The Downtown Clear Lake Plan

Concepts for a Cool, Classic City Center

Developed for the City of Clear Lake and the Clear Lake Area Chamber of Commerce by RDG Planning & Design

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INTRODUCTION TO THE DOWNTOWN CLEAR LAKE PLAN

The City of Clear Lake, graced by its beautiful namesake lake and its distinctive town environment, describes itself as a "cool, classic" community, blending a sense of timelessness, gentility, and comfort with a location in a larger urban region. Clear Lake's town center is particularly important to this image, distinguished by its historic main street buildings, intimate pedestrian scale, public lakefront, excellent restaurants, and variety of retail stores and services. Downtown both benefits from and reinforces Clear Lake's community character, contributing strongly to the town's quality.

Clear Lake Lakefront

Clear Lake as a community has made major investments in its town center, and these have paid significant dividends. The streetscape program includes new lighting and sidewalks, with concrete pavers engraved with the names of private donors to the project. The community room addition to the Bandshell in City Park is a popular place for events, and the restored Seawall Walk, connecting the park to surrounding neighborhoods, is a signature feature. In 2004, the city will extend the streetscape and upgrade downtown's public beach, further reinforcing an attractive public environment. The proposed Central Gardens project, adjacent to the district, will add a new attraction. These physical features contribute to a good economic environment, and provide the setting that restaurants, entertainment establishments, and specialty retailers need to succeed in a resort community.

Yet, Downtown Clear Lake, like town centers in other small cities, faces significant challenges. Retailing is a key part of the environment that a resort town offers its visitors. Yet, it is difficult to sustain a strong market on the tourist season alone. Clear Lake is paired with Mason City as part of a larger retail market, and, in common with many similarly situated towns, exports general consumer dollars to the mass retailers of its larger neighbor. To a degree, downtown retailing is in a generational transition, with some long-time enterprises closing and the district seeking new businesses and retail niches to fill these gaps. Finally, a city like Clear Lake must continue to enhance its product, offering the kinds of services and experiences that increase other investment and keep people coming back.

This plan presents a market-based program to address these issues and take advantage of the opportunities that this unique community possesses. The document includes:

- *A market analysis* that examines the city's retail dynamics and addresses commercial, residential, and office market opportunities available to the city.

- *Goals for Downtown Clear Lake,* summarizing the results of a highly participatory goal-setting process that provided the policy foundation for this plan. The goal-setting process involved downtown stakeholders in assessing the health of the district and establishing strategic goals and priorities.

- *Existing conditions and opportunities,* assessing such key factors as building and land use, parking, and retail characteristics, and considering opportunities and niches for new retail development.

- *The Downtown Clear Lake Plan,* establishing a vision and detailed program for downtown development.

- Implementing the Downtown Clear Lake Program, addressing financing and phased implementation of the downtown development program.

This plan is designed to build on previous development plans and public investments to help Downtown Clear Lake continue to live up to its potential as an integral part of the cool, classic Clear Lake experience

Chapter One

MARKETS FOR DOWNTOWN CLEAR LAKE

Population and Market Projections for the Town Center

This chapter reviews important demographic and market characteristics that will guide planning for the future of Downtown Clear Lake. This market analysis considers population and demographic characteristics of the market area, and quantifies future development potentials for the district.

View of Corner Drug and the Opera House at 4th and Main Streets.

TRADE AREA DEFINITION

The first step in the market analysis process is defining the downtown district's market area. Clear Lake finds itself in an unusual position – it is the smaller partner of a "binary" city because of its close adjacency to Mason City. The larger city exercises considerable influence over buying patterns of Clear Lake's consumers. Mason City's 4th Street SW commercial district is only about six miles east of Downtown Clear Lake; and Downtown Mason City is located about 10 miles to the east. Yet, Clear Lake, by virtue of its special community character and resort environment attracts consumers from an extremely wide region to its specialty stores and hospitality services. Even Mason City provides substantial market potential for Clear Lake's more specialized enterprises.

This unusual distribution of retail competition and potential markets suggests four specific market segments for Downtown Clear Lake's retail community:

- The *primary trade area* consists of an area in Clear Lake bounded by 20th Street on the east, 12th Avenue on the south, the lake shore on the west, and U.S. 18 on the north. This is the "walking distance" environment of local residents who view downtown as their specific territory.

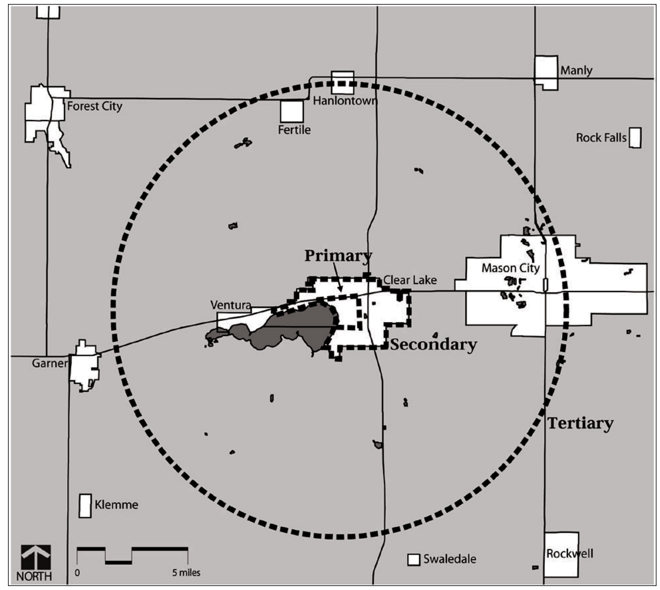
- The *secondary trade area* is composed of areas within the Clear Lake city limits, excluding areas within the primary trade area. People in the secondary area view downtown as a principal district for local services, but are likely to drive to its businesses.

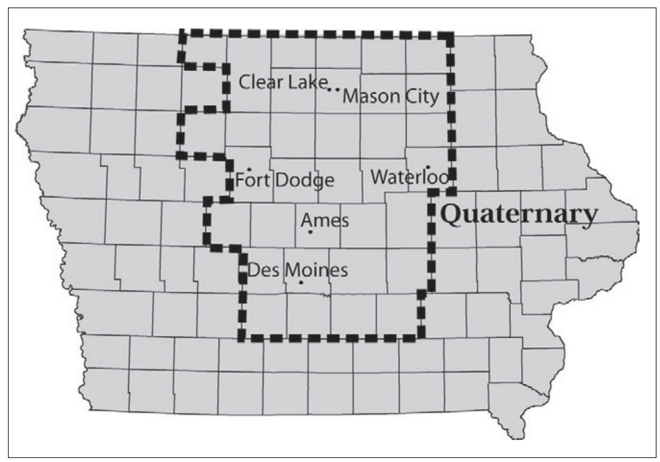
- The *tertiary trade area* includes areas that have a variety of shopping options. This market includes areas within a 10-mile radius of the geographic center of Clear Lake. The commercial corridor along Iowa 122 in Mason City and Downtown Mason City lie within this area. This area excludes areas located within either the primary or secondary trade areas.

- The *quaternary trade area* consists of a multiple-county area in north central Iowa. This area includes the Des Moines metropolitan area. Clear Lake serves as a tourist and convention destination for residents of this area. This area excludes areas located within the other three trade areas.

Figure 1.1 displays the reach of these three trade areas, which we use as a basis for additional market analysis.

FIGURE 1.1





SOCIO-ECONOMIC VARIABLES IN THE DOWNTOWN MARKET AREAS

This section examines major demographic issues in Downtown Clear Lake's four major market areas.

Population and Household Characteristics

- *Except for the quaternary area, which experienced a moderate increase in population, all trade areas saw stagnant or slightly declining populations during the 1980s and 1990s.*

Two primary factors contribute to population change in an urban market region:

1. *Natural Change (births and deaths).* A greater number of births than deaths causes the population of a market region to increase. A community with a younger population (particularly of people in child-bearing or family formation years) will experience a higher birth rate (events per 1,000 people) than death rate, tending toward a natural population increase. Iowa's aging population has tended toward a convergence of birth and death rates; as a result, many parts of the state have experienced only nominal changes in population.

2. *Migration Patterns.* Some of a region's residents move away over time while others move in. If more people move in than move out, the population will tend to increase. Incredibly, the 1990s was the first decade of the 20th century during which more people entered than left the State of Iowa. Considerable out-migration occurred during the 1980s, particularly in rural parts of the state.

Table 1.1 illustrates population trends in the city of Clear Lake and surrounding communities. Clear Lake's population trends have been quite different from the rest of Iowa. The city experienced substantial population growth during every decade since 1930 except the 1990s, while nearby Mason City grew steadily through 1960 and has declined slightly from that peak. Clear Lake gained over 1,000 residents during the 1970s and over 700 residents in the 1980s, demonstrating an ability of a city to attract residents even during a time of recession. However, Clear Lake's population change during the 1990s resembled that of other north central Iowa communities. Mason City and Garner experienced slight gains in population, while Charles City and Forest City experienced slight losses.

The stagnant and slowly declining population of north central Iowa communities largely reflects Iowa's transition from an agrarian state to an increasingly urban one. Although the state's population increased by just over 5% during the 1990s, virtually all this gain occurred in and around metropolitan areas. The populations of the Des Moines and Iowa City metropolitan areas increased by about 16% during the decade, and Cedar Rapids by about 13%. Smaller communities in or near metropolitan areas typically experienced growth, while those far away from those metro centers experienced the greatest decline in population.

Table 1.2 presents population change in each of the four Clear Lake trade areas. In 2001, the primary area's population was estimated at 4,192, the secondary area's 3,918, the tertiary area's 24,992, and the quaternary area's 1,224,262. Contrary to statewide trends, the population of the primary and secondary areas increased slightly between 1980 and 1990. During the same period, however, the tertiary and quaternary areas experienced minor losses in population.

TABLE 1.1: POPULATION CHANGE IN CLEAR LAKE AND SURROUNDING CITIES, 1930-2000

	1930	1940	1950	1960	1970	1980	1990	2000	% Change 1990-2000
Clear Lake	3,066	3,764	4,977	6,158	6,430	7,458	8,183	8,161	-0.27%
Mason City	23,304	27,080	27,980	30,642	30,379	30,144	29,040	29,172	0.45%
Charles City	8,039	8,681	10,309	9,964	9,268	8,778	7,878	7,812	-0.84%
Forest City	2,016	2,545	2,766	2,930	3,841	4,270	4,430	4,362	-1.53%
Garner	1,241	1,549	1,696	1,990	2,257	2,908	2,916	2,922	0.21%
Iowa	1,470,939	2,538,268	2,621,073	2,757,537	2,824,376	2,913,808	2,776,755	2,926,324	5.39%

Source: U.S. Census Bureau, RDG Crose Gardner Shukert

However, these trends reversed between 1990 and 2001. With the exception of the quaternary area, all trade areas experienced steady or slightly declining populations between 1990 and 2001. The quaternary area experienced a moderate increase in population during the period. Much of this increase is attributable to population growth in the Des Moines metropolitan area.

Analysis of potential natural population change and migration patterns indicates that the populations of the primary, secondary, and tertiary areas will change by 1% or less by the year 2006. An increase of 2% is anticipated for the quaternary area. A considerable amount of the population growth in the quaternary area is projected to occur in metropolitan Des Moines.

- *Changes in the number of households in each trade area will largely reflect changes in total population.*

Table 1.3 presents relative household changes in the four trade areas since 1980. Household change largely mirrored population change in each of the trade areas. While the primary trade area experienced a minor decrease in total population between 1990 and 2001, it experienced a slight increase in number of households. The number of households in both the secondary and tertiary areas declined between 1990 and 2001, but at a slower rate than the total population. The number of households in the quaternary area increased at a lightly faster rate than the population overall. These trends are likely to continue through 2006.

- *Households in the primary, secondary, and tertiary trade areas tend to be smaller than in the quaternary area. Average household size in all trade areas is slowly decreasing.*

Household size has decreased by similar percentages in all four trade areas. The average household size in both the primary and secondary trade areas decreased slightly from 2.33 in 1990 to 2.31 in 2001. Both are projected to drop to 2.30 by 2006. The tertiary trade area's average household size decreased from 2.34 in 1990 to 2.32 in 2001, and is projected to decline further to 2.31 in 2006. Although the quaternary area experienced similar changes, its average household size is moderately larger than the other areas. It decreased from 2.49 in 1990 to 2.47 in 2001, and is projected to remain stable through 2006.

Age Composition

- *On the whole, all four Clear Lake trade areas are similar in terms of age distribution.*

Table 1.4 presents the age distribution for the four trade areas, along with projections to 2007. The two Clear Lake market segments were the oldest in relative terms, with 2000 median ages of 39.53 for the primary trade area and 40.52 for the secondary area. The large quaternary region was the relatively youngest market,

TABLE 1.2: POPULATION CHANGE BY CLEAR LAKE TRADE AREAS, 1980-2006 (ESTIMATED)

	1980 Census	1990 Census	2001 Estimate	2006 Projection	% Change 1990-2001
Primary	4,130	4,192	4,192	4,181	0.0%
Secondary	3,754	3,991	3,918	3,890	-1.8%
Tertiary	26,381	25,362	24,992	24,718	-1.5%
Quaternary	1,176,508	1,135,980	1,223,262	1,253,065	7.8%

Source: Claritas, Inc.

TABLE 1.3: HOUSEHOLD CHANGE BY CLEAR LAKE TRADE AREAS, 1980-2006 (ESTIMATED)

	1980 Census	1990 Census	2001 Estimate	2006 Projection	% Change 1990-2001
Primary	1,595	1,746	1,762	1,764	0.9%
Secondary	1,546	1,656	1,637	1,633	-1.1%
Tertiary	10,249	10,577	10,513	10,425	-0.6%
Quaternary	427,885	437,702	476,299	488,928	8.8%

Source: Claritas, Inc.

at 36.16 years. All segments will age during the next five years, with the secondary market having a projected median of about 43 years.

Generally, all market areas will experience significant increases in the proportion of population over age 45 between now and 2007. Only in the quaternary trade region will the population percentage over 65 remain stable or decrease slightly, from 14.54% to 14.36%. These changes suggest a growing retired or leisure population, but an at least moderately decreasing number of young people as well.

Income Characteristics

Table 1.5 presents the median household income for residents of each of the four trade areas.
Median household income in the primary Clear Lake trade area is slightly lower than in the other trade areas, although the secondary area enjoys the highest income of the various segments. All market areas have increased at nearly the same rate, although the two in-town segments displayed the largest ten-year income gains.

RETAIL ANALYSIS AND DEMANDS

Unlike many centers of small cities, Downtown Clear Lake retains a retail character. Therefore, an analysis of retail behavior and demands in the district helps us understand future market focuses and potential space demands for the Downtown area. This analysis reviews:

- Overall patterns of retail sales in Clear Lake, including comparison in sales levels of Clear Lake and other communities.

- Consumer spending patterns in the four Clear Lake trade areas.

- Projected changes in consumer demands for the Downtown district.

- Commercial space demands for the Downtown district.

Retail Sales Trends

- *Although Clear Lake has seen a substantial increase in its number of retail businesses, the city has not experienced retail sales growth as substantial as that of Mason City.*

As we mentioned earlier, Clear Lake and Mason City could be considered to be "binary" cities, relating to and influenced by each other in a regional market. Table 1.6 gives us an historical perspective on changes

TABLE 1.4: AGE DISTRIBUTION IN TRADE AREAS: 2000 ACTUAL AND 2007 ESTIMATE

	Primary		Secondary		Tertiary		Quaternary	
	2000	2007	2000	2007	2000	2007	2000	2007
0-9	12.55	11.63	12.29	11.20	12.51	11.78	13.39	12.68
10-19	13.27	12.95	13.14	12.77	13.64	13.60	14.76	14.82
20-34	16.63	16.12	15.66	15.04	17.30	16.66	20.08	19.53
35-44	16.36	13.96	16.14	13.79	15.30	13.16	15.22	13.21
45-54	14.39	15.57	14.99	16.29	13.94	15.20	13.34	14.55
55-64	9.49	11.79	10.08	12.55	9.20	11.50	8.67	10.83
Over 65	17.17	17.98	17.71	18.37	18.11	18.09	14.54	14.36
Median	39.53	41.66	40.52	42.97	39.28	41.04	36.16	37.24

Source: US Bureau of the Census, Claritas, Inc., RDG Crose Gardner Shukert

TABLE 1.5: MEDIAN HOUSEHOLD INCOME, CLEAR LAKE MARKET SEGMENTS

	1990 Census	2001 Estimate	2006 Projection	% Change 1990-2001
Primary	$24,797	$42,975	$50,775	73.31%
Secondary	$26,939	$47,132	$56,366	74.96%
Tertiary	$24,895	$43,033	$50,839	72.86%
Quaternary	$27,357	$45,925	$54,850	67.87%

Source: Claritas, Inc., RDG Crose Gardner Shukert in Clear Lake's economy in relation to its larger neighbor. Between 1976 and 2000, the number of retail businesses in Clear Lake increased by 54%, from 237 to 366. Mason City experienced a much smaller 33% increase during the same period. On the other hand, sales per firm and per capita retail sales increased far more rapidly in Mason City than in Clear Lake. In 1976, the average Clear Lake business did about 61% of the sales volume of its Mason City counterpart; by 2000, this had dropped to about 45%. Similarly, in 1976, per capita sales in Mason City exceeded those in Clear Lake by about 19%; by 2000, this had increased dramatically to 72%. These calculations are based on goods and services subject to the retail sales tax. Notable exemptions include food, prescription drugs, feed, seed, and fertilizer.

Trends in retail sales activity are also illustrated by the city's "pull factor." This statistic, developed by Dr. Kenneth Stone of Iowa State University, indicates how a community fares with respect to retail sales and measures its balance of trade – its status as an importer or exporter of retail dollars. The pull factor compares per capita retail sales in a community with the statewide per capita average. If per capita sales are $1,000 throughout the state and $1,500 in the city, the city's "pull factor" is 1.5, indicating a substantial ability to attract retail spending. However, if per capita local sales are $950, the pull factor would be 0.95. Thus, a pull factor over 1.00 means that a community is

experiencing more retail sales activity than the average Iowa community, while a pull factor of less than 1.00 indicates below average retail sales.

As shown in Table 1.6, Clear Lake had a pull factor of 1.25 in 1976, indicating that the city was a net importer of retail sales dollars compared to state averages. At that time, Clear Lake's residents tended to shop at home, and the city attracted some sales from surrounding communities. However, by 1990, the pull factor decreased to 0.91, indicating substantial retail leakage out of town. This change took place extremely rapidly in the period between 1985 and 1990, and corresponds to the development of mass retailing in Mason City and other large urban centers. During the late 1990s, Clear Lake's pull factor rebounded slowly, and now stands at 1.00.

TABLE 1.6: TAXABLE RETAIL SALES, MASON CITY AND CLEAR LAKE, 1976-2000

Fiscal Year	Number of Retail		Sales Per Firm		Per Capita Sales		Pull Factor	
	Clear Lake	Mason City	Clear Lake	Mason City	Clear Lake	Mason City	Clear Lake	Mason City
1976	237	759	$108,995	$177,707	$3,734	$4,456	1.25	1.49
1980	283	919	$121,341	$205,597	$4,747	$6,260	1.16	1.39
1985	307	964	$158,694	$240,793	$6,300	$7,816	1.24	1.54
1990	304	1,029	$158,038	$300,926	$5,926	$10,623	0.91	1.64
1995	354	1,043	$172,421	$373,617	$7,344	$13,506	0.93	1.70
1996	376	1,055	$165,327	$396,160	$7,472	$14,393	0.90	1.74
1997	378	1,058	$179,230	$417,827	$8,164	$15,258	0.95	1.77
1998	371	1,044	$193,288	$431,756	$8,668	$15,621	0.98	1.76
1999	368	1,019	$214,064	$455,440	$9,542	$16,164	1.03	1.75
2000	366	1,009	$211,170	$470,780	$9,458	$16,279	1.00	1.73
% Change, 1976-2000	54.4%	32.9%	93.7%	164.9%	153.3%	265.3%	-20.0%	16.1%

Source: Iowa State University Extension

On the other hand, Mason City has grown dramatically in stature as a major retail center. Always a significant shopping center, Mason City expanded rapidly after 1985 as an importer of retail dollars, achieving a peak pull factor of 1.77 in 1997. The city's pull factor has leveled out during the last five years.

These data suggest the following conclusions:

- Within the region, Mason City has gained substantial retail primacy, to some degree at the expense of Clear Lake.
- Clear Lake has tended to encourage the creation of many small businesses, while Mason City has tended to see slower growth in the numbers and more rapid growth in the size of retail businesses.
- Clear Lake appears to have evolved as a specialty center, while Mason City has become a general retail magnet.
- Clear Lake has seen significant retail growth during the late 1990s, reflected in a growing pull factor. On the other hand, the late 1990s produced little growth and, in some cases, modest declines in the numbers of retailers.

Retail Focuses

Iowa State University's analysis of community retailing goes deeper than overall retail expenditures, allowing us to draw more specific conclusions about Clear Lake's retail strengths and weaknesses. Table 1.7 considers the "pulling power" of various merchandise categories in Clear Lake and Mason City. Clear Lake's most successful retail/service attraction is in eating and drinking establishments – not surprising given both the city's resort character, its array of excellent restaurants, and its strategic location along Interstate 35. Clear Lake also exceeded the 1.00 "break-even" level for services, suggesting that residents stay close to home for these business types. On the other hand, Clear Lake clearly exports consumer dollars for most general retailing categories, including building materials, apparel, home furnishings (despite some very unique furniture and home goods establishments), and even specialty shops.

On the other hand, Mason City draws heavily from both Clear Lake and a large surrounding region in many sectors, registering almost three times state per capita averages for building materials and general merchandise. Mason City's lowest performances are in the apparel and services categories. These data again support the conclusion that Mason City is a powerhouse for general retailing and that, in their binary relationship, much of Clear Lake's retail spending is drawn off to its larger neighbor. On the other hand, Clear Lake has a strong nucleus of eating and drinking establishments – a foundation for the construction of a strong specialty retailing district.

Gaps and Opportunities in Retail Spending Patterns

Comparing a city's actual amount of retail sales with the amount of sales expected for the city also provides an indicator of trends in retail activity, and can help predict future retail potential. The expected sales figure is derived by multiplying the city's population by the state per capita sale by the typical pull factor for similarly-sized communities adjusted for income.

Table 1.8 compares expected and actual retail activity for Clear Lake and a sample of other Iowa cities for the year 2000. Clear Lake registered $77,180,000 in taxable retail sales, compared with $86,780,000 predicted by this methodology. By comparison, actual sales figure

TABLE 1.7: PULL FACTORS FOR SELECTED RETAIL SECTORS, 2000, CLEAR LAKE AND MASON CITY

Sector	Pull Factor	
	Clear Lake	Mason City
Building Materials	0.48	2.60
General Merchandise	0.28	2.83
Food	-	1.64
Apparel	0.26	1.26
Home Furnishings	0.54	1.59
Eating and Drinking Establishments	1.96	1.49
Specialty Shops	0.69	1.70
Services	1.22	1.18
Wholesale	1.07	1.86
Total Retail Sales	1.00	1.73

Source: Iowa State University Extension

for Mason City was a substantial 62% above what is expected for a city of its size, further substantiating Mason City's role as a regional retail center. Other communities with retail sales gaps, including Perry, Boone, Urbandale, and Forest City, also find themselves in the orbit of larger, nearby retail centers. Clear Lake's visitor attraction, however, gives it the ability to close this gap to a significant degree.

Table 1.9 compares the city's pull factor to those of other similarly sized Iowa communities. In 2000, while Clear Lake had a pull factor of 1.00, while Decorah had a pull factor of 1.59 and Charles City a pull factor of 1.21. However, these cities are located farther from regional retail centers than Clear Lake. Johnston and Webster City had pull factors below that of Clear Lake. Like Clear Lake, both of these communities experience significant influence from larger cities nearby. Thus, considering its close proximity to Mason City, Clear Lake tends to hold its own on an overall basis, a testimony to its unusual ability to attract visitors and to serve areas of retail specialization.

Observations and Conclusions about Retail Behavior in Clear Lake

This analysis leads to the following conclusions about the retail behavior of Clear Lake in its overall market:

- Clear Lake generally exports retail business to Mason City, its larger neighbor to the east, but retains strengths in two specific areas: food and drink and services.
- Downtown Clear Lake in many ways acts like a neighborhood business area to an overall urban area, attracting some business specialties such as eating and drinking, services, and specialty retailing.
- Clear Lake's areas of specialization complement Mason City's strengths in basic retail services.

Existing Supply of Retail Space

Table 1.10 reviews total retail area in Downtown Clear Lake, based on the results of a comprehensive Downtown land use inventory completed in 2002 by RDG Crose Gardner Shukert. Building area was computed for commercial uses in the Downtown area, which is bounded by Ninth Street on the east, the lake shore on the west, Fourth Avenue South on the south, and Fifth Avenue North and Seventh Avenue North on

TABLE 1.9: COMPARATIVE RETAIL ATTRACTION, CLEAR LAKE AND SIMILAR COMMUNITIES, 2000

	2000 Population	Pull Factor
Decorah	8,172	1.59
Creston	7,597	1.42
Charles City	7,812	1.21
Mount Pleasant	8,751	1.13
Perry	7,633	1.08
Knoxville	7,731	1.04
Clear Lake	8,161	1.00
Johnston	8,649	0.95
Webster City	8,176	0.82

Source: Iowa State University Extension

TABLE 1.8: EXPECTED AND ACTUAL RETAIL SALES, CLEAR LAKE AND SELECTED CITIES, 2000

	2000 Population	Expected Sales (in millions)	Actual Sales (in millions)	$ Above or (Below) Expected (in millions)	% Above or Below Expected
Mason City	29,172	$293.09	$474.90	$181.81	62.0%
Clive	12,855	$169.54	$233.70	$64.16	37.8%
Des Moines	198,682	$3,283.21	$4,108.04	$824.83	25.2%
Garner	2,922	$23.42	$27.82	$4.40	18.8%
Jefferson	4,626	$44.07	$50.74	$6.66	15.1%
West Des Moines	46,403	$766.81	$859.59	$91.78	12.0%
Boone	12,803	$140.74	$129.31	($11.43)	-8.1%
Clear Lake	8,161	$86.78	$77.18	($9.60)	-11.1%
Forest City	4,362	$33.86	$29.08	($4.78)	-14.1%
Urbandale	29,072	$358.81	$295.83	($62.98)	-17.6%
Perry	7,633	$96.08	$77.51	($18.56)	-19.3%

Source: Iowa State University Extension

the north. The inventory indicates that Downtown Clear Lake has 201,554 square feet of commercial space, 157,293 of which is devoted to retail, general commercial, and consumer service uses.

In order to determine overall retail yields in Clear Lake, we also estimated the total amount of commercial space in Clear Lake as a whole. This figure was derived by:

1. Calculating the City's total retail sales by increasing the amount of taxable retail sales by 15% to account for non-taxable sales, primarily food and prescription drug sales;

2. Dividing total retail sales by $150, a typical sales-per-square-foot figure for cities similar in size to Clear Lake.

Using this methodology, we estimate that Clear Lake has a total of about 591,713 square feet of commercial space. Thus, if we assume that Downtown and the rest of the city have the same sales per square foot, Downtown accounts for about 26.6% of Clear Lake's total retail sales. A more comprehensive listing of building uses is included in the Existing Conditions chapter of this plan. This information is used to project the overall share of Clear Lake's retail market that can be attributed to downtown.

TABLE 1.10: FIRST FLOOR BUILDING USE FOR RETAIL GOODS AND SERVICES, DOWNTOWN CLEAR LAKE, 2002

Type of Use	Area (FT^2)
Retail and General Commercial	111,772
Commercial Services	13,576
Automotive Sales/Service	21,697
Restaurant/Entertainment	10,248
Total Retail/Consumer Services	157,293
Office/Financial	44,261
Total Downtown Goods and Services	201,554
City Total	591,713

Source: RDG Crose Gardner Shukert

COMPARATIVE CONSUMER SPENDING FOR CLEAR LAKE TRADE AREAS

Consumers in all four Clear Lake trade areas spend less on consumable goods and services than consumers

nationwide on both essential and discretionary items. However, spending levels generally increase in the larger trade areas. Table 1.11 compares annual consumer expenditures by product type in the four Clear Lake trade areas to national averages. National average per capita expenditures are equal to an index of 100. In general, consumers in all four trade areas spend less per capita on all types of consumable goods and services than the national sample. While consumer expenditures for the quaternary area were moderately lower than national averages, figures for the primary, secondary, and tertiary areas were substantially below national averages. This comparatively low-spending behavior extends to such areas as eating and drinking away from home and apparel.

Consumer Spending Patterns by Store Type

Expenditures by stores maintain a similar pattern as expenditures by product; spending levels are generally below national averages. However, spending levels at gasoline stations and drug stores are at national averages. In addition, per capita spending increases as the trade area broadens.

Table 1.12 displays a similar analysis for expenditures by store type rather than by product type. A similar pattern of consumer expenditures is apparent, with primary trade area residents generally spending at levels considerably below national averages. The rate of spending for consumers in the largest trade area is closest to nationwide spending patterns, but still falls slightly below average.

Comparative Consumer Spending

TABLE 1.11: AVERAGE PER CAPITA EXPENDITURES BY PRODUCT, CLEAR LAKE, 2001

	U.S. Index: 100=Average Per Capita Expenditure			
	Primary	**Secondary**	**Tertiary**	**Quaternary**
Food at Home	90	92	90	94
Food Away from Home	86	90	88	93
Alcohol at Home	89	94	91	94
Alcohol Away from Home	90	95	92	89
Personal Care Products	89	92	89	95
Personal Care Services	70	76	76	83
Nonprescription Drugs	96	96	96	100
Women's Apparel	66	73	72	87
Men's Apparel	66	74	73	88
Girls' Apparel	61	69	71	85
Boys' Apparel	66	72	74	88
Infants' Apparel	67	74	75	87
Footwear	68	74	74	88
Housekeeping Supplies	89	92	90	97
Lawn/Garden Supplies	68	74	69	80
Domestic Services	19	31	32	52
Household Textiles	66	75	74	87
Furniture	63	72	72	85
Floor Coverings	67	74	74	86
Major Appliances	74	82	80	93
Small Appliances and Housewares	70	79	76	90
TV, Radio and Sound Equipment	68	75	75	86
Transportation	78	84	83	95

Source: Claritas, Inc.

TABLE 1.12: AVERAGE PER CAPITA EXPENDITURES BY STORE TYPE, CLEAR LAKE, 2001

	U.S. Index: 100=Average Per Capita Expenditure			
	Primary	**Secondary**	**Tertiary**	**Quaternary**
Building Materials and Garden Equipment	76	84	81	92
Hardware Stores	73	81	79	91
Lawn/Garden Equipment/Supply Stores	78	85	82	91
Home Centers	74	82	80	91
Gasoline Stations w/ Convenience Stores	101	103	101	105
Gasoline Stations w/o Convenience Stores	100	102	99	104
Grocery Stores	90	92	91	95
Health and Personal Care Stores	91	96	95	101
Eating Places	89	93	90	93
Drinking Places	89	94	91	89
Department Stores	72	79	78	90
Clothing and Clothing Accessory Stores	68	75	74	88
Shoe Stores	68	74	74	87
Furniture	65	73	73	86
Other Home Furnishing Stores	66	75	74	89
Household Appliance Stores	67	75	75	87
Radio/TV/Other Electronics Stores	68	75	75	87
Computer and Software Stores	66	74	74	83
Electronic Shopping and Mail Order	75	82	80	92

Source: Claritas, Inc.

Spending at gasoline stations was at or slightly above the national average in all four trade areas. Other store types that rank highest relative to national expenditure averages include health and personal care stores, grocery stores, and eating places.

Projected Annual Expenditure Growth

It is projected that by 2006 consumer spending will increase by $3.4 million in both the primary and secondary trade areas, $19 million in the tertiary area, and $1.46 billion in the quaternary area.

Table 1.13 projects potential growth in consumer expenditures for the four Clear Lake trade areas through 2006. This growth is estimated by:

1. Calculating per capita expenditures by selected store type for each market area.
2. Calculating a year 2006 per capita expenditure using a 2% annual inflation rate.
3. Multiplying the year 2006 per capita expenditure by the projected population for each trade area.

Incremental sales for each store type are determined by calculating the difference between 2001 expenditures and projected 2006 expenditures. An inclusive category for other stores, equal to 20% of the sum of the list of selected stores, is added. This analysis indicates a projected growth of just over $3.4 million in gross consumer spending through 2006 among residents of the primary market area. Spending in the secondary area will increase by about $3.4 million as well, compared with $19 million in the tertiary area. The larger population and higher individual spending levels in the quaternary area will generate additional annual spending of about $1.46 billion.

TABLE 1.13: PROJECTED FIVE YEAR GROWTH BY RETAIL CATEGORY, PRIMARY AND SECONDARY MARKET AREAS FOR CLEAR LAKE

	Primary		Secondary	
Store Type	**2006 Spending**	**Increment 2001-2006**	**2006 Spending**	**Increment 2001-2006**
Building Materials and Garden Equipment	$1,083	$96	$1,211	$102
Hardware Stores	$77	$7	$86	$7
Lawn/Garden Equipment/Supply Stores	$371	$33	$406	$34
Home Centers	$246	$22	$280	$24
Gasoline Stations w/ Convenience Stores	$2,714	$240	$2,598	$219
Gasoline Stations w/o Convenience Stores	$1,270	$112	$1,222	$103
Grocery Stores	$8,931	$791	$8,708	$735
Health and Personal Care Stores	$2,015	$178	$2,066	$174
Eating Places	$4,971	$440	$5,006	$422
Drinking Places	$443	$39	$458	$39
Department Stores	$4,137	$366	$4,600	$388
Clothing and Clothing Accessory Stores	$2,038	$180	$2,299	$194
Shoe Stores	$320	$28	$352	$30
Furniture	$767	$68	$910	$77
Other Home Furnishing Stores	$576	$51	$689	$58
Household Appliance Stores	$244	$22	$276	$23
Radio/TV/Other Electronics Stores	$560	$50	$636	$54
Computer and Software Stores	$203	$18	$239	$20
Electronic Shopping and Mail Order	$1,156	$102	$1,275	$108
Other Stores	$6,424	$569	$6,663	$562
Total	$38,546	$3,412	$39,980	$3,373

Retail Space Potential

During the next five years, Downtown could absorb between 22,000 and 33,300 square feet of retail and commercial service space. The city as a whole could experience an additional demand for between 75,000 and 100,000 square feet of additional space.

Projected annual expenditure growth helps determine the need for additional retail space in Clear Lake. Table 1.14 details the methodology for calculating retail space demands. This is determined by:

1. Establishing a "capture rate," the percentage of new expenditures that should be claimed by Clear Lake. The analysis assumes that:

TABLE 1.13: PROJECTED FIVE YEAR GROWTH BY RETAIL CATEGORY, TERTIARY AND QUARTERNARY MARKET AREAS FOR CLEAR LAKE

	Tertiary		Quarternary	
Store Type	2006 Spending	Increment 2001-2006	2006 Spending	Increment 2001-2006
Building Materials and Garden Equipment	$6,759	$546	$363,746	$40,669
Hardware Stores	$487	$39	$26,650	$2,980
Lawn/Garden Equipment/Supply Stores	$2,274	$184	$120,189	$13,438
Home Centers	$1,551	$125	$84,420	$9,439
Gasoline Stations w/ Convenience Stores	$15,920	$1,287	$781,761	$87,405
Gasoline Stations w/o Convenience Stores	$7,412	$599	$367,364	$41,073
Grocery Stores	$53,163	$4,297	$2,616,359	$292,532
Health and Personal Care Stores	$12,420	$1,004	$622,896	$69,643
Eating Places	$29,446	$2,380	$1,441,290	$161,144
Drinking Places	$2,650	$214	$122,775	$13,727
Department Stores	$26,541	$2,145	$1,450,540	$162,178
Clothing and Clothing Accessory Stores	$13,016	$1,052	$735,932	$82,281
Shoe Stores	$2,056	$166	$115,155	$12,875
Furniture	$5,115	$413	$285,957	$31,972
Other Home Furnishing Stores	$3,821	$309	$215,627	$24,108
Household Appliance Stores	$1,597	$129	$889,844	$99,489
Radio/TV/Other Electronics Stores	$3,681	$298	$200,457	$22,412
Computer and Software Stores	$1,345	$109	$71,735	$8,020
Electronic Shopping and Mail Order	$7,306	$591	$394,730	$44,138
Other Stores	$39,312	$3,178	$2,181,486	$243,902
Total	**$235,872**	**$19,065**	**$13,088,913**	**$1,463,420**

TABLE 1.14: FIVE YEAR INCREMENTAL RETAIL SPACE NEEDS, CLEAR LAKE

	Commercial Space Generated By				
	Primary	Secondary	Tertiary	Quaternary	Total
Incremental Sales	$3,412,065	$3,372,945	$19,066,091	$1,463,412,439	$1,489,263,540
Capture Rate	70.0%	60.0%	20.0%	0.25%	-
Projected Local Sales	$2,388,445	$2,023,767	$3,813,218	$3,658,531	$11,883,961
Sales Yield/Square Foot	$165	$165	$165	$165	$165
Citywide Commercial Space Demand (SF)	14,475	12,265	23,110	22,172	72,024
Downtown Share of Retail Increment	27%	27%	27%	40%	31%
Downtown Commercial Space Demand (SF)	3,908	3,311	6,239	8,869	22,327

Source: RDG Crose Gardner Shukert

   – 70% of all new expenditures accounted for by residents of the primary trade area will be spent in Clear Lake.

   – 60% of all new expenditures of residents in the secondary trade area will be spent in Clear Lake.

   – 20% of all new expenditures made by residents of the tertiary market area will be spent in Clear Lake.

   – 0.25% of all new expenditures made by residents of the quaternary trade area will be spent in Clear Lake.

2. Calculating the average sales yield of retail space in Clear Lake, using an estimated sales yield of $165 per square foot.

3. Dividing projected local sales by the sales yield per square foot.

4. Apportion a proportionate share of overall retailing demand to Downtown. For the local and regional markets, Downtown can capture the share that it represents of total citywide retail space – about 27%. However, Downtown's specialty stores will account for an unusually large share of increased spending in the quarternary (or tourism) market. To reflect this greater attraction, we increase the proportionate share to 40% of the sales increment.

This analysis indicates a demand for about 72,000 square feet of additional retail space in the City of Clear Lake. This corresponds to a need of about 22,300 square feet of retail space in Downtown Clear Lake. This space demand is augmented by new retail facilities and opportunities that can increase market share, as well as other uses that generate commercial space demand, such as housing and office development.

Table 1.14 considers retail space demanded generated by growth in Clear Lake's natural markets. However,

additional demand is generated if Clear Lake recovers from its propensity to export retail expenditures to other markets. The analysis contained in Table 1.8 indicates that Clear Lakes experiences a gap of about $9.6 million below expectations in annual retail sales. If the city were able to recover these "lost" expenditures and maintain growth in its other markets, overall retail space demand increases. Table 1.15 calculates retail demand based on both increased market sizes and recovery of lost current expenditures.

Conclusions

The demographic, economic, and market analysis in this section indicates that:

- Only minor changes in population are projected for the immediate Clear Lake area through 2006. A more moderate increase in projected for the larger trade area, which includes much of central Iowa.

TABLE 1.15: RETAIL GROWTH POTENTIAL BASED ON GAP RECOVERY AND INCREMENTAL EXPENDITURES

Total Retail Underperformance	**$9,600,000**
Potential Incremental Sales from Growth	11,883,961
Total Potential Increase after Five Years	21,483,961
Projected Sales/Square Foot	200
Total Additional Space Potential	107,419
% of Sales Accounted for by Downtown	31%
Potential Additional Downtown Space	33,300

- Changes in the number of households in each trade area will largely reflect changes in total population.

- Median household income in the immediate Clear Lake trade area is slightly lower than in the other trade areas. In addition, it has increased at a slower rate than in the outlying areas.

- Clear Lake experiences less retail sales activity than what is expected for a community of its size. In addition, the city has become less of a regional retail center over the past two decades.

- Consumers in all four Clear Lake trade areas spend less on consumable goods and services than consumers nationwide on both essential and discretionary items. However, spending levels generally increase in the larger trade areas.

- By 2006, consumer spending will increase by $3.4 million in both the primary and secondary trade areas, $19 million in the tertiary area, and $1.46 billion in the quaternary area.

- Within five years, a demand will exist for an additional 22,000 to 33,000 square feet of retail and retail service space in Downtown Clear Lake and an additional 75,000 to 107,000 square feet in the city as a whole.

HOUSING DEMANDS FOR DOWNTOWN CLEAR LAKE

Downtown Clear Lake has a larger percentage of renter units than the City as a whole. Table 1.16 displays housing tenure in Downtown Clear Lake and the City of Clear Lake as a whole. Downtown, or the area bounded by Sixth Street and Eighth Street on the east, the lake shore on the west, First Avenue South on the south, and Third Avenue North on the north, contains 48 owner-occupied dwelling units and 54 renter-occupied units. Thus, renter units comprise 53% of all occupied dwelling units in the Downtown area. This compares to only 25% of all occupied dwelling units citywide. Only 871 of the City's 3,461 dwelling units

are renter-occupied. Therefore, rental housing in the Downtown area accounts for about 15% of the City's total rental housing stock.

Downtown Clear Lake contains a smaller percentage of vacant housing units than the City overall. However, both areas have relatively high vacancy rates. Table 1.17 displays housing vacancy figures for Clear Lake and its Downtown area. Downtown Clear Lake has a vacancy rate of 12%, compared with nearly 17% in the City as a whole. Both of these rates are relatively high. Although dwelling units for seasonal or recreational use are classified separately by the Census Bureau, it is possible that additional seasonal units are in part attributable for the apparent high vacancy rates in Clear Lake. A total of 502, or 12.1% of the City's dwelling units are classified as seasonal, recreational or occasional use.

Housing costs in Clear Lake are somewhat higher than in other communities in the region. Table 1.18 displays changes in housing cost in Clear Lake and other regional communities between 1990 and 2000. Housing values for owner-occupied dwelling units and monthly rents for renter-occupied units tend to be higher in Clear Lake than in other area communities. Clear Lake's median housing value in 2000 was $88,800, compared with $72,500 in Mason City and $63,700 in Charles City. Likewise, median rent in Clear Lake was $409 in 2000, compared with $405 in Mason City and $349 in Charles City. Clear Lake's median housing value units and rents increased by average amounts when compared with neighboring cities.

TABLE 1.16: HOUSING TENURE, CLEAR LAKE, 2000

	Total Occupied Units	Owner-Occupied	%	Renter-Occupied	%
Downtown	103	48	46.6%	55	53.4%
City of Clear Lake	3,461	2,590	74.8%	871	25.2%

Source: U.S. Census Bureau

TABLE 1.17: VACANT HOUSING UNITS, CLEAR LAKE, 2000

	Total Housing Units	Vacant Housing Units	Vacancy Rate
Downtown	114	11	9.6%
City of Clear Lake	4,156	695	16.7%

Source: U.S. Census Bureau

TABLE 1.18: COMPARATIVE HOUSING COSTS, CLEAR LAKE AND SURROUNDING COMMUNITIES, 2000

	Median Housing Value			Median Contract Rent		
	1990	2000	% Change	1990	2000	% Change
Clear Lake	$53,600	$88,800	65.7%	$328	$409	24.7%
Charles City	$35,700	$63,700	78.4%	$255	$349	36.9%
Forest City	$43,600	$63,600	45.9%	$292	$346	18.5%
Mason City	$43,800	$72,500	65.5%	$322	$405	25.8%

TABLE 1.19: RENT LEVELS, CLEAR LAKE AND MASON CITY, 2002

# Bedrooms	Median Monthly Rent, Clear Lake	Median Monthly Rent, Mason City
Efficiency	$325	$290
1	$363	$370
2	$413	$445

Source: RDG Crose Gardner Shukert

TABLE 1.20: HOUSING CONSTRUCTION, CLEAR LAKE, 1993-2002

	Single-Family	Multi-Family	Total
1993	21	10	31
1994	15	0	15
1995	20	4	24
1996	15	8	23
1997	11	10	21
1998	14	11	25
1999	14	6	20
2000	17	44	61
2001	15	6	21
2002	21	2	23
Median	**15 (65%)**	**7 (35%)**	**23 (100%)**

Source: City of Clear Lake

Rent Survey

Monthly rents in Clear Lake largely mirror those in Mason City.

Table 1.19 shows median rent by number of bedrooms based on a January 2003 rent survey conducted by RDG Crose Gardner Shukert. The survey only included rental units with 2 or fewer bedrooms and did not include rental houses, which comprise a portion of the City's overall rental housing stock. For the most part, monthly rents in Clear Lake mirrored those in Mason City. Efficiency apartments in Clear Lake tended to rent for about $325 per month, 1-bedroom units for about $363, and 2-bedroom units about $413.

Housing construction in Clear Lake has remained relatively constant over the last decade at a rate of about 23 units per year.

Table 1.20 presents residential construction data for Clear Lake over the past 10 years. Between 1993 and 2002, building permits were issued for about 15 new single-family units and 7 new two-family and multi-family units each year. Because a 24-unit multi-family structure was constructed in 2000, the number of multi-family units constructed during that year was particularly high. Overall, however, residential construction in the City remained fairly constant over the 10-year period. In general, about 65% of new dwelling units were single-family and about 35% were multi-family.

Housing projections suggest a need for an additional 414 dwelling units between 2003 and 2020, or an additional 23 units per year; a portion of this demand can be accommodated Downtown.

Table 1.21 displays projected housing needs for the City of Clear Lake through 2020. These projections are based on:

- The distribution of new single-family and multi-family construction will remain at the level experienced in the City between 1993 and 2002.

- The City will retain its nominal year 2000 vacancy rate.

- Downtown can attract about 30% of the city's total construction output through 2020. TBL 1.21

This analysis indicates a considerable need for additional housing units in Clear Lake in the coming years. The analysis suggests a demand for an additional 414 units between 2003 and 2020, or 23 additional units per year. If downtown is able to absorb about one-third of this market, it can support an average annual construction rate of 7 units per year.

Downtown Clear Lake may also be able to attract a small share of the regional Mason City market as well. Based on past household growth rates, Mason City appears to generate an annual demand for about 75 units annually. Downtown Clear Lake may be able to attract about 5% of this market, accounting for an additional 4 units annually. This indicates a total regional market of about 11 units per year for Downtown Clear Lake. This can be expanded further if the downtown district is able to furnish housing settings unique in the regional area.

TABLE 1.21: HOUSING PROJECTIONS, CLEAR LAKE THROUGH 2020

Annual Construction, Single-Family-Family	15
Annual Construction, Multi-Family	7
Annual Construction, Total	23
Total Units	414
Projected Annual Downtown Absorption (Based on Current Ratio)	33%
Total Downtown Absorption	136
Annual Potential Downtown Absorption	7

Source: RDG Crose Gardner Shukert, Inc.

Chapter Two

GOALS FOR DOWNTOWN CLEAR LAKE

A Review of the Assessment and Goal-Setting Process

The perceptions and opinions of people with a stake in Downtown Clear Lake are very important as we plan for this unique district. While "stakeholder" groups in a downtown planning process typically include businesses and property owners, every resident of Clear Lake has an interest in the heart of the city. The Downtown planning process included several techniques designed to give people the opportunity to define the goals and directions of the Downtown Clear Lake Plan. These methods included:

- A survey distributed to property owners, businesses, and others with significant interests in Downtown Clear Lake.
- A series of ten focus group, inviting stakeholders to discuss Downtown and its future.
- A two-day design studio held in the community room at the Bandshell in City Park. During the studio, residents were invited to comment and contribute to the actual development of the plan.

This chapter considers the first two of these efforts, designed to assess the condition of the district and to define goals and areas of concentration for the eventual plan.

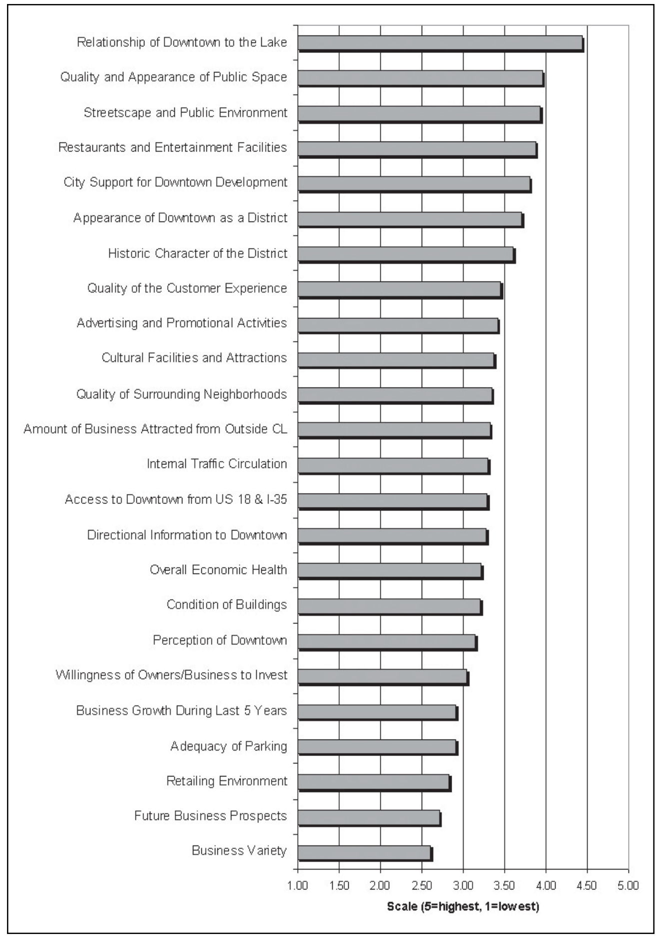
THE DOWNTOWN SURVEY

The Downtown Survey was distributed to about 100 potential participants, of whom 48 returned completed surveys, representing about 48% of the entire sample. The results of the survey are reviewed and analyzed below.

Downtown Report Card

The initial part of the survey asked respondents to grade 24 key systems or features of downtown on a "5" to "1" scale, from the highest to lowest rating. An aggregate rating of 3.5 or above ranks a feature as a major strength of downtown, while a rating below 2.5 indicates that the feature is a major weakness. A rating between 2.5 and 3.0 suggests a system that needs improvement.

HIGHEST RATED FEATURES

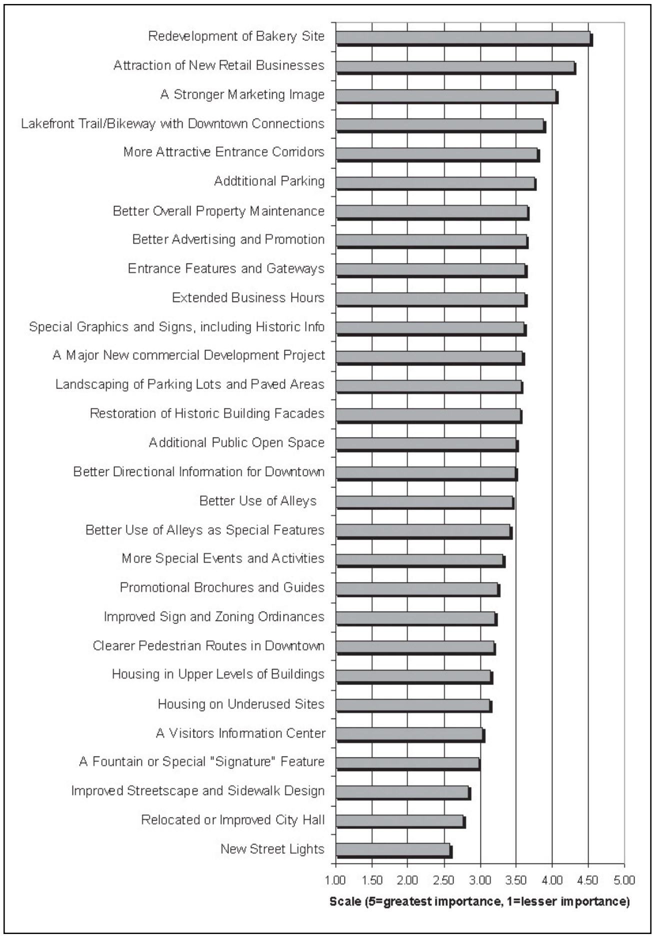


Participants painted a generally positive picture of the district. Out of 24 systems, 7 received an aggregate score above 3.5, while no systems were ranked below 2.5. Only 6 features were rated between 2.5 and 3.0, meaning that 75% of all criteria were considered at least somewhat above average.

The five highest-rated features included:

- Relationship between downtown and the lake. (4.44 out of 5.00)
- Quality and appearance of public space. (3.96)
- Streetscape and public environment. (3.94)
- Restaurants and entertainment. (3.88)
- City support for downtown development. (3.81)

IMPORTANCE OF VARIOUS ACTIONS



On the other hand, the following ranked as major weakness (listed in ascending order from the lowest ranked feature):

- Business variety (2.60 out of 5.00)
- Future business prospects (2.71)
- Retailing environment. (2.83)
- Adequacy of parking. (2.92)
- Business growth during last five years. (2.92)
- Willingness of business owners to reinvest. (3.04)

What emerges for the report card is a downtown that has a great feel and environment, excellent public spaces and amenities, and a strong degree of city support. On the other hand, it is a downtown that many stakeholders believe is relatively weak from a retail point of view, and suffers from relatively slow business growth.

Importance of Various Actions

The survey then asked respondents to consider a variety of potential actions and ideas for Downtown Clear Lake by rating them on the basis of importance to the district. Most actions received "positive" aggregate ratings (above 3.0 and a 5-point scale). The three most important priorities, rating a score above 4.0, were:

- Redevelopment of the bakery site
- Attraction of new retail businesses.
- A stronger marketing image.

The actions that respondents considered very important for Downtown Clear Lake (ranking above 3.5 in order of importance) follow:

- Lakefront Trail with downtown connections
- More attractive entrance corridors.
- Additional parking.
- Better overall property maintenance.
- Better advertising and promotions.
- Entrance features and gateways.
- Extended business hours.
- Special graphics and signs, including historic information.
- Major new commercial development project.
- Landscaping of parking areas.
- Historic façade rehabilitation.
- Additional public open space.

Target Markets

The survey identified six potential market targets for Downtown Clear Lake and asked participants to rate each market in terms of potential increased retail volume. Stakeholders considered the vacation and resort market to have the greatest potential for new sales, followed by the region within a 30-mile market ring and Clear Lake residents. The Mason City market also was considered a significant source of potential sales.

While still positive, somewhat lower retail potential was attributed to I-35 corridor cities and to the Des Moines/Ames area.

Images of Clear Lake

Participants were asked to consider features or characteristics (excluding the lake itself) that are most descriptive of Downtown Clear Lake. Highest response frequencies, followed by the percent of respondents mentioning the item included:

- City Park (25%)
- Brick sidewalks (17%)
- Streetlights (15%)
- Antique stores (10%)
- Bandshell (8%)
- Historic ambiance (6%)
- Seawall (6%)
- Streetscape (6%)

In a related question, participants were asked to identify buildings or physical features (again excluding the lake) that were especially symbolic of Downtown. Highest response frequencies, followed by the percent of respondents mentioning the item included:

- Bandshell (52%)
- City Park (48%)
- Corner Drug (25%)
- Clear Lake Bank and Trust (23%)
- Brick sidewalks (17%)
- Seawall (15%)
- Street Lighting (13%)
- Surf Ballroom (13%)
- Clear Lake Library (10%)
- Lake Theater (10%)

Importance as Elements of Future Development

The survey asked respondents to rate various types of uses or development for their importance to the future of Downtown Clear Lake. Four use types ranked well above others in this rating. These included:

- Specialty retailing, gift shops, and boutiques. (4.19 out of 5.00)
- Restaurants and eating places. (4.02)
- Entertainment. (3.92)
- General retailing, including clothes, pharmacies, and local retail) (3.88)

Following these in succession were antique stores (3.23), art galleries and studios (3.22), and furniture and home improvements (3.00).

Assets

In an unprompted question, participants were asked to identify the four greatest assets of Downtown Clear Lake. The following received the most responses (followed by percentage of surveys mentioning each item).

- City Park (46%)
- Clear Lake (42%)
- Streetscape (38%)
- Activities and events (21%)
- Chamber of Commerce (17%)
- Antique shops (15%)
- Restaurants (15%)
- Restored buildings and historic character (13%)
- Specialty shops (10%)

Liabilities

Also in an unprompted question, participants were asked to identify the four most significant liabilities of Downtown Clear Lake. The following received the most responses (followed by percentage of surveys mentioning each item).

- Lack of business variety (29%)
- Hours of operation (27%)
- Scarce parking (27%)
- Bakery property (13%)
- Empty rundown buildings (13%)
- High property taxes and rents (13%)
- Lake of theme and market focus (10%)
- Lack of communication and cooperation among businesses (10%)

Most Important Actions

Finally, the survey asked respondents to identify the most important projects or actions that should be completed in Downtown during the next five years The following actions received the most responses (again followed by percentage of surveys mentioning each item).

- Bakery site redevelopment (27%)
- Improved parking (15%)
- Storefront themes and consistencies (15%)
- Continued streetscape on side streets (13%)
- Fill empty meetings (10%)
- Improve directional signage to Downtown (10%)

FOCUS GROUP PROCEEDINGS

A second vital part of the goal-setting process was a program of ten focus groups, inviting stakeholders and residents of Clear Lake to discuss Downtown's future in informal, round-table discussions. The focus group proceedings are integrated into all elements of this Downtown plan. Some particularly significant findings and discussions, generally representing a consensus of participants, are discussed below. We have categorized these comments into ASSETS, understanding the character of the district; ISSUES, addressing priorities demanding attention; and DIRECTIONS, considering future directions for the district.

Assets

The quality and feeling of the district were clearly considered primary assets of Downtown Clear Lake. Words used to describe the district's character were:

- Scale
- Magical quality
- Uniqueness
- Memories and experience
- Gentleness
- Intimacy
- Vitality
- Class
- Atmosphere
- "Pleasantville" quality, yet sophisticated

Other assets included the lake, the Surf Ballroom, Central Gardens concept, classy stores, distinctive local businesses, and the streetscape. Yet, it was subjective

Former Clear Lake Bakery building. Redevelopment of this site was considered a top downtown priority by focus group participants.

feelings about the sense of the district that clearly stood out during the focus group process.

Issues

The redevelopment of the bakery site, the protection of the lake, and retail-related issues were mentioned most often during focus groups as fundamental issues affecting the district's future. Other significant issues mentioned by focus group participants included:

- Parking shortages, especially during events.
- Lack of public lake access.
- Separation from major trafficways.
- Appearance of corridors and entrances
- Negative attitudes
- Boat parking

Actions and Directions

Directions for downtown policy mentioned most often during focus groups included:
- Bakery site redevelopment
- A downtown hotel.
- Building experiences
- Downtown housing
- Encourage kids to come downtown
- Boat docking facilities
- An arts orientation
- Alley repair and enhancement

Downtown Clear Lake in history.
Top: City Park
Bottom: The Elk Hotel

Chapter Three

EXISTING CONDITIONS AND OPPORTUNITIES

The last two chapters of the Downtown Plan addressed the demographic and economic dynamics of the population of Clear Lake and the surrounding market, and considered the goals and perceptions of stakeholders in downtown. This section analyzes existing conditions in Clear Lake, as well as the Fourth Avenue South Corridor, providing a basis for developing a comprehensive business district development program. This discussion considers the following features:

- Land and Building Use
- Retail Climate
- Parking Adequacy Analysis

The boundaries of the two study areas are as follows:

- *Downtown Clear Lake* is bounded by Eighth Street on the east, the lake shore on the west, Third Avenue North on the north, and the alley south of First Avenue South on the south. This area is Clear

Lake's traditional retail core and the center of civic activity. Development in this area is generally at a pedestrian scale and is predominated by locally-owned businesses and community facilities.

- The *Fourth Avenue South Corridor* consists of areas along Fourth Avenue South between Eighth Street and Interstate 35. This area is generally auto-oriented, containing large-scale development. Although the corridor is primarily industrial in terms of land use, several service and automotive uses also lie along the avenue.

LAND AND BUILDING USE

Downtown Clear Lake: The Downtown area has several strengths that will ensure its importance as a key component of the commercial market. Above all, it has a feeling of place that cannot be matched by the sprawling retail concentrations typically crowding the edges of communities. Although Clear Lake's Main Avenue contains a mixture of land uses, there is an apparent focus on catering to a tourist market. A large number of specialty shops exist on the street, especially between Third and Fifth Streets. Despite this predominance of tourism-related businesses, the Downtown area also includes several "basic needs" businesses. Two drug stores, a grocery store, a general merchandise store, and several banks and offices exist in the Downtown area. Serving the tourist market and the needs of local residents are both essential components of Downtown Clear Lake's vitality. Map 3.1 illustrates the existing mixture of land uses in

Downtown Clear Lake and the surrounding area based on an inventory conducted by RDG Crose Gardner Shukert in August 2002.

Retail activity in Downtown Clear Lake is primarily concentrated along Main Avenue between Third and Fifth Streets. City Park and the lakefront serve as focuses of the western portion of Downtown, while Eighth Street functions as an eastern boundary of the district. Civic land uses, including churches, city hall, and the senior center, as well as lower-density office uses, such as banks, lie on the district's periphery, particularly along First Avenue north and First Avenue South. The areas immediately north and south of Downtown are predominantly residential in character, as is the area east of Eighth Street.

- *Downtown Clear Lake has an extremely low vacancy rate and a relatively high level of retail uses.*

Table 3.1 presents Downtown Clear Lake's first-floor land uses by square footage. Residential buildings are not considered in this analysis. Maps 3.2 and 3.3 illustrate first- and second-floor building uses in the Downtown area respectively.

The Downtown area contains about 374,000 square feet of nonresidential building space. The current first floor vacancy rate of 1.3% is considered very low for a downtown mixed use area. Retail uses make up a substantial 30% of nonresidential downtown buildings, covering nearly 112,000 square feet. As discussed in Chapter 1, Downtown Clear Lake accounts for about 30% of retail sales citywide. The area also contains about 72,000 square feet of industrial space, much of which is included in the vacant Clear Lake Bakery complex. This is largely comprised of the Clear Lake Bakery and the lumber yard at the north edge of Downtown. Office and financial uses cover about 44,000 square feet of downtown building space, while public facilities cover about 42,000. Automotive uses, civic uses, restaurants, and commercial services cover smaller amounts of building space in Downtown Clear Lake.

Fourth Avenue South Corridor: The Fourth Avenue South Corridor includes a considerable amount of Clear Lake's industrial space. Major industries such as Pella Corporation, Serta, Inc., and Team Quest are located along the corridor. Several automotive uses, including two car dealers, also lie along the corridor. Very small amounts of retail, office, and commercial service uses exist on the street. Overall, the corridor was developed in a relatively low-density manner. Large open spaces exist between buildings and an incomplete sidewalk network contributes to a predominantly auto-oriented environment.

- *The Fourth Avenue South Corridor is dominated by large-scale industrial uses. Although no vacant buildings are present, a considerable amount of undeveloped land exists along the corridor.*

Table 3.2 displays the distribution of first floor land uses along the corridor. Map 3.4 illustrates building uses along Fourth Avenue South.

Nearly 427,000 square feet, or 83% of total nonresidential building area along the corridor is occupied by industrial uses. About 36,000 square feet of automotive building uses exist along the corridor. Only small amounts of building space are devoted to retail, office, or commercial service uses. No vacant buildings are present along the corridor. However, a notable amount of undeveloped land exists along the street. The density of existing development is extremely low, with large open spaces between buildings.

TABLE 3.1: FIRST FLOOR LAND USE IN DOWNTOWN CLEAR LAKE, 2002

	SF	% of Total
Automotive	21,697	5.8%
Civic Uses	29,663	7.9%
Industrial*	72,253	19.3%
Office/Financial	44,261	11.8%
Public Facilities	42,413	11.3%
Restaurant &Entertainment	10,248	2.7%
Retail	111,772	29.9%
Schools	23,194	6.2%
Service	13,576	3.6%
Vacant	4,824	1.3%
Total	373,901	100.0%

Source: RDG Crose Gardner Shukert, Inc.

TABLE 3.2: First Floor Land Use in the 4th Avenue South Corridor, 2002

	Square Feet	% of Total
Automotive	36,457	7.1%
Industrial	426,721	82.7%
Office/Financial	7,742	1.5%
Retail	24,861	4.8%
Service	19,955	3.9%
Total	**515,736**	**100.0%**

Source: RDG Crose Gardner Shukert, Inc.

PARKING ADEQUACY ANALYSIS

As in any business district, adequacy of parking facilities is a key issue for Downtown Clear Lake. Table 3.3 presents the amounts of on- and off-street parking in Downtown Clear Lake based upon an inventory completed in 2000 by HNTB Corporation. The location of parking facilities was verified by RDG Crose Gardner Shukert in August 2002. Map 3.5 illustrates the locations of all on-street and off-street parking facilities in the Downtown area. The area contains a total of 1,320 parking spaces, 583 of which, or about 44%, are on-street spaces. Only 164, or 12% of Downtown parking spaces are located in municipal parking lots. Another 573 spaces, or 43% of the total, are located in privately owned parking lots.

The eastern portion of Downtown Clear Lake contains most of the district's off-street parking. Several lots in this area appear to be underutilized and contribute to an unattractive gateway to Downtown.

Table 3.4 displays the total parking availability in Downtown Clear Lake by its location. As shown in Map 3.5, the Downtown area is divided into three zones. The West zone includes areas of Downtown west of Third Street, the Central zone includes areas between Third and Fourth Streets, and the East zone includes areas generally east of Fourth Street. The majority of off-street parking in the Downtown area, including both public and private facilities, is located in the East zone. The large commercial lots along Eighth Street comprise a large amount of the parking facilities in this zone. Four of these large lots (a church with 47 spaces, city hall with 106 spaces, Frontier Trading Company with 82 spaces, and EconoFoods with 62 spaces) contain 44% of all off-street parking in the Downtown area. However, these lots tend to be underutilized due to their distances from other businesses and uses. Furthermore, these large lots create an unattractive gateway to Downtown. In contrast to the East zone, the West zone contains relatively little off-street parking. However, the angled on-street parking along Main Avenue and Third Street provides ample parking on the western edge of Downtown.

Although a parking deficiency exists in the center of Downtown, the area as a whole experiences a surplus of parking spaces.

In order to determine the adequacy of Downtown parking facilities, the number of existing parking spaces is compared with the parking demand generated by building uses in the area. Parking demand is calculated based on the parking requirements set forth by the City of Clear Lake's zoning regulations. Table 3.5 presents this comparison.

TABLE 3.3: EXISTING PARKING IN DOWNTOWN

	# of Spaces	% of Total
On-Street	583	44.2%
Off-Street, Public	164	12.4%
Off-Street, Private	573	43.4%
Total	1,320	100.0%

Source: HNTB Corporation, RDG Crose Gardner Shukert

TABLE 3.4: EXISTING PARKING BY ZONE, DOWNTOWN CLEAR LAKE

	West	Central	East	Total
On-Street	211	126	246	583
Off-Street, Public	28	46	116	190
Off-Street, Private	48	113	386	547
Total	287	285	748	1,320

Source: HNTB Corporation, RDG Crose Gardner Shukert

TABLE 3.5: PARKING DEMAND AND SUPPLY, DOWNTOWN CLEAR LAKE

	West			Central			East			Total
	Comm.	Office	Park	Comm.	Office	Park	Comm.	Office	Park	
Current Demand (w/o shared parking)	256	0	28	618	67	0	644	34	2	1,649
Total Parking Available	287			285			748			1,320
Disparity (w/o shared parking)	3			-400			68			-329
Disparity (adjusted for shared parking)	97			-307			294			84

Source: HNTB Corporation, 2000

These claculations suggest a total demand of 1,649 parking spaces in the Downtown area, a deficit of 329 parking spaces. However, downtown uses typically generate peak parkiong demands at different times. For example, a movie theater utilizes parking spaces during the evening that a bank uses during the day. Taking this mixed-use factor into account, the total number of parking spaces needed may be reduced by one-fourth, from 1,649 to 1,240. Thus, adjusting the parking demand for shared parking, the analysis indicates that Downtown Clear Lake has a total surplus of 84 parking spaces. The analysis suggests surpluses of 97 and 294 in the West and East zones respectively, and a shortage of 307 parking spaces in the Central zone. The overall parking surplus in the Downtown area largely compensates for the shortage of spaces in the center of the business district. However, this can contribute to a perceived shortage of parking spaces during peak seasons. In addition, plans for future development should consider this deficiency in order to prevent a more severe parking shortage

RETAIL ANALYSIS AND RECOMMENDATIONS

Chapter One indicated a potential demand for between 22,000 and 33,000 square feet of retail and related commercial space during the next five years. Realizing this demand is predicated on substantially improving Clear Lake's retail performance. This section examines the array of retail uses in Downtown Clear Lake and presents strategies to help the district meet its full retail potential.

Retail Inventory

Although Downtown Clear Lake contains a wide array of retail facilities, an inventory of its business mix indicates a large number of tourist-oriented specialty businesses.

Table 3.6 isplays the existing business mix in Downtown Clear Lake based on an inventory conducted by RDG Crose Gardner Shukert during late 2002.

Downtown Clear Lake has a considerable number of businesses that cater to a local market, including several personal service facilities, business service facilities, banks, and other offices. These services make up a total of 35% of the number of individual establishments. Two drug stores, a grocery store, and a variety store also largely serve the needs of residents of Clear Lake and the surrounding area. However, retail merchandise businesses make up a notable 38% of Downtown establishments in Clear Lake. Leisure and gift shops, including antique stores, as well as other small-scale retailers have a significant presence in the Downtown area. At present, 26 leisure and gift shops

TABLE 3.6: RETAIL AUDIT, DOWNTOWN CLEAR LAKE

	Number of Operations	% of Total Operations
Retail Merchandise		
Apparel and Accessories	3	4%
Home Improvement and Furnishings	3	4%
Leisure and Gift	19	28%
Department/Variety Store	1	1%
Other Retail	0	
Total Retail Merchandise	**26**	**38%**
Convenience, Food, and Drug Stores	**3**	**4%**
Hospitality and Entertainment		
Restaurant	4	6%
Café/Coffee	2	3%
Bar	4	6%
Hotel	0	0%
Commercial Recreation and Entertainment	1	1%
Total Hospitality and Entertainment	**11**	**16%**
Services		
Personal Services	7	10%
Business Services	12	17%
Banks/Financial	4	6%
Medical/Health Offices	1	1%
Total Services	24	35%
Automotive	**2**	**3%**
Vacant	**3**	**4%**
TOTAL NUMBER OF OPERATIONS	**69**	**100%**

Source: RDG Crose Gardner Shukert, Inc.

exist in Downtown Clear Lake, accounting for 28% of all Downtown businesses. In addition, there are three apparel stores and three home furnishing stores. A total of four restaurants, two coffee shops, and a movie theater also serve a tourist market. Only three vacant storefronts currently exist in Downtown Clear Lake.

The success of Downtown Clear Lake's retail climate can be judged by several factors.

- *People living and working in the area.* While activities such as events and attractions will bring people into the area at certain times, it is the consumers that are in the area every day that will offer the greatest support to retailers. Downtown is relatively central to Clear Lake's population, allowing it to provide services to a majority of the community's residents.

- *Traffic, both pedestrian and cars.* Although Clear Lake's primary Downtown commercial streets do not function as major through routes, a large amount of traffic in Clear Lake uses 8th Street, immediately east of Downtown. Thus, automobile access to Downtown is generally satisfactory. Pedestrian amenities are largely sufficient in the district, with sidewalks connecting retail areas with the city park and lakefront.

- *Intensity of retail.* The strongest commercial districts tend to have a variety of retailers, with more than one or two in any one category of retail. Although a substantial 38% of Downtown Clear Lake's business facilities are in retail use, the vast majority of these are antique and other specialty stores. Only a few establishments exist in other retail categories. Thus, Downtown Clear Lake has sufficient retail intensity, but an apparent lack of diversity in its retail offerings.

- *Continuity.* The intensity level of the commercial district is strengthened if the businesses present continuous faces to the consumer. The continuity of retail uses in Downtown Clear Lake is quite good in that most consumer commercial businesses are located in the core of Downtown. Civic facilities, including churches, the city hall, and senior center, lie on the district's periphery.

- *Double-sided retail.* Having continuous retail and commercial operations on both sides of the street helps to increase the intensity of the area. It concentrates the businesses and means that a person using the businesses in the area can see a variety of operations in a relatively small geographic area. Because most of Downtown Clear Lake's retail establishments are located along both sides of Main Avenue, as well as some intersecting streets, the district fares quite well with respect to this factor.

- *Safety.* Although safety does not by itself attract people to a commercial district, its lack can be a serious detractor. Areas must not only be crime-free but must also feel safe. While Downtown Clear Lake is acknowledged to be a safe place, it can feel less secure because of relative disuse at night.

- *Anchors.* Clear Lake has several retail businesses that function as anchors or destination stores. Clear Lake's furniture stores and card store are clear anchors, and represent some of the area's largest individual establishments. Traditional retailers like Larson's Mercantile and the EconoFoods grocery serve as anchors to some degree. The Lake Theater is also an important entertainment anchor. Finally, Downtown's fine restaurants also help define the quality of the district.

- *Specialty.* Because there is so much retail development in North America, smaller retail clusters like Downtown Clear Lake that want to attract shoppers from beyond the local area usually develop a specialty that distinguishes them from other cities. It allows them to offer something different that is not available elsewhere. To some extent, this has occurred in Clear Lake.

  Downtown has particular strengths in such areas as home furnishings and "home arts," including but not limited to its several antique stores. In addition, elements of the downtown scene have an arts theme. Examples of these businesses include the Iron Works, the Nightclub, the Clear Lake Arts Center, private galleries, and the Backstreet Blues Club.

- *Access and Parking.* Like safety, parking is not an attractor, but it can be a detractor. A good supply of parking will never make up for a poor selection of businesses or an unsafe atmosphere. However, the provision of adequate parking and ease of access is important in encouraging customers to come from beyond the immediate neighborhoods. Adequacy of parking in Downtown Clear Lake was addressed earlier in this section.

- *Appearance.* Like adequate parking, an improved appearance will not, in itself, change the business climate in Downtown Clear Lake. However, better-looking streets will make the area more appealing to customers. It will encourage them to spend more time in the area as well as making the area more attractive to new businesses. Clear Lake's highly regarded streetscape program has had a tremendously beneficial effect on the district's appearance and represents a major public investment in design quality.

Retail Observations and Recommendations

Based on this inventory and analysis, and the market information presented in Chapter One, we recommend the following overall retail strategy for Downtown Clear Lake:

- Downtown (and Clear Lake in general) should reduce the export or leakage of retail dollars in general retailing areas to the greatest degree possible. It should retain as much of its primary and secondary market as it can, especially in such areas as food sales, services, furniture and home furnishings, and (to a limited degree) apparel.

- Downtown should expand its role as the specialty shopping district for the Mason City-Clear Lake tertiary market. Specifically, specialty retailing in Clear Lake should complement the basic goods offered by Mason City, and should include a market focus toward the residents of the larger neighboring community.

- Downtown should expand its quarternary, or long range visitor market by attracting more multi-day visitors, expanding unique enterprises, and strengthening its connection to the lake and to focuses on recreation, the environment, and family experience.

- Downtown should reinforce what we believe is the fundamental brand of Clear Lake – that of a gentle resort that stands in marked contrast to more commercial tourist-oriented destinations. This sense of wholeness and quality experience was clearly articulated by stakeholders during the focus group process and is a value that must be preserved. Clear Lake should maintain its quality as a place that is easy to be in and leaves visitors and residents alike with a sense of wholeness and good feeling.

Retail Niches and Targets

The array of features and the character of Downtown suggests the following retail niches for Downtown Clear Lake:

- *Home Arts*, building on strengths in home furnishings and antiques. Related arts include stained glass, custom woodwork and furniture, galleries, and lighting. The presence of seasonal or affluent owners of second homes willing to spend money on their retreats make this an especially attractive area of retail specialization.

- *Recreation and fitness related establishments.* These include bicycle shops, beach and water-related retailing and goods, and outdoors goods. The presence of two state parks, beaches, boating facilities, and the potential of excellent regional cycling can help Clear Lake theme itself as a fitness center. In addition to creating retail opportunities, this theme can also frame the emphasis of other development projects such as a downtown hotel.

- *Arts and culture,* including metal working, stained galss, sculpture, jewelry, and allied crafts. This market specialization builds on the demonstrated strengths of the local arts community, and can be an attractor, given the city's location equidistant from both Des Moines and the Twin Cities.

- *Food and entertainment,* including restaurants and specialty food sales. Specialty foods include a bakery (a major gap after the closing of the Clear Lake Bakery), gourmet foods, and reinforcement of general grocery sales to improve the whole city's "balance of trade."

- *Gift and specialty items,* logical areas of strength in a resort community.

- *Image and experiential retailing*, such as a Clear Lake store, or a book store with café service.

- *Lodging and conference events,* building on the city's retreat atmosphere. This is considered in more detail in the next section.

Chapter Four

THE DOWNTOWN CLEAR LAKE PLAN

A Development Vision for the Distinctive District

The previous chapters of the Downtown Clear Lake Plan examine the people and economics of the market area, retail and residential potentials, current conditions, and community perceptions and goals to help define an implementable vision of downtown's future. Downtown, with its intimate scale, lovely lakefront and City Park, variety of restaurants and shops, and lively program of events, is an attractive and well-managed district. It is particularly well-regarded by both visitors and residents, evidenced by continued community investment in the downtown streetscape, the City Park Bandshell, the Yacht Club, and other projects.

This strong foundation can build an even stronger downtown, reinforcing Clear Lake's already highly positive image as a resort, a place for rich experiences, and a place full of life. This section presents a strategic program to take advantage of Downtown's many strong assets.

PRINCIPLES OF THE VISION

A comprehensive development vision for Downtown Clear Lake is guided by the following principles.

■ ***Take advantage of Clear Lake's distinctive markets.***

Clear Lake has three individual and complementary business target specializations. These include:

- *Clear Lake residents.* During the last two decades, Clear Lake's residents have tended to shop outside the city, evidenced by its low retail pull factor. This leakage, primarily to Mason City, is particularly evident in durable goods categories as home furnishings and apparel, and in general retailing. Yet, service businesses do well, and local pharmacies, specialty stores, and even apparel stores draw support from the local market. Clear Lake's small businesses cannot compete directly with Mason City's mass retailers. But strengthening local focuses and enhancing services can help Downtown increase its local market share.

- *The Mason City regional market.* Highway 18 is a two-way street. Clear Lake should increasingly act as a specialty commercial district for the Clear Lake-Mason City "binary" community – analogous to Valley Junction's role in the Des Moines area. Clear Lake, with its unique shops and restaurants, complements Mason City's more basic general retailing, offering goods and services that are unavailable in the larger city.

- *The visitor and resort market.* This market divides in two ways, and includes limited duration visitors and seasonal residents. Both are drawn by the lake and the beauty and character of the town, and the experiences that Clear Lake offers. Both generate a significant market for specialty items, arts and crafts, and eating and drinking establishments. In addition, longer-term residents can create a significant market for furnishings and home arts items.

Based on these three targets, Clear Lake's retail strategy should:

- Reduce local market leakages in general retail areas to the greatest degree possible. Target categories include food sales, services, furniture and home furnishings, and to a limited degree apparel.

- Expand Downtown Clear Lake's role as a special district for the tertiary trade area – the Mason City/Clear Lake region – complementing Mason City's basic retail market.

- Expand the regional resort market by attracting more multi-day visitors, expand unique opportunities, and further strengthening existing businesses.

■ ***Build on Clear Lake's brand as a gentle resort – a place that is easy to be in and leaves the visitor with a sense of wholeness and good feeling.***

When residents and stakeholders describe their town, they typically mention words like intimacy, scale, magical quality, memories, and class. Indeed, in 2003, Clear Lake launched the marketing tag "cool, classic Clear Lake." Other resort communities emphasize high commercialization . . . Clear Lake, on the other hand, is a gentle, comfortable place that provides experiences and memories. Physical and project development should reinforce this sense of gentleness, and avoid frenetic commercialization. Everything in this city

should exude quality, and have a timeless, classic quality.

■ ***Capitalize on and enhance key Downtown investments and features.***

Clear Lake's major investments in Downtown include the sidewalks and lighting in Downtown, the Bandstand and community room at City Park, the seawall walk, and the Fire Station Museum. Most notable among major assets include:

- *The Lake and its relationship to the Main Avenue district.* The public lakefront and its connection to the Main Avenue business district by City Park is the context for most development in Downtown. This triad of lake, park, and business district establishes the structure for new investments.

- *Local character and history.* Clear Lake's rich history is documented in books, art, and the physical environment.

- *The downtown townscape.* Historically important buildings and the human scale of the district are especially important characteristics that produce positive associations with the district. New projects should both respect and reinforce this cityscape.

- *The Surf Ballroom and linkage to the surrounding neighborhood.* The Surf, while slightly outside the core district, contributes strongly to the Clear Lake environment, and its concerts, events, and evocative history provide the city with a unique resource. The Surf and its surrounding commercial area and lakefront should be considered part of the central district, connected to Main Avenue by the lake and historic residential neighborhoods. As such, the linkage between these two nodes becomes very important.

- *The city's arts community.* Performing and visual arts are an important subtext for the town. The talented array of artists has distinguished the Clear Lake Art Center, a cooperative gallery located in a city-owned Main Avenue building. Other local galleries and artists, including metal sculptors, contribute to the town's arts community. Performances, rather in the landmark Surf Ballroom or in more hidden treasures like the Nightclub, complement the visual arts scene. We believe that the lake and the nature of the town create an environment that naturally attracts artists, making the arts a vital part of the downtown development program.

■ ***Address the bakery site as the top downtown development priority.***

The city-owned bakery building, along with the bakery garage across 5th Street, should be the initial focus for city redevelopment action. These sites are both major opportunities for new development and considered to be high priority community issues. The existing buildings are large and out of scale with the small and intimate character of the surrounding district. They also visually block the downtown district from approach routes and from the surrounding neighborhoods. The main value of these properties is for redevelopment, consistent with Downtown's character. The existing buildings do not fit the needs of appropriate downtown users.

■ ***Help visitors orient themselves to Downtown Clear Lake.***

Downtown Clear Lake can be relatively difficult for visitors to find and read. The district is near but not on Interstate 35, and the routes to it are relatively indirect, requiring more than one turn. The original layout of

the town rotated the surveyor's grid to follow the lakeshore. While this generates interesting intersections, it can also disorient visitors. Finally, the street naming and numbering system, using numbered streets and avenues that converge downtown, can be extremely confusing. As a result, visitors must depend on directional graphics and visual cues to a greater degree than usual. An information system must help newcomer and repeat visitor alike find the lake, the business district, and key points of interest to visitors, including the lake, Surf Ballroom, City Park, and the *Lady of the Lake* excursion boat.

■ ***Manage and integrate projects already on the community agenda.***

Like most progressive cities, Clear Lake has a number of projects on the agenda. In downtown, reuse of the bakery site heads this list. Other significant projects and issues include:

- *Streetscape extension.* Clear Lake has funded streetscape improvements, including lighting and concrete pavers, through its capital improvement program. This work is continuing on an incremental basis.

- *City Beach improvements and connection to the Seawall.* Clear Lake has budgeted for the the extension of the Seawall Walk, again utilizing concrete pavers, from 1st Avenue North to City Beach. Improvements to the beach are also programmed.

- *Hotel and conferencing facilities.* A downtown hotel, with supporting conference facilities, was proposed during the 1980s but did not proceed, partially because of an unwillingness to use redevelopment tools to implement the project. Yet, many participants in the planning process believe that downtown lodging is a valid market; and that a combination of the lake, the town environment, and proximity to I-35 and major urban centers gives Clear Lake excellent potential as a corporate retreat and conference center.

- *City facilities.* City government, police, and fire all operate out of a relatively small building. The Police Department is housed in an extremely small space that offers little security or privacy, and the Parks Department is located outside of city hall in relatively poor accommodations.

- *Trail Plan.* Cerro Gordo County's trail plan calls for a multi-use trail around Clear Lake. A bicycle shoulder has been painted on South Shore Drive from Downtown to the State Park, but this concept, also considered to be a high priority by participants in the planning process, is largely unimplemented.

■ ***Seek markets appropriate to and attainable by Downtown Clear Lake.***

A downtown development effort must be consistent with market realities. The market analysis included in this plan's earlier sections indicates significant

opportunities. These new or expanding markets will focus on:

- *Retail, hospitality, and consumer services.* The market analysis indicates a potential for between 20,000 and 30,000 square feet of retail, hospitality, and service potential. These enterprises are likely to be small in scale and locally or regionally owned. Attraction of major national credits to a small downtown in an area of relatively low population density is very unlikely, especially in the current economic climate. Indeed, much of Downtown's charm comes from its collection of individually-owned, and sometimes iconoclastic, small enterprises.

- *Residential development.* Clear Lake demonstrated a strong market for lake-related residential development. Downtown provides great opportunities for permanent and seasonal housing that both relates to the lake and offers the vitality of an attractive and lively town center. Downtown housing should offer many of the features of lake housing, including attractive views, adequate space, and protected parking.

- *Office uses.* Many offices are on the street level of Main Avenue commercial buildings, attracted by high visibility and a relative lack of alternative office space. In a normal market, office can support higher rents than small-scale retail, making new office development more feasible than retail construction. Planning for and developing quality office space can expand the city's overall market

and open more affordable, fully amortized storefronts for retail growth.

An effective development program means building within the parameters of the market and, in turn, ultimately expanding this market through economic success. Planning must pinpoint those investments which can be most powerful in setting positive forces in motion.

- ***Appeal to people of all ages.***

Many people describe their decisions to move to Clear Lake as adults are based on experiences that they had in the town as children. As Clear Lake's demographics change, it is vital that the town not become solely a retirement compound. Its life and energy depend on appealing to people of all ages. Clear Lake, more than many places, is built on a tradition of family experiences and memories.

THE "PROGRAM" FOR DOWNTOWN DEVELOPMENT

Two basic principles for developing the Downtown vision include integrating existing community projects and priorities into Downtown; and following realistic market opportunities. When designing a building, we begin with a "program" document, identifying the fixed requirements for spaces and the functional relationships among those spaces. Similarly, in thinking about a downtown vision, we should establish a basic program of facilities and needs,

derived from considering recent and current projects and priorities, guided by the market. This program – the ingredients of Clear Lake’s downtown development program – includes the following:

1. *Between 20,000 and 30,000 square feet of retail and related space over 5 years.* This is based on natural market evolution and opportunities, and the ability of the town to perform up to typical expectations for its size and income range. Key to this market will be expanding Clear Lake’s penetration into the Mason City and larger regional visitor/resort market.

2. *Housing development providing for annual production of about 10 to 15 units.* While upper levels of existing buildings currently provide some housing, and have the ability to accommodate somewhat more, a substantial part of this demand is based on new, high quality development, directed toward affluent residents who move to Clear Lake by choice or who retire to the community. Senior housing with regional appeal may add to this basic market.

3. *A 40 to 50 room hotel with convenient conference facilities.* This plan is not a market study of hotel needs. Yet, the popularity and attractiveness of lake-related lodging, coupled with a very limited supply of these rooms, point strongly to a significant hotel market in the town center. The city’s convenient location on I-35, equidistant from the Twin Cities and Des Moines, also gives it good potential as a retreat and conference center, further reinforcing occupancy at a new downtown hotel. Conference facilities should be convenient to, but not necessarily part of, a downtown hotel facility.

4. *Office space.* Clear Lake maintains a significant office market for local and regional professional and service providers. Downtown now has over 40,000 square feet of first floor office and financial space. A contemporary office setting could gradually free up some of this space, opening more affordable retail space while retaining office and service uses in the town center.

5. *An arts district.* Arts are important to life in Clear Lake and should be reinforced in the development plan. While arts-related uses should be distributed throughout the district, we recommend the evolution of an arts district – a node where the themes of art and performance are especially emphasized. This node is logically located on the edge of downtown, to help enliven an area off, but connected to Main Avenue. Site criteria should

include an existing arts establishment and a relationship to the lake.

6. *Improved gateway and corridor connections.* We must successfully lead visitors from their point of entry into Clear Lake – typically I-35 – and their preferred destinations. Enhanced entrance corridors that include clear gateways and sequences of features assure visitors that they are on the right track. A community wayfinding system helps visitors navigate to their destinations despite disorienting street patterns. They also make the city more welcoming to newcomers and provide a significant marketing message. This system also connects downtown to other community assets, and can help link the Surf Ballroom area, Main Avenue, and the lakefront.

7. *Enhanced public lakefront.* Since much of the Clear Lake shore is private, the downtown segment is especially important. Historic photographs show colorful and active recreational features like White Pier. Today's lakefront is quieter, although still punctuated by attractions like the docking of the Land of the Lake and a varied program of special events. The lakefront should come to life in a way that is appropriate to the place, fun and engaging, but not overly commercialized. Some directions could include pier construction, dock area for boats, beach improvements, and new recreational activities. The lakefront should offer a multi-dimensional experience, mixing fun, recreation, culture, history, and the beauty of the lake.

8. *Strategic parking.* The plan's parking analysis indicates that downtown offers adequate parking under normal conditions. Indeed, downtown planning sometimes is overly occupied with parking supply. That said, additional strategically placed parking should be part of the downtown picture. Parking should be located to minimize the number of cars entering the core district, preserving its pedestrian friendliness. Making motorists into pedestrians as soon as possible is good for retail business and improves the quality of the downtown environment.

9. *Civic campus.* City facilities are an important part of downtown, and a development program should improve the effectiveness of governmental operations. The plan should address public facility needs, including updating administrative facilities, providing good accommodation s for public safety departments, and consolidating the park department with other city offices.

10. *Interpretive historical features and attractions.* The colorful history of Clear Lake is of great interest to both residents and visitors. Efforts to interpret history include the Fire Station Museum, excellent photo history books, drawings of Clear Lake's iconic buildings sold at the Chamber of Commerce, the preservation of the Surf Ballroom, historically themed events, and (less successfully) the Trolley Park. Continuing to incorporate community history into the environment increases interest and the quality of the experience of being in Clear Lake.

11. *Recreation and fitness.* Boating and water recreation are the centerpieces of summer in Clear Lake. Yet, other forms of outdoor recreation can supplement water recreation and open business opportunities. Many stakeholders emphasized the importance of a safe and enjoyable bicycle route around the lake. Incorporating bicycle transportation can both improve experiences and relieve vehicular traffic.

THE DOWNTOWN VISION

The vision for Downtown Clear Lake emerges by combining the **principles** for downtown development and the **program** based on markets, existing projects, and needs. The components of this vision include:

Major Project Areas, which we refer to as "the Big Eight." These represent major focuses for development that frame an evolving Downtown Clear Lake.

Connections, addressing the fabric that links major projects together and to the surrounding environment.

The "Big Eight"

The major projects that this plan recommends for Downtown Clear Lake include:

- **Bakery Site Redevelopment**
- **Gateway Campus**
- **Chamber/VFW Block**
- **Downtown Lakefront**
- **Arts District**
- **8th and Main**
- **Fourth Street**
- **Surf Ballroom Area**

For each project area, we will describe:

- The program and opportunities for each project.
- The development and design concept
- The development yield.
- Cost and financing mechanisms.

Bakery Site Redevelopment

The Clear Lake Bakery building, donated to the City of Clear Lake, is actually a complex of several structures covering a half-block site along 1st Avenue North between 4th and 5th Streets. It adjoins the Main Avenue commercial block; Main Avenue buildings turn the corner along the north side of 4th Street, making this an especially important connection between downtown and north lakeshore residential neighborhoods. The city's library, as well as restaurants and offices, reinforce the 4th Street corridor beyond the downtown center.

Program

We recommend two alternative programs for the bakery site. These alternative programs include:

- A senior housing concept that provides quality housing for older adults, possibly financed with the use of Section 42 tax credits.

- A mixed use concept with street-level commercial space along 4th Street and upper-level rental or condominium housing.

Design Concept

- Either plan envisions three-story buildings. The mixed use concept envisions residential uses over commercial storefronts oriented to 4th Streets. Covered parking is provided in individual garages, attached to and behind the buildings. Surface parking is provided in the interior of the block.

  The senior housing concept provides a three-story, L-shaped building with building lines defined along 4th Street and 1st Avenue North. Parking would be provided in surface lots along the alley and the 5th Street frontage.

- Buildings should extend the historic 4th Street building line to the west, reinforcing the link between Main Avenue, the library, and historic neighborhoods. An all-residential building could be set back behind a small, front-yard garden;

Bakery Site Redevelopment

Right: Existing Bakery Site along 4th Street.
Middle Right: A senior housing concept for the Bakery site.
Below: A sketch of the mixed use concept, incorporating some street level retailing with upper level residential development.

Key elements of any concept should include building design that complements the historic commercial buildings of 4th Street; and a site plan that maintains an urban edge along the street. Parking should be convenient, but not dominant or highly visible from 4th Street.

however, this garden should include an ornamental railing or similar defining detail that continues the 4th Street building line. Site design should not place parking along 4th Street.

- All buildings should be detailed to reflect the fine scale of 4th Street's historic commercial buildings.

- Commercial uses, if developed as part of a mixed use development, are most important at street level along 4th Street.

- A mid-block pedestrian connection should be incorporated between 1st Avenue North and Main Avenue. The east-west midblock alley connecting to Main Avenue should be permanently pedestrianized.

- The West Alley should be modified, using lighting and graphics, to invite dual service vehicle/ pedestrian use. Clear pedestrian crossings should be defined at midblock on 4th and 5th Streets to reinforce this connection.

Development Yield

The mixed use concept generates:

- Between 7,500 and 15,000 square feet of retail/ commercial space, depending on street level use along 5th Street.
- Between 24 and 32 apartments, ranging from 1,000 to 2,000 square feet.
- One interior and one surface parking stall per unit.

The senior housing concept yields up to 48 units in a three-story building, with between 30 and 40 surface parking stalls.

Project Cost and Financing

Tables 4.1and 4.1a calculate estimated project cost for the bakery site redevelopment for the mixed use and senior housing alternatives respectively. Hard cost for site preparation and streetscape is about $550,000,

generating between $4.5 and $5.3 million in private investment, depending on the type of development. In order to test financial feasibility for this and other potential projects, Tables 4.2 and 4.3 provide sample proformas for office/commercial and residential development. Based on a core and shell construction cost of $80 per square foot (excluding tenant improvements), a project requires about $16/square foot in gross rent (including utilities) to be financially feasible. This is reasonably consistent with market rents in Downtown Clear Lake. On the residential side, assuming construction cost of $90,000 per unit (about $90/square foot), a project must achieve rents of about $1/square foot/month, or slightly over $1,000 for a 1,000 square foot apartment. A condominium of the same size would need to yield about $150/square foot, or $150,000. While these rent levels push the upper end of Clear Lake's rental market, most observers still consider these levels marketable. These calculations indicate that the Clear Lake market can support new commercial and residential development, provided that the city provides the developer with a cleared, improved site. The program also assumes that the city completes supporting improvements in the public environment.

The senior housing alternative may involve the use of Low Income Housing Tax Credits (LIHTC) to reduce the rent levels required to make the project financially feasible. The sale of tax credits increases the amount of equity invested in the project, reducing the amount of debt financing. Depending on the size of the credits, varying percentages of the units must be reserved for occupancy by eligible households.

TABLE 4.1: BAKERY SITE REDEVELOPMENT (MIXED USE DEVELOPMENT): ESTIMATED PROJECT COSTS

Project Component	Private Costs	Public Costs
Demolition and Site Preparation		250,000
Parking		50,000
West Alley Enhancement		150,000
4th and 5th Street Streetscape		100,000
Commercial Development	600,000	
Residential Development	2,880,000	
Soft Costs	1,044,000	
Total	**4,524,000**	**550,000**

TABLE 4.1A: BAKERY SITE REDEVELOPMENT (SENIOR DEVELOPMENT): ESTIMATED PROJECT COSTS:

Project Component	Private Costs	Public Costs
Demolition and Site Preparation		250,000
Parking		50,000
West Alley Enhancement		150,000
4th and 5th Street Streetscape		100,000
Residential Development	4,100,000	
Soft Costs	1,247,000	
Total	**5,347,000**	**550,000**

TABLE 4.2: OFFICE/COMMERCIAL DEVELOPMENT PROFORMAS: REUSE AND NEW CONSTRUCTION

Project Component	Example 1: Adaptive Reuse with $40/SF Construction Cost	Example 2: New Construction with $80/SF Construction Cost
Typical Area (SF)	5,000	5,000
Estimated Construction Cost	$200,000	$400,000
10% Contingency	20,000	40,000
20% Soft Costs	44,000	88,000
Projected Project Cost	264,000	528,000
Owner's Equity (20%)	52,800	105,600
Amount to Finance	211,200	422,400
Loan Terms	7%, 15 years	7%, 15 years
Projected Annual Debt Service	22,780	45,559
Rent/SF Needed to Service Debt	4.55	9.11
Utility, Taxes, Maintenance/SF	5.00	5.00
10% Return on Equity	1.06	2.11
TOTAL	**10.61**	**16.22**

TABLE 4.3: MARKET-RATE RESIDENTIAL DEVELOPMENT PROFORMAS: REUSE AND NEW CONSTRUCTION

Project Component	Example 1: Adaptive Reuse with $60/SF Construction Cost	Example 2: New Construction with $90/SF Construction Cost
Typical Area (SF)	1,000	1,000
Estimated Construction Cost	$60,000	$90,000
10% Contingency	6,000	9,000
20% Soft Costs	13,200	10,800
Projected Cost/Unit	79,200	118,800
Owner's Equity (20%)	15,840	23,760
Amount to Finance	63,360	95,040
Loan Terms	7%, 15 years	7%, 15 years
Projected Monthly Debt Service	491	737
Utility, Taxes, Maintenance/SF	125	150
8% Return on Equity	108	158
TOTAL	**724**	**1,045**

Gateway Campus

The Gateway Campus will be the principal entrance into Downtown Clear Lake and includes the block bounded by 8th Street, 6th Street, Main Avenue, and 1st Avenue North. Clear Lake City Hall and the Clear Lake Bakery garage are located on this parcel, which marks the shifting of the street grid from ordinal directions to following the lakeshore. The shifting grids and the siting of buildings obstructs views of the Main Avenue district from its principal 8th Street approach.

Program

The Gateway Campus concept provides a strong visual entrance into downtown and prmotes associated development. The program for the site is to:

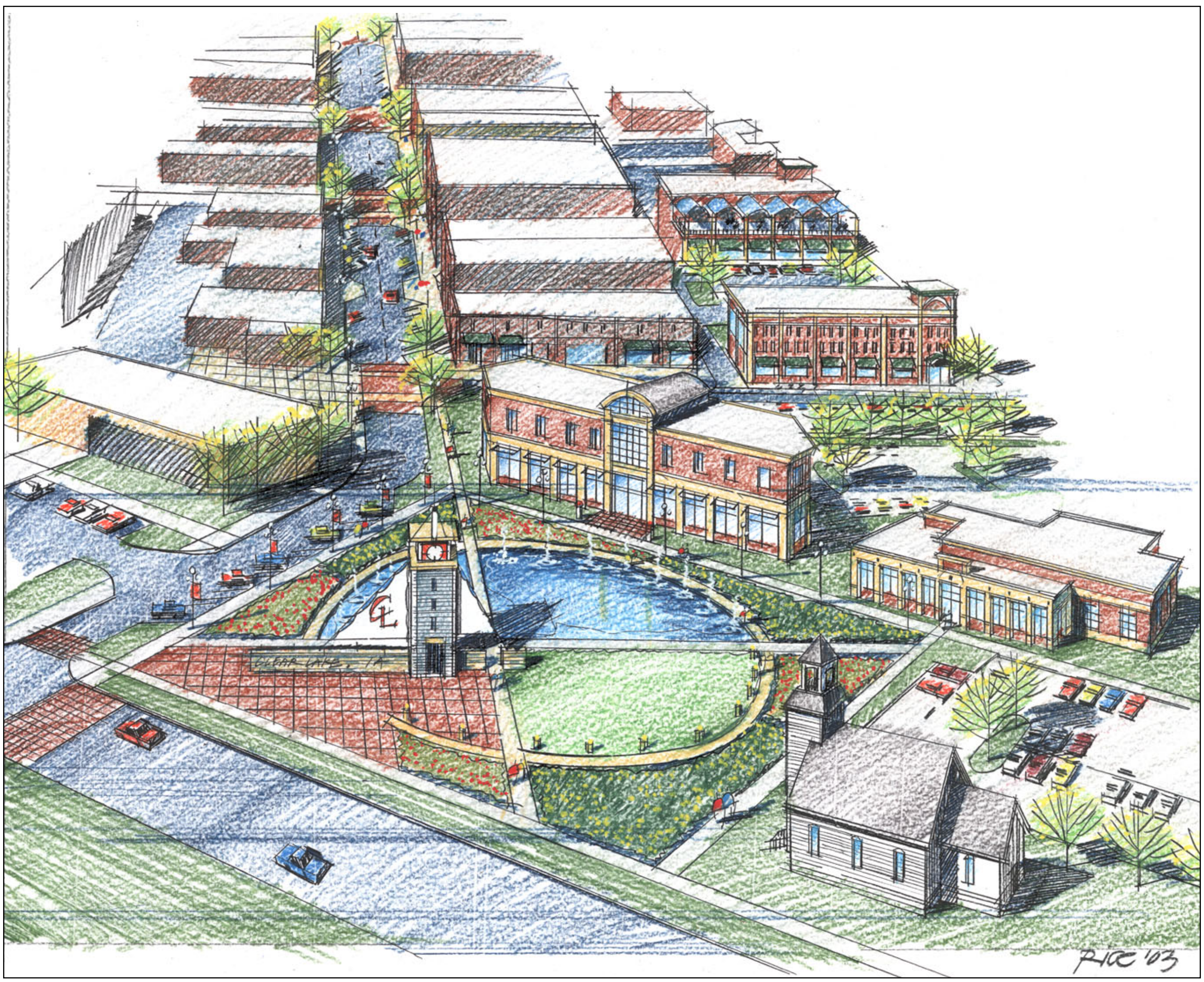
- Develop a signature public square and downtown entrance. This open space would establish a feature that would complement the lake at the other end of Main.
- Create a new public campus with adequate space for administrative and public safety departments.
- Provide additional public parking at the entrance to downtown. Getting people out of their cars as soon as possible after entering downtown reduces confusion and disorientation, and makes the entire district friendlier and more pleasant. It is also an axiom of retailing that people spend money on foot, not on wheels. Encouraging people to park and walk past Main Avenue stores on their way to the lake is good for business.
- Develop new downtown retail and office space. A site amenity also adds value to the site, encouraging additional retail and office development.
- Create a good north-south view for the bakery site development. While the lake view for this site is superb and can command premium prices, the opposite city view is less attractive. A quality amenity can elevate the revenue potential and feasibility of the bakery site project.
- Link downtown with Central Gardens. The planned garden project along 8th Street will provide another signature feature for Clear Lake. The Gateway Campus site and the Gardens accounts for much of the 8th Street entrance corridor between downtown and Highway 18.
- Simplify traffic patterns in and around the downtown entrance.

Design Concept

- The plan envisions assembling the development site by property acquisitions and street realignments. The ultimate site includes the bakery garage and city hall blocks, and the "Alliant block" between 6th and 8th Streets, and 1st and 2nd Avenues. Under the concept, 1st Avenue North would be curved to intersect 8th Street. Sixth Street, which now terminates short of 8th Street at the historic Christian Science Church would form a new T-intersection with the new, realigned 1st Avenue North. This will greatly improve north-south circulation around downtown.
- The major feature of the campus is Gateway Park, an urban square on the northwest corner of 8th and Main. Gateway Park could include a significant water feature, gardens and landscaping, and facilities for events. It would serve as a front door for City Hall and new adjacent development. The Gateway Park, along with Central Gardens and City Park, would create a chain of open spaces to connect Highway 18 with the lakefront. The park is also designed to direct the view of people arriving along 8th Street to Main Avenue.
- A public facilities program is a major component of the Gateway Campus. A new fire station would be built at 2nd Avenue North and 8th Street, providing more space and better egress than the current facility in City Hall. The space vacated by the Fire Department would be remodeled for the Police Department and improved space for city offices and public meetings. This also would enable the Parks Department to move into the same location as other city offices. A children's interpretive park with a fire fighting theme would

Gateway Campus

Right: The 8th and Main intersection, looking toward the historic Christian Science Church.
Below: An aerial view of Main Avenue, with 8th Street in the foreground. Redevelopment of the bakery garage and an adjacent commercial building provides space for the Gateway Park, additional parking, and new office ande commercial development. The remodeled City Hall is adjacent to the new office center.



The Clear Lake Fire Department Museum

be developed between the new station and the Fire Museum. A new front façade would also be built on City Hall, also creating a better public entrance.

- A new two-story office/commercial building would be developed on a site facing Gateway Park. This building should be designed to frame the Main Avenue view from 8th Street. The West Alley would terminate in a drop-off circle for this new building.

- The plan includes front-door parking on either side of the realigned 1st Avenue, serving City Hall, the Fire Station, new development, and the business district.

Development Yield

The concept produces:

- About 22,000 square feet of commercial/office space on two levels.

- 112 new surface parking stalls.

- A new fire station with a footprint of up to 18,000 square feet, along with improved City Hall facilities.

Project Cost and Financing

Table 4.4 presents estimated costs for the Gateway Campus. Public cost (including site acquisition and preparation, public facilities construction, parking, and park development, is estimated at $3.75 million. Private development associated with the office building will be approximately $2.3 million. Again, office development is feasible with a gross rent in the range of $16/square foot.

TABLE 4.4: GATEWAY CAMPUS: ESTIMATED PROJECT COSTS

Project Component	Private Costs	Public Costs
Property Acquisition		300,000
Demolition and Site Preparation		250,000
Gateway Park Development		1,000,000
City Hall retrofit		450,000
Fire Station		1,200,000
Public Parking		250,000
Streetscape/Children's Fire Park		300,000
Commercial/Office Development	1,760,000	
Soft Costs	528,000	
TOTAL	**2,288,000**	**3,750,000**

The Chamber/VFW Block

This development includes a square block along City Park between 2nd and 3rd Streets and Main Avenue and 1st Avenue South, and may also include the adjacent block between 3rd and 4th Streets. Current uses on the site include the Chamber of Commerce's offices, the Clear Lake Arts Center, public parking, multi-family housing, the Veterans of Foreign Wars (VFW) hall, and commercial uses. This site had once been considered for the "Tower Project," an unimplemented hotel/ conference center proposed during the 1980s. The block is a key link between the business district and the lakefront.

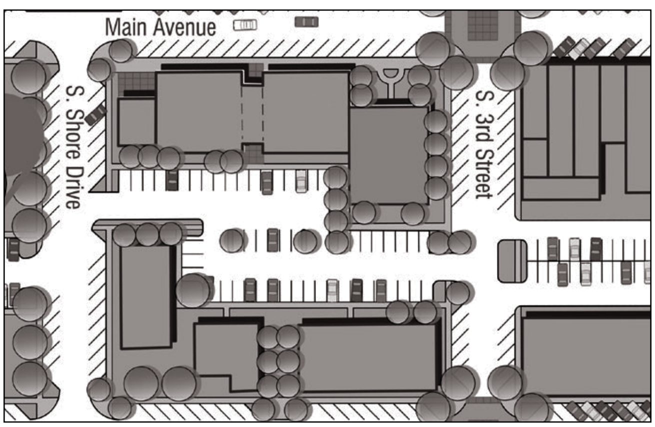
The VFW has developed conceptual plans for a new, approximately 8,000 square foot facility on the block. The site of the building may change from its current location, as long as frontage along City Park is maintained. The organization also plans to develop a garden celebrating Clear Lake residents who have served their country in the armed forces. This garden may be located adjacent to a new VFW facility, but may also be located at a separate, public site in the downtown district. The Chamber of Commerce also has developed conceptual floor plans to double the area of its current office. The Chamber could be housed in an expansion of its current facility, or could be incorporated as leased or condominium space in a larger project.

In common with the bakery site, alternative programs exist for the Chamber/VFW site. These alternative concepts include:

- *A residential/mixed use concept*, which minimizes land acquisition and focuses primarily on land that is either owned by the City of Clear Lake or by the Chamber and VFW.
- *A hotel/mixed use concept,* that may have substantial economic benefits to the downtown community but requires substantially more redevelopment activity, and includes portions of the 3rd to 4th Street block.

These concepts are presented below.

Residential/Mixed Use Concept



Development Program

This concept can be fully realized on the Chamber/VFW block between South Shore Drive and 3rd Street and includes the following features:

- A new VFW facility on the corner of 3rd and Main, or adjacent to the ReMax office on the western portion of the block. The VFW building would be a stand-alone, one-story building fully consistent with the organization's building program. The commemorative garden can be developed adjacent to the building, or incorporated into the Gateway Campus concept discussed earlier.
- A mixed use building along the Main Avenue frontage, either between a new VFW site and ReMax, or east of both buildings. Alternatively, the building could expand to include the ReMax site, potentially incorporating the ReMax office into its first floor commercial space. The building would accommodate the Chamber of Commerce's expansion program on its first floor, and provide an additional 5,000 square feet of street-level office or retail space. Two upper-level residential floors would provide 8 to 12 units per level, depending on the size of the building. These apartments could be developed in either rental or condominium configurations.
- Parking to serve existing and future uses on the interior of the block.

Design Concept

- The mixed use building, which is the dominant redevelopment component, should be oriented along Main Avenue, defining the edge of City Park and taking advantage of the long lake views from both sides of the building. Parking would be provided behind the building, with access to both South Shore Drive and 3rd Street.
- The existing ReMax real estate office at Main and South Shore would remain, although the project could expand by mutual consent to incorporate that corner site. If included, it provides high amenity corner apartments views of both City Park and Clear Lake. However, the existing office and lounge uses on the site could also be retained without seriously compromising the overall concept.
- Existing uses along 1st Avenue South would remain, including the apartment complex and antique store. The latter, along with a new Arts Center would be incorporated into an Arts District at 1st Avenue South and 3rd Street.

- Streetscape improvements along 3rd Street should connect the hotel to the Arts District.

Project Cost and Financing

Table 4.5 summarizes estimated costs for the residential/mixed use concept on the Chamber/VFW block. Depending on whether the project incorporates existing office and commercial buildings along South Shore Drive, acquisition cost would range from $200,000 (if existing buildings were retained) to $450,000, assuming their acquisition. Private development on the site (including the VFW and mixed use building), ranges from $3.9 to $5.0 million in investment. Total public cost related to site acquisition, preparation, parking, and amenities ranges from $710,000 to $1.1 million.

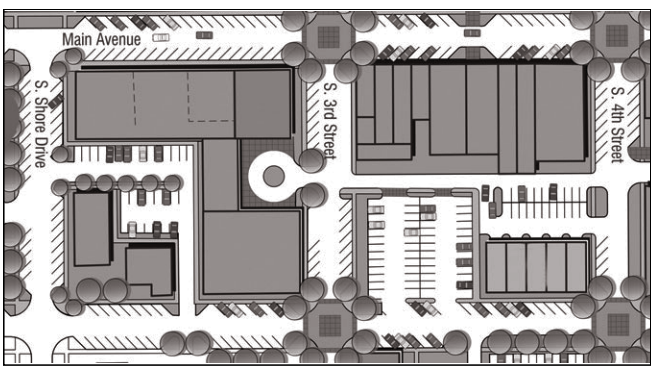
TABLE 4.5: CHAMBER/VFW BLOCK: ESTIMATED PROJECT COSTS OF RESIDENTIAL/MIXED USE CONCEPT (RETAINING SOUTH SHORE DRIVE BUILDINGS)

Project Component	Private Costs	Public Costs
Acquisition		200,000
Demolition and Site Preparation		150,000
Parking		60,000
VFW Building	850,000	
Streetscape/Site Amenities		300,000
Mixed Use Building (16 units, 11,200 SF of office/retail)	2,350,000	
Soft Costs	705,000	
Total	**3,905,000**	**710,000**

TABLE 4.5A: Chamber/VFW Block: Estimated Project Costs of Residential/Mixed Use Concept (Redeveloping South Shore Drive Buildings)

Project Component	Private Costs	Public Costs
Acquisition		550,000
Demolition and Site Preparation		225,000
Parking		60,000
VFW Building	850,000	
Streetscape/Site Amenities		300,000
Mixed Use Building (24 units, 13,300 SF of office/retail)	3,200,000	
Soft Costs	960,000	
Total	**5,010,000**	**1,135,000**

Hotel/Meeting Center Concept



Development Program

This ambitious concept envisions a downtown hotel, potentially with attached meeting space, on the Chamber/VFW block and requires use of a portion of the adjacent block between South 3rd and South 4th Streets for parking. This project concept includes the following features:

- A new VFW facility on the corner of 3rd and Main (also included in the residential/mixed use concept). While the VFW's use could be included within the street level footprint of a new hotel, the organization's timing and ownership requirements requires a stand-alone project. The VFW building would be a one-story building fully consistent with the organization's building program, and would have a common wall with adjacent major development. In this concept, the commemorative garden would be incorporated into the Gateway Campus.

- A downtown hotel ranging in size from 40 to 60 rooms. Hotel industry analysts suggest that 60 rooms is a minimum size to achieve integration with national reservation systems. The street level of the hotel would include reception and other hotel services, a small retail space, and expanded Chamber of Commerce offices.

- A small meeting center, in the range of 8,000 to 10,000 square feet, attached to the hotel facility, and located at 3rd Street and 1st Avenue South.

- Parking to support the hotel/meeting center complex across 3rd Street between 1st Avenue South and the alley paralleling Main Avenue. Depending on parking demands, townhouses would be developed at the 4th Street South and 1st Avenue South intersection, replacing an existing vacant bank office building.

Design Concept

- The hotel should be oriented along Main Avenue, defining the edge of City Park and taking advantage of the long lake views from both sides of the building. Hotel and meeting center parking is provided across 3rd Street.

- A vehicle drop-off circle is provided off 3rd Street, serving both the hotel and meeting center. Third Street would be redesigned so that the proposed parking lot reads as adjacent to the hotel complex. A clear pedestrian link is provided along the existing Main Avenue alley to reinforce this adjacency. The proposed parking lot furnishes about 80 stalls. A turnout for guest drop-offs should also be provided along Main Avenue.

- This concept requires acquisition of the existing commercial/office uses along South Shore Drive, and commercial buildings on both sides of the 3rd Street and 1st Avenue South intersection. The existing apartment complex at South Shore and 1st Avenue South would remain.

- Streetscape improvements should be provided as part of the redesign of 3rd Street. This also provides a link to the proposed Arts District.

Project Cost and Financing

Table 4.6 summarizes estimated costs for the hotel/meeting center concept. Acquisition cost at current market is estimated at $800,000, and includes the existing Main Avenue frontage between South Shore and 3rd Street; commercial buildings along South Shore; and two single-level retail buildings at 3rd Street and 1st Avenue South. Private development on the site would include about $10.5 million in investment. Total public cost related to site acquisition, preparation, parking, and amenities is estimated at about $1.5 million. In the model presented in Table 4.6, the meeting center cost is developed as a public facility, with costs in the range of $1.75 million, bsed on construction cost of $150/square foot. Options for development include full public development and operation; public development with private operation, where the city owns the facility under an operating agreement with the hotel; or private development, where the city provides capital and operating assistance, but the hotel owns the property subject to specific performance requirements.

TABLE 4.6: CHAMBER/VFW BLOCK: ESTIMATED PROJECT COSTS OF HOTEL/MEETING CENTER CONCEPT

Project Component	**Private Costs**	**Public Costs**
Acquisition		800,000
Demolition and Site Preparation		300,000
Parking		120,000
Conference Center		1,750,000
Streetscape/Site Amenities		300,000
Hotel (60 rooms)	6,000,000	
Chamber of Commerce Office and Leasehold Improvements	400,000	
Retail/Commercial Space and Leasehold Improvements	400,000	
Hotel Soft Costs	2,040,000	
VFW Building	850,000	
1st Avenue Townhomes (5 units)	750,000	
Total	**10,440,000**	**3,270,000**

Surf Ballroom Meeting Center Alternative

An alternative to development of a meeting center attached to a new downtown hotel is development of a 10,000 square foot center adjacent and connected to the Surf Ballroom. In this concept, the existing retail building at 3rd Street and 1st Avenue South would either be retained or used for parking on the same block as the hotel; in either case, one less retail property is acquired.

Potential advantages of a meeting center at the Surf Ballroom site include:

- Use of the existing Surf can serve as a larger

assembly and banquet hall, complementing a smaller meeting center and providing a greater variety of conferencing and event space.

- Increased utilization of the Surf Ballroom, also reinforcing the surrounding commercial district.
- Taking advantage of existing Surf Ballroom parking.
- Assuring that the meeting and events center is not the "property" of a single hotel.
- Reducing land acquisition costs in the town center.

On the other hand, a downtown hotel developer may insist on an adjacent meeting center to increase the market for a new facility. An attached meeting center allows the hotel to tap into a corporate meeting and retreat market.

The Surf Ballroom meeting center concept requires a mutually acceptable operating arrangement with the owners of the Surf, and could involve either public or private development. A transportation system that links hotels to the center during events is also highly desirable.

Downtown Lakefront

The downtown lakefront is one of Clear Lake's most valuable resources and is already a venue for many community events. It is especially important because most of the overall lakefront is privately controlled. During major events, Lake View Drive is often closed to connect City Park to the lake. The Lady of the Lake docks near the foot of 1st Avenue North, and the lakefront also features the Clear Lake Yacht Club and City Beach. For all its activity, the lakefront remains a relatively quiet place much of the time. Ultimately, our objective for the downtown lakefront should be to increase its activity and utilization, re-introducing the sense of festivity that is apparent from historic photographs, while still maintaining its gentility and character.

Program

Unlike previous parts of the downtown program, the lakefront is primarily a public sector investment. The effort here is to enhance downtown's connection with the lake, its dominant feature and defining asset. Elements of the lakefront program should be to:

- Maximize public use of the lakefront. While the shoreline comes to life during special events, it should also be full of activity in its own right.
- Strengthen City Park's tie to the lake. Lake View Drive links South Shore Drive and North Shore Drive, and carries a surprising amount of traffic during the day. This traffic sometimes severs the downtown-lake connection. While Lake View Drive is sometimes closed for events, it performs an important traffic function. However, the degree to which it separates City Park from the shore should be minimized.
- Connect the Seawall Walk to City Beach. Extending the promenade helps connect surrounding neighborhoods to downtown, and helps connect downtown to the Surf Ballroom area.
- Provide experiences and fun for kids of all ages. The city always has been a multi-generational place – a place that frames experience and

Downtown Lakefront

Right: The Lady of the Lake
Below: The lakefront enhancement program illustrated. Elements include a Clear Lake Pier, extending into the lake on axis with 1st Avenue North; the dock of the Lady of the Lake*; new pleasure boat slips and boardwalk enhancement of the Sea Wall walk; the Main Avenue boat ramp; and City Beach improvements.*

memories for grandparents, parents, and children and continues to bring people back for the memories that it evokes. What better place to frame these memories, where the lake, the park's events, and the classic character of an intimately-scaled downtown converge?

- Accommodate boating downtown. Boating is Clear Lake's most popular recreational activity, but the downtown lakefront (with the exception of the *Lady of the Lake* and the Main Avenue boat ramp) is largely unavailable to people on the lake. Boat slips would allow people to dock downtown, bringing new business to the district.

Design Concept

The lakefront development program aspires to create a shoreline full of activity during routine times as well as during special events.

- A multi-use recreational pier would be extended from the shoreline on axis with 1st Avenue North, positioned as a terminus to the street. The pier, recalling the historic White Pier, would be built on fill, to avoid annual dismantling. The pier, also suggesting California's famous Santa Monica Pier, could accommodate vendors as well as allowing people to get out into the lake to enjoy shoreline views.

- The *Lady of the Lake* would dock just south of the proposed pier, using the existing ramps that have been developed for its use. In addition, the Main Avenue boat ramp would remain, but could be enhanced with appropriate graphics and lighting. An arch over the ramp would help provide a stronger terminus for Main Avenue.

- The link between City Park and the lakefront across Lake View Drive should be strengthened with special paving and design features. Defined paved areas should connect the Bandshell to the lake and lakefront promenade. Lake View Drive will continue to carry traffic, but should be designed as a "festival street," functioning as a literal extension of City Park during special events.

TABLE 4.7: LAKEFRONT DEVELOPMENT: ESTIMATED PROJECT COSTS

Project Component	Private Costs	Public Costs
Boardwalks		$900,000
Fill for Pier		300,000
Paving on Downtown Pier		150,000
Pavers		190,000
Beach Reconstruction		150,000
Lighting		100,000
Structures		200,000
Water Play Park		250,000
Other Features		250,000
Total		**$2,490,000**

- The Seawall Walk should be extended to City Beach through building a Lakefront Promenade along the south edge of City Park. The Promenade should include two surfaces: a boardwalk that leads to pleasure boat slips perpendicular to the shore; and a paved surfaced walk extending the design pattern of the existing Seawall Walk.

- Boat slips should be developed along the shoreline. Providing a place to dock boats downtown opens downtown restaurants and businesses to boaters on the lake and adds to the richness of the lake experience. The location of the docks depends on the final location and design of the new Clear Lake Pier.

- City Beach should be rehabilitated and enhanced. This should include expansion of the beach area, engaging it with Main Avenue. North of the beach, we recommend developing a water play park, using such features as water jets and play fountains to make a day at the beach more pleasurable for visitors of all ages.

Projected Cost and Financing

Table 4.7 presents an estimate of costs associated with the lakefront development project. While costs may vary widely depending on final designm features, costs are expected to range between $2.5 and $3 million. Because this project is largely a public investment, public and charitable funding sources are the most likely funding techniques.

Arts District

Clear Lake's arts community is both talented and rich in variety, and includes painters, photographers, metal sculptors, and musicians. As such, the arts should be a major theme for downtown development. While the arts (including home arts) should be a consistent theme, an "arts district" could provide a special focus. Because such a district should spring from existing uses, we believe that it should be centered at the 1^{st} Avenue South and 3^{rd} Street intersection. This intersection includes two antique stores (retained in the residential/mixed use concept for the Chamber/ VFW Block), the historic Frederickson smithy, the Ironworks metal studio, and the Backstreet Blues Club. The arts district concept can then expand along 1^{st} Avenue South, complementing the retail character of Main Avenue.

Design Concept

The evolution of an arts focus at 1^{st} Avenue South and 3^{rd} Street involves the following public and private actions:

- The Ironworks and Frederickson smithy anchor the southeast corner, and should be retained and rehabilitated and maintained as key contributors to the district.

- On the northeast corner, an existing metal storage building should be either reused or redeveloped as a site for an expanded Clear Lake Arts Center. The Center might include the existing sales gallery, exhibit space, and studios, becoming an area for work as well as display. This new building would form an L-shaped complex with the Backstreet Blues Club. The building wings would define a new Art Park, providing a venue for performance and public art.

- Diagonal parking should be provided along both sides of 1^{st} Avenue South.

- A thematic streetscape should be developed in the Arts District. Design features should be themed around the Clear Lake tradition in the visual and performing arts. The 3^{rd} Street and 1^{st} Avenue South intersection should be linked to Main Avenue by extending the arts district streetscape along 3^{rd}. The intersection itself should be a seed that expands north along 1^{st} Avenue. Future development could include urban housing development on the former savings and loan site on 1^{st} Avenue south of 4^{th} Street (also included in the hotel/meeting center alternative for the Chamber/VFW block), and other eventual redevelopment along the 1^{st} Avenue corridor. In addition, the Arts District should be connected by lighting and streetscape improvements to City Beach.

Cost and Financing

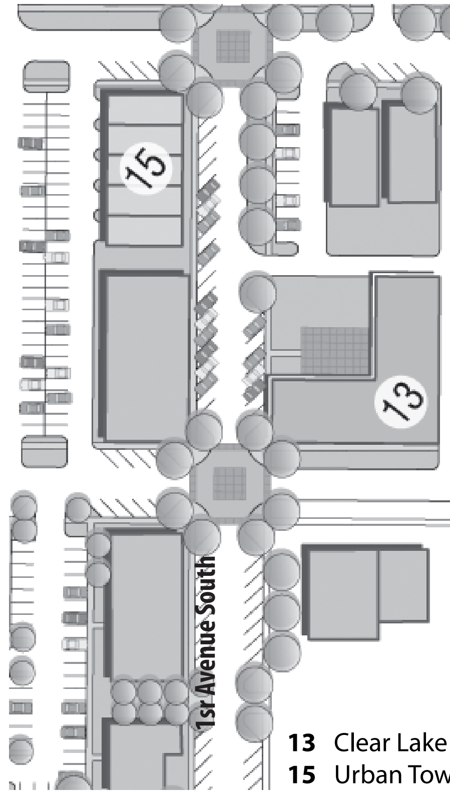
Table 4.8 summarizes the costs related to the Arts District. Public costs, including the estimated cost of a 15,000 square foot Arts Center, are estimated at \$2.45 million. Private investment, including new townhouse construction and rehabilitation of existing facilities, is

TABLE 4.8: ARTS DISTRICT: ESTIMATED PROJECT COSTS

Project Component	**Private Costs**	**Public Costs**
Streetscape		200,000
Art Park		250,000
Art Center Construction		1,800,000
Parking and Lighting		200,000
Private Rehabilitation	1,000,000	
Townhome Development	1,000,000	
Total	**2,000,000**	**2,450,000**

Arts District

Below: Existing site for proposed Arts Center, including the Backstreet Blues Club.
Bottom: Concept for a Clear Lake Arts Center. The Backstreet Blues Club venue includes a new facade. The metal industrial building is replaced by a expanded gallery/workshop space for the artists' collaborative now housed in the existing Main Avenue facility. An outdoor gallery and performance venue is defined by the two building wings and is oriented to 1st Avenue South.



13 Clear Lake Art Center
15 Urban Townhomes

estimated in the range of $2 million. Public financing techniques like tax increment financing may be used on a limited basis. A major source of funding for a new arts center is likely to be private donations and foundation support.

Eighth and Main

The intersection of 8th and Main is the primary entrance to Downtown. This proposed project complements the Gateway Campus across Main Avenue, and is designed to improve the appearance and functioning of the commercial block between 5th Street, 8th Street, 1st Avenue South, and Main Avenue.

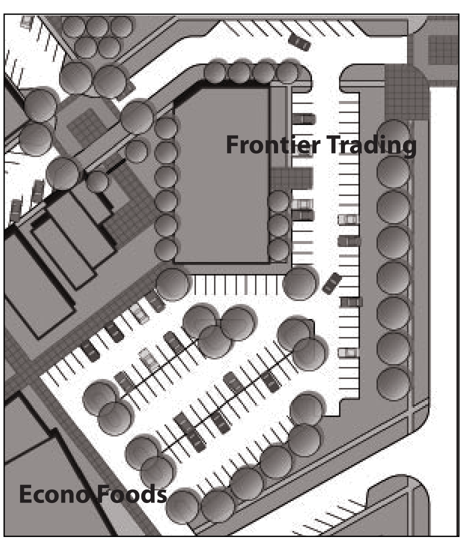
Program

The objectives of the 8th and Main project are to:

Organize and strengthen the commercial entrance to the Main Avenue district.

- Improve the functioning of parking and circulation serving commercial uses.

- Provide expansion space and enhancement for the EconoFoods grocery at 5th Street and 1st Avenue South. While the grocery serves a vital function for downtown and surrounding neighborhoods, it is not perceived as a full-service grocery. The store's loading dock is also located adjacent to its front door, the result of serious site limitations.



- Provide better pedestrian access to uses off Main Avenue.

Design Concept

- The parking area serving Frontier Trading and EconoFoods should be redesigned and landscaped. Redesign will make circulation clearer to users and will add parking. For safety, access should be provided off main Avenue and 1st Avenue South. The day care center now sharing the Frontier Trading Company building could be relocated to a more appropriate site, possibly along the 1st Avenue South corridor. This permits reuse of the area in the parking lot now used by the center's playground. The day care space would also provide expansion space for Frontier Trading or room for a new commercial occupant.

- EconoFoods would develop a new loading area, recessed from and entering off 5th Street. The space currently used for loading would provide additional retail floor space, and the changes would permit improvement of the store's front façade. Screening and landscaping should be provided as part of the 5th Street streetscape. Offices dislocated by this action would be relocated to new downtown quarters – perhaps at the Gateway Campus.

- The East Alley would be developed as a joint pedestrian/service corridor, similar to the plan for the West Alley. This would connect to Main Avenue at a plaza at 6th and Main, utilizing an intimate but undeveloped space between Azzolina's and the rear wall of Frontier Trading. A defined crosswalk would lead to the Gateway Campus and the new office building.

Costs and Financing

The city may assist with property purchase that would permit the grocery store expansion. Acquisition cost should include suitable relocation of businesses on the site. The city may also be involved with landscape and streetscape development along 5th and 8th Streets. All other costs would be private. Public costs related to site acquisition and streetscape for the 8th and Main project are estimated at $300,000. The cost of parking lot redesign and grocery store expansion and modifications is estimated at $800,000.

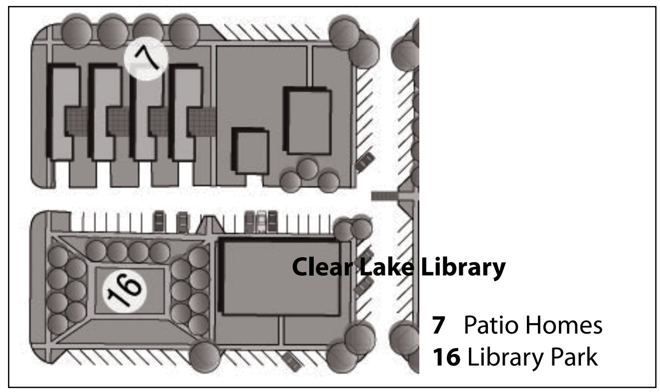
Fourth Street

Fourth Street is a principal link between Downtown and neighborhoods on either side of the town center. Fourth and Main is the principal intersection of downtown, and the downtown commercial streetscape turns the corner toward 1st Avenue North. This pattern will be reinforced by mixed use redevelopment of the bakery site, and continues past the Clear Lake Telephone Company offices, the public library, the Encore Restaurant, and the lumberyard. Eventual redevelopment of the half-block lumberyard is likely. Because of this opportunity and the important connecting nature of 4th Street, we consider the entire corridor from 8th Street to 3rd Avenue North to be a potential development focus.

Program

The program for the 4th Street development area includes:

- Providing for the long-term redevelopment of the lumberyard site.
- Providing supporting open space and parking for 4th Street businesses and the library northwest of the downtown core.
- Linking downtown to 8th Street along 4th Street.
- Continuing a link between downtown and historic neighborhoods to the north.



Design Concept

A variety of design alternatives can be considered for the 4th Street corridor. Recommendations for development include the following:

- The 8th and 4th Street intersection should be marked as a downtown entrance through signage and wayfinding graphics. Downtown streetscape elements should be extended along 4th between 1st Avenue South and 8th Street. Directional signage and wayfinding cues are particularly important because of the confusing nature of this intersection.

- Redevelopment may be considered in the future on the triangular parcel bounded by 8th Street, 4th Street, and 1st Avenue South. This site now includes commercial, offices, and residential uses. It is not the intention of this plan to advocate displacing these uses. However, redevelopment is a future option, with mixed commercial and residential use being a likely outcome.

- The half-block lumberyard site should be redeveloped in a way that complements surrounding uses, including the library, the historic home, and the Encore restaurant. We recommend:

  – A Library Park along 4th Street north of the library. In addition to providing an attractive open space along the street, the park could interpret elements of the area's rich literary history.

  – Diagonal parking along the Library Park, and along 2nd Avenue North between 4th and 5th Streets; and a parking area and circulation way between 2nd and 3rd Avenue, providing additional parking to support the library and neighboring uses.

  – A row of patio homes (or a similar small lot, urban housing solution) along 5th Street. These homes would complement the historic house on 5th and 2nd Avenue North.

Cost and Financing

Assuming development of 5 patio homes on the lumberyard site, private investment on the site be in the range of $1 million. Public costs for site preparation and improvements on the lumberyard site include about $40,000 for the development of 27 parking stalls and about $100,000 for development of Library Square. These projects could be financed through tax increment financing or the city's capital budget. Additional streetscape along the block between 1st Avenue South and 8th Street would be financed as part of the capital improvement program. Total public costs along the 4th Street corridor are estimated at $1 million.

CONNECTIONS

The previous section described major development projects that make up the heart of the downtown development program. This section describes areawide connections, designed largely to lead visitors to downtown and to make the district more pleasant and easier to use. In many ways, the Connections provide the fabric that combine individual projects into a unified whole. These key Connections initiatives include:

- **ENTRANCE CORRIDORS**
- **WAYFINDING**
- **AROUND THE LAKE TRAIL**
- **INTERNAL PUBLIC TRANSPORTATION**

Entrance Corridors

These include the two primary routes that most easily and directly connect Interstate 35 to Downtown Clear Lake. Generally, entrance routes for visitors should involve a minimum number of turns and possibilities for disorientation or mistakes. Clear lake's two clearest downtown entry corridors are:

- US Highway 18 and 8th Street.
- Fourth Avenue. This entrance is hampered by possible disorientation at the 8th Street intersection, but is the most direct route for people using I-35 from the south.

Each of these approaches has a different character:

- *US 18* includes major visitor-oriented and hospitality commercial development between I-35 and 20th Street; and retains a largely commercial character to 8th Street. The BNSF Railroad parallels the highway on its south side, and the turn onto 8th Street requires a grade crossing over the tracks. Signage and features along US 18 are regulated by the Iowa Department of Transportation and signage on the right-of-way needs to comply with the Manual of Uniform Traffic Control devices.

- *8th Street* is a significant community mixed use corridor, and combines residential and limited commercial uses between Highway 18 and the Main Avenue intersection. The Central Gardens reuse of the former school site between 2nd Avenue and 7th Avenue North, combined with the Gateway Campus, brings a sequence of major amenities within three blocks of Highway 18.

- *4th Avenue* is a principally industrial corridor to South 14th Street, and forms the north edge of the Clear Lake Industrial Park. This area is characterized by freestanding commercial and industrial buildings, some of significant scale. Major uses include the Pella Corporation and Serta plants. East of 14th Street, the corridor transitions to smaller scale uses and becomes residential as it approaches downtown.

These varying contexts also require different design approaches.

US Highway 18

This corridor will be more tightly regulated than 8th Street and 4th Avenue, which are under local control. The US 18 program should include:

- A significant entrance feature, with directional information to the lakefront and downtown, located just west of the I-35 interchange. A second entrance component with consistent design features should also be located at the west corporate limits on US 18.

- A corridor enhancement and landscaping program, focused on improving the drainage swale along the north side of the highway and the railroad corridor on the south side. The enhancement plan should also include a parallel trail, which both defines the roadway and helps visitors move around the hospitality district more freely.

- A major directional graphic feature at the site of the current directional structure on the southwest quadrant of the 8th Street intersection. This should be consistent in design and theme with the community wayfinding system, and the design of other features in the downtown program. This feature may include special flags that graphically illustrate community themes that are then reflected along the 8th Street corridor.

8th Street

Eighth Street, as a local arterial, is under the control of the City of Clear Lake. Elements of the corridor enhancement program for 8th Street include:

- A downtown lighting program along 8th Street to Highway 18. While these lights will differ from the pedestrian-scale lighting used along Main Avenue, they should have a compatible design character that indicates the special significance of the corridor as a downtown entrance route.

- Lighting standards should include graphic elements, such as banners or permanent metal medallions, that reflect the distinctive themes of Clear Lake: boating and water recreation, arts and culture, the *Lady of the Lake*, the beach, special events, and so forth.

- Street landscaping where possible, along with repair and maintenance of sidewalks.

- Development of Central Gardens and the Gateway Park.

4th Avenue

Fourth Avenue provides the greatest opportunity for corridor enhancement because of its relatively large scale and amount of available right-of-way. While Highway 18, with its array of visitor services, will probably always be the primary entrance into Clear Lake, the city would like to increase use of 4th Avenue.

We recommend the following corridor development program along 4th Avenue:

- In cooperation with the Iowa Department of Transportation, developing a landscape feature on right-of-way surrounding the exit ramps, using flowing flower beds to focus on two entrance columns at the 24th Street intersection. These columns may be designed around a lighthouse motif that establishes community themes and symbolically lights the way into town.

- Extending entrance corridor lighting and community theme graphics along the street to 8th Street, following the design established for the 8th Street corridor between US 18 and Main Avenue.

- A landscape and street tree planting program that plants bosques of trees at regular intervals along the commercial and industrial sections of the street. West of 12th Street, this pattern yields to a residential pattern of street trees, consistent with the scale of the surrounding neighborhood.

- Extending the Trolley Trail into the center of Clear Lake along 4th Avenue. The trail now follows the 4th Avenue/19th Street (Mason City) alignment, runs north to Main Avenue and terminates at the I-35 viaduct. Bicycle lanes should extend the trail into the center of town along Main. However, an additional trail branch should continue off-street along 4th Avenue, using the wide 4th Avenue right-of-way west of I-35 to lead cyclists and other trail users into downtown.

Wayfinding

A comprehensive community wayfinding system is essential for Clear Lake, given both the large number of visitors and the difficulty of orientation to both a shifting street grid and a confusing street naming system. Clear Lake has received permission from the Iowa Department of Transportation to participate in the Logo Business Sign program by installing "Tourist Attraction" sign panels on Interstate 35 and gateway routes. While the logo sign program has standardized criteria that limit design freedom, it permits installation of directional signage along the Interstate and on state highways. This allows the system to provide the guidance and continuity necessary to lead travelers from major points of entry to approved attractions.

In order to qualify under the Logo Sign program, tourist attractions must, among other requirements, be regionally or nationally know, maintain adequate hours, provide restroom facilities and drinking water, and qualify as a natural phenomenon, historic site, cultural site, scientific site, accredited college or university, religious site, area of natural beauty, or outdoor recreation area. The program anticipates three types of signs, each with specified dimensions and criteria:

- *Mainline business signs,* located along the Interstate itself. The size of individual logo panels are 36 inches high by 60 inches wide.

- *Ramp signs,* located at the base of the exit ramp. In the Clear Lake system, ramp signs would be located at both the 4th Avenue and US Highway 18 exits. Individual logo panels are 16 inches high by 36 inches wide.

- *Trailblazer signs,* located along "primary highways, secondary roads, and city streets to guide motorists from the interstate highway to the business." Primary signed routes include Highway 18, 4th Avenue, Buddy Holly Place, South Shore Drive, North Shore Drive, Main Avenue, and 4th Street. Individual logo panels are 20 inches wide by 12 inches high. The number of trailblazer signs per business is limited; however, IDOT control may not extend to streets that are not on the state highway system.

Under the Logo Business Sign program, each overall panel may display up to four logo panels. Clear Lake has received permission to provide logo signs for the Surf Ballroom, Clear Lake, and the *Lady of the Lake*. The Surf Ballroom has a distinctive trademark logo, which should be incorporated into the sign panel. The other attractions should include pictorial logos that fall within a cohesive design vocabulary and convey a sense of community quality – communicating the concept of "cool, classic Clear Lake."

Community Directional Graphics

While the logo sign program is useful for routing visitors to designated attractions, it is typically not adequate to serve as a comprehensive community directional system. Many community destinations, vital for both visitor information and orientation, are not considered eligible attractions under the program. Additionally, the graphics typically used in these programs are often relatively commercial in design, making them less appropriate for a contemporary directional system.

As a result, we recommend a directional graphics system that complements the more limited Logo Signs program. Basic organizing principals of the system include the following:

- Signs should be oriented to specific travel corridors and destination points. These primary signed routes include Highway 18, if permitted under Manual of Uniform Traffic Control Devices (MUTCD) regulations; 4th Avenue; Buddy Holly Place; South Shore Drive; North Shore Drive; Main Avenue; and 8th Street.

- Each sign should include no more than three pieces of directional information. Signs are consistently directed to key visitor destinations and features of orientation: Downtown, the Lakefront, City Beach, Clear Lake State Park, and the Surf Ballroom. A regional system may also be included, providing guidance along the lake's circumferential road system. Major destinations along this system include All-Vets Golf Course, McIntosh Woods, Ventura, and the South Lakeshore.

- Signs should display the Clear Lake city logo and a Clear Lake tagline, and use a color palette consistent with the concept of coolness and water.

- Except for the identifying city logo, and other accepted directional logos, directional graphics will be largely text-based. While icons and logos are attractive, motorists must make relatively rapid decisions. Time spent decoding icons can delay these decisions, leading to confusion and even possible accidents.

- Signs may be freestanding and mounted on new poles, or attached to existing standards. Sign face concepts include 12 square foot (4x3 feet) and 16 square foot (4 x 4 feet) versions.

Conceptual sign panel designs are presented here. The Sign Locator Map presents possible locations for various signs in this program.

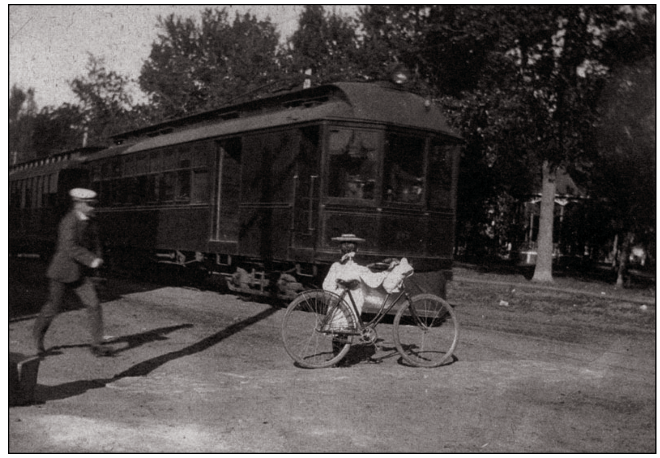
Around the Lake Bicycle Trail

A circumferential lake trail is proposed by the Cerro Gordo County bicycle trail plan and is considered a significant community priority. In addition to its obvious appeal to residents and visitors alike, a trail around the lake can create business opportunities in such areas as bicycle sales, rentals, and service; can elaborate on fitness and health themes to help market downtown; and can supplement the automobile for area transportation. Currently, South Shore Drive is striped for bicycle lanes between 4th Avenue and Clear Lake State Park. While a fully separated trail is more desirable, bicycle lanes and a continuous, barrier-free sidewalk through urban areas can establish trail continuity. Based on this, we generally recommend:

- Bicycle lanes and sidewalks where no other option exists along North Shore Drive from City Park west. Share-the-Road signage should be provided throughout.
- A paved, off-street trail where sufficient right-of-way exists on either side of North Shore Drive, west to McIntosh State Park.
- A paved lakeside trail along the McIntosh State Park shoreline west to Ventura.
- Bicycle lanes and sidewalks through Ventura to S-14.
- A separated trail or paved shoulders along S-14 to B-35 (255th Street).
- A separated trail or paved shoulders on the B-35 right-of-way, with an offshoot trail along Dogwood Road and South Shore Drive to Clear Lake State Park.
- A shoreline trail through the state park, connecting to the existing bicycle lanes along South Shore Drive.

Internal Public Transportation

During visitor season or for special events, providing a logical circulator service can help link the town's features together, make the downtown experience more satisfying to users, and relieve the local street system. It is also important if the Surf Ballroom area emerges as a significant conference venue. The "Main Street Trolley" is a rubber-tired vehicle with a trolley body, and operates for charters and during special events. The city should consider instituting a regular shuttle service during high season, serving major



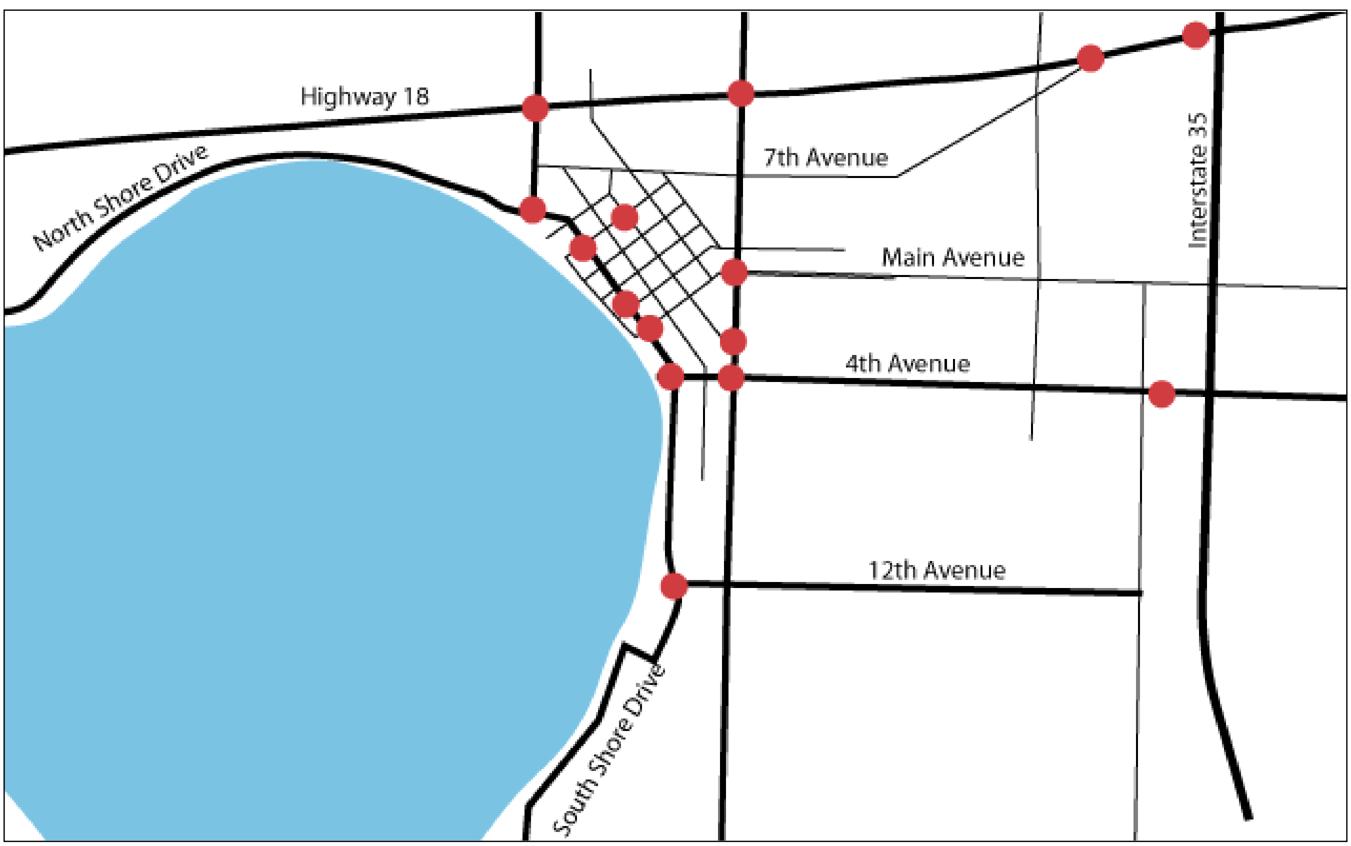
destinations in town such as the State Park, the hotel district, Downtown and City Park, the lakefront, and the Surf district.

The Clear Lake and Mason City area have another completely unique feature – perhaps America's best example of a rural interurban right-of-way. While the Chicago area's South Shore Line is sometimes referred to as the "last interurban," it really has evolved into a contemporary electric commuter railroad. The light overhead and the roadside running of the Iowa Terminal Railroad are typical of the rural interurbans that linked rural communities in the first part of the twentieth century. The IT now runs freight only. However, reinstating a "museum" passenger service, revitalizing the interpretive Trolley Park, and restoring

Wayfinding

Concepts for basic directional graphics. Sign concepts include both a 4x4 and 3x4 standard sign face, differing slightly by copy size and position of the arrow. Signs utilize a clear, sans serif typeforce (Myriad Pro is used in these illustrations). A blue-green accent color is used at the top of the sign and as a background for the community slogan. The signs also incorporate the Clear Lake city logo.

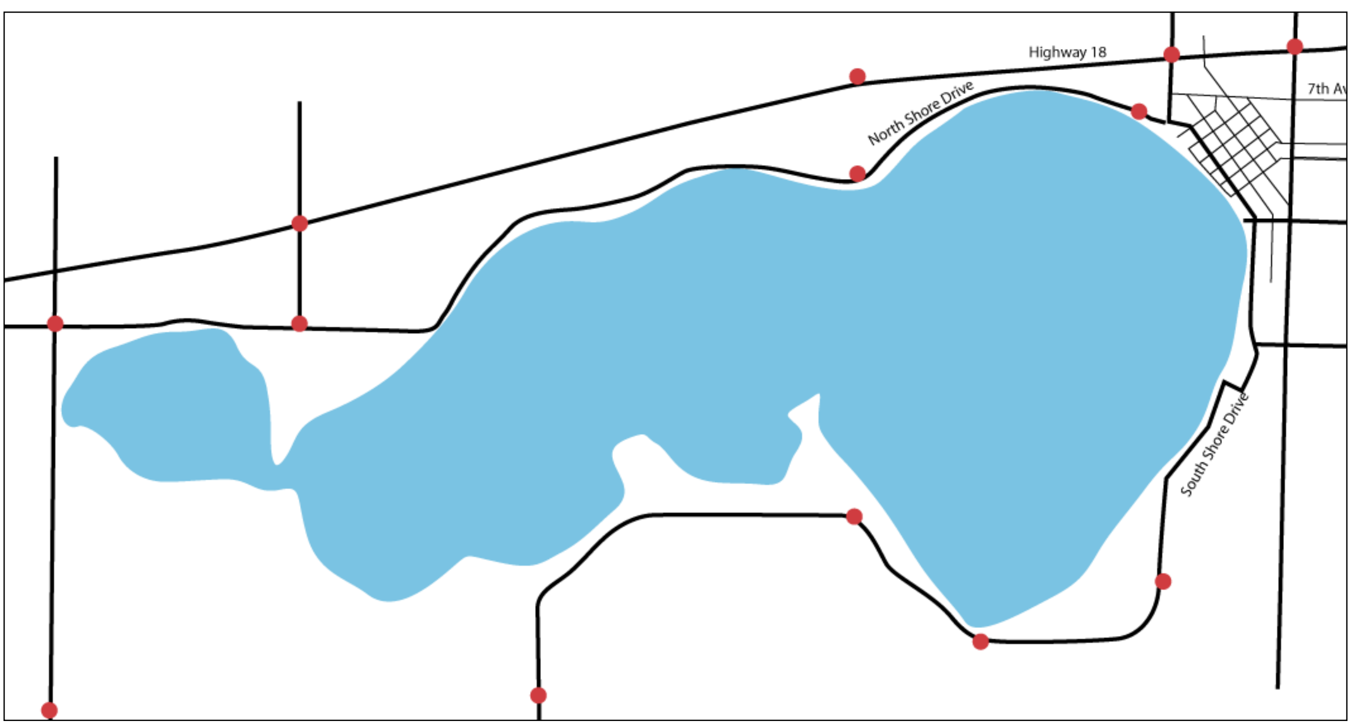
Bottom right: Urban Locator Map, indicating potential sign locations within the central part of the city.



Urban Sign Locator Map

Wayfinding

Above: Concept for destination gateway signs, at the entrance to key features. These signs use pictographs that represent each feature. Below, the Directional Sign Locator Map for the outlying lakefront. Right: IDOT-approved logo signs for attractions on the Interstate Business Log Sign Program.



Chapter Five

IMPLEMENTING THE DOWNTOWN CLEAR LAKE PLAN

The Downtown Clear Lake Plan presents an ambitious and varied program for developing the city center. This chapter considers funding requirements and sequencing of the components of this comprehensive program. It is inevitable that the plan and the timing of implementation will change over time. Some projects may advance as opportunities or demands open, while others will fade in importance. Yet, we believe that the overall vision is compelling and will ultimately result in a vibrant, productive downtown. This section will provide a tool allowing the city and downtown stakeholders to mark progress and make necessary "mid-course corrections" on the journey to accomplishing this vision.

FUNDING PRECEDENTS AND CAPITAL RESOURCES

Clear Lake has invested substantial private and public resources in the past in development in its downtown district. These have included public investments in the Main Avenue streetscape, the Bandshell and community room, the Seawall Promenade, and the expansion and improvement of the Public Library. The city has also benefited from major private investments and gifts, including unique stores, donations of properties like the bakery site to the cities, the Fire Museum, and the Yacht Club, all of which contribute to the atmosphere of the community.

The city has also taken advantage of other financing mechanisms for capital projects that can also have an impact on Downtown development. These sources include tax increment financing (TIF), a local option sales tax (LOST), general obligation bonds, and various grant programs. These financing sources and their use are described below.

Tax Increment Financing (TIF)

Clear Lake has used TIF as a capital financing mechanism, and now includes four distinct TIF districts. Current TIF areas include:

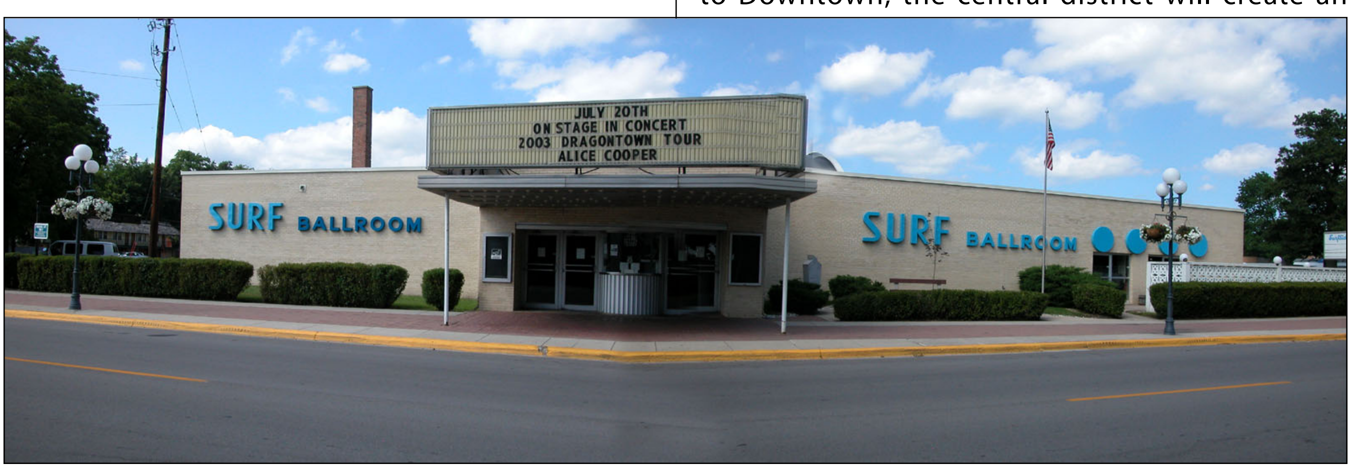
- The Industrial Expansion area, including the Clear Lake Industrial Park, in the southeastern part of the city.
- An east development area between 40th and 56th Streets from Highway 18 to 12th Avenue South.
- A North Urban Renewal Area, north of 7th Avenue between 20th and 8th Streets, which includes the proposed Willow Creek development area.
- The Fareway Urban Renewal Area, north of Highway 18 and west of Buddy Holly Place. This is being expanded into a 744 acre northwest renewal area.

None of these existing TIF areas includes downtown Clear Lake. This plan strongly recommends designating the Downtown area and the Surf Ballroom area as urban renewal areas for the use of TIF. Within this implementation plan, we recommend using TIF on a project specific basis – that is, TIF proceeds generated by new investments only would be used to finance project-related actions.

Local Option Sales Tax (LOST) and Hotel/MotelTax

Clear Lake's 1% local option sales tax is used for general revenue and property tax relief purposes, and will generate an estimated $835,000 in FY 2004. Clear Lake also will generate an estimated $222,000 in hotel/motel tax revenues during FY 2004. 80% of HMT funds are allocated to the Conventions and Visitors Bureau and the Chamber of Commerce.

A key goal of the downtown development program is to increase retail sales in the town center and throughout the community. The market analysis indicates a potential for up to $21 million in annual retail sales revenues. This corresponds to an additional annual sales tax revenue increase of $210,000. If a one-third share of these increased revenues is attributable to Downtown, the central district will create an



additional $70,000 in annual sales tax revenues. The additional revenues attributable to downtown improvements could amortize approximately $1.3 million in bonds. Total community-wide increased revenues could amortize an additional $4 million in borrowing to support an improvement and development program. The creation of a conference center and downtown hotel is also likely to improve HMT revenues. The prospect of increased LOST and HMT revenues should be factored into an investment analysis to support bonding for this downtown program.

General Obligation Bonds

Like many communities, Clear Lake has issued General Obligation (G.O.) Bonds to finance significant capital improvements and equipment purchases. The city has used G.O. bonds to finance downtown related improvements, most notably the streetscape program. During FY 2004, it plans to issue bonds to support streetscape development along 3rd and 4th Streets, as well as other projects, including reconstruction of east Main Avenue. In general, Clear Lake has been very moderate in its use of this debt instrument, allowing it to retain significant debt service capacity. As of June, 2002, the city had a statutory debt limit of about $23.2 million, and has an outstanding debt of about $4.4 million, or about 19% of capacity. About $900,000 in bonds are scheduled for issuance during FY 2004.

Grant Revenue

Grant funds are a significant funding opportunity for Clear Lake and other Iowa communities. The Transportation Enhancement (TE) program through the TEA-21 or successor act can help fund such projects as trail development and corridor enhancements. Vision Iowa has also been a major funding source for community amenities and unique attractions, and lends itself to projects like lakefront development. Clear Lake also has a number of people across Iowa who are very devoted to the community and its future, opening up significant opportunities for private charitable contributions.

These capital financing mechanisms provide resources that, if used in moderation, can help finance an effective downtown development effort.

Implementing the Downtown Program

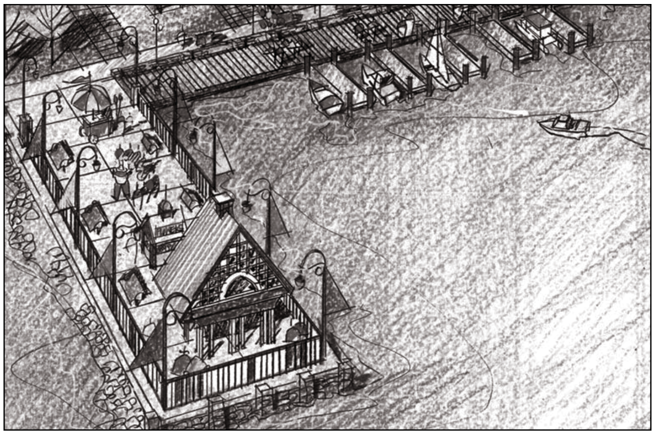
The Downtown Clear Lake Plan presents an ambitious but realistic program for development. It is essential that the city continues to see a downtown development program as a *strategic investment* – an effort that will pay economic dividends for the community in at least the medium term. This section provides a guide to sequencing the realization of the Downtown Clear Lake concept.

First Steps: The Bakery Site and Associated Development

The redevelopment of the bakery site with mixed use new development is clearly the highest downtown development priority. The city should begin the process of selecting a developer for the entire project, using a Request for Proposals process. The RFP establishes projected development objectives and yields, design standards, and potential commitments to the projects. It permits the city to select the best overall proposal, based on considering a number of community development objectives.

The bakery site concept includes alternative concepts: one for a single building, senior housing solution, potentially built in phases; and a two building mixed use concept, with buildings oriented to 4th and 5th Streets, with parking between them. In the two-building, mixed use concept, the 4th Street building is more immediately marketable. The Gateway Park would ultimately provide a distinctive amenity that would successfully market the 5th Street building. As a result, we recommend linking the bakery redevelopment to components of the Gateway Campus project, but to stage these in a realistic way.

Phase 1 includes demolishing the bakery buildings, preparing the entire site for redevelopment, and completing alley and 4th Street streetscape improvements. The first phase of private development includes the 4th Street wing in the senior housing



concept, or the 4th Street building in the mixed use concept. The value of this first private development is conservatively estimated to range from $1.7 to 2.1 million. Based on 20-year amortization of TIF bonds, this is sufficient to support about $400,000-$500,000 in funds for improvements. The improvements and site preparation costs for this initial sub-phase are estimated at $500,000. The gap between supportable TIF proceeds and costs would be funded through the city's capital budget, potentially using a special Downtown Development Bond Issue.

The second sub-phase of the bakery project includes the north wing in the senior apartment solution, or the 5th Street building in the , the 5th Street streetscape, and the Gateway Park. This step requires acquisition and demolition of the bakery garage and adjacent commercial buildings. Estimated private development value of this stage also ranges from $1.7 to $2.1 million, again generating between $400,000 and $500,000 in TIF for improvements. The cost of public improvements for this sub-phase includes Gateway Park and is estimated at $1.5 million, depending on park design. The majority of the gap of $1.1 million between TIF proceeds and project cost would be funded through a downtown development bond issue. The park also has many opportunities for private contributions; these include the clock tower concept and the water feature. Private contributions obviously decrease the required amount of public financial support.

The office development proposal for the Gateway site includes about $2.1 million for core and shell construction. This generates approximately $500,000 in TIF proceeds, which could in turn be directed to Gateway Campus improvements. However, we believe that this office project will occur later in the development process. Its TIF may be directed to later Gateway improvements or to subsequent downtown development phases.

Phase Two: The Lakefront

We consider the lakefront development program to be downtown's next most important priority. This project enhances the city's primary asset, putting into motion forces that generate additional investment and business activity. Because of its public nature, the lakefront is most appropriately publicly funded, using the following sources:

- G.O. or other city bond funds and capital sources.
- Vision Iowa or a successor program. These funds are appropriate because of the unique role of the downtown lakefront in retaining and attracting residents and visitors.
- TIF funding from other downtown projects, such as office development at the Gateway Campus or the proposed hotel on the Chamber block.
- Private contributions or foundations.

Phase Three: The Chamber/VFW Block

In a logical sequence of events, the Chamber/VFW block redevelopment occurs simultaneously with or follows the completion of lakefront improvements, as part of a unified project with interconnected funding sources. Timing for this project could accelerate as a result of developer interest. In addition, the VFW's plans to proceed with its project in the near future require close coordination through a master development plan for the site. An initial step should be preparation and a distribution inviting redevelopment proposals that includes the parts of the Chamber/VFW block and the adjacent block across 3rd Street designated for possible redevelopment.

In the residential/mixed use concept, acquisition, site preparation, parking, and site amenity costs are estimated at between $700,000 and $1,100,000, depending upon whether commercial properties along South Shore Drive are included. Private development costs range from $4 million to $5 million, including the new VFW facility. For TIF purposes, the VFW building is considered tax-exempt and does not contribute to revenues for improvements. Based on this probable exemption, TIF on the taxable portion of the residential/mixed use concept finances about $600,000 to 800,000 in improvements. Thus, additional funds up to $300,000 are needed to complete the project. The bulk of these funds would be devoted to streetscape, which the city is currently funding out of its general fund budget in any case.

The hotel/meeting center concept follows a somewhat different financing trajectory. Public cost related to acquisition, site preparation, parking, and site amenity costs of the site (excluding the meeting center) is estimated at about $1.5 million. Taxable private development (hotel, leasehold improvements, and townhomes) is projected at about $7.5 million, generating about $1.8 million in TIF proceeds. Based on these calculations, hotel-related TIF, then, funds site acquisition and development costs and may provide about $300,000 in additional funds for related projects. This can be used to finance a portion of lakefront improvements, or to provide assistance to the meeting center component of the project.

Meeting center development could follow either public or private sector scenarios. Under the public sector alternative:

- The meeting center footprint remains in public ownership.
- The city or a public authority finances and builds the center and required parking northeast of 3rd Street.
- The meeting center is programmed and operated by the city; or an agreement is negotiated with the hotel or another operating agent.
- The hotel and meeting center have reciprocal arrangements for the availability of support facilities, such as loading, storage, and food preparation.

Financing avenues for the project include:

- Residual TIF generated by the Chamber/VFW Block project.
- Grants from Vision Iowa or a successor program.
- G.O. or revenue bonds issued by the city.

The Surf Ballroom meeting center alternative could also be developed under a similar private/public collaboration. Under a public partnership with the Surf:

- The Surf Ballroom owners donate the building footprint for the new conference center addition.
- The city or a public authority finances and builds the center and replacement parking for the Surf.
- Unified management might be established for both facilities; or an agreement is negotiated with the Surf, establishing guidelines on availability and pricing of the larger hall.
- Facilities included in the new center are available to the Surf, including loading, storage, and food preparation.

Other Projects in the Downtown Program

These three projects are the cornerstones of downtown development efforts. Successfully completed, they set the stage for the other components of the "Big Eight" which flow naturally from these investments and the increased activity that they create. Other strategic actions, including wayfinding, corridor improvements, and trail and bicycle projects, involve transportation-related funding sources rather than community development tools.

Tables 5.1 and 5.1a present an Implementation Program that summarizes sequencing and projected costs, along with sources of funding. The tables offer the residential/mixed use and hotel/meeting center scenarios respectively for the Chamber/VFW block. While actual implementation may vary, and is highly influenced by emerging opportunities, this guide provides a baseline for development scheduling.

TABLE 5.1: IMPLEMENTATION PROGRAM (WITH RESIDENTIAL/MIXED USE ALTERNATIVE ON CHAMBER/VFW SITE

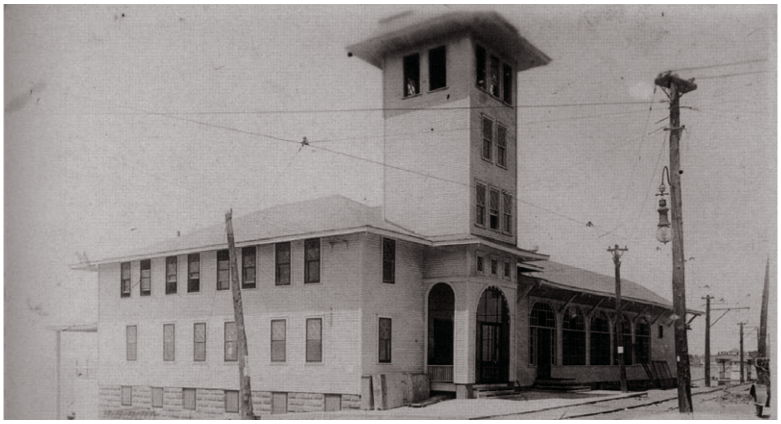
		COST (000'S)		PUBLIC FUNDING SOURCES				
Phase	Component	Private	Public	TIF	General Revenue	Bonds	Grants	Private Contrib
1A	Bakery Site, 4th Street	2,000	500	400	100			
1B	Bakery Site, 5th Street; Gateway Park	2,000	1,500	400		800		300
2	Lakefront		2,500			750	1,250	500
3	Chamber/ VFW Block - Residential/mixed use	4,050	1,100	800	300			850
4	Arts District*	2,000	2,450	400		800	500	750
5	Gateway Campus	2,100	2,200	500		1,400		300
6	8th and Main	800	250	150	100			
7	4th Street	1,000	1,000	250	350	400		
	Wayfinding		200		100		100	
	Bicycle Trail		1,800			360	1,440	
	Internal Transport (Capital only)		900			180	720	
	4th Avenue Corridor		1,000		200	200	500	100
	8th Street Corridor		800		150	150	400	100
ALL	TOTAL	13,950	16,200	2,900	1,300	5,040	4,910	2,900

** Includes 1st Avenue South Townhomes*

TABLE 5.1A: IMPLEMENTATION PROGRAM (WITH HOTEL/MEETING CENTER ALTERNATIVE ON CHAMBER/VFW SITE)

		COST (000'S)		PUBLIC FUNDING SOURCES				
Phase	Component	Private	Public	TIF	General Revenue	Bonds	Grants	Private Contrib
1A	Bakery Site, 4th Street	2,000	500	400	100			
1B	Bakery Site, 5th Street; Gateway Park	2,000	1,500	400		800		300
2	Lakefront		2,500			750	1,250	500
3A	Chamber/ VFW Block - Hotel/ Meeting Center*	8,400	1,520	1,520				
3B	Conference Center/Surf		1,750	280		1,070		400
4	Arts District	1,000	2,450	250		800	500	900
	Gateway Campus	2,100	2,200	500		1,400		300
6	8th and Main	800	250	150	100			
7	4th Street	1,000	1,000	250	350	400		
	Wayfinding		200		100		100	
	Bicycle Trail		1,800			360	1,440	
	Internal Transport (Capital only)		900			180	720	
	4th Avenue Corridor		1,000		200	200	500	100
	8th Street Corridor		800		150	150	400	100
ALL	TOTAL	18,800	18,370	3,750	1,000	6,110	4,910	2,600

** Includes 1st Avenue South Townhomes*




LEADER
RESTAURANT