

Market Assessment and Positioning Strategy

City of Beaufort, South Carolina



FINAL REPORT

Prepared for the City of Beaufort

By: Seth Harry and Associates, Inc.
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www.sethharry.com

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1.0 INTRODUCTION AND EXECUTIVE SUMMARY

1.1 Purpose of this Report

The purpose of this report is to outline and document the opportunities and challenges associated with increasing the overall health, vibrancy, and diversity of retail goods and services offered within the City of Beaufort, South Carolina. As part of a larger, more comprehensive planning and visioning effort undertaken by the Office of Civic Investment of the City of Beaufort, Seth Harry and Associates, Inc., has been asked to identify specific demographic conditions and market trends which can be responded to through a combination of strategic recommendations and regulatory and policy initiatives, to enhance and improve the quality of life for the residents of Beaufort, and to create more profitable and successful local, commercial enterprises.

Specifically, this study is intended to:

- Measure the consumer spending potential in the Beaufort market and compare it to the type and amount of retail presently available in the trade area
- Document areas of oversupply or unmet demand and recommend actions to address those issues
- Provide specific recommendations intended to enhance the viability and sales productivity of local merchants while adding to the quality and diversity of goods and services for both the local and visitor markets
- Identify regulatory policies which might impede the adoption of those recommendations, and/or otherwise discourage the market from reaching its full potential
- Identify emergent trends which might influence or shape Beaufort's strategic positioning, long term, thereby enabling it to anticipate and project where the market is heading, and to meet it there, not where it has been.

1.2 Executive Summary

The following market assessment strongly suggests that the City of Beaufort, South Carolina is -- *at first glance* -- over-retailed relative to the local consumer market. This is based upon a statistical comparison of consumer spending potential for the demographic makeup of the local consumer market relative to the retail supply within its assumed trade area. However, this initial perception must be tempered by the complex, multi-faceted nature of that consumer market and the physical context in which it resides, both of which influence the way in which the local Beaufort market behaves dynamically, relative to more typical markets. An additional factor to consider is the visitor market, which clearly plays a significant role in determining the overall retail demand for the area, but for

which little readily available and useful data exists. And finally, there is the retiree market, whose spending behavior is not necessarily linked to income in the conventional sense, and whose contribution to the overall spending potential is therefore also difficult to quantify.

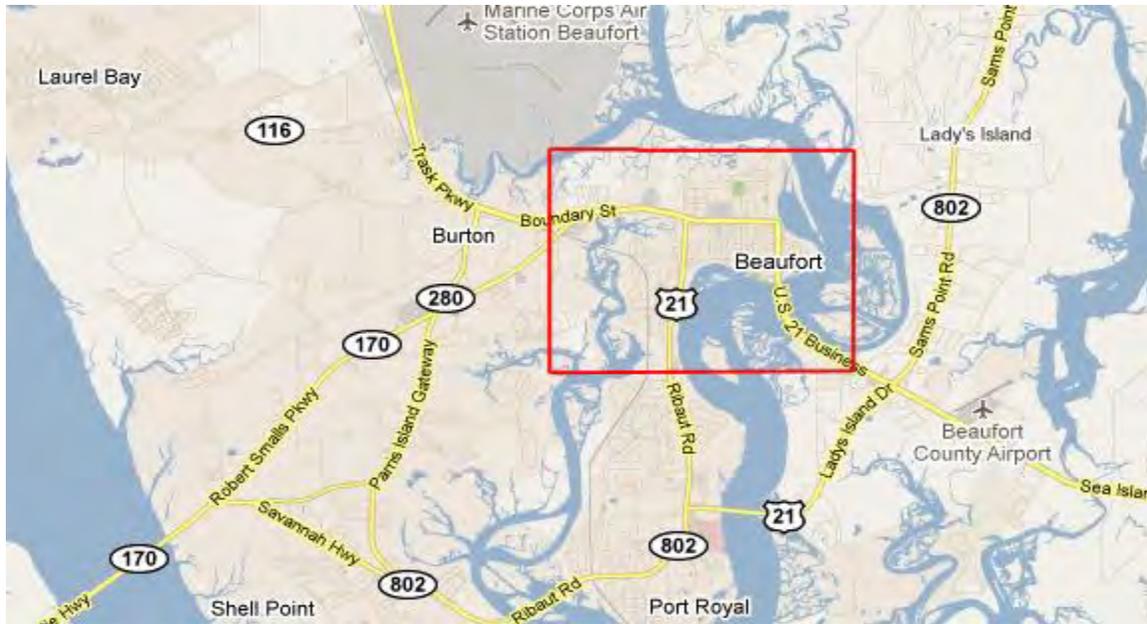


Figure 1.2-1 The Study Area for this report is generally comprised of this historic core of the City of Beaufort.

Taken together, these tempering factors suggest that -- anecdotally at least -- there may exist more opportunity to grow and expand downtown Beaufort's retail market than the data alone would otherwise indicate.

In general, traditional main street communities like Beaufort rely on a variety of different mechanisms to enhance their performance relative to competing suburban retail centers. The City and its downtown are already pursuing many, if not most, of the conventionally recommended strategies for optimizing their overall market capture. These include maintaining a downtown business association, actively promoting events, working to improve the overall physical condition, attractiveness, and amenity value of downtown area, and promoting economic development, in general. The City has worked hard to protect its existing assets by actively promoting and preserving the historic character of the downtown core, as well as enhancing it with forward-looking initiatives, such as funding the recent development of a new waterfront park. However, in spite of these efforts, Beaufort and northern Beaufort County have lost ground relative to other developments and municipalities in the region in both population growth and retail vitality.

Therefore, general goals and recommendations with regard to retail vitality should focus on increasing both the size and capture of the local market, in addition to improving the performance of the City as a whole within the region.

These objectives can be realized through a dedicated, ongoing effort targeted at improving all aspects of the City's market and competitive positioning strategy.

Specific recommendations include:

- The historic downtown core should remain primarily a regional shopping and dining destination catering to both the visitor and local markets, offering unique, one-of-a-kind merchandise and a variety of dining experiences and price points. This approach is also consistent with the expressed preferences of the downtown business owners, as articulated by their local representatives.
- Within that broadly defined positioning statement, however, efforts should be made to broaden the range of goods and services offered within the downtown to better align the needs of local residents with those of the visitor market, with the intended purpose of improving the City's potential share of both consumer markets.

This objective can be met by recruiting targeted merchants and services which will appeal to both markets, and/or by simply broadening the range and nature of specific merchandise offered within individual stores to include products which meet the needs of both markets, and/or by re-tailoring the mix of goods and services on a seasonal basis to reflect the changing nature of those consumer markets over the course of the year.

- To avoid conflicting with the goal of retaining the historic downtown core's focus as a specialty regional shopping and dining destination with the desire to expand the City's overall appeal within its larger regional context, Beaufort should expand the perceptual definition of "Downtown" to accommodate a greater variety of retail diversity of both type and scale within the City, in order to achieve this objective.

Expanding the definition of "downtown" to include Boundary, Carteret, and Bladen Streets will help improve local capture by adding critical retail mass to the downtown shopping area overall, making the downtown more competitive with the nearby suburban arterial corridors and other regional-scale offerings in the market.

- Expand and improve signage and wayfinding in the downtown area, along with a more formally organized and strategically managed parking district to make it easier and more convenient to shop downtown.
- Encourage more residential development downtown and in its adjoining neighborhoods by adopting a more liberalized and graduated policy framework to govern infill development around an agreed-to set of principles, based upon traditional regional building precedents and design standards. This should provide more consistency and predictability for

both residents and investors alike, while protecting historic assets downtown.

- Promote the use of a formal rehabilitation code for the downtown historic core to encourage greater utilization of non-standard buildings and specifically, their upper floors. This code is based upon a rational, graduated standard of incremental upgrading and relative code applicability.
- Identify and facilitate the marketing of catalytic redevelopment sites and opportunities which could help stimulate long-term reinvestment in the downtown core by sending a positive message to the market.
- Strengthen both ends of Bay Street, while providing greater merchandising clarity through the use of focused sub-districts, or other merchandising clusters, and provide a stronger anchor for the Back Bay (Port Republic Street) area by locating a major parking facility on or near Port Republic Street.
- Consider the use of temporary merchants and/or “pop-up” stores to incubate and test new merchandising concepts, expand shopping variety downtown, including support of seasonally themed or special merchandising events, and to allow outside regional players to explore establishing a presence in the market.
- Encourage greater regional visitation by adding a day dock and enhanced waterfront amenities to take better advantage of the intra-coastal waterway, and encourage day trips from nearby waterfront communities like Hilton Head.
- Explore the addition of a water taxi as another way to attract visitors from nearby coastal communities.
- Provide physical markers to improve perceptual awareness of the tangible links between the waterfront, Bay Street, Port Republic Street and neighborhoods adjoining Downtown.
- Fund a comprehensive analysis of the visitor market and use that information to better inform merchant recruitment and overall marketing and branding efforts.
- Encourage more consistent operating times for downtown merchants, starting with the incremental addition of “shopping nights” during high season, festivals, and special events, and expand as appropriate.

- Continue graduated parking rates as part of comprehensive parking management program to encourage higher turn-over along Bay Street, and the expansion of longer-term parking for downtown business workers and day trippers in a convenient, nearby location. Improve signage and wayfinding to encourage greater utilization of all parking assets.
- Adopt a more aggressive merchant recruitment and retention campaign, including the development of comprehensive leasing materials, augmented with credible data on the visitor market. Establish relationships with regional leasing professionals who can provide access to both regional and national merchants who might be interested in coming to Beaufort.
- Develop an effective branding strategy that helps clarify, define, and articulate Beaufort's core values and its target audience, and which outlines an effective strategy for reaching that market, including an enhanced website.
- Make effective use of social media and associated digital applications to reach a more youthful or tech-savvy audience. Use both to help promote downtown and to highlight current events, promotional offers, feature stores or restaurants, and/or to cross promote other businesses in town.
- Pursue a comprehensive, multi-faceted approach to downtown revitalization, including a more diversified economic development focus to encourage long-term population growth and a more stable and robust local consumer market.
- Adopt progressive regulatory and policy guidelines based upon predictable, form-based templates, to help facilitate and expedite new business formation without undermining historic guidelines and standards.

NOTE: Preliminary analysis and evaluation of the Beaufort consumer market, in association with this study, was used to inform the work of a public participatory (charrette) planning process, which took place while this study was underway, and in which the authors of this report also participated. To the extent that specific plan proposals associated with that event may reflect recommendations and findings outlined in this report, is the likely result of conscious efforts to incorporate these preliminary findings.

2.0 STUDY AREA CONSUMER MARKET

2.1 Background and Overview

The historic City of Beaufort, South Carolina, is a charming coastal town widely known through literature and film. Though no longer the center of commerce for its immediate area, the downtown core and its surrounding neighborhoods continue to play a key role in the regional economy. The city's unique culture and history, combined with its physical appeal and natural setting, provide a valuable amenity in attracting visitors and new residents alike to the region. This strategic role has helped sustain existing area businesses of all sorts, while also encouraging local entrepreneurship and new business development as new arrivals, attracted by the area's many cultural and recreational offerings, seek the best means to support themselves, long-term.

In spite of this important role, downtown Beaufort has struggled in recent years to redefine itself economically in response to changing consumer tastes and market dynamics. This challenge has been exacerbated by the current recession and the expansion of strip commercial development lining the major arterials leading into and out of town. However, even as the City continues to evolve in response to these challenges, emerging demographic trends suggest a renewed appreciation for the kind of attributes and quality of life opportunities places like Beaufort offer, providing an encouraging counterpoint to these recent difficulties.

In evaluating market potential, one measures consumer demand relative to supply of goods and services. The result is usually expressed in terms of sales leakage, or "gap," and is a key indicator of whether or not local consumers are obligated to leave the area to secure goods which are either not available locally, or not available at the price or quality those consumers expect or feel is appropriate. In the case of Beaufort and its assumed trade area, the amount of retail supply indicated far exceeds that of local demand, across all of the relevant merchandise categories, as described by the North American Industrial Classification System (NAICS 44-45). This means that there are no obvious areas of unmet demand in the market simply waiting to be fulfilled which could be expected to immediately improve the overall performance of retail in the area.

However, it is possible that even in this context, there may be opportunities to improve capture in smaller, niche segments in the marketplace, and/or to successfully recapture other sub-markets of niche demand that are currently being satisfied elsewhere. Taken together, these initiatives could have a measurable cumulative impact on the overall performance of Beaufort's downtown retailers.

2.2 General Market Characteristics

The Beaufort Consumer Market is diverse, complex, and multi-faceted. It is comprised of distinct demographic strata representing a broad spectrum of socio-

economic characteristics and consumer preferences, supplemented by an equally diverse visitor market.

Overall, the size and makeup of the market is not sufficient to support the kind of conventional regional-scaled retail centers typical of larger metropolitan areas. However, most consumer goods and services are in evidence through an ad hoc array of conventional suburban stand-alone retailers, shopping centers, big boxes, etc., in addition to the downtown itself. As a consequence, there is little coherent structure to how these retailers are collectively organized or relate to each other, beyond the self-selecting preferences of the individual retailers themselves, and the usual criteria governing suburban retail locations, such as traffic counts, visibility, and access.

This self-determined location process is significantly informed, in turn, by the unique geographical characteristics of the area and its associated road networks. Generic, commodity-type retailers are encouraged to locate just outside of downtown Beaufort, proper, where land is less expensive and development sites more accommodating of suburban formats, while still affording those retailers convenient and ready access to the Beaufort consumer market, as a whole (see figure 2.2-1, below).

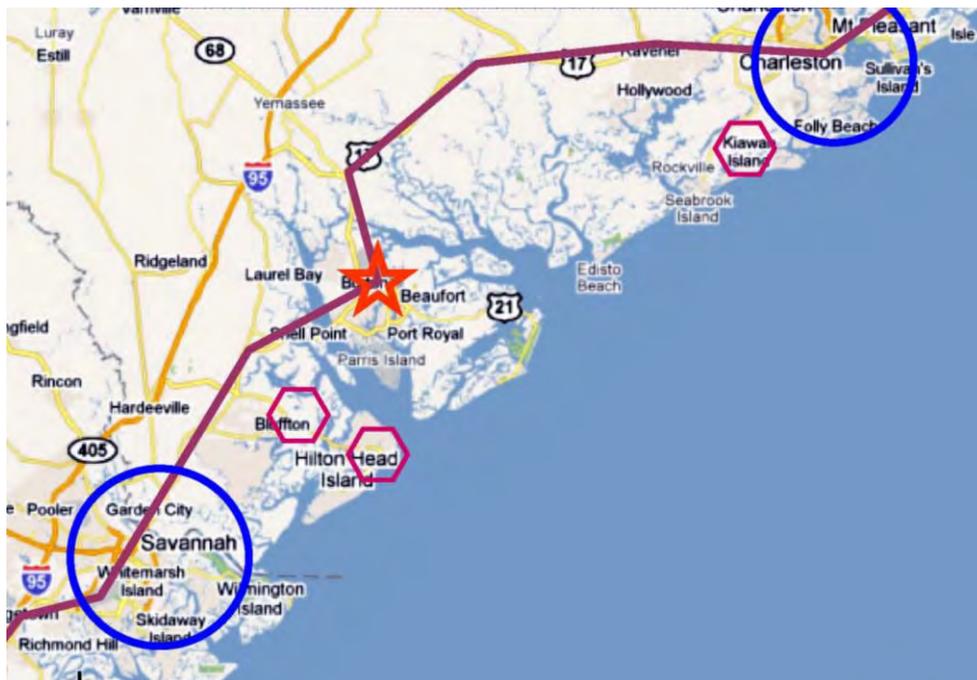
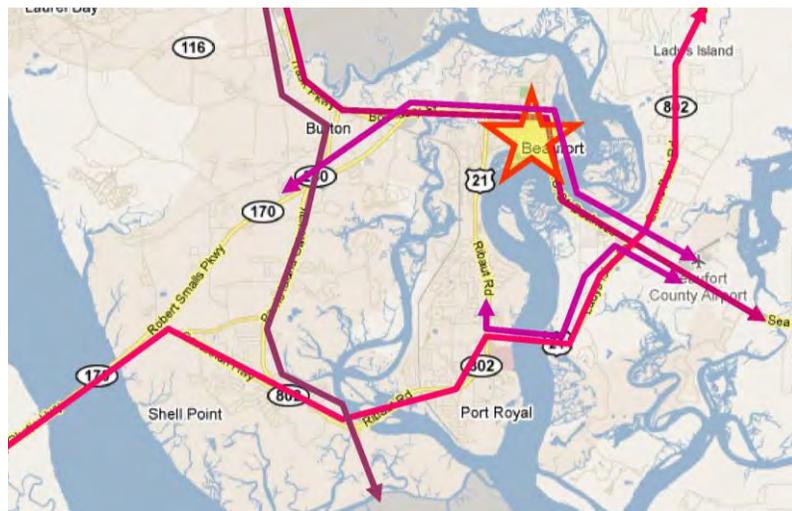
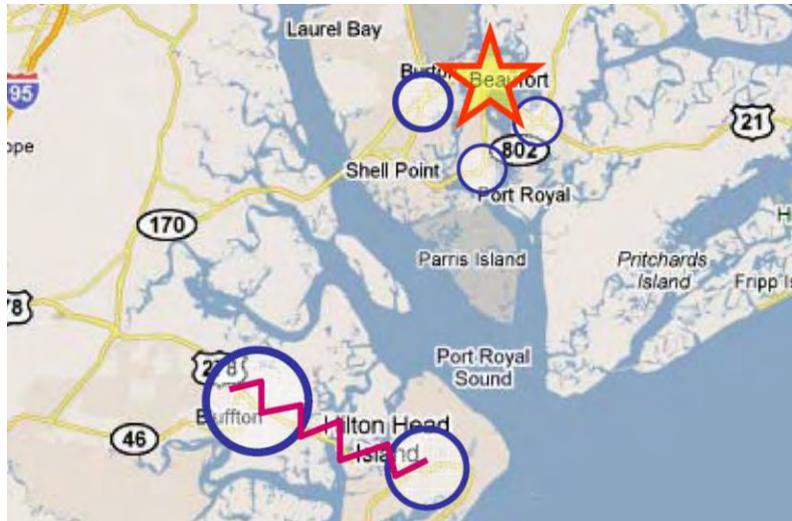


Figure 2.2-1
The larger context places Beaufort between the region's two primary urban centers, Savannah, Georgia to the south, and Charleston, South Carolina, to the north, among a constellation of smaller coastal communities competing for market dominance and share along the route between the two.



Figures 2.2-2 and 2.2-3

At the local level, access to the immediate consumer market is influenced and impacted by the area's unique geographical context, and its associated road networks, which tend to aggregate market potential in key strategic locations:

- *In the upper diagram, Beaufort is indicated by the star, while areas of major retail concentration are indicated by blue circles, or in the case of the continuous strip commercial along SC 278, by a purple zigzag line.*
- *In the lower diagram, downtown Beaufort is indicated by the star, while the major arterial networks effectively bypassing downtown are illustrated in various colors.*

Given the nature of the existing road networks in relation to the location of the competing retail concentrations, the greatest opportunity for enhanced market capture lies in the direction of Lady's Island and points east.

As stated previously, current data suggests a much more modest consumer market than is generally perceived, with an overall saturation on the supply side indicated across the full range of merchandise categories represented. This typically means that there is indeed an oversupply of retail in the trade area relative to what the market can reasonably support, or there is a substantial inflow of consumer dollars coming into the Trade Area from outside the market, as is generally assumed -- or both. However, the assumed existence of an oversupply is supported by a random sampling undertaken as part of this analysis, which shows that much of the retail in the area is underperforming in both sales productivity and market rents relative to national standards, which typically runs around \$250 per square foot in sales for similar types of retail on a national average.

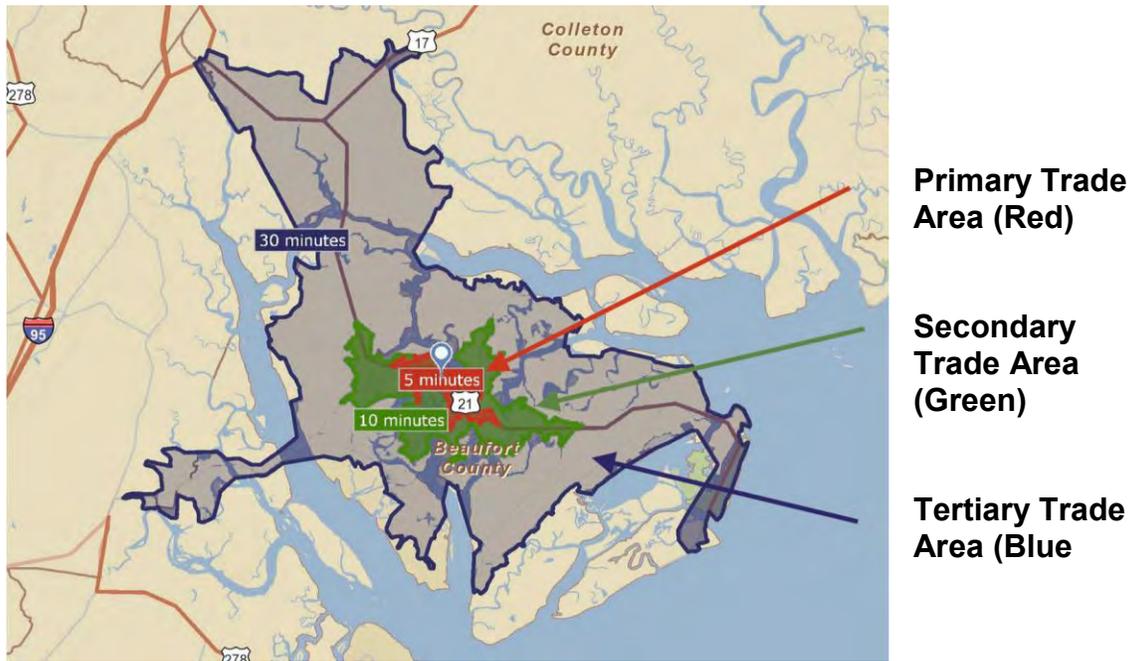


Figure 2.2-4
The Study Area for this report generally comprised the historic core of the City of Beaufort. The Tertiary Trade Area in this case is assumed to be a 30 mile drive time, given the unusual geographical characteristics of the area, and the relatively low household densities outside of the immediate downtown core.

A strong indication of oversupply in and of itself, however, is difficult to measure in practical terms. It is always possible -- and quite common -- to have both an oversupply *and* a net inflow of consumer dollars, particularly in seasonal tourist markets like Beaufort. In this context, national chains can still often prosper, but in the absence of credible, detailed information on the visitor market to help verify the scale of that theoretical net inflow, marketing the area to prospective retailers on the basis of the market data alone can remain a difficult case to make.

Given all these factors and considerations, the actual retail on the ground – evolving through an organic process of trial and error – is probably a reasonable

reflection of the underlying market reality. That is to say, the middle-to-lower income demographic strata heavily represented in the market data is well served by the generic chain retailers along the arterials leading into and out of town, with most of the remaining merchants downtown focusing their attention toward the retiree and visitor market.

Looking at the larger regional market, attempts to attract and capture the presumably more discerning, affluent segment of the local consumer market have been stymied by the critical mass of retail offerings in the Bluffton area, which has a large concentration of nationally branded chains, in addition to growing competition from online retail. This ongoing shift in retail gravity in the regional market has been further exacerbated by the City's failure to keep pace with growth in the County overall, a fact reflected in the local consumer market data. Taken together, these trends are frustrating local shoppers with the loss of shopping options in the immediate area.

Given all of the above, the primary focus of any repositioning strategy will need to be on growing both the size of the local market, as well as the level of capture the City is able to achieve as a percentage of consumer market that already exists in the region. However simply stated, this remains a complicated and challenging goal given the diverse nature of both the local and visitor markets. Together, they represent a wide range of diverse consumer tastes, segmented along income and demographic lines.

2.3 Demand/Supply (Gap) Analysis

The charts on the following pages provide a profile of the Beaufort retail marketplace based on consumer demand and retail supply in the three trade areas indicated for the Beaufort market, which are based upon five, ten, and thirty minute drive times.

A comparison of consumer spending demand relative to supply is commonly referred to as a "gap." A positive gap for any particular merchandise category indicates that consumers within the trade area are meeting those retail needs elsewhere. This is often referred to as "leakage." Leakage and gap essentially refer to the same thing, and are used to describe either an undersupply or oversupply of goods and services, relative to demand.

In the following charts, red numbers indicate a negative gap, or oversupply of retail provided relative to consumer demand, in absolute dollars. The "leakage/surplus" factor, on an index of 1-100, 100 being the maximum, indicates the relative level of undersupply (leakage), or oversupply (surplus) for that merchandise category, in that particular area. Again, red means negative, or oversupply. The demand numbers are based upon the assumed spending behavior in the market based upon the observed behavior of other consumers with similar demographic characteristics.

One other possible explanation for a negative gap, or oversupply, would be a net inflow of consumer dollars into the market. However, this assumption would need to be substantiated through the explicit documentation of such an inflow, in addition to recording a correspondingly higher level of sales productivity in relation to what the local market would otherwise be capable of providing.

A positive “gap,” on the other hand, usually indicates an unmet opportunity in the marketplace, where the consumer is assumed to be leaving the area to meet those needs, either because those products are unavailable locally, or available in more a attractive, convenient, or competitively priced setting somewhere else - - hence, the term “leakage.” A leakage usually means that there is more retail demand available than is currently being effectively served, making it easier to identify a specific market opportunity to pursue.

However, Beaufort’s quantitative analysis indicated an oversupply in all the retail merchandise categories for which local demand might be reasonably assumed.

FIVE-MINUTE DRIVE TIME TRADE AREA



Retail MarketPlace Profile

Bay St, Beaufort, SC 29902
Drive Time: 5 minutes

Latitude: 32.43067
Longitude: -80.66988

Summary Demographics

2010 Population	5,054
2010 Households	2,158
2010 Median Disposable Income	\$33,807
2010 Per Capita Income	\$24,976

Industry Summary

	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap	Leakage/Surplus Factor	Number of Businesses
Total Retail Trade and Food & Drink (NAICS 44-45, 722)	\$56,537,694	\$143,125,115	\$-86,587,421	-43.4	186
Total Retail Trade (NAICS 44-45)	\$48,666,322	\$118,781,660	\$-70,115,338	-41.9	139
Total Food & Drink (NAICS 722)	\$7,871,372	\$24,343,455	\$-16,472,083	-51.1	47

Industry Group	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap	Leakage/Surplus Factor	Number of Businesses
Motor Vehicle & Parts Dealers (NAICS 441)	\$11,111,879	\$7,363,911	\$3,747,968	20.3	8
Automobile Dealers (NAICS 4411)	\$9,892,389	\$2,919,885	\$6,972,504	54.4	1
Other Motor Vehicle Dealers (NAICS 4412)	\$989,646	\$4,143,672	\$-3,154,026	-61.4	6
Auto Parts, Accessories, and Tire Stores (NAICS 4413)	\$229,844	\$300,354	\$-70,510	-13.3	1
Furniture & Home Furnishings Stores (NAICS 442)	\$1,021,776	\$3,438,510	\$-2,416,734	-54.2	8
Furniture Stores (NAICS 4421)	\$439,516	\$1,927,154	\$-1,487,638	-62.9	4
Home Furnishings Stores (NAICS 4422)	\$582,260	\$1,511,356	\$-929,096	-44.4	4
Electronics & Appliance Stores (NAICS 443/NAICS 4431)	\$1,180,706	\$1,873,282	\$-692,576	-22.7	1
Bldg Materials, Garden Equip. & Supply Stores (NAICS 444)	\$1,680,654	\$5,552,748	\$-3,872,094	-53.5	5
Building Material and Supplies Dealers (NAICS 4441)	\$1,638,692	\$5,533,229	\$-3,894,537	-54.3	4
Lawn and Garden Equipment and Supplies Stores (NAICS 4442)	\$41,962	\$19,519	\$22,443	36.5	1
Food & Beverage Stores (NAICS 445)	\$2,576,832	\$31,365,453	\$-28,788,621	-84.8	14
Grocery Stores (NAICS 4451)	\$2,348,884	\$28,577,491	\$-26,228,607	-84.8	7
Specialty Food Stores (NAICS 4452)	\$26,468	\$728,416	\$-701,948	-93.0	5
Beer, Wine, and Liquor Stores (NAICS 4453)	\$201,480	\$2,059,546	\$-1,858,066	-82.2	2
Health & Personal Care Stores (NAICS 446/NAICS 4461)	\$561,388	\$5,028,699	\$-4,467,311	-79.9	11
Gasoline Stations (NAICS 447/4471)	\$7,389,156	\$21,092,298	\$-13,703,142	-48.1	5
Clothing and Clothing Accessories Stores (NAICS 448)	\$2,050,723	\$8,297,315	\$-6,246,592	-60.4	23
Clothing Stores (NAICS 4481)	\$1,782,154	\$5,864,599	\$-4,082,445	-53.4	15
Shoe Stores (NAICS 4482)	\$125,280	\$1,008,811	\$-883,531	-77.9	3
Jewelry, Luggage, and Leather Goods Stores (NAICS 4483)	\$143,289	\$1,423,905	\$-1,280,616	-81.7	5
Sporting Goods, Hobby, Book, and Music Stores (NAICS 451)	\$238,845	\$1,051,269	\$-812,424	-63.0	12
Sporting Goods/Hobby/Musical Instrument Stores (NAICS 4511)	\$85,062	\$433,674	\$-348,612	-67.2	9
Book, Periodical, and Music Stores (NAICS 4512)	\$153,783	\$617,595	\$-463,812	-60.1	3

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.

Sources: Esri and Infogroup

Figure 2.3-1

This chart shows the relative supply and demand available for the merchandise category shown, in the trade area indicated. Red indicates a negative "gap," or oversupply, by the factor indicated in the leakage/surplus index. Source: ESRI

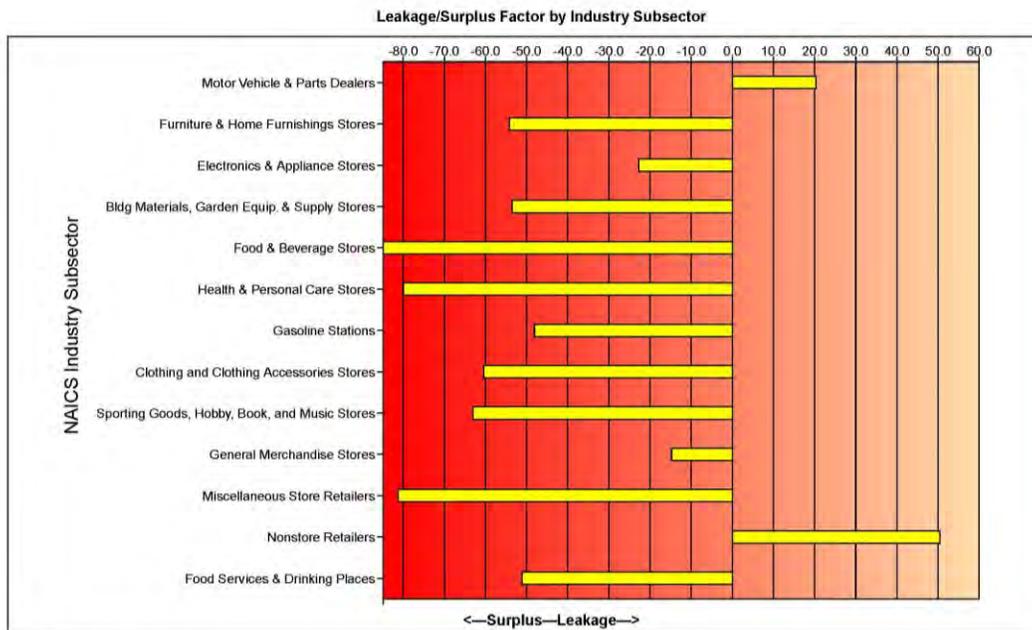


Retail MarketPlace Profile

Bay St, Beaufort, SC 29902
Drive Time: 5 minutes

Latitude: 32.43067
Longitude: -80.66988

Industry Group	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap	Leakage/Surplus Factor	Number of Businesses
General Merchandise Stores (NAICS 452)	\$19,789,009	\$26,672,822	\$-6,883,813	-14.8	5
Department Stores Excluding Leased Depts.(NAICS 4521)	\$1,996,736	\$1,041,028	\$955,708	31.5	1
Other General Merchandise Stores (NAICS 4529)	\$17,792,273	\$25,631,794	\$-7,839,521	-18.1	4
Miscellaneous Store Retailers (NAICS 453)	\$720,850	\$6,931,705	\$-6,210,855	-81.2	46
Florists (NAICS 4531)	\$25,682	\$375,290	\$-349,608	-87.2	3
Office Supplies, Stationery, and Gift Stores (NAICS 4532)	\$585,778	\$3,938,259	\$-3,352,481	-74.1	13
Used Merchandise Stores (NAICS 4533)	\$73,221	\$441,772	\$-368,551	-71.6	10
Other Miscellaneous Store Retailers (NAICS 4539)	\$36,169	\$2,176,384	\$-2,140,215	-96.7	20
Nonstore Retailers (NAICS 454)	\$344,504	\$113,648	\$230,856	50.4	1
Electronic Shopping and Mail-Order Houses (NAICS 4541)	\$0	\$10,339	\$-10,339	-100.0	1
Vending Machine Operators (NAICS 4542)	\$93,547	\$0	\$93,547	100.0	0
Direct Selling Establishments (NAICS 4543)	\$250,957	\$103,309	\$147,648	41.7	1
Food Services & Drinking Places (NAICS 722)	\$7,871,372	\$24,343,455	\$-16,472,083	-51.1	47
Full-Service Restaurants (NAICS 7221)	\$1,882,947	\$13,135,056	\$-11,252,109	-74.9	28
Limited-Service Eating Places (NAICS 7222)	\$4,649,201	\$9,934,627	\$-5,285,426	-36.2	14
Special Food Services (NAICS 7223)	\$842,011	\$1,135,604	\$-293,593	-14.8	4
Drinking Places - Alcoholic Beverages (NAICS 7224)	\$497,213	\$138,168	\$359,045	56.5	1



Sources: Esri and Infogroup

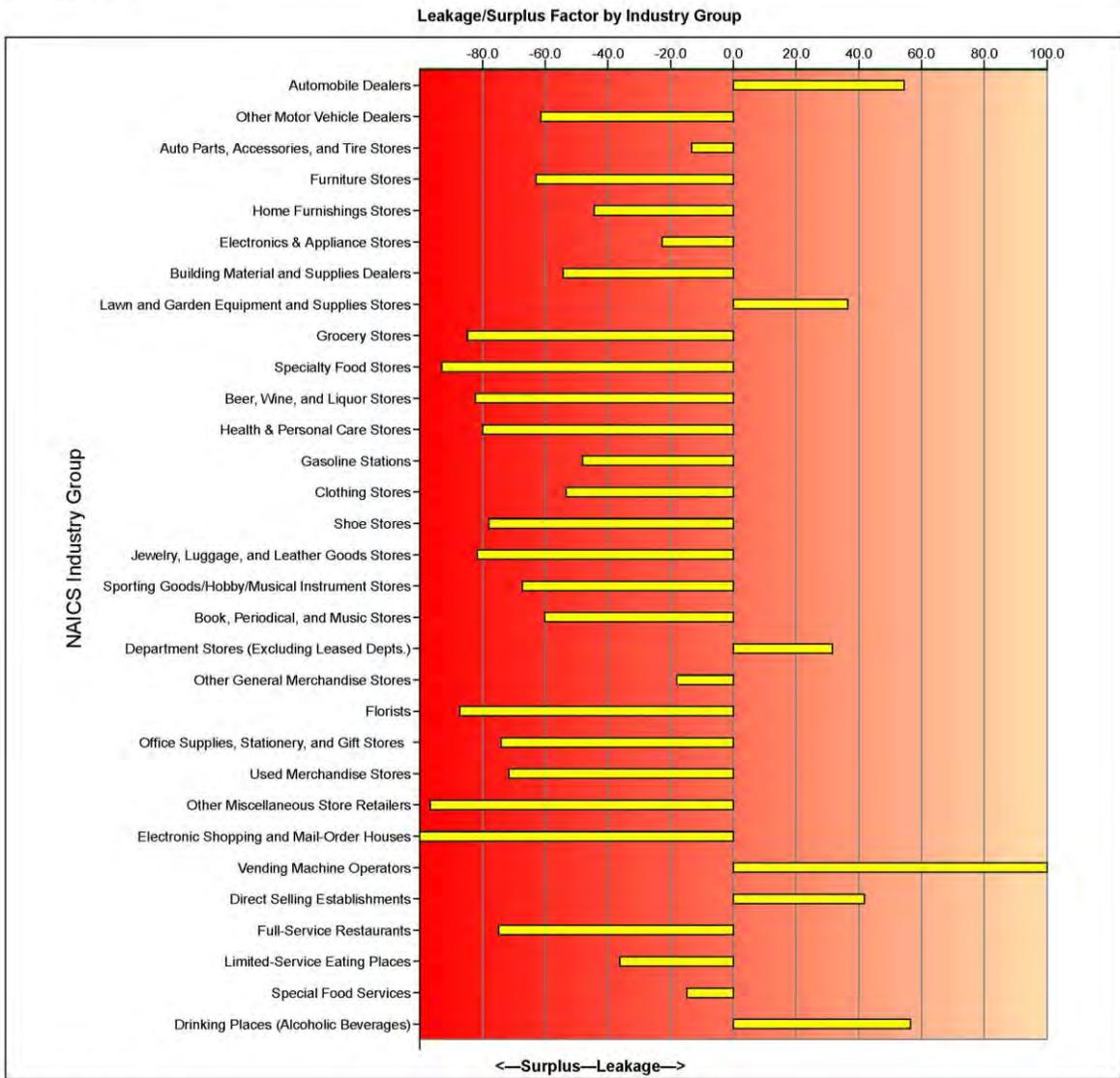
Figure 2.3-2

This chart shows the relative supply and demand available for the merchandise category shown, in the trade area indicated. Red indicates a negative "gap," or oversupply, by the factor indicated in the leakage/surplus index. Source: ESRI



Bay St, Beaufort, SC 29902
 Drive Time: 5 minutes

Latitude: 32.43067
 Longitude: -80.66988



Sources: Esri and Infogroup

Figure 2.3-3

This chart shows the relative supply and demand available for the merchandise category shown, in the trade area indicated. Red indicates a negative "gap," or oversupply, by the factor indicated in the leakage/surplus index. Source: ESRI

TEN-MINUTE DRIVE TIME TRADE AREA



Retail MarketPlace Profile

Bay St, Beaufort, SC 29902
Drive Time: 10 minutes

Latitude: 32.43067
Longitude: -80.66988

Summary Demographics

2010 Population	19,756
2010 Households	7,930
2010 Median Disposable Income	\$38,879
2010 Per Capita Income	\$25,866

Industry Summary

	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap	Leakage/Surplus Factor	Number of Businesses
Total Retail Trade and Food & Drink (NAICS 44-45, 722)	\$208,563,602	\$386,341,517	\$-177,777,915	-29.9	381
Total Retail Trade (NAICS 44-45)	\$179,242,620	\$329,412,426	\$-150,169,806	-29.5	282
Total Food & Drink (NAICS 722)	\$29,320,982	\$56,929,091	\$-27,608,109	-32.0	99

Industry Group	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap	Leakage/Surplus Factor	Number of Businesses
Motor Vehicle & Parts Dealers (NAICS 441)	\$41,225,090	\$86,306,310	\$-45,081,220	-35.3	33
Automobile Dealers (NAICS 4411)	\$36,905,793	\$71,970,962	\$-35,065,169	-32.2	10
Other Motor Vehicle Dealers (NAICS 4412)	\$3,467,377	\$7,229,840	\$-3,762,463	-35.2	12
Auto Parts, Accessories, and Tire Stores (NAICS 4413)	\$851,920	\$7,105,508	\$-6,253,588	-78.6	11
Furniture & Home Furnishings Stores (NAICS 442)	\$3,843,939	\$6,009,079	\$-2,165,140	-22.0	15
Furniture Stores (NAICS 4421)	\$1,672,785	\$3,185,250	\$-1,512,465	-31.1	6
Home Furnishings Stores (NAICS 4422)	\$2,171,154	\$2,823,829	\$-652,675	-13.1	9
Electronics & Appliance Stores (NAICS 443/NAICS 4431)	\$4,377,050	\$12,305,036	\$-7,927,986	-47.5	9
Bldg Materials, Garden Equip. & Supply Stores (NAICS 444)	\$6,152,722	\$20,167,840	\$-14,015,118	-53.2	17
Building Material and Supplies Dealers (NAICS 4441)	\$6,005,161	\$19,959,070	\$-13,953,909	-53.7	13
Lawn and Garden Equipment and Supplies Stores (NAICS 4442)	\$147,561	\$208,770	\$-61,209	-17.2	4
Food & Beverage Stores (NAICS 445)	\$9,465,710	\$54,107,224	\$-44,641,514	-70.2	30
Grocery Stores (NAICS 4451)	\$8,614,505	\$49,792,673	\$-41,178,168	-70.5	18
Specialty Food Stores (NAICS 4452)	\$97,229	\$976,201	\$-878,972	-81.9	8
Beer, Wine, and Liquor Stores (NAICS 4453)	\$753,976	\$3,338,350	\$-2,584,374	-63.2	4
Health & Personal Care Stores (NAICS 446/NAICS 4461)	\$2,043,120	\$12,083,712	\$-10,040,592	-71.1	21
Gasoline Stations (NAICS 447/4471)	\$27,094,724	\$41,759,924	\$-14,665,200	-21.3	9
Clothing and Clothing Accessories Stores (NAICS 448)	\$7,645,838	\$13,816,283	\$-6,170,445	-28.8	37
Clothing Stores (NAICS 4481)	\$6,645,322	\$9,897,160	\$-3,251,838	-19.7	25
Shoe Stores (NAICS 4482)	\$466,642	\$2,196,194	\$-1,729,552	-65.0	5
Jewelry, Luggage, and Leather Goods Stores (NAICS 4483)	\$533,874	\$1,722,929	\$-1,189,055	-52.7	7
Sporting Goods, Hobby, Book, and Music Stores (NAICS 451)	\$890,659	\$1,914,579	\$-1,023,920	-36.5	19
Sporting Goods/Hobby/Musical Instrument Stores (NAICS 4511)	\$313,833	\$1,256,208	\$-942,375	-60.0	16
Book, Periodical, and Music Stores (NAICS 4512)	\$576,826	\$658,371	\$-81,545	-6.6	3

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.

Sources: Esri and Infogroup

Figure 2.3-4

This chart shows the relative supply and demand available for the merchandise category shown, in the trade area indicated. Red indicates a negative "gap," or oversupply, by the factor indicated in the leakage/surplus index. Source: ESRI

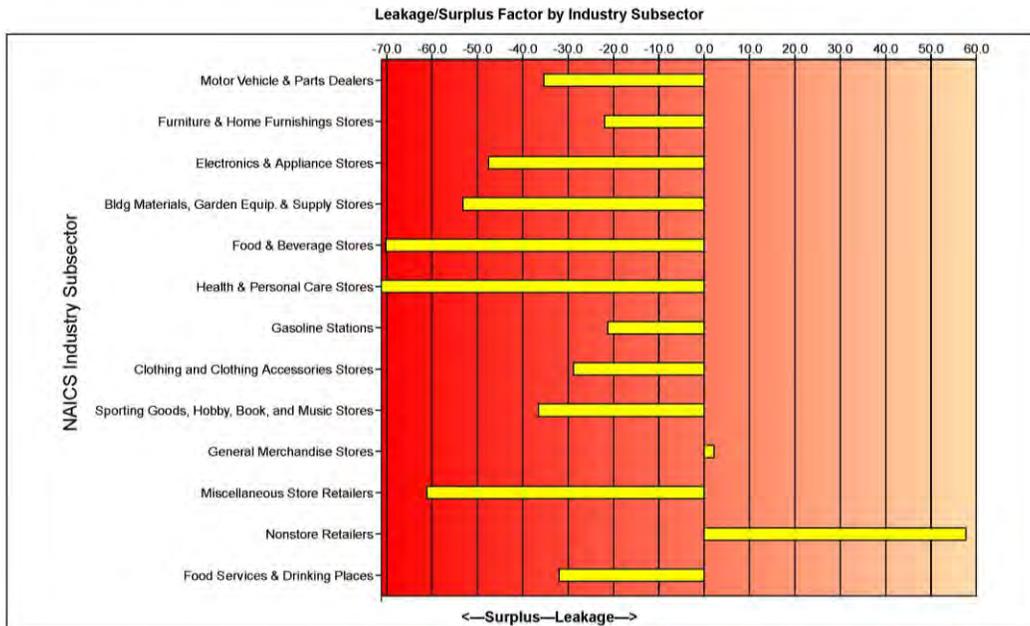


Retail MarketPlace Profile

Bay St, Beaufort, SC 29902
Drive Time: 10 minutes

Latitude: 32.43067
Longitude: -80.66988

Industry Group	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap	Leakage/Surplus Factor	Number of Businesses
General Merchandise Stores (NAICS 452)	\$72,716,412	\$69,657,579	\$3,058,833	2.1	16
Department Stores Excluding Leased Depts. (NAICS 4521)	\$7,428,944	\$36,846,067	\$-29,417,123	-66.4	9
Other General Merchandise Stores (NAICS 4529)	\$65,287,468	\$32,811,512	\$32,475,956	33.1	7
Miscellaneous Store Retailers (NAICS 453)	\$2,653,063	\$10,980,312	\$-8,327,249	-61.1	74
Florists (NAICS 4531)	\$90,165	\$613,576	\$-523,411	-74.4	7
Office Supplies, Stationery, and Gift Stores (NAICS 4532)	\$2,151,833	\$5,373,130	\$-3,221,297	-42.8	20
Used Merchandise Stores (NAICS 4533)	\$278,859	\$1,152,180	\$-873,321	-61.0	17
Other Miscellaneous Store Retailers (NAICS 4539)	\$132,206	\$3,841,426	\$-3,709,220	-93.3	30
Nonstore Retailers (NAICS 454)	\$1,134,293	\$304,548	\$829,745	57.7	2
Electronic Shopping and Mail-Order Houses (NAICS 4541)	\$0	\$200,195	\$-200,195	-100.0	1
Vending Machine Operators (NAICS 4542)	\$347,531	\$0	\$347,531	100.0	0
Direct Selling Establishments (NAICS 4543)	\$786,762	\$104,353	\$682,409	76.6	1
Food Services & Drinking Places (NAICS 722)	\$29,320,982	\$56,929,091	\$-27,608,109	-32.0	99
Full-Service Restaurants (NAICS 7221)	\$7,032,523	\$22,620,936	\$-15,588,413	-52.6	56
Limited-Service Eating Places (NAICS 7222)	\$17,294,359	\$30,550,761	\$-13,256,402	-27.7	33
Special Food Services (NAICS 7223)	\$3,133,408	\$1,675,132	\$1,458,276	30.3	5
Drinking Places - Alcoholic Beverages (NAICS 7224)	\$1,860,692	\$2,082,262	\$-221,570	-5.6	5



Sources: Esri and Infogroup

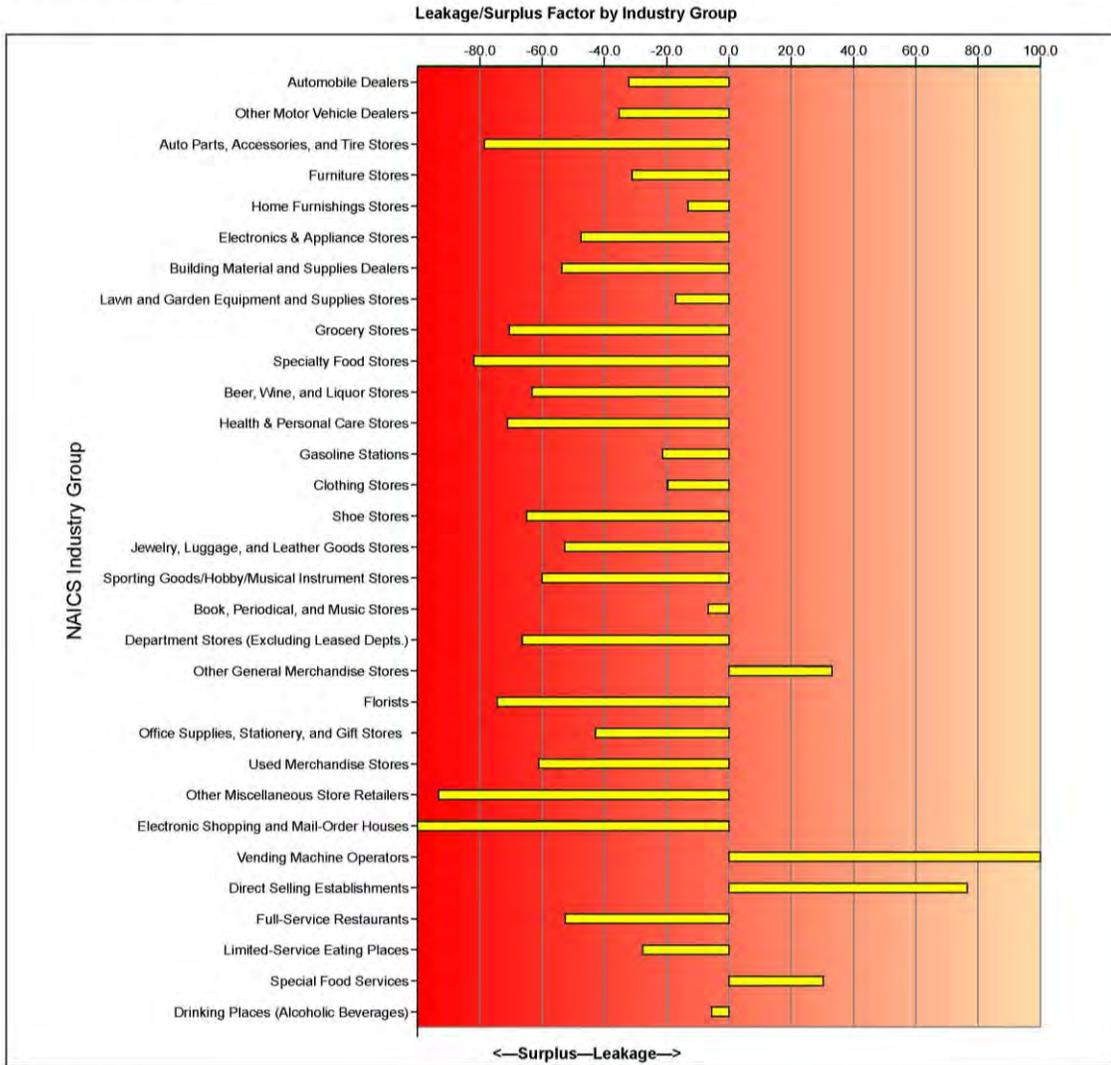
Figure 2.3-5

This chart shows the relative supply and demand available for the merchandise category shown, in the trade area indicated. Red indicates a negative "gap," or oversupply, by the factor indicated in the leakage/surplus index. Source: ESRI



Bay St, Beaufort, SC 29902
 Drive Time: 10 minutes

Latitude: 32.43067
 Longitude: -80.66988



Sources: Esri and Infogroup

Figure 2.3-6

This chart shows the relative supply and demand available for the merchandise category shown, in the trade area indicated. Red indicates a negative "gap," or oversupply, by the factor indicated in the leakage/surplus index. Source: ESRI

THIRTY-MINUTE DRIVE TIME TRADE AREA



Bay St, Beaufort, SC 29902
 Drive Time: 30 minutes

Latitude: 32.43067
 Longitude: -80.66988

Summary Demographics

2010 Population	73,633
2010 Households	25,758
2010 Median Disposable Income	\$39,010
2010 Per Capita Income	\$22,995

Industry Summary

	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap	Leakage/Surplus Factor	Number of Businesses
Total Retail Trade and Food & Drink (NAICS 44-45, 722)	\$666,902,678	\$989,505,698	\$-322,603,020	-19.5	573
Total Retail Trade (NAICS 44-45)	\$574,680,879	\$912,903,068	\$-338,222,189	-22.7	430
Total Food & Drink (NAICS 722)	\$92,221,799	\$76,602,630	\$15,619,169	9.3	143

Industry Group	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap	Leakage/Surplus Factor	Number of Businesses
Motor Vehicle & Parts Dealers (NAICS 441)	\$135,391,653	\$102,345,207	\$33,046,446	13.9	41
Automobile Dealers (NAICS 4411)	\$120,937,955	\$83,713,856	\$37,224,099	18.2	13
Other Motor Vehicle Dealers (NAICS 4412)	\$11,747,124	\$10,779,427	\$967,697	4.3	16
Auto Parts, Accessories, and Tire Stores (NAICS 4413)	\$2,706,574	\$7,851,924	\$-5,145,350	-48.7	12
Furniture & Home Furnishings Stores (NAICS 442)	\$12,203,079	\$9,407,295	\$2,795,784	12.9	23
Furniture Stores (NAICS 4421)	\$5,334,544	\$4,633,300	\$701,244	7.0	7
Home Furnishings Stores (NAICS 4422)	\$6,868,535	\$4,773,995	\$2,094,540	18.0	16
Electronics & Appliance Stores (NAICS 443/NAICS 4431)	\$13,888,159	\$13,503,104	\$385,055	1.4	14
Bldg Materials, Garden Equip. & Supply Stores (NAICS 444)	\$19,751,352	\$28,432,558	\$-8,681,206	-18.0	33
Building Material and Supplies Dealers (NAICS 4441)	\$19,269,415	\$27,541,445	\$-8,272,030	-17.7	26
Lawn and Garden Equipment and Supplies Stores (NAICS 4442)	\$481,937	\$891,113	\$-409,176	-29.8	7
Food & Beverage Stores (NAICS 445)	\$29,939,513	\$90,168,023	\$-60,228,510	-50.1	62
Grocery Stores (NAICS 4451)	\$27,293,370	\$81,839,604	\$-54,546,234	-50.0	37
Specialty Food Stores (NAICS 4452)	\$319,884	\$2,060,074	\$-1,740,190	-73.1	17
Beer, Wine, and Liquor Stores (NAICS 4453)	\$2,326,259	\$6,268,345	\$-3,942,086	-45.9	8
Health & Personal Care Stores (NAICS 446/NAICS 4461)	\$6,526,237	\$15,196,441	\$-8,670,204	-39.9	27
Gasoline Stations (NAICS 447/4471)	\$87,693,181	\$109,353,453	\$-21,660,272	-11.0	21
Clothing and Clothing Accessories Stores (NAICS 448)	\$24,042,338	\$16,832,818	\$7,209,520	17.6	49
Clothing Stores (NAICS 4481)	\$20,866,060	\$12,234,661	\$8,631,399	26.1	35
Shoe Stores (NAICS 4482)	\$1,486,830	\$2,696,528	\$-1,209,698	-28.9	6
Jewelry, Luggage, and Leather Goods Stores (NAICS 4483)	\$1,689,448	\$1,901,629	\$-212,181	-5.9	8
Sporting Goods, Hobby, Book, and Music Stores (NAICS 451)	\$2,772,064	\$5,015,655	\$-2,243,591	-28.8	33
Sporting Goods/Hobby/Musical Instrument Stores (NAICS 4511)	\$999,757	\$2,616,213	\$-1,616,456	-44.7	26
Book, Periodical, and Music Stores (NAICS 4512)	\$1,772,307	\$2,399,442	\$-627,135	-15.0	7

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.

Sources: Esri and Infogroup

Figure 2.3-7

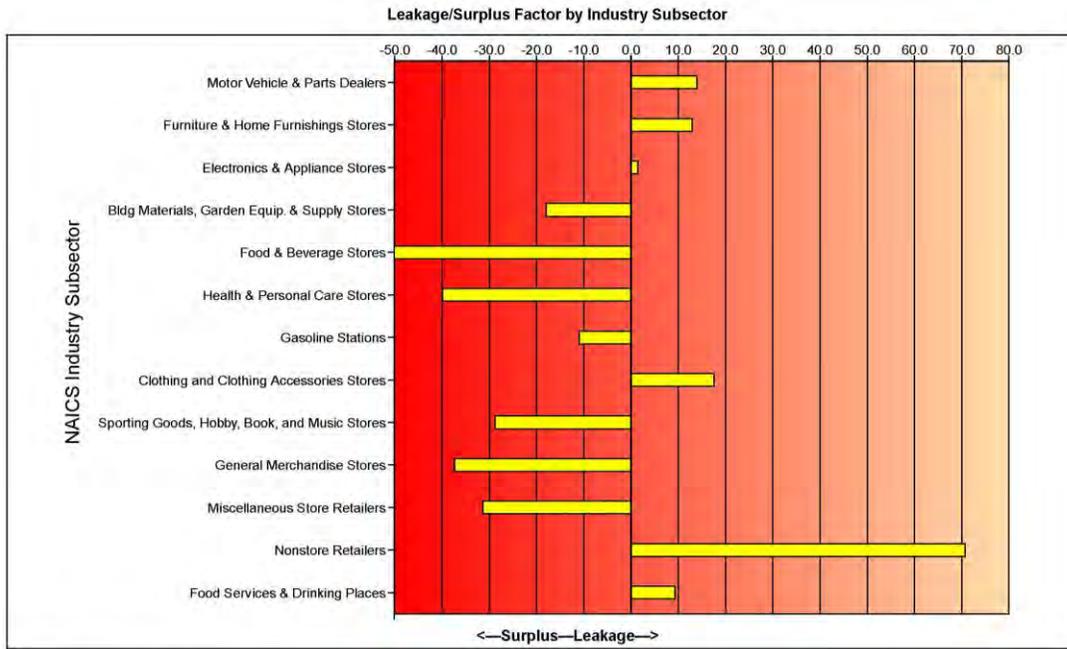
This chart shows the relative supply and demand available for the merchandise category shown, in the trade area indicated. Red indicates a negative "gap," or oversupply, by the factor indicated in the leakage/surplus index. Source: ESRI



Bay St, Beaufort, SC 29902
 Drive Time: 30 minutes

Latitude: 32.43067
 Longitude: -80.66988

Industry Group	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap	Leakage/Surplus Factor	Number of Businesses
General Merchandise Stores (NAICS 452)	\$230,507,475	\$505,963,902	\$-275,456,427	-37.4	20
Department Stores Excluding Leased Depts. (NAICS 4521)	\$23,666,135	\$41,493,102	\$-17,826,967	-27.4	10
Other General Merchandise Stores (NAICS 4529)	\$206,841,340	\$464,470,800	\$-257,629,460	-38.4	10
Miscellaneous Store Retailers (NAICS 453)	\$8,403,650	\$16,072,591	\$-7,668,941	-31.3	104
Florists (NAICS 4531)	\$293,412	\$908,717	\$-615,305	-51.2	10
Office Supplies, Stationery, and Gift Stores (NAICS 4532)	\$6,792,343	\$8,350,372	\$-1,558,029	-10.3	29
Used Merchandise Stores (NAICS 4533)	\$892,082	\$1,844,463	\$-952,381	-34.8	27
Other Miscellaneous Store Retailers (NAICS 4539)	\$425,813	\$4,969,039	\$-4,543,226	-84.2	38
Nonstore Retailers (NAICS 454)	\$3,562,178	\$612,021	\$2,950,157	70.7	3
Electronic Shopping and Mail-Order Houses (NAICS 4541)	\$0	\$200,195	\$-200,195	-100.0	1
Vending Machine Operators (NAICS 4542)	\$1,117,828	\$19,363	\$1,098,465	96.6	1
Direct Selling Establishments (NAICS 4543)	\$2,444,350	\$392,463	\$2,051,887	72.3	2
Food Services & Drinking Places (NAICS 722)	\$92,221,799	\$76,602,630	\$15,619,169	9.3	143
Full-Service Restaurants (NAICS 7221)	\$22,037,467	\$30,179,211	\$-8,141,744	-15.6	86
Limited-Service Eating Places (NAICS 7222)	\$54,603,928	\$41,782,014	\$12,821,914	13.3	43
Special Food Services (NAICS 7223)	\$9,870,619	\$1,965,567	\$7,905,052	66.8	7
Drinking Places - Alcoholic Beverages (NAICS 7224)	\$5,709,785	\$2,675,838	\$3,033,947	36.2	7



Sources: Esri and Infogroup

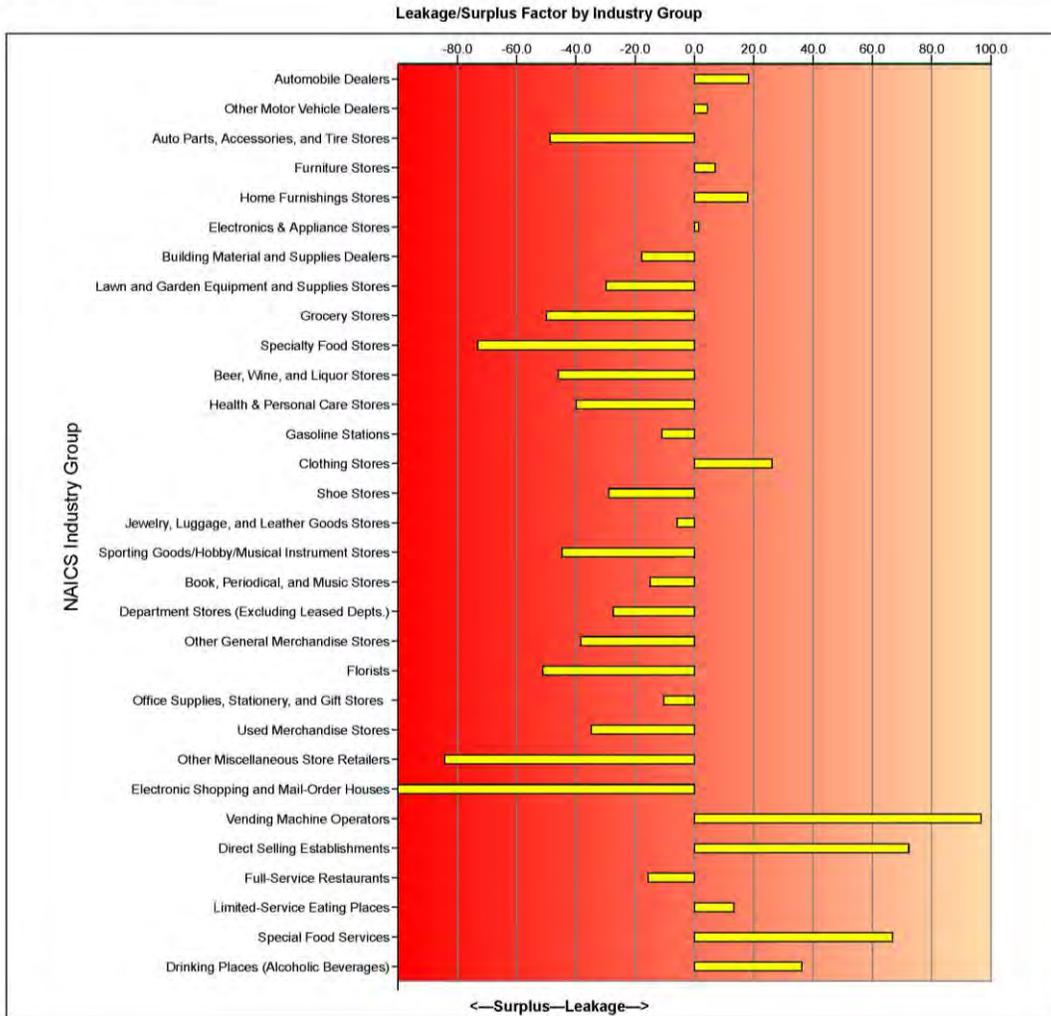
Figure 2.3-8

This chart shows the relative supply and demand available for the merchandise category shown, in the trade area indicated. Red indicates a negative "gap," or oversupply, by the factor indicated in the leakage/surplus index. Source: ESRI



Bay St, Beaufort, SC 29902
 Drive Time: 30 minutes

Latitude: 32.43067
 Longitude: -80.66988



Sources: Esri and Infogroup

Figure 2.3-9

This chart shows the relative supply and demand available for the merchandise category shown, in the trade area indicated. Red indicates a negative “gap,” or oversupply, by the factor indicated in the leakage/surplus index. Source: ESRI

2.4 Psychographic Characteristics

Psychographic attributes relate to personality, values, attitudes, interests, or lifestyle preferences, and are used in segmentation analysis to provide an additional level of market clarity with regard to consumer behavior. Figure 2.4 illustrates the psychographic characteristics and lifestyle mode of the consumer population living in the Beaufort retail market, based upon the three trade areas indicated -- five, ten, and thirty minute drive times. These consumer groups are further defined by the ESRI "Tapestry" model around distinct demographic characteristics, which describes and catalogs 65 individual segmentation groups, and their associated consumer preferences (see Appendix A.2 for more specific definitions).

These classifications are used to describe, in general terms, relevant characteristics based upon income, employment, age, level-of-education, household composition, migration patterns, etc. These relative distinctions, commonly referred to as Market Segments, can be used to compare and predict consumer preferences and associated spending behavior, based on the observed consumer preferences and spending behavior of similar consumer cohorts, elsewhere.

The numbers on figure 2.4-1 indicate specific segmentation groups represented in the Beaufort area, while the color indicates more general lifestyle associations, or "Life-modes." These lifestyle associations are composed of multiple individual segmentation classifications, and are indicative of shared attributes around which complimentary behaviors can be assumed.

The specific segmentation groups represented within the 5, and 10 minute drive times are "*Midlife Junction (33)*, *Up and Coming Families (12)*, and *Great Expectations (48)*." In the larger regional context represented by the 30 minute drive-time trade area, the represented groups are "*Rural Bypasses (56)*, *Crossroads (41)*, *Military Proximity (40)*, and *Silver and Gold (15)*." A more detailed description of their attributes and characteristics can be found in Appendix A.2.

As described in the overview section of this report, the Life-mode summary groups associated with these segmentation groups are quite diverse, with no shared summary groups to be found among the individual segmentation attributes indicated on the map. This is consistent with the anecdotal observations of the market, which suggests a very diverse demographic composition. However, almost all of them tend to fall within the moderate end of the household income spectrum, except *Silver and Gold (15)*, which represents only a small percentage of the total consumer market available to downtown merchants.

In looking more closely at the individual segmentation groups represented within the Beaufort trade area, the shopping preferences from most of the groups are

consistent with the type of retail most prevalent in the market. *Midlife Junction*, the segmentation group closest to downtown, has modest household incomes below the national average and is characterized as “careful spenders,” who frequent family-style chain restaurants and shop by catalog. The other two most relevant groups present in the market, *Crossroads* and *Great Expectations*, have even more modest household incomes, are also budget conscious, preferring to shop at the large discount department stores such as Wal-mart and Kmart for both groceries and general merchandise. The other close by segmentation group is *Military Proximity*, which shops at the military commissary whenever possible.

Silver and Gold, an older, more affluent demographic with the highest net worth of the segments represented, is located primarily on the periphery of the market, in the tertiary trade area, which typically means only a limited capture. However, the portion of this market which lies east of the City is potentially available due to the relative lack of other shopping options available to them.

One of the best segments in terms of local capture potential, however, is segment 12, *Up and Coming Families*. A mix of Generation X and Baby Boomers, they are young in median age and affluent, with a high level of disposable income. Many are first-time homebuyers with new or expanding families, making them prime candidates for children’s toys and apparel, and household furnishings and accessories. Like *Silver and Gold*, this segment is primarily located east of downtown, on Lady’s Island, making it a prime candidate for enhanced capture

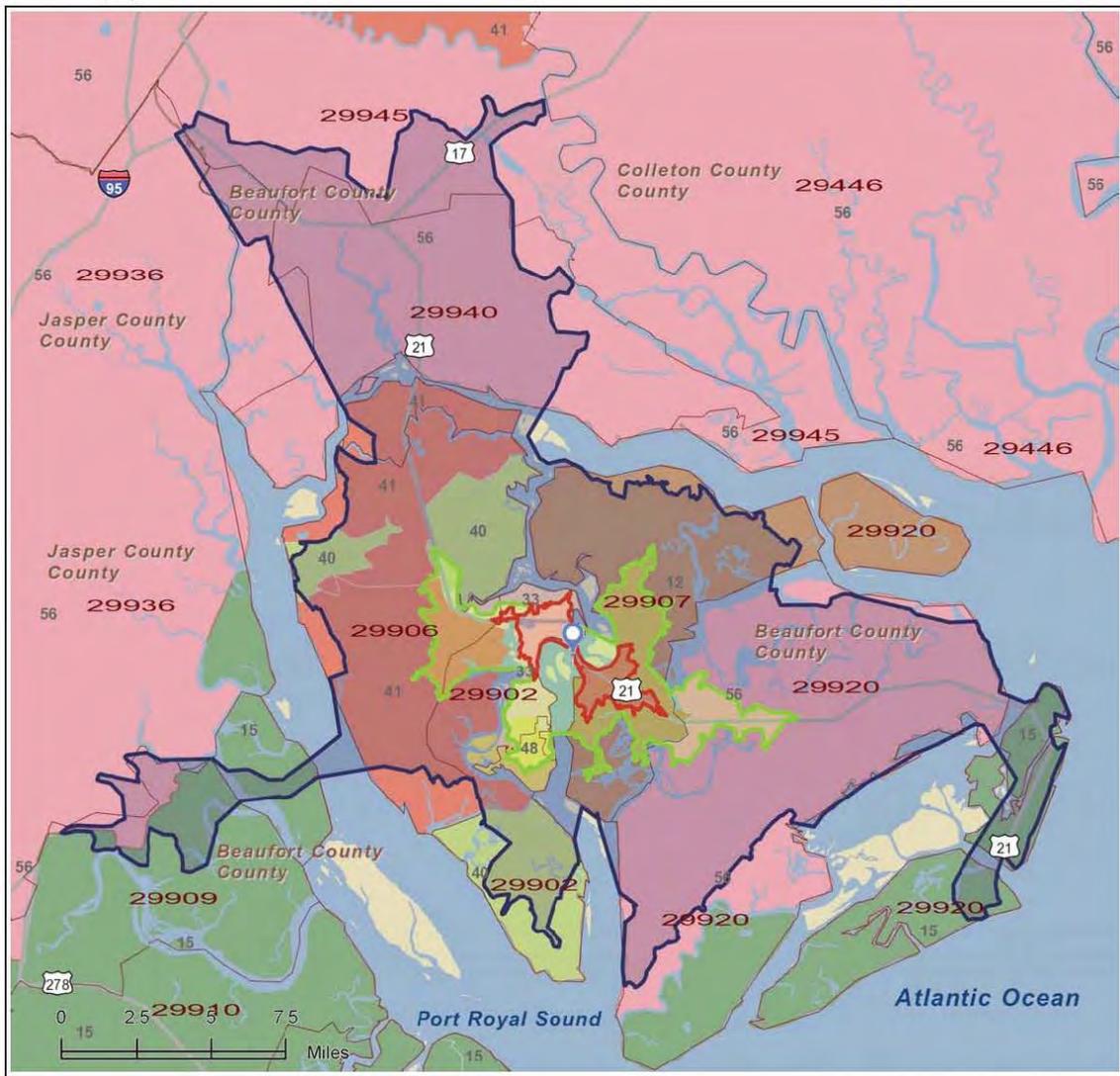


Figure 2.4-1
 This map shows the representative Tapestry Segmentation Groups and Life-mode Summary Groups in the Beaufort area. Please refer to the Appendix for a more complete description of the groups indicated above.
 Source: ESRI

Tapestry LifeMode

- L1 High Society: Affluent, well-educated, married-couple homeowners
- L2 Upscale Avenues: Prosperous, married-couple homeowners in different housing
- L3 Metropolis: City dwellers in older homes reflecting the diversity of urban culture
- L4 Solo Acts: Urban young singles on the move
- L5 Senior Styles: Senior lifestyles by income, age, and housing type
- L6 Scholars and Patriots: College, military environments
- L7 High Hopes: Young households striving for the "American Dream"
- L8 Global Roots: Ethnic and culturally diverse families
- L9 Family Portrait: Youth, family life, and children
- L10 Traditional Living: Middle-aged, middle income—Middle America
- L11 Factories and Farms: Hardworking families in small communities, settled near jobs
- L12 American Quilt: Households in small towns and rural areas

2.5 Community Perceptions

As part of this analysis, informal interviews were conducted with a number of representative stakeholders, including local business owners and residents, in addition to representatives of relevant business and tourist-related associations. An intercept survey was also conducted in the downtown area with the assistance of Office of Civic Investment intern volunteer to help gauge the perceptual sentiments of local residents and visitors regarding Beaufort's retail offerings.

The intercept surveys were conducted over a number of weeks, and were undertaken at different locations throughout the historic downtown core at different times of day, and different days of the week. It was not intended to be an exhaustive documentation of the local and visitor consumer markets (a more substantive, dedicated Visitor Market analysis is still recommended for that purpose), only to provide additional insight into consumer sentiment relative to the prevailing local wisdom about downtown.

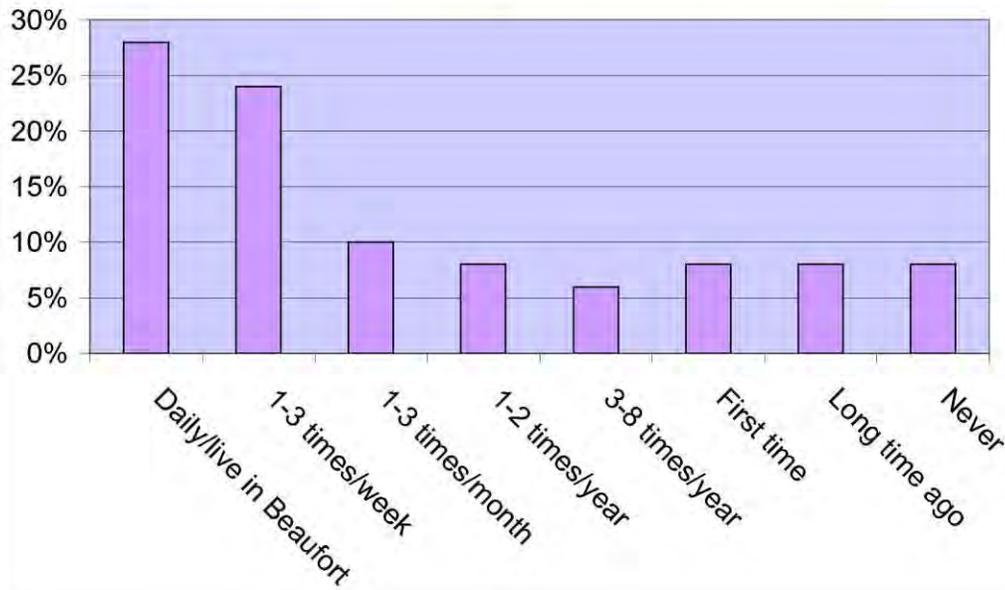
The results, when weighed anecdotally, supports the position that local residents do perceive the historic core as a major amenity, as assumed, and frequent it primarily for business and recreational reasons, with shopping and dining a distant third. Of the things which visitors most liked about the downtown is its historic character and walkable quality, which ranked high, while the perceived lack of convenient parking and the lack of diversity of retail goods available, led the expressed dislikes.

The good news is that most of the respondents visited downtown on a reasonably frequent basis, meaning that the opportunity lies as much in expanding the expenditure per visit, as in growing the visitation overall. Though there was a general preference indicated for excluding national retailers from the historic core (as opposed to allowing a mix of local and nationals), the consensus also seemed to indicate support for allowing them along Boundary Street, a location that would still contribute to the overall downtown mix.

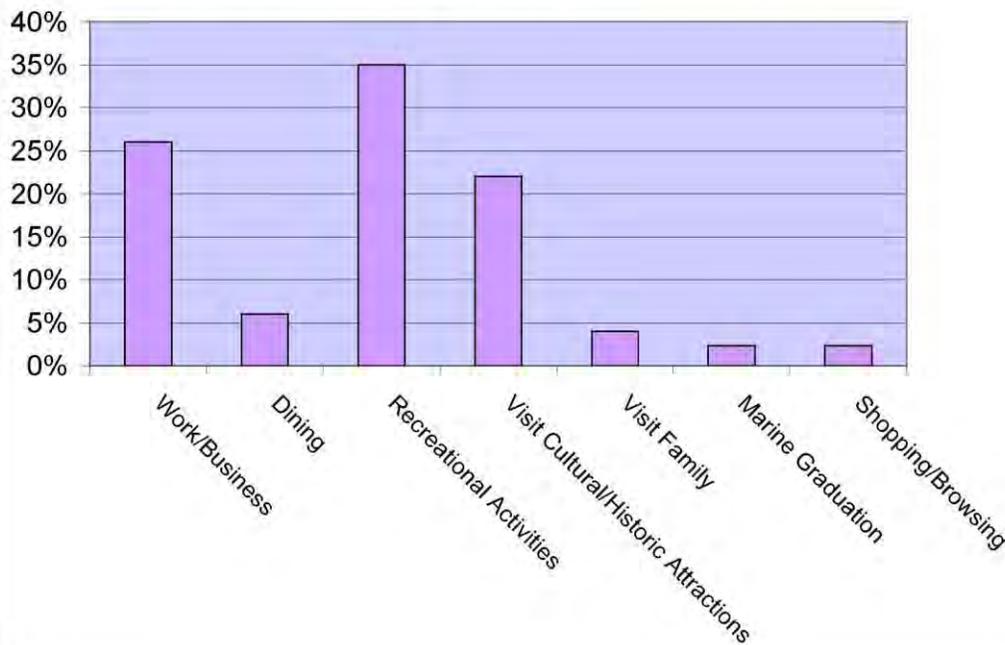
The survey was conducted so as to provide the most representative sampling possible. However, in referencing the time, location and day of week during which surveys were conducted against the general nature of the responses, it seems likely, in retrospect, that visitors and local consumers frequented different parts of the downtown at different times of the day and week, which might have influenced the conclusions drawn.

Therefore it is recommended that when a more comprehensive survey of the downtown visitor market is conducted, that these additional factors are taken into consideration in designing the survey. The individual results are plotted on the following pages, as a percentage of overall responses, relative to the particular question asked.

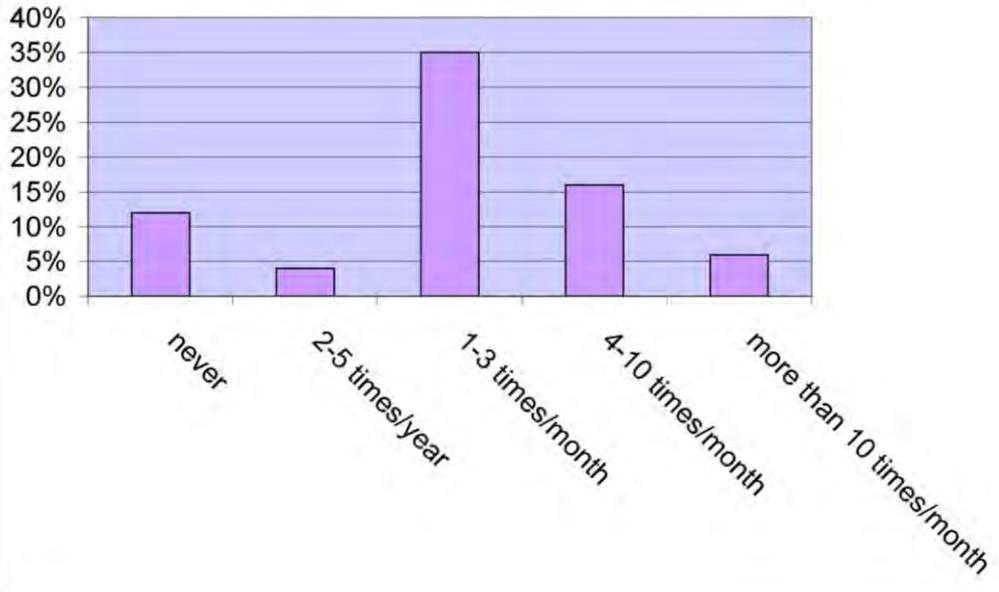
Visitation Frequency to Downtown Beaufort



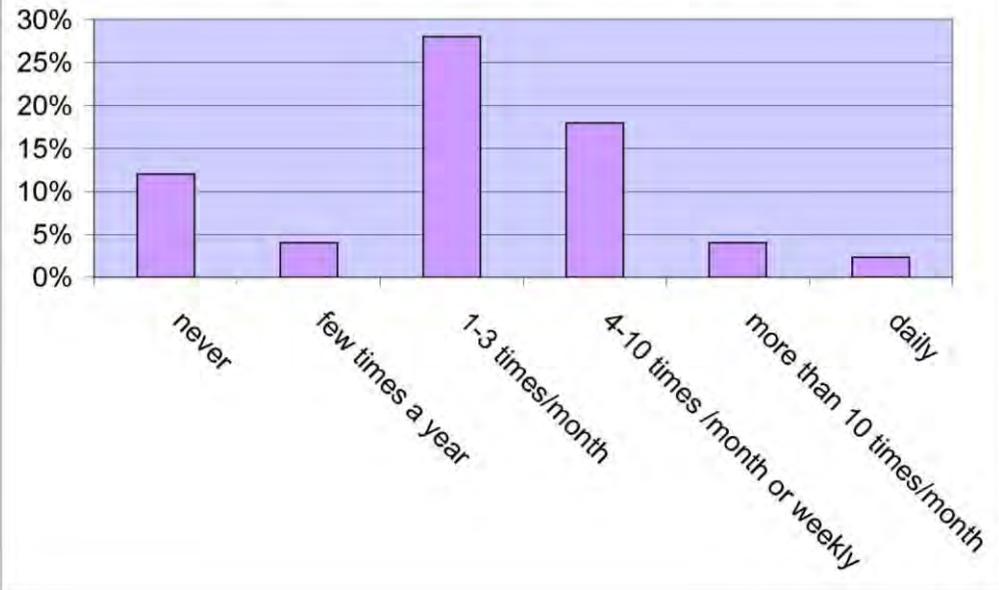
Primary Reason for Visiting Downtown Beaufort

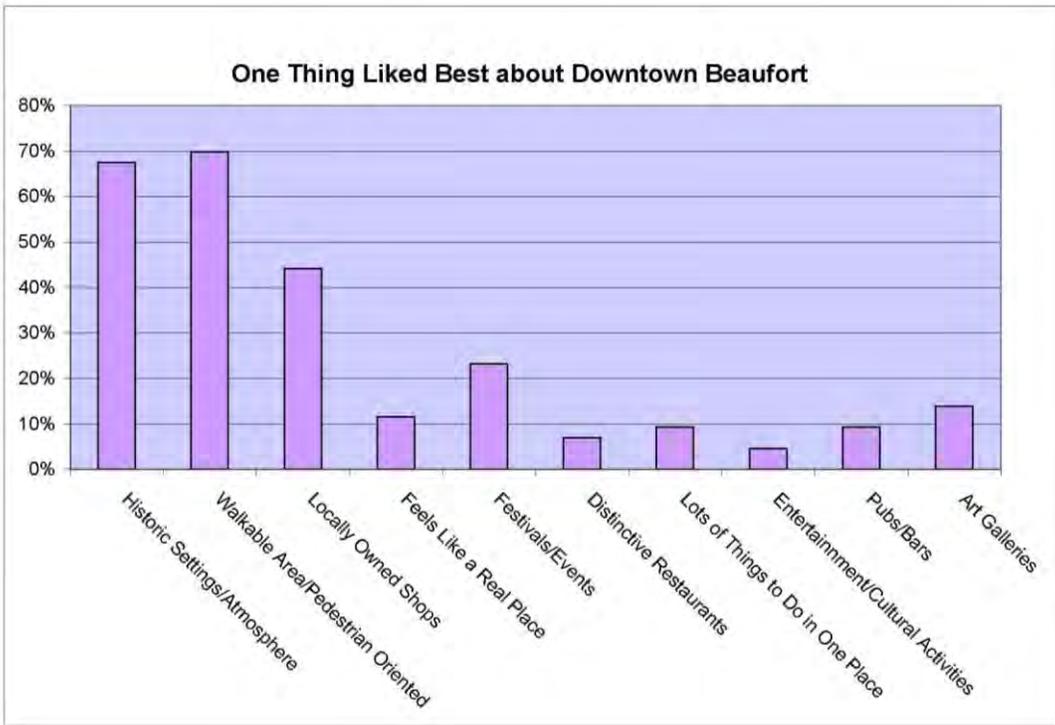


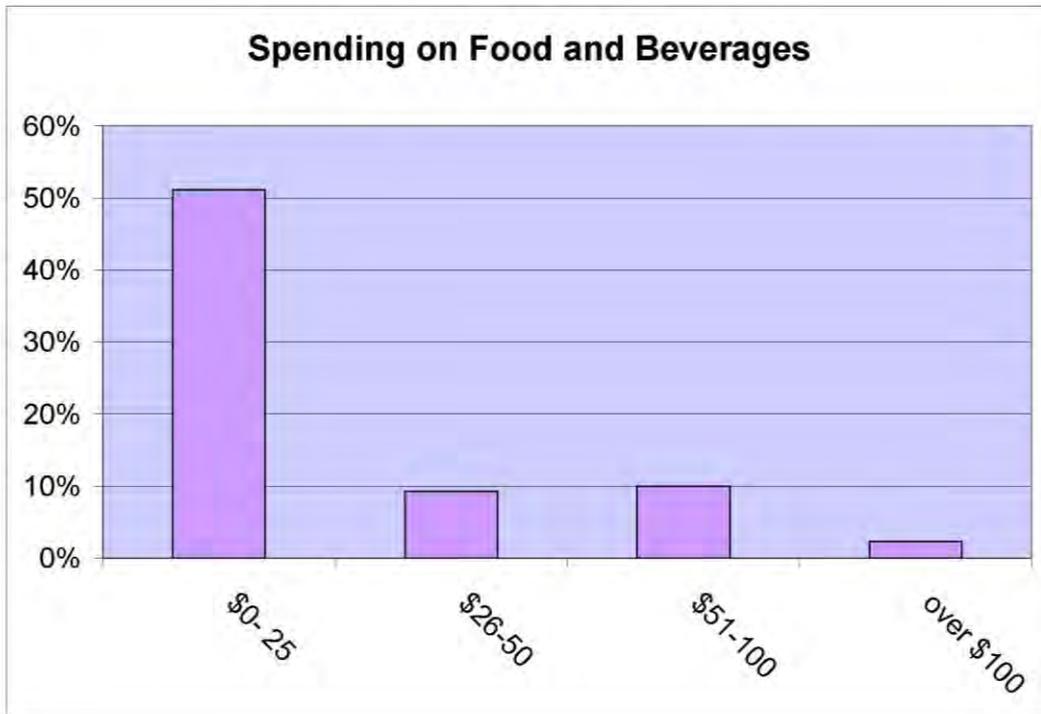
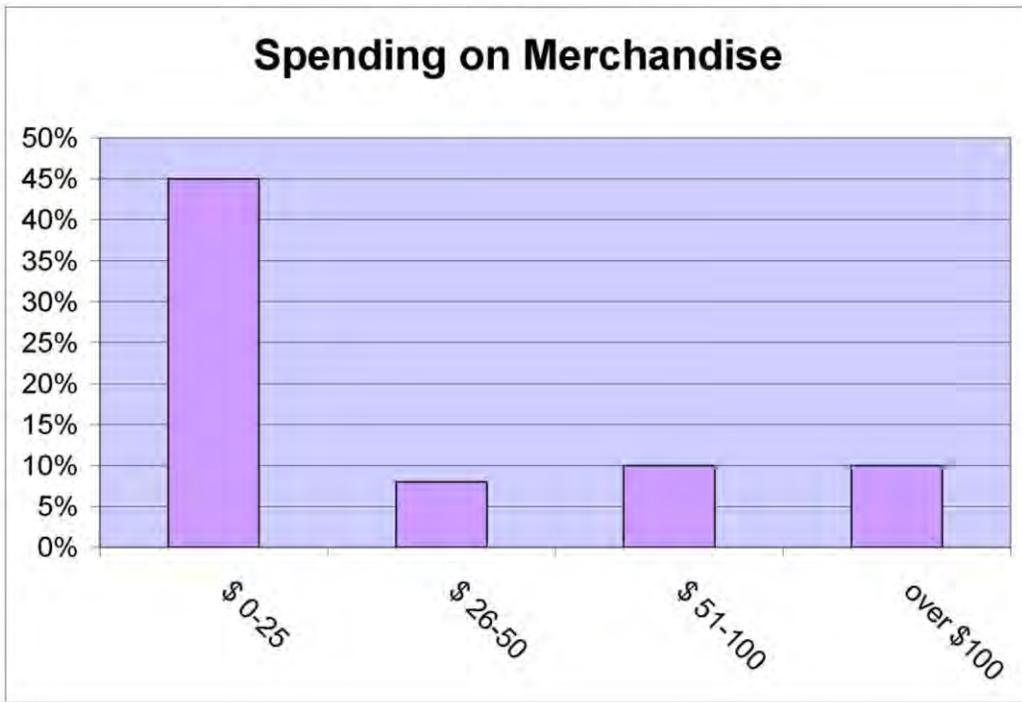
Shopping Frequency in Downtown Beaufort

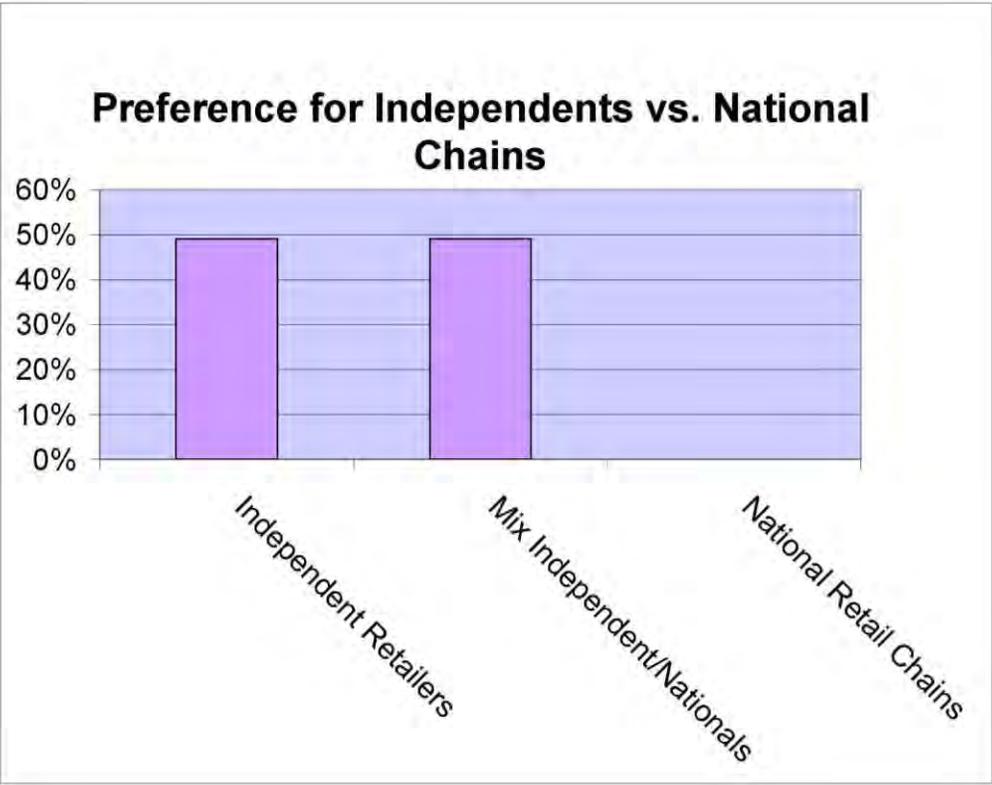


Dining Frequency in Downtown Beaufort









2.5.1 Local Market

In the various informal interviews conducted, almost everyone indicated that they would visit downtown to make gift purchases of unique, specialty items. In general, the prevailing local sentiment -- particularly among younger, and/or more affluent local residents, however, is that the downtown does not offer goods which have broad appeal to them, in particular with regard to apparel, and/or everyday needs. As a result, these same respondents typically indicated that their apparel needs were being met elsewhere, either by shopping through the internet, or by traveling to Bluffton, where those goods are readily available through a wide selection of well known, name brand goods, offered at competitive prices.

In a similar vein, there was a general perception that downtown offered little in the way of practical, daily needs. In fact the general perception is that need is being met by the big box commodity retailers on the suburban arterials just outside of downtown. These sentiments, ironically, contrasted with a general appreciation for the historic core's eclectic charm, which seemed to suggest that if the choice was a little inconvenience, or a dramatically changed downtown, they'd readily forego the convenience.

While it is unrealistic to assume that the downtown can compete directly with the regional-scale, mass-market designer goods in Bluffton, or even the more basic consumer goods offered on Robert Smalls Parkway and Sea Island Parkway, the strategies outlined below should help address some of the immediate perceptual issues. In short, the expansion of downtown to include Boundary Street presents, at a minimum, the capacity to accommodate a broader range of commercial enterprises, including small-scale, urban friendly national retailers.

2.5.2 Visitor Market

Though little formal data exists on the Beaufort visitor market, the local consensus, buttressed by empirical observation, is that it too is quite diverse in terms of both demographic characteristics, and in their reasons for visitation.

Based upon casual observation, confirmed through local resources, the visitor market can be broken down into a few basic types: families and friends of military personnel, including Parris Island graduates; day-trippers from nearby metropolitan areas and other resort destinations such as Hilton Head; and visitors coming to Beaufort as part of a larger, more comprehensive regional visit; and/or as a specific destination, attracted by the area's history, culture, and recreational amenities. In each case, shopping and dining are considered prime recreational activities associated with their visit, consistent with most people on vacation. Downtown Beaufort's merchants have largely positioned themselves to appeal primarily to this market, and for the most part, should be encouraged to continue their pursuit of it.

However, the current visitor market may not represent the visitor market of tomorrow, nor may future residents resemble the residents who live there today,

in terms of consumer tastes and expectations. The relevant trends section (4.0) of this report goes into more detail regarding the demographic changes anticipated to take place over the next decade which will likely have a significant impact on long-term prospects for Beaufort's future. Given that, it is not unreasonable to assume that the visitor market ten years from now will be very different than what it is today, and the local market as well, though in a positive way, depending on the degree to which the recommendations associated with the Comprehensive Plan are embraced and implemented.

3.0 COMPETITIVE CONTEXT

The competitive context for Beaufort includes both local and regional concentrations of generic suburban shopping centers and strip commercial development lining the arterials leading into and out of the community. These centers have positioned themselves, in location and in terms of their mix of products, to target local and regional consumers, including – to a certain extent – the visitor market.



Figure 3.0-1

This illustration shows the competing commercial centers surrounding downtown, effectively cutting off downtown Beaufort from its local consumer market for shoppers' goods and services.

The shopping centers situated closest to downtown have taken advantage of the large commercial parcels available outside of historic Beaufort to provide conveniently accessible, competitively priced retail to local residents. These sites are well located to capture the consumer potential associated with the newer housing developments located in and around Beaufort, while also providing a compelling draw for downtown residents, limiting the potential capture for these goods by the Bay Street merchants.

The major concentrations of regional-scaled retail, which offer a full range of shopper's goods, are mostly located in nearby Bluffton. These were positioned to take advantage of the strong growth in the southern Beaufort area over the past decade and as a consequence, this retail corridor along SC 278 has effectively displaced the City of Beaufort's traditional role as the center of retail

gravity for the county. Most of these projects not only offer an inviting selection of high quality, competitively priced goods, but many of them are now also mimicking the traditional architecture and urban forms of Beaufort's historic main street, in a conscious effort to take advantage of the increasing interest in an authentic sense of place.



Figure 3.0-2

Regional scale retail and mixed-use centers in the Bluffton area are adopting neo-traditional architectural formats, if not the explicit urban design qualities, evocative of low country towns and villages, in an attempt to emulate the feel and character of traditional places with the promised convenience of suburbia.

Not surprisingly, one of Bluffton's greatest weaknesses is its success, as traffic congestion makes it an increasingly unappealing option for shoppers from north of the Broad River. However, this opportunity needs to be seized on quickly, before it is lost to other suburban competitors in the area.

The final competitive threat to Beaufort's market share are both new and historic traditional communities such as Habersham and Port Royal, which share key attributes of Beaufort including a high-quality public realm, and a variety of well executed building types in regionally appropriate styles and walkable, mixed-use centers.

Taken together, these places and projects provide a credible challenge to Beaufort's long-term goal of both retaining and rebuilding its competitive standing in the region, but they also help confirm the growing value the market places on compact, walkable, mixed-use development, such as downtown Beaufort. Therefore, rather than focusing on any perceived threat these new developments may pose, a better response would be to simply build on Beaufort's own inherent strengths in this regard. In particular, the things that most clearly differentiate downtown from these other places, include: its historic neighborhoods, its intimate relationship to the river, the Waterfront Park, the marina, and the Bluff.

Findings and Recommendations include:

- The downtown consumer market is complex and multifaceted, both at the local and regional level, and with regard to the local and visitor markets. Any strategic response should be similarly nuanced and multi-faceted.
- There is a lack of useful information and data regarding the visitor market, making it difficult to properly assess the performance of the downtown retailers, and to effectively tailor the overall mix to address the full spectrum of consumer needs in the area.
- Based upon the current data, there appears to be little, if any, obvious or immediate opportunity to improve the sales performance of downtown merchants simply by capturing unmet demand in any particular merchandise category, based on the current capture rates.
- The barriers to entry for new commercial development on the suburban arterials outside of downtown are very low in relation to the constraints and challenges associated with bringing new retail downtown. This is particularly true for price sensitive, generic merchandise categories. This only compounds the competitive pressures on downtown retail. Zoning policies should therefore reflect a more balanced approach in addressing this issue, by actively encouraging mixed-use development along these corridors to promote complementary land-use and transportation objectives, consistent with long-term sustainability goals.
- Given all of the above, it is recommended that the best means for improving the magnitude of consumer expenditures is through increasing market capture/share in both the local consumer market and the regional visitor's market. This can be accomplished through more effective and targeted marketing, by expanding the range and quality of the goods offered, and by growing the size of the local market itself, through a range of targeted strategies intended to encourage more residents to live and work downtown. These are covered in more detail later in this document.
- Embrace, celebrate, and promote the benefits of compact, mixed-use development as a cornerstone of downtown's branding strategy.

4.0 LONG-TERM RELEVANT MARKET TRENDS

Long-term retail trends favor main street communities and mixed-use infill development of the type associated with, and recommended for, Beaufort. A recent article in Retail Traffic Magazine indicated that lifestyle centers, the most recent shopping center format trend to emerge, is already moving in that direction by adding additional uses to make them mixed-use.

In addition, there is increasing popular interest in traditional downtown retail with conventional suburban retailers creating new formats and product mixes specifically for that market. Both of these reflect the growing appeal of authentic, urban environments. In addition, the two converging demographic trends described below bode well for the future of downtown Beaufort, and places like it, if anticipated and planned for correctly:

- The first of those trends is the aging of the Baby Boomers. They are finally moving beyond their fascination with suburbia in favor of the convenience and amenity of a more walkable, mixed-use lifestyle. This is particularly important as the long-term implications of auto-dependence are becoming apparent to aging drivers. Generation X is not far behind in following this trend, and will probably begin this transition even earlier.
- The other is the emerging Generation Y, nearly twice as large as Generation X and just now entering household formation stage. They have rejected the suburban lifestyle of their parents altogether and are poised to become an even more influential demographic than the Baby Boomer generation.

Both of these generational groups are converging on an overlapping set of housing location criteria based upon transportation choice, and the diversity of experiences and opportunities for social interaction that an urban environment provides. College towns are an ideal expression of these convergent attributes, as are places which provide a broad spectrum of cultural and natural amenities, like Beaufort, particularly if they offer the kind of meaning-driven career opportunities which appeal to Generation Y.

Beaufort has the potential to appeal to both demographic groups if it actively pursues a strategic plan to attract both. Beaufort has long appealed to the boomer generation, but with Generation Y just beginning its prime household formation stage, so the time to act quickly is now.

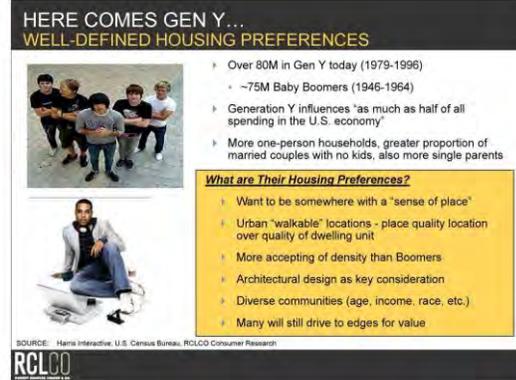
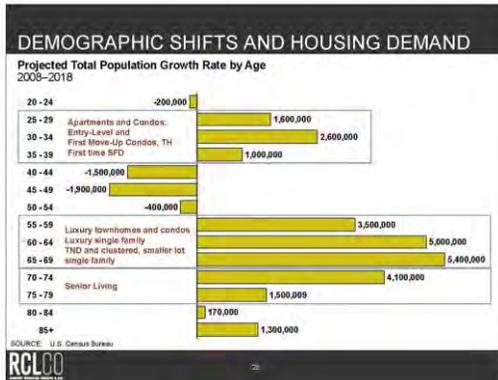


Figure 4.0-1

These graphs, which are presented in the appendix A.3 in a larger format, were produced by RCLCO, and show the similar lifestyle preferences exhibited by aging Boomers and the emergent Gen Y home buyers. These trends have significant implications for Beaufort's strategic positioning.

Specific Recommendations include:

- Anticipate and plan for the emergent Generation Y by tailoring Beaufort's mix of recreational and shopping choices to better accommodate their tastes, while carefully managing their impact and engagement with Beaufort's traditional visitor demographic.
- Embrace Generation Y's predisposition for urban lifestyles by broadening its focus on activities that appeal specifically to them.
- Build housing types that appeal to both aging Boomers and Generation Y.
- Aggressively explore economic and cultural development opportunities which would have specific relevance to both demographics, in particular, the expansion of the USC Beaufort campus to include both practical-based creative programs, and life-long learning opportunities.

5.0 MERCHANDISING AND POSITIONING STRATEGY

5.1 General Observations

This study considers the retail market potential and associated market positioning of downtown Beaufort in relation to its immediate consumer market and the larger regional competitive context in which it resides. In Beaufort, the relatively compact trade area associated with the downtown, combined with the local geography of islands and peninsulas and its associated road network, makes all of Beaufort and its immediate environs function, in effect, a single, auto-dependent consumer market. As stated previously, and in looking at that market in that context, the data clearly suggests that there are -- at present -- no underserved merchandise categories in the assumed trade area simply waiting to be addressed

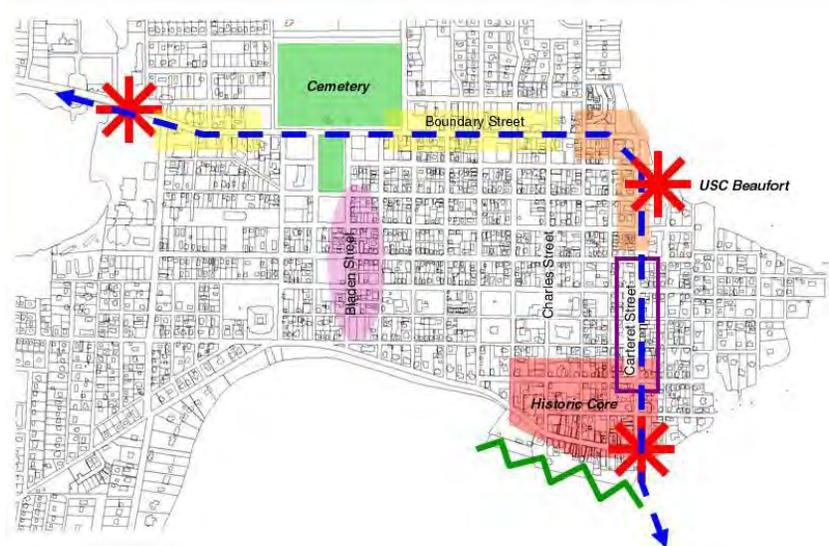
However, the consumer expectations and desires expressed by many of Beaufort's residents clearly indicates an opportunity with regard to certain higher quality goods and branded merchandise, when compared to the more limited specialty focus currently represented in the historic downtown core, or in the value/commodity retail focus of the suburban commercial corridors outside of town. This is, of course, assuming that the overall market demand for those goods exists in sufficient scale to support the retailers who carry such products.

This perceptual gap between expressed demand and what is currently available represents the best short-term option for growing market share and improving the market capture and performance of downtown retail overall, while enhancing the quality of life of downtown residents and others living nearby. However, the historic downtown core itself does not have the physical capacity to easily accommodate the full range of goods and services necessary to effectively fill this gap, long-term, or to achieve sufficient critical mass to compete effectively with other regional destinations in the provision of these types of goods and services. One means of addressing this issue would be to redefine "downtown" Beaufort to include an expanded area bordered on the north and west by Bladen and Boundary streets, which would provide a larger physical framework within which a diverse array of merchandising sub-areas could form.

This approach could help balance the community's stated goal of expanding the range of retail offerings downtown with those merchants who feel the historic core needs to maintain its specialty retail niche. It also provides a rational means of accommodating the economic, physical, and code-related challenges associated with bringing more conventional national retailers into the historical core.

Figure 5.1-1

The map on the right shows a proposed “expanded” downtown, comprised of discrete merchandising sub-districts, including the historic core along Bay Street, Carteret Street, the University District, Boundary Street, and local neighborhood commercial areas on Bladen and Charles Streets.



General Recommendations include:

The unique and often conflicting issues relating to expanding the depth and appeal of downtown retail necessitates a more comprehensive approach to repositioning/remarketing downtown Beaufort.

- To increase capacity and help diversify the array of goods and services available to local residents in the downtown area, expand the perceptual definition of “Downtown Beaufort” to include Carteret Street to the East, Boundary Street to the North, and Bladen to the West, in addition to the historic downtown core of Bay Street, the waterfront, and Port Republic Street.
- To help build a supportive consumer base more able to support the retail aspirations of nearby residents, adopt policies which encourage infill residential development across a broader range of housing types, including those specifically intended to attract younger residents to the area, and to provide and accommodate a greater spectrum of lifestyle and affordability options and needs.
- Within the historic core itself, explore specific strategies to expand the range of consumer merchandise locally available, by consciously targeting areas of overlap between perceived unfulfilled local demand and the visitor market, particularly with regard to the affluent and/or more discerning local shopper.

5.2 Historic Downtown Core Merchandising Plan

The decision to expand both the definition and scale of downtown Beaufort to include Boundary, Carteret, Charles, and Bladen streets, will allow the historic core around Bay Street to sharpen its current focus on experience-driven retail, including dining and entertainment, and unique and specialty goods. This approach makes sense as the market for specialty goods typically has no fixed trade area, making these merchants less dependent on local consumers.

The less-frequent, more discretionary nature of these purchases also compliment the dining and entertainment venues downtown by combining to create more of an experience-driven destination, rather than a convenience-driven one (though these are not mutually exclusive). In addition, this approach takes full advantage of the distinctive physical character of the historic core and its associated waterfront and its appeal to the visitor market.

In this context, daily needs can be addressed either through one of the sub-districts within the newly expanded downtown as described above, or through the limited addition of useful products among the existing merchants downtown, as appropriate.

In the absence of a specific retail anchor, merchandising clusters comprised of complimentary retail uses can sometimes function in a similar way. Clusters encourage cross-shopping by generating foot traffic between themselves in much the same way traditional anchors function in conventional shopping centers. These can be formed around existing merchant groupings or built around targeted retailers to help achieve a more balanced mix. Combined with the waterfront park and strategically located parking, an effective plan built around this concept will help ensure that all areas of the downtown are equally patronized.

In general, the current mix of tenants offers a reasonable basis upon which to pursue this strategy. The collective offerings presently available in downtown include a mix of home furnishings and accessories, gifts, linens, art galleries, sporting goods/apparel, clothing and accessories, general merchandise, books, in addition to both casual and fine dining, providing a reasonable basis for this model.

Building clusters around this mix could involve a number of different approaches. The most typical clustering strategies consist of one of three basic types:

- Grouping around complimentary merchandise categories, where a range of products cover a complimentary spectrum of goods and services (e.g., woman's apparel, shoes, accessories, jewelry, etc.).

- Merchandise clusters based upon shared buyer attributes or shopping preferences (e.g., professional women, sportsmen, etc.)
- Merchandise clusters based upon similar or competitive goods or services, where consumers are able to compare between similar products on the basis of price and quality (e.g., antiques artist galleries, etc.).

In the case of Beaufort's existing merchant mix, there is already competitively based merchandise clusters formed around dining and art, with the remaining shops generally targeting a common consumer audience, based upon a complementary mix.

Growing both the local and visitor market capture would therefore require adding additional retailers to broaden the overall diversity of complementary merchandise, or by offering more products in existing stores which appeal to both the audiences. An effective strategy for accomplishing this goal could be as simple as existing merchants offering branded merchandise that have local appeal as part of their product mix. Another strategy might be to vary the merchandise monthly in response to seasonal changes in the market and tailor it more consistently to the consumer best able to appreciate it at that particular time of year.

The most requested and desired retail type currently missing from downtown is a grocery store, which could be accommodated either in one of the sub-districts of the expanded downtown, such as along Boundary Street, or within the historic core by using a smaller urban format store and associated parking. This type of store typically offers a higher proportion, adjusted to scale, of prepared take-away meals, deli products and local specialties, in addition to basic items such as bread and dairy products, meats, produce, etc., and a modest array of dry goods and other frequently consumer products. These goods would appeal to both visitors and local consumers in addition to serving existing residents and employees, and would be a welcome amenity to help attract residents wishing to live downtown.

In planning merchandising clusters and their location within the historic core, emphasis should be given to anchoring the corners of the district. To the west, Bay street can be anchored by redeveloping the marina parking lot (see Section 5.3.1), and a related opportunity to anchor the northwest corner, in the Port Republic Street area, can be achieved by transferring the current parking capacity of the existing marina lot to a larger, district-scaled parking garage in the block between Charles Street and West street off Port Republic Street. This would have the additional benefit of encouraging new infill development in the surrounding area, which, along with the ability of the garage to provide a consistent source of pedestrian traffic in this area, could have a transformative effect on retail vitality north of Bay Street.



Figure 5.2-1

A photo montage of Fordham market showing an enhanced retail presentation, with new windows and awnings facing toward Carteret Street, based upon existing historic details already in place on the building.

At the eastern end of Bay Street, the Fordham Market needs to present a more compelling face to passing traffic on Carteret Street (see illustration above). The same is true for 800 Bay Street, which is further burdened by not having its ground floor at grade on the Carteret Street side. With some strategic façade improvements (new windows and awnings facing Carteret Street), the Fordham Market building becomes an ideal location for a signature anchor store, given its extraordinary location and exposure. In both cases, the pedestrian environment at the intersection of Bay and Carteret needs to be substantially improved to make it a more comfortable place for shoppers to walk, and to provide a safer and more effective connection to the new restaurants one block to the north. Sidewalk bump-outs on both the northwest and southwest corners of this location are warranted.

Waterfront Park naturally lends itself to waterfront dining and as a staging area for various events. Bay Street is the historic and traditional “main street” shopping area, with Port Republic Street providing additional capacity for other retail uses and services. Overall, this clustering approach, which includes the park and restaurants along the waterfront, should provide an effective “double-loop” walking and merchandising path (see figure 5.2-2) between Bay Street, the Waterfront, and Port Republic Street, presenting interesting sites, compelling destinations, and supportive merchandising environments along a continuous pedestrian route, without doubling back on itself.

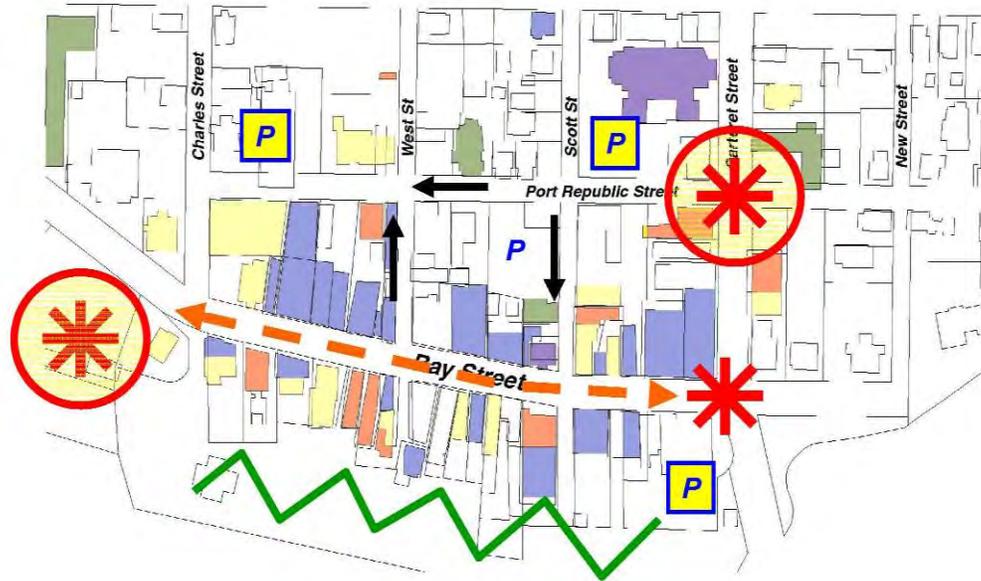


Figure 5.2-2

A proposed downtown Merchandising Plan showing strong anchors on all four corners, including a large parking reservoir north of Port Republic (the “P” in the upper left hand corner), between Charles and West, creating a strong “double-loop” or figure-eight merchandising path (see figure 5.2-3 for specific merchandising recommendations).

Other potential uses and merchandising concepts to consider as a complement to the existing merchandising mix might include a higher-end toy store (e.g., O.P. Taylors, out of Brevard, NC), (this could be an ideal tenant for 800 Bay Street, with its excellent visibility and adjacent parking); a specialty craft and hobby store; health, beauty, bath and fragrance; natural or organic apparel; children’s and/or maternity clothing; and collectibles. Other concepts that might resonate with the general feel of the area could include high-quality consignment stores with unique appeal (e.g., designer apparel), an all vinyl music store, or similar reinterpretations of conventional stores including like a non-digital game store, a first-class newsstand and coffee bar, or day spa and salon. Many of these can market effectively to an online customer base while adding interest and appeal to a wider pool of potential customers.

The large concentration of galleries, antique, home furnishing and accessory stores, make the Port Republic Street area an ideal location for design-related goods and services. Similar main street shopping districts with secondary street and pedestrian networks, like Worth Avenue in Palm Beach, Florida, make use of interior courtyards and pedestrian arcades to create an expanded network of more intimate retailing environments. This type of cluster would make a nice complement to the water-oriented restaurants cluster on the south side of Bay Street.



Figure 5.2-3



Fig. 5.2-4

Pop-up shops can take the form of short-term retail buildings to temporarily line surface parking lots and incubate new merchants; food trucks brought in on an event-based basis to highlight local restaurants; store-within-a-store temporary display; etc. The idea is to create a more dynamic and varied retail experience for visitors and locals.

“Pop-up” or temporary merchants (see figure 5.2-4) can help to incubate these and other clusters and provide interim liners to help fill-in weak spots in the downtown fabric, particularly in the Port Republic Street area. These can also be used to augment and support local retailers during the high season or for special events. They can take a variety of physical forms from a “store within a store,” to pushcarts and food trucks, all the way to semi-permanent structures on temporary foundations which can be moved around as more substantial infill structures take their place.

Another unique take on the idea of temporary merchants might be a “celebratory chef” program, where nationally recognized chefs from nearby major metropolitan areas come in for a week or two and take over the kitchen of a local restaurant, serving a unique take on the local cuisine (to avoid competing directly with their regular menu), perhaps offering cooking classes, or even leaving a “signature” dish on the regular menu as a legacy of their appearance.

The somewhat ad hoc nature of Bay Street’s current tenanting is not overly problematic, given its relatively small size and the organic nature of most small town main streets, particularly if the two ends are dramatically strengthened. However, the small grouping of non-retail commercial uses currently toward the middle of Bay Street does interrupt the continuous retail frontage. A strong retailer in the presently vacant Lipsitz building could provide an important intermediate anchor to help propel foot traffic along what is at present, a weak middle. A small cluster of specialty food offerings in that area might be another effective option.

Specific Recommendations include:

- In the downtown core, develop and implement a comprehensive merchandising/master plan articulating a set of merchandising clusters built around the existing tenant mix and supported by a comprehensive parking district, which strengthens and encourages cross-shopping downtown by emulating a classic “string of pearls” approach, driving foot traffic from one anchor cluster to another, along a continuous retail frontage.
- Both the east and west end of Bay Street would benefit from stronger anchor uses. 800 Bay Street should be occupied by a signature tenant, such as a destination toy store, if at all possible, and Fordham Market should provide a more suitably enticing presentation to Carteret Street. A redeveloped Marina site could function as a destination unto itself, and provide a complementary mix of additional attractions to further enhance the historic downtown core’s critical mass.
- As part of the effort to recruit a signature tenant to the east end of Bay Street, and to better leverage the attraction value of Wren and Breakwater restaurants at Carteret and Port Republic streets, the pedestrian environment at the intersection of Carteret and Bay streets, and along Carteret Street between Bay and Port Republic streets needs to be substantially improved.
- Improve the perceptual links between the waterfront and Port Republic Street, and vice-versa, to help reinforce the perception of the historic core as a multi-faceted, waterfront experience woven around a single place, instead of simply a disparate collection of individual places, in close proximity to each other
- Diversify the dining and entertainment focus; (e.g., more casual dining, ethnic food options, lowcountry nouvelle-cuisine, a micro-brewery or gastro pub).
- Use innovative tools like temporary/pop-up merchants, push-carts, etc., to incubate and test new retail concepts and to broaden and diversify the mix and appeal of the current tenant mix, as well as to help fill in voids within the existing pedestrian network.
- Consider adding branded goods to existing merchandise to expand local appeal and to help build common ground between the local and visitor consumer markets.
- Explore and develop policy tools which incentivize the use of the newly adopted Rehab code, and/or other flexible regulatory mechanisms to

encourage active use of upper story spaces downtown, particularly for residential. On a similar note, adopt “graduated” historic preservation standards with regard to proximity to the historic core, to help stimulate redevelopment and infill development within the larger downtown area.

- Implement Main Street South Carolina’s recommendations regarding hours of operation, façade, storefront, and merchandising improvements, as outlined in Section Five of this report.
- Implement a comprehensive signage and wayfinding program.
- As part of the current comprehensive parking district, continue using and refining demand-based pricing and time restriction formats to encourage a high-level of turnover and parking utilization ratios on Bay Street and other limited capacity areas.
- Adopt a more objective, principle-based set of standards based on a comprehensive form-based code and design guidelines to facilitate and expedite new infill development in downtown Beaufort and the historic core.
- Use new technology and social media to help promote downtown shopping. This should include a new or improved City-related webpage highlighting individual merchants as well as smart phone apps to promote various marketing events and promotions downtown in real time. WiFi should be available free throughout the downtown historic core.

5.3 The “Expanded” Downtown Merchandising Plan

In adopting a more broadly expansive definition of downtown, as described below, steps should also be taken to clarify an appropriate and complementary balance between the individual niche focus of each new sub-district relative to the overall mix, based upon the underlying attributes of each area. The greater infill capacity and more regional-oriented nature of the traffic flow on Boundary Street, combined with its central location within newly defined downtown’s neighborhood context, makes it the most suitable for attracting a broad range of community serving retail. This could include stores such as a grocery, a pharmacy, and a general merchandise store, etc. This area could also accommodate national chains, etc., which might be incompatible with the historic downtown core.

The area around USC Beaufort should be developed to serve the anticipated and hoped for expansion of the campus in that area and could serve student and neighborhood needs. Bladen Street can accommodate quasi-retail and neighborhood services with live-work formats and small-scale infill commercial, allowing the historic downtown core and Bay Street retail to retain and sharpen

its focus as a specialty retail, dining and entertainment district, functioning as a both a local amenity and as a regional destination.



Fig. 5.3-1

Boundary Street has already adopted Form-based Code standards to help ensure a compatible physical relationship to the historic core, including an extension of its walkable, mixed-use format. By pursuing a different merchandising focus from Bay Street, Boundary Street can help to meet local consumer aspirations without compromising historic downtown Beaufort's traditional specialty niche.

Taken collectively, this expanded definition of “downtown” reflects an updated and relevant interpretation of what the City can be in more current terms. This in turn encourages a more flexible and comprehensive market positioning and merchandising strategy than what is currently afforded by the more limited definition of downtown as simply the historic core along Bay Street and its immediate surrounds.

This will allow Bay Street merchants to continue their primary focus on the visitor market, while still addressing the local desire for convenient access to a more comprehensive range of goods and services than what is currently available downtown. At the same time, the historic core will benefit from having its own more detailed merchandising plan within the newly expanded “downtown,” giving each sub-district its own discrete identity and niche focus.

Specific Recommendations include:

- Increase Beaufort's overall market share by expanding the physical definition of “downtown” to include the larger area bounded by Carteret, Boundary, Bladen, and Bay streets, and by creating new merchandising sub-districts to attract a broader range of retail formats, and price points than can be comfortably accommodated in the historic downtown core.
- As part of this redefinition, adopt policies that encourage infill development throughout the area defined above, and in particular, residential development. This would include pursuing catalytic objectives related to economic development, such as the expansion of the USCB campus.
- Implement specific business recruitment strategies (see Section 6.7) to encourage local business expansion and new business recruitment based

upon a comprehensive long-term vision for Beaufort as a place to live, work, learn and play, consistent with the principles of sustainable community development

- Consider a “graduated” form-based code and design guideline framework which ties specific building types to a formal regulating plan, but which allows for more interpretive design standards the further away a proposed development is from the historic core. This approach acknowledges the intrinsic value of traditional settlement patterns and historical precedents found in the historic core, while encouraging new infill development in the City as whole, through a more flexible, user-friendly regulatory framework.

5.3.1 Waterfront/Marina Area

Beaufort’s Waterfront Park is a remarkable accomplishment and a wonderful amenity for local residents and visitors. In many ways it is the primary anchor for the downtown, providing yet another compelling reason to visit downtown. However, given today’s time-strapped consumer, it also serves as potential competitor for a visitor’s time and attention with regard to shopping and dining. Because of this, careful consideration should be given to how it integrates into the overall circulation network and program of uses and activities within downtown.

To help reduce any perceived competition between the waterfront and Bay Street’s shops and restaurants for a visitor’s time and attention, effort should be given to strengthening the perceptual connections between Waterfront Park, Bay Street, and the Port Republic Street area. In addition to opening up and reinforcing these perceptual links, this need to integrate the waterfront with the larger historic core is one of the key justifications for relocating the marina surface parking lot to a structured deck off Port Republic Street.

In looking at the redevelopment potential of the marina parking lot itself, specific consideration should also be given to incorporating uses that complement and support the downtown merchants, to create a compelling anchor for that end of Bay Street. These could include enhanced public facilities (including transit), a permanent home for the Beaufort farmer’s market, local craft and artist studios, and retail venues to reinforce and enhance the historic core’s existing focus on unique and locally produced goods and products. It could also be designed to accommodate a range of events and entertainment programming, augmenting the facilities in nearby Waterfront Park.



Figure 5.3.1-1

(Left) Streets in Seaside, Florida are terminated by dune-walkover pavilions, providing a tangible connection between the waterfront and the inland neighborhoods they connect to. Though much larger than the smaller iconic markers envisioned for waterfront park, they illustrate the idea of giving each street a “beachhead” along the water. (Right) The Torpedo Factory in Alexandria, Virginia is a great example of an adaptive re-use of a former waterfront industrial building as artist community. A similar concept in mixed-use form on the marina parking lot site in Beaufort could provide much needed public amenities, additional event capacity, and complementary uses to build critical mass, and anchor downtown.

Examples of two similar projects that would meet these criteria in tourist-dominated markets are the Torpedo Factory, in Alexandria, Virginia, which houses a large number of artist studios, galleries and display spaces; and the Charleston Slave Market, a venue for marketing locally produced craft goods and specialty foods that celebrate the traditional culture of the region.

Specific Recommendations include:

- Implement an enhanced signage and wayfinding system which improves pedestrian awareness of the north-south connections between Waterfront Park, Bay Street, and the Back Bay (Port Republic Street) area. These could include iconic street markers situated at the southern termini of Scott, West, and Charles Streets (see figure 5.3.1-1).
- Relocate the existing marina parking to a major new parking facility off Port Republic Street to provide significant parking for the downtown core, and to generate pedestrians in that area. Redevelop the existing marina surface parking lot to: add to the critical mass of retail goods available in the downtown; provide a stronger anchor for the west end of Bay Street; and provide better facilities for tourists including, motor coach loading and unloading, queuing for carriage rides, public bathrooms and tourist information, etc. It is also recommended that this development provide artist studios, galleries and retail spaces for the production, display and sale of locally produced art work and indigenous crafts.

- This facility should also provide a permanent home for a weekly or bi-weekly public/farmers' market, and should be stylistically evocative of local building traditions and the historic working waterfront buildings that historically bordered Beaufort's waterfront.

Additional event and performance space should also be included to complement the bandstand and more naturalistic setting of the existing park. This will provide a greater range of programming flexibility for the waterfront as a whole, while limiting the potential burden to local businesses along the waterfront.

- Short-term parking and vehicular access should be retained for the marina and boat launching area, as well as services and amenities for transient boaters and a proposed day dock.

5.3.2 Dining, Events and Entertainment

Dining is considered a universal form of entertainment and an enjoyable way to sample local culture and traditions, making it a significant and pleasurable part of any visitor experience. Beaufort is well represented in this regard, with a diverse array of dining options tailored to a variety of tastes and price points, and in general, reflective of local tastes and customs. Overall, the range of dining choices available closely mimics the demographic makeup of the market, both local and visitor, with value-oriented chain restaurants dominating the suburban approaches to downtown, and a range of casual and fine dining options in downtown itself.

In general, most of the independent restaurants in the Beaufort area feature local cuisine, including locally-sourced products associated with the region. This typically means seafood and other regional specialties, such as shrimp and grits, oysters, fried green tomatoes, etc. While there are certainly variations on this theme to be found throughout downtown, many of the menus are remarkably similar, and there is a tendency to focus on either fine dining, or very casual dining, with little depth in the middle.

A conscious effort should be made to diversify the cuisines offered in the historic core, as well as in the expanded downtown, to reflect a broader palette, particularly with regard to attracting a younger clientele. Ethnic options in particular could benefit from greater representation as well as greater diversity in price and dining atmosphere. More mid-priced restaurants of this type downtown could help fill the gap between casual and fine dining, and provide a viable option to the family-style chain restaurants on the edge of town.

At the other end of the spectrum, providing a more high-end experience with youthful appeal is another option for diversifying the range of downtown dining options. Gastro-pubs, which combine a brew pub with a gourmet take on

traditional pub food is a concept that might enjoy broad appeal in a market like Beaufort's. Coffee houses are also making a comeback, providing an addition venue for local music and literary readings, and would be popular with college students and retirees, alike.

Beaufort and its neighboring communities host a wide range of events throughout the year, periodically attracting visitors from around the region and beyond. However, what is also needed are events and entertainment programming specifically geared to bring locals downtown on a more consistent basis. In addition to dining, uses which encourage more nighttime visitation particularly for locals should be considered.

In the absence of a dedicated performance venue, concepts that combine entertainment and casual dining, like a cinema draft house, comedy club, or dinner theater may provide one approach, or more family-oriented seasonal events, like outdoor movies in the park. Astoria, Oregon, a waterfront fishing community at the mouth of the Columbia River has built a strong regional draw around art, music, and literature in a friendly format that provides broad support for local businesses and dining establishments.

More frequent, locally focused events help encourage locals to get in the habit of visiting downtown on a regular basis, and can help merchants to justify carrying more locally-oriented merchandise. Certainly, the farmers' market falls into this category, and there is no reason that the biggest and best farmer's market in the Beaufort area shouldn't be downtown. The redevelopment of the marina site should take this into consideration, and provide more of a permanent, shaded structure, with facilities, to accommodate an expanded farmers' market program.

Specific Recommendations include:

- Diversify the range, type, price and experience associated with Beaufort's dining options, including more ethnic cuisines.
- Consider mixing entertainment with food in a more overt way, including cinema and music, to provide more reasons for locals to visit in the evening. Outdoor music should be non-amplified, in keeping with the intimate scale and outdoor dining venues downtown, to help promote living downtown, and avoid acoustical conflicts between venues.
- Consider combining facets of existing events to create new opportunities to celebrate Beaufort's many assets – like an art and music event, or a literary and cinema event. Also, don't focus events exclusively on the Waterfront park area, rather, plan them consciously to drive energy and foot traffic onto Bay Street, and/or alternate park events with downtown events.

- Offer a regular palette of local and family-oriented seasonal events (Oktoberfest, Easter egg hunts, Halloween parade along Bay Street, etc.), and performance events (Shakespeare in the Park, etc.), to help encourage regular visitation by locals, especially young families. In general, more small events are better for generating retail sales than a few large events, which tend to shut down local streets and sidewalks.

5.4 Locals vs. Nationals

The issue of introducing national chain stores into traditional downtowns can be a controversial one, with legitimate arguments to be made both for and against their introduction into that context. Where the market can legitimately support them, many national retailers have shown a willingness and flexibility to adapt their standard formats to unconventional building layouts and configurations. Their brand recognition and marketing acumen can help attract and sustain consumer traffic to downtown locations, increasing market share to the area by changing the dynamics and retail gravity of the market as a whole, often helping local owned and operated stores in addition to themselves, if their presence is carefully managed toward that objective.



Figure 5.4-1

Examples of national retailers fitting into the urban and architectural context of a particular locality

On the other hand, national retailers can also displace existing local merchants by selling competitive merchandise and can sometimes artificially inflate market rents beyond what the market can reasonably sustain, creating unrealistic expectations on behalf of local property owners and landlords with regard to market rents and the related value of their real estate. Therefore, the issue of nationals needs to be approached with a careful understanding of what is realistically achievable, relative to the local consumer market, in addition to weighing the community's preferences in this regard (see Section 8.0, Precedents -- Frederick, Maryland).

In the case of Beaufort, the market data for Beaufort and the northern county area, contrary to wide-spread perceptions, does not paint a compelling picture with regard to attracting the higher-end national retail chains. This perception is

compounded by the physical and regulatory constraints specific to Beaufort's historic core, and the perceived additional costs associated with operating in that environment. Furthermore, many of the existing merchants have expressed concern that their presence would be disruptive to the uniqueness of the downtown environment and their focus on specialty retail and unique dining experiences.

Regardless, the concept of an expanded, multi-faceted downtown allows Beaufort to entertain the possibility of national retailers at any time that the market expresses support for the idea, without compromising the unique qualities of the historic core in any way

Specific Recommendations include:

- Continue to maintain historic downtown Beaufort's focus on unique, one-of-a-kind merchants, while exploring the potential of Boundary Street as a viable location for national retailers who would appeal to the local consumer market.
- Establish relationships between local brokers/economic development staff and regional and national leasing professionals who, in the course of their own work, can represent Beaufort's interests should an opportunity present itself.
- Develop marketing and tenant recruitment materials that can be used to attract both independent and national retailers (see also Section 6.7).

5.5 Grocery Store/Market Cafe

Along with the subject of parking, no other topic has probably generated more controversy or discussion than the question of downtown convenience retailers, such as a grocery store, a pharmacy, or a hardware store.

As with the other merchandise categories, the bulk commodity market for groceries is well served in the Beaufort area. However, there appears to be a strongly expressed desire for specialty-grocer products in the market, including locally-sourced organic fruits and vegetables, higher quality meats and seafood, and regional specialties.

While the farmer's market can and should address some of these needs, the opportunity for a more dedicated, full-time market, coupled with a strong deli/prepared foods component, could do well in the Beaufort market. This is particularly true if supplemented by regional specialties which would appeal to both the local and visitor market, and provide a nice amenity for local recreational activities.

This will likely be an operator-driven opportunity, and at least two potential operators have expressed interest in developing such a concept. Consistent with the recommendations related to the expanded downtown, a grocery component could be a welcome part of the Boundary Street retail mix, where the additional traffic, visibility, and convenient parking potential would increase its likelihood of success. However, in light of the other improvements outlined in this report, a location in the historic core should not be discouraged.

Findings and Recommendations:

- While there are many examples of the successful integration of national retail chains in historic urban settings, the consensus appears to be in favor of retaining the current retail focus of the historic downtown core on niche, specialty retail and dining, targeted to both the local and visitor market. Given that, recruitment efforts for both national retailers and grocery operators should focus primarily on the Boundary Street corridor. However, if the opportunity presents itself, a grocery operator who is willing to tailor their product mix to appeal to both the local and visitor market should be actively encouraged to consider a location on the periphery of the historic downtown core.
- Consider retaining a regional leasing specialist who is familiar with the area, and experienced in working with independent retailers to identify and recruit unique regional stores looking to expand, and/or smaller, specialty multi-unit independent stores.

6.0 OTHER FACTORS AND CONSIDERATIONS

6.1 Parking and Street Network Configuration

Parking is a critical issue for any downtown, and it is a key to competing with the perceived convenience advantages of a suburban retailer. Informal surveys of downtown businesses and local residents suggest that parking is an issue of concern for both merchants and their customers. Typically, parking comprises two inter-related components – location and capacity. How those two components are managed and relate to each other is critically important to ensuring the convenient and effective utilization of this important asset.

Downtown Beaufort is typical of many historic towns in that it was not originally designed with the automobile in mind. As a consequence, there is competition between sidewalk space and on-street parking, particularly in the historic core. In this case, both sides have compromised as much as is reasonably possible, all things considered. Therefore, achieving a thoughtful and strategic balance between capacity, location, and availability is essential to the success of downtown retail. Establishing reasonable time limits, such as the city has recently implemented, and setting pricing based upon demand is key to that balance.



Figure 6.1-1

Examples of directional signage for public parking should be clear and graphically consistent.

With suburban competition and its promise of convenient, free parking in such close proximity to downtown, it seems counter-intuitive to talk about paid parking as a necessity. But in fact, with parking along Bay Street in such short supply it is imperative that it be valued accordingly, to encourage both frequent turnover, and to help direct patrons to convenient, lower cost options nearby on the perimeter of the core. This will help to more evenly distribute pedestrians throughout the downtown, while providing short-term convenience parking critical to the competitive success of Bay Street merchants (more on this topic in Section 5.2).

The marina parking lot has been helping to “anchor” the west end of Bay Street by providing some of this much-needed peripheral capacity, but it represents an unacceptably low-value use of this site when there are other, better options available for locating parking. The large surface parking lot between Port Republic and Craven streets, and Charles and West streets, is one such location, and would provide an even more strategically important location for driving pedestrian traffic north of Bay Street, in support of infill development in that area.

Recent efforts to develop a comprehensive parking management system were not well received by downtown merchants and local shoppers, and were perceived to be biased more toward revenue than effective demand management of the parking resource. Unfortunately this is often the case when transitioning to such a system where the current parking was essentially given away for free. Still, we find that the methodology and approach of the current system is sound and should be continued and expanded with the end goal of directing parking behavior in such a way as to encourage greater use of remote lots for extended/all-day parking and encourage the highly-visible, on-street spaces such as along Bay Street turnover frequently with higher incremental costs and shorter durations. Such is the practice in most parking districts including Charleston, SC and Greenville, SC. Both of these cities have carefully calibrated their systems to turnover highly visible on-street spaces to provide at least some perception of their availability to infrequent visitors or convenience customers with employees and others requiring longer-term parking easily find a remote lot or parking deck with clear signage and wayfinding.

Specific recommendations include:

- Reconfigure one-way streets in the Port Republic Street area to allow traffic to more easily re-circulate back through the historic downtown shopping district. The current one-way configuration on Port Republic encourages drivers to exit the area, and the design represents a very inefficient use of the street for other purposes. A simpler physical design in this area could allow for the temporary closing of Port Republic Street to vehicular traffic for street festivals and special events.
- Identify a suitable candidate to relocate the current marina parking into a much larger parking reservoir north of Bay Street, but also toward the west end of the historic downtown core. The existing surface lot north of Port Republic, between Charles and West Streets would be an ideal location for such a facility.
- Continue and expand the comprehensive parking management system that identifies all lots available for public and/or shared private parking and establish common signage formats and pricing policies to simplify ease of use and to help encourage greater utilization of the entire downtown

parking resource. It should continue to be integrated into other information and wayfinding systems to clearly indicate where public parking is permitted, and use a simple, consistent method for collecting/paying fees.

- Reassess current progressive pricing and time allowance strategies to encourage more frequent turn-over in high demand areas. Monitor frequently for utilization rates based on time of day, day of week and time of year. Continue to adjust pricing and time limits as necessary to ensure optimal use.
- Provide value pricing in surface lots and decks (where applicable), to encourage local workers and retail employees to park outside of prime retail areas, particularly during high season, and/or consider a shuttle or park and ride program from suburban lots outside of downtown.

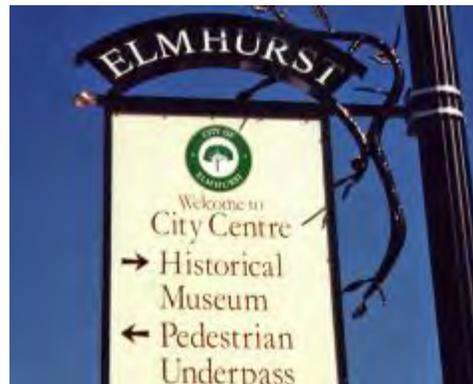
6.2 Signage and Wayfinding

The purpose of signage is to provide clear and concise information in a rational and easily understood fashion, based on the need to know. In a wayfinding system, there should be a rational hierarchy to the information conveyed, and the sequence in which it needs to be perceived. These include principal gateway signs marking the primary entrances into Beaufort; trailblazing signage geared for both pedestrian and vehicular use, indicating major attractions, and other important information, such as the location of parking; and individual building markers. Banners can supplement this system by highlighting seasonal attractions and special events.

Coupled with parking, graphically consistent and effective signage and wayfinding are essential to a successful downtown. The signage in Beaufort is not consistent in its format and application, leading to unnecessary confusion and inconvenience for the visitor. In general, directional signage indicating location of parking and major amenities should be graphically consistent, and reinforce confidence in the overall credibility of those directions and the destinations to which they refer. If a comprehensive parking management program is adopted which includes both public and private lots and garages, similar graphic formats should be employed to encourage visitors to take advantage of all of the facilities available, and should indicate which ones are specifically for long-term use.



Figure 6.2-1
Examples of Informational signage (right and previous page) that include directories highlighting areas of interest, and/or function as a directory indicating specific merchants.



All signage, regardless of type, presents an opportunity to further distinguish downtown from other shopping destinations in the area and to provide subtle but consistent clues as to the general level of care taken in

anticipating and appreciating the visitor's presence. Therefore, careful thought should be given to developing a comprehensive signage and informational system which reflects in its design and fabrication the unique culture and traditions of Beaufort.

Specific Recommendations:

- Informational signage should be located on Bay Street at the intersection of each side street, with the names of each business located along that street.
- Clear directional signage indicating the location of, and direction to, off-street parking. Other key downtown destinations should be posted on both Bay and Carteret streets, using similar and consistent graphic formats.
- Merchant directories, showing a plan of the downtown core and associated businesses, should be located at both ends of Bay Street and near the pedestrian exit of any larger off-street parking facility.
- Each street should have some type of physical market and/or structure (see figure 5.3.1-1) in Waterfront Park, indicating the southern terminus of

that thoroughfare and reinforcing the perceptual link between the waterfront and the neighborhoods and shopping areas north of Bay Street.

- Develop a unique design and fabrication system for Beaufort's signage and informational kiosks, which draws from local architectural traditions.

6.3 Streetscape and Lighting

Beaufort's existing streetscape is relatively well maintained and contains a coordinated mix of streetlights, benches, and trash receptacles. Cleanliness and maintenance of the streetscape is a key indicator many shoppers use to assess the relative safety and attractiveness of any urban shopping precinct, making this a critical factor in successfully marketing the downtown.

While the current array of street furniture is certainly adequate, the opportunity exists to choose a deliberate palette of street lights, signage, directories and street furnishings, which reflect the unique heritage of Beaufort, and its stylistic aspirations.



Figure 6.3-1

Examples of street lighting, seasonal and shop window displays, and street furnishings which reflect the local context.

Specific recommendations include:

- Provide a consistent level of ambient lighting in all pedestrian areas, and in particular, parking lots.
- Make sure the street lighting doesn't overwhelm night time window displays and is color corrected to show both people and merchandise in their true colors.
- Ideally, street furniture should be considered part of an aesthetically coordinated ensemble which includes informational and directional signage, seating, etc., and should be place-and ambience-appropriate.

- In looking at the design of light poles, consider the location and mounting of seasonal banners. Also, the ability to include hanging flower baskets provides an additional level of aesthetic and seasonal color, as well as another opportunity to create a more pleasant and attractively orchestrated pedestrian environment.
- In placing street furniture on sidewalks, care should be taken not to unduly impede pedestrian flow, particularly in constrained areas of high congestion.

6.4 Hours of Operations

Extending the hours of operation are one of the most effective means of expanding potential market share and capture, given that most shopping today takes place after 5:00 PM and on weekends. While the downtown's current focus on daytime visitors might appear to exempt it from such consideration, the lack of extended hours was one of the key issues raised in interviews with local residents expressing a desire to shop downtown.

Coordinating extended hours of operation will enhance the night-time visitor experience, and provide more opportunities to leverage Beaufort's growing dining appeal. This process can be undertaken incrementally, over time (it can take up to a year for consumers to fully adjust), and can increase revenue sufficiently to justify the additional operating expense.

Specific Recommendations include:

- Extend hours seasonally to a minimum of 6 PM, with at least one extended hour shopping night of 8 PM, along with uniformly adopted Saturday hours of operation, promoted through a coordinated marketing campaign to heighten consumer awareness of those extended hours.
- Grow the duration of extended hours as well as the number of shopping nights incrementally over time on an annualized basis and/or on the basis of an extended season.
- Encourage closed stores to keep their storefront displays illuminated until at least 11 PM every night to provide greater visual interest, and to facilitate window shopping before and after dining.
- Adopt uniform operating hour standards for each of the expanded downtown sub-districts, based upon generic business types, to help expand the range and availability of goods and services in the downtown area.
- Coordinate hours of operations with festivals and special events to provide shopping opportunities for residents and visitors (see also Section 5.3.2).

6.5 Storefronts and Visual Merchandising

Store signage and visual merchandising (storefront displays) are the principal means by which individual retailers capture the consumers attention, and add visual interest to the surrounding streetscape. Many of Beaufort's merchants do a good job of creating attractive, inviting window displays to passer-bys, however, there exist opportunities for improvement.



Figure 6.5-1
Examples of high-quality storefronts and window displays

Specific guidelines and recommendations relating to storefront design and visual merchandising can help to simplify design review and approvals while providing a consistently high level of quality and execution on these critical elements, in keeping with Beaufort's historic character.

Storefronts should be integral to the building design and should be clearly delineated from the upper stories. Awnings, where appropriate, should be high enough to comfortably walk beneath and deep enough to adequately shade the storefront to reduce reflections in bright sun. Attractive and compelling displays can be thoughtfully composed or simply a celebration of the merchandise inside.

In general, signage, awnings and shop fronts should reflect the specific character and historical context of the building on which it is applied, reinforcing the authentic diversity and eclectic styles of Beaufort. This will also be true in the case of new construction, assuming that new infill development would conform to

the building typologies and regional design precedents recommended by the comprehensive planning guidelines associated with this report.



Figure 6.5-2

Examples of signs that consider the context of both the storefront and the street context and which reflect the nature and quality of the goods inside the store. The bottom right image is a good example of a well lit, after-hours, night-time window display.

Acceptable sign types could include blade (perpendicular) signage, flush-mounted signs, window decals and painted logos (historically appropriate and size limited), and inlaid logos and signage in the area between the sidewalk and entrance door, where a recessed entrance exists. Screened logos and store names could be allowed on awning fringes (non-illuminated). Signs should be directly illuminated either by pendant mounted lights of appropriate size and character, and/or backlight pinned-off channel letters on flush mounted signage in new construction.

Specific Recommendations include:

Note: The following recommendations reflect generally recognized principles of successful storefront design, such as those espoused by the National Trust and similar Main Street programs.

- Adopt graphic design standards and sign criteria which provide clear parameters regarding acceptable sign design, etc., without being overly restrictive in terms of creative expression. These can be tailored to match the specific conditions and constraints of the various merchandising sub-districts.
- Keep displays simple and concise, avoiding confusion and clutter, in a dynamic composition that catches the eye and focuses attention on the featured merchandise.
- Displays should be attractively lighted to highlight the display elements in an appropriately dramatic way, and lights should be on programmed timers to allow the storefront to remain lighted even after closing.
- Awnings should be provided for weather protection, to shade, and help minimize reflections on the storefront window to enhance lighting effects, even during the day time. Ideally, these should be at least 8 feet above the sidewalk, project a minimum of 6 feet, and should be mounted in such a way as to enhance - not cover-up or otherwise detract from - the building's features or historical details. Metal or glass canopies can also be used, if appropriately detailed, but plastic and/or internally illuminated awnings should not be allowed.
- Displays should be changed regularly, and/or to reflect seasonal offerings and special events, and should remain lit until at least 11 PM (see Section 6.4) to provide a more animated streetscape and the opportunity for restaurant patrons to window-shop before or after dining.
- A mid-level cornice should be incorporated into the storefront design, consistent with the building's architectural style and heritage, to provide a clear horizontal break between the ground floor storefront and the upper façade of the building. This can also serve as an ideal backdrop, or sign band, for attached signage on the building face.
- A minimum standard of ground floor transparency should be established - 65-70% are typical.
- Entrances to stores should ideally be recessed into the building frontage, with a contrasting material finish compared to the adjoining sidewalk.
- Empty storefronts should be provided with temporary window displays featuring merchandise offered elsewhere in town or which highlight historical or cultural events relevant to the area and/or be used to incubate new businesses through the use of "pop-up" stores, or other temporary merchandising and display strategies.

- Establish funding mechanisms, such as direct matching grants, and other economic incentives to encourage façade improvements, including signage upgrades and awning replacement. A portion of that should be allowed to be re-allocated for interior store design improvements, particularly for code-related upgrades.
- Consider retaining independent professional design assistance to secure objective, third-party input on consumer tastes and visual appeal.

6.6 Codes

Interviews with local business and property owners have indicated a range of experiences and sentiments, both positive and negative, with regard to the perceived impact that current building codes have had on their ability to compete effectively with suburban retail and development.

While there is broad consensus on the need to preserve the historic core's unique architectural and historic heritage, the means by which that is accomplished is subject to debate. Finding a reasonable economic balance between protecting the city's historic fabric and encouraging new investment will require, at a minimum, more flexible life-safety codes which reflect the market realities of bringing historic buildings into current compliance.

One common complaint is that the Historic District regulations are being arbitrarily and subjectively applied. Form-based codes, which work in concert with a precise regulating plan, can help ensure predictable and mutually compatible outcomes for all concerned. The other is that current life-safety codes represent an insurmountable economic obstacle to rehabilitating downtown buildings to accommodate other uses, particularly residential on the upper floors.

There are several tools that can help to address this concern, including various rehab codes, which provide a more incremental means of addressing life-safety code-related issues and concerns. Beaufort's recent adoption of the 2006 IEBC (International Existing Building Code) Rehab code should help provide a cost-effective means of creating greater vitality in the historic core, and providing greater revenue to property owners to help ensure their ongoing maintenance and upkeep.

6.6.1 Form-based Codes

The purpose of form-based codes is to provide a comprehensive regulatory framework that relies on a set of predetermined and collectively agreed upon design principles and associated building types. These are usually based on regional precedents and set within a clearly defined physical (regulating) plan, to provide a coherent and predictable built environment, consistent with the building traditions of a particular locale.

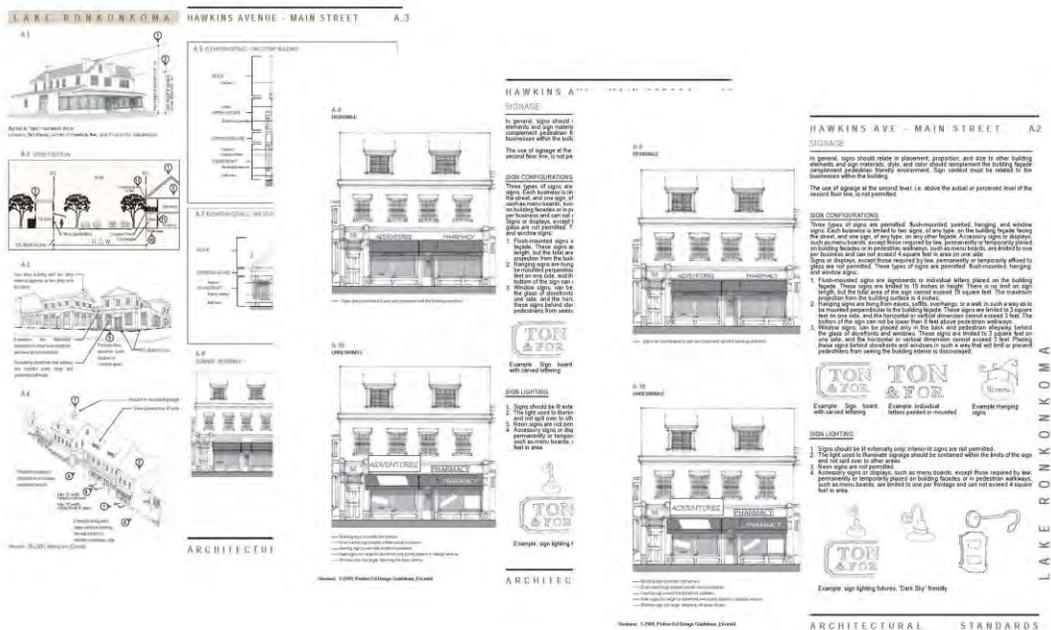


Figure 6.6.1-1
 Examples of a form-based code with integrated storefront design guidelines from Ronkonkoma, New York. (Source: ADL3 Architects).

6.6.2 Design Guidelines

A sub-component of regulatory codes design guidelines are often employed in concert with form-based codes to provide a more precise outcome, consistent with intent. Beaufort presents an ideal opportunity for the application for both of these tools. In addition to architectural guidelines, which are often related to specific historical references appropriate to the area, more detailed guidelines can be used to inform the specific design and detailing of elements related to retail including the detailing and design of storefronts, signage, and window treatments (see figure 6.6.1-1).

As with other recommendations in this report, design guidelines can be progressively administered relative to the four downtown districts envisioned here. The most restrictive and historically precise parts of the code would apply exclusively to the historic downtown core, becoming more progressively flexible the greater the distance from Bay Street. It is recommended, however, that the form-based component of the code remain consistent throughout the expanded downtown area, as it pertains to the specific building types allowed.

6.6.3 Tenant Design Guidelines

A sub-component of regulatory codes, tenant design guidelines are often employed in concert with form-based codes and design guidelines to provide more precise direction with regard to retail building frontages in particular.



Fig. 6.6.3-1
Examples of Tenant Design Guidelines produce for the Village of Rochester Hills, Michigan (Source: PeterhansRea, Environmental Designers)

Specific Recommendations Include:

- Use a regulating plan for the entire downtown area which specifically prescribes the range of building types necessary to accommodate the anticipated commercial uses in the variety of physical and market contexts defined. These may include mixed-use buildings in a range of scales and building types, including historic mixed-use rehab and infill, live-work, and low-density commercial/fabrication, where appropriate.
- The Regulating Plan should also address building placement on the lot to ensure a consistent street frontage for retail purposes, as to create a high quality pedestrian environment.
- Actively promote the use of the 2006 IEBD Rehab Code, to facilitate the incremental reuse of upper story spaces in the historic downtown core for both office and residential.
- Explore funding grants or low-interest loans to encourage the maintenance and rehabilitation of historic structures for mixed-use.

6.7 Tenant Recruitment

Tenant recruitment and retention programs should be an integrated and ongoing part of any downtown improvement program. A variety of tools and mechanisms exist to facilitate this effort, including websites that actively promote the City, a formal downtown merchandising plan that describes available locations, referencing specific retail categories, to a list of local organizations, resources, and incentive programs actively engaged in bringing high-quality, well regarded merchants downtown.

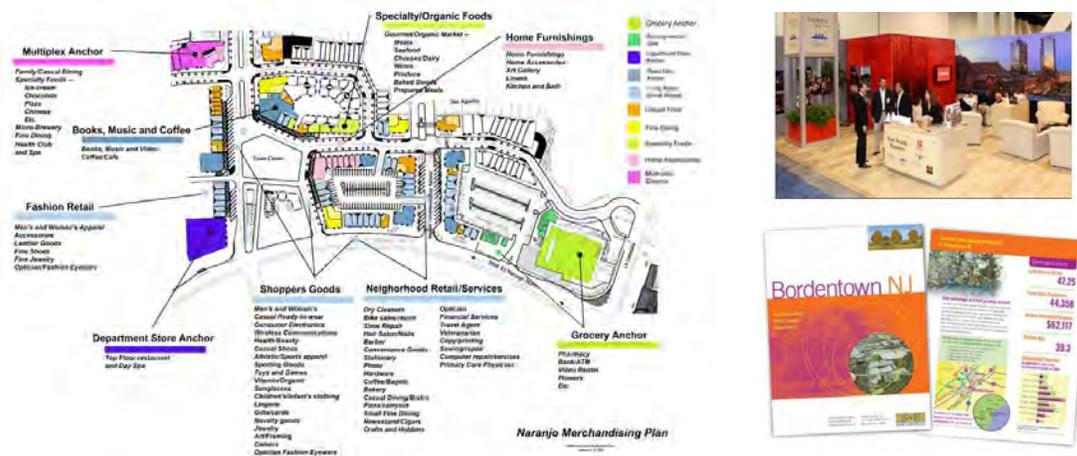


Figure 6.7-1
Examples of basic tenant recruitment tools, including an illustrative merchandising plan and leasing brochures which can be used at regional leasing conventions to highlight key attributes and characteristics of the market.

At a minimum, the local merchant's association should pursue relationships with regional brokers who specialize in main street locations, and who could provide access to regional or national players who might not otherwise be familiar with the Beaufort market.

Promotional materials, similar to conventional leasing brochures, should be developed that offer a brief overview of the market (to be augmented with updated data and information on the Visitor Market) outlining the most compelling attributes of the market, along with the information described above and appropriate contact information.

6.8 Marketing

Like most other aspects of Beaufort's local business development resource base, Beaufort has a number of tools already in place with which to market downtown business. However, like many other tools referenced in this report, these need to be more effective and brought up to date.

The City's website, and/or the websites of allied organizations which support downtown businesses, such as the local Main Street organization, Chamber of Commerce, or Visitor's Bureau, etc., may be the quickest and most cost effective

resource for marketing the community. Most younger consumers -- and more and more people of all ages -- rely heavily on the internet for making choices about where to spend their time and money. There are many examples of well executed City websites out there, both regionally and nationally, that do a good job of promoting their downtowns, so it should not be difficult to identify several which would meet Beaufort's needs that could be used as a basic template, or point of departure, for either creating a new webpage, or as a model for updating an existing one.

"Branding," as both a tool and a concept, has gained considerable traction over the past few decades as a means for promoting everything from individual products to entire countries, and can be useful shorthand for discussing marketing and promotional strategies in general. Often associated with a particular logo, branding is now widely understood to represent a much broader array of qualitative attributes, mission statement, or business philosophy, intended to help differentiate one entity from another in a way that resonates strongly with entity's intended audience.

Specific Branding Objectives Include:

- Delivering your message clearly to your intended audience
- Confirming your credibility in your targeted category
- Connecting emotionally with that audience
- Motivating that audience to interact with you in a meaningful way
- Reinforcing/encouraging loyalty with that customer

Identifying a specific branding strategy requires a clear and in-depth understanding of who your customer is and the ability to reach out to that customer in terms that they can relate to for the type of product or experience you want to market to them. To that end, a big part of the question for Beaufort should be – what does Beaufort want to be, and to whom?

In general, as it relates to the retail mix for both the historic and expanded downtown Beaufort, the emphasis should be on confirming the unique features and attributes that has traditionally differentiated Beaufort from other destinations in the area. These, in turn, should be revisited in light of the new and enhanced array of products, services and experiences potentially on offer downtown, with Beaufort's brand adjusted, as needed, to reflect those changes in a way that ideally resonates with both Beaufort's traditional and targeted customer bases.

Specific recommendations include:

- Retain a qualified resource to identify an appropriate web site and create a dedicated webpage that includes a comprehensive listing of all of the city's recreational, lodging, retail and dining opportunities, exclusively associated with downtown Beaufort.

- Develop a common format and work with individual businesses to make certain that every downtown business has at least a minimum presence on this site.
- Include links to individual store websites, and encourage (and perhaps subsidize) each business to work with a professional website designer to develop a compelling website which specifically focuses on the unique qualities and attributes of that business.
- Format the this site to mirror the physical form and merchandising focus of the new downtown's expanded range of goods and services, helping local and visitors to more fully appreciate and take advantage of the full range of amenities available downtown.
- Fund an in-depth analysis of the visitor market to guide both marketing initiatives and to better tailor the mix and range of downtown businesses to meet the needs of the visitors who are currently coming to the area.
- Monitor regional trends, such as turbo-tourists --visitors who are specifically looking at Beaufort as a potential retirement location, to help anticipate and lead the market

6.9 Day Dock

Beaufort is located on the Beaufort River, which is part of Intracoastal Waterway (ICW), and is therefore well-positioned to take advantage of boat activity this deep water access affords to local boaters and seasonal Intracoastal Waterway traffic transiting north and south along this route. Other communities in similar settings along the ICW have effectively marketed to this audience, enhancing their overall visitor numbers while providing an additional consumer market for restaurants and retailers. In addition, the boats provide an attractive visual amenity for locals and visitors alike reminding them of Beaufort's history as a seaport, and serving as a thematic basis for related events and recreational activities.

Specific Recommendations include:

- Expand the existing dockage available for transient boaters and establish appropriate pricing policies to encourage both short and longer-term moorage.
- Consider using floating docks along the bulkhead at Waterfront Park to provide greater activity and visual amenity in this area.
- Consider upgrading the marina store to provide a more substantive resource for transient yachts, and provide a local clearinghouse for area marina-related services to help position Beaufort as a competitive resource and stopping point along the waterway.

6.10 Transit

Transit is mentioned in this report because, like parking, it represents a mode change opportunity which produces pedestrians at either end of the transit trip, in very predictable locations. Students and young adults, in general, are frequent and increasing users of transit. Continued improvements in operational standards and customer satisfaction have reduced the stigma of transit use, while social media and digital applications which provide real time information on schedule status have increased reliability and rider satisfaction, making it a credible transportation option, particularly for the young. Given this report's recommendations regarding attracting the next generation of consumers to downtown Beaufort, transit should be an integral part of any comprehensive land-use and transportation proposal.

7.0 CATALYTIC OPPORTUNITIES

Many of the recommendations outlined in this report focus on incremental change, intended to improve the performance, variety, and quality of downtown retail over time, an appropriately conservative approach that reflects Beaufort traditional regard to change - an approach that has generally served it well. However, consideration should also be given to opportunities which have the potential to affect an immediate or catalytic change in the nature and scale of the market potential for downtown, should these opportunities present themselves and/or are aggressively pursued.

7.1 Marina Area

As discussed in Section 5.3.1, the marina area holds the potential to address several critical issues related to downtown. These include the creation of a strong anchor for the west end of Bay Street which will add to the diversity and critical mass retail offerings in the historic core, and be a catalyst for developing a more strategically located parking facility just north of Port Republic Street to help support pedestrian activity in that area. The challenge here is going to be in creating the right development and revenue model to facilitate moving forward with this critical project.

7.2 Post Office

The post office site, like the marina site, is catalytic because it represents a significant enough redevelopment opportunity to attract investor interest, while also being large enough to have a measurable impact on market perceptions and downtown vitality. It is also one of the few sites downtown in which a significant number of market-feasible residential units can be delivered at one time without significant complications or negative impacts, if enabled and facilitated through a form-based code and comprehensive regulating plan. The number of residential units the post office site can accommodate, like MidTown Square, could have a significant effect on re-stimulating the housing market in downtown Beaufort, and that, in turn, could help to further support a local market for retail goods and services.

7.3 USC Beaufort

The University of South Carolina Beaufort offers what is probably the single most significant catalyst opportunity within the downtown area in terms of changing the character and dynamic of the City, long-term. By combining Beaufort's traditional association with the arts with the dynamic energy of a comprehensive college arts program, a youthful new vigor could take root in the city. This would help encourage the perception of Beaufort as a forward-looking community where young families could build a future, or where empty nesters could pursue of life-long learning opportunities in a beautiful, walkable, amenity rich setting.

Figure 7.3-1

Savannah School of Arts and Design (SCAD) has had a transformative impact on historic Savannah by adaptively rehabbing and reusing many of the City's most historic structures, by injecting new life and vitality into downtown, and by creating new consumer demand for local shops and businesses.



The potential benefits of an expanded University goes well beyond simply adding vitality to the community, as the economic impacts would resonate throughout Beaufort in the form of increased household incomes, consumer demand, and tax revenue (see: “Leveraging Colleges and Universities for Urban Economic Revitalization, An Action Agenda” CEOs for Cities, Greater Philadelphia Review, Spring 2003). A resident four-year program will also increase demand for housing, providing additional resources for ongoing historic rehabilitation efforts, as well as providing a greater pool of potential new residents, particularly if graduates choose to stay on in the area.

On a similar note, the presence of such an institution could influence business location decisions in related fields, by providing a ready source of well-trained individuals, current on the latest tools and technology. This could also include established businesses, such as Environments, or local prototyping facilities which would benefit from access to students with 3-D computer modeling and design expertise.

Specific Recommendations include:

- Work directly with the University to build on current programs which take advantage of the area’s existing creative industries and resources, while providing a new and vital source of talent and energy as well.
- Work with campus planners to encourage new infill development along the existing Boundary Street corridor.
- Integrate student housing into the neighborhood fabric through the use of a form-based code and regulating plan. Using appropriate building types, and the principles of compact, walkable, transit-served neighborhoods, this will reduce the reliance on cars, and to encourage the use of other forms of mobility, such as walking, bicycling, and transit.
- Provide local services to accommodate student needs in a walkable, mixed-use context.

7.4 Diversifying the Economic Base/Consumer Market

Jobs drive local economies and provide the means by which local commerce is sustained. Beaufort is fortunate to have a very stable public-sector-dominated employment base, which includes two military bases, the Naval Hospital, federal and local government facilities, and institutions of higher learning. However, as the current economic downturn and associated public-sector employment cuts have made clear, a diverse economy needs to be part of any community's long-term strategy for economic stability. To that end, ongoing efforts to diversify Beaufort's economy should be supported and expanded.

Tourism is part of that diversity, and the visitor market clearly plays a significant role in supporting the local economy through retail and entertainment expenditures and the jobs they sustain. Many of the ideas outlined in this report can also have a positive impact in strengthening and diversifying Beaufort's traditional employment base. Making job growth an ongoing priority will allow the local consumer market to grow and expand over time.

8.0 PRECEDENTS

By virtue of its physical setting, location and history, as well as its military, literary, and film affiliation – Beaufort represents a unique slice of the main street/urban shopping district spectrum. However, there are numerous precedents which both individually and collectively offer relevant insights into which strategies may be the best fit for the city.

Many places, such as Annapolis and Alexandria in the Washington, DC area, Port Angeles on the Olympic Peninsula in the Pacific Northwest, or Delray Beach in South Florida, offer examples of waterside villages and towns competing in and against larger metropolitan areas in a single, regional market context. Most of these communities have explored and dealt with similar issues with varying degrees of success.

Frederick, Maryland is a colonial-era city on the fringe of the Washington DC metropolitan area. Like Beaufort, it struggles to compete with new suburban retail developments outside its downtown. To succeed, it adopted the approach of attracting day trippers from the larger metro area, while also expanding its appeal to local consumers. In pursuing this strategy, the City conducted numerous surveys which indicated support for a mix of national and independent retailers, but did not adopt specific regulatory standards based on the indicated preferred mix, which would be legally difficult to enforce regardless.

Instead, it relies on managed marketing and recruitment efforts to meet defined goals. So far, the proportion of nationals to locals has yet to meet the ideal proportion targeted of 20% nationals, to 80% independents, in spite of favorable market conditions.

Other towns in the region, like Annapolis, were initially successful in bringing in national retailers, only to have them leave shortly thereafter when sales did not meet expectations. Still others, like Alexandria, Virginia, have seen a degree of turnover in the national merchants that it was able to attract, with some coming and going, and other new ones coming in, while maintaining a fairly constant proportional mix.

By the same token, it may be too soon to know whether the recent effort to transform downtown shopping in Charleston, through the introduction of national retailers on King Street, will stick. Regardless, Charleston is a much different market than Beaufort in scale, demographic composition, and economic diversity to provide a direct comparison. However, the general perception in Charleston is that the makeover has helped to stem the loss of retail sales to nearby suburban shopping centers, while helping to reestablish downtown Charleston as a legitimate contender as the area's shopping and dining destination of choice.

Downtown Savannah is probably a better analogue for what Beaufort could become, if on a much smaller scale. It is a highly diversified, vibrant, living community with a unique set of attributes and charms that make it broadly appealing to locals and visitors alike. Communities that have successfully managed without national retailers include Highlands, in North Carolina, which has created a very successful merchandising mix, covering a wide range of consumer goods and services almost exclusively with local and regional merchants. And Black Mountain, North Carolina, twenty minutes outside of Asheville, has leveraged its Western North Carolina craft traditions to create its own distinctive appeal in the shadow of its larger and better known neighbor.

However, Astoria, Oregon, may be the best analogue for Beaufort to consider. Located just two hours from Portland, a vibrant, diverse city in its own right, Astoria is a former fishing and mill town that has transformed itself into a successful bohemian village through music and art. A recent article in the New York Times (Sunday, March 27, 2011), provided extensive coverage of the town, referring to it as a “cosmopolitan artist’s enclave, rife with funky shops, fine art galleries, and enticing cafes.”

Clearly attuned to its west coast vibe, this former working-class town has used a combination of local craft brewing and indie music venues to create an authentic, compelling regional destination in an otherwise well-served market. Though Beaufort will need to find the tone that resonates best in the low-country, Astoria demonstrates that it is possible for a community to fundamentally reinvent itself without losing its essential sense of place. In addition, Astoria has proven that it is also possible to do so in face of suburban competition by finding the right balance between niche positioning, and serving local needs.

9.0 SUMMARY OF FINDINGS AND CONCLUSION

Beaufort possesses an extraordinary combination of historic resources and natural amenities, and yet most of its problems – as well as potential solutions -- are not unique. This reality has been echoed in a variety of reports and evaluations, including this one. In short – its consumer market is less robust than ideally hoped for and its competitive challenges varied and many.

If Beaufort is unique in any way in this regard relative to other communities facing similar issues, it might be in that there is no one simple or obvious answer to its immediate challenges. Or maybe, in the category of potential solutions, the answer is simply “D,” all of the above. In other words – it all matters. In terms of growing the market, Beaufort really only has two options: increase the size of the market available to it, either by encouraging more people to live downtown and/or by increasing the household income within it or; by increasing its share of that market.

With regard to the latter option, Beaufort has already adopted or pursued most of the conventional mechanisms intended to improve its market capture. With the exception of the few additional recommendations outlined in this report which have not already been implemented (and many are being implemented as we speak), it may be best to assume that there is no magic bullet here. Rather, success will come from getting all of the organizations, tools and mechanisms already in place to perform at their optimal, maximum capacity. And that takes consistent, ongoing effort, along with better coordination among all of the participants, around a coherent set of goals and objectives.

On a similar note, one of Beaufort’s most endearing charms has been its ability to retain its essential character in a world of change. Regardless, that steadfastness should not be an excuse for stagnation. Avoiding change is not the same thing as maintaining the status quo in today’s dynamic marketplace, as the rest of the world moves forward in relative terms. Change, by definition, suggests risk -- but in the world of commerce, not changing can be even riskier.

The transformation of Beaufort’s waterfront from its utilitarian roots into a world-class public amenity was a calculated gamble which gave something of value away – a tangible link to its working past -- to gain something of even greater value. While every reasonable effort should be made to value and protect those things that make Beaufort unique, finding an effective means to allow the City to move forward within those parameters is equally important. Against this backdrop, the lack of a single, obvious solution to the city’s current economic challenges should be considered the perfect opportunity to rethink what is possible. Adopting a comprehensive approach to community revitalization offers Beaufort the opportunity to embrace the concept of incremental, organic

redevelopment, while still leveraging the catalytic potential of key strategic sites to the fullest extent possible.

The City of Beaufort and its associated neighborhoods possess all of the necessary ingredients to survive and prosper far into the future, *if* it positions itself properly relative to the challenges and opportunities that lay ahead. The key is in not aiming for where the market was, but to aim for where it is heading, and to position itself to meet it when it gets there.

New communities such as Habersham, and older, established communities, such as Port Royal, are aggressively pursuing their own niche strategies in this market. Beaufort needs to remain focused on the bigger picture – job retention and growth, economic diversity, quality of life issues, and housing and transportation choice. But to fully succeed, in a more comprehensive and sustainable sense, it needs to also strengthen and rebuild the foundational elements which root it to this place, like local food systems and the intrinsic resources, both human and natural, that have long sustained Beaufort, today and far into the future.

10.0 METHODOLOGY

This study analyzed the retail market potential and market positioning of downtown Beaufort in relation to its immediate consumer market, and relative to other competitive retail offerings in the area. This was done by measuring consumer demand in relation to the existing supply of retail within the identified trade areas, and identifying unmet demand or underserved market potential relative to what would constitute typical demand for those goods and services, based upon the demographic makeup of the Beaufort market.

The following resources and methodology was used to determine the makeup and demographic characteristics of the local Beaufort consumer market and to help ascertain a reasonable understanding of the scope and nature of the Beaufort's visitor market, as it pertains to this study.

- Socio-economic and demographic data for the City of Beaufort, and its surrounding regions, gathered from the U.S. Census, ESRI, Beaufort County, and the City of Beaufort's own economic data
- Interviews with local business associations, civic leaders, and local trade and visitor associations
- Neighborhood-level data generated for the area by ESRI Tapestry, analyzed and calibrated by Seth Harry and Associates
- An informal intercept survey conducted in conjunction with the Office of Civic Investment, on behalf of this study, and analyzed and interpreted by Seth Harry and Associates.
- Random sampling of retail sales productivity for various stores within the study area.
- A field survey and documentation of both downtown retail, and the following shopping centers and retail concentrations:
 1. Historic Downtown Beaufort, including Bay, Carteret, and Boundary streets, Waterfront Park and the Port Republic Street area.
 2. Lady's Island Retail, including:
 - The Oaks at Lady's Island
 - Publix Shopping Center, Lady's Island
 - Island Square
 - Lady's Island Center
 - US 21 strip commercial corridor
 3. Beaufort Area Shopping Centers, including:

- Beaufort Town Center
- US 21 and SC 170 intersection
- Crossroads Beaufort

In addition, the following documents, studies and reports were reviewed for the purpose of this study:

1. *Vision Beaufort 2009, Comprehensive Plan*
2. *Boundary Street Redevelopment Plan, 2009*
3. *Comprehensive Plan, Market Assessment, January 2009*
By Rose and Associates
4. *Turbo-Tourism, Center for Carolina Living, 2010*
5. *Beaufort Smart Growth Audit, 2008*
5. *Northern Beaufort Bypass Feasibility Study, May 4, 2010, Thomas & Hutton*
6. *Northern Beaufort County South Carolina, Regional Plan, McBride, Dale, Clarion, 2007*
7. *Beaufort, South Carolina Assessment Report, July 26 – July 28, 2008, prepared by Main Street South Carolina; Randy L. Wilson, President,*
8. *Bladen Redevelopment District, City of Beaufort, South Carolina, Unified Development Ordinance*
9. *The Economic Impact of the Military in Beaufort County South Carolina, May 2010, by Dr. Donald L. Schunk*
10. *South Carolina Labor Markets Report, May 21, 2010*
11. *Beaufort County Location Quotients Report, 2008*
12. *Beaufort Major Employers Report, www.cityofbeaufort.org*
13. *Welcome to “Cashing in on Tourism,” Center for Carolina Living, Carolinalive.com, 2010*
14. *The Recreation Economy and the Economic Impact of Tourism and Arts: Beaufort County and Surrounding Area; Prepared For: Beaufort Regional Chamber of Commerce & The Arts Council of Beaufort*

County and Prepared By: Bureau of Business Research & Economic Development – Georgia Southern University, April, 2009

- 15. Domestic Business Travel in South Carolina Report, October 2009*
- 16. Economic Contribution of Tourism in South Carolina Report, updated, April 15, 2010*
- 17. The Economic Contribution of Tourism in South Carolina – Travel Industry Association,*
- 18. Occupancy Rate Increases in 2010 for Beaufort/Port Royal Area*
- 19. South Carolina 2% Accommodation Tax Revenue Distribution*
- 20. Domestic Travel to South Carolina Report, updated October 2009*
- 21. Marketing Impact Report November 2010 by Beaufort Regional Chamber of Commerce*
- 22. South Carolina 5% Admissions Tax Collection, 2009 and 2010*
- 23. Tourism Development in South Carolina by Julie Flowers State Tourism Economist, June 2009*
- 24. The Economic Contribution of Tourism in South Carolina by US Travel Association, Spring 2010*
- 25. Estimation of Tourism Impacts in the Charleston Area Report, 2009*

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A. APPENDICES

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A.1 Demographic Characteristics



Tapestry Segmentation

Tapestry Segmentation represents the fourth generation of market segmentation systems that began 30 years ago. The 65-segment Tapestry Segmentation system classifies U.S. neighborhoods based on their socioeconomic and demographic composition. Each segment is identified by its two-digit Segment Code. Match the two-digit segment labels on the map to the list below. A longer description of each segment is available at:

<http://www.esri.com/library/whitepapers/pdfs/community-tapestry.pdf>

- Segment 01: Top Rung
- Segment 02: Suburban Splendor
- Segment 03: Connoisseurs
- Segment 04: Boomburbs
- Segment 05: Wealthy Seaboard Suburbs
- Segment 06: Sophisticated Squires
- Segment 07: Exurbanites
- Segment 08: Laptops and Lattes
- Segment 09: Urban Chic
- Segment 10: Pleasant-Ville
- Segment 11: Pacific Heights
- Segment 12: Up and Coming Families
- Segment 13: In Style
- Segment 14: Prosperous Empty Nesters
- Segment 15: Silver and Gold
- Segment 16: Enterprising Professionals
- Segment 17: Green Acres
- Segment 18: Cozy and Comfortable
- Segment 19: Milk and Cookies
- Segment 20: City Lights
- Segment 21: Urban Villages
- Segment 22: Metropolitans
- Segment 23: Trendsetters
- Segment 24: Main Street, USA
- Segment 25: Salt of the Earth
- Segment 26: Midland Crowd
- Segment 27: Metro Renters
- Segment 28: Aspiring Young Families
- Segment 29: Rustbelt Retirees
- Segment 30: Retirement Communities
- Segment 31: Rural Resort Dwellers
- Segment 32: Rustbelt Traditions
- Segment 33: Midlife Junction
- Segment 34: Family Foundations
- Segment 35: International Marketplace
- Segment 36: Old and Newcomers
- Segment 37: Prairie Living
- Segment 38: Industrious Urban Fringe
- Segment 39: Young and Restless
- Segment 40: Military Proximity
- Segment 41: Crossroads
- Segment 42: Southern Satellites
- Segment 43: The Elders
- Segment 44: Urban Melting Pot
- Segment 45: City Strivers
- Segment 46: Rooted Rural
- Segment 47: Las Casas
- Segment 48: Great Expectations
- Segment 49: Senior Sun Seekers
- Segment 50: Heartland Communities
- Segment 51: Metro City Edge
- Segment 52: Inner City Tenants
- Segment 53: Home Town
- Segment 54: Urban Rows
- Segment 55: College Towns
- Segment 56: Rural Bypasses
- Segment 57: Simple Living
- Segment 58: NeWest Residents
- Segment 59: Southwestern Families
- Segment 60: City Dimensions
- Segment 61: High Rise Renters
- Segment 62: Modest Income Homes
- Segment 63: Dorms to Diplomas
- Segment 64: City Commons
- Segment 65: Social Security Set
- Segment 66: Unclassified



Demographic and Income Profile

Bay St, Beaufort, SC 29902
Drive Time: 5 minutes

Latitude: 32.43067
Longitude: -80.86988

Summary		2000		2010		2015	
Population		5,282		5,054		5,147	
Households		2,210		2,158		2,205	
Families		1,381		1,291		1,305	
Average Household Size		2.30		2.26		2.26	
Owner Occupied Housing Units		1,343		1,170		1,180	
Renter Occupied Housing Units		867		988		1,025	
Median Age		36.2		38.2		39.1	
Trends: 2010 - 2015 Annual Rate		Area		State		National	
Population		0.37%		1.53%		0.76%	
Households		0.43%		1.65%		0.78%	
Families		0.22%		1.48%		0.64%	
Owner HHs		0.17%		1.69%		0.82%	
Median Household Income		2.63%		2.38%		2.36%	
Households by Income		2000		2010		2015	
		Number	Percent	Number	Percent	Number	Percent
<\$15,000		469	21.2%	409	19.0%	363	16.4%
\$15,000 - \$24,999		359	16.2%	284	13.2%	273	12.4%
\$25,000 - \$34,999		299	13.5%	227	10.5%	190	8.6%
\$35,000 - \$49,999		354	16.0%	352	16.3%	321	14.5%
\$50,000 - \$74,999		372	16.8%	397	18.4%	421	19.1%
\$75,000 - \$99,999		122	5.5%	207	9.6%	231	10.5%
\$100,000 - \$149,999		125	5.7%	156	7.2%	250	11.3%
\$150,000 - \$199,999		40	1.8%	42	1.9%	57	2.6%
\$200,000+		72	3.3%	82	3.8%	102	4.6%
Median Household Income		\$34,265		\$41,984		\$47,811	
Average Household Income		\$51,671		\$58,366		\$66,259	
Per Capita Income		\$21,610		\$24,976		\$28,492	
Population by Age		2000		2010		2015	
		Number	Percent	Number	Percent	Number	Percent
0 - 4		359	6.8%	341	6.7%	341	6.6%
5 - 9		336	6.4%	310	6.1%	313	6.1%
10 - 14		341	6.5%	309	6.1%	320	6.2%
15 - 19		331	6.3%	304	6.0%	302	5.9%
20 - 24		406	7.7%	301	6.0%	306	5.9%
25 - 34		773	14.6%	739	14.6%	662	12.9%
35 - 44		792	15.0%	677	13.4%	734	14.3%
45 - 54		688	13.0%	701	13.9%	655	12.7%
55 - 64		495	9.4%	600	11.9%	644	12.5%
65 - 74		375	7.1%	386	7.6%	474	9.2%
75 - 84		292	5.5%	254	5.0%	270	5.2%
85+		94	1.8%	130	2.6%	125	2.4%
Race and Ethnicity		2000		2010		2015	
		Number	Percent	Number	Percent	Number	Percent
White Alone		3,213	60.9%	3,080	60.9%	3,258	63.3%
Black Alone		1,889	35.8%	1,693	33.5%	1,575	30.6%
American Indian Alone		11	0.2%	14	0.3%	15	0.3%
Asian Alone		31	0.6%	43	0.9%	51	1.0%
Pacific Islander Alone		3	0.1%	5	0.1%	5	0.1%
Some Other Race Alone		60	1.1%	111	2.2%	124	2.4%
Two or More Races		73	1.4%	108	2.1%	119	2.3%
Hispanic Origin (Any Race)		146	2.8%	273	5.4%	321	6.2%

Data Note: Income is expressed in current dollars
Source: U.S. Bureau of the Census, 2000 Census of Population and Housing. Esri forecasts for 2010 and 2015.

February 13, 2011

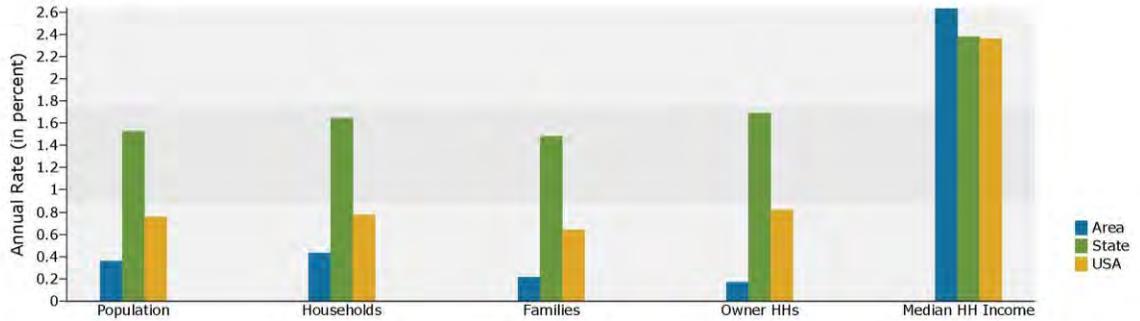


Demographic and Income Profile

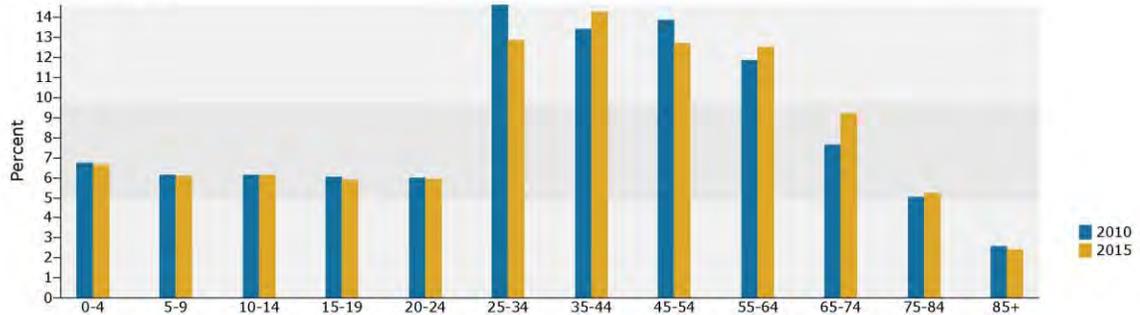
Bay St, Beaufort, SC 29902
 Drive Time: 5 minutes

Latitude: 32.43067
 Longitude: -80.56988

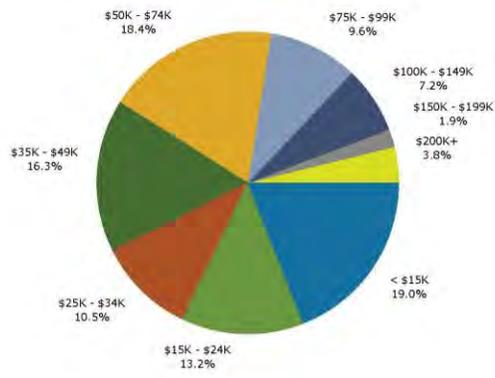
Trends 2010-2015



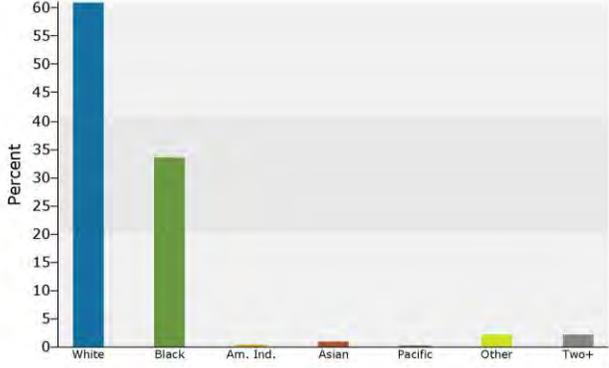
Population by Age



2010 Household Income



2010 Population by Race



2010 Percent Hispanic Origin: 5.4%

Source: U.S. Bureau of the Census, 2000 Census of Population and Housing. Esri forecasts for 2010 and 2015.



Demographic and Income Profile

Bay St, Beaufort, SC 29902
 Drive Time: 10 minutes

Latitude: 32.43067
 Longitude: -80.68868

Summary		2000		2010		2015	
Population		18,566		19,756		20,923	
Households		7,371		7,930		8,413	
Families		4,897		5,093		5,351	
Average Household Size		2.45		2.43		2.43	
Owner Occupied Housing Units		4,417		4,307		4,575	
Renter Occupied Housing Units		2,954		3,623		3,838	
Median Age		33.5		34.7		35.5	
Trends: 2010 - 2015 Annual Rate		Area		State		National	
Population		1.15%		1.53%		0.76%	
Households		1.19%		1.65%		0.78%	
Families		0.99%		1.48%		0.64%	
Owner HHs		1.22%		1.69%		0.82%	
Median Household Income		2.68%		2.38%		2.36%	
Households by Income		2000		2010		2015	
		Number	Percent	Number	Percent	Number	Percent
<\$15,000		1,260	17.4%	1,125	14.2%	1,010	12.0%
\$15,000 - \$24,999		1,019	14.0%	804	10.1%	786	9.3%
\$25,000 - \$34,999		1,041	14.3%	848	10.7%	724	8.6%
\$35,000 - \$49,999		1,347	18.6%	1,368	17.3%	1,249	14.8%
\$50,000 - \$74,999		1,325	18.3%	1,535	19.4%	1,653	19.7%
\$75,000 - \$99,999		566	7.8%	1,130	14.3%	1,315	15.6%
\$100,000 - \$149,999		387	5.3%	671	8.5%	1,080	12.8%
\$150,000 - \$199,999		160	2.2%	196	2.5%	274	3.3%
\$200,000+		150	2.1%	253	3.2%	321	3.8%
Median Household Income		\$38,260		\$47,757		\$54,507	
Average Household Income		\$52,454		\$63,255		\$71,132	
Per Capita Income		\$20,822		\$25,866		\$29,130	
Population by Age		2000		2010		2015	
		Number	Percent	Number	Percent	Number	Percent
0 - 4		1,439	7.7%	1,541	7.8%	1,614	7.7%
5 - 9		1,319	7.1%	1,406	7.1%	1,505	7.2%
10 - 14		1,250	6.7%	1,323	6.7%	1,440	6.9%
15 - 19		1,228	6.6%	1,247	6.3%	1,325	6.3%
20 - 24		1,585	8.5%	1,327	6.7%	1,388	6.6%
25 - 34		2,874	15.5%	3,135	15.9%	3,035	14.5%
35 - 44		2,673	14.4%	2,643	13.4%	3,001	14.3%
45 - 54		2,282	12.3%	2,532	12.8%	2,484	11.9%
55 - 64		1,518	8.2%	2,098	10.6%	2,305	11.0%
65 - 74		1,210	6.5%	1,249	6.3%	1,554	7.4%
75 - 84		905	4.9%	849	4.3%	868	4.1%
85+		285	1.5%	405	2.1%	402	1.9%
Race and Ethnicity		2000		2010		2015	
		Number	Percent	Number	Percent	Number	Percent
White Alone		12,040	64.9%	12,686	64.2%	13,828	66.1%
Black Alone		5,657	30.5%	5,586	28.3%	5,376	25.7%
American Indian Alone		48	0.3%	61	0.3%	66	0.3%
Asian Alone		219	1.2%	344	1.7%	415	2.0%
Pacific Islander Alone		16	0.1%	26	0.1%	27	0.1%
Some Other Race Alone		286	1.5%	569	2.9%	654	3.1%
Two or More Races		299	1.6%	485	2.5%	558	2.7%
Hispanic Origin (Any Race)		684	3.7%	1,390	7.0%	1,697	8.1%

Data Note: Income is expressed in current dollars
 Source: U.S. Bureau of the Census, 2000 Census of Population and Housing. Esri forecasts for 2010 and 2015.

February 13, 2011

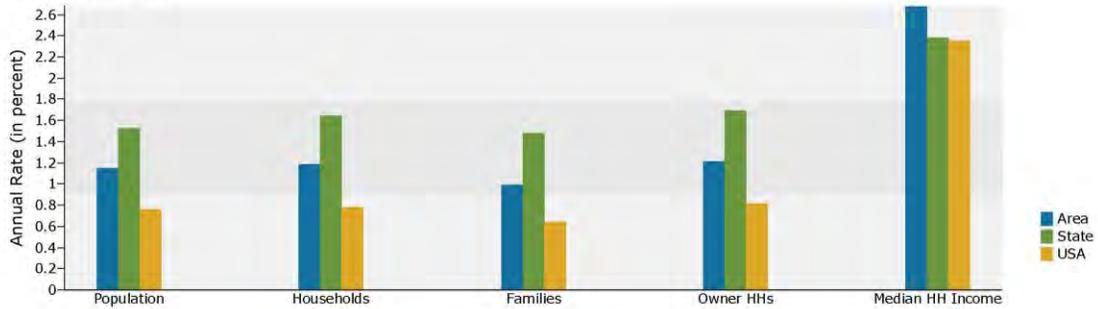


Demographic and Income Profile

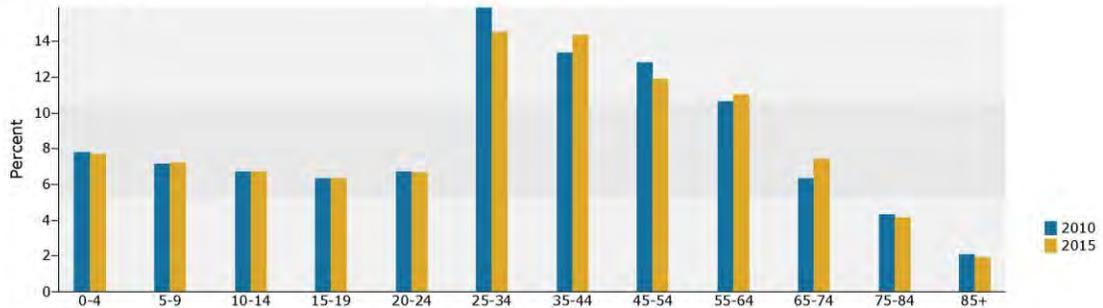
Bay St, Beaufort, SC 29902
 Drive Time: 10 minutes

Latitude: 32.43067
 Longitude: -80.66988

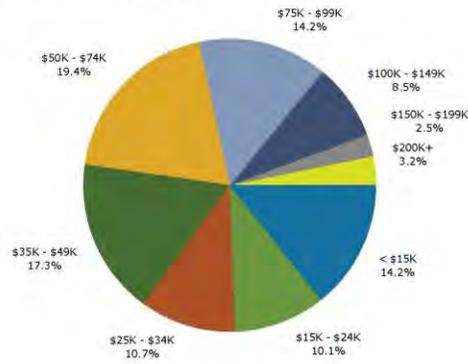
Trends 2010-2015



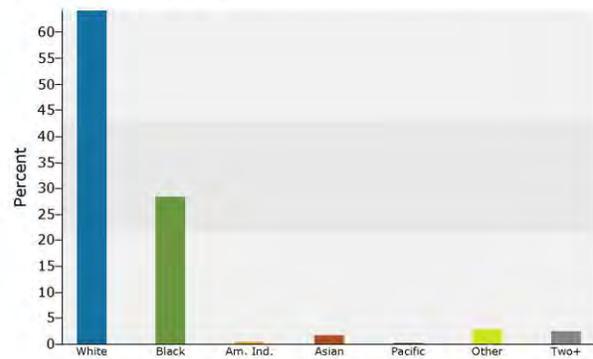
Population by Age



2010 Household Income



2010 Population by Race



2010 Percent Hispanic Origin: 7.0%

Source: U.S. Bureau of the Census, 2000 Census of Population and Housing. Esri forecasts for 2010 and 2015.

February 13, 2011



Demographic and Income Profile

Bay St, Beaufort, SC 29902
Drive Time: 30 minutes

Latitude: 32.43067
Longitude: -80.65993

Summary		2000		2010		2015	
Population		64,891		73,633		80,129	
Households		21,893		25,758		28,320	
Families		16,129		18,449		20,103	
Average Household Size		2.68		2.65		2.64	
Owner Occupied Housing Units		14,793		16,541		18,318	
Renter Occupied Housing Units		7,100		9,216		10,002	
Median Age		28.9		31.0		31.8	
Trends: 2010 - 2015 Annual Rate		Area		State		National	
Population		1.71%		1.53%		0.76%	
Households		1.92%		1.65%		0.78%	
Families		1.73%		1.48%		0.64%	
Owner HHs		2.06%		1.69%		0.82%	
Median Household Income		2.42%		2.38%		2.36%	
Households by Income		2000		2010		2015	
		Number	Percent	Number	Percent	Number	Percent
<\$15,000		3,654	16.7%	3,655	14.2%	3,543	12.5%
\$15,000 - \$24,999		3,025	13.8%	2,446	9.5%	2,525	8.9%
\$25,000 - \$34,999		3,177	14.5%	2,910	11.3%	2,609	9.2%
\$35,000 - \$49,999		4,213	19.3%	4,400	17.1%	4,187	14.8%
\$50,000 - \$74,999		4,197	19.2%	5,031	19.5%	5,487	19.4%
\$75,000 - \$99,999		1,762	8.1%	3,877	15.1%	4,703	16.6%
\$100,000 - \$149,999		1,092	5.0%	2,128	8.3%	3,496	12.3%
\$150,000 - \$199,999		344	1.6%	553	2.1%	793	2.8%
\$200,000+		417	1.9%	756	2.9%	979	3.5%
Median Household Income		\$38,615		\$48,070		\$54,169	
Average Household Income		\$51,492		\$63,044		\$70,096	
Per Capita Income		\$18,454		\$22,995		\$25,781	
Population by Age		2000		2010		2015	
		Number	Percent	Number	Percent	Number	Percent
0 - 4		5,231	8.1%	6,065	8.2%	6,484	8.1%
5 - 9		4,981	7.7%	5,329	7.2%	5,835	7.3%
10 - 14		4,686	7.2%	4,737	6.4%	5,381	6.7%
15 - 19		6,133	9.5%	6,260	8.5%	6,403	8.0%
20 - 24		7,327	11.3%	7,312	9.9%	7,552	9.4%
25 - 34		9,715	15.0%	11,417	15.5%	12,091	15.1%
35 - 44		8,940	13.8%	8,627	11.7%	9,829	12.3%
45 - 54		6,860	10.6%	8,754	11.9%	8,518	10.6%
55 - 64		4,689	7.2%	6,998	9.5%	8,199	10.2%
65 - 74		3,651	5.6%	4,530	6.2%	5,783	7.2%
75 - 84		2,092	3.2%	2,645	3.6%	2,967	3.7%
85+		585	0.9%	959	1.3%	1,088	1.4%
Race and Ethnicity		2000		2010		2015	
		Number	Percent	Number	Percent	Number	Percent
White Alone		38,607	59.5%	43,303	58.8%	48,574	60.6%
Black Alone		22,725	35.0%	24,110	32.7%	24,310	30.3%
American Indian Alone		231	0.4%	312	0.4%	342	0.4%
Asian Alone		671	1.0%	1,055	1.4%	1,275	1.6%
Pacific Islander Alone		51	0.1%	84	0.1%	90	0.1%
Some Other Race Alone		1,463	2.3%	2,829	3.8%	3,248	4.1%
Two or More Races		1,143	1.8%	1,939	2.6%	2,291	2.9%
Hispanic Origin (Any Race)		3,291	5.1%	6,648	9.0%	8,190	10.2%

Data Note: Income is expressed in current dollars.
Source: U.S. Bureau of the Census, 2000 Census of Population and Housing. Esri forecasts for 2010 and 2015.

February 13, 2011

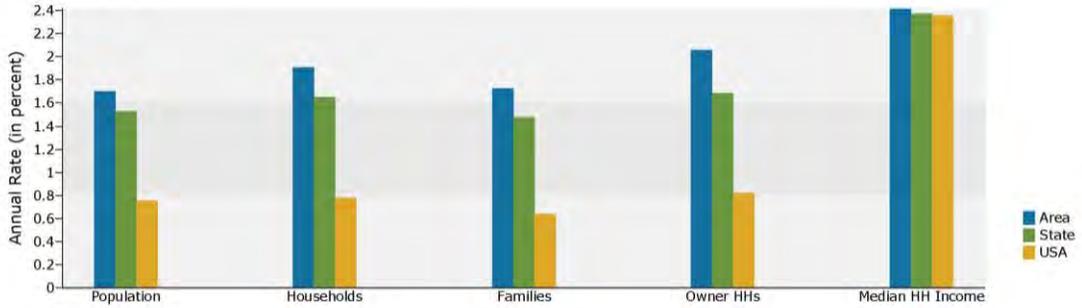


Demographic and Income Profile

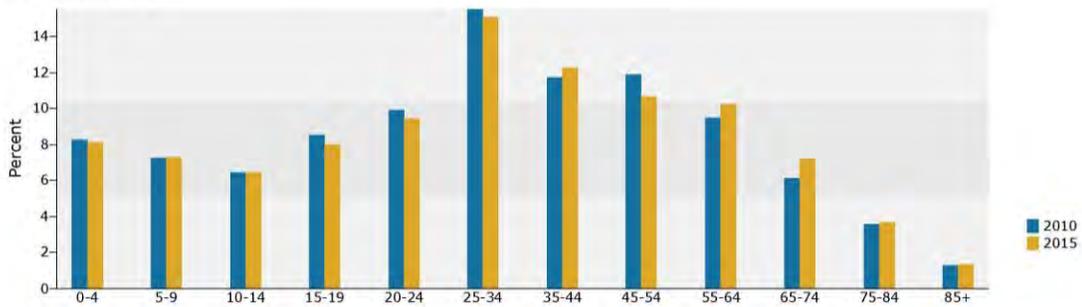
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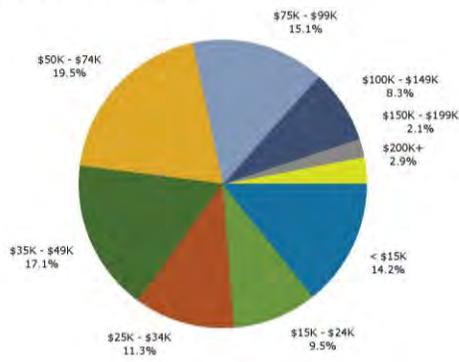
Trends 2010-2015



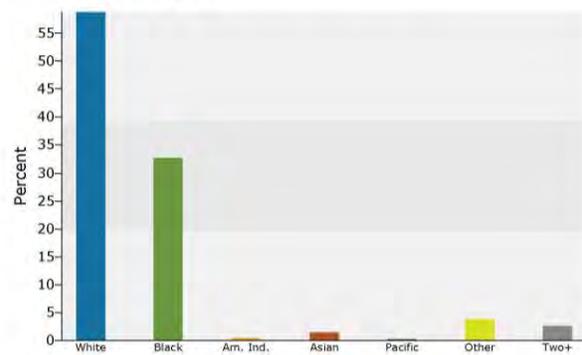
Population by Age



2010 Household Income



2010 Population by Race



2010 Percent Hispanic Origin: 9.0%

Source: U.S. Bureau of the Census, 2000 Census of Population and Housing. Esri forecasts for 2010 and 2015.

February 13, 2011

A.2 Represented Market Segments

33 Midlife Junction



Segment Code33
Segment Name*Midlife Junction*
LifeMode Summary GroupL10 *Traditional Living*
Urbanization Summary GroupU8 *Suburban Periphery II*

Demographic

The median age for residents in these neighborhoods is 41.8 years; nearly 20 percent are aged 65 years or older. Households are a mix of family types and singles who live alone or share housing. Nearly half are married-couple families; 31 percent are singles. Most of these residents are white.

Socioeconomic

Most are still working; although at 61 percent, the labor force participation rate is slightly below average. A third of the households receive Social Security. The median household income of \$48,161 is slightly below the US median; the median net worth is \$80,220. Educational attainment levels are comparable to the US levels.

Residential

Although scattered in suburbs across the country, these neighborhoods are found more frequently in the South and Midwest. Sixty-five percent of residents own their homes, close to the US rate. Nearly two-thirds of the housing is single family; the remainder are primarily apartments in multiunit buildings. The median home value of \$131,464 is lower than the US median of \$157,913.

Preferences

Midlife Junction residents live quiet, settled lives as they move from child-rearing into retirement. To finance their retirement, they own certificates of deposit, savings bonds, and IRAs. They're careful spenders, always looking for bargains, and not swayed by fads.

On weekends, they eat fast food or go to family restaurants such as Friendly's or Perkins. They drive standardized domestic cars and shop by mail or phone from the L.L. Bean and JCPenney catalogs. They communicate with friends and family by e-mail. They go fishing, take walks, work crossword puzzles, play board games, do woodworking, and read science fiction or romance novels. They watch TV network shows and news programs.

12 Up and Coming Families



Segment Code12
Segment Name*Up and Coming Families*
LifeMode Summary GroupL9 *Family Portrait*
Urbanization Summary GroupU7 *Suburban Periphery I*

Demographic

With an annual household growth rate of 4.56 percent, *Up and Coming Families* represents Tapestry Segmentation's second highest household growth market. A mix of Generation Xers and Baby Boomers with a median age of 31.9 years, this segment is the youngest of Tapestry Segmentation's affluent family markets. Residents of these neighborhoods are young, affluent families with younger children. Eighty percent of the households are families. Most of the residents are white; however, diversity is increasing as the segment grows.

Socioeconomic

Beginning their careers, residents of *Up and Coming Families* are earning above-average incomes. The median household income is \$76,135, higher than the national median. The median net worth is \$175,142. Nearly two-thirds of the residents aged 25 years and older have attended college; more than one in five holds a bachelor's degree. Labor force participation is well above average at 71 percent; unemployment is low. Ninety-one percent of households earn income from wages and salaries. Although half of the households have children, they also have working parents.

Residential

In the suburban outskirts of midsized metropolitan areas with populations higher than 250,000, approximately half of *Up and Coming Families* neighborhoods are concentrated in the South, the other half in the West and Midwest. Most residents live in new single-family housing; more than half the housing units were built in the last 10 years. Home ownership is at 83 percent. The median home value is \$175,637.

Preferences

Family and home dictate the products these residents buy. Many are beginning or expanding their families, so baby equipment, children's clothing, and toys are essential purchases. Because many are first-time homeowners, basic household furniture and lawn fertilizer, weed control, and insecticide products are important. Car loans and mortgage payments are major household budget items. They are most likely to own or lease an SUV or a minivan. They eat out at family restaurants, especially on the weekends, and buy fast food at the drive-through or for takeout.

They play softball, take the kids to the zoo, and visit theme parks (generally Sea World or Disney World) where they make good use of their digital camera or camcorder. They rent comedy, family, and action/adventure DVDs. Cable station favorites include Country Music Channel, ESPN news, The Learning Channel, and the Disney Channel. They listen to country, soft rock, and contemporary hit radio.

48 Great Expectations



Segment Code48
Segment Name*Great Expectations*
LifeMode Summary GroupL7 *High Hopes*
Urbanization Summary GroupU5 *Urban Outskirts I*

Demographic

Young singles who live alone and married-couple families dominate the *Great Expectations* market, although all household types are represented. The median age is 33.3 years. Some residents are just beginning their careers or family lives. Compared to the US figures, this segment has a higher proportion of residents who are in their 20s and a higher proportion of householders younger than 35 years. The ethnic diversity and racial composition of this segment are similar to US levels.

Socioeconomic

The median household income of \$40,243 and the median net worth of \$21,548 are lower than the US values. Nearly half of the population aged 25 years and older has some postsecondary education; 18 percent hold a bachelor's or graduate degree. Labor force participation rate is 66 percent; most of the jobs come from the manufacturing, retail, and service industry sectors.

Residential

Great Expectations neighborhoods are located throughout the country, with higher proportions in the Midwest and South. Half own their homes; half rent. More than half of the households are single-family dwellings; approximately 40 percent are apartments in low- or mid-rise buildings. The median home value is \$100,315. Most of the housing units in these older suburban neighborhoods were built before 1960.

Preferences

Great Expectations homeowners are not afraid to tackle smaller maintenance and remodeling projects, but they also enjoy a young and active lifestyle. They go out to dinner and to the movies. They do most of their grocery shopping at Wal-Mart Supercenters, Aldi, and Shop 'n Save. They throw Frisbees; play softball and pool; go canoeing; watch horror, science fiction, and drama films on DVD; and listen to country music, classic rock, and sports on the radio. They watch dramas, auto racing, and the evening news on TV. They occasionally eat at Arby's and Dairy Queen. They shop at major discount and department stores. They rarely travel. Focused on starting their careers, they're not investing for their retirement years.

56 Rural Bypasses

Segment Code56
Segment Name*Rural Bypasses*
LifeMode Summary GroupL11 *Factories and Farms*
Urbanization Summary GroupU11 *Rural II*



Demographic

The age and household composition of the *Rural Bypasses* market is very similar to US distributions. Half of the households consist of married-couple families, 15 percent are single-parent families, and 7 percent are other family types. One-fourth of the households consist of a single person. The median age for this segment is 38.3 years, near the US median of 37 years. Fifty-eight percent of the residents are white; 35.5 percent are black.

Socioeconomic

The median household income is \$28,082. Wages and salaries provide the primary sources of income; however, many depend upon Social Security, Supplemental Security Income, and public assistance for support. Because of low home values and household debt, the median net worth of \$22,235 is below the median household income. Overall, two in three residents aged 25 years and older have graduated from high school; the population with a bachelor's degree is one-third that of the US level. Employed residents work in a variety of occupations, with a slightly higher percentage in blue-collar occupations. Higher-than-average proportions of employed residents work in the agricultural, mining, manufacturing, and construction industry sectors. Compared to US levels, the labor force participation rate of 50 percent is low and the unemployment rate of 14.6 percent is high.

Residential

Open space, undeveloped land, and farmland are found in *Rural Bypasses* neighborhoods, located almost entirely in the South. Families live in small towns along country back roads. Residents enjoy the open air in these sparsely populated neighborhoods. Most houses are modest, single-family dwellings; 32 percent are mobile homes. Home ownership is at 76 percent; the median home value is \$63,328, one of the three lowest of the Tapestry segments. Most housing in this market was built after 1969. The vacancy rate of 16 percent is high.

Preferences

Typical of their country lifestyle, *Rural Bypasses* residents prefer to drive trucks and SUVs and listen to country radio. To save money, they eat at home and maintain their homes and gardens themselves. In areas with no cable access, some residents install satellite dishes to watch TV. They frequently watch sports on TV, NASCAR and other auto races, college football games, and fishing programs. They read fishing and hunting magazines. Conservative with their long-distance calls, resident demand for cost-effective cellular services is growing. They shop at discount stores, preferably at Wal-Mart. They also order from catalogs and from their Avon representatives. They shop at home improvement stores such as Lowe's and fill prescriptions at the local Wal-Mart Pharmacy instead of regular pharmacies. This is the top Tapestry segment to own and/or buy new motorcycles.

41 Crossroads



Segment Code41
Segment NameCrossroads
LifeMode Summary GroupL12 American Quilt
Urbanization Summary GroupU9 Small Towns

Demographic

Crossroads neighborhoods are growing communities in small towns in the South, Midwest, and West. Married couples with and without children and single parents are the primary household types in these areas. Younger than the US average, they have a median age of 32.2 years; nearly half are younger than 45. This population is growing at 1.4 percent annually, faster than the growth of the US population. One in five is Hispanic, a higher proportion than the United States.

Socioeconomic

The median household income is \$43,799; the median net worth is \$50,016. Educational attainment is lower than the US average; 37 percent of residents aged 25 years or older have attended college, compared to 54 percent for the United States. Most employed residents work in the manufacturing, retail, construction, and service industries. Labor force participation is comparable to the US level; unemployment is slightly higher.

Residential

Affordable housing in these small-town communities provides opportunities for young families to own their homes. Home ownership is 73 percent; the median home value is \$61,838, much lower than the US median. More than half of the housing is mobile homes; 36 percent are single-family dwellings. Most were built after 1969.

Preferences

Mindful of their expenses, *Crossroads* households budget for what they buy and choose selectively where to spend their money. They shop at discount department stores such as Wal-Mart and Kmart. Many shop for groceries at Wal-Mart Supercenters. Their priorities are their families and their cars. Children are the focus of their lives, and they buy children's products in addition to groceries. They drive domestic cars and trucks and handle the maintenance themselves. Investing and saving for retirement are a low priority; many households do not own mutual funds, stocks, or retirement savings accounts. Home improvement projects also rank low.

They watch NASCAR racing and other sports on TV. Typically, they own a satellite dish or subscribe to cable. They also like to listen to the radio, preferring country and contemporary hit music to other formats. They read the newspaper less frequently than average US households; however, they read magazines, especially automotive, boating, motorcycle, and fishing publications. They go fishing and watch movies on DVD.

40 Military Proximity



Segment Code40
Segment Name*Military Proximity*
LifeMode Summary GroupL6 *Scholars and Patriots*
Urbanization Summary GroupU8 *Suburban Periphery II*

Demographic

The second youngest of the Tapestry segments, with a median age of 22.5 years, *Military Proximity* residents are young, married, and beginning parenthood. Ninety-two percent of the householders are younger than 45 years. Two-thirds of the households are composed of married couples with children, the dominant household type for this segment. With an average of 3.37, *Military Proximity* is one of Tapestry Segmentation's top segments for household size.

Socioeconomic

The Armed Forces is the commonality for these residents. More than three-fourths of the labor force are on active duty or have civilian jobs on military bases. The median household income is \$46,923; the median net worth is \$11,729. Most families are too young to have accumulated much wealth. The educational attainment in this market is unique. Although the percentage of residents aged 25 years and older who hold a bachelor's or graduate degree is slightly below the US level, 72 percent have attended college.

Residential

Moving is routine for *Military Proximity* residents. More than 90 percent of householders have moved within the last five years. These communities are located throughout the United States but mainly in the South and West; the highest state concentrations are in California, Texas, Hawaii, North Carolina, and Virginia. Households live in a mix of townhomes and apartments in small multiunit buildings with fewer than 20 units. Only one-fifth of the housing is single-family dwellings. *Military Proximity* has the second highest percentage of renter-occupied housing units among the Tapestry segments; more than 9 in 10 rent. Most of these housing units were built between 1950 and 1979.

Preferences

Home life for *Military Proximity* residents revolves primarily around the family. They routinely shop for baby and children's products and clothing at major discount department stores. Whenever possible, they shop at the military commissary. They entertain their children with DVDs. Subscribing to cable television is for the adults as much as for the children; both Nickelodeon and MTV are popular. Besides listening to music on the radio, they also tune in to news and talk programs. The family portrait of a *Military Proximity* household is not complete without pets, particularly dogs.

To transport their families, many households own SUVs. Having two cars is common to juggle their daily needs. *Military Proximity* households are comfortable with personal computers and the Internet. In fact, their Internet usage exceeds that of the general population. Home personal computers are used by both adults and children. Renter's insurance is popular in this market, although the coverage is usually low. Despite their youth, the proportion of households investing for retirement is similar to the US average. To ensure the stability of their families' financial future, *Military Proximity* households are more likely to have disability income insurance.

15 Silver and Gold



Segment Code15
Segment Name*Silver and Gold*
LifeMode Summary GroupL5 *Senior Styles*
Urbanization Summary GroupU7 *Suburban Periphery I*

Demographic

With a median age of 60.1 years, *Silver and Gold* residents are the second oldest of the Tapestry segments. More than 70 percent are aged 55 years or older. Most residents have retired from professional occupations. Half of the households are composed of married couples without children. This segment is small, less than 1 percent of all US households; however, annual household growth is 2.35 percent since 2000. Residents of these neighborhoods are not ethnically diverse; 93 percent of them are white.

Socioeconomic

These are wealthy, educated seniors. Their median household income is \$67,806, and their median net worth is \$331,108. Fifty-six percent of the households still earn wages or salaries, half collect Social Security benefits, 63 percent receive investment income, and 35 percent collect retirement income. Labor force participation is 44 percent, well below the US level. The percentage of those who work from home is higher than the US worker percentage; nearly one-fourth of employed residents are self-employed, also higher than the US level.

Residential

Their affluence enables them to relocate to sunnier climates. More than 60 percent of these households are in the South, mainly in Florida. One-fourth are located in the West, mainly in California and Arizona. Neighborhoods are exclusive, with a median home value of \$274,320 and a home ownership rate of 83 percent. *Silver and Gold* ranks second of the Tapestry segments for the percentage of seasonal housing. Because these seniors have moved to newer single-family homes, they are not living in the homes where they raised their children.

Preferences

Silver and Gold residents have the free time and resources to pursue their interests. They travel domestically and abroad including cruise vacations. They are also interested in home improvement and remodeling projects. Although they own the tools and are interested in home improvement and remodeling projects, they are more likely to contract for remodeling and housecleaning services. Active in their communities, they join civic clubs, participate in local civic issues, and write to newspaper or magazine editors. They prefer to shop by phone from catalogs such as L.L. Bean and Lands' End.

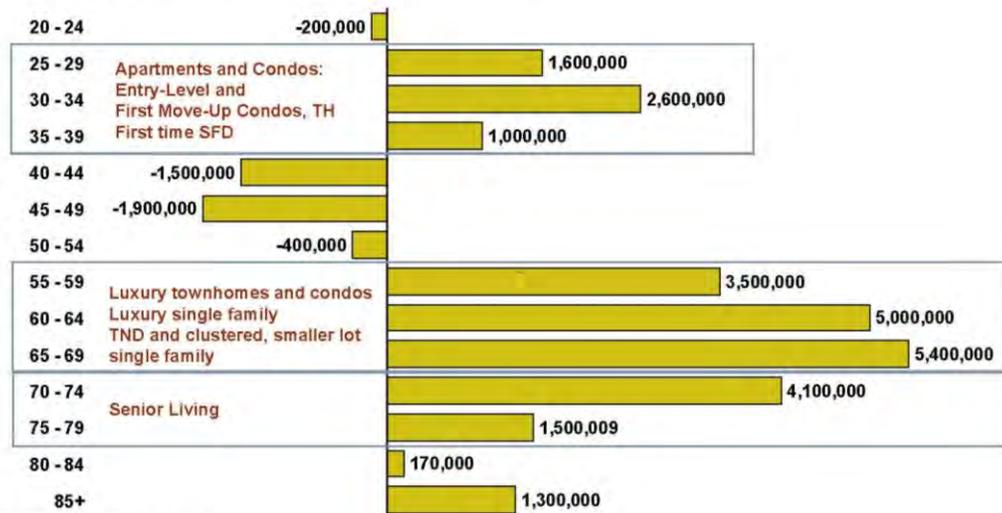
Golf is more a way of life than just a leisure pursuit. They play golf, attend tournaments, and watch The Golf Channel. They also go to horse races, bird watching, saltwater fishing, and power boating. They eat out, attend classical music performances, and relax with a glass of wine. Favorite restaurants include Outback Steakhouse, Cracker Barrel, and Applebee's.

Silver and Gold residents are avid readers of biography and mystery books and watch numerous news programs and news channels such as Fox News and CNN. Favorite non-news programs include detective dramas.

A.3 RCLO Market Trends

DEMOGRAPHIC SHIFTS AND HOUSING DEMAND

Projected Total Population Growth Rate by Age 2008–2018



SOURCE: U.S. Census Bureau



25

AGING BOOMERS WILL DRIVE LARGE PORTION OF FUTURE HOUSING DEMAND



What is this market segment looking for?

- ▶ Active lifestyles and social interaction
- ▶ Maintenance free living
- ▶ Proximity to shopping
- ▶ Prefer village type neighborhoods in nature-oriented settings
- ▶ Home that meets new life stage = smaller, less maintenance, closer-in
- ▶ “Aging in place” = want to own a home close to family/friends
- ▶ Relocation to center city largely myth...



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HERE COMES GEN Y... WELL-DEFINED HOUSING PREFERENCES



- ▶ Over 80M in Gen Y today (1979-1996)
 - ~75M Baby Boomers (1946-1964)
- ▶ Generation Y influences "as much as half of all spending in the U.S. economy"
- ▶ More one-person households, greater proportion of married couples with no kids, also more single parents

What are Their Housing Preferences?

- ▶ Want to be somewhere with a "sense of place"
- ▶ Urban "walkable" locations - place quality location over quality of dwelling unit
- ▶ More accepting of density than Boomers
- ▶ Architectural design as key consideration
- ▶ Diverse communities (age, income, race, etc.)
- ▶ Many will still drive to edges for value

SOURCE: Harris Interactive, U.S. Census Bureau, RCLCO Consumer Research



GEN Y PREFERENCES WHICH CURRENT ASSETS MEET THESE CRITERIA?

The Gen Y housing consumer ...

Wants a variety of housing types and styles	79%
Wants to live with diverse groups of people	81%
Wants an environment with an emphasis on walkability	66%
Would pay a premium for walkability (especially to shopping)	38%
Would pay a premium to be close to public transportation	23%

Source: RCLCO Consumer Research



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