

2010

Town of Hildebran Market Analysis



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NC Division of Community Assistance

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- John Kinley – Town Planner
- Michael McNally – Burke County Chamber of Commerce
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Disclaimer: Information contained in this report is gathered from various sources. Every effort is made to ensure that the information contained herein is accurate; however, no warranty is made about the accuracy of this report by the NC Department of Commerce, Division of Community Assistance, or its sources.



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Project Background

The NC Division of Community Assistance Western Regional Office was approached in 2009 by representatives from the Town of Hildebran to conduct a Market Analysis for the town. A Hildebran Market Study Committee was created to oversee this project.

A number of components are incorporated into this analysis. The Town of Hildebran purchased a Retail Marketplace Profile and Business Summary from ESRI Business Analyst Online (<http://www.esri.com/software/bao/index.html>). A Retail Merchant Survey was distributed to retail businesses throughout Hildebran. Five businesses returned the Retail Merchant Survey. In addition, a Consumer Survey was available online and was widely distributed to the citizens of Hildebran. Two hundred and twenty-nine Consumer Surveys were completed.

This report follows the model used by the North Carolina Main Street Center's Small Town Main Street program; which is modeled after the National Trust for Historic Preservation's Main Street Program. In most cases, this approach focuses on a downtown or historic district. In this report, the entire Town of Hildebran is considered as the study area. This market analysis considers six economic restructuring or economic development factors specific to small towns. The six factors which set the structure for this report follow:

Six Factors of Economic Restructuring

Factor One: Market Conditions and Business Climate

Assessing this factor helps determine the status of the retail, residential and office markets and their potential in town. Information gathered related to retail sales, occupancies and rents is used to develop recruitment materials for attracting new businesses to town.

Factor Two: Retail Mix

A market assessment and merchants' survey can provide information related to the number and types of businesses currently in town. From this information, the potential for success of additional or different retail businesses can be determined. Additionally, surveys should be conducted to determine the physical location of retail businesses by type, in order to determine the best locations to site additional businesses.

Factor Three: Real Estate Availability and Condition

This factor addresses the ability to recruit development and business. When there are no available buildings or buildings are overpriced or in poor condition, then it will be difficult to carry out the revitalization effort.

Factor Four: Physical Environment and Amenities

The physical environment in which a business must function is critical to its success. Even the best businesses will not be successful if the surrounding environment is run down, has few amenities and is difficult to access.

Factor Five: Availability of Capital/Financing

It is critical that adequate investment capital and attractive financing be available for town projects. In addition to public financing tools, local financial institutions must be actively involved and supportive of development and business in Hildebran.

Factor Six: Business and Development Assistance

Business and investment decisions must be made based on complete and factual information. One of the most important services that can be offered to potential investors is the provision of professional business and development assistance, along with a coordinated promotional effort.

Factor One: Market Conditions and Business Climate

The Town of Hildebran was incorporated in 1910 and is located in the eastern part of Burke County (see Appendix A and <http://www.hildebrannnc.com/>). The population of Hildebran was 1,768 as of July 2008 and grew 20% between 2000 and 2008

(http://www.osbm.state.nc.us/ncosbm/facts_and_figures/socioeconomic_data/population_estimates/demog/munpop08.html). The Town of Long View, in Catawba County, abuts Hildebran to the east and had a 2008 population of 4,963. The City of Hickory, in Catawba County, is located adjacent to Long View and had a 2008 population of 40,732.

Market Segmentation

Market data companies such as ESRI have developed market segmentation profiles to help retailers better understand the demographics, habits, income, hobbies and other behaviors of the people in their market area. Tapestry, ESRI's market segmentation tool, segments people in an area by zip code or neighborhoods (http://www.esri.com/data/esri_data/tapestry.html). All United States residential neighborhoods are classified into sixty-five different segments based on various socioeconomic and demographic factors. Each Tapestry segment is named to match the generalized nature of the segment. This information may help retailers to match their goods and services to the type of customers in their market area. This information is generalized in nature and should be taken lightly. The following are descriptions of three Tapestry Segments within Hildebran Area zip codes 28602 and 28637.

- **Segment 42 Southern Satellites:** Southern Satellites neighborhoods are rural settlements found primarily in the South, with employment chiefly in the manufacturing and service industries. Married-couple families dominate this market. The median age is 37.7 years, and the median household income is \$39,758. Most housing is newer, single-family dwellings or mobile homes with a median value of \$90,801, occupied by owners. Residents enjoy country living. They listen to gospel and country music on the radio and attend country music concerts. They participate in fishing, hunting, and auto racing. Favorite TV stations are CMT and Outdoor Life Network. Satellite dishes are popular in these rural locations. Households own older, domestic vehicles, particularly trucks and two-door sedans. Residents invest time in vegetable gardening, and households are likely to own riding mowers, garden tractors, and tillers.
- **Segment 25 Salt of the Earth:** A rural or small-town lifestyle best describes the Salt of the Earth market. The median age is 41.4 years. Labor force participation is higher than the U.S. level, and

unemployment is lower. Above-average numbers of employed residents work in the manufacturing, construction, mining, and agricultural industries. The median household income is \$50,913. Households are dominated by married-couple families who live in single-family dwellings, with homeownership at 85 percent. Twenty-eight percent of the households own three or more vehicles. Most homes own a truck; many own a motorcycle. Residents are settled, hardworking, and self-reliant, taking on small home projects as well as vehicle maintenance. Families often own two or more pets, usually dogs or cats. Residents enjoy fishing, hunting, target shooting, attending country music concerts and auto races, and flying kites.

- **Segment 17 Green Acres:** A "little bit country", Green Acres residents live in pastoral settings of developing suburban fringe areas, mainly in the Midwest and South. The median age is 40.7 years. Married couples with and without children comprise most of the households, which are primarily in single-family dwellings. This upscale market has a median household income of \$65,074 and a median home value of \$197,519. These do-it-yourselfers maintain and remodel their homes, painting, installing carpet, or adding a deck, and own all the necessary tools to accomplish these tasks. They also take care of their lawn and gardens, again, with the right tools. For exercise, residents ride their bikes and go water skiing, canoeing, and kayaking. Other activities include bird-watching, power boating, target shooting, hunting, and attending auto races.

Consumer Survey

In 2010, a Consumer Survey was distributed throughout Hildebran and was also available online. A total of 229 responses were received. The full results can be found in a separately available document. The typical respondent was an employed female over the age of fifty and a member of a two person household. The vast majority of respondents to the Consumer Survey came from the immediate Hildebran area. A map showing these home locations based on zip code can be found in Appendix B.

The Consumer Survey showed that 76% of respondents do most of their shopping in Hickory. This is not particularly surprising when one considers that Hickory has twenty-three times the population of Hildebran. However, 83% of respondents spend money in Hildebran at least two times per week and 67% stated that one of the main reasons they visit Hildebran is for shopping. This was followed by 50% visiting for eating. Written responses revealed that many citizens enjoy the "small town feel" of Hildebran and prefer to support local businesses when possible.

Businesses often wonder about the best way to reach existing and potential customers. The Consumer Survey asked respondents how they find out about local businesses, shopping, specials and/or promotions. "Word of Mouth" was the response of 170 people, which makes the case for Hildebran as a small town where the word will get around about a retail establishment, whether it is good news or not. One hundred seventeen people found out about local businesses, etc. via a newspaper, particularly the Hickory Daily Record and the News Herald (Morganton). Just over 100 people relied on direct mail and 69 people relied on television, mainly WBTV Charlotte. The internet and radio (mainly Big Dawg Country 92.1 FM) had 65 and 55 responses respectively.

Tourism

Based on the Consumer Survey, 78% of respondents felt that tourism was very or somewhat important and 97% felt that special events/festivals were very or somewhat important in Hildebran. A number of written responses highlighted the value of the Hildebran farmers market. These special events or festivals may attract tourists and those passing through the area. Hildebran's Cruise In is a popular event which is held twice monthly from May to September. Local and out of town visitors enjoy classic cars at the Cruise In. The annual Hildebran Heritage Festival is held the fourth Saturday in September. This event is also very popular and includes entertainment, vendors and a Cruise In. The CAST Theatrical Company (<http://casthickory.com/default.aspx>), which recently occupied the auditorium at 200 South Center Street, provides live theatre and cultural arts.

While understanding the local population is important to stakeholders in Hildebran, it is also important to understand the nature and overall impact of area visitors. The fact the Hildebran is adjacent to I-40 reinforces the fact that many visitors are passing by.

Although the fiscal impact of tourism at the municipal level is difficult to quantify, it may be important as a potential source of income for local businesses. In 2008, Burke County ranked 42 (out of 100) in statewide tourism dollars and expenditures were \$74 million with local tax receipts of \$2.3 million (<http://edis.commerce.state.nc.us/Portal>). It is important not to over emphasize the impact of visitors in relation to the potential impact on local businesses and the primary focus should remain on the core of local customers.

The following data came from the 2009 North Carolina Regional Travel Summary (<http://www.nccommerce.com/en/TourismServices/PromoteTravelAndTourismIndustry/TourismResearch/>). Hildebran is in the Mountain Region, as designated by the North Carolina (NC) Tourism Division, which consists of the twenty-three western-most counties of North Carolina. Even though Hildebran is located in the eastern part/piedmont of Burke County, it is likely that many of the visitors are attracted by the nearby mountains. In 2009, the Mountain Region captured 20% of the total visitors to North Carolina. Below are some statistics and general information about those travelers.

- 84% of domestic visitors came to the region for pleasure
- 12% came for business
- Fall had the highest volume of visitors (31%), followed by Summer (28%), Spring (23%), and Winter (18%)
- Overnight visitors spent an average of 3.2 nights in the region
- 55% stayed in a hotel/motel
- 35% stayed in a private home
- Average travel party size was 2.8 people
- 29% of travel parties included children
- 83% of travelers drove to the region
- 7% flew to the region
- The 2009 average spending by overnight visitor parties was \$617
- The 2009 average spending by day-trippers was \$142 per visit

- The top five states of visitor origin were North Carolina (31%), South Carolina (13%), Tennessee (9%), Florida (8%), and Georgia (8%)
- 59% of the visitors had a household income over \$50,000
- The top four activities participated in by visitors were rural sightseeing (28%), shopping (24%), visiting relatives (23%), and visiting a state or national park (21%)

Factor Two: Retail Mix

In addition to understanding the population that shops in Hildebran, it is also important to examine the retail mix. Just as you must have shoppers to have retail, you must have a healthy and varied mix of retail establishments to have shoppers.

Retail Leakage

Hildebran's primary trade area was considered based on a center point at US 70 and South Center Street and a three mile radius (See ESRI Site Details Map, Appendix C). This radius was chosen so that the primary trade area would not include Hickory, which would tend to skew the data with its large population. Within this area there is a population of 14,812 and a per capita income of \$20,582 annually. For comparison, the 2009 per capita income in North Carolina was \$26,823. The total retail market demand in the primary trade area, based on the ESRI Retail MarketPlace Profile, is estimated to be \$124 million, while the supply is approximately \$164 million. This amounts to a surplus of approximately \$40 million. However, a large part of this is due to a big surplus (approximately \$35 million) in the furniture and home furnishings stores category. In the furniture category, demand (retail potential) is \$3.6 million and supply (retail sales) is \$38.6 million. Please see attached North American Industry Classification System (NAICS) category descriptions for more information (Appendix D).

In looking at other categories one can find potential opportunities or leakage. Leakage occurs when demand is greater than supply. Sales leakage looks at a variety of merchandise categories and determines if a district is capturing its full retail sales potential. For all these retail categories (see Leakage Table on the following page) the total leakage is around \$22.5 million local dollars. If Hildebran were to target capturing an additional 20% of current retail leakage within the 3 mile radius it would add \$4.5 million in sales. This would result in an additional 41,000 square feet of retail establishments based on \$110/square foot sales. Sales per square foot is based on the average from the Retail Merchants Survey and other small towns in North Carolina.

Current and future retailers should look to this Leakage Table to identify the retail markets that could justify current business expansion or new business creation. These numbers are intended as a guide and are not necessarily absolute figures. However, the Town of Hildebran should make this information available to all potential business owners.

Department stores in the primary trade area have the highest leakage figure with \$6.5 million. This category includes stores such as Family Dollar and Kmart. Most of this leakage is likely going to Hickory. The non-store retailers category includes electronic shopping and vending machines. The clothing category shows a leakage of \$3 million and was listed in the survey responses as a type of store that

people would use if it were located in Hildebran. In addition, 90% or 203 respondents spend money on clothing outside of Hildebran. A niche clothing store that offers products not available in nearby towns or popular chain stores may be successful in Hildebran.

It may be possible to recoup some of the leakage in the food service (including restaurant) and drinking places category. On the Consumer Survey, 96 respondents indicated that they would use a full service restaurant and an additional 51 people said they would use another fast food restaurant in Hildebran. In a related question, 83% or 186 respondents said that they spend money outside of Hildebran at full service restaurants and 57% or 128 respondents spend money on fast food out of town. Alcohol sales are currently prohibited in Hildebran, which may affect potential restaurant recruitment. The Town would need to pass a referendum for alcohol sales before attempting to capture the leakage in the beer, wine and liquor stores category.

Retail Market		Hildebran, NC	3 Miles		Market Potential	
NAICS	Business Type		July-2010	Leakage	Est. Capture	Sales/SF
					20%	\$110
4413	Auto Parts, Accessories, and Tire Stores		\$ 787,306	\$ 157,461	\$ 110	1431
443/4431	Electronics & Appliance Stores		\$ 2,317,964	\$ 463,593	\$ 110	4214
4453	Beer, Wine, and Liquor Stores		\$ 76,884	\$ 15,377	\$ 110	140
448	Clothing and Clothing Accessories		\$ 3,013,723	\$ 602,745	\$ 110	5479
4521	Department Stores Excluding Leased Depts		\$ 6,565,961	\$ 1,313,192	\$ 110	11938
453	Misc. Store Retailers		\$ 1,450,766	\$ 290,153	\$ 110	2638
454	Non-Store Retailers		\$ 3,880,990	\$ 776,198	\$ 110	7056
722	Food Service and Drinking Places		\$ 197,743	\$ 39,549	\$ 110	360
4461	Health care & personal		\$ 2,222,150	\$ 444,430	\$ 110	4040
4747/4471	Gasoline Stations		\$ 1,363,038	\$ 272,608	\$ 110	2478
4442	Lawn and Garden Equipment and Supplies Stores		\$ 620,809	\$ 124,162	\$ 110	1129
4512	Book, Periodical, and Music Stores		\$ 24,558	\$ 4,912	\$ 110	45
TOTAL			\$ 22,521,892	\$ 4,504,378		40,949
SOURCE:		NC Department of Commerce NC Division of Community Assistance ESRIBIS© US Census of Retail Trade US Consumer Expenditure Survey				

NAICS – North American Industry Classification System

SF – Square feet

Leakage figures are estimates based on population and its expected demand for goods.

Sales/SF is the average from the Retail Merchants’ Survey returns and other sources

Existing Retail Mix

A business master list for the Town of Hildebran is on file at the Town Hall. A large (3' by 4') printed map is also on file with the Town of Hildebran showing current aerial photography, property lines, streets and the physical location of all businesses on the business master list. Existing retail stores are spread along the commercial corridors in Hildebran, mainly along US 70 and Center Street. These include the Food Lion/Family Dollar and Dan-Mar Plaza shopping centers on the south side of US 70. Locally owned businesses along Main Avenue include East Burke Pharmacy and Espey Hardware. Eating establishments include Curley's Country Kitchen & Fish Camp, Korner Café, Chubby's, Dominoes and KFC.

Overall, the existing retail mix is somewhat limited. Based on the Consumer Survey, only 20% of respondents felt that the variety of goods in Hildebran was "good", 6% felt that the variety of restaurants was "good", and 18% felt that the variety of personal services was "good". There may be opportunities for new and expanded businesses to fill needs currently not met by the existing retail businesses.

Cross shopping between stores should be encouraged by businesses simply referring customers to other Hildebran businesses, whether a competitor or not. Businesses should know their local/town neighbors and what they have to offer. A sale in Hildebran, even by a competitor, is better than a sale lost to another shopping area and especially to another county. When a sale stays local so does the tax revenue.

Results of the Consumer Survey showed that 74% of respondents felt that regular/convenient business hours were "very important". At the same time 54% rated business hours "fair" or "poor". It would be advantageous for businesses to note when the most traffic (pedestrian and vehicular) is in the area and adjust business hours accordingly. By being aware of the social factors, not just the retail factors, that bring people to business areas, merchants can make more informed decisions in terms of operating hours. For example, a business with drive-through access would want to note when parents are in the area picking up children from school.

A successful business mix:

- Is market driven
- Provides products and services that meet local needs
- Is financially feasible
- Has sufficient investment and financing
- Relies on business plans based on local market data
- Is appropriately located
- Is in or near a comparable cluster of businesses that offer the same or similar products (Example: furniture stores; jewelry stores; antique stores)
- Matches the differing needs of customer segments to a variety of products
- Uses goods and services in conjunction with each other (Example: Women's clothing/accessories; convenience items/groceries/drugs; furniture/appliances)

- Contains a critical mass of businesses
- Has a sufficient number of businesses and business types to provide a destination for shopping

Successful business recruitment, retention and expansion includes:

- A business council or economic development committee to recruit, assist and listen to businesses
- A plan to keep existing businesses in the community
- The success of existing businesses to help recruit new businesses
- Visits/discussion sessions with owners of existing businesses to identify problems and/or weaknesses that may need to be addressed by the business community
- Identifying business opportunities that may be met by existing business expansion
- Identifying new business opportunities that are complementary and may also attract customers for existing businesses

Factor Three: Real Estate Availability and Condition

The Town of Hildebran has a number of vacant business sites that are noted on the map located in Appendix E and on the large map on file with the Town of Hildebran which also shows numbers that refer to the master business listing. These vacancies range from commercial/retail store fronts and lots to parcels located within Cline Industrial Park. There are three vacant mill buildings and space in the old high school building with the bell tower. The condition of these vacant buildings ranges from good to needing extensive renovation.

On the Consumer Survey, 18% rated the appearance of buildings as “good”, 57% rated it “fair”, and 25% rated it “poor”. Respondents may have had in mind certain buildings that are in need of renovation or façade improvement. From a sample of ten commercial buildings in Hildebran, the assessed value ranges from \$30-\$260 per square foot, based on the Burke County Tax records. These values range a great deal given the wide variety of building stock in Hildebran.

Commercial rents for small towns in North Carolina average between \$3 and \$7 per square foot. Most retail buildings can be up-fitted or renovated for between \$75-\$95 per square foot, based on a conversation with a licensed contractor based in Asheville. Development projects with the above building and renovation costs, market rents and other known local conditions indicate reasonable feasibility for success. Based on the small number of returned Retail Merchants’ Surveys and personal communication, it appears that a number of businesses in Hildebran own the building which houses their business. It should be realized that many variables affect the outcome of a successful development: market strength, site location, renovation costs and property management.

The old Hildebran high school building with the bell tower is an important landmark and was considered in the Consumer Survey for possible uses and market potential. It was originally constructed in 1917 and has had several additions in subsequent years (History Hildebran-Icard Community, November 20,

1976). This building currently houses a limited number of businesses and offices. A very significant amount of renovation would need to be done for the building to attain National Register historic status.



On the Consumer Survey, respondents were asked, “What use(s) would you like to see in the old high school building with the bell tower next to the Town Hall in Hildebran?”

A summary of responses in no particular order included the following:

- Offices- professional
- Shops (specialty, antiques, coffee, bakery, gifts, books, restaurant, flea market, clothing)
- Community Center/ Meeting Space
- Library
- Classrooms/Training Center/ Internet Lab
- Housing (including condos and affordable)
- Mixed Use (retail, housing, office)
- Museum (art, heritage/history, sports, science)
- Movie Theater
- Recreation Center
- Inn with restaurant and reception space
- Rehab to mimic Old Rock School in Valdese to include auditorium, meeting rooms, offices and art gallery

- Farmers Market
- Children’s Activities Center
- Take it down

Along with a number of other communities in North Carolina, Hildebran is home to vacant textile mills. The first hosiery mill in Hildebran (and possibly Burke County) was Cline’s Hosiery Mill, which began in 1912 (History Hildebran-Icard Community, November 20, 1976). This historic mill, located at 510 US Hwy 70, has been purchased by a development company which may use Historic Preservation Tax Credits to help with renovation/reuse costs. Adjacent to the Cline Mill is the Jeffco Mill at 500 US Hwy 70. Both of these mills are situated directly next to the railroad. The third vacant mill is the Old Hosiery Mill at 3346 Clarence Towery Circle. For “certified rehabilitation” of historic mill structures, the North Carolina Mill Rehabilitation Tax Credits Program (<http://www.hpo.ncdcr.gov/millcredits.htm>) can be valuable for developers.

On the Consumer Survey, respondents were asked, “What could be done with vacant mills and other buildings in Hildebran that are no longer functioning?” A summary of responses in no particular order included the following:

- Create jobs with rehabilitation
- Shopping (including flea market, outlet, mall)
- Housing/Apartments
- Restaurants
- Storage Center
- Education Facilities
- Museum/Historic attraction
- Movie Theaters
- Recreation Center (including bowling, mini gold, skating rink, gym, skatepark)
- Churches
- Medical (dentist, doctor)
- Hotel Resort
- Office Space
- Youth or Senior Center
- Day Care Facility
- Auditorium/Theatre
- Remove/Tear down

Any building in Hildebran that is listed on the National Historic Register may be eligible for historic tax credits which can amount to 40% of renovation costs (20% federal tax credit plus 20% state tax credit) paid over ten years (<http://www.presnc.org/Preservation-Answers/Tax-Credits>).

A number of large industrial tracts are currently for sale in Hildebran. Within Cline Industrial Park four vacant parcels are available between 12 and 32 acres in size. There also is a 93,000 square foot

manufacturing plant on 11 acres for sale or lease in Cline Industrial Park. The Lance Transportation property on Neuville Avenue off of the I-40 Access Road is also for sale. It includes a 32,400 square foot facility and a 6,000 square foot truck maintenance building on 14 acres. All of these industrial sites are currently being promoted by the Burke Economic Development Council. In some cases, grants may be available through the One North Carolina Fund to help with job creation for certain businesses (<http://www.nccommerce.com/en/BusinessServices/LocateYourBusiness/WhyNC/Incentives/OneNorthCarolinaFund/>). For example, in December 2009, the One North Carolina Fund granted Marves Industries \$200,000 for its reuse of the former Bauer facility in Cline Industrial Park, which created 66 jobs.

Factor Four: Physical Environment and Amenities

Buildings, Streets, Sidewalks and Public Spaces

The physical environment in which a business must function is critical to its success. In 2007, HSMM produced the Town of Hildebran Conceptual Downtown Master Plan. This document outlines phasing for public improvements including streets, landscaping, sidewalks and gateways. These steps could improve the walkability and general attractiveness of Hildebran, which in turn will help bring customers to existing businesses and draw new businesses to Hildebran. The new Town of Hildebran sign, pictured on the cover of this report, is an important step in this direction. This sign is prominently located on Center Street, just off of I-40 exit 119, at a key entrance to town. The new Hildebran Community Park is currently under development on a four acre tract, which will add significantly to the park facilities in Hildebran. On the Consumer Survey, 76% of respondents felt that “Public improvements (streets, sidewalks, landscaping, lighting, etc.)” were very important, while only 1% felt they were not important. Some of the improvements identified in the Master Plan are costly and may take a number of years to implement, but this should not discourage the Town moving forward with these plans.

Parking

Hildebran, like much of the United States, remains an automobile centered place. Adequate parking is important for the success of businesses. On the Consumer Survey, 60% of respondents rated parking as “good”. Based on a visual inspection of Hildebran, it does not appear that parking is a problem. Business owners and employees can help their businesses by parking farther away and leaving the closest parking spaces for customers.

Traffic and Circulation

The 2009 traffic count numbers collected by the North Carolina Department of Transportation indicate an average daily load of 41,000 vehicle trips a day on Interstate 40 by Hildebran exit 119. On South Center Street there are 7,100 vehicle trips a day in front of Town Hall. On US 70, 8,300 vehicles pass through Hildebran every day just to the east of South Center Street. A traffic count map is attached in Appendix F. These numbers indicate a significant number of vehicles that Hildebran can attempt to capture for local businesses. For example, slowing down traffic on US 70 in the Center Street area could prevent drivers from “missing” Hildebran and might also improve public safety.

Other Plans

The Town of Hildebran Comprehensive Plan was completed in May 2010. It contains detailed demographic data and includes land use, transportation, community facility and economic development information, goals and recommendations. The Comprehensive Plan is an important resource for the future of Hildebran.

Factor Five: Availability of Capital/Financing

The economic downturn which began in 2007 has severely impacted retail and real estate markets. The economic effects have been dramatic all over the country and in North Carolina. Exactly how some of these trends have impacted Hildebran may be difficult to pinpoint, but it is important to recognize the historic nature of today's financial markets.

Because of current market conditions there may currently be a lack of readily available and easily accessible capital and financing tools in Hildebran and Burke County for the business market. The following bullet points suggest some of the tools and ideas that stakeholders in Hildebran can explore in order to increase the money available for business growth and development.

- Assist local governments and non-profits with grant research and encourage them to annually set aside funds for grant matching dollars.
- Help local governments ,including Western Piedmont Council of Governments (WPCOG), and non-profits identify resources that bring public capital business development products to the private market (e.g. public sources for revolving loan funds or individual development accounts, <http://www.cfed.org/programs/idas/>)
- Build strong relationships with area banks in order to engage them in the revitalization process.
- Work with area banks to increase the amount of capital available to small businesses; encourage the banks to create a local small business loan pool. Work with tenants to achieve reasonable interest rates.
- Look into area banks' Community Reinvestment Act (CRA) activities. This Act encourages financial institutions to meet the credit needs of local communities in which they are chartered.
- Identify building owners with little or no debt on their properties. Encourage them to work with tenants to develop a reasonable rent structure or, if they are interested in selling, to provide owner financing over a term of years. This can be a benefit for both buyers and sellers.
- Work with small business assistance providers to host workshops and training sessions that instruct business owners on private capital products, and how and when to effectively use debt to grow a business.

- The Self-Help Credit Union is a source for loans for certain small businesses and developers, <http://www.self-help.org/business-and-nonprofit-loans/commercial-lending>
- The NC Department of Commerce has a variety of resources for financing business growth, <http://www.nccommerce.com/en/BusinessServices/SupportYourBusiness/FinancingBusinessGrowth/> and for community development assistance and growth management, <http://www.nccommerce.com/en/CommunityServices>
- WPCOG has two programs related to business financing, <http://www.wpcog.org/programs.asp?CID=0&PS=59>, <http://www.wpcog.org/programs.asp?CID=0&PS=53>
- Consider implementing a Façade Incentive Grant Program to assist with exterior improvements. Hildebran would need to start with a few thousand dollars to match a business owner's investment in façade work/improvement. Guidelines would need to be reviewed and adopted for the appropriate design of these improvements. The following link is an example from the Town of Elkin, NC, <http://elkinnc.org/elkin/Departments/MainStreet/FacadeGrantProgram/tabid/116/Default.aspx>

Factor Six: Business and Development Assistance

The Hildebran Market Analysis Committee is a cost effective community based organization that can help guide the future of economic development in the Town of Hildebran. If requested, the NC Division of Community Assistance will continue to be a resource for Hildebran into the future and can assist the Hildebran Market Analysis Committee with organizational needs and implementation of the Market Analysis. Maps can be updated, upon request, based on availability of new information. New maps can also be created for specific purposes by the NC Division of Community Assistance. The following are resources that may help enhance Hildebran's economic development program:

- Work with all stakeholders to adopt a "no-wrong door" approach to Hildebran business development. A no-wrong door approach means that whoever a future business owner first approaches--another local business owner, a town or county official, a banker or someone else--s/he will be given or immediately directed to information about business development in Hildebran. Consider the use of business ambassadors, an up-to-date website, and/or printed materials that list available buildings and sites, market data, and other helpful information.
- Business owners must evaluate their business plans and marketing efforts, know their sales-per-square foot and, if renting, the sales-to-rent ratio. Knowing this information enables one to evaluate the financial situation and possibly determine when to seek outside assistance. This assistance may be in the form of business counseling, evaluating a marketing plan, or taking a class that could help put a business on track or steer a business in a direction that has a positive impact.

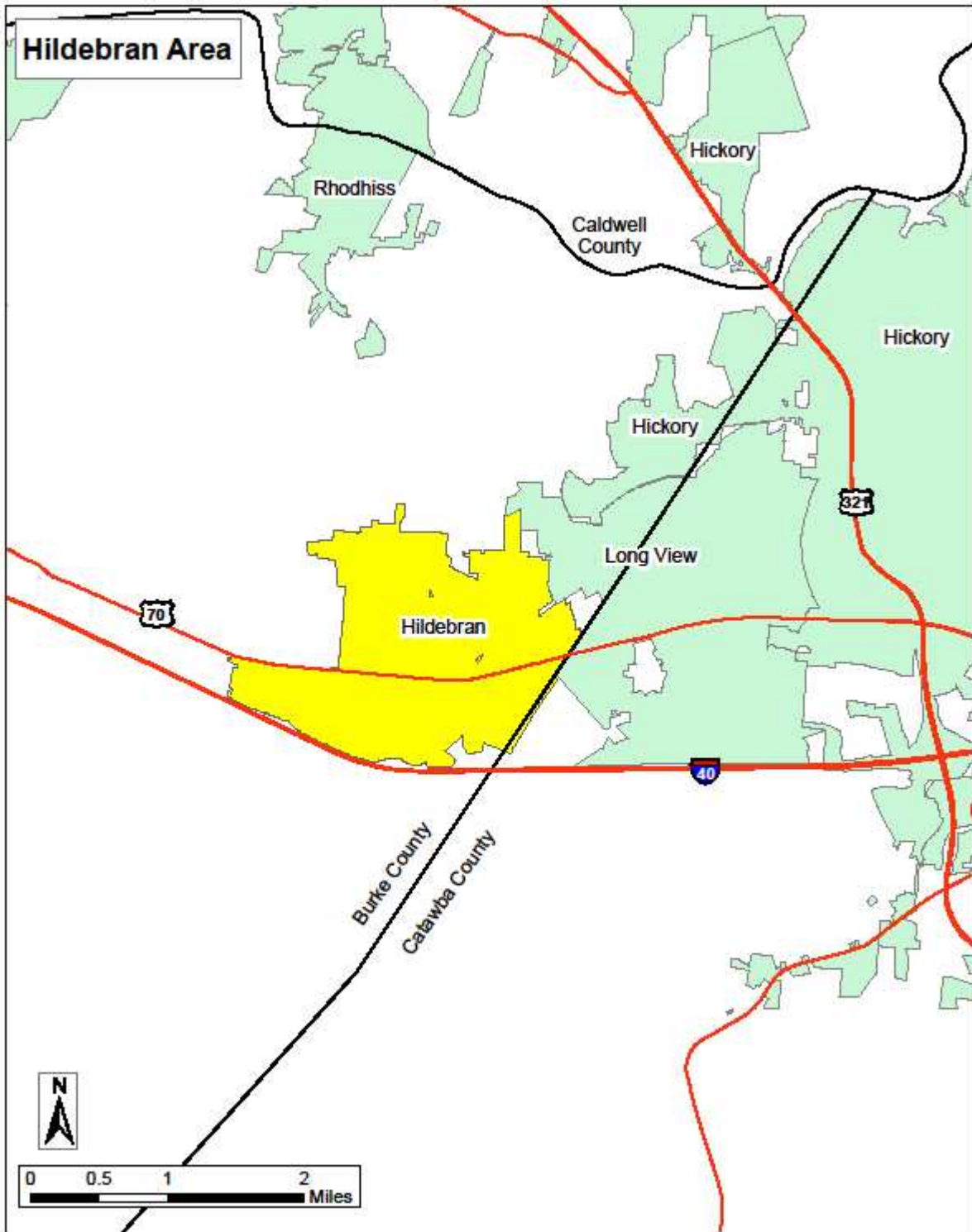
- To meet some of its Community Reinvestment Act goals, BB&T underwrites an Economic Development Finance Professional training series taught by the National Development Council. This series of four week-long courses teaches the average person the ins-and-outs of economic development financing-- with an emphasis on financing small business projects. Because BB&T underwrites these courses for community members in their service area, which includes Hildebran and Burke County, they are extremely affordable. It is recommended that at least one to two people from Hildebran take these courses. Check BB&T's website for updated course schedules: <http://www.bbttraining.com/Training/ClassInfo/details.cfm?courseFID=4>.
- Economic Development Training is also available through the UNC School of Government in Chapel Hill. A variety of training sessions are offered including a one day overview of economic development as well as a week-long Basic Economic Development Course. This course provides a good introduction to economic development fundamentals, although it tends to be geared to those practicing traditional economic development. This is a link to the 2011 Course Description: <http://www.sog.unc.edu/courses/0770/>
- The Small Business Center at Western Piedmont Community College offers classes and training. The center can help with business plans, research, and contacts for new and existing businesses: http://www.wpcc.edu/continuing_ed.php?cat=93
- Business Link North Carolina (BLNC) within the NC Department of Commerce is designed to be a one-stop source for consultations and information about starting a business. It can be reached at (800) 228-8443 and online at: <http://www.nccommerce.com/en/BusinessServices/StartYourBusiness>
- The NC Small Business and Technology Development Center at Appalachian State University, which has an office in Hickory, is a business advisory and counseling service for established businesses, <http://www.sbtcd.org/offices/index.asp?cboCounty=76>
- The NC Rural Economic Development Center Inc. (the "Rural Center") offers programs and assistance for venture capital, microenterprise loans, entrepreneurship, building reuse and restoration grants and health care facility construction and renovation (Rural Hope initiative), <http://www.ncruralcenter.org/home.html>

Recommended Actions

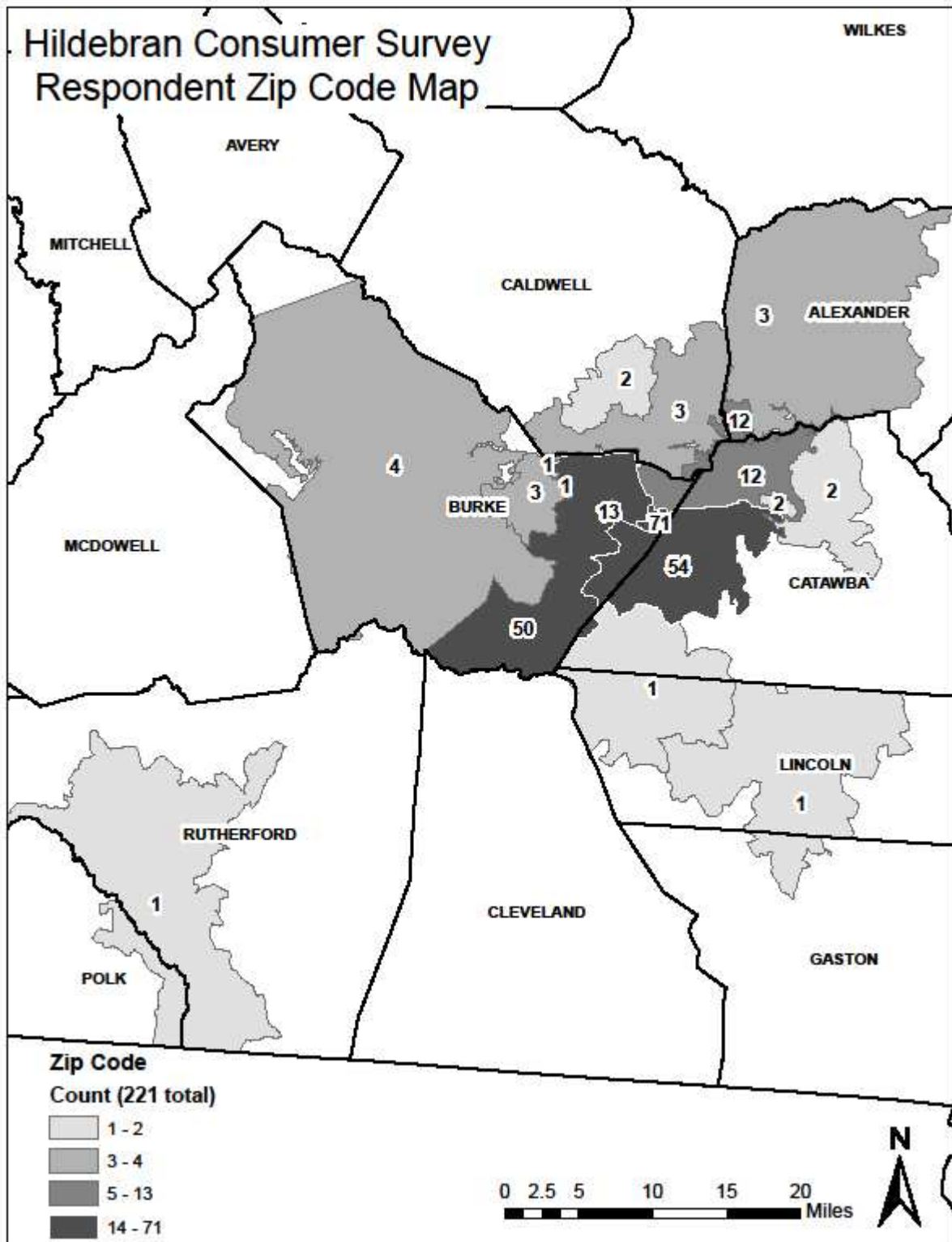
The following recommendations are based on the results of this analysis and the work of the Hildebran Market Analysis Committee:

- Maintain the Hildebran Market Analysis Committee in order to help establish and implement an economic development program and to be a business resource —a knowledge source for financing products, where to go, who to talk to, etc.
- Provide information contained in this report to current and prospective business and development prospects in order to assist them with decision-making
- Develop a business recruitment package
- Talk with business owners in other nearby towns and encourage them to open a second location in Hildebran (for example a successful restaurant in Hickory)
- Work to implement the Town of Hildebran Conceptual Downtown Master Plan
- Work with the Burke Economic Development Council, now known as Burke Development Inc., to fill vacancies in Hildebran and have vacancies such as those within Cline Industrial Park listed on the Burke Development Inc. website <http://www.burkedevinc.com/>
- Continue to update the Hildebran business inventory and current business vacancies
- Attempt to capture more of the I-40 and US 70 traffic for businesses with creative marketing and brand identity for Hildebran
- Upload attractive pictures of Hildebran to Google Earth to try to capture some of the I-40 and US 70 traffic. This may help drivers with smartphones to locate local businesses and attractions
- Attend the NC Main Street Conference (January 26-28, 2011 Shelby, NC) <http://www.nccommerce.com/en/CommunityServices/CommunityPlanningAssistance/NCMainStreetCenter/>

Appendix A



Appendix B



Appendix C

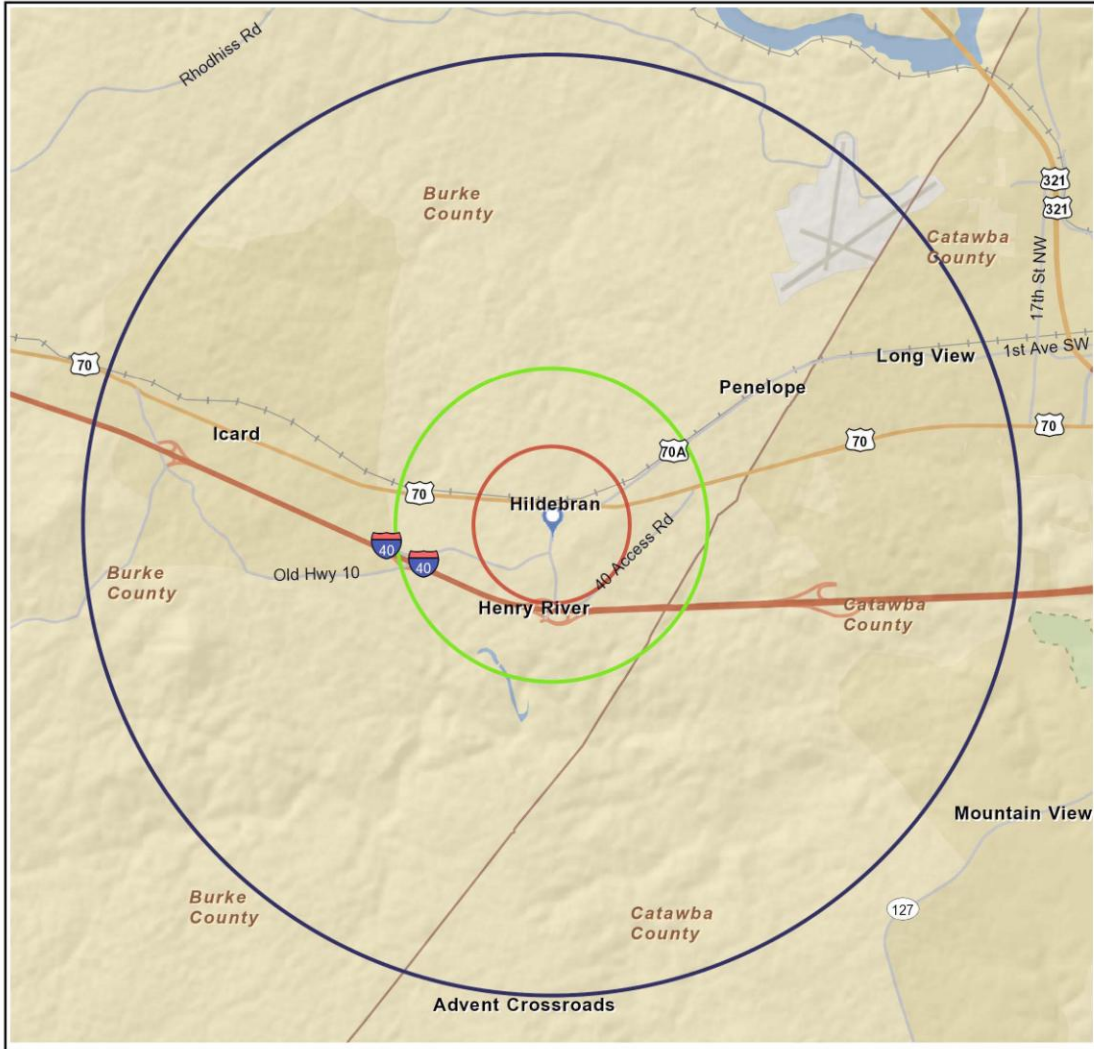


Site Details Map

202 S Center St
Hildebran, NC 28637-8301

Site Type: Rings

Latitude: 35.71329
Longitude: -81.42339
Rings 0.5, 1, 3 Miles



This site is located in:

City: Hildebran town
State: North Carolina
ZIP Code: 28637

County: Burke County
Census Tract: 37023021100
Census Block Group: 370230211003

Appendix D

NAICS Code Explanations

4413 Automotive Parts, Accessories, and Tire Stores

This industry comprises one or more of the following: (1) establishments known as automotive supply stores primarily engaged in retailing new, used, and/or rebuilt automotive parts and accessories; (2) automotive supply stores that are primarily engaged in both retailing automotive parts and accessories and repairing automobiles; (3) establishments primarily engaged in retailing and installing automotive accessories; and (4) establishments primarily engaged in retailing new and/or used tires and tubes or retailing new tires in combination with automotive repair services.

4431 Electronics and Appliance Stores

This industry group comprises establishments primarily engaged in retailing the following new products: household-type appliances, cameras, computers, and other electronic goods. The staff includes sales personnel knowledgeable in the characteristics and warranties of the line of goods retailed and may also include trained repair persons to handle the maintenance and repair of the electronic equipment and appliances.

4453 Beer, Wine, and Liquor Stores

This industry comprises establishments primarily engaged in retailing packaged alcoholic beverages, such as ale, beer, wine, and liquor.

448 Clothing and Clothing Accessories Stores

Industries in the Clothing and Clothing Accessories Stores subsector retail new clothing and clothing accessories merchandise from fixed point-of-sale locations. Establishments in this subsector have similar display equipment and staff that is knowledgeable regarding fashion trends and the proper match of styles, colors, and combinations of clothing and accessories to the characteristics and tastes of the customer.

4521 Department Stores

This industry group comprises establishments known as department stores primarily engaged in retailing a wide range of the following new products with no one merchandise line predominating: apparel; furniture; appliances and home furnishings; and selected additional items, such as paint, hardware, toiletries, cosmetics, photographic equipment, jewelry, toys, and sporting goods. Merchandise lines are normally arranged in separate departments.

For the 2002 Economic Census, total sales **exclude** the sales from leased departments owned by another company and operating within the department store.

453 Miscellaneous Store Retailers

Industries in the Miscellaneous Store Retailers subsector retail merchandise from fixed point-of-sale locations (except new or used motor vehicles and parts; new furniture and home furnishings; new appliances and electronic products; new building materials and garden equipment and supplies; food and beverages; health and personal care goods; gasoline; new clothing and accessories; and new sporting goods, hobby goods, books, and music). Establishments in this subsector include stores with unique characteristics like florists, used merchandise stores, and pet and pet supply stores as well as other store retailers.

454 Nonstore Retailers

Industries in the Nonstore Retailers subsector retail merchandise using methods, such as the broadcasting of infomercials, the broadcasting and publishing of direct-response advertising, the publishing of paper and electronic catalogs, door-to-door solicitation, in-home demonstration, selling from portable stalls and distribution through vending machines. Establishments in this subsector include mail-order houses, vending machine operators, home delivery sales, door-to-door sales, party plan sales, electronic shopping, and sales through portable stalls (e.g., street vendors, except food). Establishments engaged in the direct sale (i.e., nonstore) of products, such as home heating oil dealers and newspaper delivery are included in this subsector.

722 Food Services and Drinking Places

Industries in the Food Services and Drinking Places subsector prepare meals, snacks, and beverages to customer order for immediate on-premises and off-premises consumption. There is a wide range of establishments in these industries. Some provide food and drink only; while others provide various combinations of seating space, waiter/waitress services and incidental amenities, such as limited entertainment. The industries in the subsector are grouped based on the type and level of services provided. The industry groups are full-service restaurants; limited-service eating places; special food services, such as food service contractors, caterers, and mobile food services; and drinking places.

4461 Health and Personal Care Stores

This industry group comprises establishments primarily engaged in retailing health and personal care products.

4471 Gasoline Stations

This industry group comprises establishments engaged in retailing automotive fuels (e.g., diesel fuel, gasohol, gasoline) in combination with or without convenience store or food mart items. These establishments can either be in a convenience store (i.e., food mart) setting or a gasoline station setting. These establishments may also provide automotive repair services.

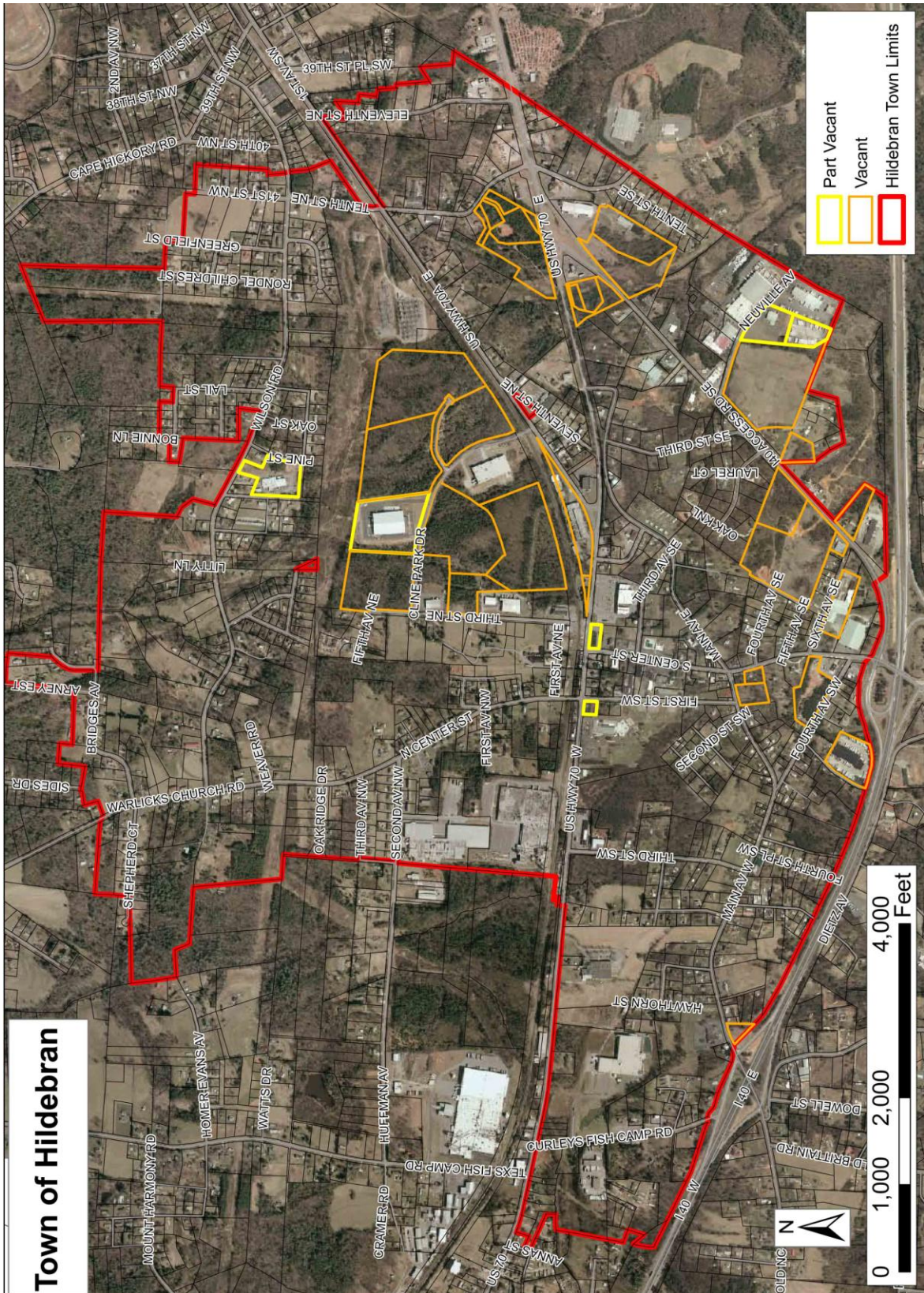
4442 Lawn and Garden Equipment and Supplies Stores

This industry group comprises establishments primarily engaged in retailing new lawn and garden equipment and supplies.

4512 Book, Periodical, and Music Stores

This industry group comprises establishments primarily engaged in retailing new books, newspapers, magazines, and prerecorded audio and video media.

Appendix E



2009 AADT

ANNUAL AVERAGE DAILY TRAFFIC

BURKE COUNTY

NORTH CAROLINA

GENERATED BY THE
TRAFFIC SURVEY GROUP
TRANSPORTATION PLANNING BRANCH
BASE MAPPING PREPARED BY
NORTH CAROLINA DEPARTMENT OF TRANSPORTATION
STATE ROAD MAINTENANCE UNIT
MAPPING & INFORMATION SECTION

