



## **MARKET STUDY AND STRATEGIES 2015**



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# INTRODUCTION

## PUTTING A PLAN ON THE FUTURE

The economic landscape of traditional downtown and neighborhood commercial districts continues to change and evolve. Expanding retail competition, life-altering technologies, and shifting lifestyle trends will continue to affect business opportunities and the ways in which people interact within the traditional downtown environment.

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

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

Marshalltown was one of seven Main Street Iowa communities selected to receive 2015 market analysis training and technical assistance. The self-help process is engaging local leaders, business persons, residents and stakeholders. Key steps in the process include:

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

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

### For more information contact:



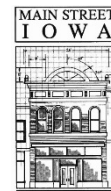
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This market study report was completed with assistance from Iowa Economic Development Authority (IEDA) and Main Street Iowa. United States Department of Agriculture Rural Community Development Initiative funding and Community Development Block Grant funding were procured by IEDA to underwrite market analysis training and technical assistance furnished to select Main Street Iowa communities in 2015.

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

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



### Limitations and Disclaimers

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

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

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



## COMMUNITY PROFILE

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Located in central Iowa, Marshalltown is home to more than 27,000 residents. At the heart of the community is the Main Street historic district and central business district. The Marshalltown Historic District spans Main Street from 2<sup>nd</sup> Avenue to 2<sup>nd</sup> Street and includes several properties surrounding the Courthouse square and along North Center Street. Founded in 1853 the district includes a variety of architectural styles. With commercial spaces and public services taking up the majority of first floors, upper story housing development has more recently gained traction. Bordered on the South by Emerson Process Management/Fisher Controls Division and on the East by a medical campus the downtown has a large number of employees in the area daily.

Marshalltown's downtown district has experienced a transformation in the past fifteen years as the community's demographics have changed. Over the past twenty years the minority population has increased from less than 1% to more than 25%. Today Marshalltown has several businesses owned and operated by minority entrepreneurs within the community including grocery stores, restaurants and retail shops.

Recently completed housing projects include the renovation of the Historic Tallcorn and the Iowa Wholesale building into low-income housing tax credit projects. These two projects were featured as prime opportunities for redevelopment in our award winning City Center Plan prepared by RDG Planning and Design in 2006. Since 2002 there has been more than \$28 million in building improvements and more than \$15 million in building acquisitions.

The downtown area is comprised of independent retailers spanning grocery items, clothing, gifts, recreational items, jewelry, home furnishings, art, books, appliances, tools and much more. Eating and dining opportunities exist offering a range of foods. The district is home to many businesses serving the financial and insurance industries as well as public service agencies. Recent housing expansions have lead to increased downtown pedestrian traffic.

The Main Street district serves as the hub for the city and county governmental services. City Hall and the Police Station are located centrally on the north side of the district along Center Street. The County Courthouse sits prominently on the square in the center of downtown with expanded services in nearby buildings. Community buildings such as the Senior Center and Veteran's Coliseum serve the community for a variety of events.



*Communities are often judged on the basis of the strength, vitality and appearance of their downtown. It reflects the attitude and pride of the community and its residents. The Main Street program in Marshalltown has been the key driving force in bringing economic activity and an air of excitement to Downtown Marshalltown through its ongoing efforts.*

*Marshalltown's Main Street organization is now recognized as a key player in economic development efforts in Marshalltown.*

*Thanks to its efforts, downtown Marshalltown is now a prime residential area, with more than \$25 million invested in downtown housing projects in recent years.*

*Downtown is now considered among the areas for "first choice" as a location by retail, office, government and residential entities.*

**— James Lowrance,  
Marshalltown City Mayor**

# COMMUNITY PROFILE

## Development Patterns

The downtown district is easily accessible from Highway 14 as it runs through Marshalltown. Banners line the streets of downtown identifying the district as a destination. Streets are lined with historic lighting, benches and landscaping. During the summer months the flower baskets are amazing and often capture the eyes of visitors.

Main Street is designed to accommodate two-way traffic with a designated bike lane in addition to the on street parking. Parking exists throughout the downtown on the street and in surrounding public and private lots. With free three hour parking along all of the downtown streets in addition to the unlimited time in parking lots, patrons are able to access shops and restaurants at any time within two to three blocks.

Development occurring in the past decade has included housing renovations, a hospital expansion, and construction of a new library, Orpheum renovation and the expansion of Fisher Controls as a southern gateway to the downtown. Additional projects are planned for the district.

## Aesthetics and Appearances

The buildings in the downtown area range in age from the mid-19<sup>th</sup> century structures to contemporary buildings. Façade renovations have taken place throughout the downtown utilizing incentive packages funded by Tax Increment Financing through the City of Marshalltown. Major projects such as the Tallcorn and Iowa Wholesale building also utilized State and Federal Historic Tax Credits. These types of renovations result in positive feedback from visitors and residents.

The overall appearance of the downtown continues to be greatly enhanced by the façade grant project. Plans to enhance spaces with public art will make the downtown even more inviting. As the Marshalltown Central Business District (MCBD) membership strives to recruit businesses and fill vacant storefronts, enhancements to the overall district appearance become more critical.

The MCBD relies heavily on the volunteer base to maintain landscaping throughout the downtown including watering of the hanging baskets daily. More than 50,000 hours of volunteer time has been documented since 2002. The district is active throughout the day and into the evening with visitors to the various eating and drinking establishments. Safety is always a high priority so that individuals can comfortably walk from place to place or to their vehicles. Plans for improved access areas such as pedestrian alleys, lighting and signage continue to be on the list of improvements.

The new and redeveloped housing projects throughout the downtown have improved the district. The Tallcorn prior to renovation had developed a negative reputation due to a lack of maintenance and management. Improved, secure, renovated buildings are attracting quality residents excited about downtown living.



# COMMUNITY PROFILE

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## Business Mix and Climate

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

**Retail** – The retail segment of the district is comprised of small, independent, locally-owned businesses.

- Apparel and Accessories – Seven stores which carry a variety of clothing options, shoes, and specialty items.
- Home Furnishings – Six stores, including two appliance stores, a new and used furniture stores and custom upholstery and cabinet shop.
- Antiques – Three antique stores are located in the district
- Gifts & Décor – We have several stores carrying specialty gifts and décor supplemental to their primary use as well as two that focus on this type of retail.
- Jewelry – Three jewelry stores
- Hobby Sport store – Two stores are available, one specializing in biking and the other is a yarn store offering classes as well.
- Grocery – There are six ethnic grocery stores downtown and two liquor stores.

**Lodging** – The district is home to the Historic Tremont Inn on Main which has 11 luxury rooms in a renovated historic building.

**Personal & Business Services** – There are more than 80 locations offering personal and business services ranging from financial institutions to tattoo shops. Hair dressers, pet groomers, a fitness center, social service providers, lawyers, insurance agents, photographers, graphic designers, medical providers, realtors and investment consultants fill many spaces downtown.

**Culture & Arts-** The Orpheum Theater provides a venue for arts and cultural, entertainment and educational opportunities under the Iowa Valley Community College District umbrella. Attractions such as the Binford House, Taylor Country School and the Historic Society Museum provide residents and visitors with the opportunity to learn more about Marshalltown’s history.

**Community Services** – City and County services are primarily available downtown in addition to service providers such as the Salvation Army, Department of Human Services, Education and Training Center, local Foundation offices and the Marshalltown Central Business District office.

**Entertainment** –Entertainment options include video rental, a pool hall and movies at the Orpheum Theater.



*“Being downtown enables us to be in the center of everything. This is exactly where we need to be for our business to continue to grow”*

— Matt Gerstandt, Black Tire Bike Co.  
Business Owner  
Downtown Marshalltown

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## COMMUNITY PROFILE

**Dining** – Twenty-five eating and drinking establishments can be found throughout the downtown ranging in food styles from pizza to sweet treats. All of the restaurants are locally owned and independently operated.

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

- **Early Morning** – Early morning coffee groups can be found downtown solving the world’s problems at the Italian Grille, Doo Dah’s, the Orpheum or the newly opened Brew House.
- **Mid-Morning** – Retailers open shop; service businesses have full offices and are well into their days.
- **Lunchtime** – The lunchtime crowd arrives from inside and outside of the district. Many eating locations cater to the lunchtime crowd with great success. Emerson/Fisher employees make up a large number of lunch goers as their offices are only a couple blocks from the various restaurants.
- **Afternoon** – Shoppers visit the various retail shops and many people are conducting business at government buildings or with professionals such as insurance agents, banks and attorneys.
- **Evening** – Workers heading home may stop for socializing at the local brewery or have dinner at one of the various restaurants.
- **Late Night** – Several drinking establishments pour until 2 a.m.

Over the last 10 years, a number of building owners have rehabilitated their upper-story living spaces to accommodate a growing demand for downtown living. Encouragement through programs such as the façade and code upgrade grants results in overall building improvements. Several projects have also received grants through agencies including HUD, SHPO, and Main Street Iowa.

As projects such as the Tallcorn and Iowa Wholesale get completed we are encouraged that additional redevelopment will occur. Next in line is the Kibbey building which has received several funding awards to assist in four new housing units, renovated commercial space and improved outdoor spaces which will also improve storm water retention.

Because of the desirable character of the district, many non-retail businesses have located here. From one point of view, these businesses take away from the retail profile and have out-bid retailers for prime street level spaces. Upper floors in the district are a mix of office, residential and vacant spaces.



# COMMUNITY PROFILE

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## Competitive Analysis

The Marshalltown Main Street district is unique in many ways, making direct competition not a keen factor for the moment.

Within Marshalltown:

- The southern district is the primary competition with its shopping and dining opportunities along Highway 14.
- The downtown district is somewhat competitive with its eating establishments, hair salons, retail stores, and grocery stores.

Outside of Marshalltown:

- The more urban metro area of Des Moines is a large competitive presence. Des Moines offers more shopping and dining opportunities, but, is an hour drive for residents of this community.
- The downtown has developed a reputation as a destination within a 60 mile radius for a largely rural area surrounding the community and easy to get to by car.

There are many positive actions that have been taken in the last two decades to position downtown Marshalltown as a vital, growing, desirable place to be. Assets and features to be capitalized upon include:

- Keeping the unique character of the district through the establishment of locally-owned businesses with unique origins
- Developing the asset of the river through connecting with outdoor recreation opportunities.
- Involving our industry partners more in the downtown district will have immediate and ongoing benefits as they encourage and support employees to visit, as well as enhancing their recruitment efforts.
- High levels of cooperation have yielded great results and will continue to be required in order to accomplish positive growth and change.
- Continued, conscious planning of events and activities that center the city's population in the downtown will maintain connection and ongoing support of improvement programs.

Strategies which build upon the downtown's strengths are aimed at mitigating weaknesses and threats which include:

- Being by-passed in the retail sphere by technology. Main Street businesses must be tech-savvy in their marketing and advertising. They cannot be stuck in old-time methods, but must adapt to their customers' habits while retaining the best of the brick and mortar.
- Competition with Internet-based retailing threatens every small business owner. Technology education for our current retailers is a must.



***"I have the best of both worlds, living and working in downtown Marshalltown. I am blessed to have the opportunity to spend a good share of my time in this unique downtown setting – I love it!"***

*— Mindy McClain, Downtown  
Marshalltown Resident and Business  
Owner*



## COMMUNITY PROFILE

- The transformation of energy sources and the potential for higher energy costs challenge small business owners' margins. Ongoing steps toward efficiency and alternative energy resources have become increasingly important.
- Gaps in the business mix, according to a local 2009 consumer survey include:
  - Clothing stores for men, women and children
  - Ice cream store
  - Outdoor dining
  - Book/media store
  - General merchandise store
  - Crafty/hobby store
  - Fine dining
  - Drug Store
  - Entertainment options
- The character of the rehabilitation of the Main Street downtown area could augment the district's importance in the area as a "place to be." Simultaneously, concerns around chain stores that might accompany that development are keen.
- Physical infrastructure regarding adequate street and sidewalk repairs, and city way-finding signage are significant to downtown growth.
- The MCBBD continues efforts to improve the character of the downtown particularly with aesthetics and community pride. As a smaller community not entitled to Community Development Block Grant funding we look to local foundations, tax incentives, competitive grants and community resources to help give the downtown area a fresh, clean look, while preserving and restoring the unique character of each of the historic buildings participating in the project. A snowball effect of restoration and a "reawakening" of the downtown is hoped for, and looks promising.
- A plan for maintaining cleanliness on the streets is an ongoing issue, particularly the large amount of artifact created by the indoor smoking ban. In wintertime, progress has been made for effective snow removal strategies, keeping our downtown clean and safe.
- Parking is frequently discussed as we evaluate availability, appearance, layout and directional signage.
- Discussion of adopting a Self-Supported Municipal Improvement District (SSMID) has been underway as a possible solution to maintaining key services associated with the district.



# DOWNTOWN MARSHALLTOWN MARKET SNAPSHOT

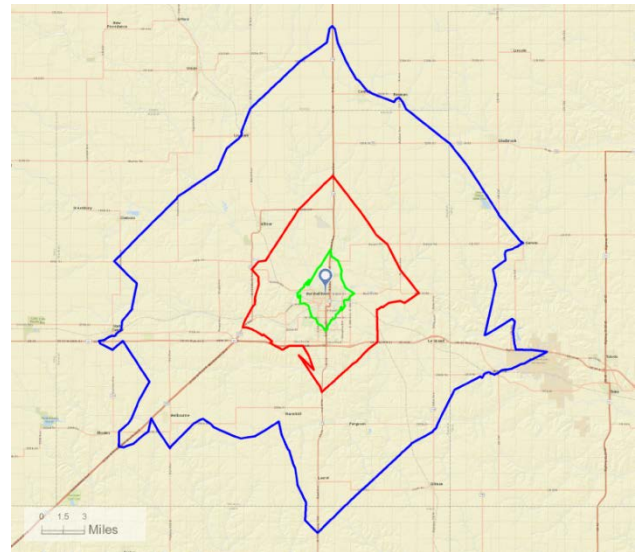
## Demographic Snapshot

The demographic snapshot compiled for the Downtown Marshalltown Drive Time Markets benchmarks and tracks changes in the marketplace. Analysis and comparison of data for the three drive time areas reveal:

- Trends and projections for the population and households within the five-minute drive time geography anticipate five-year decreases of one-half percent or less, while increases of less than one percent are forecast for the ten- and twenty-minute drive times. At the state level, population and number of households are expected to grow at five-year rates of 2.8% and 3.1%, respectively.
- Consistent with the “Greying of America” phenomenon, median age is expected to increase slightly across the drive time areas. However, contrary to the phenomenon, average household size is expected to increase slightly. Median age for the Iowa population in 2014 is estimated at 38.5 years and is expected to reach 38.9 years by 2019.
- Renter-occupied housing units are most prevalent in the five-minute drive time area – estimated at 33% in 2014. Between 8% and 11% of all housing units in the drive times are classified as vacant in 2014. State figures for 2014 assigned a vacant status to 8.9% of all housing units, and the figure is expected to rise to 9.0% by 2019.
- Overall, median household and per capita income figures for the drive times are lower than those estimated for the state. Median household income in the five- and ten-minute drive time areas is expected to increase by 16.7% through 2019, virtually mirroring the rate predicted for the state.

Iowa Income	2014	2019	+ %
Median HH	\$52.4K	\$61.3K	16.9%
Average HH	\$65.7K	\$76.7K	16.8%
Per Capita	\$26.7K	\$31.3K	17.1%

**Note:** The complete Downtown Asgard Market Snapshot is available as a supplemental document to this report.



Downtown Marshalltown CBD Drive Time Market

## Fast Facts

Population	5 Min	10 Min	20 Min
2000 Census	18,409	28,204	37,311
2010 Census	19,131	29,579	38,629
2014 Estimate	18,919	29,489	38,664
2019 Projection	18,888	29,601	38,882
Change 2014—2019	-0.2%	0.4%	0.6%
Households	5 Min	10 Min	20 Min
2000 Census	7,180	10,992	14,559
2010 Census	7,077	11,128	14,755
2014 Estimate	6,947	11,042	14,722
2019 Projection	6,912	11,056	14,775
Change 2014—2019	-0.5%	0.1%	0.4%
Median HH Income	5 Min	10 Min	20 Min
2014 Estimate	\$39,957	\$45,048	\$48,923
2019 Projection	\$46,627	\$52,593	\$54,841
Change 2014—2019	16.7%	16.7%	12.1%
Source: Esri			

# DOWNTOWN MARSHALLTOWN MARKET SNAPSHOT

## Lifestyle Profile

The Esri Community Tapestry consumer segmentation system adds color to the “black& white” demographic description of residents and households within drive time areas.

The Tapestry Household Distribution Report identifies prevalent segments and describes the population’s likes, dislikes, lifestyles and purchase behaviors for households within the defined geographies. The information can be particularly helpful for assessing opportunities for business growth and for designing marketing strategies and messages to reach targeted consumer segments.

The following tables show concentrations of the three most prevalent Tapestry household segments found within the Downtown Marshalltown 5, 10 and 20-minute drive time areas.

5 Minute Drive Time Households	Count	Pct.
Hardscrabble Road	1,576	22.7%
Heartland Communities	1,488	21.4%
Traditional Living	1,479	21.3%
<b>Count/Pct. of 5 Minute Drive Time</b>	<b>4,543</b>	<b>65.4%</b>

10 Minute Drive Time Households	Count	Pct.
Midlife Constants	2,081	18.8%
Heartland Communities	1,966	17.8%
Hardscrabble Road	1,576	14.3%
<b>Count/Pct. of 10 Minute Drive Time</b>	<b>5,623</b>	<b>40.9%</b>

20 Minute Drive Time Households	Count	Pct.
Heartland Communities	2,712	18.4%
Midlife Constants	2,081	14.1%
Salt of the Earth	1,629	11.1%
<b>Count/Pct. of 20 Minute Drive Time</b>	<b>6,422</b>	<b>43.6%</b>

Information on Esri Tapestry methodology along with descriptions for prevalent Downtown Marshalltown Drive Time Market Tapestry segments is available in the complete Downtown Marshalltown Market Snapshot—a supplemental document to this report; and at the Esri website at: <http://doc.arcgis.com/en/esri-demographics/data/tapestry-segmentation.htm>.

## Top Consumer Lifestyle Segments | Esri 2014

### Hardscrabble Road

(#1 in 5-Minute and #3 in 10-Minute Drive Times)

This slightly smaller market is primarily a family market, married couples (with and without children) and single parents. Younger, highly diverse (with higher proportions of black, multiracial, and Hispanic populations), and less educated, they work mainly in service, manufacturing, and retail trade industries. Unemployment is high (almost twice the US rate), and median household income is half the US median. Almost 1 in 3 households have income below the poverty level. Approximately 60% of householders are renters, living primarily in single-family homes, with a higher proportion of dwellings in 2–4 unit buildings. This market is struggling to get by.

#### Market Profile

- Little extra money to invest in retirement savings plans, stocks, or bonds.
- For those with young children at home, watching Disney Channel, Cartoon Network, and Nickelodeon on TV is popular; diapers, baby food, and children’s clothing are priority expenditures.
- Favor shopping through an in-home sales rep, QVC, or HSN.
- Read parenting and health magazines.
- Watch programs on BET, MTV, and Game Show Network.
- Prefer to listen to gospel, R&B, rap, and hip-hop music.
- Participate in basketball, football, and volleyball.

### Heartland Communities

(#1 in 20-Minute and #2 in 5 and 10-Minute Drive Times)

Well settled and close-knit, Heartland Communities are semirural and semiretired. These older householders are primarily homeowners, and many have paid off their mortgages. Their children have moved away, but they have no plans to leave their homes. Their hearts are with the country; they embrace the slower pace of life here but actively participate in outdoor activities and community events. Traditional and patriotic, these residents support their local businesses, always buy American, and favor domestic driving vacations over foreign plane trips.

#### Market Profile

- Traditional in their ways, residents of Heartland Communities choose to bank and pay their bills in person and purchase insurance from an agent.
- Most have high-speed Internet access at home or on their cell phone but aren’t ready to go paperless.
- Many residents have paid off their home mortgages but still hold auto loans and student loans. Noninterest checking accounts are common.
- To support their local community, residents participate in public activities.
- Home remodeling is not a priority, but homeowners do tackle necessary maintenance work on their cherished homes. They have invested in riding lawn mowers to maintain their larger yards.
- They enjoy country music and watch CMT.
- Motorcycling, hunting, and fishing are popular; walking is the main form of exercise.
- To get around these semirural communities, residents prefer domestic trucks or SUVs.
- They prefer to travel in the US and favor the convenience of packaged deals.



# DOWNTOWN MARSHALLTOWN MARKET SNAPSHOT

## Retail Performance

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

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

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

## Sales Surplus and Leakage Estimates

Total Retail Trade and Food & Drink demand versus sales estimates for the drive times show sales surpluses for the five- and ten-minute drive time areas, ranging from about \$66.6 million to \$54.1 million, respectively. Conversely, the twenty-minute drive time area shows overall sales leakage totaling more than \$28.6 million. The estimates suggest that, overall, establishments in the five- and ten-minute drive time areas are effectively capturing the local market and pulling consumers from outside the ten-minute drive time area.

Sales Surplus & Leakage (\$MM)	5 Minutes	10 Minutes	20 Minutes
	Surplus/ (Leakage)	Surplus/ (Leakage)	Surplus/ (Leakage)
Total Retail Trade and Food & Drink (NAICS 44 – 45, 722)	\$66.6	\$54.1	(\$28.6)
Total Retail Trade (NAICS 44 – 45)	\$62.4	\$49.7	(\$26.8)
Total Food & Drink (NAICS 722)	\$4.2	\$4.4	(\$1.8)

Drive time estimates for Total Retail Trade are consistent with overall figures, with sales surpluses ranging from about \$62.4 million to \$49.7 million in the five- and ten-minute drive time areas, and sales leakage estimated at \$26.8 million for the twenty minute drive time.

Estimates for Food & Drink sector sales in comparison to projected demand show an estimated sales surplus in the five- and ten-minute drive time areas of about \$4.2 million and \$4.4 million, respectively; and sales leakage estimated at about \$1.8 million in the twenty minute drive time area.

## Retail Sales

### Drive Time Market (\$MM)

5 Min	10 Min	20 Min
\$66.6	\$54.1	(\$28.6)

Source: Esri Retail MarketPlace Report 2014

Totals shown for all North American Industrial Classification System (NAICS) Retail categories (NAICS 441—454) and Foodservice and Drinking Places (NAICS 722).

## Retail Pull

Categories and subcategories with some of the highest and lowest pull factors—an indication of relative strength or possible opportunities in the market—include:

Category/Subcategory	Factor*
▲ Special Food Services	52.0
▲ Grocery Stores	49.1
▲ Florists	41.2
▲ Other General Merchandise Stores	37.2
▲ Furniture Stores	29.5
▲ Used Merchandise Stores	22.1
▲ Limited-Service Eating Places	17.1
▲ Drinking Places – Alcoholic Bev.	16.2
▲ Beer, Wine & Liquor Stores	14.7
▲ Jewelry, Luggage & Leather Goods	11.8
▼ Lawn & Garden Equip. & Supply	(100.0)
▼ Other Motor Vehicle Dealers	(74.2)
▼ Book, Periodical & Music Stores	(74.2)
▼ Automobile Dealers	(58.4)
▼ Shoe Stores	(53.6)
▼ Other Miscellaneous Store Retailers	(49.1)
▼ Home Furnishings Stores	(48.6)
▼ Building Material & Supplies Dealers	(46.8)
▼ Sporting Goods/Hobby/Musical Inst.	(42.4)
▼ Department Stores Excl. Leased Dept	(28.1)

\* Factor shown for five minute drive time area

Source: Esri

The factor is a measure of the relationship between supply and demand that ranges from +100 (total surplus) to -100 (total leakage). A positive value represents a surplus of retail sales (often indicative of a market where customers are drawn in from outside the trade area).

## COMMUNITY INSIGHTS

The process behind the completion of this study and the resulting strategies consider findings from background research, current market data and stakeholder input provided via:

- A business survey completed by 40 downtown Marshalltown area businesses
- Consumer online and intercept surveys completed by 631 participants

Following are examples of key findings which provide insights and a sound basis for proposed strategies outlined in this document.

### The Downtown Market

Consumer intercept and online survey data reflects the “pull” of downtown Marshalltown across a broader geographic region. Twenty-two percent of consumer survey participants indicated their residence was located more than ten miles from Downtown Marshalltown.

The findings are consistent with Esri Retail MarketPlace data showing strong retail sales surpluses in the five- and ten-minute drive time geographies and which suggest that, overall, local retail and foodservice sector establishments are effectively capturing the local market and pulling consumers from outside the ten-minute drive time area. Growth strategies should seek to build upon retail sector strengths and Marshalltown’s presence as a retail hub or destination for certain retail and foodservice sector lines.

### Traffic Generators and Visit Frequency

Overall visit rates indicated by consumer survey respondents show that more than 40% visit the downtown on a daily or weekly basis to do errands or for office-service related purposes, and more than 34% visit daily or weekly for eating and drinking. The results could demonstrate the impacts and captive nature of the local market.

Consumer survey results show that participants visit the downtown most frequently to do errands (i.e. City Hall, Post Office, banks, etc.). Visitor frequency for those shopping in the downtown area on a daily or weekly basis is measured at a lower rate of 7.1% of respondents.

Marketing strategies designed to increase visit frequency across the various business sectors should serve to heighten awareness for the full range of products and services available, while cross-marketing and promotion strategies should consider opportunities to intercept visitors, and for the delivery or placement of messages and collateral (i.e., posters, banners, brochures, etc.) at street level, and at both retail and non-retail traffic-generating attractions.



**Table 1**

#### Question

**How far is your residence located from Downtown Marshalltown?**

Consumer Responses	Percent
In downtown or within 2 miles	24.1%
2 to 5 miles	43.7%
5 to 10 miles	10.1%
More than 10 miles	22.0%

Source: 2015 Downtown Marshalltown Consumer Survey.

**Table 2**

#### Question

**How often do you visit Downtown Marshalltown...**

Frequency—Daily or Weekly	Percent
To do errands or for office and service-related purposes?	40.8%
For eating, drinking and/or entertainment?	34.2%
To shop?	7.1%

Source: 2015 Downtown Marshalltown Consumer Survey.

# COMMUNITY INSIGHTS

## Media Preferences and Effectiveness

Consumer rankings of media preferences demonstrate the strong presence of the local newspaper and the growing influence of the Internet and social media applications as a resource for news, for researching products and services, and for communicating with clients.

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

Downtown Marshalltown’s promotion and collaborative marketing efforts should continue to consider how the Internet and various social media applications might be most effectively used to communicate with consumers and to further downtown promotional goals. The growing popularity of Facebook, Twitter and other social media applications is evident in consumer survey results that show 39.2% of all respondents selected Social Media and 31.9% selected Internet Websites as one of their top two sources for news and information.

A Downtown Marshalltown branding system should be developed and then deployed across a variety of media outlets—including Internet-based sites and applications—to enhance further awareness and to create business connections to the Downtown Marshalltown brand. Businesses should be encouraged to “plug in” to the Downtown Marshalltown CBD website and social media sites which serve as portals, and to apply branding elements and extensions in their own electronic and print media applications to reinforce connections with the brand—and build brand equity.

Strategies and applications designed to use the Marshalltown CBD Facebook page as portal site, of sorts, to feature and easily share postings highlighting new and unique products, local personalities, special offers, events and other features which reinforce a Downtown Marshalltown brand should be pursued. Facebook advertising applications should be employed and experimented with to build traffic to these sites, and businesses should be encouraged to maintain fresh content and to share links and posts to leverage traffic generated at the Downtown Marshalltown portal page and the pages of other downtown area businesses.

Businesses should also be encouraged to experiment with other social media applications, where appropriate. For example, more than 39% of consumers surveyed indicated they regularly use Youtube, and 24% use Pinterest, yet only 2.6% of businesses surveyed currently have a presence on at least one of these platforms. Facebook is used by 64.1% of businesses.



Table 3

### Question | Consumer Survey

**Of the following, which two (2) media and information sources do you most rely on for Marshalltown area news and information?**

#### Top Consumer Survey Responses

Newspaper	44.0%
Social Media (Facebook, Twitter, etc.)	39.2%
Radio	33.3%
Internet (websites)	31.9%
Television	14.9%

Source: 2015 Downtown Marshalltown Consumer Surveys.

Table 4

### Question

**Which of the following social media networks or online applications do you regularly use?**

#### Top Consumer Survey Responses

Facebook	75.7%
Youtube	39.0%
Pinterest	24.3%
LinkedIn	23.8%
eBay	16.9%
Instagram	16.3%

Source: 2015 Downtown Marshalltown Consumer Survey.



# COMMUNITY INSIGHTS

## Opportunities Ahead?

Surveys were among a number of tools used to help identify and gauge the potential for possible business expansion and recruitment prospects in downtown Marshalltown. The information is helpful in assessing business opportunities and in identifying possible gaps in the downtown business mix. Consumer survey responses could provide additional insight and help to gauge how the trade area might respond to various types of new and expanded businesses.

Suggestions revolving around Eating & Drinking Places were very popular with consumer survey participants and could lend support for new and expanded eating, drinking and specialty foods entries in downtown Marshalltown.

Other business types and attractions frequently identified as candidates for expansion or recruitment in consumer survey responses included entries in the Clothing & Clothing Accessories, Sporting Goods, Hobby, Books & Music, and Recreation/Entertainment categories.

A few respondents to the consumer surveys indicated that a reason they do not spend more time in the downtown is because they can shop online. This presents an opportunity for existing local businesses to expand operations and capture online sales.



**Table 5**

### Opportunities?

**What types of new businesses or attractions would make you visit downtown more often.**

#### Top Responses—Categorized

Food Services & Drinking Establishments	61.6%
Clothing & Clothing Accessories	25.1%
Sporting Goods, Hobby, Music Stores	15.1%
Recreation & Entertainment	14.9%
Retail General	13.3%
Miscellaneous Store Retailers	11.3%
General Merchandise Store	8.4%
Pharmacies & Drug Stores	6.4%
Food & Beverage Stores	6.4%
Office and Services	6.2%

Source: 2015 Downtown Marshalltown Consumer Surveys.

**Table 6**

### Question

**Do you transact sales on your website or through another website (i.e., eBay, Etsy, etc.)?**

Business Survey Responses	Percent
Yes	5.3%
No	94.7%

Source: 2015 Downtown Marshalltown Business Survey.

# COMMUNITY INSIGHTS

## Leveraging Assets

Consumer survey participants gave Downtown Marshalltown high marks for a variety of identifiable—and marketable—qualities and traits which provide a solid foundation for images and messages to be reinforced as part of a downtown branding strategy and system.

Table 7

### Question

How does Downtown Marshalltown compare to other places you frequently shop and do business in terms of:

Consumers Rating	A. Stronger	B. Equal	A + B
Customer Service	13.6%	58.9%	72.5%
Cleanliness	10.4%	59.7%	70.1%
Quality of Dining	10.2%	52.0%	62.2%
Attractiveness	11.0%	41.5%	52.6%
Quality of Products and Services	6.3%	41.1%	47.3%
Quality of festivals and events	12.8%	31.9%	44.7%
Variety of Dining	8.4%	33.9%	42.3%
Variety and Selection of Shopping	1.4%	7.0%	8.5%

Source: 2015 Downtown Marshalltown Consumer Surveys.

Downtown Marshalltown marketing and branding strategies should emphasize images and messages which capitalize on “known” qualities and assets to deliver a powerful statement and resonating impressions. Leveraging assets already identified as strengths in the marketplace provides opportunities to make natural connections with consumers, and enhances the ability for the Downtown Marshalltown brand to readily gain traction through repeated and consistent applications and extensions.

## A Work in Progress

Consumer and business survey participants ranked the priorities shown in table 8 in the same order. High priority was placed on business expansion and recruitment efforts—including proposals for creating incentives for new and expanding businesses in the downtown area. Second in line was improvement of streets, sidewalks, lighting, furnishings, green spaces, trails, etc.

The ranking of priorities provides direction for new and ongoing downtown enhancement initiatives. Similar opinions of consumers and businesses regarding possible enhancement efforts may make it easier to move forward with priorities since there is general agreement.



Table 8

### Question

Would you place a high, moderate or low priority on possible Downtown Marshalltown enhancement efforts to:

Consumers (C) and Businesses (B) Rating as a “High Priority”

Enhancement Efforts	(C)	(B)
Create incentives for new and expanding downtown businesses	64.5% (1)	65.8% (1)
Improve the downtown’s streets, sidewalks, lighting, furnishings, green spaces, trails, etc.	46.2% (2)	47.4% (2)
Restore and preserve the downtown’s historic character	46.1% (3)	39.5% (3)
Stage additional festivals and special events in the downtown area	36.9% (4)	32.4% (4)
Improve and/or create more housing in the downtown area	28.4% (5)	31.6% (5)

Source: 2015 Downtown Marshalltown Consumer and Business Surveys.

# COMMUNITY INSIGHTS

## First Things

Input regarding priorities for the downtown district generally aligns with suggestions offered by consumer and business survey respondents when asked, “What is the first thing you would do to improve Downtown Marshalltown?” Design-oriented topics ranked as the first things to improve including building appearances and parking. Economic restructuring initiatives including efforts to diversify the business mix, ranked highly as well.

**Table 9**

### Question

**What is the first thing you would do to improve Downtown Marshalltown?**

Categorized Topics	Consumers	Businesses
Buildings and Appearances	18.1%	21.1%
Cohesive Design and Links	0.2%	--
General Maintenance & Cleanliness	6.3%	5.3%
Parking	16.2%	36.8%
Streetscape and Public Spaces	6.6%	5.3%
Traffic and Transportation	2.6%	5.3%
Business Operations and Practices	9.2%	2.6%
Housing	4.4%	--
Recruit Business(es), Diversify Mix	18.8%	7.9%
Programs and Programming	2.8%	5.3%
Public Relations	7.0%	--
Festivals and Events	5.5%	5.3%
Marketing	0.7%	2.6%
Other	1.7%	2.6%

Source: 2015 Downtown Marshalltown Consumer and Business Surveys.

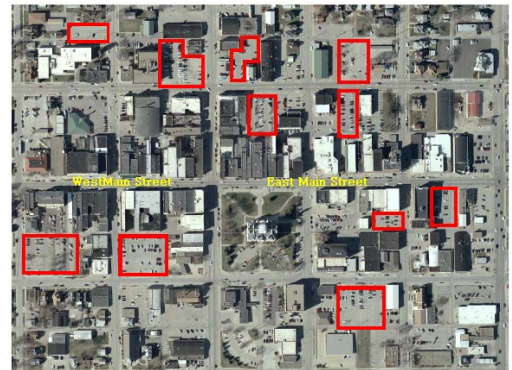
Businesses offered suggestions in the Parking, Traffic and Transportation and Promotion categories with higher frequency. Parking, Traffic and Transportation-related items tend to revolve around parking availability and location in relation to their business. Conversations regarding the use of angle vs. parallel parking regularly surfaces every few years but has not been implemented due to existing street design, costs, impact on bike lanes and overall safety. Plans related to way-finding and parking identification have been developed as well.

Parking, Traffic and Transportation-related concerns and suggestions were cited nearly two times more frequently by business survey participants. With specific regard to parking, the findings could suggest that parking for business owners and employees is troublesome; and/or that business owners may be their own worst enemy by, in essence, “promoting” parking concerns which do not appear to be readily apparent or a barrier to consumers.



## What is the first thing you would do to improve Downtown Marshalltown?

**Highly ranked by consumers and businesses Design categories take the highest level of priority, more specifically Building Appearances and Parking.**





## COMMUNITY INSIGHTS

### Most Loved

Consumers and businesses surveyed overwhelmingly identified features associated with the downtown's environment, character and feel as the things they love most or would never change, showing a great affection for the small town atmosphere and friendly nature of downtown.

Overwhelmingly the Marshall County Courthouse was identified as something consumers and businesses love most. Scattered in other categories was the mention of the flower baskets totaling about 43 consumer responses.

The findings can lend direction for marketing and branding strategies which connect with the downtown's tangible and intangible features most loved by both consumers and businesses, and help to distinguish Downtown Marshalltown in the regional marketplace.

Table 10

#### Question

What is the one thing that you love most, or that you would never change, about Downtown Marshalltown?

Categorized Responses	Consumers	Businesses
Courthouse	34.5%	33.3%
Environment, Character and Feel	22.7%	22.2%
History and Historic Character; Buildings	17.6%	30.6%
Business(es); Business Mix	13.3%	8.3%
Festivals and Events	2.0%	0.0%

Source: 2015 Downtown Marshalltown Consumer and Business Surveys. Most frequent categorized responses shown.



**Consumers and businesses show a great affection for the small town atmosphere and friendly nature of downtown.**

**Features identified as most loved can lend direction for marketing and branding strategies which connect with the downtown's tangible and intangible features, and help to distinguish Downtown Marshalltown in the regional marketplace.**

# BUSINESS INSIGHTS

## Business Tenure and Climate

Forty-seven percent of downtown business survey participants indicated their business has been located in Downtown Marshalltown for ten or more years. The figure could be viewed as an indicator of stability in the downtown business mix, but it could also suggest the need for a certain level of succession planning given that 13 businesses (32.5%) indicated they have been located in the downtown for 21 or more years. Major employers such as Emerson Process Management/Fisher Controls contribute to the stability of downtown.

The downtown business climate also appears to be conducive to business start-up and entrepreneurial activity, as evidenced by 32.5% of the business survey sample indicating they have been located in Downtown Marshalltown for four years or less.

## Customer Base

Ninety-five percent of businesses surveyed identified Local/Regional residents as their primary customer base. The consumer survey sample shows that 68.2% of all respondents live within ten miles of Downtown Marshalltown. The findings are also consistent with a market that tends to be loyal to local brands and businesses, and that values customer service, reputation and quality.

Table 11	
Question	
Which of the following best describes your primary customer base?	
Responses	
Local/Regional Residents	95.0%
Downtown Area Employees	2.5%
Other	1.0%
Source: 2015 Downtown Marshalltown Business Survey.	

## Connections

Several of Downtown Marshalltown businesses appear to recognize the value and importance of the Internet and social media trends. More than 52% of business survey participants have an Internet website and two businesses (5.3%) indicated they engage in sales over the Internet. 64% percent of businesses indicated their business has a Facebook page.

Given increasing Internet presence of downtown businesses, and interest in marketing topics and potential programs, Internet and social media applications could be an obvious—and important—component of Downtown Marshalltown collaborative marketing programs and campaigns.

Table 12	
Question	
How long has your business been located in Downtown Marshalltown?	
Responses	
Less than 1 year	10.0%
1 to 4 years	22.5%
5 to 9 years	20.0%
10 to 20 years	15.0%
21+ years	32.5%
Source: 2015 Downtown Marshalltown Business Survey.	

Table 13	
Question	
Which of the following best describes the main reason for customers to do business with you?	
Responses	
Reputation	43.6%
Customer service	17.9%
Price of goods and services	17.9%
Selection and variety	10.3%
Convenience	5.1%
Other	5.1%
Source: 2015 Downtown Marshalltown Business Survey.	

Table 14	
Question	
Would you consider participating in a collaborative marketing campaign for Downtown Marshalltown?	
Responses	
Yes	28.2%
Maybe	53.8%
No	17.9%
Source: 2015 Downtown Marshalltown Business Survey.	

## BUSINESS INSIGHTS

### Changes Ahead?

More than 37% of business survey respondents indicated the likelihood for their business to expand within the next one or two years as being moderate, high or very high. Other business survey results provide insight on the nature of potential changes that could occur within the downtown area and the business mix based on affirmative responses to a list of possible modifications.

**Table 15**

**Question**

**In the next year or two, do you plan to change or modify your business in any of the following ways?**

**Responses**

Expand services or product lines	40.6%
Increase marketing	37.5%
Start and/or complete building improvements	25.0%
Increase number of employees	18.8%
Expand hours of Operation	18.8%

Source: 2015 Downtown Marshalltown Business Survey. Most frequent responses shown.

The nature of changes being considered by downtown businesses, along with interest expressed in possible business assistance and training programs, suggests that the timing could be opportune for Marshalltown Central Business District to introduce or escalate efforts to:

- Facilitate collaborative marketing programs, possibly including a social media-based “meet your neighbor” campaign that focuses on the downtown’s personalities and/or a cooperative advertising program designed to extend and reinforce the Downtown Marshalltown brand.
- Share market study data and findings regarding product lines showing potential for expansion.
- Explore interest in, and identify resources for, marketing and clientele development for small businesses, business succession planning, and employee management topics.
- Work with the Main Street Design Committee, the Main Street Iowa Design Specialists, City of Marshalltown and other partners to:
  - Promote Main Street Iowa design assistance and technical training services.
  - Develop, review or fine tune design guidelines.
  - Explore and pursue opportunities for financial and technical assistance to promote high quality building and business improvements, and to catalyze business expansion opportunities.

**BUY  
LOCAL.**

**Table 16**

**Question**

**Of the following business seminar topics, which two would be of most interest and/or most useful to you?**

**Responses**

Finding and Keeping Customers	43.3%
Marketing for Small Businesses	43.3%
Social Media for Small Businesses	40.0%
Finding and Keeping Employees	10.0%
Employee Benefits	10.0%
Business Succession Planning	10.0%
Ecommerce for Small Businesses	6.7%
Other	6.7%

Source: 2015 Downtown Marshalltown Business Survey.

**Table 17**

**Question**

**Would you be inclined to use any of the following Building Assistance programs and incentives?**

**Responses**

Free/low-cost building improvement design services	38.9%
Low-interest building improvement loans	38.9%
Assistance to sell your building and/or business	11.1%

Source: 2015 Downtown Marshalltown Business Survey.



## BUSINESS INSIGHTS

### Benchmarks

Certain data collected and compiled as part of the business survey provides valuable insights on Downtown Marshalltown today and can be used to benchmark, track and measure changes and progress stemming from Marshalltown downtown enhancement and economic development initiatives. The information can also be valuable to prospective businesses, investors, developers and entrepreneurs as they consider opportunities in Downtown Marshalltown.

### Downtown Sales and Revenues Trends

Survey results show 50% of downtown business survey respondents reported an increase in gross sales or revenues in 2014 as compared to 2013, and 21.9% reported gross sales or revenues stayed about the same.

**Table 18**

#### Question

**Which of the following describes the change in your business' gross sales or revenues in 2014 as compared to 2013? (If unsure, use your best estimate)**

#### Responses

Increased by 1% to 5%	18.8%
Increased by 6% to 10%	15.6%
Increased by 11% to 15%	9.4%
Increased by 16% to 20%	3.1%
Increased by more than 20%	3.1%
Decreased by 1% to 5%	15.6%
Decreased by 6% to 10%	6.3%
Decreased by 11% to 15%	3.1%
Decreased by 16% to 20%	3.1%
Decreased by more than 20%	0.0%
Stayed about the same	21.9%

Source: 2015 Downtown Marshalltown Business Survey.

Business survey participants expect the positive trends in sales and revenues reported by business survey participants for 2013 to 2014 to continue in 2015. All told, 58.8% of business survey respondents indicated they expect gross sales or revenues to increase in 2015 as compared to 2014, with most (50%) anticipating increases within a range of 1% to 10%. Only five business survey respondents (14.7%) expect gross sales or revenues to decline in 2015, while 26.5% anticipate sales or revenue figures will stay about the same.



**Table 19**

#### Question

**Do you rent or own your business location?**

#### Responses

Rent	55.0%
Own	45.0%

Source: 2015 Downtown Marshalltown Business Survey.

Fifty-five percent of downtown business survey participants indicated they rent their business location. Business assistance programs should consider special needs of renters versus owner-occupied businesses; and development strategies should monitor, consider and promote investments and opportunities for mixed-use development to accommodate future demand by commercial tenants.

# OPPORTUNITIES

## Retail Uses

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

### Foodservices & Drinking Places (NAICS 722)

Subcategories:

- 7221 Full-Service Restaurants
- 7222 Limited-Service Eating Places
- 7224 Drinking Places—Alcoholic Beverages

**Notes:** Input from the consumer surveys suggest demand for additional Eating & Drinking Places options is very high at 61.6%. Expansion opportunities and new entries would be compatible and complementary to existing category entries and might include additional limited service food options, with coffee house, desserts, bakery and deli/sandwich concepts and product lines all scoring high in surveys. Evening and nighttime establishments including wine shops and micro-breweries might feature various genres of music and venues for local artists to enhance the downtown's "fun & entertainment factor" and the expressed desire of consumers for additional recreation and entertainment. Décor and themes might feature local art, history and heritage. Existing establishments such as Fiddle & Whistle Irish Pub and Iowa River Brewing Company are current examples of what consumers are looking for. Outdoor dining and drinking areas were frequently mentioned by consumers as desirable additions to the downtown.

### Clothing and Clothing Accessories Stores (NAICS 448)

Subcategories:

- 4481 Clothing Stores
- 4482 Shoe Stores
- 4483 Jewelry, Luggage and Leather Goods Stores

**Notes:** Twenty-five percent of responses in the consumer survey identified clothing and clothing accessories as an attraction to downtown. Consumer surveys focused on general clothing needs as the most important. Product lines which are affordable and available in a range of sizes and styles are desirable by consumers. Men's clothing continues to rank highly as well since the closing of Gildner's several years ago. Downtown Marshalltown no longer has a retail store providing suits, dress shirts and ties. Children's clothing in the form of consignment or new items was also identified as a potential attraction.

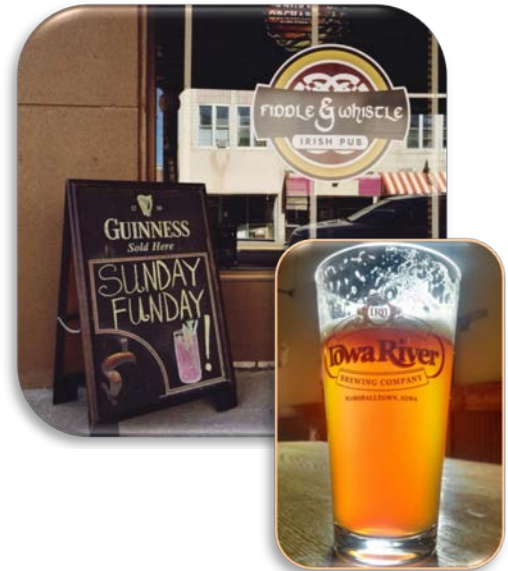


Table 20

### Opportunities?

Please list one or two specific types of businesses or attractions that might make you visit Downtown Marshalltown more often.

#### Top Responses—Categorized

Food Services & Drinking Places	61.6%
Clothing and Clothing Accessories	25.1%
Sporting Goods, Hobby, Book & Music	15.1%
Recreation & Entertainment	14.9%
Retail – General/Uncategorized	13.3%
General Merchandise Stores	8.4%
Food & Beverage Stores	6.4%
Pharmacies & Drug Stores	6.4%
Offices & Services	6.2%

Source: 2015 Downtown Marshalltown Consumer Surveys

## OPPORTUNITIES

### Sporting Goods, Hobby, Books and Music (NAICS 451)

Subcategories:

4511 Sporting Goods/Hobby/Musical Instruments

4412 Book, Periodical and Music Stores

**Notes:** The most immediate opportunity appears to be in the category of books, periodicals and music stores. Currently Marshalltown lacks a general book store and the Downtown may prove to be a prime location for such a business. Arts, crafts, hobby, toy and game stores also ranked high among the responses. Expanding on current businesses in the downtown such as the The Sheep's Stockings and Create a Keepsake ideas like a "pinterest in-a-box store" or general craft and hobby store may draw people downtown.

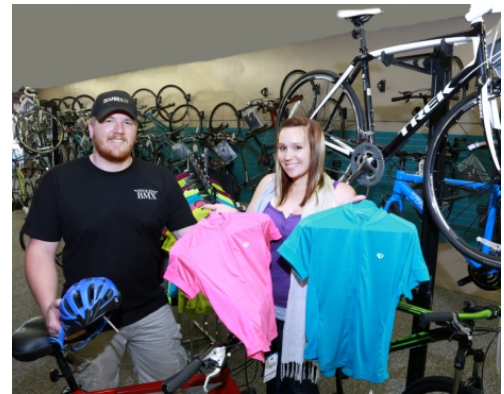
The sporting goods category would likely capitalize on the health and fitness movement, and on market characteristics favoring outdoor recreation and activities. Concepts and product lines might package and feature high levels of service and local expertise (i.e., bicycle repairs, fitness training programs, outfitter and guide services, etc.) and capitalize on traffic generated by walking and biking trails, other recreational attractions and existing shops such as Black Tire Bike Co.

### Arts, Entertainment and Recreation (NAICS 71)

Subcategories:

712 Museums, Historical Sites and Similar Institutions

**Notes:** The opportunities for expanded entertainment in the Downtown would be an attraction to consumers according to survey responses. Outdoor dining, live music and festivities would likely attract more young professionals to the downtown. Family friendly festivals and events are also important. Suggestions such as a children's museum, kid's activity centers, outdoor performing spaces and a splash pad are all potential opportunities which would increase downtown traffic. Activities for teenagers are limited in the community which may present an opportunity for an arcade or gaming center.





## OPPORTUNITIES

The next four highest ranked categories include Retail – General/Uncategorized, General Merchandise Stores, Food & Beverage Stores and Pharmacies & Drug Stores. These categories totaled 34.5% of the responses.

### Retail Trade (NAICS 44-45)

Subcategories:

- 4451 Grocery Stores
- 44611 Pharmacies and Drug Stores
- 452 General Merchandise Stores
- 45322 Gift, Novelty and Souvenir Stores
- 4533 Used Merchandise Stores
- 4539 Other Miscellaneous Store Retailers

**Notes:** Sales surplus & leakage analysis, the existing downtown business mix, and consumer survey results lend support for certain subcategories; and generalized responses indicating a preference for general retail and/or unspecified “boutique” and “specialty” shops, suggest this category could be targeted for expansion and recruitment.

Some of the recommendations received included a grocery store, a pharmacy, department/discount department stores, gift stores and specialty retail.



Business types targeted for expansion and recruitment consider consumer demand and potential gaps in the business mix, capitalize on existing strengths, and build on existing or evolving niches in the downtown business mix to solidify Downtown Marshalltown’s market position and enhance its destination-oriented appeal.

The retail business targets listed and described here serve as a starting point. Downtown Marshalltown stakeholders must infuse local knowledge and expertise into the process of analyzing market information contained in this study to further develop profiles for business types and uses which are a good fit for Downtown Marshalltown, and which appear to have the very best chance to succeed.

It is important to also note the economic opportunities which are a result of the community’s ethnic diversity. A large number of existing retail establishments and restaurants are currently owned and/or operated by minority business owners. Marshalltown currently has four Hispanic grocery stores, two Asian grocery stores and multiple restaurant options. This is a reflection of the increasing minority population settling in Marshalltown. There is an opportunity to coordinate marketing efforts and expand to a potentially new client base.

## OPPORTUNITIES

### Office and Service Uses

Trends and projections pointing to continued growth in the market area's population and number of households through 2019 suggests demand for new service and office uses in the downtown area could increase, accordingly. Other trends could also serve to essentially change the behavior of the market and generate demand for additional office and service uses including:

- Continued transition to a service-oriented society.
- As the downtown transitions and loses the primary medical facilities to the south side of town there may be an increasing demand for personal care and medical services on a smaller scale for residents in the downtown area with limited transportation.
- The downtown's appeal to office, service and residential uses that will continue to grow as success is realized from Marshalltown Main Street and community downtown enhancement efforts – and the possibility that existing office and service businesses currently located in other parts of the region will seek to relocate in or within close proximity to the Downtown Marshalltown district.

The importance of, and opportunities for, new and expanding office and service uses in Downtown Marshalltown may best be demonstrated by:

- Seventy-two percent of consumer survey respondents indicated they visit Downtown Marshalltown at least once or twice a month for office and service-related purposes.
- When asked what type of new businesses or attractions, located in Downtown Marshalltown, would help your business and/or have the best chance to succeed, 9.8% of business survey responses fell within the services category —making it the third highest ranked survey category.

Office and services uses in Downtown Marshalltown already play an important role in generating consistent traffic to support the district's economy and sense of vitality. Predictably, office and service uses will continue to be important to downtown in the future. These uses should continue to be encouraged to locate within the downtown district and, where appropriate and applicable, Marshalltown Main Street and community development partners should work to locate these uses in buildings and spaces that are conducive to creating and maintaining a strong sense of retail vibrancy throughout the district.



Office and services uses in Downtown Marshalltown already play an important role in generating consistent traffic to support the district's economy and sense of vitality.

**Table 21**

#### Question

**How often do you visit Downtown Marshalltown for office and service-related purposes?** (Examples: library, city hall, salon/barbershop, dentist, doctor, chiropractor, attorney, accountant, dry cleaning, auto repair, etc.)

#### Top Responses—Categorized

Daily	14.2%
1 or 2 times a week	26.6%
Once or twice a month	31.3%
A few times a year	14.6%
Seldom or never	13.3%

Source: 2015 Downtown Marshalltown Consumer Survey.

# OPPORTUNITIES

## Housing

Consumer survey results show relatively strong interest in potential downtown housing options. The findings could lend support for the rehabilitation of existing housing and the development of new, mixed-use concepts in Downtown Marshalltown.

Demographic data for those indicating interest in downtown housing options reveal a market which would likely demand more upscale downtown housing styles and options.

**Table 22**  
**Potential Downtown Housing Market | Demographic Profile**  
**For Consumer Survey participants indicating interest in new or renovated Downtown Marshalltown housing.**

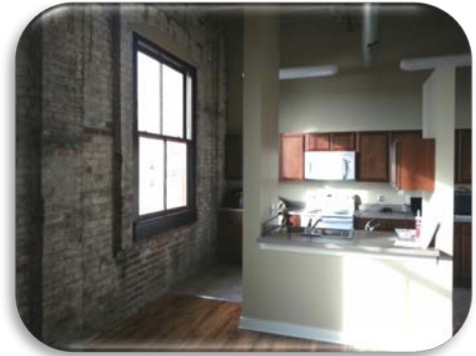
Age	Percent
24 or younger	12.6%
25 to 34	28.6%
35 to 44	4.9%
45 to 54	19.2%
55 to 64	22.0%
65 or older	7.1%

Household Size	Percent
1	16.5%
2	45.6%
3	17.0%
4	9.9%
5 or more	6.0%

Household Income	Percent
Less than \$35,000	10.4%
\$35,000 to \$49,999	8.8%
\$50,000 to \$74,999	19.8%
\$75,000 to \$99,999	22.0%
\$100,000 to \$149,999	18.1%
\$150,000 and greater	12.6%

Source: 2015 Downtown Marshalltown Consumer Online Survey.

The best prospects for new downtown housing might be directed toward the development of units that are quite different from the current inventory of housing options available in the broader community – including styles that might take advantage of the unique dimensions, layouts and materials found in the upper levels of downtown commercial buildings to create distinguishable and even “funky” living and/or live/work spaces; and for higher-density mixed-use development at potential redevelopment sites in the downtown district and immediate surrounding area.



**Table 23**  
**Q: Would you consider living in Downtown Marshalltown?**

### Responses

Yes	10.2%
Maybe	23.6%
No	62.3%
I live downtown	3.9%

**Table 24**  
**Q: Would you prefer to own or rent housing in Downtown Marshalltown?**

### Responses

Own	52.9%
Rent	47.1%

**Table 25**  
**Q: What kind of housing in Downtown Marshalltown would you look for or consider?**

### Responses

Apartment	41.1%
Loft	62.3%
Condo	47.4%
Townhouse	44.6%
Senior Housing	8.0%

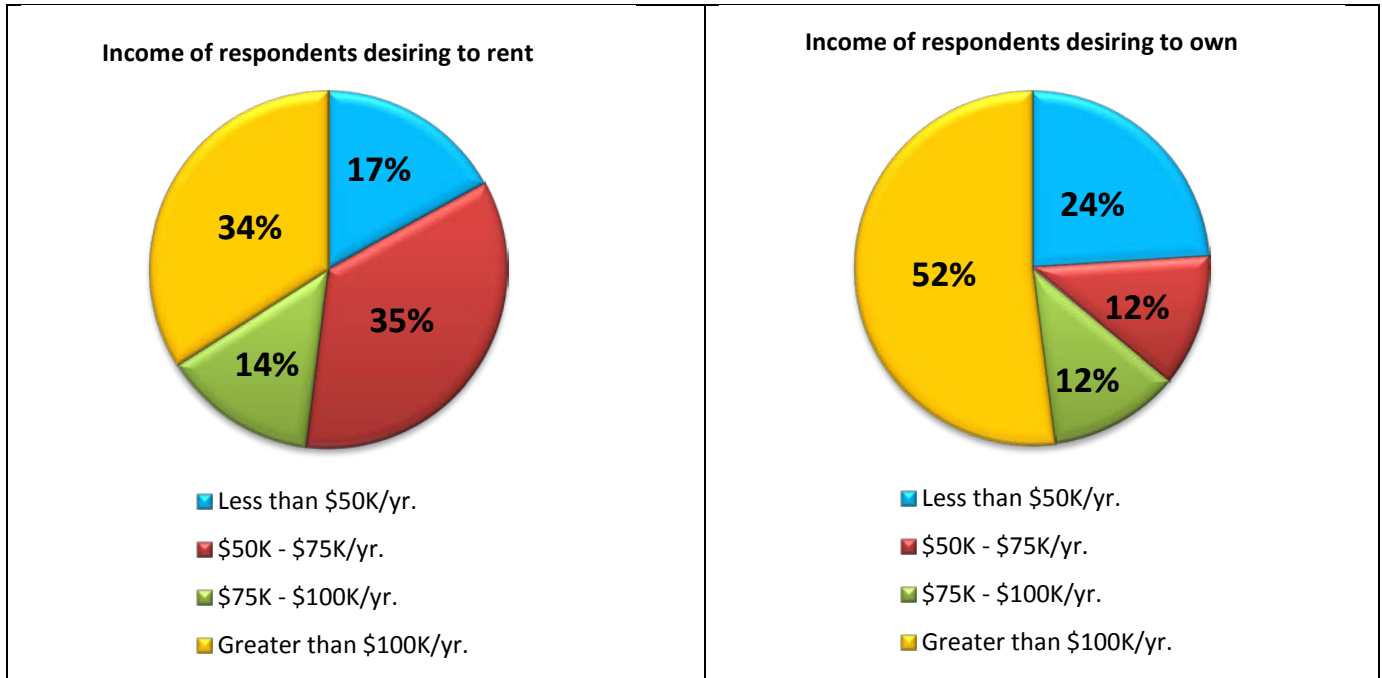
Source: 2015 Downtown Marshalltown Consumer Online Survey.



## OPPORTUNITIES

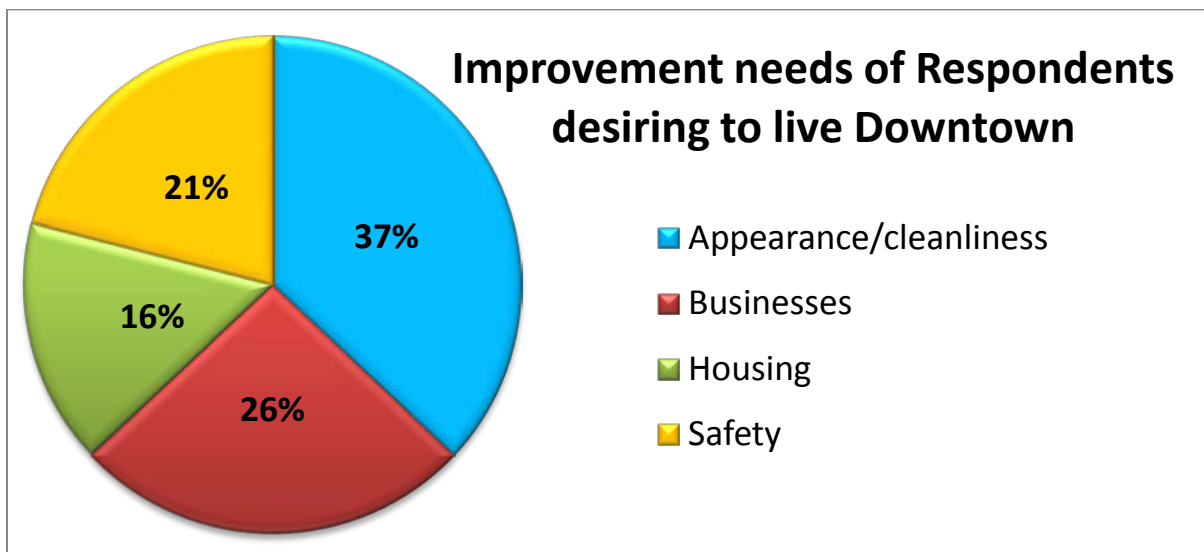
As we expand on the responses consumers who desire to live downtown gave, we can determine specific characteristics about those individuals as well as their expectations of a downtown living environment.

The following charts represent the annual income ranges for those respondents interested in living downtown.



Survey respondents who would like to rent or own a housing unit downtown would like to see the following types of improvements in Downtown Marshalltown.

- Improve the structures; restore historic features and focus on overall cleanliness.
- Develop more market rate housing for professionals.
- Enforce codes related to safety, parking and design standards.
- Create a safe pedestrian atmosphere improving parking areas and alleys.
- Increase variety of retail, restaurants, and entertainment and increase hours of operation.



# FIRST STEPS IMPLEMENTATION STRATEGY

The Downtown Marshalltown Market Study provides a snapshot of the downtown area today and explores opportunities for the future. The time frame for planning and implementing projects based on findings and opportunities identified as part of this study could extend several years.

Because commercial business district redevelopment occurs within a dynamic environment, no set of specific implementation steps can remain valid for real a long time. Even in the short term, changing economic, social, political and cultural conditions may dictate a different sequence of events. Some projects might be implemented earlier if the right set of opportunities present themselves, or the community may determine that a project should be tabled as new opportunities emerge and others take priority. Because of these limitations, an implementation strategy can only be a general guide for implementing key aspects of the study.

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

It was decided to limit the number of action steps per area focusing on new initiatives. In some cases only one action item may be listed due to the anticipated involvement or makeup of the committee. As potential action steps were discussed it became apparent that many of the steps were continuations of ongoing activities. In order to focus attention on the new initiatives we agreed that new action steps should be listed separately from existing work plan goals. The new initiatives will require dedication by staff, volunteers, partners, local business persons, community leaders and residents all working together. Each new initiative will also require a more in-depth implementation plan which will be created by the responsible committee.

## NEW - Priority Action Steps – Organization

Action	Description	Priority Level
1	Develop an aggressive, program to publicize plans, projects and results stemming from the market study, the strategy plan, and the annual work plan. This should include a review of and significant enhancements to internet based media formats such as the MCBD website and social media presence. It should also include the development and distribution plan of handouts for developers, business owners, the general public and recruiters.	1
<b>Priority Level Key:</b>		
0 = Immediate and/or Ongoing      1 = Within 1 Year      2 = Within 2 Years      3 = Within 3 Years		

## NEW - Priority Action Steps – Economic Restructuring

Action	Description	Priority Level
1	Work in partnership with the City and other community & economic development organizations to assess land use plans and to promote and pursue appropriate redevelopment opportunities; consider opportunities for, and the appropriateness of, higher-density mixed-use development and other housing styles as a means of growing the area’s residential market and population. Key development opportunities include the hospital site anchored on the East end of Main Street.	1
2	Biennial update of market study information. Conduct condensed follow-up business and consumer surveys using information compiled as part of this market study. Collect, maintain and track information on downtown real estate, market conditions and trends in the Main Street district.	2

# FIRST STEPS IMPLEMENTATION STRATEGY

## NEW - Priority Action Steps – Economic Restructuring (Continued)

Action	Description	Priority Level
3	Develop a Visiting Community Program where members of our Main Street program plan field trips to communities and commercial businesses districts displaying similar characteristics and market demographics. A goal will be to examine the business mix, make contact with potential business expansion candidates and observe best practices while the partner community evaluates Marshalltown. A follow-up visit with the partner community representatives will also for networking and the opportunity to gather valuable insights from visitors.	2
4	Develop business workshops or seminars on categories meeting needs interests based on survey results and ongoing business visits. Identify and assist businesses in areas such as succession planning, online marketing and finding and retaining customers. Use resources available through Main Street Iowa along with other local, regional and state resources.	3
5	Support the initial phases of development of a comprehensive and cohesive community branding initiative for the Marshalltown community. Integrate the brand once developed into the marketing plans for the Main Street organization and downtown businesses.	3

### Priority Level Key:

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

## NEW - Priority Action Steps – Promotion

Action	Description	Priority Level
1	Integrate the developed materials created by the organization committee into a cross marketing campaign. Develop a stronger web presence for the Main Street organization which connects to businesses. Collaborate with Convention & Visitors Bureau to coordinate community events with downtown activities.	2

### Priority Level Key:

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

## NEW - Priority Action Steps – Design

Action	Description	Priority Level
1	Assemble, package and promote currently available incentives and downtown building improvement programs such as historic tax credits, TIF funded programs such as the façade update grants and Main Street Iowa funding opportunities. Continue to promote technical assistance available from and through Main Street Iowa, especially design assistance available to owners contemplating changes and improvements to downtown buildings.	1
2	Parking and way finding signage continues to be a focus point for the community. Continue execution of parking and signage plans throughout the downtown in coordination with larger scale branding plans once available and as funding allows. Adoption of a SSMID could become a source for necessary for funding. Identify improvements that can be implemented as a lower cost intermediate solution to parking and way finding concerns.	2
3	Organize a committee specifically to study opportunities for how to draw development downtown, focusing on new ideas and incentives not previously used within our community. Target individuals that are able to think big and outside the box in order to identify inventive ways to improve the downtown.	3

### Priority Level Key:

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



# FIRST STEPS IMPLEMENTATION STRATEGY

The action steps listed previously in the report include the new initiatives. The following tables identify the ongoing actions that are already part of Main Street work plans. It is important to identify the ongoing actions in order to recognize the connection to this plan and impact that ongoing steps have on being able to implement the new action steps.

## ONGOING - Action Steps – Organization

Action	Description	Priority Level
1	Continue to encourage participation in the downtown Marshalltown planning processes and use information and direction gained from the market study to refine policies, strategies and concepts, and to fine tune and prioritize organization operations and advocacy efforts.	0
2	Work with MCBF committees to disseminate the findings of this study and the connection to previous studies.	0
3	Work with committees to review volunteer requirements, identify potential sources for volunteers, and assist the committees in the recruitment and training of volunteers necessary to implement projects adopted as a result of this study	0
4	Work to involve residents, business persons, elected officials, community leaders and other community organizations in all phases of downtown planning, implementation and management	0

## ONGOING - Action Steps – Economic Restructuring

Action	Description	Priority Level
1	Update and maintain a downtown property and business inventory; maintain a current list of available properties and businesses and distribute the list to area realtors, new businesses and possible investors.	0
2	Strengthen the Business Visitation Program and improve participation as part of an ongoing business assistance program that engages downtown businesses, promotes available resources, facilitates the delivery of business assistance resources, and helps to identify business expansion candidates.	1
3	Identify and assist businesses that may be candidates for expansion based on product lines identified in the market study and interest discovered through the Business Visitation Program.	1

## ONGOING - Action Steps – Promotion

Action	Description	Priority Level
1	Study promotion and marketing-related information and findings resulting from the market study and assess events and marketing activities for consistency and effectiveness. Incorporate “buzz words” in marketing headlines and messages and use images that capitalize on those features most liked and identifiable with the downtown district.	0
2	Continue to work closely with local, regional and state tourism organizations to promote the downtown as a visitor attraction; work with the Economic Restructuring Committee to track tourism-related activity and trends.	0
3	Review the existing events calendar. Work and support efforts to enhance and maintain existing downtown festivals and events and to introduce new events and activities – or new event components – which are consistent with downtown marketing strategies.	0

### Priority Level Key:

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

# FIRST STEPS IMPLEMENTATION STRATEGY

## ONGOING - Action Steps – Design

Action	Description	Priority Level
1	Work with the City to ensure adequate and proper maintenance of the downtown’s streetscape, furnishings and public spaces; use input and direction from survey results to address potential maintenance needs and problem properties.	0
2	Continue efforts to incorporate pedestrian-oriented and intermodal transportation features in the design and implementation of future downtown area improvements.	0
3	Maintain ongoing historic preservation education efforts designed to enhance the community’s awareness of, and appreciation for, the preservation of downtown historic architecture and resources. Share results of surveys as a step toward aligning viewpoints and values related to the historic and cultural features of the downtown area.	0

### Priority Level Key:

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

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Downtown Marshalltown is the heart of our community and with the completion of this market study is not an end but rather the beginning of a new phase in the community's downtown revitalization and enhancement initiative.

This summary report serves to highlight only a small sample of the knowledge and direction that can be synthesized from analysis of data collected during the market analysis process. Similarly, the implementation strategy outlined in the document is only a starting point for a more comprehensive slate of projects that is likely to emerge as local leaders and stakeholders work together and continue to study the market.

As Marshalltown Central Business District moves forward, we will continue to involve partners, community leaders, business persons and residents in efforts to analyze and interpret the information collected through the market analysis process in order to develop a complete understanding of the findings and results – and the implications for downtown. The ensuing process will “dig deep” into the results and their meanings and incorporate local knowledge into the analysis and interpretation of the study's findings. Such a process will serve to aid in the development and implementation of strategies that are both market-driven and intrinsic to our community's goals and aspirations for downtown Marshalltown.

Indeed, the detailed market analysis process orchestrated to date may be, in and of itself, one of the most important “results” to emerge. While the process has served to help identify present-day priorities, existing and looming challenges, and immediate and emerging opportunities, it cannot, and does not pretend to anticipate tomorrow's priorities, next year's unexpected challenges, or exciting and unanticipated opportunities still over the horizon.

Our entire community will be able to use these results for the betterment of Marshalltown. It will serve as a useful and flexible tool for business recruitment and retention, as well as remain a “living and breathing” document. It will be able to change along with the times and trends of the community, and remain very useful in aiding Marshalltown's enhancement of the downtown area.

