

Demand Forecast

Demand for retail goods and related commercial services for any business or collective businesses in any geographic area is based on the various markets' abilities to purchase goods and services. As previously noted, the primary data source used to define spending patterns for commercial demand was the telephone survey. The following represents a review of demand for market generated commercial activity for Fennville.

It is noted that there are two potential primary sources of demand, residents of the general area and "visitors" or non-residents of the area. It is noted that suggestions made for business activity will be based upon residentially generated demand, with demand from visitor sources considered later. No business will be suggested that is largely or totally dependent upon demand generated from visitors to the area, although they can successfully and significantly sometimes buoy sales for those that service the residents.

Residential Markets

There are essentially three potential residential markets for retail goods and related services. These are:

- ✓ The primary market, composed of residents living in and immediately around the general Fennville area.
- ✓ The secondary market, composed of residents living in other parts of Allegan County.
- ✓ The tertiary market, composed of those living primarily in Ottawa County, with its strong employment linkages in the Fennville area.

The following estimates of the demand for retail goods and related services are considered to be conservative in nature, likely to understate supportable space. They are based on conservative growth assumptions.

Retail goods and related services sales generated by primary market residents are estimated at about \$22.9 million for 2005. The primary market sales are expected to increase to \$24.6 million by 2010, due primarily to anticipated growth in area households around the City. The sales are again expected to increase significantly to roughly \$26.4 million by 2015.

Aggregate retail sales figures represent a compilation of sales associated with ten major categories. The ten major categories of retail goods and related services are:

- ✓ Food, such as groceries and related merchandise generally purchased for home preparation or consumption.
- ✓ Eating and drinking, consisting of prepared food and beverages generally consumed on the premises or carried to another location.
- ✓ General merchandise, including variety stores, department stores and large value oriented retail operators.
- ✓ Furniture and accessories, including appliances and home furnishings.
- ✓ Transportation and utilities, including the sale of new and used automotive and other personal vehicles and parts and basic utilities for the home.

- ✓ Drugstores, including those specializing in health and beauty aids or pharmaceuticals.
- ✓ Apparel and accessories.
- ✓ Hardware and building materials, including traditional hardware stores and garden and home improvement centers.
- ✓ Auto services, including gasoline and vehicle repair.
- ✓ Miscellaneous, which includes a plethora of retail goods and services ranging from florists to paper goods.

Some operations fall into more than one category. For example, many of the general merchandisers associated with the “big box stores” have added more or less traditional supermarket components to their operations.

Table 53 contains the estimated retail sales and related services revenues generated by the primary market for the major categories for the years of 2005, 2010, and 2015. The aggregate sales and category figures are based on the spending information obtained from the telephone survey. For example, if a person generally goes out to lunch three times per week at McDonalds; based on an average per meal cost of \$5, the total spent per year by that person is estimated to be about \$750. If all residents have identical patterns, the total is determined by multiplying the number of people by \$750.

Table 53 – Estimated Primary Market Generated Retail & Related Services Sales for Select Years*

Category	2005	2010	2015
Food	\$3,525,000	\$3,791,000	\$4,058,000
Eat/Drink	2,291,000	2,464,000	2,638,000
General Merchandise	2,231,000	2,400,000	2,569,000
Furniture	366,000	394,000	422,000
Transportation & Utilities	6,674,000	7,179,000	7,684,000
Drugstore	934,000	1,004,000	1,075,000
Apparel	909,000	977,000	1,046,000
Hardware	2,646,000	2,846,000	3,046,000
Vehicle Service	1,206,000	1,297,000	1,389,000
Miscellaneous	2,106,000	2,265,000	2,424,000
TOTAL	\$22,887,000	\$24,619,000	\$26,350,000

*Developed by The Chesapeake Group, Inc., 2004.

There are sub-categories, generally associated with particular types of businesses, found within each retail goods and related services category. While not necessarily the largest in terms of sales, the miscellaneous category contains more sub-categories or types of establishments than any other major retail goods and related services category.

It is noted that irrespective of the strength, location, mass, or other factors, no commercial area or community is able to attract all of the sales generated in a market. In all communities, dollars are spent in locations not associated with the home or home market. As examples, people employed at other than home locations often spend resources at or near their place of employment. Others make visits and spend money with relatives and friends living elsewhere and others take vacations, resulting in still other spending.

Retail and related services sub-category sales for the primary market are found in Table 54 on Page 33.

Table 54 – Estimated Primary Market Generated Retail & Related Services Sales for Select Years by Sub-category*

Sub-category	2005	2010	2015
Food	\$3,525,000	\$3,791,000	\$4,058,000
Supermarkets	2,943,375	3,165,485	3,388,430
Independents	282,000	303,280	324,640
Bakeries	77,550	83,402	89,276
Dairies	45,825	49,283	52,754
Others	176,250	189,550	202,900
Eat/Drink	2,291,000	2,464,000	2,638,000
General Merchandise	2,231,000	2,400,000	2,569,000
Dept. Stores	814,315	876,000	937,685
Variety Stores	160,632	172,800	184,968
Jewelry	153,939	165,600	177,261
Sporting Goods/Toys	243,179	261,600	280,021
Discount Dept.	812,084	873,600	935,116
Antiques, etc.	11,155	12,000	12,845
Others	35,696	38,400	41,104
Furniture	366,000	394,000	422,000
Furniture	86,376	92,984	99,592
Home Furnishings	127,368	137,112	146,856
Store/Office Equip.	79,788	85,892	91,996
Music Instr./Suppl.	15,738	16,942	18,146
Radios, TV, etc.	56,730	61,070	65,410
Transportation & Utilities	6,674,000	7,179,000	7,684,000
New/Used Vehicles	2,335,900	2,512,650	2,689,400
Tires, Batt., Prts.	2,943,234	3,165,939	3,388,644
Marine Sales/Rentals	353,722	380,487	407,252
Auto/Truck Rentals	1,041,144	1,119,924	1,198,704
Drugstore	934,000	1,004,000	1,075,000
Apparel	909,000	977,000	1,046,000
Men's and Boy's	119,079	127,987	137,026
Women's and Girl's	301,788	324,364	347,272
Infants	19,089	20,517	21,966
Family	252,702	271,606	290,788
Shoes	189,981	204,193	218,614
Jeans/Leather	3,636	3,908	4,184
Tailors/Uniforms	16,362	17,586	18,828
Others	6,363	6,839	7,322
Hardware	2,646,000	2,846,000	3,046,000
Hardware	1,280,664	1,377,464	1,474,264
Lawn/Seed/Fertil.	50,274	54,074	57,874
Others	1,315,062	1,414,462	1,513,862
Vehicle Service	1,206,000	1,297,000	1,389,000
Gasoline	410,040	440,980	472,260
Garage, Repairs	795,960	856,020	916,740
Miscellaneous	2,106,000	2,265,000	2,424,000
Advert. Signs, etc.	33,696	36,240	38,784
Barber/Beauty shop	128,466	138,165	147,864
Book Stores	96,876	104,190	111,504
Bowling	48,438	52,095	55,752
Cig./Tobacco Dealer	14,742	15,855	16,968
Dent./Physician Lab	84,240	90,600	96,960
Florist/Nurseries	157,950	169,875	181,800
Laundry, Dry Clean	71,604	77,010	82,416
Optical Goods/Opt.	50,544	54,360	58,176
Photo Sup./Photog.	145,314	156,285	167,256
Printing	170,586	183,465	196,344
Paper/Paper Prod.	90,558	97,395	104,232
Gifts/Cards/Novel.	301,158	323,895	346,632
Newsstands	16,848	18,120	19,392
Video Rent/Sales	273,780	294,450	315,120
Others	421,200	453,000	484,800
TOTAL	\$22,888,000	\$24,617,000	\$26,351,000

*Developed by The Chesapeake Group, Inc., 2004.

Secondary market sales for Fennville are estimated to be roughly \$892.6 million for 2005. Secondary market sales are expected to increase to about \$960.1 million by 2010. An additional increase to \$1 million is expected by 2015. Sub-category retail and related services sales estimates for the secondary market are found on Page 35.

Table 55 - Estimated Secondary Market Generated Retail and Related Services Sales by Major Category*

Category	2005	2010	2015
Food	\$137,462,000	\$147,860,000	\$158,257,000
Eat/Drink	89,350,000	96,109,000	102,867,000
General Merchandise	87,030,000	93,613,000	100,195,000
Furniture	14,282,000	15,362,000	16,442,000
Transportation & Utilities	260,286,000	279,974,000	299,662,000
Drugstore	36,419,000	39,173,000	41,928,000
Apparel	35,437,000	38,117,000	40,798,000
Hardware	103,186,000	110,991,000	118,796,000
Vehicle Service	47,041,000	50,599,000	54,157,000
Miscellaneous	82,120,000	88,332,000	94,543,000
TOTAL	\$892,612,000	\$960,129,000	\$1,027,646,000

*Developed by The Chesapeake Group, Inc., 2004.

Tertiary market sales for Fennville are estimated to be roughly \$2.8 billion for 2005. Secondary market sales are expected to increase to about \$3.0 billion by 2010. An additional increase to \$3.2 billion is expected by 2015. Sub-category retail and related services sales estimates for the secondary market are found in Table 58 on Page 36.

Table 56 - Estimated Tertiary Market Generated Retail and Related Services Sales by Major Category*

Category	2005	2010	2015
Food	\$244,465,000	\$262,957,000	\$281,448,000
Eat/Drink	241,378,000	259,636,000	277,894,000
General Merchandise	504,087,000	542,217,000	580,346,000
Furniture	177,104,000	190,500,000	203,896,000
Transportation & Utilities	745,465,000	801,853,000	858,239,000
Drugstore	114,514,000	123,176,000	131,838,000
Apparel	83,360,000	89,665,000	95,970,000
Hardware	324,457,000	348,999,000	373,541,000
Vehicle Service	147,914,000	159,103,000	170,291,000
Miscellaneous	223,976,000	240,918,000	257,860,000
TOTAL	\$2,806,722,000	\$3,019,023,000	\$3,231,323,000

*Developed by The Chesapeake Group, Inc., 2004.

Anticipated increases in future retail and related services sales are important to defining economic opportunity. Real growth in sales, or sales excluding inflation, is associated with changes in the market. All sales estimates exclude inflation. Increases reflect positive market changes and increases that are relatively greater than other areas represent one area growing or changing at a different pace than others.

Table 57 - Estimated Secondary Market Generated Retail and Related Services Sales by Major Category by Sub-category*

Sub-category	2005	2010	2015
Food	\$137,462,000	\$147,860,000	\$158,257,000
Supermarkets	114,780,770	123,463,100	132,144,595
Independents	10,996,960	11,828,800	12,660,560
Bakeries	3,024,164	3,252,920	3,481,654
Dairies	1,787,006	1,922,180	2,057,341
Others	6,873,100	7,393,000	7,912,850
Eat/Drink	89,350,000	96,109,000	102,867,000
General Merchandise	87,030,000	93,613,000	100,195,000
Dept. Stores	31,765,950	34,168,745	36,571,175
Variety Stores	6,266,160	6,740,136	7,214,040
Jewelry	6,005,070	6,459,297	6,913,455
Sporting Goods/Toys	9,486,270	10,203,817	10,921,255
Discount Dept.	31,678,920	34,075,132	36,470,980
Antiques, etc.	435,150	468,065	500,975
Others	1,392,480	1,497,808	1,603,120
Furniture	14,282,000	15,362,000	16,442,000
Furniture	3,370,552	3,625,432	3,880,312
Home Furnishings	4,970,136	5,345,976	5,721,816
Store/Office Equip.	3,113,476	3,348,916	3,584,356
Music Instr./Suppl.	614,126	660,566	707,006
Radios, TV, etc.	2,213,710	2,381,110	2,548,510
Transportation & Utilities	260,286,000	279,974,000	299,662,000
New/Used Vehicles	91,100,100	97,990,900	104,881,700
Tires, Batt., Prts.	114,786,126	123,468,534	132,150,942
Marine Sales/Rentals	13,795,158	14,838,622	15,882,086
Auto/Truck Rentals	40,604,616	43,675,944	46,747,272
Drugstore	36,419,000	39,173,000	41,928,000
Apparel	35,437,000	38,117,000	40,798,000
Men's and Boy's	4,642,247	4,993,327	5,344,538
Women's and Girl's	11,765,084	12,654,844	13,544,936
Infants	744,177	800,457	856,758
Family	9,851,486	10,596,526	11,341,844
Shoes	7,406,333	7,966,453	8,526,782
Jeans/Leather	141,748	152,468	163,192
Tailors/Uniforms	637,866	686,106	734,364
Others	248,059	266,819	285,586
Hardware	103,186,000	110,991,000	118,796,000
Hardware	49,942,024	53,719,644	57,497,264
Lawn/Seed/Fertil.	1,960,534	2,108,829	2,257,124
Others	51,283,442	55,162,527	59,041,612
Vehicle Service	47,041,000	50,599,000	54,157,000
Gasoline	15,993,940	17,203,660	18,413,380
Garage, Repairs	31,047,060	33,395,340	35,743,620
Miscellaneous	82,120,000	88,332,000	94,543,000
Advert. Signs, etc.	1,313,920	1,413,312	1,512,688
Barber/Beauty shop	5,009,320	5,388,252	5,767,123
Book Stores	3,777,520	4,063,272	4,348,978
Bowling	1,888,760	2,031,636	2,174,489
Cig./Tobacco Dealer	574,840	618,324	661,801
Dent./Physician Lab	3,284,800	3,533,280	3,781,720
Florist/Nurseries	6,159,000	6,624,900	7,090,725
Laundry, Dry Clean	2,792,080	3,003,288	3,214,462
Optical Goods/Opt.	1,970,880	2,119,968	2,269,032
Photo Sup./Photog.	5,666,280	6,094,908	6,523,467
Printing	6,651,720	7,154,892	7,657,983
Paper/Paper Prod.	3,531,160	3,798,276	4,065,349
Gifts/Cards/Novel.	11,743,160	12,631,476	13,519,649
Newsstands	656,960	706,656	756,344
Video Rent/Sales	10,675,600	11,483,160	12,290,590
Others	16,424,000	17,666,400	18,908,600
TOTAL	\$892,613,000	\$960,130,000	\$1,027,645,000

*Developed by The Chesapeake Group, Inc., 2004.

Table 58 - Estimated Tertiary Market Generated Retail and Related Services Sales by Major Category by Sub-category*

Sub-category	2005	2010	2015
Food	\$244,465,000	\$262,957,000	\$281,448,000
Supermarkets	204,128,275	219,569,095	235,009,080
Independents	19,557,200	21,036,560	22,515,840
Bakeries	5,378,230	5,785,054	6,191,856
Dairies	3,178,045	3,418,441	3,658,824
Others	12,223,250	13,147,850	14,072,400
Eat/Drink	241,378,000	259,636,000	277,894,000
General Merchandise	504,087,000	542,217,000	580,346,000
Dept. Stores	183,991,755	197,909,205	211,826,290
Variety Stores	36,294,264	39,039,624	41,784,912
Jewelry	34,782,003	37,412,973	40,043,874
Sporting Goods/Toys	54,945,483	59,101,653	63,257,714
Discount Dept.	183,487,668	197,366,988	211,245,944
Antiques, etc.	2,520,435	2,711,085	2,901,730
Others	8,065,392	8,675,472	9,285,536
Furniture	177,104,000	190,500,000	203,896,000
Furniture	41,796,544	44,958,000	48,119,456
Home Furnishings	61,632,192	66,294,000	70,955,808
Store/Office Equip.	38,608,672	41,529,000	44,449,328
Music Instr./Suppl.	7,615,472	8,191,500	8,767,528
Radios, TV, etc.	27,451,120	29,527,500	31,603,880
Transportation & Utilities	745,465,000	801,853,000	858,239,000
New/Used Vehicles	260,912,750	280,648,550	300,383,650
Tires, Batt., Prts.	328,750,065	353,617,173	378,483,399
Marine Sales/Rentals	39,509,645	42,498,209	45,486,667
Auto/Truck Rentals	116,292,540	125,089,068	133,885,284
Drugstore	114,514,000	123,176,000	131,838,000
Apparel	83,360,000	89,665,000	95,970,000
Men's and Boy's	10,920,160	11,746,115	12,572,070
Women's and Girl's	27,675,520	29,768,780	31,862,040
Infants	1,750,560	1,882,965	2,015,370
Family	23,174,080	24,926,870	26,679,660
Shoes	17,422,240	18,739,985	20,057,730
Jeans/Leather	333,440	358,660	383,880
Tailors/Uniforms	1,500,480	1,613,970	1,727,460
Others	583,520	627,655	671,790
Hardware	324,457,000	348,999,000	373,541,000
Hardware	157,037,188	168,915,516	180,793,844
Lawn/Seed/Fertil.	6,164,683	6,630,981	7,097,279
Others	161,255,129	173,452,503	185,649,877
Vehicle Service	147,914,000	159,103,000	170,291,000
Gasoline	50,290,760	54,095,020	57,898,940
Garage, Repairs	97,623,240	105,007,980	112,392,060
Miscellaneous	223,976,000	240,918,000	257,860,000
Advert. Signs, etc.	3,583,616	3,854,688	4,125,760
Barber/Beauty shop	13,662,536	14,695,998	15,729,460
Book Stores	10,302,896	11,082,228	11,861,560
Bowling	5,151,448	5,541,114	5,930,780
Cig./Tobacco Dealer	1,567,832	1,686,426	1,805,020
Dent./Physician Lab	8,959,040	9,636,720	10,314,400
Florist/Nurseries	16,798,200	18,068,850	19,339,500
Laundry, Dry Clean	7,615,184	8,191,212	8,767,240
Optical Goods/Opt.	5,375,424	5,782,032	6,188,640
Photo Sup./Photog.	15,454,344	16,623,342	17,792,340
Printing	18,142,056	19,514,358	20,886,660
Paper/Paper Prod.	9,630,968	10,359,474	11,087,980
Gifts/Cards/Novel.	32,028,568	34,451,274	36,873,980
Newsstands	1,791,808	1,927,344	2,062,880
Video Rent/Sales	29,116,880	31,319,340	33,521,800
Others	44,795,200	48,183,600	51,572,000
TOTAL	\$2,806,720,000	\$3,019,024,000	\$3,231,323,000

*Developed by The Chesapeake Group, Inc., 2004.

Critical to defining opportunities for all commercial activity is the amount of space that can be supported. Retail and related services sales are converted to supportable space through the application of sales productivity levels. A sales productivity level is the level of sales per square foot at which it is assumed that the business will generate sufficient dollar revenue to cover all costs of operation as well as provide a reasonable return on investment for the ownership or operating entity.

As might be expected, sales productivity levels vary, sometimes greatly, for each sub-category, type of business operation, or store-type. The productivity levels vary from very low figures for bowling centers, with sales or revenues of significantly less than \$100 per square foot, to hundreds or even thousands of dollars for other users. Dividing the amount of sales by appropriate sales productivity levels results in estimates of supportable space.

As found in Table 59, the primary market households are expected to be capable of supporting a total of around 67,000 square feet of retail and related services space in 2005 irrespective of the location of that space. This amount is expected to increase to about 72,000 square feet by 2015. The two largest categories are hardware and vehicular related sales and parts.

Table 59 - Primary Market Supportable Space by Category for Selected Years*

Category	2005	2010	2015
Food	6,584	7,080	7,580
Eat/Drink	5,728	6,160	6,595
General Merchandise	7,278	7,829	8,380
Furniture	1,150	1,237	1,326
Transportation & Utilities	19,421	20,890	22,360
Drugstore	1,868	2,008	2,150
Apparel	2,829	3,040	3,255
Hardware	11,249	12,098	12,948
Vehicle Service	2,936	3,157	3,382
Miscellaneous	8,134	8,750	9,362
TOTAL	67,177	72,249	77,338

*Developed by The Chesapeake Group, Inc., 2004.

Table 60 contains the estimates of supportable space by major category for the secondary market. Supportable space in 2005 is estimated at 2.6 million square feet and is expected to rise to 3 million square feet by 2015. The sub-category primary and secondary market information is found in Tables 61 and 62 on Pages 38 and 39.

Table 60 - Secondary Market Supportable Space by Category for Selected Years*

Category	2005	2010	2015
Food	256,718	276,136	295,554
Eat/Drink	223,375	240,273	257,168
General Merchandise	283,884	305,358	326,826
Furniture	44,847	48,238	51,629
Transportation & Utilities	757,396	814,686	871,976
Drugstore	72,838	78,346	83,856
Apparel	110,270	118,609	126,951
Hardware	438,641	471,820	504,999
Vehicle Service	114,520	123,183	131,844
Miscellaneous	317,175	341,166	365,155
TOTAL	2,619,664	2,817,815	3,015,958

*Developed by The Chesapeake Group, Inc., 2004.

Table 61 - Primary Market Supportable Space by Category for Selected Years*

Sub-category	2005	2010	2015
Food	6,584	7,080	7,580
Supermarkets	4,989	5,365	5,743
Independents	705	758	812
Bakeries	259	278	298
Dairies	127	137	147
Others	504	542	580
Eat/Drink	5,728	6,160	6,595
General Merchandise	7,278	7,829	8,380
Dept. Stores	2,714	2,920	3,126
Variety Stores	618	665	711
Jewelry	217	233	250
Sporting Goods/Toys	811	872	933
Discount Dept.	2,707	2,912	3,117
Antiques, etc.	49	52	56
Others	162	175	187
Furniture	1,150	1,237	1,326
Furniture	279	300	321
Home Furnishings	364	392	420
Store/Office Equip.	266	286	307
Music Instr./Suppl.	79	85	91
Radios, TV, etc.	162	174	187
Transportation & Utilities	19,421	20,890	22,360
New/Used Vehicles	5,840	6,282	6,724
Tires, Batt., Prts.	9,811	10,553	11,295
Marine Sales/Rentals	956	1,028	1,101
Auto/Truck Rentals	2,814	3,027	3,240
Drugstore	1,868	2,008	2,150
Apparel	2,829	3,040	3,255
Men's and Boy's	298	320	343
Women's and Girl's	816	877	939
Infants	64	68	73
Family	842	905	969
Shoes	691	743	795
Jeans/Leather	12	13	14
Tailors/Uniforms	82	88	94
Others	24	26	28
Hardware	11,249	12,098	12,948
Hardware	5,123	5,510	5,897
Lawn/Seed/Fertil.	148	159	170
Others	5,978	6,429	6,881
Vehicle Service	2,936	3,157	3,382
Gasoline	283	304	326
Garage, Repairs	2,653	2,853	3,056
Miscellaneous	8,134	8,750	9,362
Advert. Signs, etc.	123	132	141
Barber/Beauty shop	642	691	739
Book Stores	262	282	301
Bowling	484	521	558
Cig./Tobacco Dealer	29	32	34
Dent./Physician Lab	259	279	298
Florist/Nurseries	372	400	428
Laundry, Dry Clean	239	257	275
Optical Goods/Opt.	144	155	166
Photo Sup./Photog.	415	447	478
Printing	620	667	714
Paper/Paper Prod.	453	487	521
Gifts/Cards/Novel.	1,004	1,080	1,155
Newsstands	34	36	39
Video Rent/Sales	1,369	1,472	1,576
Others	1,685	1,812	1,939
TOTAL	67,177	72,249	77,338

*Developed by The Chesapeake Group, Inc., 2004.

Table 62 - Secondary Market Supportable Space by Sub-category for Selected Years*

Sub-category	2005	2010	2015
Food	256,718	276,136	295,554
Supermarkets	194,544	209,259	223,974
Independents	27,492	29,572	31,651
Bakeries	10,081	10,843	11,606
Dairies	4,964	5,339	5,715
Others	19,637	21,123	22,608
Eat/Drink	223,375	240,273	257,168
General Merchandise	283,884	305,358	326,826
Dept. Stores	105,887	113,896	121,904
Variety Stores	24,101	25,924	27,746
Jewelry	8,458	9,098	9,737
Sporting Goods/Toys	31,621	34,013	36,404
Discount Dept.	105,596	113,584	121,570
Antiques, etc.	1,892	2,035	2,178
Others	6,329	6,808	7,287
Furniture	44,847	48,238	51,629
Furniture	10,873	11,695	12,517
Home Furnishings	14,200	15,274	16,348
Store/Office Equip.	10,378	11,163	11,948
Music Instr./Suppl.	3,071	3,303	3,535
Radios, TV, etc.	6,325	6,803	7,281
Transportation & Utilities	757,396	814,686	871,976
New/Used Vehicles	227,750	244,977	262,204
Tires, Batt., Prts.	382,620	411,562	440,503
Marine Sales/Rentals	37,284	40,104	42,925
Auto/Truck Rentals	109,742	118,043	126,344
Drugstore	72,838	78,346	83,856
Apparel	110,270	118,609	126,951
Men's and Boy's	11,606	12,483	13,361
Women's and Girl's	31,798	34,202	36,608
Infants	2,481	2,668	2,856
Family	32,838	35,322	37,806
Shoes	26,932	28,969	31,006
Jeans/Leather	472	508	544
Tailors/Uniforms	3,189	3,431	3,672
Others	954	1,026	1,098
Hardware	438,641	471,820	504,999
Hardware	199,768	214,879	229,989
Lawn/Seed/Fertil.	5,766	6,202	6,639
Others	233,107	250,739	268,371
Vehicle Service	114,520	123,183	131,844
Gasoline	11,030	11,865	12,699
Garage, Repairs	103,490	111,318	119,145
Miscellaneous	317,175	341,166	365,155
Advert. Signs, etc.	4,778	5,139	5,501
Barber/Beauty shop	25,047	26,941	28,836
Book Stores	10,210	10,982	11,754
Bowling	18,888	20,316	21,745
Cig./Tobacco Dealer	1,150	1,237	1,324
Dent./Physician Lab	10,107	10,872	11,636
Florist/Nurseries	14,492	15,588	16,684
Laundry, Dry Clean	9,307	10,011	10,715
Optical Goods/Opt.	5,631	6,057	6,483
Photo Sup./Photog.	16,189	17,414	18,638
Printing	24,188	26,018	27,847
Paper/Paper Prod.	17,656	18,991	20,327
Gifts/Cards/Novel.	39,144	42,105	45,065
Newsstands	1,314	1,413	1,513
Video Rent/Sales	53,378	57,416	61,453
Others	65,696	70,666	75,634
TOTAL	2,619,664	2,817,815	3,015,958

*Developed by The Chesapeake Group, Inc., 2004.

Table 63 contains the estimates of supportable space by major category for the tertiary market. Supportable space in 2005 is estimated at 8.5 million square feet. This is expected to grow to about 9.2 million by 2010, and to 9.8 million by 2015. The sub-category tertiary market information is found in Table 65 on Page 41.

Table 63 - Tertiary Market Supportable Space by Category for Selected Years*

Category	2005	2010	2015
Food	456,552	491,087	525,620
Eat/Drink	603,445	649,090	694,735
General Merchandise	1,644,285	1,768,660	1,893,034
Furniture	556,125	598,189	640,254
Transportation & Utilities	2,169,203	2,333,284	2,497,359
Drugstore	229,028	246,352	263,676
Apparel	259,392	279,013	298,632
Hardware	1,379,258	1,483,585	1,587,912
Vehicle Service	360,094	387,334	414,570
Miscellaneous	865,065	930,500	995,936
TOTAL	8,522,447	9,167,094	9,811,728

*Developed by The Chesapeake Group, Inc., 2004.

Growth represents opportunities. Table 64 contains the growth in space associated with the primary market by major category for 2005 to 2010 and 2005 to 2015. In total, about 10,000 square feet of new space are expected to be supportable by the primary market between 2005 and 2015. This represents a growth of about 1,000 square feet per year.

Table 64 - Primary Market Change in Supportable Space for Selected Time Periods*

Category	2005	2005-2010	2005-2015
Food	6,584	499	995
Eat/Drink	5,728	433	868
General Merchandise	7,278	551	1,103
Furniture	1,150	87	173
Transportation & Utilities	19,421	1,469	2,940
Drugstore	1,868	142	282
Apparel	2,829	215	427
Hardware	11,249	850	1,700
Vehicle Service	2,936	221	446
Miscellaneous	8,134	614	1,231
TOTAL	67,177	5,081	10,165

*Developed by The Chesapeake Group, Inc., 2004.

The change in primary market supportable space for sub-categories is found in Table 66 on Page 42.

Table 65 - Tertiary Market Supportable Space by Sub-category for Selected Years*

Sub-category	2005	2010	2015
Food	456,552	491,087	525,620
Supermarkets	345,980	372,151	398,320
Independents	48,893	52,591	56,290
Bakeries	17,927	19,284	20,640
Dairies	8,828	9,496	10,163
Others	34,924	37,565	40,207
Eat/Drink	603,445	649,090	694,735
General Merchandise	1,644,285	1,768,660	1,893,034
Dept. Stores	613,306	659,697	706,088
Variety Stores	139,593	150,152	160,711
Jewelry	48,989	52,694	56,400
Sporting Goods/Toys	183,152	197,006	210,859
Discount Dept.	611,626	657,890	704,153
Antiques, etc.	10,958	11,787	12,616
Others	36,661	39,434	42,207
Furniture	556,125	598,189	640,254
Furniture	134,828	145,026	155,224
Home Furnishings	176,092	189,411	202,731
Store/Office Equip.	128,696	138,430	148,164
Music Instr./Suppl.	38,077	40,958	43,838
Radios, TV, etc.	78,432	84,364	90,297
Transportation & Utilities	2,169,203	2,333,284	2,497,359
New/Used Vehicles	652,282	701,621	750,959
Tires, Batt., Prts.	1,095,834	1,178,724	1,261,611
Marine Sales/Rentals	106,783	114,860	122,937
Auto/Truck Rentals	314,304	338,079	361,852
Drugstore	229,028	246,352	263,676
Apparel	259,392	279,013	298,632
Men's and Boy's	27,300	29,365	31,430
Women's and Girl's	74,799	80,456	86,114
Infants	5,835	6,277	6,718
Family	77,247	83,090	88,932
Shoes	63,354	68,145	72,937
Jeans/Leather	1,111	1,196	1,280
Tailors/Uniforms	7,502	8,070	8,637
Others	2,244	2,414	2,584
Hardware	1,379,258	1,483,585	1,587,912
Hardware	628,149	675,662	723,175
Lawn/Seed/Fertil.	18,131	19,503	20,874
Others	732,978	788,420	843,863
Vehicle Service	360,094	387,334	414,570
Gasoline	34,683	37,307	39,930
Garage, Repairs	325,411	350,027	374,640
Miscellaneous	865,065	930,500	995,936
Advert. Signs, etc.	13,031	14,017	15,003
Barber/Beauty shop	68,313	73,480	78,647
Book Stores	27,846	29,952	32,058
Bowling	51,514	55,411	59,308
Cig./Tobacco Dealer	3,136	3,373	3,610
Dent./Physician Lab	27,566	29,651	31,737
Florist/Nurseries	39,525	42,515	45,505
Laundry, Dry Clean	25,384	27,304	29,224
Optical Goods/Opt.	15,358	16,520	17,682
Photo Sup./Photog.	44,155	47,495	50,835
Printing	65,971	70,961	75,951
Paper/Paper Prod.	48,155	51,797	55,440
Gifts/Cards/Novel.	106,762	114,838	122,913
Newsstands	3,584	3,855	4,126
Video Rent/Sales	145,584	156,597	167,609
Others	179,181	192,734	206,288
TOTAL	8,522,447	9,167,094	9,811,728

*Developed by The Chesapeake Group, Inc., 2004.

Table 66 - Primary Market Change in Supportable Space for Selected Time Periods by Sub-category*

Sub-category	2005	2005-2010	2005-2015
Food	6,584	499	995
Supermarkets	4,989	378	754
Independents	705	53	107
Bakeries	259	20	39
Dairies	127	10	19
Others	504	38	76
Eat/Drink	5,728	433	868
General Merchandise	7,278	551	1,103
Dept. Stores	2,714	206	411
Variety Stores	618	47	94
Jewelry	217	16	33
Sporting Goods/Toys	811	61	123
Discount Dept.	2,707	205	410
Antiques, etc.	49	4	7
Others	162	12	25
Furniture	1,150	87	173
Furniture	279	21	42
Home Furnishings	364	28	55
Store/Office Equip.	266	20	40
Music Instr./Suppl.	79	6	12
Radios, TV, etc.	162	12	24
Transportation & Utilities	19,421	1,469	2,940
New/Used Vehicles	5,840	442	884
Tires, Batt., Prts.	9,811	742	1,485
Marine Sales/Rentals	956	72	145
Auto/Truck Rentals	2,814	213	426
Drugstore	1,868	142	282
Apparel	2,829	215	427
Men's and Boy's	298	23	45
Women's and Girl's	816	62	123
Infants	64	5	10
Family	842	64	127
Shoes	691	52	104
Jeans/Leather	12	1	2
Tailors/Uniforms	82	6	12
Others	24	2	4
Hardware	11,249	850	1,700
Hardware	5,123	387	774
Lawn/Seed/Fertil.	148	11	22
Others	5,978	452	904
Vehicle Service	2,936	221	446
Gasoline	283	21	43
Garage, Repairs	2,653	200	403
Miscellaneous	8,134	614	1,231
Advert. Signs, etc.	123	9	19
Barber/Beauty shop	642	48	97
Book Stores	262	20	40
Bowling	484	37	73
Cig./Tobacco Dealer	29	2	4
Dent./Physician Lab	259	20	39
Florist/Nurseries	372	28	56
Laundry, Dry Clean	239	18	36
Optical Goods/Opt.	144	11	22
Photo Sup./Photog.	415	31	63
Printing	620	47	94
Paper/Paper Prod.	453	34	69
Gifts/Cards/Novel.	1,004	76	152
Newsstands	34	3	5
Video Rent/Sales	1,369	103	207
Others	1,685	127	255
TOTAL	67,177	5,081	10,165

*Developed by The Chesapeake Group, Inc., 2004.

Table 67 contains the growth in space associated with the secondary market by major retail and related service category for the selected time frames of 2005 to 2015. It is noted that this substantially larger market is expected to be able to support an additional 396,000 square feet of space irrespective of the location of the space (home, away, etc.)

Table 67 - Estimated 2005 & Change in Secondary Market Supportable Space by Category for Fennville*

Category	2005	2005-2010	2005-2015
Food	256,718	19,419	38,836
Eat/Drink	223,375	16,895	33,793
General Merchandise	283,884	21,473	42,948
Furniture	44,847	3,391	6,786
Transportation & Utilities	757,396	57,289	114,579
Drugstore	72,838	5,510	11,018
Apparel	110,270	8,340	16,680
Hardware	438,641	33,178	66,357
Vehicle Service	114,520	8,662	17,324
Miscellaneous	317,175	23,994	47,981
TOTAL	2,619,664	198,151	396,302

*Developed by The Chesapeake Group, Inc., 2004.

Similar information on the tertiary market is found in the table 68 that follows. About 1.3 million additional square feet of space will be supportable over the next ten years from this market segment.

Table 68 - Estimated 2005 & Change in Tertiary Market Supportable Space by Category for Fennville*

Category	2005	2005-2010	2005-2015
Food	456,552	34,533	69,067
Eat/Drink	603,445	45,645	91,290
General Merchandise	1,644,285	124,373	248,747
Furniture	556,125	42,064	84,129
Transportation & Utilities	2,169,203	164,079	328,157
Drugstore	229,028	17,324	34,648
Apparel	259,392	19,619	39,242
Hardware	1,379,258	104,327	208,655
Vehicle Service	360,094	27,237	54,474
Miscellaneous	865,065	65,436	130,864
TOTAL	8,522,447	644,637	1,289,273

*Developed by The Chesapeake Group, Inc., 2004.

The associated sub-category estimates for the secondary and tertiary markets are found in Tables 69 and 70 that follow.

Table 69 - Secondary Market Change in Supportable Space by Sub-category for Selected Time Periods*

Sub-category	2005	2005-2010	2005-2015
Food	256,718	19,419	38,836
Supermarkets	194,544	14,716	29,430
Independents	27,492	2,080	4,159
Bakeries	10,081	763	1,525
Dairies	4,964	375	751
Others	19,637	1,485	2,971
Eat/Drink	223,375	16,895	33,793
General Merchandise	283,884	21,473	42,948
Dept. Stores	105,887	8,009	16,019
Variety Stores	24,101	1,823	3,646
Jewelry	8,458	640	1,280
Sporting Goods/Toys	31,621	2,392	4,784
Discount Dept.	105,596	7,987	15,975
Antiques, etc.	1,892	143	286
Others	6,329	479	958
Furniture	44,847	3,391	6,786
Furniture	10,873	822	1,645
Home Furnishings	14,200	1,074	2,149
Store/Office Equip.	10,378	785	1,570
Music Instr./Suppl.	3,071	232	465
Radios, TV, etc.	6,325	478	957
Transportation & Utilities	757,396	57,289	114,579
New/Used Vehicles	227,750	17,227	34,454
Tires, Batt., Prts.	382,620	28,941	57,883
Marine Sales/Rentals	37,284	2,820	5,640
Auto/Truck Rentals	109,742	8,301	16,602
Drugstore	72,838	5,510	11,018
Apparel	110,270	8,340	16,680
Men's and Boy's	11,606	878	1,756
Women's and Girl's	31,798	2,405	4,810
Infants	2,481	188	375
Family	32,838	2,483	4,968
Shoes	26,932	2,037	4,074
Jeans/Leather	472	36	71
Tailors/Uniforms	3,189	241	482
Others	954	72	144
Hardware	438,641	33,178	66,357
Hardware	199,768	15,110	30,221
Lawn/Seed/Fertil.	5,766	436	872
Others	233,107	17,632	35,264
Vehicle Service	114,520	8,662	17,324
Gasoline	11,030	834	1,669
Garage, Repairs	103,490	7,828	15,655
Miscellaneous	317,175	23,994	47,981
Advert. Signs, etc.	4,778	361	723
Barber/Beauty shop	25,047	1,895	3,789
Book Stores	10,210	772	1,544
Bowling	18,888	1,429	2,857
Cig./Tobacco Dealer	1,150	87	174
Dent./Physician Lab	10,107	765	1,529
Florist/Nurseries	14,492	1,096	2,192
Laundry, Dry Clean	9,307	704	1,408
Optical Goods/Opt.	5,631	426	852
Photo Sup./Photog.	16,189	1,225	2,449
Printing	24,188	1,830	3,659
Paper/Paper Prod.	17,656	1,336	2,671
Gifts/Cards/Novel.	39,144	2,961	5,922
Newsstands	1,314	99	199
Video Rent/Sales	53,378	4,038	8,075
Others	65,696	4,970	9,938
TOTAL	2,619,664	198,151	396,302

*Developed by The Chesapeake Group, Inc., 2004.

Table 70 - Change in Tertiary Market Supportable Space by Sub-category for Select Time Periods*

Sub-category	2005	2005-2010	2005-2015
Food	456,552	34,533	69,067
Supermarkets	345,980	26,169	52,340
Independents	48,893	3,698	7,397
Bakeries	17,927	1,356	2,712
Dairies	8,828	668	1,335
Others	34,924	2,642	5,283
Eat/Drink	603,445	45,645	91,290
General Merchandise	1,644,285	124,373	248,747
Dept. Stores	613,306	46,390	92,781
Variety Stores	139,593	10,559	21,118
Jewelry	48,989	3,705	7,411
Sporting Goods/Toys	183,152	13,854	27,707
Discount Dept.	611,626	46,263	92,526
Antiques, etc.	10,958	829	1,658
Others	36,661	2,773	5,546
Furniture	556,125	42,064	84,129
Furniture	134,828	10,198	20,396
Home Furnishings	176,092	13,319	26,639
Store/Office Equip.	128,696	9,734	19,469
Music Instr./Suppl.	38,077	2,880	5,760
Radios, TV, etc.	78,432	5,933	11,865
Transportation & Utilities	2,169,203	164,079	328,157
New/Used Vehicles	652,282	49,339	98,677
Tires, Batt., Prts.	1,095,834	82,889	165,778
Marine Sales/Rentals	106,783	8,077	16,154
Auto/Truck Rentals	314,304	23,774	47,548
Drugstore	229,028	17,324	34,648
Apparel	259,392	19,619	39,242
Men's and Boy's	27,300	2,065	4,130
Women's and Girl's	74,799	5,657	11,316
Infants	5,835	441	883
Family	77,247	5,843	11,686
Shoes	63,354	4,792	9,584
Jeans/Leather	1,111	84	168
Tailors/Uniforms	7,502	567	1,135
Others	2,244	170	340
Hardware	1,379,258	104,327	208,655
Hardware	628,149	47,513	95,027
Lawn/Seed/Fertil.	18,131	1,371	2,743
Others	732,978	55,443	110,885
Vehicle Service	360,094	27,237	54,474
Gasoline	34,683	2,623	5,247
Garage, Repairs	325,411	24,614	49,227
Miscellaneous	865,065	65,436	130,864
Advert. Signs, etc.	13,031	986	1,971
Barber/Beauty shop	68,313	5,167	10,334
Book Stores	27,846	2,106	4,212
Bowling	51,514	3,897	7,793
Cig./Tobacco Dealer	3,136	237	474
Dent./Physician Lab	27,566	2,085	4,170
Florist/Nurseries	39,525	2,990	5,979
Laundry, Dry Clean	25,384	1,920	3,840
Optical Goods/Opt.	15,358	1,162	2,323
Photo Sup./Photog.	44,155	3,340	6,680
Printing	65,971	4,990	9,980
Paper/Paper Prod.	48,155	3,643	7,285
Gifts/Cards/Novel.	106,762	8,076	16,151
Newsstands	3,584	271	542
Video Rent/Sales	145,584	11,012	22,024
Others	179,181	13,554	27,106
TOTAL	8,522,447	644,637	1,289,273

*Developed by The Chesapeake Group, Inc., 2004.

One of the primary reasons for performing a demand analysis is to identify business activity that will enhance the quality and viability of the community and not cause additional stress. By definition, sales and space derived from growth are not associated with any current business since they do not exist at present, but will exist in a year or two from now or at another future time. However, this does not imply that all new growth should result in new space or be “allocated” to new space. Some sales increases could be used to bolster revenues of existing operations and space.

Market Penetration

A second factor that is important in determining suggested space for Fennville is the penetration level within markets. As previously defined, market penetration is basically the proportion of a market that utilizes the area for whatever purposes on a regular basis. It is a function of the proportion of the market that comes and the frequency of the trips.

Market penetration levels are typically higher in primary markets than in secondary or tertiary markets as is the case in Fennville. Yet, because of the greater scale of the secondary and tertiary markets, penetration levels can be very low or even miniscule, but the derived supportable space can be greater than that which accrues from the primary market.

Based on the conducted survey, the penetration level for the primary area is only just over 50%. The penetration within the secondary market is but a fraction of this, while the anticipated proportion in the tertiary market is even lower, essentially associated with occasional visitors to the area. Ultimately, potential space is derived by applying penetration levels to the total supportable sales and space associated with the market.

Thus, while the primary market demand in 2005 and the growth between 2005 and 2015 is very small at just over 67,000 square feet and 10,000 square feet respectively, sales for existing businesses or new activity can be boosted by increasing market penetration to a level that might be considered normal. This would facilitate either new or healthier 15,000 square feet to 20,000 square feet than at present.

Some additional penetration within primarily the secondary market would be possible as well as capture of sales from growth within that market.

Residential Market Retail Implications

The opportunities presented by the demand forecast for Fennville are limited but relatively clear from a retail perspective. From a strategic standpoint, the greatest opportunities are:

- ✓ 4,000 to 5,000 square feet of additional supermarket space.
- ✓ Auto service space (TBA) expansion of about 1,500 square feet.
- ✓ About 4,000 square feet of Home furnishings space.
- ✓ Possibility of adding potentially additional food service space beyond that associated with the expanded Mexican supermarket and food service operation.

Non-Residential Demand

Visitor activity in Fennville plays an important role in its economic structure and is therefore an important component of demand, albeit not one that can be depended upon to support year-round business activity. Thus and in a sense, it provides the opportunity to create additional revenues for businesses that effectively serve the primary, secondary and tertiary residential markets.

Fennville activity and opportunities must be placed within the context of industry-wide and Michigan trends. Unfortunately, much published information deal with trends through 2001 and not the “post 9-11” era. While many of the short-term trends are negative for the industry in total, they are not negative for trends made by automobile and those within a few hundred miles of home. Both are likely associated with visitors to the Fennville area.

Trends in Expenditures

As would be expected, there was a marked a decrease in travel expenditures in the United States for several consecutive years since 2000. For example, between 2000 and 2001, travel expenditures decreased by \$29.2 billion or 5.14%. Broken down into domestic versus international travel, domestic spending decreased at a lesser rate or by \$19.2 billion or roughly 3.92%; while International spending decreased by about 12.7% or \$10.1 billion. While since 2001 the declines have lessened or increases have occurred but at insufficient levels to reach former 2000 levels, similar patterns exist until at least the beginning of 2004.

In 2000, Michigan’s travel generated expenditures totaled \$12.8 billion, or about 2.3% of the United States total of \$568 billion. In 2001, however, Michigan’s expenditures fell to \$12.1 billion. Yet and because of the overall decline in the country, the relative proportion of spending in Michigan remained roughly constant. In other words, Michigan faired no better or worse than the country in total.

U.S. Travel Generated Expenditures

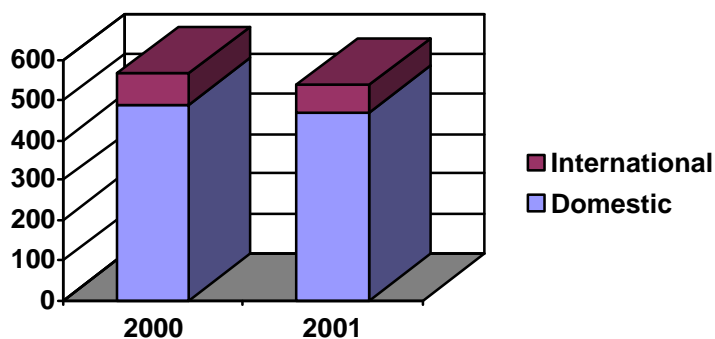


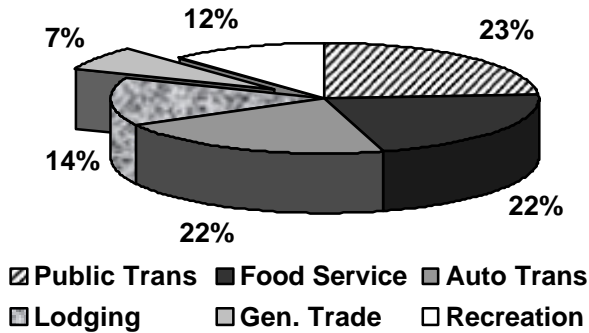
Table 71 – Example of Michigan and United States Travel Generated Expenditures (in billions)*

Jurisdictions	2000	2001
Michigan	\$12.8	\$12.1
United States	\$567.9	\$538.7

*Developed by The Chesapeake Group, Inc., 2004.

From 2000 to 2001, travel generated expenditures in Michigan declined by 5.3%, for a loss of \$676.7 million. This loss is slightly larger than the loss for the country in general. However,

2001 Domestic Travel Generated Expenditures by Industry



domestic spending fared better while international spending in Michigan suffered the most and significantly more than for the country in general. Of the state loss, \$126.5 million was due to the 16.5% decrease in international travel generated expenditures, whereas \$550.2 million resulted from the 4.6% decline in domestic travel generated expenditures.

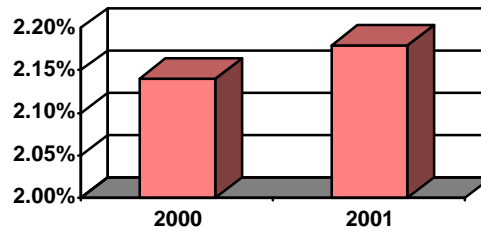
On the domestic side of travel generated expenditures, the largest portion was for public transportation.

Public transportation (air, etc.) comprised 23.8% or a total of about \$2.7 billion of Michigan total travel generated expenditures. Also comprising significant portions of Michigan's travel generated expenditures were the food service and auto transportation industries. Food service spending, inclusive of restaurants, was estimated at \$2.5 billion; and auto transportation accounted for virtually the same proportion and dollar amount as food service. Entertainment and recreation (11.9%) and general trade (7.0%) associated with retail are significant but lesser in magnitude.

Employment Trends

Tourism spending and related employment or linked. Using the same years as examples because it is the most complete reported years from a data perspective, 2001 saw 7,469,000 jobs generated as a result of travel generated spending in the country. Those jobs were equal to about 5.7% of the total labor force of 131,600,000. However, in 2000, 7.1% of the labor force was associated with travel generated spending. Thus, while the economy in general, as we know took a dip; employment in this industry was hit harder. Furthermore, there is every indication that employment associated with this industry has not expanded at the rate of other industries through the beginning of 2004 and is not likely to in the foreseeable future as a result of airline problems.

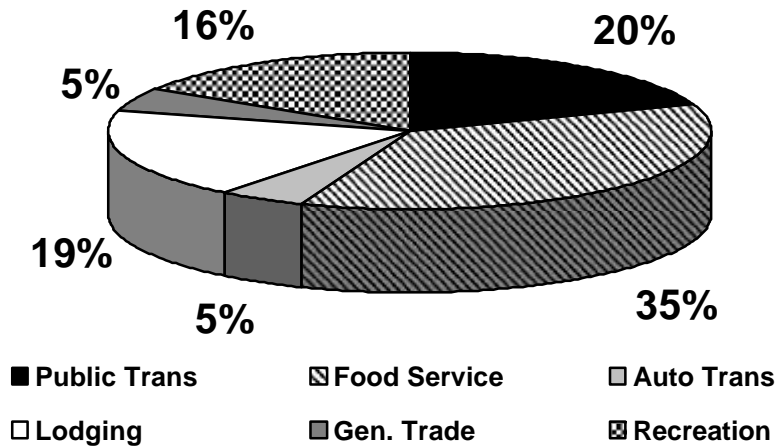
Michigan as a Percent of U.S. Travel Generated Employment



As with spending, Michigan fared better than the country in general. In 2000, travel generated employment in Michigan accounted for 162,100 jobs, or 2.14% of the total travel generated labor force in the country. For 2001, there was a decrease of only 3%, leaving Michigan with 2.18 percent of the total United States labor force in the industry.

Over the period of 2000 to 2001, Michigan travel generated employment decreased resulting in a loss of approximately 4,900 jobs. More specifically, international travel generated employment declined by 800 jobs, or a loss of 8.24%; whereas domestic travel generated employment decreased by 4,100 jobs for a 2.69% loss.

2001 Domestic Travel Generated Employment by Industry

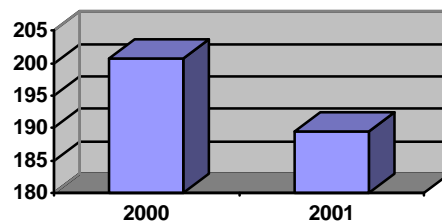


Unlike the spending areas, the domestic segment of travel generated employment is dominated by food service. Food service comprised 34.9% of Michigan's total travel

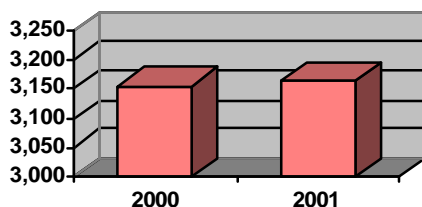
generated employment, with 51,800 workers. Behind food service, the three most significant portions of Michigan's travel generated employment were the public transportation (18.8%), lodging (17.9%), and entertainment/recreation (15.5%), thus differing significantly from the country. Those three categories respectively accounted for 27,900, 26,500, and 23,000 jobs in Michigan.

As a result of the changes in employment, there were also changes in payroll. Yet, there is also an important positive side to the changes that did occur. Total Michigan travel generated payroll decreased by \$1.5 million from 2000 to 2001, reflecting a 0.04% change. That overall decrease is due to the \$11.2 million decrease in international travel related payroll. Importantly, the decline disguises the fact that domestic travel generated payroll increased by \$9.7 million. Overall, Michigan's domestic travel generated payroll increased by 0.3%,

Michigan International Travel Generated Payroll (millions)



Michigan Domestic Travel Generated Payroll (millions)



while its international travel generated payroll fell by 5.58%.

It is further noted that Michigan ranks:

- ✓ 13th of all states in terms of domestic travel expenditures.
- ✓ 12th in terms of payroll.
- ✓ 16th in terms of employment.

Visitors in Allegan County & Fennville Impact

Visitors to Allegan County have been important to the economic structure of the county. The impact is very apparent in the coastal areas as well as inland. In the area of Fennville, there are numerous assets that attract visitors. These include but are not necessarily limited to those that follow.

- ✓ Lakes.
- ✓ River.
- ✓ Heavily wood open and preserved nature areas.
- ✓ Migratory bird resting areas.
- ✓ Hunting and fishing opportunities.
- ✓ Winery.
- ✓ Short distance to Lake Michigan
- ✓ State parks.

The above have been and will continue to be the backbone of the visitor based activity. Importantly though, there is every indication that, with the exception of hunting, many of the “visitors” to the area are from areas already associated with the defined primary, secondary, and tertiary markets. The primary market includes both full and part-time residents.

It is estimated that Allegan County attracts about 2% of the spending in Michigan from outside of the previously defined residential markets and a total of slightly less than 750,000 full or part person days. Thus and in total, expenditures from this segment of the market are estimated at about \$256 million annually. Of this:

- ✓ \$56 million will be spent on food services, including restaurants.
- ✓ \$18 million will be spent on retail and related services.
- ✓ \$31 million on recreation/entertainment.

Throughout the county, the following supportable space is associated with these visitors.

- ✓ 140,000 square feet of restaurant and other foods service space, including those situated in hotels, banquet halls, fast food operations, etc.
- ✓ 90,000 square feet of general merchandise space.
- ✓ 207,000 square feet of entertainment facilities, including movie theaters, theaters, bowling centers, etc.

It is anticipated that much of this space will continue to be captured by those currently in operation in Saugatuck, Douglas, Fennville and other locations. While no growth is seen in the short-term, TCG estimates that this market segment can contribute to stabilization and growth of potential food service operations and, in particular, could lead to more diversification, including small independents or franchises and an additional fast food operation.