

RPI CONSULTING, LLC

Durango, Colorado



WELLINGTON, COLORADO

MARKET ANALYSIS &
OPPORTUNITY ASSESSMENT

February, 2019

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INTRODUCTION

The purpose of this report is to utilize objective information to identify strategies and recommendations to further increase the success of downtown Wellington. The Colorado Main Street Program provided the funding for RPI Consulting to conduct this Market Analysis and Opportunity Assessment along with a Downtown Business Survey for the Wellington Main Street Program.

The following is a description of the sections in this report.

- Market Geography – Defines Wellington’s market area, the geographic area from which Wellington generates most of its local (residential) customers.
- Consumer Demographic Profile – Describes the demographics of the population within the town and the market area.
- Retail Market Opportunity Assessment – Retail leakage analysis for the Town of Wellington boundary and the Wellington market area, shows which retail categories exhibit leakage and which categories exhibit a surplus.
- Role of Downtown and Existing Conditions – Describes the structure of the downtown economy and identifies the role of downtown in the local and regional economy, identifies specific retail opportunities given demand from local consumers.
- Base Industry Market Assessment – Examines base industry opportunities appropriate for downtown.
- Strategies and Recommendations – Combines data from previous sections to highlight opportunities for development and provides strategies and recommendations to help capitalize on opportunities.

MARKET ASSESSMENT

The purpose of the market assessment is to analyze Wellington’s existing economy and the realistic opportunities for downtown to capture more local, regional and visitor spending. This market assessment defines Wellington’s market area, determines spending patterns and examines existing strengths and weaknesses of the retail, food and drink sectors. The goal of this section of the report is to highlight existing and emerging business opportunities for downtown Wellington.



MARKET GEOGRAPHY

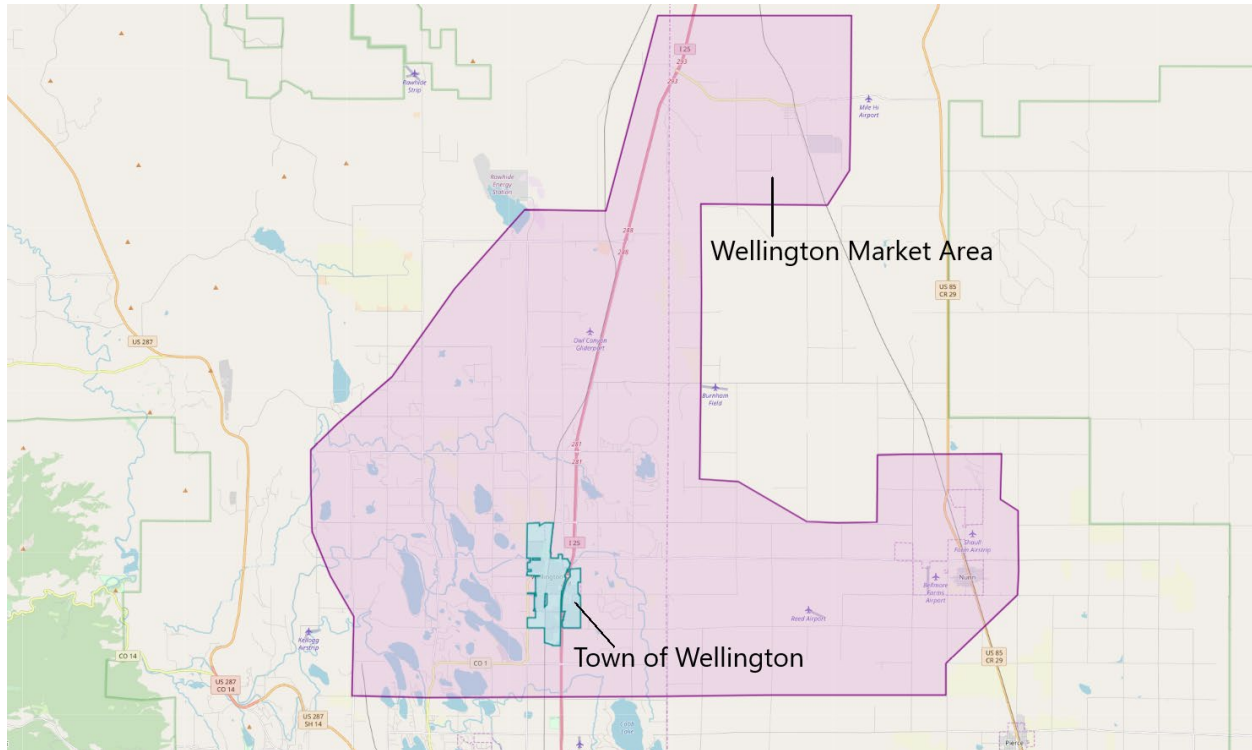
Consultants conducted a market analysis on the Town of Wellington and the market area surrounding and including Wellington to determine which retail sectors are exhibiting leakage and surplus sales.

Two geographic boundaries were utilized for the market analysis:

Town of Wellington – Analysts use the town boundary to examine demand from residents for retail goods and services by category, the town has a population of 9,527.

Wellington Market Area – The regional market is the area surrounding the Town of Wellington. This is the target market for the town and downtown Wellington. The market area has an estimated population of 15,041 people.

Figure 1 – Town of Wellington and Target Market Boundary



Source: ESRI BAO, 2018

Figure 2 – Town of Wellington and Market Area Populations

Boundary	Population	Source
Town of Wellington	9,527	U.S. Census Bureau, 2017 Population Estimate
Market Area	15,041	ESRI BAO

DATA SOURCES

The Wellington market analysis relies on data compiled by ESRI, an industry leader specializing in mapping and data analytics. Analysts used ESRI's Business Analyst Online



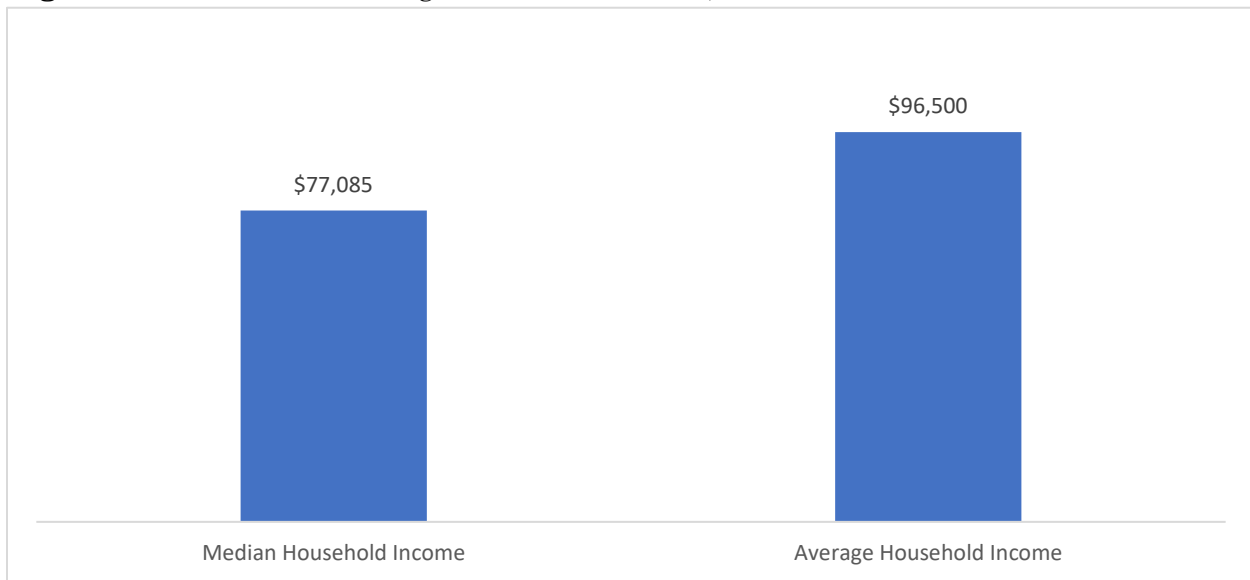
(BAO) tool to gather and analyze economic and demographic data about the Town of Wellington and the market area. BAO provides baseline data for custom site evaluation and market analysis. Utilizing extensive demographic, consumer-spending, and business data, BAO provides detailed information and insights about consumers, their lifestyles and buying behavior, and businesses in the market area. Other data sources include the Town of Wellington, Census on the Map, and the Colorado Department of Transportation.

CONSUMER DEMOGRAPHIC PROFILE

This section provides demographics for the Wellington market area including household income, household types, educational attainment, and commuter patterns. The population within the market area (including the population in Wellington) is the target local resident market for businesses in Wellington.

Households in the Wellington market area have an annual median income of \$77,085. The annual average household income in the market area is \$96,500.

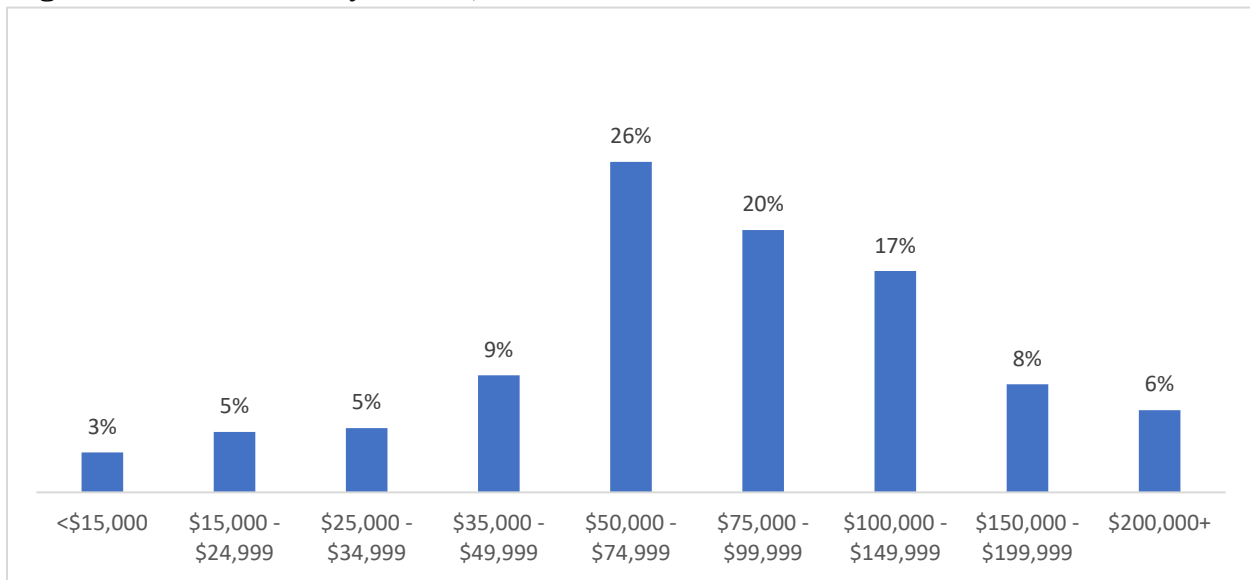
Figure 3 – Median and Average Household Income, 2018



Source: ESRI BAO, 2018

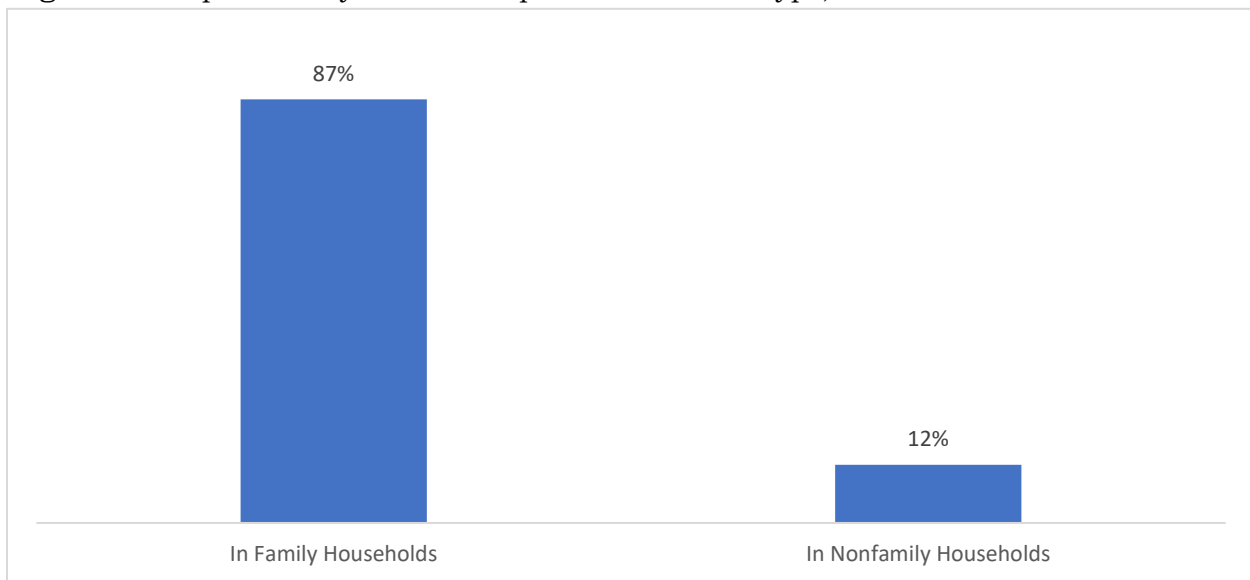
Nearly a quarter (22%) of households in the Wellington market area have an annual income under \$50,000. Forty-four percent (44%) of households in the market area have an annual income between \$50,000 and \$99,999 and a third (32%) of households have an annual income of \$100,000 or higher.



Figure 4 – Households by Income, 2018

Source: ESRI BAO, 2018

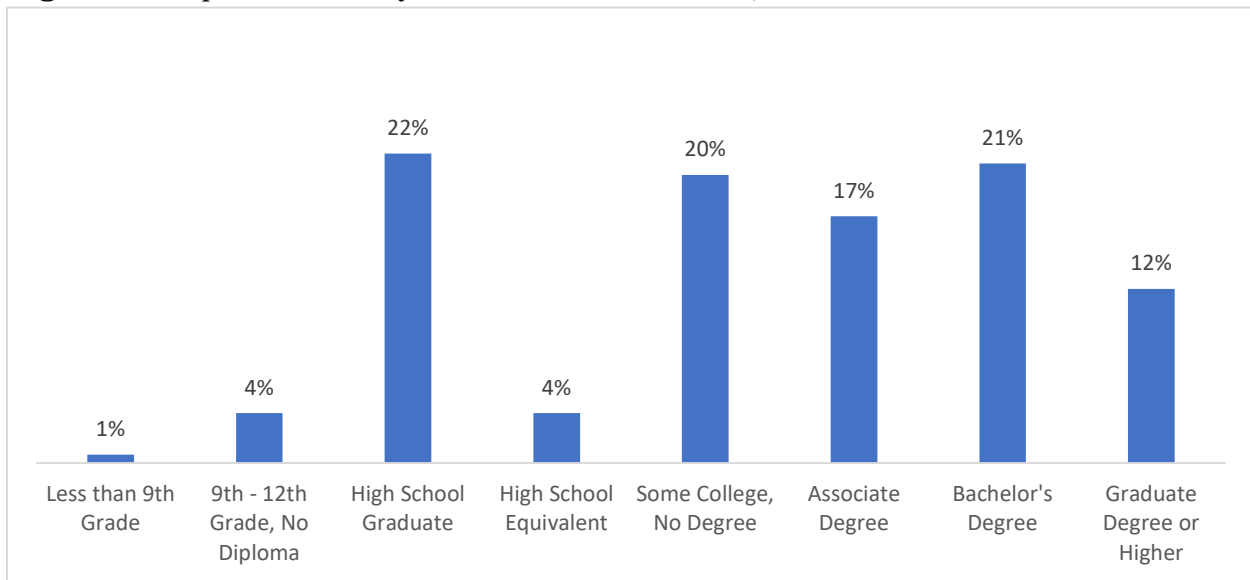
In 2010, the Wellington market area had mostly family households, 87% of all households in the market area were family households. In 2018, the average household size was 2.76 people. Of all households in the market area, 38% of households contained children.

Figure 5 – Population by Relationship and Household Type, 2010

Source: ESRI BAO, 2018

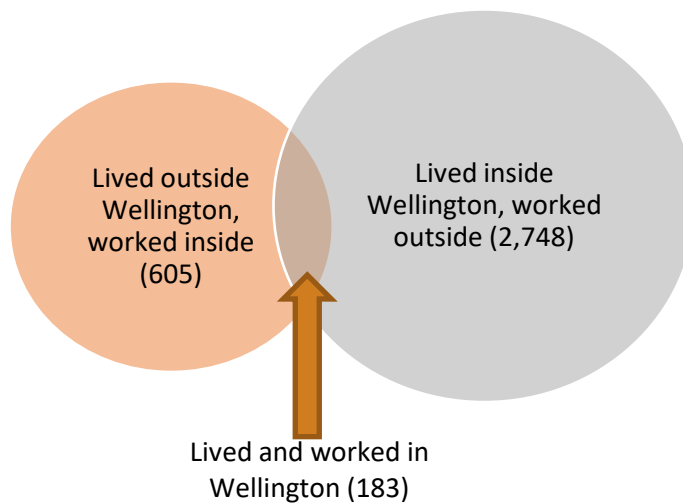
Ninety-five percent (95%) of the market area population age 25 or older have a high school diploma or higher. Half of the market area population age 25 or higher have some form of higher education degree (associates, bachelors, or professional).



Figure 6 – Population 25+ by Educational Attainment, 2018

Source: ESRI BAO, 2018

There were 2,931 employed people living in Wellington in 2015 according to Census on the Map. Of those 2,931 employed people, 183 of them lived and worked in Wellington and 2,748 of them commuted to jobs outside of Wellington. An additional 605 people lived outside Wellington and commuted to jobs located in Wellington according to Census on the Map. In-commuters not only fill jobs in town, they have the potential to make purchases at Wellington businesses during the workday. Out-commuters are typically gone during the weekday, the best opportunities for capturing their spending are evenings and weekends.

Figure 7 – Commuter Trends in the Town of Wellington, 2015

Source: U.S. Census on the Map, 2018



RETAIL MARKET OPPORTUNITY ASSESSMENT

The retail leakage analysis for the Town of Wellington boundary and the Wellington market area shows which retail categories exhibit leakage and which categories exhibit a surplus. The retail market analysis is run within the Town of Wellington boundary and within the Wellington market area. The results show both supply (sales by retail businesses) and demand (retail spending by residents) for both the analysis within the town boundary and the analysis within the market area.

Below are the definitions of key terminology in the market assessment:

Demand – The dollar value of spending on retail products generated by residents in the Town of Wellington and in the surrounding market area.

Supply – The actual sales captured by business establishments in the Town of Wellington and in the surrounding market area.

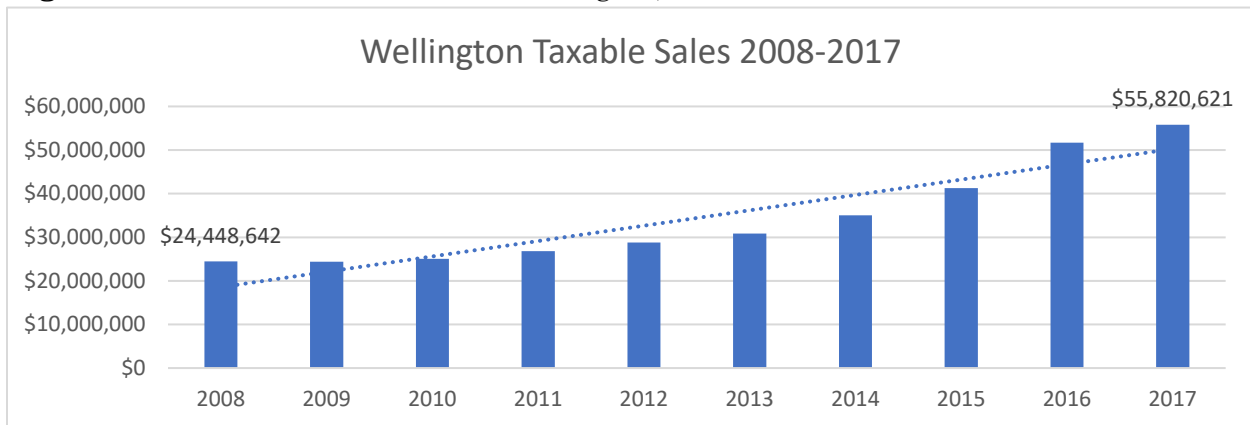
Surplus – The amount of sales occurring in the Town of Wellington that exceeds spending by Wellington and market area residents. A surplus indicates that people or businesses from areas outside of the study area are spending money in Town of Wellington.

Leakage – The amount of money that Town of Wellington residents and those in the surrounding market area are spending elsewhere. When demand is greater than supply, leakage is occurring and may point to opportunities for business expansion or new businesses. Leakage indicates that residents within the market boundary are purchasing goods outside of the boundary.

TOWN OF WELLINGTON RETAIL ANALYSIS

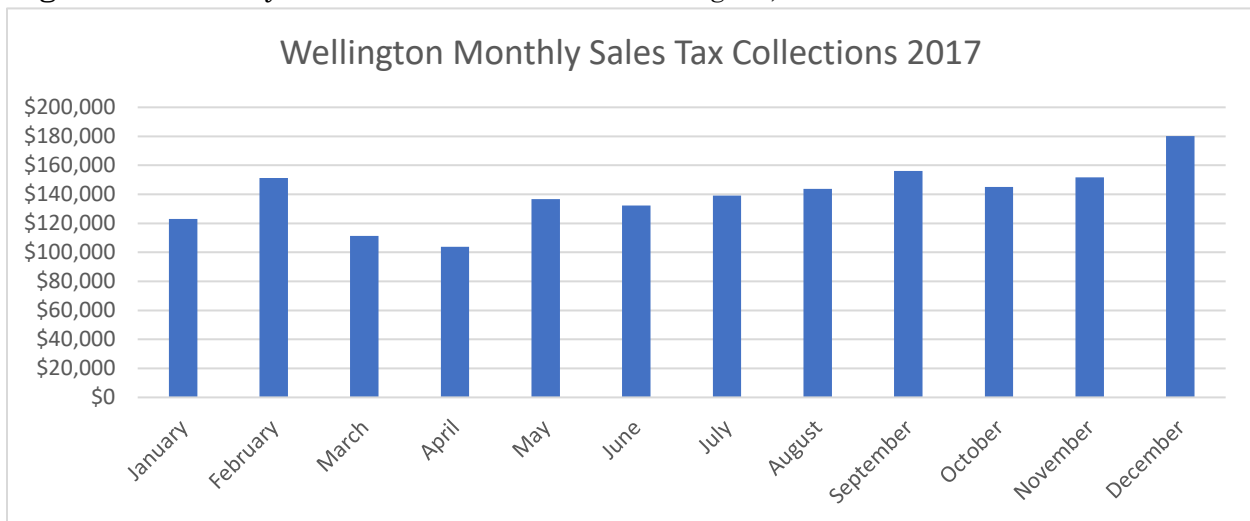
This section analyzes taxable sales and resident spending in the Town of Wellington boundary. Taxable sales in Wellington are growing year over year. In 2008, taxable retail sales in Wellington totaled \$24.4 million. By 2017 taxable sales had more than doubled totaling over \$55.8 million. The town has a resilient economy that continues to grow.



Figure 8 – Annual Taxable Sales in Wellington, 2008-2017

Source: Town of Wellington

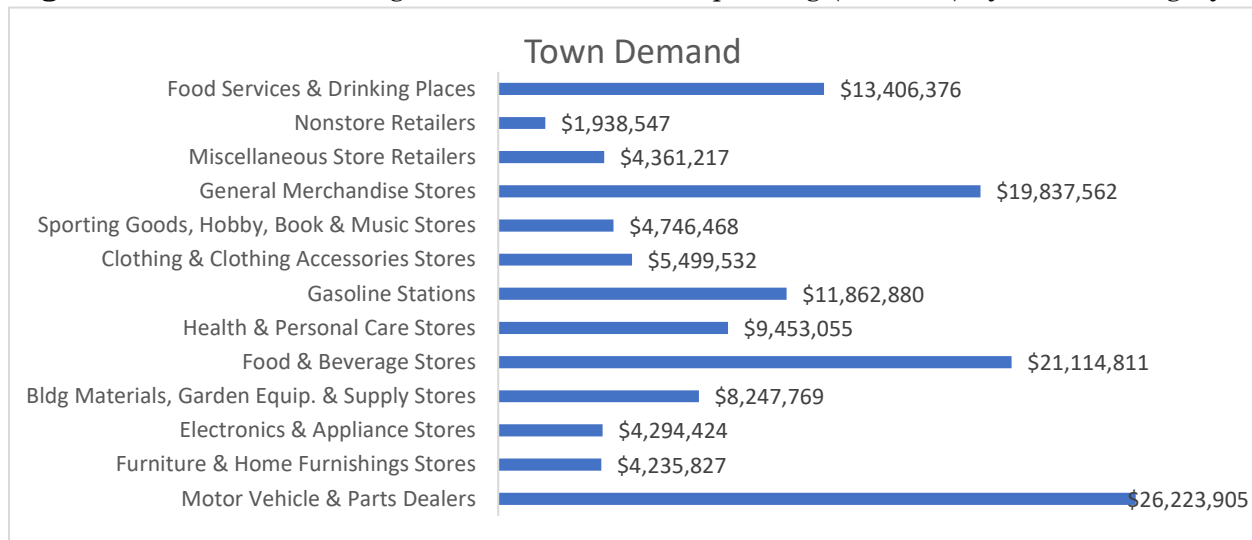
Unlike many small towns in Colorado which face seasonal sales fluctuations, Wellington's retail market generates relatively stable sales throughout the year. There is a notable peak in December that reflects holiday spending, but there are no drastic dips in sales throughout the rest of the year (see Figure 9). According to the business survey results, only 17% of respondents identified seasonal swings in revenues as a challenge (see Appendix A for complete business survey results).

Figure 9 – Monthly Sales Tax Collections in Wellington, 2017

Source: Town of Wellington

Retail spending by residents of Wellington totals \$135.2 million annually according to ESRI BAO. Figure 10 shows Wellington resident spending by category. For example, residents of Wellington spend nearly \$9.5 million on health and personal care each year. Taxable sales in Wellington (\$55.8 million in 2017) are lower than total resident spending, which indicates that there is significant leakage of retail spending by Wellington residents.



Figure 10 – Town of Wellington Resident Annual Spending (Demand) by Retail Category

Source: ESRI BAO, 2018

WELLINGTON MARKET AREA RETAIL ANALYSIS

The Wellington market area analysis includes the entire town but also extends beyond the town boundaries to include residents and businesses in the area surrounding the town as shown in Figure 1. The market area is the area in which the majority of local customers live. Residents within the market area provide year-round sales in Wellington. Residents living in the market area spend \$228.5 million on retail, food and drink purchases annually. Figure 11 shows what market area residents spend annually by category.

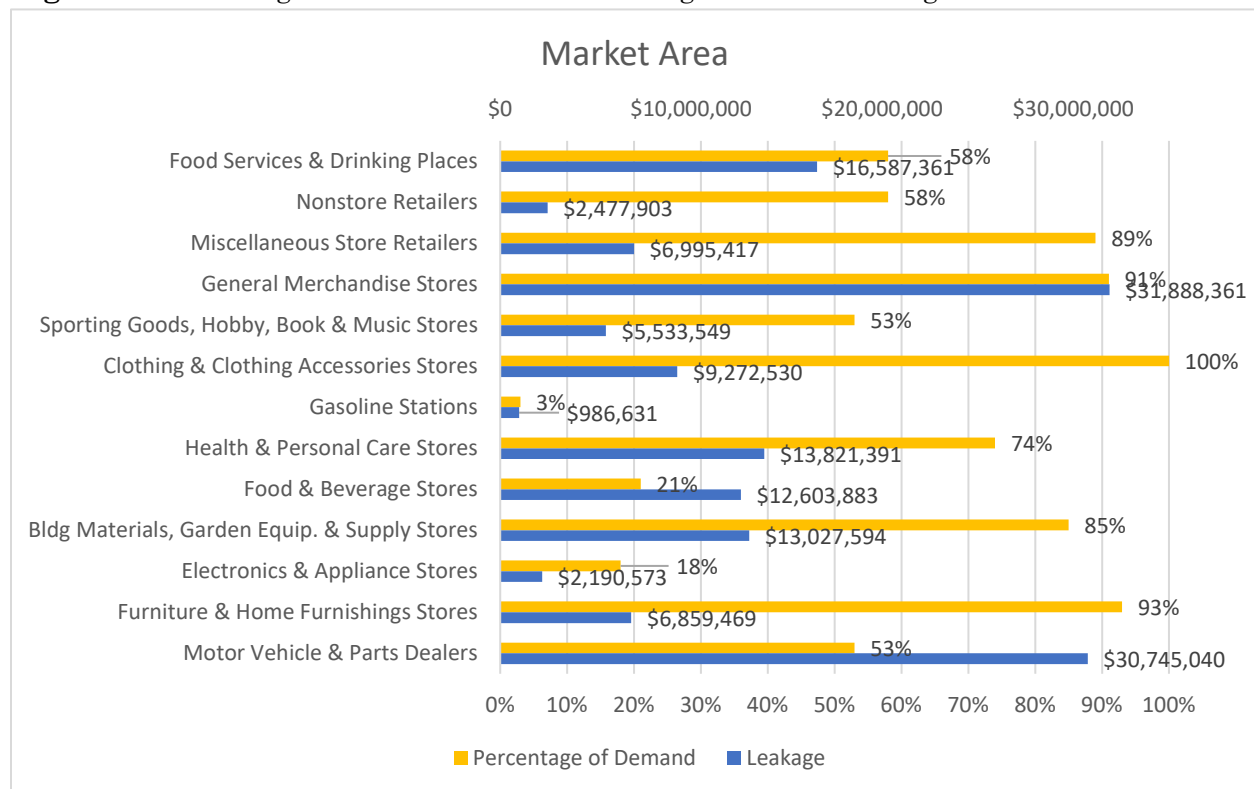
Figure 11 – Wellington Market Area Resident Annual Spending (Demand) by Retail Category

Source: ESRI BAO, 2018



Leakage indicates that resident needs are being met elsewhere, that residents living in the market area are shopping outside Wellington or online. Figure 12 shows the total retail sales leakage (dollars) and what percent of the total demand is currently unmet by retailers in the Wellington market area. Figure 12 shows the retail categories that contribute to the \$153 million in leakage occurring in the Wellington market area annually. For example, there is \$12.6 million in leakage in the food and beverage stores category which represents 21% of what residents in the market area are spending on groceries annually. This means that while 79% of market area resident spending on groceries occurs in the market area, residents are shopping in other communities or online for 21% of their food and beverage (grocery) needs. It represents the opportunity for expanding/diversifying existing businesses or starting new businesses.

Figure 12 – Wellington Market Area Retail Categories with Leakage



Source: ESRI BAO, 2018

In aggregate, the retail, food and drink spending from market area residents totals \$228.5 million annually according to ESRI BAO, as shown in Figure 13. Total sales occurring at businesses in the market area are lower (\$75.5 million) than the spending by residents in the market area resulting in retail, food and drink sales leakage of \$153 million annually (see Figure 12 for detailed leakage by category).

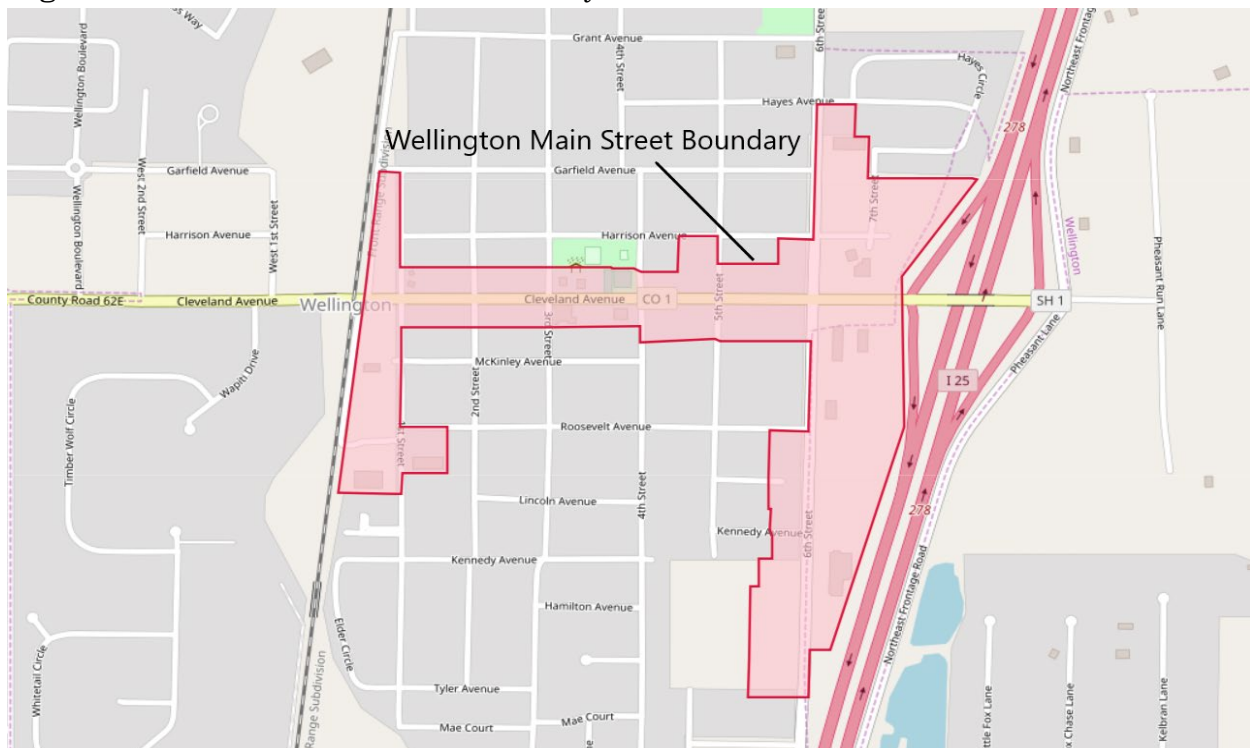


Figure 13 – Wellington Market Area Total Supply and Demand

Source: ESRI BAO, 2018

ROLE OF DOWNTOWN AND EXISTING CONDITIONS

The previous section of this market assessment examined the economic indicators that show the current sales and leakage of the town and market area. This section describes the structure of the downtown economy and identifies the role of downtown in the local and regional economy. The Main Street District Boundary encompasses the commercial areas in Wellington along First Street, Cleveland Avenue and Sixth Street (see Figure 14).

Figure 14 – Main Street District Boundary

Source: ESRI BAO, 2018



Interstate 25 runs through Wellington and a majority of the businesses along Sixth Street and the eastern end of Cleveland Ave are interstate-oriented including gas stations, fast food restaurants and a hotel. These businesses are easily accessible from the interstate and serve the needs of traffic passing through. Wellington is the only service town along I-25 between Fort Collins, Colorado and Cheyenne, Wyoming.

The businesses along Cleveland Avenue west of Sixth Street primarily serve the local/regional population. According to the results of the business survey, approximately 95% of downtown business customers are local/regional residents. The downtown area along Cleveland Ave has a mix of restaurants, retail businesses and professional offices. Locals frequent downtown to visit the town hall annex and the post office. Centennial Park and the Boys & Girls Club of Larimer County are also downtown and bring families downtown.

During the business survey, respondents were asked what types of businesses does Wellington need or need more of in the downtown. While every business type received some level support, restaurants (83%), entertainment (66%), office supplies (59%), recreation (59%), and clothing retail (55%) were the top business types needed downtown.

Figure 15 – Main Street District Business Inventory

Business Type	Business	Common Name
Bakery, 1	The Cakery	Bakery
Church, 2	River of Life	Church
	Wellington Filling Station	Church
Daycare, 1	Creative Kids Corner	Daycare
Gas Station, 2	Loaf 'N Jug #846	Loaf n Jug
	Kum 'N Go #934	Kum n Go
Government, 2	Wellington Town Hall	Town Hall
	Post Office	Post Office
Gym	Fitness 1	Gym
Lodging, 1	Days Inn	Comfort Inn
Medical, 3	Independent Audiology	Otolaryngologist
	Banner Health Clinic	Clinic
	Tippets Dentistry	Dental
Professional, 8	Sound Accounting & Music Services	Accounting
	North Poudre Irrigation Company	NPIC Office
	Wellington Auction Service	Auction House
	H & R Block	Tax Firm
	Kinzli Real Estate	Real Estate
	First National Bank	Bank
	Julie K Palmer LLC	Legal
	BSH Insurance Agency, Inc.	Insurance
Restaurant/	Wellington Grill	Restaurant



Bar, 12	Owl Canyon Coffee	Owl Canyon Coffee
	Papa's Table	Papa's Table
	Soul Squared Brewing	Brewery
	Sol de Jalisco	Restaurant
	Pizza Palace	Pizza Palace
	Subway	Subway
	Burger King #11262	Burger King/Shell
	McDonald's	McDonalds
	T-Bar Inn	T-Bar
	Taco John's	Taco Johns
	Old Colorado Brewery	Old Colorado
Retail, 9	Thistle	Thistle
	All Seeing Colorado	Apparel
	Wellington Flowers and More	Flower Shop
	Proper Time Watches and Jewelry	Proper Time
	NAPA Auto Parts	Auto Parts
	Acrylstone LLC	Awards
	Cantina Liquor LLC	Cantina
	Finish Line Awards	Awards
	Family Dollar Stores of CO, Inc. #29016	Dollar General
Salon, 3	Trim Salon and Boutique	Salon
	Pink Peonies Day Spa	Spa
	Drohman's Salon & Day Spa	Spa/Salon
Service, 6	Knaack of it Automotive	Auto Repair
	Coin & Card Laundromat - Poudre Ventures LLC	Laundromat
	ProDesign Specialties, Inc	Repair shop
	SafeGuard Construction Services	Construction
	Commercial Coatings Inc.	Paint Shop
	Pieces Tattoo Parlor	Office
Storage, 2	A & A Self Storage	Self Storage
	Dakota RV Storage	Storage
Unknown, 1	CDCD LLC.	Unknown
Veterinary, 2	Roving Vet Clinic	Veterinary
	Wellington Veterinary Hospital	Veterinary

Special events in Wellington are community focused, creating a sense of identity in the town. Wellington hosts a variety of community events throughout the year with broad appeal from Easter egg hunts to summer concerts to fall dances. A number of the special events in the town are relatively new while others have a longer history. The diversity of events and attendance levels show an active population with a strong connection to the place and the community. When people have the option to attend activities and events in



their community, they are more likely to stay in town and spend their money locally instead of driving to other communities for entertainment.

Figure 16 – Town of Wellington Special Events, 2018

Event Season	Event Name	Coordinating Organization	Estimated Attendance	Age of Event
Spring	Easter Egg Event	CAC	1,500	15+ years
	9HEALTH Fair	Wellington Recreation	400	10 years
	Arbor Day Celebration	WCMSP	100	1 year
	Rice Elementary 5k Run	Rice Elementary	150	5 years
	Out of School Bash	River of Life	1,000 kids	10+ years
	Town Clean Up	CAC	80	3 years
	Town Garage Sale	Library/Town	Town Wide; 150	10 years
Summer	Movies in the Park (3x a season)	CAC, Filling Station	100	10 years
	1st Annual Wellington Brewfest	WCMSP & breweries	350	1 year
	June Summer Concert series	WCMSP	300	3 years
	Wellington Farmer's Market	Farmer's Market	100	5 years
	Parade, Fireworks, Ice cream, Car show, WCC BBQ	CAC	8-10,000	20 years
	July Summer Concert Series	WCMSP	300	3 years
	August Summer Concert Series	WCMSP	350	3 years
	Fishing Derby (First)	Kiwanis	TBD	1 year
	Battle of the Badges (Softball Game)	Sherriff and Fire Dept.	50	5 years
	Frisbee Disc Golf Tournament	Chamber of Commerce	-	4 years
Fall	Fall Square Dance	CAC	40	3 years
	Well-o-rama (First)	Farmer's Market	TBD	1 year
	Corn Maze	Harvest Farm	5-10,000	15+ years
	Fire Prevention Week Open House (free BBQ)	Fire Department	150+	5 years
	Halloween Costume Contest and Trick or Treat; WCC Trunk or Treat	CAC and Chamber	3,000	15+ years
	Pancake Fundraiser	Fire Department, Filling Station	-	-
	Veteran's Day (First)	CAC, Fire Dpt, Kiwanis	TBD	1 year
	Shop Small Wellington	WCMSP, Chamber	TBD	4 years
	Tree Lighting	Library, Senior Center	120	8 years



Winter	Cowboy Hearts Square Dance	CAC	60	4 years
	Christmas Parade, Craft Show, Pancake BF, Chili Supper	CAC, Fire Dpt, Senior Cntr, Library	2,000	16+ years
	Santa Day (cookies and hot drinks provided)	Fire Department	50+	Long Time

BASE INDUSTRY MARKET ASSESSMENT

Base industries bring new money into the local economy by selling goods or services to customers outside of the market area. Base industries that would fit in downtown Wellington include the professional sector, location-neutral businesses, and highway/interstate commercial.

Professional businesses can often serve customers far beyond the local economy and in doing so, they act as a base industry that brings new dollars into the local economy. For example, a CPA or lawyer can have clients paying invoices from anywhere in the state or beyond. Professional businesses and location-neutral businesses headquartered in larger cities such as Fort Collins could establish a new location in Wellington. People living in Wellington choose to live here, yet many commute to jobs outside the town. Targeting professional sectors that employ Wellington residents could result in more people living and working in town. More professionals working downtown also means more customers for downtown businesses. There are multiple office vacancies within the Wellington Main Street District Boundary that can accommodate new professional businesses according to the Town of Wellington Business and Building Inventory.

People who pass through Wellington on Interstate 25 earn incomes in other communities and they inject new money into the Wellington economy when they stop and make purchases in town. The annual average daily trips (AADT) running through town on Highway 1 in 2016 reached as high as 9,100 AADT (see Figure 17). Interstate 25 runs through town and had 26,000 AADT in 2016. Local residences, businesses and public facilities generate a large share of the traffic on Highway 1 while Interstate 25 is a major north-south transportation route that runs through Wellington with thousands of motorists every day. Getting even a fractional amount of pass-through traffic on Interstate 25 to stop, park and enjoy downtown would have a measurable impact for businesses. Sixty-one percent (61%) of business survey respondents indicated that expanded/improved parking is a top infrastructure priority for downtown. Better signage and gateways (29%) and visitor information kiosks/signs (19%) also received some level of support. If drivers know they are a short distance away from convenient parking and a variety of retail and dining options, they are more likely to stop and get out of their vehicles and spend time in Wellington.



Figure 17 – Interstate 25 and Highway 1 Annual Average Daily Trips (AADT) by Location

Location	Description	Annual Average Daily Trips
A	ON I-25 N/O SH 1 WELLINGTON	26,000
B	ON SH 1 CLEVELAND AVE E/O CR 9 & CR 62E WELLINGTON	4,300
C	ON SH 1 CLEVELAND AVE W/O 3RD ST WELLINGTON	6,000
D	ON SH 1 CLEVELAND AVE W/O I-25 E/O WELLINGTON	9,100

Figures 18 & 19 – I-25 and Highway 1 (Cleveland Avenue) Traffic Count Locations

Source: Colorado Department of Transportation, 2018



RETAIL OPPORTUNITY ASSESSMENT

The following table lists retail categories with leakage and identifies the categories that represent opportunities for the Wellington Main Street District.

Business Type	Market Area Leakage	Appropriate for Downtown	Category Description
Motor Vehicle & Parts Dealers	\$30,745,040	Potentially	Automobile Dealers; Other Motor Vehicle Dealers (RV, Motorcycle, ATV, Boat); Auto Parts, Accessories & Tire Stores.
Furniture & Home Furnishings Stores	\$6,859,469	Yes	Household Furniture, Baby Furniture, Outdoor Furniture, Office Furniture, Flooring, Window Coverings, Bath Shops, Kitchen Ware, Linens. Glassware, China, Picture Frame Stores
Electronics & Appliance Stores	\$2,190,573	Yes	Household Appliances, Appliance Repair, Sewing Machines, Vacuums, TVs, Stereo Equipment, Computer Stores, Photography Equipment, Mobile Phones, Video Games
Bldg Materials, Garden Equip. & Supply Stores	\$13,027,594	Yes	Home Centers, Paint and Wallpaper Stores, Hardware Stores, Outdoor Power Equipment, Nursery, Garden Centers, Farm Supply
Food & Beverage Stores	\$12,603,883	Yes	Grocery Stores, Supermarkets, Meat Markets, Fish/Seafood, Fruits and Vegetables, Baked Goods, Confections and Nuts, Spices, Gourmet Foods, Dairy Products, Coffee and Tea, Beer, Wine & Liquor Stores
Health & Personal Care Stores	\$13,821,391	Yes	Pharmacies/Drug Stores, Cosmetics, Beauty Supplies, Optical Goods, Health Supplements, Hearing Aids, Home Medical Equipment
Gasoline Stations	\$986,631	Yes	Gasoline Stations
Clothing & Clothing Accessories Stores	\$9,272,530	Yes	Clothing, Clothing Accessories, Wig Stores, Neckwear, Costume Shops, Bridal Stores, Swimwear, Uniform Supply, Non-specialty shoe retailers
Sporting Goods, Hobby, Book & Music Stores	\$5,533,549	Yes	Sporting Goods Stores, Hobby Stores, Musical Instrument Stores, Book Stores, News Dealers and News Stands.
General Merchandise Stores	\$31,888,361	Yes	Department Stores Excluding Leased Depts. (Stores with Multiple Consumer Merchandise Lines, Non-discount Department Stores), Other General Merchandise Stores (Dollar Stores, General Stores, Catalog Showrooms, Variety Stores)
Miscellaneous Store Retailers	\$6,995,417	Yes	Florists, Office Supplies, Stationery & Gift Stores, Used Merchandise Stores, Other Miscellaneous Store Retailers
Nonstore Retailers	\$2,477,903	Potentially	Internet and Catalog Retail, Vending Machine Operations, Direct Selling Establishments (Merchandise Sold Direct to Customer Via In- House, Truck Sales, And Portable Stalls)
Food Services & Drinking Places	\$16,587,361	Yes	Full Service Restaurants, Limited-Service Restaurants, Mobile Food Services, Bars, Caterers, Cafeterias



STRATEGIES AND RECOMMENDATIONS

The following section outlines several business development, marketing and organizational strategies related to downtown. The strategies are drawn from the results of the business survey conducted as part of this project in 2018 as well as the retail market opportunity assessment. Some of these strategies build on past economic development and downtown planning efforts.

Increase sales and improve vitality of downtown. Business survey respondents indicated low sales volumes throughout the year; 28% of respondents said they struggle with insufficient sales overall and 45% said they need more outlets to advertise. Strategies to increase current sales revenue include: 1) adopt more customer-friendly business hours; 2) provide businesses with targeted, one-on-one technical assistance/training; 3) address capital/financing needs.

- 1) **Downtown business hours:** Encourage businesses to test staying open later by organizing and coordinating “open in the evening” events. Approximately 95% of downtown business customers are local/regional residents. According to Census on the Map, over 2,700 Wellington residents commute outside of town for work. This means that many residents are gone in the daytime during the work-week, but are likely to be home in Wellington during the evenings and on weekends. Almost 50% of businesses are closed on Saturdays; 84% are closed on Sundays. A few business survey respondents indicated they stay open until 6:30 pm, while the majority close between 4:00 pm and 6:00 pm. There were three business respondents with evening hours (2 restaurants and a liquor store). Extending hours beyond 5 or 6 pm on weekdays and offering expanded weekend hours can improve the vitality of downtown Wellington.
- 2) **Technical assistance:** 40% of business survey respondents cited the need for training including marketing and advertising training, computer training and finance/tax training. Technical assistance could be provided on a one-on-one basis to help businesses diversify the products/services they offer in order to reduce the current retail leakage. Assisting businesses to strengthen their business management skills can directly improve revenues and performance.
- 3) **Capital/financing needs:** Addressing business finance needs can help businesses expand and/or diversify, ultimately leading to increased revenues. Seventeen percent of survey respondents cited interest/need for financing, specifically, business operating loans, small business loans and equipment loans. Ensuring business owners have the resources needed to be and remain successful is critical to sustaining a vibrant downtown.

Develop and implement a downtown business recruitment strategy and marketing materials. Develop a strategy to target successful, independent retailers, restaurateurs, other businesses in the region and entrepreneurs who have business ideas



or replicable business models that would fit in downtown Wellington. Target businesses with the greatest market leakage and those that business owners identified as most needed in Wellington:

- Restaurants: 83% of survey respondents cited the need for more restaurants downtown and the market analysis showed \$17 million in annual restaurant sales leakage.
- General retail and merchandise: 55% of respondents said clothing retail is needed; 59% said office supply retail is needed. The market analysis shows that general retail and merchandise has approximately \$48 million in current leakage.

Other viable business opportunities include those that will enhance recreation and entertainment, daycare/youth needs, lodging, a copy and mail center or UPS store, dry cleaner and grocery stores. The first step is to identify the types of businesses to target and establish a set of leads. The next steps are to build marketing materials and messaging to generate interest and meet with responsive businesses. The recruitment package could promote available commercial properties/buildings, market information from the market analysis, lifestyle and other assets in Wellington.

Occupy vacant downtown commercial buildings with businesses and develop vacant lots. Maintain the inventory of commercial buildings and development sites including occupancy/vacancy status, location, condition/readiness, owner contact information and details such as square feet, number of stories, restrooms and parking. Work with commercial real estate brokers and property management companies to market and promote ready-to-occupy commercial buildings and ready-to-develop vacant commercial property. Encourage temporary occupancy of vacant buildings to ‘test’ business ideas incrementally and to build interest and business activity in town. Support entrepreneurial start-ups by coordinating co-retailing agreements between property owners and tenants where inventories, services and furnishings/equipment of two or more businesses are complementary.

Encourage development of the professional sector in downtown. People living in Wellington choose to live here, yet many commute to jobs outside the town. Targeting professional sectors that employ Wellington residents could result in more people living and working in town. More professionals working downtown also means more customers for downtown businesses. Existing vacant offices can accommodate new professional businesses downtown.

Research best practices for succession planning. Fifty-eight percent (58%) of downtown Wellington business survey respondents are unsure of/do not have a succession plan. Succession plans are a critical component to lasting, vibrant downtowns and developing a plan for selling or transferring ownership of a small business cannot begin too early. Research opportunities for trainings and classes focused on helping local businesses develop succession plans or exit strategies. Identify economic development organizations that are already working on providing such trainings.



Improve the functionality and appearance of downtown infrastructure. Signage and well designed and maintained infrastructure contribute to economic vibrancy. Improvements should include uniform signage and improved pedestrian/traffic safety. Eighty-one percent (81%) of respondents listed storm drainage concerns as the top capital improvement needed in downtown Wellington. Other infrastructure needs that business survey respondents cited include: expanded/improved parking (61%); safer pedestrian crossings (58%); broadband (55%); bike lanes (48%) and improved alleys/quality and safety of streets (48%). Twenty-eight percent (28%) of respondents cited physical deficiencies in the downtown design as a top challenge their business faces.

Increase access to downtown public restrooms. Public restrooms encourage through traffic to stop. Locate public restrooms in the downtown area with signage that is visible from highways.

Capture spending in downtown from Interstate-25 travelers. Work with traveling/tourism promoters, such as the Colorado Tourism Office, travel magazines, websites and bloggers to highlight and market the town's unique attributes and small-town offerings in order to draw more potential customers and Interstate-25 travelers. Coordinate interstate signage with the town's wayfinding design and plan. Place signage that markets activities, public spaces and travelers' amenities in locations that are visible from the interstate.

Establish an entertainment venue and recreation enterprises in the downtown area. Sixty-six percent (66%) of businesses surveyed said more entertainment is needed in downtown Wellington. Fifty-nine percent (59%) said more recreation is needed. Entertainment venues and recreation enterprises provide regular, ongoing opportunities that attract residents and visitors and often become downtown anchors. Successful examples of entertainment venues include: the Sherbino Theater in Ridgway; the Creede Repertory Theatre; the Backdoor Theatre in Nederland; and the Magic Circle Theatre in Montrose. These venues offer a wide range of entertainment including productions, concerts and movies. They often operate seasonally or part-time, under a non-profit organization.



BUSINESS SURVEY RESULTS SUMMARY REPORT

INTRODUCTION AND KEY FINDINGS

The business survey was conducted using an online questionnaire or by phone. This report summarizes the responses to each question. Note: Questions 1 through 7 asked for business contact information (business name, owner name, email, phone number...etc.) and are not included in this summary.

Key findings from the Wellington Business Survey include:

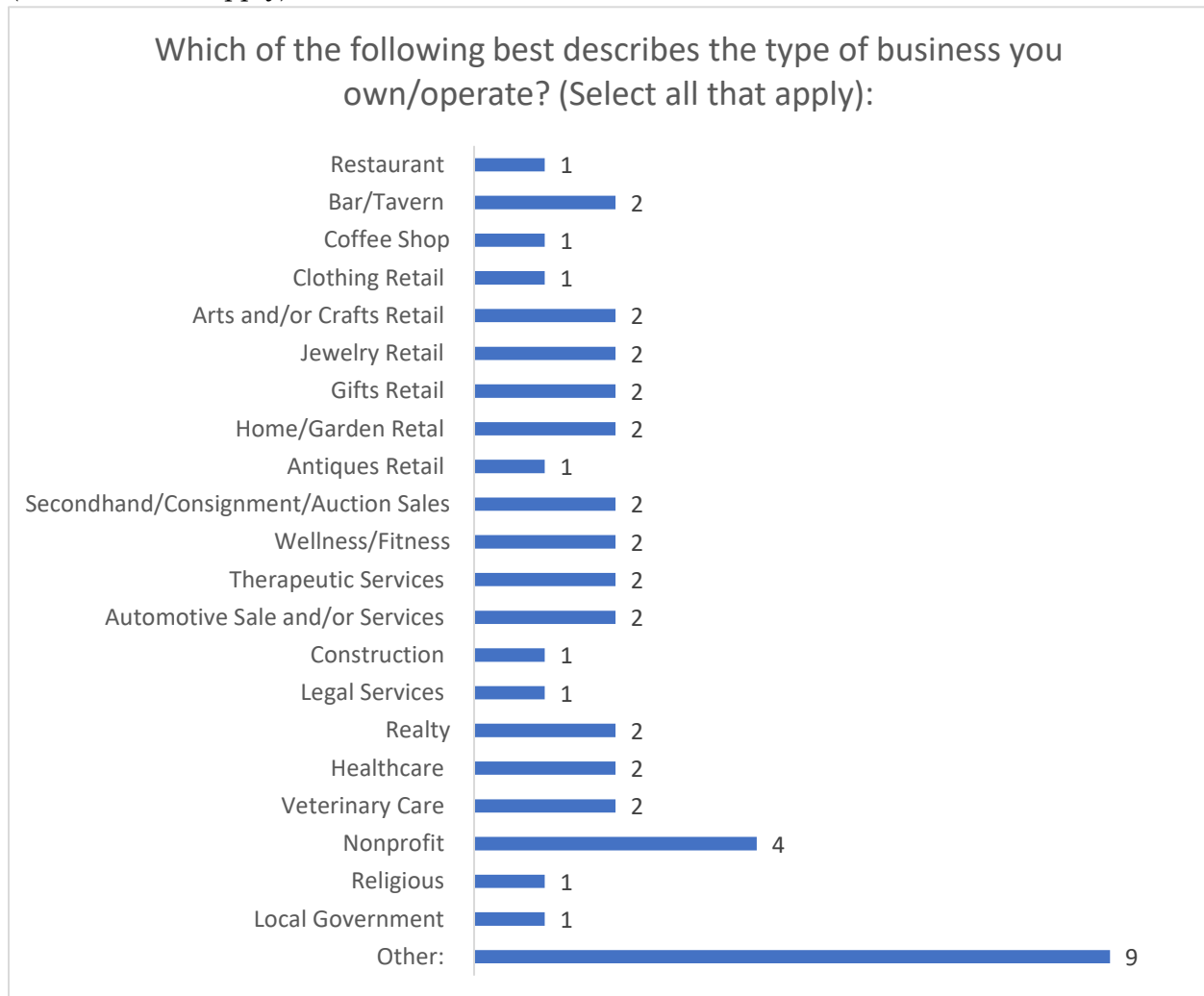
- Wellington currently supports a diverse array of business types.
- Strong support exists for new business types including: restaurants, entertainment, recreation and office supply stores exists among surveyed businesses.
- A majority of downtown businesses began from scratch.
- A wide range of business-owner experience exists in the downtown area.
- Businesses surveyed support approximately 240 employees.
- Downtown Wellington businesses surveyed showed little seasonal differences in office closures and business hours.
- Most respondents estimated a majority of business sales are to local and regional customers.
- Some business trainings/financial services may assist existing business owners to expand/enhance operations.
- Respondents believe they need additional advertisement options and better access to broadband services in order to succeed.
- Factors that have helped the downtown business community succeed so far include the quality of services provided, reputation and favorable business locations.
- Respondents desire capital improvements that address storm drainage concerns, expanded/improvement parking and safer pedestrian crossing.



BUSINESS TYPE AND OPERATIONS INFORMATION

A diverse range of business types responded to the survey. Many businesses reported multiple classifications.

Question 9: Which of the following best describes the type of business you own / operate: (Select all that apply)



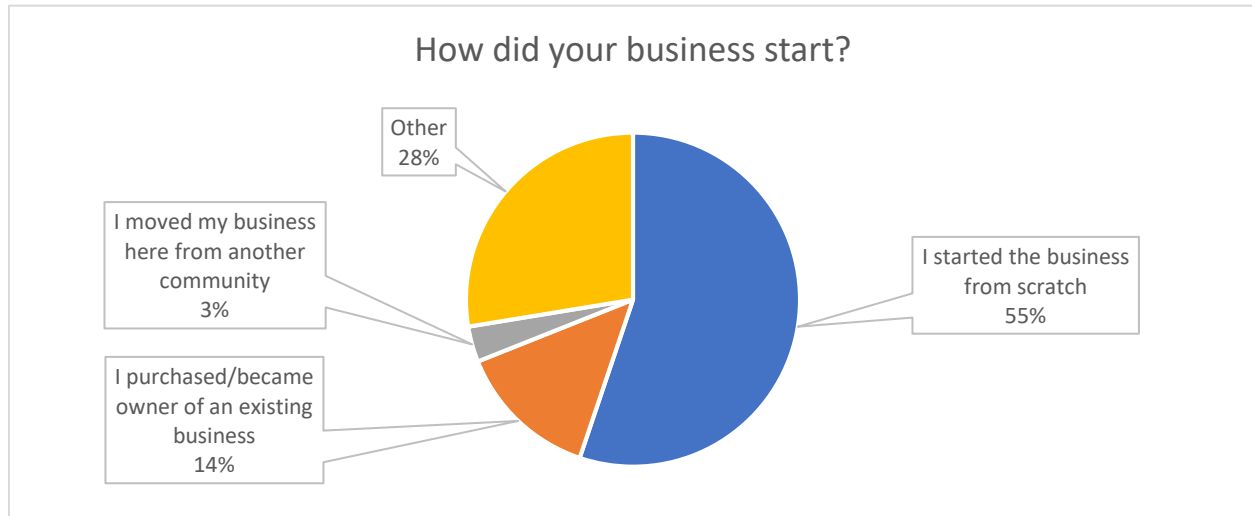
Business types in the “Other” category included:

Business type listed as “Other”
Credit Union
Liquor Retail
Dry Cleaner
Accounting/Tax Services (2)
Bank
Piano Instructions/Performance
Bakery
Florist



A high percentage of survey respondents (55%) started their business from scratch. Fourteen percent (14%) reported purchasing or becoming an owner of an existing business in Wellington. Three percent (3%) of respondents moved their business to Wellington from another community.

Question 10: How did your business start in Wellington?



Respondents listed a number of “Other” ways in which the businesses they own/manage began in Wellington. Responses included:

Business startups listed as “Other”
Corporation chose to place a clinic in Wellington
The organization opened a branch in CO
This company has been around since 1901
I am the manager, not the owner
Independent agent of an established company
Town Charter
My family started this business
Nonprofit started by invested citizens/community

There were a variety of responses to when businesses were first established, 42% of respondents’ businesses have operated less than five years. Seventeen percent (17%) of respondents’ businesses are between six and 10 years old; 24% have operated between 10 and 20 years. Seventeen percent (17%) of respondents have been in business for over 20 years.

Question 11: In what year did this business first establish?

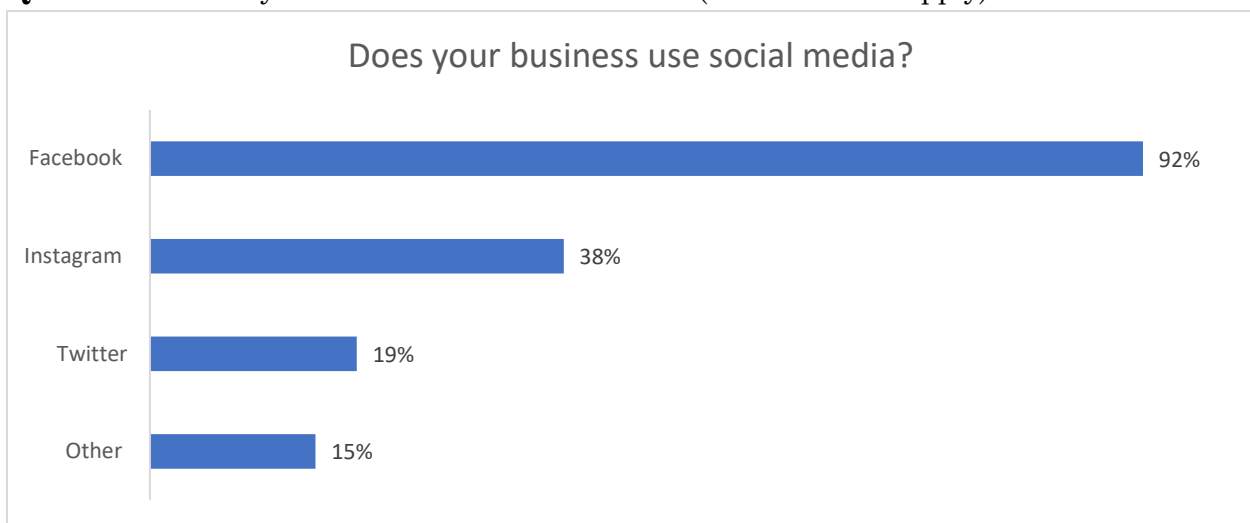
Respondent	Year Established:
Respondent 1.	2018
Respondent 2.	2008
Respondent 3.	1990
Respondent 4.	2010



Respondent 5.	2008
Respondent 6.	2002
Respondent 7.	2014
Respondent 8.	2001
Respondent 9.	1994
Respondent 10.	2017
Respondent 11.	1901
Respondent 12.	2005
Respondent 13.	2014
Respondent 14.	1984
Respondent 15.	2003
Respondent 16.	2009
Respondent 17.	2014
Respondent 18.	1999
Respondent 19	2015
Respondent 20	2011
Respondent 21	2013
Respondent 22	2017
Respondent 23	2017
Respondent 24	1905
Respondent 25	2017
Respondent 26	2004
Respondent 27	2014
Respondent 28	2013
Respondent 29	1999

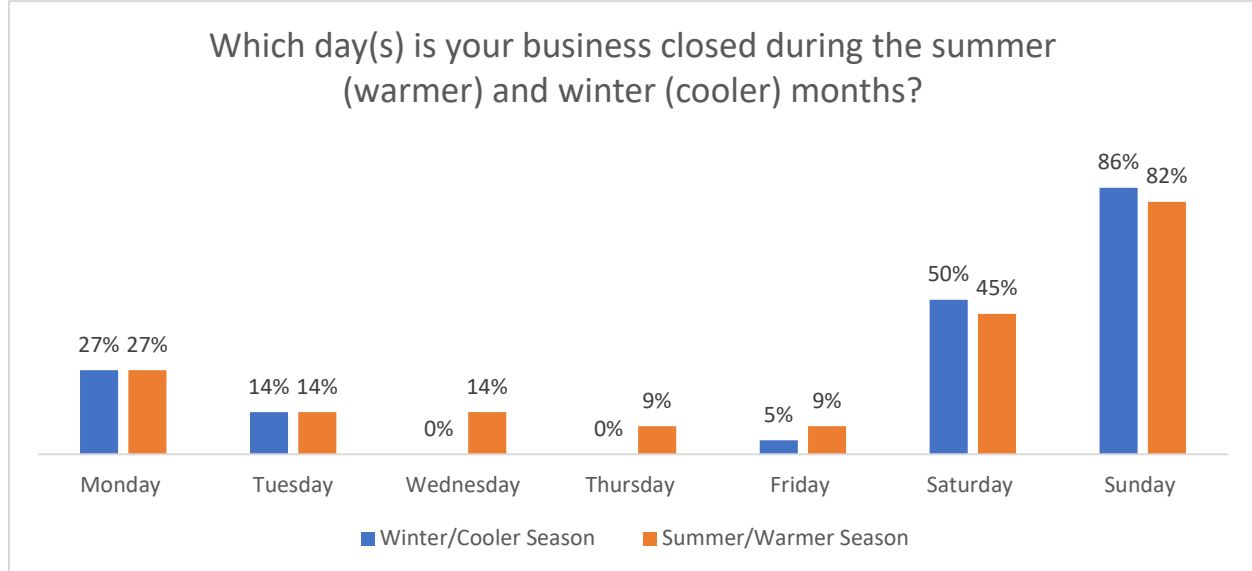
Question 8 showed 84% of respondents use some form of social media. Facebook is the most common type of social media businesses used (92%), while 73% of businesses use another form of social media including Instagram, Twitter, Google, YouTube or use industry-specific sites.

Question 8: Does your business use social media? (Select all that apply)



Survey respondents in Wellington indicated little difference between summer and winter business hours. These businesses are typically open during the work week with 45-50% of respondents closing on Saturday and 82-86% closing on Sunday.

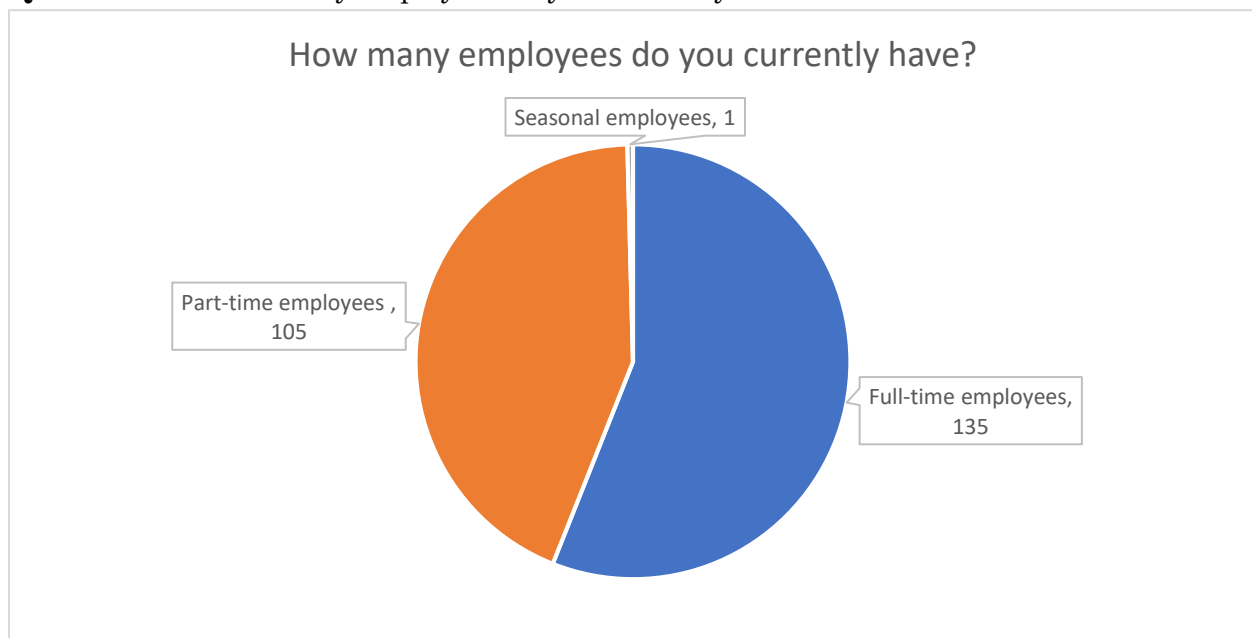
Questions 12-13: Days closed in summer (warmer) and winter (cooler): (Select all that apply)



Questions 13 and 14 asked respondents to define summer and winter business hours. Very little discrepancy exists between summer and winter business hours among respondents.

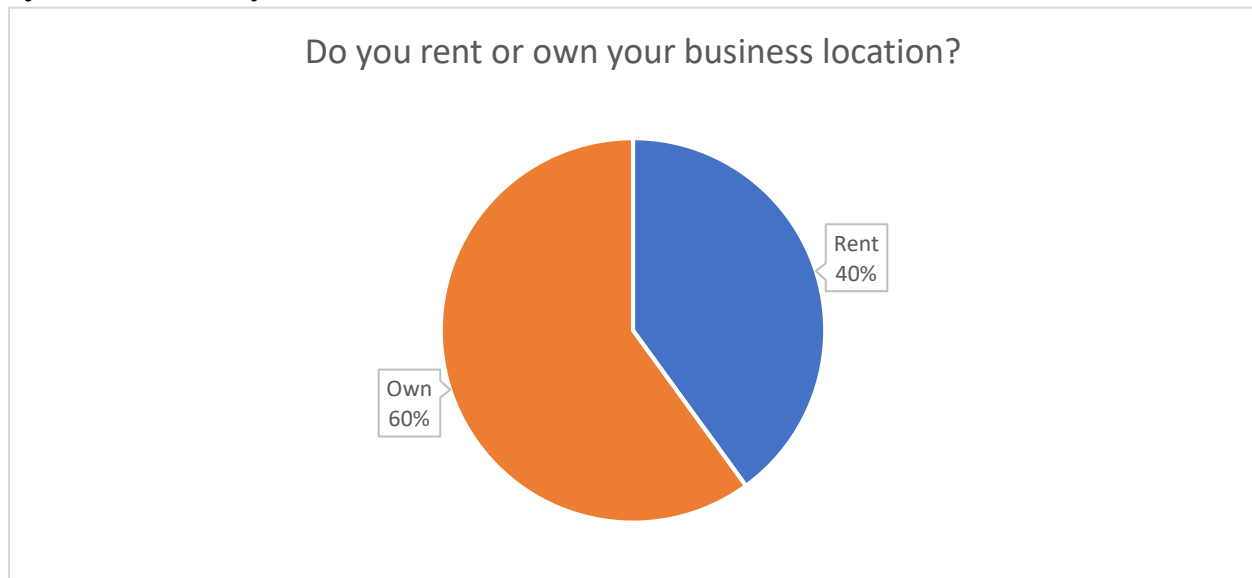
Surveyed businesses employed 135 full-time employees, including owner-operators. Surveyed businesses also employed 105 part-time employees and one seasonal employee. Seven percent (7%) of respondents indicated their businesses are owner-operated with no employees.

Question 15: How many employees do you currently have?



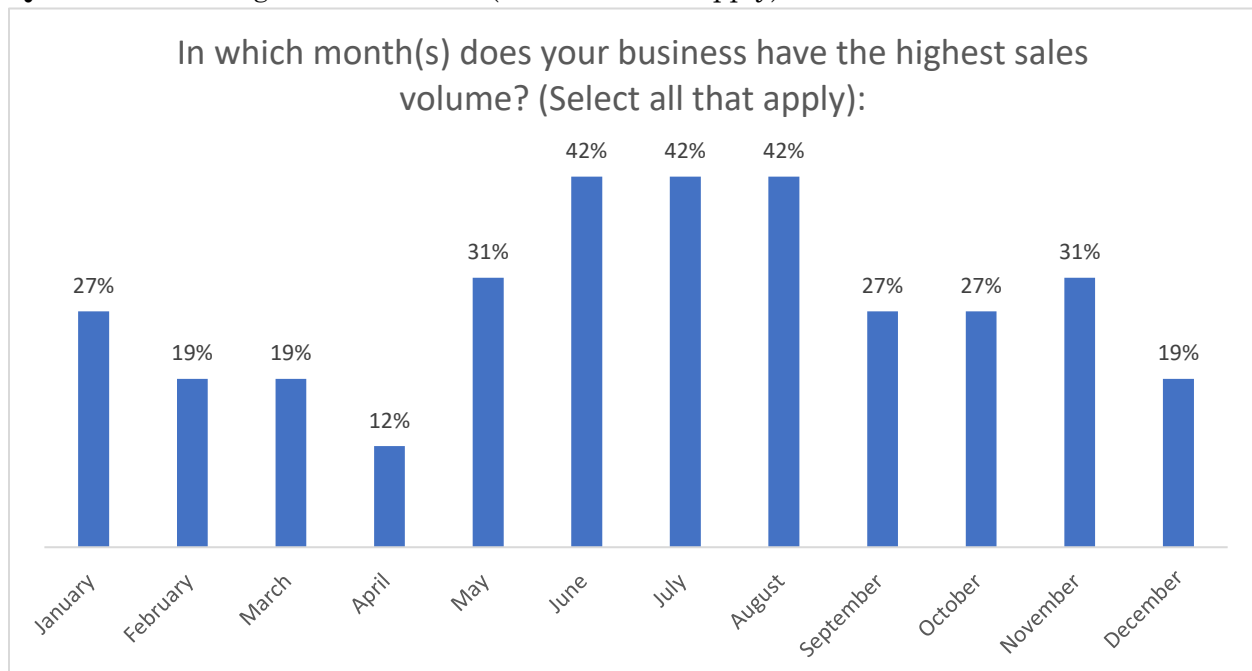
Question 16 responses indicated that over half of respondents owned their current business location.

Question 16: Do you rent or own this business location?



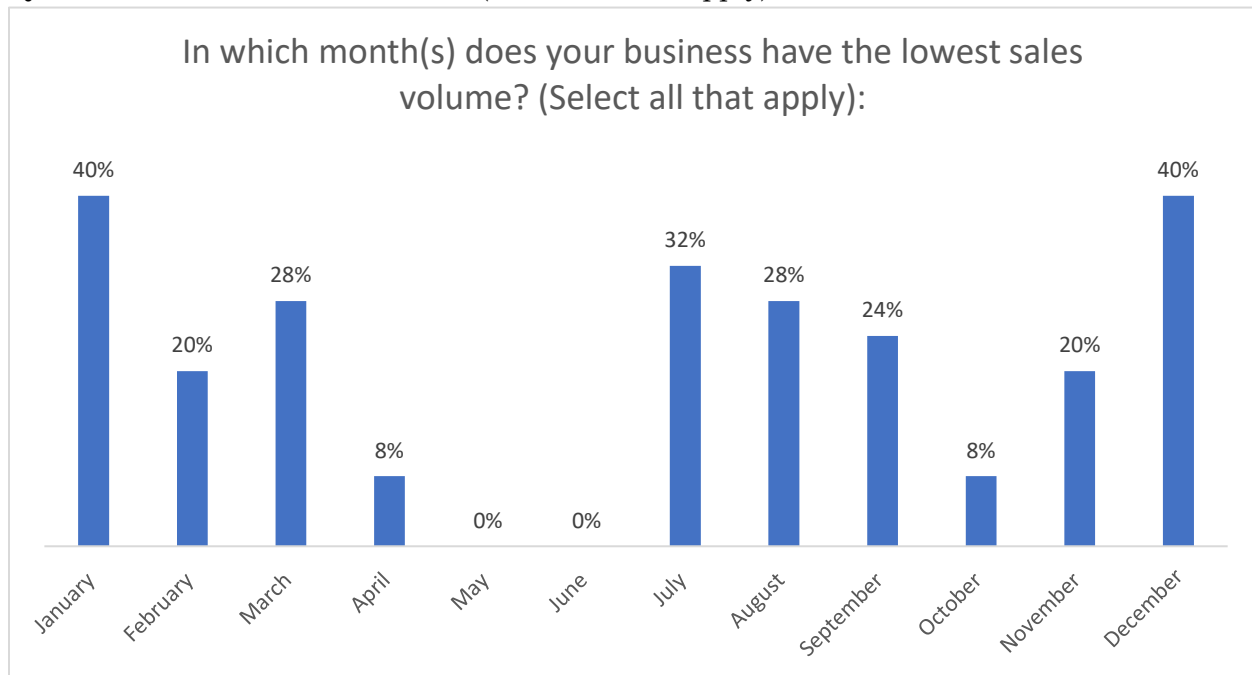
Question 17 shows the high sales months. June through August are the highest sales months for 42% of respondents with May and November following for 31% of respondents.

Questions 17: High sales months: (Select all that apply)



Question 18 shows the low sales months. December and January are the lowest sales months for 40% of respondents; 32% of respondents also experience lower sales in July as shown in Question 18.



Questions 18: Low sales months: (Select all that apply)

Businesses were asked to estimate the percentage of their total sales by local customers who live in Wellington, regional customers, customers outside of the Wellington region, and visitors/tourists. On average, 11% of sales made by survey respondents are to customers outside the region, including to visitors/tourists. All other sales are made to local/regional customers, showing that the primary market focus is on serving residents who live in and near Wellington.

Question 19: Estimated percentage of sales by customer type

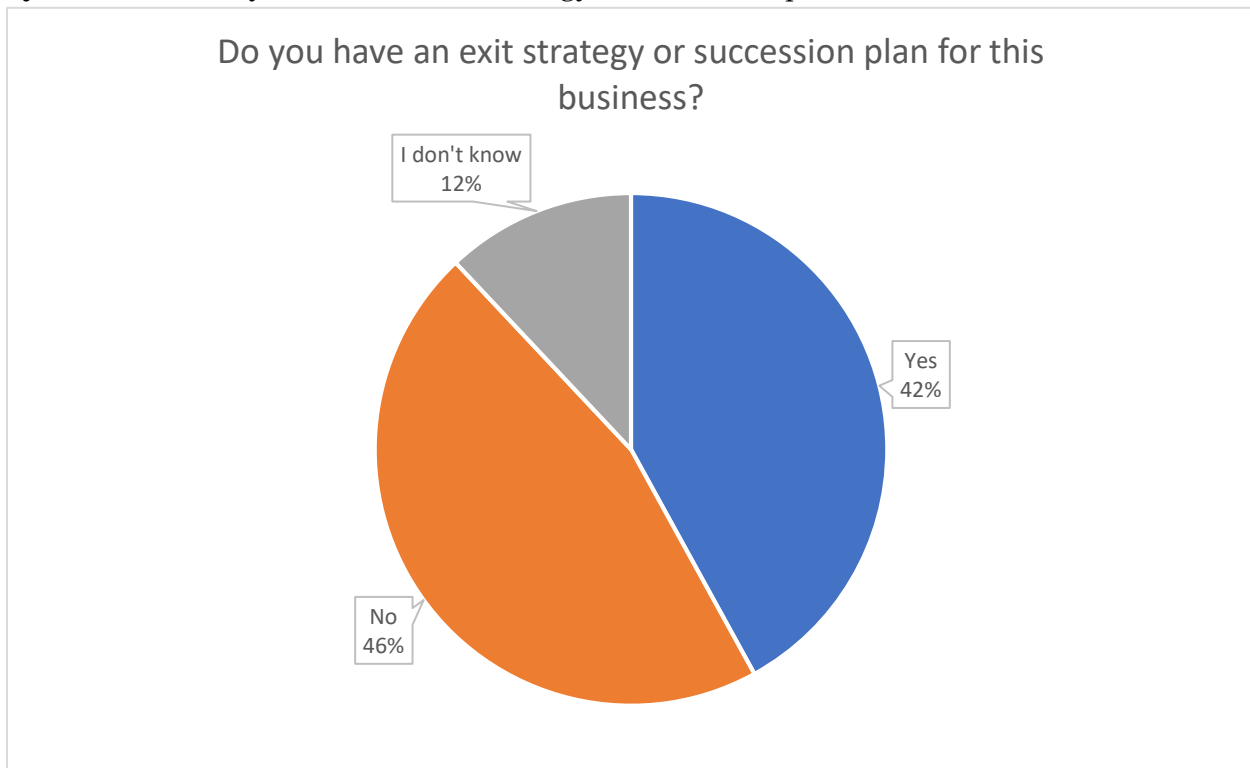
Respondent	Estimated percentage of total sales by customer type:				
	Local Customers	Regional Customers	Customers Outside the Region	Visitors / Tourists	Other
Respondent 1.	80%	-	20%	-	-
Respondent 2.	80%	20%	-	10%	-
Respondent 3.	75%	10%	10%	5%	-
Respondent 4.	-	100%	-	-	-
Respondent 5.	65%	35%	-	-	-
Respondent 6.	97%	1%	1%	1%	-
Respondent 7.	65%	30%	3%	2%	-
Respondent 8.	85%	5%	10%	-	-
Respondent 9.	65%	20%	10%	5%	-
Respondent 10.	50%	40%	5%	5%	-
Respondent 11.	80%	13%	5%	2%	-
Respondent 12.	70%	20%	-	10%	-
Respondent 13.	90%	5%	3%	2%	-
Respondent 14.	45%	45%	8%	2%	-



Respondent 15.	100%	-	-	-	-
Respondent 16.	50%	40%	5%	5%	-
Respondent 17.	50%	50%	-	-	-
Respondent 18.	78%	20%	1%	1%	-
Respondent 19.	75%	10%	-	15%	-
Respondent 20.	70%	25%	0%	5%	-
Respondent 21.	100%	-	-	-	-
Respondent 22.	50%	20%	20%	5%	5% wire orders
Respondent 23.	90%	9%	-	1%	-

Nearly half (46%) of survey respondents do not have an exit strategy or succession plan for their business and 12% are unsure. This means the community is at risk of losing the jobs and other economic benefits these businesses provide if an owner were no longer able to sustain operations.

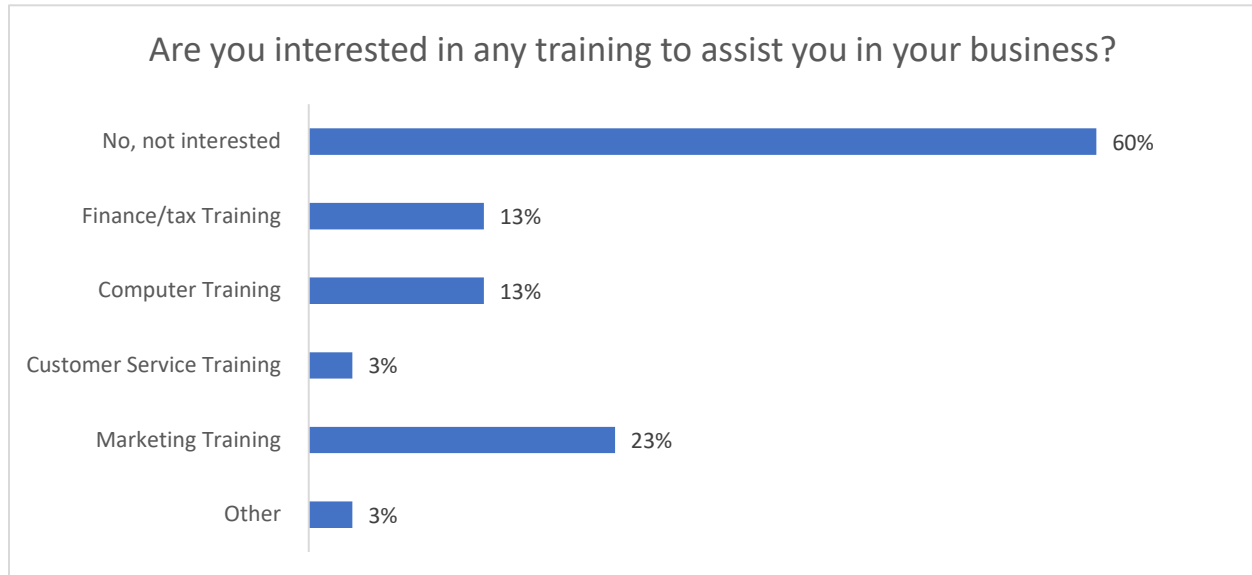
Question 20: Do you have an exit strategy or succession plan for this business?



ABOUT BUSINESS CHALLENGES

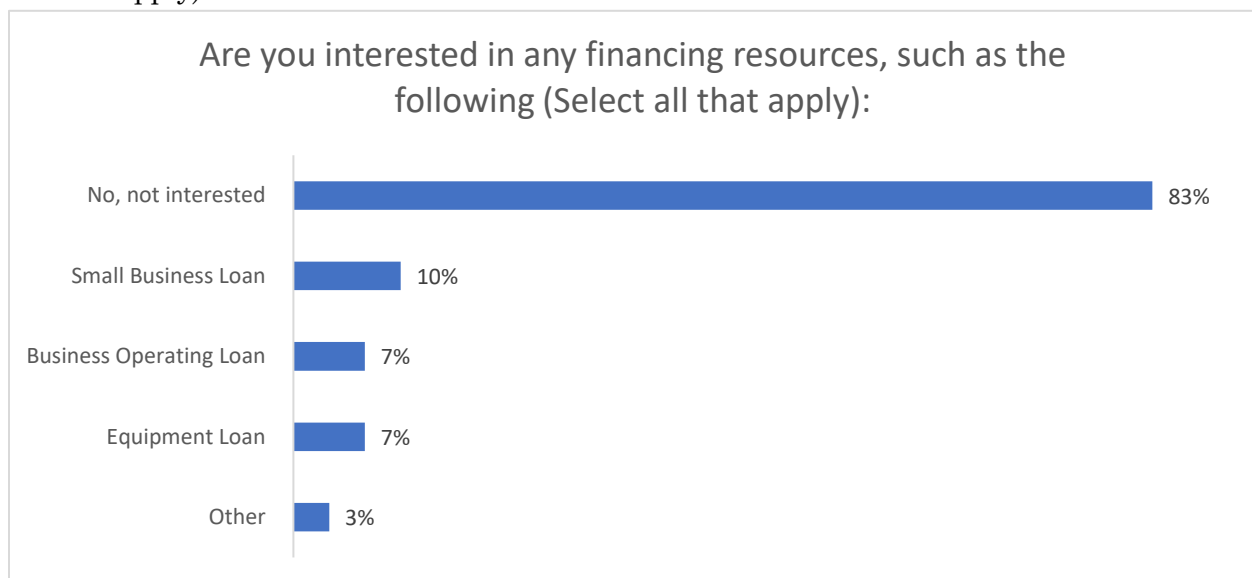
Most businesses are not interested in business training. However, a small number of businesses are interested in marketing, finance/tax and computer trainings. Social media training is described in the “Other” category.

Question 21: Are you interested in any training to assist you in your business?



Although most businesses are not interested in financing resources, some need exists for small business, business operating and equipment loans. These needs indicate that businesses are either struggling to remain open or have the potential to expand. One business specifically requested a loan to assist in expansion plans.

Question 22: Are you interested in any financing resources, such as the following: (Select all that apply)



When asked what challenges their businesses face, 45% of respondents said they need more options for local advertisement, followed by better access to broadband/internet services (34% respondents). Other challenges respondents face included not enough volume in sales, deficiencies in the physical design of downtown, employment/hiring challenges and having the appropriate location for their businesses. Workforce housing and national/global market conditions were not an issue for businesses surveyed.

Question 23: Which best describes the challenges your business faces? (Select all that apply)



Other” challenges listed included:

“Other” Challenges

Expenses to get inventory delivered to Wellington because we are too far from distribution points. And educating and convincing local the population to stop in Wellington for their coffee and treats/food before leaving town and, as an industry, providing enough high-quality products and hours of operation to make it convenient for them to stay in town or at least to stop here first.

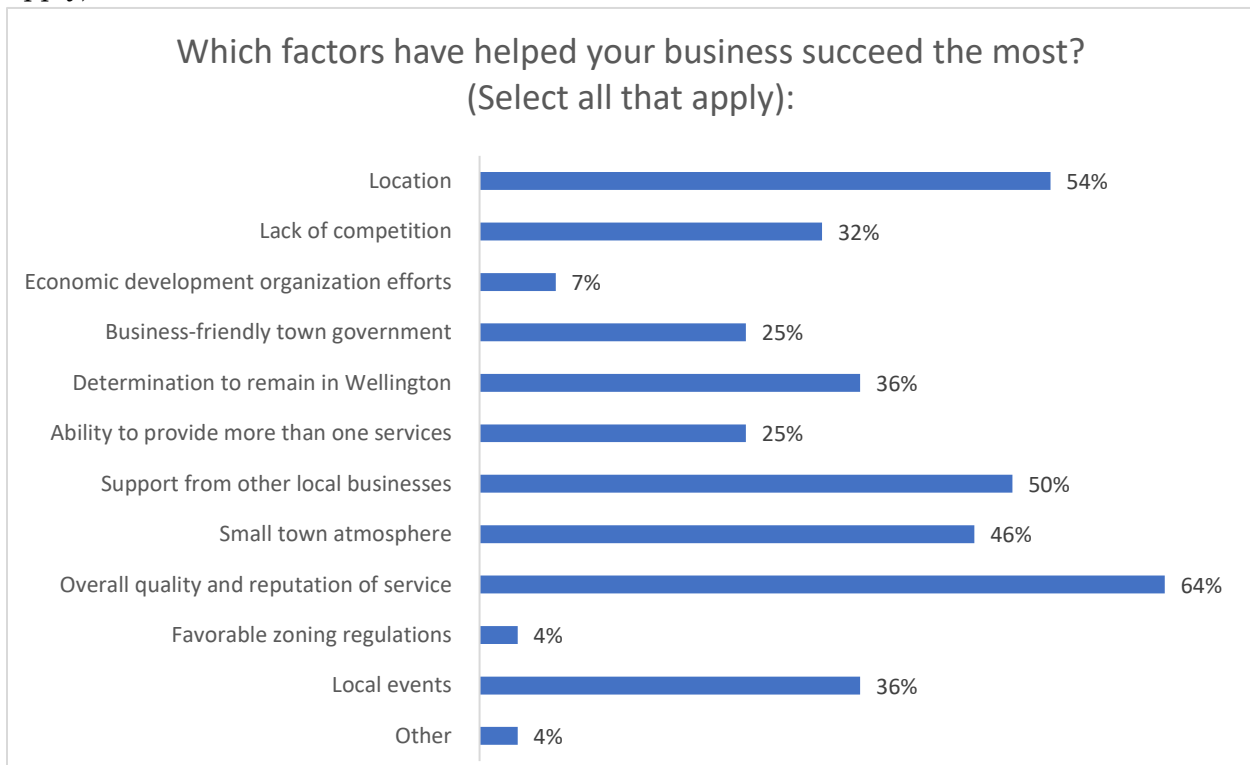
Trying to find help is always a challenge.



Taxes
Need more marketing to the Fort Collins area.
Downtown needs a less highway feel, more of a downtown feel with landscaping.

Respondents stated overall quality and reputation of service, location, support from other local businesses and the small-town atmosphere in Wellington as the main factors which have helped their business succeed the most.

Question 24: Which factors have helped your business succeed the most? (Select all that apply)



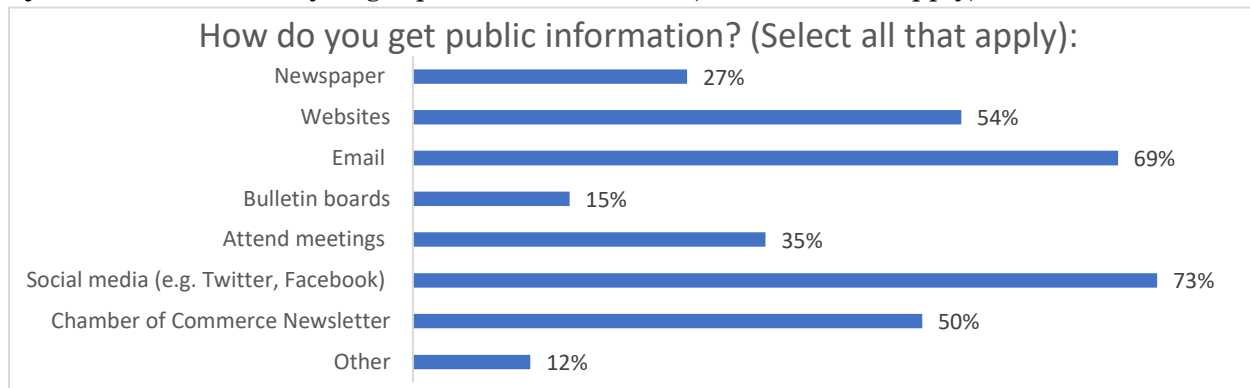
“Other” specific factors in businesses’ success included:

Specific “Other” business success factors:
Word of mouth from satisfied customers

ABOUT DOWNTOWN / ECONOMY

Most respondents receive their public information from social media and emails. Websites and the Chamber of Commerce’s newsletter follow. Specific “Other” ways which businesses receive public information included word-of-mouth. The least common source to receive public information was bulletin boards.



Question 25: How to you get public information? (Select all that apply)

Respondents shared many thoughts on whether the Wellington needs more community-wide and print marketing collateral. Twenty-seven percent (27%) of respondents said Downtown Wellington did not need more print marketing collateral. No respondents said 'yes.' "Other" comments included:

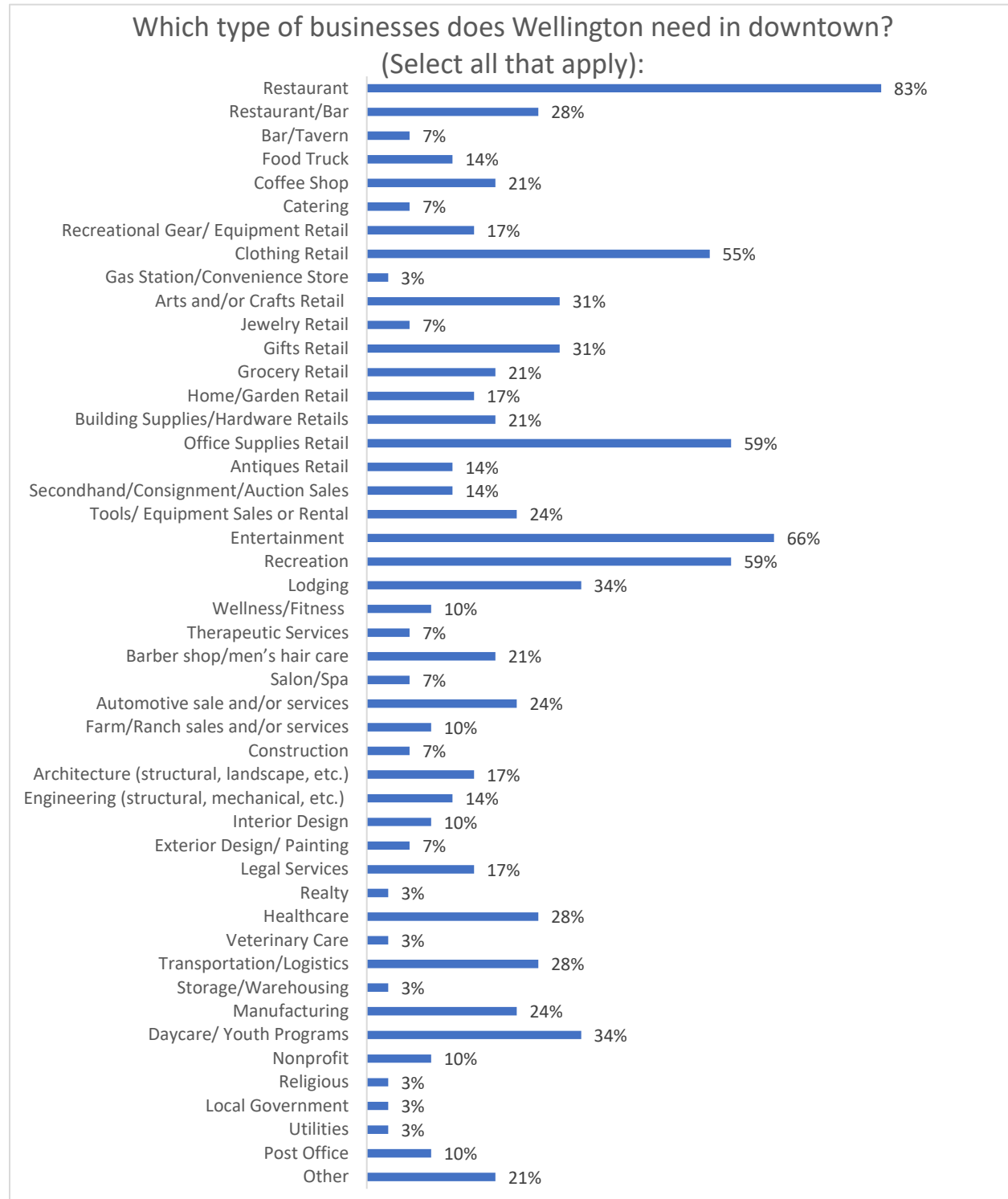
"Other" comments:
Most of the people in the chamber or main streets have access to info, but we need more community-wide communication.
Use the digital board in town.
Need to reach more people.
Not sure what that looks like, but we are invisible to each other in commerce and ideas.
Not sure - I need more details....
Community newspaper or newsletter.
Wellington can always benefit from more marketing. Marketing to other population centers is also helpful. This could include; Laramie, Cheyenne, Fort Collins, Red Feather/Livermore and possibly other towns in Northern Colorado.
Paper more than 1 x month
Maybe more of a Community newsletter or public event calendar?
Need more opportunities to reach residents via print/email/social media.
Wellington needs more community-wide web and print marketing.
Need to get info to new residents.
Most people don't see ours as a "real" downtown, just a pass-through area.
Better messaging through public/private partnership
Larger Social Media Presence.
Lack of communication.
More collaboration in getting the word out about all community events.
THERE REALLY IS NONE.
I feel Wellington suffers an identity crisis that goes back more than 20 years. I would like to see Wellington marketed to the towns around us - FC, Cheyenne, Loveland, Greeley, Red Feather, etc.

Question 27 asked survey respondents to indicate which types of new businesses downtown Wellington needs. New restaurant and entertainment businesses received the strongest support in the survey responses at 83% and 66%, respectively. Businesses that provide office supplies and recreation followed at 59%. A majority of respondents (55%) also believe



new clothing retailers will benefit the downtown Wellington business environment. Other new business types respondents supported included gift retailers, lodging, and daycare/youth programming.

Question 27: Which of the following business types does Wellington need or need more of (Select all that apply)?

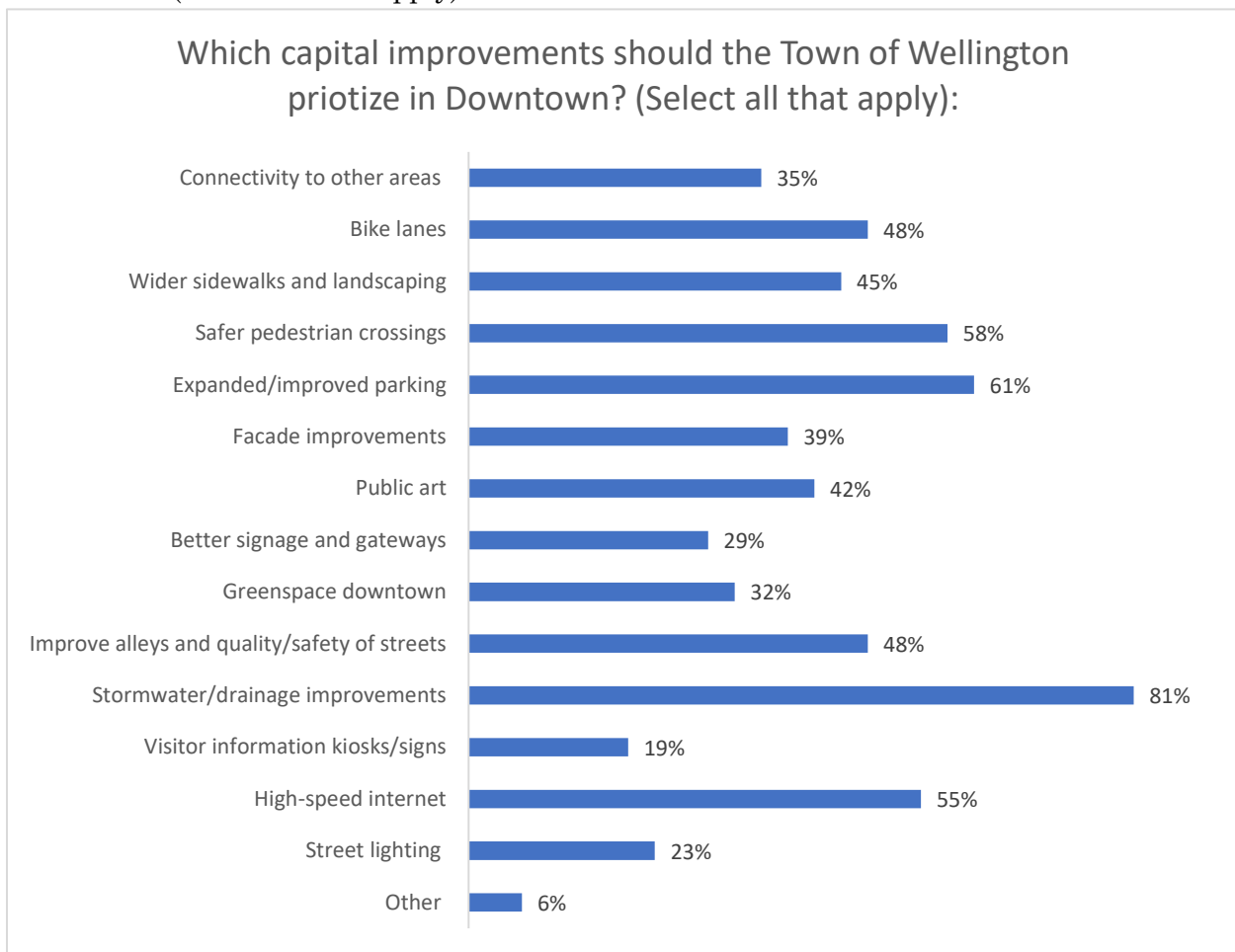


New business types respondents listed in the “Other” category included:

Specific “Other” new business needed:
FedEx/UPS drop box
Copy center or UPS store
Mail/print facility
Dry cleaner
Healthier food options & vegan friendly

Survey respondents strongly indicated stormwater and drainage repairs as a top priority (81%) for downtown capital improvements in response to Question 28. Other downtown improvements respondents supported include: expanded/improved parking in downtown (61%) and increased safety measures at pedestrian crossings. Fifty-five percent (55%) of survey respondents support efforts to expand high-speed internet. Access to broadband/internet was the second most common challenge among businesses that responded to the survey (see Question 23).

Question 28: Which capital improvements should the Town of Wellington prioritize in Downtown? (Select all that apply):



Specific capital improvement opportunities in the “Other” category included:

Specific “Other” commercial development options:
Improved on/off ramp from interstate highway.
Mainstreet sidewalk lots of tripping hazards around trees.

The final survey question provided a space to share additional thoughts respondents had regarding economic growth and opportunities for development in Downtown Wellington. The specific comments from respondents are provided below.

Question 29: Please share any additional thoughts you have regarding economic growth and opportunities for development in Downtown Wellington:

Additional thoughts on economic growth and opportunities for Downtown Wellington:
With Meridian Trust coming to town, I think we're going to be over-saturated with banks/credit unions. I don't think our small town will be able to support 4 financial institutions when it struggles to support 3. We'll have to work together to bring in business from surrounding areas and advertise to small businesses/farms/small outlying towns.
Bringing more character to town, with flowers, paintings, signs have made a more welcoming feel. How can we work with businesses to add more character to their spaces also!
Need family restaurants and family entertainment centers and maybe a big box store for retail.
Improve Centennial Park! Support Boys & Girls Club new location. Finalize design guidelines for Downtown.
Would like to see some type of meeting place venue for small and large groups for social gatherings that would allow for food and alcohol to be brought in. For example it would be nice for local businesses, Chamber to host their annual parties/meetings within our local community.
Wellington struggles from many things as a town. One of the main challenges I have seen as a local and as a business owner; lack of reasons to stay/visit in town. Historically all of our goods, services and food has been purchased and available in Fort Collins or another city close by. It is hard to compete with prices, variety and quality that can be provided in these bigger cities. Wellington's population is growing into a viable small town, but the goods, services, quality of life and employment found in town is still falling too far behind. 4 sit down restaurants with variable and changing hours is not enough to keep folks in town. Retail shops that are closed and who's hours continue to change make it hard for customers to commit to visiting main street. Cleveland is a very nice street for retail and for visitors, but it is small, lacks parking, lacks any true destination businesses and contains far too many none commercial/very niche businesses/empty buildings. Colorado is known for it's wonderful destination small towns and main streets, the only way we will benefit from that reality is if we can create a main street that fits the priorities of the people willing to travel here and provides the services and quality to keep locals in town more often.
Wellington's population growth is having a very positive effect on our business.
The I-25 exit needs reviewed and improved. Getting people to downtown is a problem when the backup coming off I-25 takes 15 minutes. The stop light does not really help. The overpass needs to be widened like the ones at Loveland and Windsor and the Harmony exits. We may need another exit either south or north of the existing exit. The high school will be a great improvement.
Parking is one of our major concerns. We have had to start parking our own vehicle in front of our shop so we can position our sign accordingly to be visible. Otherwise people park in front of our shop and go to a restaurant for a few hours and it's really difficult to see us if a big vehicle parks here. I



know of other another business that does this as well. Our second concern, especially after yesterdays storm is the drainage. If you are parked out front, you need to hop in through the passenger side of your vehicle due to the flooding, which reaches the front door during hair storms.

I think if Wellington can really work on giving the downtown that "old town" feeling with landscaping and recreation/gathering areas, more people will be drawn to spending more time and money downtown.

DDA for downtown Wellington!

Downtown Wellington has made remarkable improvements in becoming warm and inviting. The seasonal twinkle lights in the trees for example during the winter months are wonderful. As time and money permit, having entertainment in downtown would help keep our residents in town. The brew pubs and restaurants have helped but having a small movie theater or community center or bowling alley would be nice. We have great turn out for summer events but do not have a venue for winter events to sustain local interest in our community.

