



RETAIL MARKET ANALYSIS

Downtown Excelsior Springs

May 2017

Abstract

This retail market analysis has been prepared by the Downtown Excelsior Partnership Executive Director, Lyndsey Baxter, with reports from ESRY, USEPA and Location One.



Table of Contents

	Page
Executive Summary	2
Methodology	6
Limits of Study	8
Determining Trade Areas	8
Demographic Profiles	9
Excelsior Springs Trade Area	10
Secondary Trade Area	10
Educational Attainment	11
Employment	12
Consumer Retail Supply	13
Gap Analysis	14
Positive Pull-Factors	15
Negative Pull-Factors	17
Retail Opportunity	19
Consumer Retail Demand	22
Customer Income	22
Consumer Profiles	24
Customer Segments	24
Downtown Excelsior Springs Goals & Strategy	26
Goals	26
General Strategy	26
Downtown Improvements	27
Retail Economic Development Tools	29
Enhancing the Purchasing Experience	30
Communication & Marketing of the Downtown	32
Conclusions	34

Downtown Excelsior Springs, Missouri Retail Market Analysis Report

Executive Summary

The Downtown Excelsior Partnership is currently updating the Retail Market Analysis for the City of Excelsior Springs, Missouri. This report has been prepared by using reports from ESRY, Location One and USEPA.

Excelsior Springs is a community located along the Fishing River, approximately 35 minutes outside of the Kansas City Metro Area.

This 2017 Market Analysis is intended to provide an update to the City's 2009 Market Analysis completed during the Downtown Revitalization and Economic Assistance for Missouri ("DREAM") Initiative, to better reflect the current economic realities and incorporate changes in local demographics and overall business climate. Additional changes to the local business mix have also influenced traffic and consumer patterns within the community, including small business activity within downtown Excelsior Springs, a new community center on the west side of town and new commercial development on the north side of town.

Area Definitions

The retail market analysis focuses on two different geographic trade areas: A Primary Trade Area and a Secondary Trade Area. For the purposes of this study, the Primary Trade Area is the City of Excelsior Springs. The Secondary Trade Area includes the area encompassed with a 15-mile radius of Downtown Excelsior Springs. The 15-mile drive boundary presents a catch-basin of consumers likely to make a shopping trip to Excelsior Springs.

Demographic Data

Primary Trade Area Demographics – Currently, 11,269 people live in Excelsior Springs in 4,335 households. The average household income is \$54,970 and the median age is 38.4. Approximately 35.6% of the population living in Excelsior Springs are 24 or younger; 24.6% are between 25 and 44 years of age; 39.8% are 45 or older.

Secondary Trade Area Demographics – Currently, 19,746 people live within a 15-mile radius of Downtown Excelsior Springs in 7,475 households. The average household income is \$65,766 and the median age is 40.5. Approximately 32% of the population in the STA are 24 or younger; 23.6% are between 25 and 44 years of age; 44.5% are 45 or older.

Excelsior Springs Employment

Throughout Excelsior Springs there are over 5,017 jobs, representing 462 businesses. The retail trade sector employs 1,462 jobs (29.1%) total with 505 jobs in eating and drinking places and 376 jobs (7.5%) in general merchandise stores. The manufacturing sector employs 726 jobs (14.5%). Citywide, Excelsior Springs has a total of 1,850 jobs in the service industry (36.9% of total jobs) in 174 businesses.

Downtown Excelsior Springs, Missouri Retail Market Analysis Report

Within Downtown Excelsior Springs there are over 289 jobs, representing 71 businesses. The retail trade sector employs 200 jobs (69.2%) total jobs with 134 jobs in eating and drinking places and 29 jobs (14.5%) in miscellaneous retail. The furniture and home furnishings sector employs 13 jobs (6.5%) in 5 establishments.

Approximately 58% of Excelsior Springs employees are from the City of Excelsior Springs. More than 41% of Excelsior Springs daytime population lives outside of the city limits. The total daytime population for Excelsior Springs is 10,010.

Consumer Retail Supply

Downtown Excelsior Springs currently has 980,000 square feet of 1st floor commercial/retail space. At the time of this report, approximately 32,500 square feet is vacant. The 927,995 square feet of 1st floor commercial/retail space is generating about \$4.2 million in sales annually, or about \$29 per square foot. The 32,500 square feet of vacancy represents, potentially, another \$947,720 in annual sales to downtown Excelsior Springs.

Market Analysis

The market analysis focuses on consumer spending activity across several retail sectors as classified by the North American Industrial Classification System (NAICS). The primary variables are consumer expenditures and retail sales activity per each NAICS retail sector.

The Gap Analysis

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

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

Positive Pull Factors – Those retail sectors which draw a multiple of one (1) or more of the total PTA population represent “positive pull-factors”. By taking the estimated total spent by shoppers in the PTA, \$181 million and dividing this number by the per capita demand for total retail services (\$12,236), we get an idea of the number of shoppers “captured,” or who traveled to the PTA to shop for their retail needs. In this case, 14,779 consumers spent their \$12,236 in the PTA last year. These 14,779 shoppers represent 1.31 times the population of Excelsior Springs, which means that Excelsior Springs has a “pull-

Downtown Excelsior Springs, Missouri Retail Market Analysis Report

factor” of 1.31 for total Retail Trade. This pull-factor indicates that the PTA attracts more consumers than it has residents.

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

Retail Opportunities

Opportunities exist in Excelsior Springs' Study Area. A variety of retail categories could be successful in the PTA. One option for retail growth in the study area is to target retail businesses that can make use of existing properties. As discussed briefly above, and in greater detail in the report, approximately 9% vacancy of existing buildings exists within Downtown Excelsior Springs, which, if put to good use, could have substantial and positive impact to Downtown Excelsior Springs retail activity and the overall economic health of the City of Excelsior Springs.

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

The retail sectors which exhibit leakage include:

- Furniture & Home Furnishings Stores (NAICS 442)
- Electronics & Appliance Stores (NAICS 443/NAICS 4431)
- Building Materials, Garden Equipment & Supply Stores (NAICS 444)
- Specialty Food Stores (NAICS 4452)
- Beer, Wine & Liquor Stores (NAICS 4453)
- Clothing & Clothing Accessory Stores (NAICS 448)
- Sporting Goods, Hobby, Book, and Music Stores (NAICS 451)
- General Merchandise Stores (NAICS 452)
- Miscellaneous Store Retailers (NAICS 453)
- Special Food Services (NAICS 7223)
- Drinking Places – Alcohol Beverages (NAICS 7224)
-

Altogether, the “leakage” represented by these factors totals approximately \$50 million in retail demand, which could be captured by the addition of appropriate retail services to Excelsior Springs, specifically Downtown Excelsior Springs.

Strategic Recommendations

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

Downtown Excelsior Springs, Missouri Retail Market Analysis Report

itself from the suburban shopping experience. The Downtown should build on the base of existing restaurants to create a dining destination and businesses should extend hours of operate to make the shopping and dining experience as convenient, pleasurable and interesting as possible. The City and the Downtown Excelsior Partnership should also look to increase tourism, especially during off peak seasons and establish a Downtown Recruitment Team to oversee a proactive campaign to target businesses to Downtown. Downtown Excelsior Springs can be thought of as a product that is being offered initially to the City of Excelsior Springs and to the Secondary Trade Area. With this analogy, some general retail strategies can be grouped into four distinct areas:

- Improvements to the product
- Reduction in the cost of the product
- Enhancement of the purchaser's experience in purchasing the product
- Communication of the availability of the product

Specific recommendations for an effective retail strategy include:

- Expand the Downtown Excelsior Springs and City of Excelsior Springs market potential – through outreach to incoming residents and seeking additional housing projects
- Enable Downtown Excelsior Springs to capture more retail dollars – through marketing efforts, merchant education programs, safety and aesthetic improvements and attraction of desired businesses
- Increase the amount of sales generated by Downtown Excelsior Springs – Through addition of desired inventory and businesses in the sectors of opportunity as listed above and Retail Opportunities for suggested types and locations of additional retail development.

Downtown Excelsior Springs, Missouri Retail Market Analysis Report

Introduction

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

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

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

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

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

Existing conditions in Excelsior Springs combine to create an atmosphere where, while significantly improved, downtown is still underutilized. In recent years, Downtown has begun to attract residents and visitors. The connection from Highway 69 to the Downtown follows a winding and possibly confusing route which thereby acts as a deterrent to vehicle traffic visiting the Downtown area. While City Hall and the Chamber of Commerce are within the Downtown area, most of the City's larger retail businesses are located on the outskirts of the City. A mix of uses, including retail, restaurants, and service businesses create the daytime working population. In the evening, there are only a few attractions. Positive actions lately to create a more vibrant Downtown include reducing the vacancy rate 9.2%, monthly scheduled promotional events and downtown beautification projects. These activities have begun to attract other retail businesses and with potential real estate development of

Downtown Excelsior Springs, Missouri Retail Market Analysis Report

the Royal Hotel, apartment dwellers will add to the 24-hour population of the Downtown.

Downtown Excelsior Springs, Missouri Retail Market Analysis Report

Background

Methodology

To appropriately define local market opportunities, projections of key economic and demographic variables are included in this analysis. These projections form the basis for decision with respect to future demand and supply within the retail area. Specific variables which utilize projected data include population, households and median family income. These projections are developed based on 2010 census data, historic trend data, 2016 data and projections provided by ESRI, one of the leading demographic information firms. These projections are based on nationwide demographic trends for similar environments. These assumptions and calculations are used to project demand for Excelsior Springs, and specifically downtown Excelsior Springs. Projections associated with downtown sales are based on the existing commercial mix and trade area capture, and can be significantly influenced by the addition of new retail for consumers in the downtown core, as well as by the departure of existing merchants.

Limits of Study

This study is intended to provide a general forecast of the amount and types of retail development that could be supported in the trade area. The assumptions and projections used in the analysis are valid and likely supported through 2020. The analysis is meant to provide general strategic direction for developing retail in Downtown Excelsior Springs. This study is not intended to be the sole basis for development decisions.

Determining Trade Areas

Trade Areas

Retail market analysis generally focuses on two different geographic trade areas: a Primary Trade Area and a Secondary Trade Area. For the purposes of this study, the Primary Trade Area will be Excelsior Springs. The Secondary Trade Area will be any point within a 15-minute drive of Excelsior Springs. The 15-minute drive boundary presents an acceptable catch-basin of consumers likely to make a shopping trip to Excelsior Springs.

The 15-minute drive time is based upon the commute time for the labor pool within the trade area. The drive time will also be supplemented by the zip code analysis of results from visitor surveys.

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

Downtown Excelsior Springs, Missouri Retail Market Analysis Report

Demographic Profile

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

Because the national census is conducted decennially, most current population data is estimated based on the last census, which was conducted in 2010.

Excelsior Springs Trade Area

Currently, 11,269 people live in Excelsior Springs in 4,335 households; where the average household size is 2.47. The average household income is \$54,970. The median age is 38.4. Approximately 35.6% of the population are 24 or younger; 24.6% of the population are between 25 and 44 years of age; 39.8% of the population are 45 years of age or more.

The following table illustrates, in further detail, current demographics and future demographic trends for Excelsior Springs.

Table 1

Year	2010	2016	2021	Percent Change 2010-2016	Percent Change 2016-2021
Total Population	11,084	11,270	11,522	1.68%	2.24%
Total Households	4,278	4,335	4,429	1.33%	2.17%
24 and Under	3,946	3,719	3,733	-5.75%	0.38%
25-44	2,727	2,772	2,869	1.65%	3.50%
45 and Over	4,411	4,779	4,920	8.34%	2.95%
Median Age	36.7	38.4	39.1	4.63%	1.82%
Average Household Income		\$54,970	\$59,282		7.84%

Downtown Excelsior Springs, Missouri Retail Market Analysis Report

Secondary Trade Area

Currently, 19,746 people live in the Secondary Trade Area in 7,475 households. The average household income is \$65,766. The median age is 40.5. Approximately 32% of the population are 24 years of age or younger; 23.6% of the population are between 25 and 44 years of age; 44.5% of the population are 45 years of age or more.

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

Table 2

Year	2010	2016	2021	Percent Change 2010-2016	Percent Change 2016-2021
Total Population	19,440	19,746	20,103	1.57%	1.81%
Total Households	7,402	7,475	7,601	0.99%	1.69%
24 and Under	6,571	6,319	6,172	-3.84%	-2.33%
25-44	4,607	4,662	4,785	1.19%	2.64%
45 and Over	8,262	8,765	9,146	6.09%	4.35%
Median Age	39.3	40.5	41.3	3.05%	1.98%
Average Household Income		\$65,766	\$71,450		8.64%

Educational Attainment

More than 48% of Excelsior Springs's residents have attended or graduated from college, 5% have obtained a master's degree or higher.

Table 3

	Total
Total	7,554
Less than High School Graduate	1,110
High School Graduate (includes equivalency)	2,810
Some College & Associate Degree	2,432
Bachelor's Degree	801
Graduate/Professional Degree	400
U.S. Census Bureau 2010	

Downtown Excelsior Springs, Missouri Retail Market Analysis Report

Employment

Throughout Excelsior Springs there are over 5,017 jobs with 289, located in downtown Excelsior Springs, representing 71 establishments. Excelsior Springs's downtown retail sector has 200 jobs (69%) total with 134 jobs in the Food & Service Industry. There are a combined 41 establishments in the retail and food and service industry, with 12 eating and drinking places. Citywide, Excelsior Springs has a total of 1,462 retail and food and service industry jobs (29% of total jobs) in 108 establishments. Of the retail jobs located in downtown most of them are categorized as miscellaneous retailers and eating and drinking places. Downtown Excelsior Springs has experienced significant increase in the number of jobs available since 2014.

Approximately 73% of downtown employees are from the City of Excelsior Springs. More than 27% of downtown employees are located in Clay County, with most traveling from surrounding cities such as: Liberty, Kansas City, Richmond, Kearney, Lawson, Independence, Wood Heights, Orrick and Smithville.

Downtown Excelsior Springs, Missouri Retail Market Analysis Report

Consumer Retail Supply

A review of the downtown provides an idea of the potential for new and existing businesses to provide services and products to customers. Downtown Excelsior Springs consists of 76 acres with 980,000 square feet of existing 1st floor commercial/retail space. In reviewing the current downtown business mix, it is determined that approximately 145,500 square feet of 1st floor space is used as Retail/Restaurant Space and another 32,500 is vacant. The 145,500 square feet of Retail/Restaurant Space is generating about \$4.2 million in sales annually or about \$29 per square foot. The 32,680 square feet of vacancy represents potentially another \$947,720 in annual sales to downtown Excelsior Springs.

Table 4 represents the breakdown of retail establishments in downtown Excelsior Springs & the City of Excelsior Springs. The bulk of retail establishments in downtown Excelsior Springs are categorized as Miscellaneous Retail Locations.

Table 4

Retail Establishments						
	Downtown Excelsior Springs		City of Excelsior Springs		Clay County	
	Businesses	Employees	Businesses	Employees	Businesses	Employees
Retail Trade Summary	41	200	108	1,462	1,539	36,523
Home Improvement	1	2	5	31	125	2,109
Gen. Merch. Stores	0	0	5	376	55	3,132
Food Stores	0	0	10	148	124	3,951
Auto Dealers, Gas Stations, Auto Aftermarket	3	13	16	156	243	3,449
Apparel & Accessory Store	4	9	6	17	77	384
Furn. & Home Furnishings	5	13	6	62	134	12,472
Eating & Drinking Places	12	134	32	505	422	8,318
Miscellaneous Retail	16	29	28	167	359	2,708
Total Businesses	71		462		7,911	
Total Employees	289		5,017		118,583	
Total Residential Population	619		11,269		233,486	
Employee/Resid. Pop. Ratio	0.47:1		0.45:1		0.51:1	

Downtown Excelsior Springs, Missouri Retail Market Analysis Report

Gap Analysis

The Gap Analysis illustrates the competitive position of downtown Excelsior Springs as a center for retail activity. This determination is made using a “pull-factor” methodology. A “pull-factor” describes retail supply or demand in per capita terms. The “pull-factor” is described below.

Pull-Factor

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

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

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

The Retail Market Analysis looks at demographic and market data from a few different angles beginning with a definition of the Secondary Trade Area. The STA is defined as the entire area within a 15-minute drive of downtown Excelsior Springs. Any trip less than 15-minutes, and therefore originating from any point within the STA, would represent a routine shopping trip. This 15-minute drive-time includes the pool of consumers from which downtown Excelsior Springs will most likely draw shoppers. The size of this pool can be measured in two ways, in terms of total, aggregate retail demand per NAICS retail sector, or in terms of per capita retail demand. “Retail demand,” estimates the expected amount spent by consumers on retail goods and services.

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

Downtown Excelsior Springs, Missouri Retail Market Analysis Report

Positive Pull-Factors

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

For example, the line for Total Retail Trade Food and Drink (NAICS 44-45, 722) in Table 5, Excelsior Springs Positive Pull Factors, on the following page, which total all retail activity except for automobile purchases. Aggregate demand in the STA for total retail food and drink amount to approximately \$276 million. Dividing the aggregate demand by the STA's population of 19,746 we get the per capita demand for this retail sector, which is \$13,963. This means that the average person living in the STA spends roughly \$13,963 on retail, food and drink annually.

The fourth column of Table 5 shows that, in 2016, approximately \$181 million was spent by shoppers in Excelsior Springs on total retail. Dividing this number by the per capita demand for this retail sector (\$13,963), we get an idea of the number of shoppers "captured," or who traveled to Excelsior Springs to shop for their retail, food and drink needs. In this case, 13,963 consumers spent the average, per capita demand within Excelsior Springs last year. These 13,963 shoppers represent 1.15 times the population of Excelsior Springs, which means that Excelsior Springs has a "pull-factor" of 1.15 for total Retail Trade.

This pull-factor indicates that Excelsior Springs attracts more consumers than it has residents; which indicates that it is relatively healthy. The same calculation has been carried out for each of the NAICS retail sectors listed in Table 5. For each retail sector, the reader can see the positive pull-factors, and shopping activity drawn to Excelsior Springs.

The last column in Table 5, the Excelsior Springs Area Capture (%) column, illustrates the percentage of total retail activity in the STA that is captured by Excelsior Springs. This column gives context to the positive pull-factor by showing what proportion of the total STA retail demand Excelsior Springs captures or "pulls-in". For example, for Total Retail Trade, Food and Drink, Excelsior Springs captures only 0.66% of all retail demand in the STA. This column, by showing the relationship between STA retail demand and actual Excelsior Springs retail activity reveals retail sectors in which Excelsior Springs provides significant proportions of the area's retail services, or retail sectors for which Excelsior Springs provides insignificant proportions of the area's retail services; recommending retail sectors for improvement.

Downtown Excelsior Springs, Missouri Retail Market Analysis Report

Table 5

Industry Group	STA Demand	STA Businesses	STA Per Capita Demand	Excelsior Springs Total Amount Spent	Excelsior Springs Businesses	Trade Area Capture	Excelsior Springs Pull-Factor	Trade Area Capture (%)
Total Retail Trade and Food & Drink (NAICS 44-45, 722)	\$275,707,049	119	\$13,963	\$180,829,987	95	12,951	1.15	0.66%
Total Retail Trade (NAICS 44-45)	\$251,306,175	85	\$12,727	\$161,883,058	63	12,720	1.13	0.64%
Total Food & Drink (NAICS 722)	\$24,400,874	34	\$1,236	\$18,946,929	32	15,329	1.36	0.78%
Good & Beverage Stores (NAICS 445)	\$42,616,428	10	\$2,158	\$30,698,705	7	14,226	1.26	0.72%
Grocery Stores (NAICS 4451)	\$39,254,988	7	\$1,988	\$29,951,695	6	15,066	1.34	0.76%
Health & Personal Care Stores (NAICS 446,4461)	\$13,933,172	6	\$706	\$15,591,473	5	22,084	1.96	1.12%
Gasoline Stations (NAICS 447, NAICS 4471)	\$18,570,198	8	\$941	\$14,306,741	6	15,204	1.35	0.77%
General Merchandise Stores (NAICS 452)	\$49,879,800	7	\$2,526	\$40,220,707	5	15,923	1.41	0.81%
Dept. Stores Excluding Leased Dept. (NAICS 4521)	\$39,127,745	2	\$1,982	\$34,315,532	2	17,314	1.54	0.88%
Used Merch. Stores (NAICS 4533)	\$1,051,391	6	\$53	\$1,072,558	6	20,237	1.80	1.02%
Direct Selling Establishments (NAICS 4543)	\$1,663,164	2	\$86	\$2,223,566	1	25,855	2.29	1.34%
Food Services & Drinking Places (NAICS 7224)	\$24,400,874	34	\$1,236	\$18,946,929	32	15,329	1.36	0.78%
Restaurants/Other Eating Places (NAICS 7225)	\$22,984,232	33	\$1,164	\$18,765,994	31	16,122	1.43	0.82%

Downtown Excelsior Springs, Missouri Retail Market Analysis Report

Negative Pull-Factors

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

- Furniture & Home Furnishings Stores (NAICS 442)
- Furniture Stores (NAICS 4421)
- Home Furnishings Stores (NAICS 4422)
- Electronics & Appliance Stores (NAICS 443/NAICS 4431)
- Building Materials, Garden Equipment & Supply Stores (NAICS 444)
- Building Material & Supplies Dealers (NAICS 4441)
- Lawn & Garden Equipment & Supply Stores (NAICS 4442)
- Specialty Food Stores (NAICS 4452)
- Beer, Wine & Liquor Stores (NAICS 4453)
- Clothing & Clothing Accessory Stores (NAICS 448)
- Clothing Stores (NAICS 4481)
- Shoe Stores (NAICS 4482)
- Jewelry, Luggage & Leather Goods Stores (NAICS 4483)
- Sporting Goods, Hobby, Book, and Music Stores (NAICS 451)
- Sporting Goods/Hobby/Musical Instrument Stores (NAICS 4511)
- Book, Periodical & Music Stores (NAICS 4512)
- Other General Merchandise Stores (NAICS 4529)
- Miscellaneous Store Retailers (NAICS 453)
- Florists (NAICS 4531)
- Office Supplies, Stationary, and Gift Stores (NAICS 4532)
- Special Food Services (NAICS 7223)
- Drinking Places – Alcohol Beverages (NAICS 7224)

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

Downtown Excelsior Springs, Missouri Retail Market Analysis Report

Table 6

Industry Group	STA Demand	STA Businesses	STA Per Capita Demand	0Excelsior Springs To0tal Amount Spent	Excelsior Springs Businesses	Trade Area Capture	Excelsior Springs Pull-Factor	Trade Area Capture (%)
Furn. & Home Furnishings (NAICS 442)	\$6,769,981	3	\$343	\$2,207,101	3	6,435	0.57	0.33%
Furniture Stores (NAICS 4421)	\$4,097,280	2	\$208	\$1,389,011	2	6,678	0.59	0.34%
Home Furnishings Stores (NAICS 4422)	\$2,672,701	1	\$135	\$818,090	1	6,060	0.54	0.31%
Electronics & Appliance Stores (NAICS 443/ NAICS 4431)	\$11,005,584	2	\$557	\$934,682	1	1,678	0.14	0.08%
Bldg Materials, Garden Equip. & Supply Stores (NAICS 444)	\$16,624,408	9	\$842	\$5,889,109	5	6,994	0.62	0.65%
Bldg Material & Supply Dealer (NAICS 4441)	\$15,335,203	9	\$777	\$5,889,109	5	7,579	0.67	0.38%
Lawn & Garden Equip & Supply Stores (NAICS 4442)	\$1,289,204	0	\$65	\$0	0	0	0.00	0.00%
Specialty Food Stores (NAICS 4452)	\$1,950,965	2	\$99	\$0	0	0	0.00	0.00%
Beer, Wine & Liquor Stores (NAICS 4453)	\$1,410,475	1	\$71	\$747,010	1	10,521	0.93	0.53%
Clothing & Accessory Stores (NAICS 448)	\$9,092,560	7	\$461	\$2,020,444	6	4,383	0.39	0.22%
Clothing Stores (NAICS 4481)	\$5,971,704	7	\$302	\$0,020,444	6	6,690	0.59	0.34%
Shoe Stores (NAICS 4482)	\$1,473,553	0	\$75	\$0	0	0	0.00	0.00%
Jewelry, Luggage, & Leather Goods Stores (NAICS 4483)	\$1,647,304	0	\$83	\$0	0	0	0.00	0.00%
Sporting Goods, Hobby, Book, and Music Stores (NAICS 451)	\$6,441,924	2	\$326	\$1,653,290	2	5,071	0.45	0.26%
Sporting Goods/Hobby/Musical Instru. Stores (NAICS 4511)	\$5,393,514	2	\$273	\$1,653,290	2	6,056	0.54	0.31%
Book, Periodical & Music Stores (NAICS 4512)	\$1,048,410	0	\$53	\$0	0	0	0.00	0.00%
Other Gen. Mech. Stores (NAICS 4539)	\$10,752,054	5	\$545	\$5,905,175	3	10,835	0.96	0.55%
Misc. Store Retailers (NAICS 453)	\$12,126,763	17	\$614	\$3,053,606	13	4,973	0.44	0.25%
Florists (NAICS 4531)	\$699,207	2	\$35	\$348,500	2	9,957	0.88	0.50%
Office Supplies, Stationary, & Gift Stores (NAICS 4532)	\$2,237,152	4	\$113	\$557,085	3	4,930	0.44	0.25%
Special Food Services (NAICS 7223)	\$700,748	0	\$36	\$0	0	0	0.00	0.00%
Drinking Places – Alcoholic Beverages (NAICS 7224)	\$715,893	1	\$36	\$180,935	1	5,026	0.45	0.25%

Downtown Excelsior Springs, Missouri Retail Market Analysis Report

Retail Opportunity

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

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

1. Electronics & Appliance Stores
2. Food & Beverage Stores/Grocery Stores
3. Building Materials, Garden Equipment & Supply Stores
4. Miscellaneous Store Retailers
5. Clothing & Clothing Accessory Stores

These retail sectors indicate the greatest amount of potential for future retail planning and development. The “Electronics & Appliance Stores” and “Building Materials, Garden Equipment & Supply Stores” show promise for the City of Excelsior Springs as these are retail services for which consumers make infrequent trips, but are willing to travel longer distances for purchases. Excelsior Springs should consider this opportunity and their location relative to Kansas City when planning for future retail development. The “Food & Beverage Stores”, “Miscellaneous Store Retailers” and “Clothing & Clothing Accessory Stores” would fill significant gaps within Downtown Excelsior Springs’ current business mix.

Downtown Excelsior Springs, Missouri Retail Market Analysis Report

Table 7
Retail Opportunity

Industry Group	Available Demand	Current Sales	Gap (Opportunity)
Furniture & Home Furnishings Stores (NAICS 442)	\$6,769,981	\$2,257,049	\$4,512,932
Furniture Stores (NAICS 4421)	\$4,097,280	\$1,389,012	\$2,708,268
Home Furnishings Stores (NAICS 4422)	\$2,672,701	\$868,037	\$1,804,664
Electronics & Appliance Stores (NAICS 443)	\$11,005,584	\$1,313,845	\$9,691,739
Bldg Materials, Garden Equip & Supply Stores (NAICS 444)	\$16,624,408	\$8,202,152	\$8,422,256
Bldg Materials & Supplies Dealers (NAICS 4441)	\$15,335,203	\$8,118,659	\$7,216,544
Lawn & Garden Equip & Supply Stores (NAICS 4442)	\$1,289,204	\$0	\$1,289,204
Food & Beverage Stores (NAICS 445)	\$42,616,428	\$33,499,748	\$9,116,680
Grocery Stores (NAICS 4451)	\$39,254,988	\$32,571,944	\$6,683,044
Specialty Food Stores (NAICS 4452)	\$1,950,965	\$180,793	\$1,770,172
Beer, Wine & Liquor Stores (NAICS 4453)	\$1,410,475	\$747,010	\$663,465
Clothing & Clothing Accessory Stores (NAICS 448)	\$9,092,560	\$2,196,316	\$6,896,244
Clothing Stores (NAICS 4481)	\$5,971,704	\$2,196,316	\$3,775,388
Shoe Stores (NAICS 4482)	\$1,473,553	\$0	\$1,473,553
Jewelry, Luggage & Leather Goods Stores (NAICS 4483)	\$1,647,304	\$0	\$1,647,304
Sporting Goods, Hobby, Book & Music Stores (NAICS 451)	\$6,441,924	\$1,662,569	\$4,779,355
Sporting Goods/Hobby/Book/Musical Instru Stores (NAICS 4511)	\$5,393,514	\$1,662,569	\$3,730,945
Book, Periodical & Music Stores (NAICS 4512)	\$1,048,410	\$0	\$1,048,410
General Merchandise Stores (NAICS 452)	\$49,879,800	\$45,468,719	\$4,411,081
Dept Stores Excluding Leased Depts (NAICS 4521)	\$39,127,745	\$38,246,421	\$881,324
Other General Merch Stores (NAICS 4529)	\$10,752,054	\$7,222,298	\$3,529,756
Miscellaneous Store Retailers (NAICS 453)	\$12,126,763	\$5,066,906	\$7,059,857
Florists (NAICS 4531)	\$699,207	\$383,328	\$315,879
Office Supplies, Stationary & Gift Stores (NAICS 4532)	\$2,237,152	\$578,534	\$1,658,618
Other Miscellaneous Store Retailers (NAICS 4539)	\$8,139,012	\$3,004,662	\$5,134,350
Electronic Shopping & Mail-Order Houses (NAICS 4541)	\$2,108,093	\$0	\$2,108,093
Vending Machine Operators (NAICS 4542)	\$320,094	\$0	\$320,094
Food Services & Drinking Places (NAICS 722)	\$24,400,874	\$20,792,413	\$3,608,461
Special Food Services (NAICS 7223)	\$700,748	\$0	\$700,748
Drinking Places – Alcoholic Beverages (NAICS 7224)	\$715,893	\$180,935	\$534,958
Restaurants/Other Eating Places (NAICS 7225)	\$22,984,232	\$20,611,478	\$2,372,754

Downtown Excelsior Springs, Missouri Retail Market Analysis Report

Table 8 illustrates the possibilities for development in buildings with a vacant 1st floor. The map on the following page displays the location of these properties.

Table 8
Retail Opportunities

ID	Address	1 st Floor Vacancy	1 st Floor Square Footage	Available Space	Potential Use
1	108 E. Broadway	100%	700	700	Retail/Service
2	110 E. Broadway	100%	4100	4100	Retail/Specialty
3	114 E. Broadway	100%	3400	3400	Retail
4	115 E. Broadway	0%	1250	1250	Retail
5	120 E. Broadway	100%	1400	1400	Retail/Service
6	237 E. Broadway	100%	1100	1100	Retail/Dining
7	238 E. Broadway	100%	5400	5400	Retail/Service
8	246 E. Broadway	100%	850	850	Retail
9	251 E. Broadway	100%	2700	2700	Retail
10	339 E. Broadway	100%	2550	2550	Retail/Specialty
11	213 Spring Street	100%	1400	1400	Retail
12	215 Spring Street	100%	4200	4200	Retail/Specialty
13	216 Spring Street	100%	4000	4000	Retail/Dining
14	215 South Street	100%	2800	2800	Retail/Service
15	212 S. Marietta	100%	1100	1100	Retail/Service
16	311 S. Thompson	0%	3800	0	Retail/Dining
17	405 S. Thompson	100%	3100	3100	Retail/Dining
18	415 S. Thompson	100%	4000	4000	Retail
19	426 S. Thompson	100%	2500	2500	Retail/Specialty

Downtown Excelsior Springs, Missouri Retail Market Analysis Report

Consumer Retail Demand

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

Table 9

2016 Average Annual Consumer Expenditures Per Household		
Retail Sector	Primary Trade Area	Secondary Trade Area
Average Household Income	\$54,970	\$65,766
Apparel & Services	\$1,391.26	\$1,655.73
Education	\$879.82	\$1,087.73
Entertainment/Recreation	\$2,161.74	\$2,553.96
Food at Home	\$3,829.51	\$4,438.43
Food Away from Home	\$2,204.58	\$2,611.04
Health Care	\$4,235.14	\$4,973.98
Household Furnishings & Equipment	\$1,266.91	\$1,515.26
Personal Care Products & Services	\$518.30	\$618.38
Shelter	\$10,343.46	\$12,382.31
Support Payments/Cash Contributions	\$1,766.81	\$2,107.42
Travel	\$1,249.46	\$1,542.76
Vehicle Maintenance & Repairs	\$797.19	\$933.00

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

Customer Income

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

Table 10

Income Level	Citywide	STA
Total Households	4,335	7,475
\$0 - \$14,999	749	979
\$15,000 - \$24,999	384	583
\$25,000 - \$34,999	584	927
\$35,000 - \$49,999	694	1,039
\$50,000 - \$74,999	966	1,630
\$75,000 - \$99,999	533	1,069
\$100,000 - \$149,999	273	799
\$150,000 - \$199,999	78	239
\$200,00 +	74	210

Downtown Excelsior Springs, Missouri Retail Market Analysis Report

Table 11 clears this idea somewhat by showing the amount of disposable income, per household, for the City of Excelsior Springs. This table presents the user with an idea of the volume of demand available within Excelsior Springs.

Table 11

Income Level	City of Excelsior Springs
\$0 - \$14,999	823
\$15,000 - \$24,999	626
\$25,000 - \$34,999	621
\$35,000 - \$49,999	799
\$50,000 - \$74,999	960
\$75,000 - \$99,999	288
\$100,000 - \$149,999	146
\$150,000 - \$199,999	33
\$200,00 +	38
Total	4,334
Median Disposable	\$36,279
Average Disposable	\$44,193

Consumer Profiles & Segments

Visitor Survey Overview

- Top Reasons for Visiting Downtown Excelsior Springs
 - Dining & Shopping
- Additional Businesses needed in Downtown
 - More/Better Restaurants
 - Movie Theater
 - Book Store
 - Upscale/Specialty Stores
 - Clothing Stores
- Visitor Composition: More than 65% of visitors are between the ages of 30 and 49. Another 31% of visitors are between the ages of 50 and 64, visitors generally do not bring children along on visits to Downtown Excelsior Springs.
- Community Survey Overview
- Downtown Visitors
 - 26% of individuals visit Downtown Excelsior Springs at least once a week
 - 62% of individuals visit Downtown Excelsior Springs less than once a week
 - 44% of individuals spend on average 31-60 minutes shopping in Downtown Excelsior Springs
 - Another 28.5% spend 61+ minutes shopping in Downtown Excelsior Springs on an average shopping trip.
 - 46.4% of visitors report that their household income is \$75,001 or above and another 22.6% report that their household income is between \$50,001 and \$75,000.
- Activities when Visiting Downtown
 - Shopping, Conducting Business, Dining & Special Events
- Visitor Responses to Downtown Excelsior Springs Characteristics
 - 81.4% of visitors say that Downtown Excelsior Springs exceeds other areas in customer service
 - 50.6% of visitors say that Downtown Excelsior Springs exceeds other areas in Convenience
 - 35.8% of visitors say that Downtown Excelsior Springs exceeds other areas in Merchandise Selection.

Visitors and residents alike are interested in a wider variety of retail establishments, with extended business hours and an environment that focuses on the customer experience. They are also interested in more seating throughout the downtown and seeing additional façade improvements.

Customer Segments

Downtown Workers

- Most viable customer segment with more than 289 employees and 71 businesses.
- A key issue in understanding the spending capacity of office workers
An estimate of this potential:

Downtown Excelsior Springs, Missouri Retail Market Analysis Report

- 289 x \$25 estimated weekly spending = \$375,700 annually

Local Residents

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

Downtown Residents

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

Tourists – Out of Town Visitors

- Some of these travelers are overnight visitors while other are day trippers
- The Elms Hotel & Spa, Payne Jailhouse Bed & Breakfast and the Sunnyside Cottage are in or in close proximity to Downtown Excelsior Springs, however, other options are outside the City of Excelsior Springs which limits the ability for Downtown to attract these visitors
- This segment can be quite lucrative based on expectation of increased patronage and their potential for expendable income

Downtown Excelsior Springs Goals & Strategies

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

General Goals

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

General Strategies

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

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

Downtown Excelsior Springs, Missouri Retail Market Analysis Report

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

1. Improvements to the product
2. Reduction in the cost of the product
3. Enhancement of the purchaser's experience in purchasing the product
4. Communication of the availability of the product

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

Downtown Improvements

Targeted Retail Uses

The City should target businesses in the areas of Clothing & Clothing Accessory Stores, Sporting Goods, Hobby, Book & Music Stores and Miscellaneous Store Retailers for attraction to Downtown. While these areas demonstrate the highest opportunity, other areas of note are Art Galleries and a Brewery.

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

Business Recruitment & Retention

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

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

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

Downtown Excelsior Springs, Missouri Retail Market Analysis Report

Retail Sites

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

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

- Foot Traffic – Pedestrian & Auto
- Sales Generation Potential
- Customer and Visitor Attraction Ability
- General Appearance of the Area
- Adequacy of Parking
- Proximity to Other Visitor Amenities such as Transportation, Parkland or Trails

Downtown Niche Determination

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

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

Downtown Directory

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

- Eating
- Shopping
- Entertainment/Cultural Offerings

Downtown Excelsior Springs, Missouri Retail Market Analysis Report

Directory should also include

- Public Transportation Stops & Public Restrooms
- Parking Guide – Illustrating all public parking areas (this could be a separate brochure)

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

Other General Retail Recruitment

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

Tools this team should utilize include:

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

Retail Economic Development Tools

Retail Oriented Economic Development Tools

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

- The identification and targeting of specified retail uses in defined areas to match comprehensive retail goals;
- Demonstration of the reduction of private investment risk through public investment and leveraging of amenities such as infrastructure and utilities;
- Improving the city permitting process for small-scale projects to help the facilitation of new stores, restaurants and outdoor cafes;
- Programs to fund façade and/or storefront improvements and interior renovation;

Downtown Excelsior Springs, Missouri Retail Market Analysis Report

- A merchant education program to assist businesses in improving customer service;
- Knowledge, and possible use of, traditional mechanisms like revolving loan funds, incentives districts, special improvement districts, and tax rebates; and,
- Ongoing costs of business incentives such as assistance with marketing, promotions, events and other amenities can help a downtown business build a competitive advantage over other locations.

Enhancing the Purchasing Experience

Coexisting with Big Box Retailers

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

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

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

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

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

- Create shopping oriented Downtown events, such as sidewalk sales, weekly evening shopping nights and a storefront display contest.
- Carry the unique or higher-end items that cannot be found elsewhere.
- Learn how to attract the dissatisfied customers from the larger retailers.
- Offer expert, personalized assistance and extraordinary customer service

Downtown Excelsior Springs, Missouri Retail Market Analysis Report

- Consider shopping amenities like gift wrapping, free shipping, convenient return and exchange policies, recommendations to other area shops and restaurants, and special orders.
- Work smarter by using technology and eliminating wasteful overhead.
- Think like your first-time customer walking into your store, ask yourself, “What can improve?”
- Extend your business hours. Changes in lifestyles have made longer business hours a necessity as members of households with multiple wage earners cannot get to your store if it is only open from 10 a.m. to 5 p.m.
- Advertise your unique qualities and services
- Retail businesses should consider implementation of a parking plan that encourages or requires their employees to park away from the storefront to free up street parking for customers; consider customer only spaces, combining with other stores for valet parking services on designated nights.

Wayfinding

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

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

Downtown Aesthetics

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

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

Downtown Excelsior Springs, Missouri Retail Market Analysis Report

- Keep access to storefront free of visual clutter.

Communication and Marketing of the Downtown

Connections to Special Attractions

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

- Governmental Services
- Libraries & Museums
- Parks
- Large Daytime Employment Centers

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

General Marketing

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

- Identify who you are targeting: are they day trippers or overnight guests
 - Women, younger residents/professionals
 - What type of household/and income level
- Develop a marketing campaign to create a buzz around downtown efforts and heighten awareness of Downtown
- Provide Marketing Materials
 - Downtown Map & Guide (Downtown Directory)
 - Event Calendar
 - Entertainment Factor – Festivals and events staged as part of the strategic effort (outdoor film series, performing arts)
- Use windows to market products, prices & specials
- Integrating Downtown activities is a key goal
- Cooperative Advertising & Marketing – cost effective approach that conveys image of Downtown and increases awareness (use a multimedia approach)
 - Cluster mailing promotions – more than one business on mailer
 - Work with retailers to advertise Downtown as a special retail experience – downtown directory and hotel options
 - Unified Downtown cooperate ad campaign
 - Direct Marketing

Downtown Excelsior Springs, Missouri Retail Market Analysis Report

- Downtown Tourism Markets – Recognition of Downtown's restaurants, shopping and entertainment as an important part of the attraction and amenities for visitors
 - By informing visitors of other activities or options while visiting their primary attraction will be able to attract to secondary attractions such as shopping & eating
 - All Downtown activities – dining, shopping and entertainment should be incorporated into tourism materials
- Outreach to Residents
 - Provide a welcoming service to new residents
 - Conduct regular surveys to determine the needs of residents

Market the Parking in the Area

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

Conclusions

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

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