,679 bicyclists and 47,689 pedestrians. The District East master plan includes a trail head with parking and connections to the project's open space network. The Empire State Trail and designed trail head offers a unique recreational amenity, the potential to support increased trail participation, and the opportunity for District East to cater to trail users.

To conclude, the District East project's integrated mixed-use design, distinctive attractions, and complementary mix of uses are designed to create a unique live, work, shop, dine, and play urban environment that currently does not exist in DeWitt and the great Syracuse area. The project's uses, concepts, and market niches are designed to create a unique destination capable of generating large visitor volumes, drawing out-of-town travelers, and enhancing the Finger Lakes region's status as a regional tourism destination.

## **Synergy with other Area Attractions**

Tourism and travel are according to the World Tourism Organization (WTO) the world's largest industry. Hence tourism is an important vehicle for regional and national economic development. Attractions are an extremely important part of the tourism industry and serve as a primary driver of tourism activity. According to the World Tourism Organization (UNWTO), shopping is among the top deciding factors when travelers choose a destination, showing its relevance beyond that of a mere ancillary service. Tourist attractions are the most important component in the tourism industry. Without attractions there would be no need for other tourism services. Therefore, attractions and shopping play a synergistic role in creating tourism destinations.

Much like business clusters, the clustering of destination attractions creates the critical mass necessary to generate and sustain increased visitation and expenditures. Most tourism clusters also



have strong linkages to other closely related and supporting industries such as transportation, lodging, retail, food and beverage. Therefore, the larger cluster of attractions a tourist destination supports the greater the direct and indirect economic benefits.

The Finger Lakes and Syracuse MSA serve as regional tourist and healthcare destinations given their central location within New York and large selection of arts, cultural, sports, entertainment, shopping and dining, gaming, and recreational attractions. During 2018, the Finger Lakes region hosted 5.56 million visitors generating an overall \$3.0 billion economic impact. Based on the theory of tourism clusters, the introduction of additional complimentary destination attractions will improve the Finger Lakes region's status as a regional destination and generate increased visitation counts, expenditures, and economic activity.

The District East project's Wellness/Medical/Office Campus would complement the Syracuse area's five existing hospitals by providing specialty healthcare services and facilities. The campus' educational programs could foster collaboration between the area hospitals, physicians, faculty, and students.

The District East project's Main Street Plaza and Village Green as a "must see" shopping and entertainment destination that would both draw new visitors to the Syracuse area as well as complement other existing area shopping, dining, and entertainment venues. Examples of venues that the Main Street Plaza and Village Green would complement include shopping destinations such as Destiny USA, tourist destinations such as the Finger Lakes Wine Country and New York State Fair, sporting events at Syracuse University, arts and cultural venues such as the Everson Museum of Art and Landmark Theatre, and special events such as Discover NYS Blues Festival and Syracuse JazzFest.

One of the goals of building the Empire State Trail was to stimulate tourism-related economic development. The District East trail head would serve as the first trail service area for trail users entering the Syracuse area from the east. Therefore, the District East trail head would provide trail users with convenience access to the food, beverage, and entertainment within the project's Main Street Plaza.

To conclude, by increasing the critical mass and scope of destination attractions the District East project will improve the competitive position of the Syracuse area and Finger Lakes region as a tourism destination as well as complement the existing attractions by creating a unique shopping, dining, entertainment, and recreation destination. As designed, District East has the potential to both attract new visitors into the region as well as extend the length of stay for those visitors to the region attending other attractions.

## STUDY CONCLUSIONS

Based on the study findings, the following visitor impacts of District East were addressed:

- Define the project's trade area
- Estimated annual visitation
- Estimated retail sales potential

### **Trade Area Defined**

Because of the unique project design, and use mix, and market positioning the District East project will serve as a tourism destination catering to residents and out-of-town visitors. The trade area boundaries of the District East project are influenced by a variety of factors, including:

- The size of the retail, dining, and entertainment components and its tenant mix.
- The project's specialized health and wellness component.
- Onondaga County's health care system that serves a 15-county region.
- Site accessibility and travel times.
- Finger Lakes region supports a trade area within a 4-hour drive and hosts 5.56 million annual visitors.
- The surrounding area's population density and demographic characteristics.

The Finger Lakes region serves as a regional shopping and tourist destination attracting 5.56 million visitors per year from within a 4-hour drive. The District East project possesses the opportunity to capitalize on the large trade area reach and visitation volumes.

Within a trade area, customers closest to the site affect the center most strongly, with customer influence diminishing gradually as the distance increases. The District East trade area boundaries are identified.

**Primary Trade Area:** The primary trade area draws 65 to 75 percent of a destination's regular customers. District East's primary trade area includes people residing within a 50-mile radius. According to Esri Business Analyst, 1.25 million people reside within a 50-mile radius from the District East site

**Secondary Trade Area:** The secondary trade area generates about 15 to 25 percent of a destination's total sales. The 5.56 million out-of-town visitors to the Finger Lakes region represent District East's secondary trade area. Over 48.2 million people reside within a 4-hour drive from District East.

**Tertiary Trade Area:** The tertiary trade area forms the broadest area from which customers may be drawn. The tertiary trade area includes those visitors residing outside a 4-hour drive from District East.



## **Customer/Visitor Counts**

The critical mass of medical, office, shopping, dining, and entertainment uses planned for the District East project will collectively serve as a premiere visitor destination drawing from a regional geographic area. Annual visitation estimates for each of the District East project components were provided by the prospective operators or drawn from industry standards.

### **Wellness and Medical Campus**

District East's wellness and medical campus consists of 314,285 square feet of medical and office space designed for healthcare provides. The campus will be closely associated with 112,836 square feet of educational space, creating the opportunity to foster a collaborative center for medical practice and learning.

The Medical Group Management Association ("MGMA") in its annual costs survey reported that for medical practices, the median medical office space need is approximately 1,900 square feet per full-time equivalent physician. This study utilized a more conservative space need of 1,500 square feet per physician. Assuming a vacancy factor of 7.0 percent, the planned medical office space would support the employment of 195 physicians.

According to a 2018 survey by the Physicians Foundation, doctors on average work 51 hours a week and see 20 patients a day. Assuming 240 workdays each year, each physician would see 4,800 patients per year. Therefore, the 195 physicians would see an estimated 936,000 patients per year.

The American Association of Colleges of Nursing today represents 840 member schools of nursing at public and private universities nationwide with 52,000 faculty members and 565,000 students. These schools offer a mix of baccalaureate, graduate, and post-graduate programs. Enrollment for the member schools average 672 students. During 2020, according to the Association of American Medical Schools, 155 accredited medical schools had a total enrollment of 94,243 students, averaging 608 students per college. Conservatively, enrollment for the District East's educational component is estimated at 250 students and 25 faculty. At two semesters of 75 class days each, total annual attendance is estimated at 41,250.

Build-out of the wellness and medical campus along with the educational space is forecast to attract 977,250 annual visitors.

### **Retail and Entertainment**

The District East master plan calls for 200,674 square feet of retail space, a 46,538 square foot grocery store, and 53,220 square foot multi-screen movie theater.

The tenant mix of the 200,674 square feet of retail space is expected to be like lifestyle centers feature boutique retail and a high percentage of space dedicated to sit-down eating and drinking places. Major upscale mall and lifestyle developers such as Simon Properties and Macerich Company report average sales of \$600 to \$1,200 per square foot for individual properties, with entire portfolios averaging \$650 to \$750 per square foot. At a conservative average sales rate of \$600 per square foot, the 200,674 square feet of retail space planned for District East is forecast to

generate annual sales of approximately \$120 million. Based on average sales of approximately \$75 per customer the shop space is forecast to attract approximately 1.6 million customers annually.

According to the Food Industry Association, during 2020 the average grocery size was 48,466 square feet, weekly sales averaged \$585,250 (\$17.02 per square foot), and the average in-store transaction was \$42.04. Based on these industry standards, the 46,538 square foot grocery store is estimated to garner annual sales of \$29.2 million. Based on average sales of approximately \$42 per customer the shop space is forecast to attract 695,000 customers annually.

The 53,220 square foot movie theater is estimated to support twelve (12) screens. Based on operating results from such movie theater chains as AMC, Regal and Cinemark, average annual attendance per screen is approximately 11,000 customers. Therefore, annual attendance at the District East movie theater is estimated at 132,000 customers.

Build-out of the retail and entertainment space at District East is forecast to attract 2,427,000 annual net visitors.

## **Empire State Trail**

A unique feature of the District East project is the direct connectivity to the Empire State Trail. The 6-mile section of the trail system between DeWitt and Syracuse will provide the opportunity for District East to attract visitors traveling along the trail.

Visitation for the entire 750-mile Empire State Trail is projected to be approximately 8.6 million trail users annually, including 3.06 million bicyclists and 5.59 million walkers, runners, and hikers. Trail usage is expected to be highest within the largest population centers of New York State. Annual usage of the trail through DeWitt is forecast at 73,368, including 25,679 bicyclists and 47,689 pedestrians.

The District East master plan includes a trail head with parking and connections to the project's open space network. The Empire State Trail and designed trail head offers a unique recreational amenity, the potential to support increased trail participation, and the opportunity for District East to cater to trail users.

Parks & Trails New York estimates that the Canalway Trail system as a whole saw over 3.3 million visits in 2021, including 3.1 million visits to the Erie Canalway Trail and 215,000 visits to the Champlain Canalway Trail. Total visits to the Erie Canalway Trail were down from a peak of 4.2 million visits in 2020, likely due to increased use of trails during the COVID-19 pandemic.

Parks & Trails New York publishes *Who's on the Trail* that tracks trail usage counts for nine locations along the Canal Trail system. Trail usage counts during 2021 for four trail locations were identified to estimate potential trail head usage at District East. Trail usage counts for locations west of DeWitt were reported at 58,210 at Brockport and 40,051 for Macedon. East of DeWitt trail usage counts amounted to 14,484 at Canastota and 23,155 for German Flatts. As the District East trail head will be a connector trail to the Empire State Trail, annual trail usage was estimated at 15,000 bicyclists and pedestrians.

As outlined in the table below, at project build-out, annual visitation to District East is estimated at 3.5 million. The elevated level of visitation is attributed to the multiple attractions. Visitors to



multiple venues were counted as one visitor. Much of the visitation is expected to originate from outside of a 50-mile radius.

### **District East Annual Visitation at Build-out**

Project Component	Annual Visitors
Wellness and Medical Campus	977,250
Educational	41,250
Retail	1,600,000
Grocery	695,000
Movie Theater	132,000
Trail Head	15,000
<b>Total Annual Visitors Estimate</b>	<b>3,460,500</b>

Source: Canyon Research Southwest; June 2022.

Visitation estimates for the District East project are segmented into two sources, including: 1) residents residing within a 50-mile radius and 2) regional visitors from outside of a 50-mile radius.

The Finger Lakes tourism market supports a regional trade area. A reported 40 percent of visitors resided in New York State, with 20 percent from the Finger Lakes region. Of the 5.56 million visitors to the Finger Lakes region in 2018, overnight travelers accounted for 81 percent of all visitors with day trippers representing the remaining 19 percent.

Regional visitors traveling more than 50 miles are estimated to account for approximately 21 percent of total visitation to District East, or 732,950 annual visitors.

### **District East Estimated Annual Visitation @ Within and Beyond 50 Miles**

Project Component	Annual Visitors	Inside 50 Miles	Beyond 50 Miles
Wellness and Medical Campus	977,250	732,938	244,313
Educational	41,250	10,313	30,938
Retail Shops and Restaurants	1,600,000	1,200,000	400,000
Grocery	695,000	660,250	34,750
Movie Theater	132,000	118,800	13,200
Trail Head	15,000	5,250	9,750
<b>Total Annual Visitors Estimate</b>	<b>3,460,500</b>	<b>2,727,550</b>	<b>732,950</b>
<b>Percentage of Total</b>		<b>78.8%</b>	<b>21.2%</b>

Source: Canyon Research Southwest, Inc.

## **Retail Sales Potential**

Taxable retail sales for each of District East’s project component were estimated based on several sources, including:

1. *Dollars & Cents of Shopping Centers* published by the Urban Land Institute
2. Sales data published by the International Council of Shopping Centers
3. Tourism spending characteristics published by the Travel Industry Association of America
4. *Nation’s Restaurant News Top 100*
5. National Retail Federation *Top 100 Retailers*
6. Annual reports published by publicly held companies
7. Demographics and retail expenditure patterns published by Esri Business Analyst

## **Total Retail Sales Estimates**

The District East master plan calls for 200,674 square feet of retail space, a 46,538 square foot grocery store, and 53,220 square foot multi-screen movie theater. At build-out, annual sales are estimated to total \$152,484,400.

### **District East Estimated Annual Sales at Build-out**

<b>Project Component</b>	<b>Annual Sales</b>
Retail Shops and Restaurants	\$120,404,400
Grocery	\$29,200,000
Movie Theater	\$2,880,000
<b>Total Estimated Annual Sales</b>	<b>\$152,484,400</b>

Source: Canyon Research Southwest, Inc.

## **Capture of Visitor Expenditures**

At build-out, the District East project is estimated to generate annual sales of \$152.5 million. Project components capable of capturing out-of-town visitor expenditures include the retail and restaurant space, grocery, and the movie theatre.

According to Esri Business Analyst, the primary trade area within a 50-mile radius of the District East site supports a population of 1.24 million, a median household income of \$58,504, and supportable retail sales of approximately \$3.97 billion in apparel and accessories, entertainment and recreation, and restaurants.



According to Esri Business Analyst, the secondary trade area within a 4-hour drive from the District East site supports a population of 48.2 million, a median household income of \$73,897, and supportable retail sales of approximately \$191.6 billion in apparel and accessories, entertainment and recreation, and restaurants.

The *Comprehensive Regional Travel and Tourism Study 2018* prepared by Travel Market Insights estimates direct tourism expenditures in the Finger Lakes region of \$2.4 billion. Day trip spending averaged \$82 per person with overnight visitors spending \$587 per trip. Overnight travelers accounted for 81 percent of all visitors with day trippers representing the remaining 19 percent. Therefore, of the approximately 732,950 annual out-of-town visitors to the District East project an estimated 593,690 will be overnight visitors and 593,690 will be day trippers.

The District East project is anticipated to generate significant expenditures from out-of-town visitors, both on-site and throughout other areas of the Finger Lakes region. Out-of-town visitors to the District East project are estimated to support total trip expenditures of \$360 million annually throughout their trip to the Finger Lakes region.

### **Estimated Total Trip Expenditures Generated by Out-of-Town Visitors to District East**

	Day Trip Visitors	Overnight Visitors	Total Expenditures
Annual Out-of-Town Visitors	139,260	593,690	732,950
Average Expenditure Per Trip	\$82	\$587	
Total Annual Out-of-Town Visitor Expenditures	\$11,419,320	\$348,496,030	\$359,915,350

## **Conclusions**

The District East project involves the redevelopment of the former ShoppingTown Mall site at the intersection of Kinne Road and Erie Boulevard in DeWitt, New York. The mall closed in 2020 and remains unutilized. In its current state the former ShoppingTown Mall site is considered a highly distressed area. In fact, in 2002 a portion of the site was designated as an Empire Zone by New York State, which, by definition, qualified the site as distressed.

The District East project plan will transform the former ShoppingTown Mall site into a vibrant urban center supporting a mix of complimentary uses designed as a “live, work, shop, dine, and entertainment experience.” The master plan features a “Main Street” concept that emphasizes walkability and mixed-use buildings with residential and office uses over ground floor commercial space. Common area amenities include bike paths, walking trails, and green space designed to encourage pedestrian activity and gathering places. A trail head will provide connectivity to the Empire State Trail. No such integrated mixed-use development with a mix of healthcare services, retail goods, eating and drinking establishments, and recreational and entertainment venues exists in DeWitt, New York.

Attractions are often the focus of tourist attention and serve as the primary motivation to visit the destination. Destination attractions can be natural, cultural, or built such as entertainment centers, sports and recreation venues, aquariums, zoos, theme parks, or casinos.

The District East project plan includes several destination attractions capable of drawing a substantial number of visitors from a 50-mile radius and beyond. These unique attractions include the wellness and medical campus in conjunction with the educational component, the Main Street shopping, dining, and entertainment district, and the trail head connecting to the Empire State Trail. These destination attractions at build-out are estimated to attract 3.5 million visitors annually, of which approximately 21 percent will be out-of-town visitors from outside a 50-mile radius. Out-of-town visitors to the District East project are estimated to support total trip expenditures of \$360 million annually throughout their trip to the Finger Lakes region. Therefore, this study concluded that the District East project will serve as a tourism destination drawing visitors and expenditures to the region.



# **ADDENDA**

# **EXHIBIT A**

## **Canyon Research Southwest, Inc., Client Roster**

### **Canyon Research Southwest, Inc. Client List**

Canyon Research Southwest, Inc. has provided real estate consulting services for several leading organizations including:

**Canyon Research Southwest, Inc.**



American Furniture Warehouse (Englewood, CO)  
Arizona State Land Department  
Bain & Company, Inc. (Boston, Massachusetts)  
Bashas' Markets  
Bayer Properties (Birmingham, Alabama)  
Belz-Burrow (Jonesboro, Arkansas)  
Bridgeview Bank Group  
Browning-Ferris Industries  
Burch & Cracchiolo PA  
Cameron Group (Syracuse, New York)  
Carrow Real Estate Services (Albany, New York)  
Cass County, Missouri  
Cavan Real Estate Investments  
D.J. Christie, Inc. (Overland Park, Kansas)  
Church of Jesus Christ of Latter-Day Saints  
Ciminelli Real State (Buffalo, NY)  
City of Belton, Missouri  
City of Dodge, Kansas  
City of Fenton, Missouri  
City of Glendale Economic Development Department  
City of Independence, Missouri  
City of Lee's Summit, Missouri  
City of Liberty, Missouri  
City of Osage Beach, Missouri  
City of Mesa Economic Development Department  
City of Mesa Real Estate Services  
City of Norman, Oklahoma  
City of Overland Park, Kansas  
City of Phoenix Economic Development Department  
City of Phoenix Real Estate Department  
City of St. Charles, Missouri  
City of Tucson Community Services Department  
City of Warsaw, Missouri  
City of Wichita, Kansas  
DeRito Partners Development, Inc.  
Dial Realty (Omaha, Nebraska and Overland Park, Kansas)  
DMB Associates  
DR Horton Homes (Phoenix, Arizona)  
EDAW, Inc. (Denver, Colorado)  
W.M. Grace Development  
Greystone Group (Newport Beach, California)  
Hanford/Healy Advisory Company  
Heritage Bank (Louisville, Colorado)  
Highwoods Properties (Kansas City, MO)  
Holiday Hospitality Corporation (Atlanta, Georgia)  
Jorden & Bischoff, PLC  
JPI Development  
Kaiser Permanente (Oakland, California)

**Canyon Research Southwest, Inc.**

Kessinger Hunter (Overland Park, Kansas)  
Landmark Organization (Austin, Texas)  
Lawrence Group (St. Louis, MO)  
Lee's Summit Economic Development Council (Lee's Summit, Missouri)  
Lewis and Roca  
Lowe's Companies, Inc. (West Bloomfield, MI)  
Lund Cadillac  
Marriott International, Inc. (Washington, D.C.)  
MCO Properties  
Meritage Homes  
Metropolitan Housing Corporation (Tucson, Arizona)  
Monterey Homes  
Mountain Funding (Charlotte, North Carolina)  
Navajo Nation Division of Economic Development  
Opus Northwest Corporation  
Opus West Corporation  
Pederson Group, Inc.  
Phelps Dodge Corporation  
Piper Jaffray (Kansas City, Missouri)  
Pivotal Group  
Pulte Home Corporation  
Pulte Homes of Greater Kansas City  
Pyramid Development (St. Louis, Missouri)  
Ralph J. Brekan & Company  
RED Development (Kansas City, Missouri)  
R.H. Johnson & Company (Kansas City, Missouri)  
Richmond American Homes  
River Run Development (Boise, Idaho)  
Royal Properties (Champaign, Illinois)  
Salt River Project  
Steiner + Associates, Inc. (Columbus, Ohio)  
Summit Development Group (St. Louis, Missouri)  
SWD Holdings (San Francisco, California)  
The Innova Group Tucson (Tucson, Arizona)  
The University of Arizona Department of Economic Development (Tucson, Arizona)  
The University of Arizona Medical Center (Tucson, Arizona)  
Trammell Crow Residential  
Union Homes (Salt Lake City, Utah)  
Unified Government of Wyandotte County and City of Kansas City, Kansas  
Wal-Mart, Inc. (Bentonville, Arkansas)  
Waste Management  
Wells Fargo Bank NA  
Widewaters (Syracuse, New York)  
Wolfswinkel Group



# **EXHIBIT B**

Resume of Eric S. Lander, Principal  
Canyon Research Southwest, Inc.

## **EDUCATION**

Mr. Lander received a B.S. in Marketing from the Arizona State University College of Business Administration, received honors status for his superior cumulative grade point average. During this time, he was an active member of the Marketing Club and National AMA as well as a participant in several research projects involving both local and national firms. Mr. Lander has also received a Master's in Real Estate Development and Investment from New York University, graduating with honors.

## **BUSINESS EXPERIENCE**

### **Canyon Research Southwest, Inc.**

President (October 1984 to Present)

Established Canyon Research Southwest, Inc. as a multi-disciplined real estate consulting firm designed to provide comprehensive research and analysis to the development, financial, investment, and municipal communities. Responsibilities include direct marketing, project management, staffing, and client relations. The firm has performed more than 400 major consulting assignments with over 75 local and national clients. Fields of expertise include market and feasibility analysis of large-scale master planned communities, freeway oriented mixed-use projects, retail centers, office complexes, business parks, and hotels. Additional services include fiscal impact studies, property valuation, and development plan analysis.

### **Mountain West Research**

Associate (December 1988 to January 1990)

Senior Consultant (October 1983 to October 1984)

Mr. Lander assisted in managing the Commercial Real Estate Services Division of Mountain West, Arizona's largest real estate and economic development consulting firm. Responsibilities included direct marketing, personnel management, client relations, and consulting on large-scale commercial, office, industrial, and hotel projects. Also contributed to several real estate publications and assisted in the management and marketing of the firm's commercial, office, and industrial (COI) data base.

### **Iliff, Thorn & Company**

Marketing Assistant (January 1982 to December 1983)

Joined Iliff, Thorn & Company during its infancy and became solely responsible for providing in-house marketing support services to its commercial real estate brokers. These services included demographic research, office/industrial/retail market studies, raw land sales packages, site selection analysis, client relations, and property research. Major accomplishments included establishing and implementing office and industrial absorption studies, devised central office market and available raw land files, and organized the development of an industrial/retail map. Also, during this time, Mr. Lander obtained a real estate sales license and became involved in commercial brokerage activities.



## **RANGE OF EXPERIENCE**

In 1987, Mr. Lander, in cooperation with the Drachman Institute of Regional Land Planning, published a working paper titled "Land Development as Value Added in the Development Process and Appropriate Criteria to Rank Sites for Selection of Master Planned Satellite Communities." Since the publication of this working paper, Mr. Lander has conducted numerous market feasibility studies on existing and proposed, large-scale, master planned communities in the Southwestern United States, totaling over 80,000 acres. The working paper was also evaluated and utilized by such prestigious universities as Harvard, M.I.T. and the University of North Carolina as part of their master's program in Real Estate, City and Regional Planning, and Business.

Mr. Lander served as an instructor with the Commercial Real Estate Institute, teaching classes in Market Analysis, Commercial Property Valuation and Land Valuation.

Mr. Lander has served as Vice Chair of the City of Buffalo, New York Preservation Board since 2009.

Developed a model designed to evaluate and rank the development potential of freeway interchanges. The methodology for ranking freeway properties is based on a list of 25 criteria which provide a framework to efficiently compare the strengths and weaknesses of various freeway sites. Seven (7) criteria have been established which apply to metropolitan area economic base and real estate market, five (5) criteria evaluate the region influenced by the presence of the freeway in question, and thirteen (13) interchange and site-specific criteria are aimed at determining future real estate development opportunities. This model has been utilized in evaluating freeway-oriented, mixed-use projects anchored by regional malls, business parks, office complexes, and hotels.

Mr. Lander has provided consulting services on downtown redevelopment and historic preservation efforts. Recent examples include a heritage tourism study for the Erie Canal terminus in Buffalo, New York; downtown redevelopment plans for Buckeye, Glendale, and Mesa, Arizona, Lee's Summit, Parkville, and Warsaw, Missouri; and Sapulpa, Oklahoma.

Mr. Lander has conducted *TIF and TDD Revenue Projections* for a variety of large-scale retail projects in Missouri and Kansas. Tax Increment Financing and Transportation Development Districts are government-backed funding mechanisms designed to finance project-specific public infrastructure improvement. Funding is provided via the issue and sale of bonds. In the case of Tax Increment Financing the bonds are repaid with incremental increases in property tax and sales tax revenue generated by the designated redevelopment area. Transportation Development Districts involve the levy of an additional sales tax on businesses operating within the redevelopment area.

Mr. Lander has conducted *STAR Bond Feasibility and Market Studies* on several proposed developments in Kansas, including the Kansas City Tourism District, Legends at Village West, Kansas City Research & Medical Campus, and Rosedale Station Shopping Center. The *Market Study* evaluates the market positioning, market demand, short-term development potential, and economic impact for the proposed Redevelopment District. Meanwhile, the *Feasibility Study* provides a STAR Bond revenue vs. costs comparison to determine the ability of the Redevelopment District to cover debt service for the projected STAR Bond obligations throughout the bond maturity period.