

A. MERCHANDISING ASSESSMENT

INTRODUCTION

This section of the report describes observable trends of the downtown Historic Easton retail area. Retail and merchandising consultant Marsha Terry Liebowitz gathered information through field studies, interviews with Easton's merchants and residents, and public workshops. She spent time midweek (Wednesday and Thursday, May 16 and 17) and on the weekend (Saturday and Sunday, June 9 and 10) in downtown Easton. Four aspects of retailing and merchandising were examined:

- Observable shopper profiles and patterns;
- Overall environment created by retailers, businesses, and restaurants;
- Store environment and message; and
- Product.

SHOPPER PROFILES AND PATTERNS

Shopper profiles and patterns were observed on both the weekday and the weekend in the Northern Area (Talbot Town to Goldsborough Street), the Central Area (Goldsborough Street to Dover Road), the Southern Area (Dover Road to South Street).

The crowd during the week was older and local while the weekend saw people of all ages, including visitors. The downtown area was never really busy with Sunday afternoons proving to be exceptionally quiet.

During the week, Easton's downtown was not busily or steadily patronized. The dominant age group in Talbot Town and downtown was in their 40s and 50s and included workers, casual visitors and tourists. The largest group of shoppers was older, mostly in their 50s and 60s, and most were middle- and upper-income retirees, of traditional appearance. There were a few younger shoppers in their 20s and 30s, but very few children and no teenagers. Most people were walking purposefully, by themselves, with a destination in mind, and few carried shopping bags.

During the day on Saturday, the Farmer's Market was bustling with shoppers of all ages, and almost everyone was carrying a purchase. Nonetheless, the rest of downtown was fairly quiet, even on the weekend. Based on conversations in the stores between customers and shopkeepers, the crowd was comprised 75 percent visitors. Two visits to the grocery store showed a very light utilization with about five shoppers on the two open registers and approximately up to 20 shoppers in the aisles. There appeared to be a greater diversity of ages (children to senior citizens) and incomes among the supermarket shoppers, compared with the rest of downtown.

On Saturday evening the restaurants filled up with diners, but there was no separate coffee/dessert/drinks-and-sit-outside crowd. By 10 PM., most of the restaurants were quiet. A

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notable exception was the restaurant Scossa, which was busy with a critical mass of 30-somethings. Ice cream was popular with all ages—as many as one out of five people passed holding a cone.

On Sunday morning, people were in downtown looking for coffee and brunch, and Coffee East was the busiest establishment. The café attracted a local, casual, artsy crowd. Coffee to go was popular with all age groups. Families with small children, as well as teenagers and 20-somethings, were chatting over coffee and full breakfasts. Older patrons were drinking coffee over the *New York Times*. The restaurant at the Tidewater Inn was busiest between 10:30 a.m. and noon as guests checked out. Seven different visitors in their 40s and 50s had brunch at the Tidewater Inn, after finding that Mason’s was closed, while seniors went to Legal Spirits. When church let out, visitors got in their cars and drove home, without lingering downtown.

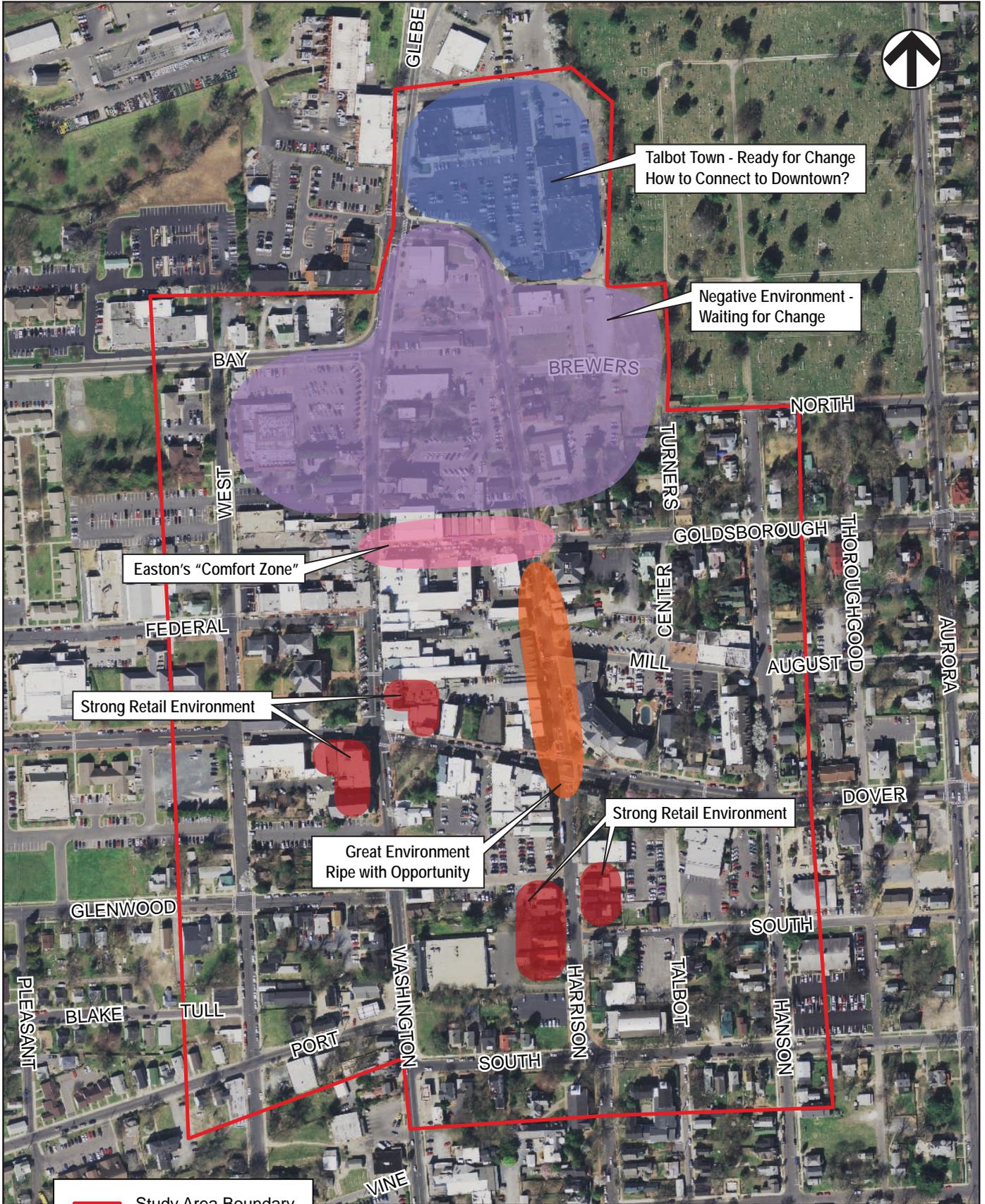
DOWNTOWN’S RETAIL ENVIRONMENT

The “retail environment” refers to the overall mood set by the retail area, and refers not only to the stores themselves, but the cohesion of the retail storefronts, offices, public spaces, and restaurants. The retail environment offers a first impression; it draws shoppers in or turns them away from an area. A comfortable and inviting environment is desirable because it prolongs the shopping experience. The merchandizing reconnaissance, visually summarized in Figure 2-1, indicated a few notable aspects of downtown in terms of the overall retail environment, including a few areas that have a great retail environment and those that are ripe with opportunity.

Downtown Easton’s retail environment is peaceful, charming, and geared towards the older shopper. Store windows are attractive, merchandise is pretty, and signage is appealing. The signage, mannequins used, displays, and the realtors with photos of attractive homes for sale create a pleasant flow for window shopping. Merchants have beautiful flowers outside and restaurants are attractive and inviting, with outdoor seating available. Even realtors and other ground-floor offices maintain attractive storefronts in keeping with the others. Wooden benches are scattered around downtown, inviting shoppers to sit with a cup of coffee or an ice cream cone; however, the gatherings are not necessarily organized or uniform, and the benches are not positioned in the best locations to attract shoppers. The mini-environment created by the synergy of Cracker Jack (toy store), Clayworks (ceramics painting), and Pierce & Parker (trendy women’s clothing) is particularly fun and family-friendly. As noted in Figure 2-1, it is clearly one of the promising hot spots for retailing in Easton as it combines these stores along with established stores like Berrier and several popular restaurants like Scossa.

The retail environment and the product mix of the core retail community both cater mainly to older shoppers and miss the younger consumer market. Many stores sell clothing and other products popular with shoppers in their 60s and up, and thus the environment is most familiar and inviting to them. Mildly interested shoppers in their 40s and 50s were seen wandering into stores to examine the merchandise targeted to an older audience, but seemed bored with products that were similar in several stores and uninterested in actually buying anything. Younger potential shoppers perceive the town as charming but see the merchandise as targeted toward their parents and grandparents. Observed reactions and comments from shoppers were clearly delineated by their age groups:

- **65+**. Everything appears as expected in a quiet, charming, older town. Therefore, for the older customer it is familiar and inviting, and seemingly geared toward them. The sheer number of stores with products targeted to them sets and reinforces exactly this



- environment. The signage, mannequins used, displays, and even the realtors with photos of attractive homes for sale all made for pleasant flow of window shopping. Comments overheard were: “You would look good in that” and “What a pretty [something].” Some shoppers wandered in to the stores, but without a real or compelling purpose (“I have to try that on,”) and only mild interest in the attractive and familiar merchandise.
- **40s to 50s.** For the younger customer, the area offers a nice stroll through a pretty town but does not engage those taking a closer look. These shoppers saw the mood as older as reflected by comments of: “Looks old,” “My mother would wear that last year.” Comments from the men specifically were: “Boring” and “It’s the same stuff in every store.” Some chuckled at the cute shop names.
 - **30+.** For the potential 30+ group, the overall mood was perceived as even older. Although the town is charming, it is not their environment but belongs to their parents or grandparents. Easton lacks two critical elements to swing the environment in their direction: 1) a more modern approach in product and merchandising, and 2) additions in retail, food, and green space for children and young families. Easton needs a young lively heartbeat, to be user-friendly. Most importantly Easton needs to let the 30+ age group adopt downtown as their own. Notably absent elements include a good sports store (running shoes, family and youth sports equipment), fun teenage shops, and an absence of banners and flyers for youth organizations and activities. The only noteworthy exception to this absence was the Idlewild Park initiative.

OPPORTUNITIES TO ENHANCE THE RETAIL ENVIRONMENT

While most of downtown is attractive, clean, charming, and inviting, a jarring break in the retail environment is in the central area of downtown on Harrison Street. Surprisingly, this main strip across from the Tidewater Inn felt long and empty during the observation. This feeling was exacerbated by a computer store on the corner of Harrison and Dover, which isolates the adjacent row of stores and detracts from the overall street environment.

More diversity in merchandise offerings from store to store will bring a wider variety of shopper interest to the area. Of specific note are the inexpensive jewelry, glassware, and tableware in several shop windows, which feel repetitive and old-fashioned. A more modern approach to product offerings and merchandising, including more diverse retail and food options, and a green space for children and young families would help the area become more user-friendly and entice the 30-somethings to identify with Easton.

One way to modernize the retail environment is to make things feel new—including maintaining clean windows, using new display fixtures, updating signage, and modernizing mannequins. The one park in downtown is attractive and very passive in its use, but it is somewhat unkempt, and has no seating besides two benches near a fountain wall with cigarette ashtrays to the side.

Sunday brunch is another opportunity area to entice shoppers to linger over coffee, take the kids for an ice cream, browse in some unique art galleries or local craft stores, and visit the park.

STORE ENVIRONMENT AND MESSAGE

Each store has its own message, channeled through merchandising choices. Elements such as signage and window displays, the front entrance, and the first 10 feet of the store register with shoppers within approximately seven seconds. If their attention has not been captured within that time, they will move on. On the other hand, merchandise slowly unfurled and discovered as the

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shopper moves around the store draws the customer further in, and encourages exploration of merchandise, one of the most pleasurable aspects of the shopping experience. Good merchandising reveals goods slowly, bit by bit as the customer explores the store.

Downtown stores with particularly successful and strong messages included:

- Harrison Street Books – welcoming feel upon entering, not overwhelming, good signage on the bookshelves, easy to find categories, and recommendations indicated at shelves for browsing and conversation.
- Crackerjacks – the toy store’s entrance is crowded with merchandise in this case; it is appropriate and part of what makes it exciting—to look in and see all those toys! Well displayed with giant toys and stuffed animals, seems to have absolutely everything! “A child’s dream!”
- Pierce & Parker – clearly young and chic with modern signage on the windows, and modern mannequins and fixtures in an open and airy space. The shop is uncluttered and doesn’t overwhelm the customer with racks of clothing to sift through. Has a more limited, but more frequent, merchandise turnover.
- Berrier – Quintessential haberdashery shop presenting uncluttered, high-quality merchandise using well-done windows, rich interior, and display fixtures that convey “strong traditional man.” Even the small, well-chosen gift ideas reinforce the mood set in the store.
- Todd’s Market – Although not quite in downtown, the market is notable for its inviting impression when you walk in, inviting the shopper to explore the wines. The shop’s “flow” draws the consumer around the market, unfolding through the wines, leading back to the specialty condiments and teas, and ending up at the butcher in the back.

OPPORTUNITIES FOR IMPROVED STORE ENVIRONMENT

Modern fixtures, lighting, furniture, mannequins, signs, windows, and displays help create an uncluttered sense of discovery. Too much merchandise piled in stacks and jammed on racks conveys a feeling of work, not discovery. Bags or other merchandise, rather than piled up or hung on walls, can be displayed by look, or to suggest a use.

Many stores in downtown fall into a similar pattern of “too much, and too much of the same stuff.” For example, inexpensive jewelry, bags of all sorts, printed wellingtons, flip flops, candles, glassware and tableware, and “gifts” are not unique to the Eastern Shore and can be found anywhere, anytime. Yet they are sold in many downtown stores. Moreover, a few stores overwhelm with all of these product categories offered in the same store.

Other stores convey mixed-messages to the type of consumer they hope to appeal to. For example, one women’s clothing store conveys a strong sense of traditional style, but appears to be uncertain whether the customer is the 65-year-old or the 40-year-old.

PRODUCT

Easton’s downtown has shops offering the following merchandise and services:

- Classic and contemporary women’s clothing (for the middle-aged and older audience), some trendy/chic women’s clothing, women’s shoes, bags, and other accessories;
- Men’s haberdashery (geared toward an older audience) and men’s suiting for all ages;
- Fine and mid-priced jewelry;

- Stationery shops, bookstores, antiques and home furnishings, and art galleries and framing;
- Wine shop, butcher, coffee shop, and ice cream shop;
- Modern and traditional restaurants;
- Neighborhood services, such as a pharmacy, hair salon, spas and masseuses, and florists; and
- Hobby stores, such as a camera shop, yarn store, smoke shop, and toy store.

OPPORTUNITIES FOR IMPROVED PRODUCT MIX

Retailers that appeal to a variety of age groups and that do not have a presence in downtown Easton include:

- Trendy/chic women’s clothing with a mix of moderate and higher price points (e.g., Luna), and trendy shoes (Steve Madden, Cole Haan);
- Accessories (e.g. Coach, Kate Spade, or independent, artsy);
- Children’s clothing and shoes (e.g. Oilily);
- Shops catering to teenage girls (e.g. silver trend jewelry), shoes, clothing and accessories (Knoyzz in CT);
- Cosmetics (Bluemercury, Sephora, MAC) and nail salon;
- Stores selling athletic equipment, soccer, baseball, tennis, and sports shoes/cleats, and bicycle shop;
- Contemporary home furnishings;
- Specialty food shopping and ethnic restaurants (Thai, Japanese, Asian/fusion) and specialty food markets for locals—green grocer, prepared foods for take-out, great fish store (Citarella’s NYC, Trader Joe’s);
- Trendy café that is more casual and generally less expensive than the most appealing and expensive restaurants already in place;
- Family eatery (wood-fired oven pizzas or other casual and welcoming restaurants);
- Movie theater—mainstream or independent, matinees for kids on weekend days; and
- Art and museum-style stores complementing Easton’s growing identity as an arts and cultural center.

The following images on Figure 2-2 are examples of good merchandising techniques from other cities around the country. Note the clean, spare presentations, the signage on the glass, merchandising by color, and lively choices.

SUMMARY

Downtown Easton is clean, charming, and traditional, and geared toward older shoppers, but it is time to broaden and modernize its appeal. While the current environment and offerings target an older crowd, there are clearly elements that can and would attract children, teens, and 20- and 30-somethings. The combination of a stronger retail core with the energy and ideas that may come from new infill development can ensure that Easton is poised to become an even more attractive destination for local residents, regional visitors, and second-home owners.

By and large, the “Easton” brand is readily recognized in the primary markets that underlie the downtown retail base. The historic downtown is well established as the historic center of Talbot County and throughout the Eastern Shore area. It provides the government, employment, and



Handbags – Easton has an artsy reputation, try artsy in accessories



Home Furnishings – Easton has antiques and traditional, try modern and fresh



Floor Merchandising – Traditional merchandise can have a new cleaner and modern look, less product, updating fixtures but keeping them classic, comfortable chairs for seating



Floor Merchandising – Trendy shops have the clean spare look with a bit of whimsy and fun!



Fixtures – unexpected twists on classics



Gallery Shops – Exploring Easton’s arts, there is a whole market out there of marketing artists pieces, not showing them in a gallery, but having a shop in town, continuing the presence of artists beyond South St. Sometimes the word “gallery” has people looking more than buying, so don’t call it a gallery, give it a name!

commercial services hub for the region. It is seen as the cultural and arts center for the region, and it is clearly the location of choice for restaurants and entertainment.

B. RETAIL AND COMMERCIAL MARKET AND GAP ANALYSIS

INTRODUCTION AND OVERVIEW

A principal focus of a market-based gap analysis is to analyze the dynamics of the retail environment and analyze how new development can be successfully integrated. As delineated in the scope of work, this study specifically focuses on downtown retailing which is a smaller and very distinct retail environment compared to the much larger presence of retailing (i.e. traditional highway oriented shopping centers) in Easton along Routes 50 and 322. There were three principal tasks in this effort.

AKRF first created a retail inventory to count number and types of storefronts to characterize existing retail in downtown. The inventory is supplemented by observations of comparable retail in other Eastern Shore downtowns in St. Michaels, Oxford, Cambridge, and Chestertown. A summary assessment in terms of retail space and rents was prepared utilizing available inventory data, GIS mapping information, interviews, and national retail data sources such as the Urban Land Institute.

The next task was to define the trade area and its expenditure potential available to downtown Easton retailers. This was done by first describing and defining the primary customer base needed to support downtown retailing. As noted above, this is a distinct market place compared to the surrounding larger shopping centers and focuses on discretionary shopping opportunities, and detailed profiles were compiled for specific segments Easton and Talbot County residents as well as second home owners and tourism-based visitors.

The section also provides a comparison of AKRF findings with those presented in the 2003 ZHA Study. AKRF's retail market analysis is generally consistent with that in ZHA's report, though some of the AKRF conclusions differ in recommended strategies and assessment of Easton's competitive position.

While there is near universal consensus on downtown Easton's high quality and character, the economics of the downtown retail environment are not particularly robust. Traditional market analysis and retail merchandizing approaches were used to assess the market feasibility of strengthening the existing retail core and encouraging new development.

The retail market analysis affirms that market conditions are mixed, that change is around the corner, and that the downtown can and should be seeking a stronger market share of local and regional spending. The region's population is growing steadily and once it is defined fully, appears to be sufficiently sized and poised to support more downtown retail development.

Easton's retail environment is in transition, and even without any policy or planning intervention it is likely that a new generation of retail entrepreneurs will begin to fill market niches and create change. The lively restaurant scene and newer retailers that are creating successful retail niches are clearly leading agents of this change. However, an organic approach to downtown redevelopment is long and uncertain and poses a greater risk of missing opportunities, whereas owner-controlled shopping centers gear merchandizing and strategic planning toward changing retail trends by adjusting the look and product mix of their offerings. Successful downtowns work collaboratively to achieve similar benefits and synergies.

RETAIL MARKET ASSESSMENT

Easton is the center of economic activity within Talbot County and the surrounding counties on the Eastern Shore. The classic “gap” analysis—the positive or negative difference between actual sales and available expenditure potential—is not fine-grained enough to explain and predict Easton’s market conditions. In fact, Easton and Talbot County have local retail sales that far exceed the local population’s spending potential. This is not surprising given the influx of daily workers, visitors, vacationers, and second-home owners.

Locally-generated spending is not the best indicator of market strength since the actual population in Easton and Talbot County is small relative to the existing overall supply of retail space. In addition, demographic characteristics are relatively polarized between affluent and lower-income residents. Nonetheless, Easton and Talbot County continue to enjoy strong population growth, adding more potential local customers, including those likely to shop in downtown Easton.

DOWNTOWN INVENTORY

A retail inventory, observations of the downtown study area, and an assessment of its likely customer base, all point to a very large gap in the downtown retail market. Sales by existing merchants represent only a small portion of the potential sales generated by the primary trade area customers. Downtown remains the professional, health care, and government services center for the County and beyond.

AKRF conducted several days of field surveys in the downtown study area and inventoried all storefronts by type of establishment. As shown in Table 2.B-1 there are approximately 148 storefronts in the study area. Almost half are occupied by services and offices, including over one-third of ground-floor space occupied by professional offices, such as banks, real estate agencies, attorneys, and other FIRE (financial, insurance, and real estate) uses. Of the 148 identified storefronts, there were five vacancies, or 3 percent of the total available ground-floor space. There are 92 traditional downtown retailers and neighborhood service storefronts, such as clothing and hobby stores, toy stores, and books.

While no available database currently has an accurate inventory of the size of retail spaces for downtown stores, observation concludes that Easton’s downtown retailing district primarily comprises traditional small-scale retailing, with spaces estimated in the 1,000- to 2,500-square-foot range. Notable exceptions are the Safeway supermarket, a handful of the largest stores in Talbot Town, and a few select downtown locations.

GIS overlays of building footprints applied to the downtown core shows an average footprint size of between 1,200 and 1,600 square feet (even including the 20,000-square-foot Safeway and other larger buildings). The GIS data analysis indicates a total ground-floor area of about 330,000 square feet in the downtown core. For the 92 identified retail storefronts, a reasonable estimate is that about 200,000 square feet of retail exists in the downtown, including the Safeway (at about 20,000 square feet), Talbot Town (at about 60,000 square feet), and the remaining storefronts (at about 120,000 square feet).

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**Table 2.B-1
Easton Retail Survey**

Category	Establishments		Category	Establishments	
	No.	Percent		No.	Percent
SHOPPING GOODS	45	30.4%	CONVENIENCE GOODS	9	6.1%
General Merchandise	0		Food and Beverage	3	
Department (except discount)	0		Supermarkets and other grocery	1	
Discount department	0		Convenience stores		
Warehouse clubs and supercenters	0		Meat markets		
All other general merchandise	0		Fish and seafood markets		
Clothing and Clothing Accessories	18		Fruit and vegetable markets		
Men's clothing	2		Other specialty food stores (e.g. candy)	1	
Women's clothing	9		Beer, wine, and liquor stores	1	
Children's clothing	1		Health and Personal Care	1	
Family clothing	1		Pharmacies and drug stores	1	
Accessories	1		Beauty supplies and perfume		
Other clothing			Other health and personal care		
Shoes	1		Other Convenience Goods	5	
Jewelry	3		Florists	2	
Luggage and leather goods			Tobacco stores	1	
Furniture, Home Furnishings, Equipment	3		Newsdealers and newsstands		
Furniture			Pet and pet supplies stores	2	
Floor covering			Other miscellaneous convenience goods		
Home decoration	2		NEIGHBORHOOD SERVICES	73	49.3%
Window treatment			Taxi and limousine services		
All other home furnishings	1		Banks	4	
Electronics and Appliance	1		Framing	2	
Appliance, television, and other electronics			Pawn shops		
Computer and software	1		Video tape and disc rentals		
Camera and photographic supplies			Photocopying/printing	1	
Sporting Goods, Hobby, Books, Music	10		Fitness and recreational sports centers		
Sporting goods			Electronics repair (computer, stereo, etc.)		
Hobby, toy, and games	7		Personal & household goods repair (appliance, garden equip, footwear, etc.)		
Sewing, needlework, etc.			Hair, nail, skin, tanning, massage services	8	
Musical instrument and supplies	1		Funeral homes and funeral services		
Books	2		Laundromats	1	
Tape, compact disc, and record			Dry cleaning and laundry services		
Miscellaneous Store Retailers	13		Photofinishing	1	
Antiques	4		Parking lots and garages		
Optical goods			Medical or dental offices		
Office supplies and stationery	1		Bed & Breakfasts/Inns	4	
Gift, novelty, and souvenir	6		All other professional offices (travel, tax, legal, real estate, etc.)	52	
Used merchandise	2		Other neighborhood services (palm reading, etc.)		
Art dealers/art galleries	4		EATING AND DRINKING PLACES	16	10.8%
Other miscellaneous shopping goods			Full-service restaurants	10	
BLDING MTR'LS & GARDEN SUPPLY	0	0.0%	Limited-service eating places	6	
Home centers			Special food services (e.g., caterers)		
Paint and wallpaper			Drinking places (alcoholic beverages)		
Hardware			AUTO-RELATED TRADE	0	0.0%
Other building material dealers			Automobile dealers		
Lawn and garden equipment & supplies			Other motor vehicle dealers (motorcycle, boat, etc)		
VACANT STOREFRONTS	5	3.4%	Automotive parts, accessories, and tires		
Boarded-up			Gasoline stations		
Vacant	5		Car rental		
Under renovation, no tenant specified			Automotive repair and maintenance		
Under renovation, future tenant specified					

**Table 2.B-1 (cont'd)
Easton Retail Survey**

Category	Establishments		Category	Establishments	
	No.	Percent		No.	Percent
SUMMARY					
Total Storefronts	148	100.0%	Neighborhood Services/Professional Offices	73	49.3%
Shopping Goods	45	30.4%	Eating and Drinking Places	16	10.8%
Blding Mtr'ls & Garden Supply	0	0.0%	Auto-Related Trade	0	0.0%
Convenience Goods	9	6.1%	Vacant Storefronts	5	3.4%
Source: AKRF, Inc. field surveys conducted in May 2007.					

Table 2.B-2 provides an estimate of current retail sales and rental rates in downtown Easton. Calculations are based on typical sales and rent data from the Urban Land Institute's (ULI) Dollars and Cents of Shopping Centers (2006 edition), and the AKRF retail survey. Supermarkets typically have very low rents as a percentage of their sales, and an industry norm was used even though the lot is owned by Safeway and actual rental information was not obtained.

**Table 2.B-2
Summary Estimate of Existing Retail Base**

Retail Breakout	Estimated Retail SF	Assumed Sales per SF	Estimated Sales	Estimated Rent	Estimated Average Rent per SF	Comments
Safeway	20,000	350	\$7,000,000	\$140,000	\$7	Assume 2% of sales in rent
Talbot Town	60,000	250	\$15,000,000	\$900,000	\$17.5	Assume 7% of sales in rent
Remainder	120,000	200	\$24,000,000	\$1,440,000	\$14	Assume 7% of sales in rent
Total	200,000	230	\$46,000,000	\$2,760,000	\$14.4	Average overall retail
Sources: AKRF, Inc.; Urban Land Institute <i>Dollars and Cents of Shopping Centers</i> , 2006.						

AKRF's estimates of downtown Easton's retail activity are consistent with information shared by brokers, tenants, and building owners during stakeholder interviews. Rents were consistently reported as being in the \$12 to \$18 per-square-foot range, with higher rents for newer and higher-profile stores and lower rents for older established shops toward the Dover Street area. Table B-2 indicates an overall average retail rent of about \$14 per square foot. Anecdotally conveyed sales and rental estimates are also consistent with information presented in the ZHA 2003 market study, which primarily reported the results of direct retailer surveys.

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conveyed sales and rental estimates are also consistent with information presented in the ZHA 2003 market study, which primarily reported the results of direct retailer surveys.

Downtown Easton generates an estimated \$40 million to \$50 million in annual retail sales. The average sales per square foot is estimated at \$230, which reflects an average of the newer, higher-grossing stores and the older, smaller stores that are likely generating sales of \$200 or less per square foot. Based on these calculations, downtown's overall retail share is about 10 percent of Easton's overall retail base, which the ESRI national database calculates at about \$480 million per year, and is still less than 20 percent of the overall retail sales exclusive of automobile sales (which is a large block of overall sales in Easton but clearly not a reflection of downtown retail activity).

BENCHMARK COMPARISONS

Retail Inventory

Easton is a central, dominant commercial and retail hub of Talbot County and the middle swath of the Eastern Shore. Nonetheless, those interviewed indicated that Easton competes with surrounding communities for customer base. As part of the retail market analysis, AKRF compared downtowns in St. Michaels, Oxford, Cambridge, and Chestertown to downtown Easton. Comparisons clearly show that Easton has the most developed and diverse array of stores in terms of number and type of retail selection (see Table 2.B-3). This is also reflected in commercial rents, which brokers indicated are substantially lower in the surrounding communities than in Easton.

Chestertown is most comparable to Easton in terms of the range of stores and historic downtown retail environment. Chestertown's historic downtown provides discretionary spending opportunities, such as restaurants, galleries, and antique shops, a mix of basic community services and an attractive historic downtown within a "real community." Given Easton's emphasis on arts and culture, it is worth noting that Chestertown has a substantial number of galleries and arts stores as well.

In comparison, downtown Cambridge has only a handful of stores and its historic district lacks the look and feel of a well-established downtown shopping area. It is not a strong competitor with Easton's shops and restaurants. Similarly, Oxford's main downtown retail area has only eight stores and is not in a competitive position relative to Easton.

It is more appropriate to consider the synergy than the competition between St. Michaels and Easton. St. Michaels is home to, and surrounded by, the wealthiest component of the Talbot County population. This group comprises an important part of Easton's customer base attracted to the services, restaurants, and retail opportunities in downtown. St. Michaels' retail mix is much less diverse and geared to its waterfront amenities, visitors, and tourists, not necessarily to its surrounding residents.

Easton and St. Michaels each appeal to the needs and interests of both residents and visitors and attract a share of regional expenditures. Stakeholder interviews clearly reflect the regional aspect and common draw of the historic resources of both the Historical Society of Talbot County and the Maritime Museum in St. Michaels. Fostering interaction and transportation access between Easton and St. Michaels (e.g., trolley service) and collaborative marketing and branding would benefit both communities.

**Table 2.B-3
Downtown Retail Profiles for Select Eastern Shore Communities**

	DT Cambridge		DT Oxford		DT St. Michaels		DT Chestertown		DT Easton	
	Stores	Percent	Stores	Percent	Stores	Percent	Stores	Percent	Stores	Percent
Antiques	2	6.9%	2	25.0%	8	10.0%	5	7.6%	4	4.3%
Apparel	3	10.3%			13	16.3%	3	4.5%	15	16.3%
Apparel (used)	2	6.9%					1	1.5%	2	2.2%
Art and Crafts	7	24.1%	1	12.5%	19	23.8%	4	6.1%	6	6.5%
Bakery					1	1.3%				
Bank	1	3.4%			2	2.5%	4	6.1%	4	4.3%
Book Store	1	3.4%	1	12.5%			5	7.6%	2	2.2%
Catering							1	1.5%		
Coffee Shop					5	6.3%	4	6.1%	1	1.1%
Drug Store							2	3.0%	1	1.1%
Electronics									1	1.1%
Fitness Studio							1	1.5%		
Flooring							1	1.5%		
Flower Shop	1	3.4%			1	1.3%			2	2.2%
Framing									2	2.2%
Furniture	1	3.4%					2	3.0%	1	1.1%
Gallery	1	3.4%			3	3.8%	11	16.7%	4	4.3%
Grocery/Supermarket			1	12.5%	5	6.3%	3	4.5%	2	2.2%
Home and Garden	1	3.4%					3	4.5%	2	2.2%
Hobby , Toys, & Games							1	1.5%	8	8.7%
Ice Cream Shop					4	5.0%			1	1.1%
Jewelry	1	3.4%			4	5.0%	2	3.0%	3	3.3%
Liquor Store									1	1.1%
Newspaper Office	1	3.4%			2	2.5%	1	1.5%		
Office Supply									1	1.1%
Pet Store (Gifts)					1	1.3%	1	1.5%	2	2.2%
Photo & Printing	1	3.4%					3	4.5%	3	3.3%
Restaurant/Pub	4	13.8%	3	37.5%	10	12.5%	6	9.1%	10	10.9%
Restaurant (Fast Food)									6	6.5%
Salon/Spa	2	6.9%			1	1.3%	2	3.0%	8	8.7%
Winery					1	1.3%				
Total	29	100%	8	100%	80	100%	66	100%	92	100%

Source: AKRF, Inc., May 2007

Retail Rents

While retail rents may be higher in Easton than elsewhere in the region, AKRF also obtained benchmark rents in Middleburg Virginia and Lake Placid and Saratoga Springs in New York. These communities were used as benchmarks because they are similar to Easton in terms of second-home-owners and tourism-based downtown retail districts. This information further confirms market findings that Easton has a relatively stable downtown retail environment, but its rents (and therefore property values) are still lower than more heavily trafficked and robust markets.

In Middleburg, VA, retail rents are considerably higher than Easton, ranging from \$24 to \$28 per square foot, with the choicest locations garnering even higher rents. Local realtors indicated that while demographics and market profiles of Easton and Middleburg are similar, space is at a premium and the limited supply drives up rents.

In Lake Placid, NY, a downtown retail area with a bit more retail density and a lot more through-volume of visitors, retail rents are proportionately higher than Easton's. Rents range from the low \$20s to a few new stores peaking in the high \$20s. Similar rates (and even higher rates in

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prime locations) are reported for Saratoga Springs, NY, a busy and diverse community with high volumes of visitors during the summer months and with a stable year-round base of residents, college students, and second-home owners.

Rents in comparable communities indicate that Easton's rent structure is relatively appropriate in terms of its overall supply, visitor volume, and sales potential. It does suggest that with some new development and a more fully branded and marketed downtown, retail rents could increase, particularly for new development initiatives that will likely need higher rents to be financially viable.

OFFICE BASE AND RENTS

As noted in the downtown retail inventory in Table 3-1, office space is an important element of the overall mix of uses downtown. While an exact inventory of existing office space is not available, a field survey indicated that office and professional services occupy about a third of the existing street-level commercial space. Office uses were also noted in upper-floor areas in several buildings downtown and immediately near downtown on Bay and West Streets (not including County office space). GIS measurements using the remaining building footprints not counted in the retail count above suggest a ground-floor office space of about 130,000 square feet, which could reasonably increase to about 250,000 square feet assuming occupancy on upper floors and including office buildings just beyond the downtown core. Office rents range from \$15 to \$20 per square foot, slightly higher than retail rents.

Downtown's nascent office district along Washington and West Streets from the Courthouse to Bay Street clearly takes advantage of the historical relationship of County offices and downtown development patterns. It is characterized by an attractive and diverse building stock with a mix of older commercial buildings on Washington Street, new infill development on Bay and West Streets, and dotted with retail stores and restaurants. Development proposals appear to be further strengthening this commercial core.

The disproportionate amount of ground-floor office use was a prominent discussion at stakeholder interviews and the public workshop. The retail community and the general public in Easton perceive an imbalanced mix of office space and traditional retail, which is corroborated by the retail inventory. While a mix of office and retail uses can create an interesting and diverse downtown environment and attracts additional potential customers downtown, an imbalance of uses tends to usurp space, limit new retail opportunities, and to some extent push up rents. Nonetheless, ground-floor space currently used as offices is filling a void left by a less than robust retail environment. It is important to remember that attractive and well-kept storefronts, even if occupied by professional uses, are far more welcoming than vacant storefronts and provide a steady income to existing property owners.

High demand for office space also compels building owners to rent out space to office users, as was frequently cited by the area's commercial brokers. The combination of medical offices, legal and financial services, real estate and related services, and County office uses indicates a strong demand for office space in downtown Easton. There has not been a substantial delivery of new office space into the marketplace, forcing the most likely uses (i.e., real estate offices) toward the existing storefronts. Brokers uniformly confirmed that new office space built in flexible blocks of size and layout would be quickly absorbed in the marketplace. For this reason, the integration of mixed uses with quality office space is an important element of Easton's future downtown plan.

CUSTOMER PROFILE AND RETAIL TRADE AREA

OVERVIEW

The overarching need for this planning study is that despite Easton's position as a regional hub, downtown Easton has had a soft retail market and a difficulty capturing a reasonable share of existing and potential retail sales. Like so many other traditional downtown business districts, Easton has seen its historical retail role diminish as the majority of comparison goods and staples shopping (i.e., food, everyday or convenience goods, discount or comparison shopping merchandise) has migrated to highway-oriented shopping centers both locally and regionally. Downtowns faced with such dramatic change have responded by focusing on those retail activities and experiences that rely on remaining assets such as walkability, historic character, visitor and tourist spending, arts and culture, and restaurants and entertainment. Easton is clearly well into the transition towards this newest role. While there is always great variation and overlap in how consumers shop, these types of market activities are considered more "discretionary" in that a consumer is choosing to spend time and money in a special location for leisure, entertainment (i.e., restaurants) or specialty shopping for goods and products that are less likely to be made on a comparison basis (e.g., seeking the lowest cost or greatest variety).

As a result, this has a limiting effect on the total amount of consumer dollars available to downtown merchants. This section looks at the overall population available to support downtown Easton as well as a specific analysis of the types of customers that will be the focused attention of new investors in downtown Easton, whether directly by new retailers, by new development projects, or the capital sources that would finance such new investment. In other words, while all residents and visitors are part of the customer base for Easton, to attract new and diverse retail opportunities, those making the investment decisions will be looking to make sure there is a distinct and reasonable base of specific customer segments likely to support downtown retailing.

EASTON AND TALBOT COUNTY RESIDENTIAL POPULATION

Core Demographics of Easton and Talbot County

The population in both Easton and Talbot County continues to grow. Between 1990 and 2000, the population increased by over 10 percent in the County and 24 percent in the Town (note that this also includes a boundary change for the Town). As shown in Table 2.B-4, between 2000 and 2006 population continued to increase by about 12 percent and 17 percent in Talbot County and Easton, respectively, and population projections expect continued growth. Overall household size has been decreasing since 1990, and the growth in the number of households slightly exceeds that of the overall population. This is typical of an aging population and growth in older households.

Income and age distribution characteristics (see Table 2.B-5) show a relatively polarized demographic, with a high proportion of low and moderate incomes in Easton and higher incomes in Talbot County. This is consistent with the growing population of retirees or pre-retirees who tend to be at their highest income earning potential. This may partially account for the fact that Talbot County has a larger proportion of high-income residents than Maryland as a whole.

Table 2.B-4
Population and Household Growth in Easton Town and Talbot County

	1990	2000	% Change '90 to '00	2006	% Change '00 to '06	Projected 2011	% Change '06 to '11
Talbot County							
Population	30,549	33,812	10.7%	37,781	11.7%	41,653	10.2%
No. of HH	12,677	14,307	12.9%	16,118	12.7%	17,862	10.8%
HH Size	2.41	2.36		2.31		2.30	
Town of Easton							
Population	9,372	11,708	24.9%	13,571	17.4%	15,382	11.9%
No. of HH	4,027	5,031	24.9%	5,928	17.8%	6,662	12.4%
HH Size	2.33	2.33		2.23		2.23	
Sources: U.S. Census 1990 and 2000, and ESRI Retail MarketPlace Profile.							

Table 2.B-5
Income, Age, and Race Demographics

Income	Maryland	Talbot County	Easton
Under \$50 K	46.8%	56.4%	65.9%
\$50 K to \$100 K	35.1%	28.8%	25.4%
\$100 K to \$200 K	15.1%	10.0%	7.3%
\$200 K+	3.0%	4.8%	1.4%
Median Income	\$52,868	\$43,532	\$36,464
Age			
Under 18	25.6%	21.7%	22.6%
18 to 34	22.6%	15.9%	21.6%
35 to 54	31.6%	29.7%	28.3%
55 and over	20.2%	32.7%	27.5%
Source: U.S. Census 2000.			

As shown in Table 2.B-6, the existing Easton and Talbot County population of 16,118 households provides for about \$521 million dollars per year in retail expenditure demand based on estimated average annual household expenditures of \$32,345 per year for all of Talbot County. Household expenditure potential is derived from national data statistics (primarily the U.S. Consumer Expenditure Survey) related to median family income. Market analysis and data providers such as ESRI or Claritas utilize expenditure potential as a key measure of the potential to support existing or expanded retail opportunities. These expenditures are the available local dollars that would support downtown Easton as well as all of the shopping centers in Talbot County, and even those special expenditures when residents might travel beyond the region to travel and shop.

Table 2.B-6
2006 Estimated Expenditure Potential for Talbot County

Consumer Segment	Households	Annual Expenditures	Total Expenditure Potential
Households			
Easton	5,928	\$24,179	\$143,334,010
Remainder of Talbot County	10,190	\$37,095	\$378,002,153
TOTAL EXPENDITURE POTENTIAL	16,118	\$32,345	\$521,336,163
Sources: ESRI 2006 Retail MarketPlace Profile, U.S. Consumer Expenditure Survey ,and AKRF, Inc.			

Since Talbot County retailers and restaurants have existing sales of about \$700 million per year, the marketplace has retail sales that are far greater than the local or regional population would typically support. Because Easton and Talbot County form the region’s retail, government, and commercial hub, employees and residents from surrounding counties are attracted to its retail centers. In addition, second-home, vacation, and day visitors travel to and through Talbot County from beyond the immediate area, most notably from the Washington, D.C. area, Baltimore and the surrounding counties, the rest of Maryland, and Delaware, Pennsylvania, New Jersey, and New York. This clearly adds substantially to the retail spending power that supports the existing market.

For these reasons, a traditional retail trade area analysis is limited in its ability to explain the dynamics of Easton’s downtown retail district since it is a very small proportion of the total retail base and is a distinct niche in the market. Given that the existing local trade area is relatively small and already relies on “importing” sales from outside its own population base, the effects would be even more pronounced for downtown given its evolving role more oriented towards discretionary spending.

Therefore, to examine what the micro-level market potential is for downtown and to ensure that new investors see the real potential available for downtown spending; a more specific analysis of the trade area characteristics for downtown is presented below. It is noted that this analysis essentially isolates and describes specific likely customers by age, region, and income that are important variable to the types of retailers and developers who would be interested in downtown Easton.

DEVELOPMENT/INVESTMENT ORIENTED CUSTOMER SEGMENTATION ASSESSMENT

The ability to attract new investment and strategic development to downtown Easton will depend on presenting market data that confirms the presence of a sufficiently sized trade area base with the appropriate demographic characteristics and income levels. This section of the market assessment summarizes this assessment by first identifying the current and future customers most likely to be attracted to Easton. Next, the spending potential of these customers is estimated to determine if these groups generate enough to support the existing retail base and any future development in Easton.

The population segments from Easton and Talbot County that retailers would expect to shop in downtown Easton are retirees, pre-retirees, and families, all with a focus on households with a median income of \$75,000 or greater. Other market segments include second-home owners, overnight visitors, and day trippers. These market segments typically are at their highest income

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earning potential, or are prepared to pay a premium for discretionary and other non-essential items in specialty downtown shops.

To the retail investor/developer, these customers represent the primary market segment and it is important that these households and visitors to Easton generate enough expenditure potential to show that downtown can capture a reasonable portion of this spending. Thus, compared with the overall profile presented above, the following analyses are much more conservative and fine-tuned in both isolating the customer base and in the types of expenditure potential assumed to be available. Aside from specific uses such as the Safeway which serves a wide profile of Easton residents, downtown retailing in Easton is nearly uniformly discretionary shopping for consumer goods typically associated with a leisure or recreational trip and for customers interested in niche retail. Thus, while all residents and visitors may visit and shop in downtown Easton, the core viability of downtown retailing is dependent on ensuring that there is sufficient spending potential from these primary consumer segments.

Retirees and Pre-Retirees

As noted above, Talbot County has a large share of retirees and pre-retirees all of whom make for ready customers for downtown. However, from the investment perspective, the primary market target is to focus on the highest income segment of this population. In Talbot County, a relatively straightforward way to isolate this segment is geographically; where pre-retiree and retiree aged households with higher incomes tend to live in the western sections of Talbot County (as seen in Table 2.B-7, which uses census based divisions that primarily show populations west of Route 50) Furthermore, by using this geographic division, the analysis captures an area that already is comprised primarily by residents in pre-retirees (ages 45 to 65) and retirees (65-plus). These two consumer segments total 6,103 households, or nearly 80 percent of the population distribution for this area of Talbot County. They also have the higher income levels important to the retail marketplace.

Table 2.B-7
Income Distribution of Population West of Route 50

Income	Total	<45	45-64	65-74	75+
Population	7,654	1,551	3,289	1,453	1,361
<50K	40.5%	45.1%	30.8%	40.3%	59.0%
\$50K to \$100K	29.3%	34.8%	28.8%	32.2%	7.6%
\$100K to \$200K	17.9%	11.1%	23.6%	17.5%	12.5%
\$200K to \$500K	9.5%	5.8%	13.5%	8.2%	5.7%
\$500,000 +	2.7%	3.2%	3.4%	1.7%	1.5%
Median Income		\$ 45,835	\$ 78,837	\$ 65,003	\$ 47,076
Average Income		\$ 97,868	\$ 128,293	\$ 114,410	\$ 104,533
Source: ESRI, 2007.					

In fact, retailers will astutely take note that while this area is one of relatively low population density, it has a high proportion of “sought” after demographic profiles. “LifeMode groups” is a market descriptor applied to consumer segments as developed by ESRI, one of the leading demographic databases in the United States (similar to the Prizm categories available through Claritas and used in the 2003 ZHA report). LifeMode groups combine population segments with similar demographic, educational, and consumption characteristics and can be used to fine-tune expenditure potential for various market segments. For the population west of Route 50 and outside of Easton, it is noted that categories of high value to retailers represent proportions that

far outpace typical or national levels, including over 10 percent of the households which fall into “High Society” and “Upscale Avenues” and over 50 percent of the households are part of the “Senior Styles” LifeMode. In addition, a third of the households fit into the “Rural Resort Dwellers” LifeMode group (see Table 2.B-8). Compared with the U.S. as a whole, this segment of Talbot County has a significantly higher proportion of these LifeMode groups.

**Table 2.B-8
LifeMode Groups West of Route 50**

LifeMode Groups	West of Route 50		U.S. Households
	Total	Percent	Percent
High Society			
Connoisseurs	557	7.3%	1.4%
Upscale Avenues			
Green Acres	250	3.3%	3.1%
Senior Styles			
Silver and Gold	3,574	46.7%	0.9%
Simple Living	411	5.4%	1.4%
Traditional Living			
Main Street, USA	298	3.9%	2.6%
American Quilt			
Rural Resort Dwellers	2,564	33.5%	1.6%
Total	7,654	100.0%	11.0%
Source: ESRI, 2007			

Based on their LifeMode characteristics and household spending patterns in the Consumer Expenditure Survey, AKRF calculated annual discretionary spending potential. About \$41,818 and \$36,355 expenditure potential per household has been estimated for pre-retiree and retiree households, respectively. With 3,289 households, the pre-retiree population in Talbot County can be expected to generate about \$137.5 million in annual expenditures. The 2,814 retiree-aged households can be expected to generate about \$102.3 million in annual expenditure potential. In total, this segment of the downtown Easton customer base accounts for a total expenditure potential of about \$240 million (see Table 2.B-11, below).

Families

While Easton has a sizable older population that includes the growth of pre-retirees and retirees, young adults and children also account for a sizeable portion of the local population. School enrollment in Easton is growing, while County-wide student enrollment statistics show a stable or slightly declining school-age population. The local elementary school (grades 2 through 5) shows an enrollment projection growing by 21.9 percent between 2007 and 2016, and the Easton Middle School growing by 12.1 percent over the same period. Families with young children and teenagers are active community participants and have displayed a strong interest in Easton’s cultural and civic life. AKRF met with such stakeholders who expressed an interest in downtown’s development and would like to see broader retail and restaurant opportunities that serve them as well.

In general, about 13.8 percent of the families in Easton fit into the “Upscale Avenues” LifeMode group; 7.8 percent of the families fit into the “Family Portrait” group, which are typically

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younger families of mixed affluence and first-time homeowners; and 14.4 percent fall into the “Traditional Living” As shown in Table 2.B-9, quite unlike the pre-retiree and retiree population, this demographic profile is consistent with typical patterns throughout the country.

**Table 2.B-9
Easton Families**

LifeMode Groups	Easton HH	Percent	U.S. HH
Upscale Avenues			
Cozy and Comfortable	794	13.80%	15.40%
Solo Acts			
Old and Newcomers	1,261	21.90%	20.00%
Senior Styles			
Silver and Gold	383	6.70%	5.10%
Retirement Communities	961	16.70%	16.60%
Simple Living	939	16.30%	16.40%
Family Portrait			
Up and Coming Families	434	7.50%	9.40%
Traditional Living			
Midlife Junction	829	14.40%	13.40%
American Quilt			
Rural Resort Dwellers	157	2.70%	3.60%
Total	5,758	100.00%	100.00%
Source: ESRI, 2007.			

To add a conservative base expenditure potential to represent this customer segment, the analysis estimates the 682 family households in Easton and 590 family households in the remainder of Talbot County with annual incomes of \$75,000 or more (households headed by residents with ages of below 45). These families and have a local consumer spending potential estimated at \$37,800 to \$39,604 per household, respectively and therefore contribute about \$50 million per year to the overall expenditure potential of the downtown Easton trade area.

Residents of Surrounding Counties

It has already been established that the retail and commercial hub in Easton attracts workers and shoppers from surrounding counties and that local retail spending is leaving those counties to be spent in Talbot County or other outlying commercial centers, including areas far to the south such as Salisbury and away from the Eastern Shore in Annapolis. Anecdotal evidence indicates that residents in surrounding counties are attracted to Easton’s cultural venues, restaurants, and specialty shopping.

To conservatively estimate the available expenditure potential of this customer segment, the analysis estimates the number of households with incomes over \$75,000 in Dorchester, Caroline, and Queen Anne’s Counties. For these households, the spending potential estimate was further limited to only those typical expenditures for which downtown Easton would be most likely to attract customers, including apparel, food away from home, and entertainment. Household expenditures in these categories are estimated at \$13,279 per year. With a total of 13,951 households in the surrounding counties, the total expenditure potential from this segment is about \$185.2 million per year (see Table 2.B-11, below).

Second-Homeowners

Second-homeowners spend a lot of money in Easton, but are typically undercounted in trade area demographics since they do not appear as residents in Census-based statistics. The analysis used U.S. Census data tracking seasonal housing units and other sources from Talbot County to estimate the total number of second homes in the county. Market research on second-home owners suggests that they spend a considerable amount of time and money in their host community and actually spend more on their second homes than they do on their primary residence (e.g., home maintenance and garden supplies). According to the U.S. Census, second or seasonally vacant homes represent about seven percent of the total housing stock in Talbot County, or, currently, about 1,240 housing units.

Typical expenditure patterns for these households provide the basis for estimating the expenditure potential of second-homeowners. Adjustments were made to estimate the time spent at the second home (assumed to be one-third of the year) and to remove certain expenditure categories that would not be likely spent in the second-home market area. The annual local expenditure potential for the second-homeowners is estimated at \$19,796 per year, resulting in an estimated annual expenditure potential of about \$24.5 million (see Table 2.B-11, below).

Tourists and Visitors

Estimated spending potential for the tourism, vacation, and visitor market was based on tourism and economic development data from Talbot County, national data sources such as the Travel Association, and stakeholder interviews with local business and tourism officials. Tourists and visitors are drawn to the natural and cultural assets of the entire Eastern Shore. Easton is home to several cultural institutions that attract visitors, including the Avalon with about 70,000 attendees at its events (a broad spectrum of local and visiting patrons), the Waterfowl Festival with about 20,000 visitors, the Academy Art Museum with about 68,000 visits, Plein Air with about 4,000 attendees, and the Historical Society of Talbot County with about 9,000 visits per year.

While these attendance numbers do not necessarily represent separate and unique trips to Easton alone, they indicate a vibrant array of attractions that currently help support downtown retailing, restaurants, hotels, and B&Bs. Visitor spending potential is an important part of the current and future mix of overall spending power that downtown Easton will rely on to generate its customer base.

Vacation and Overnight Visits

The lodging inventory for Talbot County includes 21 hotels and inns with approximately 1,003 rooms, as well as 42 B&Bs that contribute an additional 200 rooms. In addition, there are an estimated 110 vacation rental houses available in the area. Overnight visitors come primarily from the East Coast, spanning from New York City to Washington, D.C. Talbot County visitor survey data indicates that the average stay is 3.2 nights for hotel and B&B visits. Vacation rental home brokers indicate that stays are typically one week. Table 2.B-10 below shows that total overnight visitors are estimated at about 167,000, of which about 75 percent are in the spring, summer, and fall.

Table 2.B-10

Off-Season and High-Season Overnight Visitors

Off-Season	Units Available	Occ Nov to Mar	Days Nov to Mar	Days Occ	Overn. Stays	Avg Length of Stay	Total Overnight Trips	Avg Party Size	Total Visitors
Hotel Rooms	1,003	30%	151	45.3	45,436	3.2	14,199	2.1	29,817
B&B Rooms	191	30%	151	45.3	8,652	3.2	2,704	2.1	5,678
Vacation Rentals	110	30%	151	45.3	4,983	3.2	1,557	2.1	3,270
Total	1,304	30%	151	45.3	59,071		18,460		38,765
High-Season	Units Available	Occ Mar to Nov	Days Mar to Nov	Days Occ	Overn. Stays	Avg Length of Stay	Total Overnight Trips	Avg Party Size	Total Visitors
Hotel Rooms	1,003	70%	214	149.8	150,249	3.2	46,953	2.1	98,601
B&B Rooms	191	70%	214	149.8	28,612	3.2	8,941	2.1	18,776
Vacation Rentals	110	70%	214	149.8	16,478	3.2	5,194	2.1	10,813
Total	1,304	70%	214	149.8	195,339		61,088		128,191

Source: Talbot County, Travel Association, AKRF

Room occupancy tax information indicates that overnight visitors spend about \$26 million per year on lodging alone, which generates about \$1 million in room taxes per year. Based on consumer spending and market research surveys there is a direct relationship of lodging expenses to overall trip expenditures, which typically represents about 22 percent of the overall trip expense. Thus, based on the existing lodging expenditures, overnight visitors spend an estimated \$122.4 million, or about \$1,539 per trip.

Day Visitors

Based on information from Talbot County on overall visitors and Travel Association information on typical day-visitor characteristics, it is estimated that there are about 14,030 day trips to the County per year. With average auto occupancy of just over two persons per vehicle, this results in about 30,000 total individual visitors per year. Based on typical tourism spending, it is estimated that each day trip generates local expenditures of about \$167 per day, or a total of \$2.3 million per year.

Cumulative Retail Expenditure Potential for Downtown Easton

As shown in Table 2.B-11, the primary current and future customers for downtown Easton provide considerable spending power of over \$600 million per year. These consumers have a tremendous variety of opportunities to use their discretionary spending power in Easton, in other communities in the region, or as part of trips away from the region. With downtown Easton’s current sales capture of under \$50 million per year, there is ample spending power within a primary customer base with which to support and grown Easton’s share of the capturing existing spending potential.

Table 2.B-11

2006 Estimated Trade Area Expenditure Potential by Targeted Consumer Segment

Consumer Segment	Household or Trips	Annual Expenditures	Primary Market Base
Residents			
Easton Households	682	\$37,832	\$25,801,424
Talbot County Households	590	\$39,604	\$23,366,360
Talbot County Pre-Retirees Households	3,289	\$41,818	\$137,539,402
Talbot County Retirees Households	2,814	\$36,355	\$102,302,970
Surrounding County Residents Households	13,951	\$13,279	\$185,255,329
Non-Residents			
Second-Home Owners Households	1,240	\$19,796	\$24,547,040
Overnight Visitor Trips	79,503	\$1,539	\$122,355,117
Day Visitor Trips	14,030	\$167	\$2,343,010
TOTAL TRADE AREA EXPENDITURE POTENTIAL			\$623,510,652
Sources: U.S. Consumer Expenditure Survey and AKRF, Inc.			

GROWTH POTENTIAL FOR DOWNTOWN EASTON

There are several favorable trends that suggest an increase in the available amount of expenditure potential and in Easton's ability to capture a greater share of those expenditures. Over the next decade and beyond, projections show a continued population increase in the specific consumer segments most likely to support downtown Easton. Specifically, there is an expected growth in local pre-retirees and retirees in Easton and Talbot County, regional population growth in the surrounding counties, tourism and visitor volume and spending, and new households in downtown Easton through infill development. The anticipated increase in downtown resident population can also greatly increase localized spending potential. As noted below (section C, Housing Assessment), it is reasonable to anticipate up to 100 new residential units in downtown Easton. This new spending alone would add nearly \$4 million in new expenditure potential.

As shown in Table 2.B-12, the combination of a growing expenditure base and an opportunity to carve out a larger share of this spending in Easton (through new development and new retail strategies) make it reasonable to estimate that Easton could support an additional \$25 million in sales per year in the future, increasing its capture rate of available expenditures from the current 7.4 percent to about 10 percent. Assuming average retail sales of \$250 per square foot, this could yield an opportunity for about 100,000 square feet of additional retail space shared between the re-occupancy of current ground-floor space that is vacant or in office use and new infill development opportunities.

Table 2.B-12

Estimate of 5 to 10 Year Future Capture of Expenditure Potential

	Existing Value	Percent Increase	Future Value
Total Expenditure Potential	\$623,337,610	15%	\$716,838,252
Current Easton Sales	\$46,000,000	54.3%	\$71,000,000
Easton Share of Total	7.4%		9.9%
Notes: An increase in total sales of \$25 million is equal to a supportable square footage of 100,000 at \$250 in sales per square foot of retail space.			
Source: AKRF			

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COMPARISON WITH 2003 ZHA STUDY

Most of the sales and market data and residential and tourism trade areas used by AKRF are consistent with the 2003 ZHA study. The AKRF analysis focused on the actual spending power of distinct customer segments, while the ZHA study provided a more general trade area profile. Both studies acknowledge that successful strengthening and new development in downtown Easton will be based on attracting the spending power of customers most attractive to retailers and retail investors.

The ZHA study suggests that the prime competition for retail, restaurants, and cultural attractions are from Annapolis and Salisbury. While AKRF agrees that there is considerable mobility in the market and Easton's primary consumers clearly choose to go to Annapolis or Salisbury for a portion of their discretionary spending, it is probably not a direct competition for the same shopping dollar. Nonetheless, it is likely that consumers who spend the day shopping in Salisbury or Annapolis specialty stores are also spending a portion on goods they could buy in Easton. In other words, they couple their shopping trip for goods not available in Easton (and consequently dollars that would not be spent in Easton anyway), with trips to retailers that are located in Easton. It is this second portion of consumer expenditures that is an actual loss in Easton's spending potential, and the portion that Easton needs to recapture.

Annapolis offers a far different visitor experience and requires a specific decision by the consumer. For Eastern Shore residents, making a trip across the bridge (or even to the Queenstown Outlets on the way to the bridge), is an excursion to seek mall shopping and other resources, and the density and type of retail opportunities is beyond what downtown Easton, even including the Route 50 and Route 322 shopping centers, will ever offer. Even with a revitalized downtown Easton, shoppers will likely still visit Annapolis Mall and the Queenstown Outlets in Maryland for comparison goods shopping. Annapolis Mall is repositioning itself as a regional shopping destination, with a \$100 million, 240,000-square-foot expansion/revitalization project slated to be completed by the 2007 holiday shopping season. New stores include Pottery Barn, Sephora, H&M, Levi's, J. Crew, and Lucky Brand Jeans. When the renovations are complete, the mall will be 1.5 million square feet and one of Anne Arundel County's largest shopping destinations, employing over 3,500 people and generating over \$500 million in annual sales. Thus, Easton's entire trade area is but a small fraction of the Annapolis trade area, while the shopping opportunities in Salisbury are more likely to be in competition with the broader array of retailing in Easton's shopping centers and not with the downtown stores.

For the second-home and visitor spending in Easton, those are expenditures specifically coming to the Eastern Shore and not to Annapolis, and there is little competition once they are in the area. Since these customers are probably not seeking comparison or discount shopping as part of their visit, driving the hour or more to Salisbury for a broader range of shopping opportunities is not likely to be highly competitive with downtown Easton.

In terms of overall conclusions, both studies are in agreement about the value of the Tidewater Inn restoration (which was at its earliest stages in 2003 and was heavily emphasized in the ZHA study), the importance of mixed-use development opportunities, and the importance of strengthening downtown's retail choices. The ZHA study emphasizes the continued growth in public events that can expand the number of visitors to Easton.

In summary, it is evident that Easton can enhance its capture of trade area expenditure potential through collaborative merchandizing, strategic infill development, and stronger marketing and branding. The steady stream of visitors and major events are important and keep Easton on the

radar screen, but overemphasis on major events can also create an imbalance of how accessible the Town is to the local (and by far the largest) contributors to the trade area’s expenditure potential.

C. HOUSING ASSESSMENT

This section examines the mix of housing types in Easton, and the price points that best suit a downtown residential market niche. The report addresses the supply and demand of housing types within the plan area, market segmentation in Easton, and existing and potential rent levels and price points for different housing types.

RESIDENTIAL TRENDS AND CURRENT MARKET CONDITIONS

BUILDING PERMIT ACTIVITY

According to the Town of Easton Planning Department, historical building permit activity was around 175 to 225 per year. The early 2000s saw an increase to around 300 to 350 building permits per year. In 2006 and 2007, building permits issued for new construction were far below average (184 building permits in 2005, and 95 building permits in 2006), but permits for renovations and alterations to existing homes were up (see Table 2.C-1).

**Table 2.C-1
Town of Easton Building Permit Data**

2000	2001	2002	2003	2004	2005	2006
147	177	306	315	346	184	95
Sources: Town of Easton, Elm Street Development.						

HOUSING SUPPLY AND DEMAND

The majority of residential units in the development pipeline are single-family homes. The largest new residential subdivisions in Easton are: Cooke’s Hope (144 single-family units), Easton Club East (374 single-family homes), Easton Village (250 single-family homes), Hunter’s Mill (171 single-family homes), and Mulberry Station (104 single-family homes). Easton also has a few townhouse developments, including Dixon Square (38 townhouses), Douglass Landing (91 townhouses at final build-out). Ashby Commons will have 90 townhouses, and Lakelands will have 143 units at build-out. There are no condos or apartments in the development pipeline, although the Cannery Row condominium project by Elm Street Development (discussed below) is in the planning stages. Table 2.C-2 below shows the residential projects currently under construction in the Town of Easton. There are 965 approved residential units at various stages in the development pipeline.

**Table 2.C-2
Residential Projects Under Construction**

Project Name	Approved Units	Permits Issued	Units Remaining
Dixon Square	38	14	24
Cooke's Hope	144	126	18
Douglass Landing Single Family	42	13	29
Douglass Landing Town Homes	91	40	51
Easton Club East (Phases 1-8)	418	380	38
Ratcliffe Farm	15	11	4
Lot 31 Cookes Hope - The Hedges	18	12	6
Easton Village	95	21	74
Lakelands	91	10	81
Locust Commons	13	0	13
Total	965	627	338
Source: Town of Easton Planning Department.			

A SAMPLING OF HOUSING DEVELOPMENTS IN OR NEAR DOWNTOWN EASTON

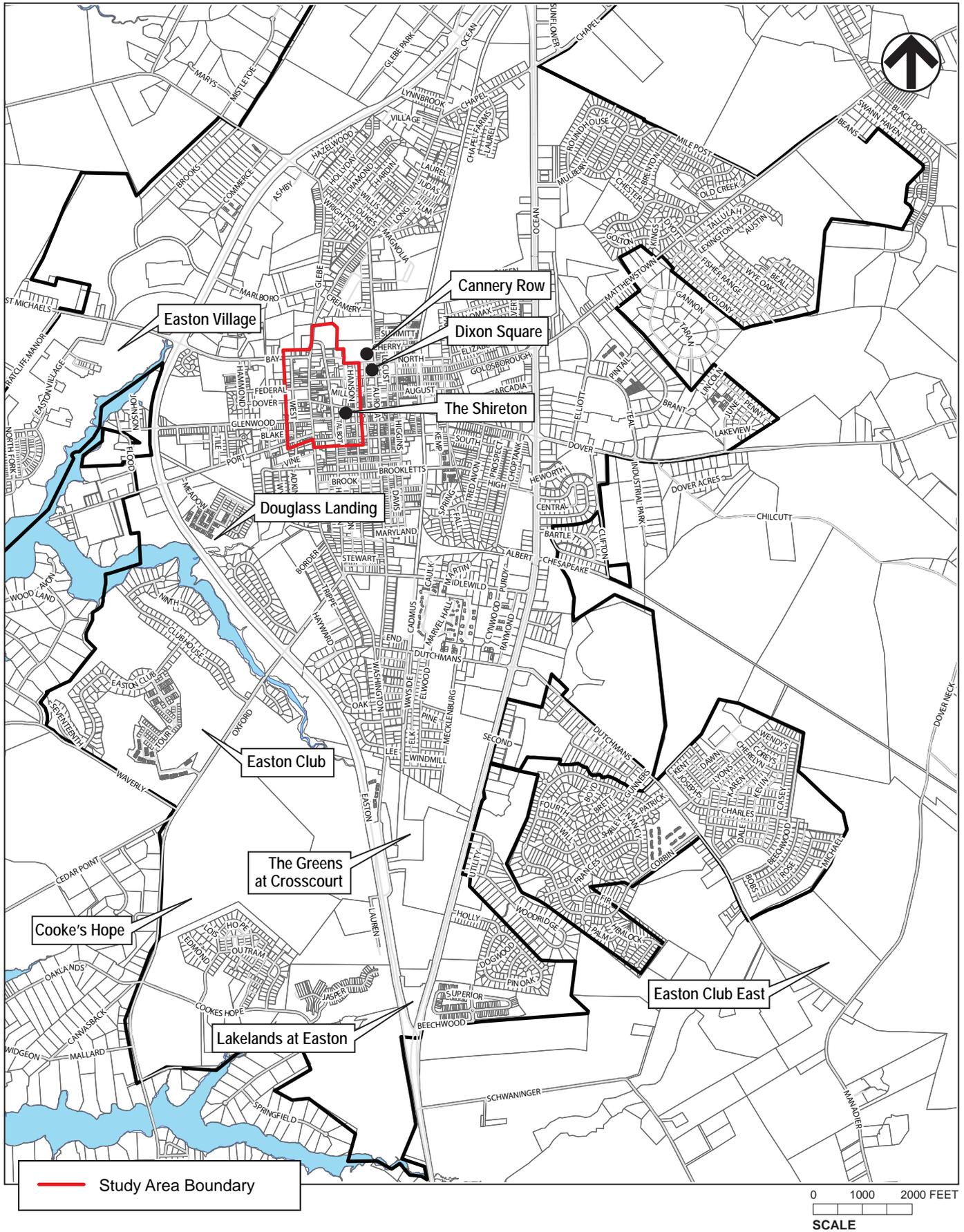
Easton has traditionally been surrounded by residential neighborhoods. Strong connections exist particularly with the communities to the south and east of downtown and, to a lesser extent, to the west and north, with some gaps in terms of extensive areas of government offices and parking lots (to the west) and a more commercial corridor along Washington Street to the north. There is a variety of housing types, including attached and detached single-family homes, multi-family condominiums and apartments, and townhomes. There are several new or recent projects in and around downtown, as shown in Figure 2-3.

The Shireton (Corner of E. Dover and Talbot Lane, 117 E. Dover St.)

When the four-story Shireton condominium building was built in downtown Easton in 1985, it did not sell well, and its urban living concept was “before its time.” Now the units are quite popular, and the building has a zero vacancy rate. Very few come up for sale every year, and they are sold almost immediately. The Shireton has 40 to 50 units and allows one underground parking space per unit. CAM charges are \$175/ month. The units are approximately 1,250 square feet and sell for between \$300,000 and \$350,000. On May 22, a local real estate agent listed a two-bedroom, two-bathroom Shireton condominium for \$349,500.

Dixon Square (Corner of Goldsborough and Pennsylvania Streets)

Dixon Square is a new luxury townhouse community within walking distance of Easton’s downtown. The 37 three-story units, some of which are still under construction, will have a two-car rear-entry garage, three bedrooms, and two and a half bathrooms and are between 1,500 and 2,000 square feet. The townhouse units were originally put on the market at \$375,000, but they were not selling well and now the average selling price is between \$299,000 and \$350,000. An Elm Street Development representative said that Dixon Square is not as ideally located within the downtown as The Shireton, which affects the pricing. Furthermore, he thinks that first-floor master bedrooms would make the units more appealing to retirees and second-home buyers.



Cannery Row Condos

Elm Street Development is poised to move forward on a condo development referred to as Cannery Row. The condos would be built in the empty lot across from Dixon Square. If approved, the development would include 36 condos and possibly eight small single-family homes abutting the existing neighborhood. The developer expects the 1,500-square-foot condo units to sell for \$250,000 to \$290,000s. The prices are lower than The Shireton because the units are located farther from downtown Easton.

Douglass Landing (Bethune Dr.)

Douglass Landing is a development of approximately 130 luxury garage townhomes on the outskirts of Easton. The 1,400- to 2,000-square-foot units started selling in 2006 for \$180,000, but prices quickly increased to the high \$200s and low \$300s. For example, a local real estate agent listed a four-bedroom, two and a half bathroom unit in Douglass Landing for \$302,000.

Easton Village (Easton Village Dr.)

Easton Village is another Elm Street Development project. Easton Village is a luxury waterfront village of 250 single-family homes on 205 acres designed using traditional small-town design. Units are still under construction and are expected to sell for \$500,000 to \$1.5 million, although a spec home just sold for \$7 million. In total, 10 houses have sold so far. The developer said that sales are slow, although units with first-floor master suites are popular. The homes will range from 1,900 to 4,400 square feet and a two-car alley-fed garage. The developer is building several off-site moderately priced dwelling units (MPDUs) on West and Port Streets in downtown Easton in exchange for siting Easton Village on the Tred Avon River.

Easton Club

Easton Club is a residential golf course development by Del Webb that contains single-family detached homes as well as townhouses. On May 22, townhomes in Easton Club were selling for \$329,900, \$392,500, and \$540,000. A four-bedroom single-family waterfront home that was still under construction was selling for \$1.15 million.

Easton Club East

Easton Club East is an active adult community for people “55 and better.” The development’s last phase is selling homes that back up to wooded lots from \$393,000 for a unit with two bedrooms, two bathrooms, and a two-car garage. A random search of home prices on Zillow.com indicated that most homes were valued at between \$400,000 and \$500,000. According to a local developer, the homes have been selling quickly; 10 were sold in April.

Cooke’s Hope

Cooke’s Hope is a Planned Unit Development (PUD) in Easton. Lots are selling for \$200,000, and homes are selling from \$750,000 to more than \$1 million, including waterfront estates nearing \$4.5 million.

The Greens at Crosscourt (Easton Pkwy/Washington St.)

The Greens at Crosscourt are garden style one- and two-bedroom apartments ranging from 600 to 1,000 square feet. They rent for \$900 to 1,200 /month.

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Lakelands at Easton (Route 50/Beechwood Dr.)

The Lakelands at Easton is a Lennar community with 90 new townhomes priced from \$259,990 to \$370,990. The units have three bedrooms, two and a half bathrooms, and, importantly, first-floor master bedrooms and a two-car garage.

RENTAL HOUSING

The rental market in Easton is currently strong, and apartments generally have low vacancy rates, according to local real estate brokers. Single-family homes are renting for \$700 to \$1,100 a month. Renters of single-family homes include bartenders, landscapers, builders, nurses, college students, and Tidewater inn employees. Downtown apartments in converted homes are scarce and less appealing; brokers indicate these units are rented for about \$600 a month.

OWNER OCCUPANCY

According to the 2000 U.S. Census, most homes in Talbot County were owner-occupied. In Easton, about half of all occupied housing units were occupied by their owner while the other half were renter-occupied (see Table 2.C-3).

**Table 2.C-3
Occupied Housing Units**

	Percent Owner-Occupied	Percent Renter-Occupied
Maryland	68%	32%
Dorchester County, Maryland	70%	30%
Queen Anne's County, Maryland	83%	17%
Talbot County, Maryland	72%	28%
Easton Town, Maryland	54%	46%
Source: Census 2000 Summary File 1 (SF 1) 100-Percent Data.		

HOUSING VALUES

According to the Maryland Department of Planning, the median sale value for a single-family home in Talbot County increased from \$190,000 in 2002 to \$236,665 in 2003. In 2003, the median home sale value in Talbot County was higher than the 2003 state median of \$201,647. In 2002, 701 single-family homes were sold in Talbot County, while in 2003 that number increased to 774. Brokers are seeing a lot of sales activity in homes selling for \$499,000 or less and then jumping to home prices at \$1 million and up.

Tables 2.C-4 and 2.C-5 show 2000 U.S. Census data that indicate that the majority of housing stock in Talbot County (79 percent) and the Town of Easton (95 percent) was valued at or below \$299,999. Nine percent of Talbot County's housing stock (or 821 houses) was valued at \$500,000 or more. Of that total, two percent of homes were valued at \$1 million or more, far more than in the surrounding counties. In the Town of Easton, only one percent of housing stock (or 21 homes) was valued at over \$500,000 in 2000, and none more than \$750,000. Brokers indicate that home prices in Easton have increased steadily since 2000.

Table 2.C-4
Value for Specified Owner-Occupied Housing Units

	Total:	\$100K or less	\$100K to \$200K	\$200K to \$300K	\$300K to \$400K	\$400K to \$500K	\$500K to \$750K	\$750K to \$1 M	\$1 M or more
Maryland	1.2 mil	272,453	592,685	189,652	65,133	26,443	20,937	6,806	4,670
Dorchester County	6,778	3,767	2,344	377	128	62	54	12	34
Queen Anne's County	10,554	1,680	5,577	1,897	592	281	404	85	38
Talbot County	8,591	2,046	3,649	1,106	605	364	364	276	181
Easton Town	2,399	749	1,345	193	64	27	16	5	0

Source: Census 2000 Summary File 4 (SF 4) - Sample Data.

Table 2.C-5
Value for Specified Owner-Occupied Housing Units, by Percent

	Total:	\$100K or less	\$100K to \$200K	\$200K to \$300K	\$300K to \$400K	\$400K to \$500K	\$500K to \$750K	\$750K to \$1 M	\$1 M or more
Maryland	1.2 mil	23%	50%	16%	6%	2%	2%	1%	0%
Dorchester County	6,778	56%	35%	6%	2%	1%	1%	0%	1%
Queen Anne's County	10,554	16%	53%	18%	6%	3%	4%	1%	0%
Talbot County	8,591	24%	42%	13%	7%	4%	4%	3%	2%
Easton Town	2,399	31%	56%	8%	3%	1%	1%	0%	0%

Source: Census 2000 Summary File 4 (SF 4) - Sample Data.

According to a local real estate broker, there is a 12-month sales supply of (mostly) single-family homes in the 21601 in zip code ranging between \$250,000 and \$325,000. Townhouses were listed from anywhere between \$208,000 (Easton) and \$589,000 (Oxford waterfront). Multi-family homes are scarcer; a search of the Multiple Listing Service (MLS) in May turned up very few apartments or condominiums.

TALBOT COUNTY'S SECOND-HOME MARKET

Anecdotal evidence suggests that there is a strong second-home market in Talbot County, although not necessarily in the Town of Easton. Nonetheless, retirees and “downsizers” are causing an increase in downtown Easton housing prices, particularly in areas served by water and sewer. One realtor compared Easton to the Hamptons 20 years ago, when families bought vacation homes and started telecommuting. The momentum in the second-home market is expected to build in the coming years. Five years ago, vacation homes were always single-family detached houses on the waterfront. Now, about one out of every five second homes is an attached unit, such as the townhouses in the Easton Club development, which are not on the water.

Table 2.C-6 below shows Census 2000 data on seasonal, recreational, or occasional use housing units. It was estimated that 6.7 percent, or 1,104, of all housing units in Talbot County were seasonal homes. In Easton, that number was significantly lower, with only 0.7 percent, or 36 homes, used part-time.

Table 2.C-6
Seasonal, Recreational, or Occasional Use Housing Units (as Total of All Units)

	Total Housing Units	For seasonal, recreational, or occasional use	Percent of Units
Maryland	2,145,283	38,880	1.8%
Dorchester County, Maryland	14,681	613	4.2%
Queen Anne's County, Maryland	16,674	651	3.9%
Talbot County, Maryland	16,500	1,104	6.7%
Easton Town, Maryland	5,399	36	0.7%
Notes: Does not include housing for migrant workers.			
Source: Census 2000 Summary File 1 (SF 1) 100-Percent Data.			

There are two types of second-homeowners, both drawn by Easton’s urban cultural offerings (such as the Plein Air art festival and the Avalon) and downtown’s walkability, parks, and restaurants. First, there is a notable number of very wealthy people who own second homes in Talbot County, although they do not necessarily live in the Town of Easton (see table above). Second, as baby boomers retire and change their lifestyles, residential real estate brokers expect a more modest type of second-homeowner market to emerge. These homeowners, currently 5 to 10 years away from retirement, are already investing in second homes to which they plan to eventually retire full time. These part-time residents come from Baltimore, Washington, D.C., Philadelphia, Bethesda, and New Jersey. The brokers indicated that the market has been notably more active and diverse since September 11, 2001, with residents from Washington, D.C., Baltimore, Bethesda, Philadelphia, and New Jersey, who want a place to go if they are evacuated from their primary residence. He said that trend continues even six years on.

POTENTIAL PRICE POINTS AND ABSORPTION FOR HOUSING IN DOWNTOWN EASTON

The housing market in Easton has been predominantly single-family homes, but there is currently a lot of product to absorb. Building permit activity has slowed from the frenetic pace of the early 2000s, and more renovations, rehabilitations, and alterations of existing homes are occurring in residential neighborhoods near downtown. As in many other communities throughout the nation, Easton faces affordable housing issues; especially as new housing units continue to be large single-family homes without the diversity of smaller, multifamily, and rental properties.

Residential brokers, local homeowners, and other stakeholders believe there is a strong and underserved market niche for downtown living. New infill properties such as condos, lofts, or other multi-family uses in an urban setting have been discussed favorably. Specifically, the Shireton condos in downtown were cited by numerous people as an attractive, convenient, and affordable urban lifestyle residence. Brokers anticipate a demand for urban living, especially as a rejuvenated downtown makes the area more attractive to live, eat, shop, and play. Downtown condos that are either in their own buildings or associated with retail or office uses on the ground floor will need to have many amenities beginning with a walkable and vital downtown, convenient shopping, and access to convenient parking.

Typically in market studies such as this one, established residential units are used to estimate the selling price point and absorption rates for new or proposed developments. In this case though,

few comparable units exist in downtown upon which to base sales comparisons. Projects such as the Shireton and Dixon Square provide a reasonable estimate for downtown for-sale townhomes or condominiums. These units range from \$300,000 to \$500,000, depending on proximity to downtown. The appropriate or likely number of new downtown condos that can reasonably be supported is even more difficult to predict since it is a completely new product for which there is no fine-grained comparable basis. We know that the Shireton has no vacant units and typically turns over about two to three units per year, and that brokers anticipate selling about two to three units per month in Cannery Row. Based on the comparable units, price points, and absorption rates described above, it is reasonable to estimate that about 10 to 20 units could be sold and absorbed per year, coming to a total of about 100 supportable downtown units over the next five to 10 years. These assumptions were discussed with several local real estate brokers who confirmed that these estimates seem reasonable and realistic.

D. HISTORIC RESOURCES ASSESSMENT

Consultant Sherri Marsh completed background research and literature review phases for a historic resources assessment of Downtown Easton. The work includes a close reading of Easton's National Register of Historic Places historic district nomination and Historic District Design Guidelines as well as an examination of other published and unpublished materials at the Talbot County Historical Society and Talbot County Public Library.

The fieldwork phase included a survey and photograph of each building in the study area. Topographical maps showing building footprints and tax maps served as a reference to the location and identification of the approximately 350 parcels located within the study area.

An evaluation of each building's designation as a contributing or noncontributing resource is included in the document, and justification statements were prepared in cases where the recommendation would change a building's current contribution status. Findings are provided in a separate report that includes a map identifying each building's current and recommended contribution status.

Work also continues on a "visual glossary," a compendium of typical architectural details found within Easton's historic district. The glossary's purpose is to inform and guide infill plans to ensure compatibility with the Town's historic character and compliance with Easton's Historic District Design Guidelines.

The attached CD of appendix data and information contains detailed historic survey conducted as part of the downtown plan.

E. INFRASTRUCTURE NEEDS ANALYSIS

This section of the report summarizes a preliminary assessment of the core infrastructure and base planning conditions available to support downtown Easton, including planning and regulatory conditions, utilities (i.e., water, sewer, electric, and communications), and traffic and parking. These assessments are based on several interviews and a review of existing traffic studies

PLANNING AND ZONING

All of the properties within the project study area are zoned CR-Central Business Commercial District. A wide variety of residential, commercial, institutional, and recreational uses are

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permitted by right or by special exception in this district. The base residential density in the CR district is 3.5 dwelling units per acre for single-family dwellings and eight dwelling units per acre for multi-family dwellings. Multifamily dwellings are permitted by special exception. The density of commercial uses is controlled by lot coverage, building height, and maximum building size rather than by floor area ratio.

ZONING

Bulk Standards

The minimum lot size for newly created lots is 5,000 square feet. The front and rear yard setbacks are what already exist or 25 feet and 15 feet, respectively, for newly created lots. There are no side yard setbacks required. Lot coverage for all buildings and structures is capped at 70 percent. Building height is limited to 50 feet and building size may not exceed 25,000 square feet unless approved by special exception.

Parking and Lighting

There are no off-street parking requirements for development in the CR District. On-site lighting is limited to 18-feet high and shielded by low cut-off luminaries and may not shine greater than one footcandle off-site. Exceptions to the standard must be approved by the Planning Commission.

Planned Unit Development District (PUD)

Another development option is for a property owner is to apply for PUD overlay district. When a PUD district is approved on any commercial zoning district, the permitted and special exception uses are permitted. This means that for the project area, all of the uses allowed in the CR District are permitted if a PUD is granted. Residential density in a PUD district with a base CR District is up to 30 dwelling units per acre. The PUD Districts require Town Council approval to be mapped. Once mapped, a sketch plan must be approved by the Planning Commission. Subsequent site plans require approval by the Planning Department.

HISTORIC DISTRICT COMMISSION

Article VII of the Town of Easton Zoning Ordinance establishes the Easton Historic District, the purpose of the regulations, and the Easton Historic District Commission to administer the regulations. The primary purpose of the ordinance is “to enhance the quality of life and to safeguard the historical and cultural heritage of Easton by preserving sites, structures, or districts which reflect elements of cultural, social, economic, political, archeological, or architectural history.” The ordinance created two historic districts, the Meeting House District and the Old Easton District. The Meeting House District encompasses area around the Third Haven Meeting House, while the Old Easton District constitutes the original part of Easton and encompasses this downtown Easton project.

The Historic District Commission has seven members, a majority of whom must be residents of the Town. Among the Commission’s duties and responsibilities are the authority are to designate sites, landmarks, structures, and districts and “to adopt rehabilitation and design guidelines for the construction, alteration, reconstruction, moving and demolition of designated landmarks, sites, structures and districts which are consistent with the Secretary of Interior’s Standards for the Treatment of Historic Properties.” The Commission’s major continuing responsibility is to review applications for altering the exterior of any landmark or structure in the districts, or new

construction that affects a structure or its site for consistency with its adopted guidelines. Before a permit for construction may be issued, the Commission must approve a Certificate of Appropriateness for the planned work on a structure or site. Appeals from the Historic Commission's decisions are heard by the Board of Zoning Appeals. Board of Appeals decisions can be appealed to the Talbot County Circuit Court.

WATER MANAGEMENT

Interviews with Town and County officials including Easton Utilities indicate that the core utilities needed to support existing and new initiatives in the downtown are fully adequate. There are no constraints to water supply, sewer capacity, electrical, and communications infrastructure. However, high groundwater and low elevation points particularly at the north end of the study area (i.e., along Brewer's Lane) will likely be a factor in effective storm management infrastructure for new projects and could limit the ability to seek below-grade excavation in these locations.

A site visit in October 2007 indicated no immediate concerns about storm water runoff or high groundwater for future development. Nonetheless, even though there were no specific visual indicators of high ground, it would be expected that the low-lying parcels to the north and east would have relatively shallow ground water in this general area. While, this is not a development constraint, per se, it does suggest certain design considerations need to be explored for future site development. Similarly, any development in this area will have to take into account the existence of the various utilities, and the possible need for re-routing them. Specifics will depend on what exactly what may be developed on any given site, but the plan should acknowledge and integrate such considerations.

Since the most sensitive areas are to the north and east, this analysis focuses on a few site considerations for the downtown infill development plan. The guidelines below also apply in general to infill development strategies throughout downtown Easton.

SITE DESCRIPTION

The studied parcels are located in the northern half of the study area at the northern gateway, and are bounded by Washington Street and North Harrison Street to the west, Brewer's Lane to the south, the Spring Hill Cemetery to the east, and other parcels located north of the Talbot Town Shopping Center and south of Creamery Lane. The two Brewer's Lane sites are separated from the Talbot Town shopping center by Gravel Alley.

The parcel occupied by the shopping center is almost entirely impervious surfaces (paved parking lots and structures). One of the two parcels between Gravel Alley and Brewer's Lane is partially paved; the other is gravel-covered. Improvements on the site consist of three buildings (referred to here as the north, center, and south buildings).

Storm water runoff from the northeastern portion of the shopping center flows towards the west and north, following surface topography, until it enters the storm drain system on Washington Street. Runoff from the north building's roof flows into inlets in the alley that adjoins the shopping center to the north. Runoff from the center building's roof flows into a 15-inch reinforced concrete pipe (RCP) connected to the main storm drain lines described in the next paragraph. Runoff from the eastern portion of the site flows into the inlet basins located to the east between the shopping center and the cemetery. Runoff from the south building's roof and

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the southern portion of the site drains to storm drain inlets along North Harrison Street and Brewer's Lane. The cemetery itself is upgradient from the site.

Three underground 36-inch RCPs running east-west are immediately north of the shopping center. These convey storm water from offsite locations and the parcels of interest to the Tanyard branch of the north fork of the Tred Avon River. Underground water, sewer, and electric utility lines surround and traverse the parcel. These include an 8-inch vitrified clay pipe (VCP) sewer line running east of the shopping center and under the north building, an electric utility trench between the cemetery and the shopping center, 8-inch ductile iron (DI) water lines, and gas lines.

The Tanyard branch of the north fork of the Tred Avon River flows west, from the Mount Pleasant area (northeast of the site) along the southern boundary of the Spring Hill Cemetery Annex west of Aurora Street, then along the northern boundary of the Spring Hill Cemetery. It flows north of the site, across Washington Street, through the property currently occupied by Easton Utilities, then just north of Bay Street, until it enters the north fork. Sanborn maps indicate that the stream was once called Tanyard Brook.

The stream is culverted from the intersection of Aurora Street Creamery Lane. It is underground under several light industrial sites, including an auto repair shop and a glass [manufacturing?] shop. It flows beneath Washington Street and the Easton Utilities building. It reappears aboveground at the Easton Utilities building. The stream widens as it flows westward and approaches a small ponded area adjacent to a low-density office park a bit north of Bay Street. The portion of the stream between the Easton Utilities building and the northwestern corner of the cemetery was apparently covered some time in the past. Historic newspaper articles indicate that the stream was directed into a storm drain system constructed in the mid-1950s, when the Talbot Town shopping center was constructed.

SITE HISTORY

Sanborn maps show that the site was previously occupied by W.H. Withgott, Machinist and Founder (presumably a machine shop and foundry), and the Easton Light & Fuel Company in the later 1890s. A number of smaller structures also existed on the site.

DESIGN GUIDELINES

The redevelopment of the site offers several opportunities to implement design techniques for protecting water quality and habitat in urban infill sites. These include:

- Assess the site for any prior environmental contamination from past “industrial” practices (see site history above) and identify opportunities for restoration. In this case, the shopping center has been in existence for at least 50 years, and there is no known contamination at the site. However, if any excavation activities are conducted, it would be prudent to monitor the excavation process. If any indicators of potential contamination are observed (e.g., discolored soil, odors, etc.) sampling and analysis could be conducted to rule out any contamination that might exist at levels above the state site cleanup standards.
- Daylight and restore Tanyard Brook and incorporate the stream into a greenway.
- Design the site to minimize storm water runoff by minimizing impervious cover. Smaller parking lots, multi-level parking garages, and parking areas separated by vegetated swales designed to filter and infiltrate storm water can help to reduce runoff and improve its quality.

- Design the site to encourage re-vegetation using native plant species. The eastern part of the site adjoining the cemetery would be suitable for creating a landscaped buffer that could also be connected to a network of greenways linking small parks in the downtown area with pedestrian walkways and/or biking trails.
- Design improvements to reduce rooftop runoff by using “green roofs,” rain gardens, and rain barrels. Downspouts can be re-directed to vegetated swales or infiltration trenches.
- Design streetscapes to include planting spaces for street trees and use permeable pavers for sidewalks to reduce and treat runoff.
- Design courtyards and plazas that are either unpaved or use permeable pavement, and open spaces to reduce and treat storm water runoff.
- Design the downtown to offer alternative non-automotive transportation choices through bike paths, walking trails, shuttle buses, etc.

A complete list of smart site practices from the Center of Watershed Protection can be found in “Redevelopment Roundtable Consensus Agreement: Smart Site Practices for Redevelopment and Infill Projects” and is included in attached CD of data and information.

TRAFFIC

New development in Easton’s downtown will not lead to overwhelming traffic and overtaxed parking spaces. New development represents new traffic, but also redistributed traffic. Overall, the plan should result in shorter trips and more walking to mitigate the effects of traffic generated by the new development. As the traditional downtown area of Easton, the project study area is characterized by an urban street grid with generally regularly defined blocks with mostly signalized intersections and parallel on-street parking (with the exception of the diagonal parking on the wider section of Washington Street in front of the Courthouse). There are no wide roads carrying high volumes or high-speed traffic, and there is generally a comfortable and accessible feel to downtown streets.

Residents did indicate a concern over pedestrian crossings that are hard to manage with the current street light system as well as the difficult vehicle and pedestrian movements at the intersection of Bay and Washington Streets. Key north-south routes in downtown include Washington Street and Harrison Street, and, to a lesser extent, West Street, which serves the County office complex. Cross-town or east-west movements are primarily along Bay Street, Goldsborough Street, and Dover Street. In addition to on-street parking, several municipal parking lots are available along the periphery of the downtown.

Much of the collected traffic data is actually not in downtown but in the area of the proposed East-West Connector Road. The studies and information reviewed are summarized below in Tables 2.E-1 and 2.E-2.

Table 2.E-1
Traffic Intersections Affected by East/West Connector Road

MD Route 322 (Easton Parkway) and Glebe Road
MD Route 322 (Easton Parkway) and Marlboro Avenue
MD Route 322 (Easton Parkway) and MD Route 33 (St. Michaels Road)
Glebe Road and Marlboro Road
Washington Street and Creamery Lane
Aurora Park Drive and Creamery Lane
Aurora Street and Aurora Park Drive
US Route 50 (Ocean Gateway) and Chapel Road
US Route 50 (Ocean Gateway) and MD Route 328 (Matthewstown Road)
Elliot Road and MD Route 328 (Matthewstown Road)
US Route 50 (Ocean Gateway) and MD Route 31 (Dover Road)
US Route 50 (Ocean Gateway) and Proposed East-West Connector Road
Note: Existing and future 2015 and 2030 conditions were analyzed using Highway Capacity Software (HCS).
Source: Easton East/West Connector Road Study, October 2006.

Table 2.E-2
County Transportation Planning Study Intersections

MD Route 322 and MD Route 333
MD Route 322 and Port Street
MD Route 33 and MD Route 322
MD Route 322 and Glebe Road
MD Route 322 and Centerville Road
Centerville Road and Airpark Drive
US Route 50 and MD Route 322
US Route 50 and Airport Road
MD Route 309 and Black Dog Alley
Black Dog Alley and Chapel Road
MD Route 328 and Black Dog Alley
Black Dog Alley and Kingston Road
MD Route 331 and Black Dog Alley
US Route 50 and Dutchman's Lane
Dutchman's Lane and Dover Neck Road
MD Route 333 and Landaff Road
Glebe Road and Goldsborough Street
MD Route 33 and MD Route 370
MD Route 370 and Glebe Road
Note: Study includes capacity analysis, accident data, and backup data (signal timing data, traffic counts, HCS reports, etc.) for select intersections and corridors.
Source: Talbot County Transportation Planning Study, Thoroughfare Plan. Published 2006, but analyzed with 2004 traffic data.

As set forth in the traffic studies noted above, and as observed by AKRF during our visit in Easton, it is evident that there is a growing traffic issue in Easton. The Route 50 corridor is very busy, and high volumes with lots of intersections and conflicts have created poor levels of service on the roadway. Of most concern to downtown are the east-west connectors of Dover and Goldsborough Streets that can experience serious delays in their approaches to Route 50 (with and without the construction currently underway. Route 322, often referred to as the “bypass” but losing that status with more commercial development, most notably north of Bay Street/St. Michaels Road, is also carrying substantial volumes of traffic. The available studies clearly show deteriorating conditions (denoted as Level of Service D or F) at key intersections at the major highways. This was corroborated by residents during the community meeting as well.

Based on observation and a review of the reports, it does appear that to some degree, downtown is removed enough not to see totally deteriorated traffic conditions daily, as the Route 50 congestion generally does not spill back to Hanson Street and the north-south streets (Washington, West, Harrison, Hanson) are not carrying much diverted traffic. The narrow streets and regular signals also tend to keep the traffic moving through downtown but at relatively slow speeds. This impediment to east-west flow is part of the thinking behind the connector road proposal, but it does help to keep downtown manageable, walkable, and comfortable. Most importantly, while traffic circulation planning is always a key element of downtown planning, critical traffic constraints do not seem to be an obstacle to downtown economic expansion.

PARKING

In 2004, the Downtown Easton Parking District Study is study assessed existing on- and off-street parking conditions in Easton (parking utilization studies, parking needs and patterns) and examined parking needs for the future. Recommendations were made to ensure sufficient and reasonably convenient parking to accommodate future Town growth. These recommendations included:

- Changing Town parking ordinances to prohibit “sliders” (drivers who use on-street parking throughout the day by periodically moving their vehicles).
- Encourage all day parkers (many of which are parking permit holders) to utilize the more peripheral, underutilized Town parking lots by allowing permit parking in these lots and prohibiting permit parking in the lots closer to the Town center (changing these lots to metered only). This would make more spaces closer to the retail centers available to visitors and shoppers.
- Eliminate the Town’s “blue” parking permits, which assign one space to one particular car. These permits have not sold well recently and result in an inefficient use of parking resources.
- In conjunction with the recommendations listed above, reallocate and redistribute metered and permit parking that best accommodates the needs and objectives of the residents, workers, and visitors.

Existing Town-owned parking lots are scattered fairly evenly throughout the downtown, but these surface lots create gaps in the pedestrian experience. The entire inventory of downtown parking spaces includes these public spaces, private parking lots, and on-street spaces. As set forth in prior downtown parking studies and the observations of the study team, Easton’s parking capacity is adequate for existing conditions although it is not all conveniently located, accessible, or visible where it might be most appropriate. This plan recommends creating a new

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parking strategy that consolidates parking within downtown. Consolidated parking structures will provide centralized parking to serve the northern and southern parts of downtown Easton.

At the southern end of downtown, a central parking structure could serve a variety of users at different times of the day, including daytime shoppers and visitors who want to park within walking distance of Easton's stores, restaurants, and businesses; office workers; and nighttime visitors who are in downtown to attend events at the Avalon Theater or out for a night on the town.

At the northern end of downtown, a parking structure could also serve shoppers and visitors who have business at that end of downtown in conjunction with the redevelopment of Talbot Town. The parking structure would likely be built in conjunction with the redevelopment of Talbot Town. The northern parking structure could become a place for residents in the area to park and serve as parking for the Farmer's Market and other events.

New development in downtown Easton will generate new demand and displace some existing parking spaces. Therefore, additional parking will be planned to support new development and revitalize underused areas to free underused parking lots for more productive uses.

Using industry standards, reasonable estimates tally that there are less than 50 residential auto trips in any given hour in downtown Easton, about 300 new retail auto trips on Saturday peak hours, and about 150 office auto trips in peak morning and evening hours. There are currently about 1,500 parking spaces in downtown in municipal, private, and street spaces. This is about three spaces per 1,000 square feet, or more than is needed based on typical downtown and smart growth standards. Furthermore, net new growth of about 250,000 square feet would conservatively add demand for about 500 to 625 spaces, and the net growth in parking spaces would be between 400 and 500 spaces. Thus, new capacity added to existing spaces would serve existing and future needs.

As set forth in the parking studies to date, and from AKRF's observation, the downtown parking capacity is actually not a constraint for planning and development. The key issues are location and access to the existing Town lots, and managing the on-street spaces in a manner conducive to supporting the retail district. With the introduction of new infill development strategies and recommendations to strengthen the existing retail core, parking accessibility will be an important design aspect. This would most notably include providing some centralized parking that can be shared by the existing core retail area and new development opportunities to the north.

ENTRYWAYS AND GATEWAYS

While somewhat beyond this study's scope, a review of the entryways and gateways to downtown suggest that as traffic issues are further explored by the Town, County, and State, some consideration of enhanced gateways to Easton should be explored. On Route 50, the Dover and Goldsborough Street gateways to downtown are a bit lost in the business of the highway and its surrounding retail. On Route 322, the most obvious gateway to Easton is at Bay Street, which remains a very attractive and somewhat undeveloped intersection with natural features. It is the gateway to both Easton and St. Michaels, though its importance is not to visible or celebrated. However, from the north, the main highway signage informs motorists that the Washington Street is the route into downtown, thereby bringing travelers in through residential neighborhoods and closer to Glebe Street, not the most inviting gateway to the historic downtown.

A key gateway intersection is Bay Street at Washington Street, which is directly in the project study area. AKRF observed, and heard a clear consensus from residents who attended a community meeting that this intersection should and could be a far more impressive civic statement than as reflected in its current condition. It is also one of the few intersections in downtown with a busy and somewhat confusing vehicular circulation pattern (mostly from the very close extra light at Harrison Street) that makes for difficult pedestrian crossings. *