



Ames, a Main Street Iowa Community, is exploring and pursuing exciting opportunities for the future of the community's traditional downtown business district.

Ames Main Street Cultural District spearheaded the downtown market analysis process to promote an in-depth understanding of local and regional market conditions. The objective was to understand trends impacting the downtown's current economic performance and opportunities. Information and direction gained throughout the market analysis process will provide a sound basis for local decision-making and strategies aimed at enhancing the downtown business district.

This brief summary provides a glimpse of the community's preferences based on extensive data collected during the market analysis process. Ames Main Street Cultural District intends to use this analysis to guide its efforts over the next three to five years for the betterment of the community.

As Ames moves forward, we will continue to engage our partners, community leaders, business persons and residents in the application of the market data and the resulting implications for downtown. The Ames Main Street Cultural District board will delve into the results and their meanings, incorporating local perspectives, to formulate an actionable plan for economic growth. Implementation of strategies that are both market-driven and cognizant of our community's values and goals is necessary for the sustainable development of downtown Ames.

Hereafter, the Ames Main Street Cultural District and the entire community will be able to use this ever-evolving document as a guide for the assessment of socio-economic needs in Ames. It can serve as a useful and flexible tool for business recruitment and retention long after our immediate implementation strategies are met. The market study will remain a very useful tool in aiding Ames' enhancements of the downtown area as long as the Main Street Cultural District's efforts continue to reflect the community's changing economic situation and trends.

# AMES MAIN STREET CULTURAL DISTRICT

AMES, IOWA

2017 MARKET STUDY

## EXECUTIVE SUMMARY



*Main Street*  
CULTURAL DISTRICT  
Ames, Iowa

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The Main Street Cultural District (MSCD) is located in the heart of Ames, Iowa, the largest city in Story County. Ames is located about 30 miles north of Des Moines and is home to the largest University (by student enrollment) in the state, Iowa State University. Ames has a population of 66,191, making it the 7<sup>th</sup> largest city in the state. Downtown Ames, also known as the Main Street Cultural District, is a vibrant commercial and government district featuring many retail shops, restaurants, bars and art galleries. The area is also home to the Ames Public Library, City Hall, and numerous professional services.

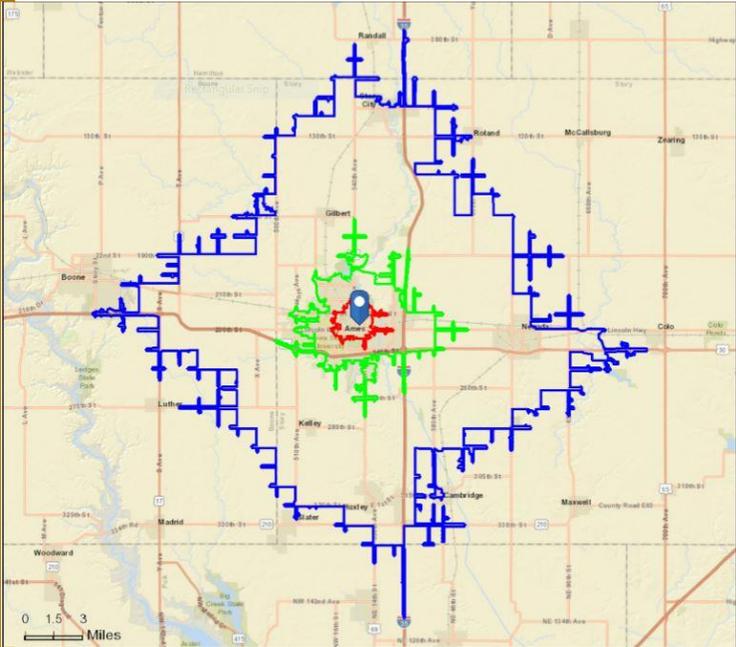
The area is host to many events which draw thousands of people to the historic downtown. Ames’ downtown district has experienced a transformation in the past fifteen years evolving from an underutilized and challenged commercial area to a vital, interesting, and unique neighborhood that serves as a social and commercial center for Ames residents. The downtown area, has achieved award-winning status which distinguishes it as a premier district with an established revitalization effort.

The downtown area is comprised of more than 200 locally-owned businesses. That includes independent retailers spanning new and secondhand clothing, gifts, home furnishings, art, books, appliances, flowers, collectibles and much more. Eating and dining opportunities exist offering “destination location” eateries like the Grove Café, and Great Plains Sauce and Dough Pizza, as well as locally-owned sandwich shops, and pubs. Entertainment options include art galleries, museums, public library, and multiple live music venues. The Main Street area is also host to many festivals and events. The district is also home to many service oriented businesses such as hair salons, insurance agents, dentists, and tax professionals. The district has two locations to purchase groceries within its boundaries, and two more locations within close walking distance.

The Main Street district also serves as the hub for the city governmental services with City Hall located on the northwest side of the district, the post office in the middle of the district, and a centrally-located state-of-the-art public library. Many of the city’s most historic homes are in the “old town” district adjacent to the downtown.

AMES DRIVE TIME MARKET

# FAST FACTS



Population	5 MIN	10 MIN	20 MIN
2010 Census	10,413	46,866	79,709
2017 Estimate	11,300	51,914	87,574
2022 Projection	11,704	53,500	90,909
Change: 2017 – 2022	3.6%	3.1%	3.8%

Households	5 MIN	10 MIN	20 MIN
2010 Census	4,565	17,660	30,857
2017 Estimate	4,836	18,662	32,939
2022 Projection	5,029	19,416	34,402
Change: 2017 – 2022	4.0%	4.0%	4.25%

Median HH Income	5 MIN	10 MIN	20 MIN
2017 Estimate	\$50,732	\$48,827	\$54,000
2022 Projection	\$54,173	\$52,758	\$58,005
Change: 2017 – 2022	6.8%	8.1%	7.4%

Source: Esri





## DOWNTOWN MARKETING

Survey findings on the media preferences of consumers in the Ames area can provide direction for effective business and downtown marketing, promotion and cooperative advertising strategies. The information can also provide direction for communicating news and proposals for changes and improvements in the downtown area.

Consumer rankings of media preferences demonstrate the growing influence of the Internet and social media as a popular resource for news, researching products and services, and communicating with clients.

Especially for businesses within our community, the Internet can be a particularly valuable resource because it provides the potential to expand their trade area well beyond local or regional geographies. Businesses with collectible, specialty, and custom merchandise lines, in particular, can use the Internet, and social media applications such as Facebook, Pinterest, and Instagram to market to the entire United States or even globally. Even traditional retailers and businesses carrying “staple” products are reaping benefits as, more and more, consumers use the Internet to “shop and compare” products and services.

Ames’ promotion and collaborative marketing efforts will continue engaging the Internet and various social media applications to communicate with consumers and to further promotional goals. The growing popularity of Facebook, Pinterest and other social media applications is evident in consumer survey results that show 57% of all respondents selected social media as one of their top sources for news and information.

**Q: Of the following, which two (2) media and information sources do you most rely on for Ames area news and information?**

Consumers Responses	Percentage
Social Media (Facebook, Twitter, etc.)	57.0%
Internet Websites	40.6%
Newspaper	28.1%

Source: 2017 Downtown Ames Consumer Surveys. Top three responses shown.



## VALUES AND PRIORITIES

Consumer and business survey participants place a high priority on business expansion and recruitment efforts—including proposals for creating incentives for new and expanding businesses in the downtown area. Businesses placed a higher level of priority on efforts to restore and preserve the downtown’s historic character. Both groups would like to see improvements to the downtown streets and sidewalks.

### Question

**Would you place a high, moderate or low priority on possible downtown Ames enhancement efforts to:**

#### Consumers (C) and Businesses (B) Rating as a “High Priority”

Enhancement Efforts	(C)	(B)
Create incentives for new and expanding downtown businesses	56% (1)	41% (2)
Restore and preserve the downtown’s historic character	51% (2)	39% (3)
Improve the downtown’s streets, sidewalks, lighting, furnishings, green spaces, trails, etc.	39% (3)	51% (1)
Stage additional festivals and special events in the downtown area	37% (4)	25% (5)
Improve and/or create more housing in the downtown area	21% (5)	30% (4)

Source: 2017 Downtown Ames Consumer and Business Surveys.

Input regarding priorities for the downtown district generally aligns with suggestions offered by consumer and business survey respondents. When asked, “What is the first thing you would do to improve Downtown Ames?” parking concerns, diversifying the business mix, and expanding the event offerings scored high.

Surveyed consumers and businesses overwhelmingly showed a great affection for the small-town atmosphere and friendly nature of the downtown. The historic character and feel are things they love most or would never change, and they appreciate the dominance of locally owned, unique small businesses located downtown.



## MORE CHANGES AHEAD

Survey results show 40 percent of downtown business survey respondents reported an increase in gross sales or revenue over the past three years. Other business survey results provide insight on the nature of potential changes that could occur within the business mix based on affirmative responses to a list of possible modifications.

**Q: In the next year or two, do you plan to change or modify your business in any of the following ways?**

Business Responses	Percentage
Increase marketing	60.6%
Increase number of employees	51.5%
Expand services or product lines	47.0%
Start and/or complete building improvements	28.8%

Source: 2017 Downtown Ames Business Survey. Most frequent responses shown.

The nature of changes being considered, along with interest expressed in possible business assistance and training programs, suggests that the timing could be opportune for Main Street Cultural District to introduce or escalate efforts to:

- Facilitate collaborative marketing programs, including social media campaigns, designed to extend and reinforce the Downtown Ames brand.
- Share market study data and findings regarding product lines showing potential for expansion.
- Share market study data and findings regarding consumers' desire for expanded store hours.
- Work with the Main Street Design Committee, the Main Street Iowa Design Specialists, City of Ames and other partners to:
  - Promote Main Street Iowa design assistance and technical training services
  - Explore and pursue opportunities for financial and technical assistance to promote high quality building and business improvements



## OPPORTUNITIES

Business types that might be considered primary candidates for expansion and recruitment, based on the downtown's existing business mix, trends in the marketplace and related findings from local input, consumer and business surveys, Esri retail data, and the sales surplus & leakage analysis performed as part of this study include:

### Restaurants and Food Services

Survey results suggest additional eating and drinking places would be compatible and complementary to the existing business mix. Additional limited service food options, with breakfast and bakery concepts were all noted on survey responses, along with a variety of ethnic and specialty food options.

### Sporting Goods, Hobby, Books and Music.

The most immediate opportunities in the sporting goods category would likely capitalize on the health and fitness movement, and on markets favoring outdoor recreation and activities. Products linked to the Iowa State fan base may also do well.

### Miscellaneous Store Retailers

The sales surplus & leakage analysis and consumer survey results indicate a preference for general retail and specialty shops. Possible categories might offer an opportunity to take advantage of recycling trends such as a well-merchandised resale boutique featuring quality home furnishings, maternity wear, children's wear and antiques. Handcrafted products and art, ISU-branded products and apparel, and educational toys and craft items might also lure customers. Well-defined niches could fill demand or expand upon existing entries already in the district.

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