

Rehoboth Beach Main Street Economic Vitality Survey Draft Final Deliverable

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EXECUTIVE SUMMARY:

For this project, we conducted and distributed an Economic Vitality Survey to a sample of businesses in downtown Rehoboth. Our goal was to learn their main concerns and to provide a framework for proposed solutions for our client. Although results and opinions were mixed, we found that there were a number of key concerns that many different types of businesses agreed upon. After analysis of our survey results, we came up with three proposed solutions to possibility be implemented by Rehoboth Beach Main Street.

Key findings:

1. Parking: lack thereof and high price of existing spots
2. Lack of placemaking strategies - low availability of provisions for outdoor eating space for restaurants, not enough signage to bring clientele to side streets, lack of attractive sidewalks, landscaping, and street lights
3. Seasonal employment: high cost of living creates increasingly limited pool of adequate workers

Recommendations:

1. Implementation of a parking garage with variable rates
2. Advertising and cross-branding to bring patrons to a wide variety of businesses
3. Streetscape improvements on side streets in the commercial district

Follow-up:

- Our work will be carried out by a group in the following semester. They will utilize our research and analyze our data to propose and implement solutions.

INTRODUCTION

Our group was initially introduced to the Rehoboth Beach Main Street Program (RBMS) through our client, Karen Falk, Executive Director, when she met with our class at the University of Delaware (UD) Newark Campus. The objective of this project was to gain a better understanding and provide a platform for the communication of the concerns of businesses within the downtown district about aspects affecting its economic vitality. During Mrs. Falk's class visit, she presented recent television news reports, and communicated cover stories within local coastal Delaware newspapers. Some of the concerns reported were: clientele choosing Coastal Highway stores and restaurants (Route 1) due to issues like lack of parking and steep real-estate prices; these factors as well as others swaying visitors away from downtown as well. In addition, Mrs. Falk expressed to us the concern that businesses located on the side streets of Wilmington Avenue, Baltimore Avenue, Lake Avenue, Olive Avenue, First Street, and Second Street were not receiving as much business traffic as businesses located on the main thoroughfare through downtown; Rehoboth Avenue.

While the client was previously aware that these concerns existed, there was an expressed lack of communication between the groups of local stakeholders about their needs, further concerns, and opinions; including businesses, residents, the Main Street Committee, and the City of Rehoboth Beach. In order to create a baseline for effective communication between these groups, we conducted a survey to a sample of the downtown businesses. RBMS could then share this data with stakeholders and address concerns to promote economic vitality within the central business district.

Alongside RBMS, we worked with Ryan Schwamberger, the General Manager of Dogfish Head Brewings and Eats, and other various members from the Economic Vitality Committee. The committee is a working group within the RBMS organization; its members being comprised of various stakeholders such as residents, business owners, and managers within Downtown Rehoboth Beach. After touring the various areas that we intended to survey on our initial trip, as well as targeting areas of concern, we began to gain the working knowledge to start the production of our survey questions.

METHODS:

After speaking with our client and learning what their objectives were, we chose to create and conduct a survey to give to all of the surrounding businesses. This survey would help us get a more personal interpretation of how these businesses felt about the current state of economic vitality in Rehoboth Beach. The questions would vary from general to specific, and would allow us to obtain individual responses from these business owners and managers. We came up with questions that applied to the current issues facing the Rehoboth Beach Downtown District. They applied to what the client wanted to get out of this project as well as what would encompass concerns commonly expressed by these businesses. We researched the area, spoke with our client, and considered all possible relevant issues as a group. Our group utilized the Rehoboth Beach Main Street website (downtownrb.com) to familiarize ourselves with the area and get a background on some of the businesses we planned to survey.

We then researched survey methodology for conducting market analysis and commercial revitalization studies to make our questions as effective as possible. Utilizing information from the University of Wisconsin-Extension, a state outreach and research division within the university, and the National Main Street Program four-point approach for economic development, we gained knowledge of the rationale behind conducting Market Analysis Surveys, and best practices for administering them. We took into account the importance of community involvement, preservation of community assets and history, involvement of relevant stakeholders (such as RBMS, business owners, and residents) in the development of the survey, common business trends (such as the high price of real estate driving businesses out of the downtown district), and prior perceptions of issues by subjects being surveyed (such as the parking issue, which our client initially expressed to us as a concern). This necessary groundwork and diversity of land-use and demographics is what makes downtown market surveys different than traditional retail market analysis in suburban areas (Kures & Ryan, 2009). Understanding these

fundamentals helped to provide a framework for how we were to develop our questions. In doing so, we created various, both basic and in-depth, questions; and made the way we carried out the survey participatory in nature. After drafting these questions, we sent them to our client to see what feedback they had for us. Falk gave us advice on how to edit our questions, what to add, and what to take away in order to achieve the best results.

We asked all the businesses on Main Street the same generic questions. These questions include:

- 1.) How long have you been at your business location?
- 2.) Is your business open year-round or seasonally?
- 3.) What made you select Rehoboth beach for your business location?
- 4.) Has your clientele changed in recent years and is there a correlation between that and the success of your business?
- 5.) Do you have any issues related to seasonal and/or year-round employment?
- 6.) Do you own your commercial business property or do you lease?
- 7.) Overall, are you positive, neutral, or concerned about the future of your business in Rehoboth Beach?
- 8.) What specific concerns do you have?

We then asked more specific questions depending on the type of business we were surveying. For restaurants, we asked if their business has available space to create outdoor eating, and if so, whether that would be something they would consider adding. When speaking with retail businesses, we asked if they felt that Rehoboth Beach as a whole attracts the customer that most closely fit the profile of their target audience. We then asked side street businesses (businesses not directly on Rehoboth Ave), if they felt the visitors to Rehoboth Beach were aware of the variety of stores and restaurants on side streets, and what they thought is one thing that can be done to attract more customers and businesses to their streets.

The survey population was diverse in both age and ethnicity. We spoke with business owners ranging in age from their early 30s to their 70s. Some of them were immigrants from Europe and others were born and raised in Rehoboth Beach. The diversity of the community was something we noticed right away, as there wasn't one specific demographic that controlled the makeup of business owners in the area.

After finalizing the survey questions we planned to ask the businesses, we chose a date to drive down to Rehoboth as a team. After doing so, we paired off in teams of two to cover as much ground as possible in one day. Each couple went to different streets to ask the numerous businesses the survey questions, one pair went down both sides of Main Street, one pair went down Wilmington, the other pair went down Baltimore and the remaining side streets. Beginning at the start of each street in the downtown area, we walked into each business that was still open. Some of the seasonal businesses had already shut their doors for the winter so it wasn't possible to survey them.

When conducting the questions, we chose to ask the business owners or managers the questions as opposed to having them fill out the survey themselves. We chose to do this to make the survey questions more personal and more of a conversation, rather than an interview-style interaction. If the business owner was unable to answer the questions then, we left a survey with for the business owner to fill out and email back to us after completion. After conducting the

survey was complete, we had a wide range of responses. We took this data and organized it into specific categories. We plan to utilize this information by presenting our client with our findings in hopes it will assist them in moving forward in addressing the concerns of the respective business owners.

FINDINGS:

Most of our findings held similar to concerns that we were aware of before conducting the survey, however there were some responses that we found surprising. Listed below is a question-by-question synopsis of trends and common answers that we found along with graphs and charts visualizing the data. We have also provided possible reasoning for why these patterns appear.

Q1: How long have you been at your business location?

Most businesses in Rehoboth have been operating at their location for over 15 years. On top of that, many of the businesses that answered less than that had actually been in town for longer but had just moved buildings for a larger space, better location, etc. This trend of long-running locally owned business signifies that Rehoboth business owners are loyal to the town, and have strong long-standing connections to it. Please see Graph A.

Q2: Is your business open year round or seasonal?

Most businesses in Rehoboth are open year-round. A handful of the owners also commented that Rehoboth is changing to become a more year-round town with tourists visiting outside of the summer months, and more and more businesses are changing to be open longer into the off-season. While this is good for the town's economy, it also could add have negative externalities such as a loss of availability and a rise in price of parking in the off-season, and businesses could have further trouble finding year-round employees. Please see Graph B.

Q3: What made you select Rehoboth Beach for your business location?

Location, location, location. Roughly 49% of all businesses surveyed cited that location was the reason that they chose to locate their business in Downtown Rehoboth. Many of the business owners live in the town as well, citing things like "there is no better place to be." Others said that the beach town atmosphere was conducive to their business success, and the higher-income bracket of residents and tourists also was a draw for them. Some businesses, including Pineapple Princess and Rehoboth Beach Running Company, both located at the Shops at the Pearl, also said that lack of competition and a seen demand for their type of business also was a driving factor. Please see Graph C.

Q4: Has your clientele changed in recent years and is there a correlation between that and the success of your business?

The biggest consensus in the opinion of the businesses is that the demographic of the clientele that spends money in Downtown Rehoboth has not changed significantly in recent years. However, there were some digressing conceptions. Many businesses also said that they have had to update their merchandise and offerings to a more modern crowd, directly correlating with the fact that so many businesses in Rehoboth have been in operation for decades or more and will eventually need to update and restructure to keep up with changing consumer trends. Many also mentioned a new wave of “day-trippers” coming in that are of lower-income levels than that of their usual clientele hurting business because they are not spending as much money at local stores, restaurants, and hotels. In the words of Nancy Marvel, Executive Director of the Front Office of Boardwalk Plaza Hotel, “they come in with a packed cooler and go straight to the beach.”

Q5: Do you have any issues related to seasonal and/or year round employment?

More than half of the businesses surveyed expressed that they did indeed have problems with gaining reliable seasonal and year-round employees. These problems were mainly attributed to a lack of affordable housing in town for untrained employees, as well as the high price of employee parking and park-and-ride services. Seasonal employees often are not inclined to stay year-round, making the pool of employees smaller in the off-season. Most businesses that stated that they did not have problems with employment either had a need for specialized employees or had a core group of older year-round staff. Some of this could be attributed to the fact that Rehoboth caters less to young people since it is often seen as too expensive to live, work, and play to this demographic. Please see Graph D.

Q6: Do you have any opinions regarding downtown parking in RB? What is your opinion regarding public transportation and means of bringing visitors to the downtown business area?

While there was a wide variety of differing opinions on how to improve parking in Downtown Rehoboth, mostly all agreed on one thing: the situation as it is is hurting their business. Many expressed that the meters are too expensive, and public transportation is either insufficient or not applicable to their higher-end clientele. A few also expressed the need for a parking garage with variable rates for more parking during the summer months. Therefore, it seems as though overall there is a general desire for more inexpensive parking.

Q7: Do you own your commercial business property or do you lease?

According to our sample, most people lease their business property. Of those that lease, there were mixed responses regarding rent rates. Some felt that their lease rates were fair and they believed their landlords were very fair. Some others felt that the leases were too high, and getting more expensive every year.

Q8: Overall, are you positive, neutral, or concerned about the future of your business in Rehoboth Beach? What specific concerns do you have?

This question asked whether the business owners were positive, neutral, or concerned about their future in Rehoboth Beach. Many business owners are positive about their future in Rehoboth Beach. Those that were concerned cited that they are worried about how parking will affect their business and they are concerned about rising rent prices. Other concerns were how the businesses on Route 1 attract clientele because of free and abundant parking availability. Please see Graph E.

Q9: Does your business have available space to create outdoor eating? If so, Is this something you would consider adding?

Of the restaurants we surveyed, many of them had space for outdoor seating. For example, one cafe had outdoor seating because the Community Center next to them had tables set up in their alley. Their customers were able to use these tables after visiting the cafe. Other businesses were able to fill out a permit for their outdoor seating.

Q10: Do you feel that Rehoboth Beach as a whole attracts the customers that most closely fit the profile of your target audience?

This question asked whether Rehoboth Beach attracted the customers that retail businesses targeted in their stores. Many business owners answered that it does. The charm, restaurants, and the beach really attracted their desired target audience. However, a few businesses said that this past summer did not attract their ideal customers. They claimed that it mostly attracts day-trippers who are not as affluent as their target client-base.

Q11: Do you feel the the visitors to Rehoboth Beach are aware of the variety of stores and restaurants on side streets?

Many of the side-street businesses (those on Baltimore, Wilmington, Lake, Olive, and First St.) do not believe that Rehoboth Beach visitors are knowledgeable about the business offerings that these streets contain. They feel that most of the business is concentrated on Rehoboth Avenue. They would like to see more promotion of their stores to attract customers on to their streets. They would also like to see more maps throughout Rehoboth that highlights their stores; this way, customers are more aware of where these businesses are located. Overall, we found that these businesses had a more negative outlook on the future economic vitality of their business than ones on Rehoboth Avenue.

Q12: What is one thing that you think can be done to attract more customers and businesses to your street?

When asked how the business owners would like to change Rehoboth Beach, the most common answer was increasing signage. Some of the businesses on the side streets feel that their stores are not advertised enough, and would like more promotion of their businesses through the use of signs, maps, and advertising. They suggested using online marketing, social media, or promotions in order to increase business. Another common concern business owners had was the walkability of their streets. They suggest more lighting and better sidewalks to improve pedestrian infrastructure. Please see Graph F for the breakdown of what the business owners would like to see more of.

PROPOSED SOLUTIONS:

Proposed Solution 1: Streetscape Improvements

One of the largest concerns of the side-street businesses on Wilmington, Baltimore, Lake, and Olive Avenues was that there is not enough done to draw customers off of Rehoboth Avenue to their street. The most prevalent answer to the question of what could be done to attract more customers was to improve signage, with others citing the need for more street lamps and updated sidewalks. While RBMS can help the city to develop a Capital Improvement Plan (CIP) to fund these infrastructure improvements, they can also come up with placemaking strategies to draw people off the beaten-path without engaging in an expensive revitalization plan.

This is where decorative, eye-catching signage and colorful landscaping can come into play. Building off of a suggestion from Sara England, owner of The Ruff Life Gallery, one way signs could be implemented in a way that is innovative is if they are made larger with easy-to-read text, but also colorful and aesthetically pleasing with an artistically driven design. Signs could be placed on Rehoboth Avenue at intersections that lead to the side-streets, especially in the alleyway malls such as Penny Lane. While they could be made as murals on the side of buildings or free-standing, these signs would be directive in nature with lists of businesses under a larger text signifying the street that the sign is pointing to with arrows for direction to the businesses. The signs could be landscaped around, and could be put in locations where the eye immediately catches them, such as on the sidewalk on Wilmington Avenue directly facing Penny Lane in the direction that people would be looking when walking down the alleyway from Rehoboth Avenue.

This attractive signage aligns with fundamentals within the practice of *wayfinding* and other urban planning principles for placemaking (designworkplan, 2018) Wayfinding is the practice of spatially aligning an individual in an unfamiliar environment and influencing their navigation. To familiarize ourselves with this concept and apply it to Downtown Rehoboth's needs we consulted a Graduate thesis from MIT that defines principles and effective design practices for wayfinding. The study begins by defining "navigability" in this context as meaning that "the navigator can successfully move in the information space from his present location to a destination, even if the location of the destination is imprecisely known" (Foltz, 1998). Among others, one of the criterion that the study illustrates as crucial to achieving navigability is "how well the navigator can accumulate wayfinding experience in the space" (Foltz, 1998). In the

context of urban planning practices, this translates to a concept known as *imageability*; the ability to create a coherent mental map of a space. In an outside cited study it was found that residents of urban areas used the “imageable or memorable” features and landmarks of a their neighborhood most principally to assist in wayfinding. The study compiles a great of information to come up with eight principles that make the design of wayfinding techniques most effective, taking into account that memorable locations have a large influence on people's perceptions of their immediate surroundings:

- Create an identity at each location, different from all others.
- Use landmarks to provide orientation cues and memorable locations.
- Create well-structured paths.
- Create regions of differing visual character.
- Don't give the user too many choices in navigation.
- Use survey views (give navigators a vista or map).
- Provide signs at decision points to help wayfinding decisions.
- Use sight lines to show what's ahead (Foltz, 1998).

Providing signs at decision points was something we noticed was needed even before doing this further research. Using sight lines, like the endpoints of the alleyways mentioned prior, is also said to be important. This then creates a well-structured path that leads people seamlessly. The two things we found especially applicable to the lack of side-street recognition after-the-fact, however, was creating an identity for these streets and using landmarks to provide memorable locations. Again, keeping funding in mind, we have devised a plan to fulfill some of these principles below:

As mentioned prior, a great way to complement these signs would be landscaping projects. When walking down streets like Baltimore, Wilmington, and Olive, we noticed that there was little done in the way of landscaping right on the curb like there is in areas of Rehoboth Avenue (such as the median), yet instead there was patches of dirt between the sidewalk and the curb where there is a threshold. While the sidewalks could be updated and widened to touch the curb, a cheaper, maybe even more aesthetically pleasing option could be to implement projects to landscape these thresholds with flowers, shrubs, etc. Even things like decorative bollards and benches could be added to create a more inviting streetscape. Downtown businesses could even sponsor these projects and create small signs signifying their involvement for a further opportunity for advertising. These kind of projects are also seen in Newark, Delaware and they provide for a nicer looking streetscape while being a way for local businesses and other stakeholders to get involved in community development efforts. This also creates a sense of individuality to an area, providing for a “memorable location” created by community members themselves.

Proposed Solution 2: Advertising (online and cross branding)

One way to get visitors in Rehoboth to shop on the side-streets and for day-trippers to spend more money at stores is advertising and cross-branding. This will help attract more

shoppers downtown instead of focusing on the stores throughout Route 1. Many side-street businesses want to see the promotion of their stores, especially since most of the shopping traffic goes through Rehoboth Ave. This solution would address some of the side businesses' concerns that they are less known than those on Rehoboth.

Promotion online could be done through social media, the Rehoboth Beach Main Street Website, and various tourist websites. Local businesses should be highlighted for their quality, character, charm, and uniqueness. Also, there can be a concentration on businesses that are located on the side-streets so that there is more awareness of their presence in Rehoboth. Doing advertising on Social Media is relatively cheap, especially since the RBMS has its own Facebook page, but the amount of followers determines how many people see the promotion. By advertising local business on tourist websites, more people can plan their trip around exploring the downtown area and shopping in the shops.

Another way to advertise the Downtown Businesses of Rehoboth is by Cross-Branding. This can be done between two different businesses where they offer promotions to each other's stores. For example, if someone were to stay in a hotel, promotion of a local restaurant could encourage more business stays local. These businesses could also provide various coupons to each other's businesses, which would provide more incentive to stay do business in the downtown area. This would have to be contingent on cooperation from both parties, but we feel that many businesses would be willing to consider this option in order to stimulate more community.

Proposed Solution 3: General Parking Solutions

An overwhelming majority of the businesses had negative views about the current parking situation within Rehoboth Beach, often mentioning how customers would frequently complain. Issues in particular dealt with the high prices and lack of availability. Two solutions are offered:

Incorporate more metered parking spots along the side streets. This would not only allow for higher volume of traffic, but also make it so that tourists and locals are more inclined to walk by the side-street shops and restaurants. Urban Planner Donald Shoup discusses how the availability of open spots will make drivers more inclined to park while also lowering congestion. In addition to this increase of meters, it would benefit the city of Rehoboth Beach to have meters operational all year round. In his book "The High Cost of Free Parking", Shoup discusses how free parking can actually end up costing the city money, creating a common space for parking (in which parking becomes a public good provided by the government free of charge). This common space would make it more difficult for spaces to be readily available and allowing for an increase in demand with more traffic. In the case of Rehoboth Beach during the offseason, this increase of demand is not the issue. However, having a continual revenue stream from the parking meters year round would make it possible to lower the cost of parking in the city overall. A lower price would mean that beach goers and tourists alike would be more willing to park at meters or even purchase parking passes.

Build a parking garage or incorporate more pay to park gravel lots. This is a good way to increase the City's revenue while making use of any abandoned lots that exist in the city. Price for these accommodations should be solely based on demand. When the demand for parking increases (seen in the summer time in Rehoboth Beach) the price for parking should also be increased, since supply of parking spaces is not fluctuant. Donald Shoup brings up the point that doing this will earn the city profit from each parking space that is available, thus allowing for the city to earn its money back from the investment of building a parking garage/lot. In terms of the number of spots to create, it is important to determine whether or not these spots will always be filled as opposed to being vacant. A vacant spot represents a loss in profit for the city, and finding the appropriate balance of availability and occupancy is crucial. Focusing on the combination of lower prices, higher occupancy, and more revenue will benefit drivers, businesses, and the city (Pierce et. al., 2018). Three goals should be observed when investing in building a parking garage

1. Ready Availability
2. High Occupancy
3. Revenue

More information on implementing parking garages can be found here:

<https://transfersmagazine.org/optimal-pricing-of-public-parking-garages/>

CONCLUSION:

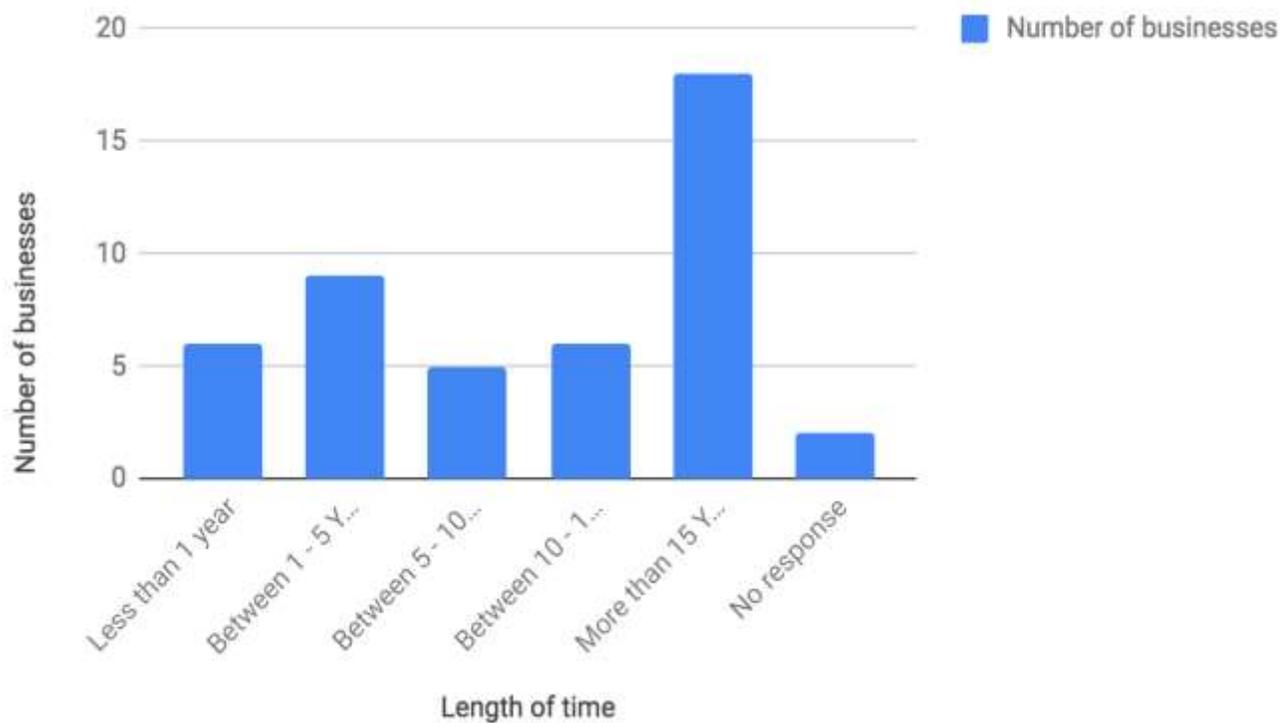
While the survey did provide much insight on business owners' concerns, it must be noted a few of our weaknesses when it came to making this report. Due to the short amount of time and the drive down to Rehoboth, we were only able to conduct this survey for one day. This limited the number of businesses we were able to survey, which ended up being about 50 businesses total. In addition, as students we have a potential bias about parking since it is very expensive on campus. This could have affected the survey questions when we were asking about parking in Rehoboth. Lastly, there was conflicting results between some business owners and others. For example, some of them believed that metered parking should be cheaper, in order to stimulate more commercial shopping downtown. Others believed that the meters should be raised in order to discourage day-trippers who go to the beach, and take spots from shoppers.

Our survey results offer insight on some of the concerns that Rehoboth Beach Business Owners have regarding the strengths and weaknesses of the coastal town. With the results, our team was able to come up with three different recommendations that would solve common concerns with the business owners; Streetscape Improvements, Advertising (online and cross branding), and General Parking Solutions. We hope that these suggestions can be implemented by Rehoboth Beach Main Street at a future date after discussion with the board, and through more community planning.

APPENDIX:

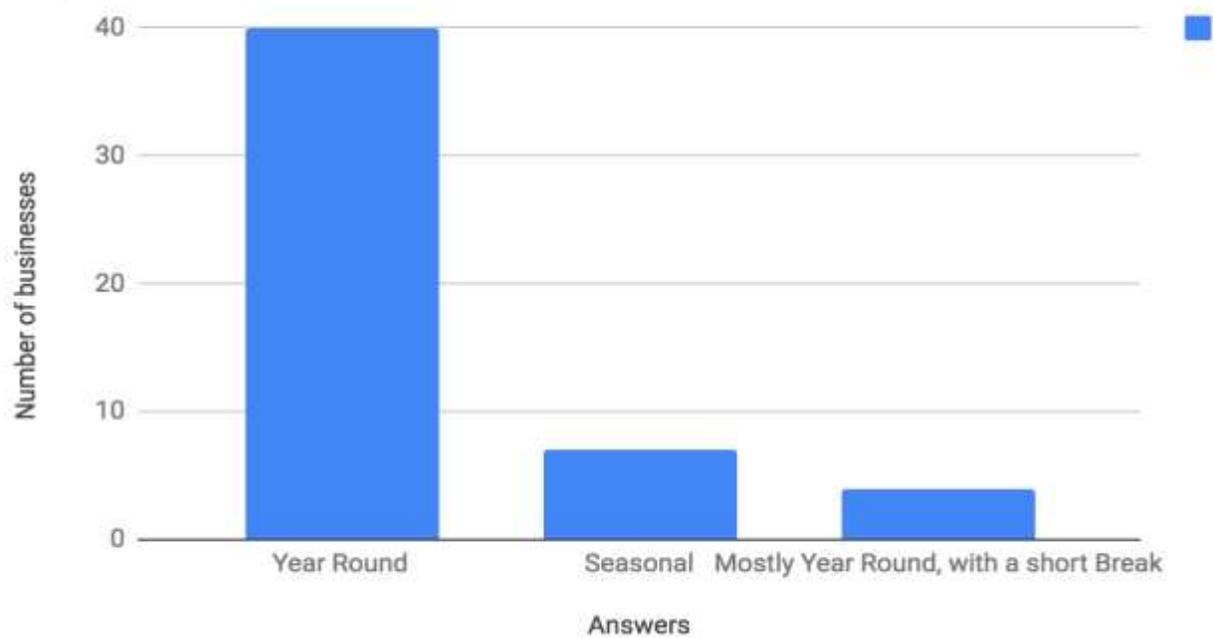
Graph A:

Response total: 46

How long have you been at your business location?

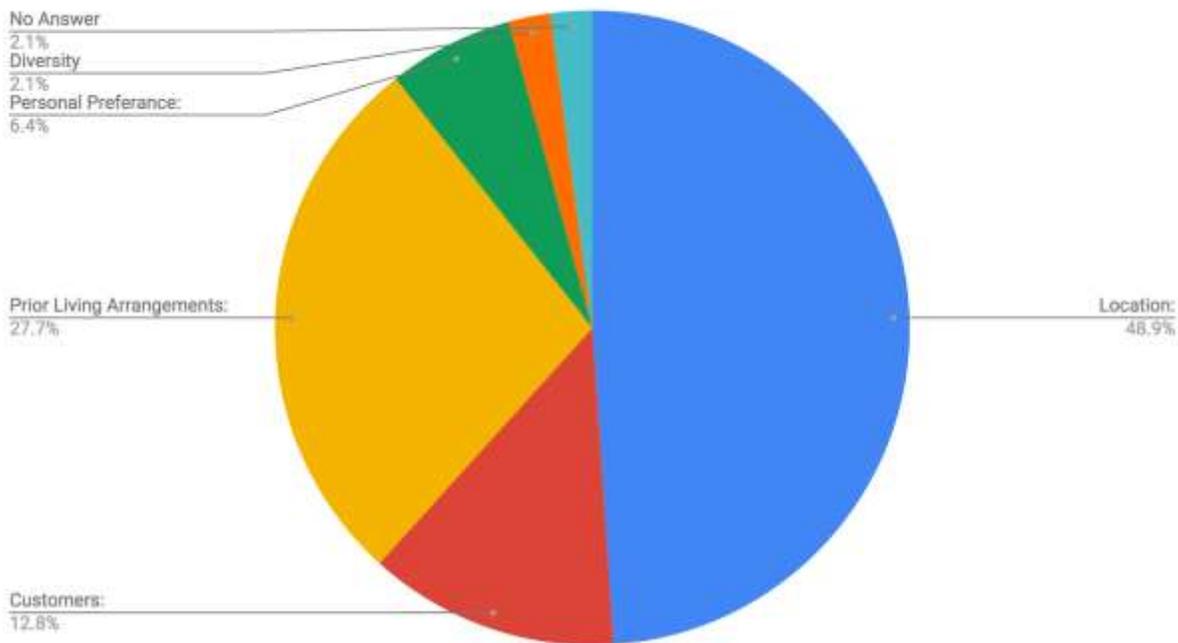
Graph B:
Response Total: 51

Is your business open year round or seasonal?



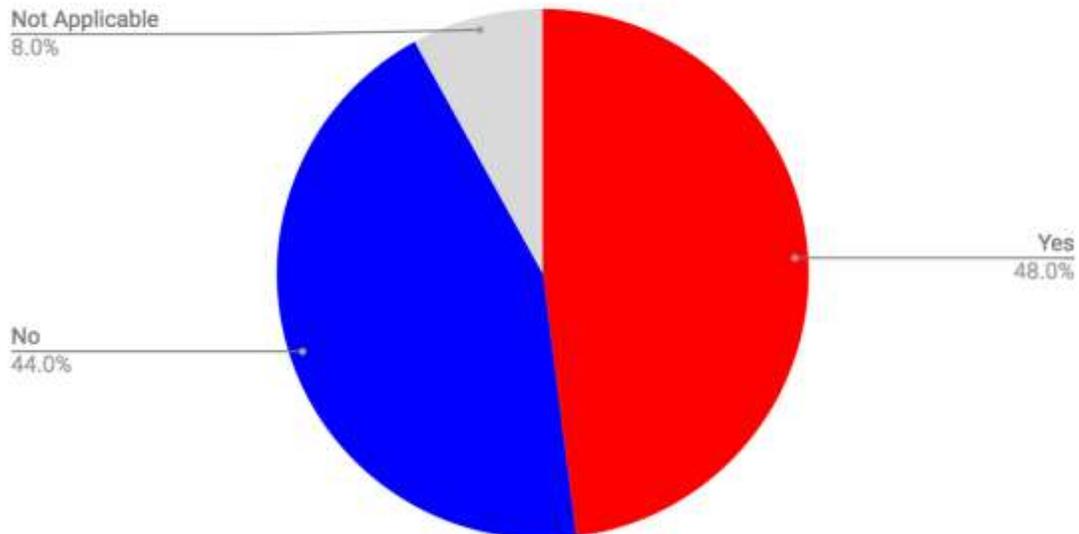
Graph C:
Response Total: 47

What made you select Rehoboth Beach for your business location?



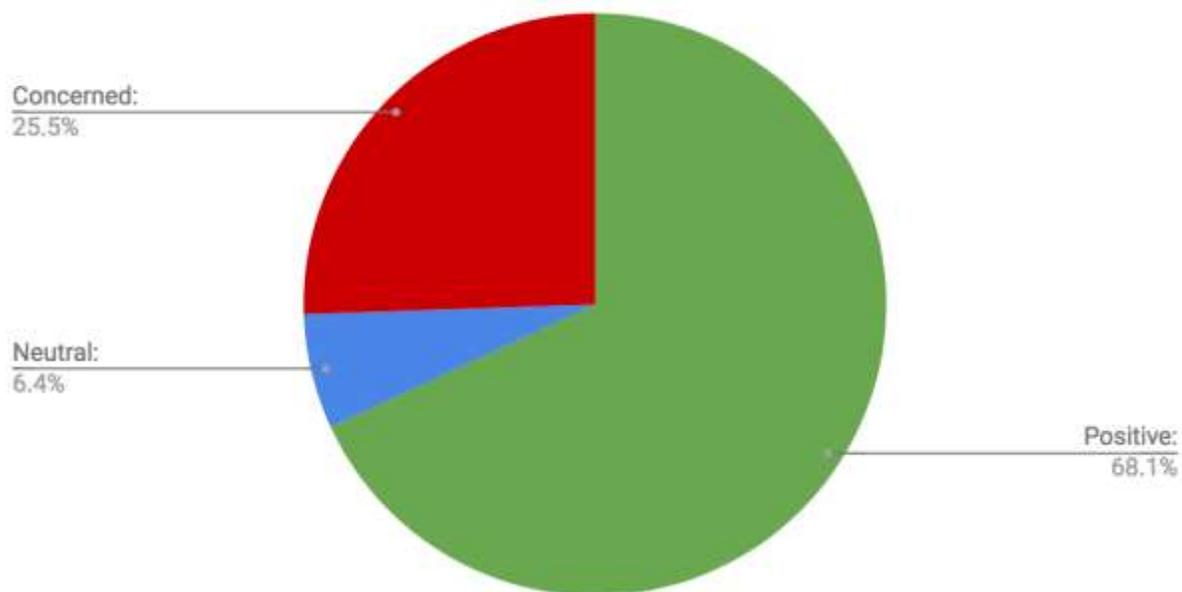
Graph D:
Response Total: 50

Do you have any issues related to seasonal and/or year round employment?



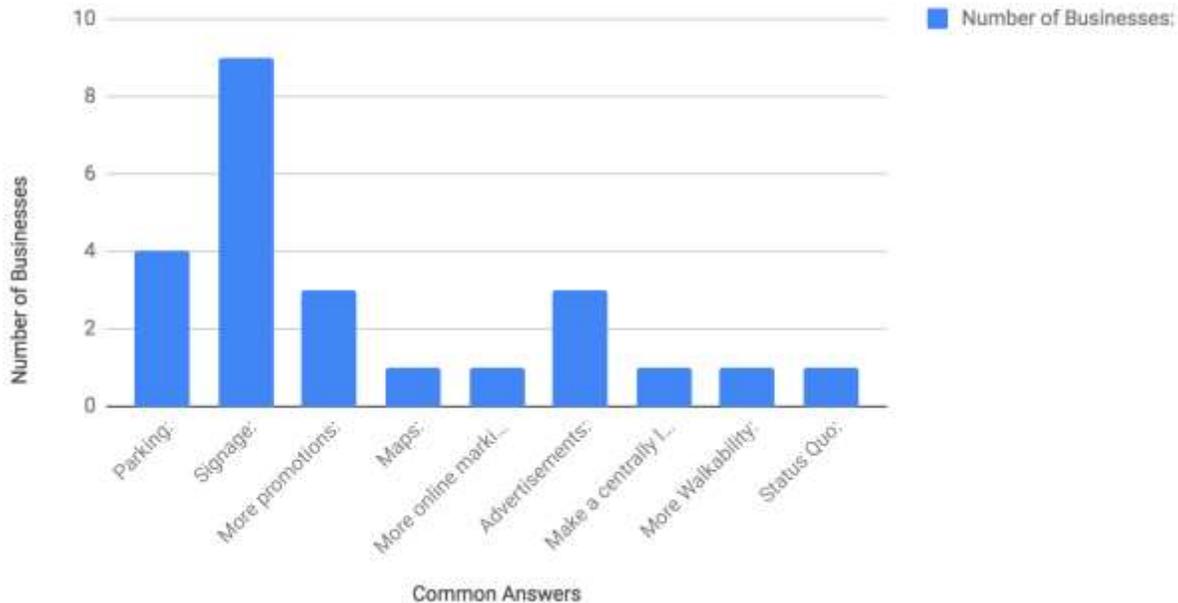
Graph E:
Response Total: 47

Overall, are you positive, neutral, or concerned about the future of your business in Rehoboth Beach?



Graph F:
Response Total: 24

What is one thing that you think can be done to attract more customers and businesses to your street?



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