

### **3.0 COMMERCIAL MARKET TRENDS**

As outlined above, the Town of Southampton and the Hamlet of Bridgehampton's populations are growing. A sizeable resident population exists with notable disposable income supporting the retail market. Characteristics of the work force indicate that a substantial employee base also exists to support retail markets in the area.

#### **3.1 Regional Retail Characteristics**

The Town of Southampton has eleven retail commercial areas, which include seven central business districts (CBDs). These are Bridgehampton CBD, East Quogue CBD, Hampton Bays CBD, North Sea, Noyack, Quogue CBD, Sag Harbor CBD, Southampton CBD, Tuckahoe, Water Mill CBD, and Westhampton Beach. Nearly 500 retail businesses are located within these areas. The Town of East Hampton adds (to account for the entire South Fork) another five central business districts to this total. The retail market in the Town of Southampton, Suffolk County, and Nassau County is quite strong. An increase in population since the last census and high disposable household incomes help to fuel retail spending that in 1997 totaled nearly \$3 million in the Town of Southampton alone and \$13.5 billion for the Nassau/Suffolk SMSA. (SMSA is the U.S. Census Bureau equivalent of a county in this case.) Suffolk County as a whole supports approximately 43.5 million square feet of shopping centers and central business district retail space. Central business districts – of which Bridgehampton is one - account for 8.0 million square feet of this total.

According to an inventory conducted by the Suffolk County Planning Department in 2001, the Town of Southampton has 1,833,000 square feet of shopping centers and central business district retail space, occupying just over 170 acres and found in 885 stores. In Table 2, the retail inventory for all hamlets and villages in the town is ranked by square footage and the number of stores. Of the various retail trade categories (food and beverage stores, electronics and appliance stores, motor vehicle and parts dealers, etc.), the largest percentage of retail sales in the Town of Southampton went to motor vehicle and parts dealers (26%), followed by building material and garden equipment and supplies dealers (21%), followed by food and beverage stores (18% of total sales within the town). Analyzed by number of employees and payroll, building material and garden equipment and supply dealers accounted for the largest share, accounting for 18% of the work force on payroll, while food and beverage stores accounted for 16%, followed by motor vehicle and parts dealers at 14 percent. Bridgehampton is second to the Village of Southampton in terms of square footage, and ranks third in terms of number of stores.

For a full picture of regional retail, we also looked at Town of East Hampton data. In Amagansett, East Hampton, Montauk, and Wainscott, there is a total of 562,500 square feet located in 323 stores in shopping centers and central business districts, covering about 39 acres. The largest is the East Hampton CBD, with 161 stores on Main Street covering 292,000 square feet, and the separate 13-store Red Horse Plaza with 27,000 square feet. Following East Hampton, in descending order, are Montauk (with a CBD and separate IGA

<b>Table 1 Shopping Center and Central Business District Inventory</b>		
<b>By Size and Number of Stores, Town of Southampton</b>		
<b>Location</b>	<b>Square Footage</b>	<b>Number of Stores</b>
Southampton	465,000	250
Bridgehampton	375,000	110
Westhampton Beach	292,000	155
Hampton Bays	282,500	105
Sag Harbor	238,000	140
Water Mill	55,000	43
Tuckahoe	32,000	19
Quogue	31,000	22
East Quogue	31,000	22
North Sea	28,000	15
Noyack	3,000	4

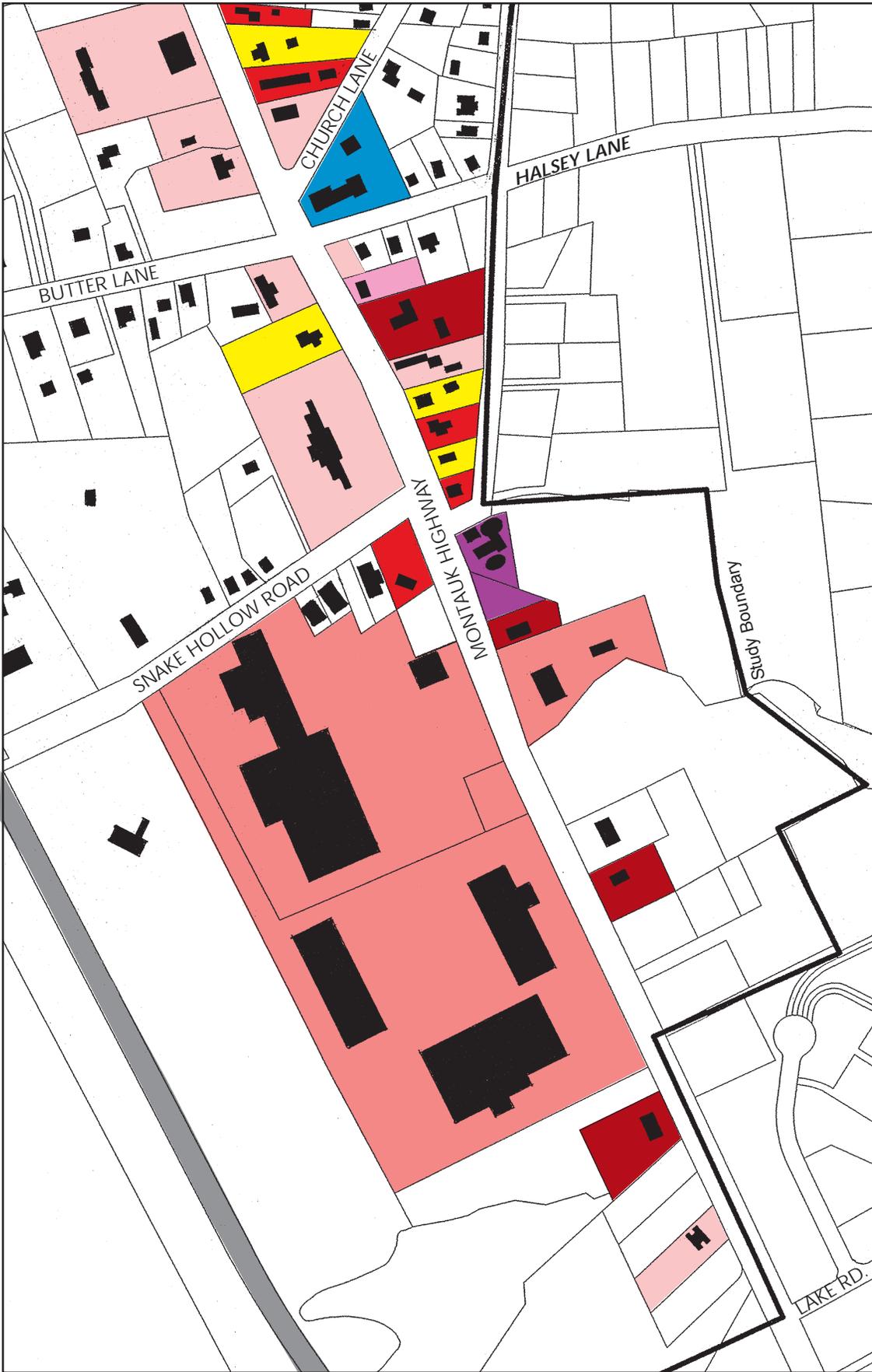
*Source: Suffolk County Department of Planning/Shopping Centers & Central Business Districts, Suffolk County, NY (2001)*

supermarket), Amagansett (also having a CBD and separate IGA), the unincorporated part of East Hampton, and Wainscott Village.

### **3.2 Bridgehampton Retail Characteristics**

Bridgehampton's hamlet center serves a complex market. Businesses in the hamlet serve a regional market, where 70-80% of the customers are drawn from the region (as demonstrated by the relative strength of Bridgehampton Commons in reaching a convenience and comparison goods consumer market), a local year-round market requiring both convenience and comparison shopping goods and services, and a seasonal market with different food and home goods and services demand.

These complex markets have an equally complex geographic reality in the hamlet. Bridgehampton has two retail areas covering approximately 42 acres of land and both located on Montauk Highway. (See Figures 8 and 9.) The dual role of Montauk Highway as



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Figure 8. Existing Land Uses Along Montauk Highway: Lake Road to Church Lane

	Residential		Vacant Land / Building		Business Goods & Services
	Institutional and Membership Organization		Light Industrial		Home Goods & Services
	Park and Open Space		Commercial		Apparel & Jewelry
	Parking Lot		Professional Services		Personal Goods & Services
					Food and Drink

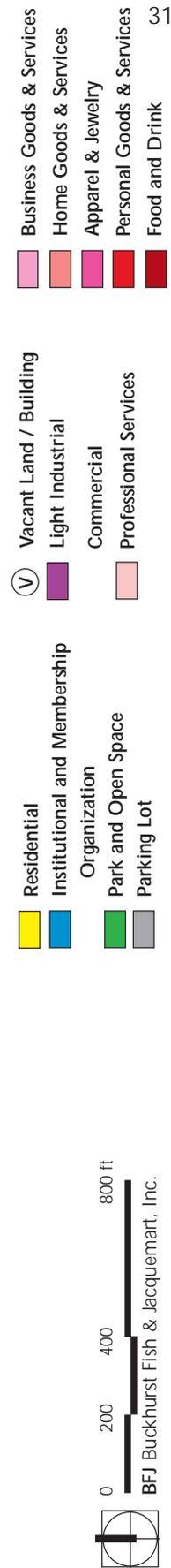
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Figure 9. Existing Land Uses Along Montauk Highway: Church Lane to Norris Lane



a through traffic arterial and as a local commercial corridor fosters the market complexity: the highway is used as a local shopping street by hamlet residents and by regional shoppers who drive into Bridgehampton as a shopping destination, and as a mixed highway-shopping street by shoppers for whom Bridgehampton is not their destination but a convenient commercial locale while en route further east towards Montauk.

The hamlet's eastern-most retail area is the central business district, made up of over 65 stores on 12 acres and totalling around 95,000 square feet. While the greatest concentration of stores and services is located between Corwith Road and Lumber Lane, the central business district's edges overlap with the retail area that mostly serves the regional market. This western-most retail area is a 280,000 square-foot Bridgehampton Commons regional shopping center on the northern side of Route 27. The shopping center serves unofficially as the gateway to the hamlet's commercial corridor. It comprises over 40 attached and free-standing stores, some with substantial square footage, such as K-mart, King Kullen, TJ Maxx, Talbots, and RiteAid, and occupying nearly 30 acres. Bridgehampton Commons is the only shopping center over 100,000 square feet in size on the entire South Fork. It is properly categorized as a community shopping center based on square footage and store type characteristics. However, it functions as a regional shopping center, covering the market area stretching to the east approximately 25 miles to Montauk Point and as far as the Shinnecock Canal to the west, and perhaps farther before the regional shopping centers in Riverhead prevail. It is the only source of mid-priced full-range shopping on the east end, from Riverhead to Montauk. It serves both the year-round population, with its full range of income levels, and the affluent second-home population. It provides a identity to Bridgehampton distinct from the high-priced shopping streets of Southampton village and East Hampton, largely because it is a large shopping center offering conventional goods and services at a mid-price range. A related issue for Bridgehampton residents is the location of Bridgehampton Commons in a different school district (the Southampton School District) and thus not providing ratables for the hamlet's school district.

East of Corwith Road, a traditional central business district pattern of land use is present. The businesses located here serve a more locally-based market than the shopping center and are a greater mix of business types, interspersed with government and community services (such as the post office, churches, library, community center, municipal parking and toilets, and historical society). The one-block length of Montauk Highway between Corwith Road and Lumber Lane/Sag Harbor Turnpike is the most densely developed and most walkable of the hamlet's commercial street. (While the study area continues east of this intersection, this is the terminus of the commercial area.) Nearly all the commercial uses here are retail, with a few office parcels or tenants, the Presbyterian Church and Episcopal Church, and off-street parking. The parcels are small and narrow, and the buildings front directly on the tree-lined sidewalk, making for pleasant walking and browsing. The north side is a continuous stretch of stores and services, as the churches occupy nearly half the frontage on the south side.



Within the memory of long-time residents, the stores in this part of the central business district offered nearly entirely convenience goods and services. From a consumer's perspective, these retail trips fall into the category of an "errand" as opposed to falling into the category of a "shopping trip." Therefore, the convenience of the errand is paramount to successfully supporting this market and the overall hamlet core. If it is inconvenient to park at or near an establishment to purchase a carton of milk or toothpaste, then the errand in the central business district will be abandoned and the errand will be combined with a larger shopping trip in a more convenient location such as Bridgehampton Commons, the Tangier Mall, etc. Parking is a significant factor in this equation. This move away from convenience to comparison goods and services and a high-end market is partly fueled by income and population. In 2000, the Bridgehampton per capita income was \$43,781. Generally, people spend 30 to 36% of their per capita income on all merchandise expenditures (whether spent locally or not). This rule of thumb leaves the hamlet businesses attempting to capture some part of this \$13,000 to \$16,000 per person. The full-time population of around 1,335 Bridgehampton residents cannot support the amount of retail square footage in the hamlet; the stores have to rely on summer residents and visitors and thus necessarily go after a different income group.

<i>Table 2 Commercial Uses in the Bridgehampton Hamlet</i>	
<i>Use Category</i>	<i>Per Cent of Total</i>
Professional services	30.1%
Personal goods and services	18.5%
Food and drink	18.3%
Other	13.6%
Home goods and services	10.4%
Apparel and jewelry	5.2%
Business goods and services	3.9%

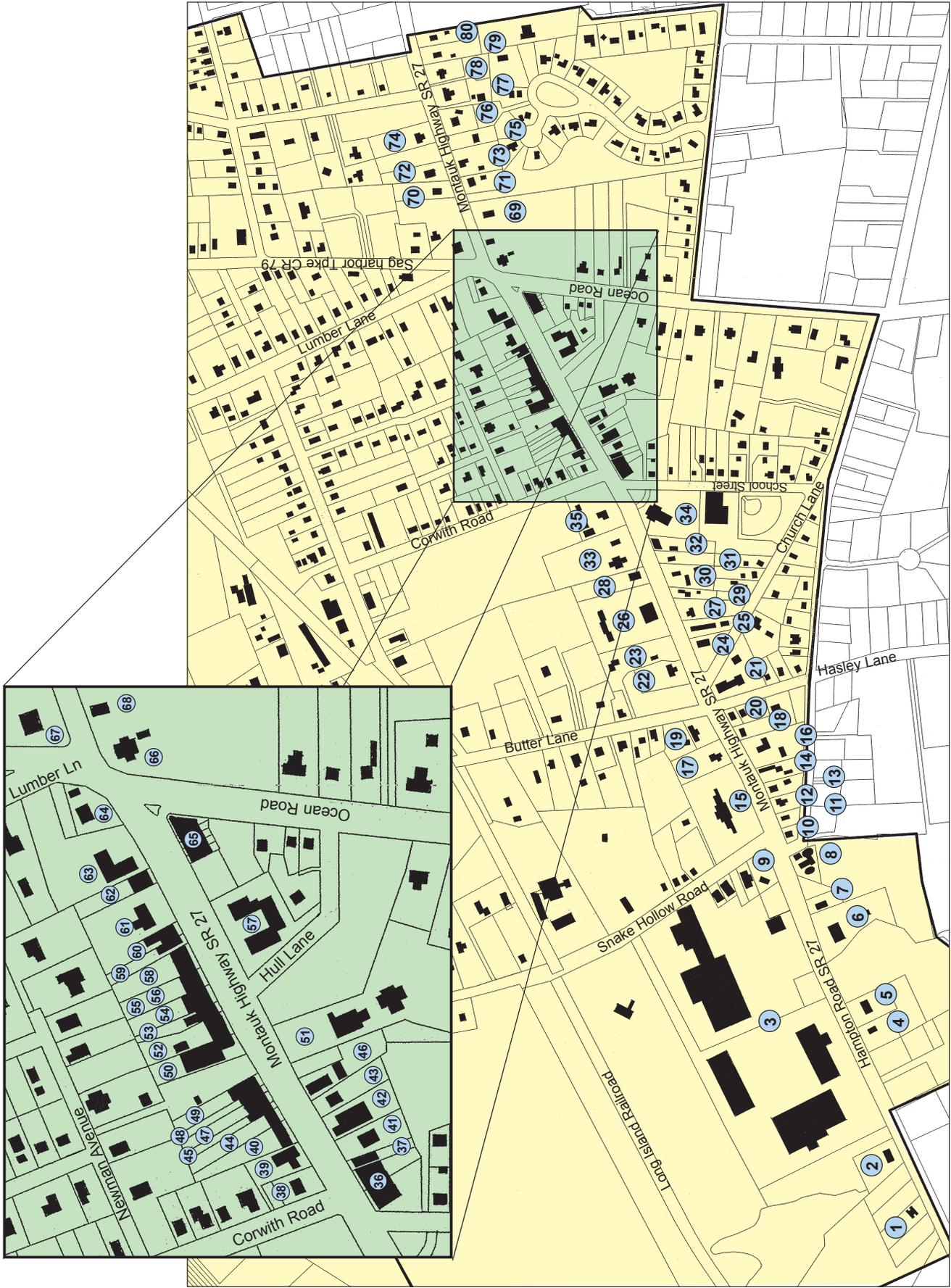
*Source: Suffolk County Department of Planning/Shopping Centers & Central Business Districts, Suffolk County, NY. (2001)*

In May 2002, Buckhurst, Fish & Jacquemart, Inc. (BFJ) conducted a field survey of the Bridgehampton hamlet center. We found that the relative proportions of the inventory categories had changed very little since the 2001 inventory done by Suffolk County Planning. The 2002 inventory identified businesses, assigned each a classification (i.e., apparel and jewelry, food and drink, professional services, etc.), and estimated the gross square footage of each based on building footprints measured from a current base map. This inventory is summarized in Table 2 and presented in detail in Table 3. Figures 8 and 9 show the location of the uses listed in Table 3; refer to Figure 10 for the commercial use identifying number for each commercial property.

According to this inventory, the study area has nearly 187,450 gross square feet of commercial space (not including the 280,000 square feet in Bridgehampton Commons). A summary of the 2002 inventory is shown below. The 2002 breakdown by category is:

- Professional services: 30%
- Business goods and services: 3%
- Home goods and services: 11%
- Apparel and jewelry: 5%
- Personal goods and services: 18%
- Food and drink: 18%
- Others: 12%

Just over half (52%) of the commercial land uses are goods and services targeted at retail consumers, while the remainder are either professional or business goods and services, or



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Figure 10. Land Uses Identification

Study Area

76 Land Use Identification (see Table 3)

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such uses as a parking lot, police substation, post office, a gas station, and two vacant or underutilized buildings. Nearly all businesses in the center have a square footage that fits in the range of 1,000 sf to 3,000 sf. A handful occupy a slightly larger range of 4,000 to 6,000 sf (Thayers Hardware, Urban Archaeology, Bridgehampton Inn bed and breakfast, and Antiques and Furnishings). The largest commercial uses in the center are Roger Schmidt's Country Market (12,000 sf), Bridgehampton National Bank (15,000 sf), and Kipling's Mortgage Appraisers (15,000 sf). The post office is a tenant in its building. This building and the vacant commercial building at 2045 Hampton Road (Montauk Highway) constitute approximately 6,000 sf of potential retail or other commercial use.

It should be noted that the Town of Southampton limited the gross square footage of individual buildings within the Highway Business HB to 15,000 square feet. This 2002 local law amending the town zoning code is aimed at reducing the potential for over-development and big box retail business along portions of Montauk Highway.

### **3.3 *Local Market Trends***

The supply of retail facilities is affected by several unique factors. The region's hamlet centers have been historically well-defined, often encircled by active agricultural land or other physical constraints that slow a district's expansion. Commercial sprawl along the roadway corridors between the centers has occurred, but at a slow-moving eastward pace. The national trend toward large-scale category dominating, big box retail facilities has not been realized to a great degree on the South Fork of Long Island east of Riverhead. As noted previously, the only large-scale shopping center on the South Fork is the Bridgehampton Commons. Riverhead's dominance in providing these large scale retail uses has likely not fully met market demand, but local land use zoning, real estate values, traffic constraints, community opposition, or other characteristics have limited expansion of the goods and services that would typically be supplied in these types of facilities into the South Fork region.

While not reflected in the census data presented in Chapter 2.0, the significant seasonal population within the town and within Bridgehampton itself presents a unique market demand. This second-home population, which at one time was present only during summer vacation, is today no longer limited to the traditional Memorial Day to Labor Day season. Southampton is not the principal residence for many of these individuals, but increasingly large and/or frequent periods of time are spent within the town in these second-home residences. The disposable incomes of many of these residents are substantially higher than many of the permanent residents of the town. This fact, combined with the longer periods of time spent within the region by these residents, results in an expanded need for personal goods and services and common sundries. These residents' purchasing power also elevates the demand for high-end consumer goods. This segmented market demand is evidenced in Bridgehampton where retail facilities catering to everyday goods and services needs are adjacent to art galleries and other high-end retail establishments that appeal to a unique and affluent market niche. Absent this market however, significant

purchasing power – driven by the increasing population and increasing incomes - still exists to drive a substantial retail market within the community.

In general, retail stores cannot generate new business or create new buying power. Retail stores can only attract customers from existing businesses within or beyond a trade area, fulfill a demand that has not been met within the trade area, or capture an increase in purchasing power that results from population, household employment or income growth. Bridgehampton's retail market is a strong segment of the local economy and will be for the foreseeable future. Based upon an analysis of existing retail characteristics, the market areas, and consumer demographics, it is clear that the mix and target markets of retail stores in Bridgehampton are more diverse than other central business districts or retail areas on the South Fork. However, existing retail space and commercial zoning are limited to a concentrated area along Montauk Highway that is only one lot deep and shared with non-commercial uses. While these factors indicate that Bridgehampton could hypothetically accommodate more retail space, the negatives weigh more heavily on the local populace than the retail possibilities. Large-scale retail and substantially more retail (even of a smaller scale) would mean more traffic, summer gridlock, and loss of local character. The trend towards higher-end regional and local markets is directly countered by a community-based trend towards strict controls on potential retail growth to curtail traffic impacts, enhance community character, and preserve open views and agricultural land.

### ***3.4 Commercial Market Recommendations***

The recommendations that follow derive from consultant analysis of the local market, discussions with local business owners, members of the project advisory committee, and the workshop participants. The recommendations have been shaped to respond to community objectives and to market reality. They are grouped below according to the two geographically distinct retail areas.

#### ***Central Business District West: Lake Road to Church Lane***

***Carvel and Surrounding Parcels.*** The site is comprised of several parcels with no active commercial uses except for Carvel Ice Cream. The town's 1999 Comprehensive Plan recommends tightly controlled additional commercial development here, "ideally employing landscape and building designs that complement the rustic and historic image of the whole Bridgehampton hamlet." The Hamlet Design Concept shows unified development here using PDD zoning, with a main driveway aligned with that of Bridgehampton Commons, across the street. In Chapter 5.0, this report presents specific recommendations on the Carvel and surrounding parcels that support and build upon the 1999 Comprehensive Plan recommendations of PDD development with strict landscape and buffer requirements.



No matter what specific development program is ultimately approved for these properties, this site is critical as a transition from the large-scale Bridgehampton Commons regional shopping center to the smaller-scale central business district. The site is a gateway: deep setbacks or significant landscaping and well-considered design elements should be employed to create a western gateway into the hamlet center and to reinforce the preferred character of the area.

Intensive retail on this site would likely exacerbate existing traffic congestion and would not improve custom for other businesses in the hamlet. It would act as an isolated draw to a regional market, much as Bridgehampton Commons does. This is a poor location for more of the specialty shops found in the hamlet center between Corwith Road and Lumber Lane/Sag Harbor Turnpike. New shops here would be isolated from the established shops, real estate services, and restaurants, and it is not as good a pedestrian environment as the existing browsing and shopping core.

For these reasons, development on this site should have a mix of medium density housing and low-scale commercial buildings, carefully designed vehicle circulation, and an architectural and landscaping presence on Montauk Highway that creates a hamlet gateway. The preferred alternative is to diminish the amount of retail that can be programmed for this site. This will be done through the new floor area restriction and by only allowing commercial uses that have less traffic impact (such as offices compared to retail). Also, the site is split into two zoning districts, with residential zoning in the rear and commercial zoning along its street frontage. The entire site should be rezoned to Mixed-Use PDD, Planned Development District, with an emphasis on residential development. We note that by limiting potential commercial uses on this site, a new set of supply-related issues is created. A smaller building size may eliminate commercial tenants with secure financing who need larger space and diminish the ability of financing a smaller project; a smaller project can in time be built but it will be more difficult in the current capital markets.

***Snake Hollow Road to Church Lane Properties.*** Just west of Snake Hollow Road, the commercial land uses change dramatically in size from Bridgehampton Commons. The parcel sizes – and thus the buildings - are considerably smaller than the shopping center or the potential development on the Carvel and surrounding parcels. The north side parcels are somewhat larger than the south side. Yet the uses serve the same complex local and regional market. The uses are a mix of commercial, retail, industrial, public, institutional and residential, and are zoned OD Office District. The community objectives for this area are to keep retail closely contained, avoid retail sprawl and out-of-scale commercial buildings, prevent loss of lot area to off-street parking, and to find ways to slow the growth of traffic on Montauk Highway. The town has proposed rezoning some portions of the existing OD areas to new HO and HC district. This study supports the creation and mapping of HO and HC districts. As the hamlet has expressed its preference for limiting commercial space supply despite the strong retail demand, any new zoning of this area should carefully revise allowed uses with respect to encouraging uses with lower traffic impacts than retail. Conversion of residential buildings to commercial uses should retain the exterior residential character of the structure. Sidewalks should be constructed to connect the stores, homes, and businesses in this area to the dense commercial core east of Corwith Road.

***Central Business District East: Church Lane to Norris Lane***

***Lumber Lane, Sag Harbor Turnpike, and Ocean Road Intersection.*** The study area for this report extends to Norris Lane. However, the community's geographic limit on acceptable retail development on Montauk Highway stops at the intersection of Lumber Lane, Sag Harbor Turnpike, and Ocean Road. The Judge Rose-Bull's Head Inn property on the northeast corner is already a low-impact commercial use and should remain so. Specific recommendations on the Hopping House site are presented in Chapter 5.



The beverage store on the northwest corner fulfills a demand, but its physical appearance is perceived as a blight on this intersection and a poor welcome to the hamlet's central business district, due to an overall messy and unmaintained appearance. Its access and parking layout, and that of the Starbucks to its west, create traffic problems at this already-difficult intersection. The town should try to effect a coordination of parking and access with the various lots at or near this corner, and close one or both of the curb cuts on the beverage store's corner lot. In Chapter 4, Transportation, this reports shows a proposed roundabout and crosswalks at this intersection.

***Other Uses and Properties.*** Just over half the businesses in the hamlet's commercial center are retail goods and services. However, local residents feel that within this strong retail showing, the target market is overweighted towards the higher income second-home residents and the transient summer visitor market. Boutique goods and services, while recognized as a fundamental element in the South Fork's retail mix, should not overwhelm or displace the basic retail needs that serve Bridgehampton's year-round population and local residents.

The overall appearance of the hamlet center is a critical element in attracting retail tenants. The center is attractive, with many street trees, interesting store windows, benches, and wide sidewalks. However, the town, working with building owners, should move aggressively to address building maintenance as well as overall design issues within the district. Traffic and the inadequacy of parking in the summer are becoming impediments to people driving from other hamlets, especially for high-priced items. Boutique and specialty shopping probably cannot be expanded much further due to traffic congestion: shoppers do not want to drive even a short distance to get to shops that already exist in kind in Southampton and Easthampton. Parking availability is critical; the town should continue its efforts to connect rear parking lots and create additional off-street municipal parking. Upper floor residences should be allowed to introduce greater variety into the local housing stock and to provide a nighttime presence to this commercial area that goes dark after business hours during the winter season.