

ELEMENT 1

Overview: The Sandpoint Downtown Revitalization System

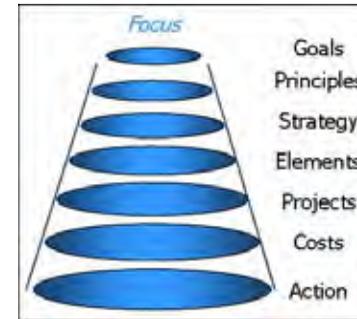
Framework: Goals, Principles, Strategy

There is an old saying, "If you don't know where you're going, any road will do." Many towns across the U.S. have attempted downtown revitalization in this manner. Without a strategy and market-driven perspective, they simply sought to make generic improvements – sometimes piecemeal, sometimes in large chunks. Without a strategic framework in place, most have been doomed to mediocrity, ineffectiveness or failure.

Downtowns are complicated systems that provide some degree of "Center" in each of the following activities: social, cultural, civic, religious, commercial and residential. Weak downtowns tend to have one or more of these activities out of balance with the marketplace. Ideally, such communities should be focused on re-establishing a balance. This requires a clear understanding of supply and demand relationships. For example, street furniture in a town with a large proportion of seniors should be designed with seniors in mind.

The City of Sandpoint, Idaho, and its partner, Sandpoint Business Association (SBA), are determined to enhance Downtown strategically. The program outlined on this CD works within a strategic framework crafted through an understanding of both community values and market dynamics. It is intended to be practical and implementable. Base hits are emphasized over attempts at home runs. Working with limited budgets also is respected.

For these reasons, the Sandpoint Downtown Revitalization System is not a comprehensive fix or improvement to every single issue that might be addressed in this downtown. Rather, it is a set of actions that create and build momentum through team action. These actions address fundamental problems and opportunities. There are no luxuries proposed. First things are addressed first, in a sequential, well-directed manner that respects the concept of "Ready, Aim, Fire."



Success depends upon teamwork

The System is organized to ensure each step moves the community forward on the road toward a successful downtown that respects local values, constraints and character. Careful attention has been given to understanding local, regional and tourism markets. All of these influences guided the creation of a set of goals and principles that will drive all elements, projects and actions in the System.

There are four fundamental goals for the Revitalization System, including:

1. Strategic, Market Orientation, with:
 - ◆ Well Defined Markets
 - ◆ The Physical Place of Downtown Serving Markets Well
 - ◆ Well Organized Communication with Target Markets
2. Early Actions That Build Momentum, with:
 - ◆ Practical, Visible, Reasonable Steps
 - ◆ A Variety of Base Hits
3. Strengthened Teamwork, with:
 - ◆ Broad Participation From Organizations and Citizens in the Community
 - ◆ Clear Roles for Each Participating Organization
 - ◆ Access to Resources (We have identified and described 212 potential resources that may be sought to help undertake recommended actions)
4. Stronger Sense of Community, with:
 - ◆ Community Sense of "Ownership" for Downtown
 - ◆ Greatly Enhanced and Substantial Downtown Draws for Locals & Visitors

Success in the revitalization effort will depend more on teamwork than on any other issue. Sandpoint is full of energetic, responsible citizens and possesses extraordinary regional assets. Unfortunately, over the years internal conflicts among these people have been more common than collaboration and team building. The Downtown Revitalization System is both a method and an opportunity for restoring teamwork. As partners succeed, they will find a new community strength that can result in many other successes outside the downtown boundaries. City leaders and the SBA believe this is truly the dawning of a new era for the people of Sandpoint. At such a critical moment in the town's history, the timing is perfect for a community team to come together.

These goals will be addressed through actions that respect a set of Guiding Principles. The principles are organized in four revitalization dimensions. In brief, these principles will be a top priority whatever and however work is undertaken.

1st Dimension: Design

Critical Need

- ◆ Highway 95 must move off 1st & Cedar. Over 30,000 vehicles move through the heart of downtown each day. By 2006, *after* the Byway is open, the number is projected to increase to 36,000. These volumes have a severely negative impact on the pedestrian environment of the city center. Successful downtowns are great places to be and to walk. Downtown Sandpoint will never be such a place until it is a “Pedestrian Priority” area. Therefore, it is necessary to relocate the major highway route off of 1st and Cedar. In preparation for this change, the SBA and City need to strengthen the core and its image through a combination of physical, business and marketing improvements. With these improvements in place, it has high potential to be a great regional destination that draws target markets in substantial numbers.
- ◆ The core of downtown should become a pedestrian-priority area. This point is addressed in the preceding bullet.
- ◆ Physical improvements will be designed for target markets. Our planning team has carefully defined our target markets. Signage, crosswalks, lighting, street furniture, and landscaping will be modified to address, accommodate and attract these markets well.
- ◆ Downtown should be a gathering place. There are few places for residents of Sandpoint to gather as a community. Healthy downtowns nearly always have such gathering places, both for its citizens and visitors. Through improvements to the core, parking, lighting and connections to Sand Creek, Downtown Sandpoint will become a great place for people to come together for work, business, shopping and recreation.

Critical Need

2nd Dimension: Business Development

Critical Need

- ◆ Development should encourage a diversified economy. Local businesses need to be assisted to grow and to diversify. Business recruitment efforts

should seek to draw complementary business activity that broadens local strengths rather than duplicate them.

- ◆ Downtown development should focus first on locals. Great downtowns are first and foremost great places for local citizens. Our planning partners agree that Downtown Sandpoint will be best if it is enhanced, not changed dramatically. We do not want a Disneyland approach to Main Street and do not support artificial themes.
- ◆ Visitors are needed. The depth of business goods and services in Sandpoint exceeds the capacity of the local marketplace to support them. Customers from outside the community are needed and desirable to sustain the broader range of goods and services that can make Sandpoint a great place in which to live, work and play.
- ◆ Downtown will be a mixed-use center. It is simply impossible for specialty retailers to sustain downtown’s vitality by themselves. We seek a broader mix of social, cultural, civic, religious, commercial and residential activities in the town center. For example, the post office, County Courthouse, medical facilities, Sand Creek recreation and attractive parks are critical to our efforts in restoring balance.
- ◆ Downtown vitality is a community priority. Generally, the health of a downtown is a reflection of a community’s overall vitality. If Sandpoint is to be a good place to live, work and play, it needs a vibrant town center. This is true whether a couple is seeking an entertaining evening or a corporation is seeking to recruit a new executive or doctor. Everyone in Sandpoint has a stake in the health of the center.

Critical Need

3rd Dimension: Promotion/Marketing

- ◆ All development is intended to serve target markets. Fundamentally, this program is about building a better link between supply and demand.
- ◆ Strategic communication with markets is essential to success. Sandpoint cannot afford to leave its image unmanaged. Currently, many individual businesses, newspapers, and other forms of media send out a wide variety of uncoordinated images about Sandpoint. Their collective impact is not what the community needs. For example, while many local people see Sandpoint

as a destination resort for tourism, the evidence is clear: most outsiders do not see Sandpoint as a (an overnight) destination. As a result, there is considerable loss of potential spending from people who drive by or visit regional destinations (like Schweitzer) but don't stay overnight.

- ◆ The Core market is the entire county – not just Sandpoint. Much of county-wide retail market has to go through Sandpoint to get to its spending destinations. Sandpoint can do a great deal more to attract its nearby rural residents, who should be seen as primary markets.
- ◆ Sandpoint needs to tap customers w/in 100 miles. Coeur d'Alene, Spokane, Post Falls and other communities within 100 miles are viable secondary markets. More needs to be done to attract these readily available consumers.

Critical Need

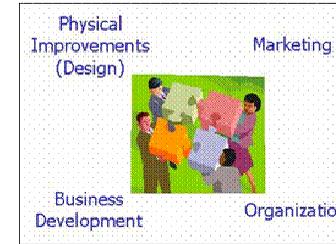
Figure 1: Street corridors shaded in solid blue below may be impacted by Idaho Transportation Department's ongoing highway planning effort. Consequently, the Revitalization System does not address at this time.



4th Dimension: Organization

- ◆ Strategic teamwork is needed to succeed.
- ◆ A Public-Private partnership is the foundation of the team. Local government has much to gain from a revitalized downtown. In addition, many governmental actions (especially those related to infrastructure, circulation, maintenance and regulatory environment) have substantial impacts on business vitality. Consequently, the City needs to be actively engaged in cooperative efforts to improve the town center.
- ◆ Citizen participation is encouraged in all facets of the System. Citizens will be encouraged to actively participate in and support revitalization programming. By participating, they will build stronger ties to the community and to each other. In addition, everyone will benefit from a successful downtown.

While there is much we know about downtown, there are key circulation issues that are currently undefined. Idaho Transportation Department is actively working on refining regional highway routes. Their efforts include potential modifications to Pine, Church, and 5th (per the solid lines in Figure 1.1 at left). Consequently, the Revitalization System does not address specific improvements for areas along these streets. Once ITD has finished its corridor planning, the City and SBA should refine the Revitalization System accordingly.



Strategic System of Improvements

With these four goals and guiding principles as a framework, a strategic system of revitalization actions is proposed. They are organized similarly to our principles into four segments: design, business development, promotion and organization.

1. Physical Improvements: Design

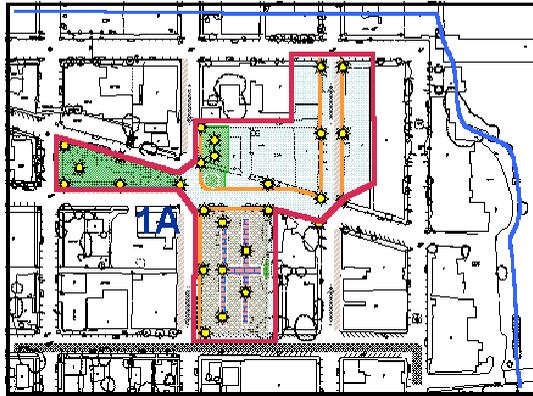
- ◆ Bring Back Main Street. The heart of downtown, bounded by Church, 4th, Main and 2nd, has many weaknesses. Among them are poor lighting, broken sidewalks, marginal pedestrian amenities, poor crosswalks, obscure and limited directional signage to parking (and other key destinations), unsightly parking areas, and very limited space for events or community gatherings. There are straightforward means to strengthen this area both for serving the entire downtown district and for making it a desirable destination itself.



This is a conceptual image for a new parking & events plaza proposed at the northeast corner of Main and 3rd on newly acquired City property.

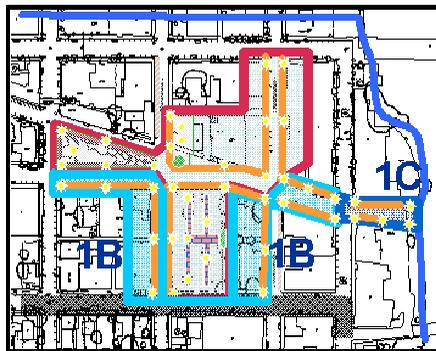
Our System calls for a three-step first construction phase to make the necessary physical improvements to the core area. (See Figures 1.2 and 1.3 on the next page to review all three steps in the first phase of physical improvements.) All three could be undertaken at the same time if adequate resources are required. Phase 1A would be composed of improvements to:

- City parking lot: With slight modifications, make it a flexible space that can host special events as well as day-to-day parking.
- New City lot: At the northeast corner of Third and Main, this lot can host both parking and event space. In addition, by redesigning the intersection, a substantial and highly visible public open space can become a major icon for central Sandpoint. Public art, a fountain, seating and other design elements can be incorporated to dress up the core and draw people to it.



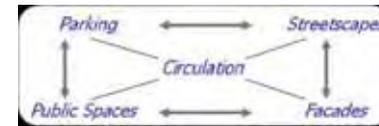
- Lighting, information kiosk, better signage and improved sidewalks along Main between 2nd and 3rd.
- 2nd Avenue focus block (between Cedar and Main) of design improvements. This block will demonstrate how design improvements can enhance the character and attraction of commercial areas in downtown. If property owners on other blocks like what they see, they can collaborate to expand the improvements to their own areas.
- Lighting at Farman Park. This central downtown area is very poorly lit. It is therefore dangerous and highly unattractive to shoppers and workers who might otherwise use the area in late afternoon and evenings. Proper lighting will greatly enhance this district.

Phase 1B will extend improvements to portions of Oak, Third, 2nd and Main. (See Figure 1.2.) Ideally, the extension east on Main will continue at least to 1st Avenue. This will connect the parking core to the major shopping district of downtown.



Phase 1C will connect Sand Creek to 1st Avenue and to the central core, already improved in Phases 1A and 1B. This final enhancement will finish the task of refining the core and connecting major downtown assets (Sand Creek, central parking and event-oriented open spaces).

Figures 1.2 (above) and 1.3 (left): These illustrate the phasing of improvements to Downtown Sandpoint's core. Element 2 of the System describes these in detail.



Each of the elements in this box need to be refined into a system that collectively addresses the needs of Downtown's target markets. Currently, these elements do not work well individually or collectively.

- ◆ Enhance Pedestrian/Vehicular Routes. Within Downtown Sandpoint, it is hard to find parking areas. Once people are out of their cars, many also find it hard to make their way to shopping and business areas. Sidewalks, crosswalks, lighting, orientation signage, directional signage and other improvements are needed to get people to, through, around and within downtown. Recommended improvements in Phase 1 will go far to address these weaknesses.
- ◆ Strengthen Sand Creek District. Sand Creek would be an extraordinary asset in any community. Sandpoint takes very little advantage of this amenity. Phase 1C will focus on improving access to the Creek, including access from 1st Avenue, completion of a boardwalk and creation of a passive park along its edge at the east end of Main.

2. Business Development

◆ Improve Access to:

- Refined Retention/Recruitment Services. First things will come first. Business retention programming will be a top priority. SBA will work with regional and state partners to improve access to business services for existing businesses.
- More Resources & Competitiveness. Over two hundred financial and technical assistance resources have been identified and described as part of the Revitalization System project. These resources will be actively pursued by the City, SBA and their partners. Wherever possible, SBA will seek to tap resources that can directly benefit downtown property and business owners. Among these, for example, is a low interest loan pool being established to help property owners with façade renovations.
- Market Data, Trends. Market research is expensive and difficult to obtain by any one business. Information in the Revitalization System CD provides a wide range of important data and analysis that will help local businesses refine their activities. SBA will continue to collect and distribute this kind of information to local businesses and the City.

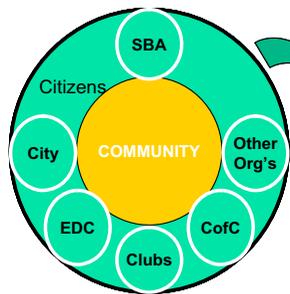
- ◆ Support Anchors. Early projects in this category will be to seek to strengthen anchor businesses' ties to the downtown locations. Among these anchors (businesses whose presence substantially contribute to the vitality of downtown) are the post office, Coldwater Creek, County Courthouse, hospital, medical center, and the collection of specialty retailers along 1st Avenue.
- ◆ Raise, Unify Business Practices. A reputation for excellent customer service is critical if Sandpoint intends to become a true destination community. Such service goes beyond how customers are treated to how businesses work to collectively serve them. For example, common hours, coordinated sales, cooperative advertising, and strategic public relations will all contribute to customer satisfaction. SBA will work to help build better practices in each of these areas.

3. Promotion/Marketing

- ◆ Establish a Collective Focus on Target Markets. Target markets are well defined in Element 3 of the Revitalization System. SBA and local businesses need to work as a team to connect with these targets. Element 4 of the System addresses how to promote (communicate) effectively.
- ◆ Build Identity-"Brand" Awareness. Sandpoint's image needs to become more well defined in the regional marketplace. Recommendations are made in Element 4 on how to do this via teamwork among area businesses, community organizations and the City.
- ◆ Promote the "Destination". Evidence clearly demonstrates that Sandpoint is not yet succeeding as a true regional recreation and business destination. Clearly, however, it has strong potential to do so. Through a system of business retention, recruitment and promotion, the Revitalization System provides directions to strengthen Sandpoint's destination status.
- ◆ 4-Season Tourism is Critical. During late summer, Sandpoint is overwhelmed with tourism. For much of the remainder of the year, there is far too little. Even during the Christmas season, when skiing is at very high levels, retail and motel room sales are low. Sandpoint needs events and promotional campaigns that build a healthy four-season tourism program. Again, the potential exists to accomplish this. The System identifies how.

4. Organization

- ◆ Create a Partnership of Key Organizations. As noted earlier, Sandpoint's success in community and economic development will depend upon stronger partnerships and teamwork. The Downtown Revitalization System is organized to tap, encourage and reward partnerships. Philosophically, we seek to spread out the work so that no one entity is overwhelmed. In addition, each successful action or project will lead to a strengthened team and sense of community. This renewed strength will contribute to all kinds of other community improvement programs.
- ◆ Clear Roles for Partners. Each partner needs to know what to do, when to do it and where to seek sources to complete its work. The Revitalization System addresses Who, What, When, Where, How and Why for the various actions that are recommended.
- ◆ Implementation of the Revitalization System will be facilitated SBA. While there are a variety of roles for about twenty five entities, the Sandpoint Business Association will act as the central facilitator. At various times the organization will assist others, coordinate communication, arrange meetings, seek grants, and activities as necessary to support implementation. In many cases, other organizations, businesses or individuals may be in a leadership role for specific actions. In short, there is no one "boss" or leader. This is a cooperative effort.
- ◆ Collaboration with Support Agencies. At least half a dozen regional, state and federal organizations will be engaged to assist in implementation of the Revitalization System. These support agencies have expertise and assets that can be tapped to support local efforts. The SBA and City will work carefully to introduce them to the System and build them into the team.



Sandpoint, Inc.

Figure 1.4: The Revitalization System is built upon a collaboration of community organizations, citizens and City government, as illustrated above. Through regular interaction and communication, they will seek means to cooperate in undertaking community development actions. While there is no Head of the alliance, each member may guide or lead efforts that are central to their purpose. By sharing the load and partnering, they will move the community forward.

Key Projects in the System

The Revitalization System recommends a set of about eighty projects over five years. Six among these are key to successful implementation:

1. Refine the Development Team.
2. Seek Phase 1 Resources
3. Create & Fund Marketing Campaigns
4. Complete Design Phase 1
5. Seek State Agencies' Partnership
6. Expand Business Assistance

This section will provide a brief outline of each of these key projects.

1. Refine the Development Team.

Those rural communities that have been most successful in local development have built a team out of the various organizations engaged in improving the community. Success in this effort depends more upon a commitment to the principle of partnership than it does on establishing new organizations. The key is strategic cooperation (see Figure 1.4 at left). The method is regular communication. Five actions will build the cooperative effort necessary for success.

- ◆ Establish "Sandpoint, Inc.," a Team Forum. The SBA will act as a facilitator in organizing regular (perhaps monthly) luncheons where community development organizations meet to share opportunities and address challenges. The primary goal will be to create a strong sense of team among participants. Each will continue to lead its own programming. In addition, members will seek to strengthen collaborations to improve the community. It is essential that City government is represented. Other members of the core team should include the Sandpoint Business Association, Bonner County Economic Development Corporation (BCEDC), Chamber of Commerce, Destination Sandpoint and service clubs. Luncheons should be open to anyone who wants to participate. Entities like the school district may be

encouraged to send representatives. SBA will organize times and places for the meetings and take minutes as necessary. Luncheons can be simple "brown-bags" to keep the cost down. Details of how Sandpoint, Inc. operates can be defined over time as participants build it into a true collaborative forum.

- ◆ Enhance SBA Committees. The Sandpoint Business Association will enhance its committee structure according to guidelines from the National Main Street Center. Four standing committees will operate to address Design, Business Development (Economic Restructuring), Promotion and Organizational Development. These committees, under the direction of the SBA Executive Director, will provide the primary energy in moving the Revitalization System forward.
- ◆ Engage the Community. As noted earlier, great downtowns are "owned" by the entire community. Citizens have a stake in the vitality of the town center. SBA and its partners are encouraged to engage citizens as much as possible in Revitalization projects and on committees. People of all ages should be invited. Some downtown organizations around the U.S. even have "Youth Boards of Directors."
- ◆ Promote the Revitalization System to Resource Agencies. The City and SBA should arrange to send a team to Boise to introduce the Revitalization System to State and Federal agencies. Since outside resources will be needed for many of the physical improvements, it is important to build awareness and support among these other partners. A united voice and team in the form of a public-private partnership will go far in this effort.
- ◆ Build an Advisory Team: Regional and state agencies are available to help support revitalization efforts. SBA is now working to establish stronger, more systematic ties with Panhandle Area Council, Small Business Development Center Network, Idaho Department of Commerce, North Idaho College and University of Idaho.

2. Seek Phase 1 Resources

We all know this is a world of limited resources. With over two thousand communities in the intermountain northwest, competition is fierce for outside community development resources. Those who are most successful in this effort are first and foremost organized as teams that endorse a clear strategy. The following actions will go far in helping Sandpoint succeed in its own efforts to attract funding and technical assistance.

- ◆ Grow Local Support: Emphasize Outreach. The City and SBA needs to continue their efforts to expand public awareness and support for the Revitalization System. This CD should be broadly distributed. Representatives should speak to local service clubs, hold open houses, and work with the press to explain the various facets of the System. A brochure should be created and sent to businesses and households. A periodic newsletter also should keep people updated. During the first six months, this System should become the "Talk of the Town." People also should be encouraged to participate in the detailed planning and implementation of System projects. Everyone should have an opportunity to participate.
- ◆ Establish a Loan Pool for Improvements. The SBA is working with Panhandle Area Council to establish a loan pool for façade improvements. Depending upon demand (which could be clarified through a brief survey), SBA should also approach local banks about establishing loan pools for other private sector improvements and development. Such pools, if they are to be organized by SBA, should have some level of review and approval by the SBA board. That is, if special funds are made available for revitalization efforts, those who receive them should be undertaking activities consistent with the System.
- ◆ Expand Grantwriting System (City+SBA). The City of Sandpoint has an exceptional grantwriter on staff. The Revitalization System will call on this person's time extensively. To enhance his success, SBA and other organizations will need to be prepared to help with support activities. For example, grantors sometimes expect to make site visits. SBA and its partners

could make appropriate arrangements to host these visitors and provide tours of downtown. SBA's executive director should take the lead in this effort.

- ◆ Tap Service Clubs & Churches. There are many facets to the Revitalization System. Community organizations will be encouraged to sponsor such things and street lights, outdoor furnishings, kiosks, and landscaping. By spreading the participation, three assets are created: broader ownership and support for the project; a higher level of local match for potential grants; enhancement of the local sense of team.
- ◆ Encourage Youth Involvement. Most people agree that youth are our future. However, many towns forget to engage their youth in development. The Revitalization System will encourage youth participation in practically every facet of implementation. In addition to their insights and energy, the community will benefit through the stronger bonds and citizenship created through volunteer action. This is likely to keep more youth as citizens after high school or bring them back home after college.
- ◆ Encourage Seniors Involvement. There will be many opportunities for involvement of seniors in implementation as well. This groups is often the most valuable in comprehensive revitalization due to their long experience, range of skills and their availability. SBA will be strongly encouraged to build a team of senior volunteers.
- ◆ Build Local Match. Nearly all grants these days require a significant level of local matching funds. The higher the match, the more competitive the application. Both public and private dollars can be used in most cases so it is essential to solicit local organizational support. In addition, volunteer hours can typically be used as "In Kind" contributions, equivalent to dollars. SBA will seek such support and track the amount of time offered.
- ◆ Take the Revitalization System Plan to Boise. It will be important to organize a visitation by the Revitalization Team to government and agency officials in Boise. The visitation will include presentations and handouts to build awareness and support for Sandpoint's program. This action will help demonstrate the strong merits of our System and is certain to improve our competitiveness if implemented well.

- ◆ Seek Plan Endorsements. Letters of endorsement from citizens, businesses, property owners, elected officials, government staff and other leaders will be very helpful in two ways. First, the endorsements will encourage others to support the System. Second, potential grantors will be far more likely to provide grants if they see such demonstrations of broad support.
- ◆ Seek CDBG in November, 2002. Timing is excellent to seek a Community Development Block Grant in November. This grant will go far in funding Phase 1A improvements. There is much preparation to accomplish in the meantime to make this effort succeed. Element 2, Design, outlines the necessary steps.
- ◆ Begin construction of Phase 1 in Summer of 2003. With a CDBG grant and support from property owners on 2nd Avenue, construction could begin on Phase 1A by the summer of 2003. This is a realistic goal and will be the team's focus during 2002.

3. Create & Fund Marketing Campaigns

Downtown Sandpoint is largely undiscovered. Once basic improvements are in place, specific marketing programs need to be initiated to build awareness and curiosity about this wonderful place.

- ◆ Focus Marketing. Uncoordinated advertising is less effective than a very wide-barreled shotgun at long range. Target markets have been identified. Downtown businesses will be encouraged to engage in cooperative advertising and to coordinate their messages. In this manner, their limited marketing funds will have a much greater impact.
- ◆ Refine Downtown Sandpoint's Identity or "Brand". Elements 3 and 4 in the System outline an approach toward branding. SBA needs to work with a marketing firm to finalize an identity, logo and other graphics that can be communicated effectively to target markets. Generally, the focus should be on enhancing, then promoting Sandpoint as it is. Artificial themes, such as a Bavarian look, are not recommended.
- ◆ Expand Regional Marketing. Bonner County residents need to be targeted more heavily. Market information indicates this substantial body of nearby consumers are not well tapped.

- ◆ Connect Better with Visitors. Visitors to regional amenities could be visiting downtown, or staying overnight, at higher levels. That is, downtown is not taking advantage of the relatively high volumes of tourists who pass through the area. Given extremely unbalanced seasonality, the System offers recommendations on how to improve year-round linkages to this important market.
- ◆ Grow Meeting/Convention Market. Sandpoint has a very large number of guest rooms and a high percentage of vacancy for most of the year. It also has a variety of assets well suited to conferences and conventions. Greater emphasis will be placed on this significant potential market.
- ◆ Track Results; Refine Campaigns. Marketing is an art, not a science. Over time, marketing efforts will be refined by measuring their relative success against specific goals.

4. Complete Design Phase 1.

This action is addressed on pages 6-8 of the overview. The intentions of this critical project are to strengthen the heart of downtown, building momentum and to establish a visible prototype for other phases of downtown improvements. We believe property owners and businesses need to see on a small scale what is possible for the entire district. By developing a small focus block on 2nd (between Cedar and Main), this will be accomplished. In addition, Phase 1 will be a combined effort of the City, some property owners, SBA and local service clubs. Their cooperation will build a stronger team, far more capable of completing subsequent phases.

5. Seek State Support for...

- ◆ Southbound Exit Ramp. Southbound travelers on Highway 95 should be able to get off at Sandpoint once they see downtown. This is a fundamental need. Unfortunately, Idaho Transportation Department (ITD) did not include it in its planning and funding for the Byway. Recently, ITD agreed to complete design work for a future exit ramp. However, no funding for construction has been committed. The exit ramp is critically needed. The Revitalization System emphasizes that the City and its community partners will strongly

Critical Need

pursue this project with ITD, the legislature and federal officials until funding is committed.

- ◆ Removing the primary Highway 95 Route from 1st & Cedar. The extraordinary and growing volumes of traffic through the heart of downtown defeat the key goal of making this area a pedestrian priority zone. ITD will continue to be urged to relocate the route as quickly as possible. Meanwhile, the City and SBA will improve gateways into the town center and marketing efforts to encourage target markets to leave the highway and visit downtown.
- ◆ The Revitalization System. As noted earlier, the City, SBA and their partners should take all necessary steps to build awareness and support among State and Federal officials for the System. This will include, at a minimum, a trip to Boise to make formal presentations. The System CD and appropriate handouts should be broadly distributed as well.

6. Expand Business Assistance

SBA will work with regional and state business assistance entities to enhance services to Sandpoint businesses. Retention will be given priority over recruitment. Emphasis will be placed on improved access to resources, training and advice. Recruitment efforts will be strategic, seeking companies that complement and strengthen the existing mix. One of the primary retention programs will be to serve anchor businesses and organizations in the downtown. Another will be distribution of market and business trend information.

Budget

The Revitalization System budget summary is presented in Table 1.1 below. It is composed of three primary sets of actions, Business Development, Marketing, Design Improvements. The latter is by far the largest component, with its focus on construction. Construction work will occur when funding is available. We believe it is possible to undertake Phase 1A by summer of 2003. Conceivably, all three subphases could be completed in the same year. This would create significant efficiencies that could reduce costs significantly. To be conservative, construction is projected over three years.

The all-inclusive total for recommended projects is \$2.62 million over five years. While substantial, this figure is very small when compared to most downtown revitalization programs over the past decade around the Pacific Northwest. By comparison, Colville, Washington, a town of similar size and challenges, recently undertook a \$12 million redevelopment program.

Table 1.1: Revitalization System Budget Summary

	Estimated Budget, By Year					Totals
	2002	2003	2004	2005	2006	
Business Development	\$ 14,452	\$ 18,703	\$ 11,204	\$ 8,605	\$ 13,106	\$ 66,070
Marketing	\$ 65,402	\$ 121,103	\$ 126,104	\$ 128,055	\$ 136,056	\$ 576,720
Subtotal	\$ 79,854	\$ 139,806	\$ 137,308	\$ 136,660	\$ 149,162	\$ 642,790
Design Improvements						
Phase 1A		\$ 1,142,700				\$ 1,142,700
Phase 1B			\$ 713,800			\$ 713,800
Phase 1C				\$ 120,500		\$ 120,500
Subtotal	\$ -	\$ 1,142,700	\$ 713,800	\$ 120,500	\$ -	\$ 1,977,000
Total	\$ 79,854	\$ 1,282,506	\$ 851,108	\$ 257,160	\$ 149,162	\$ 2,619,790

Over 210 potential resources have been identified that may be sought to support the System's implementation. These resources are described in a separate hard copy appendix presented to the City and Sandpoint Business Association. Descriptions include the resource name, outline of its potential uses, types of applicants who can apply, potential funding (if not a technical assistance resources), and contact information. A summary table also organizes the resources into eight categories of purpose. This format makes it easy for users to quickly link resources with project types.

Revitalization System Summary

Collectively, the Sandpoint Downtown Revitalization System outlines all information necessary to implement actions as a team. The issues of "Who, What, When, Where, How and Why" are addressed. Approximately eighty actions are recommended over a five year period. Twenty-five potential partners are identified and linked to specific projects where their participation will be most productive.

The keys to success are teamwork, collaboration, communication and early successes that build momentum.

The first steps in implementation begin with explicit commitment to the System, creation of Sandpoint, Inc., and an awareness campaign to engage the community and its outside supporters. Now is the time for action. Every journey begins with a single step.

ELEMENT 2
Design, Circulation and Infrastructure

I. Evaluation of Infrastructure and Transportation in BID

The environment of Downtown Sandpoint consists of physical and dynamic components:

Physical Environment

- ◆ Underground (non visible) infrastructure: water, sewer, fire protection, drainage communications
- ◆ Above ground (visible) infrastructure: streets, signs, sidewalk, landscaping, illumination, buildings, signals, parks

Dynamic Environment

- ◆ Vehicles: cars, trucks, bicycles, parking
- ◆ Human: pedestrians, citizens, visitors
- ◆ Activities: commerce, civic, social

Changes to elements in either of these environments will affect others. For example:

- ◆ Narrower streets => reduce traffic speed but can decrease on-street parking
- ◆ Intersection bulbs => serve to calm traffic and improve pedestrian safety but require changes in the storm drainage
- ◆ Improved Illumination => requires an underground power supply which will disturb existing sidewalks or pavement

A comprehensive approach is required to plan for changes and improvements to make these two environments work together as an inter-related system.

a. Underground Infrastructure Conditions and Needs

An important premise of the downtown revitalization strategy is to assure that new above-ground improvements are not constructed over inadequate or depreciated underground infrastructure.



Figure 2.1: The Downtown Sandpoint environment consists of physical and dynamic components.

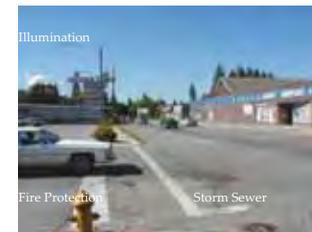


Figure 2.2: Infrastructure services are key to the function and safety of the city center.

Storm Sewer

One of the primary infrastructure defects in Downtown Sandpoint is the connection of roof drains into the sanitary sewer system. In the mid-1990's, the City performed an inventory of "cross-connections" between roof drains from commercial buildings and the sanitary sewer system. These buildings have been identified and many require the extension of the municipal storm sewer in order to disconnect drainage from the sanitary sewer. Also, in many cases the roof drains in commercial buildings have plumbing internally, which must be relocated.

The City of Sandpoint Department of Public Works has undertaken a program to upgrade its sanitary sewer system downtown. The First Street sewer was recently re-lined. The remainder of the sewer system is reported to be in good condition.

Domestic Water

Some water lines downtown are aged and have lead joints. As the downtown improvements are made in phases, the condition of the domestic water lines should be evaluated on a block-by-block basis. Also, water services under sidewalks should be evaluated and replaced where necessary, if old sidewalks are removed and replaced.

Fire Protection

The City indicates that fire protection downtown is adequate. However, when sidewalks are removed adjacent to multi-story buildings which are not presently plumbed for fire sprinklers, it would be prudent to offer building owners the opportunity to install a fire (sprinkler) water supply line to the building. This could be a critical factor to future remodeling of the commercial building. It may also reduce insurance costs for the owners.



Figure 2.3: Diagonal parking increases the number of on-street parking spaces where the street width is sufficient.

b. Parking

The convenience, availability, and location of parking in the downtown core are key factors to business vitality.

On street parking in the city center is primarily parallel parking, with some diagonal parking designated on wider streets. On a typical 300-foot city block, a diagonal parking configuration produces 19 spaces, compared to 11 spaces using traditional parallel parking, or an increase of 72%.

During the fall of 2001, the city public works department re-stripped several city blocks to convert parking from parallel to diagonal, thereby, gaining additional parking spaces. As a result, there are now 552 onstreet parking units. Combined with 1022 off-street units, there are a total of 1574 parking spaces in the district bounded by 5th, Alder, Sand Creek and Pine. In this same area, there are about 667,000 square feet of built space for a ratio of 2.36 parking units per thousand square feet. This ratio is on the low end of normal for a rural downtown with no transit program. With an ideal rate of 2.5 to 2.75 units per thousand, the downtown will need 90-260 additional spaces over the next few years as its economic vitality improves.

Parking improvements for now should be focused on six issues:

1. **Better Access.** The current directional signage system for parking needs to be refined. There are many units that go unused because drivers don't know they exist, especially visitors from outside town. Larger signs with easily visible parking icons in better locations will be needed. Sandpoint Business Association's Design Committee will work with the City on this. City parking lots along Main will be redesigned to improve their quality, attractiveness and efficiency.
2. **Enhanced Safety.** Lighting and sidewalk replacements along key internal streets will greatly enhance use of central onstreet and offstreet units. Currently, parking along Main, Oak, Third and Fourth is undesirable for many customers and workers because it feels unsafe.
3. **Increased On-street Units.** By making 2nd and 3rd Avenues alternating one-way streets between Pine and Cedar, diagonal parking can be added at extremely low cost. This effort will improve circulation will providing several dozen new units. Presence of diagonal parking on these streets will also slow traffic, thereby greatly improving the pedestrian environment. Other opportunities for increased diagonal parking have been identified and are being reviewed by the City.



Figure 2.4: Free public parking lots are an asset to the city center and should be accessible and easy to find.



Figure 2.5: Informally organized public parking at Main and 3rd is unsightly and confusing to visitors.

4. Increased and Enhanced Off-Street Units. The City's recent acquisition of the lot at the northeast corner of Main and 3rd is an opportunity for improved parking. This lot can be flexibly designed to provide parking on most days and event space for special occasions. Improved design of the City parking lot on the south side of Main also will improve parking usage. Beyond these two locations, there are few opportunities left for substantial increases in off-street parking. One significant opportunity exists for a parking structure just west of Coldwater Creek on the northeast corner of Cedar and 2nd. This site is ideal for Coldwater Creek customers as well as patients at the nearby medical center and hospital. Downtown customers in general would use it as well. In a two-story design, a parking garage could offer second floor units to downtown employees on a leased basis. Roseburg, Oregon has used this approach successfully. As an aside, parking garages in downtowns should be designed with small retail store fronts facing major streets. Demand for small spaces is generally high, while the storefront profile avoids the sterile dead space that results from so many poorly designed parking structures.

While off-street parking is important, the City needs to be careful with its parking requirements. Some towns find that parking ordinances actually encourage developers to purchase buildings simply to remove them to satisfy parking requirements. This scenario would be extremely undesirable. The City of Sandpoint's commitment to providing public off-street parking in the downtown core is a preferred approach.

5. Expanded Enforcement. Public parking regulations need to be rigorously enforced. Once lighting and other safety improvements are made, employees will have no good reason for parking near businesses. Without enforcement, however, national experience shows employees will still continue taking up parking intended for customers. Many town governments, by the way, turn over parking fine revenue to their downtown improvement organizations to support parking area maintenance. Towns like Helena, Montana, issue Advisory Parking Tickets to non-local cars. Their positive message of Welcome, combined with the no-penalty advice that the car should have been parked elsewhere, creates a great deal of good will.
6. Employees Parking in Customer Spaces. This universal problem will never go away entirely. Even rigorous enforcement will not eliminate it. While not a major problem in Sandpoint yet, the Revitalization System will result in increased demand for customer space. The conflict will grow. One system that has had good success in improving performance is known as the moral contract. Downtown organizations ask employers and employees to sign a contract in which the parties agree to park in

appropriate areas. This method acts both as an educational tool and as a positive stimulus for doing the right thing. Fundamentally, however, employees need designated parking that is safe and convenient. Education about the economic impacts of parking in customer parking will not change parking behavior without these features. Within the next 3-5 years as part of Phase 2 improvements, the City and SBA will almost certainly need to identify and provide employee parking areas.



Figure 2.6: The present pedestrian environment warrants improvement.



Figure 2.7: Not all intersections comply with current ADA handicap accessibility standards.

c. Pedestrian Environment: Sidewalks, Illumination, and Safety

A sign welcomes visitors at the south city limits announcing that “Sandpoint is a walking town – please stop for pedestrians in crosswalks.” Although walking is encouraged, the present pedestrian environment warrants improvement:

- ◆ Cracked and deteriorated sidewalks pose a tripping and liability hazard and are unsightly.
- ◆ ADA handicap accessible ramps at intersections generally do not comply with current standards.
- ◆ Landscaping is intermittent and marginally maintained. Some street tree species are inconsistent with an urban setting. For example, many trees drop berries on benches, making sitting impossible.
- ◆ Streets and sidewalks are very poorly illuminated at night. The result is a pedestrian environment that is unsafe and uncomfortable. This reduces shopping and forces downtown employees to use customer parking closer to work. Better lighting is a fundamental and critical need, then, from both a safety and an economic perspective.
- ◆ Standard intersections require pedestrians to cross the full street width compared to bulb type intersections that shorten the distance pedestrians must cross the street.

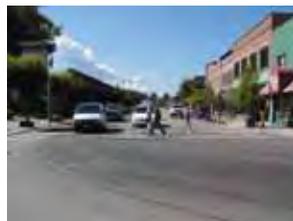


Figure 2.8: Standard intersections require pedestrians to cross the full street width compared to bulb type intersections.

d. Traffic Trends and Projections

Management of increasing traffic volumes and congestion is the single greatest challenge to the redevelopment of Downtown Sandpoint. The Idaho Transportation Department has been working with the community for the past decade to select a route for U.S. 95 which will allow through traffic and heavy trucks to avoid the downtown core.

In 1999 ITD published the “Final Environmental Impact Statement for Sandpoint North and South U.S. 95.”* As the community knows, the recommended U.S. 95 alternate is the Sand Creek Byway alignment. ITD is currently proceeding with the design of the Byway and is programmed for construction in 2004.

The following Table 2.1 presents the past, current, and projected traffic volumes in Downtown Sandpoint as published in the 1999 Byway EIS document.*

Table 2.1: Sandpoint Downtown Traffic Data (One-Way Totals)

Location	ADT			% Trucks
	1996	2002	2022	
1 st (Pine – Cedar)	7,222	9,170	15,675	~ 6
Cedar (1 st – 5 th)	8,094	10,291	17,585	~ 6
5 th (Cedar – Pine)	10,768	13,682	23,381	~ 6
Pine (5 th – 1 st)	10,717	13,618	23,283	~ 5
U.S. 95 Byway			11,894	

The ITD traffic projections employ a compounded annual growth rate of 5%. Heavy trucks through Sandpoint on U.S. 95 account for 6% of the total volume (about 600 trucks per day in 2002 on First and Cedar.)

*Data from “Sandpoint North & South: Final Environmental Impact Statement.”

*September 1999 published by FHWA and ITD.

Figure 2.9 on the next page presents a graphic representation of actual traffic volumes documented by ITD in Sandpoint for 2000. Figure 2.10 presents the projected traffic volumes for 2022 as published in the 1999 Byway EIS document. ITD projections assume that only 27% of the total traffic presently on U.S. 95 will divert to the new Byway after its completion. Under this assumption, Figure 2.10 shows that traffic downtown on a U.S. 95/U.S. 2 Connector will continue to increase to 150% of current traffic by year 2022, even with the Byway in service. (ITD will present updated traffic projection figures for the Byway and Downtown Sandpoint in spring 2002. However these revised projections are not currently available.)

Table 2.2: Projected Impact of Sandpoint Byway on Downtown Traffic

Traffic Volumes Location	Year				
	2002	2003	2004	2005	2006
5th Ave Southbound	16,670	17,503	18,378	19,297	20,262
1st Ave Northbound	11,025	11,576	12,155	12,763	13,401
	27,695	29,080	30,534	32,060	33,663
Key Figures	Note:				
Byway % of Total Traffic	Byway Opens				
2006 Total Hwy 95 Traffic	2008				
2006 Byway Traffic					
2006 Downtown Traffic					
Current Downtown Traffic					
2006 Downtown Reduction in Traffic Due to Byway					
Year that Downtown Traffic Will Reach 2002 Levels					

Put another way, the Byway will not be a cure for downtown traffic congestion. As noted in Table 2.2, total highway volumes are expected to grow to over 33,600 by 2006, the year the Byway opens. The Byway is expected to take about 9,100 of these, still leaving over 24,500 vehicles going through the city center each day. By 2008, this figure will exceed 2002 volumes.

Meanwhile, circulation is terrible, particularly during the summer. Congestion and poor traffic circulation downtown peaks in July and August. With more than 720 heavy trucks negotiating First and Cedar per day, coupled with several 90° turns, pedestrian crossings, and 5 signals, summer traffic downtown often results in significant delays and gridlock conditions.

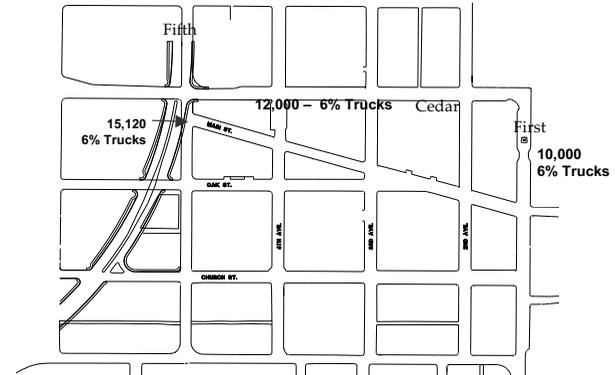
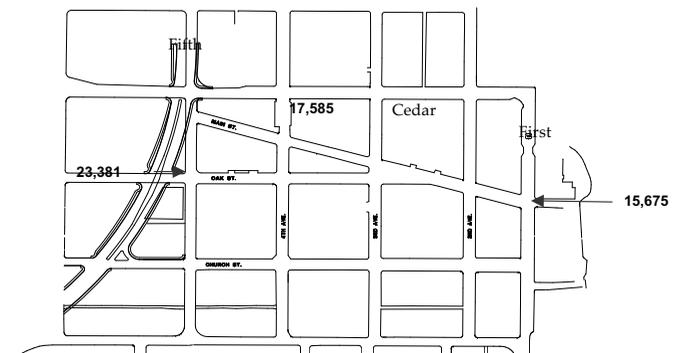


Figure 2.9: ITD Traffic Data Actual Average Daily Traffic (ADT) 2000

Figure 2.10: ITD Traffic Data Projected Average Daily Traffic (ADT) 2022



Strengths and Weaknesses in the Downtown Transportation System and Circulation

Sandpoint is the “neck of the hour-glass” for the transportation network in North Idaho, with U.S. 395 and U.S. 2 funneling all north/south and east/west traffic in Bonner County through the city center (see Figure 2.11). As the traffic projections from the Idaho Transportation Department (ITD) denote, traffic volumes through Downtown Sandpoint will continue to increase to present levels within 7 years after the byway is constructed.



Figure 2.11

Regardless of the accuracy of these projections, the transportation connection between U.S. 95 and U.S. 2 must still be routed through Sandpoint. The vehicle and truck volumes will continue to increase between these two major highways. In order to return the Sandpoint city center to a pedestrian oriented commercial center, it is imperative to route traffic away from First and Cedar Streets as soon as possible.

ITD is presently performing traffic modeling studies to evaluate the feasibility of two different U.S. 95/U.S. 2 Connector routes through Sandpoint:

- i. **Pine/Church one-way couplet or**
- ii. **Widening Pine Street as a two-way Connector.**

Neither of these has been presented as a preferred alternative, nor have they been determined to be the only two possible options. The City’s planning team did not take a position on these options because, with ITD’s modeling incomplete, there was too little information available. The City and its citizens will soon have to make the difficult decision as to which alternatives will be considered and, ultimately, which one will prevail. While no alternative will please everyone, the “Do Nothing” alternative is seen as totally unacceptable by the planning team.

Pine/Church One-Way Couplet Option (Figure 2.12)

Currently Pine Street serves as the east and south bound one-way couplet leg for the U.S. 95 route through Sandpoint. No major changes would be required to Pine Street for this option. Also, Church Street is presently one-way west bound, even though it is a local street, and offers significant on-street parking.

ANALYSIS OF PINE/CHURCH COUPLET CONNECTOR OPTION

Advantages:

- 1. Removes highway traffic from 1st and Cedar.
- 2. Least cost option for physical improvements.
- 3. Minimum additional right-of-way required.
- 4. Capacity to absorb additional future traffic growth.
- 5. Brings through-traffic to major downtown gateways, increasing the number of travelers who stop to visit.

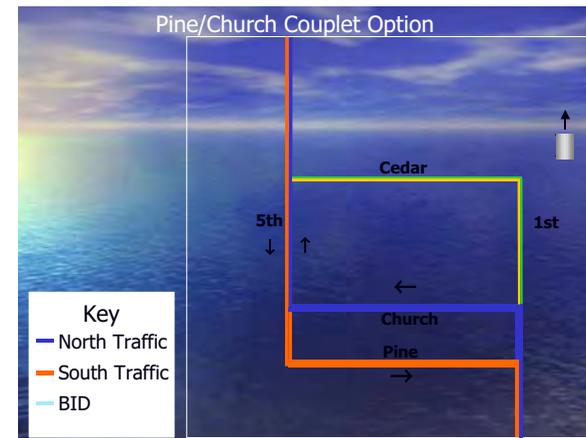


Figure 2.12

Disadvantages:

- 1. Isolates 1/3 of city center commercial core.
- 2. Significant reduction of on street parking on Church.
- 3. Creates a barrier to north/south internal circulation downtown.
- 4. Significantly reduces access to properties inside the couplet.
- 5. Places high volumes of through traffic next to central city parking area, a pedestrian zone and the post office.

Pine Street Two Way Connector Option (Figure 2.13)

The land uses along Pine Street are in transition, and are primarily commercial with some residential uses. In order to improve Pine Street as a four or five lane two-way Connector, significant widening and right-of-way acquisition would be required. In addition, most of the mature trees which now line Pine Street would be removed. However, a greater constraint to the Pine Street Connector option is the narrow width between the existing commercial buildings on Pine between First and Second. One of these buildings is new. Further, a four or five-lane connector on Pine would prohibit left turns, thereby creating a river of traffic separating downtown from the residential neighborhood south of Pine.

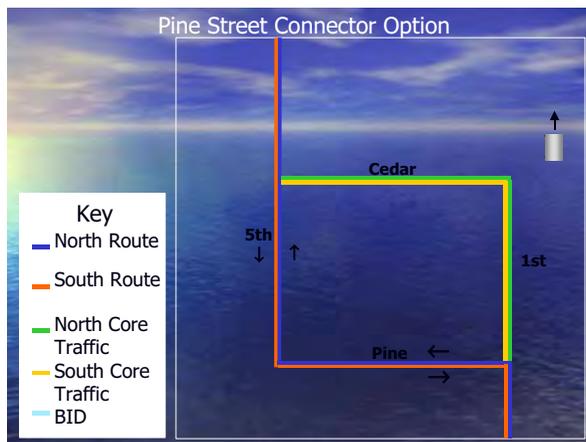


Figure 2.13

ANALYSIS OF PINE TWO-WAY CONNECTOR OPTION

Advantages:

1. Allows downtown north of Pine to return to a pedestrian oriented commercial zone.
2. Church Street is maintained as a local street with considerable on-street parking.
3. Uses an existing highway corridor that already impacts adjacent properties.
4. Heavy truck noise, odors, and dirt are kept out of downtown and within an existing highway corridor.
5. Brings through-traffic to major downtown gateways, increasing the number of travelers who stop to visit.

Disadvantages:

1. Extensive right-of-way acquisition is required.
2. Mature street trees along Pine must be removed.
3. Local north/south traffic across Pine would be prohibited.
4. Existing buildings between First and Second Streets limit the number of lanes on Pine.



Figure 2.14: Through traffic and large trucks will eventually be routed out of the downtown core and onto a connector route between U.S 95 & U.S. 2.

Traffic Circulation

After through traffic is removed from downtown by the Byway and the U.S. 95 / U.S. 2 connector, the city can re-gain functional control of its city center streets. First and Cedar can return to two-way traffic and some north/south side streets can be converted to one-way to increase on-street parking. Noise, odor, dirt, and delays created by heavy truck traffic can be removed from downtown. The resulting grid street system downtown will then offer a normal circulation pattern for citizens, visitors, and shoppers.

e. Priorities for Improving Transportation

With construction of the Sand Creek Byway scheduled by ITD for 2004, relief is in sight for the congestion and truck traffic downtown. The degree to which the Byway will reduce traffic downtown is still debated. Nevertheless, a significant volume of traffic must still be accommodated which must connect between U.S. 95 and U.S. 2, as well as local circulation.

The following list presents traffic circulation priorities which are recommended as key elements of the Sandpoint Downtown redevelopment strategy.

Traffic Circulation Priorities

1. Take through-traffic off of First and Cedar.
 - a. This action needs to be timely. It is the highest priority and essential to the redevelopment of the pedestrian core.
 - b. Downtown is intended to be a pedestrian-priority area. All circulation, signage, crosswalk and other transportation tools should be configured to support this priority.
2. Alternates to connect through-traffic between U.S. 95 and Highway 2 is to improve and widen Pine Street (4 or 5 lanes) for 2-way traffic, or to create a Pine/Church one-way couplet.
3. Avoid a one-way couplet using Church and Pine if at all possible. This undesirable option would:
 - a. isolate over 30% of downtown from the pedestrian core;
 - b. reduce property values and business vitality within the couplet;
 - c. add noise, dust, and public safety problems along the edge of the City's central parking and pedestrian-oriented HEART.
4. Return First and Cedar to 2-way configuration.

5. Reconstruct the following intersections as major gateways into downtown:
 - a. 5th and Cedar
 - b. Pine and First
6. Construct a southbound exit ramp from Highway 95 at the south end of town.
7. Allow eastbound traffic on Pine to continue to enter into the downtown at 4th and 2nd.
8. Do not develop the vacated rail corridor on the west edge of downtown except as a greenbelt and public amenities. This gateway corridor needs to be improved greatly.
9. Streetscape improvements should use materials consistent with the Sandpoint Business Association's (SBA) "Kit of Parts" (e.g., lamp posts, street furniture, signage, trash receptacles, bike racks.)
10. Roundabouts should be considered at intersections where level of service could be improved via their installation. (e.g. future intersection of new Highway 2 with Pine) Congestion at major intersections is currently at a very high level.
11. Wherever there is a crosswalk, there should be curb cuts for pedestrians (ADA Compliant).
12. Wherever Highways 95 and 2 are finally located, sidewalks need to be designed with a significantly wide buffer to protect pedestrians from vehicles, splashing, windwash, etc.
13. Primary access streets to downtown, City Hall, and the hospital should be well signed to direct drivers to these destinations.
14. Traffic from Bridge Street should not be able to cut across First Avenue to take a left on Main Street.
15. Lighting along First and Cedar (and Church, if it becomes part of the highway network) should use lamp posts oriented toward the pedestrian environment, per SBA recommendations. Improved lighting throughout the city center will improve pedestrian and traffic safety.



Figure 2.15: Downtown physical improvements must be functional and practical as well as visually pleasing.

- ◆ Improving public safety
- ◆ Supporting economic stability and development
- ◆ Facilitating civic activities
- ◆ Reinforcing the sense of community
- ◆ Encouraging related private re-investment
- ◆ Providing durable and practical public services

Each of the recommended components of the physical improvement plan is intended to achieve these goals.

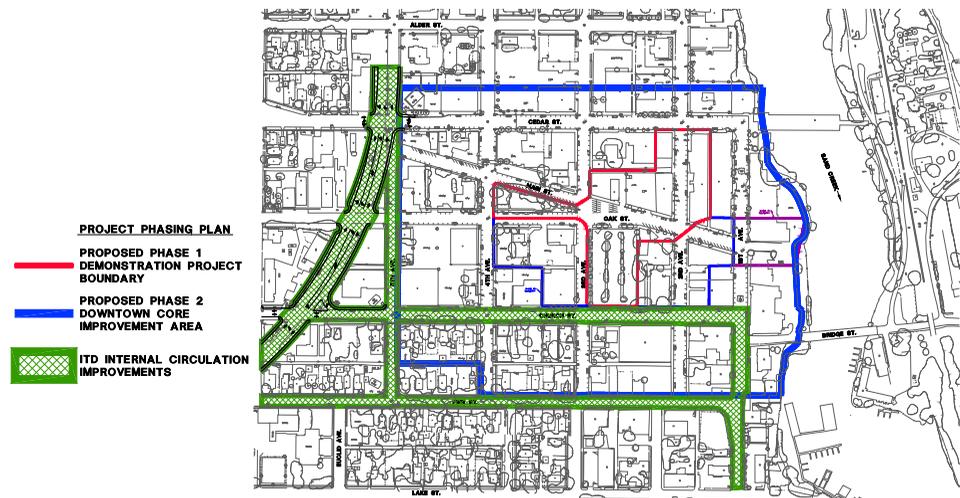
II. Recommended Physical Improvements

The project team, in association with the Sandpoint Business Association (SBA), City Council, and city staff, have developed a strategy for implementing physical improvements to renew the appearance and civic functionality of Downtown Sandpoint.

a. Goals of Physical Improvements

Recommendations to construct physical improvements in Downtown Sandpoint are not a "total solution, but rather one facet of the Revitalization System to accomplish larger goals in the public interest, including:

Figure 2.16: Project Phasing Plan



b. Project Phasing Plan

Figure 2.16 presents an overview of the central business district with color-coded boundaries which denote the recommendations for phased implementation of improvements.

ITD Connector Corridor Planning

An important element of the downtown transportation strategy is still undetermined, and as a result presents a geographic constraint on the

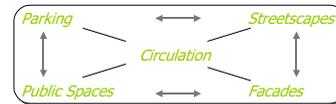
phases which can be currently planned. This necessary element is the route and design of the transportation connection between U.S. 95 and U.S. 2.

ITD District 1 staff are in the process of performing traffic modeling of potential connector routes, including Church, 5th and Pine. Further, ITD intends to re-route U.S. 2 from its present location on Fifth Street to the former railroad right-of-way. In order to continue to complete the downtown Revitalization System, yet avoid presuming the outcome of ITD's studies, the Church/Pine/Fifth and Railroad corridors have been considered neutral zones which cannot be incorporated into the downtown strategy at this time. These corridors are denoted in green on Figure 2.20, and have been excluded at this time from the physical improvement recommendations.

Figure 2.17

1. Physical Improvements: Design

- Bring Back Main Street
- Enhance Pedestrian/Vehicular Routes
- Strengthen Sand Creek District



Phase 1 Demonstration Area Concept

Following the premise of "first things first," the implementation strategy focuses on the HEART of Downtown Sandpoint for Phase 1 improvements. These Phase 1 improvements will serve as a Demonstration Project to serve as a prototype for future redevelopment downtown and to demonstrate tangible success in incremental and affordable steps.

The Phase 1 Demonstration Project will focus on the vicinity of Main Street between First and Third. Figures 2.18 through 2.20 show the sub-area phasing steps as 1A, 1B, and 1C.

Phase 2 Future Improvements

Figure 2.16 also denotes the expanded area within the city center which will be targeted for future physical improvements. The key trigger factor for this phase will be when ITD completes the through-traffic Connector corridor between U.S. 95 and U.S. 2. This would then allow First and Cedar Streets to return to local, two-way traffic. Physical improvement projects could then occur on First and Cedar as the center of the downtown business district. This is a priority goal of the Downtown Sandpoint Revitalization System.

The Phase 1 Focus Project on 2nd Avenue will establish the template for the character and style of streetscape improvements for future phases. Segments of the Phase 2 area may be addressed on a block-by-block basis, as adjoining property owners demonstrate interest to proceed with improvements.

The Phase 1 Focus Project will establish the template for the character and style of streetscape improvements for future phases.

Why Start at the Heart?

- ◆ Limits: No Clarity on 1st & Cedar, 95
- ◆ Parking & Internal Circulation Poor
- ◆ Addresses 1st & Cedar Congestion
- ◆ Limited Central Gathering Places
- ◆ Poor Pedestrian Amenities, Lighting
- ◆ Need for Momentum: "Do-able" Projects
- ◆ Variety of Stakeholders: Spread Burden

Benefits

- ◆ Better: Parking, Circulation, Safety, Image, Access, Attractiveness
- ◆ Improvements Needed Regardless of 95
- ◆ Good Preparation for Hwy 95 Changes
- ◆ More Marketable Downtown
- ◆ Serves Locals & Visitors Alike
- ◆ Stronger Destination Center
- ◆ Focal Point for (Sense of) Community
- ◆ Citizens Can Be Partners: Ownership
- ◆ Improved Partnerships: Key to Progress
- ◆ Momentum: Overcome Apathy

c. Phase 1 Demonstration Project Improvements

The strategy of redeveloping Main Street as the civic and social **HEART** of Sandpoint can be implemented in these sub-phases, identified as 1A, 1B, and 1C. Each phase will contribute to the cumulative benefits of renewing the vitality of the city center.

Design Elements of the Phase 1 Demonstration Project

◆ **Pedestrian Environment**

Sidewalks – Since essentially all of the existing sidewalks are in deteriorated condition, it is proposed that they will all be replaced. A 24-inch wide strip along the curb-line would be highlighted with colored paver bricks, which not only adds color and definition to the walk, but is also functional to allow access to a pipe chase of electrical and irrigation conduits and pipelines.

Figure 2.18: Phase 1A Demonstration Project

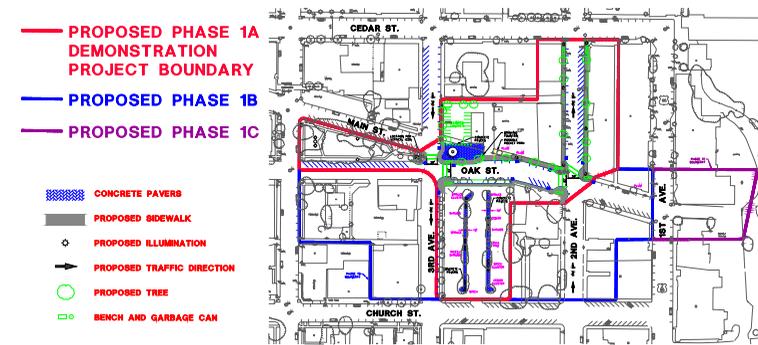


Figure 2.19: Phase 1B Demonstration Project

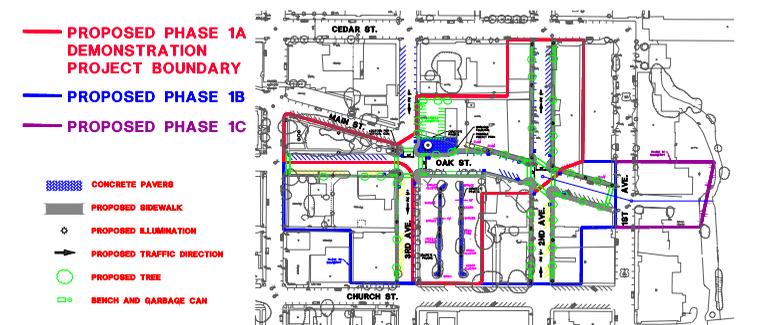
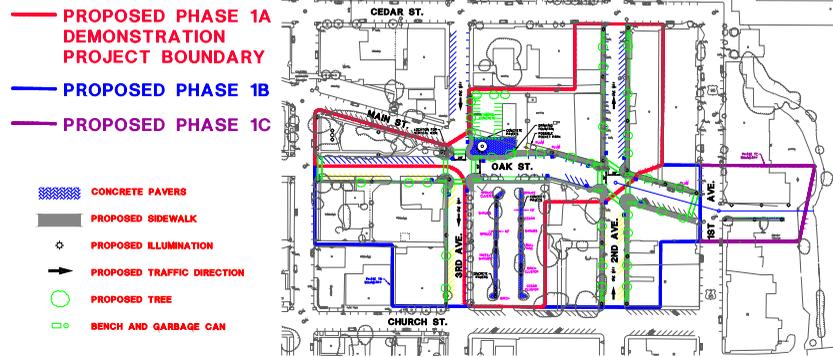


Figure 2.20: Phase 1C Demonstration Project



Intersection Bulb-Outs (See Figures 2.21 and 2.22)– The key intersections of Main at Second and Oak at Third present an opportunity to enhance pedestrian space and safety by employing “bulb-outs” at the sidewalk and curb-line. Pedestrian safety is enhanced by this design element by allowing pedestrians to be seen better by motorists, as well as shortening the distance to cross traffic from curb to curb. Intersections with bulb-out curb lines also act as a passive “traffic-calming” design feature.

Bulb-out intersections are only recommended at key pedestrian intersections, but not throughout the city center since bulb-outs can restrict movement of trucks and are more difficult for the street department to remove snow and sweep.

Figure 2.21: Bulb-Out Intersection Concept at Main & Second

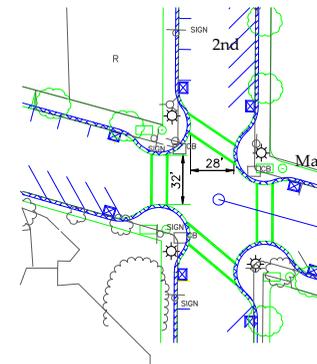
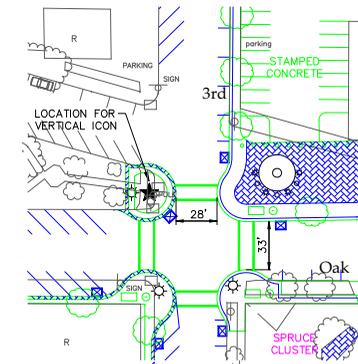


Figure 2.22: Bulb-Out Intersection Concept at Oak & Third



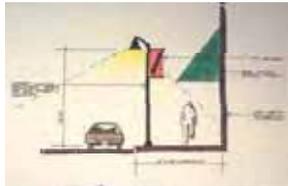


Figure 2.23: Pedestrian Friendly Lighting Concept

Illumination – New pedestrian oriented illumination in the city center will add a dramatic improvement in the nighttime environment of Downtown Sandpoint. The street light style recommended by the SBA design committee (see Figure 2.23) will add a vertical stylistic feature to the streetscape, with downward-focused luminaires to maximize illumination and minimize glare. Luminaire poles will also have matching banner arms to hold colorful customized seasonal banners, which will add vertical dimension and visual interest to the downtown environment.

Approximately three luminaries will be installed on each block: one on each corner and one at mid-block. The power supply to luminaries will be installed in underground conduits, laid in a pipe-chase under the colored paver brick strips behind the curb line.

By improving the nighttime lighting downtown, pedestrians will feel safer and more comfortable. Motorists will be able to see other vehicles and pedestrians better at intersections. Shopping hours, civic, and entertainment activities at night will be enhanced. Employees who must walk to their parked cars after dark will feel safer to park in employee designated parking areas.

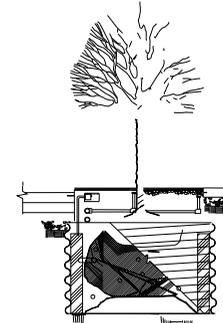


Figure 2.24: Typical Street Tree & Treewell Detail

Landscaping – New street trees will add color, shade, and another vertical design feature to the pedestrian environment downtown. The tree species selected will be specially suitable for the local climate, with a limited height and limb pattern, and will produce small, clean leaves for the urban setting.

Street trees will be planted in root-barrier tree wells (see Figure 2.24), which force roots to grow down, thereby protecting the longevity of sidewalks and pavement. Electrical outlets will be provided in each tree well to power festival lighting which can be strung in tree limbs seasonally or year-round. Trees will be automatically watered with an underground irrigation system with pipelines located under the paver brick strips along the curb lines.

Street Furniture and Amenities – The “kit of parts” shown here in Figure 2.25 have been selected by the SBA design committee to establish a consistent style to streetscape elements downtown. Varying heights and heads can be employed for the same style luminaire in order to achieve the desired lighting levels.

Signage will also follow a consistent design style, and will be simple and clearly stated to direct pedestrians and motorists to important destinations like parking and public spaces. Well-placed information kiosks will also announce events and provide directions for citizens and visitors.

Other streetscape design features include benches, bike racks, and trash receptacles, which reinforce and encourage pedestrian use of Downtown Sandpoint. A drinking fountain should be added in the public space vicinity around Main and Third.

◆ **Public Spaces (Next Four Subsections)**

The cornerstone elements of the Phase I Demonstration Project will expand and improve public spaces and civic opportunities in the **HEART** of Sandpoint.

Town Square – The intersection of three streets in the city center (Main, Third, and Oak) has previously posed a challenge to traffic circulation, but now presents an opportunity to expand and improve this public right-of-way as a Town Square. In recent years, this awkward intersection was re-directed to a conventional cross intersection at Third and Oak, by informally using concrete barriers to use the excess right-of-way on Main Street at Third for parking.

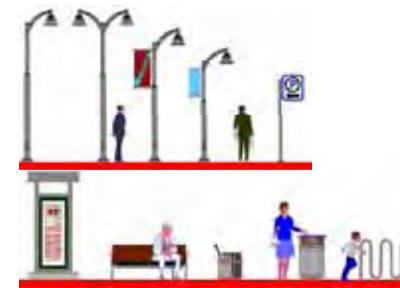


Figure 2.25: Kit of Parts

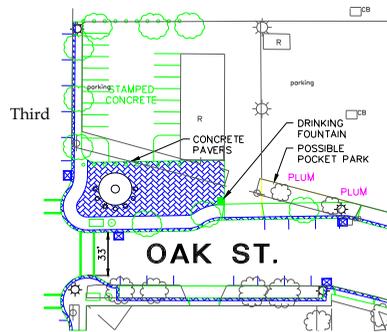


Figure 2.26: Town Square Concept at Main and Third



The Phase 1 Demonstration Project will permanently realign the concrete curb to a conventional cross intersection at Oak and Third. Bulb-outs will also be employed to add space and safety for pedestrians, as well as calming traffic in the **HEART** of town. (See Figures 2.26 and 2.27)

The new public space remaining behind the new curb line, which was previously Main Street, will be joined with the mall parking lot on the northeast corner of Main and Third, which was recently purchased by the City. The front portion of the Town Square will be permanently dedicated as a pedestrian oriented public space, with an architectural focal point consisting of a fountain, sculpture, and/or accent lighting. The surfacing will be colored brick pavers. This location will be a visible and prominent feature when looking down Main Street from First or Second Streets.

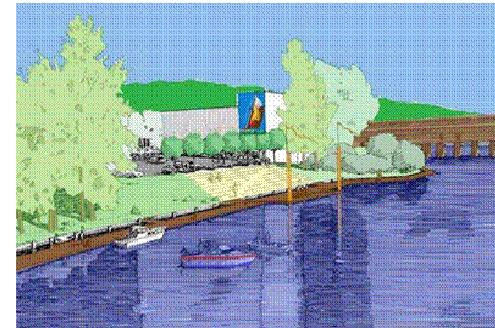
The north portion of the Town Square will be built on the newly purchased parking lot adjoining the now vacant office building. This space will be surfaced with stamped concrete so that the area can offer multiple uses. During the weekdays the space can be used for parking, and during special events it can be blocked off for expanded pedestrian uses adjoining with the rest of Town Square. Removable bollards will be used to isolate the Town Square from traffic and parking.

Landscaping, trees, and a historical building front false-wall can help create a sense of public space in the Town Square. If the City should purchase the adjoining vacant building for public restrooms, civic, or commerce uses, the west building face could be improved with a mural and awnings to reinforce the sense of public space. The building wall and adjoining luminaire poles could be fitted with a pulley system, which would support a colorful parachute or canvas material that provides festive, temporary shade during special events.

Farmin Park - This park is presently a gem in the **HEART** of Downtown. This public space will be preserved and protected. The only improvement recommended for Farmin Park is the addition of illumination for improved safety and expanded use at night.

Figure 2.27: Concept view of the new town square at Main and Third.

Figure 2.28: East Main St will lead to Sand Creek amenities.



Power service to new Luminaire fixtures, following the standard "Kit of Parts" design, will be buried underground in conduit.

Sand Creek – The reformation of Sand Creek as a natural resource and amenity to the city center is a key strategy of the Downtown Plan as well as an element of the Sand Creek Byway design concept. The easterly extension of Main Street, east of First Street, is presently a poorly kept alley which provides access to private parking along Sand Creek.

This underdeveloped access to Sand Creek will be improved with new paving, sidewalk, and illumination. Although loading access to the Panida Theater must be maintained, the large south wall of the Panida building presents a prime opportunity for a mural.

This improved pathway to Sand Creek would lead to a waterfront amphitheater, to be developed in a later phase of the Downtown Strategy. The City Public Works Department will replace and enlarge the existing underground storm sewer line on Main Street between Second and Sand Creek, and will install new pavement and piping for building roof drains.

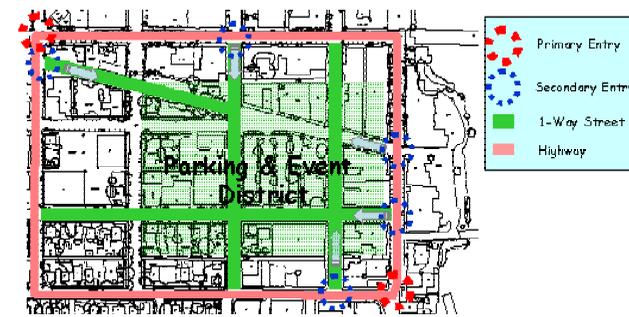


Figure 2.29: Entry & Parking System

◆ **Parking**

It is recommended that two blocks of Second Street between Church and Cedar, be designated as a one-way street northbound. As illustrated in Figure 2.30, this will allow one side of the street to be re-stripped for diagonal parking while the other side remains parallel parking.

Likewise, two blocks of Third Street between Church and Cedar can be designated as a one-way southbound. This also would allow re-stripping the street for diagonal parking on one side, and parallel parking on the other. (See Figure 2.31.)

The traffic and striping changes to these four blocks will add 11 parking spaces to the city center at minimal expense.

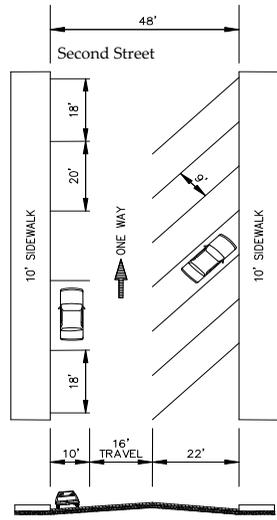


Figure 2.30: One-Way Traffic & Diagonal Parking on Second Street.

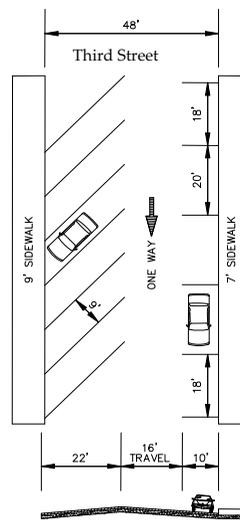


Figure 2.31: One-Way Traffic & Diagonal Parking on Third Street.

City Parking Lot – The existing city parking lot between Oak and Church at Third is also a great asset to Downtown Sandpoint. With minor improvements, this space can become a multi-purpose area, which could be blocked off for special events associated with the Town Square, as shown on Figure 2.32.

Minor improvements to the City parking lot include:

- Improved illumination
- Replacing landscape berms with a flat brick paver surface
- Retain mature trees, but eliminate smaller shrubs in the landscape berms
- Provide power and wiring for a portable stage in the central east end of the lots.

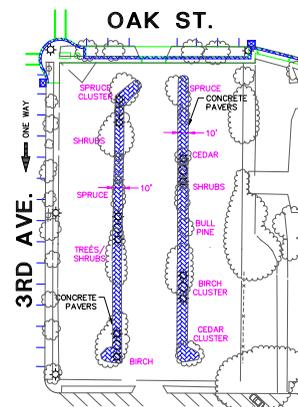


Figure 2.32: Improvements to the City Parking lot at Oak and Third

◆ **Transportation and Circulation**

Implementation of the preceding physical improvement strategies will result in numerous changes to transportation and circulation downtown:

- Main Street will realign with Oak at Third
- Second and Third, between Church and Cedar, will become one-way streets
- Bulb-out intersections at Main/Second and Oak/Third will improve the pedestrian environment and encourage traffic calming

◆ **Entrys and Signage**

In order to announce and promote the improved **HEART** of Downtown, entry statements should be added at Main and First and later at Cedar and Third. The primary entry locations to the city center at First and Pine, and Fifth and Cedar, should be enhanced as part of the future Phase 2 project. Signage should also be enhanced to clearly direct visitors to parking and public spaces.

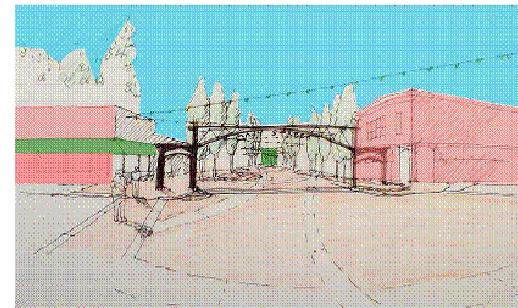


Figure 2.33: Concept Drawing of Main Street entry from 1st

Table 2.3

Design Budget by Phase

(Preliminary)

	1A	1B	1C
Core Project Costs	\$760,724	\$471,521	\$81,577
Inflation Allowance	\$78,976	\$48,079	\$8,323
10% Contingency	\$105,870	\$66,184	\$11,151
Non Construction Costs	\$197,130	\$128,016	\$19,449
Total Costs	\$1,142,700	\$713,800	\$120,500

Table 2.4

Design Budget by Project

(Preliminary)

	Cost by Element	Cumulative
• 2nd Avenue, Cedar-Main	\$ 250,700	\$ 251 k
• Main, 2nd-3rd	\$ 238,100	\$ 489 k
• City Parking Lot	\$ 189,000	\$ 678 k
• Town Square	\$ 341,000	\$ 1,019 k
• Sand Creek to Main	\$ 119,800	\$ 1,139 k

d. Phase 1 Project Cost Estimates

◆ **Cost Considerations**

Detailed preliminary cost estimates have been prepared for most of the physical improvements recommended for the Phase 1A, 1B, and 1C steps of the Demonstration Project. Special considerations which have been incorporated into these estimates include:

- Inflation allowance to account for construction occurring as late as 2004
- Allowance for costs which reflect “Davis – Bacon” prevailing wages for contractors as a requirement associated with federal grants
- A budget of 10% of estimated construction added for contingencies, which is necessary in recognition of the preliminary scope of the estimates

◆ **Cost Estimate Summary**

Detailed estimates of probable project costs, included in the Budget Appendix, reflect the cost considerations noted above. Table 2.3 presents a summary of the estimated costs for each of the steps of the Phase I Demonstration Project. Table 2.4 shows the same cost estimates by project element, with cumulative totals.

All of the major civil and infrastructure construction and allied costs have been incorporated into these preliminary budget estimates. However, some design concepts have not been estimated, Table 2.5, since they must be refined with future planning, or are considered candidates for civic clubs or city projects.

These design concepts have not been estimated in the enclosed project budget, since they must be refined with future planning, or are considered candidates for civic clubs or city projects.

Table 2.5: Design Elements Not Included in Cost Estimates

PHASE IA

- Interactive Fountain (Plumbing stub out is included in cost estimate)
- Vertical Icon at Town Square and/or Farmin Park
- Directory Kiosk
- Light Pole Banners (Banner arms are included in cost estimate)
- Historic Store Front False Wall
- “String Light” Ceiling
- Town Square Restrooms
- Portable Stage in City Parking
- Vertical Historic Tree Guards
- Resurfacing of Streets
- Water Main or Service Replacement

PHASE IB

- Directory Kiosk
- Light Pole Banners (Banner arms are included in cost estimate)
- “String Light” Ceiling
- Vertical Historic Tree Guards
- Water Main or Service Replacement

PHASE IC

- Mural on Panida Theater Wall
- Landscaping if Desired
- Sand Creek Amphitheater & Improvements

An LID is an assessment on real property that benefits from public improvements. The assessment is used to repay bonds which are sold to finance the improvements.

III. IMPLEMENTATION OF PHASE I DEMONSTRATION PROJECT

Implementation arrangements for the Phase I Demonstration Project include the details of funding, scheduling, and leadership responsibilities. Infrastructure improvements constructed on public property or rights-of-way must be led by the City, as required by state statutes.

a. Local Improvement District Concept

Lid Process

The cornerstone of funding sources for downtown revitalization improvements is a Local Improvement District (LID). Grant agencies and outside funding sources typically want to see evidence of project support and financial commitment from benefited property owners (like an LID) before they will commit their funding to a project. An LID is an assessment on real property that benefits from public improvements. The assessment is used to repay bonds which are sold to finance the improvements. Figure 2.34 presents a flow chart of the LID process defined by IDAHO CODE.

Figure 2.34

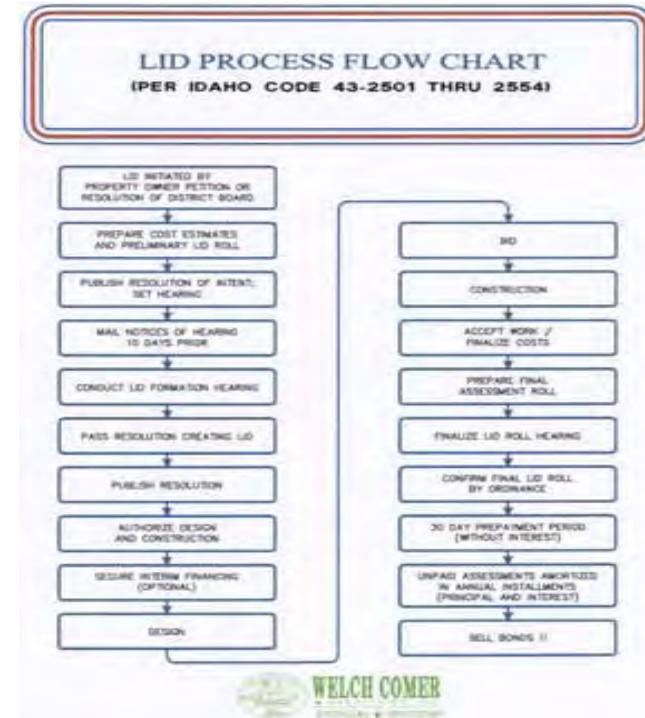


Table 2.6: Private Property Frontage

Phase	Street	Side	Segment		Front Footage
			From	To	
1A	Second	W	Cedar	Main	311
	Second	E	Cedar	Main	350
	Main	N	Second	Third	250
	Main	S	Second	Third	135
Phase 1A Sub-Total Frontage					1,046 LF
1B	Main	N	First	Second	156
	Main	S	First	Second	166
	Second	E	Church	Main	250
	Second	W	Church	Main	276
	Third	W	Church	Oak	284
	Oak	S	Third	Fourth	300
Phase 1B Sub-Total Frontage					1,432 LF
Grand Total Phase 1A & 1B					2,478 LF

Table 2.7: Comparable LID Assessments for Recent Downtown Projects

City	LID Assessment	
	Per Front Foot	Year
St. Maries, ID	\$67	2001
Colville, WA	\$28	2001
East Sherman, CDA	\$25	1996
Wallace, ID	\$30	1994
Coeur d'Alene, East Sherman	\$25	1998
Coeur d'Alene, Downtown	\$78	1994
Coeur d'Alene, Lakeside	\$56	1996

If assessments are limited to the per-front-foot range listed above, an LID linked to Phases 1A and 1B would cover about 10% of the project costs.

Commercial Frontage in LID Area

The typical method of assessing property in a downtown LID is the “front foot” method. That is, the amount of the LID assessment charged to a parcel is proportional to the number of lineal feet which the parcel has fronting the improvement. The total costs of the LID are divided among the total front feet within the LID to determine the LID assessment cost per front foot:

$$\text{LID Assessment Cost} = \frac{\text{Total LID Cost}}{\text{Total Front Feet in LID}}$$

Table 2.6 presents a summary of the assessable front feet of private property in the Phase 1A and 1B project areas. This table excludes city owned property, which would not be assessed under an LID. The City would contribute its share of the project financing through other sources.

◆ **Similar Downtown LID Assessments**

In order to estimate a range of funds which might be generated by a downtown improvement LID, a listing of similar LID assessments for other downtown projects in the region were assembled. These similar LID assessments are presented in Table 2.7.

◆ **Range of Funds Generated by an LID**

Table 2.8 presents three ranges of funding which could be generated by an LID in the Phase 1A and 1B project areas with the following assessment assumptions:

- Low range - \$50 per front foot
- Medium Range - \$75 per front foot
- High Range - \$100 per front foot

Table 2.8: Funding Ranges

Sample LID Assessment Range			
	Low	Medium	High
LID Assessment per Front Foot	\$50	\$75	\$100
Phase 1A			
Total LID Income @ 1,046 LF	\$52,300	\$78,450	\$104,600
Estimated Total Project Cost	\$1,140,500	\$1,140,500	\$1,140,500
Difference Required from Other Sources (IA)	\$1,088,200	\$1,062,050	\$1,035,900
Phase 1B			
Total LID Income @ 1,432 LF	\$71,600	\$107,400	\$143,200
Estimated Total Project Cost	\$713,300	\$713,300	\$713,300
Difference Required from Other Sources (IA)	\$641,700	\$605,900	\$570,100
Grand Total Phase 1A & 1B			
Total LID Income	\$123,900	\$185,850	\$247,800
Estimated Total Project Cost	\$1,853,800	\$1,853,800	\$1,853,800
Difference Required from Other Sources (IA)	\$1,729,900	\$1,667,950	\$1,606,000

costs from local sources as a “match”. Projects which demonstrate good strategic planning and local support are most competitive in securing block grants.

Revenue Allocation Financing

Urban renewal projects may be financed in Idaho using Revenue Allocation Financing (RAF). This method of financing is initiated by forming an Urban Renewal District and Urban Renewal Commission. After the District is formed, new increments of tax income within the District are used to repay RAF bonds over a defined period of time, usually no longer than 7 years.

Civic and Outside Financing

The city council may elect to allocate certain city funds toward the project, particularly for public infrastructure, parking, or public space elements. Civic service clubs often take on discrete elements of the project as their contribution to the community. Other public and private grants are available on a competitive basis, and these are listed in the Potential Resources Appendix.

Refinement of Project Elements and Costs

Finally, the suggested project budget can be refined and adjusted by mixing and matching certain suggested improvements in a “menu” approach. Some elements could be

The remainder of the project costs must be secured through city, outside grants, private sources or community groups.

b. Other Funding Sources

Block Grants

The primary source of grant funds for downtown revitalization projects in Idaho is the Idaho Department of Commerce – Community Development Block Grant Program (CDBG). Block grants are secured through a competitive application process each November, with funds made available the following May. Block grants do not exceed \$500,000, and generally require the community to provide 40% to 50% of the project

Table 2.9: Project Schedule

Task	Target Date
City Council Implementation Strategy / Public Meeting	February 27, 2002
Publish Final Strategic Plan Document	March-02
Select Bond Attorney	April-02
Select Project Engineer	April-02
Informal LID Area / Financing Meeting	May-02
Prepare LID Roll	June-02
Formal LID Hearing	July-02
LID Formation (Go / No Go Decision)	August-02
Begin Design	September-02
Prepare Block Grant Application	September-November-02
Secure Other Funding	September 02-January-03
Apply for Block Grant	November-02
Block Grant 1st Cut *	January-03
Supplement Grant Application	March-03
Block Grant Final Cut	April-03
Complete Design	April-03
Block Grant Award	May-03
Bid For Construction	June-03
Begin Construction	July-03
Complete Construction	November-03
Close Out Project LID	December-03
Cashout LID Option	January-04
1st Amortized LID Installment Due	January-05

* If Block Grant is not approved in January 2003, all following tasks are delayed one more year.

deferred to future phases or eliminated. However, it is important that the improvements which are constructed will be well done to establish a durable and quality downtown environment for future generations.

c. Demonstration Project Schedule

Table 2.9 presents a suggested project schedule for the Phase 1 Demonstration Project. This schedule is largely driven by the deadline to submit Idaho Department of Commerce – Community Development Block Grants by November 2002. In order to be competitive for a Block Grant, a Local Improvement District should first be approved by the City and property owners. The suggested project schedule would allow completion of the Phase 1 improvements by the end of 2003. The scope of the Phase 1 improvements is dependent upon the availability of funding from all sources.

d. Future Phase 2 Implementation

Phase 2 improvements within the Bid area will follow several milestones:

1. Completion of the Phase 1 Demonstration Project
2. Completion of the U.S. 95/U.S. 2 Connector by ITD
3. Return of First and Cedar Streets to two-way local traffic

Until ITD transforms Pine, Church, or both streets into the Connector route, between U.S. 95 and U.S. 2 the Phase 2 improvement area continues to be held back from redevelopment by the old traffic circulation system.

e. Physical Improvement Action Plan

Table 2 in ELEMENT 7 of the Revitalization System presents an Action Plan summary for recommended physical improvements. This Action Plan presents key tasks, timing, leadership responsibilities and relative priorities for implementation steps for physical improvements.

ELEMENT 3 Markets: Customers & Their Needs

Supply Must Respond to Demand

Successful business development must be *market-driven*: the supply must respond to the demand (customers). The *supply* includes products and services offered by businesses, as well as by civic, religious and nonprofit organizations. It also includes Downtown events, attractions, activities and amenities.

In order to better understand the *demand* (the customers), the planning team conducted a market analysis for Downtown Sandpoint. The purpose of the market analysis was to understand WHO the customers are, WHAT goods and services they need or desire, and WHY. This chapter is a report of the findings from the market analysis, along with observations about the implications for action by businesses and the Sandpoint Business Association (SBA).

The market analysis contains a significant amount of market data and narrative. The narrative is written to be user-friendly; however, data is data. It can feel overwhelming to read and digest key information, and relate it to a specific business or organization. Therefore, the planning team has included observations about implications of the information – the answers to “SO WHAT?” -- throughout the narrative, in order to make the data more useful and “consumable”.

This market analysis is divided into five subsections:

1. Regional Socio-Economic Trends
2. Tourism Trends
3. Downtown’s Potential Customer Markets
 - Downtown Business Owner Input about Markets
4. Downtown’s Competition and Competitive Niche
5. Downtown’s Top Priority Target Markets

Consumers spent more than \$865 million on retail goods and services in Bonner County in 2000.

Retail consumer spending within a 50-mile radius of Sandpoint totaled more than \$1.3 billion in 2000! Downtown Sandpoint can capture more of those dollars.

More than 650,000 people live within a 100-mile radius of Sandpoint (less than a 2-hour drive).

This market analysis answers WHO Downtown’s customers are, WHAT goods and services they need or desire, and WHY.

The next two chapters of this Downtown Revitalization System provide recommended actions as to HOW Downtown can respond to the market needs.

Table 3.1
Bonner County Economic Trends 1990-2000

Population & Housing	1990	2000	Change	%
Total County Population	26,622	36,835	10,213	38%
Total Households	10,269	14,693	4,424	43%
Percent of Population Rural	80%	81%		1%
Percent Urban	20%	19%		-1%
Under 18 (%)	29%	26%		-3%
18-64 (%)	57%	61%		4%
20-34	n/a	14%		
35-54	n/a	34%		
55-64	n/a	11%		
Age 65+ (%)	14%	13%		-1%
Median Age	36	41		
Per Capita Personal Income	\$13,375	\$18,955	\$5,580	42%
Income as % of State Average	84%	83%		
Income as % of National Average	68%	66%		
Medicaid Cases (1992, 1999)	1,550	1,896	346	22%
Aid to Aged, Blind, Disabled	194	361	167	86%
Crime Rate per 100,000 (1990, 99)	3,756	2,550	-1,206	-32%
Total Housing Units	15,152	19,646	4,494	30%
Vacant Housing Units	4,883	4,953	70	1%

Industry Employment	1990	1999	Total Change	%
Total County Employment	12,902	18,343	5,441	42%
Wage & Salary Employment	9,030	12,773	3,743	41%
Farm Proprietors	484	543	59	12%
Non-Farm Proprietors	3,388	5,027	1,639	48%
Farm	519	613	94	18%
Ag Service, Forestry, Fish, Other	346	417	71	21%
Manufacturing	2,692	2,419	-273	-10%
Mining	41	80	<1%	39
Construction	848	1,709	861	102%
Transp'n, Comm'ns, Public Utilities	523	683	160	31%
Wholesale Trade	226	408	182	81%
Retail Trade	2,371	4,192	1,821	77%
Finance, Insurance, Real Estate	721	1,221	501	70%
Services	2,745	4,293	1,548	56%
Federal Civilian/Military	447	431	-16	-4%
State & Local Government	1,424	1,877	453	32%

Source: Idaho Dept. of Commerce *County Profiles of Idaho 2000* (some Profiles data from U.S. Bureau of Economic Analysis).

Summary of Market Analysis Insights

The following are key observations taken from the analysis (details are found in the five sections on the following pages):

- ◆ Downtown can capture more consumer expenditures if adjustments are made to serve the markets more effectively.
- ◆ County population growth of 38% since 1990 provides more customers, but county residents are not a sufficient market to support both Downtown and Ponderay. Customers must be drawn from surrounding counties, states and provinces.
- ◆ The population is growing older, and more rural. Youth also are a significant potential market for Downtown, but are not well-connected to the district. Products and services must be adjusted to meet the changing needs of the marketplace.
- ◆ Successful tourism development is *absolutely essential* to retention and recruitment of Downtown businesses. Sandpoint is not tapping tourist markets effectively. Cooperative efforts are needed between the Sandpoint Business Association, Chamber of Commerce, Schweitzer, Coldwater Creek, Bonner County Economic Development Council, businesses and others.
- ◆ Vacation homeowners represent a part-time population of 9,000+ residents, but they are untapped as a Downtown market.
- ◆ Downtown's top priority target markets are Downtown workers/businesses; Sandpoint/Bonner County residents and vacation homeowners; moderate-to-upper middle income couples and families within 100 miles; visiting friends/relatives; recreationists, business travelers (for meetings/conventions); and heritage/cultural travelers, esp. for "weekend getaways".
- ◆ Development and promotion of a clear image for Downtown will help entice target customers.

Table 3.2: Regional Population Growth

	1990	2000	Growth
Sandpoint	5,561	6,835	23%
Bonner County	26,622	36,835	38%
Boundary County	8,352	9,871	19%
Kootenai County	70,400	108,685	56%
Spokane County	361,364	417,939	16%
State of Idaho			28%

➤ At 2.1% annual growth, Sandpoint's population will be 8,400 by 2010, and 10,400 by 2020.

Table 3.3: Regional Age Trends

Median Age	1990	2000
Sandpoint	36.0	36.5
Bonner	36.3	40.8
Boundary	32.8	38.3
Kootenai	35.0	36.1
State of Idaho	31.5	33.2

➤ Bonner County is 23% higher than State of ID
➤ Sandpoint is 10% higher

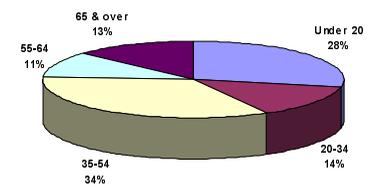


Figure 3.1: Bonner County Age Groups 2000

1. Regional Socio-Economic Trends

a. Population Trends Show Steady Growth, But Low Incomes

Regional Population Has Grown Significantly Over Past Decade

Bonner County and the surrounding region have seen significant population growth and economic changes during the past decade. These changes affect Downtown's development strategy. According to the 2000 census, there are more than 654,000 people living within a 100-mile radius (less than a 2-hour drive) of Sandpoint.

From 1990 to 2000, the Bonner County population grew by 10,213 people to 36,835 – an increase of 38% (see Table 3.2 at left). Of the new residents, 1,274 live in the city of Sandpoint, and 8,939 live elsewhere in the county. Sandpoint's population grew by 23% over the past decade (2.1% per year). If that rate of growth is sustained, Sandpoint's population will be 8,400 by 2010, and 10,400 by 2020.

Surrounding counties also saw growth from 1990 to 2000, ranging from a rate of 19% in Boundary County to a chaotic 56% in Kootenai County. These new residents have added significantly to Downtown Sandpoint's potential customer base.

Bonner County Population is Aging More Than Region or State

Bonner County's population is aging as people seek a desirable location for retirement (see Table 3.3 at left). The median age in Bonner County is nearly 41, which is 23% higher than the State median age of 33. Bonner County has more citizens in the 35-54 age group than the state or national averages (34% versus 28% statewide and 29% nationally), and less in the under 35 age group. The percentage of residents under 35 (42%) is a full ten percentage points below the state average (52%, versus the national average of 50%). Nearly one in four county residents (24%) is age 55+ (see Figure 3.1 at left), while the statewide figure is 19% and the U.S. figure is 21%. Citizens within the City of Sandpoint are slightly younger than residents of the County.

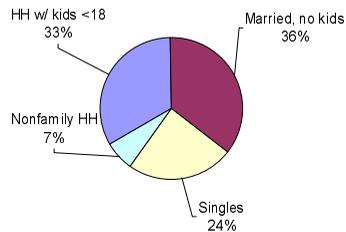


Figure 3.2: Bonner County Household Types

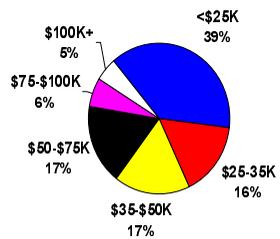


Figure 3.3: 1998 Bonner County Household Income

1-in-3 Households has Kids Under 18; Another 36% are Couples with No Kids at Home

There are a total of 14,693 households in Bonner County. The average household size in Sandpoint is 2.29 people, and in Bonner County is 2.49. More than two thirds (70%) of the county households had two or more people in them (59% had three or more).

Households with children under 18 make up 33% of the households in Bonner County, or about 4,500 households (see Figure 3.2 at left). Of those, about 750 households are single mothers with children under 18. Married couples with no kids at home represent another 36% of households, or 5,200 households. Singles (people living alone) represent 24% of all households, or 3,500 households, and of those, 1,200 are seniors over age 65 living alone. Nonfamily households (non-related adults living together, or roommates) represent about 7% of all households, or 1,030 households.

The Majority of Sandpoint Households Earn Less Than \$35,000 Per Year

In 1998, more than one-third (39%) of the households in Sandpoint had incomes of less than \$25,000 per year (see Figure 3.3 at left). Another third had household incomes of \$25,000-\$50,000 (approximately 17% of households made \$35-\$50,000 annually). Therefore, two-thirds of Sandpoint households earned less than \$50,000 per year. Viewed another way, more than half (55%) of households earned less than \$35,000 annually. Only about 28% (4,100 households) had incomes exceeding \$50,000 (5% made \$100,000+).

In 1999, Bonner County had a per capita personal income (PCPI) of \$18,955; an increase of 42% from 1990 (\$13,375). However, Bonner County's per capita income was only 83% of the state average, and 66% of the national average. Bonner County's PCI as a percent of the state average has declined 1.4% since 1990, so income growth in Bonner County is not keeping up with other areas of the state. The number of Bonner County residents needing public assistance has risen. Medicaid cases increased 22% between 1992 and 1999, and aid to the aged, blind and disabled increased 86% (see Table 3.1, page 3.2).

Vacation Homeowners are Significant Part-Time Residents

From 1990 to 2000, the number of housing units in Bonner County increased by 31%, from 15,152 to 19,246. In 2000, 25% (4,953) of all housing units were "vacant". Of those, 3,764 "vacant" housing units (19% of all housing units) were designated for seasonal, recreation, or occasional use (vacation homes, condominiums, etc.). Of those recreational units, 127 were located within the Sandpoint City limits (4% of Sandpoint's total housing units), and the remaining 3,637 units were located elsewhere in the county (many around Lake Pend Oreille). If the average vacation homeowner has 2.5 people using the unit (home, cabin, condominium), and they use it 90 days per year, this group of part-time residents equates to an additional population of 9,400 residents for nearly

Vacation homeowners comprise nearly 9,400 affluent residents for up to 25% of the year.

25% of the year. These vacation homeowners are more affluent than many Bonner County residents, and represent a significant potential market for Downtown Sandpoint.

So What?



- Despite the growth, Bonner County's population base and income levels are insufficient to support all of the businesses in Downtown Sandpoint and Ponderay. Downtown must draw more customers from outside the county: as a "destination", Downtown must target customers within a 100-mile radius (1/2-to-2-hour drive) of Sandpoint.
- To better capture the maximum amount of local spending, Downtown Sandpoint must be family-friendly, with products, services, activities and infrastructure/atmosphere that appeals to parents, grandparents, children and teens.
- The "over 50" customer is particularly important: this segment is responsible for much of the population growth in Bonner County as they seek places to retire. They also are the majority of vacation homeowners. Downtown must appeal to these customers with physical improvements (sidewalks, lighting, benches, signs, shade, snow removal, parking, ADA accessibility) as well as products and services.
- The over 50 customer also is the largest and fastest growing demographic group in the tourism market (this segment is responsible for 80% of all leisure travel, and controls 75% of the nation's wealth). Tourism promotions and packages must be designed to appeal to this market.

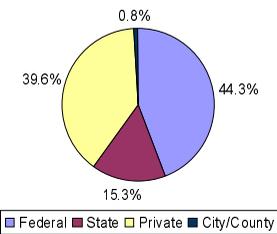


Figure 3.4: Bonner County Land Ownership

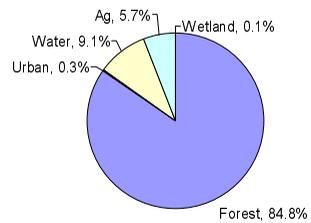


Figure 3.5: Bonner County Land Types

b. Industry Sales and Employment Trends are Mixed

For the past century, Bonner County's economy has been natural resource-based. Sixty percent of the 1.1-million-acre county is public land (493,000 acres Federal; 170,000 acres State, and 8,600 acres City/County, see Figure 3.4 at left). Most of the county is forest (85%), another 9% is water (lakes/rivers), and about 6% is agricultural (Figure 3.5 at left).

Wood Products, Tourism, Wholesale Trade and Food Products are Key Industries

According to sales figures reported to the Idaho State Tax Commission, wood products continues to be the county's largest industry, generating nearly \$108 million in 1999 and \$100 million in 2000 (see Figure 3.6 below). Wood products manufacturing sales grew by 72% from 1994 to 2000. From 1994-1999, wholesale trade was the second largest sector, growing by 58% during that period and generating sales of \$61 million in 1999. Of that amount, approximately 80%, or \$48 million, was wholesale office equipment and supplies. However, the \$48 million in 1999 dropped to \$6 million in 2000, making wholesale trade the number three industry in the county behind tourism that year, based on sales. This is likely due to local businesses with offices in other counties which reported all sales in Bonner County through 1999, then changed their reporting in 2000. These figures also are affected by the way in which businesses report taxable versus non-taxable sales.

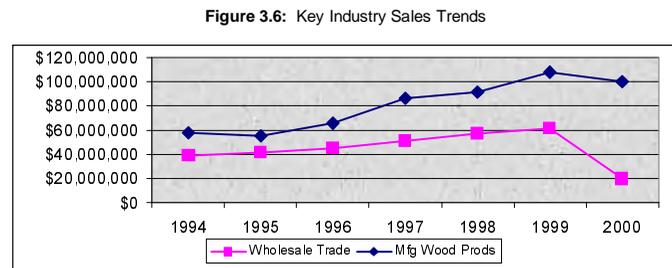


Figure 3.6: Key Industry Sales Trends

Figure 3.7: Bonner County Industry Sales 1994-2000

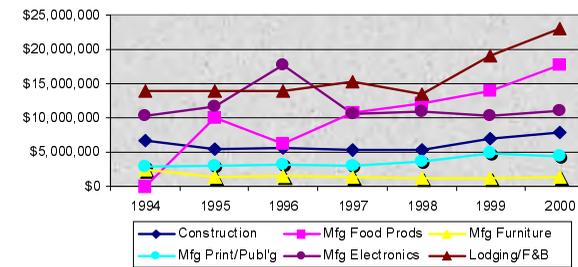


Figure 3.7 at left shows sales trends for Bonner County's other key industries: tourism (lodging sector only), construction, and manufacturing of food products, electronics, printed/published materials and furniture. Food products manufacturing grew by 78% from 1995-2000, generating nearly \$18 million in sales. Furniture manufacturing sales dropped by 44% from 1994 to 2000. Electronics manufacturing grew from 1994 to 1996, declined until 1999, and then increased again in 2000, for an overall growth rate of 6+% from 1994-2000. Construction was relatively stable from 1994-1999, generating about \$5.5 to \$6.5 million in sales, then increasing to \$7.9 million in 2000 (likely due in part to construction at Schweitzer).

In 2000, tourism as represented by lodging sales was second behind wood products as the county's largest industry (data on this graph represents lodging sales, including food and beverage sales at full-service hotel properties). Just this segment of the tourism industry generated \$23+ million in 2000, an increase of 65% since 1994. Tourism trends are discussed in section II of this chapter.

Figure 3.8: Bonner County Jobs by Sector 1980-1999

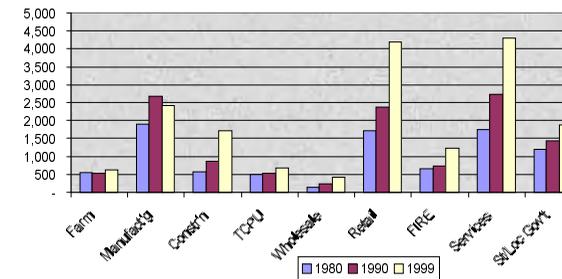


Figure 3.8 shows how the number of jobs in key industry sectors has changed since 1980 in Bonner County. The largest growth in the number of jobs has been in the retail, services, construction and FIRE (finance, insurance, real estate) sectors. The number of manufacturing jobs has decreased, as have federal government jobs (though state/local government jobs have increased). Growth has been minimal in agriculture, fishing, forestry and ag services.

The number of construction jobs doubled from 1990 to 1999 – an increase of 860 jobs. Jobs in finance, insurance and real estate grew by 70%, adding 500 jobs in the past decade. State/local government added 450 new jobs, wholesale trade added 180, and TCPU (transportation, communications and public utilities) added 160 jobs.

It is interesting to note that in 1980 and 1990, the number of jobs in retail and services was nearly equal to the number of jobs in

1999 Bonner County Employment Stats	
Total Employees	10,949
Total Establishments	1,248
Total Payroll	\$231.5 million
Average Annual Wage (all sectors reporting)	\$21,149

manufacturing. By 1999, the number of retail/services jobs was nearly double the number of manufacturing jobs. More than 5,000 jobs have been added in retail and services since 1980 (nearly 3,400 jobs since 1990). Although growth in the number of jobs is positive, Bonner County's average wages are losing ground relative to state and national wages because the most growth has come in the lowest-paying industry sectors. Almost one-quarter of all jobs in Bonner County are in retail trade, but average retail wages are 14% below the county average of \$21,149. Meanwhile, higher-paying sectors (manufacturing, agriculture and federal government) have declined. Low wages affect residents' capacity to spend money. In order to increase spending by Bonner County residents, higher-paying jobs are needed.

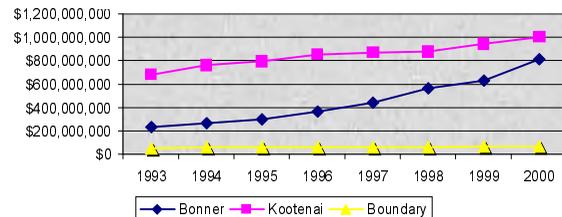
Table 3.4 lists Bonner County's largest employers. Of those, four are retailers, four are government, three are wood products manufacturers, two are education, two are health care, two are tourism, one is a food products manufacturer and one is an electronics manufacturer. The diversity of these major employers is healthy for Bonner County.

National Economic Slowdown Has Affected Bonner County

In January 2002, statewide layoffs pushed Idaho's seasonally-adjusted unemployment rate to 5.7%, the highest in seven years. That same month, Bonner County's unemployment rate was 9.3% (up from 8.5% in December 2001). One of Bonner County's largest employers is Coldwater Creek, a direct sales and retail seller of nature-themed women's clothing, gifts and housewares. In July 1999, there were 500 employees at Coldwater Creek's headquarters, its 160,000-square-foot distribution center, and its retail outlet, plus 350 at its call center in Coeur d'Alene. In March 2002, nearly 150 workers in the distribution center will be laid off (jobs paying \$7.50 to \$12.50 per hour, plus generous benefits). After the cutbacks, the company will employ 371 people in Bonner County. The layoffs

are attributed to the national economic slowdown. Other businesses in Bonner County have been impacted as well.

Figure 3.9: North Idaho Retail Sales by County 1993-2000



c. Retail Sales Trends are Up, Service Sales Trends are Flat

Retail Sales in Bonner County Rose 254% from 1993 to 2000

Retail sales in Bonner County were \$865 million in 2000, an increase of 254% since 1993 (see Figure 3.9 at left). By comparison, retail sales in Kootenai County increased by 47%, and in Boundary County by 22%. Much of Bonner County's growth is likely due to box store and mall development in Ponderay, and to the Coldwater Creek retail store in Downtown Sandpoint which draws shoppers from Kootenai and Spokane counties.

Reported sales in "Services" in Bonner County have been relatively flat, growing only 23% since 1993. "Services" includes such sectors as medical/health, hospitality, legal, educational and social services. However, this seems odd when the number of jobs in Services grew by 56% from 1990 to 1999 (see note below).

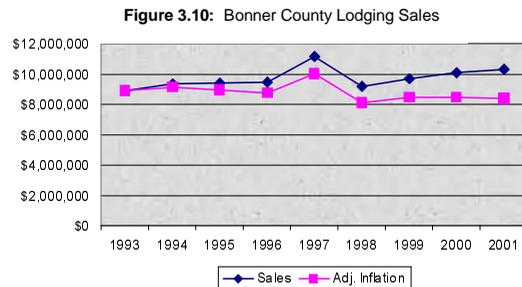
There are 340 businesses in Downtown Sandpoint (within the Business Improvement District, or BID, boundary). These businesses can capture more of the consumer spending in Bonner County by responding to their markets more effectively.

Note: In Idaho, industry sales figures reported by county may be misleading because corporations with multiple locations (such as a chain retail store or a health services corporation) can report total sales for all locations in the county of their headquarters, or directly to the state (no county-level reporting). In such cases, sales in the headquarters county may be over-represented, and under-represented in any other counties where the business is located. Many businesses report only taxable sales to the State Tax Commission, so non-taxable sales may not be included for some businesses or sectors.



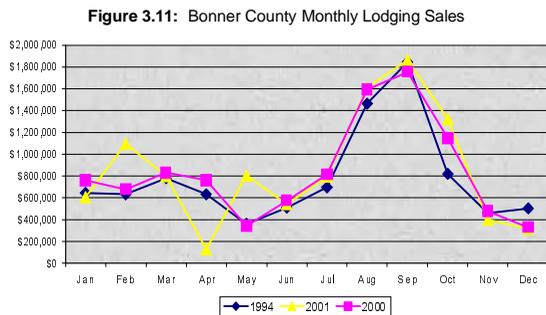
So What?

- While business sales generally have increased in Bonner County, Downtown is not participating in the upward trend. Downtown must find its niche in the market.



The number of hotel rooms in Bonner County doubled from 1990 to 2000, while gross sales increased only 16% from 1993 to 2001.

relatively flat from 1993 to 2001 (see Figure 3.10 at left). Revenues increased by only 15.6% overall, compared to statewide lodging sales (up 41%), and Kootenai County lodging sales (up 29%). When inflation is factored in, revenues in adjusted dollars actually declined by 5.8%! That means that *lodging volume actually declined* – the sales growth was due to rate increases, which did not match inflation.



2. Tourism Trends

Sandpoint promotes itself as a mountain/lake resort community, with four-season recreation opportunities. However, a close look at local and regional tourism trends indicates that Sandpoint essentially has a three-month tourist season -- it has not been successful at tapping tourist markets effectively.

a. Lodging Trends Show Long-Term Seasonal Challenges

Lodging Revenues have Declined after Adjustment for Inflation

One way to measure tourism trends is to look at lodging sales over time. In this case, lodging includes hotel/motel, bed & breakfast, condominium, RV park and private campground revenues. With the exception of a spike in 1997, lodging sales in Bonner County were

relatively flat from 1993 to 2001 (see Figure 3.10 at left). Revenues increased by only 15.6% overall, compared to statewide lodging sales (up 41%), and Kootenai County lodging sales (up 29%). When inflation is factored in, revenues in adjusted dollars actually declined by 5.8%! That means that *lodging volume actually declined* – the sales growth was due to rate increases, which did not match inflation.

During that same time period, the number of hotel rooms in Bonner County increased 80%, from 970 in 1993 to 1,740 in 2000 (the number of rooms was 729 in 1990, so the lodging inventory doubled in a decade). The number of RV/campground spaces actually declined, from 1,020 in 1993 to 835 in 2000. Therefore, the minimal increase in total sales (decrease in adjusted dollars) was spread over a greater number of hotel rooms, which means that all properties were less profitable. From 1990 to 2000, the number of lodging units in Kootenai County increased 50% (from 1,500 to 2,245), and in Boundary County, 77% (from 108 to 191).

The lack of growth can be attributed to a number of factors: an unfavorable Canadian exchange rate since 1995, competition from Kootenai County and other regional ski resorts, ineffective marketing efforts, poor snow conditions and other factors. The spike in 1997 is most likely due to favorable snow.

The average revenue per hotel room per night in December 2001 was \$5.84 (not enough to cover utilities). The average room revenue in September 2001 (peak month) was only \$35.73 per night.

Tourist Season is Only Three Months: July, August and September

Another way to look at tourism trends is to analyze lodging sales month-to-month. Figure 3.11 compares month-to-month lodging sales in calendar years 1994, 2000 and 2001. The true tourist season in lodging sales is only three months long: July, August and September. In 2000, October dropped off by \$600,000, and July was \$800,000 lower than August – similar to January, March and April. The four months of July through October generate about 53% of total annual sales, while the slowest four months of November, December, May and June generate only 20% of total annual sales. Note that 1994 monthly sales were nearly identical to 2000, despite lower room rates in 1994. In North Idaho, 1994 was a peak year for tourism. Note also that September and October 2001 increased from 2000, despite September 11th.

This dramatic seasonality hurts all businesses in Downtown Sandpoint. Results of a survey of Downtown businesses confirmed that peak business months are July, August and September, due to tourists and holidays/events. When businesses must rely on a two or three month season to survive, they have less revenue for staffing, improvements, advertising and other business necessities. Labor markets suffer, and transportation carriers such as airlines and Amtrak cannot afford to increase service.

For Sandpoint to maintain high quality tourist facilities and services, tourism must increase in the shoulder seasons.

The seasonality also indicates that year-round hotel occupancy rates are low – hovering between 50% and 60% (or less), which in many cases is below the break-even point. Hotels that are at break-even or below cannot invest in facility upgrades and additional services to attract higher-value customers. *In order for Sandpoint to maintain high quality tourist facilities and services, tourism must increase in the shoulder seasons.*

Table 3.5: Outfitter Guests in Bonner County, 2000

Fishing	1,790
Boating	1,605
Trail Rides	1,256
Mountain Bike Touring	186
Backpacking/Hiking	32
Hunting	51
Cross-Country Skiing	17
Photography Trips	2
Guided Snowmobiling	1
Total:	4,940

Source: Idaho Outfitters & Guides Licensing Board, Boise

b. Outdoor Recreation Trends Show Untapped Potential Opportunity

Bonner County is an outdoor recreation paradise, with year-round activities for all ages and skill levels. Passive activities include sightseeing, swimming, sunbathing at the beach, golf, boating, wildlife viewing, fishing, photography, chairlift rides, sleigh/wagon rides, lake cruises and camping. More adventurous activities include hunting, sailing, wind surfing, water skiing, snow skiing, ice skating, snowmobiling, ice fishing, hiking, backpacking, trail rides, horse pack trips, mountain biking and mountaineering.

Skier Visits were Up 25% from 1998 to 2001

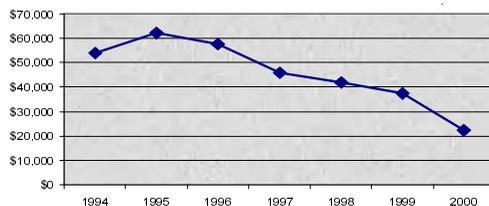
Schweitzer Mountain Resort is a major recreation draw for Sandpoint and Bonner County. New and upgraded facilities at Schweitzer have resulted in significant increases in skier visits, from approximately 160,000 visits in the 1998-99 winter season to more than 200,000 visits in 2000-01 (a 25% increase). Spokane, Kootenai County and the Tri-Cities in central Washington are Schweitzer's main skier markets; however, the Puget Sound destination skier market is growing, bolstered by television advertising in the greater Seattle market, and the contacts of Harbor Properties (Schweitzer's parent company, based in Seattle). Schweitzer continues to develop other activities (chairlift rides, hiking, mountain biking, outdoor hot tubbing) to attract visitors during the summer and fall.

Outfitters Hosted Nearly 5,000 Guests in 2000, But Sales Declining

Lake Pend Oreille, its tributaries and the surrounding mountains attract thousands of visitors every year. In 2000, approximately 5,000 of those visitors hired an outfitter or guide to take them on an outdoor adventure or excursion (see Table 3.5). According to figures from the Idaho State Tax Commission, outfitter sales declined by nearly 60% from 1994 to 2000 (see Figure 3.12). Because of Idaho's tax reporting system, some sales that took place in Bonner County may be reported in other counties (Kootenai, Boundary, Benewah) because the outfitter is located there. Or, some outfitter sales may be coded in a category other than outfitting and guiding. However, the downward trend cannot all be attributed to reporting differentials. Unfortunately, trend data about the number of guests over the same time period was not available.

If this downward trend is accurate, the declines have a significant negative impact on Bonner County's tourism industry. A recent study by the Idaho Outfitters & Guides Association showed that outfitter guests spend an average of four nights in hotels before and after their guided trip. Assuming an average of two people per hotel room, outfitter guests would have generated nearly 10,000 room nights in the year 2000 in Bonner County. A recent study in Montana showed that a guided nonresident big game hunter spends an average of \$3,800 per trip,

Figure 3.12: Outfitter Sales Trends in Bonner County



Outfitter guests spent nearly 10,000 room nights in Bonner County hotels in 2000, but the potential is much greater.

A guided nonresident hunter spends approximately \$3,800 per trip (license, tags, travel, lodging, outfitter services, retail supplies), while a non-guided hunter spends only \$1,600 (most on license, tags and travel to the state).

Of the 7 million nonresident travelers who passed through North Idaho in 1999-2000, only 2 million stopped.

while a non-guided hunter spends only \$1,600 per trip. Using those figures, guided hunters in Bonner County would have generated approximately \$194,000 in revenue to the economy. If more nonresident hunters used an outfitter, the economic impact would be much greater (the same number of non-guided hunters would have generated only \$81,600). The potential to increase tourism revenue through guided services is significant, particularly during shoulder seasons. However, the U.S. Forest Service, which manages most of the public lands where outfitters are permitted, currently is not accepting applications for new outfitted activities.

c. Visitor Center Serves Nearly 20,000 Visitors, But Counts Have Declined

In 2001, the Chamber of Commerce visitor center assisted nearly 20,000 visitors, and mailed an additional 2000 vacation packets. The peak months for visitor inquiries were July and August. However, visitor inquiries have declined in recent years. The Chamber visitor center is in a poor location for visibility and access to tourists.

d. Meeting and Convention Market is Untapped

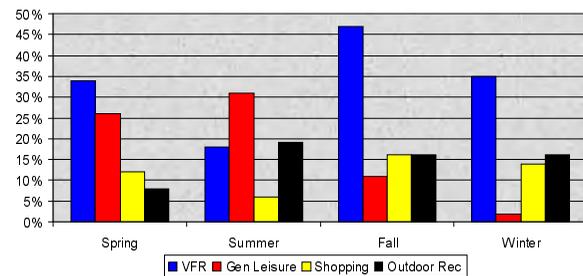
Sandpoint has significant potential to develop the meeting and convention market more effectively. Nationally, meeting and convention travel continues to grow, despite video conferencing and other technologies. Several of the Sandpoint area hotels have meeting facilities for groups of 40-80, including the Edgewater, Connie's, Quality Inn, Super 8 and Selkirk Lodge at Schweitzer. The City Forum, a free-standing meeting facility in Downtown Sandpoint, can seat up to 250, with several smaller break-out rooms. The fairgrounds also have facilities for certain types of meetings and events. However, the hotel properties, City Forum, Fair Board, Schweitzer and the Chamber of Commerce do not work together systematically to attract meetings and conventions.

e. Regional Tourists are Pass-Through Travelers, Visiting Family/Friends

A Motor Traveler Study conducted by the University of Idaho in 1999-2000 revealed that 7 million nonresident travelers passed through Region 1 (North Idaho). Of those, only 2 million visitors stopped, and the other 5 million were just passing through. In addition, 200,000 Idahoans from other parts of the state visited North Idaho, and another 650,000 passed through. The nonresident travelers originate primarily from Washington, California and Nevada (in Fall, 46% are from Washington). In winter and spring, 75% of the visitors are traveling for pleasure, while 25% are on business trips. In summer and fall, 85-90% are leisure travelers, and 10-15% are business travelers.

The majority of travelers (58%) stay in a hotel, motel, resort, condominium or B&B, but 28% stay in a campground or RV park, and nearly 1-in-4 (24%) stays with friends or relatives. Visitors stay the shortest amount of time in the winter (indoor attractions might prolong visitor stays). Summer stays are longest: more than 30% of summer travelers stay longer than three nights (in

Figure 3.13: N. Idaho Visitor Activities by Season



winter, only 13% stay more than three nights, and 50% don't overnight at all). Fall is under-utilized by travelers: the weather is good, facilities are available and prices are lower than in peak season.

While in North Idaho, visitors participate in four general categories of activities (see Figure 3.13 at left): Visiting Friends & Relatives (VFR), General Leisure (sightseeing, museums, events), Shopping and Outdoor Recreation. Summer is dominated by leisure travelers, followed by outdoor recreation and VFR. Fall and Winter are overwhelmingly dominated by VFR, with nearly equal numbers of shoppers and recreationists, and few general leisure travelers. In Spring, VFR is strong, but general leisure travelers are 25+% (returning snowbirds, perhaps), followed by shoppers. The dominance of VFR travelers emphasizes the need for Downtown Sandpoint to market to local residents, who serve as "tour guides" for visiting friends and relatives.

Shopping is #1 Activity of Travelers Overall; Coldwater Creek is Shopping Attraction

Nationally, shopping is the number one activity of leisure travelers. Coldwater Creek's retail store in Downtown Sandpoint is a good example of a destination shopping attraction. Coldwater Creek draws shoppers by the busload from surrounding states and provinces, and those shoppers frequent other businesses in Downtown Sandpoint.

The characteristics of Coldwater Creek's customers are 80% women, average age of 53, with a household income of \$50,000+. This market segment is ideal for other businesses in Downtown Sandpoint. However, less than 10% of businesses in Downtown Sandpoint indicate that they generate significant sales from tourists. This is evidence that Sandpoint is not tapping tourist markets effectively, and Coldwater Creek's customers in particular.

f. Sandpoint's Image is Unclear, Downtown's is Unknown

Sandpoint has not presented a consistent image to tourists, and Downtown has no specific image at all. To market effectively to tourists, the SBA, Chamber, Schweitzer, Coldwater Creek, BCEDC and others need to agree on a consistent market-based image, market it cooperatively, and encourage businesses to participate.



So What?

- Tourism trend analysis reveals that Sandpoint is not the four-season destination that it could be. Successful Downtown business retention and development are dependent on a successful cooperative approach to tourism development and promotion.
- Many travelers are passing through without stopping. Sandpoint needs a more compelling message to entice them to stop and stay for a while.
- Sandpoint's image and message to tourists is unclear: what makes Sandpoint a better vacation or convention or skiing destination than McCall, Sun Valley, Whitefish, Bend, Wenatchee, or Big Sky? In tourists' minds, there is no real difference until a clear message is communicated (a mountain and a lake aren't enough).
- Markets within a half-day's travel from Sandpoint are key to increasing shoulder season travel (Spokane, Seattle, Tri-Cities, Canada, etc.).
- The meeting and convention market is critical for shoulder season tourism.

"Downtown cannot be all things to all people"

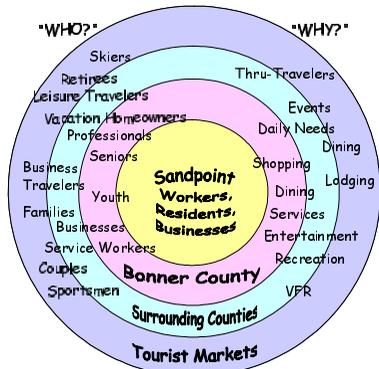


Figure 3.14

3. Downtown's Potential Customer Markets

a. Downtown's Markets are Described Demographically & Geographically

Information from the market analysis provides a picture of *potential* local, regional and tourist consumers and their needs (see Figure 3.14 at left). But some market segments are more likely to be Downtown customers than others – *Downtown Sandpoint cannot be all things to all people*. It must identify its most strategic customer groups, and its unique strengths – or niches – as a district, then target specific customers based on matching supply with demand effectively. In Element 6 of this Downtown Revitalization System, Downtown's strategic strengths and niches are discussed further, based on the results of the market analysis reported in this chapter.

Potential customer markets can be defined *demographically* (by their characteristics, or traits, such as age, income, etc.) and *geographically*:

Downtown's potential demographic markets include professionals, skilled workers, seniors, families, singles, youth, rural residents, city dwellers, and tourists (skiers, summer recreationists, retirees, sportsmen, business travelers, visiting friends/relatives, heritage/culture seekers, pass-through travelers, etc.). Each of these markets has unique needs for goods and services.

Downtown's geographic markets can be visualized as a series of concentric circles (Figure 3.14 at left). The innermost circle represents customers closest to Downtown: the Downtown workers, other businesses and residents of Sandpoint. The next circle represents residents of Bonner County. The third circle represents residents of surrounding counties in Idaho, Montana and Washington. The outermost circle represents tourists who travel from 100+ miles and are passing through, or traveling to Sandpoint as their primary destination. Tourists to North Idaho include Idahoans from other parts of the state, and nonresidents primarily from Washington, California, Nevada and Canada.

The customer markets in the two center circles (closest to the "bull's eye") are the most important, or primary, target markets. The third and fourth circles represent the next most important, or secondary, targets for Downtown.

b. Customer Needs are Defined by Demographic Characteristics

Table 3.1 (page 3.2) identifies demographic characteristics of the local and regional marketplace. Figure 3.14 (previous page) overlays a sampling of demographic market segments and

2,500+ workers commute into Downtown Sandpoint every weekday.

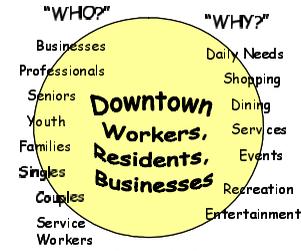


Figure 3.15

their interests on geographic segments. The visual "noise" illustrates the complicated nature of relationships that needs to be addressed in targeted marketing. The following pages describe Downtown's market segments and their corresponding needs.

Downtown Workers, Business-to-Business are Primary Markets (Figure 3.15 at left)

DOWNTOWN WORKERS: There are more than 2,500 workers who commute into Downtown daily. Most work in personal and professional services, financial services, retail and government. They arrive at work at 8:00 (or 9:00), and finish work at 5:00 or 5:30. To satisfy their personal needs, they seek convenient access to "necessity" goods and services: banking, dry cleaning, dining, florist, travel services, insurance, gifts, post office, accountant, home furnishings, apparel and daily needs merchandise (groceries, dry goods, pharmacy, bakery, coffee shop, hardware, one-hour photo, hair salons). They also want dining and entertainment – for coffee/breakfast, lunch, business meetings, after-work relaxation, take-home meals. Most would linger Downtown after work to shop and dine if stores were open until 6:00 or 6:30 p.m. (or later). Safety, comfort and socializing are important to Downtown workers: good lighting, convenient parking, safe landscaping, places to sit/gather, and entertainment will encourage Downtown workers to do business Downtown.

BUSINESS-TO-BUSINESS: Another primary market for Downtown businesses is other businesses ("Business-to-Business", or "B-2-B"). Common examples are banking, accounting, insurance, office supplies, computer/copier support services, maintenance and repair services, travel, catering, etc. To enhance recruitment efforts, existing businesses should be asked about the types of B-2-B goods and services they use, and which of those they must seek outside the Downtown district. Potential Downtown recruitment candidates can be identified from the list. Downtown networking events can help the 340 businesses get to know and support each other.

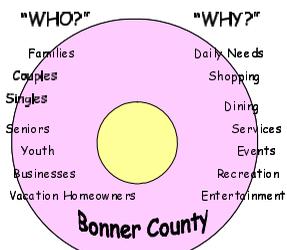


Figure 3.16

City and County Residents also are Primary Markets

CITY RESIDENTS: Residents living within or adjacent to Downtown and the city are a critical market for Downtown goods and services. Downtown is their “neighborhood shopping district”. Whether they live in the core of the business district or in adjacent residential neighborhoods, these people are likely to be Downtown’s most frequent customers. In order to walk or bicycle in Downtown, they need to feel safe, especially after dark. They enjoy living in or near Downtown because the district is not just a commercial center, but it also provides social, cultural, religious and civic services and activities. It is where they shop, dine, pick up mail, meet friends, recreate, entertain, worship and take care of other daily needs. One of the district’s goals is to become an “18-hour Downtown” (a vibrant place that has things to see, do and buy from 6:00 a.m. to 12:00 Midnight). That level of activity will encourage neighborhood residents to spend more time (and money) Downtown, and will attract additional residents to live in trendy new or redeveloped upper story apartments or condominiums.

COUNTY RESIDENTS (Figure 3.16 at left): As mentioned earlier, only 19% of Bonner County residents live within the City of Sandpoint – nearly four-fifths of county residents (30,000 people) are rural. The demographic characteristics of the rural residents differs from the city residents in the following ways:

- ◆ County residents are slightly older, more affluent, have larger households
- ◆ Over 3,600 households in the County are vacation homeowners
- ◆ County residents make multiple stops when they come to town
- ◆ County residents are not as familiar with Downtown Sandpoint – they need directories, promotions to build awareness, and highly visible parking

Customer Needs Change with Age

YOUTH: More than one-fourth of Bonner County’s population is youth (10,302 residents are under age 19). Youth are the future of the community, and many of them are not connected to Downtown. They also are a significant market, with considerable spending capability (small children bring their parents with them, and teenagers often have more readily expendable cash than their parents). If Downtown businesses (individually and collectively) want to serve this market, they need to be “kid-friendly” and “teen-friendly”. Youth seek specific kinds of goods and services. Children seek age-appropriate toys, entertainment and activities, perhaps even supervised day care while parents shop or do business Downtown. Teens seek opportunities to shop and socialize in friendly and positive settings. All youth have lots of energy, so social activities like playgrounds, skate parks and festivals are magnets for youth.

Teenagers often have more readily expendable cash than their parents.

Youth and young adults are key markets, totaling 15,000+ potential customers in Bonner County. Young families seek places that are “kid-friendly.”

To busy working adults, time, convenience and service are bigger issues than price. Most of their shopping is done in the evenings and on weekends.

Americans over 50 control 75% of the nation’s wealth. Key issues for mature customers are safety, comfort and social activities.

YOUNG ADULTS: One in seven Bonner County citizens (5,089 total) is a young adult (age 20-34). These are seasonal workers, singles, young married couples and families. They seek convenience, social interaction, entertainment, consumer goods, basic necessities for establishing a household, and education. This age group of consumers are experiencing many “firsts”: first job, first apartment or home, first dose of financial independence (and reality), first major purchases (appliances, cars, homes, furniture), first child and first debt. Businesses who provide helpful, informative customer service to this age group will be successful in attracting them. Free consumer education seminars are helpful. *If this segment is well-served, they are likely to become long-term customers.* Families with young children seek places that are “kid -friendly” for shopping and family outings. The “singles” segment of this age group are heavy purchasers of consumer goods (clothes, sporting goods, electronics, etc.), and they are extremely social. Dining, entertainment, dancing, recreation and fitness are important activities to them.

ADULTS: More than one third of Bonner County residents (12,417 people) is aged 35-54. These people are predominantly married with families and established careers. They are busy. Many of the Downtown workers fit into this age group. Their lives revolve around family (children’s) activities, and (usually) to a lesser extent, career/job activities. Time is a factor in purchasing decisions (more so than price). They need convenient, user-friendly shopping and business experiences. Nearly all of their shopping is done after work and on weekends. They seek opportunities for family outings, especially in places that feature a mix of activities for all family members in a safe environment. If Downtown is comfortable, entertaining and convenient (access, parking, business hours), this group of customers will be drawn to it.

MATURES: There are increasing numbers of mature residents in Bonner County (25% of residents, or 9,027 people, are age 55+). Many of these residents are active singles who seek a friendly, safe place to socialize and do business. This segment of the population has more time and money to spend than any other segment. Key areas of interest to them are history, the arts and culture, wellness, family/grandkids and recreational activities (walking, golf, travel). Many of them have pets. Targeted Downtown events, activities, goods and services will attract these customers. The older segment of the population (age 75+) tends to have some unique needs. These include security, medical or assisted living care, home delivery of goods and services, physical access to businesses (no stairs or long walking distances), and personalized services.

c. Tourist Markets Have Unique Needs

Nonresident Visitors to Sandpoint Seek Things To Do



Figure 3.17

Heritage and cultural travelers value history, the arts, fine dining, museums and learning experiences.

SURROUNDING COUNTIES: There are more than 654,000 people within a 100-mile radius of Downtown Sandpoint – a HUGE potential customer base. These surrounding county residents travel to Sandpoint for recreation, shopping, medical appointments, and business. Effective marketing will entice them to Downtown Sandpoint. Fun activities, outstanding service, attractive streetscapes and buildings, and amenities to increase their comfort (such as highly visible signs, parking, good lighting and places to linger) will encourage them to SPEND TIME AND MONEY Downtown.

TOURISTS (Figure 3.17): Nationally, the face of tourism is changing. As the Baby Boomers begin to turn 55, their travel needs become increasingly important to successful tourism development and promotion. Americans over the age of 50 represent 80% of all leisure travel nationwide, and control 75% of the nation's wealth. Tourist destinations who ignore this market are ill-advised (note, for example, the emphasis on mature visitors in Disneyworld's promotions). Sandpoint needs to be senior-friendly – and grandparent-friendly – to serve this market.

The largest and fastest growing segment of the travel industry is heritage and cultural tourism (versus recreation/adventure, sports, eco-travel, etc.). Heritage and cultural travelers are older, more affluent and more highly educated than average travelers. They seek experiences that involve learning/challenge, authenticity and high quality service. These travelers prefer tile bathrooms and wine with a cork. They like historic Downtown buildings, unique shops, locally-made products and quality hand-crafted items. The arts and culture are important to them – they tend to be patrons of museums, symphonies, civic theater and art galleries. Sandpoint's unique niche as an arts community, its rich history and beautiful setting are major draws for this market. Quality facilities, amenities and customer service are the keys to serving this market well.

Soft adventure travel continues to grow (camping, hiking, biking, wildlife/bird watching, horseback riding, canoeing), as does rural tourism and family travel. Sandpoint is well-positioned to take advantage of these trends if it can develop packages and specific activities for target customers.

The process of travel planning also is changing. Busy two-career couples and families are taking shorter, more frequent trips (weekend getaways). Mature travelers are cautious about investing in long and expensive vacations because of stock market volatility. Women still do most of family travel planning, on top of job and family demands. Therefore, tourism destinations must offer good value, and travel planning must be easy and convenient: travelers seek "one call" packages that offer accommodations, meals and activities for one price. Sandpoint offers good value to travelers; however, Sandpoint currently is not convenient to "purchase" compared to other destinations because weekend getaway and activity-based packages are not readily available.

- So What?**
- Customers within a 100-mile radius are critical to Downtown's success
 - Downtown must better serve workers and Sandpoint/Bonner County residents to increase sales, visitation and referrals to visiting friends and relatives
 - "One-call" packages are needed to promote Sandpoint to tourists, esp. Oct-June

d. Downtown Business Owner Input about Markets

In September 2001, a survey was developed by the planning team, and sent to 340 businesses and organizations who are members of the Business Improvement District (BID). Ninety-six completed surveys were returned for a 28% response rate. Respondents represented a broad variety of Downtown business types, sizes and locations in the district. The purpose was to obtain insights and opinions from business owners/managers about general business conditions and trends, challenges and opportunities for Downtown, customer markets, and events and promotion efforts.

The survey results indicate that most businesses serve customers primarily from the local (Bonner County) market. Very few businesses (less than 10%) have significant revenues from tourists; or from surrounding counties. The traveler/tourist segment represents a significant untapped opportunity for Downtown.

Key results from the survey related to customer markets were as follows:

- ◆ Most customers live in Bonner County. Two-thirds of businesses reported that less than half of their customers live in the Sandpoint city limits. Only 35% said that the majority of their customers were Sandpoint city residents.
- ◆ Only one in four respondents generate 25+% of their sales from surrounding counties
- ◆ Tourists are not a significant customer base for businesses Downtown. Only 12% of businesses said that the majority of their customers are tourists, and 70% indicated that tourists were less than a quarter of their customers.
- ◆ The "Ideal Customer" varies slightly by business sector, but overall, is 35-54 years old; college educated; married with children; and a household income of \$50-\$75,000
- ◆ Customer parking is a problem for 70% of the respondents; while 58% reported that employee parking also is a problem
- ◆ 54% of the businesses indicated an interest or desire to participate in cooperative promotions coordinated by the SBA. Downtown's ability to draw more customers is dependent on such cooperation. Consumers need to receive clear and consistent messages about Downtown's image, niche and role in the community. Currently, such messages are inconsistent – or nonexistent.

For 92% of Downtown businesses, tourists are less than 25% of their customer base.

Customer parking is a problem for 70% of businesses. Employee parking is a problem for 58%.

More than half of respondents expressed an interest in cooperative promotions coordinated by the SBA.

A thorough understanding of market needs will help Downtown businesses adjust their products, services and promotion to better serve their potential customers.

4. Downtown's Competition and Competitive Niche

The previous section discussed Downtown's potential customers. However, Downtown cannot be all things to all people. Downtown Sandpoint must define and promote its competitive niche (or niches) in the marketplace. To do so, three key factors must be considered: the demand (customer markets), the competition, and the supply (existing Downtown goods and services). The demand has been analyzed and discussed throughout this chapter. An analysis of existing goods and services in Downtown is included in Table 5.1 (page 5.3) in Element 5, Business Development.

a. Districts Attract Different Kinds of Businesses Based on Their Draw

Business districts are defined in a hierarchy, based on their customer reach (see Table 3.6 at left). A neighborhood business district draws customers primarily from an area immediately adjacent to it (within a few blocks). A community business district draws customers from a larger circle: an entire community or quadrant of a city. A regional business district draws customers from a larger area, from 50-100 miles away. A super-regional business district draws customers from 200-500 miles away (such as Spokane, or the Edmonton Mall). A strip center is a different kind of district, focusing on drive-by customers, rather than destination customers. A Downtown business district usually serves multiple functions: in some product/service categories, it is a neighborhood district, while in others, it might be a super-regional center.

Different kinds of businesses generally are found in different types of business districts. For example, convenience goods (groceries, gasoline, pharmacy) tend to be located in neighborhood-level districts or strip centers. Professional services (legal, accounting, medical) tend to be located in neighborhood or community-level districts. Specialty or theme goods and personal services (hair salons, dry cleaning, child care) tend to be located in community or regional-level districts. Comparison goods (appliances, autos, furniture, department store goods, discount retailers) tend to be located in regional or super-regional centers. Downtown Sandpoint serves various functions in the hierarchy based on its location and competition.

Business Location vs. Hierarchy of Markets	Super Regional	Regional	Community	Neighborhood	Strip Center
Comparison Goods					
Specialty Goods					
Convenience Gds					
Theme Goods					
Personal Services					
Professional Svcs					

Table 3.6
Different kinds of goods and services are found in different kinds of shopping centers. The darker the shading, the more likely the goods/services are located there.

b. Downtown Sandpoint Has Competition in Ten Key Areas

Downtown Sandpoint competes with other business districts or communities in ten key areas: personal services, professional/financial services, civic activities, shopping, character/sense of place, recreation, social events, medical services and conferences/meetings and residential. As described in section "a." above, a Downtown business district serves multiple functions to its markets. Downtown Sandpoint's key competitors (based on its markets) in the areas listed above are as follows:

- Personal Services: Sandpoint (outside Downtown district), Ponderay, Coeur d'Alene
- Professional/Financial Services: Sandpoint (outside Downtown), Ponderay, Cd'A
- Civic Activities: areas within Sandpoint, but outside Downtown district
- Shopping (all categories of goods): Ponderay, Downtown Coeur d'Alene, Silver Lake Mall, Factory Outlets (Post Falls), Whitefish/Kalispell, Spokane
- Character/Sense of Place: Downtown Coeur d'Alene, McCall, Whitefish, Wallace, Bonners Ferry, Wenatchee, Dayton
- Recreation: Cd'A, Kellogg, Bonners Ferry, Whitefish, McCall, Dayton, Wenatchee
- Social Events: Coeur d'Alene, Spokane, Worley, Kellogg, Whitefish, Missoula
- Medical: Bonners Ferry, Coeur d'Alene, Spokane
- Conferences/Meetings: Coeur d'Alene, Post Falls, Spokane, Tri-Cities, Moscow, Lewiston, McCall, Missoula, Kalispell
- Residential: Sandpoint (outside Downtown), Bonner County

Based on the competitor list above, Downtown Sandpoint must define areas in which it can be most competitive, and focus on them.

c. Downtown's Competitive Niches

After analyzing Downtown's markets, its competition and its existing strengths in goods and services, the planning team defines Downtown's competitive niches as listed in Table 3.7 at left. Note that comparison goods and discount general merchandise are not included in the list (these niches are filled by Ponderay and Silver Lake Mall).

Table 3.7

Downtown's Competitive Niches

- Social, specialty and convenience retail
- Civic and educational events/activities
- Professional, medical and financial services
- Personal and business services
- Tourist and convention services for regional residents and visitors
- Trendy upper story residential (loft apartments, condominiums)

5. Downtown's Top Priority Target Markets

Table 3.8
Downtown's Top Priority Target Markets

1. Downtown Workers & Businesses
2. Sandpoint Residents, HHI \$35k+
3. Bonner County Residents & Vacation Homeowners, HHI \$35k+
4. Mod-to-Upper Middle Income Couples/Families within 100 Miles
5. Visiting Friends & Relatives
6. Recreationists (4-Season)
7. Business travelers: Meetings & Conventions
8. Heritage & Cultural Travelers, esp. "Weekend Getaway" Markets (Spokane, Seattle, Portland, Tri-Cities, Boise, Missoula, Canada)

Section III identified key *potential* geographic and demographic customer markets for Downtown. After reviewing these customer segments in the context of Downtown's competition and niches, the *top priority* customer segments must be identified explicitly so Downtown can focus its retention, recruitment and promotion resources most effectively.

Based on the market analysis in this chapter, Downtown's top priority target markets are defined as follows (see Table 3.8 at left): Downtown workers and businesses; Sandpoint residents with household incomes of \$35,000+; Bonner County residents and vacation homeowners with household incomes of \$35,000+; moderate-to-upper middle income couples/families within a 100-mile radius of Downtown; visiting friends and relatives with household incomes of \$35,000+; year-round recreationists, business travelers (for meetings and conventions); and heritage and cultural travelers, especially in "weekend getaway" markets like Spokane, Seattle, Portland, the Tri-Cities, Boise, Missoula and Canada.

Element 5 of this Downtown Revitalization System addresses "supply" issues: Downtown's existing products and services, and gaps that need to be filled to serve target customers better. It describes actions for business retention programs and targeted business recruitment. Element 4 presents a promotion strategy, including actions to address Downtown's image, cooperative promotions, events, and methods to track and evaluate results. Element 2 presents design actions that are developed to address market needs, and Element 6 provides guidance for organizational actions needed to implement the entire program successfully. This market analysis reveals tremendous opportunities for Downtown to serve its markets more effectively. If the actions outlined in this Downtown Revitalization System are implemented, Downtown will experience a true renaissance for years to come.

"This market analysis reveals tremendous opportunities for Downtown to serve its markets more effectively. If the actions outlined in this Downtown Revitalization System are implemented successfully, Downtown will experience a true renaissance for years to come."

ELEMENT 4 Marketing & Promotion Program

Marketing Program Steps:

1. Build a Marketing Team
2. Promote to Strategic Local & Regional Target Markets
3. Promote to Tourist Markets
4. Track and Evaluate Results

Downtown's Top Priority Target Markets

1. Downtown Workers & Businesses
2. Sandpoint Residents, HHI \$35k+
3. Bonner County Residents & Vacation Homeowners, HHI \$35k+
4. Mod-to-Upper Middle Income Couples/Families within 100 Miles
5. Visiting Friends & Relatives
6. Recreationists (4-Season)
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8. Heritage & Cultural Travelers, esp. "Weekend Getaway" Markets (Spokane, Seattle, Portland, Tri-Cities, Boise, Missoula, Canada)

Marketing is the communication link between supply (Downtown) and demand (customers). It also is the "Fire" in "Ready – Aim – Fire". Before marketing and promotion can be effective, "Ready" and "Aim" must happen. *"Nothing will kill a mediocre business faster than a successful marketing campaign."* Downtown Sandpoint is a "product" – a good one – but Downtown revitalization efforts will be hurt if successful promotions are implemented before necessary preparations are in place. Elements 2, 5 and 6 of the Downtown Revitalization System define actions to help Downtown get "Ready". The Market Analysis (Element 3) and Promotion (this Element) provide information about where to "Aim". Implementation of actions already has begun to enhance business retention and recruitment, Downtown design, and organization of the SBA. As those actions produce results, support from SBA businesses will be solicited to focus on "Fire".

An effective marketing program is integrated: *each action taken must complement and enhance other actions* so that there is an overall "system" of actions which collectively speak to strategic target markets (see top priority target markets at left). Finally, marketing actions must be consistent. Consumers will be confused if the marketing strategy changes direction every few months with no consistent image or message over time.

The actions in this marketing and promotion chapter are arranged into four steps:

1. Build a Marketing Team
2. Promote to Strategic Local & Regional Target Markets
3. Promote to Tourist Markets
4. Track and Evaluate Results of Promotion Program

Marketing and Promotion Program Goals:

1. Enhance Downtown image
2. Build awareness of changes & improvements, create "buzz"
3. Increase business support for marketing/promotion program
4. Create awareness of goods/services available
5. Capture more spending
6. Increase frequency of visits
7. Increase average spending
8. Engage citizens in process
9. Entice more tourists Downtown
10. Evaluate effectiveness (ROI)

The budget to implement this promotion program is \$63,000 the first year. Most of the funds will come from participating Downtown businesses and partner organizations.

The SBA Marketing Committee will take the lead in managing the marketing and promotion program, with assistance from a contracted marketing agency and the SBA staff. Successful implementation will require enthusiastic support from Downtown businesses and organizations.

The ten goals of the marketing and promotion program are the following:

1. Enhance the image of Downtown Sandpoint – establish its niche in the marketplace
2. Build awareness of planned changes/improvements to Downtown - create excitement ("buzz") and build momentum
3. Increase support and participation in promotions from businesses in the SBA
4. Create consumer awareness of goods and services available Downtown
5. Capture more spending from key market segments - attract new customers
6. Increase frequency of customer visits to Downtown – more foot traffic
7. Increase average spending per customer
8. Engage citizens in the Downtown revitalization process – obtain "buy-in"
9. Entice more tourists to visit Downtown
10. Evaluate effectiveness (return on investment) of the marketing & promotion program

The key to achieving the ten goals is to obtain broad participation from Downtown businesses and organizations for a *new direction* in marketing and promotion programming. Successful implementation requires assistance from a professional marketing firm. The strategy for implementation is to develop a detailed plan for a solid, comprehensive marketing program, sell the plan to Downtown businesses and organizations to obtain support, initiate the program and measure the results.

The budget to implement this promotion program is \$63,000 for the first year. Some of the funding will come from the SBA organization budget; however, most of the funds will come from participating Downtown businesses and partner organizations.

Marketing and Promotion implementation actions are summarized in Table 4 in the Action Element (7). Table 4 outlines all steps necessary to accomplish promotion goals, along with timing, responsibility and partners for each. The narrative that follows provides details for each action.

The Marketing Committee should include representatives from businesses, community organizations (Chamber, civic clubs, arts, hospital, BCEDC) and target consumer segments. They will oversee development and implementation of an overall program to promote businesses, services and events in Downtown.

A "Fun Committee" should be established to create fun Downtown.

1 Build a Marketing Team

a. Expand the SBA Marketing Committee

Promotion efforts for Downtown Sandpoint have traditionally focused on retail promotions (e.g., Crazy Days, Christmas) and special events. The marketing and promotion program outlined in this section is much broader – it focuses on marketing of Downtown as a PLACE, including all goods and services in the district (personal, professional, civic, arts, culture, education, medical, social, etc.). To ensure that input is obtained from all interests, the membership of the Marketing Committee should be expanded to include representatives from various sectors (12-15 regular members is ideal). The Committee also might include representatives from target consumer groups (Downtown resident, housewife, senior citizen, high school student, vacation property manager, tourism representative – visitor center volunteer, etc.).

Volunteer Committee members will work with the staff of the SBA and a professional marketing agency to finalize a detailed marketing plan, including themes, actions, budget, timeline and sources of funds. A sound organizational foundation will be necessary for success of the cooperative marketing program recommended in this chapter. Businesses and organizations will benefit most effectively from marketing and promotion efforts by working together.

A "Fun Committee" should be established as a subcommittee of the Marketing Committee. Its purpose will be to find ways to create fun Downtown (in the context of Downtown's niches and target markets).

b. Agree on Marketing Goals and Conceptual Strategy

The Marketing Committee needs to review and discuss the marketing and promotion recommendations in this section, and reach agreement on the conceptual strategy. The discussion should include examination of marketing goals, target markets, actions proposed to achieve the goals, and methods for tracking and evaluation. Once the Committee has agreed to the conceptual strategy, they should seek proposals from marketing agencies to implement the program.

The committee should request proposals from several marketing agencies before selecting one.



Downtown Sandpoint has extraordinary assets to promote:

- Beach, lake, marina
- Sand Creek, boardwalk
- Sense of Place, character
- Great restaurants and shops
- Personal, professional, civic and medical services
- Farmers Market
- Fun events and activities

c. Hire a Professional Marketing Agency: Develop Detailed Plan & Budget

The next step is to hire a professional marketing agency to help create and oversee implementation of the marketing program. A recommended process is to send a formal "Request for Proposals for Marketing Services" (RFP) to several firms. The RFP should include an outline of the key services needed (as described in this Marketing Program chapter), and a list of criteria by which the firms will be evaluated by the Committee.

Suggested elements that the proposals should include, and upon which the Committee will evaluate (score) them are as follows (scoring is based on 100 points possible):

- The firm's qualifications (understanding of – and experience with – development of targeted multi-media marketing campaigns for similar clients) [30%, or 30 pts possible]
- Results achieved for clients with similar programs (e.g., how were results measured, and how well did the program or campaign work in terms of achieving goals?) [15%]
- Resources available in the firm (in-house and/or contracted staff and their qualifications, equipment, technology, creative team, account manager, etc.) [10%]
- Project approach (how the firm intends to implement the program, e.g., promotion materials, media placement, etc.) (NOTE: the RFP should specify which actions the Committee desires to implement in the first year.) [20%]
- Cost proposal – based on the Committee's budget for the scope of work (how the firm will allocate the budget to professional/creative fees, production costs, media placement, account management, etc.) (NOTE: Advertising agencies receive a 15% discount (commission) on placement costs from the media. The firm's proposal should specify how the 15% will be allocated within the budget) [10%]
- Results of reference checks (including references listed and not listed by the firm) [5%]
- Committee impressions from a personal interview with the firm (are Committee members comfortable with the firm's staff, professionalism and communication style?) [10%]

A copy of the Marketing Program (this Element) from this Downtown Revitalization System should be sent with the RFP (a copy of the entire System is recommended).

Once proposals have been received, a subcommittee of the Marketing Committee should review and score them. Then references should be checked, and interviews

scheduled with the top candidate(s). The Committee's recommendation to hire the preferred agency must be approved by the SBA Board of Directors.

Once the marketing agency is selected and approved, the Committee should meet with them to develop and refine a detailed plan, including Downtown brand, themes, design ideas, campaign components (brochures, ads, etc.), media placement, timeline and itemized budget. The themes, design elements and media placement all should be targeted to reach Downtown's top priority target market segments as defined in the Market Analysis.

d. Develop a Downtown "Brand"

What images come to mind when someone says: "Downtown Sandpoint?" Are the images positive or negative? Is there an image at all? These images that consumers have in their minds will determine Downtown's potential for vitality and prosperity, because image is directly connected to consumer confidence in Downtown.

One of Downtown's challenges is the impression of decline as retail competition has increased from the mall, box stores and businesses in Ponderay and Coeur d'Alene. Empty and poorly maintained buildings create an impression of dilapidation – as if "no one is home", even though there is great strength in Downtown Sandpoint (more than 340 businesses). A proactive marketing effort is needed to convey the message to strategic markets that *"Big Things Are Happening in Downtown Sandpoint!"*

Downtown's overall "image" has several facets:

- Environment (buildings, landscape, streets, cleanliness, sidewalks, amenities, beach, art)
- Attitudes (of merchants, businesses, property owners, residents, employees, shoppers)
- Activities (goods, services, lake, events, social opportunities and other uses of Downtown)
- Quality (appropriate style and sophistication of promotional activities and materials)

Figure 4.1 Building a Brand

A "brand" is the relationship between a customer and a product. The brand is the sum total of what the customer thinks and feels and how s/he interacts with the brand. Brands held in high esteem by the customer get used more frequently and therefore capture a greater share of the customer's spending.

When someone says "Sandpoint", or "Downtown Sandpoint", what images come to mind? Are they positive or negative? A branding strategy should focus on managing the customer's experience of Downtown Sandpoint at all levels. The steps to building a brand are as follows:

1. **Develop the brand team:** SBA director, board/marketing committee representatives, marketing consultant, other stakeholders (city, key business/property owners)
2. **Assess the current situation:** How do customers currently use Downtown's offerings? How is Downtown perceived by key customer segments? What is Downtown Sandpoint not? (In short, who is Downtown for, and who is it not for?)
3. **Develop the brand promise:** What does Downtown stand for, and what does it offer its target customers? (What business are we really in? How are we different from the competition? What do we do better than anyone else?) For example, Downtown Sandpoint offers a social and specialty retail environment, personal and professional services, a sense of place, an experience that is real (not a contrived sterile environment), independent businesses, and outdoor amenities (Sand Creek, marina, sidewalk dining, Farman Park). Note: This brand promise will improve with implementation of the Downtown Revitalization plan.
4. **Create the brand communications plan:** Decide how consumers and stakeholders will view your brand. Develop a powerful logo and identity program that brings your brand personality to life. Designing the logo includes selection of colors, shapes and images that speak most effectively to specific target markets. Professional expertise is needed for logo design because various design styles, shapes, colors and text fonts convey different messages to consumers through subliminal nuances. Visually, a "brand" is expressed by three main components: a product name, a graphic image, or "logo", and a marketing position statement or "slogan". The name of a product is important to its success: the name should convey a strategic message about the product to its intended markets. The logo is a graphic representation of the product, and should be constructed with a clean and simple design for maximum flexibility in its use. Together, the product name and logo answer the question "WHAT?" The slogan is a catchy and concise expression (2-5 words) of the product's unique position in the marketplace. It promotes the product's benefits to the target consumers. The slogan answers the question "WHY?"
5. **Build the brand for stakeholders:** Develop constant communication with Downtown businesses; include logo on all advertising, collateral materials, staff uniforms, equipment, etc. Encourage businesses to use the logo. Measure the brand's performance through market research, customer feedback, focus groups, etc.

Sources: National Main Street Center, Cohn Marketing Group, Downtown Boulder (CO) BID.

A logo or slogan is not a brand. The brand is the *relationship* customers express when they see that logo or slogan.

340 businesses... sending 340 different messages to consumers... create information clutter and confusion.

Downtown Sandpoint businesses collectively spent \$1.5-\$3.5 million on advertising in 2000.

If businesses invest just 10% of their current advertising budgets into a high-quality, high-impact cooperative Downtown marketing program, the campaign budget would be \$150,000 - \$300,000.

With this budget, the Downtown marketing program will be *more* effective than the sum of the individual business efforts.

Effective image development creates the desire of consumers to frequent Downtown. The foundation of Downtown's marketing image is the creation of a "brand" (see Figure 5.1 on Page 5.5). The brand should be focused on the target markets, and "speak" to those markets graphically and verbally. In other words, the brand should appeal to the values of Downtown's customers, and reflect the uniqueness of the place (its niche and most important assets).

The Marketing Committee should work with the marketing agency to develop an appropriate "brand" for Downtown Sandpoint (solicitation of Board and member business input on draft versions is recommended). The brand will be used in all of Downtown's promotion programming. Downtown businesses, organizations and events also should use the brand as part of their own promotions, so consumers receive a clear and consistent message about the place and its benefits.

e. Obtain Marketing Support from Businesses, Organizations, Partners

Once the Downtown brand and detailed marketing plan are developed by the Committee and its agency, and approved by the SBA Board, the plan must be "sold" to Downtown businesses to obtain support. Funding for the program will come from participating businesses and partner organizations (Chamber of Commerce, Schweitzer, Arts in Action, Festival, Winter Carnival). For businesses to invest in the program, they must be convinced that the cooperative approach will be a better use of their marketing dollars than individual promotions for their business.

In the year 2000, Downtown Sandpoint retail and service businesses collectively spent between \$1.5 and \$3.5 million on advertising.¹ There are more than 340 businesses in Downtown; therefore, \$1.5-\$3.5 million was spent on 340 different messages to many different market segments. It created information clutter – and confusion for consumers. Without a consistent and comprehensive image campaign for Downtown, individual business promotions are less effective. Downtown businesses will be willing to invest in a high-quality, high impact marketing program for Downtown if they can see the potential for return on their investment.

¹ Based on results of a survey of 96 Downtown businesses.

True success in marketing requires an investment. Effective implementation will ensure a high return on that investment over time.

Many businesses will not be "early adopters" in the marketing program – there will be skeptics. However, the program should proceed as planned, and businesses will join the effort when they see successful results.

Marketing program elements need to be launched simultaneously – the market must be saturated with Downtown's new image.

The marketing program outlined in this section will enhance Downtown's image and benefit businesses in every sector. The investment needed from Downtown businesses to fund this program is 10% (or more) of their current annual advertising budget. A 10% investment from businesses would net a budget of \$150,000 or more. A budget of this amount is sufficient to create an effective first-year marketing program. If done well, it will be more effective than the sum of individual business efforts. Additionally, individual businesses will be able to take advantage of "piggy-back" advertising for their own businesses (when a high quality ad for Downtown appears and catches consumers' attention, it is followed by – or adjacent to – complementary ads from individual Downtown businesses).

To be successful in soliciting commitments from Downtown businesses, Committee members will need to be prepared and persuasive (and committed to participate themselves). The agency can assist by giving a formal presentation at an SBA-sponsored meeting, and by providing effective information materials about the program. Businesses should be approached to participate as an investment: this is not a donation – it is an investment from which they can expect a monetary return in the form of additional customers over time. Monetary commitments are necessary for success of the program, but "in-kind" support also can be helpful (labor, materials, printing, distribution, etc.).

An important component of the marketing program is a formal mechanism for tracking and measuring results (see section M4). Businesses should be informed about the methods that will be used to measure results of the program, and what role they will play in helping to track results (e.g., customer counts, sales trends). Once the program implementation has begun, the Committee will need to maintain regular communication with businesses and partners to solicit feedback on the impact of the program.

At first, the effort to obtain monetary commitments from Downtown businesses is not likely to generate \$150,000. Many will be skeptical about the program. However, the Committee should not be discouraged, nor should they scale back the quality or frequency of the program. *It is important to "launch" the program strategically and aggressively!* Once the ad campaign and other promotions begin to create a "buzz" in town, and customers are talking about it, many of the skeptics will be won over and want to participate.

The initial campaign launch and first three to four months are *critical*: the market needs to be saturated with Downtown's new image. All of the marketing program pieces

A splashy "kick-off" event with lots of media fanfare should launch Downtown's new image campaign.

must be launched simultaneously so customers see "Downtown" everywhere they turn. Downtown businesses need to know when the campaign will begin, so they are ready to respond with their own ads (using the new Downtown image), inventory/services and staffing. A splashy "kick-off" event (planned by the Fun Committee), with lots of media fanfare, should include the "unveiling" of Downtown's new image, "premiers" of the new ad campaign, presentations of "coming attractions" (Downtown improvements), etc. The kick-off theme should tie in with the theme of the image ad campaign.

Note: A key element of the Spring/Summer 2002 marketing campaign is related to the 5th Avenue construction project (see sections 2.e., 2.f., 2.h. and Element 5 (Business Development), section 5). It is important to organize the marketing campaign and implement the first components as part of the 5th Avenue Construction Survival strategy.

f. Assign Responsibilities for Implementation

The Marketing Committee will oversee implementation of the program, with assistance from the SBA staff and the marketing agency. Volunteers will be needed, because the budget is insufficient to pay the agency to implement all actions (especially event planning/implementation). However, with prioritization of actions, and identification of specific goals and timelines, a comprehensive program can be implemented cost-effectively. The Marketing Committee should create subcommittees to work on specific actions and tasks – and members should recruit additional subcommittee members from outside the Marketing Committee to help with short-term tasks related to special events and actions.

Successful implementation of the marketing program depends on shared responsibility: the entire burden cannot be borne by the SBA Director, marketing agency or Committee. Businesses and organizations need to assume a role, understand their responsibilities and deadlines, and implement efficiently. The role of the SBA Director and Marketing Committee chair is to oversee implementation and coordinate efforts.

2 Promote to Strategic Local & Regional Target Markets

Downtown's top priority target market segments are listed at left. This section outlines marketing actions and themes to attract these customers. The Marketing Committee and agency will prioritize and refine this list as they develop a detailed marketing plan and budget.

Downtown's Top Priority Target Markets

1. Downtown Workers & Businesses
2. Sandpoint Residents, HHI \$35k+
3. Bonner County Residents & Vacation Homeowners, HHI \$35k+
4. Mod-to-Upper Middle Income Couples/Families within 100 Miles
5. Visiting Friends & Relatives
6. Recreationists (4-Season)
7. Business travelers: Meetings & Conventions
8. Heritage & Cultural Travelers, esp. "Weekend Getaway" Markets (Spokane, Seattle, Portland, Tri-Cities, Boise, Missoula, Canada)

Highlight local goods and services with inexpensive rack brochures.

a. Create Awareness Brochure for Downtown Improvements

Downtown needs to build excitement and momentum by informing their markets about planned improvements to Downtown. An effective and inexpensive method to do so is to create a newsletter or newspaper insert that summarizes the recommendations in this Downtown Revitalization System and contains attractive graphics ("Today" and "Coming Soon" photos - before/after - as presented in Element 2: Design). The brochure also could include upcoming events, meetings and ways for businesses and citizens to become involved (e.g., names and phone numbers of committee chairs, committee meeting dates/times/locations, etc.). The brochure should be distributed (in quantities) to all Downtown businesses. If produced as a newspaper insert, it would be distributed to all subscribers in the region. As implementation efforts progress, small follow-up bulletins should be created to highlight successes and provide updates on further improvements.

b. Develop Rack Brochures about Downtown Goods/Services

Many potential customers do not realize the quantity and variety of goods and services that are available Downtown. A series of inexpensive (but well-designed) topical rack cards or 3-fold rack brochures (designed to be updated and printed regularly) will direct customers to the goods and services they need. Potential topics include:

- *Dining & Entertainment Guide* (restaurants, bars, regular ongoing activities such as Panida Theater productions, ice skating, music, recreation, etc.)
- *Shopping Guide* (retail stores listed by category)
- *Auto Services* (sales, service, repair, etc.)
- *Business Services* (printing, fax, computer, meeting space, workforce services, wholesalers, distributors, SBDC)
- *Professional Services* (legal, financial, accounting, insurance, real estate, etc.)
- *Health & Wellness Services* (medical, fitness, nutrition, etc.)
- *Personal Services* (hair care, tanning, dry cleaning, travel services, child care, etc.)
- *Public Services* (city, county, police, fire, shelters/assistance)

Create a regular "Downtown This Month" event flier.



Downtown directional signage is often hard to see, uninviting, in poor condition or in the wrong place



The rack brochures should be distributed to Downtown businesses, the visitor center, hotels, restaurants, library, post office, public buildings and neighboring communities. They also should be mailed to vacation homeowners, and/or distributed by vacation property managers (for condominiums/cabins).

c. Produce "Downtown This Month" Fliers for Special Events/Promotions

A monthly special events/promotions flier should be developed to reach regional customers. Utilizing the Downtown "brand", a recognizable flier "template" should be created (e.g., "Downtown This Month"). The flier could be produced and printed by the Daily Bee and inserted into their total market coverage Ad-Pak edition on the last Tuesday of the month for the following month (direct distribution to 11,500 households in Bonner, Boundary and Lincoln Counties). An extra 1,000 (or more) could be printed for the SBA to distribute to Downtown businesses and easily accessible groups (Downtown residents, Chamber of Commerce, Coldwater Creek, Lighthouse, senior center, media, hospital/clinics, visitor center, hotels, vacation property managers, etc.). Downtown businesses might be willing to insert the flier into worker paycheck envelopes on the first of each month.

d. Work To Install Directional Signs To Downtown

The Marketing and Design Committees should work with the City and Idaho Transportation Department to replace and/or install signs directing customers to Downtown. Key locations are eastbound on Pine between 2nd and 1st, southbound on 5th at Poplar or Alder, at the junction of Highways 95 and 2 (Ponderay intersection), and at both ends of the byway when it is completed. The signs should be highly visible, and say "Downtown Sandpoint", with the Downtown logo and directional arrows.

e. Implement Publicity Campaign

Regular publicity about "What's Happening" will build and maintain momentum as Downtown revitalization project implementation moves forward. Actions like press releases, ribbon-cuttings, media interviews (radio, TV, newspaper) and community web site bulletins will keep citizens informed of progress (e.g., Daily Bee "Coming Events" calendar section). For significant project milestones, media kits (with press releases, project timelines, photos, schematics, etc.) and press briefings/receptions could be used.

Publicity related to the 5th Avenue construction should begin 2-4 weeks prior to the start of actual construction.

Image advertising will not be a "logo contest" – it will not include the names or logos of individual businesses regularly. Its purpose is to promote the collective strength of Downtown.

Positive changes in Downtown should be publicized at least once or twice monthly, so customers are intrigued to "come and see for themselves" what's happening Downtown. By creating a "buzz", Downtown will build momentum for revitalization efforts. Media cooperation for regular publicity will be supported if media representatives are provided accurate, detailed, and interesting press releases, and timely communication. For example, the SBA could do a weekly or monthly column in the Daily Bee.

A critical time to begin the publicity campaign is 2-4 weeks prior to the start of the 5th Avenue construction project. Customers need to know about the construction schedule, traffic routing and delays, as well as how to access businesses. A campaign that uses humor will help businesses entice loyal customers to continue doing business Downtown during the construction as they look forward to the improved 5th Avenue of the future.

f. Promote the Downtown Brand through Image Advertising, Specialty Items

IMAGE ADVERTISING: Downtown needs a major image boost! High-impact image advertising (TV, radio, newspaper, direct mail and Internet) is needed to "re-invent" Downtown's image and draw customers. To achieve results, the image campaign must be high-quality, high-impact, targeted and different. It must contain humor. It must promote Downtown as a destination, highlighting the large mix of goods and services, attractions and activities.

A series of sub-themes can be used to target specific customers, but use of the Downtown brand must be consistent. Within each series of sub-themes, ads can be tailored to highlight various categories of businesses (furniture and furnishings, restaurants, professional services, etc.). Tag lines can promote special events or retail promotions (Spring Clean-up, Sizzling Senior Days, Winter Carnival). However, the goal is to promote Downtown's overall image and benefits to consumers – not its features.

Participating businesses need to understand that their individual name, picture or logo will not appear in all (or most) image ads. Instead, the image campaign will promote Downtown's collective strength – the fact that there are more than twenty restaurants for customers to choose from, etc. Attempts to list/show every business, or buy a full-page newspaper ad and clutter it with individual business ads, will defeat the purpose of image advertising. Downtown's image ads must have a singular message (not 340).



Impressions like these, of interesting businesses, attractive buildings and pedestrian/cycling amenities will draw people and keep them coming back.



Marketing and Promotion Program

For print ads, the planning team recommends a regular weekly display ad in the Daily Bee (e.g., ¼ page B/W), supplemented by a monthly insert of the “Downtown This Month” flier in the total market coverage Ad-Pak edition. For electronic media, regular daily/weekly television and radio ads are recommended (targeting priority market segment audiences via placements during key shows/times of day). Ideally, four to six rotating image ads would be produced seasonally for each medium. Additional options include Internet advertising with links to a Downtown web site.

Content of the ads should be image-driven, focusing on Downtown’s benefits to the consumer (convenience, variety, atmosphere/character, social activity, uniqueness, service, etc.). High quality ad production is costly, so resources should not be used to produce entire ads for individual events and retail promotions (Crazy Days, Winter Carnival, etc.). Instead, those events should be highlighted in the tag line at the end of radio/TV ads (e.g., “...and don’t miss Winter Carnival this weekend!”), because tag lines are inexpensive to change. Similarly, print ads can include a text box inset for timely “events this week”. The retail promotions and special events also will be promoted in the “Downtown This Month” fliers, on the web site, and through press releases to the media.

5th AVENUE CONSTRUCTION: An exception to the above recommendation is the 5th Avenue construction theme. The Marketing Committee should work with the City, contractors, marketing agency and 5th Avenue businesses to create humorous ads (radio, TV, print) related to the 5th Avenue construction project. Ads should convey the message to customers that businesses are taking the inconvenience with a sense of humor and patience as they look forward to the future improved corridor, that they are offering extra special customer service during the construction, and counting on their loyal customers in the community to help them survive the construction.

BUSINESS USE OF BRAND, SPECIALTY ITEMS: To complement the image ads, the brand should be used by individual businesses for their own promotions, and for specialty items such as shopping bags and Downtown banners. The brand graphics should be distributed to Downtown businesses and organizations (with guidelines) to use in their own promotions. The Marketing Committee can coordinate ordering and distribution of specialty items, such as shopping bags (with Downtown brand and list of all stores), post cards, pens and seasonal/event banners.



A simple kiosk or directory like this provides welcome guidance to visitors. Maintenance of such directories is essential.

Downtown special or theme events can be sponsored by other organizations with minor support from the SBA, so as not to overwhelm SBA staff or the Marketing Committee.

g. Create Downtown Business Directories

PRINTED DIRECTORY: Downtown should consider its need for a business and organization directory for promotion, business recruitment and customer referrals. In the short term, the topical rack brochures (M2.b.) may suffice until funds are available to print and distribute a comprehensive annual directory. The directory will be useful to business recruitment efforts, and to assist the visitor center, hotels and other referral points in sending customers to Downtown. Ideally, the directory should be a convenient size (8½” x 5½”), and contain an indexed street map of Downtown with white and yellow page listings of businesses. Costs could be defrayed by selling advertising in the directory to businesses and organizations outside Downtown (such as suppliers, Schweitzer, Hidden Lakes, wholesalers and distributors), and perhaps to Downtown businesses targeting other businesses (although this project should not erode participation in other promotion funding).

WEB SITE WITH ONLINE DIRECTORY: Downtown Sandpoint should have a user-friendly web site with a searchable online directory of members, calendar of events, etc. The Marketing Committee should ensure that Downtown’s web site is linked to other web sites that mention Sandpoint (Chamber, NITA, Selkirk Loop, Dept. of Commerce, Destination Northwest, etc.). Special events and promotions could be held online to attract traffic to the site. The site address should be included in all promotion materials and advertising. Site management perhaps could be assisted by students from Sandpoint High School or NIC.

DIRECTORY SIGNBOARDS AT KEY ENTRIES: Downtown should install directory signboards at key customer contact points Downtown (such as the City parking lot on Main and Third, corner of 1st and Cedar, City Beach, etc.). The directories would include maps of Downtown with indexed list of businesses (similar to a mall directory). The Marketing Committee should work with the Design Committee to identify locations and complete design for the project.

h. Create Theme Promotions and Events per Target Markets

The purpose of theme promotions is to generate business from specific target customer segments, or during specific days/times. Theme promotions can be retail promotions, or special events. Downtown should plan regular retail promotions and special events to attract customers; however, the events should be strategic (very targeted), and not overwhelming to Committee volunteers and SBA staff. Many events can be sponsored by

other organizations, and simply located Downtown, with minor support from the Committee and/or SBA staff. Retail promotions may only require that the Committee set a theme and date, and individual businesses simply participate. No more than four major events (like Sand Creek Days or Winter Carnival) should be planned annually.

Theme events should be promoted through the “Downtown This Month” fliers, tag lines on TV/radio image ads, insets in Daily Bee, image ads, the Downtown web site, and news releases to the media.

RETAIL PROMOTIONS: Retail promotions give customers an “incentive” to come Downtown. There are four main types of retail promotion:

- Cooperative promotion emphasizes clusters of stores in the same category, promoting them together: Spring Fashion Show (apparel stores); Taste of Downtown (restaurants).
- Niche promotion targets a specific *consumer* group (rather than the product): Father’s Day; coupons for Downtown workers; student after-school specials; senior specials; Christmas shoppers’ or back-to-school checklists.
- Cross-retail promotion groups businesses with complementary goods in one retail event or in coordinated displays: home improvement (Spring Clean-up – furniture/hardware); joint window displays (apparel/jewelry); car care (tires/repair/body work).
- Discount promotion emphasizes price discounts (Crazy Days, 50% Off Winter Sale, etc.).

SPECIAL EVENTS: Special events provide customers a “reason” to come Downtown – they create something special to do and encourage social interaction at a specific time and place. The list of possible themes for events is endless; however, any events that are planned should be market-driven – targeted to priority customer segments. Theme events do not have to be major productions. They can be as simple as a sidewalk chalk art activity for kids. The goal is to generate excitement, involvement, and most importantly, business sales. Events must be planned to encourage business sales (ideally at off-peak times) – not detract from them. Examples are the following:

- Restaurant Dine-Around: sample-size specialties at restaurants; food fair with booths
- Sizzling Senior Day: mid-week/morning promotions; wellness fair; social activities
- Teen Day: job shadowing, teen fair (planned by teens); social (street dance Downtown)
- “Downtown Christmas”: “Little Angels” parade, roasted chestnuts, extended hours, Santa visits, carolers, Coats for Families drive, sleigh rides
- Farmers’ Market: Saturdays (expand to other days), with weekly produce, food, quality arts and crafts and entertainment



The Farmers Market is an ideal Downtown event.

- Music: Friday After Five, local musicians (youth, seniors, etc.) for brown bag lunches
- Grandparents/Grandkids Day: organized activities, plus shopping time
- Cultural Celebrations: Panida Theater productions, arts festivals, Cinco de Mayo, etc.
- Kids’ Activities: parade, treasure hunt, sidewalk chalk art, theme competitions
- Community Celebrations: Sand Creek Days, Winter Carnival, Festival, Lost in 50’s

Special events and retail promotions should be planned to entice customers during the 5th Avenue construction project (e.g., Best-Looking Construction Worker competition, Hard Hat Days, War Zone tours and games, etc.).

Downtown businesses and the SBA sponsor or participate in several major events each year, such as Sand Creek Days, the Festival, and Winter Carnival. The events draw people Downtown, but each event should be evaluated carefully to determine its true value to Downtown. Events are extremely time-consuming for SBA staff and volunteers. Other partner organizations might be sought to take over some planning and event management duties, or some events might be dropped altogether. Section M4 discusses methods for tracking results and evaluating success of promotional events.

i. Encourage Business-to-Business Cross-Promotion and “Cause Marketing”

To increase business sales in Downtown, businesses need to support each other – including their competition. They need to know which products and services are provided by other businesses, and direct customers there if they do not offer what the customer needs. Businesses also could share joint displays of products/services, perhaps in vacant storefronts. Cross-promotion also could be coordinated with local companies like Coldwater Creek and Litehouse to distribute Downtown Sandpoint promotions with their product sales (product tags, etc.).

Another variation to this concept is “Cause Marketing”, where businesses and their customers help a specific cause or charitable organization through special promotions. For example, customers who donate to a food or coat drive receive a discount, or a restaurant donates a percentage of the dinner price on a specific night to a local cause. These types of promotions help the community, generate business, represent good public relations for Downtown, allow customers an opportunity to feel good about doing business Downtown, and provide free publicity to the causes and the businesses because they are “newsworthy” events. Note: it is important (and another source of publicity) to do a follow-up press

Use fun and humor to create special events and promotions during the 5th Avenue construction.

Business cross-promotion helps consumers find what they need and builds cohesiveness.

“Cause marketing” presents opportunities for businesses to help the community, and for their customers to feel good about doing business Downtown. It also generates free publicity.

Citizen involvement creates “buy-in” to the Downtown – and a higher likelihood of buying goods and services there.

The Community Hall combines heritage, socializing and community bonding.



release about the results of the promotion (number of coats donated, amount of money raised, etc.).

j. Encourage Citizen Participation in Improvements

Downtown is the heart of the community: all citizens have a stake in its success. However, many citizens do not feel a sense of “ownership”. The Downtown revitalization effort presents many opportunities for citizens to become engaged in the process: plant flowers, buy personalized bricks for a plaza, adopt a tree/bench/banner, help construct the Town Square or boardwalk, participate in an “Operation Downtown” clean-up, and assist with historic preservation or customer/traffic counts. The Marketing Committee and Fun Committee should tap into the community’s volunteer spirit to accomplish some short-term projects, so citizens can re-connect with their Downtown. The 5th Avenue construction presents opportunities for citizens to support Downtown’s future improvements.

k. Highlight Downtown Heritage and Culture

Sandpoint’s recent City Centennial provided an opportunity to highlight the heritage of Downtown – its historic buildings, past/present businesses and historic characters. The Marketing Committee should work with the Historical Society to compile an inventory of historic buildings, with stories, photos and ownership/business histories for each building. A walking tour brochure could be used by schoolchildren, residents, visiting friends and relatives, and heritage/cultural tourists to enrich their experiences Downtown. Significant historic buildings also should be interpreted with historic markers, plaques or signs.



The area in front of Coldwater Creek is ideally suited for a Downtown information kiosk.

The Fun Committee should plan memorable familiarization tours for “front-liners” and media.

3 Promote to Tourist Markets

Tourism promotion for Sandpoint is the responsibility of the Greater Sandpoint Chamber of Commerce, whose tourism committee, Destination Sandpoint, plans and executes area tourism marketing efforts. The Chamber receives \$60,000-\$85,000 per year in Idaho Travel Council grant funds to support tourism promotion efforts, which are supplemented by matching funds and in-kind contributions from Schweitzer, Hidden Lakes, Silverwood, the Festival, the Chamber and SBA. The SBA should participate in Destination Sandpoint to help plan and implement tourism promotion efforts. In addition, the SBA should promote Downtown to visitors by implementing the following actions.

a. Place Downtown Info at Visitor Center, Hotels, Regional Tourist Stops

Visitors seek “things to see and do” that are unique to a community. They often prefer to shop and dine in locally-owned businesses rather than chain restaurants and stores that they can find at home. The Marketing Committee should ensure that rack brochures about Downtown’s goods and services are available at the visitor center and hotels (also in neighboring towns and visitor centers). For visitors seeking activities that require only a few hours, a self-guided historic walking tour and map should be promoted to encourage visitors to spend time Downtown. Business travelers might be offered special coupons from Downtown restaurants to encourage them to drive from hotels in Ponderay.

b. Host Familiarization Tours for Front-liners, Media

The Committee and Chamber of Commerce should co-sponsor a bi-annual Downtown familiarization tour for “front-liners” (Chamber visitor center volunteers and hotel desk employees). The tour should take place in the Spring and Fall, prior to peak tourist and ski seasons, after seasonal employees are hired. Media representatives should be invited to attend as well to encourage publicity. The Fun Committee should be assigned this project to make it a creative and memorable experience for participants (front-liners are “sales people” for Downtown).

Local residents and organizations can be sources of leads for convention and meeting business. For example, the Sandpoint chapter of the Native Plant Society is the largest in Idaho. They are hosting the statewide convention in Sandpoint in Summer 2002.

c. Package Downtown Events with Hotels and Regional Activities

Downtown events (such as Panida Theater productions) should be packaged and promoted with hotel stays, meals and other activities for out-of-town guests (skiing, lake cruises, outfitted trips, golf, etc.). These packages can be created and promoted in conjunction with the Chamber and InIdaho.com, a statewide booking service.

d. Link to Regional/State Promotions (e.g., "Selkirk Loop, NITA")

The Committee should ensure that Downtown is included in or linked to promotions sponsored by the Chamber of Commerce, Schweitzer, North Idaho Tourism Alliance (NITA), Selkirk Loop, Idaho Department of Commerce, and other tourism organizations.

e. Work with Chamber on CVB Strategies

The Chamber of Commerce should take the lead on promotion of conventions and meetings, acting in the role of a Convention and Visitors Bureau (CVB). The CVB can tap the statewide guide to associations, as well as local citizens who belong to statewide/national organizations, to provide leads for possible conventions and meetings. The Chamber should consider development of a resort tax in Sandpoint, covering *only* lodging facilities in Bonner County (hotels, B&B's, condo's, RV parks, private campgrounds), in order to generate revenue for more shoulder season promotion and sales staff. Additionally, the Chamber should pursue familiarization tours for media and motorcoach tour operators, targeting Seattle, Vancouver/Banff, leads from the Idaho Dept. of Commerce, etc.

f. Direct E/Mail Campaign to Previous Customers, VFR, Vacation Homeowners

The SBA should coordinate with the Chamber to obtain mail lists and leads from previous inquiries, referrals from residents for visiting friends/relatives, Coldwater Creek, Schweitzer, the Spokane Club, vacation property managers or the County Assessor (targeting vacation homeowners), etc. The leads should be used to conduct a direct mail campaign promoting Sandpoint as a destination, Downtown's revitalization and its products, services and events.

g. Create/Install Local Tourist Information Radio Broadcast

The SBA, Chamber, Arts in Action and other organizations/businesses should investigate the possibility of installing a low-wattage tourist information radio broadcast to inform visitors about area attractions and events. The broadcast would have a continuously-running 5-10 minute tape that highlights area attractions and current events. Signs on the highways 3-5 miles from town would alert visitors to tune in to a specific AM radio station to hear the broadcast.

4 Track and Evaluate Results of Promotion Program

Effectiveness of the marketing program can be measured by tracking results.

The results of promotion program efforts should be tracked and quantified in order to evaluate their effectiveness (e.g., return on investment). Examples of tracking methods are the following:

- Retail sales trends by category (days of week, monthly, seasonally)
- Business customer counts, average spending per customer
- Traffic counts (different times of day, days of week, etc.)
- Event attendance
- Foot traffic counts (different times of day, days of week, etc.)
- Parking space occupancy
- Inquiries or ad/coupon return rates
- Hotel sales and occupancy trends, number of groups/conferences booked
- Customer service evaluations

a. Decide on Tracking Methods to Use, Establish Benchmarks

The Marketing Committee should work with businesses and ad agency staff to decide which tracking methods are most appropriate for Downtown. Where possible (and appropriate), "hooks" or other tracking mechanisms should be used in advertising or printed materials to track results. The Committee should obtain participation commitments from businesses, and then provide them a format (printed/electronic forms) for tracking. Businesses can report results as percentage increases, rather than actual sales or customer counts, to protect their privacy; however, if some businesses are willing to share more information confidentially, it is desirable to obtain detailed figures. Counts of vehicle traffic, foot traffic, parking occupancy and event attendance can be conducted by youth or senior volunteers (or court offenders performing community service).

Tracking will need to be supervised by the SBA Director, and data should be compiled and reported at least on a quarterly basis (to reflect seasons). The first year of tracking should establish benchmarks (baseline figures) against which future performance will be measured. Each subsequent year or event will be tracked to see trends over time as promotions are implemented.

Businesses and organizations will need to assist in tracking results effectively.

b. Set Up Tracking and Reporting Logistics

A central tracking database or spreadsheets should be established and maintained by the SBA staff to organize and analyze data collected from various sources. Perhaps a volunteer or student could assist with the data management and reports. Regular reporting of results should be made to the SBA Board, Downtown businesses and promotion partners as appropriate.

c. Conduct Annual Consumer Research to Measure Behaviors, Opinions

Another way to measure performance is to conduct consumer research targeting priority market segments. Consumer research can be accomplished via mail surveys, personal interviews of Downtown customers, focus groups or telephone interviews of randomly-selected households. Questions should gather information about shopping habits, impressions of Downtown, interest/involvement in events and activities, media which influence buying decisions, customer service received, and desired products and services. A visitor survey could be conducted by distributing brief questionnaires to hotel guests and tourists at the visitor center. Results would help measure effectiveness of promotions and consumer satisfaction with Downtown. The Chamber of Commerce, NIC, Downtown businesses or media may be interested in partnering with the SBA to conduct the research.

d. Evaluate Promotion Efforts and Events, Adjust

Results of various promotion actions overseen by the Committee should be evaluated for effectiveness and adjusted as necessary. Every promotion effort will not be successful the first time. When an action does not bring desired results over time, Committee members should evaluate reasons for the lack of results, and decide to adjust or eliminate it.

The marketing actions outlined in this chapter constitute an aggressive program. The Marketing Committee cannot do everything at once. **Actions should be prioritized, and decisions made about which actions to implement the first year** (general suggestions are included in Table 4, Element 7). The general budget is outlined in Element 1, and detailed budget tables are provided in a separate hardcopy budget appendix. Element 2 (Design) and Element 6 (Organization) describe actions to enhance Downtown's physical environment and organizational structure to achieve successful revitalization.

An annual consumer survey would track changes in buying behaviors and opinions.

Based on evaluation of promotion program results, adjust accordingly.

ELEMENT 5 Business Development Program

A key role of the Sandpoint Business Association (SBA) is to coordinate business development efforts for Downtown.

The goal of “Business Development” is to adjust, or restructure, the mix of goods and services in Downtown to better serve targeted customers. Ideally, Downtown as a district needs to be a cohesive “product”. Businesses and organizations must act cooperatively and effectively to be successful. The role of the Sandpoint Business Association (SBA) is to coordinate the business development efforts.

In general, business development focuses on two key activities: business retention and business recruitment. Existing businesses must be supported for the collective success of the district, and new businesses must be recruited to fill gaps in goods, services and commercial space. To inform both of these processes, data gathering is needed about Downtown businesses and the habits of their customers. Support activities such as parking policies, design assistance and loan pools are recommended to assist businesses.

This Business Development chapter is organized into six sections:

1. Address Priority Business Issues and Customer Needs
2. Build a Business Retention Program and Tools
3. Refine and Enforce a Downtown Parking Policy
4. Gather and Distribute Market and Business Trend Data
5. Create a Construction Survival Plan for 5th Avenue Businesses
6. Recruit Complementary Businesses and Services

Table 5 in Element 7 (Action and Timeline Tables) summarizes the six steps, and specific actions for each, that are described further in the narrative that follows. Table 6 also indicates recommended timing, responsibility and priority for each action.

1 Address Priority Business Issues and Customer Needs

- Downtown's Competitive Niches
- Social, specialty and convenience retail
 - Civic and educational events/activities
 - Professional, medical, financial services
 - Personal and business services
 - Tourist and convention services for regional residents and visitors
 - Trendy upper story residential (loft apartments, condominiums)

- Downtown's Top Priority Target Markets
1. Downtown Workers & Businesses
 2. Sandpoint Residents, HHI \$35k+
 3. Bonner County Residents & Vacation Homeowners, HHI \$35k+
 4. Mod-to-Upper Middle Income Couples/Families within 100 Miles
 5. Visiting Friends & Relatives
 6. Recreationists (4-Season)
 7. Business travelers: Meetings & Conventions
 8. Heritage & Cultural Travelers, esp. "Weekend Getaway" Markets (Spokane, Seattle, Portland, Tri-Cities, Boise, Missoula, Canada)

a. Evaluate the Status of Anchors and At-Risk Businesses
Strategic businesses in Downtown must be retained. Downtown Sandpoint has key anchor businesses and attractions that draw significant numbers of customers from Downtown's top priority target markets. When people visit these businesses, they also stop in several others, creating “spillover” business throughout the district. The anchors include Coldwater Creek, the Post Office, Bonner County Courthouse, Taylor Parker Motors, motels, restaurants, grocery stores, hospital, banks, Panida Theater and City Forum. Some of these anchors, such as the Courthouse, are at risk of moving out of Downtown. In a survey sample of 96 Downtown businesses conducted by the planning team, eighteen businesses (representing 50 jobs) indicated that they may move within three years (for complete survey results, see Appendix 1). A top priority for the Sandpoint Business Association (SBA) and its Economic Restructuring (ER) Committee is to meet with the owners/managers of these entities to discuss their needs. Business recruitment and promotion efforts are weakened if anchor businesses are lost (e.g., many Downtowns have lost their post office, unaware that the USPS had concerns or unaddressed needs). The SBA/ER Committee needs to identify the needs and challenges of strategic anchor and at-risk businesses, and provide assistance to ensure that they remain Downtown.

b. Support Expansion/Diversification Candidates
Downtown Sandpoint has 340 businesses (see Table 5.1, next page). In the survey of 96 businesses, more than one-third (34%) indicated that they plan to expand or diversify in the next three years. The market analysis (Element 3) can provide to them valuable information about potential markets, trends, customer tastes/preferences and demographics. The SBA should ensure that Downtown businesses who are considering expansion or diversification receive copies of the market analysis, so that they can consider the implications of the information in their business planning. The SBA also should ensure that these businesses' needs are being met in order to accomplish their goals, provided the goals are consistent with the identified Downtown markets, niches and strategy (see Sidebar 5.1, page 5.7).

Table 5.1: Businesses* in Downtown Sandpoint

There are 340 businesses in Downtown Sandpoint (within the Business Improvement District, or BID, boundary). Table 5.2 at right lists the number of businesses by category.

Only 38% of Downtown businesses are retail goods and services, which is a low percentage for most downtowns. Ten percent of businesses are real estate/title, which is high.

Professional/Financial Services (101):

- 34 Real Estate/Title
- 22 Law
- 14 Bank/Loan/Mortgage
- 11 Insurance
- 8 Accounting
- 6 Architect
- 6 Engineering

Retail Goods (84):

- 16 Furniture, Furnishings, Floorings, Appliances, Electronics, Antiques
- 13 Apparel
- 9 Art Galleries
- 8 Food/Grocery
- 8 Misc: Sewing, Pet Supplies, Music, etc.
- 6 Gift/Variety
- 6 Sporting Goods
- 4 Books
- 3 Jewelry
- 3 Hardware/Building Supply
- 2 Photo
- 2 Florist
- 2 Office Supplies
- 2 Pharmacy

Auto Sales, Service & Supplies (12):

- 6 Repair/Service: Wash/Lube, Parts
- 5 Gas/Oil
- 1 Auto Dealer

Public/Nonprofit Sector: County Courthouse, U.S. Post Office, County Sheriff, Sandpoint Business Association (SBA), Library

* Some businesses are listed in more than one category.

Hospitality & Entertainment (51):

- 34 Dining & Beverage
- 8 Lodging & Meeting
- 9 Entertainment

Personal & Business Services (44):

- 26 Personal: Beauty/Barber Shops, Tanning, Tattoo, Laundry, Dry Cleaning
- 12 Business: Graphics, Printing, Office Cleaning, Computer Repair
- 4 Home: Interior Design, Cleaning, Lock/Key, Pest Control, Lawn Care
- 2 Travel Agencies

Health Services (35)

- 33 Medical/Dental/Health
- 2 Veterinary

Communication & Education (9):

- 3 Media/Newspaper
- 2 Computer/Internet Service
- 4 School, College, Tutoring

Construction-Special Trades (6)

- 4 Contractor/Builder
- 2 Special Trades

Manufacturing/Wholesale/Utilities (3)

- 1 Manufacturing
- 1 Wholesale
- 1 Utilities

Sidebar 5.1
National Trends Show a Glut in Retail Space, People Coming Back to Downtowns. But Shoppers Need Evening/Weekend Hours.

The United States currently is experiencing a glut of retail space:

- In 1960: 4 sq.ft. per capita of retail space
- By 1990: 19 sq.ft. per capita
- By 2000: 38 sq.ft. per capita

The above figures beg the question: how many square feet of retail space truly is needed for every man, woman and child in America? Bonner and Kootenai Counties are no exception to this dearth of retail development. Over-development weakens the business sector overall, and lowers rental/ lease rates. But there is good news for downtowns:

- Mall use is declining (there are 5,500 vacant or near-vacant malls in America): shopping trips to malls declined from 3.7 per month to 3.1 per month from 1990 to 2000
- Meanwhile, Downtown use is growing (from 3.4 to 4.4 trips per month)
- Generation Y and Empty Nesters prefer Downtowns
- Heritage and cultural travelers prefer Downtowns (historic buildings, historic walking tours, etc.)
- In 2001, 56% of Main Street/Downtown districts increased sales; 61% had new businesses, 78% increased events, and 27% increased housing units
- **More than 50% of all retail purchases in the U.S. are made after 5:00 pm and on weekends. Sunday is the 2nd busiest shopping day of the week (Saturday is the busiest)**

Sources: National Main Street Center, Urban Land Institute

c. Encourage Outdoor Dining and Entertainment

Dining and entertainment are critical to developing Downtown as a “great place to BE”. Outdoor (sidewalk) dining and entertainment should be encouraged in warm weather months. If business is good, some restaurants may expand the outdoor dining seasons with awnings and outdoor heat lamps. A variety of entertainment, such as sidewalk musicians, jugglers, children’s face painting, Old Time Fiddlers, etc., should be coordinated and promoted to entice specific customer groups at certain times (seniors on weekday mornings/afternoons, families with young children on Saturday mornings, etc.).

d. Extend Business Hours for Downtown Customers

More than 50% of all retail purchases in the U.S. are made after 5:00 pm and on weekends. Sunday is the second busiest shopping day of the week (Saturday is first). Most retail businesses in Downtown Sandpoint close at 5:00 or 5:30 p.m. during the week, earlier on Saturdays, and they are not open at all on Sundays. Extension of business hours is expensive; however, closures during times when customers want to shop contribute significantly to retail leakage. A cooperative, but incremental approach can minimize the added cost, while gradually encouraging additional business sales.

Businesses might remain open late one weekday each month (e.g. “First Friday”, etc.), extend Saturday hours (complemented by the farmers’ market or other activities/events) and/or open for 3-4 hours on Sundays. Keys to success with extended hours are to create simultaneous events/promotions to draw customers (e.g., “Friday After Five”), to promote the new hours effectively, and to make a long-term commitment to the strategy (it takes 18-36 months to “re-train” local customers). Tourists will help generate a return on the investment if the hours are promoted to them properly. The key to success is a coordinated effort and effective promotion. The current system of various (and inconsistent) business hours is confusing to customers and weakens Downtown Sandpoint.

e. Provide Visitor Information In Downtown

Thousands of tourists pass through Sandpoint on their way to and from Canada, Coeur d'Alene, Glacier Park, Spokane and other destinations. Downtown Sandpoint should provide tourist information in the form of kiosks and/or business directories that orient visitors and inform them about Downtown, the goods and services available, upcoming events, and Sandpoint's history. A good location for visitor information would be on Main Street near the City parking lot, which is being redeveloped as a town square. Additionally, brochures about Downtown should be distributed to visitor centers, hotels/RV parks and attractions in the area (Sandpoint, Bonners Ferry, Coeur d'Alene, Silverwood, Post Falls, Spokane, Libby, Coeur d'Alene Casino).

f. Address Transportation Issues: Highway, Amtrak, and Shuttle Options

A key to successful tourism development is access – by highway, air, rail and/or water. Highway travelers arrive in Sandpoint from the north and south via Highway 95, from the west via Highway 2 (from Priest River/Dover), and from the east via Highway 200 (from Hope/Thompson Falls). Traffic counts on Highway 95 have increased approximately 6% per year over the past decade, bringing more visitors through Downtown Sandpoint. However, current peak season traffic is choking Downtown, and truck traffic year-round is a safety and aesthetic concern (noise, dust, cattle urine). Traffic circulation problems need to be addressed as soon as possible to remove trucks from Downtown's core, and relieve pressure during peak season, so that Downtown can be more pedestrian and family-friendly for residents, Downtown workers and visitors alike.

Sandpoint has an Amtrak station near Downtown with daily eastbound and westbound service on the Empire Builder (from Chicago to Portland/Seattle). Bonner County has a general aviation airport that can accommodate private jets, but it has no commercial passenger service. The closest commercial airports are in Spokane, Washington (72 miles) and Kalispell, Montana (180 miles). Amtrak is financially unstable, and the Empire Builder route is at risk. Lack of commercial air service is a challenge to tourism development in Sandpoint. Although the SBA cannot change Amtrak's situation, it can work with the Sandpoint Chamber, the North Idaho Chamber, North Idaho Tourism Association (NITA) and major tourism businesses (Schweitzer, Hidden Lakes, Silverwood) to lobby for transportation improvements/incentives, and to create more effective tourism promotions, which would increase the chances of improving access (e.g., air service).



Peak season traffic (esp. truck traffic) is choking Downtown Sandpoint and creating a safety hazard for pedestrians.

A feasibility analysis would determine the viability of shuttle service between Downtown, Ponderay and Schweitzer (during ski season).



When customers receive outstanding service from well-trained staff, they spend more money.

Businesses need assistance with marketing, merchandising, product mix, window displays and advertising.

The geographic separation between Downtown, Ponderay and Schweitzer creates transportation difficulties for residents, seniors, youth and tourists. During peak season traffic, they cannot easily access Downtown businesses. A feasibility analysis would determine the viability of developing a shuttle that could travel a circular route between key areas. A shuttle might be partially sponsored by businesses (Schweitzer, hotels, Downtown businesses and the mall), and partially funded through federal or state transportation funds if it is used as alternative transportation by local residents, such as seniors.

2 Build Business Retention Program and Tools

a. Create a Low-Interest Loan and Grant Pool for Business Development

Often business and property owners have the desire to make improvements, but do not have readily available cash to do it. The SBA should work with local banks and the Panhandle Area Council (PAC) to form a low-interest loan pool for business diversification or expansion, and property improvements such as façade renovation. To make Downtown businesses aware of the program, press releases should be sent to local media, and an inexpensive brochure (e.g., 8½" x 11", 3-fold) should be produced and sent to businesses.

b. Provide Customer Service/Sales Training

"It only takes four seconds to make a first impression". Good customer service is key to retaining current customers and attracting new ones. When customers are served by knowledgeable, friendly staff, they spend more money. Word of mouth is the best advertising: satisfied customers will tell their friends and family. Customer service and sales training is available through many sources, and can be funded through Idaho Travel Council grants. Incentives such as window stickers/posters, lapel buttons, certificates and recognition in the SBA and/or Chamber business directory could be offered to encourage owners and their employees to participate. It is important for all "front-liners" – those directly serving customers – to be well-informed about their products or services, those of other businesses (for referrals), and local events and attractions.

c. Sponsor Workshops re. Merchandising, Marketing, Management, etc.

During the process of developing this action plan, the planning team interviewed Downtown business owners and managers. Many expressed a need or desire for assistance with marketing, merchandising, building façade renovation, business management tools,

etc. Workshops in areas such as marketing, merchandising, window displays, accounting and employee training were mentioned as potentially helpful. Additionally, professional design assistance to improve buildings and landscaping is needed. Workshops also should be held to discuss opportunities for business diversification and expansion based on the results and implications of market analysis completed by the planning team.

d. Create Business Advisory Team (SBDC, SCORE, etc.)

The Small Business Development Center (SBDC) provides one-on-one business counseling to assist business owners with specific challenges. The Senior Core of Retired Executives (SCORE) also provides volunteer assistance. The SBA should coordinate with these two organizations to link business assistance services with businesses that need them.

e. Provide Design Assistance for Façade Renovations

A Design Advisory Committee (DAC) should be formed to work with property owners who wish to renovate or improve their buildings. The DAC could include an architect, a graphic designer with skills in color combinations for buildings, a landscape architect, a local historian, a contractor, City Building Dept. staff, etc. The DAC would provide free advice and assistance on a limited basis to property owners. Specialized services (such as design drawings, cost estimates, etc.) may require payment on a fee-for-service basis. The DAC also would review and approve design proposals for property owners who wish to use the low-interest loan pool for façade renovations.

f. Develop Voluntary Sign Guidelines

Many business signs Downtown are difficult to read because of their color, lettering style, size, shape, height or placement. If potential customers have difficulty reading signs, they are less likely to stop. There are specific sizes, colors and lettering styles for signs that work best from a business standpoint (to attract the most customers). The SBA's Design Committee should consult with a sign design expert to assist in the development of voluntary sign guidelines. The guidelines would not be mandatory; however, they would help businesses to maximize their investment in signs by utilizing the most effective designs. Incentives could be offered to encourage businesses to upgrade their signs, such as a three-year tax credit for the amount of the sign. Traffic and pedestrian safety would be improved by reducing the "cluttered" effect of poorly designed or placed signs. The SBA Design Committee also should work with the City to review /refine sign regulations to ensure that they are customer and business-friendly while maintaining safety and visual quality Downtown.



Metal siding sometimes hides a better original façade of a building or it might be enhanced using tasteful sign placement and colors.

Well-designed business signs attract more customers. Many business signs are ineffective because of poor design or placement.

g. Communicate with Businesses via Newsletter, Fax and E-mail

The planning team conducted a survey of businesses, where the businesses expressed a need and desire for regular communication from the SBA about programs, activities and services. The SBA director and staff should continue to provide monthly, user-friendly informal bulletins to businesses (online for those who have e-mail, by fax or mail for others). The bulletin would keep business owners updated about programs (workshops, business assistance), events and promotions, committee meetings related to ongoing projects and related news. A more formal newsletter could be provided quarterly, but probably is not necessary. Instead, the SBA should provide an Annual Report to its businesses and supporters that recaps significant accomplishments from the previous year, and outlines the program of work for the upcoming year.

h. Create a Documentation System for Business Referrals

When the SBA staff receives an inquiry about products or services provided by Downtown businesses, and refers a customer to a business, they should notify the business owner. A simple way to do this is to create an inexpensive "form letter" post card, which can be completed during the customer inquiry conversation, and then sent to the business (see example at left). This referral documentation provides tangible evidence of benefits to businesses.

SBA Business Referral Card

We referred a customer to you today, (day_date).
The customer was from (location/business) and was looking for (product/service).
Sincerely,
Sandpoint Business Assn.

**Sidebar 5.2
Survey Results re. Parking**

Customer parking is a problem for 70% of businesses:

- "Often" for 35%
- "Sometimes" for 35%
- "Never" for 27%
- Worse in zones 1, 3 and 4
- Less in zones 2 and 5

Employee parking is a problem for 58% of businesses:

- "Often" for 29%
- "Sometimes" for 29%
- "Never" for 40%
- Worse in zones 1 and 3
- Less in zones 2, 4 and 5

3 Refine and Enforce a Downtown Parking Policy

a. Complete a Comprehensive Parking Analysis and Plan

Downtown parking is a problem for many businesses, their employees and customers, as evidenced by the responses to a business survey conducted by the planning team (see results in Sidebar 5.2 at left). The SBA Design Committee should work with the City to complete a comprehensive parking analysis of Downtown. The Committee already has completed an inventory of current on-street and off-street parking. This baseline data should be used to identify leased or private spaces verses public spaces, the ratio of parking units per thousand square feet of built space in each block, etc. Following the analysis, the plan should provide specific recommendations about the quantity, type and location of additional parking needed, to complement the recommendations of the planning team.

A parking policy and fee structure should encourage Downtown customers, and discourage abuse of prime parking by business owners and employees.

b. Improve and Assign Designated Employee and Customer Parking Areas

Priority for on-street parking in Downtown must go to customers, not business owners or employees. However, if owners/employees are to use designated parking lots, the lots must be accessible, well-lit (for safety) and paved. The walking routes to and from the lots also must be well-lit, maintained with sidewalks. The parking plan should identify areas to be designated for employee parking in each zone of Downtown (see Figure 5.1, next page).

c. Create Signed Agreements for Business Owners and Employees

Once appropriate designated parking is in place, business and property owners should be asked to sign a voluntary policy or agreement to use designated lots – and to require their employees to use them. Business owners could watch for violators, and issue special tickets to them (tickets could be light-hearted). Fines could go into a fund for a Downtown Employee Appreciation Day, events, promotion, beautification, etc. If designated employee parking is created according to the parking plan, and a reasonable parking policy is enacted and enforced, Downtown businesses should experience far fewer parking problems for their customers and employees.

d. Evaluate Pro’s and Con’s of Fee vs. Free Customer Parking

Fee parking has been identified as a detriment to business Downtown because fees (parking fees, passes, fines) discourage customers. However, fees also prevent abuse of prime parking locations by Downtown business owners, employees and residents. They also create a significant potential revenue source for the SBA. The comprehensive parking analysis and plan described in section “a.” above should include an analysis of the impacts of fee versus pay parking for customers, the issues involved, and how to resolve them. Business owners (and their employees) and Downtown residents (upper-story apartments/condominiums in Downtown core) should be required to purchase parking leases/passes and park in designated areas if they do not have private, off-street parking available.

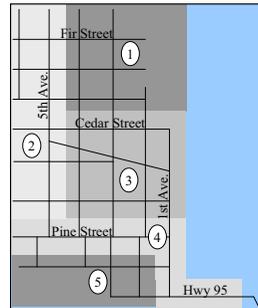


Figure 5.1: Downtown Zone Map

4 Gather and Distribute Market and Business Trend Data

a. Distribute Copies of Market Analysis to Businesses

The market analysis (element 3 of this document) provides valuable insights to Downtown businesses about market demographics, trends, top priority customer segments and how to serve them. A copy (printed or electronic) of the market analysis should be distributed (or made available on request) to all Downtown businesses. Workshops about the implications of the analysis, and planned SBA action to address them, also would be useful.

b. Conduct Regular Foot Traffic and Parking Counts

Information is power. The SBA needs to possess good data about customers and traffic Downtown in order to retain and recruit businesses, and to track the results of promotions over time. Foot traffic and parking counts should be conducted at different times of the day and days of the week to begin seeing trends. Volunteers or community service workers could be recruited to assist. The SBA director should oversee this effort to ensure consistency.

The SBA needs good data about customers, and foot traffic counts to retain and recruit businesses, and to evaluate promotions.

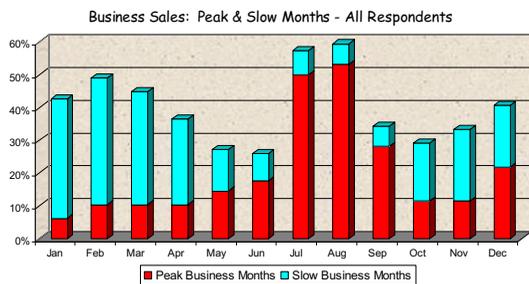


Figure 5.2

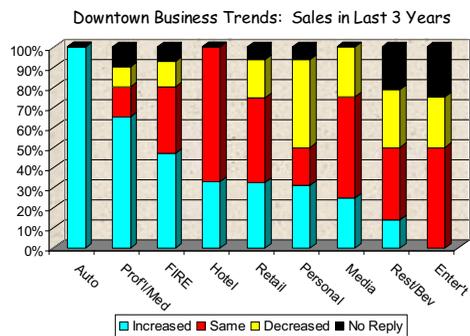


Figure 5.3

c. Track Seasonality Trends (Recruit Businesses to Help)

The SBA needs to know how seasonal trends affect different types of businesses in different locations Downtown. The survey of businesses conducted by the planning team (Appendix 1) revealed that although the busiest months for Downtown businesses are July, August, September and December, peak months for some businesses are slow months for others and vice-versa (see Figure 5.2 at left). For example, retailers are busiest in July-September and December, accountants are busiest in January through April. The ER Committee should ask various businesses to track seasonal foot traffic and sales trends in their business, with information recorded on specific dates and times. The information then can be compared to events, weather changes and overall traffic counts to see trends. It also can be used to plan promotions for slow times of year, targeting specific customer/business segments.

d. Conduct Annual Business Survey, Distribute Results

The planning team conducted a survey of Downtown businesses to learn about business priorities, needs and trends (see Figure 5.3 at left and Appendix 1). The SBA should conduct similar surveys annually, and publish the results in their monthly bulletin or Annual Report. The surveys can be very brief (1-2 pages), and obtain basic information about business type, approximate location (zone), business sales trends, future plans and suggestions for the SBA.

e. Track Visitor (Tourist) Data and Expenditures

Tourism trends can be tracked through traffic counts, hotel sales, event attendance, visitation to attractions, visitor center inquiries and visitation, and individual business tracking. It is important to track visitors and revenues in order to evaluate the effectiveness of tourism promotions. The SBA should coordinate with the Chamber of Commerce to track and share tourist visitation data, and then report the results to Downtown businesses, local elected officials and tourism partners. Every visitor inquiry should be tracked, and information obtained about the visitor's home origin (city/state/country), party size, duration of stay, planned activities and source(s) of travel information (how they learned about Sandpoint).



5th Avenue is a major gateway into Sandpoint.

The key to successful construction survival is communication: between the City, businesses, contractors, the SBA and customers/visitors.

5 Create Construction Survival Plan for 5th Avenue Project

a. Meet with City, Contractor and ITD to Discuss Schedule

The 5th Avenue construction scheduled for Summer 2002 will impact businesses along the 5th Avenue corridor and throughout Downtown Sandpoint. The SBA's ER Committee should coordinate a meeting with the Idaho Transportation Department (ITD), the City Public Works Director, the project contractor and 5th Avenue businesses to discuss the construction schedule, expected construction milestones, traffic control and emergency plans, etc. The SBA should serve as an advocate for the businesses to ensure that their needs and concerns are addressed.

b. Request Weekly Meetings between Contractor, City, Businesses, SBA

A key to business survival during a major construction project is communication. The SBA and 5th Avenue businesses should insist that weekly meetings with the contractor and City staff are held at a regularly scheduled time and location (e.g., every Thursday morning at 7:30 am). At the meetings, businesses will be able to express concerns, make suggestions, and obtain answers to questions. The contractor and City will respond to business concerns to the extent possible, and provide weekly construction project updates.

c. Address Business Concerns (Access, Parking, Water, EMS, etc.)

The City and the contractor need to provide construction mitigation plans to businesses in advance of the construction so that businesses can prepare for operational changes. Issues to address include access, signage, parking, water/sewer/power service interruptions, dust abatement, emergency services and traffic control.

d. Create a Public Relations and Promotion Plan

The SBA's Marketing Committee will be in charge of the construction survival promotion strategy. Humor and creativity are the best defenses against customer inconvenience, dust, noise and confusion. A week-by-week promotion campaign, including press releases and coordinated advertising, should be outlined before the start of construction. Campaign implementation should begin at least two weeks prior to construction and last the duration of the project. Other communities in similar situations have used billboards/signs ("Rome wasn't built in a day. If it was, we would have used their contractors."), "Downtown Improvements Ahead", contests (Best-Looking Construction Worker), special sales (Hard Hat Days), tours for school groups, direct

mailings, daily construction updates in local media, etc. The key is to “make lemons into lemonade” by communicating regularly with consumers before, during and after the construction. “Before” and “after” renderings of the project, along with the construction schedule, should be displayed in local media, and in strategic high-traffic areas around town (post office, courthouse, city hall, library, visitor center, SBA office, etc.).

6 Recruit Complementary Businesses and Services

a. Create an Inventory of Available Commercial & Residential Space

The ideal vacancy rate (ground floor) in a healthy downtown is 5% or less. Before a concerted effort can begin to recruit tenants or owners for empty spaces, an inventory and descriptions of the space should be compiled. The inventory should include space location, size, specifications (utilities, etc.), features, condition, ownership, history, cost, terms, potential best uses, parking, access, etc. Information can be obtained from the property owners themselves or from realtors. When a potential recruit is identified, the appropriate targeted spaces can be identified to match the target’s needs. The ER Committee should establish a sub-committee to work with property owners and realtors to obtain information on a standardized form (provided by the SBA). The forms containing details should be kept in a 3-ring binder at the SBA office, and the information summarized for the business recruitment packet.

b. Tap/Create Recruitment Incentives and Benefits

The SBA should emphasize to potential recruits the benefits of locating their business Downtown. There are a number of benefits created by the SBA, local planning efforts, the Business Improvement District (BID) and the City (see Sidebar 5.3 at left). Those benefits include:

- SBA Professional Management: the Sandpoint Business Association (SBA) has a certified, full-time professional Downtown manager to implement business and economic development strategies.
- Downtown Streetscape Enhancements (as outlined in Element 2) the Downtown entrances, lighting, sidewalks, parking, public space and atmosphere will be improved to draw more customers and encourage business development.

A key benefit to Downtown business location is coordinated promotion of Downtown Sandpoint to local consumers and visitors by the SBA, the Chamber of Commerce and the BCEDC.



- Pro-Business Government: City leaders have demonstrated their desire and support for business development in Downtown. Regulations and codes have been examined by the planning team, and recommendations made to the City to facilitate business development and renovation of historic buildings while protecting the public interest.
- Active Chamber of Commerce and Economic Development Council: The Greater Sandpoint Chamber of Commerce is a partner with the SBA in business issues and support activities, and spearheads area tourism promotion and visitor services. The Bonner County Economic Development Council (BCEDC) focuses on recruitment and retention of diversified businesses and family-wage jobs to the county.
- Networking: the SBA provides meetings and business social events for Downtown businesses to meet each other, discuss common issues, and provide feedback on SBA activities. Businesses should be encouraged to patronize each others’ services.
- Low-Interest Loan Pool: the SBA and Panhandle Area Council (PAC) are establishing a low-interest loan pool for businesses to tap for business expansion, diversification, building façade renovation, etc.
- Location Costs: commercial buildings and space are less expensive Downtown than in other parts of North Idaho. Business development Downtown is a good investment as the revitalization plan is implemented and property values increase.
- Downtown Promotion (as outlined in this document): Downtown businesses will work cooperatively to address business hours, customer service training, targeted events, and strategic marketing. Promotions will benefit all businesses Downtown.
- City/County Promotion: the Great Sandpoint Chamber of Commerce takes the lead in tourism promotion targeting visitors from the Northwest, Canada and California.
- Idaho Corporate Income Tax Reduction: corporate tax rates were decreased in 2001 from 8.0% to 7.6%.
- Workforce Training Funds: the Idaho Dept. of Labor has workforce training funds available to businesses. The amount depends on the type of business and location.
- Low Crime Rate: The overall crime rate (per 100,000 people) in Bonner County declined about 47% between 1990 and 1999; and the actual number of offenses decreased by 7% during that period (from 1,000 offenses in 1990 to 915 offenses in 1999). The low crime rate contributes to a positive business environment and high quality of life in Sandpoint.

Sidebar 5.3
Benefits to Downtown Business
Location include:

- ◆ Professional Downtown management (SBA)
- ◆ Downtown streetscape enhancements
- ◆ Pro-business city government
- ◆ Active Chamber of Commerce
- ◆ Networking opportunities
- ◆ Low-interest loan pool for businesses
- ◆ Attractive location costs
- ◆ Downtown promotion
- ◆ City/county tourism promotion
- ◆ Idaho corporate income tax reduction
- ◆ Workforce training funds
- ◆ Low crime rate

c. Work with Property Owners to Prepare Space

The SBA's ER Committee should seek and provide resources to Downtown property owners with vacant or underutilized space. Often property owners will not invest in redevelopment or building upgrades until they have committed tenants. However, large spaces formerly used for retail may be too large for today's retail environment (e.g., businesses no longer need large storage spaces because they have just-in-time delivery services). The SBA should encourage owners of large retail spaces to consider redevelopment of spaces to be flexible for uses that require varying sizes and shapes of space. While the buildings or spaces are vacant, the Committee should work with the property owner, other businesses and local civic/youth organizations (e.g., Arts in Action) to "adopt-a-window or storefront". The business or organization would fill the storefront with art, merchandise or interesting displays, and maintain the window and storefront (wash windows, clean/shovel sidewalk, etc.). In this way, property owners benefit from more attractive frontage that is maintained, other businesses or organizations benefit from promotion, and Downtown benefits from the aesthetic improvement of interesting window spaces.

d. Identify Target Businesses (e.g., Bakery, Value-Priced Merchandise)

Businesses targeted for recruitment should address strategic markets, complement existing businesses and fit into Downtown's established niches. Types of businesses that would be ideal targets are a bakery, value-priced general merchandise (to serve Downtown workers, neighborhood residents and visitors), visitor information services, a college branch and/or arts institute, Farmers Market tenants, Schweitzer presence, business support services (medical, telecom/video-conferencing), vendor carts (hot dogs, popcorn, scones), child care, etc. (see examples, Sidebar 5.4 at left). Potential targets can be identified by surveying businesses to determine what goods and services they buy (supplies, medical support services), or to obtain ideas for complementary businesses, that might be suitable as potential recruits for Downtown. Part of Downtown's character is the proliferation of locally-owned businesses. Downtown should promote its strength of unique, locally-owned businesses to differentiate itself from competitor business districts.

Businesses best suited for the Downtown pedestrian core (First to Fifth Avenues, Cedar to Pine) are those which generate high amounts of foot traffic during peak business hours. Businesses which ideally should not be located on the ground floor in this area are churches, martial arts studios, schools, second-hand stores, etc. These uses are appropriate either on upper floors of buildings, or in more auto-oriented areas of the district. Because

families, seniors and tourists are priority target markets, adult bookstores, rough bars and similar businesses should be encouraged not to locate in Downtown Sandpoint.

Expansion of the farmers market is an important target for business recruitment. The market creates activity, traffic and excitement if it includes fresh fruits, vegetables and baked goods; quality crafts and artisans; entertainment; etc. Customers enjoy the social atmosphere and spend money not only at the market, but also at other Downtown businesses. The market can take place Saturday mornings only, or expand to other days seasonally. The market also can serve as a small business incubator, as vendors move from temporary to permanent stalls, and then to retail space in the Downtown.

e. Create a Business Recruitment Packet

A business recruitment packet is needed to provide information to business prospects in a concise and accurate manner. The packet should look professional, incorporating the Downtown image. The packet contents should include the following:

- An overview to "sell the vision" of Downtown (SBA mission, goals, revitalization plans)
- Brief information about Sandpoint, the Downtown district, population and economic data, taxes, City permits and fees, a synopsis of local and area growth
- Highlights of business and market research indicating the types of businesses needed, market potential and competition
- Benefits of locating in Downtown Sandpoint for specific types of businesses
- Information about available commercial space (from realtors, property owners), loan pools, business assistance and workforce training programs, etc.
- Quality of life information, such as housing, schools, recreation in the area, cultural opportunities, low crime rate, etc.

f. Pursue the Deal: Make Contacts and Follow Up

Once business recruitment targets have been identified and a sales packet assembled, SBA representatives (Director and/or ER Committee members) should contact the business, discuss the possibility of their locating in Downtown Sandpoint and provide the packet of information if they express interest. *It is important to assign knowledgeable professional staff or volunteers to specific business targets, and to have that person remain the key contact throughout the recruitment process.* The local contact person's timely response to the recruit's questions, needs and challenges will make the difference between a decision to locate in Downtown or elsewhere.



Business recruitment is a sales activity. A sale is "closed" only when the product (Downtown Sandpoint location) meets the needs of the customer (business being recruited). Success is based on finding businesses that fit well into Downtown's competitive niche.

**Sidebar 5.4
Possible Downtown Business
Recruitment/Diversification
Targets**

Social Retail (places to meet, "see and be seen", enjoy entertainment):
Bakery (e.g., Great Harvest), farmers market tenants, fitness club, Internet café, arcade for youth, college branch and/or arts institute

Specialty/Convenience Retail:
Value-priced general merchandise (e.g., King's, Dollar Store), specialty deli/take-out, child care, vendor carts.

Tourist Services:
Visitor information center, Schweitzer presence, shuttle transportation.

Business Support Services:
Medical support services, computer support, telecom/video-conferencing, other services identified by businesses.

Residents who live in or near Downtown tend to buy 3-5 times more goods and services in Downtown than other local customers.

Sandpoint is a “college town without a college”, and one of America’s “100 Best Small Art Towns”.

A higher education and job training center, and/or an arts institute, will enhance Sandpoint’s quality of life, while attracting jobs, new businesses and visitors.

g. Recruit Housing Development to Downtown

Downtown residents are good Downtown customers. Nationally, people are moving back into Downtowns – particularly in renovated historic buildings (trendy loft apartments, condominiums, etc.). There are several buildings in Downtown that are suited to residential development. The SBA should work with appropriate property owners and the City to explore the possibilities for Downtown housing, including the adaptive reuse of historic buildings, former upper-story apartments, etc. The SBA also should advocate for regulatory support for second floor apartments and condominiums.

h. Bring a College Branch and/or an Arts-Oriented Institute to Downtown

Sandpoint has been called a “college town without a college”. Higher education is important to business retention and recruitment, and to quality of life. The Bonner Education and Technology Alliance (BETA) has been working for the past three years to develop a higher education center in Sandpoint, and has succeeded in bringing a small North Idaho College outreach center to Sandpoint. BETA is working to encourage consideration of the Ninth Grade Center (former 1922 High School) on Euclid and Pine as a central location for job training and post-secondary education. The Center would need to be acquired from a private trust and refurbished. Potential partners in the project include the City of Sandpoint, Bonner County, the University of Idaho Cooperative Extension and the Idaho Department of Employment. Such a facility in this location would provide a strong anchor for Downtown Sandpoint’s west entrance.

Sandpoint also has been named one of America’s “100 Best Small Art Towns”. Downtown should capitalize on this designation, and the proliferation of artists in Bonner County, by recruiting (or developing) an art institute. The institute could consist not only of art education, but also art technology development, artists’ studios, a gallery, retail shop, business incubation and other services to support art and artists.

i. Recruit Horse-Drawn Trolley to Return to Downtown for Transit, Tours, Events

A former attraction in Downtown Sandpoint was a horse-drawn trolley which provided transportation and guided tours to residents and visitors. Increasing truck traffic created a safety hazard for the horses and passengers, so the trolley was discontinued. However, when alternative circulation plans are implemented, the SBA should recruit an entrepreneur to again offer the horse-drawn service, and assist them with sponsorships.

The next chapter of this document addresses a key factor in business recruitment and retention: marketing and promotion. Downtown Sandpoint must have an effective marketing and promotion program in order to recruit and retain businesses.

ELEMENT 6 Organizational Development

Teamwork is Essential

The entire community has a stake in Downtown Sandpoint’s vitality. For this and other reasons, the entire community needs to work together to make the Revitalization System work.

The formula for organizational success is relatively simple. The Revitalization System calls for broad participation in implementing System elements. In a world of limited resources, it makes sense to maximize collaboration. For example, community organization can help purchase such items as street trees, lamp posts and benches. Churches, school classes, service clubs, other nonprofit organizations, seniors groups, and arts associations can all participate.

In recent years, local citizens and organizations have had difficulty joining together to accomplish public projects. However, the City Council, Mayor and Sandpoint Business Association have initiated a new era of collaboration. They’ve worked hard to engage the community positively in revitalization efforts. They are actively listening and reaching out to other organizations. The resulting sense of team comes at the perfect time. Through this collaboration, and maximizing public participation, the following benefits will be derived:

- ◆ Broader sense of ownership of downtown will occur.
- ◆ Planning for individual elements, like public art, will be left to citizens. Projects will reflect the personality and values of Sandpoint.
- ◆ Local match, including volunteer labor, will be maximized. This will improve Sandpoint’s competitiveness for outside grants.

- ◆ People from different backgrounds will gain experience working as teams. This experience will build local capacity, energy and expertise in collaborative self-help projects.
- ◆ Sense of community will expand as people bond more with their neighbors.
- ◆ A can-do spirit will increasingly overcome historic pessimism that has stalled a number of past community projects.
- ◆ No organization will be overwhelmed with work. Spreading the labor will reduce the individual burden.
- ◆ Many smaller base hits will build the sense of momentum needed to energize the community as a whole.

At the heart of this collaboration will be a public-private partnership. The City and Sandpoint Business Association will work to coordinate their respective activities. Many governmental actions (especially those related to infrastructure, circulation, maintenance and regulatory environment) have substantial impacts on business vitality. By communicating closely with each other, the City will ensure that its efforts maximize benefits to the economy and community. Meanwhile, the private sector will undertake projects that respect the limits of government and contribute to the community's vitality as well.

Implementation of the Revitalization System will be facilitated by SBA. While there are a variety of roles for about twenty five entities (specified in the Action Plan Tables in Element 7), the Sandpoint Business Association will act as the central facilitator. At various times the organization will assist others, coordinate communication, arrange meetings, seek grants, and activities as necessary to support implementation. In many cases, other organizations, businesses or individuals may be in a leadership role for specific actions. In short, there is no one "boss" or leader. This is a cooperative effort.

Two sets of organizational actions that are needed to implement the Revitalization System. The first pertains to team-building. The second relates to attracting resources. Implementation details related to these actions can be found in Element 7 (Action and Timeline Tables) Table 6.

Figure 5.1: The Revitalization System is built upon a collaboration of community organizations, citizens and City government, as illustrated above. Through regular interaction and communication, they will seek means to cooperate in undertaking community development actions. While there is no Head of the alliance, each member may guide or lead efforts that are central to their purpose. By sharing the load and partnering, they will move the community forward.

1. Refine the Development Team.

Success in this effort depends more upon a commitment to the principle of partnership than it does on establishing new organizations. The key is strategic cooperation (see Figure 1.4 on the next page). The method is regular communication. Five actions will build the cooperative effort necessary for success.

- ◆ Establish "Sandpoint, Inc.," a Team Forum. The SBA will act as a facilitator in organizing regular (perhaps monthly) luncheons where community development organizations meet to share opportunities and address challenges. The primary goal will be to create a strong sense of team among participants. Each will continue to lead its own programming. In addition, members will seek to strengthen collaborations to improve the community. It is essential that City government is represented. Other members of the core team should include the Sandpoint Business Association, Bonner County Economic Development Corporation (BCEDC), Chamber of Commerce, Destination Sandpoint and service clubs. Luncheons should be open to anyone who wants to participate. Entities like the school district may be encouraged to send representatives. SBA will organize times and places for the meetings and take minutes as necessary. Luncheons can be simple "brown-bags" to keep the cost down. Details of how Sandpoint, Inc. operates can be defined over time as participants build it into a true collaborative forum.
- ◆ Enhance SBA Committees. The Sandpoint Business Association's Executive Director will enhance the SBA committee structure according to guidelines from the National Main Street Center. Four standing committees will operate to address Design, Business Development (Economic Restructuring), Promotion and Organizational Development. These committees, under the direction of the SBA Executive Director, will provide the primary energy in moving the Revitalization System forward. More detailed recommendations for these committees are provided in Elements 2, 4 and 5 of the Revitalization System. The SBA Executive Director will coordinate communication with downtown businesses and the public. Needs to oversee committees and budget, but not do committees' work.

- ◆ Engage the Community. As noted earlier, great downtowns are “owned” by the entire community. Citizens have a stake in the vitality of the town center. SBA and its partners are encouraged to engage citizens as much as possible in Revitalization projects and on committees. People of all ages should be invited. Some downtown organizations around the U.S. even have “Youth Boards of Directors.”
- ◆ Promote the Revitalization System to Resource Agencies. The City and SBA should arrange to send a team to Boise to introduce the Revitalization System to State and Federal agencies. Since outside resources will be needed for many of the physical improvements, it is important to build awareness and support among these other partners. A united voice and team in the form of a public-private partnership will go far in this effort.
- ◆ Build an Advisory Team: Regional and state agencies are available to help support revitalization efforts. SBA is now working to establish stronger, more systematic ties with Panhandle Area Council, Small Business Development Center Network, Idaho Department of Commerce, North Idaho College and University of Idaho.

2. Seek Phase 1 Resources

We all know this is a world of limited resources. With over two thousand communities in the intermountain northwest, competition is fierce for outside community development resources. Those who are most successful in this effort are first and foremost organized as teams that endorse a clear strategy. The following actions will go far in helping Sandpoint succeed in its own efforts to attract funding and technical assistance.

- ◆ Grow Local Support: Emphasize Outreach. The City and SBA needs to continue their efforts to expand public awareness and support for the Revitalization System. This CD should be broadly distributed. Representatives should speak to local service clubs, hold open houses, and work with the press to explain the various facets of the System. A brochure should be created and sent to businesses and households. A periodic newsletter also should keep people updated. During the first six months, this

- System should become the “Talk of the Town.” People also should be encouraged to participate in the detailed planning and implementation of System projects. Everyone should have an opportunity to participate.
- ◆ Establish a Loan Pool for Improvements. The SBA is working with Panhandle Area Council to establish a loan pool for façade improvements. Depending upon demand (which could be clarified through a brief survey), SBA should also approach local banks about establishing loan pools for other private sector improvements and development. Such pools, if they are to be organized by SBA, should have some level of review and approval by the SBA board. That is, if special funds are made available for revitalization efforts, those who receive them should be undertaking activities consistent with the System.
 - ◆ Expand the Local Grantwriting System. The City of Sandpoint has an exceptional grant writer on staff. The Revitalization System will call on this person’s time extensively. To enhance his success, SBA and other organizations will need to be prepared to help with support activities. For example, grantors sometimes expect to make site visits. SBA and its partners could make appropriate arrangements to host these visitors and provide tours of downtown. SBA’s executive director should take the lead in this effort.
 - ◆ Tap Service Clubs & Churches. There are many facets to the Revitalization System. Community organizations will be encouraged to sponsor such things and street lights, outdoor furnishings, kiosks, and landscaping. By spreading the participation, three assets are created: broader ownership and support for the project; a higher level of local match for potential grants; enhancement of the local sense of team.
 - ◆ Encourage Youth Involvement. Most people agree that youth are our future. However, many towns forget to engage their youth in development. The Revitalization System will encourage youth participation in practically every facet of implementation. In addition to their insights and energy, the community will benefit through the stronger bonds and citizenship created through volunteer action. This is likely to keep more youth as citizens after high school or bring them back home after college.

- ◆ Encourage Seniors Involvement. There will be many opportunities for involvement of seniors in implementation as well. This groups is often the most valuable in comprehensive revitalization due to their long experience, range of skills and their availability. SBA will be strongly encouraged to build a team of senior volunteers.
- ◆ Build Local Match. Nearly all grants these days require a significant level of local matching funds. The higher the match, the more competitive the application. Both public and private dollars can be used in most cases so it is essential to solicit local organizational support. In addition, volunteer hours can typically be used as "In Kind" contributions, equivalent to dollars. SBA will seek such support and track the amount of time offered.
- ◆ Take the Revitalization System Plan to Boise. It will be important to organize a visitation by the Revitalization Team to government and agency officials in Boise. The visitation will include presentations and handouts to build awareness and support for Sandpoint's program. This action will help demonstrate the strong merits of our System and is certain to improve our competitiveness if implemented well.
- ◆ Seek Plan Endorsements. Letters of endorsement from citizens, businesses, property owners, elected officials, government staff and other leaders will be very helpful in two ways. First, the endorsements will encourage others to support the System. Second, potential grantors will be far more likely to provide grants if they see such demonstrations of broad support.
- ◆ Seek CDBG in November, 2002. Timing is excellent to seek a Community Development Block Grant in November. This grant will go far in funding Phase 1A improvements. There is much preparation to accomplish in the meantime to make this effort succeed. Element 2, Design, outlines the necessary steps.
- ◆ Begin construction of Phase 1 in summer of 2003. With a CDBG grant and support from property owners on 2nd Avenue, construction could begin on Phase 1A by the summer of 2003. This is a realistic goal and will be the team's focus during 2002.

Engage Community Development Partners on the Team

Sandpoint is blessed to have a significant number of organizations pursuing community improvements. Many of these entities could become valuable partners in the Revitalization System. The list below, not intended to be comprehensive, offers food for thought on how the partnership can be expanded:

- ◆ City: Partner with the SBA on streetscape enhancements, parking, transportation, circulation, signage solutions, and zoning/code issues (housing, UCBC, UCADB, biz signs, etc.)
- ◆ County: Collaborate on means to keep the courthouse downtown and to improve parking and access challenges
- ◆ Chamber of Commerce: Partner for tourism promotion, business retention/recruitment, 5th Ave construction planning, workshops for businesses
- ◆ Bonner County Economic Development Corporation: Partner for business development/recruitment in general, perhaps contribute time and/or resources to support tourism programming. (Note that business relocation candidates often first come to a community as tourists)
- ◆ Panhandle Area Council: Partner for grant writing, low-interest loans, workforce training, business recruitment, etc.
- ◆ Small Business Development Center: Partner for business assistance and training
- ◆ Community Assistance League: This very active women's service club has a community grant program for community projects (\$20-\$40,000 annually). It has the capacity to attract resources quickly, and is well-organized. Partner for Downtown clean-up, events, public art and other projects.
- ◆ Bonner Education and Technology Alliance (see description below): Partner for higher education center in or near downtown.
- ◆ Arts in Action: This "umbrella" organization for various arts groups in Bonner County, would be ideal to engage area artists in bring public art and cultural opportunities to the downtown. Arts in Action is affiliated with

- North Idaho/Kootenai County arts organizations. It is currently working on placing art in vacant windows in downtown.
- ◆ Festival At Sandpoint: Partner for Sandpoint promotion and complementary events in downtown
 - ◆ Winter Carnival: Partner for events in downtown (ice sculptures, parade, etc.), and promotions
 - ◆ Idaho Transportation Department/Byway office: Partner on byway and downtown entrances design and community involvement in the process
 - ◆ Ponderay Community Development Corporation: Partner on tourism and transportation projects
 - ◆ North Idaho Tourism Alliance: Partner on regional tourism promotion strategies and projects
 - ◆ International Selkirk Loop ("The Loop"): Partner on tourism promotion strategies
 - ◆ North Idaho College: Partner through its outreach office on a potential education center and on project assistance from NIC faculty and students via class projects (e.g., marketing, surveys, business research, etc.)

Element 2: Design Action Table 2.a

Committee Program Action Detail	Phase 1 Demonstration Project/Physical Improvements Action Plan Element 2, Table D						Lead/Partners (See Code Key)	Priority	
	TIMING								
	2002	2003	2004	2005	2006	Later			
D1. LID Formation and Confirmation									
a. LID Administration							City, PDT	1	Key to Codes: AC Arts Commission Bd SBA Board of Directors Biz Businesses CC Chamb. of Commerce City City of Sandpoint Cn Contracted Service DE Design Cmte ED Executive Director EDC Bonner Co. EDC ER Econ Restr. Cmte FM Farmers Market Mgr HS Historical Society ITD Id Transportation Dept MC Marketing Cmte PAC Panhandle Area Council PDT Project Design Team OR Organization Cmte NIC North Idaho College NITA N Idaho Tourism Assn SBDC Small Biz Devt Center Sch Schweitzer UI University of Idaho Vol Volunteers
1 Select Bond Attorney									
2 Select Engineer									
3 Informal LID Information Meeting									
b. LID Formation Process							City; PDT, Bd, Biz	1	
1 Prepare LID Roll									
2 LID Formation Hearing									
3 LID Input from Property Owners									
c. LID Formation (Go/No Go Decision)							City; PDT, Bd, Biz	1	
d. LID Confirmation (Closing)							City; PDT, Biz	3	
D2 Secure Grants and Financing									
a. Community Development Block Grant							City; PDT, Bd, Biz	1	
1 Apply for Block Grant									
2 Presentation in Boise									
3 Supplement Grant Application									
4 Secure Block Grant									
b. Commitment of City Funding							City	2	
c. Seek Outside Grants and Civic Partnerships							City; ED, Bd, Biz	2	
D3 Design Phase 1 Improvements									
a. Define Scope of Phase 1 Project							City; DE, PDT	1	
b. Design Phase 1 Improvements							PDT; City	2	
c. Review and Approve Design Documents							City; DE	3	

Element 2: Design Action Table 2.b

Committee Program Action Detail	Phase 1 Demonstration Project/Physical Improvements Action Plan Element 2, Table D						Lead/Partners (See Code Key)	Priority	Key to Codes:
	TIMING								
	2002	2003	2004	2005	2006	Later			
D4 Construct Phase 1 Improvements									
a. Competitive Bids for Construction		■					PDT: City	2	AC Arts Commission
b. Perform Construction		■					PDT: City, DE, Biz	2	Bd SBA Board of Directors
c. Phase 1 Project Complete and Functional			■				PDT: City, DE, Biz	2	Biz Businesses
									CC Chamb. of Commerce
D5 U.S. 95 / U.S. 2 Connector Corridor									City City of Sandpoint
a. Select Preferred Route		■					ITD: City	1	Cn Contracted Service
b. Finance and Design Connector		■					ITD	1	DE Design Cmte
c. Connector Operational			■				ITD: City	1	ED Executive Director
d. First and Cedar Streets Begin Local / 2 Way Traffic				■			City; ITD	1	EDC Bonner Co. EDC
									ER Econ Restr. Cmte
									FM Farmers Market Mgr
									HS Historical Society
									ITD Id Transportation Dept
									MC Marketing Cmte
									PAC Panhandle Area Council
									PDT Project Design Team
									OR Organization Cmte
									NIC North Idaho College
									NITA N Idaho Tourism Assn
									SBDC Small Biz Devt Center
									Sch Schweitzer
									UI University of Idaho
									Vol Volunteers

Element 4: Marketing & Promotion Program Table 4.a

Committee Program Action Detail	Marketing Action Plan						Lead/Partners (See Code Key)	Priority	Key to Codes:
	TIMING								
	2002	2003	2004	2005	2006	Later			
M1 Build a Marketing Team									
a. Expand the SBA Marketing Committee		■					MC;ED	1	AC Arts Commission
1 Incl. cmnty organizations (Chamber, arts, history, EDC)							MC;CC,HS,AC,EDC,Sch		Bd SBA Board of Directors
2 Set up "Fun Committee" as subcommittee							MC		Biz Businesses
b. Agree on marketing goals and conceptual strategy		■					MC; Bd	1	CC Chamb. of Commerce
c. Hire ad agency, develop detailed plan & budget							MC;Cn,Bd	1	City City of Sandpoint
d. Develop a Downtown "brand"							MC;Cn,Bd	1	Cn Contracted Service
e. Obtain mktg support from businesses, organiztns, partners							MC;Bd,ED,Biz,CC	1	DE Design Cmte
Seek outside funding to supplement marketing program									ED Executive Director
f. Assign responsibilities for implementation							MC;ED,CC	1	EDC Bonner Co. EDC
									ER Econ Restr. Cmte
M2 Promote to Strategic Local & Regional Target Markets									FM Farmers Market Mgr
a. Create awareness brochure for Downtown improvements		■					MC;ED,City,Cn	1	HS Historical Society
b. Develop rack brochures about Downtown goods/services							MC;ED,Cn,Biz	1	ITD Id Transportation Dept
c. Produce "Downtown This Month" fliers for events/promo's							MC;Cn	2	MC Marketing Cmte
1 Create flier template with Downtown image							MC;Cn		PAC Panhandle Area Council
2 Distribute to Downtown workers, hotels, etc.							MC;ED,Biz		OR Organization Cmte
d. Work to install directional signs to Downtown							MC;City,ITD,ED	1	NIC North Idaho College
e. Implement publicity campaign (press kits, media events)							MC;ED	1	NITA N Idaho Tourism Assn
1 Weekend Entertainment/Arts section/programs							MC;Biz,ED,AC		SBDC Small Biz Devt Center
2 5th Avenue construction updates/information									Sch Schweitzer
3 Weekly Downtown column in Daily Bee; news releases									UI University of Idaho
f. Promote Downtown brand via image advertising							MC;Cn,ED	1	Vol Volunteers
1 Image campaign: TV, newspaper, radio, billboard, web							MC;Cn,ED,Biz		
2 5th Avenue construction ads							MC;ER,ED,Biz		
3 Business use, shopping bags, banners, specialty items							MC;Biz		
g. Create Downtown business directories									
1 Print directory of Downtown members (white/yellow pages)							MC;Cn,ED,Biz		
2 Enhanced web site to promote products & services							MC;Cn,ED		
3 Directory signboards in key entries Downtown							MC;Cn,Biz		

Element 4: Marketing & Promotion Program Table 4.b

Committee Program Action Detail	TIMING						Lead:Partners (See Code Key)	Priority	Key to Codes:
	2002	2003	2004	2005	2006	Later			
	h. Create theme promotions & events per target markets 1 Retail promotions (Crazy Days, Dine-around, Spring Cleanup) 2 Special events (kids, Sand Crk Days, mature market) 3 5th Avenue construction events (contests, tours, etc.)								
i. Encourage biz-to-biz cross-promotion, "cause marketing"						2	CC Chamb. of Commerce		
j. Encourage citizen participation in improvements 1 Buy-a-Brick, Adopt-a-tree/bench/banner 2 "Operation Downtown" work week						2	City City of Sandpoint Cn Contracted Service DE Design Cmte		
k. Highlight Downtown heritage/culture 1 Inventory historic buildings w/ stories, photos 2 Historic walking tour map/brochure; site interp'n						3	ED Executive Director EDC Bonner Co. EDC ER Econ Restr. Cmte FM Farmers Market Mgr HS Historical Society		
M3 Promote to Tourist Markets								ITD Id Transportation Dept MC Marketing Cmte	
a. Place Downtown info at VIC, hotels, regional tourist stops						1	MC:Vol,Biz		
b. Host familiarization tours for front-liners, media						1	MC:Vol		
c. Package DT events, area activities and hotels Work w/ booking agents like InIdaho (inidaho.com)						2	PAC Panhandle Area Council OR Organization Cmte		
d. Link to regional promotions (e.g., "Selkirk Loop")						1	MC:CC,Biz		
e. Work w/ Chamber on CVB strategies 1 Meeting/Conference recruitment/sales 2 Motorcoach tours (fam trips, etc.), Rocky Mtn Rail Tours						1	MC:CC,Biz		
f. Direct e/mail campaign to previous customers, VFR 1 Lists: Coldwater Crk, Spokane Club, Schweitzer, etc.						1	CC:MC,Biz		
g. Create/install local tourist info radio broadcast						3	CC:MC,Biz		
M4 Track and Evaluate Results of Promotion Program								SBD Small Biz Devt Center Sch Schweitzer UT University of Idaho Vol Volunteers	
a. Decide on tracking methods, establish benchmarks						1	MC:ED,Cn,CC		
b. Set up tracking and reporting logistics						1	MC:ED,Biz,CC		
c. Conduct consumer research to measure behaviors/opinions						2	MC:Cn,NIC,CC,Bi		
d. Evaluate promotion efforts and events, adjust						1	MC:ED,Cn,Bd		

Element 5: Business Development Table 5.a

Committee Program Action Detail	TIMING						Lead:Partners (See Code Key)	Priority	Key to Codes:
	2002	2003	2004	2005	2006	Later			
	B1. Address Priority Business Issues, Customer Needs								
a. Evaluate status of anchors, at-risk businesses 1 Visit Post Office, Courthouse, Coldwater Creek, etc. 2 Provide follow-up support, advocacy, services						1	AC Arts Commission Bd SBA Board of Directors Biz Businesses		
b. Support Expansion/Diversification Candidates 1 Meet with biz's planning to expand; provide support 2 Encourage expansion of Farmers Market						1	CC Chamb. of Commerce City City of Sandpoint Cn Contracted Service		
c. Encourage outdoor dining and entertainment						2	DE Design Cmte		
d. Extend business hours for Downtown Customers Be incremental (e.g., start w/ "1st Friday", etc.)						2	ED Executive Director EDC Bonner Co. EDC		
e. Provide Visitor Information in Downtown						2	ER Econ Restr. Cmte		
f. Address Transportation Issues: Hwy, Amtrak, Shuttle						3	FM Farmers Market Mgr HS Historical Society		
B2 Build Business Retention Program and Tools								ITD Id Transportation Dept MC Marketing Cmte	
a. Create loan & grant pool for business development						1	ER:ED,Biz,CC		
b. Provide customer service/sales training						1	ER:ED,CC/NIC/Cn		
c. Sponsor workshops re. merchandising, marketing, etc						1	OR Organization Cmte		
d. Create business advisory team (SBDC,SCORE, etc)						2	NIC North Idaho College		
e. Provide design assistance for façade renovations						2	NITA N Idaho Tourism Assn		
f. Develop voluntary sign guidelines						3	SBD Small Biz Devt Center		
g. Communicate with businesses via newsletter, fax, e-mail						1	Sch Schweitzer		
h. Create a documentation system for business referrals						1	UI University of Idaho Vol Volunteers		
B3 Refine and Enforce a Downtown Parking Policy								ER:ED	
a. Conduct a comprehensive parking analysis & plan						1	ER:Bd,Biz,Cn,City		
b. Improve and assign designated parking areas						2	ER:Biz,City		
c. Create signed agreements for business owners/employees						2	ER:Bd,Biz		
d. Evaluate pro's/con's of pay vs. free customer parking						2	ER:Bd,Biz		

Element 5: Business Development Table 5.b

Committee Program Action Detail	Business Development Action Plan							Lead/Partners (See Code Key)	Priority	Key to Codes:
	TIMING									
	2002	2003	2004	2005	2006	Later				
B4 Gather & Distribute Market & Business Trend Data										
a. Distribute copies of Market Analysis to businesses								ED:ER,Biz	1	AC Arts Commission
b. Conduct regular foot traffic & parking counts								ER:ED,Vol	2	Bd SBA Board of Directors
1 Recruit youth, NIC marketing students, Sr volunteers								ER:ED,Vol		Biz Businesses
2 Track re. special events, day of week, time of day								ED:Vol		CC Chamb. of Commerce
c. Track seasonality trends; recruit businesses to help								ER:Biz,ED	2	City City of Sandpoint
d. Conduct annual business survey, distribute results								ER:OR,ED,NIC/Cn	2	Cn Contracted Service
e. Track visitor (tourist) data and expenditures								ER:CC,Biz,ED	2	DE Design Cmte
								ED		ED Executive Director
B5 Create Construction Survival Plan for 5th Avenue Biz								EDC Bonner Co. EDC		
a. Meet with City, contractor, ITD to discuss schedule								ED:Biz,City,Cn,ITD	1	ER Econ Restr. Cmte
b. Request weekly mtgs w/ contractor, City, biz, SBA								ED:Biz,City,Cn,ITD	1	FM Farmers Market Mgr
c. Address biz concerns (access, parking, water, EMS, etc.)								ED:Biz,City,Cn,ITD	1	HS Historical Society
1 Create contingency plans, distribute to biz								ITD Id Transportation Dept		ITD Id Transportation Dept
2 Designate City and contractor reps for help to biz								MC Marketing Cmte		MC Marketing Cmte
3 Ensure that contractor properly signs access/parking								PAC Panhandle Area Council		PAC Panhandle Area Council
d. Create public relations/promotion plan								OR Organization Cmte	1	OR Organization Cmte
1 Daily status in paper/radio (closures, delays, etc.)								NIC North Idaho College		NIC North Idaho College
2 Use humor ("Pardon our dust", hard-hat theme, best-looking construction worker contest, etc.)								NITA N Idaho Tourism Assn		NITA N Idaho Tourism Assn
3 Focus on positive: print before/after photos in SBA newsletter, paper; host school tours of construction								SBDC Small Biz Devt Center		SBDC Small Biz Devt Center
								Sch Schweitzer		Sch Schweitzer
								UI University of Idaho		UI University of Idaho
								Vol Volunteers		Vol Volunteers

Element 5: Business Development Table 5.c

Committee Program Action Detail	Business Development Action Plan							Lead/Partners (See Code Key)	Priority	Key to Codes:
	TIMING									
	2002	2003	2004	2005	2006	Later				
B6 Recruit Complementary Businesses & Services										
a. Create an inventory of commercial/residential space								ER:ED,Biz	1	AC Arts Commission
1 Work w/ property owners & realtors to obtain info								ER:Biz,Vol,EDC		Bd SBA Board of Directors
2 Compile 3-ring binder, summarize for recruit. packet								ER:ED,Vol		Biz Businesses
b. Tap/create recruitment incentives and benefits:								ER:ED,Biz,EDC	1	CC Chamb. of Commerce
Location, cost and management benefits										City City of Sandpoint
c. Work with property owners to prepare space								ED:Biz,City	1	Cn Contracted Service
1 Create/tap incentives (UCBC, tax credits, design assist)								ED:City,HS		DE Design Cmte
d. Identify target businesses: bakery, biz services, low-price gen merchandise, farmers market tenants								ER:ED,Biz,FM,UI	1	ED Executive Director
										EDC Bonner Co. EDC
e. Create a business recruitment packet; update regularly								ER:ED,Biz,EDC	2	ER Econ Restr. Cmte
1 Dntn "vision", space info/contacts								ER:Bd,ED		FM Farmers Market Mgr
2 Community/economy info and contacts								ER:EDC,CC,ED,PAC,AC		HS Historical Society
f. Pursue the deal: make contacts and follow up								ER:ED,PAC,CC	1	ITD Id Transportation Dept
1 Contact candidates re. interest, appointment								ER:ED		MC Marketing Cmte
2 Site visit, meet with recruitment team								ER:ED,CC,Biz		PAC Panhandle Area Council
g. Recruit housing development to Downtown								ER:Biz,City	3	OR Organization Cmte
1 Assist in adaptive reuse of historic buildings								ER:City,DE,HS,Biz		NIC North Idaho College
2 Seek regulatory support for upper flr apart's/condo's								ER:City,DE,Biz		NITA N Idaho Tourism Assn
h. Bring a college/arts-oriented institute to Downtown								ER:AC,EDC	3	SBDC Small Biz Devt Center
1 Seek candidates for "branch" of private institute								AC:ER,ED		Sch Schweitzer
2 (Alternative) Create new institute with local artists								AC:ER,ED		UI University of Idaho
3 Consider former Jr. High building as location?								ER:Biz		Vol Volunteers
i. Recruit horse-drawn trolley to return to Downtown (after trucks re-routed) for transit, tours, events								ER:ED,Biz,City		

Element 6: Organization Action Table 6.a

Committee Program Action Detail	Phase 1 Demonstration Project/Physical Improvements Action Plan Element 2, Table D						Lead/Partners (See Code Key)	Priority	Key to Codes: AC Arts Commission Bd SBA Board of Directors Biz Businesses CC Chamb. of Commerce Cn City of Sandpoint Cn Contracted Service DE Design Cmte ED Executive Director EDC Bonner Co. EDC ER Econ Restr. Cmte FM Farmers Market Mgr HS Historical Society ITD Id Transportation Dept MC Marketing Cmte PAC Panhandle Area Council PDT Project Design Team OR Organization Cmte NIC North Idaho College NITA N Idaho Tourism Assn SBDC Small Biz Devt Center Sch Schweitzer UI University of Idaho Vol Volunteers
	TIMING								
	2002	2003	2004	2005	2006	Later			
1 Refine the Development Team									
a. Establish Sandpoint, Inc.	█						Bd,City,CC,EDC	1	
b. Enhance SBA Committees		█					ED,Bd	1	
c. Engage the Community			█	█			City,ED,Bd	1	
d. Promote the System to Resource Agencies				█			City,ED,Bd	1	
e. Build an Advisory Team							ED,Bd	1	
2 Seak Phase 1 Resources									
a. Grow Local Support			█				City,ED,Bd	1	
b. Establish a Development Loan Pool							ED,PAC	1	
c. Expand Local Grantwriting System			█				ED,OR	1	
d. Tap Service Clubs and Churches							ED,OR	1	
e. Encourage Youth Involvement				█			City,DE	1	
f. Encourage Seniors Involvement							City,DE	1	
g. Build Local Matching Funds							Bd,City,ED,Biz	1	
h. Take the System to Boise: Promote It							ED,Bd,City	1	
i. Seek Plan Endorsements							City,ED,Bd	1	
j. Seek CDBG Grant in November, 2002							City,ED,Bd	1	
k. Begin Phase 1 Construction in Summer, 2003							City,Bd	1	

APPENDIX 1: BUSINESS SURVEY RESULTS

In September 2001, the Sandpoint Downtown Revitalization planning team coordinated with the SBA Director to distribute written surveys to 340+ businesses and organizations located within the boundaries of the Business Improvement District (BID). Ninety-six businesses returned the surveys, for a response rate of approximately 28%. The following are results of the survey (percentages are rounded, so some totals may not add to 100%). Comments in quotes are listed exactly as submitted.



Figure A1.1



Figure A1.2

Q1. How satisfied are you with Sandpoint's general business climate? (See Figures A1.1 at left and A1.3, next page)

	Number	Percentage
Very satisfied	4	4%
Somewhat satisfied	32	33%
Neither satisfied/nor dissatisfied	21	22%
Somewhat dissatisfied	20	21%
Very dissatisfied	15	16%
No response	4	4%
Total	96	100%

Q2. In your opinion, what are the two greatest strengths (or favorable conditions) to doing business in Sandpoint?

1. Location: "Convenient central location, easy to go to all stores, don't have to drive far"
2. People/Friendliness: "Customer service, friendly people/hometown atmosphere, good employee base"
3. Local/Unique Business: "Promote local economy, the unique-one-of-a-kind shops, quality of shops, privately owned businesses vs corporate chains."
4. Character/Community: "A strong arts & crafts community, reputation as: "progressive" community, nice town w/ quaint buildings & character."

Satisfaction by Business Type

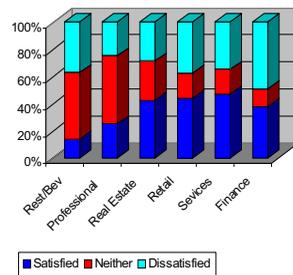


Figure A1.3

Parking Problem for Customers

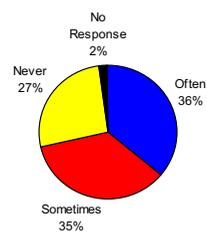


Figure A1.4

Q3. What are the two greatest challenges, concerns or obstacles related to doing business in Sandpoint? (See Figure A1.2 at left)

1. Parking: "Inadequate parking, parking (need tiered garage), parking/traffic flow"
2. Traffic: "Summer traffic keeps locals out, traffic problems, traffic flow"
3. Negative Image: "More emphasis on catering to local shoppers i.e. local perception that downtown is "touristy" and thereby expensive, negative publicity."
4. Economic Issues: "Small/seasonal economy, limited resources, more businesses leaving or relocating, lack of other successful businesses."

Q4. Which of the following categories most closely describes your business/organization?

Category	Number	Percentage*
Retail Goods	31	26%
Personal or Business Services	17	14%
Professional, Legal, Scientific	17	14%
Restaurant/Beverage	14	12%
Banking, Finance, Insurance	8	7%
Real Estate/Title.Escrow	7	6%
Entertainment, Recreation	4	3%
Communication, Education	4	3%
Medical, Veterinary	4	3%
Contractor/Construction	3	3%
Hotel/Motel/B&B	3	3%
Wholesale, Manufacturing	3	3%
No Response	2	2%
Auto Sales/Service/Repair	1	1%
Other	1	1%
Total	119	101%

*Note: Some businesses are listed in multiple categories

Problem Traffic Corridors

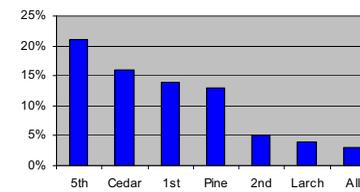


Figure A1.5

Q5. How often do your customers indicate that there is a parking problem near your business? (See Figure A1.4)

Frequency	Number	Percentage
Often	34	36%
Sometimes	34	35%
Never	26	27%
No Reply	2	2%
Total	96	100%

Q6. How often do your employees indicate there is a parking problem near your business?

Frequency	Number	Percentage
Often	28	29%
Sometimes	28	29%
Never	38	40%
No Reply	2	2%
Total	96	100%

Q7. Please list any intersections in Downtown that you believe present traffic problems. (See Figure A1.5 at left)

Intersection	Number	Percent
5th & Cedar	25	20%
1st & Pine	14	11%
5th & Larch	10	8%
1st & Cedar	9	7%
5th & Pine	8	6%
1st & Bridge	6	5%
2nd & Pine	5	4%
5th & Church	5	4%
1st & Superior	3	2%
2nd & Main	3	2%
3rd & Pine	3	2%
4th & Pine	3	2%
1st & Lake	2	2%
1st & Main	2	2%
2nd & Cedar	2	2%
3rd & Cedar	2	2%
Many/Most	5	4%
No Response	15	12%
None	5	4%

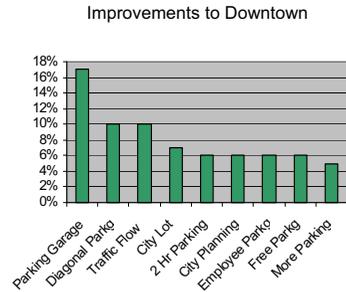


Figure A1.6

Q8. If you were in charge of improving parking in Downtown Sandpoint, what would be the **first** thing you would do to improve it? (See Figure A1.6 at left)

	Number	Percentage
Parking Garage	17	17%
Diagonal Parking	10	10%
Traffic	10	10%
City lot	7	7%
2 Hr Parking	6	6%
City Planning	6	6%
Employee Parking	6	6%
Free Parking	6	6%
More Parking	5	5%
City	3	3%
No Parkg Problems	3	3%
Delivery Trucks	2	2%
Total	81	81%

Q9. Do you feel that customer-oriented physical enhancements to downtown Sandpoint (streetscape improvements such as sidewalks, lighting, landscaping, etc.) would benefit your business or property? (See Figure A1.7)

	Number	Percentage
Yes	28	29%
Probably	13	14%
Not sure	13	14%
No	40	42%
Total	94	99%

If so, what would be your highest priority?
 "Lighting, sidewalks, landscaping, more benches, bathrooms, streetscape improvements, clean the town!, storefront improvement (paint, awning, etc)"

Physical Enhancements - Beneficial?

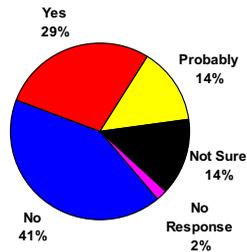


Figure A1.7

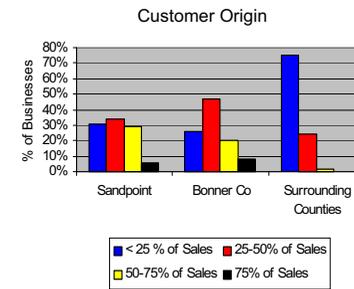


Figure A1.8

Q10. What percentage (estimated) of your gross sales/revenues come from customers in the following locations? (See Figure A1.8)

	75%+	50-75%	25-50%	<25%
Sandpoint residents (inside City limits)	6%	29%	34%	31%
Bonner County (outside City limits)	8%	20%	47%	26%
Surrounding counties (Boundary, Kootenai)	0%	2%	24%	75%
Canada	0%	0%	5%	95%
Other travelers/tourists	8%	4%	19%	70%

Q11. Please describe your **ideal** customer (see Figure A1.9):

Gender:	Male: 3%	Female: 13%	Both: 64%			
Age:	<15: 0%	15-19: 1%	20-34: 7%	35-54: 56%	55-64: 7%	65+: 1%
Marital Status:	Couple: 49%	Single: 11%				
Education:	Up to High School (K-12): 9%	College (2/4-year): 41%	Grad School+: 16%			
Household:	Family with kids: 35%	Couple (no kids): 20%	Living alone: 3%			
Income:	<\$25,000: 0%	\$25,000-\$50,000: 23%	\$50,000-\$75,000: 24%	\$75,000+: 21%		

**OVERALL TOP PRIORITY:

Couples with children, 35-54 years old, college educated, \$50K - \$75K income

Q12. Which three months of the year are your **peak** business months, and why? (See Figure A1.10)

- July (19.3%) - tourists, weather, vacations
- August (20.5%) - weather, tourists, vacations, promotions/events
- September (10.8%) - tourists, weather, vacations, promotions/events/holidays
- December (8.4%) - holidays, promotions, tourists, events

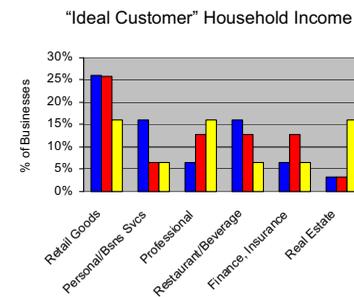


Figure A1.9

Peak & Slow Months for Businesses

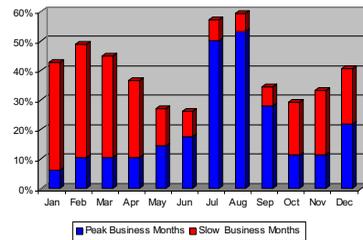


Figure A1.10

Q13. Which three months of the year are your slowest business months, and why?

- January (14.8%) – weather, lack of tourists, off season
- February (15.6%) – weather, lack of tourists, off season
- March (13.9%) – weather, lack of tourists, off season

Q14. How do you currently communicate with your customers? (See Figure A1.11)

	Percentage
Personal Contact	24%
Telephone	17%
Print	14%
Business Signs	10%
Internet/Web	9%
Direct Mail	9%
Radio	9%
TV	2%

Q15. Approximately how much do you currently spend per year on business marketing and advertising?

	Number	Percentage
Less than \$5,000	55	57%
\$5,000 - \$10,000	21	22%
\$10,000 - \$20,000	5	5%
\$20,000 - \$50,000	6	6%
\$50,000 - \$75,000	0	0%
\$75,000 or more	2	2%
No Response	2	2%
Total	96	99%

Communication with Customers

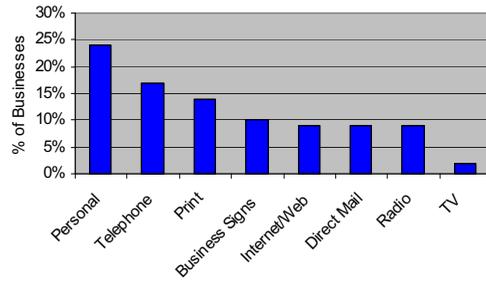


Figure A1.11

Participation in Co-op

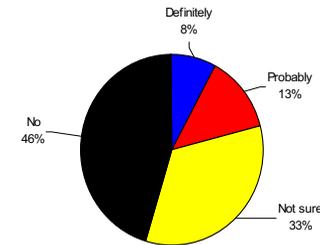


Figure A1.12

Q16. A. Would you be interested in participating in professionally-coordinated cooperative marketing and promotion campaigns with other Downtown Sandpoint businesses and organizations, if it would improve the quality and reach of your message? (See Figure A1.12)

	Percentage
Definitely	8%
Probably	13%
Not sure	33%
No	46%

B. Why or why not?

- 46% gave no reason for their answer to Question 16A
- "Definitely": increased exposure and interest in Sandpoint
- "Probably": 75% had no reason
- "Not Sure": would like more details
- "No": not applicable or necessary

Q17. How have your business/organization sales or revenues changed in the past 3 years? (See Figure A1.13)

	Number	Percentage
Increased substantially (20% or more)	19	20%
Somewhat higher (around 10%)	19	20%
About the same (within 5% up/down)	29	30%
Somewhat lower (about 10%)	10	10%
Significantly lower (dropped 20% or more)	10	10%
Not applicable	9	9%
Total	96	100%

B. Why?

Increase substantially: "People becoming familiar with business/referrals from clients, economy, we're good @ what we do-good rep."

Somewhat higher: "New customers moving in area, stocking more of what the customer wants. Upgrading to higher priced items. Allocating space & inventory to customer demand."

Same: "People avoid town-traffic problems, local economy has not grown, national economy, regional bad reputation, poor schools, planned."

Somewhat lower: "Shift in customer base, environment established by city officials/SBA, economy."

Significantly lower: "Wal-Mart/Coldwater Creek outlet & major sales, economics-as our prices increase our customer counts decrease."

Changes in Sales/Revenue: Past 3 Years

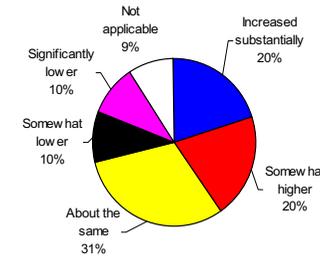


Figure A1.13

Planned Changes for Business: Next 3 Years

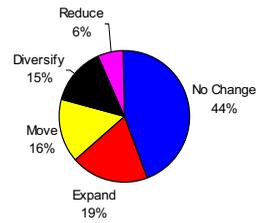


Figure A1.14

Q18. A. In the next three years, what changes are planned for your business/organization? (See Figure A1.14)

	Number	Percentage
No change in business operations	42	44%
Expand business operations	19	19%
Move to a new location	16	16%
Diversify business operations	15	15%
Reduce business operations	6	6%
Total	98	100%

B. Why?

Expand: "Growing population provides more opportunities, our company has been purchased by a larger company."

Reduce: "Declining mail volumes. More reliance on email."

No Change: "Happy with current situation, cannot take anymore business-don't wish to expand, no capital."

Diversify: "Changing my inventory to be more unique, economy, diversity presents other opportunities."

Move: "Can't afford BID tax, possible loss of view w/ bypass-reduce monthly expenses-avoid BID."

Q19. How many employees and/or associates do you have? (include yourself in the count)

Full-time	Percentage	Part-time	Percentage
1 to 5	64%	1 to 5	46%
6 to 10	9%	6 to 10	7%
10+	11%	10+	4%

Q20. In which area of Sandpoint is your business located? (Refer to Figure A1.15)

Area	Percentage
1	8%
2	19%
3	42%
4	22%
5	6%

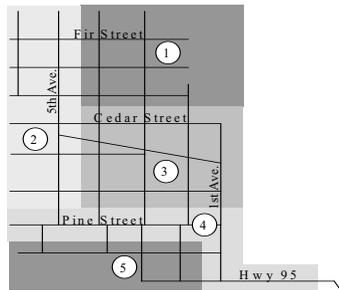


Figure A1.15

Distribution of BID Assessment Funds

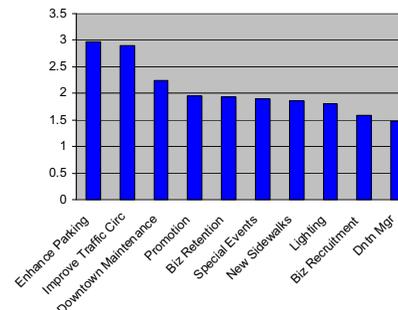


Figure A1.16

Q21. How do you think the BID assessment funds should be used? (On a scale of 0-5 with 5 being of highest priority) (See Figure A1.16)

Parking enhancements	2.97
Traffic circulation improvements	2.90
Downtown maintenance (landscaping/cleanup)	2.25
Promotion & advertising	1.95
Business retention	1.94
Special events	1.89
New sidewalks	1.86
Pedestrian-scale lighting	1.81
Business recruitment	1.58
Professional downtown manager (to do above)	1.48

*Note: Of the elements listed above, only parking and traffic enhancements received higher than a 2.5 rating out of 5.0. These two issues also were cited by businesses as Downtown's greatest challenges.

Q22. Do you have suggestions for other BID assessment uses?

- "Dissolve the BID:" 52% did not respond and 19% of respondents wanted to dissolve/disband the BID
- "Sand Creek boardwalks & cleanup, improvement of 5th Ave Corridor"
- "Bike paths, parks, community center w/ public restrooms, signage & maps"

Q23. What is the best way for the City/SBA to communicate with you about revitalization issues?

	Percentage
Newsletter/Mail	65%
E-Mail	12%
Newspaper	9%
Other	8%
Radio	0%

Downtown Opportunities

- ◆ Social center – events, activities, entertainment
- ◆ Improve traffic circulation – remove truck traffic
- ◆ Sand Creek: "Million Dollar Amenity"
- ◆ Customer amenities: lighting, benches, restrooms, bike racks
- ◆ Parking improvements, policies/system for customers & employees
- ◆ Serve local/regional markets more effectively – exploit growth in Kootenai County, Spokane, etc.
- ◆ Tap tourist markets – esp. shoulder seasons

Q24. Do you have any other suggestions to guide future City activities?

- "Downtown Community Center: music, sports, kids, etc. Street Fairs & Dances. More events like Art Walk (although "Beauty there" in Sandpoint was cheesy). Recognize individual business for successes and achievements. Meet your local business events/specials promo."
- "I am extremely dissatisfied with the current administration of the BID. There needs to be unified vision and goal not only with the BID (downtown business) but also with the economic development group, chamber and other resources. Until this happens nothing will be accomplished for the overall good of the community."
- "We need to update, beautify & improve local signage & landscape. We need to reward landlords who restore/improve bldgs. We need to focus on improving both entrances into town especially from the south by Long Bridge. It's unattractive. Get a downtown manager, instead of a paid SBA Director position. Rumor is people are moving out of Sandpoint because of the BID & better values in Ponderay."