

MARKET ANALYSIS  
MOHAWK VALLEY HEALTH  
SYSTEM CAMPUSES



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FAIRWEATHER  
CONSULTING

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## Introduction

This report has been compiled to assess the potential for repurposing campuses of the Mohawk Valley Health System (MVHS) that will be vacated as the MVHS opens a new hospital in downtown Utica in 2023. This analysis examines the residential and commercial real estate markets in Utica and the surrounding region to identify possible types of development that could be hosted at the campuses that will be vacated in this process: St. Elizabeth's and St. Luke's. There is also the possibility that the Faxon campus may be vacated, although current plans are that it will remain in service. Given the lack of specific plans for either the re-use or demolition of existing structures, this market analysis has concentrated on understanding the market opportunities found in the Utica area, without making specific recommendations about which of these uses would be assigned to particular campuses. Indeed, the results of this study suggest that the opportunities identified could be incorporated into each campus in various combinations.

### 1. The Study Process

The study involved the following tasks:

Task A. Gathering and assessment of data on economic and demographic trends in the City of Utica, the Oneida County and the Mohawk Valley region

Task B. Outreach to stakeholder involved in agriculture, outdoor recreation and environmental conservation in State agencies and not-for-profit organizations serving Ulster County.

Task C. Assessment of various sources for redevelopment of the MVHS campuses, including residential development, office and retail.

Task D. Definition of possible opportunities for uses to be included on the repurposed MVHS campuses.

### 2. Key Findings

The analysis identified the following opportunities for redevelopment for the MVHS campuses:

**Residential development:** There appears to be an annual demand for approximately 330 to 500 units of multi-family housing in Oneida County. This would be concentrated among seniors, empty nesters looking to downsize and mid-career professionals seeking to establish families. In order to capture a significant share of this demand, it is important that the campuses be redeveloped to provide residents with the types of units and amenities they are seeking. This is detailed in pages 13 to 20 of the projections section.

**Retail development:** Given the disruption taking place in retail nationally, it cannot serve as a driver for redevelopment of the MVHS campuses. However, retail and hospitality can be expected to play a role in the creation of mixed-use development for the campuses. Projections suggest that there may be a total of 20,000 to 25,000 square feet of various retail uses for which the campuses can compete.

**Office development:** The national and regional overhang of vacant offices, coupled with increasing technological innovation dampening employment growth in services makes it very difficult to see office development leading the repurposing of the MVHS campuses. However, there may be opportunities for institutional partnerships with either higher education or health care organizations to occupy significant space on the repurposed campuses.

## Economic & Demographic Overview

Two sources of activity for re-use of the MHVS campuses: economic activity which requires office space and population growth and change which can drive housing demand. This analysis will examine the potential each of these forces has to contribute to the re-use of the campuses and then provide a description of how those factors may provide opportunities for the MVHS campuses.

### 1. Economic Overview

#### **a. The National Economy**

The US economy continues its strong performance in 2019, marking its tenth year of expansion. The consensus forecast is that growth will continue through the year, albeit at a lower rate than was experienced in 2018.<sup>1</sup> According to the Federal Reserve Bank’s outlook (the “Beige Book”), the State’s economic performance reflects the national situation:

Economic growth in the Second District<sup>2</sup> picked up to a moderate pace in the latest reporting period. The labor market has remained very tight, while wage growth has been largely subdued. Both input prices and selling prices have continued to increase at a modest pace. Manufacturing activity grew at an increasingly brisk pace, as did activity in some service sectors; however, growth in the distribution industries slowed somewhat. Consumer spending and tourism expanded modestly. Housing markets firmed somewhat, as the rental market continued to improve and the sales market picked up modestly. Commercial real estate markets have also firmed slightly, on balance, and new office construction has expanded noticeably. Finally, banks reported a broad-based increase in loan demand.<sup>3</sup>

#### **b. The Regional Economy**

| Table 1.<br>Overall Population & Employment Trends. |                         |               |                                    |
|---|-------------------------|---------------|------------------------------------|
|   | Mohawk Valley<br>Region | Oneida County | ZIP Codes<br>encompassing<br>Utica |
| Population (2010)                                   | 499,955                 | 234,793       | 71,535                             |
| Population (2018)                                   | 486,439                 | 230,740       | 70,725                             |
| Population Change %                                 | (3%)                    | (2%)          | (1%)                               |
| Total Industry Jobs (2010)                          | 209,728                 | 115,665       | 41,622                             |
| Total Industry Jobs (2018)                          | 207,149                 | 113,116       | 41,219                             |
| Total Industry Jobs Change %                        | (1%)                    | (2%)          | (1%)                               |
| Current Average Earnings                            | \$52,822                | \$54,615      | \$50,691                           |
| Source: EMSI data compiled from ZIP code data.      |                         |               |                                    |

<sup>1</sup> (Clarida, 2019)

<sup>2</sup> comprised of New York State, Fairfield County, CT, the 11 northern most New Jersey counties, Puerto Rico and the US Virgin Islands.

<sup>3</sup> (US Federal Reserve Bank, 2019)

As indicated in Table 1, the Mohawk Valley region has not kept pace with national economic growth. Nonetheless, the region has been on a long-term economic upswing. The New York State Department of Labor has a description of recent trends:

The Mohawk Valley region, which includes Fulton, Herkimer, Montgomery, Oneida, Otsego and Schoharie counties, has been on an economic upswing over the last five years. Between 2012 and 2017, private sector employment in the region grew by 3,610, or 2.5%, according to data from the Quarterly Census of Employment and Wages (QCEW). In addition, total private sector wages expanded by 14.6%, or almost \$740 million, per the QCEW. This job growth helped to lower the Mohawk Valley's unemployment rate from 8.8% to 5.4% over the same period. Similarly, the number of unemployed residents in the region declined by more than 43%, from 20,800 in 2012 to 11,800 in 2017. . . . In 2012-17, health care and social assistance added the most jobs in the region, growing by 2,990. Most job growth in this sector was focused in social assistance (+2,480), especially vocational rehabilitation services (+1,820) and individual and family services (+570). Most job growth in the health care sector was centered in ambulatory health care services (+530), especially outpatient care centers and home health services. Employment growth in these health care industries largely reflects the growing elderly population in the region.<sup>4</sup>

While this may not be robust growth, it is movement in a positive direction and can furnish niche opportunities for development.

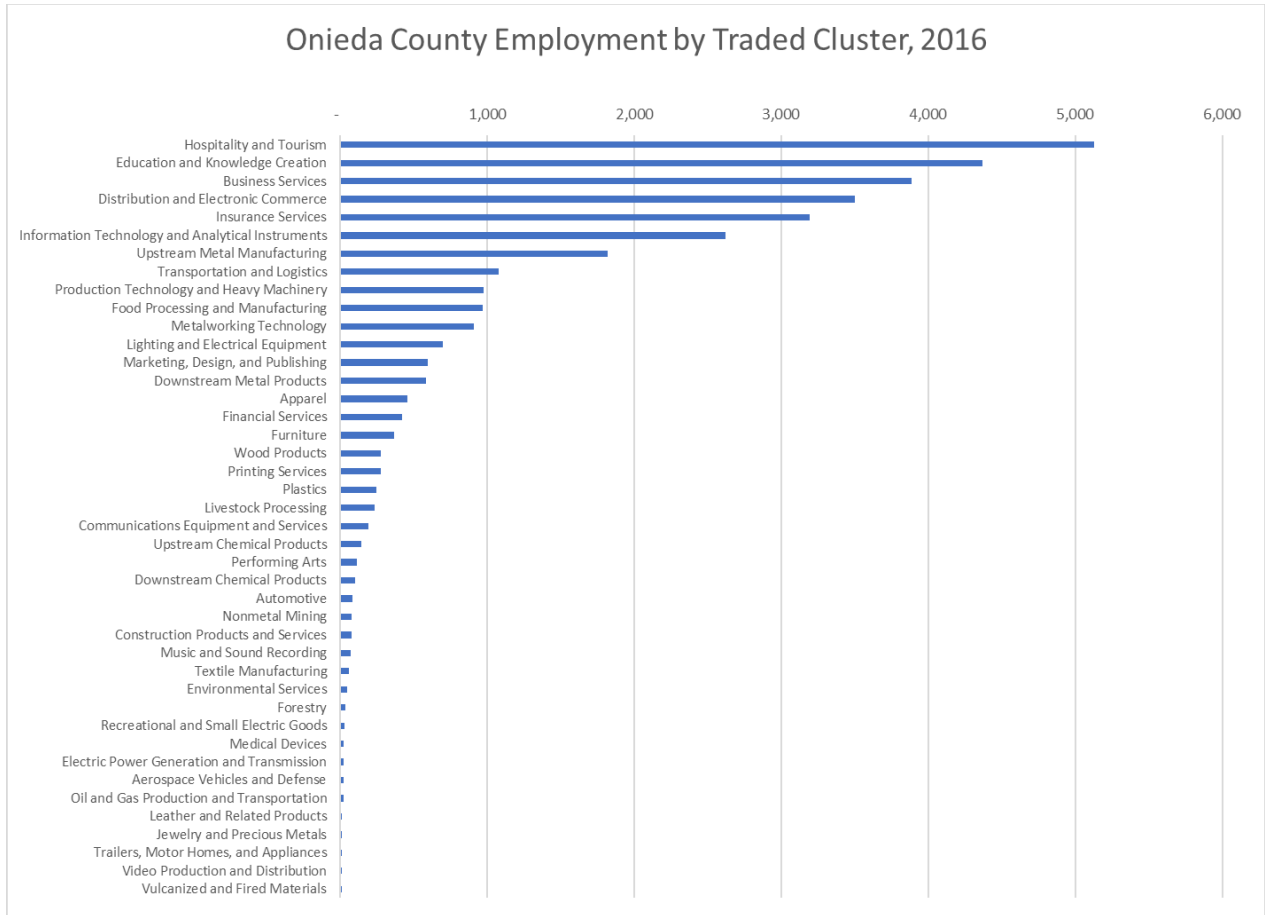
### ***c. Identifying Growth Industries in Oneida County through the US Cluster Mapping Project***

Created for the EDA by the Harvard Business School, the US Cluster Mapping Project seeks to identify those portions of the economy that are exporters of goods and services and importers of income and wealth ("traded" clusters), and those that sell most of their goods and services within the local economy ("local" clusters). According to the Cluster Mapping Project website, "Industries are first classified as 'traded' or 'local.' Traded industries are industries that are concentrated in a subset of geographic areas and sell to other regions and nations. Local industries are industries present in most (if not all) geographic areas, and primarily sell locally." This data can help identify strong and weak performers in an economy. The charts show the size of employment in both the traded and local sectors (see Figures 1 and 3). In addition, the Project compares growth in each cluster locally with growth in those same clusters at the national level. In figures 2 and 4, each sector's growth from 2009 to 2016 is shown as either a green bar (for positive growth) or a red bar (for negative growth). Each of these bars is accompanied by an orange dash which shows the level of growth for that cluster at the national level.

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<sup>4</sup> (Acton, 2018)

Figure 1



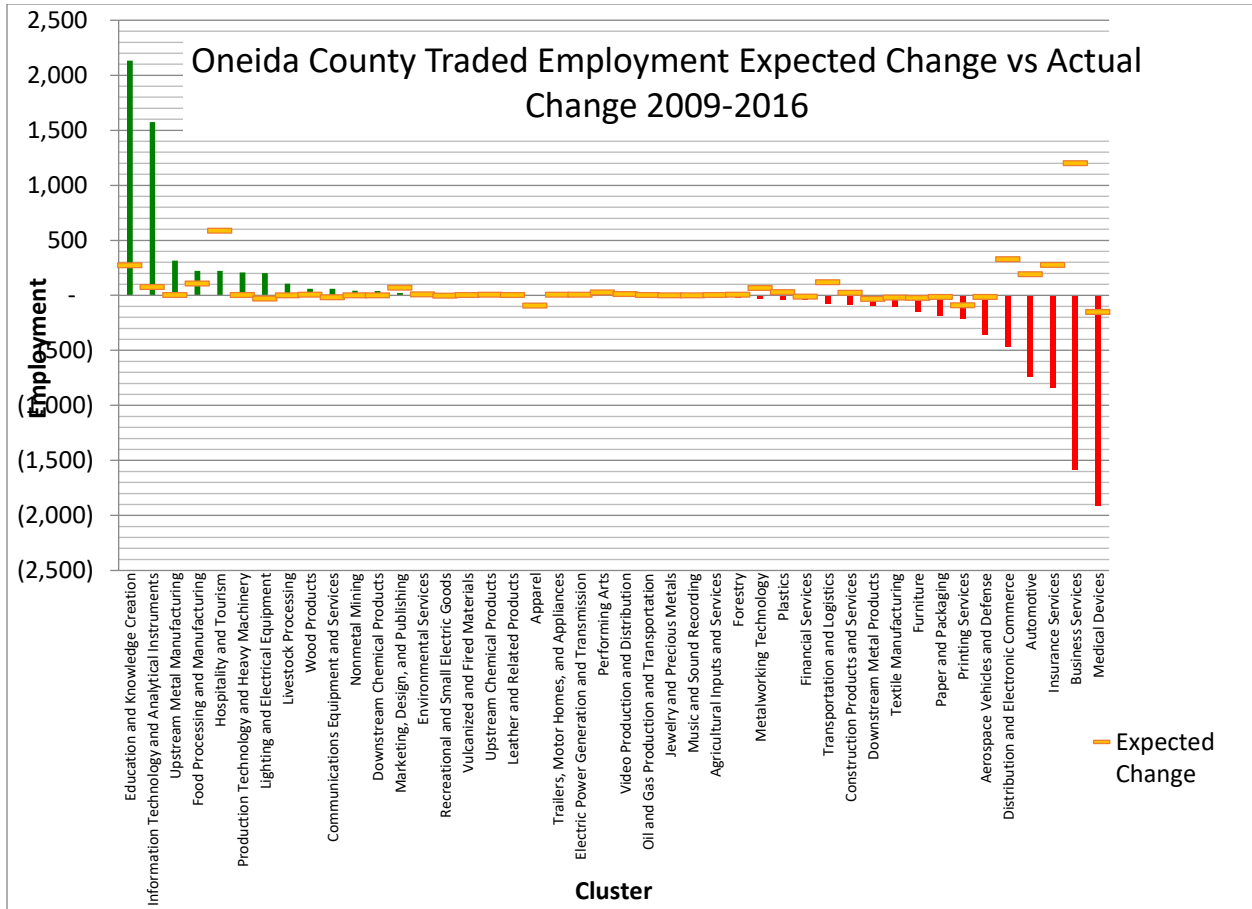
Source: *USEDA. US Cluster Mapping Project.*

Given the location and configuration of the MVHS campuses, service sectors are the most important in terms of activities likely to be sited on the MVHS campuses. As shown in figures 1 through 4, the strong services sectors in the County’s economy include Hospitality and Tourism, Business Services, Local Retailing and Higher Education and Local Health Services (the “eds and meds” combination of high paying jobs).

**Traded Clusters**

Among those sectors that sell most of their goods and services outside of the County (i.e., the “traded clusters”), the service sectors with the highest levels of employment are Hospitality & Tourism, Education & Knowledge Creation, Business Services and Insurance Services. During the current expansion, those sectors which had the strongest growth included Education & Knowledge Creation and Hospitality & Tourism.

Figure 2



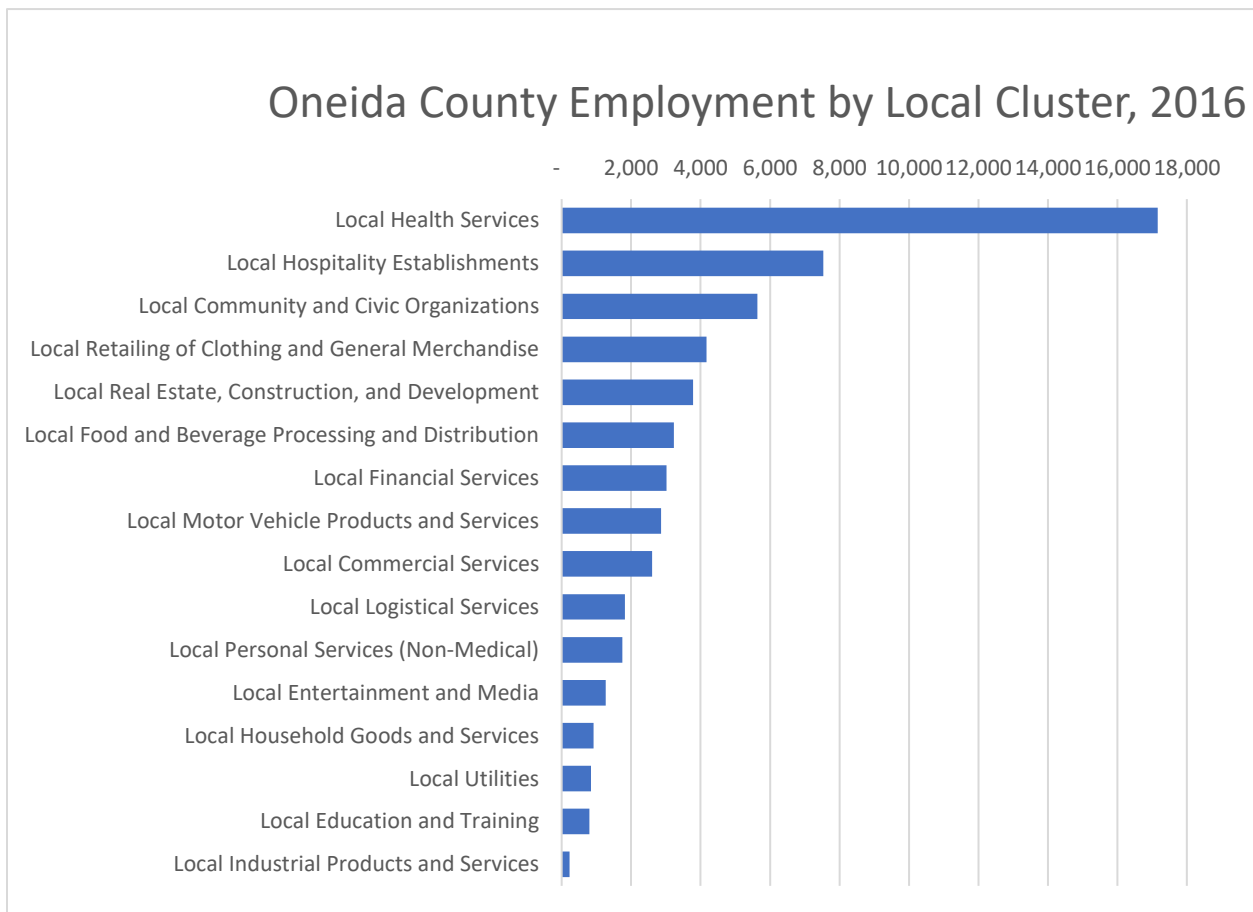
Source: USEDA. US Cluster Mapping Project.

**Local Clusters**

Among the clusters that sell most of their goods and services within the County (i.e., the “local clusters”), the dominant employers are Local Health Services, Local Hospitality Establishments, Local Community and Civic Organizations along with Local Retailing of Clothing and General Merchandise (c.f., Figure 3).

The local clusters that showed the strongest job growth during the expansion have been Local Hospitality Establishments, Local Community & Civic Organizations and Local Retailing. Local Health Services has lost jobs during the expansion. As Figure 4 shows, the decline in Oneida County contrasted unfavorably with a robust growth in Local Health Services at the national level.

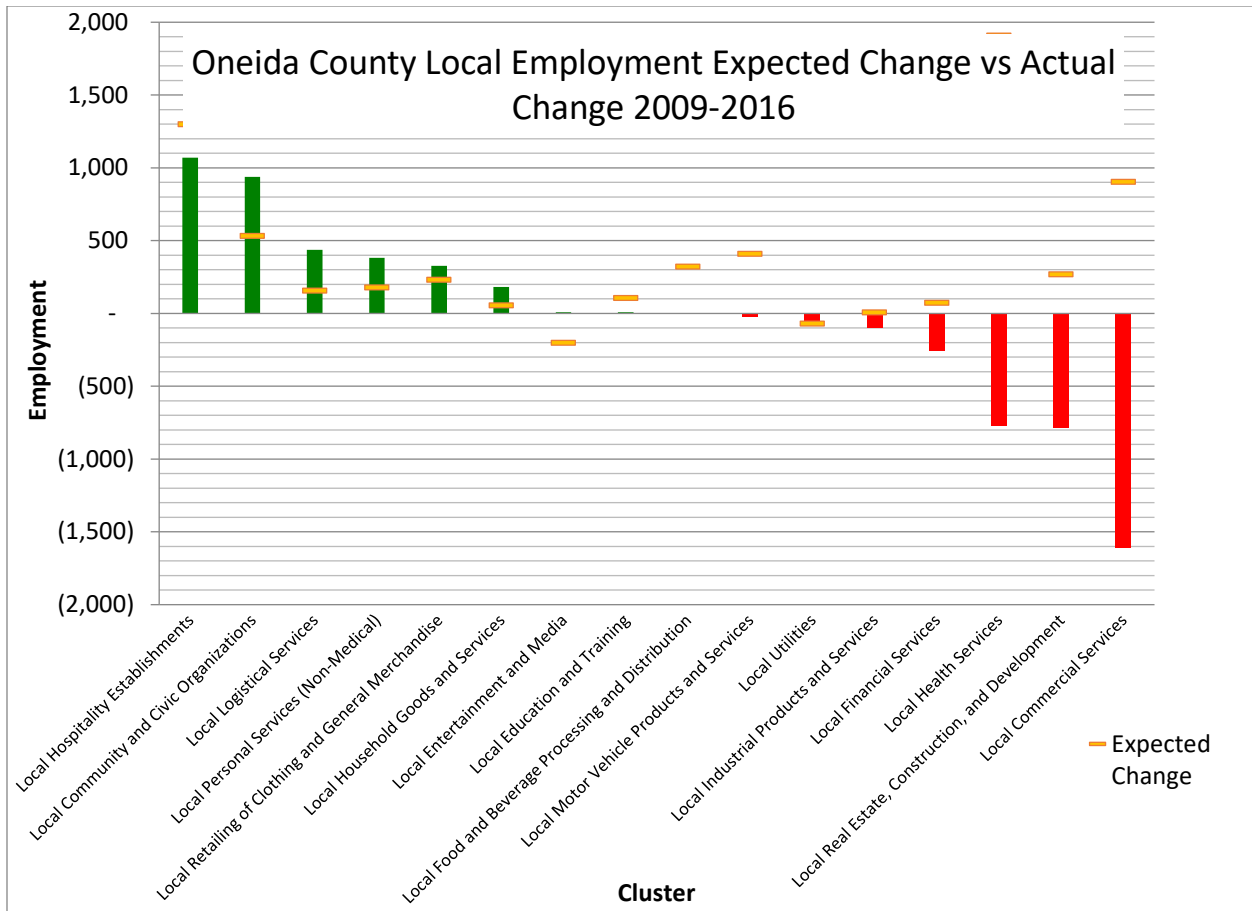
Figure 3



Source: *USEDA. US Cluster Mapping Project.*



Figure 4



Source: USEDA. US Cluster Mapping Project.

**Finding Niche Opportunities: Trends in Output Versus Trends in Employment in Oneida County**

Tracking employment growth is a reasonable way to measure the contribution of various clusters to an economy, particularly if one is concerned with the potential for those clusters to occupy real estate. However, it has its limitations. For example, if companies in a cluster use technology to improve productivity, they may increase their output while reducing employment. Thus, the cluster will show declining employment despite the fact that its local economic contribution is growing.

Table 2 below shows the gross regional product (GRP) of each industry in Oneida County for the same time period as the jobs data in figures 1 through 4. The right-hand column of the table provides an index that compares growth in each industry with overall economic growth in Oneida County. For those industries with an index above 1.00, their GRP growth exceeds overall growth in the County. For those industries with an index below 1.00, their growth trails overall GRP growth in the County.

The table shows that some industries with declining employment or slow job growth are nonetheless growing at least as fast as the overall economy. Most noteworthy among these is Health Services. While it has experienced significant employment declines, its output has kept pace with the County’s economic

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growth, as evidenced by the 1.0 Growth Index in Table 2. Other sectors with declining employment outperformed the County economy. These include Finance & Insurance, Real Estate and Educational Services. In each case, the low rate of job growth limits the opportunities these sectors represent for occupying space on the MVHS campuses. But the fact that the industries themselves are still increasing their local output does indicate that they may yet provide some limited opportunities in the re-use of the campuses.

Table 2.  
Gross Regional Product by Industry, 2009-16 in Current Dollars.

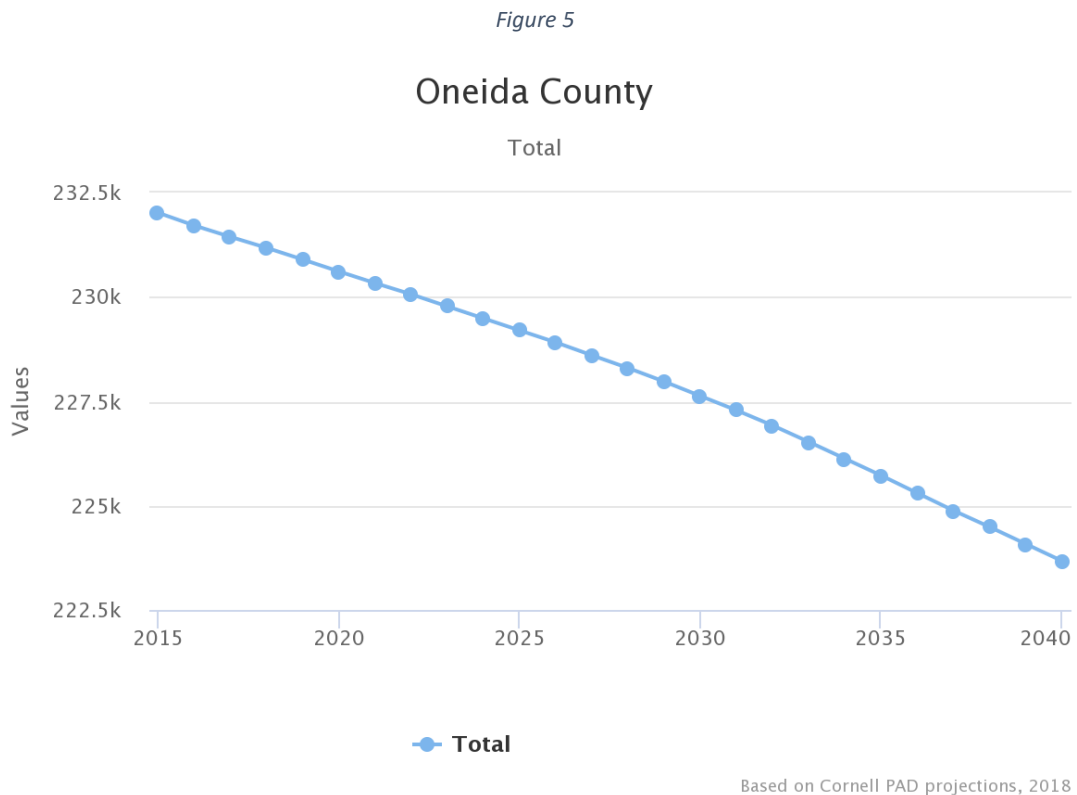
| NAICS | Industry   | 2009 GRP        | 2016 GRP         | % Change | Growth Index (1.00= same rate as County GRP) |
|-------|--|-----------------|------------------|----------|--|
| 11    | Agriculture, Forestry, Fishing and Hunting                               | \$45,974,487    | \$55,940,062     | 21.7%    | 1.54   |
| 21    | Mining, Quarrying, and Oil and Gas Extraction                            | \$29,252,668    | \$23,305,576     | -20.3%   | -1.44  |
| 22    | Utilities  | \$141,739,276   | \$182,165,976    | 28.5%    | 2.03   |
| 23    | Construction   | \$237,475,208   | \$262,256,208    | 10.4%    | 0.74   |
| 31    | Manufacturing  | \$979,025,083   | \$1,251,407,909  | 27.8%    | 1.98   |
| 42    | Wholesale Trade  | \$448,817,031   | \$386,373,138    | -13.9%   | -0.99  |
| 44    | Retail Trade   | \$642,918,521   | \$740,142,295    | 15.1%    | 1.07   |
| 48    | Transportation and Warehousing   | \$296,328,450   | \$273,141,681    | -7.8%    | -0.56  |
| 51    | Information  | \$290,048,381   | \$279,896,642    | -3.5%    | -0.25  |
| 52    | Finance and Insurance  | \$953,804,952   | \$1,229,371,519  | 28.9%    | 2.05   |
| 53    | Real Estate and Rental and Leasing                                       | \$119,077,211   | \$179,470,822    | 50.7%    | 3.60   |
| 54    | Professional, Scientific, and Technical Services                         | \$389,571,770   | \$431,923,860    | 10.9%    | 0.77   |
| 55    | Management of Companies and Enterprises                                  | \$58,851,563    | \$63,602,757     | 8.1%     | 0.57   |
| 56    | Administrative and Support and Waste Management and Remediation Services | \$180,800,430   | \$190,588,701    | 5.4%     | 0.38   |
| 61    | Educational Services   | \$163,198,016   | \$203,224,171    | 24.5%    | 1.74   |
| 62    | Health Care and Social Assistance  | \$1,079,953,638 | \$1,231,427,735  | 14.0%    | 1.00   |
| 71    | Arts, Entertainment, and Recreation                                      | \$56,605,777    | \$99,511,080     | 75.8%    | 5.38   |
| 72    | Accommodation and Food Services  | \$178,437,135   | \$262,236,764    | 47.0%    | 3.34   |
| 81    | Other Services (except Public Administration)                            | \$141,000,046   | \$151,261,854    | 7.3%     | 0.52   |
| 90    | Government   | \$2,221,723,128 | \$2,311,358,106  | 4.0%     | 0.29   |
|       | Other Vectors  | \$1,003,894,984 | \$1,209,692,342  | 20.5%    | 1.46   |
|       | All Sectors  | \$9,658,497,755 | \$11,018,299,197 | 14.1%    | 1.00   |

Source: EMSI. Note: as measured by the Consumer Price Index for All Urban Consumers, inflation during this same time period was 11.9 percent. Thus, any sector with GRP growth below that number essentially declined in "real" terms.

## 2. Demographic Overview

In addition to economic activity, changes in population is the other potential driver in the market for re-purposing of the MVHS facilities. As indicated in Table 1 above, the overall population trends in the Mohawk Valley, Oneida County and Utica favor continued decline. However, as projections by Cornell University's Program on Applied Demographics (CPAD) indicate, there are pockets of growth and opportunity amid the negative numbers.

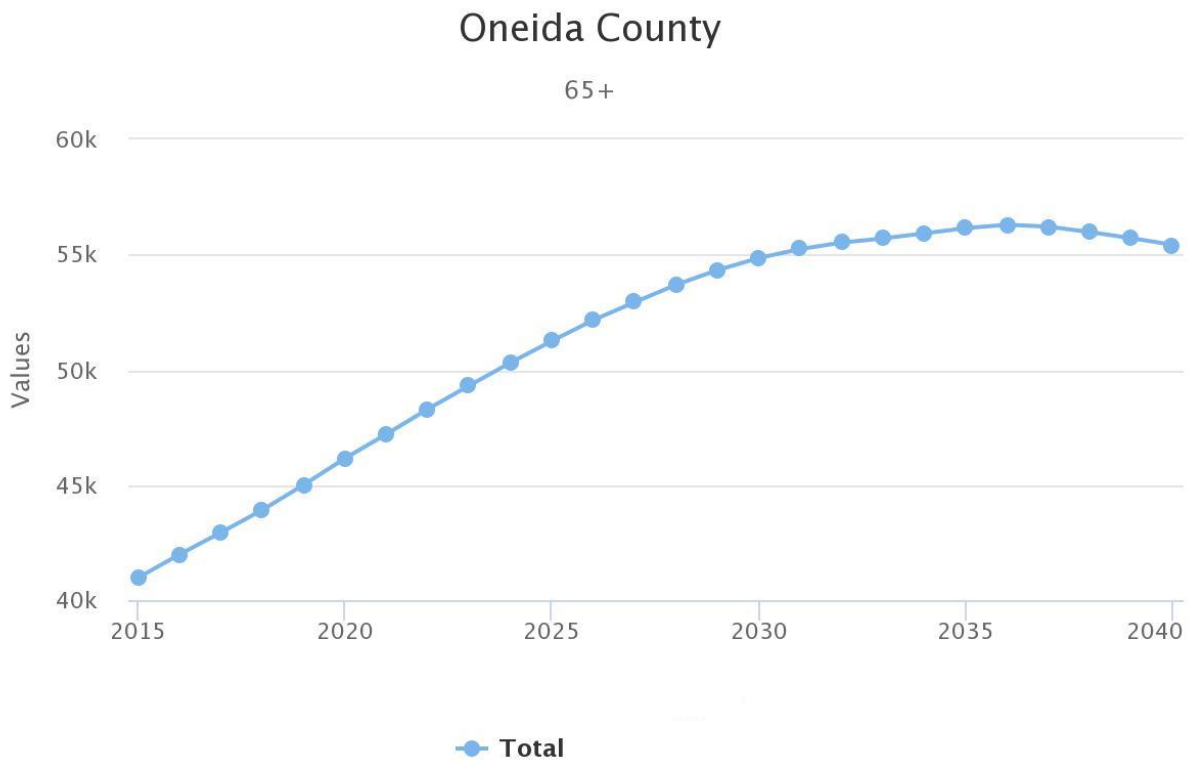
As shown in Figure 5, CPAD predicts declines in total population for Oneida County for the foreseeable future. Nonetheless, there are a few projected areas of growth.



As shown in Figure 6, CPAD projects that Oneida County's population over 65 years of age will increase steadily before plateauing around 2035. This suggests increased future demand for single-story, attached housing in the City. At the same time, the senior-driven demand for multi-unit housing may be deferred by several years. Recent research suggests that seniors are postponing the decision to go into multi-unit residences due to changes in lifestyles and delays in retirement. Nonetheless, once householders enter into their 70's, the preference for multi-unit housing increases significantly.<sup>5</sup>

<sup>5</sup> (Lee, 2018)

Figure 6

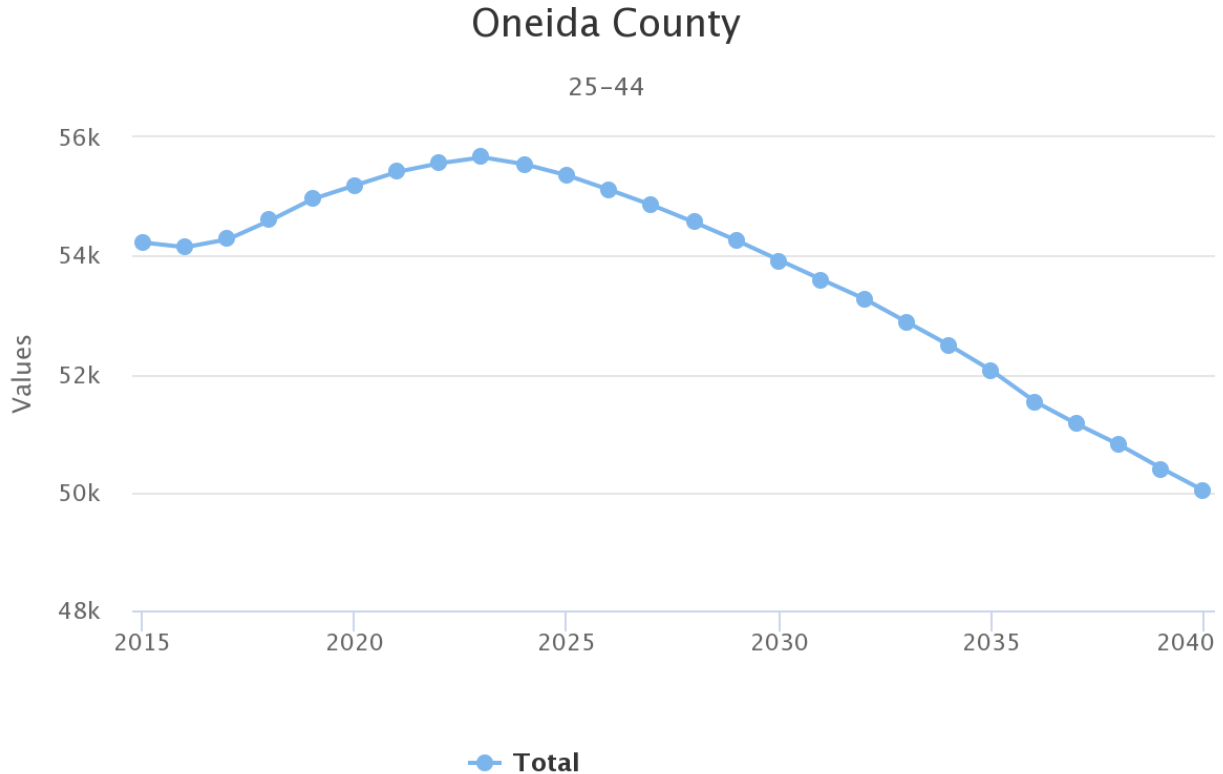


Based on Cornell PAD projections, 2018

In addition, the next five years should see an increase in the younger working population, ages 25 to 44, before it is projected to stabilize and then decline in the out years of the projections (c.f., Figure 7). A more detailed look at the data indicate that most of this growth is projected to be in the 39 to 44 age range. This could represent a new opportunity in the Utica market. Up to now, the targets for high-end housing have been young professionals (couples and singles) and seniors. Both of these segments are looking for smaller footprint dwellings as either a first step in the regional housing market or as a transition away from a family household to an empty nest.

On the other hand, the 39-44-year-olds are likely to be established households looking to make a transition to a family household. For this group, key factors are the quality of schools, commute times and overall affordability. In this context, housing developed on the campuses could be attractive to young couples with children in elementary school.

Figure 7



Based on Cornell PAD projections, 2018

## Development Trends and Projections

This section provides an overview of the development trends in the Utica area and projects demand for housing, retail and office uses. It begins with the results of the interviews with developers, realtors and representatives from local higher education institutions to better understand current and potential opportunities in the marketplace. This is followed by projections of demand for these various uses.

### Developer/Realtor Interviews

As part of this market analysis, interviews were conducted with individuals active in real estate and development in the Utica market, along with City planning officials and representatives from Utica’s institutions of higher education. These interviews provided additional insight into the economic dynamics of real estate and development in the City and to opportunities and constraints associated with potential development approaches to the MVHS campuses. The list of those contacted for interviews is given in Table 3. Major insights gleaned from these interviews are provided below.

**Residential development:** On the residential side, the market is described as slow, but high-end projects and high-end senior housing do well. Young workers prefer downtown living. The MVHS properties may not be as attractive for them, given their locations. Medical professionals will look to pay between \$3,000 and \$4,000 for high-end down town living.

The logical target markets for residences on the MVHS campuses is empty nesters, seniors and, to a lesser extent, young families. Young families tend to look more to New Hartford, for the school district. But it

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may be possible to attract families with children in elementary school, providing the right mix of amenities are included in or accessible from any development. Price points range from \$1,500 to \$3,000 for new construction/renovated units. Seniors are looking for 1-floor attached units with two to three bedrooms. They can be sold for between \$250,000 and \$300,000. They can rent for from \$1,500 to \$2,500 per month.

The Utica market has traditionally not been strong for condominium development. However, some recent projects have done quite well. The Chestnut Hills complex sat for years and now, units in good condition asking \$110,000 to \$150,000 can move in four days.

Table 3.  
Interviews with Developers/Realtors/Institutional Stakeholders

| Name    |                      | Organization                    |
|---------|----------------------|---------------------------------|
| David   | Bonacci              | Bonacci Architects              |
| David   | Catalfamo            | Oneida Co. EDC                  |
| Steve   | deMaio               | Mohawk Valley EDGE              |
| Bill    | Gaetano              | Gaetano Construction            |
| Brian   | Gaetano              | Gaetano Construction            |
| Dominic | Pavia                | Pavia Realty                    |
| Santina | Pavia                | Pavia Realty                    |
| Brian   | Thomas               | City of Utica Urban & Econ Dev. |
| Gary    | Thurston             | Haynes Hoyt, Inc.               |
| Chris   | Wallace              | City of Utica Urban & Econ Dev. |
| Laura   | Casamento, President | Utica College                   |
| Grace   | Wang, President      | SUNY Polytechnic                |
| Michael | Frame, COO           | SUNY Polytechnic                |

**Office and Retail Development:** Office and retail uses will be more difficult to attract. The office market in the region suffers from the same overcapacity that exists nationally. Retail is also problematic, again, mostly because of the disruption in the national market along with the slow population and job growth throughout the region.

**Overall Prospects for Redevelopment:** St. Lukes may be the easier of the two properties to occupy. It could support a variety of uses, including retail, residential and medical. St. Elizabeth's is in a more residential area. The easiest path to redevelopment there could be senior housing.

## Projected Housing Demand

This section examines existing trends in housing to identify patterns of demand or development that may serve as a basis for identifying housing opportunities for the MVHS campuses. We begin with a review of national conditions. According to the Federal Reserve Bank of New York's Beige Book *Outlook*, the effects of the extended national expansion are being felt in real estate markets throughout New York State:

Housing markets across the District have picked up somewhat since the last report. Homes sales in upstate New York have picked up further, and low inventories of unsold homes have continued to boost prices. . . . Residential rents across the District have continued to rise since the last report and are up from a year earlier. . . . Office availability rates have edged up in New York City and Long Island but have fallen noticeably across the rest of the District. Asking rents have been steady across downstate New York but have risen modestly in upstate New York and northern New Jersey. The market for retail space has remained soft. . .<sup>6</sup>

Some of this is reflected in recent analyses of the region's housing market. For example, a real estate market analysis of the Utica/Rome area by Camoin Associates identified the following sources of housing demand:

New Demand from Marcy Nanotech workers. The Marcy Nanocenter project will have a transformative effect on the local housing market as it will attract hundreds of high-wage workers looking for upscale modern housing units.

Pent-up Demand from local residents and workers. The existing housing stock does not align with current housing preferences and needs. The Utica/Rome market has a "backlog" of demand for more modern apartment units. In just the past few years this market demand has been demonstrated as developers of high-end apartments in Utica have found strong demand and the ability to achieve premium price points.

Mid- to upper-scale apartments will have greatest demand. The greatest demand for housing will be for apartments with mid-level to upscale finishes and fixtures that are found in the downtown area and other places walkable to shops and entertainment options.<sup>7</sup>

The current analysis begins by examining projections in the type of housing movers are likely to demand (beginning with the "own" or "rent" question), and then considers projections in the values of homes in the County and City. It uses a conservative approach that assesses existing demand in the market, rather than trying to anticipate new developments that could increase demand at some later, unspecified date. For example, the recent announcement of over 600 Full-Time Cree jobs will be created at the Marcy Nanocenter on SUNY Poly Campus over eight years would be an important boost to housing demand. Yet the timing of this development is unknown at this point and the precise arrival of the new jobs and new housing demand would be difficult to define precisely.<sup>8</sup>

As shown in Table 3, homeownership patterns are expected to remain stable in the County and City over the next five years. Projections by ESRI Business Analyst show that, from 2019 to 2024, there will be

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<sup>6</sup> (US Federal Reserve Bank, 2019)

<sup>7</sup> (Camoin Associates, November, 2016), p. 1.

<sup>8</sup> (New York State, 2019)

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virtually no change in the relative proportions of renters or buyers in either Oneida County or the City of Utica.

| Table 3.<br>Estimated and Projected Housing Tenure, 2019 & 2024.  |               |            |                 |            |                             |
|---|---------------|------------|-----------------|------------|-----------------------------|
|   | Utica         |            |                 |            |                             |
|   | 2019 Estimate | % of Total | 2024 Projection | % of Total | Projected % Growth, 2019-24 |
| Owner Occupied Housing Units  | 10,848        | 37.7%      | 10,727          | 37.0%      | -1.1%                       |
| Renter Occupied Housing Units   | 14,419        | 50.0%      | 14,341          | 49.4%      | -0.5%                       |
| Total Housing Units   | 28,810        | 100.0%     | 29,031          | 100.0%     | 0.8%                        |
|   | Oneida Co.    |            |                 |            |                             |
|   | 2019 Estimate | % of Total | 2024 Projection | % of Total | Projected % Growth, 2019-24 |
| Owner Occupied Housing Units  | 58,816        | 55.6%      | 58,135          | 54.6%      | -1.2%                       |
| Renter Occupied Housing Units   | 34,819        | 32.9%      | 34,485          | 32.4%      | -1.0%                       |
| Total Housing Units   | 105,795       | 100.0%     | 106,414         | 100.0%     | 0.6%                        |
| Source: ESRI Business Analyst. Note: the projected growth in total housing units is attributed to a projected increase in vacant units. |               |            |                 |            |                             |

Table 4 contains ESRI Business Analyst’s projections for housing values for both the City and County. In each case, ESRI projects growth in higher value units. For the City of Utica, the fastest growth is projected to occur in units worth \$200,000 or more, with the fastest growth taking place in units worth over \$300,000. The County shows a similar trend in ESRI’s projections, with the fastest growth taking place in units valued over \$300,000.

The ESRI projections also indicate that the greatest number of new units will be in higher-value categories. The projections show Utica gaining over 500 units worth between \$500,000 and \$750,000. Similarly, Oneida County is projected to gain over 1,400 units at that value range.

According to ESRI, these projections are developed through a variety of data sources:

Esri tracks the change in home value using several different sources, including annual estimates from ACS, the Home Price Expectations Survey™ from Pulsenomics, and the House Price Index (HPI) from the Federal Housing Finance Agency (FHFA). The Home Price Expectations Survey relies on a survey of more than 100 industry experts to forecast growth in the housing market. This forward-looking source is a key input to our forecasts. The HPI is designed to monitor changes in average home prices based on repeat sales or refinancing of the same properties. The index is derived from mortgage loans purchased or securitized by Fannie Mae or Freddie Mac.<sup>9</sup>

While these data can serve as a useful guide to future trends, it is important to remember that projections derived through such techniques can often be less accurate when applied to smaller markets. Consequently, this report uses a more conservative methodology to offset such problems.

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<sup>9</sup> (ESRI, June, 2019)



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| Table 4.<br>Estimated & Projected Distribution of Housing Values, Owner Occupied Units, Utica & Oneida County |               |            |                 |            |                                |
|---|---------------|------------|-----------------|------------|--------------------------------|
|   | Utica         |            |                 |            |                                |
|   | 2019 Estimate |            | 2024 Projection |            | Projected %<br>Growth, 2019-24 |
|   | Units         | % of Total | Units           | % of Total |                                |
| Home Value less than \$50,000   | 1,483         | 13.7%      | 1,312           | 12.3%      | -11.5%                         |
| Home Value \$50,000-\$99,999  | 4,635         | 42.8%      | 3,915           | 36.6%      | -15.5%                         |
| Home Value \$100,000-\$149,999  | 2,680         | 24.7%      | 2,766           | 25.8%      | 3.2%                           |
| Home Value \$150,000-\$199,999  | 957           | 8.8%       | 1,062           | 9.9%       | 11.0%                          |
| Home Value \$200,000-\$249,999  | 247           | 2.3%       | 313             | 2.9%       | 26.7%                          |
| Home Value \$250,000-\$299,999  | 147           | 1.4%       | 187             | 1.7%       | 27.2%                          |
| Home Value \$300,000-\$399,999  | 143           | 1.3%       | 242             | 2.3%       | 69.2%                          |
| Home Value \$400,000-\$499,999  | 81            | 0.7%       | 218             | 2.0%       | 169.1%                         |
| Home Value \$500,000-\$749,999  | 260           | 2.4%       | 431             | 4.0%       | 65.8%                          |
| Home Value \$750,000-\$999,999  | 108           | 1.0%       | 167             | 1.6%       | 54.6%                          |
| Home Value \$1,000,000-\$1,499,999  | 0             | 0.0%       | 0               | 0.0%       | NA                             |
| Home Value \$1,500,000-\$1,999,999  | 13            | 0.1%       | 14              | 0.1%       | 7.7%                           |
| Home Value \$2,000,000 or greater   | 75            | 0.7%       | 81              | 0.8%       | 8.0%                           |
| Median Home Value   | \$92,411      |            | \$102,296       |            |                                |
| Average Home Value  | \$140,195     |            | \$166,691       |            |                                |
| Base count of Housing Units   | 10,829        | 100.0%     | 10,708          | 100.0%     |                                |
| Oneida Co.  |               |            |                 |            |                                |
|   | 2019 Estimate |            | 2024 Projection |            | Projected %<br>Growth, 2019-24 |
|   | Units         | % of Total | Units           | % of Total |                                |
| Home Value less than \$50,000   | 5,179         | 8.8%       | 4,111           | 7.1%       | -20.6%                         |
| Home Value \$50,000-\$99,999  | 16,123        | 27.4%      | 12,596          | 21.7%      | -21.9%                         |
| Home Value \$100,000-\$149,999  | 14,509        | 24.7%      | 13,821          | 23.8%      | -4.7%                          |
| Home Value \$150,000-\$199,999  | 9,410         | 16.0%      | 9,649           | 16.6%      | 2.5%                           |
| Home Value \$200,000-\$249,999  | 4,771         | 8.1%       | 5,238           | 9.0%       | 9.8%                           |
| Home Value \$250,000-\$299,999  | 3,141         | 5.3%       | 3,532           | 6.1%       | 12.4%                          |
| Home Value \$300,000-\$399,999  | 2,414         | 4.1%       | 3,052           | 5.3%       | 26.4%                          |
| Home Value \$400,000-\$499,999  | 1,040         | 1.8%       | 1,610           | 2.8%       | 54.8%                          |
| Home Value \$500,000-\$749,999  | 1,325         | 2.3%       | 2,762           | 4.8%       | 108.5%                         |
| Home Value \$750,000-\$999,999  | 356           | 0.6%       | 941             | 1.6%       | 164.3%                         |
| Home Value \$1,000,000-\$1,499,999  | 319           | 0.5%       | 523             | 0.9%       | 63.9%                          |
| Home Value \$1,500,000-\$1,999,999  | 13            | 0.0%       | 14              | 0.0%       | 7.7%                           |
| Home Value \$2,000,000 or greater   | 193           | 0.3%       | 263             | 0.5%       | 36.3%                          |
| Median Home Value   | \$127,895     |            | \$144,675       |            |                                |
| Average Home Value  | \$170,847     |            | \$210,384       |            |                                |
| Base count of housing units   | 58,793        | 100.0%     | 58,112          | 100.0%     |                                |
| Source: ESRI Business Analyst   |               |            |                 |            |                                |

It is important to be mindful of potential developments, such as the Marcy Nanocenter for its potential to add new demand for housing to the Utica area. Nonetheless, it can be even more useful to examine the current migration dynamics to identify potential housing demand as it currently exists in the area. This approach draws upon the work by Zimmerman/Volk Associates in their 2005 assessment of the potential for downtown loft housing in Utica.<sup>10</sup>

Essentially, such an approach involves three steps:

1. Identify the geographies that are currently the sources for households that are moving into housing units in Oneida County.
2. Examine the demographic and lifestyle characteristics of the populations within these geographies to identify the likely housing preferences for people moving from these geographies.
3. Based on this information, identify the extent of demand in the County for housing similar to the types likely to be offered at the repurposed MVHS campuses.

**Question 1: Where is demand for housing coming from?**

Analysis of data from the Census Bureau and the Internal Revenue Service provides information about the geographic source of households that have recently moved into Oneida County housing units. As shown in Table 5, this can produce an estimate of the geographic origins of households moving into housing units in the County for 2017. There were approximately 12,000 households involved. 32 percent were households already in Utica. Another 44 percent were already in the County. An additional 8 percent came from three neighboring counties: Herkimer, Madison and Onondaga counties. An additional 15 percent came from all other locations from across the United States, along with a handful of households from outside the US.

| Table 5.<br>Estimate of Number of Movers into Oneida County by Geography, 2017   |   |                |
|--|---|----------------|
| Mover's Place of Residence in Previous Year:   | Total Estimate of Movers into Oneida County | % of Total     |
| Utica  | 3,877                                       | 31.86%         |
| Balance of County  | 5,366                                       | 44.10%         |
| 3 County Area  | 1,045                                       | 8.59%          |
| Other Areas  | 1,880                                       | 15.45%         |
| <b>Total</b>   | <b>12,168</b>                               | <b>100.00%</b> |
| Source: compiled by Fairweather Consulting from ESRI Business Analyst and US Census Bureau American Community Survey (for intra-county migration patterns) and US Internal Revenue Service data (for inter-county migration patterns). (Totals for Utica & Balance of the County are estimates of individuals converted to households using IRS ratio of returns to allowances for Oneida County.) Totals may not compute due to rounding. |   |                |

<sup>10</sup> (Zimmerman/Volk Associates, Inc., 2005)

**Question 2: What are the housing preferences of these households?**

Using data compiled by ESRI Business Analyst, we are able to define the housing preferences of these populations with respect to urbanization. The results are shown in Table 6. The six types of preferences are divided into two categories: those that would represent potential targets for the type of housing that could be created at the MVHS campuses—largely attached units in urban neighborhoods and those that prefer more suburban to rural settings featuring primarily single-family units. As shown in the Table, 74 percent of the households in Utica prefer a more urban setting. Approximately 30 percent of residents in the balance of Oneida County (the County outside of Utica) prefer urban housing. 45 percent of households from the 3-county area prefer urban housing, while, nationally, 27 percent of the population prefers housing in a more urban setting.

| Table 6.<br>Preferences for Urban Style Housing by Place of Residence  |  |  |  |   |   |   |   |
|--|--|--|--|---|---|---|---|
| Geography  | Target Segments<br>for Housing in Utica  |  |  | Segments Not Likely to<br>Seek Housing in Utica.                            |   |   | Total<br>Number of<br>Households<br>in Estimate |
|  | Principal<br>Urban<br>Center<br>Tapestry<br>Urbanization<br>Group U1<br>Households | Urban<br>Periphery<br>Tapestry<br>Urbanization<br>Group U2<br>Households | Metro Cities<br>Tapestry<br>Urbanization<br>Group U3<br>Households | Suburban<br>Periphery<br>Tapestry<br>Urbanization<br>Group U4<br>Households | Semirural<br>Tapestry<br>Urbanization<br>Group U5<br>Households | Rural<br>Tapestry<br>Urbanization<br>Group U6<br>Households |   |
| Utica  | 1,111  | 294  | 17,294   | 5,458   | 1,106   | 0   | 25,267  |
| % of Total   | 4.4%   | 1.2%   | 68.4%  | 21.6%   | 4.4%  | 0.0%  | 100.0%  |
| Oneida Co.   | 1,111  | 4,469  | 33,925   | 26,715  | 6,452   | 20,932  | 93,604  |
| % of Total   | 1.2%   | 4.8%   | 36.2%  | 28.5%   | 6.9%  | 22.4%   | 100.0%  |
| Balance<br>Oneida Co.  | -  | 4,175  | 16,631   | 21,257  | 5,346   | 20,932  | 68,368  |
| % of Total   | 0.0%   | 6.1%   | 24.3%  | 31.1%   | 7.8%  | 30.6%   | 100.0%  |
| 3 Source<br>Counties   | 2,305  | 23,724   | 83,472   | 78,344  | 17,186  | 39,259  | 244,290   |
| % of Total   | 0.9%   | 9.7%   | 34.2%  | 32.1%   | 7.0%  | 16.1%   | 100.0%  |
| US   | 8,921,805  | 20,841,473   | 22,718,630   | 39,923,726  | 11,697,380  | 21,063,923  | 125,168,557                                     |
| % of Total   | 7.1%   | 16.7%  | 18.2%  | 31.9%   | 9.3%  | 16.8%   | 100.0%  |
| Source: ESRI Business Analyst. Totals may not compute due to rounding. |  |  |  |   |   |   |   |

**Question 3: How do these demographics shape the demand for housing in Oneida County?**

Table 7 answers this question. The ESRI data provides some information on preferences for single family versus multi-family housing. This is incorporated into the Table to estimate the extent to which current demand is split among single-family and multi-family options. By applying these preferences to the households coming from each of these geographic areas, it is possible to estimate how much demand for housing is generated from the approximately 12,000 households moving into units in Oneida County in

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the past year. The data suggest that new movers generate demand for 878 single family units and 1,219 multi-family units each year. An industry rule of thumb is that approximately 10 to 15 percent of demand each year is for new units.<sup>11</sup> Thus, the data in Table 7 would suggest that each year, existing migration patterns would generate demand for between 250 to 370 single family units and between 330 and 500 multi-family units.

NOTE: this is estimated demand for Oneida County. New housing developments at the MVHS campuses would be in competition with other sites to absorb this demand. This is the major difference between market conditions at the time of the 2005 loft study and today. At that time, there were virtually no new units to meet demand for downtown, urban living. Today, there are more and more such opportunities in both Utica and Rome and other areas of the County. Thus, while this analysis suggests that there is demand for the type of housing likely to be produced in the re-use of the MVHS campuses, this is no guarantee that these sites can capture that demand. In this new market, it is vitally important that the housing offered at the sites is properly sized, configured, priced and accompanied by on-site and off-site amenities that will make it attractive to target markets. Note also that this projection is based upon current trends. Should the Marcy Nanocenter expand as expected, demand for housing will exceed any estimates generated through this analysis.

| Table 7.<br>Estimate of Number of Movers into Oneida County Residences Seeking Housing in an Urban Setting |   |                |   |  |   |              |  |              |
|--|---|----------------|---|--|---|--------------|--|--------------|
| Mover's Place of Residence in Previous Year:   | Total Estimate of Movers into Oneida County | % of Total     | % of Movers Likely to Move into Urban Setting | Estimated Number of Movers Likely to Move into Urban Setting | Proportion Likely to Seek Single Family Housing |              | Proportion Likely to Seek Multi-Family Housing |              |
|  |   |                |   |  | %   | Number       | %  | Number       |
| Utica  | 3,877                                       | 31.86%         | 74.00%  | 2,869  | 28.30%  | 1,097        | 45.70%   | 1,772        |
| Balance of County  | 5,366                                       | 44.10%         | 30.40%  | 1,631  | 16.50%  | 885          | 13.90%   | 746          |
| 3 County Area  | 1,045                                       | 8.59%          | 44.80%  | 468  | 19.40%  | 203          | 25.40%   | 265          |
| Other Areas  | 1,880                                       | 15.45%         | 41.90%  | 788  | 14.80%  | 278          | 27.10%   | 509          |
| <b>Total</b>   | <b>12,168</b>                               | <b>100.00%</b> |   | <b>5,756</b>   |   | <b>2,464</b> |  | <b>3,293</b> |

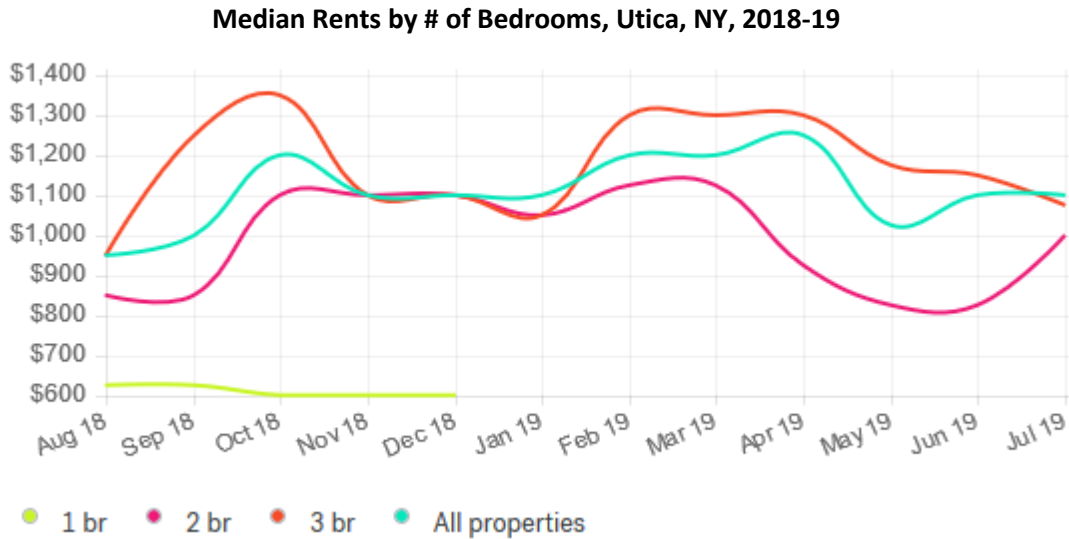
Source: compiled by Fairweather Consulting from ESRI Business Analyst and US Census Bureau American Community Survey (for intra-county migration patterns) and US Internal Revenue Service data (for inter-county migration patterns). (Totals for Utica & Balance of the County are estimates of individuals converted to households using IRS ratio of returns to allowances for Oneida County.) Totals may not compute due to rounding.

As indicated in the interviews, the price points associated with this demand is \$1,500/month for a one-bedroom to \$3,000/month for a two- or three-bedroom in new construction/renovated units. Market rate senior housing (1-floor attached units with two to three bedrooms) would rent for between \$1,500 to \$2,500 per month. Condos would sell for between \$125,000 for a one-bedroom to between \$250,000 and \$300,000 or higher-end two- and three-bedroom units. A recent analysis of median rentals in the

<sup>11</sup>c.f., (Zimmerman/Volk Associates, Inc., 2005)

Utica by Trulia is provided in Figure 8. These medians are consistent with the higher-end ranges provided in the interviews.

Figure 8



Source: [https://www.trulia.com/real\\_estate/Utica-New\\_York/market-trends/](https://www.trulia.com/real_estate/Utica-New_York/market-trends/)

**Configuring development for the emerging market**

Seniors will be an important focus for housing development on the MVHS campuses. Recent review of the national housing market suggest that this is an opportune moment for other segments in cities like Utica:

To be sure, large metropolitan areas are still growing faster than the rest of the country. But trends are moving in the direction reminiscent of the early 2000s when small metropolitan growth exceeded that in large areas, and non-metropolitan growth was much higher than it is now. The shift toward smaller areas is evident from domestic migration statistics, based on the new data release, showing that from 2016 through 2017, large metropolitan areas lost migrants to smaller and non-metropolitan areas for the first time since 2008.<sup>12</sup>

While developments in the downtown have focused primarily on young, childless households, it can prove difficult to keep new arrivals to a city in the downtown, once they decide to have children. In recent years, Vancouver, British Columbia is one city that has actually increased the number of children living downtown. According to Brent Toderian, former Chief Planner for the City of Vancouver, in order for urban housing to appeal to families it must contain three ingredients. First, build homes that are large enough for families. While developers may prefer the higher returns associated with 1-bedroom

<sup>12</sup> (Frey, 2018)

apartments, 2- and 3-bedroom units can also be profitable. Second, make sure that the area has the services and amenities that families need, including daycare and nearby schools. Finally, the neighborhood space needs to be designed for multi-generational users, from parents with infants to teens and seniors.<sup>13</sup> The City of San Francisco has also compiled a list of important amenities required for family housing in urban settings. These include such site-level features as access to transportation options (including transit, carsharing and bicycles), childcare and quality neighborhood schools along with provisions for outdoor and playspace easily supervised by adults, adequate storage facilities for family needs and an emphasis on 2- and 3-bedroom units.<sup>14</sup>

On the other hand, as the demographic analysis suggests, seniors are likely to be the most sizeable segment in the market for any units developed at the MVHS sites. Careful attention should be paid to ensure that appropriate amenities are included to serve senior preferences such as single-floor units, walkability and opportunities to age in place.<sup>15</sup>

#### Focus Group of Young Professionals in Utica

On July 17, 2019, the Mohawk Valley Health Systems convened a focus group of young professionals living and working in the Utica area to understand the nature of housing demand among this group. Twenty individuals attended. From this discussion, a number of consensus points emerged about young professionals' preferences for housing. They are, presented in no particular order:

- Access to food & activities: One of the appeals of Utica mentioned by almost every participant is the range of restaurant choices and activities available in and around the City. This is consistent with the concept that, to be attractive to this market segment, housing must provide access to amenities valued by young professionals such as restaurants and entertainment.
- Walkability: respondents felt that the walkability of neighborhoods is an important amenity for them, particularly the ability to walk to restaurants, cultural activities and such amenities as parks. Again, this reinforces the idea that housing must be in a setting that provides access to amenities, particularly those that can be reached on foot.
- Affordability: many participants mentioned affordability as an important quality for housing in Utica.
- Safety: safety was mentioned by many in the context of walkability and access. It was felt that a feeling of personal security and safety was an important ingredient in a housing situation where one could walk to amenities.
- Schools: Respondents all indicated that the quality of schools were important, whether they felt that the schools in Utica were already an asset or that they needed to be improved. This is also consistent with experience elsewhere that indicated young professionals are attracted to locations that can provide high quality education for their children.

These findings are very consistent with the national trends discussed in the paragraphs above. Again, it reinforces the idea that a successful housing offering in Utica must be set in the context of walkable, safe neighborhoods that offer access to nearby amenities, including restaurants, retail and recreation.

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<sup>13</sup> (Roberts, 2018)

<sup>14</sup> (San Francisco Planning Department, 2017), p. 21-26.

<sup>15</sup> (Quint, 2016)

**Projected Office Demand**

As indicated in the economic analysis, growth in employment in services likely to drive the demand for office space has been constrained due to weaknesses in some sectors and to the effects of technological innovation reducing the demand for employment in other, stronger sectors. Any overview of the Utica/Rome office market by the real estate firm of Copaken Brooks captures the situation well:

The Utica/Rome office market reported no new deliveries and no space under construction at the end of the fourth quarter 2018. With this limited construction activity, net absorption of negative (151,475) square feet caused the vacancy rate to increase from 2.9% to 4.5% in the quarter. Rental rates stood at \$12.39.<sup>16</sup>

Among other things, several realtors interviewed for this analysis pointed out that it would be virtually impossible to build new office space for under \$15 per square foot, making the current lease rates and extensive inventory of existing spaces prohibitive for new construction. Consequently, as indicated by the interviews conducted for this analysis, any demand for office space will be very limited and may be best thought of as a component to residential/mixed-used development, rather than a driver of that development.

| Table 8.<br>Top Ten Academic Programs Offered in Oneida County As Ranked by Change in Completions, 2010-2017 |  |  |      |                    |                      |
|--|--|--|------|--------------------|----------------------|
| CIP Code   | Program Description  | Completions (degrees & all certificates) |      |                    |                      |
|  |  | 2017                                     | 2010 | Change (2010-2017) | % Change (2010-2017) |
| 51   | HEALTH PROFESSIONS AND RELATED PROGRAMS  | 1,176                                    | 659  | 517                | 78%                  |
| 43   | HOMELAND SECURITY, LAW ENFORCEMENT, FIREFIGHTING AND RELATED PROTECTIVE SERVICES | 481                                      | 205  | 276                | 135%                 |
| 11   | COMPUTER AND INFORMATION SCIENCES AND SUPPORT SERVICES                           | 261                                      | 110  | 151                | 137%                 |
| 24   | LIBERAL ARTS AND SCIENCES, GENERAL STUDIES AND HUMANITIES                        | 373                                      | 255  | 118                | 46%                  |
| 14   | ENGINEERING  | 50                                       | 6    | 44                 | 733%                 |
| 23   | ENGLISH LANGUAGE AND LITERATURE/LETTERS  | 94                                       | 55   | 39                 | 71%                  |
| 26   | BIOLOGICAL AND BIOMEDICAL SCIENCES   | 86                                       | 58   | 28                 | 48%                  |
| 48   | PRECISION PRODUCTION   | 35                                       | 17   | 18                 | 106%                 |
| 45   | SOCIAL SCIENCES  | 239                                      | 223  | 16                 | 7%                   |
| 30   | MULTI/INTERDISCIPLINARY STUDIES  | 18                                       | 5    | 13                 | 260%                 |

Source: EMSI

Any office component is likely to be derived from needs of institutions involved in either higher education and/or health care. Table 8 shows the top ten academic programs offered by educational institutions in Oneida County ranked by growth in program completions (i.e., an individual receiving either a degree or certificate marking successful completion of a program) from 2010 to 2017.

In that period, completions in Health Professions and Related Programs grew by 517 completions, far greater numbers than any other program. Other programs with fairly large increases include Homeland

<sup>16</sup> (Copaken Brooks, 2019), p. 13.

Security along with Computer and Information Sciences. The data suggest such programs might require additional academic space in the future and have the potential to be included in the redevelopment of the MVHS campuses.

**Projected Retail Demand**

With the ongoing disruption in retail, it is considered as difficult to develop as new office space. Among other problems, some analyses suggest the sector is dramatically overbuilt, even without taking the ecommerce revolution into account.<sup>17</sup> The regional market appears a bit more promising, according to real estate firm Copaken Brooks:

The Utica/Rome retail market ended the quarter with a vacancy rate of 2.4%. The vacancy rate was down over the previous quarter, with net absorption totaling positive 46,397 square feet. Vacant sublease space stayed the same at 40,900 square feet. Rental rates ended the second quarter at \$10.61, an increase over the previous quarter. A total of one building with 5,000 square feet of space delivered to the market, with 82,000 square feet still under construction at the end of the quarter.<sup>18</sup>

| Table 9.<br>Types of Retail Establishments in the City of Utica by Surplus or Leakage, 2017.   |  |
|--|--|
| Categories with Surplus (sales by stores in the City exceed spending by City residents)  | Categories with Leakage (sales by stores in the City are less than spending by City residents)   |
| Grocery Stores<br>Department Stores Excluding Leased Depts.<br>Other General Merchandise Stores<br>Sporting Goods/Hobby/Musical Instrument Stores<br>Home Furnishings Stores<br>Vending Machine Operators<br>Special Food Services<br>Bldg. Material & Supplies Dealers<br>Health & Personal Care Stores<br>Direct Selling Establishments<br>Restaurants/Other Eating Places | Beer, Wine & Liquor Stores<br>Electronics & Appliance Stores<br>Other Motor Vehicle Dealers<br>Auto Parts, Accessories & Tire Stores<br>Florists<br>Specialty Food Stores<br>Drinking Places - Alcoholic Beverages<br>Other Miscellaneous Store Retailers<br>Automobile Dealers<br>Gasoline Stations<br>Used Merchandise Stores<br>Jewelry, Luggage & Leather Goods Stores<br>Book, Periodical & Music Stores<br>Shoe Stores<br>Office Supplies, Stationery & Gift Stores<br>Furniture Stores<br>Electronic Shopping & Mail-Order Houses<br>Clothing Stores<br>Lawn & Garden Equip & Supply Stores |
| Source: ESRI Business Analyst  |  |

In many ways, Utica is already a well-established retail center. As shown in the Table 9, the City draws shoppers in (has a retail “surplus”) for almost every standard category of retail. Its “leakage” (categories for which residents are leaving town to shop) is in virtually every specialty category of retail (even though it also includes auto-related businesses—dealerships and gas stations).

<sup>17</sup> (Thompson, 2017)

<sup>18</sup> (Copaken Brooks, 2019)



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As was pointed out in a recent analysis for Rome’s Woodhaven/Riverwalk Revitalization plan, among the opportunities there include “certain unique categories that could be considered if programmed not to compete head on with the typical mall retail. An indoor/outdoor all season, large-scale farmers’ market with specialty food and restaurants would be the most highly recommended.”<sup>19</sup> The surplus/leakage analysis summarized in Table 9 reaffirms this insight for Utica since it indicates that, for many specialty retail categories, resident spending is currently leaking out of the City into other locations. NOTE: the leakage in some of these categories (e.g., Clothing, Jewelry and Books) is no doubt due to on-line purchases. Nonetheless, the data do suggest that the City could capture additional retail through specialty stores that could be located on the MVHS campuses.

Table 10 provides a projection of the potential for various types of specialty retail which might be suitable for the campuses and for which spending is now “leaking” out of Utica. Assuming new development in each category could capture approximately fifteen percent of all leakage, it shows that this could involve creation of 36,000 square feet of retail space. But note that almost half of that space (15,134) is from “leaked” spending in Clothing Stores. Much of that leakage is certainly a result of on-line shopping and is not likely to be capture by new “bricks-and-mortar” stores. Thus, it may be more realistic to assume that total retail square footage to be created in the redevelopment of the MVHS campuses would be closer to 25,000 square feet, under the best of circumstances.

| Table 10.<br>Estimate of Square Footage of Retail Space that could be created by 15% capture of sales now “leaking” out of Utica for Selected Retail Categories.                       |            |   |   |
|--|------------|---|---|
| Category of Store  | NAICS Code | Leakages (excess of resident spending above sales by City stores) | Estimated Square Footage (assuming capture of 15% of leakage) |
| Furniture Stores   | 4421       | \$8,741,526   | 4,378   |
| Electronics & Appliance Stores   | 443        | \$2,346,111   | 1,005   |
| Specialty Food Stores  | 4452       | \$1,998,998   | 590   |
| Clothing Stores  | 4481       | \$27,747,919  | 15,134  |
| Shoe Stores  | 4482       | \$3,734,223   | 1,697   |
| Jewelry, Luggage & Leather Goods Stores  | 4483       | \$4,755,156   | 680   |
| Miscellaneous Store Retailers  | 453        | \$10,294,076  | 6,860   |
| Florists   | 4531       | \$447,925   | 224   |
| Office Supplies, Stationery & Gift Stores  | 4532       | \$4,901,191   | 3,341   |
| Other Miscellaneous Store Retailers  | 4539       | \$3,492,175   | 2,180   |
| Drinking Places - Alcoholic Beverages  | 7224       | \$1,046,321   | 343   |
| <b>TOTAL, all categories</b>   |            | <b>\$69,505,621</b>   | <b>36,432</b>   |
| Source: compiled by Fairweather Consulting using data from ESRI Business Analyst and RKG, <i>New York State Gateway &amp; Commerce Center at Ripley Feasibility Study</i> , May, 2019. |            |   |   |

On the other hand, institutions of higher education can also help foster retail and restaurant growth. To give two examples of potential opportunities for the MVHS campuses: Utica College adjacent to the St. Luke’s campus has seen the total number of degrees it awards annually increase over 35 percent from 1,054 in 2012 to 1,427 by 2017. At a wider, regional perspective, total degrees awarded at SUNY

<sup>19</sup> (City of Rome, NY, March, 2018), p. 3.

Polytechnic Institute increased by almost 12 percent from 625 in 2012 to 698 in 2017.<sup>20</sup> This kind of growth raises the possibility that MVHS campuses could be the site of projects targeted at supporting such growth in these institutions (e.g., private student housing, retail and restaurants serving students and faculty, etc.)

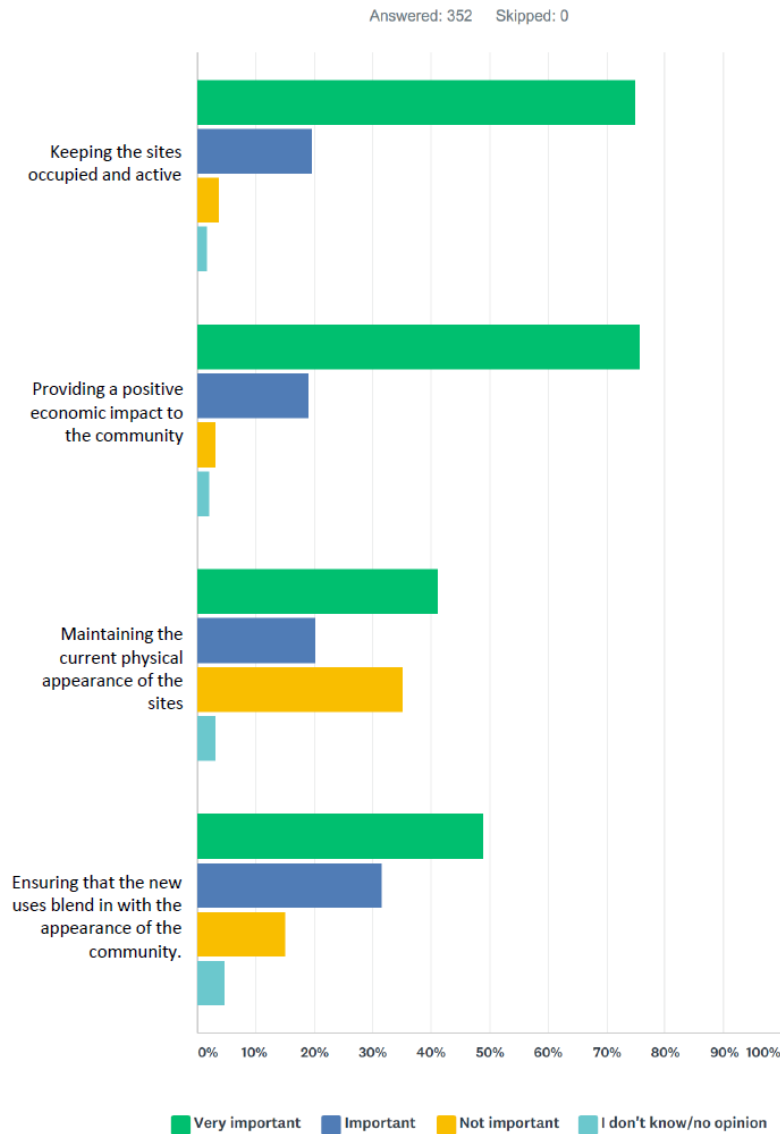
Thus, retail development, similar to office development, is not likely to be a driver in the redevelopment of the campuses. It should be considered as part of a mixed-used concept to build the amenities needed to attract users to the development, users that include both residents and visitors.

### Results of the Community Survey

In July and August of 2019, the Mohawk Valley Health System distributed an on-line survey to the community to better understand local preferences for redevelopment of the campuses. The survey received 352 responses, with the vast majority of those coming from residents in the greater Utica area.

According to the survey, residents are interested in maintain the sites in active uses that may benefit the area economically and which blend into the appearance of the community. (See Figure 9.)

Figure 9  
Elizabeth, St. Luke's or Faxton campuses?



<sup>20</sup> IPEDS data reported by the US Education Departments National Center for Education Statistics as compiled by EMSI.

The responses also indicate that—consistent with market opportunities described above—residents would be interested in redevelopment of the sites into walkable, mixed uses, high-income senior housing, housing for working families, or education or medical uses. There was much less support for corporate or industrial uses for the sites. (See Figure 10.) A summary of the survey results is included at the end of this report.

## Conclusions

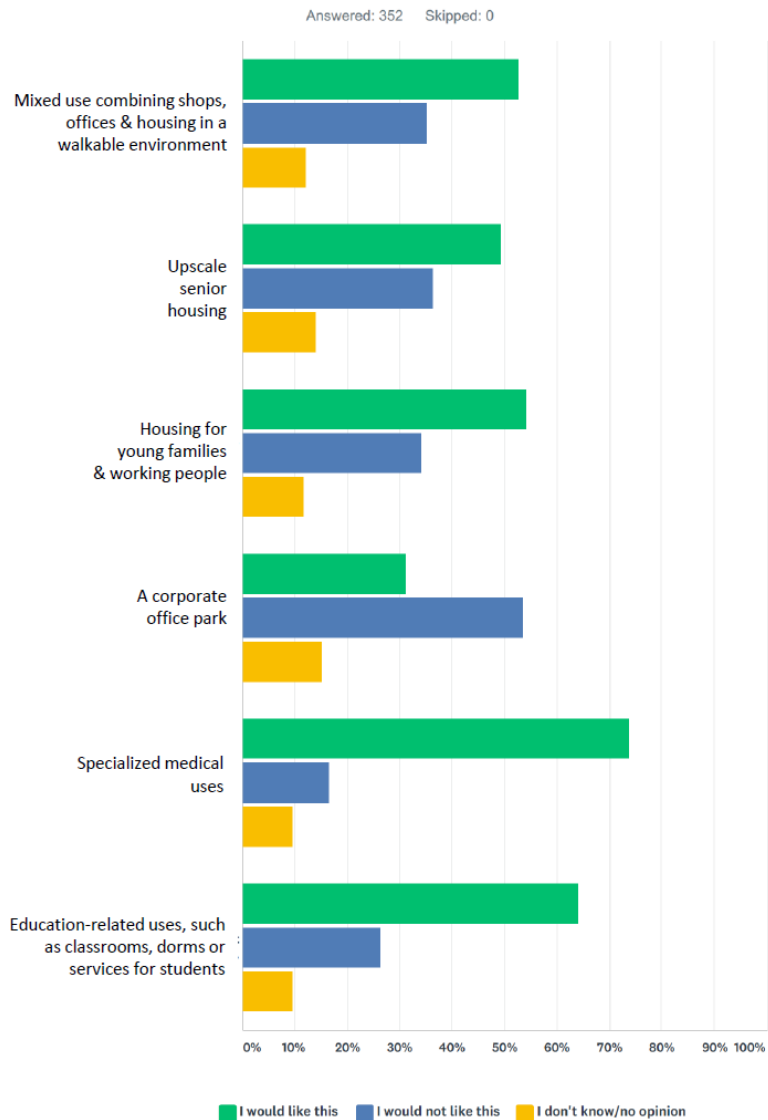
Based upon the projections provided above, the following market opportunities appear to be available for redevelopment of the MVHS campuses:

**Residential development:** There appears to be an annual demand for approximately 300 to 500 units of high density or multi-family housing in Oneida County. This would be concentrated among seniors, empty nesters looking to downsize and mid-career professionals seeking to establish families. In order to capture a significant share of this demand, it is important that the campuses be redeveloped to provide residents with the types of units and amenities they are seeking. These are discussed in the projections section.

**Retail development:** Given the disruption taking place in retail nationally, it cannot serve as a driver for redevelopment of the MVHS campuses. However, retail and hospitality can be expected to play a role in the creation of mixed-use development for the campuses. Projections suggest that there may be a total of 20,000 to 25,000 square feet of various retail uses for which the campuses can compete.

**Office development:** The national and regional overhang of vacant offices, coupled with increasing technological innovation dampening employment growth in services makes it very difficult to see office development leading the repurposing of the MVHS campuses. However, there may be opportunities for institutional partnerships with either higher education or health care organizations to occupy significant

Figure 10  
Q4 What types of uses would you like to see occur as the St. Elizabeth Campus is re-developed?



MARKET ANALYSIS, MOHAWK VALLEY HEALTH SYSTEM CAMPUSES

space on the repurposed campuses. This will depend upon the needs of the institutions and whether such needs can be accommodated in proposed developments for the sites.

As indicated by the results of the community survey, each of these uses appears to have substantial community support.

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## Appendices

## Q1 What is your first and last name?

Answered: 352 Skipped: 0

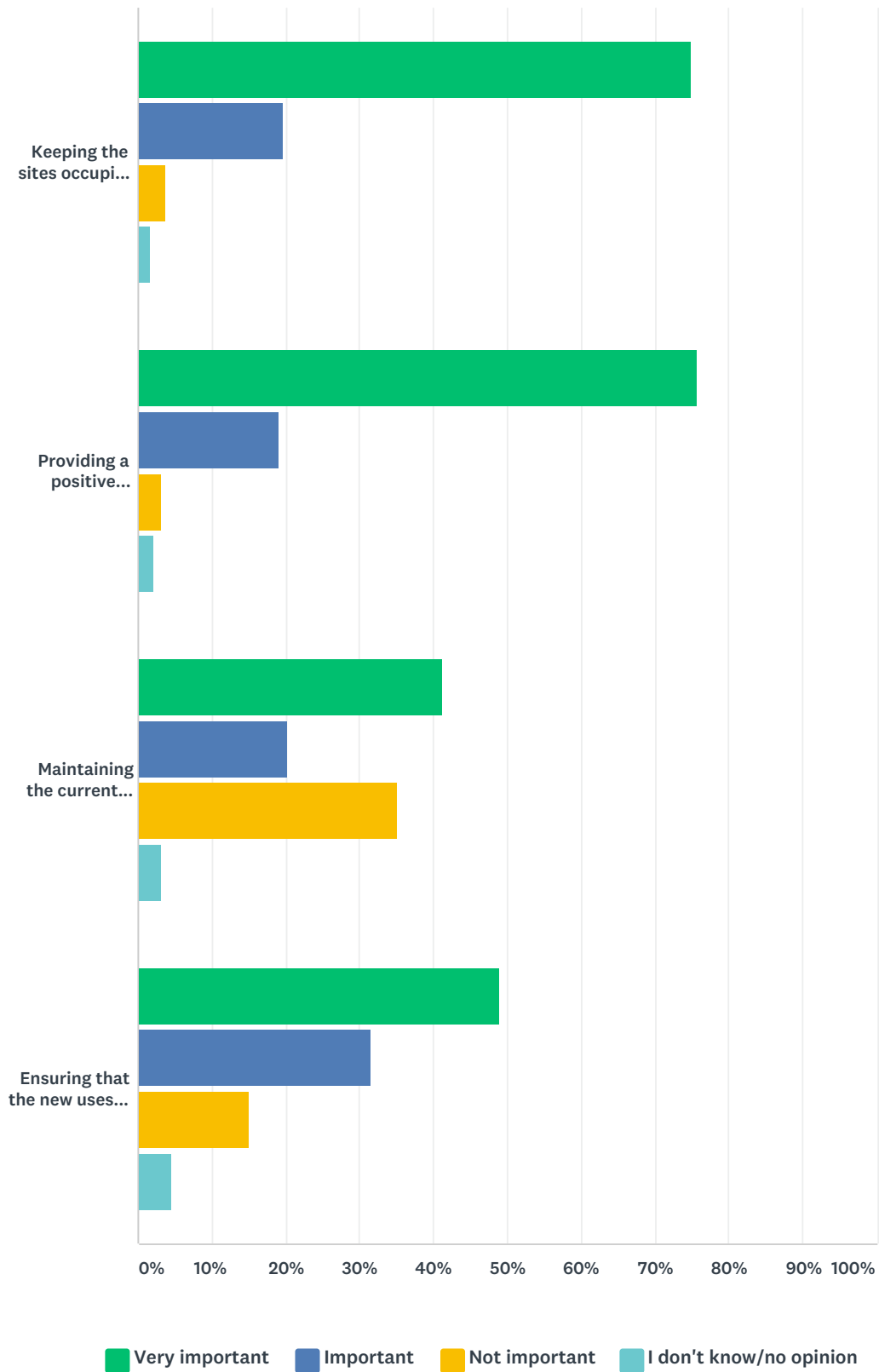


## Q2 What town or city do you live in?

Answered: 352 Skipped: 0

### Q3 How important are the following values in re-development of the St. Elizabeth, St. Luke's or Faxton campuses?

Answered: 352 Skipped: 0



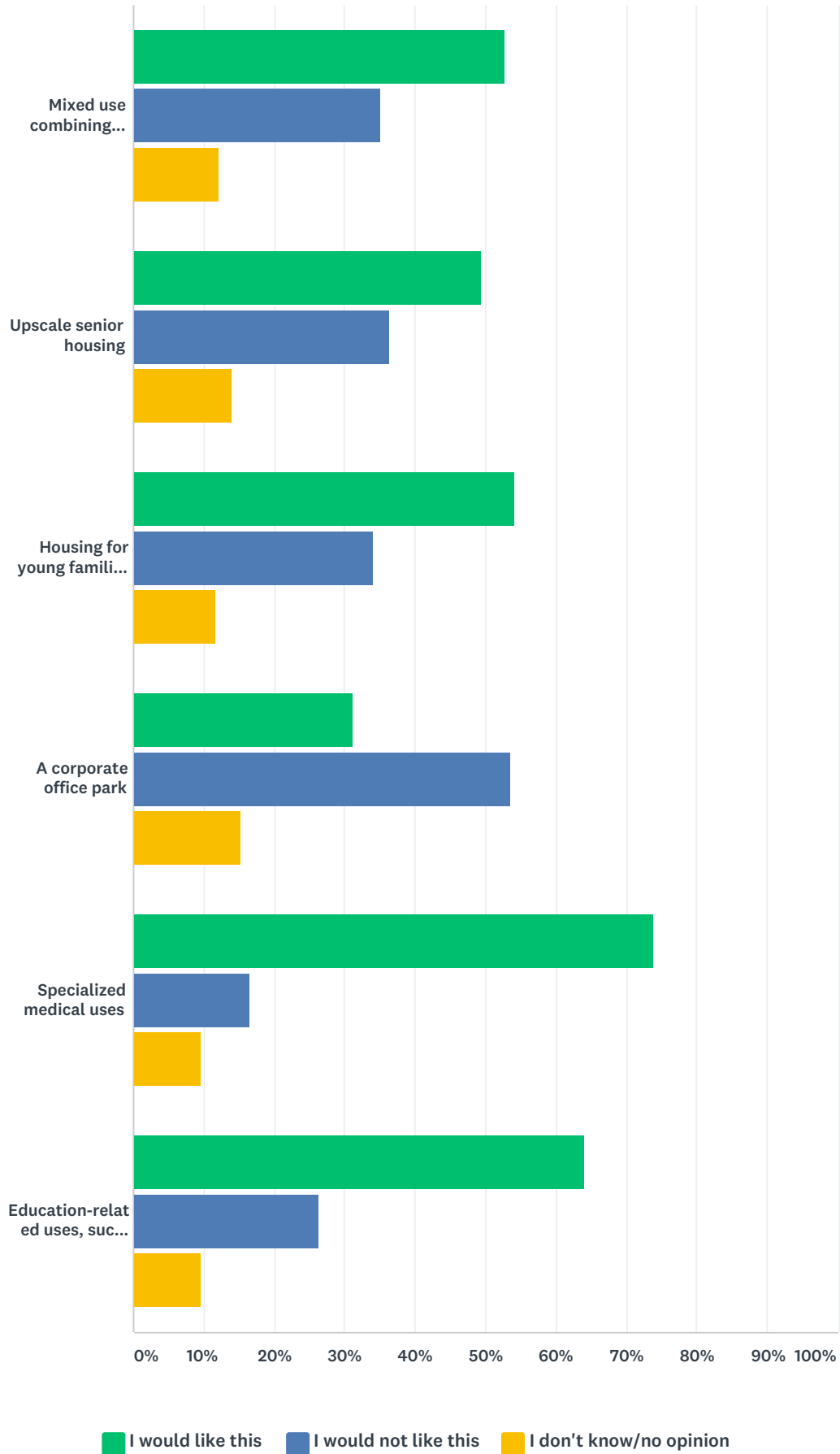
## Current MVHS Campuses Repurposing Survey

|  | VERY IMPORTANT | IMPORTANT     | NOT IMPORTANT | I DON'T KNOW/NO OPINION | TOTAL | WEIGHTED AVERAGE |
|--|----------------|---------------|---------------|-------------------------|-------|------------------|
| Keeping the sites occupied and active                                    | 75.00%<br>264  | 19.60%<br>69  | 3.69%<br>13   | 1.70%<br>6              | 352   | 1.32             |
| Providing a positive economic impact to the community                    | 75.78%<br>266  | 19.09%<br>67  | 3.13%<br>11   | 1.99%<br>7              | 351   | 1.31             |
| Maintaining the current physical appearance of the sites                 | 41.26%<br>144  | 20.34%<br>71  | 35.24%<br>123 | 3.15%<br>11             | 349   | 2.00             |
| Ensuring that the new uses blend in with the appearance of the community | 48.86%<br>172  | 31.53%<br>111 | 15.06%<br>53  | 4.55%<br>16             | 352   | 1.75             |

**Q4 What types of uses would you like to see occur as the St. Elizabeth Campus is re-developed?**

Answered: 352 Skipped: 0

# Current MVHS Campuses Repurposing Survey



## Current MVHS Campuses Repurposing Survey

|   | I WOULD LIKE THIS | I WOULD NOT LIKE THIS | I DON'T KNOW/NO OPINION | TOTAL | WEIGHTED AVERAGE |
|---|-------------------|-----------------------|-------------------------|-------|------------------|
| Mixed use combining shops, offices and housing in a walk-able environment   | 52.66%<br>178     | 35.21%<br>119         | 12.13%<br>41            | 338   | 0.89             |
| Upscale senior housing  | 49.41%<br>168     | 36.47%<br>124         | 14.12%<br>48            | 340   | 0.92             |
| Housing for young families and working people                               | 54.25%<br>185     | 34.02%<br>116         | 11.73%<br>40            | 341   | 0.89             |
| A corporate office park   | 31.23%<br>104     | 53.45%<br>178         | 15.32%<br>51            | 333   | 0.77             |
| Specialized medical uses  | 73.82%<br>251     | 16.47%<br>56          | 9.71%<br>33             | 340   | 1.03             |
| Education-related uses, such as, classrooms, dorms or services for students | 64.04%<br>219     | 26.32%<br>90          | 9.65%<br>33             | 342   | 0.93             |

## Q5 Are there any other uses you'd like to see at the St. Elizabeth Campus?

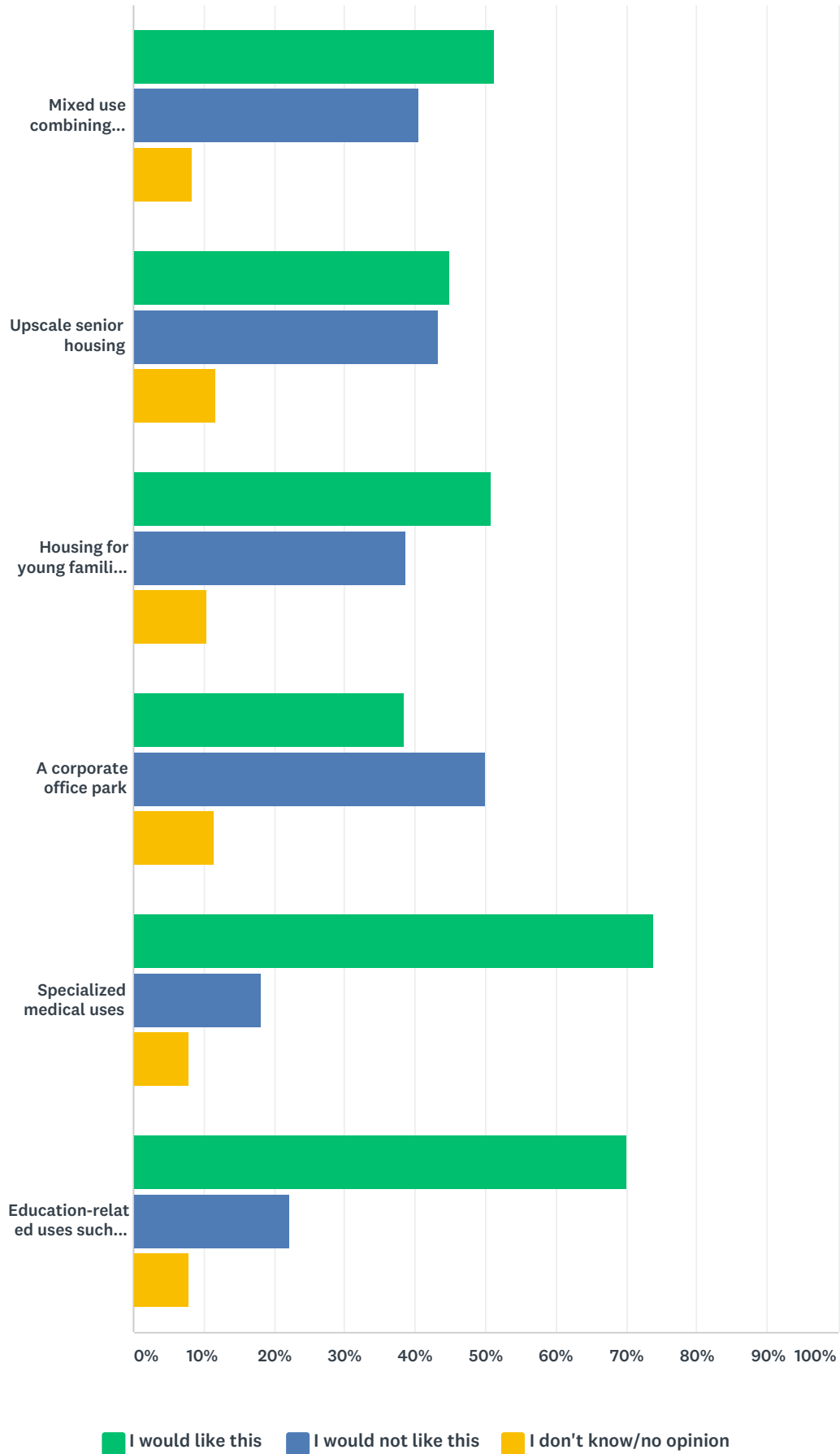
Answered: 352 Skipped: 0

**Q6 What types of uses would you like to see occur as the St. Luke's  
Campus is re-developed?**

Answered: 352 Skipped: 0



# Current MVHS Campuses Repurposing Survey



## Current MVHS Campuses Repurposing Survey

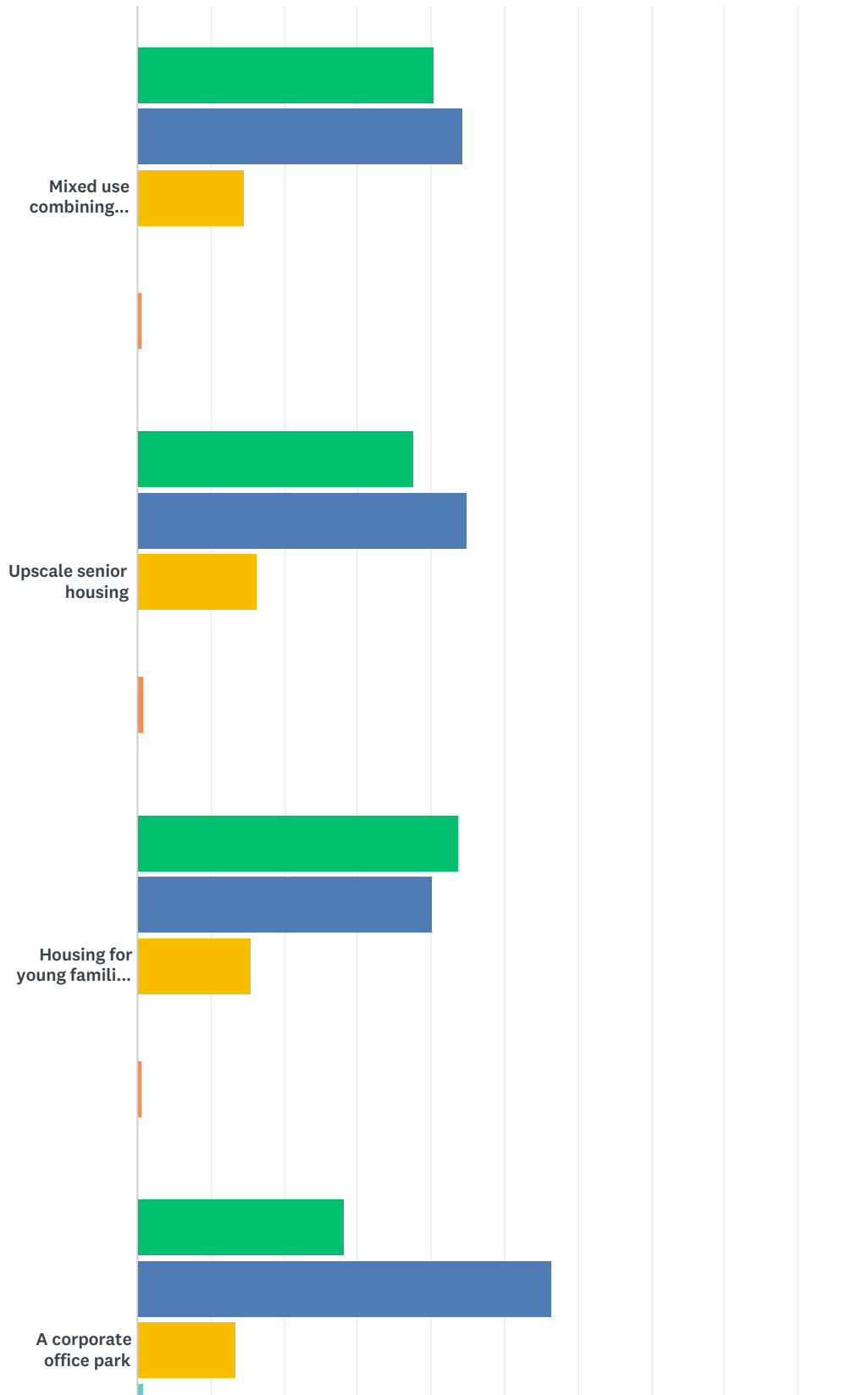
|   | I WOULD LIKE THIS | I WOULD NOT LIKE THIS | I DON'T KNOW/NO OPINION | TOTAL | WEIGHTED AVERAGE |
|---|-------------------|-----------------------|-------------------------|-------|------------------|
| Mixed use combining shops, offices and housing in a walkable environment  | 51.18%<br>173     | 40.53%<br>137         | 8.28%<br>28             | 338   | 1.57             |
| Upscale senior housing  | 45.05%<br>150     | 43.24%<br>144         | 11.71%<br>39            | 333   | 1.67             |
| Housing for young families and working people                             | 50.90%<br>170     | 38.62%<br>129         | 10.48%<br>35            | 334   | 1.60             |
| A corporate office park   | 38.39%<br>129     | 50.00%<br>168         | 11.61%<br>39            | 336   | 1.73             |
| Specialized medical uses  | 73.90%<br>252     | 18.18%<br>62          | 7.92%<br>27             | 341   | 1.34             |
| Education-related uses such as classrooms, dorms or services for students | 70.06%<br>241     | 22.09%<br>76          | 7.85%<br>27             | 344   | 1.38             |

**Q7 Are there any other uses you'd like to see at the St. Luke's campus?**

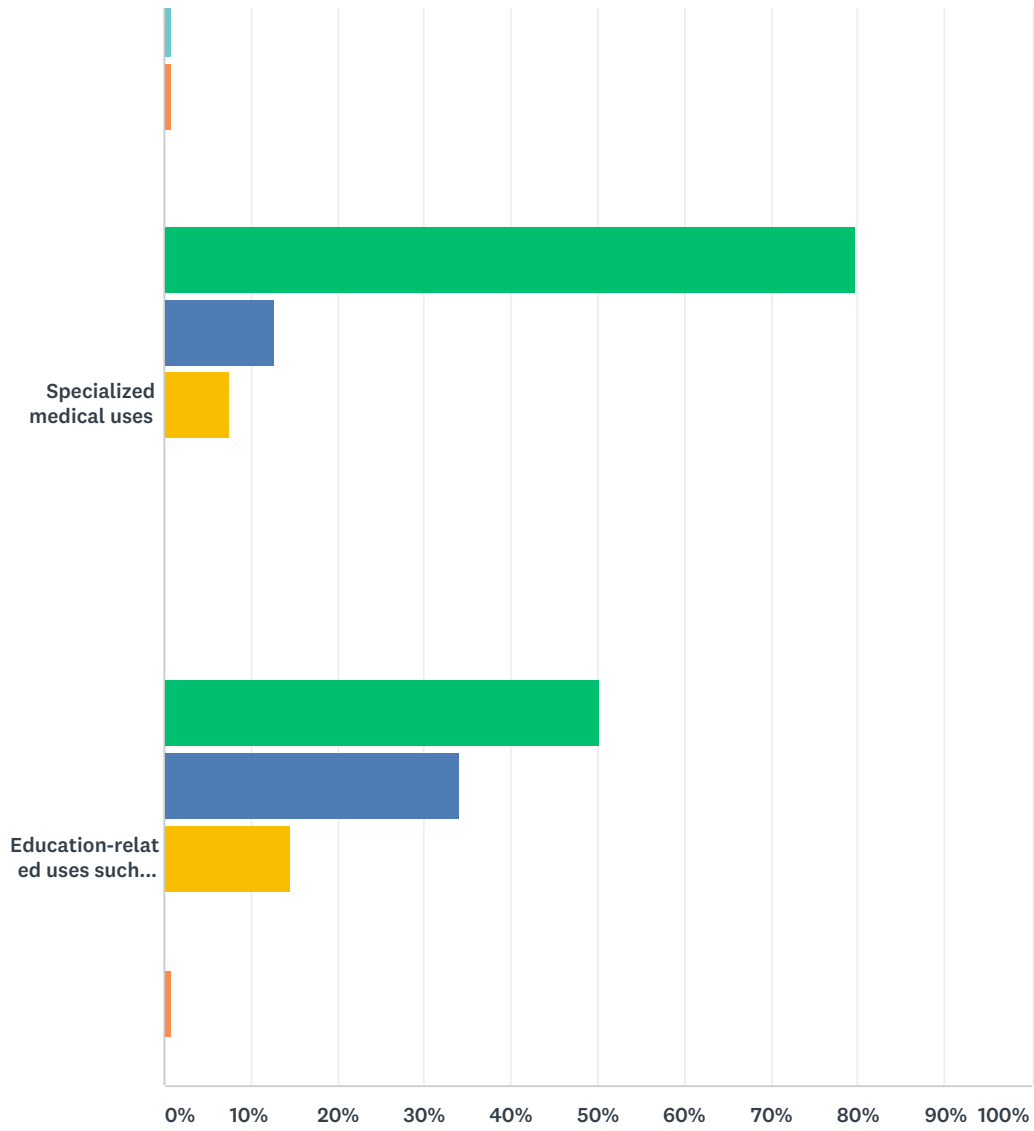
Answered: 352 Skipped: 0

# Q8 What types of uses would you like to see occur if the Faxton Campus is re-developed?

Answered: 352 Skipped: 0



## Current MVHS Campuses Repurposing Survey



■ I would like this   
 ■ I would not like this   
 ■ I don't know/no opinion  
■ (no label)   
 ■ (no label)

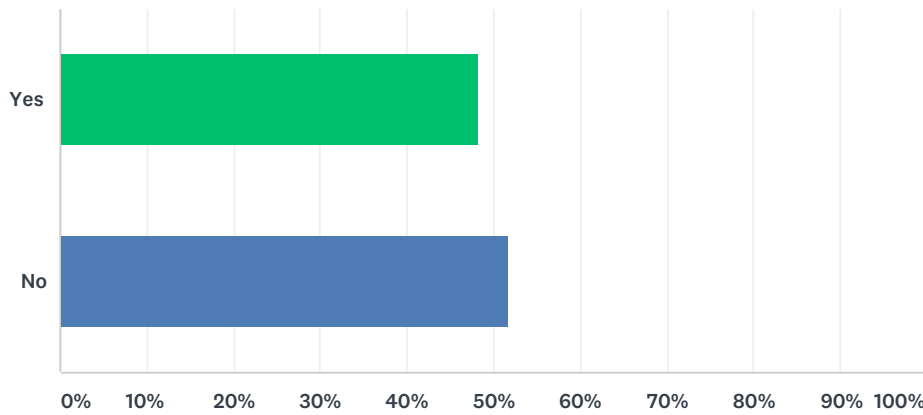
|   | I WOULD LIKE THIS | I WOULD NOT LIKE THIS | I DON'T KNOW/NO OPINION | (NO LABEL) | (NO LABEL) | TOTAL | WEIGHTED AVERAGE |
|---|-------------------|-----------------------|-------------------------|------------|------------|-------|------------------|
| Mixed use combining shops, offices and housing in a walk able environment | 40.35%<br>138     | 44.44%<br>152         | 14.62%<br>50            | 0.00%<br>0 | 0.58%<br>2 | 342   | 1.36             |
| Upscale senior housing  | 37.57%<br>127     | 44.97%<br>152         | 16.27%<br>55            | 0.30%<br>1 | 0.89%<br>3 | 338   | 1.44             |
| Housing for young families and working people                             | 43.70%<br>149     | 40.18%<br>137         | 15.54%<br>53            | 0.00%<br>0 | 0.59%<br>2 | 341   | 1.30             |
| A corporate office park   | 28.27%<br>95      | 56.55%<br>190         | 13.39%<br>45            | 0.89%<br>3 | 0.89%<br>3 | 336   | 1.61             |
| Specialized medical uses  | 79.71%<br>275     | 12.75%<br>44          | 7.54%<br>26             | 0.00%<br>0 | 0.00%<br>0 | 345   | 0.48             |
| Education-related uses such as classrooms, dorms or services for students | 50.29%<br>171     | 34.12%<br>116         | 14.71%<br>50            | 0.00%<br>0 | 0.88%<br>3 | 340   | 1.17             |

## Q9 Are there any other uses you'd like to see at the Faxton campus?

Answered: 307 Skipped: 45

### Q10 Would you like to receive communications about the new regional medical center?

Answered: 352 Skipped: 0



| ANSWER CHOICES | RESPONSES |     |
|----------------|-----------|-----|
| Yes            | 48.30%    | 170 |
| No             | 51.70%    | 182 |
| TOTAL          |           | 352 |

## Q11 Email Address

Answered: 255 Skipped: 97