

# Planet Fitness targets a core area, seeing results

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Tim Lennon and Michael Murray searched far and wide for the perfect area to open new Planet Fitness branches and, in the end, the Oshkosh-Appleton market topped the list. Lennon and Murray, both from the New Hampshire/Vermont region, did a national search for the best markets for the franchise's business strategy and Oshkosh-Appleton beat out Spokane, Wash., and Tulsa, Okla. thanks to the area's communities, strong economics, limited competition in the fitness industry and affordable real estate.

As a result, Lennon and Murray opened Planet Fitness franchises at 3375 W. College Ave., in Appleton, and at 1850 Jackson St., in Fair Acres shopping center, in Oshkosh.

"Oshkosh, in general, is primed for continued growth," said Lennon, who moved to the Fox Valley about a year ago. "In addition, Fair Acres in particular is going to, I think, see a continued increase in traffic with the efforts of Pick 'N Save and some of the other development that will happen in that area."

The Fox Valley topped Murray and Lennon's list of the 30 mid-sized communities they examined as potential locations after the pair spent some time reviewing the company's business plan.

"Both of us had worked out at Planet Fitness and really saw what they were doing as innovative," Lennon said. "My business partner (Murray) ... studied their business model ... and the more we got involved with it, the more we liked what they were doing."

Oshkosh alone already offers several options for those interested in a cardio workout or lifting weights – Anytime Fitness, the YMCA, the Oshkosh Athletic Club, King's Personal Training and Equipment, Curves for Women and Elite Physical Fitness to name a few – but Lennon said he believes the business attracts a different market segment than any other business in town.

"A majority of our members are first-time gym goers or haven't been to one in five to 10 years," Lennon explained. "They want to create a judgment-free zone, so it's different from basically every major gym in the market and the United States."

Rob Kleman, executive director of the Oshkosh Area Economic Development Corp., said Lennon and Murray focused in on demographics, potential for future growth and the region's strong economy as big pluses that can help make Planet Fitness as success here. But he also said the attention Oshkosh, the Fox Valley and Northeast Wisconsin receives helps establish it as a growing region of the country.

"Planet Fitness and others look at Oshkosh as a growing market: They see our population trending up, income levels going up and, I think, having a solid manufacturing base makes retailers feel comfortable about a market," Kleman said. "Closing the deal ultimately gets down to selling our individual community, but being part of the greater Fox Valley region and the New North, there's attention there."

Over the next three years, Lennon said their business model calls for 3,000 to 5,000 members to join. Lennon said about half of that goal has already been met thanks to the company's \$29 start-up and \$10 monthly membership grand opening drive, which runs through Sept. 12. The sheer number of members and the demographics usually involved also can be a bonus for commercial developers.

The demographics and information on consumer choices are an element of economic development Kleman called lifestyle patterns: Market research focused on how often people may utilize certain types of businesses, how often they have bought or visited certain types of businesses in the past and other information that can separate a community like Oshkosh or Appleton from Spokane or Tulsa.

In the partners' case, Lennon said the venture has already shown signs of success.

"We've been even more positively encouraged by the membership response," he said. "We are definitely going to continue to look for opportunities like the ones we've had in Appleton and Oshkosh."

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# Commercial appeal prompting retail work on Jackson Street

Property values increase, businesses flourish

**By Jeff Bollier**

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Businesses, retailers and Oshkosh residents all seem to have joined Johnny Cash.

They're all going to Jackson.

Jackson Street, that is. Growth along one of the city's main commercial corridors on the north side has remained a steady mix of new construction, new tenants and a flurry of activity.

Dr. Gerald Hendrickson kept his chiropractic practice on Jackson Street last year when he moved his practice into a building he co-owns with developers Andy and Art Dumke. The new, locally owned Choice Bank plans to open its second branch later this year on Jackson Street where Associated Bank currently is located.

"Everybody wants to be as close as they can to the Jackson-Murdock intersection and when you talk to national retailers, that's where they want to be on or at least be visible from that intersection," Grant Schwab, of Coldwell Banker Schwab Realty Ltd., said. "I kind of think it has to do with people trying to expand. If they're on the west side, there's only one other logical place to go and I think some believe this is a kind of underserved area."

And Heritage Property Investment Trust Inc. Leasing Manager Andy White remained optimistic an agreement could be worked out to bring Starbucks Coffee to a new retail center the owners of Fair Acres have planned in front of the Pick 'N Save at Jackson and Murdock. White noted a corridor like Jackson Street probably won't draw big box retailers with a mature retail market like Appleton so close, but he said there's definite potential.

"You'll always be hurt by major shopping destinations like Appleton and what's happening along 41." White said. "But I think you'll see enough disposable income to support retail there. We're hoping Starbucks will create a little more interest from some of the smaller retailers."

Based on 2005 city of Oshkosh reassessment figures, the value of commercial properties on Jackson Street north of Murdock Avenue grew in value more rapidly than all of the commercial property in Oshkosh. The value of all commercial properties in the city grew by 33.3 percent in the reassessment while Jackson Street commercial property values grew by 46.6 percent.

But Schwab noted Jackson still has its bleak spots, like the vacant Copps building and the loss of Bergstrom Automotive's GMC-Buick-Pontiac dealership to the auto giant's new complex on North Washburn Street.

"A lot of people looking along Jackson don't need 60,000 square feet. A lot of them are trying to slim down," Schwab said. "If (Copps) could be divided into separate spaces, there might be more interest."

Racette Ford owner Ralph Racette said the dealership's pending move to a new, 24,700-square-foot, \$1.6 million building at 3355 Jackson St. will eliminate the traffic congestion problems the dealership currently experiences in the Highway 21 corridor and remove the dealership from an area – the Highway 21 and U.S. Highway 41 intersection – that will endure major road construction for years to come.

"We might have a little less traffic going across the front, but this will make it better for traffic coming in and out of the dealership," Racette said. "I think it's a big gain for us. We like the area."

Henderson Chiropractic and Wellness Center's high-tech, "open concept" facility at 2020 Jackson St. seeks to find interference with the nervous system functions and work with patients to restore them to full health again. Hendrickson said that after 25 years at his old location, he was faced with a simple issue: whether to move forward and improve or stay the same. He moved forward and now shares the building with Tan Lines.

"I could've stayed in the older building and coasted for the rest of my career or I could update and . . . give people the best care possible," Hendrickson said. "I found I really wanted to give the community a conducive environment to wellness and health."

And he definitely feels he's part of a growing, positive trend evolving on Jackson Street.

"We're part of the beautification of this area," he said. "Our building is part of the revitalization of this corridor. And as we add more value to the area, the other properties will become too valuable to let sit."

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