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## **City Updates Downtown Northampton Economic Indicators**

**Meals and Hotel Tax Revenues See 10% and 23% Gains  
12 New Businesses Arrived and 8 Relocated Within Downtown**

Today, Mayor David J. Narkewicz's office released a mid-year update of downtown economic indicators for Northampton showing positive trend line increases in meals and hotel tax revenues along with healthy retail leasing activity. The economic indicators were created earlier this year by Economic Development Director Terry Masterson, to offer on-going statistics and data trends on the health and vibrancy of downtown Northampton on a dedicated webpage: [www.northamptonma.gov/economicindicators](http://www.northamptonma.gov/economicindicators)

### **Summary of Mid- Year Findings:**

- Meals Tax Revenues up 10% through 2015 (most recent data available)
- Hotel Tax revenues up 23% since late 2014
- 12 new businesses arrived into downtown in 2016
- 8 businesses relocated within the downtown
- 20 vacant storefronts were re-occupied in 2016 YTD
- 13 businesses departed from the downtown in 2016
- Downtown vacancy rate remains at 7% despite robust retail leasing activity

"The updated data shows that Meals and Hotel Tax revenues are up through 2015 after several years of flat returns," said Terry Masterson, "In some measure, these revenues can reflect consumer spending and foot traffic in our downtown."

"12 new businesses arriving in 2016 is positive news for downtown Northampton," said Mayor Narkewicz, "With 20 storefronts being re-occupied this year, it's clear that downtown Northampton remains an attractive location for business."

### **Summary of Mid- Year Findings:**

#### **Meals Tax Revenues Up 10%**

- Meals tax revenues for 2011 through 2014 have been consistently flat. Averaging \$660,000.
- Revenues for 2015 were \$725,000, an increase of 10% or \$65,600.

Meals tax is levied by the State of Massachusetts on restaurant sales of any food or beverage including alcohol. The rate is 7.0% with 6.5% accruing to the State and 0.75% to Northampton. These revenues can be viewed as a reflection of consumer spending.

#### **Hotel Tax Revenues Up 23%**

- Hotel tax revenues for 2011 through 2013 have averaged \$520,000.
- 2014 revenues rose to \$580,916, an increase of 10% or \$50,850.
- 2015 revenues were \$658,131, an increase of 13% or \$77,215

Much of the increases in 2015 revenues may be attributable to the opening of the Fairfield Inn in the Fall of 2014. The Clarion Hotel ceased lodging in November of 2015 so hotel tax revenues for 2016 may yield a different number although hotel revenues for the First Quarter (Q1) of 2016 are \$122,121 which is \$2,000 above Q1 2015. The Room Occupancy Tax is levied by the State on rented rooms above \$15 per day for less than 90 days. The total tax is 11.7% with 5.7% partitioned to the State and 6% to Northampton.

#### **20 Storefronts Re-Occupied Since January 2016**

During 2016 there were 20 storefronts that were re-occupied after becoming vacant. See Table (1) on page 3 which details the re-occupancies. This positive trend contrasts with the presence of several retail storefronts that have remained unleased despite these reabsorptions.

#### **20 New Business Arrivals and Relocations YTD**

Downtown Northampton welcomed 8 new business arrivals and 12 current businesses that have relocated to different locations which adds up to 20 arrivals and relocations. See Table (2) on page 3.

#### **13 Business Departures from Downtown but 11 of these 12 Storefronts Re-Occupied**

Alongside the 12 new business arrivals and 8 relocations, there have been 13 business departures which are listed on page 4 of this release.

#### **Downtown Vacancy Rate Remains at 7%**

Tables (4) and (5) offer specific detail on the flow of vacancies to occupancies during 2016. Please note as follows:

- There have been 16 vacant storefronts during 2016 but not the same storefronts.
  - So the overall rate for this year has remained steady at 7%.
  - During this time 5 storefronts were re-occupied while 5 new storefronts became vacant.
  - There are 11 storefronts that have been vacant in 2016 and probably 3 to 4 years prior.
  - It is not clear if some of these storefronts are being marketed or listed for lease.
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### 20 Storefronts Re-Occupied Since January 2016

Despite some isolated long term retail vacant storefronts, this list details 19 storefronts that were re-occupied in 2016. In many cases, these re-occupancies were immediate or short term vacancies.

Table (1):

Storefront	New Tenant	Former Occupant
14 Armory Square	Brits R Us	Theory Skateboard
1 Pearl Street	Deals N Steals	1 Bar
7 Strong Avenue	7 Strong	Ibiza Tapas
8 Crafts Avenue	Glazed Donut	SIP
41 Main Street	Oriental Flavor	ZEN
108 Main Street	Antiquarian	Mercantile
91 Main Street	Pita Pocket	Subway
32 Main Street	Theory Skateboard	Western Village Ski
63 Main Street	Barre Fitness	Friendly's
1 Station Plaza	Bombay Royale	Soo Rah
114 Main Street	Grateful Hound	Deals N Steals
180 Main Street	Verizon Wireless	United Bank
177 Main Street	Happy Valley	Hempest
28 Pleasant Street	Northampton Running	Vacant
20 Crafts Avenue	Green Computer	Aqua View Tropical Fish
6 Market Street	Edward J Jones	Vacant
164 Main Street	Birdhouse Music	Iris Photo
154 Main Street	Nourish	Berkshire Yogurt
2 Conz Street	Hempest	Women's Worldwide Voices
150 Main Street	Convino	Vacant

### 20 New Arrivals and Relocations in 2016 YTD

The list details the 20 businesses that are new to the Downtown or relocated within Downtown.

Table (2):

Date	Business	New Arrivals (NA) or Relocation (RELO)	Address
<b>Aug</b>	Brits R Us	New	14 Armory Square
<b>July</b>	Pita Pockets	New	91 Main Street
	Glazed Donuts	New	8 Crafts Avenue
	Oriental Flavor	New	41 Main Street
	7 Strong	New	7 Strong Avenue
	Happy Valley	RELO	177 Main Street
	Theory Skateboard	RELO	32 Main
	Northampton Running	RELO	28 Pleasant Street
	Deals N Steals	RELO	1 Pearl Street
<b>Feb.</b>	Con Vino	New	Armory Square
	Barre Fitness	New	63 King Street
	Blue Marble	New	150 Main Street
	Bombay Royale	New	1 Roundhouse Plaza
	Grateful Hound	New	114 Main Street
	Verizon Wireless	New	180 Main Street
	Green Computer	New	20 Crafts Avenue
	Edward Jones	RELO	6 Market Street
	Hempest	RELO	2 Conz Street
	Birdhouse Music	RELO	164 Main Street
	Nourish Juice Bar	RELO	10 Bridge Street

### 13 Departures from Downtown in 2016 YTD

The Mid-Year report notes that there have been 5 departures as of July and 8 noted in the February report. These businesses are as follows:

<ul style="list-style-type: none"> <li>• Berkshire Yogurt from 10 Bridge</li> <li>• Subway from 91 Main</li> <li>• Iris Photo from 164 Main</li> <li>• Hinge from 48 Main</li> <li>• Western Ski Village from 32 Main*</li> <li>• Deals/Steals On Main from 114 Main</li> <li>• Left Click from 150 Main Street</li> </ul>	<ul style="list-style-type: none"> <li>• SIP from 8 Crafts Avenue</li> <li>• ZEN Restaurant from 41 Main</li> <li>• One Bar from 1 Pearl*</li> <li>• Dunkin Donuts from 273 Main</li> <li>• Ibiza Tapas from 7 Strong Avenue</li> <li>• Mercantile from 108 Main*</li> </ul>
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### Status of Storefront Vacancies

This list breaks down the vacant storefronts into 6 new vacancies and 10 long term vacancies. On a positive note, Table (1) details 20 storefronts that were re-occupied in 2016.

Table (3)

Length of Vacancy	New Storefront Tenants
<p><b>New Vacancies: 6</b></p>	<p>+ 90 King Street – Formerly Northampton Running            + 92 King Street –            + 229 Main Street – Formerly Happy Valley            + 273 Main Street – Formerly Dunkin Donuts            + 48 Main Street – Vacant since December, 2015+ 150 Main Street – Left Click Space</p>
<p><b>Long Term Vacancies: 10</b></p> <p><b>Definition:</b>            Vacancies that pre-date 2016</p>	<p>+ 6 Strong Avenue – Kathy’s Diner            + 26 Strong Avenue-            + 30 Strong Avenue-            + 50 Main Street – Spoleto’s            + 8 Pearl Street – Former gas station            + 58 Pleasant Street – Marinellos Beauty School            + 88 Pleasant Street – Former Grubb Restaurant            + 21 Center Street – Adjacent to Police Station            + 24 Center Street – Next to the Green Room Lounge            + 55 Center Street – Adjacent to Serios</p>

### Inventory of Downtown Businesses

#### Key Points and Summary :

The Tables above offer the following observations:

- Downtown has 230 retail shops occupying over 200,000 square feet of space.
- Food and beverage total 71 businesses or 31%
- Books, jewelry, clothing and specialty items total 52 stores or 20%
- Out of 230 shops, only 9 (5%) are national chains or brands which speaks to large local ownership.

**Table (4):**

<b>Downtown Business Inventory</b>		
<b>Retail Category</b>	<b>July 2016</b>	<b>Percentage</b>
<b>Total Retail Businesses:</b>	<b>230</b>	
<b>List of Major Retail Categories:</b>		
Restaurants/Eating Establishments	40	17%
Tea and Coffee	9	4%
Bars	14	6%
Dessert and Sweet Shops	8	3.5%
<b>Total Food/Beverage Venues:</b>	<b>71</b>	<b>31%</b>
Music Venues	6	3%
Art Galleries	5	2.5%
Clothing	19	8%
Specialty/Unique/Gift Shops	20	9%
Furniture/Antiques	8	4%
Jewelry	6	3%
Bookstores	6	3%
Hair Salons	11	5%
Health/Fitness/Yoga	7	4%
Body Art	3	1%
Food Market Stores	4	2%
Banks/Finance	7	4%
Liquor/Beer	5	2.5%
Laundry	3 (110)	1%
Miscellaneous	49	21%

<b>Downtown Inventory Comparison</b>	
<b>Community:</b>	<b>Number of Storefronts</b>
Northampton	230
Amherst	74
Easthampton	82

**Downtown Vacancy Data:****Downtown Vacancy Rate 7%**

- There are 16 vacancies out of 230 downtown retail portals which equals a vacancy rate of 7%.
- Since February there have been 5 vacant stores re-occupied.
- But there were 5 new vacancies which kept the overall vacancy total at 16.

**Table (5):**

<b>Vacancies Feb. 2016</b>	<b>Re-Occupied Stores</b>	<b>Vacancies August 2016</b>
<b>Total: 16</b>	<b>Total: 5</b>	<b>Total: 16</b>
26 Strong Avenue		26 Strong Avenue
6 Strong Avenue (Red Diner)		6 Strong Avenue
34 Bridge Street	<b>Re-Occupied Storefronts:</b>	34 Bridge Street
32 Main Street (Western Ski)	32 Main – (Theory Skateboard)	
48 Main Street (Hinge)		48 Main Street
50 Main Street (Spoleto's)		50 Main Street
177 Main Street (Hempest)	177 Main – (Happy Valley)	
193 Main Street (Subway)	193 Main - (PitaPocket)	
8 Pearl Street (Gas Station)		8 Pearl Street
28 Pleasant Street	28 Pleasant– (N'Hampton Running)	
58 Pleasant Street (Marinello)		58 Pleasant Street
88 Pleasant Street (Grubb)		88 Pleasant Street
8 Crafts Avenue (SIP)	8 Crafts Avenue – (Glazed Donut)	
55 Center Street		55 Center Street
24 Center Street		24 Center Street
21 Center Street		21 Center Street
		<b>New Vacancies:</b>
		90 King Street (N'Hampton Running)
		92 King Street
		30 Strong Avenue
		177 Main Street (Happy Valley)
		273 Main Street (Dunkin Donuts)

### List of Building Sales

This list details recent building sales from 2013 through 2016.

Address/Size	Year	Sale Price/PPSF	Prior Sale History or Assessed Value	Price or Assessment Differential
<b>79 Masonic Street</b> (Christian Science)	2016	\$750,000 (50% of Bldg. Sold)	List Price: \$850,000 Valuation: \$1,100,000	This sale is a portion of the total parcel
<b>32 Main Street</b> 5,000 Sq. Ft. (Western Village)	2016	\$865,000 \$173.00 per sq.ft.	Assessed Valuation: \$515,000	Owned for 50 Years No sales history
<b>9.5 Market Street</b> 9,000 Sq. Ft. (Click Space)	2015	\$780,000 \$89.00 per sq. ft.	Sold in 1991 for Mortgage Assumption	No recent sales history
<b>201 Main Street</b> 7200 Sq. Ft. (Synergy Building)	2015	\$1,350,000 \$187.50 per sq.ft.	Assessed Value: \$1,055,000	+30%
<b>196 Main Street</b> 4700 Sq. Ft. (Harlow Luggage)	2014	\$1,050,000 \$223.00 per sq.ft.	\$325,000 ( 2003) \$69.14 per sq. ft.	+200%
<b>236 Pleasant Street</b> 2300 Sq. Ft. (King Automotive)	2014	\$249,000 \$108.00 per sq.ft.	\$225,000 (1990) \$97.82 per sq. ft.	+ 5%
<b>189 Main Street</b> 6400 Sq. Ft. (Shop Therapy)	2013	\$1,300,000 \$203.00 per sq. ft.	\$950,000 (2004)	+ 35%