Retail Commercial Prospectus

"To create new job opportunities and expand the tax base for Martinsville-Henry County; to support and develop local industry, as well as market Martinsville-Henry County globally as an exceptional place to live, work and play…"

Recommendations & Conclusions

Buxton has reviewed the four sites discussed with Martinsville-Henry County on the basis of retail recruitment potential. This Retail Site Determination booklet features maps of each site's trade area and an analysis contributing to this recommendation.

Buxton has selected Site 2 (US 58 & VA 220) as having the best overall retail trade potential. However all four sites trade areas are very similar and therefore anyone of the sites could be considered a viable development option.

This recommendation is based on the market characteristics and retail potential of the sites studied. This recommendation does not take into consideration limitations related to cost, environment, engineering, infrastructure or ownership.

<u>Buxton Recommends</u>

Site 2 – US 58 & VA 220

Selecting Martinsville-Henry County's Retail Site

To begin the Community*ID* process, Martinsville-Henry County selected four sites to be analyzed and ranked for possible retail development or revitalization. The locations of the four sites are shown on the opposite page.

The next task for the sponsoring organization is to select one of the four sites for a more detailed analysis and determination of retail firms that will best match the consumers in Martinsville-Henry County's trade area.
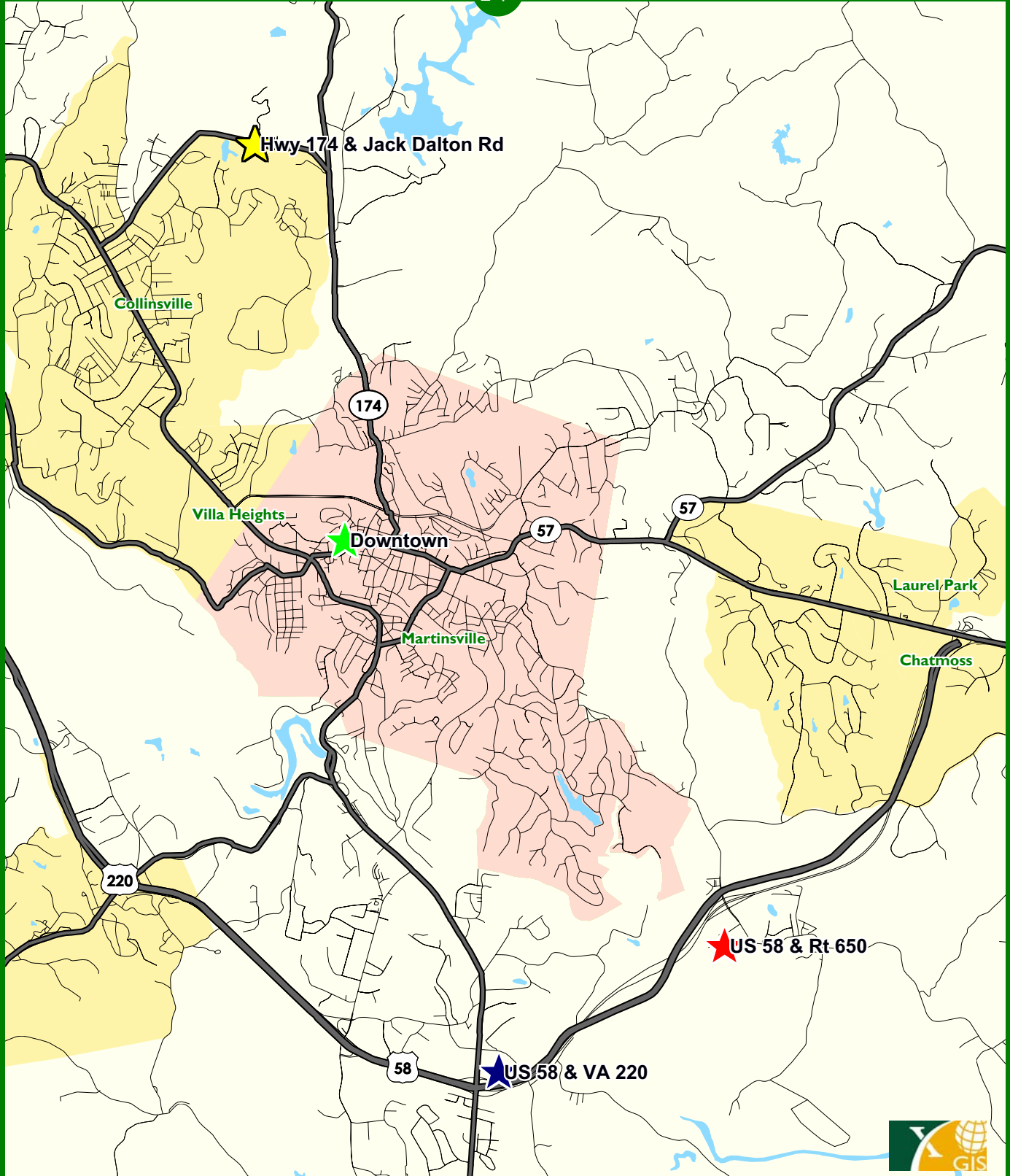
To aid in the decision-making process to select the best site, Buxton has ranked the retail potential of the four sites based on the following analyses:

- A twenty-minute drive-time trade area was delineated for each site
- The customers in each trade area were segmented according to buying habits and lifestyles
- A profile of Martinsville-Henry County's customers within each of the four trade areas was developed
- The retail demand for more than 400 products and services was determined for each potential trade area

The purpose of these analyses is to develop Martinsville-Henry County's Customer Profile. The Customer Profile is a snapshot of the customers that reside in Martinsville-Henry County's trade area. Even though these consumers are complex and diverse, Buxton is able to capture and catalogue the extent to which potential demand for retailer's goods and services are concentrated in the trade area.

By overlaying Martinsville-Henry County's Customer Profile with over 4,500 retail matching profiles in Buxton's proprietary database, we are able to identify major categories of retail that are candidates for location in Martinsville-Henry County. This matching provides the basis for determining Martinsville-Henry County's viability to attract retailers and restaurants and forms the basis for Buxton's recommendations and conclusions.

With this analysis and Buxton's recommendations, Martinsville-Henry County can make a more informed decision about investments in infrastructure and can focus resources on areas of higher retail development potential.

N

⭐ Hwy 174 & Jack Dalton Rd

Collinsville

174

Villa Heights

57

⭐ Downtown

57

Laurel Park

Martinsville

Chatmoss

220

US 58 & Rt 650 ⭐

58

US 58 & VA 220 ⭐

GIS

Martinsville- Henry County, Virginia: Overview

MARTINSVILLE
HENRY COUNTY VIRGINIA
ECONOMIC DEVELOPMENT

CommunityID

Shopping Centers

GLA in thousands

🔴 1000+

🔵 500 to 1000

🟥 **City Limits**

⭐ **Site 2**
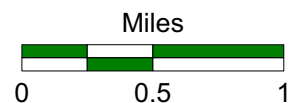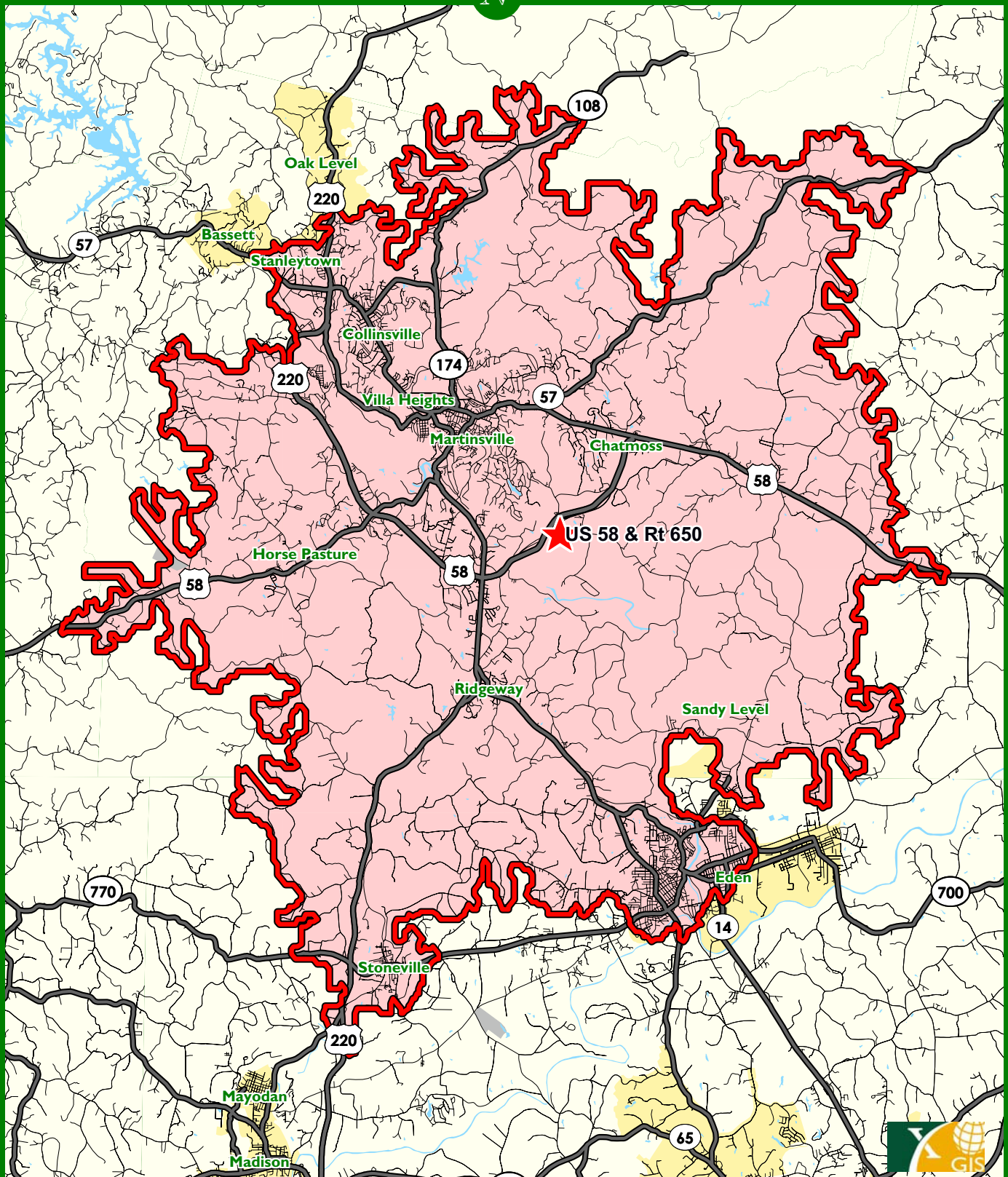
⭐ **Site 4**

⭐ **Site 1**

⭐ **Site 3**

Miles

0   0.5   1

N

Oak Level

220

57

Bassett

Stanleytown

Collinsville

220

174

Villa Heights

57

Martinsville

Chatmoss

58

Horse Pasture

58

★ US 58 & Rt 650

58

Ridgeway

Sandy Level

770

Eden

700

14

Stoneville

220

Mayodan

65

Madison

Martinsville- Henry County, Virginia: Trade Area

MARTINSVILLE
HENRY COUNTY VIRGINIA
ECONOMIC DEVELOPMENT

CommunityID

Shopping Centers

GLA in thousands

● 1000+

● 500 to 1000

☐ **20 Minute Drive Time**

★ **Site I**

Miles

0   2   4

Site 1 Analysis: US 58 & Rt 650

Drive-Time Trade Area

The map on the opposite page depicts the twenty-minute trade area for Site 1. The twenty-minute trade area was determined by Buxton's proprietary drive-time technology.

Psychographics

The psychographic profile of the households within the twenty-minute trade area of Site 1 is presented below.

Trade Area Segmentation
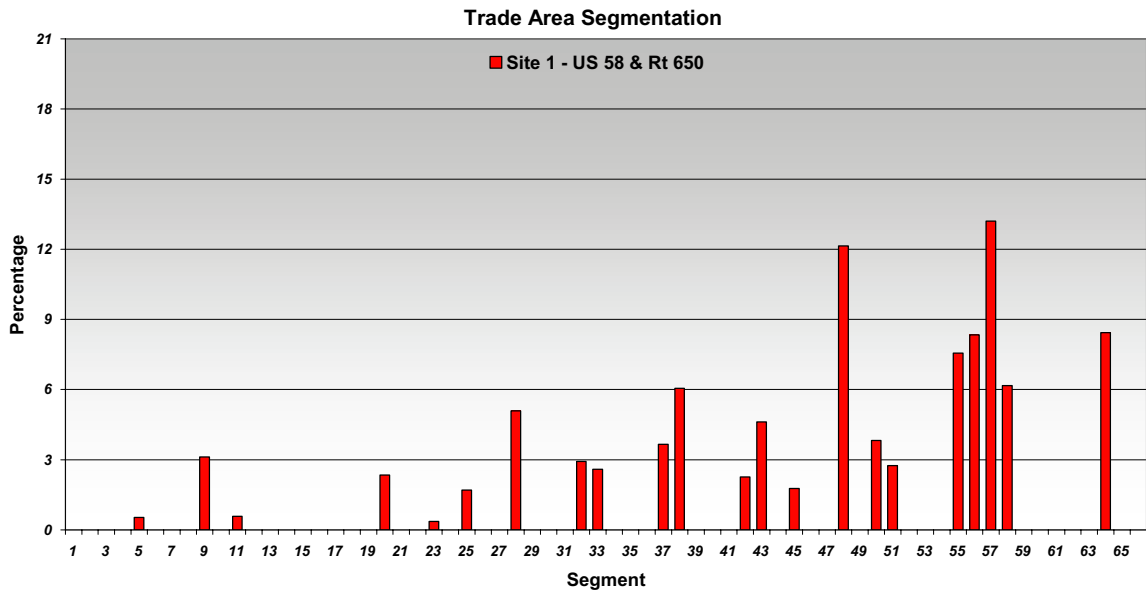
Source: Claritas, Inc, PRIZM® NE, © 2006

Dominant Segments

A segment that represents at least three percent of a trade area is a dominant segment. Following is a description of the dominant segments for Site 1.

Site1 - US 58 & Rt 650

Dominant Segments	Description	Households	% of All Households
9	Big Fish, Small Pond	926	3.11
28	Traditional Times	1514	5.09
37	Mayberry-ville	1089	3.66
38	Simple Pleasures	1798	6.05
43	Heartlanders	1372	4.61
48	Young & Rustic	3609	12.14
50	Kid Country, USA	1138	3.83
55	Golden Ponds	2247	7.56
56	Crossroads Villagers	2480	8.34
57	Old Milltowns	3925	13.20
58	Back Country Folks	1834	6.17
64	Bedrock America	2507	8.43

Source: Claritas, Inc, PRIZM® NE, © 2006

Product Category

The following table outlines the estimated dollar potential available in major retail categories by consumers located within the trade area for Site 1:
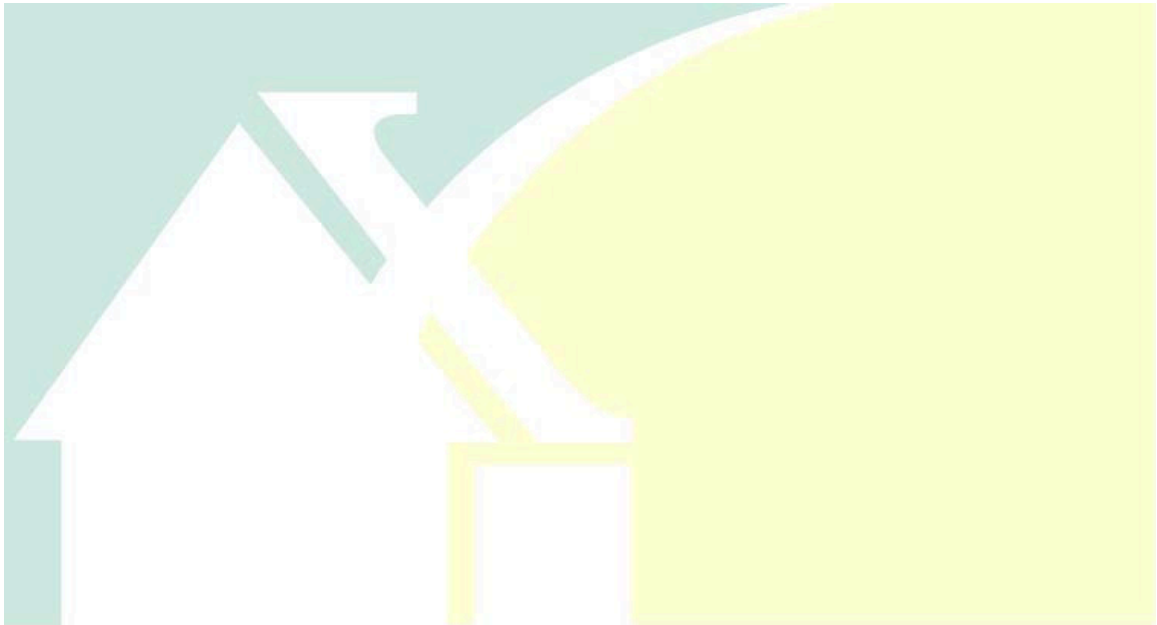
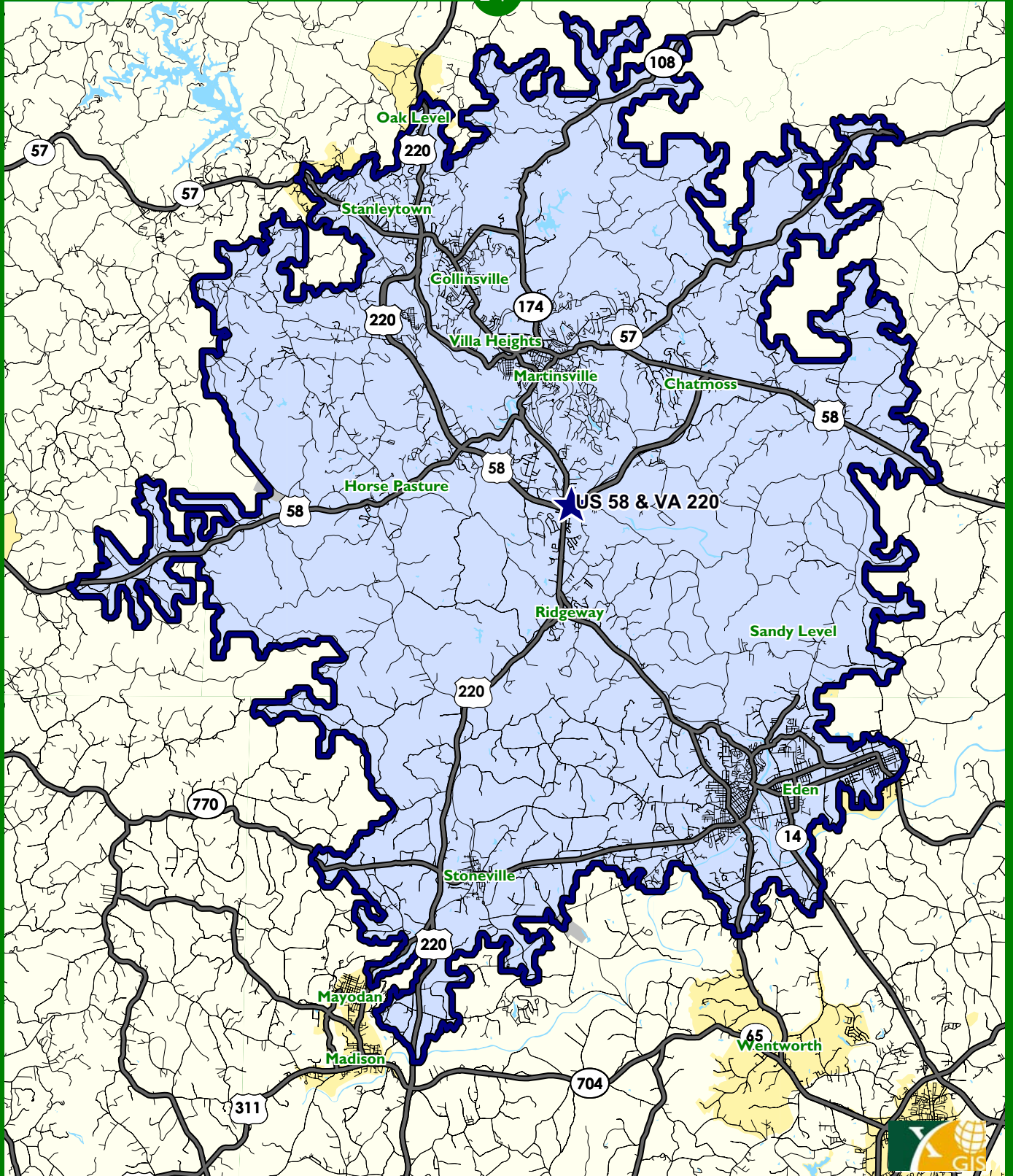| Consumer Variable - Major Categories	Total Estimated Dollars
Food at Home	$137,942,800
Food Away from Home	$96,226,110
Alcoholic Beverages	$23,414,620
Smoking Products & Supplies	$26,192,950
Personal Care Products & Services	$20,717,400
Day Care	$6,113,920
Household Furnishings & Services	$132,465,980
Housing Expenses	$32,933,380
Apparel	$80,900,100
Sports & Recreation	$25,180,010
Miscellaneous	$53,588,580
Education	$16,849,610
Automotive	$230,110,320
Health Care	$110,877,750
TOTAL	**$993,513,530**

Source: Claritas, Inc, PRIZM® NE, © 2006

The following table presents the trade potential variables for Site 1:

Trade Potential Variables	Site 1
Estimated Household Count	29,733
Number of Households in Dominant Segments	24,439
Traffic Count	11,000
Estimated Product Category Potential	$993,513,530

Source: Claritas, Inc, PRIZM® NE, © 2006

N

57

220

Oak Level

57

Stanleytown

Collinsville

220

174

220

Villa Heights

57

Martinsville

Chatmoss

58

58

Horse Pasture

58

★ US 58 & VA 220

Ridgeway

Sandy Level

220

Eden

770

14

Stoneville

220

Mayodan

65

Wentworth

Madison

704

311

Martinsville- Henry County, Virginia: Trade Area

MARTINSVILLE
HENRY COUNTY VIRGINIA
ECONOMIC DEVELOPMENT

CommunityID

Shopping Centers

GLA in thousands

🔴 1000+

🔵 500 to 1000

▢ **20 Minute Drive Time**
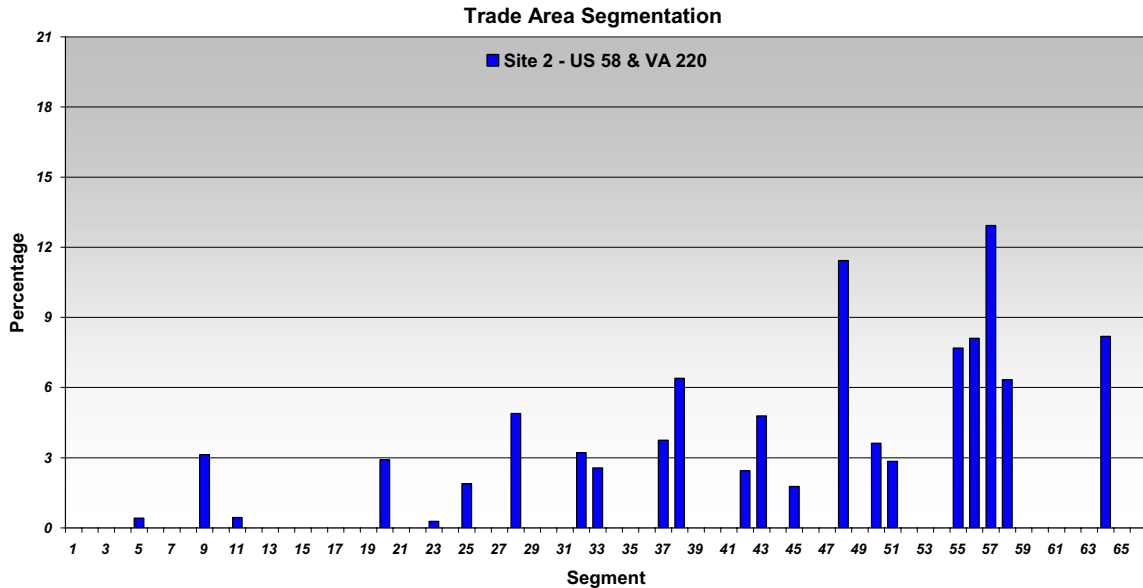
★ **Site 2**

Miles

0   2.5   5

Site 2 Analysis: US 58 & VA 220

Drive-Time Trade Area

The map on the previous page depicts the twenty-minute trade area for Site 2. The twenty-minute trade area was determined by Buxton's proprietary drive-time technology.

Psychographics

The psychographic profile of the households within the twenty-minute trade area of Site 2 is presented below.

Trade Area Segmentation

Source: Claritas, Inc, PRIZM® NE, © 2006

Dominant Segments

A segment that represents at least three percent of a trade area is a dominant segment. Following is a description of the dominant segments for Site 2.

Site 2 - US 58 & VA 220

Dominant Segments	Description	Households	% of All Households
9	Big Fish, Small Pond	1194	3.13
28	Traditional Times	1865	4.89
32	New Homesteaders	1227	3.22
37	Mayberry-ville	1431	3.75
38	Simple Pleasures	2441	6.40
43	Heartlanders	1826	4.78
48	Young & Rustic	4362	11.43
50	Kid Country, USA	1379	3.61
55	Golden Ponds	2936	7.69
56	Crossroads Villagers	3092	8.10
57	Old Milltowns	4934	12.93
58	Back Country Folks	2417	6.33
64	Bedrock America	3125	8.19

Source: Claritas, Inc, PRIZM® NE, © 2006

Site 2 Analysis (continued)

Product Category

The following table outlines the estimated dollar potential available in major retail categories by consumers located within the trade area for Site 2:
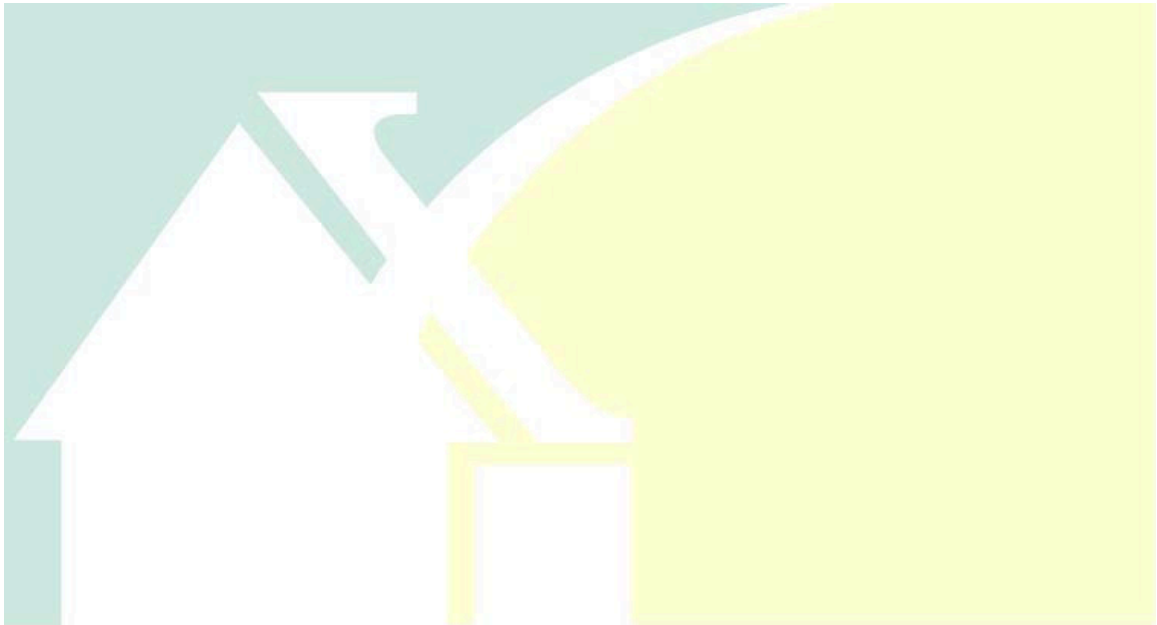
Consumer Variable - Major Categories	Total Estimated Dollars
Food at Home	$178,794,300
Food Away from Home	$126,317,310
Alcoholic Beverages	$30,693,040
Smoking Products & Supplies	$34,151,540
Personal Care Products & Services	$26,712,140
Day Care	$7,988,070
Household Furnishings & Services	$173,806,680
Housing Expenses	$42,552,230
Apparel	$105,569,780
Sports & Recreation	$33,006,650
Miscellaneous	$70,600,240
Education	$22,196,220
Automotive	$300,659,410
Health Care	$143,529,090
TOTAL	**$1,296,576,700**

The following table presents the trade potential variables for Site 2:

Trade Potential Variables	Site 2
Estimated Household Count	38,164
Number of Households in Dominant Segments	32,229
Traffic Count	17,000
Estimated Product Category Potential	$1,296,576,700
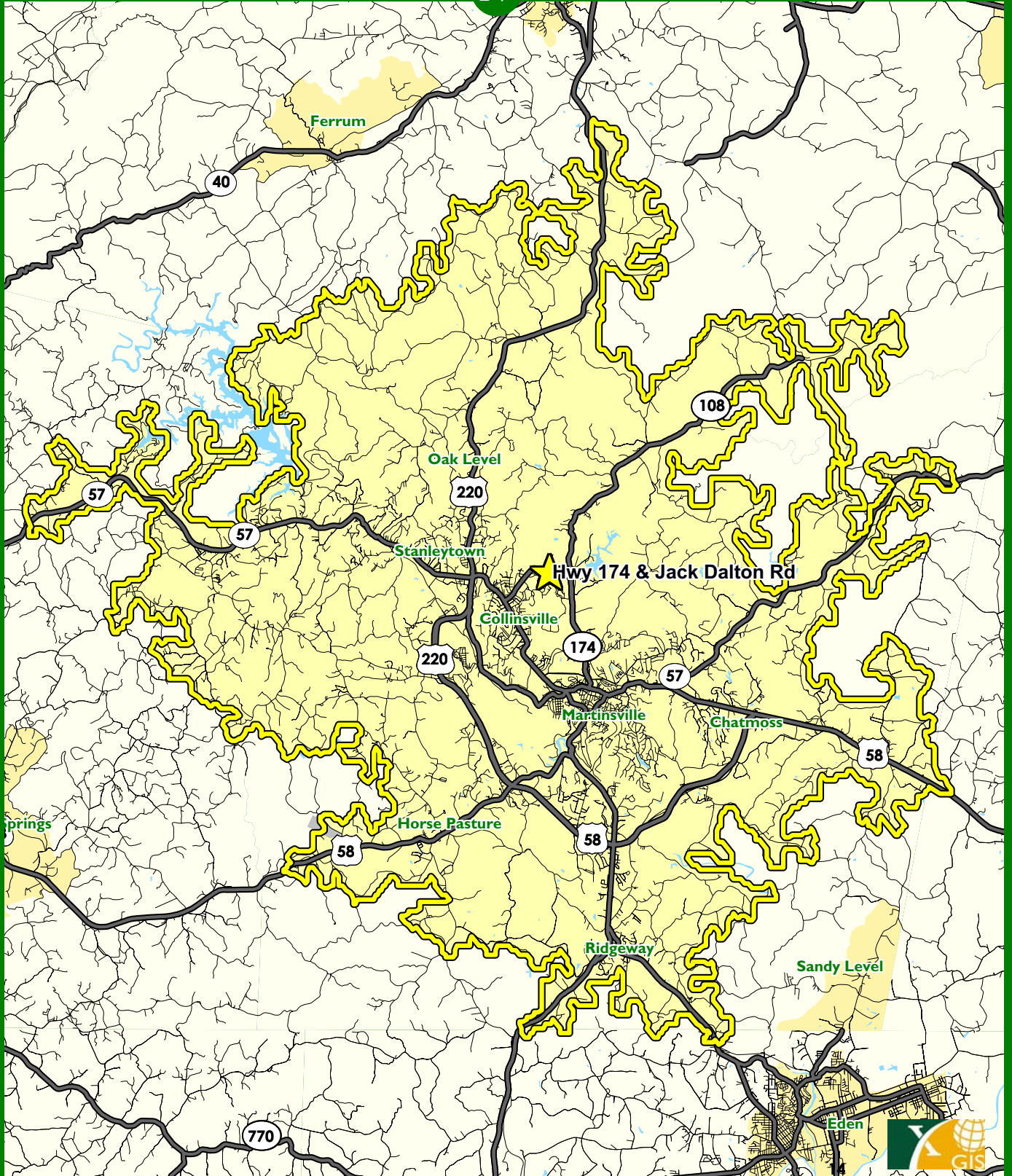
N

Ferrum

40

108

Oak Level

57

220

57

Stanleytown

Hwy 174 & Jack Dalton Rd

Collinsville

220

174

57

Martinsville

Chatmoss

58

Horse Pasture

58

58

Ridgeway

Sandy Level

GIS

770

Eden

Martinsville- Henry County, Virginia: Trade Area

MARTINSVILLE
HENRY COUNTY VIRGINIA
ECONOMIC DEVELOPMENT

CommunityID

Shopping Centers

GLA in thousands

● 1000+

● 500 to 1000

☐ **20 Minute Drive Time**

★ **Site 3**

Miles

0   2.5   5

Site 3 Analysis: Hwy 174 & Jack Dalton Rd

Drive-Time Trade Area
The map on the previous page depicts the twenty-minute trade area for Site 3. The twenty-minute trade area was determined by Buxton's proprietary drive-time technology.

Psychographics
The psychographic profile of the households within the twenty-minute trade area of Site 3 is presented below.

Trade Area Segmentation
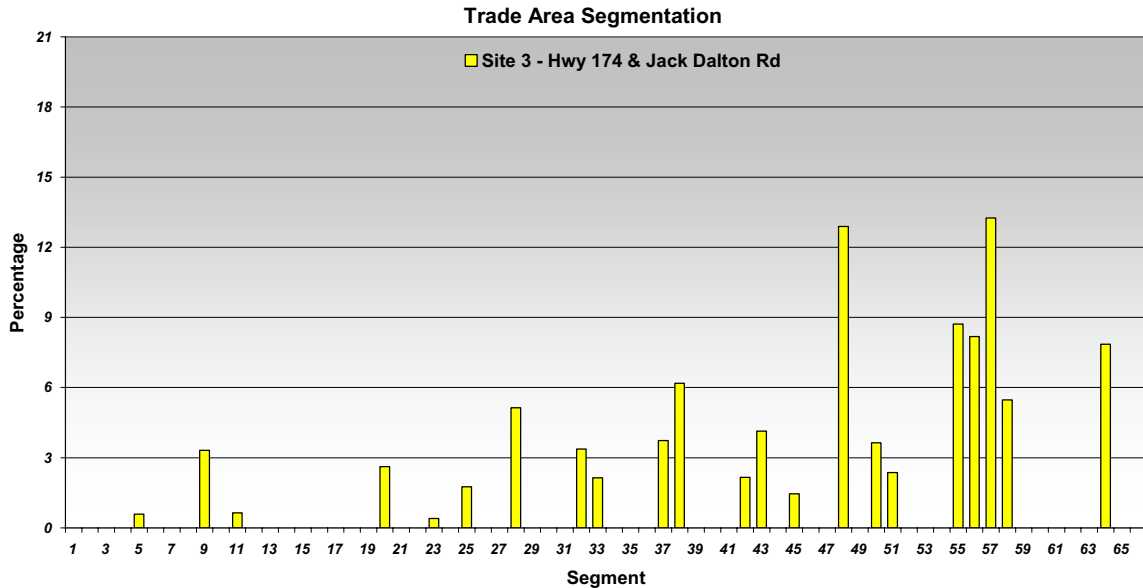
Source: Claritas, Inc, PRIZM® NE, © 2006

Dominant Segments
A segment that represents at least three percent of a trade area is a dominant segment. Following is a description of the dominant segments for Site 3.

Site 3 - Hwy 174 & Jack Dalton Rd

Dominant Segments	Description	Households	% of All Households
9	Big Fish, Small Pond	884	3.32
28	Traditional Times	1370	5.14
32	New Homesteaders	900	3.38
37	Mayberry-ville	994	3.73
38	Simple Pleasures	1648	6.18
43	Heartlanders	1103	4.14
48	Young & Rustic	3437	12.89
50	Kid Country, USA	970	3.64
55	Golden Ponds	2322	8.71
56	Crossroads Villagers	2181	8.18
57	Old Milltowns	3532	13.25
58	Back Country Folks	1460	5.48
64	Bedrock America	2093	7.85

Source: Claritas, Inc, PRIZM® NE, © 2006

Site 3 Analysis (continued)

Product Category

The following table outlines the estimated dollar potential available in major retail categories by consumers located within the trade area for Site 3:
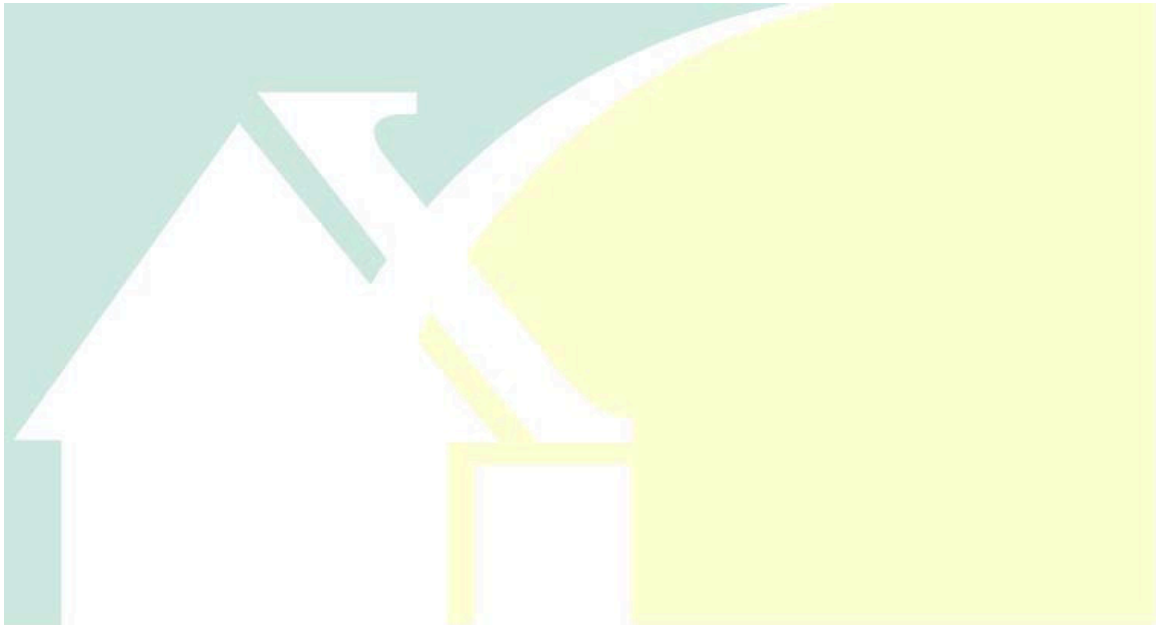
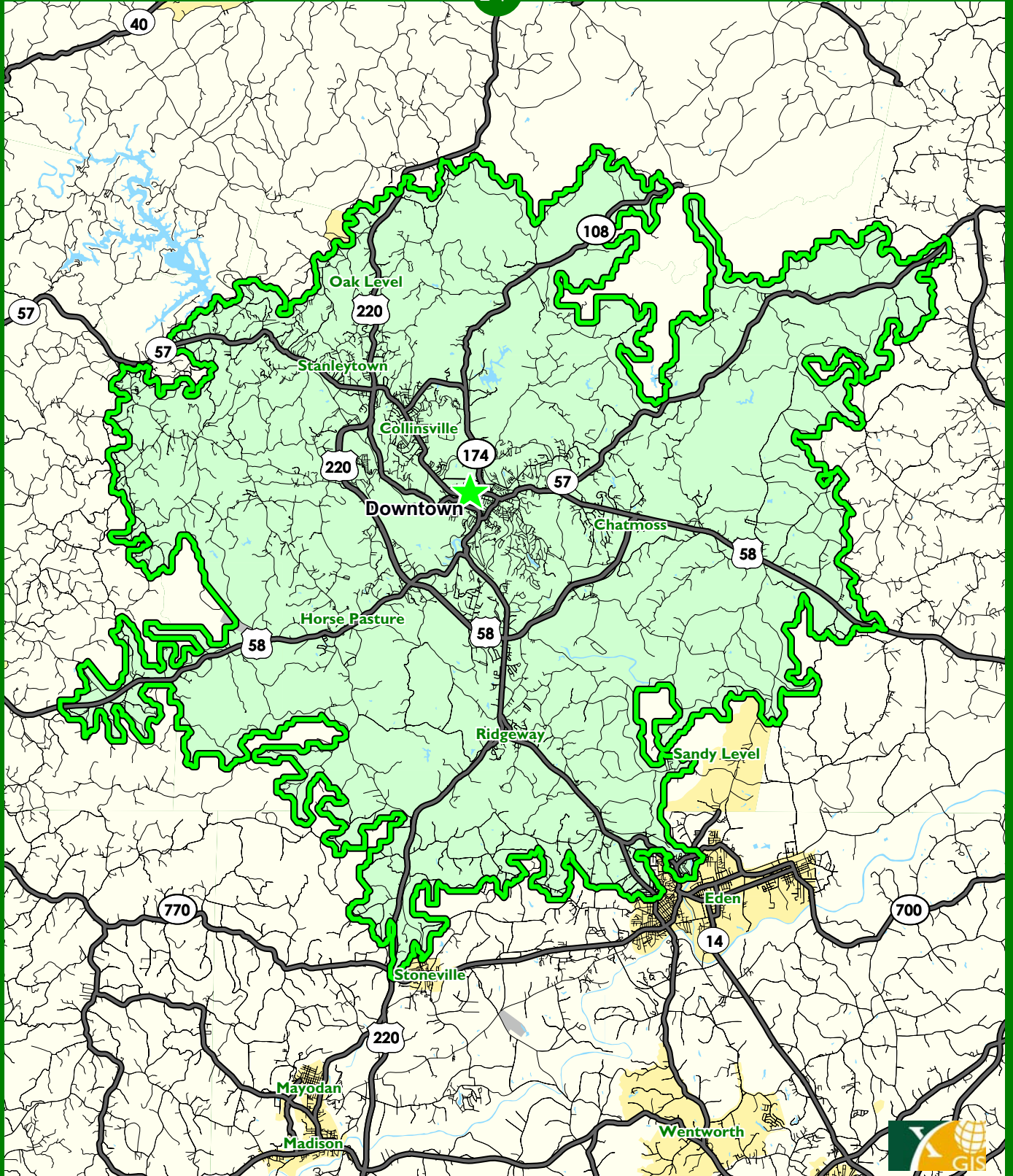| Consumer Variable - Major Categories	Total Estimated Dollars
Food at Home	$124,276,650
Food Away from Home	$87,808,030
Alcoholic Beverages	$21,379,270
Smoking Products & Supplies	$23,456,080
Personal Care Products & Services	$18,751,760
Day Care	$5,510,440
Household Furnishings & Services	$121,805,540
Housing Expenses	$29,827,920
Apparel	$73,499,940
Sports & Recreation	$23,070,380
Miscellaneous	$49,567,400
Education	$15,289,080
Automotive	$209,921,500
Health Care	$101,060,020
TOTAL	**$905,224,010**

Source: Claritas, Inc, PRIZM® NE, © 2006

The following table presents the trade potential variables for Site 3:

Trade Potential Variables	Site 3
Estimated Household Count	26,661
Number of Households in Dominant Segments	22,894
Traffic Count	14,000
Estimated Product Category Potential	$905,224,010

Source: Claritas, Inc, PRIZM® NE, © 2006

N

40

57

57

Oak Level

220

Stanleytown

108

220

Collinsville

174

220

57

★ Downtown

Chatmoss

58

Horse Pasture

58

58

58

Ridgeway

Sandy Level

770

Eden

700

14

Stoneville

220

Mayodan

Wentworth

GIS

Madison

Martinsville- Henry County, Virginia: Trade Area

MARTINSVILLE
HENRY COUNTY VIRGINIA
ECONOMIC DEVELOPMENT

CommunityID

Shopping Centers

GLA in thousands

● 1000+

● 500 to 1000

☐ **20 Minute Drive Time**
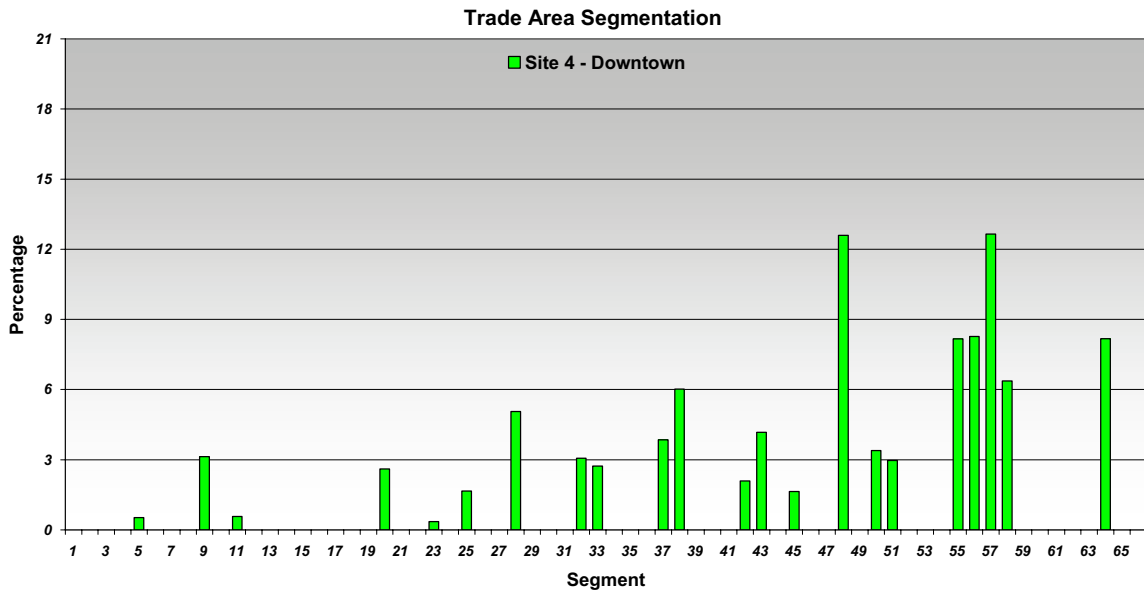
★ **Site 4**

Miles

0   2.5   5

Site 4 Analysis: Downtown

Drive-Time Trade Area
The map on the previous page depicts the twenty-minute trade area for Site 3. The twenty-minute trade area was determined by Buxton's proprietary drive-time technology.

Psychographics
The psychographic profile of the households within the twenty-minute trade area of Site 3 is presented below.

Trade Area Segmentation

Source: Claritas, Inc, PRIZM® NE, © 2006

Dominant Segments
A segment that represents at least three percent of a trade area is a dominant segment. Following is a description of the dominant segments for Site 3.

Site 4 - Downtown

Dominant Segments	Description	Households	% of All Households
9	Big Fish, Small Pond	944	3.13
28	Traditional Times	1524	5.06
32	New Homesteaders	922	3.06
37	Mayberry-ville	1160	3.85
38	Simple Pleasures	1814	6.02
43	Heartlanders	1257	4.17
48	Young & Rustic	3794	12.59
50	Kid Country, USA	1020	3.38
55	Golden Ponds	2461	8.17
56	Crossroads Villagers	2491	8.27
57	Old Milltowns	3811	12.64
58	Back Country Folks	1920	6.37
64	Bedrock America	2463	8.17

Source: Claritas, Inc, PRIZM® NE, © 2006

Site 4 Analysis (continued)

Product Category

The following table outlines the estimated dollar potential available in major retail categories by consumers located within the trade area for Site 3:

Consumer Variable - Major Categories	Total Estimated Dollars
Food at Home	$141,075,970
Food Away from Home	$99,123,970
Alcoholic Beverages	$24,033,790
Smoking Products & Supplies	$26,879,200
Personal Care Products & Services	$21,079,570
Day Care	$6,205,540
Household Furnishings & Services	$136,577,690
Housing Expenses	$33,653,830
Apparel	$82,874,100
Sports & Recreation	$25,877,570
Miscellaneous	$55,561,380
Education	$17,212,940
Automotive	$239,478,670
Health Care	$113,147,000
TOTAL	**$1,022,781,220**

Source: Claritas, Inc, PRIZM® NE, © 2006

The following table presents the trade potential variables for Site 3:

Trade Potential Variables	Site 4
Estimated Household Count	30,139
Number of Households in Dominant Segments	25,581
Traffic Count	6,700
Estimated Product Category Potential	$1,022,781,220

Source: Claritas, Inc, PRIZM® NE, © 2006

Retail Site

Dominant Segment Descriptions

9   BIG FISH, SMALL POND – Older, upper-class, college-educated professionals, the members of Big Fish, Small Pond are often among the leading citizens of their small-town communities. These upscale, empty-nesting couples enjoy the trappings of success, belonging to country clubs, maintaining large investment portfolios and spending freely on computer technology.

28   TRADITIONAL TIMES – Traditional Times is the kind of lifestyle where small-town couples nearing retirement are beginning to enjoy their first empty-nest years. Typically in their fifties and sixties, these middle-class Americans pursue a kind of granola-and-grits lifestyle. On their coffee tables are magazines with titles ranging from *Country Living* and *Country Home* to *Gourmet* and *Forbes*. But they're big travelers, especially in recreational vehicles and campers.

32   NEW HOMESTEADERS – Young, middle-class families seeking to escape suburban sprawl find refuge in New Homesteaders, a collection of small rustic townships filled with new ranches and Cape Cods. With decent-paying jobs in white-collar and service industries, these dual-income couples have fashioned comfortable, child-centered lifestyles, their driveways filled with campers and powerboats, their family rooms with PlayStations and Game Boys.

37   MAYBERRY-VILLE – Like the old Andy Griffith Show set in a quaint picturesque berg, Mayberry-ville harks back to an old-fashioned way of life. In these small towns, middle-class couples and families like to fish and hunt during the day, and stay home and watch TV at night. With lucrative blue-collar jobs and moderately priced housing, residents use their discretionary cash to purchase boats, campers, motorcycles and pickup trucks.

38   SIMPLE PLEASURES – With more than two-thirds of its residents over 65 years old, Simple Pleasures is mostly a retirement lifestyle: a neighborhood of lower-middle-class singles and couples living in modestly priced homes. Many are high school-educated seniors who held blue-collar jobs before their retirement, and a disproportionate number served in the military; no segment has more members of veterans clubs.

43   HEARTLANDERS – America was once a land of small middle-class towns, which can still be found today among Heartlanders. This widespread segment consists of middle-aged couples with working-class jobs living in sturdy, unpretentious homes. In these communities of small families and empty-nesting couples, Heartlanders pursue a rustic lifestyle where hunting and fishing remain prime leisure activities along with cooking, sewing, camping and boating.

Retail Site

Dominant Segment Descriptions

48   YOUNG & RUSTIC – Like the soap opera that inspired its nickname, Young & Rustic is composed of young, restless singles. Unlike the glitzy soap denizens, however, these folks tend to be lower income, high school-educated and live in tiny apartments in the nation's exurban towns. With their service industry jobs and modest incomes, these folks still try to fashion fast-paced lifestyles centered on sports, cars and dating.

50   KID COUNTRY, USA – Widely scattered throughout the nation's heartland, Kid Country, USA is a segment dominated by large families living in small towns. Predominantly white with an above-average concentration of Hispanics, these young working-class households include homeowners, renters and military personnel living in base housing; about 20 percent of residents own mobile homes.

55   GOLDEN PONDS – Golden Ponds is mostly a retirement lifestyle, dominated by downscale singles and couples over 65 years old. Found in small bucolic towns around the country, these high school-educated seniors live in small apartments on less than $25,000 a year; one in five resides in a nursing home. For these elderly residents, daily life is often a succession of sedentary activities such as reading, watching TV, playing bingo and doing craft projects.

56   CROSSROADS VILLAGERS – With a population of middle-aged, blue-collar couples and families, Crossroads Villagers is a classic rural lifestyle. Residents are high school-educated with lower-middle incomes and modest housing; one-quarter live in mobile homes. There's an air of self-reliance in these households as Crossroads Villagers help put food on the table through fishing, gardening and hunting.

57   OLD MILLTOWNS – America's once-thriving mining and manufacturing towns have aged—as have the residents in Old Milltowns communities. Today, the majority of residents are retired singles and couples living on downscale incomes in pre-1960 homes and apartments. For leisure they enjoy gardening, sewing, socializing at veterans clubs or eating out at casual restaurants.

58   BACK COUNTRY FOLKS – Strewn among remote farm communities across the nation, Back Country Folks are a long way away from economic paradise. The residents tend to be poor, over 55 years old and living in older, modest-sized homes and manufactured housing. Typically, life in this segment is a throwback to an earlier era when farming dominated the American landscape.

64   BEDROCK AMERICA – Bedrock America consists of young, economically challenged families in small, isolated towns located throughout the nation's heartland. With modest educations, sprawling families and blue-collar jobs, many of these residents struggle to make ends meet. One quarter live in mobile homes. One in three has not finished high school. Rich in scenery, Bedrock America is a haven for fishing, hunting, hiking and camping.