

California, Missouri

DOWNTOWN  
REVITALIZATION &  
ECONOMIC  
ASSISTANCE FOR  
MISSOURI

# RETAIL MARKET ANALYSIS



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**PGAV** PLANNERS



## ACKNOWLEDGMENTS



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## EXECUTIVE SUMMARY

The City of California was originally established in 1834 as the town of Boonsborough. California became the county seat when Moniteau County was organized in 1845. In 1846, Boonsborough changed its name to California because another Boonsborough already existed in Missouri. The first Moniteau County Courthouse was erected on the square in 1847 and California was incorporated in 1848; electing its first officials in 1858. The construction of the current courthouse was completed in 1868 and is still in use. Today the City is home to about 4,300 people living in about 1,725 households.

Throughout this report, “Downtown” refers to the DREAM Study Area as indicated on page 11; which includes portions of areas locally referred to as “Uptown” and “Downtown.” The Courthouse Square is considered locally as “Downtown”, while the area nearer the rail line to the south is considered as “Uptown.”

Downtown was, and is, integral to California’s growth and serves as a commercial, governmental, and civic hub. Similar to many towns, Downtown provides the local community with a place to go for trade, religious services, education, and socializing. Prominent buildings showcase the prosperity and quality of life in the region. Historic buildings and districts such as the Moniteau County Courthouse Square, Finke Opera House, Gray-Wood Buildings, and Old Barnhill Building are examples of California’s historic prosperity and existing architectural assets.

This Retail Market Analysis reveals that there is significant retail demand in the region and 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 California competes for retail business with the Internet, areas along the Highway 50 corridor, and the large retail markets in Jefferson City, Columbia, and Lake Ozark, Missouri.

The Retail Market Analysis was conducted by analyzing data for three areas: Downtown California (Downtown) 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 modified 20 minute drive-time from Downtown. The existing retail market, demographics, and DREAM community surveys were also analyzed to help define a strategy that takes into account public preferences to strengthen the retail market in Downtown California.

A review of market conditions provides an idea of the possible new and existing business potential for Downtown California. The DREAM Land Use, Building, and Infrastructure Survey revealed about 712,750 square feet of total existing first-floor space. There are 5 buildings with uses such as a car dealer and a gasoline station. The square footage for these buildings is not considered in the retail calculations because automotive uses (along with department and grocery stores) are no longer likely to choose downtown environments due to today's market forces.

Of the total square footage, Downtown contains about 191,047 square feet of first-floor commercial space that includes:

- 13,483 square feet of automotive use (removed from calculations)
- 105,199 square feet of office/service space (fully occupied)
- 14,782 square feet of restaurant space (5,650 square feet vacant)
- 50,372 square feet of retail space (12,225 square feet vacant)
- 7,221 square feet of mixed-use space (4,700 square feet vacant)

Overall, 22,575 square feet of Downtown space is vacant and available for retail/restaurant uses. The vacancy rate for retail uses is over 24%, for restaurants over 38%, and for mixed-uses over 65%. These high vacancy rates, coupled with the lack of vacancy in office/service and industrial uses, suggests that existing Downtown retail/restaurant space may be under pressure to convert to other types of uses. Additionally, there is a significant amount of existing public/institutional space. Retail and restaurant uses are critical to establishing a vibrant business atmosphere and provide a broad tax base for the City. **However, in Downtown California 88% of the total available first-floor space is a non-retail/non-restaurant use.**

The existing retail/restaurant space is generating about \$3.37 million in annual sales (not including auto dealers and related items, gasoline stations, or non-store retailers). The retail component (removing any square footage for auto dealers and related items, gasoline stations, or non-store retailers) is generating \$1.92 million or about \$50.25 per occupied square foot. The restaurant component is generating about \$1.45 million or about \$158.76 per occupied square foot. With these averages, the 22,575 square feet of current vacancy that could be used for retail or restaurant use, represents an additional \$1.1 million to \$3.5 million in annual sales.

The primary opportunity for retail development in Downtown California is for the City to attract new users of existing vacant space. However, other opportunities include developing more retail space, identifying a brand to attract regional consumers and visitors, and developing higher-quality products to increase the sales per square foot

in Downtown. There are some underutilized and/or vacant lots where the City could encourage new infill mixed-use development with retail on the ground 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 most retail sectors are not adequately served locally within the STA. This significant amount of unmet retail demand indicates that shoppers are leaving the STA to meet their retail needs beyond California, primarily in the Missouri cities of Jefferson City and Columbia, as well as on the Internet. Such unmet retail demand presents an opportunity for Downtown California to capture more retail dollars by becoming a more visible niche market in the region.

Table 16 on Page 29 lists the retail areas for potential growth in Downtown California. The retail goods and services are classified according to the North American Industry Classification System (NAICS) in industry groups. The categories of Other General Merchandise Stores and Department Stores have been removed because they include large “big box” uses that do not typically seek a location in a downtown environment due to today’s market forces. However, the unmet demand shown in these categories is worth noting as existing Downtown California merchants may wish to add general department store goods to their product lines to capture more sales.

Significant opportunities for Downtown to meet unmet demand are shown in dollars of additional sales for the City and include:

• Health & Personal Care Stores:	\$7.5 million
• Full-Service Restaurants:	\$3.7 million
• Clothing Stores:	\$3.2 million
• Electronics & Appliance Stores:	\$2.2 million
• Limited-Service Eating Places:	\$1.6 million
• Building Materials and Supplies Dealers:	\$1.4 million
• Lawn and Garden Equipment and Supplies Stores:	\$1.0 million
• Office Supplies, Stationary, and Gift Stores:	\$900,000
• Shoe Stores:	\$900,000
• Jewelry, Luggage, and Leather Goods Stores:	\$800,000
• Drinking Places—Alcoholic Beverages:	\$800,000

The total demonstrated unmet demand for retail goods and services, removing Grocery and Department Stores, shows that over \$26 million dollars in additional

sales for Downtown California could be generated if vacant space was available. However, this amount of demand would require 435,000 square feet of space based upon the figures of \$50.25 per retail square foot and \$158.76 per restaurant square foot. This is not a likely scenario, but these figures indicate that the City of California should be able to fill existing vacant spaces and may be able to develop new retail/restaurant space if it can develop a greater amount of visibility in the region as a shopping destination.

Although infill construction and relocation of office and service businesses to upper-floors and side streets should be pursued, the City should also pursue strategies to strengthen existing businesses and improve the quality of goods sold in Downtown to increase sales per square foot numbers.

Recommendations for improving the draw of Downtown California are intertwined with the overall brand of the City of California. The City needs to differentiate itself within the Jefferson City and Columbia markets by identifying, reinforcing, and promoting a niche market that will attract visitors. Additionally, wayfinding signage along Highway 50 will assist visitors to the City, as well as to Downtown attractions.

Another significant component that could be improved in Downtown California is not a retail market aspect. There are several single-family households located in, and around, Downtown. However, the residential density could be increased. As noted in the DREAM Residential Analysis, there is very modest growth expected for the California region. The most likely market for Downtown is the segment of residents age 55 and up. The City, in addition to working to become a greater regional draw, could encourage new Downtown development to include multi-story, mixed-use buildings with residential units. By developing a denser residential market in Downtown, all categories of retail and restaurant businesses will improve due to the proximity of potential customers.

The Appendix of this report includes maps of 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 valuable to Downtown California businesses as they seek to improve their sales.

## INTRODUCTION

Downtown California, Missouri has a typical grid pattern street layout. High Street runs north-south with the highest concentration of older buildings in varying condition. The buildings and surrounding streets comprise a dense, well-defined central business district. Although there are a number of cross streets and access points, the primary route into Downtown is directly along Oak Street via Highway 50 south of Downtown. The Union Pacific (UP) rail line connecting St. Louis to Kansas City, Missouri runs east-west at the southern edge of the DREAM Study Area.

The Courthouse Square is bounded by Main, High, East, and North Streets. The Downtown commercial core is somewhat dispersed, being primarily located along Oak, High, and East Streets south of the Courthouse Square. There are several large historic buildings that include the Finke Theatre, Old Latham Hospital, and a number of large private residences and churches. The City has improved sections of Oak and High streets with street lighting and new sidewalks. Being the County Seat, there are several governmental offices and public facilities in Downtown. City Hall is located at the intersection of Oak Street and Versailles Avenue along with the California Police Department. Downtown is also home to:

- The Wood Place Library
- California Public Schools
- The Moniteau County Jail
- The City Pool
- City Park, Railroad Park, and Smith-Burke Park
- The Moniteau County Historic Society Museum and Cultural Center
- The California Branch of the US Postal Service

Modern development trends have often diminished the function of the typical American downtown. As consumers favored the use of the automobile, commercial development sought larger parcels of affordable undeveloped land usually located outside of the city's commercial core. The automobile increased the mobility of the consumer, and shopping centers increasingly located in developments along major roadways. Downtown California has maintained important civic and social service functions, making it a destination for residents. Downtown must appeal to businesses and attract an expanded retail market to compete with larger retail centers in the region. DREAM seeks to increase the retail draw of Downtown to the City as a whole. Through the establishment of goals, strategies and implementation steps, Downtown has an opportunity to build upon its positive aspects and recent projects with sound planning strategies that seek to enhance the retail and restaurant market.

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## **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 California. 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 California DREAM Initiative activities, discussions were held, or surveys conducted, with long-term and new residents, Downtown business owners and stakeholders, and City officials and staff. These various market segments each provide insights into potential improvements to Downtown California's retail services. Additionally, a review of future residential demand for the area has been conducted by the Missouri Housing Development Commission in 2015. A physical examination of the City and 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 California. 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 2019. The analysis is meant to provide general strategic direction for developing retail in Downtown California. This study is not intended to be the sole basis for development decisions.

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## 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 the retail trade area for a car dealership or specialty electronics retailer 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, summarized below: a downtown trade area (Downtown), a Primary Trade Area (PTA) and a Secondary Trade Area (STA). The Downtown Trade Area is the defined DREAM Study Area in Downtown California, the PTA is the California city limits, and the STA is an area that includes any point within a modified 20-minute drive of Downtown. The STA represents an acceptable catch-basin of consumers likely to choose Downtown California over another community for a shopping trip. A map of each area is included in Appendix A and the three areas are summarized below.

- ◆ Downtown California (Downtown): The focus of the analysis is to determine the current retail activity captured by Downtown and the amount of additional retail activity that might be supported. Downtown California is defined as the DREAM Study Boundary.
- ◆ Primary Trade Area (PTA): This study classifies the boundary of the City of California as the PTA. Not only does Downtown 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 modified 20-minute drive-time to Downtown; adjusted to reflect the proximity of California to the Jefferson City retail market. Most consumers in this area are likely to travel to the PTA to shop and may be shopping in Downtown. Retail recommendations will focus on how Downtown 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 2015 for Downtown, the PTA, the STA, and the State of Missouri. Some information in this analysis will be compared to information from the 2010 United States Decennial Census. However, Downtown and the STA do not coincide with whole census tracts or Census identified areas. Data for these geographies should not be relied upon as precise figures, but rather as estimates extrapolated from local census tracts and the City of California. For purposes of comparison, the demographic tables in this report use current 2015 estimates and 2020 projections as provided by a third-party demographic data supplier and based on U.S. Census data.

Table 1, below, indicates the Downtown population count and shows that the median household income is lower than the STA and the State of Missouri, but slightly higher than the PTA. The average people per occupied household is 2.5 in the PTA and the State, 2.6 in Downtown, and 2.8 in the STA. The median age in Downtown is significantly younger than the PTA, STA, and the State of Missouri.

**TABLE 1: 2015 DEMOGRAPHIC SNAPSHOT**

	Downtown California	PTA	STA	State of Missouri
Population	597	4,379	14,662	6,092,320
Median Household Income	\$36,165	\$35,784	\$43,011	\$47,398
Housing Units	278	1,951	5,869	2,782,240
Owner Occupied	145	1,164	3,956	1,651,597
Renter Occupied	86	604	1,305	777,052
Vacant Units	48	183	608	353,591
Median Age	31.7	37.4	38.7	38.6
19 and Under	184	1,205	3,743	1,544,446
20-44	213	1,412	4,876	1,973,235
45 and Over	199	1,762	6,041	2,574,639

**MARKET PROFILE/DEMOGRAPHIC TRENDS**

**DOWNTOWN CALIFORNIA (DOWNTOWN)**

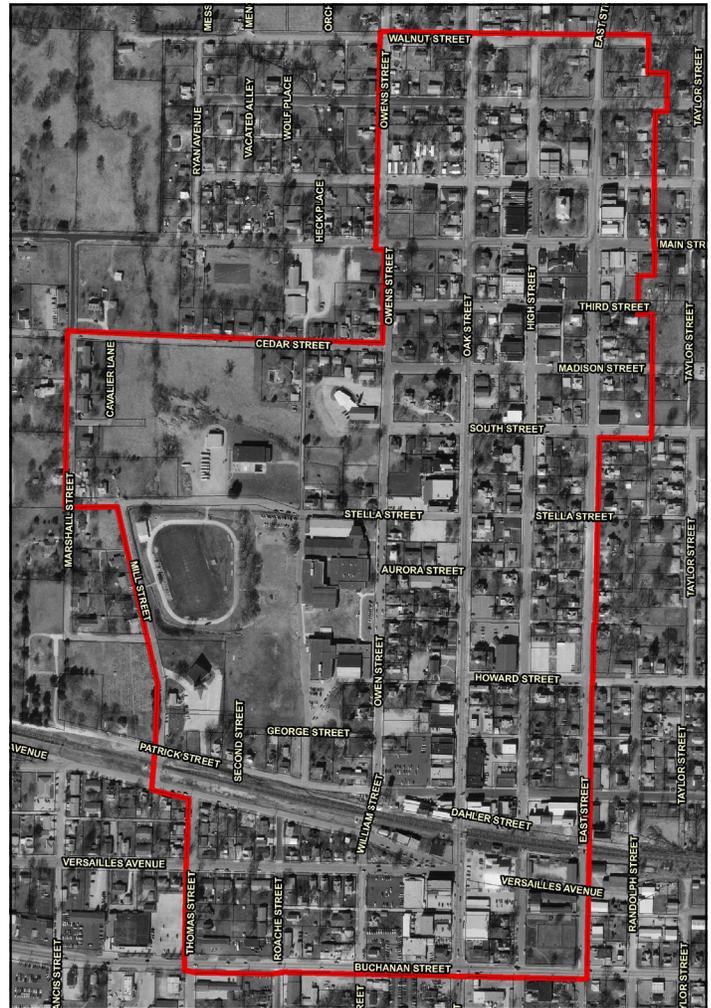
Downtown (the area within the DREAM boundary) is roughly 163 acres and consists of about 326 primary buildings on 57 city blocks (see Figure 1).

The 2010 Census showed 599 people lived Downtown in 232 occupied housing units, for an average of about 2.6 persons per occupied unit. The median age was 31.6, with about 33% of the population being age 19 or younger, 35% between 20 and 44 years of age, and 32% being 45 years of age or more.

The 2015 estimate for the population and number of housing units in Downtown are unchanged and this trend is expected to continue. For the 2020 estimate, the median age is expected to increase slightly and the age cohort of 45 and up being the only group expected to see growth. The 45 and over age cohort saw a significant increase from 2010 to 2015, while the 19 and under category declined the most over that same time period.

Table 2, at right, illustrates current demographics and future demographic trends for Downtown.

**Figure 1: Downtown California**



**TABLE 2: DOWNTOWN CALIFORNIA**

	2010	2015	2020	% Change '10-'15	% Change '15-'20
Population	599	597	598	-0.3%	0.2%
Housing Units	276	278	280	0.7%	0.7%
Owner Occupied	148	145	145	-2.0%	0.0%
Renter Occupied	84	86	85	2.4%	-1.2%
Vacant Units	44	48	50	9.1%	4.2%
Median Age	31.6	31.7	32.5	0.3%	2.5%
19 and Under	196	184	183	-6.1%	-0.5%
20-44	209	213	213	1.9%	0.0%
45 and Over	193	199	204	3.1%	2.5%

PRIMARY TRADE AREA (PTA)

The 2010 Census showed 4,278 people lived in the PTA (defined as the City limits of California, as depicted in Figure 2, below) in 1,727 occupied housing units for an average of 2.5 persons per occupied unit. The median age was 36.5 with about 29% of the population age 19 or younger, 32% between 20 and 44 years of age, and 39% age 45 years or more.

**Figure 2: Primary Trade Area**

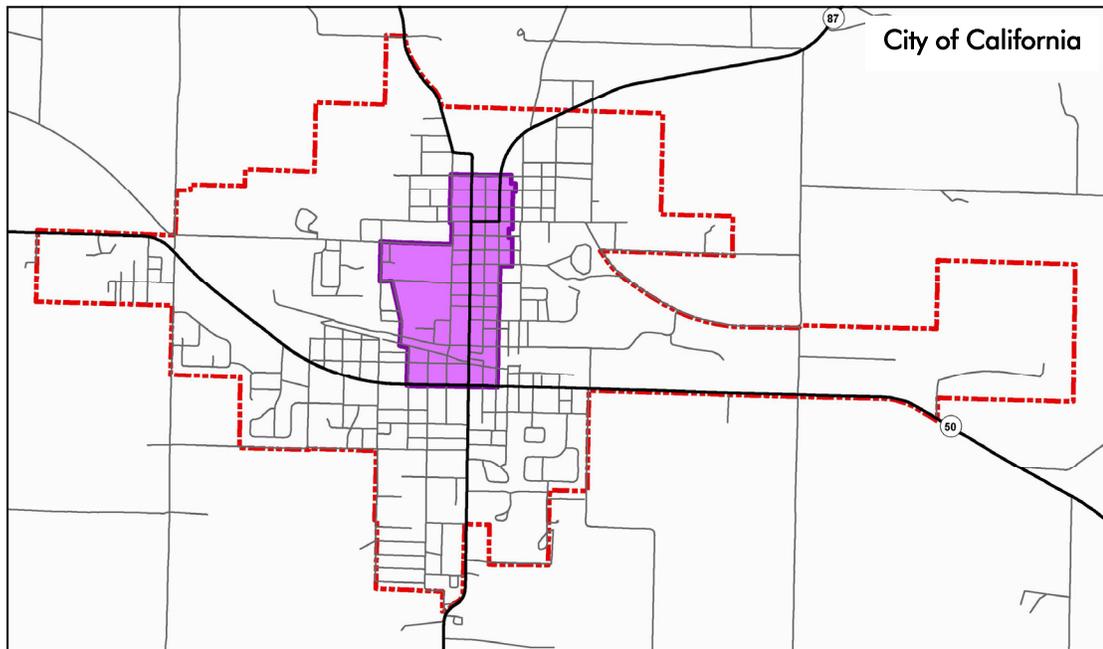


Table 3, at right, shows that the 2015 population estimate of the PTA has grown slightly and this growth trend is expected to continue. The table also shows slight growth in the number of housing units. The median age is expected to increase slightly; with the age cohort of 45 and over increasing the most through 2020.

**TABLE 3: PRIMARY TRADE AREA**

	2010	2015	2020	% Change '10-'15	% Change '15-'20
Population	4,278	4,379	4,473	2.4%	2.1%
Housing Units	1,909	1,951	1,988	2.2%	1.9%
Owner Occupied	1,109	1,164	1,196	5.0%	2.7%
Renter Occupied	618	604	611	-2.3%	1.2%
Vacant Units	182	183	181	0.5%	-1.1%
Median Age	36.5	37.4	37.7	2.5%	0.8%
19 and Under	1,239	1,205	1,244	-2.7%	3.2%
20-44	1,354	1,412	1,379	4.3%	-2.3%
45 and Over	1,685	1,762	1,852	4.6%	5.1%

**SECONDARY TRADE AREA (STA)**

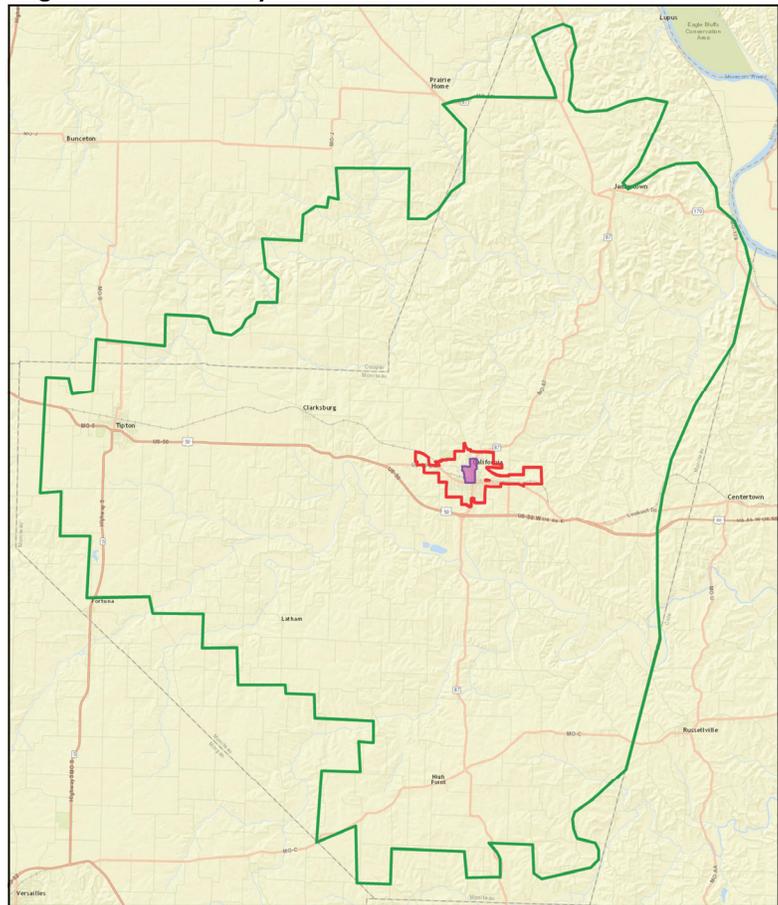
The 2010 Census showed 14,226 people lived in the STA (refer to Figure 3, at right) in 5,098 occupied housing units for an average of about 2.8 people per occupied housing unit. The median age was 37.9 with about 27% of the population age 19 or younger, 33% between 20 and 44 years of age, and 40% age 45 years or more.

Table 4, below, shows that the 2015 population estimate of the STA has grown moderately and that this growth trend is expected to continue. The table also shows growth in the number of housing units. The median age is projected to increase. Although the youngest cohort of 19 years has historically

demonstrated the slowest growth, the age cohort of 20-44 years of age is projected to be the slowest growing cohort for Downtown moving forward to 2020.

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

**Figure 3: Secondary Trade Area**



**TABLE 4: SECONDARY TRADE AREA**

	2010	2015	2020	% Change '10-'15	% Change '15-'20
Population	14,226	14,662	15,047	3.1%	2.6%
Housing Units	5,692	5,869	6,026	3.1%	2.7%
Owner Occupied	3,861	3,956	4,067	2.5%	2.8%
Renter Occupied	1,237	1,305	1,338	5.5%	2.5%
Vacant Units	594	608	620	2.4%	2.0%
Median Age	37.9	38.7	39.5	2.1%	2.1%
19 and Under	3,835	3,743	3,890	-2.4%	3.9%
20-44	4,655	4,876	4,725	4.7%	-3.1%
45 and Over	5,736	6,041	6,431	5.3%	6.5%

## 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 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**

	2010	2015	2020	% Change '10-'15	% Change '15-'20
Population	5,988,927	6,092,320	6,221,540	1.7%	2.1%
Housing Units	2,712,729	2,782,240	2,848,089	2.6%	2.4%
Owner Occupied	1,633,610	1,651,597	1,688,070	1.1%	2.2%
Renter Occupied	742,001	777,052	796,537	4.7%	2.5%
Vacant Units	337,118	353,591	363,482	4.9%	2.8%
Median Age	37.8	38.6	39.3	2.1%	1.8%
19 and Under	1,601,411	1,544,446	1,559,206	-3.6%	1.0%
20-44	1,937,372	1,973,235	1,978,777	1.9%	0.3%
45 and Over	2,450,144	2,574,639	2,683,557	5.1%	4.2%

## DEMOGRAPHIC COMPARISON

Table 6, below, provides a comparison of demographic data and shows that Downtown California population growth is stagnant and lagging behind the PTA, STA, and State. This trend is expected to continue with little to no growth shown through 2020 and the highest growth rate seen in the STA. The table also shows that the population in Downtown is aging at a slower rate than the PTA, STA, and State. However, the 2020 estimate is that the aging population in Downtown will begin to exceed that of the State. Overall, these trends do not indicate that people are moving to Downtown or to California, but they may be moving to the region.

**TABLE 6: DEMOGRAPHIC COMPARISON**

	Population % Change		Median Age Change (in years)	
	'10-'15	'15-'20	'10-'15	'15-'20
Downtown	-0.3%	0.2%	0.1	0.8
PTA	2.4%	2.1%	0.9	0.3
STA	3.1%	2.6%	0.8	0.8
State	1.7%	2.1%	0.8	0.7

Table 7, below, gives a comparison of age demographic trends. The Downtown population is only expected to see growth in the 45 & Over age cohort and that growth is expected to still lag behind that of the PTA, STA, and State. The PTA and STA shows a stronger growth in the 19 & Under and 45 & Over age groups. However, the 20-44 age group is expected to decline. The PTA and STA growth is expected to outpace the State in the 55 & Over age group.

**TABLE 7: TRADE AREA AGE COMPARISON**

	19 & Under Change		20-44 Change		45 & Over Change	
	'10-'15	'15-'20	'10-'15	'15-'20	'10-'15	'15-'20
Downtown	-6.1%	-0.5%	1.9%	0.0%	3.1%	2.5%
PTA	-2.7%	3.2%	4.3%	-2.3%	4.6%	5.1%
STA	-2.4%	3.9%	4.7%	-3.1%	5.3%	6.5%
State	-3.6%	1.0%	1.9%	0.3%	5.1%	4.2%

Table 8, below, provides a projection of the housing units in the trade areas. The table shows that Downtown housing units are expected to lag behind the PTA, STA, and State in every category except for vacant units; which is not a positive trend. However, the PTA and STA are expected to see some growth in overall housing units, along with a decline in vacant units for the PTA.

**TABLE 8: TRADE AREA HOUSING UNITS COMPARISON**

	Housing Units Change	Owner Occupied Change	Renter Occupied Change	Vacant Unit Change
	'15-'20	'15-'20	'15-'20	'15-'20
Downtown	0.7%	0.0%	-1.2%	4.2%
PTA	1.9%	2.7%	1.2%	-1.1%
STA	2.7%	2.8%	2.5%	1.9%
State	2.4%	2.2%	2.5%	2.7%

## 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. The Missouri Housing Development Commission, through the DREAM process, hired Valbridge Property Advisors to conduct a Residential Demand Analysis in February of 2015. The Residential Demand Analysis concluded that California could benefit from adding more residential units in and around Downtown, but demand through 2020 is expected to be limited. The analysis

proposed that there may be demand for about 10 rental units (primarily from residents age 62+) and 20 owner-occupied units (primarily from residents age 55+). The analysis points to slight population growth for the City and County that is falling behind the overall State of Missouri growth rate. The City and County will need to attract sizeable employers to help reverse this trend.

The benefits of increasing residential units in the core of the City 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 Downtown, and creating ideal conditions for extended business hours and additional businesses.

## CONSUMER SEGMENTS

Specific retail 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 California's businesses in the future. The City can address customer needs and implement plans that increase Downtown's ability to provide needed services to these segments. The broad consumer segments reviewed for California include:

### **Downtown Employees**

- As shown in Table 9 on page 21, Downtown is home to about 1,185 employees and 103 businesses.
- This segment's impact on the City's retail market can be estimated:  
 $1,185 \times \$10 \text{ weekly} = \text{about } \$600,000 \text{ annually.}$
- This segment has a large demand for restaurants and food services, as well as convenience items during work commutes.
- This segment often responds to frequent and repeat business promotions.
- Downtown businesses should seek to develop strategies to keep and serve this market in Downtown without the need to drive to other locations.

### **Downtown Residents**

- An estimated 597 residents live in about 231 households in Downtown California; this market is somewhat small, but should be considered.
- 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.

### **California Residents**

- This is a much larger segment than Downtown Residents, with the PTA population estimated at 4,397 for 2015.
- 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 reasons such as entertainment, outdoor recreation, shopping, events, dining, conducting business with government offices, and the post office. Other reasons likely include attending church.
- 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 often dependent upon lodging operators as an information source. Effective strategies will include local lodging options.
- Strategies for serving this market 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 California, the DREAM Initiative conducted focus groups and a telephone survey. Those surveyed indicated what they liked or did not like about Downtown and what businesses should be added to the present business mix. Participants also gave suggestions on what should be prioritized to improve Downtown and make it more appealing. Both the focus group and the survey results offer an important source of data about local consumer behavior.

Focus groups were conducted to gather initial information about Downtown California relative to four general groups: Downtown Business Owners; Elected Officials and City Staff; Long-Term Residents; and New Residents.

Summarized Focus Group comments regarding retail development included:

- Participants indicated they tend to do everyday shopping in California, primarily at Wal-Mart. However, for specialty items, clothing, or greater entertainment and dining variety, most participants noted they shop in Jefferson City or Columbia, Missouri. Some participants indicated they will travel to the outlet stores at Lake of the Ozarks to shop.
- Some focus group participants indicated they shop online or sometimes travel to Kansas City or St. Louis, Missouri for a wider variety of goods.
- Participants felt Downtown was not moving in the wrong direction, but was perhaps stagnate. Several participants mentioned the enthusiasm and improved buildings that California Progress, Inc. has brought to Downtown.
- Most participants felt that California overall was difficult to find from Highway 50. Many participants noted the need for improving wayfinding signage to, and around, Downtown as well.
- Participants felt that parking currently was not an issue; noting problem times only during court or theatre shows. However, some participants felt that with just a few more businesses, Downtown would have parking issues.
- A similar sentiment was expressed regarding business hours; currently, there are no retailers or restaurants that need to be open into the evening.
- Some participants noted that restaurants that serve alcohol have seemed to have trouble being successful in Downtown California.
- Participants generally felt that more dining options and specialty stores were needed in the Downtown business mix.
- Participants felt that major issues facing Downtown included lack of zoning and codes, wayfinding, and the relocation of Highway 50 pulling business traffic away from Downtown.

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

- Almost 97% of respondents answered that they often visited Highway 50 business area; followed by 82% indicating they often visit the Highway 87/Oak Street business area; and just under 64% indicating they often visit the Courthouse Square business area. A third of respondents said they hardly ever visit the Courthouse Square business area.
- The remaining questions refer to the Highway 87/Oak Street and Courthouse Square business areas as "Downtown."

- Majorities of residents indicated they most often visit Downtown for “dining” (79%), “conducting business” (78%), “shopping” (78%), “government/post office” (72%), and “special events” (62%).
- A majority (90%) feel that retaining the historic character of Downtown California is “very” or “somewhat” important.
- A majority of respondents placed a high priority on adding a farmer’s market (63%), a clothing store (60%), and family or casual dining options (51%) to the Downtown business areas. Bars & nightclubs were ranked as the lowest priority by respondents.
- Majorities of respondents indicated they would like to see the improvements of repairing streets and sidewalks (61%) and removing derelict homes and buildings (59%) as high priority improvements.
- A full 60% of respondents indicated support for an additional sales tax for economic development and public infrastructure improvements.
- Respondents tended to be age 50 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.

The priorities identified by the DREAM Community Survey tasks can help determine what retail mix may be successful and accepted in Downtown California. 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 for new businesses as indicated by the results of this task.

**Figure 4: Downtown Business Priorities from Community Survey Tasks**

Focus Groups		Community Phone Survey	
Entertainment Options	All Groups	Farmer's Market	63%
Casual/Family Dining	All Groups	Clothing Stores	60%
Clothing/Shoes/Jewelry	3 Groups	Casual/Family Dining	51%
Coffee Shop	3 Groups	Arcade/Youth Attraction	46%
Antiques	2 Groups	Ice Cream/Soda Fountain	45%
Bookstore	2 Groups	Lodging	39%
Movie Theatre	2 Groups	Fine Dining	38%
Bakery	1 Group	Bookstore	34%
Banquet Hall	1 Group	Coffee Shop	26%
Farmer's Market	1 Group	Outdoor Dining	24%
Gas Station	1 Group	Art Galleries and Shops	21%
Gift Shop	1 Group	Antique Shops	20%
Ice Cream/Soda Fountain	1 Group	Bars/Nightclubs	8%
Wine Shop	1 Group		

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## BUSINESS MARKET

The City of California, and the surrounding area, have a fairly active and diverse economy. Table 9, below, illustrates the total estimated employment in 2015, for the California trade areas. Table 10, below Table 9, provides a listing of some of the largest employers in California.

**TABLE 9: 2015 TOTAL EMPLOYMENT**

	Downtown California	PTA	STA
Employees	1,185	2,571	5,120
Businesses	103	260	593

**TABLE 10: CALIFORNIA EMPLOYERS**

Employer	Business Type	Employees
Arkansas Valley Feathers	Manufacturing	50-99
Burger's Smokehouse	Manufacturing	100-250
Cargill Value Added Meats	Manufacturing	250-500
Moniteau County R-1 Schools	Education	250-500

Source: California Chamber of Commerce with employment numbers estimated by Manta

## COMPARATIVE MARKET ANALYSIS

As noted, Downtown California is the County Seat for Moniteau County and is a regional hub for activity with numerous local attractions and businesses. The County Fairgrounds are located just to the east of Downtown and Railroad Lake is located to the south. Other regional attractions nearby California, include:

- Lincoln University in Jefferson City
- Jefferson City State Capitol Building
- Jefferson City National Cemetery
- Plowboy Bend Conservation Area
- Eagle Bluffs Conservation Area
- Marion Bottoms Conservation Area
- The Isle of Capri Casino in Boonville, Missouri
- The Lewis and Clark Trail
- Lamine River Conservation Area

## TENANT MIX & LAND USE

The Land Use, Building & Infrastructure Survey, conducted in 2010 and subsequently updated in 2015 for this report, gathered information on how Downtown parcels of land are being used. Table 11, below, identifies a total of 338 parcels on which are located 324 primary buildings that represent about 712,750 square feet of total first-floor space.

**TABLE 11: LAND USE TOTALS & 1st FLOOR SQUARE FOOTAGE**

Land Use	Number of Parcels	Number of Buildings	Building Square Footage <sup>1</sup>	Vacant Square Footage	Percent Vacant
Residential					
Single-Family	195	201	257,881	0	0.0%
Multi-Family	11	11	14,165	0	0.0%
<b>Sub-Total</b>	<b>206</b>	<b>212</b>	<b>272,046</b>	<b>0</b>	<b>0.0%</b>
Commercial					
Office / Service	37	39	105,199	0	0.0%
Retail	14	18	50,372	12,225	24.3%
Automotive <sup>2</sup>	7	5	13,483	0	0.0%
Restaurant	3	5	14,782	5,650	38.2%
<b>Sub-Total</b>	<b>61</b>	<b>67</b>	<b>183,836</b>	<b>17,875</b>	<b>9.7%</b>
Mixed-Use	6	2	7,221	4,700	65.1%
Industrial	9	12	29,722	0	0.0%
Public / Institutional	35	31	219,924	0	0.0%
Public Parking	2	NA	NA	NA	NA
Park / Recreation	2	NA	NA	NA	NA
Vacant Lot	17	NA	NA	NA	NA
<b>TOTAL</b>	<b>338</b>	<b>324</b>	<b>712,749</b>	<b>22,575</b>	<b>3.2%</b>

<sup>1</sup> Building Square Footage assumes that 80% of the building footprint is usable.

<sup>2</sup> Automotive uses are removed from retail sales calculations.

The suitability of this space for a retail or restaurant use is analyzed and classified into four broad categories:

### Residential Space:

There are about 212 existing buildings with 272,046 square feet of first-floor space (38% of total square feet, with 2% being multi-family). While Downtown residents provide numerous benefits to Downtown businesses, residential buildings are generally not considered for conversion to commercial space. Unless there are unusual circumstances, the existing residential space does not present an opportunity for Downtown California to attract more retail or restaurant uses.

Non-Retail/Restaurant Commercial Space:

Table 11 also identifies 39 office/service buildings, 12 industrial buildings, and 35 public/institutional buildings. The total square footage of this category of space is 354,845 square feet (50% of total square feet), with no vacancies. The industrial space (4% of total square feet) and public/institutional space (31% of total square feet) do not provide space easily converted to retail or restaurant use. The office/service space of about 105,199 square feet (15% of total square feet) presents a potential opportunity of easy conversion into space useable by retail or restaurant operations. However, the City would likely need to encourage this conversion through adjustments to its zoning classifications.

Retail/Restaurant Space:

Twenty eight of Downtown California's buildings were identified as retail and restaurant uses, representing about 78,637 square feet of space (11% of total square feet). However, this includes 13,483 square feet in five buildings that are automotive uses including a car dealer and a gasoline station. Due to today's market forces, new businesses in these uses (along with department and grocery stores) are not likely to locate in a downtown environment. Removing the square footage for the existing automotive uses provides about 65,154 square feet of retail/restaurant space in 23 buildings. About 5,650 square feet of this vacancy is in space formerly used for restaurant and about 12,225 square feet is in space formerly used for retail, for a total of 17,875 square feet of vacancy.

Mixed-Use Space:

Mixed-Use space is typically some combination of commercial and residential space. There are two mixed-use buildings with about 7,221 square feet (1% of total square feet) that could include retail or restaurant uses. About 4,700 square feet of this space is vacant.

Overall, 22,575 square feet of Downtown space is vacant and ready for retail/restaurant use. The vacancy rate for retail uses is over 24%, for restaurants over 38%, and for mixed-uses over 65%. These high vacancy rates, coupled with the lack of vacancy in office/service and industrial uses, suggests that existing Downtown retail/restaurant space may be under pressure to convert to other types of uses. Additionally, there is a significant amount of existing public/institutional space. Retail and restaurant uses are critical to establishing a vibrant business atmosphere and provide a broad tax base for the City. **However, in Downtown California 88% of the total available first-floor space is a non-retail/non-restaurant use.** This situation may require the City to take action to preserve prime, first-floor spaces for retail and restaurant use.

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## MARKET RESEARCH FINDINGS

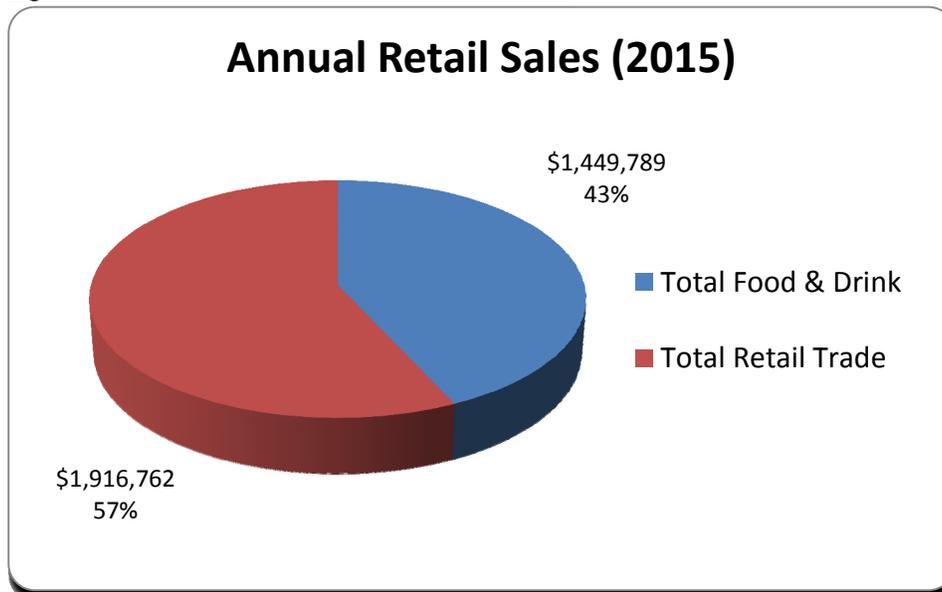
### RETAIL ANALYSIS

A review of market conditions provides an idea of the possible new and existing business potential for Downtown California. Downtown contains about 191,047 square feet of existing first-floor commercial space that includes:

- 13,483 square feet of automotive use (removed from calculations)
- 105,199 square feet of office/service space (fully occupied)
- 14,782 square feet of restaurant space (5,650 square feet vacant)
- 50,372 square feet of retail space (12,225 square feet vacant)
- 7,221 square feet of mixed-use space (4,700 square feet vacant)

Data show that the overall retail/restaurant space in Downtown is generating about \$3.37 million in annual sales (sales do not include auto dealers and related items, gasoline stations, or non-store retailers). The retail component (removing any square footage for auto dealers and related items, gasoline stations, or non-store retailers) is generating \$1.92 million or about \$50.25 per occupied square foot. The restaurant component is generating about \$1.45 million or about \$158.76 per occupied square foot. Figure 5, below, demonstrates the split of Downtown Annual Sales from 2015 between retail and food & drink uses.

**Figure 5: Downtown California Annual Sales**



Using the above square foot averages, the 22,575 square feet of existing vacancy that can be used by a retail or restaurant use represents an additional \$1.1 million to \$3.5 million in potential sales to the City.

Table 12, below, provides a breakdown of some of the retail establishments in Downtown California, the PTA, and the STA that are currently productive in generating sales. Table 13, below Table 12, provides a specific sampling of some of the main Downtown businesses. Additionally, existing retail spaces are shown in the map found in Appendix C. 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. The automotive uses are listed in table 13. 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 California business in these categories.

**TABLE 12: RETAIL ESTABLISHMENTS**

	Downtown California		Primary Trade Area		Secondary Trade Area	
	Businesses	Employees	Businesses	Employees	Businesses	Employees
TOTAL (Pedestrian-generating businesses):	16	122	46	422	90	677
Furniture & Home Furnishings Stores	0	0	2	4	6	57
Electronics & Appliance Stores	0	0	0	0	3	6
Bldg. Materials & Garden Equipment & Supplies	1	7	4	24	8	38
Food & Beverage Stores	2	38	7	132	12	175
Health & Personal Care Stores	1	4	2	12	4	21
Clothing & Clothing Accessories Stores	0	0	1	1	2	7
Sporting Good, Hobby, Book & Music Stores	1	1	1	2	5	12
General Merchandise Stores	1	2	2	12	4	20
Miscellaneous Store Retailers	3	8	8	33	11	37
Arts, Entertainment & Recreation	3	16	5	20	9	38
Accommodation	0	0	1	2	2	7
Food Services & Drinking Places	4	46	13	180	24	259
<b>Total Businesses (including non-retail)</b>	103		260		593	
<b>Total Employees (including non-retail)</b>	1,185		2,571		5,120	
<b>Total Residential Population</b>	597		4,379		14,662	
<b>Employees/Population</b>	1.98		0.59		0.35	

**TABLE 13: EXISTING RETAIL**

NAICS Industry Group	Store Name
<b>Automotive</b>	Sakelaris Ford
	Break Time
	Casey's General Store
<b>Furniture &amp; Home Furnishings Stores</b>	Patricia Kay Interiors
<b>Hardware Stores</b>	Sweet's Hardware & Rental
<b>Clothing Stores</b>	Silvey's Boot & Shoe Repair
<b>Sewing, Needlework, and Piece Goods</b>	Oak Street Fabric & More
<b>Performing Arts</b>	Finke Theatre
<b>Miscellaneous Retailers</b>	Creative Awards
	El Rincon Latino
<b>Florists</b>	Originals
<b>Beer, Wine, and Liquor Stores</b>	Mr. G's Liquor
<b>Used Merchandise Stores</b>	Sweet Buy & Buy
	Cheapee's Thrift Store
<b>Food Services &amp; Drinking Places</b>	Panda Restaurant
	California Events Center
	High Street Grill
	Chim's Thai Restaurant

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 California	Primary Trade Area	Secondary Trade Area
Median Household Income	\$36,165	\$35,784	\$43,011
<b>Average Annual Household Expenditures for Selected Retail Sectors</b>			
<b>Food</b>	<b>\$5,078</b>	<b>\$5,435</b>	<b>\$6,290</b>
Food at Home	\$3,179	\$3,444	\$4,003
Food Away from Home	\$1,900	\$1,991	\$2,287
<b>Apparel and Services</b>	<b>\$1,330</b>	<b>\$1,382</b>	<b>\$1,585</b>
<b>Household Merchandise</b>	<b>\$1,146</b>	<b>\$1,354</b>	<b>\$1,567</b>
Electronics	\$248	\$379	\$422
Household Goods	\$898	\$975	\$1,145
<b>Household Care</b>	<b>\$1,570</b>	<b>\$1,783</b>	<b>\$2,175</b>
<b>Transportation and Travel</b>	<b>\$3,639</b>	<b>\$3,920</b>	<b>\$4,565</b>
Transportation	\$2,873	\$3,132	\$3,655
Travel	\$766	\$788	\$910
<b>Health &amp; Personal Care</b>	<b>\$1,167</b>	<b>\$1,307</b>	<b>\$1,544</b>
Health Care	\$458	\$525	\$633
Personal Care Products	\$709	\$782	\$912
<b>Entertainment &amp; Recreation</b>	<b>\$1,733</b>	<b>\$1,900</b>	<b>\$2,242</b>
<b>Total for Selected Sectors</b>	<b>\$15,662</b>	<b>\$17,081</b>	<b>\$19,969</b>

The largest portion of expenditures are spent on food (at home and away from home), followed by transportation and travel expenditures. Table 14 also shows slight differences between Downtown spending and that of the PTA and STA. The PTA is demonstrating the lowest median household income. However, Downtown spends the least on these categories.

Table 15, on the following page, suggests California’s potential purchasing power by providing the 2015 estimate of the number of households at regular income thresholds. Table 15 shows that about 37% of Downtown households have an annual income of less than \$25,000 (compared with 36% in the PTA and 29% in the STA) and about 86% have an annual income of less than \$75,000 (83% in the PTA and 77% in the STA). These are very modest income levels that may restrict the amount of additional retail sales that can be developed.

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 California revitalization.

**TABLE 15: HOUSEHOLD INCOME (2015 Estimated)**

Income Level	Downtown California	Primary Trade Area	Secondary Trade Area
Less than \$ 15,000	52	401	936
\$ 15,000 - \$24,999	33	242	598
\$ 25,000 - \$34,999	26	224	629
\$ 35,000 - \$49,999	37	238	763
\$ 50,000 - \$74,999	54	363	1,129
\$ 75,000 - \$99,999	15	152	609
\$ 100,000 - \$149,999	10	120	476
\$ 150,000 - \$199,999	1	12	59
\$ 200,000 +	2	16	61
<b>Total</b>	<b>230</b>	<b>1,768</b>	<b>5,260</b>

### POTENTIAL STORE SPACE SUPPORTED

The City of California has a trade area upon which Downtown businesses rely. However, the proximity of the Jefferson City and Columbia markets impact the activity in the California retail markets. Appendix B indicates that only the categories of Florists, Used Merchandise Stores, and Other Miscellaneous Store Retailers are currently meeting retail demand in the STA. All other categories are showing some amount of unmet retail demand. This may be an indication of the strong pull of the Jefferson City and Columbia retail markets satisfying the regional demand, as the goods in all other categories are being purchased, but not within the STA. Some retail demand is also likely being met through internet purchases. However, the significant amount of retail in the region presents an opportunity for Downtown to develop strategies that will draw visitors to Downtown and capture more retail dollars for the City of California.

Table 16, on page 29, 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 (\$50.25) and the average restaurant sales per square foot (\$158.76). While the table shows that Downtown could support an estimated 864,000 square feet of retail/restaurant space, this number is inflated by the Other General Merchandise Stores category which ranges from dollar stores to warehouse clubs and supercenters and also by the Department Store category.

While a dollar store will often seek a downtown environment, a warehouse club, supercenter, or department store is not likely to locate downtown due to today's retail market forces and the amount of land required. It is helpful to consider this amount of unmet demand for variety stores and other potential smaller uses. Removing the demand shown for these uses leaves a total of about 435,000 square feet. This amount of square footage is still not likely to be met by Downtown California alone as it is significantly more than current vacant space available that is easily used for retail (22,575 square feet from Table 11 on page 22).

**TABLE 16: FUTURE RETAIL GROWTH**

Industry Group	Opportunity <sup>1</sup>	Potential Retail Area (sq.ft.) Supported <sup>2</sup>
<del>Other General Merchandise Stores (NAICS 4529)</del>	<del>\$ 15,743,386</del>	<del>313,322</del>
<del>Department Stores Excluding Leased Depts. (NAICS 4521)</del>	<del>\$ 5,827,627</del>	<del>115,980</del>
Health & Personal Care Stores (NAICS 446/NAICS 4461)	\$ 7,506,345	149,390
Full-Service Restaurants (NAICS 7221)	\$ 3,745,211	23,591
Clothing Stores (NAICS 4481)	\$ 3,168,988	63,069
Electronics & Appliance Stores (NAICS 443/NAICS 4431)	\$ 2,239,182	44,564
Limited-Service Eating Places (NAICS 7222)	\$ 1,585,950	9,990
Building Material and Supplies Dealers (NAICS 4441)	\$ 1,388,177	27,627
Lawn and Garden Equipment and Supplies Stores (NAICS 4442)	\$ 962,774	19,161
Office Supplies, Stationery, and Gift Stores (NAICS 4532)	\$ 941,319	18,734
Shoe Stores (NAICS 4482)	\$ 889,242	17,698
Jewelry, Luggage, and Leather Goods Stores (NAICS 4483)	\$ 789,934	15,721
Drinking Places - Alcoholic Beverages (NAICS 7224)	\$ 764,617	4,816
Furniture Stores (NAICS 4421)	\$ 612,581	12,191
Beer, Wine, and Liquor Stores (NAICS 4453)	\$ 557,593	11,097
Special Food Services (NAICS 7223)	\$ 544,517	3,430
Sporting Goods/Hobby/Musical Instrument Stores (NAICS 4511)	\$ 294,129	5,854
Specialty Food Stores (NAICS 4452)	\$ 248,109	4,938
Book, Periodical, and Music Stores (NAICS 4512)	\$ 122,183	2,432
Home Furnishings Stores (NAICS 4422)	\$ 10,642	212
<b>TOTAL:</b>	<b>\$47,942,506</b>	<b>863,814</b>
<b>ADJUSTED TOTAL:</b>	<b>\$26,371,493</b>	<b>434,512</b>

<sup>1</sup> Indicates unmet consumer demand within the Secondary Trade Area.

<sup>2</sup> Based on \$50.25 in retail sales per square foot, \$158.76 in restaurant sales per square foot, and existing retail building inventory and activity observed in Downtown California.

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. The significant shortage of retail space suggests that Downtown California could compete with the retail draws from Jefferson City and Columbia by some combination of the following:

- Raise the visibility of California as a shopping destination within the region.

- Fill existing Downtown vacancies with retail or restaurant uses that are compelling to the regions residents.
- Develop additional retail or restaurant square footage.
- Convert existing non-retail ground floor uses to retail or restaurant space.
  - ◊ Potential space for conversion could include some of the 219,924 square feet of public / institutional space or the 105,199 square feet of office / service space. Together these uses represent almost 46% of total Downtown ground floor space.
  - ◊ There is also a significant amount of single-family space (257,881 square feet) included in Downtown. There may properties in poor or dilapidated condition that would provide an opportunity for a retail developer.
- Encourage future office and service uses to relocate to upper-floors and side streets to help preserving prime first-floor spaces for retail uses.

Table 16 provides a suggestion for prioritizing potential retail categories for attraction to Downtown locations. The most significant retail opportunities, include:

- 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.
- In the focus groups and web-based resident 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 an area with a high visitor draw or in close proximity to a vibrant residential market. The unmet demand exists for restaurant uses, but Downtown will need to capture some of the very modest residential demand expected through 2020, as noted on page 15, to help support the area’s restaurants and businesses.
- “Clothing Stores” are demonstrating a large amount of demand and could be combined with “Shoe Stores”, and/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.
- The retail sector of “Electronics & Appliance Stores” is demonstrating significant unmet demand. This is a category for which many consumers shop on the internet. Some of these products could be combined with “Office

Supplies, Stationary, and Gift Stores” and/or “Furniture Stores” to develop a larger store. Stores such as mobile phone stores can occupy a small location and generate a sizeable amount of sales.

- “Building Materials and Supplies Dealers” and “Lawn and Garden Equipment and Supplies Stores”, while demonstrating a total of about \$2.35 million in unmet retail demand, are not generally viewed as destination/tourism-types of shopping retailers. Downtown locations are typically not suitable for stores that carry these types of products. However, due to the sizable amount of sales that could be captured, Downtown should still consider smaller versions of these stores for locations along side streets, on irregularly-shaped lots, or in buildings that are unappealing to retail users.
- “Drinking Places - Alcoholic Beverages” represent an opportunity to address some unmet demand. Additionally, these businesses could be combined with “Beer, Wine, and Liquor Stores” to create a larger facility (such as a brewpub or a winery) that could also provide entertainment. 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 a minimum percentage of sales at such a business is food-related. The City should also ensure there are no obstacles to restaurants for serving alcoholic drinks with a meal; resulting in higher meal ticket sales. These types of businesses could locate in existing buildings and should be well regulated and policed to address any negative impacts on Downtown.
- As noted, stores selling products in most of the other categories listed in Table 16 are all showing fair amounts of unmet demand. Downtown may not want to target “Sporting Goods/Hobby/Musical Instrument Stores”, “Book, Periodical, and Music Stores”, or “Home Furnishings Stores” as they are demonstrating smaller amounts of unmet retail demand. However, other categories could be stand-alone stores or could be combined with similar products as previously discussed.

## AVAILABLE RETAIL SPACE INVENTORY

The vacant properties identified in Downtown California are shown below on Table 17, and on the 1st Floor Vacancy Map in Appendix D. As of June 2015, there are only nine Downtown California vacancies. These vacancies range from 1,250 square feet to 5,650 square feet with an average existing vacant space being 2,500 square feet. There is only one opportunity with storefronts next to each other that could be combined for a larger space; locations 1 & 2 along Oak Street. Location 5 provides 3,400 square feet, but is only accessible through alleyways. Locations 6 & 9 are located along High Street within walking distance of the Finke Theatre.

In matching the existing vacant storefronts with the types of businesses demonstrating unmet retail demand, the City should consider the size, geographic location, condition, and proximity of the vacant space to similar Downtown businesses. The limited amount of overall available vacancy, while a positive economic factor, also hampers the ability of Downtown to attract new retail stores. The City should look carefully at the amount of non-retail space in Downtown and consider if there are ways to convert some of this space back to retail or restaurant uses.

**TABLE 17: 1ST FLOOR VACANCY**

<b>ID</b>	<b>Address</b>	<b>Available Square Feet</b>
1	311 Oak Street	1,250
2	313 Oak Street	1,900
3	403 Oak	2,375
4	405 Oak Street	2,050
5	511 Oak Street #13	3,400
6	305 High Street	3,400
7	316 High Street	1,300
8	322 High Street	1,250
9	406 High Street	5,650

## **DOWNTOWN CALIFORNIA RETAIL GOALS**

- **DEVELOP SUPPORT PROGRAMS FOR EXISTING BUSINESSES**

The California Chamber of Commerce works to stimulate economic growth, business and industry expansion, and provide relevant resources and information to its membership. California Progress, Inc. (CPI) has focused efforts on Downtown properties and activities. The two groups should coordinate, with support from the City, to recognize outstanding businesses, provide ribbon cutting ceremonies for new stores, develop business seminars, and continue to provide monthly networking events and Chamber member recognition. Existing workshops and seminars should be expanded to inform retail business owners about product differentiation, marketing, customer service, retail trends, product presentation, window displays, and the importance of hours and days of operation, and how service and quality of product differentiate them from big box or franchise stores.

Some of Downtown's retailers have been in business for many years and could benefit from networking with other store operators, hearing fresh ideas, reviewing information regarding the changing markets of California, and developing a support structure with which to discuss their common issues and needs. CPI should try to bring all of these services to Downtown businesses.

- **ENCOURAGE INNOVATIVE ADAPTIVE REUSE OF THE LATHAM HOSPITAL SITE**

The Latham Hospital site is located at 107 E. South Street in California. The existing use for the over 27,000 square foot building is residential. The building fronts on South Street. Although it is not indicated in the vacant commercial properties listing, the building could be rehabilitated by an innovative developer into a mixed-use building; putting this property into productive use and increasing Downtown residential density. Uses in this property will likely focus on the housing options, but the ground floor could house a brew pub, destination restaurant with lounge and entertainment, office space, meeting rooms, or other retail that is not dependent on a highly visibility location.

The City and CPI should nurture relationships with regional developers to help identify a company that might be interested in undertaking such a project. CPI will also need to maintain a relationship with the owners of the property. Such a project may be of interest to the Missouri Housing Development Commission.

- CONTINUE AND IMPROVE DOWNTOWN BRANDING AND MARKETING EFFORTS

Downtown California needs to differentiate itself from the other communities within the Jefferson City and Columbia retail markets. At the same time, the City should also consider the draw of the attractions in those larger markets and develop a niche brand for California that will capture some of these visitors. Any marketing effort should complement Downtown's theme. Although the DREAM marketing task is occurring concurrently with this retail analysis, some visitor niches that Downtown California should consider include:

- ◇ Parents of University of Missouri students:
  - ⇒ This is a specialty market that may have significant income potential available for their hobby and travel expenditures
  - ⇒ California will need to develop compelling reasons and attractions for this market to extend their stay in mid-Missouri
  - ⇒ Identify strategies to reach this market during the trip-planning stage to maximize the length of their visits
- ◇ Weekend visitors
  - ⇒ Potentially attractive to Jefferson City and Columbia residents
  - ⇒ May also be targeted to attract spouses and families of Jefferson City legislators and other short-term visitors
  - ⇒ Develop day trip activities, shopping, and restaurants
  - ⇒ It is critical that Downtown attract more retail/restaurant uses to fill its existing vacancies. This market will seek pedestrian-type shopping and will be discouraged by excessive vacancies.
- ◇ Visitors seeking boutique stores
  - ⇒ Approximately 6 to 10 of these stores working together can begin to develop into an attraction by themselves
  - ⇒ Potential store categories include nostalgia, antiques, specialty foods, and art galleries
- ◇ Goods and services for local residents
  - ⇒ Downtown California could focus on meeting local needs
  - ⇒ This strategy will likely not result in a large impact, but the addition of categories such as office supplies, lawn and garden stores, and building materials can help expand the retail base

Downtown could focus on a single niche from the above or work to attract businesses that would serve a combination of markets. The Chamber and CPI should also maintain close ties with existing stores and work to develop a niche strategy that builds upon categories of retail already found in Downtown.

- DEVELOP A WAYFINDING SYSTEM

It is important that visitors find their way from highway 50 into California and Downtown. This will primarily impact travelers between Jefferson City and Sedalia. The DREAM Building and Streetscape Concepts report from June 2014 provides information on a suggested wayfinding system that can also provide a basis for the City's marketing brand. Once the visitor is in Downtown, specific destinations such as the Courthouse, Finke Theatre, and City Hall should be indicated. Parks and area historic sites should also be included in the system.

- MONITOR THE MIX OF EXISTING DOWNTOWN USES

As noted, it is important that Downtown try to develop more retail space and potentially more residents. New buildings could be added on open lots or existing non-retail, non-residential uses could be converted. Regardless of the City's strategy to address the mix of Downtown uses, CPI should help track existing businesses and monitor available storefronts and the overall store mix.

A close relationship between the City, CPI, and the Downtown businesses is critical as there are relatively few stores in Downtown at this time. A regular gathering of Downtown interests, perhaps before or after Chamber meetings, could identify minor issues before they grow into major problems for Downtown. CPI should market vacancies and try to fill them with stores from the targeted retail list found in this retail analysis. The City and CPI should both be involved in maintaining and updating all Downtown information.

- 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. A likely source of entrepreneurs may come from the families of residents that work in Jefferson City or Columbia. These family members may be able to rely on the stable income of the commuter to pursue a start-up business.

CPI and the Chamber should consider entrepreneurial training programs such as Operation Jumpstart ([www.operationjumpstart.biz](http://www.operationjumpstart.biz)). Informational events and meetings with local bankers and potential investors can also help expose potential new start-ups to Downtown opportunities.

- ENCOURAGE EXISTING RETAIL EXPANSION

It is important to understand that consumers will travel greater distances for a better choice in variety. With California's proximity to the wide variety of products offered in other markets, as well as on 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 29. These areas represent opportunities for local businesses to expand sales floors or add product lines.

- CONTINUE TO DEVELOP DOWNTOWN EVENTS

Downtown California has developed some events and should continue to use events to raise its visibility as a shopping and entertainment destination. The Finke Theatre is a perfect venue in which to develop and grow regional tourism events. Residents and visitors attend downtown events, 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 California area restaurants. An event with alcohol should always include food and end earlier in the evening.

## DOWNTOWN CALIFORNIA STRATEGIES

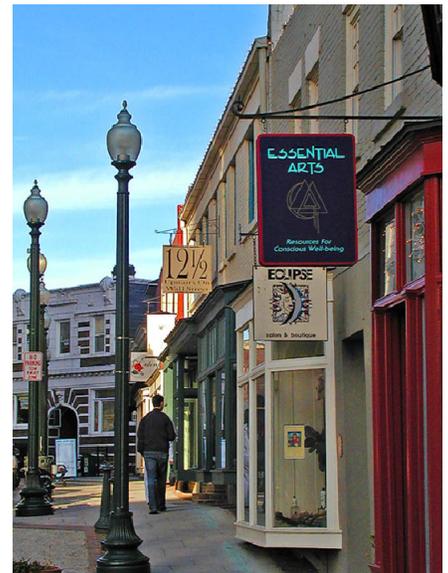
Achieving Downtown’s retail goals can be obtained by implementing several key strategies. These strategies must be realistic and based on an understanding of Downtown California’s current retail market, its primary customers, and the spending potential of key customer segments identified earlier in this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

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 California stakeholders must understand these changes and be willing to embrace new approaches to retail development.

### GREAT STREETS EQUAL GREAT PLACES

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. A 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.

A downtown 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 the local 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 a 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.

## **ENVIRONMENT & APPEARANCE**

Downtown California's historic character and architecture 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 success.



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 California. New public sector mechanisms such as a Community Improvement District (CID) should be considered. However, the existing California Progress, Inc. (CPI) 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 Downtown California's priorities:

- The City must continue to encourage Downtown façade restoration. The rehabilitation and productive reuse of Downtown buildings should be a primary focus of the revitalization effort. Building façades are a public feature of Downtown that the City should work to maintain and improve. The City should develop an incentive program, such as the CID previously noted, that can be used by private property owners to improve the façades of their buildings. Incentives 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 California should seek mixed-use projects that include residential units.
- Encourage appropriate infill construction that adds retail space to Downtown. There are some open or vacant lots that could allow infill buildings. 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.

The collaboration of the City, Chamber, and CPI currently works to provide economic development services for the City. However, there could be a specific focus provided on Downtown California. CPI should seek to attract new retail uses and to encourage existing merchants to focus on improving the quality of the goods and services that are currently provided. Many of these activities will also be CID eligible expenses.

The collaboration of these groups to provide economic development services should also monitor Downtown vacancies. A vacant lot and space inventory listing should be developed and 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](http://www.locationone.com). CPI should develop a listing of target businesses to contact. This listing should be limited to retail, restaurants, or unique services for Downtown. Businesses in Jefferson City or Columbia may be likely candidates for expansion by opening another location in Downtown California.

CPI 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 foster the local existing entrepreneurial spirit. 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. CPI should work with the Chamber to identify local entrepreneurs. Through programs such as [www.operationjumpstart.biz](http://www.operationjumpstart.biz), Downtown leaders can assist business start-ups and help connect aspiring business owners with financial and technical resources.

### **LIMIT NON-RETAIL USE**

An appropriate mix of retail is key to Downtown California'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. Service oriented businesses are important to the local economy, but may take up valuable sales tax revenue-generating retail space. The City should focus on creating and maintaining continuous retail locations, primarily along Oak and High Streets in Downtown. While there are pockets of retail elsewhere in Downtown, pedestrians will want to shop along easily walked streets and around the Courthouse Square. Pedestrian-friendly loops should be developed that encourage a walk of about one-quarter mile in length or a five to ten minute stroll.

Anchors are large, well-known attractions that draw many customers. Anchors are usually retail stores or restaurants, but they can also be a collection of establishments or an institution. Anchors include the following types of retail uses:

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



CPI and the Chamber should maintain close relationships with existing anchors. New anchors should be encouraged where possible and promotions should be developed to showcase them. The City should consider the locations of anchors when planning public construction projects so as not to disrupt business any more than necessary.

### **PROMOTE USE OF UPPER FLOOR SPACE**

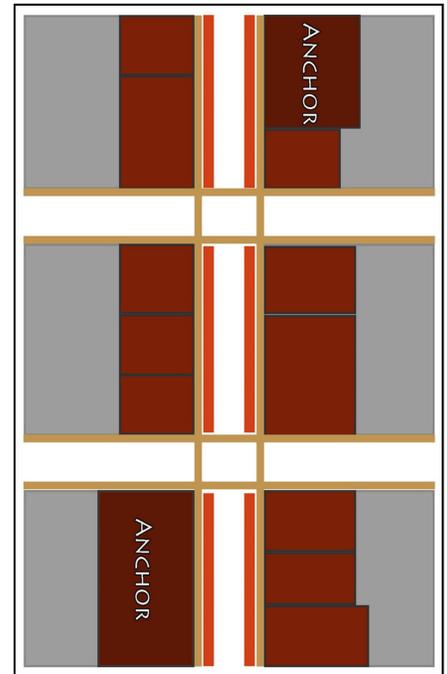
A strong residential presence is a key component to a prosperous downtown. Residents in a downtown enjoy close proximity to entertainment venues, restaurants, and shopping. These residents have the ability to expand the Downtown retail market by creating additional demand for products and services. Downtown residents also ensure that an area has activity, even when businesses close.

Downtown California has a stable ownership market surrounding Downtown. There are several buildings that could accommodate residential development through apartments, condominiums, or lofts on the upper floors. There are several large buildings, including the Latham Hospital Building, that could be converted to residential use without damaging the historic integrity of the building. 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 Downtown 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 an environment that is safe, clean, friendly, and offers plenty of variety. The consumer chooses the downtown shop over the shop off of the highway for the experience, not for the efficiency of buying everyday items. Downtown California must convey a comfort level that welcomes shoppers, diners, and visitors in the context of its unique experience.

Merchants can add to Downtown's 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 California.

### **ATTRACTING CUSTOMERS**

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

CPI 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 and at shops and restaurants. During City and regional 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 retail development. These promotions should

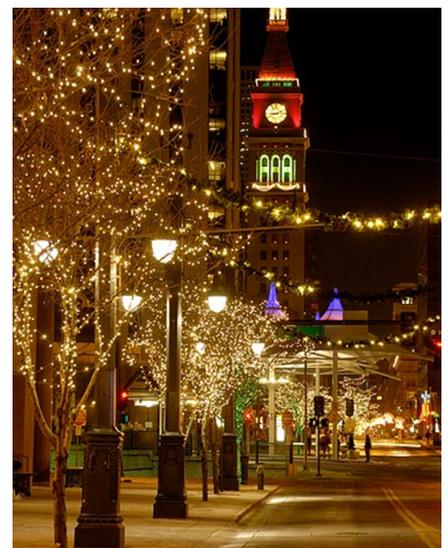


be spearheaded by local organizations that recognize the necessity of reacquainting long-time residents, and introducing newer residents and visitors, to Downtown California. The Chamber and CPI should continue to build upon Downtown as a venue for events, festivals, parades, and concerts. These activities bring people Downtown and expose them to Downtown businesses. The marketing strategy for Downtown California should provide a mix of events, advertising, and promotions that reflect different aspects of the region, history, and cultural heritage.

### **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.



## 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 uses having later hours, 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

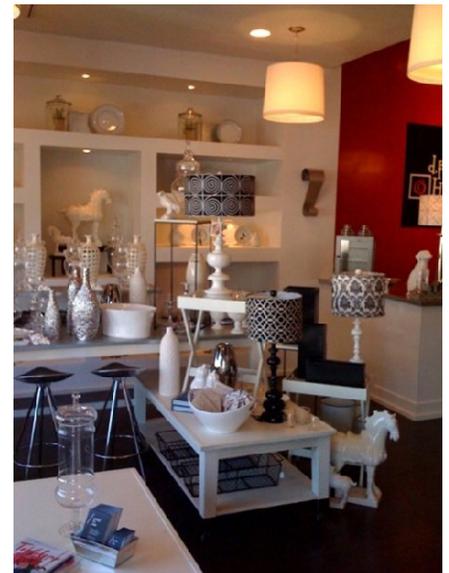
Business owners must decide upon their brand to help define their store and how they hope to be perceived. This decision will determine the store logo, signage, design, colors, and font types; all of which should coordinate and support the brand. Logos should be used consistently on merchandise, business 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.** The back wall should be interesting and visible from the front of the store. 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."



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- ⇒ 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.



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## IMPLEMENTATION

This Retail Market Analysis Report has identified a range of goals and strategies, based upon an analysis of the demographic and economic trends driving Downtown California'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, marketing assistance, 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 Marketing task, 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 California is lacking in higher density residential, retail, and restaurant uses. There is a high commercial vacancy rate due to the lack of overall commercial space. The space that is available could likely be filled quickly if the City can focus on improving building conditions and raising the visibility of Downtown in the region.
- The City should work to redevelop the Latham Hospital site into a mixed-use development that provides residential living space and commercial activity. The attraction of a brewpub or other destination restaurant use to this property would be a great benefit to Downtown.
- The City should consider encouraging non-retail uses to relocate to side streets or upper-floors; preserving prime, 1st-floor locations for retail and restaurant uses. CPI should monitor the amount of non-retail space and encourage the City to adjust zoning codes if needed.
- The City, CPI, and Chamber should collaborate on the development of a wayfinding system that will also launch the brand of California.
- Downtown may wish to consider a funding mechanism such as a Community Improvement District (CID) to fund CPI activities, the wayfinding system, and provide a stable funding source focused on other Downtown improvements and programs.
- The City should seek to expand the existing streetscape design to include all sections of High and Oak Streets and the Courthouse Square. These improvements will help tie the area together to more clearly identify "Downtown." A focus must be maintained on the safety of the pedestrian. It is important that pedestrians can easily and safely navigate Downtown and the streetscape assists with this effort.

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# APPENDIX



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