

Main Street Washington

Main Street Washington
Market Study
Washington, Iowa

2013

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“Times they are a-changing.”

The phrase, echoed throughout the decades, personifies the nature of changes in the economic landscape of traditional downtown and neighborhood commercial districts. Expanding retail competition, evolving technologies, and changing lifestyle trends will continue to affect business opportunities and the ways in which people interact within the traditional downtown environment.

The key to improving the economic performance of the Washington downtown business district ultimately lies in the development and implementation of market-driven business development and marketing strategies that capitalize on our community’s assets and emerging opportunities.

Main Street Washington spearheaded the downtown market analysis process to promote an in-depth understanding of local and regional market conditions and trends impacting the downtown district’s current economic performance and opportunities for the future. Information and direction gained throughout the market analysis process provides a sound basis for local decision-making processes and strategies aimed at enhancing the Washington downtown business district.

Washington was one of six Main Street Iowa communities selected to receive 2013 market analysis training and technical assistance. The self-help process, spearheaded and orchestrated by Main Street Washington, engaged local leaders, business persons, residents and stakeholders. Key steps in the process also included:

- Site visits and work sessions with the Main Street Iowa and Downtown Professionals Network team.
- The collection and review of background information.
- The analysis and summary of trade area demographic and economic data provided by Main Street Iowa.
- The performance of consumer and business surveys.

An extensive amount of information and data was compiled and analyzed throughout the course of the market analysis process. This report has been prepared to highlight key information and findings that could be particularly relevant to our community’s ongoing downtown enhancement efforts.

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The mission of the IEDA is to engender and promote economic development policies and practices which stimulate and sustain Iowa’s economic growth and climate that integrate efforts across public and private sectors. The IEDA conducts training and provides technical assistance to designated Main Street programs, including market analysis. These services include capacity building on understanding the regional marketplace and how to develop and proceed locally with an implementation plan.

Downtown Professionals Network, a planning and research firm, was hired by IEDA and worked with Main Street Iowa to provide training, technical assistance and support to local Main Street organization leaders and volunteers.



Limitations and Disclaimers

Retail market analyses, their components (such as retail sales gap analyses) and derivative business development plans provide important guidance on how a commercial area should, theoretically, be able to perform and on the sales levels businesses should be able to achieve. However, a number of factors affect the actual performance of businesses and commercial areas, including the skills of the business operator, level of business capitalization, the quality of the physical environment, changes in overall economic conditions, the effectiveness of business and district marketing programs, and many other factors. The information in this document is intended to provide a foundation of information for making business development decisions, but it does not and cannot ensure business success.

As is true of all demographic, economic and market studies, our analysis’ reliability is limited to the reliability and quality of the data available. Our research assumes that all data made available by and procured from federal, state, county, city, primary and third party sources is accurate and reliable.

Because market conditions change rapidly and sometimes without warning, the information and opinions expressed here represent a snapshot in time and cannot predict or gauge future changes or results.

Community Profile

Washington is strategically situated as the southern destination of the Cedar Rapids / Iowa City Creative Corridor, is less than 10 miles off of US Hwy 218 (Avenue of the Saints) at the crossroads of Highways 92 and 1. The Main Street District is situated at the center of town based not only on its location but also on its activity. The Main Street district encompasses an approximately 16 block area rich with commercial, residential and historic spaces. The City of Washington is home to about 7,200 residents in our county seat community. It is in this context that the downtown Washington thrives today.

Washington’s historic downtown district has experienced a renaissance in the past eight years transforming the area with a streetscape makeover around the town Square, including the addition of a LEED certified downtown library which anchors the area. The Downtown District is a vital, desirable and charming neighborhood that serves as a social and commercial hub for the community. The Downtown District has achieved award-winning status, which distinguishes Washington’s Main Street as a premier district with an established revitalization track record.

The Downtown District is comprised of independent businesses spanning a wide variety of retail, professional and service, fitness, community, and financial enterprises. Dining abound in the area with offerings ranging from coffee shops, diners, pizza, ethnic cuisine and fine dining in an elegant atmosphere. During the summer months, Central Park and its signature lighted water fountain, comes alive with a weekly farmer’s market, Municipal Band concerts, live performances by local musicians, an art walk, and numerous community events. The Downtown District also serves as the focal point for the annual Celebrate Washington festivities that is becoming the signature event of the community. It is also worth noting that the Downtown District is home to six churches that bring people downtown on what would be “sleepy Sundays”.

Intertwined with the various commercial endeavors are residential properties showcasing upper floor apartment and loft spaces. The Downtown District also serves as the hub for City and County governmental services. The entire Downtown District was recently listed on the National Register of Historic Places as a place of commercial and architectural significance.



Development Patterns

The Downtown District is notable for an extensive streetscape project to the downtown square that was completed in 2008. The District is easily accessed by all quadrants of the community: The district is bordered, roughly, by Madison Street (Hwy 92) to the south, Fifth Street to the north, Second Avenue to the east and B Avenue to the west. Dissecting the district is Washington Street (Hwy 92) – which serves as the official entrance, Jefferson Street, Main Street, Second Street and Third Street all running east and west. Iowa Avenue and Marion Avenue serve as North and South corridors. Two-way traffic exists throughout the district with few congestion issues experienced even on busy days even with traffic counts up to 6000 vehicles around the square daily.

While not a pedestrian mall, the broad sidewalks and decorative crosswalks that lead not only around the perimeter of the square but also through Central Park help to create a pedestrian-friendly environment. The streetscape is comprised of intricate brickwork with handicapped-accessible street crossings. The renovated sidewalks feature permanently placed benches and bicycle racks.

Free parking exists throughout the Downtown District, including approximately 242 spaces just around the Square. The vast majority of parking is an ample amount of on street parking with one municipal parking lot available for public parking within the District.

Seven blocks to the West of the Main Street District residents and visitors can enjoy the 21-mile-long Kewash Recreational Trail. Signage is in place leading people between Central Park, the Kewash Trailhead and Sunset Park, Washington's largest city park that boasts a swimming pool, Frisbee golf course, picnic shelters, and multiple playgrounds.

Aesthetics and Appearances

The buildings in the downtown area range in age from late-19th century structures to contemporary buildings. There is an eclectic mix of building styles, but they work together nicely. Newer structures, such as the Public Library built in 2009 was architecturally designed to fit in and echo the styles found around the Square. Many building owners have followed the lead of the Streetscape project, which has resulted in several of the buildings being updated. Everything from new store front awnings and complete façade renovations to complete building remodels have taken place, or are in progress, over the past 5 years. With the exception of a couple of buildings, examples of true historic restoration are limited.

The overall appearance of the downtown area is generally clean and well-appointed. The most recent streetscape project brought the installation of quaint pole lighting, decorative brickwork, and modern infrastructure services. Planters boast a profusion of flowers, and hanging flower baskets cascade in the summer sun. Side streets immediately off the Square need attention as some are in poor shape with broken curbs, disjointed sidewalks and aged overhead lighting. The district is active most hours of each day from early morning breakfast, to late night bars and a 24-hour fitness facility. It is considered to be a safe place with individuals comfortably engaged in the area at all hours.



Signage within the district is well-done with decorative directional signs posted prominently and consistently on the main thoroughfare. There is a new “Historic Downtown” sign at the entrance to the downtown from Washington St/Hwy 92 which is important because the highway skirts around the downtown border.

Most buildings and homes in and around the Downtown District are in relatively good shape, with a few notable and glaring exceptions that represent new opportunities.

Business Mix and Climate

The downtown district is fortunate to have an established mix of businesses ranging from retail, personal services, business services, to office environments, eating and entertainment establishments, to fitness and financial centers as well as places of worship. The business profile of downtown is as follows:

Retail – The retail segment of Main Street is comprised of small, independent businesses. Ownership is local and generally not chain-linked:

- Apparel and Accessories – 6 stores including three women’s clothing stores, 2 consignment, and 1 athletic clothing stores.
- Home Furnishings – 1 major furniture store and 2 consignment stores carrying furniture.
- Antiques – 1 antique store is located in the district
- Gifts & Décor – 7 stores feature a broad range of offerings each with their own niche.
- Jewelry – 1 jewelry store.
- 3 gas stations and convenience stores

Lodging – A local restaurant and property owner has made a well appointed, high-end suite available for lodging on their upper story. In addition two motels with a total of **80** rooms are located on Washington’s west side.

Personal Services – Numerous different businesses focus on providing personal care and range from hair and/or nail salons, massage therapy, to 2 fitness and recreation centers, 2 dental clinics, 2 optometrist clinics, 5 law offices, funeral services, 2 chiropractic care offices, and 4 financial institutions.

Business Services – Forty-five business establishments are located in the district including printing, marketing and advertising services, photography, accounting, 4 financial institutions, communications, 5 law offices, 6 insurance agencies, and 2 title and deed services.

Community Services – Within the district is the Washington City government, Police Department, Fire Department, Public Library, and Post Office. The daily newspaper and local radio station are also in the District. As a county seat community, the district also houses the Washington County Courthouse and associated offices. Other civic organizations are located in the area including the YMCA, Main Street Washington, Chamber of Commerce, and the Washington Economic Development Group. There are also 6 churches.



Entertainment – Several entertainment venues thrive downtown, including a lower-level bar and grill with frequent live entertainment, 2 coffee shops with occasional live entertainment, and a newly remodeled theater featuring new release movies. The Washington Public Library also features live performances. During the summer, there are weekly Municipal Band concerts in conjunction with the Farmer’s Market and Thursday Night Live Concert series on the remodeled and expanded band-shell in Central Park. Downtown churches also frequently host entertainment.

Dining – Twelve eating establishments range from soup & sandwich spots, to Chinese, pizza, and elegant dining.



The widely varied businesses create activity nearly around the clock. A typical day sees multiple phases of activity which blend together to create the vibrant character of the district:

- **Early Morning** – There is a coffee shop that opens before 6 am, as well as a diner, and 3 convenience stores.
- **Mid-Morning** – Retailers open shop; service businesses have full offices and are well into their days.
- **Lunchtime** – The lunchtime crowd arrives from inside and outside of the district. Many eating locations cater to the lunchtime crowd that draws people from around the larger community area. Some establishments are regional destinations for lunch.
- **Afternoon** – Shoppers stroll the streets, classes are taught, hair is tamed, and errands completed.
- **Early Evening** – Workers heading home take advantage of a few happy hour spots; early diners are easily finding a wide range of supper choices that include “to go” options. There are several churches with mid-week evening services.
- **Mid-Evening** – Early entertainment choices begin in the theater, dinner, after work spas and salons.
- **Late Evening** – the crowds accumulate at the bars centering their focus perhaps on a sporting event, or a live band or performer. In the summer, people escape the daytime heat with late night ice cream. The grocery store is open until 9pm for last minute errands.



Because of the desirable character of the Downtown District, many non-retail businesses have located here. From one point of view, these businesses take away from the retail profile and have out-bid retailers for prime street level spaces. Upper floors in the district are primarily residential, although there are several commercial upper floor spaces utilized by downtown businesses. Vacancy rates in these upper floors are low but there is some turnover so there are usually a few apartments for newcomers to choose from.



Competitive Analysis

The Washington Downtown district is unique in many ways, but has intense competition both from within the community and from the Iowa City/Coralville area.

Within Washington:

- The West-side commercial area is anchored by Hy-Vee supermarket, which is open 7 days a week with extended shopping hours. It includes groceries, pharmacy, dining, dry cleaning and garden center.
- The other West-side commercial anchor is Orschlen with a 60,000 s.f. farm supply store that sells a wide variety of goods, including clothing. It is open 7 days a week with extended hours.
- The West-side also includes several popular restaurants, the fairgrounds and Community Theater, and numerous specialty shops and professional services.
- The East-side commercial area stretches along Hwy 92/Washington Street. The primary anchor is a 24/7 Walmart Superstore in a new commercial subdivision with numerous developable outlets.
- The balance of East-side commercial is dominated by Ace-N-More, a 35,000 s.f. retail hardware and clothing store. Other options include several popular restaurants, a bowling alley, a Dollar General, new car dealership, appliance and phone store, dance studio, and convenience stores.
- The presence of several new or expanded big-box type stores in Washington has actually helped to keep (or attract) more shoppers in Washington rather than leaving the community for shopping trips.

Outside of Washington:

- Coral Ridge Mall and surrounding commercial areas in Coralville along I-80/IA 965/US Hwy 6 (Coralville Strip) offers the biggest competition for the Downtown District and Washington County in general.
- Although it does not run directly through Washington, the development of the 4-lane Avenue of the Saints (US 218) expressway has made travel time between Washington and Johnson Counties quicker and more reliable. This is a benefit and a threat.
- The Downtown District's boutiques and restaurants have attracted a loyal and growing number of affluent shoppers and customers from a 30-60 mile radius who are seeking a more "authentic" experience.
- The public investments into the streetscape and Central Park, along with abundant and free parking, help to make the Downtown District one of the best specialty shopping and dining districts in the Region.
- The US 218/I-380 "Corridor" has been extended south in to Washington County by the development of the Riverside Casino and Golf Resort in 2006, which is by far the most visited destination in the Region with 1.7 million visits per year.
- The public investments in a downtown streetscape, Central Park improvements, and new Library, have helped to positively change the attitudes locally and in the Region about the vitality and health of the Downtown District, and the Washington community as a whole.
- The private reinvestment into the Downtown District has helped to create some of the most "authentic" architectural downtown experiences, as well as interesting and unique commercial and residential spaces.
- Several partners are working to make the Downtown District's Central Park a regional cultural and entertainment destination. Current events are growing in scope and sophistication, and are reaching out beyond just local boundaries.

While building on the downtown's strengths, weaknesses and threats must be mitigated. They include:

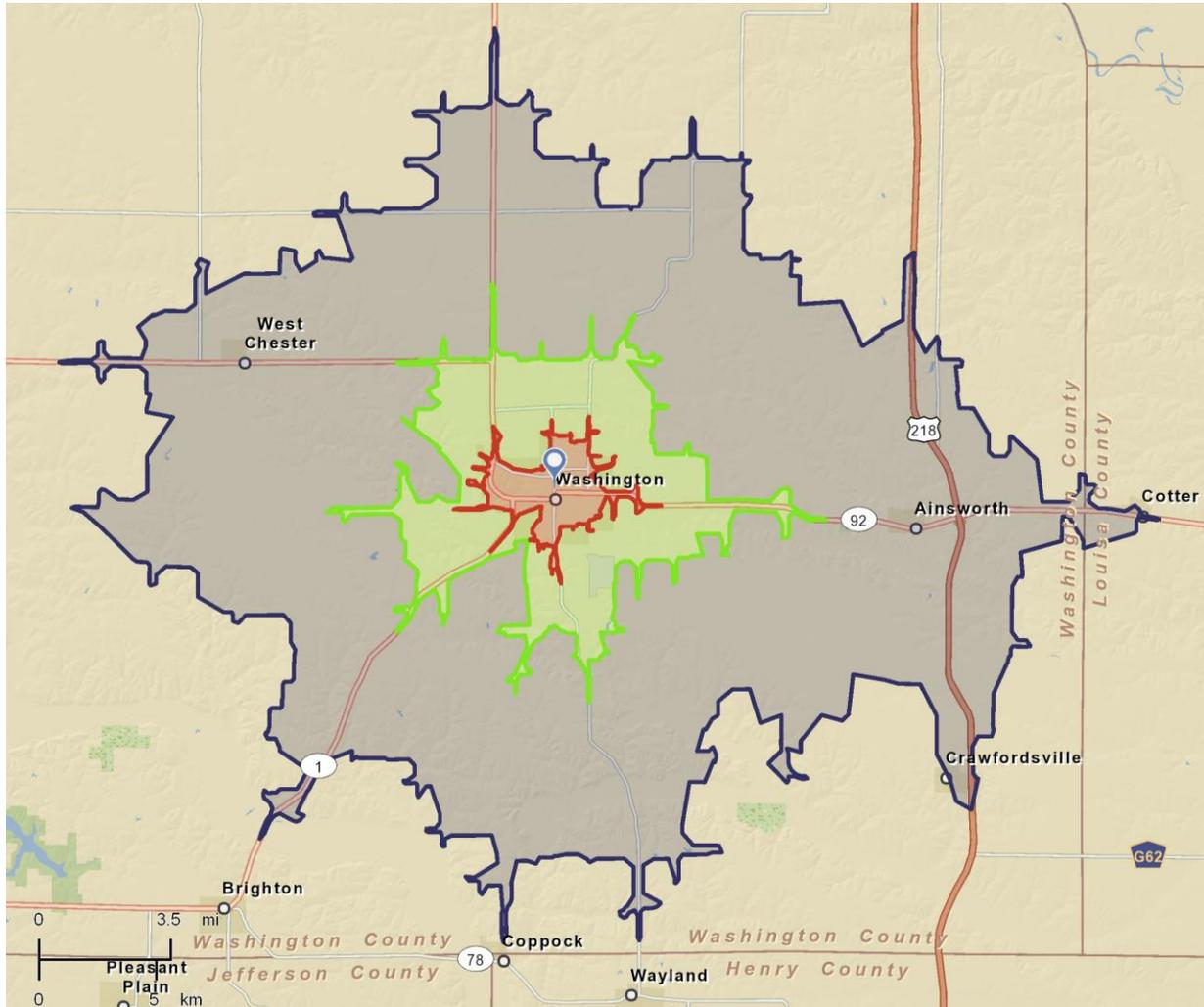
- Competition with Internet-based retailing threatens every small business owner.
- The transformation of energy sources and the potential for higher energy costs will challenge small business owners' margins. Steps toward efficiency and alternative energy resources will become increasingly important.
- Vacant storefronts must be filled with businesses able to support the higher rents, or the higher rents may need to be mitigated by the landlord until the two constituencies meet a middle ground.
- Current gaps in businesses, identified by residents, include:
 - A Bakery
 - Stores appealing to men and families
 - Arts & Crafts supply stores
- The recent naming of the Washington Downtown Historic District to the National Register can bolster the district's reputation as the heart of the community and activity center.
- There are still some retail gaps identified by residents, including new (not consignment) Men's & Children's Clothing. With a majority of storefronts filled by services related businesses, this poses a challenge to new development but offers an opportunity for business expansion in existing retailers.



Downtown Washington Market Snapshot

Drive Time Study Geographies

The market snapshot for Downtown Washington is based upon information contained in a series of ESRI reports provided by Main Street Iowa, generated for a 5, 10, and 20 minute drive time area originating from the center of the district.



Reports used to examine the Downtown Washington Drive Time Markets are based on current ESRI data and include:

ESRI Market Profile

The Market Profile report provides current-year and five-year projections for U.S. demographics. The annual updates include information about population, households, housing, occupancy, income, age, race, Hispanic origin, and more.

ESRI Retail Goods and Services Expenditures

Built on ESRI's Consumer Spending database, the report shows the amount that households spend in select products and services categories compared to national figures.

ESRI Tapestry Segmentation Area Profile

Tapestry classifies U.S. residential neighborhoods into 65 unique market segments based on socioeconomic and demographic characteristics.

ESRI Retail MarketPlace Profile

Retail MarketPlace data provides a measure of retail activity by trade area and compares retail sales to consumer spending by NAICS industry classification.

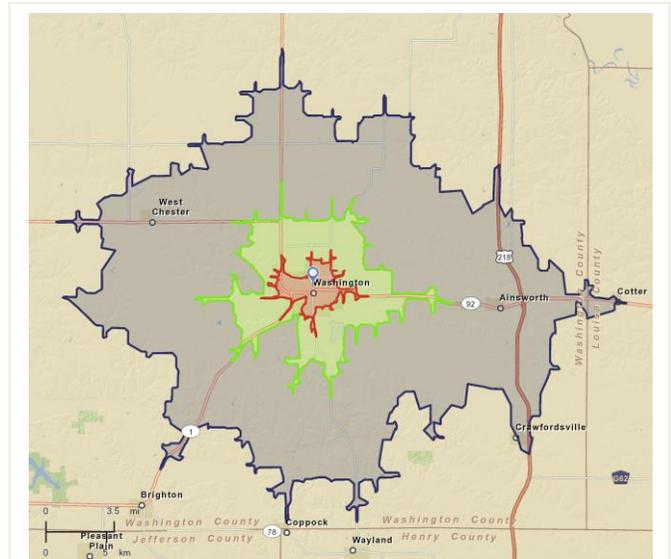
Note: The 2013 Downtown Washington Market Profile prepared as part of this study, and which contains a more detailed summary and view of ESRI data analyzed for the drive time markets, is available as a supplemental document to this report.

Demographic Snapshot

The analysis and tracking of market data procured from ESRI for the Downtown Washington five, ten and twenty-minute drive times is only the beginning to an ongoing process to study, analyze and interpret the market and to identify and capitalize upon emerging opportunities that are consistent with the community's vision for downtown Washington.

The Market Profile presents a snapshot of the downtown Washington marketplace today and, for certain demographic characteristics, anticipates changes that could occur over the next five years. Important demographic and lifestyle data paint the portrait of a stable consumer market for downtown Washington.

- ▶ Trends and projections for the population and households within the drive time geographies anticipate nominal gains or decreases of less than one percent in the five and ten-minute drive time areas through 2017; and gains in population and households of about 1% and 2%, respectively, in the 20-minute drive time area.
- ▶ Consistent with state and national trends and the aging population, household size in the study areas is expected to continue to decrease slightly in the drive time areas, while median age is expected to increase by about 1.0 to 1.3 years through 2017.
- ▶ Median age in the drive time areas in 2012 ranges from 42.5 to 43.1 years, as compared to the state figure of 38.4 years.
- ▶ Median, average and per capita income figures are slightly lower in the five- and ten-minute drive time areas as compared to the twenty minute drive time area. Projections anticipate steady and consistent growth in income categories across the drive time areas with median household income expected to grow at a five-year rate of about 15% to 19%.
- ▶ Growth rates in the drive time areas' various income categories are expected to exceed those predicted for the state through 2017.
- ▶ Consumer expenditures for goods and services are generally consistent with income levels and trends across the drive time areas. Expenditure indices in the majority of categories are largely concentrated in a range of 70 to 85 (where 100 is the national average). The highest spending categories include Apparel Products and Services and Pets.



Downtown Washington Drive Time Markets

Fast Facts

| Population | 5 Min | 10 Min | 20 Min |
|---------------------|----------|----------|----------|
| 2000 Census | 6,105 | 7,721 | 10,059 |
| 2010 Census | 6,215 | 7,856 | 10,230 |
| 2012 Estimate | 6,138 | 7,793 | 10,185 |
| 2017 Projection | 6,115 | 7,816 | 10,263 |
| Change: 2012 - 2017 | -0.4% | -0.4% | 0.8% |
| | | | |
| Households | 5 Min | 10 Min | 20 Min |
| 2000 Census | 2,524 | 3,144 | 4,046 |
| 2010 Census | 2,607 | 3,257 | 4,204 |
| 2012 Estimate | 2,568 | 3,223 | 4,175 |
| 2017 Projection | 2,583 | 3,264 | 4,248 |
| Change: 2012 - 2017 | 0.6% | 0.5% | 1.7% |
| | | | |
| Median HH Income | 5 Min | 10 Min | 20 Min |
| 2011 Estimate | \$43,815 | \$44,981 | \$47,927 |
| 2017 Projection | \$52,094 | \$53,192 | \$55,064 |
| Change: 2012 - 2017 | 18.9% | 18.4% | 14.9% |

Source: ESRI Market Profile.

Lifestyle Profile

The ESRI Community Tapestry segmentation system classifies U.S. neighborhoods by 65 market segments using proven methodology introduced more than 30 years ago by the ACORN segmentation system. Segmentation and geodemographic systems are stable and reliable because the characteristics that define a neighborhood change slowly. The stability of a neighborhood comes from its fixed features: location, housing, transportation, schools, places of worship, and employment. Self-organization and self-perpetuation also figure into the stability of a neighborhood, patterns which we refer to as “keeping up with the Joneses.”

Comparative View of Predominant Tapestry Household Segments

The following table shows and compares concentrations of the six Tapestry household segments found within the downtown Washington drive time areas.

| Households | 5 Minute Drive Time | | | 10 Minute Drive Time | | | 20 Minute Drive Time | | |
|--------------------------------|---------------------|---------------|------|----------------------|---------------|------|----------------------|---------------|------|
| | Count | Pct. | Rank | Count | Pct. | Rank | Count | Pct. | Rank |
| 32. Rustbelt Traditions | 1,227 | 47.8% | 1 | 1,318 | 40.9% | 1 | 1,318 | 31.6% | 1 |
| 29. Rustbelt Retirees | 564 | 22.0% | 2 | 810 | 25.1% | 2 | 815 | 19.5% | 3 |
| 30. Retirement Communities | 373 | 14.5% | 3 | 569 | 17.7% | 3 | 569 | 13.6% | 4 |
| 33. Midlife Junction | 365 | 14.2% | 4 | 365 | 11.3% | 4 | 365 | 8.7% | 5 |
| 37. Prairie Living | 40 | 1.5% | 5 | 157 | 4.9% | 5 | 946 | 22.7% | 2 |
| 25. Salt of the Earth | 0 | 0 | -- | 4 | 0.1% | 6 | 162 | 3.9% | 6 |
| Total Count/Pct of Area | 2,569 | 100.0% | | 3,223 | 100.0% | | 4,175 | 100.0% | |

Source: ESRI Tapestry Profile

More than 90% of households in the five- and ten minute drive time areas are classified by four Tapestry lifestyle groups – Rustbelt Traditions, Rustbelt Retirees, Retirement Communities and Midlife Junction. A divergence occurs at the twenty minute drive time level with the Prairie Living segment representing more than 22% of households – the second most prevalent drive time cluster.

The data and findings suggest that opportunities and strategies to increase downtown Washington’s market share might be focused in three areas:

1. Local, client and convenience-oriented marketing and business development strategies which appeal to characteristics and traits common to the four prevalent tapestry segments represented in the five- and ten-minute drive time areas (Rustbelt Traditions, Rustbelt Retiree, Retirement Communities and Midlife Junction). These strategies are likely to emphasize local personalities, hometown customer service, local traditions and convenience.
2. Extending regional appeal through intentional marketing, messages and events specifically designed to appeal to the lifestyle characteristics of the Prairie Living lifestyle group which represent approximately 23% of all twenty-minute drive time area households.
3. Continuing to capitalize on unique downtown anchors and attractions which have special appeal – and “pull” – for visitors and day-trippers traveling from areas beyond the twenty-minute drive time area.

Full descriptions for the six Tapestry segments found within the Downtown Washington drive time areas are found in Appendix A. Information on ESRI Tapestry methodology and applications, along with descriptions for Tapestry’s 65 segments, are available from the ESRI website and are contained in the ESRI Community Tapestry Segmentation Handbook available for download at <http://www.esri.com/library/brochures/pdfs/tapestry-segmentation.pdf>.

Retail Performance and Opportunities

Analysis of retail data and sales surplus & leakage estimates reveals areas of retail strength, and other areas that might represent prime opportunities for expansion and/or complementary product and service lines. Retail categories and subcategories which, based strictly on the analysis of ESRI Retail MarketPlace report data, appear to be areas of relative strength in the community and/or downtown include:

- ▶ Department Stores
- ▶ Grocery Stores
- ▶ Used Merchandise Stores
- ▶ Jewelry, Luggage & Leather Goods Stores
- ▶ Florists
- ▶ Furniture Stores
- ▶ Automobile Dealers
- ▶ Health & Personal Care Stores

Retail categories, subcategories and product lines which, based solely on the analysis of ESRI data, might represent some of the best and most immediate opportunities for growth and expansion include:

- ▶ Home Furnishings Stores
- ▶ Beer, Wine & Liquor Stores
- ▶ Shoe Stores
- ▶ Book, Periodical & Music Stores
- ▶ Other General Merchandise Stores
- ▶ Special Food Services
- ▶ Clothing Stores
- ▶ Drinking Places – Alcoholic Beverages
- ▶ Lawn & Garden Equipment & Supply
- ▶ Office Supplies, Stationery & Gift Stores

ESRI Retail MarketPlace report data and findings provide a good starting point for the design of an effective, market-driven business development strategy for downtown Washington. Still, retail categories and subcategories showing potential for expansion and growth based on ESRI data must be further analyzed and, with the contribution of local expertise, interpreted to better understand the local and regional conditions and factors that could be driving the results.

Identified areas of retail strength must also be further assessed to better understand and identify potential opportunities for complementary businesses and uses; opportunities for existing business to expand or introduce new product and service lines; potential opportunities for location-neutral businesses and enterprises; and potential business niche/clustering opportunities that capitalize upon existing retail sector strengths, retail and non-retail anchors, and area attractions.

Moving forward, it will be critical for the community to capitalize upon and leverage past and planned investments, and ongoing initiatives, to position downtown Washington as a local and regional attraction, economic engine and center for commerce.

Community Participation

The process behind the completion of this study was orchestrated to provide opportunities for Washington stakeholders and Washington area residents and visitors the chance to provide ideas and input that form the basis for this study's findings and directions. Public participation opportunities included:

- Performance of an online consumer survey completed by 173 respondents.
- Conduct of a consumer intercept survey completed by 130 visitors to the downtown area.
- Performance of a business survey completed by 72 Main Street District businesses.

Following is a categorized, capsule summary of key results and findings relevant to Washington economic development topics and initiatives.

Market Region

The local Washington area and nearby market is an important part of the downtown Washington economy and efforts geared toward enhancing day-visitor related attractions in the downtown stand to benefit area businesses. The “pull” of downtown Washington as an area destination is evident in survey respondent origin results, with 67% (about two-thirds) of downtown consumer intercept survey respondents identifying their permanent place of residence as within the Washington Zip Code (52353).

| OS/IS1. In what Zip Code is your home located? | | | | | | |
|------------------------------------------------|------------------|---------------|---------------|---------------|--------------|---------------|
| Zip Code - Residence | Intercept Sample | | Online Sample | | Total Sample | |
| 52353 - Washington | 83 | 66.9% | 124 | 86.1% | 207 | 77.2% |
| 52201 - Ainsworth | 6 | 4.8% | 5 | 3.5% | 11 | 4.1% |
| 52248 - Keota | 5 | 4.0% | 3 | 2.1% | 8 | 3.0% |
| 52240 - Brighton | 4 | 3.2% | 4 | 2.8% | 8 | 3.0% |
| 52738 – Columbus Junction | 4 | 3.2% | 0 | 0.0% | 4 | 1.5% |
| All Others | 22 | 17.7% | 8 | 5.6% | 30 | 11.2% |
| Total | 124 | 100.0% | 144 | 100.0% | 321 | 100.0% |

Washington businesses recognize the critical role that Washington residents play in the sustainability of the downtown economy, with 100% of business survey respondents identifying “local/regional Washington residents” as their primary customer base. Approximately 53% of intercept survey respondents indicated they live less than 2 miles from the downtown district, almost 27% indicated they live more than ten miles from the downtown district, and approximately 36% reported they work in downtown Washington or within 2-miles.

Business development, marketing and promotion strategies should continue to recognize the local/regional Washington market as a dominant force, while public improvements and enhancements might be designed with both area residents and visitors in mind.

Attraction

More than 81% of Intercept survey respondents indicated they visit the downtown at least once a week to “do errands to shop, or for eating and drinking.” About 68% of the Online survey respondents say they visit downtown Washington at least once a week to “do errands.”

The findings could be directly related to business survey results that showed business owners and managers cited “Reputation” and “Customer Service” as top reasons for customers to do business with them. This is reflective of qualities and benefits, as opposed to commodities, that are nurtured through time, experience and interaction.

| Which one of the following best describes the main reason for customers to do business with you? | | |
|---------------------------------------------------------------------------------------------------------|--------------|-------------------|
| Response | Count | Percentage |
| Selection & variety | 7 | 10.0% |
| Customer service | 18 | 25.7% |
| Convenience | 3 | 4.3% |
| Price of goods & services | 3 | 4.3% |
| Reputation | 23 | 32.9% |
| Other* | 16 | 22.9% |
| TOTAL | 30 | 100.0% |
| *“Other” responses: “All of the Above”, marketing, state requirements. | | |

Survey patterns suggest that the downtown’s strength currently lies in its day-to-day utility as a highly convenient area hub, its demonstrated ability to attract repeat customers on an ongoing basis, and its ability to attract traffic benefiting retail establishments and food service uses. So, too, the frequency of visits for restaurants and eating & drinking establishments is relatively strong and indicative of an established niche in the Washington marketplace. The relative strength of the food services cluster, and the growing attraction of entertainment-oriented events cited, in particular, by focus group participants, could also point to opportunities for the expansion of food service and entertainment-oriented uses that will further establish the downtown Washington district’s destination-oriented position in the market.

Business development strategies should consider the expansion and recruitment of business types that are compatible with, and could benefit from, traffic generated by service, retail and restaurant business types that are most likely to attract consumers on an ongoing basis, such as existing retail destinations, financial institutions and other retail and non-retail uses that generate consistent traffic. Downtown marketing and public relations efforts might seek to expand on the sense of the downtown as a highly convenient “hometown” business district and nurture a strong sense of downtown Washington identity and Washington brand-loyalty by encouraging cross-marketing efforts, and by maintaining frequent communications that keep local residents apprised of positive changes, available goods and services, and new experiences to be enjoyed in the downtown area.

Media Preferences and Effectiveness

Survey findings on the media preferences of consumers in the Washington area can provide direction for effective business and downtown marketing, promotion and cooperative advertising strategies. The information can also provide direction for communicating news and proposals for changes and improvements in the downtown area.

| IS8/OS8. Of the following, which two (2) media and information sources do you use most often to get Washington area news, and information about Washington events and businesses? | | | | | | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|--------------|----------------------|--------------|---------------------|--------------|
| Media Sources | Intercept Sample | | Online Sample | | Total Sample | |
| Newspaper | 79 | 61.7% | 90 | 56.3% | 169 | 58.7% |
| Shoppers Guide | 21 | 16.4% | 10 | 6.3 % | 31 | 10.8% |
| Television | 20 | 15.6% | 7 | 4.4% | 27 | 9.4% |
| AM/FM Radio | 53 | 41.4% | 65 | 40.6% | 118 | 41.0% |
| Yellow Pages | 6 | 4.7% | 4 | 2.5% | 10 | 3.5% |
| Direct Mail | 6 | 4.7% | 6 | 3.8% | 12 | 4.2% |
| Internet Website(s) | 26 | 20.3% | 40 | 25.0% | 66 | 22.9% |
| Email Marketing | 5 | 3.9% | 14 | 8.8% | 19 | 6.6% |
| Social Media (Facebook, Twitter, etc.) | 30 | 23.4% | 68 | 42.5% | 98 | 34.0% |
| Other (please specify) | 6 | 4.7% | 6 | 3.8% | 12 | 4.2% |
| None | 7 | 5.5% | 2 | 1.3% | 9 | 3.1% |

Data Note: Multiple responses allowed. Percentages based number of participants responding to question; percentages do not equal 100%.

The Newspaper, followed by Radio, was cited as the most influential media source by consumer survey participants responding to the question, “Of the following, which two media sources do you use most often to get Washington area news and information about Washington events and businesses?” Social media is particularly strong among online survey respondents with more than 42% selecting social media as one of their top new and information sources.

By comparison, just under a third of business survey respondents cited newspaper and another third cited word-of-mouth/referrals as their most effective marketing medium. That was followed by Radio (22.5%) Internet Website (19.7%) and Social Media (15.5%) as the media or advertising sources their business found most effective. Other mediums like Yellow Pages (11.3%), direct mail (12.7%), e-mail marketing (8.5%), and television (7.0%), and others were less popular.

In general, the consumer and business survey media rankings are pretty well aligned, with newspaper and radio still being the top medium for getting news and information, as well as for businesses to reach consumers. The reliance of businesses on word of mouth and referrals as a preferred way to reach existing and new customers agrees with businesses identifying that their customers shop with them due to reputation and customer service.

27% (19) of business survey respondents indicated that they would participate in a downtown Washington cooperative advertising or marketing program, while another 44% (31) indicated they would consider participating. This suggests that a concerted campaign with several dozen participating businesses that utilizes and experiments with various media could be opportune.

Internet Marketing and E-Commerce

The ranking of media preferences demonstrates the growing influence of the Internet and social media applications as a news resource, for researching and purchasing products and services, and for communicating with clients. The Internet can be a particularly valuable resource for businesses because it provides the potential for businesses to expand their trade area well beyond local or regional geographies. Businesses with collectible, specialty, and custom merchandise lines, in particular, can use the Internet to market to the entire United States or even globally. Even traditional retailers and business carrying “staple” products are reaping benefits as, more and more, consumers use the Internet to “shop and compare” products and services, and then use the Internet – in much the same way previous generations of consumers used the Yellow Pages – as a resource to find a local outlet or vendor where they can make their purchase.

Over two-thirds of downtown Washington business survey participants have established a presence on the Internet, with 49 businesses (68.1% of survey respondents) indicating that their business has an Internet website. Only half (36) businesses indicated that their business has a Facebook page. Twenty percent of businesses (14) identified their website as being among the most effective media or advertising sources for generating traffic at their business.

Downtown Washington’s marketing and cooperative advertising efforts should consider how the Internet and various E-commerce, online directories and social media applications might be most effectively used to communicate with consumers and to further downtown promotional goals. The growing popularity of Facebook, for example, as an effective source to communicate with clients is evident in consumer survey results that show more than 34% of all respondents – and 42.5% of online survey respondents – selected Social Media as one of their top two sources for news and information.

Business development efforts must also consider how the growing influence of the Internet and E-Commerce might impact local business retention, expansion and recruitment strategies – both positively and negatively. Specialty businesses that otherwise might **not** be sustainable if left to rely exclusively on the local trade area, but that have product lines conducive to E-Commerce, may be candidates for expansion and recruitment. Conversely, consideration must be afforded as to how E-Commerce might pose competition for existing and targeted businesses, and growing trends which see consumers using brick & mortar retailers as merely a showroom to view and touch products, then shopping the same products online to find the best price.

Competitive Comparison

Consumer survey participants were asked to compare downtown Washington to other places they frequently shop and do business. Based on the frequency of “stronger” responses, downtown Washington’s strengths and competitive advantages versus the competition appear to include:

| Item/Feature | % Rating as “Stronger” |
|------------------|------------------------|
| ▪ Attractiveness | 43.2% |
| ▪ Cleanliness | 41.6% |

Based on the frequency of “weaker” responses, downtown Washington’s liabilities and competitive disadvantages as perceived by area consumers to include:

| Item/Feature | % Rating as “Weaker” |
|-----------------------|----------------------|
| • Variety & Selection | 73.1% |
| ▪ Variety of Dining | 56.1% |

Marketing and business development efforts should seek to capitalize on those features already “known” as being strengths and having appeal among trade area consumers, and might also seek to promote and demonstrate downtown features that will help to overcome consumers’ negative perceptions.

Downtown Priorities

Consumer and business survey respondents tend to share some similar views in considering priorities for possible downtown revitalization efforts. Both groups place a high value on efforts to create incentives for new and expanding businesses in the downtown area – ranked as a “High Priority” by 70% of consumer survey respondents and by 60% of business survey respondents. Efforts to restore and preserve the downtown’s historic character were the next highest priority in the combined consumer survey. Forty percent of businesses were interested in staging additional festivals and special events in the downtown area as a high priority.

| Downtown Washington Consumer Survey Q11.1 – Q11.5 Downtown Washington Business Survey Q13.1 – Q13.5 | | | | | | |
|-----------------------------------------------------------------------------------------------------------------|-----------------------------|----------------|---------------|----------------------------|---------------|---------------|
| Would you place a high, moderate or low priority on possible downtown Washington enhancement efforts to: | | | | | | |
| | Consumer Survey | | | Business Survey | | |
| | High | Moderate | Low | High | Moderate | Low |
| Restore and preserve the downtown Washington’s historic character? | 46.6% (131) #2 | 42.0% [118] | 9.3% [26] | 32.4% (22) #4 | 45.6% [31] | 19.1% [13] |
| Continue development of streetscape features to off the Square? | 40.9% (113) #4 | 42.8% [118] | 13.4% [37] | 32.4% (22) #3 | 44.1% [30] | 23.5% [16] |
| Stage additional festivals and special events in the downtown area? | 44.8% (124) #3 | 43.3% [120] | 8.7% [24] | 39.7% (27) #2 | 48.5% [33] | 10.3% [7] |
| Create incentives for new and expanding businesses in the downtown area? | 69.8% (196) #5 | 23.1% [65] | 5.0% [14] | 60.3% (41) #1 | 30.9% [21] | 8.8% [6] |
| Improve and/or create more housing in the downtown area? | 23.2% (65) #1 | 38.6% [108] | 28.9% [81] | 17.9% (12) #5 | 44.8% [30] | 37.3% [25] |

Notes: Ranking of “High” value frequency among survey group/items shown in parentheses. “No Opinion” responses omitted from table.

Input regarding priorities for the downtown district generally aligns with suggestions offered by consumer and business survey respondents when asked, “What is the first thing you would do to improve downtown Washington?” Business Improvement/Development initiatives, dominated by business recruitment, ranked first, followed closely by design-oriented subjects and topics.

What is the first thing you would do to improve downtown Washington?

| Category/Topic | Consumer Survey (229) | | Business Survey (50) | |
|----------------------------------------------------------------------------------------------------------|-----------------------|--------------|----------------------|--------------|
| | Count | Percent | Count | Percent |
| Category: Economic Restructuring | 106 | 46.3% | 27 | 54.0% |
| Add/Recruit Business | 94 | 41.0% | 15 | 30.0% |
| Business Development - General/Other | 2 | 0.9% | 5 | 10.0% |
| Housing | 2 | 0.9% | 3 | 6.0% |
| Programs and Incentives | 5 | 2.2% | 4 | 8.0% |
| Services and Facilities | 3 | 1.3% | 0 | 0.0% |
| | | | | |
| Category: Design | 62 | 27.1% | 12 | 24.0% |
| Building/Façade Improvements | 25 | 10.9% | 2 | 4.0% |
| General Appearances/Other | 9 | 3.9% | 0 | 0.0% |
| Parking and Traffic | 12 | 5.2% | 4 | 8.0% |
| Streetscape and Public Spaces | 16 | 7.0% | 6 | 12.0% |
| | | | | |
| Category: Promotion | 14 | 6.1% | 5 | 10.0% |
| Events | 10 | 4.4% | 2 | 4.0% |
| Marketing | 4 | 1.7% | 3 | 6.0% |
| | | | | |
| Category: Organization | 2 | 0.9% | 1 | 2.0% |
| | | | | |
| Category: Other/Undefined | 20 | 8.7% | 4 | 8.0% |
| Safety, Loitering, Drugs | 16 | 7.0% | 1 | 2.0% |
| Cleanliness | 2 | 0.9% | 2 | 4.0% |
| Undefined | 2 | 0.9% | 1 | 2.0% |
| Data Note: Summary of most frequent responses, categorized by topic and shown based on frequency. | | | | |

Business Opportunities

Surveys were among a number of tools used to help identify and gauge the potential for possible business expansion and recruitment prospects in downtown Washington. The information is helpful in assessing business opportunities and in identifying possible gaps in the downtown business mix.

Consumer survey responses to the open ended follow-up question, “Is there a particular type of business or attraction that that would make you visit downtown Washington more often?” could provide additional insight and help to gauge how the trade area might respond to various types of new and expanded businesses. The table appearing on the following page displays a categorized listing of suggestions for most frequently cited business types.

IS9/OS7. Is there a particular type of business or attraction that would make you visit downtown Washington more often?

| Category/Subcategory | Intercept (103) | | Online (186) | | Total (289) | |
|----------------------------------------------------|-----------------|--------------|--------------|--------------|-------------|--------------|
| Category: Eating & Drinking Places | 22 | 21.4% | 47 | 25.3% | 69 | 23.9% |
| Fast Food | 4 | 3.9% | 9 | 4.8% | 13 | 4.5% |
| Pub/Beer-garden/Brewery | 1 | 1.0% | 7 | 3.8% | 8 | 2.8% |
| Restaurants | 17 | 16.5% | 31 | 16.7% | 48 | 16.6% |
| Category: Entertainment/Recreation | 5 | 4.9% | 7 | 3.8% | 12 | 4.2% |
| Family Center/Misc. | 3 | 2.9% | 4 | 1.1% | 7 | 2.4% |
| Movie Theaters/Theatres | 1 | 1.0% | 1 | 0.5% | 2 | 0.7% |
| Outdoor Venues/Entertainment/Events | 1 | 1.0% | 2 | 1.1% | 3 | 1.0% |
| Category: Sporting Goods, Hobby, Books | 15 | 14.6% | 23 | 12.4% | 38 | 13.1% |
| Arts & Crafts, Sewing/Fabric | 9 | 8.7% | 12 | 6.5% | 21 | 7.3% |
| Books | 4 | 3.9% | 7 | 3.8% | 11 | 3.5% |
| Sporting Goods | 2 | 1.9% | 4 | 1.1% | 6 | 5.9% |
| Category: Food and Beverage Stores | 11 | 10.7% | 10 | 5.4% | 21 | 12.2% |
| Bakery | 2 | 1.9% | 9 | 4.8% | 11 | 3.8% |
| Grocery Stores | 5 | 4.9% | 0 | 0.0% | 5 | 1.7% |
| Health Foods | 4 | 3.9% | 1 | 0.5% | 5 | 1.7% |
| Category: Clothing and Clothing Accessories | 30 | 29.1% | 63 | 33.9% | 93 | 32.3% |
| Clothing - Other/General/Undefined | 26 | 25.2% | 59 | 31.7% | 85 | 29.4% |
| Clothing - Consignment | 2 | 1.9% | 1 | 0.5% | 3 | 1.0% |
| Shoes | 2 | 1.9% | 3 | 1.6% | 5 | 1.7% |
| Category: Specialty/Miscellaneous Retail | 12 | 11.7% | 27 | 14.5% | 39 | 13.5% |
| Electronics | 2 | 1.9% | 1 | 0.5% | 3 | 1.0% |
| Gifts, Antiques, Cards | 2 | 1.9% | 13 | 7.0% | 15 | 5.2% |
| Home Accessories & Kitchen | 3 | 2.9% | 4 | 1.1% | 7 | 2.4% |
| Hardware | 5 | 4.9% | 9 | 4.8% | 14 | 4.8% |
| Category: General Merchandise | 5 | 4.9% | 7 | 3.8% | 12 | 4.2% |
| Discount/Department Stores | 5 | 4.9% | 7 | 3.8% | 12 | 4.2% |
| Category: Services | 4 | 3.9% | 1 | 0.5% | 5 | 1.7% |
| Community Facilities & Services | 2 | 1.9% | 0 | 0.0% | 2 | 0.7% |
| Salon/Spa/Massage | 2 | 1.9% | 1 | 0.5% | 3 | 1.0% |

Data Note: Multiple responses allowed. Percentage based on number of participants responding to question; percentages do not equal 100%. Summary of most frequent reorganized and shown based on frequency. Complete list of categorized raw data responses provided as supplemental data.

Business Climate and Opportunities

Certain business survey results provide a general indication of the existing business climate in the Washington downtown district and the potential for existing downtown area businesses to expand. Survey findings, along with ESRI data, can provide direction for business retention and expansion efforts, including possibilities for providing business assistance and programs that could catalyze private reinvestment and positive changes in the downtown area. The business survey questionnaire was completed by 72 businesses.

Business Ownership and Tenure

Ownership status and the tenure of businesses in the downtown area provide an indication of the business district's stability, the market's ability to sustain businesses, and the commercial district's appeal as a place for investors and entrepreneurs. The Washington downtown district appears to have a balanced mix of owner- and renter-occupied business locations, with 57% of business survey participants indicating that they own their business location.

Fifty-eight percent of downtown businesses participating in the survey have existed in the downtown area for ten or more years – a figure that could be viewed as an indicator of stability in the downtown business mix, but that could also suggest the need for a certain level of succession planning given that 13 businesses (36%) indicated they have been operating for 20 or more years.

| Q.3: How long has your business been located in downtown Washington? | | |
|-----------------------------------------------------------------------------|--------------|-------------------|
| Response | Count | Percentage |
| Less than 1 year | 4 | 5.6% |
| 1 to 4 years | 7 | 9.9% |
| 5 to 9 years | 15 | 21.1% |
| 10 to 20 years | 14 | 19.7% |
| 20+ years | 31 | 43.7% |
| TOTAL | 71 | 100.0% |

Results are also suggestive of a downtown that attracts new entrepreneurs and investors as evidenced by the fact that 9 respondents (25%) indicated their business has existed in downtown Washington for 4 years or less.

Potential Business Expansion and Assistance

The retention and expansion of existing businesses is a key to successful downtown business development and recruitment efforts. Business survey results suggest that a healthy 54% of downtown Washington business owners are contemplating expansion within the next two years.

| Which of the following best describes the potential for your business to expand within the next 1 or 2 years? | | |
|----------------------------------------------------------------------------------------------------------------------|--------------|-------------------|
| Response | Count | Percentage |
| High likelihood | 15 | 21.4% |
| Some likelihood | 23 | 32.9% |
| Low likelihood | 13 | 18.6% |
| No likelihood | 19 | 27.1% |
| TOTAL | 70 | 100.0% |

Business survey participants also provide insight on possible changes that could occur within the downtown area and the business mix based on affirmative responses to a list of possible modifications. The frequency of businesses indicating plans to expand their business (40%), increase marketing (52%), increase their number of employees (24%), expand store inventory (40%), and start or complete building improvements within the next year or two (44%) are positive economic indicators for downtown Washington. Only one business indicated plans to close their business, and three businesses responding indicated plans to sell their business in the next year or two.

| In the next year or two, do you plan to change or modify your business in any of the following ways? | | |
|-------------------------------------------------------------------------------------------------------------------------------------------|--------------|-------------------|
| Response | Count | Percentage |
| Expand your business | 24 | 39.3% |
| Down-size your business | 1 | 1.6% |
| Expand hours of operation | 4 | 6.6% |
| Decrease hours of operation | 2 | 3.3% |
| Increase marketing | 26 | 42.6% |
| Decrease marketing | 0 | 0.0% |
| Expand store inventory | 21 | 34.4% |
| Decrease store inventory | 1 | 1.6% |
| Increase number of employees | 24 | 39.3% |
| Decrease number of employees | 0 | 0.0% |
| Start and/or complete building improvements | 18 | 29.5% |
| Relocate your business in the downtown | 2 | 3.3% |
| Move your business out of the downtown | 0 | 0.0% |
| Sell your business | 4 | 6.6% |
| Close your business | 1 | 1.6% |
| Other* | 10 | 16.4% |
| Data Note: Multiple responses allowed. Percentages shown based on 61 participants responding. Percentages do not equal 100% | | |
| *“Other” responses: mobile marketing, outdoor service proposal, 3-lanes killed business, stay the same, do what worked for 3 generations. | | |

Direction for possible Washington downtown business assistance and development efforts that could help to promote positive changes and catalyze investment is provided by business survey respondents indicating whether they would be inclined to use various types of programs and incentives. Sixty-one percent of respondents reported an interest in tax credits, 39% of respondents indicated an interest in business marketing consultations, while 35% indicated an interest in free/low-cost building improvement design services.

| Would you be inclined to use any of the following business programs and incentives? | | |
|------------------------------------------------------------------------------------------------------------------------------------|--------------|-------------------|
| Response | Count | Percentage |
| Business management consultations | 4 | 17.4% |
| Business marketing consultations | 9 | 39.1% |
| Business assistance seminars | 5 | 21.7% |
| Low-interest line of credit/payment | 6 | 26.1% |
| Low-interest building improvement loans | 8 | 34.8% |
| Tax credits | 14 | 60.9% |
| Free/low-cost building improvement design services | 8 | 34.8% |
| Assistance to sell your building and/or business | 5 | 21.7% |
| Other | 1 | 4.3% |
| Data Note: Multiple responses allowed. Percentages shown based on 23 participants responding. Percentages do not equal 100% | | |

Complementary Business Opportunities

Business survey participants were provided an opportunity to identify complementary business opportunities for downtown Washington by listing up to three types of new business that, located near them, would help their business generate more revenue and/or have the best chance to succeed. The categorized results are displayed in the following table.

| What type of new businesses or attractions, located in Downtown Washington, would help your business and/or have the best chance to succeed? 43 businesses responded, some with multiple answers. | | |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|--------------|
| Category/Subcategory | Total (90) | |
| Category: Eating & Drinking Places | 20 | 22.2% |
| Fast Food | 3 | 3.3% |
| Pub/Beergarden/Brewery | 1 | 1.1% |
| Restaurants | 16 | 17.8% |
| Category: Entertainment/Recreation | 9 | 10.0% |
| Family Center/Misc. | 5 | 5.6% |
| Outdoor Venues/Entertainment/Events | 4 | 4.4% |
| Category: Sporting Goods, Hobby, Books | 2 | 2.2% |
| Arts & Crafts, Sewing/Fabric | 2 | 2.2% |
| Category: Food and Beverage Stores | 7 | 7.8% |
| Bakery | 5 | 5.6% |
| Health Foods | 2 | 2.2% |
| Category: Clothing and Clothing Accessories | 20 | 22.2% |
| Clothing - Other/General/Undefined | 19 | 21.1% |
| Clothing - Consignment | 1 | 1.1% |
| Category: Specialty/Miscellaneous Retail | 24 | 26.7% |
| Electronics | 3 | 4.2% |
| Gifts, Antiques, Cards | 4 | 4.4% |
| Hardware | 1 | 1.1% |
| Misc. Retail | 16 | 17.8% |
| Category: General Merchandise | 3 | 4.2% |
| Discount/Department Stores | 3 | 4.2% |
| Category: Services | 4 | 4.4% |
| Professional, Medical or Gov't Offices | 4 | 4.4% |

Business Mix and Occupancy Levels

The Washington downtown district features a well-balanced business mix that includes general merchandise and specialty retailers, eating & drinking establishments, services businesses, professional offices and civic facilities. A breakdown of the area's business inventory by general business type and estimates of square feet occupancy demonstrates the diverse nature of the business mix and the district's multi-use characteristics.

| Summary of Building Space Utilization in Downtown Washington | | |
|--------------------------------------------------------------------------------------------|--------------------|---------------------|
| Business Type: | Est. Sq. Ft | Pct. Of Area |
| Retail - General, Miscellaneous and Specialty | 25,702 | 21.2% |
| Retail - Food Services & Drinking Places | 16,960 | 14.0% |
| Subtotal: Retail Uses | 42,662 | 35.3% |
| | | |
| Service | 43,445 | 35.9% |
| Warehouse/Industrial | 4,232 | 3.5% |
| Exempt (Government, Museum, Non-profit, etc.) | 16,384 | 13.5% |
| Other (Entertainment, Storage, etc.) | 1,984 | 1.6% |
| Vacant | 12,240 | 10.1% |
| Subtotal: Service, Exempt, Vacant & Other Uses | 78,285 | 64.7% |
| | | |
| Estimated Total: Building Sq. Ft. in Downtown Washington | 120,947 | 100.0% |
| Data source: Washington Main Street, 2013. Percentages may not total 100% due to rounding. | | |

Downtown Leasing and Sales Data

Data on downtown Washington leasing rates and sales volume collected through the business survey provides key economic data that can be shared with potential business prospects and investors considering opportunities in the District. The data should also be used as a benchmark to measure changes and progress stemming from District enhancement and economic development initiatives.

Survey results indicate that annual rent per square foot expenses for ground level commercial spaces in the District tend to be less than \$8 per square foot, not including utilities. Half of the rentals pay less than \$6 per square foot. This data is based on a survey sample of 27 businesses reporting that they pay rent. Just six survey respondents reported an annual rate of \$12 or more per square foot. Another 29 businesses responded that they do not pay rent or that it does not apply.

| What is your annual rent per square foot expense? ((Monthly Rent x 12) ÷ Square Feet Occupied) | | |
|-------------------------------------------------------------------------------------------------------|--------------|-------------------|
| Response | Count | Percentage |
| Less than \$6 per square foot | 13 | 23.2% |
| \$6 to \$8 per square foot | 10 | 10.7% |
| \$8 to \$10 per square foot | 1 | 1.8% |
| \$10 to \$12 per square foot | 1 | 1.8% |
| \$12 to \$15 per square foot | 4 | 7.1% |
| \$15 to \$20 per square foot | 0 | 0.0% |
| \$20+ per square foot | 2 | 3.6% |
| Not Applicable | 29 | 51.8% |
| TOTAL | 56 | 100.0% |

Survey results show that annual sales per square foot are concentrated in a range less than \$50 to \$150 per square foot, with 10 businesses (67% of respondents, not including “Not Applicable” respondents) reporting sales figures within that range. The total responding sample reported figures spanning the range of less than \$50 to more than \$300 per square foot. Based on the limited survey sample and by subjective calculations, median annual sales per square foot are estimated in a range of \$100 to \$150 per square foot, and average annual sales per square foot for all business types reporting are estimated at approximately \$157 per square foot. The figures appear comparatively low based on industry thresholds and it is possible that a broader survey sample could yield a different result.

| What is your annual sales volume per square foot? (Gross Annual Sales/Revenues ÷ Square Feet Occupied) | | |
|---------------------------------------------------------------------------------------------------------------|--------------|-------------------|
| Response | Count | Percentage |
| Less than \$50 per square foot | 2 | 3.8% |
| \$50 to \$100 per square foot | 6 | 11.3% |
| \$100 to \$150 per square foot | 4 | 7.5% |
| \$150 to \$200 per square foot | 4 | 7.5% |
| \$200 to \$250 per square foot | 2 | 3.8% |
| \$250 to \$400 per square foot | 0 | 0.0% |
| \$400+ per square foot | 8 | 15.1% |
| Not Applicable | 27 | 50.9% |
| TOTAL | 53 | 100.0% |

Opportunities

Retail Uses

Market research findings provide general direction for various retail business types and merchandise lines that could be prime candidates and appropriate for expansion and recruitment in the Washington Main Street District.

Analysis of ESRI retail data and sales surplus & leakage estimates reveals areas of retail strength, and other areas that might represent prime opportunities for expansion and/or complementary product and service lines. Retail categories and subcategories which, based strictly on the analysis of ESRI Retail MarketPlace report data and calculated sales surplus/leakage factors, appear to be areas of relative strength in the downtown district and surrounding area – and which could offer opportunities for expansion and complementary products and services lines – include:

- Auto Parts and Tire Stores
- Building Materials, Paint, Hardware, Lawn & Garden Equipment
- Health & Personal Care Stores and Services
- Gas Stations & Convenience Stores
- General Merchandise, Supercenters, “Dollar” Stores
- Florists
- Used Merchandise
- Full & Limited Service Restaurants @
- Catering & Specialty Food Service

Retail categories, subcategories and product lines which, based solely on the analysis of ESRI data, might represent some of the best and most immediate opportunities for growth and expansion based on underperformance include:

- Auto & Recreational Vehicle Dealers
- Furniture & Home Furnishing Stores
- Electronics & Appliance Stores
- Food & Beverage Stores
- Clothing & Clothing Accessories Stores @
- Sporting Goods/Hobby/Musical Instruments
- Department Stores
- Office Supplies & Gift Stores
- Nonstore Retailers
- Drinking Places

@ = Top Priority of Consumer and Business Surveys

Retail MarketPlace report data and findings provide a good starting point for the design of an effective, market-driven business development strategy for downtown Washington. Still, retail categories and subcategories showing potential for expansion and growth based on ESRI data must be further analyzed and, with the contribution of local input and expertise, interpreted to better understand the local and regional conditions and factors that could be driving the results and possible implications for the district.

Identified areas of retail strength must also be further assessed to better understand and identify potential opportunities for complementary businesses and uses; opportunities for existing business to expand or introduce new product and service lines; potential opportunities for location-neutral businesses and enterprises; and potential business niche/clustering opportunities that capitalize upon existing retail sector strengths, retail and non-retail anchors, and area attractions.

Business types and merchandise lines that might be considered primary targets and candidates for expansion and recruitment, based on the District’s existing business mix, trends in the marketplace and related findings from local input, consumer and business surveys, and ESRI retail data and the accompanying sales surplus & leakage analysis performed as part of this study include:

Food Services & Drinking Places (NAICS 722)

| Study Area Sales Surplus/(Leakage) Estimates | 5 Minutes | 10 Minutes | 20 Minutes |
|-----------------------------------------------|-------------|-------------|---------------|
| 722: Food Services & Drinking Places | \$6,686,609 | \$5,208,126 | \$3,028,748 |
| ▶ 7221: Full-Service Restaurants | \$2,178,640 | \$1,393,883 | \$811,251 |
| ▶ 7222: Limited-Service Eating Places | \$351,893 | (\$660,264) | (\$1,940,418) |
| 7223: Special Food Services | \$4,202,575 | \$4,458,870 | \$4,249,337 |
| ▶ 7224: Drinking Places (Alcoholic Beverages) | (\$46,499) | \$15,637 | (\$91,422) |
| ▶ <i>Indicates targeted subcategory/lines</i> | | | |

| Survey Frequency | Intercept | Online | Business |
|--------------------|------------|------------|------------|
| Count – Percentage | 22 – 21.4% | 47 – 25.3% | 20 – 22.2% |

Notes:

The District is gaining a reputation, and displays some destination-oriented qualities, characteristics and features, as a destination for eating, drinking and entertainment. Concepts would be compatible and complementary to existing category entries and might include additional ethnic specialties. Opportunities and concepts for limited-service eating establishments might cater to the downtown and immediately surrounding employee populations by offering order-ahead, pick-up, delivery and catering services. Consumer and business surveys also specifically referenced bakeries as a desired new downtown business. Evening and nighttime establishments might feature various genres of music and venues for local artists. Décor and themes might feature local art, history and heritage.

Clothing and Clothing Accessories Stores (NAICS 448)

| Study Area Sales Surplus/(Leakage) Estimates | 5 Minutes | 10 Minutes | 20 Minutes |
|-----------------------------------------------|-------------|-------------|---------------|
| 448: Clothing and Clothing Accessories Stores | (\$590,353) | (\$958,430) | (\$1,387,724) |
| ▶ 4481: Clothing Stores | (\$368,269) | (\$598,645) | (\$859,527) |
| ▶ 4482: Shoe Stores | (\$108,651) | (\$173,553) | (\$218,750) |
| ▶ 4533: Jewelry, Luggage & Leather Goods | (\$113,433) | (\$186,232) | (\$309,448) |
| ▶ <i>Indicates targeted subcategory/lines</i> | | | |

| Survey Frequency | Intercept | Online | Business |
|--------------------|------------|------------|------------|
| Count – Percentage | 30 – 29.1% | 63 – 33.9% | 20 – 22.2% |

Notes:

Consumer survey results indicate broad interest in having more clothing stores in Washington. There is support for certain subcategories, and generalized responses indicating a preference for general clothing retailers, womens and mens stores, as well as “boutique” and “specialty” shops, suggest this category should be targeted for expansion and recruitment. Used, quality clothing, home furnishings, collectible and quality clothing stores, children’s wear, t-shirts, vintage clothing, etc., might offer an opportunity to take advantage of “green” re-wearing/recycling of trends and also help, via more well-defined niches, to fill demand in the Clothing & Clothing Accessories and General Merchandise categories. Cards, Gifts & Stationery lines might help to fill demand for specialty and boutique retailers and might incorporate handcrafted products and art.

Miscellaneous Store Retailers (NAICS 453)

| Study Area Sales Surplus/(Leakage) Estimates | 5 Minutes | 10 Minutes | 20 Minutes |
|----------------------------------------------|-------------|-------------|-------------|
| 453: Miscellaneous Store Retailers | \$1,184,984 | \$967,383 | \$606,368 |
| 4531: Florists | \$1,323,757 | \$1,243,096 | \$1,048,181 |
| ▶ 4532: Office Supplies & Gift Stores | (\$28,650) | (\$134,478) | (\$342,268) |
| ▶ 4533: Used Merchandise Stores | (\$1,754) | (\$48,210) | (\$146,538) |
| ▶ 4533: Other Miscellaneous Store Retailers | (\$108,368) | (\$93,024) | \$46,994 |

▶ *Indicates targeted subcategory/lines*

| Survey Frequency | Intercept | Online | Business |
|--------------------|------------|------------|------------|
| Count – Percentage | 12 – 11.7% | 27 – 14.5% | 24 – 26.7% |

Notes:

Consumer survey results indicate a support for certain subcategories, and generalized responses indicating a preference for general retail and/or unspecified “boutique” and “specialty” shops, suggest this category should be targeted for expansion and recruitment. Used quality home furnishings, collectible and quality clothing stores, specializing in lines such as maternity wear, children’s wear, t-shirts, vintage clothing, etc., might offer an opportunity to take advantage of “green” re-wearing/recycling of trends and also help, via more well-defined niches, to fill demand in the Clothing & Clothing Accessories and General Merchandise categories. Cards, Gifts & Stationery lines might help to fill demand for specialty and boutique retailers and might incorporate handcrafted products and art.

Sporting Goods, Hobby, Book and Music Stores (NAICS 451)

| Study Area Sales Surplus/(Leakage) Estimates | 5 Minutes | 10 Minutes | 20 Minutes |
|----------------------------------------------------|-------------|-------------|-------------|
| 451: Sporting Goods, Hobby, Book, and Music Stores | (\$365,308) | (\$612,296) | (\$431,109) |
| ▶ 4511: Sporting Goods/Hobby/Musical Instrmts | (\$233,803) | (\$400,411) | (\$528,137) |
| ▶ 4512: Book, Periodical, and Music Stores | (\$131,505) | (\$211,886) | \$97,027 |

▶ *Indicates targeted subcategory/lines*

| Survey Frequency | Intercept | Online | Business |
|--------------------|------------|------------|----------|
| Count – Percentage | 15 – 14.6% | 23 – 12.4% | 2 – 2.2% |

Notes:

The most immediate opportunities might be focused in hobby, arts & crafts related merchandise lines and galley-style uses to capitalize upon the history, arts & culture and environment recognized by survey respondents; and arts & culture oriented uses and attractions. Expressed interest for arts, hobbies and crafts-related businesses, uses and lines might provide opportunities for new entries, or opportunities for existing businesses and attractions to expand or add complementary merchandise lines. Opportunities in the sporting goods category would likely capitalize on the health and fitness movement (and might include health food or supplements) and the existing and expanding trail systems (i.e., bicycles – rentals, sales and service – and bicycling, running and walking gear). Product lines offered in tandem with services and performances (i.e., music lessons, voice lessons, acting lessons, open mic events, storytelling events, etc.) might offer the best opportunities for sustaining Music and Musical Instruments-related business.

Office and Service Uses

The office and services sectors play an important role in generating consistent traffic for the downtown district. Trends and projections pointing to growth in population and the number of households in the area surrounding the downtown and the Washington region through 2016 will likely bring increases demand for services. So, too, certain trends could also serve to essentially change the behavior of the market and generate demand for additional office and service uses including:

- Continued transition to a service-oriented society.
- Increasing demand for personal care and medical services related to the “Graying of America” phenomenon.
- An increase in both the “live here” and “work here” populations that could result in the long-term from new development and the adaptive re-use of District and downtown commercial buildings for residential and office uses.
- The District’s appeal to office and service businesses that will continue to grow as success is realized from Washington enhancement efforts – and the possibility that existing office and service businesses currently located in other parts of the community and region will seek to relocate in the downtown district.

Office and services uses in the downtown Washington area already play an important role in the district’s economy and sense of vitality and, predictably, will continue to do so in the future. These uses should continue to be encouraged to locate within the district and, where appropriate and applicable, Main Street and community development partners should work to locate these uses in buildings and spaces that are conducive to maintaining a strong sense of retail vibrancy throughout the Main Street district.

Housing

Consumer survey results lend support for prospects to develop new housing of various styles in the downtown area. In all, 214 consumer survey respondents (60%) indicated “Yes” or “Maybe” when asked if they would consider living in the downtown.

| Would you consider living in the downtown? | | | | | | |
|--------------------------------------------|------------------|---------------|---------------|---------------|--------------|---------------|
| Consider living in District | Intercept Sample | | Online Sample | | Total Sample | |
| A. Yes | 22 | 22.9% | 83 | 31.8% | 105 | 29.4% |
| B. Maybe | 26 | 27.1% | 83 | 31.8% | 109 | 30.5% |
| C. No | 48 | 50.0% | 95 | 36.4% | 143 | 40.1% |
| Total | 96 | 100.0% | 261 | 100.0% | 357 | 100.0% |

Those indicating that they would consider living in the District with a “yes” or “maybe” responses expressed interest in a variety of housing styles and in both rental and owned units. Of those who expressed interest in living in the downtown, approximately 35% indicated they would like to rent and 67% would like to buy. Loft and condo units were the most popular styles, selected by 54% and 44% of the responding survey sample, respectively.

| Would you like to: | | | | | | |
|--------------------|------------------|-------|---------------|-------|--------------|-------|
| Rent or Buy | Intercept Sample | | Online Sample | | Total Sample | |
| A. Rent | 13 | 29.5% | 61 | 36.7% | 74 | 35.2% |
| B. Buy | 31 | 70.5% | 110 | 66.3% | 141 | 67.1% |

Data Note (OS): Multiple responses allowed. OS and Total percentages based responding sample and do not total 100%.

| What kind of housing would you look for? | | | | | | |
|------------------------------------------|------------------|-------|---------------|-------|--------------|-------|
| Housing options considered | Intercept Sample | | Online Sample | | Total Sample | |
| Apartment | 13 | 30.2% | 49 | 29.5% | 62 | 29.7% |
| Loft | 24 | 55.8% | 89 | 53.6% | 113 | 54.1% |
| Condo | 22 | 51.2% | 70 | 42.2% | 92 | 44.0% |
| Townhouse | 12 | 27.9% | 51 | 30.7% | 63 | 30.1% |
| Single-family detached | 13 | 30.2% | 64 | 38.6% | 77 | 36.8% |
| Senior housing | 3 | 7.0% | 3 | 1.8% | 6 | 2.9% |

Data Note: Multiple responses allowed. Percentages based responding sample. Percentages do not total 100%.

The trends and overwhelming interest expressed by consumer survey respondents appear to bode well for the development and expansion of housing options in the downtown area. The best prospects for new downtown housing might be directed toward the development of units that are quite different from typical cookie-cutter housing styles and options— including styles that might take advantage of the unordinary dimensions, layouts and materials found in the upper levels of downtown commercial buildings to create distinguishable and even “funky” living and/or live & work spaces; and for higher-density condo, townhouse and mixed-use development at potential (and appropriate) redevelopment sites in the Main Street district and surrounding area.

Isolated demographic data for respondents indicating interest with a “yes” or “maybe” responses when asked if they would consider living in the downtown is displayed in the following tables and can be helpful in developing a profile for the current and prospective downtown Washington housing market.

Demographic Profile for Potential Downtown Housing Market

| Gender of “Yes” and “Maybe” respondents asked, “Would you consider living in the downtown?” | | | | | | |
|---------------------------------------------------------------------------------------------|------------------|---------------|---------------|---------------|--------------|---------------|
| Gender | Intercept Survey | | Online Survey | | Total Sample | |
| A. Female | 29 | 60.4% | 95 | 57.9% | 124 | 58.5% |
| B. Male | 19 | 39.6% | 69 | 42.1% | 88 | 41.5% |
| Total | 48 | 100.0% | 164 | 100.0% | 212 | 100.0% |

| Age of “Yes” and “Maybe” respondents asked, “Would you consider living in the downtown?” | | | | | | |
|------------------------------------------------------------------------------------------|------------------|---------------|------------------------------|--------------|---------------|--|
| Intercept Sample - Age | Intercept Survey | | Online Survey - Age | Total Sample | | |
| A. Less than 20 years | 2 | 4.2% | A. Under 18 | 17 | 10.4% | |
| B. 20 to 24 | 6 | 12.5% | B. 19 to 25 | 19 | 11.6% | |
| C. 25 to 34 | 15 | 31.3% | C. 26 to 35 | 61 | 37.2% | |
| D. 35 to 44 | 5 | 10.4% | D. 36 to 45 | 29 | 17.7% | |
| E. 45 to 54 | 8 | 16.7% | E. 46 to 55 | 17 | 10.4% | |
| F. 55 to 64 | 8 | 16.7% | F. 56 to 65 | 20 | 12.2% | |
| G. 65 to 74 | 3 | 6.3% | G. 66+ | 1 | 0.6% | |
| H. 75 or older | 1 | 2.1% | | | | |
| Total – Intercept Sample | 48 | 100.0% | Total – Online Sample | 164 | 100.0% | |

| Household Size of “Yes” and “Maybe” respondents asked, “Would you consider living in the downtown?” | | |
|------------------------------------------------------------------------------------------------------------|-------------------------|---------------|
| Household Size | Intercept Survey | |
| 1 | 10 | 21.3% |
| 2 | 19 | 40.4% |
| 3 | 4 | 8.5% |
| 4 | 11 | 23.4% |
| 5 | 3 | 6.4% |
| 6 or more | 0 | 0.0% |
| Total | 47 | 100.0% |

| Estimated Gross Household Income of “Yes” and “Maybe” respondents asked, “Would you consider living in the downtown?” | | |
|------------------------------------------------------------------------------------------------------------------------------|-------------------------|---------------|
| Household Income | Intercept Survey | |
| Less than \$15,000 | 5 | 11.1% |
| \$15,000 to \$24,999 | 2 | 4.4% |
| \$25,000 to \$34,999 | 6 | 13.3% |
| \$35,000 to \$49,999 | 7 | 15.6% |
| \$50,000 to \$74,999 | 10 | 22.2% |
| \$75,000 to \$99,999 | 7 | 15.6% |
| \$100,000 to \$149,999 | 5 | 11.1% |
| \$150,000 to \$199,999 | 1 | 2.2% |
| \$200,000 and greater | 2 | 4.4% |
| Total | 45 | 100.0% |

First Steps Implementation Strategy

The Downtown Washington Market Study provides a snapshot of the downtown area today and explores opportunities for the future. The time frame for planning and implementing projects based on findings and opportunities identified as part of this study could extend up to ten years – or even more. Our commercial business district is constantly changing, these implementation steps will be re-evaluated constantly. If the right conditions occur, priority levels of the implementation steps maybe adjusted. Because of these limitations, an implementation strategy can only be a general guide for implementing key aspects of the study.

The First Steps Implementation Strategy summarizes and prioritizes projects and activities that, undertaken as part of a comprehensive and incremental approach, will advance long-term goals for downtown Washington. Key market study findings and implications are summarized and potential Action Steps are organized in the areas of Economic Restructuring, Promotion, Design and Organization – a format consistent with the Main Street Washington’s structure and its 4-point approach. By the very nature of the market study, implementation strategy actions are primarily focused in the areas of economic restructuring and promotion.

The list of potential projects and actions contained in this summary report is neither exhaustive nor exclusive. The projects and actions proposed for implementation area considered a “starting point” for the development of a more comprehensive strategy that is the product of market analysis findings, local knowledge, and the ongoing work of Main Street Washington staff and volunteers, partners, local business persons, community leaders and residents working together.

Priority Action Steps – Economic Restructuring

| Action | Description | Priority Level |
|--------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|
| 1 | Distribute the four-page summary version of the market study to existing downtown business and property owners, and to potential business prospects and investors. | 0 |
| 2 | Create a business owner forum for current business owners to discuss current market trends and conditions. Highlighting gaps in market and gauge interest in expansion by existing business owners. | 0 |
| 3 | Work in partnership with the City and other community & economic development organizations on an ongoing basis to assess land use plans and to promote and pursue appropriate redevelopment opportunities; consider opportunities for, and the appropriateness of, higher-density mixed-use development and other housing styles as a means of growing the area's residential market and population. | 0 |
| 4 | Devise fact sheets or similar written materials that can be readily updated to describe and promote available business programs and incentives, such as façade design assistance, façade improvement loans and grants, management consultations, and property and client referrals. | 0 |
| 5 | Create a plan to educate consumers on existing retail options (specifically clothing, as it was identified as #1 want) | 1 |
| 6 | Devise and update a business clustering strategy which is compatible with resulting land use plans and strategies, which serves to build on existing and evolving niches, and which provides guidance for the preferred placement of business types and uses targeted for expansion and recruitment. | 1 |
| 7 | Organize and maintain a programmed Business Visitation Program as part of an ongoing business assistance program that engages downtown businesses, promotes available resources, facilitates the delivery of business assistance resources, and helps to identify business expansion candidates. | 1 |
| 8 | Continue to develop business promotional materials and to enhance the website as a tool for passive and active recruitment of targeted business prospects. | 1 |
| 9 | Identify and assist businesses that may be candidates for expansion based on product lines identified in the market study and interest discovered through the Business Visitation Program. | 1 |
| 10 | Identify and actively recruit specific business types and prospects based on business types identified in the market study and the availability of appropriate spaces. | 1 |
| 11 | Identify clothing store chains in other small towns and create a list of contacts for potential recruitment. | 2 |
| 12 | Augment market study data and information with traffic and/or pedestrian counts, collected at various locations and times throughout the year, to benchmark and track activity in the downtown; and re-administer the consumer intercept survey, possibly using a condensed version of the questionnaire and conducted semi-annually and/or during select events, to track downtown tourism trends and perspectives of various downtown audiences. | 2 |
| 13 | Conduct field trips to communities and commercial businesses districts displaying similar characteristics and market demographics to examine the business mix and make contact with potential business expansion candidates. | 2 |
| 14 | Facilitate cooperative advertising and marketing efforts that involve property owners and agents to market available space and potential infill and redevelopment opportunities. | 3 |
| 15 | Identify and assist businesses in succession planning by using resources and facilitating access to assistance available through Main Street Iowa and other local, regional and state resources. | 3 |

Priority Level Key:

0 = Immediate and/or Ongoing

1 = Within 1 Year

2 = Within 2 Years

3 = Within 3 Years

Priority Action Steps – Organization

| Action | Description | Priority Level |
|--------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|
| 1 | Create Summary Documents that can be distributed to local media outlets (Newspaper & Radio) as well as distributed to local government and during speaking engagements | 0 |
| 2 | Create a presentation to be given to City Council as well as County Supervisors- highlighting consumer and business owner desire for business incentives | 0 |
| 3 | Tailor government presentation into community based to be given at service clubs, church groups, retirement homes, etc.- help to create a schedule of presenters to reach out to these groups. | 0 |

Priority Level Key:

0 = Immediate and/or Ongoing 1 = Within 1 Year 2 = Within 2 Years 3 = Within 3 Years

Priority Action Steps – Promotion

| Action | Description | Priority Level |
|--------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|
| 1 | Work with ER committee to educate the community on existing clothing options as well as encourage business owners to expand options | 0 |
| 2 | Continue to utilize Clean SWEEPs and Caught in the Act program to promote a healthy downtown through Facebook and Newspaper- Encourages investment by owners in the community as well as investment by consumers in businesses. (Downtown streetscape and park were a highlight) | 0 |
| 3 | Utilize keywords from survey results in promotional materials especially during Retail related activities like “Shop & Stroll” and in the development of potential “Women’s Only Weekend/Women of Washington (aka WOW): Spring Event” | 1 |

Priority Level Key:

0 = Immediate and/or Ongoing 1 = Within 1 Year 2 = Within 2 Years 3 = Within 3 Years

Priority Action Steps – Design

| Action | Description | Priority Level |
|--------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|
| 1 | Continue use of Washington Incentive Fund grant program as business incentive for reinvestment through strong design guidelines and wise use of the Secretary of Interior’s Standards for Rehabilitation. | 0 |
| 2 | Develop community education program on the tenets of Historic Preservation and the use of Historic Tax Credits within the National Register listed downtown Historic District. | 1 |

Priority Level Key:

0 = Immediate and/or Ongoing 1 = Within 1 Year 2 = Within 2 Years 3 = Within 3 Years

Conclusion

For Washington and Main Street Washington, the completion of this market study is not an end but rather the beginning of the next phase of Washington's downtown revitalization and enhancement projects.

This report serves to highlight only a small sample of the knowledge and direction that can be synthesized from analysis of data collected during the market analysis process. Our implementation steps, outlined within this report, is only the initial starting point for our sharing of this information. As Main Street Washington moves forward, we will continue to involve our community leaders, business persons and residents in efforts to analyze and interpret the information as well as develop a more complete understanding of the findings and results. Such a process will serve to aid in the development of strategies that are both market-driven goals and aspirations for downtown Washington.

While this process has served to help identify present-day priorities, existing and looming challenges, and immediate and emerging opportunities, it cannot, and does not pretend to, anticipate tomorrow's priorities, next year's unexpected challenges, or exciting and unanticipated opportunities still over the horizon.

Thank you to Main Street Washington staff and volunteers for all their hard work and whose diligent efforts to gather information, crunch the numbers, and create this report have created a market-driven plan which can help Washington better plan for the future.



Appendix A:
Lifestyle Profiles (ESRI Community Tapestry)

| Segment 32 – Rustbelt Traditions | | | |
|---------------------------------------------|-------------------|-------------------|-------------------|
| | 5 Minutes | 10 Minutes | 20 Minutes |
| Drive Time Households : Count – Pct. (Rank) | 1,227 – 47.8% (1) | 1,318 – 40.9% (1) | 1,318 – 31.6% (1) |

Demographic

These neighborhoods are primarily a mix of married-couple families, single parents, and singles who live alone. With a population of 8.4 million, this segment is one of Tapestry Segmentation’s largest. The median age is 35.9 years, just below the US median. There is little diversity in these communities.

Socioeconomic

The median household income is \$42,337. Half of the employed residents work in white-collar jobs. For years, these residents sustained the manufacturing industry that drove local economies. Now, the service industry predominates, followed by manufacturing and retail trade. Their education attainment is improving; more than 84 percent of residents aged 25 years and older have graduated from high school, 15 percent hold a bachelor’s or graduate degree, and 44 percent have attended college.

Residential

The backbone of older industrial cities in the Great Lakes border states, residents of these neighborhoods live in modest, single-family homes. Home ownership is 70 percent. The relatively low median home value is because nearly two-thirds of the housing was built before 1960.

Preferences

These residents stick close to home; for years, they’ve lived, worked, shopped, and played in the same area. Not tempted by fads, they stick to familiar products and services. They drive domestic cars. They will spend money on their families, yard maintenance, and home improvements. They will hire contractors for special projects such as the installation of roofing, carpet, and flooring.

These financially conservative residents prefer to bank at a credit union and have personal savings. They might carry a personal loan and hold low-value life and homeowner’s insurance policies. They’re frugal and shop for bargains at Sam’s Club, JCPenney, and Kmart. They go online weekly to play games and shop.

They go bowling, fishing, and hunting and attend car races, country music shows, and ice hockey games. They’re big TV fans; they watch sitcoms and sports events. They also subscribe to cable and watch it regularly. Favorite channels are truTV, the Game Show Network, and the Disney Channel.

Demographic Traits

| | |
|------------------------|-----------------------------------------|
| Household Income: | Middle |
| Median Age: | 36.0 |
| Family/Household Type: | Mixed |
| Housing Style: | Single Family |
| Employment Levels: | Skilled/Professional/Management/Service |
| Education Levels: | High School Graduate; Some College |
| Ethnic Diversity: | White |

Lifestyle Traits

1. Buy children’s and baby products
2. Use credit union
3. Do painting, drawing
4. Watch Cable TV
5. Own/Lease Domestic Vehicle

Segment 29 – Rustbelt Retirees

| | 5 Minutes | 10 Minutes | 20 Minutes |
|---------------------------------------------|-----------------|-----------------|-----------------|
| Drive Time Households : Count – Pct. (Rank) | 564 – 22.0% (2) | 810 – 25.1% (2) | 815 – 19.5% (3) |

Demographic

Most of the households in these neighborhoods are married couples with no children or singles who live alone. Twenty percent are married couples with children. The median age is 44.2 years; more than one-third of the householders are aged 65 years or older. Seventeen percent are veterans. These neighborhoods are not ethnically diverse.

Socioeconomic

Many residents still work. Most households derive income from wages. However, 45 percent of households earn income from interest, dividends, and rental properties; 40 percent draw Social Security benefits; and 28 percent receive retirement income. The median household income is \$46,909, just below that of the US median. Overall, 88 percent of residents aged 25 years and older have graduated from high school, approximately 50 percent have attended college, and 20 percent hold a bachelor's or graduate degree.

Residential

Most *Rustbelt Retirees* neighborhoods can be found in older, industrial northeastern cities, especially in Pennsylvania, and other states surrounding the Great Lakes; 67 percent of the households are located in the Northeast and Midwest. Twenty-eight percent are in the South. Eighty-four percent of the housing is single-family homes; three-fourths were built before 1970. Unlike many retirees, these residents are content to stay put and live in the same house for years.

Preferences

These hardworking folks are settled; many have lived in the same house for years. Loyal to country and community, they tend to be politically conservative. They participate in public activities and fund-raising, visit elected officials, and work for political parties or candidates. They belong to fraternal organizations, unions, and veterans' clubs. Practical people who take pride in their homes and gardens, *Rustbelt Retirees* buy home furnishings and work on remodeling projects to update their houses. They watch their pennies, use coupons, and look for bargains at discount stores and warehouse clubs. They own savings bonds and certificates of deposit and hold life insurance policies.

They eat out at family restaurants such as Perkins and Friendly's and watch rented movies on DVD instead of going to the theater. They also go bowling, play cards and bingo, gamble in Atlantic City, and go to horse races. They watch home improvement shows, sports events, news programs, game shows, and old reruns on TV. Favorite channels include HGTV, the Hallmark Channel, and the Weather Channel. They listen to country, oldies, and sports radio and peruse the daily newspaper.

Demographic Traits

| | |
|------------------------|-----------------------------------------|
| Household Income: | Middle |
| Median Age: | 44.6 |
| Family/Household Type: | Middle Class with No Kids; Singles |
| Housing Style: | Single Family |
| Employment Levels: | Professional/Management/Skilled/Service |
| Education Levels: | High School Graduate; Some College |
| Ethnic Diversity: | White |

Lifestyle Traits

1. Play bingo
2. Own annuities
3. Belong to fraternal orders, unions, etc.
4. Watch news shows on TV
5. Own/Pontiac

Segment 30 – Retirement Communities

| | 5 Minutes | 10 Minutes | 20 Minutes |
|---------------------------------------------|-----------------|-----------------|-----------------|
| Drive Time Households : Count – Pct. (Rank) | 373 – 14.5% (3) | 569 – 17.7% (3) | 569 – 13.6% (4) |

Demographic

Most of the households in *Retirement Communities* neighborhoods are single seniors who live alone; a fourth is married couples with no children living at home. This older market has a median age of 50.3 years. One-third of the residents and 44 percent of householders are aged 65 years or older. Twenty-three percent of the population and 31 percent of householders are aged 75 years or older. Most of the residents are white.

Socioeconomic

The median household income for *Retirement Communities* is \$46,251, slightly below the US median. Nearly half of the households earn income from interest, dividends, and rental properties; 45 percent receive Social Security benefits; and 26 percent receive retirement income. Most of those still working are employed in white-collar occupations. *Retirement Communities* residents are an educated group: 14 percent of the residents aged 25 years and older hold a graduate degree, 35 percent have a bachelor’s degree, and more than 60 percent have attended college.

Residential

Retirement Communities neighborhoods are found mostly in cities scattered across the United States. Most housing was built after 1959. Congregate housing with meals and other services included in the rent is a feature of these neighborhoods. Fifty-seven percent of the households live in multiunit buildings; however, 34 percent of the housing is single-family structures, and 8 percent is townhouses. The home ownership rate is 53 percent.

Preferences

With more time to spend on leisure activities and hobbies, residents play musical instruments, paint or draw, work crosswords, play bingo, or attend adult education classes. They also visit museums, attend the theater, go dancing, practice yoga, go canoeing, and play golf. They will travel to gamble in Atlantic City or to visit Disney World. They attend sports events such as golf tournaments, tennis matches, and baseball games. They spend time with their grandchildren and spoil them with toys. Politically active, these residents are “joiners” and belong to civic clubs and charitable organizations. They own stocks and bank online. They prefer to own or lease a domestic vehicle.

These residents describe themselves as moderate or frequent viewers of daytime and primetime TV. They watch news programs and baseball games, tennis matches, and golf tournaments. Cable channel favorites are Bravo, truTV, ESPN news, and Travel Channel. They listen to classical and public radio. Avid readers, they regularly read daily newspapers.

Demographic Traits

| | |
|------------------------|-----------------------------------|
| Household Income: | Middle |
| Median Age: | 50.9 |
| Family/Household Type: | Singles |
| Housing Style: | Multi-units |
| Employment Levels: | Professional/Management |
| Education Levels: | Some College; Bachelor’s/Graduate |
| Ethnic Diversity: | White |

Lifestyle Traits

1. Travel
2. Use full-service brokerage firm
3. Go to live theater
4. Watch news and sports on TV
5. Lease Vehicle

Segment 33 – Midlife Junction

| | 5 Minutes | 10 Minutes | 20 Minutes |
|---------------------------------------------|-----------------|-----------------|----------------|
| Drive Time Households : Count – Pct. (Rank) | 365 – 14.2% (4) | 365 – 11.3% (4) | 365 – 8.7% (5) |

Demographic

The median age for residents in these neighborhoods is 37 years; nearly 20 percent are aged 65 years or older. Households are a mix of family types and singles who live alone or share housing. Nearly half are married-couple families; 31 percent are singles. Most of these residents are white.

Socioeconomic

Most are still working; although at 61 percent, the labor force participation rate is slightly below average. A third of the households receive Social Security. The median household income is \$42,694. Educational attainment levels are comparable to the US levels.

Residential

Although scattered in suburbs across the country, these neighborhoods are found more frequently in the South and Midwest. Sixty-two percent of residents own their homes, close to the US rate. Nearly two-thirds of the housing is single family; the remainder are primarily apartments in multiunit buildings.

Preferences

Midlife Junction residents live quiet, settled lives as they move from child-rearing into retirement. To finance their retirement, they own certificates of deposit, savings bonds, and IRAs. They're careful spenders, always looking for bargains, and not swayed by fads.

On weekends, they eat fast food or go to family restaurants such as Friendly's or Perkins. They drive standard-sized domestic cars and shop by mail or phone from the L.L. Bean and JCPenney catalogs. They communicate with friends and family by e-mail. They go fishing, take walks, work crossword puzzles, play board games, do woodworking, and read science fiction or romance novels. They watch TV network shows and news programs.

Demographic Traits

| | |
|------------------------|---------------------------------|
| Household Income: | Middle |
| Median Age: | 41.1 |
| Family/Household Type: | Mixed |
| Housing Style: | Single Family; Multi-units |
| Employment Levels: | Professional/Management/Service |
| Education Levels: | Some College |
| Ethnic Diversity: | White |

Lifestyle Traits

1. Go fishing
2. Own U.S. savings bonds
3. Attend tennis matches
4. Read 2+ daily, Sunday newspapers
5. Own/Lease domestic vehicle

Segment 37 – Prairie Living

| | 5 Minutes | 10 Minutes | 20 Minutes |
|---------------------------------------------|---------------|----------------|-----------------|
| Drive Time Households : Count – Pct. (Rank) | 40 – 1.5% (5) | 157 – 4.9% (5) | 946 – 22.7% (2) |

Demographic

Small, family-owned farms in the Midwest dominate this stable market. Two-thirds of these households are composed of married couples with or without children. These residents are slightly older, with a median age of 42.9 years. There is little diversity here; 9 in 10 of these residents are white.

Socioeconomic

One in four residents who work are self-employed. Even though agricultural jobs are important to the local economy, 40 percent of the residents work in white-collar jobs. Thirty-one percent of the households receive Social Security benefits; 43 percent collect income from their investments. The median household income is \$43,161. Fifty-three percent of the residents aged 25 years and older have graduated from high school; the number of those who hold a bachelor's or graduate degree is below the US level.

Residential

Most of these Midwestern neighborhoods are centered in Iowa, Nebraska, Minnesota, and Kansas. Smaller groups are concentrated in the West and South. Eighty-one percent own their homes. Most housing is single-family; however, 11 percent are mobile homes, slightly higher than the US average. Thirty-six percent of the housing was built before 1940. Multiple vehicles are necessary to cover these rural areas. Approximately three-quarters of the households own two or more vehicles; one-third have three or more.

Preferences

Their purchases reflect their rural lifestyle; *Prairie Living* residents buy work boots and hunting clothes. They can with pressure cookers and fill their separate freezers with produce from their vegetable gardens. They own riding mowers, gardening equipment, and tools to service their vehicles and make home repairs. They will tackle home improvement projects such as kitchen remodeling. They're pet owners.

Many own satellite dishes because cable TV is not available in many rural neighborhoods. *Prairie Living* residents are loyal country music fans and tune in to radio and television for their favorite music. They enjoy hunting, fishing, horseback riding, target shooting, and riding around on their all-terrain vehicles. They tend to be political conservatives. They prefer domestic vehicles, especially trucks. Civic-minded *Prairie Living* residents serve on church boards, speak at public meetings, volunteer for charitable organizations, and help with fund-raising. *Prairie Living* households shop for bargains. Wal-Mart is, by far, their favorite retailer, followed by Kmart and JCPenney. They often rely on a Wal-Mart Supercenter for extra grocery shopping.

Demographic Traits

| | |
|------------------------|------------------------------------|
| Household Income: | Middle |
| Median Age: | 43.3 |
| Family/Household Type: | Married-Couple Families |
| Housing Style: | Single Family |
| Employment Levels: | Skilled/Farming |
| Education Levels: | High School Graduate; Some College |
| Ethnic Diversity: | White |

Lifestyle Traits

1. Own pets
2. Own CD longer than 6 months
3. Go hunting, birdwatching
4. Listen to Country music on radio
5. Own/Lease 4-/all-wheel drive vehicle

Segment 25 – Salt of the Earth

| | 5 Minutes | 10 Minutes | 20 Minutes |
|---------------------------------------------|------------------|-------------------|-------------------|
| Drive Time Households : Count – Pct. (Rank) | 0 – 0% (–) | 4 – 0.1% (6) | 162 – 3.9% (6) |

Demographic

Sixty-five percent of *Salt of the Earth* households are married couples with and without children. Twenty percent of the households are singles who live alone. The average household size of 2.6 people matches the US figure; the average family size of three is below the US value. The median age is 42.7 years. These neighborhoods are the least diverse of the Tapestry segments.

Socioeconomic

These residents work in professional and managerial positions and unskilled labor jobs. Higher than average proportions work in skilled labor occupations. Approximately 20 percent of the workers are employed in the manufacturing sector. The median household income of \$48,409, slightly lower than the US figure. At higher than national rates, residents supplement their wages with income from interest, dividends, rental properties, self-employment businesses, retirement plans, and Social Security benefits. Forty-one percent of the residents aged 25 years and older have attended college; 15 percent have earned a bachelor’s or graduate degree.

Residential

Although these neighborhoods are found in rural areas across the United States, nearly half are in the Midwest, with concentrations in Pennsylvania, Ohio, Indiana, and Michigan. The other half are in the South and Northeast. Eighty-four percent of the residents own their homes. Most of the housing is single family; 12 percent are mobile homes. Twenty-two percent of the homes were built before 1940.

Preferences

Salt of the Earth residents are settled, traditional, and hardworking. Independent and self-reliant, they tackle small home improvement and remodeling projects. They spend money and time on their flower and vegetable gardens and own the necessary tools to handle these chores successfully. Twenty-eight percent of the households own three or more vehicles including a truck; many own a motorcycle. One of Tapestry Segmentation’s top segments for owning or leasing multiple vehicles, these residents prefer domestic vehicles and do their own maintenance. Most of them carry insurance policies to protect themselves and their families. They invest in annuities, certificates of deposit, and US savings bonds. Many families own two or more pets, either dogs or cats.

They eat out at family restaurants such as Bob Evans Farms or Cracker Barrel. Satisfying their sweet tooth, they often bake goodies at home. They go fishing, hunting, target shooting, and boating and work out on indoor exercise equipment such as stationary bikes and treadmills. They read fishing and hunting magazines. They listen to country music radio and follow NASCAR racing. Many households own a satellite dish so they can watch CMT and the Speed Channel. Favorite TV programs include auto racing, horse racing, truck and tractor pulls/mud racing, and weekly sitcoms.

Demographic Traits

| | |
|------------------------|------------------------------------|
| Household Income: | Middle |
| Median Age: | 43.0 |
| Family/Household Type: | Married Couple Families |
| Housing Style: | Single Family |
| Employment Levels: | Skilled/Professional/Management |
| Education Levels: | High School Graduate; Some College |
| Ethnic Diversity: | White |

Lifestyle Traits

1. Gardening, outdoor projects
2. Own CD longer than 6 months
3. Go hunting, target shooting
4. Watch CMT
5. Own a motorcycle

Appendix B:

Washington’s Retail Market Performance

ESRI's Retail MarketPlace data provides a direct comparison between retail sales and consumer spending by industry. To capture a snapshot of an area's retail market place, the leakage and surplus factor summarizes the relationship between supply (retail sales by businesses) and demand (consumer spending by household). Deviations from potential sales may reveal areas of opportunity in the trade area’s retail sectors, keeping in mind any extenuating circumstances that may be driving the results.

ESRI uses the North American Industry Classification System (NAICS) to classify businesses by their primary type of economic activity. Retail establishments are classified into 27 industry groups within Retail Trade sector, and four industry groups within the Food Services & Drinking Establishments subsector. To estimate sales, the Retail MarketPlace database combines a number of data sources, including

- ▶ Census Bureau's Census of Retail Trade (CRT)
- ▶ Census Bureau's Nonemployer Statistics (NES)
- ▶ ESRI's demographic data
- ▶ *infoUSA's* business database
- ▶ Bureau of Labor Statistics

All estimates of actual sales (supply) reflect current dollars derived from receipts of businesses primarily engaged in selling merchandise. Potential sales (demand) is estimated by using ESRI's consumer spending data which provides estimated expenditures for more than 700 products and services that are consumed by U.S. households. The estimate of a trade area’s demand is based upon estimated expenditures by households within the trade area.

Leakage within a specified trade area represents a condition where supply is less than demand. Retailers outside of the trade area are fulfilling demand for retail products. Surplus within a specified trade area represents a condition where supply exceeds the area's demand. Thus retailers are attracting customers that reside outside the trade area.

Sales Surplus and Leakage Estimates

Total Retail Trade and Food & Drink demand versus sales estimates for the drive times show sales surpluses ranging from approximately \$56.4 million in the five-minute drive time area to about \$79.2 million in the ten-minute drive time area. The estimates reveal overall retail strength and “pull” in the defined study areas.

| | 5 Minutes | 10 Minutes | 20 Minutes |
|----------------------------------------------------------|-------------------|-------------------|-------------------|
| | Surplus/(Leakage) | Surplus/(Leakage) | Surplus/(Leakage) |
| NAICS Code: Business Description | | | |
| Total Retail Trade and Food & Drink (NAICS 44 – 45, 722) | \$56,432,703 | \$79,156,603 | \$64,226,318 |
| Total Retail Trade (NAICS 44 – 45) | \$56,612,319 | \$79,564,878 | \$65,586,427 |
| Total Food & Drink (NAICS 722) | (\$179,616) | (\$408,275) | (\$1,360,110) |

Drive time estimates show sales surpluses in Total Retail Trade estimated at more than \$56 million, \$79 million and \$65 million in the five, and ten, and twenty -minute drive time areas, respectively. The figures appear to be largely driven by sales in the Grocery Stores (NAICS 4451) and Department Stores (NAICS 4521) categories.

Estimates for Food & Drink sector sales in comparison to projected demand show an estimated sales leakage in all three drive time areas ranging from about \$180,000 to \$1.4 million across the drive time areas.

The following table presents a breakdown of sales surplus and leakage estimates for 27 industry groups in the Retail Trade sector and for the four industry groups within the Food Services & Drinking Places subsector for the Downtown Washington drive time markets.

Downtown Washington • ESRI Retail MarketPlace Report Summary

| NAICS Code: Business Description | 5 Minutes | 10 Minutes | 20 Minutes |
|----------------------------------------------------------|----------------------------|----------------------------|----------------------------|
| | Surplus/(Leakage) Estimate | Surplus/(Leakage) Estimate | Surplus/(Leakage) Estimate |
| Total Retail Trade and Food & Drink (NAICS 44 – 45, 722) | \$56,432,703 | \$79,156,603 | \$64,226,318 |
| Total Retail Trade (NAICS 44 – 45) | \$56,612,319 | \$79,564,878 | \$65,586,427 |
| Total Food & Drink (NAICS 722) | (\$179,616) | (\$408,275) | (\$1,360,110) |
| 441: Motor Vehicle & Parts Dealers | \$9,831,703 | \$15,931,982 | \$11,263,945 |
| 4411: Automobile Dealers | \$10,250,296 | \$16,738,892 | \$12,725,334 |
| 4412: Other Motor Vehicle Dealers | (\$619,937) | (\$797,338) | (\$1,109,012) |
| 4413: Auto Parts, Accessories, and Tire Stores | \$201,344 | (\$9,571) | (\$352,377) |
| 442: Furniture & Home Furnishings Stores | \$449,100 | \$165,767 | (\$260,728) |
| 4421: Furniture Stores | \$834,063 | \$658,383 | \$388,400 |
| 4422: Home Furnishings Stores | (\$384,963) | (\$492,616) | (\$649,128) |
| 443/4431: Electronics & Appliance Stores | (\$45,032) | (\$393,477) | (\$878,660) |
| 444: Bldg Materials, Garden Equip. & Supply Stores | (\$715,754) | (\$900,676) | (\$1,484,441) |
| 4441: Building Material and Supplies Dealers | (\$386,709) | (\$448,583) | (\$861,192) |
| 4442: Lawn and Garden Equipment and Supplies Stores | (\$329,046) | (\$452,093) | (\$623,249) |
| 445: Food & Beverage Stores | \$33,724,827 | \$32,001,123 | \$27,598,313 |
| 4451: Grocery Stores | \$33,816,336 | \$32,157,520 | \$27,857,595 |
| 4452: Specialty Food Stores | \$51,830 | \$26,813 | (\$15,496) |
| 4453: Beer, Wine, and Liquor Stores | (\$143,338) | (\$183,210) | (\$243,787) |
| 446/4461: Health & Personal Care Stores | \$3,789,603 | \$2,668,157 | \$533,311 |
| 447/4471: Gasoline Stations | \$2,022,059 | \$4,428,198 | \$6,930,863 |
| 448: Clothing and Clothing Accessories Stores | (\$1,279,671) | (\$1,847,236) | (\$2,817,146) |
| 4481: Clothing Stores | (\$1,712,800) | (\$2,162,990) | (\$2,805,834) |
| 4482: Shoe Stores | (\$428,284) | (\$545,807) | (\$718,393) |
| 4483: Jewelry, Luggage, and Leather Goods Stores | \$861,412 | \$861,562 | \$707,081 |

Data Source: ESRI Retail MarketPlace Profile, 2012; Esri and Dun & Bradstreet. © 2012 Dun & Bradstreet, Inc. All rights reserved.

Data Note: The polarity of surplus/leakage estimates shown in this report (as compared to those shown in the original ESRI reports) have been reversed to show a surplus as a positive value, and to show a leakage as a negative value. The Retail Gap (Sales Surplus/Leakage) represents the difference between Retail Potential and Retail Sales. A positive value represents a surplus in retail sales, often indicating a market where customers are drawn in from outside the defined trade area.

| Sales Surplus & Leakage Analysis | 5 Minutes | 10 Minutes | 20 Minutes |
|------------------------------------------------------|----------------------------|----------------------------|----------------------------|
| | Surplus/(Leakage) Estimate | Surplus/(Leakage) Estimate | Surplus/(Leakage) Estimate |
| NAICS Code: Business Description | | | |
| 451: Sporting Goods, Hobby, Book, and Music Stores | (\$485,275) | (\$775,086) | (\$1,304,335) |
| 4511: Sporting Goods/Hobby/Musical Instrument Stores | (\$200,655) | (\$415,778) | (\$838,231) |
| 4512: Book, Periodical, and Music Stores | (\$284,620) | (\$359,308) | (\$466,104) |
| 452: General Merchandise Stores | \$10,057,517 | \$28,405,130 | \$23,782,618 |
| 4521: Department Stores (Excluding Leased Depts.) | \$16,106,055 | \$36,162,155 | \$34,438,576 |
| 4529: Other General Merchandise Stores | (\$6,048,539) | (\$7,757,025) | (\$10,655,958) |
| 453: Miscellaneous Store Retailers | (\$7,299) | (\$111,628) | (\$9,140) |
| 4531: Florists | \$73,113 | \$59,426 | \$44,011 |
| 4532: Office Supplies, Stationery, and Gift Stores | (\$250,602) | (\$369,525) | (\$579,020) |
| 4533: Used Merchandise Stores | \$410,475 | \$354,357 | \$315,897 |
| 4539: Other Miscellaneous Store Retailers | (\$240,284) | (\$155,886) | \$209,972 |
| 454: Nonstore Retailers | (\$729,460) | (\$7,376) | \$2,231,828 |
| 4541: Electronic Shopping and Mail-Order Houses | (\$1,087,563) | (\$767,328) | \$1,065,935 |
| 4542: Vending Machine Operators | \$470,618 | \$745,456 | \$1,451,092 |
| 4543: Direct Selling Establishments | (\$112,515) | \$14,495 | (\$285,197) |
| 722: Food Services & Drinking Places | (\$179,616) | (\$408,275) | (\$1,360,110) |
| 7221: Full-Service Restaurants | \$5,436 | (\$163,696) | (\$14,351) |
| 7222: Limited-Service Eating Places | \$521,445 | \$655,685 | (\$308,229) |
| 7223: Special Food Services | (\$261,263) | (\$332,815) | (\$422,383) |
| 7224: Drinking Places (Alcoholic Beverages) | (\$445,234) | (\$567,449) | (\$615,145) |

Data Source: ESRI Retail MarketPlace Profile, 2012; Esri and Dun & Bradstreet. © 2012 Dun & Bradstreet, Inc. All rights reserved.

Data Note: The polarity of surplus/leakage estimates shown in this report (as compared to those shown in the original ESRI reports) have been reversed to show a surplus as a positive value, and to show a leakage as a negative value. The Retail Gap (Sales Surplus/Leakage) represents the difference between Retail Potential and Retail Sales. A positive value represents a surplus in retail sales, often indicating a market where customers are drawn in from outside the defined trade area.

Sales Surplus/Leakage Factors

Sales Surplus/Leakage Factors present a snapshot of retail opportunity. This is a measure of the relationship between supply and demand that ranges from +100 (total surplus) to -100 (total leakage). A positive value represents a surplus of retail sales (often indicative of a market where customers are drawn in from outside the trade area). Categories showing the highest surplus factors may be indicative of relative strength in the market. Negative leakage factors may reveal retail opportunity outside the trade area, with the lowest values indicating possible targets for retail expansion or recruitment.

The following table shows examples of highest and lowest Surplus/Leakage Factors for select Retail and Food & Drink categories and subcategories.

Downtown Washington Drive Time Areas • Sales Surplus/Leakage Factors – Select Categories

| NAICS Code: Business Description | 5 Minutes | | 10 Minutes | | 20 Minutes | |
|--------------------------------------------------------|-----------|-------|------------|-------|------------|-------|
| | Factor | # Biz | Factor | # Biz | Factor | # Biz |
| Department Stores Excluding Leased Depts. (NAICS 4521) | 67.2 | 1 | 78.3 | 2 | 71.9 | 2 |
| Grocery Stores (NAICS 4451) | 64.9 | 8 | 57.9 | 8 | 46.4 | 8 |
| Used Merchandise Stores (NAICS 4533) | 49.4 | 2 | 39.9 | 2 | 31.2 | 3 |
| Jewelry, Luggage & Leather Goods Stores (NAICS 4483) | 48.9 | 2 | 43.1 | 3 | 32.8 | 3 |
| Florists (NAICS 4531) | 44.5 | 2 | 33.4 | 2 | 20.3 | 2 |
| Furniture Stores (NAICS 4421) | 39.6 | 2 | 28.8 | 2 | 15.2 | 2 |
| Automobile Dealers (NAICS 4411) | 37.8 | 3 | 43.7 | 4 | 30.1 | 4 |
| Health & Personal Care Stores (NAICS 4521) | 31.2 | 4 | 19.8 | 4 | 3.4 | 5 |
| Other Motor Vehicle Dealers (NAICS 4412) | (100.0) | 0 | (98.3) | 0 | (90.0) | 1 |
| Home Furnishings Stores (NAICS 4422) | (100.0) | 0 | (100.0) | 0 | (100.0) | 0 |
| Beer, Wine & Liquor Stores (NAICS 4453) | (100.0) | 0 | (100.0) | 0 | (100.0) | 0 |
| Shoe Stores (NAICS 4482) | (100.0) | 0 | (100.0) | 0 | (100.0) | 0 |
| Book, Periodical & Music Stores (NAICS 4512) | (100.0) | 0 | (100.0) | 0 | (100.0) | 0 |
| Other General Merchandise Stores (NAICS 4529) | (100.0) | 0 | (100.0) | 0 | (99.9) | 0 |
| Special Food Services (NAICS 7223) | (100.0) | 0 | (100.0) | 0 | (92.4) | 0 |
| Clothing Stores (NAICS 4481) | (82.5) | 1 | (81.5) | 2 | (82.6) | 2 |
| Drinking Places - Alcoholic Beverages (NAICS 7224) | (76.1) | 1 | (76.5) | 1 | (59.4) | 2 |
| Lawn & Garden Equip & Supply Stores (NAICS 4442) | (56.0) | 1 | (60.6) | 1 | (52.6) | 1 |
| Office Supplies, Stationery & Gift Stores (NAICS 4532) | (39.1) | 7 | (47.6) | 7 | (58.0) | 7 |

Data Source: ESRI Retail MarketPlace Profile, 2012; Esri and Dun & Bradstreet. © 2012 Dun & Bradstreet, Inc. All rights reserved.

Data Note: The polarity of surplus/leakage factors shown in this report (as compared to those shown in the original ESRI reports) have been reversed to show a surplus factor as a positive value, and to show a leakage factor as a negative value. The factor is a measure of the relationship between supply and demand that ranges from +100 (total surplus) to -100 (total leakage). A positive value represents a surplus of retail sales (often indicative of a market where customers are drawn in from outside the trade area).