

DOWNTOWN CHARLES CITY

CHARLES CITY, IOWA



MARKET STUDY AND STRATEGIES 2022



INTRODUCTION

The economic landscape of traditional downtown and neighborhood commercial districts continues to change. Expanding retail competition, evolving technologies, and changing lifestyle trends continue to affect business opportunities and the way of life in our traditional downtown business districts.

The Main Street Iowa Market Study and Strategies service engages the market itself – community members, area residents, business persons and other stakeholders – to gain an understanding of local and regional market conditions and trends impacting the district's position in the market and opportunities for the future. Insights and directions derived through the process serve to ground the community's vision in the realities of the marketplace and provide a basis for projects and activities that align with, and are carried out as part of, a well-coordinated and congruent transformation strategy

This document summarizes key strategies for Downtown Charles City's economic development and enhancement initiatives based on an extensive review of background information and current market data; input provided via consumer and business surveys; and direction and leadership provided by Charles City community leaders and residents.

Charles City, Iowa is a Main Street Iowa Community.



The Market Study and Strategies process was completed with technical assistance and support provided by Main Street Iowa.

The mission of the Main Street Iowa Program is to improve the social and economic well-being of Iowa's communities by assisting selected communities to capitalize on the unique identity, assets and character of their historic commercial district.

For more information contact:

Main Street Charles City

401 North Main Street
Charles City, Iowa 50616

☎ (641) 228-2335

✉ info@charlescitychamber.com



INSIDE

Introduction	1
Community Profile	2
The Downtown Charles City Market.....	3
Survey Overview.....	4
Main Street Approach.....	6
Transformation Strategy.....	7
Moving Forward	#



Limitations and Disclaimers

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

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

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

COMMUNITY PROFILE

Welcome to Charles City

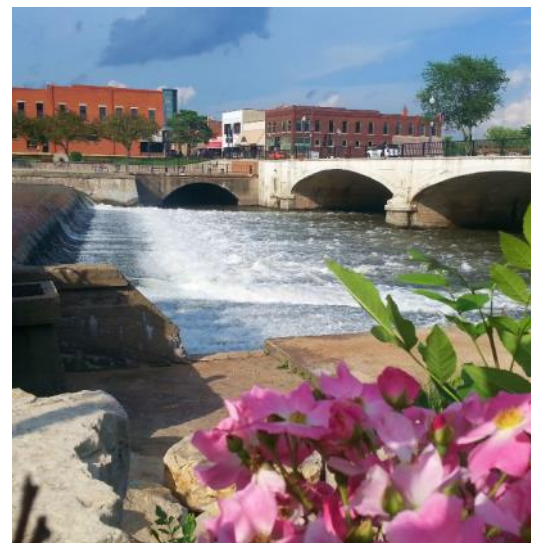
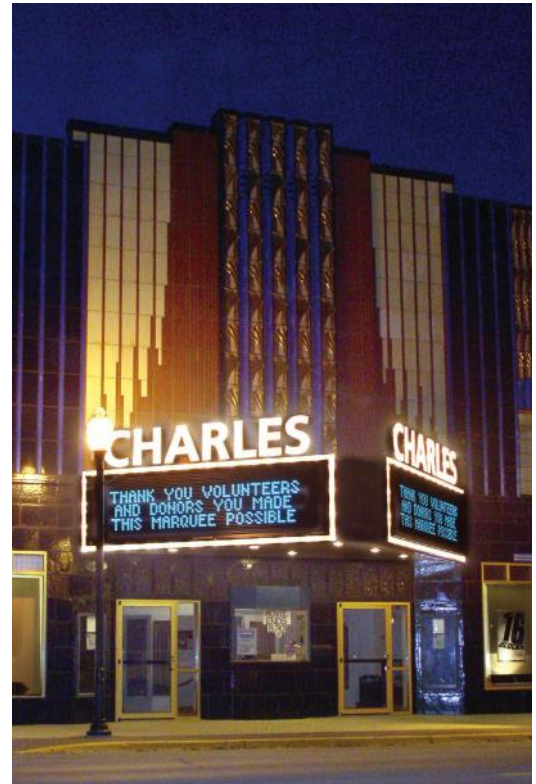
Poised for economic growth in agriculture, manufacturing, and tourism and situated between two major metropolitan areas—Mason City and Waterloo/Cedar Falls—Charles City is waiting to be discovered. Charles City is the seat of Floyd County, and centrally located in Northeast Iowa. Charles City's historic downtown embodies a classic small-town feel with big connections to the Cedar River. The downtown is the heart of the Charles City community and includes locally-owned anchor businesses filled with history and character.

Known as the birthplace of the production line “tractor” (and that term) and the childhood home of National Women’s Rights leader Carrie Chapman Catt, Charles City is a blend of history and future progress. Unique features include Iowa’s first whitewater river park and a Wimbledon-inspired grass tennis courts in the middle of a farm. The community is also known for its plentiful park space and recreational opportunities, along the scenic Cedar River that winds through the heart of the community and is crossed by a landmark cable-stayed pedestrian bridge.

Downtown Charles City is a public space everyone calls their own. The historic downtown is anchored by the Floyd County Courthouse and the Charles Theater, with Central Park in the middle featuring granite markers that tell Charles City’s story. There is ample arts and culture with the theater, a variety of public art sculptures and colorful building murals, and the Mooney Art Collection on display at the Public Library, where you can see a Picasso and a Rembrandt. The downtown business district features a variety of goods and services, ranging from clothing boutiques to bridal gowns, destination specialty and gift shops along with dining and beverage options to satisfy just about everyone. Walking trails along the riverfront connect the downtown to the neighborhoods and truly enhance the quality of life for residents and visitors alike.

Charles City’s people are the driving force behind the community’s Main Street designation and progress being made to improve downtown. In 1996, Charles City was designated as a Main Street Iowa community with the purpose of community-driven economic revitalization centered around the historic downtown.

The spark lit by Main Street Charles City has helped to implement several projects, big and small, aimed at improving the community and to encouraged the growth of our downtown businesses. Initiatives such as Chick Fest and Party in the Park, have resulted in enhanced levels of community pride and engagement with the downtown district. The community continues to see Charles City in a new light, thanks to the collective interest and work to move Charles City forward. Collaborative efforts are driving positive changes and progress to build a thriving downtown in the heart of Charles City.



THE DOWNTOWN CHARLES CITY MARKET

Downtown Charles City Drive Time Market

Demographic Fast Facts ESRI 2021



POPULATION

10 MINUTE DRIVE TIME | 2021

8,388

Population	5 Min	10 Min	20 Min
2021 Estimate	6,776	8,388	15,017
Growth (2021-26)	-0.21%	-0.23%	-0.24%



DAYTIME POP

10 MINUTE DRIVE TIME | 2021

9,077

Daytime Population	5 Min	10 Min	20 Min
Total Daytime Pop	7,499	9,077	14,240
Workers	4,002	4,806	6,762



HOUSEHOLDS

10 MINUTE DRIVE TIME | 2021

3,801

Households	5 Min	10 Min	20 Min
2021 Estimate	3,109	3,801	6,510
Growth (2021-26)	-0.15%	-0.16%	-0.17%



MEDIAN HH INCOME

10 MINUTE DRIVE TIME | 2021

\$44,180

Median HH Income	5 Min	10 Min	20 Min
2021 Estimate	\$40,740	\$44,180	\$50,792
Growth (2021-26)	1.04%	1.45%	1.67%



HOUSING UNITS

10 MINUTE DRIVE TIME | 2021

4,176

Housing Units	5 Min	10 Min	20 Min
2021 Estimate	3,415	4,176	7,182
- Owner Occupy	57.5%	59.4%	64.6%
- Renter Occupy	33.6%	31.6%	26.1%
- Vacant	9.0%	9.0%	9.4%
Median Home Value	\$98,112	\$111,444	\$124,760

Top Esri Tapestry Segment Groups

Downtown Charles City Drive Time Areas | Esri 2021

Esri's Community Tapestry is a geodemographic segmentation system that integrates consumer traits with residential characteristics to identify markets and classify U.S. neighborhoods. Tapestry Segmentation combines the "who" of lifestyle demography with the "where" of local geography to create 67 distinct market segments.

Heartland Communities [#1 in all drive times]

- ▶ Budget savvy consumers
- ▶ The rural economy of this market provides employment in the manufacturing, construction, utilities, healthcare and agriculture industries.
- ▶ They embrace a slower pace of life but actively participate in outdoor activities and community events.
- ▶ These older householders are primarily homeowners, and many have paid off their mortgages.
- ▶ Most have high-speed internet access at home or on their cell phones.
- ▶ Their children have moved away but they have no plans to leave their homes.

Midlife Constants [#2 in the 10 drive time]

- ▶ Primarily married couples, with a growing number of singles.
- ▶ Traditional, not trendy; opt for convenience and comfort, not cutting-edge. Technology has its uses, but the bells and whistles are a bother.
- ▶ Their lifestyle is more country than urban.
- ▶ Settled neighborhoods with a slow rate of change. Residents have lived in the same home for years.
- ▶ 63% have a high school diploma or some college.
- ▶ Attentive to price but not at the expense of quality, they prefer to buy American and favor natural products.
- ▶ They are generous, but not spendthrifts.
- ▶ Almost 42% of households are receiving Social Security; 27% also receive retirement income.
- ▶ DIY homebodies that spend on home improvement and gardening.

Traditional Living [#2 in the 5 minute drive]

- ▶ Married couples are the dominant household type, but fewer with children.
- ▶ Homes are primarily single family or duplexes in older neighborhoods built before 1940.
- ▶ Over 70% have completed high school or some college.
- ▶ Almost three quarters of households derive income from wages and salaries, augmented by Supplemental Security Income and public assistance.
- ▶ Cost-conscious consumers that are comfortable with brand loyalty, unless the price is too high.
- ▶ Connected and comfortable with the internet, they are most likely to participate in online gaming and social media.

CHARLES CITY SURVEY OVERVIEW

Downtown Appeal and Uses

Overall visit rates cited by consumer survey participants reflect the broader attraction of downtown created by a diverse mix of business types, uses and activities—and reinforce a position catering, primarily, to the everyday needs of Charles City area residents.

90% Visited Downtown Charles City for **Dining** within the past year.

Source: 2022 Downtown Charles City Consumer Survey.

Table 1	
Q: For which of the following activities or purposes have you visited Downtown Charles City within the past year?	
Top Consumer Survey Responses	Percent
Dining	90.2%
Shopping	77.6%
Banking/Financial Services	82.0%
Festivals/Special Events	65.3%
Recreation	51.5%
Work	65.0%
Personal Services	45.3%
Office visit	57.6%

Source: 2022 Downtown Charles City Consumer Survey.

73% Visit Downtown Charles City to do **errands or for office and service-related purposes** on a daily or weekly basis.

Source: 2022 Downtown Charles City Consumer Survey.

Consumer patterns depicting the multi-purpose nature and appeal of the downtown are reinforced by data showing more than 73% visit the downtown area on a daily or weekly basis to do errands or for office and service-related purposes; about 64% for eating, drinking and/or entertainment; and nearly 72% to shop.

Table 2	
Q: How often do you visit Downtown Charles City...	
Frequency—Daily or Weekly	Percent
To do errands or for office and service-related purposes?	73.7%
For eating, drinking and/or entertainment?	63.9%
To shop?	71.5%

Source: 2022 Downtown Charles City Consumer Survey.

Big Data

Proposed strategies, directions and actions outlined in this document are rooted in current market information and community input via:

- ▶ Advance reconnaissance and the Main Street Iowa Market Study training conducted in July 2022
- ▶ A consumer survey with a total sample of 416 participants
- ▶ A Downtown Charles City business survey completed by 52 respondents
- ▶ MSO team members, partners and community members participating in a series of market study work sessions



89% Of consumer survey participants made at least one online purchase, or left Charles City to make a purchase, within the past year.

Source: 2022 Downtown Charles City Consumer Survey.

Table 3		
Q: What type(s) of products have you purchased online or left Charles City to purchase within the past year?		
Products—Top 10 Shown	Count	Percent
Women's Clothing	290	70.6%
Home Furnishings	225	54.7%
Gifts	259	63.0
Men's Clothing	251	61.1%
Electronics	268	65.2%
Sporting Goods	211	51.3%
Beauty Supplies	246	59.9%
Hobbies & Crafts	183	44.3%
Books	161	39.2%
Specialty Foods	139	33.8%

Source: 2022 Downtown Charles City Consumer Survey. Most frequent responses

CHARLES CITY SURVEY OVERVIEW

Marketing and Communications Channels

Consumer preferences for social media and online applications, along with the adaptation of online channels by downtown businesses, appear to demonstrate the importance of, and potential benefits for, a strong online business presence.

91% Of those surveyed regularly use **Facebook**.
Source: 2022 Downtown Charles City Consumer Survey.

Table 4 Q: Which of the following social media networks or online applications do you regularly use?	
Top Consumer Survey Responses	
Facebook	91.2%
Google	58.3%
Instagram	32.9%
Snapchat	36.4%
You Tube	32.2%
Pinterest	27.1%
TikTok	20.2%
Source: 2022 Downtown Charles City Consumer Survey. Most frequent responses shown.	

66% Of businesses surveyed identified Social Media as one of the most effective sources for promoting their business
Source: 2022 Downtown Charles City Business Survey.

Table 5 Q: Of the following media, direct marketing and advertising resources, which does your business use?	
Top Business Survey Responses	
Social Media (Facebook, Twitter, etc.)	66.0%
Internet Website(s)	36.0%
Newspaper	28.0%
Radio	12.0%

Table 6 Q: Do you transact sales on your website or through another website (i.e. eBay, Etsy, etc.)?	
Yes	34.6%
No	65.3%
Source: 2022 Downtown Charles City Business Survey.	

Retail Gaps and Potential Opportunities

55% Of all consumer survey responses cited the General/Variety Store category as the type of new business or attraction that might make them visit downtown more often.
Source: 2022 Downtown Charles City Consumer Survey.

Table 7 Opportunities? Q: Which of the following retail establishments would make	
Top Responses—Categorized	
General/Variety Store	55.1%
Shoe Store	44.6%
Women's Clothing	33.7%
Sporting Goods/Outdoors	33.4%
Men's Clothing	26.2%
Arts, Crafts, and Hobbies	22.9%
Specialty Foods	19.5%
Health & Beauty	19.2%
Source: 2022 Downtown Charles City Consumer Survey. Most frequent responses	

51% Would visit downtown Charles City more often if a Steakhouse were available in the community.
Source: 2022 Downtown Charles City Consumer Survey.

Table 8 Q: What type of eating or drinking establishment would make you visit downtown Charles City more often?	
Top Consumer Survey Responses	Percent
Steakhouse	50.6%
Casual Dining Eatery	47.9%
Italian Restaurant	40.1%
Bakery	38.9%
Breakfast/Lunch Diner	35.9%
Upscale Restaurant	33.3%
Ice Cream & Sweets Shop	25.9%
Healthy Menu Eatery	23.7%
Source: 2022 Downtown Charles City Consumer Survey.	

THE MAIN STREET APPROACH

The Main Street Approach to Revitalization

Main Street Iowa works with member communities and organizations to adapt a time-tested and proven approach to revitalization developed and promoted by Main Street America™, a program of the National Main Street Center. The approach provides a framework for communities to rebuild, preserve, and reinvigorate their historic and older downtowns and neighborhood commercial districts.



The Main Street Approach® consists of three essential and tightly integrated tools:

1. **Community Vision** that is informed by broad and inclusive community input *and* market understanding.
2. **Transformation Strategies** that incrementally create positive changes in the district's economy. These are implemented through simultaneous activity in four broad areas of work that, together, constitute the "Four Points." In brief:
 - ♦ **Design** encompasses improving all the physical and visual aspects of the district.
 - ♦ **Organization** involves cultivating partnerships and resources for the district.
 - ♦ **Promotion** is about marketing the district.
 - ♦ **Economic Vitality** focuses on capital, incentives and other economic and financial tools for business and property development.
3. **Impact measurement** includes monitoring quantitative and qualitative outcomes.



TRANSFORMATION STRATEGIES

Downtown Charles City Transformation Strategies

This document summarizes market information and community insights to provide direction for potential projects, actions, and initiatives that support and align with the community's vision for Downtown Charles City and the pursuit of the following Transformation Strategies:

1. Business Growth and Activation
2. Program Marketing and Branding



© National Main Street Center, 2016, All Rights Reserved.

Transformation Strategies Explained

A *Transformation Strategy* articulates a focused, deliberate path to revitalizing or strengthening a downtown or commercial district's economy. Grounded by both an understanding of the underlying drivers of the local and regional economy, as well as community feedback and engagement, a Transformation Strategy should describe a market position that the commercial district can successfully fulfill.

An effective Transformation Strategy serves a particular customer segment, responds to an underserved market demand, or creates a differentiated destination.

Simply stated, a *Transformation Strategy* is a comprehensive strategy that guides the direction of the revitalization initiative and, over time, transforms the district. Each Transformation Strategy has several important characteristics:

- ▶ It is **rooted in the community's vision** for the district.
- ▶ It is **based on a solid analysis and understanding** of the district's economy and its best economic opportunities.
- ▶ It is **comprehensive**, in that it is implemented through a broad range of activities that span the four broad areas of work represented by the Four Points.
- ▶ It is **measurable**, making it possible to track progress.
- ▶ It **provides guidance for program activities for a two- to five-year period**, after which the revitalization program should examine progress and make adjustments, as needed.

In general, a revitalization organization should work with one or two Transformation Strategies at a time. In some exceptional circumstances, it might consider tackling three Transformation Strategies—but more than three would be challenging.



TRANSFORMATION STRATEGIES

Downtown Charles City Transformation Strategy

Business Growth and Development

Focused on the growth and development of existing and new businesses in downtown Charles City. Business retention is a top priority, followed by business transition services and activating vacant spaces by providing technical support and business education.



Main Street Strategy- Business Growth & Development

This strategy works to support the growth and development of existing and new businesses in downtown Charles City. Main Street Charles City will be seen as a visible resource providing technical assistance throughout the lifecycle of a local business.

Business retention is a top priority, followed by business transition services.

Activating vacant spaces and business education are key.

Potential Audiences:

- Business Owners
- Building Owners
- Entrepreneurs
- SBDC – UNI
- NIACC – Pappa John Center
- Iowa State Extension
- Floyd County Economic Development

ACTION STRATEGY

	Goals for Business Development	Actions	Get Creative	Measure Efforts
ECONOMIC VITALITY	Business Retention (7 businesses from survey)	<ul style="list-style-type: none"> • Offer business succession planning tools • Make sure business and building owners know what resources are available (create or provide handouts from MSI) 	<ul style="list-style-type: none"> • Partner with neighboring communities/Main Street programs to bring in high-powered speakers • Create flyer with available assistance • Create angel investor program to provide capital 	<ul style="list-style-type: none"> • Retain businesses that are planning to retire.
	Business Recruitment	<ul style="list-style-type: none"> • Offer expert and motivational speakers • Reactivate business mentor group • Angel investors 		<ul style="list-style-type: none"> • Hold 2 business recruitment events in vacant spaces in 2023
DESIGN	Find ways to activate vacant spaces	<ul style="list-style-type: none"> • Engage with property owners to develop trust and strengthen relationships, help show properties • Host a vacant space tour to show possibilities • Display financial resources available, grants • Provide MSI Design assistance visits 	<ul style="list-style-type: none"> • “Envision your business here” posters in vacant spaces 	<ul style="list-style-type: none"> • 50 people attend tour • Vacant buildings are activated
PROMOTION	New Business recruitment	<ul style="list-style-type: none"> • Host a pop-up event for home-based businesses 	<ul style="list-style-type: none"> • Create simple, flashy promotion piece with opportunities listed 	<ul style="list-style-type: none"> • Pop-up vendors lease a vacant space or add their inventory to a current business
ORGANIZATION	Vacant space activation	<ul style="list-style-type: none"> • Feature vacant spaces on social media with “Picture Your Business Here” campaign 		
	Increase awareness of Main Street Charles City program efforts	<ul style="list-style-type: none"> • Distribute handout with Main Street services • Speak to local groups about services • Build stronger relationship with SBDC/NIACC to provide business support 	<ul style="list-style-type: none"> • Consider possible intern with NIACC or UNI to provide business marketing services 	<ul style="list-style-type: none"> • Every business has a window cling by December 2023

TRANSFORMATION STRATEGIES

Downtown Charles City Transformation Strategy

Program Marketing and Branding

Focused on increasing the awareness and understanding of the Main Street Charles City program with local partners, business and building owners, and the general public. Efforts include marketing the resources available to support local businesses through local, state and national Main Street programs.



Main Street Strategy- Program Marketing and Branding



This strategy will increase the awareness and understanding of the Main Street Charles City program with local partners, business and building owners, and the general public. These efforts include enhanced marketing of the resources available to support local businesses through the local, state and national Main Street programs and to strengthen Main Street Charles City's role as a leader in community revitalization.

Potential Audiences:

- Business Owners
- Building Owners
- Media Partners (radio, newspaper)
- City staff, elected officials
- General public (local & regional)
- Tourism partners, Travel Iowa

ACTION STRATEGY

	Goals for Program Marketing	Actions	Get Creative	Measure Efforts
ECONOMIC VITALITY	Assist business owners in the downtown district to start, grow, or retire successfully	<ul style="list-style-type: none"> • Create networking & educational events • Promote Main Street Grant programs (Open 4 Business,) • Slide show on Facebook featuring local businesses • Create flyer/rack cards promoting the district • 1-on-1 business visits to gather input 	<ul style="list-style-type: none"> • Host social media training • Create a "Ready to Retire" video to share with veteran business owners 	Retain businesses that are planning to retire. Transfer ownership to new owners successfully.
DESIGN	Educate building owners about Main Street design services/programs	<ul style="list-style-type: none"> • Promote Challenge Grant Program • Promote design assistance visits 	<ul style="list-style-type: none"> • Post design renderings in store windows • Create displays or window wraps for vacant spaces that include MSCC logo 	Challenge Grant application is funded in 2023/2024
PROMOTION	Increase awareness of the role MSCC plays in downtown events	<ul style="list-style-type: none"> • Organize group of businesses that will cross-promote each other • Welcome & feature new businesses opening in the district • Create annual social media calendar to market the downtown (collaborative marketing) 	<ul style="list-style-type: none"> • Create downtown hashtag to use for events and promotions to raise awareness. Encourage businesses to also use with their marketing 	Track social media engagement metrics
ORGANIZATION	Increase awareness of Main Street Charles City program efforts	<ul style="list-style-type: none"> • Create separate MSCC Newsletter. Cross promote with Chamber Newsletter. Expand reach to outside the 50616 area. • Main Street Charles City Window clings • Develop branded merchandise 	Create Street Grid sheet to distribute to businesses & key partners	Every business has a window cling by December 2023

MOVING FORWARD

Transformation Strategy Activities

Activities proposed in this document and summarized on the previous pages serve as a good starting point and guide for moving forward. Still other ideas and activities are likely to grow out of this study's findings and those already contained in the Charles City work plans and other city planning documents. To that end, the ultimate selection and implementation of activities must also consider the organization's capacity to take on new projects, with an understanding that implementation—and change—will occur over a period of time.

Supporting and Sustaining Activities

The ability to move forward on the ideas and opportunities advanced as part of this study, along with those already in motion or contained in other planning documents, will also hinge on a strong organizational foundation and supporting activities that, while not explicitly spelled out within the context of any market study, are absolutely essential to the success of Charles City and the community's downtown revitalization efforts.

Main Street Charles City's role as partnership builder, resource locator and publicity machine will become even more important in the months and years ahead. In some cases this role may require the organization to locate or develop entirely new sources of funding to execute a new project, or to find a new volunteer source to ensure that a new festival or event is adequately staffed. In other cases, it might require the organization to re-assess priorities and existing budget allocations as priorities may shift based on the findings of this study, and as new opportunities emerge and conditions change in the future.

Looking Ahead

The completion of this market study is not an end, but rather another milestone in the evolution of the community's downtown enhancement initiative. While the process has served to help identify today's priorities, challenges, and emerging opportunities, it can not, and does not pretend to, anticipate next year's challenges or exciting and unanticipated opportunities on the horizon.

The diligent efforts undertaken by Main Street Charles City staff and volunteers to help gather the input, to study the data, and to guide the development of market-driven actions have prepared the organization and the community well by providing a framework and sound basis for future planning and decision making—processes—and activities that align with the community's vision for Downtown Charles City.



Examples: Supporting and Sustaining Activities

Board of Directors/Organization

- ▶ Fundraising and fund development activities to sustain the organization and implement projects and activities.
- ▶ Volunteer development activities including the recruitment, retention and recognition of volunteers.
- ▶ Partnership and public participation efforts to involve a broad cross section of residents, business persons, elected officials, community leaders and representatives from other community organizations.
- ▶ Monitoring and tracking progress, evaluating processes, measuring results, and taking appropriate action, where and when necessary, to refine operations or implement changes.
- ▶ Public relations to enhance awareness of the Main Street Charles City organization and the importance of its work to the community, and to publicize plans, projects and results.
- ▶ Monitoring and evaluating executive staff performance, needs for support staff, and budgeting accordingly.
- ▶ Leadership development, including the allocation of sufficient funds for board member, staff and volunteer leadership development and training.