DOWNTOWN MARKET STUDY
ST. CLAIRSVILLE, OHIO

Prepared For:

The City of St. Clairsville
St. Clairsville, OH

Prepared By:

Boulevard Strategies
Columbus, OH

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I. INTRODUCTION

Project Background and Objectives

- St. Clairsville is the county seat of Belmont County in the southeastern region of Ohio, bordering the West Virginia northern panhandle.

  - 11 miles from Wheeling, WV (pop. 40,000), 35 miles from Steubenville, OH (pop. 20,000), and 70 miles from Pittsburgh, PA (pop. 400,000), and 120 miles from Columbus (pop. 750,000).
  - U.S. Routes 40 and Ohio Route 9 intersect in downtown St. Clairsville and city borders Interstate 70 to the (south).
  - Named after the governor of the Northwest Territory, French for "Beautiful Mountain," created in 1801.
  - Bordered by Harrison County (northwest), Jefferson County (northeast), Morgan County (south), Noble County (southwest), Guernsey County (west), and Ohio County in West Virginia (east).

- Dennis Bigler, City Services Director, while acknowledging downtown's rich history and successful restoration program, has identified downtown St. Clairsville's major challenges:

  - Buildings in decline, including some rehabilitated in the early 1990's.
  - Desire by some to tear down buildings for parking lots.
  - Blighted alleys.
  - Lack of retail businesses.
  - National Main Street Program Four Point Approach (Organization, Design, Economic Restructuring, Promotion) not implemented yet.

- Boulevard Strategies has been retained by the City of St. Clairsville to determine downtown's market potential, its assets and problems, and to identify strategies to address St. Clairsville's unique situation.

I. INTRODUCTION

About Boulevard Strategies

- Boulevard Strategies, founded in 1994 by Christopher D. Boring, is a Columbus-based market analysis firm that advises clients on land use and Real estate strategies, particularly in urban and commercial environments.
  - The firm's public sector clients include the City of Columbus, Central Ohio suburban/outlying communities such as Circleville, Gahanna, Grandview Heights, Grove City, Lancaster, Newark, Reynoldsburg, Upper Arlington, and Worthington, and nonprofit organizations such as Campus Partners, Columbus Neighborhood Design Center, and Capitol South.
  - On the private side, clients of Boulevard Strategies include developers, institutional and private investors, retail and restaurant chains, and other decision-makers.
  - We track trends in urban planning and retail developments and often comment on emerging issues in various general and industry media.
  - We network on our projects with a broad array of real estate consultants, brokers, and appraisers: architects, planners, and designers; academics, researchers, and futurists; and organizers, grant writers, and financial experts to comprehensively address our clients' needs.
- Chris Boring, the primary author of this report, can be reached at (614) 294-2072 or by e-mail at blvd@iwaynet.net to discuss questions or comments.

I. INTRODUCTION

Methodologies and Sources

- The information in this report was gathered from a wide variety of sources using both primary and secondary research methodologies:

  - Public kick-off meeting held on July 22, 2003 at City Hall with approximately forty person in attendance, including the mayor and several City Council members, to discuss downtown issues and challenges.
  - Personal interviews with St. Clairsville property and business owners, government, architectural review board, and chamber officials, and other concerned citizens (36 total).
  - Numerous local and regional newspaper articles and websites to supplement in-house files on retailing and downtown development trends.
  - Consumer surveys administered at seventeen downtown businesses as well as the library (141 total).
  - Demographic forecasts from Claritas, Inc., retail information from the National Research Bureau, the International Council of Shopping Centers, the Urban Land Institute, and Sales Marketing Management's Annual Survey of Buying Power, housing data from Harvey Goodman Realtors, downtown trends from Downtown Ohio, Inc., and economic data from the Ohio Department of Development.
  - Field observations collected on many visits to St. Clairsville and competing locations in nearby cities and village.
  - Spreadsheet models developed by the consultant to estimate retail spending patterns and restaurant seating demand.

- All observations herein are reliant upon, and inherently limited by, the nature and extent of these inputs.

II. MARKET ANALYSIS

ECONOMIC OUTLOOK
EAST OHIO REGION: BELMONT COUNTY

CIVILIAN LABOR FORCE	1990	2000	Change, 1990 vs. 2000
Labor Force	29,800	32,200	2,400
Employment	28,000	30,600	2,600
Unemployment Rate	6.1%	5.1%	-1.0%

EMPLOYMENT BY INDUSTRY (2000, Place of Work)	% to Total	Diff. Vs. USA %	Change from 1990
Agriculture/Forestry/Fishing	0.6	-1.6	+72.6%
Mining	3.2	+2.8	+28.8%
Construction	4.5	-0.4	+34.4%
Manufacturing	8.3	-5.2	-1.4%
Transportation/Comm.	3.2	-2.1	-21.7%
Trade	34.9	12.1	+19.7%
Finance/Insurance/Real Estate	4.3	-1.3	-8.2%
Services	24.1	-5.9	+9.9%
Government	16.9	1.6	10.1%
TOTAL	**100**	**33.0***	**11.1%**

*Sum of absolute differences

** Percentage of household income represented by government transfers to individuals

	Belmont County	State of Ohio
% of Workforce Commuting In (Out)	-22.1	+1.0
Persons/Square Mile, 2000	131	277
% Property Taxes Derived from Industrial/Commercial Uses, 2000	26.2%	24.0%
Transfer Payment Dependency Ratio, **/2000	23.6%	14.0%
2002 Retail Sales Per Capita	$15,970	$12,784
2002 Retail Sales/Household Income Ratio	93.3%	55.5%
Home Ownership Rate, 2000	75.0%	56.5%
Land in Farms, 2000	149,000 acres	14,900,000 acres
Average Weekly Earnings, 2000		
Manufacturing	$599	$651
Mining	$854	$642
Construction	$493	$523
Government	$521	$478
Services	$385	$418
Trade	$282	$324
All Industries	$420	$618

SOURCES: Ohio Department of Development Sales and Marketing Management 2003 Annual Survey of Buying Power and Boulevard Strategies

II. MARKET ANALYSIS

Regional Economic Overview

- Belmont County has emerged as the Ohio River Valley's trade center for distribution (due to I-70) and retail.

  - Trade accounts for 35 percent of Belmont County's employment base (vs. 23 percent nationally).
  - Added 1350 trade jobs between 1990 and 2000.
  - Ohio Valley Mall and Ohio Valley Plaza are Belmont County's major retail draws.
  - Very high retail sales per capita ($15,970 in Belmont County vs. $12,784 for State of Ohio) is indicative of Mall/Plaza's drawing power.
  - Downside is below-average wage rates ($282 per week on average for Trade jobs vs. $420 per week for all jobs in Belmont County) compared to rest of the region.
  - On the other hand, Belmont County consistently has a lower unemployment rate than neighboring counties with small retail sectors.

- Other economic highlights in Belmont County include:

  - A net 22 percent of workforce commutes to jobs outside of the county, especially to Wheeling area.
  - Still strong in mining employment but relatively small manufacturing sector has slowly been shrinking.
  - Population density than half of statewide average, dominated by small towns and rural areas largely due to steep topography.
  - High transfer payment dependency ratio -- high percentage of retirees and disability recipients.
  - Very high percentage of home ownership (75 percent).

Top Regional Economic Development Issues Impacting Downtown St. Clairsville

1. New Retail Competition in Wheeling Area -- Cabela's Sporting Goods Superstore and Adjacent Developments, Downtown/Across River Along Rt. 7

2. New Retail in Mall/Plaza Area -- Rumors of New Target, Kohls, Dicks, Best Buy, Wal-Mart Expansion

3. New Industrial Park (Fox Commerce Park) -- West of St. Clairsville, Controversy Over Longwall Mining Subsidence of the Surface

4. County/City Relations -- Encourage County Re-Use of Historic Buildings, Site Selection for New Courts, Discourage Sprawl into Townships

5. Loss of Basic Industry -- Mining/Manufacturing Jobs Disappearing Being Replaced by Lower-Paying, Trade/Service Positions

Bonus Issue: Growth of Belmont Tech, Ohio University East Campus -- Plug Brain Drain, Encourage Entrepreneurs, Provide Student Housing and Entertainment

Source: Stakeholder Interviews

II. MARKET ANALYSIS

Regional Economic Overview (Cont'd)

- Other economic development issues noted by the consultant:

  - Regionalism (planning/marketing with other Ohio Valley counties).
  - Image-building (both internally and externally).
  - Topography/brownfields redevelopment (must invest in limited sites).
  - State property tax rates, retail sales tax (high in Ohio).
  - On the other hand, St. Clairsville is one of few municipalities in Ohio not to levy an income tax.

ST. CLAIRSVILLE BY THE NUMBERS

DEMOGRAPHIC SUMMARY
2000 CENSUS RESULTS

Total Population	5,057
Change From 1990	-105
Males Per 100 Females	83
% Under 18	19.8
% 65 and Over	23.9
Median Age	46.0
Median Age, Adults Only	51.6
% White	94.5
% Black	3.1
% w/H.S. Degree or Higher	88.4
% w/College Degree or Higher	28.8
Born in Ohio	46.1
Born in South Region of USA	40.9
Born Elsewhere in USA	10.1
Born in Foreign Country	2.9

Total Households	2,262
Change From 1990	+87
% Owner-Occupied	71.3
Average Household Size	2.18
% Family Households	63.3
% Married with Child(ren)	25.9
% Live in Same House Since 1995 or Before	68.5
Median Household Income	$36,630
Per Capita Income	$23,416
% Management/Professional	43.6
% Service	14.0
% Sales/Office	27.9
% Construction/Production	14.6

II. MARKET ANALYSIS

Demographic Profile

- St. Clairsville had a population of 5,057 persons in 2,262 households, according to the 2000 U.S. Census.

  - Population decreased by 2% since 1990 while households increased by 4%.
  - Population density of 1,264 persons per square mile far exceeds Ohio average density of 275 persons per square mile.
  - Only 83 males for every 100 females (USA average = 96).
  - Senior skew to age distribution (24% of all persons 65 and over vs. 12% USA average, median age of 46 vs. USA median of 35).
  - "Traditional" two parent families with one or more children account for only 26 percent of all St. Clairsville households; high percentages of older, empty-nester couples, retirees, and elderly widows.
  - Above-average levels of education (88% of adults have high school diploma vs. USA average of 80%, 29% have college degrees vs. 24% nationally) and white collar occupations.
  - High percentage of homeowners (71% vs. 66% nationally).
  - Due to small household sizes (St. Clairsville average = 2.2 vs. 2.6 nationally), per capita income exceeds the national average by 7% while median household income is 13% below average.

St. Clairsville Trade Areas
Population/Households

Population	City of St. Clairsville	5 Mile Radius	Belmont County	OH/WV/PA (Millions)
2008 Projection	4,974	17,259	69,336	25.56
2003 Estimate	5,026	16,437	69,805	25.46
2000 Census	5,057	15,959	70,226	25.44
1990 Census	5,162	14,053	71,074	24.52
% Change, 1990-2003	-2.6	+17.0	-1.8	3.8
Households				
2008 Projection	2,416	6,410	28,411	10.12
2003 Estimate	2,356	6,053	28,340	10.02
2000 Census	2,308	5,755	28,309	9.96
1990 Census	2,159	5,503	28,161	9.27
% Change, 1990-2003	+9.1	+10.0	+0.6	+8.1
2003 % Family HH	66.4%	68.1%	67.5%	67.0%
2003 Average HH Size	2.15	2.30	2.35	2.46

Sources: Claritas, Inc. , U.S. Census Bureau, Boulevard Strategies.

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II. MARKET ANALYSIS

Demographic Profile (Cont'd)

- Most downtown St. Clairsville retailers currently serve customers within a 5-mile radius of downtown.

  - If better marketing connection were made with mall and regional attractions were added, St. Clairsville could expand its trade area to at least 15 miles in all directions.
  - This section analyzes demographic variables for St. Clairsville and a 5-mile radius around downtown St. Clairsville as well as for Belmont County.
  - Statistics for the states of Ohio, West Virginia, and Pennsylvania combined are provided as comparison benchmarks.

- St. Clairsville and surrounding and nearby townships (Richland, Colerain) with 5 miles of downtown are the only growing areas of Belmont County.

  - Population in 5-mile ring grew 17% from about 14,000 persons in 1990 to about 16,500 persons today.
  - Population in 5-mile ring growing at faster pace than households; this would indicate that family households are being formed (68% of all households).
  - In contrast, the rest of Belmont County is slowly losing population as are Jefferson County to the north and Ohio County in West Virginia.

St. Clairsville Trade Area
Age Distribution

Age Distribution 2003	City of St. Clairsville	5 Mile Radius	Belmont County	OH/WV/ PA
0 – 17 Years	19.8%	17.5%	20.9%	22.9%
18 – 24 Years	5.6%	10.7%	8.6%	10.6%
25 – 44 Years	23.1%	27.6%	26.5%	27.9%
45 – 64 Years	27.6%	26.4%	26.0%	24.1%
65 and Over	23.9%	17.8%	18.0%	14.5%
Total	**100.0%**	**100.0%**	**100.0%**	**100.0%**
Median Age, 2003	46.0	40.9	41.3	37.8

Sources: Claritas, Inc., U.S. Census Bureau, and Boulevard Strategies.

II. MARKET ANALYSIS

Demographic Profile (Cont'd)

- Downtown St. Clairsville serves an aging population
  - Age cohorts above 45 years are disproportionately larger for all trade area definitions than those in the tri-state area benchmark population.
  - There are also a high number of 18 to 24 year-olds within 5 miles of downtown but few live in St. Clairsville.
  - St. Clairsville itself has an especially aged population with nearly one-fourth of its population over age 65 (23.9% vs. 14.5% of all Ohioans, West Virginians, and Pennsylvanians).
  - The typical St. Clairsville resident is 25% older than the average American, according to U.S. Census statistics.

- Educational levels are fairly high among 5-mile radius adults.
  - Match OH/WV/PA benchmarks in terms of college graduates (17.4 percent).
  - Above-average proportion of adults with at least a high school degree (82 percent versus 75 percent for all of Ohio/West Virginia/Pennsylvania.
  - Outlying residents more likely to have high school diplomas but not college degrees than 5-mile ring residents.
  - Majority of 5-mile adults work in white collar occupations (63 percent) in contrast to remainder of Belmont County.

St. Clairsville Trade Areas
Income Distribution

2003 Educational Attainment*	City of St. Clairsville	5 Mile Radius	Belmont County	OH/WV/PA
High School Graduate +	88.7%	81.9%	N/A	75.0%
College Graduate +	29.4%	17.5%	N/A	17.4%
2003 Household Income Distribution				
Less than $25,000	32.6%	28.5%	25.8%	27.9%
$25,000 - $49,999	34.0%	31.2%	35.6%	29.1%
$50,000 - $74,999	17.8%	19.3%	22.2%	20.7%
$75,000 - $99,999	6.3%	10.9%	10.7%	10.7%
$100,000 or more	9.3%	10.1%	5.7%	11.6%
TOTAL	**100.0%**	**100.0%**	**100.0%**	**100.0%**
2003 Median Household Income	$39,996	$42,173	$31,862	$43,123
2003 Per Capita Income	$25,461	$21,218	$17,125	$23,034

*Adults Age 25+

Sources: Claritas, Inc., U.S. Census, and Boulevard Strategies.

II. MARKET ANALYSIS

Demographic Profile (Cont'd)

- Households within 5 miles of downtown St. Clairsville earn middle class incomes.

  - Median household income of $42,173 close to tri-state median ($43,123).
  - Many households in the less than $25,000 category are headed by retirees or college students.
  - Healthy per capita income of $21,218 per year for every man, woman, and child.
  - Much lower income levels in outlying areas.

Retail Competition In
Belmont County/Wheeling

Competitors to Downtown Merchants

Independents	73%
Chains	27%
TOTAL	**100%**

Location of Competitors

Downtown St. Clairsville	30%
Other St. Clairsville Location	11%
Ohio Valley Mall/Plaza	30%
Other Belmont County Location	16%
Wheeling, West Virginia	13%
TOTAL	**100%**

Competitive Advantages Most Often Cited By Downtown St. Clairsville Merchants

1. Personal Service
2. Great Products/Menu
3. Unique, Custom-Made Products
4. Value for the Money
5. Pleasant Store Atmosphere
6. Superior Product Knowledge
7. Central Location
8. Broad Product Offer Within Category
9. Latest Technology/Equipment
10. Longevity/Loyal Customer Base

(Paraphrased, grouped, and ranked by consultant)

SOURCE: Merchant Interviews

II. MARKET ANALYSIS

Real Estate Market Conditions

- Local retail real estate market conditions are generally healthy.
  - Low vacancy rates in downtown St. Clairsville as well as Plaza West and other smaller shopping areas outside of downtown.
  - Aging Ohio Valley Mall still dominant in region due to lack of direct competition, losing market share to Ohio Valley Plaza's big box retailers (more rumored to be on the way).
  - Cabela's Sporting Goods Superstore and other regional retail attractions to open near Wheeling.
  - Other big box chains such as Wal-Mart entering Wheeling market which will carve into Ohio Valley Mall/Plaza's area's drawing power in Belmont County.
  - Barnesville is struggling despite reputation for antiques.

- Downtown St. Clairsville merchants believe that they compete more with other independent businesses than they do with chain stores.
  - The downtown St. Clairsville merchants that have managed to survive after the Ohio Valley Mall/Plaza developed are the ones that avoided direct competition with huge chains.
  - Outstanding customer service and product knowledge are key competitive advantages for any small business.
  - Unique, one-of-a kind products differentiate downtown retailers from mall stores.
  - Advantages for other retailers include offering old-fashioned prices in a pleasant, historic county seat.
  - See chapter III for more results of merchant surveys.

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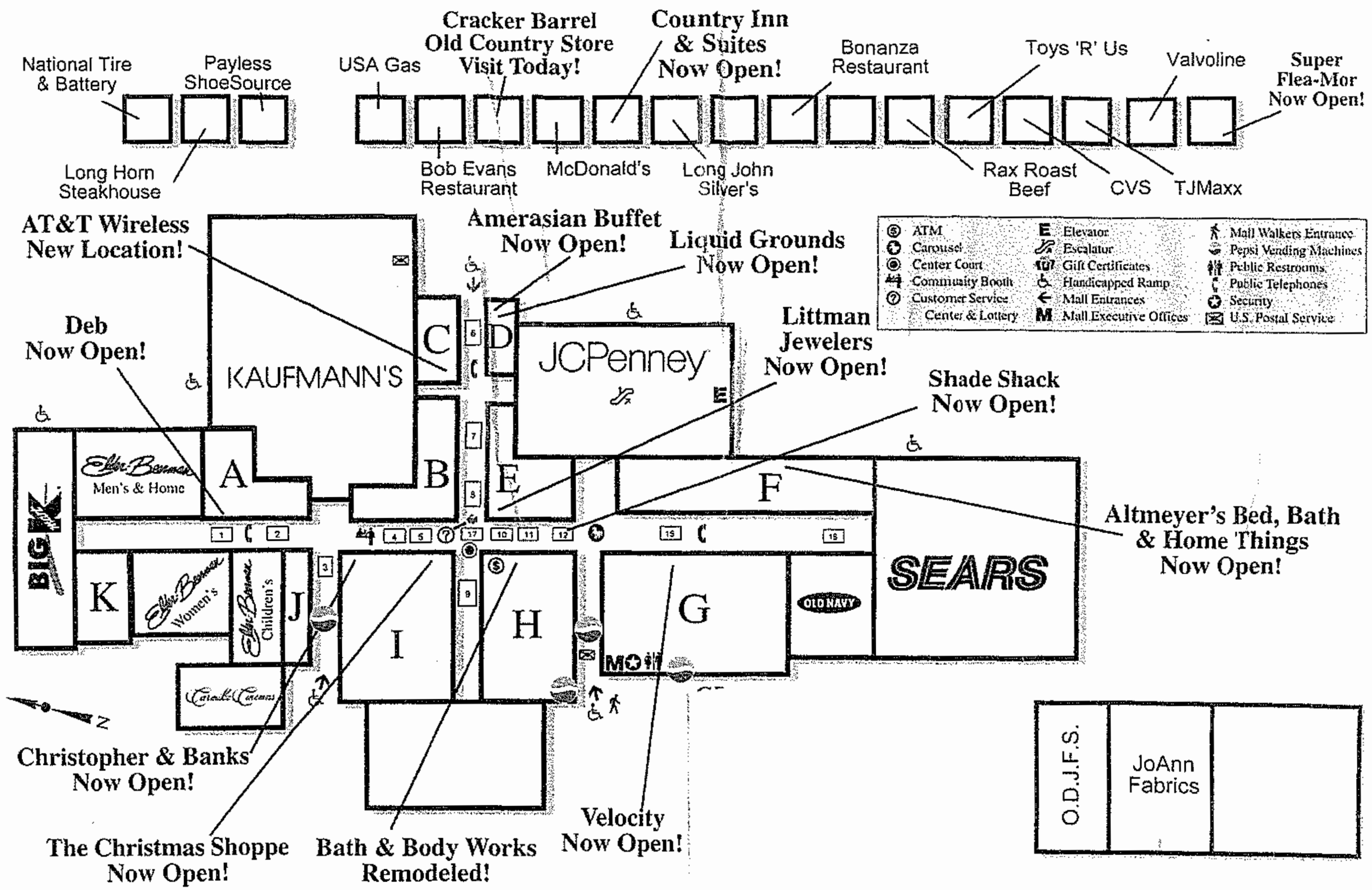


II. MARKET ANALYSIS

Real Estate Market Conditions (Cont'd)

- Ohio Valley Mall is anchored by Kaufmanns, Sears, JC Penney, Elder Beerman, and Big Kmart.
  - 1,764,268 sq. ft. mall opened in 1978 at I70 and Mall Road just outside of St. Clairsville city limits, developed by The Cafaro Company, Youngstown, Ohio.
  - Over 100 stores inside the mall, 5500 parking spaces plus Toys R Us, TJ Maxx, CVS Pharmacy, Payless Shoe Source, JoAnn Fabrics, and several chain restaurants in outlet locations.
  - Several vacancies left by Ames, Stone & Thomas department store, Burlington Coat Factory, Office Max, Phar Mor, and others.
  - Ohio Valley Plaza with Wal-Mart, Lowe's, Sam's Club, and Kroger opened nearby in 1996, developed by THF Realty, St. Louis, Missouri, 600,000 square foot power center with Red Lobster, Outback Steakhouse, Texas Roadhouse, and Applebee's as popular restaurants.
  - Best Buy, Target, Dick's Sporting Goods, Kohl's rumored to be on the way, Wal-Mart upgrading to super center.
  - Mall and Plaza draw 25,000 shoppers a day, according to The Cafaro Company.
  - Plaza West, opened in 1993 one mile west of downtown, is fairly full, in spite of design flaws (in the consultant's opinion), anchored by Reisbeck supermarket, includes medical offices at rear of property.

II. MARKET ANALYSIS

Real Estate Market Conditions (Cont'd)

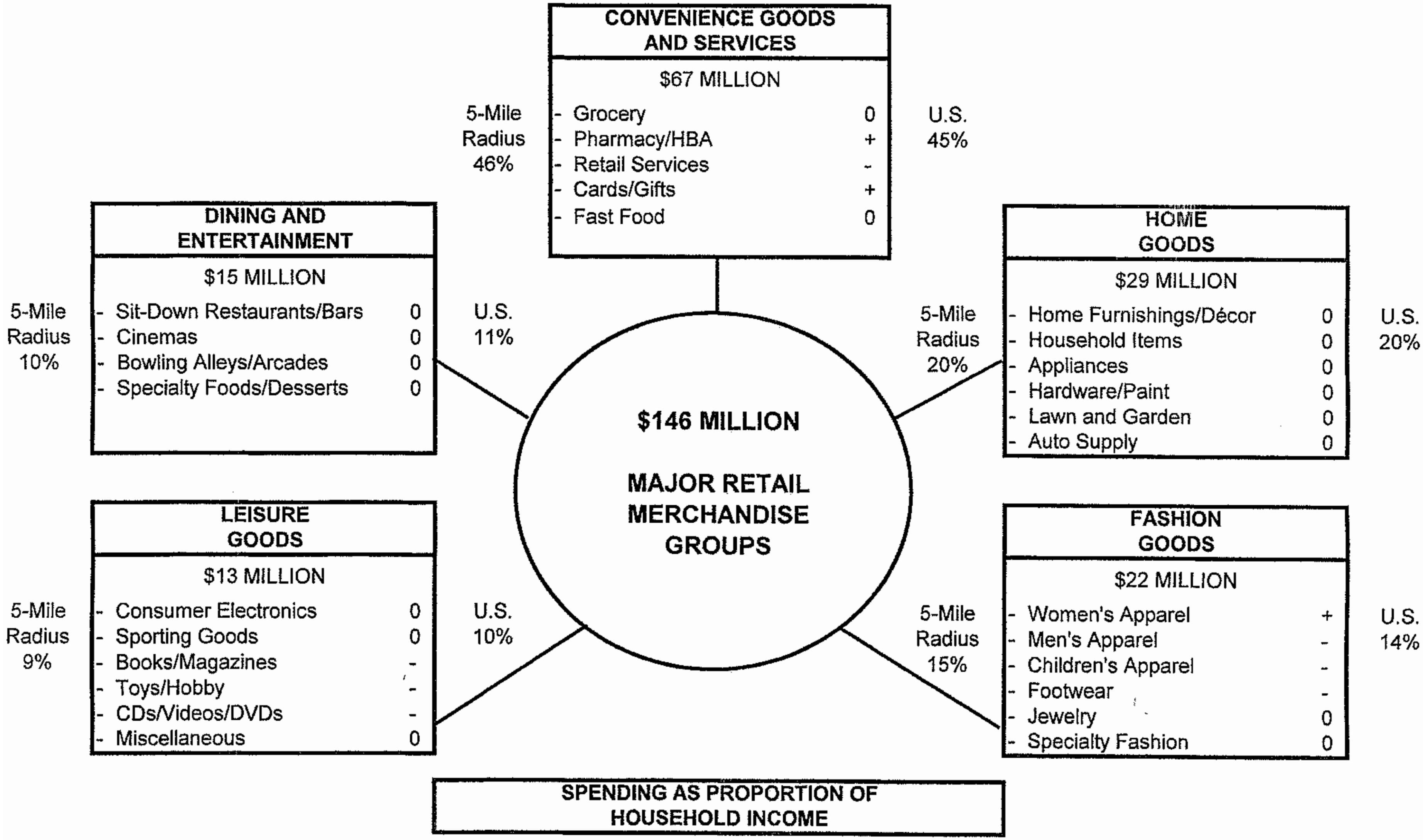
- Downtown St. Clairsville is Belmont County's premier office location.

    - Most office space rents for $6-$8 but can reach as high as $12-$15 per square foot.
    - Plaza West absorbed 70,000 square feet of office space in six years (1993-1999).
    - Property owners would like to attract more county offices to existing county-owned buildings in the county seat.
    - Funding difficult to obtain on renovation of older buildings from private leaders, grant/revolving loan programs needed to fill gaps.
    - Commercial land sells for $35,000 an acre on average.

- Apartment market is somewhat soft.

    - Impacted by strong home sales, renters can afford to own with interest rates so low ($81,000 is countywide average home price but $123,000 in St. Clairsville zip code).
    - 2 bedroom apartments downtown rent for $450 a month, 1 bedroom for $300-$350 per month.
    - Condominium market(empty nesters) is strong but no product downtown.

RETAIL SPENDING PATTERNS
5-MILE RADIUS AROUND
DOWNTOWN ST. CLAIRSVILLE



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II. MARKET ANALYSIS

Real Estate Market Conditions (Cont'd)

- Those living within 5 miles of downtown St. Clairsville spend about $146 million per year on retail purchases, according to Boulevard Strategies' proprietary model.

  - St. Clairsville and surrounding township residents spend relatively high proportions of their retail dollars on pharmacy and health and beauty aids, cards and gifts, and women's apparel.
  - Downtown captures only about 4 percent of this total spending according to our estimates.
  - Other Belmont County residents (outside of 5 miles) spend another $354 million per year on retail purchases.
  - Belmont County residents' retail expenditures account for only about half of the county's retail sales, a demonstration of Ohio Valley Mall/Plaza's drawing power.
  - These estimates are derived from a spreadsheet model that sorts Consumers Expenditure survey data published each year by the U.S. Department of Labor based on the demographic composition of the trade area.
  - Independent variables used in the proprietary model include region of the country, household type and composition, household size, household tenure, age of householders, race of householder, education of householders, housing value distribution, and household income distribution.

II. MARKET ANALYSIS

Real Estate Market Conditions (Cont'd)

- Other potential downtown retail markets include:

  - 8000 daytime workers in St. Clairsville zip code, estimated 1,800 in downtown.
  - 35,000 I-70 travelers each day plus State Route 9 and U.S. Route 40 traffic (17,000 ADT).
  - Estimated 250 courthouse visitors each weekday and 2,500 churchgoers each weekend (eight churches downtown).
  - 25,000 regional shoppers each day at the Mall/Plaza, about 2,000 each day at Plaza West, according to our estimates based on Riesbeck Food Market Sales (about $14 million per year at this location).
  - Visitors and tourists, if hotel, museums, shops, tours developed.

II. MARKET ANALYSIS

Hotel/Restaurant Considerations

- A small but unique hotel with twenty rooms and a sit-down restaurant with 144 seats have been proposed at the historic Clarendon building, which the city purchased in 2001.

  - Hotel would serve blend of business visitors (especially related to the county and the court), heritage tourists, and relatives of local residents, an alternative to chain hotels on the highway.
  - Restaurant would also serve downtown office workers, hotel visitors, court visitors, regional_shoppers, church-goers, and highway travelers (there is some overlap among these markets).
  - If restaurant can turn each seat two times per day at $9 per breakfast/ lunch and $15 per dinner (plus bar tab), it would gross about $1.15 million a year (see Appendix C for spreadsheet analysis of estimated daily restaurant demand potential).
  - Industry average is 2.8 daily turns per seat and $12 per patron; a 144-seat casual dining chain would expect $1.7 million a year in revenues.
  - Friday's is projected as busiest day with 343 patrons on average; this can be supported with 123 seats according to industry standards.
  - Breakfast and lunch will account for about 57% of patrons but only 45% of revenues; this assumes strong weekend evening and Sunday before/after church business, unproven markets in downtown St. Clairsville at this point.
  - Startup restaurant ventures, in general, have a failure rate of 40 percent in their first two years; menu quality, service, and management are as important as market, location, and parking factors.

Opinions Concerning Clarendon Restaurant Proposal

Top-Rated Concepts*

1. Casual Sit Down Restaurant Featuring Upscale Sandwiches, Appetizers, and Salads
2. Quality Steak and/or Seafood Restaurant
3. Themed Restaurant with Nostalgic Appeal And Festive Atmosphere
4. Family Style Diner Featuring Breakfast Menu and Comfort Foods
5. European Bistro with Pastas, Pizzas, and Salads

Where Dine Out?

	Times Per Month		
	Breakfast	Lunch	Dinner
Downtown St. Clairsville	1.2X	1.7X	0.2X
Mall/Plaza Area	1.1X	3.3X	3.2X
Other/Out-of-Town	N/A	1.2X	2.2X
Total	2.3X	6.2X	5.6X
X 5-Mile Ringe Adults (12,650)	29,100	78,400	70,800
Per Day	970	2,610	2,360
Seats at Proposed Restaurant	144	144	144

Liquor License At Clarendon?*

Definitely Support	79%
Support With Qualification	14%
Against	7%
Total	100%

Favorite Sit-Down Restaurants

1. Red Lobster, Mall/Plaza
2. Outback Steakhouse, Mall/Plaza
3. Olive Garden, Pittsburgh or Zanesville
4. Pastimes, Bridgeport
5. Belmont Hills Country Club, west of St. Clairsville
6. Abby's, Wheeling
7. Max & Erma's, Pittsburgh
8. West Texas Roadhouse, Mall/Plaza
9. Applebee's, Mall/Plaza.
10. Undo's, Mall/Plaza

*Stakeholder Input Only
Source: Stakeholder Interviews and Consumer Surveys

II. MARKET ANALYSIS

Hotel/Restaurant Considerations (Cont'd)

- St. Clairsville stakeholders and consumers favor casual dining chains.
  - Top-rated restaurants include Red Lobster, Outback Steakhouse, Olive Garden, Max & Ermas, West Texas Roadhouse, and Applebee's.
  - Local favorites include Pastimes, Belmont Hills Country Club, Abby's, and Undo's.
  - Pastimes fits many of stakeholders' top-rated concepts, nostalgic, casual dining atmosphere with high quality steaks and seafood.
  - Belmont Hills Country Club is casual at lunch, more formal in the evenings, and serves brunch on Sundays -- this model could work at Clarendon site, which will draw different types of markets various times.

- A liquor license will be required to attract a quality sit-down restaurant.
  - However, St. Clairsville is a dry city so a special liquor license would be required at this location.
  - Stakeholders interviewed were overwhelmingly in favor of allowing a restaurant to operate with strictly regulated liquor license at the Clarendon site and that site only (77% definitely support it).
  - Those with strongest objections are existing downtown restaurants/pizza parlors that also want liquor licenses if one is given to the Clarendon site (they represent the 14% that support a liquor license at the Clarendon with qualifications).
  - However, most of the pizza parlors' business is takeout and delivery; takeout alcohol is more difficult to control in terms of abuse by minors than is on-premise consumption.
  - Only 8 percent of the stakeholders interviewed were against any and all liquor licenses in St. Clairsville.

II. MARKET ANALYSIS

Hotel/Restaurant Considerations (Cont'd)

- The Clarendon Hotel, a landmark property located across the Belmont County courthouse, was purchased by the City of St. Clairsville in 2001 for $179,500.
  - The City bought the property as much to eliminate problems by the hotel's more transient tenants over its last several years of operation as it did to revitalize the economic development of downtown.
  - Federal funding of $202,500 has been secured for renovation of the historic structure, built in 1890 and operated as a hotel up until 2001.
  - To be renovated for use as a hotel again, walls will need to come down to consolidate its current 38 rooms into about twenty rooms; also, many of the rooms would need new plumbing.
  - On the other hand, some of the rooms could have unique features such as stone-covered fireplaces, arched windows, and double-door entrances.
  - Alternatively, the upper floors of the Clarendon Hotel could be used for office space or loft apartments.

Current Lodging Supply For St. Clairsville (Exit 218)

Property	Age Years	# Rooms	Single, Room Rate, Weekday	% Leisure	Quality Rating*
1. Holiday Inn Express & Suites	6	65	$79	40	83
2. Hampton Inn	11	116	$79	40	80
3. Country Inn & Suites	1	68	$78	40	79
4. Super 8	18	62	$40	60	75
5. Red Roof Inn	20	108	$49	50	72
6. Econolodge	2	62	$50	70	71
7. Days Inn	17	139	$65	70	69
8. Knights Inn	24	104	$40	70	68
Average	12.4	90.2	$60	55	74.6

*As rated by Integra Realty Resources based on property affiliation, age, property condition, perceived cleanliness, highway exposure and access, location convenience, security level, and amenities.

SOURCES: Lorms and Belfrage Intergra Realty Resources and Smith Travel Research

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II. MARKET ANALYSIS

Hotel/Restaurant Considerations (Cont'd)

- Eric Belfrage, a well-known hotel market analyst with Lorms & Belfrage analyzed the St. Clairsville hotel market in 2002. His findings included the following:
  - The St. Clairsville market hotel supply increased from 529 rooms in 1997 to 722 rooms in 2002, a 36 percent increase.
  - Demand increased by only 24 percent, causing overall hotel occupancy rate in St. Clairsville to fall four percentage points to about 62 percent.
  - Room nights sold for the St. Clairsville market increased by 28 percent between 1996 and 2001; Mr. Belfrage forecasted a 3 percent annual increase throughout 2004.
  - As shown in the facing exhibit, St. Clairsville is served by eight hotels, all located off of Exit 218 of Interstate 70.
  - The typical hotel was built in 1990, have 90 rooms which rent for $60 a night on average, and serves slightly more leisure travelers than business travelers (55% to 95%).

II. MARKET ANALYSIS

Hotel/Restaurant Considerations (Cont'd)

- Conventional wisdom is skeptical of a successful boutique hotel at the Clarendon site.
  - Must overcome lack of affiliation with a "flag" (hotel/chain) with national reservation system and huge advertising and market budget, lack of highway presence, and lack of brand familiarity (critical in hospitality industry).
  - Must cover fixed costs such as lobby and cleaning personnel with only twenty rooms – economies of scale not cost-competitive with chains.
  - Must charge top room rates for St. Clairsville market to cover high per-room costs.
  - Must fill rooms on weekend nights year-round when court is not in session.
  - May face new future competition from proposed projects in St. Clairsville and Wheeling, continuing the trend of supply growing at a faster rate than demand.

II. MARKET ANALYSIS

Hotel/Restaurant Considerations (Cont'd)

- A hotel at the site would stand a better chance of success, in the consultant's opinion, if it were supported by marketing initiatives such as the following:

  - Form alliances with local Chamber of Commerce, Belmont County government, including courts, City of St. Clairsville and other community/ business/church/economic/tourist development groups to promote and encourage visitors to try out the Clarmont.
  - Promote to heritage tourists, fastest growing segment of tourism, according to Downtown Ohio.
  - Invest in website design/listing; the Internet can be a great equalizer in the marketing realm and continues to grow in importance in hospitality marketing.
  - Consider other uses of high technology as a positioning strategy: hi-speed Internet access, plasma tvs, dvd players, etc. – also, use high touch – outstanding customer service, one-to-one marketing, local knowledge/ heritage.
  - Move Belmont County tourism office from poor location in mall to street front location in downtown St. Clairsville (near Clarendon site).

III. DOWNTOWN BUSINESS ENVIRONMENT

Downtown St. Clairsville, Ohio
Current Business Mix

Retail	Number of Establishments	
Home Goods	9	
Convenience Goods and Services	2	
Fashion Goods	3	
Leisure Goods	3	
Dining and Entertainment	4	
Automotive Goods and Services	3	
Subtotal	24	(29%)
Services		
Finance/Insurance/Real Estate Services	14	
Medical/Legal/Professional Services	13	
Subtotal	27	(32%)
Other Businesses	3	
Government Uses	5	
Non-Profit/Religious Uses	6	
Residential Uses	17	
Vacant Units	2	
Total	84	(100%)

*First Floor Spaces On Main Street

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III. DOWNTOWN BUSINESS ENVIRONMENT

Current Business Mix

- Professional services businesses outnumber retail businesses on Main Street in first floor spaces.
  - Business mix dominated by banks, insurance and real estate agents, and attorneys.
  - Most common type of retail use is convenience goods and services (pharmacy, newsstand, hair salons, dry cleaners, florist, pizza delivery, etc.).
  - Residential uses on west and east ends of downtown.
  - Churches add to downtown's architecture and community character – important asset.

- Very low vacancy rate of about 3 percent on first floor commercial space (estimated 260,000 square feet on first floor and 190,000 square feet on upper floors).
  - Lack of first floor space to accommodate new retail uses.
  - Limited opportunity for infill outside of core.
  - Upper floors are not nearly as well-occupied as first floor spaces.
  - About three-quarters of downtown's buildings have upper floors.
  - Upper floor vacancy rate estimated at 26 percent, about 50,000 square feet of space (out of about 190,000 estimated total) in about a dozen buildings, several near the Courthouse with space available upstairs.
  - 45 percent of all buildings with upper floor space are occupied by the same user at ground and upper levels; another 29 percent have different users on upper floors than ground floor, split between offices and apartments.
  - Upper floor space, basements, split level below-grade space often used for storage; could be used more efficiently if market demand warranted such effort.

Merchant Interview Results

Length of Tenure

Median No. of Years at Current Location	14.5
Median No. of Years in Business	26

Average No. of Employees Including Owner

Full-time	3.9
Part-time	2.2

Own vs. Rent

Own Space	38%
Rent Space	62%

Median Store Size

Selling Space	2200 Sq. Ft.
Total Space	2400 Sq. Ft.

Financial Performance

Avg. Annual Transactions	14,500
Avg. Transaction Size	$13
Avg. Annual Sales	$188,500
Avg. Annual Sales/Sq. Ft.	$86
Avg. Annual Rent/Sq. Ft.	$6.11
Rent-to-Sales Ratio	7.10%

Hours Open Per Week

Median	45
% Closed Sunday	87%
% Closed Saturday	63%
Busiest Day of Week	Friday

Customer Mix

% Female	58%
% Under 18	5%
% 18-24	13%
% 25-44	43%
% 45-64	30%
% 65+	9%
TOTAL	**100%**
Median Age	39 Years
Downtown Workers	15%
St. Clairsville Residents	30%
Other Belmont City Res.	23%
Visitors	8%
Business to Business	24%
TOTAL	**100%**

n=16

SOURCE: Merchant Interviews

III. DOWNTOWN BUSINESS ENVIRONMENT

Results of Merchant Interviews

- Little turnover among merchants.
  - Typical merchant has been in current location since 1989.
  - Most still rent space rather than own.
  - Most rents between $5 and $10 per square foot ($6.11 avg.).
- Small independent retailers.
  - Average of 2400 square feet total space but many are even smaller.
  - 90 percent of space used as selling space (this is typical).
  - Typically have about 4 full-time employees, including owner, and 2 part-time employees.
  - Average $86 per square foot or about $15,000/month in sales (industry average = $200/square foot; varies by class of retail).
  - This is a very low level of productivity space-wise and labor-wise ($38,000 per employee vs. Columbus average of $122,000).
  - Downtown retail sales of about $5-$6 million per year.
- Store hours are an issue.
  - Typical merchant open 45 hours a week (vs. 78 hours a week for Ohio Valley Mall Stores).
  - Few open after 5 pm on weekdays or at all on weekends.
  - Many local residents commute to jobs outside of county and do not have time to shop on weekdays in St. Clairsville.

III. DOWNTOWN BUSINESS ENVIRONMENT

Results of Merchant Interviews (Cont'd)

- Typical customer is 39 year old female that lives in St. Clairsville.
  - 73 percent of customers between ages 25 and 64.
  - Downtown workers and local businesses are key market segments.
  - (39 percent of sales for typical merchant).
  - Very small tourist and visitor trade (8 percent of sales).
  - Many downtown stores are in need of interior design upgrades, in the consultant's opinion.
  - This includes everything from store layout, fixturing, merchandising, and point-of-purchase graphics to lighting, signage, and graphic identity.
  - This may require a fresh perspective from an outside design consultant.

Results of Downtown Consumer Surveys

Downtown's Top Traffic Generators	Avg. No. of Visits Per Consumer Each Month
1. Banks	3.8X
2. Pharmacy/Newsstand/Florist Hair Salons	3.0X
3. Pizza/Takeout Food/Beverage	2.9X
4. Retail Shops/Studios	2.4X
5. Sit-Down Restaurants/Coffee Shop	2.3X
6. Churches	2.2X
7. Library	2.0X
8. Professional Services	1.3X
9. Courthouse/City Building	1.2X

Suggestions For Improvement	
1. More Parking (By Far #1 Response)	55%
2. More Retail Stores/Sit-Down Restaurants	18%
3. Re-Use Old Jail, Clarendon Building	12%
4. Enforce Traffic Laws/Stop at Pedestrian Crossing	10%

Sample Background	
Females/Males	46%/54%
Median Age	56 Years

Zip Code of Residence/Median Length of Tenure		
43950	73%	28 Yrs.
43937	6%	38 Yrs.
Other	21%	30 Yrs.

Avg. HH Size	2.5 Persons
Work in St. Clairsville?	41% of Sample
Retired?	22% of Sample

n=141

III. Downtown Business Environment

Results of Consumer Surveys

- Banks generate more downtown traffic than any other use.
  - Typical consumer visits bank about once a week.
  - Convenience goods and services retailers also generate traffic.
  - Courthouse professional services provide low traffic.
  - Churches generate Sunday traffic when most businesses are closed.
- Lack of parking is, by far, downtown's most pressing problem.
  - Many upset with motorists ignoring pedestrians walking at crosswalk (city does not have police manpower to enforce as rigorously as it would like to).
- Consumers also want to see more retail and restaurants downtown.
  - Re-use of old buildings and upper floors would free up space for new consumer-oriented businesses (old jail, for instance, has been vacant for eight years).
- Sample of 141 consumers at eighteen locations in downtown.
  - Older and more likely to be male than merchant perception of customer bases.
  - Longtime residents of St. Clairsville.
  - Many downtown workers.

Top Ten Strengths of Downtown St. Clairsville
Business Environment

1. Curb Appeal -- Streetscape, Tree Plantings, Historic Preservation, Zoning Code Enforcement

2. Location, Location, Location -- High Traffic Counts, Near Mall/Plaza, I-70, Accessible for Locals

3. County Seat Status -- Courthouse Activity, Also Banking Center of Belmont County

4. Hometown Friendliness -- A Place Where Everybody Knows Your Name, Small Town Atmosphere

5. Strong Support From City -- Mayor, City Staff, City Services, City Council, Infrastructure Maintenance

6. Merchant Cohesion -- Businesses Support Each Other, Unified, Active Chamber of Commerce, Plan Events

7. Jewel of the Valley -- Strongest City in Belmont County/Wheeling Area, Growing, Prosperous Market, Rising Housing Pricees/Values

8. Well-Rounded Business Mix -- Niche Retailers, Cozy Restaurants, Few Vacant Storefronts

9. Low Cost Structure -- Cheap Rents, Free Parking, Plentiful Labor Force

10. Clean and Safe -- Opposite of Many Big City Downtowns, Family -- Friendly Environment, Very Low Crime Rate

Bonus Strength: Schools and Churches: Bring Families Downtown

Source: Stakeholder Interviews

III. DOWNTOWN BUSINESS ENVIRONMENT

Downtown Strengths

- No. 1 downtown asset is St. Clairsville's picturesque beauty.
  - Includes streetscape, historic buildings.
  - Zoning code enforcement is controversial, welcomed by some, resisted by others.
  - City officials generally well-liked by business community.

- High traffic location benefits retail businesses.
  - Courthouse and banks are key traffic generators.
  - Not taking full advantage of mall/plaza traffic, in consultant's opinion; downtown should be presented as essential to a complete St. Clairsville shopping excursion – there's more to St. Clairsville than Wal-Mart and the mall.

- Merchants are friendly with customers.
  - Know customers by name, go the extra mile to please.
  - Get along with each other, also take pride in St. Clairsville.

- Conservative business fundamentals.
  - Low costs, clean and safe environment for families.
  - Growing, middle class market.

Top Ten Challenges of Downtown St. Clairsville
Business Environment

1. Not Enough Retail Storefronts -- Prime Space Occupied by Professional Services Uses, Too Much Competition From Mall/ Plaza Area, Declining, Aging Customer Base
2. Parking, Parking, Parking -- Simply Not Enough, Too Far/Hilly to Walk to, Courthouse Visitors, Business Owners Take Prime Spots, No Meters Results in Not Enough Turnover of Spaces
3. Traffic Congestion -- Too Much Traffic on Main Street, Difficult Left Turns Onto Main Street, Speeding/Poor Pedestrian Safety In Certain Spots
4. Infrastructure Maintenance -- Streetscape Improvements Need Update, Sidewalks Not Sloped Properly, Roads Need Repairs, Challenging Topography
5. Problem Properties -- Landlords Apathetic/Not Reasonable in Selling Price, Deteriorating, Nonconforming, Under-Utilized Buildings, Longtime Businesses and Residents Resistant to Change
6. Bureaucratic Code Enforcement -- Too Strict on Signage, Owners Feel It Is Too Costly to Bring Buildings Up to Code
7. Open 9 to 5 -- Lack of Evening/Weekend Store Hours, Lack of Sit Down Restaurants That Serve Dinner, Sidewalks Roll Up At 5pm Each Day
8. Alleys/Buildings Rears -- Underdeveloped, Unsightly, Dark at Night, Need Better Connections Between Parking Lots and Storefronts
9. Lack of Joint Marketing Among Merchants -- Lack of Co-op Advertising, Chamber Not Focused on Downtown Retail (Broader Mission), Missing Tourism Opportunities
10. Not Enough For Children/Families To Do: Limited to Library And Occasional Events, Lack of Recreation Venues (Live Music, Billiards) That Do Not Have to Serve Alcohol

Bonus Challenge -- Entrepreneurial Hurdles: Lack of Venture Capital, Grants, Small Business Attraction/Assistance Programs

Source:Stakeholder Interviews

III. DOWNTOWN BUSINESS ENVIRONMENT

Downtown Challenges

- Retail mix lacks critical mass and marketing.

  - Prime space occupied by professional services, especially attorneys.
  - Few vacant store fronts available for new retail businesses.
  - Upside potential may be limited by proximity to mall/plaza area.
  - Lack of sit-down restaurants and other evening/weekend businesses currently limit success; sit-down restaurant at Clarendon site would attract 30-40 percent of its business on weekends, according to the consultant's estimates.
  - Not organized to promote downtown more effectively.

- Parking is a close second to lack of retail storefronts on list of downtown challenges.

  - Expansion of retail uses will only exacerbate parking problems.
  - Consumers agree with stakeholders that parking is a true problem in downtown.
  - Same consumers will walk farther from car to entrance of mall or Wal-Mart.
  - Alley, rears of buildings could be better utilized.

- Traffic flow is not smooth through downtown.

  - Narrow streets limit left turn lanes.
  - Vehicles rarely stop for pedestrians trying to use crosswalk.
  - Streetscape still pleasant but in need of update.
  - Challenging topography adds costs.

III. DOWNTOWN BUSINESS ENVIRONMENT

Downtown Challenges (Cont'd)

- Tug of war between problem property owners and city officials.
  - Older, longtime property owners "sitting on" key sites, not investing in downtown's future.
  - City accused by some (especially merchants) as being against small businesses.
  - This is generally a short-sighted point of view in the opinion of the consultant but one that will hopefully evolve as merchants and property owners become familiar with the code and the protection it offers to them.

Attribute Ratings
Downtown St. Clairsville

Attribute	Average Rating By Merchants and Other Stakeholders	Average Rating By Consumers
Personal Safety	Excellent	Good
Merchant Friendliness	Excellent	Good
Downtown Appearance	Excellent	Good
Competitive Prices	Good	Okay
Store Hours	Okay	Okay
Selection of Service Businesses	Okay	Okay
Variety of Goods Available	Okay	Okay
Availability of Parking	Poor	Poor
Quality of Restaurants	Poor	Okay
Variety of Entertainment Options	Poor	Poor

Source: Stakeholder Interviews and Consumer Surveys

III. DOWNTOWN BUSINESS ENVIRONMENT

Attribute Ratings

- Stakeholders are more positive about downtown St. Clairsville than are consumers.
  - Stakeholders state personal safety, merchant friendliness, and the appearance of downtown as "excellent" while consumers only rate those attributes as "good".
  - However, stakeholders and consumers agree that availability of parking and variety of entertainment options, which are virtually non-existent, are "poor" .
  - The only attribute to the consumers give a higher rating than do stakeholders is the quality of restaurants (it should be noted that a high percentage of consumers were surveyed at downtown restaurants).

IV. STRATEGIC RECOMMENDATIONS

Top Ten Priorities For Improvement
Downtown St. Clairsville

1. Restore/Preserve Historic Structures -- Old Jail/Sheriff's Residence, Masonic Building, Clarendon Building, Thomas House, Others, Lundy House, Old Theater, Row Houses, Infill/Opportunities
2. Optimize Off- Street Parking -- Garage Behind Courthouse, Make Better Use of Parking in Alleys, More Directional Parking Signage for Visitors
3. Focus on Families/Children -- Expand Library, More Warm Weather Festivals/Events, Arts and Crafts Classes, Ice Cream, Farmers Market, Stay Open on Weekends and Evenings
4. Improve Alleys/Building Rears -- Grading and Paving, Lighting, Bury Wires, Paint Building Backs, Create Passages/Sidewalks to Fronts
5. Recruit New Retail Businesses -- Bring in More Specialty Shops, Antiques, Restaurants, Coffee/Ice Cream Shops, Hotel at Clarendon Site, Move Professional Services to Second Floor Spaces
6. Promote Downtown To Outside Markets -- Signs on I-70, Near Mall/Plaza Area, Move Tourism Office to Downtown, Open Geneology Center, Historical Museums
7. Create Downtown Business Association -- Create Main Street Program, Bring In Professional Speakers, Increase Downtown Ohio Involvement
8. Foster Regional Cooperation -- More Regional Planning, More Support From County, Share Resources/Costs With Other Belmont County Downtowns
9. Make More Pedestrian Friendly -- Repair Sidewalks, Install Benches, More Trash Receptacles, More Murals, Add Pocket Parks
10. Create More, Better Downtown Housing -- Especially For Seniors, Students, Empty-Nesters

Bonus Suggestion: Increase Tax Base -- Adopt Income Tax, Annex Property Into City If Services Can Be Provided at Affordable Cost

Source: Stakeholder Interviews

IV. STRATEGIC RECOMMENDATIONS

Priorities for Improvement

- Groundswell of enthusiastic support for various downtown proposed projects:

  - Form a jail/sheriff's office (parking garage underneath offices? genealogical center?).
  - Masonic building (county courts?).
  - Clarendon building (boutique hotel, upscale restaurant?).
  - Expansion of library.
  - Various other projects and proposals.
  - More commercial and residential space needed downtown.

- Parking situation must be addressed.

  - Focus on spaces behind buildings, including a garage to serve courthouse employees and visitors.
  - Signage, paving, landscaping, painting, connections, and improved appearance of building rear facades required to encourage usage of offstreet parking.
  - Improve pedestrian environment, create more downtown housing to reduce reliance on automobile as only mode of transportation.

IV. STRATEGIC RECOMMENDATIONS

Priorities for Improvement (Cont'd)

- Next, expand and promote downtown attractions.
  - Differentiate downtown from mall/plaza with unique retailers especially in Home Goods categories including arts and crafts and antiques.
  - Seek developer for hotel and restaurant at Clarendon site to bring in visitors.
  - Move tourism center to downtown, create museums.
  - Move farmers market to downtown.
  - Promote downtown to I-70 and mall/plaza traffic with billboards.
- Encourage higher and better use of upper floor space in downtown.
  - Consider tax incentives for professional services firms that locate on upper floors of downtown.
  - Requires degree of finesse, do not want professional services firms to feel unwelcome.
  - Educate building owners and code officials on Ohio's alternative building code and how it can be used to save money in rehabilitating older structures.
  - Explore opportunities to join upper floor spaces with common elevators to spread costs.
  - Residential market downtown will benefit from more restaurants and retailers with evening hours.
  - Take advantage of new office concepts such as office suites, office condos, work/live spaces, and flexible team-oriented designs to compete with sterile, traditional corporate office buildings.

IV. STRATEGIC RECOMMENDATIONS

Priorities for Improvement (Cont'd)

- About 50,000 square feet of upper floor space is available at present (about $400,00-$500,000 a year in potential rents).
- Most importantly, better use of upper floor space would allow for development of retail clusters at ground level.
- Denser infill development potential on the fringes of downtown in several locations in all directions from core.

• Organize downtown businesses to implement strategies.

- Create a Main Street program.
- If necessary, share costs/resources with nearby communities with similar issues.
- Promote downtown with more family-oriented special events.
- Encourage businesses to open on Saturday and at least one evening a week.

• Retention and expansion should be No. 1 focus of downtown merchants group.

- Act as morale booster, ombudsman, community liaison, and early warning system for those considering leaving dowtnown.
- Organize seminars and one-on-one store walk-thrus with store design and merchandising professionals.
- Educate small business owners on best practices in financial management, inventory control, information technology, database marketing, website development, promotional and display ideas, and employee motivation through speaker series and seminars to sharpen competitiveness.

IV. STRATEGIC RECOMMENDATIONS

Priorities for Improvement

- Develop and maintain information on downtown St. Clairsville, including market statistics from this report, available space and contact information from property owners, maps, and promotional materials.

- Implement a business recruitment strategy for downtown.

  - Prospect nearby communities for successful small retailers and restaurants that may be interested in opening additional locations; at least one downtown business owner should accompany recruiter on visit.
  - Attend retail industry events such as the Ohio/West Virginia Idea Exchange held by the International Council of Shopping Centers in Columbus each fall, conferences such as Downtown Ohio seminars and the Ohio Planning Conference, and subscribe to publications such as Shopping Centers Today and New Urban News to stay current on retail trends and to identify retailers that are pursuing small market strategies.
  - Host a franchise fair where potential franchise operators can meet and learn about franchising opportunities, one of the fastest growing segments of the retail/restaurant industry.
  - Develop a revolving loan program, design assistance resources, and other small business programs to assist entrepreneurs that want to open a business in downtown or want to make storefront façade improvements to an existing business.

IV. STRATEGIC RECOMMENDATIONS

Priorities for Improvement (Cont'd)

- In the future, explore formation of a Special Improvement District (SID) in downtown to fund improvements and activities that contribute to the greater good of all.

  - A SID is an organization created by and for property owners.
  - Requires non-profit corporation to govern district and petition of property owners to approve creation of district, an initial services plans, and initial assessment rate.
  - Service plan cannot duplicate city services, but can enhance normal levels.
  - Need approval of owners of 60% of front footage or 75% of total square footage that is to be assessed; borders of the SID are often critical to passing a petition.
  - Allows those who keep up properties to force others to pay for maintenance.
  - Also can take on an economic development role in downtown, especially business recruitment and marketing.
  - Would work closely with the downtown merchant's group but would be a separate entity (it's not unusual for both groups to share office space and other resources).

IV. STRATEGIC RECOMMENDATIONS

Market Positioning Strategy

- The drivers of a retail market positioning strategy for a commercial business district are:

  - **Business Clusters or Core Product Offers:** Business or uses that share a common base of existing and potential customers and therefore benefit from synergies and cross-marketing strategies.
  - **Target Markets:** Defined customer segments toward which the commercial district will allocate marketing resources: Note that for retail uses, "target markets" refer to the customers of existing and prospective businesses where as for office and residential uses, the target markets are the users of the space themselves.
  - **Key Competitors:** Competitive offers most likely to appeal to target markets defined above.
  - **Key Appeals:** Identification of primary benefits to be communicated to the target customer that result in differentiating advantages for downtown St. Clairsville.

- In terms of core product offers, downtown's greatest potential lies in forming clusters of the following retail merchandise groups in Downtown St. Clairsville:

  - Home Goods clustered between Butler and Marietta just outside of core.
  - Dining and Entertainment anchored by a new sit-down restaurant at the Clarendon site and continuing down the hill to Sugar (where Sippers is).
  - Business-to-Business and Convenience Goods and Services in core block between Marietta and Market (build on pharmacy, newsstand, florist, hair salons, luncheonettes, and pizza parlors already in place).

IV. STRATEGIC RECOMMENDATIONS

Market Positioning Strategy (Cont'd)

- Downtown's target markets include the following:
  - Local residents, including churchgoers (50%)
  - Downtown businesses and their workers (25%)
  - Mall/Plaza shoppers (15%)
  - Visitors and travelers (10%)

- Primary competition to downtown St. Clairsville includes the following:
  - Other St. Clairsville/Route 40 retailers (Plaza West, etc.).
  - Outlying Belmont County downtowns (Barnesville, Martins Ferry, Bellaire, etc.).
  - Wheeling/Pittsburgh/Zanesville retail areas.
  - Downtown does not compete that much with Mall/Plaza businesses; should seek to complement Mall/Plaza area with different offer (i.e., home furnishings/décor, unique specialty shops, locally-owned restaurants).

- Downtown's key differentiating appeals have been identified by stakeholders:
  - Beautiful county seat setting easily accessible to Mall/Plaza shoppers.
  - Friendly community spirit, good relationship with customers, city leaders, and other merchants.
  - St. Clairsville pride, the "jewel of the valley."

Top Ten Types of Businesses Needed in Downtown St. Clairsville

STAKEHOLDERS

1. Upscale Sit Down Restaurant
2. Unique Specialty Stores of Any Type
3. Arts and Crafts/Ceramics
4. Home Furnishings/Décor/Antiques
5. Ice Cream/Coffee/Desserts
6. Fashion and Jewelry(Especially Women's)
7. Cards/Gifts/Variety
8. More Professional Services
9. Hardware/Lawn & Garden
10. Fast Food Chain

Bonus Pick: Live Music Venue

CONSUMERS

1. "Good" Restaurant
2. Tavern/Entertainment Venue
3. Second Hand Clothing/Thrift Store
4. Used Book/CD Store
5. Dollar Store
6. Delicatessen/Bakery
7. Arts and Crafts Supply Store
8. Fitness Center for Women
9. Fast Food Chain
10. Temporary Employment Agency

Bonus Pick: Hotel at Clarendon Site

Sources: Stakeholder Interviews and Consumer Surveys

IV. STRATEGIC RECOMMENDATIONS

New Businesses Needed

- Restaurants are the new anchors of downtown business districts.
  - Stakeholders and consumers agree that downtown needs more and better restaurants.
  - Uses that encourage browsing such as arts and crafts, ceramics, home furnishings, décor, and antiques, kitchen and cookware, bath and linen goods, floor and wall coverings, lawn and garden accessories, pottery, china, and fine glasses, lighting and lamps, jewelry, gifts, and after dinner desserts/coffee can benefit from traffic generated by restaurant diners and build on the energy of new and fledging merchants in those categories.
  - These are niche categories not well-served by Mall/Plaza area.
  - Note that it is vital that Home Goods specialty shops be open on weekends to draw spouses shopping together for home purchases.
  - This model has worked in small downtowns across the State of Ohio.
  - Parking will need to be carefully managed through shared parking arrangements, valet parking, and eventually, a parking garage if successful enough.

- St. Clairsville consumers love a bargain.
  - Top retail choices include thrift stores, used books/CDs, dollar store.
  - They're also practical-minded: fitness center, temp agency suggested.
  - These are low priority uses in the consultant's opinion – may detract from image of downtown or take up valuable retail locations; all pay low rents.
  - Deli, as suggested by consumers, to serve daytime crowd is a natural, more food needed.
  - Solid citizen support for hotel and restaurant at Clarendon site.

APPENDIX A:

MERCHANT INTERVIEW GUIDE

Main Street St. Clairsville
Merchant Interview Guide

Interviewer________________________Date____________________________

Name_____________________________Business_________________________

Title______________________________Address_________________________

Your responses will be used for tabulation purposes only. Individual surveys will be kept confidential to Boulevard Strategies.

BACKGROUND

1) What type of business is your business (i.e., what do you sell and/or do at your business?

2) A. How long has your business been at its current location?

   B. How long has your business been in business?

3) A. How many fulltime employees, counting yourself, do you have?

   B. How many part-time employees do you have?

4) A. Do you own or rent your property?

   B. If you rent, who is your landlord?

5) A. About how many square feet of space does your business occupy? (If more than one floor, ask for square feet by floor)

B. How much of that is selling space?

C. Do you have any interest in expanding your current space or moving to a Larger space? If yes, are there any constraints that may prevent you from doing this?

D. (If Rent) About how much do you pay per month in rent? Is that rent only or does it include common area maintenance charges, utilities, taxes, or anything else?

E. (If Rent) When does your lease expire? On a scale of 1 to 5, where 1 = we definitely stay or 5 = we definitely leave, how would you the most likely scenario when your current lease expires? Why do you plan to stay/leave?

CUSTOMER MIX/MARKETING

6) About what percentage of your business would you estimate comes from each of the following customer groups?

A. Downtown St. Clairsville Workers	________
B. Residents of St. Clairsville	________
C. Residents of Belmont County	________
D. Visitors from Outside Belmont County	________
	____100%____

7) And how do your customers fall into these groups?

A. Females vs. Males ________%

B. Age Groups

0-17	________%
18-24	________%
25-44	________%
45-64	________%
65 +	________%

C. Business to Business customers ________% of total

8) What are your store hours? Rank 1-7 (1 = Busiest, 7 = Slowest or Closed)

	Open	Close	Rank
A. Monday			
B. Tuesday			
C. Wednesday			
D. Thursday			
E. Friday			
F. Saturday			
G. Sunday			

9) A. How many transactions do you typically register on your busiest day of the week?

B. How about on the slowest?

10) About how much do spend on advertising per year at your store? What is the medium that you spend the most advertising dollars on?

11) Does your store have a website? Can customers purchase merchandise from your store over the Internet?

12) Does your store offer delivery to the customer? If yes, what percentage of your business is transacted via delivery?

13) What three stores or restaurants in downtown St. Clairsville do you believe your customers most often shop besides your store?

14) What is the average transaction dollar ($) size for your business?

COMPETITION

15) Who would you consider to be your top three competitors?

Name of Business	Street/Shopping Center	Town/City
A.		
B.		
C.		

16) Why would a customer choose your business over those of your competitors? What are some of your competitive advantages?

DOWNTOWN BUSINESS ENVIRONMENT

17) Top 3 strengths of the business environment in St. Clairsville are:

A.

B.

C.

18) Top three weaknesses in the business environment in St. Clairsville are:

A.

B.

C.

19) Using a rating of excellent (E). good (G), okay (OK), or poor (P), how would you rate downtown St. Clairsville's business environment on the following attributes

Variety of Goods	E	G	OK	P
Quality of Goods	E	G	OK	P
Variety of Restaurants	E	G	OK	P
Quality of Restaurants	E	G	OK	P
Selection of Services	E	G	OK	P
Quality of Services	E	G	OK	P
Variety of Entertainment	E	G	OK	P
Quality of Entertainment	E	G	OK	P
Competitive Prices	E	G	OK	P
Store Hours	E	G	OK	P
Store Cleanliness	E	G	OK	P
Available Parking	E	G	OK	P
Appearance of Area	E	G	OK	P
Personal Safety	E	G	OK	P
Attitude of Merchants	E	G	OK	P

20) What are your suggestions for improving downtown St. Clairsville?

NEW BUSINESSES/RESTAURANTS NEEDED

21) What types of businesses do you think would be successful in downtown St. Clairsville?

22) As you may know, there are proposals to convert the Clarendon building into a small hotel with a restaurant on the ground floor. The restaurant would not only serve the hotel patrons, but downtown workers and area residents as well. Please use the following scale of 1 = "wouldn't fit at all" up to 5 = "perfect fit" for the following types of restaurants that could go into the Clarendon building.

	Examples	Rating
A. Family Style Diner Featuring Breakfast Menu and Comfort Foods	Bob Evans/ Denny's	_____
B. Casual Sit-down Restaurant Featuring Upscale Sandwiches, Appetizers, and Salads	Applebee's/ TGI Fridays O'Charley's	_____
C. Sports Bar Theme with Big Screen TVs Wings, Ribs, and Burgers	Damon's/ Champp's	_____
D. European Bistro with Pastas, Pizzas and Salads	Italian/French	_____
E. Other Ethnic Menu, Unique to Area an Exotic International Alternative	Mexican/Chinese Indian	_____
F. Themed Restaurant with Nostalgic Appeal And Festive Atmosphere	Dick Clark Diner/ Johnny Rockets	_____
G. Quality Steak and/or Seafood Restaurant	Outback/Red Lobster	_____
H. Your Suggestion	______________________	

22) Quality sit-down restaurants, especially those that serve visitors, typically require a liquor license to be successful. However, St. Clairsville is in a dry precinct. How supportive would you be for allowing a quality restaurant to operate with a strictly regulated liquor license at the Clarendon site?

23) A. How many times a month do you eat lunch or dinner in downtown St Clairsville?

Lunch ____________________

Dinner ____________________

B. How many times a month do you eat lunch or dinner near or at the Ohio River Valley Mall?

Lunch ____________________

Dinner ____________________

C. What is your favorite restaurant to go to for a special occasion such as birthday or an anniversary?

__________________________Location__________________________

WRAP-UP QUESTIONS

25) Are you a member of the St. Clairsville Chamber of Commerce?
Why or why not?

Can you think of anything that the City of St. Clairsville could do to help business downtown?

26) Which of the following categories best describes your sales in a typical month? (I.e., on an annualized basis)?

Under $2,500	____________	$30,000-$40,000	____________
$2,500-$5,000	____________	$40,000-$50,000	____________
$5,000-$7,500	____________	$50,000-$75,000	____________
$7,500-$10,000	____________	$75,000-$100,000	____________
$10,000-$15,000	____________	$100,000-$200,000	____________
$15,000-$20,000	____________	$200,000-$400, 000	____________
$20,000-$25,000	____________	$400,000-$800,000	____________
$25,000-$30,000	____________	$800,000 or above	____________

27) Would you say your business is doing better, about the same, or worse than it was five years ago (if in business for at least five years)? If better or worse, why?

28) Is there anything else that you would like to add?

Thank You!

Date 9/ /03 Place___________________

Consumer Survey
Main Street St. Clairsville Market Study

DOWNTOWN HABITS/OPINIONS

1) How often do you visit the following types of places on Main Street in downtown St. Clairsville between Butler Street and Sugar Street (not including work-related visits)?

	Once/Twice A Week	Once/Twice A Month	Rarely/ Never
Retail Shops/Studios?	_____	_____	_____
Pharmacy/Newsstand/Florist?	_____	_____	_____
Sit Down Restaurant/Coffee Shop?	_____	_____	_____
Pizza/Takeout Food/Beverage?	_____	_____	_____
Bank?	_____	_____	_____
Library?	_____	_____	_____
Courthouse/City Building?	_____	_____	_____
Professional Services (Insurance/Accountant/Attorney, etc.)?	_____	_____	_____
Church?	_____	_____	_____
School?	_____	_____	_____

2) Using a rating of excellent (E), good (G), okay (OK), or poor (P), please rate the following attributes as they apply to downtown St. Clairsville:

Variety of Goods Available	E	G	OK	P
Quality of Restaurants	E	G	OK	P
Selection of Service Businesses	E	G	OK	P
Variety of Entertainment Options	E	G	OK	P
Competitive Prices	E	G	OK	P
Store Hours	E	G	OK	P
Available Parking	E	G	OK	P
Appearance of Area	E	G	OK	P
Personal Safety	E	G	OK	P
Attitude of Merchants	E	G	OK	P

3) What are your suggestions for improving downtown St. Clairsville?

4) What types of new retail businesses are most needed in downtown St. Clairsville?

DINING HABITS/OPINIONS

5) How many times a month do you typically:

(Check for each category)

	Once/Twice a Week	Once/Twice a Month	Rarely/ Never
A. Eat Breakfast at a Restaurant	_____	_____	_____
B. Buy Breakfast/Coffee and take with you	_____	_____	_____
C. Eat Lunch at a Restaurant			
_____ Downtown St. Clairsville	_____	_____	_____
_____ Mall/Plaza Area	_____	_____	_____
_____ Other__________(fill in)	_____	_____	_____
D. Eat Dinner at a Restaurant			
_____ Mall/Plaza Area	_____	_____	_____
_____Wheeling	_____	_____	_____
_____ Pittsburgh	_____	_____	_____
_____ Other__________(fill in)	_____	_____	_____

6) What is your favorite restaurant to go to for a special occasion such as a birthday or anniversary celebration or to entertain guests?
____ Location__________________

BACKGROUND

7) Gender Female _____ Male _____

8) Age Category? ___under 18 ___18-24 ___25-34 ___35-54 ___45-54 ___55-64 ___65-75 ___75+

9a) What is your zip code? ______ 9b) How long lived in that zip code? ______ years

10) How many persons live in your household year-round? ______

11a) Are you currently employed? ___Fulltime ___Not Employed Outside of Home ___Part-time ___Retired ___ Other ___________________________

11b) If Employed, do you work at an establishment located in the City of St. Clairsville?
___ Yes ___No

Thank You!

APPENDIX C:

RESTAURANT DEMAND POTENTIAL MODEL

APPENDIX B:

CONSUMER SURVEY INSTRUMENT

ESTIMATED DAILY RESTAURANT DEMAND POTENTIAL AT CLARENDON SITE

DAYTIME	SUNDAY	MONDAY-THURSDAY	FRIDAY	SATURDAY	AVERAGE WEEK	x 50 WEEKS/YR.
Downtown Workers	300	1,500	1,500	300	8,100	405,000
% Dine Out	X .20	X .20	X .20	X .20	X .20	X .20
Size of Market	60	300	200	60	1,620	81,000
Est. Market Share	X .25	X .25	X .25	X .25	X .25	
Potential Clarmont Diners	15	75	75	15	405	20,250
Other 5-Mile Ring Adults	12,000	11,000	11,000	12,000	79,000	3,950,000
% Dine Out	X .30	X .10	X .10	X .15	X .15	X .15
Size of Market	3,600	1,100	1,100	1,800	10,900	575,000
Estimated Market Share	X .05	X .05	X .05	X .05	X .05	X .05
Potential Clarmont Diners	180	55	55	90	545	27,250
Subtotal	195	130	130	105	950	47,500
+ 20% Children/Visitors/Travelers	39	26	26	21	190	9,500
Total Daytime Diners	234	156	156	126	1,140	57,000
X $9/Diner/Avg.	$2,106	$1,404	$1,404	$1,134	$10,260	$513,000

ESTIMATED DAILY RESTAURANT DEMAND POTENTIAL AT CLARENDON SITE (CONT'D)

EVENING	SUNDAY	MONDAY-THURSDAY	FRIDAY	SATURDAY	AVERAGE WEEK	x 50 WEEKS/YR.
Downtown Workers	150	300	150	150	1,650	82,500
% Dine Out	X .20	X .20	X .20	X .20	X .20	X .20
Size of Market	30	60	30	30	330	16,500
Est. Market Share	X .20	X .20	X .20	X .20	X .20	X .20
Potential Clarmont Diners	6	12	6	6	66	3,300
Other 5-Mile Ring Adults	12,500	12,000	12,500	12,500	85,500	4,275,000
% Dine Out	X .10	X .15	X .30	X .30	X .19	X .19
Size of Market	1,250	1,800	3,750	3,750	15,950	797,500
Estimated Market Share	X .04	X .04	X .04	X .04	X .04	X .04
Potential Clarmont Diners	50	72	150	150	638	31,900
Subtotal	56	84	156	156	704	35,200
+ 20% Children/Visitors/Travelers	12	17	31	31	142	7,100
Total Evening Diners	68	101	187	187	846	42,300
X $15/Diner/Average	$1,020	$1,515	$2,805	$2,805	$12,690	$634,500
Total Daily Patrons	302	257	343	313	1,986	99,300
Total Daily Revenues	$3,126	$2,919	$3,939	$4,263	$22,950	1,147,500