



Citywide Retail Market Study and Strategy

City of Ithaca (NY)

March 2026



DANTH, Inc.

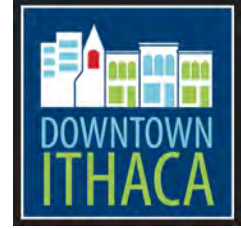


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Introduction

In 2023, the Downtown Ithaca Alliance and the City of Ithaca hired MJB Consulting (see caption), with sub-consultant DANTH, Inc., to undertake a market analysis and devise a citywide retail strategy for Ithaca's four priority business districts¹, focusing on:

- 1) Downtown Ithaca, centered on the Ithaca Commons pedestrian mall;
- 2) West State Street, from Geneva Street to Meadow Street);
- 3) the West End, emphasizing the Meadow Street/Fulton Street NY 13 couplet and also including the Waterfront
- 4) Collegetown, adjacent to the Cornell University campus

MJB's scope-of-work included the following:

- * Thorough reading of relevant plans and studies as well as secondary source material
- * Fine-grained examination of each of the four priority districts, including retail mixes, available spaces/sites, demand generators, circulation patterns and numerous other variables
- * Interpretation of demographic, spending and footfall data
- * Development of nuanced psychographic profiles (drawing on MJB's proprietary framework)
- * Creation of, and review of responses to, a survey of Ithaca's 55+ population
- * Focus groups with business owners in each of the four priority districts
- * Conversations with developers, landlords and brokers active in the Ithaca market
- * Discussions with public and non-profit stakeholders, including City and County officials as well as Cornell University and Ithaca College
- * Consideration of relevant case studies from across the U.S.

In addition, the firm applied its unique "total immersion" methodology, whereby its Principal spends a considerable amount of time on site (across three discrete visits), living (to the extent



Founded in 2002, **MJB Consulting** (MJB), led by Principal **Michael Berne** (www.michaeljberne.com), is a New York, NY and Berkeley, CA-based retail planning and real estate consultancy hired by public, quasi-public, non-profit and private sector clients across the U.S., Canada and the U.K. to devise and implement strategies for Downtowns, neighborhood districts and commercial corridors. The firm offers a particular strength in college and university towns, having worked in Cambridge (MA), New Haven (CT), University City/Philadelphia (PA), Decatur (GA), Evanston (IL), Boulder (CO), U District/Seattle (WA), Berkeley (CA), among numerous others.

¹ The South Meadow Drive corridor in Southwest Ithaca was not included because it was deemed to have less need for such treatment, as its market positioning seems both well-defined and viable, its future trajectory clear.

possible) like a local would, eating in the iconic local spots, caffeinating in the independent coffeehouses, speaking with residents, spending the weekend, etc. so as to marry the depth of its national experience with a more nuanced understanding of people and place.

Finally, MJB's Principal delivered three separate presentations, summarizing preliminary findings and recommendations:

- Broader Context (January 23, 2024)
- Analytical Findings (February 25, 2025)
- Implementation Plan (August 6, 2025)

This final report integrates feedback from the earlier presentations while also responding to requested edits by the DIA and City officials.

Some of the recommendations contained herein are already being acted upon, and MJB will be proceeding with a Phase II at the beginning of 2026, focused on the implementation of specific elements in the strategy. *However, except in the case of the DIA, stakeholder buy-in to the following should not be assumed, given recent changes in personnel at the City of Ithaca (including the departure of the Project Manager and City Manager).*

Executive Summary

This is a lengthy, dense report. The executive summary, then, focuses only on those findings that are of the greatest interest and that run counter to received wisdom, followed by a basic list of the recommended action items. The ensuing chapters are far comprehensive and detailed, providing extensive backup of conclusions and justification of strategy as well as assigning specific responsibilities for implementation.

The Ithaca Retail Market, as a Whole

- Framing the Ithaca market in conventional either-or terms – of town versus gown, or permanent residents versus students, or locals versus visitors – masks deeper commonalities in lifestyles, sensibilities and aspirations (i.e. “psychographics”) that can transcend the differences between these varied submarkets and form the basis of a more cohesive positioning strategy. Such an approach is particularly important in Ithaca's case, given the limited size of the market.

- For example, Ithaca, like many university towns, contains large numbers of “Yupsters”, both among its residents and its visitors. Well-educated, well-off and socially liberal, these consumers celebrate the artistic and cerebral lifestyle, at least in its more established, less edgy manifestations. That said, Ithaca's psychographic profile will evolve in the years ahead as new generations take center stage, with implications for consumer demand.

- .Due in part to the predominance of yupsters, Ithaca has emerged as a bona fide “arts town” -- ranking second among medium-sized “arts-vibrant” communities nationwide in one respected data-driven ranking, below only Santa Fe. Yet this does not seem to be widely known, and with more explicit marketing, could help to elevate Ithaca’s broader profile within and draw more leisure tourism from major metros in the region if not beyond.

- Public safety has been a serious concern in recent years, especially on the Commons and along West State Street. To the extent that it remains so, foot traffic will likely continue to decline, sales volumes erode, vacancy rates rise, rent levels drop, property assessments decrease and tax revenue fall. Moreover, the perceived (un)willingness and/or (in)ability of the City and the County to act aggressively in response sends what the retail industry views, fairly or not, as clear signals about how much (or little) the business community is truly valued.

- Ithaca’s overall retail market is not currently in a state of crisis. And yet, in certain respects, it underperforms, with no clear direction for improvement, and in particular districts, it could actually be headed towards a breaking point. In order to address both the stagnation and the threat, the non-profit and public sectors will need to partner with the business community on a more energetic, *proactive* and integrated approach – recognizing, of course, that landlords and businesses are the ones with the ultimate control in this space.

- Retail should never be considered in a vacuum. Each of Ithaca’s business districts operate within a larger ecology, relating to, benefitting from and/or competing with each other in different ways. They can successfully coexist, but in order to do so, they must be “positioned” appropriately, with the aforementioned partnership also focusing on the coordination of tenancing strategies (and preemption of new competition), to the extent possible.

The Ithaca Retail Market, as a Whole – Action Items (including only those action items that apply on a citywide basis or that pertain to two or more of the four districts – while recommendations specific to a single district are provided in their respective chapters below).

* Create an easy-to-use reference guide for stakeholders as they proceed with implementation, to include a “Retail 101” primer, a summary of the strategy as well as specific language for describing its elements to different audiences

* Create, market and maintain an up-to-date citywide list of storefront vacancies

* Create and maintain an (internal) citywide succession-planning database, to identify merchants planning to retire, close and/or sell and if so, on what timeline and terms, so that preemptive steps might be taken

* Align retail incentives with the tenancing strategies outlined in the ensuing chapters

* Develop an information-clearinghouse function, providing data sets that can be difficult and/or cost-prohibitive for smaller landlords, brokers and merchants to assemble and/or procure on their own

* Produce retail market reports that paint a broader picture of current conditions and emerging trends, as well as “rapid-rebuttal” briefs which advance data-driven counternarratives in response to negative news

* Develop retail tenancing brochure(s) that creatively (re)frame the city and/or one of its districts as a compelling retail location in the minds of tenants, brokers and investors, along with an extensive “roadshow” that proactively makes the case for the opportunity

* Unearth, research and vet prospective retail tenants, then present or pitch them as alternatives to consider for landlords and brokers

- * Update and refine the “Doing Business in Ithaca” guide developed by the City’s Office of Economic Development, including proactive distribution and marketing to further increase awareness among aspiring entrepreneurs
- * Explore the feasibility of establishing and managing new brick-and-mortar entrepreneurial platforms (e.g. fashion-truck pods, shipping-container villages, etc.)
- * Create and coordinate an advisory panel of Gen Z’ers and Gen Alpha’s that can provide guidance on how habits and tastes are evolving among young people, to inform positioning, tenanting and visitor marketing efforts going forward
- * Tweak visitor branding and marketing to better reflect Ithaca’s psychographic positioning, with a more explicit appeal as a destination for the arts in the near term
- * Convene major stakeholders on a regular schedule to brainstorm possibilities for and consider the feasibility of new “game-changing” anchors
- * Redouble efforts to elevate Ithaca’s curb appeal with additional “cleaning and greening” as well as façade/signage enhancements
- * Center the needs, experiences and anxieties of the business community in discussions about policy and resource allocation, particularly as they relate to perceived safety and order in the public realm

Stakeholder Priorities

Obviously this is a lengthy list of action items, proposed for public and non-profit entities with limited time, energy and resources. As a practical matter, priorities will need to be established. In the case of the most oft-mentioned stakeholders -- the City, the County and the DIA -- the top three are as follows:

City of Ithaca

1. Centering of the needs, experiences and anxieties of the business community
2. Redoubling of efforts to elevate Ithaca's curb appeal
3. Alignment of retail incentives with tenanting strategies

Tompkins County

1. Tweaking of visitor branding and marketing
2. Alignment of retail incentives with tenanting strategies
3. Redoubling of efforts to elevate Ithaca's curb appeal

DIA

1. Creation and ongoing maintenance of a database of storefront vacancies
2. Development and road-showing of a retail tenanting brochure
3. Proactive approach to tenant prospecting and matchmaking

Downtown Ithaca

- While Ithacans seem by and large rather downcast about their Downtown, it remains successful in ways that many other cities of similar size can only aspire to, with: 1) a "Restaurant Row" with several establishments boasting annual grosses of \$1 million or more; 2) a base of shops selling *goods*, accounting for 72 of the 175 businesses (41%); 3) a residential population that quadrupled in a decade, from 500 housing units in 2014 to some 2,000 in 2024, along with the region's largest and most upscale hotel cluster, now buoyed by a new conference center; and 4) a compact, walkable, historically intact "mini-city" of a core.

- Visitors comprise a critically important submarket, accounting for 54% of Downtown's foot traffic. Their median household income -- exceeding \$100,000-- is considerably higher than the MSA's (\$72,000), and they tend to be more impulse-driven in their spending. They also help to backfill demand during the summer months when schools are not fully in session. They are likely less aware of and deterred by the negative perceptions that predominate locally. And inasmuch as they are staying at Downtown hotels, they are not as concerned about the inconveniences of parking.

- Downtown can leverage additional tenanting opportunities within select niches: 1) arts and crafts; 2) vintage and consignment; 3) destination food and beverage; and 4) diversified entertainment. It will be more challenged, however, to attract the convenience-oriented businesses considered essential to the “15-minute city” – most notably, a full-service grocer.
- The prevalence of independent merchants in the Downtown, including the cluster of arts-related businesses, conveys something meaningful about the overall Ithaca brand and ought to be reinforced. This should include the creation of additional “entrepreneurial platforms” that provide market access for talented yet undercapitalized operators. Tenanting efforts, however, should also encompass regional or national “chain-lets” (defined by a relatively small number of existing locations), and can even incorporate opportunistic pursuit of select brands that align with the community’s psychographic profile.
- If an outsider were to arrive in Ithaca with no awareness of the Commons’ history and iconic status, they would likely be underwhelmed by what they found. It is not, for example, serving effectively as a “Central Social Place” that can regularly attract people to socialize, have fun and be entertained. This requires equipment and infrastructure for “informal entertainment(s)” in which pedestrians can both watch and/or participate, facilitating interactions and socializing – like ping-pong, putting greens, 3-on-3 basketball, social dancing, group quilt-making or curling sheets.
- The SouthWorks project, on South Hill, could yet emerge as a second Downtown for the region and pose an existential threat to the original one. It could vie with Downtown for the same sorts of businesses or, even if well-differentiated, its scale and distinctiveness could exert a gravitational pull that erodes Downtown’s centrality. Indeed, if conditions do not improve along the Commons, it could even tempt *existing* merchants. After all, the site is private property, so its ownership will be able to exercise far greater control of the tenanting and common areas, which, in combination with the location, should greatly limit anti-social behavior and negative perceptions.
- Considering the 2019 utilization levels in the context of what has changed since then, the current supply of parking spaces in Downtown remains more than adequate to meet the demand. That said, the City could experiment with a more aggressive market-based pricing system that charges for on-street spaces on the basis of supply-versus-demand and increases the discount for stalls in the underutilized Green and Cayuga Street facilities.
- Theoretically, a storefront vacancy tax could discourage a certain kind of speculation by a particular type of landlord. However, public sector intervention in complex marketplaces can also easily backfire, spawning all sorts of unintended consequences. Indeed, such a levy could depress investment, especially in locations perceived as risky. A recent study shows that it can weaken tenant quality and accelerate churn. It can spawn nuisance uses and lead to an ultimately futile game of whack-a-mole. Finally, it would signal to the retail industry that the local business climate is a hostile one. Ithaca’s interests would likely be better-served with a collaborative approach than a confrontational one. Past efforts to play hardball have not proved fruitful, and in this case, could also subject it to legal action.

Downtown Ithaca – Action Items

- * Initiate prospecting efforts on behalf of landlords and brokers, focusing on the aforementioned niches and operator types
- * Orient available incentives towards anchor/catalytic uses on a “but-for” basis (including partnerships with owners of historic buildings to help pay for kitchen infrastructure), while recognizing that highly-coveted operators might justify the benefit as a form of enticement

- * Explore the introduction of new brick-and-mortar entrepreneurial platforms
- * Position and promote the Downtown as the publicly-facing center of an nationally prominent “arts town” as well as a broader “arts archipelago”
- * Leverage the potential of the Commons as Ithaca’s “Central Social Place” with various low-cost “informal entertainment(s)” – even in the colder winter months -- and al fresco dining/imbibing
- * Endeavor to coordinate closely on tenanting strategies with other large-scale projects within the broader competitive ecology (like SouthWorks, for example)
- * Address both the reality and the perception of antisocial behavior on and near the Commons
- * Complete a formal parking study that updates utilization levels of the existing Downtown supply as well as considers the wisdom and practicalities of a more aggressive performance-based pricing scheme
- * Develop a more systematic approach to curbside planning that considers the practical needs and concerns of its many user groups

West State Street

- West State Street is Ithaca retail at its most contemporary and dynamic. It centers on a number of food and beverage concepts that speak to a particular kind of Millennial, the “neo-hipster” - an upwardly-mobile, knowledge-industry professional (or postgraduate student) who celebrates creativity, fetishizes craftsmanship and skews socially progressive. Yet Millennials are aging: many of them are now raising families, spending less time and money on food and beverage. Zoomers are following in their footsteps – in some respects, but certainly not all (e.g. far lower levels of alcohol consumption), and the district’s mix of offerings will need to stay ahead of such trends.

- Generally speaking, food and beverage will remain the most promising kind of tenancy along West State Street. On the other hand, there is simply not enough existing foot traffic during the daylight hours to support shops, except for ones which are able to draw as destinations and/or generate significant revenue from other sources besides the walk-in trade.

- In planning documents, West State Street is said to “lack consistent character, with a mix of building types” as well as offer a “unique capacity for growth as evidenced by a mix of... underutilized and redevelopable properties.” It is envisioned as a favorable location for the sort of high-density housing that Ithaca sorely needs. Yet while affordability is no doubt a legitimate concern that must be addressed, it has also resulted in a kind of blind spot. After all, the underutilization of the building envelope(s) and the inconsistency in the built form is precisely what gives West State Street the lived-in eclecticism and the affordable “second-generation” retail space that appeals to – and is affordable to -- its current crop of neo-hipster businesses. Redevelopment, on the other hand, not only displaces existing ground-floor tenants, but also tends towards a more polished aesthetic as well as a less forgiving rent structure – all of which could imperil the distinctive vibe that has been attracting such operators and their customers.

- That does not appear to be the only blind spot, however. Existing merchants are just trying to survive amidst what they describe as an onslaught of social challenges – homelessness, panhandling, drug use, loud music, aggressive behavior, sidewalk trash, human feces, etc. – which, in their minds, the City has largely abandoned them to deal with

on their own. Feeling beleaguered and desperate, ignored and undervalued, many of them -- as renters, not owners -- have been threatening to leave upon, or close before, the expiration of their leases. (Once again, the SouthWorks project looms as a potential threat, especially as it will likely appeal to a similar neo-hipster psychographic). In this context, new supportive housing projects along West State Street must feel like a slap in the face.

West State Street – Action Items

- * Retain the ground-floor retail requirement along West State Street from Plain Street to Meadow Street (as well as Geneva Street to Albany Street, for the Block 14 site), while allowing greater flexibility between Albany Street and Plain Street but still with guidelines insisting on “retail-ready” design at street level
- * Design, fund and install streetscape enhancements that specifically reflect and project West State Street’s distinct identity, but only *after* addressing concerns among business owners related to social challenges
- * Revamp directional signage along NY 13 to steer Downtown-bound motorists towards West State Street
- * Undertake periodic updates of on-street parking utilization rates while also replacing existing (coin-operated) meters with modern ones which accept credit cards and offer pay-by-mobile convenience
- * Consider the formation of a membership-based merchants association for West State Street while exploring the possibility of a Business Improvement District (perhaps in concert with the West End) if/as assessed value increases with property redevelopment

The West End

- * Businesses are largely interested in – and generate sales from -- locations along the NY 13 couplet as a result of its high visibility to and easy access for large numbers of passing motorists. Unless the NYSDOT is willing to release the couplet from its role as an arterial thoroughfare, it will continue to be valued far more for its cars than its pedestrians, with auto-oriented tenants likely to pay higher rents than ones focused on the foot traffic.
- * For the NY 13 couplet, the City envisions a twosome of boulevard-like “Complete Street(s)” on which automobiles drive slower while pedestrians and bicyclists feel safer, and along which rise mixed-use projects with street-level storefronts below affordably-priced housing units. Yet pedestrian-oriented retail bays as part of new construction in the West End, then, is likely to sit vacant, suffer from frequent turnover or fill with different kinds of businesses than the ones envisioned. Due to sight lines, businesses flush with (rather than set back from) the sidewalk have a much shorter window in which to make an impression on passing motorists, while drivers are less likely to stop if they cannot see on-site parking in front or on the side.
- * Of course, this begs the “chicken-or-the-egg” question, as in “NY 13 will never become more pedestrian-friendly if automobile primacy continues to be reinforced.” Retail, however, operates on a different, much shorter time horizon than planning. Put simply, merchants do not have the luxury of waiting for an aspirational vision to materialize; they will probably not last that long. Instead, they tend to base their decisions on the realities of the moment.
- * In addition to its many convenience-oriented tenancies (e.g. gas stations, bank branches, quick-service food and beverage concepts), the district features a number of independently-owned restaurants, bars and even some boutiques due to its preponderance of older “second-generation” buildings. No one would develop such structures today, and the retail rents are, on their own, *not* enough to cover the carrying costs of these properties. Indeed,

some of the tenants might owe their inexpensive spaces to the possibility of redevelopment, currently in a holding pattern until the numbers pencil, and/or plans for disruptive roadwork by the State Department of Transportation (NYSDOT). Once either commences, their tenure there could be in jeopardy.

* The amount of retail space which can be realistically sustained along the waterfront appears to have been overstated, as the location implies heavy reliance on destination trade. This points to two or three food and beverage offerings. Without loyal followings, shops and galleries would likely struggle with inadequate foot traffic, especially in the colder months. And to the extent that a critical mass did materialize, it would almost certainly vie with Downtown for patronage and prospective tenants. Finally, the number of rooftops, even if all of the existing development proposals are built as planned, would still fall well short of the minimum needed to support publicly-facing, convenience-oriented businesses on site.

The West End – Action Items

* Offer grants to property owners along the NY 13 couplet to beautify their frontages with low-cost improvements to landscaping, lighting, facades and signage, while encouraging other kinds of activations on underutilized portions of their lots, like food trucks

* Work with existing businesses soon or likely to be displaced by redevelopment to identify possible “refugee” space(s) in Downtown Ithaca or other districts

* Continue with ongoing efforts to better manage the unhoused population camping in the City-sanctioned encampment known as the “Jungle”

* Consider the formation of a membership-based merchants association for the West End while exploring the possibility of a Business Improvement District (perhaps in concert with West State Street) if/as assessed value increases with property redevelopment

Collegetown

* Even without the frame of nostalgia, today’s Collegetown underwhelms in comparison to similar districts that surround other large elite universities across the country.

* Collegetown’s market share has likely been impacted by Cornell University’s prioritization of the on-campus experience in recent years, with residency and meal-plan requirements for both freshmen and sophomores as well as a growing number of eateries and cafes within its footprint. At the same time, student preferences in dining and nightlife have been shifting, with the steep decline in alcohol consumption as well as the upscaling of tastes and sensibilities, resulting in greater leakage to Downtown and Restaurant Row.

* Collegetown's retail mix, without any sort of intervention, is likely to continue along its current trajectory, with competitive positioning that points mostly to quick-service/casual food and beverage concepts as well as select convenience-oriented businesses catering to the dense, captive student submarket, especially its sizeable Asian/Asian American contingent. It will be hard-pressed to match the more diversified customer base available in Downtown for destination-oriented eating and drinking establishments or for specialty shops selling apparel, gifts, home décor or other comparison goods. Indeed, even sub-categories especially popular among students – like vintage clothing, for instance – likely stand a better chance there.

* Some stakeholders would like Collegetown to reposition itself as a wider draw capable of pulling from beyond its captive submarket. This, however, would seem like a steep climb, as its brand appears fairly entrenched, with the current retail mix there offering little precedent to believe that other Ithacans, except for Ithaca College students on South Hill, would validate such a strategy. Indeed, the shuttering of The Embassy after just a half-year in business offers a useful data point in assessing the viability of more ambitious food and beverage concepts in Collegetown.

* That said, Collegetown's customer base should be able to support some updates to and upgrades in the existing retail mix, moving beyond basic quick-service food and drink. Opportunities – still focused on meals, snacks and beverages in casual spaces -- include additional "fast-casual" eateries, offering healthier and/or higher-quality ingredients in more upmarket environs, and coffeehouse concepts, with novel flavors and styles along with ample seating and late hours; as well as uber-trendy franchises straight from Asia.

* As the biggest stakeholder in Collegetown and the one with the greatest impact on the district's prospects, Cornell University *needs* to be engaged in the district's retail revitalization. At the same time, such efforts would seem to align with the university's own self-interest, given the proactive role(s) that some of its peer institutions – like Yale University or, on a much smaller scale, Bucknell University -- have taken in recent decades, as part of the fierce competition for the best faculty, researchers and students. Its willingness to participate in the new Collegetown Community Collective is an encouraging sign.

* Some have argued that Collegetown's struggles to draw a broader audience from across the city and beyond can be attributed to parking. However, complaints on the subject can also obscure deeper challenges with the businesses themselves. After all, a consumer's willingness to tolerate the hassle, inconvenience and/or cost rises or falls in direct proportion to the appeal of their ultimate destination. If it is compelling enough, and if the *overall* supply of spaces is adequate, motorists will find a way. They may not be happy about it, but ultimately, that should not prove decisive.

Collegetown – Action Items

* Draw on the new Collegetown Community Collective as a platform upon which to develop a coordinated retail vision and tenancing scheme for Collegetown, and through which to collaborate more closely with Cornell University on possible master lease(s) for retail space(s), funding for district-specific tenant incentives and the future of East Hill Plaza (as potential competition), among other initiatives

* Identify and pursue opportunities for additional outdoor spaces which can be activated with informal entertainments (e.g. grassy area in front of Cascadilla Hall)

* Upgrade the Collegetown aesthetic with a bit of polish, while, making sure to add some much-needed color and dynamism as well as a touch of whimsy and irreverence that would likely resonate with a student demographic

* Reexamine the 2018 Collegetown Design Guidelines to ensure that the ground floors of new and existing development along the commercial stretches are designed optimally for retail tenancy, while also exploring opportunities to permit such uses on contiguous blocks where they could be viable

* Complete a formal parking study that updates utilization levels of the existing Collegetown supply as well as considers the wisdom and practicalities of a more aggressive performance-based pricing scheme, while also developing a more systematic approach to curbside planning

Chapter 1: The Ithaca Retail Market, as a Whole

Ithaca has long boasted a relatively stable local economy anchored by a large name-brand university. And until recently, higher education was viewed as a prime growth engine for towns, cities and regions. Indeed, the number of residents in the Ithaca metropolitan statistical area (MSA) increased by some 4.1% in the 2010's.

That, however, started to change with the maturing of the massive Millennial cohort and the onset of the pandemic. The MSA's population contracted by 2.0% in the five years since 2020, and while Cornell University, like many other elite universities across the country, has continued to expand, Ithaca College has been shrinking.



Boundaries of the Ithaca Metropolitan Statistical Area (MSA)

Source: U.S. Census Bureau, ESRI

Largely viewed in the retail tenant and leasing communities as a “college town”, Ithaca also suffers from the widespread assumption that “students do not spend money.” And while this might be overly simplistic, the MSA as a whole does index poorly against nationwide spending averages in virtually every retail category² -- a function, perhaps, of its rural setting.

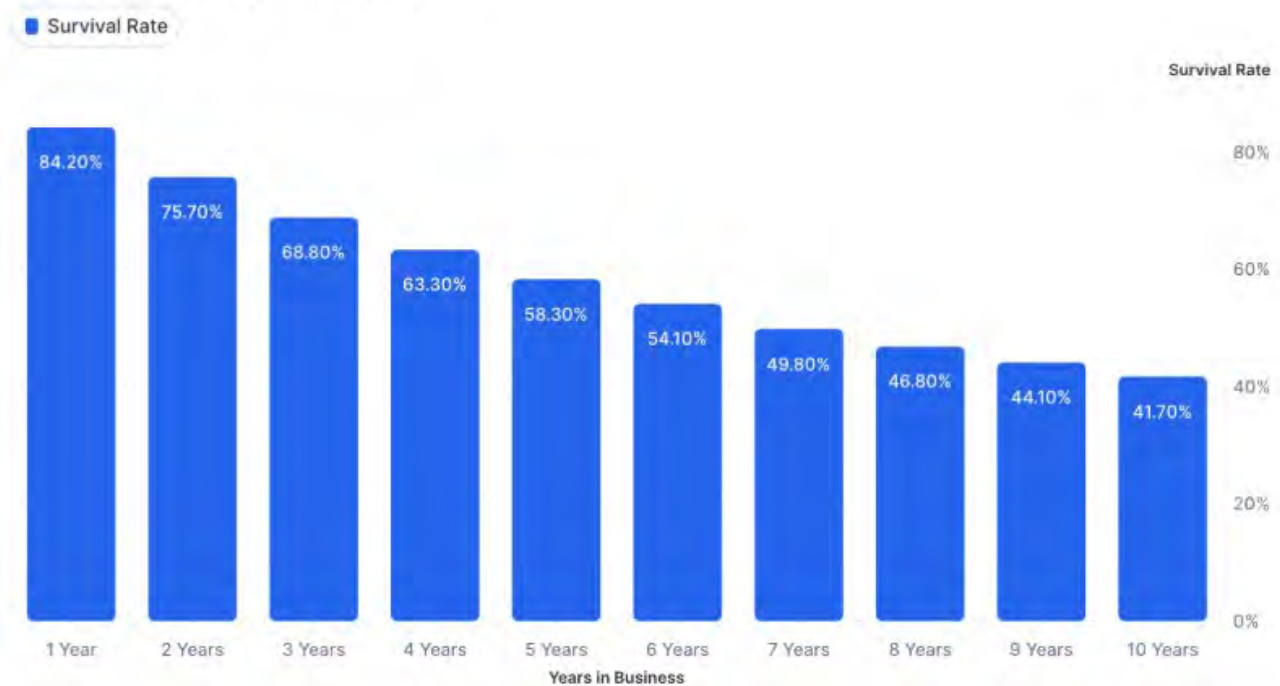
Retail also does not exist in a vacuum. The interests of (would-be) tenants is almost always assumed in any discussion about what kinds of businesses a given community or district could

² According to ESRI's “Retail Demand by Industry” report, as based on its consumer spending databases, which are derived from the Bureau of Labor Statistics' 2022 and 2023 Consumer Expenditure Surveys as well as the U.S. Census Bureau's 2017 Economic Census.

support. Then, when they do not materialize, it is implied as something that the “they” failed to do (i.e. “why didn’t they get a store selling essentials, like underwear”).

But there is no *they*. Actual operators – in the flesh – have to want to open there, and that is not just about consumer demand. They have to be pursuing expansion, with the financial wherewithal and internal capacity to do so. In the case of independents, they typically need to be ready to incur great risk and debt. Also, they have to find a suitable space and an acceptable deal. The numbers have to “pencil” – which, in low-margin categories, can be very challenging, especially for a mom-and-pop. The competing alternatives must fall short. Finally, and most importantly, they have to be a good merchant – analytical, savvy, resourceful, adaptable, so on and so forth.

Retail business survival rate, 2024



Retailing is *not* for the faint of heart: more than 40% of all retail businesses will fail within five years. Whenever, then, you think of positing a “they”, the question should be asked: would *you* risk your savings/retirement on such a venture?

Source: U.S. Bureau of Labor Statistics, Commerce Institute

In trying to understand such decisions, the competitive context looms large. Both consumers *and* perspective tenants make choices from among multiple options: the former, about which goods/services to buy and businesses to patronize, and the latter, about which markets to enter and spaces to lease. This is not, then, simply an assessment of Ithaca, but Ithaca *vis-à-vis* the alternatives.

Competitively speaking, today’s MSA of roughly 104,000 people pales in comparison to the much larger ones of Binghamton (248,000) and Syracuse (663,000), both of which also boast access to major highways. In addition, Ithaca sits within the massive shadow of Syracuse’s 2.4 million square foot Destiny USA mall, the state’s largest.

In other words, even if a retailer was impressed with the Ithaca market in and of itself, why would it want to locate there if, all other variables held equal, it would be capable of pulling from a far greater base of would-be customers at a Destiny USA, while still able to draw the ones from Ithaca’s trade area?

Indeed, the market is suffering today from a “black eye” of sorts, owing to recent store closures.³ Designer Shoe Warehouse (DSW), American Eagle Outfitters and Victoria’s Secret departed the Shops at Ithaca Mall, while Urban Outfitters (see caption) shuttered its Downtown location – with all of them leaving the market entirely, while keeping their doors open at Destiny USA.

Relevant Submarkets

So how does Ithaca address these shortcomings? A resumption in population growth – enabled in part by strategic upzoning for higher residential densities – should be a part of the strategy, though that is not going to elevate it above a Syracuse, or even a



The loss of **Urban Outfitters**, as the most prominent national brand in Downtown Ithaca, was a particularly heavy blow. While the brand, known for its appeal to students and 20-somethings, has also shuttered locations on Charlottesville’s (VA) Downtown Mall – which it did not replace elsewhere in that region -- and in Syracuse’s (NY) Armory Square, it continues to operate stores in the Downtown of State College (PA) and on Church Street in Burlington (VT).



By way of contrast, the **Downtown of State College (PA)** features a larger assemblage of student-oriented specialty retailers than Ithaca’s, including not just Urban Outfitters and Uptown Cheapskate but also, independents like Lock Boutique (above), Metro/Barefoot, Connections, Appalachian Outdoors, Rapid Transit Sports, VHS Skate Shop, Walks on Water Kicks and Tigers Eye Vintage Shop. And while the enclosed Nittany Mall has seen better days, it still contains brands like American Eagle Outfitters and Maurices that no longer exist in Ithaca.

NOTE: State College market is somewhat larger than Ithaca’s, with an MSA population of

³ The “market” here should be understood as the Ithaca MSA, as that is how most retailers would think of it, at least in the initial assessment of whether to expand there. In this respect, the fact that brands like Designer Shoe Warehouse, American Eagle Outfitters and Victoria’s Secret were located in (and departed from) a mall in Lansing is immaterial.

Binghamton. Rather, such limitations vis-à-vis much larger alternatives will ultimately need to be *transcended*.

Ithaca needs also, for instance, to capture more *wallet share* within its existing MSA population. Even though it is undeniably a “college town”, with the 30,000+ students accounting for nearly 50% of the 63,000 “close-in” residents (i.e. City of Ithaca, Town of Ithaca, the Village of Cayuga Heights and the Village of Lansing), the retail mix underperforms in the space.

The typical big and medium-box stores are there – student favorites like Target and Old Navy – but the specialty shopping is lacking. This can partly be attributed to the collapse of the Shops at Ithaca Mall, but even so, there are few boutiques or smaller chain-lets to fill the void left by the departure or absence of popular mall brands like American Eagle and Hollister.

It is also important to remember that Ithaca’s university community does not only consist of typical undergraduates between 18 and 24 years old. Roughly 10,000 of the 30,000+ attend graduate or professional schools, while Cornell University and Ithaca College combine for another 11,500 in faculty and staff.

These two additional cohorts – postgraduates and employees -- overlap to a significant extent with two “university-adjacent” submarkets in the MSA, within which many are directly employed by those institutions, while others work in related “knowledge industry” jobs that, it seems safe to say, would not exist in such numbers locally without the presence of higher education.

The first of these submarkets consists of single thirty-something professionals, many of them immigrants on J-1 visas⁴, in town for a period of time for positions in fields like education, health care, computer science or engineering.⁵ The second is comprised of older dual-income married couples, in education and health care but at later (higher-paid) stages of their careers. (See the sidebar for more on the 55+ population).

⁴ While noting the political sensitivity of the subject at the moment, it is nonetheless important to point out that many of these professionals are in fact foreign-born, short-term immigrants, given the implications for retail mix.

⁵ This first university-adjacent submarket corresponds to ESRI Tapestry’s “Emerging Hub” segment. According to ESRI, accounts for 11.9% of the MSA population, or roughly 10,700 residents.

Compared to undergrads, these two university-adjacent submarkets bring greater disposable income and more elevated tastes, attracting and sustaining concepts that, again, would otherwise probably not exist in markets of similar size and remoteness, like the several upmarket, high-priced restaurants along Aurora Street, or the Talbots in Cayuga Heights.

The Role of Psychographics

To better understand the nature of this opportunity, it helps to reframe Ithaca's consumer demand on the basis of psychographics.

As opposed to demographics, which characterizes submarkets in quantifiable terms (e.g. household incomes, home values, etc.), psychographics segments consumers by prevailing lifestyles, values, sensibilities and aspirations.

Psychographics helps to shed light on differences in consumer preferences that have little to do with basic demographics. After all, household incomes and home values cannot explain why the Ithaca market gravitates to the secondhand merchandise at Ithaca Reuse Center or embraces co-operative business models like GreenStar's.

The two aforementioned university-adjacent submarkets are dominated by the "Yupster" psychographic. Representing an amalgam of 1960's-era hippies and 1980's-era yuppies, it consists mainly of Gen X'ers and Baby Boomers who are well-educated and well-off. Socially liberal, they celebrate the artistic and cerebral lifestyle, at least in its more established, less edgy manifestations.

Older Adults and Ithaca Retail



Due in part to the presence of so many older dual-income married couples, the 55+ population actually accounts for a higher percentage of MSA residents than the 18 to 24 cohort (26.4%, versus 23.0%). Moreover, the 60+ set represented an even larger share (29.0%) of Tompkins County's visitor contingent in 2024.

55+ consumers typically have more leisure time and higher net worth. Not only are they active later in life, but a rising number have been starting "second careers" as merchants. 55-to-64-year-olds comprised 24.5% of new entrepreneurs in 2020, versus just 14.8% in 1996 – a trend corroborated by the local chapter of the Small Business Development Center. And, of course, they are growing as a percentage of our nation's aging population.

Locally, older adults feel underserved by the existing retail landscape. According to a survey undertaken as part of this study effort, they are not satisfied with or strongly attached to any of the region's eight shopping areas, and find the overall selection of apparel and home merchandise particularly lacking.

The prevalence of yupsters in university towns often gives rise to a retail mix that also features traditional fine-dining establishments, upscale specialty-food purveyors, community-oriented bookstores as well as art and craft galleries. With a few notable exceptions (e.g. Trader Joe’s), they tend to prefer smaller, independently-run businesses.

Their presence partly explains why, even though

it might not be widely known as such, Ithaca is also a bona fide “arts town.” According to Southern Methodist University’s 2024 DataArts rankings (below), it ranked second among medium-sized “arts-vibrant” communities nationwide, below only Santa Fe – as based on its number of independent artists and for-profit arts businesses as well as other criteria.

Yupsters typically subscribe to *The New Yorker*, regularly listen to NPR and often gravitate to the kinds of styles available at Eileen Fisher -- particularly its Renew line of “gently-worn” pieces. The psychographic segment was inspired by the “Bobos” of *New York Times* columnist David Brooks’ 2000 classic, *Bobos in Paradise: The New Upper Class and How They Got There* – which blended 1960’s bohemian values with 1980’s bourgeois ones.

TOP 40 MOST ARTS-VIBRANT COMMUNITIES OF 2024

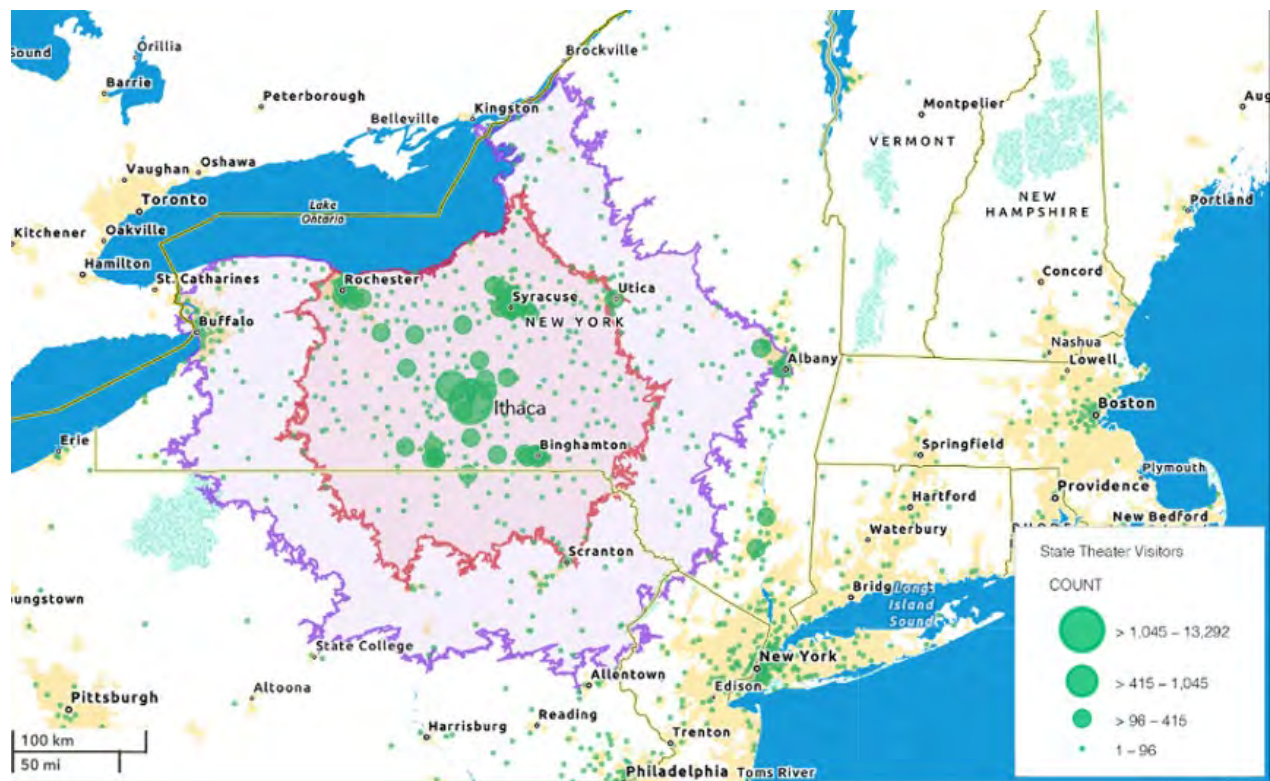
data-driven rankings across the U.S.

LARGE COMMUNITIES (population >1M)	MEDIUM COMMUNITIES (population 100,000 -1M)	SMALL COMMUNITIES (population <100,000)
#1 San Francisco-San Mateo-Redwood City, CA	#1 Santa Fe, NM	#1 Jackson, WY-ID
#2 New York-Jersey City-White Plains, NY-NJ	#2 Ithaca, NY	#2 Steamboat Springs, CO
#3 Boston, MA	#3 San Rafael, CA	#3 Juneau, AK
#4 Washington-Arlington-Alexandria, DC-VA-MD-WV	#4 Pittsfield, MA	#4 Vineyard Haven, MA
#5 Minneapolis-St. Paul-Bloomington, MN-WI	#5 Kalamazoo-Portage, MI	#5 Branson, MO
#6 Philadelphia, PA	#6 Boulder, CO	#6 Brevard, NC
#7 Nashville-Davidson-Murfreesboro-Franklin, TN	#7 Missoula, MT	#7 Taos, NM
#8 Newark, NJ	#8 Wilmington, DE-MD-NJ	#8 Glenwood Springs, CO
#9 Frederick-Gaithersburg-Rockville, MD	#9 Syracuse, NY	#9 Hailey, ID
#10 Austin-Round Rock-Georgetown, TX	#10 Ann Arbor, MI	#10 Auburn, NY

According to N. David Milder of DANTH Inc., a subconsultant on this study effort, Ithaca sits at the center of an “arts archipelago,” with multiple clusters of arts production and sales arrayed around the region like a group of islands, each with their own strengths and roles within a larger ecosystem.

In Ithaca alone, one can find the concentration of art and craft galleries (with their monthly Gallery Night) in Downtown, along with the State Theater; Artists Alley at the South Hill Business Center; artisan vendors at the Ithaca Farmers Market; as well as the Herbert F. Johnson Museum of Art and the Schwartz Center for the Performing Arts on the Cornell University campus.

These arts-related attractions and events do not just appeal to locals, either. For example, ticket purchases for State Theater performances between January 2023 and February 2024 reveal a two to three-hour drive shed (see map below) – a geography stretching from Albany to Buffalo, Allentown to Lake Ontario -- with roughly 32% of the patrons coming from more than 30 minutes away.



Sources: State Theater (Doug Levine), N. David Milder

Meanwhile, leisure travelers hailing from larger cities further afield (like New York City, Philadelphia or Washington, D.C.) might not choose to visit Ithaca specifically for its theater venues or art galleries, but inasmuch as they are seeking a kind of atmosphere or “vibe” for their weekend getaways, its psychographic profile and arts niche could figure prominently.

Indeed, while Ithaca’s scenic beauty will likely always be the primary driver, 81% of Ithaca’s 2024 visitors said that they seek “unique local experiences” and endeavor to “support local businesses” on their travels, while 71% cited the “rich arts, history and culture scene” as an important attribute in selecting vacation destinations.⁶

Doubling down on -- and, just as importantly, cultivating an even broader awareness of -- these distinctive elements of Ithaca’s identity can generate what economists call “returns-to-scale,” spurring exponential growth in leisure travel among those drawn to it, while at the same time attracting more of them to live there, accelerating what is known as the “flywheel effect.”

Simply put, the flywheel effect describes how the initial momentum of a circular process quickens with each ensuing cycle. In the case of, say, Santa Fe (NM), its allure as an arts destination, coupled with the presence of a healthy arts ecosystem (e.g. galleries, supportive services, arts-inflected third places, etc.), begets the arrival of even more working artists, which grows the allure and ecosystem still further.

The retail mix plays a critically important role in all of this. As the first use that visitors and newcomers typically see and can assess upon arrival as well as the only one that threads through their entire experience, it plays a disproportionate role in shaping impressions and perceptions, serving as the “face” of the community to the outside world.

Ithaca’s psychographic appeal depends to a significant extent on locally-distinctive concepts and smaller-scale operators. Indeed, the predominance of independently-owned businesses and presence of entrepreneurial platforms (e.g. Press Bay Alley, DeWitt Mall, Ithaca Farmers Market) in the Downtown sends signals about the kinds of values that the community holds dear.

Higher Education and Tourism



Interestingly, higher education does *not* rank highly as a driver of visitation to Ithaca. Only 10.1% said that their primary reason for traveling there was related to a university or college, while 36.4% cited leisure -- 21.2%, for vacation, and another 15.2%, for a weekend getaway. Just 12.5% were already familiar with the city because they had attended college or graduate school there, and only 12.4% participated in on-campus activities during their stay.

⁶ According to survey results from the *Tompkins County Tourism 2024 Visitor Profile*, undertaken by Future Partners on behalf of Tompkins County and released in February 2025.

Obviously the bevy of chains along South Meadow Street convey something very different. And yet it is noteworthy that the two national brands there which suggest a market punching above its proverbial weight – REI Co-op and Trader Joe’s – were almost certainly drawn to aspects of its consumer demand that are *not* about demographics, like lifestyle, values and sensibilities.

Transcending The Either/Or

Some locals might be dismayed by the seemingly equal weight given in this discussion thus far to how Ithaca *appears* to tourists and would-be residents.

As a practical matter, visitors – especially leisure travelers staying overnight – represent a captive market prone to impulse spending. As such, they play a critical role in the economic viability of local businesses. Indeed, they help to cover the shortfalls in consumer demand when the universities are less active. Moreover, their expenditures contribute heavily to sales and occupancy tax revenue, which supports County and City services, making their models of governance both possible and sustainable.

More to the point, though, the modest size of the MSA population means that this oppositional framing -- of out-of-towners *versus* locals -- will somehow have to be transcended. Like with Ithaca’s scenic beauty and outdoor recreational opportunities, psychographics offers a means of doing so, one in which the two can be – and, to a significant extent, already are – aligned.

The Target Customer As A Moving Target

Of course, matching the positioning of a place and the composition of its retail mix with a nuanced understanding of its target customer requires that one stay a step ahead of how that customer might be evolving. After all, what resonates today could present as dated and irrelevant tomorrow.

The Upside of Shuttered Chains



The departure of prominent banners from Ithaca is not necessarily cause for celebration, yet it can bring some upside, with the consumer demand which they had previously absorbed migrating to newer, more distinctive operators that better reflect the community’s psychographic profile. Ithaca lost its three Starbucks Coffee locations in 2022 and 2023, but that might have helped to make possible the debuts of Bank Coffee and FairPour Coffee Roasters.



Visit Ithaca and its various partners already recognize that the city’s embrace of inclusivity and **reputation as a socially-liberal safe haven** holds particular appeal to certain marginalized groups like the LGBTQ+ community.

There is still some remaining runway for arts-loving Baby Boomers and Gen X'ers. Yet Millennials and Zoomers already accounted for 50% of the 2025 MSA population and 60% of 2024 leisure travelers. Asians, Hispanics and Blacks aggregated to 23% of the former and 34% of the latter. Nearly 8% of total visitors described themselves as LGBTQ+ (see caption and table).

Age and Ethnicity in the Customer Base

	MSA	Visitors
Millennials (30 to 44 years old) and Zoomers (18 to 29 years old)	50%	60%
Baby Boomers (55+ years old) and Gen X'ers (45 to 55 years old)	36%	40%
Asian	11%	11%
Hispanic	7%	9%
Black	5%	14%

Source: ESRI, *Tompkins County Tourism 2024 Visitor Profile* and MJB Consulting.
 Note: There are slight differences in the definitions used by ESRI (for the MSA) and the Visitor Profile. We prefer the former, which defines Millennials as 30 to 44 years old (born from 1980 to 1995), Gen X as 45 to 54 (from 1970 to 1980) and Boomers as 55+ (1969 or earlier), whereas the latter opts for 28 to 43, 44 to 59 and 60+. Even so, we have directly compared the two data sets here because we feel that the larger point expressed in the narrative still holds.

While household incomes and educational attainment are unlikely to change all that much, the psychographic profile and spending habits almost certainly will. Consider, for example, how the preferred approach to retail revitalization has evolved from arts-centered strategies, popular with Baby Boomers and Gen X'ers, to dining-focused ones geared towards Millennials.

Indeed, Millennials raised on the programming of the *Food Network* have turned "chef-driven" food and "artisanal" beverage into the contemporary art form, with fast-casual concepts, third-wave coffeehouses (see caption), craft breweries/distilleries and food-hall formats just as capable of generating excitement and acclaim as French or New American sit-downs.

Zoomers, today's college students and recent graduates, are now starting to put their own stamp on eating and drinking preferences, incorporating, for instance, more of an Asian influence -- in



keeping not just with demographic trends but also, that continent’s growing prominence in global pop culture.

Meanwhile, the closure of Ithaca Beer Co.’s Collegetown location, after just two years in business, reflects Gen Z’s declining interest in beer. According to *Morning Consult* surveys, the cohort is 20% less likely than the Millennials before them to say that they consume beer one or more times per month.

Finally, A Word On Safety

Obviously, public safety has been a serious concern in recent years, especially on the Commons and along West State Street. It is a particularly challenging one, in that perceptions on the subject are often impervious to data, or at least slow to readjust in response to actual improvements. Moreover, attempts to address it can run counter to other values that the Ithaca community holds dear.

We have not been hired to provide guidance on reducing criminal activity and antisocial behavior – that is not our expertise. What we *can* do, however, is offer our perspective on how it impacts retail, in terms of foot traffic, merchant morale, tenant interest and district branding more generally.

While correlation is not the same as causation (especially during and after the pandemic, when so many variables have been in flux), foot traffic on the Commons, as the primary flashpoint of these anxieties, has indeed experienced rather dramatic declines both in the last year and since pre-pandemic times (see table).

Anecdotally, the consensus among local stakeholders is that current conditions amount to an acute crisis. Out-of-towners, on the other hand, seem to have a different experience. 80% of 2024 visitors to Ithaca

said that they were “satisfied” with safety and security, including 84% of leisure travelers and 88% conference attendees.

Foot Traffic on the Commons

	7/24 to 6/25 versus 7/18 to 6/19	7/24 to 6/25 versus 7/23 to 6/24
Overall foot traffic	-12.5%	-6.3%
Average dwell time	-18 minutes	N/A
Median Household Income	-16.7% (from \$66k to \$55k)	N/A

Sources: Placer.ai, MJB Consulting

This is not altogether uncommon: outsiders often do not notice as much, not only because their sample size is much smaller, but also, they are less likely to look in the first place, as they have not been (as) influenced by prolonged exposure to local biases or nostalgic comparisons to “better times” in the past. Indeed, the overwhelming majority are coming from larger markets, where the frame-of-reference tends to be very different.

That said, conditions have arguably worsened since the 2024 survey, particularly in the Asteri Ithaca complex adjacent to the Conference Center. And even if visitors remain untroubled as of July 2025, the negative attitudes of locals – as consumers, merchants, prospective tenants, would-be investors and other kinds of stakeholders – are critical to Ithaca’s retail prospects.

Moreover, the (un)willingness and/or (in)ability of the City and the County to address such concerns sends what the retail industry views as clear signals about how much (or little) the business community is truly valued, which, in turn, diminishes merchant morale, depresses investment and further weakens districts vis-à-vis privately-owned shopping centers (see caption).

Overall, it seems likely that, without a reversal of such perceptions, foot traffic will continue to decline, sales volumes erode, vacancy rates rise, rent levels drop, property assessments decrease and tax revenue fall. *This is not meant to cast judgment on what the public sector does or does not prioritize but merely, to shed light on the possible implications and tradeoffs.*

Recommendations

Ithaca’s overall retail market is not currently in a state of crisis. And yet, in certain respects, it underperforms, with no clear direction for improvement, and in particular districts, it could actually be headed towards a breaking point. In order to address both the stagnation and the threat, the non-profit and public sectors will need to partner with the business community on a more energetic, *proactive* and integrated approach.

The Case of San Francisco



San Francisco is obviously a different city than Ithaca, yet its recent experience is instructive. It had never been considered a business-friendly place, and frankly, had not really needed to be – retailers would come anyway because the residential densities/demographics and tourist volumes were so strong. But when consumer demand collapsed with the arrival of the pandemic, they deserted Union Square en masse – to a greater degree than other comparable Downtown shopping destinations across the country – in part because the public/non-profit sector there had never built reserves of good will and civic loyalty from which to draw in times of adversity.

Such an effort will have to start with an extensive **process to secure meaningful buy-in** from the relevant stakeholders to the blueprint below. The difficulty of achieving this should *not* be underestimated: it will require that each fully understands (and accepts) their roles and responsibilities, which could necessitate expansions in capacity, shifts in organizational mission and/or greater respect for the imperatives and (sometimes conflicting) values of others.

Acronym Soup

City: City of Ithaca
 DIA: Downtown Ithaca Alliance
 IURA: Ithaca Urban Renewal Agency
 IAED: Ithaca Area Economic Development
 SBDC: Small Business Development Center
 TCDC: Tompkins County Development Corporation
 Downtown Ithaca LDC: Local Development Corporation
 NYS DOT: New York State Department of Transportation

Furthermore, the division-of-labor between the different stakeholders is not always so clear-cut. The DIA would presumably take point within its boundaries, and the City, in the three other districts -- in partnership, perhaps, with Ithaca Area Economic Development and/or other major stakeholders. But that could complicate the implementation of certain recommendations as well as present some conflicts-of-interest. New protocols, then, will need to be hammered out and agreed upon.

For the sake of organization, the following list includes only those action items that apply on a citywide basis or that pertain to two or more of the four districts. Recommendations specific to a single district will be provided in their respective chapters.

- * **Create an easy-to-use reference guide for stakeholders**, to include a “Retail 101” primer unpacking how retailers and retail landlords make decisions, including threshold demand levels for individual categories; a summary of the retail strategy and implementation plan, with guidance on incentive allocation; specific language for describing (justifying) its elements to different audiences; etc. (City/DIA/IURA, with outside consultant).
- * **Create, market and maintain an up-to-date citywide list of storefront vacancies**, complete with relevant information such as location/address, physical specifications (e.g. square footage, linear frontage, depth and height, existing buildout, etc.), nearest available parking, land use/zoning/regulatory restrictions, leasing status (e.g. actively marketed, expiring lease, etc.), contact information, etc., to appear on both citywide and DIA websites (City/DIA).
- * **Create and maintain of an (internal) citywide succession-planning database**, developed via ongoing surveys of existing merchants to find ones who are planning to retire, close and/or sell and if so, on what timeline and terms – in order so that preemptive steps might be taken to identify possible incentives, replacements and/or buyers (City/DIA).

* **Align retail incentives with the tenanting strategies outlined in the ensuing chapters**, focusing on anchor/catalytic uses deemed likely to generate spinoff for nearby businesses, properties and the respective district as a whole, on a “but-for” basis (so as to guard against the possibility of “moral hazard”)⁷, with financial assistance for up-front/early-stage costs (e.g. initial buildout, rather than ongoing operating support), while also exploring other possible enticements (e.g. expedited permitting, density bonuses, etc.) (IURA/Tompkins County/City/DIA)

* **Develop an information-clearinghouse function**, whereby data sets that can be difficult and/or cost-prohibitive for smaller landlords, brokers and merchants to assemble and/or procure on their own – for example, foot traffic (via *Placer.ai*), office-space utilization, visitor volumes and market benchmarks (e.g. vacancy/availability rates) – are gathered and relayed, on both citywide and DIA websites (City/DIA).

* **Produce retail market reports**, distributed at regular intervals (i.e. every four to six months), which draw on all of this gathered information as well as recent leasing/development activity to paint a broader picture of current conditions and emerging trends, so as to provide updates and ammunition to brokers, landlords and

⁷ A “but-for” incentive is one without which the deal is very unlikely to happen, while “moral hazard” refers here to the tendency of a private-sector stakeholder – a landlord or a merchant, for instance -- to forgo certain expenditures or investments in the expectation that the public sector will pick up the tab.

Rapid-Rebuttal Briefs



Source: Center City District

Philadelphia’s Center City District (BID) released a rapid-rebuttal brief soon after Giant, a local grocery chain, announced that it would be closing its Heirloom Market store in the heart of Center City, referring to the 18 new supermarkets that had opened in the district since 2010 as well as the five more expected by the end of 2025. It also issued a similar report immediately after Macy’s said that it would be shuttering its location in the old Wanamaker Building, placing the decision within the broader context of the department store sector, which has been contracting for decades.

Succession Planning



Succession planning is especially important in university towns that prize independently-owned businesses, inasmuch as many of their longtime independents were started by young entrepreneurs in the 1970’s (not coincidentally, the first decade of the Ithaca Commons) who have now reached retirement age.

Tenancing Brochure and Roadshow



Source: Downtown Berkeley Association, MJB Consulting

With its tenancing brochure (left), the Downtown Berkeley Association (BID) in Berkeley, CA aimed to shift the conversation about the university town's historically far-left politics to its enviable population densities and demographics as well as its Mayor's pro-business policy regime. It then embarked on a roadshow to reintroduce retail brokers in the region to the opportunity that existed in the Downtown, through one-on-one meetings, earned media (right) and other forms of outreach. Many of the targeted leasing professionals responded along the lines of "I had no idea...", with the effort succeeding in attracting positive attention in – and ultimately landing tenants from – nearby San Francisco, where the community pejoratively known as "Be-zerkley" had long been dismissed.

journalists across the region and beyond, as well as "rapid-rebuttal" briefs (see caption), issued as necessary, which advance data-driven counternarratives to these same audiences in response to negative news (City/DIA).

* **Develop retail tenancing brochure(s)**, in print and digital form, that creatively (re)frames the city and/or one of its districts as a compelling retail location in the minds of prospective tenants, leasing professionals and potential investors/developers, along with an **extensive "roadshow(s)"** that, using the collateral as a tool, proactively makes the case for the opportunity both within and beyond the region (see caption) (City/DIA/IAED, with outside consultant and creative).

* **Unearth, research and vet prospective retail tenants** from other markets, so as to arrive at a list of ones corresponding to this strategy, most likely to be interested in the opportunity as well as able to offer reassuring track records to property owners, then **present or pitch them as alternatives to consider for landlords and brokers** with suitable spaces (see caption) (City/DIA/IAED).

Tenant Prospecting



NEWS

After two decades, it's New Haven's SoHo



by Tom Condon

August 16, 2016 @ 5:00 am



Source(s): Los Angeles Times and CT Mirror

A tenant prospecting effort undertaken by the Town Green Special Services District (BID) led to the 2015 arrival of Barcade, a Brooklyn, NY-based regional chain-let and originator of the now-widespread bar/arcade format, in the Downtown of New Haven, CT. Quickly emerging as a popular draw among both Yale students as well as non-students, Barcade helped to catalyze the revitalization of the long-sleepy Ninth Square district, described one year later as “New Haven’s SoHo” in the *CT Mirror*, a respected statewide news publication.

* **Update and refine the “Doing Business in Ithaca” guide** developed by the City’s Office of Economic Development in the late 2010’s, including new versions specific to retail categories (e.g. “Opening a Restaurant in Ithaca”), inclusion of relevant findings from this analysis as well as **proactive distribution and marketing** to further increase awareness among aspiring entrepreneurs (City/IAED/SBDC/Cornell University/Ithaca College)

* **Explore the feasibility of establishing and managing new brick-and-mortar entrepreneurial platforms** (e.g. fashion-truck pods, shipping-container villages, etc.), as part of a larger push to lower barriers-to-entry and expand the existing small-business pipeline (along with the Ithaca Farmers Market, Press Bay Alley, Dewitt Mall, Backyard Flea, Shared Kitchen Ithaca, “Made-in-Ithaca,” etc.) as well as “prove” the existence of markets in categories and locations perceived as higher-risk, with clear delineation of the division-of-labor among the many locals stakeholders in this space (see caption) (City/DIA/SBDC/IURA/IAED and others).

* **Create and coordinate an advisory panel of Gen Z’ers and Gen Alpha’s**

that meets twice yearly as a focus group to provide guidance on how habits and tastes are evolving among young people as well as how such trends might be integrated into positioning, tenanting and visitor marketing efforts going forward, with findings relayed in the aforementioned market reports (DIA/Cornell University/Ithaca College/Ithaca City School District)

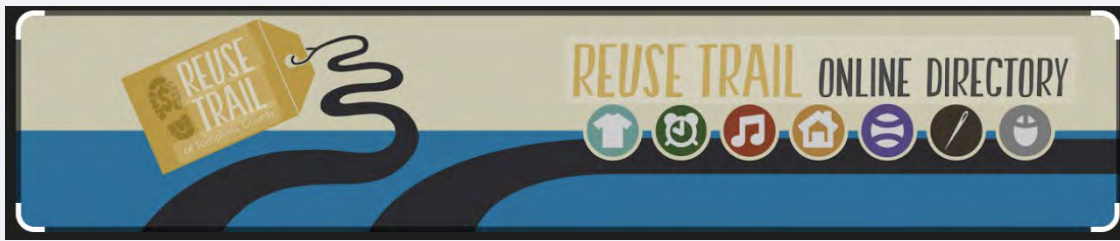
* **Tweak visitor branding and marketing to better reflect Ithaca’s psychographic positioning**, as outlined in this chapter, with a more explicit appeal as a destination for the arts in the near term -- comprising one part of an appealing “getaway” experience – which possibly gives way in the coming years to a reframing around the core interests and sensibilities of younger Millennial and Zoomer cohorts (Tompkins County/Visit Ithaca/IAED/City/DIA/Downtown Ithaca LDC).

Entrepreneurial Platforms



With its “Small Box” project, Cleveland’s Historic Warehouse District Development Corporation partnered with the owner of a surface-parking lot fronting on that Downtown’s Public Square on a short-term entrepreneurial platform, lining the sidewalk edge with a handful of shipping containers housing early-stage businesses. The site has since been redeveloped as the corporate headquarters for Sherwin-Williams Paints.

Visitor Marketing



While Ithaca has received national recognition as a tourist destination, the associated writeups do not tend to explicitly foreground or thoroughly render its psychographic positioning or arts archipelago, which could help to further sharpen and differentiate its appeal. Its “Reuse Trail” online directory (left) offers an existing example of psychographically-mediated visitor marketing that speaks to a particular value system.

* **Convene major stakeholders** on a regular schedule to **brainstorm possibilities for and consider the feasibility of new “game-changing” anchors** that would be capable of raising Ithaca’s broader profile and driving visitation regionally if not nationally, so as to at least get a start on the long-term process from initial conception to grand opening (City/DIA/Tompkins County/IAED/Cornell University/Ithaca College).

* **Redouble efforts to elevate Ithaca’s curb appeal** (and thereby help to improve perceptions) **with additional “cleaning and greening” as well as façade/signage enhancements**, striking a balance between a corporate standard of spit-and-polish and the psychographic’s preference for a certain degree of “shabby chic” (City/DIA/Tompkins County).

* **Center the needs, experiences and anxieties of the business community** in discussions about policy and resource allocation, particularly as they relate to perceived safety and order in the public realm, in part to ensure adequate funding for – and buy-in to -- the City programs and services that reflect its values and aspirations (City/DIA/Tompkins County).

Stakeholder Priorities

Obviously this is a lengthy list of action items, proposed for public and non-profit entities with limited time, energy and resources. As a practical matter, priorities will need to be established. In the case of the most oft-mentioned stakeholders -- the City, the County and the DIA -- the top three are as follows:

City of Ithaca

1. Centering of the needs, experiences and anxieties of the business community
2. Redoubling of efforts to elevate Ithaca's curb appeal
3. Alignment of retail incentives with tenanting strategies

Tompkins County

1. Tweaking of visitor branding and marketing
2. Alignment of retail incentives with tenanting strategies
3. Redoubling of efforts to elevate Ithaca's curb appeal

DIA

1. Creation and ongoing maintenance of a database of storefront vacancies
2. Development and road-showing of a retail tenanting brochure
3. Proactive approach to tenant prospecting and matchmaking

Ithaca's Retail Ecology

Each of Ithaca's business districts operate within a larger ecology, relating to, benefitting from and/or competing with each other in different ways. They can successfully coexist, but in order to do so, they must be "positioned" appropriately, then stay in their proverbial lane(s) – especially given the uncertain growth trajectory of the market as a whole.

Obviously, developers, landlords and would-be tenants are the ones with the ultimate control on such matters. With this in mind, the public/non-profit sector will need to draw heavily on its aforementioned partnership with the business community, lobbying for coordination on tenanting strategies among current (and new) rivals so as to protect this delicate equilibrium.

It is to such a level of granularity that we will now turn, starting with the Downtown.

Chapter 2: Downtown Ithaca

There has been a great deal of handwringing nationwide about Downtowns losing their way amidst the rise in e-commerce.

However, the same formula which enabled such districts to coexist with suburban shopping centers – one centered on food, beverage and entertainment, unique niche-driven boutiques and a “captive” market fueled by significant visitor trade and a growing residential population, all of it set within a built environment full of patina and personality -- positions them equally well vis-à-vis the selection and convenience of the digital channel.

The massive Millennial generation led this return to the Downtown and the urban core in the 2000’s and 2010’s; now it appears that Zoomers are wanting to follow in their footsteps. As older generations fretted about public safety, civil disorder and “doom loops” amidst the pandemic, these young adults were flocking to city apartments and backfilling demand there for a similar sort of retail mix.

While Ithacans seem by and large rather downcast about their Downtown, it has approximated this formula rather successfully, in ways that many other cities of similar size can only aspire to:

- A “Restaurant Row” with several establishments boasting annual grosses of \$1 million or more, along with two entertainment anchors in the State Theatre (50,000+ annual attendees) and Cinemapolis (60,000).
- A base of shops selling *goods*, accounting for 72 of the 175 businesses (41%)⁸ and including a robust niche in the sales of arts products, with 13 gift shops and eight galleries, as one of the islands in the aforementioned “arts archipelago.”
- A residential population that quadrupled in a decade, from 500 housing units in 2014 to some 2,000 in 2024, along with the region’s largest and most upscale hotel cluster (562 rooms in four flagged properties, with 143,000 annual guests), now buoyed by a new, 50,000 square foot Ithaca Downtown Conference Center.
- A compact, flat, largely walkable “mini-city” of a core, lined with historic buildings and centered on a cherished pedestrian mall, that stands in stark contrast to the retail sprawl-scape along NY 13 as well as the rural densities not far afield.

⁸ According to DIA’s 2024 Business Directory.

Consumer Demand

Downtown Ithaca can theoretically draw from the entirety of the region. Indeed, given its roughly 400,000 square feet of retail square footage⁹, the modest size of the MSA's population as well as the seasonality of its other demand segments, it needs to.

Visitors comprise a critically important submarket, accounting for 54% of Downtown's foot traffic¹⁰ and anecdotally, as much as 70% of sales for some merchants. Their median household income -- exceeding \$100,000¹¹ -- is considerably higher than the MSA's (\$72,000)¹², and they tend to be more impulse-driven in their spending.

Visitors also help to backfill demand during the summer months when schools are not fully in session. Also, as discussed earlier, they are likely less aware of and deterred by the negative perceptions that predominate locally. And inasmuch as they are staying at Downtown hotels, they are not as concerned about the inconveniences of parking.

The first chapter touched on the overlap between visitors and MSA residents, specifically the "Yupsters" -- traveling to Ithaca for its "arts town" attractions and psychographically-mediated vibe, or living/working there as part of the broader university community and related knowledge industry. Indeed, we have already argued that the demand of these out-of-towners and locals can be mutually reinforcing.

The 55+ cohort is central to this positioning, accounting for 26.4% of the MSA's population (and growing)¹³ and at least 35.0% of 2024 visitors.¹⁴ In fact, roughly 2,000 live within a 0.5 mile radius of Downtown. Importantly, they supplement foot traffic during the weekday(s) when other adults are working, thus contributing to a sense of activity and safety.

Yet while our survey¹⁵ shows that they favor Downtown's Yupster businesses selling arts, crafts and books, they otherwise feel dissatisfied with the retail mix there. 71% rate the district as a

⁹ Within the boundaries of the BID, as per Downtown Ithaca Alliance's *State of Downtown Report, 2021-22*.

¹⁰ According to *Placer.ai* data, provided by the DIA.

¹¹ According to survey results from the *Tompkins County Tourism 2024 Visitor Profile*, undertaken by Future Partners on behalf of Tompkins County and released in February 2025.

¹² According to ESRI's "Market Profile" report.

¹³ According to ESRI's "Market Profile" report, according to which the 55+ cohort represented 25.8% of the MSA's population in 2020, rising to 26.4% in 2025 and then projected at 27.0% by 2030.

¹⁴ According to survey results from the *Tompkins County Tourism 2024 Visitor Profile*, undertaken by Future Partners on behalf of Tompkins County and released in February 2025, which were not segmented in the same fashion, but which pegged the "Boomer+ (ages 60+)" generation at 29.0%. With the "Gen X (ages 44 to 59)" cohort at 24.7%, it seems safe to assume that including those aged 55 to 59 would raise the 55+ percentage to at least 35.0%.

¹⁵ The survey -- a cooperative effort of the DIA, the City's Department of Planning and Development, the Tompkins County Office for the Aging, Lifelong and the consultant -- was fielded in September 2024, generating an average of

“poor” (43%) or “fair” (28%) place to shop, and of those respondents, 74% either have not visited it at all in the last month (52%), or just once (22%) – suggesting possible opportunity.

Students constitute the other major submarket in Downtown. Ones at Ithaca College have long gravitated there, due to the paucity of options on South Hill. The difference today, however, is that, according to select merchants, those at Cornell University are spending more time and money in Downtown businesses than in the past (see caption).

This partly reflects the reduced appeal of Collegetown – the subject of a later chapter. But it is also a function of the roughly 1,000 students – most of them enrolled in Cornell’s graduate or professional schools – who now live within a five-minute walk, and the 3,000 within ten minutes.¹⁶

It is fortunate for Downtown that students have been increasingly gathering there. Except in their three weeks of vacation, they help to compensate for the steep drop in tourist volumes during most of the cold winter months. Also, it seems reasonable to assume that they are somewhat less likely to be deterred by perceptions of public safety.



Office tenants that value proximity to the urban core but need large blocks of modern space – like Cayuga Medical Services/Cayuga Health -- are often more easily able to find suitable real estate opportunities along the NY 13 corridor, posing another challenge to Downtown’s status as a hub for white-collar jobs in the region.



Downtown businesses attracting meaningful numbers of students include Handwork, Home Green Home, Pastimes, Brain Shoppe, Paris Baguette and Bike Bar.

670 responses per question. As it utilized the SurveyMonkey platform, it should *not* be considered an ideally representative sample.

¹⁶ According to 2022 *American Community Survey* (ACS) data. The five and ten-minute walksheds are centered on Center Ithaca.

The impact of employees, meanwhile, is somewhat less clear. Approximately 4,500 work within a 0.5-mile radius¹⁷, and just 1,200 in offices, with a sizable percentage – estimated at 40-50%¹⁸ - still logging on from home. Moreover, the market for office space is weak, with tenants decamping to the NY 13 corridor (see caption) and commercial leasing agents struggling to find users for Harolds Square.

Finally, children below the age of 18 only account for 14% of MSA residents, versus roughly 21% statewide, and the percentages decline as one gets closer to Downtown, to 12% in Ithaca Town and 8% in Ithaca City. In absolute numbers, there are less than 2,000 of them in the City.

On the other hand, **families with kids** comprise a disproportionate share of the visitor population – roughly 38-39% (with the overwhelming majority unrelated to higher education, e.g. college tours)¹⁹ -- which might help to explain the popularity of Downtown retailers like The Brain Shoppe and Alphabet Soup.

Ground-Floor Tenanting

To understand which kinds of new businesses would make sense for Downtown Ithaca, one must first become familiar with the concepts of co-tenancy and critical mass, which is integral to retail leasing.

Most retailers can be characterized as “pack animals”, looking to mitigate their risk with a safety-in-numbers approach and augment their sales through the cross-traffic generated by nearby merchants with similar customers. They feel that they are more likely to thrive, or at least survive, in close proximity to complementary – or even competitive – businesses than in stand-alone isolation. This holds in particular for large brands but also for many independents.

When deciding on new locations, then, they will look closely at the existing mix at the different alternatives, which point to the level and kind of foot traffic that they can expect at each. And with all other variables held constant (like, for example, rents or incentives), they will tend to pick the larger clusters over the smaller ones.

¹⁷ According to 2021 data generated by U.S. Census Bureau’s “On The Map” feature.

¹⁸ The return-to-office rate for Downtown Ithaca was reported at 50% in 2022, which, if in line with national trends, would have climbed modestly since then.

¹⁹ According to the *Tompkins County Tourism 2024 Visitor Profile*, undertaken by Future Partners on behalf of Tompkins County and released in February 2025, 38.6% of visitor households contained children. Meanwhile, families with children were the top visitor type in 2019, comprising 38% of all survey respondents, according to JLL’s *Visitor Profile Report: Ithaca & Tompkins County*, undertaken on behalf of Visit Ithaca and the Tompkins County Tourism Program. Of this 38%, just 20% reported higher education as the primary reason for travel (e.g. college tours).

This preference is especially the case in categories where consumers have historically preferred to “comparison-shop” from among a wide selection of possibilities – like, for instance, apparel, footwear, jewelry and furniture – which partly explains the long run of the regional mall, and the enduring strength of the largest among them, the so-called “fortress malls.”

It also applies to a certain extent, however, to weekly conveniences, which, when combined with comparison retail, offers the consumer a more efficient “one-stop shop” (see caption), where they can take care of multiple purchases – say, groceries, prescription drugs, clothes and home accents -- in one place.

In other words, there are significant returns to scale – or, in industry jargon, “critical mass” – such that the large shopping destinations tend to grow even larger over time, and their gravitational pull, even stronger. Yet while this would seem to work to Downtown’s disadvantage, Downtown can also leverage *its* existing scale within select niches:

* **Arts and crafts:** As noted earlier, Downtown Ithaca has already established itself within the larger arts archipelago as a location – indeed, the premier location – for galleries and gift shops through which artists and craftspeople in the region (if not beyond) can promote and sell their creations.

Downtown is the focal point of the once-a-month Ithaca Gallery Night (see caption), but its



Downtown accounts for the lion’s share of **Ithaca Gallery Night** participants in summer 2025.



Source: Benderson Development

As by far the largest retail agglomeration for **one-stop shopping** in the Ithaca region, South Meadow Street continues to attract retailers in both comparison (e.g. REI) and convenience (e.g. Trader Joe’s) categories. Its scale partly explains its ability in recent years to poach brands from the comparatively smaller cluster at NY 13 and Triphammer Road in Lansing.

appeal to such tenants – vis-à-vis, say, Artists Alley at the South Hill Business Campus -- can be attributed in large part to its capacity for generating *serendipitous* visits and purchases, five or six days a week, year-round.

Downtown’s competitive advantage, then, is rooted in its existing co-tenancy of arts and crafts retailers, the synergies with its various other Yupster-oriented businesses (e.g. bookstores, cafes/eateries, etc.), as well as its centrality to the tourist experience, especially for more affluent visitors (staying at its higher-end hotels).

* **Vintage and consignment:** Budget-conscious, alternatively-minded young adults have long been drawn to second-hand clothing, but the Millennial generation is the first for which it became broadly fashionable to wear vintage, with the trend seemingly expanding still further with Zoomers (see caption).

Downtown is arguably the region’s best location for such concepts. It is the crossroads for both the Cornell University and Ithaca College campuses as well as other 20-somethings and aspirational teens. Also, it can offer synergies with other vintage/hipster co-tenancies like Petrone, Homegrown and Angry Mom Records.

The opportunity extends well beyond clothing, though. Overall, the market for thrift and resale goods in the U.S. more than doubled in the six-year stretch between 2017 to 2023, from \$20 billion to \$43 billion.²⁰ Apparel comprises just a quarter of



The “**treasure-hunt**” experience – in which one can unearth gems amidst piles of junk, pay next to nothing for them and then brag about such “deals” to their friends – has emerged as a type of shopping that the overwhelming majority of consumers still prefer to do in physical stores. Examples include vintage/consignment, factory outlets and off-price. Indeed, the largest players in off-price apparel – TJX (T.J. Maxx and Marshalls), Ross Dress for Less and Burlington – either do not sell online or, in TJX’s case, generate only 1-2% of its overall sales through that channel.



According to a 2025 report released by OfferUp, a local resale marketplace, 44% of Millennials and 54% of Zoomers choose **second-hand** products over new ones.

²⁰ According to ThredUP.

these sales, with furniture and sporting goods also accounting for sizeable percentages.²¹

Resale is also a category in which consumers clearly value the in-store “treasure hunt” experience (see caption), with the number of physical secondhand/consignment retailers climbing by 7% in just the last two years.²² In-person transactions help to reduce the perceived risk of unreliable sellers and substandard merchandise when doing this kind of shopping online.²³

Finally, second-hand has lost much of its societal stigma more generally, even among older and more affluent consumers.²⁴ (Indeed, in a community where Ithaca ReUse Center has long been celebrated, it never had much of one to begin with). Consignment retailers, then, should be able to entice some of the foot traffic generated by the arts and crafts niche.

* **Destination food and beverage:** The annual gross sales generated by eating and drinking establishments along Aurora Street’s locally-famed “Restaurant Row” – exceeding \$1 million in most cases, and closer to \$2 million in some -- point to healthy levels of consumer demand and a regional draw supplemented by the visitor trade, with potential for additional offerings going forward.

Much of the patronage – especially at the high end -- is driven by the Yupster contingent, which celebrates gourmet dining and fine wine in traditional sit-down formats. This includes those in the psychographic who are spread across the MSA as well as visiting from beyond, with an extra boost provided by the growing contingent of graduate and professional students now living in Downtown.

Aurora Street also, however, appears also to have become more of a destination for undergraduates interested in a “night out” of munching and imbibing – versus the quick-service options widely available in Collegetown. Indeed, its popularity with students reflects to some degree how their tastes in nightlife have evolved from the “dive bar” of old to a more contemporary, self-consciously upmarket experience.

Of course, there is a ceiling to the more expensive fare and a need to diversify for the future, but also, a danger of skewing too much in the other direction. The balance is perhaps best achieved with concepts featuring elevated versions of newer cuisines popular with Millennials (30 to 44 years old) and Zoomers (18 to 29), offered at higher yet still reasonable prices and in settings that

²¹ According to the 2025 report released by OfferUp.

²² According to Lei Takanashi’s January 3, 2025 article in *The Business of Fashion*, entitled “Why Brick-and-Mortar Resale is Flourishing.”

²³ According to the 2025 report released by OfferUp.

²⁴ According to the 2025 report released by OfferUp.

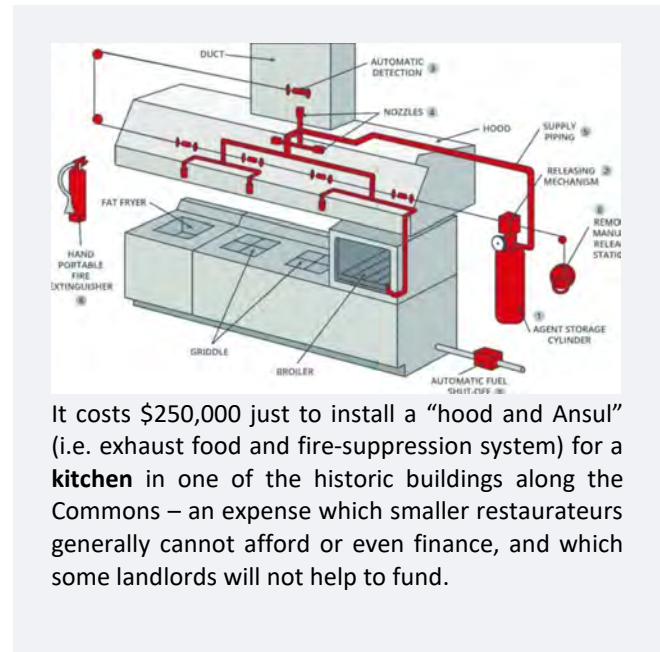
also read as accessible to older, more traditional Yupster diners (e.g. comfortable seating, table service, lower-decibel levels, etc.).

The biggest challenge remains one of real estate: virtually all of the spaces already outfitted for restaurants have been taken, while the costs of building new kitchens and related infrastructure are exorbitant, especially in historic, 19th-century buildings (see caption). Meanwhile, the viability of full-service dining appears to weaken once one leaves Aurora Street and moves west along the Commons.

It does not help that restaurants located along the Commons lack accessibility for automobile pickup and delivery, which accounted for considerably more traffic even at sit-down dining establishments in 2024 (30%) than it did in pre-pandemic times (19%), with 41% of such operators reporting that so-called “off-premise” business still represented a higher percentage of their total sales than five years earlier.²⁵

* **Diversified entertainment.** Speaking of those dive bars, the options for nightlife have broadened considerably in recent decades, with a slew of concepts for which some sort of social activity, often involving playful competition, serves as lure and lubricant. The bulk of their revenue typically derives from food (increasingly artisanal) and beverage (typically alcohol), supplemented in many cases by group sales (e.g. team leagues, office parties, etc).

In this new space of “competitive socializing”, a number of rapidly-expanding operators, centered on a range of pastimes including mini-golf, simulated golf, ping-pong, darts and others, have materialized since the pandemic. They have thus focused primarily on sizable floorplates in much larger cities, where the population base and corporate business can justify the high upfront costs associated with build-out.



It costs \$250,000 just to install a “hood and Ansul” (i.e. exhaust food and fire-suppression system) for a kitchen in one of the historic buildings along the Commons – an expense which smaller restaurateurs generally cannot afford or even finance, and which some landlords will not help to fund.

²⁵ According to the *National Restaurant Association's* “Off-Premises Restaurant Trends 2025” report, released in April 2025. For limited-service eateries, the traffic from off-premise business (including drive-thru) increased from 76% in 2019 to 83% in 2024.

That said, these business models could theoretically be – and indeed have been (see caption) -- adapted by aspiring local entrepreneurs, or even existing businesses, for the scale and composition of the Ithaca consumer demand. Alternately, some of these activities – along with others – could be offered as “informal entertainments” activating the Commons itself, as will be discussed later in this chapter.

Again, as the crossroads for Ithaca’s student and young adult populations and with existing co-tenancy in destination-driven food, beverage and entertainment as well as the potential for additional business from the Conference Center and the nearby workforce, Downtown would seem a viable location for such offerings.

Select locations in Downtown – ideally removed from residents – might also be appropriate for a live-music destination or component. Dan Smalls of DSP Shows, a prominent promoter both locally and across the Northeast, had been hoping to relocate The Haunt, the iconic Ithaca value that was demolished in 2021 for waterfront redevelopment, to a bigger space in Downtown²⁶, or perhaps, to the existing State Theater, where he has an existing relationship.²⁷

Conveniences

City leaders have also expressed an interest in attracting more convenience-oriented businesses that would help to realize the vision of the “15-minute city”, a popular aspiration in urban planning today, whereby residents are able to satisfy most of their needs and wants within a 15-minute walk, bike or transit ride.²⁸



In 2015, entrepreneur Todd Parlato opened **Atlas Bowl** in the heart of Trumansburg, as a smaller-format, more family-friendly riff on the retro bowling alley/lounge model pioneered by Lucky Strike Lanes. Describing it as a restaurant and bar with an entertainment component that happens to be bowling – “our tagline is 'Eat, Drink, Bowl... and we place our emphasis in that order” (1) -- Parlato’s concept features seating for as many as 120 diners but just seven lanes (plus candle-pin lane) in a roughly 7,000 square foot space.

Source: (1) As quoted in the *Ithaca Journal*, “Eat, drink, bowl in Trumansburg,” written by Tom Fleischman, appearing on March 23, 2025

²⁶ <https://nysmusic.com/2021/03/01/the-haunt-in-ithaca-is-demolished-but-new-location-coming-soon/>.

²⁷ <https://607newsnow.com/news/258852-dan-smalls-one-of-ithacas-finest-you-should-know/>.

²⁸ <https://urbanland.uli.org/planning-design/de-infrastructuring-in-the-era-of-the-15-minute-city>.

Yet while a car-free lifestyle might be realistic in the densely-developed cores of New York City and Boston, it is much harder to achieve in a market of Ithaca's scale, where Downtown, even with all of the residential development in recent decades, still does not approach the population thresholds needed to support urban formats in some of the most important categories.

According to an established rule-of-thumb, Downtowns must have at least 10,000 residents in order to sustain its own full-fledged grocer, where say, an apartment dweller could reasonably expect to cover the essentials of a weekly shopping trip. Historically, in the absence of a large worker contingent, the threshold would rise to 20,000 for a new large-format drug store.

Also, in contrast to tightly-packed cities, there are far more spacious sites within close proximity of Downtown Ithaca where such retailers are able to open much larger stores complete with on-site parking fields. From these sorts of locations, they can easily reach if not far surpass those thresholds.



Target has opened a slew of smaller-format stores (with grocery and drug) in university towns over the last decade, including a two-story, 28,000 square foot affair in Downtown State College (image), which debuted in 2016 (and coexists with one of its traditional big boxes just three miles away, next to the freeway). However, the ground-floor space in Downtown Ithaca's Harolds Square development consists of just 10,000 square feet – smaller than the chain's tiniest (12,500 square feet, in Downtown Berkeley) – and, even more problematically, lacks workable loading docks. Also, Target might be troubled by perceptions of deteriorating conditions along the Commons, having attributed the 2023 closure of several other urban locations to retail theft and employee safety.



The typical **Wegmans** consists of 140,000 square feet, and while the wildly popular chain has been opening "smaller" stores in tighter urban settings, these remain considerably larger than even a traditional full-service supermarket. Its two locations in New York City measure 74,000 square feet, at the Brooklyn Navy Yard, and 87,500 square feet, in Manhattan's Astor Place (above), while the smallest one in its portfolio is 53,000 square feet (East Rochester), having debuted in 1958, in what is effectively its home market. By way of comparison, the sales floor of the flagship GreenStar in the West End measures just 16,500 square feet.

Indeed, there is not much consumer demand remaining after one accounts for the existing draws of Wegmans, Walmart and Trader Joe's, on South Meadow Street, or the Ren's Mart, GreenStar Food Co-op flagship and ALDI, along NY 13. Or, for that matter, the Walgreens on South Meadow, the CVS on NY 13 (to which it relocated from Downtown in the early 2000's), or the Kinney Drugs in Fall Creek.

Generally speaking, U.S. grocers tend not to devote much brainpower or resources to smaller urban formats – and when they do, the focus is squarely on the largest, highest-density cities (see caption). Meanwhile, the model for the large-format drug store is fundamentally broken, with its three largest chains (Walgreens, CVS and Rite Aid) having shuttered hundreds of locations in recent years, including the Walgreens in Dryden.

Finally, the options for independents are limited, in large part due to the nature of the merchandise. Grocery and drug stores largely sell items that do not vary widely from one competitor to the next. As a result, operators are forced to compete primarily on price. This conveys an enormous advantage on larger chains which order much bigger quantities from vendors and can therefore demand steeper “bulk” discounts.

Corporate giants, then, tend to predominate in these categories more than others. Even Kinney Drugs operates roughly 100 locations, while smaller “mom-and-pops” almost always belong to national buying cooperatives like IGA, Good Neighbor Pharmacy or, in GreenStar's case, National Co+op Grocers, which negotiates pricing on behalf of roughly 240 stores across 39 states.

Such challenges do not necessarily doom all kinds of 15-minute businesses. After all, the population thresholds are considerably lower in some categories, like dry cleaners and boutique fitness studios. Yet for the largest, most prominent ones, such as grocery and drug, Downtown residents and stakeholders seeking walkable alternatives to the sprawl-tail further west might need to content themselves with the more limited selection at GreenStar's 2,500 square foot Dewitt Mall satellite.

Types of Operators

It would be overly simplistic to say that the Ithaca consumer disdains large chains. After all, the thriving South Meadow Street shopping precinct is dominated by them. But Downtown consists almost exclusively of smaller operators, and inasmuch as the district acts as the face of the community, both to itself as well as the world beyond, the prevalence of independent merchants there, including the cluster of arts-related businesses, conveys something meaningful about the overall Ithaca brand and ought to be reinforced.

Downtown should not hesitate to pursue select chains opportunistically, in cases where they still align with the psychographic profile. Indeed, such operators likely represent the only candidates for the more sizable floorplates that currently sit vacant – on the ground floor of Harolds Square, for instance – and can also help to anchor/underwrite possible future developments – like, say, the Block 14 site.

Otherwise, the retail mix should continue to trend smaller. Tenanting efforts might target single-location concepts for storefronts – though these should also be capable of deriving revenue from other sources besides walk-in traffic (see caption). Meanwhile, new entrepreneurial platforms can join Press Bay Alley and Dewitt Mall in providing additional access to start-up/micro businesses – for example, along the Commons, as short-term uses on vacant/underutilized lots or even within existing retailers.

Downtown can also function as a safety valve of sorts for “refugee” tenants – independently-owned shops and restaurants that, while generally healthy, could still conceivably be displaced in the future by housing-driven redevelopment plans in either the West End or along West State Street, or that simply want to get ahead of that possibility by securing a longer-term lease elsewhere.

The chains-versus-independents question, however, should not be understood as a binary, but rather, a continuum, with the two coexisting along with various hybrids between them. Like the “chain-let”, an operator – either local, regional or national – with a relatively small number of existing locations, such that its presence is still perceived as adding to a district’s unique character, versus “Anywhere U.S.A.” ubiquity.

It is important to note here that markets for retail space exist at different stages of what might be called an “evolution of creditworthiness.”²⁹ In lieu of alternatives, landlords in reemergent districts must often lease to early-stage entrepreneurs. With effective storytelling, some might be able to attract the interest of small local “chain-lets.” Once such tenants demonstrate sustained success, a tiny subset of “pioneers” among the larger brands might begin to materialize. Eventually, as their strong performance “proves” the market, the more risk-averse ones finally start to take note.



Homegrown, an independently-owned skate shop on the Commons, generates more revenue from the online channel than in-store customers, but founder and owner Andrew Douglas still values the brick-and-mortar presence as a hub for product distribution as well as a third place for the local skateboarding community.

²⁹ Creditworthiness refers to the perceived likelihood that a given tenant will pay the rent in full and on time.

However, the trajectory can also reverse with the “black eye” of store failures, requiring even more compelling evidence to regain the positive momentum. For instance, there are a handful of national chain-lets specializing in vintage fashions that have historically favored university towns. In Ithaca, though, the recent loss of Urban Outfitters might give reason for pause, in which case it might first be necessary for independents to demonstrate healthy sales and thereby (re)prove the submarket.

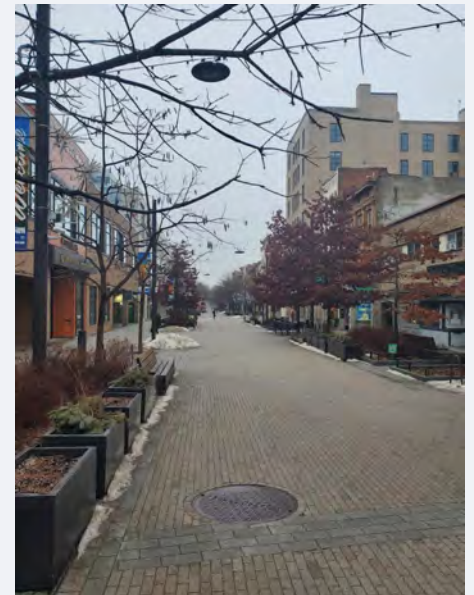
The State of the Commons

If an outsider were to arrive in Ithaca with no awareness of the Commons’ history and iconic status, they would likely be underwhelmed by what they found. And in the absence of concerted efforts to address current conditions, the pedestrianized corridor will likely continue on its downward trajectory. The manifold challenges include the following:

* Of the 144 storefronts along the Commons (including Center Ithaca), 23 are currently empty, including several that have been unoccupied for some time. This translates to a 16.0% vacancy rate – well above the 10% threshold that the industry considers “healthy” as well as the 7.9% for the BID as a whole.³⁰

* As noted in the previous chapter, foot traffic in the July 2024-June 2025 represents a 12.5% decline since 2018-2019, and a 6.3% loss in just the last year.³¹ The median household income has slipped to \$55,000, from \$66,000 in pre-pandemic times.

* Retailers on the Commons are particularly vulnerable to this reduced footfall – from one year to the next, or during the winter months – because, in a fully pedestrianized setting, it cannot be counterbalanced by visibility to passing motorists (see caption).



The 1,400,000 visits to the Commons in the July 2024-June 2025 period translates to roughly 3,850 pedestrians per day – a modest number, which also varies widely by season. By comparison, tenants in South Meadow Square, the Walmart-anchored strip along South Meadow Street, enjoy **visibility** to nearly 36,000 passing motorists per day. (1)

(1) According to Benderson Development’s leasing flyer for South Meadow Square.

³⁰ Based on August 15, 2025 data provided by the Downtown Ithaca Alliance.

³¹ According to *Placer.ai* data, footfall dropped from 1.6 million annual visits in the July 2018-2019 period to 1.5 million in 2023-2024 and then 1.4 million in 2024-2025.

* The aforementioned inaccessibility to private vehicles, depriving tenants – food and beverage concepts in particular -- of the incremental business from pickup and delivery, which has accounted for a higher percentage of overall sales since the pandemic (see caption).

* With notable exceptions, a growing number of the existing businesses seem to fall on the wrong side of the “funky” (positive) / undercapitalized (negative) divide: instead of “shabby chic”, they appear just plain “shabby.”

* The space is not very interesting: it is poorly programmed and activated, with little to do or watch others doing -- especially in the winter months. Again, dwell time has fallen by 18 minutes since 2018-2019 (not long after the completion of the most recent renovation).³²

* Corroborating anecdotal reports of business owners, Ithaca Police Department (IPD) data indicates rising numbers of calls and arrests on the Commons since 2022³³ -- particularly in 2024 with the June opening of Asteri Ithaca.³⁴

* The suggestions of threat have also become less diluted: with fewer pedestrians, more storefront vacancies and limited activation, there is little to distract the mind of the observer from fear or discomfort, greatly impacting perceptions of safety.

As a self-contained physical space with its own brand identity and gateway signage, the Commons rises and falls as a *destination*. Indeed, its individual merchants, lacking direct visibility to and access for the region’s dominant travel mode, depend on that sort of broader appeal for their foot traffic.

What, then, can help to revive it as a destination? The fact of its walkability is not in itself a significant draw. At the most basic level, it seems, there has to be *more to do* on the Commons, both in terms of compelling businesses in the storefront as well as interesting activations in the public realm.

This chapter has already detailed the kinds of tenants that might be pursued, either by property owners, leasing professionals and/or the public/non-profit sector on their behalf. Food and beverage concepts, in particular, have long been uniquely capable of serving as catalysts for struggling (sub)districts, though in light of the aforementioned challenges, they are likely to require financial assistance.

³² According to *Placer.ai* data.

³³ https://www.ithaca.com/news/ithaca/competing-crime-data-shows-decrease-city-wide-but-increase-on-the-commons/article_ed6f73f2-80ed-11ef-a5c7-33309a37572d.html.

³⁴ https://www.ithaca.com/news/ithaca/some-crime-down-calls-up-in-2024-ipd-report/article_6fcb2af-0a23-44be-b6b8-44574c3bcf51.html.

Reenergizing the Commons, however, is not just about the occupancy of the storefronts, but also, the animation of the mall itself. Right now, one can walk on it, peruse the shop windows, sit on a bench (to watch the relative lack of pedestrians), visit the small play area with a young child (of which, as noted earlier, there are not many), and maybe, dine outdoors (on a seasonal basis). There is not much else.

In this respect, the Commons is underperforming as a “Central Social Place.” Coined by N. David Milder of the consulting team, a Central Social Place consists of Central Social Functions that regularly attract people to socialize, have fun and be entertained. The role is increasingly important in the modern Downtown as a means of driving foot traffic amidst the rise in hybrid work, while also serving to make the destination more “sticky” (see caption).

Well-activated public spaces provide the equipment and infrastructure for what Milder calls “informal entertainment(s).” To understand the concept, one must first consider formal entertainment(s), in which productions or competitions are staged on a fixed schedule for a ticket-paying audience in a dedicated space – like, for instance, the State Theatre or Cinemapolis.

In contrast, informal entertainments are ones in which pedestrians can both watch and/or participate, facilitating interaction and socializing. They do not require more than a few individuals, nor the funding for a facility. They can happen spontaneously, without the need to adhere to a schedule or pay for a ticket in advance. In other words, they have far fewer user frictions.

Examples (see caption) include ping-pong, pickleball, mini-golf, putting greens, shuffleboard, 3-on-3 basketball, yoga classes, social dancing and group quilt-making. And as cold-weather cities like Minneapolis and Ottawa have shown, there are also ones for the winter



Mall developers and managers have long recognized the significance of uses and amenities that help to extend **dwelt time**. The axiom that shoppers who stay for longer will spend more money has fueled a number of innovations through the decades, including food courts, multiplexes, sit-down restaurants, phone-charging stations and various others.



Examples of **informal entertainments** (clockwise) include ping-pong, social dancing, curling sheet and cabin sauna with marshmallow fire-pit.

months, like curling sheets and cabin saunas – complete with outdoor mini-bars and marshmallow fire-pits.

The socializing component of informal entertainments would likely increase the appeal of Downtown to students and young adults, even more so if they serve as the foundation for team leagues (sponsored perhaps by Downtown merchants). Survey results³⁵ also indicate that several of these activities would attract the 55+ population in meaningful numbers as well.

During peak periods, temporary vendors in various categories can be offered adjoining space to cater to participants and onlookers -- though with appropriate sensitivity to the ongoing operations of storefront merchants. Existing shops and eateries could be given the right-of-first-refusal to operate kiosks and carts during tournaments.

In addition to informal entertainments, the Commons can be further energized by al fresco dining and imbibing – even as the temperature drops *a bit*, with energy-efficient infrared heaters. Again, however, placement of outdoor patios needs to be considered in conjunction with the needs of shopkeepers, who understandably do not want pedestrians to be diverted from walking alongside the window displays.

Activation of the Commons in these and other ways, however, is constrained by the Ithaca Fire Department’s insistence on an unobstructed, 14-foot-wide center lane for fire trucks, even though other well-known pedestrian malls make do with an even narrower, more actively programmed span (see image).



The width of the fire lane for **Boulder’s Pearl Street Mall** is just 12 feet, within which lie a number of permanent landscaping features.

In the absence of flexibility, the focus could be narrowed to activities with equipment that does not require much room, like, say, a table-sized version of shuffleboard. Space for moveable planters could be “shared” during the cold months. Merchants could dedicate their dedicated three feet to such purposes.

A Competitive Threat

At present, Downtown Ithaca does not really have any *direct* competition in the region, *as an walkable destination of some scale*, with multiple sources of consumer demand as well as meaningful co-tenancy in both dining and shopping.

³⁵ Reference to the aforementioned 2024 survey undertaken as part of a cooperative effort of the DIA, the City’s Department of Planning and Development, the Tompkins County Office for the Aging, Lifelong and the consultant.

A new rival threatens on the South Hill, however. SouthWorks, the ambitious mixed-use redevelopment scheme for the 95-acre site formerly occupied by the Emerson Power Transmission factory along South Aurora Street (NY 968), could yet emerge as a second Downtown for the region and pose an existential threat to the original one.

Current plans include a central alley – the “Chainway” – lined with more than 25,000 square feet of variably-sized bays, envisioned for early-stage entrepreneurs, along with retail-studio hybrids for makers and artists. The site also includes other historic buildings that can accommodate larger floorplates, to house regional/national chain-lets, restaurants, a brewery or distillery as well as indoor recreation.

With this mix in mind, SouthWorks could be vying with Downtown for the same sorts of businesses. Indeed, if conditions do not improve along the Commons and other parts of the district, it could even tempt *existing* merchants. After all, the site is private property, so its ownership will be able to exercise far greater control of the tenanting and common areas, which, in combination with the location, should greatly limit anti-social behavior and negative perceptions.

As much of the retail (including the Chainway) will not be materializing for several years, there is still some time – and now, an even greater incentive -- for Downtown to make progress on its challenges, and there is also a window for closely coordinating with SouthWorks on tenanting strategies – or, if necessary, applying the appropriate leverage to encourage/compel such collaboration.

SouthWorks executives have stated that they have no interest in cannibalizing the Downtown. They plan on targeting other parts of the leasing ecosystem, like, for instance, retailers in need of more space than Downtown could possibly provide (see caption), early-stage entrepreneurs for whom existing platforms are mostly occupied, or larger regional/national concepts that sell products or services otherwise unavailable in the region.

These lines can get blurry, though. And even if the tenant mixes are ultimately well-differentiated, the scale and distinctiveness of what is envisioned at SouthWorks – the unique experience which it is capable of offering – could exert a gravitational pull on the consumer that robs Downtown of foot traffic, erodes its centrality and, in the contrast, foregrounds its negatives.



SouthWorks has already landed its first retail tenant, Found in Ithaca, the popular antique/vintage dealer marketplace which is relocating from its 7,000 square foot Cherry Street warehouse in the West End (image) – which is making way for a new County homeless shelter – to a much larger, 20,000 square foot space that will allow for even more vendors.

There is some hope that both will be able to coexist amidst future population growth, and that the proverbial rising tide will lift all boats. The latter could have some truth to it, if SouthWorks proves a retail success that generates a halo effect for the Ithaca market overall. Yet it nonetheless seems unlikely that the region could sustain two walkable destinations of such scale, especially with the size of the trade area having *contracted* in the last five years.

Parking and the Curb

Ithaca's Downtown Plan prioritizes the needs of pedestrians, bicyclists and transit riders above those of drivers. Indeed, a sizable number utilize one or more of these modes in getting to and around the district today. And yet, for the foreseeable future, the majority of Ithacans will still have (or prefer) to access the Downtown via car, and most businesses will continue to receive goods by truck.

This does *not* mean that complaints about parking should be taken at face value. The most recently completed parking study, in 2019³⁶, concluded that the overall supply in the Downtown was more than adequate, with just 64% of the roughly 2,500 combined on/off-street spaces occupied at the weekday peak (12:00 pm) and 40% at the weekend peak – compared to an optimal percentage of 85%.³⁷

Obviously much has changed since 2019, and the City should proceed with a formal study that updates these utilization levels. However, with overall foot traffic in the Downtown (i.e. within BID boundaries) having *declined* by 2.7% since 2018-2019³⁸, while the total number of available stalls has stayed roughly the same, it would stand to reason that the current supply remains more than enough.

That said, there are some important nuances. Consumers in general – and females in particular – do not like to use garages, and the one on Green Street has been further tarnished by its overall condition and Asteri Ithaca association. Also, utilization approaches existing capacity in the Seneca Street structure (at peak demand) and along several streets in the evenings/weekends (i.e. when they are free).

The garages might benefit from the perspective of a public safety expert, who can advise on possible refinements to improve user comfort. In addition, the City could experiment with a more aggressive performance-based pricing system that charges for on-street spaces on the basis

³⁶ Undertaken by Stantec, on behalf of the City of Ithaca.

³⁷ Parking experts consider 85% to be optimal because at that level of utilization, a motorist looking for parking can generally find a space, while the “owner” – in this case, the City – is effectively monetizing the “asset.”

³⁸ According to *Placer.ai* data.

of demand (see caption) and increases the discount (incentive) for parking in the underutilized Green and Cayuga Street facilities.

Finally, to keep pace with evolving urban lifestyles designated zones for passenger drop-off/pick-up and food pick-up/delivery should be placed strategically throughout the

Downtown as part of a more systematic approach to curbside planning. This should include areas located as close as possible to existing food and beverage concepts on the Commons, which are otherwise deprived of such access.

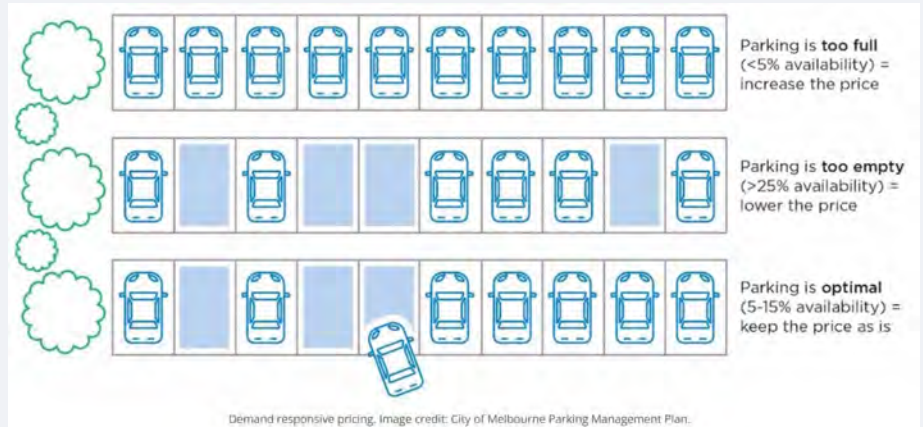
Stubborn Vacancies and Vacancy Taxes

Finally, a word on vacancy taxes.

Stubbornly high numbers of empty storefronts, particularly in the most visible locations, have prompted several municipalities across the country to consider a “vacancy tax” on Downtown properties, in which landlords are effectively penalized if their storefronts remain empty for more than six months, so as to incentivize the lowering of rents and filling of spaces.

In these communities, policy deliberation can all too often proceed along ideological lines, with reference to the apparent boldness of other (progressively-minded) cities sometimes offered as sufficient justification for taking action – in lieu of a more sober, analytical approach that incorporates examination of actual outcomes from analogous settings.

On vacancy taxes, for example, many such jurisdictions have looked to San Francisco, where voters approved such a levy for the city’s neighborhood commercial districts in early 2020, which the local government started to implement in 2022; it remains the largest, highest-profile city to have done so.



Rather than charging flat rates for street parking, “**performance-based pricing**” raises or lowers them on the basis of occupancy levels so as to ensure that some spaces are always available on each block, which, in turn, reduces circling (and greenhouse-gas emissions).

So far, the results are unclear at best. The tax has not been a panacea: while there is some evidence to suggest that conditions have improved in neighborhoods like North Beach and Haight-Ashbury³⁹, citywide retail vacancy stood at 7.7% in 4Q 2024, versus 7.0% in 1Q 2022 (when it was enacted).⁴⁰⁴¹

Theoretically, a tax of this sort could discourage a certain kind of speculation by a particular type of landlord. In fact, a recent study of New York City’s retail market concludes that such a levy could help to lower rents and vacancy.⁴² Of course, neither New York City – nor San Francisco, for that matter – is an ideal analog for a community like Ithaca.

Moreover, intervention by the public sector in complex marketplaces can also easily backfire, spawning all sorts of unintended consequences. Indeed, there are many possible causes for stubbornly empty storefronts that property owners cannot control. Penalizing them in such cases, then, will accomplish little. Instead, it could depress investment, especially in locations perceived as risky. It will weaken tenant quality and accelerate churn.⁴³ It can spawn nuisance uses and lead to an ultimately futile game of whack-a-mole. Finally, it would signal to the retail industry that the local business climate is a hostile one.

As a practical matter, such a tax would first need to be enacted at the State level. And even if the legal framework was in place, Ithaca’s interests would likely be better-served with a collaborative approach – prospecting assistance, for example –



In the case of the Commons, it is not even clear that the **ground-floor rents** are *too high* – a basic premise of the argument for a vacancy tax. According to a prominent local broker, occupancy costs for retail space there currently range from \$26 to \$34 per square foot (including base rent as well as pass-through expenses). This implies the following back-of-the-envelope calculation: assuming an average of \$30 per square foot, and applying the 10% rule-of-thumb (for rents as a percentage of projected sales), retailers would need to be achieving an annual gross of roughly \$300 per square foot (e.g. \$450,000 for a 1,500 square foot store) – perhaps a heavy lift for an independent shopkeeper but not an impossible one.

³⁹ <https://moneywise.com/real-estate/san-franciscos-vacant-storefront-tax-5-million>.

⁴⁰ According to Cushman & Wakefield.

⁴¹ The substantial rise in San Francisco’s overall vacancy rate since late 2019, from 3.5% to the 7.7% in 4Q 2024, can be largely attributed to the pandemic-era struggles of Union Square. However, the percentage in that Downtown shopping precinct has actually experienced a slight *drop* since the tax’s enactment at the beginning of 2022, from 22.8% to 21.1% -- meaning that the neighborhood commercial districts, where the levy was applied, have been primarily responsible for the citywide *increase* during that period, from the 7.0% in 1Q 2022 to the 7.7%.

⁴² According to Erica Moszkowski’s and Daniel Stockman’s paper, entitled “Option Value and Storefront Vacancy in New York City”, which was released in 2023 under the auspices of Harvard University’s Joint Center for Housing Studies. <https://www.jchs.harvard.edu/blog/why-do-urban-storefronts-stay-empty-so-long>.

⁴³ Moszkowski’s and Stockman’s study also concluded that a vacancy tax would also lower tenant quality and lead to faster churn.

rather than a confrontational one. Past efforts to play hardball – with the Masonic Temple property, for instance – have not proved fruitful. In this case, it could also subject the City to legal action. Simply put, the City does not appear to have the leverage to compel the desired result anytime soon, if ever.

Recommendations

For the sake of organization, the following list includes only those action items that apply specifically to Downtown. Ones relevant on a citywide basis, *including* Downtown, have been provided in the first chapter.

* **Initiate prospecting efforts on behalf of landlords and brokers**, focusing on select niches where Downtown can leverage its existing scale, such as arts and crafts, vintage and consignment, destination food and beverage as well as diversified entertainment. While select, psychographically-aligned chains can be pursued opportunistically, targeting should otherwise orient towards smaller-scale operators, like “chain-lets” or single-location concepts with multiple revenue sources (e.g. walk-in, online, wholesale, catering, etc.) (DIA).

* **Orient available incentives towards anchor/catalytic uses on a “but-for” basis**, with a focus on attracting new (or expanding existing) shops in these niches but also exploring the possibility of partnerships with property owners of historic buildings to help pay for upgrades necessary to attract destination food and beverage concepts (e.g. kitchen infrastructure and related improvements). At the same time, **recognize that highly-coveted operators might justify the benefit as a form of enticement** rather than as needed financial assistance (IURA/Tompkins County/City/DIA).

* **Explore the introduction of new brick-and-mortar entrepreneurial platforms**, for example, along the Commons, as short-term uses on vacant/underutilized lots or even within existing retailers (DIA/City/IURA/IAED/SBDC and others).

* **Position and promote the Downtown** not just as central to the tourist experience, but also as **the publicly-facing center of an nationally prominent “arts town” as well as a broader arts archipelago**, with a particular marketing focus on the metropolitan areas where such a destination is likely to be most compelling, like New York City and Boston (Tompkins County/IAED/City/DIA/Downtown Ithaca LDC).

* **Leverage the potential of the Commons as Ithaca’s “Central Social Place”** that attracts people to socialize, have fun and be entertained, with various low-cost “informal entertainment(s)”, peak-period vendors and al fresco dining/imbibing – even in the colder winter months (DIA/City/County/IPD/IFD).

- * **Endeavor to coordinate closely on tenanting strategies with** the leasing agents for **other large-scale projects** within the broader competitive ecology (e.g. SouthWorks), such that, to the extent possible, the respective retail mixes complement (rather than compete with) each other (DIA/City/developers).
- * **Address both the reality and the perception of antisocial behavior** on and near the Commons (including the role that current City policies might be playing), with the goal of ensuring a safe and comfortable public space for all of its users and stakeholders that reflects Ithaca's values and aspirations *as well as* the needs and concerns of the business community (City/IPD/DIA).
- * **Complete a formal parking study** that updates utilization levels of the existing Downtown supply, considers the wisdom and practicalities of a more aggressive performance-based pricing system, analyzes needs for the next iteration of the Seneca Street Garage as well as examines possible improvements to the user experience in municipal facilities that draws also on the perspective of a public safety expert with experience in planning and communications (City/DIA).
- * **Develop a more systematic approach to curbside planning** that considers the practical needs and concerns of its many user groups, including the strategic placement of designated zones for passenger drop-off/pick-up and food pick-up/delivery throughout the Downtown (City/DIA).

The Downtown Plan

After five years of work, the City of Ithaca's Department of Planning and Development completed, and the Common Council and DIA approved, "The Downtown Plan" in late 2024, as one of the neighborhood plans comprising Plan Ithaca, the City's 2015 Comprehensive Plan. The following summarizes recommendations of particular relevance to ground-floor retail. *Note that these do not always align with the direction proposed by the consultants in this report:*

VISITORS AND THE ARTS

- Work with community partners to ensure the success of the Ithaca Downtown Conference Center, promote tourism, and expand Downtown tourism offerings, including events.
- Dedicate funding and seek new and creative funding mechanisms to support arts and culture and preserve and enhance our cultural resources.
- Locate satellites of key cultural resources in the Downtown Study Area.
- Retain and expand cultural assets including arts organizations and not-for-profits.
- Support the creation of spaces for artist studios and maker spaces including live/work situations.

THE MARKET FOR RETAIL SPACE

- Focus attention and resources on the retention of bricks and mortar businesses Downtown.
- Support retail growth and implement recommendations of the 2025 Retail Study to attract targeted retail and service business types including family- and student-oriented entertainment and businesses that provide daily necessities and amenities to Downtown residents.
- Understand and meet the needs of Downtown's residents, including shopping and services.
- Seek to attract food markets and/or food pantries, enabling residents to access necessities without relying on personal vehicles.
- Seek to attract entertainment businesses appealing to a wide range of people (students, families, teens) particularly in spaces providing large square footage.
- Utilize existing state and local incentives (including CIITAP) and explore new incentives for promoting target uses in the established Density District.

PUBLIC SAFETY

- Proactively work with IPD, City staff, DIA, and other partners to address safety issues and concerns within the Downtown Study Area.
- Work with the DIA to help private property owners make vacant commercial spaces feel safe, including short-term activation of empty storefronts, provision of adequate lighting, and exterior property maintenance.
- Support a low-barrier shelter in an appropriate location that is easily accessible to the study area.
- Work with community partners and service providers to establish and sustain a day-use facility for unhoused and vulnerable populations within the neighborhood.
- Explore incentives, partnerships, and policies that facilitate the construction of non-market rate housing in the Downtown Core where land and construction costs are the highest.

ACCESS, MOBILITY AND PARKING

- Finalize the draft Downtown Parking Study and work with hotels to get parking data to identify opportunities to adjust parking locations throughout Downtown.
- Balance the needs of pedestrians/cyclists, on-demand transportation, and micro-mobility needs along with business needs when making decisions regarding parking.
- Fund, design, install, and maintain bike lanes that improve the safety of bikers in the Downtown Study Area. Determine if there are some areas where vehicular parking should/could be converted to bike parking and/or other micro-mobility accommodations.
- Identify and designate spaces for on-demand pick up/drop off and take out/delivery use.
- Continue to advocate for increased City control of Seneca and Green Streets.

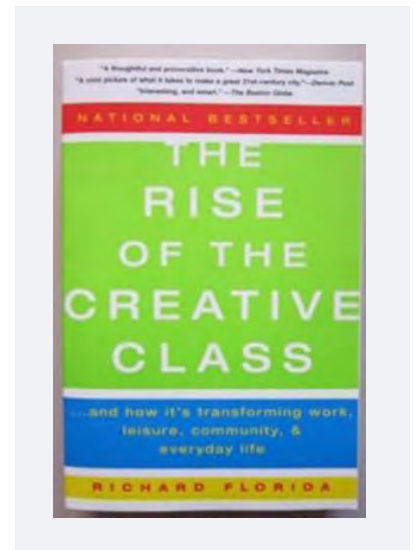
Chapter 3: West State Street (from Geneva Street to Meadow Street)

West State Street is Ithaca retail at its most contemporary and dynamic. It centers on a number of food and beverage offerings that reflect the Millennial zeitgeist of recent decades, including Gimme! Coffee (“third-wave” coffee), Maru Ramen (Japanese ramen), Franco’s Pizzeria (thin-crust pizza), Saigon Kitchen (healthier Asian cuisine⁴⁴), Liquid State Brewing Company, Personal Best Brewing and The Westy (craft beer) -- all of them small-scale operators.

These sorts of concepts have been fueled by a particular kind of Millennial, the “neo-hipster.” An upwardly-mobile, knowledge-industry professional (or graduate/professional student) who celebrates creativity, fetishizes craftsmanship and skews socially progressive, he represents a mainstreaming – and a more earnest, optimistic rendering -- of the artistic impulses and alternative sensibilities of the snarky Gen X-era “proto-hipster” (think Ethan Hawke’s Troy Dyer in the 1994 film, *Reality Bites*).

The “Creative Class” of Richard Florida’s 2002 book, *The Rise of the Creative Class*, can be viewed as a proxy of sorts for this psychographic. Florida argued that the communities offering the attributes which appealed to the rising “creative class” of knowledge-industry workers (e.g., product designers, biotech engineers, scientific researchers, computer programmers, branding experts, digital journalists, etc.) were the ones most likely to thrive in the 21st-century economy. Inasmuch as these were often cities and university towns, his work presaged the urban rising fortunes of both in the ensuing two decades.

Florida’s latest research, based on 2023 data, ranks Ithaca’s share of “creative class” occupations as *third-highest* (60.4%) among the 333 small and medium-sized metros across the U.S., above the likes of Durham-Chapel Hill, Charlottesville and Madison, and *well above* Burlington, Amherst and State College.⁴⁵ Furthermore, this percentage continued to rise during the pandemic, by 4.3% between 2019 and 2023 – faster than the first and second-ranked metros of Boulder (+3.7%) and Ann Arbor (+2.2%) as well as others like Burlington (+3.8%) and State College (+0.6%). Notably, such



⁴⁴ “Healthier” in contrast to Chinese/Cantonese fare. Thin-crust pizza also falls into this category to some extent, in contrast to a thicker, greasier slice.

⁴⁵ This percentage reflects the share of the MSA’s civilian workforce in “knowledge, professional and creative class occupations”, while “small and medium metros” are defined as ones with populations between 50,000 and 999,999 people. The data is based on estimates from the U.S. Census Bureau’s 2023 *American Community Survey* Richard Florida and Karen King, March 7, 2025 article, “Heartland of Talent 2025”, appearing on the website of the *Heartland Forward* think tank - <https://heartlandforward.org/case-study/heartlandoftalent/#creative-class>.

growth runs counter to the aforementioned contraction of the MSA's *overall* population in the first half of the 2020's.

Retail mix figures prominently in Florida's thesis, inasmuch as it constitutes one of the attributes that draw the creative class to particular communities. Like the many shops selling arts and crafts in the Downtown, the presence of the artisanal coffeehouses, craft brewpubs and trendy cuisines, often (though not always) with a particular aesthetic (see caption) -- sends the signal that it can find its tribe in Ithaca and will feel at home there, thereby accelerating the aforementioned flywheel.

Of course, West State Street attracts more than just Millennial neo-hipsters. Zoomer-aged students, particularly ones from East Asia, eat at Maru Ramen. Southeast Asian immigrants gravitate to Saigon Kitchen. Both appeal to diners who appreciate Asian culture. Meanwhile, seniors are drawn to Quilters Corner. Yupsters attend performances at the Kitchen Theatre Company. And these are not just Ithacans: tourists visit Quilter's Corner by the busload and imbibe at Liquid State in the summers.

However, with rare exceptions (e.g. Quilters Corners), Millennials have been the through line all along. And Millennials are aging: many of them are now raising families, spending less time and money on food and beverage. As noted earlier, Zoomers are following in their footsteps -- in some respects, but certainly not all. The retail mix along West State Street, then, will need to stay ahead of such trends. Indeed, some existing operators are already trying to do so (see caption).

Generally speaking, food and beverage will remain the most promising kind of tenancy along West State Street. It is worth noting here that, especially in the area of dining, neo-hipsters -- and Zoomers, for that matter -- can be somewhat more casual than yupsters. The restaurants most popular among and coveted by the former often eschew the formalities of wait service, white tablecloths and advance reservations; in some cases, they even embrace a quick-service (i.e. fast food) model.

On the other hand, there is simply not enough existing foot traffic during the daylight hours to support shops, except for ones which are able to draw as destinations (like Quilter's Corners) and/or generate significant revenue from other sources besides the walk-in trade. And while one can expect some additional pedestrians from the new rooftops, the increase will not be all that



Neo-hipster businesses are also distinguished by their **attention to design** in their logos, facades and interiors. Third-wave coffee roasters, for example, tend to embrace a clean, minimalist look and feel, like Gimme! Coffee (image).



In response to recent trends in **alcohol consumption**, Liquid State Brewing Company has greatly expanded its menu of alternatives beyond craft beers, including non-alcoholic beers, mocktails, THC-infused seltzers and CBD-infused waters.

meaningful from the perspective of consumer demand. Besides, boutique owners would likely prefer – and can still find -- spaces in Downtown proper. In fact, to the extent that West State Street is able to attract more of them, it might come *at the expense* of the core.

A Blind Spot

What remains unclear, though, is whether the City realizes or understand quite what it has in West State Street. Planning documents sometimes seem to imply that the corridor’s primary value is as a piece of *connective tissue*, between Downtown and the Waterfront, or, alternately, as an opportunity for higher-density residential development, including supportive housing for disadvantaged populations.

This defines West State Street, however, in terms of what it is *not*. It is said to “*lack consistent character, with a mix of building types*”⁴⁶ as well as offer a “*unique capacity for growth as evidenced by a mix of... underutilized and redevelopable properties.*”⁴⁷ Yet these attributes are in part what makes its retail mix so compelling – indeed, what gives it the “*sense of place and unique identity*”⁴⁸ that, according to the 2024 Downtown Plan, it does *not* have.

The underutilization of the building envelope(s) and the inconsistency in the built form is what gives it the lived-in eclecticism and the affordable “second-generation” retail space that appeals to, and can be sustained by, its current mix of neo-hipster businesses. Redevelopment, on the other hand, not only displaces existing ground-floor tenants, but also tends towards a more polished aesthetic as well as a less forgiving rent structure – all of which could imperil the distinctive vibe that has been attracting such operators and their customers.

The same section of the Downtown Plan in which the City points to “redevelopment opportunities due to zoning changes that allow and encourage denser development” also assumes that “*small-scale, ground-level commercial uses will continue to expand and thrive.*”

⁴⁶ According to the most recent Downtown Plan.

⁴⁷ According to the 2024 DRI application to the State.

⁴⁸ According to the most recent Downtown Plan.



Underutilized land and inconsistent character, perhaps. But also iconic and affordable. Put simply, this West State Street stretch flourishes because of the **lived-in feel** and lower rents, while updating and modernizing it may eliminate both its charm and its chief draws.



From the perspective of ground-floor tenancing, Arnot Realty’s **Ironworks Ithaca** project arguably represents a best-case scenario for West State Street redevelopment, landing FairPour Coffee Roasters, a third-wave coffeehouse chain-let from the Rochester suburb of Fairport.

This might be true at the moment (see caption), but if demand for market-rate housing grows and the value of land rises, expectations for street-level rents and tenancing could change.

It seems, then, that the desire to build more housing has resulted in a kind of blind spot. Affordability is no doubt a legitimate concern in Ithaca that needs to be addressed -- *but not at the expense of everything else*. Retail mix matters too, as part of what gives corridors and neighborhoods their quality-of-life and unique draw. In other words, there are tradeoffs to consider, ones which the City does not appear to be fully grappling with.

Another Blind Spot

Admittedly, this is not the reality that West State Street faces today. For its existing merchants, worrying about such a future seems like a luxury; they are just trying to survive amidst what they describe as an onslaught of social challenges – homelessness, panhandling, drug use, loud music, aggressive behavior, sidewalk trash, human feces, etc. – which, in their minds, the City has largely abandoned them to deal with on their own.

Feeling beleaguered and desperate, ignored and undervalued, many of them -- as renters, not owners – have been threatening to leave upon, or close before, the expiration of their leases (see caption), not because they want to, but rather, because they have lost any hope that the aforementioned conditions will improve, the trajectory will reverse and the momentum, so palpable last decade, will one day resume.

To these business owners, new supportive housing projects along West State Street must feel like a slap in the face. For example, 15 of the 58 units in The Stately Apartments, currently under construction, are reserved for unhoused individuals with a history of substance abuse disorders. The corridor is already saddled with a concentration of social service providers, and it is clearly struggling to handle the antisocial behavior associated with their presence.



The Rook (left), a fixture on West State Street for eight years, relocated in 2024 to a new location in the Library Place development on Cayuga Street, in part as a response to the **worsening conditions** on its block. With its controlled public realm, the SouthWorks project on South Hill (right) should be able to offer a compelling alternative if the corridor's social challenges have not abated by that point. Indeed, SouthWorks will likely appeal to the same sorts of neo-hipsters who currently frequent West State Street's food and beverage establishments.

Other Recommendations

- * **Retain the ground-floor retail requirement along West State Street** from Plain Street to Meadow Street (as well as Geneva Street to Albany Street, for the Block 14 site), permitting food and beverage, shops as well as personal services (with quasi-retail office uses, like insurance agents, allowed only as a conditional use and internalized “amenity space(s)”, like resident-only fitness centers, prohibited at street level), while allowing greater flexibility between Albany Street and Plain Street but still with guidelines insisting on “retail-ready” design at street level (City).
- * **Design, fund and install streetscape enhancements that specifically reflect and project West State Street’s distinct identity** (vis-à-vis the Downtown core), including gateway arches, decorative crosswalks, wall murals, etc. (in addition to the needed repairs of street surfaces and sidewalks, improved traffic lighting, etc.), but **only after** having increased available resources for and demonstrated visible commitment to **addressing concerns among business owners related to social challenges** (City/IPD).
- * **Revamp directional signage along NY 13 to steer Downtown-bound motorists towards West State Street** (and the “West State Street Business District” or some other branding concept) rather than Green Street, for even though the latter, as a one-way eastbound thoroughfare, is considerably faster, higher auto counts on the former would raise visibility for the businesses located there (City/NYS DOT/Tompkins Chamber Foundation).
- * **Undertake periodic updates of on-street parking utilization rates** in light of the elimination of minimum parking requirements and promotion of “unbundled parking”, so as to ensure adequate provision for the West State Street businesses that feel they need it, while also **replacing existing (coin-operated) meters with modern ones** which accept credit cards and offer pay-by-mobile convenience (City).
- * **Consider the formation of a membership-based merchants association for West State Street** that can advocate for its business community, spearhead branding/marketing efforts as well as collaborate with the City and property owners on tenant prospecting, while exploring the possibility of a Business Improvement District (perhaps in concert with the West End) **if/as assessed value increases with property redevelopment** (City/DIA/business and property owners).

Chapter 4: The West End, consisting of the Meadow Street/Fulton Street NY 13 couplet, west to the Cayuga Inlet

The West End is driven by automobile traffic, first and foremost. In the absence of a true freeway, NY 13 functions as the primary transportation artery for the Ithaca Region and beyond, its 152-mile route connecting to I-81 to the northeast (Cortland) and I-86/NY 17 to the southwest (Elmira/Horseheads). The Meadow Street/Fulton Street couplet combines for 30,000 to 32,000 cars per day as of 2023 -- considerably lower than the last traffic counts in 2007, which averaged in the high 30,000's to mid 40,000's, yet still quite healthy.⁴⁹

Businesses, then, are largely interested in – and generate sales from -- locations along NY 13 as a result of its high visibility to and easy access for large numbers of passing motorists. Autos, for better or for worse, represent the West End's "golden goose."

The corridor also fills a void in Ithaca's retail ecology, for tenants that want to tap the consumer demand in the close-in neighborhoods but prefer (or need) more automobile-friendly format(s) that can draw from beyond the walkshed, and that would not be so easily accommodated (nor desired) in Downtown, Collegetown or along West State Street.

Most of the big and medium boxes gravitate to NY 13 in Southwest Ithaca, where they can find large, deep sites zoned for such stores. The West End, with its shallower, more modestly-sized lots, mostly attracts the interest of smaller-format, convenience-oriented tenancies, like gas stations, bank branches, quick-service food and beverage concepts, etc.

The West End does not solely offer the utilitarian, however. More destination-oriented fare includes the flagship locations of local institutions such as GreenStar Food Co-op, Ithaca Bakery and Purity Ice Cream as well as the nearly 10,000 square foot Ren's Mart, Ithaca's largest Asian grocer.

Ren's, which backfilled the former GreenStar space, is one of the many independently-owned businesses in the district – including restaurants, bars, even some boutiques – due to its



For better or for worse, every community in this day and age that reaches a certain population threshold has to have a corridor like NY 13, offering **conveniences** – like gas stations – that people *need* and will support (even if sheepishly), but do not *want* in their backyards.

⁴⁹ According to the Ithaca-Tompkins County Transportation Council's *2023 Traffic Count Report*, dated August 7th, 2024 -- https://www.tompkinscountyny.gov/files/assets/county/v/1/itctc/documents/statistics/2023-traffic-count-full-report_08072024.pdf.

preponderance of older “second-generation” buildings (see caption) which offer high visibility and/or easy accessibility at relatively affordable rents (compared to, say, Downtown).

No one would develop such structures today, and the retail rents are, on their own, *not* enough to cover the carrying costs of these properties.

Indeed, some of the tenants might owe their inexpensive spaces to the possibility of redevelopment, currently in a holding pattern until the numbers pencil, and/or plans for disruptive roadwork by the State Department of Transportation (NYSDOT). Once either commences, their tenure there could be in jeopardy.⁵⁰ (Chapter 2 noted that Downtown could potentially provide “refugee” space for displacees, if necessary).

So What, Then, Does the Future Hold for Route 13?

The City itself has a particular vision for the Meadow Street/Fulton Street couplet, as a twosome of boulevard-like “Complete Street(s)” on which automobiles drive slower while pedestrians and bicyclists feel safer, and along which rise mixed-use projects with street-level storefronts below affordably-priced housing units (see caption).

Making the corridor more hospitable to those on foot would seem to enable the West End to better leverage the adjacency to West State Street. Meanwhile, a campaign to “soften” its rough edges with some basic spit-and-polish, additional greenery, public art and other forms of beautification would help to improve Ithaca’s image in the minds of all those passing motorists -- though, of course, much will still depend on the efforts of private property owners.



The West End’s inventory of **older, second-generation buildings** houses an eclectic mix of businesses, including restaurants like Maxie’s Supper Club & Oyster Bar (left), Tamarind and Milkstand (right) as well as boutiques such as Marmalade Mercantile (center), Feel Goods and The Jewelbox, among others.



A 2023 digital rendering of “The Citizen”, Visum Development Group’s approved plan for a mixed-use project with four floors of workforce housing above ground-floor retail space at 602 West Buffalo Street (intersecting with North Meadow Street), seems to offer an example of **the kind of development that the City envisions** for the Meadow Street/Fulton Street couplet going forward. (The revised version submitted in fall 2025 still contains ground-floor retail space).

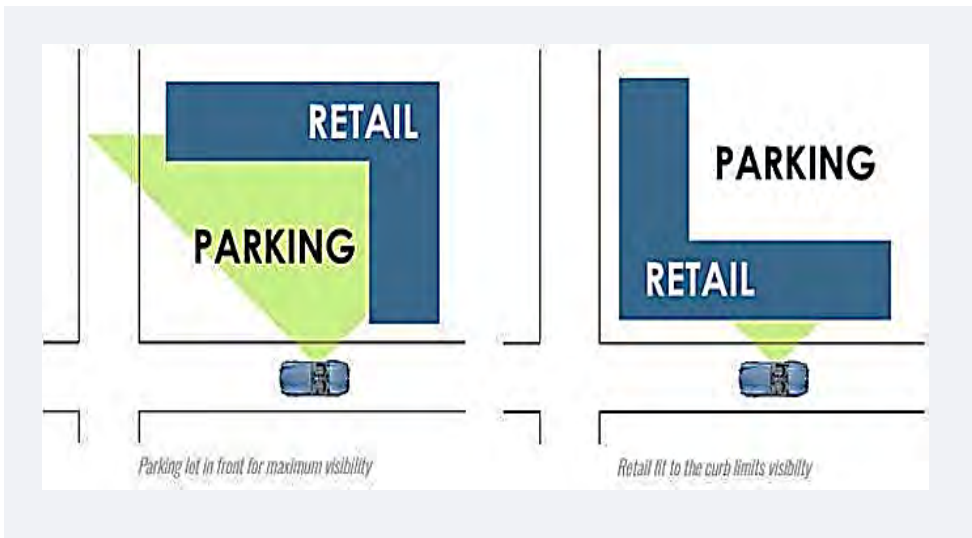
⁵⁰ <https://www.14850.com/100943101-kellys-dockside-closing/>.

Retail space flush with the sidewalk, however, could struggle from a leasing standpoint. Unless the NYSDOT is willing to remove/narrow traffic lanes, add on-street parking – in effect, to release the couplet from its role as an arterial thoroughfare -- NY 13 as a retail location will continue to be valued far more for its cars than its pedestrians, with auto-oriented tenants likely to pay higher rents than ones focused on the foot traffic.

Yes, the new residents on the upper floors of such mixed-use projects would provide a built-in clientele. Yet the impact on consumer demand of a mid-rise multifamily building is often overstated. Consider that 100 apartments translates to 150 to 250 residents – barely a drop in the proverbial bucket for most retail categories, and in the case of NY 13, far less alluring to most prospective tenants than 30,000+ cars per day.

This prioritization, in turn, has important implications for setbacks, signage and parking. After all, there are legitimate reasons – rooted in basic geometry and human nature – why retail buildings and strips along fast-moving arterial roads are designed as they are. Due to sight lines, businesses generally have a longer window in which to make an impression on passing motorists if the retail space and its signage is set back from the right-of-way (see caption). Drivers are also more likely to stop if they can see on-site parking in front or on the side, especially if they harbor any concerns about personal safety. The stakes are even higher with a one-way couplet like Meadow Street/Fulton Street, where many of them will not bother circling back if they realize too late what they had just passed.

Of course, this begs the “chicken-or-the-egg” question, as in “NY 13 will never become more pedestrian-friendly if automobile primacy



One might point to the **Ithaca Bakery** location on Meadow Street as an example of a zero-setback business that nonetheless enjoys popularity and success. In some ways, however, it is the exception that proves the rule. Not only are pedestrians there buffered by on-street parking, but also, as the original location of the now-iconic local chain-let, which has been there for decades, it is a longtime *destination* -- like many of the other retail tenants occupying older buildings in the West End – with comparatively *less* need for high visibility to passing motorists.

continues to be reinforced.” Expecting retail to serve as a catalyst, however, is unrealistic: it operates on a different, much shorter time horizon than planning. Put simply, merchants do not have the luxury of waiting for an aspirational vision to materialize; they will probably not last that long. Instead, they tend to base their decisions on the realities of the moment.

Pedestrian-oriented retail bays as part of new construction in the West End, then, is likely to sit vacant, suffer from frequent turnover or fill with different kinds of businesses than the ones envisioned. It is partly for this reason that many developers of multi-family residential only put storefronts on the ground floor (instead of “amenity space” for residents or actual units of housing) if and when they are required by the City to do so.

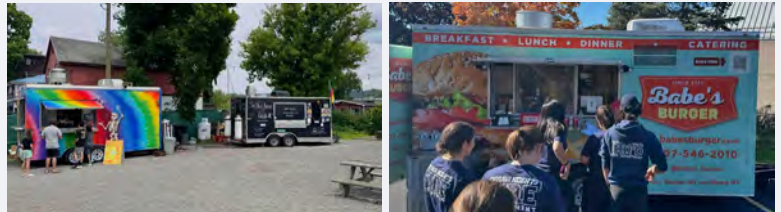
An alternative approach would be to permit non-retail tenancies in the near term – community facilities or non-profit offices, for example – while also insisting on “retail-ready” design guidelines (e.g. entrances and bathrooms at regular intervals, transparent glass windows, 12 foot ceilings, etc.) that would allow for conversion if/when market conditions warrant in the future. In addition, the lower visibility resulting from zero setbacks could be mitigated to some extent by allowing for larger, more eye-catching signage geared towards passing motorists as well as shorter setbacks for and clear sightlines to side parking lots.

Other Recommendations

* **Offer grants to private landlords to beautify their frontages** with low-cost improvements to landscaping, lighting, facades and signage, with a primary focus on properties along the high-visibility NY 13 couplet where redevelopment is planned and for which owners do not have a

clear incentive to make such investments, so as to avoid risk of moral hazard⁵¹ (City/County/Visit Ithaca/Tompkins Chamber/community banks/property owners).

* **Work with existing businesses soon or likely to be displaced** by redevelopment to identify possible “refugee” space(s) elsewhere, connecting them to landlords and/or brokers with



Landlord-sponsored, image-enhancing efforts can also include different kinds of activations on underutilized portions of their properties. For example, Mickey Roof has long hosted **food trucks** next to her Taughannock Boulevard boutique, The Jewelbox (left), while Andy Boerman does the same on his holdings across Green Street from his Ithaca Agway store (right).

⁵¹ As noted earlier, “moral hazard” refers here to the tendency of a private-sector stakeholder – a landlord or a merchant, for instance -- to forgo certain expenditures or investments in the expectation that the public sector will pick up the tab.

available spaces in Downtown Ithaca or other districts depending on their specific real estate requirements (City/Tompkins Chamber/DIA).

* **Continue with ongoing efforts to better manage the unhoused population** camping in the City-sanctioned encampment known as the “Jungle”, so as to mitigate potential impacts to West End business and property owners, including the deterrence of foot traffic, challenges with recruiting/retaining workers and increase in negative perceptions (City/County/partner organizations/Tompkins Chamber).

* **Consider the formation of a membership-based merchants association for the West End** that can advocate for its business community, spearhead marketing/advertising efforts as well as collaborate with the City and property owners on tenant prospecting, while exploring the possibility of a Business Improvement District (perhaps in concert with West State Street) **if/as assessed value increases with property redevelopment** (City/Tompkins Chamber/business and property owners).

Retail Viability on the Waterfront

(roughly bounded by Third Street, NY 13, the GreenStar Food Co-op and Cayuga Inlet)



One of the most active submarkets for redevelopment in Ithaca today, the Waterfront has in recent years seen the construction of new outpatient health-care facilities and residential buildings, with more of the latter to come – joining the Ithaca Farmers Market and the Cayuga Waterfront Trail.

Theoretically, all of these residents, workers, trail-goers and cross-shoppers would support the retail component of the City's vision for a vibrant, walkable mixed-use neighborhood, with restaurants, cafes, shops and galleries helping to enliven a long-underutilized shoreline. Yet while the picture that this paints is no doubt an alluring one, the amount of retail space which can be realistically sustained there appears to have been overstated.

Retail space enjoying visibility from and access to the high traffic counts along NY 13 – like, presumably, the 17,000 square feet planned for the Aurora Apartments, more easily reachable via a new signalized intersection at Fifth Street – should not struggle to attract tenant interest or generate healthy sales. Storefronts on the water, however, imply heavy reliance on destination trade.

This points to **two or three food and beverage offerings**, which can be designed to take full advantage of the views and setting. Indeed, Boatyard Grill offers an example of how such concepts can thrive in isolated locations with limited visibility. However, except for destinations with loyal followings, shops and galleries would likely struggle with inadequate foot traffic, especially in the colder months, unless a developer were to succeed in attracting a critical mass of them. This would be no small feat, but even if successful, it would almost certainly vie with Downtown for patronage and prospective tenants.

Micro-retail – similar to what exists at Press Bay Alley -- would pose less risk of this sort, though one has to ask if it would be fair to the entrepreneurs themselves, which would face not just the uncertainty of whether sufficient foot traffic would in fact materialize but also the likelihood that it would be seasonal at best, while answering to a property owner that has included the space largely to satisfy a requirement.

Finally, the number of rooftops, even if all of the existing development proposals are built as planned, would still fall well short of the minimum needed to support publicly-facing, convenience-oriented businesses on site – especially as some sub-categories, like fitness, will be internalized (for tenants only) within individual projects, thereby absorbing a portion of the consumer demand – unless, that is, the customer base can be supplemented by a NY 13-fronting location with the visibility to pull from a larger trade area.

Chapter 5: Collegetown

Today's Collegetown suffers from a lack of charm and personality, inspiration and identity. "It is not what it once was," seems like the prevailing sentiment among those who remember its heyday. But even without the frame of nostalgia, it underwhelms in comparison to similar districts that surround other large elite universities across the country.



Collegetown in the 1980's (left) -- with students traipsing past the since-demolished Chacona Block on College Avenue, which featured the original Collegetown Bagels, Ruloff's and Oliver's -- while drab apartment blocks (right) started to rise along Dryden Road.

In addition to the dreary modern architecture, the retail mix does not excite, having mostly devolved into a collection of utilitarian quick-service food and beverage offerings. The range of experiences that one might have there has narrowed considerably; even its once-hallowed nightlife has largely disappeared. Recent "black-eye" losses include Ithaca Beer Company, just two years after opening, as well as three concepts from local restaurateur Kevin Sullivan.

So What Happened?

Collegetown is almost entirely dependent on students, undergraduates in particular. As a result, it suffers from extreme seasonality, with foot traffic especially slow during winter break as well as the summer months. Businesses needing or preferring more stable year-round trade from a more diversified customer base (e.g. tourists) are likely to look elsewhere (e.g. Downtown).



The expansion of Cornell University's **North Campus**, completed in 2023, added 2,000 freshmen and sophomores as well as an 1,000-seat dining hall to an area that sits 25 minutes away from Collegetown on foot.

Collegetown's reliance on undergrads has become more of a vulnerability in recent years as Cornell University, in response to broader trends and competitive pressures in higher education, has moved deliberately to prioritize the on-campus experience, with residency and meal-plan requirements for both freshmen and sophomores as well as a growing number of eateries and cafes within its footprint (see caption).

This initiative, it seems safe to assume, has meaningfully cut into Collegetown’s market share, while the flagship location of The Cornell Store has absorbed demand in a wide range of retail categories ever since

opening there in the 1960’s, including family apparel, health and beauty, home décor, kitchenware and tech.

Student lifestyles have also become more sedentary. Not only do they now buy these and other goods on Amazon, but also, they increasingly order food for delivery, in some cases from existing eateries in Collegetown but in others, from ones in neighborhoods further afield or from “ghost kitchens” with no physical presence at all (see caption).

Even when students leave campus, their consumer preferences have shifted. Compared to the Millennials before them, Zoomers are less interested in all types of alcohol, especially beer and wine (see caption) – which likely played some role in the failure of Ithaca Beer Co.’s Collegetown taproom.

Also, as noted earlier in the Downtown chapter, their tastes and sensibilities appear to have upscaled, with their favorite destinations for dining and nightlife increasingly featuring higher-quality food, better customer service and more contemporary atmospherics (see caption), resulting in greater leakage to Downtown and Restaurant Row.

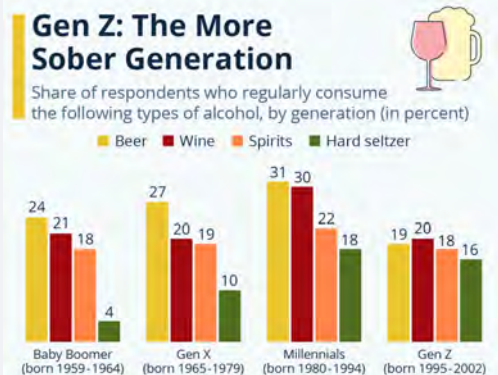
Some of the blame also has to fall on property owners. Able to offer the reliability of a captive submarket, they typically do not need to work all that hard to generate tenant interest for ground-floor space at higher rents than even Restaurant Row, and with little to no buildout assistance. Indeed, many seem content



Morrison Dining in Toni Morrison Hall, part of Cornell University’s North Campus expansion, features a 59,000 square foot, “all-you-can-eat... food hall-style complex” with eleven different stations. Decidedly modern in its design and aesthetic, it offers an example of how the “table stakes” (or bare minimum) in student-oriented hospitality have risen.



Local restaurateur Kevin Sullivan’s ITH Hospitality operates a slew of **delivery-only concepts** from its ghost kitchen on Collegetown’s Stewart Avenue.



10,000 U.S. respondents (18-64 y/o) surveyed Jul. 2022-Jun. 2023. Questions only shown to respondents of legal drinking age. Quelle: Statista Consumer Insights

According to a *Statista Consumer Insights* survey undertaken between July 2022 and June 2023, Zoomers drink less of all types of alcohol than Millennials, and less beer than all generations.

Source: *Statista*

Ithaca Retail Market Study and Strategy

MJB

to lease their ground-floor spaces to low-hanging fruit.

Theoretically, the profits which landlords are able to derive from the student housing on the upper floors would seem to provide a margin with which to cross-subsidize street-level leases or assist with build-out expenses for better concepts and operators, yet either due to the elevated land costs and/or return-on-investment (ROI) expectations, only a few appear to be so willing (see caption).



Willing to offer what he described as a “**good rent**,” Josh Lower of Urban Ithaca Real Estate was able to land a GreenStar Food Co-op satellite in the ground floor of his Collegetown Crossing project.

Where is Collegetown Headed?

Collegetown's retail mix, without any sort of intervention, is likely to continue along its current trajectory, with competitive positioning that points mostly to quick-service/casual food and beverage concepts as well as select convenience-oriented businesses catering to the dense, captive student submarket, especially its sizeable Asian/Asian American contingent (see caption).

Otherwise, Collegetown will be hard-pressed to match the more diversified customer base available in Downtown for destination-oriented eating and drinking establishments (see caption). The same holds, with notable exceptions (like Fontana's Shoe Store and P&L Supply), for specialty shops selling apparel, gifts, home décor or other comparison goods. Indeed, even sub-categories especially popular among students – like vintage clothing, for instance – likely stand a better chance in

Asian Fare in Collegetown



Collegetown businesses owned by and oriented towards Asians/Asian-Americans – eateries, dessert bars, tea shops and small groceries -- have become especially plentiful in recent years, a reflection of their large numbers in the student body -- accounting for 38.5% of Cornell University's 2024 incoming freshman class and 46.8% of its incoming undergraduate transfers. With family members often filling in as workers, such operators have also been better able to avoid labor shortages and sustain the district's high occupancy costs.

Going forward, there is a great deal of uncertainty about the continuing flow of students from abroad as a result of Federal immigration policy. China, one of the Trump Administration's targets, accounted for approximately 3,300 enrollees in fall 2024 -- their absence would have had an impact. Cornell University has said that its international enrollment has held steady thus far (as of September 2025), though it remains concerned about possible longer-term impacts. At the same time, the Supreme Court's decision to end affirmative action in higher education has *already increased* the number of Asian-Americans there – it was the only ethnicity which grew in percentage of the incoming class from Fall 2023 (36.3%) to Fall 2024 (38.5%).

Asian retail concepts have also been benefitting from growing demand from non-Asian consumers as a result of the rising profile of Asian cultures more generally, especially Japanese, Taiwanese and Korean. Moreover, there are an estimated 6,000+ persons of Asian descent in Ithaca's MSA population (of the nearly 11,000 in total, or 10.6%) who are *not* students at Cornell University.

Sources:

<https://news.cornell.edu/stories/2024/09/qa-cornell-releases-demographic-data-exceptional-incoming-class>,
<https://global.cornell.edu/resources/mapping-our-global-community>,
https://www.wsj.com/us-news/education/international-student-enrollment-decline-college-ad13f943?gaa_at=eafs&gaa_n=AWETsqeAHYE06NQYx1M8YF2QYiyDehcm6raulfjoWqtU5zpjy81sZNm6aGNRp_PXQ%3D&gaa_ts=68fcdf0c&gaa_sig=WnQ30Z8RzC68bAGvQu-nZEyhHRY_3lvdRGuC76u-MOsSns9gPIZZO6Wdop9JhKK-PxLvoOiQNgKOarc0b1cgsQ%3D%3D,
<https://datausa.io/profile/university/cornell-university>

Downtown, with its ability to draw other kinds of shoppers as well.

Some stakeholders would like Collegetown to reposition itself as a wider draw capable of pulling from beyond its captive submarket. This, however, would seem like a steep climb, as its brand appears fairly entrenched, with the current retail mix there offering little precedent to believe that other Ithacans, except for Ithaca College students on South Hill, would validate such a strategy (see caption).

That said, Collegetown can do better in terms of retail tenanting. After all, the captive market of potential customers *is* quite significant. The district's 42 acres are populated at a density of roughly 50,000 persons per square mile – nine times higher than the city of Ithaca as a whole, at 5,600 per square mile, and even exceeding Brooklyn (35,000) as well as New York City overall (28,000).

The intersection of College Avenue and Dryden Road boasts pedestrian counts of 20,000 to 40,000 per day, comparing favorably to the number of cars along busy strip corridors (e.g. 30,000 to 32,000 along the NY 13 couplet in the West End). Foot traffic consists primarily of upperclassmen residing in off-campus housing, and thus *not* required to be on a meal plan.

With demand potentially supplemented by staffers and professors living in the Belle Sherman neighborhood as well as parents (of current students) and alumni on specific weekends, Collegetown's customer base should be able to support some updates to and upgrades in the existing retail mix, moving beyond basic quick-service food and drink.

Opportunities – still focused on meals, snacks and beverages in casual spaces -- include additional “fast-casual” eateries, offering healthier and/or higher-quality ingredients in more upmarket environs, and coffeehouse concepts, with novel flavors and styles along with ample seating and late hours; as well as uber-trendy franchises straight from Asia. Indeed, new offerings have already started to materialize (see caption).



The shuttering of **The Embassy** after just a half-year in business offers a useful data point in assessing the viability of more ambitious food and beverage concepts in Collegetown. Local restaurateur Kevin Sullivan had felt that the concept -- offering brunch as well as tapas and cocktails, with late hours and “more of a lounge vibe” – would bring “something that’s really unique to Collegetown, and, to be frank, to Ithaca in general... that was going to act as a destination not only for the surrounding community but also Collegetown itself.”

Sources:

<https://www.cornellsun.com/article/2024/02/meet-the-embassy-the-new-social-hot-spot-for-brunch-late-nightdining>,
<https://www.14850.com/012235154-embassy-ithaca-first/>



Jorge Bouras intended to offer something more than just “another take-out place”, with his fast-casual Mexican concept (**Dos Amigos**, left) and below-ground speakeasy bar (**Tres Leches**). Meanwhile, **DE Mokha** is one of the newer breed of Yemeni coffeehouses.

The Role of Cornell University

Cornell University obviously looms very large here. As the biggest stakeholder in Collegetown and the one with the greatest impact on the district’s prospects, it *needs* to be engaged in the district’s retail revitalization. At the same time, such efforts would seem to align with the university’s own self-interest, given the proactive role(s) that some of its peer institutions have taken in recent decades (see caption), as part of the fierce competition for the best faculty, researchers and students.

Encouragingly, Cornell has sent a representative to participate in a new 501(c)(6) non-profit called the Collegetown Community Collective. This entity has been envisioned by its steering committee – which



A **university’s role in retail revitalization** can take different forms, and vary widely in scope.

With its Yale University Properties subsidiary, led by former shopping-center executive Bruce Alexander, Yale University sits at one end of the spectrum, playing a lead role in the revival of its half of New Haven’s long-struggling Downtown. Current tenants in its “Shops at Yale” portfolio include Apple, Lululemon, J. Crew, Urban Outfitters, Warby Parker, Bluemercury, Sweetgreen and Shake Shack – even though Yale’s overall enrollment of 15,600 and undergraduate student body of 6,800 are far smaller than Cornell’s.

Then again, the population of New Haven, at roughly 138,000, is considerably larger than Ithaca’s. On a more modest level, Bucknell University partnered with a developer on the adaptive reuse of a historic building on Downtown Lewisburg’s shopping street, locating its 30,000 square foot, Barnes & Noble-run college bookstore there in 2010 – a replacement for the far smaller, 12,500 square foot one in the Elaine Langone Center on the university’s campus.

Source:

https://www.northcentralpa.com/barnes-and-noble-at-bucknell-university-opens-june-26/article_16fc99e4-b46d-57b6-84e6-c2ec2195f619.html

includes property owners, existing merchants, elected officials and various others – as a place manager for the district, working on plans for streetscape improvements, lighting enhancements, public spaces, special events, business support and cultural programming as well as ongoing advocacy.

As one of its first initiatives, the Collective and its members (including the University) should take the lead on the development of a coordinated retail vision and tenancing scheme for Collegetown, in partnership with other developers, landlords, brokers, the City (for prospecting support) and the IURA (for incentives).

As part of this coordination, the University could commit to a new iteration of East Hill Plaza – which it owns and has been itching to reimagine since at least the late 2010’s (see caption) – that focuses primarily on convenience-oriented fare for a hyper-local trade area, so as not to undermine Collegetown’s existing mix, leasing strategy (once finalized) or gravitational pull.

The University has also recently spent \$15 million to purchase 301 College Avenue, a five-story, mixed-use building with 80 student bedrooms and 11,900 square feet

of ground-floor retail space, “with the goal”, according to its spokesperson, “of furthering the economic revitalization of Collegetown.”⁵²

Its efforts, however, need not involve large-scale acquisition and redevelopment of its own. As a catalyst for change, it could enter into joint ventures with other developers, or help with the financing of projects; it could sign a master lease(s) for retail space(s) that could then be intentionally curated; and/or it could contribute funding for district-specific tenant incentives.

Finally, Parking

Some have argued that Collegetown’s struggles to draw a broader audience from across the city and beyond can be attributed to its parking supply. The most recent utilization data, from 2019,



Prior to the pandemic, Cornell University had been working with developers on a revamping of **East Hill Plaza** as a “lifestyle center”, with additional retail space as well as a more pedestrian-friendly design. While those plans ultimately proved too costly, current thinking still envisions a destination of sorts, with some modernization of the tenant mix and building architecture.

Source:

David Csont/Urban Design Associates, as appearing in the *Ithaca Voice*

⁵² As quoted in <https://ithacavoices.org/2025/03/cornell-makes-15-million-buy-in-collegetown/>.

did not provide evidence of shortages, but in contrast to Downtown, the demand for spaces has presumably grown in the ensuing years, with university enrollment having expanded by 11.5% during that time.⁵³

Utilization levels, however, can vary widely, based on pricing, distance, day, time and other factors. Even if an updated study were to indicate fill occupancy of the most desirable stalls in certain peak periods (which it will likely do)⁵⁴, that does *not* necessarily mean that motorists forced to look even further afield and/or pay fees for parking spaces would decide to eat, imbibe or shop elsewhere instead.

Meanwhile, provision of additional supply does not mean that Ithacans who had previously shown little interest in Collegetown's restaurants, bars and shops would suddenly gravitate there. Consumers do not visit business districts *because* there is ample parking. Rather, they are drawn to them for particular destinations; the availability of spaces within walking distance is, in other words, necessary *but not* sufficient.

Generally speaking, the consumer's willingness to tolerate the hassle, inconvenience and/or cost of parking rises or falls in direct proportion to the appeal of the destinations themselves (see caption). If, that is, a retail mix is compelling enough, and the *overall* supply of spaces is adequate, motorists will find a way. They may not be happy about it, but ultimately, that should not prove decisive.⁵⁵

The 2019 study needs to be updated, and its findings analyzed for possible adjustments, like, for instance, a more aggressive performance-based pricing scheme, a systematic approach to curbside planning (see Chapter 2, on Downtown) and/or more visible wayfinding signage for the Dryden Garage. But in considering larger investments, one should keep in mind that complaints about parking can also obscure deeper challenges with the businesses themselves.



While perhaps less true at its Ithaca location, Trader Joe's is notorious for its **undersized parking lots**, which enables the chain to save on real estate costs. It also knows that with its rabid following, customers will tolerate the frustration and shop there anyway.

⁵³ Total enrollment has grown from 24,027 in the 2019-2020 school year to 26,793 in fall 2024, according to <https://irp.dpb.cornell.edu/university-factbook/student-enrollment>.

⁵⁴ According to Stantec's 2019 data, Collegetown's 286 unmetered on-street spaces reached peak utilization at 9:00 am on weekday mornings, when 89% were filled (versus the 85% target). That percentage is likely even higher today.

⁵⁵ Note that this discussion has focused primarily on destination-oriented restaurants, bars and shops, *not* basic commodities – which, in the absence of sufficient densities within walking distance, often do require “in-and-out” conveniences for motorists. A full-service grocery store in Collegetown, for instance, would likely necessitate at least some off-street, on-site parking.

Other Recommendations

* **Draw on the new Collegetown Community Collective as a platform upon which to develop a coordinated retail vision and tenanting scheme for Collegetown, and through which to collaborate more closely with Cornell University** on possible master lease(s) for retail space(s), funding for district-specific tenant incentives and the future of East Hill Plaza (as potential competition), among other initiatives (City/Collegetown Community Collective/Cornell University/property owners).

* **Identify opportunities for additional outdoor spaces** which can be activated with informal entertainments (see Chapter 2, on Downtown), so as to expand the variety of possible experiences in Collegetown and, hopefully, create the iconic gathering place(s) of its future, building, for instance, on initial visioning efforts for the grassy area of historic Cascadilla Hall in the Eddygate subarea (City/Collegetown Community Collective/Cornell University).

* **Upgrade the Collegetown aesthetic with a bit of polish**, starting with the basics of infrastructure (e.g. potholes, sidewalks, lighting, etc.), the installation of “Welcome to Collegetown” gateway signage as well as access to financial assistance for merchant-driven façade enhancements, **making sure to add some much-needed color and dynamism as well as a touch of whimsy and irreverence** that would likely resonate with a student demographic (City/Collegetown Community Collective/IURA).

* **Complete a formal parking study** that updates utilization levels of the existing Collegetown supply as well as considers the wisdom and practicalities of a more aggressive performance-based pricing scheme, while also **developing a more systematic approach to curbside planning** (City/Collegetown Community Collective).

* **Reexamine the 2018 Collegetown Design Guidelines** to ensure that the ground floors of new and existing development along the commercial stretches of College Avenue, Dryden Avenue and Eddy Street are designed optimally for retail tenancy (i.e. shops, personal services or food and beverage), while also **exploring opportunities to permit such uses on contiguous blocks** where they could be viable (City/Collegetown Community Collective).



The planned redesign and reconstruction of College Avenue's 400 block (image) would tend to the infrastructure needs of that one stretch, but a similar effort seems necessary for the district as a whole.