Excelsior Springs, Missouri

Downtown
Revitalization &
Economic
Assistance for
Missouri

Retail Market Analysis

September 2009

PGAVURBANCONSULTING

DOWNTOWN REVITALIZATION AND ECONOMIC ASSISTANCE FOR MISSOURI
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ACKNOWLEDGEMENTS

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EXECUTIVE SUMMARY

The City of Excelsior Springs is currently participating in the Downtown Revitalization and Economic Assistance for Missouri ("DREAM") Initiative, which comprises a multi-year planning process. This process includes market research to determine the retail development potential of the DREAM Study Area. Such is the subject of this report.

Area Definitions

The retail market analysis focuses on two different geographic trade areas: a Primary Trade Area and a Secondary Trade Area. For the purposes of this study, the Primary Trade Area is also called the Downtown Trade Area (DTA), or the DREAM Study Area. The Secondary Trade Area includes the area encompassed within a 30-minute drive of Downtown. The 30 -minute drive boundary presents a catch-basin of consumers likely to make a shopping trip to Downtown Excelsior Springs.

Demographic Data (as of 2007)

Downtown Trade Area Demographics - Currently, 416 people live Downtown in 290 households. The average household income is $38,138 and the median age is 36. Approximately 30% of the population living in the Downtown Trade Area (DTA) was 19 or younger; 31% was between 20 and 44 years of age; 35.5% were 45 or older.

Secondary Trade Area Demographics - Currently, 129,852 people live in the Secondary Trade Area in 48,708 households. The average household income is $74,723. The median age is 36. Approximately 29% of the population is 19 or younger; 35% of the population is between 20 and 44 years of age; and 36% of the population is 45 years of age or more.

Downtown Employment - Throughout Excelsior Springs there are over 4,207 jobs with 254 (6%) located in the Downtown Trade Area, representing 63 establishments. The retail sector employs 68 jobs (26%) total with 27 jobs in the Food & Service Industry. There are a combined 17 establishments in the retail and food and service industry, with 3 eating and drinking places. Citywide, Excelsior Springs has a total of 971 retail and food and service industry jobs (23% of total jobs) in 107 establishments.

Approximately 31% of Downtown employees are from the City of Excelsior Springs. More than 50% percent of Downtown employees are located in Clay County. Most of the Downtown employees travel from surrounding cities such as: Liberty, Kansas City, Richmond, Kearney, Lawson, Independence, Wood Heights, Orrick and Smithville.

Consumer Retail Supply - The DTA currently has 980,000 square feet of 1st Floor Commercial/Retail Space. At the time of the survey, approximately 140,000 square feet of first-floor space was used as Retail/Restaurant space and an additional 22,000 square feet is vacant. The 498,600 square feet of Retail/Restaurant Space is generating about $5.8 million in sales annually, or about $43 per square foot. The 22,000 square feet of vacancy represents, potentially, another $946,000 in annual sales to the DTA.

Market Analysis

The market analysis focuses on consumer spending activity across several retail sectors as classified by the North American Industrial Classification System (NAICS). This report does not include automobile sales and related services in its analysis. The primary variables are consumer expenditures and retail sales activity per each NAICS retail sector.

The Gap Analysis – The Gap Analysis illustrates the DTA's competitive position as a center for retail activity. This determination is made using a "pull-factor" methodology. The pull-factor estimates the consumer and retail sales activity an area draws from outside its boundaries. For the purposes of this analysis, a pull-factor is determined for the DTA.

The pull-factor analysis first determines per capita retail expenditures in the STA and subsequently determines how many shoppers the DTA attracts (or "pulls-in") based on total, estimated retail expenditures found in the DTA, divided by the per capita retail expenditures for consumers in the STA. The result illustrates how many shoppers the DTA attracts relative to its own population.

Positive Pull Factors – Those retail sectors which draw a multiple of one (1) or more of the total DTA population represent "positive pull-factors." By taking the estimated total spent by shoppers in the DTA, nearly $6 million, and dividing this number by the per capita demand for total retail services ($6,760), we get an idea of the number of shoppers "captured," or who traveled to the DTA to shop for their retail needs. In this case, 859 consumers spent their $6,760 in the DTA last year. These 859 shoppers represent 2.07 times the population of the DTA, which means that the DTA has a "pull-factor" of 2.07 for total Retail Trade. This pull-factor indicates that the DTA attracts more consumers than it has residents.

Negative Pull Factors – Those retail sectors which draw a multiple of less than one (1) or zero of the total DTA population represent "negative pull-factors," because they indicate that residents of the DTA leave the area for these services.

Retail Opportunities

Opportunities exist in Excelsior Spring's Downtown Study Area. A variety of retail categories could be successful in the DTA. One option for retail growth in the study area is to target retail businesses that can make use of existing properties. As discussed briefly above, and in greater detail in the report, substantial vacancy of existing buildings exists within the DTA which, if put to good use, could have a substantial and positive impact to the DTA's retail activity and overall economic health.

In addition to the pull-factor analysis summarized above, the report also details leakage in terms of retail demand that is unmet by existing sales activity even within the STA. This leakage represents further opportunity for retail development in the DTA.

The retail sectors which exhibit leakage include:

- Food & Beverage Stores (NAICS 445)
- Grocery Stores (NAICS 4451)
- Department Stores (NAICS 4521)
- Clothing and Clothing Accessories Stores (NAICS 448)
- Food Services & Drinking Places (NAICS 722)
- Furniture & Home Furnishings Stores (NAICS 442)

Altogether, the "leakage" represented by these factors totals approximately $263 million in retail demand, which could be captured by the addition of appropriate retail services to the DTA.

Strategic Recommendations

The overall retail objective for Downtown Excelsior Springs should be to create a unique community that preserves its history as well as capitalizes on its unique physical character. Generally speaking, Excelsior Springs should seek to nurture a diverse mix of residential and commercial uses that serve both residents and visitors with daytime and nighttime activities in an environment that is conducive to pedestrians and distinguishes itself from the suburban shopping experience. The Downtown should build on the base of existing restaurants to create a dining destination and businesses should extend hours of operation to make the shopping and dining experience as convenient, pleasurable and interesting as possible. The City and the Downtown Excelsior Partnership should also look to increase tourism, especially during off peak seasons, and establish a Downtown Recruitment Team to oversee a proactive campaign to target businesses to Downtown. The Downtown Trade Area can be thought of as a product that is being offered initially to the Secondary Trade Area. With this analogy, some general retail strategies can be grouped into four distinct areas:

- Improvements to the product
- Reduction in the cost of the product
- Enhancement of the purchasers experience in purchasing the product
- Communication of the availability of the product

Specific recommendations for an effective retail strategy include:

- Expand the Downtown Trade Area (DTA) market potential — Through outreach to incoming Downtown Residents and seeking additional housing projects similar to the Oaks
- Enable the DTA to capture more retail dollars — Through marketing efforts, merchant education program, safety and aesthetic improvements, and attraction of desired businesses
- Increase the amount of sales generated by the DTA — Through addition of desired inventory and businesses in the sectors of opportunity as listed above. Refer to Table 8 (page 23) and Retail Opportunities map (page 24) for suggested types and locations of additional retail development.

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INTRODUCTION

Most cities born of traditional origins (not of suburban sprawl patterns) have a downtown. It is the social and commercial exchange comprised of shops, work, entertainment venues and government facilities. It is (or was) a pre-eminent center of social and commercial life.

In many instances, modern development trends have diminished the function of Downtown in every day life, as shopping habits shifted to the big-box stores on the outskirts of town following jobs and residential development.

Though diminished in function and, perhaps, in stature, every downtown holds the potential to regain its original purpose and standing. More often than not, City Hall is located downtown, as are jobs, shops, and unique attractions providing a base for further revitalization. One way to revitalize downtown is to encourage the restoration of downtown's function as the commercial and shopping hub of the area by encouraging retail development. An important characteristic of retail is that is attracts traffic. So to encourage retail development is to encourage people to come downtown. While retail development is not the only necessary component for successful Downtown Revitalization, it is one of the most important components and one of the most noticeable. This endeavor must be informed, and such is the purpose of the Retail Market Analysis.

This report presents data and recommended strategies for strengthening Downtown Excelsior Spring's retail activity.

The first part of the report will focus on the "demand" side of the retail market, analyzing demographic trends and consumer demand. The second part of the report will focus on the "supply" side of the retail market in order to evaluate the current level of retail service provision and to identify the types of retail services that could be supported by available, or "unmet," consumer demand. Finally the report will conclude with recommended strategies for encouraging retail development in Downtown Excelsior Springs and attracting the retail services identified via the "gap" analysis.

Existing conditions in Excelsior Springs combine to create an atmosphere where the Downtown is underutilized and not compelling enough to attract visitors. The connection from Highway 69 to the Downtown follows a winding and possibly confusing route which thereby acts as a deterrent to vehicle traffic visiting the Downtown area. While City Hall and the Chamber of Commerce are within the Downtown area, most of the City's larger retail businesses are located on the outskirts of the City. A mix of uses, including retail, restaurants, and service businesses create the daytime working population. In the evening there are a few attractions. Positive actions lately to create a more vibrant Downtown include completion of the Hall of Waters Museum and the rejuvenation of the Oaks Hotel into 42 senior-living apartments. These activities will begin to attract other retail businesses and the apartment dwellers will add to the 24 hour population of the Downtown.

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BACKGROUND

METHODOLOGY

PGAV takes a comprehensive approach aimed at identifying the retail demand and supply of the trade area in order to identify potential retail services, as well as determine appropriate strategies for encouraging Downtown retail development. The report includes components of many other DREAM Initiative analyses and consists generally of four parts;

1) a review of the trade area demographics and trends;
2) an analysis of the trade area business mix and site characteristics;
3) identification of potential retail sectors to target; and
4) recommendations of retail development strategies and implementation techniques to achieve goals.

As a component of other DREAM Initiative activities PGAV has conducted numerous surveys of residents and visitors which provide key insights into what improvements and retail services are desired in Downtown. Additionally, a thorough review of the residential demand for the trade area was conducted. A physical examination of the trade area and surrounding region was also performed. Detailed examinations of the area provided insight into the traffic and pedestrian patterns Downtown, as well as identify the business mix and occupancy levels.

The retail demand, quantified by spending power of the trade area, is compared to the retail supply, quantified by the retail sales of the area, in order to identify potential unmet demand in the area. The retail categories that show unmet demand are then evaluated against the survey results and economic and physical conditions of Downtown in order to develop a list of potential retail store space to target. Working with the City and Downtown stakeholders PGAV will develop a strategy to assist in Downtown retail revitalization.

LIMITS OF STUDY

This study is intended to provide a general forecast of the amount and types of retail development that could be supported in the trade area. The assumptions and projections used in the analysis are valid and likely supported through 2012. The analysis is meant to provide general strategic direction for developing retail in Downtown Excelsior Springs. This study is not intended to be the sole basis for development decisions.

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DETERMING TRADE AREAS

TRADE AREAS

Retail market analysis generally focuses on two different geographic trade areas: a Primary Trade Area and a Secondary Trade Area. For the purposes of this study, the Primary Trade Area will be the Downtown Area, upon which DREAM Initiative efforts are focused. The Secondary Trade Area will be any point within a 30-minute drive of Downtown. The 30-minute drive boundary presents an acceptable catch-basin of consumers likely to make a shopping trip to Downtown. A map of each area is included in Appendix I.

The 30-minute drive time is based upon the commute time for the labor pool within the trade area. The drive time will also be supplemented by the zip code analysis of results from the DREAM Visitor Survey.

It is important to note that our Trade Areas ignore municipal, county, and state boundaries. Modern consumers will typically shop at a location most convenient for them to travel to, regardless of jurisdiction.

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Demographic Profile

In order to understand the potential for retail development in the Downtown and Secondary Trade Areas, it is important to study the population in whole numbers and in households in both areas; it is also important to know the household incomes and average annual expenditures of the households in the area. Knowing these numbers provides us with the number of consumers in both areas and an idea of the demand, or the available spending dollars, for retail in each area – though with particular attention paid to the Downtown area.

Because the national census is conducted decennially, most current population data is estimated based on the last census, which was conducted in 2000.

DOWNTOWN TRADE AREA

Figure 1

Currently, 416 people live Downtown in 290 households.; where the average household size is 2.5 people. The average household income is $38,138. The median age is 36. Approximately 30% of the population are 19 or younger; 31% of the population are between 20 and 44 years of age; 35.5% of the population are 45 years of age or more.

The following table illustrates, in further detail, current demographics and future demographic trends for the Downtown Trade Area:

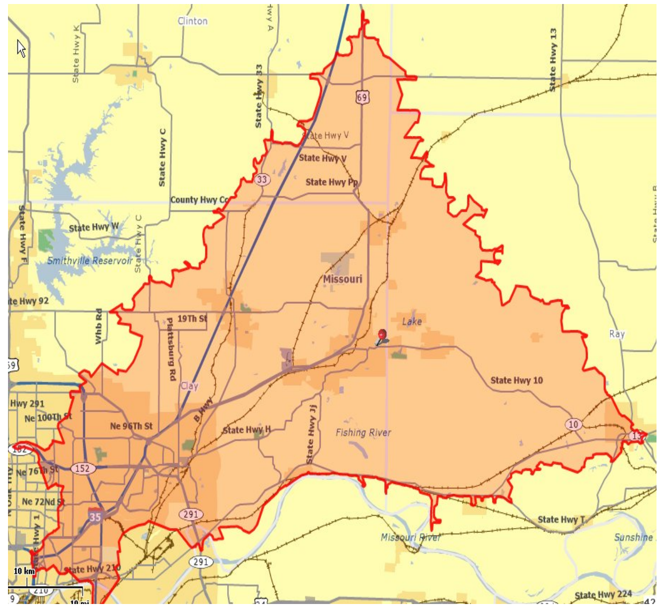
Table 1

Downtown Trade Area Demographic Trends					
Year	2000	2007	2012	Percent Change 2000-2007	Percent Change 2007-2012
Total Population	434	416	412	-4.15%	-0.96%
Total Households	295	290	285	-1.69%	-1.72%
19 and Under	121	125	111	3.31%	-11.20%
20-44	148	129	137	-12.84%	6.20%
45 and Over	161	147	165	-8.70%	12.24%
Median Age	36.6	35.7	36.7	-2.46%	2.80%
Average Household Income	$31,682	$38,138	$44,985	20.38%	17.95%

SECONDARY TRADE AREA

Currently, 129,852 people live in the Secondary Trade Area in 48,708 households. The average household income is $74,723. The median age is 36. Approximately 29% of the population are 19 or younger; 35% of the population are between 20 and 44 years of age; 36% of the population are 45 years of age or more.

Figure 2



The following table illustrates, in further detail, current demographics and future demographic trends for the Secondary Trade Area:

Table 2

Secondary Trade Area Demographic Trends					
Year	2000	2007	2012	Percent Change 2000-2007	Percent Change 2007-2012
Total Population	113,854	129,852	141,344	14.05%	8.85%
Total Households	42,573	48,708	53,189	14.41%	9.20%
19 and Under	41,931	37,657	39,999	-10.19%	6.22%
20-44	34,418	45,448	47,634	32.05%	4.81%
45 and Over	41,949	46,617	53,568	11.13%	14.91%
Median Age	35.4	36.0	36.5	1.69%	1.39%
Average Household Income	$57,805	$74,723	$90,243	29.27%	20.77%

EDUCATIONAL ATTAINMENT

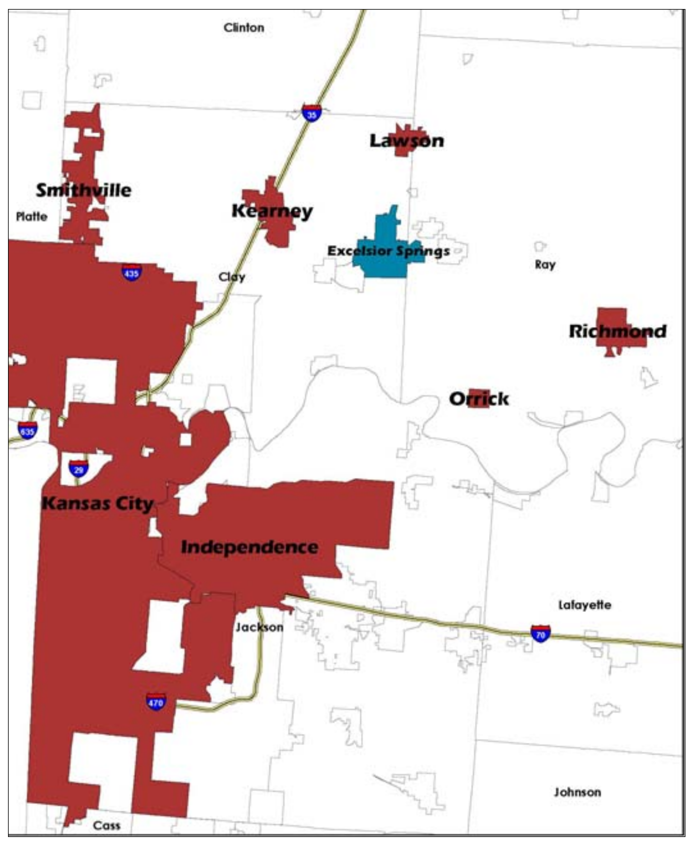
More than 33% of Excelsior Springs's residents have attended or graduated from college, 3% have obtained a master's degree or higher.

Table 3

Educational Attainment for Excelsior Springs			
	Males	Females	Total
Total	3,141	3,555	6,696
High school graduate (includes equivalency)	1,291	1,513	2,804
Some College & Associates Degree	811	892	1,703
Bachelor's degree	272	274	546
Master's degree	87	63	150
Professional & Docorate Degree	51	9	60
U.S. Census Bureau 2000			

EMPLOYMENT

Figure 3



Throughout Excelsior Springs there are over 4,207 jobs with 254 located in the Downtown Trade Area, representing 63 establishments. Excelsior Springs's Downtown retail sector has 68 jobs (26%) total with 27 jobs in the Food & Service Industry. There are a combined 17 establishments in the retail and food and service industry, with 3 eating and drinking places. Citywide, Excelsior Springs has a total of 971 retail and food and service industry jobs (23% of total jobs) in 107 establishments. Of the retail jobs located in Downtown most of them are categorized as miscellaneous retailers and eating and drinking places. Downtown Excelsior Springs has experienced a significant decrease in the number of jobs available in since 2002.

Approximately 31% of Downtown employees are from the City of Excelsior Springs. More than 50% percent of Downtown employees are located in Clay County, with most traveling from surrounding cities such as: Liberty, Kansas City, Richmond, Kearney, Lawson, Independence, Wood Heights, Orrick and Smithville. These communities are illustrated in Figure 3.

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Consumer Retail Supply

A review of the DREAM Boundary provides an idea of the potential for new and existing businesses to provide services and products to customers. The Downtown Trade Area consists of 76 acres with 980,000 square feet of existing 1st Floor Commercial/Retail Space. In reviewing the DREAM Land Use and Building Survey results, PGAV has determined that approximately 140,000 square feet of 1st floor space is currently used as Retail/Restaurant Space and another 22,000 is vacant. The 140,000 square feet of Retail/Restaurant Space is generating about $5.8 million in sales annually or about $43 per square foot. The 22,000 square feet of vacancy represents potentially another $946,000 in annual sales to the Downtown Trade Area.

Table 4 represents the breakdown of retail establishments in the Excelsior Springs Downtown Trade Area, the Secondary Trade Area & the City of Excelsior Springs. The bulk of retail establishments in Downtown Excelsior Springs are categorized as Miscellaneous Retail Locations. Map of the Retail Establishments is located in Appendix E.

Table 4

Retail Establishments	Downtown Excelsior Springs		City of Excelsior Springs		Clay County	
	Businesses	Employees	Businesses	Employees	Businesses	Employees
Retail Trade Summary	17	68	107	971	1,366	20,909
Home Improvement	1	1	11	94	113	1,156
General Merchandise Stores	0	0	6	44	44	2,538
Food Stores	3	21	10	143	129	3,042
Auto Dealers, Gas Stations, Auto Aftermarket	1	1	12	153	188	3,180
Apparel & Accessory Stores	0	0	3	10	73	392
Furniture & Home Furnishings	4	7	13	58	158	1,032
Eating & Drinking Places	3	27	28	342	337	5,882
Miscellaneous Retail	5	11	24	127	324	3,687
Total Businesses	63		411		6,694	
Total Employees	254		4,207		89,206	
Total Residential Population	416		11,061		206,419	
Daytime (Employee)/Nighttime (Population) Ratio	0.61		0.38		0.43	

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GAP ANALYSIS

The Gap Analysis illustrates the competitive position of the Downtown Trade Area as a center for retail activity. This determination is made using a "pull-factor" methodology. A "pull-factor" describes retail supply or demand in per capita terms. The "pull-factor" is described below.

Pull-Factor

The calculation of the pull-factor assesses the performance of the trade area. The pull-factor provides an estimate of the consumers and retail sales that an area draws from outside its boundaries. The pull factor also illustrates per capita retail sales and expenditures of residents within the area. For the purposes of this analysis, a pull-factor will be determined for the Downtown Trade Area.

A pull-factor greater than 1.0 indicates that the Downtown Trade Area attracts consumers from outside its boundaries. A pull-factor less than 1.0 indicates that the Downtown Trade Area is losing consumers and retail expenditures to the surrounding area.

The "pull-factor," as PGAV employs it in this analysis, reveals gaps, where they exist, in retail service within the Downtown Trade Area on a per capita basis. This methodology not only illustrates the number of shoppers likely currently drawn to the Downtown Trade Area, but also reveals retail sectors which currently do not "pull in" consumers to the Downtown Trade Area due to a lack of service provision. This latter idea represents the "gap;" such gaps, as revealed per retail sector, purely by the fact of their existence, can serve as guides for the City as it formulates its plans for retail planning and development activities.

The Retail Market Analysis looks at demographic and market data from a few different angles beginning with a definition of the Secondary Trade Area (STA) (given on Page 3). PGAV has defined the STA as the entire area within a 30-minute drive of Downtown. Any trip less than 30-minutes, and therefore originating from any point within the STA, would represent a routine shopping trip. This 30-minute drive-time includes the pool of consumers from which the Downtown Trade Area (DTA) will most likely draw shoppers. The size of this pool can be measured in two ways, in terms of total, aggregate retail demand per NAICS retail sector, and in terms of per capita retail demand. "Retail demand," estimates the expected amount spent by consumers on retail goods and services.

The crux of the Retail Market Analysis is the determination of the amount of "retail demand" within the STA currently being captured by Downtown area retail services. This determination is made for each NAICS retail sector given earlier in this document in order to reveal to the community those sectors which appear to attract people to Downtown and those retail sectors for which Downtown lacks services. In other words, the analysis reveals the relative strengths and weaknesses of Downtown Excelsior Springs's retail market.

POSITIVE PULL-FACTORS

Table 5, Downtown Trade Area Positive Pull Factors, on the following page, illustrates retail demand and supply (i.e. actual sales and actual purchases) within both the STA and the DTA in an effort to provide an estimate of the number of shoppers Downtown Excelsior Springs likely attracts on an annual basis.

For example, the line for Total Retail Trade Food and Drink (NAICS 44-45, 722) in **Table 5**, on the following page, which totals all retail activity except for automobile purchases. Aggregate demand in the STA for total retail food and drink amounts to nearly $1 billion. Dividing the aggregate demand by the STA's population of 129,852 we get the per capita demand for this retail sector, which is $6,760. This means that the average person living in the STA spends roughly $6,760 on retail, food and drink annually.

The fourth column of **Table 5** shows that, in 2007, nearly $6 million was spent by shoppers in the DTA on total retail[1]. Dividing this number by the per capita demand for this retail sector ($6,760), we get an idea of the number of shoppers "captured," or who traveled to the DTA to shop for their retail, food and drink needs. In this case, 859 consumers spent the average, per capita demand within the DTA last year. These 859 shoppers represent 2.07 times the population of the DTA, which means that the DTA has a "pull-factor" of 2.07 for total Retail Trade.

This pull-factor indicates that the DTA attracts more consumers than it has residents; which indicates that it is relatively healthy.

This same calculation has been carried out for each of the NAICS retail sectors listed in **Table 5**. For each retail sector, the reader can see the positive pull-factors, and shopping activity drawn to the DTA.

The last column in **Table 5**, the Downtown Trade Area Capture (%) column, illustrates the percentage of total retail activity in the STA that is captured by the DTA. This column gives context to the positive pull-factor by showing what proportion of total STA retail demand the DTA captures or "pulls-in." For example, for Total Retail Trade, Food and Drink, the DTA captures only .66% of all retail demand in the STA. This column, by showing the relationship between STA retail demand and actual DTA retail activity reveals retail sectors in which the DTA provides significant proportions of the area's retail services, or retail sectors for which the DTA provides insignificant proportions of the area's retail services; recommending retail sectors for improvement.

It is important to note that Excelsior Springs' STA captures a portion of the north Kansas City suburbs, a fact that skews the pull-factor somewhat because of the relatively high-density of the Kansas City suburbs, and the relative affluence of this area. Nonetheless, the pull-factor remains instructive for Excelsior Springs in determining what strengths and weaknesses the City has in terms of its ability to attract retail spending from outside of its boundaries.

[1]Source: ESRI Retail Market Profile. May , 2008. All data is 2007 data unless noted otherwise.

Table 5
Downtown Trade Area Positive Pull-Factor Summary
Excelsior Springs, MO

Industry Group	Secondary Trade Area Demand	STA Businesses	STA Per Capita Demand	Downtown Area Total Amount Spent	Downtown Businesses	Downtown Trade Area Capture	Downtown Pull-factor	Downtown Trade Area Capture (%)
Total Retail Trade and Food & Drink (NAICS 44-45, 722)	**$877,768,471**	**731**	**$6,760**	**$5,809,439**	**17**	**859**	**2.07**	**0.66%**
Total Retail Trade (NAICS 44-45)	**$682,822,475**	**534**	**$5,258**	**$4,692,848**	**15**	**892**	**2.15**	**0.69%**
Total Food & Drink (NAICS 722)	**$194,945,996**	**197**	**$1,501**	**$1,116,591**	**2**	**744**	**1.79**	**0.57%**
Furniture & Home Furnishings Stores (NAICS 442)	$38,518,020	40	$297	$1,297,531	3	4,374	10.51	3.37%
Furniture Stores (NAICS 4421)	$23,991,441	14	$185	$866,100	2	4,688	11.27	3.61%
Home Furnishings Stores (NAICS 4422)	$14,526,579	26	$112	$431,431	1	3,857	9.27	2.97%
Electronics & Appliance Stores (NAICS 443/NAICS 4431)	$34,711,229	38	$267	$438,996	2	1,642	3.95	1.26%
Bldg Materials, Garden Equip. & Supply Stores (NAICS 444)	$53,333,381	67	$411	$33,468	1	81	0.20	0.06%
Food & Beverage Stores (NAICS 445)	$221,363,973	43	$1,705	$1,988,141	1	1,166	2.80	0.90%
Grocery Stores (NAICS 4451)	$210,011,053	24	$1,617	$1,988,141	1	1,229	2.96	0.95%
Jewelry, Luggage, and Leather Goods Stores (NAICS 4483)	$11,438,390	6	$88	$187,038	0	2,123	5.10	1.64%
Sporting Goods, Hobby, Book, and Music Stores (NAICS 451)	$8,989,016	21	$69	$187,038	1	2,702	6.49	2.08%
Book, Periodical, and Music Stores (NAICS 4512)	$197,725,908	3	$1,523	$64,853	0	43	0.10	0.03%
General Merchandise Stores (NAICS 452)	$160,545,269	25	$1,236	$64,853	1	52	0.13	0.04%
Other General Merchandise Stores (NAICS 4529)	$29,083,444	11	$224	$682,821	0	3,049	7.33	2.35%
Miscellaneous Store Retailers (NAICS 453)	$1,724,750	91	$13	$413,883	5	31,160	74.90	24.00%
Florists (NAICS 4531)	$15,329,242	17	$118	$104,118	2	882	2.12	0.68%
Office Supplies, Stationery, and Gift Stores (NAICS 4532)	$2,223,552	31	$17	$164,820	1	9,625	23.14	7.41%
Other Miscellaneous Store Retailers (NAICS 4539)	$194,945,996	21	$1,501	$1,116,591	0	744	1.79	0.57%
Full-Service Restaurants (NAICS 7221)	$87,735,038	14	$676	$847,908	0	1,255	3.02	0.97%
Limited-Service Eating Places (NAICS 7222)	$10,046,832	165	$77	$162,212	4	2,097	5.04	1.61%
Special Food Services (NAICS 7223)	$11,078,978	8	$85	$106,471	1	1,248	3.00	0.96%

NEGATIVE PULL-FACTORS

The list below (please see **Table 6** for reference) shows NAICS retail sectors that exhibit negative or null pull-factors. Negative pull-factors are less than one and indicate that residents of the DTA leave the area to shop for these goods and services. Null pull-factors equal zero and indicate a lack of any retail service in the DTA.

- Bldg Materials, Garden Equip. & Supply Stores (NAICS 444)
- Building Material and Supplies Dealers (NAICS 4441)
- Lawn and Garden Equipment and Supplies Stores (NAICS 4442)
- Specialty Food Stores (NAICS 4452)
- Beer, Wine, and Liquor Stores (NAICS 4453)
- Health & Personal Care Stores (NAICS 446/NAICS 4461)
- Gasoline Stations (NAICS 447/NAICS 4471)
- Clothing and Clothing Accessories Stores (NAICS 448)
- Clothing Stores (NAICS 4481)
- Shoe Stores (NAICS 4482)
- Sporting Goods/Hobby/Musical Instrument Stores (NAICS 4511)
- Book, Periodical, and Music Stores (NAICS 4512)
- General Merchandise Stores (NAICS 452)
- Department Stores Excluding Leased Depts. (NAICS 4521)
- Used Merchandise Stores (NAICS 4533)
- Food Services & Drinking Places (NAICS 722)
- Drinking Places - Alcoholic Beverages (NAICS 7224)

While the retail services listed above may indicate future retail development potential by revealing services that the DTA currently lacks, the list does not tell the City how much demand exists in the STA for these particular sectors. Which begs a question the following section answers by detailing the level of "retail opportunity" that may be available to the DTA.

Table 6
Downtown Trade Area Negative Pull-Factor Summary
Excelsior Springs, MO

Industry Group	Secondary Trade Area Demand	STA Businesses	STA Per Capita Demand	Downtown Area Total Amount Spent	Downtown Businesses	Downtown Trade Area Capture	Downtown Pull-factor	Downtown Trade Area Capture (%)
Bldg Materials, Garden Equip. & Supply Stores (NAICS 444)	$53,333,381	67	$411	$33,468	1	81	0.20	0.06%
Building Material and Supplies Dealers (NAICS 4441)	$46,107,128	40	$355	$33,468	1	94	0.23	0.07%
Lawn and Garden Equipment and Supplies Stores (NAICS 4442)	$7,226,253	27	$56	$0	0	0	0.00	0.00%
Specialty Food Stores (NAICS 4452)	$6,403,123	10	$49	$0	0	0	0.00	0.00%
Beer, Wine, and Liquor Stores (NAICS 4453)	$4,949,797	9	$38	$0	0	0	0.00	0.00%
Health & Personal Care Stores (NAICS 446/NAICS 4461)	$51,127,754	40	$394	$0	0	0	0.00	0.00%
Gasoline Stations (NAICS 447/NAICS 4471)	$45,520,376	44	$351	$0	1	0	0.00	0.00%
Clothing and Clothing Accessories Stores (NAICS 448)	$31,873,734	30	$245	$0	0	0	0.00	0.00%
Clothing Stores (NAICS 4481)	$8,152,829	22	$63	$0	0	0	0.00	0.00%
Shoe Stores (NAICS 4482)	$5,493,813	2	$42	$0	0	0	0.00	0.00%
Sporting Goods/Hobby/Musical Instrument Stores (NAICS 4511)	$2,449,374	18	$19	$0	1	0	0.00	0.00%
Book, Periodical, and Music Stores (NAICS 4512)	$197,725,908	3	$1,523	$64,853	0	43	0.10	0.03%
General Merchandise Stores (NAICS 452)	$160,545,269	25	$1,236	$64,853	1	52	0.13	0.04%
Department Stores Excluding Leased Depts. (NAICS 4521)	$37,180,639	14	$286	$0	1	0	0.00	0.00%
Used Merchandise Stores (NAICS 4533)	$9,805,900	22	$76	$0	2	0	0.00	0.00%
Food Services & Drinking Places (NAICS 722)	$86,085,148	197	$663	$0	6	0	0.00	0.00%
Drinking Places - Alcoholic Beverages (NAICS 7224)	$0	10	$0	$0	1	0	0.00	0.00%

RETAIL OPPORTUNITY

When planning future retail development, Excelsior Springs should take into account not only the type and level of retail service the DTA currently provides, but also the retail demand "available" throughout the STA. "Available," as the term is used here means demand that is unmet, or unsatisfied, within the STA, thus indicating an amount of "retail opportunity." In other words, the "gaps" shown below indicate the amount of retail expenditure that currently "leaks" from the STA to outer areas. The DTA could, potentially, capture this demand with the appropriate retail services. The City of Excelsior Springs should mind these gaps in retail service provision when planning or considering future retail development activities.

The retail sectors which indicate the highest level of opportunity, or available demand which the DTA might capture with adequate planning, are:

1. Food and Beverage Stores/Grocery Stores
2. Department Stores
3. Clothing and Clothing Accessory Stores
4. Food Services and Drinking Places
5. Furniture and Home Furnishings Stores

These five retail sectors indicate the greatest amount of potential for future retail planning and development. The "Department Store" and "Furniture and Home Furnishings Stores" show promise as these are retail services for which consumers make infrequent trips, but are willing to travel longer distances for purchases. Excelsior Springs should consider this opportunity and their location relative to Kansas City when planning for future retail development.

Table 7
Retail Opportunity

Industry Group	Available Demand	Current Sales	Gap (Opportunity)
Furniture & Home Furnishings Stores (NAICS 442)	$38,518,020	$25,997,405	$12,520,615
Furniture Stores (NAICS 4421)	$23,991,441	$14,491,523	$9,499,918
Home Furnishings Stores (NAICS 4422)	$14,526,579	$11,505,882	$3,020,697
Electronics & Appliance Stores (NAICS 443/NAICS 4431)	$34,711,229	$28,937,682	$5,773,547
Food & Beverage Stores (NAICS 445)	$221,363,973	$154,884,570	$66,479,403
Grocery Stores (NAICS 4451)	$210,011,053	$148,514,018	$61,497,035
Specialty Food Stores (NAICS 4452)	$6,403,123	$944,211	$5,458,912
Clothing and Clothing Accessories Stores (NAICS 448)	$45,520,376	$22,692,958	$22,827,418
Clothing Stores (NAICS 4481)	$31,873,734	$13,385,562	$18,488,172
Shoe Stores (NAICS 4482)	$8,152,829	$3,132,168	$5,020,661
Sporting Goods, Hobby, Book, and Music Stores (NAICS 451)	$11,438,390	$11,196,671	$241,719
Sporting Goods/Hobby/Musical Instrument Stores (NAICS 4511)	$8,989,016	$8,054,690	$934,326
Department Stores Excluding Leased Depts. (NAICS 4521)	$160,545,269	$104,345,570	$56,199,699
Food Services & Drinking Places (NAICS 722)	$194,945,996	$178,735,223	$16,210,773
Limited-Service Eating Places (NAICS 7222)	$87,735,038	$77,431,189	$10,303,849
Special Food Services (NAICS 7223)	$10,046,832	$3,917,442	$6,129,390
Drinking Places - Alcoholic Beverages (NAICS 7224)	$11,078,978	$1,700,214	$9,378,764

Table illustrates the possibilities for development in building with a vacant 1st floor. The map on the following page displays the location of these properties

Table 8
Retail Opportunities

ID	Address	1st Floor Vacancy	1st Floor Square Footage	Available Space	Potential Use
1	255 E BROADWAY AVE	100%	3,066	3,066	Retail/Service
2	309 E EXCELSIOR ST	100%	2,759	2,759	Retail
3	218 SOUTH ST	50%	9,723	4,861	Specialty Dining
4	206 SOUTH ST	50%	4,210	2,105	Retail
5	415 S THOMPSON AVE	100%	6,184	6,184	Specialty Dining
6	414 S THOMPSON AVE	100%	18,568	18,568	Retail - Specialty
7	311 S THOMPSON AVE	50%	4,059	2,030	Retail
8	SOUTH ST	100%	2,783	2,783	Retail
9	215 SOUTH ST	100%	2,847	2,847	Retail/Service
10	201 SOUTH ST	100%	18,330	18,330	Retail - Specialty
11	215 SPRING ST	50%	4,143	2,072	Retail/Service
12	213 SPRING ST	100%	1,419	1,419	Retail
13	204 S MARIETTA ST	75%	3,976	2,982	Retail/Service
14	113 S MARIETTA ST	25%	9,522	2,381	Retail/Service
15	215 E BROADWAY AVE	100%	3,888	3,888	Retail/Service
16	237 E BROADWAY AVE	100%	1,680	1,680	Specialty Dining
17	251 E BROADWAY AVE	100%	2,800	2,800	Specialty Dining
18	102 E BROADWAY AVE	100%	3,475	3,475	Mixed Use - Entertainment
19	106 E BROADWAY AVE	100%	1,403	1,403	Retail/Service
20	108 E BROADWAY AVE	100%	702	702	Service
21	114 E BROADWAY AVE	100%	1,403	1,403	Retail
22	116 E BROADWAY AVE	100%	1,403	1,403	Retail
23	120 E BROADWAY AVE	50%	2,740	1,370	Retail
24	216 W BROADWAY AVE	100%	13,933	13,933	Service/Professional Office
25	244 E BROADWAY AVE	100%	1,918	1,918	Service/Professional Office
26	100 W BROADWAY AVE	100%	2,825	2,825	Retail
27	115 W EXCELSIOR ST	100%	2,807	2,807	Retail/Service
28	111 N MAIN ST	100%	5,546	5,546	Specialty Dining
29	218 E EXCELSIOR ST	100%	2,540	2,540	Mixed Use - Retail
30	259 E BROADWAY AVE	100%	8,026	8,026	Retail

Retail Opportunities

Downtown Study Area
City of Excelsior Springs , Missouri

The labels for the retail opportunities correlate with Table 8: Retail Opportunities

SEPTEMBER 2009

D·R·E·A·M INITIATIVE

PGAV

CONSUMER RETAIL DEMAND

The spending behavior of the consumers in the two study areas are of great concern to this study because their spending habits provide the basis for the determination of demand. In short, determining how much each household spends on average per retail sector gives us an idea of the average household demand for particular retail services.

Table 9

2007 Average Annual Consumer Expenditures Per Household		
Retail Sector	Downtown Trade Area	Secondary Trade Area
Average Household Income	$38,138	$74,723
Aggregate Consumer Expenditures	$2,212,004	$3,506,227,329
General Merchandise	$1,027.64	$1,943.21
Food	$4,606.03	$8,450.05
Food at Home	$2,992.25	$5,437.16
Food Away from Home	$1,613.78	$3,012.89
Apparel and Services	$1,347.10	$2,517.91
Household Merchandise	$1,013.00	$2,065.38
Electronics	$409.72	$772.05
Household Goods	$603.28	$1,293.33
Household Care	$200.12	$455.23
Transportation	$1,585.38	$3,136.68
Miscellaneous Merchandise	$1,128.02	$2,058.35
Health Care	$439.07	$791.22
Miscellaneous Goods	$688.95	$1,267.13
Entertainment & Recreation	$1,730.83	$3,525.13
* Consumer Expenditure Data provided by Missouri Economic Research & Information Center		

The table above illustrates average annual expenditures per household for each retail sector, as defined by the U.S. Departments of Labor and Commerce.

CUSTOMER INCOME

The following tables depict the potential purchasing power of the Downtown Trade Areas customers. Table 10 illustrates the numbers of households at regular income thresholds, giving the user a rough idea of the purchasing power available in Downtown Excelsior Springs, the City of Excelsior Springs, and Secondary Trade Area.

Table 10

Households by Income Level for Excelsior Springs			
Income Level	Downtown	Citywide	STA
Total Households	290	4,228	48,708
$ 0 - $14,999	85	596	2,826
$ 15,000 - $24,999	55	461	3,361
$ 25,000 - $34,999	40	533	4,822
$ 35,000 - $49,999	40	685	7,598
$ 50,000 - $74,999	25	761	11,300
$ 75,000 - $99,999	25	634	8,329
$ 100,000 - $149,999	15	410	7,112
$ 150,000 - $199,999	0	59	1,948
$ 200,000 +	0	85	1,364

Table 11 clears this idea somewhat by showing the amount of disposable income, per household, for the Downtown Trade Area and the Secondary Trade Area ("STA"). This table presents the user with an idea of the volume of demand available within Downtown and the STA.

Table 11

Disposable Income Profile for Excelsior Springs		
Income Level	Downtown Trade Area	Secondary Trade Area
Less than $15,000	88	3,619
$15,000-$24,999	59	4,510
$25,000-$34,999	44	5,949
$35,000-$49,999	34	9,898
$50,000-$74,999	44	14,998
$75,000-$99,999	9	4,474
$100,000-$149,999	10	3,745
$150,000-$199,999	1	705
$200,000+	1	810
Total	290	48,708
Median Disposable	$23,404	$48,952
Average Disposable	$32,580	$58,439

Consumer Profiles & Segments

Visitor Survey Overview

- Top Reasons for visiting Downtown Excelsior Springs
  - Dining & Shopping
- Additional Businesses needed in Downtown
  - More/better Restaurants
  - Book Store
  - Clothing Stores
  - Movie Theater
  - Upscale/Specialty Stores
  - Coffee Shop
- Visitor Composition: More than 45% of visitors are between the ages of 35 and 49. Another 31% of visitors are between the ages of 50 and 64, visitors generally do not bring children along on visits to Downtown Excelsior Springs.

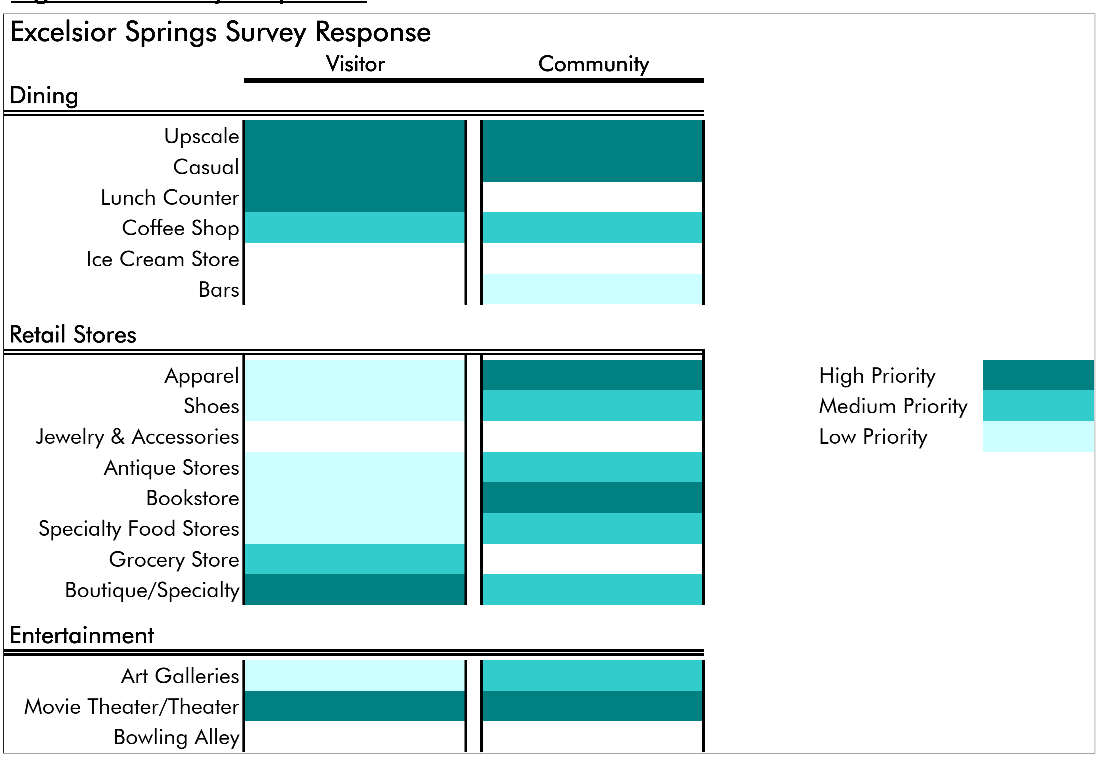
Community Phone Survey Overview

- Downtown Visitors
  - Forty-three percent of individuals visit Downtown Excelsior Springs more than 5 times a month
  - Another 35% visit one to five times a month
- Activities when Visiting Downtown
  - Shopping—17%
  - Dining—22%
  - Conducting Business—22%
  - Special Events—8%

Visitors and residents alike are interested in a wider variety of retail establishments, with extended business hours and an environment that focuses on the customer experience.

Figure 5 illustrates visitor and community survey responses for various categories of new retail, restaurant and entertainment businesses in Downtown.

<u>Figure 5: Survey Responses</u>



CUSTOMER SEGMENTS

Downtown Workers

- Most viable customer segment with more than 254 employees and 63 businesses
- A key issue is understanding the spending capacity of office workers

An estimate of this potential:

  - 254 x $25 estimated weekly spending = $330,000 annually

Local Residents

- Local residents visit Downtown for a variety of reasons
- Key issues for this segment will be to inspire community loyalty through effective marketing and to reinforce Downtown as a shopping option

Downtown Residents

- This group comprises a special sub-set of the local market, while Downtown will most likely never offer a wide enough range of goods to satisfy all the buying needs of residents (110 people live Downtown)
- Diverse buying demands of these residents can be partially served with a unique approach to retail demands

Tourists - Out of Town Visitors

- Some of these travelers are overnight visitors while others are day trippers
- Hotels are located in the Secondary Trade Area and this limits the ability for the Downtown Trade Area to attract these visitors
- This segment can be quite lucrative based on expectation of increased patronage and their potential for expendable income

Downtown Excelsior Springs Goals & Strategies

The overall retail objective for Downtown Excelsior Springs should be to create a unique community that preserves its history as well as capitalizes on its unique physical character. Excelsior Springs should seek to nurture a diverse mix of residential and commercial uses that serve both residents and visitors with daytime and nighttime activities in an environment that is conducive to pedestrians.

General Goals

- Expand the Downtown Trade Area's (DTA) market potential
- Increase the amount of sales generated by the DTA
- Create a mix of retail uses and pedestrian generating activities to strengthen the Downtown with a unique shopping experience
- Emphasize Downtown's sense of place to distinguish from suburban-style shopping centers
- Build on existing restaurants to create a dining destination
- Make shopping and dining experience as convenient, pleasurable and interesting as possible
- Extend hours of operation
- Downtown's patrons (employees, residents, and visitors) more visible to prospective retail can help demonstrate the full sales capacity of the downtown market
- Expand Downtown marketing efforts
- Increase annual tourism especially during off peak seasons
- Establish a downtown recruitment team—include representatives from necessary organizations to oversee a proactive campaign to target businesses to Downtown

General Strategies

The retail revolution must consider the competitive nature of the market, and the future retail strategy must be realistic in response to current conditions and market presence. A strategic determination should be made about Downtown Excelsior Springs based on its unique attributes and strengths of the mix of customer segments. The opportunities in Downtown Excelsior Springs' retail market must be scaled to the spending potential of the key customer segments.

Rebuilding downtown retail can be a difficult, lengthy and complicated process. It differs from suburban shopping centers or reestablishing other shopping districts. Attempts to re-create past successes (generally wanted by residents and business owners) are rarely successful. Most downtowns have changed dramatically in the past decades due to changes in lifestyles, merchandising, spending patterns and competition. To achieve long term success these changes must be understood and downtowns should embrace new approaches to rebuilding downtown retail markets. Creating an atmosphere in downtowns that resemble "lifestyle centers" encourage revitalization by creating a mix of retail and commercial space that attract singles, empty nesters, seniors, and non-traditional households. Public and private sectors will need to work together to create an environment in which retail can thrive.

The Downtown Trade Area can be thought of as a product that is being offered initially to the Secondary Trade Area. With this analogy, some general retail strategies can be grouped into four distinct areas:

1) Improvements to the product
2) Reduction in the cost of the product
3) Enhancement of the purchasers experience in purchasing the product
4) Communication of the availability of the product

In many cases other DREAM reports will address areas that support these retail strategies. For example, recommendations in the "Financial Assistance Review" can show how to finance the category of improvements to the product. The below items will deal primarily with strategies that are not as obvious as physical improvements.

Downtown Improvements

Targeted Retail Uses
The City should target businesses in the area of Food and Beverage Stores, Grocery Stores, Department Stores, Clothing and Clothing Accessories Stores, Food Services & Drinking Places, and Furniture & Home Furnishings Stores for attraction to Downtown. While these areas demonstrate the highest opportunity, other areas of note are Art Galleries, and Art Shops.

Integrating this program with specific marketing and promotion strategies and a Retail Recruitment/Attraction Program and Package will help in drawing the appropriate mix of retail uses to fill vacant first floor spaces and generate excitement with residents and customers.

Business Recruitment & Retention
A formal business recruitment and retention program is among the most cost effective initiatives that a community can undertake and implement. Programs designed to assist businesses with expansion, relocation and building improvements within Downtown can stimulate increased levels of private investment. A well-rounded program should include:

- A benchmarking measurement for the program
- Goodwill and testimonial efforts that promote a sense of Downtown pride
- Regular business visits that include City Officials and Private Business owners
- Efficient follow-up of issues as they are uncovered
- Regular review of program effectiveness

Also, efforts should be made to familiarize businesses with local, regional, and state business assistance and technical resources.

Retail Sites

Location is the key to retail success. Though a mix of uses in Downtown is important for generating foot traffic and a solid, 24-7 population, the City must also recognize the importance of giving priority to retail in certain "key" Downtown locations. Too often the downtown "general business" zoning category includes uses that are more service or office uses in nature. These businesses take up valuable sales-generating retail sites and push any retail businesses that might locate Downtown toward less desirable sites, often on side streets.

Site locations should be reviewed carefully in light of a comprehensive Downtown planning strategy for the following qualities before a decision is made to allow a non-retail use:

- Foot Traffic—Pedestrian & Auto
- Sales generation potential
- Customer and visitor attraction ability
- General appearance of the area
- Adequacy of parking
- Proximity to other visitor amenities such as transportation, parkland, or trails

Downtown Niche Determination

The primary objective of the Niche Strategy is to create a critical mass of a particular type of local independent retail that can collectively create a vibrant destination. While the niche may take on nearly any retail 'type', there are certain retail uses that will nearly always be supportive to downtown retail visitors. Determining a niche includes:

- Capitalizing on uniqueness of place and position
- The inherent nature of uniqueness requires mainly local independent retail to anchor the Downtown core
- Unique products and excellent service can allow the Downtown to tap into new customer bases
- A decision to support the niche type and potential incentives or removal of obstructions unique to that type
- Identification of needed supporting businesses that complement the niche such as:
    1. Apparel
    2. Restaurants
    3. Coffee shops
    4. Bakeries
    5. Gift Shops

Downtown Directory
A downtown directory can be an important and critical element in making the public aware of what Downtown has to offer as well as publicizing Downtown activities. Create a downtown directory with a comprehensive listing of businesses based on the following categories:

- Eating
- Shopping
- Entertainment/Cultural Offerings

Directory should also include

- Public Transportation stops & public restrooms
- Parking Guide - illustrating all public parking areas (this could be a separate brochure)

The directory's main goal is to help residents and visitors learn about offerings in the Downtown area as well as special events and promotions. Local stores, restaurants & universities should distribute these materials. It is also important for the City's website and the Chamber of Commerce's website to provide this material online and possibly in interactive map format that allows web users to locate destinations and events.

Other General Retail Recruitment
A proactive business recruitment campaign driven by the Downtown Excelsior Partnership (DEP) and the City of Excelsior Springs is a critical step. This team should target specific retail businesses and develop materials to direct their outreach efforts. Tools this team should utilize include:

- An available space inventory including sizes, listed rental rates, contact information, and building amenities;
- Listing of target stores and businesses to contact. The target should be retail only, not services or offices;
- Incentives (e.g. grants, forgivable loans) for tenant improvements, and rent subsidies;
- An effective promotional program, including testimonials from successfully located businesses in Downtown;
- Listing of potential market competitors;
- Prioritize customer segments; and,
- Highlight successful projects implemented by public/private partnerships.

Retail Economic Development Tools

Retail Oriented Economic Development Tools
Stimulating downtown retail revitalization has a place in a city's on-going economic development activities. A retail incentive program should enhance the taxable assessed value within the Downtown Area and should be considered as important as new business attraction to "greenfield" sites, if not more so. Often a particular tool is only as effective as the community's willingness to use it. Knowledgeable personnel willing to demonstrate how these tools can help a business considering a downtown location is critical. Other aspects of an appropriate, retail-oriented economic development plan include:

- The identification and targeting of specified retail uses in defined areas to match comprehensive retail goals;
- Demonstration of the reduction of private investment risk through public investment and leveraging of amenities such as infrastructure and utilities;
- Improving the city permitting process for small-scale projects to help the facilitation of new stores, restaurants and outdoor cafes;
- Programs to fund façade and/or storefront improvements and interior renovation;
- A merchant education program to assist businesses in improving customer service;
- Knowledge, and possible use of, traditional mechanisms like revolving loan funds, incentives districts, special improvement districts, and tax rebates; and,
- Ongoing costs of business incentives such as assistance with marketing, promotions, events, and other amenities can help a Downtown business build a competitive advantage over other locations.

Enhancing the Purchasing Experience

Coexisting with Big Box Retailers
There are various methods and services that a downtown retailer is in a unique position to fill, better than any of the large Big Box retailers today. It is important for a downtown merchant and the City leadership to understand the psychology behind the consumer appeal of the "Big Box Experience" versus the "Local Mom & Pop Store".

Big Boxes offer a safe, homogenous shopping experience that emphasizes the efficient obtaining of necessities. Everything from the perception of parking availability to the availability of snacks is designed to meet the customer's every need and to keep them in the store. These factors allow Big Boxes to operate as stand-alone locations, which is why these stores prefer the outskirts of a City.

Unique local shops thrive when they can work together to create a critical mass and become a destination as a group. City leadership needs to understand that the consumer will have to perceive the entire area as safe, clean, and friendly. Local shop owners need to understand that they will have to embrace visitors and make them feel comfortable. The consumer going to the local shop is there for the experience of the shop, not the efficiency of buying everyday items.

For Downtown Excelsior Springs to be truly successful in its efforts to effectively compete with local strip commercial centers and big box retailers, Downtown will need to convey an image and comfort level that welcomes shoppers, diners and casual visitors. The unique ambience of Downtown will emerge through the implementation of the façade and design guidelines that have been developed specifically for this particular area within Excelsior Springs. The successful application of these guidelines requires the continued cooperation and commitment of all business and property owners in Downtown to consider and apply these recommendations as the needs arise for building, façade and streetscape improvements arise.

Some ways that unique local shops can capitalize on their strengths include:

- Create shopping oriented Downtown events, such as sidewalk sales, weekly evening shopping nights, and a storefront display contest.
- Carry the unique or higher-end items that cannot be found elsewhere.
- Learn how to attract the dissatisfied customers from the larger retailers.
- Offer expert, personalized assistance and extraordinary customer service
- Consider shopping amenities like gift wrapping, free shipping, convenient return and exchange policies, recommendations to other area shops and restaurants, and special orders.
- Work smarter by using technology and eliminating wasteful overhead.
- Think like your first-time customer walking into your store, ask yourself, "What can improve?"
- Extend your business hours. Changes in lifestyles have made longer business hours a necessity as members of households with multiple wage earners cannot get to your store if it is only open from 9 a.m. to 5 p.m.
- Advertise your unique qualities and services.
- Retail businesses should consider implementing a parking plan that encourages or requires their employees to park away from the storefront to free up street parking for customers; consider customer only spaces, combining with other stores for valet parking services on designated nights.

Wayfinding

Clear and well-placed signage and other visual cues are essential to help visitors arrive at their destination and easily navigate Downtown. The City leadership will need to implement sound guidelines to improve public wayfinding, but retail locations can address areas including:

- Development of a downtown directory of eating, shopping, and entertainment / cultural offerings for distribution at major activity centers. This directory should also include regular events and contact information;
- Development of a downtown parking guide; and,
- Develop or link their current individual Web sites to the City, Chamber, or Downtown organizations listing.

Downtown Aesthetics

While the enhancement of much of the beauty of the Downtown will rest upon the organizations involved in the leadership of the revitalization effort, there are several methods that Downtown retailers and property owners can employ to assist and complement these improvements. Sound operational policies to enhance retail "curb appeal" include:

- The Downtown Excelsior Partnership should maintain vacant store fronts and create exciting window displays or artwork to ensure pedestrian "flow" is not interrupted by "dead" storefronts;
- Downtown merchants and property owners should meet to discuss issues and form teams for general clean-up, neighborhood watch functions, welcoming ambassadors for groups, or landscaping maintenance. These teams can shift some of the financial burden from the City or DEP and encourage those entities to make other public investments;
- Adhere to design guidelines to create complementary building façades;
- Keep storefronts well lit at night;
- Use seasonal landscape plantings to provide color and enchantment to the storefront; and,
- Keep access to storefront free of visual clutter

<u>Communication and Marketing of the Downtown</u>

Connections to Special Attractions

It is important for the Downtown retailers to understand why visitors are coming to Downtown as a whole and market itself to those special activity generators. Activity nodes might include:

- Governmental Services
- Libraries & Museums
- Parks
- Large daytime employment centers

These areas of activity can be exploited by improving the marketing message of downtown's retail offerings to the target market, developing retail promotions designed to appeal to visitors of these attractions, integrating web based technologies that increase access to info on retail offerings, and creation of a formal business development educational program to increase retail pioneering, innovative independent retail development, and leadership.

General Marketing

The long-term success of Downtown redevelopment efforts will depend in part on the quality of marketing and promotional activities and the ability of the Downtown leadership to appeal to specific customer segments identified earlier in this document. Creating a mix of businesses that provides for a variety of experiences allows Downtown to become marketable to residents and visitors of many incomes and lifestyles. Sound marketing techniques include:

- Identify who you are targeting: are they day trippers or overnight trippers
  - Women, younger residents/professionals
  - What type of household/and income level
- Develop a marketing campaign to create a buzz around downtown efforts and heighten awareness of Downtown
- Provide Marketing Materials
  - Downtown Map & Guide (Downtown Directory)
  - Event Calendar
  - Entertainment Factor—festivals and events staged as part of the strategic effort (outdoor film series, performing arts)
- Use windows to market products, prices & specials
- Integrating Downtown activities is a key goal
- Cooperative Advertising & Marketing—cost effective approach that conveys image of Downtown and increases awareness (use a multimedia approach)
  - Cluster mailing promotions—more than one business on mailer
  - Work with retailers to advertise Downtown as a special retail experience—downtown directory and hotel options
  - Unified Downtown cooperate ad campaign
  - Direct Marketing
- Downtown Tourism Markets—recognition of Downtown's restaurants, shopping and entertainment as an important part of the attraction and amenities for visitors
  - By informing visitors of other activities or options while visiting their primary attraction will be able to attract to secondary attractions such as shopping & eating
  - All Downtown activities - dining, shopping and entertainment should be incorporated into tourism materials
- Outreach to Downtown Residents
  - Provide a welcoming service to new residents
  - Conduct regular surveys to determine the needs of residents
  - Assist with Oaks marketing campaign through the lease-up period

Market the Parking in the area

- Consider implementing a parking plan that encourages or requires Downtown employees to park in the back of buildings or in parking lots to free up street parking for transient parkers
- Create a parking guide with public and private lots

CONCLUSIONS

The retail market for Downtown Excelsior Springs has both opportunities and challenges. The greatest opportunity Downtown has is that it is still the civic center for the City and surrounding community. The critical mass of offices, employers, and institutions along with destinations and events, provides a steady source of customers for the Downtown retail market. Capitalizing on the existing consumer base and growing the retail market will be challenging, yet is very feasible. Downtown has the pedestrian environment of sidewalks, buildings with architectural character, residential units and a variety of shops which makes for a "shopping experience." Such characteristics, generally referred to as "new urbanism" or "lifestyle centers" are currently a major development trend in new shopping center designs all across the country. Excelsior Springs should promote Downtown as an experience and shopping destination similar to the new shopping developments mentioned above.

Downtown Excelsior Springs possesses a solid inventory of retail uses, and in conjunction with its centralized location, provides a solid foundation for future retail growth and development. In addition to extensive square footage of retail floor space, Downtown has good access from neighborhoods and institutions to build and maintain retail markets. The existing organizations for Downtown, various festivals/events and future destination developments give promise to future growth of retail in Downtown Excelsior Springs. Yet some of the primary challenges will remain, such as a lack of clear and direct connections, and consumers preferring auto oriented "one stop" shopping of large national retailers. Overcoming this mentality with the local and regional consumer will be a formidable task if Downtown Excelsior Springs is to regain its status as a retail center for the community at large.

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APPENDIX

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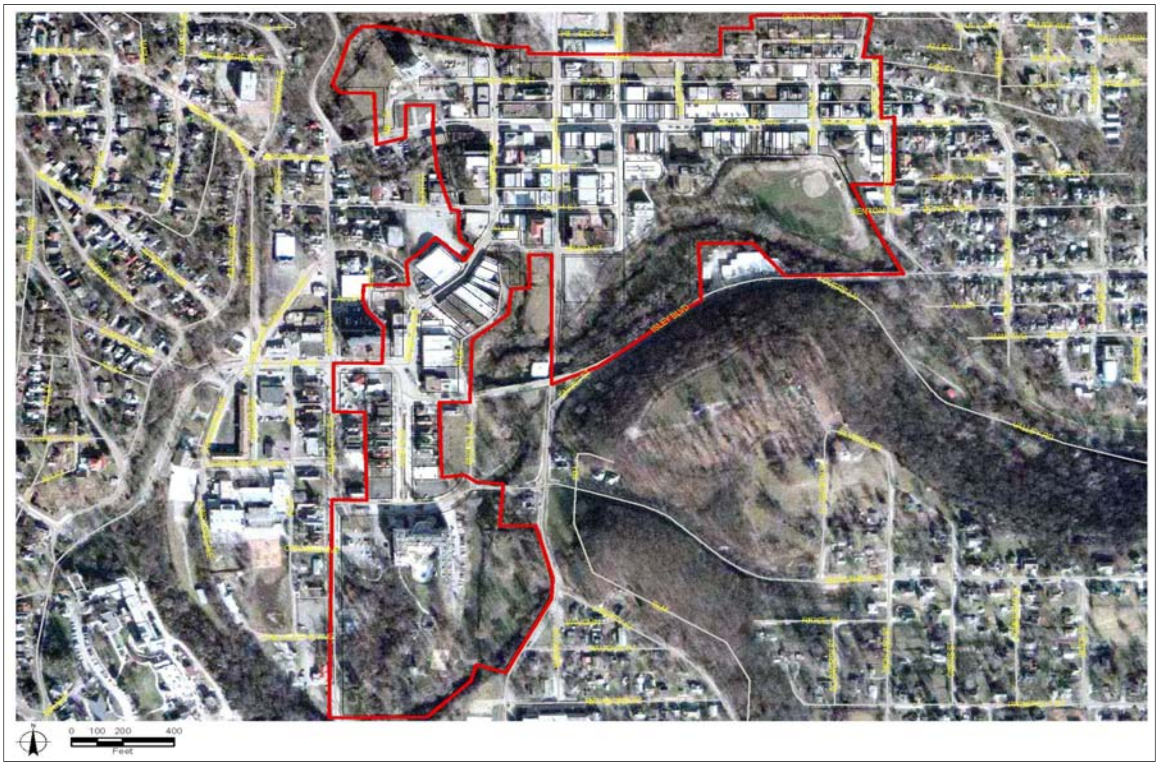
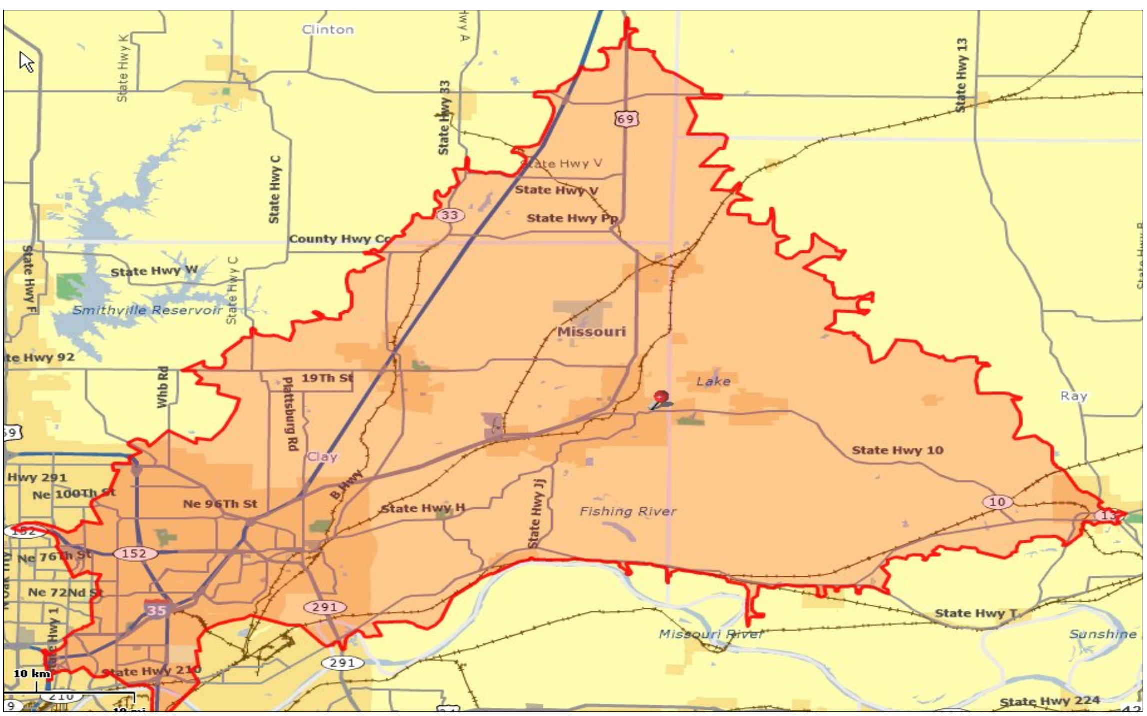
APPENDIX A

DOWNTOWN TRADE AREA



SECONDARY TRADE AREA



Appendix B
Downtown Trade Area Pull-Factor Summary
Excelsior Springs, MO

Industry Group	Secondary Trade Area Demand	STA Businesses	STA Per Capita Demand	Downtown Area Total Amount Spent	Downtown Businesses	Downtown Trade Area Capture	Downtown Pull-factor	Downtown Trade Area Capture (%)
Total Retail Trade and Food & Drink (NAICS 44-45, 722)	**$877,768,471**	**731**	**$6,760**	**$5,809,439**	**17**	**859**	**2.07**	**0.66%**
Total Retail Trade (NAICS 44-45)	**$682,822,475**	**534**	**$5,258**	**$4,692,848**	**15**	**892**	**2.15**	**0.69%**
Total Food & Drink (NAICS 722)	**$194,945,996**	**197**	**$1,501**	**$1,116,591**	**2**	**744**	**1.79**	**0.57%**
Furniture & Home Furnishings Stores (NAICS 442)	$38,518,020	40	$297	$1,297,531	3	4,374	10.51	3.37%
Furniture Stores (NAICS 4421)	$23,991,441	14	$185	$866,100	2	4,688	11.27	3.61%
Home Furnishings Stores (NAICS 4422)	$14,526,579	26	$112	$431,431	1	3,857	9.27	2.97%
Electronics & Appliance Stores (NAICS 443/NAICS 4431)	$34,711,229	38	$267	$438,996	2	1,642	3.95	1.26%
Bldg Materials, Garden Equip. & Supply Stores (NAICS 444)	$53,333,381	67	$411	$33,468	1	81	0.20	0.06%
Building Material and Supplies Dealers (NAICS 4441)	$46,107,128	40	$355	$33,468	1	94	0.23	0.07%
Lawn and Garden Equipment and Supplies Stores (NAICS 4442)	$7,226,253	27	$56	$0	0	0	0.00	0.00%
Food & Beverage Stores (NAICS 445)	$221,363,973	43	$1,705	$1,988,141	1	1,166	2.80	0.90%
Grocery Stores (NAICS 4451)	$210,011,053	24	$1,617	$1,988,141	1	1,229	2.96	0.95%
Specialty Food Stores (NAICS 4452)	$6,403,123	10	$49	$0	0	0	0.00	0.00%
Beer, Wine, and Liquor Stores (NAICS 4453)	$4,949,797	9	$38	$0	0	0	0.00	0.00%
Health & Personal Care Stores (NAICS 446/NAICS 4461)	$51,127,754	40	$394	$0	0	0	0.00	0.00%
Gasoline Stations (NAICS 447/NAICS 4471)	$45,520,376	44	$351	$0	1	0	0.00	0.00%
Clothing and Clothing Accessories Stores (NAICS 448)	$31,873,734	30	$245	$0	0	0	0.00	0.00%
Clothing Stores (NAICS 4481)	$8,152,829	22	$63	$0	0	0	0.00	0.00%
Shoe Stores (NAICS 4482)	$5,493,813	2	$42	$0	0	0	0.00	0.00%
Jewelry, Luggage, and Leather Goods Stores (NAICS 4483)	$11,438,390	6	$88	$187,038	0	2,123	5.10	1.64%
Sporting Goods, Hobby, Book, and Music Stores (NAICS 451)	$8,989,016	21	$69	$187,038	1	2,702	6.49	2.08%
Sporting Goods/Hobby/Musical Instrument Stores (NAICS 4511)	$2,449,374	18	$19	$0	1	0	0.00	0.00%
Book, Periodical, and Music Stores (NAICS 4512)	$197,725,908	3	$1,523	$64,853	0	43	0.10	0.03%
General Merchandise Stores (NAICS 452)	$160,545,269	25	$1,236	$64,853	1	52	0.13	0.04%
Department Stores Excluding Leased Depts. (NAICS 4521)	$37,180,639	14	$286	$0	1	0	0.00	0.00%
Other General Merchandise Stores (NAICS 4529)	$29,083,444	11	$224	$682,821	0	3,049	7.33	2.35%
Miscellaneous Store Retailers (NAICS 453)	$1,724,750	91	$13	$413,883	5	31,160	74.90	24.00%
Florists (NAICS 4531)	$15,329,242	17	$118	$104,118	2	882	2.12	0.68%
Office Supplies, Stationery, and Gift Stores (NAICS 4532)	$2,223,552	31	$17	$164,820	1	9,625	23.14	7.41%
Used Merchandise Stores (NAICS 4533)	$9,805,900	22	$76	$0	2	0	0.00	0.00%
Other Miscellaneous Store Retailers (NAICS 4539)	$194,945,996	21	$1,501	$1,116,591	0	744	1.79	0.57%
Food Services & Drinking Places (NAICS 722)	$86,085,148	197	$663	$0	6	0	0.00	0.00%
Full-Service Restaurants (NAICS 7221)	$87,735,038	14	$676	$847,908	0	1,255	3.02	0.97%
Limited-Service Eating Places (NAICS 7222)	$10,046,832	165	$77	$162,212	4	2,097	5.04	1.61%
Special Food Services (NAICS 7223)	$11,078,978	8	$85	$106,471	1	1,248	3.00	0.96%
Drinking Places - Alcoholic Beverages (NAICS 7224)	$0	10	$0	$0	1	0	0.00	0.00%

Appendix C
Retail Locations

Downtown Study Area
City of Excelsior Springs , Missouri

Id	Retail Locations
1	Shelton's Carpet Warehouse; K's Supplies
2	Smith's Barber Shop
	The Leatherman Clinic, Mr. Frugal's Mattresses,
3	U.S. Hair Force, Excelsior Photo
4	Vicker's Furniture, TV, Appliance
5	Brunke Hardware
6	
7	Spouts & More
8	Excelsior Springs Floral & Gifts
9	Excel Computers & Accessories
10	My Best Friend's Barber Grooming & Pet Supplies
11	Body Life Therapies
12	Studio 207 Hair & Nails -
13	Scandinavian Country
14	Ventana Gourmet Grill
	Mook & Mook Attorney;
15	Choreography of Memories
16	Redmond's
17	
18	Olde English Garden Shoppe
19	Olde English Garden Shoppe
20	
21	Wooden Spool
22	
23	Willow Spring Mercantile Antiques
24	Healthy Life Choices
25	Scandinavian Country
26	Keepsake Junction
	Martinez School of Cosmetology;
27	Hair Function Junction
28	Downtown $
29	The Store
30	Ray's Diner
31	Boulevard Florist
32	Mill Inn Restaurant

The Retail Locations and 1st Floor Vacancy were identified during the Land Use and Building Survey conducted by Excelsior Springs

SEPTEMBER 2009

Appendix D
1st Floor Vacancy

Downtown Study Area
City of Excelsior Springs, Missouri

Legend

1st Floor Vacancy

Study Area

SEPTEMBER 2009

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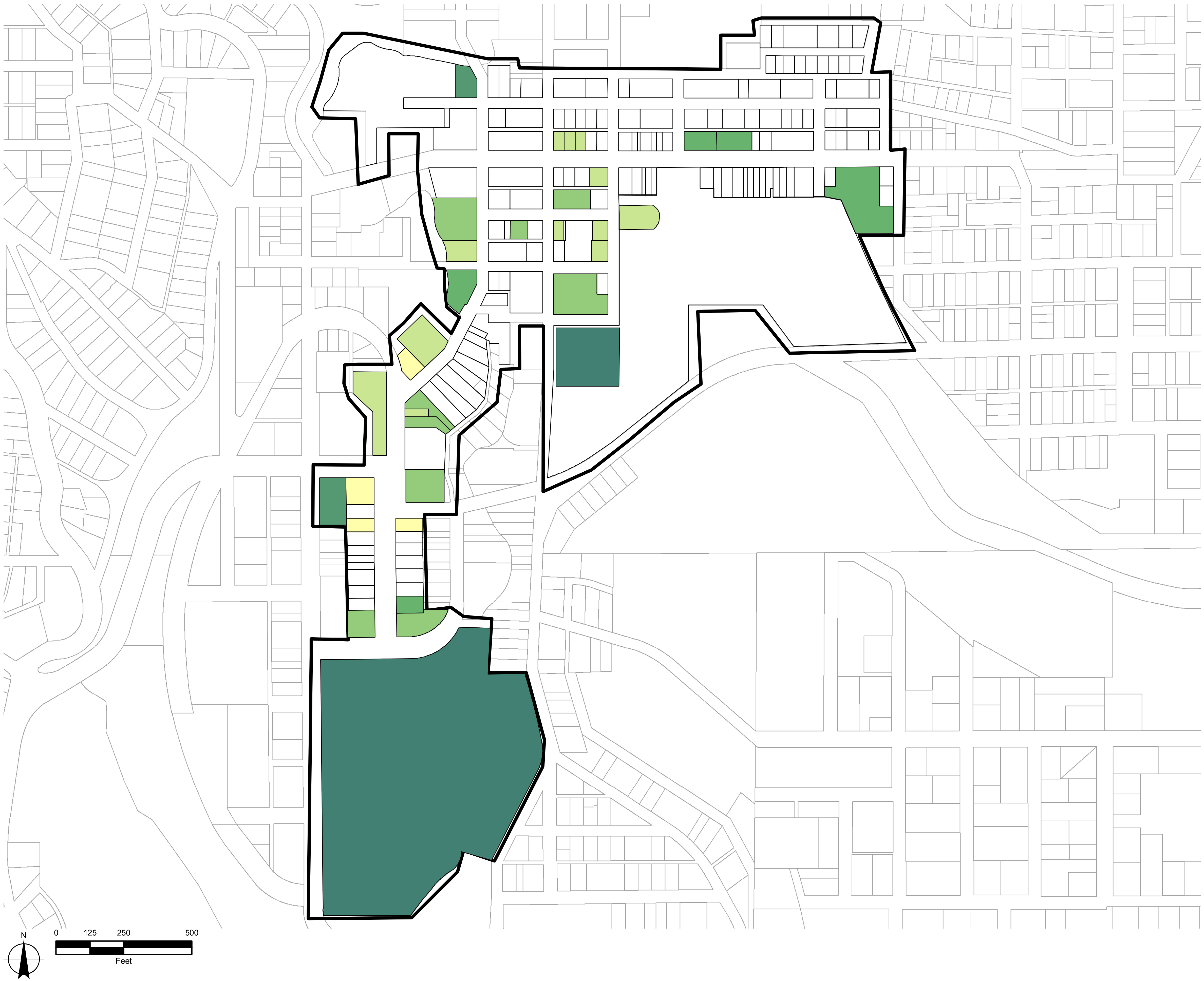
Appendix E
Excelsior Springs Parking

Downtown Study Area
City of Excelsior Springs , Missouri



SEPTEMBER 2009

APPENDIX F

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MISSOURI ECONOMIC RESEARCH & INFORMATION CENTER

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INFOUSA & ESRI

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ESRI & INFO USA

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ESRI & INFO USA

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MISSOURI ECONOMIC RESEARCH & INFORMATION CENTER

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MISSOURI ECONOMIC RESEARCH & INFORMATION CENTER

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ESRI

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