

CHAPTER 2

MARKET ANALYSIS

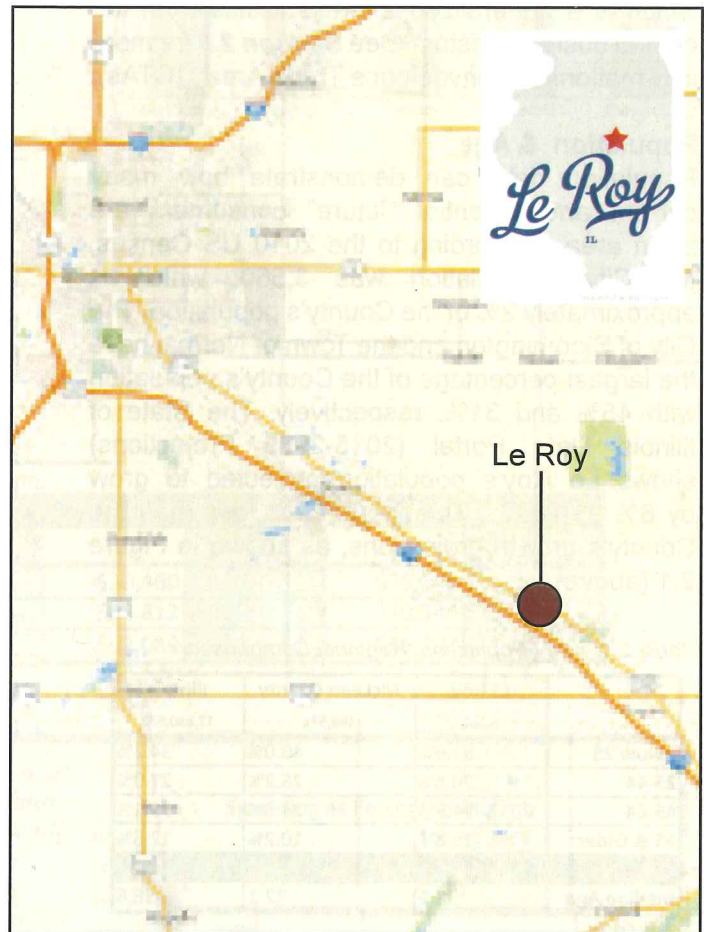
- 7 *Regional Context*
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To identify Le Roy's strategic market position it is important to first evaluate the City's existing marketplace - both in the local economy as well as the County as a whole. The results of this analysis will supply the markets and businesses in which Le Roy shows a competitive advantage. Tourists, commuters, and local residents all impact Le Roy's economy.

2.1 REGIONAL CONTEXT

Le Roy is in McLean County in central Illinois, approximately fifteen miles southeast of Bloomington-Normal, IL. During the late 19th Century Le Roy prided itself as a railroad town until the depot was torn down in the late 1960s. Growth was slow until the year 2000 when the population more than doubled as the City became a popular residential area for Bloomington-Normal and Champaign-Urbana.

The Interstate 74 corridor runs through Le Roy carrying roughly 16,000-21,000 vehicles per day (based on 2013 IDOT data). Le Roy's interstate on- and off-ramp (exit #149) sees approximately 1,300-1,700 vehicles per day. The City is also bisected by US 150, which typically carries 1,000-2,000 vehicles a day.



Map Source: Google Maps

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2.2 RESIDENT PROFILE

To more fully understand Le Roy's marketplace, it is necessary to review key area indicators to decipher resident spending potential and habits. This analysis will draw on Le Roy's market share within the County, as well as contrast these statistics to other comparable communities (i.e. Fairbury, Gibson City, Monticello and Tuscola). For this analysis, the demographics are based on each municipality's convenience trade area, which is a generalized 2.5-mile radius from the central business district. See **Section 2.3** for more information on Convenience Trade Areas (CTAs).

Population & Age

Population data can demonstrate how many current and potential "future" consumers are in an area. According to the 2010 US Census, the City's population was 3,560, which is approximately 2% of the County's population. The City of Bloomington and the Town of Normal have the largest percentage of the County's population with 45% and 31%, respectively. The State of Illinois Data Portal (2015-2025 Projections) shows Le Roy's population projected to grow by 6% by 2040. This increase is less than the County's growth projections, as shown in Figure 2.1 (above).

Table 2.1: Age / Population, Regional Comparison

| | Le Roy 3,560 | McLean County 169,572 | Illinois 12,830,632 |
|-----------------------|-----------------|--------------------------|------------------------|
| Below 25 | 32.9% | 40.0% | 34.2% |
| 25-44 | 26.8% | 26.2% | 27.3% |
| 45-64 | 24.5% | 23.6% | 26.1% |
| 65 & Older | 15.8% | 10.2% | 12.5% |
| Median Age | 38.2 | 32.1 | 36.6 |

2010 Census

Table 2.2: Age / Population, Marketplace Comparison

| | Le Roy 3,876 | Fairbury 4,171 | Gibson City 3,810 | Monticello 5,853 | Tuscola 4,959 |
|-----------------------|-----------------|-------------------|----------------------|---------------------|------------------|
| Below 25 | 32.2% | 32.9% | 30.2% | 29.8% | 30.7% |
| 25-44 | 26.0% | 22.2% | 22.4% | 22.7% | 25.3% |
| 45-64 | 26.4% | 25.8% | 26.2% | 29.2% | 27.4% |
| 65 & Older | 15.4% | 19.1% | 21.2% | 18.3% | 16.7% |
| Median Age | 39.1 | 40.5 | 42.5 | 43.0 | 40.6 |

ESRI, 2010 Census

Figure 2.1: Population Change by Decade

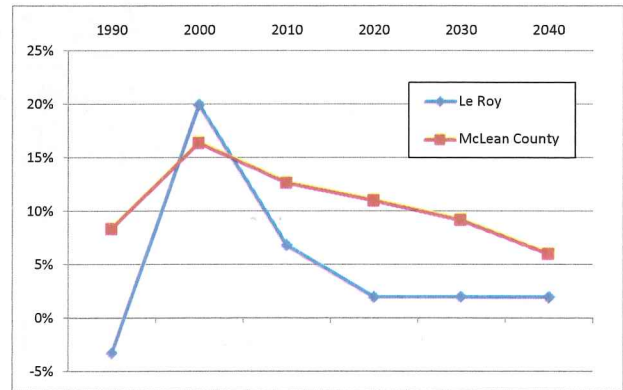


Table 2.2 (below) details Le Roy's Convenience Trade Area (CTA), as compared to the comparable communities. As of 2010, Le Roy's CTA had roughly 4,000 residents. Both Gibson City and Fairbury are similar in size to Le Roy's CTA with the CTA for Monticello and Tuscola being a bit larger (approximately 5,000-6,000 residents).

Age is another indicator for tastes, preferences and needs. Based on the 2010 Census, Le Roy's median age is 38.2, which is higher than the County's median age (32.1) and the State as a whole (36.6). In general, Le Roy and the State have similar sized age cohorts. In comparison to McLean County, Le Roy has a higher percentage of residents in the 65 and older age bracket and less in the under 25 age bracket. However, when looking at the comparable marketplaces (see Table 2.2), Le Roy has the lowest percentage of seniors (i.e. 65 and older) and the lowest median age. This older demographic has a direct impact on the types of goods and services businesses provide.

Income Indicators

Income indicators (e.g. per capita income, median family income, and median household income) help identify spending power (i.e. disposal income) within a trade area, which gives clues to consumer purchasing preferences. For example, as income rises so does spending on luxury items (e.g. buying name brand versus generic). Based on 2009-2013 American Community Survey data (Table 2.3), Le Roy lags behind the County but surpasses the State in all three income indicators. As compared to the County and the State, the City has seen the smallest percent change since 2000 in per capita income but the largest percent change in median family income. This could indicate increased income inequality because per capita income (an average) is being distorted by lower wage earners. Looking at the comparable marketplaces (Figure 2.2), the Le Roy CTA is at or slightly higher in all three income indicators.

Figure 2.2: 2014 Income Trends, Marketplace Comparison

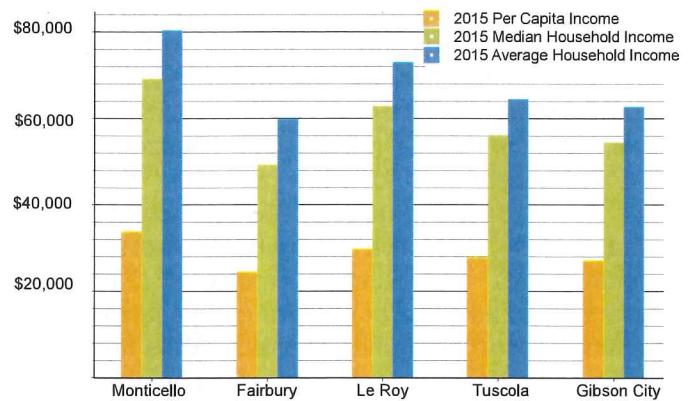


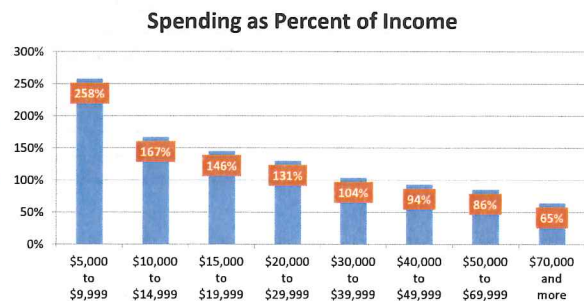
Table 2.3: 2009-2013 Income Trends, Regional Comparison

| | Le Roy | | McLean County | | Illinois | |
|-------------------------|----------|--------------------|---------------|--------------------|----------|--------------------|
| | \$\$ | % Change from 2000 | \$\$ | % Change from 2000 | \$\$ | % Change from 2000 |
| Per Capita Income | \$24,944 | 20.3% | \$30,460 | 37.0% | \$29,666 | 28.4% |
| Median Family Income | \$76,194 | 41.1% | \$83,812 | 37.2% | \$70,344 | 26.6% |
| Median Household Income | \$58,920 | 28.7% | \$62,089 | 32.0% | \$56,797 | 21.9% |

2000 Census, 2009-2013 ACS

Third-party data is limiting due to the prevalence of cash-only businesses and fixed income households. This results in lower local retail supply than is truly available in a trade area.

The figure on the right illustrates spending as percent of income for specific income brackets. The households with the least amount of money spend over 250% of their earnings. This is possible because many have alternative sources of income that go unreported (e.g. cash transactions and family assistance). Although their purchasing is limited, their overall consumption is equal to a household two to three times their reported income. Therefore, nondiscretionary items are likely higher than projected.



Source: 2013 Consumer Expenditure Survey

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Lifestyle Segmentation

Lifestyle Segmentation is a holistic way of looking at a consumer's demographic and socioeconomic data to gain information on their lifestyle and how they spend money. Of the 67 lifestyle classifications, the Le Roy CTA is comprised of three: "Green Acres" (38%), characterized as do-it yourselfers who love the outdoors; "Parks and Rec" (34%), characterized as practical suburbanites who live in well established neighborhoods; and "Rustbelt Traditions" (29%), characterized as a mix of married-couple families and singles who are family oriented. While these groupings emphasize generalities, they are useful for identifying common elements of the largest consumer segments.

In the case of the Le Roy CTA, the following can be generalized of a typical consumer:

- ▶ Are active - take advantage of local park and rec activities, exercise at home, take classes at local gym, join social organizations,
- ▶ Enjoy family style restaurants (chain and local),
- ▶ Are do-it-yourselfers,
- ▶ Appreciate convenience, and
- ▶ Are budget-conscious.

The lifestyle classifications can be further broken down into two groups: LifeMode Groups and Urbanization Groups.

- ▶ **LifeMode Groups** have a shared experience like being born in the same time period.
- ▶ **Urbanization Groups** characterizes segments according to where they live, ranging from large cities to the most rural farm lands.

The predominant LifeMode in Le Roy is "GenXurban" (62% of the residents), which is made up of "Gen X", or those born between 1960s-80s. Many are middle aged and have small families and a mortgage. The other LifeMode group in Le Roy is "Cozy Country Living" (38% of residents), which is characterized as empty nesters living in the country. Le Roy's Urbanization Group is split fairly evenly between Rural (38%), Suburban Periphery (34%), and Urban Periphery (29%). These three groups are living anywhere from the fringe of a major city to rural to very rural places on farms and/or single-family homes on large tracts of land. In review of the comparable marketplaces, Le Roy is unique with only Fairbury having a substantial portion of the population identified as rural (the others have between 3-8% rural). Gibson City and Tuscola are the least comparable as about 20% of residents live in a metro city.

Table 2.4: LifeMode Groups, Marketplace Comparison

| | Le Roy | Fairbury | Gibson City | Monticello | Tuscola |
|---------------------|--------|----------|-------------|------------|---------|
| GenXurban | 62.4% | 0.0% | 22.6% | 96.9% | 0.0% |
| Cozy Country Living | 37.6% | 100.0% | 55.7% | 3.1% | 51.9% |
| Middle Ground | 0.0% | 0.0% | 21.7% | 0.0% | 0.0% |
| Family Landscapes | 0.0% | 0.0% | 0.0% | 0.0% | 28.5% |
| Hometown | 0.0% | 0.0% | 0.0% | 0.0% | 19.6% |

Source: ESRI Business Analyst

Table 2.5: Urbanization Groups, Marketplace Comparison

| | Le Roy | Fairbury | Gibson City | Monticello | Tuscola |
|--------------------|--------|----------|-------------|------------|---------|
| Urban Periphery | 28.9% | 0.0% | 22.6% | 36.2% | 0.0% |
| Suburban Periphery | 33.5% | 0.0% | 0.0% | 60.7% | 0.0% |
| Rural | 37.6% | 48.6% | 4.3% | 3.1% | 7.8% |
| Semirural | 0.0% | 51.4% | 51.4% | 0.0% | 72.6% |
| Metro Cities | 0.0% | 0.0% | 21.7% | 0.0% | 19.6% |

Source: ESRI Business Analyst

Resident Profile: Key Findings

- ▶ **Lifestyle Segmentation:** Most residents in the Le Roy CTA are characterized as active, do-it-yourselfers, and consider convenience but also cost-savings when spending their money. They prefer shopping at local stores for incidentals, but save money by stocking up on staples at warehouse clubs such as Sam's Club or Costco. Residents take advantage of local park and rec activities and stay active by exercising at home or taking classes at a local gym. This suggests a need for businesses providing equipment and/or services related to health/wellness and outdoor activities.
- ▶ **Population:** Data from the State of Illinois Data Portal shows a 6% increase in population over the next 25 years, which equates to an additional 219 people over this period. Therefore, population growth will not in and of itself drive Le Roy's marketplace growth.
- ▶ **Age:** As more baby-boomers retire, the needs of this growing population will become an even greater challenge for communities large and small. Le Roy is no different with 16% at or above 65 (higher than the State at 13%) and an additional 25% between the ages of 45 and 64 (just below the State at 26%). For this reason there will be demand for senior housing and assisted living facilities in the coming decade. Currently, there are no independent or assisted living facilities in Le Roy. To help seniors "age in place", the City should consider developing housing for seniors and then look for ways to provide general goods in close proximity to these facilities. The presence of more seniors will likely increase the number of daytime customers, which is limited in downtown Le Roy.
- ▶ **Income Indicators:** The City has lower median family and household incomes as compared to the County, but is still higher than the State. The City's median family income has increased at a rate higher than the County and the State over the last decade. Median household income's growth has surpassed the State, but has not kept up with the County. Growth may not continue at the current 30-40% rate, but is likely to increase the spending power of the Le Roy marketplace. The generalized population make-up would suggest an increase in goods and services related to do-it-yourself projects around the home and health/wellness/recreational purchases.

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2.3 RETAIL MARKET STUDY

A trade area is the geographic region that generates the majority of customers to a shopping area. A trade area can vary depending on the type of business; however, in general retail spending is broken into two trade areas - Convenience Trade Area and Destination Trade Area (see descriptions below). These trade areas are resident-based, and therefore do not account for commuter/tourist purchases.

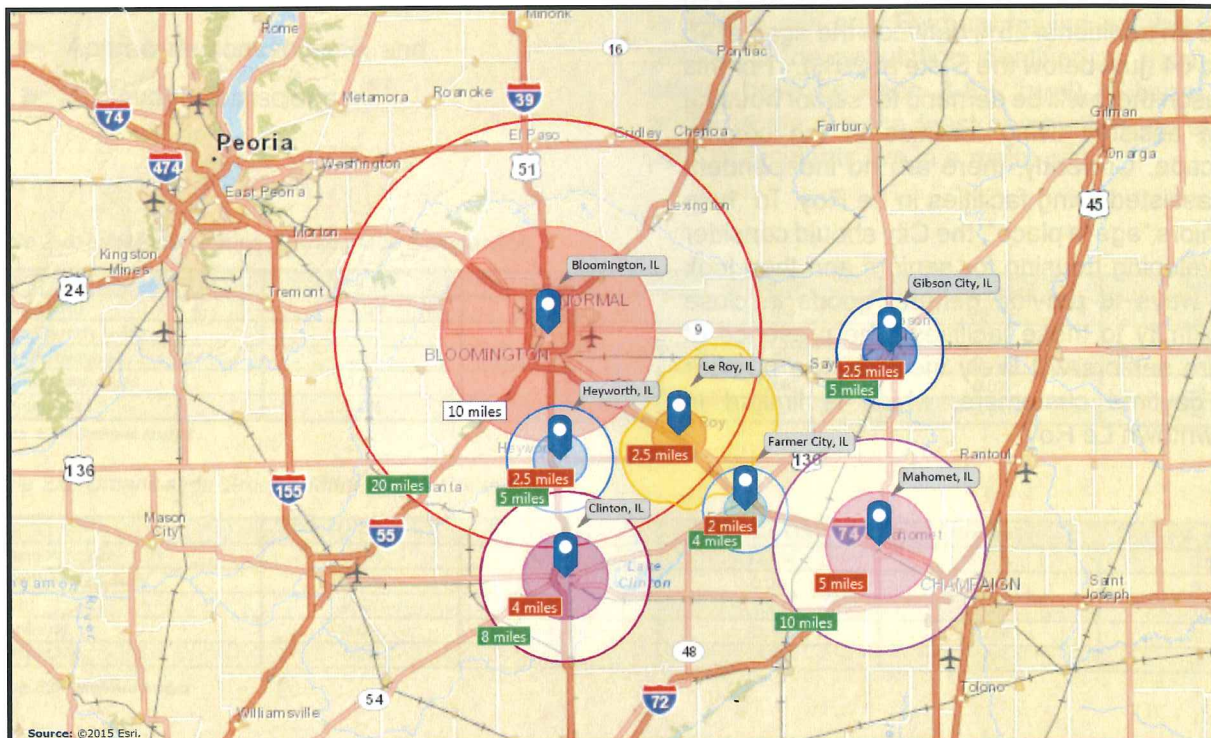
- ▶ A **convenience trade area (CTA)** is the geographic area from which most consumers are coming in order to make regular purchases. Shopping convenience / proximity is the major driver, especially on purchases that are made frequently (e.g. gas and groceries).
- ▶ A **destination trade area (DTA)** is a larger geographic area from which customers are drawn due to comparison shopping, brand loyalty, and price point. The DTA also includes consumers in rural areas who, out of necessity, drive further to get their convenience-type shopping (as none are located closer).

Le Roy Trade Areas

A trade area is typically generalized based on drive time or distance from a single point. However, there are other factors that can impact where consumers shop, such as business/retail mix, store types, and accessibility. Since community size can be directly linked to larger shopping districts having these other factors, those marketplaces cover a larger geographic area (i.e. having a greater pull factor). This premise is reinforced by the consumer survey completed for Le Roy (see **Section 1.3**). It showed a low percentage of consumers who do grocery shopping (30%) and non-grocery shopping (2%) in Le Roy with the majority choosing to shop in the Bloomington-Normal area.

To this end, it was important to establish how the nearby competing marketplaces will affect Le Roy's trade areas. Therefore, each community surrounding Le Roy received generalized trade areas based on their community size, as shown in Figure 2.3 (below). Then using the STH 150 / Chestnut intersection as the central point in Le Roy, a 2.5-mile radius was created for the City's

Figure 2.3: Trade Areas Map



convenience trade area (CTA). This covers about a five minute drive from the City's central node. Le Roy's destination trade area (DTA) is based on a generalized 5-mile radius; however, it is drawn asymmetrical, contracting and expanding beyond the generalized 5-mile radius depending on its proximity to competing marketplaces. Since it is assumed that, if given a choice, individuals are more likely to shop in larger communities (with more options), Le Roy's DTA does not include areas within the convenience trade areas of nearby competing marketplaces (i.e. Bloomington-Normal, Heyworth, Clinton, Farmer City, Mahomet and Gibson City). Where there are no larger communities (i.e. northeast of the City), Le Roy's DTA expands significantly; however, never exceeding a 20-minute drive with the assumption that beyond this distance other marketplaces may be more attractive to consumers. In total, Le Roy's DTA covers approximately 158 square miles and contains 5,315 people.

Between a 15-20 minute drive from Le Roy there are limited retail options. Both nearby communities (i.e., Farmer City and Heyworth) have similar marketplaces to Le Roy, and are unlikely to

attract convenience shoppers. At 20-25 minutes, residents are able to reach the far southeast side of Bloomington - though consumers may need to travel further into the City to find the retail establishments.

Retail Gap Analysis

Retail gap is the difference between the demand (potential) sales and actual retail sales. The demand is the expected amount spent by consumers at retail establishments, and the total supply is the estimated sales to consumers by establishments.

Based on the retail gap summary shown in Table 2.6 (below), Le Roy's marketplace is seeing significant leakage of sales to other marketplaces. In total, the CTA has a demand for nearly \$48 million in retail and food/drink sales, while the DTA has a demand for approximately \$65 million. Based on the supply in these trade areas, there is a retail and food/drink demand gap of \$18 million in the CTA and a nearly \$19 million gap in the DTA.

Table 2.6: Le Roy Retail Market Summary Table

| Retail Market (Industry Summary) | Convenience Trade Area (2.5 Miles) | Destination Trade Area (Up to 15 Miles) |
|---|---------------------------------------|--|
| Retail Trade (NAICS 44-45) | | |
| Demand | \$42,701,793 | \$58,226,441 |
| Supply | \$27,874,387 | \$42,978,638 |
| Retail Gap | \$14,827,406 | \$15,247,803 |
| Food & Drink (NAICS 722) | | |
| Demand | \$4,826,940 | \$6,494,772 |
| Supply | \$1,864,658 | \$2,769,302 |
| Retail Gap | \$2,962,282 | \$3,725,470 |
| Retail Trade and Food & Drink (NAICS 44-45, 722) | | |
| Demand | \$47,528,733 | \$64,721,213 |
| Supply | \$29,739,045 | \$45,747,940 |
| Retail Gap | \$17,789,688 | \$18,973,273 |

Source: ESRI Business Analyst

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Le Roy's retail market analysis shows there are many industries with demand (retail) gap; however, those that provide the best opportunity are industries with the largest gap dollars to the overall demand dollars. This can be further subdivided between those retail industries that have current sales in the trade area and those that are not currently offered in the trade area. There are many factors that could explain why an industry is not being offered currently in the marketplace, including not enough market dollars to warrant a store/business (see the next section for information) to it is not marketable in the specific area/region (e.g., too much online competition). Therefore, there are two separate tables provided here: 1) Those that have current sales and have significant demand gap (Table 2.7); and 2) Those that have demand because there is no current competition (Table 2.8). Each provide opportunities with varying degrees of risk.

Table 2.8: Demand w/ No Current Sales in Le Roy's Trade Areas

| CTA | Demand |
|---|-------------|
| Nonstore Retailers | \$3,742,977 |
| Electronic Shopping & Mail-Order Houses | \$3,308,493 |
| Clothing & Clothing Accessories Stores | \$2,699,217 |
| Clothing Stores | \$1,935,457 |
| Beer, Wine & Liquor Stores | \$562,203 |
| Furniture Stores | \$531,668 |
| Other Motor Vehicle Dealers | \$494,828 |
| Shoe Stores | \$397,816 |
| Jewelry, Luggage & Leather Goods Stores | \$365,944 |
| Specialty Food Stores | \$202,937 |
| Office Supplies, Stationery & Gift Stores | \$150,499 |
| Florists | \$48,365 |

| DTA | Demand |
|---|-------------|
| Nonstore Retailers | \$5,103,142 |
| Electronic Shopping & Mail-Order Houses | \$4,501,148 |
| Clothing & Clothing Accessories Stores | \$3,603,230 |
| Clothing Stores | \$2,581,872 |
| Beer, Wine & Liquor Stores | \$755,911 |
| Furniture Stores | \$714,861 |
| Other Motor Vehicle Dealers | \$692,872 |
| Shoe Stores | \$533,196 |
| Jewelry, Luggage & Leather Goods Stores | \$488,162 |
| Specialty Food Stores | \$275,682 |
| Office Supplies, Stationery & Gift Stores | \$204,052 |
| Florists | \$67,836 |

Source: ESRI Business Analyst

Table 2.7: Top 10 Retail Industry Opportunities, Convenience Trade Area (CTA) & Destination Trade Area (DTA)

| CTA | Demand | Supply | Retail Gap | % of Gap to Demand |
|---|-------------|-------------|-------------|--------------------|
| 1 Electronics & Appliance Stores | \$1,132,418 | \$110,574 | \$1,021,844 | 90% |
| 2 Auto Parts, Accessories & Tire Stores | \$580,032 | \$63,839 | \$516,193 | 89% |
| 3 Automobile Dealers | \$7,600,559 | \$1,511,420 | \$6,089,139 | 80% |
| 4 Department Stores Excluding Leased Depts. | \$2,647,819 | \$579,395 | \$2,068,424 | 78% |
| 5 Health & Personal Care Stores | \$3,916,180 | \$941,805 | \$2,974,375 | 76% |
| 6 Bldg Material & Supplies Dealers | \$1,206,851 | \$302,174 | \$904,677 | 75% |
| 7 Home Furnishings Stores | \$396,143 | \$106,420 | \$289,723 | 73% |
| 8 Sporting Goods/Hobby/Musical Instr Stores | \$839,096 | \$245,364 | \$593,732 | 71% |
| 9 Limited-Service Eating Places | \$2,311,130 | \$726,443 | \$1,584,687 | 69% |
| 10 Book, Periodical & Music Stores | \$235,414 | \$98,046 | \$137,368 | 58% |

| DTA | Demand | Supply | Retail Gap | % of Gap to Demand |
|---|--------------|-------------|-------------|--------------------|
| 1 Electronics & Appliance Stores | \$1,516,227 | \$115,382 | \$1,400,845 | 92% |
| 2 Auto Parts, Accessories & Tire Stores | \$776,369 | \$101,208 | \$675,161 | 87% |
| 3 Home Furnishings Stores | \$529,383 | \$113,233 | \$416,150 | 79% |
| 4 Automobile Dealers | \$10,360,555 | \$2,396,145 | \$7,964,410 | 77% |
| 5 Bldg Material & Supplies Dealers | \$1,637,212 | \$397,861 | \$1,239,351 | 76% |
| 6 Sporting Goods/Hobby/Musical Instr Stores | \$1,134,190 | \$282,029 | \$852,161 | 75% |
| 7 Department Stores Excluding Leased Depts. | \$3,551,308 | \$918,550 | \$2,632,758 | 74% |
| 8 Health & Personal Care Stores | \$5,331,864 | \$1,493,100 | \$3,838,764 | 72% |
| 9 Book, Periodical & Music Stores | \$313,481 | \$98,046 | \$215,435 | 69% |

Source: ESRI Business Analyst

There are also several industry groups that are adequately servicing the destination trade area, but have potential to increase their market share.

These industry groups include:

- ▶ General merchandise stores (\$4.1 Million gap - 68% gap to demand ratio),
- ▶ Limited-service eating places (\$1.1 Million - 66%),
- ▶ Full-service restaurants (\$1.4 Million - 58%); and,
- ▶ Misc. store retailers (\$0.5 Million - 36%).

Based on the consumer survey, there is a need for the following specialty merchandise: sporting goods, gifts & cards and pet supplies.

Trade Area Business Demand

Based on available data, there are leakages in almost all industry groups within the Le Roy marketplace. This has been reaffirmed by the Consumer Survey where only 1.5% of respondents stated they do most of their non-grocery shopping in the City of Le Roy with 89% in Bloomington/Normal area and 6% on the internet/mail order.

Although there is unmet demand, not all are potential candidates for recruitment to the City of Le Roy. One reason is certain businesses almost always see leakage of sales due to comparison shopping (e.g. car dealerships) or have brand/store loyalty (e.g. clothing stores). Another reason is the demand is not large enough to sustain a store. Subsequently, select industry groups were compared with average US Sales per business/store. See Table 2.9 on the next page.

ADDITIONAL GOODS/SERVICES

Another consideration should be given to services that associate with number of providers per residents, rather than retail gap. For instance, a local chiropractic, dentist and doctor office can support up to 1,500 patients (depending on insurance and coverage). The City has a population of 3,560 and roughly 5,300 residents in the City's destination trade area. The table below summaries the number of businesses in Le Roy and in each of the comparable communities. It appears there could be demand for a dentist office and possibly a pharmacy.

Population-Driven Business Summary Table

| | Le Roy | Fairbury | Gibson City | Monticello | Tuscola |
|----------------|--------|----------|-------------|------------|---------|
| Grocery Stores | 1 | 1 | 1 | 1 | 2 |
| Health Clinics | 2 | 2 | 1 | 1 | 1 |
| Chiropractor | 1 | 2 | 2 | 2 | 1 |
| Dentists | 1 | 3 | 3 | 6 | 5 |
| Pharmacies | 1 | 2 | 1 | 4 | 3 |

Hair/nail salons and barbershops are another service provider which can thrive in small communities. Le Roy has five businesses with the comparable marketplaces having between six and nine businesses. Therefore, there may be a market for an additional hair/nail salon and/or barbershop.

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Despite 100% leakages in most industries, Table 2.9 (below) suggests that there are only a couple primary opportunities with a few secondary (supplementary) opportunities for Le Roy at this time. In general, a community is not expected to retain all of its local demand, as people will always choose to make a certain number of purchases in other communities or online. Therefore, the number of stores is relative and should not suggest the exact number of businesses that will thrive in Le Roy, rather it indicates the business types that are highly marketable.

Since it is unrealistic that a new store would capture all the local demand, it will be imperative that any of the potential business opportunities target beyond their trade area, pulling from supplementary consumers (i.e. visitors and commuters) and residents from nearby marketplaces in order to sustain a profitable business.

Also noteworthy, several industry groups lack enough sales for a new store, but could be targeted by existing business as a supplementary good or service.

Primary Opportunity

- ▶ Clothing and Clothing Accessories Stores
- ▶ Food Service and Drinking Places

Potential (Supplementary) Opportunity

- ▶ Home Furnishings Stores
- ▶ Electronic & Appliance Stores
- ▶ Beer, Wine & Liquor Stores
- ▶ Sporting Goods, Hobby, Musical Instruments, & Book Stores

Table 2.9: Business Demand, Destination Trade Area

| NAICS | Business Type | U.S. Sales Data | | Primary Trade Area | |
|-----------------|---|-----------------------|---|--------------------------|--|
| | | Average Sales / Store | Retail Gap | # of Businesses (Demand) | |
| 44111000 | New car dealers | \$ 31,614,997 | \$ 17,159,827 | 0.5 | |
| 44112000 | Used car dealers | \$ 2,807,851 | <i>included in New Car Dealers</i> | | |
| 44130000 | Automotive parts, accessories, & tire stores | \$ 1,437,129 | \$ 679,016 | 0.5 | |
| 44210000 | Furniture stores | \$ 2,060,605 | \$ 714,861 | 0.3 | |
| 44220000 | Home furnishings stores | \$ 1,443,586 | \$ 1,089,410 | 0.8 | |
| 44310000 | Electronics and appliance stores | \$ 2,123,245 | \$ 1,411,417 | 0.7 | |
| 44400000 | Building material and garden equipment and supplies dealers | \$ 3,587,059 | \$ (6,283,118) | -1.8 | |
| 44510000 | Grocery stores | \$ 6,043,286 | \$ (1,787,258) | -0.3 | |
| 44520000 | Specialty food stores | \$ 790,264 | \$ 275,682 | 0.3 | |
| 44530000 | Beer, wine, & liquor stores | \$ 1,322,900 | \$ 755,911 | 0.6 | |
| 44611000 | Pharmacies & drug stores | \$ 5,307,817 | \$ 3,855,786 | 0.5 | |
| 44612000 | Cosmetics, beauty supplies, perfume | \$ 958,793 | <i>included in Pharmacies & drug stores</i> | | |
| 44613000 | Optical goods stores | \$ 758,317 | <i>included in Pharmacies & drug stores</i> | | |
| 44619000 | Other health and personal care stores | \$ 844,325 | <i>included in Pharmacies & drug stores</i> | | |
| 44710000 | Gasoline stations | \$ 4,852,276 | \$ (10,212,366) | -2.1 | |
| 44800000 | Clothing and clothing accessories stores | \$ 1,578,857 | \$ 3,603,230 | 2.3 | |
| 45100000 | Sporting goods, hobby, musical instrument, and book stores | \$ 1,684,299 | \$ 1,076,587 | 0.6 | |
| 45200000 | General merchandise stores | \$ 13,022,934 | \$ 6,823,296 | 0.5 | |
| 45300000 | Miscellaneous store retailers | \$ 917,688 | \$ 410,931 | 0.4 | |
| 72200000 | Food services and drinking places | \$ 861,490 | \$ 3,725,470 | 4.3 | |

Source: ESRI Business Analyst (2016) and 2012 Economic Census

Key Findings

- **Fast-Food Establishment:** Only 37% percent desired more fast-food establishments; however, this has a larger demand gap than the sit-down restaurant category. Plus, fast food establishments receive more patronage by commuters and visitors (than sit-down restaurants), which increases their marketability.

Table 2.10 (below) looks at the fast-food establishments along Interstate 74 between Mahomet and Bloomington (roughly a 20-minute drive from LeRoy). Based on this analysis and franchise

requirements listed in Table 2.11 (below), Taco Bell, KFC, Dairy Queen and Burger King are the most compatible with the Le Roy interchange.

There is even an opportunity to combine two of these franchises with a multi-brand store. Multi-branding is changing the landscape of the US quick-service food industry by offering more choice, convenience and value at one restaurant location. The strengths of a multi-brand store are double the national media budgets, brands and food options.

Table 2.10: Fast Food Establishment Inventory, 20-MI Review

| | Taco | | | | | | | |
|-------------------------|--------|------|-----|----|--------|------------|----|------------------------------------|
| | Subway | Bell | KFC | DQ | Arby's | McDonald's | BK | Others |
| Exit 174 (Mahomet) | X | | | | X | X | | |
| Exit 172 (Mahomet) | X | | | X | X | | | |
| Exit 166 (Mansfield) | | | | | | | | |
| Exit 159 (Farmers City) | X | | | | | | | |
| Exit 152 (Empire) | | | | | | | | |
| Exit 149 (Le Roy) | X | | | | X | X | | |
| Exit 142 (Downs) | | | | | | | | |
| Exit 135 (Bloomington) | X | X | | X | | X | X | Taco John's, Chick-fil-A, Hardee's |
| Exit 160* (Bloomington) | X | X | X | | X | X | | Popeyes, Wendy's, Culver's |

* Interstate 55/74

Table 2.11: Franchise Preferred Site Requirements

| | Site Size (acres) | Building Size (sq.ft.) | Parking Needs (space per) | Amenities | Market Availability |
|-----------------------------|-------------------|------------------------|---------------------------|--|--|
| Dunkin' Donuts | 0.25-2.0 | 1,200-2,600 | 3 seats | morning side of street, drive thru, high visibility from major arteries, option for 24 hours, easy ingress/egress (no more than 2 turns) | <i>Currently reserved for existing franchisees</i> |
| DQ Grill & Chill | 0.48-0.68 | 1,886-2,612 | --- | Illinois is not a current "hot spot" for a store, but the company is still open to potential stores outside of this area. | <i>Unknown</i> |
| Dairy Queen / Orange Julius | 0.41-0.43 | 1,000-1,800 | | | |
| Burger King | 0.47 | 2,000-3,500 | 1.6-2 seats | high visibility, full movement access, maximum signage, 25,000 ADT, 30,000 people plus w/in trade area | Potentially Available (no protected territory) |
| Wendy's | n.a. | n.a. | n.a. | Franchisee selects the location and site selection is available from Wendy's real estate representatives | Potentially Available (no protected territory) |
| Taco Bell | 0.4 | 1,000-1,645 | 2 seats | seven car stack for single window drive-thru, generally an End Cap or small free-standing building in rural conditions | No protected territory, but has a impact policy |
| KFC | 0.45 | 2,648-3,035 | 2.75-3 seats | strong residential catchment, main road prominence, good access and visibility, 30-40 parking spaces, patio area for external seating | Available (no KFC within 1.5 miles of Le Roy) |

Chapter 2 Market Analysis

- ▶ **Sit-Down Restaurant / Food Establishment:** The majority of respondents to the consumer survey suggested a need for additional eateries, especially a bakery (54%), family (sit-down) restaurant (54%) and coffee shop (47%). There is competition in the surrounding communities, especially in the larger cities. However, there may be a market for a sit-down restaurant if the supplementary markets are targeted.

Based on responses from the consumer survey, nearly half travel 16-25 minutes to get to a donut shop/bakery (49%) and coffee shop/deli (48%), while an additional 16% travel 26-35 minutes to reach these destinations.

- ▶ **Clothing Store:** There is a potential market for a clothing business in the City. However, brand and comparative shopping opportunities generally dictate where clothing stores locate. Based on the consumer survey, the majority of non-grocery shopping is being done in the Bloomington/Normal area. Therefore, this opportunity may prove to be unsustainable, unless the business can pull customers from beyond the Le Roy trade area (e.g., visitors, commuters, residents from other marketplaces). One such opportunity would be to lure a chain/box store(s) to locate on undeveloped lands surrounding the I-74 interchange.

One example would be the Green Bay-based retailer, Shopko, who over the last five years has developed a smaller format store that has augmented Shopko's larger store model that is focused around small rural communities. This new format (Hometown) will range in size between 15,000-35,000 square feet and will sell apparel, home furnishings, toys, consumer electronics, seasonal items, groceries and lawn-and-gardens products. Over the last year or so, Shopko Stores Operating Company has been opening and converting other stores

Based on responses from the consumer survey, 61% travel 16-25 minutes to get most of their clothing items with another 27% traveling 26-35 minutes to get their clothing items.

under the new name of Shopko Hometown. In total there are 12 stores in Illinois with four within 60 miles: Hoopeston (60 MI), Dwight (60 MI), Tuscola (60 MI) and Monticello (30 MI). Notably, two of these locations are comparable communities reviewed in the market analysis (Tuscola: 35,000 sq.ft. building, 3.2 Acres and Monticello: 35,000 sq.ft. building, 3.6 Acres).

- ▶ **Additional Goods/Services:** Based on comparative markets and resident population in the DTA, there may be an opportunity for a dentist office, pharmacy and a salon/barbershop.
- ▶ **Expand Existing Good/Service:** There are additional industry groups that are adequately servicing the trade area, but have potential to increase their market share. These industry groups include general merchandise stores, limited-service eating places, full-service restaurants, and miscellaneous store retailers.
- ▶ **Add Supplementary Good/Service:** In some cases there are industry groups that cannot be sustained on their own, but could be added to an existing business to make it a viable option, such as home furnishings, electronic/appliances, beer/wine/liquor, and sporting goods/hobby/musical instruments/books.