



# THE CORNERSTONE

***"Excellence is...caring more than others think is wise;  
Risking more than others think is safe;  
Dreaming more than others think is practical.  
Expecting more than others think is possible."  
-Winston Churchill***

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Happy Holidays from Kansas Main Street and Best Wishes for a Prosperous New Year!

## Kansas Main Street Quarterly Training: "A 4-Point Approach to Economic Development"

The next quarterly training will be held January 12, 2012 in El Dorado. "A 4-Point Approach to Economic Development" will be presented by Todd Barman. Todd Barman is a Senior Program Officer with the National Trust Main Street Center. Deadline to register is Jan. 5.



A Proven Strategy: The Main Street Four-Point Approach®

The Main Street Four-Point Approach® is a unique preservation-based economic development tool that enables communities to revitalize downtown and neighborhood business districts by leveraging local assets - from historic, cultural and architectural resources to local enterprises and community pride. It is a comprehensive strategy that addresses the variety of issues and problems that challenge traditional commercial districts.

WORKSHOP TOPIC: Main Street Programs are grassroots volunteer-driven organizations. Those volunteers are mobilized through committees that reflect the Main Street Four Point Approach®; Organization, Design, Promotion and Economic Restructuring. For successful asset-based economic development, each committee must embrace their development role. This workshop will give us strategies to infuse economic development and historic preservation into our events and activities throughout the year.

PRESENTER: Todd Barman is a Senior Program Officer with more than 19 years of experience in the development field and 15 years firsthand Main

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Street experience. With a background in landscape design and urban planning, Mr. Barman served as the Assistant State Coordinator for the Wisconsin Main Street Program from 1999 until 2006, where he provided comprehensive technical assistance in the field of downtown revitalization to Wisconsin's Main Street communities. He has continued that role nationally since 2006. He is a leader at the Center in the area of economic restructuring including research and applications in the area of entrepreneurship and market position. Mr. Barman coordinated the market analysis technical support service in Wisconsin and led efforts to develop the nationally recognized Downtown and Business District Market Analysis Toolbox.

[Click here](#) for the electronic flyer with more information. This training is open to Kansas Main Street designated communities and Kansas Downtown Network members. For more information on becoming a Kansas Downtown Network member or a designated Main Street community, [email](#) or call (785) 296-3485.

## Kansas Downtown Network

Kansas Main Street, a program of the Kansas Department of Commerce, has been in the business of assisting communities across Kansas to improve their central business districts for nearly 26 years.

The program is based on a four-tier plan:

- Kansas Downtown Network Communities
- Inside Track Communities
- Designated Main Street Programs
- Honor Programs



Now is your opportunity to jump in and get started as a Kansas Downtown Network Community. Becoming a Network Community gets you in the loop when it comes to revitalizing your downtown district. Many communities, in many stages of redevelopment, take part in this program. You will have a chance to share your stories and learn from others.

Kansas Main Street will provide you with an opportunity to network with others, as well as attending training on the downtown redevelopment process. From how to do promotions that work, to understanding community initiated development and learning to manage the changes in your downtown, each session will have information to take home and put to use. We provide the tools; you provide the craftsmanship to apply the tools at home.

The first workshop is scheduled for Jan. 12. For more information on becoming a member of the Kansas Downtown Network, please click on the brochure or contact Mary Helmer at (785) 296-3485.

## Foundation for Rural Service awards \$3,600 to Phillipsburg Youth Program

Of more than 120 applications, six projects across the nation received funding from the Foundation for Rural Service Grant program. The Youth EntrepreneurShip Investigation (ESI), a first ever pilot program initiated by a Public/Private partnership between Phillipsburg Middle School, Discover Phillipsburg Main Street and the Entrepreneurial Center in Phillipsburg, is one of those six projects which received funding.

The ESI curriculum was developed through the University of Nebraska, in Lincoln. EntrepreneurShip Investigation is an exciting, interactive and comprehensive curriculum project designed for youth, ages 10-19. Through exciting activities, case studies and current technology, students are transformed into budding entrepreneurs. Not only that, students will learn that they can do all of these things without moving to a large city. This curriculum will be presented to 51 eighth grade students at the Phillipsburg Middle school, taught three days a week by instructors Mrs. Jackie Abell and Mr. Jim Smith.

The funding awarded by the FRS grant program will provide seed money to any viable business plans that may arise from this curriculum. "We are excited about partnering with Discover Phillipsburg Main Street and the Phillipsburg Middle school for this Youth ESI program. How exciting to know that through the FRS grant, we will be able to offer seed money for those students who are serious about becoming youth entrepreneurs," stated Bridgit Smith, Director of the Phillips County Community Foundation.

The Foundation for Rural Service provides annual grants for programs in rural communities served by NTCA Members. Their grants support local efforts to build and sustain a high quality of life in rural America.

For more information, please contact Kera Nuckolls, Executive Director of Discover Phillipsburg Main Street at (785) 540-4284 or [dpmainstreet@ruraltel.net](mailto:dpmainstreet@ruraltel.net). Or you can contact Bridgit Smith, Executive Director of the Phillips County Community Foundation at (785) 540-4110 or [pccf@ruraltel.net](mailto:pccf@ruraltel.net).

## Real Estate Today "What Retailers Want"

By Andrew Farrell | From *Main Street Story of the Week* | July-August 2011 |

Do you wish you had a coffee shop, sit-down restaurant, independent bookshop or a grocery store in your Main Street district? Maybe you've done some targeted market research or focus groups to figure out what people in the community want, but have you done the research that retailers want?

### Retail Follows Rooftops

When trying to fill storefront vacancies with retail that meets your wish-list requirements and complements your business mix, you need to first think about why retail exists where it does, and why it does not succeed elsewhere. For example, a nationally known doughnut chain only seeks storefronts located on the morning commute side of roads and streets. Conversely, another food company catering to lunch and dinner customers wants its stores to be on the going-home commute side of streets.

This is the type of information retailers use when they look for a location. When it comes down to it, businesses seeking new locations are looking for customers. With a little guided research, your economic restructuring committee can identify what potential retailers are looking for, and provide information about potential customers.

The most common short-hand description of this process is "retail follows rooftops." This simple, concise phrase means that business owners want to know where they can find a sufficient amount of consumer spending and demand potential to meet the level of sales they deem necessary for their businesses to be successful. The "rooftops" refer to a defined geographical area within which the population would account for at least 70 to 80 percent of the retailer's total sales, also known as the trade area. Because prospective retailers will want to know the demand potential within the trade area, you must be prepared to tell them.

To determine a potential trade area, you need to look at available household data. The recently completed U.S. Census gives everyone the opportunity to research their community's consumer profile. Information such as total population count, age distribution and household level incomes, is available on the U.S. Census Bureau's [website](#). Research can be conducted on a single, individual census tract, a zip code or an entire metropolitan area. Using this information, you can answer various basic questions about a community, such as whether it has gained or lost population, as well as the household income distribution. This free data forms the basis for retail market research conducted by everyone in the industry. The tricky part in researching the characteristics of a trade area is defining the trade area's boundaries.

Retail analysts use two standard theoretical approaches called "radial studies"

and "drive-time analyses," derived from the Central Place Theory, which was introduced in 1933 by German geographer and author Walter Christaller. He found that a business owner decides where to locate according to the ability of the surrounding market to make the site viable. In other words, will the customers who live in the surrounding region make it worthwhile for a business to locate in the area. The market area will correspond to the maximum distance a consumer will travel to purchase goods or services.

Radial studies use maps to show rings radiating out at defined distances from the potential retail location, usually at one-, three-, and five-mile distances. You then plug in household data for the individual census tracts or zip codes within each ring to derive a basic snapshot of the potential marketplace. Whenever a retail building is offered for sale, this data will be included in the marketing package so prospective buyers can see these initial numbers.

How far from the site household data is analyzed depends upon the type of retail. If the store is considered to be a convenience-related use, then the pool of customers will likely be found within a smaller radius (one to five miles away). If the retail is unique or a destination, then a wider radial-seven to 10 miles away-can be drawn from the site. Providing household data about the potential customers within these circles drawn around an available storefront location can help generate interest among prospective business owners.

A radial map can give you a snapshot of the potential trade area, but it doesn't take into account geographical barriers, road and transportation networks and other factors that might affect access to the location.

To dig a little deeper and get more useful information beyond a snapshot of the trade area, you need to do a "drive-time analysis." This analysis determines the distance or time it will take potential customers in the trade area to drive to the prospective location. A drive-time analysis takes into consideration the road networks and traffic patterns of an area. Again, the distance being analyzed is based on the type of retail being provided-the more unique the product or service, the farther a customer is likely to drive to buy it.

A third approach is known as the "gravity model," or "spatial interaction model." In 1931, William Reilly proposed a variation on Newton's Law of Gravity, which stated that larger cities and populations will attract more consumers, and from a wider trade area, than smaller cities or populations. Today, we adapt that idea to say that shopping centers and stores with larger square footages will attract more customers than smaller shopping centers or stores. Retailers will research the location of competing stores within a potential trade area to avoid locating where they would compete for the same consumer.

### Can Your Main Street Offer Enough Customers?

To determine if a defined trade area can generate enough retail demand, you need to do some simple math. Multiplying the total number of households in the trade area by the projected per capita expenditure in a particular retail category will determine the total available dollars that can be spent.

The per household expenditure figure for various retail categories is available from the [Consumer Expenditure Survey](#), a document produced by the U.S. Bureau of Labor Statistics to track the way Americans spend money. Households with different income levels will spend different amounts of money in different retail categories. Therefore the household income distribution in a community must be factored in when deriving the "potential dollars to be spent" figure. Chapter nine of *Revitalizing Main Streets: A Practitioner's Guide to Comprehensive Commercial District Revitalization*, provides further detail on how to do this exercise. The result will equal the projected demand, in a dollar figure, for that particular good or service within the defined geographic boundaries of the trade area.

After calculating the trade area demand, you need to analyze the supply of current businesses competing for the same demand dollar. A quick way to do that:

- Calculate the total square footage of all the businesses that compete with a particular retailer;
- Add the projected square footage of the proposed new business; and
- Divide this total square footage number into the already derived total trade area demand figure.

The answer gives you a rough estimate of how many sales dollars per square foot the trade area would generate. The "sales dollars per square foot" is a basic calculation used to determine if a trade area has enough demand to support a proposed business.

Retailers have developed sophisticated analyses of the amount of sales per square foot required for a potential new location to succeed. For example, let's assume a successful bookstore averages \$125 per square foot in sales annually. In the trade area analysis of a new, 8,000-square-foot location, the total potential demand for this retail category in the trade area is calculated to be \$2,000,000. Within the trade area is an existing bookstore with 7,500 square feet of space. So this single store is potentially capturing only \$937,500 ( $\$125 \times 7,500$ ) of the potential \$2,000,000 in sales. There is a gap within the trade area that could be filled by a second store.

Taking the current bookstore's size of 7,500 square feet, adding the proposed bookstore site of 8,000 square feet, and then dividing it into the \$2,000,000 total demand figure, gives us a per square foot calculation of \$129 per square foot ( $\$2,000,000 \div 15,500$ ) of projected sales for both businesses. This result would meet the sales threshold that the retailer knows will work for his or her business, and shows that the trade area should be able to support a second business.

How does this work in reality? Here's an example. Historic Valley Junction, a Main Street community in Iowa, conducted a market analysis and learned that the trade area within a five-minute drive of the downtown could support additional food sales businesses. This was surprising to the community, as the area already had several food retailers. However, the research showed that those businesses were 10- and 20-minute drives away from the trade area being analyzed. Within the five-minute drive radius there was a potential gap that another retail store could serve. The Main Street organization was able to share this data with a potential food cooperative business looking for a store site. A year later the food coop has begun to sell memberships in the community, and has dramatically exceeded its initial sales projections.

#### Use Retail Data Strategically

As stated earlier, "retail follows rooftops." Retail businesses will locate where there is a sufficient demand for their products or services. A Main Street program can use readily available data to build a general community profile and create retail expenditure projections. This information can be critical in starting a serious conversation about the kind of retail that will be viable in the community.