## I. INTRODUCTION

George Henry George Partners was retained by BetschAssociates LLC to undertake a market feasibility analysis for three potential land uses in the Greenville, North Carolina revitalization area. The land uses addressed were residential, retail, and entertainment. While several other land uses may be implemented as a part of the revitalization plan, several of these uses, especially office uses, have already been prescreened for market demand in earlier assignments and have been found not to have a significant impact on the revitalization of the area. Therefore these other uses have not been addressed in this analysis.

The revitalization area comprises a relatively large part of the urban core area of the City of Greenville and includes both the center city and the West Greenville neighborhoods. The intent of this market analysis is to determine the potential development opportunities, including the mix of uses, that can stimulate economic growth and revitalization in this area.

As a final step, the strategy implications are discussed relative to the market findings and the type of development program that the market findings can support. Chapter 5, Financial Review and Implementation, introduces the process by which the recommendations of the Revitalization Plan may be completed.

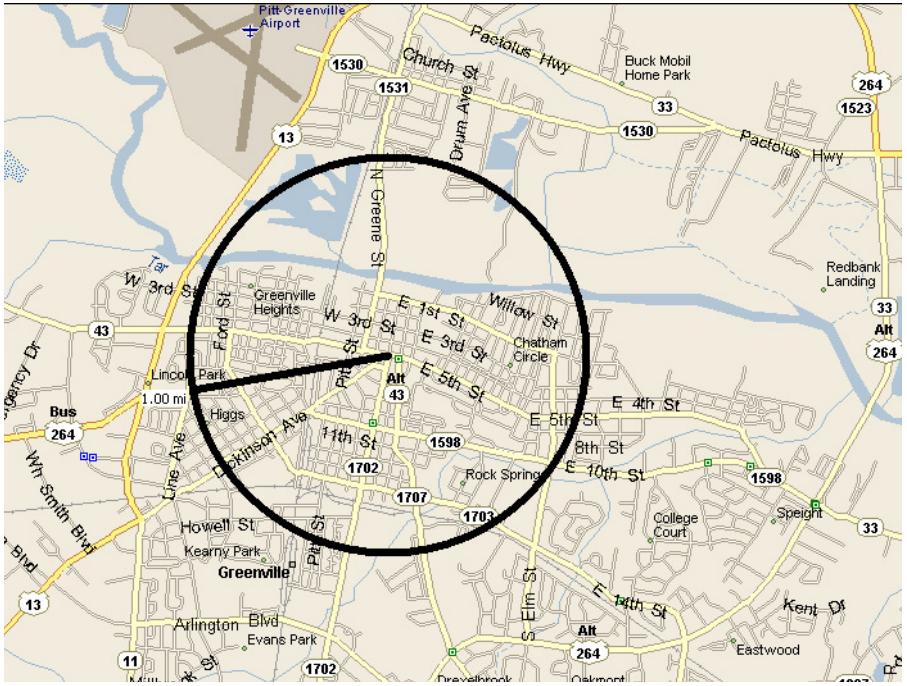
## II. RESIDENTIAL DEMAND ANALYSIS

This residential demand analysis has been designed to forecast the potential for market-rate housing development in the Greenville center city and in the West Greenville neighborhoods. The analysis consists of the following four components:

1. Definition of the Trade Area.
2. Housing Supply Assessment
3. Current and Future Demand Assessment
4. Calculation of Absorption and Capture Rates

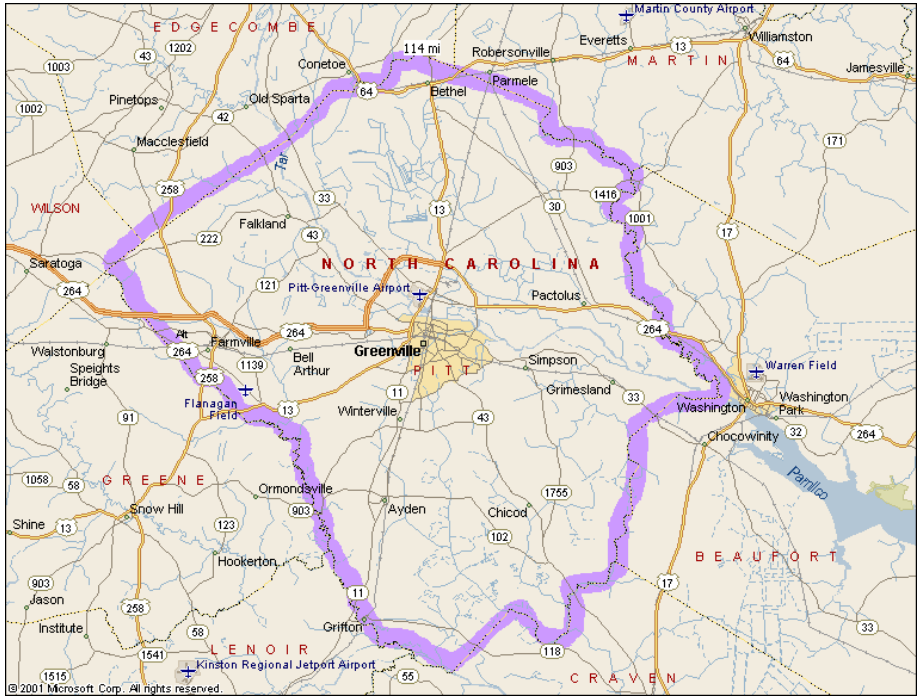
### DEFINITION OF THE TRADE AREA

The primary trade area is defined as the Greenville residential market surrounding the downtown. This market includes the land within a one-mile radius from the center of downtown Greenville, located at the intersection of Evans and East Fifth Streets. The following Map 2.1 shows this primary trade area.




***Map 2.1 Primary Trade Area – 1.0 mile radius from center of downtown Greenville.***

The secondary trade area is defined as the rest of the City of Greenville. The peripheral trade area is defined as the rest of Pitt County. Map 2.2 shows both of these areas with the City of Greenville highlighted in yellow and Pitt County highlighted in purple. The housing market also has the potential to capture residents from outside of Pitt County.




***Map 2.2 Secondary and Peripheral Trade Area – Secondary Trade Area, City of Greenville, highlighted in yellow and Peripheral Trade Area, Pitt County, highlighted in purple.***

## HOUSING SUPPLY ASSESSMENT

An analysis of supply factors helps to determine the current condition of the market and whether sufficient supply exists to satisfy present and future demand. The supply analysis includes an analysis of the current and projected housing inventory, current market rental rates, and vacancy factors. Since housing market decisions may include economic, cultural, and convenience factors, the approach has been to review the housing market from the broad perspective of the countywide market.

### Inventory

According to the US Census Bureau, the total number of housing units in the City of Greenville as of 2003 was 29,621, of which approximately 26,819 were occupied. The total number of owner-occupied housing units was 10,809 or 36.5 percent of the total, and total renter-occupied units was approximately 16,010 or 54.0 percent of the total. The dense supply of renter units in the City of Greenville is due primarily to the transient student population at East Carolina University. In addition, most of the residential units located in the West Greenville neighborhoods are renter-occupied units.

## Table 2.1 HOUSING STATISTICS BY TRADE AREA 1990 TO 2003

### Pitt County - Peripheral Trade Area

| | 1990 | % | 2000 | % | 2003 | % | Percent Change 1990 to 2000 | Percent Change 1990 to 2003 |
|---|---|---|---|---|---|---|---|---|
| Total Housing Units | 43,069 | | 58,408 | | 61,558 | | 35% | 42% |
| Owner-Occupied | 23,516 | 55% | 30,541 | 52% | 32,164 | 52% | 29% | 36% |
| Renter-Occupied | 16,975 | 39% | 21,998 | 38% | 23,209 | 38% | 29% | 36% |
| Vacant | 2,578 | 6% | 5,869 | 10% | 6,185 | 10% | 127% | 139% |

### City of Greenville

| | 1990 | % | 2000 | % | 2003 | % | Percent Change 1990 to 2000 | Percent Change 1990 to 2003 |
|---|---|---|---|---|---|---|---|---|
| Total Housing Units | 19,678 | | 27,794 | | 29,621 | | 41% | 50% |
| Owner-Occupied | 8,216 | 42% | 10,431 | 38% | 10,809 | 37% | 27% | 31% |
| Renter-Occupied | 10,326 | 52% | 14,772 | 53% | 16,010 | 54% | 43% | 55% |
| Vacant | 1,136 | 6% | 2,591 | 9% | 2,802 | 9% | 128% | 146% |

### Greenville Downtown - Primary Trade Area

| | 1990 | % | 2000 | % | 2003 | % | Percent Change 1990 to 2000 | Percent Change 1990 to 2003 |
|---|---|---|---|---|---|---|---|---|
| Total Housing Units | 3,025 | | 3,360 | | 3,499 | | 12% | 17% |
| Owner-Occupied | 912 | 30% | 877 | 26% | 925 | 27% | -3.9% | 1.5% |
| Renter-Occupied | 1,972 | 65% | 2,229 | 66% | 2,322 | 66% | 13% | 17% |
| Vacant | 141 | 5% | 254 | 8% | 252 | 7% | 80% | 78% |

*Sources: Claritas and George Henry George Partners.*

The total number of housing units in Pitt County was 61,558 in 2003, with approximately 55,373 occupied. The total number of owner-occupied housing units was approximately 32,164 or 52.2 percent. The total number of renter-occupied units was approximately 23,209 or 37.7 percent. The percentage of renter-occupied units in Pitt County is substantially less than the percentage of renter-occupied units in Greenville. This is a result of the greater residential density in the city center and the tendency for single-family detached homes, typically owner occupied, to be located in areas outside of the center city. Table 2.1 outlines the housing inventory and vacancy in each trade area. The number of housing units within the City of Greenville increased by 50 percent between 1990 and 2003, an increase of approximately 10,000 units. Of those units added to the market, the greatest increase occurred in renter-occupied units. Table 2.1 indicates that the renter-occupied housing units make up 54 percent of the City's housing inventory and 38 percent of Pitt County's housing inventory. However, in the primary trade area, the rental units make up about 66 percent of all housing inventory.

## Rental Rates and Housing Values

Table 2.2 shows the rental rates in the three target trade areas. According to the U.S. Census Bureau, median rental rates in the primary trade area increased from $221 in 1990 to $328 in 2000, an increase of 48.4 percent. Median rental rates in the City of Greenville increased from $294 in 1990 to $412 in 2000, an increase of 40 percent. Median rental rates in Pitt County increased from $250 in 1990 to $384 in 2000, an increase of 54 percent.

Inflation rates during the 1990's remained relatively low. However, assuming annual inflation rates of approximately 3 percent, rental rate increases in all three trade areas provides evidence of a strong rental market.

**Table 2.2 MEDIAN HOME VALUES AND RENTAL RATES**

| | 1990 | 2000 | % Change 1990 to 2000 |
|---|---|---|---|
| **Median Home Value** | | | |
| Radius - Primary | $53,463 | $67,041 | 25% |
| City of Greenville - Secondary | $73,828 | $97,293 | 32% |
| Pitt County - Peripheral | $64,905 | $81,900 | 26% |
| **Median Rent** | | | |
| Radius - Primary | $221 | $328 | 48% |
| City of Greenville - Secondary | $294 | $412 | 40% |
| Pitt County - Peripheral | $250 | $384 | 54% |

*Sources: Claritas and George Henry George Partners*

According to the U.S. Census Bureau, median home values have increased from $53,463 in 1990 to $67,041 in 2000 in the primary trade area, an increase of 25.4 percent. Median home values in the City of Greenville have increased from $73,828 in 1990 to $97,293 in 2000, an increase of 32 percent. Additionally, median home values in Pitt County have increased from $64,905 in 1990 to $81,900 in 2000, an increase of 26.2 percent. Overall the greatest increase in home values occurred in the City of Greenville, the next greatest increase occurred in Pitt County. The primary trade area, because of the West Greenville neighborhoods, experienced the smallest increase in value over the period.

According to an analysis of home values and the application of the consumer price index which considers inflation, median home values in the Primary Trade Area decreased slightly. Comparing the 1990 home values inflated to the current values, 1990 median home values should be approximately $74,474 in 2000 dollars; however, the reported median values are only approximately $67,041, which is a decrease in real dollar value of 11 percent.

## Future Projects

According to the Planning Department, approximately 52 housing permits have been obtained in the City of Greenville from January through June of 2004. Of this total, 24 permits were for single family detached homes, 4 permits were for two family attached homes and 24 permits were for multi-family attached homes. The past trends for permits indicated increased home building during 2000 and 2001. These 2004 numbers represent a significant reduction from the previous year when over 1,000 housing permits were issued. It also signals that the housing market is beginning an adjustment period.

**Table 2.3 PERMITS FOR NEW CONSTRUCTION IN THE CITY OF GREENVILLE BY YEAR**

| | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 YTD |
|---|---|---|---|---|---|---|---|---|
| **Single Family Detached Units** | 237 | 284 | 222 | 312 | 277 | 338 | 312 | 24 |
| **Two Family Attached Duplex** | 178 | 104 | 82 | 44 | 210 | 162 | 42 | 4 |
| **Multifamily Units** | 681 | 614 | 495 | 1,027 | 914 | 786 | 800 | 24 |
| **Total Housing Permits** | **1,096** | **1,002** | **799** | **1,383** | **1,401** | **1,286** | **1,154** | **52** |

*Source: Pitt County - Land Development and Zoning, and Inspections Division Monthly Building Permit Report, City of Greenville.*

## CURRENT AND FUTURE DEMAND ASSESSMENT

The demand assessment consists of the following components: a review of population and household trends, an analysis of household income and employment trends, a review of historical home sales and sales prices, and an analysis of vacancy rates for the Greenville Redevelopment Area.

### Population and Household Trends

Population and household growth is one factor to be considered in projecting demand for the center city housing market. Without population and household growth, there would be a lack of demand for any new additional residential units. Table 2.4 outlines the household population and population trends in the region. The population within the primary trade area has increased by approximately 3.7 percent between 1990 and 2000 from 7,538 in 1990 to 7,819 in 2000. The population increased at a greater rate between 2000 and 2003, tallying an increase of approximately 7.0 percent between 1990 and 2003. The secondary trade area has experienced more rapid growth, with an increase of 25.8 percent between 1990 and 2000 from 48,090 persons in 1990 to 60,475 persons in 2000, and an increase of approximately 31 percent between 1990 and 2003. The population in the peripheral trade area has increased by approximately 24 percent between 1990 and 2000 from 107,924 in 1990 to 133,798 in 2000, and increased approximately 29 percent between 1990 and 2003 to an estimated 138,770. Population is expected to increase by 4.6 percent, between 2003 and 2008, according to the U.S. Census Bureau data for the primary trade area. Population growth is expected to be greater in the City of Greenville and Pitt County with growth rates of 6.7 percent and 5.5 percent respectively by 2008.

The number of households is also another indicator of housing demand growth and stability. The total number of households in the primary trade area increased from 2,884 in 1990 to 3,247 in 2003, an increase of approximately 12.6 percent. The total number of households in the secondary trade area showed the greatest growth from 18,542 in 1990 to 26,819 in 2003, an increase of approximately 45 percent. The total number of households in the peripheral trade area increased from 40,491 in 1990 to 55,373 in 2003, an increase of 37 percent.

According to Claritas, the number of households is expected to grow to approximately 3,472 by 2008 in the primary trade area, an increase of approximately 7 percent. Growth is expected to be more rapid in the secondary and peripheral trade areas with an anticipated growth of 10 percent in the City of Greenville and 8 percent in Pitt County.

**Table 2.4 POPULATION AND HOUSEHOLD TRENDS BY TRADE AREA GREENVILLE**

| | 1990 Census | 2000 Census | 2003 Estimate | 2008 Projection | Percent Change 1990 to 2000 | 1990 to 2003 | 2003 to 2008 |
|---|---|---|---|---|---|---|---|
| **1 Mile Radius - Primary Trade Area** | | | | | | | |
| Total Population | 7,538 | 7,819 | 8,065 | 8,439 | 4% | 7% | 5% |
| Total Households | 2,884 | 3,106 | 3,247 | 3,472 | 8% | 13% | 7% |
| **City of Greenville - Secondary Trade Area** | | | | | | | |
| Total Population | 48,090 | 60,475 | 63,200 | 67,437 | 26% | 31% | 7% |
| Total Households | 18,542 | 25,203 | 26,819 | 29,422 | 36% | 45% | 10% |
| **Pitt County - Tertiary Trade Area** | | | | | | | |
| Total Population | 107,924 | 133,798 | 138,770 | 146,411 | 24% | 29% | 5% |
| Total Households | 40,491 | 52,539 | 55,373 | 59,902 | 29% | 37% | 8% |

*Source: US Census Bureau.*

## Household Income Trends

Household income is important to analyze because it determines the amount of income a family can spend for housing costs. In 2003, the average and median household income within the primary trade area was $31,521 and $23,209 respectively. The average and median household income in the secondary trade area is substantially above the primary trade area at $46,713 and $31,799 respectively. The average and median household income in the peripheral trade area was $48,749 and $35,602 respectively.

## Employment Trends

Employment trends indicate the stability of a market. If unemployment fluctuates drastically and is overwhelmingly dependant upon one particular industry, then stability in the market could be compromised. The labor market in Greenville is anticipated to be generally stable with Pitt County Memorial Hospital, and East Carolina University posting the greatest employment numbers. According to the Bureau of Labor and Statistics, the unemployment rate in Greenville as of December 2003 was 5.5 percent, a decrease of approximately 0.9 percent from 2002.

**Table 2.5 HOUSEHOLD INCOME ANALYSIS BY TRADE AREAS 1990 TO 2008**

| | 1990 Census | 2000 Census | 2003 Estimate | 2008 Projection | Percent Change 1990 to 2000 | Percent Change 1990 to 2003 | Percent Change 2003 to 2008 |
|---|---|---|---|---|---|---|---|
| **1 Mile Radius - Primary Trade Area** | | | | | | | |
| Average Hhld Income | $21,537 | $28,458 | $31,521 | $34,645 | 32% | 46% | 10% |
| Median Hhld Income | $15,005 | $21,729 | $23,209 | $26,124 | 45% | 55% | 13% |
| Per Capita Income | $8,614 | $11,621 | $13,185 | $14,749 | 35% | 53% | 12% |
| **City of Greenville - Secondary Trade Area** | | | | | | | |
| Average Hhld Income | $32,420 | $43,993 | $46,713 | $51,354 | 36% | 44% | 10% |
| Median Hhld Income | $23,286 | $29,659 | $31,799 | $34,720 | 27% | 37% | 9% |
| Per Capita Income | $13,168 | $17,915 | $19,984 | $22,733 | 36% | 51% | 14% |
| **Pitt County - Peripheral Trade Area** | | | | | | | |
| Average Hhld Income | $31,030 | $45,773 | $48,749 | $53,938 | 48% | 57% | 11% |
| Median Hhld Income | $23,449 | $33,353 | $35,602 | $39,257 | 42% | 52% | 10% |
| Per Capita Income | $11,467 | $17,952 | $19,756 | $22,395 | 57% | 72% | 13% |

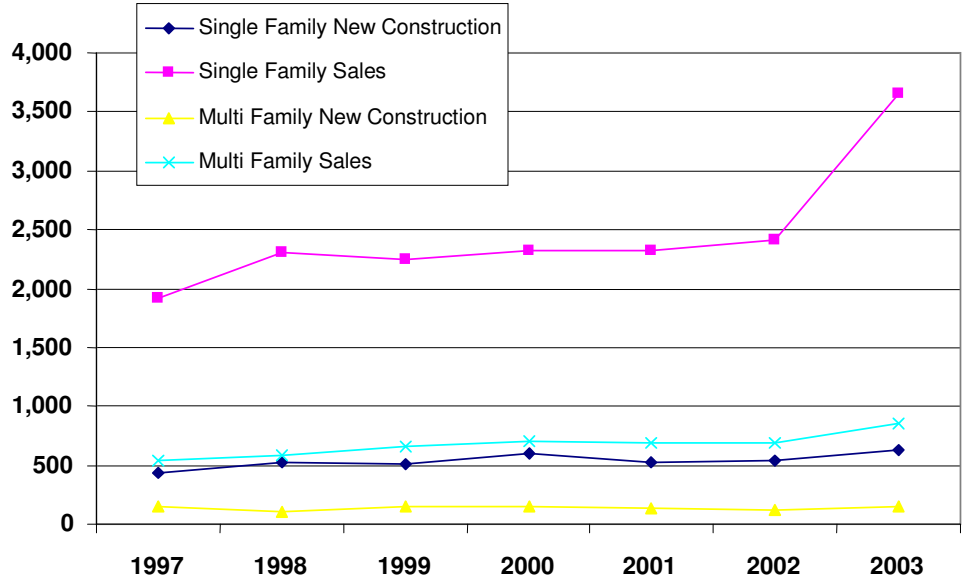
*Source: Claritas.*

Unemployment in the state was 6.2 percent as of December 2003. Decreased levels of unemployment indicate a slow recovery from the national economic slow down between 2001 and 2002.

## Historical Home Sales

Historical home sales and residential construction is important to consider because it reflects the sales trends for the region and may reflect the anticipated market conditions in the future. As Table 2.6 indicates, single family home sales in Pitt County sharply increased between 2002 and 2003. Multi-family home sales, on the other hand, have been much less than single family home sales in recent years. New construction of single family homes also exceeded the construction of multi-family homes over the period. The larger number of single family home sales could be a result of the strong buyer's market that swept the nation between 2000 and 2003.

**Table 2.6 PITT COUNTY SINGLE AND MULTI-FAMILY HOME SALES AND CONSTRUCTION 1997 thru 2003**

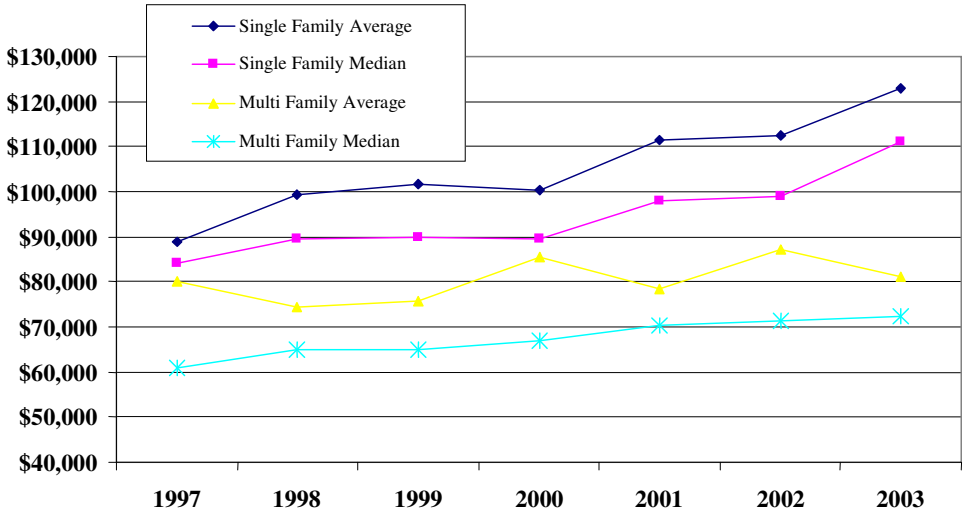


## Historical Sale Prices - Single and Multi-Family

It is also important to analyze the historical sales prices of both single and multi-family homes. According to the Pitt County Planning Department, the average sales price for single family homes in Pitt County in 2003 was $123,019 and the median sales price was $111,000. As Table 2.7 indicates, the single family home sales prices have increased annually, with the more rapid increases in sales price occurring between 2001 and 2003.

Multi-family homes have, however, experienced a slight decrease in average sales price between 2002 and 2003, after an increase in 2001. Multi-family homes also experienced a decrease in average sales price between 2000 and 2001. The slower and less aggressive activity may be because of the decreased economic stability domestically during that time.

**Table 2.7 PITT COUNTY SINGLE AND MULTI-FAMILY AVERAGE AND MEDIAN SALE PRICES BETWEEN 1997 AND 2003**



### Vacancy Rates Analysis

Vacancy rates indicate the percentage of all units in a market that are unoccupied. According to the U.S. Census Bureau, the vacancy rate for both renter and owner-occupied housing units in 2003 was 9.5 percent for the City of Greenville and 7.2 percent for the primary trade area. The vacancy rates for both renter and owner-occupied housing units in Pitt County in 2003 was 10 percent. Table 2.1 summarizes the vacancy rates in each of the three trade areas.

The vacancy rate in each of the trade areas has increased between 1990 and 2003. The number of vacant units in the primary trade area increased by approximately 111 units between 1990 and 2003, an increase from 5 to 7 percent. Vacancy in the secondary trade area increased from 6 percent to 9 percent between 1990 and 2003, an increase of 1,666 units. Vacancy in Pitt County increased from 6 percent to 10 percent, an increase of 3,607 units. The increase in vacant units is due to the rapid increase in housing construction in recent years and the slower increase of population and household growth in the region.

## CALCULATION OF ABSORPTION AND CAPTURE RATES

### Absorption Analysis

Absorption trends indicate the rate at which the new housing units are either rented or sold in the market. In the following analysis, the absorption rate is determined by estimating the amount of units that are occupied based on the year constructed and the vacancy rate for each corresponding year of construction. Based upon an average number of home sales in Pitt County between 1998 and 2003 of 3,070 units per year, it is estimated that approximately 635 units can be absorbed in Pitt County per year.

The correlation between supply and demand dictates the future demand for housing units in the Greenville market. Therefore this section will provide the estimated capture rate of new housing in the Greenville market, a price affordability analysis, and a conclusion of the number of housing units that the market can support.

### Capture Rate Analysis

The capture rate is the total number of new housing units that a trade area can capture as a result of regional growth and the need for replacement housing due to age and obsolescence. The number of potential home buyers that can be captured includes: (1) the number of households that can afford to purchase a home in the region and (2) the number of households that may relocate to the City of Greenville area from Pitt County and (3) the number of households that may move to the area from outside the defined trade areas. The following was considered in determining the capture rate:

- Projected households and population in the City of Greenville are expected to increase 9.7 and 6.7 percent respectively between 2003 and 2008. This would result in 2,600 new households in the City of Greenville.

- Projected households in Pitt County are expected to increase 8.2 percent between 2003 and 2008. This will result in an additional 4,540 new households in Pitt County.

- Assuming a useful life of 100 years, the primary trade area, secondary trade area and peripheral trade area will each have to replace 1 percent of the housing stock each year. Assuming a current housing inventory of 94,678 units, replacement housing of 946 units will be needed each year over the 5 year period. This will require construction of 4,730 replacement units.

- Given these projections, the market will provide the opportunity to build and sell a total of 11,870 housing units during the five year period from 2003 to 2008. This works out to approximately 2,374 units each year.

- For purposes of making a future forecast of the capture rate, two assumptions were made. First, the redevelopment implementation period will be from 2007-2021. Second, the local housing market will continue to absorb approximately 2,400 units per year, on the average, over the redevelopment period.

- This rate of absorption will generate demand for 36,000 housing units over the redevelopment period.

- A well executed redevelopment plan could support a capture rate of 10% or 3,600 units over the 15 year redevelopment period from 2007 to 2021.

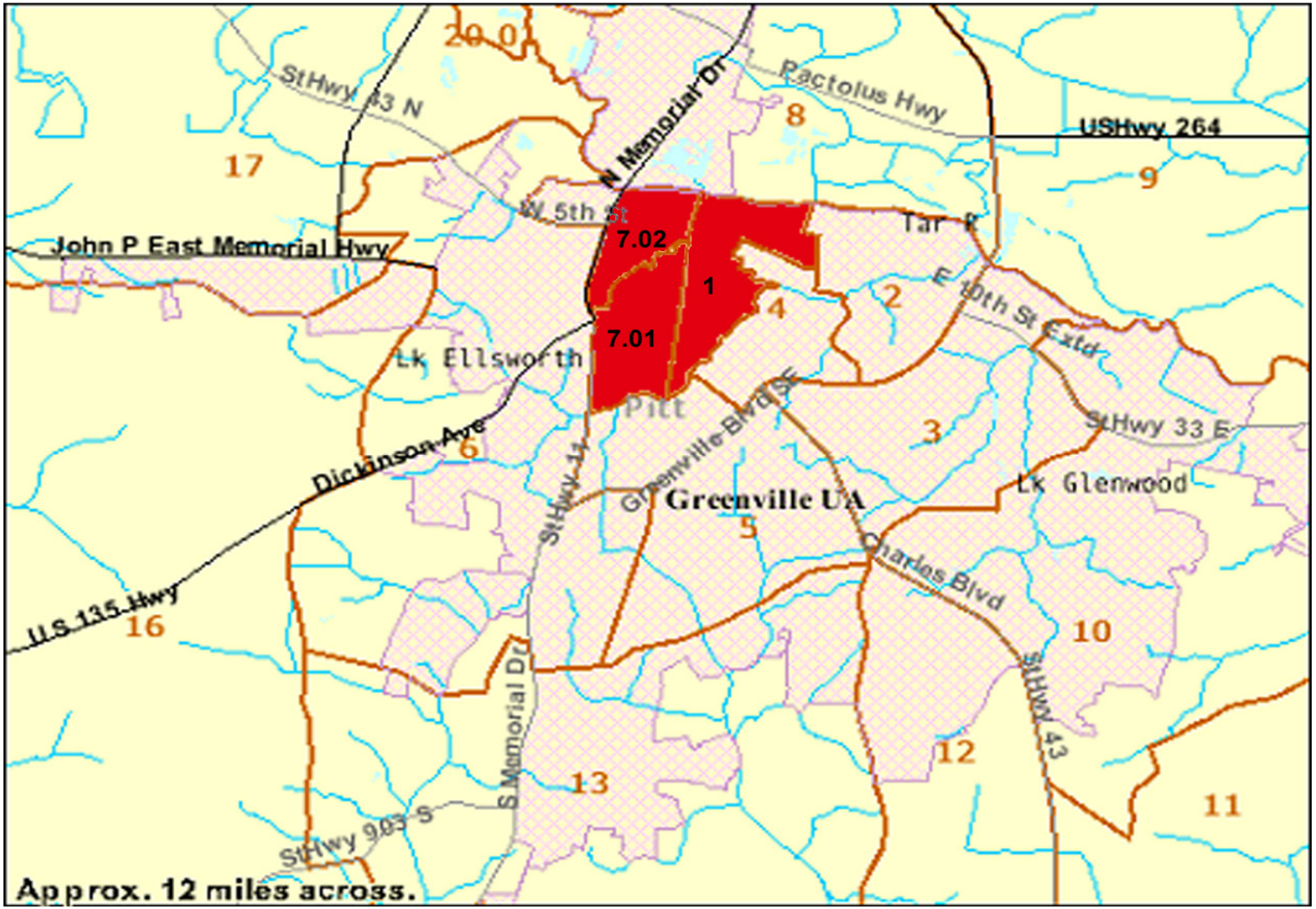
- A capture rate of 10 percent would yield an annual average absorption of 240 units per year over the 15 year redevelopment implementation period.

## THE WEST GREENVILLE RESIDENTIAL MARKET

This section discusses the inner city residential market as it relates to the West Greenville neighborhood. We have defined the inner city residential market as US Census Tracts 1.0, 7.01 and 7.02, as shown on Map 2.3. West Greenville, a historically black community is one component of this market.

### Inventory, Vacancy

The total number of housing units in the inner city housing market is 5,425, and the number of vacant units as of 2000 was 633. The percentage of vacant housing units is greater than that of the county, the city, or the one-mile radius of the center of downtown Greenville, the primary trade area. This greater vacancy could be a result of the increased number of dilapidated homes in these community neighborhoods, and the outward migration of inner city residents to other parts of the city. Table 2.8 summarizes the inventory and vacancy in this market.




***Map 2.3 Center City & West Greenville Area - Census Tracts 1.0, 7.01 & 7.02***

**Table 2.8 HOUSING UNIT SUPPLY ANALYSIS, INNER CITY HOUSING MARKET 2003**

| | 2000 Census | | | |
|---|---|---|---|---|
| | Tract 1 | Tract 7.01 | Tract 7.02 | Total |
| Occupied Housing Units | 2,252 | 1,154 | 2,019 | **5,425** |
| Vacant Housing Units | 290 | 97 | 246 | **633** |
| Percent of Vacant Housing Units | 13% | 8% | 12% | **12%** |
| Total Number of Housing Units | 2,542 | 1,251 | 2,265 | **6,058** |

*Source: US Census Bureau.*

## Home Values and Rental Rates

Table 2.9 below indicates that the home values are substantially less within West Greenville and the inner city housing market than in the City of Greenville and Pitt County. The median home value for the census tracts ranged between $48,500 and $77,700 in 2000. The median home value for Pitt County in 2000 was substantially higher at $81,800.

The rental rates in West Greenville and other areas of the inner city housing market are also substantially less than the rental rates in the city and the county. The inner city neighborhoods reported 2000 rental rates between $285 and $334, compared to the City of Greenville and Pitt County which reported 2000 rental rates of $412 and $384, respectively.

**Table 2.9 MEDIAN HOME VALUES AND RENTAL RATES BY CENSUS FOR 1990 AND 2000**

| Census Tract Year | Tract 1.0 1990 | Tract 1.0 2000 | Percent Change |
|---|---|---|---|
| Median Home Value | $58,200 | $77,700 | 34% |
| Median Rental Rates | $ 243 | $ 334 | 37% |

| Census Tract Year | Tract 7.0 1990 | Tract 7.01 2000 | Tract 7.02 2000 | 7.01&7.02 2000 | Percent Change |
|---|---|---|---|---|---|
| Median Home Value | $43,700 | $60,000 | $48,500 | $52,628 | 20% |
| Median Rental Rates | $ 185 | $ 297 | $ 273 | $ 285 | 54% |

*Source: US Census Bureau.*

## Demand Analysis

The population in West Greenville and its surrounding neighborhoods is more demographically diverse than the common perception. This factor has been considered in formulating the conclusions on potential residential development in West Greenville.

Tables 2.10 and 2.11 summarize the population demographic breakdown by census tract in West Greenville and its surrounding neighborhoods. As indicated by these tables, while the West Greenville neighborhoods made up of Census Tracts 7.01 and 7.02 are predominantly Black or African-American, nearly one-third of the neighborhoods largely located in Census Tracts 1.0 are white. Between 1990 and 2000, an outward migration of the white

**Table 2.10 DEMOGRAPHIC ANALYSIS FOR WEST GREENVILLE - TRACT 1, 1990 AND 2000**

**Population By Race**

| | Tract 1 | | |
|---|---|---|---|
| **Race** | **1990** | **2000** | **% Change** |
| White | 3,216 | 3,083 | -4% |
| Black or African American | 1,569 | 1,583 | 1% |
| All Other | 98 | 228 | 133% |
| **Total Population** | 4,883 | 4,894 | 0.2% |

*Source: US Census Bureau.*

**Table 2.11 DEMOGRAPHIC ANALYSIS FOR CENSUS TRACT 7.0, 1990 AND 2000 (WEST GREENVILLE)**

| | Tract 7.0 * | Tract 7.01 | Tract 7.02 | Total 7.01&7.02 | Tract 7.0 |
|---|---|---|---|---|---|
| **Race** | **1990** | **2000** | **2000** | **2000** | **% Change** |
| White | 1,106 | 370 | 592 | 962 | -13% |
| Black or African American | 7,515 | 2,780 | 4,467 | 7,247 | -4% |
| All Other | 46 | 59 | 138 | 197 | 328% |
| **Total Population** | 8,667 | 3,209 | 5,197 | 8,406 | -3% |

Notes: Tract 7.0 in the 1990 census was split between two census tracts for the 2000 census, Tract 7.01 and 7.02. For comparative purposes we have added these two census tracts to analyze change in population over time.

*Source: US Census Bureau.*

population has occurred, as well as, a small decrease in the African American population. On the other hand, there has been a notable increase in the number of Hispanic and Asian households in the community.

## Household Income Trends

Household income trends are another factor to consider in determining the future demand for housing units and the anticipated sales price of these units. Table 2.12 outlines the 2000 income trends in the West Greenville housing trade area by census tract.

For all three census tracts the median household income ranges from $17,094 to $22,297. The 2000 median household income within a one mile radius of the center of downtown Greenville, the primary trade area, was $23,209, slightly higher than that of West Greenville and its closeby neighborhoods. The 2000 median household income was the greatest in Pitt County at $35,602, and $31,799 in the City of Greenville.

**Table 2.12 MEDIAN HOUSEHOLD INCOME BY CENSUS TRACT, 2000**

| | 2000 Census | | |
|---|---|---|---|
| **Median Household Income** | **Tract 1** | **Tract 7.01** | **Tract 7.02** |
| | $ 17,094 | $22,297 | $ 17,716 |

*Source: US Census Bureau.*

## Future Projects and West Greenville Redevelopment Area Information

Future housing projects in the West Greenville trade area will include replacement housing. An estimate by the City of Greenville puts the number of replacement units needed at 45 units. According to the City planning staff, the total number of replacement units depends upon the amount of vacant land that can be acquired. Currently a plan to redevelop many dilapidated homes in West Greenville has been delayed pending approval of an architectural survey to determine if demolishing and rebuilding the structures in West Greenville will deface the historic character of the community. Until then the actual number of homes that will be targeted for rehabilitation can not be determined.

## Estimated Future Demand

There is the potential for the West Greenville neighborhoods to become a major asset for the City of Greenville. Their strategic and convenient location between the university and medical center can prove to be an attractive location in which to live.

Physical planning strategies can be put into place to enhance the attractiveness of this community and to make it more competitive to increase its capture share of the local housing market. However, the city must demonstrate through tangible investments that it has a commitment to turn this area around.

Based on the market assessment, there is the potential for the West Greenville trade area market to capture 5% of the future market rate housing sales in the redevelopment area. This would suggest absorption of 1,350 units over the 15 year redevelopment period, or an annual average of 90 units per year.

## III. RETAIL DEMAND ANALYSIS

The retail market place in the Greenville revitalization area is quite diverse. The redevelopment area along Martin Luther King Jr. Drive and Dickinson Avenue is a blighted area, with minimal current retail development in relation to the potential developable space. The City of Greenville has various areas of dense retail activity including Memorial Drive, Arlington Boulevard, and Greenville Boulevard. This retail market analysis will explore the potential for retail development in the Greenville Redevelopment Area. It will include the following items:

1. Definition of the trade areas
2. Market Supply
   a. Inventory of retail space by trade area
   b. Historical and current rental rates by trade area
   c. Historical and current vacancy rates by trade area
3. Market Demand
   a. Population Growth
   b. Household Growth
   c. Absorption trends in the downtown
4. Supply and Demand Relationship
   a. Expenditure potential in the downtown
   b. Capture rate of retail sales in the downtown
   c. Determination of absorbable square footage in the market

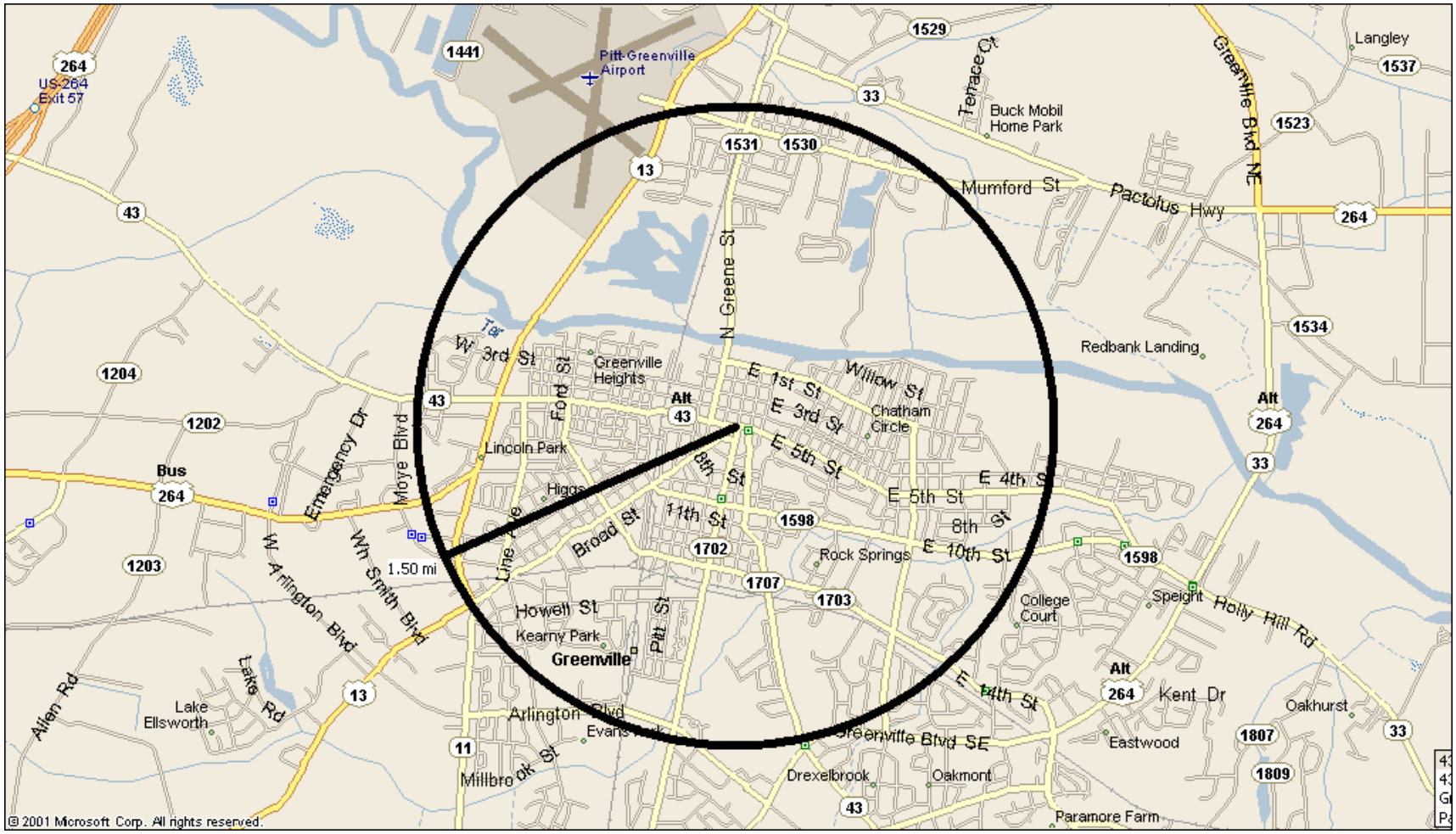
## DEFINITION OF THE TRADE AREAS

The following three market areas have been designated to delineate between the demand and supply factors:

Primary Trade Area includes the land within a one and one half mile radius from the center of downtown Greenville. It is shown on Map 2.4.

Secondary Trade Area includes the rest of the City of Greenville. It is shown on Map 2.5 highlighted in yellow.

Peripheral Trade Area includes the rest of Pitt County. It is shown on Map 2.5 outlined in purple.




***Map 2.4. Primary Trade Area –1.5 Mile Radius around downtown Greenville.***

***Map 2.5 Secondary and Peripheral Trade Areas – City of Greenville and Pitt County.***

## MARKET SUPPLY

This supply analysis will explore the retail space inventory and retail rental rates by trade area.

### Inventory

The City of Greenville and Pitt County are the central location for retail development in eastern North Carolina. The following facts highlight the retail center inventory in the City of Greenville and Pitt County:

- Total retail space in Pitt County is approximately 2.4 million square feet.

- Total retail space in the City of Greenville is approximately 2.2 million square feet or an estimated 90 percent of the Pitt County total.

- Total retail space in downtown Greenville is approximately 197,600 square feet. Of this space, approximately 165,000 square feet is occupied with **convenience** goods, which include merchandise sold in grocery stores and drug stores that people generally seek close to their homes. Approximately 32,600 square feet is occupied with **shopper's** goods, which include men's and women's ready to wear, furniture, art, books, lighting, and department store merchandise that people comparison shop to get the best quality at the lowest price.

- The retail space inventory has drastically increased in recent years with the new construction along Greenville Boulevard and Memorial Highway.

Table 2.13 identifies the shopping centers in Pitt County.

**Table 2.13 SHOPPING CENTERS IN PITT COUNTY AND GREENVILLE, NORTH CAROLINA**

| Shopping Center Name | Square Feet | City |
|---|---|---|
| Ayden Plaza | 32,800 | Ayden |
| Bell Fork Square | 65,267 | Greenville |
| Bright Leaf Shopping Center | 92,910 | Farmville |
| Carolina East Convenience Center | 80,760 | Greenville |
| Carolina East Mall | 329,000 | Greenville |
| Colonial Mall | 509,602 | Greenville |
| Farmville Square | 48,700 | Farmville |
| Frontgate Shopping Center | 75,000 | Greenville |
| Greenville Buyers Market | 86,000 | Greenville |
| Greenville Square Shopping Center | 154,701 | Greenville |
| Red Oak Plaza | 8,500 | Greenville |
| South Park Shopping Center | 60,978 | Greenville |
| Stanton Square | 125,094 | Greenville |
| Turnbury Square | 50,000 | Greenville |
| University Center | 56,180 | Greenville |
| University Commons | 329,817 | Greenville |
| White House Commons | 237,370 | Greenville |
| Winter Village | 52,000 | Winterville |
| The Promenade I and II | 103,000 | Greenville |
| 302 Square | 11,000 | Greenville |
| Lynncroft Shopping Center | 240,000 | Greenville |
| Wal-Mart Super Center | 160,000 | Greenville |
| **SF in Pitt County** | **2,908,679** | |
| **SF in City of Greenville** | **2,682,269** | |

*Sources: The Shopping Center Directory and George Henry George Parnters*

## Rental Rates

The current asking and actual rental rates for the various trade areas are summarized below:

**Table 2.14 GREENVILLE RETAIL RENTAL RATE INFORMATION, 2003**

| Shopping Area | Asking Rates (1) | Actual Rates |
|---|---|---|
| Pitt County and Greenville | $15.00 - $21.00 | $15.00 - $21.00 |
| Downtown Greenville | $7.00 - 10.00 | $7.00 - $10.00 |

Notes: (1) All leases are quoted on a NNN basis.

*Source: George Henry George Parnters.*

The rental rate ranges indicated in Table 2.14 are based on centers throughout the county in various locations and of different ages. The market dictates that typically rental rates are higher for smaller space and for better locations. Shopping centers that are realizing the highest market rental rates between $18.00 and $21.00 per square foot include La Promenade, Lynncroft Shopping Center, University Commons and similar shopping centers along Greenville Boulevard. Shopping centers located in less competitive areas are collecting rental rates between $15.00 and $18.00 per square foot. Several shopping centers earning these rental rates include South Park Shopping Center, Arlington Commons, and Arlington Village. Shopping centers located in less desirable areas, possibly outside of the prime shopping areas, are typically leased at rates ranging from $6.00 to $10.00 per square foot. These shopping centers include centers like the K-Mart Shopping Center, Market Place Shopping Center, and Carolina East Center. Asking rental rates in downtown Greenville, along Dickinson Avenue, and on Martin Luther King, Jr. Drive are between $7.00 and $10.00 per square foot.

Conversations with market participants have confirmed that retail rental rates have steadily increased throughout the market with an average growth of between 2.5 and 3.0 percent per year over the past five years.

### Vacancy Rate Analysis

Vacancy rates are important because they indicate the amount of available space in the market, as well as the health of the market. A natural vacancy of 5 percent indicates a healthy market, as 100 percent occupancy is seldom achieved in a natural revolving tenant base in rental properties. Per conversations with market participants, the market is currently performing under stable market conditions with a vacancy of 5 to 8 percent. Therefore, although new construction and new entrants have penetrated the market, retail space has been historically absorbed at a reasonable rate. Healthy demand for retail space still exists and is growing.

Despite the flourishing retail activity throughout Pitt County, the vacancy rate in the downtown is greater than 50 percent of the total retail space, according to a survey of downtown retailers.

## MARKET DEMAND

This section discusses and correlates demand factors to determine the expenditure potential by trade area based on the household income and number of households in each delineated population.

### Household and Population Trends

The following household and population trends reflect retail market conditions for the one and one-half mile primary trade area.

- The total number of households in the primary trade area increased from 6,824 in 1990 to 7,811 in 2003, an increase of approximately 14.5 percent.
- The total number of households in the secondary trade area increased from 18,542 in 1990 to 26,819 in 2003, an increase of approximately 44.6 percent.
- The total number of households in the peripheral trade area increased from 40,491 in 1990 to 55,373 in 2003, an increase of 36.7 percent.
- The number of households is expected to grow to approximately 8,472 by 2008 in the primary trade area. Household growth is expected to be more rapid in the secondary area with an anticipated growth of 9.7 percent in the City of Greenville.

Table 2.15 indicates the population and household trends in the three trade areas.

**Table 2.15 POPULATION AND HOUSEHOLD SIZE**

| | 1990 Census | 2000 Census | Percent Change 1990 to 2000 |
|---|---|---|---|
| **Pitt County - Peripheral Trade Area** | | | |
| Total Population | 107,924 | 133,798 | 24.00% |
| Total Households | 40,491 | 52,539 | 29.80% |
| Median Hhld Income | $ 23,449 | $ 33,353 | 42.20% |
| **The City of Greenville - Secondary Trade Area** | | | |
| Total Population | 48,090 | 60,475 | 25.80% |
| Population Density (Pop/Sq Mi) | 1,831.30 | 2,303.00 | 25.80% |
| Total Households | 18,542 | 25,203 | 35.90% |
| Median Hhld Income | $23,286 | $29,659 | 27.40% |
| **1.5 Mile Radius - Primary Trade Area** | | | |
| Total Population | 20,682 | 21,437 | 3.65% |
| Total Households | 6,824 | 7,742 | 13.45% |
| Median Household Income | $18,525 | $23,419 | 26.42% |

*Sources: Claritas, George Henry George Partners, and US Census Bureau.*

## Household Income

Household income is important to analyze because it determines how much a household can spend on retail goods. This section outlines the household income trends for the primary trade area. The secondary and peripheral trade areas are discussed in the residential portion of this section.

- The average household income for the primary trade area was $37,248 in 2003 and median household income was $25,227.
- The average household income in the secondary trade drastically increases to $46,713 in 2003, and posts a median household income of $31,799.
- The average and median household income in the peripheral trade area was $48,749 and $35,602 respectively in 2003.

## Table 2.16 HOUSEHOLD INCOME ANALYSIS

| Pitt County - Peripheral Trade Area | | | | | Percent Change | | |
|---|---|---|---|---|---|---|---|
| | 1990 Census | 2000 Census | 2003 Estimate | 2008 Projection | 1990 to 2000 | 1990 to 2003 | 2003 to 2008 |
| Average Hhld Income | $31,030 | $45,773 | $48,749 | $53,938 | 47.50% | 57.10% | 10.60% |
| Median Hhld Income | $23,449 | $33,353 | $35,602 | $39,257 | 42.20% | 51.83% | 10.30% |
| Per Capita Income | $11,467 | $17,952 | $19,756 | $22,395 | 56.60% | 72.29% | 13.40% |

| City of Greenville - Secondary Trade Area | | | | | Percent Change | | |
|---|---|---|---|---|---|---|---|
| | 1990 Census | 2000 Census | 2003 Estimate | 2008 Projection | 1990 to 2000 | 1990 to 2003 | 2003 to 2008 |
| Average Hhld Income | $32,420 | $43,993 | $46,713 | $51,354 | 35.70% | 44.09% | 9.90% |
| Median Hhld Income | $23,286 | $29,659 | $31,799 | $34,720 | 27.40% | 36.56% | 9.20% |
| Per Capita Income | $13,168 | $17,915 | $19,984 | $22,733 | 36.00% | 51.76% | 13.80% |

| 1.5 Mile Radius - Primary Trade Area | | | | | Percent Change | | |
|---|---|---|---|---|---|---|---|
| | 1990 Census | 2000 Census | 2003 Estimate | 2008 Projection | 1990 to 2000 | 1990 to 2003 | 2003 to 2008 |
| Average Hhld Income | $27,390 | $34,211 | $37,248 | $41,096 | 24.90% | 35.99% | 10.33% |
| Median Hhld Income | $18,525 | $23,419 | $25,227 | $28,324 | 26.42% | 36.18% | 12.28% |
| Per Capita Income | $9,163 | $12,106 | $14,215 | $16,001 | 32.12% | 55.13% | 12.56% |

*Sources: Claritas, George Henry George Parnters, and US Census Bureau.*

## SUPPLY AND DEMAND

### Expenditure Potential and Capture Rates

The expenditure potential is the estimated amount of dollars that can be spent on convenience and shoppers goods in the Greenville revitalization area. For the 7,811 households in the primary retail trade area, with an average household income of $37,248, the estimated amount of convenience goods expenditure potential is approximately $52.4 million. Total capture of these potential sales is approximately $41.9 million in convenience goods sales not including the students and the inflow calculation.

Table 2.17 indicates the calculation of this expenditure potential for convenience goods in downtown Greenville and the total supportable square feet of retail space.

**Table 2.17 CONVENIENCE GOODS EXPENDITURE POTENTIAL ANALYSIS DOWNTOWN GREENVILLE**

| | 1.5 Mile Radius |
|---|---|
| Number of Households | 7,811 |
| Household Income | $ 37,248 |
| ***Total Household Income*** | ***$ 290,944,128*** |
| Percent of Income for Convenience Goods | 18% |
| ***Convenience Goods Disposable Income*** | ***$52,369,943*** |
| Percent Potential Capture of Convenience Sales Per Market | 80% |
| ***Potential Capture of Convenience Goods Sales Per Market*** | ***$41,895,954*** |
| Inflow Calculation from Student Population | $ 7,000,000 |
| ***Potential Sales with Student Population*** | ***$46,895,954*** |
| Percent inflow from downtown employees, traffic, etc. | 30% |
| ***Total Potential Sales*** | ***$ 61,564,740*** |
| Market Sales Per Square Foot | $ 260 |
| Total Supportable Square Feet | 236,797 |
| Less 5% Vacancy and Turnover | 11,839 |
| ***Total Net Supportable Square Feet*** | ***224,958*** |
| Less Existing Square Feet | 165,000 |
| **Total Supportable Square Feet for Convenience Goods** | **59,958** |

Table 2.18 indicates the calculation of the same expenditure potential for shoppers goods in downtown Greenville and the total supportable square feet of retail space.

**Table 2.18 SHOPPERS GOODS EXPENDITURE POTENTIAL ANALYSIS DOWNTOWN GREENVILLE**

| | 1.5 Mile Radius |
|---|---|
| Number of Households | 7,811 |
| Household Income | $ 37,248 |
| ***Total Household Income*** | ***$ 290,944,128*** |
| Total Household Income Less Housing Expense | $ 203,660,890 |
| Percent of Income allocated to Shoppers Goods | 42% |
| ***Shoppers Goods Disposable Income*** | ***85,537,574*** |
| Percent Potential Capture of Shoppers Goods Sales Per Market | 15% |
| ***Potential Capture of Shoppers Goods Sales Per Market*** | ***$ 12,830,636*** |
| Inflow Calculation from Student Population | $ 10,090,000 |
| ***Potential Sales with Student Population*** | ***$ 22,920,636*** |
| Percent inflow from downtown employees, traffic, etc. | 30% |
| ***Total Potential Sales*** | ***$ 29,796,827*** |
| Market Sales Per Square Foot | $ 275 |
| Total Supportable Square Feet | 108,352 |
| Less 5% Vacancy and Turnover | 5,418 |
| ***Total Net Supportable Square Feet*** | ***102,934*** |
| Less Existing Square Feet | 32,600 |
| **Total Net Supportable Square Feet for Shoppers Goods** | **70,334** |

Capture from the downtown population and inflow from outside residents and the student population was considered to derive the expenditure potential. After the inflow and capture considerations, the expenditure potential calculation for convenience goods and shopper's goods is $61.5 million and $29.8 million respectively for a total retail market potential of $91.3 million that could be captured in the downtown.

## Supportable Square Feet Analysis

The supportable square feet analysis calculates the number of square feet a trade area can support based on the assumption that a retail store must generate a certain level of retail sales. In the above analysis, the *Dollars and Cents of Shopping Centers,* and past experience in similar redevelopment areas was utilized to determine the required market sales per square foot. Based upon rental rate requirements, it was concluded that convenience and shoppers goods shopping centers should expect sales per square foot of $260, and $275 respectively. Therefore, the estimated supportable square feet for convenience goods before vacancy are 236,797. The total shoppers goods estimated supportable square feet before vacancy are 108,352. To derive the actual supportable square feet in downtown Greenville, a 5 percent vacancy rate in the retail inventory in downtown Greenville was deducted.

Central to the need to revitalize the West Greenville neighborhoods is the need for a strategy to improve the viability of businesses located in West Greenville. A number of such businesses are located along the Martin Luther King, Jr. corridor where they are highly dependent on the adjacent neighborhood market. Given the limitations of this market, many of these businesses have to work very hard to make ends meet. The result, in most cases, are businesses that appear to be marginal, creating a blighting influence on this major corridor in the neighborhood.

One potential solution is to create a win-win situation for both the businesses and the community. This solution will require the relocation of the retail and service businesses to a new location along the new Tenth Street Connector, or in other locations where suitable, to give them access to a broader market . This will only be successful if there is a commitment to provide these relocated businesses with business planning assistance, capital to improve leasehold improvements and equipment, and adequate capital inventory to upgrade them to be more competitive. Positioning these businesses to take advantage of this new market opportunity would be a major accomplishment of the revitalization effort.

Given the relocation of these businesses, the Martin Luther King, Jr. Drive corridor should be redeveloped as a single family home neighborhood street that will be used to redefine the image of the West Greenville neighborhoods. This will require quality housing development as well as quality landscaping along the corridor.

### Conclusion

This retail analysis indicates that there is currently a latent demand for approximately 60,000 square feet of convenience goods and services and 70,000 square feet of shoppers goods in the downtown market. Over time, and with the introduction of an additional 5400 housing units in the downtown and West Greenville markets, additional shoppers goods and convenience goods space could be supported.

## IV. ENTERTAINMENT ANALYSIS

### INTRODUCTION

This section analyzes the potential for entertainment, specialty retail, and food and beverage businesses in downtown Greenville. Downtown Greenville is defined as the one and a half mile radius from the center city.

The entertainment analysis ties in closely with the retail component discussed previously in this section. As noted in the retail analysis, expenditure potential along with consumer inflow indicates how much money can potentially be captured in a particular market. The expenditure potential is generated from household incomes, number of household and allocation of income to certain goods. The following is a brief description of our analysis:

1. Definition of the trade area. This trade area is shown in Map 2.6.

2. Supply Analysis - An inventory analysis of specialty retail, entertainment establishments and eating and drinking establishments.

3. Demand Analysis - This analysis will include a demographic, economic, household income and income inflow analysis.

4. Scenario Forecast - Determination of potential projects for downtown Greenville that could help revitalize the area, while maintaining the amenities for both the college students and local residents. This forecast will also include development of various scenarios that could potentially revitalize the downtown and establish a vibrant mixed use area. This section is based upon past experience and the analysis of communities with similar demographic and economic characteristics and with a University present.

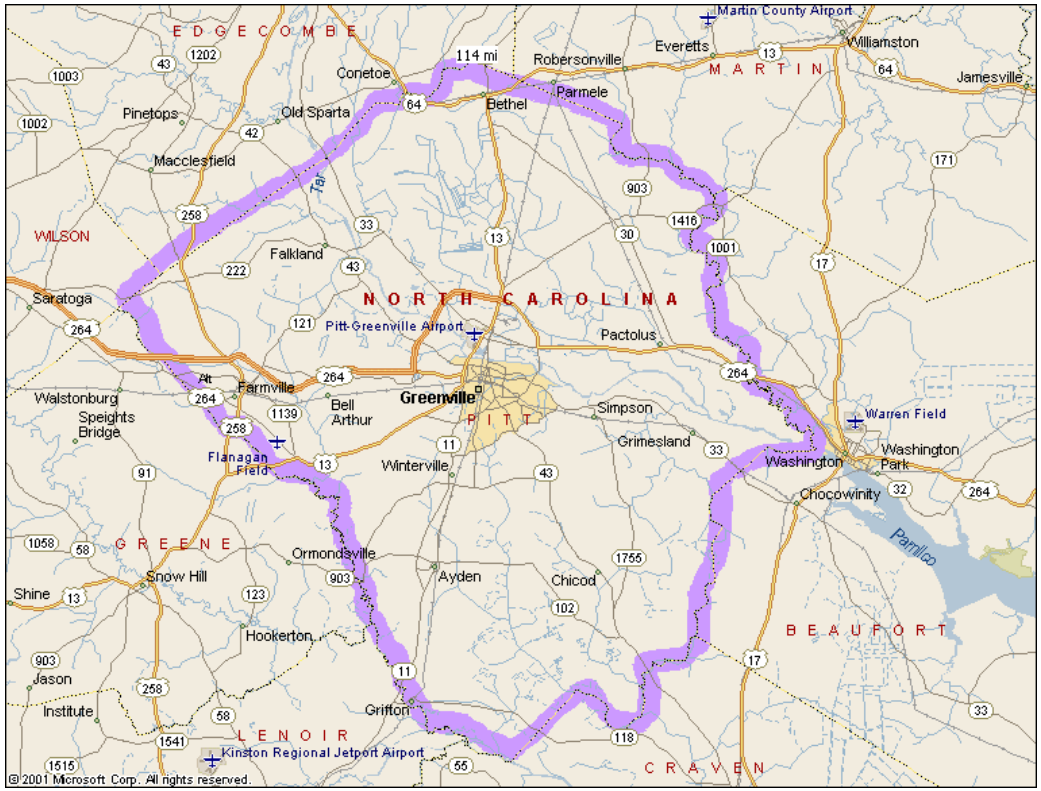
### ENTERTAINMENT MARKET OVERVIEW

The Pitt County and City of Greenville entertainment market is a growing market with tremendous potential. In recent years there has been a substantial increase in the number of restaurants along the Greenville Boulevard and Arlington Boulevard retail corridors. Despite the sharp increases in inventory, the market has maintained its health and stamina which is indicated by the low vacancy rates in retail space and in the food/beverage and entertainment space inventory.

## DEFINITION OF THE TRADE AREA

The primary trade area for the entertainment market has been identified as Pitt County. This trade area has been defined because consumers typically travel farther distances from their home for entertainment, specialty retail, and food and beverage opportunities, since they are destination locations.

An aggressive redevelopment program should put the center city in a position to function as a regional, multi-county entertainment center. Achieving this destination status would bring additional dollars into the downtown economy.




***Map 2.6 – Primary Trade Area - Pitt County***

## SUPPLY ANALYSIS – INVENTORY

In order to develop a plan to introduce additional entertainment, specialty retail and food and beverage establishments in downtown Greenville, it is important to look at the current inventory in both downtown Greenville and Pitt County.

### Entertainment and Recreation

Currently in Pitt County, there is only one 12 screen movie theater, the Carmike 12 located at 1685 East Firetower Road. Greenville also maintains several bingo facilities, a bowling alley, a skating rink, a tennis and fitness center, a golf range, the Greenville Fun Park, and five golf courses. In addition, there is a full complement of sports events at East Carolina University including football, basketball, and baseball that generate large crowds in close proximity to the redevelopment area.

### Food and Beverage

In recent years, the number of restaurants has increased dramatically in Pitt County. According to the Greenville Conventions and Visitors Bureau, there are approximately 231 restaurants in Pitt County. Of those restaurants, 141 are low cost, 78 are moderately priced, and 12 are expensive. Approximately 176 of those restaurants are located within the City of Greenville. Of those restaurants 99 are low cost, 68 are moderately priced, and 9 are expensive. Downtown Greenville, defined as a one and half mile radius from the center of the city, currently houses 24 sit-down restaurants and 26 fast food and delicatessen style restaurants. The downtown area of Greenville, immediately adjacent to the university, caters to the student population at East Carolina University. This area offers less expensive restaurant and bar choices that typically cater to the younger age group.

### Cultural Facilities and Specialty Retail

Greenville and Pitt County currently have several art galleries and other various cultural facilities. The following will describe these facilities and their general location in Pitt County.

#### Galleries

The galleries located in downtown include the following:

- Stickland Fine Art Services on East Fourth Street.
- Emerge Gallery on Evans Street.
- Platinum Gallery on Dickinson Avenue.
- Greenville Museum of Art on Evans Street.
- Wellington B. Gray Gallery on East Carolina University Campus.

The Greenville Museum of Art offers the largest public collection of Jugtown Pottery and various exhibits from its 19th and 20th Century American art collection.

### Other Cultural Facilities

Other cultural facilities located throughout the county include the following:

- The May Museum and Park offers an interpretative history of the area through permanent exhibits and special programs offered periodically throughout the year. This museum is located in the City of Farmville.

- The Ledonia Wright African American Cultural Center is both a cultural education center and a gallery, located on the East Carolina University Campus.

- The East Carolina Village of Yesteryear offers an historical recollection of both Pitt County and Eastern North Carolina from 1840 to 1940. This museum is located on the Pitt County Fair Grounds along Route 264.

### Specialty Retail

Specialty retail can be defined as retail that caters to special niche markets and offers goods that can not be obtained at typical big box stores or general merchandisers. Currently in Greenville, the general locations to obtain specialty goods are located in "Uptown Greenville". This corridor is located along Evans Street, between Martin Luther King, Jr. Drive and East Third Street. Several stores that are currently in this region are Catalog Connection, and Ripple City Artwork. In addition, there are also various restaurants and offices located along the corridor. Another area of specialty retail exists along the Dickinson Avenue corridor between West Tenth Street and West Sixth Street. This area is currently occupied by several antique shops, sparsely occupied retail uses, and several automotive facilities, which do not fit into the specialty retail theme.

## DEMAND ANALYSIS

Several factors attribute to the demand for entertainment, specialty retail, and food and beverage establishments. Such factors include population, household income, transient population expenditure, and tourism spending. In this section, we will discuss the various demographic factors, potential income expenditure of the trade areas, and the impact of consumer inflow from both the transient student population and consumers from outside the trade area.

### Demographic Analysis

The population and number of households increased substantially in Pitt County over the recent decade. Between 1990 and 2000, the population increased by 24 percent, or by approximately 26,000 persons. Total households increased approximately 30 percent over the same period, or by an estimated 12,000 households. Median household income indicated positive growth of 42 percent over the same period increasing from 23,449 in 1990 to $33,353 in 2000. The latest census estimations reveal that the median household income for Pitt County as of 2003 was $35,602.

Table 2.19 shows the pertinent demographic data for this analysis.

**Table. 2.19 DEMOGRAPHIC ANALYSIS AND PROJECTIONS PITT COUNTY 1990 TO 2008**

| | 1990 Census | 2000 Census | 2003 Estimate | 2008 Projection | Percent Change 1990 to 2000 |
|---|---|---|---|---|---|
| **Pitt County-Trade Area** | | | | | |
| Total Population | 107,924 | 133,798 | 138,770 | 146,411 | 24.00% |
| Total Households | 40,491 | 52,539 | 55,373 | 59,902 | 29.80% |
| Median Hhld Income | $23,449 | $33,353 | $35,602 | $39,257 | 42.24% |

*Source: US Census Bureau.*

## Expenditure Potential Calculation

Expenditure potential identifies the amount of dollars spent on entertainment, specialty retail, and food and beverage. As a part of this process, consumer expenditure data drawn from national surveys was utilized to determine the percentages of total household income spent on these services or products.

In addition, an added 20%, or one out of five customers who will likely come from beyond the Pitt County boundaries were factored into this calculation. The information contained in Table 2.20 shows that entertainment sales (including movies, the performing arts, food away from home, alcoholic beverages, and specialty retail such as videos, music and books) will be approximately $324 million within Pitt County with an additional 20% inflow from surrounding counties.

It is believed that the downtown area is well positioned to capture up to 40% of this potential expenditure if concrete projects are developed and the downtown area is effectively promoted.

**Table 2.20 ENTERTAINMENT EXPENDITURE POTENTIAL ANALYSIS DOWNTOWN GREENVILLE**

| | Pitt County |
|---|---|
| Number of Households | 55,373 |
| Household Income | $ 48,749 |
| ***Total Household Income*** | ***$ 2,699,378,377*** |
| Percent Captured for Entertainment * | 12% |
| Estimated Entertainment Dollars | $323,925,404 |
| Estimated Inflow to Pitt County (20%) | 64,785,081 |
| **Estimated Market Sales** | **$388,710,485** |
| ***Upside Capture Potential*** | ***40%*** |
| Downtown Potential Market | $155,484,194 |
| ***Supportable Space @$315 psf*** | ***493,600*** |
| Less Estimated Existing Space | 349,041 |
| ***New Space Supportable in Downtown Market*** | ***144,560*** |

* Includes food and beverage and specialty shoppers goods

A 40% capture rate would generate potential sales of approximately $155.5 million for the downtown area. Given current rent levels, a sales productivity factor of $315 per square foot would be sufficient to assure sustainable operations. This would suggest that demand would be adequate to support nearly 494,000 square feet of entertainment space.

Information available suggests that there may be as much as 349,000 square feet of existing retail space in the downtown entertainment district. By deducting the existing space from the supportable space, the conclusion is that approximately 144,500 square feet of new entertainment space can be supported.

## SCENARIO FORCAST

Since the above entertainment analysis indicates the market to support an additional 144,500 square feet of space, and the space is available in downtown Greenville primarily in the area bounded by Evans Street, Tenth Street, and Dickinson Avenue, this section will suggest entertainment strategies for the downtown area. To determine various entertainment plans that utilize and create a vibrant downtown, similar

communities with similar demographics, economics, and the presence of a university have been examined to determine the scenarios outlined below. Additional research may be necessary to implement one of the following scenarios.

**Scenario 1**

In efforts to include the permanent residents into the downtown scene, it would be helpful to add entertainment, cultural centers, and activity centers that can be utilized by not only college students, but also children, and adults. Currently in the 4 to 5 block area from Reade Street to Evans Street along East Fifth Street are predominantly drinking establishments which are patronized by the college student population. These establishments are primarily utilized during the evening and the daytime activity in downtown is quite limited. In order to increase the daytime activity in downtown, an increase in the number of establishments that offer adult and children's activities may enhance the number of consumers for downtown entertainment. In addition, such facilities as day care centers to be utilized by the City, County, East Carolina University, and hospital employees would be helpful. Some potential projects that could assist in the successful implementation of the daytime family oriented downtown are:

- Eastern North Carolina Regional Science Center
- A Children's Museum and Activity Center

In addition, facilities such as day care centers to be used by both the City, County, East Carolina University, and Hospital employees would be helpful.

**Scenario 2**

As indicated by the inventory analysis, Pitt County currently has one 12 screen movie theater. Currently in Pitt County that is one movie screen per 11,564 persons. According to a report published by *Eurostat,* approximately one movie screen was provided per 7,900 people in the United States in 1998. If this ratio of movie theatre screens is applied to the current population, then Pitt County could currently support 18 movie screens. Additionally, an article published by Matrixx Entertainment Corporation indicates that the largest groups to attend movies are between the age groups of 16 to 20 years, and 30 to 39 years. These age groups make up approximately 19 percent of the total movie going population and approximately 23 percent of the total Pitt County population. Taking into account the demographic factors noted above and the future growth of the region and the University, then it would be reasonable to suggest that an additional 6 screen movie theatre in downtown Greenville would be sustainable. However, to attract a developer for a six screen complex would probably require a specialty theater complex developer. As an alternative, the downtown market can potentially capture this demand by adding the additional movie theater in the downtown region and having it cater to either arts theatre patrons, or general main release movies currently shown at the 12 screen movie theatre.

**Scenario 3**

The current retail market in Greenville has experienced rapid growth and provides most goods and services desired by the typical consumer. The retail corridors located along Greenville Boulevard, Memorial Drive, and Arlington Boulevard service most of Pitt County and provide daily goods and services. As a result, this competing retail market makes a dense retail corridor in downtown more challenging to achieve. Therefore, to achieve a vibrant downtown with demand generated for all around goods, services, and food and beverage, there is potential for a dense area of specialty retail, and niche retail markets. These retail stores should offer goods that can not be obtained at typical retail outlets. The downtown should be a destination shopping area that combines cultural activities, shopping, and eating and drinking.

**Scenario 4**

The Dickson Avenue corridor between Reade Circle and Tenth Street currently has several antique shops located near the center of downtown Greenville. This corridor does have several automotive repair shops and a run down neighborhood strip center with a convenience store anchor. However, it also has a number of historic buildings and the appropriate scale for an arts/entertainment/cultural district.

The implementation of an entertainment district along this portion of the Dickinson Avenue corridor must be crafted specifically for the demographics and to the revitalization objective of downtown Greenville.

At present, the outside view of downtown Greenville is as a bar-hang out area for college students. This image must be changed through the development of businesses that appeal to a broader segment of the business / university / healthcare community. From a market perspective, this means the recognition of the total university and health care employee market in the City, not simply the student market.

Similar to the Scenario 3, the creation of “destination retail” is essential for a successful retail and entertainment plan for this area. Currently the antique shops start as a good niche market for this region to flourish as a retail destination. Additional retail that may prove positive is an outdoor market on the weekend with street vendors, or an outdoor/indoor vegetable market open several days a week that help support local farmers and merchants. In addition, the retail section of this report indicates that demand exists for various convenience goods in this section of the city.

## V. STRATEGY IMPLICATIONS

The market analysis suggests that the Greenville revitalization area has received very little of the total development occurring in the City of Greenville and Pitt County due to the perception of a poor development climate in the core city. As a result, the dominant land uses in the revitalization area which includes the downtown, are single-family residential, marginal commercial, and vacant land. At the same time, input from meetings with the community suggests that all of

the problems facing the revitalization area, especially in the West Greenville neighborhoods, need strategies that are much broader than the limited purview of the market analysis.

As a result of this need, a broader community development experience has been used to identify a set of goals, principles, strategies, and projects that may prove important in moving forward the improvement of the revitalization area with an emphasis on the center city and the West Greenville neighborhoods.

However, we have been informed by the City planning staff that local developers have indicated vacancy rates for multi-family housing to be as high as 20%. If these estimates are accurate, the housing program should proceed with caution until such time as the vacancy rates decline to an acceptable level.

## IMPLICIT GOALS

The review of previous reports and documents, the assessment of proposed projects, and the discussions with City staff have suggested that certain goals and objectives be implicit for revitalization area community/economic development strategy. Among them are the following:

1. Increase the economic competitiveness of the revitalization area as it relates to other areas of the City and Pitt County.

2. Reposition and revitalize the downtown as a new and vibrant activity center for the city and the region.

3. Maintain the integrity of West Greenville as a predominantly African-American community while positioning it as a residential neighborhood for new growth and revitalization.

4. Improve the physical and social environment of the revitalization area to make the area more attractive to outside investment, including competitive residential expansion and to improve the quality of life of existing residents, with an emphasis on the 45 block redevelopment area as the starting point.

## RECOMMENDATIONS

The recommendations needed to achieve these revitalization area goals can be grouped into three categories: employment, housing and support services.

**Employment** -The main recommendations for employment are as follows:

- Expand existing businesses, especially in the downtown and in the West Greenville neighborhoods.

- Expand the number of small businesses located in the revitalization area.

- Initiate new business development and job opportunities through the creation of employment centers both inside and outside of the revitalization area that are well conceived, with strong access.

- Develop the revitalization area as a mixed-use community with residential, commercial and entertainment uses.

- Attract a diversity of public and private users for commercial space located in the revitalization area to establish a stable employment base.

**Housing** - Housing recommendations identified for the revitalization area include the following:

- Provide infrastructure improvements to encourage single family housing development.

- Emphasize residential development for the revitalization area, focusing on new neighborhood clusters with single-family housing as mixed income neighborhoods.

- Diversify housing options, particularly for the middle- and upper-income ranges to retain existing residents who require higher quality housing and to attract new residents.

- Increase the supply of quality housing units to encourage residential expansion and retain and attract the East Carolina University student population.

- Continue the process of renovating or clearing blighted residential or commercial structures and replacing them with new or rehabilitated quality housing. This is particularly important on the Tenth Street, Martin Luther King, Jr. Drive, and Dickinson Avenue corridors.

- Provide affordable housing opportunities for senior citizens and low-income families within the context of developing mixed-income communities to allow these groups to stay in the neighborhoods.

**Support Services -** Support services include both retail to serve residents, and business support functions such as copy shops and professional offices. These are a vital part of a healthy economic mix. The recommendations for support services include the following:

- Revitalize existing support services.

- Expand the level of existing convenience goods and services to meet the needs of new residential and employment-based development.

- Improve the quality of convenience goods, shopper's goods and services in the revitalization area.

- Expand the eating, drinking and entertainment activities in the revitalization area, especially in the downtown, by appealing to a broader market segment. This

requires a diversity of business formats which will attract health care professionals, and University faculty, administrators, and staff to the downtown.

In addition to the recommendations outlined here, an emphasis should be placed on improving the overall security of the community. The action plans and strategy approaches that follow are designed to best address the economic and community goals and recommendations identified here. The redevelopment strategies are based on several important underlying principles.

## PRINCIPLES UNDERLYING REDEVELOPMENT STRATEGIES

These principles are based upon some practical concepts that should underlie the further redevelopment of the revitalization area. These principles include the following:

1. **Identify Development Targets**. To identity those specific economic activities for which the revitalization area can effectively compete within the City and the rest of the county (housing, eating and drinking, and entertainment).

2. **Utilize Assets**. To make maximum use of the diverse assets that the revitalization area has within its boundaries—people, vacant land resources, East Carolina University, local government support, and organizational capabilities.

3. **Foster Public-Private Ventures and University Collaboration**. To devise and fully use new tools, techniques and methods for generating public-private ventures and university collaboration in the development process.

4. **Remove Disincentives**. To identify and remove the disincentives that discourage private business decisions to invest in the area.

5. **Create New Incentives**. To identify the high leverage incentives that will develop the critical momentum needed to "jump start" development in the revitalization area.

6. **Encourage Activity Linkages**. To recognize the catalytic affects of the proper physical interrelationship and "critical mass" among economic activities and to cast specific action programs within the framework of practical physical plans that can be implemented.

7. **Remove Blighting Influences**. To recognize the negative impact of incompatible uses and blighted physical conditions on the investment and development climate, especially as they relate to the Martin Luther King, Jr. Drive corridor. This should include improvement of streetscape and infrastructure to encourage new investment.

8. **Recognize Intangible Values**. Beyond any and all specific strategies for development, to put a continual emphasis on the intangible values of the "good community" representing acceptable quality of life standards.

## STRATEGIES

The specific recommended development strategies attempt to incorporate these principles in concrete action proposals. They are designed to deal with both problems and opportunities that are evident. They become very much a matter of organizing the public and private resources within the City of Greenville to maximize the potential of the revitalization area.

In light of the current market conditions and the area's past private investment history, it is clear that positive interventions have to be made in the daily workings of the marketplace. These interventions must provide public incentives to support the generation of new private investment in the revitalization area. This action requires a clear understanding of what types of investments can be made, where investments can be made with a limited amount of "red tape", and what type of public investments that are likely to be made in support of private investments.

The strategies set forth below incorporate the development principles stated above. The strategies have been organized into three main categories: job generation, employment and training, and community development.

### Job Generation Strategies

1. **Enhance Industrial/Distribution Employments**. Initiate the expansion of the employment base of the revitalization area through the recruitment of new businesses and the development of light/manufacturing and distribution parks throughout the City with businesses that meet the skill levels of the entire labor force available in Greenville.

2. **Enhance Office Employment**. Initiate actions designed to increase office employment in the downtown. This will include the development of offices over the stores where economically practical.

3. **Encourage Small Business Development**. Expand efforts for small business development through the creation of financial resource pools and expanded business technical assistance to increase the birth rate of small businesses in the downtown and revitalization area.

### Employment and Training Strategies

1. **Create Business Linkages**. Create linkages between public, private, hospital, and university business development activities and programs to train and place the unemployed and underemployed.

2. **Create Training Partnerships**. Create joint efforts with the county school system and Pitt Community College to provide vocational and technical training in the revitalization area in partnership with community organizations.

## Community Development Strategies

1. **Encourage Neighborhood Revitalization**. Initiate efforts to revitalize existing neighborhoods such as West Greenville with emphasis on the redevelopment and revitalization of Martin Luther King, Jr. Drive and redevelopment of the 45 block Community Development Block Grant revitalization area.

2. **Continue to Improve Infrastructure**. Coordinate efforts to expand and improve the revitalization area infrastructure, giving priority to areas offering high development or revitalization potential.

3. **Develop Community Facilities/Support Services**. Ensure that community and support service facilities in revitalization area are provided at the same level as in other neighborhoods in the city and county and assure that a high quality of life is developed and maintained.

4. **Enhance the Housing/Residential Development**. Initiate the development of 1350 new or renovated housing units in the West Greenville area and 2700 housing units in the downtown center over the 15 year implementation period.

5. **Establish a Marketing Program**. Initiate a marketing program that includes brochures and special events designed to promote the revitalization area and downtown Greenville as a good location for business and as a quality residential area.

## MARKETING PROGRAM

Economic development is about more than just adding or improving some businesses. It is also about creating an attractive image that entices families and businesses to consider and locate in the targeted area. This is especially important in a more mature locality where an image is already established, but needs to be repaired. Transforming an image can be difficult; it requires serious attention to marketing and promotion.

In the case of the revitalization area, the new image must be attractive to middle and upper income households, to developers, and to new businesses. The revitalization area's strengths include its location adjacent to the University and its accessibility to the broader region. On the other hand, the area is perceived as a low-income area with higher crime than other areas, and with a downtown that has been struggling to maintain its viability given the massive amount of commercial development that has been created along Memorial Drive, Arlington Boulevard, and Greenville Boulevard.

The marketing and promotional strategy should be based on the concept that revitalization area is a heterogeneous community that is a vital part of the larger Greenville community. A professional firm should be retained with the capability to create the proper message, to design the required slogans and logos, and to create the brochures and

other communication tools needed to market the area. The marketing strategy outlined in this section is designed to emphasize the strengths of the area and address the weaknesses of the area in order to send out a consistent positive message to the broader community and to stimulate private reinvestment.

## CATALYTIC PROJECTS

All catalytic projects should be based on their capability to implement one of the following broad concepts which are at the core of this revitalization plan:

- Construction of the Tenth Street Connector and redevelopment of this corridor.
- The redevelopment and revitalization of center city Greenville.
- The redevelopment of the 45 block CDBG Revitalization Area.
- The reconstruction of Martin Luther King, Jr. Drive as a single family residential corridor requiring the relocation of existing retail and service businesses.

The market analysis strongly indicates that housing has the best chance of driving the market in the revitalization area. Since we strongly believe that neighborhoods are revitalized one project at a time, with projects supported by market demand, it clearly follows that several catalytic projects in the housing category should be developed. It is also clear that several commercial projects should be developed with at least one in the downtown and one in support of the business relocation effort from Martin Luther King, Jr. Drive. Finally, an entertainment project should be implemented as discussed herein.

Below is a summary of projects that can be supported by either the current market findings herein or through available subsidies.

### Housing

The market analysis supports a range of housing initiatives including market rate ownership and rental, subsidized affordable ownership and rental housing, and specialized housing for senior citizens requiring support for independently living. It is in this context that we recommend the following projects:

- Infill housing over the stores in the downtown targeted toward students and other single university employees that do not exceed 20 units annually.
- Market rate housing units in West Greenville in the area of Bancroft Drive not to exceed 30 units annually.
- An independent living senior citizens project not to exceed 120 units.

- An infill-housing program of market rate units in clusters within the 45-block CDBG Revitalization Area.

- An affordable housing program strategically developed to foster mixed income communities.

- A 120-unit tax credit rental housing development with amenities that include a clubhouse and swimming pool.

## Retail Development

Retail development must be handled skillfully because of the intense competition in the market and the absence of much potential to attract major retail anchors with the possible exception of an additional supermarket. However, not withstanding these limitations, we have come to conclude that there is sufficient market demand to support the following projects:

- New retail infill in the downtown consisting of general merchandise, women's ready to wear, furniture and accessory items, targeted to the university community and nearby downtown residential population not to exceed 20,000-25,000 square feet annually. It should be located primarily on Evans Street between Third and Fifth Streets.

- A new retail complex of approximately 30,000 square feet to be located in the Tenth Street Connector Corridor between Chestnut Street and Myrtle Street. To the maximum extent possible, this facility should be used to relocate viable retail businesses from the Martin Luther King, Jr. Drive corridor.

## Eating, Drinking and Entertainment

Eating, drinking and entertainment can bring life and viability to downtown Greenville and to other locations within the revitalization area. In the entertainment demand analysis, four scenarios were outlined that might be implemented, in part or in whole, to expand the entertainment opportunities of the downtown. In this effort, a key objective should be to capture the potential market of University sports fans who come close by the revitalization area to attend these sporting events. A local determination should be made as to which approach would best achieve the local vision of the future of the downtown.