

A Retail Market Analysis for



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Prepared for:

Springfield on the Move

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1.0 Introduction and Background

Springfield is a truly unique community with a remarkable history. First settled as Eureka, the settlement soon moved several miles to the falls of the Black River which were used to power early milling enterprises for the widespread agricultural community surrounding town. By the latter part of the nineteenth century, however, Springfield had begun to transform from a mill town to an industrial town. When the Jones and Lamson Machine Tool Company moved to town it launched a remarkable industrial age for the community earning it the nickname the “heart of precision valley.” The machine tool industry fed a remarkable time of innovation and prosperity for Springfield that lasted well into the twentieth century. This prosperity led to a “guilded age” in downtown as a center of commerce and culture for the surrounding area. It wasn’t until the decades of the 1960’s and 1970’s that the industries started to close leaving Springfield to confront an uncertain future. It was also during this time that the suburban “shopping plazas” that proliferated throughout the country came to town removing many of the traditional staples of downtown shopping to the edge of Springfield.

Realizing that the health of downtown was in decline, a group of civic-minded citizens founded Springfield on the Move as an economic development group specifically chartered to reinvigorate the National Register Listed downtown. As an affiliate of the Vermont Main Street and the National Main Street Models, Springfield on the Move has been instrumental in reinvigorating downtown. The focus of the organization is on design, organization, promotion, and economic development to enhance all of downtown. The group has been successful at opening up a dramatic park space along the Black River, working with property owners on promotional events and activities in partnership with the Greater Springfield Chamber of Commerce, working on economic recruitment to downtown, and a recent community identity package used to market and brand Springfield.

Recognizing the need to identify the current market situation for downtown, Springfield on the Move hired Arnett Muldrow & Associates, Ltd. to complete this market study for downtown. Prior efforts, while detailed and thorough, dated to 1994 and much has changed in the market since that time. This study was designed to provide insight into trade patterns, potential recruitment targets, and marketing strategies for downtown Springfield for the coming three to five years.

Twelve retailers throughout Springfield conducted a zip code survey of customers held in August of 2010. The zip code research led to a market definition study and a sales and retail leakage analysis for the community. This information was coupled with a series of one-on-one interviews with business owners, community stakeholders, and the Springfield on the Move board of directors. Altogether, this information was then used to craft a series of recommendations for Springfield on the Move and its partners to pursue. The recommendations are organized into three strategic themes.

This report would not have been possible were it not for the participation of many citizens and businesses in Springfield who took time out to track customers, share their opinions, and provide feedback on the project. Thanks go also to the Springfield on the Move Board of Directors for their candid and thoughtful input. A special thanks goes to Carol Lighthall who organized the interviews, coordinated the zip code survey with merchants, and provided valuable help throughout the process.

2.0 Retail Market Study

This section of the report presents the findings of the retail market research for Springfield and sets the stage for further analysis that can be used to recruit business, help existing businesses target customers, and implement the accompanying marketing and recruitment strategy in chapter three of this report. The goal is to capitalize on Springfield's potential retail trade and channel that into investments that sustain downtown Springfield and potentially other retail districts within the city.

Chapter 2 is divided into four sections:

Section 2.1 is Springfield's market definition based on zip code survey work completed by businesses in the community. It also provides insight into Springfield's trade area demographics and presents market data related to Springfield's primary and secondary trade areas.

Section 2.2 provides demographic profiles of Springfield's primary and secondary trade areas. This section also presents a more detailed market segmentation using PRIZM® Lifestage characteristics, and describes how these characteristics are relevant to future retail market development.

Section 2.3 presents the retail market analysis that shows the amount of retail sales "leaking" from the primary and secondary trade areas. This information is based on the most recent data available and is a reliable source for understanding overall market patterns. This section concludes with some key opportunities for retail that could be used to both enhance existing businesses and recruit additional businesses to downtown.

Section 2.4 summarizes Springfield's current retail environment, and indicates market characteristics and trends that form the basis of the recommendations presented in Chapter 3.

2.1 Market Definition

Unlike radial and drive time studies that tend to use arbitrarily picked boundaries for customer trade zones, the method used for market definition in Springfield is based on zip code survey work completed by cooperative merchants. In the case of Springfield a radial study would yield inaccurate data as the nearby Connecticut River creates a strong geographic boundary with only selective crossings. A drive time study presents particular problems as well, as the I-91 corridor tends to funnel customers to and away from Springfield itself. Zip code surveys have their own limitations in that the zip code geography can sometimes be fairly large and stretch beyond the typical market boundaries. However, it is the only technique that correlates easily with customer traffic collected by merchants. The zip codes are used to then define a primary and secondary trade area for the community from which a whole host of demographic data can be gleaned.

Twelve Springfield retail businesses graciously participated in the zip code survey of their customers conducted from August 9th through the 16th of 2010. Merchants were provided with a form to record customer zip codes and asked to keep the log for all customers during a seven-day period. In all, ten retailers and two restaurants recorded 1,015 individual customer visits during the seven-day period.

2.1.1 Zip Code Results

The results of the zip code survey are listed below:

- Springfield businesses recorded 1,015 customer visits from 114 unique American zip codes representing 25 states.
- The Springfield zip code 05156 had the most visits of any zip codes with nearly one-half of customers from this geographic area (49%).
- The Chester zip code (05143) had 10% of the overall visits while North Springfield (05150) and Perkinsville (05151) each had 6% of the overall visits.
- Other neighboring zip codes (Charlestown, NH; Bellows Falls, VT; Claremont, NH; Ludlow, VT; Windsor, VT; and Cavendish, VT) accounted for an additional 12% of the visits.
- Visitors from outside the immediate area accounted for approximately 17% of the overall visits. True “visitors” are probably slightly lower than this number but states other than Vermont and New Hampshire accounted for 7% of the customer visits.

Figure 1 provides a snapshot of the information above breakouts of customer visits.

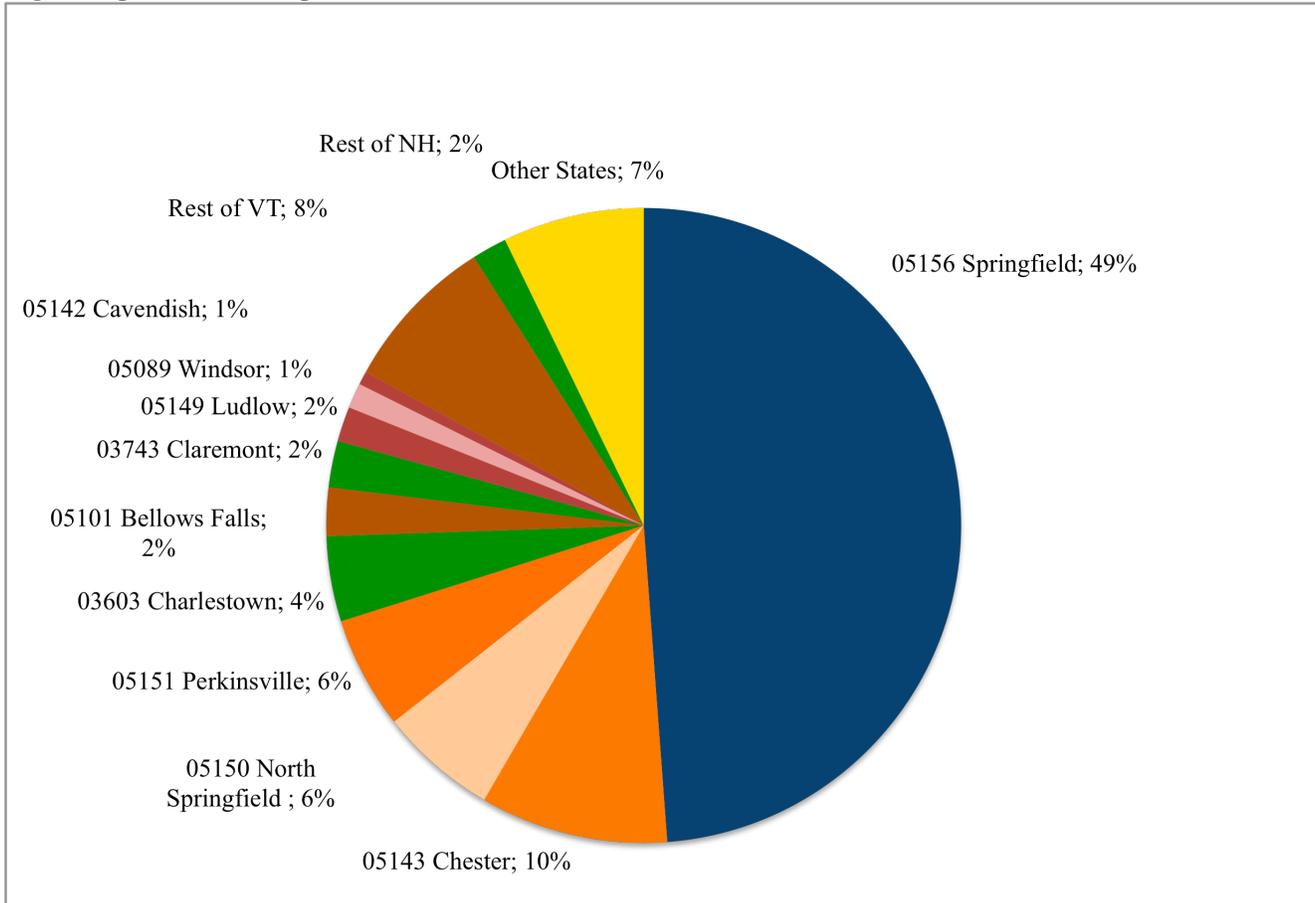


Figure 1: Customer visits to participating businesses by zip code.

2.1.2 Information by Business

The preceding information examined how the stores did in aggregate when all results are combined into one “pot” of figures. This section looks at the results by retail store to determine if there are any anomalous figures that emerge with particular stores. To protect the confidentiality of the individual store results, the names of the stores are not included in the charts.

Figure 2 illustrates the percent of visitors from the Springfield zip codes 05156. As mentioned before, 49 percent of the customer traffic is from the Springfield zip code and is indicated by the red bar below. Only one business had less than 20% of their customers from the 05156 zip code while four had over half of their customers from the Springfield zip code.

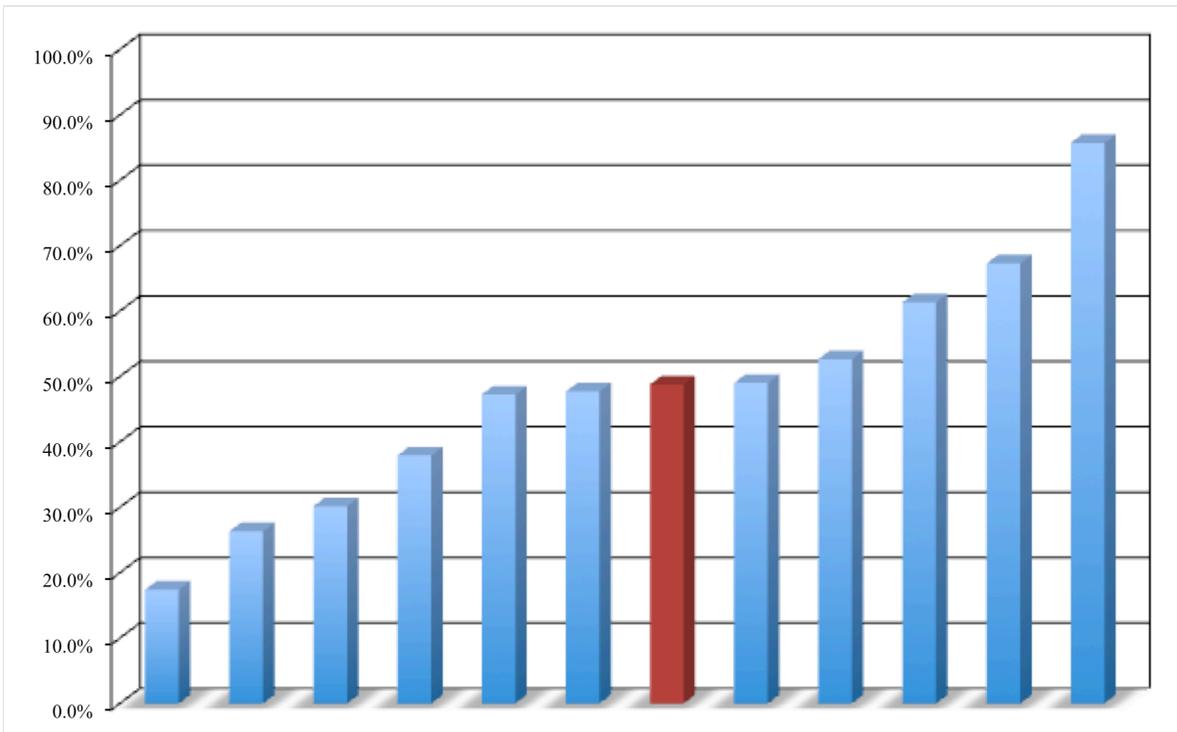


Figure 2: Percentage of visits from Springfield zip code by business.

Figure 3 shows the customer traffic from Springfield and its neighboring zip codes. In total, these visits accounted for nearly 80% of the overall customer traffic (again indicated by the red bar). Only two businesses had less than 75% of their customers from the immediate area’s zip codes. In fact, these two businesses depended significantly on visitor traffic for customer base.

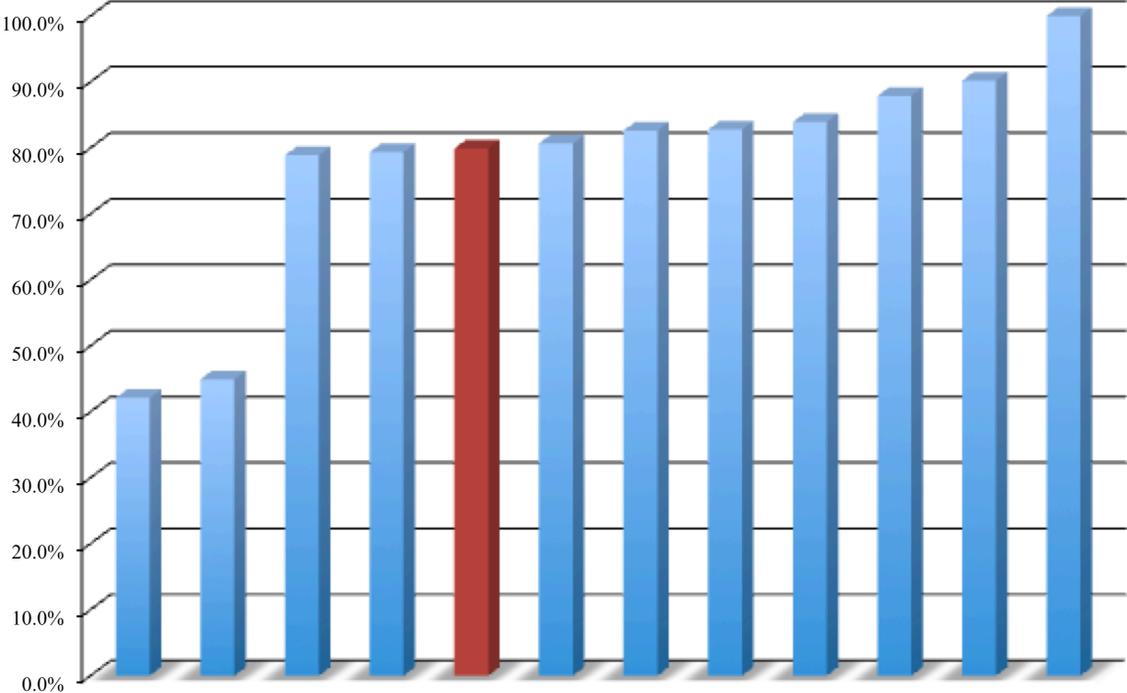


Figure 3: Percent visits by business from the Springfield zip code and neighboring zip codes.

Figure 4 shows the estimated visitor traffic to businesses in Springfield. This is estimated because visitor traffic is counted as anything outside of the immediate area so some “locals” may be categorized as visitor for the purposes illustrated below. Overall visitors accounted for nearly 20% of the customer traffic in Springfield. Two businesses saw visitor traffic significantly over that amount with over 50% of their traffic from visitors. Conversely, one business saw no visitor traffic and six more had between 10% and 20% of their traffic from outside the immediate area. This early evidence indicates that there is strong potential to expand visitor traffic.

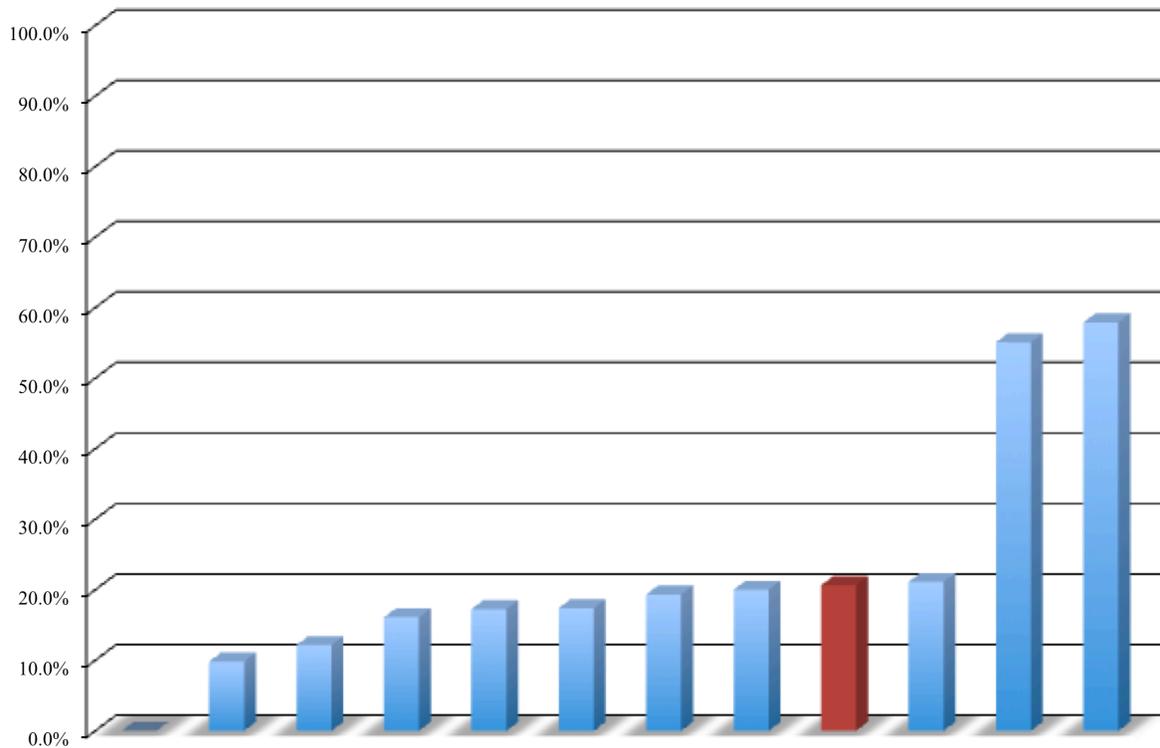


Figure 4: Percent visitor traffic by business in Springfield.

2.2 Trade Area Definition

The number of visits provides an overall view of customer origination. A more accurate way to evaluate customer loyalty in the market is placing customer visits in the context of the population of each zip code. This corrects for zip codes that have exceedingly large or small populations that might skew the market penetration data. By this measure, the primary and secondary trade areas for the community can be established. The primary trade area is the geography where the most loyal and frequent customers to Springfield reside. The secondary trade area represents an area where Springfield businesses can rely on customers but to a lesser degree. To establish the trade areas, a table is created to show customer visits per thousand residents. Each zip code population is taken, then the number of visits from that zip code are calculated. We recognize that some zip codes do not have 1000 visits but the index allows for an equal comparison of market penetration per zip code. Table 1 on the following page shows customer visits per 1,000 people for each of the highest representative visits to Springfield.

Place	Name	State	Population	Visits	Visits Per 1000
05150	North Springfield	VT	861	61	70.85
05156	Springfield	VT	8,967	495	55.20
05151	Perkinsville	VT	1,315	58	44.11
05143	Chester	VT	4,605	97	21.06
05142	Cavendish	VT	760	13	17.11
03603	Charlestown	NH	5,319	44	8.27
05149	Ludlow	VT	2,668	18	6.75
05101	Bellows Falls	VT	4,997	25	5.00
03743	Claremont	NH	13,820	24	1.74
05089	Windsor	VT	5,459	7	1.28

Table 1: Customer visits per 1,000 population.

Determining the primary and secondary trade areas can sometimes be more “art” than science. At times, significant breaks in customer visits are not obvious. In Springfield’s case the division for the primary trade area is fairly obvious however. With over 70 visits per thousand residents, North Springfield (05150) emerges as the “most loyal” zip code for Springfield. Its relatively small population allows it to eclipse its more populous neighbor the 05156 zip code, which is the second most loyal zip code to Springfield merchants with 55.2 visits per thousand residents. Perkinsville has 44 visits per thousand residents also placing it in the primary trade area.

Two zip codes, 05143 Chester and 05142 Cavendish comprise the secondary trade area with 21 and 17 visits per thousand residents respectively. Nearby Charlestown, New Hampshire had a significant number of visits with 44 but only 8 visits per thousand when compared with the population of the zip code. Thus it (and those below it) is considered outside the primary and secondary trade areas for Springfield.

Figures 5 and 6 on the following page display the extent of the primary and secondary trade areas for Springfield as two adjacent geographies. Note the influence of both the Interstate 91 corridor and the Connecticut River on the boundaries of the trade areas. These natural and man-made barriers have a significant impact on trading patterns in Springfield.



Figure 5: Primary trade area.

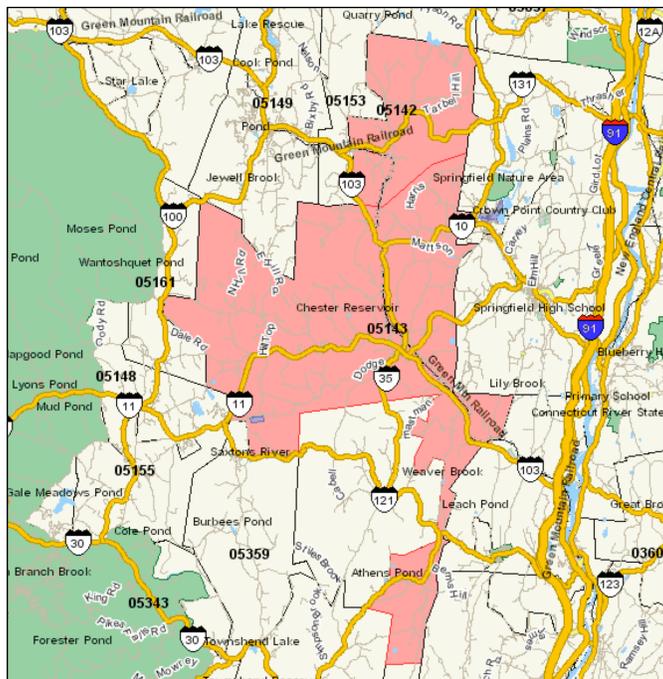


Figure 6: Secondary trade area.

2.3 Trade Area Demographics and Market Segments

2.3.1 Springfield Primary Trade Area Demographics

In 2009, the population for the Springfield primary trade area was estimated to be 10,829. The population has been on a continuous decline since 1990 where it stood at 11,601. The population is expected to continue to decline by 2014 to 10,579. The median household income for Springfield is \$44,801. This income level lags that of Vermont, which is \$51,704 and the United States at \$52,175.

Primary Trade Area Population	
1990 Census	11,601
2000 Census	11,223
2010 Estimated	10,829
2015 Projected	10,579
Percent Growth	
1990-2000	-2.31%
2000-2010 Estimated	-3.51%
2010-2015 Projected	-2.31%

2.3.2 Springfield Secondary Trade Area Demographics

The secondary trade area (the Chester and Cavendish zip codes) has an estimated 2009 population of 5,437; about half that of the primary trade area. This population experienced robust growth between 1990 and 2000 of about 11%. This growth slowed between 2000 and 2009 and is expected to continue on a very slight decline by 2014 to 5,405. The median household income of the secondary trade area is significantly higher than that of the primary trade area at \$49,341 but still lags both Vermont and the United States.

Secondary Trade Area Population	
1990 Census	4,943
2000 Census	5,485
2010 Estimate	5,437
2015 Projected	5,405
Percent Growth	
1990-2000	10.97%
2000-2010	-0.88%
2010-2015	-0.59%

2.3.3 Life Stage and Social Group Market Segmentation

Market segmentation is a way to summarize demographic information into easy to understand categories. The market segmentation illustrated for Springfield's trade areas uses Claritas PRIZM®

data. PRIZM® defines every US household in terms of 66 demographic and behavioral types to help determine the lifestyles, purchase behaviors, likes and dislikes of the customer base. These are arranged into both social and life stage groups.

For ease of understanding, life stage categories are illustrated in charts below. The red colors represent households without children and generally a younger life stage, the blue represents families with children in the home, and the green represents empty nesters and retirees. The darker the color shows more affluence.

In the case of Springfield, 57% of the households are in the older market demographics with “sustaining seniors” representing 19% of the household base. Families with children represent 15% of the life stage with “mainstream families” at 11%. “Younger years” comprise about 28% of the households with “striving singles” at 18%. As is the case in many smaller cities and towns, the population indexes at lower income levels than the rest of the United States. However, there are pockets of affluence including “midlife success” that comprise 10% of the primary trade area market and “affluent empty nests” with 4% of the market, and “young accumulators” with 2% of the market.

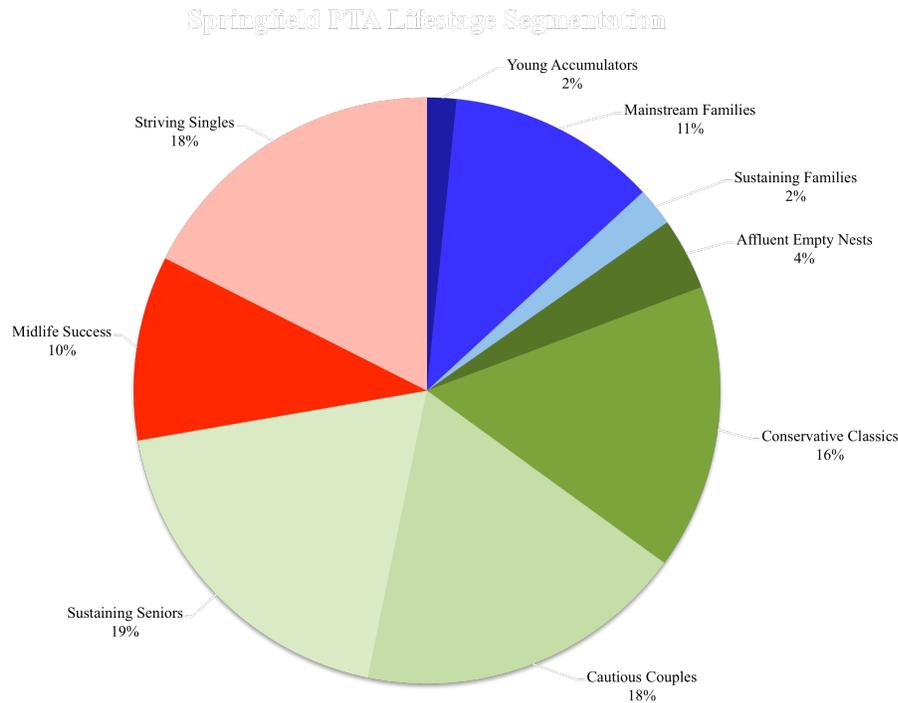


Figure 7: Lifestyle segmentation for Springfield primary trade area.

As shown in Figure 8 below, the secondary trade area demographics shift to an older and more affluent market demographic. “Conservative classics” which is a middle income demographic of empty nesters and retirees are the most prominent category in the Secondary Trade Area with 34% of the households

falling in this category. The older market demographics in the secondary trade area account for 68% of the market while the younger years account for 21% and middle years for 11%.

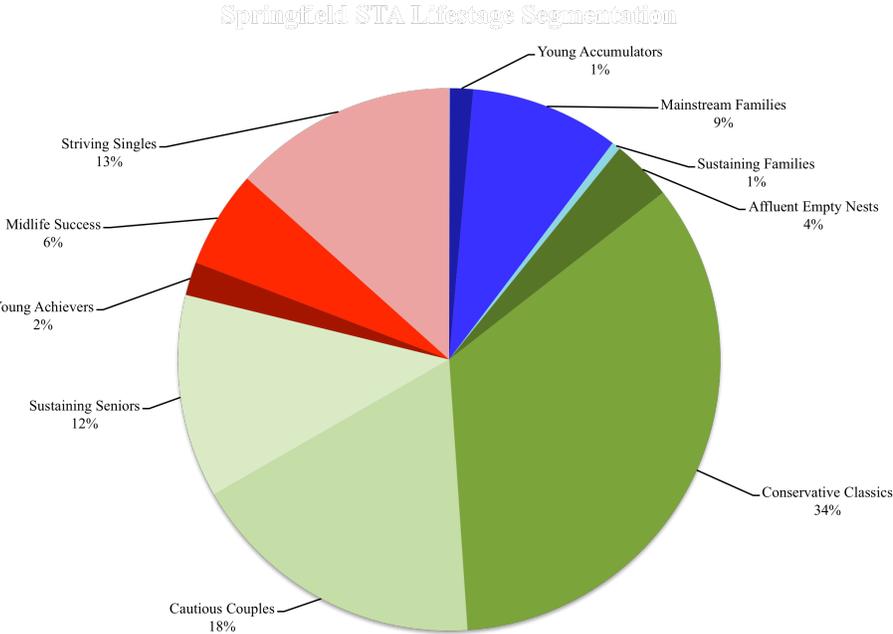


Figure 8: Lifestage segmentation for Springfield secondary trade area.

2.3.4 Detailed Market Segmentation

Table 2 details all of the PRIZM® segments included in the primary trade area. There are certain categories that only exist in urban markets and suburban markets that are not shown in this table. The table is also indexed to the United States in the sixth column to show how Springfield’s primary trade area compares nationally. The table is color coordinated similar to the pie charts above. Green represents households that are older demographics typically without children. Blue represents families with children. Red represents younger demographics typically without children. The chart also shows education levels, employment type, and other categories. Descriptions of Springfield’s most common segments follow the table.

Social Group	Lifestage	Name	Households	Pct.	Index to USA	Predominate Income Level	Age	Pred HH Comp.	Predominate Education	Predominate Employment
Landed Gentry	Affluent Empty Nests	Big Fish, Small Pond	189	3.98%	185.7	Upscale	Age 45+	Married Couples	College Grad.+	Exec, Prof, WC
Country Comfort	Conservative Classics	Traditional Times	747	15.75%	558.0	Midscale	Age 55+	Married Couples	Some College	WC, BC, Farm
Middle America	Cautious Couples	Simple Pleasures	466	9.83%	415.0	LowerMid	Age 65+	Singles/Couples	H.S. Graduate	WC, Service, BC, Farm
Middle America	Cautious Couples	Heartlanders	399	8.41%	426.4	LowerMid	Age 45+	Married Couples	H.S. Graduate	WC, BC, Farm
Rustic Living	Sustaining Seniors	Old Milltowns	143	3.01%	190.8	Downscale	Age 65+	Singles/Couples	Elem. School, H.S.	WC, Service, BC
Rustic Living	Sustaining Seniors	Back Country Folks	455	9.59%	426.8	Downscale	Age 55+	Married Couples	Elem. School, H.S.	Service, BC, Farm
Rustic Living	Sustaining Seniors	Golden Ponds	305	6.43%	379.8	Downscale	Age 65+	Singles/Couples	H.S. Graduate	WC, Service, BC, Farm
Landed Gentry	Young Accumulators	Fast-Track Families	77	1.62%	101.5	Upscale	Age 25-54	Families w/Kids	College	WC
Country Comfort	Mainstream Families	New Homesteaders	52	1.10%	61.8	Midscale	Age 25-44	Families w/Kids	Some College	WC, BC
Country Comfort	Mainstream Families	Big Sky Families	192	4.05%	220.0	Midscale	Age 25-54	Families w/Kids	Some College	WC, BC, Farm
Middle America	Mainstream Families	Kid Country, USA	134	2.83%	223.3	LowerMid	Age <45	Families w/Kids	Some College	WC, Service, BC, Farm
Middle America	Mainstream Families	Shotguns and Pickups	169	3.56%	224.0	LowerMid	Age 25-44	Families w/Kids	H.S. Graduate	WC, BC, Farm
Rustic Living	Sustaining Families	Bedrock America	100	2.11%	113.3	Downscale	Age <35	Families w/Kids	Elem. School, H.S.	Service, BC, Farm
Landed Gentry	Midlife Success	Country Casuals	135	2.85%	188.5	UpperMid	Age 35-64	Married Couples	Some College	WC, BC
Country Comfort	Midlife Success	Mayberry-ville	348	7.34%	309.9	Midscale	Age 35-64	Married Couples	H.S. Graduate	WC, BC, Farm
Middle America	Striving Singles	Red, White and Blues	150	3.16%	293.8	LowerMid	Age 25-44	Married Couples	H.S. Graduate	WC, Service, BC
Middle America	Striving Singles	Blue Highways	267	5.63%	360.5	Downscale	Age 65+	Mostly Singles	H.S. Graduate	WC, Service, BC
Rustic Living	Striving Singles	Young and Rustic	263	5.55%	292.5	LowerMid	Age 65+	Singles/Couples	H.S. Graduate	WC, Service, BC
Rustic Living	Striving Singles	Crossroads Villagers	152	3.20%	154.6	Downscale	Age <45	Married Couples	Elem. School, H.S.	WC, Service, BC, Farm

Table 2: Detailed PRIZM Market Segments for Springfield. Source: Neilson Claritas.

Each of the detailed descriptions below is provided by and paraphrased from Neilson Claritas Descriptions of their lifestyle segmentation PRIZM. The rounded percentage of households in the primary trade area and the rounded index to the United States is shown next to each description.

Mature Years

Big Fish, Small Pond

4% of Households in Springfield PTA, Index to United States 186

These are upscale, older households without kids. The members of this category are college-educated professionals that are often among the leading citizens of their small-town communities. These upscale, empty-nesting couples enjoy the trappings of success, including belonging to country clubs, maintaining large investment portfolios, and spending freely on computer technology.

Traditional Times

16% of Households in PTA, Index to United States 558

Traditional Times is an older demographic without kids that have the kind of lifestyle where small-town couples nearing retirement are beginning to enjoy their first empty-nest years. Typically in their fifties and sixties, these upper-middle-class Americans pursue a kind of granola-and-grits lifestyle. On their coffee tables are magazines with titles ranging from Country Living and Country Home to Gourmet and Forbes. But they're big travelers, especially in recreational vehicles and campers.

Simple Pleasures

10% of Households in Springfield PTA, Index to United States 415

With more than two-thirds of its residents over 65 years old, Simple Pleasures is mostly a retirement lifestyle: a neighborhood of lower-middle-class singles and couples living in modestly priced homes. Many are high school-educated seniors who held blue-collar jobs before their retirement. And a disproportionate number served in the military, so no segment has more residents who are members of veterans clubs.

Heartlanders

8% of Households in Springfield PTA, Index to United States 426

America was once a land of small middle-class towns, which can still be found today among Heartlanders. This widespread segment consists of older couples with lower to middle incomes is typically without children. They have white-collar jobs and live in sturdy, unpretentious homes. In these communities of small families and empty-nesting couples, Heartlanders residents pursue a rustic lifestyle where hunting and fishing remain prime leisure activities along with cooking, sewing, camping, and boating.

Old Milltowns

6% of Households in Springfield PTA, Index to United States 380

America's once-thriving mining and manufacturing towns have aged--as have the residents in Old Milltowns communities. Today, the majority of residents are retired singles and couples, living on downscale incomes in pre-1960 homes and apartments. For leisure, they enjoy gardening, sewing, socializing at veterans clubs, or eating out at casual restaurants.

Back Country Folks

10% of Households in Springfield PTA, Index to United States 426

Strewn among remote farm communities across the nation, Back Country Folks are a long way away from economic paradise. The residents tend to be poor, over 55 years old, and living in older, modest-sized homes and manufactured housing. Typically, life in this segment is a throwback to an earlier era when farming dominated the American landscape.

Golden Ponds

4% of Households in Springfield PTA, Index to United States 186

Golden Ponds is mostly a retirement lifestyle, dominated by downscale singles and couples over 65 years old. Found in small bucolic towns around the country, these high school-educated seniors live in small apartments on less than \$32,000 a year; one in five resides in a nursing home. For these elderly residents, daily life is often a succession of sedentary activities such as reading, watching TV, playing bingo, and doing craft projects.

Family Life

Fast-Track Families

2% of Households in Springfield PTA, Index to United States 101

With their upscale incomes, numerous children, and spacious homes, Fast-Track Families are in their prime acquisition years. These middle-aged parents have the disposable income and educated sensibility to want the best for their children. They buy the latest technology with impunity: new computers, DVD players, home theater systems, and video games. They take advantage of their rustic locales by camping, boating, and fishing.

Big Sky Families

4% of Households in Springfield PTA, Index to United States 220

Scattered in placid towns across the American heartland, Big Sky Families is a segment of younger rural families who have turned high school educations and blue-collar jobs into busy, upper-middle-class lifestyles. Residents enjoy baseball, basketball, and volleyball, as well as fishing, hunting, and horseback riding. To entertain their sprawling families, they buy virtually every piece of sporting equipment on the market.

Kid Country USA

3% of Households in Springfield PTA, Index to United States 223

Widely scattered throughout the nation's heartland, Kid Country, USA is a segment dominated by large lower income families living in small towns. Predominantly white, with an above-average concentration of Hispanics in some areas, these young, working-class households include homeowners, renters, and military personnel living in base housing; about 20 percent of residents own mobile homes.

Shotguns and Pickups

4% of Households in Springfield PTA, Index to United States 224

The segment known as Shotguns & Pickups came by its moniker honestly: it scores near the top of all lifestyles for owning hunting rifles and pickup trucks. These lower to middle income Americans tend to be young, working-class couples with large families--more than half have two or more kids--living

in small homes and manufactured housing. Nearly a third of residents live in mobile homes, more than anywhere else in the nation.

Bedrock America

2% of Households in Springfield PTA, Index to United States 113

Bedrock America consists of young, economically challenged families in small, isolated towns located throughout the nation's heartland. With modest educations, sprawling families, and service jobs, many of these residents struggle to make ends meet. One quarter live in mobile homes. One in three haven't finished high school. Rich in scenery, Bedrock America is a haven for fishing, hunting, hiking, and camping.

Younger Years

Country Casuals

3% of Households in Springfield PTA, Index to United States 188

There's a laid-back atmosphere in Country Casuals, a collection of middle-aged, upscale households that have started to empty-nest. Most households boast two earners who have well-paying management jobs or own small businesses. Today these Baby-Boom couples have the disposable income to enjoy traveling, owning timeshares, and going out to eat.

Mayberry-ville

7% of Households in Springfield PTA, Index to United States 309

Like the old Andy Griffith Show set in a quaint picturesque berg, Mayberry-ville harks back to an old-fashioned way of life. In these small towns, upper-middle-class couples like to fish and hunt during the day, and stay home and watch TV at night. With lucrative blue-collar jobs and moderately priced housing, residents use their discretionary cash to purchase boats, campers, motorcycles, and pickup trucks.

Red White and Blues

3% of Households in Springfield PTA, Index to United States 294

The residents of Red, White & Blues typically live in exurban towns rapidly morphing into bedroom suburbs. Their streets feature new fast-food restaurants, and locals have recently celebrated the arrival of chains like Wal-Mart, Radio Shack, and Payless Shoes. Middle-aged, high school educated, and lower-middle class, these folks tend to have solid, blue-collar jobs in manufacturing, milling, and construction.

Blue Highways

6% of Households in Springfield PTA, Index to United States 361

On maps, blue highways are often two-lane roads that wind through remote stretches of the American landscape. Among lifestyles, Blue Highways is the standout for lower-middle-class residents who live in isolated towns and farmsteads. Here, Boomer men like to hunt and fish; the women enjoy sewing and crafts, and everyone looks forward to going out to a country music concert.

Young & Rustic

6% of Households in Springfield PTA, Index to United States 293

Young & Rustic is composed of middle age, restless singles. These folks tend to be lower-middle-income, high school-educated, and live in tiny apartments in the nation's exurban towns. With their service industry jobs and modest incomes, these folks still try to fashion fast-paced lifestyles centered on sports, cars, and dating.

Crossroads Villagers

3% of Households in Springfield PTA, Index to United States 155

With a population of middle-aged, white-collar couples and families, Crossroads Villagers is a classic rural lifestyle. Residents are high school-educated, with downscale incomes and modest housing; one-quarter live in mobile homes. And there's an air of self-reliance in these households as Crossroads Villagers help put food on the table through fishing, gardening, and hunting.

These categories are based on national data and all descriptions are general enough to see the kind of household composition that exists in the primary trade market.

2.4 Retail Market Analysis

Springfield is a retail center serving the primary and secondary markets defined above. In this section the Springfield market will be examined to identify potential opportunities for new or expanded stores by examining “retail leakage.” This will allow the community to assess what kind of additional stores might be attracted to Springfield and will help individual existing businesses understand how they might diversify product lines.

2.4.1 Retail Leakage in the Trade Areas

Retail leakage refers to the difference between the retail expenditures by residents living in a particular area and the retail sales produced by the stores located in the same area. If desired products are not available within that area, consumers will travel to other places or use different methods to obtain those products. Consequently, the dollars spent outside of the area are said to be “leaking.” If a community is a major retail center with a variety of stores it will be “attracting” rather than “leaking” retail sales. Even large communities may see leakage in certain retail categories while some small communities may be attractors in categories.

Such an analysis is not an exact science. In some cases large outflow may indicate that money is being spent elsewhere (drug store purchases at a Wal-Mart or apparel purchases through the internet). It is important to note that this analysis accounts best for retail categories where households (rather than businesses) are essentially the only consumer groups. For example, lumberyards may have business sales that are not accounted for in consumer expenditures. Stores such as jewelry shops and clothing stores are more accurately analyzed using this technique.

The leakage study for Springfield is a “snapshot” in time. Consequently, there are factors that point to this being a more conservative or more aggressive look at retail potential depending on what factors are examined. For example, population decline means that there will be fewer customers in the future resulting in less demand for retail.

However, this leakage study only examines the primary and secondary trade areas identified for Springfield. The primary trade area data comes from the Springfield, North Springfield, and Perkinsville zip codes and the Chester and Cavendish zip codes defined as Springfield's secondary trade area. A successful store model might capture from well beyond this geography and could foster a strong visitor market as well.

The primary trade area (the 05156, 05150, and 05151 zip codes) selected store sales equaled \$187.1 million in 2009. Consumers in the same area spent \$170.4 million. The primary trade area is gaining \$16.7 million in sales annually. These gains in sales are occurring only in certain retail categories.

The secondary trade area had store sales volume of \$29.4 million and consumer expenditures of \$90.1 Million meaning that Chester and Cavendish do indeed leak sales of about \$60.7 million annually. Together the combined trade area is a "leaking market" to the tune of \$43 million each year.

2.4.2 The "Claremont Factor"

This naturally points to the impact of nearby Claremont, New Hampshire on regional trading patterns. The Claremont zip code 03743 has a 2009 estimated population of 14,059, which is two thousand people less than the combined trade area for Springfield. Yet, the retail sales in Claremont in 2009 equaled \$411 million nearly double that of the combined trade area. In fact Claremont shows sales of \$29,238 per capita compared with only \$17,282 for the Springfield primary trade area and a mere \$5,437 per capita for the secondary trade area.

A deeper examination at Claremont's trade pattern reveals something more interesting however. Indeed, the market is a retail trade center for the region BUT only in a selected group of retail categories. Grocery stores, department stores (such as Wal-Mart), building supplies (Home Depot and Lowe's), pharmacies, and car dealerships are responsible for nearly all of the retail gains in Claremont. The Claremont zip code still leaks \$10 million annually in restaurant sales, over \$1 million in sporting goods stores, and smaller amounts in a dozen other retail categories.

The "Claremont Factor" is important but only insofar as it pulls customers away in certain retail store types. Springfield still has opportunities to retain customers in many other categories and might even explore a market niche that would create a "reverse trend" of New Hampshire residents coming to Vermont for certain specialty retail and restaurant offerings.

2.4.3 Detailed Retail Market Opportunity Tables

The tables on the following pages explore the individual retail categories where Springfield is leaking and gaining sales in both the primary and secondary trade areas. This data should be used as an overall guide to retail market potential and should not substitute for detailed market research on the part of any business wishing to open in the area.

The green column indicates retail store types along with NAISC codes for these stores. Please note that some categories are subsets of larger categories. The orange columns represent the consumer demand in Springfield trade areas. The blue columns represent the store sales for all retailers in the secondary trade area. The purple columns indicate the retail opportunity gaps and retail surpluses in each category. Red numbers indicate an inflow of dollars and black numbers indicate market leakage.

**RMP Opportunity Gap - Retail Stores
Springfield PRIMARY TRADE AREA**

	2009 Demand (Consumer Expenditures)	2009 Supply (Retail Sales)	Opportunity Gap/Surplus
Total Retail Sales Incl Eating and Drinking Places	170,422,380	187,148,784	(16,726,404)
Motor Vehicle and Parts Dealers-441	24,623,810	32,353,011	(7,729,201)
Automotive Dealers-4411	20,436,715	29,550,280	(9,113,565)
Other Motor Vehicle Dealers-4412	1,774,050	0	1,774,050
Automotive Parts/Accsrs, Tire Stores-4413	2,413,045	2,802,731	(389,686)
Furniture and Home Furnishings Stores-442	3,419,086	887,218	2,531,868
Furniture Stores-4421	1,809,991	152,681	1,657,310
Home Furnishing Stores-4422	1,609,095	734,537	874,558
Electronics and Appliance Stores-443	3,807,248	206,544	3,600,704
Appliances, TVs, Electronics Stores-44311	2,860,010	143,997	2,716,013
Household Appliances Stores-443111	700,071	0	700,071
Radio, Television, Electronics Stores-443112	2,159,939	143,997	2,015,942
Computer and Software Stores-44312	796,399	0	796,399
Camera and Photographic Equip. Stores-44313	150,839	62,547	88,292
Building Material, Garden Equip Stores -444	18,871,800	49,295,247	(30,423,447)
Building Material and Supply Dealers-4441	17,391,403	46,238,506	(28,847,103)
Home Centers-44411	7,087,439	0	7,087,439
Paint and Wallpaper Stores-44412	376,029	34,104	341,925
Hardware Stores-44413	1,482,465	3,026,787	(1,544,322)
Other Building Materials Dealers-44419	8,445,470	43,177,615	(34,732,145)
Building Materials, Lumberyards-444191	3,327,003	16,891,722	(13,564,719)
Lawn, Garden Equipment, Supplies Stores-4442	1,480,397	3,056,741	(1,576,344)
Outdoor Power Equipment Stores-44421	215,517	138,229	77,288
Nursery and Garden Centers-44422	1,264,880	2,918,512	(1,653,632)
Food and Beverage Stores-445	23,206,191	21,319,065	1,887,126
Grocery Stores-4451	21,335,276	19,046,864	2,288,412
Supermarkets, Grocery (Ex Conv) Stores-44511	20,236,924	19,046,864	1,190,060
Convenience Stores-44512	1,098,352	0	1,098,352
Specialty Food Stores-4452	632,286	999,449	(367,163)
Beer, Wine and Liquor Stores-4453	1,238,629	1,272,752	(34,123)
Health and Personal Care Stores-446	9,615,940	8,762,229	853,711
Pharmancies and Drug Stores-44611	8,296,342	8,240,654	55,688
Cosmetics, Beauty Supplies, Perfume Stores-44612	346,885	0	346,885
Optical Goods Stores-44613	350,320	288,937	61,383
Other Health and Personal Care Stores-44619	622,393	232,638	389,755
Gasoline Stations-447	21,036,833	45,488,120	(24,451,287)
Gasoline Stations With Conv Stores-44711	15,645,737	42,930,283	(27,284,546)
Other Gasoline Stations-44719	5,391,096	2,557,837	2,833,259
Clothing and Clothing Accessories Stores-448	7,252,392	30,888	7,221,504
Clothing Stores-4481	5,239,652	30,888	5,208,764

**RMP Opportunity Gap - Retail Stores
Springfield PRIMARY TRADE AREA**

	2009 Demand (Consumer Expenditures)	2009 Supply (Retail Sales)	Opportunity Gap/Surplus
Men's Clothing Stores-44811	345,884	0	345,884
Women's Clothing Stores-44812	1,294,045	0	1,294,045
Childrens, Infants Clothing Stores-44813	284,388	0	284,388
Family Clothing Stores-44814	2,839,674	0	2,839,674
Clothing Accessories Stores-44815	124,452	0	124,452
Other Clothing Stores-44819	351,209	30,888	320,321
Shoe Stores-4482	1,010,260	0	1,010,260
Jewelry, Luggage, Leather Goods Stores-4483	1,002,480	0	1,002,480
Jewelry Stores-44831	912,454	0	912,454
Luggage and Leather Goods Stores-44832	90,026	0	90,026
Sporting Goods, Hobby, Book, Music Stores-451	3,028,191	447,167	2,581,024
Sporting Goods, Hobby, Musical Inst Stores-4511	2,152,246	398,424	1,753,822
Sporting Goods Stores-45111	1,088,527	116,852	971,675
Hobby, Toys and Games Stores-45112	717,456	134,001	583,455
Sew/Needlework/Piece Goods Stores-45113	166,237	0	166,237
Musical Instrument and Supplies Stores-45114	180,026	147,571	32,455
Book, Periodical and Music Stores-4512	875,945	48,743	827,202
Book Stores and News Dealers-45121	606,046	48,743	557,303
Book Stores-451211	568,014	0	568,014
News Dealers and Newsstands-451212	38,032	48,743	(10,711)
Prerecorded Tapes, CDs, Record Stores-45122	269,899	0	269,899
General Merchandise Stores-452	22,463,406	4,791,592	17,671,814
Department Stores Excl Leased Depts-4521	10,684,038	3,534,545	7,149,493
Other General Merchandise Stores-4529	11,779,368	1,257,047	10,522,321
Miscellaneous Store Retailers-453	4,128,780	2,063,102	2,065,678
Florists-4531	310,319	617,002	(306,683)
Office Supplies, Stationery, Gift Stores-4532	1,744,219	175,437	1,568,782
Office Supplies and Stationery Stores-45321	989,181	0	989,181
Gift, Novelty and Souvenir Stores-45322	755,038	175,437	579,601
Used Merchandise Stores-4533	357,405	106,487	250,918
Other Miscellaneous Store Retailers-4539	1,716,837	1,164,176	552,661
Non-Store Retailers-454	13,494,623	11,730,722	1,763,901
Foodservice and Drinking Places-722	15,474,080	9,773,879	5,700,201
Full-Service Restaurants-7221	6,838,213	3,574,440	3,263,773
Limited-Service Eating Places-7222	6,689,174	5,573,139	1,116,035
Special Foodservices-7223	1,340,028	0	1,340,028
Drinking Places -Alcoholic Beverages-7224	606,665	626,300	(19,635)

Table 3: Retail Market Potential Opportunity Gap for the Primary Trade Area.

RMP Opportunity Gap - Retail Stores
Springfield SECONDARY TRADE AREA

	2009 Demand (Consumer Expenditures)	2009 Supply (Retail Sales)	Opportunity Gap/Surplus
Total Retail Sales Incl Eating and Drinking Places	90,104,160	29,393,234	60,710,926
Motor Vehicle and Parts Dealers-441	12,725,505	2,018,024	10,707,481
Automotive Dealers-4411	10,481,150	458,143	10,023,007
Other Motor Vehicle Dealers-4412	964,481	975,978	(11,497)
Automotive Parts/Accsrs, Tire Stores-4413	1,279,874	583,903	695,971
Furniture and Home Furnishings Stores-442	1,863,673	205,447	1,658,226
Furniture Stores-4421	988,533	21,811	966,722
Home Furnishing Stores-4422	875,140	183,636	691,504
Electronics and Appliance Stores-443	2,053,525	92,385	1,961,140
Appliances, TVs, Electronics Stores-44311	1,541,949	31,319	1,510,630
Household Appliances Stores-443111	378,792	0	378,792
Radio, Television, Electronics Stores-443112	1,163,157	31,319	1,131,838
Computer and Software Stores-44312	429,077	42,333	386,744
Camera and Photographic Equipment Stores-44313	82,499	18,733	63,766
Building Material, Garden Equip Stores -444	10,421,867	3,685,412	6,736,455
Building Material and Supply Dealers-4441	9,603,723	2,863,649	6,740,074
Home Centers-44411	3,910,683	315,203	3,595,480
Paint and Wallpaper Stores-44412	210,049	0	210,049
Hardware Stores-44413	820,307	1,441,326	(621,019)
Other Building Materials Dealers-44419	4,662,684	1,107,120	3,555,564
Building Materials, Lumberyards-444191	1,835,948	433,122	1,402,826
Lawn, Garden Equipment, Supplies Stores-4442	818,144	821,763	(3,619)
Outdoor Power Equipment Stores-44421	119,056	207,340	(88,284)
Nursery and Garden Centers-44422	699,088	614,423	84,665
Food and Beverage Stores-445	12,018,662	3,996,732	8,021,930
Grocery Stores-4451	11,036,020	3,688,434	7,347,586
Supermarkets, Grocery (Ex Conv) Stores-44511	10,471,161	2,292,132	8,179,029
Convenience Stores-44512	564,859	1,396,302	(831,443)
Specialty Food Stores-4452	326,099	101,107	224,992
Beer, Wine and Liquor Stores-4453	656,543	207,191	449,352
Health and Personal Care Stores-446	4,959,774	628,124	4,331,650
Pharmancies and Drug Stores-44611	4,272,159	0	4,272,159
Cosmetics, Beauty Supplies, Perfume Stores-44612	178,062	0	178,062
Optical Goods Stores-44613	189,928	0	189,928
Other Health and Personal Care Stores-44619	319,625	628,124	(308,499)
Gasoline Stations-447	11,107,192	11,606,057	(498,865)
Gasoline Stations With Conv Stores-44711	8,243,654	11,501,027	(3,257,373)
Other Gasoline Stations-44719	2,863,538	105,030	2,758,508
Clothing and Clothing Accessories Stores-448	3,895,383	310,751	3,584,632
Clothing Stores-4481	2,816,362	310,751	2,505,611

**RMP Opportunity Gap - Retail Stores
Springfield SECONDARY TRADE AREA**

	2009 Demand (Consumer Expenditures)	2009 Supply (Retail Sales)	Opportunity Gap/Surplus
Men's Clothing Stores-44811	187,896	0	187,896
Women's Clothing Stores-44812	700,742	0	700,742
Childrens, Infants Clothing Stores-44813	143,902	13,750	130,152
Family Clothing Stores-44814	1,526,979	297,001	1,229,978
Clothing Accessories Stores-44815	67,543	0	67,543
Other Clothing Stores-44819	189,300	0	189,300
Shoe Stores-4482	531,276	0	531,276
Jewelry, Luggage, Leather Goods Stores-4483	547,745	0	547,745
Jewelry Stores-44831	499,914	0	499,914
Luggage and Leather Goods Stores-44832	47,831	0	47,831
Sporting Goods, Hobby, Book, Music Stores-451	1,652,527	330,976	1,321,551
Sportng Goods, Hobby, Musical Inst Stores-4511	1,170,219	184,634	985,585
Sporting Goods Stores-45111	599,399	116,852	482,547
Hobby, Toys and Games Stores-45112	381,109	0	381,109
Sew/Needlework/Piece Goods Stores-45113	90,318	67,782	22,536
Musical Instrument and Supplies Stores-45114	99,393	0	99,393
Book, Periodical and Music Stores-4512	482,308	146,342	335,966
Book Stores and News Dealers-45121	334,740	146,342	188,398
Book Stores-451211	314,720	128,548	186,172
News Dealers and Newsstands-451212	20,020	17,794	2,226
Prerecorded Tapes, CDs, Record Stores-45122	147,568	0	147,568
General Merchandise Stores-452	11,918,458	1,404,644	10,513,814
Department Stores Excl Leased Depts-4521	5,708,751	0	5,708,751
Other General Merchandise Stores-4529	6,209,707	1,404,644	4,805,063
Miscellaneous Store Retailers-453	2,236,036	1,198,348	1,037,688
Florists-4531	171,237	183,789	(12,552)
Office Supplies, Stationery, Gift Stores-4532	928,602	266,014	662,588
Office Supplies and Stationery Stores-45321	526,963	0	526,963
Gift, Novelty and Souvenir Stores-45322	401,639	266,014	135,625
Used Merchandise Stores-4533	192,361	263,800	(71,439)
Other Miscellaneous Store Retailers-4539	943,836	484,745	459,091
Non-Store Retailers-454	7,104,752	656,940	6,447,812
Foodservice and Drinking Places-722	8,146,806	3,259,394	4,887,412
Full-Service Restaurants-7221	3,606,975	3,147,931	459,044
Limited-Service Eating Places-7222	3,507,575	111,463	3,396,112
Special Foodservices-7223	703,398	0	703,398
Drinking Places -Alcoholic Beverages-7224	328,858	0	328,858

Table 4: Retail Market Potential Opportunity Gap Secondary Trade Area Retail Market Potential for Springfield

2.4.4 Key Market Opportunities

The retail market potential for Springfield combines many different facets of the data gathered above. Not simply a collection of numbers, retail markets depend on both quantitative and qualitative information. Moreover, just because there is retail market potential for a potential retail store type in no way ensures that success of that store type in the community. There are many reasons why a business might succeed or fail and the retail market is but one of those factors. However, this does provide a synopsis guide for the “best potential” retail opportunities in Springfield. These market opportunities are as follows:

Food Related Retail

Although nearby Claremont has a large pull with traditional “main line” supermarkets and Springfield is already home to an existing supermarket, food related retail remains a distinct opportunity for the community. The market is unlikely to support another full line grocer, but specialty food retailers could be a key opportunity for downtown. The recently implemented downtown farmers market is evidence that more of this type of retailing can be successful in Springfield. Of particular interest is the potential expansion of the Springfield Food Co-op over time.

Clothing, Shoes, and Clothing Accessories

Springfield’s primary and secondary trade areas both leak sales in the clothing categories. It is very likely that residents of these areas are either doing their clothing trading at the local Peeble’s, at big box discount stores in Claremont, online, or on trips to larger metropolitan areas. This represents a chance for Springfield to have several specialty oriented clothing shops. These are likely to be small retail shops owned by independent merchants who can specifically tailor their offerings to the local and visiting customer.

Sporting Goods

Many of the market segments for Springfield indicate a high interest in outdoor activities, sports, hiking, and fishing. Add to this the significant leakage in the sporting goods category and the potential exists for a sporting goods store to be successful in the market. Interestingly, nearby Claremont also leaks sales in the sporting goods category. The successful store is likely to include a mix of team sports, outdoor outfitting, and traditional hunting and fishing equipment.

General Merchandise

General merchandise is definitely a leaking category for Springfield. It is highly unlikely that a big box discount store will locate in the community but the community should be prepared for additional “dollar store” type formats to locate in town. These store types often select outlying locations and are unlikely to go into a renovated downtown space. Springfield should carefully consider design factors and landscaping to ensure that new stores appear attractive.

Full and Limited Service Restaurants

The opportunities for new restaurants in Springfield could be both in downtown and in outlying locations in the community. The most likely candidate restaurants would cater to casual, family, and limited service dining but could tilt to a slightly upscale market to be appealing to a wider geographic base. Independent restaurants could be a clustering opportunity for downtown and should be

aggressively recruited. Limited service restaurants could also have potential although they are more likely to locate in areas outside of downtown.

Specialty Retail

Many specialty retail stores can be successful in downtown. Typically these stores provide art and craft merchandise and many of these store types combine studio with gallery space. Other more specific and unique store types can cluster in downtown. The Vault represents an opportunity to grow this type of retail store type.

2.5 Overall Market Observations and Conclusions

Based on the retail leakage data illustrated above, Springfield has the opportunity to expand its retail presence for not only for the downtown district but also throughout the City. Retail expansion in Springfield is likely to involve the concerted effort of the public and the private sector in partnership. The following conclusions will form the basis of the recommendations to follow in Chapter three of this report.

- Springfield is a traditional retail-trading center that serves the direct community and the more rural adjacent zip codes to the west. The Interstate 91 corridor and the Connecticut River provide a strong boundary for the retail trade market. Interviews and observations indicate that nearby Claremont, New Hampshire is a significant retail draw for would-be Springfield customers in certain retail categories but the market data indicates that Claremont itself is leaking retail sales in certain key specialty categories.
- Springfield's primary trade area has been on a consistent decline in population for the past two decades. This decline is expected to continue. By contrast the secondary trade area saw significant growth during the period between 1990 and 2000 although that growth has slowed to a "flat line" since 2000.
- In addition to population decline, the demographics of the community show relatively lower income levels coupled with an ageing population base, which will present dual challenges for future retail development. Springfield will need a thorough strategy to recruit young professionals as well as families if it is to retain a strong retail base in the future. This points to a much broader strategy than this study will address.
- In spite of these challenges, Springfield's primary trade area retains several relatively affluent demographic market segments that index high against the United States that can be the foundation of a variety of retail types. Some of these demographic segments are precisely what is needed from a recruitment standpoint, younger professionals and entrepreneurs interested in an active outdoor lifestyle but convenient to larger urban locations.
- Visitor traffic from other places is a significant portion of the market for Springfield representing over fifteen percent of the customer traffic. In some stores, visitors account for over fifty percent of the customer traffic. Interviews and observations indicate that this traffic is occurring in spite of very little visitor marketing of Springfield and represents a significant growth opportunity that will be necessary to maintain the existing retail and restaurant base in the community. Pursuing visitor traffic is imperative for the future success of downtown in light of a declining local population base.

3.0 Recommendations

The following recommendations are compiled under three strategic themes for Springfield. These initiatives are:

- ***Deploying the Message: Marketing Recommendations***
- ***Building Critical Mass: Recruitment Recommendations***
- ***Preparing for Investment: Physical Recommendations***

Each of the strategic themes presented below begins with an explanation of the issues upon which each strategy is based followed by a series of recommendations for implementing each strategy.

3.1 Deploying the Message: Marketing Recommendations

3.1.1 Marketing Issues

Springfield has created and has launched a “brand” identity: Springfield, Reinvented. This community identity was developed through a series of well-attended roundtable meetings in 2010. Springfield on the Move and the Chamber of Commerce each has begun to deploy the identity package in a variety of ways. The most visible of which are new downtown banners with the identity system in place. As the marketing initiatives continue to mature, Springfield on the Move and its partners should emphasize the shopping and dining options in downtown and throughout the community. Currently, there is little promotional focus on Springfield as a shopping and dining destination and very little information directed to the visitor.



The opportunities to market shopping and dining should focus on three desired markets:

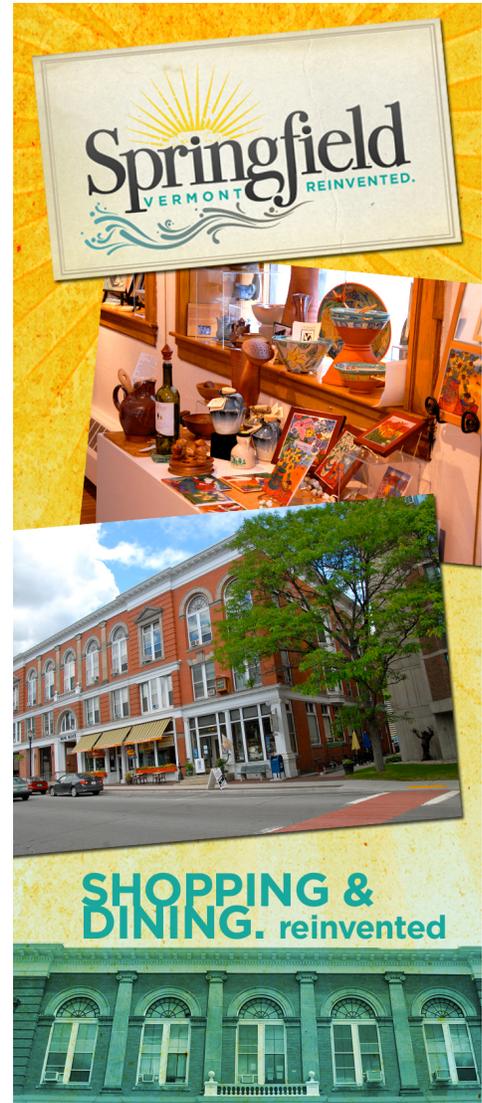
- *The local Springfield resident* in order to stem some of the retail leakage in certain retail categories and build pride of place. This is pivotally important because many local residents are indeed going to other communities to shop.
- *The regional customer* from the primary and secondary trade areas are also important. As the retail base matures in Springfield, the community can broaden its appeal as a destination for shopping.
- *The visitor* represents one of the most significant opportunities for a marketing strategy in Springfield. The community is a gateway to well known recreational attractions, is conveniently located along a visitor “lifeline” Interstate 91, and is home to a Holiday Inn Express—one of the few branded hotel chains along the Interstate corridor in Vermont. With virtually no visitor marketing, the market survey indicates that several stores are dependent upon visitors for their economic success. This focus should be deployed early and with the cooperation of many partners.

3.1.2 Marketing Recommendations

- *Recommendation: Implement way-finding sign and banner system using the brand.* A critical concern for Springfield is helping the casual visitor find their way from Interstate 91 into downtown. Signage and banners should be deployed to direct visitors to downtown and once downtown to public parking resources. Area attractions and parks could also be indicated on the wayfinding sign system these might include the Edgar May Center, the Howard Dean Center, and Comtu Falls. One of the interesting byproducts of such a system is that it builds community pride as well. An example of such a system using the Springfield brand identity is shown in the figure below.

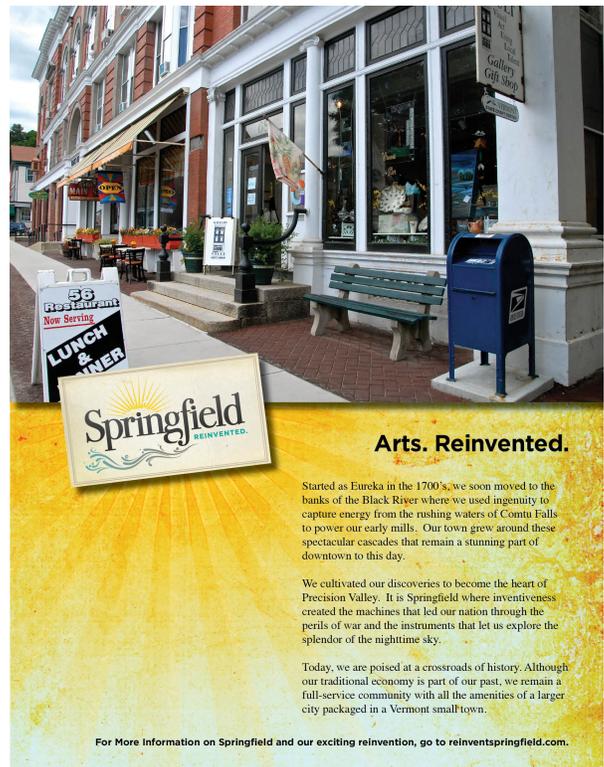


- *Work on revised marketing materials to promote the community.* Currently Springfield has very little promotional material for shopping and dining. The community should explore a variety of ways to get the word out through print material, collateral items, and online resources. Some suggestions to improve the marketing material might include the following:
 - Develop a shopping and dining guide to the community in print form. This might include parking resources, special events, a directory of shops and dining establishments, and other information for visitors. This could be distributed at local Bed and Breakfast establishments and at the Holiday Inn Express.
 - Create a dedicated shopping and dining web page for Springfield that profiles all shopping and dining businesses. Also have a section for professional services that branches off from the initial shopping and dining guide. This site might have its own dedicated URL.
 - Create a link-to-link program among businesses in downtown Springfield to elevate both the businesses and the district on Google searches. Each business would link to others in the district as well as to a website. Google’s search algorithms strongly elevate businesses and districts that are linked.
 - Use Google Analytics (a free program) to track website hits and develop a bi-monthly “web flash” email with statistics related to web traffic including interesting data like number of states, number one market, most clicked out business, and search words used to reach the site.
 - Use Google Analytics and the shopping and dining web site to track investment in all other marketing material. Simple tricks like pointing people to a particular page on the site in print ads will allow you to see whether that ad was effective.
 - Complement existing Facebook fan page for Springfield with an additional page focusing on shopping and dining.
- *Explore a marketing matching grant for businesses.* While there are frequently incentives available to recruit businesses and investors to a community, there are fewer opportunities to assist existing businesses. Furthermore, many independent businesses end up cutting marketing when the market takes a downturn. The matching grant program would provide a direct way to alleviate the cost of advertising for local businesses, incent those that aren’t marketing to begin the effort, and create a more coordinated image of Springfield through deployment of the brand identity.



This technique also provides a more savvy way to deploy a marketing image than the traditional ad co-op program. Traditionally, if a community wanted to do cooperative advertising, a staff member or volunteers would go “hat-in-hand” to collect a share amount from participating businesses to appear in a cooperative ad that would include business card size ads arranged around some sort of logo or symbol. The result is the purchase of a full-page ad without the companion impact of purchasing such an ad. This alternative approach allows for Springfield to create micro-marketing grants to businesses that use the Springfield brand concept and templates. For 2011, Springfield on the move should explore seed funding of between \$2000 and \$3000. The program would follow these steps and parameters:

- Springfield on the Move issues a statement that a pilot marketing grant program is being launched (perhaps a meeting is held to present the program).
- The funding for 2011 would be limited so the program is a first come first serve effort (this will hopefully motivate participation).
- Businesses would get a fifty-fifty match of any marketing program that employs the Springfield brand. Print ads would include the Springfield logo and “reinvented” tagline. The ads should strive to use “reinvented” in a creative way.
- Springfield on the Move would develop an administrative and reimbursement policy for the grant.
- The business is responsible for ensuring that a copy of the ad (or recording) is saved for the archive.



The program would need to be closely evaluated to determine its effectiveness and tweaked as it continues beyond the pilot year. Examples of cooperative ads using the Springfield identity are shown below.

- *Continue farmers market downtown.* Continuing the farmers market for downtown is important for several reasons. First, food related retail has been identified as one of the most important opportunities for retail growth in Springfield. The Farmers Market acts as a natural “incubator” for food related businesses. Second, the Farmers Market provide a way to have people gather in downtown Springfield on a regular basis. Third, the Market is an appealing attraction for visitors to the community who will in turn want to explore downtown. Farmers Markets are truly economic development functions.

3.2 Building Critical Mass: Retail Recruitment Recommendations

3.2.1 Recruitment Issues

Springfield is demonstrating significant retail leakage in several retail categories particularly important to downtown. These include restaurants, food related retail, sporting goods, specialty retail, and clothing. Fortunately, downtown Springfield is at a point where it is experiencing new investment with the renovation of the theatre and the farmers market downtown. While downtown does lack a critical mass of shopping and dining, it is home to several important dining establishments and is home of one of the few Vermont State Craft Centers, the Vault.

Several retail opportunities for downtown do exist but not without certain challenges. First, Springfield has experienced no population growth since 1990. Second, nearby Claremont is a retail destination for the region particularly for basic goods like household items, groceries, and home improvement items. With both opportunities and challenges at hand, Springfield must be pro-active to capture retail development into downtown.

3.2.2 Recruitment Recommendations

- *Begin targeted recruitment of desired store types.* This report provides a solid basis of data to use to recruit desired businesses to Springfield. Springfield on the move should take a lead role in recruitment in downtown with a specific focus on ground floor retail space and upper floor office space. It is imperative that as much ground floor space as possible be preserved for retail uses in order to create a successful “browsing” district. One way to start the recruitment process is to host an open house to provide information to potential business owners, connect them with property owners, and provide them with information on programs such as Small Business Administration loans and the services of the Small Business Development Centers.
- *Consider a “Lone Wolf” office Catalyst or Artist studio space.* A “lone wolf” is a professional who can live anywhere to do their job. They typically only need high-speed web access, a physical location, and an inviting locale. Springfield should explore the potential for an office catalyst project as a way to offset the initial overhead costs for lone wolf professionals. This project could include a central meeting space, support staff, and shared office equipment (such as printers and copiers). Ideally this space would locate close to or within downtown to generate foot traffic. Another option is to center the catalyst project on a particular theme. In other communities art has been a major focal point where a cluster of artists have created a series of studios and galleries. Other communities have focused on food related retail and commercial kitchen space. Both of these themes could work well in Springfield. Springfield should explore several options for these catalysts and not limit itself to simply one project. An excellent example of a “peer” project is the Hathaway Creative Center in Waterville, Maine (www.hathawaycreativecenter.com).
- *Appoint a volunteer “recruitment team” to solicit interested businesses in locating to Springfield.* Several communities have formed programs that involve grass roots recruitment of retailers interested in expanding into new markets. Springfield should consider a similar group that could share economic information about this study with potential retailers interested in expanding in the community.

- *Consider a young professionals group.* Springfield benefits from an excellent group of young professionals who work and live in the community. A young professionals group could be an informal gathering of these individuals to share information and foster interest in growing the appeal of Springfield for this important demographic group. Such groups are forming in communities all over the country. Some are more informal in nature and involve networking while others have taken on significant community initiatives.

3.3 Preparing for Investment: Physical Recommendations

3.3.1 Physical Issues

Springfield boasts truly stunning architecture in its downtown that is only eclipsed by the profound topography and natural environment in the heart of the community. Few towns have such a dramatic cascade as Comtu Falls in the heart of the business district. Yet, much of the riverfront is inaccessible, and many of the buildings particularly at the gateway to downtown are poorly kept and present a poor first impression. While the term “hidden gem” is an apt description of downtown Springfield and the falls of the Black River, it is not an excellent way to promote a thriving business district. Furthermore, public parking in the district is difficult to locate and not well marked. The community benefits from a thoughtful plan dating from 1994 that outlines a series of physical improvements to downtown that would greatly enhance its public spaces. There are even greater opportunities to capitalize on underutilized buildings to foster new investment in the community. The following recommendations are designed to set a course for these improvements.

3.3.2 Physical Recommendations

- *Implement a downtown façade master plan.* Several communities in other states have pursued grant funding that has helped underwrite a “façade master plan.” Unlike a traditional facade grant program, this is a comprehensive rehabilitation of many downtown buildings at once. The property owner gives a public entity (the Town or the Housing Authority for example) a temporary easement (usually five years) on the facade of their building allowing the local government to spend funds on its improvement. In exchange for this temporary easement, the grant funds will pay for the facade improvements. The advantages of this type of program are that it allows for a single source of project management, a single source of design, and a single source for construction. The single source of construction allows for dramatic cost savings since the contractor purchases all construction supplies for the entire enhancement project, rather than each property owner having to buy their own sign, door, windows, paint, awnings, etc. However, the biggest advantage to this approach is the ability for a downtown district to receive an overall appearance facelift in a remarkably short amount of time. Moreover, when used in conjunction with a grant source such as CDBG funding, the facade enhancements are realized with no costs to the building owner or tenant. If the funding and/or grant source requires a match from the property owner, the enhancements are still realized with nominal investment on their part that is far less than if they improved their façade on their own using solely private sector funds.

Implementation Process:

- Apply for and receive grant funding for design and construction.

- Develop guidelines for the administration of the grant funds.
- Solicit RFQ for design professionals to develop the facade enhancement designs.
- Negotiate and hire design professional.
- Design professional photographs subject properties and interviews each property owner/tenant to ascertain appropriate enhancement approach.
- Design professional develops renderings and technical recommendations for each facade.
- Administrative party and design professional develop specifications and bid documents.
- Prospective contractors pre-qualified.
- Bid package submitted to pre-qualified contractors.
- Negotiate with and hire low bidder.
- Construction commences with oversight by administrative party and design professional.
- Punch list and project close out.

Budgetary Considerations:

- Design & Project Management: \$1,000 - \$1,500/façade
- Construction Allowance: \$5,000 - 10,000/facade
- Typically between twenty and thirty facades are considered for the project attempting to assist as many downtown property owners as possible.
- Schedule: Begin phase one immediately upon receipt of grant or private funding.
- Responsible Party: Local government or downtown revitalization agency, ideally Springfield on the Move as the local main street program.
- Funding Source Design: CDBG, USDA Rural Development, local bank consortium funds/low-interest loans, fund raising, private sector investment, local government budget.
- Funding Source Construction: CDBG, USDA Rural Development, local bank consortium funds/low-interest loans, fund raising, private sector investment, local government budget, and foundation grant funding.

This initiative has been very effective in creating dramatic change in a downtown's appearance in a very short period of time.

- *Continue to implement recommendations of the 1994 Downtown Master Plan.* This plan provides an excellent roadmap to the physical improvements necessary to improve parking, public spaces, gathering spots, river views, and private sector development initiatives in downtown. The plan might require a "revisit" to update information but many of the recommendations including an outdoor performance space on the river and a craft and art center remain viable potential projects. Of particular consideration in the plan is the need to provide views and access to the Black River. The plan handles this in a sensitive way by selectively opening up park spaces and views along the river without demolishing historic buildings that might be renovated to provide private sector redevelopment opportunities in the future.

3.4 Conclusion

Springfield on the Move is a dynamic organization with many key partners. The success of downtown Springfield hinges on the ongoing work of a proactive organization that is both visionary and pragmatic. This market study is but one component of many that will go into the successful ongoing revitalization of downtown.

The recommendations above are designed to be a starting point for further discussion and a roadmap for the coming one to three years. As Springfield continues its revitalization efforts, it will likely need to revisit this document and continue to make detailed plans for physical improvements.