

# **2009 SCOTTVILLE MARKET STUDY EXECUTIVE SUMMARY**

**Scottville Main Street Program**

**102 East State St.**

**P.O. Box 303**

**Scottville, MI 49454**

**231-757-9674**

**[mainstreet@cityofscottville.org](mailto:mainstreet@cityofscottville.org)**

## **Introduction**

As part of Scottville Main Street Program's efforts to revitalize Downtown Scottville, a market study was commissioned through McKenna & Associates. McKenna & Associates is a very reputable firm that has experience in downtown studies performing them all over the State. This summary consists of a downtown survey, a retail market analysis, and a residential housing profile. All of these studies are essential to the revitalization of Downtown Scottville.

## **Public Input**

To determine the current state of Downtown Scottville, a public questionnaire was distributed to visitors of downtown. It was determined that 27% of the respondents visited Downtown Scottville for professional/ business services. Twenty four percent came to Scottville to work and 18% came to shop. In order to ascertain what were the most frequented businesses, respondents were asked which businesses they visited the most. Nichols Drug Store was first with 26%, Wesco was second at 12%, and Scottville Variety was the third most visited with 8% of respondents. When asked how frequently respondents visited Downtown Scottville, a large majority visited as frequently as every day to two to four times per week. It was also determined that a majority of downtown visitors spent thirty five dollars or less. So, a majority of visitors to Downtown Scottville come at some business capacity, the top three frequented businesses are convenience focused, and a majority of visitors come more than two times per week spending thirty five dollars or less.

When respondents were asked what they most disliked about Downtown Scottville, a majority, 51%, believed there was a limited store variety. Also, downtown visitors believed that the store hours weren't convenient to fit their schedules. When asked what they think would improve Downtown Scottville, respondents identified that new and varied businesses were needed along with streetscape improvements and filling vacant storefronts. Downtown visitors would like to see a grocery store and a tavern/ eatery added to Scottville's downtown business mix.

## Retail Market Analysis

The Retail Market Analysis identifies potential retail opportunities for the City of Scottville and the surrounding areas as shown in Appendix A. The table below shows the demographic information for those areas.

**Table 5. Demographic Profile, 2008**

	Scottville City	Local Trade Area	Regional Trade Area
Population	1,259	23,741	53,413
Households	531	9,761	21,633
Median Disposable Income	\$31,864	\$33,130	\$33,063
Per Capita Income	\$18,824	\$20,852	\$20,659

*Source: ESRI*

The median income for the residents of the regional trade area is considerably less than the State of Michigan average, \$48,642 (2007, U.S. Census Bureau).

It is important to consider the impact of the superstores in Ludington on the regional economy. Ludington and Meijer account for 30% of total possible sales for the regional trade area. Their advantage in economies of scale makes it difficult to compete on price alone. Any new business will have to close that gap with exceptional service, unique product offerings, and reasonable prices.

The Retail Market Analysis identifies several business types where a gap exists between supply and demand. These types are potentially viable new business opportunities.

### Grocery Store

In the public questionnaire, there was a large demand for a downtown grocery store. The market analysis identifies that there is opportunity for a grocery store up to 2,000 square feet in the Scottville local trade area. Any new grocery store would have to be able to directly compete with the superstores which draw a large portion of Scottville's residences for every day conveniences.

### Clothing Store

There is a large unfilled demand in the local and regional trade area for new clothing stores. The local trade area can support up to 5,700 square feet of floor space and the regional trade area can support up to 20,000 square feet. Scottville being at the center of Mason County is in a prime location to be the location of a mid-size clothing store that can accommodate the entire trade area.

## Limited Service Eating Places

A limited service eating place is generally an establishment in which customers order and pay for their food before eating. Examples of this type of establishment would be a sandwich shop, pizza parlor, bagel shop, ice cream shop, etc. The demand in the local trade area can accommodate up to three new businesses. The regional trade area has a demand that could accommodate up to six new businesses. These types of establishments usually don't draw customers from long distances so the local trade area figure is the most accurate.

## Drinking Places

There is additional demand for a local drinking establishment in the local trade area. At the time of this study, the Steve's property was still open for business. Taking this into account there is demand for one more drinking establishment up to 3,000 square feet beyond Steve's and Charlie's. The perfect location for such a business would be in Downtown Scottville in one of their great historical buildings.

## Residential Housing Profile

This Residential Housing Profile outlines factors that influence housing demand and identifies opportunities based on these trends as well as the current existing condition of the Scottville housing market. This profile pertains to the entire 49454 zip code which is where the majority of Scottville customers reside based on the public input portion of this market study.

The chart below shows the population trends for the City of Scottville. The overall population and number of households have gradually risen since 1990. The household size however has slightly reduced from year to year.

**Table 11. Population Trends, Residential Trade Area, 1990-2008**

	1990	2000	2008	Avg. Annual Change
Population	4,017	4,472	4,528	0.7%
Households	1,496	1,691	1,750	0.9%
Household Size	2.63	2.59	2.54	-0.2%

Source: U.S. Census and ESRI

These figures can be used to project the number of households and the housing demands needed in the future. The below chart shows the demand for housing in 2013. There will be an increase in demand of 67 housing units by 2013.

**Table 12. Estimated Housing Demand, Residential Trade Area, 2008 and 2013**

Line	2008	2013
1. Population	4,528	4,637
2. % Population in Group Quarters	0.9%	0.9%
3. Population to be Housed (line 1 minus line 2)	4,486	4,594
4. Average Persons per Household	2.54	2.52
5. Number of Households (line 4 divided by line 5)	1,766	1,823
6. Preliminary Housing Demand (line 5 divided by 0.894)	1,975	2,039
7. Demand with 4% Vacancy Rate (line 6 times 1.04)	2,054	2,121

Source: U.S. Census and ESRI

This increase in demand will encompass several different types of residences. The largest demand will be for detached housing units which are generally occupied by family households. The projected increase in demand for housing will exceed the current supply of housing by 117 units by 2013. This indicates that there is a market for new development. Because a large majority of downtown customers are from the 49454 zip code, fulfilling this increased demand is essential to the future of success of the City of Scottville and its downtown.

For the purpose of serving Downtown Scottville, it is important to know how many attached or downtown loft residences will be desired in the future. These types of residences are generally marketed toward residents that are under the age of 34 and have an annual income of \$35,000 or less. Using some general assumptions it is projected that Downtown Scottville will need about 10-35 new attached upper-story residences. The success of these units will depend on local economy and the price point for the sale or rent.

### **Scottville Main Street is Here to Help**

The Scottville Main Street program is actively seeking energetic, determined entrepreneurs to take advantage of the many opportunities the Scottville has to offer. The Main Street program is committed to continually serve our current and prospective business owners. Any interested entrepreneurs should contact the Scottville Main Street Manager to inquire about all the Main Street Program and other programs in Mason County can help you fulfill your dream. The Scottville Main Street Manager can be reached by phone at 231-757-9674 or by email at [mainstreet@cityofscottville.org](mailto:mainstreet@cityofscottville.org).

The Main Street program has many different programs to help a new business owner in Downtown Scottville get started or a current business owner rehabilitate an existing building. There are many opportunities through the Michigan State Housing and Development Authority (MSHDA) and the State of Michigan. Below is a list of opportunities through MSHDA.

### **Tax Incentives**

Federal Historic Preservation Tax Credits

State Historic Preservation Tax Credits

Brownfield Redevelopment Finance Authority

### **Other Incentives**

National Trust Loan Funds

Preservation Easements

Americans for Disabilities Act (ADA) of 1990 Tax Credits

### **Local Rehab Programs**

Michigan Main Street Design Services

Low Interest Loan Program

Signature Building Program

Façade Grant Program

Rental Rehabilitation Program

### **Business Programs and Incentives**

Northern Initiatives Program

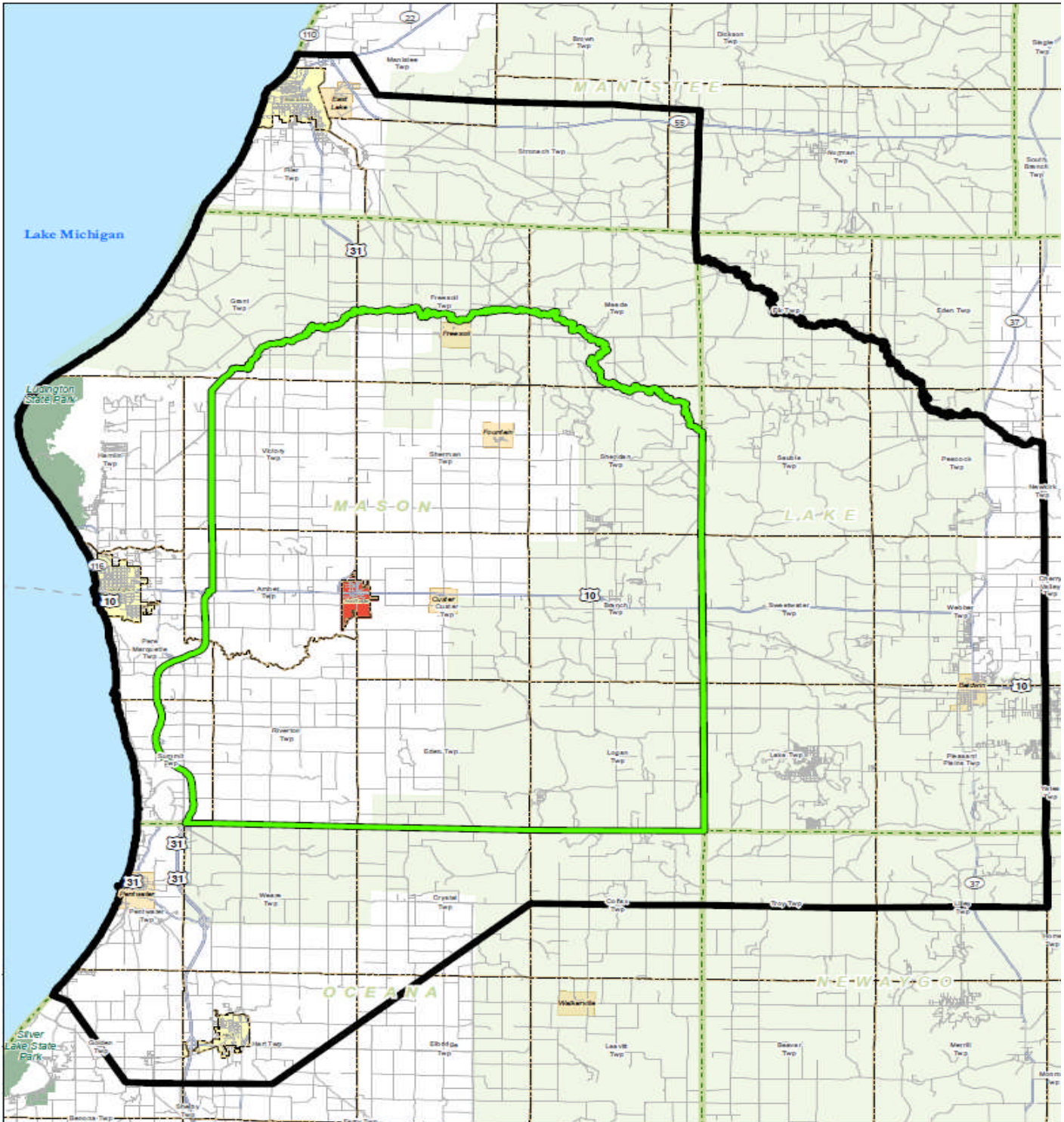
SCORE Program

Wake Up Scottville! Business Networking

Small Business and Technology Development Center (SBTDC)









Mason County District Library Small Business Resource Center (SBRC)

# Appendix A

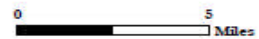


## Trade Areas

Scottville and Surrounding Areas,  
Mason County, Michigan

- |   |   |  |
|---|---|--|
|  Local Trade Area    |  Cities    |  National Forests |
|  Regional Trade Area |  Villages  |  State Park       |
|  County Boundary     |  Townships |  |

Data Source: MCGI v8a





2/26/09