

Fort Dodge, Iowa

Northwest River District Market Analysis

Overview

This report presents a market analysis for the Northwest River District of Fort Dodge, Iowa. This area is bounded by the Des Moines River on the east, Lizard Creek on the south, Kountry Lane on the west, and a northern boundary ranging from 3rd Avenue NW to 9th Avenue NW. This area is entirely encompassed within Webster County Census Tract 3, which also includes several square miles of rural area located outside the corporate limits of Fort Dodge.

The market analysis for this area begins with a profile of the demographic and economic character of the area using data from the U.S. Census Bureau's American Community Survey. The data presented in this overview correspond to Webster County Census Tract 3. Although this census tract includes some area outside the Northwest River District neighborhood most of the external area is rural and contains only a small number of residences and non-agricultural businesses. To provide perspective, data for the seven other census tracts that compass the City of Fort Dodge are also presented.

The second part of the market analysis begins with retail sales trends for Fort Dodge and the surrounding counties for which it serves as a trade center. In addition, this section includes an inventory of existing businesses located within the Northwest River District that have active retail sales tax permits. The permit information, which is public, allows the classification of retail businesses by type. Due to the small number of retail businesses located in this part of the city, only aggregate data on the amounts of sales could be obtained from the Iowa Department of Revenue. The aggregate retail sales statistics are available for the years 2000 through 2014.

The third part of the analysis investigates how retail sales in Fort Dodge compare to retail sales in other similar cities. The cities to which Fort Dodge is compared are Marshalltown, Mason City, and Ottumwa. These comparisons provide a basis for identifying the extent to which the Fort Dodge area may support additional retail activity. These comparisons are made for twelve different types of businesses on a citywide basis. In addition, the types of retail businesses located along the primary access roads leading into these three cities are compared to retail businesses located along the roads leading from U.S. Highway 169 into Fort Dodge. These access road comparisons provide another basis for identifying opportunities for additional retail development along 3rd Avenue NW, which is the primary road that traverses the Northwest River District from U.S. 169 to the Des Moines River and on to downtown Fort Dodge.

The final part of the analysis includes a compilation and analysis of property records for properties located along and in close proximity to 3rd Avenue NW. This part of the analysis provides information on all commercial property located in this corridor. This analysis also provides information on residential property in the area that may have to be acquired to facilitate additional commercial development within the Northwest River District.

Northwest River District Demographic and Economic Profile

The American Community Survey provides a consistent set of demographic and economic statistics for the eight census tracts that encompass Fort Dodge and for the City of Fort Dodge.¹ The sums of the statistics for the eight census tracts exceed the city totals because the eight census tracts include some areas located outside the corporate limits of Fort Dodge. For example, the sum of the total populations for the eight census tracts equals 26,908 compared to the city population total of 24,970, which is an excess of 1,938, or 7.8 percent.

The eight census tracts that encompass the City of Fort Dodge are shown in Figure 1.

Figure 1: Fort Dodge Census Tracts, 2010

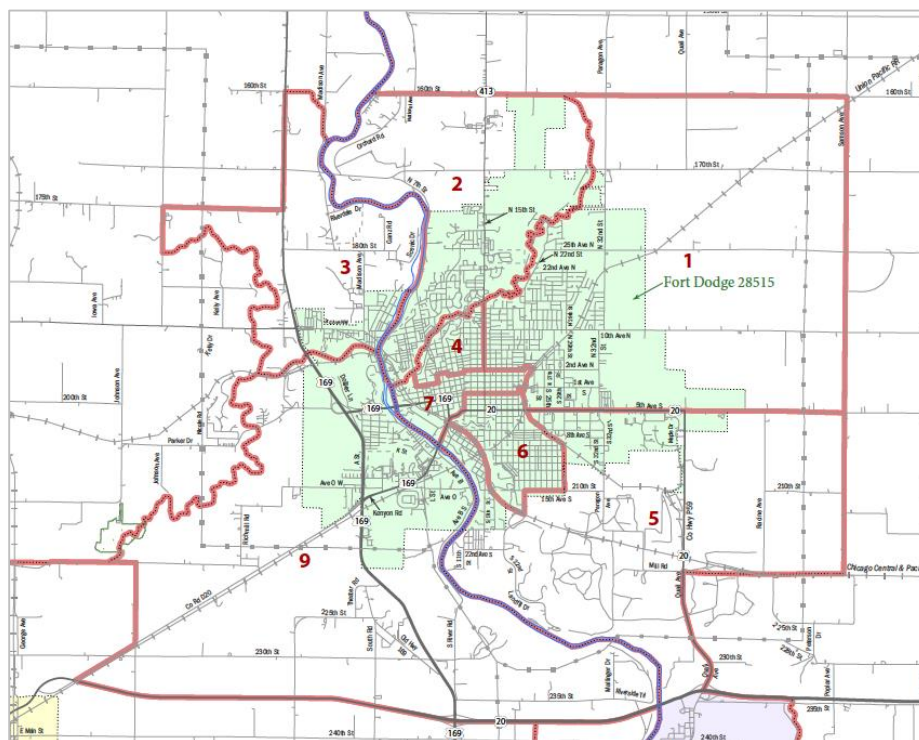


Table 1 provides a summary of demographic and economic indicators for the eight census tracts that encompass the City of Fort Dodge and for the City of Fort Dodge. Beginning with demographic statistics, the total population within Census Tract 3 is 1,432, which equals only 5.3 percent of the combined total for the eight Fort Dodge Census Tracts. With a median age of 45.7 years, the residents of Census Tract 3 are on average the second oldest of the eight census tracts and 7.8 years older than the citywide median age.

¹ The American Community Survey (ACS) is a statistical sampling program administered by the U.S. Census Bureau. Through a series of ongoing monthly surveys estimates of a variety of demographic and economic statistics are developed for census tracts and census block groups. The ACS replaces the decennial census long-form sample. The statistics used in this market analysis are based on samples taken during the years 2009 through 2013.

Table 1: Fort Dodge Demographic and Economic Indicators

Statistics	Census Tracts									City
	1	2	3	4	5	6	7	9	Sum	Totals
Total Population	6,436	3,764	1,432	2,628	1,806	4,956	1,667	4,219	26,908	24,970
Population Share	23.9%	14.0%	5.3%	9.8%	6.7%	18.4%	6.2%	15.7%	100.0%	92.8%
Median Age	48.4	44.4	45.7	31.9	35.9	34.5	34.2	28.6		37.9
Number of Households	3,033	1,564	646	1,075	788	2,127	722	1,139	11,094	10,329
Households Share	27.3%	14.1%	5.8%	9.7%	7.1%	19.2%	6.5%	10.3%	100.0%	93.1%
Owner-Occupied Share	73.1%	83.3%	66.7%	43.7%	59.0%	58.3%	27.7%	62.2%	63.4%	62.4%
Renter Share	26.9%	16.7%	33.3%	56.3%	41.0%	41.7%	72.3%	37.8%	36.6%	37.6%
Total Household Income (\$M)	\$189.8	\$121.4	\$27.2	\$53.0	\$33.9	\$81.1	\$21.6	\$54.0	\$582.0	\$534.9
Household Income Share	32.6%	20.9%	4.7%	9.1%	5.8%	13.9%	3.7%	9.3%	100.0%	91.9%
Mean Household Income	\$62,569	\$77,619	\$42,088	\$49,306	\$43,009	\$38,107	\$29,986	\$47,437	\$52,460	\$51,782
Relative to City	120.8%	149.9%	81.3%	95.2%	83.1%	73.6%	57.9%	91.6%	101.3%	100.0%
Median Household Income	\$50,285	\$54,402	\$33,750	\$34,129	\$34,900	\$30,064	\$19,292	\$37,713		\$36,972
Relative to City	136.0%	147.1%	91.3%	92.3%	94.4%	81.3%	52.2%	102.0%		100.0%
Percent with Income < \$25,000	23.0%	19.8%	37.2%	43.2%	36.7%	39.0%	57.9%	37.1%	33.1%	33.8%
Percent with Income < \$50,000	49.6%	47.0%	78.6%	61.1%	63.8%	78.1%	77.1%	67.8%	62.2%	63.5%
Number over 16 years	5,270	2,929	1,190	2,060	1,412	3,802	1,388	3,777	21,828	20,260
Share in the Labor Force	64.6%	64.7%	58.3%	66.7%	66.5%	72.0%	57.1%	46.5%	62.3%	61.6%
Share Employed	60.9%	62.2%	50.3%	59.7%	57.6%	61.4%	45.1%	38.4%	55.4%	54.6%

Source: American Community Survey, 2009 - 2013

There are 646 households residing within Census Tract 3, which equals 5.8% of households in the eight census tracts. Two-thirds of the households are occupied by homeowners, while the other third are renters. For all eight census tracts, 63.4 percent of the households reside in owner-occupied housing. For just the area located within the corporate limits of Fort Dodge 62.4 percent of households reside in owner-occupied housing. So, a slightly higher percentage of households within Census Tract 3 reside in their own homes than for the city as a whole.

The primary factor that may limit the expansion of retail activity within the Northwest River District is the low purchasing power of households residing in the area. Total household income for Census Tract 3 equals only \$27.2 million, which is just 4.7% of household income for the eight census tracts. Also, both the mean and median household incomes within this area are substantially below the citywide averages. The mean household income for Census Tract 3 equals \$42,088, which is only 81.3 percent of the citywide mean of \$51,782. The median household income for Census Tract 3 equals \$33,750, which equals only 91.3 percent of the citywide median of \$36,972.

Both the share of the population age 16 and older in the labor force and the share of this population that is employed are lower in Census Tract 3 than for the city as a whole. For this census tract only 58.3% of the working age population is in the labor force compared to 61.6 percent for all of Fort Dodge and only 50.3 percent of this area's working age population is employed. These two measures combined with the high median age of residents of the area imply the Northwest River District is home to a large share of retired individuals.

This brief review of the demographic and economic character of the Northwest River District implies that the area's existing residents will not likely be able to support much additional retail business in the area. However, this could change if additional housing is developed in the area. On the other hand, the area may become attractive for types of businesses that would serve the entire Fort Dodge market area. These types of businesses will be addressed in the following sections of this report.

Fort Dodge and Northwest River District Retail Base

Based on 2014 U.S. Census Bureau population estimates, Fort Dodge is the 21st largest city in Iowa. In 2000 it ranked 19th and in 1990 it ranked 16th. Part of the decrease in the city's population ranking is due to growth within the state's metropolitan areas. But the city's ranking has also declined due to a loss of population while the state has experienced modest population growth. As shown in Table 2, from 2000 to 2014 Fort Dodge's population decreased by 1,727 (6.6%) from 26,321 to 24,594. Over the same years the state's population increased by 6.1 percent.

Since Fort Dodge serves as a regional trade and service center, an understanding of population changes within surrounding counties provides additional perspective on growth opportunities for its retail and service businesses. In addition to Webster County, in which Fort Dodge is located, the other nearby counties that comprise the city's primary service area are Calhoun, Humboldt, and Pocahontas. From 2000 to 2014 population in Webster County decreased by 3,279 (8.1%) and for the 4-county service area population declined by 6,702 (9.5%).

Beyond population, the incomes earned by residents of the city and its service area provide additional insight into what opportunities may exist for business growth. Table 3 presents real personal income statistics for Iowa, the 4-county service area, Webster County, and Fort Dodge.

Table 2: Population Trends, 2000 - 2014

Year	Population			
	Iowa	4-Counties	Webster Co	Fort Dodge
2000	2,929,067	70,301	40,234	26,321
2001	2,931,997	69,763	40,045	26,270
2001	2,934,234	68,868	39,654	26,046
2003	2,941,999	68,189	39,377	25,917
2004	2,953,635	67,428	38,922	25,634
2005	2,964,454	66,658	38,562	25,403
2006	2,982,644	66,359	38,534	25,408
2007	2,999,212	65,942	38,393	25,355
2008	3,016,734	65,539	38,273	25,320
2009	3,032,870	65,238	38,316	25,387
2010	3,050,295	65,112	37,865	25,107
2011	3,064,904	64,773	37,704	25,005
2012	3,075,935	64,057	37,253	24,725
2013	3,092,341	63,962	37,216	24,767
2014	3,107,126	63,599	36,955	24,594

Years	Population Change			
	Iowa	4-Counties	Webster Co	Fort Dodge
2000-2005	35,387	-3,643	-1,672	-918
2005-2010	85,841	-1,546	-697	-296
2010-2014	56,831	-1,513	-910	-513
2000-2014	178,059	-6,702	-3,279	-1,727

Years	Population Percent Change			
	Iowa	4-Counties	Webster Co	Fort Dodge
2000-2005	1.2%	-5.2%	-4.2%	-3.5%
2005-2010	2.9%	-2.3%	-1.8%	-1.2%
2010-2014	1.9%	-2.3%	-2.4%	-2.0%
2000-2014	6.1%	-9.5%	-8.1%	-6.6%

Source: U.S. Census Bureau, Annual Population Estimates

Table 3: Real Personal Income Trends, 2000 - 2013

Year	Real Personal Income (\$ 2013 thousand)			
	Iowa	4-Counties	Webster Co	Fort Dodge
2000	109,298,286	2,410,347	1,372,272	1,100,954
2001	109,456,090	2,388,306	1,367,952	1,091,658
2001	110,895,481	2,433,953	1,408,306	1,119,621
2003	111,172,135	2,386,751	1,383,783	1,089,574
2004	117,513,943	2,531,675	1,411,382	1,107,476
2005	116,731,019	2,456,502	1,382,593	1,086,244
2006	119,140,969	2,458,015	1,406,128	1,142,141
2007	124,174,899	2,594,237	1,478,469	1,160,843
2008	128,783,860	2,811,531	1,574,128	1,217,541
2009	127,609,819	2,697,740	1,517,470	1,170,751
2010	127,198,097	2,670,356	1,531,093	1,171,098
2011	135,359,671	3,027,363	1,634,842	1,245,484
2012	137,328,138	2,971,840	1,586,566	1,202,495
2013	138,337,469	2,948,332	1,583,871	1,217,107

Change	Real Personal Income Change (\$ 2013 thousand)			
	Iowa	4-Counties	Webster Co	Fort Dodge
2000-2005	7,432,732	46,154	10,320	-14,710
2005-2010	10,467,078	213,855	148,500	84,855
2010-2013	11,139,372	277,976	52,778	46,009
2000-2013	29,039,183	537,985	211,599	116,153

% Change	Real Personal Income Percent Change			
	Iowa	4-Counties	Webster Co	Fort Dodge
2000-2005	6.8%	1.9%	0.8%	-1.3%
2005-2010	9.0%	8.7%	10.7%	7.8%
2010-2013	8.8%	10.4%	3.4%	3.9%
2000-2013	26.6%	22.3%	15.4%	10.6%

Source: U.S. Bureau of Economic Analysis, Strategic Economics Group

From 2000 to 2013 real personal income statewide increased by 26.6 percent. Within the 4-county service area real personal income increased by 22.3 percent. Within Webster County and the City of Fort Dodge the increases equaled 15.4 percent and 10.6 percent, respectively.

Changes in population and income are two of the primary factors that influence an area's demand for goods and services. However, retail and service businesses are not distributed equally across the landscape. For most retail and service businesses there are minimum sizes in terms of sales revenue below which they are not viable. This results in businesses becoming concentrated within urban areas.

One way in which the relative importance of a particular city as a trade center within a state is measured involves the comparison of per capita retail sales within the city to that of the state. This ratio of city to state per capita retail sales is commonly referred to as the city's "pull factor." For Iowa the best source of retail trade data is the Iowa Department of Revenue. The Department produces quarterly and annual sales tax statistical reports that provided information by city and county for the number of permit holders, taxable sales, and sales tax revenue. As will be discussed later in this report, the share of retail purchases subject to sales tax has decreased over time due to legislation that has increased the number of tax exemptions. So, looking at changes in total and per capita taxable sales over time can provide a deceiving picture of economic growth for the state and its subdivisions. However, since legislation that impacts the tax base for sales tax applies uniformly statewide the ratios of per capita retail sales do remain a meaningful indicator of the relative importance of different cities as retail and service trade centers.

Table 4 presents statistics for taxable sales and taxable sales per capita by year from 2000 through 2014 for the state, the 4-county Fort Dodge service area, Webster County, and Fort Dodge. These amounts are expressed in current dollars rather than constant dollars because for the analysis of retail pull factors only the relative magnitudes of per capita taxable sales are important.

The three far right columns of the table present per capita taxable sales ratios (pull factors) for Fort Dodge relative to the state, Webster County, and the 4-county service area. Over the 15 years from 2000 to 2014 the city-state pull factor has increased slightly from 1.67 to 1.69. The relationship between taxable retail sales in Fort Dodge and in all of Webster County has both risen and fallen over the fifteen years. Fort Dodge's pull factor relative to the combined area of Calhoun, Humboldt, Pocahontas, and Webster Counties has increased from 1.72 to 1.82, or by 5.8 percent, over the 15 years.

Over this period taxable sales growth has been particularly strong in Calhoun County rising by 46.4 percent. In Humboldt and Pocahontas Counties taxable sales increased by 18.0 percent and 15.7 percent, respectively. Taxable sales increased by 12.0 percent in Webster County and by 25.8 percent in Fort Dodge. Over these 15 years the consumer price index rose by 37.5 percent. So, except for Calhoun County taxable sales increased by less than the rate of inflation.

One possible explanation for the difference in the retail sales growth trends between Webster County and the other three counties that comprise Fort Dodge's primary service area is the large increase in farm income experienced beginning in 2004. If this factor is what has been driving retail sales growth in these counties this growth is likely to be reverse over the next few years due to the recent drop in farm commodity prices, which is expected to continue over at least the next couple of years.

Table 4: Taxable Sales, Per Capita Taxable Sales, and Retail Pull Factors, 2000 - 2014

Year	Taxable Sales (\$ million)				Taxable Sales per Capita (\$)				Pull Factors		
	State	4- Counties	Webster Co	Fort Dodge	State	4- Counties	Webster Co	Fort Dodge	Ft. Dodge to State	Ft. Dodge to County	Ft. Dodge to 4- County
2000	26,158.7	608.1	467.1	391.4	8,931	8,651	11,609	14,870	1.67	1.28	1.72
2001	27,290.1	606.6	456.9	396.7	9,308	8,695	11,411	15,101	1.62	1.32	1.74
2002	27,865.8	576.6	440.1	415.5	9,497	8,372	11,098	15,954	1.68	1.44	1.91
2003	28,552.8	573.4	439.8	422.0	9,705	8,408	11,168	16,282	1.68	1.46	1.94
2004	29,489.0	587.8	454.1	438.3	9,984	8,717	11,668	17,098	1.71	1.47	1.96
2005	30,822.7	612.8	471.7	454.7	10,397	9,193	12,232	17,901	1.72	1.46	1.95
2006	31,695.5	626.2	479.7	457.5	10,627	9,437	12,448	18,006	1.69	1.45	1.91
2007	32,608.5	638.7	488.2	468.7	10,872	9,685	12,715	18,484	1.70	1.45	1.91
2008	33,596.6	635.0	483.5	456.5	11,137	9,690	12,632	18,029	1.62	1.43	1.86
2009	31,981.6	602.2	453.4	426.1	10,545	9,230	11,834	16,784	1.59	1.42	1.82
2010	32,576.8	609.8	460.2	432.7	10,680	9,365	12,155	17,234	1.61	1.42	1.84
2011	33,615.4	638.2	476.7	448.1	10,968	9,854	12,642	17,920	1.63	1.42	1.82
2012	34,819.0	662.9	496.6	466.0	11,320	10,349	13,330	18,846	1.66	1.41	1.82
2013	35,253.2	667.8	504.9	475.7	11,400	10,441	13,567	19,205	1.68	1.42	1.84
2014	36,802.4	699.9	523.2	492.4	11,845	11,005	14,157	20,021	1.69	1.41	1.82

Source: Iowa Department of Revenue, Strategic Economics Group

Within the Northwest River District, 39 businesses hold active sales tax permits. Eight of these businesses are located along Kountry Lane on the west side of U.S. 169. Fifteen permitted businesses have 3rd Avenue NW addresses, which is the main street leading into Fort Dodge from U.S. 169 in this part of the city. (See Figure 2.) The remaining 16 businesses holding sales tax permits are located on side streets located between U.S. 169 and the Des Moines River.

Only four of the businesses are classified as traditional retailers. Two of these businesses are convenience stores, one sells outdoors sporting equipment, and one is a bridal and dress shop. Also, there are two motels located in the area – Best Western Starlite Village and Hilltop Motel. Other types of businesses located in the area include building contractors, wholesalers, and a variety of service businesses. By industry, ten of the businesses provide products or services related to motor vehicles.

Based on statistics obtained from the Iowa Department of Revenue, taxable sales during 2014 for the businesses located between U.S. 169 and the Des Moines River on 3rd Avenue NW and on nearby side streets equaled \$14.1 million. This compares to \$8.8 million in taxable sales during 2010 and to \$3.0 million in 2000. The Department of Revenue also maintains statistics on gross sales by businesses that have sales tax permits. Gross sales in this area during 2014 equaled \$33.5 million, which is an increase of \$15.7 million (88.8%) since 2010 and an increase of \$30.0 million (876.9%) since 2000.

The types of businesses currently located in the area, and particularly those located along 3rd Avenue NW and Hawkeye Avenue between U.S. 169 and the Des Moines River, give the area an industrial feel. Except for the two convenience stores, the current mix of businesses in the area does not provide everyday consumer goods and services. The next section of this report investigates the types of businesses located along other roads leading into Fort Dodge from U.S. 169 and along main roads leading from highway bypasses into Marshalltown, Mason City, and Ottumwa in an effort to identify what additional development may be appropriate for the Northwest River District.

Figure 2: 3rd Avenue NW Corridor



Analysis of Retail Development Potential

Commercial Development along Alternative U.S. 169 Access Routes to Fort Dodge

Before looking at other cities to identify potential retail development opportunities, there are two other roads that lead into Fort Dodge from U.S. 169 that merit investigation. These roads are Kenyon Road (Business 20/169) and 2nd Avenue South (Iowa 926).

Kenyon Road is the first major entrance into Fort Dodge from U.S. 169 north of relocated U.S. 20. (See Figure 3.) Also, a block north of Kenyon Road drivers can exit U.S. 169 at O Avenue to access a variety of retail businesses and the campus of Iowa Central Community College. There are 23 businesses located in this area that hold active sales tax permits. Among the major businesses located along this route are three motels – Countryside Inn, AmericInn Lodge and Suites of Fort Dodge, and Budget Host Inn. A fourth motel – Quality Inn – is located about a half mile south of Kenyon Road on U.S. 169. Also, four restaurants – Eilers Steakhouse, McDonalds, Subway, and Tom Thumb Drive Inn – are located in the vicinity of the Kenyon Road and O Avenue intersections with U.S. 169. The only other retailers located in this area are two Casey's convenience stores.

Further commercial development along Kenyon Road and O Avenue is restricted due to the large amount of a land in the area that is occupied by Iowa Central Community College, the Fort Dodge Correctional Facility, the Friendship Haven Seniors Community, the Fort Dodge Historical Museum, and Trinity Regional Medical Center. Most of the land near the Kenyon Road – U.S. 169 intersect that could possibly be developed lies west of U.S. 169.

Figure 3: Kenyon Road Corridor



There is no retail development in the vicinity of the U.S. 169 and 2nd Avenue South interchange. (See Figure 4.) The northeast quadrant is occupied by a golf course and housing and the southeast quadrant is also occupied by housing. The northwest quadrant contains considerable mining activity. This leaves only the southwest quadrant available for development. However, the unusual configuration of the access and egress roads to U.S. 169 in this area makes development somewhat problematic.

Therefore, there may be some opportunity for additional retail development within the 3rd Avenue NW corridor. The types of retailers that may find this area attractive would have to offer products and services that would draw more than just residents of the Northwest River District due to the small number of people that reside in the area and their relatively low household incomes. A look at other comparable cities may provide some insight into types of businesses that may be attracted to the area.

Figure 4: 2nd Avenue South Corridor



Commercial Development along Access Routes to Comparison Cities

Marshalltown, Mason City, and Ottumwa are similar to Fort Dodge in terms of population size and economic character. In addition, they all have experience adjusting to the development of highway bypasses in the relatively recent past.

This part of the analysis looks at the types of businesses located along the major roads leading into each of the three comparison cities. The source of information for this analysis is the Iowa Department of Revenue's sales tax registration file. Four transportation corridors serve as the basis for comparison to the 3rd Avenue NW corridor in Fort Dodge. These comparison corridors are:

- South Center Street (Iowa 14) in Marshalltown
- 4th Street SW (Business U.S. 18) in Mason City
- South Federal Avenue (U.S. 65) in Mason City
- Business U.S. 63/ Iowa 149 in Ottumwa

The number and variety of retail and service businesses located along each of these roads is summarized and compared to similar information for 3rd Avenue NW in Fort Dodge in Table 5. The total number of businesses located within these corridors ranges from a low of 36 in Ottumwa to a high of 144 along South Federal Avenue in Mason City. There are 39 businesses with sales tax permits located along 3rd Avenue NW in Fort Dodge. The corridor with the greatest variety of businesses is also South Federal Avenue with 57 and the corridor with the least variety of businesses is Business U.S. 63 in Ottumwa with 24. There are 31 different types of businesses located along 3rd Avenue NW.

Table 5: Types of Businesses Located on City Entry Corridors

Business Code	Business Description	Fort Dodge 3rd NW	Marshalltown S Center St	Mason City 4th St SW	Mason City S Federal Ave	Ottumwa US 63 Bus
2351	Plumbing, heating, and air conditioning contractors			1	1	1
2353	Electrical contractors	1				
2355	Carpentry and flooring contractors			1		
2356	Roofing, siding, and sheet metal contractors	1				
2359	Other special trade contractors	1		3		
3271	Clay, glass, cement, concrete mfg			1		
3311	Metal mfg			2		
3335	Machinery mfg		1		1	
3359	Other electrical equipment and component mfg		1			
3366	Ship & boat building	1				
3370	Furniture mfg			1		
3391	Medical equipment and supplies mfg		1			
4211	Motor vehicle parts and supplies wholesalers	1		1		
4213	Lumber & other construction materials wholesalers				1	
4214	Professional/ commercial equipment and supplies wholesalers				1	
4216	Electrical goods wholesalers	1				
4217	Hardware, plumbing, heating equipment, and supplies wholesalers			1		
4218	Commercial machines and equipment wholesalers	1			1	
4222	Drug and druggists sundries wholesalers					1
4227	Petroleum and petroleum product wholesalers				1	
4231	Services establishments			1		
4233	Farm and garden wholesalers	1	1	1	1	1
4234	Scrap & waste materials	1				
4237	Tobacco and tobacco products wholesalers			1	1	
4411	New and used auto dealers		3	6	6	2
4412	Recreational and all other motorized vehicles dealers	1		1		
4413	Automotive parts and accessories	1	2	3	4	
4421	Furniture stores				5	1

Table 5: Types of Businesses Located on City Entry Corridors (continued)

Business Code	Business Description	Fort Dodge 3rd NW	Marshalltown S Center St	Mason City 4th St SW	Mason City S Federal Ave	Ottumwa US 63 Bus
4422	Home furnishings stores				1	1
4431	Household appliance stores				1	
4441	Home centers (building materials)	1				
4442	Lawn and garden stores		2		2	2
4451	Grocery stores and convenience stores		2		1	1
4452	Specialized groceries		2		1	
4453	Liquor stores				1	1
4461	Beauty and health (Drug) stores		3		6	
4471	Gas stations and convenience stores with gas	2	3	4	2	2
4481	Clothing and clothing accessories stores	1	3			
4482	Shoes stores		2		1	
4484	Jewelry stores		3	1	4	
4486	Sewing and needlework stores			1	1	
4487	Hobby & Toy Stores	2	3		2	1
4489	Cigar stores			1	3	
4493	Direct sellers	1			3	
4511	Sporting goods stores	1			4	
4512	Book and stationary stores				2	
4521	Department stores		3	1	1	
4528	Variety stores			1		
4529	All other general merchandise stores		2		3	
4532	Stationary, gift, and novelty stores			1		1
4533	Used merchandise stores			1		
4539	Miscellaneous retailers	2	3	2	6	1
4542	Vending machine operators		1			
4549	Paint and glass stores			2		
4810	Air transportation				1	

Table 5: Types of Businesses Located on City Entry Corridors (continued)

Business Code	Business Description	Fort Dodge 3rd NW	Marshalltown S Center St	Mason City 4th St SW	Mason City S Federal Ave	Ottumwa US 63 Bus
4841	Truck, general freight local, general freight long distance	1				
4859	Other transit and ground transportation					1
4889	Other support activities for transportation		1			
5121	Motion picture and video industries		1		1	
5131	Communications			2	1	
5132	Cable and satellite			1		
5133	Telecommunications		3		2	
5221	Banks, savings & loans, and credit unions		4	1	3	
5222	Credit card issuing		1		2	
5241	Insurance carriers and related activities			1		
5313	Activities related to real estate	1				
5321	Car/ truck rental		2	2	2	
5323	General rental centers		1		1	1
5325	Equipment leasing (all types)	1	1		1	
5415	Computer related services				2	1
5416	Management, scientific, & technical consulting services	1			1	
5419	Services NEC	2	2	2	2	
5421	Photographic studios		2	2	1	1
5613	Employment services			1	1	
5623	Cleaning & building maintenance	1			1	
5624	Lawn, garden, tree, scrub services	1		1		
6113	Colleges, universities, and professional schools		1		1	
6116	Other schools and instruction services			1		
6117	Educational and support services					1
6211	Offices of physicians and mental health specialists				1	
6213	Other medical practitioners		1	1	2	
6216	Home health care					1

Table 5: Types of Businesses Located on City Entry Corridors (continued)

Business Code	Business Description	Fort Dodge 3rd NW	Marshalltown S Center St	Mason City 4th St SW	Mason City S Federal Ave	Ottumwa US 63 Bus
7114	Agents/ managers for artists, athletes, entertainers				1	
7121	Museums and art galleries		1			
7141	Bowling alleys			1		
7142	Club memberships			1		
7143	Public golf courses			1		
7211	Hotel and all other lodging places	2	5	1	5	4
7221	Restaurants, bars, and taverns		24	10	25	7
8111	General automotive repair	4		3		
8113	All other miscellaneous repairs	1				1
8121	Beauty/ barber shops	1	9	6	14	
8122	Funeral services and crematories				1	1
8129	Parking (all other personal services)				1	
8134	Civic and social organizations				1	
8143	Car washes		1	1	1	
8144	Auto service not repair/ car wash		1			1
8146	Top and body repair		1	1		
8147	Upholstery and furniture repair	1		1		
8150	Coin operated laundry				1	
9211	Executive, legislative and other general government	1				
	Total Number of Businesses	39	103	80	144	36
	Number of Business Types	31	38	45	57	24
	Contracting Businesses	3	0	5	1	1
	Manufacturing Businesses	1	3	4	1	0
	Wholesale Businesses	5	1	5	6	2
	Retail Businesses	12	37	25	60	13
	Service Businesses	16	32	27	46	9
	Food and Accommodation Businesses	2	30	14	30	11

Looking at the summary business counts at the bottom of Table 5, the 3rd Avenue NW corridor has a much greater service and wholesale business character than the four comparison corridors. Another obvious difference is the small number of food and accommodation businesses located along the 3rd Avenue NW corridor in comparison to the other corridors. Also, the number and diversity of retail businesses within the 3rd Avenue NW corridor is small.

Retail businesses are those with business codes that begin with either “44” or “45”. Although technically there are 12 retail businesses located within the 3rd Avenue NW corridor, two appear to be hobby or craft businesses run from people’s homes, one is a direct sales marketer, two are convenience stores, and two are motor vehicle parts and equipment related.

Most of the comparison corridors contain grocery stores, drug stores, department or discount stores, and clothing and shoe stores. Also, all of the comparison corridors contain a variety of fast food and full-service restaurants. These other corridors have enough of a business mix to attract people from throughout their respective cities. There are only a few businesses located within the 3rd Avenue NW corridor that likely attract customers from outside the Northwest River District.

For this area of Fort Dodge to develop a larger retail presence businesses that would locate in the area must be able to attract customers from throughout the city and from the larger 4-county service area. Therefore the ability to attract new businesses to the area will depend on the extent to which existing Fort Dodge businesses are not satisfying the demands for different goods and services. One way to gauge the extent of the potential unsatisfied demands that may exist is to compare per capita taxable sales in Fort Dodge to the three comparison cities and to the state as a whole.

Table 6 presents per capita taxable sales for 2014 for the four cities and for the state by the twelve major business categories for which the Iowa Department of Revenue reports sales statistics. Table 7 uses the per capita taxable sales statistics presents in Table 6 to compute pull factors for each city by each of the twelve business categories.

Table 6: Per Capita Sales by Business Type, 2014

Business Type	Per Capita Taxable Sales (\$)				
	Fort Dodge	Marshalltown	Mason City	Ottumwa	State
Apparel	490	113	484	266	340
Building Materials	2,299	1,299	3,063	2,428	852
Eating and Drinking	1,929	1,263	1,883	1,704	1,270
Food Dealers	1,434	1,170	1,344	1,338	1,036
General Merchandise	3,981	2,313	4,444	3,481	1,504
Home Furnishings	478	195	1,150	339	389
Miscellaneous	1,103	1,437	1,038	846	932
Motor Vehicle	968	585	1,020	766	565
Service	2,046	1,444	1,991	1,823	1,634
Specialty Retail	1,427	698	1,950	926	916
Utilities and Transportation	1,873	503	649	842	1,168
Wholesale	1,992	776	1,861	1,168	1,238
All	20,021	11,797	20,877	15,927	11,845

Source: Iowa Department of Revenue, Strategic Economics Group

Table 7: Taxable Sales Pull Factors by Business Type, 2014

Business Type	Taxable Sales Pull Factors			
	Fort Dodge	Marshalltown	Mason City	Ottumwa
Apparel	1.44	0.33	1.42	0.78
Building Materials	2.70	1.52	3.60	2.85
Eating and Drinking	1.52	0.99	1.48	1.34
Food Dealers	1.38	1.13	1.30	1.29
General Merchandise	2.65	1.54	2.95	2.31
Home Furnishings	1.23	0.50	2.96	0.87
Miscellaneous	1.18	1.54	1.11	0.91
Motor Vehicle	1.71	1.04	1.81	1.36
Service	1.25	0.88	1.22	1.12
Specialty Retail	1.56	0.76	2.13	1.01
Utilities and Transportation	1.60	0.43	0.56	0.72
Wholesale	1.61	0.63	1.50	0.94
All	1.69	1.00	1.76	1.34

Source: Iowa Department of Revenue, Strategic Economics Group

As both Table 6 and Table 7 show Fort Dodge businesses already realize per capita taxable sales that exceed statewide amounts for every one of the twelve business categories. Also, with only two exceptions, Fort Dodge businesses realize per capita sales that exceed those for every business category in Marshalltown and Ottumwa. There are four business categories in which taxable sales in Mason City exceed sales in Fort Dodge. These categories include Building Materials, General Merchandise, Home Furnishings, and Specialty Retail. Also, Fort Dodge has slightly lower per capita sales in the Motor Vehicle category.²

The Building Materials category includes home centers, lawn and garden stores, hardware stores, and paint and glass stores. Fort Dodge already has a couple of big box home centers –Menards and Bomgaars – but it does not have a Home Depot, Lowe’s, or True-Value. Menards and Bomgaars are both located between 3000 and 3400 on 5th Avenue South.

The General Merchandise category includes department, discount, and variety stores. In this category Fort Dodge has Dollar General, Dollar Tree, Family Dollar, Kohl’s, JC Penny, Sears, Target, Wal-Mart, and Younkers. Most of these stores are located in or near to Crossroads Mall, which is between South 25th Street and South 29th Street and 1st Avenue South and 5th Avenue South.

The Home Furnishings category includes appliance, furniture, and home furnishings stores. Fort Dodge already has 18 stores in this category. Most of these stores appear to be locally owned. Two national

² Taxable sales for the Motor Vehicle category can be somewhat deceptive because motor vehicle dealers do not collect sales tax on the value of cars sold. Instead they collect a new car registration fee that goes to the Road Use Tax Fund rather than to the state General Fund. Nevertheless, because the sales taxes collected by businesses in this category pertain to the sale of parts and service, their taxable sales statistics do provide some indication of the relative scale of motor vehicle sales in each city.

companies that have stores are McGregors and Slumberland. The locations of these stores in this category are more dispersed than for the previous two categories. But two concentrations are along Central Avenue in or near to downtown and along 5th Avenue South east of Crossroads Mall.

As the name implies the Specialty Retail category includes a wide variety of types of businesses. This category includes beauty and health stores, book stores, drug stores, florists, hobby and toy stores, jewelry stores, sporting goods stores, and gift stores. Fort Dodge already has 9 beauty, health, and drug stores, 11 jewelry stores, 2 music stores, 9 sewing and needlework businesses, 48 craft, hobby, and toy retailers, and 18 sporting goods businesses. The large number of craft, hobby, and toy retailers includes many that appear to be home-based. Businesses in this category are dispersed throughout Fort Dodge, but there are concentrations in Crossroads Mall and downtown.

There are 13 new and used car and truck dealers located in Fort Dodge. Three of these companies appear to be new car and truck dealers. The primary location for these businesses is between 2100 and 3600 along 5th Avenue South.

Another category that merits investigation is grocery stores because these stores are among the most frequently visited by residents. There appear to be three main grocery stores in Fort Dodge. There is a Hy-Vee at 115 South 29th Street, a Fareway at 1231 1st Avenue South, and an Aldi at 2736 1st Avenue South. This implies that residents of the Northwest River District need to travel at least a mile and a half to the nearest full service grocery, which is the Fareway store.

Northwest River District Development Opportunities

This analysis of retail businesses located in three other similar size cities in Iowa and of existing retail businesses already located in Fort Dodge provides some insight into types of businesses that could be developed in the Northwest River District. First, the highest concentrations of retail businesses that currently exist in Fort Dodge are located on the east side of the city along 5th Avenue South (Bus U.S. 20) and 1st Avenue South. Crossroads Mall is located in about the middle of this area. This area is located about 2.5 miles from the Northwest River District.

Two categories of businesses that may be somewhat under-represented in Fort Dodge are Building Materials and Home Furnishings. These two types of businesses sell complementary types of products. Also, they sell types of products for which consumers are generally willing to travel a considerable distance. This makes locating these types of businesses near to a major highway and on the edge of a city advantageous. In addition, more businesses of this type would complement some businesses already located in the area.

There may also be the capacity for the city and surrounding counties to support additional specialty retailers, particularly those that sell products used in outdoor recreation. There is a notable deficit in the area of businesses that serve the local residents but that also may attract customers that reside west and north of the city. These types of businesses include eating and drinking establishments, a small grocery, a small discount store, and a hardware or lawn and garden store. Finally, there may be the opportunity for some additional services businesses, such as an insurance agency, barber or beauty shop, home repair and remodeling service, and motor vehicle repair business.

There are two key considerations that will significantly influence the potential for new retail and service businesses to be attracted to the area. First, increased population and household income would make

the area more attractive to new businesses. Second, there will likely be the need to acquire some existing residential and commercial property to provide the land needed for additional commercial development. The final section of this report includes information from an inventory of Webster County Assessor's property records for parcels located between Kountry Lane and the Des Moines River along and about two blocks either side of 3rd Avenue NW.

Northwest River District Property Inventory

A file containing information from the inventory of 278 property parcels is provided in a separate addendum to this report. This section of the report presents summary observations based on the property inventory.

Information gathered for each parcel includes:

- Parcel identification number (PIN)
- Location address
- Deed holder name
- Map area
- Classification (commercial, residential, exempt, or other)
- Occupancy type
- Year built (for any structures on the property)
- Land value
- Improvement value
- Total value
- Parcel size (acres)

Of the 278 parcels, 204 are residential, 49 are commercial, 7 are exempt, and 18 have either some other classification or no classification is recorded. Among the residential properties 158 contain houses, 11 contain a garage or shed, and 35 are vacant lots. The housing stock in the area inventoried is fairly old. Seventy-two (45.6%) of the homes were built during or before 1900. Thirty-three (20.9%) were built between 1901 and 1949. Thirty-six (22.8%) were built between 1950 and 1979. Fourteen (8.9%) were built between 1980 and 1999, and only 3 (1.9%) were built during 2000 or later. Correspondingly, the assessed value of the homes in the area inventoried average just slightly over \$44,000. The total value of residential property covered by the inventory is \$7,283,305. The total amount of residential land for these properties equals 71.9 acres.

Among the commercial properties 41 contain some sort of building and the other eight are vacant or paved lots. The total assessed value for these properties equals \$8,747,360 and the amount of land they occupy totals 105.8 acres.

The small size of many of the parcels may present a challenge in preparing land for new development in the Northwest River District. Many of the parcels are only about 140 feet deep. Often more depth is required for the location of a store with parking. Another factor that may limit development opportunities along 3rd Avenue NW is the approximately 2,600 feet of frontage along the north side of the road between 5th Street NW and 12th Street NW that is occupied by part of the Boehringer Ingelheim Vetmedica complex. This large parcel removes a considerable amount of 3rd Avenue NW frontage from potential development.