

MEMORANDUM

TO: Dave Mingo, City of Yankton

FROM: Geoff Dickinson, *SB Friedman Development Advisors*
Direct: (312) 384-2404 Email: gdickinson@sbfriedman.com

DATE: January 6, 2015

RE: **Yankton Retail and Tourism-Driven Market Assessment**

Introduction

The City of Yankton (the “City”) engaged *SB Friedman Development Advisors* (“*SB Friedman*”) to conduct a market analysis that examines the existing conditions and major trends related to retail development within the City of Yankton and its surrounding area. The purpose of the study is to evaluate the retail potential within the City of Yankton and develop a marketing and development strategy to attract new retail into the City. This includes assessing both traditional retail driven by permanent residents and workers, as well as specialty retail driven by seasonal tourism activity.

It is our understanding that there are a number of City- and Development Corporation-owned properties throughout Yankton. The Development Corporation responsible for promoting growth in Yankton is Yankton Area Progressive Growth, Inc. (“YAPG”). In the past, the City has played an active role in retail attraction efforts; we understand that the City, in conjunction with the YAPG, plans to continue that work to attract additional new retail development. *SB Friedman’s* analysis is intended to assist in focusing economic development efforts by providing information regarding the City’s competitive position and identifying new national retail anchors and specialty tourism-based retailers that may be attracted to specific site(s) in the City.

In this memorandum, *SB Friedman* presents the following research and analyses:

Part I: Retail Market

- Overview of existing conditions of sample potential City- and YAPG-owned development-ready sites.
- Inventory and analysis of existing local and regional retail clusters, major tenants and shopping centers.
- Analysis of retail leakage or dollars of retail demand that are being spent outside of the local and regional market areas.
- Analysis of demographic trends in the area that influence the City’s market potential to attract additional retail development.

- Analysis of potential new retailers anticipated to grow in South Dakota in the near term, and their site and demographic targets against site and demographic/economic conditions in Yankton.

Part II: Tourism and Visitor Market

- Research and analysis focused on tourism-related business potential in the City.
- Case study research on three comparable waterfront tourism-based communities, including the Brainerd Lakes Area in Minnesota, the Boulder Junction Area in Wisconsin, and the Devil's Lake Area in Baraboo, Wisconsin.
- Overview/conclusion of key takeaways from comparable research that may guide the development of a future tourism-based retail strategy in Yankton.

Part I: Retail Market

Existing Site Conditions

OVERVIEW OF DEVELOPMENT-READY SITES

The City of Yankton identified five vacant City- and YAPG-owned, development-ready sites throughout Yankton. In addition to these sites, there are also several privately-owned sites in similar locations. For the purposes of this memo, we have evaluated the site conditions of the five publically or quasi-publically owned sites in order to determine if these sites are suitable for various types of retail development.

The properties identified with high potential as retail sites (the “Sample Sites”) are located at the following intersections:

1. North of 33rd Street on the east side of Broadway Street
2. The southeast corner of 31st Street and West City Limits Road
3. The southwest corner of 4th Street and Burleigh Street
4. Archery Business Park located at the southwest corner of Highway 50 and Bill Baggs Road
5. Former Human Services Center Campus located at the northwest corner of Highway 50 and Broadway Street (Highway 81)

A map illustrating these locations can be found in **Figure 1** on page 5.

ACCESS

The Sample Sites are all located adjacent to or within proximity of major highly-trafficked highways and roads, including US Highway 81 and South Dakota State Highway 50. Highway 81 is an important north-south corridor and functions as the northern entrance into Yankton. It currently has two lanes in each direction. Highway 50 is the primary east-west connector in Yankton. It serves as a four-lane 70 mph highway and connects to I-29, a major interstate highway located 32 miles to the east.

In addition, the Sample Sites are all easily accessible, as demonstrated by moderate traffic counts up to approximately 18,000 in some corridors (presented in **Table 1** on the following page). While these are relatively high traffic counts for the City of Yankton, they are low for development of major national anchors, which often require traffic counts within the range of 30,000 to 40,000.

ZONING

The Sample Sites are zoned as either B-2 Highway Business or I-1 Industrial. B-2 zoning functions to establish commercial areas consisting of shopping centers and commercial strips, where customers reach individual business establishments primarily by automobile. Permitted uses within B-2 Highway Business Districts include: retail stores, services, offices, restaurants, barber and beauty shops, small implement sales and repair, and other retail businesses conducted wholly within a completely enclosed building permitted under B-1 designation. It also includes other offices and establishments selling goods and services at retail, including wholesale establishments and automobile sales, auditoriums, motels, funeral homes, and outdoor theaters. I-1 zoning functions to establish areas of commercial, industrial

and related uses of such nature that do not create serious problems of compatibility with other kinds of land uses. Permitted uses within the I-1 Industrial District include any permissible permitted uses in B-2 and B-3 Districts, and therefore can be developed as retail.

Table 1: Existing Site Conditions

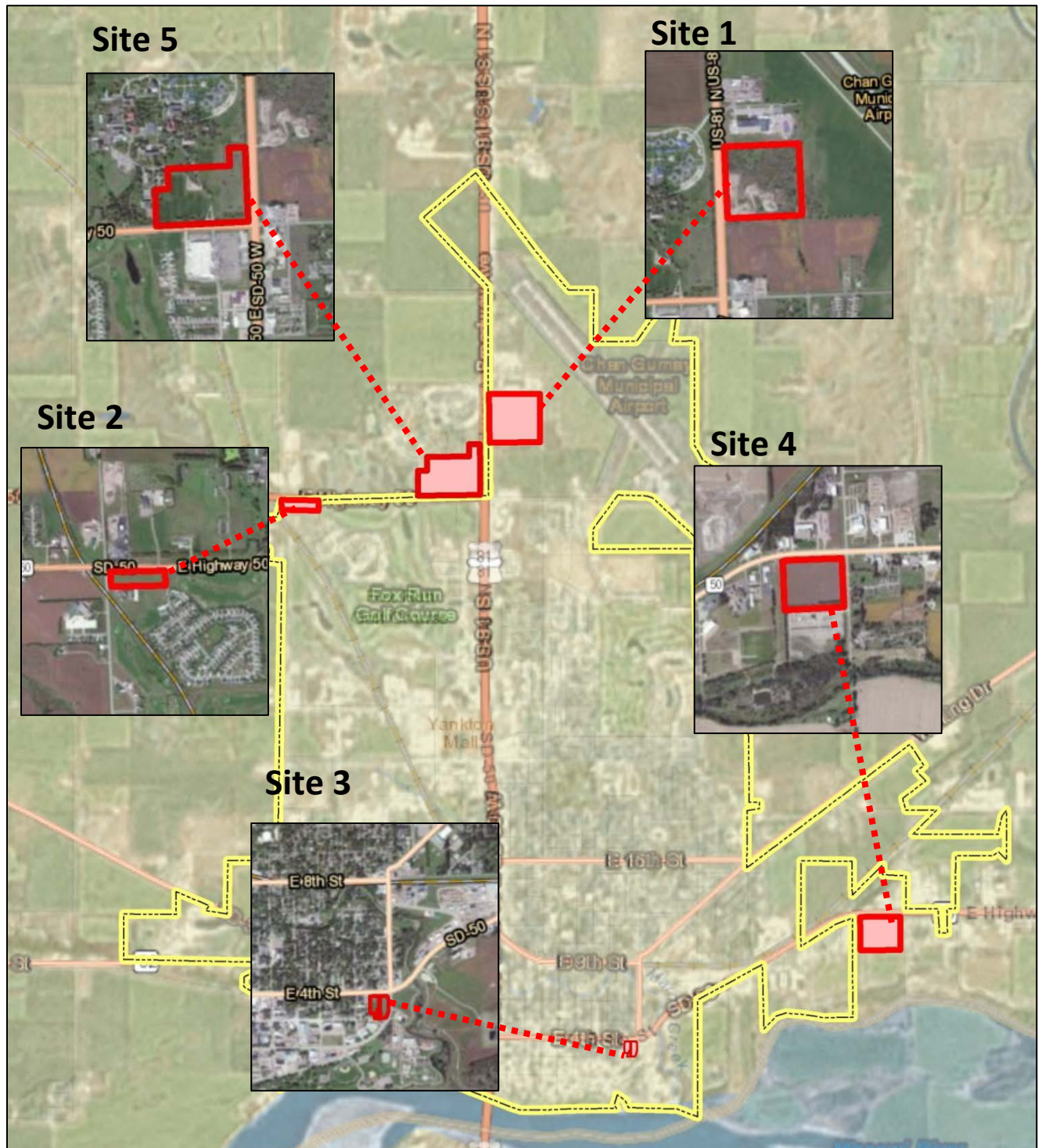
Site	Address	Acres [1]	Zoning [2]	Annual Average Daily Traffic (AADT) [3]	Property Description
Site 1: North of 33 rd Street	3500 Broadway Avenue	36	B-2 Highway Business	7,300-18,000 on Highway 81	The site consists of four parcels owned by the City of Yankton and YAPG. It is a high visibility site located directly adjacent to the new Menards and near the Walmart Supercenter.
Site 2: 31 st Street & West City Limits Road	1300 W. 30 th Avenue	3.75	B-2 Highway Business	3,500 on Highway 50 (31 st Street)	The site consists of one parcel owned by the City of Yankton. Adjacent uses include residential, industrial, places of worship, and the Fox Run Golf Course.
Site 3: 4 th Street and Burleigh Street	4 th Street and Burleigh Street	2.75	I-1 Industrial	7,000-10,000 on Highway 50 (4 th Street)	The site consists of six City-owned parcels. It is a highly visible site located within proximity to Historic Downtown Yankton on Highway 50. Adjacent uses include residential, commercial and industrial.
Site 4: Archery Business Park	Southeast corner at the intersection of Highway 50 and Bill Baggs Road	18	I-1 Industrial	7,000-10,000 on Highway 50	The site consists of two YAPG-controlled parcels. It is a highly visible site located on the western edge of the City on Highway 50.
Site 5: North Broadway (former HSC Campus)	Northwest corner at the intersection of Highway 81 and Highway 50	36	B-2 Highway Business	7,300-18,000 on Highway 81	This site consists of 36 acres and is conveniently located north of Walmart Supercenter and just west of Menards. According to the YAPG, there are eight outlets available ranging from 1.2 acres to 11.2 acres, and the site is currently actively being marketed by the City and YAPG.

[1] City of Yankton

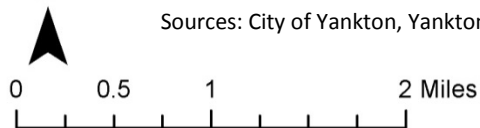
[2] City of Yankton

[3] South Dakota Department of Transportation

Figure 1: Map of Potential Development Sites in Yankton, South Dakota



Sources: City of Yankton, Yankton Area Progressive Growth, SB Friedman



SUMMARY OF EXISTING CONDITIONS

In addition to the several privately-owned sites located throughout Yankton, the City of Yankton identified five vacant City- and YAPG-owned, development-ready Sample Sites throughout Yankton. The Sample Sites range in size from 2.75 to 36 acres, are properly zoned for retail development, and are accessibly located within retail corridors. However, traffic counts are on the lower requirement end for major national anchors. Thus, from a site perspective, the biggest challenge appears to be traffic counts for major tenants. Nevertheless, the Sample Sites may appeal to community-level tenants.

Regional Shopping Destinations and Retail Competition

Conversations with stakeholders indicated that it is not uncommon for residents of Yankton to travel up to 90 minutes, one way, to shop in competing cities, such as: Sioux Falls, SD; Sioux City, IA; Vermillion, SD; Mitchell, SD; and Norfolk, NE. This section describes the existing major regional shopping clusters/destinations and retail competition.

SIoux FALLS, SOUTH DAKOTA (approximately a 75-minute, one-way drive from Yankton)

Sioux Falls is southeast South Dakota's largest retail destination. Some residents of Yankton travel to Sioux Falls as frequently as multiple times per week despite the 90-minute drive one way. The city has a population of approximately 154,000 people. Major competing shopping centers and stores include:

- **The Bridges at 57th** – The Bridges at 57th is a regional shopping destination featuring a lifestyle center with approximately 40 different boutiques, specialty shops and gourmet restaurants. The shopping center combines the traditional retail functions of a shopping mall with leisure amenities oriented towards upscale shoppers, such as dining and entertainment in an outdoor, landscaped setting.
- **The Empire Mall & Empire East** – Opened in 1975, the Empire Mall is managed by Simon Property Group, was recently renovated, and features national retailers and restaurants. It is the region's largest enclosed mall and a popular tourist attraction in South Dakota. The mall contains approximately 150 stores in 1.3 million square feet of retail space and is anchored by Macy's, Sears, Dick's Sporting Goods, JCPenney, and Younkers.
- **The Western Mall** – Opened in 1968, the Western Mall is the region's older, major enclosed mall. Today, it is experiencing relatively high vacancy; however, the seven-screen movie theatre remains open as a second-run discount theater. Additionally, the mall offers seasonal Christmas events and holiday lighting.
- **8th & Railroad Center** – Originally built in 1930 and located in historic downtown Sioux Falls (also known as the East Bank), today the newly renovated 8th and Railroad Center features restaurants and boutiques.
- **Other Retail** – Sioux Falls is home to many other big-box stores, including Walmart, Best Buy, Home Depot, Sam's Club, Target, Macy's, and Kohl's.

SIoux CITY, IOWA (approximately a 60-minute, one-way drive from Yankton)

Sioux City is located southeast of Yankton. It has a population of approximately 83,000. Major competing shopping centers and stores include:

- **Southern Hills Mall** – Southern Hills Mall is an approximately 1.3 million-square-foot enclosed mall with approximately 100 stores. Anchors include Sears, JCPenney, and Younkers. Outlots contain popular chain restaurants, including Red Lobster and Long John Silver's.
- **Lakeport Commons Shopping Center** –Lakeport Commons is a larger lifestyle center located adjacent to Southern Hills Mall comprised of over 30 stores, and is anchored by a number of big-box stores, including Kohl's, Best Buy, Gordman's, and Michael's. It also features a number of smaller retail stores and chain dining establishments.
- **Marketplace Shopping Center** – Described as a “village style shopping center”, the Marketplace offers a range of boutique stores, specialty shops, salons and restaurants. The shopping center contains nearly 20 stores and is anchored by Hy-Vee supermarket and Shopko.
- **Other Retail** – Sioux City is also home to many other big-box stores, including Sam's Club, Walmart, Home Depot, Dunham's Sports, Kmart, and Menards.

NORFOLK, NEBRASKA (approximately a 75-minute, one-way drive from Yankton)

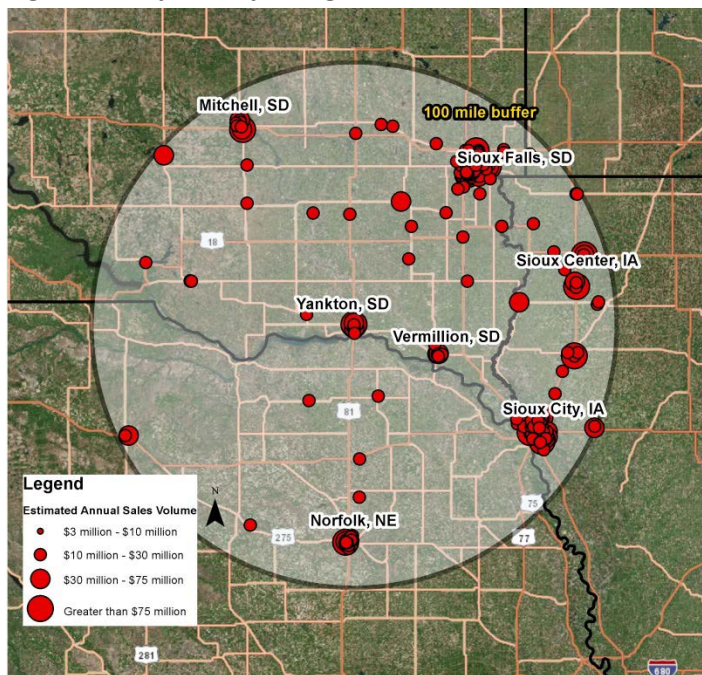
Norfolk is located approximately 60 miles south of Yankton and is directly accessed via Highway 81. The city has a population of approximately 25,000 people. There are several major retail clusters within the city; Highway 275, east of Highway 81, comprises the largest cluster with the Sunset Plaza Mall and large big-box stores, including Walmart Supercenter, Hy-Vee, Target, and Menards. There are also many national chain restaurants located within strip centers and outlots along Highway 81. Norfolk Avenue, between 1st and 8th Streets, is the main downtown district with smaller-scale and independent retail.

VERMILLION, SOUTH DAKOTA (approximately a 30-minute, one-way drive from Yankton)

Vermillion is located to the east of Yankton and has a population of approximately 10,500 people. There are no major shopping centers or malls located within the city. Major competing stores include retail located on Cherry Street, such as Walmart Supercenter, Brunick Furniture, and Maurice's. Interviews indicate that some Yankton residents drive to Vermillion for restaurants, but aside from that there are few retail “destination” stores in Vermillion.

MITCHELL, SOUTH DAKOTA (approximately a 90-minute, one-way drive from Yankton)

Mitchell is located to the northwest of Yankton and has a population of approximately 15,000 people. There is a southern cluster of retail located around the intersection of Interstate 90 and Route 37. This cluster includes regional retailers, including Menards, Walmart Supercenter, Cabela's and Kmart. There is also a northern cluster that contains mid-size box stores, including Sears, JCPenney and Shopko. In addition, there is some smaller, community retail along Main Street. The 80,000-square-foot showroom at Cabela's functions as a super-regional draw for Mitchell, drawing customers from across the region.

Figure 2: Map of Major Regional Retailers

Sources: InfoUSA, Esri Business Analyst, *SB Friedman*

Yankton Retail Inventory

Typical of national commercial development trends within the past few decades, most major and minor shopping centers in Yankton are built with automobile access as a primary concern, although there are several pedestrian-oriented dining and shopping destinations, mostly in the historic downtown area.

BROADWAY CORRIDOR

The most significant retail concentration in Yankton is located along the Broadway Corridor. The retail corridor is approximately three miles long, and bounded roughly by 31st Street on the north at the convergence of Highway 81 and Highway 50, and 8th Street on the south. Along this stretch are many stand-alone big-box and mid-box stores. The Walmart Supercenter and the new Menards-anchored retail development are at the core of the northern end of this cluster along Broadway at the intersection of Highways 81 and 50. This cluster also has a number of the largest automobile dealers in Yankton, including Northtown Automotive and Broadway Chrysler Dodge Jeep.

The central part of the retail cluster along the Broadway Corridor is anchored by Hy-Vee, the Yankton Mall, Dunham's Sports, JCPenney, and Kmart. The Yankton Mall contains a number of small retailers as well as Dunham's Sports, JCPenney and a movie theater. Interviews have indicated that the mall is struggling to attract tenants and shoppers, and alternative uses for the space may need to be considered.

The southern portion of Broadway between 15th Street and 8th Street consists of smaller retailers and daily goods stores.

HISTORIC DOWNTOWN YANKTON

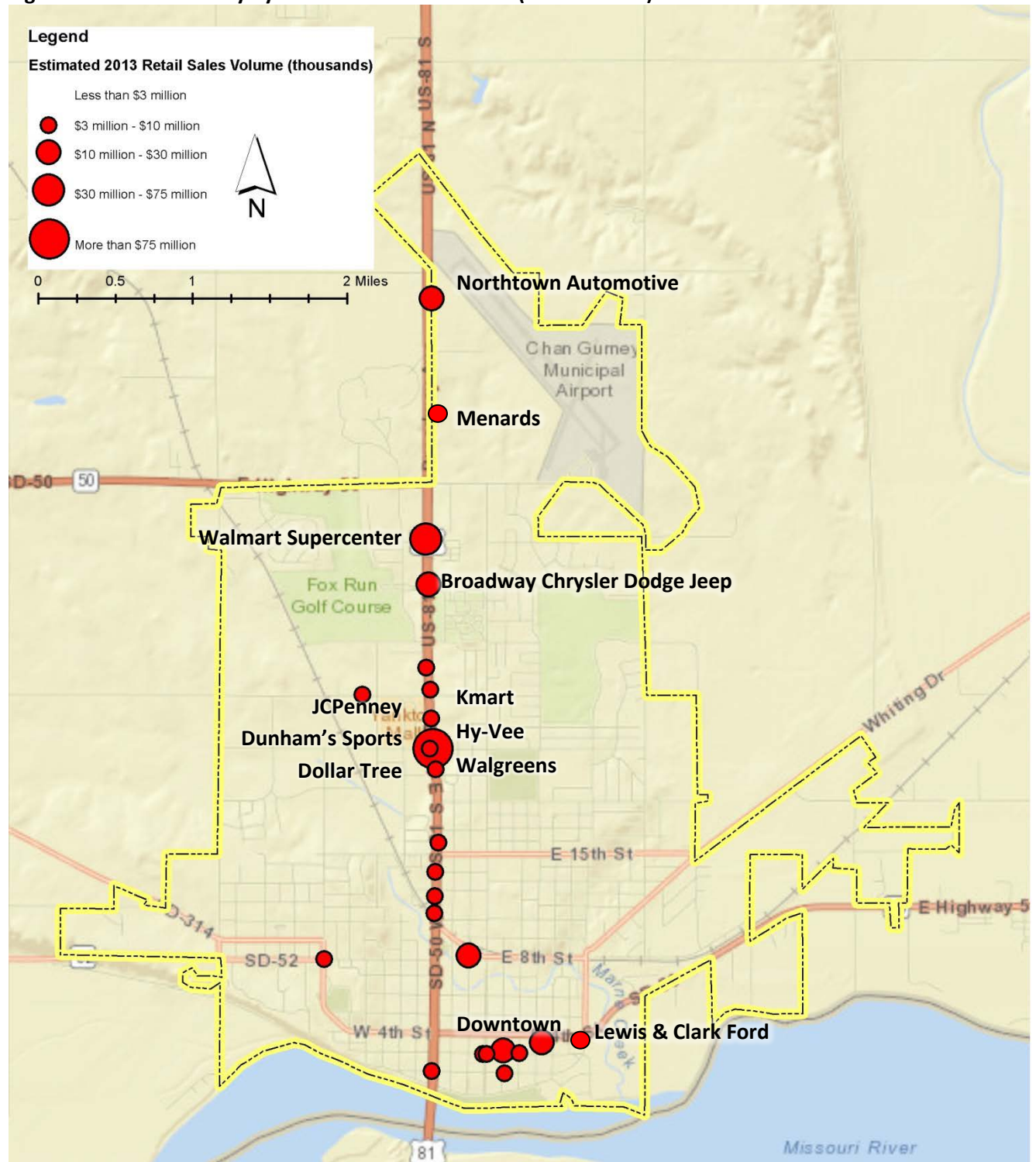
Historic Downtown Yankton offers a traditional “Main Street” environment. The Downtown District is located along the southern portion of the City and consists of over 150 small businesses, including unique specialty gifts, clothing, art galleries, florists, and home furnishings stores, many of which are independently owned and operated. Downtown serves a different niche and provides a more pedestrian-oriented shopping experience than the larger, auto-oriented Broadway Corridor. There are several restaurants and bars, but interviews have indicated that the area is lacking family-friendly facilities. In addition, interviews have indicated that the Downtown District offers lower rents, making it more financially attractive to convert the space in this area to residential to achieve a higher rent.

CURRENT AND PLANNED DEVELOPMENT OVERVIEW

There are a number of current and planned development projects throughout the City of Yankton, as outlined below:

- The most significant recent retail development in Yankton is the new Grosseth Crossing Retail Complex located at the northeast corner of the intersection of Highway 81 and Highway 50, near the Walmart Supercenter. The site has additional opportunities for outlots, which are currently being marketed. There has been some success in filling these outlots. For example, Culver’s opened in one of the outlot locations in September 2014.
- Dunham’s Sports in the Yankton Mall is planning a \$500,000 remodeling project, including a 40,000-square-foot expansion.
- The City of Yankton was recently in discussions with a developer interested in purchasing land for a general merchandise store.

Figure 3: Retail Inventory by Sales Volume in Yankton (in thousands)



Source: InfoUSA

Retail Gap Analysis

One of the best methods to understand local and regional retail demand potential is through a retail gap analysis, which can indicate how well the retail needs of local residents are being met. This method compares a geography's retail "supply," or the estimated aggregate annual retail sales, with the total annual "demand" from households living in that geography. The difference between the supply and demand is referred to as the retail gap and helps estimate the need/opportunity for retail development.

The gap analysis can identify retail gaps in one of three ways: as a surplus, a leakage, or roughly in balance. When there is a higher supply of retail stores in a particular store category (e.g., general merchandise, apparel, or furniture) than there is demand, this shows that local retailers within the market area capture the local market and attract spending from non-local shoppers. This is referred to as a negative retail gap or a "surplus" and indicates a likely lack of additional opportunity for that specific store category. Alternatively, when estimated sales for a store category are less than the estimated demand within the market area, this is considered to be a retail leakage. This is referred to as "leakage" because households that would reasonably be expected to spend money in a particular store category (say apparel) are estimated to be spending some of those dollars outside of the market area. This can occur for a variety of reasons:

1. Stores of that types are absent from or underrepresented within the market area.
2. Tiers of stores are absent from or underrepresented within the market area (e.g., a basic women's apparel store is present, but a dressier store type is absent or underrepresented).
3. Consumers may be making online purchases in that category (increasingly common, especially in the electronics category).
4. Consumers do some amount of spending when traveling outside of the local or even regional market (e.g., dining out in Omaha while attending the College World Series).

Regardless of the reason(s), those dollars not spent at stores in the local market are said to "leak" to other retail clusters. Leakage is a primary indicator of locally unmet demand and potential opportunity for retail growth since it illustrates the potential to support additional store space for that type of business. However, even if there is leakage, it does not necessarily equate to a need for additional building square footage within the market as some of the leakage could potentially be satisfied by filling existing vacant retail space. In addition, even with a leakage, sub-regional destinations may be unable to attract underrepresented store categories if there are larger retail markets within proximity. For example, while Yankton has a leakage in many categories because it is a sub-regional destination, it may have difficulty attracting certain types of spending, especially higher end retail, because Sioux Falls is a larger regional draw with lifestyle centers that include higher end apparel and homegoods.

MARKET AREA METHODOLOGY

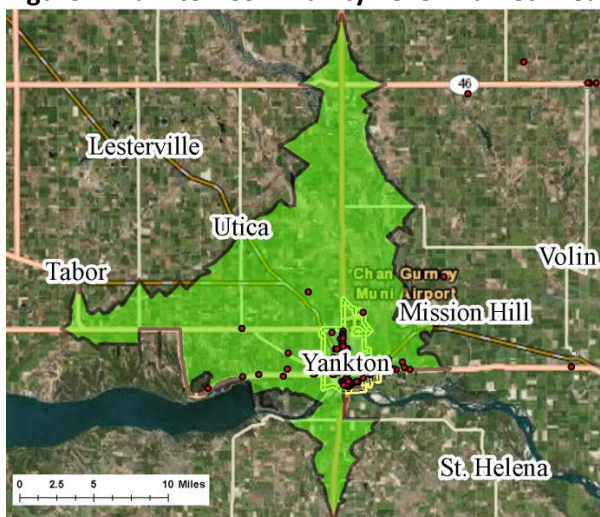
Estimating the retail gap for a single geographic area such as a municipality is not sufficient to fully analyze the potential for future retail development. Retail development relies upon market areas that are not necessarily defined by political boundaries. Any identified retail "leakage" in a single area may be met by retail centers located immediately outside of that geography. Similarly, a surplus in retail for a city may underestimate the potential to add regionally-serving retail development that attracts

customers from a larger area. Thus, the location, scale and nature of competition help to define the size of the market area. To determine the potential retail opportunities, *SB Friedman* utilized two methodologies to determine the market areas for local community-level serving and regional-level serving retailers.

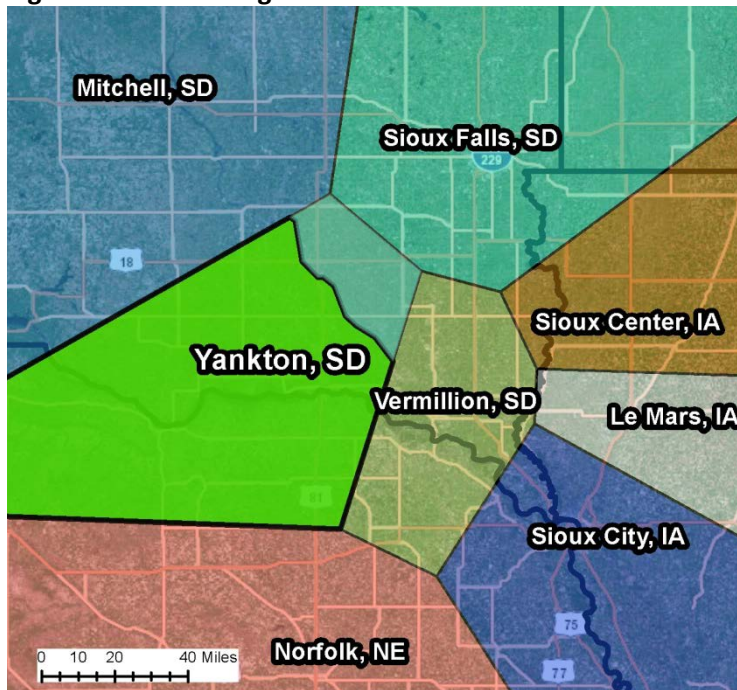
SB Friedman utilized a 15-minute drive time to estimate the local-serving, community-level market area (“Community-Level Market Area” or “CMA”). Drive time analysis helps define a trade area by determining how far customers are willing to travel to reach the store or area. The local market area for Yankton encompasses all of the City of Yankton and extends to the Utica, Tabor and Mission Hill communities, as presented in **Figure 4: Yankton Community-Level Market Area**. In 2014, it consisted of nearly 18,000 people in 7,500 households with a median income of \$50,000. The 15-minute travel time is based on the distance people are willing to travel for most shopping trips (e.g., a midweek trip to the grocery or drug store or big-box center). Clearly, there are exceptions to this sort of shopping behavior, but for modeling purposes we believe this to be a reasonable core assumption.

To estimate the regional market area (“Regional-Level Market Area”) for larger regional retailers, *SB Friedman* utilized Thiessen polygon analysis. Thiessen polygons are used to define an area of influence around a set of sample points. These polygon boundaries define the area that is closest to each sample point relative to all other sample points. As some of the largest retailers by sales volume in the region, Walmart Supercenters located in Sioux City (IA), Le Mars (IA), Sioux Center (IA), Mitchell (SD), Sioux Falls (SD), Vermillion (SD), Norfolk (NE) and Yankton, SD were chosen as sample points. Given the volume of retail sales and significant regional draw of Sioux Falls, the northeastern boundary of the Yankton Regional-Level Market Area was adjusted to account for the strong competition and high levels of attractiveness for consumers of Sioux Falls. This adjustment is based on an approximately one-hour drive time from Sioux Falls under the assumption that consumers along this threshold are more likely to drive to Sioux Falls than Yankton due in large part to the greater number of shopping and dining options in Sioux Falls. The Yankton Regional-Level Market Area generally encompasses all of Yankton County (SD), Bon Homme County (SD), Knox County (NE), and portions of Cedar County (NE), as presented in **Figure 5: Yankton Regional-Level Market Area** on the following page. In 2014, the regional market consisted of approximately 44,000 people in 17,000 households with a median income of nearly \$47,000.

Figure 4: Yankton Community-Level Market Area (15-Minute Drive Time from Walmart SuperCenter)



Sources: InfoUSA, Esri Business Analyst, *SB Friedman*

Figure 5: Yankton Regional-Level Market Area

[1] Yankton market area adjusted for highly competitive retail options in Sioux Falls, as illustrated. No other trade areas have been adjusted.

Sources: InfoUSA, Esri Business Analyst, *SB Friedman*

MARKET AREA DEMOGRAPHICS

The following market demographics form the foundation for the retail market assessment in subsequent sections. As presented in **Tables 2 and 4** below, nearly 19,000 people live within the Community-Level Market Area. That consists of approximately 7,500 households earning a median annual household income of approximately \$50,000. Over the past three years, population and household growth has declined in the Community-Level Market Area, though at a slower rate than in the previous decade (2000 to 2010). Five-year growth projections by Esri Business Analyst (“Esri”), a supplier of demographic, consumer and business data, indicate that approximately 1,300 people and 220 households are projected to be added to the Community-Level Market Area by 2019.

As presented in **Tables 2 and 4** below, nearly 44,000 people live within the Regional-Level Market Area. That area includes approximately 17,000 households earning a median annual household income of approximately \$47,000. Population within the Regional-Level Market Area has fluctuated slightly since the 2000 Census was taken, declining from approximately 44,500 people in 2000. Five-year growth projections by Esri indicate that approximately 260 households are estimated to be added to the Regional-Level Market Area by 2019.

Table 2: Population and Household Trends (2000-2019)

	City of Yankton		Community-Level Market		Regional-Level Market	
	Pop.	HHs.	Pop.	HHs.	Pop.	HHs.
2000 Census	13,590	5,402	17,567	7,541	44,511	16,796
2010 Census	14,384	5,876	18,663	7,800	43,788	16,933
2014 Estimate	14,550	6,037	18,196	7,581	43,974	17,240
2019 Projections	14,786	6,195	19,528	7,800	44,290	17,516

Sources: Census 2010 Summary; Household Income Profile from Esri Business Analyst

Table 3: Population Compound Annual Growth Rate

	City of Yankton	Community-Level Market	Regional-Level Market
2000-2010	0.57%	0.61%	-0.16%
2010-2014	0.48%	-0.63%	0.11%
2014-2019	0.17%	1.42%	0.14%

Source: SB Friedman

Table 4: Median Household Income

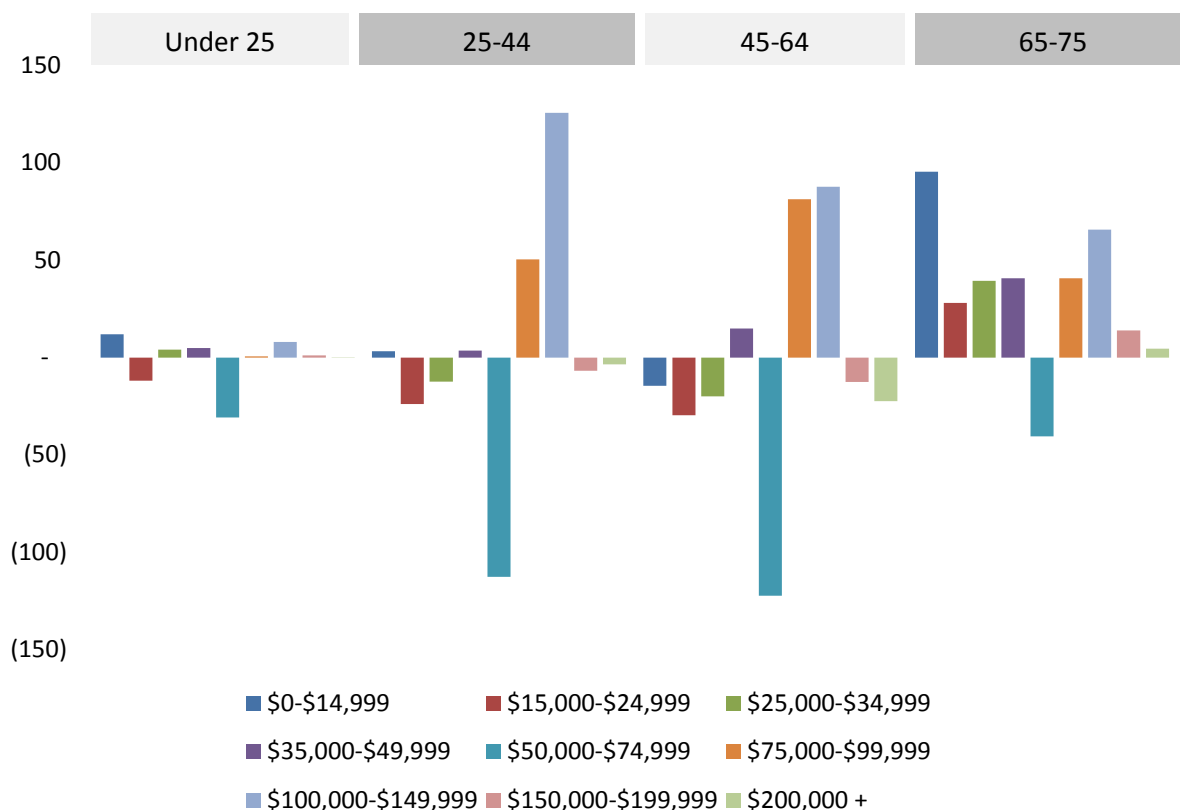
	City of Yankton	Community-Level Market	Regional-Level Market
2014 Estimate	\$46,763	\$50,027	\$46,955
2019 Projections	\$54,146	\$56,368	\$53,286

Source: Household Income Profile from Esri Business Analyst

Overall, the Community-Level Market Area and the Regional-Level Market Area have experienced slow growth since 2000. Median incomes for both market areas are moderate, although the estimated 2014 median income of the Community-Level Market Area is approximately \$3,000 higher than the regional income.

In addition to the data above, we analyzed household demographics segmented by income and the age of the householder within the Community-Level Market Area (presented in **Figure 6** on the following page). This analysis revealed that the number of households earning between \$75,000 and \$150,000 per year may increase in all age cohorts, and the population of persons aged 65 to 74 may increase among all income cohorts. This suggests that the Community-Level Market Area may become increasingly older and more affluent- a circumstance that has implications for retail as older people tend to spend less on goods and more on services and experiences. However, this could be attractive for dining and entertainment uses.

Figure 6: Household Growth by Age and Income – Community-Level Market Area (2013-2018)



Sources: Esri Business Analyst, *SB Friedman*

RETAIL GAP ANALYSIS

SB Friedman utilized data from Esri Business Analyst to estimate the retail gaps in the two market areas. These data are broken down by employment sub-sectors using the North American Industrial Classification System (NAICS). As a whole, the Community-Level Market Area is well-supplied for the two sectors, Retail Trade and Food and Drink, with a surplus in two-digit NAICS categories as shown in **Table 5** below. The City of Yankton is primarily interested in developing retail, therefore retail gaps related to non-store retailers, such as electronic shopping and mail-order houses, vending machine operators, and direct selling establishments were excluded from this analysis. As presented below, the total retail surplus for the Community-Level Market Area is approximately \$82 million. At a regional level, the retail market is slightly undersupplied with a total leakage of approximately \$75,000.

Table 5: Retail Gap Industry Summary

Industry Summary	NAICS	Community-Level Market Area Retail Gap	Regional-Level Market Area Retail Gap
Total Retail Trade and Food & Drink	44-45,722	(82,211,075)	75,464
Total Retail Trade	44-45	(74,607,834)	(6,443,119)
Total Food & Drink	722	(7,603,241)	6,518,583

Source: Esri Business Analyst

KEY FINDINGS

As a whole, existing retail and food and drink establishments sufficiently serve the Community-Level Market Area within the 15-minute drive time. The Yankton Community-Level Market Area has an overall retail surplus of \$74 million and an overall food and drink surplus of \$7.6 million, indicating that customers appear to currently be drawn in from outside the 15-minute market area. This is not surprising given Yankton's role as a sub-regional center of commerce.

The leakage model indicates that the Regional-Level Market Area has slight food and drink leakage. However, while \$6.5 million seems significant, if this figure is divided by \$300 per square foot sales, that represents roughly 20,000 square feet of space. This appears to indicate that the market is more or less in balance given the various assumptions required to generate these estimates. The Yankton Regional-Level Market Area has an overall retail surplus of \$6.4 million, again indicating that the market is more or less in balance.

As presented in **Table 6** on the following page, at the Community-Level Market Area, the largest store categories of leakage/potential opportunities include:

- Other General Merchandise Stores (excluding department stores)
- Full-Service Eating Places
- Clothing Stores

At the Regional-Level Market Area, the largest categories of estimated leakage include:

- Food Services and Drinking Places
- General Merchandise Stores
- Clothing, Shoes and Accessories Stores
- Automobile Dealers
- Sporting Goods, Hobby, Book & Music Stores
- Health and Personal Care Stores

Table 6: Retail Gap Summary by Store Category

Industry Group	NAICS	Retail Gap – Primary Market	Retail Gap- Regional Market
Motor Vehicle & Parts Dealers	441	2,782,719	570,407
Automobile Dealers	4411	5,203,459	3,017,572
Other Motor Vehicle Dealers	4412	849,170	2,611,463
Auto Parts, Accessories & Tire Stores	4413	(3,269,910)	(5,058,629)
Furniture & Home Furnishings Stores	442	(2,101,761)	(297,218)
Furniture Stores	4421	(2,430,231)	(1,642,253)
Home Furnishings Stores	4422	328,470	1,345,034
Electronics & Appliance Stores	4431	(2,772,299)	178,353
Bldg Materials, Garden Equip. & Supply Stores	444	715,575	(1,984,391)
Bldg Material & Supplies Dealers	4441	424,705	727,304
Lawn & Garden Equip & Supply Stores	4442	290,869	(2,711,696)
Food & Beverage Stores	445	(31,649,061)	(40,469,540)
Grocery Stores*	4451	(60,134,429)	(41,521,905)
Specialty Food Stores	4452	590,465	330,596
Beer, Wine & Liquor Stores	4453	225,302	721,770
Health & Personal Care Stores	446,4461	(10,000,215)	5,195,270
Gasoline Stations	447,4471	(28,025,444)	(37,127,546)
Clothing & Clothing Accessories Stores	448	3,106,128	9,992,623
Clothing Stores	4481	2,622,507	6,827,866
Shoe Stores	4482	333,853	1,879,104
Jewelry, Luggage & Leather Goods Stores	4483	149,768	1,285,651
Sporting Goods, Hobby, Book & Music Stores	451	(143,238)	2,054,145
Sporting Goods/Hobby/Musical Instr Stores	4511	(736,569)	605,268
Book, Periodical & Music Stores	4512	593,331	1,448,877
General Merchandise Stores	452	(8,602,279)	53,100,953
Adjusted Department Stores Excluding Leased Depts.*	4521	568,812	12,878,852
Other General Merchandise Stores	4529	18,498,510	40,222,102
Miscellaneous Store Retailers	453	(297,190)	2,343,828
Florists	4531	(158,110)	(340,633)
Office Supplies, Stationery & Gift Stores	4532	(689,772)	70,514
Used Merchandise Stores	4533	24,007	(457,643)
Other Miscellaneous Store Retailers	4539	2,905,917	3,071,590
Food Services & Drinking Places	722	(7,603,241)	6,518,583
Full-Service Restaurants	7221	1,352,181	7,841,519
Limited-Service Eating Places	7222	(7,847,403)	2,169,065
Special Food Services	7223	376,633	299,419
Drinking Places - Alcoholic Beverages	7224	(1,484,652)	(3,791,420)

*Adjusted for Walmart grocery sales, which are assumed to equal 56% of total sales based on historical sales. This number has been reallocated from Department Stores (NAICS 4521) to Grocery Stores (NAICS 4451).

Sources: Esri Business Analyst, InfoUSA, SB Friedman

Absorption Potential and Market Opportunities

Based on these estimates of store categories with the greatest amount of sales leakage, *SB Friedman* further analyzed market opportunities. We used the Dollars and Cents of Shopping Centers 2008 produced by the Urban Land Institute (ULI) and International Council of Shopping Centers to convert sales in dollars leaking out of a market into square feet of stores (either in new construction space or existing building space).

For each of the identified store categories, the real estate potential was estimated using key variables, such as median gross leasable area (GLA) and median sales per square foot for various types of U.S. shopping centers. According to the ULI, there are five basic types of shopping centers, each with its own unique function. The general types include: super regional center, regional center, community center, neighborhood center and convenience center. Below are summary definitions of each of these types of shopping center.

Super Regional Retail: Super regional shopping centers are the largest types of retail centers and typically include the enclosed mall format. Tenants often offer a variety of general merchandise, apparel, furniture and home furnishings, as well as a variety of services. The typical size of super regional center is approximately 1,000,000 square feet. They are often built around three or more full-line department stores generally not less than 75,000 square feet each.

Regional Retail: Regional shopping centers include retailer tenants offering a variety of goods, including general merchandise, shoes, clothing and accessories, home furnishings, gifts, specialty items, and electronics. They can also offer food and personal services, and entertainment, in some instances. The typical gross leasable area of a regional center ranges from 300,000 to 900,000 square feet and the usual minimum site area ranges from 10 to 60 acres, according to the International Council of Shopping Centers (ICSC), an industry organization that compiles detailed national data on retail centers. Regional centers typically have one or two larger anchors that have historically been in the form of a full-line department store, but are increasingly non-traditional anchors, such as multiplex cinemas, off-price category killers (national big-box retail chains focused on one or a few product categories, such as Home Depot, Best Buy, or Bed Bath and Beyond), and food courts. Consumers will typically travel long distances to shop at regional centers for non-everyday needs. In the context of this study, regional retail is not present in Yankton.

Community Retail: Community shopping centers are typically anchored by discount department stores (e.g., Kmart or Marshall's), specialty stores (e.g., hardware, home improvement, furniture), and/or supermarkets, and often provide goods that are unlikely to be found in regional retail centers or convenience retail centers. Community center anchors are supported by inline and/or outlot retail space. The typical gross leasable area ranges from 100,000 to 450,000 square feet and the usual minimum site area ranges from 10 to 30 acres, according to the ICSC. Community shopping centers generally require deeper parcels to accommodate parking and loading. Typical parcel dimensions for the area are roughly 700 to 1,100 feet deep, by 500 to 600 feet wide. Examples of community center anchors in Yankton include Walmart and Kmart.

Neighborhood Retail: Neighborhood centers are the next tier of shopping centers. According to the ICSC, these are typically anchored by a supermarket and provide for the sale of convenience goods and personal services. They generally range between 30,000 and 100,000 square feet of gross

leasable area, and the minimum site area required for a neighborhood center is typically 3 to 10 acres.

Convenience Retail: Convenience retail generally consists of retailers and service providers that cater to everyday needs. Common convenience retail tenants include convenience stores, gas stations, banks and other financial institutions, restaurants (fast food, fast casual and/or sit-down restaurants), pharmacies, and personal service uses, such as dry cleaners or nail salons. Convenience centers also often include professional service offices, such as doctors and dentists, and finance, insurance and real estate. Convenience retail centers generally serve consumers who live or work within roughly a five-minute drive time. They have a typical gross leasable area of 13,000 square feet, but do not exceed 30,000 square feet, according to the ICSC.

Given the store categories, scale of leakage, and the size and reach of each market area, the absorption potential for tenants most commonly located in neighborhood centers and super community/community centers was estimated for each of the identified store categories, as outlined below.

FULL-SERVICE RESTAURANTS

The Full-Service Restaurant store category may represent an opportunity for the City of Yankton, with leakage in both the primary and regional markets. In particular, based on interviews, it appears that the City of Yankton is lacking family-friendly full-service restaurants. According to InfoUSA, there are only approximately five full-service restaurants within the Community-Level Market Area market area and 11 limited-service eating places.

Potential Market Opportunities

Community-Level Market Area. The estimated leakage within the Community-Level Market Area for full-service restaurants was approximately \$1.4 million per year. A retail capture scenario suggests that Yankton could absorb nearly 2,000 square feet of neighborhood-scale restaurant space. Based on a median GLA of 3,212 square feet for neighborhood-based restaurants, this equates to less than one new full-service restaurant. This is not a large amount of leakage, and, should a new operator come to town, they could potentially also take some business from existing operators.

Regional-Level Market Area. The Regional-Level Market Area experienced \$7.8 million in leakage. A retail capture scenario suggests that approximately 12,000 square feet of regional-serving restaurants could be absorbed by the City of Yankton to serve the regional market in community centers. Based on a median GLA of 4,900 square feet, this equates to approximately three new full-service restaurants. Again, should a new operator come to town, they could potentially also take some business from existing operators. However, restaurants may offer a unique menu with broader geographic appeal, thus making their business more successful.

Tenant Demographic/Economic Targets

While there appears to be some unmet demand for full-service restaurants at the community and regional market levels, it may be difficult for the City of Yankton to attract large national restaurant chains. *SB Friedman* utilized Retail Lease Trac to identify restaurants who have a stated interest in

opening new stores in South Dakota, with demographic and income targets that generally fit the Community-Level or Regional-Level Market Areas of Yankton.

Based on location targets from Retail Lease Trac, many of the large restaurants greater than 4,000 square feet, such as Outback Steakhouse, Carraba's and Bonefish Grill, require a larger population base than that of Yankton. Many of these restaurants require a minimum population of 20,000 within a 5-minute drive time, and a minimum of 90,000 people within a 10-minute drive time. In addition, many of these larger restaurants require primary market population to have an average household income between \$55,000 and \$80,000. Demographic targets for full-service restaurants are summarized in **Table 7** below.

Based on these target criteria, Yankton's demographic profile best fits the requirements of smaller, franchised chains, including Del Taco, Golden Corral, Huddle House, Papa Murphy's, Pita Pit and Western Sizzlin. Many of these restaurants require a minimum primary population of approximately 15,000 people, a minimum household income of \$40,000, and traffic counts between approximately 8,000 and 30,000. However, these restaurants would fall under the "limited-service eating places" category, which appears to be oversupplied at the Community-Level Market Area. The surplus of these types of restaurants limits their future growth potential in the near term. Demographic targets for franchised restaurants are also summarized in **Table 7** below.

Table 7: Restaurant Demographic Targets

	Community-Level Market	Full-Service	Franchises
Population	18,976	20,000 within 5-minute drive time and 90,000 within 10-minute drive time	15,000
Income	\$46,448	\$55,000-\$80,000	\$40,000

GENERAL MERCHANDISE STORES

The General Merchandise store category may be another opportunity for the City of Yankton due to significant amount of estimated leakage in both the primary and regional markets. As of 2013, there were several major general merchandise stores in Yankton, including Walmart Supercenter, Kmart, JCPenney and Dollar Tree.

Potential Market Opportunities

Community-Level Market Area. The estimated leakage within the Community-Level Market Area for general merchandise was approximately \$18.5 million. A retail capture scenario suggests that Yankton could potentially absorb nearly 134,000 square feet of neighborhood-level general merchandise space. Based on a median GLA of 8,000 square feet for neighborhood-based stores, this equates to approximately 17 new general merchandise stores.

Regional-Level Market Area. The Regional-Level Market Area experienced \$40.2 million in estimated leakage for general merchandise stores. A retail capture scenario suggests that approximately 150,000 square feet of regional-serving general merchandise space could be absorbed by the City of Yankton to serve the regional market in community centers. Based on a median GLA of 20,000 square feet, this equates to approximately 7 new general merchandise stores.

Tenant Demographic/Economic Targets

Large national department and discount department stores that are absent from Yankton include Kohl's, Target, TJ Maxx and Marshall's. *SB Friedman* utilized Retail Lease Trac to identify discount department stores that have a stated interest in opening new stores in South Dakota, with demographic and income requirements that generally fit the Community-Level or Regional-Level Market Areas of Yankton. (According to Retail Lease Trac, Target is not listed as stating interest in expanding in South Dakota.) Based on location targets from Retail Lease Trac, many of these larger retailers require a minimum population of 100,000 and an average household income between \$40,000 and \$70,000. The demographics of Yankton may pose difficulty for attracting larger national retailers. For example, it may be very difficult to attract a Kohl's, which requires a minimum population of 100,000 and average household income of \$40,000. It is more likely that Yankton may be able to attract a Beall's department store which requires only a market population of approximately 35,000 people with an average household income of approximately \$45,000. Based on these criteria, there is some potential for smaller chains, including Alco Discount Stores, Peebles Department (Stage Stores), Dollar General and Family Dollar. Many of these stores require a minimum primary population of approximately 6,000 to 35,000 people, a minimum household income of \$45,000, and traffic counts between 12,000 and 20,000.

Table 8: General Merchandise Demographic Targets

	Community-Level Market	Larger National Retailers	Dollar Store
Population	18,976	Minimum of 100,000	6,000 – 35,000
Income	\$46,448	\$40,000 - \$70,000	\$45,000

CLOTHING AND ACCESSORIES STORES

The Clothing and Accessories store category may represent a small opportunity for the City of Yankton, although primarily in the Regional-Level Market Area. As of 2013, there were approximately 16 apparel stores in Yankton, including approximately 8 clothing stores, 5 shoe stores, and 3 jewelry and accessories stores. These stores generally consist of smaller boutiques. The newest clothing store recently opened in Yankton is Maurice's, located near the new Menards development.

Potential Market Opportunities

Community-Level Market Area. The Community-Level Market Area experienced retail leakage of \$2.6 million for clothing. A retail capture scenario suggests that Yankton could potentially absorb nearly 9,000 square feet of neighborhood-scale clothing retail. Based on a median GLA of 4,000 square feet for neighborhood-based stores, this equates to approximately two new clothing stores.

Regional-Level Market Area. The Regional-Level Market Area experienced \$6.8 million in leakage for clothing stores. A retail capture scenario suggests that approximately 13,000 square feet of regional-serving general clothing space could potentially be absorbed by the City of Yankton to serve the Regional-Level Market Area in community centers. Based on a median GLA of 4,600 square feet, this equates to approximately three new clothing stores.

Tenant Demographic/Economic Targets

Due to demographics, it is unlikely that upscale fashion retailers will locate in the City of Yankton. Many of these retailers prefer high-end metropolitan areas where desired co-tenants are also high-end. In addition, many of these retailers prefer to locate in upscale fashion outlets and regional malls. Mid- and large-box stores, such as Ross Dress for Less, Marshall's, TJ Maxx and Old Navy, often require a significantly larger population base to draw from (approximately 100,000 people) and may also be unlikely tenants.

OTHER RETAIL OPPORTUNITIES

Within the Regional-Level Market Area, based on the estimated market retail gap, there may be some opportunity for the following retail types:

- Automobile Dealers
- Home Furnishings Stores
- Health and Personal Care Stores
- Sporting Goods, Hobby, Book & Music Stores

Based on demographics and store location requirements, it may be difficult to market Yankton to national retailers in these categories. Yankton must also compete with Sioux Falls for large national retailers. However, there may be some potential to attract independent retailers or restaurateurs that do not have the same selection criteria as national and chain operators.

Development Strategy

It is unlikely that the development of the five Sample Sites or privately-owned sites would occur without support from the City. In addition, given that Yankton's current demographics may make it difficult to attract new retail development, *SB Friedman* identified several primary strategies to promote and support retail development in Yankton.

- 1. Consider Providing Incentives.** The City of Yankton has historically had success in using incentives such as Tax Increment Financing (TIF) and sale tax revenue sharing to attract development, including the recent Menards deal. These types of incentives help share the development costs associated with the site. In many of these cost-sharing structures, initial expenditures are incurred up-front by the developer and then reimbursed up to a specified amount over a set period of time, as negotiated, and set forth in a development agreement.
- 2. Encourage Population Growth.** One of the primary challenges to attracting additional retail to the City of Yankton stems from projected slow population and income growth for the City. In order to expand the retail market potential of Yankton, the City should continue to encourage population growth. From the perspective of retailers, more households represent more buying power from consumers. In addition, additional household growth benefits employers by increasing the labor market. Encouraging population growth requires a comprehensive economic development strategy, including expanding residential and labor markets. We understand that YAPG and the City will continue to work with other partners in this area.

- 3. Encourage Tourism.** The City of Yankton may be able to increase the number of potential shoppers by expanding the number of persons who visit the area. Increased tourism activity can help support a retail development strategy by capturing the spending of new visitors. The City can take advantage of travelers passing through to visit other nearby attractions, such as Lewis and Clark Lake and Recreation Area, Lake Yankton, and the Missouri National Recreational River. The mix of retail should reflect both the needs and interests of the primary resident and the tourism market segments. Retail needs for visitors often fall under two categories: souvenirs/collectibles and convenience/household items, such as essential items that make the trip more comfortable (e.g., food, gasoline, maps, suntan lotion, and other items typically found at convenience stores and gas stations). Additional research regarding the tourism and visitor market can be found in Part II of this memo.
- 4. Support Franchise Growth, Particularly for Small-Scale Restaurants and Food Service.** Based on tenant criteria summarized by Retail Lease Trac, there may be some potential for franchising for smaller chain restaurants in Yankton. Franchising allows entrepreneurs to share a common brand identification, and marketing and operational strategies in order to increase market share. The City of Yankton in cooperation with YAPG may consider ways to support individuals interested in franchising opportunities.
- 5. Subsidize Land.** Land is a primary resource for economic development. The City of Yankton currently owns five sites that provide an opportunity for development. In order to encourage development that would otherwise not occur without the assistance, the City of Yankton may consider subsidizing the cost of land for developers through a write-down of land or development costs. By offering land at lower than market value, the City can assist developers achieve financial feasibility for new retail development. This is a common strategy in some markets; however, because of the relatively low land values compared to construction costs; land write-downs may be less effective than other approaches in Yankton.

Summary

Overall, the City of Yankton is well-supplied for retail and restaurants in the Community-Level Market Area. The development of larger scale stand-alone, market-driven retail developments in Yankton may be challenging in the near term. Overall, the City of Yankton is well-served for retail and food services. While there may be some potential for full-service restaurants, general merchandise and clothing stores, based on the above analysis, it appears that primary challenges to attracting retail may stem from a combination of moderately low traffic count and tenant demographic targets. These factors may reduce the sites' attractiveness to national regional retailers, who may be more likely to locate in the mega-cluster of Sioux Falls due to the supportable population, traffic counts and retail gravity there.

The City of Yankton has had some success in attracting mid-size box stores to Yankton through the use of incentives. Incentive programs such as TIF and tax revenue sharing may help subsidize location costs for retailers who would otherwise not locate in Yankton. In addition, Yankton may consider developing a tourism program to capture visitor spending, as discussed in Part II.

Part II: Tourism and Visitor Market

Tourism and Visitor Market Study

In addition to conducting an analysis of traditional retail potential for the City, *SB Friedman* was asked to assess the potential for the City to grow tourism-focused retail in the form of either additional spending by tourists at existing businesses, and/or to identify store categories that are undersupplied in Yankton when compared to other similar upper Midwest, lake-based tourism locations.

The benefits of capturing visitor spending in smaller cities, such as Yankton, can help sustain and grow many local businesses, such as restaurants and retailers. In doing so, Yankton can also create a high-quality selection of goods and services for local residents and earn more money within the community that can be retained and re-spent within the community.

In this section, Part II: Tourism and Visitor Market, *SB Friedman* provides:

- Additional research and analysis focused on tourism-related business potential in the City of Yankton;
- Research on three comparable waterfront tourism-based communities, including the Brainerd Lakes Area in Minnesota, the Boulder Junction Area in Wisconsin, and the Devil's Lake Area in Baraboo, Wisconsin; and an
- Overview of key takeaways from comparable research that may guide the development of a future tourism-based retail strategy in Yankton.

Yankton Tourism Market Overview

The City of Yankton is commonly referred to as “the River City.” This nickname is due to its proximity to the Missouri River. Approximately 19,000 people live within 15 minutes of the City of Yankton according to 2014 Esri estimates. Omaha, Nebraska is the closest largest metro area, located approximately 2.5 hours south of Yankton. The Lake Yankton and Lewis and Clark Lake area attracts over 2 million visitors each year to its shores for camping, boating, sailing, fishing, swimming, hiking and hunting opportunities. With a Native American history in a vast natural setting, the City of Yankton is positioned to build on the tourism sector as part of a retail-based tourism development strategy. This section describes information gathered on local attractions, and describes the size and significance of the tourism and visitor market in Yankton.

A tourist destination can be supported by at least four market segments:

1. Primary residents;
2. Second-home residents;
3. Through-trippers; and
4. Attraction attendees.

Based on our site visits and interviews, it appears that the City of Yankton primarily attracts two of these segments: **primary residents** and **through-trippers**. Thus, as a whole, the tourism market area for the City of Yankton is a combination of a multi-state regional market, including Iowa, Nebraska and South

Dakota, the statewide market, and the local market. In particular, the numerous state parks in the area are popular destinations for residents of Sioux Falls and surrounding communities, as well as residents from neighboring states, Iowa and Nebraska.

The existing attractions nearby the City of Yankton are briefly described below:

LAKES AND RIVERS

The Yankton area offers three lakes and rivers for residents and visitors to enjoy water-based activities.

- **Missouri National Recreation River** is located on the border between Nebraska and South Dakota and is managed by the National Park Service. Visitor centers along the river offer educational exhibits and programming during the summer months.
- **Lewis and Clark Lake** is a 30-mile lake that offers boating, fishing and camping opportunities. In addition, the Lewis and Clark Marina is located here.
- **Lake Yankton** is approximately 250 acres and restricts gas motors, making it a popular location for fishing, kayaking and canoeing.

STATE PARKS

State parks play an important role in driving tourism in the City of Yankton. The many state parks provide a variety of outdoor-based activities. There are three state parks, including the Lewis and Clark State Recreation Area, the Pierson Ranch Recreation Area, and the Chief White Crane Recreation Area.

Lewis and Clark State Recreation Area – Lewis and Clark Recreation Area is a 1,045-acre state recreation area with over five miles of shoreline. It is located approximately five miles west of Yankton along the north shore of Lake Lewis and Clark, adjacent to Gavins Point Dam off of South Dakota Highway 52. It is one of the region's largest and most popular campgrounds and the largest marina in South Dakota. The campground is open year-round.

The Lewis and Clark Recreation Area consists of the following facilities:

- Welcome center
- 409 paved, electric campsites and 17 camping cabins
- 8 gravel, electric equestrian campsites and corrals (horses not provided by the park)
- Modern bathrooms with hot showers
- Dump stations
- 2 swimming beaches
- 4 boater beaches
- Accessible fishing dock and fish cleaning station
- 4 multi-lane boat ramps with docks
- 6 miles of paved bicycle/jogging trails
- 1.2-mile nature trail
- 4.1-mile multi-use trail
- 8 picnic shelters
- 18-hole disc golf course
- Soccer field

- 2 sand volleyball courts
- 28-target NFAA (National Field Archery Association) certified archery range
- Half-court basketball court
- 3 horseshoe pits
- 6 playgrounds
- Amphitheater for weekend park programs and activities

Winter seasonal activities include:

- Ice fishing
- Snowmobiling
- Cross country skiing
- Sledding
- Snowshoeing
- Bird watching

The Lewis and Clark Marina provides the following facilities/services:

- Boat rentals, including pontoons and power boats
- 400 wet slips for boat mooring
- Gas dock with 24-hour fueling
- Sanitation pump out
- Launch/pull service by Service Department
- Boat, engine/mechanical and trailer repairs

The Lewis and Clark Resort provides the following facilities:

- 17 modern two- and three-bedroom cabins
- 24 motel rooms
- Outdoor pool

Pierson Ranch Recreation Area – Pierson Ranch Recreation Area is a 59-acre state-operated recreation area located off Highway 52 to the east of Yankton. It opened in 1959 and is the oldest campground in the area. The campground is open year-round and offers the following facilities on-site:

- 67 electric campsites
- 2 camping cabins
- Youth group tent camping area
- RV dump station that includes water for flushing and drinking
- Modern bathrooms with hot showers
- Four picnic shelters
- Paved bicycle/jogging trail- connects to Lewis and Clark Recreation Area trail
- Basketball/tennis court
- 9-hole disc golf course
- Softball and soccer fields
- Amphitheater for weekend programming activities

- 4 playgrounds
- Volleyball court
- Horseshoe pit

Chief White Crane Recreation Area – Chief White Crane Recreation Area is a 195-acre park, and is the third campground and state park operated by the South Dakota Game, Fish and Park Department. It is located nearby the Pierson Ranch and Lewis and Clark Recreation Areas. It is one of the only state parks that offer the opportunity for visitors to see bald eagles. Visitors have the option to use nearby facilities located at other parks. The following facilities are offered on-site:

- 146 paved, electric campsites
- 2 tent campsites
- 10 camping cabins
- Modern bathrooms with hot showers
- RV dump station that includes water for flushing and drinking
- Playgrounds
- Picnic shelter
- Half-court basketball court
- Sand volleyball court
- Horseshoe pits
- Amphitheater for weekend activities
- Crushed limestone bicycle/jogging trail

OTHER AREA ATTRACTIONS

The other area attractions in the City of Yankton are briefly described below:

- 3 visitor centers
 - Corps of Discovery Welcome Center
 - Lewis & Clark Visitor Center
 - Yankton Chamber and Visitor's Center
- Gavins Point National Fish Hatchery & Aquarium
- Archery (The National Field Archery Association (NFAA) headquarters is located in Yankton)
- Dakota Territorial Museum
- Marion Auditorium
- Art galleries, including the Bede Art Gallery and G.A.R. Hall Art Gallery
- 2 golf courses, including Fox Run Golf Course and Hillcrest Golf & Country Club
- 4 disc golf courses
- Kayaking and canoeing
- More than 175 fishing lakes
- Year-round hunting
- Over 30 miles of hiking trails within the Meridian Trails system
- 14 distinct parks
- Antique shopping
- Historic sites

EVENTS

The City of Yankton hosts a number of events throughout the year. Sample festivals and events include the following annual events:

- **June** – Annual Chamber Agricultural Gala, Pub Crawl Scavenger Hunts
- **July** – Downtown Yankton Crazy Days
- **August** – Riverboat Days
- **September** – Chamber Golf Day, Rockin’ Ribfest
- **October** – Halloween Festival, Wine Walk
- **November** – Holiday Open House
- **December** – Christmas Concert

ACCOMODATIONS

The City of Yankton offers a variety of accommodations for visitors, including camping, hotel and motel options.

Camping and RV Facilities – The Yankton area offers 16 different camping and RV sites. Yankton offers camping at three nearby state parks, including Chief White Crane, Lewis and Clark, and Pierson Ranch. In addition to these large camping facilities, there are a number of smaller camping and RV grounds located nearby. In total, the Yankton area provides nearly 800 campsites, 321 RV sites, 44 cabins and 11 lodges as presented in **Table 9** on the following page.

Hotels and Motels – The Yankton area offers a number of hotel and motel accommodation options. The largest hotels are all part of national hotel chains, including the Best Western Kelly Inn, Holiday Inn Express Suites, and the Days Inn. The Lewis & Clark Resort also offers a further 50 rooms. In addition, the City offers a number of smaller motels and hotels, including the Star-Brite Inn, Star-Lite Inn, Broadway Inn and Yankton Hotel.

Table 9: Camping and RV Facilities in the Yankton Area

	Campsites	Cabins	Lodge	RV
State Parks				
Chief White Crane Recreation Area	2	10		146
Lewis and Clark Recreation Area	417	17		
Pierson Ranch Recreation Area	67	2		
US Army Corps of Engineers Campgrounds				
Cottonwood	77			
Nebraska Tailwaters	43			
Private RV and Campsites				
DJ's Specialty Resort and Rentals			7	14
Midway Gulch Campground and Cabins	28	13		
Yankton Missouri River KOA	11	2	4	62
CJs at the Lake				83
Cogan House RV Park				24
Non-Chamber				
Aten Riverview	Data unavailable			
Eagle's Roost RV Park & Cabin	Data unavailable			
Larson's Landing RV Resort and Marina				90
Ryken's RV Park				28
Spring Water RV Village				
Vacation Village				20
TOTAL	645	44	11	467

Sources: South Dakota Game, Fish and Parks, Yankton Chamber of Commerce, <http://www.visitanktonsd.com/>,

Table 10: Hotel and Motels in the Yankton Area

Hotel	Rooms
Best Western Kelly Inn	121
The Econolodge (under construction)	59
Holiday Inn Express & Suites	58
Days Inn	56
Lewis & Clark Resort	51
Broadway Inn	37
Star Brite Inn	24
Star Lite Inn	22
Riverfront Event Center & Hotel and River Rose Hotel	16
Cottonwood Inn Suites	10
Total	454

Source: Yankton Chamber of Commerce

Summary of Yankton Tourism Assets

The City of Yankton is located within proximity to major water-based recreational facilities that draw millions of tourists from the multi-state region. The largest of these attractions is the Lewis and Clark Recreational Area. However, while many visitors come through the area to visit these attractions, the most significant issue is attracting visitors to patronize local retail stores. In order to expand the City of Yankton as a larger tourism-based destination, it will be important to consider additional programs or retail options that would attract or expand other market segments. To develop a strategy to do this, *SB Friedman* researched and analyzed case studies in the greater Midwest that successfully attract retail-based tourism.

Case Studies

Case studies from selected communities are presented on the following pages to demonstrate how other smaller cities and towns with bigger tourism draws have capitalized on local tourism markets. For this research task, *SB Friedman* conducted a wide search for case studies in the greater Midwest that had the following comparable characteristics:

- Lake/water-based recreation activity;
- A relatively small population center near a state park or recreation area;
- Well-developed programming at, and around, the state park;
- A Midwestern natural setting; and
- Between 2 to 5 hours away from a major metro area.

Our research yielded three analogous areas with larger tourism draws that we used as case studies:

1. The Brainerd Lakes Area in Brainerd, Minnesota (located approximately 2 hours from Minneapolis, MN);
2. The Boulder Junction Area in Boulder Junction, Wisconsin (located approximately 4 hours from Minneapolis, MN and Milwaukee, WI); and
3. The Devil's Lake Area in Baraboo, Wisconsin (located approximately 2 hours to Milwaukee, WI, 3 hours to Chicago, IL, and 3.5 hours to Minneapolis, MN).

While the state parks in these case studies are the main tourist attraction with other development remaining ancillary, these communities are all comprised of an established downtown that functions as a retail destination. Therefore, these cases offer insight about how the City of Yankton could potentially expand retail as part of a tourism strategy in the future. We have identified the following five principles that can guide the development of a future tourism-based retail strategy for the City of Yankton:

1. Strong Downtown
2. Appropriate Retail Mix
3. Year-Round and Diverse Appeal
4. Area Promotion
5. Distinct Environment Built on the Attributes of the Surrounding Area

These guiding principles are described in more detail on pages 44 to 45 of this memo.

Case Study #1: Brainerd, Minnesota



Image Source: www.explorebrainerdlakes.com

The Brainerd Lakes Area is located along the banks of the Mississippi River approximately two hours north of the Twin Cities. Brainerd and Baxter (neighboring cities) are viewed as the gateway to the Brainerd Lakes Area. Brainerd is the fastest growing community in the area and serves as the region's hub for many governmental, health care and retail services. It has an estimated population of 13,590 according to the 2010 Census. The greater Brainerd Lakes Area is comprised of over 450 lakes of various sizes, and consists of a number of unique community areas, including the following:

- Nisswa/East Gull Lake/Lake Shore – The Gull Lake Chain of Lakes is in the heart of the Brainerd Lakes Area, just north of Brainerd and Baxter. The area includes first-class resorts (including three of the Midwest's largest), golf, and water-based activities.
- Pequot Lakes/Breezy Point/Jenkins – These communities are well-known for their summer festivals.
- Crosslake/Manhattan Beach/Fifty Lakes/Emily – This area features dozens of lakes and offers opportunities for fishing, boating, skiing and swimming.
- Crosby/Ironton/Deerwood/Mill Lacs Lake/Aitkin – Located on the eastern edge of the Brainerd Lakes Area, these communities have distinguished themselves as a premier mountain biking destination.
- Little Falls/Motley/Pillager Staples – These communities are located in the southern region and include Pillsbury State Forest.

The region, as a whole, is estimated to maintain a permanent population of nearly 100,000 residents. During the summer, the population here swells to an estimated 300,000, when you include tourists and seasonal residents¹.

¹ Source: <http://www.growbrainerdlakes.org/Tourism.aspx>

SHOPPING & DINING DOWNTOWN

Downtown Brainerd has recently undergone strategic revitalization efforts to improve sidewalks and buildings. Revitalization efforts were based on the following guiding principles outlined in the City's 2002 Master Plan for Revitalization Downtown Brainerd:

- A place for people
- An opportunity to establish a unique sense of place
- Wayfinding and convenient parking
- A good place to do business
- Accessibility and safety
- A strategic approach to revitalization
- Regional connections

In addition, the Master Plan called for improvements to develop gateways, enhance streetscape and neighborhood street character, expand commercial activity, and revitalize the Town Square central gathering place. In 2009, the city completed a nearly \$2 million improvement project in the six-block downtown area that resulted in improvements to the face of the city while retaining its historic appeal.

The revitalized core of the city contains many large retail stores, unique shopping options with many one-of-a-kind finds and “up-north flair,” and an indoor shopping mall. There are also many arts and cultural events and festivals that attract visitors to Downtown, as well as numerous restaurants and fast-food chain options.

In 2007, the Brainerd Main Street Program was launched as a community-based effort to revitalize Downtown Brainerd. This program is based on the National Main Street four-point approach of organization, promotion, design and economic restructuring. To support the Brainerd Main Street Program, a Main Street Coordinator was hired by the Chamber of Commerce. Today, much of the promotion of Downtown Brainerd is conducted by the Brainerd Market Alliance, a group of local businesses and organizations focused on the development, revitalization and marketing of Downtown Brainerd. However, the Chamber of Commerce also works closely with the Brainerd Lakes Area Development Corporation to encourage economic development in the area. The Market Alliance hosts a number of events downtown each year.

STATE PARKS, OUTDOOR ACTIVITIES AND WATER-BASED RECREATION

The numerous state parks and trails in the Brainerd Lakes Area provide a variety of outdoor-based activities including three state parks within proximity to Brainerd/Baxter and one state trail.

- **Crow Wing State Park** – This state park offers 18 miles of hiking trails, paved bike trails and a boardwalk. There are options to canoe along the river. Camping options include 59 drive-in sites and 12 electric sites. There is also a group camp and one cabin.
- **Northland Arboretum** – This park contains over 500 acres of plants and wildlife, 12 miles of hiking and lighted cross-country ski trails, environmental education, outdoor events, garden areas, and a visitor center.

- **Cuyuna Country State Recreation Area** – One of Minnesota’s newest State Recreation Areas, this area includes over 25 miles of natural shoreline and 5,000 acres of land to explore. Facilities available include a swimming beach, boat access, canoe access and shore fishing. In the summer, there are paced bike and mountain bike trails. In the winter, there is cross-country skiing, snowmobiling and snowshoeing. There are 25 drive-in camping sites and one group camp site.
- **Paul Bunyan State Trail** – This state trail is 115 miles long, not including a couple of short on-road connections through the cities of Baxter and Bemidji. Extending all the way from Crow Wing State Park to Lake Bemidji State Park, north of Bemidji, it is the longest of Minnesota's state trails and the longest continuously paved rail-trail in the country.

EVENTS

The Brainerd Lakes Area hosts a number of events throughout the entire year. Sample festivals and events include the following annual events:

- **January** – Ice Fishing Extravaganza
- **February** – Frozen Fore Winter Festival
- **April** – DBT Annual Zombie Crawl
- **June** – Lakes Jam Music Fest
- **July** – Fourth of July American Celebration, Paul Bunyan Extreme 5K, Country Sampler Picnic, Arts in the Park, Crow Wing County Fair
- **August** – Lucas Oil Nationals, Pioneer Days, Street Fest on 7th
- **September** – Annual Grass Drags & Swap Meet
- **October** – Oktoberfest at the Arboretum, Fall Arts & Craft Festival, Geritol Frolics, Haunted Paul Bunyan Land
- **November** – Holiday Arts & Craft Festival, Winter Wonderland
- **December** – Winter Wonderland, Enchanted Village

WATER PARKS

There are three distinct indoor water parks within hotels and resorts in Baxter, Minnesota.

- **Paul Bunyan Water Park at the Arrowwood Lodge** – Located in Baxter, this park includes 30,000 square feet of water park and snack bar. It consists of: tube slide, body slide, zero-depth entry pool, indoor/outdoor hot tub with heated outdoor patio floor, large tree house activity center with water cannons, a 2,400-square-foot Gold Mine Arcade, and lazy river. There are water park party rooms and packages available.
- **Three Bear Water Park at the Holiday Inn Express** – Located in Baxter, this water park consists of 250,000 gallons of heated water with five age-appropriate tube slides, family and adult hot tubs, a 1,000-gallon splash bucket, an activity pool, and a lazy river. Available amenities include lifeguards and attendants on duty at all times, locker rooms and lockers, and a grill and bar.

- **Rapid River Lodge and Water Park at the Comfort Suites** – Located in Baxter, MN, this water park consists of a 1,300-square-foot activity pool, spray tubes, two landing forts, four water slides, two tipping water buckets, a sauna, hot tubs, and a 250-foot lazy river.

RACING

- **Brainerd International Raceway** – This international raceway includes a world-class quarter-mile drag strip, a two-and-a-half-mile championship road course, and a three-mile road course. Camping with 164 full-service sites is available, along with condominiums at the track, and over 400 acres of open camping.
- **Billy Bones Raceway, LLC** – This raceway is a go-cart complex.

OTHER ATTRACTIONS

Other attractions in the Brainerd Lakes Area are listed below:

- Pirate's Cove Adventure Golf
- Wolf Moon Kennel and Dogsled Rides
- Paul Bunyan Land and This Old Farm Pioneer Village Amusement Park (Developed in 2004)
- Brainerd Lakes Curling Club
- Welcome Center
- Arts & Culture
- Spas
- Shopping
- Watersports

ACCOMMODATIONS

Hotels & Motels in Brainerd/Baxter – The Brainerd/Baxter area offers a number of hotel and motel accommodation options. The largest hotels are all part of larger hotel chains, including the America's Best Value, Days Inn & Suites, Holiday Inn Express and Comfort Suites. In addition, there are a number of smaller motels and hotels. Hotels and motels in the area include:

- America's Best Value
- Arrowwood Lodge
- Baymont Inn & Suites (Baxter)
- Country Inn & Suits (Baxter)
- Days Inn & Suites (Baxter)
- Holiday Inn Express (Baxter)
- Comfort Suites (Baxter)
- Rodeway Inn by Choice Hotels (Baxter)
- Super 8 (Baxter)
- Visit Brainerd Lodging (Baxter)

Camping Grounds – The Brainerd/Baxter area offers 11 different camping and RV sites. There is camping available at nearby state parks. In addition to these large public camping facilities, there are a number of smaller camping and RV grounds located nearby. In total, the Brainerd/Baxter area provides nearly 63 campsites, 509 RV sites, 73 cabins and two lodges.

Table 11: Campgrounds within Proximity of Brainerd/Baxter, MN

	Campsites	Cabins	Lodge	RV	Town
Camp Holiday Resort & Campground	4	12	2	36	Deerwood, MN
Crow Wing Lake Campground				100	Brainerd, MN
Sullivans				50	Brainerd, MN
Shady Hollow Resort & Campground	8	8			Brainerd, MN
Galles' Upper Cullen Resort and Campground		11		56	Pequot Lakes, MN
Fritz's Resort and Campground		5		92	Nisswa, MN
Campfire Bay Resort		18			Cushing, MN
Auger's Pine View Resort	47	12			Motley, MN
Highview Campground & RV Park				142	Breezy Point, MN
Farm Island Lake Resort and Campground	4	7		2	Aitkin, MN
Wildwedge Golf and RV Park				31	Pequot Lakes, MN
Total	63	73	2	509	

Source: www.explorebrainerdlakes.com/chamber

SUMMARY

While the numerous state parks and outdoor activities attract tourists to the Brainerd Lakes Area, much of the success of Brainerd as a retail destination is due in part to its strong downtown and recent revitalization efforts. Marketing and area promotion efforts, primarily supported in collaboration by the Brainerd Market Alliance and Chamber of Commerce, have attracted visitors from the regional attractions to visit Downtown Brainerd. Unique shopping and year-round events contribute to the attraction of the Downtown. Revitalization efforts have focused on creating a destination that encourages walkability and focuses on improving quality of life. While revitalization efforts provided a needed face-lift, redevelopment projects have maintained Downtown Brainerd's historic character.

Case Study #2: Boulder Junction, Wisconsin

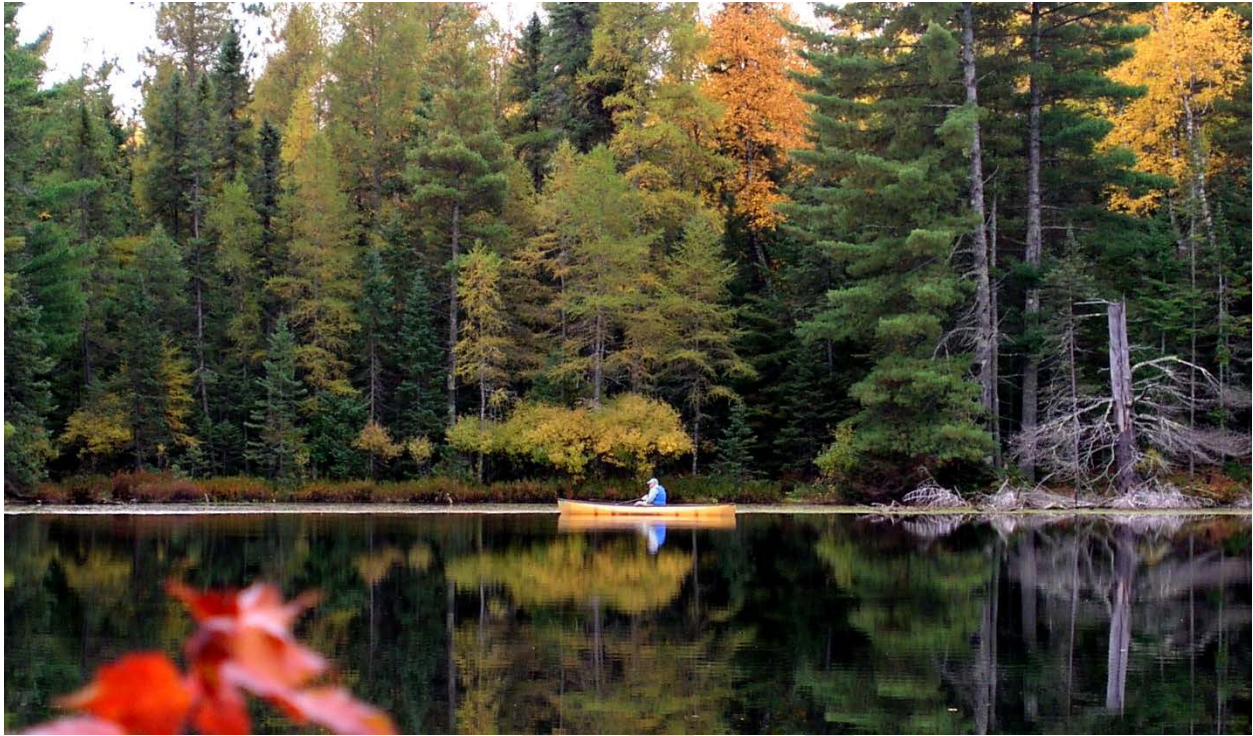


Image Source: www.boulderjct.org

Boulder Junction is located in Vilas County in the Northwoods region of northern Wisconsin. The town is located approximately four hours northeast of Minneapolis and four hours north of Madison. The area is comprised of over 194 lakes and rivers and is widely considered the musky fishing capital of the world. It is a major fishing destination but attracts visitors for other recreation-based travel, including hikers, bicyclists and nature enthusiasts.

SHOPPING & DINING DOWNTOWN

Shopping in Downtown Boulder Junction is widely promoted through the Chamber of Commerce marketing materials in addition to being included on sample vacation itineraries. Downtown offers visitors a number of options to relax, shop and eat. There are six art galleries and museums offering a range of pottery, global antiques, original paintings, photography, canvas prints and other handmade goods. There are 12 locally owned and independent restaurants that are promoted through the Boulder Junction Chamber². The restaurants consist of bakeries, gastropubs, country stores, bar and grill, taverns, family restaurants, supper clubs and fine dining. There are also a number of specialty retailers selling souvenirs, gifts, antiques, home décor and furnishings, and clothing. Downtown also contains Northern Highland Sports, which offers fishing, hunting, camping and live bait.

The Business Development Department of Boulder Junction has identified business opportunities in the following categories:

² <http://boulderjct.org/food-spirits/>

- Candy Store
- Antique Shop
- Re-Sale Shop
- Car Wash
- Wellness Center
- Kids Toys
- Gourmet Foods
- Unique Trades (woodworking, blacksmith, artists of all kinds)

The Town of Boulder Junction, in cooperation with the Chamber of Commerce and local banks, provides support for businesses interested in locating in Boulder Junction.

EVENTS

Boulder Junction hosts a number of events throughout the entire year. Many of these events are sponsored by the Boulder Junction Chamber of Commerce. Sample festivals and events include the following annual events³:

- **January** – Boulder Junction Snowmobile Club Brat Fry
- **February** – Annual Frozen Tozen Winter Fest
- **March** – Boulder Junction Snowmobile Cabin Fever Party
- **May** – Northwoods Birding Festival, Community Foundation Treasure Bazaar
- **June** – Weekly Summer Flea Markets
- **July** – Music on Main Street, Star Spangled Jubilee Parade, Manito Art Show
- **August** – Musky Jamboree Street Party, Boulder Junction History Day, Annual Musky Jamboree
- **September** – Annual World Championship Musky Classic
- **October** – Northwoods Fall Art Tour, Annual Harvest Fest
- **November** – Feast of the Forest, Annual Great Shopping Escape, Christmas Walk,
- **December** – Between the Holidays Celebration

STATE PARKS, OUTDOOR ACTIVITIES AND WATER-BASED RECREATION

- **Northern Highland-American Legion State Forest⁴** – This state forest was established in 1925, and occupies more than 232,000 acres. Activities available include camping, canoe trails, groomed cross-country skiing, hunting, snowshoeing and skijoring. The area also has a nature center at the Crystal Lake Campground picnic area that provides visitors with educational information. There are 25 distinct campsites located throughout the forest.

OTHER ATTRACTIONS

- Fishing at Trout Lake
- Boulder Marine Center– the largest-volume marine dealer in Northern Wisconsin. Rentals are available.
- Biking

³ <http://boulderjct.org/events/>

⁴ <http://dnr.wi.gov/topic/StateForests/nhal/>

- Heart of Vilas County Paved Bike Trail/Crystal Lake Trail– 45 miles of paved trail
- Lumber Jack Trail– 12 miles for mountain biking
- Boulder Junction Area Trail System– on road biking (over 200 miles of on-road routes)
- Hiking Trails– seven designated nature trails for hiking
- Birding and Wildlife Viewing
- Horseback Riding
- Boulder Junction Winter Park
 - One-mile cross-country skiing and snowshoeing trail
 - Regulation-size ice skating rink
 - Warming shelter
 - Sledding hill
 - Picnic pavilion
 - Bonfire pit
- Hunting and Shooting Range– thousands of acres of public forest land
 - Northern Highland-American Legion State Forest (225,000 acres)
 - Boulder Junction Shooting Range
- Kayaking and Canoeing
- Community Park– tennis courts, baseball diamond, skateboard park, basketball court, playground and picnic pavilion
- Snowmobiling
- Cross-Country Skiing– 10 trails to choose from
- Snowshoeing
- Geocaching
- Summer Camps at Camp Jorn YMCA (in Manitowish Waters) and Camp Manito-wish YMCA (in Boulder Junction)

ACCOMMODATIONS

Boulder Junction offers a variety of accommodations for visitors, including camping, hotel and motel options.

Hotels and Motels⁵ – The Boulder Junction area offers a number of hotel and motel accommodation options. There are 13 larger resorts, 8 smaller resorts (up to 5 units), 4 motels, and a variety of other cabin and vacation homes available throughout the area. There are no national hotel chains located in Boulder Junction.

Camping – There are numerous camping facilities located at the Northern Highlands American Legion State Forest as well as several private facilities, including Camp Holiday (371 camp sites) located on Rudolph Lake. There are over 25 distinct family, group and remote campgrounds located throughout the State Forest comprised of approximately 825 tent and RV Campsites.

⁵ <http://boulderjct.org/lodging/>

SUMMARY

Much of the tourism success of Boulder Junction is related to the strong Downtown and the unique retail mix. Downtown offers visitors a number of options to relax, shop and eat. There are a number of locally owned and independent restaurants and shops that provide opportunities for window shopping and are attractive to visitors. There are also a variety of restaurants and dining experiences, ranging from fast food to fine dining. In addition, Downtown Boulder Junction builds on the attributes of the surrounding area. The Northern Highland Sports store capitalizes on other tourist activities and may attract visitors to purchase needed supplies. Furthermore, events are held year-round. Many events are themed around regional attributes, particularly the region's premier musky fishing. In addition, several of the events are retail-specific, including flea markets, art shows and the Annual Great Shopping Escape. Many of the events hosted on Main Street attract visitors to Downtown, where they may patronize local shops.

DRAFT

Case Study #3: Baraboo, Wisconsin



Image Source: www.wsj.com

Baraboo, Wisconsin is located in central Wisconsin, approximately 12 miles south of the Wisconsin Dells, a popular tourist destination and the “Water Park Capital of the World.” The Wisconsin Dells attracts over 3 million visitors annually. The Baraboo area is comprised of over thousands of lakes and rivers. Much of its attraction comes from its proximity to the Wisconsin Dells, but it is also widely known as the home of the Circus World Museum and a popular town square that regularly hosts events. The town is located approximately three miles from Devil’s Lake, a major fishing destination, but the region as a whole attracts visitors for other recreation-based travel, including boating, hiking and bicycling.

SHOPPING & DINING DOWNTOWN

Historic Downtown and Town Square in Baraboo is a popular destination for tourists in the area. Downtown Baraboo boasts a historic small town/main street atmosphere with a thriving business district with over 160 businesses. Stores downtown includes antiques, music shops, gourmet chocolate and candy stores, art galleries, book shops, sewing shops, and other specialty stores. Many of these businesses are locally owned and sourced. In addition, there are over 59 restaurants, including bakeries, bar and grills, several cafes, historic diners and family restaurants.

Many of the Downtown Baraboo events and walking tours play off the town’s history as the original home of the Ringling Brothers Circus. The tours begin at the Al. Ringling Mansion and have various themes, including historic walks, haunted downtown walking tours and a haunt Al. Ringling Mansion tour.

Downtown Baraboo, Inc. (DBI) is a members-based business improvement district (BID) that promotes and improves the physical appearance, economic well-being and management of the downtown business area. Each year, the DBI develops a Shoppers Guide that highlights events and businesses.

RIVERFRONT DEVELOPMENT

In 2006, the town of Baraboo adopted a redevelopment plan to revitalize the riverfront located south of the downtown district. As part of this redevelopment plan, design guidelines to plan, design and review development proposals were created. The goal of the plan was to develop a mixed-use neighborhood that could capitalize on the river as an asset. Plans included orienting restaurants and businesses to the river, creating a river walk trail along both sides of the river, and ensuring public access to the river.

STATE PARKS, OUTDOOR ACTIVITIES AND WATER-BASED RECREATION

Devil's Lake – Located in Baraboo, Wisconsin, Devil's Lake State Park was founded in 1911 and is Wisconsin's third oldest state park. It is also the largest and most visited state park, visited by over 1 million visitors each year. Power boats are not allowed in the state park, making it a popular paddling and fishing destination. There are facilities for lakeshore picnics, sandy swimming beaches and hiking. The park is part of the 1,000-mile Ice Age National Scenic Trail. There are three public camping areas and nine group camp sites.

Other nature-based recreation located within 20 miles includes:

- Mirror Lake State Park
- Rocky Arbor State Park
- Buckhorn State Park
- Popular Lake Recreation Areas (Lake Wisconsin, Castle Rock Lake, Devil's Lake)
- Merrimac Preserve Trail– 13 miles of trails through prairie and wetlands
- Parfrey's Glen Natural Area– Waterfall, rock formations, gorges
- Pewit's Nest
- Baxter's Hollow
- Durwood's Glen
- Gibraltar Rock
- Ableman's Gorge
- Lower Narrows State Natural Area
- Blackhawk Unit
- Natural Bridge State Park
- Pine Hollow
- The Saul Prairie Recreational Area– currently being developed

EVENTS

Baraboo hosts a number of events throughout the entire year. Sample festivals and events include the following events:

- **May** – Farmer's Market (through October), Spring Wine Walk, Spring Fair on the Square, Sunday Market (through October)
- **June** – Brew Ha-Ha
- **July** – Baraboo Circus Celebration, Movies on the Square
- **August** – Saul County Summer Art Classic
- **September** – Evening on the Veranda

- **October** – Fall Fair on the Square
- **November** – Winter Wine Walk
- **December** – Downtown Baraboo Christmas Festival

OTHER ATTRACTIONS

The other area attractions within proximity of Baraboo are briefly described below:

- Circus World Museum– museum complex dedicated to circus-related history with live circus performances.
- Mid-Continent Railway Museum– museum and operating railroad recreating the small town/short line way of life during the "Golden Age of Railroading."
- International Crane Foundation– 225-acre headquarters with over 100 cranes. There are guided tours, exhibits and visitors center.
- Wisconsin Big Cat Rescue Educational Center– USDA-licensed rescue and education center that provides a safe place and a comfortable home for abused, neglected and unwanted big cats.
- Aldo Leopold Legacy Center
- Al. Ringling Theatre
- Ho-Chunk Casino
- Sauk County Historical Society Museum
- Ochsner Park Zoo
- Walking Tours (historic, haunted, circus-themed tours)

ACCOMMODATIONS

- **Hotels & Motels** - The Baraboo area offers a number of hotel and motel accommodation options. The largest hotels are all part of larger hotel chains, including the Best Western Baraboo Inn and the Days Inn in Portage, Wisconsin. There are also three larger resorts located nearby in Wisconsin Dells (Baker's Sunset Bay Resort, Delton Oaks Resort and Meadowbrook resort). In addition, Yankton offers a smaller motel options, including the Campus Inn Motel.
- **Camping** - The Baraboo area offers more than 14 different camping and RV sites. Six of these sites are located within Baraboo while the remaining sites are located within neighborhood communities. Camping options include:
 - Al's Fox Hill RV Park and Campground
 - Baraboo Hills Campground
 - Chapparal Campground and Resort (Wonewoc)
 - Dell-Boo Campground
 - Fox Hill RV Par & Campground
 - Meadowbrook Resort
 - Merry Mac' Campground (Merrimac)
 - Nordic Pines Campground & Resort
 - Old Century Farm House (Mauston)
 - Prairie Hill Farm (Merrimac)
 - Rustic Ridge Log Cabins (Merrimac)
 - Sherwood Forest Campgrounds (Wisconsin Dells)

- Smokey Hollow Campground (Lodi)
- Wheeler's Campground

- **Bed and Breakfast Inns** – There are two locally owned bed and breakfast inns located within Baraboo.

SUMMARY

Unlike the other two case studies, Baraboo has the most diverse range of attractions for visitors. The area attracts water-based tourism related to the Wisconsin Dells and Devil's Lake, as well as water park visitors and circus-lovers. The Baraboo tourism market has capitalized on these assets to develop a year-round and diverse appeal for visitors. Baraboo also offers a strong downtown with a variety of retail and restaurant options, including locally owned and sourced stores.

DRAFT

Conclusions and Preliminary Tourism-Based Retail Program

It appears that the major drivers of tourism-based retail demand in the City of Yankton would include local residents in Yankton and other nearby communities, people traveling through the City, and regional destination tourists visiting area attractions. Based on the existing regional retail competition, particularly in Sioux Falls, it seems unlikely that Yankton will attract a substantial share of shoppers in the near term. Therefore, we have assumed that the Yankton tourism-based retail will primarily depend on residents within relatively close proximity to the City and capturing tourists already in the area visiting nearby attractions.

As the largest and most proximate city in this region, Yankton has the potential to position itself to those visitors enjoying the area's natural resources nearby. It can also benefit from further promotion as an overnight destination for travelers given the number of visitors to the lakes in the area. As the volume of travelers increases in Yankton, additional analysis would need to be conducted to determine lodging supply and demand, as well as the most appropriate lodging products for the Yankton market.

Developing a tourism program to capture visitor spending requires a balance of natural, historic and cultural resources, in addition to providing the right mix of retail and accommodations. Based on the three analogous case studies, we have identified the following five principles that can guide the development of a future tourism-based retail strategy.

1. STRONG DOWNTOWN

Successful tourist-based retail centers, as demonstrated in the case studies, typically have a strong downtown with retail and restaurants clustered with community services. Downtown revitalization efforts often focus on the appearance of the retail district, including landscaping to enhance the streetscape and neighborhood street character and strengthen the area's identity. A vibrant, pedestrian-friendly downtown that provides gathering places (for locals and tourists alike) may enhance the retail potential of downtown by providing a unique sense of place.

In all three case studies, downtown development was collaboratively promoted by local organizations, including the chambers of commerce and downtown organizations, and programs, such as the Main Street Program or business improvement district. The Historic Downtown Yankton Association (HDYA) is a nonprofit organization that is dedicated to the revitalization and development in Historic Downtown Yankton. As a members-based organization, the HDYA relies heavily on volunteer contributions in time, services and money. HYDA currently follows the four-point approach of the Main Street Program, a national model for commercial revitalization consisting of organization, promotion, design and economic development. The existing HYDA may be a key component for promoting downtown revitalization efforts.

2. APPROPRIATE RETAIL MIX

As illustrated by the case studies, retail options should meet the needs of both the primary market and visitor market. Tourism-based retail should also provide more than just souvenirs and fast-food options for visitors; general merchandise stores are central in servicing tourists. Tourist-based retail is often comprised of destination restaurants, unique regional gift stores, and downtown hangouts. Retailers should provide the relevant products during the right season and adjust merchandise

seasonally, as needed. Businesses that contribute to downtown vitality and that provide a unique product offering, such as antiques and specialty foods, are common for attracting visitors. In addition, locally produced goods and businesses that are locally owned are often attractive to visitors.

3. YEAR-ROUND AND DIVERSE APPEAL

For cities such as Yankton that may experience significant seasonal fluctuation in visitors, providing year-round events and entertainment may help attract visitors outside of the peak travel season. Many of the analogous communities provide ongoing special events and outdoor entertainment to attract visitors, particularly in the colder winter months when many popular outdoor recreational activities are unavailable. Popular winter events include holiday festivals, winter walks and holiday craft fairs.

4. AREA PROMOTION

Area promotion is a key component in supporting vibrant commercial areas and improving how the City of Yankton is perceived by visitors. Marketing and promotional activity is often comprised of various measures that are used to market the area for business development, tourism, and to attract residents. Types of marketing and promotion include advertising campaigns, media outreach, promotional newsletters, branding, signage and way-finding. All three case studies have user-friendly websites and marketing materials to promote the community. Building a consistent brand and theme that tie into connections to regional attractions may help boost the regional attractiveness of Yankton for tourists and may increase exposure to visitors at local attractions.

5. DISTINCT ENVIRONMENT BUILT ON THE ATTRIBUTES OF THE SURROUNDING AREA

A retail program that responds to Yankton's distinct environment may be attractive to visitors as tourists are often drawn to unique experiences rather than stores. The area's natural riverfront setting lends itself to targeted retail development that builds on downtown Yankton's close proximity and relationship to the river. The City may choose to explore the potential to develop the waterfront as an asset for downtown retail. Riverfront development can create a community gathering place for residents and visitors with specialty commercial, retail, restaurant and recreational uses. Potential development strategies may range from linking downtown to the riverfront through walking and bicycle paths that connect the built and natural environments to a fully master-planned redevelopment strategy.