

## **CHAPTER 9 – ECONOMIC DEVELOPMENT**

### **ACKNOWLEDGEMENT**

The majority of this chapter is derived from a December 2009 retail market study and branding strategy developed for the Denton Main Street Program by Arnett Muldrow & Associates, Ltd., from Greenville, South Carolina.

### **INTRODUCTION**

Arnett Muldrow & Associates, Ltd. was hired to conduct the study of Denton looking at opportunities for the downtown; and develop a marketing strategy for promoting Denton as a place to shop, visit, and invest. The study began with a series of stakeholder interviews and roundtable work sessions along with a zip code survey of customers held in June and July 2009. The zip code research led to a market definition study and a sales and retail leakage analysis for the community. Altogether this information was used to craft a series of recommendations to grow Denton amidst challenging economic times.

Although the study was focused on downtown Denton revitalization, much of the retail market study is relevant to the greater Denton community. Map 9-1 shows the Town's commercially zoned areas. It reflects the objective of increasing acreage for Highway Commercial and Light Industrial zones. Each of these commercial zones, with the exception of Light Industry and Commercial Medical, can accommodate significant retail growth (refer to Land Use Element).

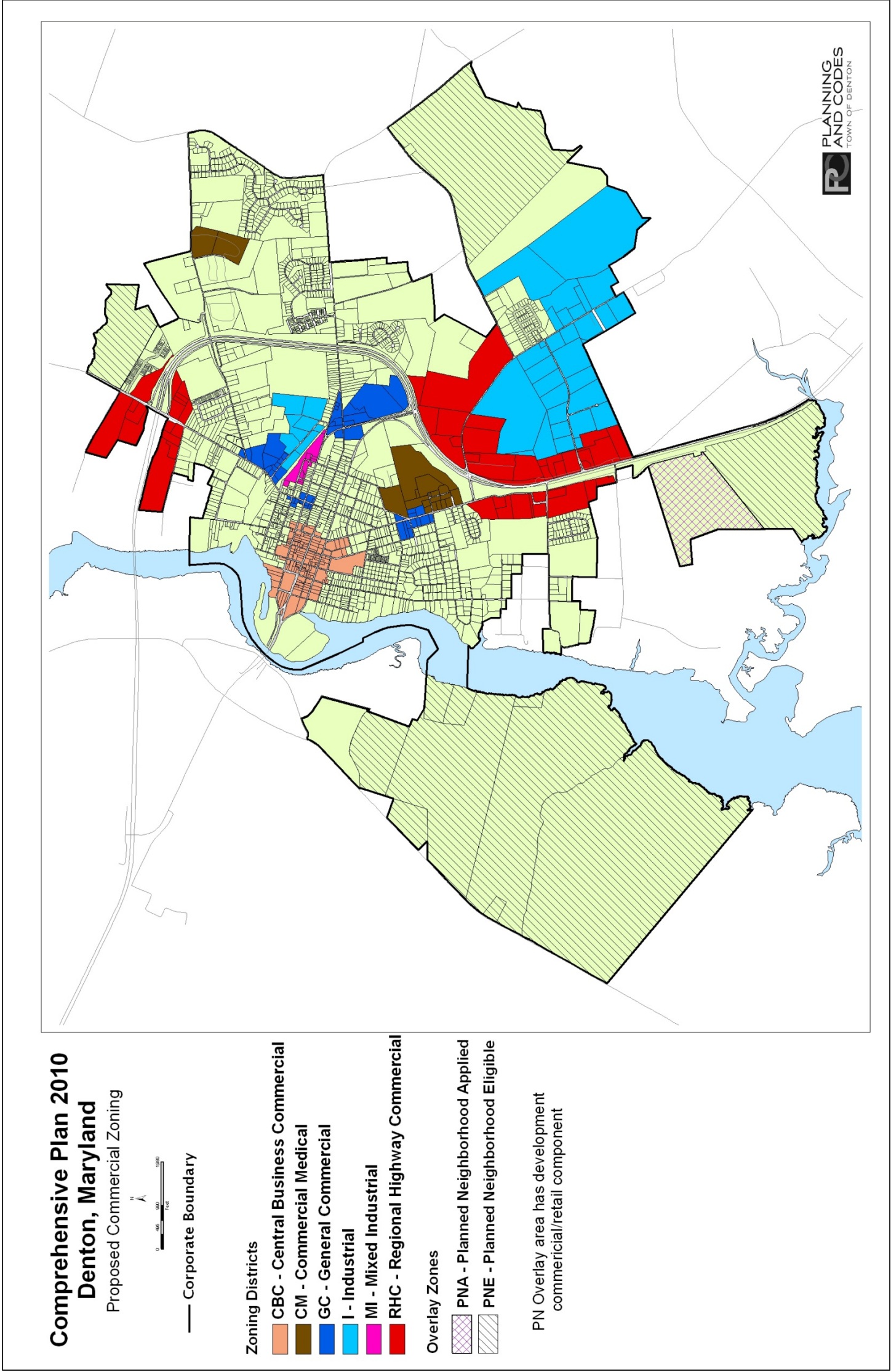
A retail analysis determined that much disposable income is "leaking" from the Denton area to retail establishments in other areas, primarily outside Caroline County. This analysis assessed what type of additional retail businesses might be attracted to Denton and what existing stores might do to diversify their offerings.

It should be noted that this independent study used demographic and population data, especially the latter, which may not entirely mesh with data portrayed in other chapters of this comprehensive plan. Nonetheless, the conclusions, and the proposed strategies and objectives, are legitimate and compelling.

In addition to the aforementioned study, this plan element also focuses on the non-residential land use and zoning changes and their effect on business and employment opportunities.

### **RETAIL MARKET STUDY**

This section of the report presents the findings of the retail market research for Denton and sets the stage for further analysis that can be used to recruit business, help existing businesses target customers, and implement the accompanying marketing strategy, which is detailed in the next chapter. The goal is to help Denton become a competitive center of trade for the community amidst dramatic change in the retail climate in America today.



The Retail Market Study is divided into three sections:

The first section – **COMMUNITY INPUT** – is a summary of input gathered during over twenty individual and small group sessions held during the study process. The input provides insight into the strengths, challenges, and opportunities that exist in the Denton market from the important perspective of local stakeholders.

The second section – **MARKET DEFINITION** – is Denton’s market definition based on zip code survey work completed by businesses in the community. It also provides insight into Denton’s trade area demographics and presents market data related to Denton’s primary and secondary trade areas.

The third section – **TRADE AREA DEMOGRAPHICS** – presents the retail market analysis that shows the amount of retail sales “leaking” from the primary and secondary trade areas. This information is based on the most recent data available and is a reliable source for understanding overall market patterns. This section concludes with some key opportunities for retail that could be used to both enhance existing businesses and recruit additional businesses to the community.

### **Community Input**

Market data alone does not fully inform a study of this nature. A successful marketing strategy can only emerge as a result of the combination of market opportunities and the needs and desires of a local community. To that end, several different approaches were taken to gather input on the future of Denton to augment the market data identified above. The project team conducted over twenty individual interviews, roundtable meetings, and a public input session to gather information. In addition, the team had casual conversations with shopkeepers as they distributed the zip code survey forms. The following is a synopsis of the community input gathered during this process.

### **Assets**

Like all cities, Denton enjoys certain unique characteristics that may be regarded as community strengths. Some of Denton’s strengths include:

- A rich local history
- Prime location along the Choptank River
- Courthouse and Courthouse Green
- Caroline County Library and Performance Space
- Early settler style architecture and charming downtown district
- Two restaurants (Pub/Lily Pad)
- Caroline County Arts Council (The Foundry)
- Rural, small town charm
- Fishing, fresh produce, and the Farmer’s Market
- A downtown that is walk-able and pedestrian-friendly
- Summerfest is an excellent event
- Great local schools
- Huge traffic counts from people driving to the beach

## **Challenges**

At the same time, Denton is presented with a number of challenges that must be dealt with to ensure its future well-being. Some of Denton's challenges include:

- Many people wonder how Walmart\* will affect downtown's business climate
- Tight town/county budgetary constraints limit the ability to do too much
- Involving new residents (commuters) can be a challenge
- Some in the community have an anti-tourism sentiment
- Some question the ability to move forward on three major projects at once? (Artsway, the Riverfront, and the Culinary Center)
- There is some confusion with regard to the array of groups with similar missions.
- Some have a resistance to change, "outsiders"—"I'm here; pull up the drawbridge"
- The community presents some barriers to entry—red tape, high rents
- "What's good about [Denton] is what's bad with it"
- We need to fill in the empty shops
- Business recruitment and retention is a challenge for this market as it is not as affluent as other markets

## **Desired Uses**

Many expressed a desire for certain store types, additional amenities, and attractions in the community. These are:

- Additional grocery store(s)
- Good quality toys, children's clothes
- "A nice old movie or play theater"
- Have a place for kids (eateries, "hangouts")
- Ice cream parlors
- Swim at an indoor pool or at a YMCA
- Apartments/low-cost housing
- More housing/activities for elderly residents
- Better senior citizens' center
- Community garden
- Coffee Shop
- Expanded Rural Life Museum
- Nightlife (shops, restaurants, etc.)
- Bookstore/news center
- Water sports activities (rentals, rides, etc.)
- Music venues (ex. Bandstand)
- More Accommodations
- Improved sidewalks/streets
- Improved facades for downtown stores

## **Potential Secondary effects from Undesirable Neighboring Uses**

One of the strengths of zoning even today is protecting certain uses, especially residential uses, from potentially undesirable neighboring uses. One such use that the Town is looking into regulating is adult-oriented businesses. The secondary effects of adult-oriented businesses (increased crime and police calls, traffic, late hours, decreased property values, etc...) would seem to preclude them from established residential neighborhoods and for this reason the Town should consider prohibiting them from all residential zones and establish special setbacks from residential and other sensitive uses.

## **Emerging Themes and Target Markets**

The following represent a synopsis of the input gathered and begins to compile some emerging themes for Denton:

- Denton is still grappling with the impacts of growth. The community is divided on how to deal with growth and how to successfully manage it.
- Denton has ambitious plans for the future, which are each designed as significant economic catalyst projects (each of which has successful models in other places). These projects take time, effort, and a host of funding sources. Some in the community feel that the efforts are too much to take on at once.
- The Main Street program can play a significant role of recruiter, storyteller, and marketer of the downtown. Main Street can also be the partner that is the “glue” binding many other initiatives together in a common mission.
- Denton must cultivate its local and regional market but also not shy away from tourism or pass through traffic. This has been a “confounding” challenge for Denton for many years because of the numbers that drive through to the beach.

## **MARKET DEFINITION**

Unlike other techniques that tend to use arbitrarily picked boundaries for customer trade zones (radii studies and the like), the method used for market definition in Denton is based on zip code survey work completed by cooperative merchants. Geographic zip codes are used because they are easy to track at the customer level and frequently follow reasonable boundaries within which a whole host of demographic data can be gleaned.

Eleven Denton retail businesses graciously participated in the zip code survey of their customers conducted in June and July 2009. Merchants were provided with a form to record customer zip codes and asked to keep the log for all customers during a two-week period. For residents of the 21629 zip code, customers were asked to indicate whether they lived in the Town of Denton or outside its corporate limits. All 990 individual customer visits were recorded during the two-week period.

## **Zip Code Results**

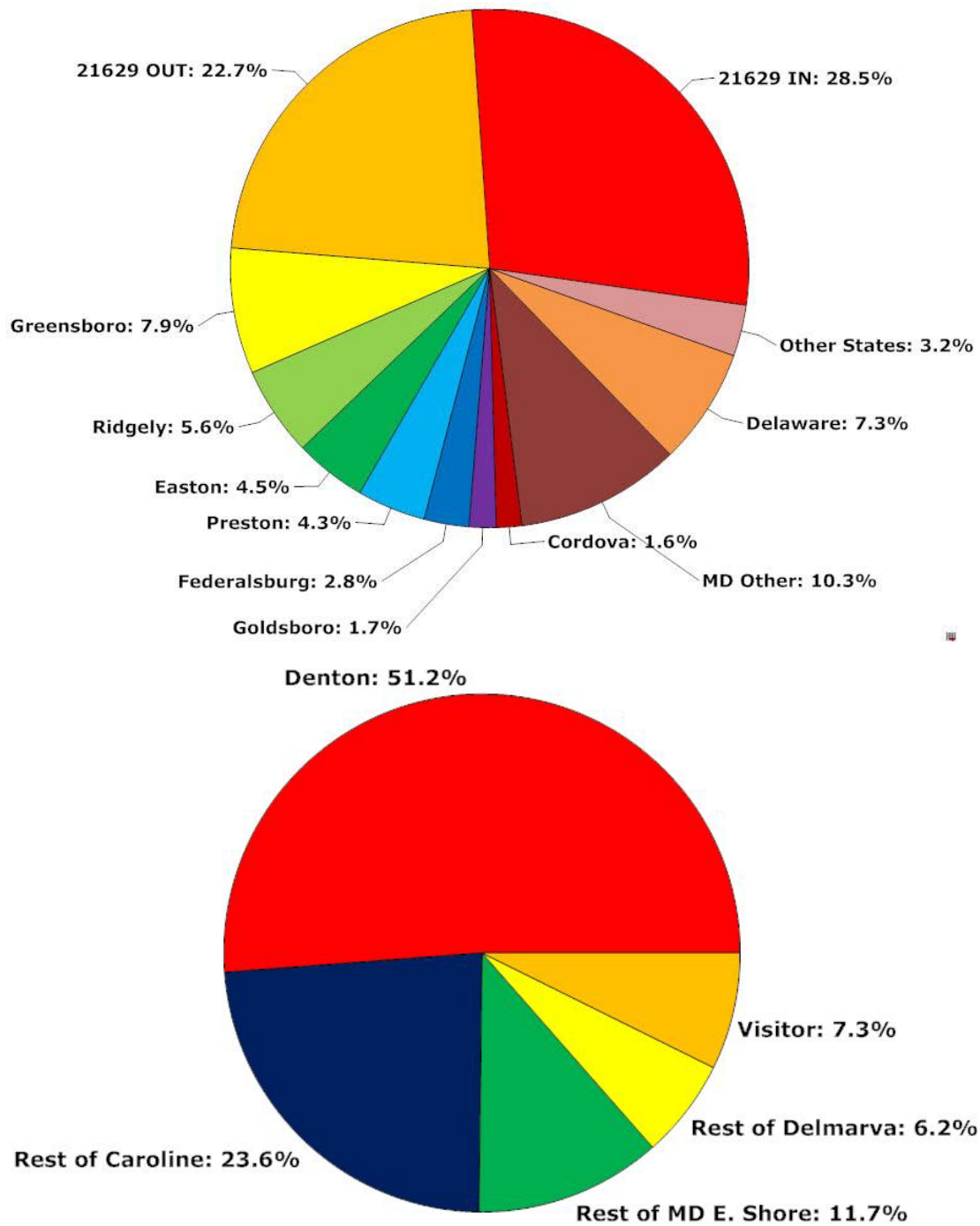
The results of the zip code survey are listed below (Chart 9-1):

- Denton businesses recorded customers from 105 unique different zip codes representing twelve unique states.

- Over one quarter of the customers (28%) lived inside the town limits of Denton and an additional 22.7% of the customers were from the Denton zip code but outside of the town limits. This makes the total “Denton” visits 51.2%, just over half of all customers.
- Greensboro had the second highest percentage of customers with 7.9% of the visits.
- Ridgely followed Greensboro with 5.6% of customer visits.
- Easton and Preston had approximately the same number of visits, each representing about 4.5% of the customer visits.
- Goldsboro also had 1.7% of the customer visits.
- In total, residents of Caroline County accounted for 74.8% of the overall visits.
- Residents from other Maryland Eastern Shore zip codes accounted for 11.7% of total customer visits.
- This leaves the rest of Delmarva at 6.2% of visits and those outside the region (“Visitors”) at 7.3%.

Chart 9-1 provides two different insights into the breakouts of customer visits.

**Chart 9-1: Percentage Origin of Customer Traffic for Participating Merchants**



## Information by Business

The preceding information examined how the stores did in aggregate when all results are combined into one “pot” of figures. This section looks at the results by retail store to determine if there are any anomalous figures that emerge with particular stores. To protect the confidentiality of the individual store results, the names of the stores are not included in the charts. The red bars indicate the overall percentage visits for all participating businesses.

**Chart 9-2: Percentage Visits from the 21629 Zip Code by Business**

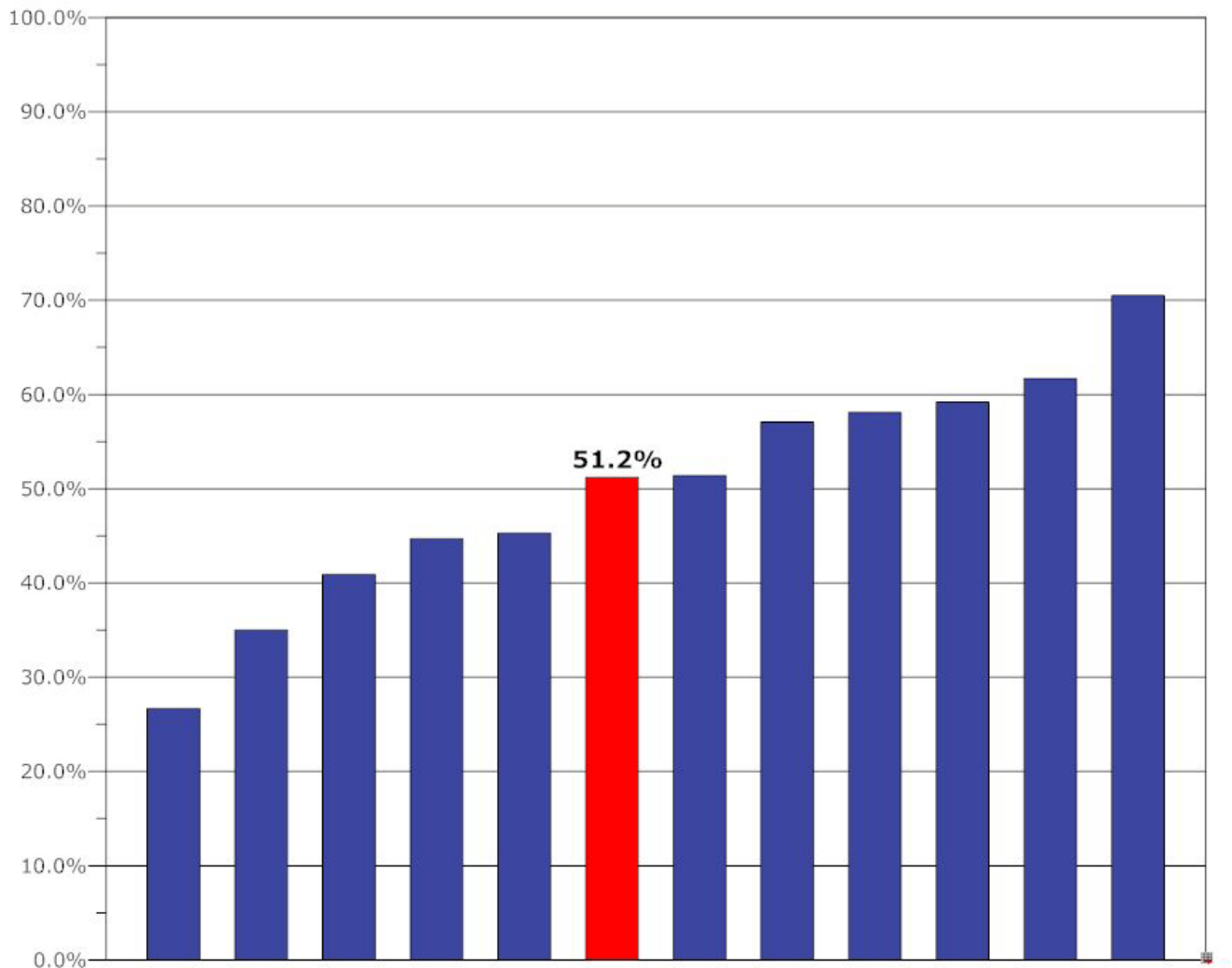


Chart 9-2 illustrates the percentage of visitors from the 21629 (Denton) zip code. The overall average, shown in red, is 51.2%. Six of the businesses participating in the survey had over one half of their customers from the 21629 zip code, while five had fewer than half of their customers from this location. In this case, only one business had less than one-third of their customers from the Denton zip code. By and large, Denton’s downtown must depend on local customers to sustain its local businesses. This trend becomes even more evident in Chart 9-3, which shows the percentage of customers from Caroline County. No business in the survey had under half of their customers from Caroline County and six had over three-fourths of their customers from inside the County.



**Chart 9-3: Percent of Customers from Inside Caroline County by Business**

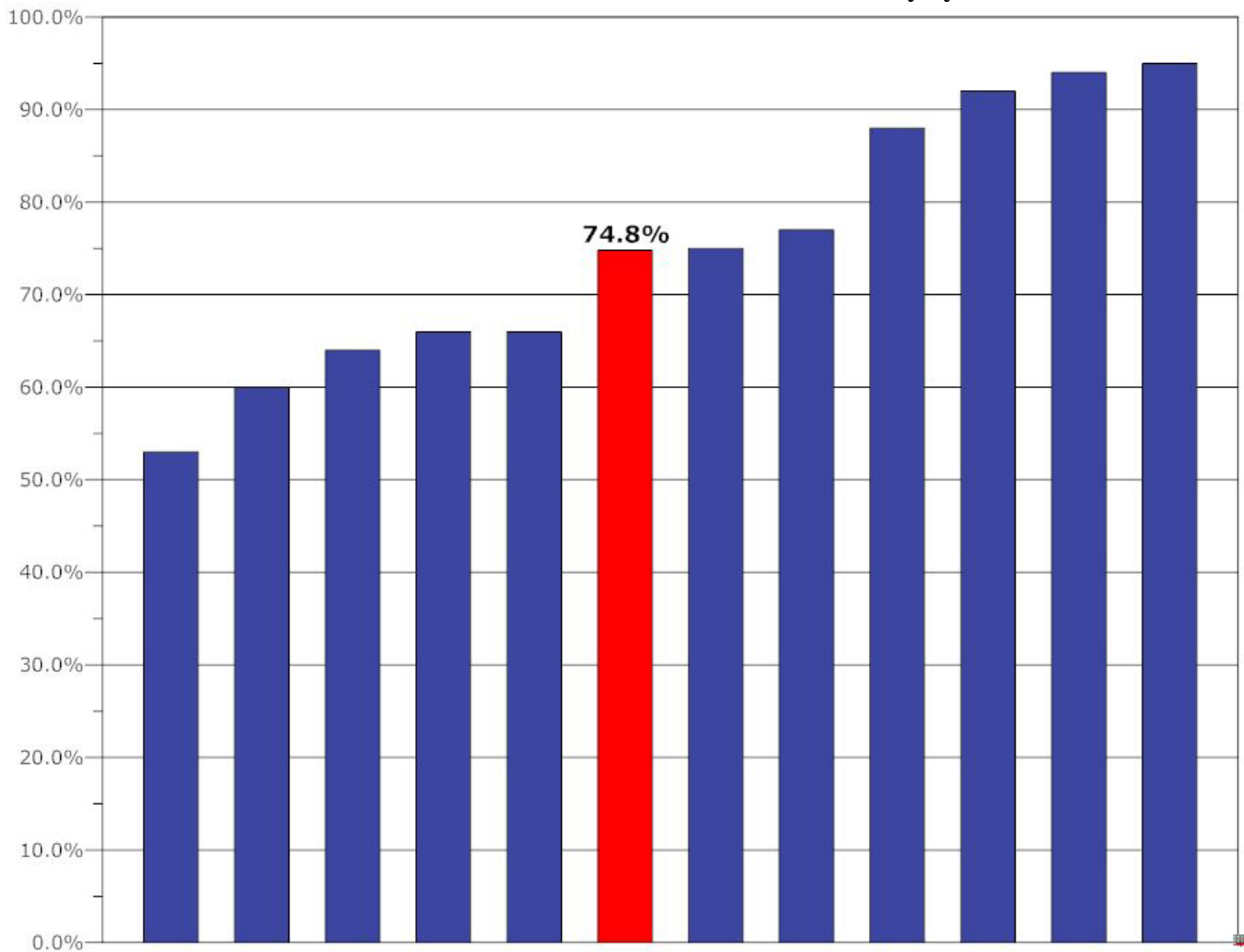
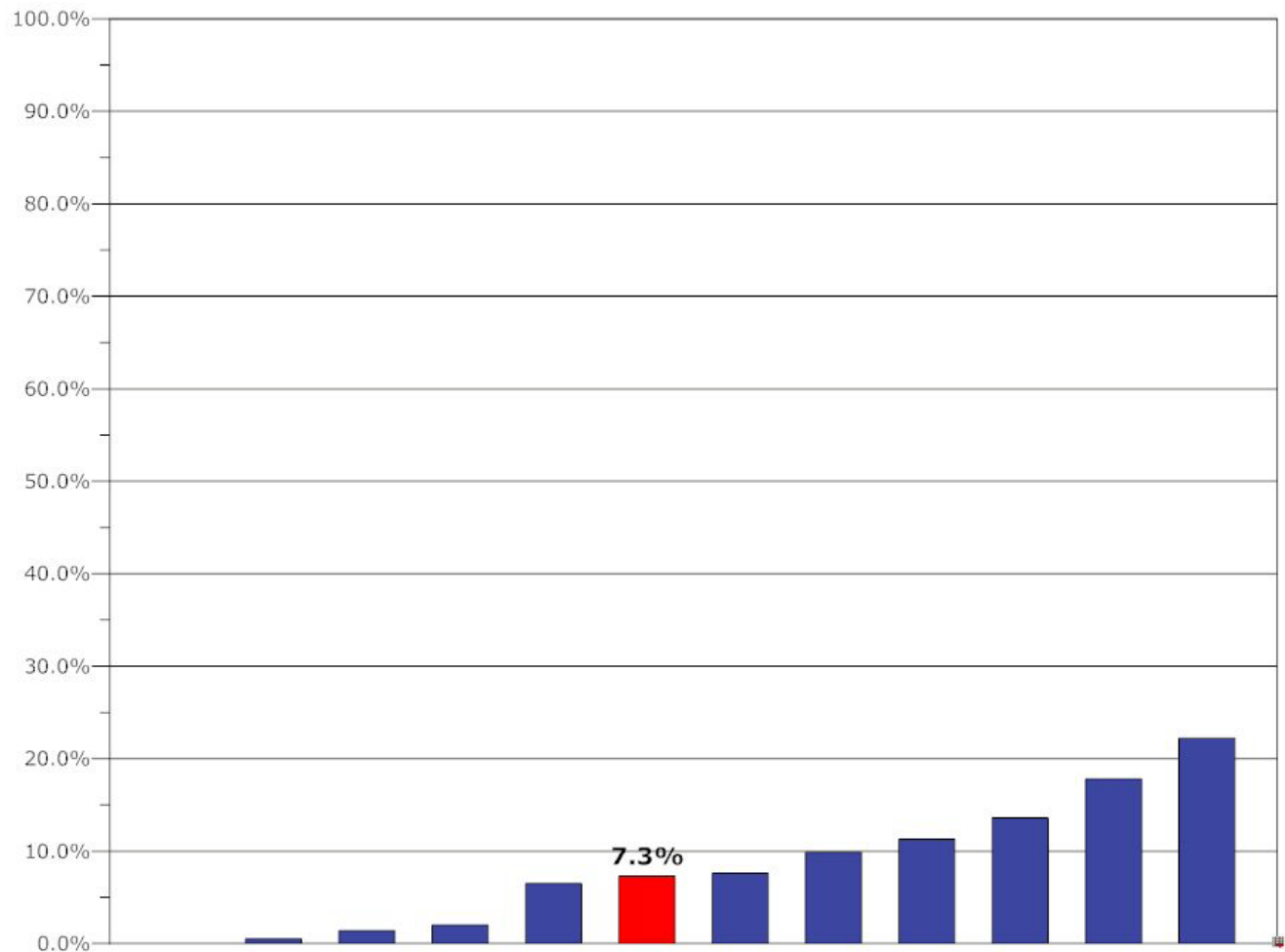


Chart 9-4 shows an estimated percentage of visits coming from outside Denton’s local market. In this case, 7.3% of the customer visits came from “visitor” zip codes. Estimating true “visitors” is somewhat challenging since someone from other parts of the Eastern Shore are probably visitors. This definition accounts for only those on the Western Shore. Although each participating business had some customers from outside of the region, four businesses had over 10% of their customers from other places.

**Chart 9-4: Percentage of “Visitors” by Business**



**Trade Area Definitions**

The number of visits provides an overall viewpoint of where customers come from. A more accurate way to evaluate customer loyalty in the market is by looking at the local market itself. Since zip codes each have different populations, customer visits are most accurately tracked on the number of visits in relation to the population. This corrects for zip codes that have exceedingly large or small populations that might skew the market penetration data. By this measure, primary and secondary trade areas for the community can be established. The primary trade area is the geography where the most loyal and frequent customers to Denton reside. The secondary trade area represents an area where Denton businesses can rely on customers, but to a lesser degree. Table 9-1 below shows customer visits per 1,000 people for each of the highest representative visits.

**Table 9-1: Customer Visits per Thousand for Top Zip Codes**

Zip Code	Name	2009 Population	Visits	Visits per Thousand
21629	Denton	9,756	507	51.97
21639	Greensboro	4,694	79	16.83
21660	Ridgely	3,791	56	14.77
21636	Goldsboro	1,288	17	13.20
21655	Preston	5,418	43	7.94
21625	Cordova	2,306	16	6.94
21632	Federalsburg	6,487	28	4.32
21649	Henderson	1,798	6	3.34
21601	Easton	23,380	45	1.92
21643	Hurlock	7,758	6	0.77
21617	Centreville	9,267	6	0.65
19943	Felton, DE	11,504	7	0.61
19952	Harrington, DE	10,182	6	0.59
19973	Seaford, DE	25,705	8	0.31
21629 IN	Town of Denton	3,322	280	84.29
21629 OUT	Outside Town of	6,434	227	35.28
Caroline	All	33,738	741	21.96

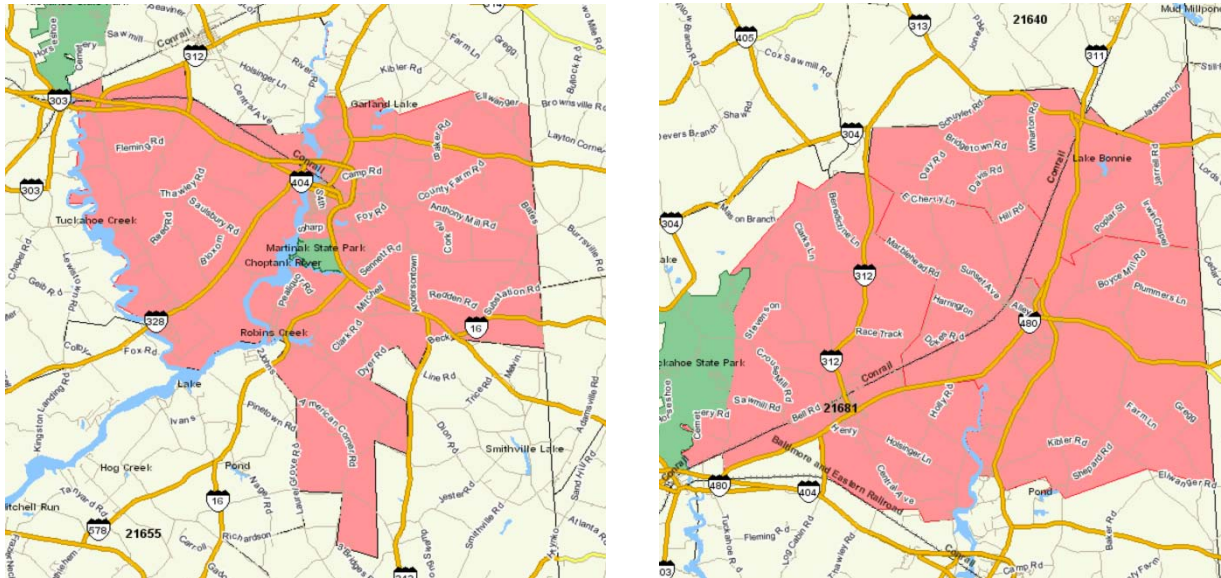
Determining the primary and secondary trade areas can sometimes be more “art” than science. At times, significant breaks in customer visits are not obvious. However, in Denton’s case the division for the *primary* trade area is quite clear. With 51.97 visits per thousand residents, the 21629 zip code (Denton) is clearly the primary trade area for the community. With double digit visits per thousand, the *secondary* trade area for downtown Denton extends also to the 21639 (Greensboro), 21660 (Ridgely), and 21636 (Goldsboro) zip codes.

Five additional zip codes with visits per thousand residents ranging between 7.94 down to 1.92 are also highlighted in green. These zip codes, which include Easton, represent areas where Denton might attract additional visitor traffic and whose visitation numbers are strong enough to warrant mention though their trade data is not included in the analysis below.

It is also important to note that within the 21629 zip code itself, the Town of Denton had many more visits per thousand and stronger customer loyalty than those customers with a Denton zip code that live outside of the town limits. Denton in-town residents had 84.29 visits per thousand residents during the survey period. Those outside the town limits but inside the Denton zip code only had 35.28 visits per thousand. This indicates that Town of Denton residents are more loyal to the downtown businesses than those outside the town limits even though they are both central to the primary trade area.

Map 9-2 illustrates the combined trade area for Denton in map form. The Denton zip code is to the south of its secondary trade area which comprises three zip codes north of the community.

**Map 9-2: Map of the primary (left) and secondary (right) trade areas for Denton.**



## TRADE AREA DEMOGRAPHICS

### The Primary Trade Area

The 2009 population of Denton's primary trade area (the 21629 zip code) is 9,756. This population has had a very robust increase since 2000 with 20.3% growth from 8,112 people. The 21629 zip code population is expected to continue to grow at a rate of 9.5% through 2014 reaching a population of 10,682 in that year. This rate of growth is triple the growth rate of Maryland as a whole.

The median household income is also strong at \$53,835 (comparing favorably with \$55K for Easton) but per capita income is significantly lower at \$25,649 (compared with \$35,160 for Easton). The difference between per capita income and median household income is that Easton has a number of households with significantly higher incomes than Denton; although the rest of the demographics are remarkably similar.

Commuting is part of the day-to-day life on the Eastern Shore and Denton's primary trade area is no different with an average travel time to work of 32 minutes. This average travel time compares with 34 minutes for Maryland, 28 for the US, and 22 for Easton.

### The Secondary Trade Area

Denton's secondary trade area including Greensboro, Ridgely, and Goldsboro zip codes has a 2009 population of 9,773 (nearly identical to the primary trade area). This population has also had a strong increase with 17.3% more people in 2009 than in 2000. Like the Denton zip code, these three zip codes are expected to have continued growth of 8.5% through 2014 when the population will reach 10,607.

The income level of the secondary trade area is not as robust as that of the primary trade area. The median household income of the secondary trade area is \$51,963 compared with \$53,835 for the primary trade area; and the per capita income is only \$22,056 (compared with \$25,649 for the primary trade area).

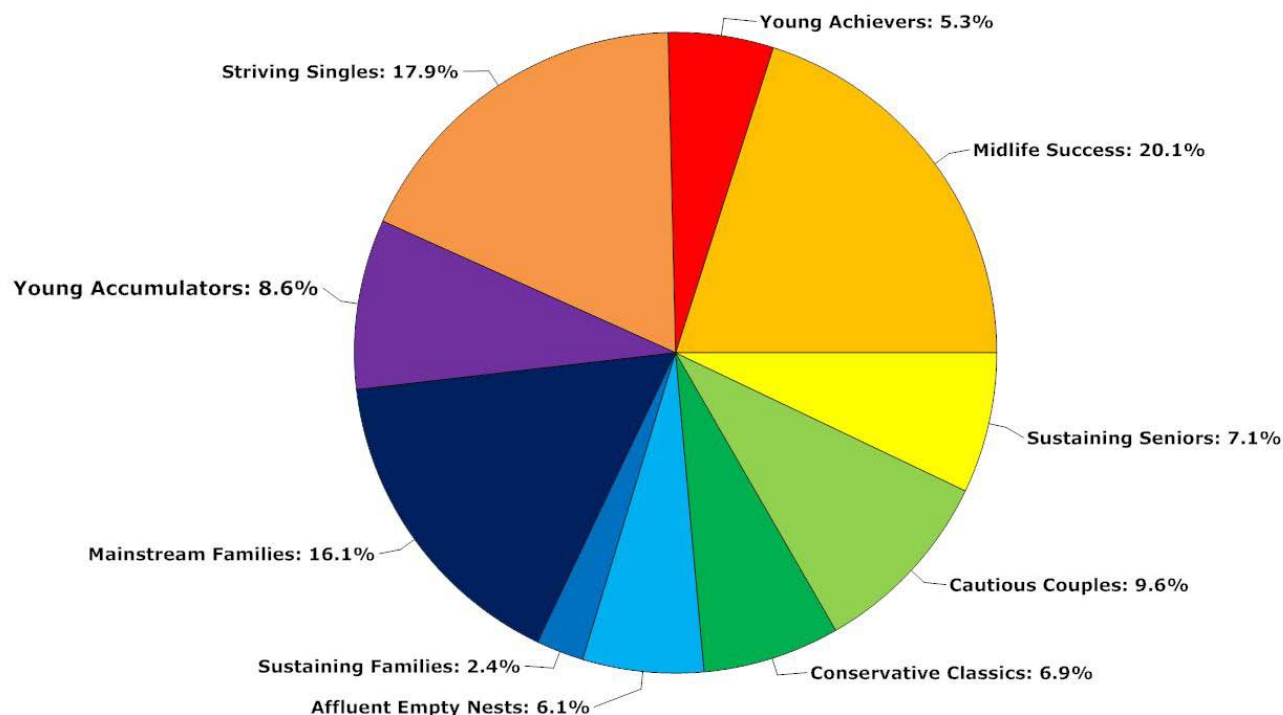
Average travel time to work is 34 minutes compared with 33 minutes for the primary trade area.

### **Market Segmentation**

Market segmentation is a way to summarize demographic information into easy to understand categories. The market segmentation illustrated for Rutland's trade areas uses Claritas PRIZM data. PRIZM defines every US household in terms of 66 demographic and behavioral types to help determine the lifestyles, purchase behaviors, and likes and dislikes of the customer base. The segments shown here are aggregations of the 66 types and illustrate only ten of the segments (others are subsets of those illustrated).

The easiest way to understand the Charts 9-5 and 9-6 below is to note that generally the green colors represent unmarried households without families and generally younger populations, the blue represents families, and the red represents empty nesters and retirees. The darker the color shows more affluence.

**Chart 9-5: Primary Trade Area Market Segmentation** (Source: Claritas)



In the case of the Downtown Denton's primary trade area (Chart 9-5), the red or older demographics comprise about one third of the primary trade area market base. Of these, about half are households that are relatively affluent. These households represent 13% of the overall market.

Families in higher demographic categories (Mainstream Familiar and Young Accumulators) comprise about 25% of the market. "Midlife Success" represents the most robust single market for Denton with 20.1% of the market in this category. Lower income demographics are also a part of the primary trade area market with "Sustaining Seniors" at 7%, "Sustaining Families" at 2.4%, and "Striving Singles" at 18%.

The secondary trade area demographics (Chart 9-6) show a remarkable shift with many more families. In fact, "Mainstream Families" comprise a whopping 44% of the market base for the secondary trade area in this category. This segment comprises much of the market leaving both the more affluent and the less affluent categories at smaller percentages than the primary trade area.

**Chart 9-6 – Secondary Trade Area Market Segmentation**

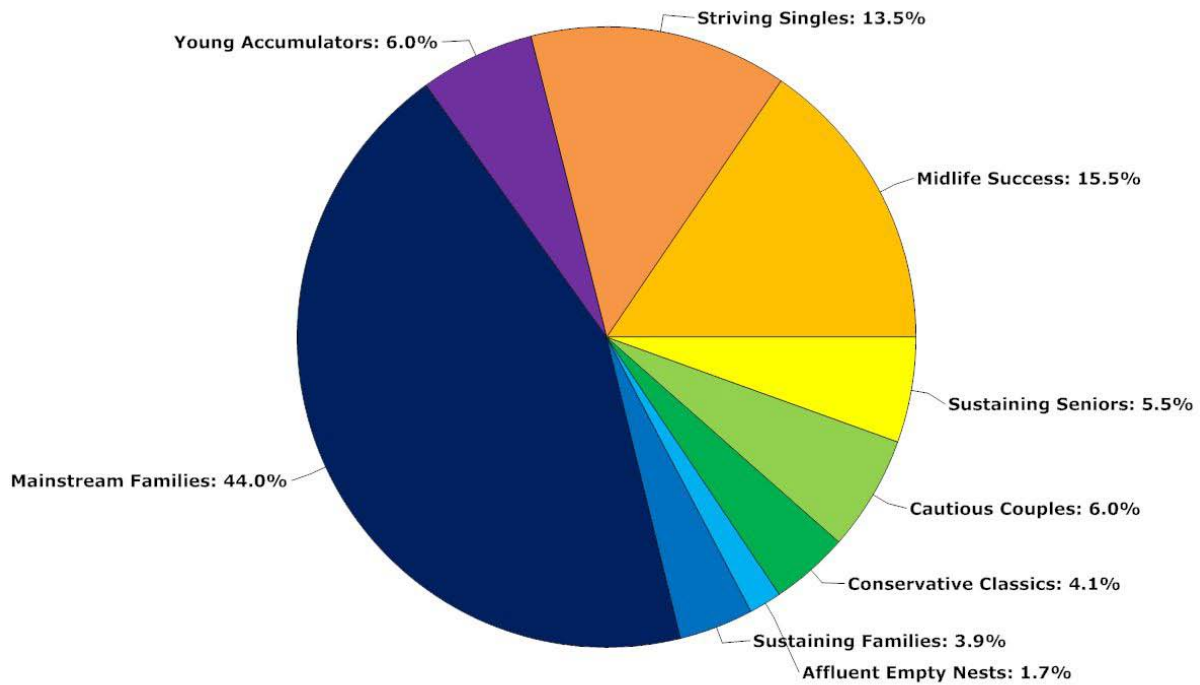
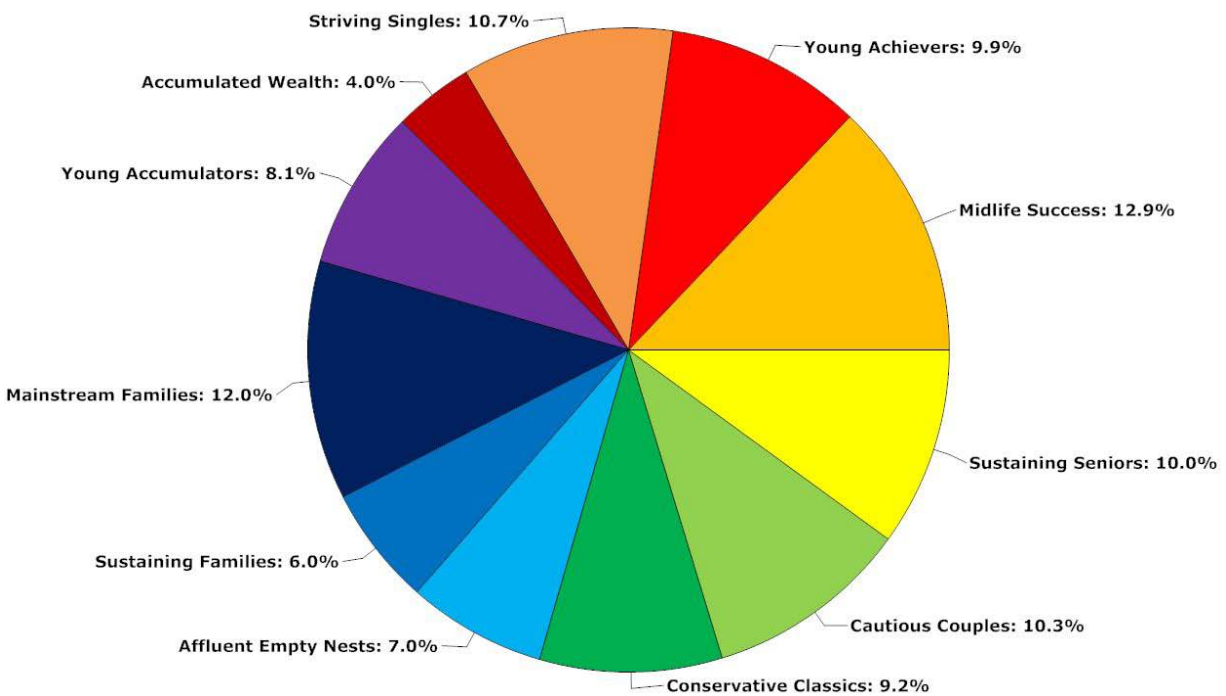


Chart 9-7 below shows the market segmentation for the entire country providing a quick way to compare Denton's trade areas with national trends.

**Chart 9-7: Market Segmentation for the United States. (Source: Claritas)**



## **Market Definition and Demographic Conclusions**

- Denton's downtown shops cater to a strong local population base with 51% of the traffic from the 21629 zip code and nearly 75% from Caroline County as a whole.
- Visits per 1,000 drop sharply within the Denton zip code itself, with town residents constituting a much stronger customer base than unincorporated residents. The total customer visits for the Denton zip code are not as robust as they could be. This means that Denton has an opportunity to cultivate more customer loyalty from its own residents.
- Denton also has an opportunity to cultivate a stronger customer base from nearby geographies, including Cordova, Federalsburg, Henderson, Preston, and even Easton. This would be particularly true for specialty type retailers.
- Specialty type retail will also be attractive to the visitor market, which makes up one-in-ten customers for several businesses in the downtown.
- Denton's market demographics are quite strong despite some people's opinion that the community is economically distressed. Both the demographic analysis and the market segmentation figures show a robustly growing market with strong income characteristics. A growing and relatively affluent market is a fundamental for success for any community and Denton is fortunate to have this situation.
- All told, Denton's market must continue to cultivate the "bread and butter" local market while growing both regional and visitor traffic.

## **RETAIL MARKET ANALYSIS**

Denton is a retail center serving the primary and secondary markets defined above. In this section, the Denton market will be examined to identify potential opportunities for new or expanded stores by examining "retail leakage." A retail leakage analysis will look at the primary and secondary trade areas to see how much money is "leaking" from the area to stores in other areas. This will allow the community to assess what kind of additional stores might be attracted to Denton and will help individual existing businesses understand how they might diversify product lines.

### **Retail Leakage in the Trade Areas**

"Retail leakage" refers to the difference between the retail expenditures by residents living in a particular area and the retail sales produced by the stores located in the same area. If desired products are not available within that area, consumers will travel to other places or use different methods to obtain those products. Consequently, the dollars spent outside of the area are said to be "leaking." If a community is a major retail center with a variety of stores, it will be "attracting" rather than "leaking" retail sales. Even large communities may see leakage in certain retail categories while some small communities may be attractors in categories.

Such an analysis is not an exact science. In some cases large outflow may indicate that money is being spent elsewhere (drug store purchases at a Walmart\* or apparel purchases through mail order). It is



important to note that this analysis accounts best for retail categories where households (rather than businesses) are essentially the only consumer groups. For example, lumberyards may have business sales that are not accounted for in consumer expenditures. Stores such as jewelry shops and clothing stores are more accurately analyzed using this technique. The leakage study for Denton is naturally conservative for two reasons. First, it is “frozen in time” looking at current conditions. Fortunately, Denton is part of an area growing in population. As a result, the market will naturally support more services over time. Second, the trade areas identified are limited to those outlined above. This means that we are only looking at opportunities to capture sales from four zip codes in the immediate vicinity of Denton. A successful store model might capture from well beyond this geography and could foster a strong visitor market as well.

With this information in mind, the following represents a synopsis of the retail leakage data for Denton:

- Stores in Denton’s primary trade area for Denton sold \$48.3 million in merchandise in 2008. Consumers in the same geography spent \$119.8 million in stores of similar type in 2008.
- This means that overall the primary trade area for Denton is leaking sales to the tune of \$71.5 million annually.
- With the exceptions just a few categories, Denton is leaking sales in nearly every retail category, including restaurants, clothing, general merchandise, sporting goods, building supply and gardening store, and a host of smaller specialty store types. The chart below will explore where Denton is indeed gaining sales versus where it is leaking sales by individual retail categories in greater detail.
- Stores in the three zip codes that comprise Denton’s secondary trade area sold \$28.7 million in merchandise.
- Secondary trade area consumers spent \$115.4 million in the same retail store types.
- The secondary trade area is leaking sales in the large amount of \$86.7 million each year.
- Combined, these four zip codes are leaking sales of \$158.2 million annually representing a significant potential to capture additional sales into the market.

The influence of Easton and the Western Shore as retail destinations is strong and it will continue to “sap away” retail trade from Caroline County. However, there are strong opportunities in Denton to capture even a small portion of these sales back into the community resulting in a more vibrant retail climate for the city. Table 9-2 below explores these opportunities in greater detail for both the primary and the secondary trade areas. Please note that some categories are subsets of larger categories. The pink columns represent the primary trade area that includes the Denton zip code; the orange columns represent the three zip codes of the secondary trade area Greensboro, Goldsboro, and Ridgely.

**Table 9-2: Retail Gap Analysis – Primary and Secondary Areas**

RMP Opportunity Gap - Retail Stores 2008	PTA			STA		
	Demand (Expenditures)	Supply (Retail Sales)	Opportunity Gap/Surplus	Demand (Expenditures)	Supply (Retail Sales)	Opportunity Gap/Surplus
Total Retail Sales Incl Eating and Drinking Places	119,772,907	48,259,202	71,513,705	115,394,591	28,712,645	86,681,946
Furniture and Home Furnishings Stores-442	4,074,943	821,366	3,253,577	3,697,750	265,947	3,431,803
Furniture Stores-4421	2,203,656	550,256	1,653,400	2,020,240	151,051	1,869,189
Home Furnishing Stores-4422	1,871,287	271,110	1,600,177	1,677,510	114,896	1,562,614
Electronics and Appliance Stores-443	3,686,108	4,714,960	(1,028,852)	3,468,521	796,293	2,672,228
Appliances, TVs, Electronics Stores-44311	2,744,808	4,663,999	(1,919,191)	2,591,523	725,999	1,865,524
Household Appliances Stores-443111	623,083	0	623,083	589,115	725,999	(136,884)
Radio, Television, Electronics Stores-443112	2,121,725	4,663,999	(2,542,274)	2,002,408	0	2,002,408
Computer and Software Stores-44312	798,675	50,961	747,714	742,265	70,294	671,971
Camera and Photographic Equipment Stores-44313	142,625	0	142,625	134,733	0	134,733
Building Material, Garden Equip Stores-444	18,772,044	162,869	18,609,175	17,525,521	1,006,925	16,518,596
Building Material and Supply Dealers-4441	17,298,856	64,580	17,234,276	16,120,303	936,909	15,183,394
Home Centers-44411	6,792,213	0	6,792,213	6,339,082	0	6,339,082
Paint and Wallpaper Stores-44412	401,161	0	401,161	358,163	0	358,163
Hardware Stores-44413	1,348,291	49,002	1,299,289	1,261,557	0	1,261,557
Other Building Materials Dealers-44419	8,757,191	15,578	8,741,613	8,161,501	936,909	7,224,592
Building Materials, Lumberyards-444191	2,973,620	5,312	2,968,308	2,794,161	319,495	2,474,666
Lawn, Garden Equipment, Supplies Stores-4442	1,473,188	98,289	1,374,899	1,405,218	70,016	1,335,202
Outdoor Power Equipment Stores-44421	230,251	10,577	219,674	222,725	113	222,612
Nursery and Garden Centers-44422	1,242,937	87,712	1,155,225	1,182,493	69,903	1,112,590
Food and Beverage Stores-445	18,704,404	8,024,093	10,680,311	18,419,540	6,154,366	12,265,174
Grocery Stores-4451	17,127,113	7,972,711	9,154,402	16,923,331	5,993,843	10,929,488
Supermarkets, Grocery (Ex Conv) Stores-44511	16,252,441	7,245,183	9,007,258	16,058,698	5,993,843	10,064,855
Convenience Stores-44512	874,672	727,528	147,144	864,633	0	864,633
Specialty Food Stores-4452	519,516	42,269	477,247	518,349	19,272	499,077
Beer, Wine and Liquor Stores-4453	1,057,775	9,113	1,048,662	977,860	141,251	836,609
Health and Personal Care Stores-446	8,907,065	9,383,029	(475,964)	8,198,085	1,638,313	6,559,772
Pharmacies and Drug Stores-44611	7,775,442	9,118,047	(1,342,605)	7,162,387	1,563,095	5,599,292
Cosmetics, Beauty Supplies, Perfume Stores-44612	311,732	213,002	98,730	284,104	0	284,104
Optical Goods Stores-44613	271,180	0	271,180	246,719	0	246,719
Other Health and Personal Care Stores-44619	548,711	51,980	496,731	504,875	75,218	429,657
Gasoline Stations-447	18,474,665	13,392,517	5,082,148	18,913,803	13,771,352	5,142,451
Gasoline Stations With Conv Stores-44711	13,873,085	13,252,302	620,783	14,172,772	9,354,565	4,818,207
Other Gasoline Stations-44719	4,601,580	140,215	4,461,365	4,741,031	4,416,787	324,244
Clothing and Clothing Accessories Stores-448	7,284,129	469,001	6,815,128	7,059,957	0	7,059,957
Clothing Stores-4481	5,237,652	361,001	4,876,651	5,135,658	0	5,135,658
Men's Clothing Stores-44811	345,773	0	345,773	333,725	0	333,725
Women's Clothing Stores-44812	1,324,982	361,001	963,981	1,287,701	0	1,287,701
Childrens, Infants Clothing Stores-44813	276,107	0	276,107	306,239	0	306,239
Family Clothing Stores-44814	2,830,799	0	2,830,799	2,766,141	0	2,766,141
Clothing Accessories Stores-44815	121,715	0	121,715	111,936	0	111,936
Other Clothing Stores-44819	338,276	0	338,276	329,916	0	329,916
Shoe Stores-4482	950,619	0	950,619	978,419	0	978,419
Jewelry, Luggage, Leather Goods Stores-4483	1,095,858	108,000	987,858	945,880	0	945,880
Jewelry Stores-44831	1,010,731	108,000	902,731	869,383	0	869,383
Luggage and Leather Goods Stores-44832	85,127	0	85,127	76,497	0	76,497
Sporting Goods, Hobby, Book, Music Stores-451	3,002,281	918,473	2,083,808	2,860,077	2,238,812	621,265
Sporting Goods, Hobby, Musical Inst Stores-4511	2,214,673	677,995	1,536,678	2,127,596	1,901,005	226,591
Sporting Goods Stores-45111	1,179,895	670,056	509,839	1,127,240	1,777,943	(650,703)
Hobby, Toys and Games Stores-45112	686,708	7,939	678,769	670,720	123,062	547,658
Sew/Needlework/Piece Goods Stores-45113	173,325	0	173,325	162,443	0	162,443
Musical Instrument and Supplies Stores-45114	174,745	0	174,745	167,193	0	167,193
Book, Periodical and Music Stores-4512	787,608	240,478	547,130	732,481	337,807	394,674
Book Stores and News Dealers-45121	542,310	85,211	457,099	494,895	99,594	395,301
Book Stores-451211	512,481	85,211	427,270	468,068	99,594	368,474
News Dealers and Newsstands-451212	29,829	0	29,829	26,827	0	26,827
Prerecorded Tapes, CDs, Record Stores-45122	245,298	155,267	90,031	237,586	238,213	(627)
General Merchandise Stores-452	19,413,985	1,162,124	18,251,861	18,800,811	0	18,800,811
Department Stores Excl Leased Depts-4521	9,305,749	981,780	8,323,969	8,945,396	0	8,945,396
Other General Merchandise Stores-4529	10,108,236	180,344	9,927,892	9,855,415	0	9,855,415
Warehouse Clubs and Super Stores-45291	8,644,833	0	8,644,833	8,471,004	0	8,471,004
All Other General Merchandise Stores-45299	1,463,403	180,344	1,283,059	1,384,411	0	1,384,411
Miscellaneous Store Retailers-453	4,249,150	3,333,393	915,757	4,034,395	218,957	3,815,438
Florists-4531	309,368	860,400	(551,032)	283,682	0	283,682
Office Supplies, Stationery, Gift Stores-4532	1,665,775	1,225,897	439,878	1,542,162	62,478	1,479,684
Office Supplies and Stationery Stores-45321	953,364	0	953,364	882,324	0	882,324
Gift, Novelty and Souvenir Stores-45322	712,411	1,225,897	(513,486)	659,838	62,478	597,366
Used Merchandise Stores-4533	342,647	496,687	(154,040)	322,932	156,479	166,453
Other Miscellaneous Store Retailers-4539	1,931,360	750,409	1,180,951	1,885,619	0	1,885,619
Foodservice and Drinking Places-722	13,204,133	5,877,377	7,326,756	12,416,131	2,621,680	9,794,451
Full-Service Restaurants-7221	6,048,258	1,580,511	4,467,747	5,671,129	1,486,153	4,184,976
Limited-Service Eating Places-7222	5,437,097	2,892,858	2,544,239	5,150,985	678,436	4,472,549
Special Foodservices-7223	1,123,216	1,287,531	(164,315)	1,063,917	0	1,063,917
Drinking Places -Alcoholic Beverages-7224	595,562	116,477	479,085	530,100	457,091	73,009

#### Summary of Trade Area Statistics:

- PTA Selected Store Sales \$48.3 million
- PTA Consumers spent \$119.8 million
- Primary Trade Area is LEAKING \$71.5 million annually overall each year.
- STA Store Sales \$28.7 million
- STA Consumers spend \$115.4 million
- Secondary Trade Area is LEAKING sales in the amount of \$86.7 million each year.
- Combined the two trade areas are LEAKING: \$158.2 million annually.

Logically, Denton could be absorbing some but not all of this retail leakage and the magnitude of the leakage is a clear indicator that there is some pent-up demand for additional retail in Denton. Within the categories above, some of the opportunities are specific to a more suburban setting while others could be oriented towards Denton's downtown district. The key for Denton is to begin to capture more sales from the trade area zip codes while cultivating customers in an even broader geographic area to augment existing retailers and support new retail opportunities.

It is important to note, however, that the data above is a "macro view" of retail leakage in the long term and the recent downturn in the economy will clearly be a temporary hindrance to recruiting new retail and a challenge for existing retailers.

#### **Potential Capture Scenarios**

It is not reasonable to expect that Denton will capture all of the leaking retail sales from the primary and secondary trade areas. Therefore, we examined the retail opportunities to present a "scenario" where Denton does indeed capture some of the retail trade leakage back into the community. The scenario suggests that 20% of the outflow from the primary trade area and 10% of the outflow from the secondary trade area is captured back into the market. This still leaves a huge amount of retail to continue to leak to nearby Easton and the Western Shore. Under this scenario and using typical sales per square foot figures from the Urban Land Institute's *Dollars and Cents of Shopping Centers*, the potential capture for Denton totals over 128,000 square feet of ADDITIONAL retail space. Table 9-3 below illustrates the scenario.

**Table 9-3: Potential Capture Scenario for Denton Market**

Retail Stores	20% of PTA Outflow	10% Of STA Outflow	Potential Capture	Sales per Square Foot	Calculated Capture
Selected Retail Categories Below	12,956,644	8,215,076	21,171,719		128,809
Furniture Stores	330,680	186,919	517,599	141.84	3,649
Home Furnishing Stores	320,035	156,261	476,297	167.75	2,839
Household Appliances Stores	124,617	(13,688)	110,928	245.44	452
Building Material and Supply Dealers	3,446,855	1,518,339	4,965,195	142.38	34,873
Hardware Stores	259,858	126,156	386,014	121.08	3,188
Grocery Stores	1,830,880	1,092,949	2,923,829	371.79	7,864
Health and Personal Care Stores	(95,193)	655,977	560,784	247.29	2,268
Clothing and Clothing Accessories Stores	1,363,026	705,996	2,069,021	164.60	12,570
Women's Accessory & Specialty	192,796	128,770	321,566	164.60	1,954
Shoe Stores	190,124	97,842	287,966	158.81	1,813
Jewelry Stores	180,546	86,938	267,485	263.92	1,014
Hobby, Toys and Games Stores	135,754	54,766	190,520	146.28	1,302
Sew/Needlework/Piece Goods Stores	34,665	16,244	50,909	74.91	680
Book Stores	85,454	36,847	122,301	161.16	759
General Merchandise Stores	3,650,372	1,880,081	5,530,453	133.90	41,303
Foodservice and Drinking Places	1,465,351	979,445	2,444,796	201.63	12,125
Drinking Places -Alcoholic Beverages	95,817	7,301	103,118	88.07	1,171

The categories listed below describe both downtown and suburban opportunities that exist in Denton under the scenario in Table 9-3 above. This data should be augmented by individual research by each business wishing to locate in the community.

- *Grocers* – Under the scenario above, it is unlikely that Denton could support another full-line grocer. However, specialty food stores or expansion/improvement of an existing store might reduce the amount of leakage in this category.
- *Food Service & Drinking Places* – This represents one of the most important categories for Denton, particularly downtown as it will add foot traffic and continue to drive locals and visitors into downtown. While there have been recent setbacks on the casual dining sector with the economic downturn, full-service and to a lesser degree limited-service dining remain strong leakage categories that could reap success in the long term in Denton. 12,000 square feet of demand is shown in this category almost evenly divided between full service and limited service restaurants. This means that anywhere from two to five new restaurants could be supported in Denton under the rather conservative leakage scenario outlined above. This scenario follows the theory that restaurant clusters in a district such as downtown would also benefit existing restaurant owners in the district.
- *Clothing* – As is the case in many communities Denton's size, clothing sales tend to leak to nearby communities where malls and shopping centers offer many clothing store options. However, the amount of leakage and the potential to capture some of these sales could support additional stores, including downtown "mom and pop" stores and family

clothing stores in suburban settings. 12,500 square feet of demand exist in this category, suggesting the potential for several more “mom and pop” stores in downtown. These stores would need to carefully research market demand and review the demographic data shown here.

- *Smaller Specialty-Oriented Shops* – Many smaller specialty store types could be supported in Denton. The list above provides potential capture scenarios for stores such as home furnishings and furniture, books, hobbies, jewelers, and accessories.

The following categories are suburban in nature but will have a potential impact on trade for all of Denton:

- *General Merchandise* – As with clothing, general merchandise sales tend to leak to nearby communities where big box stores offer discounted prices and a variety of options. In total, over 40,000 square feet of retail space could be supported under this scenario, which represents about one-fourth of a typical Super Walmart\*. When the rather conservative leakage factor is considered, the prospect of a new Walmart\* is very pronounced. For Downtown Denton, this might have an actual positive effect by retaining customers locally that might otherwise travel elsewhere to do their shopping. It will benefit those retailers that concentrate on specialty items the most.
- *Building Materials & Supply Dealers* – Under the scenario above, Denton could support over 30,000 square feet building material and supply stores. This is roughly one-third of a Home Depot and means that there is potential for future building material expansion.

It is also important to recognize that this scenario looks only at local consumer demand in the primary and secondary trade areas and does not capture potential visitor traffic for stores. When visitor traffic and community growth are factored into the equation, support for these store types becomes even more significant. Once again, however, these demands represent a long-term view and may not be immediately supportable given the recent economic downturn.

## **Overall Market Conclusions**

Based on retail leakage data, Denton has the opportunity to expand its retail presence for the two trade areas shown here. Denton is in the fortunate position to have experienced rapid residential growth without accompanying retail growth and downtown is a prime candidate to benefit from this situation. Existing successful stores are already a testament to the potential of downtown.

All told, Denton is positioned to grow as a retail destination in many different categories based simply on the local demand for retail. In order to capitalize on this growth Denton will need to augment its catalyst plans for growth with a series of marketing and recruitment strategies to retain local customers, create incentives for new retail, and expand the retail appeal of the community to capture a larger share of the market. The following chapter will explore these options.

## RECOMMENDATIONS FOR DOWNTOWN DENTON

The following recommendations are compiled under three broad initiatives for Denton designed to organize the tasks around corresponding goals for downtown. These initiatives are:

- Creating the Denton Brand: A MARKETING STRATEGY
- Fostering Investment: A RETAIL RECRUITMENT AND RETENTION STRATEGY
- Welcoming Business: An ORGANIZATIONAL STRATEGY

Each of the three initiatives presented below begins with an explanation of the issues that fueled the decision to pursue this strategy and a “vision” as to what might be accomplished if the strategy succeeds. Following this introduction, each initiative has a series of recommendations divided into: first step projects designed to be completed in 2010; next step projects to be completed in 2011 and 2012; and long term projects that might take until 2015 and beyond to complete.

### Marketing Strategy for Downtown Denton

#### Issues and Vision

Denton has a rich history and a unique downtown setting. In an effort to keep downtown vibrant and successful, the community has had a track record of successful planning initiatives. As a result of a Hyett Palma study completed in 2001, several significant projects are underway to enhance the downtown Denton’s appeal to visitors and residents: the Denton Waterfront, the ArtsWay, and a Culinary School. These projects are designed as catalysts to spur continuing development and have been part of the plan for downtown Denton for several years. Despite the considerable effort put into these projects, there are some in Denton who feel that these efforts are not worthwhile pursuits and should be abandoned. Moreover, there are some who view downtown Denton as a district in continued decline. To convince doubters otherwise and to generate further support for downtown development, Denton needs to foster a positive image and begin to control its own message about the current successes downtown, the plans for the future, and the partnerships that are happening to reinvigorate the district.

Owning the message means that Denton should create a statement of what the community is about. A part of this project is to encapsulate the image of Denton and its downtown into a clear and concise brand statement. The brand statement for Denton is:

*We are the quintessential Eastern Shore town. A place where farmers still gather on the courthouse lawn, where shops and restaurants line Market Street, and where kids gather after school at the library downtown. We look forward with measured steps... with creative spaces for artists inspired by the spectacular scenes of life on the Eastern Shore and places where you can dine on its bounty. We live life unhurried and unhassled yet we look forward with foresight and vision. Our history is tightly woven with farms and fields, African American freedom, and the dark Choptank water that laps on our shore. Discover our place... Denton, Maryland, the pace is different here.*

Recognizing this brand as a cohesive statement of Denton and its downtown will allow Denton Main Street and downtown retailers to assert a positive and consistent image. This image positions to achieve the following goal:

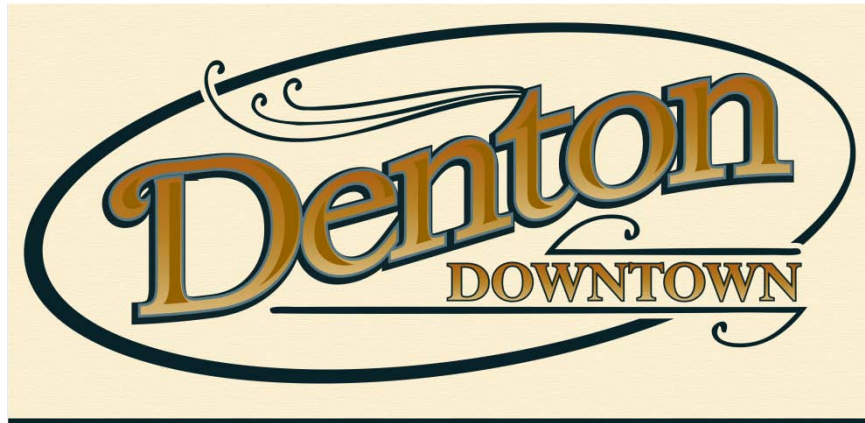
Denton is a center of civic life for its citizens; a waterfront community connected to the history of the Eastern Shore; a center of commerce; and a place for the arts in Caroline County and beyond.

### **Major Goals for Downtown Denton**

- *Launch the Denton brand.*
- *Create a tagline for the brand – “The Pace is Different Here” – which is a reflection of the vision and hope of the community to remain a tight-knit community that is proud of its traditional ways and quality of life. The tagline has an appeal both to visitors and to residents, and may be incorporated into various branded materials, such as print or online advertisements. For the local Denton resident, the brand will build pride of community, cultivate participation from new residents, and develop message consistency. For the regional customer, the Denton brand will help to consolidate Caroline County as a strong customer base and build awareness of a nearby choice for Talbot County residents. From a visitor perspective, the Denton brand should be used in partnership with county and regional tourism boards and should be used to capture a portion of drive-through traffic as well as cultivate heritage-, agriculture-, and nature-based tourism.*

The initial branding concept should land on a consistent logo, font, and color for Denton and be incorporated into an ad template for local businesses to use. For Downtown Denton, the brand concept has a couple of optional uses. A more traditional mark uses a marine blue and gold color combination; the Denton brand uses a classic serif font to evoke a sense of tradition and stability. The graceful flow of the lettering and the swirling tails on the “t” symbolize the town’s connection with the Choptank River, the traditional steamboats, and the slow rise of downtown from the river, and the oval lends a contemporary flair. Figure 9-1 shows the brand for Downtown Denton.

**Figure 9-1: Traditional Downtown Denton brand.**



- *Create companion event branding*
- *Create a shopping and dining guide for downtown*
- *Initiate “The Pace is Different Here” advertising program*
- *Pursue grant for wayfinding signs.* Examples of a wayfinding sign system are illustrated in Figure 9-2.
- *Host a marketing summit with partners and retailers*

**Figure 9-2: Wayfinding signs concepts for Denton**





- *Implement a wayfinding program, focusing on parking and initial gateways to downtown. Continue rolling out brand with collateral material.*
- *Implement a custom banner program in downtown Denton (Figure 9-3).*
- *Expand brand to new projects.*

**Figure 9-3: Examples of custom banner designs using the brand identity package**



## OVERALL RECRUITMENT/RETENTION STRATEGY

### Issues and Vision

As indicated in the Retail Market Study above, Denton is currently experiencing huge retail leakage to the tune of \$150 million per year in its combined trade areas. This represents a significant opportunity to capture some sales back into the community growing the retail base strictly off the local population base alone. When potential tourism traffic, a potential expanded market draw, and ongoing growth in the area is coupled with concerted business recruitment efforts; Denton will be able to see significant retail economic development opportunities in the coming years. Of course, there are current challenges with the market recession and vacancies in the downtown core that need to be filled. Fortunately, Denton has several “pacesetter” businesses that currently attract a large and diverse customer base to its downtown. With these thoughts in mind, the goal for this strategy becomes:

*Vision: Denton will emerge as Caroline County’s premier location for major national retailers, independently owned shops, restaurants, services, and businesses appealing to local and regional residents as well as visitors.*

## Major Goals

- *Explore incentives for investment.*
- *Create a marketing grant program for local businesses in the downtown area.*
- *Form a retail recruitment team in partnership with commercial realty companies.*
- *Continue to package and promote small and large business incentives.*
- *Continue and expand micro-grant marketing program for downtown Denton.*
- *Attract three new restaurants and five new specialty stores to downtown Denton.*
- *Develop a retail catalyst project or a business incubator space for Downtown Denton.*

## ORGANIZATIONAL STRATEGY FOR DOWNTOWN DENTON

### Issues and Vision

Now that Denton Main Street has been reconstituted as an independent economic development organization, it finds itself with many partners: the Town of Denton, Denton Development Corporation, Caroline County Economic Development, Caroline County Tourism, the Caroline Chamber of Commerce, and the many downtown stakeholders. Denton Main Street has the ability to communicate with these partners and integrate their services into a streamlined approach to downtown investment. Denton Main Street can provide, or at least facilitate, what investors want: a clear, consistent development process for downtown projects. Furthermore, Denton Main Street can provide similar services to independent businesses, which often require assistance with startup procedures and expectations.

*Vision: Denton Main Street will cultivate strong relationships with its partner organizations to develop a positive collaborative business climate to enhance economic development in the downtown with the ultimate goal of creating a more vibrant community and stable tax base for Denton and Caroline County.*

### Major Goals for Downtown Denton

- *Present the findings of this market study to groups in the community and region.*
- *Develop a downtown investment “go team” comprised of Main Street and town staff.*
- *Re-examine downtown development standards: parking, site design, change of use.*
- *Publish a capital improvements schedule detailing infrastructure improvements.*
- *Develop a sign “idea book” for downtown businesses.*
- *Create a sign micro-grant to help businesses implement appropriate signs.*
- *Develop an annual “State of Downtown” summit to gather leadership in the community to review projects and progress.*
- *Conduct a traffic study to eliminate one-way pairs in downtown on Gay and Franklin Street.*
- *Remove one-way pairs on Gay and Franklin streets.*
- *Consider new parking resources as new developments downtown are completed.*

## **IMPLEMENTATION STRATEGY AND ACTION PLAN**

The “Strategy Board” (Table 9-3) summarizes all of the projects and recommendations included in the Market Study and Branding Strategy. The board is designed as a working document for benchmarking and ongoing evaluation of the implementation process. Each recommendation that is presented in brief on the strategy board is supported in this report documentation.

The projects are divided into three timeframes. The first series of projects are demonstration projects that should begin immediately. For the most part, these are simple projects that will be highly visible, have significant impact and should be completed within the first year after the plan is adopted. The second set of projects is labeled “next steps.” Some of these are more advanced projects while others are continuations of projects that began during the demonstration period. The next step projects should be completed within the second year of the plan. The final series of projects are long-term or plan completion projects. While this category remains largely empty, many of the projects begun in the next steps phase will not be completed until later. Over time, this category will continue to fill up as priorities evolve.

The strategy board and its recommendations represent a “living document.” As time goes by and implementation proceeds, some priorities will shift while other ones will arise. The implementation strategy board should be evaluated periodically, no less than annually. This evaluation process will allow for finished tasks to be indicated on the board, for responsibilities to be shifted between parties, and for time frames to be adjusted for individual projects.

Each of the plan strategies and visions are outlined in the strategy board. It is important to remember the ultimate marketing and development strategies that each project supports. Of course, each of these strategies is linked with one another, but failure to achieve any one goal does not negate the ability to achieve others.

**Table 9-4: Implementation Strategy Board**

Strategies	First Steps '09-'10	Next Steps '11-'12	Long Term '13-'16	Visions
<b>Creating the Denton Brand: The Marketing Strategy</b>	<ul style="list-style-type: none"> <li>Launch the new Downtown Denton brand.</li> <li>Redesign letterhead with the Brand.</li> <li>Pursue grant for wayfinding signs.</li> <li>Redo shopping and dining guide for downtown.</li> <li>Redesign Main Street webpage with comprehensive links program.</li> </ul>	<ul style="list-style-type: none"> <li>Implement phase 1 wayfinding program focusing on parking and downtown gateways.</li> <li>Purchase and place new banners with the brand downtown.</li> </ul>	<ul style="list-style-type: none"> <li>Implement phase II of wayfinding plan.</li> </ul>	Downtown Denton will assert a positive and consistent image as the center of civic life for its citizens, as a waterfront community connected to the history of the Eastern Shore, as a center of commerce, and as a place for the arts.
<b>Fostering Investment: The Retail Recruitment/Rentation Strategy</b>	<ul style="list-style-type: none"> <li>Explore incentives for downtown investment.</li> <li>Create marketing grant program for local businesses.</li> </ul>	<ul style="list-style-type: none"> <li>Package and promote incentives</li> <li>Explore the prospect of a loan pool program with local banks to encourage business expansion and new investment.</li> <li>Continue and expand marketing grant.</li> </ul>	<ul style="list-style-type: none"> <li>Launch loan pool program.</li> </ul>	Downtown Denton will emerge as Caroline County's premier location for independently owned shops, restaurants, services, and businesses appealing to local and regional residents as well as visitors.
<b>Welcoming Business: The Organizational Strategy</b>	<ul style="list-style-type: none"> <li>Develop a downtown investment "go team" comprised of Main Street and Town Staff.</li> <li>Publish a capital improvements schedule detailing infrastructure improvements.</li> <li>Develop a sign "idea book" for downtown businesses.</li> <li>Create a sign micro grant to help businesses implement appropriate signs.</li> </ul>	<ul style="list-style-type: none"> <li>Conduct traffic study to eliminate one way pairs in downtown on Gay and Franklin Street.</li> </ul>	<ul style="list-style-type: none"> <li>Eliminate one way pair to facilitate visitor traffic through town.</li> </ul>	Downtown

## LAND USE AND ZONING CHANGES

To insure more opportunities for business growth in Denton, it is recognized that sufficient area is needed to allow for expansion within the commercial and industrial sectors. The downtown has sufficient area, but the Regional Highway Commercial and Industrial areas were perceived as limiting. To address this issue, the existing areas were supplemented to allow for additional, commercial, retail (including big box stores) and industrial businesses. In addition, it is recognized that much of the recently annexed land remains in agriculture and continuation of that use is to be encouraged while its land area remains undeveloped.

As Denton continues to grow, its importance as a commercial center for the region will increase. In addition to the market potential that comes with being located on MD 404, a heavily traveled route to Atlantic beaches, expected population and income growth will reinforce local shopping and create demand for more and a wider variety of commercial goods and services. The economic development plan anticipates this need by identifying land areas for a variety of commercial land uses, each appropriate to the scale and intensity of commercial activity anticipated. In addition to the traditional Central Business Commercial (CBC) area, the Land Use Plan provides for regional, larger scale, highway-oriented commercial uses, general commercial uses at in-town locations, limited commercial in transitional areas within reasonable proximity to MD 404, specialized commercial where clustering of related commercial and services uses can occur, and neighborhood commercial in appropriate locations as part of a mixed-use, planned neighborhood development.

Providing more jobs closer to residents is important to the overall quality of life for County and Town residents alike. An important objective for any community is to achieve the best possible job/housing balance it can. In simple terms, job/housing balance means having jobs located close (e.g., 3 to 5 miles) to where workers live. Currently, many residents of Denton have to travel much further than five miles to their places of employment. In 2000, nearly 46 percent of workers in Caroline traveled outside of the County to work. The mean travel time was over 30 minutes (source: 2000 Census). Statistics below are showing answers to a Town of Denton survey that was completed in September, 2009. (Appendix 1) When residents were asked if they commuted to work, 71% of respondents answered yes.

The Land Use Element (Chapter 3) increases Regional Highway Commercial (RHC), General Commercial (GC) and Industrial (I) as shown in Table 9-5.

**Table 9-5: Comparison of changes in Current and Proposed Zoning**

Current Zoning		Proposed Zoning			
	Acres		Acres	Change	% Change
Highway Commercial (HC)	179	Regional Highway Commercial (RHC)	237	58	32%
Commercial Medical (CM)	57	CM	57	0	0%
Central Business Commercial (CC)	49	Central Business Commercial (CBC)	49	0	0%
General Commercial (GC)	29	GC	56	27	93%
Total Commercial	314	Total Commercial	399	85	27%
Light Industrial (LI)	232	Industrial (I)	310	73	31%
Heavy Industrial (HI)	5				
		Mixed Industrial (MI)	8	8	-
Total Industrial	237	Total Industrial	318	81	34%

### **Central Business Commercial (CBC)**

This zoning district has a non-substantive name change from its former name, Central Business District (CC), to Central Business Commercial (CBC). The purpose of the Central Business Commercial area is to provide retail and office development and redevelopment within this area of the Town. Appropriate uses are generally the same as for the General Commercial area.

The CBC area is currently characterized by a mix of general retail, specialty retail, service businesses, restaurants, offices, and institutional facilities. The CBC consists of about 151 individual parcels consisting of about 49 acres, not including public streets and right-of-ways. Of this total, approximately 3.5 acres are unimproved and a total of 4 acres have improvements valued at between \$0 and \$10,000. Over half of the CBC land use category (44 parcels and about 23 acres) consists of tax exempt properties in Town, County, State, or church ownership. Approximately 13.5 acres or about one quarter of the CBC is in commercial or office use. In 2009, the gross floor area in commercial and office use was 266,463 square feet and the ratio of floor area to land (FAR) about 0.45 making the CBC the most intensely used commercial area in the Town.

It is not reasonable to assume that unimproved property could be developed at a FAR of 0.45 under current development standards, even with consideration for such things as available public parking and credit for pedestrian trade. A more realistic FAR would be 0.25. Applying this FAR to the 3.5 acres of unimproved property, the CBC could accommodate approximately 38,115 square feet of addition commercial and/or office use.

### **General Commercial (GC)**

The purpose of the General Commercial (GC) zoning district is to provide sufficient space in appropriate locations for a wide variety of business, commercial and service activity, but which uses are not characterized by extensive warehousing, frequent heavy trucking activity, open storage of material, or the nuisance factors of dust, odor, and noise associated with manufacturing. The overall intent of this area is to provide areas for local commercial needs within the core areas of the Town which are compatible with Town character.

The overall purpose for this district is to provide areas for commercial uses primarily catering to local needs within the core areas of Town and that are compatible with Town character. The GC land use category provides sufficient areas in the Town core for a wide variety of business and miscellaneous service activities, particularly along certain major Town streets where a general mixture of commercial and service activity presently exists, but which uses are not characterized by extensive or large-scale warehousing, frequent heavy trucking activity, open storage or related nuisance factors such as noise, smoke, dust, odor, glare, or vibration.

The current GC zoning district appears in several clusters throughout the Town including two areas along the Sixth street corridor, on Fifth Street north of Kerr Avenue, and at the intersection of Gay and East Market Street. Land uses include auto repairs and service, personal service establishments, convenience stores, a fast food restaurant, offices, warehousing and apartments. GC includes 41 individual parcels and encompasses over 29 acres. Of this total, approximately 4.38 acres are tax exempt properties including the County and School Board offices and a cemetery.

In 2009, approximately 15.45 acres of the GC category was described as substantially improved. Collectively, these commercial uses consisted of 78,916 square feet of gross floor area, which equates to an FAR of about 0.12. Approximately 4.9 acres were unimproved in 2009. Assuming the FAR of 0.12 that is characteristic of existing developed properties, the potential development capacity remaining in this land use category represents about 25,613 square feet of additional commercial floor area.

The proposed zoning changes for the GC district increases the acreage from 29 acres to 56 acres. Approximately 22 acres are considered improved, excluding the County and School Board offices, a cemetery, and Volunteer Fire Department properties. The commercial uses consist of 105,505 square feet of gross floor area within the 22 acres, this equates to a FAR of 0.11. The development capacity for the unimproved 34 acres, using the FAR of 0.11, is 162,914 square feet of additional commercial floor area.

### **Regional Highway Commercial (RHC)**

This zoning district has a non-substantive name change from its former name, Highway Commercial (HC), to Regional Highway Commercial (RHC).

The purpose of the RHC zoning district is to provide for a number of retail and office establishments and commercial services for use by the traveling public on or near major roads or streets in the Town and at the same time is intended to maintain the appearance of the highways and their access points by limiting outdoor advertising and establishing high standards for development.

This zoning district is intended for more intense, auto-oriented regional commercial and office development at appropriate locations along MD Route 404 where easy and safe access is available or can be provided.

The current RHC zoning district includes land located at the Sixth Street and MD 313/MD 404 interchange and along the MD 404 corridor at the intersection of Fifth Street/Legion Road and MD 404 southward. Current land uses include shopping centers, auto service, fast food restaurant, hotel, offices, and branch banks. This area includes about 46 individual parcels and encompasses about 179 acres, not including state highway properties. In 2009, approximately 69 buildable acres of this district are unimproved. According to the Department of Assessment and Taxation records, the improved land area for commercial uses includes 402,855 square feet of floor area on 113 acres which equates to floor area ratio (FAR) of about 0.08. Assuming that the 69 acres of vacant land is developed at this FAR, the estimated development capacity of this land use category is about 240,451 square feet. If infill and redevelopment could result in an average FAR of 0.20 throughout this land use category, the building capacity is over 601,128 square feet of additional commercial floor area.

The proposed changes to the RHC district will increase the total acreage of the district to 237 total acres, an increase of 58 RHC zoned acres. According to the 2009 Department of Assessment and Taxation records, the improved land area of the proposed district is 101 acres, which includes approximately 358,635 square feet of floor area; this results in a FAR of 0.08. Unimproved land for the area is approximately 118 acres, developed at a FAR of 0.08 the estimated development capacity is about 411, 206 square feet of additional commercial floor area. As suggested earlier, using a FAR of 0.20, the building capacity would increase to 1, 028, 016 square feet of additional floor space.

### **Commercial Medical (CM)**

The purpose of the Commercial Medical (CM) zoning district is to provide an area for the orderly development of medical-related uses including care facilities within the Town. Permitted uses in the district include those uses customarily associated with medical care and assisted living.

The CM Medical district includes 19 individual parcels and encompasses approximately 57 acres. About 61% of the land in this land use category is currently improved with uses including ambulatory assisted living, day care, medical, and nursing home facilities. According to the Department of Assessment and Taxation records, the CM Medical district is currently developed with 205,226 square feet of gross floor area on approximately 35 acres. This equates to an average FAR of about 0.13. Assuming the balance of the district, 22 acres, is developed at this rate, the floor area capacity of the CM Medical district is about 124,581 square feet.

### **Industrial (I)**

This zoning district has a non-substantive name change from its former name, Light Industrial (LI), to Industrial (I). Note that Heavy Industrial (HI) will no longer be a land use category.

The purpose of the I district is to provide areas in the appropriate locations for light manufacturing, fabricating, warehousing, and wholesale distributing in low buildings with off-street loading and off-street parking for employees, and with access by major thoroughfares.

Going forward, this category will separate some of existing industrial parcels adjacent to the old railroad spur and create a new zoning district called Mixed Industrial (MI) as discussed later in this chapter. The Denton Industrial Park within the Town's southeastern section town will remain and an additional 95± acres within the Town's southeastern section will be added.

The current Industrial zoning district includes 50 individual parcels consisting of 237 acres. Of this total, approximately 151 acres, or 62 percent of the area, is developed as industrial/commercial use. The Town's Water/Wastewater Treatment Plant is located within the Industrial zoning district. The

plant is located on a parcel that is approximately 42.8 acres. Currently, the industrial area is developed with establishments related to manufacturing and light industrial, warehousing, auto sales, office and building supply uses, with a total floor area of 622,830 square feet. Excluding the 42.8 acres where the Town Water/Wastewater Treatment plant is located in the calculation of the FAR, which is a more realistic picture, equates to a FAR of 0.13. Table 9-7 illustrates the current Industrial acreage of 108 (minus the WWTP acreage), with a FAR of 0.13.

According to the 2009 Department of Assessment and Taxation data, approximately 95 acres of the current Industrial district are unimproved. Based on current usage patterns, the average FAR in the land use category is 0.13. Assuming this same usage pattern for the remaining 95 acres of vacant industrial land, the floor area capacity remaining in the area is about 537, 966 square feet.

The proposed changes to the Industrial district increase the total acreage to approximately 310 acres, an increase of about 76 acres. According to the 2009 Department of Assessment and Taxation records, the improved land area of the proposed district, (not including the area proposed to be rezoned to Mixed Industrial) currently is 123 acres, with approximately 1,304,540 square feet of floor area; this results in a FAR of 0.24. Unimproved land for the area is approximately 172 acres, developed at a FAR of 0.24 the estimated development capacity is about 1, 798, 156 square feet of additional commercial floor area.

### **Mixed Industrial (MI)**

The Mixed Industrial (MI) zone is composed of 12 parcels that encompass 7.7 acres. This area is located northeast of Lincoln Street and Gay Street and southwest of the old railroad spur. This area, close to the downtown, offers job opportunities with their current businesses but as the boundary of the Town expanded, the removal of the railroad tracks and the improvements to Highway 404 that has made it the primary transportation route in Denton, the character of this part of the community is slowly beginning to change. These parcels are currently zoned Light Industrial and are occupied with current industrial uses and some residential. The Town would like for this section of Denton to have the opportunity to become a transitional area that could make available a residential use component, while maintaining the current industrial uses. This would allow the properties to change over time, if directed by the market, to a more residential use but allowing current businesses to retain their rights as a conforming use. Evaluation of the Industrial properties north/northeast of the State of Maryland parcel should be considered in future Comprehensive Plans as to their possible incorporation into the proposed MI zoning district. The Town would consider any parcels zoned Industrial that are in the downtown Industrial area (Crystal Avenue) a candidate for inclusion to the Mixed Industrial district if requested.

### **Commercial and Industrial Summary**

Although not an exact science, the mix of employment-related land uses (primarily commercial and industrial) in the community must be judged against some criteria that relate to reasonable objectives for economic development and employment. One planning standard for a balanced, jobs-to-housing ratio is 0.65 jobs to every (1) one dwelling unit.

According to the Department of Assessment and Taxation, there is currently approximately 953,460 square feet (Table 9-6) of commercial floor area (includes office space) located in the Town. The Town has approximately 99.4 acres of undeveloped land within all of the “commercial” land uses,



using the appropriate floor to area ratio (FAR) for each use, the total gross floor area available is 459,252 square feet.

**Table 9-6: Existing and Estimated Commercial Floor Area Capacity**

<b>LAND USE CATEGORY</b>	<b>TOTAL ACRES</b>	<b>DEVELOPED ACRES</b>	<b>EXISTING GFA</b>	<b>FAR</b>	<b>UNDEVELOPED ACRES</b>	<b>CAPACITY Sq. Ft. GFA</b>
<b>Central Business Commercial</b>	49	13.5	266,463	0.45	3.5	68,607
<b>General Commercial</b>	29	15.5	78,916	0.12	4.9	25,613
<b>Regional Highway Commercial</b>	179	113	402,855	0.08	69.0	240,451
<b>Commercial Medical</b>	57	35.0	205,226	0.13	22.0	124,581
<b>TOTAL</b>	<b>314</b>	<b>177</b>	<b>953,460</b>		<b>99.4</b>	<b>459,252</b>

Using a planning estimate of one employee per 600 square feet of commercial floor area as an indicator of “reasonable expectation”, there is approximately enough commercial land available for an additional 765 jobs in this employment sector, the current commercial floor area (953,460) would equate to approximately 1,589 jobs, for a total of 2,354 jobs (Table 9-8).

**Table 9-7: Existing and Estimated Industrial Area Employment Capacity**

	<b>Acres</b>	<b>GFA</b>	<b>FAR</b>	<b>Estimated GFA</b>	<b>Estimated Employment</b>
Existing (Developed)	108	622,830	0.13	622,830	830
Vacant	95	NA	0.13	537,966	717
Total	203	622,830		1,160,796	1,547

Using an average of one employee per 750 square feet of floor area as a measure of “reasonable expectation” for employment based on industrial floor area, the estimated employment capacity in the Industrial land use category, existing and vacant, is 1,547, an increase of 717. Table 9-8 illustrates an employment estimate if all of the vacant commercial and industrial lands when developed. Commercial estimated GFA is the total number calculated in Table 9-6 using the applicable FAR for each zoning district, the total is 459,252 square feet of floor area. Industrial category used the FAR of 0.13; the total estimated GFA is 1,160,796. Estimated total employment that can be accommodated in the commercial and industrial land use categories is about 3,901, employment in establishments that is consistent with the “reasonable expectation” factors.

**Table 9-8: Existing and Estimated Industrial and Commercial Area Employment**

	Acres	Existing GFA	Observed FAR	Estimated GFA	Estimated Employment
<b>INDUSTRIAL</b>					
Existing (developed)	108	622,830	0.13	N/A	830
Vacant	95	NA	0.13	537,966	717
<b>Subtotal</b>	<b>203</b>	<b>622,830</b>		<b>537,966</b>	<b>1,547</b>
<b>COMMERCIAL</b>					
Existing (developed)	177	953,460	Variable (Table 9-6)	N/A	1,589
Vacant	99.4	N/A	Variable (Table 9-6)	459,252	765
<b>Subtotal</b>	<b>276.4</b>	<b>953,460</b>		<b>459,252</b>	<b>2,354</b>
<b>TOTAL</b>	<b>522.4</b>	<b>1,576,290</b>		<b>997,218</b>	<b>3,901</b>

Using the ratio of 0.65 jobs per dwelling unit as a measure of the adequacy of the potential employment that may be accommodated in the industrial and commercial categories, 3,901 jobs equates to 2,536 dwelling units.

#### **Calculations for Industrial and Commercial Employment Opportunity using Proposed Zoning Changes**

As shown in the “proposed land uses”, (Chapter 3, Table 3-2) the Town has increased commercial land use from 9% to 11% and industrial from 5% to 8 % by rezoning appropriate areas to commercial and industrial use. This increase will supply additional acreage for increased commercial/industrial employment opportunity. Table 9-9 calculates the potential employment capacity that the new zoning proposal would create. The employment capacity could reach 5,557, an increase of 1,656 jobs from the current zoning job potential of 3,901 (Table 9-8). Using the ratio of 0.65 jobs per dwelling unit as a measure of the adequacy of the potential employment that may be accommodated in the industrial and commercial categories, the new capacity of 5,557 jobs equates to 3,612 dwelling units. Using the person per household rate of 2.17, 3,612 dwelling units estimates a population estimate of 7,838 that could be supported by the employment capacity analysis. Rezoning would give the Town the resources to create opportunities for sufficient employment to support the predicted population up to the year 2030.

**Table 9-9: Estimated Industrial and Commercial Area Employment Using Proposed Zoning Changes**

	Acres	Existing GFA	Observed FAR	Estimated GFA	Estimated Employment
<b>INDUSTRIAL</b>					
Existing (developed)	86	674,309	0.18	N/A	899
Vacant	174	NA	0.18	1,364,299	1,819
<b>Subtotal</b>	<b>262</b>	<b>674,309</b>		<b>1,364,299</b>	<b>2,718</b>
<b>COMMERCIAL</b>					
Existing (developed)	172	935,829	Variable	N/A	1,560
Vacant	178	N/A	Variable	767,308	1,279
<b>Subtotal</b>	<b>350</b>	<b>935,829</b>		<b>767,308</b>	<b>2,839</b>
<b>TOTAL</b>	<b>612</b>	<b>1,610,138</b>		<b>2,131,607</b>	<b>5,557</b>