

MEMORANDUM

TO: Rob Hubbard - Director, Department of Community Development and Planning, City of Gardner

FROM: Darren Mochrie and Craig Seymour

DATE: June 8, 2007

SUBJECT: Urban Revitalization Plan Summary of Survey Responses

INTRODUCTION

The purpose of this memorandum is to provide a summary of the responses to two sets of surveys distributed as part of Gardner's Urban Revitalization Plan (URP). One set of surveys was distributed to the owners of non-residential (retail, light industrial and office, etc.) properties within the study area, and another to business establishments. The purpose of the surveys was to understand the short and long term business and property development goals of participants.

This memorandum has been divided into two sections. The first section summarizes the responses from property owners, while the second section summarizes the responses from business establishments.

SUMMARY OF RESPONSES FROM PROPERTY OWNERS

- Surveys were distributed (via mail and hand-delivery/personal interview) to 129 commercial, retail, office and light industrial property owners within the URP Study Area. 19 surveys were completed with a corresponding response rate of 15%
- Respondents represented a wide cross section of new and established firms
 - 21% have been in business for less than 5 years
 - 16% for 50 years or more
- When asked about their future plans, 42% of respondents indicated that they had no future plans to sell the property, while 32% were unsure of their future intentions
- When asked for the reasons for purchasing their property, nearly half indicated that the property's location was the primary reason. 21% indicated that they purchased the property for its investment potential
- Half of respondents indicated that they do not lease space within their property to other users



- Three respondents indicated that they have space, but it is inefficient for marketable uses
- In terms of property maintenance, most property owners indicated that they have completed routine maintenance within the past year (mostly due to new tenants moving into the building)
 - Most respondents typically do not pass along the costs of renovations to new tenants
 - Nearly half of respondents plan to undertake renovations in the next year including paving, roof work, heating system and interior and exterior improvements
- When asked if they had utilized any of the business and property owner services offered by the Gardner Redevelopment Authority (GRA), less than one-third had taken advantage of any respective services
 - Of those utilizing the GRA services, the Grow Gardner Fund and the Sign and Façade Program were most popular
- When asked about their experience in dealing with the City's business permit process, half did not provide a response
 - For those that responded, most rated their experience as either "very good" or "good"

SUMMARY OF RESPONSES FROM BUSINESS TENANTS

- Surveys were distributed (via mail and hand delivery/personal interview) to 170 business tenants (establishments) within the URP Study Area. 36 surveys were completed for a corresponding response rate of 21%
- Respondents represented a mix of industry sectors with 39% being Retail, and 36% being service firms. Finance/Insurance/Real Estate (14%) and manufacturers (8%) also responded
- Two-thirds of respondents were very small businesses, employing 1 to 5 employees
- Over 70% of respondents have been in business for less than 20 years
 - New businesses (opening within the last five years) comprised 17% of respondents, with three-quarters of those new businesses opening within the last year
- Rents generally range between \$3.50 per square foot (SF) and \$20/SF depending the type and location of space. Respondents provided the following range of rents¹:

Use of Space	Rent Per Square Foot
Retail	\$3.55 - \$10.35
Office	\$4.36 - \$20.40
Office Health Care	\$8.00 - \$8.79
Mixed Use	\$4.20 - \$12.00

¹ In addition to rent, most respondents indicated that they also pay utilities (such as electricity, heat, water, etc.) and insurance.

- Over 45% of respondents indicated that their rent has increased over the past few years
- When asked if there were any ownership/tenant issues or concerns relative to their current business space, half of respondents did not indicate any concerns. For those that did indicate an issue, parking problems were the most prevalent followed by absentee landlords and lack of building maintenance
- When asked why they selected their current location for their business, the top three responses listed by respondents as “very important” or “important” were the close proximity to customers, the availability and affordability of land/building space, and high quality of life
- Although respondent businesses cater to a variety of customer age groups, the middle-age family (age 35 to 54) group was the most widely served, followed by near seniors (age 55 to 64) and seniors (age 65 to 84)
- When asked about the origin of their customers, almost three-quarters of respondents indicated that their customer base lives in Gardner or within 20 miles of Gardner. Respondents indicated that their business activity is not impacted by seasonality or has a significant tourism component
- When asked how their business (in terms of sales) has performed over the past year, one quarter indicated that sales were flat. An equal number of respondents (11 or 31%) indicated that their sales had risen as those that had experienced a decline in sales. Two firms indicated that they are in the process of closing permanently
- When asked about Gardner’s overall business environment, 22% of respondents indicated that the business climate has deteriorated over the past five years. Respondents indicated that the numerous empty storefronts and lack of “quality” businesses do little to encourage customers to shop in the downtown. Other concerns provided by respondents included:
 - Lack of available parking
 - Poor appearance of the downtown
 - Lack of pedestrian foot traffic
- Although suggesting a deteriorating business environment in Gardner, respondents were upbeat and positive about their future business opportunities in the city. One quarter of respondents indicated that they intent to expand their business within the next year, and over one-third plan to expand within 5 years. Respondents also indicated the following:
 - Half of respondents indicated that they would likely upgrade or modernize their business within the next year, while almost two-thirds would likely complete upgrades within the next 5 years
 - 3% intend to relocate their operation within the next year, while 14% may relocate within the next 5 years
 - 8% of respondents indicated that they may sell or discontinue their business operation within the next year
 - When asked what forces might limit them from reaching their business goals, 22% indicated that financing is a major concern. Other concerns were the lack of building space to expand or relocate and the uncertainty of the market

- When asked if they had utilized any of the business and property owner services offered by the GRA, most respondents had not called on the GRA for any services.
 - Of those utilizing the GRA services, the Grow Gardner Fund (one respondent) and the Sign and Façade Program (5 respondents) were most popular
- When asked about their experience in dealing with the City's business permit approval process, respondents provided a mixed response:
 - 17% rated the experience as "very good"
 - 11% rated the experience as "good"
 - 22% rated the experience as "average"
 - 8% rated the experience as "bad"
 - 25% gave no reply
- Respondents provided a number of suggestions for the GRA to assist businesses including:
 - Make grants available to businesses
 - Return passenger rail service to Gardner
 - Redesign on-street parking and eliminate parking meters
 - Promote downtown Gardner
 - Work with property owners to renovate buildings
 - Fill vacant storefronts (develop businesses)