

MARION MARKET ANALYSIS

Prepared for
The City of Marion

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Submitted by
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MARION MARKET ANALYSIS

A SOUND DEVELOPMENT PROGRAM MUST BE BASED ON ATTAINABLE POTENTIAL MARKETS.

This document reviews important demographic and market characteristics that guide planning for the future of the City of Marion and its commercial districts. It examines commercial, office, and residential possibilities for the City of Marion, and considers future development for these markets in 29th Avenue North Study area.

Trade Area Definition

The market analysis begins by defining Marion's market area. Its market provides services to local residents and is a trade center that serves the commercial demands of the city.

Map 1 (attached) illustrates different geographic trade segments used by this study. These trade areas represent the basis for calculating commercial demand.

- *Primary Area.* The primary trade area includes the land within Marion's city limits. Residents of the city tend to visit local commercial services and do some of their shopping in Marion.
- *Secondary Area.* The secondary area includes the Metropolitan Statistical Area (MSA) of Cedar Rapids, which includes Linn, Benton and Jones Counties. While residents of this area use Marion retailers and service providers for typical needs, larger markets such as Cedar Rapids exert a powerful draw.

Demographics

Population Trends and Forecasts

This discussion describes changes in the characteristics and dynamics of Marion's population. **Table 1** summarizes the historical population change in Marion, while **Table 2** compares Marion's population to other communities in the Cedar Rapids-MSA.

During the 1990's Marion's growth was aggressive, amounting to 22% of the region's population change.

Marion, the primary market, has grown rapidly during the last 40 years from 5,916 in 1960 to 26,294 in 2000. The 1950s and 60s were a period of significant population growth and again in the 1990s. The city's population in the 2000 Census was 26,294, an increase of 5,891 people (or 20%) from 1990 or an average annual growth rate of about 2.89%. During the 1990s Marion's growth was aggressive, amounting to 22% of the region's population change.

The Cedar Rapids Metropolitan Statistical Area, the secondary market, grew from 210,640 in 1990 to 237,230 in 2000, an increase of 26,590 for an annual growth rate of 1.26%. Smaller communities also grew slightly, contributing to the area's total growth.

Data from the U.S. Census Bureau and Claritas, Inc. indicate that the population of Marion and the region has been growing since 2000. This analysis will be evaluated in more depth in the next section, Population Projections.

Table 1: Historical Population Change, Marion

Year	Population	Decennial Change	Decennial % Change	Average Annual Rate of Change
1950	5,916			
1960	10,882	4,966	83.9%	8.4%
1970	18,028	7,146	65.7%	6.6%
1980	19,474	1,446	8.0%	0.8%
1990	20,403	929	4.8%	0.5%
2000	26,294	5,891	28.9%	2.9%
2008 Est. ¹	31,718	5,424	20.6%	2.1%

Source: U.S. Census Bureau, Claritas, Inc.¹

Table 2: Population Change, Marion & Area Communities 1990-2008

	1990 Population	2000 Population	Change	% Change	2008 est. Population*	2000-2008 Change	2000-2008 % Change	Growth Rate bw 1990/2000	Growth Rate 2000-2008
Marion	20,403	26,294	5,891	28.9%	34,200 ¹	7,906	30.1	2.57	3.75
Cedar Rapids	108,751	120,758	12,007	11.0%	124,158	3,400	2.8%	1.10	0.40
Hiawatha	4,986	6,480	1,494	30.0%	6,488	8	0.1%	3.00	0.02
Robins	875	1,806	931	106.4%		-1,806		10.64	-14.29
Cedar Rapids MSA	210,640	237,230	26,590	12.6%	252,164	14,934	6.3%	1.26	0.90

Source: U.S. Census Bureau, Claritas, Inc., RDG Planning & Design¹

Population change in a community is an interaction of three basic factors:

1. *Comparison of births and deaths.* A surplus of births over deaths tends to cause population increases. A community with a younger population, with large cohorts in childbearing or family formation years, will experience a higher birth rate, measured as number of the births per 1,000 people.
2. *Construction and Migration Patterns.* If more people move to the community than leave, its population will tend to increase, while outmigration trends population downward. Forces that encourage in-migration include employment growth, new housing development, community services, and a high quality of life.
3. *Annexation.* In addition to internal population change, a community can grow by annexing new populated areas.

Construction activity helps describe Marion’s population growth since 2000. New construction correlates to added population, while demolished structures correlates to population loss. Table 3 presents the city’s construction activity since 2000. Based on permits issued, the city of Marion added 3,903 new units since 2000, with single family residential accounting for a little more than half of new units. Construction for single-family homes peaked during the 2003 and 2004, while multi-family units peaked in 2002 and 2003.

Table 3: Residential Construction Activity in Marion, 2000-2008

Type	2000	2001	2002	2003	2004	2005	2006	2007	2008	2000-2008 Average	Total Units
SF Units	180	190	227	253	273	312	211	215	195	229	2,056
MF Units	175	159	442	409	90	236	113	157	66	206	1,847
Demolition (-)	20	13	15	24	12	21	11	13	12	434	129
Total	335	336	654	638	351	527	313	359	249	16	3,513

Source: City of Marion Building Permit Report

Population Projections

Projecting the future population of the market helps predict the future demographic character of the community. This in turn helps guide the city’s planning and policy decisions regarding future investments. **Table 4** projects future population growth for the city and region. A five-year projection is provided by Claritas, a demographic research company, which shows the secondary markets growing. Projections for the primary market are explained in later. Marion is anticipated to grow at a greater rate than the region.

Table 4: Projected Population 2000-2013 - Market Areas

	1990 Population	2000 Population	Growth rate bw 1990/2000	% Change 1990/2000	2008 Estimate	2013 Estimate	2000-2013 Growth Rate	% Change 2000/2013
Primary (City of Marion)	20,403	26,294	2.6%	28.9%	34,200 ¹	39,248 ¹	variable% ¹	49.3% ¹
Secondary (Cedar Rapids MSA)	210,640	237,230	1.2%	12.6%	252,164	261,260	0.7%	10.1%
Secondary-Primary	190,237	210,936	1.0%	10.9%	217,964	222,012	0.4%	5.3%

Source: Claritas, Inc., RDG Planning & Design¹

Recent construction activity indicates that the city has continued to grow since 2000. An analysis based on construction activity suggests that Marion’s population has increased by about 7,906 people between 2000 and 2008, attaining a total population of 34,200.

Cedar Rapids and the adjacent communities will likely experience growth. In addition, the rural secondary market area has remained stable and will likely experience continued population growth, particularly along major transportation routes.

Table 5 displays alternative population projections based upon natural population change (a zero migration rate) as well as variable growth rate.

- *Natural Population Change.* A no net migration, a surplus of births over deaths will produce a modest population increase during the next twenty years.
- *Variable Growth Rate.* A 3.3% annual growth rate is used to determine 2010 population, while the future housing market demand uses a 2.5% growth rate resulting in a 2020 population projection of 46,570 and 2030 population of 59,614. The 3.3% growth rate represents change between 2000 and 2008, however this pace is anticipated to slow down to 2.5% (2.2% annual growth rate).

**2020 projection of 46,570
and
2030 projection of 59,614**

Table 5: Selected Population Projection Scenario, Migration and Growth Scenarios for Marion							
	2000	2005	2010	2015	2020	2025	2030
Natural Population Change	26,294	26,832	27,244	27,590	27,871	27,989	27,877
3.3% Growth Rate b/w 2000-2010	26,294	30,930	36,380	41,160	46,570	52,690	59,614
2.5% Growth Rate b/w 2010-2030							

Source: RDG Planning & Design

Income Characteristics

Table 6 presents the median household income for residents of each trade area. Marion’s median income was \$53,706 in 2008, which is significantly higher than the region. Cedar Rapids’ median income was \$46,308, while the larger MSA, which includes both Marion and Cedar Rapids, was \$45,382. Incomes are expected to rise over the next five years, with Marion increasing its median income to \$70,500 by 2014.

Table 7 presents the number of households in household income ranges. Over half of the households earn more than \$50,000. The average household income is \$65,031. Marion’s distribution of household income is not significantly different, statistically, from Cedar Rapids or the MSA. However, household incomes are higher in Marion than Cedar Rapids or the Cedar Rapids-MSA.

These income patterns suggest that Marion may be the more affluent community in the metro area. Future housing and retail services could target these market demographics.

Table 6: Median Income Forecasts in Marion's Market Areas, 2000-2008					
	2000	2008 Estimate	2014 Estimate ¹	Change 2000-2014	% Change 2000-2014
Marion (Primary Market)	\$48,822	\$53,706	\$70,500	+\$21,678	44%
Cedar Rapids	\$44,248	\$46,308			
MSA - Cedar Rapids (Secondary Market)	\$45,382	\$49,693	62,040	+\$16,658	37%

Source: Claritas, Inc., 2008, Marion Comprehensive Plan¹

Table 7: 2008 Estimated Households by Household Income

Income	Marion	Cedar Rapids	Cedar Rapids MSA	Average Distribution
Less than \$15,000	955 7.3%	6,062 11.5%	10,256 10.0%	9.6%
\$15,000 - \$24,999	1,456 11.1%	6,173 11.7%	11,110 10.8%	11.2%
\$25,000 - \$34,999	1,391 10.6%	6,934 13.1%	12,291 11.9%	11.9%
\$35,000 - \$49,999	2,311 17.6%	9,565 18.1%	18,145 17.6%	17.8%
\$50,000 - \$74,999	3,045 23.2%	12,306 23.3%	23,979 23.3%	23.3%
\$75,000 - \$99,999	1,929 14.7%	6,161 11.7%	13,551 13.2%	13.2%
\$100,000 - \$149,999	1,410 10.7%	3,868 7.3%	9,767 9.5%	9.2%
\$150,000 or more	631 4.8%	1,691 3.2%	3,764 3.7%	3.9%
Total	13,128 100.00%	52,760 100.00%	102,863 100.0%	100.0%

Source: Claritas, Inc., 2008

THE RETAIL MARKET

Highway 151 through Marion becomes Marion Boulevard/7th Avenue and hosts the majority of the retail development in the city. Clusters of linear development occur along the corridor, with commercial services targeting the local community. **Table 7** identifies regional shopping center, while **Table 8** identifies the more significant retail commercial clusters in Marion and **Table 9** identifies individual retail businesses. The inventory was collected using information available from the City of Marion, Linn County Assessor and field inspection.

Table 7: Neighborhood and Community Shopping Centers

Location	Description
Downtown at 7 th Ave and 10 th St	Independent storefronts Market Square Plaza
Highway 151 at 7 th Ave and 35 th St	Hy-Vee Farmer's Market
Highway 151 at 7 th Ave and 10 th Ave	Wal-Mart Supercenter Fastfood chains
Highway 151 at 7 th Ave and 1 st St	Indian Creek Mall commercial strip
Twixt Town Rd in southwest Marion	Commercial strips
Collins Rd and Marion Ave	Commercial strips Lindale Mall

Table 8: Regional Shopping Centers

Location	Description
Lindale Mall	Located immediately southwest of Marion, Lindale Mall is the largest retail center in the region anchored by department stores, such as Sears,
Town & Country Shopping Center	Built in the 1950's, this strip development offers space for small vendors, such as apparel, restaurants and personal services.
Westdale Mall	Westdale Mall opened in 1977 as a major regional shopping destination. It has since lost most of its retail. The future of the building is unknown.
Blairs Ferry Road	Big box stores with pad sites along Blairs Ferry Road. Major retailers include Wal-Mart, Sam's Club and Lowe's. Blairs Forest Plaza and Blairs Ferry Landing occupy the eastern half of the developed area.
Coralville Ridge Mall	Located south of Marion in the City of Coralville, the Coralville Mall is a major retail center in eastern Iowa anchored by department stores, such as

Table 9: Retail Inventory in Marion, 2009

	Address	Owner	Use
5005	10TH AVENUE	WINDMILL ENTERPRISES LLC	convenience/retail
4701	10TH AVENUE	IIW MILLWORK-WEST INC	retail
3310	10TH AVENUE	FAREWAY STORES INC	retail-grocery
748	10TH STREET	MS MARION PROPERTY LLC % MASIH SAFABAKHSH	bar/lounge/restaurant
740	10TH STREET	MS MARION PROPERTY LLC % MASIH SAFABAKHSH	bar/lounge/restaurant
915	10TH STREET	HARMENING STEVEN J & KATHLEEN F	retail
630	10TH STREET		retail
560	10TH STREET	BIZEK SCOTT L	retail
720	10TH STREET	COSMAN DANIEL K & CRIS A	retail
752	10TH STREET	SCHLOTTERBACK JACK D & SUSANN T	retail
710	10TH STREET	HOFFMANN JAMES A & DEBRA L	retail
660	10TH STREET	MASONIC TEMPLE ASSN % R L BOWERSOX	retail
690	10TH STREET	NOVAK JAMES J	retail
897	13TH STREET	JENNINGS WARREN P & NANCY K	retail
790	22ND STREET	LINCO ENTERPRISES LTD	retail
220	35TH STREET	COOPER PROPERTIES LC	retail
100	35TH STREET	NPV III LLC % DARIN GARMAN	retail
3615	3RD AVENUE	HANSON CHARLES T & HOLLY D	retail
1005	44TH STREET	KHAIRALLAH JOHN P	convenience/retail
998	44TH STREET	R & S TRUST LC	retail
1000	44TH STREET	SCHULTZ WILLIAM J JR	retail
999	44TH STREET	SMITH BARRY B	retail
901	50TH STREET	READ EDWARD W	retail
1803	6TH AVENUE	SAARI RODNEY C & VICKI L	bar/lounge/restaurant

100	6TH AVENUE	FRANCHISE REALTY INTERSTATE CORP	convenience/retail
1995	6TH AVENUE	ENSLEY CHARLES	retail
2097	6TH AVENUE	ENSLEY CHARLES W	retail
788	6TH STREET	undetermined	retail
1849	7TH AVENUE	AM RENTAL CORP	bar/lounge/restaurant
2020	7TH AVENUE	CASEY'S MARKETING CO ATTN: ACCT DEPT	convenience/retail
1394	7TH AVENUE	TOMAR PROPERTIES LLC % DAWN WILBER	convenience/retail
2100	7TH AVENUE	BOUSKA ALLEN & VICKIE REV TRUSTS BOUSKA ALLEN &	convenience/retail
1300	7TH AVENUE	PEBBLE HILL ASSOC % RASH & ASSOC #640 15 4337	convenience/retail
2500	7TH AVENUE	PETERSEN & KNOTT INC	convenience/retail
1925	7TH AVENUE	WEAVER ENTERPRISES LTD	convenience/retail
2449	7TH AVENUE	BEATON HOLDING CO LC	convenience/retail
3350	7TH AVENUE	KRAUSE GENTLE CORPORATION ET AL	convenience/retail
2240	7TH AVENUE	MC MILLEN ELDON D & PATRICIA	bar/lounge/restaurant
808	7TH AVENUE	KHAIRALLAH ELIE P & LILLIAN	bar/lounge/restaurant
835	7TH AVENUE	KHAIRALLAH ELIE	bar/lounge/restaurant
2155	7TH AVENUE	ONE QUALITY INVESTMENT LLC	bar/lounge/restaurant
699	7TH AVENUE	REGAN MICHAEL J	bar/lounge/restaurant
433	7TH AVENUE	PRIEBE INVESTMENT CORP	bar/lounge/restaurant
453	7TH AVENUE	GODWIN RONALD J TRUST	bar/lounge/restaurant
755	7TH AVENUE	KHAIRALLAH ELIE	bar/lounge/restaurant
890	7TH AVENUE	LIS PROPERTIES LC % WILL LIS	retail
1120	7TH AVENUE	OLMSTEAD DANIEL J & BARBARA J	retail
1138	7TH AVENUE	MORRIS EDWIN L & HARRIETT A	retail
1244	7TH AVENUE	HERREN KEVIN L	retail
1104	7TH AVENUE	BALSTER DONALD E	retail
1246	7TH AVENUE	MASSELL MICHAEL D	retail
1064	7TH AVENUE	CAMPBELL CRAIG C & PRISCILLA STEELE	retail
434	7TH AVENUE	HAEDER INC	retail
2780	7TH AVENUE	HESER PATRICK & CONNIE	retail
502	7TH AVENUE	DOBLING ROBERT L	retail
3100	7TH AVENUE	SHARP LARRY D PROPERTY MGMT INC	retail
1070	7TH AVENUE	151 INC % KRISTINE E WALDERBACH	retail
901	7TH AVENUE	RAUSCH PHYLLIS M	retail
707	7TH AVENUE	BILDSTEIN REAL ESTATE LLC	retail
501	7TH AVENUE	SUMMERFIELD INVESTMENTS LLC % DENNIS J STEVENSON	retail
150	7TH AVENUE	CREDIT CARS INC	retail
3115	7TH AVENUE	GILCREST/JEWETT LUMBER COMPANY	retail
260	7TH AVENUE	LEAP OF FAITH LLC ET AL % KRISTA DUFFY	retail
200	7TH AVENUE	BRANNON MICHAEL P & STASIA	retail
361	7TH AVENUE	REINERT JOEL D & JANET M	retail
331	7TH AVENUE	PRIEBE INVESTMENT CORP	retail
2790	7TH AVENUE	HY-VEE INC	retail

2998	7TH AVENUE	EMERSON MATTRESS INC	retail
2325	7TH AVENUE	LINCO ENTERPRISES LTD	retail
365	7TH AVENUE	RIEKEN WILLIAM R	retail
1225	7TH AVENUE	NEW HAWKEYE ASSOCIATES LLC	retail
2305	7TH AVENUE	O'REILLY AUTOMOTIVE INC % DELOITTE TAX LLP-PTS	retail
2988	7TH AVENUE	M & E INVESTMENTS LLC	retail
601	7TH AVENUE	BRAUN DARYL & REBECCA A TRUST BRAUN DARYL &	shopping center-retail
3275	7TH AVENUE	MJM MARION HOLDINGS LLC % MARV BROWN	shopping center-retail
694	7TH AVENUE	TALLEY JOHN L & LILLIAN J	retail
708	7TH AVENUE	GRAY LEONE M TRUST GRAY WILBER S TRUSTEE	retail
958	7TH AVENUE	MOORE FARM-CHEMICAL INC	retail
1038	7TH AVENUE	KUBA WILLIAM E & JAN L	retail
1150	7TH AVENUE	SMITH CLAIRE L	retail
1190	7TH AVENUE	LARSON JACK B REVOC TRUST	retail
3200	7TH AVENUE	LAMB JAMES & ICOR DEVELOPMENT CO	retail
371	7TH AVENUE	IGRAM SELWAH REV TRUST IGRAM SELWAH TRUSTEE	retail
943	7TH AVENUE	MALLY HAROLD J & REBECCA A	retail
1101	7TH AVENUE (THRU	N & K INVESTMENT CO	shopping center-retail
1000	7TH AVENUE THRU	IOWA HERITAGE PROPERTIES LLC	retail
5185	8TH AVENUE	undetermined	bar/lounge/restaurant
998	8TH AVENUE	NATIONAL RETAIL PROPERTIES LP % ROAD RANGER LLC	convenience/retail
785	8TH AVENUE	MOYER CONNIE S	retail
847	8TH AVENUE	WEABLE STEPHEN S & SUZANNE	retail
1105	8TH AVENUE	LAMMERS PROPERTIES LLC	small retail
1135	8TH AVENUE	LAMMERS PROPERTIES LLC	small retail
571	8TH AVENUE	MC AREAVY JOHN G & LOLA M	retail
648	8TH STREET	FILLMORE JOHN C	bar/lounge/restaurant
631	9TH STREET	GRAHAM PROPERTIES LC % DAVID J GRAHAM	retail
3320	ARMAR DRIVE	LOT FOUR ASSOCIATES	bar/lounge/restaurant
0	ARMAR DRIVE	ARMAR PLAZA ASSOCIATES & ARMSTRONG-RACE REALTY	shopping center-retail
1625	BLAIRS FERRY ROAD	DAHL ANGELA B & MICHAEL S	bar/lounge/restaurant
937	BLAIRS FERRY ROAD	PARK AVENUE REALTY	retail
1725	BLAIRS FERRY ROAD	MANGO MICHAEL W	retail
1725	BLAIRS FERRY ROAD	MANGO MICHAEL W & BEATRICE	retail
1725	BLAIRS FERRY ROAD	MANGO MICHAEL W	retail
1725	BLAIRS FERRY ROAD	MANGO MICHAEL W	retail
1725	BLAIRS FERRY ROAD	PETERSON LANNY D	retail
5000	CHANDLER COURT	DOLGENCORP INC	retail
4995	CHANDLER COURT	KRAPFL PROPERTIES LLC	tail
4600	COMMERCIAL	KELLY SUPPLY CO	retail
1682	DUBUQUE ROAD	CULVER LAWN & LANDSCAPE LLC % TODD CULVER	retail
5475	DYER AVENUE	KLEEN PROPERTIES LLC	retail
1100	EAGLEVIEW DRIVE	NH PETROLEUM LLC	convenience/retail

1101	EAGLEVIEW DRIVE	BOUSKA ALLEN & VICKIE REV TRUSTS BOUSKA ALLEN &	retail
1010	EAST POST ROAD	PETERSEN & KNOTT INC	convenience/retail
1135	EAST POST ROAD	DOLGENCORP INC	retail
1198	GRAND AVENUE	ADAMS LOYAL E	retail
1155	GRAND AVENUE	LIVING WATER UNITED METH CHURCH	shopping center
2369	HIGHWAY 13	HANSON DEVELOPMENT LLC	bar-lounge
4835	HIGHWAY 151	NEAL TERRY L & LISA R	retail
3500	HIGHWAY 151	HY-VEE FOOD STORES INC	retail-grocery
5493	HIGHWAY 151	MC DONALD'S REAL ESTATE CO % MC DONALD'S OFFICE	convenience/retail
5491	HIGHWAY 151	WAL-MART REAL ESTATE BUSINESS TRUST	retail
680	LINDALE DRIVE	FAUSER OIL CO INC	convenience/retail
600	LINDALE DRIVE	600 LINDALE DRIVE LLC % JOSEPH KRUSER	retail
1055	LINDEN DRIVE	FAMILY VIDEO MOVIE CLUB INC	retail
1065	LYONS LANE	PARK AVE REALTY CO	retail
340	MARION	VISTA REAL ESTATE & INVESTMENT CORP INC	convenience/retail
750	MARION	DE LONG ENTERPRISES INC	convenience/retail
685	MARION	KASSOUF REAL ESTATE LLC % TONY KASSOUF	bar/lounge/restaurant
500	MARION	HAMES PROPERTIES LLC	retail
151	MARION	RCP GROUP LLC	shopping center-retail
690	MARION	LAMBRO PROPERTIES LLC % JULIE LAMMERS	small retail
200	MENARD LANE	MENARD INC % CORPORATE ACCOUNTING	retail
200	MENARD LANE	MENARD INC % CORPORATE ACCOUNTING	retail
475	NORTHLAND DRIVE	CHAO INC % LEA PROPERTIES	bar/lounge/restaurant
1375	RED FOX WAY	DALL-HAUS LTD % RICHARD KENDALL	bar/lounge/restaurant
975	SOUTH 11TH STREET	CASEY'S MARKETING CO ATTN: ACCT DEPT	convenience/retail
915	SOUTH 11TH STREET	WARRICK GREGORY S	bar/lounge/restaurant
6201	SOUTH GATEWAY	MARIONPROP LC & DASCOA INC	retail
1170	TWIXT TOWN ROAD	Not available	retail
1450	TWIXT TOWN ROAD	DAVIS-OP LLC	shopping center-retail
1400	TWIXT TOWN ROAD	COLLINS SQUARE LLC % TRINITY PROPERTY GROUP	shopping center-retail

Source: Linn County Assessor, City of Marion GIS database and RDG field work.

Work Place and Employment

Table 10 displays the distribution and percentages of establishments and employees for the trade areas. Within the primary market area, 61% of all establishments are service (38%) and retail (23%) businesses, and account for 63% of the market's 13,657 employees, followed by manufacturing at 10% and construction at 9%. Within retail, eating/drinking establishments and miscellaneous retail stores represent about half of the establishments and employees.

Within the secondary market area, 59% of all establishments are service (41%) and retail establishments (18%), and account for 54% of the market's 179,775 employees. The proportion of employed in retail in Marion is higher than in the region, while the proportion of employed in finance is lower than the region.

Table 10: Work Places and Employment for Marion's Trade Areas, 2008

Business Description	Primary Area				Secondary Area			
	Total Establishments	%	Total Employed	%	Total Establishments	%	Total Employed	%
Industries (All)	1,149	100%	13,657	100%	10647	100%	179,775	100%
Agriculture (All)	20	2%	72	1%	255	2%	1,282	1%
Mining (All)	1	0%	3	0%	18	0%	66	0%
Construction (All)	102	9%	1171	9%	928	9%	8,574	5%
Manufacturing (All)	83	7%	1367	10%	585	5%	23,504	13%
Transportation, Communications/Public Utilities	33	3%	639	5%	521	5%	15,387	9%
Wholesale Trade (All)	46	4%	385	3%	475	4%	7,105	4%
Retail (All Retail)	267	23%	3805	28%	1965	18%	28,405	16%
Building Materials and Garden	14	5%	296	8%	160	8%	2,380	8%
General Merchandise Stores	6	2%	95	2%	53	3%	2,937	10%
Food Stores	25	9%	275	7%	163	8%	3,089	11%
Auto Dealers and Gas Stations	34	13%	632	17%	278	14%	3,806	13%
Apparel and Accessory Stores	10	4%	52	1%	92	5%	800	3%
Home Furniture, Furnishings and	44	16%	478	13%	225	11%	1,644	6%
Eating and Drinking Places	67	25%	1197	31%	530	27%	8,529	30%
Miscellaneous Retail Stores	67	25%	780	20%	464	24%	5,220	18%
Finance (All)	131	11%	881	6%	1054	10%	20,266	11%
Service (All)	437	38%	4841	35%	4391	41%	67,753	38%
Public Administration (All)	29	3%	493	4%	455	4%	7,433	4%

Source: Claritas, Inc., 2007

Consumer Spending Patterns by Product

Table 11 compares annual consumer expenditures by product type in each trade area to the national average. National average per capita expenditures are equal to a market index of one hundred (100), which is the ratio of the Annual Average Household Expenditure (AAHE) in each trade area compared to the AAHE for the United States. Therefore, scores greater than one hundred indicate that consumers spend more on a good or service than the rest of the nation.

Spending patterns in Marion match national averages.

Spending patterns in Marion match national averages, and are slightly higher than the regional area. Marion, in comparison to other Midwestern cities that RDG has prepared market studies, ranks higher on average than most communities in meeting or exceeding national averages. Transportation expenses and entertainment are areas of significant strength. Transportation expenses include new and used vehicles, boats, towing, fuel, and rental vehicles, while entertainment includes sports and recreation, television, reading materials, travel and photography equipment. This indicates some opportunities for capturing additional dollars, spent over the national average, by those in the primary and secondary markets.

Table 11: Consumer Spending By Product for Market Areas, 2008

Annual Expenditures	PRIMARY 2008	SECONDARY 2008
Apparel:		
Total Apparel	94	88
Women's Apparel	94	88
Men's Apparel	93	90
Girl's Apparel	97	92
Boy's Apparel	97	92
Infant's Apparel	104	97
Footwear (excl. Infants)	93	90
Other Apparel Prods/Services	92	86
Entertainment:		
Sports and Recreation	106	98
TV, Radio and Sound Equipment	100	96
Reading Materials	119	111
Travel	101	94
Photographic Equipment	111	104
Food at Home:		
Total Food at Home	93	92
Cereal Products	90	89
Bakery Products	93	92
Fish and Seafood	80	79
Meats (All)	83	83
Dairy Products	96	95
Fresh Milk and Cream	99	98
Other Dairy Products	99	97
Fruits and Vegetables	84	83
Juices	78	77
Sugar and Other Sweets	104	102
Fats and Oils	90	90
Nonalcoholic Beverages	97	95
Prepared Foods	107	104
Health Care:		
Total Health Care	100	100
Medical Services	100	97
Prescription Drugs	99	101

Medical Supplies	111	109
Household Equipment:		
Total Household Textiles	100	93
Domestic Textiles	100	95
Window and Furniture Covers	100	91
Total Furniture	100	94
Major Appliances	108	102
Small Appliance/Houseware	110	104
Misc Household Equipment	115	109
Misc Personal Items:		
Personal Care Products and Services	97	94
Personal Expenses and Services	101	96
Smoking Prods/Supplies	121	122
Miscellaneous Items:		
Total Education	89	87
Room and Board	99	106
Tuition/School Supplies	88	86
Pet Expenses	102	100
Day Care	95	87
Contributions (All)	93	85
Other Misc. Expenses:		
Housekeeping Supplies	95	93
Total Food away from Home	99	96
Total Alcoholic Beverages	105	102
Shelter and Related Expenses:		
Household Services	94	85
Household Repairs	107	99
Total Housing Expenses	98	94
Transportation Expenses:		
Total Transportation Expenses	107	106
New Autos/Trucks/Vans	102	98
Used Vehicles	117	121
Boats and Outboard Motor, Etc	121	132
Towing Charges	117	113
Gasoline	101	102
Diesel Fuel	103	104
Rented Vehicles	111	88
Automotive Maintenance/Repair/Other	107	105
Total Specified Consumer Expenditures	100	97
<i>Source: Claritas, Inc.</i>		

Retail Sales Analysis

In 2008, the Cedar Rapids Metropolitan Statistical Area reported \$4,329,853,438 in retail sales. Marion’s portion was about 16% of this total at \$682,941,428. Cedar Rapids’ share was 59.1% of the total, while Hiawatha’s was 2.3% and Mount Vernon’s was 1.7%. The remaining 25% was among the rural areas of the county and its smaller communities. Marion and surrounding cities compete with Cedar Rapids to provide commercial services. Table 12 indicates total retail sales in each area.

Table 12: Share of Total Retail Sales, 2008		
	Total Retail Sales	% of Total
Marion	\$682,941,428	15.8%
Cedar Rapids	\$2,560,998,408	59.1%
Hiawatha	\$99,599,497	2.3%
Mount Vernon	\$73,679,059	1.7%
County and other cities	\$1,085,913,602	25.1%
MSA Total	\$4,329,853,438	100%

Source: Claritas, Inc.

The primary market area for Marion includes retail spending within its city limits. **Table 13** shows Marion’s primary market area accounting for \$682,941,428 in retail sales in 2008, while its current population generated a demand of \$588,439,234. The surplus of \$94.5 million in sales would suggest that consumers outside the city are spending money in Marion. However, approximately 31% of retail sales or \$299,967,174 is a result of non-store retailing, such as direct selling establishments (\$231,066,726) and electronic shopping mail (\$86,900,448). Subtracting non-

Marion residents are doing a substantial amount of their spending outside of Marion.

store retailers from the totals would show that retail sales for the primary trade area being \$382,974,254, while its consumer expenditures being \$551,116,682. The difference between sales and expenditures is \$168,142,428. This means that Marion residents are doing a substantial amount of their spending outside Marion. Therefore, the primary market area could capture substantially more retail spending.

Table 13 also identifies the gap between consumer demand (expenditures) and retail sales within each trade areas.

A *positive value* results from demand exceeding supply, indicating a leakage of consumer dollars. In other words, residents have dollars to spend but they are spending them outside of their respective market area. For example, 2008 retail demand exceeded retail sales within the Motor Vehicle and Part Dealers, suggesting that consumers are buying items outside the confines of the area and flowing into other market areas.

A *negative value* results from sales exceeding demand and indicates a flow of regional dollars into the city’s retail market. For example, 2008 retail sales exceeded demand within the Building Material and Garden Equipment Stores by \$12 million, illustrating the community’s strong regional retail attraction.

Retail stores showing strength in the market and holding greater potential for Marion, include:

- *Building Materials.* Building Materials and Supply Dealers reported nearly \$80 million in retail sales. Nearly two-thirds of the sales originated from home centers (\$55 million). Sales exceeded demand for this business type, representing a market area that attracts outside patrons. This market experienced a boom in 2006.
- *Sporting Goods, Hobby, Book, and Music Stores.* Sales reached \$21.7 million, while the demand was only \$11 million, representing nearly \$10.7 million in surplus. This category includes sporting goods, hobby, toys, games, sewing, needlework, musical instruments, books, and periodicals.
- *Food and Beverage Stores.* Sales reached \$48.6 million in 2008. Despite having a strong market, an additional \$18.4 million were expended elsewhere.
- *General Merchandise.* This enterprise has been growing substantially since 2005 according to the Department of Revenue, reaching sales of \$35.7 million in 2008. Current demand and supply is well-balanced for department stores, however a gap of nearly \$32 million reportedly exists for warehouse and super stores. Expenditures from this market are likely leaking to the larger regional market.
- *Non-store Retailers.* Direct selling establishments represents nearly 31% of all retail sales for Marion. These establishments typically go to the customers' location rather than the customer coming to them (e.g., door-to-door sales, home parties). Examples include home delivery newspaper routes; home delivery of heating oil, liquefied petroleum (LP) gas, and other fuels; locker meat provisioners; frozen food and freezer plan providers; coffee break services providers; and bottled water or water softener services.

Again, **Table 13** presents retail demand and supply. The figures in the Opportunity/Gap column are used later in this analysis to calculate potential retail space. Auto sales and non-store retailers are withheld for the purpose of projecting future retail space square footage; therefore they appear crossed out in Table 13.

Table 13: Consumer Demand and Supply, 2008						
	Primary Market			Secondary Market		
	2008 Demand Consumer Expenditures	2008 Supply Retail Sales	Opportunity Gap Surplus/ Shortage	2008 Demand Consumer Expenditures	2008 Supply Retail Sales	Opportunity Gap Surplus/ Shortage
Adjusted Total Retail Sales	443,301,366	370,555,714	72,745,652	3,347,515,307	2,868,305,793	479,209,514
Auto Parts/Accessories, Tire	8,879,076	6,486,406	2,392,670	69,610,255	65,720,008	3,890,247
Furniture and Home Furnishings	15,048,727	16,928,885	(1,880,158)	108,515,576	70,946,018	37,569,558
Furniture Stores	8,047,533	12,618,880	(4,571,347)	58,124,175	42,486,004	15,638,171
Home Furnishing Stores	7,001,194	4,310,005	2,691,189	50,391,401	28,460,014	21,931,387
Electronics and Appliances	13,586,598	9,276,081	4,310,517	100,795,736	97,567,007	3,228,729
Appliances, Televisions, Electronics	10,305,230	7,438,500	2,866,730	76,550,371	79,444,010	(2,893,639)
Computer and Software	2,732,702	1,760,179	972,523	20,215,269	14,851,997	5,363,272

Camera and Photographic Equipment	548,666	77,402	471,264	4,030,096	3,271,000	759,096
Building Material and Garden Equipment	69,757,811	81,907,805	(12,149,994)	505,685,093	439,397,630	66,287,463
Building Material and Supply	64,224,884	79,646,191	(15,421,307)	464,886,578	376,107,965	88,778,613
Home Centers	25,472,905	54,923,578	(29,450,673)	185,052,194	152,889,002	32,163,192
Paint and Wallpaper Stores	1,384,212	1,562,171	(177,959)	9,955,924	6,703,001	3,252,923
Hardware	5,197,120	605,150	4,591,970	38,079,732	11,594,003	26,485,729
Other Building Materials	32,170,647	22,555,292	9,615,355	231,798,728	204,921,959	26,876,769
Lawn/Garden Equipment	5,532,927	2,261,614	3,271,313	40,798,515	63,289,665	(22,491,150)
Food and Beverage	67,068,800	48,633,000	18,435,800	517,574,286	397,107,969	120,466,317
Grocery	60,732,998	47,415,047	13,317,951	468,993,355	389,552,994	79,440,361
Supermarket, Grocery	57,480,162	46,741,788	10,738,374	443,753,930	380,383,996	63,369,934
Convenience Stores	3,252,836	673,259	2,579,577	25,239,425	9,168,998	16,070,427
Specialty Food Stores	1,822,920	833,699	989,221	14,067,502	5,268,976	8,798,526
Beer, Wine and Liquor Stores	4,512,882	384,254	4,128,628	34,513,429	2,285,999	32,227,430
Health and Personal Care	29,243,983	24,823,136	4,420,847	226,156,195	254,031,009	(27,874,814)
Pharmacies and Drug	25,250,575	22,071,988	3,178,587	195,519,230	227,860,993	(32,341,763)
Cosmetics, Beauty Supplies, Perfume	994,552	18,777	975,775	7,712,387	3,332,993	4,379,394
Optical Goods	1,237,872	23,522	1,214,350	9,233,517	10,611,003	(1,377,486)
Other Health and Personal Care	1,760,984	2,708,849	(947,865)	13,691,061	12,226,020	1,465,041
Gasoline Stations	64,115,078	49,390,264	14,724,814	505,408,047	412,537,011	92,871,036
Gasoline Stations w/ Convenience	48,398,140	39,813,061	8,585,079	381,254,859	388,718,992	(7,464,133)
Other Gasoline Stations	15,716,938	9,577,203	6,139,735	124,153,188	23,818,019	100,335,169
Clothing & Clothing Accessories	25,723,889	9,217,375	16,506,514	188,452,462	132,781,329	55,671,133
Clothing Stores	18,516,508	7,123,209	11,393,299	136,483,233	100,785,341	35,697,892
Men's Clothing	1,206,206	1,289,571	(83,365)	9,025,341	10,803,998	(1,778,657)
Women's Clothing	4,624,457	4,608,173	16,284	33,698,630	24,552,340	9,146,290
Children's, Infants' Clothing	1,054,810	44,737	1,010,073	7,940,687	2,004,001	5,936,686
Family Clothing	10,021,264	705,718	9,315,546	74,071,103	56,311,996	17,759,107
Clothing Accessories	427,688	192,397	235,291	3,053,703	2,026,999	1,026,704
Other Clothing Stores	1,182,083	282,613	899,470	8,693,769	5,086,007	3,607,762
Shoe Stores	3,305,244	20,656	3,284,588	24,854,446	962,998	23,891,448
Jewelry, Luggage, Leather Goods	3,902,137	2,073,510	1,828,627	27,114,783	31,032,990	(3,918,207)

Sporting Goods, Hobby, Book, Music	11,064,514	21,692,760	(10,628,246)	81,867,520	79,031,703	2,835,817
Sporting Goods, Hobby, Musical Instrument Stores	7,647,544	16,386,101	(8,738,557)	55,907,496	64,563,698	(8,656,202)
Book, Periodical and Music Stores	3,416,970	5,306,659	(1,889,689)	25,960,024	14,468,005	11,492,019
General Merchandise Stores	68,988,085	35,777,656	33,210,429	519,235,422	507,521,029	11,714,393
Department Stores	32,917,688	32,033,677	884,011	244,905,944	212,450,003	32,455,941
Other General Merchandise	36,070,397	3,743,979	32,326,418	274,329,478	295,071,026	(20,741,548)
Warehouse Clubs and Super	30,821,264	0	30,821,264	235,276,767	274,007,017	(38,730,250)
All Other General Merchandise	5,249,133	3,743,979	1,505,154	39,052,711	21,064,009	17,988,702
Miscellaneous Store Retailers	15,464,722	12,692,134	2,772,588	115,794,127	69,666,055	46,128,072
Florists	1,102,110	158,884	943,226	8,118,436	8,380,000	(261,564)
Office Supplies, Stationery, Gift	6,214,834	4,948,692	1,266,142	45,912,524	26,790,044	19,122,480
Used Merchandise Stores	1,275,857	1,598,613	(322,756)	9,390,312	7,201,965	2,188,347
Other Miscellaneous Retailers	6,871,921	5,985,945	885,976	52,372,855	27,294,046	25,078,809
Foodservice and Drinking Places	54,360,083	53,730,212	629,871	408,420,588	341,999,025	66,421,563
Full-Service Restaurants	25,095,804	20,703,400	4,392,404	188,426,636	135,817,009	52,609,627
Limited Service Eating Places	21,925,404	21,731,962	193,442	164,994,926	149,092,005	15,902,921
Special Foodservices	4,523,069	6,165,057	(1,641,988)	34,038,630	26,168,998	7,869,632
Drinking Places Alcoholic Beverages	2,815,806	5,129,793	(2,313,987)	20,960,396	30,921,013	(9,960,617)

Source: Claritas, Inc.
Note: Auto sales and non-store retailers are not included in the adjusted total.

Retail Pull Factor & Per Capita Sales Indices

Iowa State University's Retail Trade Analysis Program reports Marion's retail pull factor for 2008 at 0.78, a decline from its 2006 pull factor at 0.92. Linn County's pull factor in 2008 was reportedly 1.21, remaining steady from its 2006 pull factor at 1.22. Numbers less than 1.0 suggest that sales are leaking to other markets and not being retained or attracting additional spending.

Marion attracts retail sales in the Building Materials, while leaking sales in all other categories.

Table 14 shows Marion attracting retail sales in the Building Material category, while leaking sales in all other categories. Cedar Rapids attracts a significant amount of sales from Marion and surrounding area, exhibiting figures well above 1.0 for all categories. Coralville attracts a substantial amount of sales from all over the region.

Table 14: Geographic Competition Per Capita Sales Indices by Category for Marion

	Marion	Mount	Anamosa	Hiawatha	Coralville	Cedar Rapids
Apparel	0.46	-	-	-	9.48	1.49
Building Materials	2.19	-	-	-	2.81	1.45
Eating & Drinking	0.74	0.85	0.58	0.60	4.18	1.68
Food Stores	1.07	-	-	-	3.32	1.18
General Merchandise	0.83		2.25	0.30	5.44	1.83
Home Furnishings	0.58	0.27	-	-	3.11	1.50
Specialty Stores	1.09	0.90	0.26	0.83	5.08	1.85
Services	0.59	0.54	0.63	1.96	2.53	2.08
Wholesale	0.38	-	0.81	1.06	0.76	1.73

Source: Iowa State University Retail Sales Analysis & Report, 2008

Projected Annual Expenditure Growth

Potential growth in expenditures determines much of the need for additional retail space in Marion. As indicated in the previous section, Marion currently has room for growth in specific market sectors. In addition, certain niche retail businesses do not compete directly with mass retailers: a store like Antiques of Marion in downtown is a unique, destination business that has customers throughout the county.

Additional retail potential is generated by two factors: (1) increases generated by population growth and (2) increases in market share in specific sectors. **Table 15 (step 1)** calculates total potential retail demand by multiplying projected population by per capita retail expenditures. Expenditures specifically made in Marion are then computed by applying capture rates – that is the percentage of spending generated by these markets that takes place in the city. *The result is approximately 200,000 square feet of additional retail space by 2013. The bulk of the demand is generated by the local primary market. Tables 15* relate increases in projected in-city consumer spending to retail space demand by *calculating the average sales yield of retail space in Marion, using an estimated sales yield of \$320 per square foot, based on averages contained in the Urban Land Institute’s (ULI) Dollars and Cents of Shopping Centers, 2008.*

Retail Markets for 29th Avenue Subarea: Many business types in Marion show a local demand greater than sales, representing an “opportunity gap” or potential market based on local expenditures. These retail sectors currently show a moderate level of retail sales leakage. These figures were previously introduced in **Table 13**. These include:

- *Electronics and Appliance Stores.* Market data reports an opportunity gap of \$4.3 million for the primary market, or about 13,800 square feet.
- *Food and Beverage Stores.* Market data reports an opportunity gap of \$13.3 million for the primary market, or about 42,000 square feet.
- *Clothing and Clothing Accessory Stores.* Market data reports an opportunity gap of \$16.5 million for the primary market, or about 52,000 square feet.

- *Foodservice and Drinking Places.* Market data for full-service restaurants reports an opportunity gap of \$4.4 million for the primary market, or about 14,000 square feet.
- *General Merchandise.* Market data reports an opportunity gap of \$32 million for the primary market, or about 103,000 square feet. Again, current demand and supply is well-balanced for department stores, however a gap reportedly exists for warehouse and super stores.
- *Motor Vehicle and Parts Dealers.* Market data reports an opportunity gap of \$97.8 million. Local demand in 2008 was \$116,694,392, while sales were reportedly \$18,904,946. These figures were withheld when calculating overall retail space demand.

Despite these markets showing opportunities for growth, development in the 29th Avenue Subarea faces several challenges, including:

1. *Access.* Visibility and access is critical for any commercial development. Businesses along corridors with high traffic volumes increase their exposure to potential clientele. Along with good access and visibility commercial development may need a signature retail store or service provider to attract patrons or market themselves as a commercial destination.
2. *Rooftops.* Service-related and retail commercial uses typically target household growth before breaking ground. Features that they consider include the rate of increase of households in an area, median household income levels. Commercial developments have been known to develop in areas prior to a household development. However, leasing tenant space has been challenging.
3. *Market Competition.* In response to the 2009 market fluctuations, some leasable space has dropped to \$9 per square foot. This change creates affordable space for small businesses although burdens the new construction market in Marion as it typically requires \$19 square foot. Be that as it may, new construction can provide features and amenities that appeal to customers retailing habits.

Table 15: Retail Capture			
STEP 1A: PROJECTING TOTAL DEMAND IN 2013			
	City	MSA	Total
2008 Estimated Demand	\$443,301,366	\$2,904,213,941	\$3,347,515,307
2008 Estimated Population	34,200	217,964	252,164
2008 Per Capita Dollars	\$12,962	\$13,324	
2013 Projected Population	39,248	222,012	261,260
2013 Projected Demand	\$508,733,685	\$2,958,150,637	\$3,466,884,322
STEP 1B: PROJECTING THE INCREMENT FOR DEMAND BETWEEN 2008 & 2013			
2013 Projected Demand	\$508,733,685	\$2,958,150,637	\$3,466,884,322
2008 Estimated Demand	\$443,301,366	\$2,904,213,941	\$3,347,515,307

Increment 2008-2013	\$65,432,319	\$53,936,696	\$119,369,015
STEP 1C: PROJECTING THE CAPTURED SHARE OF FUTURE DEMAND			
Increment 2008-2013	\$65,432,319	\$53,936,696	\$119,369,015
Market Area Capture rate	84%	86%	
Market Area Share of the Increment	\$54,694,890	\$46,215,453	\$100,910,344
STEP 3A: CALCULATING OPPORTUNITY/GAP			
Existing Gap (difference: demand-supply)	\$72,745,652	\$479,209,514	\$551,955,166
Future Gap (City: \$64,432,319 - \$54,694,890)	\$10,737,428	\$7,721,243	\$18,458,671
Total Gap (City: \$370,555,714 - \$443,301,366)	\$83,483,080	\$486,930,757	\$570,413,837
STEP 3B: CALCULATING MARION'S SHARE OF THE GAP			
Total Gap	\$83,483,080	\$486,930,757	\$570,413,837
Marion Capture Rate	25%	2.0%	
Share of Gap	\$20,870,770	\$9,738,615	\$30,609,385
STEP 4: DETERMINING SQUARE FOOTAGE			
Share of Gap	\$20,870,770	\$9,738,615	\$30,609,385
Total Increment	\$54,694,890	\$0	\$54,694,890
Sales Yield Per Square Foot	\$320	\$320	
Citywide Commercial Space Demand (SF)	170,922	30,433	201,355
<i>Source: Claritas, Inc., RDG Planning & Design</i>			

THE OFFICE MARKET

The office sector is another major part of Marion’s development picture. **Table 16** shows the existing inventory of office land uses as identified in the City’s 2009 Existing Land Use inventory. Most office uses are small providers, including financial services, medical offices and administration.

- Based on the Marion’s inventory in **Table 16**, the approximate gross building area for office uses (excluding government and other public offices) is 362,199 square feet. RDG’s experience in land use and comprehensive planning suggests a community-wide standard of about 1.5 to 2.0 acres of land devoted to single-purpose office occupancy for each 1,000 residents (total 2008 population 34,200). Based on this standard, Marion should currently have 51 to 68 acres devoted to office use. However, according to Marion’s 2009 existing land use data, the City has 40.2 acres of land for office use. Marion’s 2030 population is projected to be 59,614 (see **Table 5**), which would suggest the city to have 90 to 120 acres for office use. The comprehensive plan update should identify enough land to accommodate for this potential office use.

Marion has 40.2 acres of office. By 2030, a total of 90 to 120 acres should be reserved.

- The 23rd Commercial Market Overview prepared by Scott E. Olson of Skogman Commercial at the Penthouse reports that available office space in the Cedar Rapids metro area has grown by 180,000 square feet from May 2007 to March 2009. Approximately 100,000 square feet is a result of the vacating of the Frank Magid building. The report anticipates that available space will continue to grow as more companies will shift from leased to business-owned space. The report also identifies that the commercial market is strong for smaller spaces and buildings.
- The 2009 Comprehensive Plan, prepared in unison with this study, reports that office lease rates have remained steady, while retail lease rates have dropped.

Future office needs are difficult to project without intensive study. Diversification, expansion, recruitment, and business starts generate a demand for new office space. On the other hand, downsizing of some businesses puts other space on the market. Individual decisions and preferences by entrepreneurs can also dramatically alter this estimate.

Address	Gross Building Area	Deed	Built
808 6 th Street	2,820	Moose Family Partnership	1999
770 7 th Avenue	5,147	Security Savings and Loan	1974
80 & 82 W. 8 th Avenue	4,757	Steven & Deborah Wells Family Trust	1974
341 8 th Avenue	6,534	First National Bank of Marion	
585 8 th Avenue	1,794	Kopel-Concepts & Contractors, Inc.	
596 & 571 8 th Avenue	1,788	John and Lola Mc Areavy	

645 8 th Avenue	824	Kenneth Waterbeck	1920
708 8 th Avenue	2,760	Lewis and Karlene	1915
742 8 th Avenue	880	Lewis and Roberta Doyen-Thomas	1880
892 8 th Avenue	2,952	Steven and Michele Kelly	1880
895 8 th Avenue	1,360	Daniel Trimble	1990
915 8 th Avenue	NA	FTF Enterprises LLC	1880
1100 8 th Avenue	6,103	Farmer's State Bank	1937
1240 8 th Avenue	28,680	Farmer's State Bank	1967
896 8 th Street	3,648	Randal and Sandra Mahurin	
685 9 th Avenue & 896 7 th Street	1400	Rachel Munger	
1080 9 th Avenue	3,570	Franklin Meridian Inc	1968
1200 9 th Avenue	730	Farmer's State Bank	1979
610 10 th Street	907	Paul and Carolyn Draper	1840
630 10 th Street	2,698	Marlyce Murdoch	1850
642 10 th Street	5,355	Marlyce Murdoch	1895
675 S. 11 th Street	2,520	K & M Associates	
800 11 th Street	8,098	Hills Bank & Trust	1980
890 11 th Street	2,333	John and Amy Westfall	
880 13 th Street	1,550	Peter Nopoulos	1957
999 35 th Street	7,527	Central-Division LLC	1953
3505 Highway 151	Vacant land	Central-Division LLC	-
3680 Highway 151	6,459	Collins Community Credit Union	2000
325 Oakbrook Drive	unknown	City State Bank	2008
1 RESEARCH CENTER	6,000	One Research Center	
1285 Red Fox Way	unknown	Eagle Ridge LC	1996
900 Barrington Parkway	Vacant land	Camden Farms Land Co LC	-
915 Barrington Parkway	Vacant land	No listing	-
<i>Source: Linn County Assessor, City of Marion GIS data files</i>			

THE RESIDENTIAL MARKET

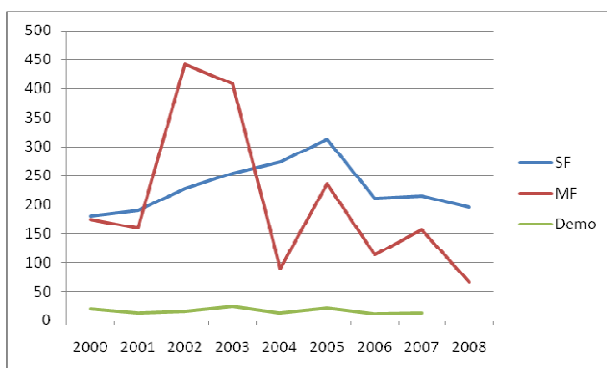
Residential development has been critical to development policies in many communities and will also play a major role in the growth of Marion. This section addresses potential housing markets for the city.

Housing Construction Trends

Table 3 and **Chart 1** show the inventory of building permits from 2000 to 2008 in Marion. Single-family development peaked in 2005, while multi-family development peaked in 2002 and 2003 with the completion of some major apartment projects, Azure Weford and Chapelridge. The annual number of demolitions remained steady during the decade.

The 2009 Comprehensive Plan Update reviews permits for the same period and reports that Marion’s proportion of multi-family development is similar to the Cedar Rapids-MSA. From 2003 to 2007, Marion accounted for 27% of all permitting activity in the Cedar Rapids MSA.

Chart 1: Building Permits between 2000 and 2008 in Marion, Iowa.



Housing Sales

Table 17 summarizes home sales in Marion. Data was collected and compiled for the 2009 Marion Comprehensive Plan by Houseal Lavigne Associates. Additional summary is available in the Marion Comprehensive Plan. Major findings include:

- **Table 17** shows that between 2004 and 2008 the frequency of sales were comparable from year to year.
- Marion’s median sale price floated around \$150,000, which was greater than median sales in Cedar Rapids (\$120,000) however less than sales in Hiawatha-Robins (\$223,000).
- Median sales by square foot of the building increased steadily, starting at \$106 in 2004 and reaching \$117 in 2008. Hiawatha’s median was \$17 to \$22 more per square foot, while Cedar Rapids was \$11 to \$15 less per square foot than Marion’s.
- Homes stayed on the market on average by 91 days in Marion. Homes in Hiawatha-Robins stayed on for two more weeks, while homes in Cedar Rapids moved faster by a week and half.

Table 17. Home Sales in Marion and Surrounding Communities: 2004 - 2008

	Number of Sales			Median Sales Price		
	Marion	Hiawatha-Robins	Cedar Rapids	Marion	Hiawatha-Robins	Cedar Rapids
2004	745	147	2,364	\$141,000	\$214,000	\$115,000
2005	774	125	2,499	\$146,000	\$213,000	\$118,500
2006	793	154	2,433	\$147,454	\$240,000	\$119,900
2007	752	138	2,366	\$154,775	\$234,481	\$122,450
2008	738	115	2,140	\$160,000	\$214,000	\$123,000

	Median Sales Price Per SF			Average Market Time		
	Marion	Hiawatha-Robins	Cedar Rapids	Marion	Hiawatha-Robins	Cedar Rapids
2004	106	123	95	86	112	81
2005	109	125	98	89	88	74
2006	112	129	99	94	117	82
2007	114	136	102	86	116	88
2008	117	135	102	101	89	77

Source: 2009 Marion Comprehensive Plan

Housing Development Demand

Residential projections are based on a *ten-year* demand and broken down in *five-year* increments. **Table 5** displays the population projections based upon a variable growth rate. *The 2008 projected population is 34,200 and the 2018 population is 44,406.*

Demand for 425 to 481 units annually.

Table 18 projects housing development in Marion to 2018, based on the population forecast discussed above. The demand projection assumes the same people per household (2.47) and increases vacancy rate from 4.6% in 2000 to 5.0% in 2008 then to 5.5% in 2018. The analysis indicates a continued citywide demand for about

425 to 481 units annually, a slight decrease over the production of the last eight years. Providing a variety of housing in appropriate settings will be essential to increasing demand and meeting future city projections.

The 2009 Comprehensive Plan anticipates the majority of development occurring towards the east and northeast.

Table 18: Projected Housing Development Demand to 2018

City of Marion	2008 (Base)	2013	2018	Total
Population at the End of Period	34,200	39,248	44,406	
Household Population at End of Period	33,641	38,606	43,680	
People/Household	2.2	2.5	2.5	
Household Demand at End of Period	13,620	15,630	17,684	
Projected Vacancy Rate	5.00%	5.25%	5.50%	
Total Unit Needs at End of Period	14,337	16,496	18,713	
Available from Previous Year		16,071	18,233	
Annual Lost Units		15	15	
Annual Need		425	481	
Cumulative Need		2,235	2,292	4,527

Source: RDG Planning & Design

The overall occupancy mix in the city is roughly 78% owner-occupied and 22% renter occupied. **Table 18** projects a ten-year housing development program based on these assumptions.

Table 19 identifies the split for owner- and renter-occupied housing for new construction, while **Table 20** presents an occupancy and pricing program, based on Marion’s current income distribution and owner/renter occupancy

3,531 owner-occupied units needed and 996 renter-occupied units needed by 2018.

split. Actual production may differ from these projections because of market or lifestyle preferences, such as the desire of higher-income residents or “urban pioneers” to live in higher-cost housing. Nevertheless, this program can guide the city and potential developers.

The projection model suggests a housing program that distributes the affordability of housing evenly among low, affordable, market rate and high end housing. A total of 3,531 units of owner-occupied housing are needed in the next ten years, as well as, 996 units of renter-occupied housing. Townhomes at Briargate target the Affordable Market at \$110,000.

	2008-2013	2013-2018	Total
Owner-Occupied Units	1743	1788	3531
Renter Occupied Units	492	504	996
Total	2235	2292	4527

Source: RDG Planning & Design

The 29th Avenue Subarea provides a unique setting for new housing opportunities to accommodate a portion of the projected demand. Innovatively developed housing in the study area could also be attractive enough to develop its own, larger market. An overall development program that makes the district a more attractive place further increases housing potentials, for example, a focus on the arts or senior housing. The market analysis suggests a need for more moderate housing options for owner- and renter-occupied living. The market could provide more housing options, such as townhouses, rowhouses and condominiums. Developing alternative housing options may meet an unmet demand.

	2008-2013	2013-2018	Total
Total Need	1,809	2,718	4527
Total Owner Occupied	1411	2120	3531
Affordable Low: \$60-100,000	183	276	459
Affordable Moderate: \$100-130,000	304	459	763
Moderate Market: \$130-200,000	401	604	1005
High Market: Over \$200,000	523	781	1304
Total Renter Occupied	398	598	996
Low: Less than 450	100	150	250
Affordable: 450-700	152	229	381
Market: Over \$700	146	219	364

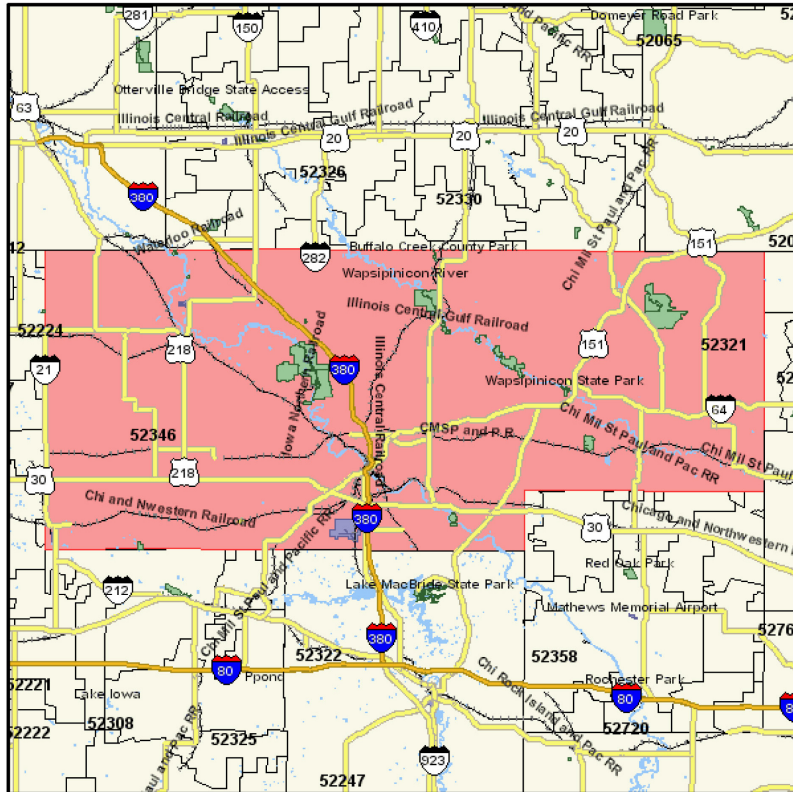
Source: RDG Planning & Design

Conclusions

This analysis of population and potential markets leads to the following conclusions:

1. Marion will experience significant population increases, achieving a total population of 46,570 by 2020. Projections assume that the student population will remain static while the rest of the population will increase at a variable growth rate. The larger region also will continue to experience population growth.
2. About 61% of all business establishments are service (38%) and retail (23%) businesses
3. Incomes of Marion residents are increasing and relatively higher than regional communities. The median incomes increase in primary and secondary markets.
4. Employment focus in the primary market is on the service and retail sectors, accounting for about 61% of the market's 13,657 employees.
5. Consumer spending patterns in nearly all market areas is strong, matching or exceeding the national average. Transportation expenses and entertainment are areas of significant strength.
6. Marion experiences retail leakage to other communities. Marion has a significant opportunity to capture additional dollars in its jurisdiction.
7. Marion's portion of overall retail spending in the Cedar Rapids MSA was about 16% of the total at \$682,941,428. Its strongest retail market performance include building materials, sporting goods/hobby/book/music stores, food / beverages, general merchandise, and non-store retailers.
8. During the next five to ten years, Marion could absorb approximately 200,000 square feet of additional retail space. A bulk of this demand is generated by the local primary market.
9. The following categories exhibited a substantial gap Electronics and Appliance Stores, Food and Beverage Stores, Clothing and Clothing Accessory Stores, Foodservice and Drinking Places, General Merchandise, Motor Vehicle and Parts Dealers.
10. Marion should identify a minimum of 11 to 18 acres of land for future office uses in their Comprehensive Plan.
11. A ten-year housing program for Marion projects about 4,500 new units, divided between owner and rental-occupancy. Tighter underwriting standards that are a likely consequence of the subprime lending crisis are likely to restore developer interest in rental housing when markets stabilize.
12. Marion has a need for more moderate- to upper-level priced housing options for owner- and renter-occupied living.

Map 1: Secondary Market Area for Marion, 2008



Map 2: Commercial Uses in Marion, 2008

