

Report: Downtown still attractive for business

Mayor says economic indicators from 2017 show stability, interest remain high

By **MICHAEL CONNORS**
For the Gazette

NORTHAMPTON — Aside from a handful long-term vacancies, downtown continues to be an attractive hotspot for businesses, say city officials.

The city's annual downtown economic report for 2017, released this month, showed an increase in retail storefronts and a lower storefront vacancy rate, as well as increased revenues from meals and hotel taxes from the previous year.

"I think that this year's report continues to show stability in terms of a significant business interest in downtown Northampton," Mayor David Narkewicz said.

The report examines retail activity, tax revenue and building sales,

among other data. Released by the mayor's office, the report provides year-over-year statistics to gauge changes in the downtown economy.

The report defines downtown Northampton within the boundaries of King Street and Trumbull Road to the north, State and Main streets to the west, Hawley and Market streets to the east and Pleasant Street and Hockanum Road to the south.

Narkewicz said that the mayor's office began producing the reports in response to increased worry about the state of businesses in downtown during a period of heightened vacancies.

"That raised some concern, so we began to track these different indicators from year to year to better put them into context," Narkewicz said. "But at the same time, it's also important to talk to the business owners in person to see how they are directly impacted."

From 2016 to 2017, 17 stores arrived downtown, seven shops left

and two transferred from one location on Main Street to another.

The total count of stores grew from 220 to 232.

Although the number of vacant stores remained at 14, the vacancy rate dropped from 6.4 percent to 6.0 percent, because the total count of stores increased.

During 2017, 14 storefronts that either were vacant or became vacant were swiftly re-occupied, said Terry Masterson, economic development director for the mayor's office, who prepared the report.

"For the most part, there were a lot of new property that was filled, except for some of the longer-term vacancies," Narkewicz said. "Most of the properties have seen a quick turnover."

Longer-term vacancies in the downtown area, such as the Main Street space that formerly housed Spoleto Restaurant until it moved

SEE REPORT B3

B1

Thursday, March 8, 2018
gazettenet.com



GAZETTE STAFF/JERREY ROBERTS

Though downtown Northampton is thriving, empty storefronts persist, like the former Spoleto restaurant at 50 Main St. The restaurant is shown Monday, with active businesses across the street reflected in its windows.

Report: Downtown remains vibrant

FROM B1

down the block in 2013, are a different story, Masterson said. Some 15 of those properties are being marketed by Goggins Real Estate as part of an agreement with property owner Eric Suher.

Building sales compared to 2016 fell from eight properties to three. However, the 2017 numbers were expected, Masterson said.

"You usually see one to three building sales per year," he said. "For someone looking to purchase a building it is a long-term investment. But since these buildings are downtown, owners see that as a good investment."

Meals, hotel tax money up

According to the report, Northampton yields the highest revenue from meals tax in Hampshire County, and that amount went up in 2017.

The city levies a 0.75 percent tax on meals in addition to the state's 6.25 percent tax. Since 2015, meals tax revenue has increased by 3.5 percent each year. In 2017, \$735,567 was brought in, compared to \$709,909 in 2016.

"Meals tax revenues can

tell us a lot of things about how business is doing," Masterson said. "This tax generates a lot of revenue, and the numbers show that they are steady, there aren't any tremendous increases. It's a good sign and it shows us that people are coming here."

Hotel tax revenue went up by 6 percent to \$674,971. Northampton levies an additional 6 percent tax on top of the 5.7 percent excise tax placed on room occupancy by the state.

"Hotels can be a generator of foot traffic, visitorship and overall revenue for the city," Masterson said.

New measure: 'visitorship'

For the first time, the report attempts to capture attendance figures for Northampton's downtown destinations. Comprised of both one-time and return visits, the data was gathered through direct reports from venues and from "conservative estimates," according to the report.

The attendance grand total was 1.6 million in 2017. A given visitor could live in the city and attend more than one

event and thus be counted more than once.

"These numbers can give us a good idea of who comes here and what they do," Masterson said.

The street's view

Downtown store owners contacted by the Gazette agreed that Northampton continues to be a good place to run a business. Some said that the amount of support they receive from the community continues to be a large part of their success.

"The community does come out and support downtown, although we would always like more because that is how we stay in business," said Gary Tateosian, owner of Synergy on Main Street. "When it all boils down I think economically it's pretty solid here."

"We've been pretty consis-

tent and growing," said Kristen Kelly, owner of Ode on Main Street. "I've been pretty happy with business here."

Store owners did note vacancies downtown. Retail is an increasingly difficult industry with plenty of hurdles and pressures, such as internet shopping.

"But retail is a tough business and there is a lot of risk. And I think property owners need to take that into account. We aren't guaranteed sales," Tateosian said.

Overall, city officials are positive about what the report means for downtown Northampton's economy.

"I remain optimistic but I also know that we need to continue to work," Narkewicz said. "These reports help us be proactive about a plan for keeping downtown Northampton economically vibrant."