

A. INTRODUCTION

The proposed Robert Moses Parkway South Segment Project will provide a new, modified configuration of an Olmsted and Vaux-interpreted Parkway and Park within Niagara Falls State Park. The project will also include the removal of the parkway expressway configuration and grade-separated interchange at John B. Daly Boulevard. By opening up visual and physical access between the river and adjoining neighborhoods, the project has the potential to have a positive impact on social and economic conditions in areas within walking distance of the Park and Parkway. This Appendix examines socioeconomic conditions and trends in the adjoining study area, the City, the County outside the City, and the State that are relevant to the proposed project. This establishes the baseline against which to assess potential project effects in Chapter 4 of the main report.

B. SOCIAL SETTING

To understand the potential for neighborhood change, it is important first to understand the baseline conditions of the area. This section provides a brief summary of the population and housing characteristics of the immediately adjoining study area, the City of Niagara Falls, and the project area.

1. PROJECT SITE

The project site contains Niagara Falls State Park, including the South Segment of the Robert Moses Parkway from Robert B. Daly Boulevard to the Niagara Falls State Park Parking Lot No. 1. This is a National Register listed park, operated and maintained by the New York State Office of Parks Recreation and Historic Preservation (NYSOPRHP). As such, the project site contains no housing units or residential population.

2. STUDY AREA

STUDY AREA DEFINITION

Under SEQR, the study area is defined as the area which has the greatest potential for being affected (either positively or negatively) by the proposed project. As shown in Figure 1, the study area is defined as the area included within Census Tract 211, Block 3 and Census Tract 212, Block 5. The improvements in physical and visual access between the park and the

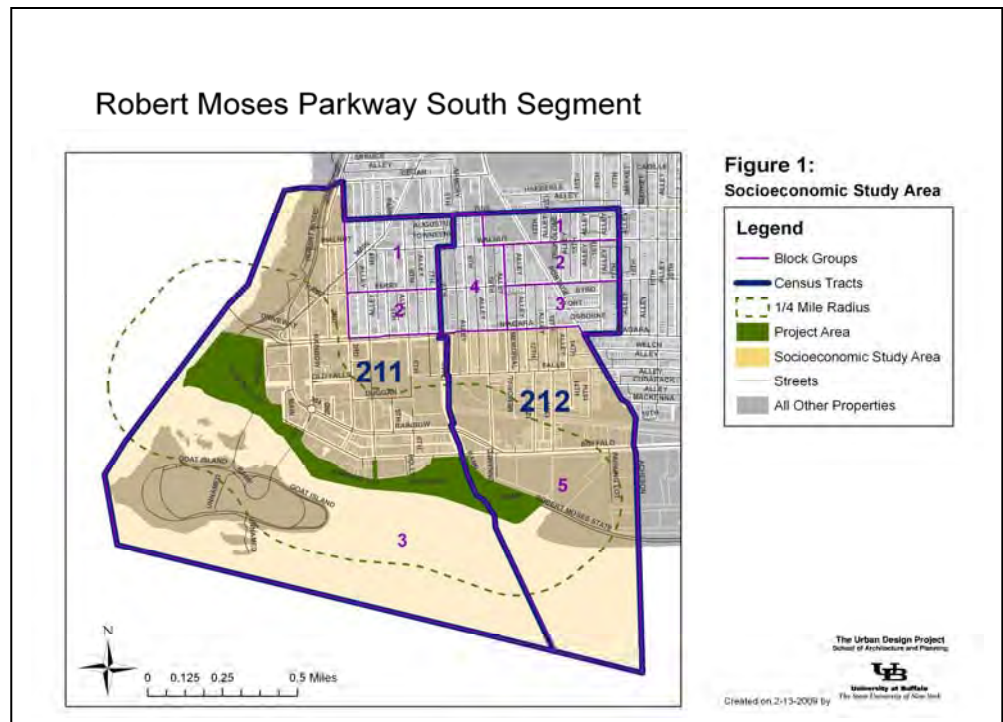


Figure 1:
Socioeconomic Study Area

Legend

- Block Groups
- Census Tracts
- 1/4 Mile Radius
- Project Area
- Socioeconomic Study Area
- Streets
- All Other Properties

City would be of greatest benefit to those businesses and residential properties within walking distance of the amenity. Based on these criteria, the study area includes that portion of downtown Niagara Falls that is bounded roughly by Niagara Street on the north; Portage Road and Acheson Street on the east; and the Niagara River on the south and west.

POPULATION CHARACTERISTICS

The City of Niagara Falls, New York has continuously lost population over the last several decades, dropping 45 percent between 1960 (when it had a population of 102,394 persons) and 2000 (with 55,593 residents). In comparison, the portion of Niagara County outside the City experienced a 17 percent increase in total population during the 40-year period, growing from 140,000 to 164,000 persons. New York State experienced a 13 percent growth in total population over the period. The City has continued to lose population in recent years, dropping by an additional 6 percent between 2000 and 2006 while the balance of the County population has remained unchanged. Virtually every age group in the City except senior citizens lost population. Particularly large numbers of prime working age people are leaving the City as employment opportunities continue to decline.

The study area has a small and declining residential population. As presented in Table 1, below, in 2000 1,139 persons lived in the socioeconomic study area, that portion of downtown Niagara Falls closest to the State Park (i.e., roughly the wedge between Niagara and Portage Streets and the river), a 17 percent drop from 1,372 residents in 1990 and 2000, a 17percent drop in population. Even with this decrease, its share of the total City population grew.

3. HOUSING

High housing vacancy rates in the City of Niagara Falls reflect the loss of population from 1960 to 2000 (see Table 1). According to the U.S. Census, there were 27,836 housing units in the City in 2000. Of these, 24,101 units were occupied and 3,735 were vacant. Of the total vacant units in 2000, 1,978 (53 percent) were rental units. The City's overall housing vacancy rate in 2000, 13.4 percent, was significantly higher than vacancy rates for Niagara County outside the City (8.5 percent) and New York State (8.1 percent). The City's housing vacancy rate in 2000 was also considerably higher than its 9.3 percent vacancy rate in 1990.

	1990	2000	% Change, 1990-2000
Total persons	1,372	1,139	-17.0%
Persons, percent of City total	1.8%	2.5%	—
Total households	640	624	-2.5%
Household size, average	2.1	1.8	-14.3%
Total housing units	778	855	10.0%
Housing units, percent of City total	0.5%	3.1%	—
Vacant housing units, percent, 2000	17.7%	27.0%	—
Source: U.S. Census			

The study area's share of the City's housing inventory is growing. The supply of housing units increased by 10 percent in the study area, reflecting the construction of new apartment units. While the housing supply increased, so did the vacancy rate. At 27 percent, the 2000 housing vacancy rate in the study area is one of the highest in the City.

Shrinking household size contributes to an imbalance between the size of existing units (City median of 5.1 rooms) and actual current household size. According to the City Assessor's records, the median sale price of one- and two-family homes in 2003 was \$64,000—a very low number compared to national and state figures.

4. INCOME

The latest available census income data reveals that in 1999, 19.5 percent of City of Niagara Falls residents had incomes below the poverty level, compared to much lower proportions in the balance of the County (7.6 percent) and New York State (14.6 percent).

The project area is a linear park and parkway which lines the Niagara River on the edge of a mixed-use urban neighborhood with a mix of one-, two-, and multi-family homes and scattered, predominantly tourist-related commercial uses along Buffalo Avenue and Rainbow Boulevard.

5. COMMUNITY CHARACTER

This section describes the existing neighborhood character of the study area. The following characteristics are key elements in the assessment of community character:

- land use and vacancies
- visual quality and views;
- historic resources;
- walkability;
- percentage of owner-occupied housing;
- neighborhood stability, including any recent population shifts;
- transportation and access issues; and
- Property values.

The study area is a linear swath of downtown Niagara Falls, NY comprised of the city streets and blocks that run parallel to the Niagara River between John Daly Boulevard and the Falls. Buffalo Avenue, which runs parallel to the river one block in from the Robert Moses Parkway, is residential in character, with housing type ranging from a 10-story condominium building overlooking the falls at the west end to two-story homes. Tourism-related uses along Buffalo are also residential in nature and consist of lodging facilities including (from west to east) the Red Coach Inn, the Fallside Hotel and Conference Center, and the Rodeway Inn. The study area also contains homes that have been converted to bed and breakfast inns (Elizabeth House, The Falls, Hanover House, and The Seasons). Rainbow Boulevard, which runs parallel to the river one block north of Buffalo Street, is a tourist-oriented commercial district which contains a mix of small retail establishments including restaurants and souvenir shops, a privately-owned museum of Niagara Falls memorabilia, hotels and motels, and large surface parking lots. The hotels along Rainbow Boulevard include moderately-priced national chains such as Econo Lodge, the Hampton Inn, and the Super 8 as well as the Hotel Niagara.

The neighborhood is symptomatic of the declining population and lack of investment, with a number of large vacant parcels, several private residences in need of update, seasonal businesses closed for half the year, and broken and missing sidewalks and curbs. In addition, street trees in the area are scattered, unhealthy, and damaged. The neighborhood is relatively isolated from other residential areas in the city by the larger-scale casino and other commercial uses in downtown Niagara Falls. Traffic along Buffalo Avenue and the side streets is relatively light, with Rainbow Boulevard handling larger traffic volumes during the tourist season.

C. ECONOMIC SETTING

1. NIAGARA FALLS STATE PARK

The project site is mainly located within Niagara Falls State Park. As park operator, NYSOPRHP provides customers with services that generate park revenue, including collection of parking fees, ticket sales, and retail sales. Visitors to the park are regional, national, and international in their trip origin. Niagara Falls State Park's estimated 7.8 million visitors in 2008 was greater than that of Grand Canyon and Yosemite National Parks combined.

Niagara Falls State Park is one of 178 Parks and 35 Historic Sites in the New York State Park system. The New York State system includes 325,000 acres of lands and waters and is host to more than 55 million visitors annually in its 11 park regions. The recreational facilities managed by the NYSOPRHP and staffed by its over 2,200 employees includes 5,000 buildings, 29 golf courses, 53 swimming pools, 76 beaches, 27 marinas, 40 boat launching sites, 18 nature centers, 817 cabins, 8,355 campsites, more than 1,350 miles of trails, 106 dams, 640 bridges, hundreds of miles of roads, and dozens of historic structures listed on the State and National Registers of Historic Places. The pie chart, right, depicts the use of funds in the 2008 OPRHP operating budget. As the graphic shows, the vast majority of the OPRHP's \$267 million budget was used to maintain and operate its extensive system of parks and sites.

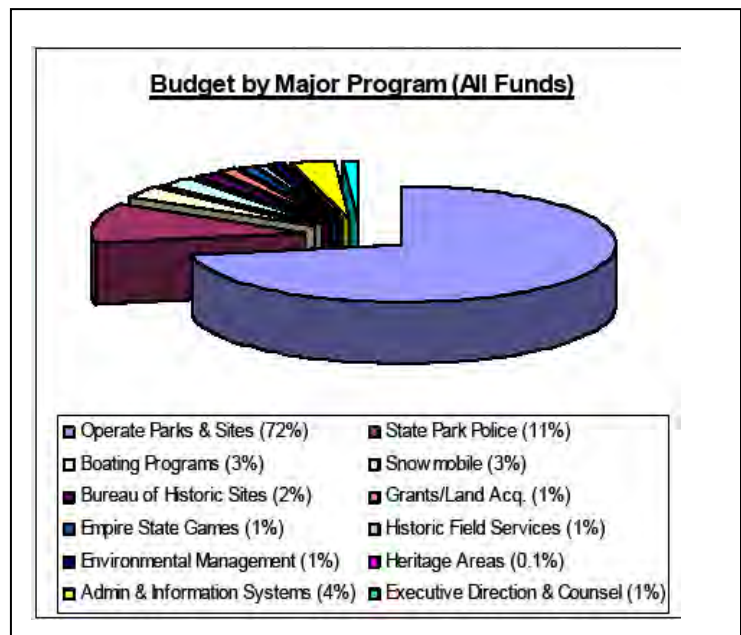


Table 2		
Niagara Falls State Park Trip Characteristics, 2003-2004		
	2003	2004
Overnight trip	60%	71%
Niagara Falls State Park was primary destination	72%	69%
Mode of Transportation:		
Private motor vehicle	77%	77%
Walk-ins	14%	14%
Public transportation	1%	2%
Tour buses	6%	7%
Other	2%	--
% of those arriving by private motor vehicle who parked in OPRHP parking lot #1	70%	75%
Source: NYS Parks User Surveys, 2003 and 2004		

Table 2 provides the trip characteristics identified in NYS OPRHP surveys at Niagara Falls State Park in 2003 and 2004. As the survey results indicate, Niagara Falls State Park was the primary destination for 71 percent of visitors (up from 60 percent in 2003). This is strong confirmation that the park is a major driver of the local economy. Also particularly relevant to this study is the mode of transportation used to get to the park—with 77 percent of all visitors arriving by private automobile and 70 to 75 percent of these parking in the OPRHP parking lot. Table 3 provides a profile of the origin of visitors, with the vast majority coming from points across the United States.

2. CITY AND REGIONAL TOURISM

VISITATION PROFILE

Estimates of tourism visitation to the greater Niagara Falls area (both sides) indicate a range of anywhere between 10 and 20 million visits annually¹. Hunter Interests, retained by USA Niagara, estimated the regional market at 16 million trips; many of them repeat trips of residents of Erie and Niagara Counties.

The Hunter study discounted the high-end projections to account for repeat visitations and/or over estimation. Still, the number of individuals attracted to Niagara Falls each year remains significant. If only the low end of these

Table 3		
Niagara Falls State Park Visitor Characteristics, 2003-2004		
	2003	2004
Country of Residence:		
United States	82%	86%
Canada	3%	3%
Europe	6%	6%
Other international	6%	6%
Source: NYS Parks User Surveys, 2003 and 2004		

¹ Hunter Interests, *Economic Research Associates, D.K. Shifflet & Associates*, Ontario Lottery and Gaming Corporation. Recent statistics for the American side of the Falls only are not available.

estimates (10 million tourists) actually visit the bi-national Niagara Falls tourist region each year Niagara Falls is still on a par with the Grand Canyon National Park, and well above such regional economic drivers as Virginia Beach (about 2.5 million), Myrtle Beach, South Carolina (about 3 million), and Acadia National Park in Down East Maine (about 3.5 million).

Tourism to Niagara Falls, NY in general is seasonal and is focused on outdoor activities related to the Falls and Niagara River Gorge in the summer and fall months. There are also a large number of pass-through visitors on their way to and from Toronto and other destinations.

A 1999 study by D.K. Shifflet & Associates, Ltd., Niagara Falls, NY categorized the average Niagara Falls visitor. Of the total domestic visitors to Niagara Falls, 23 percent participated in cultural activities, 40 percent visited historic sites, 29 percent were on touring vacations, and 11 percent attended special events (see Table 4). About 17 percent were visitors aged 55 years and over. The majority of domestic visitors came from New York State (52 percent), followed by Pennsylvania, Ohio, and Michigan.

The average age of domestic visitors to Niagara Falls, NY is 41.5 years, with college graduates comprise 39 percent of adult visitors. The largest proportion of visitors by type of group was families (42 percent). Transportation to Niagara Falls, NY for domestic visitors was overwhelming by automobile (87 percent), followed by air (4 percent), and other modes (9 percent). The states providing the largest proportion of visitors were New York (52 percent), Pennsylvania (15 percent), Ohio (8 percent), Michigan (4 percent), and Connecticut (3 percent). It is noted that Canadian visitors were not included in the survey. The majority of trips (60 percent) were vacations as opposed to personal visits.

Table 4 Profile of Domestic Leisure Travel Niagara Falls, NY: 1995	
Characteristic	Profile
Day Trip	69%
Overnight Trip	31%
Age (average)	41.5
55 years and over (% of total)	17%
Income (average)	\$38,000
College Graduate (% of persons 18 years +)	39%
<i>Home State (% of total leisure visitors)</i>	
New York	52%
Pennsylvania	15%
Ohio	8%
Michigan	4%
<i>Leisure Purpose:</i>	
Vacation	60%
Non-Vacation (Friends, Relatives, Weddings, etc.)	40%
Traveled by Automobile (% of total visitors)	87%
<i>Activities (% of visitors participating):</i>	
Touring: Auto, Bus	29%
Parks (National and State)	48%
Historic Sites	40%
Cultural Facilities (museums, performing)	23%
Special Events	11%
Source: D.K. Shifflet & Associates Ltd	

3. TOURISM-BASED ECONOMIC DEVELOPMENT

With the loss of much of its manufacturing base, studies prepared for the City of Niagara Falls, NY conclude that the tourism industry offers the City the greatest potential for development. The City's Strategic Plan notes that the inherent "advantage of the cataracts and world-wide name recognition" makes investment in tourism-related initiatives a smart economic development strategy likely to encourage private investment. Specifically, the Strategic Plan supports actions designed to make downtown Niagara Falls a true destination for visitors. The objective is to attract more tourists, encourage longer stays, and increase spending per capita spending. Specific objectives include:

- improve transportation systems;
- create entertainment venues within the downtown (in addition to the State Park).

The Plan also stresses the importance of well-maintained public areas as a means of increasing both quality of life and private sector investment interest. In general, the City targets infrastructure improvements to support investments in projects such as housing rehabilitation, commercial rehabilitation, economic development and new construction. The Plan calls for replacement of broken sidewalks and curbs, parking ramp and sewer improvements, street re-pavement, tree plantings, and parks. The Plan specifically calls for further study to determine the best way to preserve, interpret, and promote access to Porter Park and its historic stone chimney.

OPPORTUNITIES

The study area has assets that have the potential to provide for positive market changes. These assets include:

- Proximity to the Niagara River and Gorge;
- The presence of a large domestic and international tourist market;
- A physical inventory of architecturally and historically significant buildings;
- Affordable real estate;
- Proximity to the Canadian market;
- An ample labor supply;
- A community with a vibrant multi-cultural mix;
- Well-attended special events in the area, including the Doors Open Niagara and the Freedom Trail Festival;
- Nearby high density residential areas, with relatively high consumer expenditures per square mile despite low per capita incomes;
- A supportive City government;
- The availability of government assistance programs for businesses; and

- The support of community organizations.

In addition, USA Niagara studies have found that there is a market for niche residential and lodging products, specialty shops, and restaurants.

CHALLENGES

Challenges to development of include wide seasonal swings in the demand for lodging, retail and restaurants as well as to the outdoor attractions. As seen in the national data above, dining and shopping lead the list of top activities for travelers. Niagara Falls, NY lacks the “tourist product mix” needed to attract diners and shoppers. This shortage of appropriate amenities has much to do with the City’s largely unrealized potential as a tourist destination.

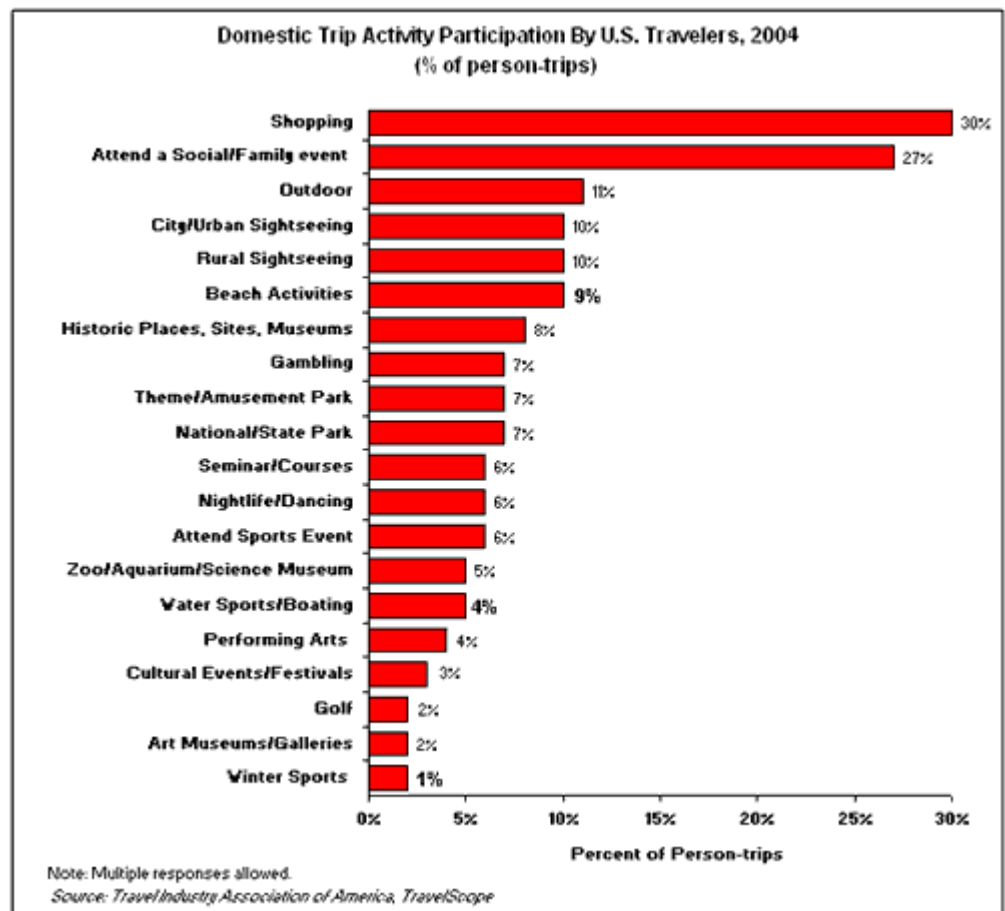
D. BACKGROUND INFORMATION

DOWNSIZING WATERFRONT HIGHWAYS: NATIONAL PRECEDENTS

SAN FRANCISCO'S EMBARCADERO FREEWAY

The Embarcadero Freeway was originally designed to connect San Francisco’s Bay Bridge and Golden Gate Bridge but was never completed. Despite incomplete construction, AADT on the Embarcadero exceeded 100,000 vehicles in the most-used sections. The 1989 Loma Prieta earthquake damaged the freeway beyond repair and created a forced diversion of traffic. While the city experienced initial traffic congestion, the diversion did not lead to permanent traffic disruptions. The network of streets was able to absorb a large amount of traffic given their previous underused capacity. With repair out of the question, elimination of the highway and construction of a six-lane boulevard presented a less expensive alternative to reconstruction. With the public’s blessing, construction of this alternative moved forward a decade after the earthquake.

Completed in 2002, the Boulevard features a new streetcar line running down the center between the six lanes of traffic. The freeway demolition has made available more than 100 acres of land along the waterfront. Some of this waterfront



property has been used to develop a new public plaza and waterfront promenade. Dense commercial development has lined the street, housing in the area increased by 51% and jobs have increased by 23%. The restoration and reuse of the landmark Ferry Building have created transit and pedestrian oriented retail uses along the waterfront. Similarly, the old industrial South Market area was redeveloped as a dense, mixed-use neighborhood. Across the Boulevard from the water, the Mid-Embarcadero neighborhood has been revitalized due to waterfront access granted by the freeway demolition.

PORTLAND'S HARBOR DRIVE

Opened in 1950, Portland's Harbor Drive (U.S. Route 99W) was originally the only freeway serving the city. Harbor Drive quickly became obsolete following construction of two additional highways through Portland that diverted much of the highway's original traffic (I-5 and I-405). Unlike the Embarcadero, daily usage of Harbor Drive dwindled as time went on. By the early 1970's AADT was down to 24,000 vehicles, justifying the diversion of traffic to nearby Front Avenue, which was expanded to a boulevard. The footprint of the highway was replaced with a Tom McCall Waterfront Park along the Willamette River. The goal of the park's creators was to "play a strong role in rejuvenating the long-neglected area between the waterfront and core... [to] provide a strong impetus for private interests to rehabilitate and redevelop this area."

With economic development opportunities in mind, the development of the park was accomplished through tax increment financing. Indeed, the advent of this park has made possible a resurgence in downtown waterfront living. The RiverPlace development typifies this resurgence; the multi-phase project features condominiums, retail, hotels, restaurants, underground parking, and a marina. The new South Waterfront development hopes to repeat and expand on the success of RiverPlace with as many as a dozen condo towers.

2. BUSINESS DISTRICTS NEAR THE FALLS

BUFFALO AVENUE HERITAGE DISTRICT

The Buffalo Avenue Heritage District, generally encompassing lands south of Rainbow Boulevard and extending from John B. Daly Boulevard (Quay Street) to Old Main Street, is one of the oldest neighborhoods in the City of Niagara Falls. USA Niagara, in partnership with the City of Niagara Falls, is currently advancing the Buffalo Avenue Heritage District Revitalization Strategy. This project will build upon the City of Niagara Falls' recent and on-going planning and zoning efforts to facilitate and foster revitalization of the neighborhood as a Heritage District—a distinct and unique development area within downtown Niagara Falls.

The study includes the following components:

- a survey of neighborhood conditions,
- detailed urban design guidelines, and
- a targeted grant program aimed at the development of small businesses that fit within a heritage district.

The intent is that revitalization of the district would stabilize a valuable neighborhood, while at the same time expand the City's overall tourism base with a unique offering other than conventional high-density lodging/retail uses. In turn, a well-planned heritage district would represent an appropriate land use to transition from the center of downtown to Niagara Falls State Park and the Upper Niagara River.

3. TOURISM INDUSTRY OVERVIEW

This section provides a basic profile of national and regional tourism patterns and trends to help to formulate a plan that meets the needs of visitors as well as local residents and businesses.

NATIONAL TOURISM TRENDS

According to the Travel Industry Association of America (TIA), a national non-profit organization representing the U.S. travel industry, domestic tourists in the United States made 1,992 million trips in 2005. Most were leisure trips (75 percent) and the overwhelming majority (85 percent) was made by personal vehicle. Visiting attractions and other forms of entertainment was third in the list of top traveler activities—with dining first place and shopping second (see Table 5). Domestic U.S. travel increased 12.6 percent from 1995 to 2005, or 1.3 percent annually (see Table 6). More detail on activity characteristics of domestic travel by U.S. residents is presented in the graphic on the following page.

	1,992.4 Million
Purpose of Trip	
Leisure Travel*	75%
Business/Convention**	25%
Combined Business and Pleasure	9%
Modes of Transportation Used	
Auto, Truck, RV	85%
Airplane	9%
Bus/Motor coach	2%
Train/Ship/Other	4%
Rental Car Usage	6%
Top Activities for Domestic Travelers	
Dining	First
Shopping	Second
Entertainment	Third
¹ A person-trip is one person traveling 50 miles (one way) or more away from home and/or overnight. A trip is one or more persons from the same household traveling together. *Travel for visiting friends/relatives, recreation, entertainment/sightseeing, etc. ** Travel for business.	
Source: TIA Travelscope® DIRECTIONS ® by DKS&A	

Year	Millions of Person-trips
1995	1770.0
1996	1779.5
1997	1792.4
1998	1817.3
1999	1856.7
2000	1892.1
2001	1869.9
2002	1919.1
2003	1890.3
2004	1953.3
2005	1992.4

Source: TIA Travelscope®**DIRECTIONS**® by DKS&A

4. NIAGARA FALLS, NY LODGING INDUSTRY

A preliminary evaluation of the hotel market in the City of Niagara Falls, NY indicates that there is currently more than adequate supply to meet demand. Information from Smith Travel Research indicates that Niagara Falls, NY had an inventory of 38 hotels with 3,067 hotel rooms in 1999. No new hotels or hotel expansions are currently proposed. The average hotel size is 81 rooms, and ranges from 20 to 217 rooms with the largest being the Ramada at the Falls. Most hotels have low to moderate room rates. As of July 2001, the Niagara Falls at the Falls and Ramada Inn By the Falls charge the highest peak season room. These hotels fall generally within the business hotel category. There are no 5-star, super-luxury type hotels in Niagara Falls, NY.

The percentage of rooms occupied during the 9-month period from January to September was 56 percent in 1999. Occupancy fluctuated

widely by season, with the highest occupancy during July and August (84-87 percent) and the lowest in January and February (25-30 percent). Occupancy rates have been generally stable between 1993 and 1999—hovering around 50-55 percent. (Note that 12-month averages are generally 2 to 5 percent lower than the 9-month averages, or roughly 45 to 50 percent occupancy). Room rates over the last seven years have remained basically unchanged, not keeping up with the 22 percent increase in the Consumer Price Index that occurred over the period.

Niagara Falls, NY lags behind the nation in both hotel occupancy and room rates. The American Hotel & Motel Association reports a national average occupancy rate of 63.2 percent in 1999 and notes that 1999 was the most profitable year in lodging industry history. Nationwide, according to data from the American Hotel & Motel Association, the lodging industry saw average room rates rise 34 percent over the period (from \$60.53 in 1993 to \$81.33 in 1999)

One exception may be in the luxury hotel category. Currently, there are no hotels in Niagara Falls, NY that serve this market. It is possible that the right site could attract this type of investment.