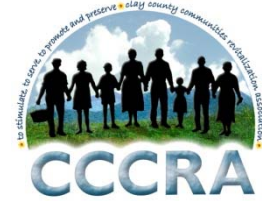


Historic Hayesville Market Analysis



Prepared for:



Historic Hayesville Merchants Association

With Assistance From:



**HANDMADE
in AMERICA**



April 14, 2010

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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 Clay County Communities Revitalization Association (CCRA) and the Historic Hayesville Merchants Association (HHMA) are actively working to improve the Historic Hayesville business district. HandMade in America has long been a partner in Hayesville’s revitalization efforts. This Market Analysis is a product of that partnership. HandMade requested that the Division of Community Assistance (DCA) produce this Market Analysis for Historic Hayesville.

A number of components are incorporated into this analysis. A Retail Marketplace Profile and a Business Summary were purchased from an online retail market data provider known as ESRI Business Analyst¹. In addition, two types of surveys were conducted. The first was a Consumer Survey distributed in the October 2009 Blue Ridge Mountain Electric Membership Corporation power bills. This survey, also available online, was combined with the Clay County Comprehensive Plan Community Opinion Survey. Four hundred and ninety eight Consumer Surveys were completed by residents of Clay County. The second survey—the Retail Merchant Survey--targeted retail and restaurant business owners in the area defined as Historic Hayesville. Twenty-six businesses received a Retail Merchant survey and sixteen were returned (62% response rate).

This report follows the model used by the North Carolina Main Street Center’s Small Town Main Street (STMS) program; which is, in turn, modeled after the National Trust for Historic Preservation’s Main Street Program. This model of market analysis considers six economic restructuring or economic development factors specific to historic downtown areas. The six factors, which set the structure for this report, are as follows:

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 your downtown. Information gathered related to retail sales, occupancies and rents is used to develop recruitment materials for attracting new businesses to downtown.

Factor Two: Retail Mix

A market assessment and merchants' survey can provide information related to the number and types of businesses currently in the downtown area. 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, with few amenities and difficult access.

¹ ESRI Business Analyst Online: <http://www.esri.com/software/businessanalyst/index.html>

Factor Five: Availability of Capital/Financing

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

Report Geographic Areas

Historic Hayesville—The boundary of Historic Hayesville as defined by CCCRA and HHMA. From the Courthouse Square, the boundary travels north to The Market, east to the stores on the east side of the square, west to Four Points (the traffic circle) and west to Rachel's Florist. (Map 1)

0.2-mile Radius: A 0.2-mile radius used in the ESRI Business Analyst reports with the center-point in the middle of the intersection of Church Street and Main Street. (Map 2)

One-mile Radius: A one-mile radius used in the ESRI Business Analyst reports with the center-point in the middle of the intersection of Church Street and Main Street. (Map 2)

Five-mile Radius: A five-mile radius used in the ESRI Business Analyst reports with the center-point in the middle of the intersection of Church Street and Main Street. (Map 2)

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

In order to understand Historic Hayesville's retail market, current and potential retail owners must be aware of many factors. These include, but are not limited to:

- Local and regional demographic information
- Consumer preferences
- Tourism dynamics
- Retail leakage and surplus
- Existing retail mix
- Competing retailers and commercial markets
- Downtown office and residential uses

The retail observations provided in this report are intended to shed some light these factors. ESRI Business Analyst is used to provide supporting data for this section. The ESRI data provides detailed information about the demographic makeup of the targeted populations (those within the one-mile and five-mile radius of downtown), their lifestyles and buying behavior, and information about existing business in these market areas.

The characteristics and trends of a marketplace are constantly shifting. It is important to recognize that the data provided by ESRI and DCA staff observations and recommendations based on this data, are subject to

change. CCCRA and HHMA are encouraged to continually monitor and review data, observations, recommendations, and their data sources to update understanding of the local market. A plan to review these observations and recommendations is particularly pertinent now, as the newest US Census data is currently being collected. 2010 Census results will most likely reveal new trends that may affect Historic Hayesville.

Consumer Snapshot

Viewed collectively, the following sections portray a snapshot of Historic Hayesville’s customers. Provided is data and information related to general demographics, household information, market segmentation, Consumer Survey results, and a tourism profile.

General Demographics

The 2009 ESRI Marketplace Summary and Business Summary reports provide general demographic information that is summarized in Table 1.

Table 1—General Demographic Information

General Demographic Information			
	Number of Businesses	Number of Employees	Population (2009)
0.2-mile Radius	56	354	67
One-mile Radius	121	732	1,101
Five-mile Radius	425	2,090	7,024

Source: ESRI Business Analyst Online, Business Summary

Household Income

The 2009 ESRI Marketplace Summary and Census Summary, the Bureau of Labor Statistics, and the US Census Bureau were referenced to create an income snapshot of potential customers. Take note that those living a greater distance from the central core have higher incomes.

Table 2—Household Income

Household Income			
	Median Household Income (\$)	2009 Per Capita Income (\$)	2009 Median Disposable Income (\$)
0.2-mile Radius	23,551	18,737	26,236
	29,341*		
One-mile Radius	25,960	19,330	27,366
	32,343*		
Five-mile Radius	29,787	22,500	30,663
	37,110*		
North Carolina	39,184	26,823	Data Not Available
	48,817*		
National	41,994	\$33,070	Data Not Available
	52,319*		

Source: ESRI Business Analyst Online, Census Summary Profile and Marketplace Summary; Bureau of Labor Statistics (Inflation Calculator); US Census Bureau

Per capita income simply means how much income each and every individual in the included population (Census Tract) receives.

** = Dollar amounts adjusted for inflation. \$23,551 in 2000 has the same buying power as \$29,341 in 2009.*

Market Segmentation

Market data companies such as ESRI or Claritas (not used in this report) have developed market segmentation profiles to help retailers better understand the demographics, habits, income, hobbies and other behaviors of the groups of people in their market area. Tapestry², ESRI's market segmentation tool, segments people in a given area by zip code or neighborhoods. There are sixty-five different segments based on various socioeconomic and demographic factors defined in ESRI's Tapestry tool. Each Tapestry segment is named to match the generalization of the segment. Some may find these names to be goofy or borderline offensive, however, the information in the segments contain elements of truth that can be helpful to retailers. Retailers can use the generalizations to match their goods and services to the type of customers in their market area. Below is a description of the three most prevalent Tapestry Segments found in the Hayesville zip code (28904).

- **Segment 31--Rural Resort Dwellers:** Favoring milder climates and pastoral settings, Rural Resort Dwellers residents live in rural, nonfarm areas. These small, growing communities mainly consist of single-family and mobile homes, with a significant inventory of seasonal housing. This somewhat older market has a median age of 47.1 years. Most households consist of married couples with no children living at home or singles who live alone. A higher-than-average proportion of residents are self employed and work from home. The median household income is \$47,908. Modest living and simple consumer tastes describe this market. The rural setting calls for more riding lawn mowers and satellite dishes. Lawn maintenance and gardening is a priority, and households own a plethora of tools and equipment. Many households own or lease a truck. Residents enjoy boating, hunting, fishing, snorkeling, canoeing, and listening to country music.
- **Segment 50--Heartland Communities:** Heartland Communities neighborhoods are preferred by approximately six million people. These neighborhoods can be found primarily in small towns in the Midwest and South. More than 75 percent of the households are single-family dwellings with a median home value of \$82,080. Most homes are older, built before 1960. The median age is 42.0 years; nearly one-third of the householders are aged 65 years or older. The distinctly country lifestyle of these residents is reflected in their interest in hunting, fishing, woodworking, playing bingo, and listening to country music. In addition to working on home improvement projects, they are avid gardeners and read gardening magazines. They participate in civic activities and take an interest in local politics. Residents order items from catalogs, QVC, and Avon sales representatives.
- **Segment 15--Silver and Gold:** Silver and Gold residents are the second oldest of the Community Tapestry segments and the wealthiest seniors, with a median age of 59.7 years; most are retired from professional occupations. Their affluence has allowed them to move to sunnier climates. More than 60 percent of the households are in the South (mainly in Florida); 25 percent reside in the West, primarily in California and Arizona. Neighborhoods are exclusive, with a median home value of \$369,808 and a high proportion of seasonal housing. Residents enjoy traveling, woodworking, playing cards, bird-watching, target shooting, saltwater fishing, and power boating. Golf is more a way of life than a mere leisure pursuit; they play golf, attend tournaments, watch golf on TV, and listen to golf programs on the radio. They are avid readers but also find the time to watch their favorite TV shows and a multitude of news programs.

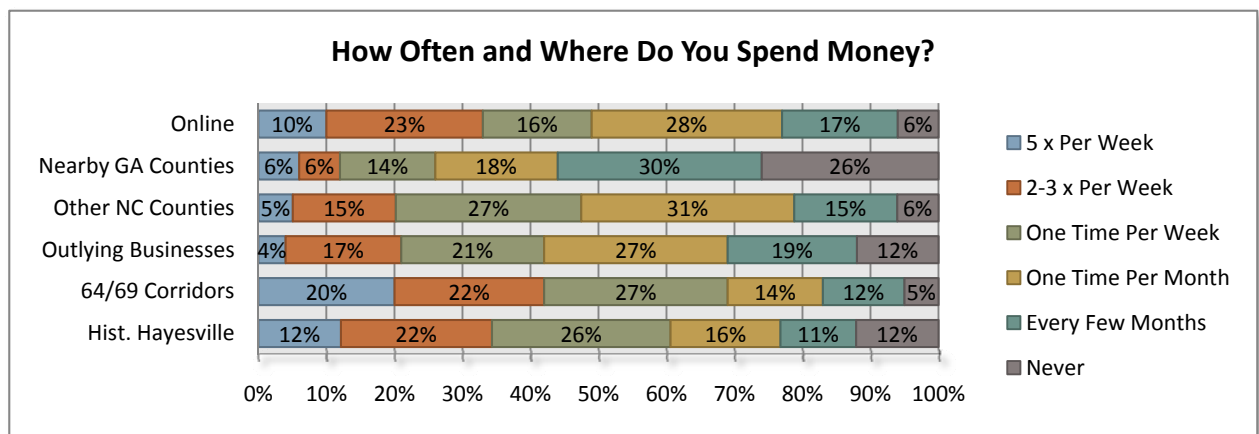
² For more information on the *Tapestry Segmentation*, please see the associated website at http://www.esri.com/data/esri_data/tapestry.html.

Selected Consumer Survey Responses

In addition to reporting and interpreting the information provided by the ESRI, DCA collected a wide variety of consumer data through the Consumer Survey. This data is used to further the community’s understanding of current and potential downtown shoppers. We had a tremendous response to this effort, collecting just under 500 surveys³. Consumer Survey data appears throughout this report, as certain survey questions relate to a variety of downtown observations, but this section serves as the initial data review.

Chart One: Clay County residents spend money in a variety of places. The good news for Historic Hayesville is that 34% of responders are frequently shopping in the downtown area. While this is lower than the percent that frequently shop in the 64/69 corridors, it is greater than other locations detailed in the chart. However, the chart shows that spending is dispersed—there is not a concentration of dollars in any one area. Downtown retailers need to work hard to bring in a greater concentration of dollars to Historic Hayesville.

Chart 1—Where Do You Spend Money?



³ The Consumer Survey was conducted in conjunction with the Clay County Comprehensive Plan Community Opinion Survey. Therefore, everyone in the County was provided with the opportunity to provide feedback on the Historic Hayesville area.

Chart Two: Responders do **most** of their shopping in the 64/69 corridors or in other NC counties. Only 18% do most of their shopping in Historic Hayesville.

Chart 2—Where Do You Do Most of Your Shopping?

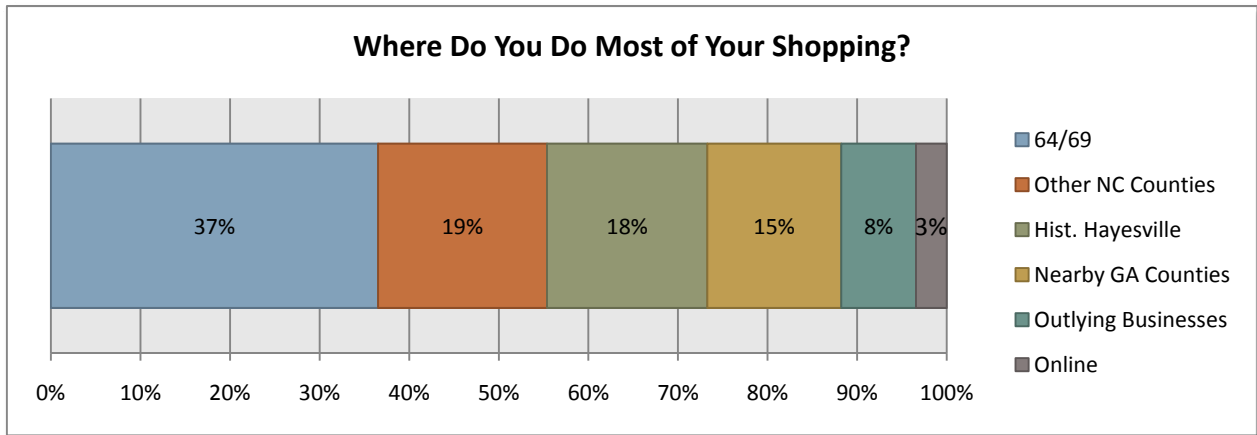
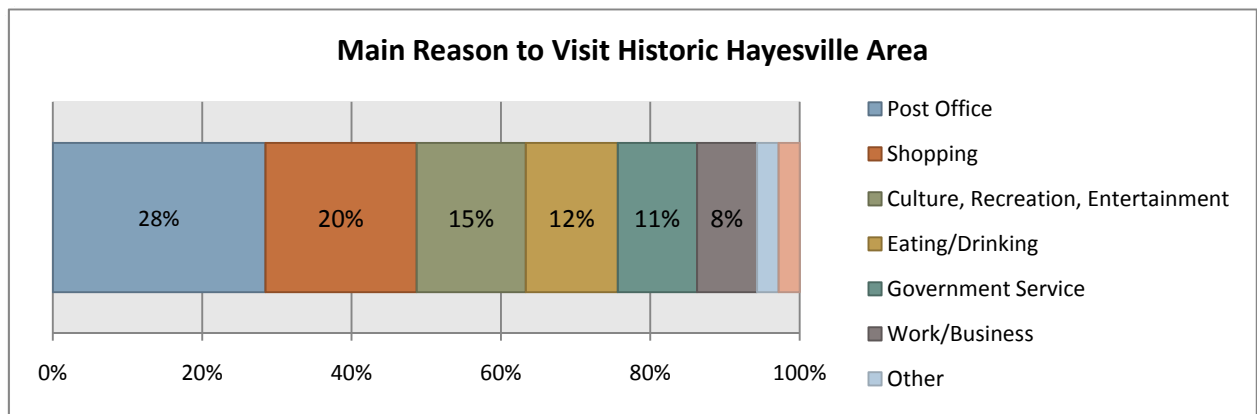


Chart Three: Visits to the post office account for the main reason responders visit the downtown area, the implication of which is addressed later in this report. Forty-seven (47%) percent of responders mainly visit the area to shop, enjoy cultural, recreation, or entertainment events, and to eat or drink—this is good news, as these are the activities that successful downtowns should offer their consumers.

Chart 3—Main Reason to Visit Historic Hayesville



Items Purchased and Where: Consumers listed the locations where they spend money and what products they buy when shopping outside of Clay County. This question generated too many responses to detail in this report, therefore, a summary of responses is provided here. Detailed data is available from DCA upon request.

The items on which respondents spend money, in order, include:

- Restaurants and eating establishments
- Clothing,
- Groceries
- Movies

The most frequently named shopping destinations, in order, include:

- Nearby communities in Georgia (the cities in Towns County, Blairsville, Gainesville, and Atlanta)
- Murphy/Cherokee County

Other areas frequently mentioned, although not nearly as often as the previous locations, include:

- Asheville
- Franklin/Macon County
- Online

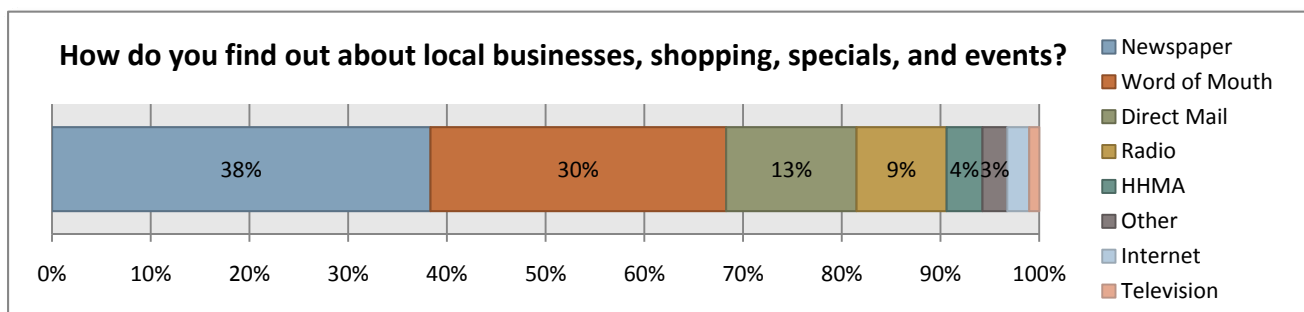
Desired Services: Consumers listed the goods and services they would use if they were located in the downtown area. Like the previous question, customers created a widely varying list of responses. The summarized data is reported here while the detailed data is available upon request.

The overall most frequently listed categories were retail establishments, eating establishments, and food/grocery stores. The most frequently named subcategories, in order, include:

- Retail: Clothing (women’s, children’s, men’s, and general), discount merchandise retailers (similar to Fred’s or Dollar General), and big box retailers (Wal-Mart, Target, and K-Mart)
- Eating Establishments: General full service restaurants, bakery/coffee shop, and fine dining restaurants
- Food/Grocery Stores: A full service grocery store to compete with Ingles, health food/natural goods store, and a beer or wine and liquor store

Chart Four: Almost three out of four consumers responding to the survey report that they depend on the area’s newspapers and word of mouth to learn about local businesses, shopping events, specials and community events.

Chart 4—How Do You Find Out About Downtown Happenings?



Tourism

Understanding the local population is vital and HHMA, CCCRA, and other stakeholders are encouraged to continually review these demographic trends. It is also important to understand the nature and overall impact of area visitors. The following data came from *2008 North Carolina Regional Travel Summary*⁴, published by the

⁴ 2008 North Carolina Regional Travel Summary: <http://www.nccommerce.com/NR/rdonlyres/62941F72-A743-4BA2-8343-74E65039C3EE/0/2008NorthCarolinaRegionalTravelSummary.pdf>

North Carolina Department of Commerce; Division of Tourism, Film and Sports Development; Tourism Division (NC Tourism Division) .

Hayesville is in the Mountain Region, as designated by NC Tourism Division, which consists of the twenty-three western-most counties of North Carolina. In 2008, this region captured 18% of the total visitors to North Carolina. Below are some statistics and general information about those travelers.

- 87% of domestic visitors came to the region for pleasure
- 10% came for business
- 3% came for personal or “other” reasons
- Fall had the highest volume of visitors (34%), followed by Summer (29.7%), Spring (23.4%), and Winter (12.9%)
- Overnight visitors spent an average of 3.7 nights in the region
- 31.3% stayed in a private home
- 61.4% stayed in a hotel/motel
- Average travel party size was 2.8 people
- 26% of parties included children
- 83.3% of travelers drove to the region
- 5.8% flew to the region
- The 2008 average spending by overnight visitor parties was \$591
- The 2008 average spending by day-trippers was \$394
- The top five states of visitor origin were North Carolina (31%), Georgia (13.5%), Florida (10.2%), and South Carolina (9.3%)
- The top five activities participated in by visitors were rural sightseeing (34.5%), visits to state and national parks (26.6%), shopping (26.6%), visit relatives (20.6%), and fine dining (16.6%)
- 61% of the visitors had a household income over \$50,000; 13.8% had a household income of \$125,000 or higher.
- The top advertising markets for the NC mountain region are: Charlotte (12.3%); Atlanta (9.9%); Greenville-Spartanburg-Asheville (8.8%); Raleigh-Durham-Fayetteville (6.3%); Greensboro-High Point-Winston Salem (5.6%); Tampa-St. Petersburg, FL (4.0%); Knoxville, TN (3.2%); Washington, DC-Hagerstown, MD (2.9%); Columbia, SC (2.6%); Orlando-Daytona Beach-Melbourne, FL (2.5%)

Though important in many ways, it is essential not to over emphasize the impact of visitors in relation to the potential impact of your local populace, a fact borne out by the leakage numbers that will be reviewed in the next sections of this report.

Retail Leakage and Surplus Analysis

The purpose of a retail leakage and surplus analysis is to quantitatively examine the community's retail opportunities. This type of analysis is sometimes called a gap analysis or a supply and demand analysis. This type of analysis can help a community:

- Determine how well the retail needs of local residents are being met
- Uncover unmet demand and possible opportunities
- Make clear the strengths and weaknesses of the local retail sector
- Measure the difference between actual and potential retail sales

Understanding Retail Leakage

Retail leakage means that residents are spending more for products than local businesses capture. Retail sales leakage suggests that there is unmet demand in the trade area and that the community can support additional store space for that type of business. However, retail leakage does not necessarily translate into opportunity. For example, there could be a strong competitor in a neighboring community that dominates the market for that type of product or store.

Understanding Retail Surplus

A retail surplus means that the community's trade area is capturing the local market plus attracting non-local shoppers. A retail surplus does not necessarily mean that the community cannot support additional business. Many communities have developed strong clusters of stores that have broad geographic appeal. Examples of these types of retailers include: sporting goods stores, home furnishing stores, restaurants, and other specialty operations that become destination retailers and draw customers from outside the trade area.

Source: Columbus, Indiana
Redevelopment Commission, Retail Site
Assessment, April 2009
(<http://columbus.in.gov/redevelopment/redevelopment-index.php>)

Factor Two: Retail Mix

In addition to understanding the population that shops in Historic Hayesville, it is important to also look closely at 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 and Surplus

Based on the ESRI Marketplace Summary, retail businesses within the 0.2-mile radius (Downtown Hayesville) had a retail surplus that is four times greater than demand; meaning the trade area captures the demand of the local market and it attracts non-local shoppers. When we look outward to the one-mile and five-mile radii, the demand is greater than the supply, meaning there is a retail leakage where residents are spending more for products than local businesses can capture—they are traveling out of the defined area to purchase these products. About 30% of predicted retail demand is being lost to markets outside of the one-mile radius and 17% of predicted retail demand is being lost to markets outside of the five-mile radius. If the reader got lost somewhere in the paragraph above, Chart 3 may help.

Table 3—Snapshot of Leakage and Demand

Snapshot of Leakage and Demand			
	0.2-mile Radius	One-mile Radius	Five-mile Radius
Demand	\$474,824	\$6,469,238	\$49,460,319
Supply	\$2,229,930	\$4,588,366	\$40,942,102
Leakage/(Surplus)	(\$1,755,106)	\$1,880,872	\$8,518,217
Notes	Surplus is four times greater than demand.	Demand is greater than supply.	Demand is greater than supply.
% of sales lost (leakage) to markets beyond the defined radius	N/A	29% (leakage divided by demand)	17% (leakage divided by demand)

The leakage from the one-mile and five-mile radii indicates that costumers in the local market have a demand for a retail product for which they are willing to travel out of the local market to buy. It is here that new and existing retailers can look for business opportunities to capture a portion of the leakage.

The following observations review the factors that may assist downtown entrepreneurs in their efforts to draw some of this retail demand into the downtown market. This report will next:

- Address the existing downtown retail mix,
- Introduce the sales-to-rent ratio concept,
- Discusses existing retail leakage and how this information may be used to increase market share or enhance current business models,
- Review the components of a successful business mix, and
- Discuss business recruitment, retention, and expansion.

Existing Retail Mix

The 2009 ESRI Marketplace Summary indicates that within downtown Hayesville (the 0.2-mile radius), there are seven businesses in the Retail Trade⁵ category in addition to two Food Service businesses, for a total of nine retail businesses. Historic Hayesville is broader than the 0.2-mile radius, and narrower than the one-mile radius. Within the Historic Hayesville boundary, there are eight Food Services businesses and twenty-two Retail Trade establishments. The difference in the number of businesses can be explained by geography (outside of the 0.2-mile radius), timing (newer businesses may not yet be accounted for in the ESRI report), and how businesses are classified (some businesses are within larger businesses and may, therefore, be unaccounted for).

Following is a list of the retail businesses found in Historic Hayesville⁶.

Table 4—Eating Establishments

Historic Hayesville Eating Establishments	
Full Service, or Limited Seating Eating Establishments	Snack and Non-Alcoholic Beverage Bars
Angelo’s Pizza	Best Lil’ Ice Cream Parlor
Burger Boy	Café Touché
Copper Door*	Chinquapins (in Tiger’s Store)
Lobster & Crab	Crumpets (in Phillips and Lloyd Books)
Mary Ann’s Family Restaurant	
Total = 4	Total = 4
<i>*Reported to be reopening, not counted in the total.</i>	
<i>Source: NC DCA Research</i>	

⁵ Most of the terms, such as Retail Trade and Eating Establishments, used in this document are classified using NAICS, the North American Industrial Classification System. NAICS (pronounced NAKES) groups and classifies process-based or product-based economic units.

⁶ This list was developed using data from the downtown street scan conducted by DCA, conversations with CCCRA and HHMA, Clay County GIS data, and internet research. Every attempt was made to include all businesses; however, omissions are possible and are unintentional.

Table 5—Retail Establishments

Historic Hayesville Retail Establishments	
All Tucked In	Phillips and Lloyd Books & Crumpets
Best Lil' Antiques and NASCAR	Rachel's Florist
Baubles, Bangles and Beads	Shrimps Seafood Market
A Good Yarn	Southern Impressions
Coops Bargain Barn	Square One Interiors by Design
Corner Butcher	Steppin' Out Shoes
Friends of the Library Book Store	The Bargain Store
Katie Bugs Toys	The Garden Shoppe
La Papillion (Needlework)	Tiger's Store
Molly & Me Antiques	True Love Mountain Jewelry
Moore's Flowers and More	Vintage Butterfly
Total = 22	
<i>Source: NC DCA Research</i>	

Historic Hayesville has the beginnings of a good mix of retail trade establishments. Despite the tough economy, several new stores have opened their doors to increase the variety and mix available to shoppers. The combination of Baubles, Bangles, and Beads, A Good Yarn, and La Papillion make up the beginnings of a niche that may appeal to the growing market of those who enjoy creating fine arts and crafts.

This downtown business mix is also enhanced by the small number of eating establishments in the area. With the recent passage of the alcohol referendums, Historic Hayesville is now positioned to facilitate growth in the restaurant market, both through the expansion of existing restaurants and the introduction of new ventures.

Sales-to-Rent Ratio

To diversify and grow the downtown businesses mix, retailers need to understand the concept of the sales-to-rent ratio and how it affects individual businesses and downtown as a whole. This ratio represents the percentage of a retailer's sales that needed to cover covering their building's rental (or occupancy) costs. This ratio can vary across business type, but for the health of the business, the ratio should vary within a reasonable range, usually between 2% and 8.5% (though not always).

Sixty-two percent (62%) of Historic Hayesville merchants completed the Retail Merchant's Survey. Based on data provided by the merchants, the average retail sales per square foot is around \$63 and, controlling for outliers, the average rent is around \$1.80 per square foot. Using the sales-to-rent ratio (average rent per square foot divided by average sales per square foot), the average sales-to-rent ratio in Hayesville is 3%. This ratio falls within the reasonable range mentioned earlier.

When rent in a marketplace is too high, it can throw off the dynamics of the sales-to-rent ratio and potentially put good businesses out of business. Likewise, when the second component of the ratio, average sales per

square foot, is too low, it can also affect the ratio; again leading to weaker or failing businesses. In other Small Town Main Street communities, retailers have found it reasonable to earn at or above \$100 per square foot (Small Town Main Street staff usually suggest at least \$100 to \$110).

It is worth noting that about half of the businesses in Hayesville are owner occupied. Additionally, some of the businesses are in relatively small or shared spaces. These two factors make Hayesville's marketplace somewhat different from other small towns in which DCA and the Small Town Main Street program have worked. Business owners are encouraged to review their own ratios, keeping in mind what the market demands in terms of rent and what the market is capable of supporting in terms of sales. A business owner should evaluate: 1) How their individual business ratio looks; 2) What can the owner do to increase business sales, and 3) Will your building owner lower your occupancy costs?

Retail Leakage

The retail and food businesses within a five-mile radius of downtown Hayesville currently capture 83% of the market demand created by the 7,024 people that live within this radius. In addition to Historic Hayesville, a number of competing retail marketplaces within the five-mile radius, many of which are of the strip center variety, capture a substantial portion of existing retail sales. Such competing marketplaces include the Highway 69 corridor heading south out of Hayesville and the east/west Highway 64 corridor. Despite the presence of competing marketplaces, there is still about 13.5 million dollars (about a quarter of predicted retail demand) to be captured by new and existing downtown business owners.

The total retail supply provided by the downtown Hayesville marketplace is currently 2.2 million dollars. This is about 5% of the total demand within the larger five-mile radius of downtown Hayesville. Almost half of the Consumer Survey respondents indicated that they do most of their shopping outside of the five-mile radius. If downtown Hayesville were to target capturing an additional 20%⁷ of the current retail leakage within the five-mile radius, it would be in a position to double its market share, adding an additional 2.6 million dollars in sales. This translates to an ability to fill over 26,000 additional square feet (at \$100 per square foot) with retail and food establishments.

The preceding information documents that the Historic Hayesville retail market has the capacity to expand if it works to capture a percentage of the retail leakage. The challenge, however, is *how* the downtown business community does this. The following table addresses part of that challenge. To reiterate, the total retail leakage within the five-mile radius of downtown Hayesville is nearly 13.5 million dollars, with nearly 8.7 million dollars in general Retail Trade leakage and an additional 4.7 million dollars in Food and Drink leakage. These are dollars that belong downtown. The following table details specific leakage areas and amounts, in addition to the amount of dollars downtown could reasonably capture. Current and future retailers should look to this chart to identify the retail markets that, if targeted, could justify new business expansion or new business creation.

⁷ A 20% capture goal is the reasonable standard used in the Small Town Main Street market analysis model. Retailers are free to use any number.

Table 6—Retail Leakage Analysis

Retail Leakage Analysis Five-Mile Radius from Church Street and Main Street, Hayesville, NC April 2010					
DOWNTOWN POTENTIAL					
NAICS CODE	Business Type	Leakage	Est. Capture @ 20%	Sales/SF @ \$100	SF Support
443/4431	Electronics/Appliances	\$1,403,141	\$280,628	\$100	2,806
4442	Lawn & Garden	\$222,084	\$44,417	\$100	444
4453	Beer, Wine, and Liquor Stores	\$29,715	\$5,943	\$100	59
446/4461	Health & Personal Care	\$583,399	\$116,680	\$100	1,167
447/4471	Gasoline Stations	\$4,023,102	\$804,620	\$100	8,046
4481	Clothing Stores	\$1,031,288	\$206,258	\$100	2,063
4483	Jewelry/Luggage/Leather	\$166,911	\$33,382	\$100	334
4511	Sporting Goods/Hobby/Musical Instrum.	\$222,262	\$44,452	\$100	445
4512	Books/Periodicals/Music	\$11,335	\$2,267	\$100	23
4521	Department Stores	\$245,409	\$49,082	\$100	491
4532	Office Supplies/Stationery/Gifts	\$280,379	\$56,076	\$100	561
4533	Used Merchandise	\$52,948	\$10,590	\$100	106
454	Non-store Retailers	\$379,555	\$75,911	\$100	759
7221	Full Service Restaurants	\$3,334,770	\$666,954	\$100	6,670
7222	Limited-Service Eating Places	\$929,171	\$185,834	\$100	1,858
7223	Special Food Services	\$98,699	\$19,740	\$100	197
7224	Drinking Places/Alcohol	\$341,573	\$68,315	\$100	683
TOTAL		\$13,355,741	\$2,671,148		26,711
<i>Sources: NC Department of Commerce, Division of Community Assistance; ESRI Business Analyst Marketplace Summary; US Census of Retail Trade; US Consumer Expenditure Survey</i>					

Factor Three: Real Estate Availability and Condition

Downtown Retail Space Availability

Ideally, data pertaining to the square footage of available retail space is collected during the market analysis process. This type of data is typically obtained from tax records and/or a county’s Geographic Information System (GIS) combined with field work. Unfortunately, Clay County’s electronic tax record system is not linked with the County’s GIS, nor does the tax system, at this time, easily export information for analysis purposes. Furthermore, the GIS records available to DCA do not include the square footage of buildings. In lieu of reliable square footage data, DCA staff conducted a detailed inventory of the buildings and uses in the Historic

Hayesville area. Supporting information was gathered through the Retail Merchant’s Surveys and conversations with local retailers and residents. While the data used in this Downtown Retail Space Availability analysis is not ideal, it is adequate to draw some conclusions.

Within the Historic Hayesville boundary, one will find a mixture of land uses (See Map 3). There are approximately fourteen acres of open space and sixteen acres of residential land in the Historic Hayesville boundary. The remaining land, fifty-one acres, is used for retail trade, services, arts/entertainment/recreation, and civic, religious or government purposes. The following chart and bullet points detail the types and numbers of businesses in Historic Hayesville. Pertinent information gleaned from the Retail Merchant’s Survey is also shared.

Table 7—Businesses Mix in Historic Hayesville

Businesses Mix in Historic Hayesville			
Number	Type of Establishment	Number	Type of Establishment
22	Retail trade businesses	2	Printing related businesses (one of these is also counted in the retail to account for its retail operations)
8	Full-service or limited services eating establishments	2	Churches
8	Professional offices (lawyers, accountants, engineering, etc.)	2	Utility facilities
6	State or local government offices or facilities (not counting the historic courthouse)	1	Bed and breakfast
3	Construction related businesses	1	Playhouse/theater
3	Private health/fitness/medical related businesses	1	Shipping related business
3	Non-profit, civic, or fraternal organizations	1	Library
3	Hair salons/barbers	1	Meat processing business
3	Real estate, rental, or leasing businesses	1	Auto body business
2	Museums	1	Funeral home
2	Newspaper offices	1	Post office

- There are at least seven vacant buildings that are well suited for retail and/or restaurant use. There may be more vacancies than those reported here, particularly smaller, less visible office or retail spaces that may not be seen during a street scan.
 1. 942 and 944 Church Street (The former Fred’s and the former Supreme Foods Market)
 2. 818 Highway 64 Business (Across from the new Cherokee Winter House)
 3. 12 Herbert Street (On the corner of Main and Herbert)
 4. 122 Church Street (Appears to be an old gas station)
 5. 590 Tusquittee Street (The Market)

Downtown Development is Economic Development

Communities involved in downtown reutilization often find resistance from residents who say things such as, “Why are we so concerned about downtown?, What about the rest of the community?, Why aren’t you creating jobs?” This tension was expressed by some during the Clay County Comprehensive Plan community input process.

Downtown revitalization meets many of the goals associated with traditional economic development. Businesses in downtown:

- Create new and maintain existing jobs
- Circulate and retain local dollars in the local economy
- Increase property values through building improvements and business expansion
- Catalyze spillover benefits to businesses outside of the downtown core
- Enhance the area’s tourism development efforts
- Improve overall quality of life by when retail goals are paired with cultural, community gathering, and recreation activities

Viewed collectively, the total number of people employed in Historic Hayesville is greater than the number employed by either of Clay County’s two largest employers—the Clay County School System and Clay County Government, both of which employ 245 people or less (according to the NC Employment Security Commission)

Those leading Hayesville’s revitalization efforts will be well served if they actively spread the message that downtown revitalization is economic development.

6. 950 Highway Business 64 (The Copper Door. Although this business is closed, it has been reported that the owner plans to reopen the restaurant.)

- The total square footage occupied by retail space as reported in the Retail Merchant’s Survey is 24,896 square feet.
- Results from the Retail Merchant’s survey indicate that two businesses plan to close and one has plans to relocate outside of the Historic Hayesville boundary.
- Some space in the downtown area is underused. Space is underused when it is used for storage when it is better suited for retail, or when a retail business has limited hours of operation.

It is recommended that CCCRA and HHMA conduct a detailed building inventory to accurately calculate the actual square footage of downtown buildings in order to determine the total supply available for retail growth. Remember that the Retail Leakage Analysis indicates that Hayesville can support over 20,000 square feet of new or expanded retail space. The community needs to know if adequate retail square footage exists or whether the community should explore in-fill opportunities to meet future demand. After documenting available space and in-fill needs, the business community can next implement a retail recruitment strategy that targets specific retailers for existing buildings. DCA and STMS program provide guidance during the building inventory process.

The Retail Leakage Analysis delineates the categories with the most leakage. This chart is a valuable tool for both the long-standing retailer and the newly arriving retailer. If you own an existing business, review this information to determine if there is any opportunity to expand your business by capturing more market share. If you are considering a new business, review this information to establish whether your business plan would be meeting a current need.

Successful Business Mix

A successful business mix:

- Is market driven
- Provides products and services that meet local needs
- Is financially feasible
- Has sufficient investment and financing
- Has a business plan based on local market data
- Is appropriately located
- Is in or near a comparable cluster of businesses (Offer 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

Business Recruitment, Retention, and Expansion

The basic elements of successful recruitment, retention and expansion include:

- A business council (to recruitment, assist and listen to businesses)
- A plan to keep existing quality businesses in the community
- A program where existing businesses help recruit new businesses
- Discussion sessions (visits) with owners of existing businesses to identify problems and/or weaknesses that may need to be addressed by the business community
- Identified business opportunities that may be met by existing business expansion
- Identified new businesses opportunities that are complementary and may also attract customers for existing businesses

Office and Residential Observations

Downtown retailers are essential to a successful and vibrant downtown, but two other occupants of downtown real estate contribute significantly as well. Those occupying office and residential space create the mixed-use environment that provides the market synergy needed to revitalize downtown. For those wishing to improve the downtown area, it is important to recognize the importance of these groups.

Office Environment

Within the core of the downtown district, as defined by the 0.2-mile radius in the ESRI Marketplace Summary, there are currently 20 office uses (this is data as interpreted by STMS staff). These include businesses in the NAICS categories of: Information; Finance and Insurance; Real Estate, Rental and Leasing; Professional, Scientific and Technology Services; Health Care and Social Assistance, and Public Administration. Businesses in these categories employ 148 individuals.

Additional NAICS categories may also have office uses, but are less defined as such. They include Construction and Other Services (excluding Public Administration). These businesses, 14 in all, contribute an additional 40 employees. When combined with the more traditional offices, the total number of offices in the downtown area (0.2-mile radius) is 34, employing a total of 188 individuals. This is more than half of the 354 total employees found in the downtown area.

If we return to the more traditional NAICS office uses, as listed in the initial paragraph of this section, we see the number of employees more than doubles at the one-mile radius to include a total of 325 individuals in 42 different businesses. Finally, at the five-mile radius there are a total of 712 individuals employed at 137 different businesses. Though more distant, these groups continue to represent a targetable market for downtown, particularly for lunchtime activities, events immediately following the workday, and other similar promotions. Table 7 summarizes the numbers discussed above.

Table 8—Hayesville Office Employment

Office Employment in the Hayesville Area			
	0.2-mile Radius	One-mile Radius	Five-mile Radius
Traditional Office Employment	148	325	712
Additional Office Employment	40	84	341
Total Office Employment	188	409	1053
Total Employment	354	732	2090
Office Employment as a Percent of Total Employment	53%	56%	50%
<i>Source: ESRI Business Analyst NAICS Business Summary</i>			

As a whole, those who work in and around downtown can become an extremely loyal customer base. Downtown workers will take advantage of the convenient eating and shopping places that are in close proximity to their workplace—that is if they are not taken for granted and properly courted. The Retail Merchant’s Surveys did not rate office/downtown employees very high as a customer priority, indicating a missed opportunity. Using a scale of 1-4, no merchant ranked downtown employees/office workers as the most important type of customer to their business; only one ranked this group as the second most important group. Most business owners ranked this group as the least important group to their business.

It is also important for downtown stakeholder to think about the location of offices in downtown. While offices and the associated office workers are an important element of a vital downtown, and the following should, in no way, be taken to indicate that we think otherwise, there are places within the downtown that are suited for offices and there are those that are better suited for retail. Understanding this balance requires thinking about downtown in a holistic manner; while the goal is to fill downtown’s storefronts with retail, it should not be to the detriment of offices to accomplish this.

Residential Environment

Downtown residents, like the office workers discussed above, can be a loyal customer base, but they, too, need courting if they are to increase their downtown shopping activity.

In many older downtowns, the in-town neighborhoods connect to the downtown core through a system of sidewalks and/or clear paths that draw residents to the downtown core. Hayesville’s residential development pattern is atypical of this traditional pattern. While there are neighborhoods that stem from the downtown core, they are poorly connected and lack sidewalks or pathways that invite nearby neighbors to walk downtown to shop, eat, or attend events.

Improving these connections is a first step toward courting nearby residents. As the Town of Hayesville, Clay County, and downtown stakeholders move forward with infrastructure, sidewalk, and comprehensive planning,

National Trust for Historic Preservation and the Importance of Downtowns

The National Trust for Historic Preservation conceived of the Main Street Program in the late 1970s, with North Carolina representing one of the three states chosen to institute a pilot program in 1980. The program was created in response to a variety of economic factors that were damaging the historic fabric of communities across the nation. Faced with an increasingly mobile population and entirely new retail environments, traditional downtown shopping districts were struggling to find their identity in the midst of all this change.

The National Trust recognized that the historic social, cultural, and architectural legacy found within downtowns was not only worth preserving but had elements that were both appealing to their community's citizens, and impossible to replicate. These unique landscapes only needed champions to uncover, in many cases, their beauty and consumer friendly attributes. Downtown's singular role in a community's sense of place and its irreplaceable nature provide the foundation for Main Street programs across the nation.

all involved are encouraged to make connecting neighborhoods to downtown a priority. Map 4 highlights the neighborhoods that should easily connect to downtown.

Capturing Other Populations

There are two other populations that, if creatively invited, could potentially build downtown's loyal customer base.

The close proximity of the Clay County Schools campus and the Clay County recreation complex provide an additional market from which retailers can draw customers. After school specials and business hours, events that catering to parents whose kids are at ball practice, and even catering to young shoppers are all possibilities to draw the hundreds of people who use these facilities. CCCRA's work to build an urban trail system that connects the school campus to the recreation park and other points is a good start to building this base.

According to the Consumer Survey, the top reason people visit the Historic Hayesville is to access the post office. Capturing even a small percentage of the large number of people visiting the post office on a daily basis has the can increase downtown's customer base. Retailers could work with leaders from the Town of Hayesville to do something as simple as placing a kiosk near the post office entrance to advertise downtown sales and events. Another potential strategy, which would also alleviate some traffic, is to make sure that the post office is well connected to current and planned walking paths.

On a side note, it is well known that the traffic flow and parking around the current post office is crowded and dangerous. According to Hayesville Mayor Harrell Moore, the Town of Hayesville is seeking avenues to improve the existing space. From a standpoint of downtown revitalization, it is recommended that downtown stakeholders lobby to keep the post office downtown if moving out becomes an option. Removing the post office from downtown subtracts a large number of people who may not otherwise visit Historic Hayesville.

Building Value and Condition

Determining the condition and value of buildings for a downtown can be difficult. Business owners should only use the following information,

collated using the best data available when this report was written, for general analysis. That said, this data provides some insight into downtown's real estate market.

Current parcel records available to the writer of this report do not list building condition. In absence of a uniform data source, the best that can be offered in regards to building condition is the information gleaned from the downtown street scan. In general, most buildings in the downtown core (those surrounding the

courthouse square) appear to be in good to fair shape, with some appearing to be in need of substantial up fitting.

The tax value of downtown property is a useful piece of information, particularly when compared to a prior period. The total tax value (land and structures) of property in the Historic Hayesville boundary is \$16,156,584; with an average structure value of \$83,332. Non-profits, local and state government, or religious institutions own a little less than half of the real estate in Historic Hayesville; which, in accordance with state law, is not required to pay property taxes. Unfortunately, the current tax records have data limitations (although is soon to be remedied). Clay County is at the end of its property revaluation process from which new tax values will be available shortly. The writer of this report is also the coordinator for the Clay County Comprehensive Plan. As she receives updated tax data, she will provide updated data to HHMA and CCCRA.

As discussed in the Downtown Retail Space Availability section above, it is recommended that downtown stakeholders conduct a thorough downtown building inventory. In addition to available square footage determination, a building inventory presents the perfect opportunity to examine new tax data and to document a record of downtown building sales transactions. While the collection process of this data can be time consuming, it is information that will help the business community in its efforts to expand existing and recruit new businesses. Information like this is also a powerful advocacy tool when demonstrating downtown's economic impact.

Historic Downtown Real Estate

The centerpiece of historic real estate in Hayesville is the Historic Clay County Courthouse--one of the two properties in Clay County listed on the National Register of Historic Places. Plans for the future use of the Courthouse, renovation costs, and potential operating structures are thoroughly documented in two reports published in the past year—*The Clay County Historic Courthouse: The Re-Use Plan* (Smithson Mills, Inc.: May 2009), and *The Clay County Historic Courthouse: The Preservation Plan* (Harris Architects, PLLC: March 2009). Due to the thoroughness of these reports, this report does not address Courthouse plans, other than to say that the future use of the Courthouse as a center for community gathering and activities is vital to the success of Historic Hayesville. Downtown stakeholders are strongly encouraged to advocate for and support renovation efforts.

While the area under discussion in this report is known as Historic Hayesville, the area (Courthouse excluded) is not officially designated as a historic district by one of the two programs available to communities in North Carolina. The two programs leading to historic designation are coordinated through the North Carolina State Preservation Office (SHPO). The first option communities have available to them is designation as a Local Historic District—districts that are designated and administered by local government. The second option is designation as a National Historic District included on the National Register of Historic Places, a program of the National Park Service. Appendix One, a resource developed by the SHPO, outlines differences between, the process to obtain, and regulation of the two programs.

Local Historic Districts and districts on the National Register can benefit small communities. Some of the benefits are community oriented, while others are financial. The following table highlights a small number of these benefits.

Table 9—Historic District Benefits

Sample of Historic District Benefits	
Community Benefits	Financial Benefits
<ul style="list-style-type: none"> • Cultural and heritage preservation 	<ul style="list-style-type: none"> • Increased tourism revenue (Draw cultural and heritage tourists)
<ul style="list-style-type: none"> • Education opportunities 	<ul style="list-style-type: none"> • Increased property values, higher resale
<ul style="list-style-type: none"> • Defined sense of place, community center 	<ul style="list-style-type: none"> • Business recruitment potential
<ul style="list-style-type: none"> • Cohesive design standards 	<ul style="list-style-type: none"> • Tax credits and other financial tools
<ul style="list-style-type: none"> • Help environment (building reuse over new construction) 	<ul style="list-style-type: none"> • Recognition, which can be used to market the area

Source: National Trust for Historic Preservation

Historic Tax Credits

From a downtown revitalization standpoint, the greatest benefit of historic designation is the ability to receive Federal and State Tax Credits to property owners in National Historic Districts. Following is an example of how Historic Tax Credits may reduce the amount of up-front equity and/or a greater return on investment one may need or receive when renovating a historic property.

Table 10—Tax Credit Pro Forma

Sample Tax Credit Project Pro Forma	
Activity	Amount
Acquisition	\$ 135.00 per sq.ft.
Renovation	\$ 75.00 per sq.ft.
Total Investment	\$ 210.00 per sq.ft.
Gross Income (Rent)	\$ 9.50 per sq.ft.
Operating Costs (Less)	\$ 2.85 per sq.ft.
Net Income	\$ 6.65 per sq.ft.
Investment Return	3.2%
Historic Tax Credits	\$ 3.00 (10 years)
Adjusted Net Income	\$ 9.65 per sq.ft.
Adjusted Investment Return	4.6% (10 years)

This pro forma uses data collected from projects that occurred in STMS communities. If Hayesville were to have a National Register Historic District, the Adjusted Investment Return shown above is an immediate opportunity for building owners and those interested in purchasing a building. Of course, without the cost of acquisition, existing building owners have the ability to see an even more lucrative return on investment.

It is important to note that the variables in this pro forma, specifically the cost of acquisition, cost of renovation, and rental rates, are all subject to change and will have an impact on the bottom line. For instance, the renovation costs quoted are associated with preparing a space for traditional retail or office. Should the property owner wish to up-fit for a restaurant, this cost can climb to \$125-\$150 per square foot.

Now that the benefits of historic designation have been discussed, the next logical step is to determine if a historic district right for Hayesville, and if so, which of the two present the best? Unfortunately, the answers to these questions are beyond the scope of this report. It is recommended that downtown stakeholders work with a historic preservation consultant to conduct an initial research project that evaluates the merits of historic district designation. A good consultant will point out the strengths and weaknesses of the community's historic assets and will advise the community if it is wise to begin the lengthy Local Historic District and/or National Register of Historic Places designation process. A good consultant will also help project leaders educate stakeholders and community members on the benefits and requirements of these programs. A list of historic preservation contacts is available through SHPO. STMS staff may also be of assistance.

Commercial Development

The Clay County Building Department began keeping records of commercial building permits in June 2007. Records specifically for the Historic Hayesville area are not available. While the number of new construction commercial building permits in Clay County was not terribly high in 2007, commercial activity has markedly decreased when the 2007 is compared to 2009 data. This trend that is indicative of the tough economic environment.

Table 11—Commercial Development Activity

Commercial Building Permit Activity						
	2007		2009		2010	
	New	Renovations or Additions	New	Renovations or Additions	New	Renovations or Additions
January			2	0	0	0
February			0	1	0	1
March			0	0	1	2
April			0	0		
May			0	4		
June	1	4	0	1		
July	0	1	0	5		
August	2	2	0	1		
September	1	2	1	2		
October	3	1	0	1		
November	2	0	0	1		
December	3	0	0	1		
Total	12	10	3	17	1	3

Source: Clay County Building Department

While commercial development can often be controversial, it is useful to consider how it plays a role in growing downtown into a sustainable community marketplace. Allowing or forcing commercial development to occur exclusively on the edge of town, a trend already in place in Hayesville, will have the impact of further reducing the total percentage of the local marketplace, in terms of space and, following that, in terms of market share.

Development Challenges

A development challenge worthy of discussion is the current availability of water and sewer services to businesses in Historic Hayesville. The Clay County Water and Sewer District provides service to most properties

in Historic Hayesville. This service is an asset that is unique to the businesses in Historic Hayesville, as water and sewer service does not extend outward to many of the competing businesses along the Highway 69 and Highway 64 corridors. The availability of water and sewer service is an asset for business development-- particularly in the restaurant development arena⁸.

The Clay County Water and Sewer district currently has limited expansion capacity; however, the District has plans to alleviate the current restrictions and capacity limitations. The District recently solidified plans to extend water lines that will serve the entire Highway 69 corridor, from Hayesville to the Georgia line. Plans are in the works to extend sewer services along this same corridor. While the extension of service is great for Clay County and its economic development efforts, it may not be so great for Historic Hayesville. Businesses that may have opened downtown may choose to open on Highway 69, or, worse, it may persuade current downtown businesses to move to the highway where businesses are more visible and the traffic counts are higher.

With this pressure on the horizon, now is the time for downtown stakeholders to make plans to address this challenge. Merchants should be talking to each other about their business plans, sharing advertising ideas, and working to make sure promotions and events bring people downtown. Business owners should also be in conversation with each other to address their future plans. For example, if a business owner is thinking about moving to the Highway 69 corridor, merchants could work together to determine what can be done to keep that business in town. Or, implement an exit interview process when a business closes or moves to learn what worked and what didn't and use that information to build a stronger downtown.

Factor Four: Physical Environment and Amenities

Up to now, the consumer market has only been discussed the as it relates to running a business, shopping, and downtown living. The importance of understanding Historic Hayesville's business mix has also been noted. It is now time to take a closer look at the physical environment which, depending on its condition, can help or hinder the viability of the consumer market.

Streets, Sidewalks, and Public Spaces

Streets, sidewalks, and public spaces play a key role in downtown Hayesville's success. Historic downtowns are unique in that they were built to a human scale, and although the development world is beginning to once again recognize the importance of this scale, the past forty plus years have favored the automobile. The result has been the widening of roads, the elimination of barriers to traffic flow, and, in general, the increased land mass dedicated to vehicle use. In many cases, this has been to the detriment of pedestrians, as their previously connected landscape has been fragmented by the needs of motorists. Fortunately, because of the way downtown Hayesville has developed, many of the fragmented connections simply need to be reconnected.

As a general observation, pedestrian crossings in Historic Hayesville are either poorly marked or completely unmarked, creating an uncomfortable and potentially dangerous situation. Downtown got a good start at

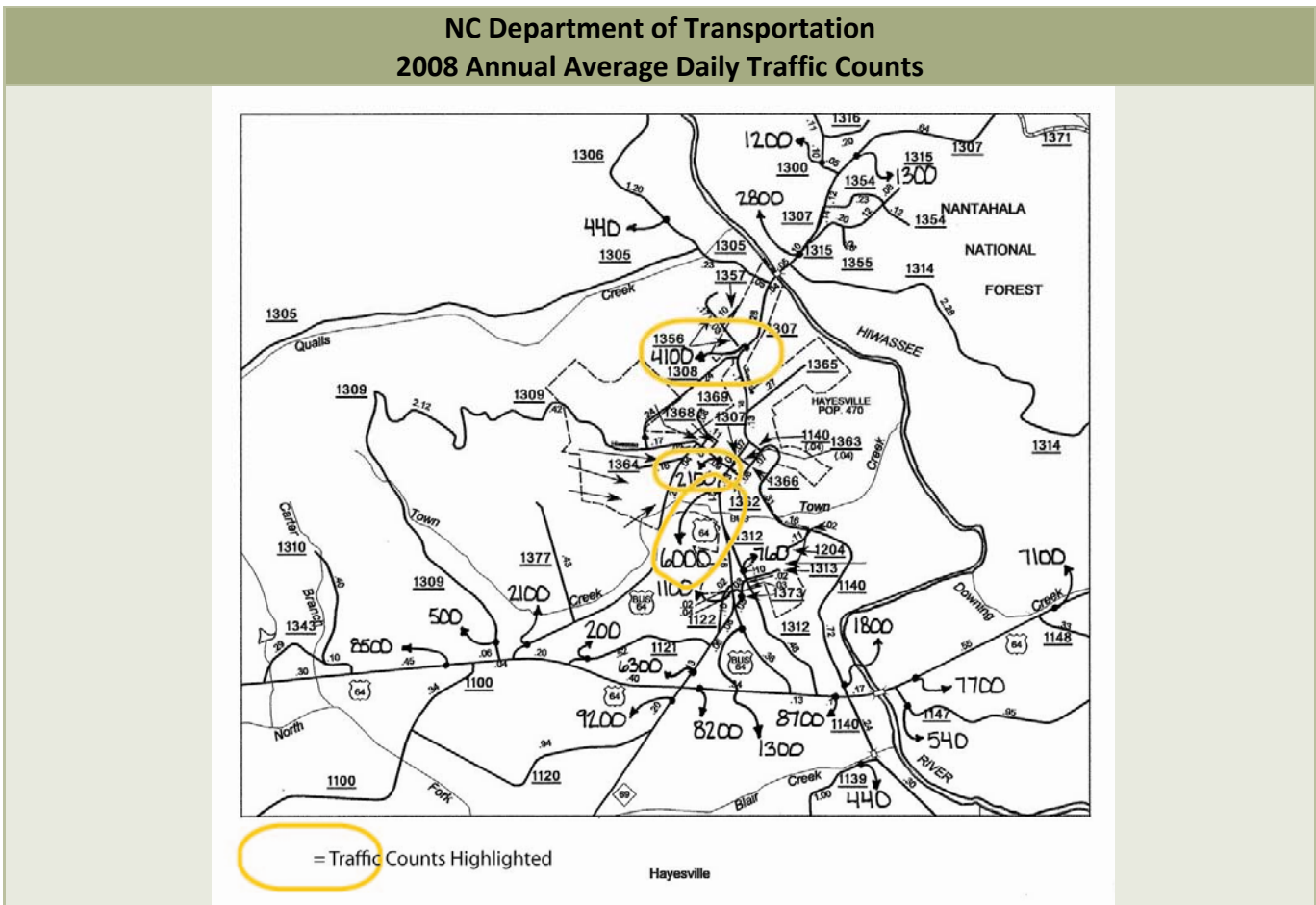
⁸ At a Clay County Comprehensive Plan meeting, Chad Plemmons, Clay County's Environmental Health Supervisor, told the Comprehensive Plan committee that, "Restaurants and septic systems don't mix." Septic systems that serve restaurants have a high failure rate due to grease and intense use. Mr. Plemmons also noted that many businesses along the Highway 69 corridor cannot expand due to septic limitations and some businesses wanting to locate along this corridor could not receive a septic permit to match the business needs.

planning for a more pedestrian friendly environment when, in the spring of 2008, students and faculty from the NC State School of Design conducted a short design charrette.⁹ Building from the information in the charrette and recent observations, Maps [redacted] and [redacted] detail some of the connections that would make downtown more pedestrian friendly while also connecting the downtown core to the cultural and recreation offerings that surround Historic Hayesville. The Map [redacted] also details existing and potential walkways that link pedestrians to the core downtown area.

Parking and Traffic Circulation

Downtown stakeholders are strongly encouraged to consider that the downtown marketplace should be a landscape where pedestrians’ needs and the needs of other forms of transportation are balanced. Finding this balance is a challenge, as a large number of vehicles travel through Hayesville on an average day. NC DOT recorded average daily traffic counts in Hayesville ranging from 2,100 vehicles per day at Highway 64 Business and Sullivan, 4,100 vehicles per day at Tusquittee and Ritter, and 6,000 vehicles per day at Main and Davis Streets. In contrast, the highest vehicle per day count recorded in Clay County occurred at the intersection of Highways 64 and 69 were 9,200 vehicles per day were recorded.

Table 12—Average Daily Traffic Counts



Source: NC DOT. A full version of this map is available from NC DOT:
http://dotw-xfer01.dot.state.nc.us/imgdot/DOTSUMaps/AADT_COUNTIES_2008/Clay/Sheet1.pdf

⁹ The Final Charrette Presentation is available on the Clay County Comprehensive plan website:
<http://claycountycomp.files.wordpress.com/2009/02/hayesvillefinal5-291.pdf>

Clearly the roads through Historic Hayesville are regional transportation routes and that, as such, have traffic circulation needs that are placed on them. If Hayesville truly wants a vibrant shopping district, it is important to begin thinking about these downtown streets as more than simply a way to get from one side of the County to the other.

According to the Consumer Survey, parking in Historic Hayesville is good to fair—only 19% rated parking as poor. Parking issues are often a matter of perception, i.e., signage designating public parking is poor and parking management, i.e., downtown employees parking in prime public spaces. Creating incentives for parking turn over can be a valuable technique for addressing this issue; this might include creating a two hour parking limit for prime downtown spaces. In addition, consider creating some handicapped accessible spaces in key locations throughout downtown.

Notes on General Aesthetics

The final observations to be shared in regards to downtown’s physical environment brings us back to data gathered through the Consumer Survey.

Charts Five: When asked to rate (excellent, good or poor) aspects of downtown in relationship to their experience when visiting Historic Hayesville, survey respondents rated most items as good or fair. Only one item, Variety of Goods, had a higher than average poor rating.

Chart 5—Rating of Downtown Factors

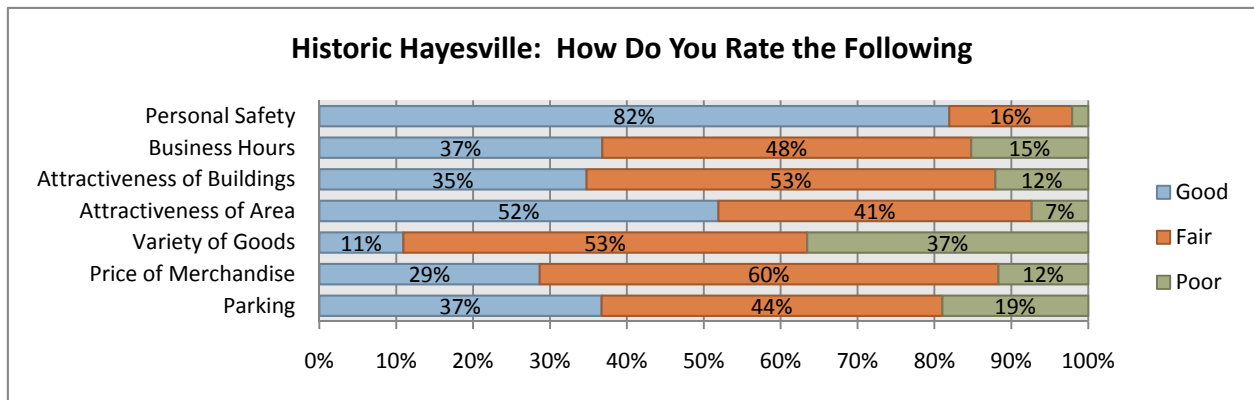


Chart Six: Survey respondent’s ranked, on a scale of not important to very important, a handful of general downtown related items. Of the items evaluated, a large majority of respondents ranked the items as very important. Only one item, *Have more Festivals/Events*, fail to achieve a very important ranking above 50%; however, it festival and events should by no means be interpreted being unimportant.

Chart 6—Rating of General Items

