

# Gibsonville, NC

## Downtown Market Analysis & Development Strategy



Prepared for the Town of Gibsonville, NC

**Rose & Associates Southeast, Inc.**

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November 2015



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The conclusions set forth are based upon information provided by public records, municipal officials, business owners, market and demographic data obtained by Rose & Associates Southeast, Inc. Neither an appraisal nor title search was performed for the Study Area or any specific property in preparing this report. While the information included herein is believed to be accurate, no warranty or representation, expressed or implied, is made as to the information contained herein, and is submitted subject to omission, change of market conditions, or other factors outside the scope of this report or the author's control. This report is the property of Rose & Associates Southeast Inc. and the Town of Gibsonville, and shall not be duplicated in whole or in part, without express written permission, all rights reserved, 2015.



# Section 1

## Introduction



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## 1.1 Project Scope

The Town of Gibsonville engaged Rose & Associates to assist with the creation of a Downtown Market Analysis and Development Strategy for the purpose of developing a dynamic Main Street. The primary focus of this initiative includes the Gibsonville Shopping Center, which was vacated by Lowes Grocery Store in 2008. They relocated to nearby University Drive. The property has been on the market for sale or lease since then, and the property owners, Piedmont Center Investments filed for bankruptcy in 2011 and reorganization in 2012.

The long term vacancy of this shopping center, together with other downtown business closings, is a symptom of a more complex set of issues, which plagues many rural downtowns. How do you revitalize a downtown with changing demographics and new trends in the grocery store category, and in retail in general?

The goal of this report is summarized in the following guiding principles, agreed upon at the Gibsonville Board of Alderman meeting on August 3, 2015: 1) maximize existing downtown assets and infrastructure, 2) create a collaborative partnership between Town of Gibsonville, businesses and property owners, and 3) benchmark performance and promote accountability for a downtown development initiative.

The research and work for this plan was executed in two stages:

### Stage I

#### Investigation, Immersion & Interaction

A tour of the downtown and surrounding area was completed. Interviews were conducted with the Gibsonville municipal staff, elected officials, joined by Gibsonville stakeholders and citizens. We would like to thank all who provided input for this report. These interviews, together with a review of previous community surveys, including the 2014 resident survey, provided input of the issues facing the downtown and themes that can provide opportunities for the future.

Town staff coordinated the 2014 North Carolina Downtown Development Association technical report, recommending the four elements of the North Carolina Main Street Program: Organization, Promotion, Design, and Economic Restructuring. The Revitalization Committee offered an image of a 2014 citizen survey where themes of a small, genuine, interesting community are highlighted.

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**"People don't know what we have here in Gibsonville, even local residents."**

**"Not everyone keeps the same business hours."**



2014 Citizen Survey

Source: N. Bromilow, Gibsonville Revitalization Committee

## Stage II

### Integration and Implementation

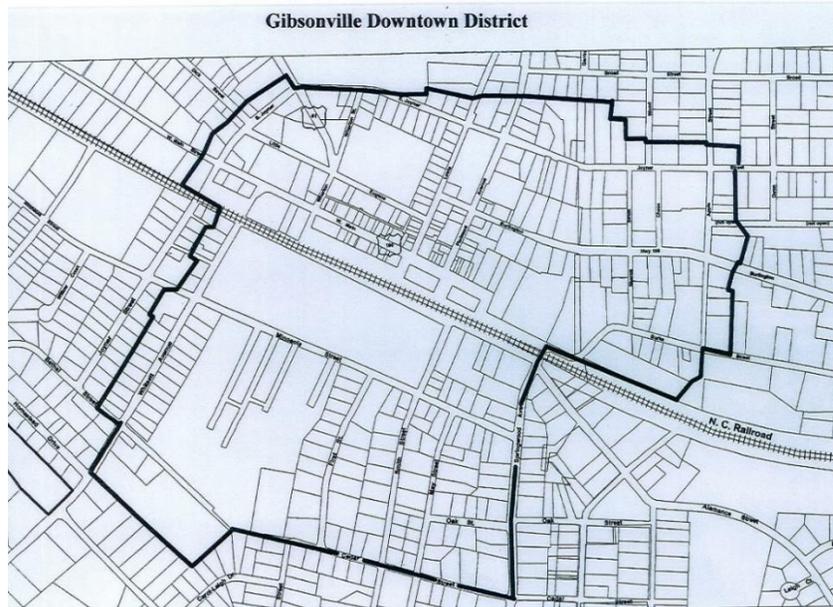
This analysis integrates prior reports, as well as connects the work of Gibsonville’s citizens with the market realities related to current market conditions, trends, funding resources and real estate development opportunities. For comparison and analysis, we conducted a review of recently completed plans, reports and studies including, but not limited to: the Downtown Gibsonville Commission Report, 2005 which includes summaries of the 2005 results from the Gibsonville Residents Downtown Improvement Questionnaire, the Gibsonville Downtown Merchant’s Survey, Downtown Gibsonville Promotions Report March 22, 2015, and Recommendations for Downtown Gibsonville; North Carolina Downtown Development Association Technical Assistance Team, 2014; and the Gibsonville Comprehensive Pedestrian Plan, 2014.

Additional resources for data in preparing this report include:

- Census Bureau – 2010 Census and estimates from American Community Surveys, 2014
- Bureau of Labor Statistics – Location Quotient Calculator, 2014
- NC Employment Security Commission – Labor Market models, 2014
- ESRI – Demographic models, retail marketplace, tapestry and lifestyle reports, 2015
- Elon University Student Shopping Patterns, May 2005
- Summary Elon University Student Focus Group, June 2005

## 1.2 Location & History

For the purposes of this report, we include a macro to micro perspective. However, our focus is the area of Downtown Gibsonville defined within the boundaries of the intersection of Main Street and Lewis Street, northeast of NC Highway 100 from Greensboro and northwest of Interstate 40/85 from Burlington, in an area approximately ¼ mile around this intersection (“Study Area”).



*Study Area – Downtown District – Source: Town of Gibsonville*



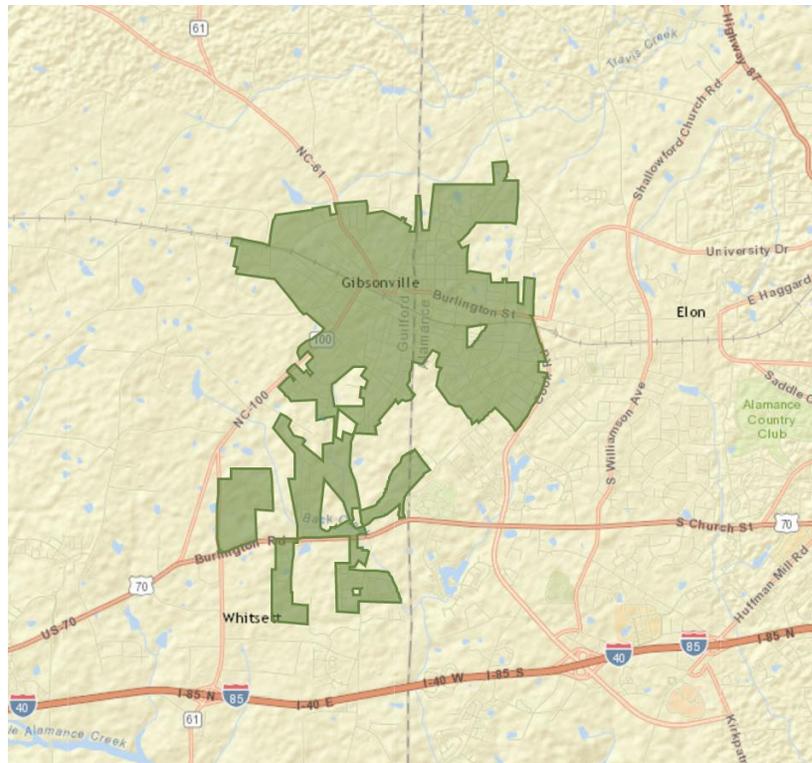
*Downtown Gibsonville*



*Source: Rose Associates*

Gibsonville straddles two county lines, with its downtown located in both Alamance and Guilford counties. Alamance County is also defined as the Burlington Metropolitan Statistical Area (MSA). Greensboro, NC is approximately 17 miles west of Gibsonville in the Greensboro-High Point Metropolitan Statistical Area (MSA), also known as the Triad region. The Triad region is composed of three counties, with Guilford in the center of this MSA. Burlington is 7 miles east of Gibsonville, and even closer is Elon University, just 2 miles east of downtown Gibsonville.

One of the challenges and opportunities for Gibsonville is its location and incorporated town limits. It is located within two counties, Alamance and Guilford, as well as two metropolitan statistical areas (MSA) of Greensboro-High Point and Burlington. Gibsonville's position is at the furthest eastern edge of Guilford County and the outermost western side of Alamance County, leaving it disconnected from the political centers of the two counties. Some residents have commented that it seems as if there are two towns. There are even current unresolved decisions about the county lines.



Downtown Gibsonville is accessed by two primary routes: NC Highways 100 and 61, and through local collector roads from University Drive running north into Elon. The North Carolina Department of Transportation provides periodic average daily traffic counts (ADT), which were last completed in 2011. Updates for limited areas were provided in 2014, showing a decrease in traffic on NC Highway 61/100 from 4900 to 4800 cars per day.



Source: NC Dept. of Transportation 2011 Average Daily Traffic Counts by County

### Community Assets and Attributes

Gibsonville is uniquely positioned with its close proximity to Greensboro, Burlington and Elon University. The town's history, which is rooted in textiles, craftsmanship, farming and agriculture, and the railroad began when a train from the North Carolina Rail Road Company entered the Gibsonville station for the first time in 1855. The town was officially established in 1871. By 1887, the first textile mill, Minneola Mill, opened in Gibsonville soon to be joined by the Hiawatha Mill in the mid 1890's. Excellent rail access and its role in the distribution of goods became the driver for subsequent town growth. These features, combined with its rich history and downtown landmarks, make it an ideal location for residents, visitors, and students to experience the charm of its downtown.

The textile industry was a prominent economic driver throughout the last century and has slowly waned, opening up new possibilities for different opportunities. Ever present has been the town's love for trains. Gibsonville was shaped by its rail history and the town honors its past by keeping this story ever present with its restored cabooses, museum, exhibits at Town Hall, small-scale track at the town's center and citizen efforts. These themes continue to have deep roots in Gibsonville and are demonstrated in several of the existing business and public spaces currently located in Gibsonville.

## 1.3 Community at a Glance

Demographic differences between Gibsonville and the surrounding areas can be found in the demographic information that comes from the Census, state data, and from estimates based on the annual American Community Survey (ACS) also done by the Census Office. Details of the demographic composition of these areas are provided in the Appendix through ESRI, a third party proprietary provider of the Census and ACS data.

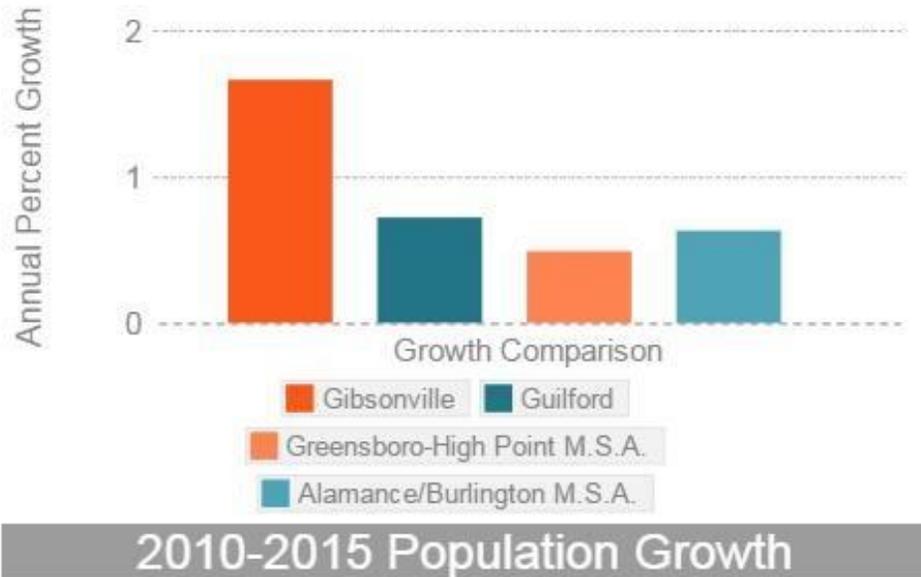
### Population

#### Alamance County Community Profile

Municipal Populations	1990	2000	Change 1990- 2000	2010	2013	Change 2010- 2012
Alamance	258	310	20%	956	1,002	4.8%
Burlington (Alamance & Guilford)	39,498	44,917	14%	50,430	51,396	1.9%
Elon	4,448	6,748	52%	9,430	9,769	3.6%
Gibsonville (Alamance & Guilford)	3,445	4,418	28%	6,423	6,703	4.4%
Graham	10,368	12,833	24%	14,169	14,117	-.4%
Green Level	1,548	2,042	32%	2,100	2,074	-1.2%
Haw River	1,914	1,908	-0.3%	2,302	2,311	.4%
Mebane (Alamance & Orange)	4,754	7,367	55%	11,445	12,136	6%
Ossipee	N/A	323	N/A	544	555	2%
Swepsonville	456	922	102%	1,155	1,190	3%

Source: NC Office of Budget and Management, Municipal Population Estimates

This brief demographic overview suggests how different Gibsonville is from other areas of the county and region. Gibsonville, when compared at the county and M.S.A. levels, had a higher rate of population growth from 2010 - 2015.



The small population in Gibsonville, while a potential deterrent to redevelopment of Main Street, could be mitigated somewhat by the need for goods and services throughout area, and the desire for a more unique “small town” experience is found along the sprawling corridors of similar character dominated by big box retail found in the neighboring communities.

Geographic Area	2015 Population	2010-2015 Growth Rate	2015 Median Age	2015 Households	2015 Average HH Income
Gibsonville	6,989	1.66%	39.8	2,834	\$58,215
Alamance County/Burlington MSA	156,198	0.63%	39.6	62,159	\$56,930
Guilford County	507,269	0.72%	37.2	204,673	\$67,310
Greensboro-High Point MSA	742,536	0.49%	38.8	299,051	\$62,483

Source: ESRI, Rose & Associates SE, Inc.

### Employment

Employment in Guilford and Alamance Counties is dominated by three industries: Healthcare, Manufacturing and Retail.

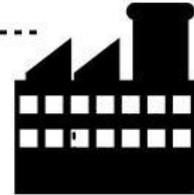
## Annual Percentage of Employment 2014

### Guilford and Alamance Counties

1. Healthcare  
Guilford-20.67  
Alamance -14.35%  
Total 35.02%



2. Manufacturing  
Guilford-13.46%  
Alamance-16.76%  
Total 30.22%



3. Retail  
Guilford-13.98%  
Alamance-16.04%  
Total 30.02%



# Section 2

## Market Analysis



## 2.1 Demand Drivers

Three primary factors influence demand for real estate: jobs, tourism and lifestyle relocations.

The market potential for real estate relies upon a number of factors, including but not limited to; state and regional economic cycles, a business friendly environment, workforce dynamics (wages, education, employment and job training), and central places ( i.e. colleges, hospitals or large employers) that are demand generators for complementary uses. This is driven largely by job growth. For office uses, demand indicators include estimated job growth in non-manufacturing sectors while industrial uses rely on job growth in manufacturing sectors. Job growth is directly related to population and household income growth, which in turn drives demand for housing, retail entertainment, and other land uses.

### Jobs

North Carolina’s job picture continues to improve from its lowest point following the most recent recession:

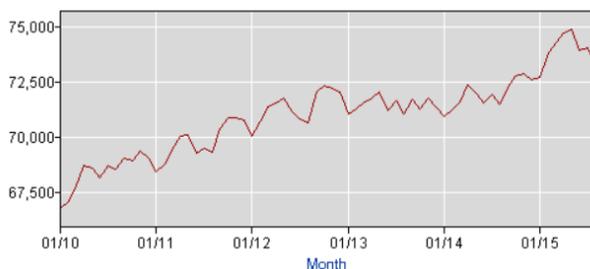
*North Carolina Employment*



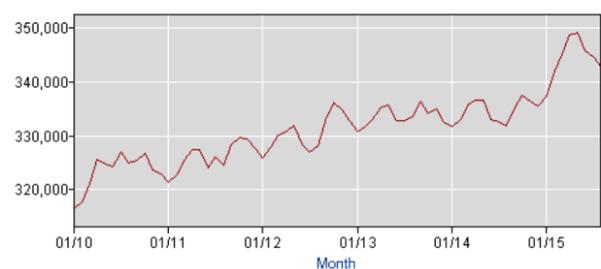
*Source: U.S. Bureau of Labor Statistics*

However, in the Burlington and Greensboro metropolitan areas, the growth was not as steady and has seemingly peaked in the first quarter of 2015.

*Burlington MSA Employment*



*Greensboro MSA Employment*



*Source: U.S. Bureau of Labor Statistics*

Job opportunities and economic mobility are driven by education. Education attainment levels of residents have a direct impact on household income and spending. In 2015, 26 North Carolina schools were awarded silver medals and 100 were awarded bronze medals by U.S. News Best High Schools rankings <sup>1</sup>. Fourteen schools earned gold medals, including top-ranked Raleigh Charter High School, located in the state capital of Raleigh. Of the 20 High Schools in Guilford County, 3 were ranked among the top-ranked in the state, and of the 8 High Schools in the Alamance-Burlington district, none made this distinction. Two high schools serve Gibsonville, Western Alamance High School and Eastern Guilford High. Eastern Guilford High, located in Gibsonville had scores near the North Carolina average in the areas of student-teacher ratio, college readiness and algebra proficiency, however, was below the state average for English proficiency. Nevertheless, Gibsonville ranked highest in percentage of population over 25 years old with Master’s and Doctorate Degrees.

<b>Geographic Area</b>	<b>25+ Years Assoc. Degree</b>	<b>25+ Years Bachelor’s Degree</b>	<b>25+ Years Master’s &amp; Higher</b>	<b>2015 Average HH Income</b>
Gibsonville	7.9%	17.8%	14.70%	\$58,215
Alamance County/Burlington MSA	9.4%	15.0%	6.8%	\$56,930
Guilford County	7.0%	22.2%	11.00%	\$67,310
Greensboro-High Point MSA	7.6%	18.1%	8.50%	\$62,483

*Source: ESRI, AC Survey 2009-2013 Estimates, Rose & Associates SE, Inc.*

<sup>1</sup> <http://www.usnews.com/education/best-high-schools>

**Tourism**

**The Catalytic Impacts of Destination Promotion**



*Source: Destination Promotion, Oxford Economics*

Tourism represents a valuable locally-produced export for the local economy. Visitor spending supports jobs, incomes, tax revenues and local business sales that represent part of the region’s economic base. Studies have shown that nearly one third of relocated residents in a community first arrive as visitors. According to a report by Oxford Economics, a successful tourism strategy follows four major guidelines:

**I. All leaders must work toward one common goal.**

As noted in the guiding principles, there must be a partnership between the town, and owners of businesses and property, especially in regards to tourism. When a tourist decides to visit a location, the primary motivator of a trip is usually the experience of the destination, extending beyond the offerings marketed by a single business. This requires those responsible for attractions, cleanliness, wayfinding, events, and businesses to create the overall experience of a Gibsonville.

**II. Identify your unique differentiators.**

Downtown Gibsonville’s unique offerings are complemented by local attractions just a short drive or walking distance. These differentiators can be encompassed into the following categories:

**Agriculture & Food**

The Gibsonville (Farmer’s) Market Days, Grove Winery and Vineyards, Burke Manor Inn/Saint Jacques at the Burke Manor represent the growing trend to source food locally. High Rock Farm, located in Gibsonville is the largest working and producing chestnut



**Burke Manor Inn**

orchard in the mid-Atlantic and is home to over five hundred chestnut trees and four hundred pecan trees. There is current discussion with the winery and farm to expand local food/beverage offerings associated with the Market and downtown.

### **Rail Road & History**

There are many sites of historical significance in Gibsonville. Among them are the Gibsonville Museum and the Gibsonville School, listed on the Historic Register and the 1807 federalist style home built by Joseph McCain, Senator John McCain's fourth great-grandfather, is located on High Rock Farm. More whimsical attractions include the Gibsonville Garden Railway and the Gibsonville Caboose.

### **Family & Recreation**

Families with children are drawn to Gibsonville by its quality of life and athletic programs, including Gibsonville's fifty plus teams in the Gibsonville Parks and Recreation Department, softball, baseball, tee-ball, football, flag football, beginner pee-wee football, cheerleading, fall soccer, and basketball. In addition, the Town of Gibsonville Comprehensive Pedestrian Plan (June 2014) is part of the Alamance County Trail Plan providing Downtown Gibsonville with the opportunity to leverage the region's interest in biking and hiking activities. Northeast Park, located six miles from downtown Gibsonville, has 374 acres with walking, biking, equestrian and nature trails, an aquatic center, the Bass Pond, athletic fields, picnic shelter, playgrounds, a serenity garden and open space. The park also contains trails for hiking and horseback riding and access to The Haw River which offers fishing and canoeing activities.

### **III. Gather your data to discover insights.**

Through the surveys, interviews and other data in this report, a picture emerges of what Gibsonville has to offer. The message should express what residents, students and visitors can find when they visit.

### **IV. Make sure your marketing fits your message – the whole experience of Gibsonville.**

Marketing efforts must focus on the core motivation for potential visitors. Through coordinated destination promotion, local businesses are able to represent the destination collectively – rather than individually - and in doing so drive demand for all segments of the visitor economy.

### Lifestyle Relocations

Baby boomers nearing retirement are seeking communities which offer an attractive quality of life and access to healthcare, cultural arts and other amenities. With the migration of retirees to the southeast, Gibsonville might be an attractive choice. Unlike the Baby Boomer generation whose decisions were driven by job relocations, Millennials are making decisions based first upon the community in which they choose to live. These entrepreneurs and young families revolve their job search around the community in which they chose to settle.

Determining the depth of the market based on household growth projections is limiting; therefore, geo-demographic segmentation, or lifestyle clustering, helps us understand that demographic variables exist not only region to region but by neighborhoods and in sub-communities within each neighborhood as well. This type of modeling is based on the premise that people tend to gravitate or cluster towards communities/neighborhoods of relative homogeneity. Factors that go into clustering include age, income, education, ethnicity, occupation, housing type and family status. Tapestry Segmentation™, which changed its model and segment descriptions in 2014 to include 14 LifeMode Groups as well as 67 Segments with updated names, identifies those households with a preference for living in rural areas versus urban neighborhoods

Of 67 total potential segments, there are five segments that make up the town of Gibsonville:

Rank	Tapestry Segment	2015 Households	
		Percent	Cumulative Percent
1	Heartland Communities (6F)	37.2%	37.2%
2	Soccer Moms (4A)	26.1%	63.3%
3	Rustbelt Traditions (5D)	20.0%	83.3%
4	Southern Satellites (10A)	9.4%	92.7%
5	Up and Coming Families (7A)	7.4%	100.1%
	<b>Subtotal</b>	<b>100.1%</b>	

*Gibsonville Tapestry Segmentation – ESRI, Rose & Associates*

Each has different buying characteristics and consumer behavior that create demand for housing choices, as well as shopping, recreation, and entertainment preferences. In other words, the lifestyle components that will drive where they live or locate their business. This demonstrates the diversity that is found in Gibsonville – from rural traditional families to suburban affluent households. The details of each of these segments can be found in the Appendix of this report.

## 2.2 Retail

The demand dynamics for retail include three primary elements: population, income and traffic.

**Population** – in order to drive demand a minimum threshold of population density, either in the form of persons or households, must be present to support various retail uses. This is defined by each retail category based upon their calculated trade area. Trade area populations for downtown Gibsonville are further described below.

**Income** – consumer expenditures are driven by both daily necessities as well as discretionary spending, and household and per capita income are measures by which consumer expenditures are estimated for each retail category. Minimum threshold consumer expenditures assist in calculating estimated sales. Trade area income for downtown Gibsonville is further defined below.

**Traffic** – vehicular and pedestrian traffic patterns create opportunity to capture retail consumer expenditures. Therefore, a minimum threshold of car traffic (as demonstrated in average daily traffic counts) or pedestrian traffic (as seen in more urban environments) is required to capture sales to support a retail location. As mentioned, automobile traffic factors in for the wider trade area, as Highway 100 carries approximately 5,700 cars per day in the downtown area and Highway 61 carries approximately 4,800 cars per day passing through the downtown according to current NCDOT estimates. The greatest traffic volumes are located at Alamance Street at the terminus of E. Railroad Avenue near the Burke Manor Inn. The traffic volumes are not adequate to satisfy the criteria of many regional and national chain store operators. Many of the commuters through the area use Highway 70 to the south of downtown. Further, the proposed Highway 61 bypass would further divert traffic from the downtown area from the north side.

### Trade Areas

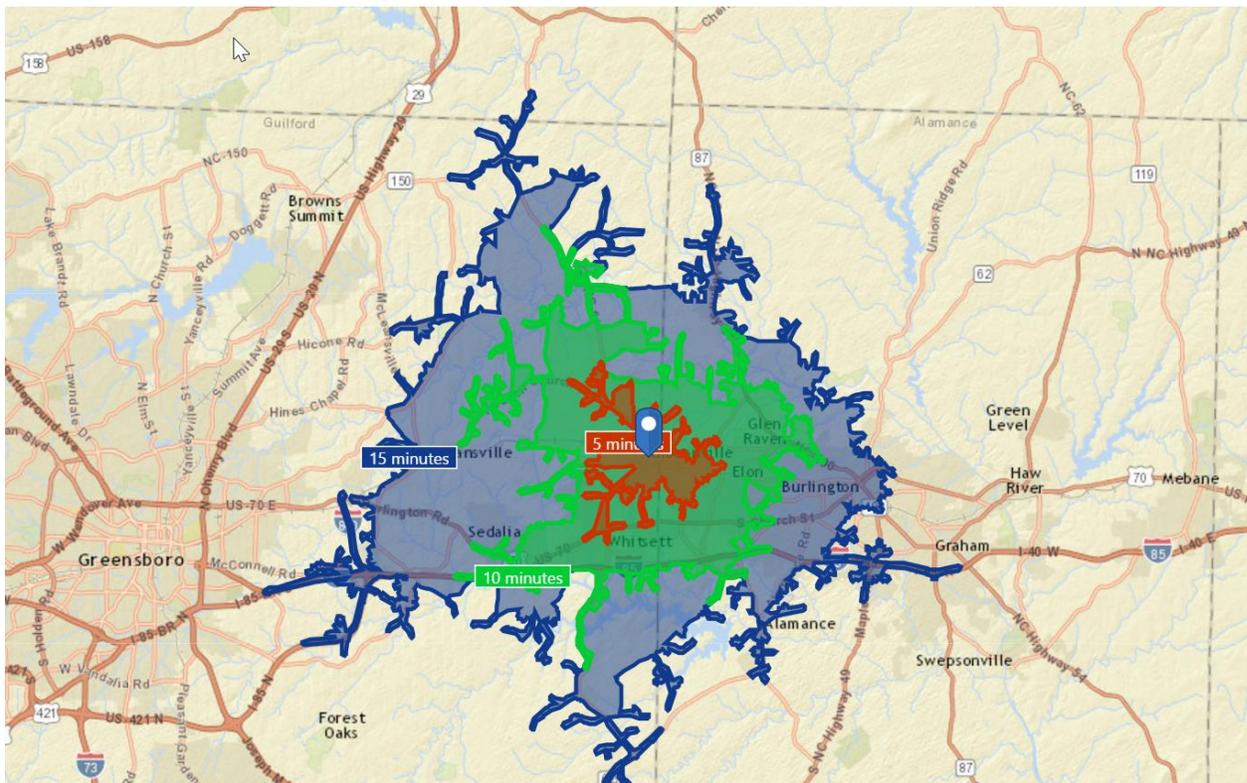
Each of these elements are defined by trade areas, or the area within which estimated thresholds are measured. Within each trade area there are a number of components that determine which retail operators might find adequate demand for their goods/services, or retail sales potential. The demographic benchmarks include population and households, but most importantly disposable income to spend on those goods/services. Consumer Expenditures outline the average dollars spent in any given category for those items on an annual basis within a trade area.



*Source: Wade's Jewelers and Diamond Room*

Often trade areas are defined by a radius distance around a site, in terms of miles. While a useful benchmark, most retail operators now define trade areas based upon how far the customer is willing to drive, which is dictated by traffic volumes, convenience and the number of options within a certain area, convenient to the customer. This is determined by drive-time analysis. Larger **destination-oriented** purchases such as furniture, clothing, specialty items and automobiles have a larger trade area, or time that a consumer would be willing to drive, generally up to 15 minutes or more. One example of such a destination retailer would be Wade’s Jeweler’s, who attracts customers from around the Carolinas. Conversely, purchases made for daily living, such as gas, food, drugs, grocery and household items draw from a smaller more **convenience-oriented** trade area. The average consumer will not travel more than 5-10 minutes for these purchases. The maximum standard for grocery purchases is an 8-minute drive time in suburban markets. Therefore, given the suburban/rural nature of Gibsonville, the downtown location, and low traffic counts along Highways 100 and 61, the trade area analysis for downtown Gibsonville includes 5, 10, and 15 minute drive times to evaluate opportunities for both convenience oriented and destination oriented purchases. These are used to assess both demand and supply factors to determine gaps in the market for the major industry group segments.

Gibsonville Trade Areas – 5, 10 & 15 Minute Drive Time



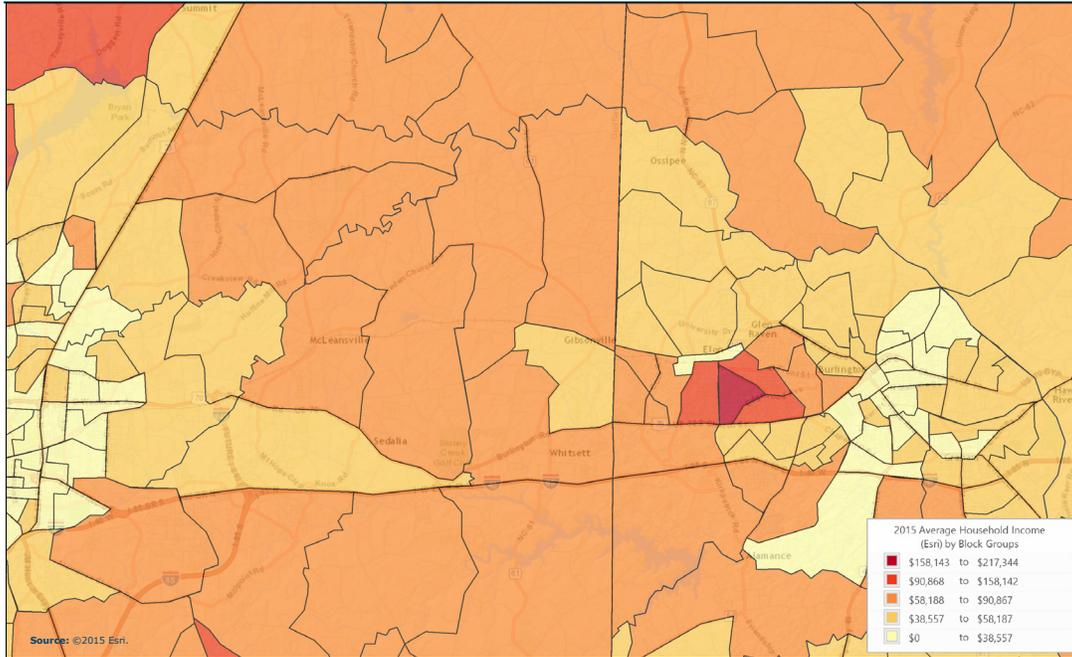
Source: ESRI, Rose & Associates

The maps on the following pages illustrate population, household income, total retail sales potential and grocery sales potential by block group in Gibsonville:



### Downtown Gibsonville

2015 Average Household Income (Esri) by Block Groups

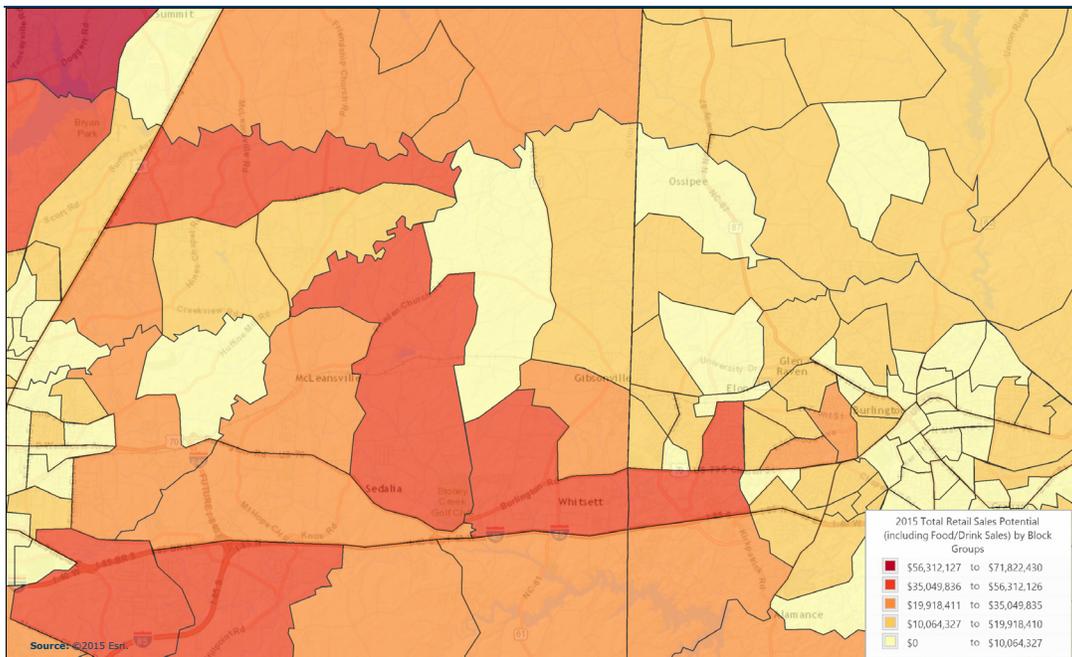


November 03, 2015



### Downtown Gibsonville

2015 Total Retail Sales Potential (including Food/Drink S...

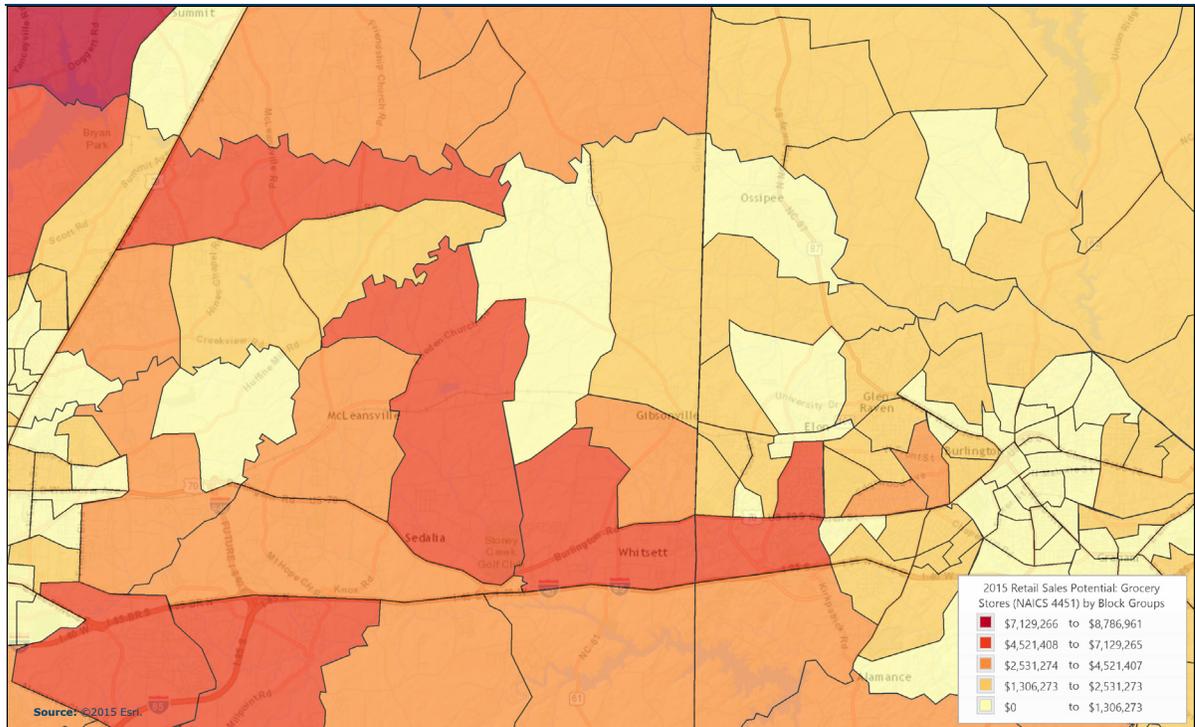


November 03, 2015



Downtown Gibsonville

2015 Retail Sales Potential: Grocery Stores (NAICS 4451) ...



November 03, 2015

Based upon income and expenditures, the retail demand can be estimated for the trade areas. Additionally, the amount of demand being absorbed by the existing shopping venues in the same trade area provide insight as to gaps, or opportunities within the market. Supply is defined by the actual dollar expenditures within each category for a given trade area. This is based upon national and regional data, including sales tax, to define the supply. Negative values (surplus) suggest oversupply or a market where customers are drawn in from outside the area, while positive values (leakage) indicate areas of opportunity for retail within a given trade area.



## Retail MarketPlace Profile

Downtown Gibsonville  
 Gibsonville, North Carolina  
 Drive Time: 5 minute radius

Prepared by Esri  
 Latitude: 36.10627  
 Longitude: -79.54297

Summary Demographics						
2015 Population						6,993
2015 Households						2,846
2015 Median Disposable Income						\$35,279
2015 Per Capita Income						\$23,066
Industry Summary	NAICS	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap	Leakage/Surplus Factor	Number of Businesses
Total Retail Trade and Food & Drink	44-45,722	\$70,636,755	\$25,330,614	\$45,306,141	47.2	37
Total Retail Trade	44-45	\$63,287,927	\$21,290,393	\$41,997,534	49.7	30
Total Food & Drink	722	\$7,348,828	\$4,040,221	\$3,308,607	29.1	7
Industry Group	NAICS	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap	Leakage/Surplus Factor	Number of Businesses
Motor Vehicle & Parts Dealers	441	\$13,680,691	\$773,318	\$12,907,373	89.3	2
Automobile Dealers	4411	\$11,886,607	\$633,174	\$11,253,433	89.9	1
Other Motor Vehicle Dealers	4412	\$801,776	\$0	\$801,776	100.0	0
Auto Parts, Accessories & Tire Stores	4413	\$992,308	\$90,998	\$901,310	83.2	1
Furniture & Home Furnishings Stores	442	\$1,487,041	\$401,718	\$1,085,323	57.5	2
Furniture Stores	4421	\$838,056	\$176,959	\$661,097	65.1	1
Home Furnishings Stores	4422	\$648,986	\$224,759	\$424,227	48.6	2
Electronics & Appliance Stores	443	\$1,716,837	\$0	\$1,716,837	100.0	0
Bldg Materials, Garden Equip. & Supply Stores	444	\$2,228,339	\$874,499	\$1,353,840	43.6	2
Bldg Material & Supplies Dealers	4441	\$1,867,435	\$849,622	\$1,017,813	37.5	2
Lawn & Garden Equip & Supply Stores	4442	\$360,903	\$0	\$360,903	100.0	0
Food & Beverage Stores	445	\$9,603,792	\$4,910,874	\$4,692,918	32.3	3
Grocery Stores	4451	\$9,086,888	\$4,509,181	\$4,577,707	33.7	1
Specialty Food Stores	4452	\$168,289	\$55,024	\$113,265	50.7	1
Beer, Wine & Liquor Stores	4453	\$348,616	\$346,669	\$1,947	0.3	1
Health & Personal Care Stores	446,4461	\$5,322,396	\$765,500	\$4,556,896	74.9	1
Gasoline Stations	447,4471	\$6,951,120	\$9,911,598	-\$2,960,478	-17.6	1
Clothing & Clothing Accessories Stores	448	\$3,887,078	\$2,335,539	\$1,551,539	24.9	6
Clothing Stores	4481	\$2,777,193	\$279,956	\$2,497,237	81.7	2
Shoe Stores	4482	\$544,637	\$0	\$544,637	100.0	0
Jewelry, Luggage & Leather Goods Stores	4483	\$565,248	\$2,043,344	-\$1,478,096	-56.7	4
Sporting Goods, Hobby, Book & Music Stores	451	\$1,412,195	\$519,297	\$892,898	46.2	2
Sporting Goods/Hobby/Musical Instr Stores	4511	\$1,046,784	\$186,175	\$860,609	69.8	2
Book, Periodical & Music Stores	4512	\$365,411	\$0	\$365,411	100.0	0
General Merchandise Stores	452	\$11,924,675	\$104,786	\$11,819,889	98.3	1
Department Stores Excluding Leased Depts.	4521	\$3,991,002	\$0	\$3,991,002	100.0	0
Other General Merchandise Stores	4529	\$7,933,673	\$104,786	\$7,828,887	97.4	1
Miscellaneous Store Retailers	453	\$1,621,098	\$531,278	\$1,089,820	50.6	9
Florists	4531	\$65,626	\$174,842	-\$109,216	-45.4	2
Office Supplies, Stationery & Gift Stores	4532	\$442,370	\$44,130	\$398,240	81.9	1
Used Merchandise Stores	4533	\$197,983	\$111,908	\$86,075	27.8	2
Other Miscellaneous Store Retailers	4539	\$915,118	\$200,398	\$714,720	64.1	4
Nonstore Retailers	454	\$3,452,665	\$161,986	\$3,290,679	91.0	1
Electronic Shopping & Mail-Order Houses	4541	\$2,627,580	\$152,282	\$2,475,298	89.0	1
Vending Machine Operators	4542	\$148,554	\$0	\$148,554	100.0	0
Direct Selling Establishments	4543	\$676,531	\$0	\$676,531	100.0	0
Food Services & Drinking Places	722	\$7,348,828	\$4,040,221	\$3,308,607	29.1	7
Full-Service Restaurants	7221	\$2,700,376	\$2,048,349	\$652,027	13.7	3
Limited-Service Eating Places	7222	\$3,920,733	\$1,770,230	\$2,150,503	37.8	3
Special Food Services	7223	\$171,935	\$0	\$171,935	100.0	0
Drinking Places - Alcoholic Beverages	7224	\$555,784	\$221,642	\$334,142	43.0	1

**Data Note:** Supply (retail sales) estimates sales to consumers by establishments. Sales to businesses are excluded. Demand (retail potential) estimates the expected amount spent by consumers at retail establishments. Supply and demand estimates are in current dollars. The Leakage/Surplus Factor presents a snapshot of retail opportunity. This is a measure of the relationship between supply and demand that ranges from +100 (total leakage) to -100 (total surplus). A positive value represents 'leakage' of retail opportunity outside the trade area. A negative value represents a surplus of retail sales, a market where customers are drawn in from outside the trade area. The Retail Gap represents the difference between Retail Potential and Retail Sales. Esri uses the North American Industry Classification System (NAICS) to classify businesses by their primary type of economic activity. Retail establishments are classified into 27 industry groups in the Retail Trade sector, as well as four industry groups within the Food Services & Drinking Establishments subsector. For more information on the Retail MarketPlace data, please view the methodology statement at <http://www.esri.com/library/whitepapers/pdfs/esri-data-retail-marketplace.pdf>.

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October 01, 2015

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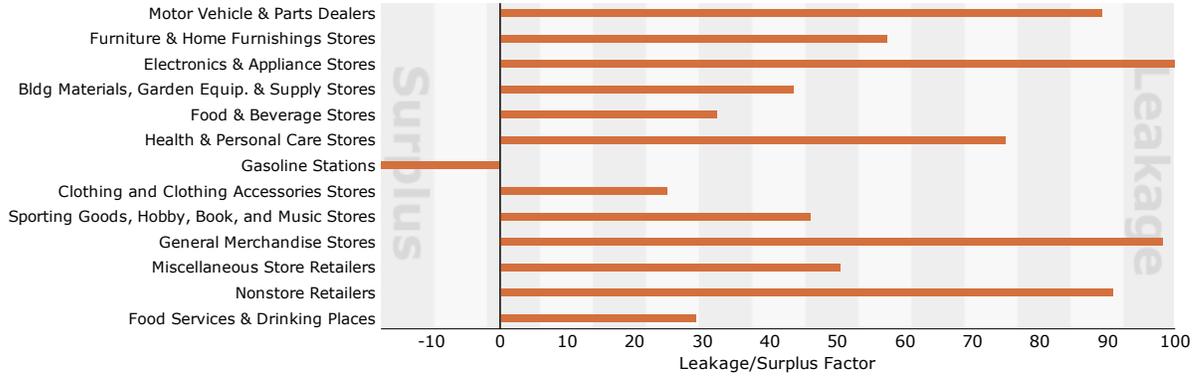


## Retail MarketPlace Profile

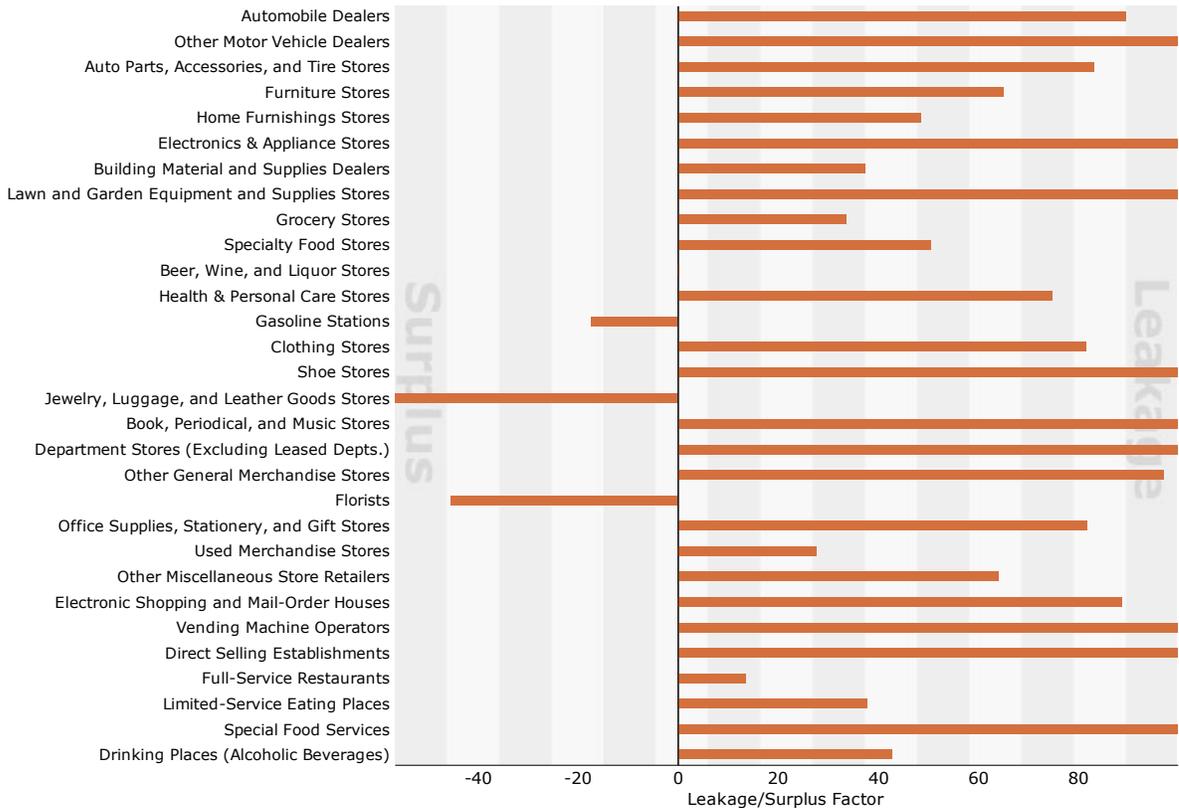
Downtown Gibsonville  
 Gibsonville, North Carolina  
 Drive Time: 5 minute radius

Prepared by Esri  
 Latitude: 36.10627  
 Longitude: -79.54297

### Leakage/Surplus Factor by Industry Subsector



### Leakage/Surplus Factor by Industry Group



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October 01, 2015

Prepared by Esri



## Retail MarketPlace Profile

Downtown Gibsonville  
 Gibsonville, North Carolina  
 Drive Time: 10 minute radius

Prepared by Esri  
 Latitude: 36.10627  
 Longitude: -79.54297

Summary Demographics						
2015 Population						29,791
2015 Households						11,571
2015 Median Disposable Income						\$38,193
2015 Per Capita Income						\$27,139
Industry Summary	NAICS	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap	Leakage/Surplus Factor	Number of Businesses
Total Retail Trade and Food & Drink	44-45,722	\$323,971,666	\$553,018,672	-\$229,047,006	-26.1	272
Total Retail Trade	44-45	\$289,429,070	\$480,886,524	-\$191,457,454	-24.9	214
Total Food & Drink	722	\$34,542,596	\$72,132,148	-\$37,589,552	-35.2	58
Industry Group	NAICS	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap	Leakage/Surplus Factor	Number of Businesses
Motor Vehicle & Parts Dealers	441	\$61,790,462	\$33,187,665	\$28,602,797	30.1	9
Automobile Dealers	4411	\$53,533,514	\$31,512,859	\$22,020,655	25.9	2
Other Motor Vehicle Dealers	4412	\$3,581,579	\$681,648	\$2,899,931	68.0	2
Auto Parts, Accessories & Tire Stores	4413	\$4,675,369	\$993,157	\$3,682,212	65.0	5
Furniture & Home Furnishings Stores	442	\$7,008,238	\$16,248,421	-\$9,240,183	-39.7	18
Furniture Stores	4421	\$3,894,875	\$5,791,622	-\$1,896,747	-19.6	10
Home Furnishings Stores	4422	\$3,113,363	\$10,456,799	-\$7,343,436	-54.1	8
Electronics & Appliance Stores	443	\$8,065,213	\$30,730,640	-\$22,665,427	-58.4	6
Bldg Materials, Garden Equip. & Supply Stores	444	\$10,560,482	\$4,858,853	\$5,701,629	37.0	9
Bldg Material & Supplies Dealers	4441	\$8,964,050	\$4,458,995	\$4,505,055	33.6	7
Lawn & Garden Equip & Supply Stores	4442	\$1,596,432	\$399,858	\$1,196,574	59.9	2
Food & Beverage Stores	445	\$43,869,997	\$29,452,301	\$14,417,696	19.7	21
Grocery Stores	4451	\$41,427,555	\$28,235,247	\$13,192,308	18.9	13
Specialty Food Stores	4452	\$768,971	\$453,374	\$315,597	25.8	5
Beer, Wine & Liquor Stores	4453	\$1,673,471	\$763,680	\$909,791	37.3	2
Health & Personal Care Stores	446,4461	\$24,272,743	\$81,764,038	-\$57,491,295	-54.2	16
Gasoline Stations	447,4471	\$31,080,653	\$27,339,813	\$3,740,840	6.4	6
Clothing & Clothing Accessories Stores	448	\$18,414,197	\$43,353,234	-\$24,939,037	-40.4	50
Clothing Stores	4481	\$13,134,754	\$36,709,125	-\$23,574,371	-47.3	33
Shoe Stores	4482	\$2,539,059	\$2,635,303	-\$96,244	-1.9	7
Jewelry, Luggage & Leather Goods Stores	4483	\$2,740,384	\$4,008,807	-\$1,268,423	-18.8	9
Sporting Goods, Hobby, Book & Music Stores	451	\$6,504,627	\$25,077,462	-\$18,572,835	-58.8	19
Sporting Goods/Hobby/Musical Instr Stores	4511	\$4,794,309	\$20,710,079	-\$15,915,770	-62.4	16
Book, Periodical & Music Stores	4512	\$1,710,318	\$4,367,383	-\$2,657,065	-43.7	3
General Merchandise Stores	452	\$54,632,193	\$169,904,534	-\$115,272,341	-51.3	11
Department Stores Excluding Leased Depts.	4521	\$18,497,604	\$66,411,722	-\$47,914,118	-56.4	6
Other General Merchandise Stores	4529	\$36,134,590	\$103,492,812	-\$67,358,222	-48.2	5
Miscellaneous Store Retailers	453	\$7,310,183	\$11,091,309	-\$3,781,126	-20.5	43
Florists	4531	\$305,743	\$311,741	-\$5,998	-1.0	4
Office Supplies, Stationery & Gift Stores	4532	\$2,063,511	\$1,624,639	\$438,872	11.9	7
Used Merchandise Stores	4533	\$930,635	\$430,439	\$500,196	36.8	6
Other Miscellaneous Store Retailers	4539	\$4,010,294	\$8,724,490	-\$4,714,196	-37.0	26
Nonstore Retailers	454	\$15,920,083	\$7,878,256	\$8,041,827	33.8	5
Electronic Shopping & Mail-Order Houses	4541	\$12,168,080	\$5,813,416	\$6,354,664	35.3	2
Vending Machine Operators	4542	\$679,649	\$71,150	\$608,499	81.0	1
Direct Selling Establishments	4543	\$3,072,354	\$1,993,691	\$1,078,663	21.3	2
Food Services & Drinking Places	722	\$34,542,596	\$72,132,148	-\$37,589,552	-35.2	58
Full-Service Restaurants	7221	\$12,684,026	\$42,733,392	-\$30,049,366	-54.2	25
Limited-Service Eating Places	7222	\$18,339,997	\$24,510,722	-\$6,170,725	-14.4	25
Special Food Services	7223	\$788,661	\$2,339,230	-\$1,550,569	-49.6	2
Drinking Places - Alcoholic Beverages	7224	\$2,729,911	\$2,548,803	\$181,108	3.4	6

**Data Note:** Supply (retail sales) estimates sales to consumers by establishments. Sales to businesses are excluded. Demand (retail potential) estimates the expected amount spent by consumers at retail establishments. Supply and demand estimates are in current dollars. The Leakage/Surplus Factor presents a snapshot of retail opportunity. This is a measure of the relationship between supply and demand that ranges from +100 (total leakage) to -100 (total surplus). A positive value represents 'leakage' of retail opportunity outside the trade area. A negative value represents a surplus of retail sales, a market where customers are drawn in from outside the trade area. The Retail Gap represents the difference between Retail Potential and Retail Sales. Esri uses the North American Industry Classification System (NAICS) to classify businesses by their primary type of economic activity. Retail establishments are classified into 27 industry groups in the Retail Trade sector, as well as four industry groups within the Food Services & Drinking Establishments subsector. For more information on the Retail MarketPlace data, please view the methodology statement at <http://www.esri.com/library/whitepapers/pdfs/esri-data-retail-marketplace.pdf>.

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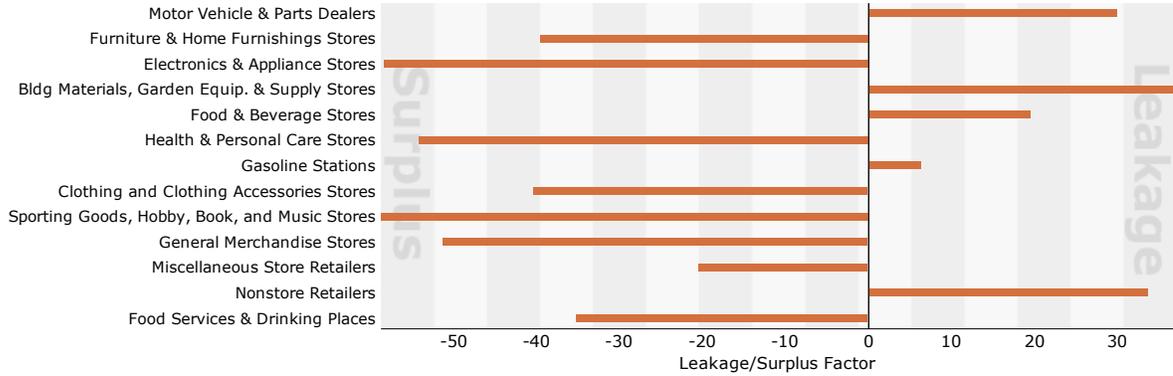


## Retail MarketPlace Profile

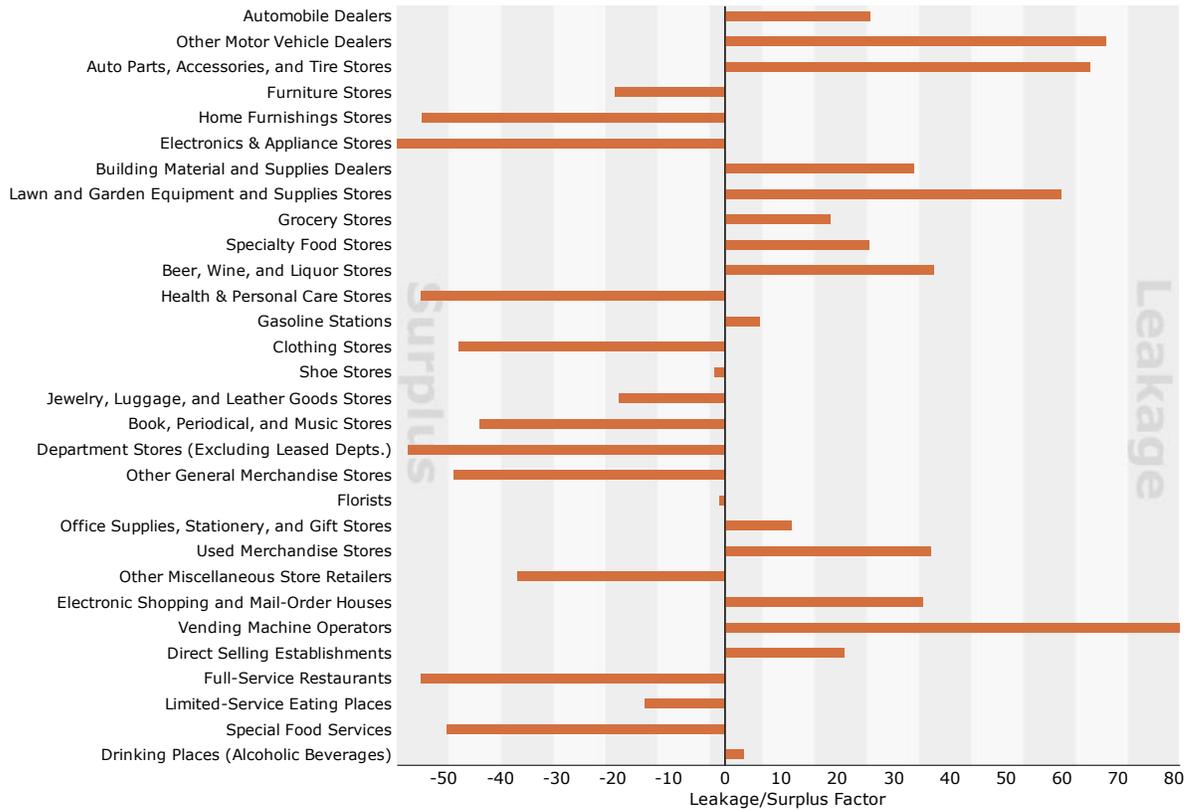
Downtown Gibsonville  
 Gibsonville, North Carolina  
 Drive Time: 10 minute radius

Prepared by Esri  
 Latitude: 36.10627  
 Longitude: -79.54297

### Leakage/Surplus Factor by Industry Subsector



### Leakage/Surplus Factor by Industry Group



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October 01, 2015

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## Retail MarketPlace Profile

Downtown Gibsonville  
 Gibsonville, North Carolina  
 Drive Time: 15 minute radius

Prepared by Esri  
 Latitude: 36.10627  
 Longitude: -79.54297

Summary Demographics						
2015 Population						71,330
2015 Households						28,861
2015 Median Disposable Income						\$36,432
2015 Per Capita Income						\$26,181
Industry Summary	NAICS	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap	Leakage/Surplus Factor	Number of Businesses
Total Retail Trade and Food & Drink	44-45,722	\$745,429,320	\$1,213,898,882	-\$468,469,562	-23.9	669
Total Retail Trade	44-45	\$666,491,702	\$1,067,589,199	-\$401,097,497	-23.1	535
Total Food & Drink	722	\$78,937,618	\$146,309,683	-\$67,372,065	-29.9	134
Industry Group	NAICS	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap	Leakage/Surplus Factor	Number of Businesses
Motor Vehicle & Parts Dealers	441	\$141,982,100	\$188,773,726	-\$46,791,626	-14.1	42
Automobile Dealers	4411	\$123,274,987	\$179,710,692	-\$56,435,705	-18.6	16
Other Motor Vehicle Dealers	4412	\$8,007,671	\$2,125,302	\$5,882,369	58.1	6
Auto Parts, Accessories & Tire Stores	4413	\$10,699,442	\$6,937,732	\$3,761,710	21.3	20
Furniture & Home Furnishings Stores	442	\$15,981,607	\$32,834,799	-\$16,853,192	-34.5	45
Furniture Stores	4421	\$8,943,711	\$18,798,738	-\$9,855,027	-35.5	24
Home Furnishings Stores	4422	\$7,037,896	\$14,036,061	-\$6,998,165	-33.2	21
Electronics & Appliance Stores	443	\$18,411,241	\$35,326,214	-\$16,914,973	-31.5	18
Bldg Materials, Garden Equip. & Supply Stores	444	\$23,687,733	\$31,672,196	-\$7,984,463	-14.4	26
Bldg Material & Supplies Dealers	4441	\$20,051,358	\$30,827,809	-\$10,776,451	-21.2	21
Lawn & Garden Equip & Supply Stores	4442	\$3,636,375	\$844,387	\$2,791,988	62.3	5
Food & Beverage Stores	445	\$101,603,677	\$63,270,598	\$38,333,079	23.2	60
Grocery Stores	4451	\$96,016,596	\$61,681,179	\$34,335,417	21.8	49
Specialty Food Stores	4452	\$1,779,312	\$805,221	\$974,091	37.7	9
Beer, Wine & Liquor Stores	4453	\$3,807,769	\$784,197	\$3,023,572	65.8	2
Health & Personal Care Stores	446,4461	\$56,170,092	\$115,947,202	-\$59,777,110	-34.7	38
Gasoline Stations	447,4471	\$72,385,173	\$95,022,388	-\$22,637,215	-13.5	17
Clothing & Clothing Accessories Stores	448	\$42,097,146	\$55,423,375	-\$13,326,229	-13.7	91
Clothing Stores	4481	\$30,062,345	\$44,717,929	-\$14,655,584	-19.6	64
Shoe Stores	4482	\$5,850,942	\$4,447,946	\$1,402,996	13.6	11
Jewelry, Luggage & Leather Goods Stores	4483	\$6,183,858	\$6,257,500	-\$73,642	-0.6	16
Sporting Goods, Hobby, Book & Music Stores	451	\$14,788,820	\$32,671,110	-\$17,882,290	-37.7	42
Sporting Goods/Hobby/Musical Instr Stores	4511	\$10,900,068	\$27,708,956	-\$16,808,888	-43.5	35
Book, Periodical & Music Stores	4512	\$3,888,752	\$4,962,153	-\$1,073,401	-12.1	7
General Merchandise Stores	452	\$126,104,464	\$203,992,925	-\$77,888,461	-23.6	25
Department Stores Excluding Leased Depts.	4521	\$42,491,115	\$89,077,909	-\$46,586,794	-35.4	13
Other General Merchandise Stores	4529	\$83,613,349	\$114,915,016	-\$31,301,667	-15.8	12
Miscellaneous Store Retailers	453	\$16,882,769	\$24,987,510	-\$8,104,741	-19.4	113
Florists	4531	\$694,493	\$1,175,998	-\$481,505	-25.7	12
Office Supplies, Stationery & Gift Stores	4532	\$4,725,434	\$7,942,419	-\$3,216,985	-25.4	19
Used Merchandise Stores	4533	\$2,120,766	\$3,022,728	-\$901,962	-17.5	19
Other Miscellaneous Store Retailers	4539	\$9,342,076	\$12,846,364	-\$3,504,288	-15.8	64
Nonstore Retailers	454	\$36,396,881	\$187,667,155	-\$151,270,274	-67.5	19
Electronic Shopping & Mail-Order Houses	4541	\$27,882,442	\$179,831,616	-\$151,949,174	-73.2	5
Vending Machine Operators	4542	\$1,572,643	\$3,352,648	-\$1,780,005	-36.1	6
Direct Selling Establishments	4543	\$6,941,796	\$4,482,891	\$2,458,905	21.5	8
Food Services & Drinking Places	722	\$78,937,618	\$146,309,683	-\$67,372,065	-29.9	134
Full-Service Restaurants	7221	\$29,003,329	\$85,156,228	-\$56,152,899	-49.2	59
Limited-Service Eating Places	7222	\$42,021,265	\$45,441,790	-\$3,420,525	-3.9	53
Special Food Services	7223	\$1,782,394	\$11,338,820	-\$9,556,426	-72.8	7
Drinking Places - Alcoholic Beverages	7224	\$6,130,629	\$4,372,846	\$1,757,783	16.7	14

**Data Note:** Supply (retail sales) estimates sales to consumers by establishments. Sales to businesses are excluded. Demand (retail potential) estimates the expected amount spent by consumers at retail establishments. Supply and demand estimates are in current dollars. The Leakage/Surplus Factor presents a snapshot of retail opportunity. This is a measure of the relationship between supply and demand that ranges from +100 (total leakage) to -100 (total surplus). A positive value represents 'leakage' of retail opportunity outside the trade area. A negative value represents a surplus of retail sales, a market where customers are drawn in from outside the trade area. The Retail Gap represents the difference between Retail Potential and Retail Sales. Esri uses the North American Industry Classification System (NAICS) to classify businesses by their primary type of economic activity. Retail establishments are classified into 27 industry groups in the Retail Trade sector, as well as four industry groups within the Food Services & Drinking Establishments subsector. For more information on the Retail MarketPlace data, please view the methodology statement at <http://www.esri.com/library/whitepapers/pdfs/esri-data-retail-marketplace.pdf>.

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October 01, 2015

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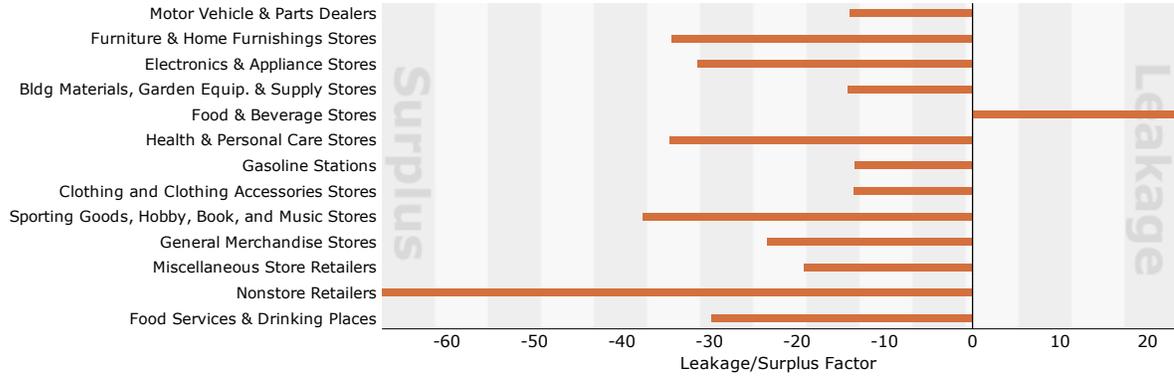


## Retail MarketPlace Profile

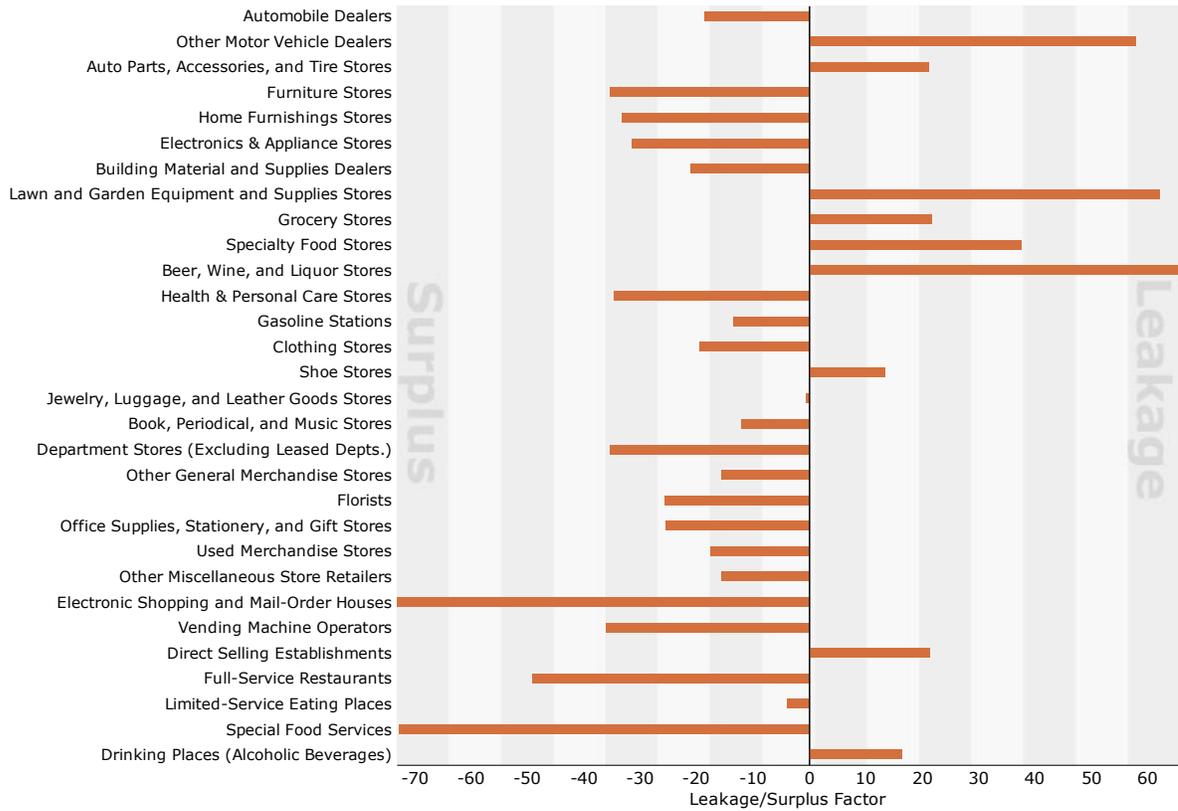
Downtown Gibsonville  
 Gibsonville, North Carolina  
 Drive Time: 15 minute radius

Prepared by Esri  
 Latitude: 36.10627  
 Longitude: -79.54297

### Leakage/Surplus Factor by Industry Subsector



### Leakage/Surplus Factor by Industry Group



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October 01, 2015

Prepared by Esri

The grocery categories are challenged with an ever changing market, consumer demands, and other retailers competing in the traditional grocery space. While the traditional grocery store averages 45,000 square feet – the landscape ranges from superstore formats, such as Target and Walmart to smaller formats – found in non-traditional venues, such as drug and dollar stores, whose grocery related inventory is now over 30%. With more operators competing for market share, alternative formats are gaining market share, as outlined in the 2014 JLL Retail Research report. “Fresh formats will dramatically increase store count, while traditional formats will fall in store count by 2018”. See Appendix for full report.

Grocery channel definitions		
Category	Definition	Examples
<b>Traditional Supermarket</b>	<ul style="list-style-type: none"> <li>Offering a full line of groceries, meat and produce</li> <li>At least \$2 million in annual sales</li> <li>Carry between 15,000 and 60,000 SKUs</li> </ul>	    
<b>Fresh Format</b>	<ul style="list-style-type: none"> <li>Emphasize perishables</li> <li>Offer ethnic, natural, organic items</li> </ul>	 
<b>Limited Assortment</b>	<ul style="list-style-type: none"> <li>Low-priced grocery store</li> <li>Offer limited assortment of center-store and perishables</li> <li>Fewer than 2,000 SKUs</li> </ul>	  
<b>Convenience Stores</b>	<ul style="list-style-type: none"> <li>Small high-margin store</li> <li>Edited selection of items</li> </ul>	  
<b>Wholesale Club</b>	<ul style="list-style-type: none"> <li>Membership retail/wholesale hybrid</li> <li>Varied selection and limited variety</li> <li>Over 120,000 s.f.</li> </ul>	  
<b>Supercenters</b>	<ul style="list-style-type: none"> <li>Hybrid of large traditional supermarket and mass merchandiser</li> <li>Offer wide variety of food and non-food items</li> <li>Average more than 170,000 s.f.</li> <li>Devote as much as 40.0% of space to grocery items</li> </ul>	   
<b>Dollar Stores</b>	<ul style="list-style-type: none"> <li>Small store format selling food and consumables at aggressive price points</li> <li>Food between 20.0%-66.0% of sales volume</li> </ul>	 
<b>Drug Store</b>	<ul style="list-style-type: none"> <li>Prescription-based drug store that generates 20.0% or more of sales from consumables, general merchandise and seasonal</li> </ul>	 
<b>E-commerce</b>	<ul style="list-style-type: none"> <li>Food and consumables ordered using Internet via any device, regardless of payment or fulfillment method</li> </ul>	   

Source: JLL, Sept. Report 2015

Site criteria for new grocery stores varies by operator. Many require populations of nearly 100,000 people within a 10 minute drive time, and average daily traffic counts of over 28,000 cars per day. For example, Whole Foods, in the fresh format relies heavily on affluent populations, while Aldi, a limited assortment grocer focuses on population density in lower income markets:



Source: Aldi U.S.

**Aldi Specific location criteria:**

- ±18,000 square feet with a minimum of 85 dedicated parking spaces
- 2.5 acre pads for purchase and development
- End-cap or inline space with minimum of 87’ of frontage
- Signalized, full access intersection preferred
- Dense trade area population within 3 miles
- Sites located in community and regional shopping districts with convenient access to population
- Sites zoned to allow grocery use
- Daily traffic count in excess of 20,000 vehicles per day

While there is a retail gap in select categories, the potential income must meet the thresholds of per square foot sales in the categories as found in samplings from Dollars & Cents of Shopping Centers, an annual trade publication which surveys retailers across the country in a variety of retail formats. The benchmark for sales is \$350 per square foot in the grocery category, though 2013 figures show strong performance bringing sales to over \$500 per square foot.

Using the sales per square foot benchmark of \$350-\$500 per square foot and retail expenditure gaps surrounding the Gibsonville Shopping Center, the estimated sales fall short for the 27,000 square foot store within 5 minutes, but begins to reach the sales goals within the 10 minute drive time.



Therefore, the operator would need to have products which would draw from a larger trade area to meet sales goals. This would include those found in the specialty and fresh food formats, which may be more destination rather than convenience oriented.

**Gibsonville Shopping Center**

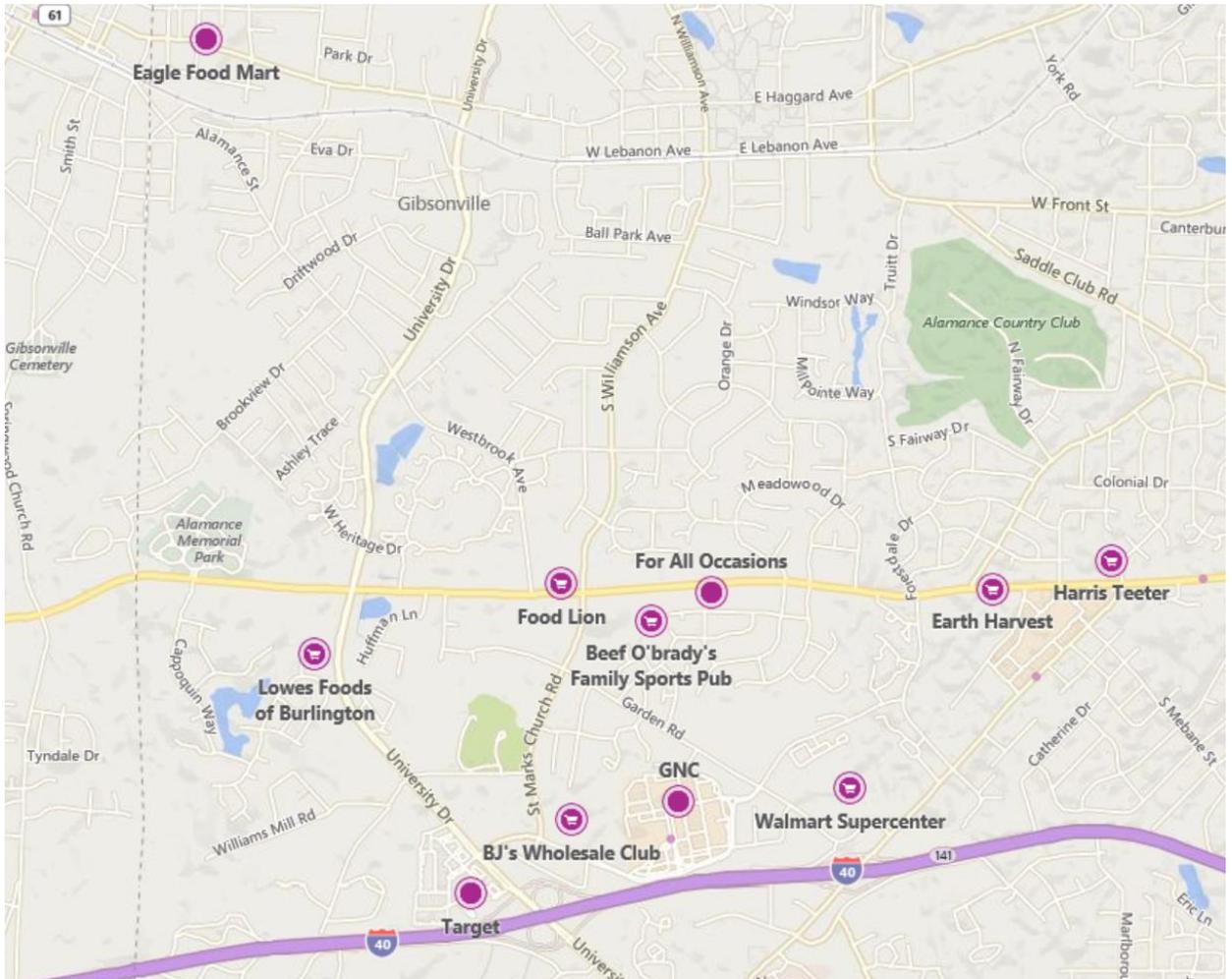
Grocery Gap	Total Population	Total Retail Sales Gap	Sales Per Sq. Ft.
5 minute drive-time	6,993	\$4,577,707	\$170
10 minute drive-time	29,791	\$13,192,308	\$489

Retail demand can also be estimated based upon retail employment. Employment in the retail trade sector (NAICS 44-45) in Alamance County was 16.04% in 2014, compared to the state level of 13.98%. While at the same time, it was 12.28% in Guilford County. The table below estimates square footage demand for space based upon 2014 retail employment in these counties, with a conservative estimated 5% capture rate for Gibsonville:

<b>Annual Retail Space Demand Estimate - Alamance &amp; Guilford County</b>		
New Basic Employees (per year)	2014	1,443
Economic Base Multiplier		1.54
New Total Employees		2,222
Capture in Gibsonville		5%
New Total Employees in Gibsonville (per year)		111
Average # Retail Employees	12.3%	14
Average Retail Space per Employee (S.F.)		324
<b>Gibsonville New Retail Space Demand (S.F.)</b>		<b>4,421</b>

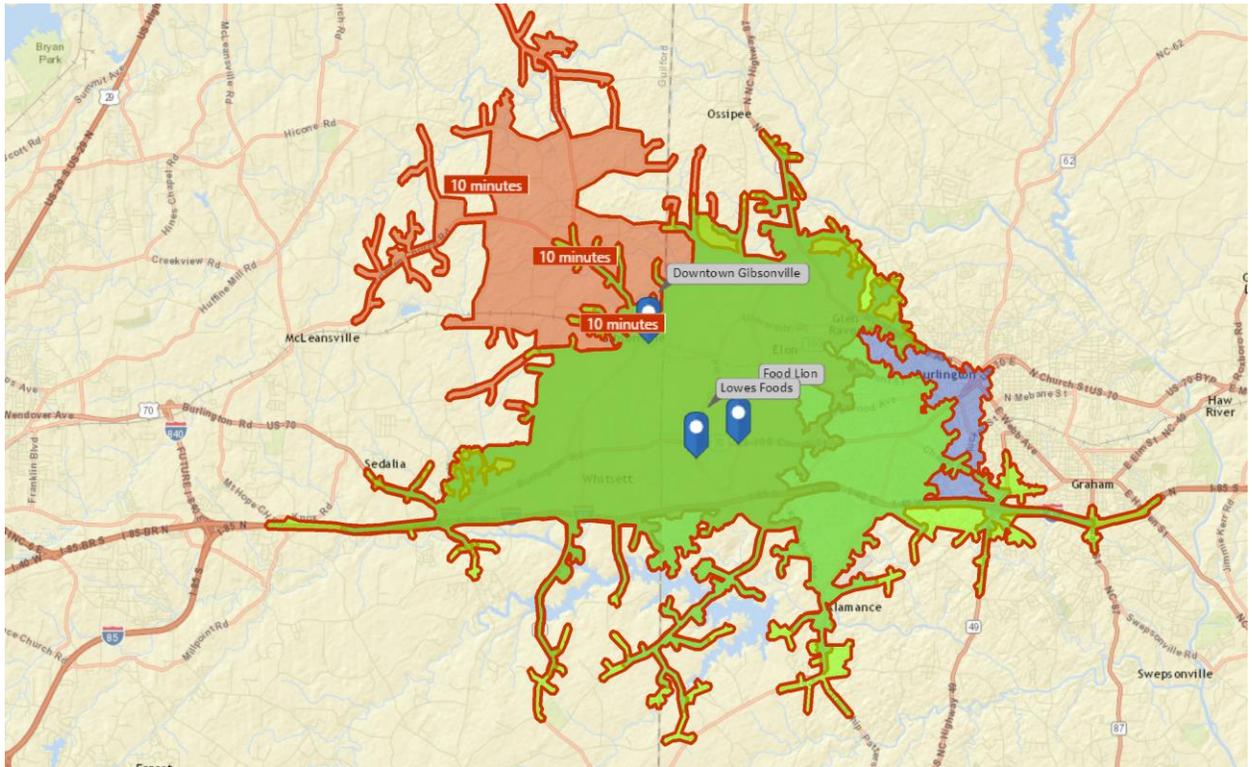
### Supply

In addition to traditional grocers, various formats for grocery sales can be found in and around Gibsonville. The Dollar Store, Eagle Food Mart and the Gas Station convenience store are all located within or just outside the downtown, while Food Lion, Lowes and other large format and supercenter operators can be found south of downtown, along Highway 70 and University Boulevard.



Source: Bing Maps

Bringing together all the elements to compare downtown to the nearby Food Lion and Lowe’s grocery stores provides some insight into the market potential, and challenges, of the Gibsonville Shopping Center space and the downtown. This includes overlapping trade areas, which create cannabization of market share.



Variables	Downtown Gibsonville (10 minutes)	Food Lion (10 minutes)	Lowes Foods (10 minutes)
2015 Per Capita Income	\$27,117	\$27,699	\$28,082
2015 Median Household Income	\$48,702	\$46,217	\$47,037
2015 Average Household Income	\$69,817	\$66,934	\$68,354
	Downtown Gibsonville (10 minutes)	Food Lion (10 minutes)	Lowes Foods (10 minutes)
2015 Total Population	29,770	49,239	44,715
2015 Household Population	26,768	46,139	41,686
2015 Family Population	20,247	34,771	31,587
	Downtown Gibsonville (10 minutes)	Food Lion (10 minutes)	Lowes Foods (10 minutes)
2015 Total Retail Sales Potential (including Food/Drink Sales)	\$323,673,917	\$540,312,526	\$498,331,975

Supply also is tracked by available space and vacancy. The Piedmont Triad retail market survey from Karnes includes Forsyth, Guilford, Alamance, Davidson and Randolph counties. The survey includes 670 buildings totaling 38,147,518 square feet. The 2015 first quarter survey revealed a 10.7% vacancy, or 4,080,887 square feet, which is up 50 basis points from the prior quarter. As shown in the table below, vacancy rates have been highest in the smaller strip and neighborhood centers:

Retail Vacancies by Space Type											
Quarter	3Q12	4Q12	1Q13	2Q13	3Q13	4Q13	1Q14	2Q14	3Q14	4Q14	1Q15
Specialty	18.1%	19.5%	17.6%	16.2%	15.9%	15.8%	13.2%	13.6%	9.7%	12.1%	10.9%
Neighborhood	15.3%	14.9%	14.5%	13.7%	13.3%	13.7%	14.0%	14.0%	13.8%	12.7%	12.5%
Strip	15.7%	15.2%	15.4%	16.2%	15.8%	15.3%	15.9%	15.0%	15.1%	15.3%	14.9%
Community	8.7%	8.5%	8.0%	7.9%	7.8%	7.9%	7.7%	8.0%	7.9%	9.6%	9.2%
Power	8.1%	8.1%	8.1%	8.4%	7.0%	5.3%	5.3%	4.9%	4.7%	4.8%	5.0%
Regional	6.1%	5.7%	6.5%	6.1%	6.0%	5.7%	6.1%	6.4%	7.0%	6.8%	10.6%

Footnotes:

- Specialty centers are unanchored centers.
- Neighborhood centers contain 50,000 to 125,000 square feet.
- Strip centers contain 20,000 to 50,000 square feet with no large anchors.
- Community centers are in the 125,000 to 400,000 square foot size range.
- Power centers typically contain 250,000sf or more and are heavily anchored.
- Regional centers are typically enclosed malls.

Source: Michael S. Clapp & Associates, Inc., First Quarter 2015 Triad Market Report

Despite a dip in the last quarter of 2014, rental rates have been steadily improving from their low in 2008 during the recession, to \$17.39 in the first quarter of 2015. The Karnes report states though the net absorption was a negative -51,834 square feet in the first quarter of 2015, an additional 216,345 square feet of new space was under construction.

The challenges for smaller neighborhood strip centers is evidenced by the Gibsonville Shopping Center located in the downtown. Its anchor grocer Lowes, vacated in 2008, which subsequently left the property in bankruptcy in 2011 and reorganization in 2012. The shopping center totals approximately 31,000 square feet, with the 27,000 square foot anchor space available. Other tenants include a locally-owned pharmacy, Chinese restaurant, and an outparcel Cash Points ATM. The property is on the market for \$600,000, with the anchor space being offered at \$9.00 per square foot, net – below the current average rental rate for the area. The property is under contract. However, according to an interview with the broker, the Lundy Group, the new buyer anticipates making building improvements and hopes to attract a new grocery store or other retail tenants. No further information is available at this time with regard to the plans for the vacant space or renovation/ redevelopment of the center.



Source: Lundy Group

### Summary Conclusions and Recommendations

The current economic cycle has resulted in the retail industry exercising caution as it focuses on profitability over new store openings and expansion. Regional and super-regional shopping venues are found along neighboring corridors. With the large supply within the Piedmont Triad region, lower densities of population and low traffic counts, there are limited traditional grocery format opportunities in the downtown study area. However, details of surplus and leakage for all food related categories in the trade areas provide for an opportunity for non-traditional grocery or specialty food formats, to complement the growing number of operators in the downtown, such as the fine dining at Burke Manor Inn, the specialty items at the Farmer's Market and the growing interest in bringing the area's wineries and breweries to unique venues, such as the downtown. These types of operators would separate and define the downtown from the larger national chain stores prevalent along the neighboring corridors. The critical element is that these be clustered together along Main Street, where they are most visible and accessible. Provided the region experiences continued job and household growth, the long term view for downtown would include demand potential of up to 44,210 square feet of retail over the next 10 years, or roughly the size of the Gibsonville Shopping Center in the downtown.

In Gibsonville small boutique shops, convenience retail and restaurants are largely supported by drive-by traffic and local residents. While the downtown can support additional retail in a small number of categories, it would be strengthened by added population and traffic counts, and the synergy of clustering retail shopping and dining together in the two primary blocks along Main Street. In addition to the re-development and re-tenanting of the Gibsonville Shopping Center, alternative food/grocery formats, together with lawn, garden and building supply are suggested – consistent with the area's agricultural and farming history. Downtown Gibsonville could emerge as a food and culinary destination, to include small-scale retail with spaces from 650 to 10,000 sq. ft. along Main Street. These should include stores clustered on or near the town green, so as to interconnect with civic spaces in an effort to create synergy with other uses and events, such as the Market Days farmer's market. Therefore, the existing properties should be repositioned – to bring additional retail operators to the Main Street, while encouraging service related office uses to locate above the retail or on adjacent side streets. Locating retail near demand generators will increase the potential for future retail expenditures through an omni-channel effort of online marketing, social media and tourism.

Downtown Retail Target Segments				
Category	Type	5-min Gap	10-min Gap	Examples
Auto Parts, Tires	Convenience	\$901,310	\$3,682,212	NAPA, Local/Independent
Bldg Materials	Destination	\$1,017,813	\$4,505,055	Ace Hardware
Lawn/Garden	Convenience	\$360,903	\$1,196,574	Ace, Tractor Supply
Grocery	Convenience	\$4,577,707	\$13,192,308	Fresh Food, Local/Independent
Specialty Food	Destination	\$113,265	\$315,597	Local/Independent
Beer, Wine, Liquor	Convenience /Destination	\$1,947	\$909,791	Local/Independent (see below)
Drinking Places – Alcoholic Bev	Convenience	\$334,142	\$181,108	Local - Wine Bar, Brewery

Based on the demand estimates, the absorption of the vacant Lowes space in the Gibsonville Shopping Center could total 6 years. Current vacancy has accrued nearly 7 years without securing a traditional replacement grocery anchor store. Thus a subdivision of the anchor space to a smaller format size, or an alternative format to traditional grocers, is suggested. In addition to independent or franchise formats, consideration might be given to an indoor Farmer's Market, whereby local culinary artisans might utilize a shared commercial kitchen for local entrepreneurs to test the market for baked, preserved and prepared foods. The Department of Agriculture and Cooperative Extension Service would be good resources for such alternative formats. Alternatively, adaptive reuse to another use, such as an auto parts or lawn and garden store might also be considered.

The goal in creating increased market demand to support grocery and other uses is to increase traffic and population in and around the downtown. This can be accomplished through a combination of strategies, including but not limited to:

- **Wayfinding signage** – to direct more traffic to the downtown area;
- **Housing** – adding more housing, particularly multifamily and other more dense formats would drive additional resident population;
- **Destination Tourism marketing** – to increase traffic and the opportunity to capture more consumer expenditures;
- **Branding and Marketing** – to communicate the image and message of Gibsonville and its downtown;
- **Small Business focus** – to engage the local community and drive interest in office/ industrial space to increase the daytime population in support of restaurants and other convenience uses;
- **Partnership** – through the existing organizations and committees involved with the downtown, a comprehensive and cohesive strategy should be built around consistent and regular open hours, joint marketing and social media initiatives, and a buy-local campaign to engage local residents and stakeholders in the commitment of making downtown a vibrant and attractive place to visit, shop and dine.

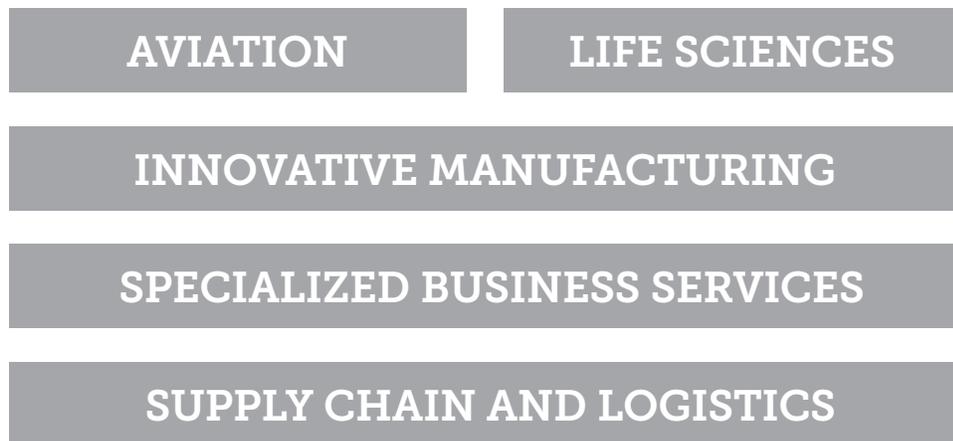
## Retail

*The goal in creating increased market demand to support grocery and other uses, is to increase traffic and population in and around the downtown.*

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## 2.3 Office & Industrial

The successful recruitment of jobs and new businesses generally results in demand in the form of commercial real estate. Industry attraction is the job of economic development organizations (EDOs). These organizations are generally public-private partnerships between state/regional governments and major employers and other business interests in the region. The North Carolina Department of Commerce is now such a partnership, with additional partnerships formed at seven regional levels throughout the state. The Piedmont Triad Partnership supports the region, and at the local level two organizations that impact Gibsonville include the Greensboro Partnership and the Alamance County Area Chamber of Commerce. The Greensboro Partnership reports five industry clusters that support the Greensboro MSA:



*SOURCE: GREENSBORO PARTNERSHIP*

The region’s percentage of employment per sector base industry (the North American Industry Classification System “NAICS”) is consistent with the North Carolina statewide figures with Health care and social assistance (NAICS 62) leading at 14.23% employment, followed by Retail trade (NAICS 44-45) and Manufacturing (NAICS 31-33), according to the 2014 annual average. The employment location quotient, or percentage of US employment ratios that exceed base industry standards, identifies which sectors contribute the greatest job and economic growth. Those with quotients greater than 1.00 demonstrate ratios higher than US averages. The industries in North Carolina which continue to exceed the national averages include Manufacturing (NAICS 31-33) and Management of Companies/Enterprises (NAICS 55) as evidenced by its long history and growth of headquarters facilities. However, the leading industries that drive the economic base in Guilford and Alamance Counties are somewhat different, as shown in the table below (with those in bold being the top industries):

Industry (2014 Average) Top Sectors	North Carolina	Alamance County	Guilford County
<b>NAICS 55 Management of companies/enterprises</b>	<b>1.28</b>	<b>0.37</b>	1.26
<b>NAICS 31-33 Manufacturing</b>	<b>1.26</b>	<b>1.59</b>	<b>1.28</b>
<b>NAICS 56 Administrative/Waste Services</b>	<b>1.13</b>	1.09	<b>1.51</b>
<b>NAICS 44-45 - Retail Trade</b>	<b>1.05</b>	<b>1.21</b>	<b>0.92</b>
<b>NAICS 61 Educational Services</b>	<b>0.88</b>	<b>1.45</b>	<b>0.79</b>
<b>NAICS 62 Health Care/Social Assistance</b>	<b>0.92</b>	<b>1.33</b>	<b>0.93</b>
<b>NAICS 48-49 Transportation/Warehousing</b>	<b>0.87</b>	<b>0.45</b>	<b>1.61</b>

Source: U.S. Bureau of Labor Statistics – Location Quotient, Rose & Associates SE, Inc.

Given Gibsonville’s position within the region and current offerings for land/buildings, a conservative capture rate of 5% of new regional job growth can be expected. Based upon historical data of total annual job growth for 2014, annual square footage demand estimates can be projected using the percentage of key employment sectors that correlate with office and industrial uses. When considering all sectors which may attract jobs, there is a multiplier effect of growth in local or service sector employment, servicing those new companies whose goods/services may reach a broader market. Using job growth trends based on past year performance, annual demand estimates can be formulated to anticipate future space demand:

<b>Annual Office &amp; Industrial Demand Estimate - Alamance &amp; Guilford County</b>		
New Basic Employees (per year)	2013-2014	1,443
Economic Base Multiplier		1.54
New Total Employees		2,222
Capture in Gibsonville		5%
New Total Employees in Gibsonville (per year)		111
Average # Office Employees	26.7%	30
Average Office Space per Employee (S.F.)		150
<b>Gibsonville New Office Space Demand (S.F.)</b>		<b>4,453</b>
Average # Industrial Employees	30.6%	34
Average Industrial Space per Employee (S.F.)		560
<b>Gibsonville New Industrial Space Demand (S.F.)</b>		<b>19,040</b>
Note: the balance (43%) of space demand in other sectors include retail, medical, education, government and other uses.		

### Existing Office and Industrial Supply

Gibsonville is located within the Piedmont Triad Region, which comprises 10 counties. Data from Michael S. Clapp & Associates, Inc./Karnes Research indicate that overall vacancy in the office market for the first quarter of 2015 decreased slightly to 17.3% from 17.4% for the previous quarter. The average asking rent is \$17.34 for the first quarter. The market data includes all office buildings over 5,000 square feet in Forsyth, Guilford, Alamance, Davidson and Randolph counties. This includes 652 buildings totaling 26,020,281 square feet, with 4,491,637 (17.3%) being vacant. This vacancy, which peaked in 2009, has resulted in modest rent growth trend over the past three years. Class A space has shown the most improvement, with Class B space showing modest gains. Class C space continues to suffer the most vacancy and rent growth, as companies upgraded space coming out of the recession. The report also indicates that 391,000 square feet of office space was under construction, with 975,151 square feet proposed, which will continue to put pressure on vacancy and rent growth. Job growth in sectors which support office space continue to struggle in the region.

Similar to the office market, the industrial survey covers buildings over 5,000 square feet in Forsyth, Guilford, Alamance, Davidson and Randolph counties. The industrial warehouse market, which includes 552 buildings totaling 51,462,191 square feet, had healthier gains, as this sector experienced a significant decline in vacancy with the vacancy rate of 11.8% (6,072,210 square feet) in the first quarter of 2015, largely due to demolition of obsolete space and the occupancy of Ralph Lauren's warehouse. Nonetheless, vacancy was at its lowest point in the fourth quarter of 2012, and has shown steady improvement to its current lowest point since the survey began in 2008. The asking rents have thus improved, with current asking rents at \$3.74 demonstrating an increasing trend. Similar to most of the smaller towns and cities that surround the major metropolitan area, the majority of office and industrial space in Gibsonville includes older, obsolete buildings and/or smaller spaces (under 5,000 square feet, as reported in Michael S. Clapp/Karnes Research reports).

In Gibsonville, the existing supply of readily available office or industrial space in the downtown study area is limited. However, it has three prominent mills either currently in operation with industrial/warehouse uses, or poised for adaptive reuse and redevelopment. The most notable property offering is the Mineola Mill, owned by Tom Lindley. According to the property owner, this property has no environmental issues and the ownership is open to different options.

### Summary Conclusions and Recommendations

Communities that do not focus economic development efforts on providing diversified (basic) jobs are limited to providing only housing and related retail, thus becoming known as “bedroom communities”. The current economic cycle will continue to drive companies to the southeast in search of lower operating costs, skilled labor and quality of life characteristics found in this region, and Gibsonville could benefit from offering competitive business opportunities in key areas, including its downtown.

Thus, small scale professional and medical office uses clustered within the downtown are recommended to grow and diversify business establishment types, stages and employment sectors. Office uses should be located on the second floors of the Main Street corridor or on the side streets, to create a central business district to provide synergy between government uses, restaurants and retail. Additional business in office or industrial spaces would provide additional daytime population to support restaurants, retail and other service businesses in the downtown. As a result, the Town of Gibsonville could emerge as a desirable and viable business location, by providing renovated space within a mixed-use environment. Assuming stable employment growth consistent with that seen in 2014, a long-term 10 year plan could ultimately support approximately 44,530 sq. ft. of office space and 190,400 sq. ft. of industrial space in Gibsonville. This could include incubator space or innovative flex/light industrial in appropriate locations for new emerging clusters that would complement existing industries and the expanding efforts of the region’s initiatives between the EDOs and Elon University.

**Office/Industrial**  
*Additional business in office or industrial spaces would provide additional daytime population to support restaurants, retail and other service businesses in the downtown*

### Other Uses – Public

The downtown includes governmental offices (Town Hall and Police) as well as the beloved town green and historic train depot. Together they form the nucleus of a civic center providing a social component to connecting the community with elected officials and town staff. Additional recreational uses and entertainment venues might be considered which are consistent with the lifestyle behaviors outlined in the tapestry segments. Though some of these uses differ from retail uses, they complement one another and can create additional trip generation and demand for existing or new retail uses.

## 2.4 Housing

The existing housing in Gibsonville is predominately single-family and fairly modest in size and value. Much of the existing housing is located on large lots. This is particularly true of the housing in the immediate vicinity of Main Street. There are historic homes lining the opposite side of Main Street, which add to the charming appeal of the downtown. This together with the potential adaptive reuse of the downtown Mineola Mill would provide some housing diversity, as the current housing stock lacks the density that is necessary to provide the added demand for other uses.

Additional business in office or industrial spaces would provide additional daytime population to support restaurants, retail and other service businesses in the downtown that is desired for Main Street. While this condition might not change overnight, it will need to change if the kind of redevelopment envisioned along Main Street is to be successful.

One population segment that could provide some impetus for growth in Gibsonville is older adults. A quick scan of the housing patterns suggests that there are ample apartments but limited senior housing options in the area. The senior population is growing everywhere, including in Gibsonville. In many counties the senior population (65+) is larger than the population of children (17 and below), yet the houses that exist and often are being built are designed for families with young children. Only about 25% of the households in the United States have a child in them.

Historic Homes



Homes on Railroad Avenue



Francis Marion Smith House



In addition to housing that supports independent living by seniors, communities also need institutional housing for those who are no longer able to live independently. The number of older adults who will need these opportunities is going to increase dramatically over the next few years resulting from the population bulge of the baby boomers and the correspondingly longer life expectancies. Many in assisted care are able to walk or use assistance like wheelchairs to go short distances, and in addition, family members and friends come to visit.

Unbiased questions about the type of housing older adults would like to live in or move into almost always result in a response that they would rather live in a mixed-age neighborhood, or in a downtown close to services, rather than in one that is age specific. Therefore, housing designed to be attractive to older adults (master bedrooms downstairs, smaller homes but with amenities, few steps, walkable and compact) will do better than the age specific developments. In addition, these characteristics are attractive to a very wide range of folks, not just older adults. Neighborhoods with housing designed in this way are almost always made up of condos, townhomes, bungalows, and one story homes rather than what is typically found in subdivisions. This could be considered for the now vacant mill village behind Mineola Mill.

The Town of Gibsonville has attempted to fill this void with the proposed senior housing project in Gibsonville School, a colonial revival style building, which is listed on the National Register of Historic Places and located on 500 Church Street at the edge of downtown.

Housing that is most attractive to seniors or Millennials seeking a downtown experience would bring additional population, and energy to the downtown. While some communities shy away from apartment complexes, a fairly large group of people are not in the position to own a home because of lack of financial resources or because they simply don't want to own one. Therefore opportunities for rental apartments above retail as well as townhomes and/or condos for sale should be considered in the downtown.

### **Summary Conclusions and Recommendations**

The bottom line for Gibsonville is that the housing market needs to expand in order to support the sort of Main Street that is envisioned. The existing housing pattern needs to change in order for the market growth to occur. The pattern is set in terms of competing with neighboring suburban areas on the prototypical housing type that you find there (large, two –story homes on small to medium lots). Gibsonville should buck the trend and look to providing alternative and new housing types to increase density and attract a growing market that is capable of supporting the vision for the Main Street development.

## Housing

**The bottom line for Gibsonville is that the housing market needs to expand in order to support the sort of Main Street that is envisioned.**

# Section 3

## Downtown Strategy



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## 3.1 Key Themes

Gibsonville has a rich history, passionate citizens and ample opportunity to create a vibrant downtown environment, which is unique to the region. The primary theme around its history and assets includes the rail road. This should be leveraged as a tourism asset – from the railroad garden to the caboose.

The second of the three key themes centers around the strong community of trades and crafts. Downtown Gibsonville is well-known for antiques, jewelry and rare hardwoods. The Mill at Gibsonville, Gibsonville Antiques and Collectibles, The Hardwood Store of NC represent the best in old and new craftsmanship. Dixie Belle Lingerie and Gem and Company are carrying on the tradition of textile manufacturing.

The final key theme of local small business speaks to the public’s emerging need to know and support local business owners. Downtown Gibsonville is a charming place to shop, walk and dine. The personal touch from the unique small businesses like the southern cooking at Pete’s Grill and the jewelry designers at Wades Jewelers are signatures of the welcoming, caring atmosphere in its business community. Quaint brick faced shops holding treasured antiques, hobby trains, candy, string instruments, gift items and crafts have a nostalgic homespun feel. The weekly farmers’ market and the music on the Town Greens are family friendly and reminiscent of a simpler time that many crave.

In addition to striving to attract more retail options in the downtown, Gibsonville would provide more resiliency for existing businesses if it would focus on continuing to expand growth in the downtown, both in the resident and daytime (employment) populations, as well as attracting visitors. Therefore the focus of the key themes should include three primary strategies:

### 1. Land Use Planning & Place-Making

Similar to Quality of Life, Place-making is a subjective term associated with creating a sense of place commonly found in downtowns, villages, arts districts, resort areas and other places where people gather to socialize, or honor a historical event, time or place. This is also discussed in the earlier sections of this report. While definitions and terms may vary, most have similar elements which are key to their success or memorable stature. More often than not, these places are associated with things to buy and things to do, such as shops, restaurants and other entertainment venues. Physical, structural changes to the landscape through public improvements can only be successful with private investment to create a place that matches consumer spending, behavior and lifestyle patterns. Most important is the creation of a downtown that establishes a place and an identity for Gibsonville that honors its history and connects with its residents. Integral to the plan and viability of retail, Gibsonville should also strive to:

- Evaluate density to cluster and energize commercial and residential uses, and create mixed-use development opportunities competitively priced in the marketplace;
- Address traffic patterns, volume, way-finding signage and visibility to strengthen retail viability;
- Implement the recently completed Pedestrian Plan. Expand this to engage a consultant to create a downtown master plan to include building standards, to ensure quality space offerings, strengthen trip generation and place-making.

## **2. Operations & Events**

Shops and restaurants should be open at predictable, convenient times and have regular and consistent hours. Events or attractions must be consistently offered, and at times that are also predictable. One such attraction is the small scale train which captures the imagination and attention of all who experience seeing it chug along its track in the heart of downtown. It is privately owned, and operates on public property, under an informal "gentlemen's agreement" with a local citizen who also owns a train shop nearby. However, the inconsistent hours of operation, and variable status of condition often result in disappointed visitors who might otherwise remain in the downtown to patronize other businesses. This is a missed opportunity for a public-private partnership between the town and a reliable operator to honor the town's history and leverage its assets. The events such as the Farmer's Market, concerts and other seasonal offerings on the town green should be continued, and marketed to a broader audience to include visitors. Events and store hours should be coordinated, so that the retail operators may make maximum use of the traffic driven to the downtown for events. Examples include evening hours during concert events and art shows.

## **3. Branding and Marketing**

In reviewing some brand statements that were crafted by townspeople, it is most apparent that the friendly and comfortable feel of the town, its history and the locally grown or crafted products are major points of pride. Building upon these elements in a concise brand statement that can be easily remembered and articulated will create a shared vision for Gibsonville. Although Gibsonville has been known as "The City of Roses", interviews of Gibsonville merchants and residents indicate that there is an ambivalent or in some cases negative image created by the motto. It is worth considering a new branded identity as Gibsonville continues with its plans for economic growth. Once the brand has been established, it should be replaced on the town's website and town signs. A marketing campaign that delivers the essence of the brand to visitor and residents will transition those who are familiar with the former town brand and newcomers. Social media, both from the town and the merchants should convey the brand message, telling its story in pictures of history, local goods, and community activities that promote the friendly feel of Gibsonville.

Therefore, Gibsonville should strive to implement the recommendations in this report and in the 2014 NCDDA technical assistance team report.

### 3.2 Economic Gardening

The economy of a town is influenced by local and regional demographics, regional economic cycles, and business friendly environments. Population factors include the unique capabilities and expertise of individuals, the demographics of those who live in close enough proximity to the downtown to take advantage of its business offerings, and attractors that would bring people to the downtown business scene. Viewing a downtown as a microcosm of the local community and combining the analysis of influencing factors with the most appropriate economic strategy will bring the highest likelihood for success to Downtown Gibsonville's Main Street business district.



*Source: Edwardlowe.org*

A strategy of Economic Gardening<sup>2</sup> is recommended in which economic development is positioned to grow the local economy from within. The focus of Economic Gardening includes individuals who will not only live in the area, but work, start and provide an economic base for local business efforts. It is recommended that Downtown Gibsonville employ the strategy of Economic Gardening to support existing small businesses, provide a platform for entrepreneurs wishing to start small businesses, and entice small businesses to locate to downtown inventory. The development of a comprehensive Economic Gardening Strategy consists of several elements<sup>3</sup>, and the first two should be employed to develop a Downtown Gibsonville business district:

#### **Economic Gardening: First Element – Identify Available Community and Business Assets**

The first element of developing an Economic Gardening Strategy is to identify available community and business assets, including available skills and expertise. Local history can be used as a focal point of a downtown strategy, not only for tourism, but in planning and supporting downtown businesses. A downtown that maintains the character of the community and honors local history communicates a strong identity that attracts businesses, workers and patrons. Gibsonville has a strong history in farming, railroad, textiles, lumber and distilleries. That these three themes of agriculture, railroad, and tradesmen/craftsmen continue to have deep roots in

Gibsonville is demonstrated in several of the existing business/retail/dining assets located in downtown Gibsonville including Bobby's Hobbies, Gibsonville Garden Railway, Wade's Jewelry, Burke Manor Inn/Saint Jacques at the Burke Manor, Sherry's on Main, Mary's Creek Guitars, The Mill at Gibsonville, Gibsonville Antiques and Collectibles, The Hardwood Store of NC, Gem and Company, and Dixie Belle Lingerie.

In consideration of the trade area analysis, it is recommended that the following four business sectors be considered as key in the planning of the Downtown Gibsonville business district:

- Family/Youth Oriented Recreation
- Artisans, Craftsman, and Tradesman
- Food/Dining/Entertainment
- Service and Professional Businesses

#### **Family/Youth Oriented Recreation**

Families with children are drawn to Gibsonville by its quality of life and athletic programs, including Gibsonville's fifty plus teams in the Gibsonville Parks and Recreation Department, softball, baseball, tee-ball, football, flag football, beginner pee-wee football, cheerleading, fall soccer, and basketball. In addition, the Town of Gibsonville Comprehensive Pedestrian Plan (June 2014) is part of the Alamance County Trail Plan providing Downtown Gibsonville with the opportunity to leverage the region's interest in biking and hiking activities.

It is recommended that Family/ Youth Oriented Recreational businesses be clustered in close proximity to Main Street to encourage pedestrian traffic and cross-promotion marketing businesses such as bike sales/repair shops, youth sports gear, recreational/historical/agri-tours (hiking, biking, farms/wine/brewery), sports memorabilia and collectibles, printing/signage, screen printing, and promotional items.

#### **Artisans, Craftsman, and Tradesman**

That downtown Gibsonville is a well-known destination for antiques, jewelry and rare hardwoods should serve as the foundation to attract and support complementary businesses, such as home decorating services, home improvement services, remodeling/renovation services, musical instruments, fine woodworking, furniture making, furniture/antique refinishing and upholstery, cabinet making, and artisan studios. It is recommended that commercial inventory surrounding the downtown area be used for co-op and shared space for Artisan, Craftsman and Tradesman businesses.

### **Food/Dining and Entertainment**

The abundance and popularity of the crops provided by local agricultural businesses is currently represented in downtown Gibsonville with Gibsonville Market Days, Six Scoops Ice Cream, and Once Upon A Chocolate. In addition, the downtown is in close proximity to other Gibsonville area agricultural businesses including, Grove Winery & Vineyards, High Rock Farm, Blueberry Thrill Farm produce, Smith Farms and Greenhouses, Apple Farm, and Early Farms Produce & Plants. There remain additional opportunities to encourage artisan businesses that use food and food-related products to create their product, e.g. health and wellness products, soaps and personal care products, and specialty food items to locate in the downtown. Micro-brewing, tap rooms, distilleries and wine bars represent a growing business sector that attracts patrons to downtown areas and should be included when identifying new business tenants. Entertainment venues that stand alone or are combined with Food/Dining venues should be encouraged as they provide motivation for patrons to remain downtown and spend additional dollars at retail establishments and other businesses.

Street level visibility, walking distance to and between venues, and parking are keys to the success of Food/Dining and Entertainment businesses. It is recommended that ground-level Main Street inventory use be encouraged for Food/Dining and Entertainment businesses. In addition, there is commercial inventory in the downtown area that could be used for co-op and shared space for businesses requiring larger spaces such as micro-brewing and distillery operations.

### **Service and Professional Businesses**

Service and Professional Businesses that support individuals and other businesses are often located in downtown adjacent to, but not directly on, Main Street or above street level on Main Street. Service Businesses can include, advertising services, building services (e.g. architects, engineers, and contracting), computer/tech services, design services (graphic design, website services, signage), dry cleaning and laundry services, personal-care services (hair salons/barbers, massage therapist), photography services, postal and business centers, publishing services, real estate services, security services, senior care services, shipping services, travel agencies, and tutoring services. Professional Service Businesses employ individuals who require special training in the arts and sciences, and include attorneys, financial and insurance service, architects, doctors, and dentists. It is recommended that Service and Professional Businesses be located in inventory in close proximity to each other to create a Service and Professional business identify for downtown Gibsonville.

### **Economic Gardening: Second Element – Identifying Potential Resources and Partner Organizations**

Resources and partners inside and outside the community can be leveraged to support the downtown Gibsonville plan and fill gaps in skills and expertise, offer coaching and guidance, and financing support to its business community. It is recommended that Gibsonville use resources and partners to connect entrepreneurs with experts that can help them with their business model, operations, financing, workforce development, and marketing efforts, including web presence and target marketing. Some resources and partners available to the town Gibsonville, its downtown business community, and its financial institutions include:

- Alamance Community College: Small Business Center (Graham) and the Business, Arts and Sciences Department (Burlington)
- Elon University, Martha & Spencer Love School of Business
- Chambers of Commerce
- Service Corp of Retired Executives (S.C.O.R.E.)
- U.S. Small Business Administration (SBA) Programs
- United States Department of Agriculture
  - Rural Micro-entrepreneur Assistance Program in North Carolina
  - Rural Business Development Grants in North Carolina
  - Business & Industry Loan Guarantee (Rural Development • Rural Business-Cooperative Services)

### **Summary**

The Downtown Gibsonville business community has a strong foundation upon which to build a sustainable and successful business district. Downtown Gibsonville businesses already draw patrons regionally and nationally. Wade's Jewelry, Burke Manor Inn/Saint Jacques at the Burke Manor, Mary's Creek Guitars, The Mill at Gibsonville, Gibsonville Antiques and Collectibles, The Hardwood Store of NC, Gem and Company, and Dixie Belle Lingerie can be considered cornerstones to the downtown business district. With a clear vision of the character of downtown Gibsonville and an understanding of the audience it serves, other businesses in the downtown business district can leverage these cornerstone businesses to establish, promote, and grow their own businesses. Challenges in the downtown area do exist including, but not limited to, the current placement of highly dissimilar businesses along Main Street leading to a disjointed downtown character, the lack of walkability to the Mineola plant complex, and the unoccupied and/or unsightly inventory left by vacant property, deferred maintenance and obsolete uses. Leadership efforts and investment by the town of Gibsonville in streetscape, pedestrian improvements, occupancy, and business placement will demonstrate its commitment to attract and support downtown businesses that serve the greater Gibsonville community.

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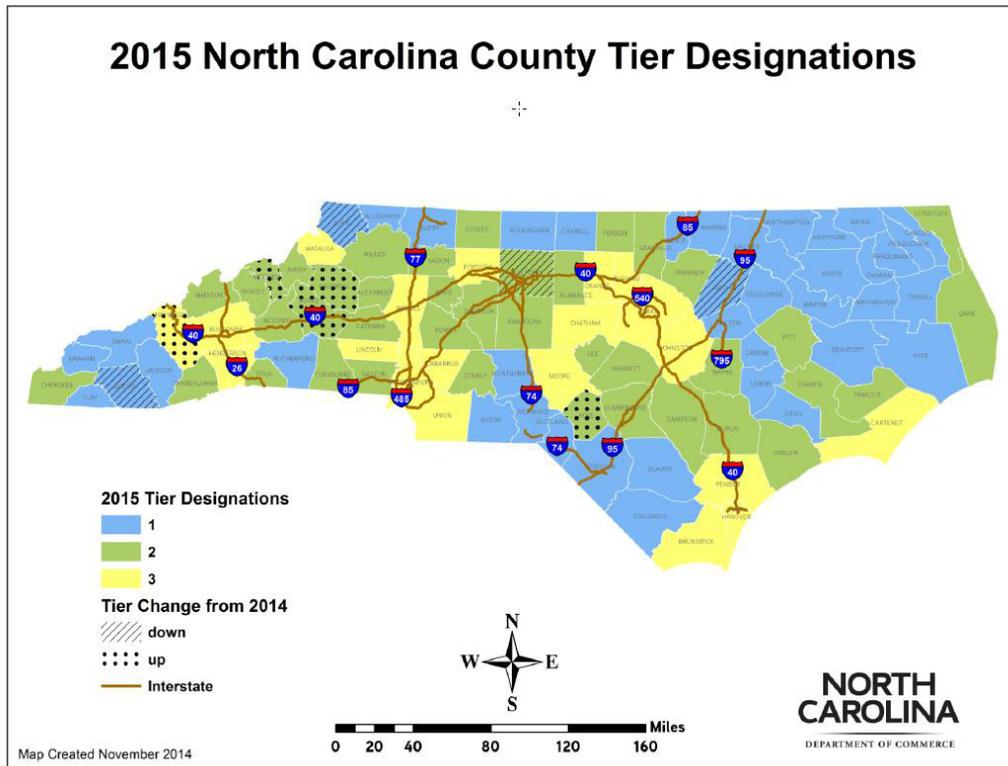
<sup>2</sup> Economic Gardening, The Edward Lowe Foundation, [edwardlowe.org](http://edwardlowe.org)

<sup>3</sup> "Developing an Economic Gardening Strategy: Seven Steps", International City/County Management Association, ("ICMA"), September 16, 2010, [http://icma.org/en/Article/100633/Seven\\_Steps\\_to\\_Developing\\_an\\_Economic\\_Gardening\\_Implementation\\_Strategy](http://icma.org/en/Article/100633/Seven_Steps_to_Developing_an_Economic_Gardening_Implementation_Strategy)

### 3.3 Implementation

The following are short and long term tasks for implementation by the local stakeholders through existing town committees, local non-profits and other organizations.

The N.C. Department of Commerce annually ranks the state’s 100 counties based on economic well-being and assigns each a Tier designation. The 40 most distressed counties are designated as Tier 1, the next 40 as Tier 2 and the 20 least distressed as Tier 3. This Tier system is incorporated into various state programs to encourage economic activity in the less prosperous areas of the state. Alamance and Guilford Counties are Tier 2 designations. Guilford County moved from Tier 3 to Tier 2 in 2015, thus considered more distressed than the prior year. Each year areas of eligibility are defined for the benefits of grants, incentives and other programs through the Department of Commerce.



#### Short Term

- Activate Committees (4) as outlined in the 2014 in Main Street Program;
- Fund and implement the 2014 Pedestrian Plan infrastructure in the downtown;
- Engage consultant and implement Way-Finding Signage to improve traffic through downtown;
- Incentivize retail on Main Street (blocks between town hall and greens) through continued façade grants and other tools/resources available through the NC Rural Center and NC Main Street programs (see section 4 for links to resources).

**Long Term**

- Review/reconsider branding and marketing strategy based upon history and future vision;
- Engage consultant & implement a professional Branding & Marketing campaign, to include destination tourism strategies;
- Create a paid position for downtown/economic development to provide link between public and private interests, accountability and benchmarking to support strategies. This would include the following elements (where applicable):

Commercial Permits New	(#)
Commercial Permits New	(\$)
Commercial Permits Renov	(#)
Commercial Permits Renov	(\$)
Retail Vacancy (submarket)	%
Office Vacancy (submarket)	%
Hotel Occupancy	%
Hotel Tax	(\$)
Retail Sales Tax	(\$)
Business Licenses	(#)
Employment	(#)
Unemployment	%
Residential Permits	(#)
Residential Values	(\$)

- Integrate Land Use Planning via a Downtown Small Area Plan effort to include transportation issues;

Tools and resources can be found in section 4 of this report.

# Section 4

## Appendix



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## Appendix

### 4.1 Methodology

This analysis encompasses the broader reach of Gibsonville, from a macro and micro perspective. The analysis and forecasting of market data, which includes demographic and population estimates, combined with real estate, economic and employment estimates, is both art and science. All market research analysts begin with US Census Bureau data – which has limitations as to accuracy and timeliness. Nonetheless, the data provides a benchmark as much for a retrospective look as a prospective one. Three factors must be considered when looking exclusively at demographic data: the role of economic drivers that are a departure from past trends; growth from primary centers spilling over into outlying areas (i.e., “sprawl”); and constraints due to availability of land physically and legally suited for such development. Therefore, a number of methodologies are utilized throughout this report, including but not limited to, Economic Base Analysis, Highest & Best Use Analysis and Central Place Theory. They are described as follows:

**Economic Base Analysis** is used to determine real estate demand. The underlying theme suggests that jobs drive demand for real estate: in other words, for every (basic) job that is created, a multiplier effect increases overall employment (both basic and non-basic), thus increasing both population and income within an area benefiting from such job growth. The corresponding growth (or decline) in jobs, population and income correspond to demand for commercial and residential uses of real estate.

**Highest & Best Use** is used to determine most appropriate use of land, given the underlying economic base. It is site specific. Highest & Best Use, as defined in *The Dictionary of Real Estate Appraisal*, is:

*The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the Highest & Best Use must meet are legal permissibility, physical possibility, financial feasibility and maximum profitability.*

In using the Highest & Best Use concept, a site is analyzed “As if Vacant”. The premise of the concept is that an analysis of all reasonable alternative uses will identify the use that yields the highest present land value, after payments are made for labor, capital, and coordination, and, therefore, is the Highest & Best Use. The use of a property is based on the assumption that the parcel of land is vacant or can be made vacant by demolishing any improvements.

**Central Place Theory (CPT)** is utilized to evaluate commercial feasibility and trade area. It can be also used for certain types of non-traditional housing, such as senior or student housing, whose locations are dependent upon central places, such as a university or medical care. The underlying theme of CPT is that the location decision of commercial establishments is driven by rent maximizing forces. That is, providers of goods and services will locate where they believe they can maximize profits. CPT suggests that certain locations are more “desirable” than others, primarily due to the location of existing businesses that are already attracting customers. This means that there are “central places” with varying degrees of magnitude that attract such customers.

The fundamental theme of CPT is that commercial locations are spatially interdependent, implying that growth is not random, but ordered and rational. Therefore, CPT relies on three basic concepts:

**Threshold population:** Businesses need a certain number of customers to break even. The threshold refers to the number of persons or households of a target customer group. When the population density is known, this can be expressed in terms of a trade or service area. Most employers and

retailers know what their threshold population is, and it is common for them to specify minimum site requirements in terms of population, households, and workforce or customer type (by age, income, occupation, etc.) within certain radial areas around a site. The trade area for this analysis includes typical benchmarks for determining threshold consumer or employee populations.

- *Threshold Population*

- *Higher vs. lower order of goods and services*

- *Trade area or "range" of goods and services*

**Higher vs. lower order of goods and services:** Goods and services with low thresholds are called lower order of goods (i.e., gas stations, eating/drinking establishments, beauty salons, etc.), also referred to as convenience-oriented locations. Those with high thresholds are called higher order of goods (i.e. shopping malls, hospitals, office parks, etc.), also referred to as destination-oriented locations. The location of higher order goods and services may influence the location of lower order goods and services. This is often seen where retail/office uses will cluster together around certain centers of influence such as regional malls, large shopping centers, hospitals and business parks or major employment centers.

**Trade area or "range" of goods and services:** Demand for a good or service is constrained to a limit or "range" (measured in terms of distance or drive time) beyond which customers will not travel to a specific store location. Therefore, demand for most goods/services decreases with distance or travel (drive) time from a retail/commercial location. The existence of competitors diminishes the range and more accurately determines the actual market area for a good or service. The market or trade area will also vary according to street patterns and population density. However, not all businesses seek to maximize distance from competitors, but rather cluster together to attract more customers per business than if they were to distance themselves from each other.

Together, these concepts determine that a business seeking to maximize accessibility and profits will select one location over another and be willing to pay higher (or lower) rents for a specific location.

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## 4.2 Data, Toolkits & Resources

### Links:

- NC New Market Tax Credits  
<http://www.thrivenc.com/incentives/financial/tax-credits>
- NC Historic Tax Credits  
<http://www.hpo.ncdcr.gov/tchome.htm>
- NC Rural Center Grants  
<http://www.ncruralcenter.org/>
- NC Commerce Block Grants  
<http://www.nccommerce.com/rd>
- NC Certified Retirement Program  
<http://www.retirenc.com/certified-communities>
- Greensboro Partnership Entrepreneur Initiative  
<http://greensboropartnership.com/entrepreneur-connection>
- Guilford County "Say Yes" program (education)  
<http://sayyesguilford.org/>
- BALLE – Buy Local Toolkit  
<https://bealocalist.org/local-first-toolkit-1>