SUPPORTING DOCUMENT 1:
ECONOMIC AND MARKET ANALYSIS

W-ZHA, LLC

ECONOMIC FRAMEWORK AND MARKET ASSESSMENTS

CHADAKOIN RIVER CENTRAL STUDY AREA

Submitted by:

W-ZHA, LLC

Submitted to

LaBella Associates

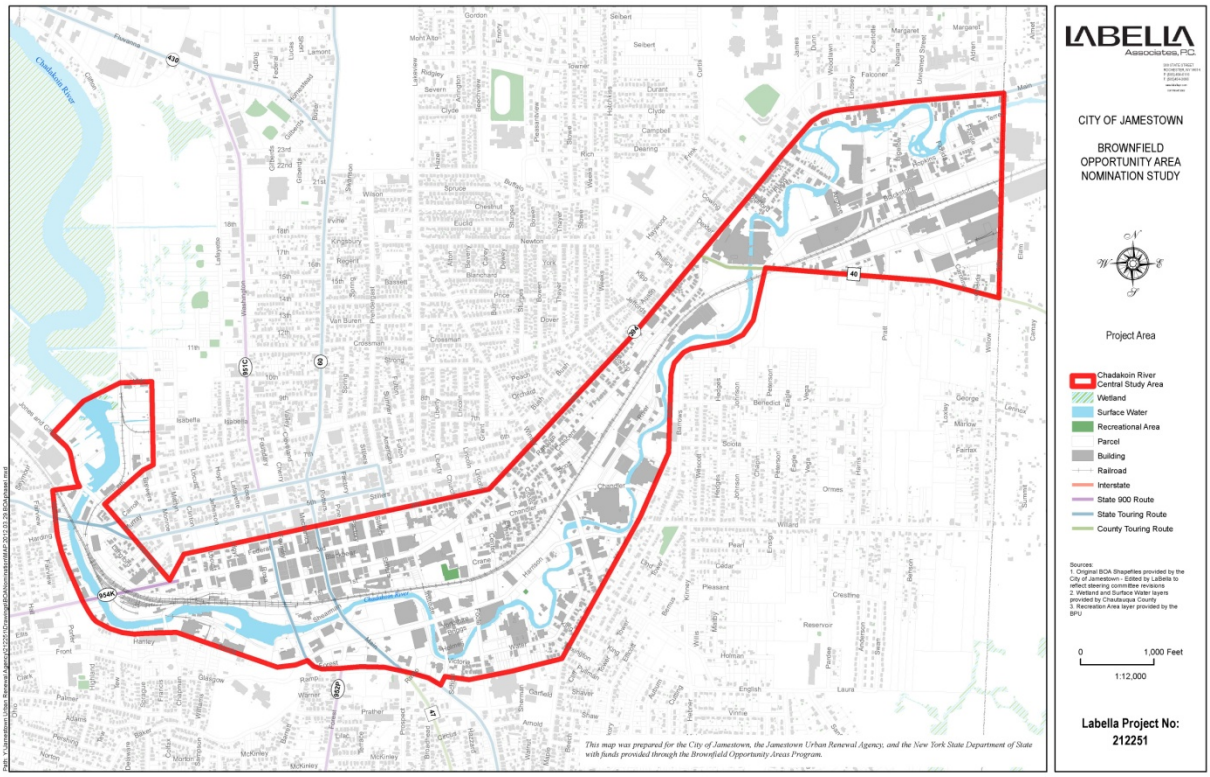
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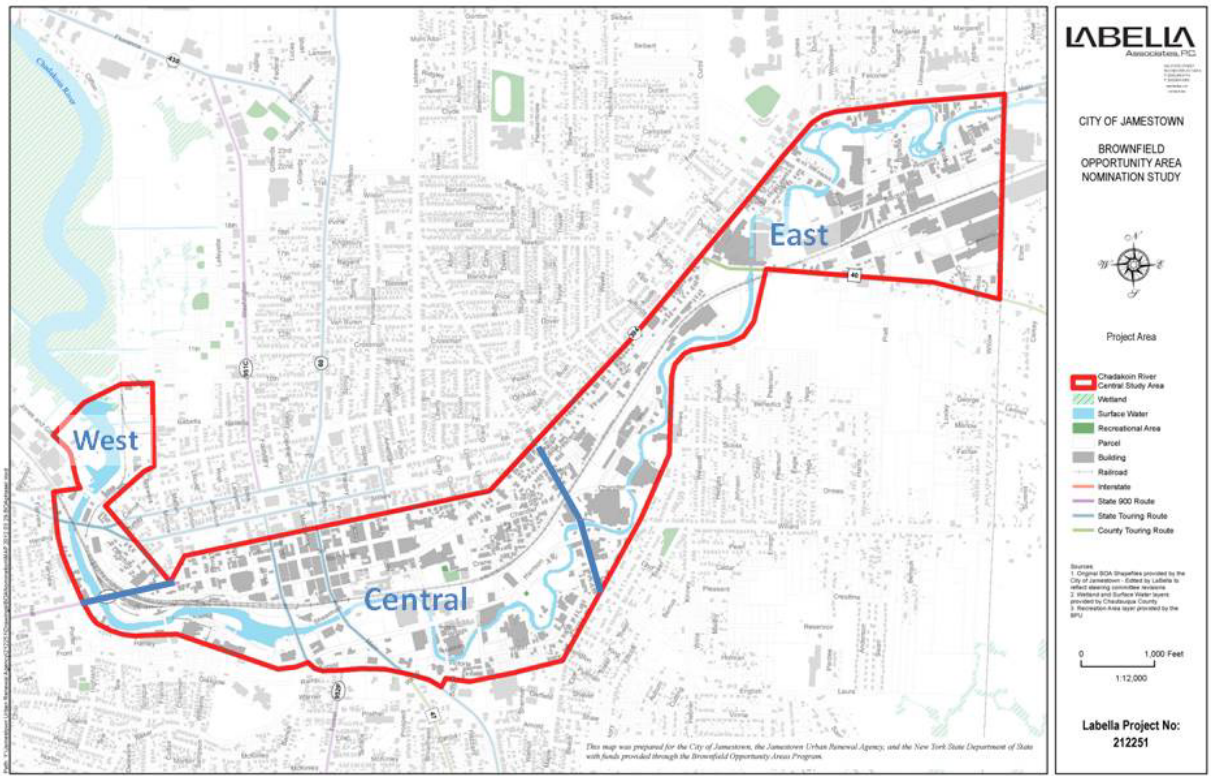
INTRODUCTION

W-ZHA was retained to identify market and economic trends impacting the Jamestown economy and analyze the redevelopment potential for the Chadakoin River Central Study Area ("Study Area"). This Technical Memorandum summarizes W-ZHA's economic analysis and market conclusions.



OVERVIEW OF THE STUDY AREA

There are significant land use variations within the Study Area boundaries. W-ZHA divided the Study Area into three sections: East, Central, and West. The boundaries of the sections are depicted on the following map.



The West section of the Study Area incorporates McCrea Point and the Fairmount Bridge/6th Street bridge areas. McCrea Point has a park with a small docking area. It appears that most of the people that use McCrea Point Park are local residents. Boaters can access Chautauqua Lake via the Chadakoin River from this point. It is difficult to access the Downtown via the River from McCrea Point.

This West section is accessible to a number of bike routes. It is easily accessed from the 42 mile Chautauqua Lake route. This bike route, which goes around the Lake, is one of the most popular bike routes for visitors and locals alike.

The Central section of the Study Area runs from the Third Street bridge to Winsor Street. North of the River, the boundary incorporates a portion of Jamestown's Central Business District. South of the River major anchors in, or adjacent to, the Central section of the Study Area include BPU, the Jamestown Area Medical Association, WCA Hospital and businesses like the Urology Center, Phoenix Metals and Artone Manufacturing. There are also a number of restaurants, pharmacies and general merchandise stores in the Central section of the Study Area.

A Healthcare Corridor concept is developing in the Central section that emanates from WCA Hospital. The Healthcare Corridor begins at Foote Street and extends to the Jones Memorial Health Campus and the Riverwalk Center. The concept is to cluster health and wellness uses in a physically attractive and connected environment in order to create land use synergy. Uses involved in technology, education, manufacturing and health and social services could all be part of the health and wellness cluster.

The Riverwalk passes through the central portion of the Study Area. The Riverwalk follows the River from the BPU Island, past the Riverwalk Center to Harrison Street.

To the east of Winsor Street is the Study Area's East section. Land use becomes mostly industrial and light industrial in the East section. Industrial uses benefit from low utility costs because of BPU's presence to the west. These uses also benefit from a strong transportation network and the presence of rail.

ECONOMIC FRAMEWORK

Observation: Chautauqua County and the Region have not grown significantly over the last decade and are not projected to grow over the next 5 years.

The Buffalo Niagara Region consists of Buffalo, Niagara, Chautauqua, Cattaraugus, and Allegany counties. Over the last 10 years, this region lost population, but had a slight increase in households. The Southern Tier West Region consists of Chautauqua, Cattaraugus, and Allegany counties. The Southern Tier West Region contains 19 percent of the Buffalo Niagara Region's population. Like the Buffalo Niagara Region, the Southern Tier West Region lost population, but had a slight increase in households over the last 10 years.

Population and Household Change
Buffalo Niagara Region, Southern Tier West Region, and Chautauqua County
2000 - 2012

	2000	2012	Change #	Change %
Population				
Buffalo Niagara Region /1	1,443,743	1,395,556	(48,187)	-3.3%
Southern Tier West Region /2	273,632	263,285	(10,347)	-3.8%
Chautauqua County	139,750	134,335	(5,415)	-3.9%
Households				
Buffalo Niagara Region /1	573,266	580,077	6,811	1.2%
Southern Tier West Region /2	104,547	104,998	451	0.4%
Chautauqua County	54,515	54,293	(222)	-0.4%

1. The Buffalo Niagara Region includes Erie, Niagara, Chautauqua, Cattauragus, and Allegany counties.
2. The Southern Tier West Region includes Chautauqua, Cattauragus, and Allegany counties.

Source: Claritas, Inc.; W-ZHA

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With an estimated 2012 population of approximately 31,000, Jamestown is the largest City in Chautauqua County. The "Jamestown Area" contains approximately 30 percent of the County's population and 31 percent of its households. W-ZHA defines the Jamestown Area as the City of Jamestown, Jamestown West, Celoron, Lakewood, and Falconer. The County, the Jamestown Area, and the City lost population and households between 2000 and 2012.

Population and Household Change
Chautauqua County, Jamestown Area, and Jamestown
2000 - 2012

	2000	2012	Change #	Change %
Population				
Chautauqua County	139,750	134,335	(5,415)	-3.9%
Jamestown Area	41,358	39,782	(1,576)	-3.8%
City of Jamestown	31,730	30,958	(772)	-2.4%
Households				
Chautauqua County	54,515	54,293	(222)	-0.4%
Jamestown Area	17,682	17,001	(681)	-3.9%
City of Jamestown	13,558	13,057	(501)	-3.7%

The Jamestown Area is defined as Jamestown, Jamestown West, Celoron, Lakewood and Falconer.

Source: Claritas, Inc.; W-ZHA

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Claritas, Inc. projects population and households over a five year period. Claritas projects that the number of County households will not change much over the next five years. Claritas projects that the Jamestown Area and the City of Jamestown will lose households over the next five years.

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Population and Household Projection
Buffalo Niagara Region, Southern Tier West Region, and Chautauqua County
2012 - 2017

	2012	2017	Change #	Change %
Population				
Chautauqua County	134,335	132,906	(1,429)	-1.1%
Jamestown Area	39,782	39,128	(654)	-1.6%
City of Jamestown	30,958	30,464	(494)	-1.6%
Households				
Chautauqua County	54,293	54,136	(157)	-0.3%
Jamestown Area	17,682	16,788	(894)	-5.1%
City of Jamestown	13,558	12,872	(686)	-5.1%

Source: Claritas, Inc.; W-ZHA

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Observation: Most of the households in Chautauqua County do not have children at home; one-and two-person household make up two-thirds of the County's households.

Most households in the County, Jamestown Area and the City of Jamestown do not have children under the age of 18 years old. The share of households with children at home has been decreasing in the County.

Households by the Presence of Children
Select Areas
2000, 2012

	2000		2012	
	With Children < 18	Without Children < 18	With Children < 18	Without Children < 18
Buffalo Niagara	32%	68%	29%	71%
Southern Tier West	34%	66%	30%	70%
Chautauqua	33%	67%	30%	70%
Jamestown Area	31%	69%	32%	68%
Jamestown	32%	68%	31%	69%

Source: Claritas, Inc.; W-ZHA

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Two-thirds of the households in the Jamestown Area and the City are one- and two-person households. The average size of a household in the County and the Jamestown Area is 2.26.

Household Size
Chautauqua County, Jamestown Area, Jamestown
2012

	Chautauqua County	Jamestown Area	Jamestown
1 Person	30%	35%	35%
2 Person	34%	32%	31%
3 Person	16%	15%	15%
4 Person	12%	11%	11%
4+ Persons	5%	5%	5%

Source: Claritas, Inc.; W-ZHA

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Observation: Chautauqua County has the relatively small share of young households. These households are important contributors to the labor force and their scarcity could prove to be an economic development constraint.

The County and the Jamestown Area lost households from 2000 to 2012. Most of these losses occurred among younger households. The share of City households under the age of thirty five went from 25 percent in 2000 to 21 percent in 2012. The share of households under the age of forty five went from 45 percent to 40 percent between 2000 and 2012.

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Household Change by Household Age
City of Jamestown
1990, 2000, 2012

Household Age	2000 Hshlds	2000 Share of Total	2012 Hshlds	2012 Share of Total	Change 2000-2012 #	Change 2000-2012 %
15-24	1,025	8%	879	7%	(146)	-14%
25-34	2,295	17%	1,792	14%	(503)	-22%
35-44	2,720	20%	2,492	19%	(228)	-8%
45-54	2,501	18%	2,680	21%	179	7%
55-64	1,610	12%	2,205	17%	595	37%
65-74	1,563	12%	1,393	11%	(170)	-11%
75-84	1,353	10%	1,170	9%	(183)	-14%
85+	491	4%	446	3%	(45)	-9%
Total	13,558		13,057		(501)	-4%
Share of Households Under 35 Years Old		*24%*		*20%*		
Share of Households Under 45 Years Old		*45%*		*40%*		

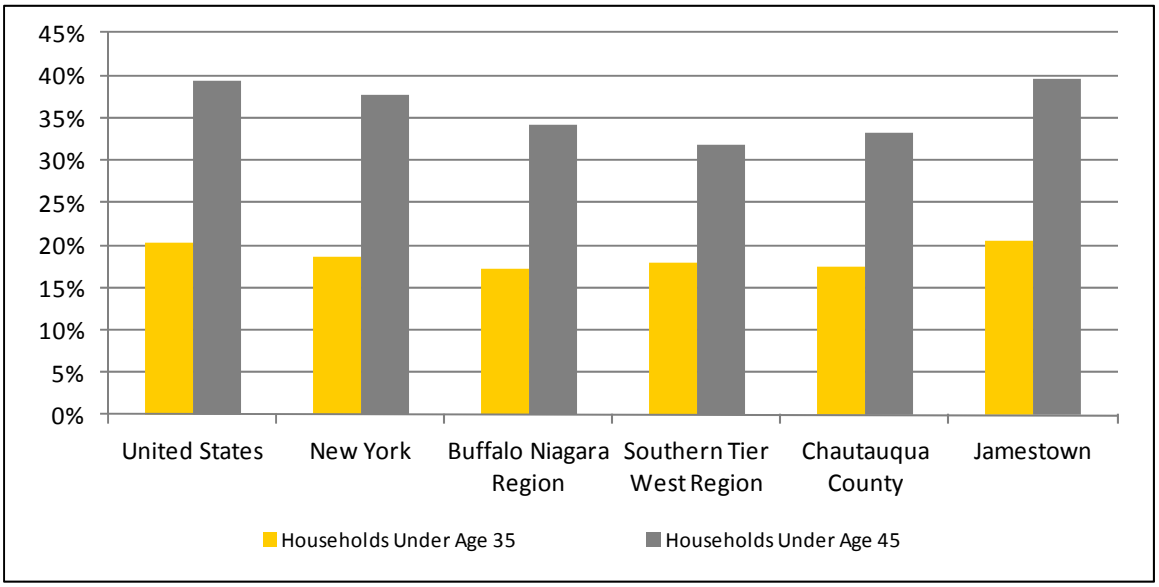
Source: Claritas, Inc.; W-ZHA

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The aging of the Jamestown household is a demographic phenomenon, not an economic phenomenon. Jamestown's household age changes are consistent with national trends. In fact, it appears that Jamestown has been more successful at retaining younger households as compared to the County and the State.

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The Share of Households Under 35 and Under 45 Years Old
U.S., New York, Buffalo Niagara Region, Southern Tier West Region, and City of Jamestown
2012



Source: Claritas, Inc.; W-ZHA
Demo/sht 8

Chautauqua County, however, has experienced a more significant reduction in younger households. In the County, today, only 33 percent of the households are under 45 years old and 18 percent are under the age of 35. Chautauqua County is where most of Jamestown's workers reside.

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Household Change by Household Age
Chautauqua County
1990, 2000, 2012

	1990		2000		2012		Change 1990-2000		Change 2000-2012	
Household Age	Hshlds	Share of Total	Hshlds	Share of Total	Hshlds	Share of Total	#	%	#	%
15-24	2,907	6%	2,848	5%	2,508	5%	(59)	-2%	(340)	-12%
25-34	9,951	21%	7,387	14%	7,004	13%	(2,564)	-26%	(383)	-5%
35-44	10,873	23%	11,342	21%	8,516	16%	469	4%	(2,826)	-25%
45-54	7,785	17%	10,923	20%	11,829	22%	3,138	40%	906	8%
55-64	3,792	8%	7,675	14%	10,392	19%	3,883	102%	2,717	35%
65-74	4,060	9%	7,145	13%	6,993	13%	3,085	76%	(152)	-2%
75-84	4,176	9%	5,457	10%	5,064	9%	1,281	31%	(393)	-7%
85+	3,547	8%	1,738	3%	1,987	4%	(1,809)	-51%	249	14%
Total	47,091		54,515		54,293		7,424	16%	(222)	0%
Share of Households Under 35 Years Old				*19%*		*18%*				
Share of Households Under 45 Years Old				40%		33%				

Source: Claritas, Inc.; W-ZHA

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Observation: Jamestown has a higher share of younger households, but they are not thriving economically.

Jamestown's median household income is lower than the region's and has not grown as quickly as the region's since 2000.

Median Household Income
Select Areas
2000, 2012

	2000	2012	Change #	Change %
Buffalo Niagara	$37,678	$43,904	$6,226	17%
Southern Tier West Region	$33,360	$38,930	$5,570	17%
Chautauqua County	$33,600	$38,540	$4,940	15%
Jamestown Area	$28,320	$31,650	$3,330	12%
City of Jamestown	$26,070	$29,310	$3,240	12%

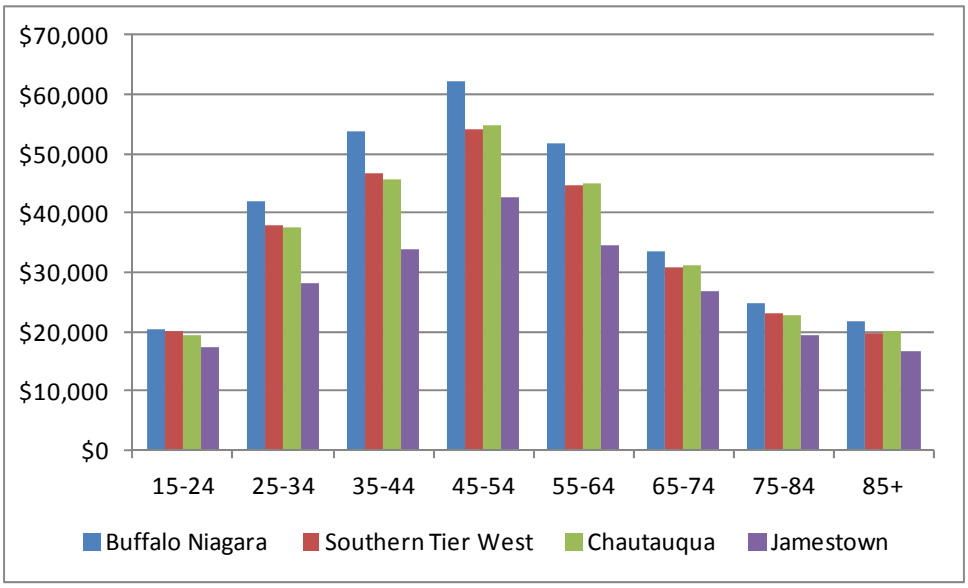
Source: Claritas, Inc.; W-ZHA

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Jamestown's younger households have lower median incomes as compared to the region. This is a function of their employment status and education.

Median Household Income By Householder Age
Selected Areas
2012



Jamestown's unemployment rate is much higher than the region's unemployment rate. Unemployment is a factor depressing incomes.

Civilian Labor Force Employment
Select Areas
2012

	Unemployment Rate
Buffalo Niagara	8.4%
Southern Tier West	8.5%
Chautauqua County	8.4%
Jamestown Area	12.5%
Jamestown	12.8%

Source: Claritas, Inc.; W-ZHA

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The educational attainment of Jamestown residents also depresses household income. Only 15 percent of Jamestown's adult population possesses a Bachelors degree or higher. This compares to 29 percent in the County.

Educational Achievement
Selected Area
2012

Educational Achievement	Buffalo Niagara	Southern Tier West	Chautauqua County	Jamestown
High School Diploma +	88%	87%	87%	85%
Associates Degree +	37%	31%	33%	31%
Bachelors Degree +	26%	19%	20%	18%
Master/Professional/Doctorate	12%	9%	9%	7%

Source: Claritas, Inc.; W-ZHA

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The County's per capita income is above the Southern Tier Region's, but below the Buffalo Niagara Region's. Jamestown's per capita income is low at $17,250.

Per Capita Income
Select Areas
2012

	Per Capita Income
Buffalo Niagara Region	$24,044
Southern Tier West Region	$19,962
Chautauqua County	$20,358
Jamestown Area*	$18,997
City of Jamestown	$17,251

* The Jamestown Area is defined as Jamestown, Jamestown West, Celoron, Lakewood and Falconer.

Source: Claritas, Inc.; W-ZHA

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Observation: The Jamestown Area has more jobs than it does labor force. Approximately, two-thirds of the City of Jamestown's jobs are held by people who live outside of the City.

Many of the higher income households in Chautauqua County work in Jamestown. The City of Jamestown has more jobs (13,523 jobs in 2010) than employed residents (11,152 people in 2010). Approximately two-thirds of the City of Jamestown's jobs are held by people who live outside of the City. The majority of Jamestown residents (57%) are actually working outside of the city.

Job Inflow/Outflow
City of Jamestown
2010

Employed in City	13,523	
Employed in City, Lives Outside	8,716	64%
Employed and Lives in City	4,807	36%
Lives in City	11,152	
Lives in City, Works Outside	6,345	57%
Lives and Works in City	4,807	43%

Source: Census; W-ZHA

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Observation: The State's Department of Labor indicates that Chautauqua County lost 9 percent of its jobs between 2000 and 2012. Most of the job losses occurred in the manufacturing industry, while there were significant job gains in the education and health services industries.

According to the State of New York's Department of Labor, Chautauqua County lost 9 percent of its jobs between 2000 and 2012. Over this same time period, the Buffalo Niagara Region (Erie, Niagara, Chautauqua, Cattaraugus, and Alleghany Counties) lost 2 percent of their jobs. Erie and Niagara Counties contain 84 percent of the employment in the Western Region.

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At Place of Work Employment Trends
Chautauqua County and Buffalo Niagara Region
2000 - 2012

	000's		Change	
	2000	**2012**	# (000's)	%
Buffalo Niagara Region	669.5	652.9	-16.6	-2%
Chautauqua County	59.5	53.9	-5.6	-9%
County Share of Regional Jobs	*8.9%*	*8.3%*		

Source: State of New York, Department of Labor; W-ZHA

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Most of the job losses in Chautauqua County occurred in the manufacturing industry. Most of the job gains occurred in the education and health industries.

At Place of Work Employment Trends
Chautauqua County
2000 - 2012

	000's		Change	
	2000	**2012**	# (000's)	%
Natural Resources Mining and Construction	1.8	2.2	0.4	22%
Manufacturing	**13.8**	**9.9**	**-3.9**	**-28%**
Trade Transportation and Utilities	10.2	9	-1.2	-12%
Information	1	0.7	-0.3	-30%
Financial Activities	1.3	1.4	0.1	8%
Professional and Business Services	3.5	3	-0.5	-14%
Education and Health Services	**7.3**	**9.4**	**2.1**	**29%**
Leisure and Hospitality	5.8	5.2	-0.6	-10%
Other Services	3.4	2.2	-1.2	-35%
Government	11.4	10.9	-0.5	-4%
Total	59.5	53.9	-5.6	-9%

Source: State of New York, Department of Labor; W-ZHA

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Observation: According to the United States Census, Chautuaqua County lost 6 percent of its jobs between 2002 and 2010, but the Jamestown Area, with almost half of the County's jobs, lost only 1 percent of its jobs.

The U.S. Census estimates employment by geographic area. The at-place-of-employment Census data is different from the State because the Census employs a different methodology and the Census does not include part-time workers or seasonal workers.

Primary Job Trends
Chautauqua County
2002-2010

	2002		2010		Change	
	Jobs	Share of Total	2010	Share of Total	#	%
Agriculture, Forestry, Fishing and Hunting	439	*1%*	434	*1%*	(5)	-1%
Mining, Quarrying, and Oil/Gas Extraction	156	*0%*	170	*0%*	14	9%
Utilities	289	*1%*	214	*0%*	(75)	-26%
Construction	1,287	*3%*	1,263	*3%*	(24)	-2%
Manufacturing	12,498	*26%*	9,419	*21%*	(3,079)	-25%
Wholesale Trade	1,447	*3%*	1,039	*2%*	(408)	-28%
Retail Trade	5,853	*12%*	5,434	*12%*	(419)	-7%
Transportation and Warehousing	1,245	*3%*	1,113	*2%*	(132)	-11%
Information	714	*1%*	625	*1%*	(89)	-12%
Finance and Inusrance	711	*1%*	804	*2%*	93	13%
Real Estate	362	*1%*	446	*1%*	84	23%
Professional, Scientific, and Technical Services	1,021	*2%*	860	*2%*	(161)	-16%
Management of Companies	238	*0%*	112	*0%*	(126)	-53%
Admin Support & Waste Management	1,179	*2%*	2,247	*5%*	1,068	91%
Educational Service	5,652	*12%*	5,372	*12%*	(280)	-5%
Health Care and Social Services	5,662	*12%*	7,174	*16%*	1,512	27%
Arts,Entertainment and Recreation	536	*1%*	396	*1%*	(140)	-26%
Accomodations and Food Services	3,808	*8%*	3,569	*8%*	(239)	-6%
Other Services (exc Public Admin)	1,919	*4%*	1,861	*4%*	(58)	-3%
Public Admin	3,918	*8%*	3,342	*7%*	(576)	-15%
Total	48,934	*100%*	45,894		(3,040)	-6%

Source: U.S. Census; W-ZHA

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According to the Census, in 2010, the City of Jamestown contained approximately one-third of the County's jobs. The Jamestown Area contained almost half of all the jobs in Chautauqua County.

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Jamestown Area's and Jamestown City's Share of Chautauqua County Jobs
2010

	County Jobs	Jamestown Area Share	Jamestown City Share
Agriculture, Forestry, Fishing and Hunting	434	0%	0%
Mining, Quarrying, and Oil/Gas Extraction	170	28%	28%
Utilities	214	7%	7%
Construction	1,263	28%	18%
Manufacturing	9,419	45%	23%
Wholesale Trade	1,039	41%	27%
Retail Trade	5,434	55%	21%
Transportation and Warehousing	1,113	34%	24%
Information	625	48%	40%
Finance and Inusrance	804	63%	38%
Real Estate	446	51%	28%
Professional, Scientific, and Technical Services	860	53%	40%
Management of Companies	112	84%	36%
Admin Support & Waste Management	2,247	62%	57%
Educational Service	5,372	35%	27%
Health Care and Social Services	7,174	58%	52%
Arts,Entertainment and Recreation	396	65%	64%
Accomodations and Food Services	3,569	40%	20%
Other Services (exc Public Admin)	1,861	47%	35%
Public Admin	3,342	11%	8%
Total	45,894	44%	34%

Source: U.S. Census; W-ZHA

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Where Chautauqua County lost 6 percent of its primary jobs between 2002 and 2010, the Jamestown Area only lost approximately 245 jobs, or 1 percent of its primary employment base during this time period.

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At Place of Work Primary Job Trends
Chautauqua County and the Jamestown Area
2002-2010

	2002	2010	Change #	Change %
Chautauqua County	48,934	45,894	-3,040	-6%
Jamestown Area	20,636	20,382	-254	-1%
Jamestown Area Share of County Jobs	*42.2%*	*44.4%*		

Source: U.S. Census; W-ZHA

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Observation: Both the health care and social service industry and the manufacturing industry are critical industries in the Jamestown Area economy.

The manufacturing industry and the health care and social service industry are the two largest industries in the Jamestown Area followed by retail and education. Approximately, four out of ten jobs in the Jamestown Area are either in the manufacturing or health care and social service industries.

Primary Job Trends
The Jamestown Area*
2002-2010

	2002 Jobs	2002 Share of Total	2010	2010 Share of Total	Change #	Change %
Agriculture, Forestry, Fishing and Hunting	24	*0%*	1	*0%*	-23	-96%
Mining, Quarrying, and Oil/Gas Extraction	34	*0%*	48	*0%*	14	41%
Utilities	38	*0%*	16	*0%*	-22	-58%
Construction	269	*1%*	357	*2%*	88	33%
Manufacturing	5,894	*29%*	4,215	*21%*	-1,679	-28%
Wholesale Trade	525	*3%*	429	*2%*	-96	-18%
Retail Trade	3,386	*16%*	3,000	*15%*	-386	-11%
Transportation and Warehousing	356	*2%*	382	*2%*	26	7%
Information	373	*2%*	300	*1%*	-73	-20%
Finance and Inusrance	375	*2%*	504	*2%*	129	34%
Real Estate	158	*1%*	228	*1%*	70	44%
Professional, Scientific, and Technical Services	514	*2%*	458	*2%*	-56	-11%
Management of Companies	187	*1%*	94	*0%*	-93	-50%
Admin Support & Waste Management	602	*3%*	1,398	*7%*	796	132%
Educational Service	1,786	*9%*	1,872	*9%*	86	5%
Health Care and Social Services	3,100	*15%*	4,156	*20%*	1,056	34%
Arts,Entertainment and Recreation	236	*1%*	257	*1%*	21	9%
Accomodations and Food Services	1,449	*7%*	1,417	*7%*	-32	-2%
Other Services (exc Public Admin)	797	*4%*	880	*4%*	83	10%
Public Admin	533	*3%*	370	*2%*	-163	-31%
Total	20,636	*100%*	20,382	*100%*	-254	-1%

* The Jamestown Area is defined as Jamestown, West Jamestown, Celeron, Lakewood, the Cummins Property and Falconer.

Source: U.S. Census; W-ZHA

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W-ZHA, LLC

Health care is an important economic engine for the City of Jamestown. With 3,725 jobs, the health care industry is the City's largest industry. Over one-quarter of the jobs in the City are in the health care industry. Over 850 new health care jobs were created in the City between 2002 and 2010.

Primary Job Trends
City of Jamestown
2002-2010

	2002		2010		Change	
	Jobs	Share of Total	2010	Share of Total	#	%
Agriculture, Forestry, Fishing and Hunting	24	*0%*	1	*0%*	(23)	-96%
Mining, Quarrying, and Oil/Gas Extraction	12	*0%*	48	*0%*	36	300%
Utilities	38	*0%*	16	*0%*	(22)	-58%
Construction	184	*1%*	228	*2%*	44	24%
Manufacturing	3,750	*26%*	2,130	*16%*	(1,620)	-43%
Wholesale Trade	343	*2%*	283	*2%*	(60)	-17%
Retail Trade	1,697	*12%*	1,155	*9%*	(542)	-32%
Transportation and Warehousing	232	*2%*	266	*2%*	34	15%
Information	352	*2%*	252	*2%*	(100)	-28%
Finance and Inusrance	280	*2%*	304	*2%*	24	9%
Real estate	122	*1%*	124	*1%*	2	2%
Professiona, Scientific, and Technical Services	438	*3%*	342	*3%*	(96)	-22%
Management of Companies	40	*0%*	40	*0%*	0	0%
Admin Support & Waste Management	514	*4%*	1,288	*10%*	774	151%
Educational Service	1,349	*9%*	1,432	*11%*	83	6%
Health Care	2,873	*20%*	3,725	*28%*	852	30%
Arts,Entertainment and Recreation	210	*1%*	253	*2%*	43	20%
Accomodations and Food Services	765	*5%*	731	*5%*	(34)	-4%
Other Services (exc Public Admin)	657	*5%*	652	*5%*	(5)	-1%
Public Admin	413	*3%*	253	*2%*	(160)	-39%
Total	14,293	*100%*	13,523	*100%*	(770)	-5%

Source: U.S. Census; W-ZHA

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Anchoring the health care industry is WCA Hospital which borders the Study Area. WCA Hospital employs approximately 1,150 people at a variety of skill levels. As is true in many communities, the hospital is a very important economic anchor that not only employs residents, but services the health and social needs of the community.

The manufacturing industry is the second largest employer in the City of Jamestown. One-out-of-four County manufacturing jobs are located in the City of Jamestown and many of these jobs are located in the Study Area. While there have been significant job losses over the last two decades, manufacturing is still an important component of the City's economic base.

W-ZHA, LLC

Observation: The City of Jamestown contains two-thirds of the County's cultural and recreational jobs; many of the County's cultural and recreational anchors are located in the Downtown.

While not a big job generator, it is important to note that the City of Jamestown is the cultural and recreation center of the County. The City contained 65 percent of the County's arts, entertainment, and recreation jobs. The Jamestown Savings Ice Arena is a major recreation anchor that draws attendance from the larger region. The Downtown also contains the Reg Lenna Civic Center, the Lucille Ball-Desi Arnaz Center, and the Fenton History Center.

Observation: With the exception of motor vehicle sales, Jamestown's retail sales have increased since 2000.

Sales, Marketing & Management, Inc. tracks retail sales over time through their "Survey of Buying Power". The most recent Survey data is from 2009. The table below summarizes retail sales for Chautauqua County and Jamestown. The sales are presented in 2000 dollars in order to show real change (net of inflation). Not all retail categories are presented, so the numbers do not add to the total.

Retail Sales
Chautauqua County and the City of Jamestown
2000 and 2009

	2000	2009 [1]	Change #	Change %
Chautauqua County				
Total	$1,342,404,000	$1,412,870,000	$70,466,000	5%
Food & Beverage	$164,710,000	$250,689,000	$85,979,000	52%
Eat & Drink	$108,844,000	$109,139,000	$295,000	0%
General Merchandise	$235,535,000	$233,771,000	($1,764,000)	-1%
Furniture & Appliances	$29,147,000	$16,165,000	($12,982,000)	-45%
Motor Vehicles Parts & Dealer	$461,201,000	$205,273,000	($255,928,000)	-55%
Jamestown				
Total	$372,926,000	$359,626,000	($13,300,000)	-4%
Food & Beverage	$46,795,000	$68,494,000	$21,699,000	46%
Eat & Drink	$23,189,000	$26,638,000	$3,449,000	15%
General Merchandise	$0	$22,577,000	$22,577,000	100%+
Furniture & Appliances	$5,182,000	$5,925,000	$743,000	14%
Motor Vehicles Parts & Dealer	$228,999,000	$92,173,000	($136,826,000)	-60%

1. 2009 sales have been adjusted for inflation. The 2009 sales are in 2000 dollars.

Source: Sales, Marketing & Management; W-ZHA

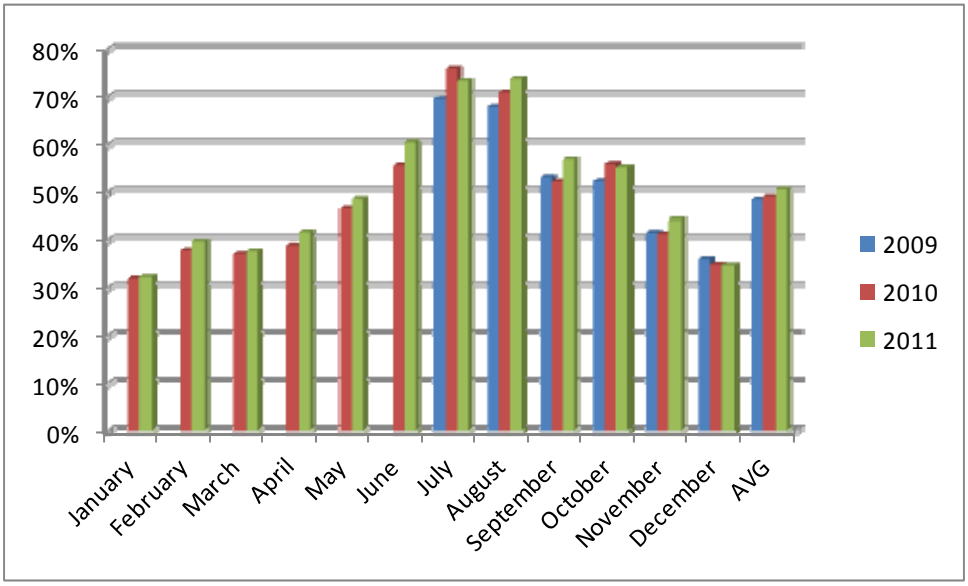
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Sales in motor vehicles and parts declined significantly between 2000 and 2009 in both the County and the City. The County saw sales in food and beverage increase significantly as did the City. Jamestown's retail sales increased in eating and drinking, general merchandise and furniture and appliances over this timeframe. Where City eating and drinking sales accounted for 21 percent of the County's eating and drinking sales in 2000, City eating and drinking sales accounted for almost one-quarter of the County's eat/drink sales in 2009.

Observation: The tourism market has been hurt by the recession, but the Chautauqua County Visitor's Bureau concludes that the tourism industry is growing 2 to 3 percent per year.

Local franchise hotels have been maintaining close to 50 percent occupancy over the last three years. As is illustrated on the following graph, the summer and fall months buoy the winter and spring months.

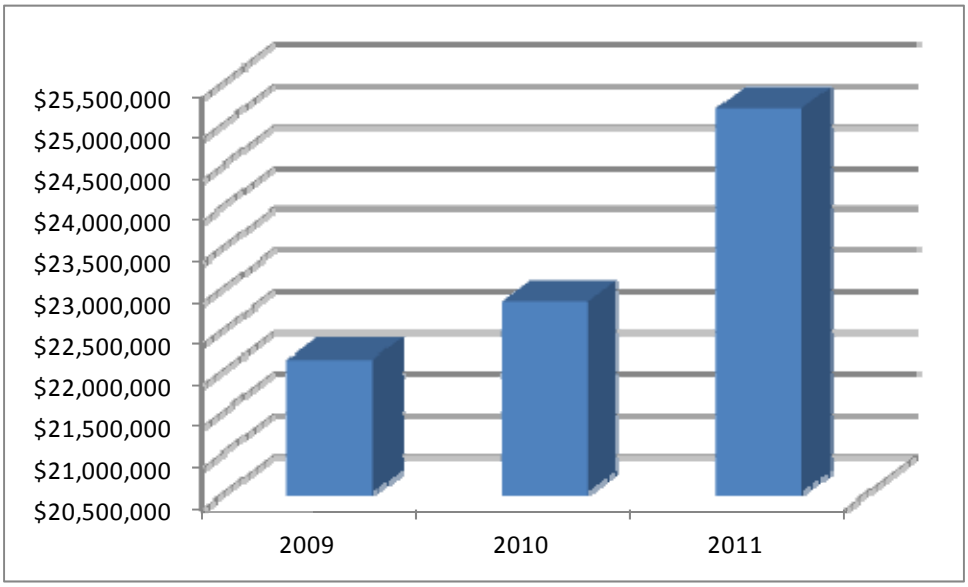
Hotel Occupancy
Chautauqua County
2009, 2010, 2011



Source: Chautauqua County Visitors Bureau

Franchise hotel revenue has increase over the last three years.

Hotel Revenue
Chautauqua County
2009, 2010, 2011



Source: Chautauqua County Visitors Bureau

It appears that the tourism economy is relatively stable.

Observation: Chautauqua County employment is projected to grow over the next 10 years.

Moody's Analytics produces at-place employment projections by industry. Moody's projects that the County's employment will increase by 8 percent between 2010 and 2020. This represents an important turn-around from the last 10 years.

Employment Projections Chautauqua County 2010-2020	Change
	%
Agriculture, Forestry, Fishing and Hunting	*na*
Mining, Quarrying, and Oil/Gas Extraction	0%
Utilities	-9%
Construction	23%
Manufacturing	-8%
Wholesale Trade	6%
Retail Trade	-1%
Transportation and Warehousing	0%
Information	14%
Finance and Inusrance	8%
Real Estate	2%
Professional, Scientific, and Technical Services	7%
Management of Companies	-4%
Admin Support & Waste Management	23%
Educational Service	12%
Health Care and Social Services	22%
Arts,Entertainment and Recreation	10%
Accomodations and Food Services	17%
Other Services (exc Public Admin)	8%
Public Admin	5%
Total	8%

Source: Moody's Analytics; W-ZHA

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Employment in health care and social services is projected to continue to grow at a rapid pace. While manufacturing is projected to lose employment, the rate of employment loss is projected to be slower in the coming decade. Significant employment gains are projected in the accommodations and food service industries.

ECONOMIC AND SOCIAL CONSIDERATIONS

Consideration: WCA Hospital is an Economic Development Anchor and Engine for Jamestown.

Bordering the Study Area is the WCA Hospital complex. WCA Hospital is the most important economic asset in Jamestown's economy. The Hospital employs over 1,100 people. According to the Census,

Chautauqua County's employment in health care and social services grew by 27 percent between 2002 and 2010. Moody's Analytics projects that the number of jobs in this industry will increase by 22 percent over the next decade.

The BOA Area is well-positioned to capitalize on this growth if the WCA Hospital and the Jamestown Area can become more competitive. For the Hospital to become more competitive it must attract more private paying patients and offer state-of-the-art quality health care. Currently, a very high share of the Hospital's patrons are Medicaid and Medicare patients. These types of patients pay less. This, in turn, makes it more difficult to attract quality specialists. Private paying clients often travel to Erie or Buffalo for their health care.

The new emergency room at the Hospital is an important step in the re-positioning of the Hospital. The state-of-the-art emergency room acts as a front door to many private patients. If the private patient feels comfortable, it is more likely that they will stay at the Hospital. As the share of private-pay patients increases the Hospital will become better able to recruit physicians.

An important contributor to the Hospital's success is the strength of its related local health care and social service cluster. The Study Area's redevelopment can be a critical component of this cluster's success. Creating an attractive, vital and functional mix of uses in the Central section of the Study Area will make it a more attractive investment location for medical, social and technical businesses. The Medical Corridor concept recognizes that a strong cluster of uses in an enhanced physical environment is necessary to successfully compete in the coming decade.

Related to this is Downtown's role as an urban destination. The Hospital recruits dozens of doctors a year, many of which are young. Many young professionals prefer Downtown living and walkable environments. As a dynamic urban center with urban living options and an 18-hour cycle of activity, the Downtown can enhance the Hospital's competitiveness.

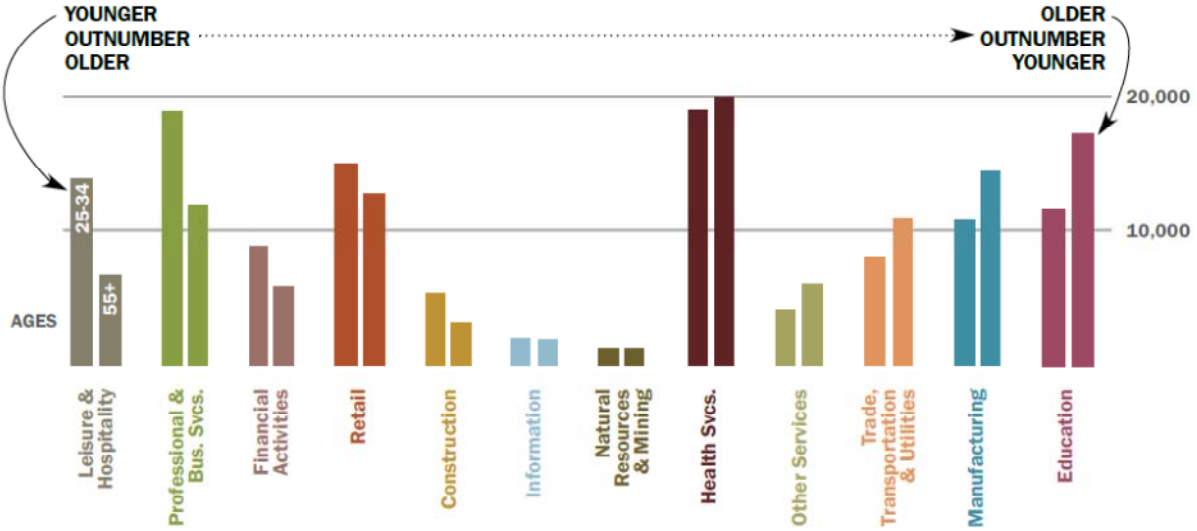
Consideration: The Manufacturing Industry Still has an Important Role in the Jamestown Economy.

The United States as well as the Jamestown Area has seen a steady erosion of manufacturing jobs over the last three to four decades. The job losses have been most pronounced in industries that produce high volume, standardized products where competition is based largely on price. The manufacturers that have been more successful in the U.S. have been those that produce specialized products. Rather than compete on labor costs, these manufacturers compete on design quality, customer service, and, often, a quick turnaround.

Many of these types of manufacturers are located in the Jamestown Area and they provide one-in-five of the Jamestown Area's jobs. These industries are located in the Jamestown Area either because they started here a long time ago or were attracted by low utility costs and the reliable workforce.

There is a problem, however. As manufacturing has been written-off as a dying industry, relatively few young people have pursued careers in the trades. At the same time (as the graph below illustrates), manufacturing has one of the oldest workforces among the major industries.

Number of Jobs by Industry and Age of Worker
Buffalo Niagara Region
2009



Source: "Buffalo Niagara Labor Market Assessment: Who's Your Economy?", Buffalo Niagara Enterprise

Buffalo Niagara Enterprise projects that in the coming years one-fifth of the manufacturing workforce will retire. As the older workforce retires there will be a labor shortage as there are few young people skilled in the trades to take their place. Those locations where there is a ready labor pool will be best positioned to retain, grow and attract manufacturing companies.

To address this looming employment shortage, the Manufacturers Association of the Southern Tier offers a program, "Dream It - Do It", that is designed to train people in the trades. The Southern Tier West Region is one of 17 regions across the country to offer this type of program and receive Federal funding. The program is currently operating in Jamestown in cooperation with the Jamestown Community College. The goal is to increase technical program enrollment in local colleges by 30 percent and satisfy local manufacturers' labor demands by 2015. While not as large as it once was, advanced manufacturing is and can be a viable industry in the Jamestown Area.

The East section of the Study Area is an important industrial area to the region. This section of the BOA Area offers good access, available and affordable land, and short rail. Importantly, the eastern portion of the BOA Area is near BPU where power is particularly inexpensive. Soon there will be a fiber-optic loop that will allow redundancy -- key to data centers and other high-tech user groups. Finally, the Mason Industrial Park due west of the BOA Area does not have much land available for new businesses.

In planning for the future, it will be important to have shovel-ready sites available (and potentially incentive packages) in the East section of the Study Area. The old Dahlstrom site, which is currently partially demolished, is a prime industrial location.

Observation: Jamestown Does Not Yet Have a Sufficient Critical Mass of Activity to Attract the Tourist.

Chautauqua County is a visitor destination throughout the year. Chautauqua Institute attracts 175,000 visitors during the summer. Other County attractions include Peek N' Peek Resort, the Brick Fire, Bemus point attractions, the Lake Erie Wine Trail, Roger Tory Peterson Institute, Luci & Desi attractions, the Reg Lenna Civic Center, and the Jamestown Savings Ice Arena. The primary trade area for the tourist market is the excursion market within 150- to 200-miles.

As acknowledged in the "Chautauqua County Branding, Development & Marketing Action Plan", most Chautauqua County towns do not have a sufficient critical mass of shopping and dining to appeal to visitors. The report notes that, in particular, the towns are weak on after 6pm activities when 70 percent of all consumer spending takes place.

W-ZHA believes that Downtown Jamestown is on the verge of having such a critical mass of activities. We agree, however, that the Downtown has yet to function as a tourist destination (except on an event basis). To strengthen the Downtown in the near term, therefore, will require that Downtown become more attractive to the ***local*** population. As the local market supports Downtown activities and businesses the economy can grow and a critical mass of activity will be developed -- the visitors will follow.

The Chadakoin Riverfront and Riverwalk in the Central section could be an important anchor to draw locals to the Downtown area. The Riverfront needs to continue to evolve into a recreational asset. Extending the Riverwalk to link with the historic train station and regional bike trails as well as the development of complementary land uses would help to make the River a regional destination.

MARKET ANALYSIS

Market analyses inform the planning process by identifying short-term development opportunities. Market analysis is a tool typically employed by the private sector to test whether there is sufficient demand for a product in a given trade area to warrant product development. To test the market for a given land use, W-ZHA employs methodologies used by investors and developers. Because it is an investment tool, the time horizon for a market analysis is relatively short -- five to ten years.

The residential, heath-social service, office, retail/restaurant, and industrial markets were analyzed on a preliminary basis to determine the character and magnitude of short-term market opportunities. The analyses resulted in the following conclusions:

- The market can currently support the development of 50 to 90 new/adaptive re-use housing units in the Study Area.
- By 2020, there will be market for 47,000 to 63,000 square feet of new health care and social service space in the Central portion of the Study Area.
- By 2020, there will be a market for 22,000 to 33,000 square feet of professional office space in the Study Area.
- There is specialty retail investment potential in the Downtown Core portion of the Study Area.
- By 2020 there will be a market for 5,000 to 7,000 square feet of eating and drinking space in the Study Area.
- The East section of the Study Area is well-positioned for industrial, light industrial and high tech businesses.

Conclusion: The market can support the development of 50 to 90 new/adaptive re-use housing units over the next five to seven years.

In Jamestown there is a shortage of new housing. Over 60 percent of the housing stock in in Jamestown is over 70 years old. Only 1 percent of the City's housing stock was built in the last decade.

Age of Housing Stock
Buffalo Niagara Region, Chautuaqua County, Jamestown Area, Jamestown
2012

	Buffalo Niagara Region	Chautauqua County	Jamestown Area	Jamestown
2005+	1.6%	1.3%	0.8%	0.9%
2000-2004	3.4%	2.4%	0.4%	0.3%
1990-1999	7.5%	6.3%	2.3%	1.4%
1980-1989	7.4%	7.8%	3.8%	3.4%
1970-1979	10.7%	9.1%	6.8%	6.0%
1960-1969	10.0%	8.1%	7.5%	7.3%
1950-1959	16.1%	11.6%	12.8%	11.3%
1940-1949	8.9%	7.3%	9.4%	8.6%
<1939	34.5%	46.3%	56.1%	60.8%
Median Age	1954	1945	1939	1939

Source: Claritas, Inc.; W-ZHA

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The Jamestown Area's housing stock is primarily comprised of old, large single family homes. These homes were not designed for the tastes and lifestyles of today's Jamestown household. Two-thirds of

Jamestown's households are one- and two-person. Less than 20 percent of households have "full-nest" lifestyles.

Household Lifestage and Lifestyle Characteristics
Chautauqua County and Jamestown
2012

	Chautauqua County		Jamestown	
YOUNGER YEARS		**31%**		**29%**
Midlife Success	8%		2%	
Young Achievers	3%		5%	
Striving Singles	20%		22%	
FAMILY LIFE		**19%**		**19%**
Accumulated Wealth	0%		0%	
Young Accumulators	2%		2%	
Mainstream Families	12%		5%	
Sustaining Families	5%		11%	
MATURE YEARS		**50%**		**52%**
Affluent Empty Nesters	3%		3%	
Conservative Classics	11%		8%	
Cautious Couples	20%		20%	
Sustaining Seniors	15%		21%	

Source: Claritas, Inc.; W-ZHA

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New urban housing tends to attract three primary household types:

- Young households, either singles or couples with urban lifestyle characteristics;
- Empty-nester households with urban lifestyle characteristics; and
- Households with urban lifestyle characteristics.

These household types may reside in an area, yet be underserved by the residential supply. For example, consider an older couple living in the family house, whose children are grown, and travel three months of the year. This couple might consider moving to a smaller, new house or condominium if an attractive option were available. In other words, urban housing markets are not necessarily driven by

net new households, they can be driven by changes in household lifestyle. Different lifestyles and lifestages demand different housing products.

Lifestyle data were analyzed for existing households within Chautauqua County. These existing households might consider a Jamestown location if the appropriate housing product were available. Approximately 24 percent of the households in the County have the income and lifestyle characteristics where an urban housing product might be an attractive option. A majority of this market are retirees.

Households with the Potential to Move Into Urban Residential Product
Chautauqua County
2012

Non-Subsidized Target Households	12,767	24%
Total Households	54,293	

Source: Claritas, Inc.; W-ZHA

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Retired couples typically stay in place until they have to move for health or family reasons. However, some move to housing products that are more consistent with their retired lifestyles. Retiree housing products range from small villas to townhouses to multi-family units. Given our understanding of the household types in the market, for-sale townhouses or villas in a well-planned neighborhood setting are an appropriate product. There may be an opportunity, albeit limited, for luxury lofts in a Downtown setting, as well. These products are not available in Downtown Jamestown today.

Empty nesters and young households demand a mix of product-types. While not deep, there is certainly a market for new multi-family for-sale or for-rent product in the Downtown to serve these households. There is very little product available to this market in Downtown today. In addition, like the retiree market, empty nesters and young households can demand rowhouse and villa products. Once again, these products are not readily available in Downtown Jamestown today.

On average, approximately four to five percent of American households move in a given year. Households at different lifestages move at different rates. For example, a 25-year-old single, young professional typically moves more often than a family of five. W-ZHA applied move rates to each target household type to determine market potential. Over the next five years, approximately 21 percent of the target households will likely move out of their existing home.

W-ZHA, LLC

Potential Households Moving Next 5 Years
Chautauqua County
2012-2017

	Target Markets	Moving Over Next 5 Years
Young Households	1,654	546
Empty Nesters	4,385	805
Retirees	6,728	1,360
Total	12,767	2,711

Source: Claritas, Inc.; W-ZHA

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Depending upon each target market's characteristics, W-ZHA applied capture rates of 1 to 5 percent among target market movers.

Market Rate Urban Residential Potential
Chautauqua County
2012-2017

	Target Markets	Moving Over Next 5 Years	Capture Rate On Movers		Units		
			Conservative	Moderate	Low		High
Young Households	1,654	546	3%	5%	16	-	27
Empty Nesters	4,385	805	3%	5%	24	-	40
Retirees	6,728	1,360	1%	2%	14	-	27
Total	12,767	2,711			50	-	90

Source: Claritas, Inc.; W-ZHA

f:\8000s, misc\80083 LaBella Jamestown\[residential analysis.xls]Sheet2

Given the character of the households and the magnitude of the moving market, W-ZHA concludes that there is market for the following housing mix in the Study Area over the next 5 to 7 years:

- 10-20 new, small houses or townhouses (1,000 to 1,500 square feet) in a neighborhood setting;
- 10-15 luxury condominiums in the Core of Downtown, either new or adaptive reuse multi-family lofts;
- 30-55 new multi-family rental housing units.

The under-utilized waterfront area (north of Harrison Street on the Chadokoin River in the Central portion of the Study Area) offers a residential development opportunity. An urban neighborhood can be created with the natural amenity of the River as well as services within walking distance.

There are adaptive re-use opportunities in the Downtown portion of the Study Area. The Cron building on the southwest corner of 2nd Avenue at the Pine Street intersection is a strong candidate. Over the longer term, the El Greco Mill could potentially be re-used for-rent residential.

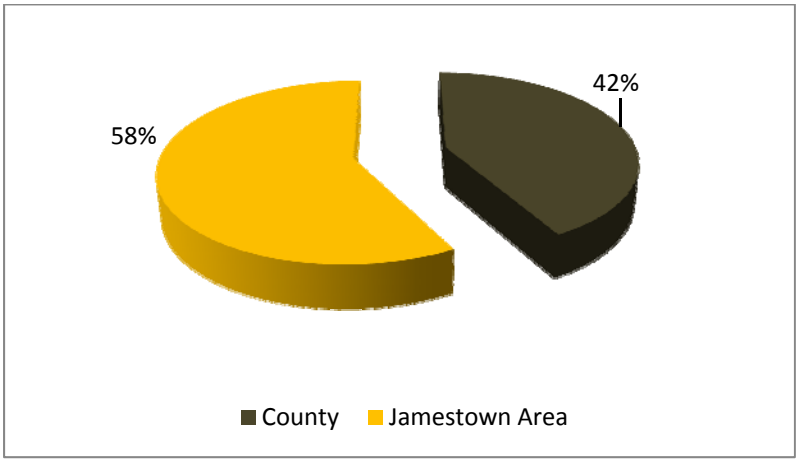
The primary constraint to residential development is economics. The target markets can afford to pay approximately $0.80 to $1.00 per square foot in rent per month. These prices are well above existing price points. These prices reflect the buying power of the target markets and the value of new product. Development and/or adaptive re-use costs may require a higher rent to achieve a reasonable return.

In addition, as in many New York communities, Jamestown has high property taxes. Unfortunately, high property taxes will reduce supportable residential sale prices and increase rents drastically. Without significant property tax breaks it will be difficult to attract residential developers to capitalize on market opportunities. It is important to note that a 10-year property tax break does not benefit the for-sale market where re-sale value is a consideration.

Conclusion: The market will support new medical office and social service space development in the Central section of the Study Area near the Hospital.

The Jamestown Area contains 58 percent of the County's health care and social service jobs. WCA Hospital accounts for just over one quarter of the Jamestown Area's health care and social service jobs. The Resource Center likely accounts for a significant share of the social service jobs in the Jamestown Area.

Jamestown Area's Share of County Health Care and Social Service Jobs
2010



Source: US Census; W-ZHA Employment.xls/ja share

Industry sub-sector data is available on a County level. In 2010, 59 percent of the County's health care and social service jobs were located in hospitals or nursing/ residential care facilities. Approximately, 40 percent of the health care and social service jobs were in doctors' offices and social service offices.

Health Care and Social Service Employment by Industry Sub-Sector
Chautauqua County
2010

	2010
	Share
Ambulatory	21%
Social Assistance	20%
Hospitals	21%
Nursing and Residential Care	38%
Total	100%

Source: County Business Patterns; W-ZHA
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Moody's Analytics projects that the number of jobs in the County's health care and social service industry will increase by 21 percent by 2020. Applying this growth rate to the US Census' 2010 County employment data, this amounts to 1,540 new jobs by 2020.

Health Care and Social Service Employment Projections
Chautauqua County
2010-2020

			Change	
	2010	2020	#	%
Health Care and Social Service Employment	7,174	8,710	1,536	21%

Source: U.S. Census; Moody's Analytics; W-ZHA
f:\8000s, misc\80083 LaBella Jamestown\[employment.XLS]Sheet1

Applying the 2010 distribution of jobs by industry sub-sector as a proxy, there will be 630 new ambulatory care and social service jobs in the County by 2020.

W-ZHA, LLC

Health Care and Social Service Employment Projections
Chautauqua County
2010 - 2020

	2010	2020	Change
Ambulatory	1,494	1,814	320
Social Assistance	1,448	1,758	310
Hospitals, Nursing and Residential Care	4,232	5,138	906
Total	7,174	8,710	1,536

Source: U.S. Census; Moody's Analytics; W-ZHA
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At 250 square feet per employee, this job growth will generate demand for 157,500 square feet of medical office and social service space in the County by 2020.

Health Care and Social Service Employment Projections
Chautauqua County
2020

	2020
Ambulatory and Social Assistance New Jobs	630
Space per Employee (Square Feet)	250
Total Potential Demand (Square Feet)	157,530

Source: U.S. Census; Moody's Analytics; W-ZHA
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The Medical Corridor is well-positioned to capture a significant share of this new medical and social service development potential. The WCA Hospital is a major health care anchor. Medical offices do, and will continue to, locate near the Hospital.

W-ZHA concludes that the Study Area has the potential to capture 30 to 40 percent of the space demanded by the County's growth in the ambulatory and social assistance industries. This amounts to 47,000 to 63,000 square feet.

W-ZHA, LLC

Doctors and Social Service Space Development Potential
Study Area
2020

	Low	High
County Ambulatory and Social Assistance Space Demand	157,530	157,530
Study Area Capture	30%	40%
Development Potential (Square Feet)	47,000	63,000

Source: U.S. Census; Moody's Analytics; W-ZHA
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Conclusion: The market will support additional professional office space in the Study Area.

Industries that typically occupy office space include information, finance and insurance, real estate, professional and business services, and other religious, social, and fraternal organizations. The Jamestown Area contained 39 percent of the County's office-inclined jobs in 2010.

Jamestown Area Share of Office-Inclined Employment
Chautauqua County and Jamestown Area
2010

	County	Jamestown Area	Share
Information	887	300	34%
Finance and Insurance	1,091	504	46%
Real estate	609	228	37%
Professional, Scientific, and Technical Services	1,018	458	45%
Management of Companies	194	94	48%
Religious,Grantmaking,Civic,Prof Organizations *	1,827	616	34%
	5,626	2,200	39%

* *County business patterns provides employment data on a sub-sector basis. Religious, grant making, civic professional and related organization employment represented 70 percent of the County's total "Other Services" employment in 2010. W-ZHA assumed the same percentage of "Other Services" to estimate religious, grant making, civic and professional organization employment in the Jamestown Area.*

Source: U.S. Census; Moody's Analytics; W-ZHA
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Moody's Analytics projects that by 2020, Chautauqua County will have an additional 444 jobs in office-inclined industries.

W-ZHA, LLC

Office-Inclined Industry Employment Projection
Chautauqua County
2010-2020

	2010	2020	Change #	Change %
Information	887	1,009	122	14%
Finance and Insurance	1,091	1,183	92	8%
Real estate	609	622	13	2%
Professional, Scientific, and Technical Services	1,018	1,094	76	7%
Management of Companies	194	186	-8	-4%
Religious,Grantmaking,Civic,Prof Organizations *	1,827	1,976	148	8%
Total	5,626	6,071	444	8%

Source: U.S. Census; Moody's Analytics; W-ZHA
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This job growth will generate a demand for approximately 111,000 square feet of office space. Some of this demand will be satisfied by existing vacant or under-utilized space. Some of this demand may be met with new office construction in the County.

Office Space Potential
Chautauqua County
2020

	2020
New Office-Inclined Jobs	444
Space per Employee (Square Feet)	250
Total Potential Demand (Square Feet)	111,000

Source: U.S. Census; Moody's Analytics; W-ZHA
f:\8000s, misc\80083 LaBella Jamestown\[employment.XLS]Sheet11

Downtown Jamestown is already a business center with goods and services within walking distance of each other. As the County's current office center, the Downtown is well-positioned to capture a portion of future office demand. Office opportunities are available in existing Downtown buildings such as the post office. The Downtown also has sites suitable for new office construction, particularly west of Washington Street.

There are relatively few professional office buildings on the south side of the River in the Study Area. However, there are under-utilized sites well positioned for new office construction to the east of Foote Avenue.

W-ZHA, LLC

W-ZHA concludes that the Study Area has the potential to capture 20 to 30 percent of the County's new office-inclined employment. This translates into 22,000 to 33,000 square feet of office space by 2020.

Office Space Development Potential
BOA Study Area
2020

	Low	High
Office Space Demand	111,000	111,000
BOA Capture	20%	30%
Development Potential (Square Feet)	22,000	33,000

Source: U.S. Census; Moody's Analytics; W-ZHA
f:\8000s, misc\80083 LaBella Jamestown\[employment.XLS]Sheet12

Conclusion: The Study Area is not particularly well-positioned for additional retail, except in the Downtown Core where independently operated, specialty retail has potential.

Chautauqua County benefits from the tourism trade. Retail sales are over 25 percent higher than average because of the tourism economy. Curiously, tourism is not buoying the eating and drinking market. Eating and drinking sales are below what the local population typically spends in eating and drinking establishments per year.

Resident Retail Expenditure Potential Compared to Retail Sales
Chautauqua County
2012

	Non-Auto Retail*		
	Total Retail & Eat/Drink	Retail Only	Eat/Drink Only
Expenditure Potential	$1,127,983,000	$967,509,000	$160,474,000
Retail Sales	$1,437,625,000	$1,303,383,000	$134,241,000
Inflow/(Outflow)	$309,642,000	$335,874,000	($26,233,000)
Share of Sales from Inflow/(Outflow)	22%	26%	20%

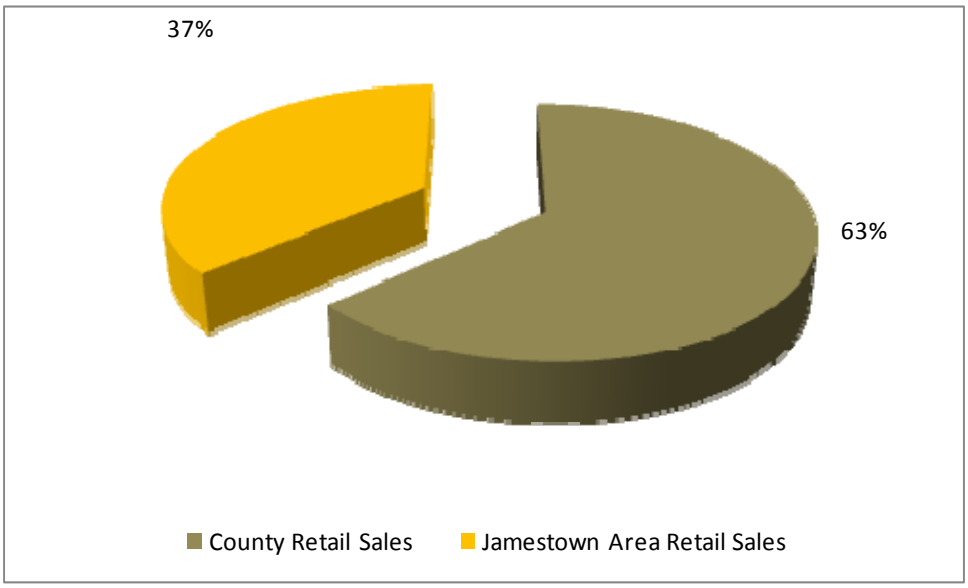
* Excludes vehicle sales and gasoline sales.

Source: U.S. Census; Claritas, Inc.; W-ZHA
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The Jamestown Area contains 30 percent of the County's population and accounts for 37 percent of the County's non-vehicle retail and eating and drinking sales.

Jamestown Area Share of County Non-Vehicle Retail Sales

2012



Source: Claritas, Inc.

Retail county Jamestown/area split

Sixty percent of the Jamestown Area's retail sales are from non-residents. Approximately, 20 percent of eating and drinking sales are from non-residents.

Resident Retail Expenditure Potential Compared to Retail Sales
Jamestown Area
2012

	Non-Auto Retail*		
	Total Retail & Eat/Drink	**Retail Only**	**Eat/Drink Only**
Expenditure Potential	$311,709,414	$267,363,631	$44,345,783
Retail Sales	$726,668,791	$672,042,801	$54,625,990
Inflow/(Outflow)	$414,959,377	$404,679,170	$10,280,207
Share of Sales from Inflow/(Outflow)	57%	60%	19%

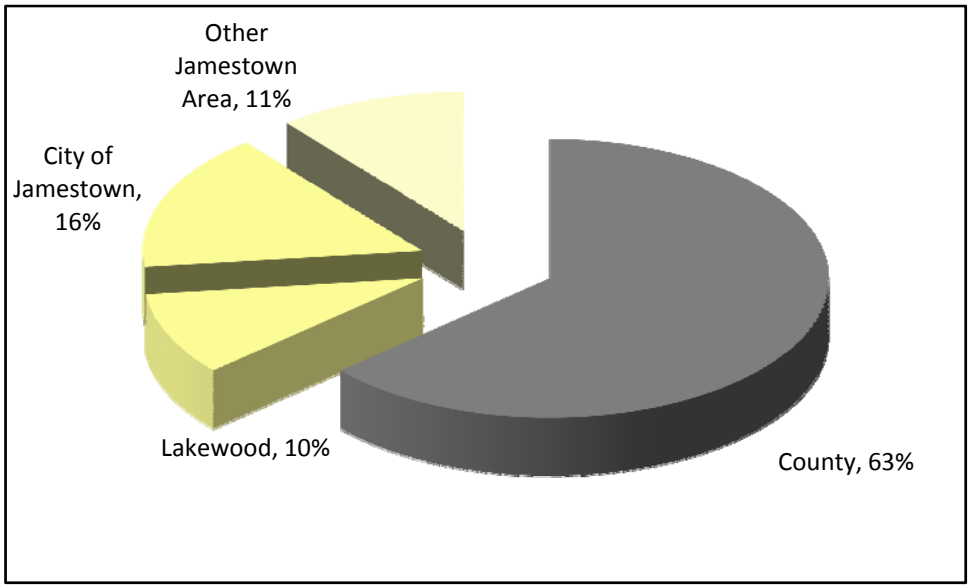
* Excludes vehicle sales and gasoline sales.

Source: U.S. Census; Claritas, Inc.; W-ZHA

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Lakewood contains 2 percent of the County's population and 10 percent of its retail sales. Lakewood contains the Chautauqua Mall, Wal-Mart Plaza, and Lakewood Village Center.

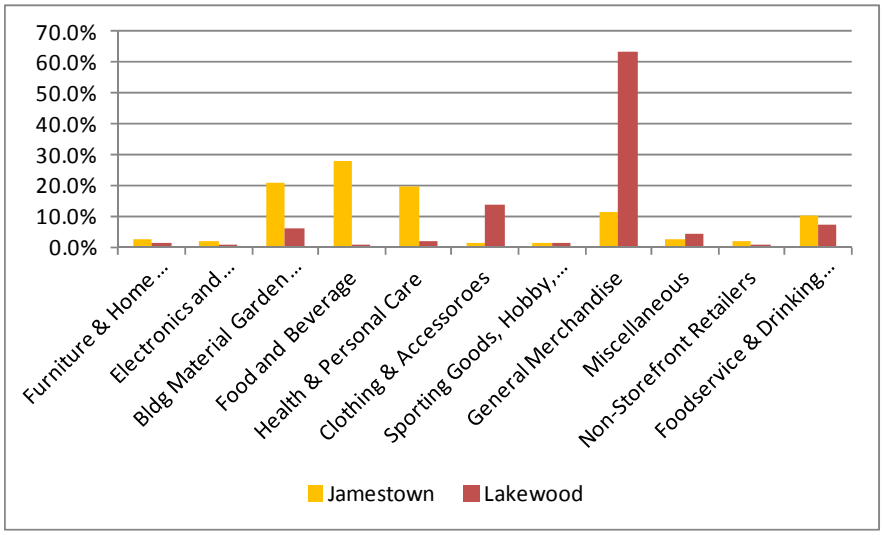
Distribution of Retail Sales
Jamestown Area and the Rest of Chautauqua County
2012



Source: Claritas, Inc.
Retail county Jamestown/area split

Comparing sales by store-type clearly illustrates that Lakewood is where people go to comparison shop. Over 60 percent of the retail sales in Lakewood occur in general merchandise stores. Lakewood accounts for a majority of the general merchandise, miscellaneous store, and clothing and accessory sales in the Jamestown Area. Eighty percent of Lakewood's $192 million in retail sales are from people living outside of Lakewood.

Distribution of Retail Sales by Store Type



Lakewood is within a 10-minute drive from the Downtown and Brooklyn Square. Lakewood is the natural location for new shopper's goods stores seeking to serve the Jamestown market. Lakewood is already an established shopping district.

There are shopper's goods[1] stores in the Study Area mostly in the Downtown Core and Brooklyn Square. Census tract 305 closely approximates the Downtown retail area (see below).

Census Tract 305 Boundaries

Jamestown Downtown Area



Source: US Census

[1] Shopper's goods stores include clothing and clothing accessories; sporting goods, hobby, books, music; general merchandise and miscellaneous stores.

With $91.2 million in non-auto retail sales, Downtown accounts for 6 percent of the County's retail sales. Forty percent of the Downtown's retail sales were related to the medical and social service cluster – these sales occurred in health and personal care stores (for example, Walgreens).

Downtown Area Non-Auto Sales by Store-Type
Downtown Jamestown (Census Tract 305)
2012

	Sales	Share
Furniture/Home Furnishings	$4,502,309	5%
Electronics & Appliances	$1,010,282	1%
Bldg Material/Garden Equipment	$4,265,260	5%
Food & Beverage	$2,210,702	2%
Health & Personal Care	$36,305,133	40%
Clothing/Clothing Accessories	$1,268,093	1%
Sporting Goods/Hobby/Book/Music	$2,679,451	3%
General Merchandise	$16,100,733	18%
Miscellaneous	$3,636,184	4%
Non-Stores	$1,609,624	2%
Eating and Drinking Establishments	$17,619,093	19%
Total	$91,206,864	100%

Source: Claritas, Inc.; W-ZHA

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Most of the shopper's goods sales occur in general merchandise stores like Big Lots and Dollar General. There are a limited number of specialty shopper's goods stores. With a few exceptions (Suburban Blend and the Jock Shop), relatively few Downtown stores offer merchandise of interest to the tourist. The remaining stores in the Downtown are mostly convenience (food and drug) or service establishments.

W-ZHA concludes that the Study Area is not well-positioned for credit-tenant retail investment. Lakewood is within 10-minute drive and there are grocery stores and drug stores available nearby. Household projections indicate that the area immediately surrounding the Study Area will either maintain or lose households in the next five years. This will make it difficult to recruit chain retailers.

Specialty retail, however, is an opportunity in the Downtown area. This type of retail is best located in the pedestrian-friendly, Downtown Core north of the River. Likely tenant-types include arts and craft stores, outdoor stores, and youth-oriented, "hip" accessory stores.

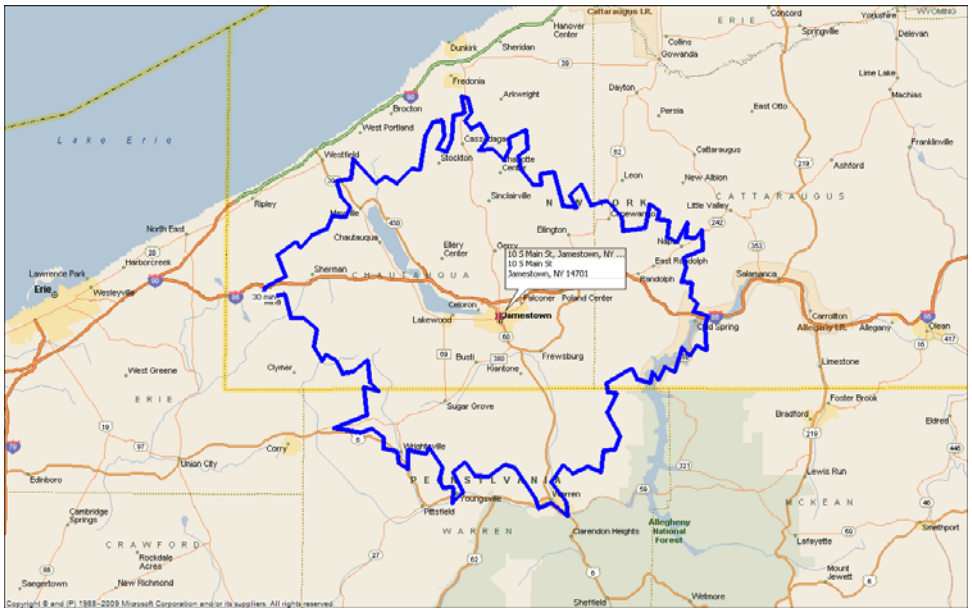
Conclusion: The Study Area has the potential to attract additional eating and drinking establishments.

With 33 Downtown eating and drinking establishments, the eating and drinking scene in Jamestown is improving. There are 20 cafes and restaurants, 10 taverns, and 3 nightclubs in Downtown Jamestown.

Downtown eating and drinking sales are higher than Lakewood's. Downtown accounts for 13 percent of the County's total eating and drinking sales.

W-ZHA considers the primary market for Downtown eating and drinking the area within a half hour drive. There are 93,000 people and 38,665 households living within a half hour drive of Downtown Jamestown. Currently, Downtown captures 18 percent of this markets' eating and drinking expenditure potential. Downtown Jamestown is doing quite well -- strong Downtowns capture 20 percent of their trade area.

Half-Hour Drive Time Area



W-ZHA believes there is an opportunity to continue to grow Downtown's eating and drinking cluster. The eating and drinking options around Jamestown are quite weak. Trade area capture to 20 percent alone will justify another 5,000 square feet of eating and drinking space. When a high amenity, walkable Medical Corridor evolves, there will be additional eat/drink opportunities. For planning purposes, an additional 5,000 to 7,000 square feet of eating and drinking space is reasonable by 2020.

In addition to the Downtown Core, McCrea Point is a potential location for a small café, if made visible from Fairmount Street. This location could capitalize on the bike trail, activities on the River like rowing, and McCrea Park. A riverview location on the Riverwalk within easy walking distance to WCA Hospital would also be a strong location.

Conclusion: The East section of the Study Area is best positioned for industrial, light industrial and high tech businesses.

Employment projections anticipate that the Jamestown Area will lose industrial employment between now and 2020. At the same time, there are programs currently underway at Jamestown Community College targeted to supporting existing industry with their labor needs over time. The industrial sector of the Jamestown economy is large and important.

The East section is very well suited for industrial, light industrial and high tech businesses. The area has strong road access, rail availability and soon, redundant fiber. Because of BPU, the area is uniquely advantaged with low cost power. The East section should be maintained as a center for industry.

It is difficult to project demand, given projected employment losses. The key is for the community to have "shovel-ready" sites available to existing, growing businesses or new businesses. A key site is the old Dahlstrom site at the corner of Buffalo Street and Blackstone Avenue, immediately off of Route 394. This site is an attractive location for a call center, a manufacturer, a data center, or flex office space.

Conclusion: Brooklyn Square is a logical location for a new limited service hotel

While there is not sufficient market to justify a new hotel Downtown in the foreseeable future, the Brooklyn Square area would be a good location for a future hotel. Brooklyn Square is centrally located, visible, and easily accessed. A hotel at this location would help to reinforce Riverfront activity.

KEYS TO SUCCESS

In evaluating the market potential for the Study Area's land use development, a number of important economic principles are revealed:

- Jamestown has geographic and demographic (i.e., density, excursion time to major metros) advantages that can be leveraged.
- The health and social service industry cluster and manufacturing cluster are important contributors to the Study Area's development potential.
- Downtown Jamestown must grow its own market through housing, business and cultural investment;
- The Chadokoin River is a market asset that must be better leveraged by improving pedestrian connections to it and the land use environment around it.
- New product (in addition to renovation and/or adaptive re-use) is critical to capitalize on market opportunities.
- Multiple public and private investments are necessary; this is not a silver bullet situation.