

# MARKET ANALYSIS

## DOWNTOWN CLINTONVILLE, WISCONSIN

Place Dynamics LLC

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### Contents

Introduction .....	1
Study Intent .....	1
Methodology .....	2
Market Analysis .....	3
Setting .....	3
Trade Area .....	4
Demographics .....	4
Housing Market .....	5
Retail Goods and Services Market .....	8
Eating and Drinking Market .....	11
Opportunities / Conclusions .....	12
Housing .....	12
Commercial Uses .....	12

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# INTRODUCTION

Clintonville faces significant challenges as it seeks ways in which to sustain the vitality of its downtown. The community has the same demographic concerns as most other rural small cities in northern Wisconsin. For retail, dining, and services, the city and its trade area have a small population base that is continuing to shrink over time. The population is also growing older, and older consumers tend to spend less than younger households. Meanwhile, most retail is realigning from dispersed locations to fewer regional centers. In addition to this competition, internet sales continue to absorb another one or two percent of the market every year.

Demographic concerns also impact the potential for housing development. Younger households buy homes, but their numbers are in decline. Meanwhile, there is a greater number of older households who will be moving to other types of housing. For some, this will be detached or condominium homes that are on a single level and are easier to maintain. Others will move into apartments, some of which will be age-restricted. While both of these options present an opportunity for new development, the flip side of the equation is that there will be fewer potential buyers of existing housing, which is typified by older, two-story homes.



*View of the core downtown, looking south on Main Street from 12<sup>th</sup> Street*

Aside from demographics and competition, Clintonville's downtown businesses are failing to capture market share due to issues of selection, quality, customer service, and marketing – especially utilizing the internet. These businesses will benefit from targeted training and one-on-one technical assistance to help them more effectively reach and serve households in the trade area. These programs will also help to support new businesses, a majority of which will be independent or franchise operations established by people living in the area.

There are opportunities for residential and business growth in the downtown. Aside from improving the condition of existing businesses, the market can support additional restaurants and some specialty retail. New housing can offer products not well represented in the market, such as condominiums and senior-oriented housing. These can be sited in the downtown, adjacent to the river and Olen Park, which will act as amenities to help sell or lease units.

## STUDY INTENT

Clintonville is preparing a *Downtown Plan* to guide actions that will restore vitality to its central business district. As a part of that strategy, the City wants to understand the market realities for potential business and real estate development in the downtown area. The market analysis will establish a broad understanding of the City's trade area, demographics, and market potential. It will help to answer specific questions for the *Downtown Plan*, such as:

- What is the market for retail, dining, and services businesses and how many, or how much floor area can be supported?
- What can be done to make existing businesses more competitive, along with new one that may open?
- Is there a market for housing, and if so, what type(s) and what characteristics should it have?
- What are the possible development opportunities for the Armory building and Merc site?

Together with citizen priorities gathered through public engagement exercises, the results of the market analysis will be used to form strategies that prioritize real estate development, business improvement, business attraction, infrastructure investments, civic and social programming, and other elements of the plan.

## METHODOLOGY

Any market analysis will incorporate a combination of qualitative and quantitative approaches in coming up with its findings. For this project, the consultant visited Clintonville to inventory and observe its businesses, while approaching workers and customers to discuss their reasons for coming to downtown Clintonville, and their perceptions of the district. Additionally, nearby communities were visited to assess potential competition for existing or new businesses that might locate in Clintonville.

Data was derived primarily from US Census Bureau and Bureau of Economic Analysis sources. Definition of the trade area was aided by transaction data for a major credit card provider, that showed 67 percent of sales originating in four zip codes, for Clintonville, Marion, Tigerton, and Bear Creek. Population, household, and demographic characteristics were projected using an age cohort-component method incorporating county-level rates of birth and mortality. The results for the trade area were compared to, and found to be consistent with projections from the Wisconsin Department of Administration at the city and county level.

The next step in the process was to estimate spending by product line using data from the annual Consumer Expenditure Survey, adjusted for income and age of the reference person. Product line expenditures were then assigned to store type (or restaurant type) based on each store type's market share of the product line.

Housing needs were projected using a combination of data sources, beginning with the projections above, and allocating demand based on regionally-adjusted housing preferences from the National Association of Realtors' Annual Housing Survey and other sources. Estimates of the number of buyers are based on prior trends reported by the Wisconsin Realtors Association.

## MARKET ANALYSIS

The market analysis assesses future opportunities for real estate and business development within Clintonville, with a specific focus on the downtown district. Existing conditions both within the community and in competing areas strongly influence what may be accomplished, and suggest advantages that may be highlighted, or disadvantages that can be addressed to improve future outcomes. These qualitative aspects of the market are accompanied by a projection of data trends related to population, housing, and purchasing behavior.

In the final analysis, Clintonville has limited opportunities for downtown housing development. These are dominated by, but not limited to single family homes, condominiums, and apartments targeting an aging buyer or renter. No category of retail store or service shows a sufficient gap to suggest an outright need for new businesses. The market will continue to produce new businesses started by independent operators, in the sector in which they are most comfortable. Rather than pursue efforts to attract new businesses, the City and its partners will be better served by investing in training and one-on-one technical assistance to existing businesses to help them improve their offerings, attract new customers, and capture a greater market share. These same techniques will prove useful, and an incentive for newly started businesses.

## SETTING

Clintonville is situated in northern Wisconsin 40 miles west of Green Bay, 35 miles northwest of Appleton, and 45 miles east of Stevens Point. While any of these metropolitan areas are within a one hour drive and are a viable option for work or shopping, both Shawano and New London are much closer (15 miles) and have a greater variety of businesses, including Walmart Superstores and other chains that vie for residents of Clintonville and its trade area. The transportation system is well developed, with US Highway 45 and State Routes 22 and 156 connecting to US Highway 10 and State Route 29 (both four-lane highways) leading to the larger metropolitan areas. In 2014 there were 12,300 cars per day counted on Main Street in the downtown.

Several smaller cities, villages, and hamlets surround Clintonville, spaced at fairly regular intervals. The most significant of these are Marion, Tigerton, Bear Creek, and Embarrass. Marion, with a population of 1,207, is the largest of these. Aside from a Dollar General, gas stations, a few eateries, and some personal services, there are few businesses in the community. The remainder of the area is largely comprised of farmland that is lightly populated, along with some forest or wetland areas.

For the purpose of this analysis, the downtown is defined to extend along Main Street (State Route 22) from the Highway 45 intersection north to 13<sup>th</sup> Street. This stretch includes a combination of highway-oriented and traditional commercial buildings, with the core downtown from 7<sup>th</sup> Street north to 13<sup>th</sup> Street. Aside from 11<sup>th</sup> and 12<sup>th</sup> Streets, the district is generally a single lot deep along the east side of Main Street. On the west it extends to Hemlock Street in the core area. All of the retail and dining uses are located on Main



*Aerial view of the downtown study area*

Street, while public uses, offices, and banks are interspersed with housing on the inner blocks. The armory takes up an entire block along 12<sup>th</sup> Street between Lincoln Avenue and Garfield Avenue.

The downtown lacks any strongly-defined character. There is a relatively intact street wall in the core area, comprised of one- and two-story, early 20<sup>th</sup> Century commercial vernacular buildings. Most have been significantly altered from their original design. The Pigeon River has the potential to become a focal point. At the moment there is a simple path between the river and a parking lot on the southwest quadrant of where it passes under Main Street, and the other three quadrants are developed with structures. The city's primary recreation site, Olen Park, is adjacent to the east side of downtown. Additionally, the Four Wheel Drive Museum (12<sup>th</sup> Street) and the city's historical museum (11<sup>th</sup> Street) are adjacent to the park and downtown.

There are few regional attractions that might draw visitors to the area. Navarino State Wildlife Area/ Natural Area is the largest of these, although several smaller natural areas or wildlife areas surround the city. None are sufficiently well-known or developed to generate much traffic from outside of the immediate area.

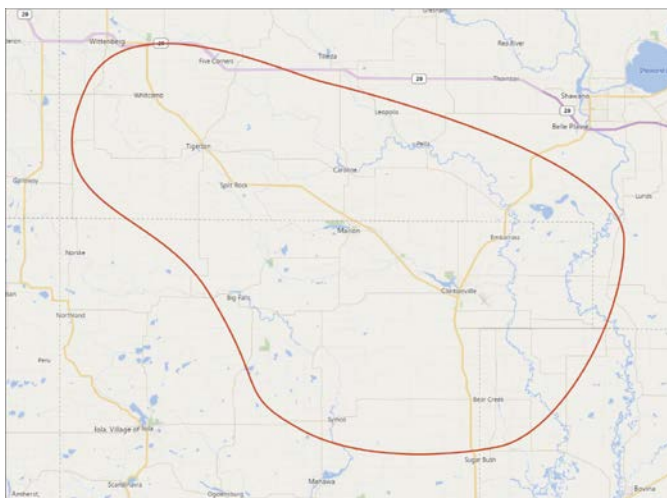
## TRADE AREA

Clintonville's primary trade area was defined using aggregated credit card transaction data, showing that two-thirds of customers to the city's businesses are drawn from just four zip codes – Clintonville, Marion, Tigerton, and Bear Creek. The city's businesses draw their workers from a similar area, with the addition of Shawano. While workers from that city may spend minor sums in Clintonville during the work day, by and large, they do their shopping elsewhere. Shawano residents account for only about three percent of Clintonville's sales. A similar percentage is drawn from New London and Shiocton.

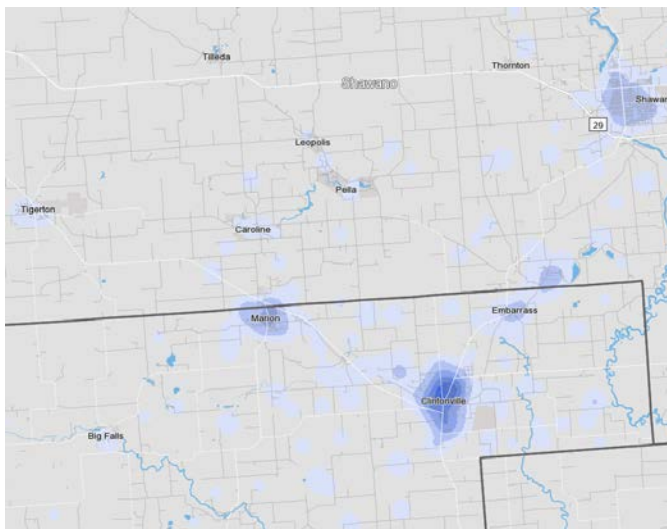
## DEMOGRAPHICS

The trade area has a current estimated population of 15,292 people living in 6,534 households. These are split between 5,187 homeowners making up 79.4 percent of the total, and 1,347 renters (20.6 percent).

The population has been declining for many years and is projected to trend lower at a fairly rapid pace. Over the next decade it is projected to decrease by 13.2 percent, to 13,278 residents. That population loss will not be distributed evenly across age groups. Nearly all age groups under 50 will become smaller, those over 50 will grow, and the greatest increases will be among those over 65 years. This has significant implications for the housing market and for consumer expenditures, as households headed by seniors tend to be retired with lower incomes, and make fewer purchases.



*Clintonville's primary trade area, from which 67 percent of customers are drawn*



*Areas from which Clintonville is drawing its workforce.*



Some of these changes can already be seen in the local workforce, which shrank by about two percent between 2004 and 2014, the most recent years for which the data is available. In that time there was a significant increase in the number of workers over 55, while there are fewer younger workers. Some shifts have also occurred in the sectors in which Clintonville residents are employed, with increases in health care and social services (+71) and manufacturing (+68). More sectors saw a decrease in employment, including educational services (-56), retail trade (-41), accommodation and food services (-31), and professional, scientific, and technical services (-31).

The trade area population is very homogeneous. It is overwhelmingly white (96.6 percent) with only about five percent of Hispanic origin. The average age is 44.3 years, which compares to 39.4 for the State of Wisconsin. Incomes are considerably lower than the state average. The median household income for the trade area was \$48,324 in 2015, compared to \$55,638 in the state, while the per capita income of \$24,509 was also lower than the state average of \$29,563.

While the population is expected to decline at a rate of about 201 persons per year, the number of households is projected to drop by an average of 37 per year. This slower pace is due to a decline in the number of people per household as one spouse may pass, couples may separate, younger adults marry later and have fewer children, and for other reasons. That dynamic does help to buffer the housing market from a more precipitous decline, although there are already a significant number of unoccupied housing units in the trade area. Housing used only seasonally accounts for 6.1 percent of the total, while those that are simply vacant (unused, not available for rent or sale) make up another 2.5 percent.

Households headed by seniors 65 and older will increase through 2027. The greatest increases will be among those 75 and older. Households in these age brackets are typically transitioning to retirement housing, which often consists of rental housing and special needs housing. The greatest declines will be among younger renters and first-time homebuyers, and in the 35 to 54 year old bracket of buyers seeking to purchase trade-up housing.

## HOUSING MARKET

Because the area is losing population, Clintonville and surrounding communities will see a demand for 181 fewer housing units than currently exist, during the next five years. 124 of these will be owner occupied while 56 will be rentals. From 2022 through 2027 there will be a further decline in demand of 190 units, split between 140 owner occupied units and 50 rentals. Because they include existing residents, the tables in this section – for both buyers and renters – reflect households in the market and are not reflective of growth in demand.

Declining numbers do not mean that there is no need to build new housing. There may be mismatches between units that are available and those the market desires, some housing may become obsolete or unmarketable, and there is simply the ability of new housing to compete with existing homes and apartments. Through households moving into or within the area, the market is expected to see 103 home buyers in 2017, gradually declining to 81 in 2027. The following table breaks these buyers out by their expected preferred style of home, though all of these may not be available in the market.

ESTIMATED ANNUAL HOME BUYERS BY PROPERTY TYPE

TYPE	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
DETACHED	84	83	82	80	78	77	75	73	71	68	66
ROWHOUSE	5	5	5	5	5	5	5	4	4	4	4
CONDO (5+)	5	5	5	5	5	5	5	4	4	4	4
CONDO (2-4)	5	5	5	5	5	5	5	4	4	4	4
OTHER	3	3	3	3	3	3	3	3	3	3	2
<b>TOTAL</b>	<b>103</b>	<b>101</b>	<b>99</b>	<b>98</b>	<b>96</b>	<b>93</b>	<b>91</b>	<b>89</b>	<b>86</b>	<b>83</b>	<b>81</b>

The next table projects the number of buyers at the maximum purchase price they would normally be expected to afford, based on household income. At the lower price points, there are a large number of homes in the market. Some of these may not be considered desirable due to their condition, size, location, features, or other issues. Moving toward the higher end of the market, there are fewer homes that may meet expected demand.

ESTIMATED ANNUAL HOMEBUYERS BY HOME PURCHASE PRICE

PRICE RANGE: LOW/HIGH	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
UNDER \$100,000	19	19	19	18	18	18	17	17	16	16	15
\$100,000 TO \$149,999	18	17	17	17	16	16	16	15	15	14	14
\$150,000 TO \$199,999	14	14	13	13	13	13	12	12	12	11	11
\$200,000 TO \$249,000	12	12	11	11	11	11	10	10	10	10	9
\$250,000 TO \$299,999	12	11	11	11	11	11	10	10	10	9	9
\$300,000 TO \$349,000	7	7	7	7	7	7	6	6	6	6	6
\$350,000 TO \$399,999	6	6	6	6	5	5	5	5	5	5	5
\$400,000 TO \$449,999	4	4	4	4	4	4	4	4	4	3	3
\$450,000 TO \$499,999	2	2	2	2	2	2	2	2	2	2	2
\$500,000 OR MORE	9	8	8	8	8	8	8	7	7	7	7

ESTIMATED ANNUAL HOMEBUYERS BY AGE

AGE OF HHOLDER	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
15 TO 24	6	6	6	6	6	5	5	5	5	5	5
25 TO 34	42	42	41	40	39	38	37	36	35	34	33
35 TO 44	20	20	20	19	19	18	18	17	17	16	16
45 TO 54	16	16	16	15	15	15	14	14	13	13	13
55 TO 64	10	10	10	10	9	9	9	9	8	8	8
65 TO 74	6	6	6	6	6	5	5	5	5	5	5
75+	2	2	2	2	2	2	2	2	2	2	2
<b>TOTAL</b>	<b>103</b>	<b>101</b>	<b>99</b>	<b>98</b>	<b>96</b>	<b>93</b>	<b>91</b>	<b>89</b>	<b>86</b>	<b>83</b>	<b>81</b>

Age will also influence the market for particular design features. Older buyers will prefer homes all on one level, designed for easy maintenance, and perhaps incorporating accessibility features. Increasingly, these features are preferred by younger buyers, along with attached garages, a first floor laundry, and smart home technology. The city's existing housing stock largely falls short on many of these characteristics.

ESTIMATED ANNUAL RENTERS BY AGE

AGE OF HHOLDER	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
15 TO 24	47	46	45	44	43	41	40	39	38	36	35
25 TO 34	172	167	162	158	154	151	147	143	140	136	133
35 TO 44	95	94	94	93	92	91	90	88	87	85	84
45 TO 54	90	89	88	87	85	84	83	82	81	81	80
55 TO 64	100	99	99	99	98	98	97	97	96	95	95
65 TO 74	50	50	50	50	51	51	51	51	51	51	51
75 TO 84	57	55	54	54	53	53	53	53	53	53	53
85+	53	57	62	65	69	72	75	77	80	83	85
<b>TOTAL</b>	<b>662</b>	<b>658</b>	<b>654</b>	<b>650</b>	<b>646</b>	<b>641</b>	<b>636</b>	<b>631</b>	<b>626</b>	<b>620</b>	<b>614</b>

As noted earlier, a decrease in the number of renters will not be as sharp as expected for home buyers. There will be an overall increase in the number of older renters. As with home buyers, they have special concerns related to apartment selection. Some portion of the total will be seeking assisted living arrangements. Among others, there will be a need for elevator access to upper floors, along with accessibility features, and greater demand for amenities like enclosed parking.

ESTIMATED ANNUAL RENTERS BY MONTHLY RENT

MONTHLY RENT	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
UNDER \$600	149	148	147	146	145	144	143	142	141	140	138
\$600 TO \$699	48	48	48	47	47	47	46	46	46	45	45
\$700 TO \$799	29	29	29	29	29	28	28	28	28	28	27
\$800 TO \$899	26	26	26	26	26	25	25	25	25	25	24
\$900 TO \$999	46	46	46	45	45	45	44	44	44	43	43
\$1,000 TO \$1,099	31	31	30	30	30	30	30	29	29	29	29
\$1,100 TO \$1,199	27	26	26	26	26	26	26	25	25	25	25
\$1,200 TO \$1,299	34	34	33	33	33	33	32	32	32	32	31
\$1,300 TO \$1,399	41	41	40	40	40	40	39	39	39	38	38
\$1,400 TO \$1,499	30	30	29	29	29	29	29	28	28	28	28
\$1,500 TO \$1,749	36	35	35	35	35	34	34	34	34	33	33
\$1,750 TO \$1,999	39	38	38	38	38	37	37	37	37	36	36
\$2,000 OR MORE	127	126	126	125	124	123	122	121	120	119	118



Examining the ability of renters to afford apartment units, it is clear that the area's income profile has many households that can afford rents well in excess of what is currently offered in Clintonville. With these higher rents, tenants have an expectation for in-unit and community amenities. Higher-end units will have better quality finishes along with in-unit laundry, dishwashers, fireplaces, private patios or balconies, and attached garages. Apartment communities will feature clubhouses and fitness centers, and may be located adjacent to greenspace or other neighborhood assets.

Even while the number of households in the market is decreasing, the mismatch between market desires and the existing housing supply should create opportunities for new housing development. This can include detached homes priced from \$150,000, and condominiums, at least a portion of which can be built on redevelopment sites in the downtown. Opportunities for apartment development should focus on market rate and low income senior apartments, and higher end apartment communities, all of which would be suited to a downtown location.

## RETAIL GOODS AND SERVICES MARKET

The table on the following two pages contains estimates of the retail market potential generated within the primary trade area, the potential originating outside of that area (such as from worker spending or visitor spending), the total market potential, aggregate sales of existing downtown businesses, and the percent of the market being captured (market share). These figures are broken out to retail industry group.

Overall, downtown Clintonville captures about 4.4 percent of available spending. There are several reasons for this low percentage, and the most obvious is that there are relatively few retail businesses in the district. This, in turn, can be attributed to the relatively small market potential, strong competition in nearby larger cities, and the reliance – because of the small market – on independent businesses instead of chains.

Given the available market and competition, there are no specific categories of retail that stand out as unmet opportunities for retail business attraction or startups. That does not mean that Clintonville's downtown cannot support additional retail stores. New businesses will be started, mostly by local individuals, and the choice of industry group will be based more on the personal interests and expertise of the owner, rather than market size. It is worth noting, too, that in the age of internet sales, it is possible for a well-run business to reach much more than the households in the immediate area.

The issue of business management does need to be addressed. Local businesses could be capturing a greater share of the potential market by improving their merchandising, providing better customer service, adopting effective marketing techniques, extending business hours, and taking other actions to develop the customer base. Improved business practices have the greatest potential to increase the overall market share captured by Clintonville's downtown.



*One of a handful of retail stores in the downtown*

ESTIMATED MARKET POTENTIAL, EXISTING DOWNTOWN SALES, AND MARKET SHARE

DESCRIPTION	2017				
	TRADE AREA MARKET POTENTIAL	OTHER MARKET POTENTIAL	AGGREGATE MARKET POTENTIAL	STUDY AREA ESTIMATED SALES	MARKET SHARE CAPTURED
New car dealers	\$17,510,000	\$5,778,300	\$23,288,300	\$0	0.0%
Used car dealers	\$1,638,000	\$540,540	\$2,178,540	\$1,200,000	55.1%
Recreational vehicle dealers	\$340,000	\$112,200	\$452,200	\$0	0.0%
Motorcycle, boat, and other motor vehicle dealers	\$1,304,000	\$430,320	\$1,734,320	\$0	0.0%
Auto parts and accessories stores	\$1,227,000	\$404,910	\$1,631,910	\$0	0.0%
Tire dealers	\$814,000	\$268,620	\$1,082,620	\$0	0.0%
Furniture stores	\$1,394,000	\$460,020	\$1,854,020	\$400,000	21.6%
Floor covering stores	\$593,000	\$195,690	\$788,690	\$200,000	25.4%
Other home furnishings stores	\$880,000	\$290,400	\$1,170,400	\$0	0.0%
Appliance, TV, electronics stores	\$2,451,000	\$808,830	\$3,259,830	\$0	0.0%
Computer and software stores	\$574,000	\$189,420	\$763,420	\$275,000	36.0%
Camera and photographic supplies stores	\$108,000	\$35,640	\$143,640	\$0	0.0%
Home centers	\$4,202,000	\$1,386,660	\$5,588,660	\$0	0.0%
Paint and wallpaper stores	\$311,000	\$102,630	\$413,630	\$0	0.0%
Hardware stores	\$644,000	\$212,520	\$856,520	\$0	0.0%
Other building material dealers	\$3,817,000	\$1,259,610	\$5,076,610	\$1,350,000	26.6%
Outdoor power equipment stores	\$180,000	\$59,400	\$239,400	\$0	0.0%
Nursery, garden center, and farm supply stores	\$1,026,000	\$338,580	\$1,364,580	\$0	0.0%
Supermarkets and other grocery stores	\$13,724,000	\$4,528,920	\$18,252,920	\$0	0.0%
Meat markets	\$152,000	\$50,160	\$202,160	\$0	0.0%
Fish and seafood markets	\$50,000	\$16,500	\$66,500	\$0	0.0%
Fruit and vegetable markets	\$94,000	\$31,020	\$125,020	\$0	0.0%
Other specialty food stores	\$152,000	\$50,160	\$202,160	\$200,000	98.9%
Beer, wine, and liquor stores	\$920,000	\$303,600	\$1,223,600	\$0	0.0%
Pharmacies and drug stores	\$7,700,000	\$2,541,000	\$10,241,000	\$0	0.0%
Cosmetics, beauty supplies, and perfume stores	\$389,000	\$128,370	\$517,370	\$0	0.0%
Optical goods stores	\$289,000	\$95,370	\$384,370	\$0	0.0%
Other health and personal care stores	\$540,000	\$178,200	\$718,200	\$375,000	52.2%
Gasoline service stations with convenience stores	\$8,673,000	\$2,862,090	\$11,535,090	\$1,600,000	13.9%
Other gasoline stations	\$3,054,000	\$1,007,820	\$4,061,820	\$0	0.0%
Men's clothing stores	\$197,000	\$65,010	\$262,010	\$0	0.0%
Women's clothing stores	\$999,000	\$329,670	\$1,328,670	\$0	0.0%

ESTIMATED MARKET POTENTIAL, EXISTING DOWNTOWN SALES, AND MARKET SHARE (CONT.)

DESCRIPTION	2017				
	TRADE AREA MARKET POTENTIAL	OTHER MARKET POTENTIAL	AGGREGATE MARKET POTENTIAL	STUDY AREA ESTIMATED SALES	MARKET SHARE CAPTURED
Children's and infant's clothing stores	\$214,000	\$70,620	\$284,620	\$0	0.0%
Family clothing stores	\$2,386,000	\$787,380	\$3,173,380	\$265,000	8.4%
Clothing accessories stores	\$144,000	\$47,520	\$191,520	\$0	0.0%
Other clothing stores	\$282,000	\$93,060	\$375,060	\$0	0.0%
Shoe stores	\$621,000	\$204,930	\$825,930	\$160,000	19.4%
Jewelry stores	\$714,000	\$235,620	\$949,620	\$110,000	11.6%
Luggage and leather goods stores	\$59,000	\$19,470	\$78,470	\$0	0.0%
Sporting goods stores	\$956,000	\$315,480	\$1,271,480	\$0	0.0%
Hobby, toy, and game stores	\$500,000	\$165,000	\$665,000	\$0	0.0%
Sewing, needlework, and piece goods stores	\$155,000	\$51,150	\$206,150	\$0	0.0%
Musical instruments and supplies stores	\$155,000	\$51,150	\$206,150	\$0	0.0%
Book stores and news dealers	\$592,000	\$195,360	\$787,360	\$0	0.0%
Prerecorded tape, compact disc, and record stores	\$105,000	\$34,650	\$139,650	\$0	0.0%
Department stores (excl. discount department stores)	\$2,087,000	\$688,710	\$2,775,710	\$0	0.0%
Discount department stores	\$3,919,000	\$1,293,270	\$5,212,270	\$0	0.0%
Warehouse clubs and supercenters	\$8,985,000	\$2,965,050	\$11,950,050	\$0	0.0%
All other general merchandise stores	\$1,298,000	\$428,340	\$1,726,340	\$0	0.0%
Florists	\$194,000	\$64,020	\$258,020	\$225,000	87.2%
Office supplies and stationery stores	\$670,000	\$221,100	\$891,100	\$0	0.0%
Gift, novelty, and souvenir stores	\$538,000	\$177,540	\$715,540	\$0	0.0%
Used merchandise stores	\$283,000	\$93,390	\$376,390	\$150,000	39.9%
Pet and pet supplies stores	\$332,000	\$109,560	\$441,560	\$0	0.0%
Art dealers	\$506,000	\$166,980	\$672,980	\$0	0.0%
Manufactured (mobile) home dealers	\$20,000	\$6,600	\$26,600	\$0	0.0%
All other miscellaneous store retailers	\$623,000	\$205,590	\$828,590	\$0	0.0%
Non-store retailer	\$7,795,000	\$2,572,350	\$10,367,350	\$0	0.0%
<b>TOTAL</b>	<b>\$110,079,000</b>	<b>\$36,326,070</b>	<b>\$146,405,070</b>	<b>\$6,510,000</b>	<b>4.4%</b>

## EATING AND DRINKING MARKET

As with retail, Clintonville is not capturing a great deal of the available market for dining out. Downtown businesses are estimated to capture an aggregate \$3,050,000 in annual sales, or about 20 percent of the \$14,971,000 spent by trade area residents and others on dining out.

MARKET POTENTIAL FOR EATING AND DRINKING

TOTAL SPENDING	2017	2022	2027
Full Service Restaurants	\$7,635,000	\$8,415,000	\$9,159,000
Limited Service Restaurants	\$6,587,000	\$7,260,000	\$7,902,000
Other venues	\$749,000	\$825,000	\$898,000
<b>TOTAL</b>	<b>\$14,971,000</b>	<b>\$16,500,000</b>	<b>\$17,959,000</b>

Some factors naturally lead to fewer diners. Older and less affluent households tend to spend less on eating out. Only a small portion of the labor force, which is itself not very large, is drawn from outside of the trade area. As a result there is not a substantial bump in lunchtime traffic. The industry distribution, with as large proportion of blue collar and service jobs, is also not favorable for spending during the work day. But all of these considerations are already addressed in the estimates of market potential.

The fact that three of four fast food chains are located outside of the downtown may account for some of the low breakfast and lunchtime performance of the downtown restaurant scene, but the fact remains that two-thirds of the restaurants in Clintonville are located downtown, and in total, they are performing below expectations.

Business hours, customer service, menu choices, and quality are at the heart of the poor performance. While some of the downtown's restaurants perform well, many are failing to meet the desires of their potential customers. Additionally, only a fraction of the businesses are effectively using internet marketing resources such as Google and Bing maps, Urban Spoon, Yelp, and other sites.

## OPPORTUNITIES / CONCLUSIONS

Clintonville has a difficult environment in which to develop housing or new businesses serving the local population. The city's businesses have a limited trade area with a small population that is continuing to shrink at a significant pace. Additionally, area incomes are below average and the aging population spends less than younger households. The city is not located on a major traffic route and there are no significant attractions in the vicinity which might draw visitors. The same conditions are faced in similarly situated rural cities throughout northern Wisconsin.

### HOUSING

Despite some unfavorable conditions, downtown Clintonville is not without opportunities. Desires for modern housing, as well as different unit types, will enable new home construction. A small number of single family homes and condominiums can be absorbed. The downtown area would be a suitable location for the condominium units, many of which would appeal to "empty nest" buyers who want the independence of home ownership while simultaneously reducing the need for maintenance. There is also a demand for new apartments that can be met in the downtown district. A portion of these can be age-restricted and may include assisted living arrangements. New apartments should be built to a higher design standard and with more amenities than units currently existing within the city.

It should be noted that because of its decreasing population, Clintonville will see a growing number of unoccupied housing units even without the addition of new units. In many cases, these will be units that are obsolete because of issues like age and condition, location, and design. The City may need to consider strategies to counter the blight that can be created by these vacant units, if they are abandoned or not maintained.

### COMMERCIAL USES

The most effective strategy for the City to pursue to build its downtown commercial base will be investments in training and technical assistance to help existing businesses capture a greater share of the market. A significant number of these retail and dining establishments would benefit from improved practices (such as merchandising or hours of operation), better customer service, more effective marketing, and other improvements.

With a large share of the market potential not being captured, there does appear to be the opportunity to add more eating and drinking establishments. These might be in any of the general categories of full or limited service restaurants, or snack and beverage shops like coffee shops and bakeries. The same business improvement programming that targets existing businesses would be of advantage to startups. In addition, the City may consider developing incentive programs to assist with facades and signage, interior build-out, and marketing for the business opening.

No specific category of retail store stands out as an unmet opportunity. A business attraction program will therefore have minimal results, if any. New businesses started in the downtown will be independent businesses started by people living in the area. Many of them will be related to the owner's personal interests (ex., a hobby shop or antique mall). The same forms of assistance provided to restaurants would apply to these businesses.