Culpeper Downtown Market Assessment and Enhancement Strategies

May 25, 2015
Cover Photos courtesy of Culpeper Renaissance Inc.
Culpeper Downtown Market Assessment and Enhancement Strategies

Prepared for
Culpeper Renaissance, Inc.

Prepared by
John Accordino, Ph.D., FAICP
Jeff Milner
Fabrizio Fasulo, Ph.D

Center for Urban and Regional Analysis at VCU
a division of the L. Douglas Wilder School of Government and Public Affairs
Virginia Commonwealth University

May 25, 2015
Acknowledgments

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We are also grateful to the following persons who gave interviews and pointed the way to other information about their Main Street organizations’ work in areas of interest to Culpeper Renaissance, Inc., specifically: Gwen Pangle, Downtown Leesburg Business Association; Ann Glave, Fredericksburg Main Street, Inc.; Julie Markowitz, Staunton Downtown Development Association; Deb Adamik, Main Street Gettysburg; Roland Wells, the Boland Project, Fairfield Iowa; Liza Poinier, Intown Concord; Pam Hume, Libertyville Main Street; and Orett Davis, Canvs and Orlando Tech.
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EXECUTIVE SUMMARY

In the fall of 2014, Culpeper Renaissance, Inc., commissioned the Center for Urban and Regional Analysis (CURA @ VCU) to undertake two research projects. The first was to find six downtown revitalization organizations in the United States (most likely, Main Street organizations) known for their achievements in at least one of the following strategic development areas and, based on our findings there, to make recommendations to Culpeper Renaissance, Inc., of development strategies to pursue:

- Developing dedicated space and services for start-up businesses, especially in technology-intensive industries.
- Convincing downtown merchants and restaurants to extend their shop hours and thereby attract more visitors to the downtown.
- Increasing the downtown’s capture rate of regional tourists.
- Expanding the district physically.
- Increasing the percentage of ground-floor space devoted to retail, restaurants, and other uses likely to draw shoppers and casual visitors.

We found eight Main Street organizations in Virginia and in other states that are known for their success in at least one of these development strategies. The communities and the strategies are shown in Table ES 1 below.

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<th>Town or City</th>
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Based on the results of these case studies, we recommend that Culpeper prioritize the following strategies.

1. Working with the Culpeper Tourism Department, identify partners and then form partnerships that have clear expectations with regional tourism venues and other assets that draw more tourists to the Downtown. Collect information on hotel occupancy rates and assess the potential demand for more hotel rooms.

2. Work with merchants to develop a well-designed and carefully managed extended-hours initiative that is strategically linked to events.

3. Recruit / develop / expand entertainment activities.

4. Recruit / expand apparel retailers.

5. Assess the extent to which a ground-floor retail initiative might change the configuration or location of retail and non-retail businesses in the Main Street district. If this is significant, engage business and property owners in discussion of the issue and study the experiences of Libertyville and other communities (such as Ashland, VA) with ground-floor retail initiatives. Move forward in an inclusive, but decisive way.

6. Working with the Culpeper Economic Development Department, identify growing industry segments that may need, or be interested in, facilities Downtown, especially for start-ups and young entrepreneurs. Assist property developers and owners in making the connections necessary to develop such spaces, and share experiences from other Main Street organizations, such as Staunton, Fairfield and Orlando, to increase the likelihood of success.

The second task was to conduct a quantitative, retail gap analysis to identify new development opportunities for Downtown Culpeper.
The market analysis identified several business types that are likely to be successful in Downtown Culpeper. These fall under the broad categories of Apparel and Services, Entertainment, and Personal Care Services. See Table ES 2.

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<th>CES Category</th>
<th>Downtown Culpeper Recommendations</th>
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<td>Apparel (esp. Women &amp; Girls)</td>
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<td>Fees and Admissions - Sports/Recreation</td>
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In Apparel and Services, the highest unmet demand is in the Women and Girls sub-category, but there is unmet demand in almost every sub-category of Apparel and Services, specifically Men and Boys, Children Under 2, Alterations/Shoe Repair, and Jewelry/Watches. This unmet demand could be served by new, stand-alone stores, by new lines in existing stores, or by new merchants leasing space inside existing retailers.

Several categories of Entertainment show levels of unmet demand that support the introduction of new businesses, with the highest being Fees and Admissions. The analysis strongly supports the introduction of more entertainment options in Downtown Culpeper, both because there is unmet demand in this category and because those who attend movies, live theatre, concerts, and other types of entertainment often make a day or an evening of their time Downtown, in the process patronizing eating and drinking places and browsing at retail shops as well. For similar reasons, the introduction of a record shop, game store, hobby shop, bike shop, or other types of recreation-based businesses should also be considered.

Lastly, within Personal Care Products there is a clear unmet demand for both women’s hair salons and men’s barber shops. As Downtown becomes a more popular place for shopping, entertainment, retail and living, it is likely that a beauty or barber shop could do well there.

CRI has already mastered the fundamentals of Main Street organization and development. Indeed, it has become a model that other Main Street organizations look to for guidance. If it approaches the next phase of strategic initiatives with similar energy and commitment, continued success is likely.
**INTRODUCTION**

Since its establishment as a Main Street Community in 1988, Culpeper Renaissance, Inc., has accomplished a complete turnaround in the fortunes of its Downtown, transforming a district with an 80% building vacancy rate and rampant crime to the jewel that it is today. Not only is it a vibrant Main Street Community with a nearly zero percent ground-floor vacancy rate, Downtown Culpeper is a Virginia Main Street poster child and is often cited as an example for other Main Street communities.

Not content to rest on its laurels, in the fall of 2014 Culpeper Renaissance, Inc., commissioned the Center for Urban and Regional Analysis (CURA @ VCU) to undertake two research projects:

1) To find six downtown revitalization organizations in the United States (possibly Main Street organizations) known for their achievements in at least one of the following strategic development areas and, based on our findings there, to make recommendations to Culpeper Renaissance, Inc., of development strategies to pursue:
   a. Developing dedicated space and services for start-up businesses, especially in technology-intensive industries.
   b. Convincing downtown merchants and restaurants to extend their shop hours and thereby attract more visitors to the downtown.
   c. Increasing the downtown’s capture rate of regional tourists.
   d. Expanding the district physically.
   e. Increasing the percentage of ground-floor space devoted to retail, restaurants, and other uses likely to draw shoppers and casual visitors.

2) To update a retail gap analysis completed in 2007 with current statistics and calculations of potential new development opportunities in Downtown Culpeper.

This report describes the results of our work on these tasks. First we present the results of our case-study research: Main Street Innovation Case Studies. Each case study describes a particular community’s initiative(s) and suggests implications for Culpeper Renaissance, Inc. This is followed by the Retail Market Gap Analysis. We explain the retail market gap analysis methodology and present the results. We conclude the report by summing up the findings of both tasks and then suggesting a prioritization of enhancement strategies that CRI may wish to pursue.
MAIN STREET INNOVATION CASE STUDIES

This part of our report describes the results of our efforts to find six downtown revitalization organizations in the United States (possibly Main Street organizations) known for their achievements in at least one of the following strategic development areas and, based on our findings there, to make recommendations to Culpeper Renaissance, Inc., of development strategies to pursue:

a) Developing dedicated space and services for start-up businesses, especially in technology-intensive industries.

b) Convincing downtown merchants and restaurants to extend their shop hours and thereby attract more visitors to the downtown.

c) Increasing the downtown’s capture rate of regional tourists.

d) Expanding the district physically.

e) Increasing the percentage of ground-floor space devoted to retail, restaurants, and other uses likely to draw shoppers and casual visitors.

To identify appropriate organizations, we used reputational survey and snowball techniques, beginning with Main Street coordinators in Virginia and, through the national Main Street clearinghouse, throughout the nation, as well as conducting web-based searches, to identify possible communities that excel at one or more of the five strategic areas of interest to Culpeper. Once we found communities, we conducted in-depth interviews with their directors. We also studied documents provided to us by the interviewees or which we found on line.

The result is a set of eight case studies that address the strategic areas, providing useful lessons and suggestions of actions that Culpeper Renaissance, Inc., might wish to take. Another result is the establishment of contact with the directors of these communities and initiatives who expressed great willingness to provide further information and insights to CRI. A couple of these organization representatives stated that Culpeper is a Main Street model for them and they expressed pleasure at being asked to share some of their strategies with Culpeper.

Table 1 shows the eight case study cities or towns and the strategy areas about which we spoke to their representatives. The studies are grouped here somewhat by strategy area.
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Staunton Downtown Development Association, Increasing Tourist Visitation and Creative Industry Incubators (Staunton, Virginia)

Julie Markowitz, Director
February 24, 2015

Increasing Tourist Visitation

What
Staunton Downtown Development Association focuses on two markets – local residents, and the market within 100-150 miles of the town.

Why
Downtown Staunton advertises especially in the Staunton, Augusta County, Charlottesville and Harrisonburg areas, because of the high level of disposable income there and because of customer proximity. The point is to attract these customers for day trips to Staunton.

How
Within its 150-mile day-trip market area, Staunton Downtown Development Association focuses on developing customer loyalty to Staunton Downtown through buy local campaigns. The point is to find ways to encourage area residents to “own” their downtown through a shopping loyalty campaign, called “Shop Staunton First.” Staunton Downtown strategically combines community and shopping-focused events with promotional items that send a shopping message.

For example, during the fourth quarter of 2014 Staunton Downtown scheduled a family-friendly community event on Halloween; an evening open house holiday kick-off party - Sparkles and Sweets with a complimentary shopping bag and a coupon booklet; a Gift Card promotion – buy a $50 card, get $10 free; street activities and special sales for Small Business Saturday; and the Christmas Parade. The message was “Where are you spending your holidays? Put your money where your heart is.”
The Staunton Downtown Development Association also works closely with the Staunton Tourism Department, which handles tourism marketing for all of Staunton, including the downtown. Its tourism budget is much larger than that of Staunton Downtown Development Association and although it includes downtown, it also includes tourist attractions, lodging etc., outside of downtown. Its target market is East Coast and national markets.

Suggestions for Culpeper
1) Work closely with the Culpeper Tourism Department and fully define the target geography.
2) Determine what each target market segment can contribute to Downtown – day trips, seasonal shopping, restaurant meals before or after entertainment, etc. – and market accordingly.

Creative Industry Incubators

What
This section contains descriptions and reflections about two creative industry incubators in Staunton. A private, for-profit-owned and operated cooperative workspace or work-share space operated in the Downtown a couple of years ago. This effort did not succeed and based on the lessons learned there, Markowitz made recommendations for a Main Street organization that might be considering the establishment of such an incubator. Very recently, however, a new, privately owned and community funded (through loca-investing) co-work space, called Makerspace, began operating. Unlike the earlier effort described by Ms. Markowitz, Makerspace appears to have great potential for success. Chris Cain, of the Staunton Creative Community Fund, shared her views about this new effort and the implications for other Main Street programs, such as Culpeper’s. Because these efforts differ, the views of Markowitz and Cain are somewhat contrasting and this is pointed out in the recommendations below.

Suggestions for Culpeper
1. An incubator/co-work space should understand its target market and focus on attracting it. Thorough research is required to develop the right concept for the specific community.
2. Markowitz believes the incubator/co-work space should be owned and operated by a non-profit organization. A for-profit entity is likely to be under pressure to earn revenues to support the
operation, which will be passed through to potential users of the space and services, and this will undermine the mission of the incubator. Certainly users should be charged fees, but these should be set with affordability of the user in mind. Users should know and agree to the specific requirements for participation to avoid conflicts and protect the mission of the program.

Chris Cain, on the other hand, believes that the business model of the organization is more important than the for-profit status of the operator. In many cases, a for-profit operator may be more nimble and able to adapt to a changing economic landscape more easily than a non-profit operator. Moreover, especially in cases where the incubator operator is paid partially in company equity (more common in tech), a for-profit may have a higher motivation to help the incubating businesses succeed. Both Marowitz and Cain pointed out that public sector support of the incubator/co-work space is vital.

3. The incubator/co-work space should fill a niche that is not currently occupied by other service providers; it should complement and, preferably, collaborate with other service providers. A non-profit entity may more likely to be able to create and maintain such a collaborative service profile, whereas a for-profit entity may find that it needs to be more aggressive to compete with other service providers to win market share and revenues.

4. The incubator/co-work space must be attractive and inviting and designed in such a way that it appeals to potential users. It may need to offer low-cost amenities such as a coffee bar to make the space welcoming. It should represent the level of sophistication and professionalism that sets the bar for participants in developing their businesses. It should be operated like a business with regular store hours, reception, a customer service policy etc., to set a positive example.

Contact Information

Julie Markowitz, Executive Director of the Staunton Downtown Development Association

Email: Julie@StauntonDowntown.org
Phone: 540-332-3867
Website: http://www.stauntondowntown.org/
Canvs: Orlando’s Downtown High-Tech Co-Working Facility (Orlando, FL)

Orett Davis, Executive Director, Orlando Tech,
February 23, 2015

What
In 2014, Canvs, a non-profit high-tech co-working association formed and leased 14,069 square feet in Downtown Orlando’s retrofitted Church Street Exchange, an 87,000 square foot building that, as part of a larger complex, formerly housed a downtown mall. By 2015, Canvs had over 140 co-workers from over 50 different companies.

Why
Orlando’s high-tech industry, especially the game segment, has been growing rapidly in recent years to become the community’s second most important basic industry after tourism. This growth has spawned a number of formal and informal industry associations that promote the industry in various ways, including through the development of physical spaces for budding tech entrepreneurs. These include projects such as “Creative Village,” a new, transit-oriented development in Downtown Orlando that will include a mix of education, commercial and residential uses built around high-tech companies.

A high-tech milieu of entrepreneurs, established firms, professionals who serve such firms (finance, legal and other services) and others, with overlapping memberships, has developed in Orlando and this milieu
is the crucible out of which new initiatives are pouring forth with increasing frequency, as new needs and opportunities are discovered.

Downtown Orlando’s physical attractiveness has made it a natural gathering place for high-tech entrepreneurs and industry associations. As this activity has grown, it has become apparent that additional industry meeting venues, as well as start-up assistance to would-be entrepreneurs, is needed. Canvs emerged organically from this group of activists and their desire to further build the industry.

**How**

The Church Street Exchange Building has passed through several hands since its construction in 1998. (The rest of the mall was constructed decades earlier.) Currently, it is owned by Tremont Realty Capital. In 2014, it was repurposed as a high-tech center, and is operated and leased by Jones Lang LaSalle, Inc. (JLL). JLL is using 75% of the 87,000 square feet for technology businesses; retail and food-related businesses make up much of the rest. In addition to Canvs, other tech start-up service providers in the Church Street Exchange Building include Orlando Tech Association, a non-profit association that began from grassroots-based monthly “MeetUps” and which has now evolved into a formal organization with 2,500 members that organizes networking and product development opportunities. In May 2014, Orlando Main Street designated Orlando Tech as a virtual Main Street organization, and provided it with $50,000 (in City of Orlando funds) for a first year of work (to decrease annually thereafter).

**Operations**

We do not know the monthly rate that Canvs pays for its lease, although given the goals of JLL for the building and Canvs’ non-profit status and fee structure, it seems logical to assume that the lease rate is financially optimal for Canvs.

Canvs has a very small staff (precise number not confirmed) of a couple of persons. It offers a variety of membership/space utilization options at various prices, ranging from part-time membership at $100 per month to a dedicated office at $1,000 per month. (Even daily facility usage is available at $25 per day.) The various levels of membership also include a variety of service options, including WiFi, Ethernet, conference rooms, USPS Mail service and community space. Canvs provides opportunities for
mentorship and, in partnership with other tech industry associations that also occupy space in the facility, it sponsors numerous tech community events throughout the year.

Noteworthy aspects of the Canvs operation are that it is a non-profit organization, it is part of a network of service providers that is mutually supportive, rather than competitive with other service providers, and it has a strong focus on mentorship.

**Suggestions for Culpeper**

The old adage, *form follows function*, is particularly appropriate in this case. The Canvs facility was established because (1) a growing and dynamic local industry that has service associations and industry promoters needs it and (2) the industry has grown to the extent that a major real estate developer sees the activity as a viable real estate project, as well as smart economic development. Absent growing demand for such a space, the building would not have been necessary.

If Culpeper can build an entrepreneurship base in specific industries that require or which can use downtown space, CRI can help to facilitate that development. CRI should work with the Culpeper Economic Development Department to target industries and entrepreneurs. They should be surveyed to determine their preferences for space and to determine their need, or the need of start-ups, for services or other initiatives to develop the industry. This kind of basic market information may be helpful in convincing potential real estate developers and non-profit partners to acquire and retrofit a building for this purpose.

**Contact Information**

Necole Pynn, Managing Director, Canvs
necole@canvs.org

Orett Davis, Director of Orlando Tech
Email: orrett@orlandotech.org
Phone: 561-324-1733
Website: http://www.meetup.com/orlando-tech
The Bonnell Project, a creative and innovative way to support cultural and entrepreneurial growth (Fairfield, Iowa)

Roland Wells, Director, The Bonnell Project
March 2, 2015

What
The Bonnell Project is a 15,000 square foot building on the fringe of Main Street in Downtown Fairfield where young people in Fairfield pursue their artistic and business goals with the support of volunteers and mentors. Fairfield is similar in size to Culpeper.

Why
Fairfield lacks low-cost facilities and services, such as business management mentoring, to help young entrepreneurs and artists get started. The Bonnell Project provides this support in hopes of improving the community’s cultural identity and increasing the amount of homegrown entrepreneurs operating businesses downtown.

How
Roland Wells and three similarly altruistic colleagues found an underutilized building on the edge of Main Street and purchased it in 2007. They made minor renovations and within two months of opening the building to start-ups, these tenants were paying enough in rent to make the mortgage payments on the building. In 2011, Wells and his colleagues purchased an old schoolhouse about two blocks farther away from Main Street and retrofitted it to serve as a commercial kitchen, a workshop, and other uses. They operate both buildings as part of the Bonnell Project.

Organizing
The four Project leaders have diverse backgrounds, but all had been involved in local small business earlier. One is a former business executive coach. Another has a business degree and has started
several successful businesses locally. The third has a strong technology background, specifically in local radio. Roland Wells has a background in non-profit management and eight years of experience as the owner of a small emergency insurance adjustment company. The four of them make up what they call the “Space Jam Committee.” As a group, they determine, based on interviews with prospective candidates and a financial formula designed to ensure the financial stability of the organization, who will be selected to be part of the project.

The initial down payment for the Main Street building was $40,000; many people contributed funds to make the down payment. The four founders put up a combined total of $20,000. The rest was raised from private individuals through (i) negotiated interest loans, (ii) no-interest loans, (iii) equity (patient capital), and (iv) donations. The Bonnell Project specifically avoided seeking grant funding for the project because they were able to raise the money privately and they were concerned that accepting grant money would force them to change to mission of the organization.

In addition to the work of the four founders, all other tasks – including building maintenance, computer issues, and sundry tasks as needed – are handled by volunteers.

**Operation**

Wells calls the Bonnell Project’s approach to start-up assistance and mentoring as “communal.” Once the Space Jam Committee has decided to accept an applicant as a new tenant, everyone in the building becomes committed to his or her success.

And success results frequently, as there is a high turnover rate as start-ups become established and move on. Many of the businesses and

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CURA at VCU
artists that come through the organization eventually rent space on Main Street or open their own art galleries in the area.

The Bonnell Project considers itself to be part of the community and has rarely needed to recruit tenants. Typically, when there is space available, it will be filled via word of mouth from someone in the community or by someone who is occupying another space in the building. Recently, local economic development organizations have begun to refer prospective tenants to The Bonnell Project.

Once an applicant has been accepted, he or she is required to follow certain guidelines laid out by the Space Jam Committee that are dependent on the type of business the person is trying to start and the rent payments that that he or she can be expected to make to the organization. These expectations vary greatly on a case-by-case basis, but the primary objective is to provide support to young people with ideas and help them pursue their goals despite their lack of financial resources.

Wells explained the payment policy as follows (paraphrasing): Let’s say that there is a young entrepreneur that wants to open a retail store and only has $1,000 at the moment, but we believe that their idea is something that can work. We will mentor them and coach them to get them to see the importance of marketing for retail businesses on Main Street. A lot of these young entrepreneurs have all the passion and know how to be successful in their specialty, but lack the financial backing and the business sense to survive the initial startup process. So we will tell that entrepreneur that they can set up at the Bonnell Project for free for a few months while they get started, but they have to spend their money on a sign for their store and other marketing that will bring in customers. Once they have either succeeded and moved into a more permanent space or failed and moved on we know we gave them the opportunity to fulfill their dream.

Once an applicant has been accepted they must sign a “host/project agreement” which sets forth the legal terms of the relationship between the individual and the organization.

The building operates on a financial formula that necessitates that it maintain an 80 percent occupancy rate and of that 80 percent, at least 80 percent pay monthly rent. The first floor retail spaces, the larger
studios, and (at their other property) the commercial kitchen are rarely, if ever, unoccupied. However, the smaller office spaces are sometimes vacant for a few months at a time.

Support Measures

1) Tenants pay what they can during the initial start-up process.

2) All tenants are mentored by local volunteers who operate businesses in the field that the start-up is trying to enter.

3) The organization provides much of the overhead for new businesses on a temporary basis.

Suggestions for Culpeper

Three key ingredients explain the success of the Bonnell Project:

1) The Space Jam Committee, specifically, a group of talented, experienced, socially minded persons who have donated much of their time to pursue their goal of improving the arts and entrepreneurship in the community. (They appear to be earning a living through this work, but they could undoubtedly earn more elsewhere.) Secondarily, they have been able to tap the altruism of other community members who have provided funds to support the organization.

2) A well-conceived financial and legal structure, including the organization’s non-profit status, which has enabled it to raise funds and to operate independently.

3) The buildings, one of which is located in the Main Street district, and another nearby. These buildings appear to be very well suited to the purpose for which the Bonnell Project has retrofitted them. They also appear to have been purchased and retrofitted at relatively moderate cost, such that the organization can pay the monthly mortgage (which presumably includes any financed renovation expenses) through the rents of tenants.

Although the specific building appears to be the least important of these ingredients, Culpeper can nevertheless identify buildings that might be likely candidates for such an initiative, and then begin to seek social entrepreneurs like Roland Wells and colleagues who might be interested in taking on such a project. Once such a project is started, Culpeper Renaissance can help to organize support from socially minded persons, from local government, and others.
Contact Information

Roland Wells, Director of the Bonnell Project

Email: roland.wells@gmail.com

Phone: 641-455-9172

Website: http://bonnellproject.com/
Intown Concord, Extended Hours Initiative and District Expansion (Concord, New Hampshire)

Liza Poinier, Executive Director, Intown Concord
February 24, 2015

Extended Store Hours

What
Concord has seen an increase in the number of people visiting downtown in the last decade. This is due, in part, to increasing willingness on the part of downtown merchants to stay open later on weekdays and to open their shops on Sundays.

Why
Ten years ago, Downtown Concord was called “Concord, City in a Coma.” The Town of Concord determined to shake that image and the underlying reality.

How
Evening Hours
To bring Downtown back to life, the City has added, expanded, or improved several entertainment venues that draw people to the area after dark. Some examples of this are the Concord City Auditorium (capacity 900) which features travelling shows and concerts, the Capitol Center for the Arts (the largest arts center in the state), and an independent movie theatre that opened eight years ago. These venues provide entertainment options that include traveling musicians, live theatre, art shows, and independent films that not only bring people downtown, which also often bring people out for dinner or drinks before or after the event.
Special Events
There are also several special retail/cultural events that occur throughout the year that sees businesses stay open extended hours as part of a larger downtown event. The most prominent example of this is an annual event that takes place on the first Friday of December called “Midnight Merriment.” On this night most restaurants and retailers stay open until midnight and for the four Fridays between Thanksgiving and Christmas all merchants are encouraged to stay open until open until at least 8pm. This event includes carolers, horse rides, and Christmas music being piped in across the downtown. Promotions also include prize contests and other tie-ins. Poinier believes that these events have been key to convincing merchants to extend their hours for other occasions as well, because as long as most of the stores are open and people are downtown it is financially beneficial.

Sunday Hours
Intown Concord has also worked hard to convince merchants to open their shops on Sundays. Although more than half of the businesses remain closed on Sundays, the ones that are open are now drawing families with children and other local residents who would not be able to visit the Downtown on weekday or weekend evenings.

Organizing Support – The Merchants Roundtable
Intown Concord has been able to organize support for extended shop hours by working with an informal group of merchants and business owners called the “Merchants Roundtable.” Each block of Main Street has a Merchants Roundtable “block captain;” they meet once a month to discuss the goings on in Downtown Concord to identify solutions to problems that downtown merchants encounter. Through these conversations, the merchants have come to support extending hours of operation, including on Sundays.

Suggestions for Culpeper
Entertainment is a key to a healthy downtown. Done right and coordinated with business hours and offerings, entertainment can have a direct and positive effect on downtown business in general. Culpeper should prioritize entertainment, taking steps to ensure that venues such as the State Theater remain open and introducing other entertainment activities. Additionally, working with the State Theater to schedule its events at times that support downtown shopping should be attempted.
Physical Expansion through Strategic Business Recruitment

What
Downtown Concord has seen a slow, but evident expansion of retail on Main Street over the last ten years. The percentage of vacant storefronts has declined and the proportion of restaurants, banks, and services (vs. retail) has gone up, but the retail mix remains strong.

Why
The “downtown” portion of Main Street is approximately one mile long, and has historically been comprised of retail, restaurants, and hotels. The southernmost portion of the street has many large old homes that have been converted into law offices and other types of professional services. These businesses are important, but they do little to bring people to Downtown Concord beyond those businesses’ existing customers and regular business hours.

How
Intown Concord has worked with city government and local entrepreneurs and developers to place what Poinier refers to as “the right businesses” along the fringe of the existing retail footprint of Main Street, providing support through mentorship and promotion of these businesses. The success of these businesses has increased the desire of new businesses to open near them as business owners have noticed the increased foot traffic in portions of Main Street that have historically been less frequently travelled.

To determine which types of stores are the “right fit,” Intown Concord conducted a retail gap analysis to determine retail categories for which there was unmet demand downtown. Intown Concord then teamed up with the City’s economic development staff and the Greater Concord Chamber of Commerce to recruit business types identified through the gap analysis. The City’s economic development department has become an enthusiastic partner in the recruitment process.

Suggestions for Culpeper
It is important that Culpeper keep abreast of changes in market demand and then actively recruit new businesses. Finding successful businesses elsewhere in the region and encouraging them to open a
second operation in Downtown Culpeper is one method for doing this. Another is to grow local retailers, as Culpeper has done in the past, by asking existing businesses to free up space for retail start-ups to set up shop until they have established themselves and can move to their own spaces.

Culpeper should keep in mind that while a business that stays open for a decade or more is preferable, many businesses can be successful by riding a trend for a shorter period of time, assuming that their up-fit investment is not too great. Therefore, working with property owners to have modern retail spaces that can be arranged modularly to meet a wide variety of business uses, can allow Culpeper to avoid becoming “dated” and keep the business mix fresh while reducing vacancy periods.

**Contact Information**

Liza Poinier, Executive Director of Intown Concord

Email: info@intownconcord.org
Phone: 603-226-2150
Website: [http://www.intownconcord.org/](http://www.intownconcord.org/)
Other: N/A
Fredericksburg Main Street, Inc., Holiday “Open Late” Initiative (Fredericksburg, Virginia)

Ann Glave, Director, Fredericksburg Main Street, Inc.
February 23, 2015

What
Starting with the 2014 Christmas Season, Fredericksburg Main Street Inc. implemented an extended-hours initiative – Fridays open until 8 pm.

Sixty-five of Downtown Fredericksburg’s 92 retail or restaurant businesses eventually chose to participate in the new initiative and, overall, it was a success.

Why
When Ann Glave became Downtown Fredericksburg’s Main Street coordinator in Feb 2014, she advocated the initiative because, as a former independent retailer in Fredericksburg, she realized that it is important to keep hours that appeal to local shoppers, who otherwise would shop at the area malls in the evenings.

How
With Glave’s leadership, the Downtown Fredericksburg Promotions Committee began working on the issue in June 2014 and decided to implement an open-late initiative. Realizing that extending hours on a permanent basis in a typical Main Street and convincing customers that Downtown is NOT closed in the evening is a two-year process, Glave and the Promotions Committee determined to start with a “baby step.”

They chose to start during the heaviest shopping season of the year, when many stores are already open later. They considered Thursday, Friday and Saturday as possible late evenings and decided on Friday. (They did not solicit merchant input in this decision although Glave advocates that as a matter of course.) The decision to go on Friday was based on the success of the First Fridays Art Walk.
**Organizing**

Organizing proceeded in two phases. First, Glave conducted an aggressive door-to-door campaign to interest merchants in the initiative. At first she found it difficult to convince store owners of long standing that the initiative would be worth their time and investment in staff time. The reason is simple and understandable: No one wants to be the only store or restaurant, or one of only a few, to remain open, because that draws few customers and costs the owner more than he or she earns in sales.

However, newer store owners, less likely to be jaded by previous negative experiences or expectations, were quicker to embrace the concept, Glave said.

Ultimately, they achieved a nice blend of older and newer stores, ranging from specialty and antique stores to retailers with broader product lines and eating establishments. A critical mass of merchants and restaurateurs grasped the idea that a collaborative effort would, indeed, produce bigger results. “They checked their egos at the door,” Glave said.

Once Glave had convinced a number of merchants to try the initiative, peer pressure took over as the primary organizing tool. Especially merchants who are regarded as leaders were able to convince their peers to give the initiative a try.

**Operation**

Glave worked out a detailed operation plan with the following features:

1) Participating merchants or restaurants signed a contract binding them to participate for the duration of the initiative (Christmas) and to stay open until 8 pm each Friday night.

2) In exchange, each participating merchant received an attractive, yellow “Open Late” flag that was mounted by a contractor who donated his services on a bracket on the façade of the business. The idea was for shoppers to be able to look down the street and see a wave of “open late” flags and feel encouraged to come to the district. This visual symbol also helped to motivate more merchants and restaurants to join the initiative – it was another form of peer pressure. Merchants were charged $20 for the flag and installed bracket.
Accountability was carefully planned as well. Glave herself monitored stores and restaurants each evening during the initiative. Two establishments were caught closing early and were required to hand in their flags. One had encountered a staffing problem; the other simply did not believe that Glave would monitor performance. Some merchants would find their sales dipping between 6 and 7 pm and assume that no more customers would come, but many then found that the 7 to 8 pm slot brought many shoppers.

Supporting Measures

Glave supported the initiative with additional measures:

1) The Downtown holiday promotion process was released to merchants and restaurateurs as a plan, so they could see the reasoning behind it and how it was meant to work.

2) Every week during the initiative Glave sent emails, reminding each store to be proactive in its marketing, offering free tastings, having artists on the premises working on a project, etc., and, especially,

3) Encouraging cross-marketing. Glave found that some businesses did not understand the cross-marketing concept, so she worked with them to come up with creative ideas to get clusters of businesses in close proximity to each other to cross-market their offerings.

4) Entertainers, such as University of Mary Washington students performing music on the street, were engaged to enliven the district.

5) Contests run via social media were arranged.

6) Parking hours were extended by two to three hours to make it easy for shoppers to come late and stay late.

7) B & Bs in the Downtown were engaged as well. Glave sent them information on the extended-hours campaign so they could share it with their guests.

8) Free publicity – the campaign with its attractive yellow flags earned Fredericksburg Downtown free publicity with several publications that helped to spread the word about the campaign.

9) A Gift Card was implemented that had a 20% purchase discount ($25 card purchased for the price of a $20, $50 for $40 and $100 for $80) for 3.5 weeks.

Results
The campaign was a success, drawing customers especially from among residents who live near Downtown, as well as lodgers at the area’s B & Bs. Merchants were reluctant to put in writing the amount of their increased sales, but anecdotal evidence suggests that, on balance, they did well.

Tracking Successes and Challenges

Fredericksburg Main Street Inc., tracked the rates of success (or lack thereof) of each of its promotional initiatives, as well as the extended hours campaign overall.

Fredericksburg Downtown is now considering expanding their Friday extended hours campaign to the Daylight Savings period, at least beginning in May and continuing into the fall.

Suggestions for Culpeper

• Pick a number of times to promote the open-late campaign. Fredericksburg used a seven-week campaign for the holidays from the first Friday in November until the Friday before Christmas. This allowed a countdown for the stores to see an end of something, especially when staffing is an issue.
• Educate everyone that this is a small step, that it will take time - 2 years, and that success will not occur over night.
• Give businesses the tools to be proactive - tell them things to do if the store is quiet, how to cross promote, plan an event, and share the information with everyone they know by every media outlet they use.
• Formalize expectations so that merchants can see that all merchants are expected to follow the policy so that it can succeed.

Contact Information

Ann Glave, Executive Director of Fredericksburg VA Main Street, Inc.

Email: info@fredericksburgmainstreet.org
Phone: 540-479-1595
Website: http://www.fredericksburgmainstreet.org/
Libertyville Main Street, Extending Store Hours & Encouraging Ground Floor Retail (Libertyville, Illinois)

Pam Hume, Executive Director of Libertyville Main Street,
Revised, April 13, 2015

Extending Store Hours

What
Libertyville is about an hour’s drive north of Chicago and today its Main Street is 100 percent occupied. Because many stores remain open late, it is lively late into the evening despite having very few overnight visitors.

Why
When Libertyville started its Main Street Program in 1989, the vacancy rate downtown was over 70%. To reinvigorate the Downtown Libertyville, like most Main Street organizations, developed several initiatives, including many events to bring people Downtown, even in the evening.

How
The events have gone a long way toward revitalizing Main Street because (i) they are of very high quality, (ii) they attract many people, (iii) visitors have no trouble parking, and (iv) stores and restaurants extend their hours to serve the event-goers. By linking their requests to merchants to extend their hours to specific events only, and by working to ensure that the events are of high quality, Libertyville has created a virtuous circle, where each element – event, open stores, and lots of Downtown visitors (facilitated by plenty of parking) – stimulates and reinforces the others.
1. **Events.** Main Street Libertyville organizes and runs at least 50 events on Main Street annually. These include Farmer’s Markets (June through October on Thursday), 5k races, holiday events, beer festivals, etc. The event that is most successful in convincing merchants to extend hours is the seasonal First Friday, in which nearly 80 percent of downtown merchants participate. Libertyville sites its events carefully, using its small park on Milwaukee Avenue as much as possible, because it draws visitors right into the center of Downtown, from where they can easily wander to retailers and restaurants.

2. **Free Parking.** Libertyville’s Main Street is accessible via regional public transportation in the Chicago area, but the town is about an hour’s drive north of the city, so many visitors drive. To accommodate the cars, the city and Main Street program have been able to build two parking garages (one already completed and another currently under construction) at opposite ends of the Main Street district to supplement street parking. This has eliminated one of the biggest problems Main Street has historically faced in Libertyville – a lack of parking. Libertyville used Tax Increment Financing to pay for the new parking garages and other design improvements along its Main Street.

**Recommendations for Culpeper**

Ask merchants and restaurants to extend their hours only for events, make sure the events are of high quality so that they draw many people, and build parking garages or other parking facilities to accommodate the visitors.

Consider building a parking deck or two. Parking decks can accommodate more vehicles closer to the action of downtown, while freeing up some surface parking for infill development. This infill, being new construction, can more closely fit current tenants’ needs and combine fully accessible storefront retail,
upper-story housing and mid-story professional services. The infill also provides additional foot traffic and increases the local tax base.

**Encouraging Ground Floor Retail and Restaurants**

**What**

Libertyville regulates the amount of non-retail space that is permitted on its primary Main Street – Milwaukee Avenue. This has led to the full occupancy of Milwaukee Avenue and resulted in the expansion of the Main Street district onto adjacent streets.

**Why**

Like Main Street districts around the country, previously Libertyville struggled with the fact that many of the businesses on Milwaukee Avenue were personal and professional services (e.g., attorneys and accountants) that closed by 6 PM. It’s well-documented that shoppers will generally not venture beyond one or two service businesses; these businesses can act as a deterrent to strolling and casual shopping. This made it very difficult to attract evening visitors or to encourage retailers to remain open later, and this, in turn, undermined the effectiveness of Libertyville’s after-hours events.

**How**

Libertyville made two attempts to solve this problem; the second one has worked quite well. The first attempt was called the “Ten Percent Rule.” Under this regulation, which was enacted prior to 2005 and which was discontinued in 2005, the Main Street district could have no more than ten percent of its ground floor businesses used for something other than retail or restaurants. Existing service businesses had been grandfathered in at the time the rule was passed, but there was still significant push-back from business owners. As Ms. Hume explained: “Using a percentage made it a wandering rule so that your neighbor may be allowed an office use, but you may not.”

In 2005 Libertyville replaced the Ten Percent Rule with a much clearer regulation that has been widely accepted. This rule limits the total percentage of ground floor space on Milwaukee Avenue that can be office or financial use to 25% *per building*. It also prohibits non-retail uses in the front 35 feet of the first floor of a building fronting on Milwaukee Avenue in the Main Street (C-1) district. Nonconforming
spaces at the time of the passage of the rule were grandfathered in, but any space that was vacant for more than 180 days could no longer be used for office or financial uses. A casual read of the Libertyville zoning ordinance (attached) indicates that the range of permitted uses is fairly broad, but generally they are uses that attract shoppers and tourists who might be inclined to browse and shop at several retail stores, if there is a critical mass of them in easy walking distance.

This policy has had several salutary effects on the Main Street district. According to Ms. Hume, the vacancy rate on Milwaukee Avenue has fallen to zero percent and the average cost of a space there has increased accordingly. This effect has spilled over onto adjacent streets, where vacancy rates have declined and the percentage of retail space has also increased, although with no regulation encouraging this. In short, the policy has resulted in “an organic expansion of the downtown core,” as Hume puts it, as Downtown has become a destination for retail and restaurants.

**Suggestions for Culpeper**
Crafting local policies that result in a clustering of retail, restaurants and other visitor uses on the ground floor of the core of the Main Street district is an effort worth pursuing. It will likely benefit not just the core of the Main Street district, but surrounding streets as well. Libertyville’s example shows that this is not a simple process, but that persistence and dialogue pay off. Culpeper should educate property owners about the advantages to everyone of a ground-floor retail policy, and then work with owners to craft a policy that all regard as fair to owners and beneficial to the Downtown.

**Contact Information**
Pam Hume, Executive Director of Libertyville Main Street
Email: Not available online, promptly returned phone call
Phone: 847-680-0336
Website: [http://www.mainstreetlibertyville.org/](http://www.mainstreetlibertyville.org/)
Other: N/A
Main Street Gettysburg Interpretive Plan (Increase Tourism), (Gettysburg, Pennsylvania)

Deb Adamik, Executive Director, Main Street Gettysburg, February 13, 2015

What
In 2000, the Borough of Gettysburg began to implement a plan to revitalize Main Street and increase the town’s capture rate of tourists who visit the battlefield that is only 1.3 miles away from Main Street.

Why
Gettysburg has long been known for the famous Civil War battle, however, in the late 1990s very few of the 1.7 million annual visitors to the park even knew that Gettysburg was a town and even fewer visited it.

How
The Borough of Gettysburg set out to increase Main Street’s capture rate of the tourists visiting the battlefield by creating a formal partnership with the National Park Service and developing a detailed, formal plan to expand and enhance the Gettysburg Battlefield tourist experience by integrating it with the Town’s Gettysburg Battle story. The Gettysburg Interpretive Plan, as it is called, was completed in November 2000. It includes a number of specific initiatives, such as:

1. Telling the story of the Town of Gettysburg’s role in the Civil War and, especially, in the Battle of Gettysburg.
2. Restoring and programming historic buildings and segments of the town that played significant roles in the Battle and its aftermath, such as the David Wills House, where Abraham Lincoln spent the night before giving his famous address.
3. Creating interpretive programs at specific sites and through interpreters “wandering” through the town in period costume.

4. Aggressively cross-promoting, by, for example, starting Battlefield tours in the town and selling tickets to the Battlefield that also include admission to the David Wills House and to the Rupp House, which offers interactive exhibits about the battle.

Most importantly, perhaps, the plan sets forth very specific implementation processes. Main Street Gettysburg is designated as the entity officially responsible for implementing the plan. Its Board of Directors is expanded to add formal representation by the National Park Service and other key stakeholders. A plan for financing town improvements and preservation work, and for operating the interpretive sites is set forth. These and more provisions are formalized in a Memorandum of Understanding between the Borough of Gettysburg, Main Street Gettysburg, the National Park Service and others.

To fund property acquisition, renovation and disposition, the Borough established a non-profit 501 (c) 6 corporation, under which all money earned or raised must be put back into the cause that is identified in the application process and which cannot financially benefit any individual or shareholder.

Results

According to Ms. Adamik, the plan has been faithfully implemented and it has brought impressive results, dramatically increasing the number of tourists on Main Street.

Suggestions for Culpeper

The lessons from this case are that Main Street Gettysburg was able to increase tourism because: (1) It established joint and complementary programming with a nearby asset that was generating a tremendous volume of tourists, (2) Main Street was able to create a productive partnership because it, too, has important assets that are part of the same story as the Battlefield and which add value to the Battlefield attraction, and (3) The partnership is specified through a detailed, formal plan and implementation is arranged through a formal MOU.

CRI may not have the same wealth of historic assets that Gettysburg does, but it may still be able to create a partnership with a nearby asset that draws a substantial number of visitors; perhaps the Civil
War Cemetery or the Packard Center, or perhaps with more than one regional asset. It is important that the partnership be a win for both parties, so that both feel motivated to build and sustain it. And it is critical that the partnership be codified in a formal plan and an agreement whose implementation can be monitored.

To begin, Culpeper Renaissance can work with the Culpeper Tourism Office to identify regional partners with whom a partnership with Downtown Culpeper would add value to both organizations. Once a suitable partner (or partners) has been found, a formal agreement and a set of goals that each hope to achieve through the arrangement (e.g., increased visitation) and the means of monitoring their achievement (e.g., surveys) should be established and the outcomes monitored at regular intervals.

**Contact Information**

Deb Adamik, Executive Director of Main Street Gettysburg

Email: info@mainstreetgettysburg.org

Phone: 717-337-3491

Website: [http://www.mainstreetgettysburg.org/](http://www.mainstreetgettysburg.org/)

Downtown Leesburg Business Association, Tourism Capture Initiative, (Leesburg, Virginia)

Gwen Pangle, President, Downtown Leesburg Business Association, February 20, 2015

What
Leesburg has recently found success in increasing its capture rate of tourists who come to the area to visit nearby attractions.

Why
Gwen Pangle is the President of the Downtown Leesburg Business Association, as well as a small-business owner. Leesburg has always had the quaint small-town feel that many people in large cities look for in a weekend getaway, but it has not always been able to get people coming to the area for various events, festivals, and surrounding attractions to visit Main Street.

How
Leesburg’s downtown has been able to increase its capture of tourists by developing partnerships with existing tourist attractions and by improving its utilization of social media. Specifically, Leesburg has:
1. Built strong partnerships with nearby existing assets such as vineyards, breweries, and the organizers of local annual festivals and events.
2. Utilized social media, cross-marketing and new technology to market Main Street to tourists to the region for other events.
Building Partnerships

As the wine industry has grown in Northern Virginia, Leesburg’s downtown has reached out to the proprietors of nearby vineyards and breweries as well as the coordinators of local festivals and special events. The result has been improved lines of communication between downtown merchants and regional tourist attractions and cross-marketing relationships between the Downtown and these attractions. The vineyards advertise Leesburg and Downtown Leesburg helps advertise the vineyards as well.

Another strategy to bring in more people in town for specific events to Main Street is to have restaurants offer specials that are centered on the event, such as a special soup of the day that is connected to the ongoing event. If it is a beer festival or wine tour, there can be dishes that incorporate the beers or wines from the same breweries or vineyards that sponsor the event. This is particularly useful, Pangle noted, because the majority of people who come to Leesburg’s Main Street from out of town come for beer and wine tours. They try to have Main Street be the meeting place for these tours so that people start and end on Main Street.

Social Media

The Downtown Leesburg Business Association has created an app for iPhone and Android phones that both rewards local customers who routinely shop downtown with discounts and special items, and also works well for special events. Some merchants also offer special discounts to customers who “check-in” at their business on social media. Furthermore, the downtown business association sometimes has special check-in deals (often they do this during or after another event/festival) whereby if customers check in, say, at 3 pm at various stores, they get further discounts.

Those who have the app receive a push notification once a day advertising a special at one of the downtown stores. The merchants have happily signed up for this because it gives them free advertising a couple of times per month.

Suggestions for Culpeper

CRI should work with the Culpeper Tourism Department to identify regional attractions that may be interested in cross-marketing relationships with Downtown Culpeper. Once willing partners have been
found, cross-marketing arrangements should be formalized and monitored so that each partner can be relatively certain that it is, in fact, cross-marketing.

Contact Information

Gwen Pangle, Executive Director of the Downtown Leesburg Business Association

Email: theldba@gmail.com
Phone: 703-930-4872
Website: http://www.downtownleesburgva.com/
Retail Market Gap Analysis

This section presents the results of a retail market gap analysis conducted in early 2015 to identify retail trade, services and amenities for which there is unmet demand in Downtown Culpeper. The results of a retail gap analysis can help property owners, merchants and, of course, organizations like CRI determine business types that would complement current Downtown offerings and which may be successful there.

Methodology

The methodology used for an unmet demand analysis is conceptually simple, although there are many steps along the way. Step 1 is to determine the trade area, or areas, from which customers are coming to the Downtown or are likely to come in response to appropriate marketing. Step 2 is to determine the total demand (households and dollars) for specific goods and services within that trade area. Step 3 entails assessing the existing supply of goods and services within the trade area(s) and the amount of market demand that is already being served by this existing supply. Finally, we subtract the demand currently being served from the total market demand to determine the amount of “unmet” demand. This process is depicted in the figure below.

Of course, most demand is not really “unmet,” but in many cases it is leaking out of the trade area to other areas. Meeting that demand might not only help the Downtown, but also add convenience for customers and complement other, existing goods and services offered Downtown.

Step 1 – Trade Areas

Three trade areas were identified for Downtown Culpeper. The Primary Trade Area consists of zip code 22701, which includes all of the Town of Culpeper and a few nearby areas. This area was chosen based on the results of a zip-code of customers taken by 12 merchants on Davis Street. Over 37% of the customers gave 22701 as their zip code of residence and no other zip code was mentioned by more than 2% of all customers.

The Secondary Trade Area includes 28 zip codes surrounding the Town of Culpeper. All of these zip codes are either within 30 miles of Davis Street or are less than a 35-minute drive from the Downtown. This distance and time was selected because of Culpeper’s proximity to other towns such as
Fredericksburg, Charlottesville, Warrenton, etc. where many of the goods and services found in Culpeper are also readily available.

The Tertiary Trade Area does not have a precise geographic boundary. Rather, it consists of households who travel from outside of the Primary or Secondary Trade Areas to visit Downtown Culpeper. Between November 2013 and October 2014 the Culpeper Visitors Center kept a tally of the number of people who visited the Center; a total of nearly 21,000, averaging 1,731 per month. Because many of these people were from Virginia and could possibly reside in the Primary or Secondary Trade Areas, we cut the total number of visitors in half to avoid double-counting. We assume that the remainder – 10,500 – are tourists from Washington, DC and other points north (or abroad), as well as Richmond and other points south.

Step 2 - Demand

To determine demand, the number of households in the each trade area was multiplied by the amount of dollars spent in each household in each trade area. The market demand tables in the appendix show the components of this analysis. When determining potential demand, we take into account the fact that customers residing in the three trade areas may seek out different goods and services Downtown. Specifically, we assume that anyone residing in the Primary Trade Area may shop anywhere in the trade area, including Downtown, for any and all goods and services – convenience goods, shopper’s goods and destination goods, because the area is easily accessible to anyone living in it. However, we assume that Downtown can capture only a portion of the spending of consumers living in the Secondary or Tertiary Trade Areas, so we assign “capture rates” to reflect this. The capture rates are reasonable estimates, but they are only estimates and should be treated as such.

Step 3 – Supply

Supply was determined by taking the total square footage of selling space for existing businesses within a two miles radius of Davis Street and multiplying it by the average revenues per square foot of a business of that type. This process establishes an amount of revenue that each business is thought to need
in order to operate each year. In total, we recorded the square footage of over 350 businesses in and around Downtown Culpeper.

Results – Unmet Demand

Using the process described above, we found moderate to high Unmet Demand in 19 of 47 consumer expenditure categories. These results are depicted in Table 2. Eleven of the 19 categories with unmet demand show high unmet demand for additional stores, while the other eight show moderate unmet demand for additional stores.

Suitability for Downtown

Not all retail categories for which there is unmet demand would fit well in Downtown Culpeper, due to the nature of the business or its space requirements. For example, hospitals, nursing homes, automobile maintenance and repair shops are generally not found in a Main Street district. Moreover, for some services, supply exists outside, but near, the primary market area, but it could not be included in the quantitative analysis.

Unknowns

Despite our best efforts, we were unable to get hotel occupancy information that would have provided further insight into the total number of tourists who visit Culpeper, as well as the possible demand for more hotel rooms. We recommend that Culpeper commission a follow-on study to focus on the tourism market, especially demand for lodging places.

Also, there are new residences that are currently being built in Downtown Culpeper on or near Davis Street. An increase in residents within walking distance of downtown is a good thing for the businesses there and it also will increase the demand for convenience goods in the area. At present, the number of new residents Downtown is not enough to change market demand overall, but this should be monitored as residential construction continues.
The market analysis identified several business types that are likely to be successful in Downtown Culpeper. These fall under the categories of Apparel and Services, Entertainment, and Personal Care Products. See Table 3.

<table>
<thead>
<tr>
<th>CES Category</th>
<th>Unmet Demand</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal Services</td>
<td>High</td>
</tr>
<tr>
<td>Laundry</td>
<td>Moderate</td>
</tr>
<tr>
<td>Dry Cleaners</td>
<td>Moderate</td>
</tr>
<tr>
<td>Major Appliances</td>
<td>Moderate</td>
</tr>
<tr>
<td>Women and Girls (Apparel)</td>
<td>High</td>
</tr>
<tr>
<td>Medical Facilities</td>
<td>High</td>
</tr>
<tr>
<td>Medical Supplies</td>
<td>Moderate</td>
</tr>
<tr>
<td>Fees and Admissions - Sports/Recreation</td>
<td>High</td>
</tr>
<tr>
<td>Electronics</td>
<td>High</td>
</tr>
<tr>
<td>Music Products</td>
<td>High</td>
</tr>
<tr>
<td>Other Entertainment, Equipment, and Services</td>
<td>Moderate</td>
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<tr>
<td>Pets, Toys, and Playground Equipment</td>
<td>High</td>
</tr>
<tr>
<td>Beauty</td>
<td>High</td>
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<tr>
<td>Barber</td>
<td>High</td>
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<tr>
<td>Education</td>
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<td>Gasoline and Motor Oil</td>
<td>Moderate</td>
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<tr>
<td>Maintenance and Repairs</td>
<td>High</td>
</tr>
<tr>
<td>Parts &amp; Tires</td>
<td>Moderate</td>
</tr>
</tbody>
</table>

In Apparel and Services, the highest unmet demand is in the Women and Girls sub-category, but there is unmet demand in almost every sub-category of Apparel and Services, specifically Men and Boys, Children Under 2, Alterations/Shoe Repair, and Jewelry/Watches. This unmet demand could be served by new, stand-alone stores, by new lines
within existing stores, or by new merchants leasing space inside exiting retailers.

Several categories of Entertainment show levels of unmet demand that support the introduction of new businesses, with the highest being Fees and Admissions. The results strongly support the introduction of more entertainment options in Downtown Culpeper, both because there is unmet demand in this category and because those who attend movies, live theatre, concerts, and other types of entertainment often make a day or an evening of their time Downtown, in the process patronizing eating and drinking places and browsing at retail shops as well. For similar reasons, the introduction of a record shop, game store, hobby shop, bike shop, or other types of recreation based businesses should also strongly considered in Downtown Culpeper.

Lastly, within Personal Care Products there is a clear unmet demand for both women’s hair salons and men’s barber shops. Now that Downtown is becoming a more popular place for shopping, entertainment, retail and living, it is likely that a beauty or barber shop could locate there and expect to do well.
SUMMARY AND CONCLUSION

There is a strong convergence in the results of the Main Street Innovation Case Studies and the Retail Market Gap Analysis. One conclusion of the Case Studies is to expand entertainment offerings and work strategically with merchants to extend their shop hours during these events. Both of these strategies will support efforts to increase the tourism capture rate and, possibly with a ground-floor retail strategy, perhaps result in district expansion. In any case, increased revenues for Main Street businesses is likely to be a result of such strategies.

The quantitative market analysis shows that the numbers back up a strategy of increasing entertainment options Downtown. That analysis also shows unmet demand for apparel, which will also complement more entertainment offerings and increased residents Downtown.

The Case Studies section also includes discussion of three communities that have attempted to encourage start-up businesses with structures located in their downtown districts. These are exciting initiatives, but as these cases show, they are not low-hanging fruit. In each of the three cases discussed here, the availability of a suitable building proved to be less important than the presence of entrepreneurial developers, an independent, non-profit management structure, a sound financing plan and adequate funds, and unmet demand for space by a growing industry segment. Certainly, CRI could stay vigilant and encourage the development of such facilities near the existing Main Street district, but the success of these initiatives seems to depend to a large extent on the work of others outside the Main Street organization, so it may be best to play a facilitative role, rather than to devote substantial time to such an initiative at this point in time.

Based on this study, the most appropriate development priorities, in rough order of feasibility, for CRI appear to be the following. Note that once begun, all are ongoing initiatives. Moreover, it may be possible to start more than one at a time.

1) Working with the Culpeper Tourism Department, identify partners and then establish well-crafted and carefully monitored partnerships with regional tourism venues and other assets that draw more tourists to the Downtown. Collect information on hotel occupancy rates and assess the potential demand for more hotel rooms.

2) Develop a well-designed extended-hours initiative that is strategically linked to events.

3) Recruit / develop / expand entertainment activities.
4) Recruit / expand apparel retailers.

5) Assess the extent to which a ground-floor retail initiative might change the configuration or location of retail and non-retail businesses. If this is significant, engage business and property owners in discussion of the issue and study the experiences of Libertyville and other communities (such as Ashland, VA) with ground-floor retail initiatives. Move forward in an inclusive, but deliberate way.

6) Working with the Culpeper Economic Development Department, identify growing industry segments that may need, or be interested in, facilities Downtown, especially for start-ups and young entrepreneurs. Assist property developers and owners in making the connections necessary to develop such spaces, and share experiences from other Main Street organizations, such as Staunton, Fairfield and Orlando, to increase the likelihood of success.

CRI has already mastered the fundamentals of Main Street organization and development. Indeed, it has become a model that other Main Street organizations look to for guidance. If it approaches the next phase of strategic initiatives with similar energy and commitment, continued success is likely.
APPENDIX