Lebanon, Missouri

DOWNTOWN
REVITALIZATION &
ECONOMIC
ASSISTANCE FOR
MISSOURI

RETAIL MARKET ANALYSIS

DOWNTOWN REVITALIZATION AND ECONOMIC ASSISTANCE FOR MISSOURI
D·R·E·A·M
INITIATIVE

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PGAV PLANNERS

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EXECUTIVE SUMMARY

Lebanon is the county seat and largest community in Laclede County, Missouri. The City is located along Interstate 44 in central Missouri, about 50 miles northeast of Springfield and about 30 miles south of the Lake of The Ozarks. The state highways of 5, 32, and 64 intersect in Lebanon, with State Route 5, or Jefferson Avenue, running north and south through the City. The 2010 Census shows that Lebanon had a population of about 14,500 people. The City is home to the Route 66 Museum and several large aluminum fishing boat manufacturers. Downtown Lebanon is not easily defined. In, or nearby Downtown, are the Laclede County Courthouse, City Hall, police and fire departments, United States Post Office, Public Library, and many other businesses and offices.

This Retail Market Analysis reveals that Downtown could see an increase in sales if Downtown businesses can absorb some unmet retail demand. These projections are based on existing sales volumes, vacant floor space, and estimated leakage of retail dollars being spent outside of Downtown and the city limits. Downtown Lebanon competes primarily with the internet and other retail facilities within the City, primarily located closer to, and along Interstate 44.

The Retail Market Analysis was conducted by analyzing data for three areas: The Downtown Trade Area (DTA) which is the DREAM study area; the Primary Trade Area (PTA) which is the city limits; and the Secondary Trade Area (STA) which is a 25 minute drive-time from Downtown Lebanon. The existing retail market, demographics, and DREAM community surveys were also documented and analyzed to help define a strategy that takes into account public preferences to strengthen the retail market in Downtown Lebanon.

A review of market conditions provides an idea of the possible new and existing business potential for Downtown Lebanon. The DREAM Land Use, Building, and Infrastructure Survey revealed about 379,800 square feet of existing 1st-floor commercial space that includes:

- 6,000 square feet of restaurant space (fully occupied)
- 121,700 square feet of retail space (12,200 square feet vacant)
- 219,800 square feet of office/service space (20,200 square feet vacant)
- 15,400 square feet of mixed-use space (fully occupied)

The retail/restaurant space is generating about $20.9 million in annual sales (sales do not include auto dealers, gasoline stations, or non-store retailers). However, there is 1 business coded as "grocery store" that accounts for $12 million of this total. By removing "grocery stores", which are not likely to locate in a Downtown location, a clearer picture of Downtown Lebanon's retail market is obtained. The adjusted total shows $8.8 million in sales, with the retail component generating about $8.4 million or $76.37 per occupied square foot. The restaurant component is only generating $472,000 or $78.61 per occupied square foot. With these averages, the 32,400 square feet of vacancy that could easily be used for retail or restaurant use, represents an additional $2.5 million in potential annual sales.

The primary opportunity for retail development in Downtown Lebanon is for the City to attract new users of existing vacant space. However, other opportunities include encouraging existing businesses to expand and developing higher-quality products to increase the sales per square foot in Downtown; particularly regarding existing restaurants. There are some vacant spaces where the City could encourage new infill mixed-use development with retail on the 1st-floor. Additionally, the City should consider encouraging offices and service-oriented uses to locate, or relocate, to upper-floor spaces or along side streets. This activity will preserve prime, first-floor vacancies for retail use.

The retail analysis demonstrates that several retail sectors are not adequately served locally within the STA. This demand and lack of local supply is prompting shoppers to leave the STA to meet their retail needs beyond the Lebanon area in places such as Osage Beach, Rolla, or Springfield, Missouri, as well as on the internet. Such unmet retail demand presents an opportunity for Downtown Lebanon to capture more retail dollars.

Table 16 on Page 27 lists the retail areas for potential growth in Downtown Lebanon. The retail goods and services are classified according to the North American Industry Classification System (NAICS) in industry groups.

As noted, the category of Grocery Stores has been removed. Categories such as Department Stores can also demonstrate significant unmet retail demand; and this is the case in Lebanon. However, due to today's market forces, it is unlikely that a department store would open in a downtown location. The unmet demand shown in theses categories is worth noting as existing Downtown Lebanon merchants may wish to add grocery items or general department store goods to their product lines.

The primary opportunities for addressing unmet retail demand are shown below. These opportunities are shown in dollars as an amount of additional sales for the City, and include:

- Electronics & Appliance Stores: $4.7 million
- Full-Service Restaurants: $3.7 million
- Health & Personal Care Stores: $2.5 million
- Shoe Stores: $1.9 million
- Office Supplies, Stationary, and Gift Stores: $1.8 million
- Drinking Places - Alcoholic Beverages: $1.4 million
- Special Food Services (catering, etc.): $1.2 million

The total demonstrated unmet demand for retail goods and services from Table 16 on page 27, removing Grocery and Department Stores, shows that over $19 million dollars in additional sales for Downtown Lebanon could be generated if vacant space was available. However, this amount of demand would require almost 250,000 square feet of space based upon the figures of $76.37 per retail square foot and $78.61 per restaurant square foot.

Although infill construction and relocation of office and service businesses to upper-floors and side streets should be pursued, the City should pursue strategies to strengthen existing businesses and improve the quality, and likely cost, of goods sold in Downtown to increase sales per square foot numbers. This is particularly important to increase the low sales per square foot of restaurant uses.

Another significant component that is missing in Downtown Lebanon is not a retail market aspect. There are very few residents located in Downtown. There is an ownership market surrounding Downtown, but few rental units exist in Downtown. The City should work to address this by encouraging upper-floor use and seeking developers of large projects, such as the Allen Building. By developing the residential market, all categories of retail and restaurant businesses will improve.

The Appendix of this report includes detail on the trade areas studied (Appendix A), a detailed table showing unmet retail demand in various retail categories (Appendix B), information on existing retail and multi-story building locations (Appendix C), a map of buildings with 1st floor vacancies (Appendix D), a map showing adequate off street parking locations (Appendix E), and information regarding effective techniques for retail stores (Appendix F). These tools may be invaluable to Downtown Lebanon businesses as they seek to improve their sales.

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INTRODUCTION

Downtown Lebanon is not easily defined. The community owes its roots to Route 66 and this has evolved into a wide-spread, linear city layout. Unlike many traditional Midwestern towns, there is no courthouse square. The primary intersection is located at Jefferson and Commercial streets. The street layout is a grid pattern with a rail line running along the southeast border of the DREAM Study Area. Jefferson Street is also State Highway 5 and is the primary artery running northwest to southeast through the City. Other commercial areas are located along Jefferson Street and at the other exits to the city along Interstate 44.

In order for Downtown to maintain its vibrancy and realize its potential as a retail area, it must appeal to businesses and attract an expanded retail market. DREAM seeks to increase the retail draw of Downtown and therefore the relevance of Downtown to the City as a whole.

In many instances, modern development trends have diminished the function of the typical American downtown. As consumers began to favor the use of the automobile, commercial development sought larger parcels of affordable undeveloped land further from the community's historic core. The automobile increased the mobility of the consumer, and increasingly shopping centers with major retailers located in more scattered developments along major roadways. Downtown Lebanon is fortunate to have maintained a number of important civic and social service functions, making it a frequent destination for residents.

Through the establishment of clear goals, strategies and steps for implementation, Downtown has an opportunity to build upon its positive aspects and recent projects, such as the Pine Street streetscape improvements. Sound planning strategies that seek to enhance the retail and restaurant market will help Downtown expand its role as a significant retail destination for the region.

BACKGROUND & METHODOLOGY

This report takes a comprehensive approach to quantify the retail demand and supply for the trade areas in order to identify potential retail services that would be successful in Downtown. Recommendations have been developed regarding strategies to encourage appropriate retail development in Downtown Lebanon. The report uses concepts common in 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 Lebanon DREAM Initiative activities, discussions were held, or surveys conducted, with residents, Downtown business owners and stakeholders, City officials and staff, and visitors. These various market segments each provide key insights into potential improvements to Downtown Lebanon's retail services. Additionally, a thorough review of future residential demand for the trade area has been conducted in the Lebanon DREAM Residential Demand Analysis from December of 2011. A physical examination of the trade areas and surrounding region provides insight into traffic and pedestrian trends and helps to identify the business mix and Downtown occupancy patterns.

The retail demand, or spending power of the trade area, is compared to the retail supply, or the retail sales of the area, in order to quantify potential unmet demand in Downtown Lebanon. Retail categories with unmet demand are evaluated against the community survey results and other economic and physical conditions of Downtown in order to develop a retail strategy.

LIMITS OF STUDY

The Retail Market Analysis 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 current and supported through the year 2018. The analysis is meant to provide general strategic direction for developing retail in Downtown Lebanon. This study is not intended to be the sole basis for development decisions.

TRADE AREA PROFILE

The "trade area" refers to the geographic area from which a majority of customers for a given business originate. Different retail business categories can have different trade areas. The trade area for a convenience store or hair salon might be quite small, whereas a car dealership or specialty electronics retailer's trade area would be much larger. To determine the trade area of a shopping center or an entire retail district, an average of the individual business trade areas must be used to balance the variations. The concept of trade areas is an important part of evaluating the performance of a retail district and determining the potential of expanding retail activity within a geographic area.

TRADE AREA DEFINITIONS

The retail market analysis evaluates three different geographic trade areas: a Downtown Trade Area (DTA), Primary Trade Area (PTA) and a Secondary Trade Area (STA). For the purposes of this study, the DTA is Downtown Lebanon, the PTA is the Lebanon city limits, and the STA includes any point within a 25-minute drive of Downtown. This drive-time boundary represents an acceptable catch-basin of consumers likely to make a shopping trip to Downtown Lebanon, rather than to another community. A map of each area is included in Appendix A and the three areas are summarized below.

- Downtown Lebanon (DTA): The focus of the analysis is to determine the current level of retail activity captured by the DTA and the amount of additional retail activity that the DTA could support. Downtown Lebanon is defined as the DREAM Study Boundary.

- Primary Trade Area (PTA): This study classifies the boundary of the City of Lebanon as the PTA. Not only does the DTA draw the majority of its shoppers from the PTA, but it is useful to show the relationship between Downtown retail activity and citywide retail activity.

- Secondary Trade Area (STA): For the STA, the study uses a 25-minute drive-time around Downtown. Most consumers in this area are likely to travel to the PTA to shop and may be shopping in the DTA. Retail recommendations will focus on how the DTA can capture more of these consumers.

The Trade Areas generally ignore municipal, county, and state boundaries. The vast majority of consumers will typically shop at the location most convenient, regardless of factors such as jurisdiction and sales tax rate.

TRADE AREA DEMOGRAPHIC SNAPSHOT

In order to understand the trade areas that are the focus of this study it is important to understand their demographic composition.

When evaluating the demographics of a particular place, it is helpful to use a baseline with which to compare the data. An appropriate baseline for comparison of DREAM communities is data for the State of Missouri. Using the State of Missouri as a baseline provides an indication of positive or negative performance.

The following table highlights the estimated demographic snapshots for 2010 for Downtown Lebanon, the PTA, the STA, and the State of Missouri. The data was obtained from the 2010 United States Decennial Census. The Downtown Lebanon DREAM Boundary does not coincide with a single census tract, therefore, the 2010 Census counts should not be relied upon as precise figures, but rather as estimates extrapolated from local census tracts and the City of Lebanon. For purposes of comparison, the demographic tables in this report also use 2017 projections provided by a third-party supplier. These projections are derived from census data and general demographic trends for the State of Missouri.

Table 1, below, indicates the Lebanon area has a very small population and significantly lower average household income than the PTA, STA, and the State of Missouri. The median age in the Lebanon trade areas is comparable with the State median age, with Downtown Lebanon being the youngest and the STA the oldest.

TABLE 1: 2010 DEMOGRAPHIC SNAPSHOT

	Downtown Lebanon	PTA	STA	State of Missouri
Population	41	14,474	36,710	5,988,927
Average Household Income	$27,797	$42,373	$42,923	$59,157
Housing Units	26	6,728	16,307	2,712,729
Owner Occupied	6	3,118	10,147	1,633,610
Renter Occupied	15	2,862	4,371	742,001
Vacant Units	5	748	1,789	337,118
Median Age	35.0	35.4	39.1	37.8
19 and Under	11	4,126	10,155	1,601,411
20-44	15	4,791	10,934	1,937,372
45 and Over	15	5,557	15,620	2,450,144

MARKET PROFILE/DEMOGRAPHIC TRENDS

DOWNTOWN LEBANON (DTA)

The DTA for Lebanon (the area within the DREAM boundary) is roughly 40 acres and consists of about 127 buildings on about 12 city blocks (see Figure 1).

Figure 1: Downtown Lebanon

The 2010 Census showed only 41 people lived Downtown in 21 occupied housing units, for an average of almost 2 persons per occupied unit. The average household income was $27,797. The median age was 35.0, with about 27% of the population being age 19 or younger, 37% between 20 and 44 years of age, and 37% age 45 years or more.

The population and number of housing units in Downtown have remained at a very minimal number over the past decade. This trend is not expected to change unless the City can make a significant amount of housing units available; perhaps through development of a project such as the Allen Building.

The following table illustrates current demographics and future demographic trends for the DTA.

TABLE 2: DOWNTOWN LEBANON

	2000	2010	2017	% Change '00-'10	% Change '10-'17
Population	44	41	39	-6.8%	-4.9%
Average Household Income	$25,076	$27,797	$31,379	10.9%	12.9%
Housing Units	25	26	26	4.0%	0.0%
Owner Occupied	7	6	5	-14.3%	-16.7%
Renter Occupied	14	15	14	7.1%	-6.7%
Vacant Units	4	5	6	25.0%	20.0%
Median Age	35.0	35.0	33.3	0.0%	-4.9%
19 and Under	11	11	11	0.0%	0.0%
20-44	16	15	14	-6.3%	-6.7%
45 and Over	17	15	14	-11.8%	-6.7%

PRIMARY TRADE AREA (PTA)

The 2010 Census showed 14,474 people lived in the PTA (defined as the City limits of Lebanon, as depicted in Figure 2) in 5,980 occupied housing units for an average of 2.4 persons per occupied unit. The average household income was $42,373. The median age is 35.4 with about 29% of the population age 19 or younger, 33% between 20 and 44 years of age, and 38% age 45 years or more.

The population has grown over the past decade and is anticipated to continue to grow, although at a slower pace. Household income is expected to continue to grow. The table also shows growth in the number of all housing unit categories, as well as age cohorts. The median age is expected to climb slightly, along with an increase in the 45 and over age category.

Figure 2: Primary Trade Area

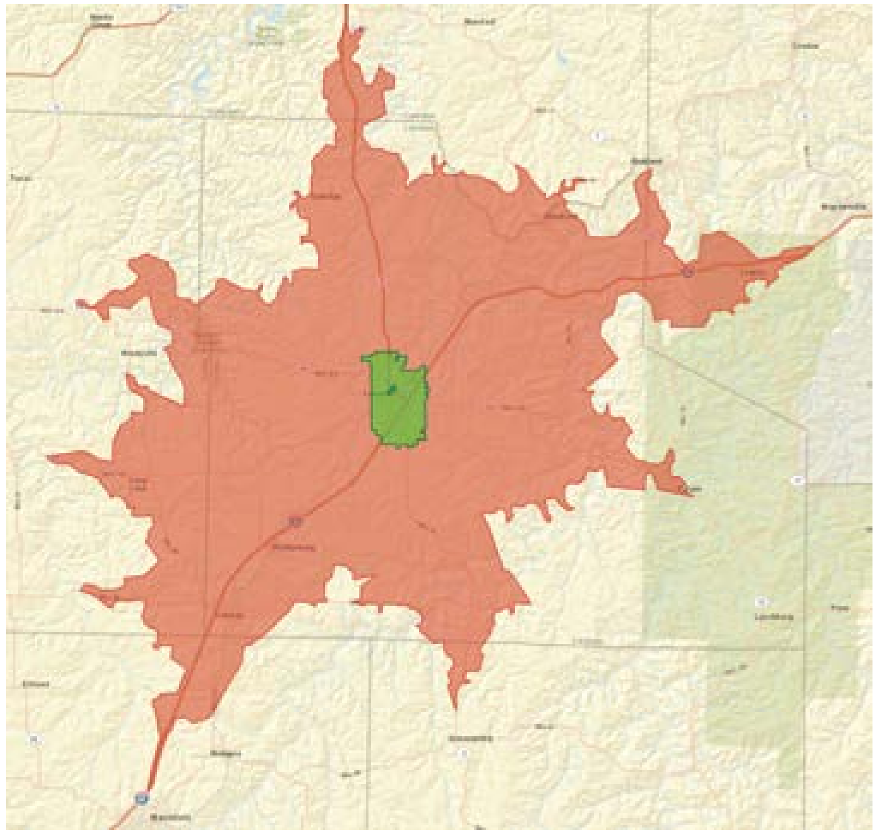
The following table illustrates current demographics and future demographic trends for the PTA.

TABLE 3: PRIMARY TRADE AREA

	2000	2010	2017	% Change '00-'10	% Change '10-'17
Population	12,155	14,474	15,020	19.1%	3.8%
Average Household Income	$39,220	$42,373	$46,826	8.0%	10.5%
Housing Units	5,745	6,728	6,955	17.1%	3.4%
Owner Occupied	2,905	3,118	3,317	7.3%	6.4%
Renter Occupied	2,227	2,862	2,866	28.5%	0.1%
Vacant Units	613	748	772	22.0%	3.2%
Median Age	36.0	35.4	36.4	-1.7%	2.8%
19 and Under	3,441	4,126	4,157	19.9%	0.8%
20-44	4,175	4,791	4,798	14.8%	0.1%
45 and Over	4,539	5,557	6,064	22.4%	9.1%

SECONDARY TRADE AREA (STA)

Figure 3: Secondary Trade Area



Based on information from the 2010 Census, an estimated 36,710 people lived in the STA (refer to Figure 3) in 14,518 occupied housing units for an average of about 2.5 people per occupied housing unit. The average household income was $42,923. The median age is 39.1 with about 27% of the population age 19 or younger, 30% between 20 and 44 years of age, and 43% age 45 years or more.

From 2000 to 2010 there was growth in the STA's population, income, and housing units. This trend is projected to continue, although more modest growth rates are likely. The median age is expected to climb slightly, along with an increase in the 45 and over age cohort.

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

TABLE 4: SECONDARY TRADE AREA

	2000	2010	2017	% Change '00-'10	% Change '10-'17
Population	33,308	36,710	38,060	10.2%	3.7%
Average Household Income	$39,604	$42,923	$47,179	8.4%	9.9%
Housing Units	14,648	16,307	16,899	11.3%	3.6%
Owner Occupied	9,538	10,147	10,501	6.4%	3.5%
Renter Occupied	3,506	4,371	4,577	24.7%	4.7%
Vacant Units	1,604	1,789	1,821	11.5%	1.8%
Median Age	36.7	39.1	40.2	6.5%	2.8%
19 and Under	9,784	10,155	10,134	3.8%	-0.2%
20-44	11,202	10,934	10,979	-2.4%	0.4%
45 and Over	12,320	15,620	16,947	26.8%	8.5%

STATE OF MISSOURI

As shown in the 2010 Census, nearly six million people live in the State of Missouri in approximately 2.4 million occupied housing units for an average of 2.5 people per occupied unit. The average household income is $59,157. The median age is nearly 38. About 27% of the population are 19 or younger, 32% are between the ages of 20 and 44, and 41% are age 45 years or more. Table 5, below, provides demographic information and future trends for the State of Missouri.

TABLE 5: STATE OF MISSOURI

	2000	2010	2017	% Change '00-'10	% Change '10-'17
Population	5,595,211	5,988,927	6,205,424	7.0%	3.6%
Average Household Income	$49,956	$59,157	$66,137	18.4%	11.8%
Housing Units	2,442,017	2,712,729	2,712,729	11.1%	0.0%
Owner Occupied	1,543,354	1,633,610	1,690,931	5.8%	3.5%
Renter Occupied	652,018	742,001	803,442	13.8%	8.3%
Vacant Units	246,643	337,118	411,316	36.7%	22.0%
Median Age	36.1	37.8	38.6	4.7%	2.1%
19 and Under	1,594,172	1,601,411	1,605,234	0.5%	0.2%
20-44	1,995,800	1,937,372	1,956,613	-2.9%	1.0%
45 and Over	2,005,239	2,450,144	2,643,577	22.2%	7.9%

DEMOGRAPHIC COMPARISON

Table 6, below, provides a comparison of demographic data and shows a decrease in the population and median age of Downtown, with a moderate increase in household income that is lagging the State. The PTA and STA have experienced population and median age increases greater than that of the State, with a household income growth lagging the State, as well as Downtown. People are moving to Lebanon, but not to Downtown.

TABLE 6: DEMOGRAPHIC COMPARISON

	Population % Change		Average HHI % Change		Median Age Change (in years)	
	00-'10	10-'17	00-'10	10-'17	00-'10	10-'17
Downtown	-6.8%	-4.9%	10.9%	12.9%	0.0	-1.7
PTA	19.1%	3.8%	8.0%	10.5%	-0.6	1.0
STA	10.2%	3.7%	8.4%	9.9%	2.4	1.1
State	7.0%	3.6%	18.4%	11.8%	1.7	0.8

Table 7, below, gives a comparison of age demographic trends. These trends show that the Downtown population is stagnant in all age groups and not expected to change. The PTA has shown strong growth across all age groups but is expected to slow. The STA has shown strong growth exceeding the State average in the 45 & Over age cohort. The growth in the STA is also projected to regress to a more modest level.

TABLE 7: TRADE AREA AGE COMPARISON

	19 & Under Change		20-44 Change		45 & Over Change	
	00-'10	10-'17	00-'10	10-'17	00-'10	10-'17
Downtown	0.0%	0.0%	-6.3%	-6.7%	-11.8%	-6.7%
PTA	19.9%	0.8%	14.8%	0.1%	22.4%	9.1%
STA	3.8%	-0.2%	-2.4%	0.4%	26.8%	8.5%
State	0.5%	0.2%	-2.9%	1.0%	22.2%	7.9%

Table 8, below, provides a comparison of housing units in the trade areas. The table shows that Downtown has seen little increase in the overall number of units. The PTA and STA are experiencing growth in the overall number of housing units, greater than that of the State. This is indicative of people moving to Lebanon, but not necessarily moving to Downtown. This comparison also shows that all of the trade areas appear to be shifting from owner occupied units to rental units. However, in the case of Downtown, this shift is occurring due to a loss of owner occupied units, rather than a significant increase in the number of rental units; as is occurring in the PTA and STA.

TABLE 8: TRADE AREA HOUSING UNITS COMPARISON

	Housing Units Change	Owner Occupied Change	Renter Occupied Change
	00-'10	00-'10	00-'10
Downtown	4.0%	-14.3%	7.1%
PTA	17.1%	7.3%	28.5%
STA	11.3%	6.4%	24.7%
State	11.1%	5.8%	13.8%

HOUSING MARKET ANALYSIS SUMMARY

For Downtown to have a healthy retail district, it is important that there are residents living within walking distance of Downtown businesses. These residents provide a regular customer base for retailers and give Downtown a 24-hour population. This continuous presence provides life on the sidewalks and keeps a watchful eye on Downtown when businesses are closed. There are a number of residents in and around Downtown Lebanon that provide a good consumer base upon which Downtown businesses can draw.

The Missouri Housing Development Commission (MHDC) conducted a Residential Demand Analysis in September of 2011 that projected residential demand for Lebanon, with a focus on Downtown. The resulting DREAM Residential Demand Analysis from December 2011, concluded that Lebanon would benefit from adding more residential units in and around Downtown. The Residential Demand Analysis suggests that there may be demand for about 55 market rate rental households and about 30 affordable senior rental units over the next few years. Additionally, the analysis showed demand for about 85 affordable family households, but family households with small children would likely conflict with Downtown activity. If these affordable family units are developed near Downtown, Downtown businesses could still benefit from this market. The analysis noted that Lebanon is projected to continue to see population growth over the next few years. Along with other public and private improvements, this population trend provides an opportunity for the City to encourage mixed-use development with upper-floor housing. However, it is critical that the City provides a focus on the quality of these units.

Other housing types, such as single-family homes, apartments, and other multi-family options do exist in Downtown and in the City. Housing conditions vary widely, as does the rate of vacancy. There are some existing opportunities for upper-floor units in Downtown commercial buildings and there are vacant lots upon which new in-fill, mixed-use construction could occur. There are also some vacant buildings, such as the Allen Building, that have the potential to be converted and redeveloped for residential use.

The market rate for existing rental units is generally between $300 to $1,300. The lower rent ranges are typical of smaller units and units in poor condition. Units at the high end of the range are generally newer units with more modern amenities. Most of the senior affordable units in Lebanon are rent subsidized, allowing tenants to typically pay no more than 30% of their income for rent. Family affordable rents range generally between $300 to $600 and most of these units were developed with subsidies that reduce the rent 10% or more below the market rate. Most rental units in Lebanon are demonstrating good occupancy rates and some have waiting lists. At the time of the residential analysis, the price range of 432 for-sale, single-family properties in Lebanon ranged from $12,000 to $760,000. This range is greatly dependent on lot improvements, building condition, home size, and age.

The benefits of increasing Downtown residential units are many and include: using vacant upper-floor space, placing underutilized land and buildings into productive use, increasing consumer activity, bolstering the local tax base, increasing population density in the core of the City, and creating ideal conditions for extended business hours and additional businesses. Through continued code enforcement and investment in infrastructure, the City can improve and preserve the neighborhoods surrounding Downtown. This will encourage continued reinvestment by existing private property owners and will attract new construction. Improving the conditions in the Downtown residential market will provide increased marketability for properties, and will encourage better renters and landlords.

CONSUMER SEGMENTS

Specific strategies will meet the needs of specific consumers. This analysis seeks to identify major consumer segments that are patrons of typical downtown businesses and which consumer segments are likely to patronize Downtown Lebanon's businesses in the future. The City can address customer needs and implement a plan that increases Downtown's ability to provide needed services to these segments. The broad Downtown consumer segments reviewed for Lebanon include:

Downtown Employees

- As shown in table 9 on page 19, Downtown is home to about 746 employees and 132 businesses.
- This segment's impact on Downtown retail can be estimated as follows:
  746 x $10 weekly = about $388,000 annually.
- This segment has a large demand for restaurants and food services.
- Additionally has need for convenience items during work commute.
- This segment often responds to frequent and repeat business promotions.

Downtown Residents

- Only 41 residents live in 21 households in Downtown Lebanon, this is an extremely limited market segment at this time.
- The comprehensive buying demands of this segment can be greatly served with retailer product differentiation and improved store hours.
- This segment often responds to frequent and repeat business promotions.

Lebanon Residents

- This is a much larger segment than Downtown Residents, with the PTA population of 14,474 shown in the 2010 census.
- The comprehensive buying demands of this segment can be greatly served with retailer product differentiation and improved store hours.
- This segment often responds to frequent and repeat business promotions.
- This segment visits Downtown for many reasons, including conducting business with government offices, the post office, or businesses, dining, and shopping.
- Residents are critical for Downtown merchants as they are most likely to have higher rates of impulse spending and a need for purchasing daily necessities due to high frequency of visits.
- Effective strategies for this segment can be to inspire brand loyalty through targeted marketing and customer incentives and by providing expanded product selection for daily and weekly necessities.

Tourists - Visitors

- Visitors tend to look for unique experiences and products.
- This segment has a greater demand for entertainment options, as well as a need for convenience items that travelers may require.
- This segment is also very dependent upon lodging operators as an information source. Effective strategies for this segment will involve local lodging options.
- Strategies for serving this market segment may include effectively developing and marketing the Downtown brand as a unique experience worthy of a visit.

COMMUNITY SURVEYS

In order to gather information about perceptions and desires for Downtown Lebanon, the DREAM Initiative conducted focus groups, a telephone survey, and an ongoing visitor survey. Those surveyed indicated what they liked or did not like about Downtown and whether it was headed in the right or wrong direction. Participants also gave suggestions on what should be prioritized to improve Downtown and make it more appealing. Both of the surveys and the focus group results offer an important source of data about local consumer behavior. These tools help measure the community's desires and preferences for additional retail, restaurant, and entertainment variety.

Focus groups were conducted to gather initial information about Downtown Lebanon relative to four general groups: City department heads; the DREAM committee; long-time residents; and business owners. Summarized comments regarding retail development included:

- Participants indicated they tend to do everyday shopping in Lebanon, primarily at Wal-Mart and at the chain businesses along Interstate 44.
- Some participants indicated they shop online or travel to Springfield, MO or the Lake of the Ozarks for a wider variety. They also noted that Downtown business hours often are the biggest reason they do not shop Downtown.
- Participants felt Downtown was not moving in the wrong direction, but was moving too slowly in the right direction. They noted a variety of industry in town that helps keep the City stable.
- Participants felt that more dining options and entertainment for young people was needed.
- Participants felt that some major issues facing Downtown included parking and navigation, business hours, and availability of public restrooms.

Upon completion of the Focus Groups, the DREAM Initiative conducted a Community Telephone Survey of Lebanon residents. Survey findings relevant to Downtown retail development include:

- Just over 52% of respondents answered that they visit Downtown "more than five times a month." Another 35% visit one to five times a month.
- Residents most often visit Downtown for "shopping" (37%), "government/post office" (22%), and "conducting business" (22%).
- A majority (88%) feel that retaining the historic character of Downtown Lebanon is "very" or "somewhat" important.
- A majority of respondents place a high priority on adding family or casual dining options, a bookstore, and clothing stores to Downtown.
- Bars & nightclubs were ranked as the lowest priority by respondents.
- Survey respondents tended to be age 65 or older and most indicated they had lived in town for more than 20 years. Respondents demonstrated a wide range of incomes, but most were under $75,000 annually.
- Younger respondents tended to indicate they visited Downtown for dining more than older respondents.

Information from the Community Telephone Survey will help in determining what adjustments to the Downtown Lebanon retail mix could be effective. Strategies are formed to help Downtown develop greater appeal to nearby residents who most frequently use it and have the greatest potential for spending their disposable income.

The DREAM Community Survey task includes a visitor survey conducted by City volunteers. The survey was initiated in 2010 and collection is ongoing. Information from residents living in the Lebanon zip code (65536) are excluded from the results.

Relevant findings to date include:

- Most of the respondents have visited Downtown Lebanon before.
- Respondents indicated they primarily visit Downtown Lebanon for special events, dining, and shopping.
- Responding visitors felt that family restaurants were most needed in Downtown Lebanon; an ice cream shop was a distant second.
- Respondents noted that businesses such as women's clothing, antiques, a bookstore, and a shoe store would be good additions to Downtown.

The priorities identified by these community survey tasks can help determine what retail mix will be successful and accepted in Downtown Lebanon. An effective strategy will capitalize upon the existing consumer base, while attempting to attract additional consumers and new retail businesses. Figure 4, below, identifies the priorities shown in the Community Survey results.

Figure 4: Downtown Business Priorities from Community Survey Tasks

Focus Groups		Community Phone Survey		Visitor Survey*	
Entertainment Options	All Groups	Casual/Family Dining	64%	Casual/Family Dining	75%
Casual/Family Dining	All Groups	Bookstore	52%	Clothing Stores	38%
Residents	All Groups	Clothing Stores	52%	Ice Cream/Soda Fountain	15%
Coffee Shop	3 Groups	Arcade/Youth Attraction	49%	Antique Shops	13%
Bookstore	2 Groups	Fine Dining	46%	Bookstore	12%
Lodging	2 Groups	Movie Theatre	42%	Shoe Store	12%
Dress Shop	2 Groups	Ice Cream/Soda Fountain	41%	Lodging	10%
Shoe Store	2 Groups	Performance Theatre	38%	Arts and Crafts Store	9%
Clothing Boutiques	2 Groups	Shoe Store	37%	Candy Store	4%
Drugstore	1 Group	Coffee Shop	35%	Fine Dining	4%
Sporting Goods	1 Group	Lodging	31%	Coffee Shop	3%
Ice Cream/Soda Fountain	1 Group	Upscale Specialty Shops	31%	Art Galleries/Shops	2%
Candy Store	1 Group	Antique Shops	24%	Upscale Specialty Shops	2%
Gourmet Foods	1 Group	Art Galleries and Shops	24%	Gourmet Foods	1%
Computer Store	1 Group	Bars/Nightclubs	12%	Jewelry	1%

*results to date, survey is ongoing

BUSINESS MARKET

The City of Lebanon, and the surrounding area, have a fairly active economy although it is not very diverse. Lebanon is heavily dependent on companies that manufacture recreational boats and associated products. Manufacturing jobs provide stability and a solid base for future economic development efforts, and the boating industry has enjoyed an upward trend due to the significant population shift of the "baby boomer" generation moving into retirement age. However, recent declines in the national economy have had a negative effect on the amount of disposable income available for non-essential activities such as boating.

Table 9 illustrates the total estimated employment in 2010, for the Lebanon trade areas.

TABLE 9: 2010 TOTAL EMPLOYMENT

	Downtown Lebanon	PTA	STA
Employees	746	8,836	11,996
Businesses	132	1,011	2,176

The City of Lebanon is a significant regional employment center. As noted, there is a high concentration of manufacturing jobs. Several of the largest Lebanon employers are listed in Table 10, below. Five of the companies listed are involved in manufacturing for the boating industry and represent over 2,400 employees.

TABLE 10: LEBANON EMPLOYERS

Company Name	Industry	Employment
Copeland Corporation	Manufacturing	1,000
St. Johns Hospital	Healthcare	560
Tracker Marine	Manufacturing	530
Detroit Tool Metal	Manufacturing	350
Regal Beloit	Manufacturing	330
G-3 Boats	Manufacturing	300
Independent Stave	Manufacturing	300
Lowe Boats	Manufacturing	300
Marine Electrical Products	Manufacturing	300
The Durham Company	Manufacturing	270
Lebanon R-3 School District	Education	100

COMPARATIVE MARKET ANALYSIS

Businesses in Lebanon have a sizeable employee base upon which to draw customers. The City is a regional hub for employment and business activity, In addition to numerous local businesses, there are several attractions in Lebanon that include:

- Laclede County Courthouse
- Lebanon City Hall
- Lebanon Police and Fire Departments
- Route 66 Museum
- Lebanon-Laclede County Library
- Kenneth E. Cowan Civic Center
- Boswell Aquatic Center
- Floyd W. Jones Airport

There are also several regional attractions that may require a visitor to travel through Lebanon, including:

- Lake of the Ozarks
- Ha Ha Tonka State Park
- Bennett Spring State Park
- I-44 Speedway
- Midway Speedway
- NRO Zipline
- Mark Twain National Forest

Lebanon has seen new growth and development in areas outside of Downtown; primarily along the Interstate 44 corridor. Some of the development near the Interstate has been incentivized through a Community Improvement District. Improvements to Downtown have been funded primarily through a Special Business District and grant sources.

TENANT MIX & LAND USE

The Land Use, Building & Infrastructure Survey, conducted in 2009 and subsequently updated in 2013 for this report, gathered information on how Downtown parcels of land are being used. Table 11, on the following page, identifies a total of 139 parcels on which are located about 123 primary buildings that represent approximately 379,800 square feet of first-floor space. Forty-seven of these buildings were identified as retail and restaurant uses, representing about 127,700 square feet of space. About 12,200 square feet of the retail space was vacant. There were no restaurant vacancies.

Table 11 also identifies 70 office and service buildings along with 3 mixed-use structures that represent about 235,200 square feet of space with about 20,200 square feet of vacancy. Overall, 32,400 square feet of Downtown space is vacant and suitable for easy conversion to retail use. The vacancy rate for retail is fairly high and there are only 3 restaurants. As noted, there are very few residents and residential units.

Table 11 also indicates the overall composition of the existing occupied square footage in Downtown Lebanon. Existing Downtown land-use is composed of less than a half of one percent residential, nearly 58% office/service, 32% retail, less than 2% restaurant, 4% public/institutional, and 4% mixed-use. Retail and restaurant uses are critical to establishing a vibrant Downtown atmosphere. However, in Downtown Lebanon, non-retail/restaurant uses account for two-thirds of the available space. This imbalanced situation may require the City of Lebanon to review its zoning code and take aggressive action to preserve prime, first-floor spaces for retail and restaurant use. Additionally, the City could encourage the conversion of existing office/service spaces into retail and restaurant space. However, the total commercial vacancy of 32,400 square feet is of immediate concern to attract new tax-generating retail and restaurant uses to Downtown. Furthermore, the City should consider focusing on developing residential units and restaurant space; two vibrant, complementary uses that are nearly non-existent in Downtown Lebanon.

TABLE 11: LAND USE TOTALS & SQUARE FOOTAGE

Land Use	Parcels	Buildings	Building Square Footage*	Vacant Square Footage	Percentage Vacant
Residential	1	2	1,714	0	0.0%
Commercial					
Office / Service	65	70	219,794	20,180	9.2%
Retail	42	44	121,736	12,180	10.0%
Restaurant	3	3	6,003	0	0.0%
Sub-Total	**110**	**117**	**347,533**	**32,360**	**9.3%**
Mixed-Use	6	3	15,370	0	0.0%
Public / Institutional	4	3	16,873	0	0.0%
Parking Lot	14	NA	NA	NA	NA
Vacant Lot	5	NA	NA	NA	NA
TOTAL	**139**	**123**	**379,776**	**32,360**	**8.2%**

* Building Square Footage assumes that 80% of the building footprint is usable.
* Building Square Footage is for 1st Floor.

MARKET RESEARCH FINDINGS

RETAIL ANALYSIS

A review of market conditions provides an idea of the possible new and existing business potential for Downtown Lebanon. As noted, Downtown contains about 379,800 Square feet of existing first-floor commercial space that includes:

- 6,000 square feet of restaurant space (fully occupied)
- 121,700 square feet of retail space (12,200 square feet vacant)
- 219,800 square feet of office/service space (20,200 square feet vacant)
- 15,400 square feet of mixed-use space (fully occupied)

Data show that the overall retail/restaurant space is generating about $20.9 million in annual sales (sales do not include auto dealers, gasoline stations, or non-store retailers). However, there is 1 business coded as "grocery store" that accounts for $12 million of this total. By removing "grocery stores", which are not likely to locate in a Downtown location, a clearer picture of Downtown Lebanon's retail market is obtained.

This adjusted total shows $8.8 million in total annual sales (not including auto, gasoline, groceries, or non-store retailers), with the retail component generating $8.4 million or about $76.37 per occupied square foot. The restaurant component is only generating $472,000 or about $78.61 per square foot. Using these averages, the 32,400 square feet of vacancy that can be easily used by a retail or restaurant use represents an additional $2.5 Million in potential sales to the City.

Figure 5: Downtown Lebanon Annual Sales

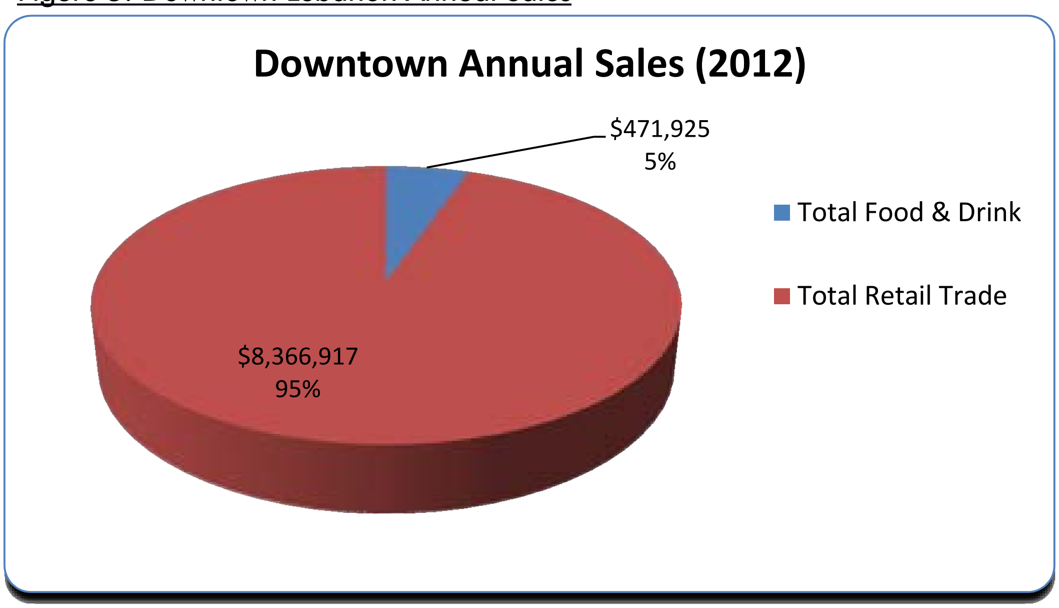


Table 12, below, provides a breakdown of some of the retail establishments in Downtown Lebanon, the PTA, and the STA that are currently productive in generating sales. Table 13, on the following page, provides a specific sampling of some of the main Downtown businesses. The retail services listed in tables 12 and 13 are organized according to the NAICS to allow for comparison of retail activity by sectors or categories. Recommendations can then be developed to address any gaps in retail service. Due to differences in allocating businesses to various categories, these tables may not match completely. The tables also are meant to provide indicative information of business types rather than a thorough listing of every Downtown business in these categories.

TABLE 12: RETAIL ESTABLISHMENTS

	Downtown Lebanon		Primary Trade Area		Secondary Trade Area	
	Businesses	Employees	Businesses	Employees	Businesses	Employees
Retail (Pedestrian-Generating Businesses) Trade Summary	29	165	236	1,996	373	2,344
TOTALS:	26	160	205	1,847	336	2,318
Furniture & Home Furnishings Stores	2	14	8	112	14	132
Electronics & Appliance Stores	2	4	12	47	14	51
Bldg. Materials & Garden Equipment & Supplies	0	0	10	233	19	263
Food & Beverage Stores	2	72	23	226	42	288
Health & Personal Care Stores	1	6	8	72	9	73
Clothing & Clothing Accessories Stores	5	19	19	93	23	103
Sporting Good, Hobby, Book & Music Stores	5	10	15	34	29	55
General Merchandise Stores	1	10	8	249	14	263
Miscellaneous Store Retailers	3	5	30	66	55	104
Arts, Entertainment & Recreation	2	5	14	130	26	171
Accommodation	0	1	10	65	26	243
Food Services & Drinking Places	3	14	48	520	65	572
Total Businesses (including non-retail)	132		1,011		2,176	
Total Employees (including non-retail)	746		8,836		11,996	
Total Residential Population	41		14,474		36,710	
Employee/Population	18.20		0.61		0.33	

TABLE 13: EXISTING RETAIL

NAICS Industry Group	Store Name
Automotive	Smitty's Motors
Furniture & Home Furnishings Stores	Lebanon Art Guild Gallery
	Cedar Valley Sales
Electronics & Appliance Stores	The Phone Booth
Building Materials, Garden Equipment & Supply	Falcon Floor Covering
	Noble Hudson & Sons
Food & Beverage Store	Wehner's Bakery
Health & Personal Care Stores	Unique Expressions
Clothing & Clothing Accessories Stores	Clark's
	Randall's Boots & Shoe Outlet
	Dryer's Shoes
	Nancy's Place New & Used Clothing
Jewelry, Luggage, & Leather Goods Stores	Norman's Jewelry & Bridal
	Galleria Fine Jewelry
Sporting Goods, Hobby, Book & Music Stores	Two Guys Music
	Lebanon Bible Book Store
	The Artsy Café
General Merchandise Stores	Family Dollar
	Sears Hometown
	Free Store Ministries
Office Supplies, Stationery, & Gift Stores	Page Office Supply
Florists	Magnolia Place
Miscellaneous Store Retailers	Triumph Trophy Shop
	2nd Street Army Supply
	Perennial Design Co.
	Lebanon Sewing and Vacuum Center
	B&B Boutique
	Uptown 20 Downtown Marketplace
Used Merchandise Stores	Time After Time Antiques
	Rawhide Gun & Pawn
	Exchange Co.
	NU2U Indoor Garage Sale
	This & That Thrift Shop
	The Past & Present Shop
	Auction Barn
	Oscar's Yard Sale
	ACT II Quality Used Clothing
	Bargain Thrift Shop
Food Services & Drinking Places	Juanita's Mexican Restaurant
	Madison Street Grill
	The Lunch Box/Ice Cream Parlor
	West Side Café

The spending habits of consumers in the trade areas form the basis for the determination of retail demand. Estimating average household spending per retail sector provides insight into the demand for particular retail services within a given trade area. Table 14, below, provides annual household consumer expenditures for seven main categories and several sub-categories of retail expenditures.

TABLE 14: CONSUMER EXPENDITURES

	Downtown Lebanon	Primary Trade Area	Secondary Trade Area
Average Household Income	$27,797	$42,373	$42,923
Average Annual Household Expenditures for Selected Retail Sectors			
Food	**$3,463**	**$5,139**	**$5,156**
Food at Home	$2,159	$3,220	$3,251
Food Away from Home	$1,304	$1,919	$1,905
Apparel and Services	**$626**	**$902**	**$866**
Household Merchandise	**$565**	**$880**	**$891**
Electronics	$165	$246	$236
Household Goods	$400	$635	$655
Household Care	**$383**	**$643**	**$694**
Transportation	**$1,698**	**$2,730**	**$2,831**
Health & Personal Care	**$460**	**$730**	**$779**
Health Care	$278	$460	$506
Personal Care Products	$182	$270	$273
Entertainment & Recreation	**$1,841**	**$2,878**	**$2,958**
Total for selected sectors	**$9,037**	**$13,902**	**$14,175**

The largest portion of expenditures are spent on food (at home and away from home), followed by entertainment & recreation and transportation expenditures. Table 14 also shows that Downtown spends less on food away from home (14%) than the PTA and STA do (21%). Downtown has the lowest household income and spends the lowest, both total and as a percentage, on every category.

Table 15, on the following page, suggests Lebanon's potential purchasing power by providing the 2012 estimate of the number of households at regular income thresholds. Table 15 shows that all of the Downtown households have an income of less than $75,000 annually and 60% have an income of less than $25,000. This is an extremely low income segment for Downtown and the City should work to develop Downtown housing to attract new residents.

Determining the retail sectors that have unmet demand, and that will appeal to the higher-income residents found in the PTA and STA, is a critical step for Downtown Lebanon revitalization.

TABLE 15: HOUSEHOLD INCOME (2012 Estimated)

Income Level	Downtown Lebanon	Primary Trade Area	Secondary Trade Area
Less than $ 15,000	9	1,310	2,873
$ 15,000 - $24,999	4	1,023	2,417
$ 25,000 - $34,999	3	938	2,288
$ 35,000 - $49,999	2	1,026	2,521
$ 50,000 - $74,999	3	918	2,670
$ 75,000 - $99,999	0	417	1,039
$ 100,000 - $149,999	0	281	653
$ 150,000 - $199,999	0	104	168
$ 200,000 +	0	36	78
Total	21	6,053	14,707

POTENTIAL STORE SPACE SUPPORTED

The City of Lebanon has a healthy trade area which Downtown business can draw upon. However, there are several categories of retail products that are demonstrating unmet demand. This may indicate that STA residents are shopping outside the STA or PTA for these products in nearby markets such as Osage Beach, Rolla, or Springfield, Missouri. Some retail demand is also likely being met through internet purchases. The demonstrated unmet demand presents an opportunity for Downtown to capture more retail dollars and expand its retail base.

Table 16, on page 27, shows the retail categories that are demonstrating unmet retail demand (the difference between retail demand and actual sales) for Downtown. The Analysis considers the total unmet retail demand within the STA and the average retail sales per square foot ($76.37) and the average restaurant sales per square foot ($78.61). While the table shows that Downtown could support an estimated 449,000 square feet of retail/restaurant space, this number is inflated by the department store use, which is not likely to locate in a Downtown environment due to today's retail market forces. Removing the demand shown for this use leaves a total of about 250,000 square feet, which is still not likely to be met completely by Downtown Lebanon alone.

Existing retailers could capture some of the unmet demand in these specific retail categories by expanding their floor area and adding new products, or the City could work to attract new retailers to existing Downtown vacancies.

TABLE 16: FUTURE RETAIL GROWTH

Industry Group	Opportunity[1]	Possible Retail Area (sq.ft.) Supported[2]
Department Stores Excluding Leased Depts. (NAICS 4521)	~~$15,235,070~~	~~199,487~~
Electronics & Appliance Stores (NAICS 443/NAICS 4431)	$4,676,045	61,228
Full-Service Restaurants (NAICS 7221)	$3,713,477	47,236
Health & Personal Care Stores (NAICS 446/NAICS 4461)	$2,518,194	32,973
Shoe Stores (NAICS 4482)	$1,890,494	24,754
Office Supplies, Stationery, and Gift Stores (NAICS 4532)	$1,817,139	23,794
Drinking Places - Alcoholic Beverages (NAICS 7224)	$1,377,253	17,519
Special Food Services (NAICS 7223)	$1,204,681	15,324
Home Furnishings Stores (NAICS 4422)	$874,878	11,456
Jewelry, Luggage, and Leather Goods Stores (NAICS 4483)	$695,667	9,109
Other Miscellaneous Store Retailers (NAICS 4539)	$495,423	6,487
TOTAL:	**$34,498,321**	**449,367**
ADJUSTED TOTAL:	**$19,263,251**	**249,879**

[1] Indicates unmet consumer demand within the Secondary Trade Area.

[2] Based on $76.37 in retail sales per square foot, $78.61 in restaurant sales per square foot, and existing retail building inventory and activity in Downtown Lebanon.

Table 16 also shows that there is more possible retail space needed (250,000 square feet) than there is current vacant space available that is easily converted to retail (32,400 square feet from Table 11 on page 21). This significant shortage of retail space suggests that Downtown Lebanon could develop added retail locations and could encourage office and service uses to relocate to upper-floors and side streets; reserving prime 1st-floor spaces for retail uses.

Other conclusions that are drawn from Table 16, include:

- In the focus groups and the telephone and visitor survey, respondents identified various forms of dining, primarily casual, as one of the most desired new businesses. The Retail Market Analysis supports that there is existing unmet demand for more full-service restaurants as well as other food services. However, a restaurant will be more successful in close proximity to a vibrant residential market. The unmet demand exists for restaurant uses, but if residential units can be developed in or near Downtown, the potential opportunity will increase greatly. There may also be opportunities for existing Lebanon restaurants to expand or relocate into a Downtown location.

- As noted, the retail sector of "Department Stores" is demonstrating a great amount of unmet demand. The retail gap in this sector is noteworthy because it may indicate an opportunity for existing merchants to adjust their product lines to carry department store types of goods.

- The retail sector of "Electronics & Appliance Stores" is demonstrating significant unmet demand. It may be likely that this demand is being met on the internet. Some of these products could be combined with "Home Furnishings." A large electronics or appliance store can also be a Downtown anchor. Stores of this type usually include a showroom that can decrease their sales per square foot. However, stores such as mobile phone stores, can occupy a small location and generate a sizeable amount of sales.

- The category of "Health & Personal Care Stores" includes products such as pharmaceuticals, cosmetics, perfumes, optical goods, and nutritional supplements. Some of these items may be necessities for nearby residents, but will also appeal to all City residents and visitors. Smaller stores of this type can occupy existing locations, while a larger store has the potential to become a Downtown anchor.

- "Shoe Stores" could be combined with other clothing lines, sporting goods, or "Jewelry, Luggage, and Leather Goods" to develop a larger store. This type of store can range from a boutique-style shop to a larger anchor store.

- "Office Supplies, Stationary, and Gift Stores" could be combined with another store such as a computer store, to develop a larger store. This type of store may require a warehouse and loading bays. Unless the store provides a focus on gifts, many office products will not appeal to visitors, but will serve existing businesses and residents.

- "Drinking Places - Alcoholic Beverages" represent an opportunity to address some unmet demand. However, the nature of businesses in this category can be problematic. City leaders should understand there is unmet demand for Downtown to fill, but may wish to adjust zoning or liquor codes to ensure that a minimum percentage of sales at such a business is food-related. Additionally, the City should make certain that restaurants are able to serve alcoholic drinks with a meal, resulting in a higher sales ticket. These types of businesses could locate in existing buildings and should be well regulated and policed to address any negative impacts on Downtown.

- Stores selling products in the categories of "Special Food Services", "Home Furnishings", "Jewelry, Luggage, and Leather Goods", and "Other Miscellaneous Retailers" are all demonstrating fair amounts of unmet retail demand and are candidates for attraction to, or expansion in, Downtown Lebanon. These categories could be stand-alone stores or could be combined with similar products already discussed.

- Existing stores that sell miscellaneous products in a format such as a specialty shop can help satisfy some of the unmet demand by adding square footage or adjusting product lines. Developing a critical mass of these types of shops will encourage greater pedestrian activity and will complement existing attractions, dining, and entertainment options.

AVAILABLE RETAIL SPACE INVENTORY

The vacant properties identified in Downtown Lebanon are shown on the following page on Table 17, and on the 1st Floor Vacancy Map in Appendix D. Several Downtown Lebanon buildings have some vacancies. There are also a few vacant lots that could be acquired and improved for public parking. Most of the current vacancies are under 2,200 square feet with the largest being 8,000 and the smallest 730. The average available existing vacant space in Downtown Lebanon is 2,157 Square feet.

There are a couple of opportunities where storefronts are adjacent and may be able to be combined. Spaces 1 & 2 along W. Commercial Street and 6 & 7 along N. Jefferson Avenue demonstrate this situation. These buildings could house multiple stores or could be combined to provide a larger shop or restaurant.

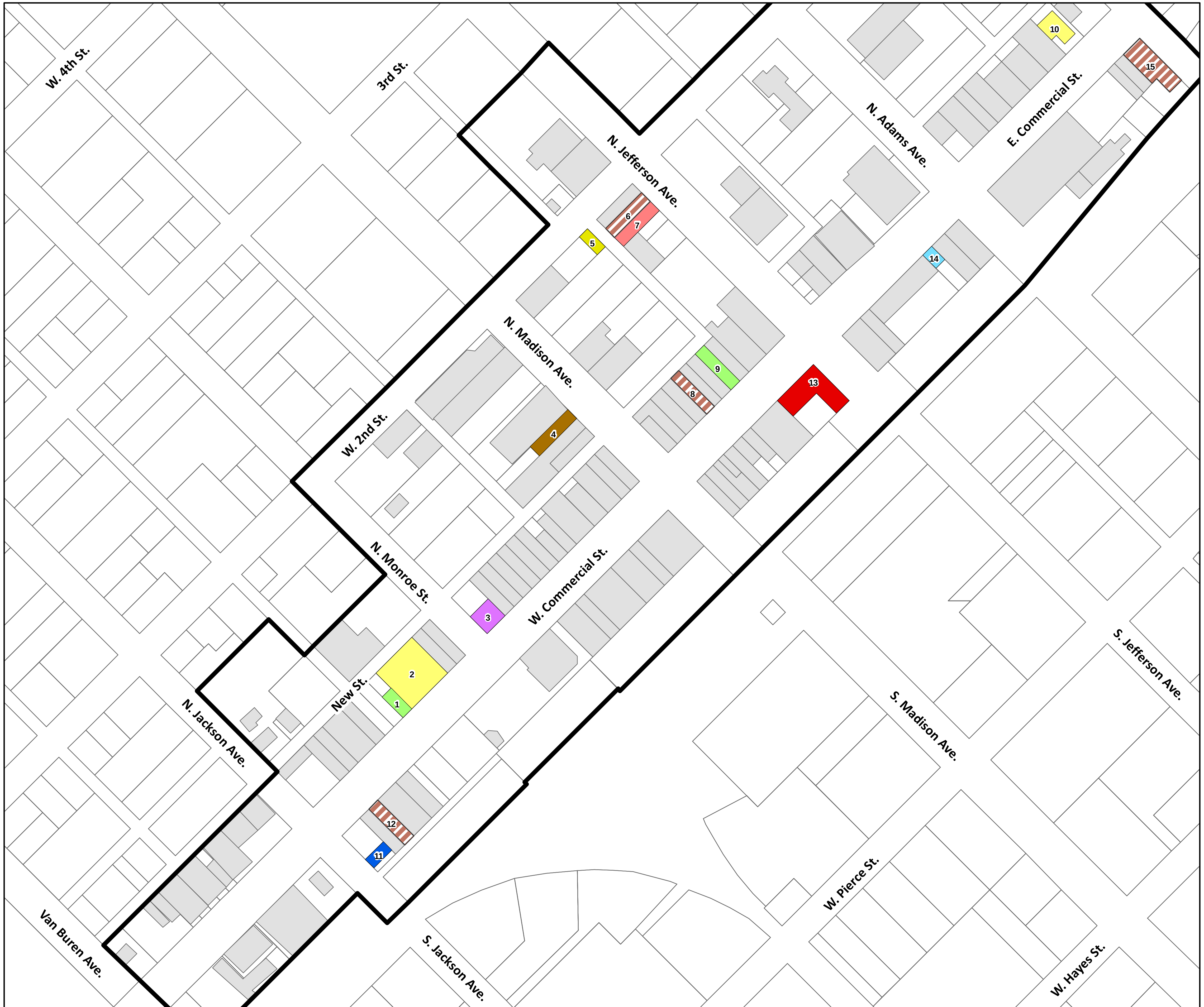
In matching the vacant storefronts with the types of businesses demonstrating unmet retail demand, this report considers the size, geographic location, condition, and proximity of the vacancy to similar businesses. Table 17 also lists the retail suggestions for each vacant space that might work for Downtown Lebanon, while Figure 6 on page 31 illustrates this information in graphic form.

TABLE 17: POTENTIAL NEW RETAIL

ID	Address	Available Sq.Ft.	Potential Retail
1	309 Commercial Street	1,150	Health & Personal Care (Beauty Supply)
2	307 Commercial Street	8,000	Electronics and Appliances
3	235 Commercial Street	950	Jewelry, Luggage, & Leather Goods
4	105 Madison Avenue	2,150	Office Supplies, Stationary, and Gifts
5	120 Madison Avenue	930	Shoe Store (Sporting Goods)
6	121 Jefferson Avenue	2,000	Restaurant
7	119 Jefferson Avenue	2,000	Drinking Place - Alcoholic Beverages
8	119 Commercial Street	1,750	Restaurant
9	111 Commercial Street	2,000	Health & Personal Care (Pharmacy)
10	227 Commercial Street	1,900	Electronics and Appliances
11	330 Commercial Street	950	Special Foods (Coffee Shop)
12	326 Commercial Street	2,000	Restaurant
13	104 Commercial Street	2,050	Miscellaneous Retail
14	118 Commercial Street	730	Home Furnishings
15	298 Commercial Street	3,800	Restaurant
	TOTAL:	**32,360**	

Figure 6
Retail Opportunities

Retail Market Analysis
City of Lebanon, Missouri



Legend

- DREAM Boundary
- Drinking Place (Alcoholic Beverages)
- Electronics & Appliances
- Health & Personal Care
- Home Furnishings
- Jewelry, Luggage & Leather Goods
- Miscellaneous Retail
- Office Supplies, Stationary & Gifts
- Restaurant
- Shoe Store (Sporting Goods)
- Special Foods (Coffee Shop)

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N

August 2013

D·R·E·A·M

PGAV PLANNERS

Downtown Lebanon Retail Goals

- Develop Downtown housing

  The City of Lebanon has a fairly stable economy and is experiencing overall growth. However, Downtown is stagnant, particularly residentially. There are very few existing residents and residential units. Downtown residents provide a consumer market for Downtown businesses, a 24/7 population to increase safety, and a vibrant atmosphere for the area overall.

  The typical downtown revitalization housing cycle begins with high-quality rental units that appeal to higher-income residents and eventually transition into ownership. There are some existing buildings where rental units could be developed on upper-floors, but it is critical that the City insist on larger, high-quality, loft-type apartments. Additionally, there are vacant lots and buildings, such as the Allen Building, that could be adapted for residential use. The DREAM Residential Analysis estimates that there could be housing demand for about 85 renter households over the next few years in Lebanon. This demand represents an opportunity for Downtown to capture some of this demand and jumpstart the Downtown Lebanon housing cycle.

  While Lebanon Regional Economic Development Inc. (REDI) focuses efforts on attracting business to the area, the City and Lebanon Downtown Business District (LDBD) should collaborate on ways to encourage residential developments in Downtown. The LDBD will want to encourage existing property owners to use the upper-floors of their buildings for residences, as well as continue to implement activities and public improvements to help draw residents. The City should consider adapting other buildings, not located in the business district, to residential use. A large project, such as the Allen Building, could address the lack of Downtown residents in one effort and may be a project that would interest the Missouri Housing Development Commission.

- Develop existing business support programs

  Lebanon REDI works to strengthen the Laclede County economic base through retention, expansion, attraction, and development of primary jobs and capital investments. The Lebanon Area Chamber of Commerce (Chamber) promotes existing member businesses and hosts several events. The LDBD is tightly focused on infrastructure improvements within its boundaries. These groups should coordinate efforts to provide services that will help existing Lebanon retailers succeed and grow. Programs focused on improving business operations could take the form of seminars that seek to educate and inform retail business owners about product differentiation, product presentation, window displays, and importance of hours and days of operation, and how service and quality of product differentiate them from big box or franchise stores. Additionally, seminars addressing marketing, customer service, business and building maintenance, and retail opportunities and trends should also be included.

Some of Downtown's retailers have been in business for many years and could benefit from networking with other operators, fresh ideas, information regarding the changing markets of Lebanon, and a support structure with which to discuss their issues and needs. The LDBD should be involved in all strategies as the lead Downtown organization. However, the LDBD needs to become energized and operate beyond their borders and narrow mission of providing infrastructure improvements. A more open approach to business activities is needed in Downtown Lebanon and the LDBD will find support from the City to expand its work plan in the service of existing businesses.

- ENCOURAGE TARGETED USES TO ADJUST THE BUSINESS MIX

Downtown stakeholders should encourage targeted retail uses and appropriate pedestrian generating activities on the ground floor of all mixed-use and commercial buildings. The City should develop a list of targeted retail uses based on Table 16 and the Community Surveys. The focus of business attraction activities should be in drawing the appropriate mix of retail uses. Integrating this program with specific marketing and promotion strategies could allow for the City to fill the existing vacant 1st-floor space and generate excitement with residents and customers. It is important to track existing Downtown businesses to monitor available storefronts and track the overall store mix in Downtown. The City should continue to work with Lebanon REDI to market vacancies and try to fill them with stores from the targeted retail list. The LDBD should also be involved in maintaining and updating Downtown information and vacancies.

Lebanon has grown extensive commercial areas near the Interstate 44 exits that have resulted in a number of fast-food type restaurants in the City. Downtown has an opportunity to cater to diners seeking a more nostalgic, full-service atmosphere. However, Downtown restaurants must be able to serve alcohol. The goal for Downtown restaurants is to complement the store mix to create an overall pedestrian destination that people visit for many reasons.

- IMPROVE THE QUALITY OF EXISTING RESTAURANTS AND RETAIL BUSINESSES

  The sales per square foot of retail and restaurants in Downtown Lebanon could be improved upon. $76.37 for retail square footage is somewhat low. However $78.61 per square foot for restaurants is very low and suggests the existing Downtown restaurants are selling primarily low ticket meals. This situation may be in part due to local alcohol sales restrictions. Improved retail stores and products will benefit Downtown and all markets. The City, LDBD, and Chamber should all encourage merchants to focus on store aesthetics and products of interest to a variety of customers in an effort to develop stronger product sales.

- ENCOURAGE THE DEVELOPMENT OF SPACES BETTER SUITED TO RETAIL USES

  Some of the available properties in Downtown Lebanon are not appealing to retail uses or are located away from the main traffic areas. Additionally, there are several buildings occupied by service or office businesses. This practice takes revenue generating retail properties off the market and can erode the City's tax base. Combining this condition with an overabundance of stores selling low quality items, as discussed in the previous goal, severely hampers the ability of Downtown to generate taxable income. The City should continue to seek infill development and rehabilitation of existing buildings. Improvements to the building stock, with a focus on retail development, should enhance conditions and improve property values in Downtown. The City should also monitor the mix of businesses in Downtown to ensure a variety of activities, that will have broad appeal. Through zoning regulations, prime, ground-floor spaces Jefferson Avenue and Commercial Street should be reserved for restaurant and retail uses.

- CULTIVATE LOCAL ENTREPRENEURS

  As Downtown works to keep first-floor locations occupied with retail stores, efforts should also be made to identify and cultivate new retailers from within the community. Along with Lebanon residents, a likely source of entrepreneurs may come from families of U.S. Army servicemen stationed at Fort Leonard Wood. Military families tend to have stable incomes and may have a family member or two interested in starting a business during their tour of duty at the Fort. Lebanon is not in close proximity to the Fort, but may be able to attract some families.

  The LDBD, Lebanon REDI, and Chamber should consider entrepreneurial training programs such as Operation Jumpstart (www.operationjumpstart.biz). Informational events and meetings with local bankers and potential investors can also help expose potential new start-ups.

- ENCOURAGE EXISTING RETAIL EXPANSION

  It is important to understand that consumers will travel greater distances for a better choice in variety. With Lebanon's proximity to the wide variety of products offered in Osage Beach and other markets, as well as the internet, it is critical that Downtown demonstrate a good variety of entertainment, shopping, and dining options. Downtown can broaden its retail variety by encouraging existing retailers to address categories of unmet demand as identified in Table 16 on page 27. These areas represent opportunities for local businesses to expand sales floors or add product lines.

- COLLECTIVELY MARKET DOWNTOWN RETAILERS

  A cooperative advertising campaign should be pursued on behalf of Downtown retailers. Merchants should promote their products, hours of operation, and special promotions to the various marketplace consumer segments.

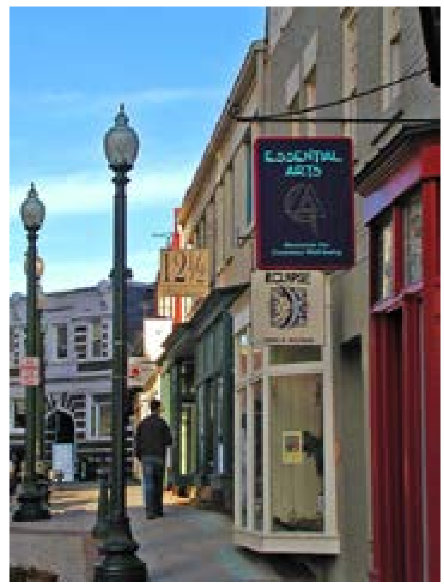
  This type of cooperative advertising will require an organization, such as a committee of the Chamber with heavy involvement by the LDBD, to advertise all willing Downtown stores regardless of location or membership. This can be a cost-effective strategy to convey the vibrant atmosphere of Downtown to existing visitors of regional attractions. Local newspapers and magazines, websites, radio, television ads and flyers should be used.

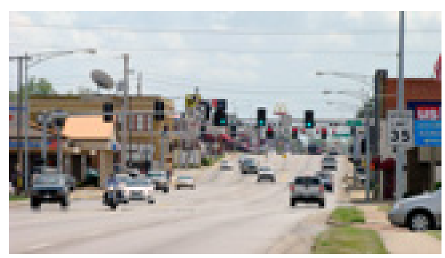
- CREATE DOWNTOWN EVENTS

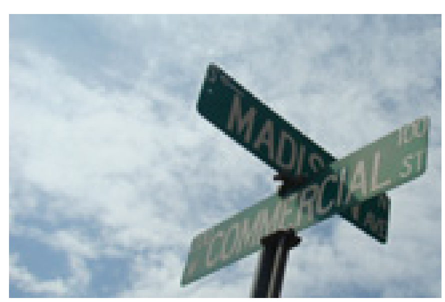
  Downtown Lebanon should develop events to raise its visibility as a shopping and entertainment destination. The existing Farmer's Market is a good example of such an event. Residents and visitors attend the event, and hopefully see a store they would like to patronize, either that day or at a later time. Events could include live music, sidewalk and window sales, and food tastings from Lebanon area restaurants. An event with alcohol should always include food and end earlier in the evening.

DOWNTOWN LEBANON STRATEGIES

Achieving Downtown's retail goals can be obtained by implementing several key strategies. These strategies must be realistic and based on an understanding of Downtown Lebanon's current retail market, its primary customers, and the spending potential of key customer segments identified earlier in this analysis. Implementing these strategies will work in concert with other objectives identified through the DREAM Initiative to maintain a vibrant Downtown Lebanon.







Re-energizing downtown retail can be a difficult, lengthy and complicated process. Traditional downtowns have changed dramatically in the past decades due to changes in lifestyles, consumer spending patterns, merchandising, and heightened competition for retail and restaurant spending. To achieve long-term success Downtown Lebanon stakeholders must understand these changes and be willing to embrace new approaches to retail development.

GREAT STREETS EQUAL GREAT DOWNTOWNS

Great neighborhoods and downtowns succeed because of the places and features within them. These small places define a downtown and reveal the richness and depth of its social life. The best downtowns emerge when communities are guided first and foremost by a vision of what they want to see in their downtown. Every neighborhood has the capacity to evolve into a great destination. This happens when local people feel a sense of ownership, which extends beyond property lines to include private and public partnerships. These partnerships and public involvement have the ability to lift a place from a collection of buildings and spaces to a true community.

Older downtowns, by their very natures, are walkable. They evolved during a period when high density and pedestrians were commonplace. Downtowns can continue to provide an environment where walking can be enjoyable and a practical means of getting around. Great streetscapes become an integral part of the community and provide the means for significant pedestrian presence, which is necessary for a successful retail environment. Downtown should maintain a pedestrian-oriented focus that is conducive to walking between destinations, stores and restaurants. Pedestrian-oriented environments include sidewalks, buffers, street trees, benches, fountains, wayfinding, lighting, public art, and buildings that are interesting and well maintained.

Downtowns should have mixed land uses and extensive pedestrian amenities. Downtowns should have people of all ages moving throughout the district and should have unique identifiable areas such as outdoor seating, water features, and public art. Elements that create great streetscapes that are comfortable and safe and still provide a high quality pedestrian environment, include:

- Sidewalks that are continuous and wide enough to include pedestrian-friendly streetscape elements.
- Short crosswalk distances that provide safe walking environments.
- Symbols that are related to downtown's heritage and brand.
- Seamless streetscapes with lighting, banners, planters, street trees, benches, and other site furnishings.
- Seasonal lighting that helps to create a festive and inviting environment.
- Borders that offer variety and stimulate interest in adjacent areas through the use of flower beds, sidewalk cafes, benches, and street trees.
- High-quality amenities such as public art and other public amenities such as restrooms.
- Safety elements for pedestrians such as lighting, crosswalks, accessible ramps, bike racks, and landscape buffers.
- User-friendly and appealing streetscape features and appropriate directional signage.

- Transit friendly and convenient integration of cyclists, public transportation, trolleys, and automobiles.
- Bicycle-friendly areas with bicycle racks that coordinate with other site furnishings, directional and regulatory signage that identifies bike routes, wayfinding signage, and dedicated bicycle lanes.
- Continuous on street parking and enforced vehicular speed regulations.
- Streetscape element maintenance as a top priority.

PARKING

There are special issues associated with parking in downtown areas where large numbers of people converge to work, shop, and visit. The lack of parking is frequently cited as a reason for the declining vitality of some downtown businesses. It is important to recognize that parking is intended to serve user needs; and in that regard it should be visible, convenient and accessible.

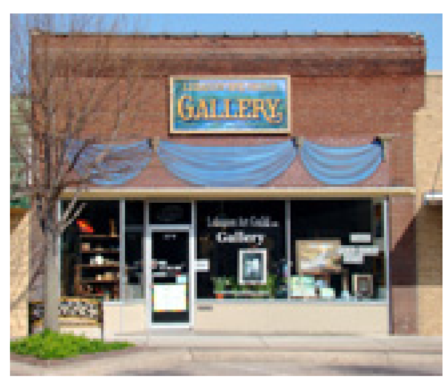
Providing continuous on-street parking is a key component in supporting businesses in downtowns, especially central business districts. On-street parking is an efficient means for allowing multiple users to reach several destinations. On-street parking provides a variety of benefits that include calming and slowing traffic while providing a buffer for pedestrian traffic. Adequate parking must be available to support businesses and residents. Parking lots are key elements in meeting user needs and should not only provide parking spaces, but be aesthetically pleasing and safe for pedestrians. Planting buffers at the edges of parking lots can help screen the parking and provide some shade. Landscaped islands should be included throughout the lot to improve aesthetics and minimize storm water run-off. A clear and well lit pathway should be provided for pedestrians as well as identifying signage.

Establishing parking zones can help ensure there is plentiful customer parking. This can be accomplished by signage that designates parking for customers. Employees and employers should not park in front of the retail establishments in Downtown. Rather, where possible, they should park in the rear of their establishments or at parking lots designated for employee parking.

Public Spaces and Plazas

Public spaces and plazas are important components to successful downtown destinations. Many public areas suffer from lack of funding, maintenance, and planning. Public space revitalization, similar to properly maintained facades and streetscapes, have a direct impact on a downtown's economic, environmental, social, and cultural image. Public spaces and plazas offer a fundamental amenity to complement businesses and residents and provide a gathering area, meeting place or a place for citizens and visitors to relax. Public spaces and plazas should:

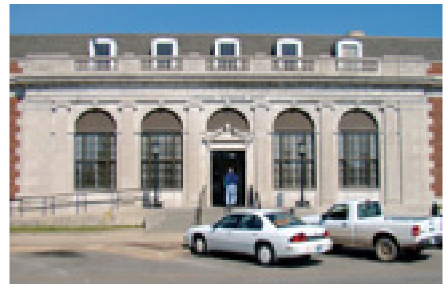
- Be easily accessible and visible from the street.
- Preserve and maintain trees and landscaping that provide shade, color, and natural edges.
- Be a flexible, pedestrian-friendly area that can serve multiple purposes and accommodate activity space for special events.
- Incorporate adjustable seating that complements traditional park benches.
- Be a top priority where the City enforces cleanliness and maintenance standards.
- Contain regulatory park signage and be policed by appropriate City staff.
- Always be safe.

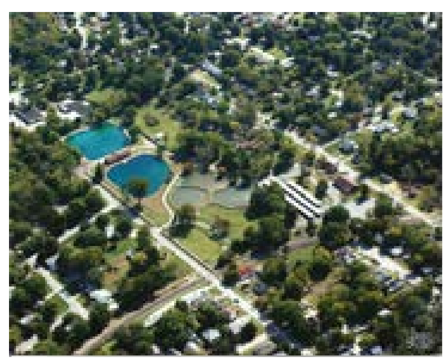


Downtown Environment & Appearance

Downtown Lebanon's historic architectural character and physical layout is the key to its draw as a unique retail environment. Protecting and improving the quality of the built environment is critical for Downtown revitalization.

The public and private sectors must continue their partnership to preserve and enhance an environment in which retail can thrive. This will require various means of creative cooperation amongst City staff, and private business and property owners to maximize the impact in Downtown Lebanon. New public sector mechanisms such as a Community Improvement District (CID) should be considered. However, the existing Lebanon Downtown Special Business District should have funding available to continue to provide programs or obtain other funds for streetscape, open space, and infrastructure improvements. Public sector activity should be aimed at inducing private investment in buildings and sites as part of a comprehensive physical revitalization program. The following items should be Lebanon's priorities:



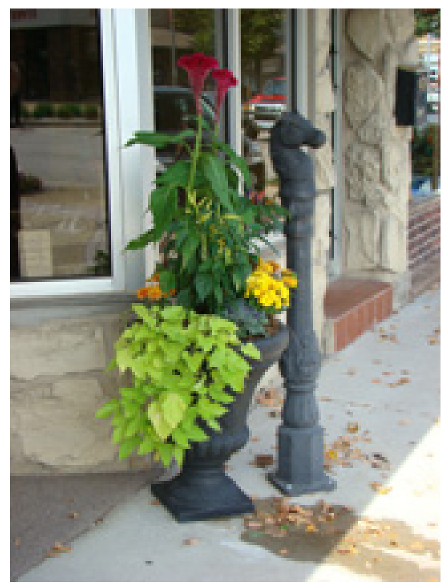


- The City must continue to encourage façade restoration. The rehabilitation and productive reuse of Downtown buildings is the cornerstone of the revitalization effort. Building façades are a public feature of Downtown Lebanon that the City should work to maintain and improve. The City should develop an incentive program that can be used by private property owners to improve the public façades of their buildings. Incentive programs should also recognize the need for improvement to the side and rear of buildings, some of which have attractive faces and entryways. Building incentives can be granted with conditions, providing an opportunity to ensure high-quality improvements. Downtown Lebanon should seek mixed-use projects that include residential units.
- Encourage appropriate infill construction that adds retail space to Downtown. Retail uses should be the priority for 1st-floor space in all new buildings. It is critical that the City ensure that infill construction complements existing buildings.
- Support code enforcement and plan review efforts. The City's code enforcement efforts should be continued and strengthened to ensure that Downtown buildings and sites are properly maintained.

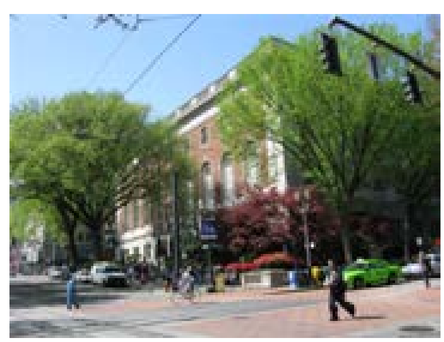
Business Retention, Expansion, & Recruitment

A formal business retention, expansion and recruitment 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 can stimulate increased levels of private investment. Efforts should be made to familiarize businesses with local, regional, and state regulations and guidelines, as well as, business assistance and resources.

Lebanon Regional Economic Development Inc., or Lebanon REDI, provides Economic Development services for Laclede County and Lebanon. However, there is no particular focus on Downtown Lebanon. LDBD should collaborate with Lebanon REDI and the Chamber to help attract new retail uses and to encourage existing merchants to focus on improving the quality of the goods and services that are currently provided.



The collaboration of the groups to provide economic development services should also monitor Downtown vacancies. Vacant lot and space listings should include suggestions of the type of business for which the available space is best suited. Listings should also be available online and appropriate buildings submitted to websites such as www.locationone.com. The LDBD should develop a listing of target businesses to contact. This listing should be limited to retail, restaurants, or unique services for Downtown.



The LDBD should also maintain a list of local bankers, and real estate agents to ensure potential investors have up-to-date contact information when they inquire about Downtown. Other information should include descriptions of available incentives (e.g. grants, forgivable loans), profiles of successful projects implemented by public/private partnerships, and testimonials from successful businesses in Downtown. Involvement of property owners as part of the support system for encouraging private investment is critical.

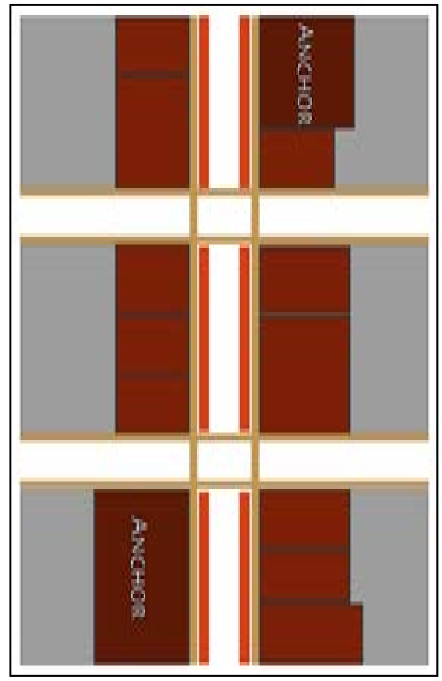
A Business Retention, Expansion, and Recruitment campaign should also foster the existing entrepreneurial spirit within Lebanon. Small businesses are the core of many local economies and can generate significant job growth and revenue. Downtown locations are, by nature, less costly to a small-business startup than a newer location. Additionally, a chain store or big box store is typically not interested in the smaller confines of a downtown location. The LDBD should again collaborate with the Chamber and Lebanon REDI to identify local entrepreneurs. Through programs such as www.operationjumpstart.biz, Downtown leaders can assist business start-ups and help connect aspiring business owners with financial and technical resources. LDBD can also provide seminars to help entrepreneurs write effective business plans that financial partners will want to read and help existing small businesses compete with big box stores and internet sales.

LIMIT NON-RETAIL USE

The appropriate mix of retail is a key to Downtown Lebanon's success. A well developed mix of uses will generate pedestrian traffic. Too often the main retail strip in a downtown demonstrates an overabundance of service oriented uses. These service oriented businesses are important to the local economy, but may take up valuable sales tax revenue-generating retail space. The City should focus efforts on creating and maintaining a continuous retail loop in Downtown Lebanon along Commercial and Madison Streets. Jefferson Avenue serves as a major traffic artery and is not conducive to pedestrian activity. However, the 1st-floor spaces on all of these streets should be reserved for retail or restaurant establishments. Pedestrian friendly loops should be developed that encourage a walk of about one-quarter mile in length or a five to ten minute stroll past businesses.

Anchors are large, well-known attractions that draw many customers. Anchors are usually retail or restaurant establishments, but they can also be a single store or establishment, collection of establishments, or an institution. Pedestrian loops should have an anchor located at the beginning and end of the route. Anchors generally include the following types of retail uses:

- Movie Theatres
- Farmer's Markets
- Grocery Stores
- Furniture Stores
- (And to a smaller extent) Restaurants

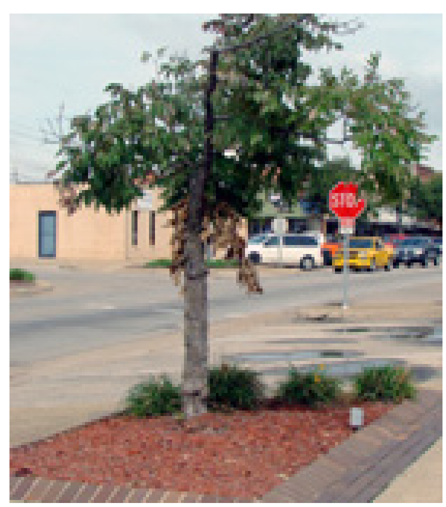


LDBD should monitor existing anchors and encourage the establishment of new anchors where necessary. LBDB should also develop promotions around Downtown's anchors. The City should consider the locations of these important retail stores when planning public construction projects so as not to disrupt business any more than necessary.

Promote Use of Upper Floor Space

A strong residential presence is a key component to a prosperous downtown. Downtown residents enjoy close proximity to entertainment venues, restaurants, and shopping. These residents have the ability to expand the market by creating additional demand for products and services. Downtown residents also ensure that an area has activity, even when businesses close. Downtown Lebanon has a stable ownership market surrounding Downtown, but very few residents live in Downtown. There are some buildings that could accommodate residential development through apartments, condos or lofts on the upper floors. Large industrial buildings, such as the Allen Building, have the potential to be converted for rental housing. It is critical that the City work to ensure that new rental units are high-quality. Quality will be the key in attracting residents and maintaining property values.

Enhancing the Purchasing Experience



Unique shops thrive when they can work together to create a critical mass of stores that draw customers. Consumers want a downtown that is safe, clean, friendly, and offers plenty of variety. The consumer chooses the downtown shop for the experience, not for the efficiency of buying everyday items.

Downtown must convey a comfort level that welcomes shoppers, diners, and visitors in the context of a unique experience. Merchants can develop this unique experience through retail methods and improvements that include:

- Extending store business hours.
- Carrying more unique or higher-end items that can't be found elsewhere along with expert, personalized, assistance and extraordinary customer service.
- Providing shopper service amenities like gift wrapping, free shipping, convenient return and exchange policies, recommendations to other Downtown shops and restaurants, and special orders.
- Making use of the internet and social networking to efficiently promote the store.
- Requiring employees to utilize off-street parking, reserving on-street spaces for customers. Collaborate with other store owners to extend this concept throughout Downtown Lebanon.

ATTRACTING CUSTOMERS

Attracting customers is an integral component of retail success. Downtown has an overall established pool of customers and needs to continuously reach-out to new customers. Businesses should use existing customers as a source of referrals to create a base of repeat customers. By creating special promotions that target specific Downtown segments such as employees, a merchant can build loyalty among that segment. Cultivating a specific customer base in this manner will help a retailer develop a stable source of business.

The LDBD can help provide a focus on marketing to help Downtown develop vibrant activity centers. Downtown business guides and restaurant profiles should be made available on-line, at welcome centers, hotels, and at shops and restaurants. During City events, retailers should coordinate their hours and promotions to help serve the increased numbers of visitors.

Marketing

The promotion of attractions, businesses, and events is a major component of downtown retail development. These promotions are generally spearheaded by downtown organizations who recognize the necessity of reacquainting long-time residents, and introducing newer residents and visitors, to a downtown.

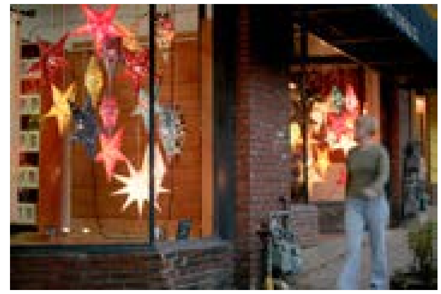
The LDBD should continue to build upon Downtown events, festivals, parades, concerts, and other special events. These activities bring people Downtown and expose them to Downtown businesses. The marketing strategy for Downtown Lebanon should provide a mix of events, advertising, and promotions that reflect different aspects of the region, history, and cultural heritage. Eventually, the LDBD should determine ways to collectively promote and advertise Downtown businesses on a consistent basis.

Retail Presentation & Operations

The appearance of a retail store is essential to its success. A store's appearance begins at the sidewalk and includes the storefront, entrance, and windows. Stores must appear interesting and inviting at the sidewalk. Simple additions of planters or window boxes that flank the entrance to the store add color and life to the street. Pedestrians may be stopped by a plant, bench, or sign attracting them to the store window. Keep the appearance of the sidewalk and storefront neat and clean. The store should also be clearly identified with signage and be as inviting as possible.

The store entrance should be recessed from the sidewalk to emphasize the entry, provide shelter, and remove the open door from the pedestrian path. The entrance should be ADA compliant. The door should provide a view into the building as well as a sense of openness. Rear entrances may also provide opportunities to welcome a customer and should be as inviting and appealing as the main entry. Shoppers learn everything about a store from the storefront windows.

Display windows act as the store's billboard. A positive tone should be set by the windows. Great window displays will help lure customers into the store. Corner storefronts are significant opportunities to beckon pedestrians to cross the street and walk past an entirely new block of stores.
When display windows are vacant, they project an unsafe image that discourages pedestrians. The LDBD should work with property owners of vacant spaces to provide displays or advertising for Downtown events to prevent the vacant feel.

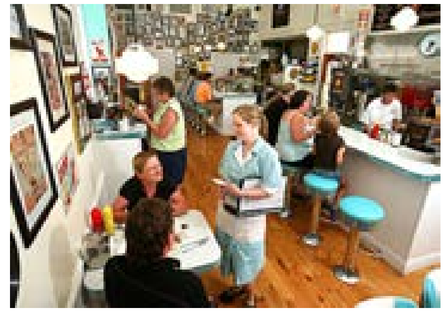


WINDOW "HOW-TO'S"

Window displays must grab the attention of the pedestrian so they will be drawn into the store. Displays should incorporate graphic elements that highlight the stores merchandise. Window displays must also be rotated occasionally to keep the pedestrian interested. Some techniques for window displays include:

- Develop Themes. Displays can follow a theme and integrate props. Themes can include store products or a specific set of related items such as sports equipment, romance items, nature, or patriotism.
- Repetitive Objects. Repeating objects creates a strong message. Objects do not need to be expensive to be a successful display. Simple objects such as cut out hearts, gloves. Lampshades, or balloons can create dynamic displays. Used and repurposed objects such as window frames, doors,or barrels can also be used to reinforce the display.
- Flexible Backdrops. Backdrops can be textured or fabric panels reflecting the products displayed, highlighting the season, or the richness of the interior that is found beyond the windows.
- Allow for Lighting. Lighted window displays add life to the evening streetscape. People leaving nearby businesses with later uses, such as restaurants, theaters, and drinking establishments may be compelled to visit later. However, window lighting should not impose on upper-story residents.

SIGNAGE AND BRANDING



Business owners must decide upon their brand to help define their store and how they hope to be perceived. This decision will determine the store logo, signage, design, colors, and font types; all of which should coordinate and support the brand. Logos should be used consistently on merchandise, business cards, and advertisements. Shopping bags with logos are walking advertisements that reinforce the brand.

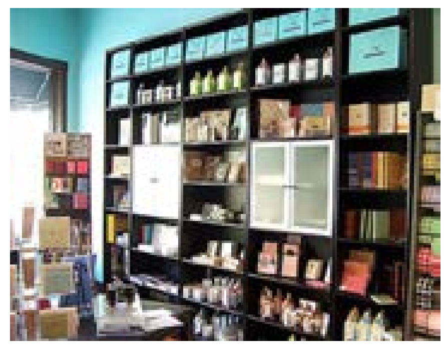
INTERIORS

Retail establishments should have flexible interior features so the store can reinvent itself when necessary. Interior layouts have several common components, including:

- Feature Displays. Once a customer has entered the shop, there should be an open area to allow them to adjust to their surroundings and make decisions. Feature displays should be visible from this area.
- First Fixture. The first fixture should be a display with a specific theme or product, well inside the entrance.
- Music. Music that matches the store brand should be playing. This simple step will bring an empty store to life and helps make customers feel at ease.
- Secondary Displays. These displays encourage customer movement around the store. This is accomplished by placing a variety of minor product groups throughout the space. The height and shape of these displays should vary and interrupt long runs of repeating products on walls.

- Floor Space. The area 18" from the floor is not "shop-able" and is best used for storage.
- Make the Back Wall Visible. Making the back wall visible and interesting all the way from the front of the store helps to draw customers. This can be as easy as using paint or unusual fixtures. Place sale or clearance merchandise in the back to encourage customers to walk past other items.

- Grouping Merchandise. Techniques for grouping the merchandise can help shoppers make their decisions faster and therefore buy more merchandise while they are in the store. Some methods include:
  - ⇒ By Color. Group all red items together, blue items together, etc. This is often used for seasonal items.
  - ⇒ Product Combination. These items provide opportunities for customers to purchase combined products with a similar theme. Group clothing with coordinating accessories or "Staff Favorites."
  - ⇒ Fabrication Type. All glass should be kept with the glass, wood with wood, pewter with pewter and pottery with pottery.
  - ⇒ Impulse Items. These are often located by the register and are generally offered as inexpensive add-ons to the primary purchase.



Give customers the opportunity to learn about merchandise, provide customers information about special products and offer samples. All retailers should keep counters clean and clutter free. Showcases and display cases should be well-lit. A downtown map and business directory should be located at each register. This will encourage shoppers to visit neighboring stores and help visitors navigate downtown. The store should be viewed from the customers viewpoint and these following concepts should be kept in mind.

- Signage should reflect the brand.
- Entrance and windows must be appealing.
- Merchandise must be useful or unique.
- Focal points and product placement must be able to keep their interest.

The combined attention a store's image receives from the street, its signage, storefront, window displays, entrances and interior, and to customer service all work harmoniously to create a positive experience. This experience will remain with the visitor long after they leave the store and entice them to return as loyal customers.

IMPLEMENTATION

This Retail Market Analysis Report has identified a wide range of goals and strategies, based upon an analysis of the demographic and economic trends driving Downtown Lebanon's retail market. The implementation of these goals and strategies will be included in the DREAM Downtown Strategic Plan and will include integration with other tasks such as funding sources, residential analysis, and design concepts. Key steps for achieving the goals in this Retail Market Analysis include:

- Implement other key DREAM recommendations, such as those found in the Residential Demand Analysis, Building and Streetscape Design Concepts, and Financial Assistance Review. The recommendations found in these reports are critical to lay the foundation for the retail recommendations in this analysis.
- As of the writing of this report, Downtown Lebanon is lacking in residential and restaurant uses. There is a fair amount of vacant space and a significant amount of unmet demand. The existing vacant space will likely be easily filled if the City focuses on improving building conditions.
- A potentially bigger impact than filling existing vacant space may be obtained by attracting infill development to vacant lots or redevelopment of underutilized buildings to develop high-quality residential spaces.
- On the heels of residential development, should come an increase to the already high demand for restaurant uses. Downtown should court developers interested in construction that consists of multi-story, mixed-use buildings with restaurant uses on the first-floor.
- The City should also encourage non-retail uses to relocate to side streets or upper-floors; preserving prime, 1st-floor locations for retailers and restaurants.
- The LDBD should encourage Downtown businesses to offer higher-quality goods. The current retail sales per square foot is fairly low and the restaurant sales per square foot is very low. If the overall quality of goods sold in Downtown can be improved, Downtown can generate more income for the City. Restrictions on liquor sales is hurting Downtown restaurants.
- Consider other options for funding a Downtown organization, such as the LDBD. There are restrictions on how the special business district funds can be used and Downtown may be better served by a Community Improved District (CID) that is more encompassing both in geography and activities.
- Continue with public improvements with a focus on the safety of the pedestrian. It is important that pedestrians can easily and safely cross Downtown streets as well as the rail line.
- Cooperatively and effectively market Downtown businesses.

APPENDIX

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Appendix A-1
Downtown Lebanon

Retail Market Analysis
City of Lebanon, Missouri

Legend

Downtown

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Feet

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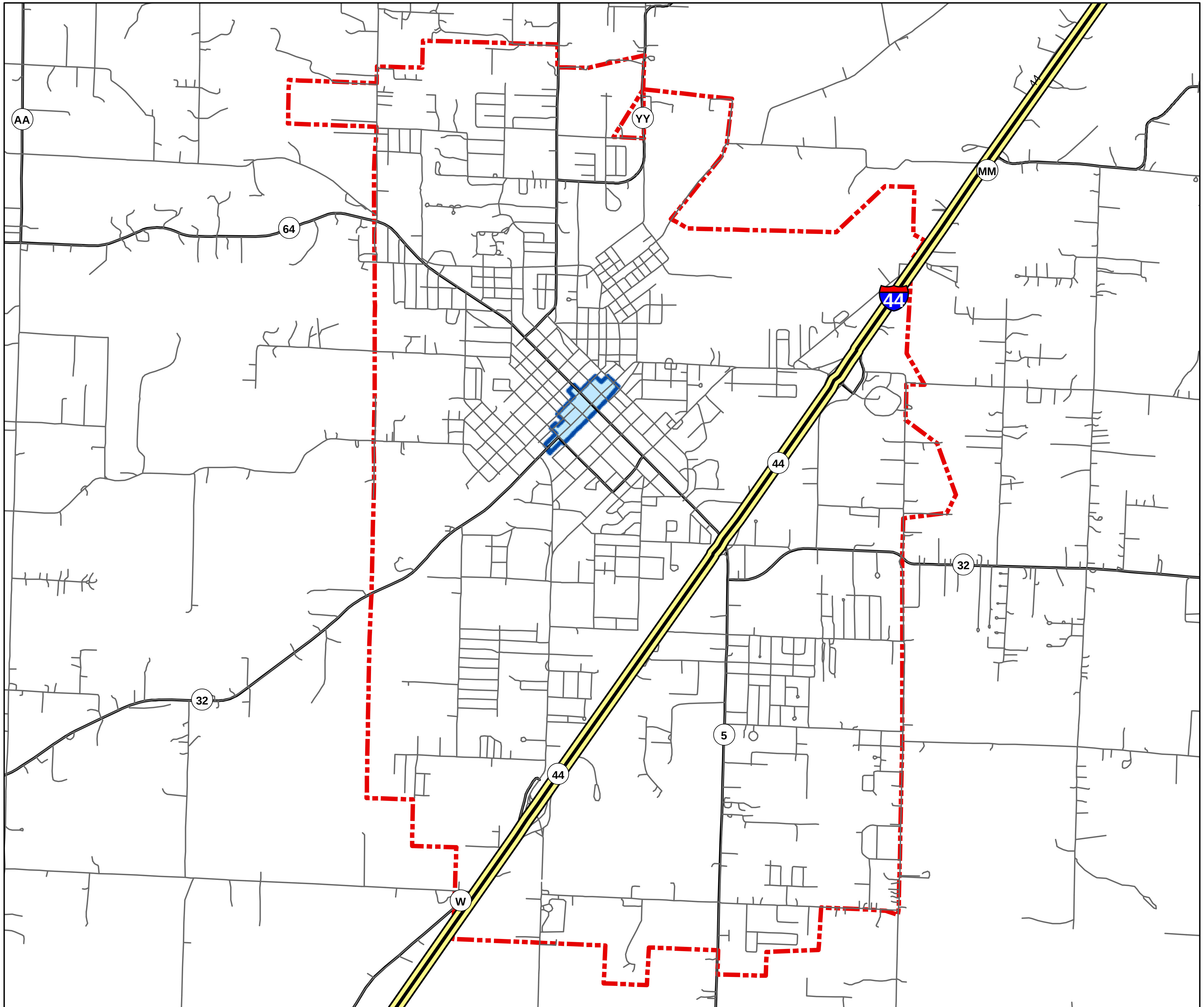
August 2013

Appendix A-2
Primary Trade Area

Retail Market Analysis
City of Lebanon, Missouri



Legend

Downtown

Primary Trade Area

0 1,450 2,900 5,800
Feet

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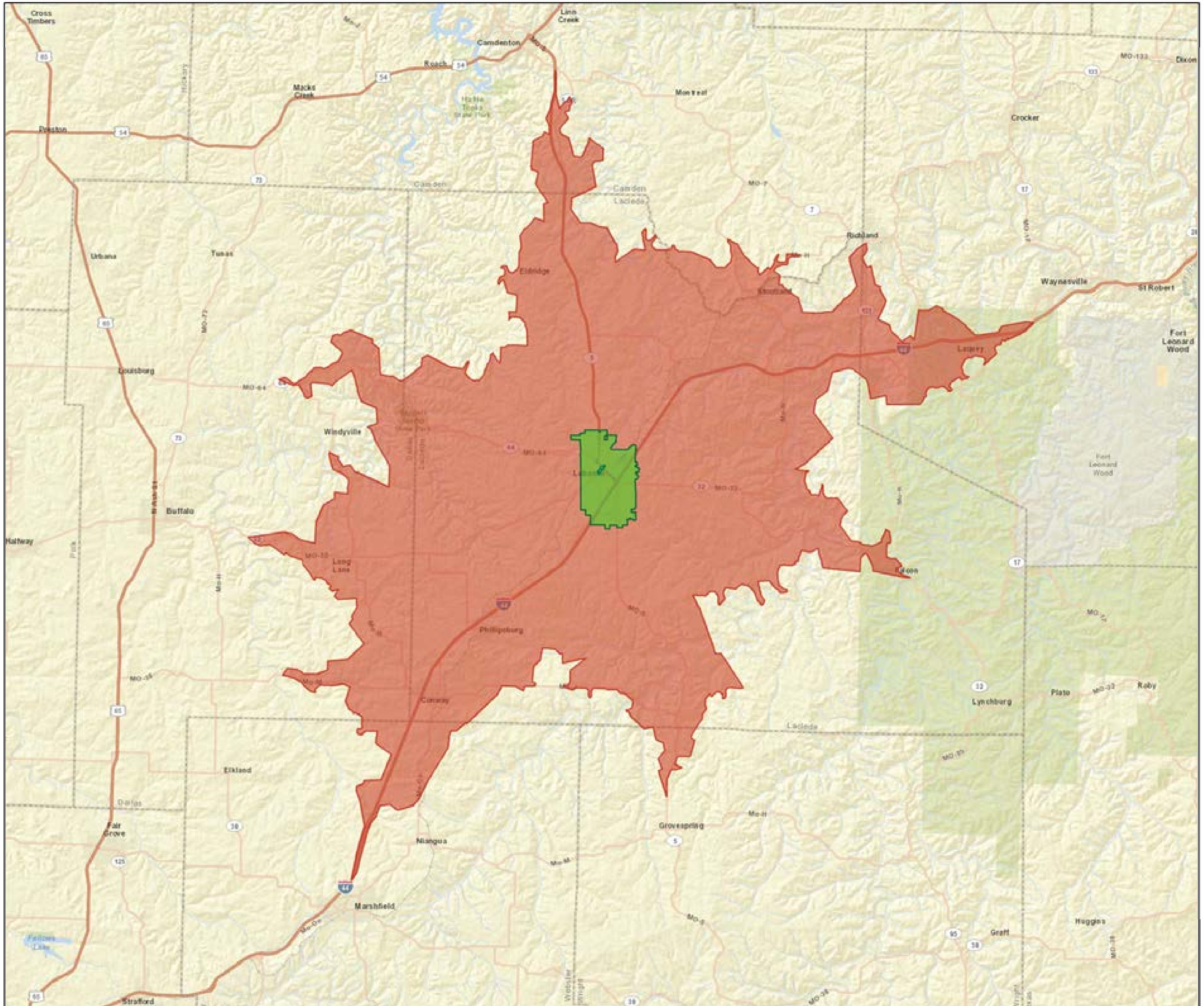
August 2013

D·R·E·A·M

PGAV PLANNERS

Appendix A-3
Secondary Trade Area

Retail Market Analysis
City of Lebanon, Missouri



Legend

- Secondary Trade Area
- Primary Trade Area
- Downtown

N

August 2013

D·R·E·A·M INITIATIVE

PGAV PLANNERS

Appendix B

Downtown Lebanon DREAM Study Area
Retail Demand & Sales

Industry Group	Secondary Trade Area Demand	STA Businesses	STA Total Retail Sales	STA Gap	Potential Square Footage	STA Per Capita Demand	City Retail Demand	City Businesses	City Total Retail Sales	Downtown Total Retail Sales [2]	Downtown Businesses [2]	Downtown Trade Area Capture	Downtown Pull-factor
Total Retail Trade and Food & Drink (NAICS 44-45, 722) [1]	**$181,469,078**	**249**	**$204,364,144**	**$ (22,895,066)**	**(300,927)**	**4,943**	**$73,152,878**	**160**	**$173,834,992**	**$20,911,629**	**22**	**4,230**	**103.18**
Total Retail Trade (NAICS 44-45)	**$156,527,394**	**215**	**$182,473,405**	**$ (25,946,011)**	**(339,736)**	**4,264**	**$62,816,418**	**130**	**$153,347,337**	**$20,439,704**	**20**	**4,794**	**116.92**
Total Food & Drink (NAICS 722)	**$24,941,684**	**35**	**$21,890,739**	**$ 3,050,945**	**38,809**	**679**	**$10,336,460**	**30**	**$20,487,655**	**$471,925**	**2**	**695**	**16.94**
Furniture & Home Furnishings Stores (NAICS 442)	$5,012,637	13	$8,345,427	$ (3,332,790)	(43,639)	137	$2,045,890	7	$6,410,873	$3,071,937	2	22,497	548.71
Furniture Stores (NAICS 4421)	$2,911,031	8	$7,118,699	$ (4,207,668)	(55,095)	79	$1,185,307	5	$6,304,297	$3,071,937	2	38,739	944.86
Home Furnishings Stores (NAICS 4422)	$2,101,606	5	$1,226,728	$ 874,878	11,456	57	$860,583	2	$106,576	$0	0	0	0.00
Electronics & Appliance Stores (NAICS 443/NAICS 4431)	$6,947,672	10	$2,271,627	$ 4,676,045	61,228	189	$2,839,897	9	$1,989,324	$323,419	2	1,709	41.68
Bldg Materials, Garden Equip. & Supply Stores (NAICS 444)	$8,908,261	19	$24,719,648	$ (15,811,387)	(207,034)	243	$3,330,898	10	$18,598,086	$0	0	0	0.00
Building Material and Supplies Dealers (NAICS 4441)	$7,104,540	16	$20,120,482	$ (13,015,942)	(170,430)	194	$2,678,729	9	$16,552,724	$0	0	0	0.00
Lawn and Garden Equipment and Supplies Stores (NAICS 4442)	$1,803,721	3	$4,599,166	$ (2,795,445)	(36,603)	49	$652,169	1	$2,045,362	$0	0	0	0.00
Food & Beverage Stores (NAICS 445)	$32,523,869	40	$37,191,419	$ (4,667,550)	(61,117)	886	$13,158,174	23	$32,389,633	$12,107,400	2	13,666	333.31
Grocery Stores (NAICS 4451)	$30,601,001	25	$31,960,433	$ (1,359,432)	(17,800)	834	$12,372,600	15	$28,229,601	$12,072,787	1	14,483	353.24
Specialty Food Stores (NAICS 4452)	$716,408	12	$930,937	$ (214,529)	(2,809)	20	$291,236	6	$589,419	$34,613	1	1,774	43.26
Beer, Wine, and Liquor Stores (NAICS 4453)	$1,206,460	3	$4,300,049	$ (3,093,589)	(40,507)	33	$494,338	2	$3,570,613	$0	0	0	0.00
Health & Personal Care Stores (NAICS 446/NAICS 4461)	$22,007,743	9	$19,489,549	$ 2,518,194	32,973	600	$8,553,081	8	$19,370,460	$996,247	1	1,662	40.53
Clothing and Clothing Accessories Stores (NAICS 448)	$13,033,946	22	$10,549,245	$ 2,484,701	32,535	355	$5,501,075	18	$9,826,045	$1,238,830	4	3,489	85.10
Clothing Stores (NAICS 4481)	$9,138,823	18	$9,240,282	$ (101,459)	(1,328)	249	$3,865,696	15	$8,645,597	$558,876	3	2,245	54.76
Shoe Stores (NAICS 4482)	$2,081,780	1	$191,286	$ 1,890,494	24,754	57	$870,480	1	$191,287	$122,970	1	2,168	52.89
Jewelry, Luggage, and Leather Goods Stores (NAICS 4483)	$1,813,343	3	$1,117,676	$ 695,667	9,109	49	$764,899	2	$989,161	$556,984	1	11,276	275.02
Sporting Goods, Hobby, Book, and Music Stores (NAICS 451)	$4,153,138	31	$4,902,890	$ (749,752)	(9,817)	113	$1,681,830	17	$3,463,299	$1,010,716	5	8,934	217.90
Sporting Goods/Hobby/Musical Instrument Stores (NAICS 4511)	$3,837,176	28	$4,536,807	$ (699,631)	(9,161)	105	$1,544,131	14	$3,158,837	$926,811	4	8,867	216.26
Book, Periodical, and Music Stores (NAICS 4512)	$315,961	4	$366,083	$ (50,122)	(656)	9	$137,699	3	$304,462	$83,905	1	9,749	237.77
General Merchandise Stores (NAICS 452)	$56,727,815	14	$69,577,448	$ (12,849,633)	(168,252)	1,545	$22,906,559	8	$58,216,204	$1,514,036	1	980	23.90
Department Stores Excluding Leased Depts. (NAICS 4521)	$18,081,221	3	$2,846,151	$ 15,235,070	199,487	493	$7,358,684	3	$2,446,481	$1,514,036	1	3,074	74.97
Other General Merchandise Stores (NAICS 4529)	$38,646,594	10	$66,731,297	$ (28,084,703)	(367,740)	1,053	$15,547,875	5	$55,769,723	$0	0	0	0.00
Miscellaneous Store Retailers (NAICS 453)	$7,212,310	55	$5,426,150	$ 1,786,160	23,388	196	$2,799,014	30	$3,083,413	$177,120	3	902	21.99
Florists (NAICS 4531)	$318,766	3	$369,684	$ (50,918)	(667)	9	$119,353	2	$312,108	$0	0	0	0.00
Office Supplies, Stationery, and Gift Stores (NAICS 4532)	$2,066,133	7	$248,994	$ 1,817,139	23,794	56	$822,448	5	$166,099	$0	0	0	0.00
Used Merchandise Stores (NAICS 4533)	$363,217	12	$838,700	$ (475,483)	(6,226)	10	$150,172	6	$352,871	$59,036	1	5,967	145.53
Other Miscellaneous Store Retailers (NAICS 4539)	$4,464,195	33	$3,968,772	$ 495,423	6,487	122	$1,707,041	17	$2,252,335	$118,084	2	971	23.68
Food Services & Drinking Places (NAICS 722)	$24,941,684	35	$21,890,739	$ 3,050,945	38,809	679	$10,336,460	30	$20,487,655	$471,925	2	695	16.94
Full-Service Restaurants (NAICS 7221)	$9,707,094	17	$5,993,617	$ 3,713,477	47,236	264	$4,024,905	14	$4,857,173	$220,209	1	833	20.31
Limited-Service Eating Places (NAICS 7222)	$12,148,812	14	$15,393,277	$ (3,244,465)	(41,270)	331	$5,001,340	14	$15,356,915	$251,716	1	761	18.55
Special Food Services (NAICS 7223)	$1,204,681	0	$0	$ 1,204,681	15,324	33	$505,177	0	$0	$0	0	0	0.00
Drinking Places - Alcoholic Beverages (NAICS 7224)	$1,881,098	4	$503,845	$ 1,377,253	17,519	51	$805,038	2	$273,567	$0	0	0	0.00

[1] Totals in these categories do not include Auto Sales, Gas Sales, or Non Store Retailers

Appendix C
Retail Locations

Retail Market Analysis
City of Lebanon, Missouri

ID	Retail Location
1	Smitty's Motors
2-3	Free Store Ministries
4	Rawhide Gun & Pawn
5	Bargain Thrift Shop
6	Two Guys Music
7-8	NU2U Indoor Garage Sale
9	Unique Expressions
10	Lebanon Art Guild Gallery
11	Juanita's Mexican Restaurant
12	Lebanon Sewing & Vaccum Center
13	ACT II Quality Used Clothing
14	The Artsy Café
15	Page Office Supply
16	Triumph Trophy Shop
17	Madison Street Grill
18	Wehner's Bakery
19	Randall's Boots & Shoe Outlet
20	2nd Street Army Supply / This & That Thrift Shop / Auction Barn
21	Nancy's Place New & Used Cloths
22	Magnolia Place / The Phone Booth
23	Uptown 20 Downtown Market Place
24	Dryer's Shoes
25	Perennial Design Co.
26	Clark's
27-28	Falcon Floor Covering
29	B&B Boutique
30	West Side Café / Cedar Valley Sales
31	Oscar's Yard Sale / Cedar Valley Sales
32-33	Noble Hudson & Sons
34	Family Dollar
35	Past & Present Shoppe
36	Lebanon Bilbe Book Store
37	Exchange Co.
38-40	Norman's Jewelry & Bridal
41	Sears Hometown
42	Galleria Fine Jewelry
43	Lunch Box Café / Ice Cream Parlor
44	Time After Time Antiques

0 100 200 400
Feet

N

August 2013

Appendix D
1st Floor Vacancies

Retail Market Analysis
City of Lebanon, Missouri

ID	Address	Available Sq.Ft.
1	309 Commercial Street	1,150
2	307 Commercial Street	8,000
3	235 Commercial Street	950
4	105 Madison Avenue	2,150
5	120 Madison Avenue	930
6	121 Jefferson Avenue	2,000
7	119 Jefferson Avenue	2,000
8	119 Commercial Street	1,750
9	111 Commercial Street	2,000
10	227 Commercial Street	1,900
11	330 Commercial Street	950
12	326 Commercial Street	2,000
13	104 Commercial Street	2,050
14	118 Commercial Street	730
15	298 Commercial Street	3,800

0 100 200 400
Feet

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August 2013

D·R·E·A·M

PGAV PLANNERS

Appendix E
Off Street Parking

Retail Market Analysis
City of Lebanon, Missouri

Legend

- Downtown
- 1-5 spaces
- 6-10 spaces
- 11-20 spaces
- 21-30 spaces
- 31-40 spaces

0 150 300 600
Feet

N

August 2013

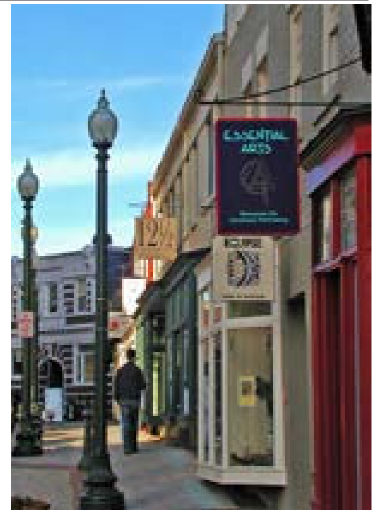
D·R·E·A·M

PGAV PLANNERS

Existing Store Checklist

Exterior

Storefront:



- Check Overall Condition, are repairs needed?

☐ Yes

☐ No

☐ Renovation/Remodel Preferred

Description

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- Is new paint needed?

☐ Yes

☐ No

- Does the paint match the store brand/logo?

☐ Yes

☐ No

Description

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- Is the storefront generally clean?

☐ Yes

☐ No

Description

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- Are planters or window boxes placed to frame the entry?

☐ Yes

☐ No

Existing Store Checklist

Storefront:

- Are there hazards in front of the storefront?

☐ Yes

☐ No

Description

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- Is the sidewalk clean and level?

☐ Yes

☐ No

Description

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Exterior Signage:

- Does signage occur at eye level (Pedestrian)?

☐ Yes

☐ No

Description

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- Does signage occur at car level (Driver)?

☐ Yes

☐ No

Description

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D·R·E·A·M

Existing Store Checklist

Exterior Signage:

- Do wall signs obstruct the architecture?

☐ Yes
☐ No

Description

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- Is signage maintained in good condition?

☐ Yes
☐ No

Description

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- Does the signage complement the building and area?

☐ Yes
☐ No

Description

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- Are the exterior signs lighted (at night)?

☐ Yes
☐ No

Description

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Existing Store Checklist

Display Windows:

- What is the condition of props and goods? Are they faded?

Description

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- Are window displays rotated every 4-6 weeks?

☐ Yes

☐ No

- Do the displays effectively represent the store brand?

☐ Yes

☐ No

- Are displays including the best/most poplar products?

☐ Yes

☐ No

Description

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- If it's a corner shop window, do the window displays encourage the pedestrian to cross the street to your block?

☐ Yes

☐ No

Description

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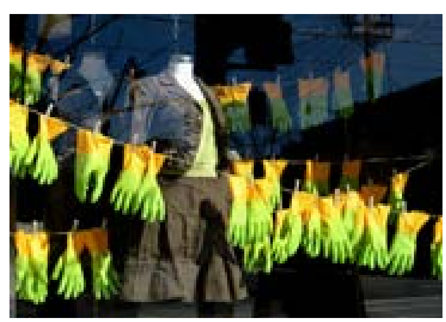

- Are the window displays lit at night?

☐ Yes

☐ No

D·R·E·A·M INITIATIVE

Existing Store Checklist

Interior

Flooring:

- Is the floor worn/hazardous/slippery?

☐ Yes

☐ No

- Is the floor clean?

☐ Yes

☐ No

- Is there a 5-10' area without store fixtures at the entry?

☐ Yes

☐ No

- Is there a walk off area to clean shoes?

☐ Yes

☐ No

Description

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Ceiling:

- Is the finish in good condition (stained/missing tiles/peeling paint)?

☐ Yes

☐ No

Description

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- Is the HVAC duct work clean?

☐ Yes

☐ No

Existing Store Checklist

Ceiling:

- Are there any other distracting issues?

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Lighting:

- Is the lighting adequate to show the merchandise?
  - ☐ Yes
  - ☐ No
- Is the bulb type appropriate (fluorescent or incandescent)?
  - ☐ Yes
  - ☐ No
- Are the bulbs the same type?
  - ☐ Yes
  - ☐ No
- Does the lighting design match the rest of the interior style?
  - ☐ Yes
  - ☐ No

Description

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- Are there adjustable lights to create focal points?
  - ☐ Yes
  - ☐ No

Description

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Existing Store Checklist

Interior Colors:

- Are the interior finishes (painting, wall coverings, paneling, etc.) in good condition?

☐ Yes

☐ No

Description

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- Are the paint and finish colors consistent with the brand/ logo?

☐ Yes

☐ No

Description

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- Are the paint colors consistent from fixture to fixture?

☐ Yes

☐ No

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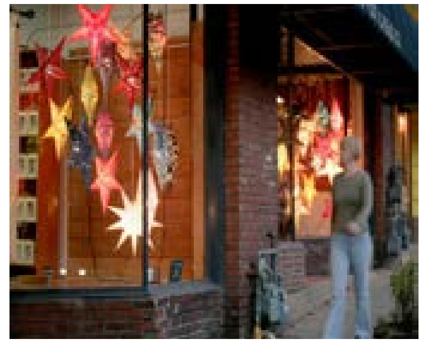

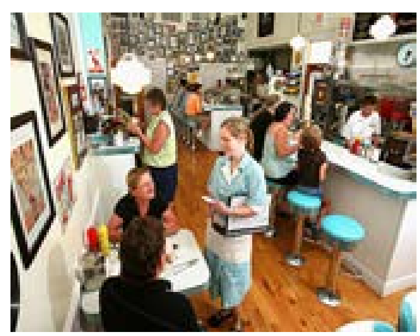

Circulation:

- Does the foot traffic flow smoothly?

☐ Yes

☐ No

Description

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Existing Store Checklist

Circulation:

- Is the intended path clear to customers?

  ☐ Yes

  ☐ No

- Are off-limit areas clear to the customer?

  ☐ Yes

  ☐ No

- Are there slow pockets of merchandise that receive little attention?

  ☐ Yes

  ☐ No

  Description

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Cash Wrap/Register:

- Is the cash wrap area in good condition?

  ☐ Yes

  ☐ No

- If there's a showcase, is the lighting adequate?

  ☐ Yes

  ☐ No

- Is it easy for customers to locate where to cash out?

  ☐ Yes

  ☐ No

- Is the floor area clear to assure ease in purchasing?

  ☐ Yes

  ☐ No

- Is the counter top clutter-free?

  ☐ Yes

  ☐ No

- Is the location appropriate (it should not occupy prime real estate)?

  ☐ Yes

  ☐ No

Existing Store Checklist

Cash Wrap/Register:

- Are the views of the shop and exits open enough for security?
  - ☐ Yes
  - ☐ No
- Is there fixture nearby for impulse purchases?
  - ☐ Yes
  - ☐ No

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Fixtures & Equipment:

- Does the fixture style match the brand or logo?
  - ☐ Yes
  - ☐ No
- Is there a range of heights and sizes to keep the eye moving?
  - ☐ Yes
  - ☐ No
- Is the un-shoppable high area (72”) used for display?
  - ☐ Yes
  - ☐ No
- Is the un-shoppable low area (18”) un-stocked and/or used for storage?
  - ☐ Yes
  - ☐ No

  Description

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Merchandising:

- Are the products restocked or re-arranged consistently to make the store feel full?
  - ☐ Yes
  - ☐ No

Existing Store Checklist

Merchandising:

- Are the displays group by color, material or product brand?

☐ Yes

☐ No

- Does the product inventory match the internet site?

☐ Yes

☐ No

Description

- Is there a feature fixture near the entry that tells the story of the store's overall brand and product style?

☐ Yes

☐ No

Description

Cleanliness:

- Is the store clean?

☐ Yes

☐ No

Description

- Are boxes cleared and out of sight?

☐ Yes

☐ No

- Are the views into off limits areas blocked?

☐ Yes

☐ No

Existing Store Checklist

Cleanliness:

- Are the signs and product pricing professional, consistent in type and not hand made?
  - ☐ Yes
  - ☐ No

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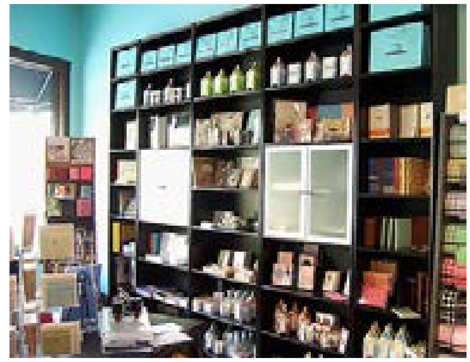

Comfort:

- Is the shop a comfortable temperature?
  - ☐ Yes
  - ☐ No
- Are the entry doors easy to open and close?
  - ☐ Yes
  - ☐ No
- Are the displays and fixtures stable?
  - ☐ Yes
  - ☐ No
- Is music incorporated to make the store feel occupied?
  - ☐ Yes
  - ☐ No
- Does the music reflect the store brand?
  - ☐ Yes
  - ☐ No

Dressing Rooms:

- Is there a bench, wall hook and mirror?
  - ☐ Yes
  - ☐ No
- Are the doors secure and is privacy addressed?
  - ☐ Yes
  - ☐ No
- Are non-selected items returned to stock quickly?
  - ☐ Yes
  - ☐ No

Existing Store Checklist

Dressing Rooms:

- Are the rooms placed to discourage shoplifting?
  - ☐ Yes
  - ☐ No

Staff:

- Is the staff helpful and cheerful?
  - ☐ Yes
  - ☐ No

  Description

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- Is the staff educated about the merchandise?
  - ☐ Yes
  - ☐ No

  Description

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- Does the staff suggest other downtown shops to the customers?
  - ☐ Yes
  - ☐ No

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Other Comments.

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