



Rutherfordton
A MINTED ORIGINAL

**DOWNTOWN RUTHERFORDTON
BUSINESS DEVELOPMENT PLAN**

**GREENBERG DEVELOPMENT SERVICES
OCTOBER 2019**

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*The following report is divided into two sections: **Section I. Action Plan Recommendations** outlines specific activities or strategies for strengthening and diversifying downtown businesses and accelerating the pace of reinvestment. **Section II. Market Analysis** provides an assessment of specific issues, assets and opportunities that impact business activity and provides for a review of relevant market trends that will provide support for new business activity over the next five years.*

SECTION I. RECOMMENDATIONS

The following section summarizes recommendations for accelerating the pace of reinvestment and attracting new businesses to downtown. While some activities could be implemented over the next three years, other will require new funding or stronger volunteer support to implement. It is important that future business attraction activities be coupled with a strong business assistance program that focuses on design, special events and business skill assistance as well as a place-making program that could help improve downtown infrastructure, public gathering spaces and overall curb appeal.

1. OVERVIEW

Downtown Rutherfordton is a small, compact, historic district with a strong sense of place. While downtown's tenant mix will continue to evolve in response to changes in consumer behavior and competition, downtown will continue to play a key role in helping the town attract and retain higher paying jobs and residents. Increasingly, today's younger workforce prefers to live or work in communities with attractive, walkable downtowns occupied by restaurants, eclectic retailers and personal services. While there is still work to be done, Rutherford Town Rising has implemented a variety of activities that have helped to build a stronger foundation for economic activity in the downtown. While it is important to continue these efforts, GDS recommends that RTR work with downtown stakeholder on other projects that would accelerate this transformation. Implementing these projects will require a larger pool of volunteers, stronger partnerships with key stakeholders and new funding resources.

1.1. GOALS

Recommendations found in this report are based on the following three goals.:

- **Goal 1: Fill Vacancies through a Business Recruitment Campaign.** RTR should focus on projects that will help property owners and their realtors renovate and lease vacant or underutilized property through data analysis, financial incentives, marketing and tenant outreach assistance.
- **Goal 2: Improve Business Performance through a Business Assistance Program.** RTR should support business activity through activities that help to improve sales space, increase foot traffic, and connect businesses and property owners to available financial and technical resources.
- **Goal 3: Improve Downtown's Image Through Place-Making Projects.** RTR should improve downtown's image and encourage customers to linger longer by focusing on projects that enhance downtown authenticity, improve pedestrian safety and increase connectivity through streetscape, wayfinding and parking improvements.

1.2. SUMMARY OF RECOMMENDATIONS

The following table summarizes the recommendations found in this report.

2. BUSINESS RECRUITMENT	TIMEFRAME		
2.1 DATA BASE <ul style="list-style-type: none"> • Building Inventory • Property Owner Information • Business Surveys • Submarkets Surveys Lead: EV Committee Partners: ICC	SHORT TERM	MID TERM	LONG TERM
	X		
	X		
		X	
		X	
2.2 MARKETING DOWNTOWN <ul style="list-style-type: none"> • Video/Brochure • Website • Tours • Fact Sheets • Signs Lead: EV Committee Partners: Property owners and Realtors	SHORT TERM	MID TERM	LONG TERM
		X	
		X	
			X
		X	
		X	
2.3 ANCHORT TENANTS <ul style="list-style-type: none"> • Housing • Indoor Market • Brewery • Co-Share Office • Medical or Ed Anchor • Legal Grounds • Pop-Up Shop Lead: EV Committee Partners: Realtors, PO, Town, Investors.	SHORT TERM	MID TERM	LONG TERM
		X	
		X	
	X		
	X		
		X	
			X
	X		
2.4 TENANT LEADS <ul style="list-style-type: none"> • Identify Local Leads • Identify New Business Leads • Contact/Approach Lead: EV Committee Partners: Realtors, PO	SHORT TERM	MID TERM	LONG TERM
			X
		X	
			X
2.5 TARGETED ASSISTANCE <ul style="list-style-type: none"> • Wish I was campaign • Broker Tours • Priority Funding • Canvassing for Leads Lead: EV Committee Partners: Town, Property Owners, Realtors	SHORT TERM	MID TERM	LONG TERM
	X		
	X		
		X	
		X	

SUMMARY OF RECOMMENDATIONS: continued

3. BUSINESS ASSISTANCE	TIMETABLE		
3.1 STOREFRONT IMPROVEMENTS <ul style="list-style-type: none"> • Exterior Improvements • Activate Vacant windows • Interior Improvements <p>Lead: Design Committee Partners: Business, PO</p>	SHORT TERM	MID TERM	LONG TERM
	X		
	X		
	X		
3.2 TARGETED PROMOTIONS <ul style="list-style-type: none"> • Families • Green Consumer • Millennials • Outdoor Enthusiasts • Home Décor Cluster • Health and Wellness Cluster • Restaurants and Drinking Cluster <p>Lead: Promotion Committee Partners: Business, PO</p>	SHORT TERM	MID TERM	LONG TERM
	X		
		X	
		X	
		X	
	X		
	X		
	X		
3.3. BUSINESS SKILLS <ul style="list-style-type: none"> • Longer Store hours • Business Bootcamp • Awards and Recognition <p>Lead: EV or Promotion Committee Partners: Chamber, ICC, Business, PO</p>	SHORT TERM	MID TERM	LONG TERM
			X
		X	
		X	
3.4 FINANCIAL TOOLS <ul style="list-style-type: none"> • Historic Tax Credits • SBA • USDA • Building Improvement Loans • Fire Suppression Grants • LLC <p>Lead: EV Committee Partners: Town, County, VEDIC, SBDC, Lenders, Foundation, Investors</p>	SHORT TERM	MID TERM	LONG TERM
	X		
	X		
	X		
		X	
		X	
		X	

SUMMARY OF RECOMMENDATIONS: continued

4. PLACEMAKING	TIMETABLE		
4.1 DOWNTOWN MASTER PLAN <ul style="list-style-type: none"> • Streetscape • Parking <p>Lead: Design Committee Partners: Town, NCDOT, businesses and property owners.</p>	SHORT TERM	MID TERM	LONG TERM
			X
		X	
4.2 COURT STREET PLAN <ul style="list-style-type: none"> • Place-Making • Streetscape • Building Improvements • Leasing Plan <p>Lead: Design Committee Partners: Town, businesses and property owners.</p>	SHORT TERM	MID TERM	LONG TERM
		X	
		X	
		X	
		X	

1.3. ACTIONS FOR 2020

Below is a summary of ten activities that could be accomplished next year based on current funding and volunteer capacity.

1. Develop a downtown data base using intern from local community college or Appalachian University. (2.1.)
2. Improve website (2.3)
3. Establish a taskforce to explore opportunities for a new brewery, a pop-up store and medical anchor. (2.4.)
4. Arrange a field trip to view housing projects in surrounding communities (2.5.)
5. Identify 2-3 property owners interested in a targeted recruitment assistance program (2.5).
6. Activate vacant windows through window decals or displays. (3.1.)
7. Develop 1 new event that focuses on key lifestyle or business segment (3.2.)
8. Develop a business competition event to identify new business leads. (3.3)
9. Talk with area SBA and USDA staff about establishing new loan program for Rutherfordton businesses (3.4.)
10. Work with Court St. businesses and property owners to identify simple improvements to improve appearance of street. (4.2.)

2. RECOMMENDATIONS: BUSINESS RECRUITMENT

Greenberg Development Services (GDS) was hired by the town of Rutherfordton to identify opportunities for new business activity and strategies for filling vacant space in the downtown study area. As background for this report, GDS reviewed customized demographic and retail sale reports generated by Esri Business Solutions, a data analytics company as well as previous downtown studies and master plans. Recommendations found in this report are based on fieldwork conducted during the summer and fall of 2019 and information gathered through an on-line survey and interviews with key stakeholders.

Based on our interviews with the RTR Board, property owners and realtors, we believe that RTR could play a greater role in helping property owners and their realtors find stronger tenants and improve available inventory. Downtown organizations approach business recruitment in a variety of ways depending on overall vacancy rates, property owner support and organizational capacity. While downtown property owners or their Realtors are responsible for the sale or leasing of their property, they often need help understanding the changing marketplace, as well as help marketing their buildings to prospective tenants. In addition to marketing assistance, many property owners also could use help finding funding for renovation projects. Below are recommendations that could be implemented by RTR with support from downtown property owners, local government and other downtown stakeholders.

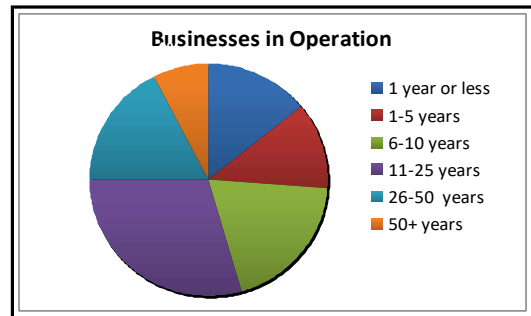
2.1. DOWNTOWN DATA BASE

While RTR has collected some business and property information, additional information is needed to better track trends and help influence investment decisions. While data collection is time consuming, it is an important component of a successful business attraction program as it provides the basis for making good investment decisions. In addition to maintaining a property and business inventory, RTS should document changes in property values, rents and business activity through a variety of on-line surveys and interviews. Below is a summary of the key data base elements that should be collected on a regular basis.

- **Building Inventory.** RTR should maintain a downtown real estate data base using either the template available from NC Main Street or other on-line data management systems. The inventory should include:
 - General information including contact information, sale or lease rates, available square footage and tenants
 - Summary of known code issues.
 - List of buildings available for sale or rent.



- **Property Owner Information.** RTR should meet with property owners on an annual basis to discuss their plans for their buildings and the type of assistance needed to bring the building up to code or more fully utilize. Information that should be clarified during the interview:
 - Reasons for owning the building.
 - Their interests or skills.
 - Their short and long-term plans for the building including succession plans.
 - The type of financial assistance needed.
- **Business Inventory.** RTR should meet with business owners on an annual basis to identify common practices and business assistance needs. Information that should be clarified through interviews or surveys:
 - # of employees.
 - Store hours.
 - Location of employee parking.
 - Annual Sales.
 - Target customers.
 - Future plans for business
 - Business assistance desired.
- **Sub-market Surveys.** In addition to gathering information on downtown properties and businesses, RTR could survey key sub-markets to document opportunities for new businesses. Key submarkets that could be evaluated through surveys, focus groups or interviews include:
 - Downtown employees.
 - Visitors attending downtown events or attractions.
 - Employees working in major companies (county, hospital, schools etc.).



2.2. MARKET DOWNTOWN OPPORTUNITIES

Marketing is all about awareness. Too often, a prospective tenant’s impression of the downtown area is based on erroneous or dated information. While downtown marketing campaigns can take many forms, they often include creative fact sheets, brochures, videos and creative listing signage that together can help highlight downtown’s unique opportunities and advantages to prospective investors or new businesses. GDS recommends that RTR work with property owners and their Realtors to increase regional awareness about downtown Rutherfordton through the following activities.

- **Brochures or Videos.** RTR should supplement existing videos and brochures with new products that highlight the reasons why a business should locate downtown. (See [Definitely Deland](#) video, Deland FL.).
 - The product should include testimonials from local businesses on why they love downtown.



- The product should highlight a recent project, a new tenant as well as few available sites.
- The product should be updated regularly as information changes.

- **Website.** While RTR’s website has several useful features including a page for property owners to list available buildings for rent or sale, there are several simple changes that would help improve its effectiveness as a business recruitment tool. We recommend that RTR make the following changes:

- Consolidate the www.myrutherfordton.com and www.rutherfordtown.com into one site.
- Make sure the revised site is listed on the Chamber of Commerce, County and Town’s websites as well as other government agencies that focus on economic development.
- Add an interactive map on the opportunity page that would show available sites and link to a realtor or owner’s website.
- Standardize and reduce amount of information displayed on RTR’s opportunity page to improve effectiveness.
- Add a new page that summarizes financial incentives and area resources called “*Business Resources*”.
- Add a new page that highlights market data and lists desired businesses called “*Market Opportunities*”.
- Review Morganton, Lenoir, Shelby and Asheboro’s websites for other ideas for improving RTR’s website.



- **Investor or Broker Tours.** RTR could increase regional awareness for downtown sites by developing annual tours.
 - Add a “virtual” tour of downtown and available property on the website.
Work with local property owners to host an on-site tour for potential investors and developers from the Ashville, Greenville, Brevard and Hendersonville areas. (([See Tarboro open house](#)).



- **Property Fact Sheets.** RTR could work with interested property owners to develop fact sheets that can be used to better market vacant downtown property. In addition to listing relevant information about the building, the fact sheets can summarize available incentives, on-going events or desired tenants.



- **Downtown Opportunity Signs.** RTR should work with interested property owners to supplement standard real estate listing signs with creative signage that better highlights available space.

- Window signs can be purchased from local sign company.
- Vinyl signs can be purchased from banner companies. (Contact Design Graphic Network for prices and examples)



2.3. KEY ANCHOR PROJECTS

Below is a summary of seven key projects that would help anchor future business recruitment efforts. RTR should work with interested property owners or volunteers to investigating these concept projects.

- **Housing.** While there are a number of buildings with upper-floors that could be suitable for housing, issues relating to change of use, access, parking and financing are often difficult to overcome without strong public sector involvement. Activities that could be carried out by RTR to increase downtown's inventory of upper-floor housing include:
 - Organize informational field trips to Forest City, Lenoir and Shelby to meet with developers and tour their projects.
 - Evaluate available buildings in the downtown to identify those that are best suited for upper-floor housing. This information could be displayed on a map and distributed to interested developers or realtors.
 - Conduct a communitywide survey to clarify possible tenants and desired amenities.
 - Select 1 building to be used as a demonstration project. (see 2.5. Targeted Recruitment Assistance). The selected building would be eligible for a variety of financial and technical assistance. Based on GDS field work and interviews, we recommend that RTR contact the owner of 124 Court Street to discuss their interest in participating in a residential demonstration project.



- **Indoor Market.** While Forest City has a large, successful farmers' market, there may be an opportunity to develop a small, indoor facility in downtown Rutherfordton that could provide space for craft, produce and prepared food vendors during the year. Activities that RTR could undertake to investigate this project further include:



- Establish a taskforce to evaluate buildings to identify ones that might be suitable for this type of project.
- Work with the County staff to identify possible federal funding for a market. Possible sources include SBA, ARC, USDA or area foundations (See [Colleton Market](#), Walterboro SC or [Viroqua Public Market](#), Viroqua WI).
- Based on GDS field work and interviews, we recommend that the RTR contact the owners of 144 Court Street to discuss their interest in this type of project.

- **Microbrewery/Distillery.** Breweries, cider mills, distilleries and wine bars have become key anchor tenants in both urban and rural communities. While there is a small brewery already operating in the downtown, we believe that there is sufficient interest to support a second facility. Below are activities that RTR could undertake to investigate this project's feasibility.



- Attend regional NC beer trade association meeting to talk with area providers about downtown.
- Visit regional breweries to discuss opportunities for a 2nd location.
- Talk to potential investors about establishing an LLC to help finance project.
- Talk with the County's Economic Development staff about using industrial revenue bonds to help finance brewery equipment.
- Based on interviews with local property owners and field work, we recommend that RTR contact the owners of either 122 or 144 Court Street about their interest in this type of tenant.

- **Co-working Office.** Based on interviews with businesses and realtors, we believe that there would be demand to support a small co-share office project that could provide flexible, short-term rental space to small businesses. Below are activities RTR could undertake to explore this opportunity further.

- Contact regional NC state agencies, the County, Mountain BizWorks, VEDIC and community college about their interest in developing a governmental/non-profit co-share office project that could provide office space for these agencies as well as act as an incubator to provide assistance to start-up businesses. (See Anson County's Rev Project)

- Based on fieldwork and interviews with local property owners, we recommend RTR contact the owners of 122 and 132 Court Street regarding their interest in developing this type of project.

- **Medical or Education Tenant.** Back office medical or educational facilities would increase downtown’s employment base and generate new customers for restaurants and businesses. Activities that could be taken to explore opportunities to attract these uses include:



- RTR should meet with the Hospital’s CEO, Isothermal Community College’s President and key leaders from other educational or medical providers within the region to discuss their space needs and interest in having a satellite or back office operation in downtown.
- The town should enlist the assistance of their NC representatives to help lobby for new governmental or educational tenants.
- Based on field work and interviews with local property owners, we recommend that RTR contact the owners of 122, 132 and 144 Court Street about their interest in this type of tenant.

- **Redevelopment of Legal Grounds Building.** This multi-story building located in the heart of downtown is in danger of demolition due to neglect. The acquisition and redevelopment of this historic property should be a top priority of the town and RTR. Not only would demolition be expensive, it would create a significant gap in downtown’s urban fabric that would make future investment difficult. While the town is working with the court system to acquire the property, we recommend that RTR work with the town to develop a reuse plan that includes desired tenants and funding.



- Develop a plan to market the property to qualified developers.
- Work with Preservation NC on a plan to renovate the building
- Work with state representatives to secure building reuse grants.

- **Pop-Up Store.** Pop-up stores are an increasingly popular tenant in downtown. Not only does this concept provide inexpensive rental space for small vendors or businesses looking to test the market before leasing a permanent location, these projects also can help increase foot traffic in key areas of the downtown or draw attention to long-standing vacant buildings. Activities that could be undertaken by RTR to explore this concept include:

- Identify a local operator to manage a full-time store. (See Village Store-Washington, IA or the Company Stores- Burlington, NC.)
- Identify a property owner interested in participating in a short-term pop-up project.
- Explore opportunities for RTR or another civic organization to run a holiday pop up as a fundraiser
- Based on interviews and fieldwork, we recommend RTR contact the owners of 187, 159, 175 N Main Street or 122 Court Street regarding their interest in participating in a short-term pop-up project.



2.4. TENANT LEADS

In addition to providing property or business data and general marketing assistance, RTR volunteers could help interested property owners or realtors identify specific prospects through a variety of canvassing techniques. Given the town’s population and rural location, most likely prospects are going to be either locally-owned or new business start-ups rather than franchise or chain stores. In addition to identifying possible prospects, downtown volunteers also could talk to potential prospects to determine their interest in a downtown location. Below are several volunteer activities that could help property owners find possible tenants for their buildings.

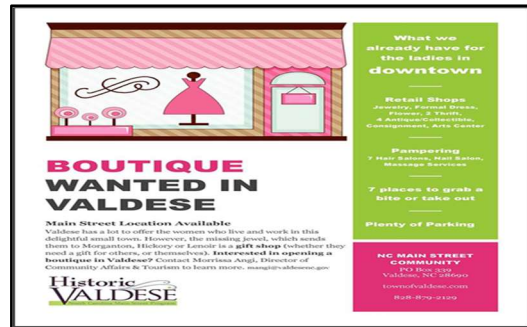
- **Local Business Leads.** RTR could help property owners identify local businesses to contact through the following activities.
 - Conduct field trips to towns within 50 miles of Rutherfordton.
 - Ask local residents to provide the names of their favorite non-chain businesses in nearby towns.
 - Contact sales representatives for local companies for names of vendors to contact about satellite location.
 - Contact restaurant supply vendors for names of restaurants in surrounding counties that might be interested in 2nd location.



- **New Business Leads.** RTR could help property owners identify new business leads through the following activities:
 - Attend regional craft shows or farmers’ markets to identify strong vendors to contact about storefront location.
 - Coordinate a business competition to strongest business plans. Winner could receive a cash prize, reduced rent or other prizes donated by local businesses ([See Marion VA business competition.](#))



- **Contact.** While personal contact is often the best approach, RTR volunteers also can use social media, Craig’s List or their website to solicit inquiries about downtown space.
 - Establish a goal of contacting 10 businesses in 2020.
 - Make sure to have an agreement with the property owners or realtors before contacting a tenant on their behalf.
 - Maintain a data base as it can take several years before a business is ready to relocate or expand.
 - Practice making a sales pitch on a local business.



2.5. TARGETED BUSINESS RECRUITMENT ASSISTANCE

In addition to providing the above general assistance, GDS recommends that the RTR select 2-3 property owners to participate in a more intensive business recruitment project. Participating property owners should be selected based on their willingness to work with RTR to make improvements to their building that will increase utilization and their interest in leasing their buildings to identified priority tenants or anchor projects. In addition to receiving greater marketing assistance, participating property owners would receive priority in future grants and technical assistance. Examples of possible assistance that participating owners could receive include:

- **“I Wish I Was...” Campaign.** Buildings would be highlighted in a public engagement campaign where residents would help identify possible tenants for the building. (See [Wayne Main Street program](#)).
- **Broker Tour.** Properties would be featured on a broker/investor tour.



- **Priority Funding.** Property owners would be eligible for future grants that would cover cost to conduct a pro forma, architectural plans or other pre-development expenses as well as priority for façade or renovation grants.
- **Canvassing for Leads.** RTR would work with property owners to solicit leads for identified vacant property through fieldwork and social media.

3. RECOMMENDATIONS: BUSINESS ASSISTANCE

The success of any revitalization program is the health of existing businesses. In addition to issues relating to financing and cash management, many small businesses fail due to deteriorated facades that discourage customers from going inside. While RTR already provides a variety of small business assistance services to downtown business owners, GDS has identified a few additional activities that could help increase pedestrian foot traffic, strengthen business operations or connect businesses to available financing. Below is a summary of new activities that RTR could implement as funding and volunteer support allow.



3.1. BUILDING IMPROVEMENTS

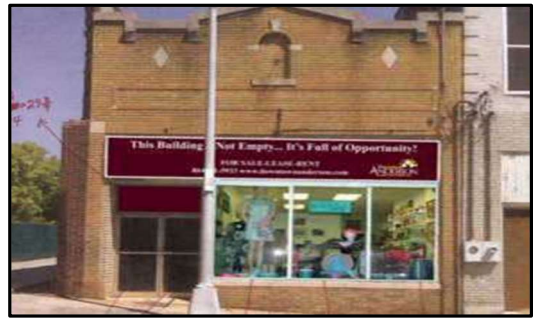
It is important for RTR to continue to push for improvements that enhance downtown’s “curb appeal” in order to capture new sales from travelers driving through the area as well as create a stronger image that will attract new business activity. Research has shown businesses have only seven seconds to capture the attention of persons driving by their location. While RTR has a strong façade grant program, many building owners have not yet taken advantage of the program. In addition to deteriorated awnings, inadequate signage and boarded up windows, several businesses could use improvements to window displays or merchandise layout. Activities that would could improve downtown’s overall appearance and translate into increased sales include:

- **Exterior Improvements.** RTR should work with property owners or tenants to make improvements to lighting, doorway entrances, signage and window displays.
 - Stores should be encouraged to keep windows illuminated until 10 pm.
 - Property owners on Main Street should be encouraged to make rear façade improvements to improve the building’s appearance from Central Street.
 - In addition to offering façade grants, RTR could establish a volunteer “*façade squad*” who could help a tenant or owner with simple repairs such as brick cleaning or removal of old signs.
 - Encourage property owners to utilize the free design services provided by NC Main Street Center.
 - Encourage businesses to work with local artists or metal fabricators to design creative storefront signs. (See Valley Junction’s [sign grant program](#))



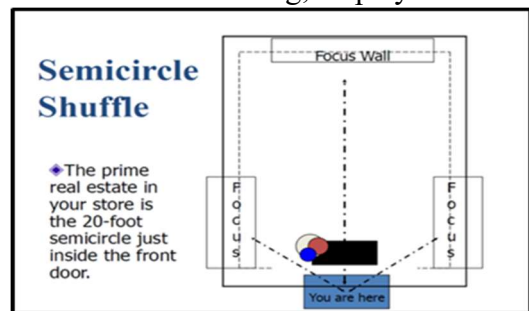
- **Activate Windows.** In addition to improving exterior storefront facades, RTR should work with property owners to mitigate the impact that vacant storefronts are having on surrounding tenants.

- Work with property owner to purchase vinyl window treatments that camouflage vacant storefronts.
- Work with school or local artists to paint windows or display student art work.
- Encourage property owners to allow adjacent businesses to display merchandise in vacant windows.



- **Interior Improvements.** RTR should continue to work with interested businesses to make interior improvements that would increase sales such as new flooring, displays and fixtures.

- Continue to utilize RTR’s “Innovation Invasion” team to help tenants improve store layout, windows or other design improvements.
- Encourage businesses to work with NC Main Street Center to improve visual displays and improve layout.
- Develop a new grant program to help tenants make interior upfit improvements.



3.2. TARGETED PROMOTIONS

RTR oversees a variety of seasonal events during the year that help bring visitors into the downtown. In addition to these district-wide events, GDS recommends that RTR work with interested business owners to develop small events or in-store demonstrations that target key customer groups or business niches. These events could be done in partnership with local art, cultural and civic organizations. Key market segments or business niches that could be targeted through these new events include:

- **“Families”.** Downtown Rutherfordton already is known for its many kid-friendly events and businesses. We recommend that RTR work with KidsSenses Museum to further solidify downtown’s reputation as a destination for families with children by developing smaller events and place-making features that appeal to children.
 - Close street once a month in the evening so children can bicycle and play games.
 - Hold weekly movie nights at Library.
 - Add additional features to the kid’s scavenger



hunt to encourage more families to participate.

- **“Green” consumer.** RTR could work with environmental organizations and interested businesses to identify ways in which downtown businesses could become more environmentally sustainable.
 - Promote the use of reusable mugs rather than plastic at festivals.
 - Install rain barrels or landscaping materials that reduce storm water runoff.
 - Work with restaurants to dispose of grease or recycle paper products.



- **“Millennial” consumer.** In addition to family-friendly events, RTR could work with local businesses to develop specific events that target residents between 21 and 40 years that are living the region.



- **“Outdoor” consumer.** RTR could work with recreational vendors and organizations to develop new events that target residents who enjoy outdoor pursuits such as hunting, fishing, biking kayaking etc.

- **Home improvement/décor cluster.** RTR could work with downtown’s interior design, hardware, frame and antique stores to develop specific events or promotions that promote this important business cluster.
 - Hold a “Trash or Treasures” appraisal clinic.
 - Hold workshops or classes on home design trends.

- **Health and wellness cluster.** RTR could work with health professionals, personal care and fitness businesses on a downtown wellness event or campaign.
 - Host a downtown walking club for seniors.
 - Host a downtown fun run for kids.

- **Restaurants/beverage cluster.** RTR could work with local restaurants and bars to promote downtown as a “foodie” destination within the region through additional events and marketing materials such as a restaurant week or promoting early bird specials for seniors.



3.3. BUSINESS SKILLS

In addition to the on-going workshops and training programs offered through Isothermal Community College or the Chamber of Commerce, GDS recommends that RTR focus on the following activities to strengthen business skills and increase sales.

- **Increased Store Hours.** Consistency and extended store hours remain an issue for downtown Rutherfordton businesses despite repeated studies that have stressed the importance of longer and more unified store hours. To build support for extended store hours, GDS recommends that RTR:
 - Promote the benefits by highlighting success stories of local businesses that have had an increase in sales after changing store hours.
 - Encourage businesses to extend hours during the fall leaf viewing season and track sales to measure impact.
 - Encourage property owners to include recommended store hours in their lease agreements.
- **Small Business Boot Camp.** GDS recommends that RTR work with the ICC and the Chamber to establish a new businesses training series (see Marion NC's [Growing Entrepreneur Program](#)) that would be open to any business in Rutherford County.
- **Awards and Recognition.** RTR should celebrate local entrepreneurs by recognizing home-grown achievements on an annual basis through an award dinner or through monthly recognition through social media.



3.4. FINANCIAL INCENTIVES

In addition to traditional bank financing, there are several governmental and non-profit agencies that provide financing or technical assistance to businesses looking to expand. While more limited, there also are programs available to help owners make building improvements. In addition to these programs, the town may want to work with local lenders and economic development agencies to develop local incentives that can resolve specific issues that discouraging reinvestment activity. Below is a summary of several incentives that should be part of Rutherfordton's financial toolkit. While RTR can help promote available incentives and connect businesses and property owner to local resources, the organization will need local government support to establish new incentives. Possible partners that should be included in future discussion include local government, the Valdese Economic Development Investment Corporation (VEDIC), Mountain BizWorks and area lenders. (See Appendix for more detailed list of possible financial incentives).

- **Façade Grants.** RTR should continue to encourage building improvements through their façade grant program. Committee members should be responsible for contacting businesses and property owners to discuss possible improvements to their buildings that would translate into increased sales.
- **Historic Tax Credits.** Despite the fact that downtown properties qualify for both state and federal historic tax credits, only a few property owners have utilized these tax credit programs. To increase utilization, we recommend that RTR:
 - Conduct regular workshops with property owners that showcase local examples from Forest City, Marion and Tryon.
 - Talk with area lenders about establishing a program to buy tax credits for smaller projects.
 - Post information about tax credit program and application on RTR’s website.
- **USDA.** RTR should work with Valdese Economic Investment Corporation (VEDIC) and Mountain BizWorks to establish loan program for Rutherford County business owners similar to one established for Burke and McDowell business owners.
- **SBA.** RTR should work with Isothermal Small Business Development Center (ICC-SBDC) to promote small business loan programs available through SBA.
 - Information about these programs should be posted on RTR’s website.
 - RTR also could work with the Center to develop an entrepreneur training program similar to Marion’s Business Boot Camp.
- **Building Improvement Loans.** RTR should work with partners to develop a building improvement program that would provide low interest loans for building renovations such as roof, windows, sprinkler system or major mechanicals associated with change of use.
 - Funding for this program could come from county industrial revenue bonds, area foundations or from USDA. (See [Burke County loan program](#)).
- **Fire Suppression Grant.** RTR could work with partners to establish grant programs that would help defray the cost to install a sprinkler systems or other fire suppression improvements relating to change of use or residential development. (See [Monroe NC fire suppression grant program](#)).
- **Downtown Investment Group (LLC).** RTR should work with local investors to establish a Downtown Investment Group (DIG LLC) that could be used to purchase key buildings or provide financing for emergency repairs or equipment. It is important that this investment group share the community’s standards and vision for downtown.



4. RECOMMENDATIONS: PLACE-MAKING

The secret to unlocking the potential of place is creating places where people want to dine, shop, play, relax, and make memories. For rural communities to thrive, they must be places that people want to live with good infrastructure, broadband capacity and quality recreation and community facilities. It is our experience that communities that have these quality of life elements is places that are more likely to attract and keep families and businesses than those that don't. There are already a number of projects in or near the downtown that are helping to create a stronger sense of place and encourage people to linger longer. These projects include building murals, public art, wayfinding signage, and the KidSenses Factory and Outdoor Learning Center. These projects along with planned improvements to the Purple Martin greenway, Bechtler Museum grounds and the 221 Bypass project will create additional opportunities to strengthen social interaction and better connect the downtown corridors. Below are two additional projects that would help to strengthen downtown's public spaces and create a stronger foundation for additional development. While a few actions could be done fairly quickly, others will require additional funding.



4.1. DOWNTOWN MASTER PLAN

While the planned U.S. 221-bypass project will reduce truck traffic on Main Street, it will not resolve other transportation and land use issues identified by property owners and businesses during our site visits. In addition to developing a more inviting gateway entrance and new off-street parking, stakeholder identified the need to better connect Main Street to adjacent streets through a variety of streetscape improvements. Stakeholders also identified the need to enhance pedestrian safety along Washington and Main Streets with new crosswalks, signal lights and signage. GDS recommends that the town hire a firm to update the 2006 downtown master plan and identify new projects that could be done in conjunction with the planned bypass. Plan elements should include:

- **Streetscape Improvements.** The plan should identify desired improvements that would help connect key streets within the downtown as well as identify locations for future parklets, public plazas or public art.
 - Work with local utility company to develop a plan to reduce overhead wiring on Central Street.
 - Work with property owners to develop a plan to better screen dumpsters.
 - Develop a plan to improve crosswalks and traffic signals to facilitate pedestrian crossing.
 - Develop a plan to mitigate storm water issues.



- **Parking.** Very few downtown districts have a true parking problem. While changing tenant mix can result in parking shortages in selective areas, more often the problem is more about management than about supply. As part of the downtown master plan, GDS recommends that the town evaluate opportunities to improve capacity and efficiency through the following activities.

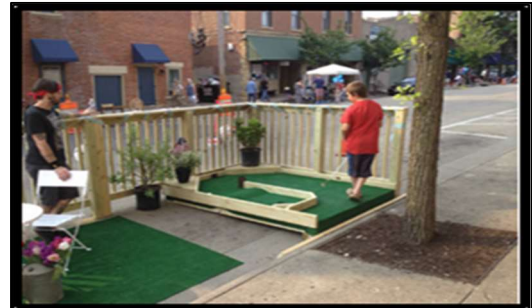
- Evaluate cost to develop small parking lot at the corner of Main and 2nd Street.
- Work with the county to develop a plan to improve utilization of county parking lot.
- Work with businesses to identify off-street parking for employees.



4.2. COURT STREET IMPROVEMENTS

Although Court Street has experienced an increase in both new business activity and building renovations, overall vacancy rates remain high and foot traffic is lower than on other downtown streets. While the recent realignment of on-street street parking was a welcome improvement, there are other improvements that would help support business activity along this corridor. In addition to new events and selective building improvements, RTR should work with property owners and businesses to develop a small area plan. Elements that should be included in this plan include:

- **Place-making Projects.** See [Project for Public Spaces](#) for examples of inexpensive projects that could help increase foot traffic on Court Street.
 - Identify location for pocket parklet.
 - Identify opportunity for gathering place or stage near corner of Washington and Court St.
 - Explore opportunity to develop visitor center/marketplace at corner of Main and Court St.



- **Streetscape Improvements** RTR should work with the town to develop a small area streetscape plan that would improve the overall appearance and functionality of this important connector street. Possible improvements include new landscaping, lighting and sidewalk repairs. Key projects include:
 - Work with property owner to screen vacant lot near the corner of Washington and Court.
 - Evaluate opportunities for additional parking.
- **Building Improvements.** RTR should work with property owners on this street to identify improvements that would help strengthen the street's overall image and improve pedestrian experience.
 - Clean existing awnings and wash brickwork.
 - Install new awnings

- Improve signage
 - Repair windows.
- **Leasing Plan.** RTR should work with interested property owners to develop a creative marketing campaign to promote available rental space along the street.
 - Develop creative fact sheets to highlight opportunities.
 - Use “I wish I was” campaign to solicit tenant ideas.
 - Use creative signage to highlight building for rent or sale.

The Ladies of Davis Ave



Listing Information:
 County: Adams
 Year Built: 1900
 Sq. Feet: 2000
 Building Type: Retail & office
 Heating: Gas F.A.
 Cooling: Window A/C, In-unit A/C, Central A/C, Pack
 Utilities: Corning Municipal Utilities
 Corning Municipal Utilities
 Water: Corning Municipal Utilities
 Sewer: Corning Municipal Utilities
 Water: N.E. 110' x 2
 Call: 526-3990
 For more details contact:
 Steven Ruffly
 Broker/Owner
 562-782-7197

Christabel

1001 DAVIS AVE - CORNING, IOWA

I am a twin as you can see. I never get too far away from my sister who lives very close and, like to dress... steady and stable but I want to explore and see and dream - perhaps it is the artistic streak in me. I like bold colors, bold plans and new and exciting adventures. I am always up for anything and if that means the experience of a certain someone across the street or the old... We are the young and the young of tomorrow - she is old and established and I am the new generation awaiting a new dance.

Dream Big. Grow Here.

Main Street Corning
1001 Davis Ave - Corning, IA 50821
 841-522-3243

www.adamscountyiowa.com

SECTION II. MARKET ANALYSIS

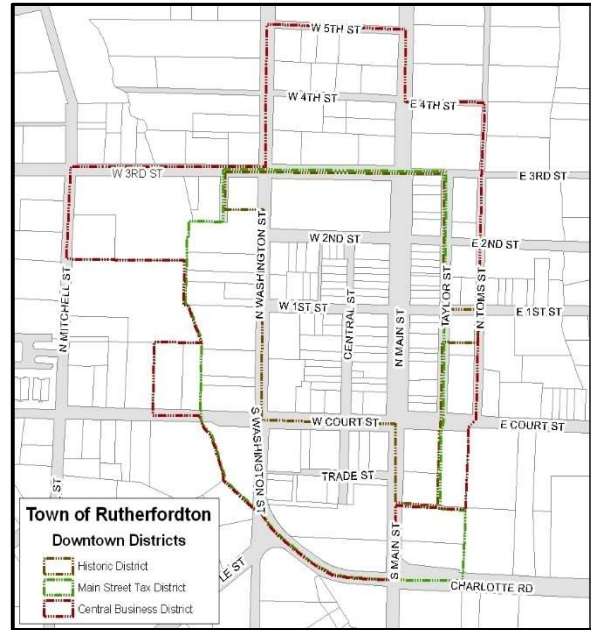
The following section provides a brief assessment of existing businesses, recent investment activity and identified strengths and weaknesses that support or hinder future commercial revitalization efforts and relevant demographic, economic and lifestyle characteristics for residents living in the area. While market demand opportunities for specific retailers will vary depending on the type of product sold and the strength of the business concept, the following information should be useful to businesses interested in increasing sales or those considering a location in the downtown. This information also can be used by Rutherford Town Rising (RTR) to prioritize future projects and activities that will strengthen the downtown commercial district and attract new investment.

1. COMMERCIAL ASSESSMENT

Located at the foothills of the Blue Ridge mountains within a unique geographic zone that is conducive to a longer growing season, the Town of Rutherfordton was an important commercial and political center for western NC during the 18th century. Established in 1787, the town was named for Gen. Griffith Rutherford a Revolutionary War hero. Early inhabitants to the area included the Cherokee Indians, followed by Scotch-Irish, German, French, Swiss, and English settlers. During the gold rush period of 1830-1840, Rutherfordton became known for its private mint which produced the first gold dollar coin in the U.S. While there are a number of textile firms in the region, this sector has experienced job losses due to changing regulations and industrial consolidation. Due to the isothermal effect from the surrounding mountains, the area is a good location for agriculture as well as an important exporter of timber, forest products and mineral extractions. Increasingly, the town is known for its charming downtown and high quality of life attributes that include an award-winning children's museum and learning center.

Designated a NC Main Street community in 1990, responsibility for managing the downtown revitalization program is the responsibility of Rutherford Town Rising (RTR). The program has a full-time staff person to oversee the program, a governing board and cadre of dedicated volunteers that are working together to build greater reinvestment activity in the downtown. The organization recently underwent a reorganization to focus more closely on economic development initiatives. In addition to coordinating a variety of special events that bring thousands of residents to the downtown, the organization provides a variety of business and design assistance to local business and property owners.

In addition to being a designated Main Street program, the downtown is listed on the National Register of Historic Places as well as a Municipal Service District that generate supplemental funding for the downtown façade grant program. Program boundaries (as shown on Exhibit 2.) include an approximately 13-block area that includes a mixture of service, governmental and retail uses that are primarily clustered along Main Street, a major north-south traffic corridor that connects travelers to U.S. 221, U.S. Alt. 74 and U.S. 64. The state is planning to major road projects in or near the downtown that will have a significant impact on future traffic patterns. The proposed U.S. 221 bypass will include a new four-lane highway with a median and three interchanges between U.S. 74 and Roper Loop Road. The section from Charlotte Road to Roper Loop Road will begin in 2020 while the section from U.S. 74 to Charlotte Road is scheduled for construction in 2023. When completed, the new bypass will reduce truck traffic on Main and Washington Streets and create new opportunities for development. The town is working with the state to evaluate the impact of this project on local business and identify ways to increase pedestrian safety and connectivity in the downtown.



1.1. REINVESTMENT ACTIVITY

Downtown has benefited from a history of private and public investment in buildings and public amenities that has helped it retain core business activity. In addition to making on-going regular investments in downtown which include new murals, public art, landscaping and public infrastructure, the town was instrumental in the reuse of the Firehouse Inn, a former fire station and the reuse of a town maintenance facility for a new restaurant. The town also helped to secure a \$300,000 CDBG grant to renovate vacant building for office space. The town is currently working to secure the reuse of the Legal Grounds building, an important landmark that is in danger of demolition due to neglect.

While downtown’s vacancy rate is still high, there are several buildings that have recently been sold or renovated for new business activity including a new deli, a full-service restaurant and bar and real estate office. According to RTR, 7 new businesses opened in 2019 and 3 expanded with a net gain of 23 full time and 43 part time jobs. For 2019, there was \$1.4M in new investment in buildings or public infrastructure

1.2. BUSINESS MIX

The majority of downtown’s buildings are one- and two-story brick structures built in the late 19th and early 20th centuries. The downtown is surrounded by a nice mixture of traditional single-family neighborhoods of various ages that provide an important source of sales for local business.

In addition to single-family homes and small apartment complexes surrounding the downtown, there is two bed and breakfast facilities in the downtown.

According to Esri Business Solutions, there were 126 businesses and 1,000 persons employed within ¼ mile of the downtown. Major employers or anchor tenants in the downtown include the Town of Rutherfordton’s administration building, the Rutherford County Courthouse, Jail and Government center, the Norris Library, U.S. Postal Service, and KidSenses Children Museum. Near the downtown is the Rutherford Hospital and Rutherford Square Shopping Center, a small neighborhood center that has struggled to attract new tenants since the loss of a grocery store.

While downtown has been impacted by job losses and increased competition for retail sales within the region and from on-line businesses, the downtown remains an integral part of the community’s strategy for attracting and retaining new families and jobs. While once a full-service retail and service center with a strong concentration of antique, collectibles, women’s clothing and gift stores, today downtown is home to a more eclectic mix of personal and business services, restaurants and specialty food uses and specialty retailers. Downtown’s office space is primarily occupied by governmental, medical and legal professions. A recent change in state funding resulted in the relocation of several law firms to the county’s government center; increasing downtown’s vacancy rate. The greatest growth in new business activity has been in the dining and specialty food sector with several new businesses coming soon the area.

OCCUPATION	BUSINESS	EMPLOYEE
Construction	3.2%	1.4%
Manufacturing	60.0%	1.4%
Whole Sale Trade	1.6%	1.6%
Retail Trade	11.0%	10.3%
Dining and Beverage	3.2%	3.0%
FIRE	10.3%	6.0%
Service	39.0%	39.0%
Govt.	27.0%	35.4%

Source: 2019 Esri estimated business summary

While downtown retail activity is scattered on several streets, the greatest concentration is found on Main Street between Court and 2nd streets. While several businesses own their buildings, the majority rent their space. With the exception of the restaurants, downtown retailers are “mom and pop” operations with one or two full-time employees.

While downtown business mix has undergone significant changes over the years and will continue to evolve in response to changing market demand consumer, there are several business clusters that can be strengthened through selective recruitment and retention activities. These business clusters include:

- **Restaurant/specialty food/entertainment.** Included in this category are several full-service restaurants and coffee shops, an ice-cream parlor and a small microbrewery. Entertainment uses include event spaces and a children’s interactive museum.
- **Government support services.** The downtown is an important center for government related uses. Included in this cluster are various town and county agencies and law firms as well as a title company and surveyor.

- **Home décor and gift.** This small but strong cluster includes several antique and collectible stores as well as a full-service design business, several gift stores and a frame shop.
- **Neighborhood business and service.** There are a number of businesses within this category in the downtown that help to bring residents into the area on a regular basis. Included in this category are a number of personal services including several hair, nail and exercise studios as well as a full-service hardware store, automotive repair shop and medical businesses.

1.3. READINESS TO LEASE

While several property owners in downtown Rutherfordton are working with realtors to sell or rent their property, many are trying to market their buildings themselves using window signage or word of mouth to attract tenants. When realtors are involved, they are often hamstrung by unrealistic sales prices, poor building conditions and low commissions. Rather than canvas the region for leads, realtors rely on on-line multiple listing services like LoopNet to solicit leads. While some property owners are willing to make repairs in exchange for a longer lease term, many are renting their buildings in an “as is” condition. While this can be a win-win for tenants willing to make repairs in exchange for below market rent, it is not a viable solution for buildings that require substantial renovation.

The following observations are based on on-site interviews and assessment as well as information gathered during an on-line survey (see Appendix for survey results) administered to selective stakeholders including RTR’s board and committee volunteers. The following identified strengths and weaknesses have been used to identify specific business recruitment and retention activities summarized in Section I.

1.4. DOWNTOWN ASSETS

Below is a summary of key assets or strengths identified by downtown stakeholders during on-site interviews and through an on-line survey administered in September of 2010.

- **Attractive location.** Downtown’s contiguous supply of small, historic buildings is the right scale and size for specialty businesses and entrepreneurs that want small rental spaces that are in close proximity to restaurants and personal services.
- **Center for government activity.** In addition to being the county seat, both the town and county have several administrative agencies that provide employment opportunities and help anchor a growing government business clusters that includes a number of professional, service and non-profit uses.
- **Growing visitor market.** In addition to capturing sales from visitors traveling through town on their way to outlying visitor destinations, the town is capturing an increasing

number of visitors through its robust festival calendar, restaurants and specialty retailers. Many visitors stay at the Firehouse Inn or Carrier House B&B.

- **Strong downtown organization.** RTR is a well-run, non-profit organization that oversees a variety of business assistance, design, promotion and special events that together are helping to build investment momentum. RTR has a committed board and volunteers and enjoys a good relationship with other organizations including the Town, Chamber of Commerce and County government.
- **Public sector support.** The town has made a significant investment in the downtown and is a strong partner in RTR's efforts to revitalize the downtown.
- **History of philanthropy.** In addition to strong public support, there is a good track record of private reinvestment and philanthropy. Many of the town's recreational and cultural facilities including the Bechtler Museum, KidSenses Children's Museum and Rutherfordton Arts Council were funded through donations from local individuals or companies.
- **Private reinvestment.** Many downtown buildings are owned by families that have owned the property for many years. While there is some deferred maintenance, property is generally in good repair with several buildings seeing significant reinvestment. Property owners and businesses approved a special tax assessment to help fund downtown projects.

1.5. DOWNTOWN WEAKNESSES

Below is a summary of key issues that limit opportunities and need to be considered when developing future projects and activities.

- **Limited market demand.** While there is some sales leakage that can be recaptured, declining population, moderate incomes and growing competition from on-line businesses and shopping centers in outlying areas will limit the amount of new retail space that downtown can absorb. RTR will need to work with some property owners to find other non-retail uses for their buildings as well to implement projects that help generate new sales from a stronger downtown employment or visitor markets.
- **Disconnected commercial nodes.** While downtown is home to a range of business uses, retail businesses are increasingly disconnected from one another due to the growing presence of service or office tenants in what was formally retail space. These non-retail uses along with growing number of vacant and marginally performing retailers is negatively impacting sales and discouraging pedestrian activity the lack of unifying streetscape and pedestrian improvements on Washington St., Central and Court Streets further exacerbates this problem.

- **Store Hours.** Many retail businesses are not open in the evening or on weekends and, most restaurants are closed on Monday. This creates uncertainty among consumers and discourages sales from visitors staying at area B&B's.
- **Deferred building maintenance.** Despite a façade grant program, a number of downtown buildings need a range of basic repairs including new awnings, signage and window repairs. Many also need updated heating and air systems or roof repairs. This pattern of deferred maintenance is detracting from downtown's overall appearance and negatively impacts retail sales.
- **Increasing vacancy rate.** While new business activity is increasing, downtown has a significant vacancy rate with several buildings that have been vacant or underutilized for many years. Reasons for these vacancies vary and include unrealistic sales prices, code issues and changing demand for retail space. While some rental spaces are in good repair, others require more substantial renovation. While some rental properties are listed in an "as is" condition, tenants do not always have the funds or willingness to make repairs. A number of buildings will require new ownership or financial assistance.
- **Limited Marketing Outreach.** While some property owners utilize RTR website or MLS sites such as LoopNet to solicit interest, many rely on word of mouth or storefront signage. To find prospects. There is a need for a more concerted effort to identify and attract qualified prospects rather than taking the first businesses that comes along.

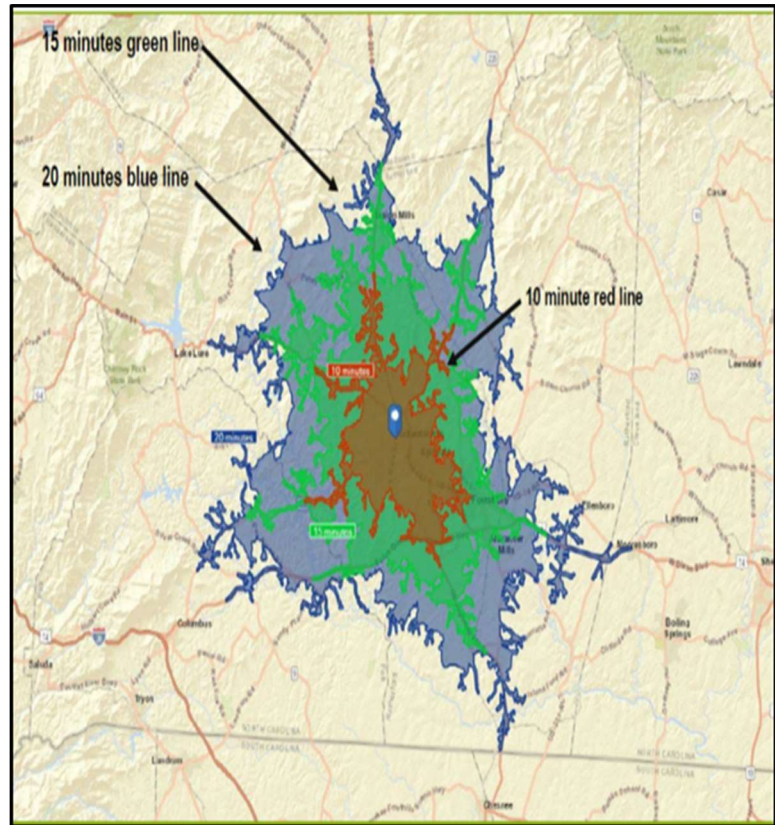
2. DOWNTOWN MARKET PROFILE

A review of trade area demographics can provide important information regarding the types of goods and services that households will purchase, as well their preferred price points.

2.1. TRADE AREA

To better understand current demographic and sales trends, GDS reviewed market data for the following three geographic areas:

- **Primary Trade Area.** A 10-minute drive-time area that includes the town of Rutherfordton and portions of Rutherford County.
- **Secondary Trade Area.** A 15-minute drive-time area that includes the towns of Spindale, Ruth and Forest City.
- **Tertiary Trade Area.** A 20-minute drive-time area that includes the towns of Forest City, Spindale, Lake Lure, Ellenboro and the Tryon International Equestrian Center.

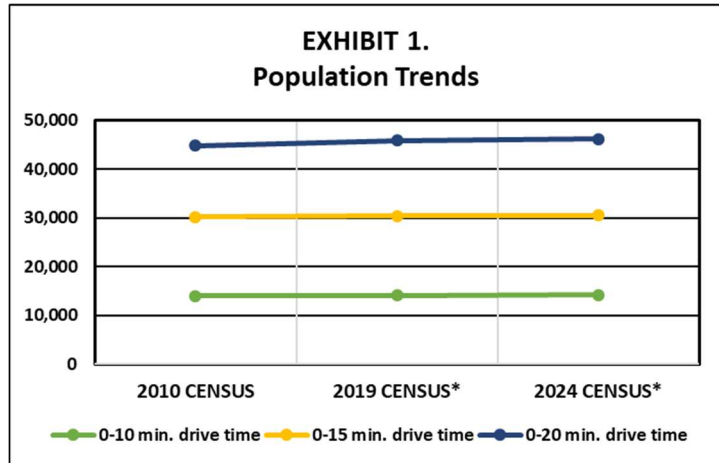


It is important to note that defining downtown's trade area is not an exact science as trade areas vary for specific businesses depending on the products offered, competition and marketing. For additional information on market trends and downtown's trade area, please see the *Market Snapshot Report* prepared by the NC Main Street and Rural Center in 2018, the *Market Analysis and Business Development Strategy Report* prepared by Arnett Muldrow in 2015 and the *Rutherfordton Master Plan* prepared by LandDesign in 2006.

2.2. POPULATION & HOUSEHOLDS

Population is defined as all persons living in a geographic area. Households consist of one or more persons who live together, regardless of relationship, in the same housing unit. Households can vary based in size, composition or stage in family life cycle.

Rutherfordton is located within the Forest City Micropolitan Statistical Area, an area with an estimated population of approximately 67,000 persons. For 2019, there were an estimated 14,116 persons living in the defined Primary Trade Area (PTA), 30,200 living in the defined Secondary Trade Area (STA) and approximately 44,880 living in the defined Tertiary Trade Area (TTA). While population increased slightly between 2000 and 2010, there has been little to no population growth over the past ten years in the three trade areas (Exhibit 1 and Table 2).



Household growth mirrors population trends with all trade areas showing annual growth rates of less than 1 percent (Table 2.). For 2019, there were an estimated 5,800 households living in the PTA, 12,200 in the STA and 18,360 living in the TTA. Average household sizes for the three trade areas were below the State's. The PTA had the lowest average household size, reflecting a greater percentage of 1-person households living in area.

TABLE 2: POPULATION AND HOUSEHOLD GROWTH RUTHERFORDTON TRADE AREAS						
	0-10 min. drive		0-15 min. drive		0-20 min. drive	
	Population	HH	Population	HH	Population	HH
2010 CENSUS	14,004	5,785	30,200	12,240	44,880	18,079
2019 CENSUS*	14,116	5,802	30,450	12,251	45,923	18,363
2024 CENSUS*	14,218	5,826	30,573	12,262	46,253	18,444
ANNUAL GROWTH						
2019-2024	0.14%	0.26%	0.08%	0.34%	0.14%	0.26%

Source: U.S. Census, ESRI reports

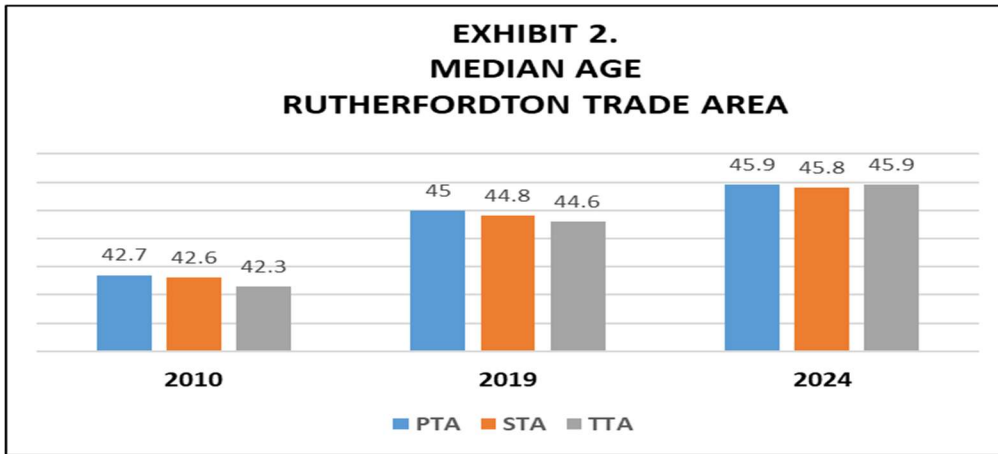
* estimates

2.3. AGE COHORT

A consumer's age can influence their taste and preferences as well as impact sales expenditures in key categories such as health and personal care, services, foods and furniture.

As shown on Exhibit 2. and Table 3., the three trade areas are growing older, with the 2019 median age exceeding the State of North Carolina's. The PTA had a slightly higher median age due to a higher percentage of persons over 75.

While the region's growing retirement population is a potential source of sales for retailers in the health, grocery and personal care sectors, older residents tend to spend less on nightlife, furniture and apparel than younger age groups.

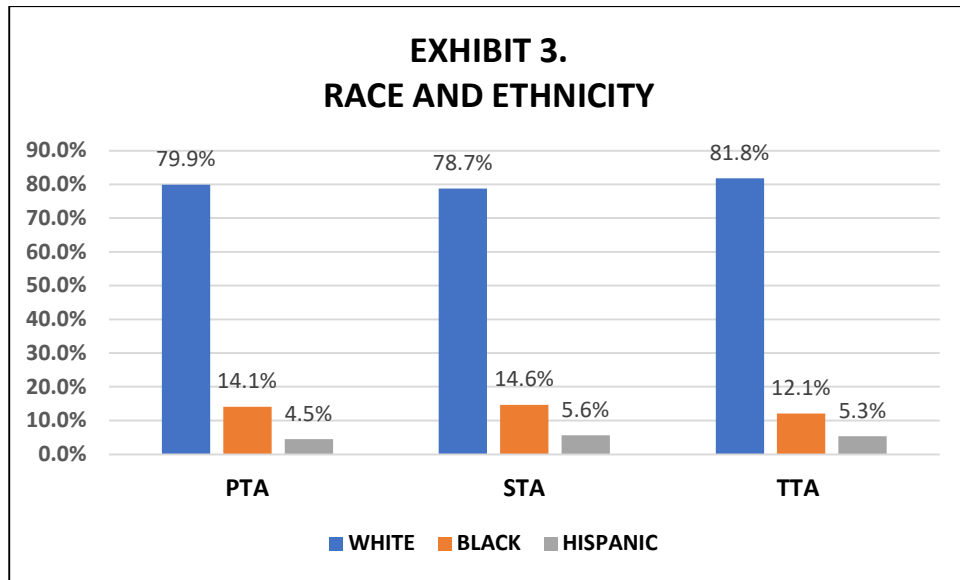


AGE GROUP	PTA		STA		TTA	
	2019	2024	2019	2024	2019	2024
0 TO 4	5.2%	5.1%	5.4%	5.2%	5.3%	5.1%
5 TO 9	5.3%	5.2%	5.5%	5.3%	5.5%	5.3%
10 TO 14	5.3%	5.4%	5.5%	5.7%	5.6%	5.8%
15 TO 24	10.7%	10.1%	10.6%	10.1%	10.6%	10.1%
25 TO 34	12.0%	11.4%	11.9%	11.1%	12.0%	11.0%
35 TO 44	11.3%	11.8%	11.3%	11.6%	11.5%	11.6%
45 TO 54	13.2%	12.3%	13.0%	12.3%	13.3%	12.6%
55 TO 64	14.5%	13.8%	14.7%	14.0%	14.7%	14.3%
65 TO 74	12.6%	13.4%	12.7%	13.6%	12.8%	13.6%
75 TO 84	6.6%	8.3%	6.5%	8.1%	6.3%	8.0%
85+	3.2%	3.2%	2.9%	2.9%	2.5%	2.6%
UNDER 18	19.0%	18.9%	19.6%	19.6%	19.7%	19.6%
OVER 65	22.4%	24.9%	22.1%	30.6%	21.6%	24.2%
MEDIAN AGE	45.0	45.9	44.8	45.8	44.6	45.9

2.4. RACE/ETHNICITY

Understanding racial and ethnic distribution within a population can help identify opportunities for new businesses or products. For purposes of clarification, the U.S Census considers Hispanic origin to be an ethnicity and not mutually exclusive of race. A resident could identify as being both Black and Hispanic.

As shown on Exhibit 3 and Table 4., the three trade areas are primarily Caucasian with African-American persons representing less than 15% of the total population. While the Hispanic population is growing, it was less than 5% of the total population for 2019.



**TABLE 4: RACE AND ETHNICITY
RUTHERFORDTON TRADE AREA**

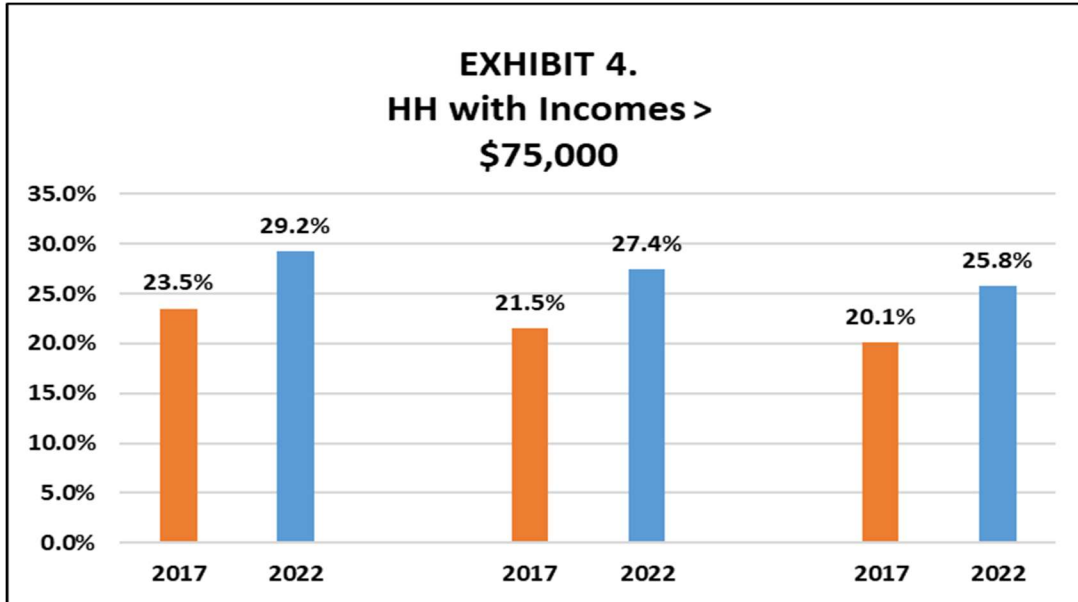
RACIAL GROUP	PRIMARY TRADE AREA		SECONDARY TRADE AREA		TERTIARY TRADE AREA	
	2010	2019	2010	2019	2010	2019
WHITE	80.9%	79.9%	79.7%	78.7%	82.7%	81.8%
BLACK	14.7%	14.1%	15.4%	14.6%	12.7%	12.1%
HISPANIC	3.4%	4.5%	4.3%	5.6%	4.1%	5.3%

Source: U.S. Census, Esri Reports

2.5. INCOME TRENDS

Household income is an important indicator of a resident’s spending power and key criteria in retail site selection.

While median and per capita incomes are increasing, income indices for the three trade areas are well below the State’s. As shown on Exhibit 4. and Table 5., approximately one-third of households have incomes under \$25,000. Sixty percent have incomes of \$50,000 or less. The PTA had the highest percentage of households with income over \$75,000.



**TABLE 5: HOUSEHOLD INCOME
RUTHERFORDTON TRADE AREAS**

% of HH by Income	0-10 min. drive time			0-15 min. drive time			0-20 min. drive time	
	2017	2022		2017	2022		2017	2022
Less than \$15,000	17.5%	16.8%		17.8%	17.2%		17.4%	16.8%
\$15,000-\$24,999	16.0%	14.6%		16.6%	15.1%		16.7%	15.3%
\$25,000-\$34,999	11.5%	10.3%		11.5%	10.4%		12.0%	10.8%
\$35,000-\$49,999	15.7%	13.3%		16.0%	13.7%		16.8%	14.5%
\$50,000-\$74,999	15.8%	15.8%		16.5%	16.3%		16.9%	16.7%
\$75,000-\$99,999	9.0%	11.1%		8.3%	10.0%		8.2%	10.0%
\$100,000-\$149,999	8.5%	10.2%		8.2%	10.4%		7.8%	10.0%
\$150,000 +	3.5%	4.6%		2.7%	3.8%		2.3%	3.3%
\$200,000+	2.5%	3.3%		2.3%	3.2%		1.8%	2.5%
\$75,000 and higher	23.5%	29.2%		21.5%	27.4%		20.1%	25.8%

Source: Esri Reports

2.6. HOME OWNERSHIP

Home ownership is an important factor as it correlates with expenditures for home furnishings, yard and home improvement. Having a well-balanced inventory of single family and rental units is essential for attracting new families and workforce to the area.

Rutherfordton’s housing stock is primarily comprised of single-family, older homes. According to local realtors, housing prices are increasing and there is limited inventory available for rent or sale. Over thirty percent of trade area housing is renter occupied. The PTA had the highest percentage of rental occupied housing with over 40% either renter occupied or classified as vacant in 2017.

While there a number of apartment buildings in the town, the majority are older facilities with few tenant amenities. Several have income restrictions or are reserved for special needs residents. Apartment rents range from \$300-\$600. A new 120-unit apartment complex being developed near Purple Martin Greenway will be the first upscale development in the town. The project is expected to have a mixture of 1,2 and 3-bedroom units and several tenant amenities such as a pool and clubhouse.

TABLE 6. OWNERSHIP RUTHERFORDTON TRADE AREAS					
HOUSING	PTA		STA		TTA
Owner Occ. Housing	51.4%		52.7%		56.5%
Rental Occ Housing	33.7%		31.9%		28.6%
Vacant Housing	14.9%		15.5%		14.9%
Md. Housing Value	\$133,214		\$133,353		\$128,453

2.7. EMPLOYMENT AND WORKFORCE

Employees, particularly those working in white-collar occupations can be an important source of sales for downtown businesses. Market research has found that office employees (as one segment of the workforce) will spend between 10 and 15 percent of their expendable income at and near their places of work. It is important to note, that if employees live outside the defined trade area, their spending impact may be underreported in retail sales gap analyses.

Rutherford County Economic Development Corporation is the lead organization working to attract and retain businesses and employment in the county. The Corporation manages the county’s Gateway West Park, a 17-acre pre-graded site that is part of a larger 74-acre site available for future manufacturing and technology companies. Although Rutherfordton has seen a significant change in employment due to plant closings and consolidation within the textile industry, the county is home to a number of smaller firms in the wood products, plastics and fabricated metals industries. In addition to manufacturing jobs, the county has a growing tourism and health care sector that also provides new jobs for local residents. The top five employers within the county include the public-school system, Rutherford Regional Health System, Isothermal Community College, Wal-Mart and American Greeting Corp. A significant percentage of county residents commute to jobs outside the county.

Table 7. shows the distribution of workers by occupation for the three trade areas. While employment is similar among the three areas, the PTA had a slightly larger percentage of persons working in White-Collar occupations and the smallest percentage of persons employed in Service Sector occupations. The TTA had a slightly greater percentage of persons employed in Blue-Collar occupations.

Table 8. shows the distribution of workers by Industry. As shown below, over 40% of all trade area residents are employed in the Service Sector followed by Manufacturing. The PTA had the greatest percentage working in Whole Sale Trade, FIRE and Services. The STA had the highest percentage employed in Manufacturing and Public Sector Industries.

TABLE 7: EMPLOYMENT BY OCCUPATION RUTHERFORDTON TRADE AREAS			
2019 OCCUPATION	0-10 min	0-15 min.	0-20 min.
WHITE COLLAR	53.5%	52.2%	50.4%
Management/Business/financial	11.2%	11.4%	10.7%
Professional	20.9%	19.9%	19.4%
Sales	8.9%	10.5%	10.0%
Admin	12.5%	10.4%	10.3%
SERVICES	15.3%	16.0%	16.3%
BLUE COLLAR	31.2%	31.8%	33.3%
Farming/Forestry	0.1%	0.2%	0.4%
Construction	5.4%	5.6%	6.5%
Installation/Maintanance	4.4%	4.0%	4.3%
Production	16.8%	16.5%	15.7%
Transportation	4.5%	5.5%	6.4%

**TABLE 8: 2019 EMPLOYMENT BY INDUSTRY
DOWNTOWN RUTHERFORDTON**

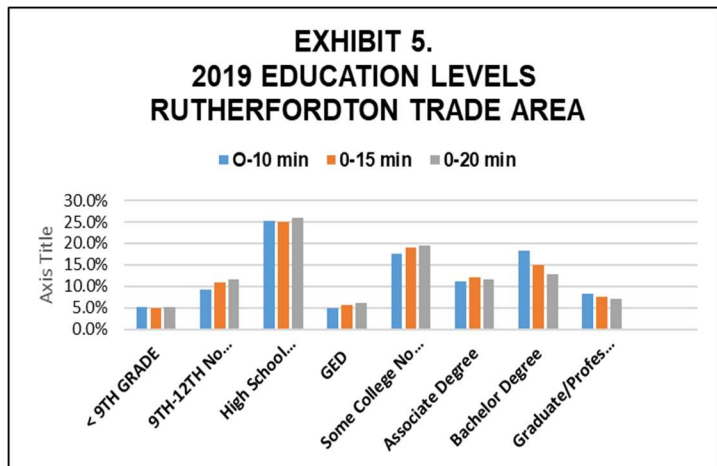
INDUSTRY	0-10 min	0-15 min	0-20 min
Ag/Mining	0.5%	0.6%	0.7%
Construction	7.0%	7.2%	8.0%
Manufacturing	22.9%	33.8%	22.0%
Wholesale Trade	2.1%	1.9%	1.6%
Retail Trade	11.7%	12.9%	13.0%
Trans/Utilities	3.7%	4.3%	4.8%
Information	0.7%	1.1%	1.0%
FIRE	3.4%	3.1%	3.1%
Services	44.6%	42.0%	41.8%
Public Admin.	3.4%	4.0%	3.9%

Source: Esri Reports

2.8. EDUCATION

Education also can be an indicator of the socio-economic status of an area. Not only do education levels affect income, they also impact consumer tastes and preferences.

While increasing educational attainment levels will take time, the percentage of residents with some college experience has increased over the past ten years and is expected to continue to grow. As shown on Exhibit 5., the PTA had a slightly greater percentage of persons with bachelor and graduate degrees.



In addition to several public elementary, middle and high schools, there are two private k-8 institutions and two charter schools in Rutherford County. The closest higher educational institution is Isothermal Community College, located four miles away in the town of Spindale. The Community College has an enrollment of approximately 2,000 students. Other higher education institutions within the region include Gardner-Webb University, UNC-Ashville, USC-Spartanburg, Blue Ridge Technical College, Converse College and Wofford College.

3. LIFESTYLE SEGMENTATION

In addition to demographic and socio-economic data, retail sales opportunities can be influenced by residents' lifestyle characteristics, hobbies and interests.

Below is a summary of the major lifestyle segments found within Rutherfordton's three trade areas based on a segmentation system developed by Esri Business Information Solutions (ESRI). Esri uses a classification system that classifies residents into 65 demographic and behaviorally distinct segments based on residents' socioeconomic status (age, income, occupation, type and value of residence) and their buying behaviors.

TABLE 9. TOP 5 LIFESTYLES RUTHERFORDTON TRADE AREAS		
PTA - 10 min.	STA - 15 min.	TTA - 20 min.
Small Town Simplicity 34.2%	Small Town Simplicity 28.9%	Rooted Rural 23.7%
Midlife Constant 14.1%	Rooted Rural 19.3%	Small Town Simplicity 19.9%
Rooted Rural 12.2%	Midlife Constant 12.4%	Southern Satellites 18.6%
Southern Satellite 9.3%	Rural Bypasses 10.5%	Rural Bypasses 10.9%
Ex Urban 8.5%	Southern Satellites 10%	Midlife Constants 8.3%

Source: Esri Reports 2018

For the three trade areas, the most common lifestyle segments were *Small Town Simplicity*, *Rooted Rural*, *Midlife Constant* and *Southern Satellite*. Residents within these four categories share a number of similar characteristics. Residents within these categories are generally older residents with moderate-income who prefer small town living, outdoor activities and family entertainment. Residents are fairly religious and politically conservative. Major lifestyle purchases for these residents include items for their pets, gardens, lawns or yards, scrapbooking, religious educational material, hunting, fishing, health and personal care items.

As shown on Table 10 below, the PTA was the most homogeneous in terms of lifestyle segments with 100% of households categorized within eight lifestyle segments compared to 20% for the U.S. as a whole.

TABLE 10: LIFESTYLE SEGMENTS RUTHERFORDTON TRADE AREAS						
LIFESTYLES 2018	PTA		STA		TTA	U.S.
Small Town Simplicity	34.2%		28.9%		19.9%	1.9%
Midlife Constants	14.1%		12.4%		8.3%	2.5%
Rooted Rural	12.2%		19.3%		23.7%	2.0%
Southern Satellites	9.3%		10.0%		18.6%	3.1%
Exurbanites	8.5%		4.0%		2.7%	1.9%
Old and newcomer	7.6%		3.5%		2.4%	2.3%
Diners and Miners	7.1%		3.4%		2.3%	0.7%
Rural Bypasses	7.1%		10.5%		10.9%	1.3%
Salt of the Earth	0.0%		2.9%		2.2%	2.9%
Heartland Communities	0.0%		1.0%		5.2%	2.3%
TOTAL	100.1%		95.9%		96.2%	20.9%

Below is a brief description of the key demographic and buying behavior characteristics for the five largest lifestyle categories found within the three trade areas.

3.1. SMALL TOWN SIMPLICITY. PTA: 34% STA: 29% TTA: 20%

The *Small-Town Simplicity* lifestyle segment is the largest lifestyle group within the PTA and STA. This category includes both young families and senior householders bound by community ties. Small Town Simplicity households are down-to-earth families who spend leisure time on online computer games, scrapbooking and rural activities like hunting and fishing. As many of these households are moderate-income families or seniors, spending is limited and many prefer discount or big box retail shopping.

3.2. MIDLIFE CONSTANT. PTA: 14% STA: 12% TTA: 8%

Midlife Constant segment includes seniors who are less affluent than those in the golden years segment. Many live frugally in rural areas outside the town's boundaries. They prefer practical vehicles like SUVs and trucks (domestic) and purchase American-made products. They belong to church or clubs and spend money on homes and gardens.

3.3. ROOTED RURAL. PTA: 12% STA: 19% TTA: 24%

Rooted Rural households also are typically found in the rural South. Median age is above the national average with many households living on Social Security. Housing types are single-family, mobile homes, and some seasonal housing. Stable and settled, these residents tend to stay put and work on their homes, gardens, and vehicles. They go hunting, fishing, target shooting, and boating; attend country music concerts; and listen to country music on the radio. They watch TV by satellite dish; favorite channels include CMT and Outdoor Life Network. Many families have pets.

3.4. SOUTHERN SATELLITES. PTA 9% STA: 10% TTA: 18%

Southern Satellite households are typically non-diverse, slightly older, settled married-couple families who own their homes. Two-thirds of the homes are single-family structures; almost a third are mobile homes. Median household income and home value are below average. Workers are employed in a variety of industries, such as manufacturing, health care, retail trade and construction with a higher proportion in mining and agriculture than the US average. Residents enjoy country living, preferring outdoor activities and DIY home projects.

3.5. RURAL BYPASS PTA. 7% STA: 10% TTA: 10%

Rural Bypass households live in small towns along country back roads. The median age is 37.1 years. Higher-than-average proportions of employed residents work in the agricultural, mining, manufacturing, and construction industries. Labor force participation is low, and unemployment is high. Although most households are single-family dwellings, 32 percent are mobile homes. Residents save money by maintaining their homes, gardens, and vehicles themselves. They enjoy hunting, reading fishing and hunting magazines, and listening to gospel radio. They prefer to watch courtroom TV and talk shows as well as cartoons. Major lifestyle purchases include baby products, clothes, and toys.

4. RETAIL SALES

Opportunity for new commercial development is largely determined by trade area demographics, social economic characteristics, existing competition and retail sale patterns. In addition to sales from residents living or working in the trade area, businesses also can capture additional sales from visitors staying or traveling in the area. Knowing the relative strengths and weaknesses of the local retail market can help businesses develop stronger business plans and capitalize on areas of opportunity for business development. A better understanding of retail sector trends and performance also can help community leaders build an environment more conducive to local business development.

4.1. SALES FROM TOURISM

While visitor expenditures are difficult to track and may be seasonal in nature, they often provide an important source of sales for specialty retail, restaurants and food businesses. A community's ability to capture visitor sales is to a large degree dependent upon the presence of natural and man-made attractions, a concentration of tourist-related services and overnight accommodations.

Located in the foothills of western North Carolina, Rutherford County is home to several well-known state parks and recreational areas and facilities. Important visitor attractions within the county include Lake Lure, Chimney Rock State Park, the Green River Plantation, Cleghorn Golf and Sports Club and the Tryon International Equestrian Center. The Center which opened in June 2014 is a year-round resort that features an international equestrian facility. In addition to riding arenas and a stable, there are several restaurants, retail stores and a hotel on-site with plans for several additional hotels and a RV park.

The town has a number of recreational, cultural and historic sites that are utilized by both local residents and visitors. In addition to several small parks and the new Purple Martin greenway trail that will eventually connect to Thermal Belt Rail trail that runs between Rutherfordton and Forest City along a former rail line.

Important cultural or historic sites within the town include the Bechtler Historic Museum, St. John’s Episcopal Church and KidSenses Children’s Museum. The museum is a hands-on museum with rotating exhibits and year-round activities and is in the middle of a major expansion to increase programming activities for children 11-17. The Factory and outdoor learning center will be located in an adjacent downtown building. The downtown includes a number of historic or architecturally significant buildings and is listed on the National Register for Historic Places. Many of downtown’s buildings are occupied by specialty retail and restaurants that cater to both local and visitor markets. While there is not a chain hotel in the area, the town has two bed & breakfast facilities that cater to both leisure and business travelers.

4.2. COMPETITION WITHIN THE REGION

While there are a number of locally-serving businesses in the area, there is significant amount of outshopping to larger shopping centers in Spartanburg, Hendersonville and Asheville. Commercial activity within the trade area is primarily located adjacent to U.S.74 between the towns of Spindale and Forest City. While the majority of these businesses are free-standing stores in the food, drug, automotive or discount sectors, there is a small shopping center near the Isothermal Community College and a larger community shopping center in Forest City anchored by a Wal-Mart and Staples. Commercial activity within the town is primarily located along U.S.221 and Charlotte Road or within the downtown commercial district. This seven-block area is bounded by 3rd, Taylor, Trade and Washington Streets and is characterized by street-level retail, office and institutional uses.

TABLE 11. SHOPPING CENTERS RUTHERFORDTON TRADE AREAS					
	Year (SQ FT.		# ST CITY		ANCHORS
Within 20 min.					
White Oak Plaza	1987	186,277	18	Spindale	Big Lots, Save a Lot
Hillside Plaza	2000	289,987	24	Forest City	Wal-Mart, Staples, Hibbets,
Within 60 min.					
Asheville Mall	1972	974,000	132	Asheville	Belks
Blue Ridge Mall	1983	300,000	21	Hendersonvill	Belks

4.3. TAXABLE SALES

According to the NC Dept. of Revenue, Rutherford County retailers reported over \$596 million dollars in taxable sales in 2018, with most categories showing a percentage decline from the previous year. The only category to show an increase in sales was the furniture sector which reported a slight increase from the previous year. The decline in taxable sales could be due increased competition from on-line retailers, sales from businesses located outside the county or unusual weather activity that resulted in store closings.

2017-18	Gross Collection	Taxable sales
TOTAL	\$27,294,454	\$596,748,269
Apparel	\$447,118	\$9,299,544
Automotive	\$1,843,018	\$38,279,381
Food	\$5,556,195	\$114,623,954
Furniture	\$608,958	\$12,749,658
General merc	\$7,772,004	\$163,250,496
Lumber and b	\$4,105,025	\$86,282,107
Unclassified	6,890,235	144,571,452
NC Dept. of Revenue		

4.4 SALES/LEAKAGE

A retail leakage analysis is a statistical tool to help understand the retail dynamics in a certain geography. It is commonly referred to as a retail gap analysis because it identifies gaps in the retail market where demand for retail goods and services in a specific category is not being satisfied by the existing retail businesses in that geography (i.e., sales are leaking out of the geography).

Using sales gap reports compiled by Esri Business Solutions, GDS has analyzed retail sales trends for the three trade areas. Data for this analysis was derived from two major sources of information. **Demand or Potential** sales data was derived from the Consumer Expenditure Survey (CE Survey) which is collected by the U.S. Bureau of Labor Statistics. **Supply or Actual** sales data is derived from the Census of Retail Trade (CRT) which is available from the U.S. Census Bureau. It is important to note sales data for the defined trade areas is based on estimates that can vary significantly from sales data collected by NC Dept. of Revenue for a county or city.

Generally, sales leakage occurs if the desired products are not available in the trade area or if residents purchase goods through on-line or catalog businesses. Sales leakage also can occur if there is a change in the economy that depresses income. A sales surplus occurs when there are more sales generated than expected for an area based on number of residents. Trade areas with malls or major discount stores can generate sales surpluses as they often capture sales from residents living outside the defined trade area. A sales surplus also can occur when a community captures sale from tourists or day-time employees who make purchases but do not live in the defined trade area. It is important to note that while Esri Sales Gap Analysis data is a common tool used by the retail and real estate industry to clarify areas of opportunity for new commercial development, estimates can be misleading when applied to rural areas.

Despite the limited inventory of commercial space, Esri retail sales reports show the three trade areas with an overall sales surplus – more sales were made in the trade areas than estimated. As shown on Table 13. The only exception was a small sales leakage within the TTA’s food and drink category. While often sales surplus can be interpreted to mean that there is little opportunity

for new business activity, it also indicates the ability of local businesses to captures sales from customers outside the area including sales from visitors.

TABLE 13. TOTAL SALES LEAKAGE/SURPLUS RUTHERFORDTON TRADE AREAS				
2019 RETAIL SALES	Demand	Supply	Surplus/Gap	Factor
Total Retail, food and Drink	\$168,016,263	\$362,602,194	\$194,585,931	36.7
Total Retail	\$153,121,585	\$340,309,005	\$187,187,420	37.9
Total Retail, food and Drink	\$343,447,945	\$582,484,276	\$239,036,331	25.8
Total Retail	\$313,624,995	\$544,699,968	\$231,074,937	26.9
Total Food and Drink	\$29,822,950	\$37,784,308	\$7,961,358	11.8
Total Retail, food and Drink	\$495,792,250	\$616,597,384	\$120,805,134	10.9
Total Retail	\$453,073,979	\$577,392,624	\$124,318,645	12.1
Total Food and Drink	\$42,718,271	\$39,204,760	\$3,513,511	4.2

Red= Surplus, Green= Leakage

While there was an overall sales surplus for the three trade areas, a closer review of retail sales trends. Revealed a number of smaller categories with sales leakage. As shown on Table 14. categories with sales leakage include the categories of *Home Furnishings, Electronics, Building Supply, Specialty Food, Clothing, Shoe, Jewelry, Sporting Goods, Florist, Other General Merchandise, Office Supplies, Used Merchandise, Miscellaneous Merchandise and Drinking.*

TABLE 14. RETAIL SALES LEAKAGE RUTHERFORDTON TRADE AREAS				
INDUSTRY GROUP	PTA		STA	TTA
Home Furnishings	\$449,172		\$1,027,191	\$2,470,866
Electronic & Appliance	\$2,978,208		\$4,438,077	\$7,731,427
Building Supply	\$458,821			\$7,488,127
Specialty Food	\$447,982		\$1,091,488	\$1,842,664
Beer and Wine				\$544,244
Clothing	564902		\$2,381,865	\$5,910,141
Jewelry	533551		\$329,755	\$1,189,357
Shoe			\$421,077	\$1,341,686
Sporting Goods/Hobby/Music	1026787		\$3,735,440	\$6,996,725
Florist	\$169,532		\$82,000	\$189,116
Office/Gift			\$456,202	\$1,466,711
Other Misc. Stores	1,832,217		\$3,787,800	\$7,291,408
TOTAL	\$8,461,172		\$17,750,895	\$44,462,472

Source: Esri Marketplace Report

4.5. DOWNTOWN DEMAND

Based on a conservative capture rate estimate of 20% and a sales productivity measure of \$150/ft, GDS has calculated that the downtown commercial district could support approximately \$8M or approximately 55,000 square feet of additional new commercial space over the next five years.

While individual store conditions and changes in consumer shopping behavior may reduce the number of prospective tenants looking for space, GDS believes that there is opportunity to strengthen downtown business mix by attracting new businesses in the following categories: **Home Furnishings, Apparel, (clothing, shoes and jewelry), Hobbies, Gift, Other Misc. Stores, Specialty Food, Restaurants and Drinking establishments.** While there was significant sales leakage in the categories of *Electronic, Appliance, Building Supply, Other General Merchandise,* these uses typically prefer to locate closer to major highways or in enclosed shopping centers.

It is important to note that sales leakage is just one of several indices that should be used to identify new business opportunities. Other indices that can be used to identify opportunities include previous SWOT and Asset Mapping exercises as well as consumer surveys.

Categories with opportunity for expansion include the following:

- **Home Furnishings.** This category includes flooring, window treatments, lighting, tile, new and vintage furniture accessories. While many of these uses are found at Home Depot, Lowes, there could be opportunities for smaller showrooms or sales offices within the home remodeling business (flooring, tile, window treatments, cabinets, lighting) or for home décor stores carrying decorative items for the home.

TABLE 15. DOWNTOWN DEMAND RUTHERFORDTON TERTIARY TRADE AREA			
Category	Sales Leakage	20% Capture	Square Footage
Home furnishing	\$2,470,866	\$494,173	3,294
Electronics & Appliance	\$7,731,427	\$1,546,285	10,309
Specialty Food	\$1,842,664	\$368,533	2,457
Beer and Wine	\$544,244	\$108,849	726
Clothing	\$5,910,141	\$1,182,028	7,880
Shoe	\$1,341,686	\$268,337	1,789
Jewelry	\$1,189,357	\$118,936	793
Sporting Goods, Hobby	\$6,996,725	\$1,399,345	9,329
Other GM	\$4,578,312	\$915,662	2,616
Florist	\$189,116	\$37,823	252
Office, Gift	\$1,466,711	\$293,342	1,956
Other Misc. Stores	\$7,291,408	\$1,458,282	9,722
Used Merchandise	\$283,208	\$56,642	378
Restaurant	\$1,564,768	\$312,954	2,086
Drinking	\$1,796,814	\$359,363	2,396
TOTAL	\$45,197,447	\$8,920,554	55,982

Source: GDS, Esri Reports

- **Electronics and appliances.** This category includes household appliances, computer hardware, cell phone, direct TV, stereo and TV. While there is significant sales leakage, these uses are concentrated in in big box stores that prefer locations along major traffic corridors. Businesses that could locate downtown include computer repair or IT companies, direct TV or cell phone franchises or custom appliance stores.
- **Specialty Food and Bev.** Examples of uses that could be located downtown include specialty food stores (oil, cheese, ice-cream, candy, break, bakery, specialty wine or beer. Demand also could be met through new vendors at the local farmers market.
- **Apparel.** While this sector continues to experience consolidation and closings due to increased competition from on-line companies, there could be opportunities to expand downtown's apparel sector through a small co-share retail space with several small vendors or through jewelry, clothing or shoe that appeal to smaller niche markets or have on-line sales.
- **Other General Merchandise.** Many of the businesses in this category are large operations like Costco, Sam's Club, Target, Walmart or variety discounters like Dollar General. Potential demand could be satisfied by increasing sales to local businesses.
- **Office/Gift.** Downtown could support an additional gift store.
- **Other Miscellaneous.** Stores in this category sell a variety of unique items ranging from art supplies to items for your pets. downtown could support several new stores within this category that focus on resident's hobbies or lifestyles. Examples of lifestyle uses include craft, beading, jewelry, knitting, home décor, ATV, bicycle, hunting, fishing or archery stores.
- **Used.** This category includes used merchandise, antiques, and secondhand goods
- **Restaurants and Drinking Establishment** – there should be opportunities to increase downtown supply of available dining or drinking establishments.
- **Non-retail uses.** The sales leakage analysis does not measure demand for non-retail uses. Uses that would strengthen downtown include housing, overnight accommodations, charter school, governmental office use, training facilities or classroom space for community college, recreational center, performing arts and artist or craft studio.

5. BUSINESS MIX OPPORTUNITIES

Downtown's business mix will continue to change over time due to changing consumer demand and competition within the trade area. While there is identified demand to support some additional retail and restaurant activity, RTR also will need to work with property owners to attract non-retail uses and make sure that vacant buildings are secure to prevent further deterioration. GDS recommends that RTR work with property owners and realtors to attract businesses within the following four areas.

While the majority of sales for new business activity will come from the local and regional trade areas identified in Section II., new businesses also should target Rutherford County’s growing visitor market. While the visitor market is not yet large enough to support new business activity on its own, it is an increasingly important source of sales for local businesses. Based on a review of current market trends, estimated sales leakage and current inventory, GDS recommends that RTR focus future business recruitment efforts on attracting businesses within the following categories:

5.1. DINING and SPECIALTY FOOD

While several new restaurants and specialty food uses have opened in Rutherfordton, more are needed to establish a regionally-serving “foodie” destination in successful downtown dining/entertainment districts, restaurants and bars often account for up to one-third of all business uses. New restaurants, bars and food uses should provide a quality product at a reasonable price and avoid product overlap. Examples of food uses that would fit Rutherfordton’s market profile and business mix include vendors selling candy, honey, olive oils, bread or cheese. Examples of restaurants that would complement existing businesses include juice or smoothies, chef-driven farm to table, other ethnic foods or barbecue. To recruit these uses, RTR will need to identify optimal locations and help tenant secure financing or qualified workforce. Key projects that would help anchor downtown’s dining and food cluster include:

- **Year-round Farmers’ Market.** While local residents patronize the farmers’ market in Forest City, there could be an opportunity to develop a small, outdoor evening market or an indoor public market that would provide inexpensive space for craft, produce and prepared food vendors.
- **Microbrewery or Distillery.** RTR should work with interested investors to establish a second brewery or a distillery similar to ones in Saluda or Tryon.



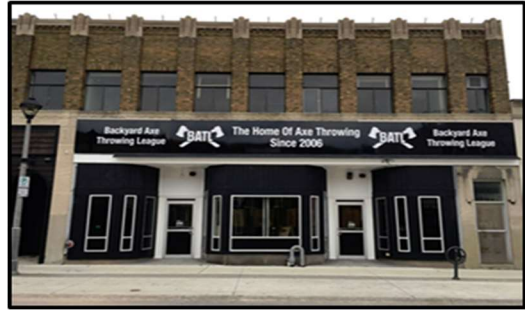
5.2. NEIGHBORHOOD GOODS AND SERVICES

While downtown already has a strong neighborhood business cluster, this business category should continue to grow due to changing demographic trends that value walkability and proximity to homes or jobs. Typical uses within this category include drugstores, florists, dry cleaners, nail and hair salons, hardware stores and exercise facilities. We recommend that RTR work with property owners to identify and contact businesses that would complement existing uses with priority given to those uses in the home health care, dietary or nutrition, medical services or personal care sectors.



5.3. SPECIALTY LIFESTYLE RETAIL

While downtown retailers may not be able to compete with discount stores or Amazon on price, they can capture sales from local residents by selling products that appeal to residents' lifestyles or hobbies or by providing customers with a unique experience that they can't find on-line. We recommend that RTR work with property owners to identify and attract new businesses that appeal to two key lifestyle segments; outdoor recreation and home-based hobbies. Examples of businesses that appeal to these lifestyle segments include mountain bicycle, motorcycle accessories, hunting or fishing products, knitting, beading, scrapbooking, gardening and bird seed stores. Examples of experiential stores that would provide customers with a unique experience Do it yourself workshop stores or makers spaces, escape rooms, ax throwing or video/bowling or game rooms. This business cluster could be strengthened by developing the following anchor project:



- **Pop-Up.** A pop-up project provides customers with a constantly changing inventory and unique experience as well as provides inexpensive space for fledgling vendors or new businesses looking to test the market before signing a long-term lease. Downtown Rutherfordton's pop-up store could include a variety of lifestyle products that appeal to residents' hobbies and interests. The store could be open during the holiday season to increase foot traffic or as a year-round operation.



5.4. NON-RETAIL

In addition to reducing downtown's overall vacancy rate, attracting new non-retail uses could help increase market support by increasing the number of persons working or living downtown. Possible non-retail tenants that RTR could focus on include upper-floor housing, educational, medical and general business-business uses. This business cluster could be strengthened by developing the following anchor projects:

- **Housing.** Across the country, cities are experiencing an increasing demand for downtown housing from both millennials and empty-nesters wanting to be near restaurants and specialty stores. Downtown housing could include both rental and for sale product at various price-points.
- **Educational Facility.** Attracting an educational facility that provided classes or training would



increase sales for existing restaurants and businesses and increase number of persons working or visiting the downtown.

- **Co-working Office.** While the “lone wolf” consultant or 1-2-person firm is an ideal tenant for downtown Rutherfordton, these tenants often need smaller spaces and more flexible lease terms than is typically available. We recommend that RTR work with an interested property owner to redevelop a building to provide small, flexible office spaces for new businesses

TABLE 16. RETAIL OPPORTUNITIES/ CONCEPTS

CATEGORY	STORES	EXAMPLE	COMMENTS
Restaurants/bars	1-2	Brewery, sports bar, ethnic, farm to table restaurant, cider	Ethnic, soup/salad.
Miscellaneous	3-4	Sporting equipment, hunting, book, bicycle, craft or hobby, jewelry.	Outdoor gear and rental Fitness or exercise.
Electronics or Appliances	1	Electronics, cell phone, repair, IT	Cell phone or computer repair store.
Home Furnishing	1-2	Service, flooring, curtains, lamps, tile, outdoor patio.	Area sales office with showroom space.
Specialty Food	1	Famers’ market, cheese, honey, oils, bread, candy	Indoor market anchor
Apparel and accessories	1-2	Women’s, family, children, vintage, dancewear, exercise.	Could have several small vendors co-share space.

APPENDIX

**TABLE 1.
2019 DEMOGRAPHIC QUICK FACTS
RUTHERFORD TRADE AREAS**

TRADE AREAS	0-10 Min.	0-15 Min.	0-20 Min.
POPULATION	14,116	30,450	45,923
HOUSEHOLDS	5,802	12,251	18,363
AVERAGE HH SIZE	2.34	2.41	2.45
INCOME			
Median Income	\$40,643	\$40,281	\$40,001
Per Capita	\$26,243	\$24,433	\$23,295
RACE			
White	79.9%	78.7%	81.8%
Black	14.1%	14.6%	12.1%
Hispanic origin	4.5%	5.6%	5.3%
Diversity Index	39.8	42.7	38.6
MEDIAN AGE	45.0	44.8	44.6
HOUSING			
Owner Occ. Housing	51.4%	52.7%	56.5%
Rental Occ Housing	33.7%	31.9%	28.6%
Vacant Housing	14.9%	15.5%	14.9%
Md Housing Value	\$133,214	\$133,353	\$128,453
EDUCATION:			
High school Grad	25%	25%	26%
Bachelor Degree	18%	15%	13%
Grad or Prof. Degree	8.20%	7.60%	7%
EMPLOYMENT			
White-Collar	53%	52%	50%
Service	15.0%	16.0%	16.0%
Blue-Collar	31.0%	32.0%	33.0%

Source: Esri reports, U.S. Census

DOWNTOWN SURVEY

Below are responses to an on-line survey sent to downtown stakeholders including the RTR board and committee chairs.

1. What do you like best about downtown?

- **Restaurants**
- **Friendly Vibe**
- **Small town charm**
- **Historic buildings**
- **Special events**
- **Walkable**
-
- **History**

2. What are the major problems or issues that are holding back downtown revitalization efforts?

- **Deteriorated Buildings.**
- **Lack of Destinations.**
- **Need more restaurants entertainment**
- **Rents are too High**
- **No financial assistance or incentives to encourage renovation.**
- **Not enough stores to attract visitors.**
- **Limited downtown housing.**
- **Stores closing after 5.**
- **Insufficient Parking.**
- **Absentee Owners.**
- **No cooperation between businesses.**
- **Unsupportive property owners.**

3. List major projects or changes that have occurred downtown over the past five years.

- **Increase in # of restaurant**
- **More businesses opening**
- **Purple Martin Trail**
- **More events in downtown**
- **Improved business attitude**
- **Increasing turnover and loss of long-time businesses**
- **Increasing vacancies and deteriorating buildings**
- **Increasing rents**

4. List your top 3 priorities or projects that you feel would strengthen downtown.

- **Improve relationship between stakeholders**
- **Increase community support for downtown revitalization efforts.**

- **Complete Kiwanis Park and Greenway Trail**
- **Complete KidSenses expansion project and funding**
- **Improve downtown's Streetscape including new parking lots**
- **Focus on maintenance issues like Trash (center St.) and deteriorated buildings**
- **Encourage more Building Improvements**
- **Coordinate store hours and get business to stay open longer**
- **Encourage stores to add more in-store activities**
- **Add more events like Fun Friday**
- **Provide assistance to business owners**
 - **Storefronts**
 - **Merchandising**
 - **Advertising/marketing**
- **Help property owners**
 - **Need Move-in ready space at affordable rent**
 - **Focus on vacant buildings like Legal Grounds**
 - **Develop upper-floor housing**
 - **Recruit more specialty retailers**
 - **Recruit more restaurants/bars**
 - **New incentives**

5. Are there specific businesses that you think the Main Street Program should target for recruitment?

- **Mast General type destination store**
- **Specialty food (olive oil, wine)**
- **Pet supply**
- **Hardware (Hill)**
- **Home décor (country, rustic)**
- **Sporting (outdoor wear, sporting goods)**
- **Women's (consignment, clothing)**

FINANCIAL INCENTIVES

EXISTING PROGRAMS

1. LOANS

- **USDA.** There are a number of USDA funded programs available to small businesses including:
 - The Rural Business Development Grant (RBDG) provides technical assistance to small businesses with sales under \$1M. Funds can be used for feasibility studies, renovation and parking. RTR could apply for grants to fund a pop-up store or maker space.
 - The REAP program can be used to fund energy-related improvements, including new windows, solar panels or improved HVAC systems.
 - Contact Warren Smith, Shelby Office 704-471-0235
 - Email: kevin.oliver@nc.usda.gov
 - Contact VEDIC (Valdese Economic Development Investment Corporation) at www.vedinc.net as they provide loans to Rutherford County.
- **SBA.** There are a number of SBA programs available through local lenders or through SBDC
 - SBA microenterprise loans provide funding for small improvements under \$50K to minority, women and veteran owned businesses.
 - SBA-7a loans provide funding for inventory or equipment expansion.
 - SBA-504 loans provide low interest funding to purchase a building.

2. GRANTS

- **NC Main Street Solution Fund.** While the program is on hold pending further funding, the Town should meet with their legislator to discuss “shovel ready” projects that could be funded through the Solution Fund or through Hometown Strong program including funding for indoor market or housing demonstration project.
- **Federal Home Loan EDPlus Grant.** Member banks can apply for a grant up to \$25,000 for a local business to purchase or expand a building, buy machinery or cover closing costs. To be eligible, business must contribute 5% of their own funds and take out an EDP advance [.\(FHLB EDPlus grant\).](#)
- **Place-Making Grant.** (National Association of Realtors). Local realtors can apply for a grant from the national association for up to \$5,000 for place-making projects including demonstrations and temporary pop-up. Could be used to do new murals, artwork or pocket park in town. Visit [NAR](#) website.

3. TAX CREDITS

- **Low-Income Housing.** Tax credits help to defray the cost to develop affordable housing. <https://www.nchfa.com/rental-housing-partners/rental-developers/find-rental-development-financing-options>
- **Historic Tax Credits.** Property owners within the downtown historic district are eligible for a 20% state and 20% federal tax credits on qualifying renovation.
 - Talk to lenders and tax credit consultants on how tax credits could be sold to provide renovation funding. Contact Sherbert Consulting tara@sherbertconsulting.com
- **ADA Federal Tax Credit.** Businesses can take a maximum \$5,000 tax credit (50% of the cost, up to \$10,000, to offset the cost of making a business ADA compliant. These improvements could include removing architectural barriers, improving accessibility, providing accessible formats such as Braille, large print signage or purchasing certain adaptive equipment.

NEW PROGRAMS

1. LOAN PROGRAM EXAMPLES

- **Revolving Loan Fund.** RTR or the town could establish a revolving loan fund that can be used for gap financing or building improvements. The fund would be a self-replenishing pool, using interest and principal on old loans to issue new ones. (see Bessemer City loan BRIG program)
 - Possible sources to capitalize this fund include the USDA's Rural Economic Development Program, NC's Community Development Block Grant Program, or local lenders.
 - Talk to VEDIC about a program similar to Burke County's.
 - See Saltville VA program that uses Industrial Development bonds to provide forgivable loans.
- **Rutherfordton Micro Loan Program.** The town could talk with the North Carolina Rural Economic Development Center to develop a program for local entrepreneurs similar to program established in Marion. The micro express loan gives a chance to small business owners that aren't quite ready for a larger business loan or who need to build their credit.

2. GRANT PROGRAM EXAMPLES

- **Interior Grant Program.** Similar to façade grants, this grant program would provide matching funds to help defray the cost of tenant upfit improvements and increase the supply of rental spaces in "move-in" condition. Typical program grant awards are between \$500 - \$2,500.

- **Fire Suppression.** This program would encourage upper-floor renovations that require sprinkler systems by providing a grant (or loan) toward the cost of sprinkler installation or other fire suppression improvements. The grant could be used to fund code related improvements required by a change of use. These costs often are major obstacles to developing upper-floor spaces.
- **Rutherfordton Biz Competition.** The town could establish a program to encourage new start-up activity in the downtown similar to Marion’s Business Competition program. Selected business plans would be awarded a small cash award or donations from local businesses including discounts on rent. Can be combined with a boot camp to ensure qualified applicants.

3. OWNERSHIP

- **LLC.** Many main street communities have established a local investment group to accelerate the pace of redevelopment. This fund can be used to purchase key buildings that are in danger of demolition, used as match funding for state grants or provide short-term financing for priority businesses. It is important that this investment group share the community’s standards and vision for downtown.
- **CDC.** RTR could establish a separate 501-c3 corporation to acquire properties through donations or purchases that then can be brought up to code through grants and loans. This is a useful to for buildings that are in danger of demolition due to neglect that the town would rather not acquire. Property owners would be eligible to take a tax deduction for donating their building to this non-profit corporation.

PROPERTY OWNER INFORMATION

1. PROPERTY INFORMATION

- Property address: _____
- Name of owner: _____
- Ownership structure _____
- Total Sq. footage/floor _____
- Current Tenants _____
- Rent or sale price _____
- Broker/Realtor _____

2. KNOWN BUILDING ISSUES

3. RECENT IMPROVEMENTS

4. WHAT ARE YOUR PLANS FOR BUILDING?

- **Short-term**

- **Long-term**

5. WHAT STEPS HAVE YOU TAKEN TO FIND TENANTS?

6. ARE YOU WILLING TO TAKE ANY OF THE FOLLOWING STEPS TO HELP FILL VACANCY?

- Improve Curb appeal
 - Remove trash from interior
 - Building aired and cleaned
 - Clean out window and display areas
 - Make minor repairs to exterior
 - Remove old signs from building
 - Sweep and wash doorway inset
 - Repair broken windows or leaks

- Make code related improvements
 - Heating and air
 - Electrical work
 - Bathrooms
 - Roof repairs
 - Flooring
 - Walls

- Develop a Leasing Plan
 - Provide rent or sale information
 - Conduct inspection to identify code issues
 - Identify tenant upfit allowance
 - List property with local realtor
 - Display attractive signage in window
 - Advertise in local paper
 - Work with Main Street volunteers to contact tenants

7. WOULD YOU WANT FOLLOWING ASSISTANCE FROM RTR?

- Façade grant
- Help with code related issues
- Help with building improvements
- Help with Tax Credit application
- Help marketing building
- Help contacting prospective tenants

PROSPECT INFORMATION SHEET

NAME OF BUSINESS: _____

ADDRESS : _____

CONTACT PERSON: _____

SPACE NEEDS:

Purchase lease

Amt of space: _____

Rental or sale price: _____

OWNERSHIP CHARACTERISTICS: Independent Franchise Chain Partnership

INFORMATION ON BUSINESS:

Lease rate _____

Years in business _____

Number of Empl. _____

Size _____

Target customer _____

ON-SITE OBSERVATIONS: Rank 1 – 5, 1 being lowest

Target Customer

Income level	1	2	3	4	5
Ethnic makeup	1	2	3	4	5
Age	1	2	3	4	5

In-store Observations

Quality of merchandise	1	2	3	4	5
Quantity of merch.	1	2	3	4	5
Overall appearance	1	2	3	4	5
Sales help	1	2	3	4	5
Merchandise display	1	2	3	4	5