

Valdese Downtown Retail Market Study

March 2014



*"A true downtown has a patina, a unique feel, a randomness that can't be duplicated."
Michael Stumpf, Main Street Now.*



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Background History & Demographic Information

The Town of Valdese was founded on the rich traditions of 19th century Waldensian settlers and their historic journey from the hills of Italy to Burke County, NC. The Town of Valdese was officially incorporated on February 17, 1920 and is the largest Waldensian colony in the world outside of Italy. Initially the settlers tried to make their living off the land as they had in Italy, but the area's poor soil was not productive. They turned instead to manufacturing and the post-WWI period witnessed the best economic years for Valdese, when it was recognized as the "fastest growing town in North Carolina."

The traditional economic base of Valdese was built primarily around textile, apparel and furniture manufacturing. The Waldensian Hosiery Mill opened the first mill in Valdese in 1901. In 1910, Valdese Manufacturing Company established the Town's first cotton mill. The Waldensian Baking Company was also founded during this era and went on to become one of Valdese's leading industries. As the town grew, roads were improved and trade blossomed. To meet increasing demand, the Waldensian Bakery erected a new building in 1929. Business improved across most manufacturing sectors and more mills were opened in Town.

The expansion of manufacturing brought a growth in supporting retail and other service businesses. In 1917, the Valdese Cooperative store was organized by a group of Waldenses who pooled their savings. This was the first store of its kind in Valdese and it carried a complete stock of the best merchandise in Burke County. In the 1930s, those seeking entertainment had to travel to Morganton and in those days traveling even that far was time consuming. To meet the entertainment needs of the citizens The Colonial Theater was constructed in 1931 and then in 1938 the Valdese Community Center was built by a joint effort of the local mills. In 1939, the Northwestern Bank established a branch in Valdese. The same year, the Valdese General Hospital was organized by Drs. Palmer, Lynn, Ford, and Building. Valdese prospered through World War II and into the 1980s as more manufacturing came to the area.

The primary component of the economic base has dramatically changed since the early to mid 1990's. Since 2000, 1,194 manufacturing jobs have been lost in Valdese (NC Division of Employment Security). The ripple effects of the job loss have been felt through the retail and service sectors in Town. Water and sewer services have also been impacted since many of the industries that have closed were large water consumers. Approximately 50% of Valdese workers are now employed in two industrial sectors: education, health and social services (637 jobs); and Manufacturing (365 jobs). The 2010 Census reflects the loss of manufacturing jobs and highlights the importance that education and healthcare facilities have on the employment outlook for Valdese. Current statistical data shows Burke County as having an unemployment rate of 7.3 percent and the states rate at 7.0 percent.

The average annual income in Valdese during 2011 was \$51,697. The median annual household income was \$38,032. These income levels are both considerably less than the national and state figures. For each measure, Valdese households earned incomes at 75% of national and 82% of NC rates. The 2011 American Community Survey discovered that 10% of all people and 24% of children in Valdese were in poverty. Ten percent of all families and 57% of families with a female head of household were reported to be living in poverty during 2011.

Compared with the state of NC, Valdese is doing well in the area of education attainment. In 2011, approximately 84% of Valdese's population age 25 years or older had a high school diploma or higher.

Although the percentage of those in Valdese with a Bachelor's degree is a bit lower than the state average, there are proportionally more residents in town that are high school graduates or have graduate and professional degrees.

Community Assets and Limiting Factors



Valdese has a list of community assets with the primary focus on their rich heritage.

Assets as identified during community kick-off for STMS and previous public meetings:

- Identity of Valdese as Waldensian Community
- Waldensian Heritage Museum
- Waldensian Trail of Faith
- Waldensian Winery
- Two Wall Murals in downtown area depicting the Waldensians and their history
- Outdoor Drama "From This Day Forward"
- Great Location for Day Trips
- Tourism Department Provides Itineraries and a Guide for Groups
- Walkable Central Business District
- Old Rock School and Entertainment/Social Hub
- Bluegrass Concert Series at the Old Rock School from October through April

Limiting Factors as identified during community kick-off for STMS and previous public meetings:

As any other town/city, Valdese does have its challenges. The following list identifies those challenges that generally are related to the appearance and layout of the downtown, public amenities, limited demand for commercial activity and lack of comprehensive vision for the downtown.



- Lack of a consistent vision for the Downtown Area-we must identify who we are and where we want to go
- Downtown Parking
- One Commercial Street-Main Street/US Hwy 70
- Limited Façade/Design Requirements in the Zoning Ordinance
- Condition of Buildings in Downtown-Internal and External
- Limited Retail Shopping
- Limited Building Vacancies-Shortage of Commercial Space
- Signage Issues
- Valdesse located between two cities with Big Box shopping

Valdesse was a lively and prosperous town from post WW II up until the early 1980's. The Main Street was alive with a variety of retail shops, eating establishments and a movie theater. With the decline of manufacturing and the textile industries, Main Street businesses have closed down or relocated. The goal of the Valdesse NC Main Street Program is grow the Valdesse downtown business sector into a vibrant business community with a diversity of products and services attractive to local citizens, tourists, retirees, second-home owners, and residents of the surrounding areas. The Valdesse Small Town Main Street volunteers created the following as their vision statement which shall serve to guide their current and future plans for downtown Valdesse:

"Conveniently located along Interstate 40 in the foothills of the Blue Ridge Mountains, Downtown Valdesse showcases our unique Waldensian Heritage and provides a supportive environment for new and existing businesses. Our vibrant community connects visitors and residents of all ages with opportunities for education, recreation, entertainment, dining and shopping."

Community Participation



The premise for the N.C. Small Town Main Street program is that designated N.C. Small Town Main Street (STMS) communities are served by community volunteers who must partner with the town. Designated STMS communities are towns with populations under 7,500 who do not have paid staff managing their Main Street program, but rather are all volunteers. The designated town boards/council/aldermen must annually sign a resolution agreeing to support the Small Town Main Street program by having a dedicated group of volunteers who will perform the following tasks:

- Submit their annual statistics to the Office of Urban Development,
- Have at least one person attend the N.C. Main Street Managers Basic Training following designation and as leadership changes within the organization
- Attend the N.C. Main Street conference
- For the first two years after designation, hold monthly meetings facilitated by their region's Small Town Main Street Coordinator

Most importantly, designated towns will follow the National Main Street Center's Four-Point Approach™ and follow the Eight Guiding Principles in order to achieve success. During the first year, the coordinator assists the town in developing their vision, mission, work plan and writing the Market Report. The volunteers also agree to assist with gathering the data for the report. During the second year of the program the STMS State Coordinator assists the town in developing a sustainable downtown program, redefining their Work Plan based on the Market Study data, developing strategies around specific recommendations made within this report based on the findings, setting priorities, and then starting implementation.

The community must understand that the program they are supporting is "Economic development within the context of historic preservation" and that following the Four-Points of the Main Street program and the eight guiding principles will lead to having a successful downtown. The Four-Points are:

- ❖ Organization: Building human and financial resources through public/private partnerships in order to achieve a common vision.
- ❖ Promotion: Selling a positive image of downtown based on the authentic assets of the community.
- ❖ Design: Improving the physical aspects of downtown.
- ❖ Economic Restructuring: Strengthening the existing economic assets; expanding and diversifying the economic base.

The eight guiding principles of the Main Street program that are also essential to the success are:

Comprehensive, Incremental, Public/Private Partnership, Self-Help, Identifying and Capitalizing on Existing Assets, Quality, Change and Implementation.

This study is part of the N.C. Main Street's commitment to our 2013 designated community of Valdese. Conducting the study provided opportunities for Valdese citizens, business and property owners, Town staff, and elected officials to provide ideas, which form the basis for these findings. It also provides direction for future downtown redevelopment and revitalization strategies. Public participation included:

- Citizens, Volunteers and Community Leaders including the Mayor and Council attending a Community Kick-Off event for the Valdese Small Town Main Street program
- Volunteers who conducted an intercept survey at various locations in downtown Valdese. A total sample of 154 was compiled. These surveys gave a snapshot as to what consumers were looking for in their downtown.
- Valdese downtown business owners were also asked to participate in a business survey and 25 downtown business owners responded.
- The complete results of the consumer surveys and business surveys are in the appendix of this document.

Following is a summary, arranged by categories, of the key results and findings relevant to downtown development, revitalization topics, and initiatives explored throughout the course of this study.

Development Patterns



Valdese's core is its Historic Downtown area, located on state highway 70 and approximately a mile and a half off I-40 makes downtown extremely accessible for passing motorists. With state highway 70 going from east to west on Main Street traffic moves fairly quickly through the district and there is no traffic calming outside of the stop lights at primary intersections along Main Street. According to the 2012 N.C. Department of Transportation (DOT) traffic from east to west is as follows: from east Main and Eldred (Eldred) just outside of the downtown boundaries) 6,500 increasing to 11,000 vehicles on a daily basis at east Main and

just past Carolina Avenue. Continuing from east to west the traffic counts are 10,000 to 9,700 as traffic heads west toward Morganton. Traffic counts on I-40 between the two Valdese exits indicate 42,000 vehicles pass these exits on a daily basis. (See traffic count map in appendix.)

The corridors from I-40 exits into downtown are not cluttered with the big box development there are some free standing commercial developments mainly along the highway 70 west corridors into downtown. The entrance corridor from I-40 east is a short drive into downtown and has limited commercial development; primarily some residential leading into downtown.

There appears to be adequate parking within the downtown commercial district. There is on-street parking as well as scattered off street parking lots for a total of 927 public parking spaces within the downtown district.

The tables below indicate the Public Parking locations and the estimated number of spaces:

Public Parking Locations	Est. #	Public Parking Locations	Est. #
Italy & Main	20	Rock School (Front Only)	22
Bakery	17	Waldo	30
Former Town Hall	18	Waldensian Mill (Lower)	70
Wells Fargo (1/2)	37	Total	214

Public Municipal Facilities	Est. #	On Street Parking	Est. #
Recreation Center	89	Main St.	76
Town Hall (Massell Ave.)	39	St. Germain Ave.	42
Village Park	8	Faet St. SW	23
Additional Off St. Public Spaces (These are primarily city utilities, Tiger Gym, ball fields & parks)	335	Roderat	35
Waldo	6	Total	176
Total	471	Grand Total including above	861

The topography of Valdese is very walkable and downtown Valdese has nice wide sidewalks mainly in good condition. This walkability lends itself to being promoted as such. Included in the appendix is the quarter-mile walkability radius. (See Walkability map in appendix.) The quarter-mile walkability radius begins at the center of downtown at the intersection of Roderat Street and Main. Walking a quarter-mile from the center of town on south Roderat the pedestrian would walk by the, Waldensian Heritage Museum. Traveling down Roderat to the corner of Roderat and Massel is the Valdese Town Hall. From Massel east toward Massel and Carolina Avenue this part of the walkability radius would take the walker toward the Valdese Recreational Center. From Carolina Avenue traveling north to east Main and then walking west, pedestrians pass the Bimbo Bakery Plant and their retail outlet store at 320 Main. Continuing west on Main pedestrians move into the heart of the downtown business district. Within the heart of the district walkers can experience the beauty of the Waldensian Presbyterian Church, passing green space complete with a bocce court benches

and a fountain, further west on Main is another small privately owned park used for special events and concerts. Within this quarter-mile radius walkers also reach the Historic Old Rock School and turning north on Waldensian Street that quarter-mile radius from west, circling back east by way of Bobo to north Roderat there are some commercial properties, but residential is located along north Roderat, Sanders Avenue and north Italy streets.

Sidewalks within this radius should be evaluated; not just the Main Street corridor, but all sidewalks especially from commercial to commercial district and residential to commercial. Streets should not only be evaluated for motorists, but as bicycling is a growing in popularity the town should consider as appropriate adding bike lanes from the residential developments into downtown.

Having quality contiguous connectivity within the downtown boundaries contributes to the overall positive experience. With neighborhoods within walking/biking distance of downtown it is important to recognize that poor conditions are discouraging and could contribute to not only people choosing to shop elsewhere, but people considering relocating to the Valdese area will look at how well kept the public areas of downtown are and this includes sidewalks and as whether or not the town is pedestrian/bike friendly. (See walkability radius map in appendix.)

Aesthetics and Appearances



Overall, downtown has a nice, clean safe appeal. The current streetscape was done in approximately the late 1970's. The Town of Valdese has invested in streetscape enhancements including; pedestrian scale streetlights, mast arm style stop lights and some landscaping components. Street furniture is minimal, but there are areas of downtown which includes inviting green spaces as well as public space with public art and murals interspersed throughout the downtown district. These enhancements add to the overall positive experience especially strolling the wide brick inlaid sidewalks of the Main Street.

Building materials range from red brick to stone. Some buildings have been drastically altered over the years including stucco over brick facades attempting to mimic a traditional German Village theme, or the original

stucco of the Waldensian Museum and Presbyterian Church. However, there remains an intact contiguous commercial district and many buildings still have maintained their architectural characteristics with little to no alterations. Many of the alterations that have occurred through the years can be reversed while sadly others are almost if not completely irreversible.

Downtown is not a National Historic Register District, but there is possibly enough contributing buildings, meaning buildings that have not been drastically altered within the last 50 years that have architectural appeal or are culturally significant, within the contiguous downtown boundaries for there to be a National Register District. If so, property owners who decide to undergo renovations may be able to take advantage of Historic Tax Credits if a National Register District was created. The Old Rock School came up time and time again as being a favorite when asked in the consumer survey to name what the consumer loved most about downtown. This historic structure is on the National Historic Register and while no longer serving as a school it is an iconic symbol along with the Waldensian Presbyterian Church.

While the Main Street core has had enhancements over the last decade side streets and rear facades of buildings have not had enhancements. These areas need to be considered for improvements as some appear to be in poor condition and others, such as back streets and rear entrances to buildings and facades could provide opportunities that would benefit both the business and the consumer. By providing well lit side and secondary streets and well maintained secondary sidewalks, businesses may find that customers who normally would not park in these areas would begin to use these spaces for parking.

Downtown Business Mix and Climate



The downtown retail trade area is 0.5 miles and is comprised of approximately seven blocks, 71 buildings and 116 businesses within the downtown boundaries. While there are a total of 116 businesses within the seven block area defined as downtown retail variety is limited.

Retail – According to the ESRI data, there are 30 retail businesses. Retail employs approximately 210 people of the 1,649 employees who work downtown or nearly 13 percent of the employment base.

Ownership is primarily local and relatively limited chain-linked:

Restaurants	6
Miscellaneous Retail	8
Furniture & Home Furnishings	4
Apparel & Accessory Stores	1
Auto Dealers, Gas Stations, Auto Aftermarket	5
Food Stores	4
General Merchandise Stores	1
Home Improvement	1

Lodging – There are no lodging accommodations within the 0.5 mile radius.

Services – Forty-Seven different businesses focus on providing services and range from hair salons to health, automotive, legal, and dry cleaning. This represents just over 40 percent of the downtown businesses employing over 537 or close to 33 percent.

Finance Insurance & Real Estate – There are a total of ten businesses focuses on these services three of which are banks, Savings & Lending Institutions and four are Real Estate, Holding, Other Investment Office and two Insurance Carriers & Agents.

Government – The Town Hall and Police Department are located downtown.

Manufacturing –There are eight manufacturing businesses downtown which makes up nearly seven percent of the downtown business mix it has the highest percentage of employees with 705 representing 43 percent of the employment base.

Downtown Valdese Trade Area Demographic Snapshot

The primary trade area for downtown Valdese is a three mile radius representing the most opportunity for capturing retail sales leakage (demand) based on the population and drive time. Drive time is the average time it takes for a resident to drive to another shopping destination. Within this radius there are close to 12,000 in population. This radius is the defined area that downtown business owners should focus their marketing efforts towards. Just beyond the three mile radius northwest of Valdese is Morganton, the county seat for Burke County. Valdese is also situated approximately 12 ½ to 15 miles west of Hickory.

Population

- The town of Valdese’s population is 4,492 ; only a 0.1% change since 2000
- Projected growth rate is slow
- The population within the three mile trade area is 11,996 representing 5,062 households
- At the 10 mile radius over 111,000

Households

- As of 2012, 5,062 households within the three mile market radius

Housing (within Valdese city limits)

- 89% of all homes in Valdese are occupied
- 59% of homes in Valdese are owner-occupied; only slightly higher than the state & national averages
- 30.15% of homes are renter occupied
- 10.75% of homes are vacant
- Just over 40% of homes built prior to 1959
- Median year built 1964
- Median value of Valdese homes \$128,200 versus median value of N.C. Homes \$153,600
- Median price growth since 2000 is 55.58%
- Median gross rent: \$395 as opposed to the state's median rental rate of \$759

Age and Gender

- The 2012 census data estimates the median age for the trade area population at 43.5; North Carolina's median age is 41.9
- 55% percent of the population are women; 45% percent are men

Race and Diversity

White alone	4,164 (93%)
Asian alone	138 (4%)
Hispanic	118 (2.6%)
Black alone	59 (1.8%)
Two or more races	66 (1.47%)
Native Hawaiian & Other Pacific Islander alone	7 (0.2%)
American Indian alone	4 (0.09%)
Other races alone	51 (1.14%)

<http://censusviewer.com/city/nc/valdese>

Income

- The median disposable income in the three mile trade area according to the August 2013 ESRI On-Line Business Analysis is \$28,575 with the per capita income at \$20,208. North Carolina's median income is \$46,450 and per capita is \$25,285.
- The poverty level of the Town of Valdese is just over 8 percent; North Carolina average is 11.1 percent.

Psychographic Profile



To create more effective and efficient market planning, media strategy, customer acquisition, and cross-selling and retention programs, marketers must first be able to identify and understand their most profitable customers. In order to get a “snapshot” of Valdese’s Community Tapestry for the purpose of this study the 2013 Claritas PRIZM Market Segmentation/Tapestry Snapshot was used. The primary research data can be used to reveal exactly what types of consumers are currently using your products or services. Any customer files, lists or survey data with complete addresses or at least a ZIP Code can be coded with Nielsen’s segmentation systems. This allows you to identify your best prospect segments with the greatest efficiency for effective marketing strategies that align with marketplace demands. "Nielsen MyBestSegments" is based on a "lifestyle segmentation" system called Nielsen PRIZM[®], which was originally created over 30 years ago, classifies U.S. households into one of 66 categories based on Census data, leading consumer surveys and compiled household files, and other public and private sources of demographic and consumer information.

PRIZM operates on the principle that "birds of a feather flock together." It's a worldwide phenomenon that people with similar cultural backgrounds, needs, and perspectives naturally gravitate toward one another. They choose to live in neighborhoods offering affordable advantages and compatible lifestyles. That's why, for instance, many young career singles and couples choose dynamic urban neighborhoods like Chicago's Gold Coast, while families with children prefer the suburbs which offer more affordable housing, convenient shopping, and strong local schools.¹

This snapshot is provided for free on-line by <http://www.claritas.com/mybestsegments>. More information on what the Social and Life Stages numbers mean is provided at this website and more in-depth analysis can be determined through a subscription to either Claritas or ESRI which offers similar tapestry segmentation. Below are the top five marketing segments for 28690 Valdese zip codes and again is only a “snapshot” of the various segmentations for Valdese. Below are four segmentations and are in no particular order.

¹<http://www.claritas.com/MyBestSegments/Default.jsp?ID=51&pageName=Frequently%2BAsked%2BQuestions&menu> Option=learnmore#where

#56 Crossroad Villagers | Downscale Older Without Children

With a population of white-collar couples and families, Crossroads Villagers is a classic rural lifestyle. Residents are high school-educated, with downscale incomes and modest housing; one-quarter live in mobile homes. And there's an air of self-reliance in these households as Crossroads Villagers help put food on the table through fishing, gardening, and hunting. According to the analysis, their social group is "Rustic Living" and Lifestage group is "Striving Singles". The median household income is \$31,941. Two percent of the US households are in this segment. Lifestyle and media traits include:

- Shopping at Rent-A-Center
- Fresh water fishing
- Read *Game & Fish*
- Watches The Jerry Springer Show
- Drive Suzuki Equator

Demographic traits include:

- Urbanicity: Town/Rural living,
- Income: downscale
- Income producing assets: are low
- Age range: 45-64
- Presence of Children: mainly without children.
- Homeownership: own their homes
- Employment levels: white collar, service, and mixed skills.
- Education levels: high school graduate
- Ethnic Diversity: white, black and mixed
- Two percent of the US households are in this segment

#43 Heartlanders | Lower Mid Older Mostly Without Children

America was once a land of small middle-class towns, which can still be found today among Heartlanders. This widespread segment consists of older couples with white-collar jobs living in sturdy, unpretentious homes. In these communities of small families and empty-nesting couples, Heartlanders residents pursue a rustic lifestyle where hunting and fishing remain prime leisure activities along with cooking, sewing, camping, and boating. This segment represents 1.92 percent of the US population. Lifestyle and media traits include:

- Order from QVC
- Own motor home
- Read North American Hunter
- Watch New Yankee Workshop
- Dodge Dakota

Demographic traits are:

- Urbanicity: Town/Rural
- Income: Lower Mid
- Income Producing Assets: Moderate
- Age Ranges: 55+

- Presence of Kids: Mostly w/o Kids
- Homeownership: Mostly Owners
- Employment Levels: White Collar, Mix
- Education Levels: High School Grad
- Ethnic Diversity: White

#50 Kid Country USA | Lower Mid Younger With Children

Widely scattered throughout the nation's heartland, Kid Country, USA is a segment dominated by large families living in small towns. Predominantly white, with an above-average concentration of Hispanics, these young, working-class households include homeowners, renters, and military personnel living in base housing; about 16 percent of residents own mobile homes. They are mainly middle America, mainstream families.

Lifestyle and media traits include:

- Shop at Old Navy
- Buy swing sets
- Read WWE
- Watch Noticiero Univision
- Chevrolet Sonic Flex Fuel

Demographic traits include:

- **Urbanicity:** Town
- **Income:** Lower Mid
- **Income Producing Assets:** Below Avg
- **Age Ranges:** 25-44
- **Presence of Kids:** HH w/ Kids
- **Homeownership:** Mix, Owners
- **Employment Levels:** WC, Service, Mix
- **Education Levels:** High School Grad
- **Ethnic Diversity:** White, Black, Hispanic, Mix

#57 Old Milltowns | Older Without Children

America's once-thriving mining and manufacturing towns have aged--as have the residents in Old Milltowns communities. Today, the majority of residents are retired singles and couples, living on downscale incomes in pre-1960 homes and apartments. For leisure, they enjoy gardening, sewing, socializing at veterans clubs, or eating out at casual restaurants. According to the analysis they are in the social group of "Rustic Living" and are in the Lifestage Group of "Sustaining Seniors" and this segment represents about 1.35 percent of US population.

Lifestyle and media traits include:

- Order from JCPenney
- Belong to a veterans club
- Read Hunting

- Watch Judge Joe Brown
- Ford Focus

Demographics Traits

- **Urbanicity:** Town
- **Income:** Downscale
- **Income Producing Assets:** Below Avg
- **Age Ranges:** 55+
- **Presence of Kids:** HH w/o Kids
- **Homeownership:** Mix, Owners
- **Employment Levels:** Mostly Retired
- **Education Levels:** High School Grad
- **Ethnic Diversity:** White, Black, Mix

Market Region

Our study focused on marketing opportunities within the three mile radius of downtown. Again, this three mile radius primarily represents drive time; picking the central most point of the downtown commercial core and examining a radius that represents drive time to the nearest competing market. For some studies this radius may be five miles and other towns it could be up to 10 miles. Just outside the three mile radius is the county seat of Morganton. The Valdese Small Town Main Street volunteers along with city staff conducted two different consumer surveys: one an intercept where on various days at various times and locations volunteers intercepted approximately 200 consumers. The other was an on-line survey that the town staff posted and marketed to the public. Of the 200 intercept we were able to log in 154 surveys. **(Survey graphs for intercept surveys are located in the appendix.)**

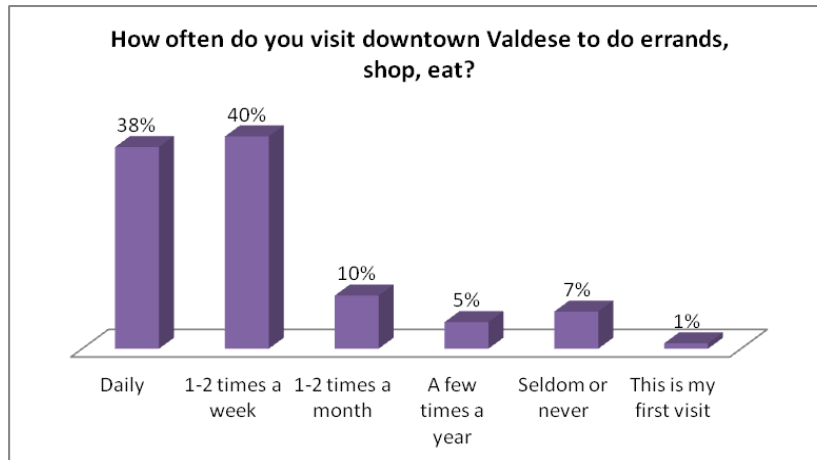
Intercept survey responses: 154 responded to the question below:

How far is your residence from downtown	Response Total	Response Percent
Downtown or w/in 2 miles	59	38%
2-5 miles	44	29%
5-10 miles	28	18%
More than 10 miles	23	15%

When asked “How far is your workplace from downtown?” The response was equally divided with 34 percent indicating they worked downtown and 34 percent answering the question was not applicable as they were some writing in they were retired.. In addition, 16 percent indicated they worked more than 10 miles away and seven and nine percent worked two to five miles away and five to 10 miles from downtown.

Attraction

A significant finding is that approximately 38 percent of the respondents when asked, “How often do you visit downtown Valdese,” responded that they did errands, shopped and/or dined in downtown **nearly daily**, and **40 percent indicated they visited downtown once or twice a week**. This means nearly 80 percent of the consumers responding visit downtown regularly.



Q. What is the main reason for customers to do business with you?	
Response:	Count
A. Variety	4
B. Customer Service	7
C. Convenience	0
D. Price of goods & services	2
E. Reputation	7
F. Other	4
Total: (1 Skipped)	24

When the downtown businesses were surveyed and asked who they thought were their “primary” customers 19 out of 25 who responded to the survey (76%) stated that “local/regional residents” were their primary customer base, but no one checked

that “Downtown Area Residents” (meaning neighboring businesses and neighboring residents) were their primary customer. The businesses also responded that the primary reasons customers did business with them was “reputation” and “customer service”. Also, out of the 25 who did complete the business survey, 12 represented the service sector, eight were retail, and one professional and three were “other”. No restaurants responded to the business surveys therefore the collected business data does not give as a complete of a snapshot as we would typically like to have.

Business development strategies *should consider the expansion and recruitment of business types that are compatible with, and could benefit from, traffic generated by service and retail business types that are most likely to attract consumers on an ongoing basis. Downtown marketing and public relations efforts might seek to expand on the sense of the downtown as a “hometown” business district and nurture an even stronger sense of Valdese brand-loyalty. This could be achieved by encouraging cross-marketing efforts as well as maintaining frequent communications that keep local residents informed of the positive changes and new*

experiences to be enjoyed downtown. The Promotion Committee could work to promote and inform both residents and business owners about downtown happenings and the Economic Restructuring Committee encourages complementary business development and expansion.

We would also recommend that within the next year the Economic Restructuring Committee survey the businesses again in order to gain a better picture of current retail and business environment. The information submitted by businesses is submitted anonymously by the NAICS Business Code and only cumulative results are given. This information would be sent to the Small Town Main Street Coordinator for evaluation and updated in a report.

Media Preferences

Q. Of the following which two media sources do you rely on for Valdese news and information:		
Response:	Response Total	Percentage
Newspaper	74	48%
Yellow Pages	8	5%
Social Media (Facebook, Twitter, etc.)	50	32%
Shoppers Guide	8	5%
Direct Mail	8	5%
AM/FM Radio	33	21%
Television	20	13%
Internet Website(s)	33	21%
Email Marketing & News Feeds	10	6%
None	13	8%
Other	19	12%
Total Respondents : 154		

Survey findings on the media preferences of consumers within the Valdese area can provide direction for effective business and downtown marketing, promotion, and cooperative advertising strategies. The information can also facilitate communicating news and proposals for changes and improvements within downtown Valdese.

When consumers were asked what primary source they most relied

on for Valdese news and information, 48 percent of the 154 responses rely on newspaper while 32 percent rely on social media.

It is also relevant to note that the majority of consumer survey participants fell into the following age ranges: 25 percent (37) were 55-64, 18 percent (27) were 45-54 and 17 percent (26) were ages 35-44. These ages are increasingly using internet and social media as their primary news source, but we still see, especially in our smaller towns with local newspapers that many consumers still take the local paper (hard copy, not e-news) to get their local news.

Internet Marketing and E-Commerce

Those who participated in the consumer survey as well as those in the business survey indicated the local newspaper is the primary source of their information. However, the median age of the primary market trade

Of the following media which two do you rely on as most effective marketing your business?	
Media Categories	Responses
Newspaper	5
Shoppers Guide	0
TV	0
AM/FM radio	5
Direct Mail	1
Internet/website(s)	1
Email marketing & news feeds	4
Social Media (FB,Twitter, etc)	6
None	0
Other	15
Total respondents:	25

area is 43.5. Trends indicate this age group and younger rely more and more on internet-based and social media for news and marketing information. The internet is a growing influence as a news resource and “google”, “tweet”, “facebook”, “snapchat”, “instagram”, “u-tube” are as much a part of the vernacular as “cell” and “telephone” were in the not-so-distant past. Nationally, retailers are realizing that website/internet marketing expands their customer base exponentially and results in positive economic impact. Firms specializing in promoting downtown businesses such as shopmainstreet.com are springing up to assist small businesses in better utilizing the internet at a relatively low cost.

With the limited number of returned Business Surveys it is hard to definitely say that Downtown Valdese businesses appear to be under-utilizing on-line marketing tools, including e-mail, but of the 25 who did respond 11 are using some form of electronic marketing whether email, internet

or facebook. When asked if they (the business) had a Facebook page, 12 responded yes, 12 no and one no response, as for internet and website: 13 responded, yes, and 12 no. Moving forward, Downtown Valdese should consider how the Internet might be optimally used to communicate with consumers and to further

downtown promotional goals.

What types of products have you bought on-line over the last 3 months?		
Products:	Response Total:	Response Percentage:
Beauty supplies	13	9%
Books	46	31%
Children's Clothing	22	15%
Flowers	9	6%
Gifts	30	20%
Hobbies & Crafts	25	17%
Home Furnishings	13	9%
Jewelry	7	5%
Men's Clothing	24	16%

Business development efforts must also consider how the growing influence of the Internet and E-Commerce might impact business retention, expansion, and recruitment strategies,

both positively and negatively. Specialty businesses that otherwise might not be sustainable if they only rely on the local trade area, but have product lines conducive to E-Commerce, may be candidates for expansion and recruitment. Conversely, consideration must be given as to how E-Commerce might pose competition for existing and desired businesses, as evidenced by the fact that more than half of those responding to the consumer survey stated they had bought products on-line within the last three months.

Competitive Comparison



Downtown Valdese retail trade area is within the eight to 10 mile range of the Burke County seat of Morganton. Morganton is the primary retail competition. At the 10 mile radius there are close to 4,900 businesses with 856 of these retail. Consumer survey participants were asked to compare Valdese to other places where they frequently shop and do business. Nothing stood out as being stronger. Responses indicated that “Variety and Selection of Shopping” is considerably weaker as well as “Variety of Dining”. These responses indicate liabilities and competitive disadvantages as perceived by the area consumer.

The table below summarizes the responses:

How does downtown Valdese compare to other places you visit?	% Stronger	% Equal	% Weaker	% Don't Know	Response Total
Variety & selection of Shopping	1%	12%	86%	1%	150
Quality of products & Services	6%	42%	49%	3%	148
Variety of dining	1%	13%	85%	1%	149
Quality of dining	7%	32%	58%	3%	159
Customer service	20%	54%	16%	10%	150
Attractiveness	27%	48%	23%	2%	148
Cleanliness	29%	61%	9%	1%	150
Quality of festivals & events	31%	53%	14%	3%	148

The reality is that Valdese sits within and between a 15 to 20 minute drive time to larger shopping areas including neighboring Morganton within Burke County which has been investing time and energy specifically

into their downtown revitalization efforts for well over 20 years as a designated N.C. Main Street program. Valdese is situated in a location that has potential for being competitive moving forward. Valdese has potential to be competitive as recent planning board recommendations are implemented along with the Town of Valdese supporting the planning board's recommendation as well as supporting the Valdese Small Town Main Street program's efforts as well.

Downtown Priorities

Consumer and business survey respondents overwhelmingly wish to see more restaurants and retail. When consumers responded to the question, "What is the first thing that should be done to improve downtown Valdese" the top answer was: attract more businesses, closely followed by, incentives for attracting new business. The following tables are the Consumer Survey responses to downtown priorities followed by the Business Survey responses to Downtown priorities:

Would you place a low, high, or moderate priority on possible downtown Valdese enhancements efforts to:					
Consumer Survey Priorities:	High	Moderate	Low	No Opinion	Response Total
A. Restore & preserve the downtown's historic character	43% (62)	41% (58)	11% (16)	5% (7)	143
B. Improve the downtown area's street, sidewalks; furnishings, green spaces, trails, lighting, etc.	37% (54)	46% (67)	13% (19)	4% (6)	146
C. Stage additional festivals and special events in downtown	26% (37)	48% (70)	21% (30)	6% (8)	145
D. Create incentives for new & expanding businesses	64% (91)	22% (31)	10% (15)	4% (6)	143
E. Improve and/or create more housing in the downtown area	19% (28)	31% (45)	39% (56)	11% (16)	145
Total Responses:					722

Would you place a high, moderate or low priority on possible Downtown Valdese efforts to:					
Business Survey Responses to Downtown Priorities:	High	Moderate	Low	No Opinion	Response Total
A. Restore & preserve the downtown's historic character	57% (13)	39% (9)	4% (1)	0% (0)	23
B. Improve the downtown area's streets, sidewalks, lighting, furnishings, green spaces, trails, etc.	41% (9)	32% (7)	27% (6)	0% (0)	22
C. Stage additional festivals & special events in the downtown	26% (6)	35% (8)	35% (8)	4% (1)	23
D. Create incentives for new & expanding downtown businesses	57% (13)	22% (5)	22% (5)	0% (0)	23
E. Improve and/or create more housing in the downtown	17% (4)	39% (9)	39% (9)	4% (1)	23
Total Responses:					114

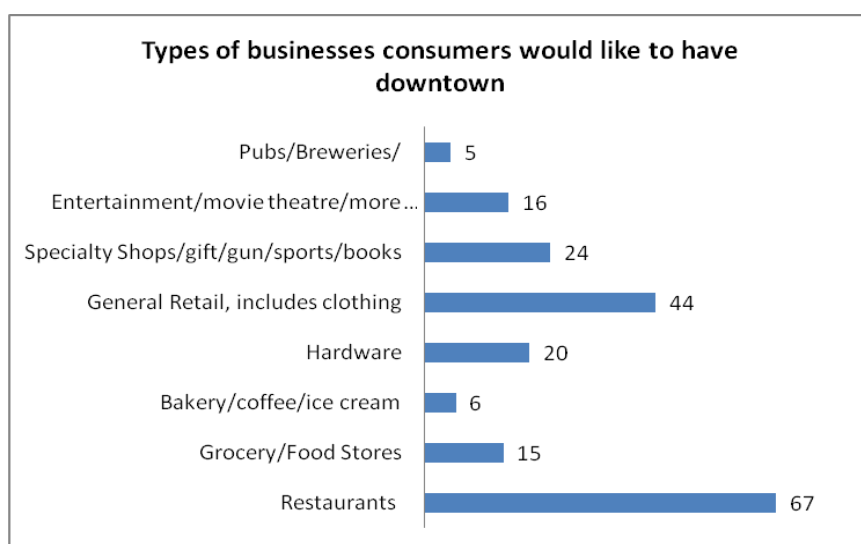
When asked, “What is the thing you love the most or wouldn’t change about downtown Valdese,” there were numerous answers, but the most frequent answers included: History, Historic Sites (Waldensian History), small town, friendly atmosphere, safety/cleanliness. These responses can all be built into the Small Town Main Street committee work plans.

Business Climate and Opportunities

Surveys were among a number of tools used to help identify and gauge the potential for possible business expansion and recruitment prospects in downtown Valdese. The information is helpful in assessing business opportunities and in identifying possible gaps in the downtown business mix.

The consumer survey included the open-ended question asking respondents to suggest up to three specific business types they would like to see downtown? The chart below denotes top responses. Also there were a few that stated pubs, breweries, a restaurant where they could have a mixed beverage, wine or beer.

These surveys should be used in identifying and gauging potential for possible business expansion and recruitment prospects in downtown Valdese. The information will be a useful tool in assessing business opportunities and in identifying gaps in business mix, especially when comparing with the ESRI data analyzing retail surplus (supply) and retail leakage (gap).



Business survey results provide a general indication of the existing climate in downtown Valdese and the potential for existing businesses in the area to expand. The findings can provide a direction for business retention and expansion efforts, including possibilities for providing business assistance programs that could stimulate and leverage private reinvestment and positive changes downtown.

Business Type

While the ESRI data indicates there are 116 businesses within the downtown district there are only 29 retail related business of which six are restaurants. Out of the total number only, 25 downtown Valdese businesses

responded to the business survey and only eight were retail with no restaurants responding; respondents were primarily service related. There are still eight manufacturing businesses within the downtown district representing the largest segment of downtown employees.

Business Ownership and Tenure

The tenure of businesses provides an indication of the business district's stability, the market's ability to sustain businesses, and the commercial district's appeal as a place for investors and entrepreneurs.

Of the 25 business respondents, 17 own their buildings; five have been in business for 10 years and seven have been in business for 21 or more years. The remaining respondents were evenly divided between being open less than a year to those who have been open from 1-4 years and 5-9 years.

Potential Business Expansion

Retention and expansion of existing businesses is a key to successful downtown business development and recruitment efforts.

In the next 2-3 years are you considering changing or modifying your business in any of the following ways:	Responses:
Expand your business	10
Down size your business	1
Expand hours of operation	2
Expand services or product lines	6
Increase number of employees	4
Start and/or complete building improvements	6
Increase Marketing	10
Closing, relocating, decreasing marketing	0

The encouraging observation is that no one stated they were considering closing their business. The respondents also were aware of the lack of retail variety and that additional retail would help sustain their business by drawing in more customers.

Occupancy Levels and Property Evaluations/Comparisons

Downtown property occupancy level was evaluated in the early fall at that time only seven percent of downtown properties were completely unoccupied. There are downtown properties with second floors that may not be occupied as well as buildings that may not be utilized at the highest and best use for that property. The first two tables give an overview of downtown properties and the third table is comparing a select few retail properties to downtown as well as considering the values of, a farmland property, a luxury residential and a historic rehabilitated property. There is a mix of retail, restaurant, service and professional services in downtown, but the overall retail diversity could be improved upon.

DOWNTOWN PROPERTIES	
Total Value for downtown property:	\$34,471,450
Total Sq. Ft. within downtown	534,571
Approximate Retail S/F	164,210
Approximate S/F Service & Professional Office Space	75,117
Manufacturing S/F (Bimbo)	155,188
Available Square Ft.	35,398
Average Age of Properties within downtown	1937
Average Sales Price	\$42,392
Average Sales Date	1995

Table Denotes Averages for Downtown Properties	
Acres	0.61
Lot Area/Sq. Ft.	26,749
Appraised Value Per Acre	\$212,787
Bld. Value	\$144,758
Land Value	\$60,845
Other Value	\$7,184
Avg. Value (Land, Bldg. & Other)	\$425,573
Value P/S/Ft	\$7.95
Value Per Acre	\$212,787
Total Fl. Area	6,853

Property Outside of Downtown	Acres	Total Floor Area	Land Value	Building Value	Other Value	Appraised Value	Value P/Sq./Ft.
Big Box Retail	22.36	219,334	\$2,144,960	\$11,755,369	\$644,000	\$14,544,329	\$14.93
Shopping Center	5.88	53,935	\$123,500	\$637,818	\$29,291	\$790,609	\$3.09
Shopping Center	7.27	40,452	\$325,635	\$1,666,363	\$97,576	\$2,089,574	\$6.60
Industry/Manufacturing	25.15	110,975	\$126,827	\$837,199	NA	\$964,026	\$.88
Farmland	34.51	NA	\$17,048	\$144,913	7,422	\$169,383	\$.11
Luxury Residential	1.62	9,120	\$26,841	\$379,124	\$66,086	\$472,051	\$6.69
Historic Rehabilitated	2.52	24,636	\$74,055	\$531,027	\$4,011	\$609,093	\$5.55
Total Average	14.8	76,409	\$405,552	\$2,278,830	\$141,398	\$2,805,581	\$5.41
Average value per acre: \$235,532							

Downtown Leasing and Sales Data

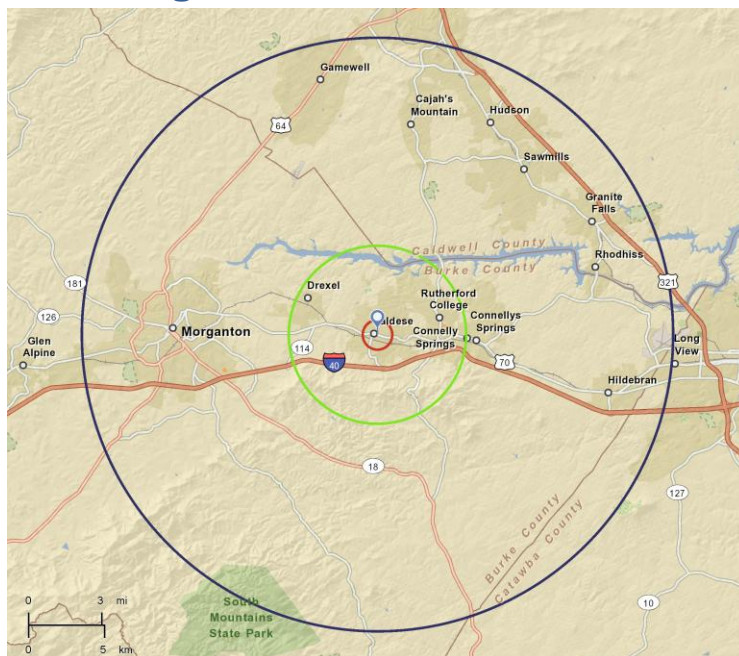
Data on downtown leasing rates and sales volume collected through the business survey provides key economic data that can be shared with potential business prospects and investors considering opportunities in downtown Valdese. The data should also be used as a benchmark to measure changes and progress stemming from Valdese downtown enhancement and economic development initiatives.

Of the 25 return business surveys, 18 responded to the question of what their rental rate while seven skipped this question and for 10 respondents this question was not applicable. Survey results indicate that annual rent per square foot expenses for ground level commercial spaces in the downtown area tend to be concentrated in a range less than \$6 per square, not including utilities. Based on a survey sample of eight businesses reporting, median annual rents are estimated to lie in a range of less than \$8.00 per square foot. Only one survey respondent reported \$20 or more per square foot.

Survey results, with 18 out of 25 responding, show that annual sales volume per square foot are concentrated in a range of from less than \$50 a square foot to \$199 a square foot. Based on the survey sample, median annual sales per square foot are estimated in a range of \$100 to \$124 per square foot.

We recommend that all retail businesses do an annual retail sales assessment in order to make sure that their sales per square foot fall into a range that is at least at the \$110 per square foot and that their rent to sales ratio is at a rate where they are not paying more in rent than they make in sales.

Estimating Retail Market Share and Potential



Defined Trade Area for Downtown Valdese is a three mile radius.

In order to obtain an indication of downtown Valdese's current market share, an analysis is performed of the potential and actual retail trade area sales, along with estimates of square feet for various retail business types. **Potential sales are an estimate of the amount of money that could be spent** on retail goods and services by residents within a defined trade area based on the area's income and population. Estimates of potential sales or **Demand** are compared to estimates of actual retail sales or **Supply** to estimate the amount of sales surplus or **Leakage**. The information within the table is from the ESRI On-Line Business Analysis and is from the retail trade area of the three-mile radius, the area that we believe based on information provided has the most potential for Downtown businesses to capture the retail gap or leakage.

Market share estimates are based on the calculation of estimates for sales per square foot, and square feet of commercial space in each category. For purposes of this analysis, market share calculations are based on an estimated average of \$110 per year per square foot with the exception of Food Services & Drinking, which are \$125 and are typically higher in sales per square foot than any other retail category. These averages are within the range of what was reported in the Business Surveys.

Retail leakage exists in many categories. The information excludes retail potential for Motor Vehicles & Auto Dealers as well as Gasoline Stations as these business categories are not as desirable for a downtown business district

Total Trade Area Estimates of Potential & Actual Sales for 3 Mile Radius of Downtown Valdese September 2013							
NAICS Code	Business Type	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap (Leakage)	15% (Est. Capture)	Sales P/S/F	Supportable S/F
442	Furniture & Home Furnishings	\$2,020,842	\$1,683,730	\$337,112	\$ 50,567	\$ 110	460
4431	Electronics/Appliances	\$2,489,602	\$2,133,512	\$356,089	\$ 53,413	\$ 110	486
444	Bldg Materials/Garden Equip Supplies	\$3,663,901	\$1,089,842	\$2,574,059	\$ 386,109	\$110	3510
445	Food & Beverage Stores	\$15,548,240	\$12,098,120	\$3,450,120	\$ 517,518	\$110	4705
446 /4461	Health & Personal Care Stores	\$9,129,347	\$6,015,399	\$3,113,948	\$ 467,092	\$110	4246
448	Clothing & Clothing Accessories	\$5,116,154	\$437,701	\$4,678,453	\$701,768	\$110	6380
451	Sporting Goods/Hobby/Musical Instruments	\$1,111,498	\$283,550	\$1,827,948	\$ 274,192	\$110	2493
452	General Merchandise	\$18,618,034	\$1,899,808	\$16,718,226	\$2,507,734	\$110	22798
453	Miscellaneous Store Retailers	\$2,674,935	\$886,980	\$1,787,955	\$268,193	\$110	2438
7222	Limited Service Eating Places	\$5,045,780	\$2,936,698	\$2,109,082	\$316,362	\$ 125	2531
	TOTAL	\$65,418,333	\$29,465,340	\$36,952,992	\$5,542,949		50,045

Sales Surplus & Leakage Analysis



Surplus indicates that trade is being pulled from outside the trade area; while leakage indicates that trade area residents are not spending at projected rates. In other words, they are making purchases outside of the trade area or through other non-traditional retail means such as mail order and internet, or some combination thereof. Potential sales and resulting surplus or leakage estimates can be viewed as a guideline for analyzing retail sector strength. Deviations from potential sales may reveal areas of opportunity in the trade area's retail sectors, keeping in mind any extenuating circumstances that may be driving the results.

Actual Sales (Supply) estimates sales to consumers by establishments. Sales to businesses are excluded. Potential Sales (Demand) represents the expected amount spent by consumers at retail establishments. Supply and demand estimates are in current dollars. ESRI BIS uses the North American Industry Classification system (NAICS) to classify businesses by their primary type of economic activity. Retail establishments are classified into 27 industry groups in the Retail Trade sector, as well as four industry groups within the Food Services and Drinking Establishments subsector.

Downtown Valdese should aim to capture those dollars that are being lost in the three mile ring/radius of downtown that are going elsewhere.

Estimate of Potential Expansion



The previous table indicates there is retail gap (leakage) in many retail categories within the three mile targeted trade area. The Trade Area Estimates Table shows that there is over \$65.4 million in retail demand within the three mile trade area and \$29.4+ in supply leaving a retail gap (or leakage of potential sales) of over \$36.9+ million. Capturing 15 percent of that retail gap/leakage could mean an additional \$5.5+ million for downtown.

Consumer surveys indicated that they strongly desired additional dining opportunities, and that shopping diversity is weak within the downtown district.

Recruiting businesses, or expanding existing, within the categories referenced in the Trade Area Table, with the goal of increasing the downtown's market share of trade area potential sales by 10 to 15 percent over the next five years. Using the data above, downtown Valdese could potentially support an additional 45,000 to 50,000+ square feet of retail at the current rate of \$110-\$125 sales per square foot on an annual basis at a capture rate of 10 to 15 percent, or about 2% to 3% per year over the next five years.

Retail Uses

Market research findings in this study provide general direction for various retail business types and merchandise lines that could be prime candidates and appropriate for expansion and recruitment within the downtown Valdese business district. While the table for Supply & Demand indicates retail gap/leakage in many retail categories within the targeted three mile trade area, it is important to focus on several things: trends in the marketplace and related findings from consumer and business surveys. As previously stated there is not enough retail business mix within the downtown and adding to the mix will enhance and improve existing businesses. Below are categories that we believe could be added to the downtown retail mix.

General Merchandise (NAICS 452): The retail gap (leakage) at the three mile radius is of over \$16.7 million. This could equate to an additional \$2.5+ million at the 15 percent capture rate over the projected three to five year expansion rate of 1.5 percent to 2.2 percent per year. General merchandise is any retail item exclusive of grocery items. This can range from cleaning supplies to paper products even clothing and accessory items but typically would exclude furniture and building supplies. While this category could be combined with Health & Personal Care since many Health & Personal Care stores often carry general merchandise and vice/versa for Valdese we recommend that business recruitment efforts or business

expansion for this category consider a general merchandise store as one that differentiates itself from discount general merchandise stores as these already exist within the downtown, three mile and ten mile radius. Business surveys also indicated that general merchandise is a desired business category.

Target Markets: Downtown Employees and Residents; Residents within the three to ten mile radius

Clothing & Clothing Accessories (NAICS 448): The retail gap(leakage) within this category is over \$4.7 million. This is a category that consumers taking the Consumer Survey indicated they would like more of within the downtown district. While clothing is often a difficult category to gauge as to what work within a downtown would district this is a category for downtown Valdese that should be carefully considered. This could be a category where an existing business could explore adding clothing to their inventory or leasing space within their store to a potential clothing store owner; in other words serve as a business incubator to someone who may desire to open a clothing store.

Target Markets: Downtown Employees and Residents; Residents within the three mile and potentially the then mile radius

Health & Personal Care Stores (NAICS 446/4461): Sales surplus and leakage point to a gap in this category within the three mile radius of over \$3.1 million. Because local pharmacies are almost a thing of the past due in part to the pressure from insurance providers and programs that require subscribers to have prescriptions filled by mail order, establishing a new locally owned pharmacy may be out of reach for downtown Valdese. However, regional pharmacy chain concepts that combine pharmacy/drug lines with some general household needs and/or limited grocery lines have found success in traditional downtown business districts. However this category could lend itself to a concept of more homeopathic type of remedies or nutritional supplements. Again this could potentially be a category that an existing business would consider expanding product lines to include health and personal care.

- Target Markets: Downtown Employees and Residents; Residents within the three mile radius

Food & Beverage Stores (NAICS 445)/includes subcategories for Grocery Store (NAICS 4451), Specialty Food Stores (NAICS 4452), Beer & Wine (NAICS 4453): The leakage in this subcategory at the three mile radius is over \$3.4 million in leakage. While it may be difficult to attract a full-line grocer into the downtown district there may be opportunity to attract specialty foods, locally grown foods, convenience food items which could be a draw in general for the downtown. Where many downtowns do have success are with specialty food items and in particular locally produced food items, those that are either made in the region or within the state. Specialty food items include craft beer and wines, sauces, cheeses, and baked goods. According to the ESRI data within the three mile radius the retail gap (leakage) is only \$88,000 and within the eight mile radius there is more opportunity with the gap being just over \$430,000 in the specialty food subcategory. Capturing 15 percent of \$430,000 equates to \$64,500 at \$110 per square foot in sales and an estimated need of 586 square feet for product. The ESRI data indicates there is no supply for the Beer and Wine subcategory within all of the retail trade area and that while demand is not great there is demand, \$32,000+ in the .05 mile radius, \$144,000+ in the three mile radius and \$907,000 in the eight mile radius. This limited leakage points

to an opportunity for a specialty store carrying craft beer and wines or a Health & Personal Care store that carries more of the mainstream beer and wine products.

- Target Markets: Downtown Employee and Residents; Residents within the three and eight mile radius

Limited Food Service & Special Food Service (NAICS 7222/7223): Analysis of sales surplus and leakage and market estimates reveals that there is opportunity for Limited Food Services within the three mile radius of downtown. The overall leakage in this category is \$2.1 million. Limited Service Dining is primarily engaged in providing food services to patrons who order or select items at a counter, food bar or cafeteria line (or order by telephone) and pay before eating. These establishments may offer a variety of food items or they may offer specialty snacks or non-alcoholic beverages. Consumer surveys indicated a strong desire for more restaurants within the downtown district, ranging from wanting more fast food to the sit down variety and fine dining. While there is overall surplus within the category of Food Services this does not mean that there isn't potential for additional restaurants within downtown, but any addition of restaurants must consider differentiation, meaning a restaurant that provided something that is a unique to the area, as well as price point, targeted customer and other factors that should be carefully researched before opening an additional full-scale restaurant.

Target Markets: Downtown Employees and Residents; Residents within the three and potentially the ten mile radius.

Initial Implementation Strategies

The Downtown Valdese Market Study provides a snapshot of the downtown area today and explores opportunities for the future. The time frame for planning and implementing downtown projects based on findings and opportunities identified as part of this study could extend up to five or more years.

Because downtown redevelopment occurs within a dynamic environment, no set of specific implantation steps can remain valid for such a long time. The ever changing economic, social, political and cultural conditions may impact the sequence in which projects can be completed. Depending on the opportunities, some projects may be implemented earlier, or the community may determine that a project should be tabled as new opportunities may emerge and take precedence. Due to these limitations, an implementation strategy can only be a general guide for implementing key aspects of the study.

The Initial Implementation Strategies summarizes and prioritizes projects and activities that, undertaken as part of a comprehensive and incremental approach to downtown enhancement, will advance long-term goals for downtown Valdese. These strategies are organized to follow the National Main Street Four-Point Approach™ of Organization, Economic Restructuring (Business Development), Promotion and Design.

The list of potential projects and actions contained in this study is neither exhaustive nor exclusive. In fact, they may seem fairly simple and obvious and do serve as an "initial" starting point for the development of a more comprehensive work plan as the Valdese Small Town Main Street begins their work together as a volunteer organization working in partnership with the Town of Valdese.

ORGANIZATION ACTION STEPS

Priority Level Key:

0 – immediate and/or ongoing 1 – within one year 2 = within two years 3 = within three years

Action Description	Priority Level
1. The Organization/Steering Committee for the Valdese Small Town Main Street program to identify project funding needs, and to identify potential funding sources/partners in order to implement projects adopted as a result of this study	0
2. Steering Committee/committee chairs should identify potential committee members and work toward recruiting and training of volunteers necessary for implementing projects and programming as a result of this study.	0
3. Work to involve residents downtown business people community leaders and representatives from other community organizations in all phases of downtown planning implementation and management. This could be done through community presentations annual Small Town Main Street reports complete with annual statistics press releases remembering to tell your story always using these methods: aurally numerically and visually.	0
4. Continue to work with the town to incorporate any appropriate existing plans that include the downtown into current and future work plans	0
5. Research and determine an on-going sustainable organizational structure that will manage the Valdese Small Town Main Street program	1
6. Budget to attend the N.C. Main Street Conference on an annual basis and as leadership changes within the Small Town Main Street Committee commit to and budget for the Chair of the program to attend the N.C. Main Street Basic Training	0

ECONOMIC RESTRUCTURING (BUSINESS IMPROVEMENT) ACTION STEPS

Priority Level Key:

0 – immediate and/or Ongoing 1 – within one year 2 = within two years 3 = within three years

Action Description	Priority Level
1. Distribute the Valdese Downtown Market Study to existing downtown business and property owners, and to potential business prospects and investors	0
2. Using the downtown property information, work with property owner of available properties to promote the availability as well as distribute the list to area realtors and brokers as changes occur and keep an up-to-date property list	0
3. Track information on downtown real estate and market conditions and trends; Considering repeating the business survey on an annual or bi-annual basis	0
4. Work with the property owners, the Town of Valdese and existing businesses to develop a comprehensive retail recruitment program utilizing this report to identify and actively recruit specific business types identified in this study and the availability of appropriate spaces	1
5. Consider additional economic incentive tools in order to encourage new or expand existing businesses (in addition to the existing Facade Incentive Grant program); i.e. – Revolving Loan Program; Sprinkler Grant Program, etc.	0
6. Along with the above: invite the State Historic Preservation Office in to do an assessment of the the downtown district to determine as to whether there is National Historic Register District potential.	1
7. Organize a Business Visitation Program as the first step toward business assistance program that engages downtown businesses, promotes available resources, and facilitates the delivery of business assistance resources as well as to identify and engage prospective businesses for expansion.	1
8. Create a brochure or fact sheet to handout to property owners listing the business types that Have been identified as a compatible, complimentary business mix for the downtown and inform them that there are potential resources through the Valdese Small Town Main Street program such as Facade renderings, business consultations and the possibility of Main Street Solutions Funding through the North Carolina Main Street program for qualifying business development Projects.	1
9. Identify and assist businesses that may be candidates for expansions based on product lines identified in the market study and interest discovered through the on-going Business Visitation Program and prospects based on business types identified in the market study and the availability of appropriate spaces.	2
10. Facilitate marketing available space and potential infill and redevelopment opportunities	2
12. Work closely with the Town of Valdese’s Planning Board to assess land use options, again utilizing past studies, to promote and pursue appropriate redevelopment opportunities including residential opportunities	3

PROMOTION ACTION STEPS

Priority Level Key:

0 – immediate and/or ongoing 1 – within one year 2 = within two years 3 = within three years

Action Description	Priority Level
1. Study the Claritas/PRIZM Tapestry segments and compare to consumer survey results in order to determine potential marketing strategies including but not limited to; retail promotions special events and general advertising	0
2. Determine best approach in which to promote existing assets working with state and regional tourism when possible	0
3. Create a Valdese website with a dedicated page to Downtown Valdese promoting downtown businesses, events, and promoting and celebrating downtown successes.	2
4. Work and support efforts to enhance and maintain existing downtown festivals and events and to introduce new events and activities – or new event components – that are consistent with downtown Valdese’s marketing strategies.	1
5. Create/update the downtown Valdese brand.	2
6. Work with the Organization Committee to Promote the work of the program including but not limited to writing press releases coordinating public relations etc.	1
7. Work with/involve downtown retail businesses to create on-going retail promotions that will increase retail revenue and showcase existing retail businesses	1
8. Promote existing public art and work with Design Committee to create more public art as appropriate	0-1

DESIGN ACTION STEPS

Priority Levels:

0 = Ongoing/Immediate 1 = Within one year 2 = Within two years 3 = Within three years

Action Description	Priority Level
1. Continue and prioritize on-going maintenance of downtown sidewalks, streetscape, furnishings and public spaces; schedule regular walk-around inspection tours to identify maintenance needs including the addition of appropriate street furnishings	0
2. Monitor and encourage connectivity to residential areas. Connectivity includes adding bike lanes, adding sidewalks as appropriate to connect to neighborhoods as walking/biking in a safe environment could increase retail sales; therefore identify areas of highest need working with the Town to encourage better connectivity to residential as well as throughout downtown.	0-1
4. Work with Economic Restructuring Committee to determine if the downtown will qualify for a National Historic Register District and if it does work with Promotions Committee and develop an educational process with property owners explaining the National Register program, the potential benefits and;	1
5. Promote best preservation practices by encouraging quality design in all work whether public or projects	0
6. Work with the Town to improve current downtown signage, and consider implementing a wayfinding signage program including, but not limited to directional signage into downtown from I-40 and US 70; Parking signage directing downtown customers to public parking spaces, and to public facilities such as Town Hall, the Museum, Old Rock School, Police, etc.	1
7. Train either current Design Committee or create a sub-committee of the Design Committee who will be responsible for reviewing and recommending approval of a Facade Incentive Grant – all applicants must meet Secretary of Interior Standards	0-1
8. Monitor and encourage beautification of downtown including, but not limited to the public and the built environment	0
9. Encourage additional public art	1-2

Conclusion

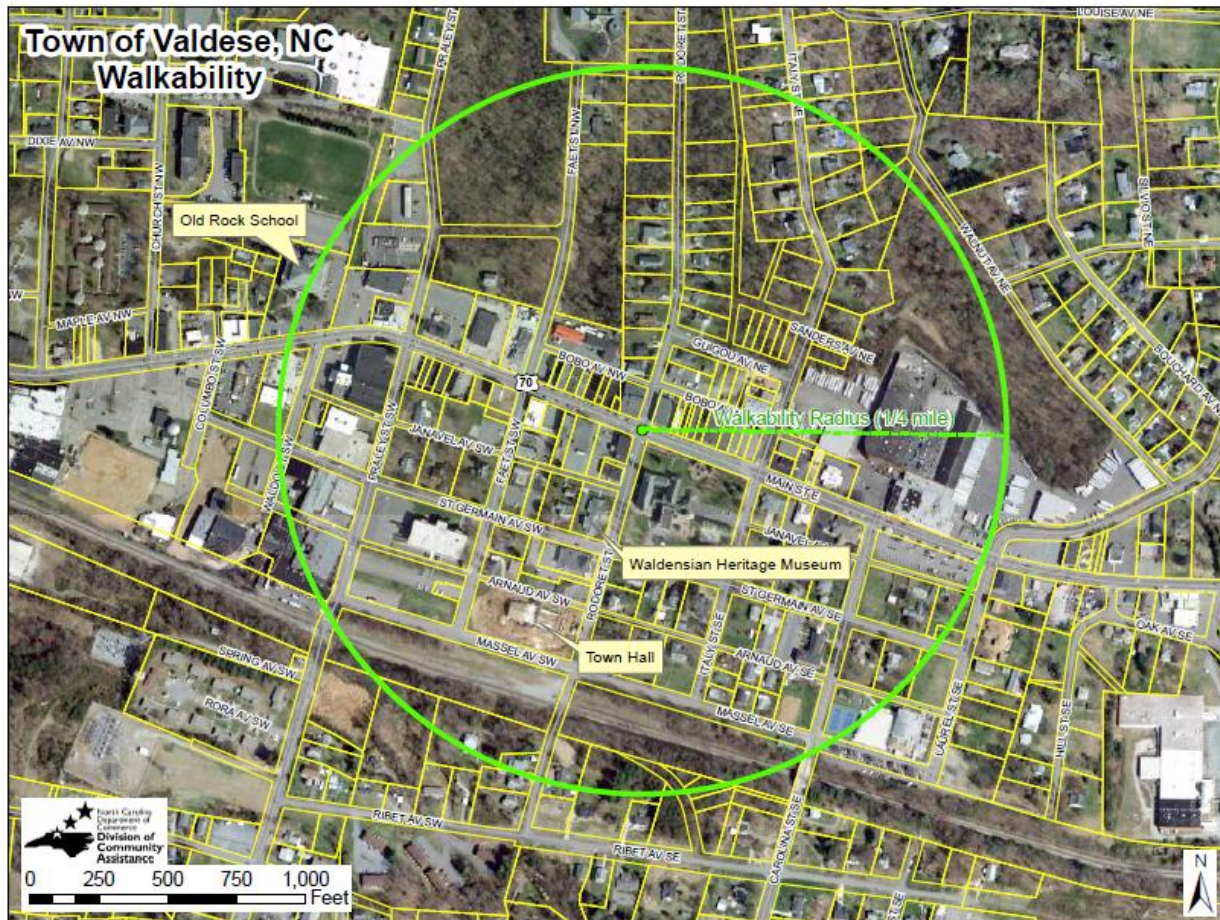
The completion of this market study is to primarily serve to assist in “jump starting” your downtown Valdese revitalization. Much of the recent data provided in this study was coalesced from the recent Planning Board’s Town Development Action Plan. This study was incorporated as appropriate as certain Town Development Actions referred to Downtown. This study also included as referenced throughout the report data gathered from the Consumer Intercept Surveys, the Business Surveys, community input and ESRI data that gave a snapshot of the demographics and the retail demand, supply, and retail gaps (leakage). This market study is also a starting point for the work ahead. We cannot stress enough the importance of sharing this information with the community, but most importantly with the existing downtown property and business owners. The next steps should be to dig deeper into the results of this study in order to develop a complete understanding of the findings and results and the implications for the downtown district.

The Implementation Strategies should serve as a guide for the current and future work of the Small Town Main Street program. These strategies need to be shared, volunteers and partners recruited. The N.C. Small Town Main Street program under the N.C. Department of Commerce, managed by the Office of Urban Development, is unique in the sense that this program unlike the N.C. Main Street program which requires part-to-full-time staff that oversees the day-to-day operation of the program, relies solely on volunteers in partnership with the town in order to achieve success. While not having a paid staff member committed to this program may seem challenging it is not impossible as the numerous towns who have embraced this Small Town program continue to demonstrate. We encourage you to encourage others in your community to participate in this program whether it is giving time to a particular project or committing to be in a leadership role or even agreeing to monetarily contribute to the growth of this program and support specific projects – just get involved. The most successful programs began and continue to remain successful because people in the community care enough to give their time. This is an inclusive program that seeks input, collaboration, and consensus.

This study has helped to identify current priorities, existing challenges and potential threats, but it also shows great opportunities if you do embrace change and a willingness to work together for the greater good of the community. This study does not pretend to have all the answers; again, it serves as a jumping off point.

Finally, we must thank Mayor Jim Hatley, Mayor Pro Tem, Susan Stevenson, and the Valdese Town Council Chip Black, Keith Ogle, Gary Delp, and Frances Hildebran, who agreed to support this program, by signing a Resolution of Support upon designation as a 2013 N.C. Small Town Main Street, and Town Manager Jeff Morse, and Town Planner, Larry Johnson who have also shown support for this program. Also, many thanks to Barbara Hefner, Valdese Tourism and Public Affairs Director who has coordinated and facilitated this program on the local level and recruited the following to serve as the Organizational/Steering Committee: Deborah Ferris, Matt Ferris, Roy Sweezy, Tap Powell, Tammy Pruitt, Carla Berry, Anthony Collins, Mark Rostan, Libby Braswell, David Smith, and Mike Shoupe, WT Sorrells and Laurie Bradshaw with the Western Piedmont Council of Governments.

APPENDIX BEGINS





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VALDEZE POP. 4,337

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Downtown Valdese Business Survey Results October 2013

SelectSurveyASP Advanced

Survey Results -- Overview

[Export Data](#)
[Individual Responses](#)

Valdese Business Survey

Respondents: 25 displayed, 25 total

Status: Open

Launched Date: 12/02/2013

Closed Date: N/A

Display:

[Manage Filters](#)

0 filters

[Share Results](#)

Disabled

1. Which of the following best describes your primary business type?


		Response Total	Response Percent
Retail		8	32%
Service		12	48%
Professional/Office		1	4%
Financial/Banking		0	0%
Eating/Drinking Place		1	4%
Entertainment		0	0%
Manufacturing		0	0%
Non-Profit		0	0%
Other, please specify view		3	12%
Total Respondents		25	

2. Do you own or rent your business?



		Response Total	Response Percent
Own		6	26%

Rent		17	74%
		Total Respondents	23
		(skipped this question)	2

3. How long has your business been located in downtown Valdese?

		Response Total	Response Percent
Less than a year		4	17%
1-4 years		4	17%
5 - 9 years		4	17%
10-20 years		5	21%
21 years or longer		7	29%
If longer than 21 years please specify:		0	0%
		Total Respondents	24
		(skipped this question)	1

4. Which of the following best describes your primary customer base?

		Response Total	Response Percent
Local/regional residents		19	76%
Downtown area employees		0	0%
Visitors & tourists		5	20%
Other, please specify view		1	4%
		Total Respondents	25









5. Which one of the following best describes your main reason for customers to do business with you? (select one answer)

		Response Total	Response Percent
Selection & variety		4	17%
Customer service		7	29%
Convenience		0	0%
Price of goods & services		2	8%
Reputation		7	29%
Other, please specify view		4	17%

Total Respondents 24

(skipped this question) 1

6. Of the following media, director marketing & advertising resources, which two(2) are most effective for your business?

		Response Total	Response Percent
Newspaper		5	20%
Shoppers guide		0	0%
TV		0	0%
AM/FM radio		5	20%
Yellow Pages		1	4%
Direct Mail		1	4%
Internet/website(s)		4	16%
Email marketing & news feeds		1	4%
Social media (FB, twitter, etc.)		6	24%
None		0	0%
Other, please specify view		15	60%
Total Respondents		25	



7. Does your business have an Internet website?

		Response Total	Response Percent
Yes		13	52%
No		12	48%
Total Respondents		25	




8. Does your business have a Facebook page?

		Response Total	Response Percent
Yes		12	50%
No		12	50%
Total Respondents		24	
(skipped this question)			1

9. Would you consider participating in a collaborative marketing campaign for downtown Valdese?

		Response Total	Response Percent
Yes		4	17%
No		3	13%
Maybe		16	70%
Total Respondents		23	
(skipped this question)			2

10. Would you consider participating in a downtown extended hours promotion or event if other businesses participated?





		Response Total	Response Percent
Yes		6	25%
Maybe		14	58%
No		4	17%
Total Respondents		24	
(skipped this question)			1

11. What type of business or attractions, located in Downtown Valdese, would help your business and/or have the best chance to succeed? (List up to three (3) be specific)









View responses to this question [view](#)

Total Respondents **16**
(skipped this question) 9

12. Which category describes the likelihood for your business to expand within the next 1 or 2 years?

		Response Total	Response Percent
None or Very Low		4	17%
Low		4	17%
Moderate		10	43%
High		2	9%
Very High		3	13%
Total Respondents		23	
(skipped this question)			2

13. In the next year or two, do you plan to change or modify your business in any of the following ways? (check all that apply)

		Response Total	Response Percent
Expand your business		10	53%
Downtown size your business		1	5%
Expand hours of operation		2	11%
Decrease hours of operation		0	0%
Expand services or product lines		6	32%
Decrease Services or product lines		0	0%
Increase number of employees		4	21%
Decrease number of employees		0	0%
Start and/or complete building improvements		6	32%
Relocate your business w/in downtown		0	0%
Move your business out of the downtown district		0	0%
Sell your business		0	0%
Close your business		0	0%
Increase Marketing		10	53%
Decrease marketing		0	0%
Other, please specify view		1	5%
Total Respondents		19	
(skipped this question)			6

14. Which category includes your annual rent per square foot expense? (Monthly rent X 12) /square feet occupied will give you the answer)

		Response Total	Response Percent
Less than \$6 p/s/ft		6	33%
\$6 to 7.99		0	0%
\$8 to 9.00		1	6%
\$10 to 11.00		0	0%
\$12 to \$14		0	0%
\$15 to \$19.99		0	0%
\$20 or more p/s/ft.		1	6%
Not applicable		10	56%
Total Respondents		18	

(skipped this question) 7

15. Which of the following (if any) are included in the rent amount indicated in Question #14? (check all that apply)

		Response Total	Response Percent
Property taxes		3	38%
Utilities		5	62%
Trash/recycling pick-up		6	75%
Total Respondents		8	
(skipped this question)			17

16. What is your annual sales volume per square foot? (Gross annual sales (revenues)/Sq. ft. occupied)

		Response Total	Response Percent
Less than \$50 p/sq./ft		5	26%
\$50 to \$99		1	5%
\$100 to \$149		2	11%
\$150 to \$199		3	16%
\$200 to \$249		0	0%
\$250 to \$299		0	0%
\$300 to \$400		0	0%
\$400 or more p/sq/ft.		0	0%
Not Applicable		8	42%
Did not answer the question		0	0%
Total Respondents		19	
(skipped this question)			6

17. List three single words that best describe downtown Valdese area today:

View responses to this question [view](#)

Total Respondents 19
(skipped this question) 6

18. Would you place a high, moderate or low priority on possible Downtown Valdese efforts to:

High **Moderate** **Low** **No Opinion** **Response**

					Total
18.1 Restore & preserve the downtown's historic character	57% (13)	39% (9)	4% (1)	0% (0)	23
18.2 Improve the downtown area's streets, sidewalks, lighting, furnishings, green spaces, trails, etc.	41% (9)	32% (7)	27% (6)	0% (0)	22
18.3 Stage additional festivals & special events in the downtown	26% (6)	35% (8)	35% (8)	4% (1)	23
18.4 Create incentives for new & expanding downtown businesses	57% (13)	22% (5)	22% (5)	0% (0)	23
18.5 Improve and/or create more housing in the downtown	17% (4)	39% (9)	39% (9)	4% (1)	23
				Total Respondents	114

19. What is the first thing that should be done to improve downtown?

View responses to this question [view](#)

Total Respondents **17**

(skipped this question) 8

20. What is the thing that you love most, or that you would never change about downtown?

View responses to this question [view](#)

Total Respondents **20**

(skipped this question) 5

VALDESE CONSUMER INTERCEPT SURVEY RESULTS OCTOBER 2013

SelectSurveyASP Advanced



Survey Results -- Overview

Export Data

Individual Responses

VALDESE CONSUMER INTERCEPT SURVEY

Respondents: 154 displayed, 154 total

Status: Open

Launched Date: 03/07/2014

Closed Date: N/A

Display:

Display all pages and questions

Manage Filters

0 filters

Share Results

Disabled

1. How far is your residence from Downtown?

		Response Total	Response Percent
Downtown or within 2 miles		59	38%
2-5 miles		44	29%
5-10 miles		28	18%
More than 10		23	15%
Total Respondents		154	

2. How far is your workplace from Downtown Valdese?

		Response Total	Response Percent
I work downtown		51	34%
2-5 miles		11	7%
5-10 miles		14	9%
more than 10		24	16%
not applicable		52	34%


Total Respondents 152

(skipped this question) 2

3. How often do you visit Downtown Valdese to do errands, to shop, or for eating and drinking?

		Response Total	Response Percent
Daily		58	38%
1-2 times a week		61	40%
1-2 times a month		16	10%
A few times a year		7	5%
Seldom or never		10	7%
This is my first visit		1	1%
		Total Respondents	153
		(skipped this question)	1

4. Is there a specific type of business that would make you visit downtown more often?

		Response Total	Response Percent
Yes		116	83%
No		23	17%
		Total Respondents	139
		(skipped this question)	15




5. Please list:

View responses to this question [view](#)

Total Respondents 126

(skipped this question) 28

6. What types of products have you purchased over the internet over the last 3 months?






		Response Total	Response Percent
Beauty supplies		13	9%
Books		46	31%
Children's Clothing		22	15%

Flowers		9	6%
Gifts		30	20%
Hobbies & Crafts		25	17%
Home Furnishings		13	9%
Jewelry		7	5%
Men's Clothing		24	16%
Pharmacy		17	11%
Specialty Foods		15	10%
Sporting Goods		20	13%
Women's Clothing		36	24%
Other		16	11%
None		54	36%
		Total Respondents	149
		(skipped this question)	5

7. How does downtown Valdese compare to other places you visit?

	Stronger	Equal	Weaker	Don't know	Response Total
Variety & selection of shopping	1% (2)	12% (18)	86% (129)	1% (1)	150
Quality of products & services	6% (9)	42% (62)	49% (72)	3% (5)	148
Variety of dining	1% (2)	13% (19)	85% (126)	1% (2)	149
Quality of dining	7% (10)	32% (48)	58% (87)	3% (5)	150
Customer Service	20% (30)	54% (81)	16% (24)	10% (15)	150
Attractiveness	27% (40)	48% (71)	23% (34)	2% (3)	148
Cleanliness	29% (43)	61% (91)	9% (14)	1% (2)	150
Quality of festivals & events	31% (46)	53% (78)	14% (20)	3% (4)	148
Total Respondents					1193

8. Of the following which two media sources do you rely on for Valdese news and information:

		Response Total	Response Percent
Newspaper		74	48%
Yellow Pages		8	5%
Social Media (Facebook, Twitter, etc.)		50	32%
Shoppers Guide		8	5%
Direct Mail		8	5%

AM/FM Radio	<div></div>	33	21%
Television	<div></div>	20	13%
Internet Website(s)	<div></div>	33	21%
Email Marketing & News Feeds	<div></div>	10	6%
None	<div></div>	13	8%
Other	<div></div>	19	12%
Total Respondents		154	

9. Would you place a low, high, or moderate priority on possible downtown valdese enhancements efforts to:

	High	Moderate	Low	No Opinion	Response Total
Restore & preserve the downtown's historic character	43% (62)	41% (58)	11% (16)	5% (7)	143
Improve the downtown area's street, sidewalks; furnishings, green spaces, trails, lighting, etc.	37% (54)	46% (67)	13% (19)	4% (6)	146
Stage additional festivals and special events in the downtown	26% (37)	48% (70)	21% (30)	6% (8)	145
Create incentives for new & expanding businesses	64% (91)	22% (31)	10% (15)	4% (6)	143
Improve and/or create more housing in the downtown area	19% (28)	31% (45)	39% (56)	11% (16)	145
Total Responses					722

10. What is the first thing that should be done to improve downtown Valdese?

View responses to this question [view](#)

Total Respondents 121

(skipped this question) 33

11. What is the thing you love the most or would never change about downtown Valdese?



View responses to this question [view](#)









Total Respondents 125






(skipped this question) 29

12. What is the zip code of your primary residence?

		Response Average
View responses to this question view		28,648.3
Total Respondents		144
(skipped this question)		10

13. What is your gender?		
		Response Total Response Percent
Female		94 63%
Male		55 37%
Total Respondents		149
(skipped this question)		5

14. Which category below includes your age?		
		Response Total Response Percent
19 or younger		5 3%
20-24		6 4%
25-34		11 7%
35-44		26 17%
45-54		27 18%
55-64		37 25%
65-74		26 17%
75 or older		11 7%
Total Respondents		149
(skipped this question)		5

15. How many people including yourself live in your household?		
		Response Total Response Percent
1		27 18%
2		46 31%
3		38 26%
4		22 15%
5		12 8%

6 or more		3	2%
		Total Respondents	148
		(skipped this question)	6

16. Which category below includes your estimated gross annual household income?

		Response Total	Response Percent
Less than \$15,000		10	8%
\$15,000 to \$24,999		12	9%
\$25,000 to \$34,999		11	9%
\$35,000 to \$49,999		24	19%
\$50,000 to \$74,999		34	26%
\$75,000 to \$99,999		18	14%
\$100,000 to \$149,999		11	9%
\$200,000 or greater		9	7%
		Total Respondents	129
		(skipped this question)	25