

Lake Lure and Chimney Rock Village
MARKET STUDY FINDINGS AND RECOMMENDATIONS REPORT



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1.0 Introduction

1.1 Background

In her book, *In the Shadows of Chimney Rock*, Rose Senehi says, “There are places on this earth that touch the soul with the sheer power of their magnitude. The Hickory Nut Gorge in Western North Carolina is such a place.”

No truer words were ever spoken about this amazing landscape where the Cherokee hunted and lived for centuries prior to European colonization. Intrepid settlers found this place as a way to reach the valley that would grow to become Asheville. Some settlers decided that the Hickory Nut Gorge itself would be their place to make a life and they would live in relative isolation until the late 19th century.

That is when Jerome B. Freeman purchased 400 acres of land including Chimney Rock. He was the first man with the idea of creating Chimney Rock as an attraction. However, it was Lucius B. Morse who had the vision to develop the park as an attraction just as travel was evolving from rail and horseback to the automobile. Dr. Morse didn’t stop at Chimney Rock itself. He had a grander vision to create Lake Lure as an elegant mountain resort that would rival the mountain escapes of Europe. Earle Draper, a famous landscape architect, was engaged to craft a plan for Lake Lure that would include a hotel, arcades for shopping, lakefront recreation, and homes for relaxation and retreat. The 1926 plan was as beautiful as it was ambitious.

However, the Great Depression intervened and the grand vision for Lake Lure was only partially completed. The Town of Lake Lure remains a place with a storied past that has never been fully realized. Meanwhile travelers with the freedom of automobiles (many of whom were workers in the regional textile mills) found Chimney Rock and its surrounding beauty as a great getaway and Chimney Rock Village emerged to serve this growing car culture.

Both communities have continued to grow steadily as a place for day-trippers, second homeowners, retirees, and overnight guests. Rumbling Bald Resort added a new dynamic for the area as a nearly “self contained” community on the northern end of the lake. More recent developments like the Lake Lure Classical Academy are poised to attract more families to the region.

Perhaps the most important change the communities are undergoing is a significant transition since the arrival of Dr. Morse over 100 years ago. The State of North Carolina has acquired Chimney Rock Park as a state park and is working closely with the North Carolina Department of Transportation and the local communities on future investments expected to drive park attendance up significantly including a proposed entrance in the Town of Lake Lure. New amenities will attract visitors with different expectations of the locale and both communities are poised for this exciting and sometimes daunting change.

In a proactive move, the Town of Lake Lure commissioned a Phase 1 Town Center Master Plan in 2012 based on the recommendations of its 2007-2027 Comprehensive Plan. The goal of the Town Center Master Plan is to revisit the over eighty-year-old vision of Earle Draper and place it in a modern

context. Furthermore, the plan is designed to provide Town leaders with guidance as it works with the North Carolina Departments of Transportation and Commerce as they work on road and park improvements.

Recognizing the need to have market data to help add some perspective to the build-out of the Town Center Master Plan and realizing that a marketing strategy is needed, the Town of Lake Lure engaged Arnett Muldrow & Associates, Ltd. of Greenville, South Carolina to complete this study. In an unprecedented move, the Town of Lake Lure and Chimney Rock Village agreed to partner in this plan recognizing that a unified approach would provide both communities more clear direction and more ways to cooperate.

This plan should be considered a part of a “trilogy” of plans that includes Town Center Master Plan, Phase I; the Transportation Plan. The “three legged stool” provides guidance for development, infrastructure, and market approaches to embrace the challenges and opportunities for both communities.

1.2 Process

The process for the plan began with exploratory talks and a visit from Lake Lure officials to Travelers Rest in the spring of 2012. The project began in earnest in June of 2012 with meetings in Lake Lure and continued with the appointment of the steering committee in July of 2012. The first steering committee meeting occurred in August along with the distribution of a zip code survey to merchants in both Lake Lure and Chimney Rock Village.

September marked a series of three intensive visits to Lake Lure that involved multiple stakeholder interviews and thematic roundtable forums. These meetings continued in October.

Arnett Muldrow agreed to conduct a second round of zip code surveys in October to see if there would be a significant market shift between a visitor shoulder season (August) and a high season (October). The results of the market study were presented to the steering committee and to the public on October 23, 2012.

The market study data informs much of the marketing approach for the community. Between November 27 and 29, 2012; Arnett Muldrow returned to Lake Lure and Chimney Rock Village to conduct a community image building workshop that included focused roundtable discussion of marketing initiatives. This workshop concluded with a branding and marketing presentation to the community. Attended by well over 40 people, this meeting provided a chance for stakeholders to see results within days of providing input.

On December 17th, 2012 Arnett Muldrow returned to Lake Lure to present plan recommendations and revised marketing designs based on feedback from the November meetings to both the Steering Committee and the public. Once again, the public portion of this presentation was very well attended.

Over December and January, Arnett Muldrow refined the graphics for the community alongside a subcommittee of the Steering Committee, prepared the brand documentation and report, and this report. The report will be presented to Lake Lure Town Council in March of 2013 for approval.

1.3 Acknowledgements

Arnett Muldrow & Associates, Ltd. could not have completed the study without the tireless cooperation of many partners. Shannon Baldwin, Community Development Director for the Town of Lake Lure served as project manager for the effort on behalf of both communities with the help of Bill Whitman, Zoning Administrator from Chimney Rock Village. Valerie Hoffman, Communications Coordinator for the Town was instrumental in getting this study underway and worked throughout the project as a trusted advisor and coordinator. Meg Nealon from LandDesign provided excellent background information on the Town Center Master Plan.

The project was led by a steering committee with representation from both the Town of Lake Lure and Chimney Rock Village along with representatives from Rutherford County, Chimney Rock State Park, and other key stakeholders. This steering committee led the process from start to finish under the leadership of Lake Lure resident Andy Bell. The members of the steering committee are:

Andy Bell, Chair	Tom McKay
Diane Barrett	Barbara Meliski
Kay Dittmer	Linda Turner
Charlie Ellis	Bob Wald
Tommy Hartzog	Adrienne Wallace
Genevieve Helms	Michelle Yelton
Paula Jordan	

Of course, this project would not be complete without the enthusiastic participation from community stakeholders from across the Town of Lake Lure, Chimney Rock Village, and Rutherford County. Well over 100 people participated in this project whether through a focus group meeting, attending a public presentation, being part of an individual interview, tracking customer zip codes, or providing personal correspondence. As a consequence, we can say that this study is a product not of a consultant, but of a dedicated partnership among many different stakeholders who believe in both communities.

2.0 Retail Market Study

This section of the report presents the findings of the retail market research for the Town of Lake Lure and Chimney Rock Village and sets the stage for further analysis that can be used to recruit businesses, residents, investors, and visitors. It is also designed to help businesses retain existing and target new customers. The findings of this chapter inform the implementation recommendations found in chapter three of this report. The goals of this study are threefold:

1. First, this report is designed to provide officials in Lake Lure some guidance as to the market support for the concepts presented in the Lake Lure Town Center Master Plan which will place it in a build out context.
2. Second, this report is designed to help existing and prospective investors understand the market.
3. Third, this report is a tool used to help craft a message for both Lake Lure and Chimney Rock Village that can be deployed with Rutherford County Tourism, the Hickory Nut Gorge Chamber of Commerce, local businesses, and community stakeholders to market the community in an effective and cohesive way.

This chapter is divided into six sections:

Section 2.1 is a distillation of the community input gathered in a series of roundtables and one-on-one interviews conducted in September and October 2012. This section describes the assets, opportunities, challenges, and needs and wants as described by community leaders and other stakeholders. This input is the “unvarnished” input provided by community stakeholders.

Section 2.2 is the Town of Lake Lure and Chimney Rock Village’s market definition based on zip code survey work completed by businesses in the community in August and October. It also provides insight into the Town of Lake Lure and Chimney Rock Village’s trade area demographics and presents market data related to the Town of Lake Lure and Chimney Rock Village’s retail trade areas.

Section 2.3 presents the retail market analysis that shows the amount of retail sales “leaking” from the retail 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 communities. Section 2.4 is based solely on the local population.

Section 2.4 examines the visitor market to Lake Lure and is designed to bolster the data found in section 2.3. This section will determine the true impact of visitor traffic on sustaining local businesses and assess how growth in visitor traffic will impact future development.

Section 2.6 summarizes the Town of Lake Lure and Chimney Rock Village’s current retail environment, and indicates market opportunities based on projected “natural growth,” visitor growth, and “enhanced” growth based on pro-active measures that the Town of Lake Lure might take to

advance the development of its Town Center area. Section 2.6 provides space and unit prediction scenarios based on the data.

2.1 Community Input

In September and October 2012, Arnett Muldrow conducted a series of stakeholder roundtables and one-on-one interviews with a variety of Town of Lake Lure and Chimney Rock Village stakeholders, including elected officials, downtown retailers, and economic development, tourism, and hospitality professionals. Over the course of several weeks, dozens of individuals participated in these input sessions. The input documented below is not designed to be exhaustive but rather to provide an overview of what we heard. *Please note that the opinions stated here do not necessarily reflect the opinion of Arnett Muldrow & Associates, the Town of Lake Lure, or Chimney Rock Village.*

2.1.1 Assets

Interviewees cited many community assets, such as:

- Two very distinct communities.
- Unspoiled beauty.
- Unique history.
- Tranquility/slower pace.
- Chimney Rock Village CDA.
- Olympiad.
- The Gathering Place.
- River Walk.
- Lake Lure.
- Proximity to major metro areas: first mountain community.
- Affordability.
- Not “generic” or corporate.
- Small town feel/rustic/scenic retreat.
- Dirty Dancing/Last of the Mohicans
- Picking in Lake Lure.
- Accommodations are up with some properties.
- Microclimate, late peak leaf season, milder.
- Nostalgia.
- Lake Lure Classical Academy.
- Ingles.
- Destination Weddings.
- Hiking.
- Golf.
- Cycling.
- Rock Climbing.

2.1.2 Opportunities

Interviewees also described a number of opportunities the Town of Lake Lure and Chimney Rock Village currently enjoy, including:

- Change of entrance of Chimney Rock Park
- Telecommuters.
- Attract young families.
- Better connect both communities.
- Better connect region.
- Build stronger partnerships with TDA, HNG Chamber, Rutherford County.
- Grow to market outdoor activity particularly climbing.
- Use Lake Lure/Chimney Rock Village as jumping off point for whole region.
- Better events to extend the season: a Holiday event, or bring back old events.
- Better online presence.
- Flowering bridge will be great draw.
- Bottomless pools need to be re-opened.
- Capitalize on “Lake Como” image.
- Convert day-trippers into overnight visitors.
- Leverage the arts as an attractor to the community.

2.1.3 Challenges

At the same time, interviewees explained that the Town of Lake Lure and Chimney Rock Village faces several challenges, including:

- Lake Lure does not live up to its “promise” as a destination: many comments regarding the management and policies related to the lake itself.
- Overrated as a destination.
- Not enough to do.
- Lack of dining options.
- No alcohol in Chimney Rock Village.
- Need for better Internet service.
- Poor business environment.
- Lack of housing variety.
- Lack of accommodation variety.
- Disengagement of Rumbling Bald with rest of community.
- Lack of chain restaurants that are family friendly.
- Bikers: sound, image, behavior.
- Poor upkeep of vacant buildings.
- Poor renter return ratio.
- Too adult oriented, not family friendly.
- It is hard to sustain eighteen restaurants with current population.
- No nightlife.

- Closing off the river access was unpopular with some.
- TDA does not invest appropriate amount of money in the area.
- Lake Lure has tilted its policies toward the residents by design sometimes at the expense of the visitor.

2.1.4 Threats

Interviewees cited a number of threats to desirable growth, such as:

- Over-development similar to what happened in Florida.
- Very unfriendly approach: many signs saying what you can't do few saying what you can do.
- No-growth agenda on the part of some residents.
- Concern that the community may look for a silver bullet answer: large development (ex. casino).
- Lack of clarity on what the communities want to be.

2.1.5 Needs and Wants

Interviewees were asked what they would like to see in the Town of Lake Lure and Chimney Rock Village, and they responded with the following needs and wants:

- Need vacationers to survive as a community as they are the lifeblood of the community.
- Need more full-time residents to sustain businesses, start businesses, volunteer
- More mountain biking trails.
- Fishing spots for families.
- Trail system.
- Family camping.
- Remove billboards.
- Remove utilities.
- Maintain the “feel” of Chimney Rock Village and Lake Lure.
- Vibrant visitor center.
- Wayfinding signs.
- Summer art camp.
- Street theatre.
- Vacation packages.

2.1.6 Conclusion

This input provides a foundation from which to better understand the market data gathered during the study and helps round out the information gleaned from the data shown in section 2.2 below. Overall there is a cautious optimism about the future of both communities. The uncertainties of the transition of Chimney Rock Park are settling and new partnerships among both communities and Rutherford County are common themes of encouragement among many interviewees. Concern remains, however

about issues that have been discussed but as of yet are undecided (time frames for road improvements, park entrance changes, and the like).

2.2 Market Definition

This portion of the study will explore what the market for the Town of Lake Lure and Chimney Rock Village looks like. There are many different models for defining a market. Radial studies simply take a location and draw a radius from it. This approach is highly inaccurate for locales like Chimney Rock and Lake Lure where mountains, rivers, and lakes create natural barriers that create strong divisions in markets. Drive time studies provide an excellent way to track local customers particularly in areas with challenging topography. The drive time model must be used with caution however as it may intersect larger markets (a 20 minute drive time from Chimney Rock gets well into Hendersonville's trade area).

Arnett Muldrow uses the zip code approach as its first step toward analyzing a trade area. This approach has its own advantages and disadvantages. The strengths of a zip code survey include the following: local merchants have "skin in the game" as they are doing the tracking of customers, visitor traffic can be accounted for which is essential in communities like Lake Lure and Chimney Rock, local customer shopping patterns can be evaluated, customer browsing can be studied by looking at a visitor zip code that appears in multiple shops, and a host of detailed comparisons can be drawn if needed.

Zip code surveys have their own limitations in that the zip code geography can sometimes be fairly large and stretch beyond the typical market boundaries. In the case of Lake Lure and Chimney Rock, the formations of the landscape create some very unusually shaped zip codes. Furthermore, the zip codes are not well populated which sometimes suppresses certain data.

With those limitations in mind, it is the only technique that correlates easily with customer traffic collected by merchants. The zip codes are used to then define a primary and secondary trade area for the community from which a whole host of demographic data can be gleaned. For Chimney Rock and Lake Lure we also ran some drive time analysis in order to get a complementary view of the market dynamics.

Two surveys were conducted in August and September 2012. Retail businesses and restaurants in the Town of Lake Lure and Chimney Rock Village graciously participated in the zip code survey of their customers. In both studies, merchants were provided with a form to record customer zip codes and asked to keep the log for all customers during this period. In all, businesses recorded 2,436 individual customer visits during the first survey and 1,377 during the second survey.

2.2.1 Zip Code Results

The results of the zip code survey are listed below:

- In the August 2012 survey, the Town of Lake Lure and Chimney Rock Village businesses recorded 2,436 customer visits from 1,121 unique American zip codes representing 41 states and 10 foreign countries.
- In the October 2012 survey, the Town of Lake Lure and Chimney Rock Village businesses recorded 1,377 customer visits from 781 unique American zip codes representing 43 states and

9 foreign countries. While the number of recorded visits was significantly less, the high leaf viewing tourism season clearly impacted the breadth of visitors to the communities.

- In the August survey, residents of Lake Lure and Chimney Rock Village accounted for just 2% and 0.2% respectively of recorded customer visits. This is an extraordinarily low figure, even in tourist towns.
- In the October survey, Lake Lure and Chimney Rock Village residents accounted for 3.2 percent of all customer visits. This is a higher number than in August, but still a relatively small overall figure.
- In the August survey, on a countywide basis, residents of Mecklenburg County represented the highest percentage of customer visits at 5% of total recorded visits. Lake Lure, Chimney Rock Village, and the rest of Rutherford County represented 4.2% of total recorded visits.
- In the October survey, customers from Rutherford County (including Lake Lure and Chimney Rock Village) represented 5.6 percent of recorded visits. Mecklenburg County accounted for the second highest number of customers at 2.9 percent.

August Customer Profile

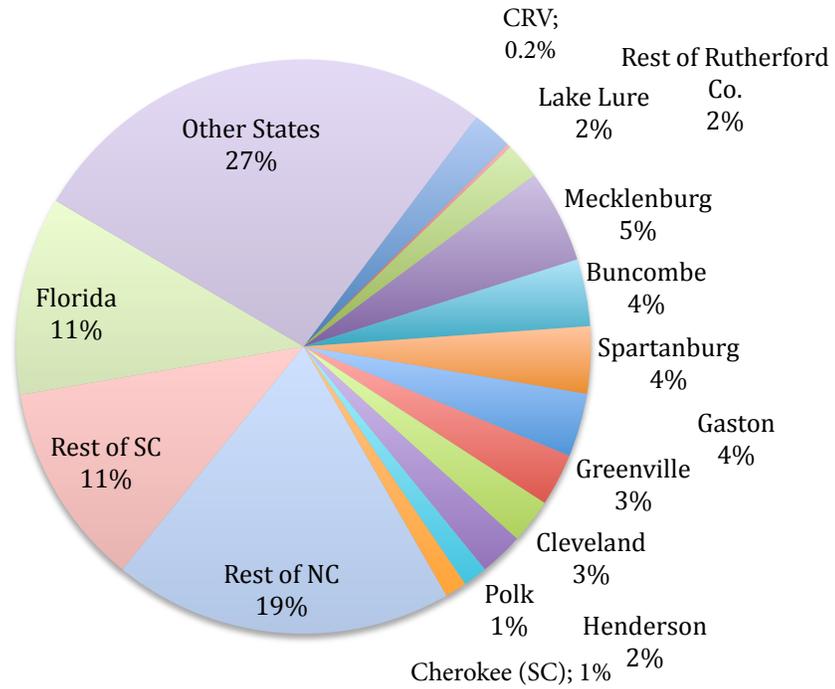


Figure 1: Customer Visits in August Zip Code Survey

October Customer Profile

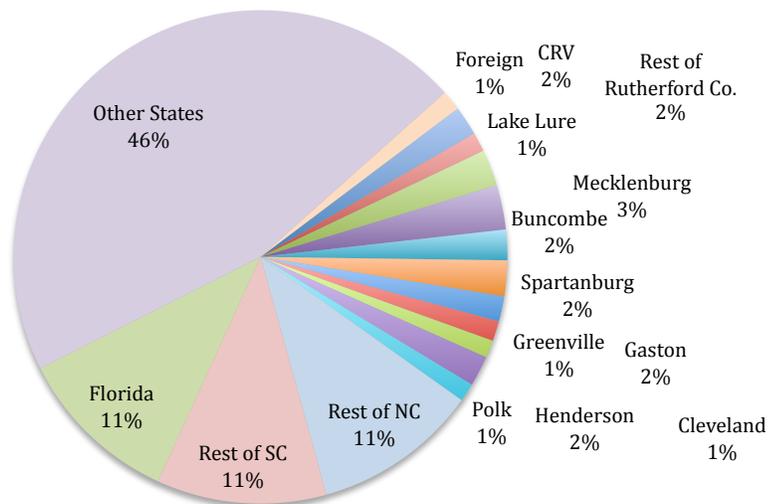


Figure 2: Customer Visits in October Zip Code Survey

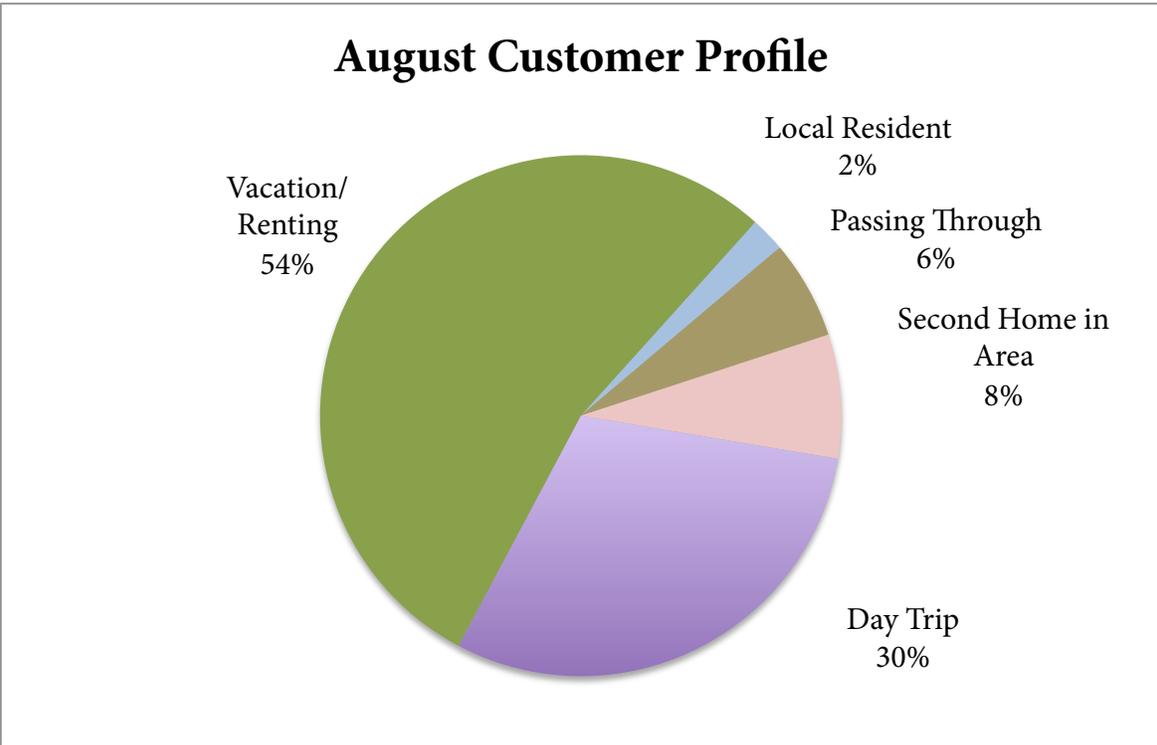


Figure 3: Customer Profile of September Customer Visits

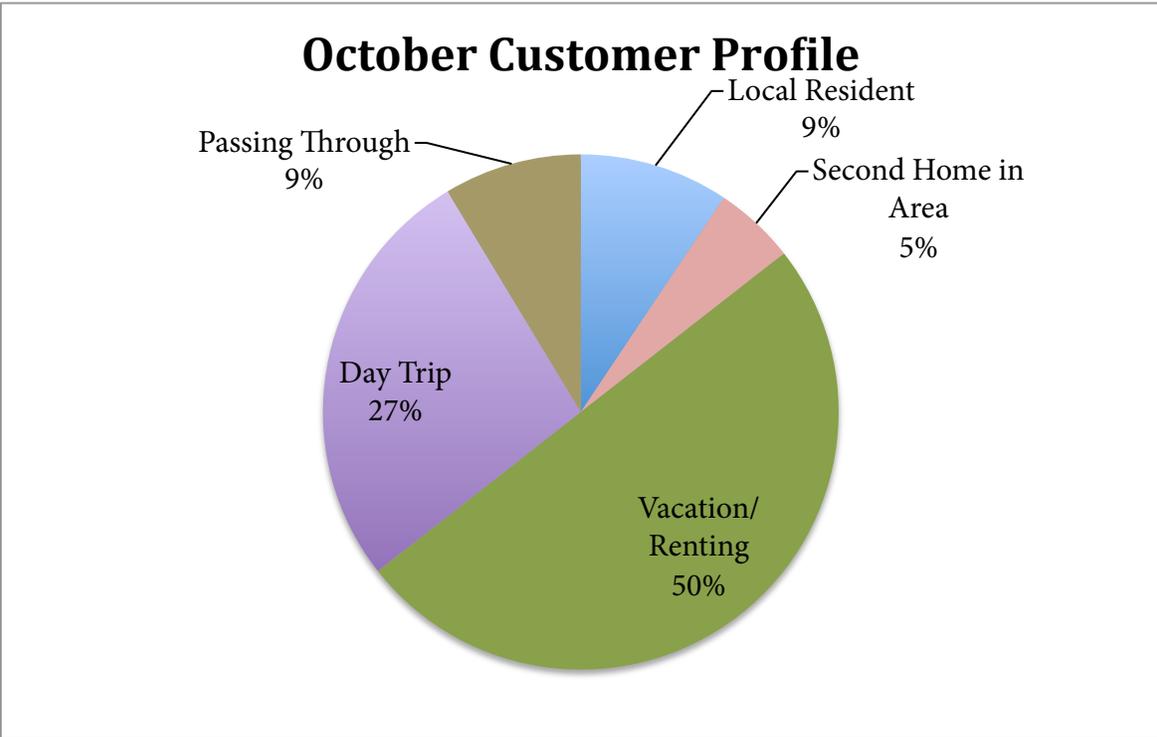


Figure 4: Customer Profile of October Customer Visits

2.2.2 Trade Area Definition

The number of visits provides an overall view of customer origin. A more accurate way to evaluate a local customer’s loyalty to the market is placing customer visits in the context of the population of each zip code. This corrects for zip codes that have exceedingly large or small populations that might skew the market penetration data.

By this measure, the primary and secondary trade areas for the community can be usually established. The primary trade area is the geography where the most loyal and frequent customers to the Town of Lake Lure and Chimney Rock Village reside. The secondary trade area represents an area where the Town of Lake Lure and Chimney Rock Village businesses can rely on local customers but to a lesser degree. To establish the trade areas, a table is created to show customer visits per thousand residents. Each zip code population is taken, and then the number of visits from that zip code is calculated. Table 1 shows customer visits per 1,000 people for each of the highest representative visits to the Town of Lake Lure and Chimney Rock Village.

Zip Code	Area	Population	August Visits	August Visits/1000 Pop	October Visits	October Visits/1000 Pop
28720	Chimney Rock Village	113	5	44.2	34	300.88
28746	Lake Lure	2,952	56	19.0	22	7.45
28139	Rutherfordton	19,190	28	1.5	20	1.04
28711	Black Mountain	13,658	15	1.1	8	0.59
28792	Hendersonville	33,624	21	.6	18	0.54
28043	Forest City	21,800	14	.6	10	0.46
29349	Inman	30,444	29	1.0	8	0.26
28086	Kings Mountain	26,716	20	.7	5	0.19
28704	Arden	20,645	13	.6	0	0.00

Table 1: Customer visits per 1,000 population.

Determining the primary and secondary trade areas can sometimes be more “art” than science. At times, significant breaks in customer visits are not obvious. In the Town of Lake Lure and Chimney Rock Village’s case this division is clear. The Town of Lake Lure (19.0 visits per thousand residents in September and 7.5 visits per thousand in October) and Chimney Rock Village (44.2 visits per thousand residents in September and 300.1 visits per thousand in October) are the leaders in terms of customer loyalty for local businesses.

Unfortunately, the relatively small population base of the zip codes for Lake Lure and Chimney Rock make for a very challenging evaluation of market trade areas for the communities. This is evident in the wildly fluctuating numbers for Chimney Rock that only a few visitors can create with the numbers.

Consequently, Arnett Muldrow used a drive time analysis technique using Nielsen mapping to examine the market in a different way. A sixteen-minute drive time generates a map that includes Rumbling Bald Resort within the trade area without going too far into other areas' trade patterns. (We acknowledge that it takes more than 16 minutes to drive from Rumbling Bald to the heart of Lake Lure but for the sake of mapping this is most accurate we could devise.)

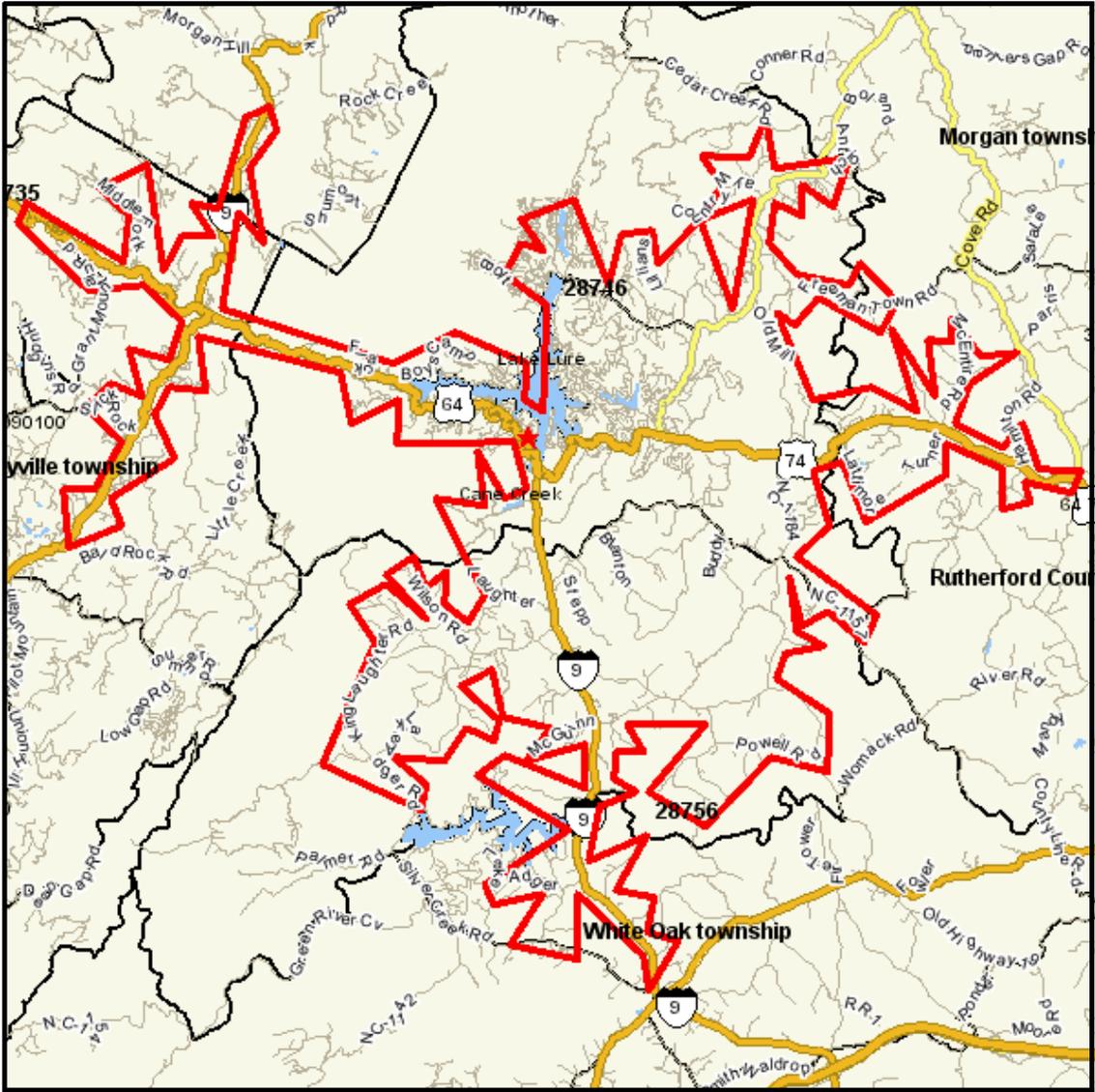


Figure 5: The Town of Lake Lure and Chimney Rock Village Trade Area. Source: Nielsen Claritas, Inc.

2.2.3 Trade Area Demographic Data

The 16-minute drive time primary trade area permanent population is currently (2012) estimated at 4,293. This population grew by 20.3% since 2000 where it stood at 3,569. The population is expected to grow by another 271 people by 2017. This represents 129 new households over the next five years. Annualized, this would be growth of about 26 households per year in the entire 16-minute drive time area. The growth has been comparable to Henderson and Buncombe counties but significantly higher than growth in Rutherford County.

The median age of the trade area is 47.0 and 53% of the population is over 45. This age is significantly older than surrounding areas (Buncombe County is 38.6, Henderson County is 44.8, and Rutherford County is 41.4). Similarly the median household income is \$38,748 is lower than Buncombe and Henderson Counties but significantly higher than Rutherford County at \$33,834. This income level should not be misinterpreted, however, as it reflects income and not wealth.

Usually the median owner occupied home value can be an indicator of wealth as opposed to income but in the 16 minute drive time the median value is \$173,791 which is lower than both Henderson and Buncombe counties. It is still safe to assume relative affluence among the retiree population in the trade area.

The most important (and basic) conclusion for the demographics of the trade area's permanent population is that it is small and is expected to remain small. As a point of comparison, Henderson County will add 8,290 new people by the year 2017 equal to nearly double the current population of the Lake Lure/Chimney Rock trade area. Twenty-six households a year added to the market represent nearly negligible growth by comparison.

2.3 Retail Market Analysis – Local Customers

The Town of Lake Lure and Chimney Rock Village is a retail center serving the primary markets that include local market of roughly a 16-minute drive time from the heart of the community. In this section the Town of Lake Lure and Chimney Rock Village market will be examined to identify potential opportunities for new or expanded stores by examining the local population only showing “retail leakage” based on full-time residents of Lake Lure and Chimney Rock. This will allow the community to assess what kind of additional stores might be attracted to the Town of Lake Lure and Chimney Rock Village and will help individual existing businesses understand how they might diversify product lines based solely on the local customer traffic based on local population base only.

As already mentioned, the local population represents an extreme minority of customer visits to local shops. In fact, out of over 200 market studies conducted by Arnett Muldrow & Associates, Ltd. the Lake Lure and Chimney Rock market is the *least* local oriented market we have ever found by far. The visitor dependency of local retailers is the only way many can survive based on the survey data we have above. We will explore more about the visitor market in the next section.

2.3.1 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. As you might expect, the sixteen-minute drive time trade area that includes the Town of Lake Lure and Chimney Rock Village leaks sales in most retail categories and gains sales in a handful of obvious categories such as dining and gifts.

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 Wal-Mart or apparel purchases through the internet). 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 the Town of Lake Lure and Chimney Rock Village is a “snapshot” in time and based on local traffic. Consequently, there are factors that point to this being a more conservative look at retail potential depending on what factors are examined. For example, the demographic data points to modest population growth in the primary trade area. Maintaining population stability and growth is critically important for the Town of Lake Lure and Chimney Rock Village to sustain retail businesses. More rooftops and more economic vitality with existing families translates into ongoing support for existing and future retail in the community and particularly downtown. The most important conservative factor, however, is visitor traffic which drives the businesses of the community.

With these conservative factors in mind (meaning our numbers represent “minimum” potential and not “maximum” potential) the primary trade area selected store sales equaled \$35.6 million in 2011. Consumers in the same area spent \$65.1 million in stores of similar type. Therefore, the primary trade area is leaking sales of \$30.5 million each year based on local traffic alone. This is not unusual for a community with a permanent resident population the size of Lake Lure and Chimney Rock. In fact, it is highly unlikely that Lake Lure and Chimney Rock can capture much of the leaking sales with the proximity of major shopping destinations such Henderson and Buncombe Counties in North Carolina as well as Greenville and Spartanburg Counties in South Carolina where retail sales exceed the billion dollar mark. Once again, this points to a visitor strategy to sustain local restaurants and retailers.

2.3.2 Detailed Retail Market Opportunity Tables

Section 2.3.1 explores the retail trade patterns in aggregate, the tables on the following pages explore the individual retail categories where the Town of Lake Lure and Chimney Rock Village is leaking and gaining sales in both the primary and secondary trade areas. This data should be used as an overall guide to retail market potential and should not substitute for detailed market research on the part of any business wishing to open in the area. While market support for a category may be an indicator of success, there are many factors (location, business plan and financing, customer service, product selection) that can contribute to the failure of a retail enterprise. Please note that some categories are subsets of larger categories.

As mentioned before, Lake Lure and Chimney Rock are leaking sales in nearly every retail category with a few notable exceptions. The community sells more in its grocery store (Ingle’s) than local consumers can buy. In fact, we believe that the sales numbers for Ingle’s are higher than those shown in the report and are suppressed so as to protect individual stores actual income numbers. Ingle’s larger sales are a result of several factors: the store caters to a population base that is larger than the 16 minute drive time evaluated to establish the overall shopping patterns (we suspect some of its customers are driving 25-30 minutes), it caters to the rental and second home market that is not represented in the permanent population, and it caters to visitors to the area needing convenience items.

The other categories where sales exceed demand are obvious: gift stores and eating/drinking places represent the only other categories where sales exceed local demand. This points yet again to the area’s dependence on visitor traffic to sustain its retail base.

The one category where the trade area’s local population severely leaks sales and is likely to immediately support a new store is in the “general merchandise” category. Dollar General and Family Dollar are fast growing stores that are seeking sites in areas with this level of leakage.

These details are shown on the table on the following two pages. The charts will show sales in certain retail categories that do not exist in the 16-minute drive time; these sales will appear as relatively low. Neilson uses a complex allocation model to assign sales across a larger geography so smaller geographies often have sales reflected from businesses that are nearby but not within the drive-time analysis. Consequently, small store sales figures should be taken as “remnant” data from larger geographies.

Opportunity Gap - Retail Stores	PTA		
	(Consumer Expenditures)	(Retail Sales)	Leakage (Inflow)
Total Retail Sales Including Eating and Drinking Places	65,112,111	34,595,768	30,516,343
Motor Vehicle and Parts Dealers-441	10,648,879	358,662	10,290,217
Automotive Dealers-4411	8,744,570	168,641	8,575,929
Other Motor Vehicle Dealers-4412	1,071,743	190,021	881,722
Automotive Parts/Accsrs, Tire Stores-4413	832,567	0	832,567
Furniture and Home Furnishings Stores-442	1,190,322	43,228	1,147,094
Furniture Stores-4421	623,118	13,857	609,261
Home Furnishing Stores-4422	567,204	29,371	537,833
Electronics and Appliance Stores-443	1,265,110	9,860	1,255,250
Appliances, TVs, Electronics Stores-44311	944,110	3,014	941,096
Household Appliances Stores-443111	235,649	0	235,649
Radio, Television, Electronics Stores-443112	708,461	3,014	705,447
Computer and Software Stores-44312	266,090	6,846	259,244
Camera and Photographic Equipment Stores-44313	54,911	0	54,911
Building Material, Garden Equip Stores -444	6,046,668	1,087,170	4,959,498
Building Material and Supply Dealers-4441	5,414,157	771,821	4,642,336
Home Centers-44411	2,155,512	0	2,155,512
Paint and Wallpaper Stores-44412	133,942	23,024	110,918
Hardware Stores-44413	538,910	196,922	341,988
Other Building Materials Dealers-44419	2,585,793	551,875	2,033,918
Building Materials, Lumberyards-444191	1,014,863	215,784	799,079
Lawn, Garden Equipment, Supplies Stores-4442	632,511	315,349	317,162
Outdoor Power Equipment Stores-44421	125,750	16,568	109,182
Nursery and Garden Centers-44422	506,761	298,781	207,980
Food and Beverage Stores-445	9,100,487	11,419,803	-2,319,316
Grocery Stores-4451	8,261,977	10,381,270	-2,119,293
Supermarkets, Grocery (Ex Conv) Stores-44511	7,830,252	10,341,363	-2,511,111
Convenience Stores-44512	431,724	39,907	391,817
Specialty Food Stores-4452	251,589	82,198	169,391
Beer, Wine and Liquor Stores-4453	586,921	956,336	-369,415
Health and Personal Care Stores-446	4,638,007	181,738	4,456,269
Pharmacies and Drug Stores-44611	4,047,101	0	4,047,101
Cosmetics, Beauty Supplies, Perfume Stores	171,179	0	171,179
Optical Goods Stores-44613	120,353	0	120,353
Other Health and Personal Care Stores-44619	299,374	181,738	117,636
Gasoline Stations-447	7,023,642	2,690,688	4,332,954
Gasoline Stations With Conv Stores-44711	5,270,604	1,437,550	3,833,054
Other Gasoline Stations-44719	1,753,038	1,253,138	499,900

Opportunity Gap - Retail Stores	PTA		
	(Consumer Expenditures)	(Retail Sales)	Leakage (Inflow)
Clothing and Clothing Accessories Stores-448	2,534,627	266,568	2,268,059
Clothing Stores-4481	1,803,436	266,568	1,536,868
Shoe Stores-4482	371,318	0	371,318
Jewelry, Luggage, Leather Goods Stores-4483	359,872	0	359,872
Sporting Goods, Hobby, Book, Music Stores-451	1,106,740	57,872	1,048,868
Sportng Goods, Hobby, Musical Inst Stores-4511	794,864	55,821	739,043
Book, Periodical and Music Stores-4512	311,876	2,051	309,825
General Merchandise Stores-452	8,475,664	43,879	8,431,785
Department Stores Excl Leased Depts-4521	3,922,163	0	3,922,163
Other General Merchandise Stores-4529	4,553,501	43,879	4,509,622
Miscellaneous Store Retailers-453	1,845,651	1,488,025	357,626
Florists-4531	125,601	47,737	77,864
Office Supplies, Stationery, Gift Stores-4532	640,795	1,200,521	-559,726
Office Supplies and Stationery Stores-45321	364,466	0	364,466
Gift, Novelty and Souvenir Stores-45322	276,329	1,200,521	-924,192
Used Merchandise Stores-4533	120,045	19,499	100,546
Other Miscellaneous Store Retailers-4539	959,209	220,268	738,941
Non-Store Retailers-454	4,926,874	73,531	4,853,343
Foodservice and Drinking Places-722	6,309,440	16,874,743	-10,565,303
Full-Service Restaurants-7221	2,828,272	4,835,192	-2,006,920
Limited-Service Eating Places-7222	2,636,814	9,022,082	-6,385,268
Special Foodservices-7223	521,184	2,470,389	-1,949,205
Drinking Places -Alcoholic Beverages-7224	323,170	547,080	-223,910

2.4 Retail Market Analysis – Visiting Customers

It is very rare for a typical retail market study to delve into visiting customers as a component of the core market. Even the most tourism-oriented communities we have studied do not provide apt comparison (Hendersonville, Franklin, and Waynesville in North Carolina; Aiken and Beaufort in South Carolina; and Ocean Springs in Mississippi) because they have a robust local population to support local businesses making the visitor market the “icing on the cake” to make businesses even more successful. Lake Lure and Chimney Rock Village are anomalies in that they are almost entirely dependent on visitor traffic.

As a consequence, we must look at the visitor traffic with the caveat that visitors represent a much less stable market on which to depend for market support than local traffic. The visiting customer requires constant cultivation, ongoing marketing, a changing product, and dynamic partnerships. The scope of this study was not to conduct a tourism analysis for Lake Lure and Chimney Rock but we do benefit from research conducted by the State of North Carolina in its 2011 *Chimney Rock State Park Master Plan*, which uses historical data from Chimney Rock Park and projected data based on proposed improvements to the park over time; extensive data collected by the North Carolina Department of Commerce; and projection data produced by the North Carolina Department of Transportation for Lake Lure specifically.

2.4.1 Chimney Rock Park/Chimney Rock State Park

As the key visitor attraction in the area, and the one destination with reliable historic data collection, Chimney Rock Park represents the best way for this study to evaluate visitor traffic to the region. According to the 2011 *Chimney Rock State Park Master Plan*, peak attendance at the park occurred in the late 1990’s with an annual high attendance in 1999 of 278,802. The park fluctuated in attendance in the following years and then began a decline to below 215,000 since 2008 (in 2011 it was 214,728 a 22% decline from the peak of 1999).

The Master Plan vision for the park calls for significant improvements (estimated at \$26.6 million) over a period of many years with a five-year action strategy for more immediate objectives. The overall goal is to broaden the park’s appeal through a number of improvements not only to the attraction portion of the park (the Chimney Rock itself) but also to the entire park holdings that are interspersed throughout the area. Hiking, climbing, picnicking, primitive camping, group camping, mountain biking will all be components of the park as it grows and evolves over the coming years.

The North Carolina Department of Transportation is conducting a study of traffic impacts created by changes at Chimney Rock State Park. Their study has identified future vehicle traffic at the park to increase by 83% from 191,010 vehicles per year to 350,000 vehicles per year. This represents a significant increase in visitation to the park over current numbers.

2.4.2 State Tourism Benchmarks

The North Carolina Division of Tourism, Film, and Sports Development produces an annual report of visitor statistics for the state. The *2011 North Carolina Visitor Profile* indicated that the average visitor “party” was 2.1 people and that each party spend on average \$576 per party on an overnight trip and \$155 per visit for a day trip.

Arnett Muldrow’s zip code survey ascertained that between 55% and 62% of the traffic documented were overnight visitors (with 50% to 54% vacationing or renting and the balance second home owners). Day-trippers represent between 27% and 30% of the visits in the two zip code surveys.

If we use the current and projected park attendance numbers, we can gather a conservative estimate of what impact visitors are having on the Lake Lure/Chimney Rock Village economy. (This is conservative because we are making the assumption that all visitors to Chimney Rock Village and Lake Lure are not necessarily visiting the park.)

The impact under this scenario is that overnight visitors are currently spending \$55.0 million each year and day-trippers are spending \$8.0 million per year for a total of \$63 million per year. Once the park is fully operational, overnight and day trip visitors could increase spending to \$115.4 million per year. These numbers include the cost of accommodations, which are not reflected in the retail sales numbers above.

Even a quick glance at the spending and sales numbers of local customers pales in comparison with that of visiting customers especially when one considers that much of the spending done by local residents is not actually taking place in Lake Lure or Chimney Rock but in larger cities nearby. Compounding this disparity is the robust growth projected for visitor traffic as compared to local population growth. On its current track, the permanent population of Lake Lure and Chimney Rock would take nearly seventy years to catch the percentage growth in visitation expected by Chimney Rock State Park and the population would still remain well under 10,000 residents. This puts further emphasis on the imperative role that tourism plays in the local economy.

2.5 Key Market Conclusions and Opportunities

2.5.1 Observations

- The local population in Lake Lure and Chimney Rock is very small in comparison with the visitation to the community. This disproportion means that visitor traffic is driving the market in the community and that dining, shopping, and business opportunities must serve the visitor market in order to be successful.
- Even if substantial growth were to occur in the Town of Lake Lure and Chimney Rock, it is unlikely to sustain substantial retail or restaurant growth. There are no indicators that substantial growth is to occur in the coming decade.
- Consequently, the area is highly dependent on visitor traffic to provide the local population with the dining and shopping options they currently have. Visitor traffic is not as stable than a permanent population base, is seasonal in nature, and is subject to changes in market dynamics more rapidly than a permanent population.
- Having said that, the visitor traffic to the community is extraordinarily robust when compared with the local population. Development of Chimney Rock State Park is expected to dramatically increase visitor traffic and as a consequence, more people will demand more services, shopping, and dining. The Town Center Master Plan identifies retail locations that could house these uses.

2.5.2 Current Business Opportunities

The current market in Lake Lure and Chimney Rock is challenged. The seasonality of the market, low permanent population, national recession, and uncertainty related to changes at Chimney Rock Park have all had a negative impact on retail trade.

The retail market potential for the Town of Lake Lure and Chimney Rock Village combines many different facets of the data gathered above. Not simply a collection of numbers, retail markets depend on both quantitative and qualitative information. Moreover, just because there is retail market potential for a potential retail store type in no way ensures that success of that store type in the community. There are many reasons why a business might succeed or fail and the retail market is but one of those factors. However, this does provide a synopsis guide for the “best potential” retail opportunities in the Town of Lake Lure and Chimney Rock Village.

There are current opportunities for growth in Lake Lure and Chimney Rock however. Intrepid business owners who understand how to serve the local population base and the visitor will find a market ripe for certain uses. They are as follows:

- The Primary Trade Area (16 mile drive time) has no full time pharmacy (though one is located in Ingle’s), pharmacy sales leak \$4.4 million annually. Gaining just 1/8th of that back would support a small locally owned pharmacy that uses a co-op buying group in a space of about 4,000-6,000 square feet. A national chain pharmacy might consider the market but it is unlikely as these stores are frequently at 10,000-12,000 square feet and require more sales per square foot to remain sustainable.
- The area leaks sales in the Building/Hardware/Garden category of \$5.0 million per year. This is an interesting category in that it could be appealing to a visitor and a local. A good nursery/outdoor

furnishings store with some hardware offerings is ideally suited for residents, second home residents, and visitors who are day-tripping or spending a weekend in the area. This store type could be in the 10,000-15,000 square foot range depending on outdoor display space and is likely to be either a part of a buying co-op (Ace or Tru-Value) or completely independent.

- While not as glamorous as some uses, the area can sustain an additional service station.
- Clothing, accessories, and home furnishings represent an unusual opportunity for Lake Lure and Chimney Rock Village. These stores would need to be carefully merchandised and are will be small independently owned stores. They are ideally suited for ground floor retail space that might be developed in Lake Lure’s town center.
- The “General Merchandise” category leaks sales to the tune of about \$4.5 million per year. While this may not be the ideal category for a town center location, the aggressive growth of Dollar General and stores of similar type has been a shining star in an otherwise moribund retail market.

2.5.3 Future Business Opportunities

Once the entrance to the park is completed in Lake Lure, the opportunities for additional retail growth will change significantly. The community should expect significant “churn” as businesses “test the market” to see what works and what doesn’t. Unless ingress and egress in Chimney Rock Village closes completely (which has not been recommended), the merchandise mix there should remain stable.

Lake Lure on the other hand will see significant changes in its retail offerings. First, restaurants are likely to be more successful and new restaurants will open. Outdoor outfitters will become a major opportunity provided the hiking, mountain biking, and climbing components of the park add to the existing offerings and are marketed aggressively. Clothing, accessories, and home furnishings will also see a boost.

All of these uses are likely to require a subsidized rent if Lake Lure wants them to develop early in the growth of the park. If the park attendance grows as expected, the market will catch up. It is simply a question of time.

2.5.4 Residential Opportunities

Although this study is not a housing analysis, focus group sessions, on the ground observation, and examination of the housing data for the area indicates that both Lake Lure and Chimney Rock lack variety in housing options. Affordable housing, apartments, starter homes, and upper floor residential units are simply not a significant portion of the housing market.

Upper floor housing units are becoming more popular with two important segments of the population. The first is the young professional who desires upstairs living close to dining, shopping, and recreation. The second is the active empty nester who desires the same living arrangement. The opportunity for this use does not require a “market study” but rather a developer willing to create a product that is attractive to this demographic.

The population growth figures for Lake Lure indicate Lake Lure should not expect hundreds of units, but rather one to two dozen units done over time. The demographic assessment above indicates that the community is growing by only 26 households per year. However, pent up demand for this type of housing product is likely to make it appealing.

The Town Center Master Plan is not specific about how many units are illustrated but a two to three story format would work for this product type. The key challenge will be how to lease ground floor space for retail as the park ramps up attendance as there is little present demand for retail space.

As the park continues to drive business into the town center, the opportunities for growth in the residential category will grow alongside the growth of the businesses. Unfortunately, the number of rooftops illustrated in the Town Center plan would have a negligible impact on supporting additional retail or restaurant uses in the town center. Even outside of the Town Center, without a rather abrupt change in the traditional and projected growth patterns; additional apartment and starter homes are not likely to develop in great quantities.

This presents a challenging “chicken or the egg” dilemma where visitor increases will create the demand for more retail and restaurants that will in turn be more desirable for residential. This is counterintuitive to traditional theory that says rooftops drive retail. In the case of Lake Lure and Chimney Rock visitor traffic will be the driver of retail growth, which, in turn, will make the Town Center a more appealing place for residents.

One strategy to consider is to have some of the residential units also serve as condo hotel units for extended or short term stays while the market grows for pure residential use. A housing study might provide more insight into this market.

2.5.5 Other Opportunities and Conclusions

Lake Lure and Chimney Rock have taken an unprecedented move in taking on this project together in partnership with Rutherford County Tourism Development Authority, Chimney Rock State Park, and the North Carolina Department of Transportation. This in and of itself is an accomplishment to celebrate. There are several other opportunities and general conclusions that need to be pointed out:

- The community discussed the idea of some form of meeting space/conference space. This study is not designed to establish the true feasibility of such a project but Arnett Muldrow agrees that a facility of this nature would add to the appeal of the community to residents and visitors. We will explore some detailed recommendations to explore this facility in chapter three.
- Lake Lure and Chimney Rock are projected to grow slowly over the coming years. The recommendations in chapter three of this report are designed to provide Lake Lure ways of targeting desired demographics through marketing and product development.
- Investors come to a community that has a plan, has demonstrated commitment to that plan through public infrastructure, and stand ready to partner with the private sector to see a project come to fruition. The public private partnership is alive and thriving in communities big and small, Lake Lure especially should explore what kind of incentives, infrastructure, and other tools it will bring to the table to work with the investment community.

- The visitor market will change as the offerings at Chimney Rock State Park continue to evolve. This represents a tremendous opportunity for Chimney Rock Village and Lake Lure to cultivate the visitor interested in outdoor activities, heritage tourism, and nature based tourism. Ways to do this are proposed in chapter three of this report.

3.0 Implementation Strategy and Action Plan

The following recommendations are compiled under four strategic themes for the Town of Lake Lure and Chimney Rock Village. These initiatives are:

- ***Deploying the Message: Marketing and Image Building***
- ***Building Critical Mass: Sustainable Growth***
- ***Inviting the Visitor: Physical Environment***
- ***Preparing for the Future: Organizational Strategy***

Each of the strategic themes presented below begins with an explanation of the issues upon which each strategy is based followed by a series of recommendations for implementing each strategy.

3.1 Deploying the Message: Marketing and Image Building

3.1.1 Issues

Lake Lure has not had a consistent logo/marketing look in recent times though in its history, the community was promoted in very thorough marketing pieces designed to appeal to an affluent customer who desired a luxury destination in the mountains of North Carolina.

As the two communities emerged, each maintained a separate identity. Consequently, Chimney Rock Village and Lake Lure have done little to no cooperative marketing to cross-promote their destinations although they offer complementary product. Lake Lure offers little to no shopping while Chimney Rock offers only non-alcohol dining options. Each offers a unique setting.

This project has shown that both communities have a reinvigorated partnership with each other. Adding to this partnership is improved coordination with Rutherford County Tourism. This level of cooperation presents a tremendous opportunity to market a complete message for both communities. The changes with Chimney Rock State Park reinforce the need for both communities to cooperatively work to improve, refine, and co-market the area as one of Western North Carolina's most unique destinations.

Marketing Lake Lure and Chimney Rock will involve a multi-pronged strategy that includes several target audiences:

- *The local Town of Lake Lure and Chimney Rock Village resident, while full-time residents in the area represent a relatively small component of the overall market for Lake Lure and Chimney Rock, and residents are often spread out at far ends of the communities (due to the lake itself and mountainous terrain), the marketing image for both communities should be something locals are proud to use and see as representative of the place where they live. Moreover, they should be reminded that the community they know so well is changing and that visiting a destination or shop five years ago may be completely different from today.*

- *The part time resident* is an especially crucial component to the Town of Lake Lure and Chimney Rock Village customer market. These residents “adopt” the community during the time they are there. They are prone to falling into routines unless a marketing initiative reminds them of the dynamic new things that are offered in the community. These customers, like full time residents sometimes need to be reminded of what makes the community unique.
- *The visitor*, who represents a fascinating target market for the Town of Lake Lure and Chimney Rock Village. The visitor to the area comes in many facets, the market data shows that both day-trippers and overnight visitors represent an important component of the market for Lake Lure and Chimney Rock. Each visitor has different expectations and the marketing material should set expectations, explain the uniqueness of the area, and cultivate the visitor experience.

As a result of these issues the goal for this strategy should be:

The Town of Lake Lure and Chimney Rock Village will work together with key partners at the County and State level to promote a cohesive identity for both communities.

3.1.2 Immediate Recommendations 2013

- **Recommendation: Adopt the Brand Identity System.** The brand identity system for the Town of Lake Lure and Chimney Rock Village serves several purposes:
 - It reinforces the positive attributes of Lake Lure and Chimney Rock Village;
 - It connects the two communities with a unified message that resonates with the local resident, visitor, and future resident while preserving the identity of each community; and,
 - It creates a “toolbox” for both communities to use to better tell their stories.



The brand style guide that accompanies this report provides the images of the brand system and goes into great detail about the elements of the brand including typefaces, color palette, the icon, and the tagline. The brand statement below is designed to help the community adopt and deploy the brand by providing a “script” that describes the community:

We are Lake Lure and Chimney Rock Village

We are a town born of a grand vision in an era where lofty dreams led to bold plans. Influenced by the lake and mountain resorts of Europe, we were envisioned as a sanctuary for serenity and relaxation. We have evolved into a place where generations come to reconnect and newcomers discover a retreat from the rigors of day-to-day life.

We are a village built with a deep pioneering spirit to enchant visitors. We are here to delight the young and the young at heart. We are a place that harkens to a simpler time where the laughter of a child, a friendly smile, and the warmth of a small town captivate our guests.

We are the best of all that is Western North Carolina, a setting of unrivaled beauty. Our backdrop is a cathedral of mountain cliffs and our forefront is a rushing river and a serene lake.

We are a place for outdoor adventures, a hike in the woods, a bike ride, a climb on a sheer rock face, a day on the water fishing, boating, or kayaking.

We are a place of relaxing inns, charming shops, a stroll on the river—a place to pause, reflect, and be inspired; a place of art, craft, and music and a place of learning.

We are a place where romance and charm converge with a storied history in a stunning setting.

We are a place where guests become residents and those who choose life here wish to move not with the ticking of a clock but with the rhythm of the seasons.

Connections here run deep and hold fast. We invite you to experience this amazing place as our welcomed guest or as our future neighbor.

We are Lake Lure, We are Chimney Rock Village

Lofty views, deep history.

This marketing strategy includes the tagline, established typefaces, graphic style guides, and messaging opportunities. This package should be “adopted” by the Town Councils of Lake Lure and Chimney Rock Village in their combined efforts to market the community.

In implementing the marketing strategy, the communities should begin a roll out of the identity immediately as specified in recommendations below. The Town of Lake Lure and Chimney Rock Village should also engage with partner organizations such as the Rutherford County Tourism Development Authority, the Hickory Nut Gorge Chamber of Commerce, the Chimney Rock Community Development Association, Chimney Rock State Park and others to consider joint marketing efforts that use the system and to consider elements of the marketing package that might “cross over” into the marketing done by each of the partners.

The style guide and resource media can be used as both an internal resource and as an easy way to have “ready to deliver” resources to vendors and media sources. The communities should develop a policy for providing the resources to media outlets and partner organizations including a protocol for their use. The style guide that accompanies this report provides the usage rules that will govern how the tagline, logo, color system, and promotional efforts are to be used. The

communities should consider a “brand steward” who is specifically designated with the task of cultivating partnerships to get the brand out while maintaining quality control in brand deployment. (Recommended implementation partners: Town of Lake Lure, Chimney Rock Village, Rutherford County TDA, Hickory Nut Gorge Chamber of Commerce, Chimney Rock State Park, local businesses, and others)

- **Recommendation: Launch LoftyandDeep.com Web Page.** Both the Town of Lake Lure and Chimney Rock Village have good websites that provide valuable information about local government and visitor amenities in the community. However, there is no common website for the two communities that compiles the visitor attractions, recreation opportunities, shopping, dining, and accommodations. We recommend using the URL www.loftyanddeep.com (and .net, .org, and .mobi) as a jumping off point for visitors to the community. The website should connect to both the Town of Lake Lure and Chimney Rock Village websites as well as the Rutherford County Tourism site. The site should be managed and updated on a regular basis using an open source content management system like WordPress. Ideally, a limited number of key staff should have access to site to make updates to calendars, events, and attractions and a simple protocol for updating the site should be deployed. (Recommended implementation partners: Town of Lake Lure, Chimney Rock Village, Hickory Nut Gorge Chamber, and Rutherford County Tourism Development Authority)
- **Recommendation: Track Website Traffic Using Google Analytics.** Begin tracking the www.loftyanddeep.com website using Google Analytics. Because the site will be a new one, it should be relatively easy to track growth and success of various marketing efforts. This becomes a hallmark of measuring the success of ALL marketing material as each piece should direct visitors back to the website. Make sure to circulate that Analytics data freely around the organization so stakeholders will have immediate feedback on how this effort is going. The following paragraphs provide some standard “helpful hints” for using analytics. The descriptions are based on Google Analytics but are generally applicable to all sites. Monitoring site traffic is going to be one of the most important steps of any marketing strategy.

Measuring the success of a marketing effort, especially one focused on economic development has never been an easy task. Fortunately, analytics on the web brings a whole new level of interpretation about the success of a marketing campaign because it will be the “clearinghouse” for all of the marketing material whether it is print materials, QR cards, banners, and any other material promoting Lake Lure.

Using web analytics it is important to remember that different web statistics tell very different stories about how a web site is working. Depending on what the goals are for the site, you might focus on specific metrics over other metrics. Following are some guidelines to match performance goals with metrics inside of Google Analytics (terminology might be slightly different for other metrics platforms).

NEW USERS

All web sites must be found before they can be consumed. Many paths can lead to a web site-- external traditional marketing such as print ads or flyers might have a URL printed in the contact

information, a radio ad might repeat the web site's address or banner ads and search ads across the web might point to your site. Additionally, "natural search," or the ability of a search engine like Bing or Google to surface a web site as the result of a query, also drives traffic to your site.

Overall effectiveness of driving new users to your site is reflected in the ABSOLUTE UNIQUE VISITORS number. Absolute unique visitors are individual computers logged onto the site over a given period of time. An increase in this number means more people have chosen to visit your site.

It is very difficult to drive growth in unique users simply by improving the quality of your site through content changes. That is because new users must be found from outside sources, and the only internal way to drive that growth is word of mouth. In other words, your outside marketing is going to be the primary driver of new absolute unique users.

You can, however, track which of your outside marketing efforts are effective using three different metrics. DIRECT TRAFFIC means that users are typing your URL directly into their browser or have you bookmarked. Increase in direct traffic means you've done a good job of branding your site—consumers know your URL or have read it somewhere and have typed it into their computer.

REFERRING SITES gives you a record of other sites that are linking to you. An increase in this number means your site has been identified by outside sites as a good source of information. You can see which sites are pointing to you. This will be particularly important for www.loftyanddeep.com because it will be linked to the Town of Lake Lure, Chimney Rock Village, and Rutherford County Tourism webpages.

SEARCH ENGINES is a special kind of report that shows when people have come to you because of a natural search result on a search engine. While each search engine has its own algorithm for determining how a site rises to the top of a natural search page, it's valuable to know if search engines are increasingly showing your page as a strong match for a topic.

The KEYWORDS report will actually show you which terms people searched for when they found your site.

USER ENGAGEMENT

Once you've gotten people on your site, you can track user engagement in your content. Good numbers for user engagement mean that people are visiting your site and consuming a lot of your information. Bad numbers mean that you could be doing the best outside marketing in the world, but people aren't compelled to stick around once they get to your site.

For many years, PAGEVIEWS were the coin of the realm when it came to measuring overall site traffic, and pageviews are still a pretty good guide to how well users are engaging with your content. A pageview is a single view by a single computer of a single page on your site (as opposed to the old "HIT" metric, which measured every file, image, etc. associated with each page).

Pageviews are best used, however, in conjunction with other data to give a more comprehensive view of how people are using your site. Google Analytics has a "PAGES PER VISIT" metric that averages how many pages a single visitor consumes. If this number goes up, it could mean you've increased the quantity and quality of your content. Be careful, though—pages per visit will change directly after a site redesign as users figure out the new arrangement of the site. You need to give the numbers time to settle after such a change.

AVERAGE TIME ON SITE is another great way to tell how people are using your site. Some popular news sites have numbers from 4 to 10 minutes in this metric. Social media sites tend to have much higher time on site numbers, while advertising or business sites tend to be a bit lower.

TOP CONTENT will actually show you which parts of your site visitors are viewing. It breaks the views down by page name. Your home page is typically the most-visited page, so go past that to the pages below to see what other parts of the site are being viewed. You can experiment with site design and navigation to see if you can move certain page up on the top content list.

OTHER STATISTICS

You can learn a lot about your users through the VISITORS tab on Google Analytics. The MOBILE section tells you how many of your users are accessing your site through a mobile browser such as the one on an iPhone, Android phone or iPad. We are seeing quite an increase in mobile numbers across all web sites as these browser-equipped phones are becoming more available and less expensive, and we'll likely see more big bumps as these technologies continue to become more popular. Increases in this usage may point to some specific targeted marketing toward these users in the future.

The MAP OVERLAY allows you to drill down into the users on your site to see from which parts of the country and the world they are visiting. You can go down to town level, but be aware that sometimes the location of a cable company's or phone company's equipment will skew that city-level data. This may be particularly important for Lake Lure and Chimney Rock Village if the communities are targeting a particular audience with specific marketing in a geography. Increased traffic means they are spending more time studying your information.

You'll notice that there are sections for analytics goals, custom variables and event tracking. All of these variables can be set to more closely track specific actions on your web site unique to you. An event tracker could be configured, for instance, to fire every time a video was played on your site or a certain button was clicked. These variables require some special coding on your pages that doesn't come "out of the box" with Google Analytics. This might be particularly helpful when Lake Lure and Chimney Rock Village are promoting an event or activity.

OVERALL SITE HEALTH

If you're looking for a metric that will give you a quick, at-a-glance view of site health, you may want to focus on the VISITS report. This tells you how many times during the day your site is visited. Some of these visits may be from return visitors. An increase in visit numbers can mean increased new users or repeat traffic from your users. Either one of those is a good thing, but you'll have to dig more deeply to see what it means for you. An upward line on your VISITS graph, though, means you're doing something correctly.

We recommend that a monthly report on web traffic is issued so the effectiveness of the overall marketing campaign can be monitored. (Recommended implementation partners: Town of Lake Lure, Chimney Rock Village, Hickory Nut Gorge Chamber of Commerce)

3.1.3 Next Step Recommendations 2013-2014

- **Recommendation: Develop targeted print material handouts.** We recommend that Lake Lure and Chimney Rock Village go an unorthodox print route to distinguish the community from other places. While the traditional “rack card” brochure is effective, it frequently gets lost in the shuffle of material provided to visitors. Working directly with merchants, accommodations, and restaurants, the communities should produce two guides:
 - The Guide to Lofty Views would provide the visitor direction to all of the outdoor amenities in the community including the best views, ways to access the water safely, hiking and biking trails, climbing, and beauty spots.
 - The Guide to Deep History would be both a guide to the unique history of the area and also serve as a guide to shopping, dining, accommodations, and events (including weddings).

(Recommended implementation partner: Rutherford County Tourism Development Authority, Hickory Nut Gorge Chamber of Commerce, Rumbling Bald Resort)

- **Recommendation: Launch the Brand in the Latest Rutherford County Tourism Publication.** Both communities should work closely with the Tourism Development Authority on a bold launch strategy on the latest tourism guide including perhaps a double spread ad for the community and perhaps inclusion of the brand statement in an “article” on the area. (Recommended implementation partner: Rutherford County Tourism Development Authority, Town of Lake Lure, Chimney Rock Village)

- **Recommendation: Implement the ‘made fresh, made local, making memories’ tag system.** This recommendation is a result of a roundtable meeting discussion that emphasized how the community might improve customer service, create buzz, and profile things that are made locally (whether it is a fresh loaf of bread or a piece of handcrafted jewelry). These tags could become easy ways to personalize the visitor experience to Lake Lure and Chimney Rock Village. (Recommended implementation partners: Lake Lure Artists, Local Merchants)



- ***Host an annual marketing summit.*** The success of any joint marketing effort is ongoing communication. One of the biggest challenges any community faces when looking at marketing itself is the urgency created by not having an ongoing plan, being able to modify that plan, and adapt to changes. We recommend a marketing summit each year that would include Chimney Rock Village, the Town of Lake Lure, Chimney Rock State Park, Rumbling Bald Resort, Flowering Bridge, and the Rutherford County Tourism Development Authority to assess the prior years successes and map out the coming year’s marketing for the area. (Recommended implementation partners: listed above in recommendation)

3.1.4 Longer Term Recommendations 2015-2020

- ***Recommendation: Contemplate a comprehensive cooperative ad system in regional media.*** Making ad placement is a daunting task particularly in a region where there are multiple publications, many large budget placement options, and a host of markets that could be targets. For example, Mecklenburg County ranked as one of the top places for visitor origination in the September zip code survey but penetrating that media market is expensive. We recommend that Lake Lure and Chimney Rock Village piggy back on the regional “giants” of marketing to attract guests to the region (Henderson County, Asheville, Biltmore House, etc.) and concentrate on appearing in publications once the visitor is in the region. The style guide provides templates for local businesses to use that can create a cohesive image for the area. We strongly advise that these templates be made available to local businesses to further the branding effort.

At the same time, the community can contemplate some social media options to experiment with marketing outside the region at a much lower price point. Any of these efforts should fit hand in glove with the marketing initiatives of the Rutherford County Tourism Development Authority.

We are recommending this as a longer-term initiative so the community can have the brand thoroughly deployed locally before launching it outside of the market. (Recommended implementation partners: Town of Lake Lure, Chimney Rock Village, Hickory Nut Gorge Chamber of Commerce, Rutherford County Tourism Development Authority, Rumbling Bald Resort, local businesses that advertise in the region)

- ***Continue to update print pieces on an annual basis.*** These pieces along with the webpage should remain up to date. The nature of business in the area means that new businesses will be opening, others may close, new attractions (trails, etc.) will come online and each will need to be included in the annual update. (Recommended implementation partner: Chimney Rock State Park, Hickory Nut Gorge Chamber of Commerce, Chimney Rock Community Development Association)

3.2 Building Critical Mass: Sustainable Growth

3.2.1 Issues

The residential base of Chimney Rock Village and Lake Lure is insufficient to support the number of restaurants and shops in the community: tourism is a driving force for the success of both communities. However, Lake Lure Classical Academy and Ingle's have made the area more desirable for residents and anecdotal evidence from the input sessions indicates that more professionals and families have discovered the area and are successfully living here. This will become even more appealing as the Academy grows and a new medical facility locates in the community. Conversely, even if permanent population growth far exceeds the estimated 26 households a year in the area, the growth is unlikely to create a critical mass of residents to support substantial additional retail development.

This points once again to a flourishing visitor strategy that hinges on the changes at Chimney Rock State Park. In fact, if the projected growth figures for visitation at Chimney Rock Park come to pass, significant growth opportunities in shopping and dining will materialize. More importantly, the nature of the visitor to the area will diversify to include people who are looking for active pursuits such as climbing, hiking, mountain biking, and water related activities. This is precisely the demographic that will diversify the population base as it grows.

In conclusion, the communities will enjoy measured growth in population with the traditional retiree as a key component alongside more families and young professionals. Attracting these families and young professionals will take effort on the part of the community. At the same time Chimney Rock State Park improvements will bring robust growth in the visitor economy resulting in more amenities that will also serve locals making it an "easier sell" as time goes by. The goal then becomes:

The Town of Lake Lure and Chimney Rock Village will continue to grow as a location for second homes and retirees and will pursue young professionals, families, and active empty nesters to support a well-rounded population base while encouraging a diverse and growing visitor base.

3.2.2 Immediate Recommendations 2013

- **Recommendation: Continue to Gather a "Young Professionals" Group.** During the meetings in Lake Lure and Chimney Rock Village, the young professionals in the community provided a welcome surprise with their enthusiasm, participation, and engagement. The communities should continue to encourage involvement from not only young professionals but also newcomers to Lake Lure who are engaged in creative ways to live and work in the community. We have found that such groups work best if they are simply network/social groups and don't try to force an agenda or service component in the early stages. Networking opportunities alone can reap rich rewards for the community. (Recommended implementation partner: Hickory Nut Gorge Chamber of Commerce)

- **Recommendation: Continue to work with Rutherford County on expanding broadband access to the Town of Lake Lure.** One of the principal impediments to working from home in the area is the lack of broadband access and even good cell phone signals in some locations. Unfortunately, the stunning setting of the area is not conducive to easy broadband and cell access. However, the Town of Lake Lure has been working alongside partners at the County level to get better broadband access. These efforts should continue. (Recommended implementation partners: The Town of Lake Lure, Rutherford County Economic Development, Advantage West)
- **Recommendation: Develop a “Living in Lake Lure” marketing piece.** Currently, there is no concise marketing piece that explains the advantages of living in Lake Lure. Such a piece should profile the Classical Academy, shopping and dining, recreation, and overall lifestyle in the community. It should include testimonials from young families, professionals who telecommute, and others who have a unique perspective on living in the community. (Recommended implementation partners: local real estate professionals, Hickory Nut Gorge Chamber of Commerce, Rumbling Bald Resort)
- **Recommendation: Create a Temporary Gallery Space.** The arts community in the area is extremely strong and there are few places for exhibits of local art. The Rutherford County Tourism Development Authority should consider temporary gallery space with rotating exhibits as part of the visitor center improvements. (Recommended implementation partner: Lake Lure Artists, Rutherford County Tourism Development Authority)
- **Recommendation: Explore Ways to Foster Investment in City Center.** There are many creative ways that an innovative community can explore to foster investment in retail development in the absence of a robust local market. The conventional wisdom has been that a community must recruit or wait for a developer to assemble capital and invest in a project or building and that developer will recruit the tenants. Several evolving models are turning the traditional thinking upside down. Some options that Lake Lure in particular might consider would be:
 - *Grass Roots Recruitment.* Simply creating a promotional piece that profiles the community, provides data from this report on supportable businesses, and providing a plan can be an inducement for investors to explore businesses in the community. Oftentimes, successful local businesses in the region are the best targets for expansion.
 - *Town Center Development Corporation.* This would be a public/private partnership to develop the Town Center as envisioned in the plan. Excellent models of Development Corporations can be found in many nearby communities including Greenville’s Local Development Corporation and the Greer Partnership for Tomorrow.
 - *Angel Investment Fund.* This is a similar model development corporation but allows for more of a “hands off” approach to redevelopment. Typically an entity is formed (usually an LLC). Investors become shareholders and are solicited through an IPO. Targeted sites are explored and detailed investment pro-formas are created to show the kind of return on investment that might occur. This kind of fund would require an exit strategy. Bristol, Vermont created a similar club to restore the Dunshee Block in its downtown. Investors received a 7% return on their investment over eight years. An Angel Investment model might also include a loan based model at a slightly higher

interest rate though at flexible terms so that the business owner can get off the ground. This loan has an inherent goal to be refinanced at more affordable rates once the business or development is off the ground.

- *Gift Certificate Model.* The Gift Certificate model is geared more toward investing in a particular business than in a development. Citizens purchase gift certificates that are redeemable over time at a percentage return on investment (for example \$1000 of gift certificates would be sold for \$900). Over time the certificates can be redeemed for merchandise or food in the establishment. This allows the business to get up and running with an infusion of cash while fostering loyalty from the local consumer. Several food related businesses have been started using the gift certificate model
- *Look at a capital campaign for the Town of Lake Lure and Chimney Rock Village.* Perhaps the most direct way of raising capital to ensure that the community is in a position for investment is through a capital campaign that could be dedicated to implementing the goals of the Town Center Master Plan and this report. As a donation effort, the return on investment is the overall health of the community allowing the maximum flexibility to find the right investors, tenants, and owners for buildings. Greer, South Carolina has succeeded in raising nearly \$7 million in ten years through capital campaigns. This investment has transformed their downtown from a near empty declining district into one of the most successful small towns in the Upstate of South Carolina.

(Recommended implementation partner: a task force appointed by Lake Lure Town Council)

3.2.3 *Next Step Recommendations 2013-2014*

- ***Recommendation: Explore “Lone Wolf” office catalyst.*** The “lone wolf” consultant or small firm is an ideal candidate for Lake Lure, currently there is no central place for these individuals and firms to conduct business with clients. Lake Lure should explore a co-working space in Town Center that offers conference room space for meetings, a full range of space from temporary offices to more permanent space, high speed internet connectivity, media for online meetings, an office administrator, and a copy/courier service. Co-working is one of the biggest trends in larger cities and the model is easily replicated in a smaller community. (Recommended implementation partner: owners of existing vacant space, Town of Lake Lure)
- ***Explore more permanent public gallery space.*** The communities should explore a location for a cooperative gallery space that might also include studios and classroom space. This type of amenity could be a key attractor for visitors and a way to recruit more artists to the community. (Recommended implementation partner: Lake Lure Artists, Town of Lake Lure, Private Sector property owners.)

3.2.4 *Longer Term Recommendations 2015-2020*

- ***Cooperate to Develop the First Residential Project in Town Center.*** Financing for residential products remains challenging so this recommendation is pegged on doing additional due diligence on where a phase one implementation project of the Town Center Master Plan might take place

and how it will be financed. Because of the market conditions, the Town of Lake Lure should be prepared to incent development of such a project by providing public infrastructure such as parking to write down the cost of development. This is common practice in downtowns across the country. The residential product type will need a detailed pro-forma, an identified parcel, and perhaps a request for qualifications for developers.

- ***Explore a Meeting Facility in Lake Lure.*** Many of the focus groups indicated a desire for some sort of meeting place in Lake Lure that could be used for reunions, weddings, small conferences, and similar events. Both Town Hall and the Visitors' Center could be easily modified to accommodate such a space. We encourage representatives from the Town of Lake Lure to visit Greer, South Carolina to see the flexible space they created in their City Hall. It is a way to take a space that is used for formal council meetings and convert it into an attractive meeting facility. The facility could also be an ideal location to showcase all that Rutherford County has to offer for potential economic development recruits to the region. (Recommended implementation partner: Town of Lake Lure, Rutherford County Economic Development, Rutherford County Tourism Development Authority)

3.3 Inviting the Visitor: Physical Environment

3.3.1 Issues

The Town of Lake Lure and Chimney Rock Village enjoy a stunning setting unmatched in Western North Carolina. Both communities also have many attractions and destinations that residents and visitors enjoy throughout the year. Despite the evident beauty of Lake Lure and Chimney Rock Village's natural environment, the area's built environment and environmental design elements often diminish one's experience of this place.

Taken as a whole, the Town of Lake Lure and Chimney Rock Village include a large geographic area. Rather than connecting these assets, the area's unmanaged sign clutter sows confusion. Also, the extent and tone of the area's existing regulatory signage fosters the impression that Lake Lure and Chimney Rock Village are unwelcoming places that simply tolerate, rather than encourage, visitor interaction with their offerings.

The issue of environmental design becomes doubly important when one considers the projects and improvements that are likely to take place in the next few years. The creation of a new entrance to Chimney Rock State Park, the opening of the Flowering Bridge, and the development of new trails and connections throughout both communities will all require a thoughtful approach to destination access, traffic circulation, awareness of parking resources, and the overall physical element of the visitor experience.

Consequently, the goal for a physical environment strategy should be:

The Town of Lake Lure and Chimney Rock Village will invite their visitors and local residents to enjoy their amenities in a coherent and consistent manner.

3.3.2 Immediate Recommendations 2013

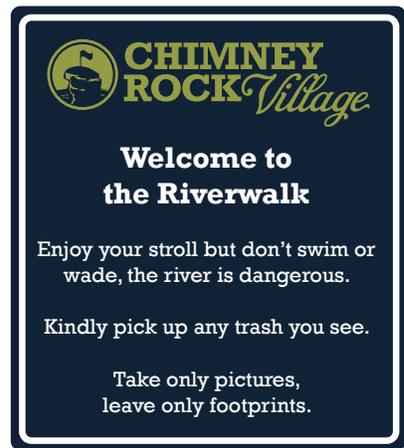
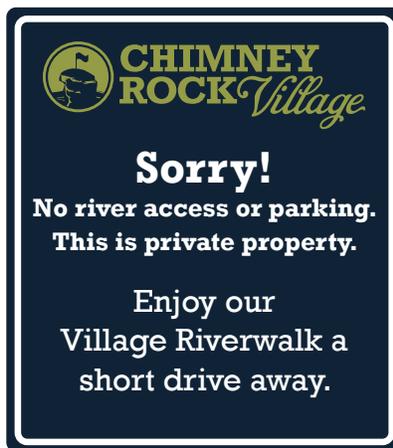
- **Recommendation: Remove Excess Signage Throughout Both Communities.** The Town of Lake Lure and Chimney Rock Village are currently overwhelmed with a hodgepodge of directional and regulatory signage. This level of sign clutter has several negative impacts: one, it detracts from the visual appeal of the communities; two, it broadcasts an unwelcoming message to the visitor; and three, as the number of signs grows, each individual sign steadily loses its power to direct or regulate. The Town of Lake Lure has already conducted a sign inventory. It should work with Chimney Rock Village to do the same in the coming months. Both communities should then work aggressively to remove sign clutter and set the stage for an improved signage system. (Recommended implementation partners: Town of Lake Lure and Chimney Rock Village)



- **Recommendation: Partner with Rutherford County TDA on Countywide Wayfinding Plan.** The Town of Lake Lure and Chimney Rock Village already have a seat at this table. However, the communities should actively work with Rutherford County TDA to ensure the ongoing wayfinding planning process takes into consideration their recently completed graphic identities as well as the future road improvements that will reroute traffic to and from Chimney Rock State Park. (Recommended implementation partners: Town of Lake Lure, Chimney Rock Village, Rutherford County TDA)

3.3.3 Next Step Recommendations 2013-2014

- **Recommendation: Invest in New signs with a Consistent Standard for Both Communities and Replace Remaining Regulatory Signs as Appropriate.** Once the issue of existing sign clutter has been tamed, the Town of Lake Lure and Chimney Rock Village should work together to create and implement an attractive, friendly, consistent approach to regulatory signage in both communities. Images on the following page show how information conveyed in existing signage can be consolidated and presented to the visitor in a non-threatening, sometimes humorous, but compelling way. (Recommended implementation partners: Town of Lake Lure and Chimney Rock Village)



- **Recommendation: Initiate Demonstration Project of Wayfinding Signs in Both Communities.** Currently, there are few signs directing visitors to key attractions and no coordinated system of signs that provide a consistent image for Lake Lure or Chimney Rock Village. Both communities should work in conjunction with the Rutherford County TDA to design and implement a limited wayfinding signage system to identify and direct visitors to key area attractions. (Recommended implementation partners: Town of Lake Lure, Chimney Rock Village, Rutherford County TDA)
- **Recommendation: Complete the Flowering Bridge as a New Attraction for the Community.** This will be a critical new visitor attraction for Lake Lure and Chimney Rock Village alike. The Flowering Bridge project has provided an opportunity for area residents to work together and will serve as a lasting symbol of the physical connection between Lake Lure and Chimney Rock. For these reasons, the importance of the Flowering Bridge cannot be underestimated. (Recommended implementation partners: Friends of the Lake Lure Flowering Bridge)

3.3.4 *Longer Term Recommendations 2015-2020*

- ***Recommendation: Implement Community Wayfinding Plan.*** Once the wayfinding plan and all road improvements are completed, the Town of Lake Lure and Chimney Rock Village should work with the Rutherford County TDA to ensure the wayfinding system is properly installed and implemented. (Recommended implementation partners: Town of Lake Lure, Chimney Rock Village, Rutherford County TDA, NCDOT)
- ***Recommendation: Use visitor kiosks to tie together signage system with marketing collateral.*** A seamless wayfinding system will guide motorists to parking resources and convert these people to pedestrians. Pedestrian kiosks should be deployed strategically to intercept people at this transition point and foster a comfortable, enjoyable visitor experience in Lake Lure and Chimney Rock Village. (Recommended implementation partners: Town of Lake Lure, Chimney Rock Village, Rutherford County TDA)

3.4 Preparing for the Future: Organizational Strategy

3.4.1 Issues

The Community Development Association in Chimney Rock Village has contributed greatly to the activities, amenities, and improvements that have taken place in the community. Their pro-active efforts to connect public and private initiatives have served the community well. Lake Lure currently has no such companion organization to coordinate public/private improvements. Although additional support is needed for both communities to realize their potential, strong partners exist and others are emerging from a period of re-organization such as the Hickory Nut Gorge Chamber of Commerce.

New partners such as the friends of the Lake Lure Flowering Bridge, the state purchase of Chimney Rock Park, the Lake Lure Classical Academy, the Gathering Place and other new initiatives are reinvigorating both communities. There is a sense of excitement about the future of the community and a healthy concern on the part of some about what changes might take place. The time is ripe to foster partnerships with the goal being that:

The Town of Lake Lure and Chimney Rock Village will cultivate the internal capacity and strategic partnerships necessary to advance their individual and shared goals.

3.4.2 Immediate Recommendations 2013

- **Recommendation: The Town of Lake Lure should form a Development Association.** The track record of the Chimney Rock Community Development Association is excellent. The Town of Lake Lure is embarking on a very ambitious initiative to reinvigorate its Town Center and build out the vision created by Dr. Morse in the 1920's. This effort will take coordination. The town of Lake Lure should explore best practices for organizations with similar missions both in North Carolina and in other states and initiate an organization that performs this function. (Recommended implementation partner: Town of Lake Lure)
- **Recommendation: Explore partnership with NCDOC Office of Urban Development.** While the communities of Lake Lure and Chimney Rock do not meet the criteria for the North Carolina Main Street program, there are partnerships through the North Carolina Department of Commerce Office of Urban Development that can be cultivated. Both communities should maintain regular communication with the Office of Urban Development. (Recommended implementation partners: Town of Lake Lure, Chimney Rock Village, Community Development Association, and future Lake Lure Development Association)
- **Recommendation: Initiate the "HeART of Hospitality" initiative.** The HeART of Hospitality initiative was the byproduct of a meeting of the lodging industry and artists in Lake Lure and Chimney Rock Village. The idea of displaying art in rental units, hotel rooms, and inns that could be available for purchase was discussed with much enthusiasm. In fact, a local owner of rental homes has been doing this for some time with great success for the local artists. This program would accomplish several things: it would provide a way for local artists to display their work, it

would create a “personal” touch that is unique to the area, and it would generate interest from local and regional media.



- **Recommendation: Present this Plan to the Rutherford County Board, Tourism Development Authority board, Economic Development Authority Board and other partners.** One of the most important things the community can do is get the word out that there is a plan of action, that the communities are cooperating, and that they desire strong partnerships with Rutherford County and the region. The story of the plans for the future of Lake Lure, Chimney Rock Village, and Chimney Rock State Park are as exciting now as they were in the early 1900’s and this time it appears that many of the plans will come to fruition. This will require many strong partnerships and getting the word out is imperative. (Recommended implementation partner: Steering Committee)

3.4.3 Next Step Recommendations 2013-2014

- **Recommendation: Contemplate an Economic Development Advisor.** It is probably pre-mature to hire a full time economic development staff member with the talented staff already in place at the Town of Lake Lure and Chimney Rock Village, but the community may want to contemplate a part time position that serves as an advisor on economic development related issues, this individual might also serve a role with the Hickory Nut Gorge Chamber of Commerce. (Recommended implementation partner: Town of Lake Lure, Chimney Rock Village)
- **Recommendation: Continually Reexamine Policies Related to Lake Use.** The use of Lake Lure and regulations for the lake were a source of ongoing discussion in many of the focus groups. While this report cannot delve into the details related to the best management practices of the Lake and its amenities, we do advise that the Town of Lake Lure maintain a keen eye on policies that might need to be modified or language that might need to change to be more visitor friendly with those policies. (Recommended implementation partner: Town of Lake Lure)
- **Recommendation: Host an Annual Leadership Roundtable.** Unlike the marketing summit this leadership roundtable might actually be a joint meeting of the Councils of both Lake Lure and Chimney Rock. We have found that such gatherings have been excellent at building camaraderie in neighbor communities. Recently the City Councils from Saco and Biddeford, Maine took an unprecedented move and had a cruise on the river that separates the two cities. Many found the meeting beneficial simply because it allowed for a relaxed interaction between the two communities. (Recommended implementation partner: Town of Lake Lure, Chimney Rock Village)

- ***Develop a series of tools to encourage “front line” participation and knowledge of the efforts in each community:*** Oftentimes, front line employees are not aware of the many amenities that a community offers and in some cases these are the only people that a visitor interacts with. Lake Lure and Chimney Rock Village should consider a way to engage front line employees whether it is through nametags that say “I love hiking” or “I’m a foodie” as a way to initiate dialog with customers, rewards for front line service industry staff that provide exceptional service, and peer-to-peer training for employees. This effort would be an ideal focus for a newly invigorated Hickory Nut Gorge Chamber of Commerce. (Recommended Implementation Partner: Hickory Nut Gorge Chamber of Commerce.

4.0 Concluding Remarks

The Town of Lake Lure and Chimney Rock Village are national treasures that are undergoing an important transformation the likes of which they have not seen since the original vision for the communities emerged at the end of the 19th century. The cooperation shown in producing this report, the earnest and eager participation on the part of well over 100 citizens and stakeholders, and the tireless efforts of staff and volunteers mark a turning point in how the two communities relate to one another.

The future for Lake Lure and Chimney Rock Village is tied directly to the stunning environment in which the two communities sit and the efforts of many partners will bring greater opportunity to explore (and protect) this special place. The tools in this report and the accompanying branding report are part of an overall series of plans that will set in motion thoughtful ways for each community to prosper in the coming years while preserving what makes each place so special.

Implementation Strategy & Action Plan

Strategies\Timeframes	2013	2013-2014	2015-2020
<p>Deploying the Message: Marketing & Image Building</p>	<p><i>Adopt the brand identity system. Launch LoftyandDeep.com web page. Track website traffic using Google Analytics.</i></p>	<p><i>Develop targeted print material handouts. Launch the brand in the latest Rutherford County tourism publication. Implement the 'made fresh, made local, making memories' tag system. Host an annual marketing summit.</i></p>	<p><i>Contemplate a comprehensive cooperative ad system in regional media. Continue to update print pieces on an annual basis.</i></p>
<p>Building Critical Mass: Sustainable Growth</p>	<p><i>Continue to gather a "Young Professionals" group. Continue to work with Rutherford County on expanding broadband access. Develop a "Living in Lake Lure" marketing piece. Create a temporary gallery space. Explore ways to foster investment in Town Center.</i></p>	<p><i>Explore "Lone Wolf" office catalyst. Explore more permanent public gallery space.</i></p>	<p><i>Cooperate to develop the first residential project in Town Center. Explore a meeting facility in Lake Lure.</i></p>
<p>Inviting the Visitor: Physical Environment</p>	<p><i>Remove excess signage throughout both communities. Partner with Rutherford County TDA on countywide wayfinding plan.</i></p>	<p><i>Invest in new signs and replace remaining signs as appropriate. Initiate demonstration wayfinding project in both communities. Complete the Flowering Bridge project.</i></p>	<p><i>Implement community wayfinding plan. Use visitor kiosks to tie together signage system with marketing collateral.</i></p>
<p>Preparing for the Future: Organizational Strategy</p>	<p><i>The Town of Lake Lure should form a development association. Explore partnership with NCDOC Office of Urban Development. Initiate the "HeART of Hospitality" initiative. Present plan to the Rutherford County Board, TDA board, EDA board, and other partners.</i></p>	<p><i>Contemplate an economic development advisor. Continually reexamine policies related to lake use. Host an annual leadership roundtable. Develop a series of tools to encourage "front line" participation and knowledge of efforts in each community.</i></p>	<p><i>Explore ways to foster downtown investment. Strengthen relationships among community partners.</i></p>