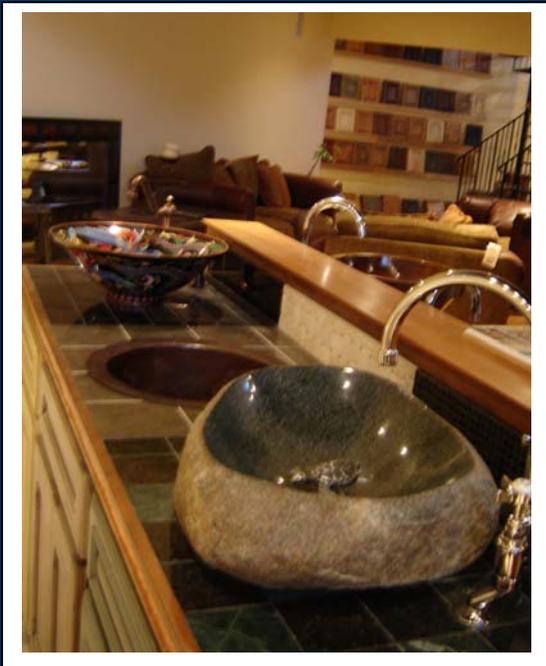


# CITY OF HAYDEN RETAIL MARKET ANALYSIS & BUSINESS DEVELOPMENT PLAN



This plan is a component of the  
Hayden Strategic Implementation Plan.



November 2007

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This report was developed as part of the City of Hayden's Strategic Implementation Plan project.

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## EXECUTIVE SUMMARY

In the fall of 2006, the City of Hayden and the Hayden Urban Renewal Agency contracted with the Downtown Solutions Team to conduct a Downtown Hayden Strategic Implementation Plan. As part of this process, the City was keenly interested in understanding downtown's market potential and having in place a market-based development program for downtown Hayden. The results of this research are intended to help develop strategies to strengthen and diversify the downtown business district and capture consumer dollars currently flowing out of Hayden.

The downtown Hayden local retail shopping area is defined as a 10-minute drive time and is the geographic area from which the large majority of potential customers emanate in the near term.

The primary conclusion of the Downtown Hayden Retail Market Analysis is that there is an existing and growing level of potential market support for retail space. The following table summarizes the key findings and level of potential demand for retail uses and identifies steps to put downtown Hayden on the map as a retail/business location and destination.

<b>Downtown Hayden Retail Market Analysis Summary of Findings</b>	
<b>Demographic Characteristics</b>	The 2006 population of the Hayden local trade area (10 minute drive time) is estimated at 26,952. By 2011 population is estimated at 32,520. The greater trade area (20 min drive time) is home to 86,101. Median Age: 39.9 (local area) Median Household Income: \$50, 651 (local area) 63% employed in White Collar jobs
<b>Other Target Markets</b>	5,580 day time workforce population Visitors Second Home Owners – 800 Hayden Lake residents
<b>Top Strengths/ Opportunities</b>	<ul style="list-style-type: none"> <li>• Significant private investment is occurring: the 3-phase 30 acre Merritt development; Design Center; Dakota Corners</li> <li>• Exposure to Highway 95 travelers - 25,000 vehicles per day</li> <li>• Active urban renewal agency willing to partner</li> <li>• Growing regional market</li> <li>• Design Center, critical mass of craftsmen</li> <li>• Business niches to be filled</li> </ul>
<b>Top Issues/ Challenges</b>	<ul style="list-style-type: none"> <li>• Significant retail leakage</li> <li>• Limited property available downtown</li> <li>• Super Wal-mart soon to locate on Hwy-95</li> <li>• Significant retail competition</li> <li>• Downtown has a weak community image; hodge-podge of uses</li> <li>• Downtown branding and destination are needed</li> <li>• Pro-active economic development effort is needed</li> </ul>

<p><b>Market Potential</b></p>	<ul style="list-style-type: none"> <li>• Greater market area retail leakage of \$22 million/annual: \$5.9 million in Electronics &amp; Appliance Stores and \$15.9 million in General Merchandise Stores, (2006).</li> <li>• Growth in local market retail potential of \$36 million or 150,612 sq ft of new demand by 2011 &amp; \$43.6 million or 181,875 additional by 2016</li> </ul>
<p><b>Business Mix</b></p>	<p>Focus on home furnishings, accessories, local artisans and crafters; unique specialty goods and apparel; restaurant variety and entertainment</p>
<p><b>Action Steps</b></p>	<p><b>Create Marketing Tools</b>  A Brand for Downtown  Marketing Collateral Pieces  Property and Building Profiles  Website Presence  Promotion Plan for Downtown Hayden</p> <p><b>Implement Marketing Tactics</b>  Consistent Messaging  Direct Mail  Personal Meetings  Media and Public Relations  Downtown Development Day  Promote target business opportunities  Engage partners' active involvement</p> <p><b>Niche Target Marketing</b>  Create awareness of downtown opportunities  Marketing campaigns  Engage prospects</p> <p><b>Manage the Process</b>  Implement and monitor process in systematic way</p>

## **INTRODUCTION**

Hayden, Idaho exists as part of the fast growing northern Idaho panhandle and Coeur d'Alene region. Historically, Hayden and Hayden Lake were small resort communities. Over the years, the area has witnessed a shift toward full-time residential ownership and a family-oriented market, though second home owners still play an important role in the marketplace. The majority of Hayden's commercial growth has occurred along the Highway 95 corridor. As the community grows, so, too, does the desire for a commercial town center that reflects the village-like character of Hayden. The existing Government Way downtown core is a mix of uses with a limited retail base. However, with the community's growing residential and daytime employment population, the potential for clustered retail and service businesses and a walkable downtown core increases, as well.

The objectives of this market analysis and business development component of the Hayden Strategic Implementation Plan are to:

- Create an accurate picture of Hayden's retail and service industries, including opportunities and challenges for growth/development;
- Create a clear understanding of downtown Hayden's market position and its competitive advantages and disadvantages;
- Analyze the existing retail market and determine potential market support for retail development in Hayden and downtown in particular;
- Identify steps for redevelopment, marketing and business development;
- Motivate key stakeholders to *take action* on a results-oriented business development process.

### **Methodology**

The retail market analysis considers the 2006-2016 time period, which is a realistic projection period for retail development. The research (both primary and secondary) includes a statistical estimate of potential retail sales and supportable space, the results of public meetings, focus groups and one-on-one interview, in-store visits and telephone interviews with selected businesses, several community site visits and input from business and community leaders. City staff provided extensive assistance with gathering needed information and publicizing the project.

This report is organized into five principal sections:

- I. Target Market Analysis
- II. Retail Market Conditions
- III. Retail Market Demand Analysis
- IV. Business Development Strategy
- V. Business Development Marketing Action Plan



## **I. TARGET MARKET ANALYSIS**

Downtown Hayden's primary target customer markets for retail and services include: local resident shoppers, area employees and visitors to the area. This section characterizes the size and features of each market, with an in-depth look at the local resident market, which provides the shopping district with the greatest opportunity for a dependable source of year-round sales.

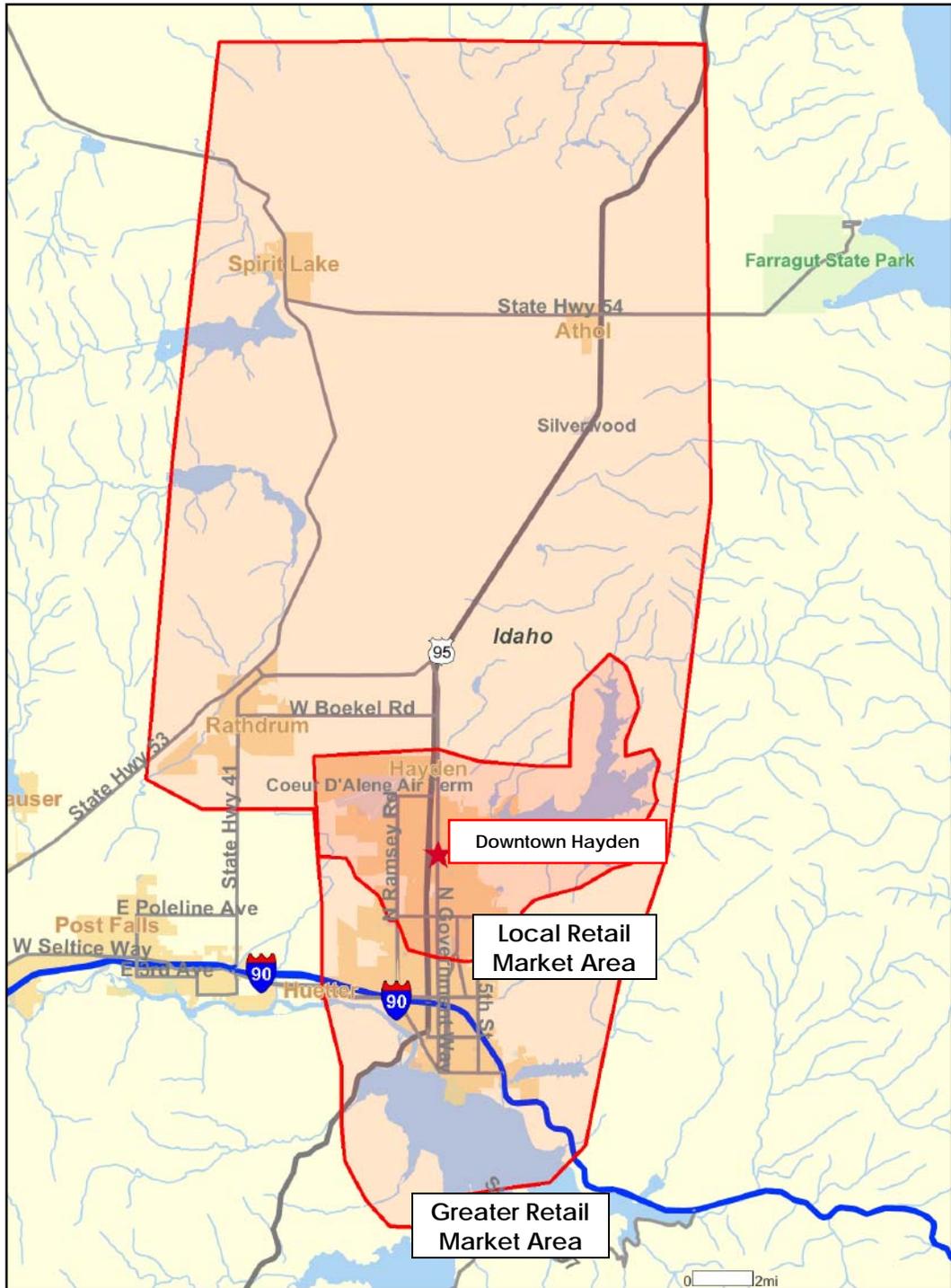
### **LOCAL RESIDENT SHOPPERS: DEMOGRAPHIC PROFILE**

The socioeconomic characteristics of Hayden's local shopper retail trade areas are provided in this section. A map on the following page illustrates the boundaries of the local and greater trade areas. The retail market areas are the geographic areas from which the majority of Hayden's local customers will emanate. They are based upon drive-time estimates, the knowledge and experience of Hayden business owners and the location of existing retail competition, including the market draws of Wal-Mart centers.

The Local Retail Market will look to downtown for convenience related goods and services, dining, entertainment and some specialty shopping. The Greater Retail Market is much larger and is the area from which a majority of 'destination' and comparison shoppers emanate. This boundary is very similar to a 20 to 30 minute drive time from downtown Hayden.

The delineation of the retail trade areas is not meant to suggest that prospective local customers of downtown businesses will be drawn solely from these geographic areas. Because of the downtown's central location, competitive assets and proposed redevelopment activity, prospective retail customers will also be drawn from outside of the corresponding market areas.

# Hayden, Idaho Local and Greater Retail Market Areas



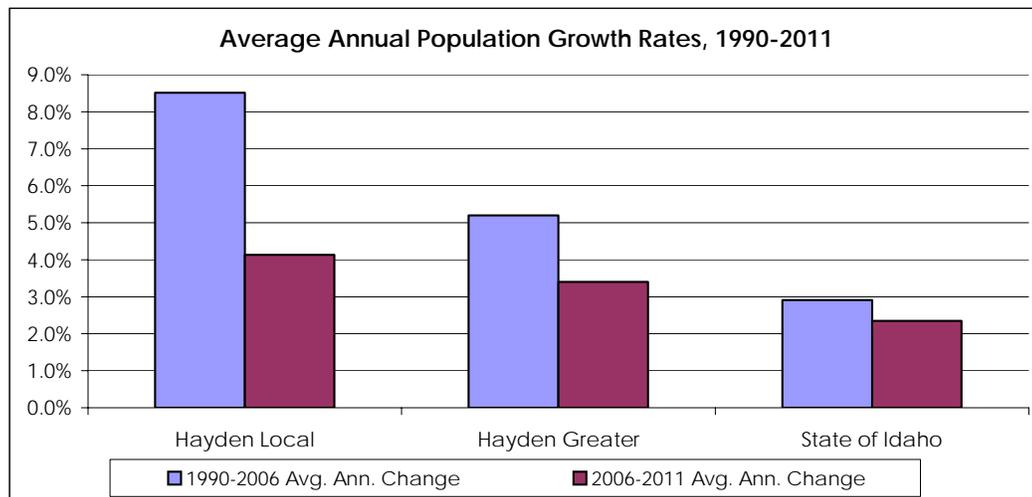
Source: ESRI BIS, Marketek, Inc.

## A. Population & Household Growth

- From 1990 to 2006, the population growth rate in the local Hayden trade area (8.5%) has been more than three times that of the State of Idaho, (2.9%.) Hayden's growth is reflected in the City's residential building permit activity totaling over 1,000 units from 2003-2006. This extremely rapid growth is projected to slow somewhat over the next five years, with population growth slowing to a rate of 4.13% as opposed to the 8.51% growth rate experienced from 1990-2006. However, this rate will still substantially exceed the state's projected growth rate of 2.35%.
- The 2006 population of the Hayden local trade area (10 minute drive time) is estimated at 26,952. For the City of Hayden proper, the 2006 estimated population is 11,912.
- During the 2006-2011 time period, the local market area population is expected to grow at an average of 1,114 people or 414 households per year, resulting in a 2011 population of 32,520.
- Hayden's 2006 greater trade area population is estimated at 86,101. Over the next five years, population is projected to increase at an average annual rate of 3.40% to 100,741; adding 5,663 households during that time.

**EXHIBIT H-1  
POPULATION GROWTH  
Hayden Market Areas and State of Idaho  
1990-2011**

Geographic Area	Avg. Ann. Change 1990-2006				Avg. Ann. Change 2006-2011		
	1990	2006 (Estimate)	Number	Percent	2011 (Forecast)	Number	Percent
<b>Hayden Local</b>							
Population	11,409	26,952	971	8.51%	32,520	1,114	4.13%
Households	4,185	10,020	365	8.71%	12,101	416	4.15%
Avg. Household Size	2.72	2.68			2.68		
<b>Hayden Greater</b>							
Population	47,005	86,101	2,444	5.20%	100,741	2,928	3.40%
Households	18,510	33,052	909	4.91%	38,715	1,133	3.43%
Avg. Household Size	2.50	2.56			2.57		
<b>State of Idaho</b>							
Population	1,006,749	1,475,700	29,309	2.91%	1,649,058	34,672	2.35%
Households	360,723	539,297	11,161	3.09%	604,447	13,030	2.42%
Avg. Household Size	2.73	2.67			2.67		



Source: ESRI BIS, Marketek, Inc.

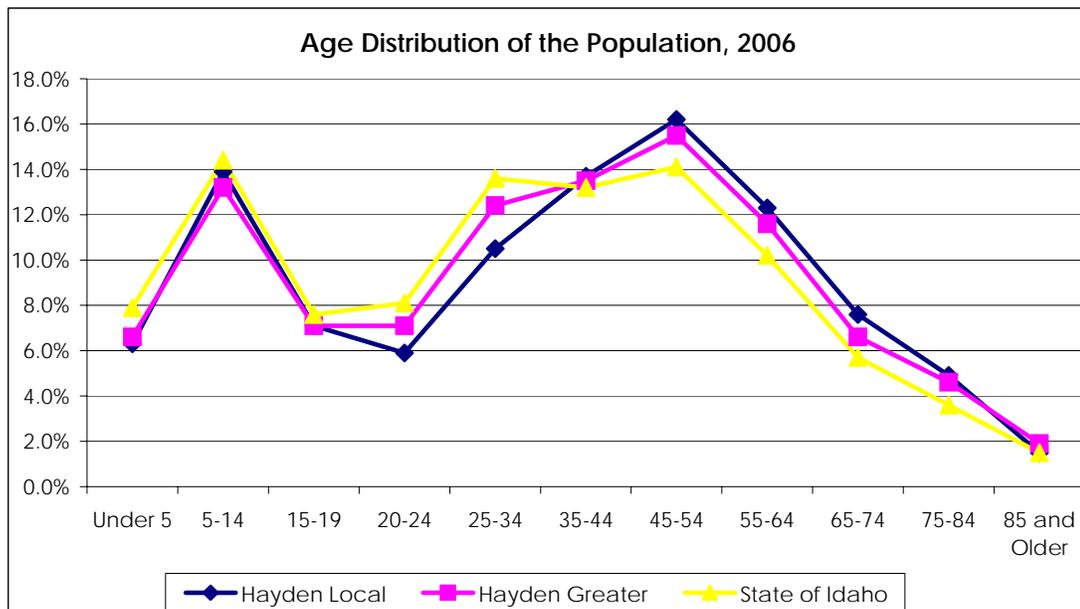
**B. Age Distribution**

- The population within and immediately surrounding Hayden tends to be slightly older relative to the greater trade area. The 2006 median age within the local trade area is estimated at 39.9 years and 38 years within the greater trade area (Exhibit H-2). In the State of Idaho, the 2006 estimated median age is 33.8 years.
- The estimated proportion of the population under the age of 15 in 2006 is 20.2% within the local Hayden trade area, and 19.8% in the greater trade area. Both are lower than the state average of 22.3% for this age group.
- An estimated 13% of the local trade area population was age 15 to 24 in 2006, and 14.2% in the greater trade area. The state average is higher, at 15.7%.

- Prime consumer age categories, ages 25 to 64, comprise approximately 53% in both trade areas, with the state's average age in this cohort slightly lower at 51.1%.
- The share of residents age 65 years or older in 2006 was slightly higher in the local market area (14%) compared to the greater market (13.1%) and the State of Idaho as a whole (10.8%).

**EXHIBIT H-2  
POPULATION BY AGE  
Hayden Market Areas and State of Idaho  
2006**

Age Category	Hayden <i>Local</i>	Hayden <i>Greater</i>	State of Idaho
Under 5	6.3%	6.6%	7.9%
5-14	13.9%	13.2%	14.4%
15-19	7.1%	7.1%	7.6%
20-24	5.9%	7.1%	8.1%
25-34	10.5%	12.4%	13.6%
35-44	13.7%	13.5%	13.2%
45-54	16.2%	15.5%	14.1%
55-64	12.3%	11.6%	10.2%
65-74	7.6%	6.6%	5.7%
75-84	4.9%	4.6%	3.6%
85 and Older	1.5%	1.9%	1.5%
<b>Total</b>	<b>26,952</b>	<b>86,101</b>	<b>1,475,700</b>
<b>Median Age</b>	<b>39.9</b>	<b>38.0</b>	<b>33.8</b>



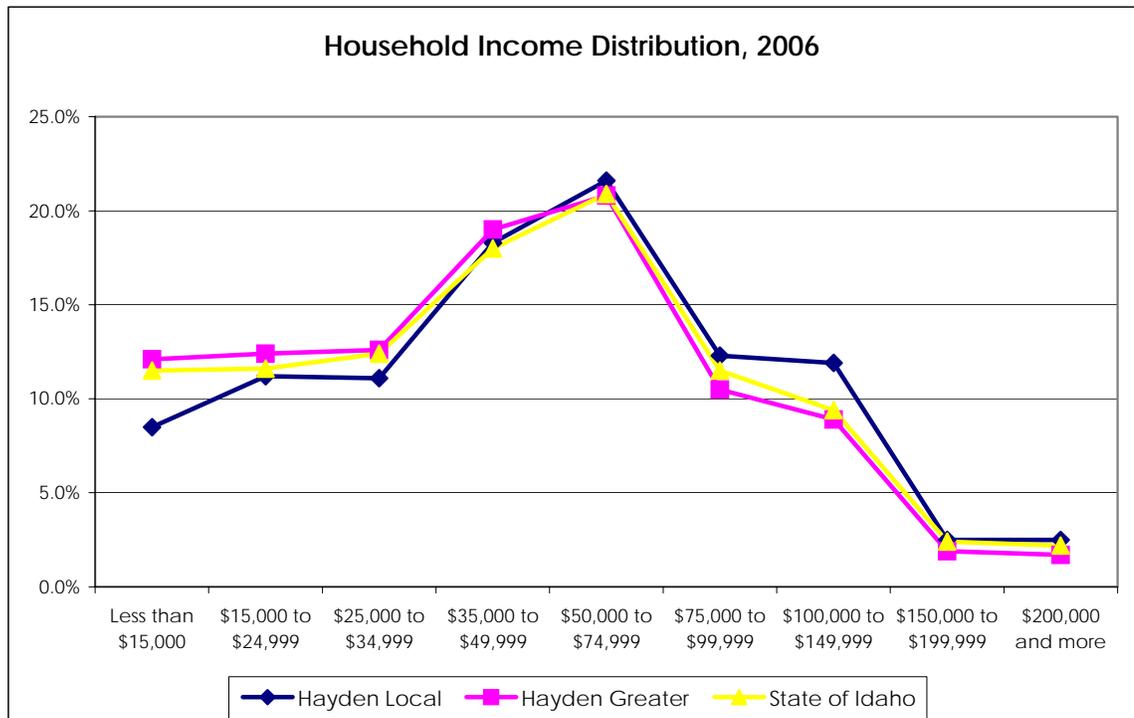
Source: ESRI BIS, Marketek, Inc.

**C. Income Distribution**

- Exhibit H-3 shows that the local trade area is significantly more affluent than households statewide, while the greater trade area is slightly less than affluent than households statewide. Estimated 2006 median household income ranges from \$50,651 in the local Hayden market to \$44,534 in the greater market area, compared to \$46,622 for the state as a whole.

**EXHIBIT H-3  
HOUSEHOLD INCOME  
Hayden Market Areas and State of Idaho  
2006**

Income	Hayden <i>Local</i>	Hayden <i>Greater</i>	State of Idaho
Less than \$15,000	8.5%	12.1%	11.5%
\$15,000 to \$24,999	11.2%	12.4%	11.6%
\$25,000 to \$34,999	11.1%	12.6%	12.4%
\$35,000 to \$49,999	18.3%	19.0%	18.0%
\$50,000 to \$74,999	21.6%	20.8%	20.9%
\$75,000 to \$99,999	12.3%	10.5%	11.5%
\$100,000 to \$149,999	11.9%	8.9%	9.4%
\$150,000 to \$199,999	2.5%	1.9%	2.4%
\$200,000 and more	2.5%	1.7%	2.2%
Median Household Income	\$50,651	\$44,534	\$46,622



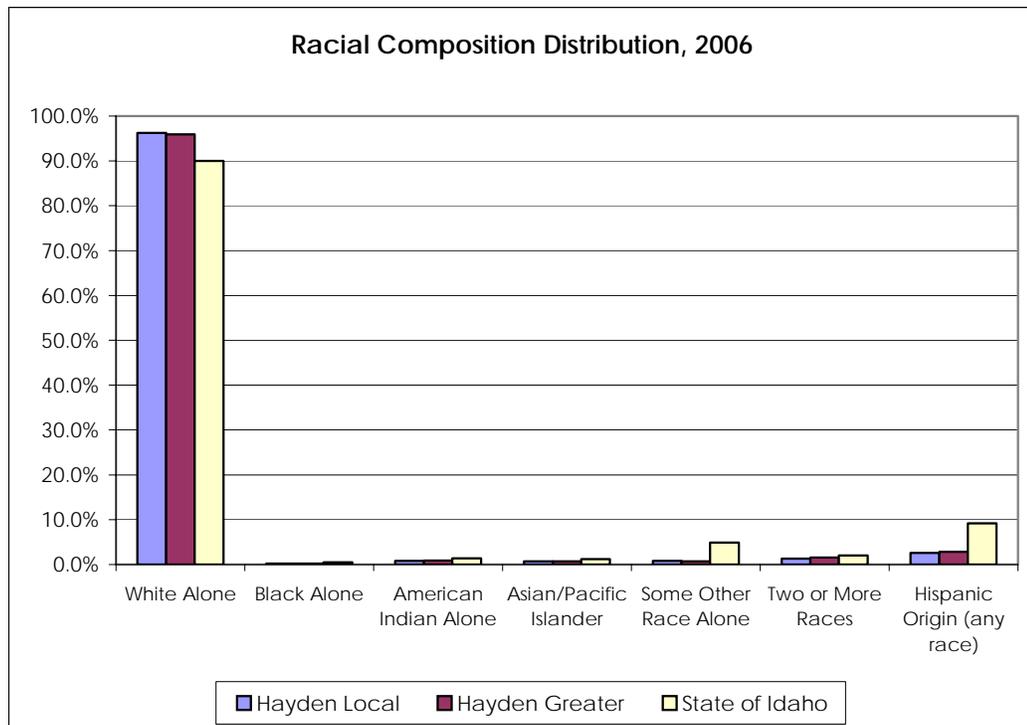
Source: ESRI BIS

#### D. Racial Composition

- Racial distribution (as shown in Exhibit H-4) in the local and greater Hayden trade area populations is less diverse than the State of Idaho trade area.
- An estimated 96.2% to 95.9% of greater and local trade area residents are white alone, up to 5% more than the state average of 90%. However, while only 2.6% of the local population is of Hispanic origin, the percentage is similar to the greater market area of 2.8%, but substantially less than the State of Idaho at 9.2% of Hispanic origin.

**Exhibit H-4  
RACIAL COMPOSITION  
Hayden Market Areas and State of Idaho  
2006**

Race	Hayden <i>Local</i>	Hayden <i>Greater</i>	State of Idaho
White Alone	96.2%	95.9%	90.0%
Black Alone	0.2%	0.2%	0.5%
American Indian Alone	0.8%	0.9%	1.4%
Asian/Pacific Islander	0.7%	0.7%	1.2%
Some Other Race Alone	0.8%	0.7%	4.9%
Two or More Races	1.3%	1.6%	2.0%
Hispanic Origin (any race)	2.6%	2.8%	9.2%
Total	26,952	86,101	1,475,700



Source: ESRI BIS

## E. Community Tapestry Segments

Recognizing that people who share the same demographic characteristics may have widely divergent interests and shopping preferences, Community Tapestry data (developed by ESRI Business Information Solutions) categorizes neighborhoods throughout the nation into 65 consumer groups or market segments. Neighborhoods are geographically defined by census blocks, which are analyzed and sorted by a variety of demographic and socioeconomic characteristics as well as other determinants of consumer behavior.

Local and greater trade area households have been grouped into Tapestry market segments, which reveal both differences and similarities between the two areas. Both Hayden market areas are chiefly represented by the "Midland Crowd" market segment, which represents 58.6% of the local market and 42.8% of the greater Hayden market. This group is comprised of married couples with a median age of 36 and an average income of \$48,200.

The major difference in the two market areas is most apparent in the segment representing the second highest percentage of households. The "Exurbanites" segment with a median age of 44 and a median income of \$83,200 has the greatest representation with 27.6% in local Hayden; with this market segment representing only 10.9% in the greater Hayden market. Another significant difference between the local and greater Hayden market areas is found in the fourth tapestry segment. The local area is comprised of the "Silver and Gold" segment at 5%, with a median income of \$66,500 and a median age of 59. Greater Hayden's fourth segment is "Great Expectations" at 6.8% with \$36,600 and a median age of 33.

Exhibit H-5 on the following page identifies the market segments that comprise at least five percent (5%) of total households in the local and greater trade areas. The top groups are summarized below with detailed descriptions provided in Appendix A.

**Exhibit H-5**  
**TAPESTRY/LIFESTYLE CHARACTERISTICS**  
**HOUSEHOLDS BY PRIMARY MARKET SEGMENT**  
**Hayden Market Areas**  
**2006**

<b>Hayden Local</b>						
	Market Segment	Percent of Households	Household Type	Median Age	Median Income	Consumer Purchases/Preferences
1	Midland Crowd	58.6%	Married couples	36	\$48,200	These families reside in rural locations, with nearly 30% living in mobile homes. They are do-it-yourselfers who may own 3 vehicles and enjoy watching TV, hunting, fishing and pets.
2	Exurbanites	27.6%	Married couples	44	\$83,200	Empty nester couples who spend time working in their garden or decorating their homes. Enjoy domestic wine, attending the theater and outdoor activities such as boating and hiking.
3	Green Acres	8.7%	Married couples	40	\$62,300	Blue collar families w/ children 6-17 living in pastoral settings. These do-it-yourselfers are not afraid to tackle home improvement projects and enjoy watching football and NASCAR and going hunting and hiking.
4	Silver and Gold	5.0%	Married couples	59	\$66,500	These wealthy, educated seniors have the free time and resources to pursue their interests, which include travel, civic activities and golf. They are avid readers and enjoy watching television news programs.
5	Midlife Junction	0.1%	Family Mix	41	\$43,600	Approaching retirement, 1/3 already receive retirement income and live quiet settled lives. They are comfortable shopping online and over the phone and enjoy dining out at full service restaurants. They also enjoy gardening, watching TV, books and the newspaper.
<b>Total</b>		<b>100.0%</b>				

<b>Hayden Greater</b>						
	Market Segment	Percent of Households	Household Type	Median Age	Median Income	Consumer Purchases/Preferences
1	Midland Crowd	42.8%	Married couples	36	\$48,200	These families reside in rural locations, with nearly 30% living in mobile homes. They are do-it-yourselfers who may own 3 vehicles and enjoy watching TV, hunting, fishing and pets.
2	Exurbanites	10.9%	Married couples	44	\$83,200	Empty nester couples who spend time working in their garden or decorating their homes. Enjoy domestic wine, attending the theater and outdoor activities such as boating and hiking.
3	Green Acres	10.3%	Married couples	40	\$62,300	Blue collar families w/ children 6-17 living in pastoral settings. These do-it-yourselfers are not afraid to tackle home improvement projects and enjoy watching football and NASCAR and going hunting and hiking.
4	Great Expectations	6.8%	Family Mix	33	\$36,600	Made up of a mix of renters living in low-density buildings and owners living in homes valued below the national average. Purchase baby/children's products and eat in family restaurants. Practice martial arts and play pool.
5	Simple Living	5.4%	Married couples/Singles	40	\$26,700	Living in urban outskirts and suburban areas, these households spend wisely on a tight budget. They shop at discount stores and watch cable, but are unlikely to own a personal computer or DVD player.
<b>Total</b>		<b>76.2%</b>				

Source: ESRI BIS

### **Midland Crowd, 58.6% of Local and 42.8% of Greater Trade Area Households**

Tapestry's largest market, *Midland Crowd* represents 11 million people, nearly 4 percent of the total U.S. population, in one market. As expected, this market reflects some characteristics of the U.S. population, with a median age 36 years and an average family size of 3.1 people. The median household income of \$48,200 is just below the U.S. median of \$51,500. These differences distinguish the *Midland Crowd* residents. These neighborhoods are located in mainly rural areas, which since 2000, have been growing at an annual rate of more than 2.5 percent. The median home value is \$115,700. Approximately 40 percent of the homes were built after 1990; more than 95 percent of their homes are single-family houses or mobile homes. These do-it-yourselfers take pride in their homes and vehicles. For leisure, they go fishing or hunting, listen to country music, and watch television. They are politically conservative, devoted pet lovers, and interested in domestic travel.

### **Exurbanites, 27.6% of Local & of 10.9% of Greater Market Area Households**

Open areas with affluence define these neighborhoods. Empty nesters comprise 40 percent of these households, yet married couples with children occupy 32 percent. Half of the householders are between the ages of 45 and 64 years. The median age of 43.6 years frequently places these residents in the position of juggling paying college expenses and caring for elderly parents. About half of employed persons hold professional or managerial positions. The median home value is approximately \$259,000 and the median household income is \$83,200. Financial health is a priority for the *Exurbanites* market; they consult with financial planners and track their investments online. They own a diverse investment portfolio, and have long term care and substantial life insurance. Residents work on their homes, lawns, and gardens. Leisure activities include boating, hiking, kayaking, playing Frisbee, photography, and bird watching. Many are members of fraternal orders and participate in civic activities.

### **Green Acres, 8.7% of Local & 10.3% of Greater Market Area Households**

A "little bit country," *Green Acres* residents enjoy homes in a pastoral setting. This somewhat upscale market represents developing fringe areas. The median age is 40 years. Most families are blue-collar baby boomers, many with children aged 6-17 years. Their median household income of \$62,300 and median home value of \$179,700 are high compared to the U.S. as a whole. Country living describes the lifestyle of *Green Acres* residents. They are do-it-yourselfers and are not afraid to tackle home improvement projects ranging from painting to installing a deck. They are enthusiastic about gardens and own a separate freezer to hold the bounty. For leisure, they watch Home and Garden TV, NASCAR races and pro football games on TV. Their favorite outdoor activities include hiking, hunting and backpacking.

### **Great Expectations, 6.8% of Greater Market Area Households**

Young singles and married-couple families dominate in this large urban market. The median age of the population is 33 years. A high proportion of *Great Expectations* residents are in their twenties. Labor force participation is high with a median household income of \$36,600. They pursue a variety of careers primarily in the manufacturing, retail, and other service sectors. Home ownership is increasing; approximately half of these residents now own single-family homes with a median home value of \$100,600. The rest still rent apartments in small multiunit buildings. Their neighborhoods are older suburbs, with most homes built

before 1960. They are not afraid to tackle small home maintenance and improvement projects but also enjoy a young, active lifestyle. Leisure time for these residents is spent going out to dinner and a movie, attending music concerts, visiting theme parks, the zoo, and the beach. They have tried their hand at different sports such as fishing, hunting, and canoeing.

#### **Simple Living, 5.4% of Greater Market Area Households**

Retirees dominate this market group, the median age is 40 years old, but over one-third are aged 65 years and older. Most residents who are employed work in the health care, retail trade, manufacturing, educational services, and accommodation/food services industry sectors. The median household income for this market is a modest \$26,700. *Simple Living* neighborhoods are found in the urban outskirts or suburban areas throughout the United States. More than half of the households rent, although forty-two percent of housing is single-family dwellings built before 1970. The median home value for owner-occupied dwellings is \$97,100. The lifestyle of *Simple Living* residents is represented by both the young and the old, who enjoy hunting, fishing, and team sports such as softball and volleyball and participation in community activities. *Simple Living* households spend wisely on a restricted budget. They buy the essentials at discount stores and occasionally treat themselves to dinner out and a movie.

#### **Silver & Gold, 5% of Local Market Area Households**

*Silver and Gold* residents are the second oldest of the Community Tapestry segments. Seventy percent of the householders are aged 55 years or older, with a median age of 58 years. Half of the households are composed of married couples without children. These wealthy, educated seniors have a median household income of \$66,500, with a median home value of \$326,600. This segment is ranked second among all the Community Tapestry segments for the percentage of seasonal housing. *Silver and Gold* residents have the free time and resources to pursue their interests. They travel domestically and abroad, and take an active role in their communities. They also enjoy woodworking, playing cards, bird-watching, target shooting, saltwater fishing, and power boating, and eating out.

## F. Employment

The employment and occupation of Hayden's market area residents offer additional insight and dimension to their demographic characteristics. Exhibit H-6 depicts the employment distribution by economic sector of employed residents age 16 and older for the Hayden market areas and the State of Idaho. A higher proportion of Hayden market area residents are employed in retail trade and construction and a lower proportion in agriculture and manufacturing sectors when compared to the state.

### EXHIBIT H-6

#### EMPLOYED POPULATION 16+ BY INDUSTRY Hayden Market Areas and State of Idaho 2006

Economic Sector	Hayden <i>Local</i>	Hayden <i>Greater</i>	State of Idaho
Agriculture/Mining	2.5%	2.6%	4.7%
Construction	12.5%	11.6%	9.0%
Manufacturing	8.5%	8.6%	10.6%
Wholesale Trade	2.3%	2.3%	3.0%
Retail Trade	16.1%	16.5%	13.6%
Transportation/Utilities	2.5%	2.7%	3.8%
Information	2.2%	2.6%	1.9%
Finance/Insurance/Real Estate	7.8%	7.1%	6.3%
Services	42.8%	43.0%	43.0%
Public Administration	2.8%	3.0%	4.1%
Total Number	13,576	45,268	722,511
Travel Time to Work (in minutes)	19.1	21.0	20.0

Source: ESRI

The average time to work is comparable for residents of the Hayden market areas and the State of Idaho. Hayden local and greater market area residents spend an average of 19.1 and 21.0 minutes driving to work, respectively, compared to an average commute of 20.0 minutes statewide.

Exhibit H-7 shows the occupations of Hayden market area residents compared to the state. Blue collar occupations make up similar proportions of jobs in the local and greater market areas and the state (62.9%, 59.9% and 61.6%, respectively). The percentage of service jobs in the Hayden local market area (13.4%) is comparable to that in the state (13.6%), while the percentage in the greater market area is slightly higher (15.2%). Blue collar jobs make up 23.7% of Hayden local market area job, compared to 24.9% of greater market area jobs and 24.8% of jobs throughout the state.

## EXHIBIT H-7

### EMPLOYED POPULATION 16+ BY OCCUPATION Hayden Market Areas and State of Idaho 2006

Economic Sector	Hayden <i>Local</i>	Hayden <i>Greater</i>	State of Idaho
<b>White Collar</b>	<b>62.9%</b>	<b>59.9%</b>	<b>61.6%</b>
Management/Business/Fin'l	13.3%	12.7%	14.4%
Professional	20.4%	19.3%	21.7%
Sales	15.7%	14.5%	11.6%
Administrative Support	13.5%	13.4%	13.9%
<b>Services</b>	<b>13.4%</b>	<b>15.2%</b>	<b>13.6%</b>
<b>Blue Collar</b>	<b>23.7%</b>	<b>24.9%</b>	<b>24.8%</b>
Farming/Forestry/Fishing	0.7%	0.7%	2.0%
Construction/Extraction	9.2%	9.8%	7.7%
Install/Maintain/Repair	3.3%	3.5%	3.2%
Production	6.3%	6.6%	6.7%
Transportation/Mat'l Moving	4.2%	4.3%	5.2%
Total Number	13,576	45,268	722,511

Source: ESRI

## AREA EMPLOYEES

Local Hayden employees are an important captive market for downtown retail and service businesses, as they come to Hayden on a daily basis throughout the year and are in close proximity to retail, restaurant and service establishments. Market research conducted by the Building Owners and Managers Association of America demonstrated that office workers (as one segment of the workforce) spend between 10 and 15 percent of their expendable income in and near their places of work.

Information on workday shopping behavior of downtown employees provided in a survey conducted by the International Council of Shopping Centers reveals that:

- The majority of workers (76%) prefer to walk to lunch, up to three blocks.
- The most frequent items purchased by workers include cards, stationery, gifts, drugstore items, books and magazines.
- With lesser frequency, workers buy office supplies, jewelry, apparel, accessories, housewares, cosmetics, arts and crafts and items found in galleries.
- Many workers (28%) will stop for "after work" activities (drinks, dinner and shopping) when such opportunities are available. Forty-eight percent (48%) of these workers are inclined to come back to the downtown district to eat and shop on weekends.

The remainder of this section highlights local employment trends and information on the employment base in close proximity to downtown Hayden.

Exhibit H-8 depicts employer and employment growth trends for the Hayden zip code, Kootenai County and the State of Idaho for the years 1998, 2003 and 2005. In Hayden proper, job growth lagged the county and state from 1998 to 2003, but experienced rapid growth from 2003 to 2005, with a 21.2% increase. Employment totaled 5,580 persons in 2005.

**EXHIBIT H-8  
EMPLOYERS AND JOBS  
Zip Code 83835, Kootenai County and State of Idaho  
1998-2005**

Employers/Jobs	Zip Code 83835	Kootenai County	State of Idaho
<b>Employers</b>			
1998 Employers	475	3,788	43,140
2003 Employers	474	4,297	48,365
2005 Employers	645	4,818	51,885
Avg. Ann. Growth '98 to '03	0.0%	2.7%	2.4%
Avg. Ann. Growth '03 to '05	18.0%	6.1%	3.6%
<b>Jobs</b>			
1998 Jobs	3,535	38,843	524,590
2003 Jobs	3,921	45,354	576,025
2005 Jobs	5,580	51,787	615,633
Avg. Ann. Growth '98 to '03	2.2%	3.4%	2.0%
Avg. Ann. Growth '03 to '05	21.2%	7.1%	3.4%

Source: Idaho Dept. of Commerce and Labor

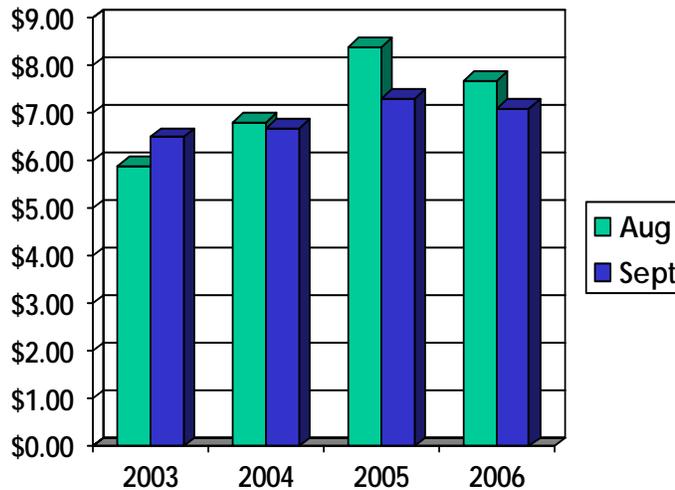
In 2005, the Idaho Department of Commerce and Labor reported the largest industry employer in the Hayden zip code as Construction with 1,072 employees. This sector was followed by Professional & Business Services with 783 jobs, followed by Health, Education & Social Services (681), Leisure & Hospitality (662) and Manufacturing with 642 jobs. Among the largest private sector employers by number of jobs are:

- ePEOLink, Professional Employment Organization, 400-499 employees
- A Full Life Agency, Home Health Care, 200-299 employees
- Life Care Center, Nursing Home, 100-149 employees
- Ron's Harvest Foods, Grocery, 100-149 employees
- Transtector, Electronics Manufacturer, 100-149 employees
- Verizon Customer Service Center, 100-149 employees

## VISITOR MARKET

One indication of the impact of the visitor market in Hayden is lodging sales. Kootenai County lodging sales totaled \$45.9 million in 2006, up from \$36.2 million in 2003. Peak visitor months are consistently August and September, with lodging sales exhibited in the chart below. August 2005 appears as the peak month at \$8.4 million.

EXHIBIT H-9  
Kootenai County Lodging Sales



Source: State Idaho Tax Commission

Hayden has significant exposure to Highway 95 visitors and pass-through traffic with recent average daily highway traffic counts in Hayden of 25,000. Among the community's visitor attractions are Hayden Lake, Triple Play/Raptor Reef Water Park and the nearly dozen special events that occur throughout the year.

## SECOND HOME OWNERS

The second home owner market is an important and growing one for Hayden commercial business owners to track. Approximately 800 residences surround Hayden Lake with at least half of those home owners living there on a part-time basis. Within Hayden city limits, the 2000 Census indicated 8% of the housing stock was vacant. Of that, 49% (330 units) had seasonal/recreational uses.

A 2002 survey completed by the National Association of Realtors (NAR) and escapehomes.com provides insights into the motivations and characteristics of second homeowners nationally.

- Baby boomers are often noted as an important target market for second homes. Of the more than 43 million American households comprised of individuals aged 50 and older who owned their main residence in 2004, 6.6 million, or 15%, also owned a second home.

- One in six second home buyers over age 55 plans to make their second home their primary residence after retirement.
- Most second-home owners make limited use of their homes: one-half spend two weeks or less and two-thirds spend four weeks or less annually in the home. Also, only 12% of owners intend to sell their main home and eventually occupy their second home.
- Today the typical second-homeowner is 61 years old, has owned the property for 9 years, has annual household income of \$76,000, is married and purchased the property for recreational use.
- During the next decade, the typical second homebuyer will be younger. The second home market will be driven by middle-class baby-boomers entering their prime years for buying recreational and investment property. Median age of people buying a second home is 46.
- Vacation-homeowners spent a median of 8 weeks per year at their property, while over one-half of all investment owners never used their property. Almost 55% of investment owners rented to others for at least six months a year. These properties tend to be in resort areas.

## OPINION RESEARCH

Throughout the course of the Downtown Hayden Implementation Planning process, the public shared their input regarding the retail marketplace and Hayden's desired commercial base through a number of venues. The opportunities included at least four workshops on business development and market realities, focus groups with business and properties owners, nearly 20 in-store visits and/or interviews with business owners and developers. Additionally, opinion surveys on the downtown business mix were conducted in 2004, prior to the Downtown Solutions project, with results incorporated into the business targets section presented later in this document.

Observations and findings of the public outreach are included in the Retail Competitive overview and in the recommendations. Among the critical themes that surfaced through this process are reflected in the comments below:

*"More variety of restaurants and specialty retail is needed downtown."*

*"Hayden has significant opportunity. We need to capitalize on the growth occurring."*

*"We're a community of friendly business people; this is an asset to be promoted!"*

*"Quality stores and services should be the message we send to the market."*

*"Let's create continuity in our downtown – appearance, business unity."*

*"I would like to see "locally owned and/or operated" stores known for "friendly service".*

*"I would like to avoid a collection of all chain stores."*

## II. RETAIL MARKET CONDITIONS

This section provides an overview of the existing retail industry in metro Spokane and the Hayden submarket and includes a competitive assessment of downtown Hayden's situation within the retail marketplace.

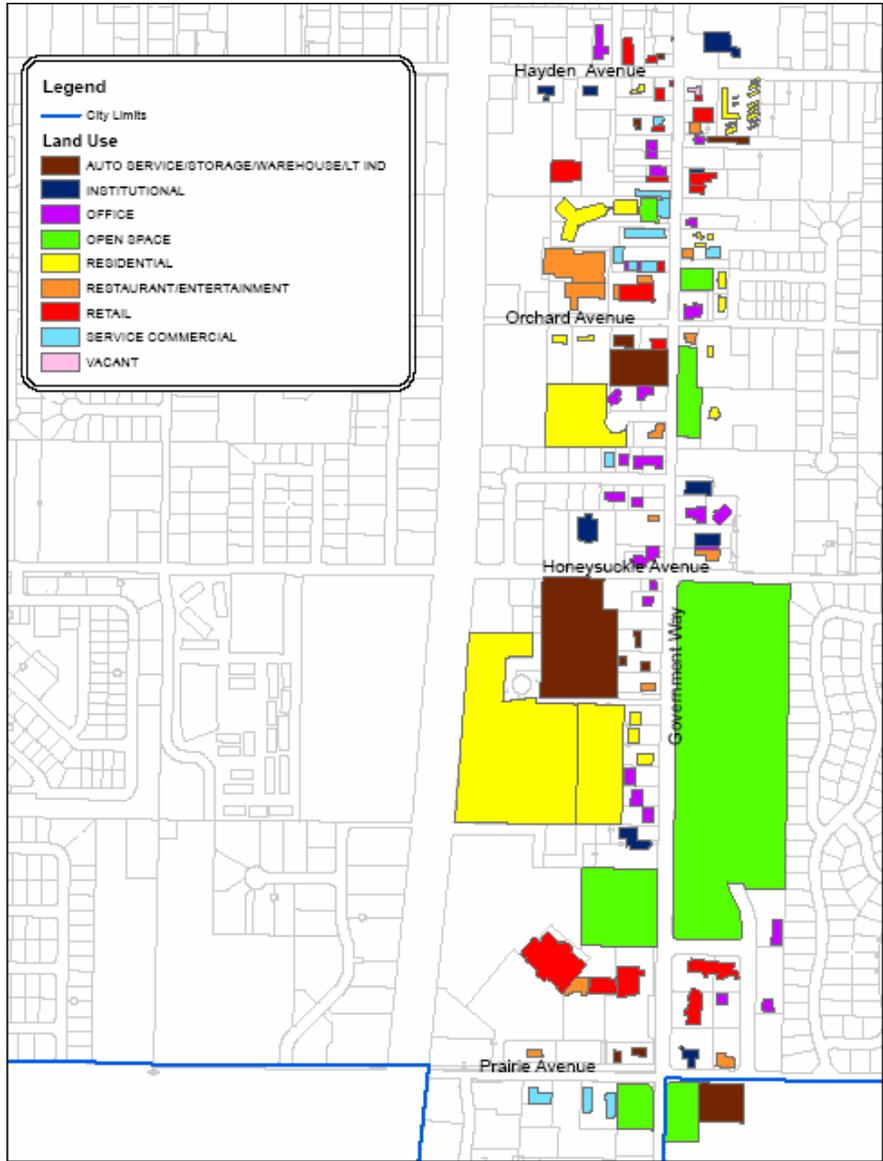
### A. Hayden Area Retail Development

Within the immediate Hayden area, the Prairie Shopping Center represents the greatest concentration of retail in the community. This center is predominately focused on community-serving, convenience retail from grocery and drugstore to fabrics and various restaurant choices. It also includes a 6-plex cinema and fitness club. Highway 95 is dominated by freestanding commercial development including national retailers such as Borders Books. Within the Coeur d'Alene city limits are numerous shopping centers with the biggest ones being Silver Lake Regional Mall with 333,755 gross leasable area (GLA), Coeur d'Alene Mall, 111,111 GLA, Ironwood Square, 108,000 GLA and Silver Lake Plaza, 145,035 GLA.

Significant new retail development is occurring both on Government Way and Highway 95 in Hayden. Examples include the Hayden Creek Plaza development at Prairie Avenue and Government Way with 29,300 square feet of completed retail/service in Phase 1 and the upcoming Super Wal-Mart at Honeysuckle and Hwy 95. For sale commercial sites are plentiful throughout Hayden.

Downtown Hayden (generally defined as Government Way from Hayden to Prairie Avenue) has a very limited retail base as illustrated by the map on the following page, where the color red represents retail. One of the most unique and quality retail centers in Hayden, the Design Center, is located in downtown Hayden and focuses on high quality building materials for home interiors. At present, downtown Hayden's business base is widely dispersed with significant variety in the type, quality and target markets.

Existing downtown occupants or uses are plotted on the map that follows. Note the preponderance of office uses (purple) and the limited retail in existence (red.)



**B. Downtown Hayden’s Competitive Position**

Successful downtown districts of any size have a healthy business climate and a pro-active marketing program. They have a solid understanding of the marketplace and know how to promote the community and the business district to their advantage. The competitive analysis that follows focuses on four key elements of success:

- Market Conditions
- Image and Promotion
- Business Development
- Organization and Management

**EXHIBIT R-1  
Downtown Hayden Competitive Analysis**

**MARKET CONDITIONS**

<p><b><u>Strengths</u></b></p> <ul style="list-style-type: none"> <li>• Hayden &amp; Kootenai County's employment base is fast-growing &amp; diversifying</li> <li>• Significant private investment is occurring: the 3-phase 30 acre Merritt development project is most prominent; Design Center &amp; Dakota Corners are also key new investments</li> <li>• Local shopper loyalty was noted by several business owners</li> <li>• Rapid residential &amp; population growth, including upper-income 2<sup>nd</sup> home market</li> <li>• Visitor market traffic on the rise; Oktoberfest attracts 1000+</li> <li>• Holiday Inn Express' indoor water park is a significant visitor draw</li> <li>• Hayden has excellent exposure to Highway 95 travelers with an average of 25,000 vehicles per day</li> </ul>	<p><b><u>Weaknesses</u></b></p> <ul style="list-style-type: none"> <li>• Below average incomes within the greater market area</li> <li>• Potential over-saturation in general merchandise retail categories</li> <li>• Limited property available downtown</li> <li>• Visitor/2<sup>nd</sup> home owner market seasonality creates fluctuations in business sales</li> </ul>
<p><b><u>Opportunities</u></b></p> <ul style="list-style-type: none"> <li>• New federal courthouse to be constructed on Hwy 95</li> <li>• Cross-marketing with area visitor attractions will bring more tourists to Hayden</li> <li>• Significant retail leakage within the market area provides an opportunity for prospective retailers to help keep shopper \$ in Hayden</li> </ul>	<p><b><u>Challenges</u></b></p> <ul style="list-style-type: none"> <li>• Super-Wal-Mart locating in Hayden will impact both chain stores and locally-owned businesses from grocers to hardware</li> <li>• Downtown is challenged to move/stimulate business energy and activity to the Government Way corridor</li> </ul>

**EXHIBIT R-1 (continued)  
Downtown Hayden Competitive Analysis**

**IMAGE & PROMOTION**

**Strengths**

- Hayden: *A Village Community* is used in some promotion pieces & has potential to be marketed widely
- Government Way infrastructure improvements will help create a positive impression
- Hayden Lake is a critical regional and visitor resource, perhaps under-promoted. Symphony on the Sand is a very positive event.
- Wednesday Night Concerts in the Park (free) was noted as a positive community event

**Weaknesses**

- Downtown currently has a poor community image, viewed as a hodge-podge of uses & building types
- Downtown Hayden lacks a brand identity—what is the image & message to be conveyed?
- Event/promotion calendar is needed
- Government Way name unappealing to many
- Limited visitor market promotions, though Travel Guide is now available
- Hayden has not been an active participant in the Travel Council and may lose out on marketing opportunities

**Opportunities**

- Hayden Days event will begin to occur simultaneously w/ Ironman activities in Coeur d’Alene—good cross-marketing potential.
- Local businesses/investors believe: *“Hayden is an awesome place to be,” “A diamond in the rough,” “Great potential for excellence,”* though these messages are not promoted.
- Downtown lacks a brand identity, but has opportunity to reinvent its image through streetscape improvements & redevelopment projects
- Rename Government Way in conjunction w/ redevelopment
- The Kootenai County Farmer’s Market is held on Hwy 95 & if relocated to downtown park could help anchor the district

**Challenges**

- The arts community lacks visibility and at present is not part of the business or community mix or identity.
- Coeur d’Alene Press does not provide Hayden the positive coverage desired

**EXHIBIT R-1 (continued)  
Downtown Hayden Competitive Analysis**

**BUSINESS DEVELOPMENT**

<p><b><u>Strengths</u></b></p> <ul style="list-style-type: none"> <li>• Several key anchors to build upon for visitor/shopper attraction on Gov't Way: Prairie Shopping Center, Hayden Creek, Holiday Inn, Hayden Lake</li> <li>• Design Center is a high quality venue &amp; attraction to build upon in business expansion</li> <li>• Cluster of building design, materials and crafts professionals.</li> <li>• Cluster of recreation/sports businesses to build on</li> <li>• Commercial vacancy rate is very low, even in properties of poor condition</li> </ul>	<p><b><u>Weaknesses</u></b></p> <ul style="list-style-type: none"> <li>• Existing downtown business mix is weak with very few retailers; mainly office/professionals</li> <li>• Numerous business leaders commented on the city as being unfriendly/inflexible toward business &amp; difficult to work with</li> <li>• Highway 95 is <i>the</i> shopping 'center' of Hayden at the present time</li> <li>• Several high-visibility parcels remain available on the highway corridor, potentially competing w/ downtown's retail potential</li> <li>• Outreach &amp; technical assistance to local small business is lacking</li> </ul>
<p><b><u>Opportunities</u></b></p> <ul style="list-style-type: none"> <li>• Hayden Village/Merritt Plaza is attracting quality local entrepreneurs sending a positive signal to other investors &amp; enhancing business mix</li> <li>• Numerous business niches available to be filled, particularly to serve growing number of new, higher-income households</li> <li>• Downtown action plan will give prospects confidence of 'change coming soon'</li> <li>• Hayden Elementary School offers potential to be a community hot spot w/ a mix of uses</li> <li>• Several small businesses eager to expand</li> </ul>	<p><b><u>Challenges</u></b></p> <ul style="list-style-type: none"> <li>• Significant competition: retail centers in Coeur d'Alene, Post Falls and beyond are highly competitive and pull Hayden's regional shoppers and visitors alike. Vacancy rate is very low—few quality spaces to attract quality tenants</li> <li>• Physical improvements &amp; identity development take time but for Hayden, are necessary for business attraction.</li> <li>• Rapid retail expansion throughout the Northern Idaho region (from Wal-Mart to Cabela's) challenges downtown Hayden to work harder to distinguish itself.</li> </ul>

**ORGANIZATION & MANAGEMENT**

<p><b><u>Strengths</u></b></p> <ul style="list-style-type: none"> <li>• City and Urban Renewal District leadership is pro-active, ready and eager for change in downtown</li> </ul>	<p><b><u>Weaknesses</u></b></p> <ul style="list-style-type: none"> <li>• Hayden lacks a pro-active economic development team</li> <li>• Chamber of Commerce is in a state of flux and uncertainty</li> </ul>
<p><b><u>Opportunities</u></b></p> <ul style="list-style-type: none"> <li>• Chamber's Business Development Committee has potential to spearhead the business retention and recruitment activities</li> </ul>	<p><b><u>Challenges</u></b></p> <ul style="list-style-type: none"> <li>• City and Chamber staff are spread thin</li> <li>• Volunteer base is not well organized</li> <li>• There is not a group focused strictly on downtown development</li> </ul>

### III. RETAIL MARKET DEMAND ANALYSIS

This section provides estimates of existing retail leakage and future potential market demand for retail uses in the Hayden market areas, depicted in the map on page three.

#### **A. Existing Retail Balance**

Retail market activity can be measured by the supply of existing retail and potential demand from the consumer marketplace. Exhibit RD-1 provides a general snapshot of current retail activity in the Hayden retail market area using the industry sectors defined by the North American Industry Classification System (NAICS), comparing supply and demand estimates and the resulting leakage or surplus of sales.

Retail 'supply' is based on estimates of actual retail sales for trade area businesses from ESRI Business Information Solutions, using the Census of Retail Trade and a variety of other business and government data bases. ESRI also estimates consumer demand or retail potential. Retail 'demand' represents the expected amount spent by residents of the defined trade area for various retail goods and services, based upon consumer expenditure patterns derived from the U.S. Consumer Expenditure Survey. Bear in mind this data only reflects potential spending from local shoppers and does not include spending from visitors, second home owners and employees working in the Hayden market area but living elsewhere.

Retail leakage or conversely, surplus, is estimated by measuring the difference between supply and demand. The difference is either a leakage of sales out of the trade area, where retailers outside the trade area are filling demand for retail product, or a surplus of sales, meaning that certain business categories are 'importing' sales from shoppers who live outside the trade area.

In reality, the consumer marketplace is quite fluid. Even if goods are locally available, priced appropriately and of good value, local shoppers will always do a certain amount of shopping away from home. Certain businesses such as restaurants are often dependent on drawing customers from beyond the local residential population. However, the estimate of sales leakage and surplus provides a reasonable indication of the availability of goods in the local market.

Exhibit RD-1 depicts a leakage of sales occurring for the greater retail area in only two of the ten retail categories included: \$5.9 million in Electronics & Appliance Stores and \$15.9 million in General Merchandise Stores. A corresponding interpretation of the sales data is that there are insufficient retail offerings in the Hayden greater retail market area in the categories where leakage is occurring to capture area shopper spending. Since this data only includes potential spending by market area residents and does not incorporate spending by visitors and the workforce commuting into the market area, leakage in certain categories may actually be higher.

Exhibit RD-1

Existing Retail Supply/Demand Balance: Selected Categories  
Hayden Greater Retail Market Area, 2006

NAICS	Supply (Retail Sales)	Demand (Spending Potential)	Difference Leakage (Surplus)
442: Furniture & Home Furnishings Stores	\$34,203,873	\$23,765,865	-\$10,438,008
443: Electronics & Appliance Stores	\$5,461,574	\$11,394,544	\$5,932,970
444: Building Materials, Garden Equipment & Supply Stores	\$106,750,721	\$28,861,527	-\$77,889,194
445: Food & Beverage Stores	\$175,883,423	\$153,157,622	-\$22,725,801
446: Health & Personal Care Stores	\$47,282,507	\$21,939,598	-\$25,342,909
448: Clothing & Clothing Accessories Stores	\$53,476,966	\$39,375,892	-\$14,101,074
451: Sporting Goods, Hobby, Book & Music Stores	\$42,137,213	\$13,460,232	-\$28,676,981
452: General Merchandise Stores	\$57,280,393	\$73,223,957	\$15,943,564
453: Miscellaneous Store Retailers (florist, office supplies, gift stores, etc.)	\$28,613,767	\$13,857,279	-\$14,756,488
722: Food Services & Drinking Places	\$106,879,977	\$100,943,562	-\$5,936,415
<b>Total Leakage</b>			<b>\$21,876,534</b>

Source: ESRI BIS; Marketek

Eight categories appear to have a surplus of sales. The largest surpluses are in Building Materials, Garden Equipment & Supply Stores (-\$77.9 million) and Sporting Goods, Hobby, Book & Music Stores (-\$28.7 million). Total surpluses reach -\$199.9 million, likely due to the multitude of offerings at shopping centers within the market area. Again, these figures only reflect the difference in actual and potential sales for *residents* of Hayden's greater market area. In selected segments of these retail categories, it is possible that additional retail sales may be supported.

Using the data presented in Exhibit RD-1, a very approximate summary of the existing retail supply and demand balance indicates that there currently is unmet spending potential of \$21.9 million in the trade area. Using an average target sales per square foot figure of \$225, this translates to 97,229 square feet of supportable retail space or retail opportunity.

### B. Retail Sales Potential and Supportable Space

The methodology for estimating statistical market support for retail space in the Hayden local and greater trade areas is displayed in Exhibits RD-2 through RD-6. This methodology applies expenditure potential<sup>1</sup> by type of merchandise to market area population figures in order to obtain potential sales volume for trade area residents. Potential sales are divided among five merchandise and service categories: *shopper's goods, convenience goods, food & beverages, personal services* and *other retail expenditures*. Note that gas and auto-related sales and service are not included as these are not retail sales typically desired in a downtown business district. Exhibit RD-2 defines the types of goods and services within several of these categories. For instance, "apparel" includes women's

<sup>1</sup> Consumer spending is estimated from the Bureau of Labor Statistics' Consumer Expenditure (CEX) Surveys. The CEX surveys have been used for over a century to provide data to study consumer spending and its effect on gross domestic product.

## Exhibit RD-2

### SUMMARY OF MERCHANDISE AND SERVICE CATEGORIES

Merchandise/Service Category	Types of Goods/Services
Apparel	Women's Apparel, Men's Apparel, Children's, Footwear, Watches & Jewelry
Home Furnishings	Furniture, Floor Coverings, Major and Small Appliances, Household Textiles, Floor Coverings, PC Software and Hardware, Housewares, Dinnerware, Telephones
Home Improvement	Maintenance and Remodeling Materials, Lawn & Garden
Misc. Specialty Retail	Pet Care, Books & Periodicals, Sporting Equipment, Toys & Hobbies, Video Cassettes & Games, TV/VCR/Cameras, Audio Equipment, Luggage, Eyeglasses
Groceries	Food at Home, Nonalcoholic Beverages at Home, Alcoholic Beverages, Smoking Products
Restaurants	Food Away From Home, Alcoholic Beverages
Entertainment	Admission to Movie/Theater/Opera/Ballet, Recreational Lessons, Participation in Clubs
Personal Services	Shoe Repair, Video Rental, Laundry & Dry Cleaning, Alterations, Clothing Rental & Storage, Watch & Jewelry Repair, Photo Processing & Supplies, Child Care

Source: ESRI BIS

apparel, men's apparel, children's apparel, footwear, watches and jewelry.

Exhibit RD-3 depicts potential retail sales for the Hayden local market area for the 2006-2016 timeframe. Estimates of sales per square foot of store space derived from the Urban Land Institute's *Dollars and Cents of Shopping Centers* are used to convert adjusted potential sales to supportable space estimates. In Exhibit RD-3, for example, in the case of apparel, potential 2006 sales of \$16.1 million in the local trade area at sales per square foot of \$209 will support 77,237 square feet devoted to this type of merchandise.

Exhibit RD-3 shows that in 2006, there is the potential for approximately 725,196 square feet of retail space based on potential expenditures of residents who reside full-time in the Hayden local market area. That is, local trade area residents have the potential to generate sales demand that will support 725,196 square feet of retail space. However, these potential expenditures by residents may occur outside of the trade area if desirable goods and services are not available locally.

Exhibit RD-3 also conveys the same analysis for the 2011 and 2016 time periods. By 2011, potential trade area sales of \$210.2 million will support 875,808 square feet of retail space, growing to \$253.9 million by 2016 with 1,057,686 square feet in retail space potential.

Exhibit RD-3

RETAIL EXPENDITURE POTENTIAL  
Hayden Local Retail Market Area  
2006-2016

Merchandise or Service Category	Per Household Expenditure	*Target Sales (\$/SF)	2006 Retail Potential		2011 Retail Potential		2016 Retail Potential	
			Sales	Space (SF)	Sales	Space (SF)	Sales	Space (SF)
Apparel	\$1,611	\$209	\$16,142,621	77,237	\$19,495,195	93,278	\$23,543,739	112,649
Home Furnishings	\$1,419	\$199	\$14,216,276	71,439	\$17,168,778	86,275	\$20,734,197	104,192
Home Improvement	\$1,166	\$140	\$11,683,440	83,453	\$14,109,911	100,785	\$17,040,099	121,715
Misc. Specialty Retail	\$1,987	\$216	\$19,909,323	92,173	\$24,044,183	111,316	\$29,037,409	134,432
<b>Shoppers Goods</b>			<b>\$61,951,659</b>	<b>324,302</b>	<b>\$74,818,067</b>	<b>391,654</b>	<b>\$90,355,444</b>	<b>472,989</b>
Grocery	\$5,538	\$390	\$55,495,119	142,295	\$67,020,602	171,848	\$80,938,689	207,535
Health & Personal Care	\$1,084	\$365	\$10,856,670	29,744	\$13,111,434	35,922	\$15,834,269	43,382
<b>Convenience Goods</b>			<b>\$66,351,789</b>	<b>172,039</b>	<b>\$80,132,035</b>	<b>207,769</b>	<b>\$96,772,958</b>	<b>250,917</b>
<b>Restaurants</b>	\$3,254	\$263	<b>\$32,607,034</b>	<b>123,981</b>	<b>\$39,379,014</b>	<b>149,730</b>	<b>\$47,556,806</b>	<b>180,824</b>
<b>Entertainment</b>	\$393	\$90	<b>\$3,933,752</b>	<b>43,708</b>	<b>\$4,750,732</b>	<b>52,786</b>	<b>\$5,737,310</b>	<b>63,748</b>
<b>Personal Services</b>	\$922	\$151	<b>\$9,235,902</b>	<b>61,165</b>	<b>\$11,154,056</b>	<b>73,868</b>	<b>\$13,470,406</b>	<b>89,208</b>
<b>Total</b>			<b>\$174,080,135</b>	<b>725,196</b>	<b>\$210,233,904</b>	<b>875,808</b>	<b>\$253,892,924</b>	<b>1,057,686</b>
<b>Five Year Net Gain</b>					\$36,153,769	150,612	\$43,659,020	181,878

\* Target sales are based on the Urban Land Institute, "Dollars and Cents of Shopping Centers."

Sources: ESRI BIS; Urban Land Institute; Marketek, Inc.

© 2007 by Marketek, Inc.

Exhibit RD-4 displays potential retail sales for the greater market area through 2016. In 2006, there is the potential for approximately 2,105,905 square feet of retail space based on potential expenditures of residents who reside full-time in the greater market area. That is, greater trade area residents have the potential to generate sales demand that will support 2,105,905 square feet of retail space. As in the case of the local market area, these potential expenditures may occur outside of the trade area if desirable goods and services are not available locally.

By 2011, potential trade area sales of \$595.9 million will support 2,466,723 square feet of retail space, growing to \$698.0 million by 2016 with 2,889,344 square feet in retail space potential.

The net gain in both potential sales and square feet from 2006-2016 for the local and greater trade areas appear in five year increments in the last rows of Exhibit RD-3 and RD-4. By 2011, growth in the residential population of the greater trade area could support an increase of 360,818 square feet in retail space demand, with 150,612 square feet of space supported by the local market area. By 2016, an additional 783,439 square feet could be supported by population increases in the greater market area, with 332,490 square feet supported by local market area residents.

Exhibit RD-4

RETAIL EXPENDITURE POTENTIAL  
Hayden Greater Retail Market Area  
2006-2016

Merchandise or Service Category	Per Household Expenditure	*Target Sales (\$/SF)	2006 Retail Potential		2011 Retail Potential		2016 Retail Potential	
			Sales	Space (SF)	Sales	Space (SF)	Sales	Space (SF)
Apparel	\$1,436	\$209	\$47,465,316	227,107	\$55,597,837	266,018	\$65,123,356	311,595
Home Furnishings	\$1,225	\$199	\$40,489,361	203,464	\$47,426,649	238,325	\$55,552,207	279,157
Home Improvement	\$952	\$140	\$31,471,784	224,798	\$36,864,036	263,315	\$43,179,912	308,428
Misc. Specialty Retail	\$1,753	\$216	\$57,939,991	268,241	\$67,867,201	314,200	\$79,494,817	368,032
<b>Shoppers Goods</b>			<b>\$177,366,452</b>	<b>923,610</b>	<b>\$207,755,724</b>	<b>1,081,858</b>	<b>\$243,350,292</b>	<b>1,267,211</b>
Grocery	\$4,980	\$390	\$164,613,999	422,087	\$192,818,315	494,406	\$225,853,673	579,112
Health & Personal Care	\$956	\$365	\$31,610,602	86,604	\$37,026,639	101,443	\$43,370,374	118,823
<b>Convenience Goods</b>			<b>\$196,224,601</b>	<b>508,692</b>	<b>\$229,844,954</b>	<b>595,849</b>	<b>\$269,224,047</b>	<b>697,935</b>
<b>Restaurants</b>	\$2,918	\$263	<b>\$96,446,562</b>	<b>366,717</b>	<b>\$112,971,338</b>	<b>429,549</b>	<b>\$132,326,598</b>	<b>503,143</b>
<b>Entertainment</b>	\$341	\$90	<b>\$11,254,537</b>	<b>125,050</b>	<b>\$13,182,845</b>	<b>146,476</b>	<b>\$15,441,447</b>	<b>171,572</b>
<b>Personal Services</b>	\$831	\$151	<b>\$27,457,288</b>	<b>181,836</b>	<b>\$32,161,712</b>	<b>212,991</b>	<b>\$37,671,944</b>	<b>249,483</b>
<b>Total</b>			<b>\$508,749,440</b>	<b>2,105,905</b>	<b>\$595,916,572</b>	<b>2,466,723</b>	<b>\$698,014,328</b>	<b>2,889,344</b>
<b>Five Year Net Gain</b>					\$87,167,133	360,818	\$102,097,756	422,621

\* Target sales are based on the Urban Land Institute, "Dollars and Cents of Shopping Centers."

Sources: ESRI BIS; Urban Land Institute; Marketek, Inc.

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How much of the existing and new retail demand that downtown Hayden can realistically capture or absorb is dependent on numerous factors including improvements to downtown's physical environment, the availability of quality commercial space, aggressive marketing and changes in retail supply in other locations within the market area.

If downtown Hayden sought to capture as little as 5% of the growth in retail, restaurant and service demand in the greater retail market area over the next ten years, this would be the equivalent of 39,172 square feet. With a significant commitment to downtown redevelopment, a 10% capture might be a realistic expectation resulting in 78,343 square feet. In other words, a passive approach to economic revitalization would likely result in downtown achieving only a fraction of its estimated potential.

In an effort to put the demand estimates into context, Exhibit RD-5 shows the average size of several types of businesses that may be appropriate for downtown Hayden. In addition to the median size of all businesses within a particular business category, the median size of national, local chain and independent retailers is also shown.

Exhibit RD-5

TYPICAL SIZE OF SELECTED BUSINESSES

Merchandise or Service Category/Business	Median Sq. Ft.	National Sq. Ft.	Local Chain Sq. Ft.	Independent Sq. Ft.
<b>Specialty Retail</b>				
Appliances	5,956	6,292	5,911	-
Art Gallery	1,802	-	1,802	1,907
Arts/Crafts Supplies	8,928	20,957	-	3,070
Beauty Supplies	1,807	1,634	2,450	1,829
Bike Shop	3,440	-	-	2,596
Bookstore	10,093	23,000	9,990	2,740
Cameras	2,000	2,000	-	-
Children's Wear	3,913	4,879	3,054	2,105
Family Shoe Store	4,000	4,113	5,100	2,460
Family Wear	8,000	8,500	3,474	5,132
Gift/Cards	4,200	4,900	3,780	1,653
Hardware	13,200	13,900	-	-
Home Accessories	7,595	10,215	5,365	2,462
Jewelry	1,500	1,610	1,968	1,200
Luggage	2,500	2,499	-	-
Men's Clothing Store	3,500	4,319	3,065	2,750
Pet Supplies	7,995	17,600	3,201	3,200
Record/Tapes	4,464	6,178	-	2,017
Sporting Goods	8,465	22,000	4,980	2,995
Toys	7,855	12,000	-	3,344
Women's Ready to Wear	4,400	4,503	3,960	2,145
<b>Convenience</b>				
Drugstore/Pharmacy	10,920	10,860	16,668	4,977
Supermarket	50,420	49,071	51,495	23,300
Bakery	1,990	4,000	-	1,700
Gourmet Grocery	18,000	-	-	-
Wine/Liquor	3,440	-	6,237	2,920
<b>Personal Services</b>				
Day Spa	2,875	-	2,563	3,060
Women's Hair Salon	1,400	1,450	1,250	1,361
Nail Salon	1,200	-	1,200	1,200
Picture Framing	1,600	1,703	-	1,588
Health Club	10,249	9,548	5,508	10,249
Mail/Packaging/Photocopying	1,278	1,240	-	1,236
Tailor/Alteration	950	-	900	1,035
Video Rental	6,000	6,333	4,240	4,733
Shoe Repair	855	-	-	795
Drycleaners	1,800	-	1,800	1,649
Film Processing	1,252	1,600	1,304	1,150
Day Care	4,000	-	-	3,901
Laundry	2,114	-	2,150	1,955
<b>Restaurants</b>				
Restaurant with Liquor	5,204	6,669	5,600	3,362
Restaurant without Liquor	3,581	6,500	3,025	2,625
Bar/Cocktail Lounge	3,821	-	-	3,821
Ice Cream Parlor	1,137	1,144	1,137	1,116
Coffee/Tea	1,578	1,650	1,624	1,400
<b>Entertainment</b>				
Cinema	35,022	37,161	35,022	21,250

Source: Urban Land Institute, "Dollars and Cents of Shopping Centers"

Market area expenditure data can also be utilized to reveal what prices residents will pay and/or the level of their discretionary income they are willing to devote to various goods or services. The Spending Potential Index (SPI) is a measure of market activity that denotes actual dollars spent on certain goods and services. An SPI equal to 100 indicates that consumers are buying or spending at a rate equal to the national average; a SPI greater or less than 100 indicates that consumers are buying/spending above or below the national average, respectively.

Exhibit RD-6 shows that households in Hayden's trade areas spend at a rate below the national average in most categories. Spending is highest for pets and pet supplies, automobiles and recreational vehicles, home improvements and insurance. The message for retailers focusing on the downtown Hayden market is to emphasize quality services and merchandise that are reasonably priced.

Exhibit RD-6

SPENDING POTENTIAL INDEX OF SELECTED GOODS AND SERVICES  
Hayden Local and Greater Retail Market Areas

Merchandise/ Service Category	Spending		Merchandise/ Service Category	Spending	
	Potential Index			Potential Index	
	Local Area	Greater Area		Local Area	Greater Area
Apparel	65	58	Financial Services		
Men's	69	62	Investments	84	72
Women's	60	54	Auto Loans	101	86
Children's	78	69	Health		
Footwear	35	32	Nonprescription Drugs	93	83
Watches & Jewelry	91	79	Prescription Drugs	100	87
Other Apparel	111	104	Eyeglasses and Contact Lenses	94	82
Computer			Home		
Computer/Hardware for Home	90	80	Home Improvement		
Software/Accessories for Home	90	80	Maintenance/Remodeling Serv	100	80
Entertainment & Recreation	94	81	Maintenance/Remodeling Supp	100	82
Entertainment Fees & Admissions	91	79	Household Furnishings		
Membership Fees	94	80	Household Textiles	92	80
Sports Participation	94	81	Furniture	94	80
Theater/Movies/Ballet/Opera	83	76	Floor Coverings	94	77
Sporting Events	93	80	Major Appliances	96	82
Recreational Lessons	91	76	Housewares	77	66
Television & Sound Equipment	90	81	Small Appliances	90	80
Cable Television	92	82	Luggage	90	78
Color Television	92	81	Telephone & Accessories	36	33
VCR/Video Camera/DVD Player	89	80	Child Care	86	77
Video Cassettes and DVDs	89	81	Lawn & Garden	103	85
Video Game Hardware/Software	89	81	Moving/Storage	85	80
Satellite Dishes	100	84	Housekeeping Supplies	93	82
Video/DVD Rental	87	80	Insurance		
Audio Equipment	83	76	Homeowners/Renters	105	87
Rental & Repair of TV/Sound	83	78	Vehicle	94	82
Pets & Supplies	110	93	Life	102	85
Toys & Games	92	81	Health	97	84
Recreational Vehicles & Fees	107	86	Personal Care Products	91	82
Sports/Exercise Equipment & Supplies	73	63	School Books & Supplies	82	82
Photo Equipment & Supplies	91	81	Smoking Products	90	83
Books/Magazines/Subscriptions	90	80	Transportation		
Food & Beverages	91	81	Vehicle Purchases	98	85
Groceries	91	81	Gas & Oil	95	84
Bakery & Cereal Products	90	81	Vehicle Maintenance & Repair	92	81
Meats, Poultry, Fish & Eggs	91	82	Travel		
Dairy Products	90	81	Air Fare	89	78
Fruits & Vegetables	89	80	Hotels/Motels	96	81
Other Foods at Home	92	82	Rental Cars	91	78
Meals at Restaurants	90	81	Food/Drink	94	81
Alcoholic Beverages	85	79			
Nonalcoholic Beverages at Home	91	82			

Source: ESRI BIS

## **BUSINESS DEVELOPMENT STRATEGY**

Based upon the findings of the retail market analysis and Marketek's experience in working with over a hundred downtown business districts, recommendations for downtown Hayden's retail development strategy are provided related to:

- A. Redevelopment Guidelines
- B. Business Mix and Targets

Successful implementation of downtown Hayden's business development program requires dedicated coordination, consistent communication and commitment to a vision for a more cohesive downtown. The strategy outlined below assumes that a collaborative team will work together on the downtown commercial base including the Urban Renewal Agency, the Chamber of Commerce, the City of Hayden and key business leaders, which will spearhead the process. However, the team should also include a range of individuals from realtors and property owners to business owners and marketing professionals. During the May 1, 2007 Business Development Workshop, Marketek distributed the Business Development Team Questionnaire that appears in Appendix B to begin the process of recruiting the local team to participate in the strengthening of downtown's business base. The City continues to distribute and gather these forms and anticipates calling a team meeting in the near future.

### **A. REDEVELOPMENT GUIDELINES**

At the heart of downtown Hayden's long-term success is its ability to offer businesses, residents and visitors a unique and welcoming environment unlike any they can find elsewhere. The following guiding principles should be considered throughout the redevelopment process. These principles can be adapted to reflect the vision, values and philosophy of the Hayden Business Development leadership team. These or similar guidelines should be adopted and promoted as a framework for downtown Hayden's success.

**1. Aggressively Promote Yourself.** Downtown Hayden must view itself as a 'product' and market itself to compete with other nearby shopping centers and business districts. It is beyond the scope of this project to determine a brand identity, though marketing themes have surfaced during the course of this project. One natural message building on Hayden's Village visioning is that downtown is the *Heart of the Village*. Developing a common message and identity will provide guidance for downtown's marketing, urban design elements, signage, advertising, marketing collateral, website, etc. In general, downtown Hayden should promote itself as the true heart of the community—a unique and special destination for shoppers and businesses. With the significant retail expansion occurring throughout the Hayden-Coeur d'Alene area, it is very important that downtown promote its market advantages and position. A sample market position statement follows:

*"Downtown Hayden is north central Idaho's hub for specialty shopping, recreation and entertainment—locally-owned and operated by people who care about the customer!"*

Just as Prairie Shopping Center, Hayden Creek Plaza, Downtown Coeur d'Alene and other established shopping centers are actively marketing themselves to attract new business, downtown Hayden needs to be *aggressively* marketing to quality retailers promoting downtown as a *prime* choice for business location.

**2. Looks Count.** Although the Downtown Vitalization Plan, the streetscape project and the Strategic Implementation Plan have significant physical improvements and design elements, it is important to be reminded that physical and economic redevelopment efforts go hand-in-hand. Continuing to improve and maintain downtown's appearance is very important to make a favorable first impression on both business/developer prospects and shoppers. Implementing consistent design standards/signage and promoting infill development are critical revitalization strategies.

**3. Cluster and Focus.** Downtown Hayden's success in capturing new and expanding retail development and its long term viability as a shopping and entertainment district will be strongly influenced by a number of factors, including the ability to locate retail and related businesses in the downtown core and to limit sprawl on the city edges and Highway 95. While retail demand is growing with the population base, it is not so abundant that expansion can continue to occur equally at all of Hayden's retail nodes. It will need to be guided. A related factor that is essential to the success of downtown development is the creation of a critical mass of complementary businesses that benefit from each other's sales, customers and markets. The primary vehicle for developing unified groups of stores and businesses is clustering – creating mutual advantages in terms of pedestrian flow and shared markets between businesses.

Successful clustering is dependent on having the appropriate mix of businesses that generate market synergies and an uninterrupted grouping of retail businesses that draw customers to and *through* the entire business district. Clustering businesses that share customers or that have complementary goods will strengthen downtown's market position. Restaurants can be located as entertainment anchors throughout the district with sensitivity to avoiding conflicts with neighboring businesses that may be seeking to serve a different market segment.

Downtown Hayden has the potential for multiple clusters with the most obvious being Home Furnishings and Accessories. Building upon the Design Center and Lakeshore Decor, numerous business niches can be filled by complementary established businesses. These range from framing and galleries to lighting and kitchen products.

**4. Walkable Core Area.** Downtown Hayden must continue to work at creating a safe, pleasant and convenient atmosphere for pedestrians. The streetscape improvements along Government Way, no doubt, will contribute to a positive pedestrian environment. Pedestrian activity should be encouraged and enhanced in the core area surrounding city hall as delineated in the Strategic Implementation Plan. Over time, this area will spread out to include more blocks. This guideline is directly linked to marketing and clustering and speaks to the need to *call out* in all possible ways what the retail focus is in downtown Hayden through good design, signage, landscaping and traffic calming endeavors.

**5. Strive to be Different.** Downtown Hayden's civic and business anchors, together with the community park, and location off a major roadway already set it apart from many other towns. Its physical distinctiveness calls for a unique identity in terms of business mix. Combining local merchants and unique merchandise will set it apart from nearby shopping centers and malls that focus on chains and franchises. One-of-a-kind specialty stores and restaurants initially should remain the focus of business recruitment efforts. Downtown Hayden should build upon the existing Design Center in every possible way. With between 50 and 100 stone masons, cabinetmakers, metal smiths, woodworkers reportedly in the Hayden area, it is natural to showcase these crafters in every way imaginable through the downtown business mix.

**6. Know What You Have to Offer.** One of the best strategies for recruiting business prospects and developers is to be able to provide an inventory of available real estate, and better yet, be in the position to bring key properties to the table. Developing and maintaining an inventory of available downtown properties should be an important function of the Hayden Business Development team.

**7. Get the Word Out.** Working with area newspapers, community and business organizations and regional and state economic development partners, highlight the positive developments occurring throughout Hayden as well as in downtown. Regular press releases to the media promoting the positive activities and initiatives will contribute to strengthening Hayden's image in the marketplace. Maintaining strong communication with area residents and businesses will also be important to convincing the local marketplace that downtown Hayden is truly becoming a unique place to do business. Promoting the vision for downtown Hayden is a critical internal/community marketing strategy as well. Another important promotional element is keeping the City website updated with 'Current Developments' and 'Need to Know' news. In the existing Business Relocation heading, the Market Study Report or the Executive Summary can be posted to share information on business opportunities.

**8. Housing Link.** A critical strategy in support of retail vitality in downtown Hayden is to encourage the addition of housing units. Residential development can serve as an important catalyst for retail expansion. During the course of this project, the Hayden Urban Renewal Agency and the City of Hayden have actively discussed the need to incorporate housing into future downtown mixed-use development. Housing is an important component of the development mix and will contribute to demand for additional shops, services, home-oriented products and food facilities.

## **B. BUSINESS MIX AND TARGETS**

Each of Hayden's shopping centers will capture business from a variety of target markets, though grocery-anchored centers will draw more heavily from area residents. In the short term while anticipated new development is planned, downtown Hayden will need to work hard and smart to encourage quality businesses to locate there over other established or newly built shopping centers. However, as earlier noted, downtown Hayden should focus on the unique locally-owned businesses leaving the bulk of chains and franchises to locate in the strip centers.

Downtown Hayden’s existing retail base is modest and is anchored by the Design Center, restaurants (Owl, Sargeant’s, Kynrede Café, Donut Shop, Mexican) and selected retailers such as Flour Mill Natural Foods, Lakeshore Décor, and Mountain View Cyclery. In addition, there are more than 30 professional, medical and financial offices in the downtown core, especially with consideration to the multi-story office buildings.

The following list of business and merchandise opportunities (Exhibit RS-1) is suggested for downtown based upon the 2004 shopper and business survey results, the 2007 retail market analysis, priorities identified by business owners during in-store interviews, local resident lifestyle analysis and the types of businesses that are succeeding in other emerging downtown centers in similarly-sized communities.

<b>Exhibit RS-1</b> <b>TARGET BUSINESS/MERCHANDISE OPPORTUNITIES</b> <b>Downtown Hayden</b>		
Merchandise	Casual women’s apparel Athletic apparel Bookstore/music/CDs Cards/paper/gifts Skin/hair care products Florist/gifts Unique children’s toys and gifts Children’s apparel Music store/lessons Sporting goods/outdoor gear Gourmet market/wine shop Hayden Builder’s & Craftsman Cooperative	Jewelry Artisan handcrafted goods Pet supplies Bed/bath Linens/accessories Kitchen/home accessories Garden & outdoor accessories Window coverings Furniture/antique Gallery/framing Hayden Arts Cooperative
Restaurants/Food	Brewpub Ice cream/gelatto/sweets Thai Italian	Juice bar/healthy foods Specialty foods—wines, cheese, tasting room
Entertainment	Live entertainment @ restaurant, microbrewery, coffee house Community art center/art classes/performing-event space	
Personal care/ Services	Health club/yoga/pilates Photography One-hour photo Naturopathic/alternative health Tailoring/alterations	Vision care Computer service/repair Full service salon/tanning

### Expanding Retailers

Using the proprietary Retail Tenant Directory database of over 5,400 retail companies (national and regional chains), Marketek conducted a search of retailers expanding in Idaho. The search criteria included: (1) Planned 2007 expansion in Idaho; (2) Desirable gross leasable space of 500 to 10,000 square feet; (3) Selected retail categories suitable for downtown, approximately 55; and (4) Type of location preferred. For location desired, Marketek searched by several categories including: community strip center, neighborhood strip center, lifestyle center, downtown/central business district and theme/festival center.

The search resulted in 486 retailers expanding in Idaho. The complete list appears in Appendix C.

Marketek conducted an initial screening of the list to identify those appearing to be the best fit for Hayden’s demographics and downtown Hayden’s clusters and locations. Exhibit RS-2 lists selected top targets. As a supplemental task, Marketek can assist in providing company location preferences and contact information. Note: although downtown Hayden will unlikely be a target location for chain stores in the near future, nor are chains necessarily recommended by the project team, the list that follows provides an indication of retail categories that would be appropriate to locate in the downtown district.

**EXHIBIT RS-2  
Selected Chain Prospects**

<b>Name</b>	<b>Retail Category</b>
West Marine, Inc	Sporting
American Eagle	Apparel
Big 5	Sporting Goods
Logos Bookstores	Books
Boston Pizza	Restaurant
24 Hour Fitness	Fitness
American Greeting	Cards & Gifts
Baja Fresh Mexican	Restaurant
Bath & Body Works	Cosmetic/skin care
Blinds to Go	Home accessories
Chinese Gourmet Express	Restaurant
Eatza Pizza	Restaurant
Eye Care Centers	Optical
Fast Frame USA	Framing
Great Clips	Service
Great Outdoor Clothing Co	Apparel
HobbyTown USA	Specialty
Haagen-Dazs Shoppe	Restaurant
Jamba Juice	Restaurant
KB Toys	Specialty/gifts
KaBloom Flowers	Decor
Mrs. Fields	Restaurant
Mr. Formal	Apparel/occasion
Merle Norman Cosmetics	Cosmetic/skin care
Pier One	Decor
Pendleton Woolen Mills	Apparel
Pizza Schmizza	Restaurant
Papyrus Franchise	Specialty/gifts
Starbucks	Restaurant
Seattle Lighting	Décor
Schlotzky's	Restaurant
The Floor to Ceiling Store	Décor
The Honey Baked Ham	Food
Vitamin Shop	Health
Tully's Coffee	Restaurant
Wicks' NSticks	Gifts

## V. BUSINESS DEVELOPMENT MARKETING ACTION PLAN

Marketek has prepared a comprehensive Marketing Action Plan to address four Action Tasks critical to marketing downtown Hayden, and specific Marketing Campaigns for selected Niche Target Markets. This effort will necessarily be implemented by a public-private partnership of City, businesses, Chamber, partners and hopefully a new downtown organization.

1. Create Marketing Tools
2. Implement Marketing Tactics
3. Niche Target Marketing

The following is an overview of the Action Tasks further detailed in the next section along with specific activities and work products for each task. Action Tasks 1 and 2 are preparatory activities. Action Task 3 is a sample detailed marketing campaign for one Niche Target Market with marketing implementation activities.

### Create Marketing Tools

The following marketing tools and information are needed to support the marketing and business development program:

- A Brand for Downtown
- Marketing Collateral Pieces
- Property and Building Profiles
- Website Presence
- Promotion Plan for Downtown Hayden

### Implement Marketing Tactics

The marketing and business development program consists of some or all of the following tactics for each market niche:

- Consistent Messaging
- Direct Mail
- Personal Meetings
- Media and Public Relations
- Downtown Development Day
- Ideas for promoting target business opportunities in downtown
- Engaging partners' active involvement

### Niche Target Marketing

The table on the next page provides a sample of campaigns/actions needed to create awareness of downtown opportunities and how to engage prospects in considering Downtown Hayden as a location for their business.

### Manage the Process

The following items will enable the city and Business Development Team to successfully implement and monitor the marketing process:

- Contact Management System
- Marketing Database and Niche Target Lists
- An Implementation and Reporting Schedule

## Target Markets / Niche Businesses for Downtown Hayden

Target Markets	Rationale	Campaigns
<b>Specialty Retail/Dining</b> <ul style="list-style-type: none"> <li>• Small apparel shops</li> <li>• Area crafters</li> <li>• Internet café</li> <li>• Art/home furnishing</li> <li>• Book store</li> <li>• Winebar/brewpub/restaurant</li> </ul>	<ul style="list-style-type: none"> <li>• Existing demand from all markets</li> <li>• Future demand from population growth and downtown residential development</li> <li>• Future demand generated from increased promotions of downtown opportunities and entertainment</li> </ul>	Build awareness <ul style="list-style-type: none"> <li>• Marketing and outreach to locally-owned shops in other areas of northern Idaho and Hayden (opportunity to expand)</li> <li>• Marketing to businesses with current locations in nearby cities like Coeur d'Alene and Sandpoint</li> <li>• Use Retail Tenant Directory/brokers to identify types of businesses seeking new locations</li> <li>• Website, marketing packet</li> </ul>
<b>Developers / Brokers</b> <ul style="list-style-type: none"> <li>• Local</li> <li>• Regional</li> <li>• National</li> </ul>	<ul style="list-style-type: none"> <li>• Best opportunity for near-term new investment</li> <li>• Have the resources and expertise to create commercial, residential, and mixed-use downtown</li> <li>• Have established networks</li> </ul>	Engage them to invest in physical change <ul style="list-style-type: none"> <li>• Development opportunity meetings</li> <li>• Keep them advised of changes and assistance for downtown improvements</li> <li>• Newsletter</li> <li>• Downtown tour</li> <li>• Continue to promote programs, opportunities, business locations, new developments and events</li> </ul>
<b>Convenience Retail and Support Services</b> <ul style="list-style-type: none"> <li>• Restaurants, deli, ethnic food</li> <li>• Personal services (hair salon, day spa)</li> </ul>	<ul style="list-style-type: none"> <li>• Existing demand from area residents, workers, visitors</li> <li>• Future demand from population growth and downtown residential development</li> </ul>	Build awareness <ul style="list-style-type: none"> <li>• Marketing and outreach campaigns to locally-owned shops in Northern Idaho, Spokane and the Hayden area offering an opportunity to expand</li> <li>• Marketing campaign to franchisee businesses</li> <li>• Marketing to smaller businesses with current locations in model downtowns</li> <li>• Use Retail Tenant Directory to identify types of businesses seeking new locations</li> <li>• Website, marketing packet</li> </ul>

## Action Task Priorities & Timeline

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Marketek has outlined specific activity and work product details for the four recommended Action Tasks and Marketing Campaigns included in this section presented by task.

There are a number of recommendations in each Action Task and Niche Marketing Campaign — from meeting with local developers and implementing a marketing campaign to calling on business owners. These Action Tasks should be implemented in phases.

The table below provides an overall view of how the recommended Action Tasks could be phased in over time. The content needs to be developed with the Downtown Hayden Business Development Team.

Action Tasks & Marketing Campaigns		
	Activity/Work	Product Timeline
Phase I	•	•
Phase II	•	•
Phase III	•	•
Phase IV	•	•

### Action 1 — Create Marketing Tools

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**Team** — City representatives, downtown business/property owners, webmaster, Hayden Business Development, Chamber of Commerce, local PR, marketing and art firms.

#### Task 1. Create a Brand for Downtown

- Create a design “brand” that reflects the image and vision desired of the downtown, i.e., civic and entertainment, Live/Work/Play, etc. EX: *Downtown Hayden: Heart of the Village*
- Once the design concept is completed, establish the brand’s style guidelines to control the proper use of colors, fonts, look, etc. of the Downtown Hayden brand. The brand should be made available to those partners wanting to leverage their marketing which would continue and expand the branding of the downtown. Anyone wishing to market Downtown Hayden using the brand should follow the guidelines.
- Once the design concept and style guidelines are approved, create blank brand templates and electronic templates for use in marketing campaigns. For example, marketing packet, newsletters, press releases, post cards, and brochures (two sizes).

#### Task 2. Create Marketing Collateral

- Marketing collateral should do two things: (1) show the vision of what Downtown Hayden is striving to be; and (2) provide compelling information that shows a market exists for the targeted businesses.

- ❑ Use a folder or document file to package collateral materials (listed below). The folder/file should incorporate the brand design.
- ❑ Visual collateral:
  - Quality map, 8 x 11. The inside should depict the vision and future of the downtown, highlight major anchors (City Hall, library, etc), residential areas, and unique businesses. The reverse, outside panels should be a continuous image, aerial photograph highlighting specific sites and buildings (this allows the map to be used in bound proposals or packets).
  - If building/development renderings have been approved or are in the planning stage they should also be included in any “info-sale” packet. If not, artist renderings are recommended. They should be in accordance with the development and design standards and show the development opportunity available and desired.
- ❑ “Info-sales” collateral sheets should be created and stored digitally enabling quick updates, with the ability to print them on the brand templates and include in marketing packets. Much of the content will be found in Marketek’s Retail Market Analysis (2007). Info sales sheets should contain:
  - Market demographics and customer profile
  - Market trade area map
  - Employment figures
  - Property profiles (site and building information including site map, aerials, building photographs, etc)
  - Program assistance (façade improvement program, financing, incentives)
  - Resource guide (Urban Renewal Agency, Kootenai County, SBDC, Chamber of Commerce, etc and other organizations providing technical assistance.)
  - Development flow chart (outlining steps required and/or recommended to develop downtown properties or open a business) and list of permits needed with links to forms and applications already online, (unless this process is very transparent).
  - Press Releases
- ❑ Create a press kit that includes: press release template, FAQ’s about downtown and Hayden, area demographics, photographs, website URL announcement, and media contacts. Have hard copy available for face-to-face meetings and pdf format for electronic transfer.

### **Task 3. Create Property and Building Profiles**

Create a web-based real estate inventory of commercial sites and buildings available for sale and lease. In addition,

- ❑ Create Property Profiles (one-page info sheets, stored and maintained electronically) for the prime downtown sites and buildings known to be available: A property profile would include the following information:
  - total and useable square footage
  - lease/sale terms
  - amount of store frontage and parking

- photographs, aerials, building footprints and/or floor plans
- target business types for the site/property

#### Task 4. Expand Website Presence

- ❑ Create a unique URL for marketing purposes, i.e., [www.DowntownHayden.com](http://www.DowntownHayden.com). Users should be able to get directly to the information from this URL and also from within the city's website in as few clicks as possible.
- ❑ Post "Sites Available for Development" or "Development Opportunities" to the city's home page. A direct link on the home page is most effective and user-friendly.
- ❑ Ensure there is adequate market and property information available at this location. Gather and organize content for the section and work with the city's Webmaster to map and program it. Information that should be in this area of the site would include:
  - *Market Potential* – market area demographics (as provided in market study) downtown activities and visitor draws, streetscape and other improvement plans
  - *Map of Downtown & sketches showing proposed improvements*– show the vision
  - *Property Profiles* – name and description of sites, location maps showing access to site, site/parcel maps, property description, overview of availability, key features and advantages of the sites
  - *Assistance* – financing, incentives, and other assistance programs available
  - *Contact* – name, phone, fax, and email of the primary contact person
- ❑ Create links with these pages to other resource sites and offer reciprocal links.

#### Task 5. Promote the Downtown Hayden District

- ❑ Actively promote the activities of downtown Hayden in local and regional media reaching out up and down the Hwy-95 and I-90 corridors and beyond. Regularly identify story ideas, develop and distribute press releases and work the media list.
- ❑ Add a direct link to the city's home page entitled: "Downtown Hayden."
- ❑ Gather and organize content for this section to be mapped and programmed. Information that should be on the site includes:
  - *Calendar* – Annual calendar of community and special events held downtown
  - *News* – Press releases and media coverage on downtown news and improvements
  - *Guide* – Downloadable version of Downtown Hayden Shopping, Living and Dining Guide
  - *Retail* – An online retail center enabling visitors to view unique downtown merchandise and make purchases online.
  - *Contact* – Name, phone, fax, and email to request more information
- ❑ Revise and update content at least quarterly.

## Action 2 — Marketing Tactics

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Critical to the promotion and development of market opportunities in downtown Hayden is a clear depiction of the marketplace within which it exists and communicating the information and vision to the industry. The following series of tactics focuses on this aim.

**Audiences** — Developers, brokers, property owners, current and potential businesses, residents, visitors, entrepreneurs, artists, craftsmen, patrons.

### Task 1. Marketing Tactics

The marketing tactics recommended for implementing the Niche Target Campaigns (Action 3) have been kept to a minimum. Utilizing marketing collateral, "*brand templates*" for packaging materials, and the Contact Management System (described in Action 4,) complete with a full database of leads, will allow staff to easily implement the Niche Target Marketing Campaigns.

The campaigns are designed to build awareness and solicit interest in the opportunities in Downtown Hayden. The Niche Target Marketing Campaigns outline specific steps and timelines for these marketing tactics:

- Consistent Messaging – electronic newsletter
- Direct Mail – letter and postcard campaigns customized to Niche Targets
- Personal Meetings – special meetings and follow-up with potential prospects
- Media / Public Relations – consistent and frequent press releases to targeted media
- Downtown 'FAM' Tour – invitation to Developers and Niche Targets to visit; hosted luncheon or other event(s), 'Downtown Development Day'

### Task 2. Engage Partners' Active Involvement

- Hold meetings (or a series of meetings) with current and potential collaborative partners to let them know about downtown Hayden's marketing campaign.
- Identify possible collaboration projects, for example:
  - *Downtown Businesses* – Provide special events, sales, etc. for a community-wide calendar of events, co-op advertising for special events, identify cross-promotion opportunities to draw visitors into the downtown from the lake, school sporting events, golf tournaments, concerts in the park, etc. Participate in promoting and hosting Hayden/Downtown Development Day (offer specials, gifts, act as tour guides, etc).
  - *Chamber of Commerce* – Assist in promoting Downtown Development Day, participate in co-op advertising and cross promotions.
  - *City*– help coordinate and publicize Downtown Development Day.
  - *Hayden Business Development*– Coordinate Downtown Development Day; manage the promotion of Development Days, implement media campaigns.
  - *Developers* – Promote downtown Hayden within professional networks.

- ❑ Request that partners and resource agencies:
  - Be actively involved in promoting downtown Hayden
  - Use the downtown brand in their promotions
  - Put a link to downtown Hayden URL on their websites
  - Help identify target prospects to fill retail niches

### Task 3. Actively Network in Retail/Commercial Development Groups

- ❑ Attend events of and/or join key retail/related business professional associations such as the International Council of Shopping Centers (ICSC), Urban Land Institute, Commercial Association of Realtors (ID-WA).

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## Action 3 — Marketing Campaigns

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### Sample: Convenience Retail

**Goal** — Build awareness of downtown Hayden and proactively recruit businesses to support the major employment center of downtown (government, service) downtown residential development, and visitor goods and services.

**Audience** — Locally owned and operated shops not currently represented downtown, franchise businesses, regional and other retailers that may be ready to expand into a new market.

#### Task 1. Contact locally owned shops in other areas in or near Hayden

- ❑ Identify local businesses in the target niches that do not currently have a downtown location.
- ❑ Match available buildings to target businesses.
- ❑ Personally meet with them to present the vision for downtown Hayden.
- ❑ Provide them with a marketing packet detailing the opportunities (specific site and building), market demographics, customer profile, and the programs and assistance available to them to help with their expansion.
- ❑ Add them to the database to receive newsletter and/or updates on downtown activities.

#### Task 2. Contact chain/franchise businesses

- ❑ Use the list from the Retail Tenant Directory (see page 38) to promote to businesses seeking new locations in Idaho.
- ❑ Add them to database.
- ❑ Send a personal letter with marketing opportunity fact sheet introducing Hayden and the vision for downtown.
- ❑ Place follow-up calls.
- ❑ Continue with a series of mailings (postcards, letters, brochures) regarding the specific buildings and sites available, market information, special events, etc.

### **Sample: Specialty Retail**

**Goal** — Identify and pursue specialty and independent retail compatible with the apparel, gifts, specialty niche merchandise targeted for Downtown Hayden

**Audience** — Locally owned and operated shops not currently represented downtown, regional and other retailers that may be ready to expand into a new market, businesses with current downtown locations in model cities

#### **Task 1. Contact specialty shops located elsewhere in Hayden**

- Identify local specialty shops that are located in unique shopping districts (See RS-3)
- Match available buildings that would best-fit businesses.
- Personally meet with them to present the vision for downtown Hayden.
- Provide them with the marketing packet detailing the opportunities (specific site and building), market demographics, customer profile, and the programs and assistance available to them to help with their expansion.
- Add them to the database to receive newsletter and updates on downtown activities.

#### **Task 2. Contact specialty retailers currently located in nearby towns and downtowns.**

- Identify specialty retailers located in other cities.
- Send a letter/market fact sheet introducing the opportunities in downtown Hayden; offer to personally meet with them to present the vision for downtown Hayden; invite them to expand into the Hayden market.
- Place follow-up calls.
- Provide them with the marketing packet detailing the opportunities (specific site and building), market demographics, customer profile, and the programs and assistance available to them to help with their expansion.
- Add them to the database to receive newsletter and updates on downtown activities.

#### **Task 3. Contact manufacturers of specialty goods located in Hayden/surrounding area**

- Identify local companies manufacturing specialty or unique products in or nearby Hayden. (EX: prepare a list of masons, area artists, home furnishings and other crafters)
- Personally meet with them to present the vision for downtown Hayden.
- Invite them to put a local outlet downtown or test for interest in a shared retail space.
- Provide them with the marketing packet detailing the opportunities (specific site and building), market demographics, customer profile, and the programs and assistance available to them to help with their expansion.
- Add them to the database to receive newsletter and updates on downtown activities.

## Action 4 — Implementation and Reporting

The key in marketing Downtown Hayden is in exposing the opportunities to a wide audience, which means consistent and frequent messaging to a large database of contacts. Ideally, a database or contact management system will be developed to maintain records of targets—developers, businesses, property owners and key contacts.

- ❑ Details for implementing each Action Task should be recapped in a matrix, which has been designed as a tool to assist staff in organizing, budgeting, scheduling, and reporting on all the details involved in successfully implementing the action items. A sample table appears below.

Sample Implementation and Reporting Guide					
Action	Budget	Lead Person	Target Start Date	Target Completion Date	Status
<b>1.0 – Create Marketing Tools</b>	\$				
Establish branding					
Marketing collateral pieces					
Property profiles					
Expanded website					
Downtown promotions					
<b>2.0 – Implement Marketing Tactics</b>	\$				
Direct mail					
Personal meetings					
Media and PR					
Development Day/Fam tour					

Downtown revitalization is a complex and often challenging undertaking that includes market and economic development, promotions, physical infrastructure, design and fund development/organizational elements. Downtown Hayden offers significant untapped market potential and strong community interest and the desire to strengthen the economic base. Pursuing the rewards of success will take a strong vision, step-by-step game plan, commitment and perseverance.



## APPENDIX A

### DETAILED TAPESTRY DESCRIPTIONS

#### Exurbanites

**Demographic:** *Exurbanites* residents live beyond the urban fringe, preferring open space with affluence. Empty nesters (married couples with no children living at home) comprise 40 percent of these households, yet married couples with children occupy 32 percent. Half of the householders are between 45 and 64 years old. Their median age of 43.6 years places these residents directly between paying college expenses and caring for elderly parents. Their life stage is as important to understanding this market as their lifestyle. There is little ethnic diversity; most residents are white.

**Socioeconomic:** At 66 percent, labor force participation for the *Exurbanites* market is above average. Residents are educated: more than 40 percent of the population aged 25 years and older hold a bachelor's or graduate degree, and more than 30 percent have attended college. They are also well employed. Approximately half of employed persons hold professional or management positions. The median net worth is \$259,000, more than twice that of the national median. The median household income is \$83,200. More than 20 percent of households draw retirement income, and 57 percent of households receive additional income from investments.

**Residential:** Although *Exurbanites* households are growing by almost 1.8 percent annually, these are not the newest neighborhoods. Recent construction comprises only 22 percent of the housing stock. However, 70 percent of the housing units were built after 1969. Most homes are single-family structures. The median home value is approximately \$255,900, more than one and one-half times that of the national median. Exurban living is not supported by public transportation. Nearly 80 percent of households own at least two vehicles. The average travel time to work for this market is comparable to the U.S. average.

**Preferences:** Because of their life stage, *Exurbanites* residents focus on financial security. They consult with financial planners; have IRA accounts; own shares in money market funds, mutual funds, and tax-exempt funds; own common stock; and track their investments online. Between long-term care insurance and substantial life insurance policies, they are well insured. Many have home equity lines of credit.

*Exurbanites* residents work on their homes, lawns, and gardens. To enhance their properties, they purchase garden and lawn care products, shrubs, and plants. Many home improvement tasks, such as interior or exterior painting, are accomplished by a household member, although contractors are hired for some work. They own all kinds of tools, such as saws, sanders, and wallpaper strippers, to help them complete their projects. Leisure activities include boating, hiking, kayaking, playing Frisbee, photography, and bird-watching.

*Exurbanites* residents travel, typically within the United States, and enjoy hiking, playing golf, and visiting national parks on vacation. They listen to public radio and donate to PBS. Participation in civic activities includes addressing public meetings and doing volunteer work. Many are members of fraternal orders and charitable organizations.

## Great Expectations

**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 years. Some residents are just beginning their careers or family lives. This segment has a higher proportion of residents in their 20s and a higher proportion of householders younger than 35 years old. The ethnic diversity and racial composition of this segment are similar to the U.S. levels.

**Socioeconomic:** The median household income of \$36,600 and the median net worth of \$66,400 are low compared to the U.S. values. Approximately 29 percent of residents aged 25 years and older have attended college (slightly above the U.S. average), but only 16 percent hold a bachelor's or graduate degree (somewhat below the U.S. average). Seven percent are enrolled in college or graduate school. The higher proportion of younger residents improves the 68 percent labor force participation rate. The manufacturing, retail, and service industry sectors are the primary employers in this market.

**Residential:** *Great Expectations* neighborhoods are located throughout the country, with higher proportions in the Midwest and South. Approximately half of the households own their homes; the other half rent. More than half of the households live in single-family dwellings; approximately 40 percent live in apartments in low- or mid-rise buildings. The median home value of \$100,600 is about two-thirds that of the U.S. median. 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, to the movies, to bars, and to nightclubs. They enjoy roller-skating; roller-blading; playing Frisbee, chess, and pool; watching foreign films on video or DVD; and attending auto races. They read music magazines and listen to rock music on the radio. Residents watch courtroom dramas, reality shows, sitcoms, news programs, and dramas on TV. They occasionally take advantage of the convenience of fast-food restaurants. Traveling does not rank high in this market. Still focused on starting a career, many are not preparing for retirement by investing for the future. They shop at major discount stores and department stores; many residents order from catalogs.

## Green Acres

**Demographic:** Married couples, with and without children, comprise 71 percent of the households in *Green Acres*. Many families are blue-collar baby boomers, many with children aged 6–17 years. With more than 9.3 million people, *Green Acres* represents the third largest population of all the Community Tapestry markets, currently more than 3 percent of the U.S. population, and growing by 1.6 percent annually. The median age is 39.9 years. This segment is not ethnically diverse; 94 percent of the residents are white.

**Socioeconomic:** *Green Acres* residents are educated and hardworking; more than half who are aged 25 years and older hold a degree or attended college. Labor force participation is approximately 69 percent, with higher employment concentrations in the manufacturing, construction, health care, and retail trade industry sectors. Seventeen percent of households derive income from self-employment ventures. Occupation distributions are similar to the United States. The median household income is \$62,300, and the median net worth is \$151,500.

**Residential:** *Green Acres* neighborhoods are located throughout the country but mainly in the Midwest and South. The highest state concentrations are found in Michigan, Ohio, and Pennsylvania. A little bit country, *Green Acres* residents live in pastoral settings of developing suburban fringe areas. Homeownership is at 88 percent. Eighty-seven percent of the household inventory is dominated by single-family dwellings. These newer homes carry a median value of \$179,700. Typical of rural residents, *Green Acres* households own multiple vehicles: 78 percent own two or more vehicles.

**Preferences:** Country living describes the lifestyle of *Green Acres* residents. Pet dogs or cats are considered part of the family. These do-it-yourselfers maintain and remodel their homes; projects include painting, installing carpet or insulation, or adding a deck or patio. They own all the necessary power tools, including routers, welders, sanders, and various saws, to finish their projects. Residents maintain their lawns, flower gardens, and vegetable gardens, again with the right tools. They own riding lawn mowers, garden tillers, tractors, and even separate home freezers for the harvest. Fitting in with the do-it-yourself mode, it is not surprising that *Green Acres* is the top market for owning a sewing machine. A favorite pastime is using their ice cream maker to produce homemade ice cream. They prefer motorcycles and full-size pickup trucks.

For exercise, *Green Acres* residents ride their mountain bikes and participate in water sports such as waterskiing, canoeing, and kayaking. Other activities include bird-watching, power boating, target shooting, hunting, and attending auto racing events. They prefer to listen to college football, NASCAR auto racing, and news-talk programs on the radio and read fishing, hunting, and motorcycle magazines. Accommodating the country lifestyle, many households watch TV by satellite dish instead of cable. Events they enjoy watching on TV include alpine skiing, ski jumping, motorcycle racing, equestrian events, and bicycle racing. A favorite station is the Speed Channel.

## Midland Crowd

**Demographic:** The approximately 10.8 million people in *Midland Crowd* neighborhoods represent the largest market of Community Tapestry, nearly 4 percent of the U.S. population, and it is still growing. Since 2000, the population growth has been almost 1.9 percent annually. The median age of 36.3 parallels that of the U.S. median. More than half of the households (62 percent) are composed of married-couple families, half of whom have children. One-fifth of households are occupied by those who live alone. Most residents are white.

**Socioeconomic:** With more than 3.9 million households, *Midland Crowd* has the highest count of all the Community Tapestry markets, with an annual household growth of 2.1 percent since 2000. The median household income is \$48,200, slightly lower than the U.S. median. Households derive primary income from wages and salaries, although the percentage of households that receive income from self-employment ventures is slightly higher than the national level. The median net worth is \$79,600, somewhat below the U.S. median. Half of the employed residents work in white-collar occupations. Approximately 30 percent of *Midland Crowd* residents aged 25 years and older have attended college; 15 percent hold a bachelor's or graduate degree.

**Residential:** *Midland Crowd* residents live in housing developments in rural areas throughout the United States (more village or town than farm), mainly in the South. Three-fourths of the housing was built after 1969. Homeownership is at 84 percent; the median home value is \$115,700. Two-thirds of the households are single-family structures; 28 percent are mobile homes. One-fourth of the households own three or more vehicles.

**Preferences:** *Midland Crowd* is a somewhat politically conservative market. The rural location and their traditional lifestyle dictate the consumer preferences of these residents. How they take care of their homes, lawns, and vehicles demonstrates their do-it-yourself mentality. Households typically own or lease a truck; many own a used motorcycle. Hunting, fishing, and woodworking are favorite pursuits. Generally, households have pets, especially birds and dogs. Recent purchases include used vehicles, household furniture, and giant-screen TVs. Their department store of choice is Belk. When eating takeout, they often choose a fast-food restaurant and use the drive-through window.

Many households have a satellite dish. Favorite stations include CMT and Outdoor Life Network. In addition to watching rodeo/bull riding, truck and tractor pulls/mud racing, and fishing programs on TV, residents watch a variety of news programs. Favorite weekly TV shows include *It's a Miracle* and *Miracle Pets* as well as reruns of *Home Improvement*. Fitting right in with their rural surroundings, they prefer to listen to country music on the radio and read fishing and hunting magazines.

## Midlife Junction

**Demographic:** *Midlife Junction* residents are phasing out of their child-rearing years. The median age is 40.5 years; nearly one-fifth of residents are aged 65 years or older. Households in this market include a variety of family types as well as singles who live alone or share housing. Nearly half of the households are composed of married-couple families; 31 percent are single person households. Most of these residents are white.

**Socioeconomic:** Most *Midlife Junction* residents are still working, although at 61 percent, the labor force participation rate is slightly below average. One-third of the households are now drawing Social Security benefits. Both the median household income of \$43,600 and the median net worth of \$107,100 are slightly below the U.S. medians. However, the median net worth for this market is the closest to the U.S. median of all the Community Tapestry segments. Educational attainment levels are comparable to U.S. levels.

**Residential:** *Midlife Junction* communities are found in suburbs across the country, more in the South and Midwest than in the Northeast and West. Homeownership is at 68 percent, matching the U.S. rate. Nearly two-thirds of the households live in single-family structures; most of the remainder live in apartments in multiunit buildings. The median home value of \$129,600 is somewhat lower than the U.S. median.

**Preferences:** As *Midlife Junction* residents pass from child rearing into retirement, they live quiet, settled lives. They have been planning and saving for their retirement, owning certificates of deposit and participating in IRA or 401(k) plans. They spend their money carefully and do not succumb to fads. *Midlife Junction* residents enjoy dining out at full-service restaurants, particularly on weekends, and also take advantage of the convenience of fast-food restaurants. They prefer domestic cars. They are comfortable shopping by phone or over the Internet. Comfortable with computer technology, they use e-mail to communicate with friends and families. They like to read romance novels and watch classic movies on video or DVD. Mindful of their expenses, they always search for bargains.

## Silver and Gold

**Demographic:** With a median age of 58.5 years, *Silver and Gold* residents are the second oldest of the Community Tapestry segments. Seventy percent of the householders are aged 55 years or older. Most of them are retired from professional occupations. Half of the households are composed of married couples without children. This market is small, less than 1 percent of all U.S. households, but annual household growth is 3 percent. *Silver and Gold* residents are not ethnically diverse; 94 percent are white.

**Socioeconomic:** These are wealthy, educated seniors. Their median household income is \$66,500, and their median net worth is \$276,000. Fifty-six percent of households still receive wages or salary income, half collect Social Security benefits, 63 percent receive income from investments, and 35 percent collect retirement income. Labor force participation is low at 44 percent. Only 28 percent of the population aged 16 years or older is employed full-time. The percentage of those working from home is higher than the U.S. worker percentage, and nearly one-fourth of employed residents are self-employed, also higher than the U.S. level.

**Residential:** The affluence of *Silver and Gold* residents has allowed them the opportunity to relocate to sunnier climates. More than 60 percent of the households in this market are in the South, mainly in Florida. One-fourth of households are located in the West, mainly in California and Arizona. Neighborhoods are exclusive, with a median home value of \$326,600 and a high share of seasonal housing. *Silver and Gold* is ranked second among all the Community Tapestry segments for the percentage of seasonal housing. Because these seniors have moved to newer single-family dwellings, they are not typically living in the homes in which 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. As a precaution, they would probably buy travel insurance. They are also interested in home improvement and remodeling projects. Although they own the tools, they are more inclined to contract for home services from remodeling to housecleaning. They take an active role in their communities—joining civic clubs, participating in local civic issues, and writing to newspaper or magazine editors. They prefer to shop by phone, ordering from QVC and catalogs such as L.L. Bean and Lands' End.

Golf is more a way of life than just a leisure pursuit for *Silver and Gold* residents. They play golf, attend tournaments, watch the Golf Channel, listen to golf on the radio, and purchase golf clothing. They also enjoy woodworking, playing cards, bird-watching, target shooting, saltwater fishing, and power boating. Residents eat out, attend country music shows, and relax with a glass of wine. Favorite family restaurants include Tony Roma's and Perkins.

*Silver and Gold* consumers are avid readers of books (biographies and mysteries), magazines (boating, travel, and epicurean), and two or more daily newspapers. They watch numerous news programs and news channels such as CNBC, CNN, and Fox News. They watch non-news shows, such as *JAG*, *The West Wing*, *Jeopardy!*, *The Oprah Winfrey Show*, *Crossing Jordan*, and *Third Watch*, along with cable channels that include National Geographic Channel, A&E Television Network, and Turner Classic Movies.

## Simple Living

**Demographic:** With a median age of 40.1 years, this market is slightly older than the U.S. median. Approximately one-third of *Simple Living* residents are aged 65 years or older; 19 percent are aged 75 or older. Half of the householders are singles who live alone or share housing; 32 percent are married-couple families. Young families with children and ethnic cultures are in the minority; most residents are white.

**Socioeconomic:** The median household income for this market is a modest \$26,700. Nearly 40 percent of households collect Social Security benefits, 8 percent receive Supplemental Security Income, and 6 percent receive public assistance. Over the years, residents have built equity in their homes and saved their hard-earned dollars to achieve their median net worth of \$58,100. Most residents who are employed work in the health care, retail trade, manufacturing, educational services, and accommodation/food services industry sectors. Overall, 71 percent of residents aged 25 years and older have graduated from high school. Only 12 percent hold a bachelor's or graduate degree.

**Residential:** *Simple Living* neighborhoods are found in the urban outskirts or suburban areas throughout the United States. Housing is older; approximately 62 percent of the housing units were built before 1970. More than half of the households rent. Forty-two percent of housing is single-family dwellings and 47 percent is in multiunit buildings of varying stories. Some seniors live in congregate housing (assisted living). The median home value for owner-occupied dwellings is \$97,100. Twenty-two percent of households do not own a vehicle; 45 percent own only one vehicle. Workers benefit from an average commute time to work of 20.4 minutes.

**Preferences:** The lifestyle of *Simple Living* residents is represented by both the young and the old, who enjoy hunting, fishing, and team sports such as softball and volleyball. Younger residents enjoy dancing and nightclubs; the seniors participate in bingo nights and pursue hobbies such as photography, bird-watching, and woodworking. Community activities are also important; they serve on church or school boards and join veterans' clubs. Typical of a retirement lifestyle, they enjoy walking, swimming, and playing golf to stay fit.

*Simple Living* households spend wisely on a restricted budget. They buy the essentials at discount stores and occasionally treat themselves to dinner out and a movie. Cable or satellite TV is a must for these frequent viewers of family programs and game shows. Most households own VCRs and CD players; however, owning personal computers, cellular phones, and DVD players is not important to them.

## APPENDIX B

### Hayden Business Development Team Skills and Resources Questionnaire

**Name:**

**Address:**

**Telephone numbers (work, fax, home, e-mail):**

Successful recruitment relies in part on networking and involving the right people at the right time. **Name your five best contacts** for helping to develop, screen and possibly contact business prospects for Hayden. (Could be property owners, business/professional organization contacts, Hayden/area business people, realtors)

1. What civic, business or other organizations are you actively involved with?
2. Business development efforts require different skills. Listed below are some of the skills and experience that are needed. Please check those that you believe are particular strengths of yours or where you can make the best contribution.

- Prospecting: finding business leads
- Sales and marketing: oral presentation (to business prospects, business organizations, etc.)
- Sales and marketing: written presentation (letters, market data, eco. development info, etc.)
- Public relations (Press releases, articles for publication, etc.)
- Economic/community development
- Real estate knowledge/deal making
- Finance
- Information gathering/research
- Cutting through "red tape" re: local government or local bank requirements
- Computer data base management
- Thinking strategically
- Assessment of building conditions
- Business ownership
- Other (*please name*):

3. How many hours per week can you devote to business development activities for downtown Hayden?

1-3 hours    4-6 hours    7-10 hours

4. Please share any other ideas you have for commercial business development in Hayden.

