

Sweet Home

Downtown Retail Market Analysis



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Completed for the Sweet Home Active Revitalization Efforts
(SHARE) and the City of Sweet Home, Oregon

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Introduction

At the heart of downtown Sweet Home's long term success is its ability to offer residents, employees and visitors a unique and welcoming environment and a shopping/entertainment experience unlike any they can find elsewhere. In 2008, the Sweet Home Active Revitalization Efforts group (SHARE) completed a strategic plan focused on a vision and goals for downtown revitalization. This project, a 2009 SHARE action item, focuses on Economic Development issues and opportunities for downtown. Specifically, the research identifies the potential market opportunities for downtown Sweet Home and as a result, provides a Retail Business Development Action Plan that directly addresses Sweet Home's desire to have a strong and vital downtown.



Downtown Program Approach

SHARE operates a Downtown Program that is organized into several volunteer committees. This approach focuses on four critical components for creating downtown vitality: Promotion/Identity-Building, Design/Physical Improvements, Economic Development and Organization.

Project Purpose

The purpose of this analysis is to:

- Provide a comprehensive assessment of potential market support for retail uses in the downtown Sweet Home commercial district.
- Create an accurate picture of Sweet Home's retail industry including the characterization of the existing supply of businesses; consumer preferences, needs and buying patterns; and opportunities and challenges for growth and development in the downtown.
- Provide the City with a factual base for developing strategies to strengthen and diversify the downtown retail base and capture more consumer dollars in downtown Sweet Home.
- Recommend business development and marketing strategies to strengthen the downtown retail base.

Project Methodology

As Sweet Home's retail expansion efforts will be implemented over time, the market analysis considers a ten-year time period from 2009 to 2019, which is a realistic projection period for retail development. Research (both primary and secondary) included:



- Statistical estimates of potential supportable retail space
- Community-wide survey of residents' shopping preferences
- In-store visits/assessments to retailers and restaurants
- Interviews, focus groups and surveys of local business and community leaders
- Multiple site visits
- Demographic analysis of Sweet Home market area

As part of this assignment, Marketek facilitated a working meeting with business and community leaders to share preliminary findings and insights and anticipates a Business Development Workshop (to be January 27) for downtown Sweet Home economic development leaders to apply the results of this analysis.

This report is organized into four principal sections:

- 1) Opinion Research
- 2) Statistical Market Analysis
- 3) Competitive Assessment
- 4) Business Development Action Plan

I. Opinion Research

Marketek conducted two electronic surveys (one for shoppers and one for businesses), which were completed by the community during the months of October and November, 2009. Two hundred and eighty-six (286) residents participated in the Shopper Survey and 30 businesses participated in the Business Owner Survey. Findings are summarized below and complete results are provided in Appendices A and B.

SHOPPER SURVEY

Marketek's shopper survey included questions regarding shopping location and time preferences, advantages and disadvantages to shopping in Sweet Home and goods and services desired in Sweet Home.

Shopping and Services

- Shoppers do most of their non-grocery shopping in Lebanon, Albany and Eugene. Choice of shopping location is most driven by a desire for a wide selection of goods at affordable prices.
- The top merchandise needed in Sweet Home is apparel (women's and men's casual wear and attire for children, infants, teens and young adults) and shoes. Other popular responses include arts and crafts supplies, sporting goods, music and CDs, electronics, toys/hobbies, appliances and linens and towels. These items were all selected by more than one-third of respondents.
- Over one-third of respondents identified appliance repair, general health care and a copy center/pack and mail store as convenience goods and services needed in Sweet Home. Dental, vision and pediatric care, groceries and computer repair were also popular responses.
- According to most respondents, Sweet Home is missing a steakhouse/grill and a bakery, each identified by 58 percent of shoppers. Family dining and a coffee house also topped the list of restaurant needs. In terms of entertainment, shoppers want to see more children's recreation and live music in Sweet Home.



- Respondents that do not shop locally or use local service providers cite a lack of selection and high prices as their reasons.

Shopping and Business Preferences

- Most respondents shop on Saturday afternoon or weekdays after 5:00 PM, noted by 54 and 52 percent of respondents, respectively.
- Convenient location and the desire to support local businesses are motivating reasons for shoppers to buy in Sweet Home. However, shoppers also note poor selection, high prices, limited hours and downtown’s poor appearance as detractors.



- Respondents would like Sweet Home to be seen as a clean, welcoming community and they suggest developing a consistent look for the downtown built upon its logging history. They emphasize the importance of filling vacancies, improving building facades and generally sprucing up the downtown.

General Information

- Twenty-three percent of shopper respondents were between the ages of 45 and 54 and 20 percent were between the ages of 55 and 64.
- Ninety percent of respondents live in the 97386 zip code. Five percent live in 97355 (Lebanon).
- Most respondents (56 percent) live and work in Sweet Home.

BUSINESS OWNER SURVEY

Marketek’s business survey queried owners and managers on a variety of factors including staffing, the local business environment, business history and expansion plans and other opportunities and issues.

Doing Business in Sweet Home

- Over a third of business owners categorized their business as “Other.” These business types included RV sales, hospitality, farming, contracting, consulting, outdoor gear, nonprofit and education. Retail businesses were the next most popular, accounting for 21 percent of respondents.

- Thirty-nine percent of respondents have been operating their business in Sweet Home for more than ten years.
- Most respondents appreciate doing business in Sweet Home's small community atmosphere. They cite the benefits of being able to know customers personally and the loyalty of local shoppers. However, some also cite the small market size and a slow local economy as a disadvantage.

Business Status/Future

- Respondents are evenly split in terms of recent business activity level – a third report declining business, another third report they have held their own and the remaining third have seen expansion.
- Despite declining business, no business has plans to shut down operations over the next one to two years. The largest share (46 percent) has no plans to change, while a quarter intend to expand.

Issues and Opportunities

- Major business obstacles include current economic conditions, low customer traffic and general operating costs, each identified by more than half of respondents.
- In terms of information or assistance, companies were most interested in marketing and advertising programs, 'lean' business practices and property and façade improvements. Seventy-nine percent would like to participate in a cooperative business marketing effort.
- Suggested business types for downtown are apparel stores, a department store, a coffee and dessert shop and art studios/galleries.



2. Statistical Market Analysis

This section outlines downtown Sweet Home’s key retail target markets and provides an estimate of existing and future support for retail space potential in the Sweet Home market area.

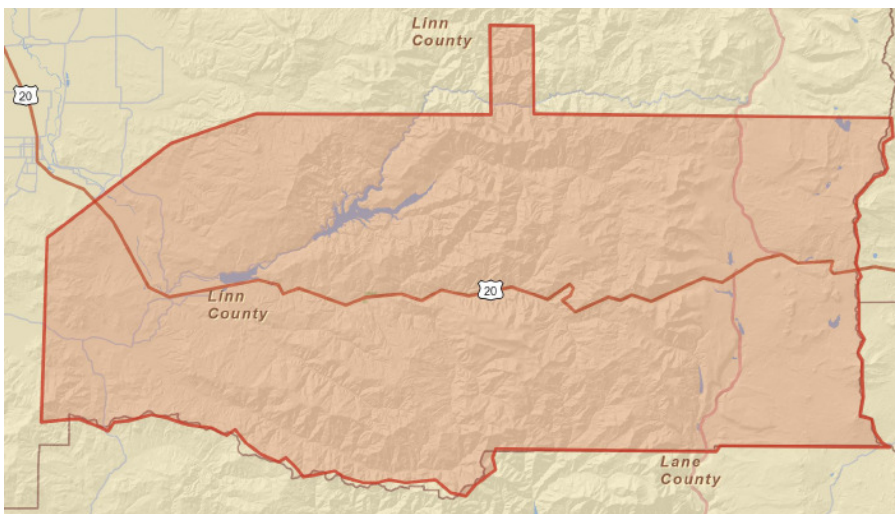
TARGET MARKETS

Downtown Sweet Home has the potential to serve and to attract sales from local residents, area employees and visitors. This section depicts each customer group, with an in-depth look at the local resident market, which provides downtown with the greatest opportunity for a dependable source of year-round sales.

Local Resident Market

Based upon the patronage of existing businesses, downtown Sweet Home’s location within the region, its competitive assets and proposed redevelopment activity, Marketek delineated a custom-drawn market area, approximate to the school district boundaries, as shown on the map below. For comparative purposes, demographic data are presented for the City of Sweet Home and the State of Oregon.

Sweet Home Retail Market Area



The Retail Market Area consists of 15,584 people in 5,890 households as of 2009. Since 2000, the area's population grew at an average annual rate of 0.6 percent, about half of the statewide rate of 1.4 percent. By 2014, the Market Area is expected to add 222 households to reach 6,112.

As Exhibit I shows, the Retail Market Area consists of modest-income households with lower educational levels than the state. Median income is \$42,556 (compared to \$54,719 nationally) and 17 percent of persons age 25 or more have four year degrees or higher. Most Market Area residents are non-Hispanic (96 percent) and white (94 percent). Appendix C offers a more detailed socioeconomic characterization of the Sweet Home retail market.

Exhibit I. Demographic Profile, 2009			
Demographic Indicator	City of Sweet Home	Sweet Home Market Area	State of Oregon
Population			
2009 (estimate)	9,050	15,584	3,841,859
2014 (forecast)	9,412	16,158	4,064,906
Avg. Ann. % Change ('00 to '09)	1.43%	0.63%	1.37%
Avg. Ann. % Change ('09 to '14)	0.80%	0.74%	1.16%
Households			
2009 (estimate)	3,467	5,890	1,495,911
2014 (forecast)	3,609	6,112	1,584,044
Avg. Ann. % Change ('00 to '09)	1.47%	0.67%	1.35%
Avg. Ann. % Change ('09 to '14)	0.82%	0.75%	1.18%
Average Household Size	2.59	2.63	2.51
Median Household Income	\$38,887	\$42,556	\$53,483
Median Age (Years)	38.8	42.2	38.0
Race			
Percent White Alone	92.8%	93.6%	83.7%
Percent Other Race/2+ Races	7.2%	6.4%	16.3%
Percent Hispanic	4.4%	3.7%	11.2%
Homeownership	65.2%	71.5%	64.0%
Educational Attainment			
Associate Degree	6.7%	7.7%	7.7%
Four Year Degree or More	7.5%	9.0%	27.7%

Source: ESRI BIS; Portland State University Population Research Center

Area Employees

Employees working in and close to downtown are an important captive market for retail and service businesses, as they are in the area on a daily basis throughout the year and are in close proximity to retail, restaurant and service establishments. Market research conducted by the Building Owners and Managers Association of America demonstrates that office workers (as one segment of the workforce) spend between 10 and 15 percent of their expendable income at and near their places of work.

An estimated 306 businesses operate in the City of Sweet Home and employ 2,432 persons (Exhibit 2). The largest share of employees works in the service industry (32 percent), more specifically in the education field (16 percent). Retail trade and manufacturing also provide a large share of jobs, at 29 percent and 22 percent, respectively.

Exhibit 2. Jobs in the City of Sweet Home, 2009

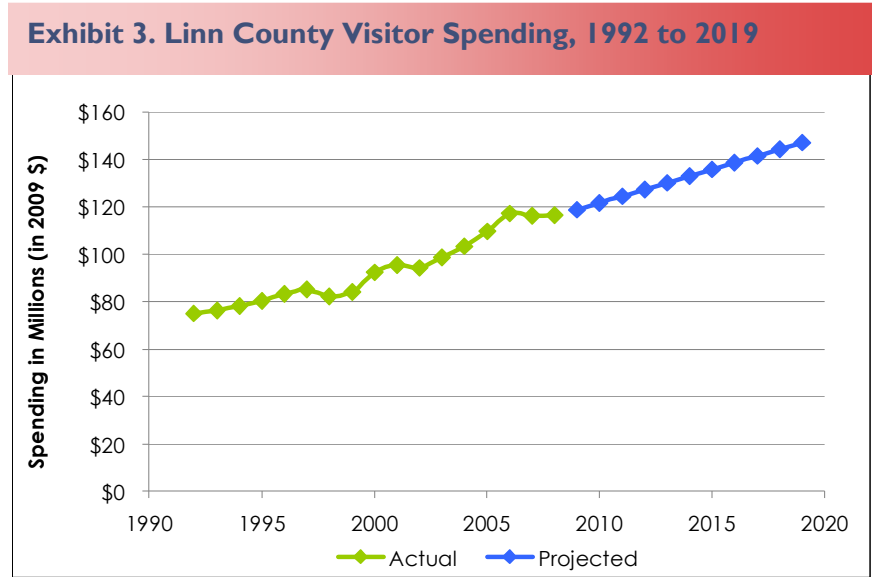
Industry	Businesses		Employees	
	#	%	#	%
Agriculture & Mining	8	2.6%	103	4.2%
Construction	16	5.2%	34	1.4%
Manufacturing	18	5.9%	522	21.5%
Transportation	12	3.9%	62	2.5%
Communication	0	0.0%	0	0.0%
Electric/Gas/Water/Sanitary Services	1	0.3%	20	0.8%
Wholesale Trade	9	2.9%	57	2.3%
Retail Trade	75	24.5%	701	28.8%
Finance/Insurance/Real Estate	22	7.2%	59	2.4%
Services	126	41.2%	768	31.6%
Hotels & Lodging	4	1.3%	9	0.4%
Automotive Repair, Services, Parking	13	4.2%	35	1.4%
Motion Picture & Amusements	10	3.3%	38	1.6%
Health	14	4.6%	112	4.6%
Legal	1	0.3%	1	0.0%
Education Institutions & Libraries	12	3.9%	377	15.5%
Other Services	72	23.5%	196	8.1%
Government	18	5.9%	106	4.4%
Other	1	0.3%	0	0.0%
Total Employment	306	100.0%	2,432	100.0%

Source: ESRI BIS

Visitor Market

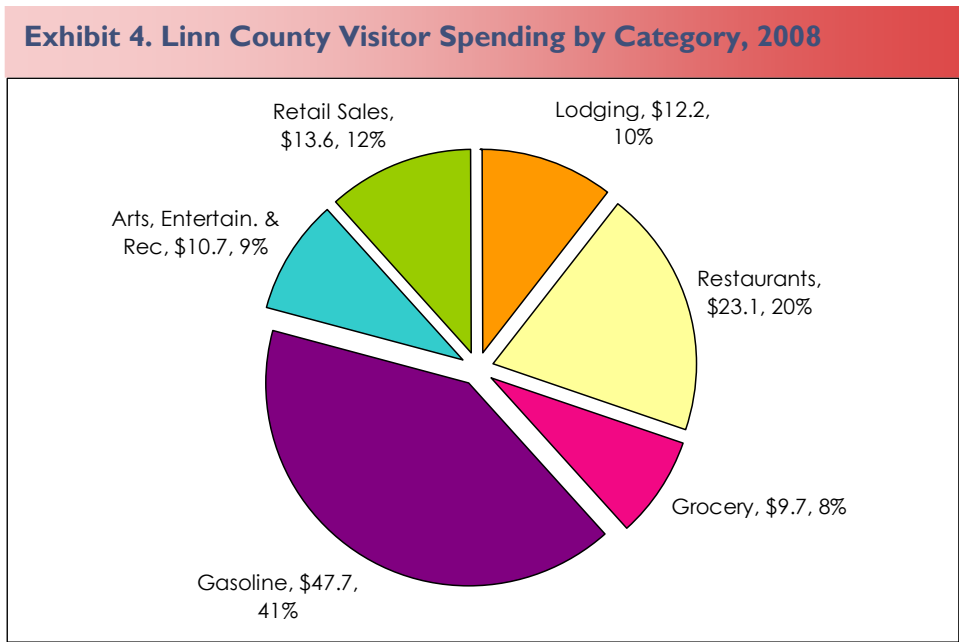
Sweet Home's visitor market is another important influence for downtown's business base. In the heart of the Over the River and Through the Woods scenic byway, Sweet Home offers a variety of unique visitor destinations and activities. The parks and facilities at Foster Reservoir attract more than 500,000 visitors annually and Green Peter Lake receives more than 200,000. The three-day Oregon Jamboree brings in about 30,000 visitors per year.

The Linn County visitor market – which includes Sweet Home – has witnessed a steady rise in travel spending over the last 15 years, growing from \$49.0 million in 1992 to \$117.0 million in 2008. In 2009 dollars, this translates to a 56 percent increase. Extrapolating this growth rate, Marketek estimates that from 2009 to 2019, visitor spending in Linn County is expected to increase by \$28.3 million to reach \$147.0 million (Exhibit 3).



Source: Dean Runyan Associates; Marketek, Inc.

Of Linn County visitor spending, the largest share is tied to ground transportation (i.e., gasoline) (\$47.7 million or 41 percent). Forty-nine percent of visitor spending (or \$57.1 million) has potential for downtown Sweet Home. This includes restaurants (\$23.1 million or 20 percent); retail sales (\$13.6 million or 12 percent); arts, entertainment and recreation (\$10.7 million or 9 percent) and groceries (\$9.7 million or 8 percent).



Source: Dean Runyan Associates

RETAIL DEMAND POTENTIAL

Marketek estimated potential demand for additional retail, restaurant and entertainment space in downtown Sweet Home based on resident and visitor spending. In each case, spending potential by merchandise type was converted to square feet of store space based on sales per square foot standards derived from the Urban Land Institute's *Dollars and Cents of Shopping Centers*.

Existing Retail Demand

For the resident market, demand is derived from two sources. The first, "existing demand" is demand for retail goods by current market area households that is currently being met outside of the market area. Existing demand is found by comparing retail supply (i.e., actual retail sales) with retail demand (i.e., the expected amount spent by market area residents based on consumer expenditure patterns). When demand outweighs supply, a leakage occurs, indicating that consumers are spending outside of the market area for retail goods or services. While consumers will always do a certain amount of shopping away from home, this comparison provides a reasonable indication of the availability of goods in the local market.

Exhibit 5 shows the existing retail supply and demand balance for the Market Area by store type. Note that Marketek adjusted supply numbers in the "Electronics and Appliances" category in light of the recent closing of Lee's Appliance in Sweet Home.

Exhibit 5. Sweet Home Market Area Retail Balance, 2009

Merchandise Category	Demand/ Spending Potential	Supply/ Retail Sales	Leakage (or Surplus)
Shoppers Goods			
Apparel	\$1,282,598	\$1,092,405	\$190,193
Home Furnishings	\$1,992,603	\$670,879	\$1,321,724
Electronics & Appliances	\$2,235,393	\$988,253	\$1,247,140
Home Improvement & Gardening	\$3,583,876	\$1,346,463	\$2,237,413
Sporting Goods, Hobbies, Books & Music	\$2,006,118	\$595,066	\$1,411,052
General Merchandise	\$22,388,610	\$4,163,984	\$18,224,626
Miscellaneous Specialty Retail (florist, office supplies, gift stores, etc.)	\$2,756,249	\$828,624	\$1,927,625
Convenience Goods			
Grocery	\$20,807,935	\$28,170,598	(\$7,362,663)
Health & Personal Care	\$2,977,587	\$227,797	\$2,749,790
Restaurants	\$16,279,899	\$7,329,643	\$8,950,256
Total Leakage			\$38,259,819

Source: ESRI BIS; Marketek, Inc.

Sales leakage is occurring in nine of ten store categories, totaling \$38.3 million, with the largest leakage in general merchandise which includes department stores (EX: Target, K-mart).

Future Retail Demand

The second source of resident demand is “future demand” or demand based on projected household growth and spending patterns in the market area through 2019. Within the Retail Market Area, there is potential demand for 25,582 square feet of new/rehabilitated retail and restaurant space over the next ten years. For detailed demand estimate calculations, please refer to Appendix D.

For the visitor market, demand estimates are based on visitor spending by merchandise type and projected increases in visitor spending over the next ten years in Linn County. Marketek estimates that the Sweet Home market area constitutes a fifth of visitor spending countywide, and thus has the potential to absorb 20 percent of new Linn County retail space supported by visitors. This estimate translates to potential demand for 15,185 square feet of additional retail/restaurant space in the Sweet Home market though 2019 supported by visitor spending. Detailed visitor demand calculations are provided in Appendix D.

Potential Demand Summary

Exhibit 6 summarizes potential new supportable retail space for the Sweet Home market over the next ten years based on existing leakage and future resident and visitor demand.¹ Potential demand is divided among five merchandise categories: shopper’s goods, restaurants, entertainment, convenience goods and personal services. The types of goods and services within these categories are provided in Appendix D.

Existing demand has the potential to support an additional 85,939 square feet of retail space in the Market Area. Future demand based on Market Area household growth has the potential to support an additional 25,582 square feet of retail space through 2019 and visitor demand has the potential to support an additional 15,185 square feet. Taken together, there is potential for 126,706 square feet of additional retail space in the Sweet Home market over the next ten years.

The share of space that downtown Sweet Home can capture will depend on numerous factors including retail outreach efforts, the availability of quality retail-ready space, the performance of competitive shopping areas and the success of downtown’s revitalization efforts to develop a variety of retail, service and entertainment uses.

¹ For purposes of determining retail potential by square footage, the general merchandise sales leakage is redistributed by merchandise type and includes apparel, electronics, home furnishings, home improvements, personal care and grocery.

Exhibit 6. Potential New Retail Space in the Sweet Home Market Area

Merchandise/ Retail Category	2009	2009-2019	2009-2019	Total Potential New Retail Space
	Existing Unmet Demand	Future Market Area Demand	Future Visitor Demand	
	(SF)	(SF)	(SF)	
Shoppers Goods				
Apparel	17,994	2,488	994	21,475
Home Furnishings	9,758	2,489	994	13,241
Home Improvement	11,640	3,253	0	14,894
Specialty Retail	7,034	2,883	1,152	11,069
Subtotal	46,426	11,113	3,140	60,679
Convenience Goods				
Grocery	0	5,445	963	6,408
Health/Personal Care	5,482	1,110	196	6,788
Subtotal	5,482	6,555	1,159	13,197
Restaurants	34,031	4,558	5,233	43,822
Entertainment	NA	1,410	5,652	7,062
Personal Services	NA	1,946	NA	1,946
Total	85,939	25,582	15,185	126,706

Note: Figures in italics are estimated based on consumer spending patterns.

Source: ESRI; Urban Land Institute; Marketek, Inc.

Based on its existing commercial base, proposed developments, strong market demand and aggressive marketing, it is reasonable to assume that downtown Sweet Home could capture 50 percent of existing and future potential demand. This equates to 63,353 square feet of new retail space by 2019.

Downtown's success at transforming demand potential to new retail space will in part depend on providing quality retail space and on Sweet Home's marketing and business development efforts. A passive or segmented approach would likely result in downtown falling short of its estimated potential. To get a sense of demand estimates in terms of typical stores sizes, Appendix D provides the median sizes of several types of businesses that may be appropriate for Sweet Home.

BUSINESS MIX

A successful business district in virtually any size community will have a balance and mix of uses that includes retail shopping, professional, cultural, financial and government services, entertainment, housing and personal services. Downtown Sweet Home already exists as a mixed-use shopping center bringing residents, businesses and employees together. A

critical goal over the next five years and longer will be to increase the number of retail businesses in the core downtown area and maintain ground floor space in the core area and beyond for retail businesses.

The results of the statistical market analysis and the opinion research indicate that Sweet Home has ample opportunity to grow its retail base and fill niches and voids in the local marketplace. The following list of business and merchandise opportunities (Exhibit 7) can potentially be supported based upon the market analysis.

Exhibit 7. Target Downtown Sweet Home Business Opportunities		
Merchandise	Men & women’s casual apparel Infant, children & teen clothing Shoes Building & garden supplies Arts & crafts supplies Computers & accessories Gifts & cards Music & CDs	Furniture, including locally-made Appliances Bed & bath linens/accessories Kitchen & tabletop accessories Unique toys, games & hobbies Specialty sporting goods Electronics & accessories
Restaurants/ Food	Bakery Steakhouse/grill Family dining Deli Groceries	Coffeehouse Brewpub Healthy/natural food Fine dining
Entertainment	Children’s recreation Live music/outdoor music venue Live theater	Upgraded Bowling Alley Upgraded Movie theater
Services	Appliance repair Copy center/pack & mail Computer training & repair Pharmacy Dry cleaning/laundry	Day care General health care Dental care Vision care Pediatric care

RETAIL MARKET TRENDS

Although the retail market has been hard hit by the economic downturn in recent months, retail trends show that sales are indeed picking up and consumer confidence is rising. Research by NAI Norris, Beggs & Simpson, International Council of Shopping Centers, The Conference Board and Forbes, illustrates trends toward compact retail development, a

proliferation of lifestyle centers and food and entertainment tenants increasingly becoming retail anchors.

Short Term Trends

- Retailers may continue to close more stores than they open, with the large proportion of closings due from independent retailers.
- Credit crunch has hurt many mall owners, and many stores are implementing cost cutting policies such as renegotiating rents.
- Specialty retailers, luxury stores and apparel stores will be the most vulnerable in the next 18 months.

Long Term Trends

- Lifestyle centers are replacing malls by attempting to create a sense of community, and focus on food, entertainment, music, books and home goods.
- National trend toward compact, urban living, with less dependence on the auto will facilitate increased downtown retail spending.
- Middle-market big-box stores (such as Target and Bed, Bath & Beyond) that are currently underrepresented in central cities are exploring these locations.
- The most successful and resilient retail establishments will be located in more mature market areas.
- Stores that specialize in repairing durable goods like cars and appliances are poised for long-term success.

Internet Retail Trends

- Internet retail sales account for less than 5 percent of the overall U.S. market but continue to grow. Wal-Mart is expanding its internet presence in 2010.

Downtown Trends

- Department stores continue to be important anchors for downtowns, especially in cities, by generating foot traffic to support other downtown retailers.
- Food and entertainment retail remain strong and expect continued growth, often serving as anchors.
- Downtowns can benefit by reinforcing unique attributes through promotion and branding.
- Proliferation of lifestyle centers has eroded some of downtown's share of regional retail spending because many metropolitan areas have become multi-nodal.
- New lifestyle centers will seek to become more like downtowns by creating truly usable public spaces and a more unique shopping experience; this will further increase competition with downtowns.

Consumer Spending

- Expect savings rate to increase and credit availability to decrease in the short-term.
- Some analysts suggest a newfound conservatism and attention to value.
- Consumer spending is anticipated to increase in the next year as the economy picks up.

Expanding Retail Chains and Franchises

- Hot Retailers identified by International Council of Shopping Centers (ICSC):
 - * Food/Beverage: Five Guys Burgers, Sonic Drive In, Froots, Pinkberry, Red Mango, Pollo Campero, El Pollo Loco, Stir Crazy, Chipotle Mexican Grill, Bruegger's Bagels, Burger King, Denny's, Red Robin
 - * Apparel: Apricot Lane, Billabong, L.L. Bean, American Eagle, Aeropostale, H&M, Dress Barn
 - * Convenience Grocery: Fresh & Easy Neighborhood Market, Sunflower Farmers Market, ALDI, Save-a-Lot
 - * Service: Anytime Fitness, Children of America Childcare Centers, Regis Salon, Sport Clips
 - * Other: Ridemakerz, 99 cents Only, Weight Watchers, Gamestop, Big Lots

3. Competitive Assessment

Successful business districts of any size have a healthy business climate and a pro-active marketing program with key amenities and characteristics that attract both customers and business prospects. These features are particularly critical for older commercial districts seeking to compete for retail dollars being spent at new shopping malls, lifestyle centers, and big box retailers.

Although many of the challenges and weaknesses noted have already been identified and are known to the City of Sweet Home and the businesses, they are listed here to portray a composite picture and to evaluate Sweet Home's commercial areas from two key perspectives: (1) what customers want from a shopping experience; and (2) business climate and marketing factors affecting decision-makers seeking a profitable location.

Overview on the Sweet Home Environment

- Sweet Home has community momentum and has had several recent retail successes.
- Small market size is a drawback to many national chains.
- Sweet Home needs to recreate its image to the external marketplace; sell some sizzle; share the vision; tell the success stories of strong business people here.
- Shoppers' goods, including apparel are sorely needed in Sweet Home.
- Community gets high marks for reinvestment and emphasis on jobs growth.
- Sweet Home cannot compete with Lebanon but can get out of its shadow mentally.

The following assessment matrix measures Sweet Home's retail and commercial offerings and opportunities against industry success factors. Findings are informed by a facilitated meeting Marketek held with local business owners, a summary of which is provided in Appendix E.



Retail Marketplace	Rating ²	What Sweet Home Offers
Growing population base	N	The 2009 retail market area population is relatively small at 15,584; a somewhat slow growth rate is anticipated.
Average or above-average incomes	W	Median household (HH) income in 2009 is below that of the state estimated at \$42,556 for the market area population.
Other growing target markets	S	In the City of Sweet Home, there are 306 businesses and 2,432 employees. The visitor market is sizeable with at least a half million visitors to Foster Reservoir facilities in 2009. Multiple recreation, entertainment attractions to keep visitor attention; important selling points for prospects looking for broad market appeal.
Business growth/expansion	N	Business expansion and new business locations are occurring on a small scale with a half dozen new business openings in core area ('09). Foster Lake RV Resort, 148-slip marina and other lake development is significant. Most businesses report 'holding their own' in 2009.
Available shopping and selection of quality shopping for a range of incomes	W	Solid convenience goods exist but shoppers' goods are very limited (apparel, home-related). Retail/restaurant sales leakage of \$38.3 million; Sweet Home's close proximity to significant competition in Lebanon and Albany is a challenge.
Business anchors and attractors bringing repeat shoppers	N	Sweet Home's retail anchors range from Hoy's True Value Hardware and Dan-Dee Sales to Thriftway/Safeway and several restaurants. The Oregon Jamboree and Foster Lake are its most significant attractors for out of towners.

Real Estate – Community Overview	Rating	What Sweet Home Offers
Broker perspective	N	Positive outlook. Sweet Home is an affordable, top quality community. Additional retail is needed to 'sell' others on locating to town. The small market size is drawback to national chains. A physical 'image makeover' is needed. Brokers are eager to share community vision and can be an asset in promoting the community.
High occupancy rate	N	There are many older, idle commercial buildings throughout town; second tier or non-retail tenants locating in potential retail space. Ground floor vacancy rate in core commercial area is estimated at >15%.

² Rating: S = Strength, N = Neutral, W = Weakness, U = Unknown

Real Estate – Community Overview	Rating	What Sweet Home Offers
Quality commercial space available with good signage, parking, accessibility and small flexible space options	N	More available quality space available in ‘retail-ready’ condition is needed. Business signage is not consistent and has limited readability. Ample parking available.
Small spaces for business incubation or an incubator (reduces cost through shared expenses, and access to expertise)	U	None identified, though selected properties downtown may be appropriate.
Community investment is occurring	S	More than \$52 million worth of projects have been completed by the city and Sweet Home School District in the last 15 years, reflecting an outstanding commitment to the future.
Real estate investment is occurring	S	SHARE is implementing a sign grant and façade program. Smaller scale private development has occurred. EX: Edgewater RV Resort & Marina, Cedar Shack, HUB building, etc.
An up-to-date inventory of available commercial buildings and sites for sale or lease	W	There is no up-to-date, centralized inventory of available properties for sale or lease with price and basic property specs.
Development game plan	N	SHARE Strategic Plan lays out annual action items. Several other key projects identified such as new Jamboree facility, potential big box retail site, need for lodging, etc. An overall development gameplan that lays out timing, phasing and roles would help with internal/external marketing to convey vision.

Attractive Shopping Environment	Rating	What Sweet Home Offers
Inviting, landscaped, well-signed and appealing shopping environment that entices auto travelers to stop and shop	N	Planted, redesigned medians on Main Street (Highway 20), banners and regular clean ups have enhanced the core area. Sweet Home Beautification Committee is working to add add’l greenery (and less hardscape).
Quality built environment creating interest and appeal	W	While reinvestment is occurring with some properties, façade and sign improvements are sorely needed. The shopper survey identified this is a top issue. No design standards or guidelines exist.
Attractive entrances with good signage to town center	N	Quality entry signs are somewhat lost in the clutter of other signage and built environment. Wayfinding signage to Sweet Home’s visitor attractions exists as does Scenic Byway signage but is hard to locate.
Storefronts reflect pride and ownership	N	Many business owners are working hard within the few retail blocks. Many more would benefit from help with their storefront image and merchandising.
Concentrated nodes or linkages of development creating a critical mass or dense shopping environment, attracting more shoppers	W	At present, the retail base is highly dispersed on Highway 20 corridor with small nodes and dozens of freestanding store locations. Not conducive to shoppers stopping and exploring.

Accessibility	Rating	What Sweet Home Offers
Parking to support stores and services	S	No obvious parking issues downtown on an average business day. Not identified by stakeholders as priority.
Walkable shopping district to encourage browsing and impulse shopping	W	Downtown has strong potential in the core area, first emphasizing 12 th to 15 th Streets. Business clustering, property improvements needed to focus and direct shoppers to this area.

Incentives	Rating	What Sweet Home Offers
Financial assistance (revolving or low-interest loans, forgivable loans, grants, etc.)	W	Urban renewal determined infeasible at this time. No local financial assistance available at this time but regional and state resources exist, but not promoted.
Facade improvement, sign assistance	S	Commercial Exterior Grant Fund (\$500-\$1,000) initiated through SHEDG. Implementation needed.
Other business assistance	W	SHARE had marketing program, but a menu of assistance needs to be organized/promoted. Many Linn County/Business Oregon programs exist and need to be packaged for Sweet Home. Ex: Linn County Business Dev Ctr & Investment Fund, Cascade West Financial Linn-Benton Community College Business Dev. Ctr Linn-Benton MicroBusiness Program.

Business Environment	Rating	What Sweet Home Offers
Local entrepreneurship	N	Most of the new businesses locating downtown are locally-owned start-ups and several youthful entrepreneurs are investing.
A streamlined, one-stop regulatory process clearly articulated in planning documents and consistently administered	U	Several businesses commented that the City needs help in specifying/explaining requirements and consistently administering. More info needed to evaluate.
Growing, diversified economic base	N	Among SH's top 13 largest employers, employment has dropped 9.4% from 1,137 to 1,030 b/w 2003-2008, with one business closure and one opening. Commitment to eco development evidenced in hiring new manager.
A coordinated network of organizations or resource providers that offer an array of technical assistance, marketing and financing for business	N	City, SHEDG, SHARE, Chamber, PPL, Oregon Tourism, LBCC, Business Oregon, Visit Linn Coalition, Will. Valley Visitor Association and business resource groups noted above. Local groups appear well connected but better clarity and coordination with external partners needed on who is doing what; then package it as 'tools to businesses.'
Ongoing business recognition program	U	No information identified; Not readily apparent on City, Chamber or SHEDG websites.

Marketing Tools	Rating	What Sweet Home Offers
Brochures and rack cards on various destinations	N	Three SH brochures/maps identified + scenic byway + special brochures on museum, RV resort, etc.
Shopping Guide/Brochure	W	No business rack cards or directory.
Image / Identity	W	Multiple slogans used: Oregon at its Best, Santiam Playground, Home of Jamboree. Work to use a single identifier. Some comments on negative self-image; perceptions about downtown—'needs make over.'
Frequency and variety of special events	S	A wide range of over 20 community events including one of rural Oregon's flagship events, the Oregon Jamboree
Business promotions	N	The New Era is positive community partner with joint advertising, business and community articles. No retail promotion calendar identified. SHARE offers business marketing seminars.
Positive community outlook and salesmanship	S	SHARE Program and Marketing Committee has extensive marketing plan and strong volunteer base. Through the years, Sweet Home has developed a significant 'can do' attitude. There is strong commitment regarding downtown's future. The excitement about change and activity should be channeled around property improvements, marketing and business development.
Web site	W	Business info on Chamber website is very limited w/ many 'dead ends' without links, including no Chamber brochure. City website is more up to date but lacks info for retail/commercial businesses. Oregon Jamboree website is exceptionally well done and includes online store.

Business Attraction and Lead Generation Activities	Rating	What Sweet Home Offers
Specific types of businesses / merchandise identified to target	W	Not established, but will be guided by this market study for retail.
Business recruitment campaign and lead-generating activities	W	No organized retail Business Development Team. It is needed downtown and throughout community.

4. Business Development Plan

Successful implementation of downtown Sweet Home’s business development program requires strong coordination, consistent communication and commitment to SHARE’s vision for a more cohesive downtown. The steps outlined below assume that a collaborative team will work together on the downtown commercial base including the City of Sweet Home, the Chamber of Commerce, the Sweet Home School District and SHARE, which will spearhead the process. However, the team should also include a range of individuals from realtors and property owners to business owners and marketing professionals.

Downtown Sweet Home’s Business Development Action Plan addresses all the key components of success from a strong vision and quality product to specific targets and organized campaigns to generate results. This section provides an overview of key business development strategies and action steps for successfully promoting Sweet Home’s retail opportunities.

Exhibit 8. Business Development and Marketing Strategies

<p>Primary Program Goals</p>	<ul style="list-style-type: none"> • Retain, strengthen and expand the existing business base in Sweet Home • Recruit and encourage businesses that will complement and improve the existing commercial mix and will enhance the attractiveness of Sweet Home shopping centers • Increase local spending by trade area shopper and visitor target markets
<p>Program Elements</p>	<ul style="list-style-type: none"> • Real Estate Product • Business Retention and Expansion • Business Attraction • Customer Attraction
<p>Core Strategies</p>	<ul style="list-style-type: none"> • Continue to enhance Sweet Home’s physical image and core downtown properties • Encourage, support, and assist existing businesses • Target new businesses to add to the business mix and strengthen the overall economic base • Encourage residents, businesses, visitors, and area employees to shop in Sweet Home • Develop positive Sweet Home image through continuous public relations, sales and marketing

TARGETED PROPERTY IMPROVEMENTS

Quality business tenants need attractive, appropriately sized commercial space in the right location for attracting customers. Specialty shops generally seek small square footages – usually 500 SF to 2,500 SF – whereas national retailers may need several thousand square feet. It is important to become thoroughly knowledgeable about and actively promote the commercial real estate Sweet Home has to offer.

A top issue identified in the shopper and business surveys as well as in SHARE's strategic plan is property clean-up and redevelopment. Addressing the need for better looking buildings, store windows and readable signage is imperative to being successful with business and customer attraction efforts. The façade grant is a good resource, but a targeted and focused effort is needed that has a high visual impact and sends a message that *change is underway*. Near term, priority actions and other recommendations for action are outlined below.

The process begins with formation of a Property Improvement Team. Ideally, members have relationships with business and property owners and can speak to the vision and critical need for property improvement.

2010 Priority Actions

- 1. Produce an Attention-Getting, Catalytic Transformation of 10 Downtown Properties in 2010.** Give it a catchy name - the '10 in 2010' or 'Sweet Home Storefront Makeover' project. Focus first on the core blocks in downtown Sweet Home. Leverage the grant funds, Metro Recycled Paint program, local contractors and SHARE's volunteer base to focus on painting, clean-up and signage. Obtain professional assistance with color palette, a consistent approach to business signage, etc. Learn from the experiences of other communities such as Myrtle Creek and Sandy that have taken similar approaches.
- 2. Fill empty storefronts** with window displays of local art, school clubs, nonprofits, 'your business here' creative sets while readying the properties for seasonal (summer month) and longer term leases. This is already happening in one storefront downtown and is an easy way to draw attention to key properties and project life and activity. Dedicate one window to the Image Makers Program of the Sweet Home Boys and Girls Club where local youth can display their photography. Put a Sweet Home Chamber display with sample merchandise in another window.
- 3. Identify and redevelop one downtown property** for 'retail readiness.' This may be a currently vacant or underutilized space that can be improved without major physical restructuring to serve as a retail business location. (Follow steps 5-7 below.)

Additional Recommendations

4. **Develop a property database of vacant commercial properties.** Marketing business opportunities and properties go hand in hand. Focus first on taking inventory of vacant properties to determine which ones are ready for occupants. Determine what work needs to be done to make key properties ‘retail-ready.’ See Appendix F for a sample property database form.
5. **Contact key property owners.** Property owners are the lynchpins to the right tenancy as well as property improvements. The team will identify the best outreach mechanism and person for each key property owner and determine what information is needed.
6. **Inventory and assess all other key properties.** Other pivotal, influential properties in the downtown retail core—especially ones where a change in occupancy may be desirable—should be inventoried. Make a determination regarding the ability to influence the property and/or the tenant. See Appendix G for a sample evaluation form.
7. **Create a game plan for priority properties.** Within the downtown core and several properties are in need of updating. Based on property owner willingness and interest, the team will identify a select number of properties and strategize improvement. Address chronic problem vacant properties head on. Consider establishing a Vacant Building Ordinance or municipal code language to require property owners take action to ‘clean up’ rundown, noncontributing buildings. See Appendix H for a sample approach.
8. **Create ‘Available Properties’ link.** Prepare and keep up-to-date a one-stop website for Sweet Home Available Property (commercial). Various software packages exist that could support this effort. Work with property owners and brokers to collect specific property data and photos to input in the system. Based on the steps above, a number of properties will be identified that are ready for quality tenants. Prepare property marketing sheets and make available in hard copy and on the web.
9. **Cross match properties to business targets.** Work to fill vacant spaces with specific store types and tenants. This is especially needed downtown to promote clustering.
10. **Identify, package and actively promote property improvement incentives (e.g. façade improvement program).** Clarify what incentives or assistance is available and how to access it. Consider a pilot project to spur action where façade grants are available in bigger amounts (EX: \$2,000) during an introductory time period. Examples of communities that have successfully used façade improvement programs are provided in Appendix J.

11. Organize a commercial property improvement recognition program. Any property owner caught in the act of reinvesting and making positive property improvements should be recognized for his efforts and contribution to improving the shopping/commercial environment. There should be an organized effort to ensure that ‘thanks’ are extended. Host an annual awards program to recognize the most improved buildings. Consider the following type of awards: the ‘Golden’ Brick Award, Hammer Award, Broom/Clean-up Award, Painters Award.

BUSINESS RETENTION & EXPANSION

Helping Sweet Home’s existing business base succeed will be the underpinning of successful economic development. Most often, businesses want and need help with marketing and merchandising, finance, systems improvements, tenant and façade improvements, business location/expansion and staying on top of marketplace trends and opportunities.

A key weakness of small independent businesses, including many observed in Sweet Home, is their inattention to overall image and visual appeal. Store image and identity includes signage, storefront appearance, window displays, store merchandising, lighting and other elements that collectively send customers a strong impression about business quality and offerings. Apply to USDA Rural Development to help fund this, including a local match. Consider instituting a small business license fee to fund business retention efforts.

2010 Priority Actions

- 1. Create a Window Display Assistance Program** for existing businesses who need help transforming their store windows into their best sales and marketing tool. Provide a short educational workshop followed by one-on-one in-store assistance. Target several window displays at a time for a high visual impact. Involve local artists and high school/LBCC/University of Oregon marketing students as well as local businesses that may contribute or discount lighting, shelving, etc.
- 2. Develop an Entrepreneur Connections Program.** Organize a bi-weekly breakfast/lunch program for local businesses focused on Best Practices and Innovation in business success. Keep it focused on a specific list of business-generated topics. Consider a Business Bootcamp or Nxlevel Program. See Appendix I for an example program, offered by the Ellensburg Downtown Association. To support these efforts and allow for one-on-one assistance, apply (by Feb 17) for an Oregon Microenterprise Network Vista/Americorp worker and access to capital/microloan funds (working with Linn-Benton Small Business Development Center) <http://www.oregon-microbiz.org/>

- 3. Organize a Buy Here Program** among the Sweet Home business/institutional community to shift 5 percent of annual business/spending from out of town to local businesses. This could range from product and service purchases to consumables and unique needs. The goals are to encourage Sweet Home business owners to get to know what each business offers, help cross-market to customers, but will also maximize local purchases. Tracking and measuring results are key to enticing participation.

Additional Recommendations

- 4. Promote the opportunities** identified from the Retail Market Analysis. Encourage existing businesses to expand and diversify their merchandise mix based upon the opportunities identified.
- 5. Organize a business outreach/assistance/program** where a local 'Business Assistance Team' is in regular contact with local small businesses and helps identify and respond to critical issues in a timely manner. Initially, this may be the new Economic Development Director. Develop a regular schedule of business visits and follow-up. Track and report the results.
- 6. Initiate a community-wide Business Recognition Program** to celebrate and appreciate Sweet Home small businesses for their exceptional service, business improvement, community service/leadership, new initiatives and other positive endeavors. This effort should include the entire business community not just Chamber of Commerce members.
- 7. Organize a Business Makeover Contest and Program** to spur needed change and/or out-of-the-box thinking to make downtown businesses more competitive and increase sales. Work with University of Oregon College of Business/Marketing students to prepare Makeover Action Plans. Take applications and award cash prizes to businesses to be applied to implementation.

BUSINESS ATTRACTION

Sweet Home will need to work strategically to encourage quality businesses to locate in the most appropriate and desirable retail locations. Business development efforts should emphasize both unique, locally-owned businesses, but also carefully selected national retailers and regional 'chain-lets' that offer credibility and/or the ability to draw a broad middle and upper income market.

Business Recruitment involves two strategic efforts, Marketing and Sales. Important to both efforts is a clear understanding of:

Vision – where are we headed?

Product – what do we have to offer?

Audience – whom are we targeting?

Benefit – why should a business be located here?

2010 Priority Actions

- 1. Identify opportunities for short term leases or ‘pop up’ uses.** Examples include: an Art & Craft Winter Market prior to Christmas, a Foodie Festival co-sponsored with Oregon Tourism’s Oregon Bounty Program, involving Sweet Home’s Fraga Farm and other locally grown farms.
- 2. Organize a GROW Sweet Home initiative.** Many communities are focused on economic gardening, business incubation and other means to help small businesses grow and succeed. One idea is a Sweet Home Indy Market of locally-owned independent merchants with a minimum of a dozen or more small booths. This type of effort may need a phased approach—open initially only on weekends, growing over time. Other possibilities include developing retail incubator space to provide entrepreneurs with a jump-start in a small, below-market cost space or offering reduced rent to start-up retailers who meet key business and location criteria. See Appendix K for an example of successful use of economic gardening techniques in rural Oregon.
- 3. Award a small grant to local businesses with the most innovative plan for expansion.** The sponsoring organization(s) should clearly outline the criteria upon which entrants will be judged and publicize the opportunity throughout the Sweet Home business community.
- 4. Hold youth entrepreneurship workshops.** Sweet Home is a very family-oriented town. Like many rural communities, leaders are eager to see youth engaged in meaningful activity and for them to have a role in the local economy. An entrepreneurship workshop aimed at community youth and potential adult business mentors, teachers or other advisors and coaches could share case studies and examples of successful youth-led businesses, clubs, teen centers and enterprises. Youth entrepreneurs from other rural Oregon communities should be invited as speakers. (EX: Bandon, Lincoln City or Independence). The goal is to germinate a local initiative and helps identify existing resources, an organizational approach and steps for turning ideas into implementable plans.

Contact Linn County’s Workforce Investment Board contact (Community Services Consortium). See Appendix L for example of Retail Youth Incubator in Independence, Oregon.

Additional Recommendations

5. **Organize a Commercial Business Development or Marketing Team.** The January 27 workshop will result in a core group of people willing to be involved in promoting Sweet Home's market opportunities and following the steps outlined below.
6. **Prepare a sales package** to promote the business opportunities complete with data and property sheets, appropriate maps, resource and assistance information. Build upon the market factsheet in Appendix M in order to market and respond to inquiries effectively.
7. **Host a Partner and Collaborator Celebration/Presentation.** Throughout the course of this project, Marketek spoke to over half a dozen external partners and resources at the state/regional level. All are eager to partner and collaborate on Sweet Home's initiatives. Sweet Home would benefit from greater exposure to existing/potential partners and more self-promotion in general. Sweet Home should consider organizing a special event to celebrate and share what has been accomplished, the substantial community commitment, priority projects from the strategic plan and opportunities for continued success. The goal is to raise the profile of Sweet Home among key economic development players, continue to build relationships and ultimately be better positioned to capture resources. Many players are new to community development and do not know it well.
8. **Create an economic development webpage** on the City's website with all of the above information in downloadable format. Add a blog and RSS feed to the website; this will help drive businesses to the website and track information. In addition, create a place to "sign-up" for Sweet Home business news.
9. **Focus on filling key storefront vacancies within key shopping areas as identified in the Product Readiness strategies.** Use targeted business list and clustering strategies provided in the market analysis to guide the process.
10. **Create a referral network** of leading realtors/brokers, developers and community and business leaders. Educate them regarding the types of businesses most appropriate for Sweet Home's key commercial areas. Develop a schedule of communications and events to keep the group informed about business development initiatives and opportunities.
11. **Develop a business recruitment campaign** for up to three key business opportunities outlined in the Market Analysis. One of these should seek to attract a big box retailer, such as Bi-Mart that has looked at Sweet Home before. The campaign may include mailings, phone calls, one-on-one contact, third party outreach, hosted site visits, targeted marketing materials and related activities. A sample campaign is provided in Appendix N.

12. Actively manage the business development process. Like all good sales efforts, the devil is in the details of managing the prospect pipeline and following through on the needs and interests of serious business people in a timely fashion. Create a simple electronic database/file to track leads.

13. Publish a simple annual report of key economic indicators that promotes Sweet Home’s vitality and overall progress. Data may include: jobs, employment, private/public investment, businesses recruited/retained, special events/ promotions, traffic counts, retail impacts, etc.

CUSTOMER ATTRACTION

The most inviting, well-maintained and smartly tenanted shopping districts must continuously work hard to develop and promote the image and promise that they offer to the shoppers they seek to serve. Sweet Home shopping districts—and the community as a whole—needs to market their unique characteristics to local and regional shoppers and visitors, and create an effective unified promotion strategy to forge a positive image and engaging atmosphere of fun and activity. Initial steps include:

2010 Priority Actions

- 1. Organize a Shop Local campaign and schedule of retail promotions to encourage local spending.** Educate the public about the impact of shopping in town with a “Ten Reasons to Spend in Town” ad. See Appendix O for a sample ad. Use/adapt the program model provided by the Business Alliance for Local Living Economies (BALLE) described at <http://www.livingeconomies.org/>. BALLE provides a step-by-step manual and sample materials for a complete Buy Local campaign.
- 2. Prepare two new marketing collateral pieces/rack cards to capitalize on existing business assets.** Examples include:
 - Visitor Shopping and Services
 - Best Kept Shopping Secrets of Sweet Home. Examples: Dan Dee has been called the Cabellas of the Willamette Valley, Cedar Shack has the Best Sweet Home Hamburger, A&W and Dairy Queen are one of kind vintage destinations!
 - Top 10 Must Haves & Where to Find Them – for Hunters, Boaters, Campers
 - Heart Healthy / Hidden Treasure Downtown Walks – provide simple maps for 1, 3 and 5 mile walks with key facts.
- 3. Organize 2 new retail promotion events, such as:**
 - Home Sweet Home for the Holidays
 - Sweet Home has Sweet Valentine’s Deals: 20 Unique Valentine’s Gifts for Under \$20

4. **Map out specific retail promotion/marketing plans for downtown Sweet Home** that connect businesses to Foster Lake and other community activities to draw customers to downtown. One simple thing to do is place a rack card in all restaurants, RV parks and hotels.
5. **Develop a cohesive consumer-oriented Sweet Home website that drives customers to the City of Sweet Home.** A website is needed that communicates the shopping/dining/entertainment experience and incorporates the brand identity in the process. The target audience includes residents and visitors as well as potential investors. The website should call out all the shopping districts and link to Lake Grove and downtown-specific web pages that include a list of businesses, special events and related info.
6. **Develop a community/City public relations program** to promote Sweet Home successes, unique offerings, creative initiatives and other positive newsworthy activities /events. This will elevate the city's profile in the Portland region, Willamette Valley and state.
7. **Apply to be part of the Oregon Rural Tourism Studio** through the Oregon Tourism Department and take advantage of comprehensive in-community technical assistance.

IMPLEMENTATION ROLES & RESPONSIBILITIES

Successful business development programs for small and large cities alike have the following key *organizational* elements in common:

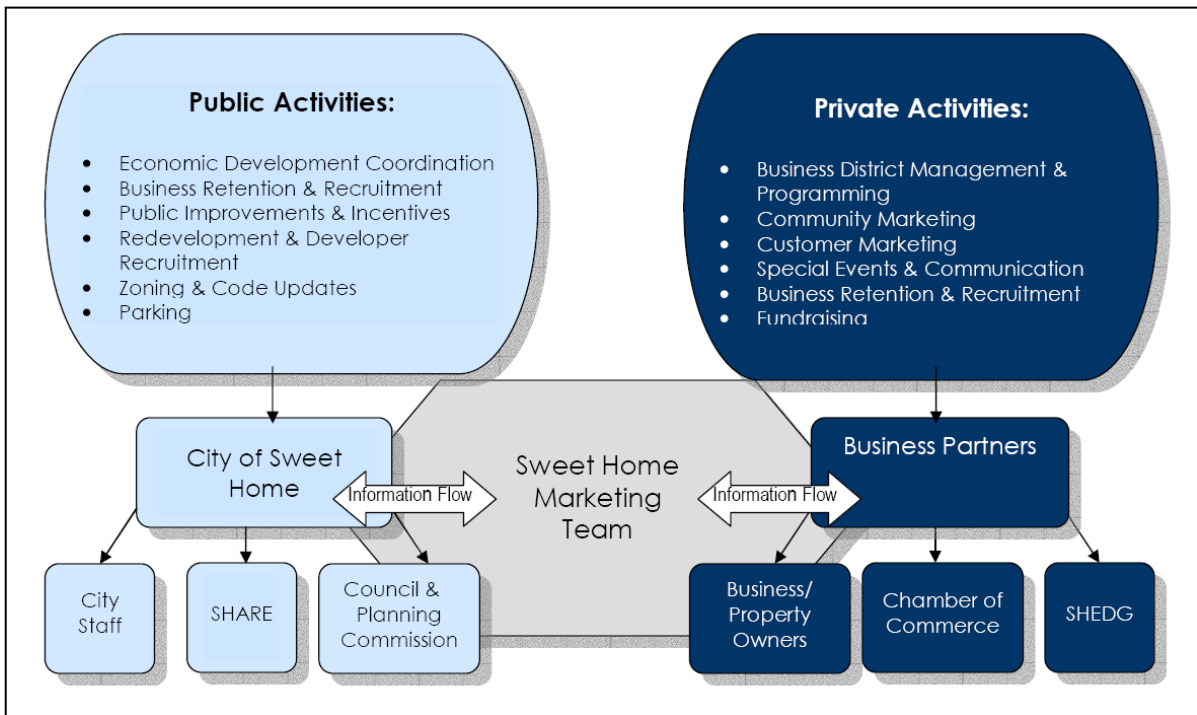
- Public-private partnership where goals, responsibilities, commitment and funding are shared through a unified game plan and common vision.
- A clear delivery system for ongoing market education, target marketing and sales. Among the stakeholders involved are the City, developers, established businesses, residents, lenders, entrepreneurs, regulators and employers.
- The capacity to follow-through on work plans is well established. The most creative marketing and sales efforts will not succeed without continuous follow-through and systematic adjustment to the market and business targets, which are in constant motion.

The City of Sweet Home and SHEDG recognize the importance of economic vitality to quality of life and long term success and recently hired an Economic Development Manager who will devote substantial time and energy to this vision. The community also understands the value and importance of partnerships and collaboration. A successful retail business

development and marketing effort will depend upon continued partnership among local and regional stakeholders. To help clarify how roles and responsibilities are typically divided and shared between government and business, the following flowchart provides an overview of who should do what, with some overlapping activities. The Marketing Team identified is still to be organized and refers to the ad hoc group that will come together through the Business Development training.

To enhance its opportunity for technical assistance and support, Sweet Home/SHARE should join the Oregon Main Street Program where over 50 Oregon downtowns (and through the National Main Street Center several thousand nationwide) are working to achieve downtown revitalization goals similar to Sweet Home's.

Exhibit 9. Business Development Roles & Responsibilities



Sweet Home is fortunate to have a strong base of engaged public, business and nonprofit leaders eager to move the business and marketing plan forward. Preliminary recommendations on who should champion what actions are outlined below. It is assumed that action team leaders will collaborate with multiple stakeholders to accomplish all of the tasks outlined in the implementation plan. As the group moves forward, keep in mind a few key principles to small town downtown success:

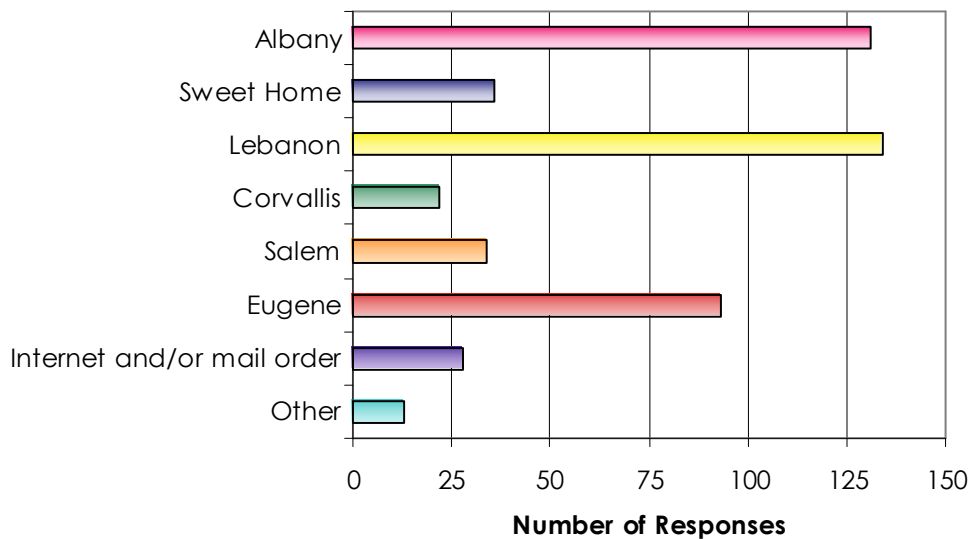
- Create Visible Results, Especially Early On
- Demonstrate and Promote Your Passion For Making Things Happen
- Encourage Innovative and Creative Approaches
- Take Incremental Steps and Celebrate As You Go
- Maintain A Public-Private Partnership and Leadership
- Reinforce And Reward Volunteer Involvement
- Stay Focused On Your Vision For Change

Appendix A: Shopper Survey Results

Section I: Shopping & Services in Sweet Home

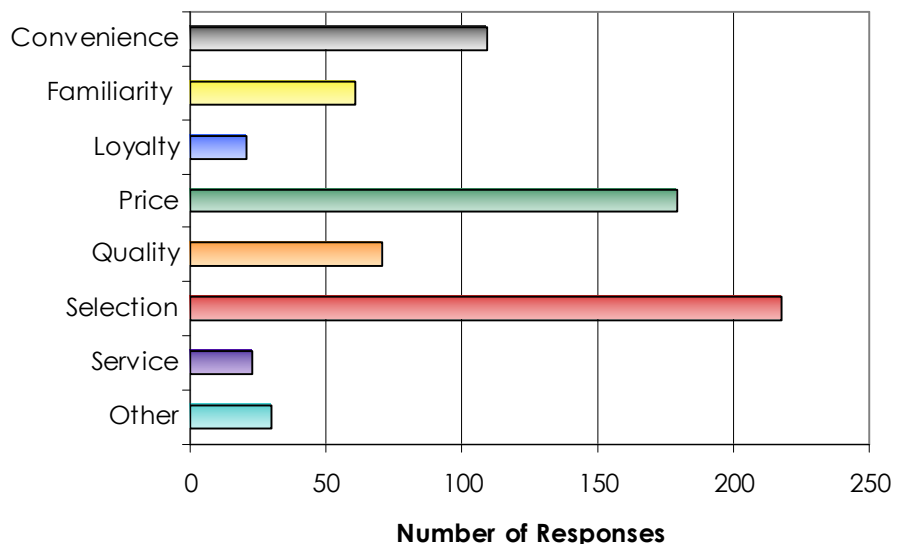
I. Where do you do most of your non-grocery shopping (e.g., apparel, home furnishings, sporting goods, etc.)? Please select up to two. (283 respondents)

- ★ Forty-seven percent (47.3%) of respondents (or 134) do most of their shopping in Lebanon, followed by Albany, which was selected by 131 respondents (46.3%).
- ★ A third of respondents (32.9% or 93) identified Eugene as a popular destination.
- ★ Thirteen percent of respondents (12.7% or 36) shop in Sweet Home.



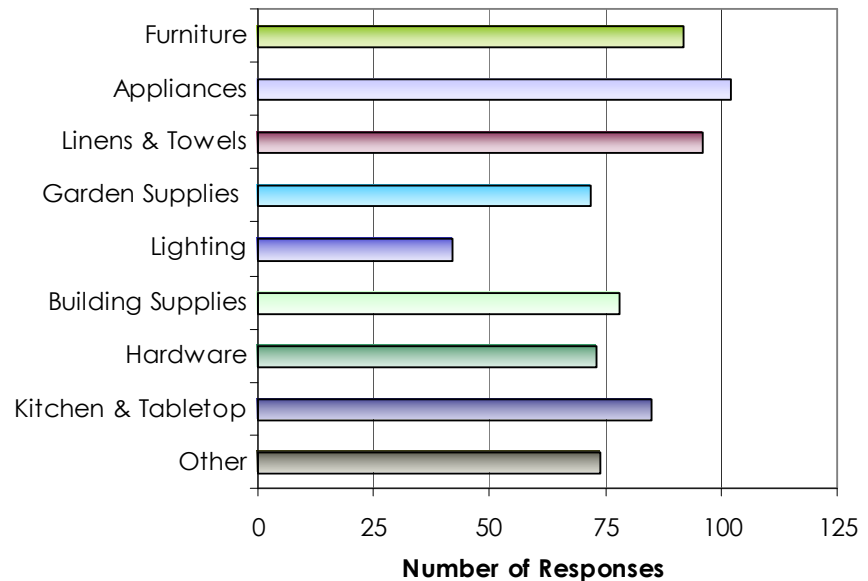
2. What are the primary reasons for shopping where you do? (Please select your top 3 reasons.) (283 respondents)

- ★ Selection and price are the two biggest factors underlying respondents' choice of shopping locations. Selection was identified by 77.0% of respondents (or 218) and price by 63.3% (or 179).
- ★ Other top motivators include convenience (38.5% or 109 respondents), quality (25.1% or 71) and familiarity (21.6% or 61).

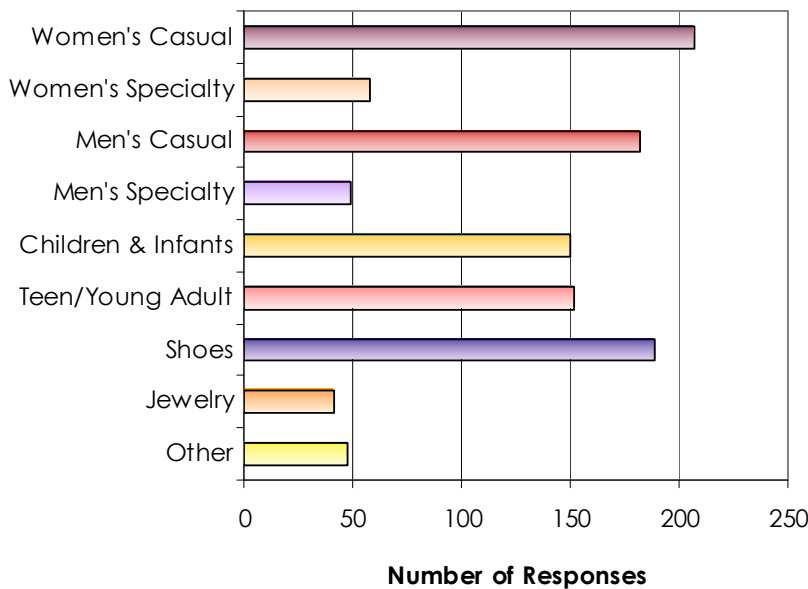


3. What kind of HOUSEHOLD GOODS do you think are needed in Sweet Home and would be supported if they existed? (Check all that apply.) (249 respondents)

- ★ Top household goods needed in Sweet Home include appliances (41.0% or 102 respondents) and linens & towels (38.6% or 96).
- ★ Other popular responses include furniture (36.9% or 92 respondents), kitchen & tabletop (34.1% or 85) and building supplies (31.3% or 78).



4. What kinds of APPAREL stores do you think are needed in Sweet Home and would be supported if they existed? (Check all that apply.) (270 respondents)

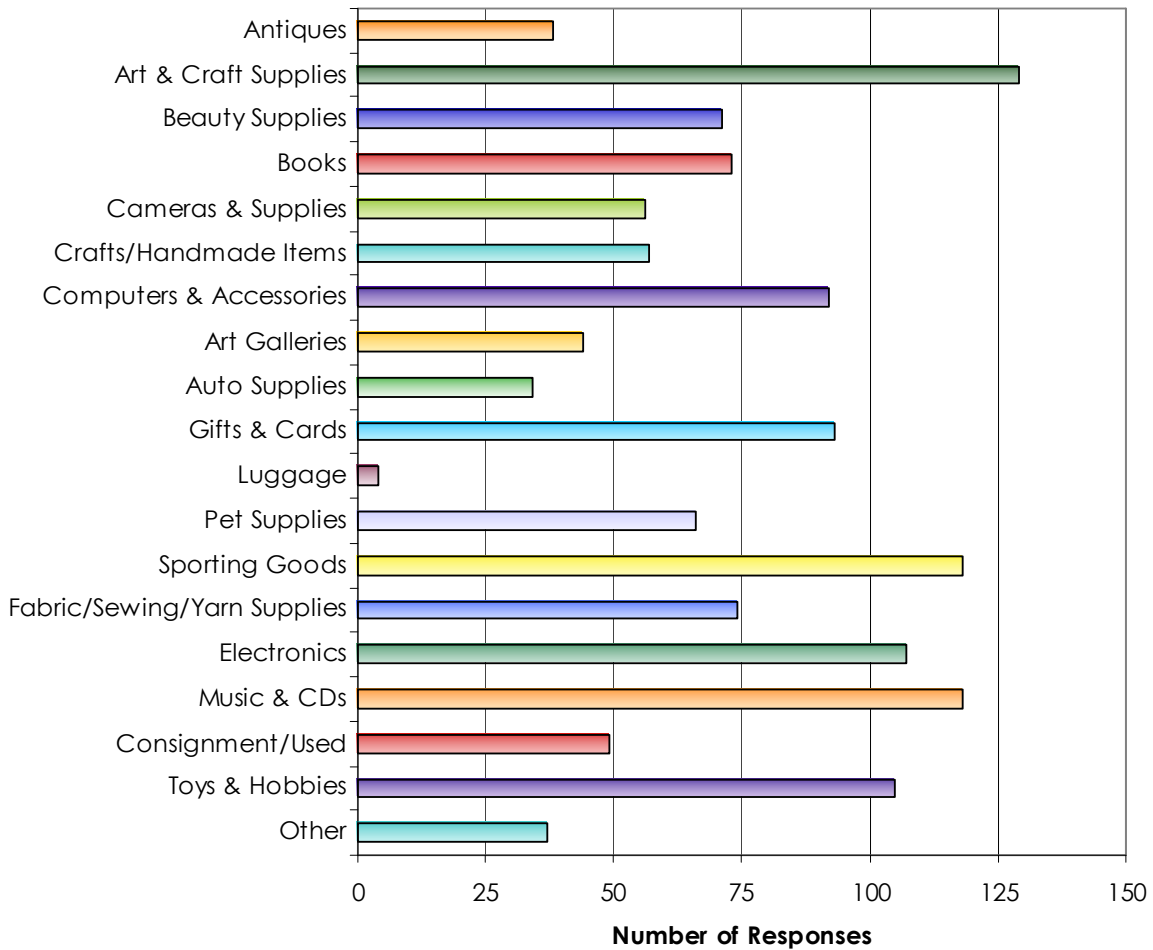


- ★ The top apparel need in Sweet Home is women's casual clothing, selected by 76.7% of respondents (or 207). The second most popular item is shoes, which were identified by 70.0% of respondents (189).
- ★ Other apparel items needed in Sweet Home are men's casual wear (67.4% or 182 respondents), teen/young adult apparel (56.3% or 152) and children's & infants' clothing (55.6% or 150).

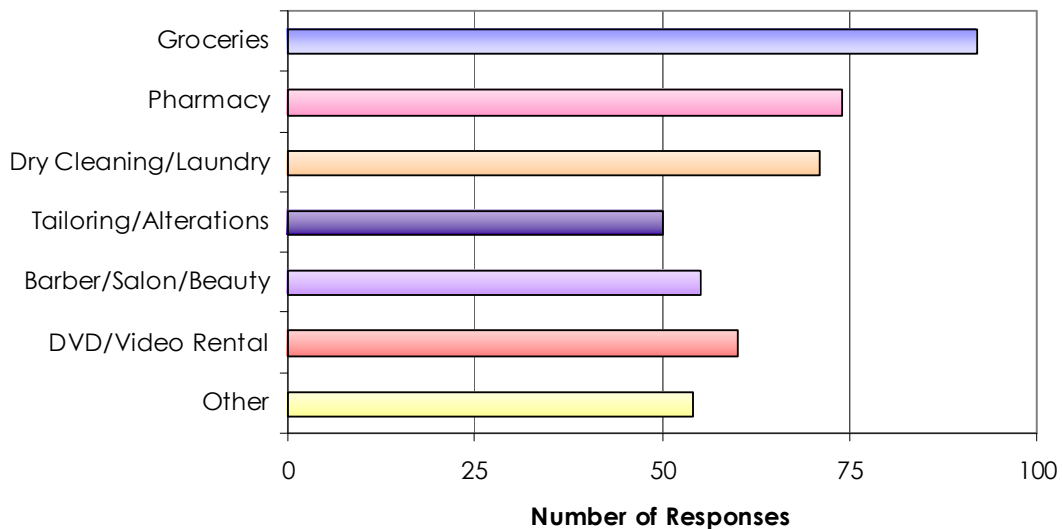
5. What types of SPECIALTY MERCHANDISE do you think are needed in Sweet Home and would be supported if they existed? (Check all that apply.) (270 respondents)

- ★ The most popular response was arts & crafts supplies, selected by 47.8% of respondents (or 129), followed by music & CDs and sporting goods, each chosen by 32.7% of respondents (118 each).

- * Other top selections include electronics (39.6% or 107 respondents), toys & hobbies (38.9% or 105), gifts & cards (34.4% or 93) and computers & accessories (34.1% or 92).



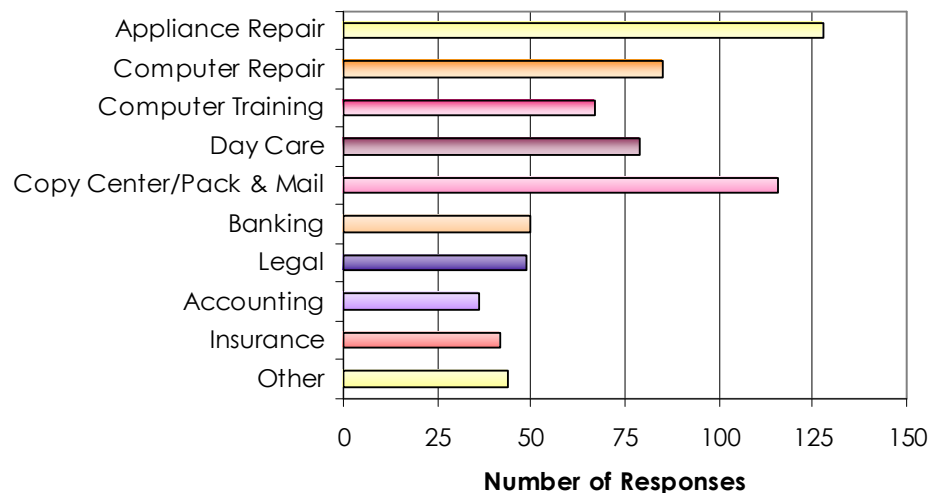
6. What kinds of CONVENIENCE MERCHANDISE and PERSONAL SERVICES do you think are needed and would be supported? (Check all that apply.) (199 respondents)



- * The most frequently selected types of convenience goods and/or personal services were groceries (46.2% or 92 respondents), a pharmacy (37.2% or 74) and dry cleaning/laundry (35.7% or 71).
- * Responses in the “other” category include a discount grocer, an organic/gourmet grocer, tool and equipment rental and a self-service dog wash.

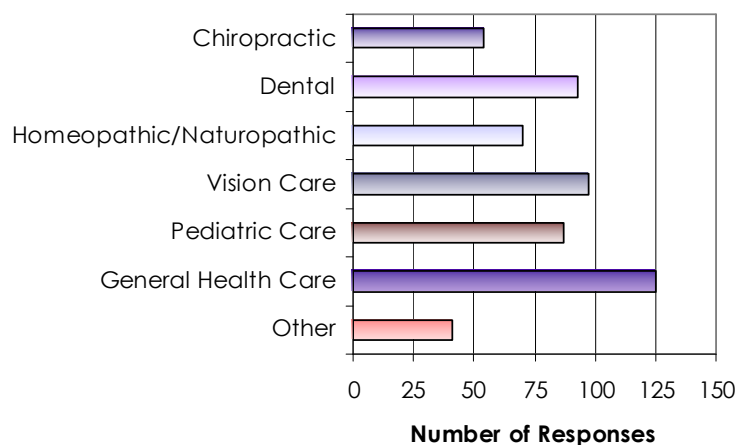
7. What kinds of GENERAL SERVICES do you think are needed and would be supported if they existed? (Check all that apply.) (236 respondents)

- * Appliance repair was the number one general service identified as lacking. Over half of respondents (54.2% or 128) selected it, followed by a copy center/pack & mail store, which was chosen by 49.2% of respondents (116).
- * Additional top responses include computer repair (36.0% or 85 respondents), day care (33.5% or 79) and computer training (28.4% or 67).
- * In the “other” category, responses are a car wash, a plumber, auto service/repair, activity classes (EX: painting, music, SCUBA diving, etc.), framing, glass repair, housekeeping services and a rent-to-own store.



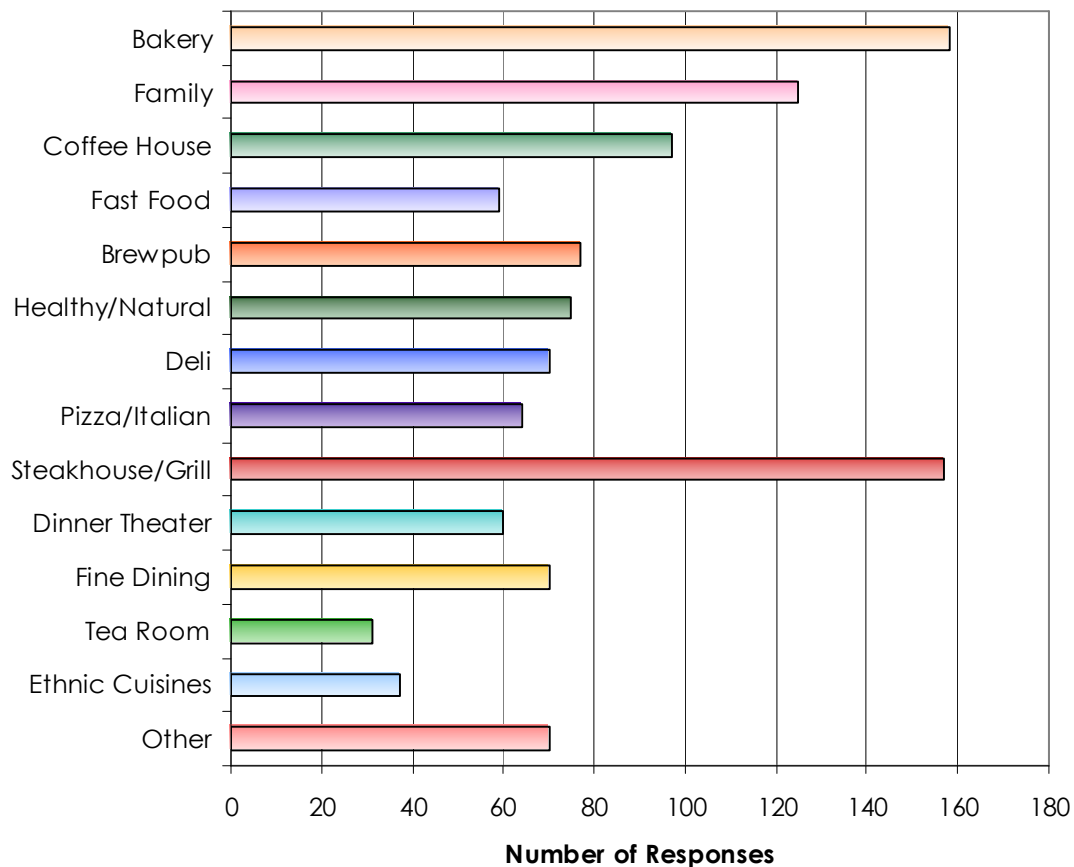
8. What HEALTH SERVICES do you think are needed in Sweet Home and would be supported if they existed? (Check all that apply.) (220 respondents)

- * General health care topped the list of health services needed in Sweet Home and was selected by more than half of respondents (56.8% or 125).
- * Vision care and dental were also popular responses, selected by 44.1% of respondents (97) and 42.3% of respondents (93), respectively.
- * In the “other” category, responses included urgent care (12 respondents), massage therapy, a hospital, mental health care, dermatology, obstetrics/gynecology and orthopedic care.



9. In your opinion, what types of RESTAURANTS AND CUISINES do you think are needed in Sweet Home and would be supported if they existed? (Check all that apply.) (269 respondents)

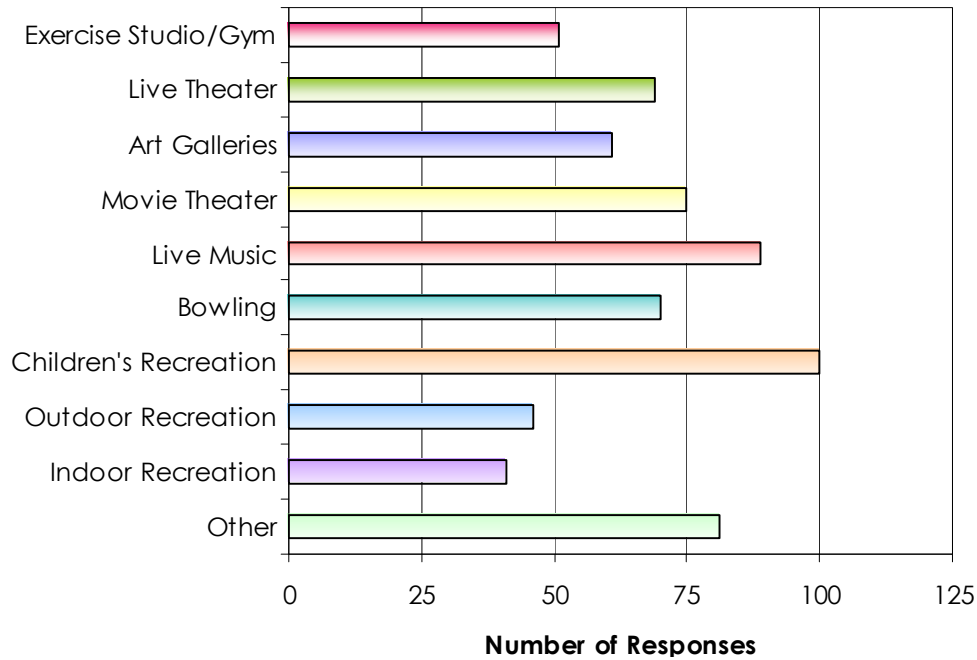
- ★ More than half of respondents selected a bakery (58.7% or 158) and a steakhouse/grill (58.4% or 157).
- ★ Other restaurants and cuisines needed in Sweet Home are family dining (46.5% or 125 respondents), a coffee house (36.1% or 97), a brewpub (28.6% or 77) and healthy/natural food (27.9% or 75).
- ★ In the “other” category, respondents recommended Thai (8 respondents), Chinese (7), Mexican (5), Japanese (5) and French (2) cuisine. Eight respondents mentioned a buffet and two a seafood restaurant. Specific restaurants identified include Taco Bell (13 respondents), Applebee’s (3), Sharis (2), Burger King (2), Denny’s (2) and Jack in the Box (2).



10. What kinds of LEISURE/ENTERTAINMENT activities do you think are needed in Sweet Home and would be supported? (Check all that apply.) (228 respondents)

- ★ The number one entertainment need in Sweet Home is children’s recreation, identified by 43.9% of respondents (or 100). Live music follows with support from 39.0% of respondents (89), several of whom specified an outdoor venue or a venue other than a bar.

- ★ A movie theater (32.9% or 75 respondents), bowling alley (30.7% or 70) and live theater (30.3% or 69) are other popular entertainment selections.
- ★ In the “other” category, respondents suggested mini golf (8), a skate park (6), a water park or outdoor swim venue (5), a rock climbing wall (5), an arcade (4), racquetball (5), outdoor equipment/boating rental (4) and walking paths (4).



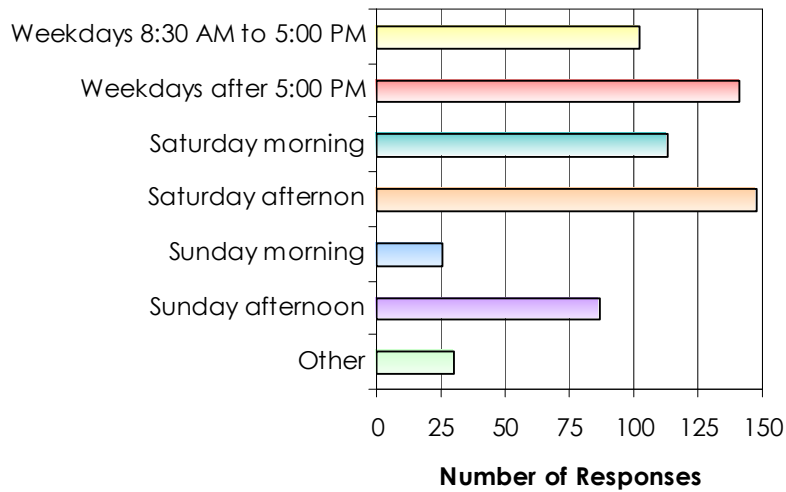
11. Some of the above merchandise and services may be available locally. Please explain why you may not be buying these products and services in Sweet Home if you are aware of them. (181 respondents)

- ★ Respondents’ top reasons for not shopping in Sweet Home are high prices (listed by 83 respondents) and lack of selection (71).
- ★ Other comments include the appearance of the stores, most specifically the rundown nature of the bowling alley (29 respondents), the quality of the goods available (14) and limited store hours (13).
- ★ Twelve respondents mentioned the need for a department store in Sweet Home.

Section 2: Shopping & Business Preferences

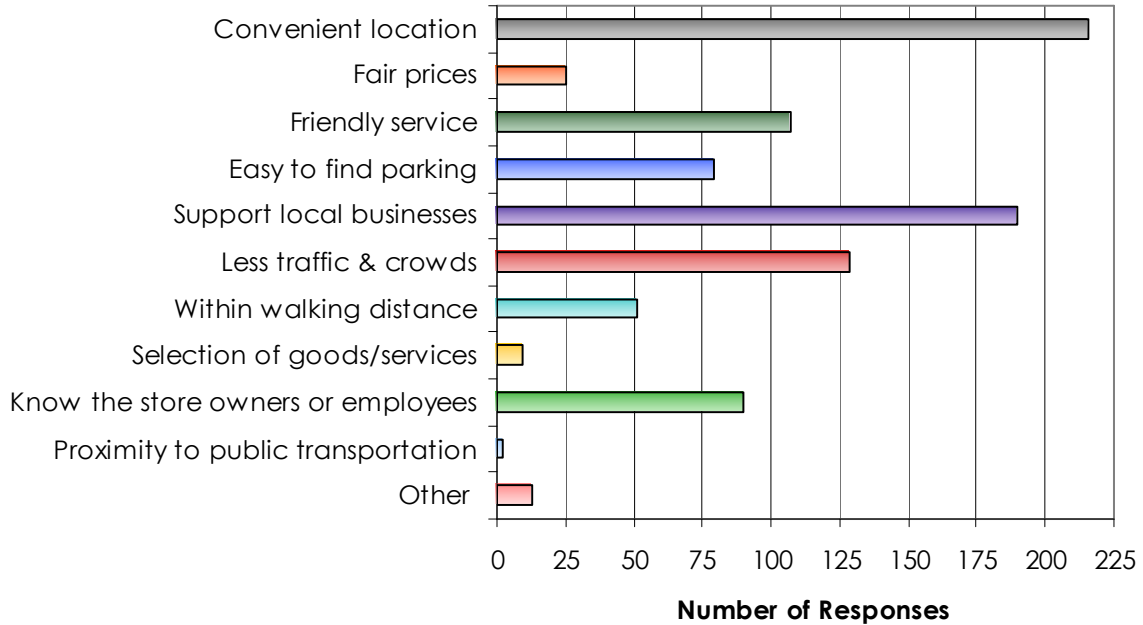
12. What are the best times for you to shop? (273 respondents)

- ★ Most respondents shop on Saturday afternoon (54.2% or 148 respondents) or on weekday evenings after 5:00 PM (51.6% or 141).
- ★ Other popular shopping times are Saturday mornings (41.4% or 113 respondents) and weekdays from 8:30 AM to 5:00 PM (37.4% or 102).



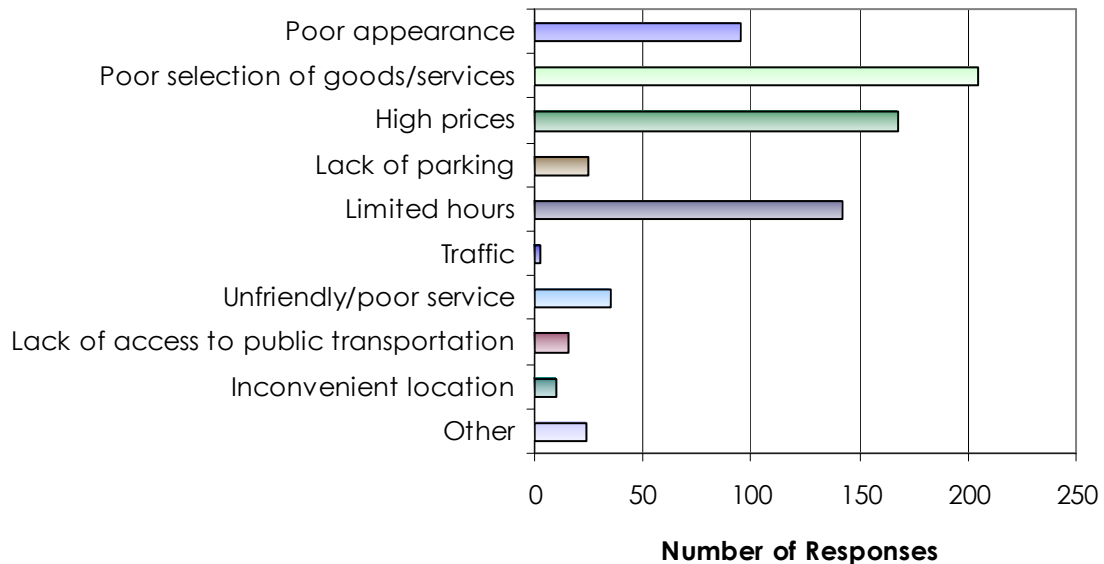
13. Currently, what are the major **ADVANTAGES of shopping or doing personal errands in Sweet Home? (Please check the top 3.) (275 respondents)**

- ★ The biggest advantage to shopping or doing personal errands in Sweet Home is the convenient location, which was selected by 78.5% of respondents (or 216).
- ★ Other top reasons include supporting local businesses (69.1% or 190 respondents), less traffic & crowds (46.9% or 129) and friendly service (38.9% or 107).



14. Currently, what are the major **DISADVANTAGES of shopping or doing personal errands in Sweet Home? (Please check the top 3.) (270 respondents)**

- ★ Seventy-six percent of respondents (75.9% or 205) selected “poor selection of goods/services” as a major disadvantage to shopping or doing errands in Sweet Home.
- ★ Other major disadvantages are high prices (62.2% or 168), limited hours (52.6% or 142) and poor appearance (35.2% or 95).



Section 3: General Information

15. What identity or image would you like to see Sweet Home develop for itself as a unique business, shopping and entertainment district? (191 respondents)

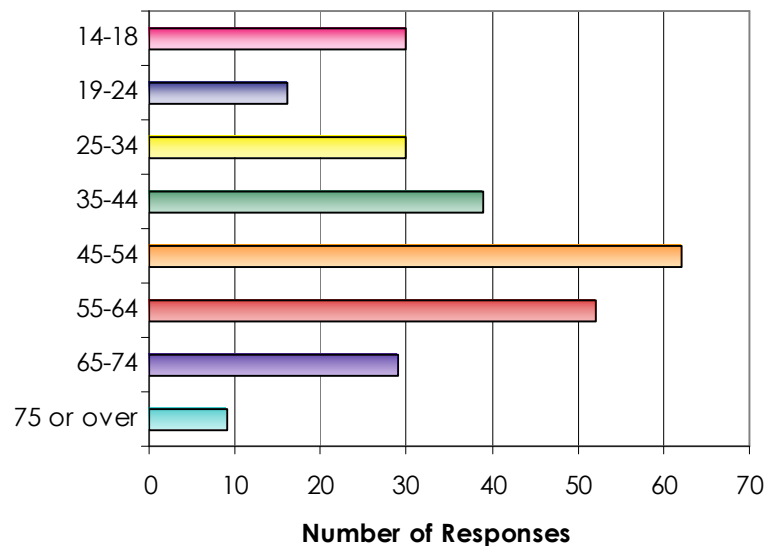
- ★ Respondents describe Sweet Home as a clean, welcoming place with refurbished building facades and a spruced-up downtown. While several respondents expressed a desire for a consistent look for downtown (22 respondents) or a western/logging theme (21), some indicated they would rather downtown not have a theme (8).
- ★ “Friendly and open. A relaxed place to stop and wander around.”
- ★ “Because of having the lake and mountains near, we could develop into more of a tourist community as well as accommodate local residents.”
- ★ “A quaint little community at the foothills of the Cascades. Sweet Home should stay with its roots and history but build on that with a more updated look and atmosphere.”
- ★ “A clean, country town where people can spend leisure time, do business and enjoy family time. Downtown should be colorful, clean and inviting with excellent customer service.”

16. What changes or improvements would you like to see in the Sweet Home business district to make it more attractive to shoppers? (196 respondents)

- ★ The top response was the need to clean up the downtown and fill vacancies. Other popular suggestions include more stores, improved storefronts, a consistent look to downtown, improved signage and better parking.
- ★ Respondents also mentioned the need to improve landscaping, lower prices and expand store hours.

17. Please check your age. (267 respondents)

- ★ The highest share of respondents (23.2%) are in the 45 to 54 year age category.
- ★ Nineteen percent (19.5%) of respondents are in the 55 to 64 year age category.

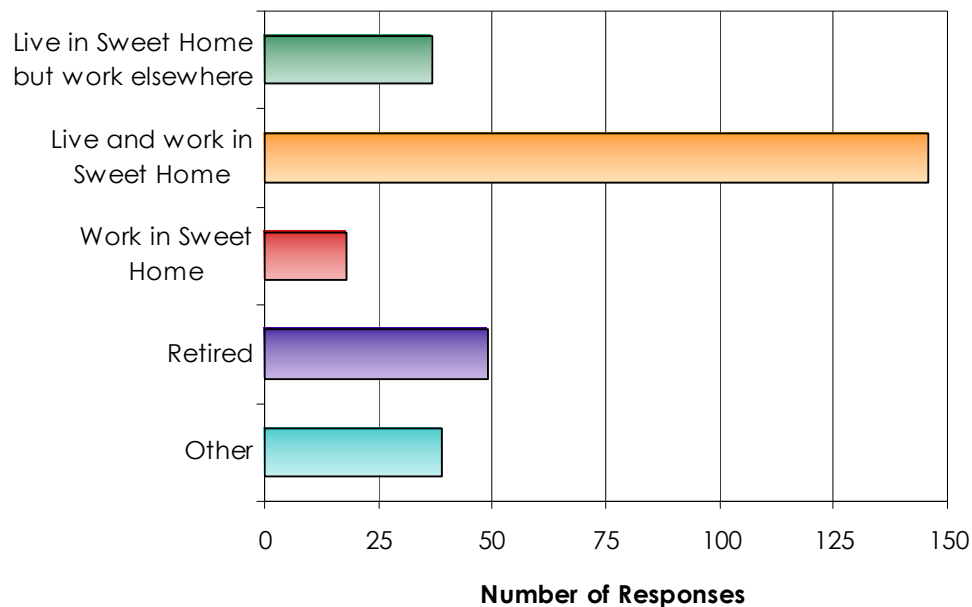


18. Please tell us your home zip code. (260 respondents)

- ★ The majority of respondents live in the 97386 zip code (90.8% or 236 respondents).

19. Please let us know where you live and work. (263 respondents)

- ★ Most respondents live and work in Sweet Home (55.5% or 146 respondents).



20. Please share any other comments below. (109 respondents)

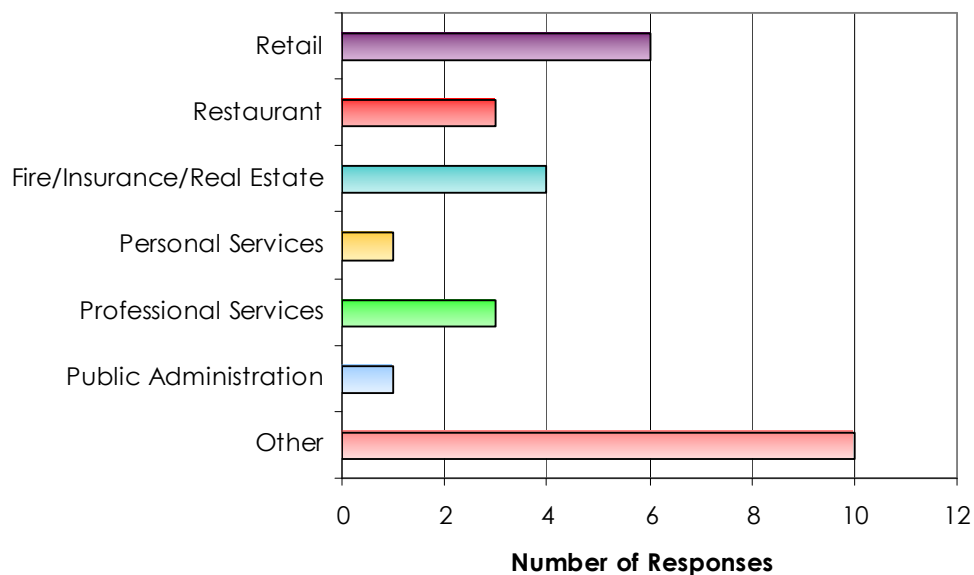
- ★ “Sweet Home is a beautiful opportunity. Let’s make it a destination, not a pass-through. I see it as a wonderful artisan village with nature’s bounty to enjoy!”
- ★ “We need to promote our beautiful natural surroundings, activities and hometown feel. Many people aren’t aware of everything Sweet Home has to offer. Prices can be slightly higher but it has to be worth it to stay in town. We need selection too. If we could group stores that complement each other and specialize that would help.”
- ★ “A nice motel with a large fireplace, restaurant, lounge and entertainment would keep visitors in town. I think that is the key to encouraging them to spend more money in Sweet Home.”
- ★ “It would be beneficial to have more opportunities for employment. We could be a thriving community with more diverse products and services available to local residents.”
- ★ “Ask the New Era or the Demo Herald to feature any business that makes improvements.”
- ★ “As a newcomer, it is very hard to see the storefronts from a distance. Signs are boring and hard to read.”
- ★ “Create highly visible storefronts. Stay open later and encourage people to come downtown in the evening. Offer outdoor dining, live music and performance art.”

Appendix B: Business Owner Survey Results

Section I: Business Information and Operations

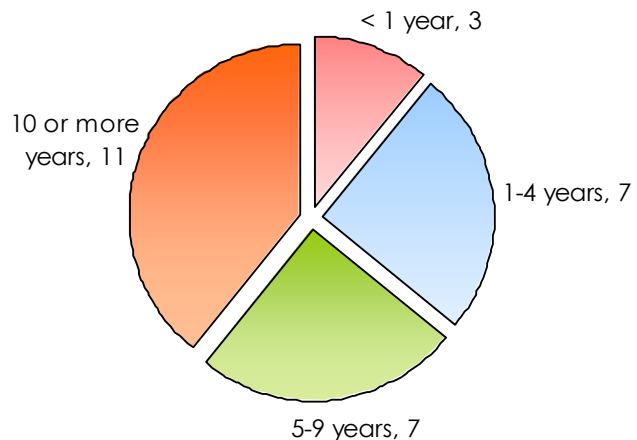
I. What is the nature of your business? (28 respondents)

- ★ More than any other category, 35.7% of respondents (10 respondents) reported that their business lies within the “other” category. These businesses include hospitality, farming, contracting, recreation, education and nonprofit companies.
- ★ Six respondents (21.4%) reported being retailers, followed by four finance/insurance/ real estate respondents (14.3%), three professional service respondents and three restaurants (10.7% each).



2. How long have you been operating this business in Sweet Home? (28 respondents)

- ★ The highest share of respondents (11 or 39.3%) operated their businesses in Sweet Home for more than ten years.
- ★ A quarter of respondents (7 or 25.0%) operated their businesses for 1 to 4 years, and another quarter for 5 to 9 years.



3. Name up to 3 advantages or strengths you associate with doing business in Sweet Home. (24 respondents)

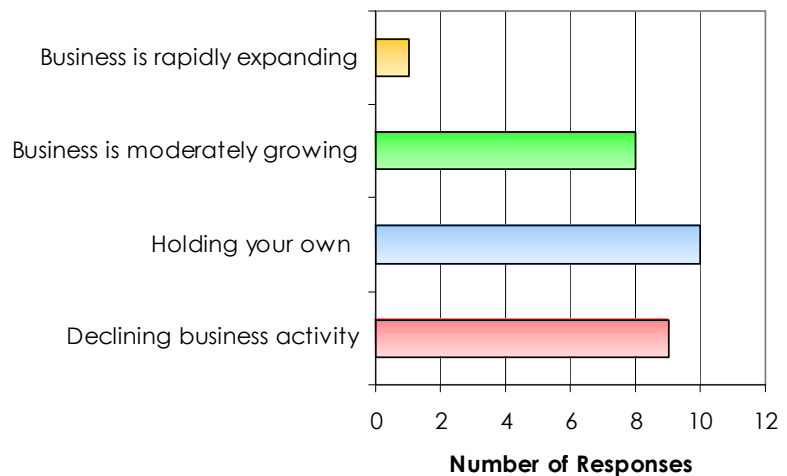
- ★ Most respondents (15 or 62.5%) listed knowing their customers and other local business people as an advantage to doing business in Sweet Home. Similarly, half of respondents (12) mentioned the support of loyal shoppers and the Sweet Home community as a strength.
- ★ Other benefits include location and accessibility, growing markets, a hometown atmosphere, recreation and tourism opportunities and relationships with other Sweet Home companies.

4. Please share any disadvantages (if any) to doing business in Sweet Home. (22 respondents)

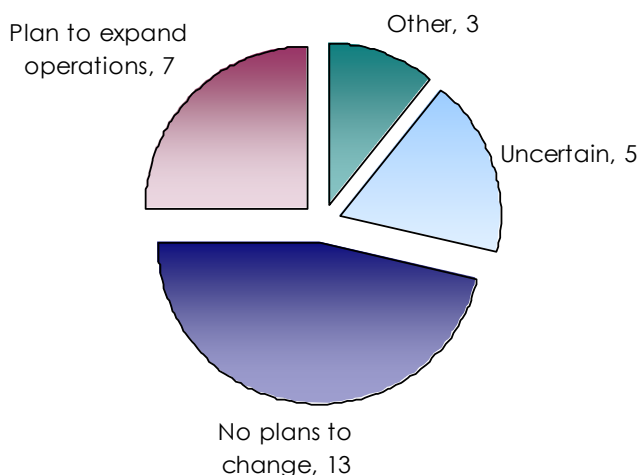
- ★ The top three disadvantages to doing business in Sweet Home include the recent economic downturn, a small customer base and a stagnant local economy, each listed by four respondents.
- ★ Other weaknesses include consumers choosing to shop outside of town, distance from suppliers, downtown’s rundown appearance and a lack of retailers and restaurants in downtown. Two or more respondents listed each of these factors as detractors.

5. How would you characterize your current business’ activity level (i.e. last 12 months of operation)? (28 respondents)

- ★ The largest share of respondents reported that they have held their own over the last year (10 respondents or 35.7%). Another third (9 or 32.1%) report declining business.
- ★ Nine businesses (32.1%) saw growth over the last year, one of which characterized this growth as “rapid expansion.”



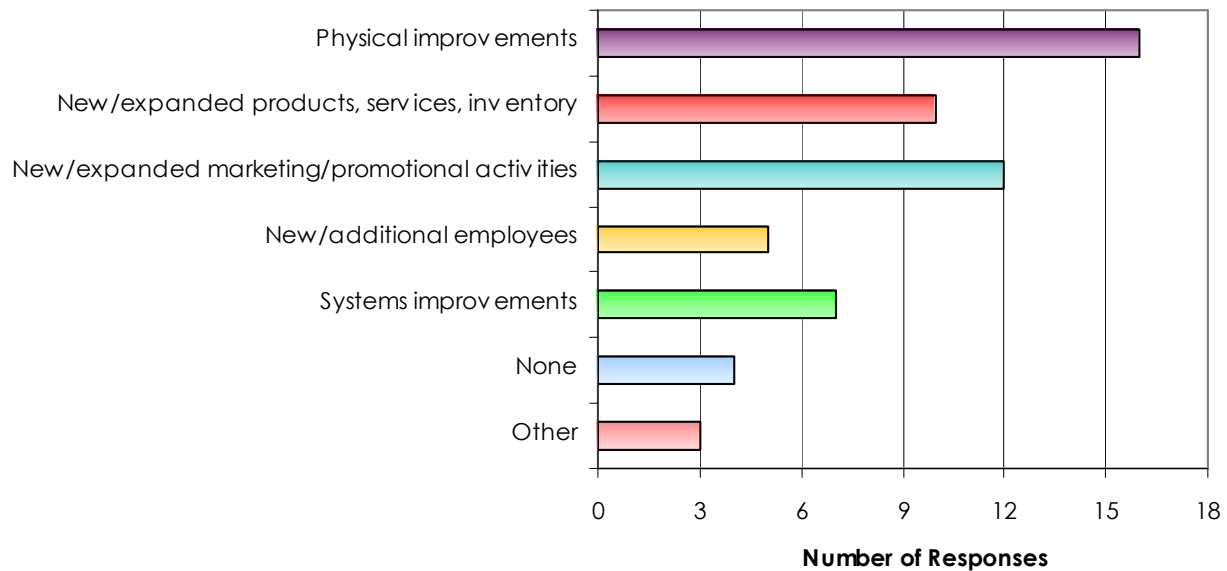
6. Which description below best characterizes your plans to expand or reduce your operations in the next one to two years? (28 respondents)



- ★ Nearly half of respondents (13 or 46.4%) have no plans to change operations. A quarter (7 or 25.0%) plan to expand.
- ★ “Other” responses include expanding product lines, increasing service opportunities and maintaining current employment levels.

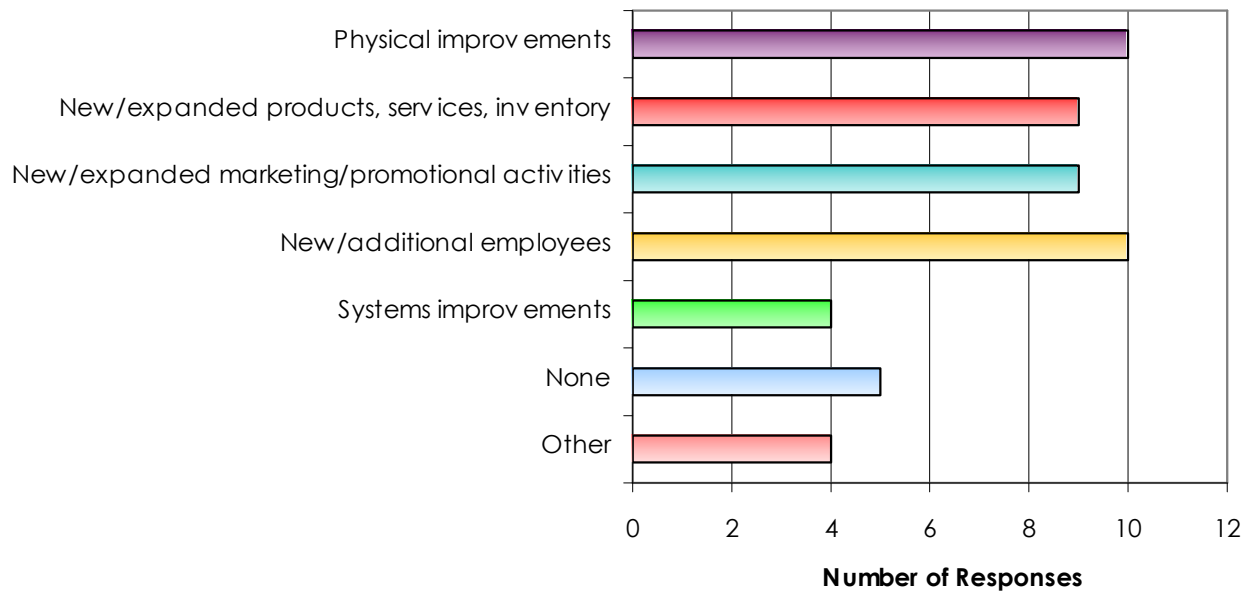
7. Please check any type of investment or improvement you have made in your business in the last two years. (28 respondents)

- ★ Physical improvements were the most frequent investment, made by more than half of respondents (16 or 57.1%).
- ★ Other popular improvements were new or expanded marketing and promotional activities (12 or 42.9%), new or expanded products, services or inventory (10 or 35.7%) and systems improvements (7 or 25.0%).



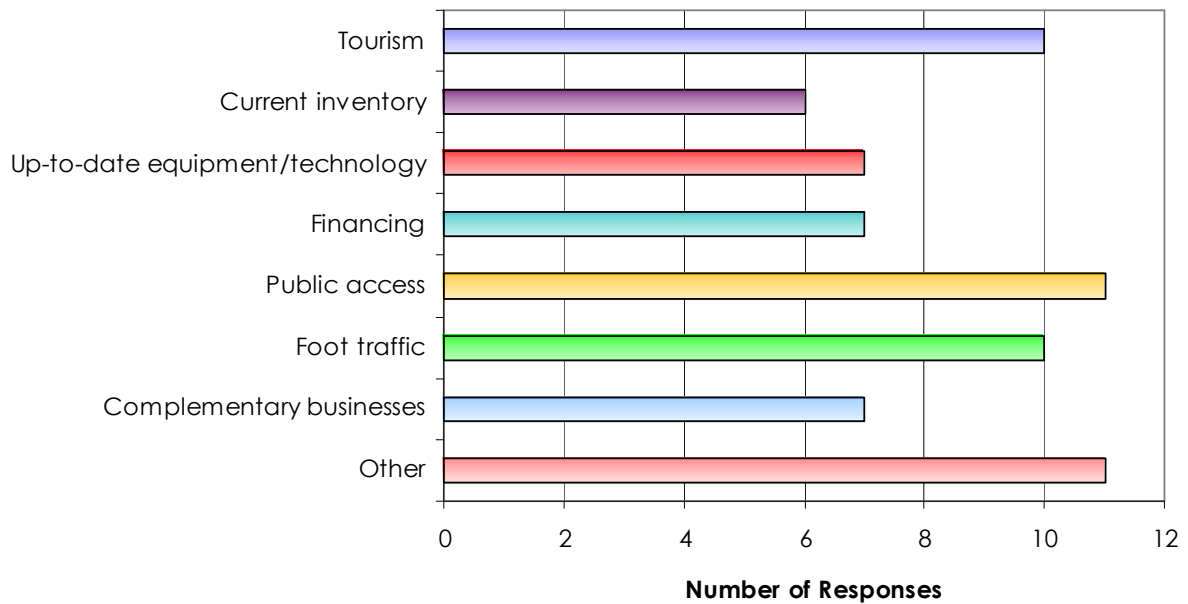
8. Please check any type of investment or improvement you plan on making in the next one to two years. (28 respondents)

- ★ New or additional employees and physical improvements are the two most popular planned improvements, each identified by ten respondents (or 35.7% each).
- ★ New or expanded marketing and promotional activities and new or expanded products, services or inventory are each anticipated by nine respondents (or 32.1% each).



9. In addition to a strong economy, what are the critical factor for the success and expansion of your business? (Check ALL that apply.) (28 respondents)

- ★ Top responses include public access (11 respondents or 39.3%), foot traffic (10 or 35.7%), tourism (10 or 35.7%) and qualified labor (9 or 32.1%).
- ★ “Other” responses include clustering with other businesses, availability of farm-related supplies, new businesses and housing development, government assistance and market growth.

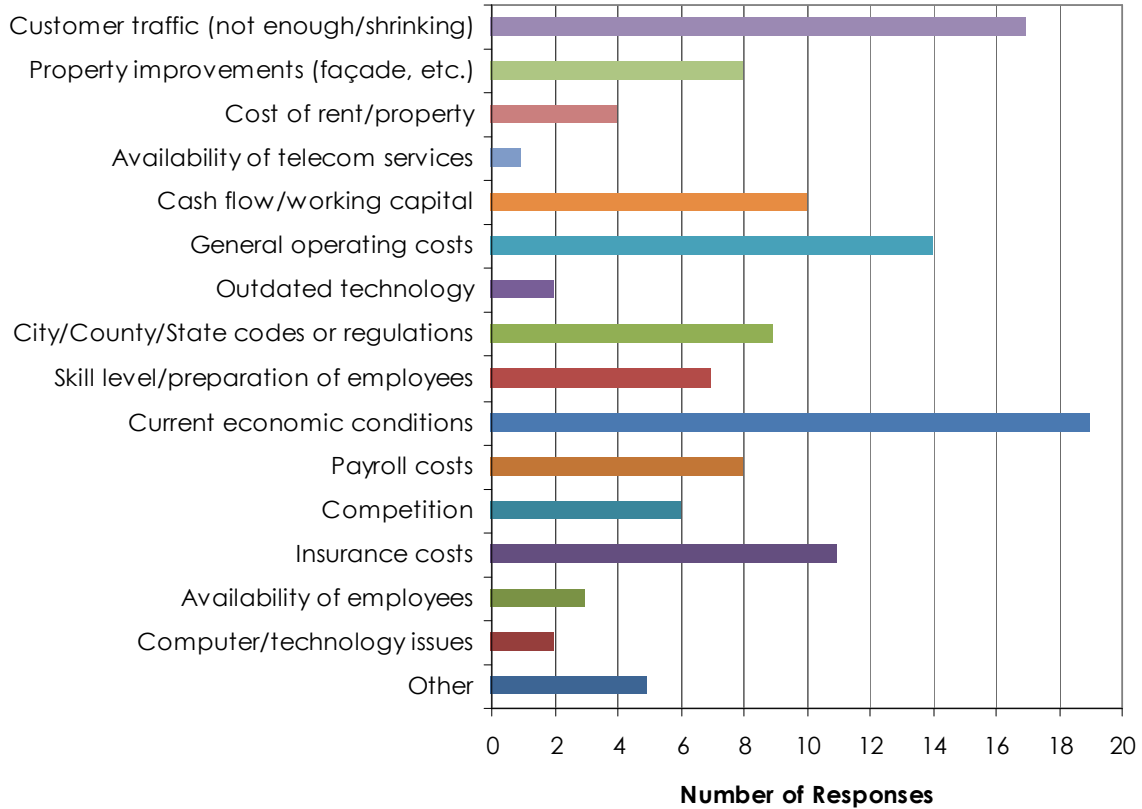


10. What are the major issues or obstacles facing your business today? (Please check the top 5 priority issues.) (27 respondents) (Please see the chart on the following page.)

- ★ Businesses listed current economic conditions as the biggest obstacle; nineteen respondents (70.4%) identify this factor as a major issue. General operating costs follow, selected by fourteen respondents (51.9%).
- ★ Additional top issues include insurance costs (11 respondents or 40.7%), cash flow/working capital (10 or 37.0%) and City/County/State codes or regulations (9 or 33.3%).
- ★ Among “other” responses are the cost of advertising, seasonal tourist markets, start up costs, lack of parking and a perception of a lack of professionalism in Sweet Home.

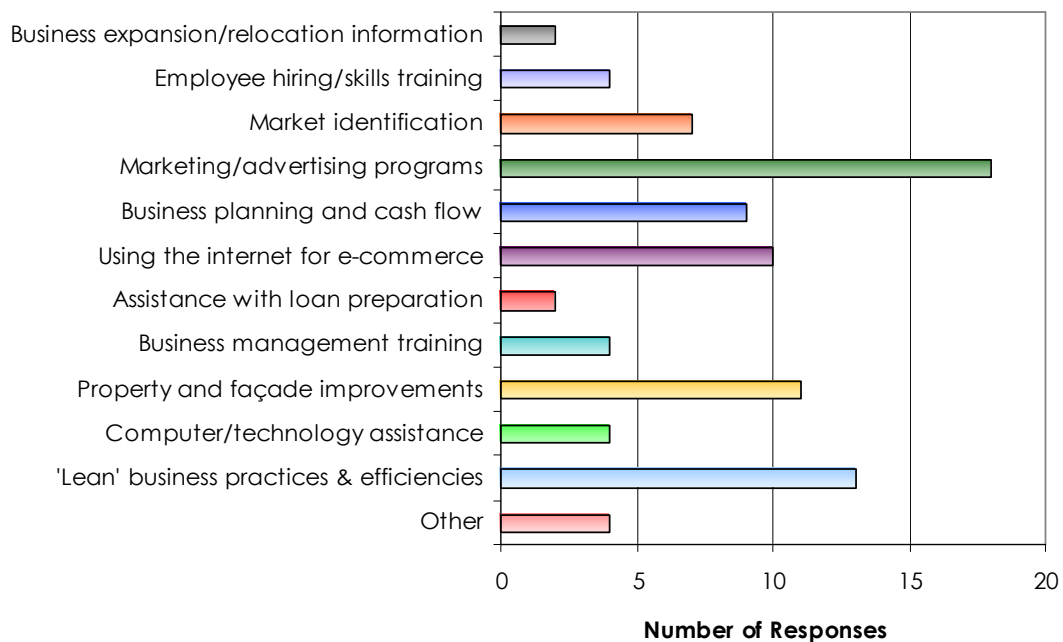
11. Please expand on any of your answers to Question 10. If you checked “City/County/State codes or regulations,” please be specific about the issues or obstacles. (9 respondents)

- ★ Of the nine respondents to this question, three listed complicated codes or inconsistent information as an impediment.
- ★ Two respondents mentioned signage – one noted the mandatory sign code and another described restrictions on banners.
- ★ Other impediments include a lack of encouragement for improvements, inability to obtain loans, high insurance and healthcare costs, a lack of qualified labor, low income levels of potential clients and storm water fees.



12. To keep your business healthy and competitive, which of the following types of information or assistance are important to your company's growth? (Please check ALL that apply.) (25 respondents)

- ★ Marketing and advertising programs was the most popular response, noted by eighteen respondents (or 72.0%).
- ★ Other top responses included 'lean' business practices & efficiencies (13 respondents or 52.0%) and property and façade improvements (11 or 44.0%).



13. Are you interested in participating in a cooperative business marketing effort to attract customers to Sweet Home or to encourage residents to shop locally? (24 respondents)

- ★ Nineteen respondents (79.2%) are interested in participating in a cooperative business marketing efforts, while five respondents (20.8%) are not.

Section 2: The Future of Downtown Sweet Home & Business in Sweet Home

14. What identity or image would you like to see downtown Sweet Home develop for itself as a unique business district attractive to residents, employees and visitors? (16 responses)

- ★ Responses emphasized a clean, welcoming, family-oriented downtown that offers a variety of stores and restaurants in an attractive, pedestrian-friendly environment.
- ★ “An open door neighborhood attractive to visitors. Music, flowers and greenery. More marketing of what already goes on downtown and of new activities.”
- ★ “A cleaner, more modern look to the business fronts. Banners or signage that would get the attention of people driving through.”
- ★ “Small town with a variety of shops and cafes as well as a destination resort atmosphere.”
- ★ “It would be nice if Sweet Home was a ‘sweet’ place to do business – friendly and professional.”

15. What types of businesses would you like to see downtown Sweet Home attract or grow to improve its business mix? (15 respondents)

- ★ Most respondents (9 or 60.0%) listed clothing as the business type needed in downtown.
- ★ Other merchandise types listed include art, home goods, gifts, electronics and computers, crafts, antiques, locally-made furniture, appliances, candy, books and music and frames. A drug store, department store and dollar store are also needed.
- ★ Restaurants listed include coffee and desserts, family restaurants, a bakery, a deli, an ice cream shop, a steakhouse and outdoor cafes.

16. What could downtown businesses do to attract more local residents? (15 respondents)

- ★ Top responses were cooperative advertising and more promotions (5 respondents), general clean-up and physical improvements (5), improved signage (4) and shopper incentives (3).
- ★ “Market, market, market! Use technology and media forums to get attention inside and outside Sweet Home. Clean up our storefronts. Get vacant spots rented with quality-run businesses.”
- ★ “Educate consumers on the services and products available in Sweet Home. Use cooperative advertising. Ask consumers what goods and services they would like to see offered. Find a way to stock a wider variety of products. Create a loyal shopper card program.”

17. What could downtown businesses do to attract more visitors and other shoppers who live out of the area? (13 respondents)

- ★ Respondents' top suggestion was additional advertising throughout the county. They also mentioned events (shopping, car shows, music performances, art shows, festivals, a corn maze and a pumpkin patch), improving the look of downtown and creating Sweet Home memorabilia.
- ★ "Capitalize on our events with more publicity and more events to showcase our community."

18. If you are interested in any follow up, please check the appropriate box below (8 respondents):

- ★ Six respondents would like more information about the Sweet Home Main Street program.
- ★ Three respondents would like a small business counselor to contact them for business assistance.
- ★ No one requested that the City of Sweet Home contact them about a regulatory/code question or concern.

19. Please provide us with the following information. Names, numbers and email addresses will be separate from other survey responses, which will be used only in the aggregate. (15 respondents)

- ★ Sweet Home Real Estate Corp
- ★ Figaro's Pizza
- ★ Sweet Home RV Center
- ★ Periwinkle Provisions
- ★ Salmon Brook Farms
- ★ Lilies & Lovelies
- ★ Seamingly Creative
- ★ Butte Ranch Enterprises
- ★ Friends of the Library Used Bookstore
- ★ Steelhead Strength and Fitness
- ★ Mr. Lucky's Deli
- ★ Rita's Relics and Oregon Prospecting
- ★ A&W Restaurant of Sweet Home
- ★ Edgewater RV Resort and Marina
- ★ Hartsook Insurance

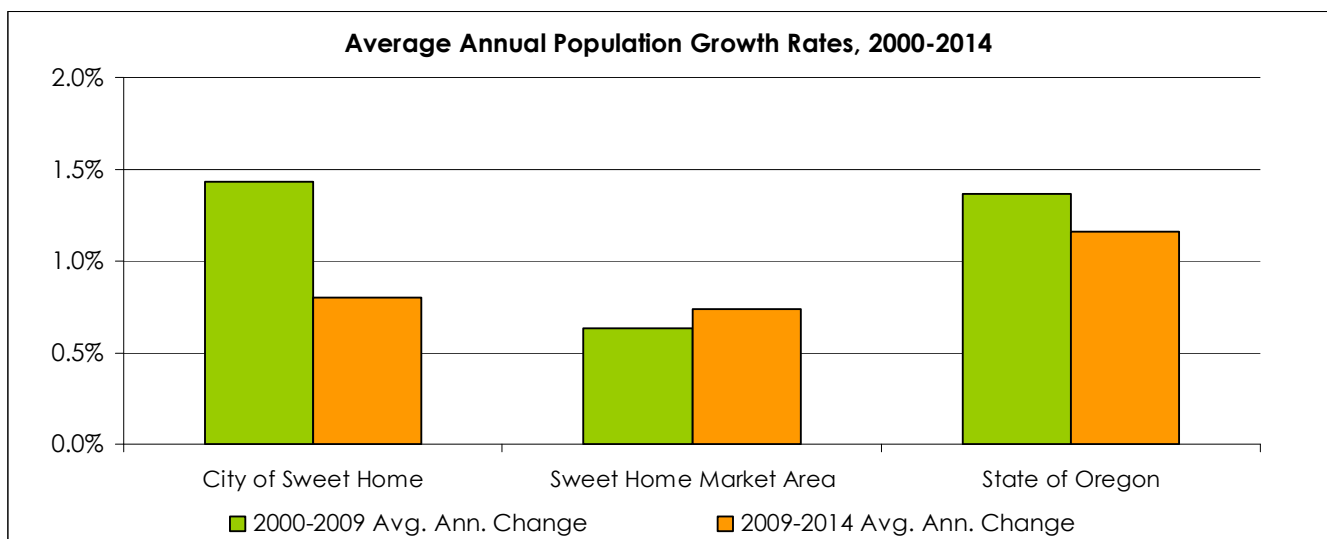
20. Please share with us any other comments you may have. (9 respondents)

- ★ "I've had several people who are not customers ask to use our restroom. We need a public restroom downtown."
- ★ "Adding more events and festivals, as well as more specialty shops and cafes, will draw more visitors!"
- ★ "There is also a viable business district to the east side of Sweet Home with long-term and new businesses. It would be nice if this area could be included to create a district that has more to offer travelers and locals."

Appendix C: Market Area Demographic Data

POPULATION & HOUSEHOLD GROWTH City of Sweet Home, Sweet Home Market Area and State of Oregon 2000-2014

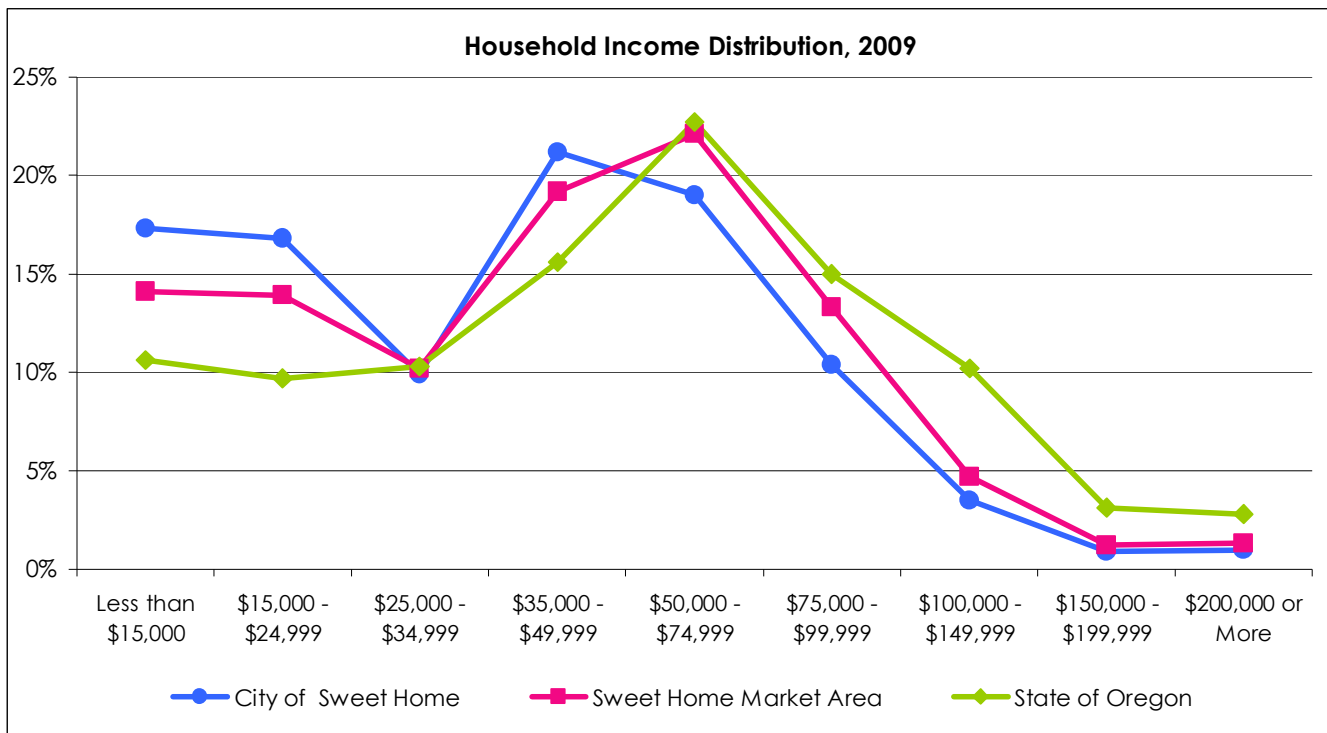
Geographic Area	Avg. Ann. Change 2000-2009				Avg. Ann. Change 2009-2014		
	2000	2009 (Estimate)	Number	Percent	2014 (Forecast)	Number	Percent
City of Sweet Home							
Population	8,016	9,050	115	1.43%	9,412	72	0.80%
Households	3,063	3,467	45	1.47%	3,609	28	0.82%
Avg. Household Size	2.59	2.59	0.000		2.59	0.000	
Sweet Home Market Area							
Population	14,748	15,584	93	0.63%	16,158	115	0.74%
Households	5,557	5,890	37	0.67%	6,112	44	0.75%
Avg. Household Size	2.64	2.63	-0.001		2.63	0.000	
State of Oregon							
Population	3,421,399	3,841,859	46,718	1.37%	4,064,906	44,609	1.16%
Households	1,333,723	1,495,911	18,021	1.35%	1,584,044	17,627	1.18%
Avg. Household Size	2.51	2.51	0.000		2.51	0.000	



Source: ESRI BIS; Portland State University Population Research Center

HOUSEHOLD INCOME
City of Sweet Home, Sweet Home Market Area and State of Oregon
2009

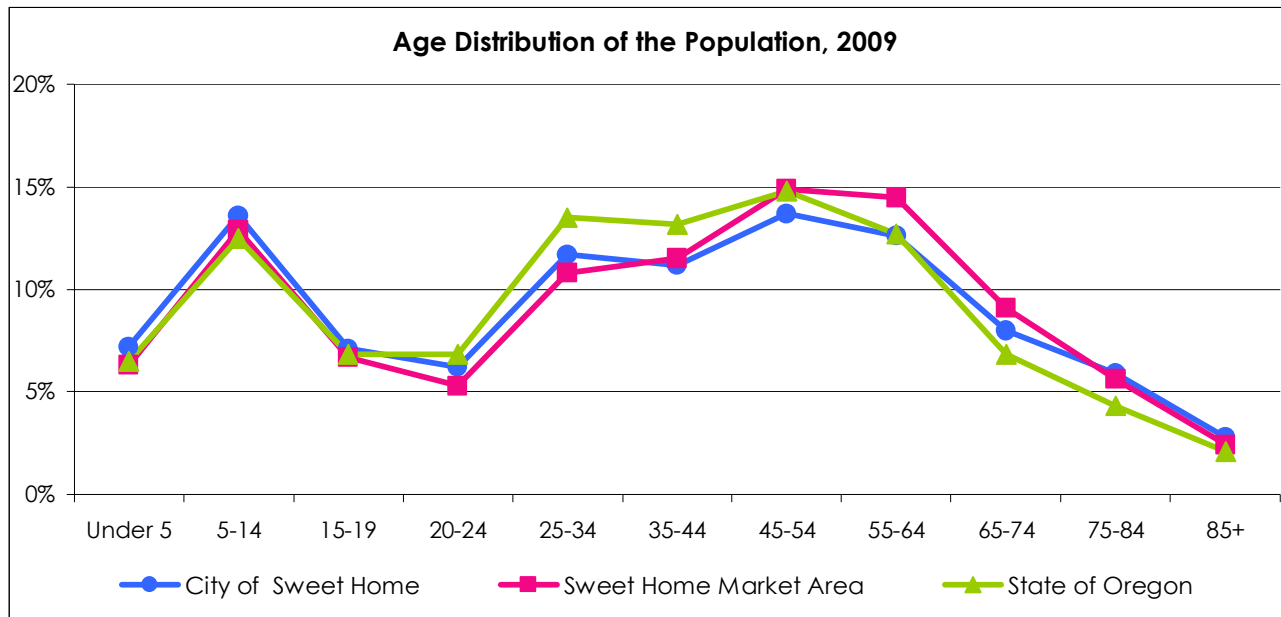
Income	City of Sweet Home	Sweet Home Market Area	State of Oregon
Less than \$15,000	17.3%	14.1%	10.6%
\$15,000 - \$24,999	16.8%	13.9%	9.7%
\$25,000 - \$34,999	9.9%	10.2%	10.3%
\$35,000 - \$49,999	21.2%	19.2%	15.6%
\$50,000 - \$74,999	19.0%	22.1%	22.7%
\$75,000 - \$99,999	10.4%	13.3%	15.0%
\$100,000 - \$149,999	3.5%	4.7%	10.2%
\$150,000 - \$199,999	0.9%	1.2%	3.1%
\$200,000 or More	1.0%	1.3%	2.8%
Total	3,467	5,890	1,495,911
Median Household Income	\$38,887	\$42,556	\$53,483



Source: ESRI BIS; Portland State University Population Research Center

POPULATION BY AGE
City of Sweet Home, Sweet Home Market Area and State of Oregon
2009

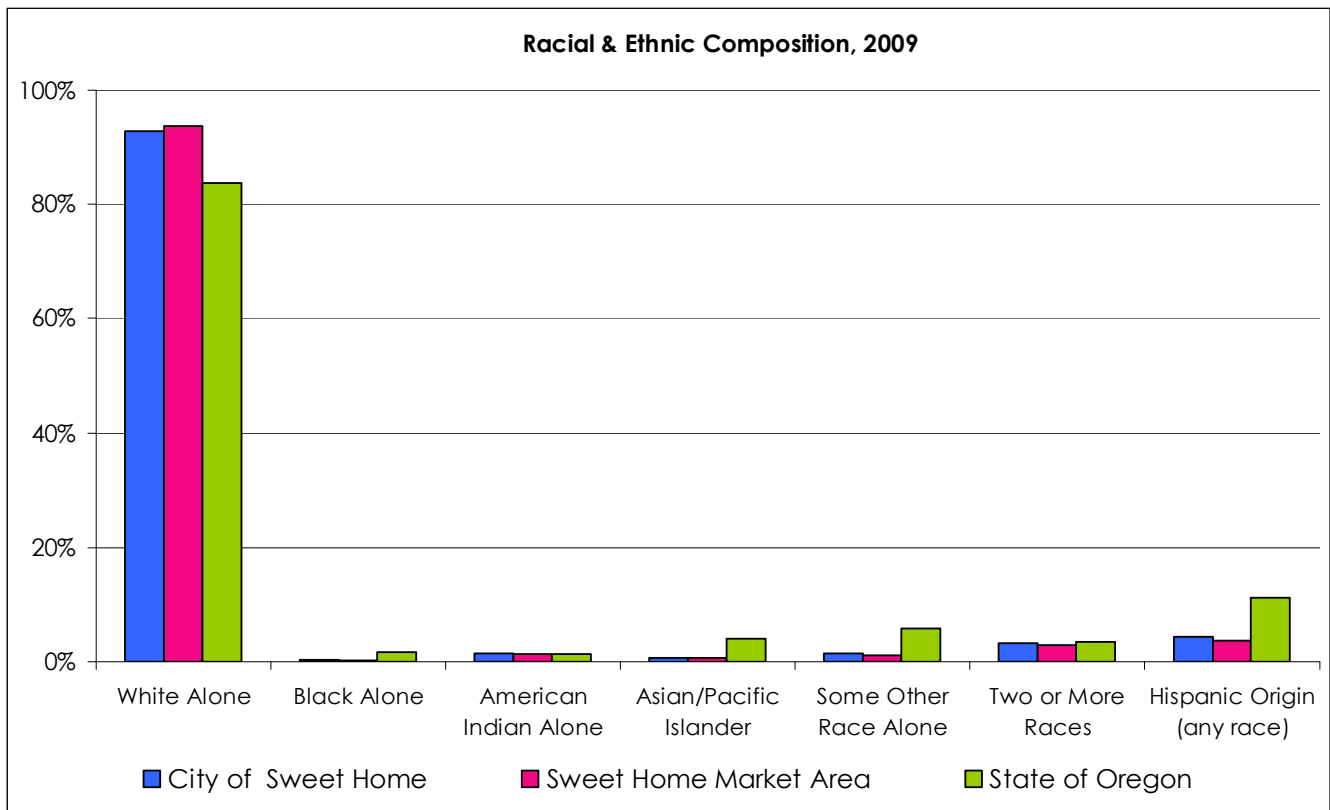
Age Category	City of Sweet Home	Sweet Home Market Area	State of Oregon
Under 5	7.2%	6.3%	6.5%
5-14	13.6%	12.9%	12.5%
15-19	7.1%	6.7%	6.8%
20-24	6.2%	5.3%	6.8%
25-34	11.7%	10.8%	13.5%
35-44	11.2%	11.5%	13.2%
45-54	13.7%	14.9%	14.8%
55-64	12.6%	14.5%	12.7%
65-74	8.0%	9.1%	6.8%
75-84	5.9%	5.6%	4.3%
85+	2.8%	2.4%	2.1%
Total	9,050	15,584	3,841,859
Median Age	38.8	42.2	38.0



Source: ESRI BIS; Portland State University Population Research Center

RACIAL & ETHNIC COMPOSITION
City of Sweet Home, Sweet Home Market Area and State of Oregon
2009

Race/Ethnicity	City of Sweet Home	Sweet Home Market Area	State of Oregon
White Alone	92.8%	93.6%	83.7%
Black Alone	0.3%	0.2%	1.7%
American Indian Alone	1.5%	1.3%	1.3%
Asian/Pacific Islander	0.7%	0.7%	4.1%
Some Other Race Alone	1.5%	1.2%	5.8%
Two or More Races	3.2%	3.0%	3.4%
Hispanic Origin (any race)	4.4%	3.7%	11.2%
Total	9,050	15,584	3,841,859



Source: ESRI BIS; Portland State University Population Research Center

Community Tapestry Segments

Recognizing that people who share the same demographic characteristics may have widely divergent interests and shopping preferences, Community Tapestry data (developed by ESRI Business Information Solutions) categorizes neighborhoods throughout the nation into 65 consumer groups or market segments. Neighborhoods are geographically defined by census blocks, which are analyzed and sorted by a variety of demographic and socioeconomic characteristics as well as other determinants of consumer behavior.

Market area households have been grouped into Tapestry market segments. The market segments within the Sweet Home Market Area are identified and summarized in the chart on the following page.

TOP TEN TAPESTRY MARKET SEGMENTS
Sweet Home Market Area
2009

Market Segment		% of Hholds	Hhold Type	Median Age	Median Income	Consumer Preferences & Purchases
1	Heartland Communities	27.8%	Married couples/ Singles	42	\$35,006	These households are employed in blue collar jobs and have incomes, net worths and homes valued slightly below U.S. averages. They spend money at Wal-Mart, True Value Hardware stores and fast food restaurants.
2	Salt of the Earth	18.8%	Married couples	41	\$50,538	Families with a rural or small town lifestyle who take on small home projects and vehicle maintenance. They frequently own a truck, motorcycle and two or more pets. Leisure activities include hunting and fishing.
3	Rural Resort Dwellers	16.0%	Married couples	47	\$47,311	Enjoy simple life and consumer tastes describe these residents. Own domestic 4-wheel drive trucks. Lifestyle includes baking and home cooked meals, as well as participation in local civic issues. They go hunting, fishing and listen to country music.
4	Rooted Rural	8.7%	Married Couples	42	\$37,509	These households are typically made up of do-it-yourselfers who enjoy working on their homes and cars. Favorite pastimes include attending country music performances, reading hunting and fishing magazines and shopping by mail, phone or online.
5	Great Expectations	7.2%	Family Mix	33	\$37,684	Made up of a mix of renters living in low-density buildings and owners living in homes valued below the national average. Purchase baby and children's products and eat in family restaurants, practice martial arts and play pool.
6	Rustbelt Retirees	6.6%	Married couples/ Singles	45	\$50,977	Budget-minded retirees who shop at discount stores and warehouse clubs. They purchase big ticket home improvement items and gifts to spoil their grandchildren.
7	Crossroads	5.7%	Married couples	32	\$41,213	With incomes slightly below the U.S. median, these households are mindful of their expenses. They shop at discount department stores for groceries and children's products. They enjoy fishing, NASCAR and pets.
8	Green Acres	4.7%	Married couples	41	\$63,922	Blue collar families w/ children 6-17 living in pastoral settings. These do-it-yourselfers are not afraid to tackle home improvement projects and enjoy watching football and NASCAR and going hunting and hiking.
9	Simple Living	4.5%	Married couples/ Singles	41	\$28,202	Living in urban outskirts and suburban areas, these households spend wisely on a tight budget. They shop at discount stores and watch cable, but are unlikely to own a personal computer or DVD player.
Total Households		100.0%				

Source: ESRI BIS

Appendix D: Statistical Market Analysis Charts

RETAIL EXPENDITURE POTENTIAL Sweet Home Market Area 2009-2019

Merchandise or Service Category	Per Household Expenditure	Target Sales (\$/SF)*	2009 Retail Potential		2014 Retail Potential		2019 Retail Potential	
			Sales (in mil \$)	Space (SF)	Sales (in mil \$)	Space (SF)	Sales (in mil \$)	Space (SF)
Apparel	\$1,149	\$209	\$6.8	32,390	\$7.0	33,611	\$7.3	34,878
Home Furnishings	\$1,095	\$199	\$6.4	32,410	\$6.7	33,632	\$6.9	34,899
Home Improvement	\$1,007	\$140	\$5.9	42,358	\$6.2	43,955	\$6.4	45,611
Misc. Specialty Retail	\$1,377	\$216	\$8.1	37,543	\$8.4	38,958	\$8.7	40,427
Shoppers Goods			\$27.3	144,702	\$28.3	150,156	\$29.4	155,815
Grocery	\$4,694	\$390	\$27.7	70,898	\$28.7	73,570	\$29.8	76,343
Health/Personal Care	\$896	\$365	\$5.3	14,453	\$5.5	14,998	\$5.7	15,563
Convenience Goods			\$32.9	85,351	\$34.2	88,568	\$35.5	91,906
Restaurants	\$2,650	\$263	\$15.6	59,342	\$16.2	61,579	\$16.8	63,900
Entertainment	\$281	\$90	\$1.7	18,357	\$1.7	19,049	\$1.8	19,767
Personal Services	\$649	\$151	\$3.8	25,334	\$4.0	26,288	\$4.1	27,279
Total			\$81.3	333,085	\$84.3	345,640	\$87.5	358,667
Five Year Net Gain					\$3.1	12,554	\$3.2	13,028

* Target sales are based on the Urban Land Institute, "Dollars and Cents of Shopping Centers."

Sources: ESRI BIS; Urban Land Institute; Marketek, Inc.

RETAIL EXPENDITURE POTENTIAL
Linn County
2009-2019

Retail Category	Percent of Visitor Spending ¹	Target Sales (\$/SF)	2009		2014		2019	
			Spending (in millions)	Space (SF)	Spending (in millions)	Space (SF)	Spending (in millions)	Space (SF)
Shoppers Goods	12%	\$216	\$14.2	65,967	\$15.9	73,817	\$17.6	81,667
Restaurants	20%	\$216	\$23.7	109,944	\$26.6	123,028	\$29.4	136,111
Entertainment, Arts & Rec.	9%	\$90	\$10.7	118,740	\$12.0	132,870	\$13.2	147,000
Grocery	8%	\$390	\$9.5	24,357	\$10.6	27,255	\$11.8	30,154
Total			\$58.2	319,008	\$65.1	356,970	\$72.0	394,932
Five Year Net Gain					\$6.9	37,962	\$6.9	37,962

(1) Adapted from "Visitor Spending by Category."

Source: Dean Runyan Associates, Marketek, Inc.

SUMMARY OF MERCHANDISE AND SERVICE CATEGORIES

Merchandise/Service Category	Types of Goods/Services
Apparel	Women's Apparel, Men's Apparel, Children's, Footwear, Watches & Jewelry
Home Furnishings	Furniture, Floor Coverings, Major and Small Appliances, Household Textiles, Floor Coverings, PC Software and Hardware, Housewares, Dinnerware, Telephones
Home Improvement	Maintenance and Remodeling Materials, Lawn & Garden
Misc. Specialty Retail	Pet Care, Books & Periodicals, Sporting Equipment, Toys & Hobbies, Video Cassettes & Games, TV/VCR/Cameras, Audio Equipment, Luggage, Eyeglasses
Groceries	Food at Home, Nonalcoholic Beverages at Home, Alcoholic Beverages, Smoking Products
Restaurants	Food Away From Home, Alcoholic Beverages
Entertainment	Admission to Movie/Theater/Opera/Ballet, Recreational Lessons, Participation in Clubs
Personal Services	Shoe Repair, Video Rental, Laundry & Dry Cleaning, Alterations, Clothing Rental & Storage, Watch & Jewelry Repair, Photo Processing & Supplies, Child Care

Source: ESRI BIS

TYPICAL SIZE OF SELECTED BUSINESSES

Merchandise or Service Category/Business	Median	National	Local Chain	Independent
Specialty Retail				
Appliances	5,956	6,292	5,911	~
Art Gallery	1,802	~	1,802	1,907
Beauty Supplies	1,807	1,634	2,450	1,829
Bike Shop	3,440	~	~	2,596
Bookstore	10,093	23,000	9,990	2,740
Cameras	2,000	2,000	~	~
Children's Wear	3,913	4,879	3,054	2,105
Family Shoe Store	4,000	4,113	5,100	2,460
Family Wear	8,000	8,500	3,474	5,132
Gift/Cards	4,200	4,900	3,780	1,653
Hardware	13,200	13,900	~	~
Home Accessories	7,595	10,215	5,365	2,462
Jewelry	1,500	1,610	1,968	1,200
Luggage	2,500	2,499	~	~
Men's Clothing Store	3,500	4,319	3,065	2,750
Pet Supplies	7,995	17,600	3,201	3,200
Record/Tapes	4,464	6,178	~	2,017
Sporting Goods	8,465	22,000	4,980	2,995
Toys	7,855	12,000	~	3,344
Women's Ready to Wear	4,400	4,503	3,960	2,145
Convenience				
Drugstore/Pharmacy	10,920	10,860	16,668	4,977
Supermarket	50,420	49,071	51,495	23,300
Bakery	1,990	4,000	~	1,700
Gourmet Grocery	18,000	~	~	~
Wine/Liquor	3,440	~	6,237	2,920
Personal Services				
Day Spa	2,875	~	2,563	3,060
Women's Hair Salon	1,400	1,450	1,250	1,361
Nail Salon	1,200	~	1,200	1,200
Health Club	10,249	9,548	5,508	10,249
Mail/Packaging/Photocopying	1,278	1,240	~	1,236
Tailor/Alteration	950	~	900	1,035
Video Rental	6,000	6,333	4,240	4,733
Drycleaners	1,800	~	1,800	1,649
Day Care	4,000	~	~	3,901
Laundry	2,114	~	2,150	1,955
Restaurants				
Restaurant with Liquor	5,204	6,669	5,600	3,362
Restaurant without Liquor	3,581	6,500	3,025	2,625
Bar/Cocktail Lounge	3,821	~	~	3,821
Ice Cream Parlor	1,137	1,144	1,137	1,116
Coffee/Tea	1,578	1,650	1,624	1,400
Entertainment - Cinema	35,022	37,161	35,022	21,250

Source: Urban Land Institute, "Dollars and Cents of Shopping Centers"

Appendix E: Facilitated Meeting Summary

November 19, 2009

What's Going Well?

- Young business owners
- Quality of life – recreational opportunities; many things to do
- Reasonable real estate prices
- Attracting out of towners to live here
- Schools-quality facilities
- Developing the use of the lake
- Outdoor recreation
- Jamboree is like Christmas in July for retailers
- Senior Center—Boys & Girls Club
- New business investors are freshening up the town
- Commercial Exterior Improvement Grant available

What needs Work?

- Appearance
- Buildings—many old buildings
- Empty Storefronts
- Start-up, inexperienced entrepreneurs
- Many resources, not organized or coordinated
- Business turnover

Ideas

- Coordinate business assistance
- Business license fee
- Business retention program

Marketing Ideas

- Unified Appearance
- Cleanliness, exterior appearance, displays, merchandising
- Signage
- ODOT—what's legal? How do we succeed?
- Jamboree Promotion
- Boater-oriented promotion
- Shop Local
- Take a Walk Downtown

- Get more people downtown to create interest

Already Doing

- Halloween Promotion
- Warm & Cozy Tour

Questions on the Market Numbers

- Appliance and Electronics....the one small appliance store closed
- Apparel
- Get Camper data base
- Linn County Parks – Boat Launch Info
- Hayward

Appendix F: Property Database Form

Data Collection for Sweet Home Property Inventory

Name of Property/ Location			
Contact Person	Name, Position, Telephone		
Price and Square Feet (SF)	\$ <input type="checkbox"/> Negotiable	SF <input type="checkbox"/> Per Sq.Ft. <input type="checkbox"/> Lease/SF/Month <input type="checkbox"/> Lease/SF/Year	Utilities included? Y N <input type="checkbox"/> Lease/Month/NNN <input type="checkbox"/> Lease/Year/NNN
Type	<input type="checkbox"/> Retail	<input type="checkbox"/> Office	<input type="checkbox"/> Industrial
Best Uses			
Zoning	<input type="checkbox"/> Light Industrial <input type="checkbox"/> Industrial <input type="checkbox"/> Heavy Industrial	<input type="checkbox"/> Commercial <input type="checkbox"/> Heavy Commercial <input type="checkbox"/> Office/Warehouse <input type="checkbox"/> Retail/Office <input type="checkbox"/> Office	<input type="checkbox"/> Multi-Family/Retail <input type="checkbox"/> Commercial/Ag <input type="checkbox"/> None
ADDITIONAL FIELDS FOR BUILDINGS			
Special features/amenities			
# Parking Spaces			
Office Square Feet			
Total Square Feet			
Year Built			
Building Dimensions			
Construction Type			
Image/Maps Available?	<input type="checkbox"/> Yes	<input type="checkbox"/> No	

Appendix G: Property Assessment Sheet

Downtown Properties: Ready for Company?

So your downtown has a beautiful new streetscape. You've got strong market opportunity, the great location, directional signage and the marketing package. Now, *where are you going to locate all those great business prospects?* The worksheet below is designed to help you think through what properties are *really* ready for business tenants and which need some minor or major work.

VACANT PROPERTY ASSESSMENT

Location of Property _____

Size of Space _____

Other Features _____

Rate the following features of the property on a scale of 1 to 5, with 5 being Excellent and 1 being Poor.

Physical Condition	_____
Physical Appearance	_____
Location	_____
Accessibility (pedestrian)	_____
Availability of Parking	_____
Visibility	_____
Relationship with & influence by neighbor businesses	_____
Owner attitude and involvement	_____
TOTAL SCORE (40 possible points)	_____

Draw Your Conclusions:

- Which vacant properties are most marketable?
- Are there inappropriate uses?
- Are there properties needing extensive remodeling or that should be subdivided for tenants?
- Are there properties that should be condemned?
- What are your top properties for leasing?
- What is the plan for working with the property owner to get properties ready to show?

Appendix H: Sample Vacant Building Ordinance

City of Galt Vacant Building Ordinance

The City's Vacant Building Ordinance (VBO) is an effective tool for helping to remove blighted property from concerned neighborhoods.

According to the Fresno Municipal Code section 9-804.f, open and vacant houses and structures are deemed an attractive nuisance. Vacant houses, garages, and other structures must be secured so that they may not be entered by children, vagrants, or animals.

The Ordinance addresses the problems of vacant buildings falling into dilapidated, deteriorated, or hazardous conditions. Property owners are required to actively maintain, monitor, and keep secure all vacant buildings. This includes residential, multi-residential, accessory, commercial, or industrial structures.

Vacant Buildings are often sites for illegal activities.

The cost of boarding up a house or structure prior to a problem occurring may actually save expense and legal issues. Frequently, people go into vacant buildings, kick holes in walls, graffiti, tear off fixtures and break windows, as well as perform other illegal/illicit activities. These actions create costs as well as potential liabilities. Vacant houses also are potential fire hazards. This is especially true in winter, when vagrants will enter an unsecured house and build a fire to keep warm. Vacant houses are sometimes also used as drug houses and sites where prostitution occurs. Boarding up your vacant structures will help prevent these types of activities in our City.

Enforcement of this Ordinance

If enforcement of this Ordinance involves any violations relating to a blighted building by the City on an individual property; the property owner will be required to submit a Vacant Building Plan to the City on an annual basis to demonstrate how the building and grounds will be brought into compliance and kept in compliance. The owner is also required to pay all applicable fees. All remedies to obtain payment for any enforcement actions shall commence and could include monthly late fees, liens, assessments and/or including demolition of the vacant building.

Failure to Comply with the Ordinance

Failure to comply with the Ordinance may result in assessment or legal action against the property, its owners or agents for fees, penalties, and all other costs incurred by the City while enforcing the Ordinance.

Appendix I: Facade Improvement Program Success Stories

Greater Meredith Program, Meredith, New Hampshire

Extreme Makeover: Small Business Edition

- Modeled a business assistance/facade improvement program after the reality television show “Extreme Makeover”
- Assembled a “dream team” of experts to completely overhaul the exterior of one business in a competitive process
- Opportunity was widely publicized in brochures, meetings, newspaper to have businesses compete for overhaul
- Entry documents included a concept plan, guidelines, workplan, nomination form and scoring sheet

Dodgeville Revitalization Program, Dodgeville, Wisconsin

- Hired a design specialist to do a presentation of individual downtown buildings to give property owners an objective look at how customers and visitors view their buildings. Was eye opening for many store owners who had overlooked the way their buildings appeared to others.
- To encourage business owners to improve their buildings, the design committee created 3 types of design related assistance and incentives:
 1. Low interest loan program set up with 3 banks. Used local lending institutions to build on existing relationships with business owners.
 2. \$500 ‘Early Bird Matching Grant’ offered to the first five businesses that spent more than \$1,000 on façade renovations. Intended to jump start and publicize the program.
 3. Free design and general contracting service, including consultation with building owners and free initial drawings that suggest color options, façade improvements and new signs or awnings.
- Built portfolio of historical photos of community buildings to generate ideas,
- When building owners have limited budgets, encouraged them to make whatever changes they can afford. Treated these projects the same as a major renovation. To qualify for any of the incentives offered by the Dodgeville Revitalization Program, the project must receive design committee approval. In addition, when applying for a low-interest loan, the client must fill out a simple agreement form, which is then signed by the program manager or design committee chairperson and kept on file at the bank. This form includes the name and address of the client, the amount of the loan or type of incentive requested and a brief outline of the work to be completed (color choices, construction, awning or sign materials, contractors, etc.).
- Incentives widely publicized in newspaper, brochures, letters and personal visits to all businesses.
- ‘Mintz method’ used to convince building owners to improve their building facades. Mintz spent time getting to know the building owners, becoming familiar with their concerns and showing

interest in their businesses. These relationships gave him insight into ways to approach each building owner.

- Tailored revitalization discussions to each business owner as not everyone responds to the same approach.

Encinitas, California

- Created a façade improvement program that offers a rebate and works to demystify the construction permitting process and build better relationships between area merchants and the city.

Strategies for Persuading the Stubborn Landlord (from Main Street News, March 1998)

- How can a Main Street revitalization coordinator motivate absentee landlords to make needed improvements? What tools does he have at his disposal? What plan of action is most likely to succeed?
 1. Contact absentee property owner by letter and inform him of successful rehabs already completed. Describe how vacancies declined and rents increased.
 2. Offer tours of recently revitalized buildings.
 3. Pass a building maintenance ordinance.
 4. Make both the property owner and merchant aware of financial opportunities, building renovation ideas, downtown program's successes and goals through telephone calls, personal visits or a newsletter.
 5. Develop a color rendering illustrating what building can look like – involve both owner and merchant in the decision of paint colors, awning, etc.
 6. Prepare a chart that shows financial return on investment.

Appendix J: Sample Entrepreneurship Connections Program



Overcome Limitations

Learn it today, use it tomorrow.

Insight

Dream, think about, and plan for your next level of success. Develop a plan that is based in reality and implementable.

Solutions

Solutions to limiting factors such as cash flow, employees, competition, and daily problems. Gain skills to grow beyond your current level.

Success

Graduates of the NxLevel Course showed a 200% increase in sales after one year compared to a 6% average growth rate of business in Washington State in 2005.

CLASS SCHEDULE

Introduction, Overview and Entrepreneurship Planning & Research:
Entrepreneurial Essentials

Organizational Matters:
Management and Legal Structure

Marketing – “Behind The Scenes”:
Analysis & Underwriting

Marketing – “On Stage”:
Strategies, Tactics and Implementation

Financial Overview:
Books, Records & Controls

Managing Your Money: Financial Planning, Budgets and Assumptions

Managing Your Money: Developing and Using Cash Flow Projections

Understanding Your Financial Statement

Financing Your Business

The Deal Making Process:
Negotiation in the Real World

Your Business Future:
Managing Growth and Plan Completion

Graduation



Enroll Today!
Call:
Ellensburg Downtown Association
509- 962- 6246
Registration is limited.
Register before Dec. 31st

Do you have what it takes to advance your business to the NxLevel?



NxLevel Entrepreneur Course
Ellensburg, WA
January 5th - March 9th
2010

10- Week NxLevel Entrepreneur Course

Be Better Prepared To Run Your Business!

ABOUT THE NxLevel COURSE

LOCATION:

WorkSource; 309 E Mountain View; Ellensburg, WA

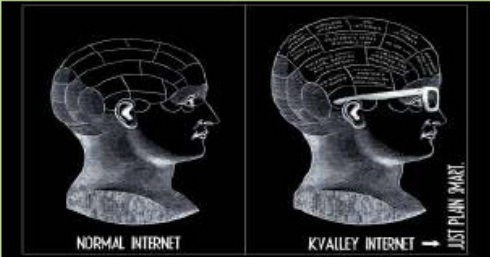
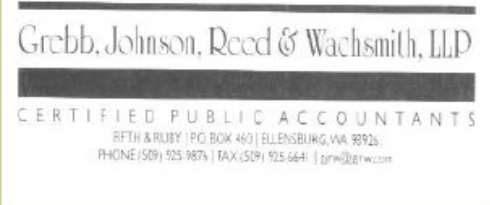
DATE/TIME:

Tuesdays starting
January 5, 2010
6:30p.m. – 9:30p.m.
Ten week series ends
March 9th, 2010.

FORMAT:

Class Instruction, Guest
Speakers, Text & Workbook,
Group Discussion

COST: \$350 Per Person



Registration Profile

Name: _____

Address: _____

(Street, City, State, Zip)

Phone: _____

Email: _____

Please pay by check or cash, make
checks payable to the
Ellensburg Downtown Association
PO Box 966
Ellensburg WA 98926

- ____ Business Owner
- ____ Manager
- ____ Existing Business
- ____ Start Up Business
- ____ Future Entrepreneur

Business Name if Existing Business: _____

Business Type if Start Up: _____

Reason for Attending NxLevel: _____

Appendix K: Economic Gardening Strategy

Sirolli's perspective is similar to a highly regarded program known as **Economic Gardening** which was established by Chris Gibbons in Littleton, Colorado in the 1980s and continues to thrive. Gibbons acknowledges that his is a "high end" approach. To start, energetic leadership is critical to stir the pot and assure positive progress. The leadership is critical to supporting entrepreneurial energy. By a "high end" approach, Gibbons subscribes to investing in strong technology tools. Knowing what information needs to be accessed can pay huge dividends, but requires expertise in producing such products as targeted mailing lists or statistical demand for specific products. Gibbons does not believe in operating loan programs, which he considers ineffective in the long term. He places a premium on individual coaching of individuals who clearly possess creativity and a desire to have their business succeed. While Littleton does not necessarily qualify as a rural community, its practices have been proven successful in areas more similar to Tillamook. According to Gibbons, what's most important is the degree to which innovation in entrepreneurial activity is acceptable in any given area. If such activity is not encouraged, success is highly unlikely.

Wallowa County Business Facilitation As a direct result of a Sirolli Institute organizing initiative in 1999 and 2000, Wallowa County community leaders formed the Wallowa County Business Facilitation nonprofit organization. Their mission is *to assist people in transforming their passionate ideas into viable new or expanding businesses*. In particular, this grassroots organization is interested in promoting local entrepreneurship and innovation and assisting in the startup, improvement, or expansion of businesses in all sectors. It should be noted that part of the impetus for the program was the absence of an SBDC serving Wallowa County. Small businesses simply had no easily accessible assistance available.

The organization hired full-time Wallowa County-based business coach, Myron Fitzpatrick in January 2001. Mostly recently, the job has become three-quarters time due in part to a declining number of prospects after the initial onslaught of interest.

For free and in confidence, the business coach will help connect an entrepreneur with the resources and skills she (or he) may need to create a successful business. Over the last four years, 426 clients have been served resulting in 103 new jobs from 46 new businesses, 8 acquired and 12 expanded businesses. See Appendix D for complete details on the types of clients, assistance provided and results achieved.

According to Myron, there are several guiding principles key to their success:

1. The focus is on the individual and their initiative, commitment and drive. *It is not about telling people what they should do. It is about helping people succeed at what they really want to do, with sound business management.* Myron never initiates contact with an individual.
2. The individual entrepreneur must do the work. Myron provides significant guidance and coaching and will package a business plan, but each individual is responsible for doing the homework. The coach spends up to 60 hours with each existing or aspiring entrepreneur and averages over 4 personal contacts or meetings.
3. A large supportive diverse board has also been important. Board members are encouraged to provide referrals with a target of 10 each. Many active members have surpassed this goal. Board

members also help connect existing or prospective businesses to work space, capital, financial planning skills, marketing skills, and other resources as needed.

Myron also makes regular referrals but again, does not call upon individuals. When the individual makes the call, he is better assured they want the help and are self-motivated.

4. An experienced, professional business manager with strong financial and general operations experience has helped ensure program success. Myron helped run both large and small companies in his career. His maturity and track record with the organization have undoubtedly been key to their success as well.
5. The program operates with minimal overhead. Office space is donated and facility/equipment needs are minimal.

The original fund requirements to participate in the Sirolli program were \$65,000. This figure is reportedly well over \$150,000 for groups wishing to work with Sirolli today. The Business Facilitation organization was sponsored by multiple partners including the Northeast Oregon Economic Development District (NEOEDD) serving Wallowa, Union, and Baker counties, and Wallowa Resources, a sustainable development nonprofit and local funders. Without local funding, it has proved difficult to sustain these projects, even with a record of outstanding and cost-effective results in turning people's ideas into viable businesses and significant annual wages.

Today, a principal funder of the Wallowa organization is the U.S. Department of Agriculture (USDA) Rural Services. USDA recently approved a two-year \$140,000 grant award for the program's continuation.

A similar Sirolli-based program unfolded in Baker County, Baker Enterprise Growth Initiative (also known as BEGIN) also with considerable success.

Source: Marketek, 2006

Appendix L. Sample Youth Retail Incubator

**Memorandum of Understanding and Support
Between
The Polk Help Achieving Lifelong Objectives (HALO) Program
And
The City of Independence Business Incubator**

The purpose of this agreement is to establish the initial terms and conditions of a cooperative partnership for mutual enhancement to the City of Independence Business Incubator and the Polk HALO Program. The Oregon Economic Development Department has designated the City of Independence as a rural, severely distressed community. Over one-third of the population is under the age of 18 indicating the essential need for development of this emerging workforce.

Independence Business Incubator Mission:

The Independence Incubator Program is a locally managed business assistance program and facility designed to stimulate economic growth by taking advantage of new business-related assets available in the community. Operating both within a managed facility and externally throughout the community, the Incubator Program nurtures entrepreneurship and new start-up businesses through business assistance programming ranging from below-market administrative assistance and support to business related educational services. Managed and administered by a 501 (c) 3 not-for-profit corporation, the Independence Incubator Program is a community benefit-based organization that enhances the quality of life in the City of Independence and through new business opportunity assistance.

Polk HALO Program Mission:

The mission of the Polk HALO Program is to develop skills, strengths, talents and abilities of local youth in order to increase productivity and stimulate economic growth in Polk County.

In order to accomplish its mission, HALO prepares and empowers eligible young workers to take advantage of new and increasing job opportunities in high growth, high demand and economically vital sectors of the local region.

HALO administers and leverages services and support for low-income youth between the ages of 17-21 with barriers to employment and education. Services are designed and delivered in a manner that maintains focus on and is relevant to:

- Preparation for and entry into postsecondary educational opportunities
- Strong linkages between academic and occupational learning with a focus on manufacturing and other sectors based on local labor market data
- Preparation for and entry into unsubsidized employment opportunities, and
- Effective linkages with community organizations with strong employer connections

In specific, the cooperative partnership will achieve their shared vision to stimulate economic development by developing its human and organizational capital:

Human Capital Development

- Implement adult mentoring activities in entrepreneurship for youth in order to develop the skills necessary to create their own business plans
- Foster incubation of youth-run business plans
- Implement adult business mentoring activities in order to increase youth proficiency in the knowledge and skills necessary for long-term success in the workplace
- Establish on-the-job training opportunities for youth within the daily operations of the incubator office facilities
- Increase youth involvement in local opportunities that foster a sense of belonging in the community
- Capitalize on pool of local leaders and volunteers as key members of committees and events

Organizational Capital Development

- Catalyze business incubation within manufacturing clusters and other high-growth sectors through business liaison activities of HALO staff
- Engage in shared active networking with state, regional and local organizations
- Research and share pertinent local labor market analyses, particularly around high-growth, high-demand and high-wage sectors
- Create shared reception, classroom, training and meeting space
- Establish HALO as a tenant within the incubator building contingent on Federal WIA funding
- Facilitate HALO's entry into the incubator as a client for below-market administrative assistance to become a 501 (c) 3 not-for-profit organization
- Enhance stability of both entities through shared board development activities
- Pursue future funding sources which benefit both entities, focusing on transforming low-income youth into successful contributors to the local economy
- Maintain a strong partnership with Western Oregon University and Chemeketa Community College for capitalizing on industry-specific occupational skill building programs

In line with the best practices published by the National Business Incubation Association, both entities will focus on leveraging existing local human and organizational assets to their highest potential. It is in the interest of all parties to establish a long-term, sustained commitment of support.

Both parties agree that the duration of this support agreement will be from the date of signature by all parties. This agreement may be terminated or modified by mutual consent of all parties at any time. Any such termination or modification of this agreement shall be without prejudice to any obligations or liabilities of any of the parties already accrued prior to such termination.

Unless earlier terminated, this agreement will persist for a period of up to five years. All parties shall provide written notice of their intention to continue participation by July 1, of each funding year. Notices shall be sent to the attention of the designated Incubator Board Executive Director and the HALO Program Executive Director.

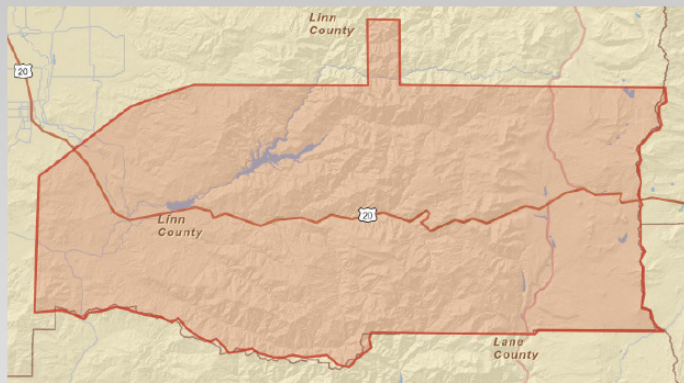
Appendix M. Retail Marketing Factsheet

Retail Opportunities Abound in Sweet Home, Oregon

Nestled in the Willamette Valley, downtown Sweet Home serves both local residents and the many out-of-towners that visit nearby attractions. Every year, the Oregon Jamboree ignites the city for a three-day festival celebrating music and art. Meanwhile, Foster Reservoir and Green Peter Lake bring over half a million visitors to the area annually. Strong market potential and ongoing revitalization make Sweet Home a natural choice for retail expansion.



Sweet Home Retail Market Area



For More Information

Craig Martin ♦ City Manager ♦ 541.367.8969
www.sweet-home.or.us ♦ CMartin@ci.sweet-home.or.us

Market Opportunity

- ♦ Resident market of more than 15,000 and employee market of almost 2,500
- ♦ Visitor counts of 30,000 for Oregon Jamboree, 500,000 for Foster Reservoir and 200,000 for Green Peter Lake
- ♦ Market area sales leakage of \$38.3 million in 2009 – ample existing unmet demand
- ♦ Potential for 126,700 square feet of new retail/restaurant space in market area by 2019
- ♦ Opportunities for apparel, appliances, furniture, sporting goods, arts & crafts, steakhouse, bakery, family dining and live music venues
- ♦ Sweet Home is eager to welcome new businesses

Appendix N: Target Business Recruitment Campaign

Goal — Identify and pursue specialty and independent retail compatible with the apparel, gifts, specialty niche merchandise targeted for downtown Sweet Home.

Audience — Locally owned-operated shops not currently represented downtown, regional and other retailers that may be ready to expand into a new market, businesses with current downtown locations in model cities.

Task 1. Contact specialty shops located elsewhere in Sweet Home.

- Identify local specialty shops that are located in on the edge of Sweet Home or in freestanding locations.
- Match available buildings that would best-fit businesses.
- Personally meet with them to present the vision for downtown Sweet Home.
- Provide them with the marketing packet detailing the opportunities (specific site and building), market demographics, customer profile, and the programs and assistance available to them to help with their expansion.
- Add them to the database to receive newsletter and updates on downtown activities.

Task 2. Contact specialty retailers currently located in model downtowns.

- Identify specialty retailers located in other nearby towns. (Corvallis, Albany, Salem, Eugene)
- Send a letter/market factsheet introducing the opportunities in downtown Sweet Home; offer to personally meet with them to present the vision for downtown Sweet Home; invite them to expand into the Sweet Home market.
- Place follow-up calls.
- Provide them with the marketing packet detailing the opportunities (specific site and building), market demographics, customer profile, and the programs and assistance available to them to help with their expansion.
- Add them to the database to receive newsletter and updates on downtown activities.

Task 3. Contact manufacturers of specialty goods located in Sweet Home and the surrounding area.

- Identify local companies producing specialty or unique products in or nearby Sweet Home. (EX: Gathering Together, wineries, solar/green tech, etc.)
- Personally meet with them to present the vision for downtown Sweet Home.
- Invite them to put a local outlet downtown or test for interest in a shared retail space.
- Provide them with the marketing packet detailing the opportunities (specific site and building), market demographics, customer profile, and the programs and assistance available to them to help with their expansion.
- Add them to the database to receive newsletter and updates on downtown activities.

Appendix O: Sample Shop Local Campaigns

1) Your tax bill	When you shop in local stores, part of every dollar you spend goes to pay your local tax bill - leaving less for you to pay toward their cost.
2) Selection	You determine what services are available locally. If there is a demand for a product or service, your local businesses are glad to provide them.
3) Employment	Hometown business employs local residents - creating jobs for you, your children, your friends and neighbors.
4) Economic Development	Every dollar you spend at home does the work of \$7. Market analysts say a dollar spent in a local business will circulate seven times through the local community. A dollar spent out of town is gone forever.
5) Quality Merchandise	When you buy a product locally, you know the reputation of the business. Any dissatisfaction you have with the merchandise will be handled on a personal basis.
6) Community Interest	Local merchants financially support the interests of your children and grandchildren, opening a wide range of opportunities to them through schools, organizations and churches.
7) Save Money	Most times a local merchant offers products at prices competitive to larger cities. You save time and gas by purchasing locally rather than driving many miles.
8) Personal Service	Can't decide what to give that hard-to--buy-for person. Local merchants know their customers and can aid in gift selection.
9) Variety of merchandise	If you can't find what you're looking for, ask a merchant if it can be ordered or made available.
10) We care about our customers	When you shop locally, you know you're not just another face in the crowd. You'll be greeted with a hello and a smile, and you can shop at your leisure.

J. Brian Monihan
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