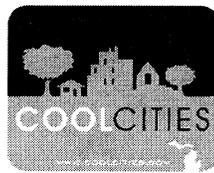


# Caro

## Downtown Blueprint 2008



HyettPalma



## **Cool Cities Blueprints for Michigan's Downtowns**

***Blueprints for Michigan's Downtowns***, part of the Cool Cities Initiative, is a partnership effort between the Michigan State Housing Development Authority (MSHDA) and the Michigan Municipal League (MML) formed to continue to assist communities and their Downtown revitalization efforts. Each ***Downtown Blueprint*** is an investment in a community that creates new private jobs and investment.

Those communities selected for the ***Blueprint*** program receive a grant for 50% of the ***Blueprint*** fee. The Community Assistance Team (CA Team) of MSHDA designed and manages the program. The MML was the organization that originally introduced the ***Blueprint*** concept to the state. HyettPalma is the consulting firm that has been selected for the program, working directly with each community to define its ***Downtown Blueprint***.

The communities selected in 2003, which was the first year of the ***Blueprint*** program, were: Adrian, Battle Creek, Brighton, Buchanan, Cheboygan, Davison, Grand Haven, Jonesville, Middleville, Mt. Pleasant, and Norway.

The communities selected in 2004, during the second round of the program, were: Charlotte, Fremont, Highland Park, Houghton, Howard City, Imlay City, Ionia, Linden, Menominee, Saline, and Wayland.

The communities selected in 2005, during the third round of the program, were: Big Rapids, East Tawas, Grass Lake, Iron River, Romeo, Utica, Vassar, and Whitehall.

The communities selected in 2006, during the fourth round of the program, were: Charlevoix, Muskegon Heights, Oscoda, Petoskey, and Tecumseh.

The communities selected in 2007, during the fifth round of the program, were: Caro, Clio, and Ypsilanti.



**Cool Cities Blueprints for Michigan's Downtowns**

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May 12, 2008

The Village of Caro  
Members of the Caro DDA  
Members of the Process Committee  
c/o Caro Municipal Building  
317 S. State Street  
Caro, MI 48723

**RE: Caro Downtown Blueprint 2008**

HyettPalma, Inc., is pleased to present the following report: ***Caro Downtown Blueprint 2008***, completed under the program titled ***Cool Cities Blueprints for Michigan's Downtowns***.

This document includes the community's vision for Downtown, as well as the findings of a comprehensive analysis of Downtown's commercial markets. The vision and market analysis findings were used to define a specific economic enhancement strategy for the Downtown project area. The recommended strategy was specifically designed to enable Downtown to attain the community's defined vision and capture the identified market opportunities.

We thank you for the opportunity to lend our firm's expertise to this very important project. We hope you will keep us informed of your successes and know that we stand ready to assist in any way we can as you proceed with Caro's Downtown enhancement effort.

Sincerely,

Doyle G. Hyett

Dolores P. Palma

## ***Process Committee Members***

At the request of HyettPalma, Inc., the Village of Caro formed a Process Committee to oversee this project. HyettPalma would like to thank the members of the Caro Downtown Process Committee, listed below, for all their time, effort, and dedication in preparing for, and participating in completing, the **Caro Downtown Blueprint 2008**.

Caro DDA	Mike Bauerschmidt
Caro DDA	Richard Farris
Caro DDA	Shawn Spillane
Caro DDA	Mike Henry
Caro DDA	Tom Bardwell
Caro DDA	Bob Eremia
Caro DDA	Dennis Gilkey
Caro DDA	Dick Ransford
Caro DDA	Karen Snider
Village President	Tom Striffler
Village Manager	Don Beavers
Almer Charter Township Supervisor	Jim Miklovic
Indianfields Township Supervisor	Ray Rendon
Downtown Task Force Chair	Suzanne Smith
Chamber of Commerce Executive Director	Brenda Carruthers
Chamber of Commerce Board President	Susan Rickwalt Holder
Caro Development Corporation	Bob Moore
Small Business Development Technology Center	Kris McCardle
Tuscola County Economic Development Corporation	Jim McLoskey
MSU Extension Director	Hal Hudson
Caro Public Schools	Neil Beckwith
Davenport University	Ted Shunn
Media	Tim Murphy
Thumb Area Tourism Council	Chuck Frost
Non Profit Organization	Sandy Greauveau
At Large - Pat Curtis Chevrolet Cadillac	Pat Curtis
At Large - List Psychological Services	Diane List
At Large - Anderson Tuckey Bernhardt Doran	Tom Doran

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**Cool Cities Blueprints for Michigan's Downtowns**

# ***Project Overview***

### I. PROJECT OVERVIEW

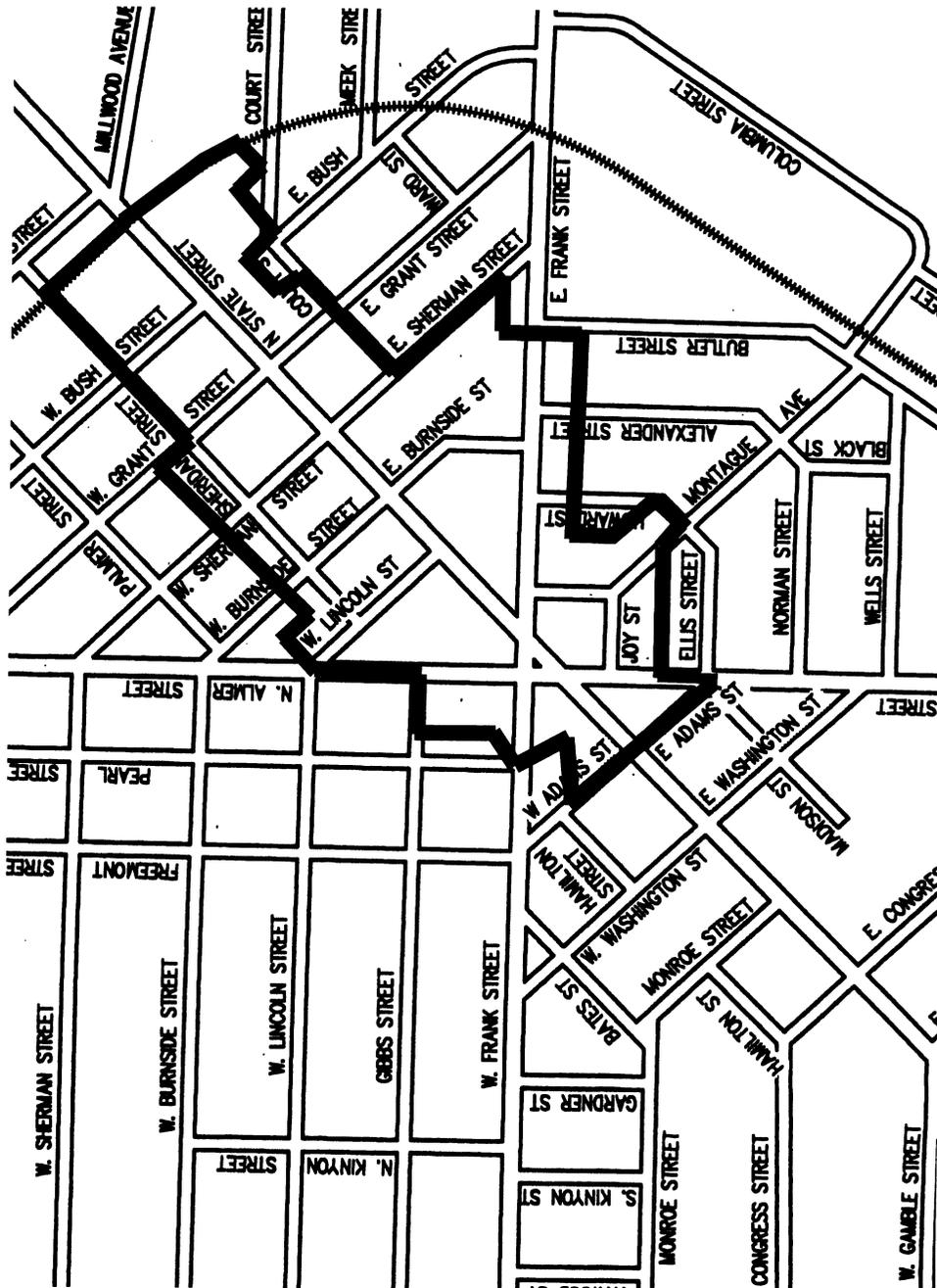
This document presents the community's economic vision for Downtown Caro – the boundaries of which are shown on the following page of this document – as well as the findings of a market analysis conducted by HyettPalma for Downtown. The vision and the market analysis results were used as the foundation upon which to develop an economic enhancement strategy for Downtown Caro. The economic enhancement strategy was specifically crafted to further strengthen Downtown Caro and to guide its future development – in-keeping with the community's vision and the market analysis findings.

This project was completed as part of the ***Cool Cities Blueprints for Michigan's Downtowns*** technical assistance program, a partnership of the Michigan State Housing Development Authority (MSHDA) and the Michigan Municipal League (MML). The ***Caro Downtown Blueprint 2008*** was completed by HyettPalma, Inc., with the involvement of the Caro Downtown Process Committee formed by the Village to oversee this project.

The methodology used to define the ***Caro Downtown Blueprint 2008*** was developed by HyettPalma, Inc., and has been used extensively by the firm in Downtowns throughout the United States. To date, it forms the basis of the currently operating technical assistance programs titled:

- ***America Downtown® -- New Thinking. New Life.***, created by the National League of Cities and HyettPalma in 1992;
- ***Indiana Downtown®***, created by the Indiana Association of Cities and Towns with HyettPalma in 2001; and
- ***Blueprints for Pennsylvania's Downtowns***, created by the Pennsylvania League of Cities and Municipalities and HyettPalma in 2004.

# Downtown Caro



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**Cool Cities Blueprints for Michigan's Downtowns**

# ***Downtown Caro Today***

### II. DOWNTOWN CARO TODAY

Following is a description of Downtown Caro, as it stands today, as well as a summary of the community's desires, concerns, and preferred image for Downtown's future.

#### **Overview**

Downtown Caro is fortunate to possess a solid number of assets that can be built upon and leveraged to bring about its stronger economic future. Among those assets are the following.

- Active and well-respected entities are involved in and committed to bringing about Downtown's enhancement. These include the Caro DDA, the Caro Chamber of Commerce, the Chamber's Downtown Task Force, the Tuscola County Economic Development Corporation (EDC), and the Village government.
- The DDA and the Village have implemented very high quality and attractive public improvements in Downtown. These include public parking lot improvements, walks, decorative streetlights, landscaping, small banners, the enhancement of Atwood Park, and the addition of a gazebo to Atwood Park that was donated by the Caro Lion's Club – where Music in the Park is held all summer long.
- The DDA has hired a part-time person to maintain Downtown's public spaces – whose work is highly complimented locally by one and all – and the Village Manager acts as the DDA Director.
- Downtown has retained its historic architecture, pedestrian-orientation, and small town feel.
- The Village applied for and received MSHDA funds to create a matching façade grant program and approximately 9 buildings will be improved with those funds.
- Downtown has a number of good businesses and talented business owners and is known for its excellent customer service.

- The Thumb Center for the Arts and the Strand Theater are both located in Downtown and serve as strong Downtown anchors. Caro is the County seat and the Tuscola County Courthouse is located in Downtown. Important institutions, such as the Caro Chamber of Commerce and the Tuscola County EDC, have chosen to locate their offices in Downtown. And, the Village's Municipal building is located on the edge of the **Downtown Blueprint** project area.
- Downtown is the home of several large and growing annual special events. These include the Pumpkin Festival Parade, Harvest Days, Cars & Crafts Weekend, and Gingerbread Village.
- Downtown enjoys the strong confidence and cooperation of local lenders. And, Village Hall has strong confidence in Downtown's future.
- M-81 runs through Downtown, providing accessibility and visibility to Downtown's businesses.
- Caro is the dominant economic force in – and the regional shopping destination for – the Northern Tier of the Thumb region, putting Downtown in a good position to draw from this market. And, Downtown is flanked on either side by strong business districts that are already taking advantage of this market.

### **Desires**

Throughout the **Downtown Blueprint** planning process, community members were asked to cite their desires for Downtown's future. In response, the following desires were mentioned repeatedly:

1. Take the actions to make something happen;
2. Get the various involved organizations working on a common course for Downtown and in harmony;
3. Create greater communication between the involved groups;
4. Create more draws to attract customers, including retail, food, art, and entertainment;

5. Make Downtown a community gathering place once again;
6. Build on what we have in Downtown – and let people know what we have – through marketing;
7. Improve Downtown's image – this is important, because Downtown is "the face of the community;"
8. Attract private investors to Downtown;
9. Be realistic about what needs to be done; and
10. Be open to change.

### **Concerns**

Similarly, community members were asked to cite the Downtown concerns they hoped to see addressed in order to move Downtown forward. In response, the following concerns were mentioned most often:

1. Building vacancies;
2. Possible loss of good businesses as owners retire;
3. Business turnover;
4. Appropriate business mix – creating draws for Downtown, Downtown businesses that complement each other, Downtown's ability to co-exist with Wal-Mart, capitalizing on Wal-Mart's drawing power, the balance of service and retail businesses;
5. Job creation;
6. The need for a larger number of involved volunteers to avoid burn-out; and
7. Creating a greater connection between Downtown and the commercial areas to the east and west of Downtown.

### ***Image***

A series of meetings and sessions were held to define the community's preferred image for Downtown Caro. A snapshot of that image is shown below.

***A Downtown that is flourishing, inviting, and  
Has a great sense of community pride and  
A tremendous diversity of things for  
People of all ages to enjoy.***

***A quaint, historic, and stunning Downtown  
That makes people say  
"Downtown Caro's aesthetic is just beautiful!"***

***A Downtown that's kept its small town atmosphere  
And values, but has  
Up-to-date businesses and big town amenities.***

***A wholesome Downtown that offers  
Good old-fashioned Americana –  
This is where our roots come from –  
It's a Norman Rockwell picture with a modern twist.***

***A cultured Downtown that has  
An intellectual feel and is very tasteful.  
Downtown Caro makes you say,  
"I spent the whole day there and had the greatest time . . .  
You just have to go!"***

***It's the place to be:  
The hub of a community that  
Lives, works, shops, and plays together – and stays together!***

### **Guidelines**

Given the community's expressed desires, concerns, and preferred image for Downtown Caro, HyettPalma recommends that the **Downtown Blueprint** be implemented using the following guidelines.

#### **1. Investor Confidence**

The following truism exists in the field of Downtown enhancement:

$$\text{Lender Confidence} + \text{Government Confidence} = \text{Investor Confidence.}$$

Local lender confidence and local government confidence in Downtown Caro's future are exceptionally high. Now, this word must be spread to the investment community in order to strengthen their confidence – and encourage them to invest – in Downtown Caro.

#### **2. First Step**

The enhancement of Downtown Caro should be viewed and approached as the first step in ensuring that all of Caro's commercial areas are economically healthy and self-sustaining. It is important to start this effort in Downtown since Downtown is "the face of the community" and determines the image people have of the entire Village. However, once implementation of this **Downtown Blueprint** is underway, the Village government should create a strategy aimed at strengthening the commercial areas that flank Downtown. This should be done by:

- a. Working closely with the business and property owners in those areas;
- b. Defining the concerns and desires of those owners;
- c. Defining the concerns and desires of the community regarding those areas;
- d. Identifying the unique issues that face each area; and

- e. Creating a growth and development strategy for each area – which is aimed at ensuring that each of Caro's commercial areas is successful and that all of Caro's commercial areas complement each other.

### **3. Pro-Business/Pro-Quality**

In any community, quality business owners and real estate purchasers have many options in terms of where to invest their money. This is especially true in the Northern Tier of the Thumb. To persuade area investors to choose to put their money into Downtown Caro, Village Hall must send out a clear message that the Village is both pro-business and pro-quality. Being pro-business means extending every level of assistance and cooperation to quality investors who are interested in operating a business or owning a building in Downtown Caro. Being pro-quality means demanding that Downtown investors operate their businesses and maintain their properties to the high standards established by the Village and desired by the community.

### **4. Cooperation**

Downtown business owners, Downtown property owners, and the entities/organizations involved in Downtown's enhancement must come together as a unit, speak with one unified voice for Downtown, advocate for Downtown's better future, and take actions that are in the best interest of Downtown as a whole. Anything less than this level of cooperation will impede Downtown's further enhancement.

### **5. Community Life**

Downtown Caro must once again be positioned as and become the center of community life, community gathering, and community socializing for those living in Caro and Tuscola County. To accomplish this, all events and facilities created in the future – that serve the greater community – should take place and be located in Downtown Caro. This includes special events, holiday celebrations, and entertainment such as community theater productions.

### **6. Village Master Plan**

For the purposes of the Village Master Plan, "Downtown" should be defined as the geographic area contained in the **Downtown Blueprint** area.

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# ***Resident & Business Surveys***

### III. RESIDENT & BUSINESS SURVEYS

As a part of this project, two surveys were conducted to gauge the health of Downtown Caro, as perceived locally. These were a survey of owners/managers of all non-residential uses located in the Downtown project area and a telephone survey of residents living in Downtown's primary retail trade area. A summary of the survey responses follows.

#### ***Frequency of Trips***

The vast majority of residents – over three quarters surveyed (79%) – reported coming to Downtown Caro with great frequency, which was defined as between one and seven times a week.

Another 12% said they come to Downtown with moderate frequency – defined as from three times a month to once every two months.

And, only 9% said they seldom or never come to Downtown Caro.

#### ***Purpose of Trips***

Trade area residents were asked to cite the main reasons they currently come to Downtown Caro. The top reason given to this question was "shopping," cited by 41% of those surveyed.

The remaining reasons residents cited for Downtown trips were mentioned far less frequently. These were:

- Eating in restaurants (10%);
- Banking (9%);
- Work there (7%);
- Conducting personal business – doctor, lawyer, etc.(7%);
- Using service businesses (6%);
- Live there or nearby (4%);
- Conducting government business (3%);
- Recreation (3%);
- Entertainment (1%); and
- Visiting friends or family nearby (1%).

In addition, 8% of those surveyed said that they find themselves in Downtown Caro simply because they are "passing through."

### ***Shopping Area of Choice***

Residents surveyed were asked where they currently do most of their family shopping at this time, other than grocery shopping. The largest percentage (71%) said they do most of their shopping within the Village of Caro. Of those, 36% said they shop mainly at Wal-Mart and 9% said they shop mostly in Downtown Caro.

The remaining 29% of residents surveyed said they shop mainly:

- In nearby communities (25%), including Saginaw, Bay City, Lapeer, and Flint; and
- On-line or through catalogues (4%).

When asked why they choose to shop in a particular area, the top two reasons cited by residents were the variety/selection offered at the shopping venue (35%) and the convenience offered (29%).

The remaining reasons cited for choosing a particular shopping area were:

- Its closeness to home (15%);
- Price (15%);
- Its closeness to work (2%);
- To support the town (2%);
- Parking (1%); and
- Service (1%).

### ***Downtown Characteristics***

Trade area residents and Downtown business owners surveyed were asked to rate a list of nineteen Downtown characteristics as being "good," "fair," or "poor" at this time.

Fifteen characteristics were rated "good" by a majority or significant percent of residents (defined as up to 47%) and eight characteristics received this rating from a majority or significant percent of business owners. All eight of the characteristics rated "good" by a majority or significant percent of Downtown

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business owners were among those receiving this top rating from trade area residents surveyed. These eight characteristics were:

- Feeling of safety (89% residents, 68% business owners);
- Cleanliness of the area (88% residents, 60% business owners);
- Helpfulness of salespeople (85% residents, 73% business owners);
- Knowledge of salespeople (77% residents, 58% business owners);
- Quality of service businesses (71% residents, 53% business owners);
- Quality of retail businesses (64% residents, 48% business owners);
- Parking availability (55% residents, 49% business owners); and
- Prices at service businesses (47% residents, 50% business owners).

The seven characteristics rated "good" by a majority or significant percent of trade area residents – but not by Downtown business owners – were:

- Attractiveness of the area (72% residents, 41% business owners);
- Business hours (67% residents, 44% business owners);
- Convenience of parking (58% residents, 44% business owners);
- Quality of restaurants (56% residents, 31% business owners);
- Prices at restaurants (53% residents, 31% business owners);
- Attractiveness of buildings (53% residents, 27% business owners); and
- Variety of service businesses (48% residents, 33% business owners).

### ***Downtown Improvements***

Trade area residents and Downtown business owners were asked to rate a list of eighteen possible Downtown improvements as being "very important," "somewhat important," or "not important" at this time.

Four improvements were rated "very important" by a majority or significant percent of both residents and business owners. However, residents and business owners only agreed on three of those improvements. These were:

- Increase retail variety (68% residents, 66% business owners);
- Increase the number of retail businesses (59% residents, 89% business owners); and

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- Increase restaurant variety (59% residents, 60% business owners).

The one improvement rated “very important” by a significant percentage of residents, but not business owners, was:

- Improve the availability of parking (47% residents, 42% business owners).

And, the improvement rated “very important” by a majority of business owners, but not residents, was:

- Physically improve buildings (39% residents, 56% business owners).

### ***Additional Improvements***

Trade area residents were asked what else could be done to encourage their patronage of Downtown Caro. In response, they stressed the importance of improving the variety/selection present in Downtown’s business mix and adding nightlife/events to Downtown’s offerings.

### ***Additional Businesses/Activities***

Trade area residents were also asked what specific types of businesses or activities they would like to see added to Downtown’s mix. The most often mentioned responses to this question were:

- Apparel stores;
- Restaurants and specialty food shops (coffee, bakery, healthy, etc.);
- Specialty shops and boutiques (books, crafts, sporting goods, jewelry, hobby, cards, etc.); and
- Entertainment and recreation for a variety of ages.

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# ***Downtown Caro Tomorrow***

### IV. DOWNTOWN CARO TOMORROW

A series of discussions, focus groups, and meetings were held to define the community's preferred vision of Downtown Caro – as it would ideally exist in the year 2013. A compilation of the thoughts and preferences expressed during those sessions is shown below.

The future Downtown Caro would be a gathering place for the whole community, would appeal to all ages, would attract multiple generations to stroll along its sidewalks and patronize its businesses, and would offer a unique experience for kids and families. Downtown's business mix would be more diverse than it is today. This diversity would increase pedestrian traffic, encourage greater pedestrian flow, keep people more entertained while they're in Downtown, and make them want to come back. In short, Downtown would offer a family-friendly shopping, dining, and entertainment experience – and this mix of uses would keep all of Downtown's buildings filled.

Downtown would have a strong sense of community, exhibited by business owners working together and area residents coming Downtown to play together.

Downtown would have “more of a cultural presence and atmosphere” and offer a variety of entertainment options – such as an artsfest, live music, improv nights, poetry nights, live theater, and movies. This would create a strong nightlife that allows and invites the community to come Downtown and have fun. Downtown's cultural atmosphere would be brought about by “growing what we already have in the arts,” meaning the Thumb Area Center for the Arts (TACA) and the Strand Theater, and adding to them.

Downtown Caro would have a greater number and variety of retail businesses. And, Downtown would have a variety of “drawing cards” that would be promoted and would “attract people.” These drawing cards might include cultural events, quality special events, quality restaurants, and Downtown's historic architecture.

Downtown would be “spruced-up.” Its buildings would be renovated in a manner that “keeps their historic feel.” The rears of buildings would be as beautiful as the fronts. Downtown would be beautifully landscaped with trees and flowers. And, there would be benches on Downtown's sidewalks to encourage people to walk and sit and visit.

Downtown would retain its great sense of public safety. The feeling of pedestrian-safety would be increased in Downtown. And, it would be easier for pedestrians to cross State Street.

There would be cooperation among Downtown businesses – in terms of “coming together as a community” and promoting Downtown together. This spirit of cooperation would start in Downtown and then spread to and include Caro’s other business districts.

Downtown would attract a greater number and variety of users by having the following mix:

- More unique retail shops;
- More art, entertainment, and culture;
- A “community center” that is “large enough for TACA productions;”
- Family restaurants;
- A vibrant farmers market – more vendors, more customers, more visible;
- “Nice” living units above the shops, which would “all be occupied;”
- “Gathering places” – such as coffee houses, book shops, entertainment places – where the community can come together and socialize;
- Professional service businesses (i.e., attorneys) and personal service businesses (i.e., hair salon) businesses;
- Village and County government offices;
- School/educational facilities;
- Open space; and

- Parking.

Downtown would appeal to and satisfy a wide range of users, including:

- Village residents;
- County residents;
- Those who work in Caro, but live elsewhere;
- The nearby agricultural community;
- Caro Wal-Mart shoppers;
- Users of County and government services located in Caro;
- State highway travelers;
- Tourists driving “north to the shoreline;” and
- Multiple generations.

Serving the above mix of users would truly make Downtown Caro a regional hub for Tuscola County and beyond.

By the year 2013, Downtown Caro would be well on its way to having the following image.

***A Downtown that is flourishing, inviting, and  
Has a great sense of community pride and  
A tremendous diversity of things for  
People of all ages to enjoy.***

***A quaint, historic, and stunning Downtown  
That makes people say  
“Downtown Caro’s aesthetic is just beautiful!”***

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# ***Downtown Market Analysis***

### V. DOWNTOWN MARKET ANALYSIS

To ensure long-term economic results and success, Caro's Downtown enhancement effort must be market-driven. This means that the effort must be one that results in all of Downtown's investors – business owners, property owners, developers, patrons, local government, etc. – being able to realize an increasing return on their investments. This can only be achieved via an enhancement effort that is based on a sound, realistic understanding of Downtown's economic potentials. The following chapter quantifies Downtown's economic potentials in terms of retail, office, and housing development.

#### Downtown Retail Opportunities

**Retail Trade Area** – Downtown Caro's primary retail trade area has been defined as the geographic area from which the majority of retail customers are currently drawn and the geographic area which presents the greatest opportunity in the immediate future for gaining additional retail customers. Based on current customer travel patterns, discussions with local business leaders and government officials, and the opinion of HyettPalma, Inc., Downtown's primary retail trade area has been identified as the area shown on the attached map.

**Retail Economic Indicators** – Downtown's primary retail trade area can be currently characterized by the following economic indicators.

**THE PRIMARY TRADE AREA HAS AN ESTIMATED POPULATION OF 29,545 – WITH AN ESTIMATED 11,400 HOUSEHOLDS** (Source: ESRI estimate)

**THE PRIMARY TRADE AREA POPULATION IS ESTIMATED TO INCREASE TO APPROXIMATELY 29,828 BY 2012 – WITH AN ESTIMATED 11,622 2012 ESTIMATED HOUSEHOLDS** (Source: ESRI estimate)

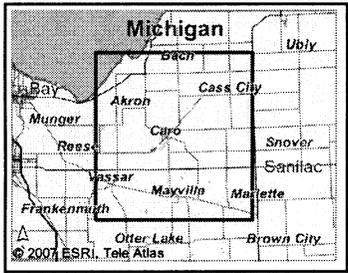
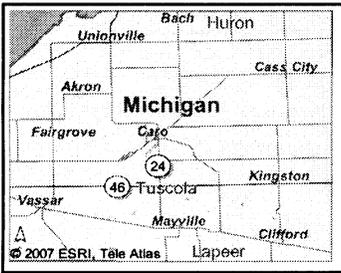
**THE AVERAGE HOUSEHOLD SIZE IS 2.5 PERSONS, WHICH IS SLIGHTLY LESS THAN THE NATIONAL AVERAGE OF 2.59** (Source: ESRI estimate)

# Site Map

Downtown Caro, MI Primary Retail Trade Area

Hyett Palma

April 21, 2008



Caro Downtown Blueprint 2008  
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MSHDA CTeam & MML

**THE TOTAL COMBINED INCOME OF HOUSEHOLDS WITHIN THE PRIMARY TRADE AREA IS APPROXIMATELY \$622,000,000 PER YEAR (Source: ESRI estimate)**

**THE AVERAGE HOUSEHOLD INCOME FOR THOSE IN THE PRIMARY TRADE AREA IS APPROXIMATELY \$54,579 AND IS PROJECTED TO INCREASE TO \$62,049 ANNUALLY BY 2012 (Source: ESRI estimate)**

**Current Retail Businesses** – Downtown Caro currently contains 56 retail businesses, which occupy approximately 154,000 square feet of building space. The retail inventory was completed by the Downtown Caro Process Committee and is shown on the following pages.

### Downtown Caro Retail Businesses by Standard Industrial Classification

<b>SIC CODE</b>	<b>BUSINESS TYPE</b>	<b># BUS.</b>	<b>TOT. SQ. FT.</b>
<b><u>52</u></b>	<b><u>Building Materials and Garden Supplies</u></b>		
5251	Hardware	1	3,300
<b><u>53</u></b>	<b><u>General Merchandise</u></b>		
5331	Variety Store	1	5,000
5399	Misc. General Merchandise	3	12,600
<b><u>54</u></b>	<b><u>Food Store</u></b>		
5421	Meat/Fish Market	1	3,500
5461	Retail Bakery	1	2,000
<b><u>55</u></b>	<b><u>Automotive Dealers and Service Stations</u></b>		
5521	Used Cars	1	1,700
5531	Auto/Home Supply	1	1,800
<b><u>56</u></b>	<b><u>Apparel and Accessories</u></b>		
5632	Women's Accessories/Specialty	1	3,300
5661	Shoes	1	2,500
5699	Miscellaneous Apparel	1	800
<b><u>57</u></b>	<b><u>Furniture and Home Furnishings</u></b>		
5712	Furniture Store	1	6,000
5713	Floor Covering	1	1,500
5719	Misc. Home Furnishings	1	1,716
5734	Computers/Software	2	3,100
<b><u>58</u></b>	<b><u>Eating/Drinking</u></b>		
5812	Eating Places	6	28,800
5813	Drinking Places	1	1,900
<b><u>59</u></b>	<b><u>Miscellaneous Retail</u></b>		
5912	Drug Store	2	8,600
5921	Liquor Store	1	2,800
5932	Antiques	3	6,900
5942	Books	1	1,900

### Downtown Caro Retail Businesses by Standard Industrial Classification

<b>SIC CODE</b>	<b>BUSINESS TYPE</b>	<b># BUS.</b>	<b>TOT. SQ. FT.</b>
<b>59</b>	<b><u>Miscellaneous Retail (Contd.)</u></b>		
5947	Gift/Novelty	2	5,720
5992	Florist	2	5,300
5993	Tobacco Stand	2	4,400
5999	Miscellaneous Retail	5	9,210
	<b><u>Select Support Services</u></b>		
7231	Beauty Shops	9	16,270
7241	Barber Shops	1	240
7832	Motion Picture Theater	1	3,900
	<b><u>Amusement and Recreation Services</u></b>		
7911	Dance Studios/Schools	1	2,900
7991	Physical Fitness Facilities	1	4,000
7999	Mic. Amusement/Recreation	1	2,500

<b>TOTAL NUMBER OF RETAIL BUSINESSES</b>	<b>56</b>
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<b>TOTAL SQUARE FEET OF OCCUPIED RETAIL BUSINESS SPACE</b>	<b>154,156</b>
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<b>TOTAL NUMBER OF VACANT RETAIL SPACES</b>	<b>8</b>
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<b>TOTAL SQUARE FEET OF VACANT RETAIL BUSINESS SPACE</b>	<b>25,670</b>
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Source: Downtown Caro Process Committee

**Retail Potential** – Currently, within Downtown's primary trade area, the total estimated demand for retail products is approximately \$198,000,000 per year. This demand is shown on the following graphs. A complete presentation of retail product demand for the primary trade area is shown in **THE RETAIL REPORT®**, contained in the Appendix of this document.

As a conservative estimate, it is assumed that Downtown Caro retail businesses now generate an average (blended figure) of approximately \$185 per year per square foot in retail sales.

Since Downtown currently contains approximately 154,000 square feet of occupied retail space, Downtown Caro should currently be generating approximately \$28,000,000 in retail sales per year.

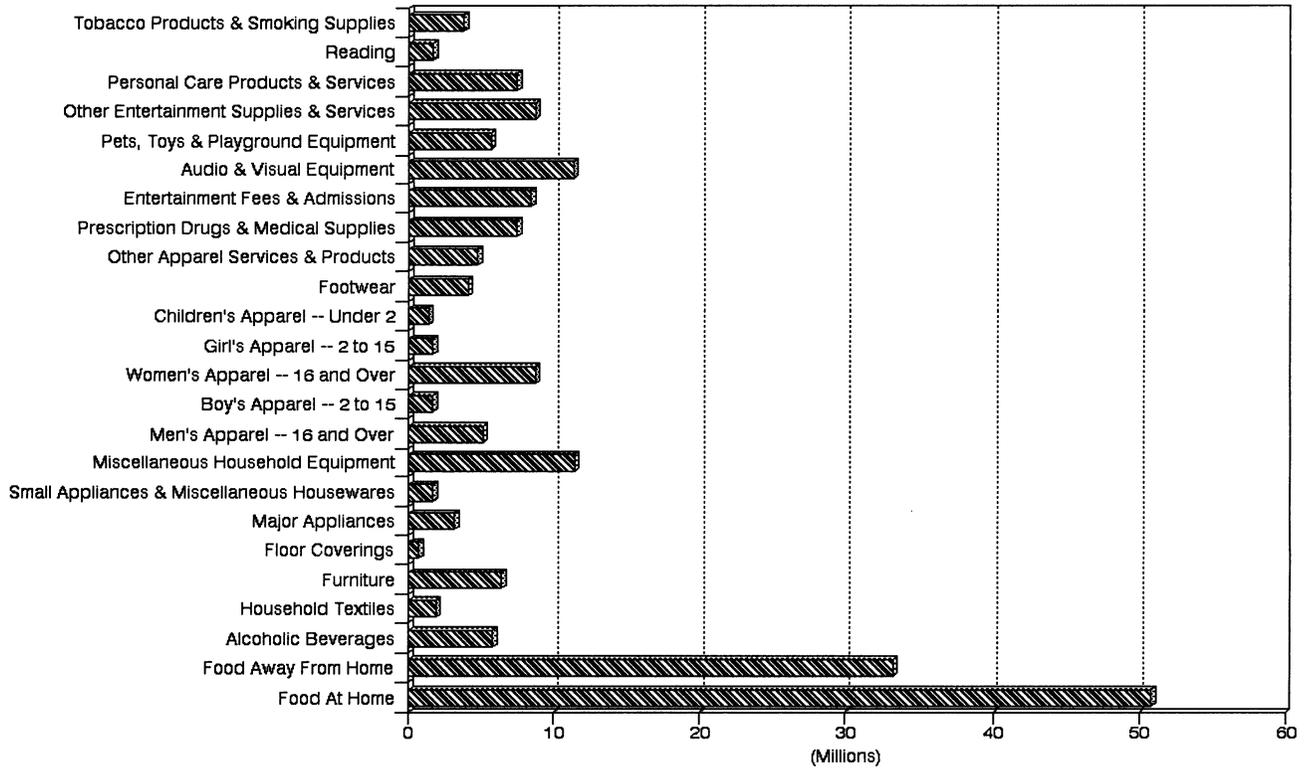
By dividing the project area's estimated annual retail sales – \$28,000,000 – by the total estimated demand for retail products within the primary trade area – \$198,000,000 – it can be concluded that Downtown Caro may currently be capturing approximately 14% of the retail sales potential within the primary trade area. And, the balance of the demand is being captured by businesses within other parts of the primary trade area and/or by businesses in other trade areas.

Taking steps to further enhance Downtown Caro, and barring a significant decline in the national or regional retail economy, it is conservatively anticipated that Downtown may have the potential to increase its share of retail sales in its primary trade area from the current level of approximately 14% to between 15% and 15.5% by the year 2013. This should be considered a goal of the economic enhancement program.

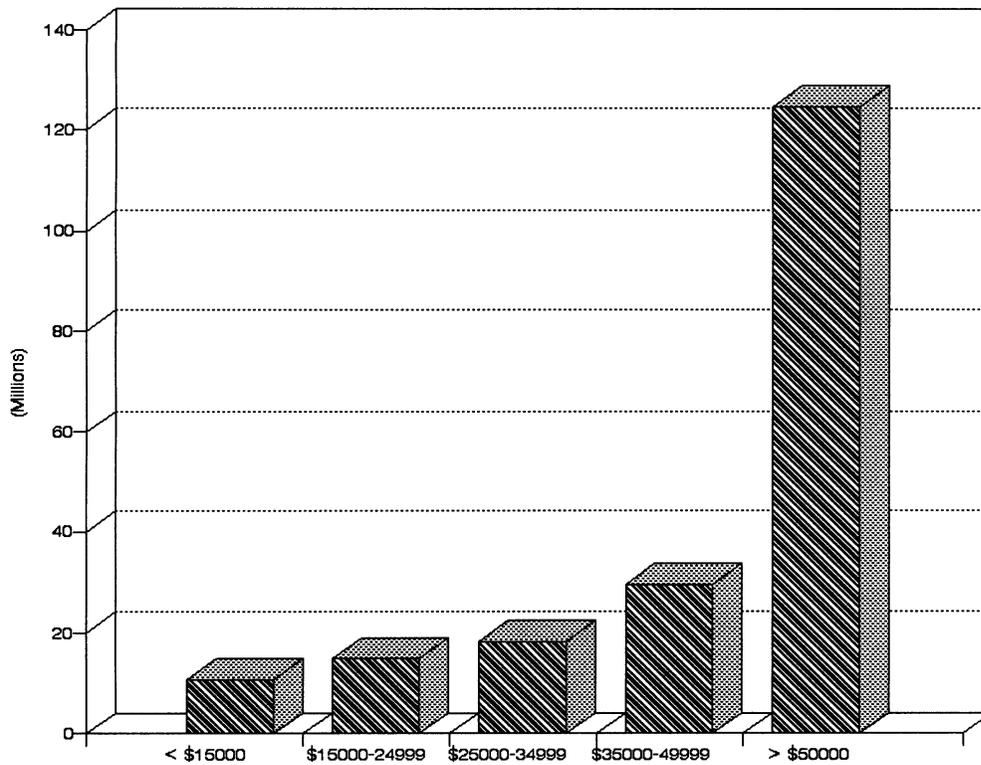
If Downtown Caro is able to increase its market share to between 15% and 15.5% by the year 2013, it is possible that the project area may be able to increase its total capture of retail sales to between \$30,000,000 and \$31,000,000 by the year 2013 – considered in constant 2008 dollars.

This increase in total retail sales could potentially support the development of between approximately 11,000 and 16,000 net square feet of additional retail space by the year 2013 – which could include expansions or sales increases by existing Downtown Caro retail businesses and/or the construction of some limited amount of new retail space.

# TOTAL PRODUCT DEMAND BY PRODUCT TYPE



# TOTAL PRODUCT DEMAND BY INCOME GROUP



It must be noted that Downtown's ability to gain a larger market share will be contingent on efforts to enhance its business climate, enhance and expand its existing businesses, and recruit additional retail businesses to the area. If such efforts are aggressively and diligently implemented – on an on-going basis – the actual growth in Downtown's market share could potentially be much higher than projected. Conversely, by the year 2013, Downtown Caro's market share could be much less than projected above if efforts to enhance the area and expand/recruit businesses are not diligently and continually pursued.

Also, it should be noted, that growth in the retail offerings in the eastern and western parts of the DDA area – outside the **Blueprint** area – is also expected to continue during the immediate future as overall market demand increases. Retail growth in these other portions of the community would be over and above the projected potential retail growth for the **Blueprint** area noted above.

**NOTE:**

*No attempt was made to determine the condition of vacant retail space. Therefore, no judgment is made concerning the marketability of space based on condition.*

**Retail Business Development** – Based on the findings of this retail market analysis, the opportunity exists to enhance and expand certain types of retail businesses that are currently located in Downtown Caro. In addition, the opportunity also exists to attract additional businesses to Downtown. A list of the types of retail businesses recommended for potential enhancement, expansion, and attraction is presented in the chapter of this document titled **Course of Action**.

### **Downtown Office Opportunities**

**Office Market Indicators** – Several key economic indicators that characterize the current office operations within Downtown Caro follow.

- Downtown Caro currently contains a total of 63 various office occupants, occupying approximately 211,000 square feet of building space.

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- Downtown Caro is the traditional professional services center of the City and should continue to serve this purpose within the immediate future.
- Downtown Caro is the seat of government for Tuscola County, Michigan, which makes Downtown an attractive location for those businesses and institutions working with or providing government related services.
- Downtown's occupied office space serves, primarily, the personal needs of those who live within the broader community and northern tier of The Thumb.
- Downtown Caro, according to a recent inventory completed by the Process Committee, contains only 12,600 square feet of vacant office space, which represents a healthy Downtown office occupancy rate of over 94%.
- The most significant concentration of offices in Downtown include financial services, real estate services, health services, legal services, and government related services and institutions.

**Current Office Uses** – The variety of office occupants found in Downtown can be seen in the tables presented on the following pages, in which office tenants are listed by SIC numbers. The office inventory was completed by the Downtown Caro Process Committee.

**Office Potential** – It is anticipated that most of Downtown's office market growth will continue to consist of office uses which serve, primarily, the personal needs of those who live in, or in proximity to, Downtown Caro's primary trade area. Communities nationwide have experienced the fact that – as improvements are made in the overall economic and physical conditions of their Downtowns – an associated increase in demand for office space normally follows. In addition, demand for office space is anticipated to increase slightly due to natural household growth in the area, which is projected for the immediate future, and as demand for more governmental services likely increases in the near future.

Therefore, it is estimated that approximately 20,000 to 25,000 square feet of additional office space could potentially be supported in Downtown Caro between now and the year 2013. This should be considered an economic goal for the enhancement effort.

### Downtown Caro Offices by SIC Code

<b>SIC CODE</b>	<b>BUSINESS TYPE</b>	<b># BUS.</b>	<b>TOT. SQ. FT.</b>
<b><u>27</u></b>	<b><u>Publishing</u></b>		
271	Newspapers	1	5,900
<b><u>60</u></b>	<b><u>Depository Institutions</u></b>		
602	Commercial Banks	3	8,200
<b><u>61</u></b>	<b><u>Non-Depository Credit Institutions</u></b>		
614	Personal Credit Institutions	1	500
<b><u>62</u></b>	<b><u>Security and Commodity Brokers</u></b>		
621	Security Brokers	1	1,800
<b><u>63/64</u></b>	<b><u>Insurance</u></b>		
641	Insurance Agents/Brokers	3	6,048
<b><u>65</u></b>	<b><u>Real Estate</u></b>		
651	Operators/Lessors	5	32,900
653	Real Estate Agents/Mgrs.	4	8,500
654	Title Abstract Offices	1	600
<b><u>72</u></b>	<b><u>Personal Services</u></b>		
722	Photographic Studios	1	1,900
727	Funeral Home	1	4,000
729	Miscellaneous	1	2,600
<b><u>73</u></b>	<b><u>Business Services</u></b>		
733	Mailing/Reproduction/Comm. Art/Photography/Steno Servs.	1	3,700
737	Computer/Data Processing	1	4,200
<b><u>80</u></b>	<b><u>Health Services</u></b>		
801	Offices/Clinics of Doctors	6	16,200
802	Offices/Clinics of Dentists	4	10,136
809	Other Health Services	4	12,700
<b><u>81</u></b>	<b><u>Legal Services</u></b>		
811	Legal Services	9	12,500

### Downtown Caro Offices by SIC Code

<b>SIC CODE</b>	<b>BUSINESS TYPE</b>	<b># BUS.</b>	<b>TOT. SQ. FT.</b>
<b><u>82</u></b>	<b><u>Educational Services</u></b>		
824	Vocational Schools	1	5,000
<b><u>83</u></b>	<b><u>Social Services</u></b>		
832	Individual/Family Services	1	225
<b><u>86</u></b>	<b><u>Membership Organizations</u></b>		
861	Businesss Associations	1	700
864	Civic/Social Organizations	2	12,000
866	Religious Organizations	1	3,900
<b><u>87</u></b>	<b><u>Engineering/Management Services</u></b>		
871	Engineering/Architecture	1	1,600
<b><u>91</u></b>	<b><u>General Government</u></b>		
919	General Government	4	11,900
<b><u>92</u></b>	<b><u>Courts/Justice/Public Safety</u></b>		
921	Courts	2	35,250
922	Public Safety	2	7,500
<b><u>96</u></b>	<b><u>Admin. of Economic Programs</u></b>		
961	General Economic Programs	1	950

<b>TOTAL NUMBER OF OFFICE BUSINESSES</b>	<b>63</b>
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<b>TOTAL SQUARE FEET OF OCCUPIED OFFICE BUSINESS SPACE</b>	<b>211,409</b>
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<b>TOTAL NUMBER OF VACANT OFFICE SPACES</b>	<b>2</b>
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<b>TOTAL SQUARE FEET OF VACANT OFFICE BUSINESS SPACE</b>	<b>12,600</b>
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Source: Downtown Caro Process Committee

It must be noted that the actual growth in Downtown's office demand could be higher if Downtown is able to attract general offices, or back office operations from outside the area, to attract office occupants currently located elsewhere in the community, or to experience significant expansion by current Downtown office operations.

It should also be noted that as the eastern and western portions of the DDA area – outside of the **Blueprint** area – continue to development, it is likely that demand for office space in these areas will also increase. If additional office space is developed in the eastern and western portions of the DDA area, demand for additional office space in the **Blueprint** area could be somewhat diminished.

**NOTE:**

*No attempt was made to determine the condition of vacant office space. Therefore, no judgment is made concerning the marketability of space based on condition.*

**Office Business Development** -- A listing of office types recommended for recruitment and expansion in Downtown Caro is presented in the chapter of this document titled **Course of Action**.

### **Downtown Housing Opportunities**

The **Caro Downtown Blueprint** project area contains approximately 52 apartment units, with most of those units located in the former Montague Hotel building.

Many single-family historic homes currently surround and are within easy walking distance of Downtown Caro..

Downtown offers some additional limited opportunities in the immediate future for more upper floor housing development.

As has been found throughout the nation during the past four decades – regardless of community size or location – as a Downtown's physical environment and mix of businesses is improved, the demand for housing in and near Downtown also increases. Therefore, every effort should be made,

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consistent with the implementation of the ***Downtown Blueprint***, to introduce more quality housing in and in proximity to Downtown Caro.

While it is appropriate to develop housing for all income levels in and near Downtown Caro, Downtown currently contains a sizable number of affordable units. Therefore, every effort should be made to develop additional market-rate housing units in order to ensure a balanced offering of housing units throughout the commercial district.

As market conditions allow, every effort should be made to introduce:

- More loft apartments in the upper floors of appropriate existing structures throughout Downtown;
- Mixed-use projects – market-rate and affordable – if redevelopment takes place in or near Downtown; and
- Both owner-occupied and rental units.

As noted in the Appendix of this ***Downtown Blueprint***, the Michigan State Housing Development Authority offers a wide range of housing assistance programs which could potentially be employed to assist in the further development of housing units in and potentially near Downtown. The community should take every opportunity – as it has in the past – to examine, discuss, and employ these valuable incentives to assist in the development of more Downtown housing.

Specifically noted in the attached memo written by Kent Kukuk of MSHDA's CATeam:

*The Village of Caro has made commendable strides with owner/investors utilizing first-floor retail space in the downtown storefronts. Continued use of solid zoning practices, with firm code enforcement and continued/expanded marketing of the community and downtown will keep growth manageable and positive. MSHDA OCD resources could be used to help accelerate the pace of second-story development in the downtown and ensure that a solid mix of affordable and market rate housing exists as an integral piece of the community.*

*MSHDA's Rental Rehabilitation Program, which could focus resources on the city's downtown, upper-story levels of existing buildings to increase the number of residents, would be most applicable for Caro to consider pursuing again.*

*The rental rehabilitation component is designed to help a local unit of government provide funding assistance to improve the number or income producing, investor-owned properties in a downtown area. Investor/owners are required to contribute a minimum of 25% of the total project cost for each rental unit being rehabilitated. In a Blueprint community such as Caro, OCD could provide up to \$25,000 in hard rehabilitation costs and up to \$10,000 for lead-based paint related costs for each rental unit. Rents are then controlled for 51 percent of the units and must remain affordable for a period of five years. The balance of units, the other 49%, can be rented at market rates.*

*The OCD funds utilized in each project are held as a lien against the property during the 5-year affordability period. While the local unit of government would have some flexibility on how the lien is structured, generally the MSHDA lien is forgiven at the end of the affordability period. All properties must be rehabilitated to a minimum of Housing Quality Standards and local codes. Tenant incomes must be certified annually.*

*In addition to MSHDA's HRF funds, the Village of Caro could also encourage downtown business owners to utilize the Property Improvement Program (PIP). The PIP loan can be used to finance renovations to both owner occupied and investor owned residential properties. Depending on the borrower's income, type of property, loan amount and other factors, the PIP loan carries an interest rate of between 4 and 8 percent and can be repaid over as much as 20 years. The PIP loan can be used to account for the owner/investor match of 25% that is required in the Rental Rehabilitation program.*

*Other OCD programs Caro could eventually utilize to support the neighborhoods surrounding the downtown.*

Rather than placing arbitrary or artificial limits on the number of housing units appropriate for Downtown Caro – and in neighborhoods near the commercial district – it is suggested that the absorption of units in the marketplace be used as the indicator of demand. And, that every effort be made to develop the

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greatest number of quality units possible in and near Downtown when market conditions allow.

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# ***Course of Action***

**VI. COURSE OF ACTION**

This chapter includes a ***Course of Action*** specifically designed to:

- Enable Downtown to attain the community’s defined vision for Downtown’s future;
- Enable Downtown to take advantage of the economic opportunities revealed through the Downtown market analysis; and
- Allow Downtown to become more economically successful and self-sustaining.

That ***Course of Action*** is shown below, following a reiteration of the guidelines recommended by HyettPalma to steer implementation of the ***Downtown Blueprint***.

***Guidelines***

As was said earlier in this document, based on Downtown’s current situation – and on the desires, concerns, and preferred image defined by the community – HyettPalma strongly suggests that the recommendations contained in this ***Downtown Blueprint*** be implemented using the following guidelines.

.....

***1. Investor Confidence***

The following truism exists in the field of Downtown enhancement:

$$\mathbf{Lender\ Confidence + Government\ Confidence = Investor\ Confidence.}$$

Local lender confidence and local government confidence in Downtown Caro’s future are exceptionally high. Now, this word must be spread to the investment community in order to strengthen their confidence – and encourage them to invest – in Downtown Caro.

***2. First Step***

The enhancement of Downtown Caro should be viewed and approached as the first step in ensuring that all of Caro’s commercial areas are economically healthy

and self-sustaining. It is important to start this effort in Downtown since Downtown is “the face of the community” and determines the image people have of the entire Village. However, once implementation of this ***Downtown Blueprint*** is underway, the Village government should create a strategy aimed at strengthening the commercial areas that flank Downtown. This should be done by:

- a. Working closely with the business and property owners in those areas;
- b. Defining the concerns and desires of those owners;
- c. Defining the concerns and desires of the community regarding those areas;
- d. Identifying the unique issues that face each area; and
- e. Creating a growth and development strategy for each area – which is aimed at ensuring that each of Caro’s commercial areas is successful and that all of Caro’s commercial areas complement each other.

### ***3. Pro-Business/Pro-Quality***

In any community, quality business owners and real estate purchasers have many options in terms of where to invest their money. This is especially true in the Northern Tier of the Thumb. To persuade area investors to choose to put their money into Downtown Caro, Village Hall must send out a clear message that the Village is both pro-business and pro-quality. Being pro-business means extending every level of assistance and cooperation to quality investors who are interested in operating a business or owning a building in Downtown Caro. Being pro-quality means demanding that Downtown investors operate their businesses and maintain their properties to the high standards established by the Village and desired by the community.

### ***4. Cooperation***

Downtown business owners, Downtown property owners, and the entities/organizations involved in Downtown’s enhancement must come together as a unit, speak with one unified voice for Downtown, advocate for Downtown’s better future, and take actions that are in the best interest of Downtown as a

whole. Anything less than this level of cooperation will impede Downtown's further enhancement.

### **5. Community Life**

Downtown Caro must once again be positioned as and become the center of community life, community gathering, and community socializing for those living in Caro and Tuscola County. To accomplish this, all events and facilities created in the future – that serve the greater community – should take place and be located in Downtown Caro. This includes special events, holiday celebrations, and entertainment such as community theater productions.

### **6. Village Master Plan**

For the purposes of the Village Master Plan, "Downtown" should be defined as the geographic area contained in the **Downtown Blueprint** area.



## **Public Improvements**

For the most part, Downtown's infrastructure is visually attractive and very well-maintained, thanks to the efforts of the Village and the DDA. Now, the following additional public improvements should be implemented to further improve and fine-tune Downtown's public spaces and facilities.

### **1. Parking Lots**

In past years, the Village and the DDA have made very effective improvements to all but two of Downtown's public parking lots. These improvements included landscaping, lighting, screening of dumpsters, pedestrian pathways, and banners – resulting in parking lots that have been beautified and that function well. The Village and the DDA desire to similarly improve Downtown's remaining two public parking lots and are actively seeking funds to do so. This very important project should be implemented as soon as funds become available.

### **2. Parking Management**

The Village and DDA have made parking management improvements in Downtown in the recent past, in the form of introducing two-hour time limits in public parking lots. By all accounts, this has been effective in encouraging turnover of spaces and deterring long-term parkers from monopolizing spaces.

To further improve the availability and convenience of Downtown parking, the following additional management improvements should be made.

- In all public parking lots located behind Downtown buildings, spaces in rows nearest to those buildings should be designated for two-hour parking. If demand appears to justify the designation of more two-hour spaces in the future, then additional two-hour spaces should be designated on a gradual basis and assessed to monitor demand.
- The Village should consider re-instituting a residential permit parking system in Downtown. This system should designate areas within Downtown parking lots as being where Downtown residents must park. And, Downtown residents should be required to periodically move their vehicles to allow for effective plowing during snow events.
- The Village ordinance pertaining to parking should be updated to ensure that it affords the Police Department adequate powers to enforce Downtown parking time limits without the use of parking meters.
- The green and white "P" signs now in place – to direct motorists to public parking – should be replaced with more visible and creatively designed signs that direct motorists to "Free Public Parking."
- Parking on State Street should be reserved for Downtown's customers. Therefore, consideration should be given to erecting signs on State Street that read "Free Customer Parking." It is suggested that time limits not be instituted on State Street at this time. If future abuse of parking time limits surfaces, consideration should be given to limiting parking to two-hours of State Street, but only if deemed necessary to ensure adequate and appropriate customer parking turnover.

### **3. Trash Receptacles**

Trash receptacles on State Street are often filled to capacity, due in part to their misuse by some Downtown businesses, which creates an unsightly appearance on Downtown's main street. To rectify this, it is suggested that:

- The Village consider instituting a fine system to deter Downtown business owners from placing their business waste in Downtown trash receptacles; and
- The Village explore the possibility of having a private hauler empty trash receptacles on State Street two times a week, or as often as necessary to ensure that they do not become unsightly.

#### **4. Benches**

Benches should be placed on State Street, facing its store windows, to encourage the community to stroll and visit along Downtown's main street. The benches should be black, made of iron, and complement the design of the benches found at the Courthouse.

#### **5. Traffic Light**

There has long been talk locally about moving the traffic light that is now located at State and Burnside to the intersection of State and Sherman. While the Village has discussed this possibility with MDOT in the past, the appropriateness of doing so should be explored once again with MDOT. This is an important issue to consider – and an important change to make – if relocating the light would improve pedestrian safety in Downtown, and enhance traffic flow.

#### **6. Pedestrian Crosswalks**

The following steps should be taken as a “traffic calming” measure intended to increase the feeling of pedestrian safety and comfort on State Street.

- A pedestrian crosswalk should be created at every intersection along State Street within the **Downtown Blueprint** project area.
- “Yield to Pedestrians” signs should be erected at each crosswalk – consistent with Michigan law.
- Enforcement of the “yield” regulation should be highly visible when first installed to get the attention of motorists.

#### **7. Island Triangle**

The triangular island located on State Street – where State intersects Frank and Almer – should be further beautified and softened by adding to it landscaping,

either a piece of public art or a water fountain, and lighting for evening viewing. This is important in order to create a highly attractive entry point to Downtown.

### **Building Improvements**

The following incentives should be created and steps taken to stimulate additional building improvements in Downtown Caro.

#### **1. Façade Grants**

Recently, the Village applied for and received funds from MSHDA to create a matching façade grant program that is being used to improve approximately nine buildings in Downtown. This is an excellent incentive that should be continued, since Downtown's older architecture is one of its greatest assets that can be used in creating a unique identity for Downtown.

Therefore, the Village should:

- Apply to MSHDA for additional façade grant funds; and
- Seek funds from local sources to continue the program.

#### **2. Additional Tools**

To augment the façade grant program and further encourage owners to improve Downtown structures, the following additional tools should be created by the Village. The goal of creating and offering these tools should be to protect Downtown's architectural character and the value of Downtown's real estate.

Design Guidelines – The Village should commission an architectural historian to create design guidelines for Downtown. The guidelines should provide an illustrated description of the “do's and don'ts” of restoring Downtown's façades. They should be tailored to address the styles of architecture found in Downtown and should be used to help owners determine the types of façade changes that are appropriate for their buildings and the types to avoid. Compliance with the guidelines should be required in order to receive a façade grant.

Design Assistance – The Village and the DDA should retain an architectural historian or a preservation architect to provide preliminary design assistance to owners who are serious about improving their Downtown façades. The assistance should be offered to owners free-of-charge. The preliminary design

assistance should help owners determine the types of façade improvements that are most appropriate for their building's architectural style.

### 3. Future

Caro community members who participated in sessions held to define this **Downtown Blueprint** expressed a strong consensus and belief that Downtown's older architecture is important and should be retained, since it depicts Caro's history and embodies Caro's uniqueness. If the community is serious about maintaining Downtown's architectural and historic integrity, then consideration should be given to designating Downtown as a local historic district. This would be important:

- To ensure that Downtown retains its unique identity and sense of place;
- To help Downtown remain different and distinct from newer commercial developments;
- To keep Downtown Caro from becoming "Anywhere, USA;" and
- To market Downtown Caro's history and historic architecture as a "drawing card" to attract locals and tourists alike.

### 4. Housing

A goal of the Downtown enhancement effort should be to:

- Create a larger number of housing units in Downtown;
- Have those be a balanced mix of market rate and affordable units; and
- Ensure that all of Downtown's housing units are of a high quality – regardless of whether they are affordable or market rate.

This should be accomplished by:

- Encouraging – and assisting, where appropriate – Downtown building owners to create loft apartments in upper floors;

- Impressing upon owners of homes in neighborhoods adjacent to Downtown that these must be upgraded and treated as valuable assets; and
- The Village diligently enforcing all housing and building codes to ensure safe and healthy living conditions in housing located in and around Downtown.

The Village should also continue seeking assistance from the Michigan State Housing Development Authority to development more Downtown loft housing, when deemed necessary.

## **Business Development**

The following actions should be taken to strengthen Downtown's business mix and, therefore, its ability to attract additional customers, business prospects, and investors.

### **1. Technical Assistance**

Myriad entities currently exist, which make technical assistance and networking available to business owners and those considering opening a business. Among these are:

- Tuscola County Economic Development Corporation (EDC);
- Small Business Technical and Development Center (SBTDC);
- MSU Extension;
- Enterprise Facilitation professional through the local Sirolli Institute program; and
- Village Hall.

Word should be gotten out to the Downtown business community and the investment community about the assistance available through these entities. And, the EDC and the Village should become more aggressive in:

- Working one-on-one with current Downtown business owners;

- Seeking out business prospects; and
- Providing technical assistance to current and potential Downtown business owners.

### **2. Business Curb Appeal**

Currently, Village Hall has done an excellent job of setting a high standard of quality in terms of the design, condition, and maintenance of Downtown's infrastructure and public spaces. Now, every Downtown business owner should examine their business and make any improvements needed to meet and emulate that standard of quality. At a minimum, this should entail taking the personal responsibility to create excellence in Downtown business curb appeal by:

- Keeping business windows clean at all times;
- Maintaining creative window displays that are frequently changed;
- Limiting the number of signs placed in store windows;
- Keeping entryways free of trash and leaves; and
- Ensuring that business interiors are clean, well laid out, easy for shoppers to navigate, and are appealing to the senses.

The motto in Downtown Caro should be "Spiff up, spruce up, and show your pride!"

### **3. Hours**

To attract additional customers and keep them coming back, Downtown's businesses must be open during hours that are convenient for the buying public. This means that every Downtown business owner should:

- Keep "market-driven" hours – meaning being open when the customers they cater to have time to shop; and

- Consider shifting hours – meaning opening later in the morning and staying open later into the evenings – if doing so would make their hours more “market-driven.”

In addition, Downtown is not an appropriate location for businesses that are only open on a part-time basis or businesses that are not open to the walk-in trade at all. Instead, property owners should be contacted and urged to rent their spaces only to full-time businesses – and should be given assistance in finding such tenants.

#### **4. Succession Planning/Buy-Sell Planning**

There is a good deal of concern locally regarding the prospect of losing good Downtown businesses due to the retirement of their owners. This should be addressed in the following manner.

- The Chamber, EDC, DDA, and the Village – working with MSHDA – should jointly offer training sessions on succession planning (finding new owners for a business from within the family or the business's existing employees) and buy-sell planning (finding, selling, and transferring the business to new owners who are not now part of the business).
- The EDC and Village should work one-on-one with Downtown business owners who are serious about succession or buy-sell planning to help them develop a realistic course of action.
- The Downtown marketing effort (discussed later in this chapter) should be used to get the word out about quality businesses that are for sale in Downtown.
- The Enterprise Facilitation professional, under the local Sirolli Institute program, should also be asked to get the word out about Downtown businesses that are available for sale.
- The EDC and Village should assist interested owners of quality Downtown businesses in seeking buyers for their businesses.

### **5. Niche**

Downtown Caro should be positioned as having the following niche.

***A regional, historic Downtown  
That is a community gathering place,  
Offers the best of small town Americana,  
Abounds with up-to-date retail, food, art, and entertainment venues  
– as well as quality housing –  
And appeals to all ages.***

### **6. Concentrate**

A goal of the Downtown enhancement effort should be to – over time – create a continuous band of retail, food, art, and entertainment businesses along State Street, from Almer to Sherman.

### **7. Services**

A goal of the Downtown enhancement effort should be to see:

- Professional service businesses clustered around and in the vicinity of the Courthouse; and
- Personal service businesses clustered on side streets and on the east and west edges of the Downtown project area.

### **8. Entertainment**

Downtown contains the beginnings of an entertainment district, thanks to the presence of the Thumb Area Center for the Arts (TACA) and the Strand Theater. The importance of having and retaining these two venues in Downtown Caro cannot be overstated. And, the importance of building and expanding upon these venues to create an entertainment niche and draw within Downtown also cannot be overstated. Therefore, every effort should be made to:

- Create additional entertainment venue(s) in proximity to TACA and the Strand;
- Create a venue that has the seating capacity to accommodate TACA's larger performances, which are now held at the Knights of Columbus building – which is not in Downtown;

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- Use Downtown's entertainment venues for a variety of offerings, including music, comedy, improv, open mic nights, community rental, etc. – in addition to movies and plays;
- Encourage the opening of quality food establishments in and near the entertainment district;
- Improve parking to accommodate Downtown's entertainment venues; and
- Ensure that Downtown's entertainment district appeals to a variety of ages.

### 9. Restaurants

By all accounts, Downtown now contains a variety of quality restaurants that serve lunch. However, the community greatly desires an increase in the number and variety of quality restaurants that are open for dinner in the Downtown project area. There seems to be community agreement that such restaurants should:

- Be welcoming to and comfortable for all age groups;
- Offer both food and adult beverages;
- Generate most of their revenue through the sale of food;
- Maintain a family-friendly atmosphere; and
- Maintain high standards of quality.

And, there appears to be consensus locally that The Brickhouse Grille and JJ Jamokes – both now operating in Caro but not in the **Blueprint** project area – are the epitome of such restaurants.

Therefore, it is recommended that if restaurants meeting the above test are proposed for Downtown Caro's **Blueprint** project area, all necessary approvals should be granted to them by the local governing body.

In addition, the owners of all Downtown food establishments – and especially those located on State Street – should be strongly encouraged to provide outdoor seating for their customers. Such seating greatly adds to the liveliness and animation of a Downtown.

### **10. Farmers Market**

Downtown is very fortunate to have an operating farmers market, since these facilities can become tremendous Downtown draws and anchors. There appears to be a great desire on the part of the community to see Downtown's farmers market attract additional customers. And, it is important to create spin-off patronage of Downtown businesses by those attending the farmers market. To accomplish these goals, it is suggested that:

- A contingent from Downtown Caro should contact and visit those responsible for the Port Austin farmers market – which Caro community members point to as highly appealing;
- A concerted effort should be made to see that organic products are sold at the Caro market, since such products are highly in-demand and will allow the market to attract additional customers;
- The Caro farmers market should be made more visible to those driving by on State Street; and
- The Caro brochure, mentioned later in this chapter, should be handed out at the farmers market as a way of encouraging market-goers to patronize Downtown businesses.

### **11. Top List**

The following business types should be sought for Downtown Caro within the immediate future:

- Restaurants and cafes;
- Restaurants with live entertainment;
- Outdoor seating at restaurants and cafes;
- Art galleries;
- Home accessories;
- Office, school, craft, art supply store;

- Full-line bakery; and
- Casual apparel for all ages.

### **12. Full List**

The following types of businesses and uses are appropriate for Downtown Caro.

#### **Prepared Food**

- Moderate Priced Restaurants;
- Sandwich Shops;
- Coffee Houses;
- Delis;
- Bakeries;
- Candy/Ice Cream/Yogurt Shops;
- Pubs/Taverns -- with Atmosphere/Operation Welcoming to Families; and
- Ethnic Foods -- i.e., Italian, Greek, French, Chinese, Mexican, Thai, etc.

#### **Food for Home**

- Small General Market;
- Green/Organic Grocer;
- Health Foods; and
- Meat/Fish Market.

#### **Entertainment**

- Live Theater;
- Entertainment in Restaurants -- i.e., piano player, guitarist, small combos, dancing, etc.; and
- Movie Theater.

#### **Specialty Retail**

- Antiques;
- Art Galleries, Framing, Crafts, and Supplies;
- Books and Periodicals;
- Cameras and Photo Supplies;
- Casual Apparel and Accessories;
- Computers and Software;
- Florist;
- Gifts;
- Hardware;
- Home Decorating Products and Design Services;
- Music (Recorded, Sheet, Instruments, Lessons);
- Office/School/Art/Craft Supplies;

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- Optical Products;
- Sewing Supplies;
- Shoes, Dress and Casual;
- Small Variety Store;
- Sporting Goods;
- Stationery and Cards;
- Tobacco Shop;
- Toys, Games and Crafts;
- Traditional and Costume Jewelry; and
- Wall Coverings and Paint.

### **Convenience Retail/Select Support Services**

- Auto/Home Supply;
- Barber Shops;
- Beauty Shops;
- Spa;
- Dance Studio;
- Dry Cleaners/Tailor Shop;
- Pharmacy;
- Physical Fitness Facility; and
- Shoe Repair/Shine.

### **Offices**

- Accounting, Auditing, Bookkeeping;
- Administration of Educational Programs;
- Administration of Public Health Programs;
- Administration of Veterans' Affairs;
- Administration of Economic Programs;
- Administration of Utilities;
- Advertising;
- Commercial Banks;
- Computer and Data Processing;
- Courts;
- Credit Reporting and Collection;
- Credit Unions;
- Dentists Offices and Clinics;
- Doctors Offices and Clinics;
- Engineering, Architectural Services;
- Fire, Marine Casualty Insurance;
- General Government;
- Health and Allied Services;
- Home Health Care Services;
- Individual and Family Services;
- Legal Services;
- Life Insurance;

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- Management and Public Relations;
- Medical Service and Health Insurance;
- National Security;
- Newspapers and Other Media Outlets;
- Passenger Transportation Arrangement;
- Personnel Supply Services;
- Photographic Studios;
- Print Shops;
- Public Order and Safety;
- Real Estate Agents and Managers;
- Residential Care;
- Savings Institutions;
- Security Brokers and Dealers;
- Subdividers and Developers;
- Tax Services; and
- Title Abstract and Insurance Offices.

### **Housing and Other Uses**

- Housing above first floor uses;
- Housing as infill on redeveloped lots, underutilized lots, and surface parking lots;
- Museums; and
- Churches in buildings designed as churches, not storefronts.

### ***13. Developing and Attracting New Businesses***

Prospecting for additional businesses for Downtown Caro should be undertaken through a four-pronged approach.

Expanding Existing Businesses – During the research conducted in association with the completion of this ***Downtown Blueprint***, the expansion of one existing business was observed and community discussion indicated that at least two other Downtown businesses were considering future expansions. This form of internal business creation is one of the most cost-effective and fruitful ways to grow additional business offerings in a Downtown, since existing business expansion – particularly by those in a financial position allowing them to undertake expansion – normally results in the opening of new business space that has the ability to succeed in the marketplace. Every effort should be made to encourage and assist existing business owners who desire to expand their current operations in Downtown, through the offering of both technical and any available financial incentives.

Opening New Doors by Existing Businesses – The same benefits, noted above, accrue to a Downtown when its existing businesses open “new doors” as when its existing businesses expand. Therefore, Downtown Caro’s enhancement effort should afford any existing business owner who desires to open an appropriate new business in Downtown Caro every level of assistance possible in their efforts to augment Downtown’s offerings and, thereby, better serve the marketplace.

Promoting New Businesses Needed – In association with the marketing efforts recommended in this ***Downtown Blueprint***, the types of new businesses appropriate for and being sought for Downtown Caro should be broadcast throughout the region. This type of marketing will help attract business prospects in the future.

Aggressive Outreach for New Businesses – Once every effort has been made to assist interested existing Downtown business owners with expanding and/or opening new doors, and every effort has been made to get the word out about new businesses being sought for Downtown, an aggressive effort should be made to seek business prospects through aggressive field prospecting. The EDC should be charged with spearheading this outreach effort, working closely with the Village Manager. Consideration should also be given to using the local Sirolli network to get the word out about business types being sought for Downtown.

At a minimum, new business prospects should be sought from throughout The Thumb region and the Flint and Saginaw metropolitan areas.

## **Marketing**

To address the desire expressed locally to build on and let the buying public know about “what we have Downtown,” the following marketing actions should be taken.

### ***1. Events***

Currently, three major special events occur in Downtown Caro, along with several smaller events. The three major events are Harvest Days (during which the Pumpkin Festival Parade takes place in Downtown), Cars & Crafts Weekend, and Gingerbread Village. The goal locally is to grow these three events so that they attract more and more attendees each year. This is an appropriate goal that should be supported. In doing so, the following should be implemented.

- These three events should be turned into “signature” events for which Downtown Caro becomes widely known. This means holding them annually, ensuring that they include fun elements for the whole family, and ensuring that they are unlike any other events held in the region.
- Harvest Days should be pitched to and include the agricultural segment of the community that exists in and near Caro. This should include activities that appeal to and attract the farm community to attend the event. It should also feature and include the participation of the farm community in those activities, such as staging a display of antique farm implements. And, Harvest Days should be used to position Caro as a “green” community that is on the cutting-edge of the environmental movement – with its ethanol plant and nearby organic farms.
- To make Downtown a festive and beautiful family-destination during the holiday season, State Street should be opulently adorned with holiday decorations. This could occur in conjunction with Gingerbread Village.

In addition to these three major events, Downtown should be positioned as THE place to be to celebrate family-oriented holidays. To do this, Downtown’s businesses should participate in small special events that attract children and their families to celebrate Halloween and Easter in fun ways.

Finally, Downtown’s retail, food, art, and entertainment businesses should stay open during and after Downtown’s special events – and should consider holding “open houses” during and after the above events.

### **2. Story Placement**

A concerted effort must be made to get positive stories about Downtown Caro and the Downtown enhancement effort placed with the media on a regular and on-going basis. This is extremely important to solidify Downtown’s niche and image and to attract the attention of potential customers, business prospects, and investors.

The story placement effort should be started by working closely with the local newspaper, the *Tuscola County Advertiser*, and the local radio stations. From there, the effort should be broadened to include all major print and electronic media throughout Tuscola County and the Northern Tier of the Thumb.

### 3. Web Presence

Currently, the Village of Caro, the Caro Chamber of Commerce, and the Tuscola County EDC all have Web sites. And, Downtown Caro is featured within the Village's Web site.

As Downtown is enhanced, steps should be taken to create a stronger Web presence or Downtown by:

- Creating a distinct Downtown icon on each of the three sites mentioned above;
- Including "externally-oriented" information about Downtown on those Web sites – meaning info that is aimed at attracting customers and investors to Downtown;
- Exploring the possibility of getting Downtown, its events, and its businesses listed on [www.searchthethumb.com](http://www.searchthethumb.com); and
- In the future, giving consideration to creating a separate Downtown Web site.

### 4. Village brochure

A professionally designed "lure brochure" should be created and produced to promote the Village of Caro as a whole. The brochure should stress the exceptional quality-of-life enjoyed by Caro's residents and the fact that Caro is the regional shopping hub of the Thumb.

Within that brochure, Downtown Caro should be featured as the historic, Norman Rockwell-esque heart of the Village and the region. And, Downtown's niche – as defined in this **Downtown Blueprint** – should be depicted in text and photos.

The Village brochure should be widely distributed at and through the following:

- Downtown Caro farmers market and special events;
- County Courthouse – to employees, jurors, and visitors;
- County fairgrounds – at all events;
- Caro Wal-Mart;
- Gathering places located throughout the County;
- Birch Run;

- Saginaw;
- Flint;
- Bay City;
- Travel Michigan; and
- All locations in the Northern Tier of the Thumb where locals and visitors gather.

### **5. Joint Ads**

Ads should be created for Downtown that market Downtown as a whole – featuring its image, niche, and the overall experience it offers. Downtown's retail, food, art, and entertainment businesses should participate in these ads. As a start, the ads should be run during holiday times and around special events. As a goal, the ads should be run on a year-round basis.

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# *Partnership for Success*

### VII. PARTNERSHIP FOR SUCCESS

The most successful Downtown enhancement efforts nationwide are those that are implemented by a partnership of the public, business, non-profit, and residential sectors. For Downtown Caro to reach its full potential, Downtown's key leaders and constituents from those sectors **must** continue to:

- Plan together and implement together – in partnership;
- Embrace a shared direction and a unified voice for Downtown's future;
- Provide the strong and persistent leadership needed for implementation of this **Downtown Blueprint** to occur; and
- Take effective and quality **action** – and stimulate others to take such action – that is in the best interest of Downtown as a whole.

This is essential for Downtown success. The following actions are recommended to allow this to occur for Downtown Caro.

#### **DDA**

By all accounts, the Caro DDA is a professional and hard working group. It is therefore recommended that the DDA assume the lead role in spearheading and overseeing implementation of this **Downtown Blueprint**.

As has been said earlier in this document, the DDA and the Village have done an excellent job of making highly attractive and effective public improvements in Downtown. Now, the DDA's focus should be turned to implementing the business development and marketing recommendations found in this **Downtown Blueprint**.

In addition, the DDA should serve as the vehicle that fosters increased coordination and communication among the groups involved in Downtown's enhancement – which is major desire of the community. This should be accomplished by adding the following to the DDA Board:

- The Board President of the Caro Chamber of Commerce;

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- The Chair of the Chamber's Downtown Task Force; and
- The Director of the Tuscola County EDC.

### ***Staff***

Caro's Village Manager now serves as the DDA Director. Since this has been effective, the Manager should continue to fill this role.

### ***Volunteer Development***

There is a great desire locally to increase the number of volunteers working on Downtown projects. One of Caro's neighbors to the south, Clio, has been very successful in developing volunteerism. Therefore, it is suggested that contact be made with the leaders of that community to learn how this has been achieved.

### ***Funding***

In addition to DDA funds and MSHDA funding programs, the following sources should be considered to generate adequate funding to implement this ***Downtown Blueprint***:

- State, Township, and County governments;
- Village government;
- Federal programs;
- Non-profit groups;
- Industry, corporations, and major employers;
- Business owners, commercial property owners, and real estate developers;
- Banks, utilities, and other institutions;
- Area foundations;
- Service clubs; and
- Any individual, entity, or institution that stands to benefit from an enhanced Downtown Caro.

### ***Benchmarks***

The Village should collect the following benchmarks annually, as is required by MSHDA of all communities selected to participate in the ***Downtown Blueprints*** program:

- Total taxable value of property in Downtown;
- Number of new jobs created;
- Dollar amount of new private investment;
- Public improvements and their costs;
- Economic development tools utilized;
- List of business openings;
- List of business closings;
- Total number of businesses in Downtown;
- Total number of housing units;
- Occupied retail space (sq. ft.);
- Vacant retail space (sq. ft.);
- Occupied office space (sq. ft.);
- Vacant office space (sq. ft.);
- Occupied residential space (sq. ft.); and
- Vacant residential space (sq. ft.).

### ***Adopt***

The Caro DDA should adopt this ***Downtown Blueprint*** as its official guide for Downtown's enhancement. And, it is hoped that the Village Council will adopt

this *Downtown Blueprint* as the Downtown element of the Village's Master Plan.

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# ***Implementation Sequence***

## **VIII. IMPLEMENTATION SEQUENCE**

This document contains numerous actions recommended for revitalizing Downtown Caro over the next five years. This chapter shows the recommended actions that should be carried out during the **first year** of the enhancement effort.

Toward the end of each year, the implementation sequence should be updated. And, within four to five years, consideration should be given to updating the entire ***Caro Downtown Blueprint 2008***, depending on the level of program accomplishments realized.

## Year-1 Implementation Sequence Caro Downtown Blueprint 2008

### Partnership and Management Actions

1. Formal adoption of the ***Downtown Blueprint*** by the Village of Caro as the Downtown element of the Village's Master Plan.
2. Formal adoption by the DDA of the ***Downtown Blueprint*** as its official guide for the further enhancement of Downtown.
3. DDA takes the lead role in implementation of the ***Downtown Blueprint***.
4. Add DDA Board members as possible, as per recommendations of the ***Downtown Blueprint***.
5. Village Manager continues to serve as DDA Director.
6. Contact Clio to learn about their volunteer development efforts.
7. Seek additional funding as needed, as per recommendations of the ***Downtown Blueprint***.
8. Document results through benchmarking.

### Public Improvement Actions

1. Enhance the two remaining Downtown public parking lots as soon as funding allows.
2. Make parking management improvements, as per recommendations of the ***Downtown Blueprint***.
3. Institute a fine system to deter placement of business waste in pedestrian street trash containers and make a strong public statement of intent to enforce if necessary.
4. Consider having private hauler empty pedestrian street trash containers twice per week.
5. Discuss with MDOT moving State/Burnside traffic light to State/Sherman, if deemed appropriate.
6. Mark pedestrian crosswalks and enforce Michigan's "yield to pedestrians" law.
7. Plan for enhancement of island triangle.

### Building Improvement Actions

1. Seek additional funding for façade grants.
2. Prepare design guidelines and offer design assistance.
3. Encourage and assist in efforts to develop additional Downtown housing.

## Year-1 Implementation Sequence Caro Downtown Blueprint 2008 (continued)

### Business Development Actions

1. Promote available technical assistance to Downtown businesses.
2. Work with and encourage Downtown's existing businesses to enhance their curb appeal, as per recommendations of the ***Downtown Blueprint***.
3. Offer succession planning/buy-sell planning technical assistance, as per recommendations of the ***Downtown Blueprint***.
4. Work with interested business owners, property owners, and institutions to offer more entertainment venues Downtown, as per recommendations of the ***Downtown Blueprint***.
5. Adopt local standards for government support of new Downtown restaurant development, as recommended in the ***Downtown Blueprint***.
6. Enhance farmers market, as per recommendations of the ***Downtown Blueprint***.
7. Develop and attract new businesses, as per recommendations of the ***Downtown Blueprint***.

### Marketing Actions

1. Turn three existing major Downtown events into signature events, as per recommendations of the ***Downtown Blueprint***.
2. Seek story placements through area media.
3. Plan for Village brochure.
4. Plan joint ads and place as funding allows.

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# ***Appendix***

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# **MSHDA Memo**



STATE OF MICHIGAN

JENNIFER M. GRANHOLM  
GOVERNOR

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY  
LANSING

MICHAEL R. DeVO  
EXECUTIVE DIRECTOR

## MEMORANDUM

**DATE:** May 12, 2008

**TO:** Village of Caro  
Village of Caro, Downtown Development Authority

**FROM:** Kent W. Kukuk  
Community Specialist, Community Assistance Team  
Michigan State Housing Development Authority

**SUBJECT:** Village of Caro - Blueprint Implementation Strategy  
HyettPalma Site Visit, March 25-29, 2008

As part of Michigan State Housing Development Authority's (MSHDA) commitment to the Blueprint process, this memorandum shall serve as formal written recommendations for MSHDA assisted implementation of the Blueprint for Michigan Downtowns for the Village of Caro.

The Community Assistance Team (CATeam) and Office of Community Development (OCD) have a variety of funding and technical assistance resources available for use by the Village of Caro and non-profit organizations with housing experience to address affordable housing and revitalization needs in the downtown. Following are brief descriptions of programs the Village of Caro should consider as a follow through for the Blueprint Implementation Strategy.

### **Community Assistance Team (CATeam) Resources**

Technical Assistance from the CATEam is available to assist the Village of Caro with the following programs and incentives:

**Community Development Block Grants (CDBG)**-Grants are available for public infrastructure improvement projects that create private jobs and private investment in the downtown. These grants can be used for public infrastructure improvements such as, public parking, water/sewer upgrades, public alley improvements, public utility relocation, and streetscape enhancements. Typically, these funds are allotted at \$10,000 - \$30,000 per new full-time job created, a funding ratio of 2 to 1, private to CDBG funds, with a minimum local match of 10% and, of the new being jobs created, 51% must be held by low and moderate income people.

Grants are also available through the Community Assistance Team Downtown Improvement Initiatives Program. This program is designed to assist communities in two areas; Downtown Façade Improvement and Signature/Vacant Building Acquisition. These programs are intended to stimulate private investment in a downtown district with blight removal, building/housing renovations and job creation.



- Facade Improvement Initiative: To make physical improvements to building facades within a traditional downtown district.
- Signature/Vacant Building Initiative: To assist in the acquisition of vacant or underutilized traditional downtown signature buildings for rehabilitation purposes that must result in job creation.

**Tax Increment Finance (TIF) Authority Financing**-The CATeam is available to answer specific questions on the uses of Downtown Development Authority (DDA) revenues. Projects and programs funded by TIF revenues can be developed to support the downtown development efforts within the downtown business development district. Specifically, the TIF revenues could be used for projects and programs such as street lighting, streetscape, infrastructure improvements as well as other public capital projects included in the DDA TIF work plan.

**Brownfield Redevelopment**-The Michigan Brownfield Redevelopment program has been a vital component in the state's economic development efforts to reuse Brownfield sites in the revitalization of Michigan's downtowns. The Brownfield Redevelopment Program is a resource that allows communities to use Tax Increment Financing (TIF) to clean brownfield sites. This program also utilizes the Michigan Business Tax (MBT) Credit Incentives. The goal of these programs is to assist in making the proposed project economically feasible by providing incentives to overcome additional and extraordinary project expenses caused by the existing brownfield conditions. If you feel a project may qualify for this program, the CATeam is available to provide assistance and information on how to use these tools in your downtown revitalization efforts.

### **Office of Community Development (OCD) Resources**

The Village of Caro has made commendable strides with owner/investors utilizing first-floor retail space in the downtown storefronts. Continued use of solid zoning practices, with firm code enforcement and continued/expanded marketing of the community and downtown will keep growth manageable and positive. MSHDA OCD resources could be used to help accelerate the pace of second-story development in the downtown and ensure that a solid mix of affordable and market rate housing exists as an integral piece of the community.

**Rental Rehabilitation in a Downtown Area** – MSHDA's Rental Rehabilitation Program, which could focus resources on the city's downtown, upper-story levels of existing buildings to increase the number of residents, would be most applicable for Caro to consider pursuing again.

The rental rehabilitation component is designed to help a local unit of government provide funding assistance to improve the number or income producing, investor-owned properties in a downtown area. Investor/owners are required to contribute a minimum of 25% of the total project cost for each rental unit being rehabilitated. In a Blueprint community such as Caro, OCD could provide up to \$25,000 in hard rehabilitation costs and up to \$10,000 for lead-based paint related costs for each rental unit. Rents are then controlled for 51 percent of the units and must remain affordable for a period of five years. The balance of units, the other 49%, can be rented at market rates.

The OCD funds utilized in each project are held as a lien against the property during the 5-year affordability period. While the local unit of government would have some flexibility on how the lien is structured, generally the MSHDA lien is forgiven at the end of the affordability period. All properties must be rehabilitated to a minimum of Housing Quality Standards and local codes. Tenant incomes must be certified annually.

In addition to MSHDA's HRF funds, the Village of Caro could also encourage downtown business owners to utilize the Property Improvement Program (PIP). The PIP loan can be used to finance renovations to both owner occupied and investor owned residential properties. Depending on the borrower's income, type of property, loan amount and other factors, the PIP loan carries an interest rate of between 4 and 8 percent and can be repaid over as much as 20 years. The PIP loan can be used to account for the owner/investor match of 25% that is required in the Rental Rehabilitation program.

Other OCD programs Caro could eventually utilize to support the neighborhoods surrounding the downtown include:

**Homebuyer Assistance** - The homebuyer assistance component is designed to expand the homeownership opportunities for low to moderate-income homebuyers through acquisition, rehabilitation or new construction of single-family units. All homebuyers are required to receive pre-purchase homeownership counseling. Resale/recapture provisions are required to ensure long-term affordability of assisted units and are enforced through a lien on the property. The term of the lien is dependent upon the amount of funds invested as a homebuyer subsidy. Two basic models of homebuyer assistance are listed below.

Acquisition/Development/Resale (ADR) This model is designed to help a community or nonprofit organization acquire vacant land or problem properties, build new units or thoroughly rehabilitate existing units, and resell the property to an income eligible buyer. This model combines acquisition, rehabilitation, and development subsidy, but permits both new construction and substantial rehabilitation, to the extent reasonable and prudent for a target area. Generally ADR is used to help revitalize neighborhoods by rehabbing units that are in disrepair, or to add high-quality new construction units to a neighborhood once a sufficient market demand has been established.

Homebuyer Purchase/Rehab (HPR) This model provides assistance for income eligible homebuyers to obtain financing to purchase a home and provide needed moderate rehabilitation. It combines down payment assistance and rehabilitation activities while assuring financing which is affordable to the buyer.

**Neighborhood Preservation** - The neighborhood preservation component is designed to assist local efforts to comprehensively address neighborhood revitalization in geographically defined target areas. It is designed to maximize community impact and reverse patterns of disinvestment by funding neighborhood improvement activities in support of affordable housing within a targeted residential area. Revitalization may occur through the use of public facilities improvement, neighborhood beautification, demolition, and/or neighborhood marketing and education. Neighborhood preservation

is normally funded along with other housing components targeted at the same neighborhood.

## **Other Agency Programs and Funding**

**Historic Preservation-**The State Historic Preservation Office (SHPO) has resources that may be available to assist the Village of Caro in preserving existing historic structures. SHPO could assist in the identification of historic resources in the community and information on tax credit programs available. In addition, SHPO would also be able to provide advice on the historic nature of downtown buildings that make up the uniqueness of the community and provide guidance on overall preservation to keep this a strong visible asset in the community.

**Additional Agency Programs-** Other grant funding sources are also available through other state agencies including the History, Arts and Libraries (HAL), and the Michigan Department of Transportation (MDOT). In the event Caro wishes to obtain more information or pursue one of these agency's programs, the CATeam and OCD are available to assist in locating any of these resources to support efforts related to the enhancement of the downtown area.

For further information on any MSHDA CATeam or OCD programs, please feel free to contact me. I would be happy to answer any questions regarding CATeam programs or put you in touch with your CD Specialist for further information regarding their programs.

Kent W. Kukuk  
Community Assistance Team (CATeam)  
Michigan State Housing Development Authority  
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**Making Downtown Renaissance a Reality**

# **THE RETAIL REPORT.®**

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**Downtown Caro  
Primary Retail Trade Area**

## **THE RETAIL REPORT®**

**THE RETAIL REPORT**, presented within this document, was specifically prepared for Downtown Caro, Michigan. This document presents information concerning the characteristics of the Downtown Caro primary retail trade. The report was prepared in 2008 by HyettPalma, Inc.

### **THE RETAIL REPORT** presents:

- The current demographic and socio-economic characteristics of customers in the Downtown Caro primary retail trade area;
- A five year projection of changing demographic and socio-economic conditions in the Downtown Caro primary retail trade area;
- A projection of the number of retail dollars that residents in the Downtown Caro primary retail trade area spend on retail goods; and
- A projection of the total retail spending potential for 24 classes of retail goods sought by customers in the Downtown Caro primary retail trade area.

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**Making Downtown Renaissance a Reality**

# **DEMOGRAPHIC AND SOCIO-ECONOMIC CHARACTERISTICS**



# Demographic and Income Profile

## Downtown Caro, MI Primary Retail Trade Area

Study Area: Custom Shapes

Shape:

1

Summary	2000	2007	2012
Population	29,360	29,545	29,828
Households	10,996	11,400	11,622
Families	7,918	8,007	7,996
Average Household Size	2.57	2.51	2.48
Owner Occupied HUs	9,005	9,378	9,527
Renter Occupied HUs	1,991	2,023	2,095
Median Age	37.7	40.3	41.5

Trends: 2007-2012 Annual Rate	Area	State	National
Population	0.19%	0.44%	1.22%
Households	0.39%	0.58%	1.27%
Families	-0.03%	0.14%	1.00%
Owner HHs	0.32%	0.56%	1.29%
Median Household Income	2.3%	2.86%	3.29%

Households by Income	2000		2007		2012	
	Number	Percent	Number	Percent	Number	Percent
< \$15,000	1,580	14.3%	1,293	11.3%	1,148	9.9%
\$15,000 - \$24,999	1,736	15.8%	1,481	13.0%	1,297	11.2%
\$25,000 - \$34,999	1,704	15.5%	1,503	13.2%	1,328	11.4%
\$35,000 - \$49,999	2,184	19.8%	2,100	18.4%	1,981	17.0%
\$50,000 - \$74,999	2,156	19.6%	2,425	21.3%	2,590	22.3%
\$75,000 - \$99,999	967	8.8%	1,287	11.3%	1,393	12.0%
\$100,000 - \$149,999	586	5.3%	1,035	9.1%	1,388	11.9%
\$150,000 - \$199,000	55	0.5%	187	1.6%	307	2.6%
\$200,000+	52	0.5%	89	0.8%	191	1.6%
Median Household Income	\$37,746		\$45,000		\$50,416	
Average Household Income	\$45,780		\$54,579		\$62,049	
Per Capita Income	\$17,606		\$21,407		\$24,568	

Population by Age	2000		2007		2012	
	Number	Percent	Number	Percent	Number	Percent
0 - 4	1,701	5.8%	1,767	6.0%	1,753	5.9%
5 - 9	2,096	7.1%	1,634	5.5%	1,689	5.7%
10 - 14	2,265	7.7%	1,875	6.3%	1,725	5.8%
15 - 19	2,239	7.6%	2,000	6.8%	1,890	6.3%
20 - 24	1,627	5.5%	2,018	6.8%	1,763	5.9%
25 - 34	3,519	12.0%	3,571	12.1%	3,848	12.9%
35 - 44	4,664	15.9%	4,038	13.7%	3,572	12.0%
45 - 54	4,155	14.2%	4,716	16.0%	4,739	15.9%
55 - 64	2,922	10.0%	3,645	12.3%	4,251	14.3%
65 - 74	2,063	7.0%	2,228	7.5%	2,474	8.3%
75 - 84	1,537	5.2%	1,375	4.7%	1,378	4.6%
85+	573	2.0%	677	2.3%	746	2.5%

Race and Ethnicity	2000		2007		2012	
	Number	Percent	Number	Percent	Number	Percent
White Alone	28,104	95.7%	27,731	93.9%	27,805	93.2%
Black Alone	311	1.1%	670	2.3%	722	2.4%
American Indian Alone	206	0.7%	209	0.7%	213	0.7%
Asian Alone	88	0.3%	159	0.5%	207	0.7%
Pacific Islander Alone	5	0.0%	6	0.0%	7	0.0%
Some Other Race Alone	260	0.9%	324	1.1%	377	1.3%
Two or More Races	386	1.3%	445	1.5%	497	1.7%
Hispanic Origin (Any Race)	801	2.7%	1,007	3.4%	1,179	4.0%

Data Note: Income is expressed in current dollars.

Source: U.S. Bureau of the Census, 2000 Census of Population and Housing. ESRI forecasts for 2007 and 2012.



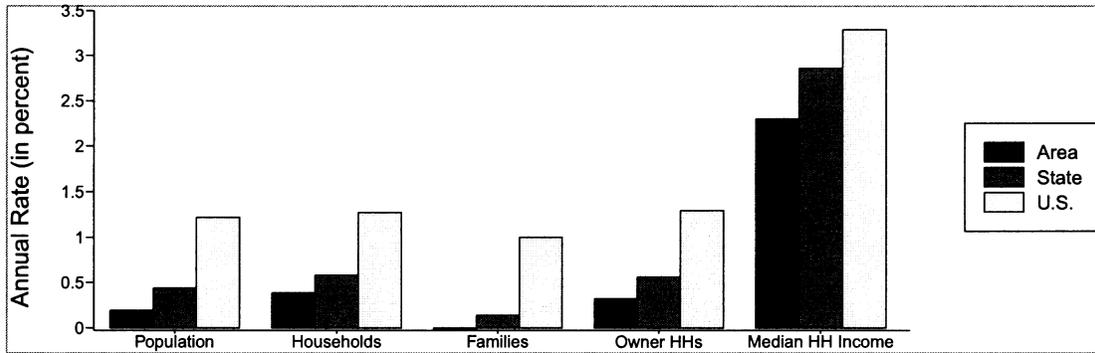
# Demographic and Income Profile

Downtown Caro, MI Primary Retail Trade Area

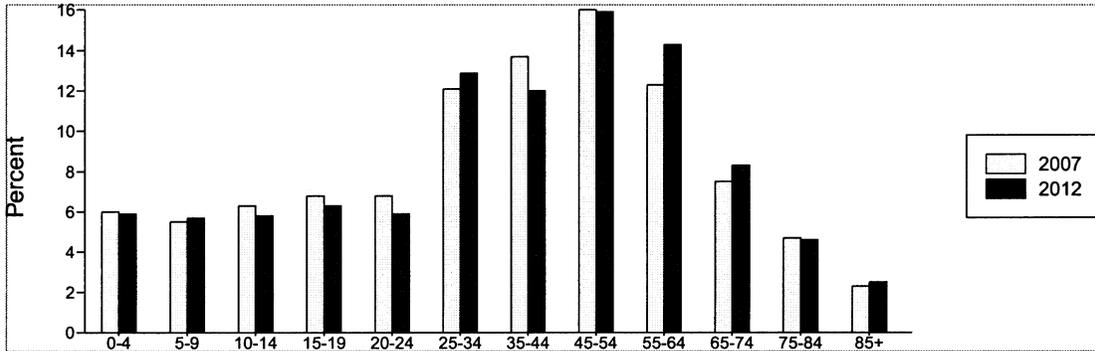
Study Area: Custom Shapes

Shape: 1

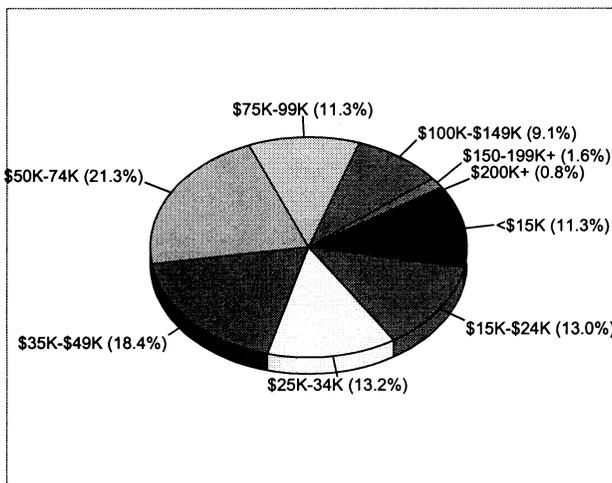
Trends 2007-2012



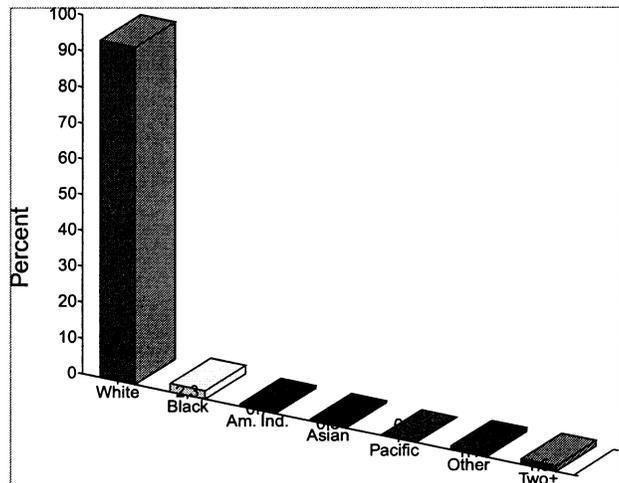
Population by Age



2007 Household Income



2007 Population by Race



2007 Percent Hispanic Origin: 3.4%

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# **PRODUCT DEMAND BY INCOME GROUP**



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**DOWNTOWN CARO'S RETAIL TRADE AREA  
COMPUTATION OF TOTAL RETAIL PRODUCT DEMAND  
BY INCOME GROUP**

Household Income	# Hlds.	\$ Per Hld.	Total \$ Demand
< \$15000	1,293	8,205	10,609,065
\$15000-24999	1,481	10,028	14,851,468
\$25000-34999	1,503	12,168	18,288,504
\$35000-49999	2,100	14,042	29,488,200
> \$50000	5,022	24,818	124,635,996
<b>TOTAL DEMAND FOR PRODUCT =</b>			<b>\$197,873,233</b>

SOURCE: U.S. Department of Labor, Consumer Expenditure Survey; ESRI BIS; and HyettPalma, Inc.

**DEFINITION OF PRODUCT:**

Food at home, food away from home, alcoholic beverages, household textiles, furniture, floor coverings, major appliances, small appliances and miscellaneous housewares, miscellaneous household equipment, men's apparel, women's apparel, boy's apparel, girl's apparel, children's apparel, shoes, other apparel products and services, prescription drugs and medical supplies, entertainment fees and admissions, televisions, radios, sound equipment, toys, play-ground equipment, entertainment equipment, personal care products and services, reading products, tobacco products and smoking supplies.

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# **PRODUCT DEMAND BY PRODUCT TYPE**

**DOWNTOWN CARO'S RETAIL TRADE AREA  
COMPUTATION OF TOTAL RETAIL PRODUCT DEMAND  
BY PRODUCT TYPE**

PRODUCT	DEMAND
Food At Home	50,820,301
Food Away From Home	33,211,088
Alcoholic Beverages	5,842,630
Household Textiles	1,979,103
Furniture	6,418,319
Floor Coverings	828,732
Major Appliances	3,142,576
Small Appliances & Miscellaneous Housewares	1,711,741
Miscellaneous Household Equipment	11,491,811
Men's Apparel -- 16 and Over	5,219,207
Boy's Apparel -- 2 to 15	1,750,935
Women's Apparel -- 16 and Over	8,734,275
Girl's Apparel -- 2 to 15	1,698,415
Children's Apparel -- Under 2	1,422,225
Footwear	4,092,165
Other Apparel Services & Products	4,756,990
Prescription Drugs & Medical Supplies	7,516,405
Entertainment Fees & Admissions	8,401,925
Audio & Visual Equipment	11,393,325
Pets, Toys & Playground Equipment	5,728,030
Other Entertainment Supplies & Services	8,718,145
Personal Care Products & Services	7,444,475
Reading	1,745,165
Tobacco Products & Smoking Supplies	3,805,250
<b>TOTAL DEMAND BY PRODUCT TYPE</b>	<b>= \$197,873,233</b>

SOURCE: U.S. Department of Labor, Consumer Expenditure Survey; ESRI BIS; and HyettPalma, Inc.

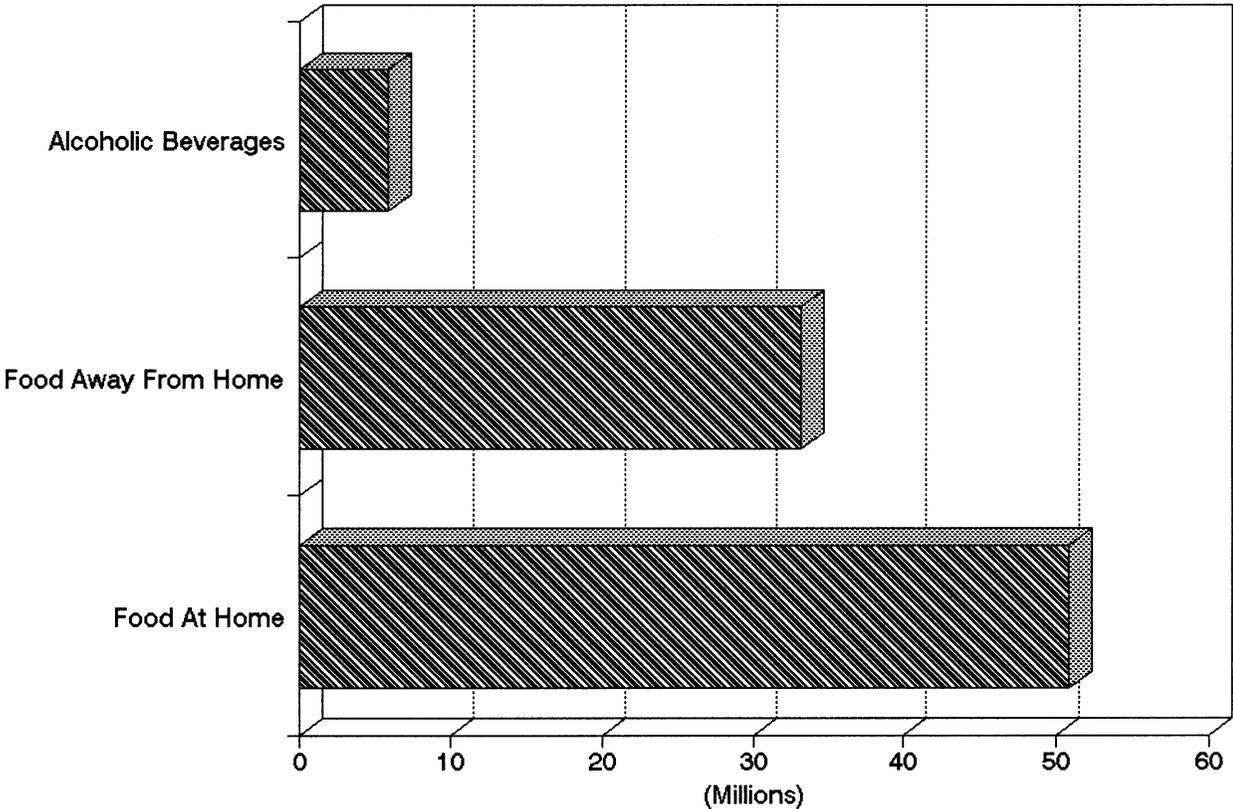
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# **DEMAND FOR FOOD PRODUCTS**

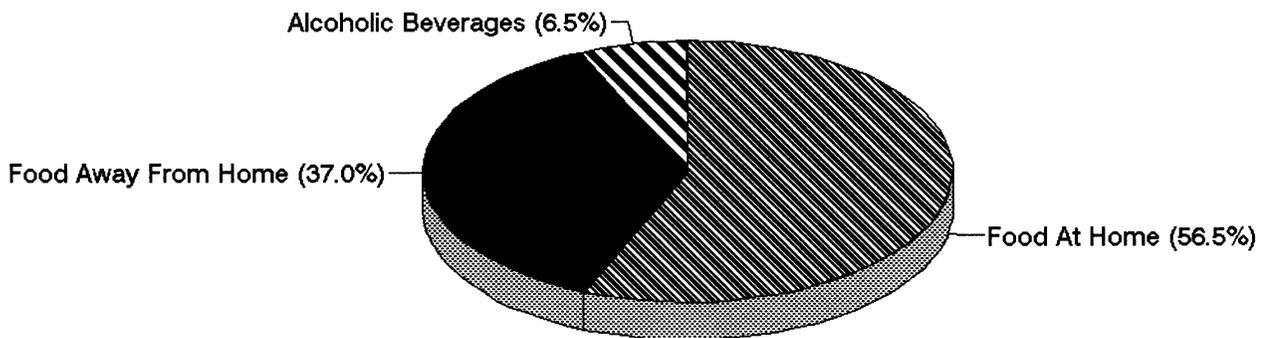
# FOOD PRODUCTS

## \$ DEMAND BY PRODUCT TYPE



# FOOD PRODUCTS

## % DEMAND FOR EACH DOLLAR



**DOWNTOWN CARO'S RETAIL TRADE AREA  
COMPUTATION OF DEMAND BY RETAIL PRODUCT**

PRODUCT:     FOOD AT HOME

Household Income	# Hlds.	\$ Per Hld.	Total \$ Demand
< \$15000	1,293	2,760	3,568,680
\$15000-24999	1,481	3,155	4,672,555
\$25000-34999	1,503	3,312	4,977,936
\$35000-49999	2,100	3,760	7,896,000
> \$50000	5,022	5,915	29,705,130
<b>TOTAL DEMAND FOR PRODUCT     =</b>			<b>\$50,820,301</b>

SOURCE: U.S. Department of Labor, Consumer Expenditure Survey; ESRI BIS; and HyettPalma, Inc.

**DEFINITION OF PRODUCT:**

Food at grocery stores or other food stores.

**DOWNTOWN CARO'S RETAIL TRADE AREA  
COMPUTATION OF DEMAND BY RETAIL PRODUCT**

PRODUCT: FOOD AWAY FROM HOME

Household Income	# Hlds.	\$ Per Hld.	Total \$ Demand
< \$15000	1,293	1,284	1,660,212
\$15000-24999	1,481	1,498	2,218,538
\$25000-34999	1,503	1,926	2,894,778
\$35000-49999	2,100	2,354	4,943,400
> \$50000	5,022	4,280	21,494,160
<b>TOTAL DEMAND FOR PRODUCT =</b>			<b>\$33,211,088</b>

SOURCE: U.S. Department of Labor, Consumer Expenditure Survey; ESRI BIS; and HyettPalma, Inc.

DEFINITION OF PRODUCT:

All food at restaurants, carryouts and vending machines.



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**DOWNTOWN CARO'S RETAIL TRADE AREA  
COMPUTATION OF DEMAND BY RETAIL PRODUCT**

PRODUCT: ALCOHOLIC BEVERAGES

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Household Income	# Hlds.	\$ Per Hld.	Total \$ Demand
< \$15000	1,293	192	248,256
\$15000-24999	1,481	224	331,744
\$25000-34999	1,503	360	541,080
\$35000-49999	2,100	395	829,500
> \$50000	5,022	775	3,892,050

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TOTAL DEMAND FOR PRODUCT = \$5,842,630

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SOURCE: U.S. Department of Labor, Consumer Expenditure Survey; ESRI BIS; and HyettPalma, Inc.

DEFINITION OF PRODUCT:

All alcoholic beverages.

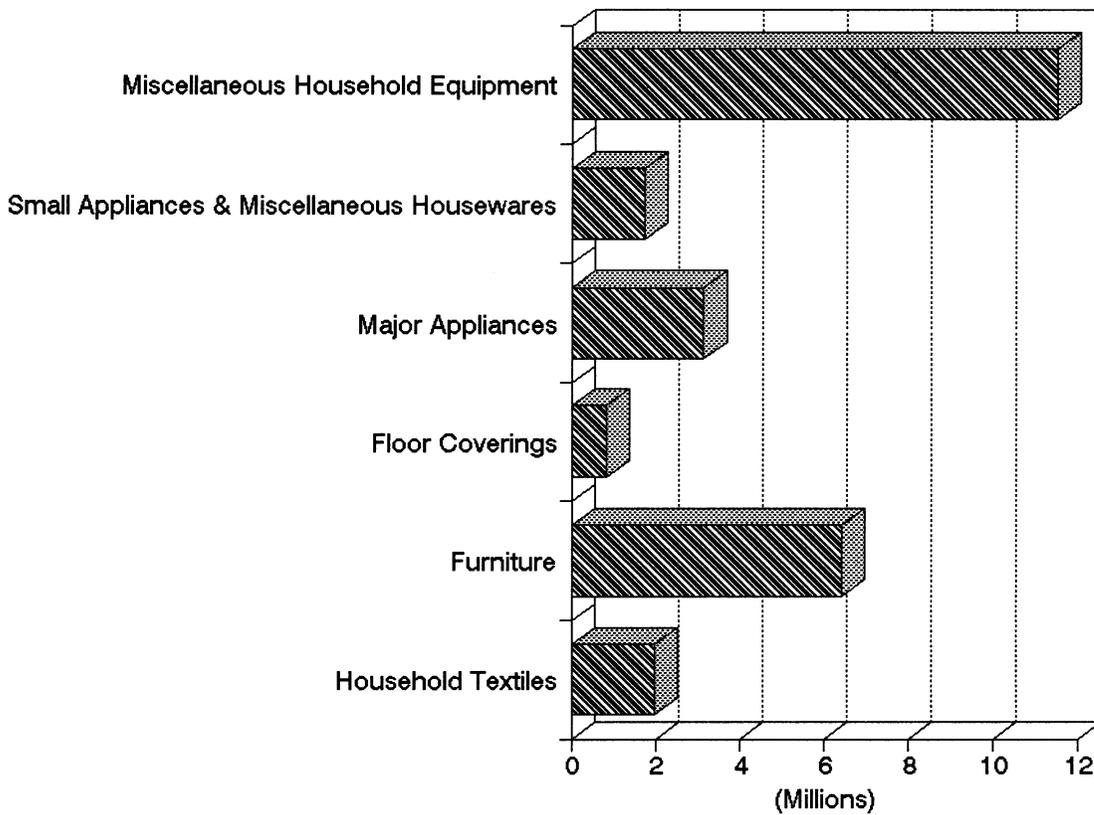
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# **DEMAND FOR HOME PRODUCTS**

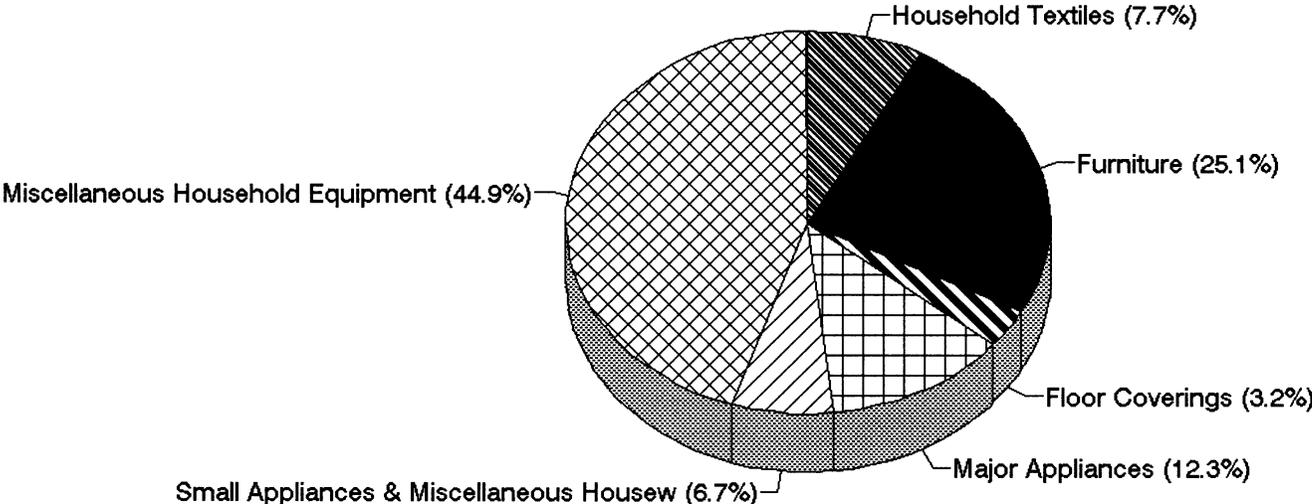
# HOME PRODUCTS

## \$ DEMAND BY PRODUCT TYPE



# HOME PRODUCTS

## % DEMAND FOR EACH DOLLAR





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**DOWNTOWN CARO'S RETAIL TRADE AREA  
COMPUTATION OF DEMAND BY RETAIL PRODUCT**

PRODUCT: HOUSEHOLD TEXTILES

---

Household Income	# Hlds.	\$ Per Hld.	Total \$ Demand
< \$15000	1,293	50	64,650
\$15000-24999	1,481	111	164,391
\$25000-34999	1,503	138	207,414
\$35000-49999	2,100	175	367,500
> \$50000	5,022	234	1,175,148

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TOTAL DEMAND FOR PRODUCT = \$1,979,103

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SOURCE: U.S. Department of Labor, Consumer Expenditure Survey; ESRI BIS; and HyettPalma, Inc.

**DEFINITION OF PRODUCT:**

Bathroom, bedroom, kitchen, dining room, and other linens, curtains and drapes, slipcovers, pillows and sewing materials.

**DOWNTOWN CARO'S RETAIL TRADE AREA  
COMPUTATION OF DEMAND BY RETAIL PRODUCT**

PRODUCT: FURNITURE

Household Income	# Hlds.	\$ Per Hld.	Total \$ Demand
< \$15000	1,293	155	200,415
\$15000-24999	1,481	241	356,921
\$25000-34999	1,503	321	482,463
\$35000-49999	2,100	385	808,500
> \$50000	5,022	910	4,570,020
<b>TOTAL DEMAND FOR PRODUCT =</b>			<b>\$6,418,319</b>

SOURCE: U.S. Department of Labor, Consumer Expenditure Survey; ESRI BIS; and HyettPalma, Inc.

DEFINITION OF PRODUCT:

All indoor and outdoor furniture.



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**DOWNTOWN CARO'S RETAIL TRADE AREA  
COMPUTATION OF DEMAND BY RETAIL PRODUCT**

PRODUCT: FLOOR COVERINGS

Household Income	# Hlds.	\$ Per Hld.	Total \$ Demand
< \$15000	1,293	21	27,153
\$15000-24999	1,481	30	44,430
\$25000-34999	1,503	33	49,599
\$35000-49999	2,100	38	79,800
> \$50000	5,022	125	627,750
<b>TOTAL DEMAND FOR PRODUCT =</b>			<b>\$828,732</b>

SOURCE: U.S. Department of Labor, Consumer Expenditure Survey; ESRI BIS; and HyettPalma, Inc.

DEFINITION OF PRODUCT:

Carpet, rugs and other soft floor coverings.

**DOWNTOWN CARO'S RETAIL TRADE AREA  
COMPUTATION OF DEMAND BY RETAIL PRODUCT**

PRODUCT: MAJOR APPLIANCES

Household Income	# Hlds.	\$ Per Hld.	Total \$ Demand
< \$15000	1,293	99	128,007
\$15000-24999	1,481	134	198,454
\$25000-34999	1,503	145	217,935
\$35000-49999	2,100	185	388,500
> \$50000	5,022	440	2,209,680
<b>TOTAL DEMAND FOR PRODUCT =</b>			<b>\$3,142,576</b>

SOURCE: U.S. Department of Labor, Consumer Expenditure Survey; ESRI BIS; and HyettPalma, Inc.

**DEFINITION OF PRODUCT:**

Refrigerators, freezers, dishwashers, stoves, ovens, garbage disposals, vacuum cleaners, microwaves, air conditioners, sewing machines, washing machines, dryers, and floor cleaning equipment.

**DOWNTOWN CARO'S RETAIL TRADE AREA  
COMPUTATION OF DEMAND BY RETAIL PRODUCT**

PRODUCT:      SMALL APPLIANCES & MISC. HOUSEWARES

Household Income	# Hlds.	\$ Per Hld.	Total \$ Demand
< \$15000	1,293	65	84,045
\$15000-24999	1,481	92	136,252
\$25000-34999	1,503	98	147,294
\$35000-49999	2,100	102	214,200
> \$50000	5,022	225	1,129,950
<b>TOTAL DEMAND FOR PRODUCT</b>			<b>= \$1,711,741</b>

SOURCE: U.S. Department of Labor, Consumer Expenditure Survey; ESRI BIS; and HyettPalma, Inc.

**DEFINITION OF PRODUCT:**

Small electrical kitchen appliances, portable heaters, china and other dinnerware, flatware, glassware, silver and serving pieces, nonelectrical cookware and plastic dinnerware.

**DOWNTOWN CARO'S RETAIL TRADE AREA  
COMPUTATION OF DEMAND BY RETAIL PRODUCT**

PRODUCT: MISCELLANEOUS HOUSEHOLD EQUIPMENT

Household Income	# Hlds.	\$ Per Hld.	Total \$ Demand
< \$15000	1,293	370	478,410
\$15000-24999	1,481	394	583,514
\$25000-34999	1,503	845	1,270,035
\$35000-49999	2,100	856	1,797,600
> \$50000	5,022	1,466	7,362,252
<b>TOTAL DEMAND FOR PRODUCT =</b>			<b>\$11,491,811</b>

SOURCE: U.S. Department of Labor, Consumer Expenditure Survey; ESRI BIS; and HyettPalma, Inc.

**DEFINITION OF PRODUCT:**

Typewriters, luggage, lamps, light fixtures, window coverings, clocks, lawnmowers, garden equipment, hand and power, tools, telephone devices, computers, office equipment, house plants, outdoor equipment, and small miscellaneous furnishings.

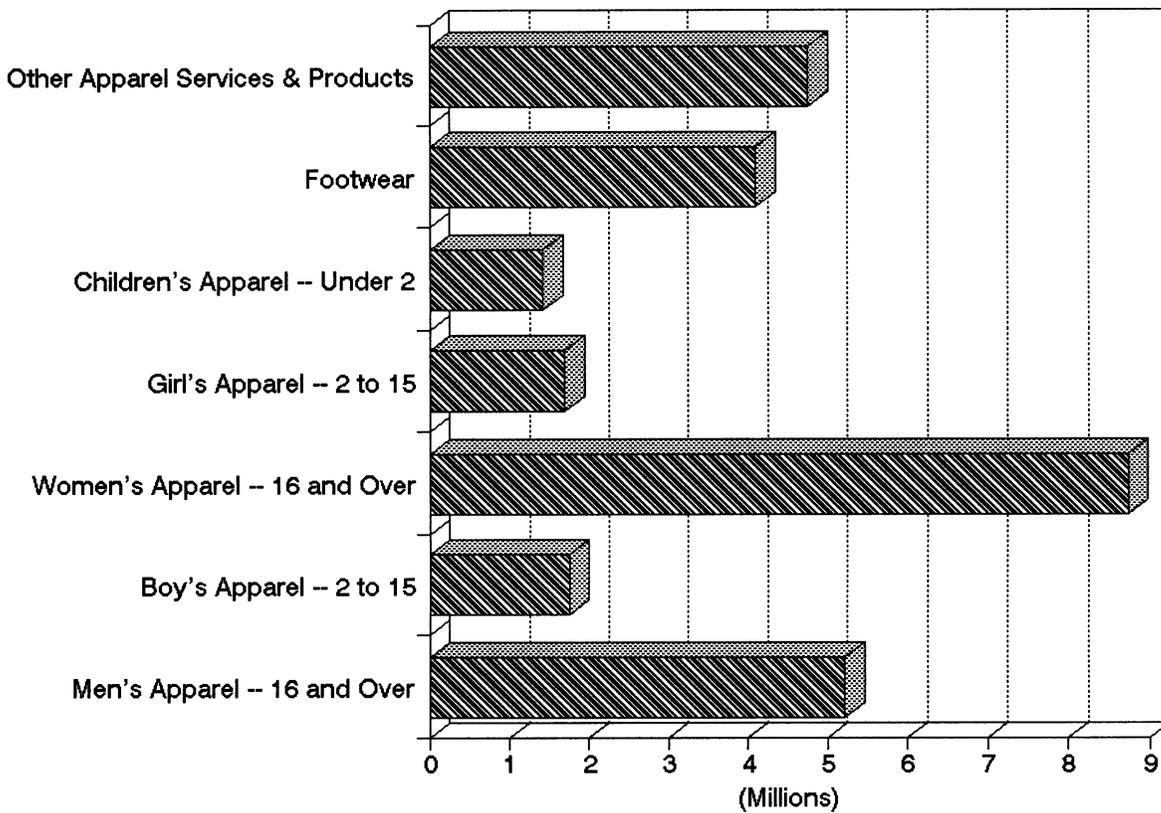
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# **DEMAND FOR APPAREL PRODUCTS**

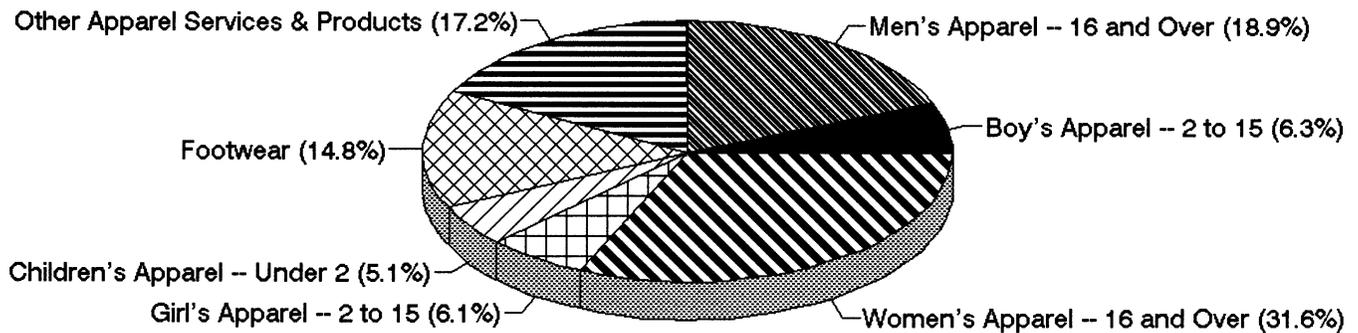
# APPAREL PRODUCTS

## \$ DEMAND BY PRODUCT TYPE



# APPAREL PRODUCTS

## % DEMAND FOR EACH DOLLAR



**DOWNTOWN CARO'S RETAIL TRADE AREA  
COMPUTATION OF DEMAND BY RETAIL PRODUCT**

PRODUCT: MEN'S APPAREL -- 16 AND OVER

Household Income	# Hlds.	\$ Per Hld.	Total \$ Demand
< \$15000	1,293	214	276,702
\$15000-24999	1,481	244	361,364
\$25000-34999	1,503	285	428,355
\$35000-49999	2,100	392	823,200
> \$50000	5,022	663	3,329,586
<b>TOTAL DEMAND FOR PRODUCT =</b>			<b>\$5,219,207</b>

SOURCE: U.S. Department of Labor, Consumer Expenditure Survey; ESRI BIS; and HyettPalma, Inc.

**DEFINITION OF PRODUCT:**

All apparel items and accessories, excluding footwear.



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**DOWNTOWN CARO'S RETAIL TRADE AREA  
COMPUTATION OF DEMAND BY RETAIL PRODUCT**

PRODUCT: BOY'S APPAREL -- 2 TO 15

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Household Income	# Hlds.	\$ Per Hld.	Total \$ Demand
< \$15000	1,293	65	84,045
\$15000-24999	1,481	105	155,505
\$25000-34999	1,503	125	187,875
\$35000-49999	2,100	140	294,000
> \$50000	5,022	205	1,029,510

---

TOTAL DEMAND FOR PRODUCT = \$1,750,935

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SOURCE: U.S. Department of Labor, Consumer Expenditure Survey; ESRI BIS; and HyettPalma, Inc.

DEFINITION OF PRODUCT:

All apparel items and accessories, excluding footwear.

**DOWNTOWN CARO'S RETAIL TRADE AREA  
COMPUTATION OF DEMAND BY RETAIL PRODUCT**

PRODUCT:      WOMEN'S APPAREL -- 16 AND OVER

Household Income	# Hlds.	\$ Per Hld.	Total \$ Demand
< \$15000	1,293	370	478,410
\$15000-24999	1,481	390	577,590
\$25000-34999	1,503	525	789,075
\$35000-49999	2,100	650	1,365,000
> \$50000	5,022	1,100	5,524,200
<b>TOTAL DEMAND FOR PRODUCT      =</b>			<b>\$8,734,275</b>

SOURCE: U.S. Department of Labor, Consumer Expenditure Survey; ESRI BIS; and HyettPalma, Inc.

DEFINITION OF PRODUCT:

All apparel items and accessories, excluding footwear.



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**DOWNTOWN CARO'S RETAIL TRADE AREA  
COMPUTATION OF DEMAND BY RETAIL PRODUCT**

PRODUCT: GIRL'S APPAREL -- 2 TO 15

Household Income	# Hlds.	\$ Per Hld.	Total \$ Demand
< \$15000	1,293	45	58,185
\$15000-24999	1,481	80	118,480
\$25000-34999	1,503	100	150,300
\$35000-49999	2,100	115	241,500
> \$50000	5,022	225	1,129,950
<b>TOTAL DEMAND FOR PRODUCT =</b>			<b>\$1,698,415</b>

SOURCE: U.S. Department of Labor, Consumer Expenditure Survey; ESRI BIS; and HyettPalma, Inc.

**DEFINITION OF PRODUCT:**

All apparel items and accessories, excluding footwear.

**DOWNTOWN CARO'S RETAIL TRADE AREA  
COMPUTATION OF DEMAND BY RETAIL PRODUCT**

PRODUCT: CHILDREN'S APPAREL -- UNDER 2

Household Income	# Hlds.	\$ Per Hld.	Total \$ Demand
< \$15000	1,293	65	84,045
\$15000-24999	1,481	75	111,075
\$25000-34999	1,503	85	127,755
\$35000-49999	2,100	105	220,500
> \$50000	5,022	175	878,850
<b>TOTAL DEMAND FOR PRODUCT =</b>			<b>\$1,422,225</b>

SOURCE: U.S. Department of Labor, Consumer Expenditure Survey; ESRI BIS; and HyettPalma, Inc.

**DEFINITION OF PRODUCT:**

All apparel items and accessories, including footwear.

**DOWNTOWN CARO'S RETAIL TRADE AREA  
COMPUTATION OF DEMAND BY RETAIL PRODUCT**

PRODUCT:      FOOTWEAR

Household Income	# Hlds.	\$ Per Hld.	Total \$ Demand
< \$15000	1,293	225	290,925
\$15000-24999	1,481	240	355,440
\$25000-34999	1,503	300	450,900
\$35000-49999	2,100	350	735,000
> \$50000	5,022	450	2,259,900
<b>TOTAL DEMAND FOR PRODUCT      =</b>			<b>\$4,092,165</b>

SOURCE: U.S. Department of Labor, Consumer Expenditure Survey; ESRI BIS; and HyettPalma, Inc.

**DEFINITION OF PRODUCT:**

All footwear, except for children under 2 and special footwear used for sports such as bowling or golf shoes.

**DOWNTOWN CARO'S RETAIL TRADE AREA  
COMPUTATION OF DEMAND BY RETAIL PRODUCT**

PRODUCT: OTHER APPAREL SERVICES & PRODUCTS

Household Income	# Hlds.	\$ Per Hld.	Total \$ Demand
< \$15000	1,293	170	219,810
\$15000-24999	1,481	200	296,200
\$25000-34999	1,503	210	315,630
\$35000-49999	2,100	255	535,500
> \$50000	5,022	675	3,389,850
<b>TOTAL DEMAND FOR PRODUCT =</b>			<b>\$4,756,990</b>

SOURCE: U.S. Department of Labor, Consumer Expenditure Survey; ESRI BIS; and HyettPalma, Inc.

**DEFINITION OF PRODUCT:**

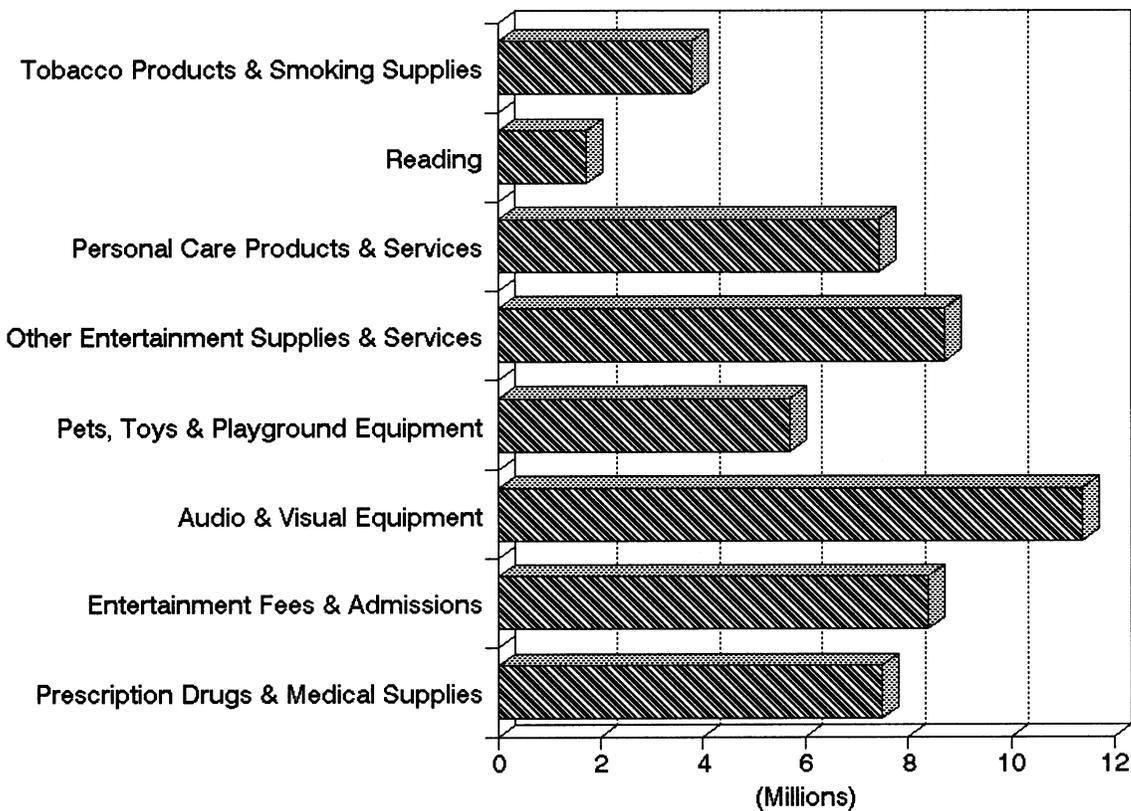
Material for making clothes, shoe repair, alterations, sewing patterns and notions, clothing rental, clothing storage, dry cleaning, and jewelry.

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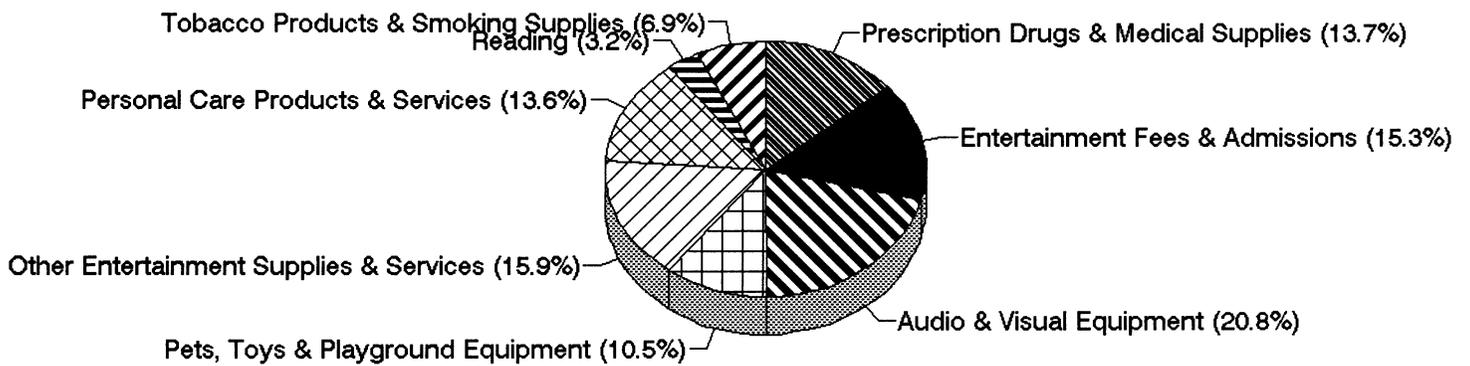
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# **DEMAND FOR PERSONAL CARE AND ENTERTAINMENT PRODUCTS**

# PERSONAL CARE/ENTERTAINMENT \$ DEMAND BY PRODUCT TYPE



# PERSONAL CARE/ENTERTAINMENT % DEMAND FOR EACH DOLLAR



**DOWNTOWN CARO'S RETAIL TRADE AREA  
COMPUTATION OF DEMAND BY RETAIL PRODUCT**

**PRODUCT:      PRESCRIPTION DRUGS & MEDICAL SUPPLIES**

Household Income	# Hlds.	\$ Per Hld.	Total \$ Demand
< \$15000	1,293	425	549,525
\$15000-24999	1,481	605	896,005
\$25000-34999	1,503	625	939,375
\$35000-49999	2,100	650	1,365,000
> \$50000	5,022	750	3,766,500
<b>TOTAL DEMAND FOR PRODUCT      =</b>			<b>\$7,516,405</b>

**SOURCE:** U.S. Department of Labor, Consumer Expenditure Survey; ESRI BIS; and HyettPalma, Inc.

**DEFINITION OF PRODUCT:**

Prescription drugs, over-the-counter drugs, dressings, medical appliances, contraceptives, eyeglasses, hearing aids, rental medical equipment, and medical accessories.

**DOWNTOWN CARO'S RETAIL TRADE AREA  
COMPUTATION OF DEMAND BY RETAIL PRODUCT**

**PRODUCT: ENTERTAINMENT FEES & ADMISSIONS**

Household Income	# Hlds.	\$ Per Hld.	Total \$ Demand
< \$15000	1,293	200	258,600
\$15000-24999	1,481	250	370,250
\$25000-34999	1,503	325	488,475
\$35000-49999	2,100	360	756,000
> \$50000	5,022	1,300	6,528,600
<b>TOTAL DEMAND FOR PRODUCT =</b>			<b>\$8,401,925</b>

**SOURCE:** U.S. Department of Labor, Consumer Expenditure Survey; ESRI BIS; and HyettPalma, Inc.

**DEFINITION OF PRODUCT:**

Admissions to sporting events, movies, concerts, plays, and movie rentals.

**DOWNTOWN CARO'S RETAIL TRADE AREA  
COMPUTATION OF DEMAND BY RETAIL PRODUCT**

PRODUCT:           AUDIO & VISUAL EQUIPMENT

Household Income	# Hlds.	\$ Per Hld.	Total \$ Demand
< \$15000	1,293	475	614,175
\$15000-24999	1,481	600	888,600
\$25000-34999	1,503	750	1,127,250
\$35000-49999	2,100	825	1,732,500
> \$50000	5,022	1,400	7,030,800
<b>TOTAL DEMAND FOR PRODUCT           =</b>			<b>\$11,393,325</b>

SOURCE: U.S. Department of Labor, Consumer Expenditure Survey; ESRI BIS; and HyettPalma, Inc.

**DEFINITION OF PRODUCT:**

Television sets, video recorders, tapes, video game hardware and cartridges, radios, phonographs and components, records and tapes, musical instruments, and rental of the same equipment.



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**DOWNTOWN CARO'S RETAIL TRADE AREA  
COMPUTATION OF DEMAND BY RETAIL PRODUCT**

**PRODUCT: PETS, TOYS & PLAYGROUND EQUIPMENT**

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Household Income	# Hlds.	\$ Per Hld.	Total \$ Demand
< \$15000	1,293	180	232,740
\$15000-24999	1,481	245	362,845
\$25000-34999	1,503	315	473,445
\$35000-49999	2,100	425	892,500
> \$50000	5,022	750	3,766,500

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**TOTAL DEMAND FOR PRODUCT = \$5,728,030**

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**SOURCE: U.S. Department of Labor, Consumer Expenditure Survey; ESRI BIS; and HyettPalma, Inc.**

**DEFINITION OF PRODUCT:**

Pets, pet food, toys, games, hobbies, tricycles and playground equipment.

**DOWNTOWN CARO'S RETAIL TRADE AREA  
COMPUTATION OF DEMAND BY RETAIL PRODUCT**

**PRODUCT: OTHER ENTERTAINMENT SUPPLIES & SERVICES**

Household Income	# Hlds.	\$ Per Hld.	Total \$ Demand
< \$15000	1,293	140	181,020
\$15000-24999	1,481	350	518,350
\$25000-34999	1,503	425	638,775
\$35000-49999	2,100	525	1,102,500
> \$50000	5,022	1,250	6,277,500
<b>TOTAL DEMAND FOR PRODUCT =</b>			<b>\$8,718,145</b>

**SOURCE: U.S. Department of Labor, Consumer Expenditure Survey; ESRI BIS; and HyettPalma, Inc.**

**DEFINITION OF PRODUCT:**

Indoor exercise equipment, athletic shoes, bicycles, camping equipment, sporting goods, and photographic equipment and supplies.

**DOWNTOWN CARO'S RETAIL TRADE AREA  
COMPUTATION OF DEMAND BY RETAIL PRODUCT**

**PRODUCT: PERSONAL CARE PRODUCTS & SERVICES**

Household Income	# Hlds.	\$ Per Hld.	Total \$ Demand
< \$15000	1,293	295	381,435
\$15000-24999	1,481	355	525,755
\$25000-34999	1,503	425	638,775
\$35000-49999	2,100	525	1,102,500
> \$50000	5,022	955	4,796,010
<b>TOTAL DEMAND FOR PRODUCT =</b>			<b>\$7,444,475</b>

**SOURCE:** U.S. Department of Labor, Consumer Expenditure Survey; ESRI BIS; and HyettPalma, Inc.

**DEFINITION OF PRODUCT:**

Services and products for hair, oral hygiene products, cosmetics, and electric personal care appliances.

**DOWNTOWN CARO'S RETAIL TRADE AREA  
COMPUTATION OF DEMAND BY RETAIL PRODUCT**

PRODUCT: READING

Household Income	# Hlds.	\$ Per Hld.	Total \$ Demand
< \$15000	1,293	65	84,045
\$15000-24999	1,481	85	125,885
\$25000-34999	1,503	95	142,785
\$35000-49999	2,100	125	262,500
> \$50000	5,022	225	1,129,950
<b>TOTAL DEMAND FOR PRODUCT =</b>			<b>\$1,745,165</b>

SOURCE: U.S. Department of Labor, Consumer Expenditure Survey; ESRI BIS; and HyettPalma, Inc.

DEFINITION OF PRODUCT:

Books, newspapers and magazines.



**Making Downtown Renaissance a Reality**

**DOWNTOWN CARO'S RETAIL TRADE AREA  
COMPUTATION OF DEMAND BY RETAIL PRODUCT**

**PRODUCT: TOBACCO PRODUCTS & SMOKING SUPPLIES**

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Household Income	# Hlds.	\$ Per Hld.	Total \$ Demand
< \$15000	1,293	275	355,575
\$15000-24999	1,481	325	481,325
\$25000-34999	1,503	400	601,200
\$35000-49999	2,100	350	735,000
> \$50000	5,022	325	1,632,150

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**TOTAL DEMAND FOR PRODUCT = \$3,805,250**

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**SOURCE:** U.S. Department of Labor, Consumer Expenditure Survey; ESRI BIS; and HyettPalma, Inc.

**DEFINITION OF PRODUCT:**

Tobacco products and smoking accessories.

## **The Retail Report®**

### **USER GUIDE**

The Retail Report is a business development tool customized for your Downtown. In it, HyettPalma has targeted the kinds of retail businesses that Downtowns across the country are attracting.

The Retail Report brings effective data to your business development efforts in a user-friendly format. Tables, graphs and charts interpret and present information critical to your Downtown's future. And, the report is customized for YOUR Downtown, containing information unique to your Downtown.

In The Retail Report, demographic and socio-economic data are amplified and taken to a new level of detail. Households in your trade area are segmented by income bands, and consumer spending habits are analyzed by these income groupings. This allows you to determine which income groups to target in your business development program.

Business prospects will expect to review information like this prior to making a commitment to Downtown. The Retail Report shows them your Downtown -- and your Downtown enhancement program -- are one step ahead of the competition.

The following pages list numerous ways you can use The Retail Report to improve the economy of your business district.

## ***What Does The Retail Report Tell You ?***

The Retail Report reveals what you can expect the customers in your defined retail trade area to spend in 2008.

The Retail Report shows the number of dollars residents of your trade area spend each year on over 100 different types of products -- products such as food at home, food away from home, furniture, appliances, apparel, prescription drugs, toys, reading material, etc.

The Retail Report is not a listing of national figures or projections; it is a customized report that gives you accurate and definitive information for your own trade area.

A demographic and socio-economic profile of trade area residents is included -- both a snapshot of their characteristics today and a five year projection of their changing characteristics.

## ***Who Can Benefit By Using The Retail Report ?***

Current owners of businesses within a given trade area;

Business owners who are thinking of opening a store in the trade area;

Entrepreneurs who are determining what type of business to open or who are deciding on a business location;

Bankers and others who are deciding whether or not to invest in specific types of retail businesses;

Downtown directors and other economic development professionals whose work entails business retention, entrepreneur development and business recruitment; and

Downtown revitalization leaders, Downtown directors, economic development professionals, and local elected officials who want sound information that lets them speak with certainty about their Downtown's potential to sustain specific types of retail businesses.

## ***How Can Downtown Directors and Economic Development Professionals Use The Retail Report ?***

To attract customers to Downtown by creating a mix of strong businesses which appeal to trade area residents.

To raise the confidence of investors in the profitability of your business district.

To help existing businesses become more profitable -- so that Downtown's rate of business turnover is lessened.

To fill building vacancies with the types of retail businesses that can succeed and thrive in your district.

To strengthen existing businesses and lessen business closings by:

- showing existing business owners what trade area residents are spending their money on;

- helping business owners determine how to cater to those shopping preferences -- and capture more shopping dollars; and

- enabling them to develop a business plan that is based on realistic market data.

To improve the variety and selection of retail goods offered in the business district by:

- showing existing business owners that there is money to be made by expanding or revising the types of retail goods they sell;

- showing existing business owners that there is money to be made by opening additional types of retail businesses in the business district; and

- targeting specific types of retail businesses -- so that you can actively recruit those businesses having the greatest potential to succeed and remain in your Downtown.

To attract additional businesses to the business district by:

providing definitive data that shows a market exists for the retail goods they sell.

## ***How Can Business Owners Use The Retail Report ?***

Business owners frequently ask, "How much money do residents of Downtown's trade area spend on the retail goods I sell?" Or stated another way, "How do I know there's money to be made in Downtown?"

The Retail Report allows you to answer these questions with certainty and authority by quantifying:

what the market is for particular retail products;

the spending potential of residents in your trade area for particular retail goods; and

the current "economic pie" -- how much money is being spent on various retail goods by residents in your Downtown's trade area.

To better plan, manage, and grow your business -- by using the information in The Retail Report, business owners can:

set annual benchmarks for how much of the "economic pie" they intend to capture for their business -- measured in anticipated gross sales receipts for YOUR Downtown;

set an annual budget based on their gross receipts benchmarks;

make informed budgeting decisions about how much to spend each year on inventory, overhead, advertising, staff, etc.; and

complete a business plan that persuades their banker to extend a commercial loan to them.

## ***How Can Entrepreneurs Use The Retail Report ?***

The Retail Report shows the sales potential within a given trade area for over 100 types of retail businesses. This would be invaluable in order to:

- compare the markets for a variety of different retail products;
- determine what type of retail business to open;
- complete a realistic business plan before opening that business; and
- persuade bankers and investors that a strong market exists for the type of retail business being opened.