

RETAIL FOOD MARKET SURVEY FOR DOWNTOWN SHEBOYGAN

BY: CHAD PELISHEK, DIRECTOR OF PLANNING AND
DEVELOPMENT

November 4, 2019

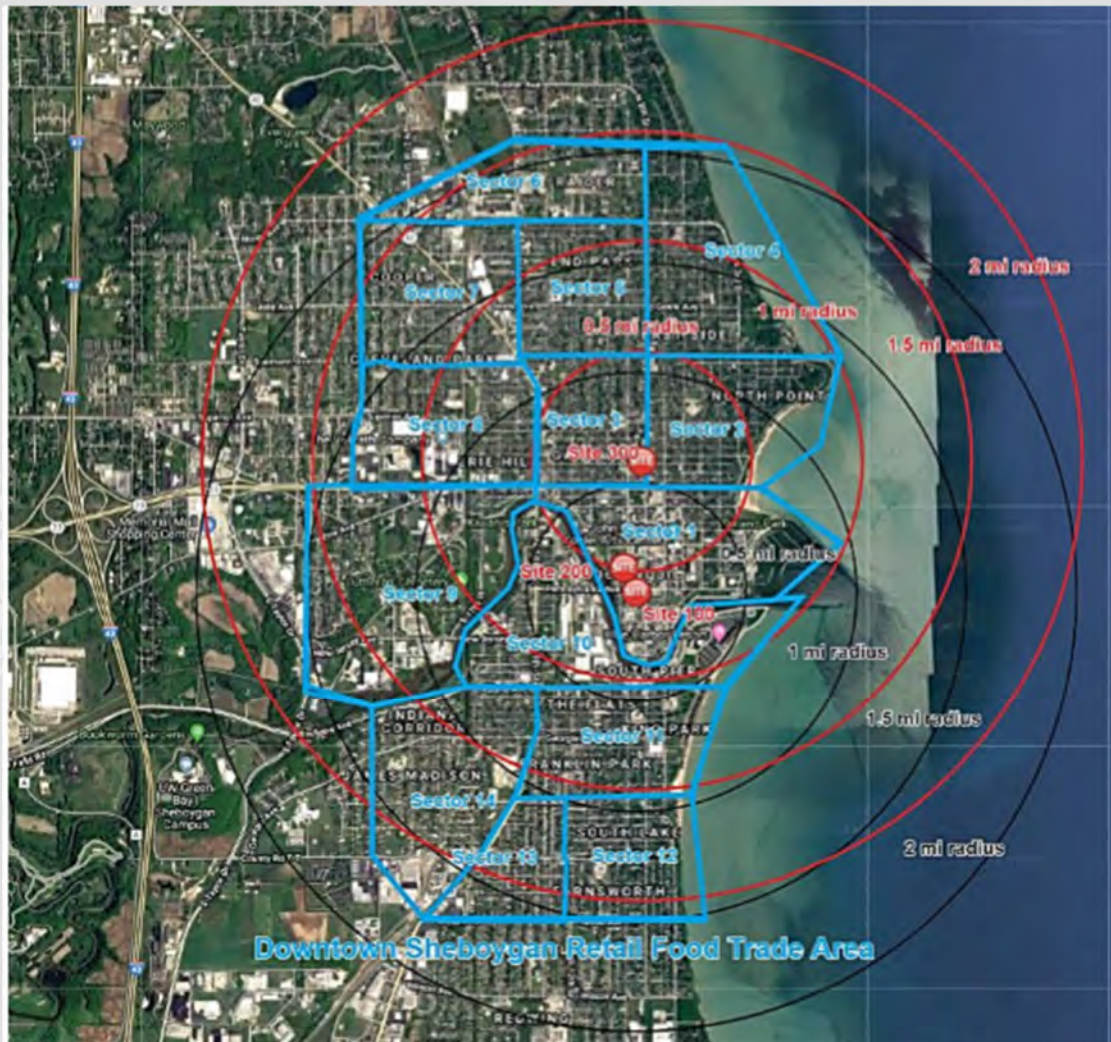
BACKGROUND

- The City of Sheboygan hired Keith Wicks and Associates (KWA) in January 2019 to assess feasibility of a full-service grocery store as a new, convenient service for downtown Sheboygan.
- KWA has over 40 years of experience in supermarket research.
- KWA first studied this market for a downtown grocery in 2009.
 - At this time, downtown Sheboygan did not have supply and demand trends and would not support a full-service downtown grocery.

DOWNTOWN SHEBOYGAN MARKET OVERVIEW

- Three possible locations were analyzed.
 - City-owned parking lot on Pennsylvania Avenue east of the Penn Avenue Pub.
 - Former Social Security Building
 - Intersection of N. 8th and Michigan Avenue.

MARKET OVERVIEW



Trade area for this type of the store is a 1.5 mile reach.

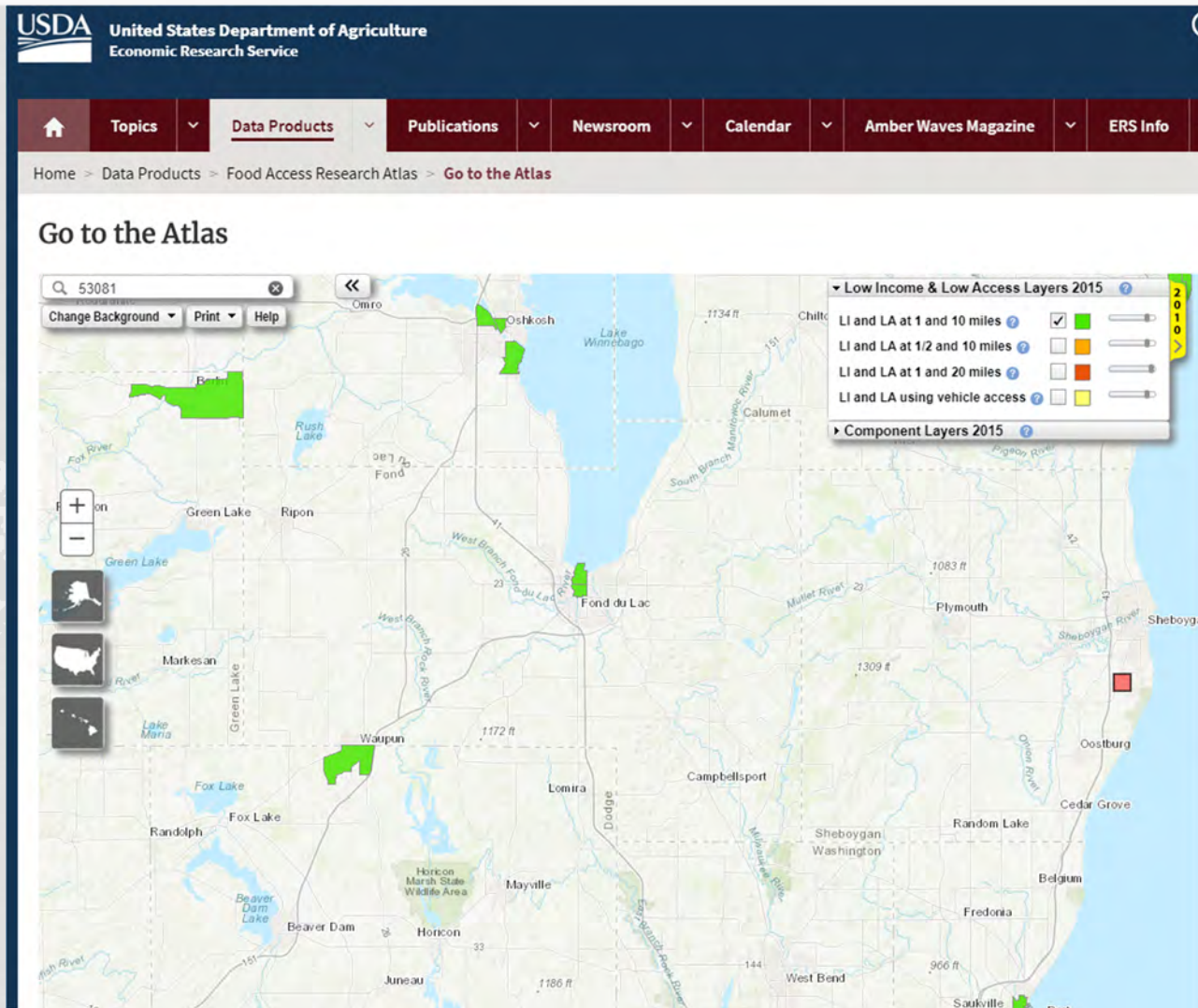
The store type for this study is a full-service grocery urban market and that provides prepared food service.

The market is serviced by eight identified competitors within a 1.5 mile radius.

DOES SHEBOYGAN HAVE ANY FOOD DESERTS?

- What is a food desert: According to the American Nutrition Association, a food desert is an urban area in which it is difficult to buy affordable or good-quality fresh food within a mile.
- According to locator map provided by the U.S. Department of Agriculture, Sheboygan's zip code does not have a food desert.

FOOD DESERT LOCATOR MAP



DOWNTOWN DEMOGRAPHICS

- Downtown's residential population is projected to grow +0.79% annually; +229 residents contributing +\$10-20,000 to weekly, market potential in additional spending income.
- The new store could capture upwards of 20% of the new potential or \$2,000+ from population growth.



Demographics of Sites, Trade Area and Submarkets

		Downtown Site 100, Pennsylvania Ave.			Uptown Site 300, N. 8th Street			Downtown Trade Area	North Submarket	South Submarket
Market Reach		0.5-Mile	1-Mile	1.5-Mile	0.5-Mile	1-Mile	1.5-Mile	Totals	Totals	Totals
Population	2018 Population	3,085	12,379	24,641	5,769	14,832	23,804	29,475	15,526	13,892
	Proj. 2023 Pop.	3,026	13,066	25,670	6,056	15,482	24,691	30,527	15,978	14,490
	Daytime Workers	6,482	9,458	16,028	3,634	9,846	17,493	19,761	8,807	11,043
	Businesses	578	942	1,401	431	986	1,486	1,684	708	981
Consumer Profile	Persons Per HHD	1.9	2.3	2.3	2.2	2.3	2.3	2.3	2.4	2.2
	% Rental Housing	70.2%	58.8%	46.3%	62.0%	52.7%	46.7%	43.3%	41.0%	45.6%
	Aver. HHD Income	\$48,347	\$54,067	\$58,553	\$41,546	\$58,608	\$59,221	\$60,239	\$63,542	\$56,688
	Med. HHD Income	\$32,511	\$39,868	\$44,488	\$26,398	\$44,065	\$45,935	\$46,565	\$50,646	\$42,344
	HH Income <\$35k	55.2%	45.8%	40.2%	44.9%	41.8%	38.8%	37.8%	33.5%	42.0%
	% White Race	73.4%	70.1%	74.1%	72.3%	72.8%	74.8%	75.4%	75.3%	75.6%
	% Hispanic Ethnicity (incl. in White)	15.2%	17.1%	15.0%	13.8%	13.6%	13.6%	14.0%	12.0%	16.2%
	% Asian	15.8%	12.4%	11.5%	16.1%	12.1%	11.5%	11.3%	17.5%	10.1%
	% Other	9.1%	6.5%	5.6%	9.4%	5.2%	5.0%	5.1%	6.7%	15.1%
	% Black	4.1%	6.0%	4.5%	6.0%	5.1%	4.4%	4.0%	5.3%	4.2%
	% Children; < 19 Y.O.	24.5%	29.1%	28.3%	28.4%	29.0%	28.2%	28.0%	29.3%	25.6%
	% Seniors; > 65 Y.O.	18.5%	13.0%	14.0%	14.2%	13.5%	14.2%	14.5%	13.1%	15.9%
	Education (4+ years college)	16.9%	17.1%	18.9%	20.2%	20.5%	20.0%	19.8%	21.8%	17.6%
	Median Age (yrs)	35.4	31.8	33.6	32.8	32.8	33.8	34.1	33.1	35.2
Traffic	2017 ADT Primary Route	8,300	Pennsylvania Avenue		2,500	Michigan Ave.		n/a	n/a	n/a
	2017 ADT Cross Route	4,000	9th Street		3,800	8th Street		n/a	n/a	n/a
	Other traffic	Transit Station, daytime sector and seasonal trade.			Bus stop, walking/biking trade; proximity to seasonal trade.			n/a	n/a	n/a
Other	Competitors Within	0	1	3	1	1	3	3	3	0
	Est. Retail Food Potential	\$154,250	\$618,950	\$1,232,050	\$288,450	\$741,600	\$1,190,200	\$1,473,750	\$776,300	\$694,600

GROCERY STORE SITES

- Pennsylvania Avenue, Site 100



PENNSYLVANIA AVENUE SITE 100

- New construction- 12,000 square foot store size.
- Comfortable parking ratio with city owned parking lot.
- Could house a full-service store (12,000 square feet) or an expansion of food co-op (10,000 square feet).

9TH STREET SITE 200



- Former Social Security Building
- Existing 5,000 square foot facility for conversion, possible expansion to 6,000 square feet.
- Could be a 5,000 square foot expansion of food co-op.

UPTOWN SITE 300



- Site could accommodate relocation of Goodside Grocery Co-Op into a larger footprint or a conventional store.

CONCLUSIONS

- Downtown Sheboygan could support of a full-service market and café format type store.
- Site 100 (Pennsylvania Avenue): could support a 12,000 square foot conventional grocer or a 10,000 square foot food co-op store.
- Site 200 (Former SSA) could support a 5,000 square foot food co-op store.
- Site 300 (8th and Michigan) could support a 10,000 square foot food co-op.
- New development of grocery store would require city incentives to be profitable in the first three years.

NEXT STEPS- THREE OPTIONS

- City staff and consultant shared the findings through meetings with three potential parties for siting a grocery store downtown.
 - Stefano's Expansion of deli and store.
 - Tietz's Piggly Wiggly and Corporate Piggly Wiggly staff.
 - Goodside Food Co-Op board of directors.

QUESTIONS

