

work in progress dated 6/11/13

2013

Downtown Market Analysis, Omro, WI



Community-Led Research to
Support Business Retention,
Expansion and Recruitment Efforts

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WEDC Facilitation of Community-Led Discussion

Executive Summary

This Market Analysis is a community-led research effort that examines business retention, expansion and recruitment opportunities in downtown Omro, WI. The analysis was completed in 2013 as a resource to guide the downtown Main Street organization. The analysis also serves as a resource for existing and prospective entrepreneurs, site selectors, and others seeking a comprehensive analysis to support business decisions. The following are key findings:

- The Omro zip code provides a reasonable trade area for Omro. It recognizes the pull from the Oshkosh area and does not attempt to capture customers from beyond a reasonable service area.
- Nearly half of the Omro trade area households are described by ESRI as “Salt of the Earth.” Settled, hard-working, and self-reliant, these married-couple families live in single-family homes in small towns or rural areas.
- Residents rated Downtown Omro highest in categories for safety, special events and festivals, and cleanliness. Attributes most identified as below average or poor include variety of goods/services, pedestrian or bicycle friendliness, and shopping hours.
- Many survey comments expressed a desire to improve the utility of the riverfront in downtown Omro and also identified innovative businesses in other communities, including successful businesses situated along a river. Other comments focused on aesthetic improvements for downtown.
- Residents leave Omro on a regular basis to shop at Kohl’s, Menards, Wal-Mart, Festival, and Fleet Farm, as well as for hardware and restaurants.
- A desire for a community center or gathering space was identified by survey participants as a way to offer more activities for Omro’s youth. Many also indicated a desire for more health and fitness options.
- Downtown Omro has fewer businesses (22) compared to the average of its five peer communities (30.2) and the average all communities of similar size in the state (36.4).
- Retail demand (potential sales) exceeds supply (estimated sales) in the Omro trade area by more than 1.7 to 1. This gap (demand greater than supply) occurs in almost all of the specific business categories studied. The Omro trade area is losing a significant amount of resident spending from shopping outside the trade area.
- Residents of the trade area have lower incomes and are often in their middle-age to early-retirement years. As a result, Consumer spending potential in the trade area is moderately lower than the U.S. average in almost all categories. Spending potential is relatively high for pet spending, health care (drugs), investments, and lawn and garden.

The market analysis concludes with development strategies based on a review of this study by business and community leaders as facilitated by the Wisconsin Economic Development Corporation’s Main Street Program. They are summarized in the Supplement to this report.

Introduction

This section describes the scope of the study including its purpose and goals, prior research, and members of the study team who contributed to this community-led initiative.

Purpose and Goals of Study

The purpose of this market analysis is to provide the downtown organization and other business and community leaders with objective information to guide business development efforts in Omro. The study assembles market information to support business retention, expansion and recruitment efforts. This information can be used to identify business gaps in the community and to fill empty and new commercial space.

This study provides information to guide business development at the community level. While it does not attempt to provide business-level marketing advice, it can be used to help business operators understand market characteristics in their efforts to reach new customers.

Study Team

This study was completed collaboratively with a local study team working with University of Wisconsin-Extension and the Wisconsin Economic Development Corporation. The study team provided local insight and was instrumental in developing locally-relevant conclusions from the data collected. Participants are listed below.

- Brett Bork: BID Board Member, Chamber Board Member, Community Center Board Member and Branch Manager, Citizens Bank.
- Linda Kutchenriter: City of Omro Administrator
- Sherry Salfai: Chamber Director
- Red Salfai: Community Member, Community Center Board Member, Owner of Red's Piggly Wiggly
- Kim Biedermann and Catherine Neiswender: University of Wisconsin-Extension, Winnebago County
- JD Milburn and Jim Engle: Wisconsin Economic Development Corporation
- Sonja Reichertz and Bill Ryan, University of Wisconsin-Extension, Center for Community & Economic Development

Trade Area

This section analyzes the extent and shape of Omro's trade area. Various maps are presented here to help define this area. The trade area boundaries defined here will serve as the basis for additional analyses throughout this report.

Omro, Wisconsin is located in eastern Wisconsin, 11 miles west of Oshkosh. The Omro area is served by State Highways 21 and 116. Its trade area is the geographic area from which a community generates the majority of its customers. Knowing the size and shape of the trade area is extremely important because its boundaries allow for measurement of the number of potential customers, their demographics, and their spending potential.

Each individual business in Omro has a unique trade area. The distinct trade area for an establishment will depend on factors ranging from the type of business to the variety of products and services sold. Certain business types will only attract local customers, while other categories have the potential to draw customers from a broader region. For purposes of this analysis, the focus is on local customers as reflected in a "convenience trade area."

A convenience trade area is based on the purchase of products and services needed on a regular basis, such as gasoline, groceries, and hair care. Because these purchases are relatively frequent, people usually find it more convenient to buy these products and services from businesses located close to their home or workplace. A grocery store's trade area can often be used to represent a community's convenience trade area. The trade area that Omro businesses serve is influenced by grocery and other shopping in neighboring communities such as Oshkosh, Winneconne, Berlin and Ripon.

In addition to serving local consumers, there may be some demand from nonresidents including in-commuter employee and visitors. However, for purposes of this analysis the focus is on residents of the trade area.

Mapping Zip Code Area

One method of determining a trade area is to examine the local zip code area. A zip code often provides a geographic area that reasonably describes travel, commuting and commercial patterns around a community's Post Office.

The following map illustrates the zip code representing the Omro area (54963). This map illustrates that this zip code area is distinct and separate from surround commercial centers of Winneconne, Oshkosh, Ripon and Berlin.

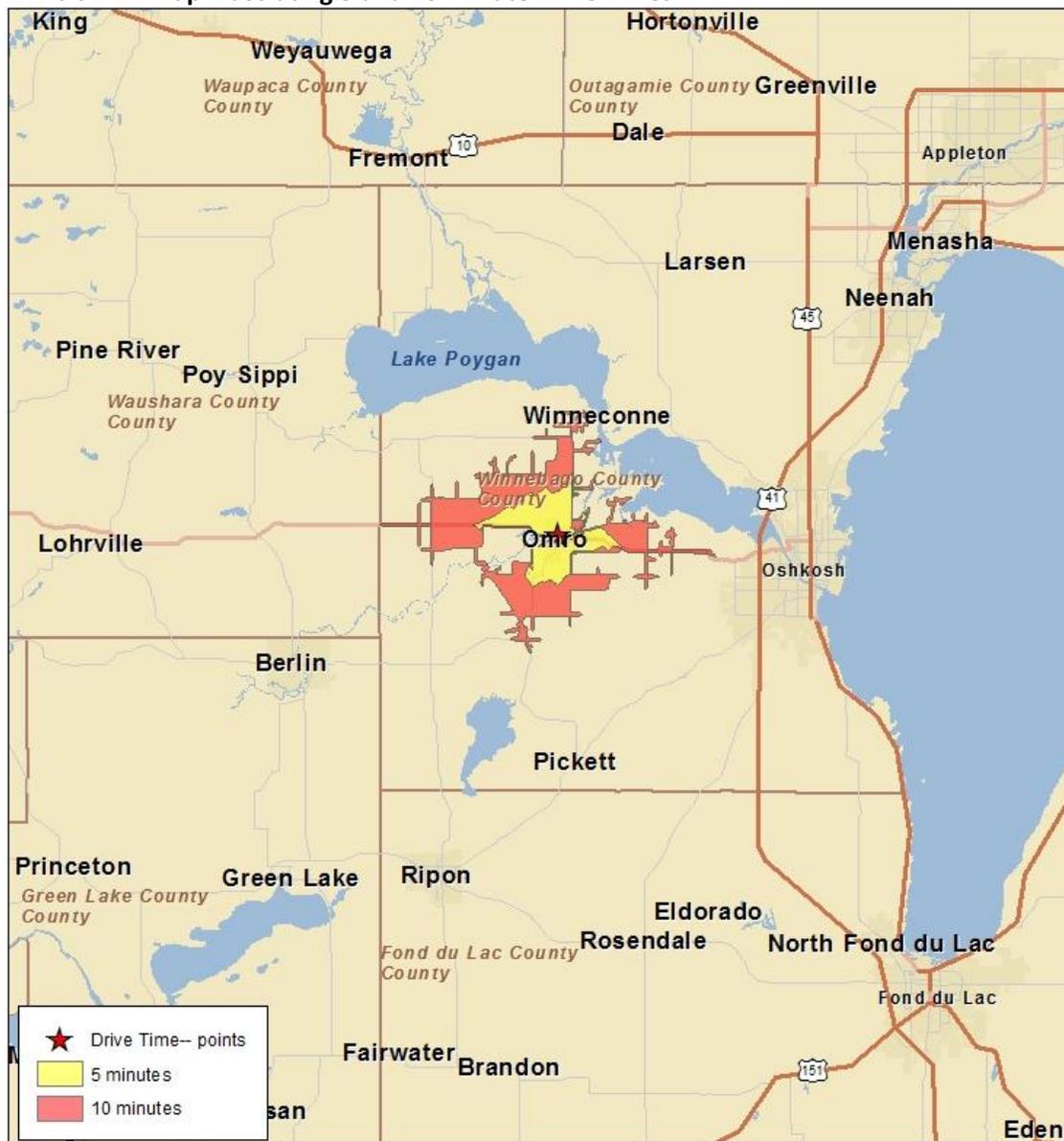
Exhibit 2.1 - Map Illustrating the Omro Zip Code (54963)



Mapping Drive-Times

Another method of determining the trade area is to examine reasonable drive times around Omro from the perspective of a convenience shopping consumer. A drive-time map uses distances along actual streets and highways, combined with their respective travel speeds, to calculate travel time. Drive times are important as consumers make decisions based on streets and highways when deciding where they will shop. The following map illustrates a 5 and 10 minute drive time around downtown Omro.

Exhibit 2.2 - Map Illustrating 5 and 10 Minute Drive Times



Mapping the Equal Competition Area

A third method of defining a trade area is called an equal competition area (also known as Thiessen polygons). This type of trade area assumes that consumers will travel to the closest business district in their region based on “as-the-crow-flies” distances. The trade area is formed by lines drawn exactly halfway between each of the competing business districts (as defined by a local grocery store). Any point within the equal competition area is closer to the subject business district than any of the surrounding business districts. These trade areas do not adjust for the way people actually travel on the ground, nor adjust for the drawing power of each competing business districts.

Exhibit 2.3 - Map Illustrating Equal Competition Area (as Defined by Competing Grocery Stores)



Conclusions

The map illustrating the Omro zip code area (54963) in Exhibit 2.1 provides the most realistic trade area for Omro. It recognizes the pull from the Oshkosh area and does not attempt to capture customers from beyond a reasonable service area. In addition, zip codes are predefined areas that are recognized by business and marketing professionals.

The following sections will examine data about the resident population of Omro zip code (54963), referred to from here as the Omro Trade Area.

Resident Market Characteristics

The demographic and lifestyle characteristics of trade area residents provide valuable information for a market analysis. This section will provide information on demographic and lifestyle data.

Demographic Analysis

To assist in understanding the characteristics of residents, data was assembled for the Omro trade area and the state of Wisconsin. Comparing demographics of these geographic areas helps to differentiate local consumers and may identify potential customer niches. Demographic characteristics are derived from public and private datasets, including Environmental Systems Research Institute Business Information Solutions (ESRI BIS) and the 2010 Decennial Census.

Population

Population data helps quantify both current market size and future market growth, both of which are used to measure consumer demand. Population is defined as all persons living in a geographic area. The City of Omro's 2010 population was 3,500. However, the trade area had a population of 7,312. Projected growth from 2012 through 2017 is expected to average .86-percent per year. This rate is slightly above than the .42-percent rate projected for the state of Wisconsin.

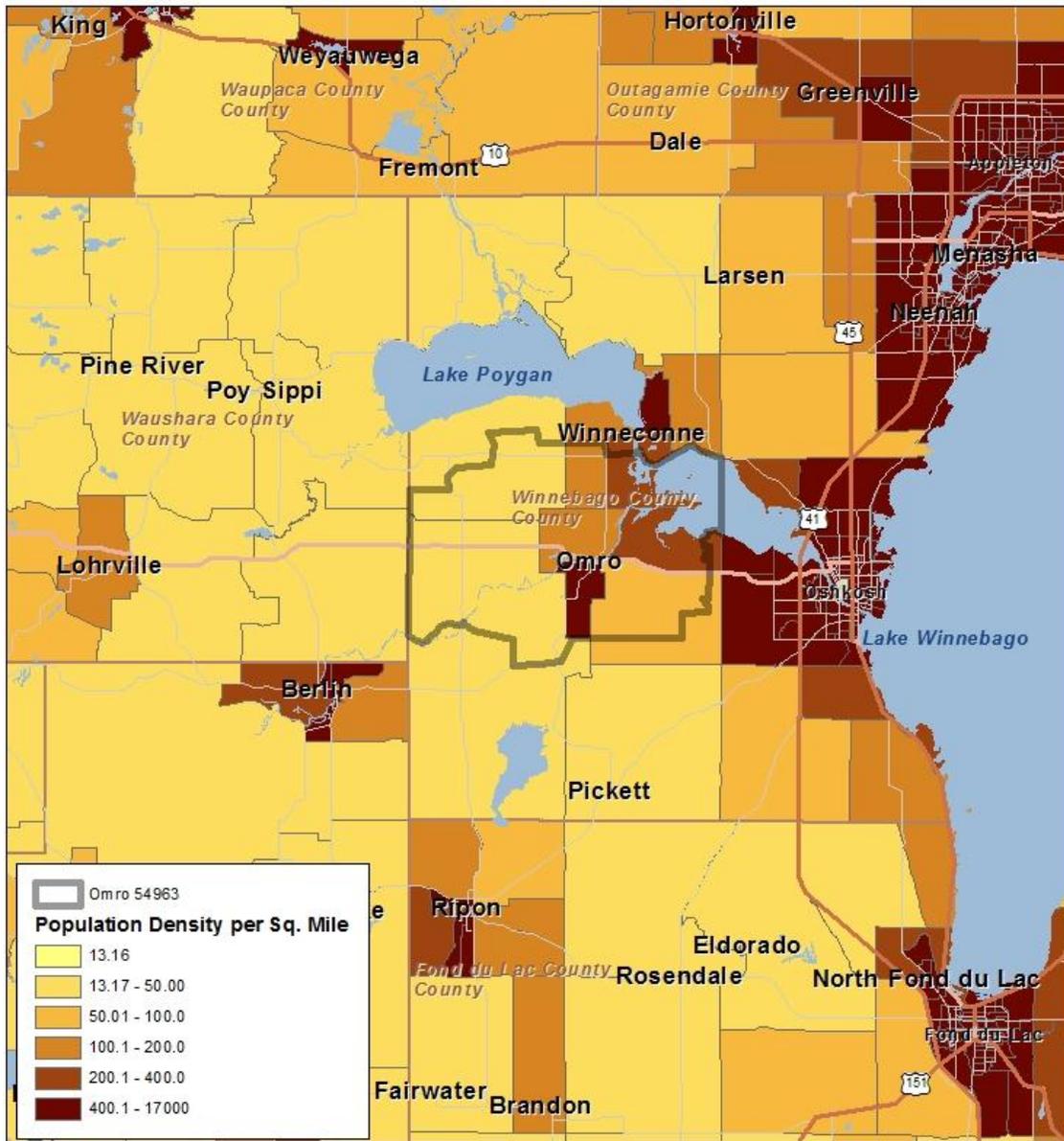
Exhibit 3.1 - Population

	Omro Trade Area	State of Wisconsin
2010 Population (Census)	7,312	5,686,986
2012 Population	7,478	5,745,624
2017 Population	7,805	5,867,708
2012 - 2017 Annual Rate	0.86%	0.42%

Source: ESRI Demographic and Income Profile Report

The Omro trade area is composed of areas with varying population density. As Exhibit 3.1 indicates, population density increases as one travels east toward Oshkosh.

Exhibit 3.2 – Map Illustrating Population Density in the Region, 2010



Per-Capita Income and Household Income

Household income can be an indicator of the spending power of residents. Household income positively correlates with retail expenditures in many product categories. Some retailers may also target specific income ranges based on their target market segment.

Median household income for the trade area in 2012 was \$47,716, less than the state average of \$49,824. The average per capita income for the trade area was also less than the state average. An estimated 10.1% of Omro trade area households had incomes of over \$100,000 compared to only 16.6% of state households.

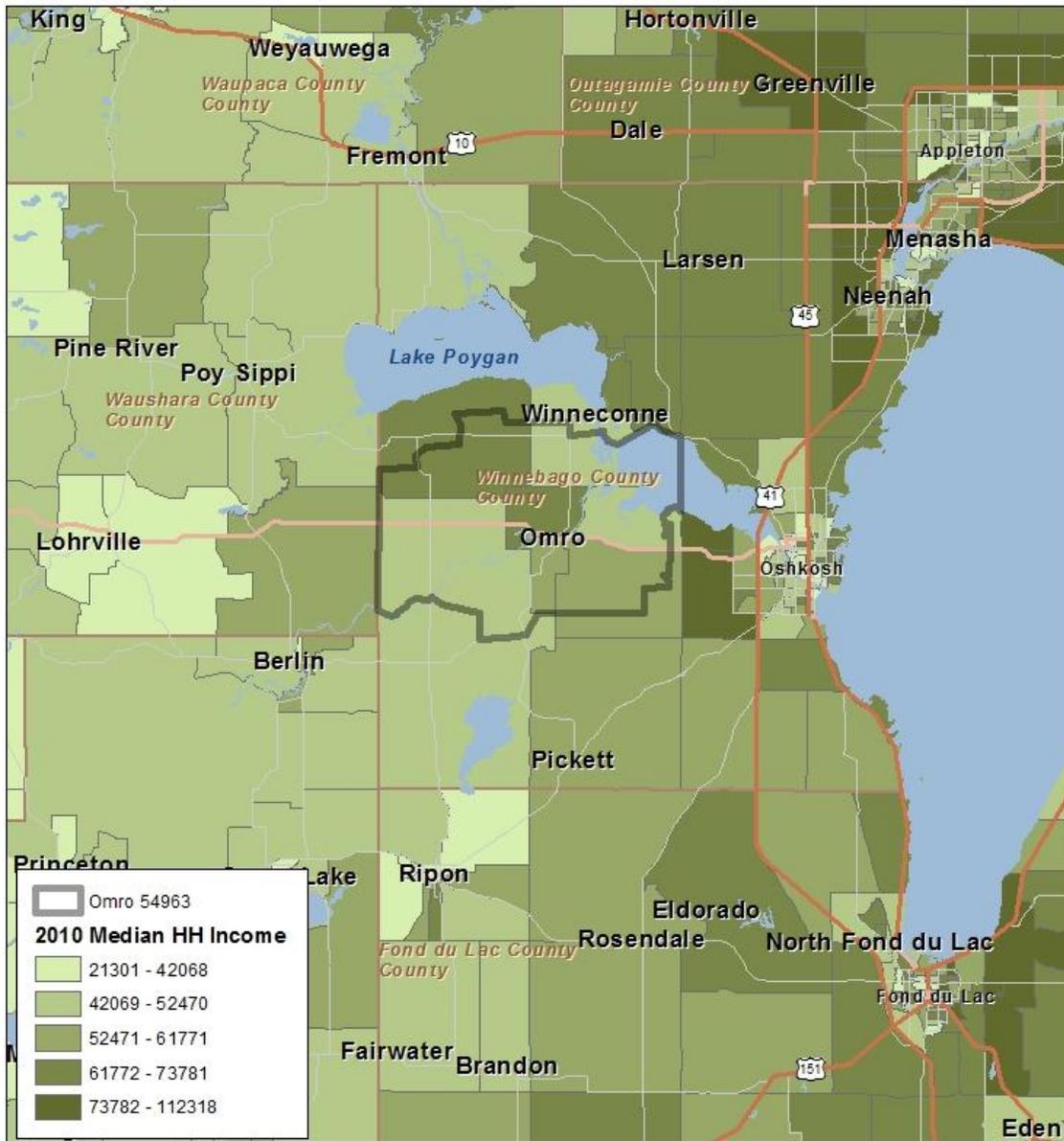
Exhibit 3.3 - Income Levels

	Omro Trade Area	State of Wisconsin
2012 Per Capita Income	\$21,972	\$25,431
2012 Median Household Income	\$47,762	\$49,824
2012 % Households with income over \$100,000	10.1%	16.6%

Source: ESRI Demographic and Income Profile Report

Median Household income varies within the trade area and region. As Exhibit 3.4 illustrates, households with higher incomes are generally clustered to the east in suburban communities around Oshkosh, Menasha and Neenah.

Exhibit 3.4 – Map Illustrating Household Incomes in the Region, 2010



Age Profile

Age often affects a person's consumer tastes and preferences. Understanding the population's age distribution helps businesses effectively address the needs of the market. Accordingly, retail, service, and restaurants often target certain age groups. The following table presents age data.

Exhibit 3.5 - Age Profile 2012

	Omro Trade Area	State of Wisconsin
Age 0 - 4	5.5%	6.3%
Age 5 - 9	6.2%	6.4%
Age 10 - 14	7.2%	6.5%
Age 15 - 19	6.4%	6.7%
Age 20 - 24	4.3%	6.9%
Age 25 - 34	10.7%	12.9%
Age 35 - 44	13.3%	12.4%
Age 45 - 54	16.7%	14.9%
Age 55 - 64	14.3%	12.8%
Age 65 - 74	9.1%	7.5%
Age 75 - 84	4.4%	4.5%
Age 85+	2.0%	2.2%
Total	100.0%	100.0%
Total	20,570	5,745,625

Source: ESRI Demographic and Income Profile Report

The Omro trade area has a large percentage of its population in the middle-age to early retirement-age range of 45 – 74 years old, with approximately 40 percent of the population in this age range. This compares to only 35 percent of the state's population in this age range.

Race/Ethnicity

Spending patterns often differ with ethnicity. Understanding the ethnic distribution of a population is the first step to meeting the needs of different ethnic groups.

In terms of diversity, the population of the Omro trade area is less diverse than the state average. The percent of residents living in the Omro trade area who identify as White Alone is 97.4 while the state average is 85.9 percent. The largest minority population group is Hispanic Origin.

Exhibit 3.6 - Race/Ethnicity 2012

	Omro Trade Area	State of Wisconsin
White Alone	97.4%	85.9%
Black Alone	0.5%	6.3%
Hispanic Origin (may be included above)	2.6%	6.2%

Source: ESRI Demographic and Income Profile Report

Education Attainment – Population 25+ years olds

Education can be an indicator of the socio-economic status of an area. Not only do education levels affect income, they also impact consumer tastes and preferences. The Omro trade area has fewer residents with college degrees than the state.

Exhibit 3.7 - Educational Attainment 2012

	Omro Trade Area	State of Wisconsin
High School Graduate	38.2%	34.3%
Some College, No Degree	22.1%	20.4%
Associate Degree	8.9%	8.8%
Bachelor's Degree	13.7%	17.0%
Master's/Prof/Doctorate	4.5%	8.4%

Source: ESRI ACS Population Summary

Lifestyles

Omro trade area residents can also be studied using lifestyle segmentation information. Lifestyle segmentation systems examine the buying habits and preferences of consumers in a geographic area. One lifestyle segmentation system is Tapestry™, by ESRI Business Information Solutions. Consumers are classified into 65 demographic and behaviorally distinct segments. The segments are based on type of neighborhood (urban, suburban, rural); the residents' socioeconomic status (age, income, occupation, type and value of residence); and their buying behaviors. The top three lifestyle tapestry segments in the Omro trade area are presented below along with ESRI's descriptions of these segments.

Segment 25 - Salt of the Earth (49-percent of Households)

Settled, hard-working, and self-reliant, these married-couple families live in single-family homes in small towns or rural areas; the rate of homeownership is 84 percent. The median age is 41.8 years. Employment rates in these neighborhoods are higher than the U.S. level, and unemployment is lower. Most of the jobs are in the manufacturing, construction, mining, and agriculture industry sectors. The median household income is \$50,406. Vehicles are important; 28 percent own three; most drive a truck, and many ride a motorcycle. They work on small home improvement projects and maintain their own vehicles. Families often own two more pets, most frequently dogs or cats. They go fishing, hunting, target shooting, attend country music concerts and car races, and fly kites.

Segment 32 - Rustbelt Traditions (23-percent of Households)

The backbone of older industrial states bordering the Great Lakes, these neighborhoods are a mix of married-couple families, single-parent families, and singles who live alone. Most of them own and live in modest single-family houses with a median home value of \$94,696. Those who are employed work in the service, manufacturing, and retail trade industries. The median age is 36.7 years; the median household income is \$51,378. Fiscally conservative, they bank at a credit union and invest in certificates of deposit. They use coupons regularly especially at Sam's Club,

work on home improvement or remodeling projects, and buy domestic vehicles. They go hunting, fishing, and attend car races, country music shows, and ice hockey games. They also listen to the games on the radio.

Segment 26 - Midland Crowd (20-percent of Households)

With approximately 12 million people, Midland Crowd is Tapestry's largest market. Most of these neighborhoods are in villages or towns in rural areas throughout the U.S. The median age of 37.2 years is close to the U.S. median. Most households are married-couple families, half with children and half without. The median household income is \$50,096; the rate of homeownership is 81 percent. Two-thirds of the housing is single-family homes; 28 percent are mobile homes. Residents are somewhat politically conservative, and proud of their homes, lawns, and vehicles. They go hunting and fishing, do woodworking, and own pets, especially birds or dogs. Many own a satellite dish so they can watch various TV news programs and shows on CMT and the Outdoor Life Network.

Conclusions

The Omro trade area demographic and lifestyle characteristics are summarized below:

- The City of Omro's 2010 population was 3,500. However, the trade area had a population of 7,312.
- Projected growth from 2012 through 2017 is expected to average .86-percent per year. This rate is slightly more than the .42-percent rate projected for the state of Wisconsin.
- Median household income for the trade area was \$47,762, less than the state average of \$49,824.
- The Omro trade area has a large percentage of its population in the middle-age to early retirement-age range of 45 – 74 years old.
- The population of the Omro trade area is less diverse than the state average. The largest minority population group is Hispanic Origin.
- The Omro trade area has fewer resident with college degrees than the state.
- Nearly half of the Omro trade area households are described by ESRI as "Salt of the Earth." Settled, hard-working, and self-reliant, these married-couple families live in single-family homes in small towns or rural areas.

Resident Market Consumer Perspectives

This section analyzes information obtained from a consumer survey, created and distributed for the purposes of this market analysis. The survey was not scientific, and the opinions gathered were merely used in a directional nature to contribute to market analysis recommendations.

Survey Overview

A consumer survey gathered insights from Omro residents regarding downtown Omro and the Omro Trade Area in general. The overall goal of the survey was to learn how current Omro residents perceive downtown Omro and how to make the downtown a more attractive and enjoyable place.

The consumer survey was made available online and advertised on the Omro Facebook page. 147 responses were gathered (120 of which were fully completed) during the eighteen days the survey was available.

Online participants were asked to supply the following information after completing the survey: home zip code, work zip code, age, gender, occupation, number living in household, and annual income. The survey participants were approximately sixty percent female and forty percent male. The largest age group of participants was between the ages of 45 and 64, making up 51% of the total survey respondents. Twenty-seven percent of participants identified with a household income between \$50,000 and \$74,999, while eighteen percent identified with a household income between \$75,000 and \$99,999. The majority of individuals taking part in the survey described their current job as either professional or retired.

Survey questions covered the following topics:

- Satisfaction level of various downtown attributes, reasons for stopping in downtown Omro and for stopping elsewhere.
- Additional service and retail businesses, restaurants, and events that residents would like to see in downtown Omro.
- Comments on niche themes for downtown and destination uses, and innovative business ideas.
- Site specific suggestions for the vacant lot near the Dollar General and along the River.
- Demographic specific suggestions to better serve the community's aging and youth populations.
- Any additional comments to help improve downtown.

Detailed Findings

Reasons to Stop Downtown

Exhibit 4.1 below summarizes responses that rated attributes of downtown Omro. Downtown Omro scored highest in the categories for safety (68.6%), special events and festivals (61.2%) and cleanliness (63.6%). Attributes most identified as below average or poor include variety of goods/services (52.0%), pedestrian or bicycle friendliness (24.2%), and shopping hours (22.2%).

Exhibit 4.1 – Summary of Responses Related to Ratings of Downtown

Attribute	Number of Excellent or Good Responses	Percent of Excellent or Good Responses	Number of Below Avg. or Poor Responses	Percent of Below Avg. or Poor Responses
Attractiveness	45	35.2%	28	21.9%
Cleanliness	82	63.6%	9	7.0%
Parking Convenience	57	44.2%	24	18.6%
Traffic Flow	63	49.2%	17	13.3%
Shopping Hours	40	31.7%	28	22.2%
Friendly Businesses	78	60.9%	11	8.6%
Safety	88	68.6%	11	8.6%
Variety of goods/services	21	16.3%	67	52.0%
Special events and festivals	79	61.2%	24	18.6%
Pedestrian or Bicycle Friendliness	63	49.2%	31	24.2%

Source: Results of Question 1 of the Consumer Survey

Exhibit 4.2 reveals that the biggest reason participants identified for stopping downtown is just to pass-through, followed by services provided by the Post Office, Library, or Government, and by Restaurants and Taverns. Respondents rarely or never stopped downtown for health services, for services such as hair, insurance, or accounting, or for work. Fifty percent of participants rarely or never stopped downtown for banking and forty percent rarely or never stop for shopping downtown.

Exhibit 4.2 – Frequency and Purpose of Stopping Downtown

	Percent of responses that chose “One or more times/week” or “One - two times/month”	Percent of responses that chose “Occasionally or Rarely” or “Never”
Work	33.6%	66.4%
Shopping, non-grocery	60.4%	40.0%
Restaurants/Taverns	66.0%	34.0%
Post Office/Library/Gov’t	66.7%	33.3%
Banking	50.0%	50.0%
Health Services	19.0%	81.0%
Services (Hair, Insurance, Accountant)	19.2%	80.8%
Passing Through	91.7%	8.3%

Source: Results of Question 3 of the Consumer Survey

If residents were not stopping downtown, other questions sought to determine where Omro residents are spending time and money. Question 2 of the consumer survey asked what stores draw residents to other communities on a regular basis. The most frequent responses included large format retail stores like Kohl's, Menards, and Wal-Mart. Common responses also included the Festival Grocery Store in Oshkosh, Hardware Stores, Fleet Farm, and Restaurants.

Retail, Service, and Restaurant Opportunities

The consumer survey provided residents the opportunity to comment on additional service and retail businesses, restaurants, and events residents would like to see in downtown Omro. Participants chose up to four options out of twenty-one additional service businesses they would like to see in downtown Omro. The most common responses were Movie Theater (62%) and Fitness Center (60%). Likewise, participants chose additional retail businesses they would most like to see in downtown Waterford with the most common choices being Bakery and Butcher/Meat Shop. General Merchandise and Sporting Goods were also popular choices. Respondents also identified desirable restaurants. The most popular choices were Bakery (53%) and Family Restaurant (49%). Coffee Shop, Mexican, and Steakhouse were also popular choices.

These responses are in-line with desired businesses, services, or amenities to support leisure pursuits that were identified in survey questions 15 and 16. The most commonly identified leisure pursuits of survey participants were Fishing, Boating, and Biking, with other responses including Walking, Gardening, Hunting, Reading, and Fitness. Survey participants provided additional input on how downtown Omro can better support these activities. Responses included the following:

- Sporting Goods Rental Shop
- Craft and Hobby Store
- Dining on the River
- Walking or Biking Trail Along the River
- Garden Shop

Event Opportunities

Participants commented on which existing events they attended in the last year and what new events they would like to see in downtown Omro. The most commonly attended existing event identified was the Holiday Parade and Festivities (94 responses). Oktoberfest, the Community Wide Rummage Sale, and the Memorial Weekend Car and Craft Shows were also commonly attended. Breakfast with Santa was the least common with only 12 survey participants indicating they had attended the event. When asked what new events survey participants would like to see downtown, suggestions included: 5K/10K races; kayak races, tours, and day trips; bigger farmers markets with more local produce; a Children's Parade; live weekend music in the pavilion; fishing events; Omro River Days; a health/wellness/fitness fair; a community bon-fire; and anything not centered around alcohol.

Innovative Business Opportunities

Survey participants were asked to identify interesting and innovative businesses seen in other downtowns. These examples can provide existing and prospective entrepreneurs with innovative ideas for downtown and provide local leaders with ideas for business expansion and recruitment efforts. Responses included the following:

- Valley Popcorn, Neenah
- Antlers, Winneconne
- Fresh Salon, Winneconne
- Sweet Shop, Winneconne
- Rustic Fence, Winneconne
- Blue Moon Café, Oshkosh
- Tamara's Cakes, Oshkosh
- Monkey Joe's, Appleton
- Mosier's, Redgranite
- Aspen Coffee House, Appleton
- Uptown Art, Sussex
- Lillian's, Fond du Lac
- Atlanta Bread, Appleton
- Fin n Feather
- Channel Cats
- Stone Cellar Brew Pub, Appleton
- Crafts Tucked Back, Ripon
- The Other Place, Winneconne
- Red Radish, Neenah
- Farm Market, Wautoma
- The Well, Winneconne
- Emy J's, Steven's Point

Niche Ideas

Some downtowns have created a unique Niche around restaurants, services, specialty foods, home furnishings, or other themes. Survey participants provided input on possible themes that could make Omro a destination. Some niche themes participants identified are listed below:

- History of Omro
- Health & Beauty Services/Stress Reducing Activities
- Bike/Walk Friendly
- Family Friendly (Camping, Markets, Street Dances)
- Riverboat Community (Boating, Dining)
- Friendly Hometown Hospitality
- Antiques
- Gardening

- Active Omro (Sporting Goods, Kayaking, Hiking, Gardening)
- Uptown on the Fox

Site or Topic Specific Input

The survey also asked for site-specific input and for suggestions related to specific demographic groups. When asked how the vacant lot near the Dollar General site should be redeveloped, survey participants suggested the following:

- Coffee Shop or Deli
- Sporting/Hunting/Fishing Store
- An old-style building with large store front windows
- Family Eatery/Diner
- Retail Mall with Antique Stores
- Community Fitness Center
- Natural Foods Store
- Garden/Hardware Center
- Rental Facility for Bikes, Kayaks, Skis, Fishing and Hunting Supplies
- Old Fashioned Drive-In
- Mixed-Use Commercial/Residential Space
- Bridal Shop/Spa Combination
- Town Square
- New Police Station
- Banquet Hall/Supper Club
- Kids Fun Center
- Brew Pub
- Tennis Court
- Shelter Building for Farmers Markets

When asked what residents would like to see along the River, survey participants suggested the following:

- River Walk Trail
- Bike Trail
- Ice Cream Shop
- Hotel/Restaurant
- Docks for Boaters
- Bait Shop
- Maintain the use as a Park
- River Tour/Rental Shop

Suggestions for how downtown Omro can better serve the community's aging and youth population included: expansion of events at the community center; gathering place for youth

and teens; ice cream shop; skateboard park; fitness center; downtown boutique shops; and community garden.

Branding Questions

A series of questions were also asked to inform Omro's branding efforts including what residents considered to be downtown Omro's landmark building or place, what initially attracted residents to Omro, and what phrase residents think best describes Omro.

Participants identified what they believed to be Omro's landmark building or place. Responses included the Clock Tower, Cheesehouse, Old Firehouse, Scott Park, Masonic Temple, Old Fink's Restaurant Building, and the Library. Survey participants indicated that they were initially attracted to Omro by the schools, small town atmosphere, proximity to the valley, the River, work, and rural living. Survey participants also identified the following as phrase they think best describe Omro:

- "Small Town with a Big Heart"
- "A friendly place to visit and unwind"
- "Bedroom Community to Oshkosh"
- "Just around the River Bend"
- "Peaceful"
- "Boring"
- "A Simple Life"
- "Small Town Focused on Family Values"
- "Little Town with a Big Bite"
- "Good ol Boy Network"
- "Community Care"
- "We have that Hometown Feel"
- "Omro is a community that hangs together even when the times get tough"
- "Neighborly"
- "A town you drive through on your way to Oshkosh or Waupaca"
- "Cold, Uninviting"
- "Local, Close Knit, History of Pride"

Finally, the survey allowed participants the opportunity to comment generally on any other suggestions to improve downtown Omro. Responses included suggestions to provide more financial and structuring support to businesses. Many comments noted that the downtown's aesthetics and continuity need improvement; specifically, survey participants noted that more trees should be planted along the sidewalk, the river should be better utilized, fix signage including the Fish Inn sign, clean up the old Leisure Systems building, move the farmers market to the river walk park, repair old City Hall, limit on street parking to two hours, add flowers and improve historic design. Responses also indicated that Omro residents need to be more interested and supportive of community events and resources in order to see improvements in the downtown.

Conclusions

The following conclusions can be drawn from analysis on the Omro survey of consumers:

- Downtown Omro scored highest in the categories for safety (68.6%), special events and festivals (61.2%) and cleanliness (63.6%). Attributes most identified as below average or poor include variety of goods/services (52.0%), pedestrian or bicycle friendliness (24.2%), and shopping hours (22.2%).
- Many of the general comment questions focused on aesthetic improvements to make the downtown a more vibrant and inviting place including improved signage, landscaping, and building improvements.
- 80% of survey participants rarely or never stopped downtown for health services or services such as hair, insurance, and accounting.
- Residents are also leaving Omro on a regular basis to shop at Kohl's, Menards, Wal-Mart, Festival, and Fleet Farm, as well as for hardware and restaurants.
- Many survey comments expressed a desire to improve the utility of the riverfront in downtown Omro.
- Suggestions for an improved farmers market came up repeatedly in the survey results.
- A desire for a community center or gathering space was identified in numerous responses as a way to offer more activities for Omro's youth. Many comments indicated a desire for more health and fitness options.
- Residents identified what they believed to be Omro's landmark building or place and also provided a phrase that best describes Omro. Landmarks identified include the Clock Tower, Cheesehouse, and Old Firehouse. Phrases identified included "hometown," "small town," and "family values."

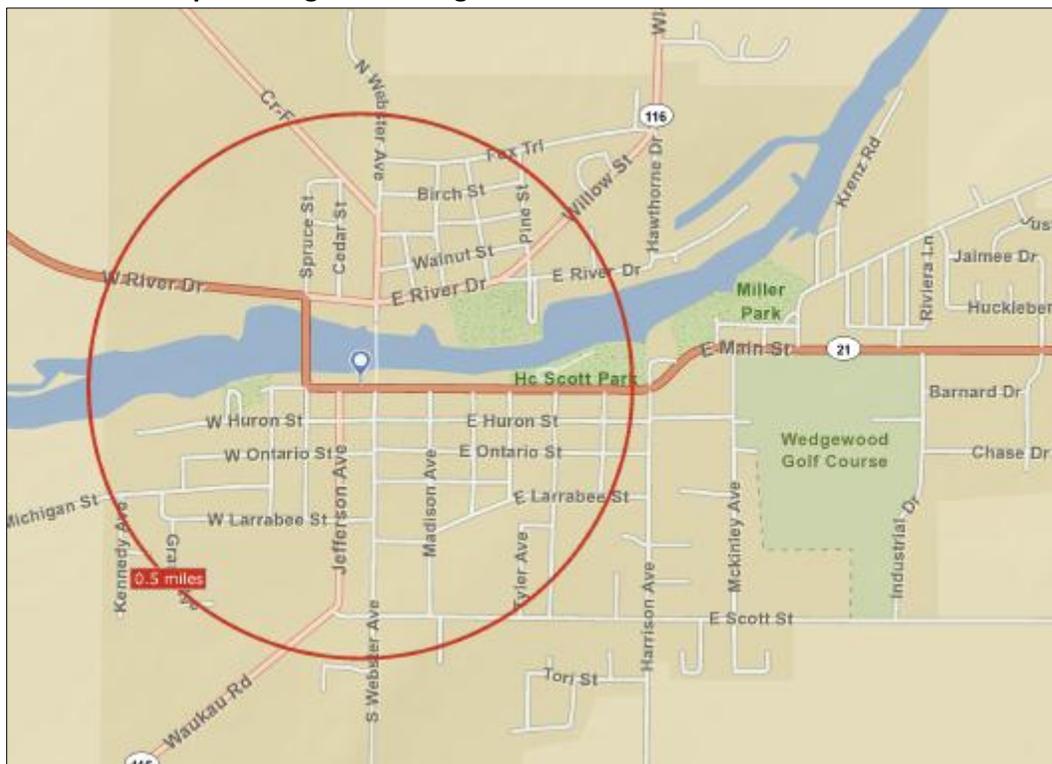
DOWNTOWN BUSINESS MIX COMPARISON

This section compares the mix of businesses in downtown Omro with that of selected peer communities in Wisconsin. Comparisons are also made with all communities of similar size in the state. These comparisons represent one approach in identifying potential business opportunities for the downtown district.

Omro Business Inventory

A business inventory was completed to describe commercial activity in a half-mile radius around the middle of downtown Omro as defined in the following map. The number of businesses by category is summarized in Exhibit 5.2.

Exhibit 5.1 - Map Showing .5 Mile Ring Around the Middle of Downtown Omro



Downtown Omro businesses operate in a regional retail economy that is characterized by large scale, suburban commercial development. Major suburban shopping destinations are located 10 miles away in Oshkosh (east) and 25 miles away in Appleton (northeast).

Comparison to Selected Peer Communities

The study committee identified five “peer communities” that have relatively vibrant downtowns and share market characteristics similar to those of Omro. These included Baldwin, Horicon, Kiel, Peshtigo, and Prairie du Sac. The average number of businesses, by category, in these seven downtowns is also provided in Exhibit 5.2.

Comparison to All Downtowns in Similar Size Wisconsin Communities

This comparison group represents all Wisconsin communities (60 cities and villages) with populations between 2,500 and 5,000. The average number of businesses per downtown in these communities was calculated in a UW-Extension study and is presented in Exhibit 5.2. Communities in this group include:

Algoma	Edgerton	Mayville	Pulaski
Amery	Ellsworth	Medford	Rothschild
Baldwin	Evansville	Mineral Point	Sauk City
Black River Falls	Horicon	Mondovi	Saukville
Bloomer	Howards Grove	Mosinee	Seymour
Boscobel	Jackson	Neillsville	Slinger
Brillion	Kewaskum	Nekoosa	Spooner
Broadhead	Kewaunee	New Holstein	Thiensville
Chilton	Kiel	Oconto Falls	Tomahawk
Clintonville	Ladysmith	Omro	Union Grove
Columbus	Lake Mills	Oostburg	Viroqua
Cottage Grove	Lancaster	Park Falls	Wales
Cross Plains	Lodi	Peshtigo	Omro
Dodgeville	Marshall	Prairie du Sac	Waterloo
East Troy	Mauston	Prescott	West Salem

Exhibit 5.2 - Omro Downtown Business Mix Comparison

NAICS	Name	Omro	Peer Cities Ave.	Wisconsin Ave.
72210000	Full-service restaurants	5	4.2	4.6
81211200	Beauty salons	3	2.2	3.5
72240000	Drinking places (alcoholic beverages)	1	2.8	3.1
44710000	Gasoline stations	2	2.0	1.7
71390000	Other amusement (bowling, golf, fitness)	1	1.6	1.6
81111000	Automotive mechanical & electrical repair	2	1.2	1.3
44130000	Automotive parts, accessories, & tire stores		0.6	1.1
44510000	Grocery stores		0.8	1.1
45322000	Gift, novelty, & souvenir stores	1	0.6	1.1
45330000	Used merchandise stores		0.2	1.1
44311000	Appliance, television, & other electronics stores		0.6	0.9
45310000	Florists		0.6	0.9
81211100	Barber shops	1	0.8	0.8
44611000	Pharmacies & drug stores	1	1.0	0.7
45111000	Sporting goods stores	1	0.4	0.7
45200000	General merchandise stores		0.2	0.7
72220000	Limited-service eating places		0.4	0.7
44413000	Hardware stores		0.2	0.6
44419000	Specialized building material dealers	1	0.4	0.6
81112000	Automotive body, paint, interior, & glass		0.6	0.6
44520000	Specialty food stores		0.2	0.5
44530000	Beer, wine, & liquor stores		0.2	0.5
44831000	Jewelry stores		0.4	0.5
44111000	New car dealers			0.4
44112000	Used car dealers		0.4	0.4
44210000	Furniture stores		0.8	0.4
44220000	Home furnishings stores		0.2	0.4
44312000	Computer & software stores		0.4	0.4
54192000	Photographic services	1	0.6	0.4
81119000	Other automotive repair & maintenance		0.4	0.4
45392000	Art dealers		0.2	0.3
53210000	Automotive equipment rental & leasing	1	0.2	0.3
81149000	Personal goods repair (watch, boat, garment)		0.6	0.3
81291000	Pet care (except veterinary) services		0.6	0.3
44411000	Home centers			0.2
44420000	Lawn & garden equipment & supplies stores		0.2	0.2
44812000	Women's clothing stores			0.2
44814000	Family clothing stores			0.2
44819000	Specialized clothing stores (dress, etc.)	1	0.2	0.2
45112000	Hobby, toy, & game stores		0.4	0.2
45113000	Sewing, needlework, & piece goods stores			0.2
45121000	Book Stores			0.2
45391000	Pet & pet supplies stores			0.2
51213000	Motion picture & video exhibition		0.2	0.2
81141000	Home/garden equipment & appliance repair		0.2	0.2
81211300	Nail salons		0.6	0.2
81232000	Drycleaning & laundry (except coin-operated)		0.2	0.2
44412000	Paint & wallpaper stores		0.2	0.1
44613000	Optical goods stores		0.2	0.1
44619000	Other health care (vitamin, medical equip)			0.1
44811000	Men's clothing stores		0.2	0.1
44813000	Children's & infants' clothing stores			0.1
44821000	Shoe stores			0.1
45122000	Tape, compact disc, & record stores		0.2	0.1
45321000	Office supplies & stationery stores		0.2	0.1
53230000	General rental centers		0.2	0.1
81231000	Coin-operated laundries & drycleaners		0.4	0.1
	Total	22	30.2	36.4

*Wisconsin. Cities/Villages with 2,500-5,000 Population. Average of 60 Downtowns. Data source: Retail and Service Business Mix Analysis of Wisconsin's Downtowns by Bill Ryan, Beverly Stencil, and Jangik Jin, September 2010. University of Wisconsin-Extension

Conclusions

The following conclusions about downtown Omro's business mix can be drawn from this data. Special attention was given to those business categories that are most suitable for a downtown storefront location and that were found in many of the comparison downtowns.

- Downtown Omro has significantly fewer businesses (22) compared to the average of its five peer communities (30.2) and the average all communities of similar size in the state (36.4).
- Downtown Omro has no businesses in important convenience categories such as grocery, hardware and floral stores.

Notes about this Comparison

For purposes of this study, retail and service business categories used in the comparison are those typically found on street level of downtowns. For each of the comparison groups ("Peer Cities Average" and the "Wisconsin Average"), data from InfoUSA was used to identify the average number of businesses by NAICS code (five digit) within one-half mile of the center of their respective downtowns. This information was then compared to data assembled for Omro's downtown.

1. In some cases, a particular business may offer products or services that fall under multiple NAICS codes. For this analysis, it is listed under one primary code. For example, a business may be listed as a furniture store but also sell home furnishings.
2. While the raw data may indicate opportunity for a business type within a half mile of the downtown, other businesses serving those needs may already exist in the Omro area outside of the downtown. This could then nullify the opportunity for a new business in that category.
3. As with any statistical sources, there may be inaccuracies in the number of businesses attributed to a specific NAICS code for any given community.
4. The business mix analysis only counts establishments and does not offer more useful information such as sales or square feet of space. Further, it does not attempt to measure the competitiveness of the businesses included in the comparison.

Section 6

TRADE AREA DEMAND AND SUPPLY ESTIMATES

This section brings together data from prior sections to assess business retention, expansion and recruitment opportunities in the Omro trade area. This assessment focuses on selected retail, service business, and restaurant categories typically found on street level of downtowns. However, unlike the prior section that focuses only on the downtown business mix, this section explores market demand and supply in the entire trade area.

Estimates of Overall Omro Trade Area Demand and Supply

Estimates of demand and supply for retail trade (including food and drink) as developed by ESRI are presented in table 6.1. ESRI uses their own methodology to estimate demand and supply. For purposes of this market analysis, only aggregate retail demand and supply data are presented here.

The table indicates that retail demand (potential sales) exceeds supply (estimated sales) in the Omro trade area. Additional detail, not shown in the table below, suggests that this gap (demand greater than supply) occurs in almost all of the specific NAICS categories studied.

The overall conclusion is that the Omro trade area is losing a significant amount of resident spending from shopping outside the trade area.

Exhibit 6.1 - Overall Estimates of Market Demand and Supply, Based on 2010 Demographics by ESRI

	NAICS	Demand (Potential)	Supply (Estimated Sales)	Retail Gap
Total Retail and Food & Drink	44-45, 722	\$67,381,635	\$39,838,762	\$27,542,873
Total Retail Trade	44-45	\$57,547,954	\$36,962,524	\$20,585,430
Total Food & Drink	722	\$9,833,681	\$2,876,238	\$6,957,443

Data Note: Supply (retail sales) estimates sales to consumers by establishments. Sales to businesses are excluded. Demand (retail potential) estimates the expected amount spent by consumers at retail establishments. Supply and demand estimates are in current dollars.

Spending Patterns of Omro Trade Area Households Compared to the U.S.

Spending is influenced by demographic, economic and geographic factors. Demographic and lifestyle characteristics of the trade area help describe the type of consumers residing in these areas, and their likely purchasing preferences and behaviors.¹ Compared to the state of Wisconsin, the data indicates that residents of the trade area have lower incomes, are often in their middle-age to early-retirement years. Nearly half of the Omro trade area households are described by ESRI as "Salt of the Earth." Settled, hard-working, and self-reliant, these married-couple families live in single-family homes in small towns or rural areas.

As a general overview of consumer spending by trade area residents, it is helpful to compare local household spending with average U.S. household spending. One method to compare trade area spending with the U.S. is the Spending Potential Index (SPI). The SPI for selected product categories are listed in Exhibit 6.2.

Exhibit 6.2 – Spending Potential Index of Omro Households, Based on 2010 Demographics by ESRI

	Omro Trade Area SPI
Apparel and Services	56
Computers and Accessories	80
Entertainment and Recreation	85
Pets	109
Toys and Games	87
Sports/Recreation/Exercise Equipment	69
Reading	85
Food at Home	83
Food Away from Home	82
Health Care (Drugs)	91
Investments	89
Furniture	79
Child Care	78
Lawn and Garden	88

Consumer spending potential in the trade area is moderately lower than the U.S. average in almost all categories. The SPI index is highest for pet spending, health care (drugs), investments, and lawn and garden.

¹ Note: For businesses categories with trade areas different than those identified in Section 2, demographic and lifestyle data can be assembled with assistance from a private data firm. Online services from providers like ESRI Business Information Solutions and Claritas can help define these trade areas and provide the associated data.

Sales Potential of Omro Trade Area Residents by Business Type

Opportunities to support business retention, expansion and recruitment can be analyzed using estimates of sales potential (demand) from trade area residents. These demand estimates can be generated using public and private secondary data sources. Consumer spending does not equal actual business revenue, but rather the potential revenue that trade area residents could generate. Non-resident demand from consumers traveling to or through the community is not included in these estimates.

Potential sales by business category in the trade area can be calculated as follows (*example presented for florist demand in the Omro Trade Area*):

- U.S. sales per capita by business category based on the U.S. Economic Census (\$24)
- The ratio of 2012 local trade area per capita income to U.S. per capita income (\$21,972/\$26,409)
- Trade area population (7,478)
- Multiplication of above figures is equal to the “Potential Sales in Trade Area” (\$150,000 for floral businesses)
- Number of business equivalents is equal to Potential Sales divided by Average Sales Per U.S. Store (\$150,000/ \$160,175= 0.9)
- Square foot demand for retail space (\$150,000/\$239 per SF = 600 SF)

The following table in Exhibit 6.3 presents the potential sales estimates for the trade areas. These estimates assume that everyone in the trade area only shops in this area; likewise it assumes no one from outside of the trade area shops in this area. Therefore, it does not take into consideration any surplus or leakage in or out of the trade area.

Also in the table is a column that estimates an equivalent number of square feet of retail shopping space that could be supported by the sales that have been calculated. These estimates can be used in a preliminary demand and supply analysis that measures potential (demand) vs. existing (supply) space by business category.

It should be noted that due to the large geography of the Destination trade area, some of the potential sales presented here would likely be captured by neighboring (and competing) trade areas such as Burlington and Mukwonago.

Demand estimates are also complicated by the fact that store categories may not adequately reflect the breadth of sales. For instance, the category “general merchandise stores” includes Wal-Mart, which is nationally one of the largest grocers and one of the largest pharmacies, but which is reported as general merchandise. Thus, when using the following tables, it is important to consider the variety of products that are sold by Wal-Mart and other large format stores as they complicate traditional store classifications.

Exhibit 6.1 Omro Trade Area Demand for Selected Retail and Service Categories

NAICS	Name	U.S. Sales Per Capita	Potential Sales in Trade Area	Average Sales per U.S. Store	No. of Bus. (Demand)	SF of Bus. (Demand)
44111000	New car dealers	\$ 2,280	\$ 14,186,507	\$ 27,632,089	0.5	
44112000	Used car dealers	\$ 268	\$ 1,665,835	\$ 633,563	2.6	
44130000	Automotive parts, accessories, & tire stores	\$ 249	\$ 1,549,229	\$ 789,354	2.0	8,960
44210000	Furniture stores	\$ 197	\$ 1,224,772	\$ 1,271,871	1.0	2,292
44220000	Home furnishings stores	\$ 172	\$ 1,071,926	\$ 775,414	1.4	3,919
44311000	Appliance, television, & other electronics	\$ 286	\$ 1,780,552	\$ 1,437,590	1.2	4,850
44312000	Computer & software stores	\$ 68	\$ 423,829	\$ 1,008,571	0.4	207
44411000	Home centers	\$ 447	\$ 2,783,743	\$ 14,117,083	0.2	7,163
44412000	Paint & wallpaper stores	\$ 34	\$ 209,776	\$ 1,024,804	0.2	
44413000	Hardware stores	\$ 68	\$ 424,098	\$ 948,935	0.4	2,936
44419000	Specialized building material dealers	\$ 393	\$ 2,444,923	\$ 2,014,250	1.2	
44420000	Lawn & garden equipment & supplies stores	\$ 123	\$ 765,741	\$ 1,165,506	0.7	
44510000	Grocery stores	\$ 1,631	\$ 10,146,063	\$ 3,570,309	2.8	21,173
44520000	Specialty food stores	\$ 62	\$ 385,997	\$ 258,156	1.5	1,806
44530000	Beer, wine, & liquor stores	\$ 127	\$ 790,311	\$ 877,029	0.9	1,994
44611000	Pharmacies & drug stores	\$ 671	\$ 4,173,130	\$ 4,218,922	1.0	10,433
44612000	Cosmetics, beauty supplies, perfume stores	\$ 39	\$ 242,906	\$ 116,573	2.1	665
44613000	Optical goods stores	\$ 27	\$ 170,198	\$ 518,023	0.3	479
44619000	Other health care (vitamin, medical equip)	\$ 50	\$ 311,219	\$ 218,306	1.4	
44710000	Gasoline stations	\$ 1,499	\$ 9,323,469	\$ 3,506,684	2.7	7,056
44811000	Men's clothing stores	\$ 29	\$ 181,140	\$ 696,349	0.3	695
44812000	Women's clothing stores	\$ 134	\$ 832,098	\$ 754,680	1.1	3,261
44813000	Children's & infants' clothing stores	\$ 32	\$ 198,136	\$ 675,687	0.3	628
44814000	Family clothing stores	\$ 281	\$ 1,745,399	\$ 1,984,619	0.9	5,146
44815000	Clothing accessories stores	\$ 21	\$ 131,812	\$ 231,336	0.6	375
44819000	Specialized clothing stores (dress, etc)	\$ 40	\$ 248,678	\$ 308,106	0.8	740
44821000	Shoe stores	\$ 89	\$ 553,443	\$ 803,282	0.7	2,229
44831000	Jewelry stores	\$ 103	\$ 640,152	\$ 434,934	1.5	1,032
45111000	Sporting goods stores	\$ 119	\$ 741,446	\$ 803,722	0.9	2,702
45112000	Hobby, toy, & game stores	\$ 55	\$ 339,221	\$ 650,609	0.5	1,474
45113000	Sewing, needlework, & piece goods stores	\$ 15	\$ 90,524	\$ 200,733	0.5	649
45114000	Musical instrument & supplies stores	\$ 20	\$ 122,977	\$ 552,036	0.2	
45121000	Book Stores	\$ 61	\$ 381,189	\$ 512,938	0.7	1,653
45122000	Tape, compact disc, & record stores	\$ 12	\$ 77,407	\$ 434,504	0.2	265
45200000	General merchandise stores	\$ 1,919	\$ 11,938,392	\$ 7,301,449	1.6	85,341
45310000	Florists	\$ 24	\$ 150,113	\$ 160,175	0.9	612
45321000	Office supplies & stationery stores	\$ 77	\$ 479,608	\$ 1,454,735	0.3	2,370
45322000	Gift, novelty, & souvenir stores	\$ 60	\$ 373,997	\$ 199,283	1.9	2,047
45330000	Used merchandise stores	\$ 37	\$ 229,534	\$ 143,185	1.6	
45391000	Pet & pet supplies stores	\$ 39	\$ 245,261	\$ 674,074	0.4	1,044
45392000	Art dealers	\$ 32	\$ 199,428	\$ 383,996	0.5	411
53210000	Automotive equipment rental & leasing	\$ 153	\$ 949,732	\$ 1,373,285	0.7	
53230000	General rental centers	\$ 15	\$ 94,830	\$ 529,977	0.2	187
54192000	Photographic services	\$ 32	\$ 197,337	\$ 73,585	2.7	621
71390000	Other amusement (bowling, golf, fitness)	\$ 214	\$ 1,330,238	\$ 325,347	4.1	
72210000	Full-service restaurants	\$ 651	\$ 4,048,670	\$ 753,543	5.4	10,064
72220000	Limited-service eating places	\$ 618	\$ 3,845,281	\$ 585,250	6.6	11,304
72240000	Drinking places (alcoholic beverages)	\$ 66	\$ 412,254	\$ 272,183	1.5	
81111000	Automotive mechanical & electrical repair	\$ 169	\$ 1,051,587	\$ 208,632	5.0	
81112000	Automotive body, paint, interior, & glass	\$ 113	\$ 701,438	\$ 272,517	2.6	
81119000	Other automotive repair & maintenance	\$ 52	\$ 320,600	\$ 153,086	2.1	
81141000	Home/garden equipment & appliance repair	\$ 14	\$ 86,264	\$ 80,522	1.1	
81149000	Personal goods repair	\$ 30	\$ 185,999	\$ 38,909	4.8	
81211100	Barber shops	\$ 9	\$ 53,279	\$ 25,983	2.1	296
81211200	Beauty salons	\$ 102	\$ 632,496	\$ 50,439	12.5	2,672
81211300	Nail salons	\$ 19	\$ 115,796	\$ 34,935	3.3	660
81219000	Other personal care services (tatoos, spas, .)	\$ 27	\$ 167,266	\$ 51,973	3.2	543
81231000	Coin-operated laundries & drycleaners	\$ 14	\$ 87,668	\$ 169,403	0.5	1,163
81232000	Drycleaning & laundry (except coin-op)	\$ 30	\$ 188,112	\$ 203,248	0.9	1,272

Conclusions

Three general conclusions can be drawn from this section:

- Retail demand (potential sales) exceeds supply (estimated sales) in the Omro trade area by more than 1.7 to 1. This gap (demand greater than supply) occurs in almost all of the specific business categories studied. The Omro trade area is losing a significant amount of resident spending from shopping outside the trade area.
- Residents of the trade area have lower incomes and are often in their middle-age to early-retirement years. As a result, Consumer spending potential in the trade area is moderately lower than the U.S. average in almost all categories. Spending potential is relatively high for pet spending, health care (drugs), investments, and lawn and garden.
- Based on trade area population and the relatively high incomes, estimates of demand in selected store categories are presented in Exhibit 6.1. Expressed in terms of number of businesses and square feet of space, these estimates DO NOT represent what could be supported in downtown Omro. Instead, they reflect what could be supported by local consumers, regardless of where they shop.