2013

CITY OF RENO, TEXAS
MARKET ASSESSMENT

RETAIL ATTRACTIONS, LLC
Economic Development Consulting

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LOCATION AND ACCESSIBILITY

Reno, Texas is located on US Highway 82 just east of Paris in Lamar County. Paris is one of the strongest micropolitan markets in northeast Texas as demonstrated by sales tax growth and escalating retail sales. The Paris retail corridor is easily defined and feeds directly into the western city limits of Reno. Reno is bisected by State Highway 82, and traffic counts coming into Reno out of Paris' retail corridor are as high as 22,000 daily and decrease to 14,000 daily east of Highway 82. Several smaller cities to the east of Reno travel through Reno to shop in the retail corridor of Highway 82 on the east side of Paris.

DEVELOPMENT ASSETS AND CONCERNS

The City of Reno is a growing community of young, educated families with household incomes $20,000 higher than the county average and has created an environment that is pro-growth and pro-business. Growth in the city limits has been positive with a 1.40% annual increase over the past thirteen years. Although growth in the surrounding region hasn't been as significant, Lamar County did show positive growth over the last decade unlike countless other areas of Texas. Reno is positioned for growth with a strategic location on Highway 82 and a growing population that is upwardly mobile with high amounts of disposable income. The City administration understands the necessity for public-private partnerships to facilitate retail development and works to make the development process as streamlined as possible.

BUSINESS ENVIRONMENT

Reno is an affluent residential community just outside of Paris, Texas. Reno is situated on Highway 82 and is well positioned for potential commercial and/or retail development. The administration of the City of Reno has identified a need for retail expansion to provide goods and services to their residents so their tax dollars do not leave the community. Reno has taken a proactive approach to growth, and incentives are available to retailers expanding or locating in Reno. The City of Reno is committed to supporting new and existing businesses.

POPULATION GROWTH

Population Growth / 2013 / Reno

Population Growth
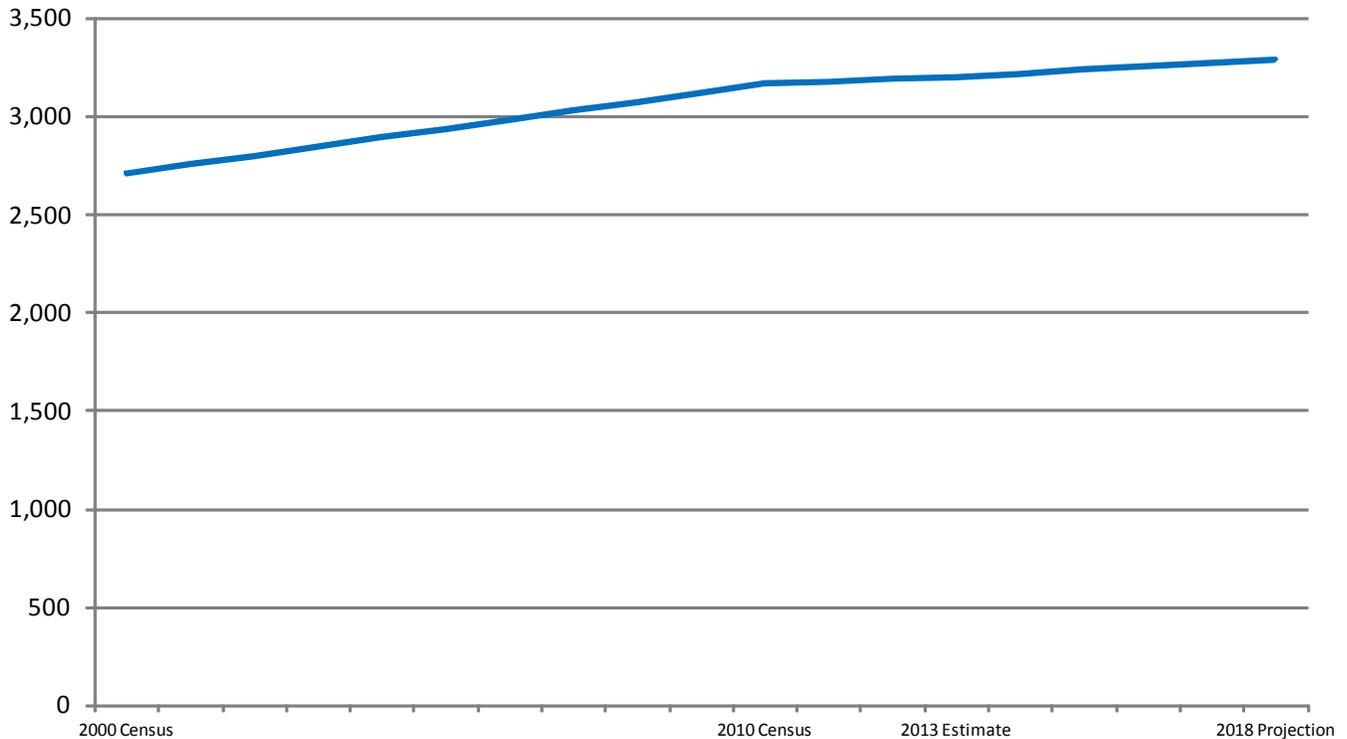
Growth in the city limits of Reno is dynamic, with a 1.40% annual increase in population over the past thirteen years to 3,202 residents and an additional 0.60% of annual growth and a population of 3,293 projected by 2018. The Reno trade area population has remained stable with a 0.32% annual increase over the past thirteen years and is projected to grow another 0.60% annually through 2018.

	Estimated 2013 Population	Annual Growth 2000-13	Estimated Annual Growth 2013-18
CITY LIMITS	3,202	1.40%	0.60%
PRIMARY TRADE	50,355	0.32%	0.60%
SECONDARY TRADE	201,782	0.28%	0.30%

RETAIL ENVIRONMENT

There are a limited number of national retailers located in the city limits of Reno, but the extensive national retail located at the intersection of Highway 82 and the Paris Loop is evidence of the retail strength of Highway 82. The opportunity gap shows that there are significant leakages in the grocery and pharmacy & drug stores sectors.
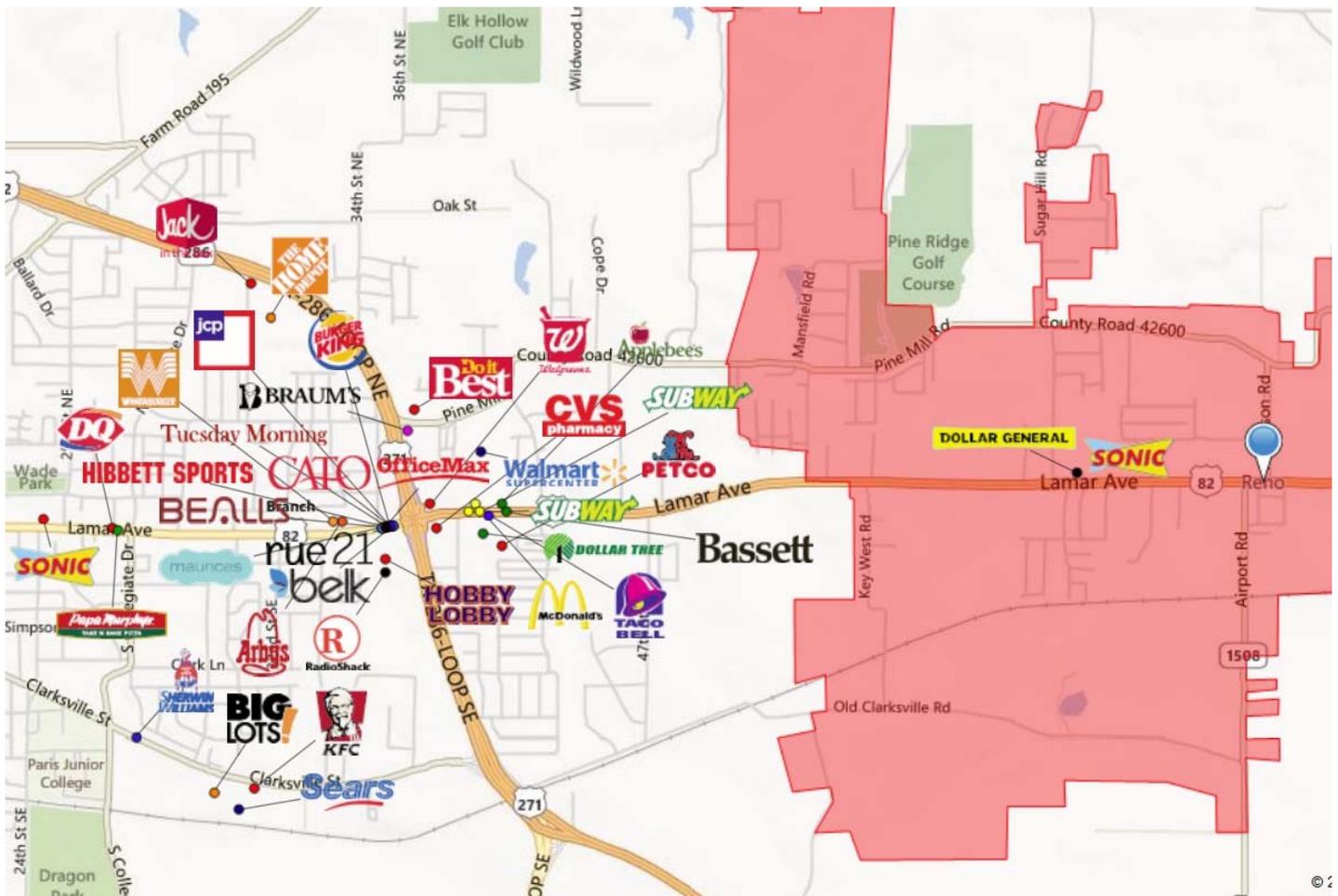
Highway 82 links Reno with Blossom and Detroit, and more distant towns like Clarksville and DeKalb. Reno is a part of the Paris metro which serves as the retail source for the entire region. Reno is an affluent area of the Paris metro and residents have an average household income of $82,374 which is significantly above the county's average of $62,659. Reno also benefits from its location on Highway 82 with average daily traffic counts of more than 14,000 vehicles per day travelling to and through Reno making the area a collection point for retail shopping opportunities.

RETAIL ENVIRONMENT

A category with retail leakage indicates revenue leaving a market and an unmet demand in that category. When consumers from an area are spending more for goods than the businesses in that area are providing, that area has retail leakage. Categories with retail leakage suggest that the area can support additional retailers in those categories. Several categories in the Reno primary trade area show significant leakages as shown below. The total retail leakage includes categories not listed in the table below. The categories listed are highlighted categories which show substantial leakage in the market.

RETAIL CATEGORY	PRIMARY TRADE ANNUAL LEAKAGE
Grocery Stores	$88,044,343
Non-Store Retailers	$46,184,355
Pharmacies and Drug Stores	$40,366,079
Other Build Materials	$29,544,879
Full Service Restaurants	$15,296,519
Gasoline Stations	$14,682,974
Electronics and Appliances	$9,847,007
Clothing	$9,022,682
Special Food	$6,049,329
Furniture and Home Furnishings	$5,525,966
Drinking Places	$2,508,006
Optical Goods	$1,948,242
TOTAL RETAIL LEAKAGE	**$290,605,994**

RETAIL ENVIRONMENT

A category with retail leakage indicates revenue leaving a market and an unmet demand in that category. When consumers from an area are spending more for goods than the businesses in that area are providing, that area has retail leakage. Categories with retail leakage suggest that the area can support additional retailers in those categories. Several categories in the Reno secondary trade area show significant leakages as shown below. The total retail leakage includes categories not listed in the table below. The categories listed are highlighted categories which show substantial leakage in the market.

RETAIL CATEGORY	SECONDARY TRADE ANNUAL LEAKAGE
Non-Store Retailers	$177,218,628
General Merchandise	$131,916,280
Supermarkets	$84,745,837
Full Service Restaurants	$79,993,911
Other Build Materials	$47,224,221
Clothing	$24,255,461
Sporting Goods, Hobby, Books and Music	$21,458,597
Special Food	$19,874,789
Hardware	$19,644,056
Office Supplies, Stationery, Gift	$14,189,814
Drinking Places	$11,570,908
Computer and Software	$7,731,385
TOTAL RETAIL LEAKAGE	**$681,437,866**

ACTION ITEMS

For Reno to maximize its retail potential moving forward Retail Attractions would recommend the following considerations:

Engage the entire community to establish ownership, support, and participation from a broad cross-section of the stakeholders.

Develop a cooperative effort from local governing bodies including city, county, state, military, school and other community organizations.

Develop and enhance the depth and consistency of the pool of individuals for local leadership and develop a shared vision for leadership of the community.

Improve the image of the community in terms of aesthetics. Cleanup, beautify, and do whatever is feasible to present the best "look" for the city.

Develop short and long-range plans to deal with new growth and the maintenance of infrastructure systems including transportation, water, sanitary sewer, and storm sewer. This will allow the community to be able to accommodate potential development investments in an efficient and timely manner.

Develop and modernize IT infrastructure including an up to date city and ED website, staying active in social media, and providing adequate internet speeds to businesses and residents.

Develop modern, up-to-date, accurate and informative marketing material.

Develop a strategy for incentives and public-private partnerships that are effective and make sense for the community. Evaluate opportunities to pursue Tax Increment Financing (TIF) Districts and Tax Increment Reinvestment Zones.

Identify and pursue grant funding opportunities when available.

Assess city's development protocol with the goal of making the process as efficient as possible. Identify and train key personnel so that when opportunity knocks, the community responds immediately.

Hire a professional to market your community to national retailers.

SALES TAX REVENUE

Sales Tax Revenue / 2013 / Reno

City Sales Tax Revenue
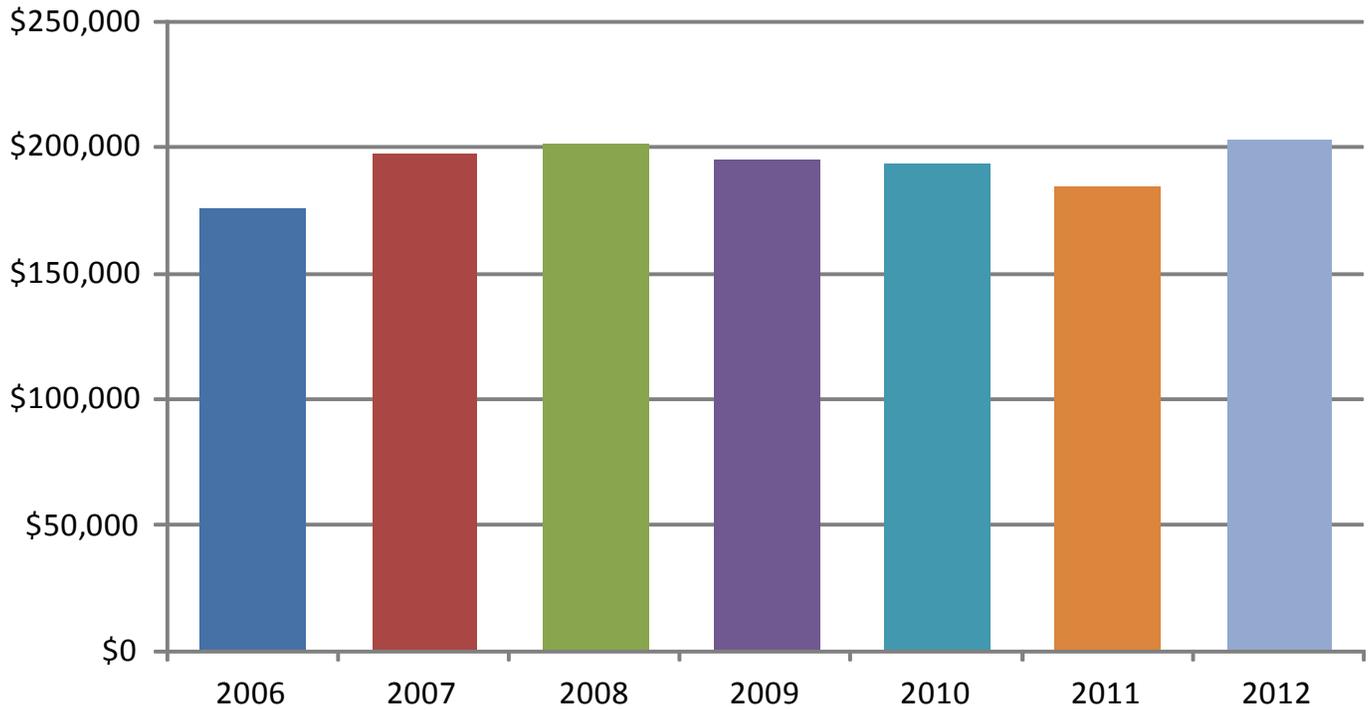
Sales tax revenue is an indicator of the health of the existing retailers and in turn the city government. As shown in the above chart, the sales tax revenue has returned to a growth pattern after a decline due to the national economy. Revenue is back up to the levels of 2007 and 2008 when the economy was booming and was the highest in history in 2012.

BUILDING PERMIT INFORMATION

Building Permits / 2013 / Reno

Residential Building Permits
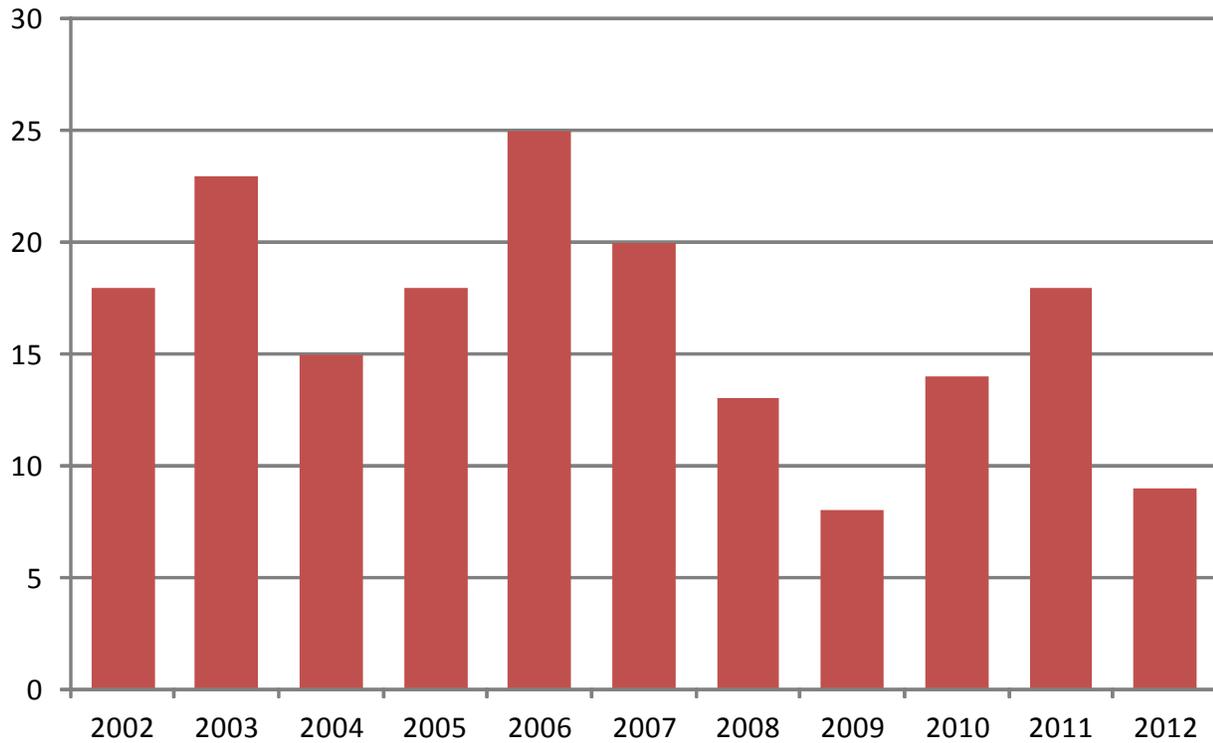
Building permits reflect the residential growth of a community. The data indicates considerable residential growth for a community of Reno's size. Residential growth increases the customer base and the amount of disposable income available to new and existing retailers which supports commercial growth.

WHY WE USE THE CUSTOM POLYGON METHOD

Of critical importance to any community trade area research is accurately defining the trade area, the geographic area from which the majority of consumers are drawn. Estimating trade areas requires skilled judgment and experience. Simply using concentric rings or drive times is not an accurate method of determining trade area.
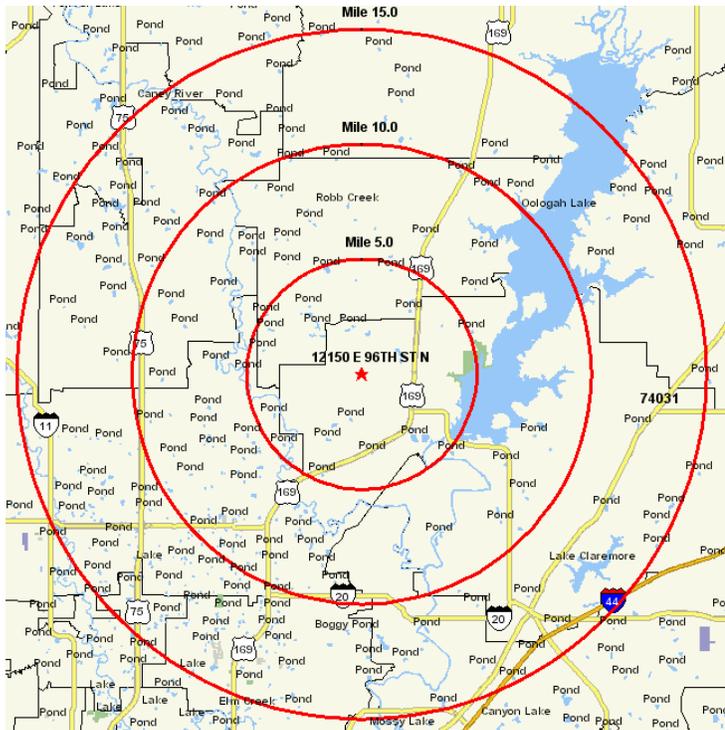
This map shows 5-, 10- and 15-mile concentric rings around the Retail Attractions office in Owasso, Oklahoma. A 15-mile ring is a conservative trade area, but because Owasso is located 10 miles from the Tulsa metro, this is not an accurate depiction of the trade area. Owasso cannot include the Tulsa metro as part of their trade area, but they can include the area 15-miles to their north. Concentric rings do not give an accurate depiction of trade area.
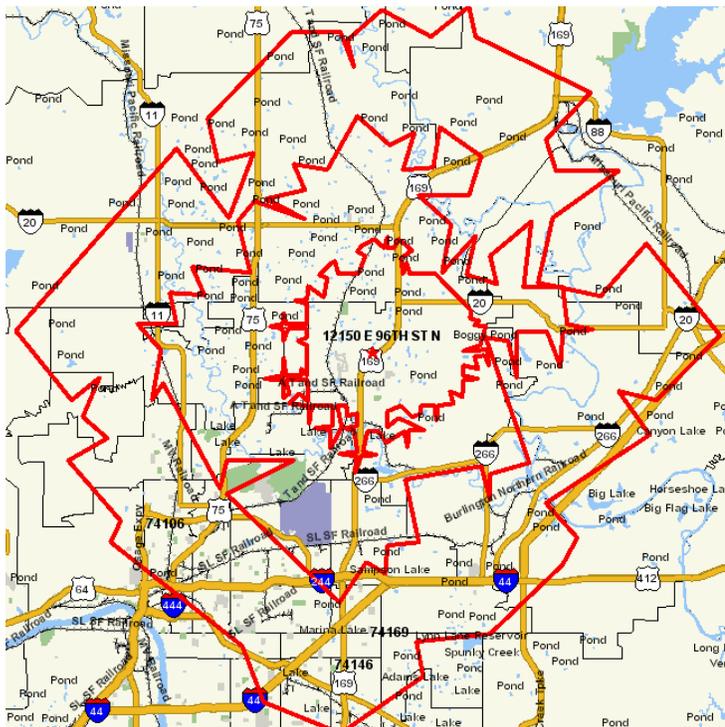
This map shows 5-, 10- and 15-minute drive times from the Retail Attractions office in Owasso, Oklahoma. Consumers will travel 15-minutes to shop or dine especially if they are used to commuting, but as with the radius map shown above a portion the Tulsa metro is included in the trade area. However, there is little retail to the north and west of Owasso, and a 25-minute drive time could be justified for these directions. Drive times do not give an accurate depiction of trade area.

WHY WE USE THE CUSTOM POLYGON METHOD (cont)

There are many factors that affect the trade area. Retail Attractions uses real world experience and research to analyze the factors affecting trade area and define accurate trade areas. The most accurate estimated trade areas take into account factors such as population densities, competitive locations, natural barriers, traffic flow, accessibility and convenience. Other less accurate methods are radii, drive-time, or county based trade area definitions.

The effect of competition is best defined by Reilly's Law of Retail Gravitation which is based on the premise that people want to shop in larger towns, but their desire declines in direct relation to the distance and time they must travel to reach those places. At Retail Attractions, our preliminary trade area is defined using Reilly's Law. We assess the population and offerings of the surrounding communities to get a starting point for the trade area. Reilly's Law defines the maximum distance consumers will travel to a market as:

$$Distance\ consumers\ will\ travel\ to\ Y = \frac{Distance\ between\ X\ and\ Y}{1+\sqrt{\dfrac{Population\ of\ Larger\ Town\ X}{Population\ of\ Smaller\ Town\ Y}}}$$

From there, the area is adjusted to account for natural barriers. For example, the nearest major shopping district could be 2 miles from a potential site, but if a river or body of water forces a consumer to drive 15 miles out of the way to access the nearest bridge, the trade area for that potential site has just grown exponentially. There is no way to account for natural barriers when using a trade area defined by a radius.

Traffic flow also plays a role in the trade area definition. For example, a community located to the east of a metropolitan area where there are affluent residential developments to the east, north or south will be able to head off consumers before they reach the metropolitan area. Likewise, sites located where people live or work will benefit from the consumer's natural traffic patterns.

Accessibility is another key to defining trade area. Communities situated along highways and interstates have a natural advantage of accessibility. Intersections of major thoroughfares are even more appealing to retailers. It is much easier to justify a 10 mile drive if they are highway miles with limited delays. Along with traffic flow and accessibility is convenience. Convenient retail is successful retail.

Once we have analyzed all of these factors, we adjust our preliminary trade area to account for our findings. The result is a custom polygon that represents a true consumer base. This methodology has been perfected through years of experience and diligent research. This approach provides a result far superior to concentric rings or drive times which are obsolete when considering natural barriers, competition and traffic flow. The results of our method are justifiable and proven to be effective marketing information.

Please keep in mind the trade area will vary for different types of retail; convenience locations will have a smaller trade area than destination locations. For example, the trade area for a grocery store will be tighter than the primary trade area, and the trade area for electronics or other specialty items will be wider than the primary area. If a specific retailer has shown interest in a location and the trade area is different due to the type of retail, custom demographics reports can be prepared to provide the pertinent information.

AREA MAP

This trade area should be used for the vast majority of retailers including shopping and dining establishments.
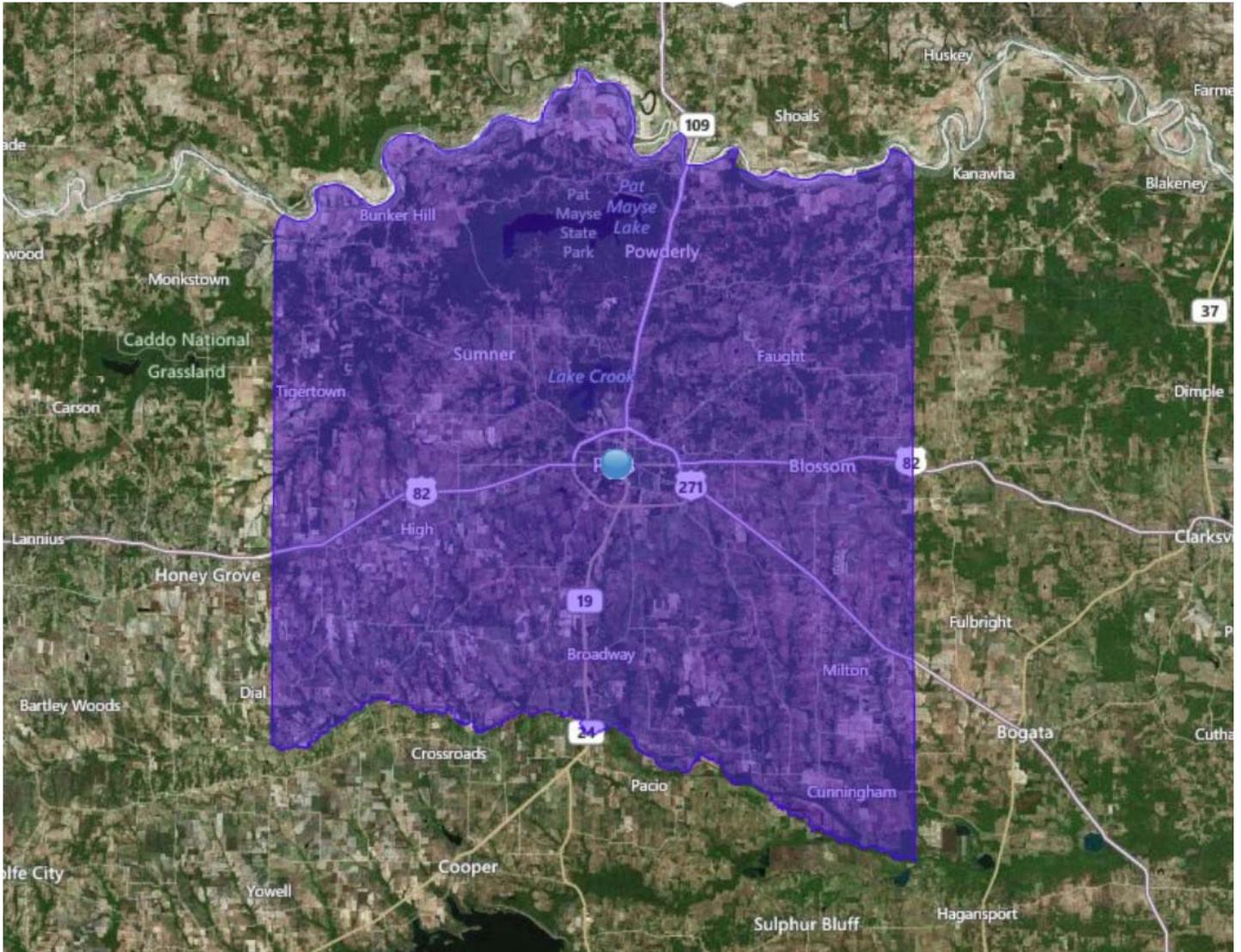
Lamar County has a rich and vibrant history and is composed of just over 907 square miles of surface area. Lamar County falls within the area of the Ark-Tex Council of Government and is considered by the State Comptroller of Public Accounts to fall within the Upper East Texas economic region. Transportation has played a pivotal role in the growth of the area, and Reno has benefited from good access to the Paris Loop via State Highway 82.

POPULATION BY AGE

Population by Age / 2013 / Reno Primary Trade

Age Classification 2013
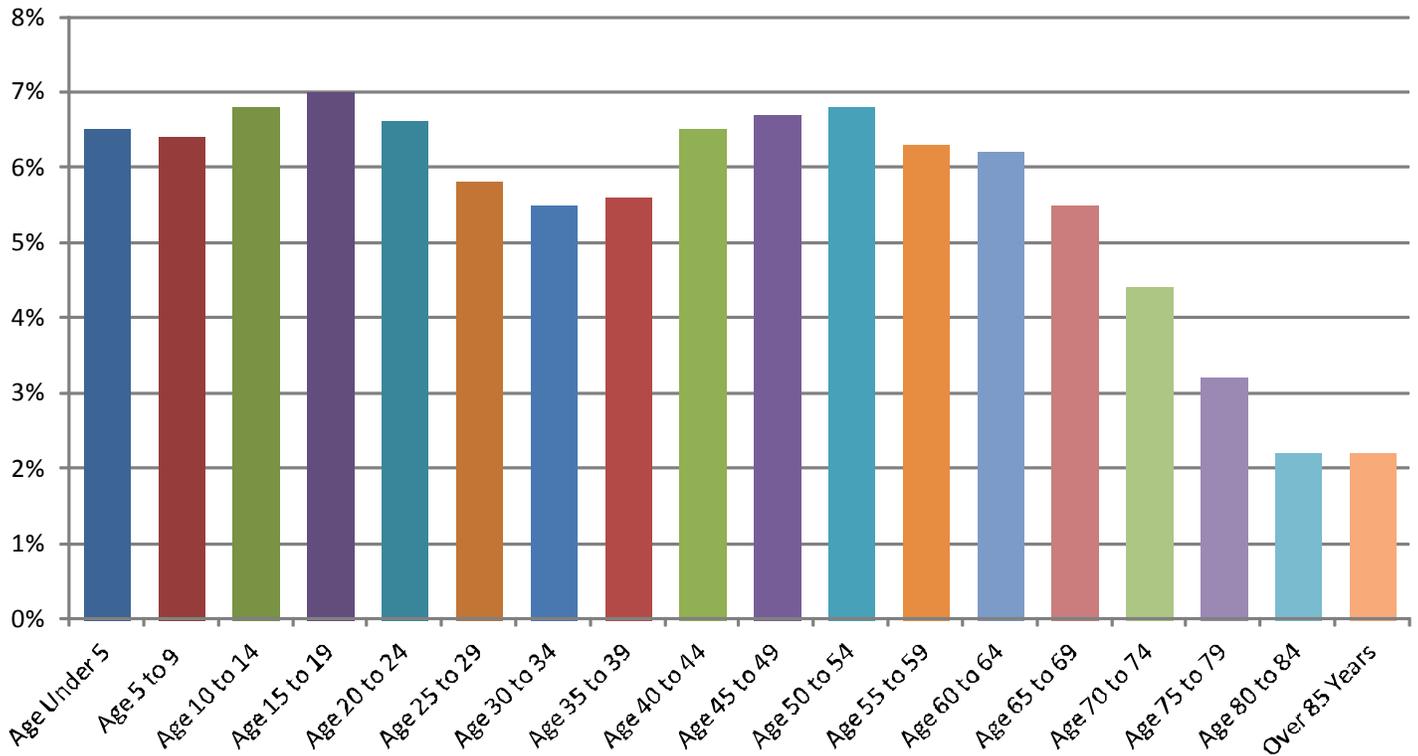
Most retailers desire a market with a heavy concentration of consumers between the ages of 25 and 44 years old. The population in the primary trade area of Reno has 23.40 percent of their market between the ages of 25 and 44, and the median age is 39.00 years old.

POPULATION BY RACE

Population by Race / 2013 / Reno Primary Trade

Single Race Classification 2013

- White
- Black or African American
- American Indian or Alaska Native
- Asian
- Hawaiian or Pacific Islander
- Other Race
- Two or More Races
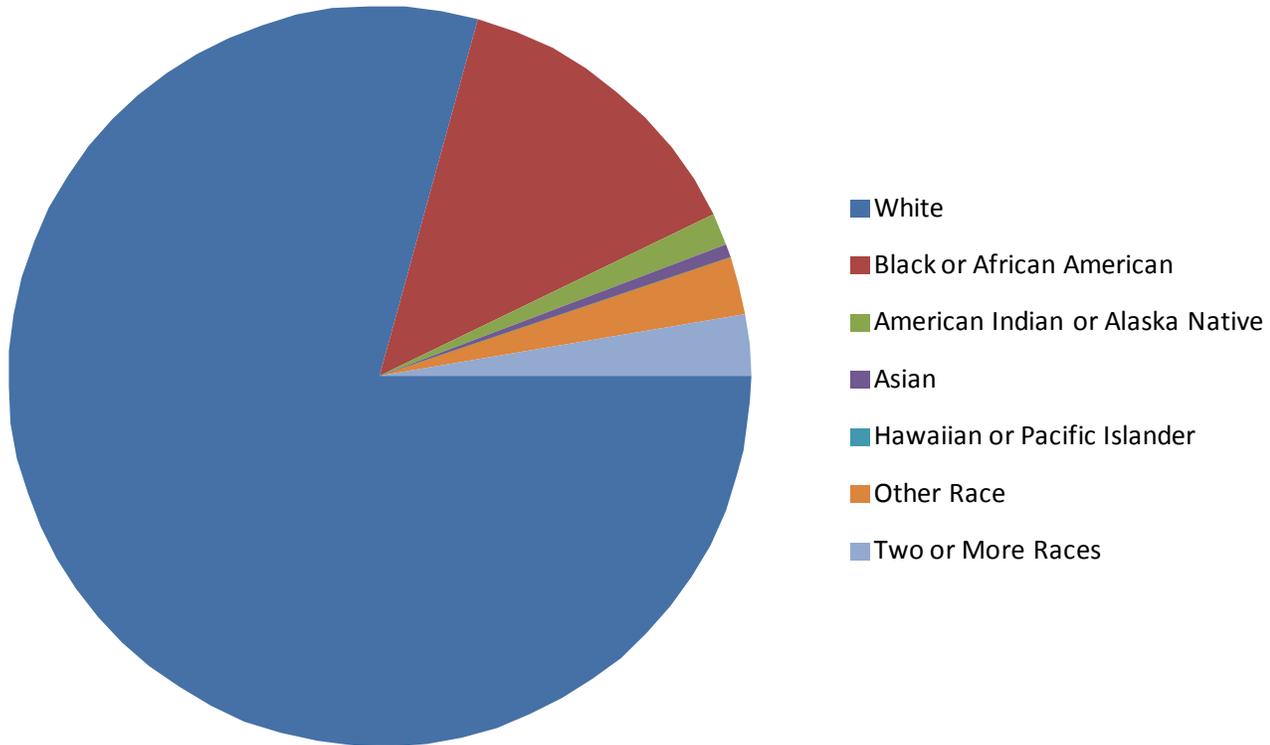
The population in the primary trade area of Reno has 79.30% White residents, 13.50% Black or African American residents, and 1.40% American Indian or Alaska Native residents. 7.60% of the population is Hispanic or Latino by origin.

POPULATION BY INCOME

Population by Income / 2013 / Reno Primary Trade

Household Income 2013

Legend:
- Under $10,000
- $10,000 to $14,999
- $15,000 to $24,999
- $25,000 to $34,999
- $35,000 to $49,999
- $50,000 to $74,999
- $75,000 to $99,999
- $100,000 to $124,999
- $125,000 to $149,999
- $150,000 to $199,999
- $200,000 or More
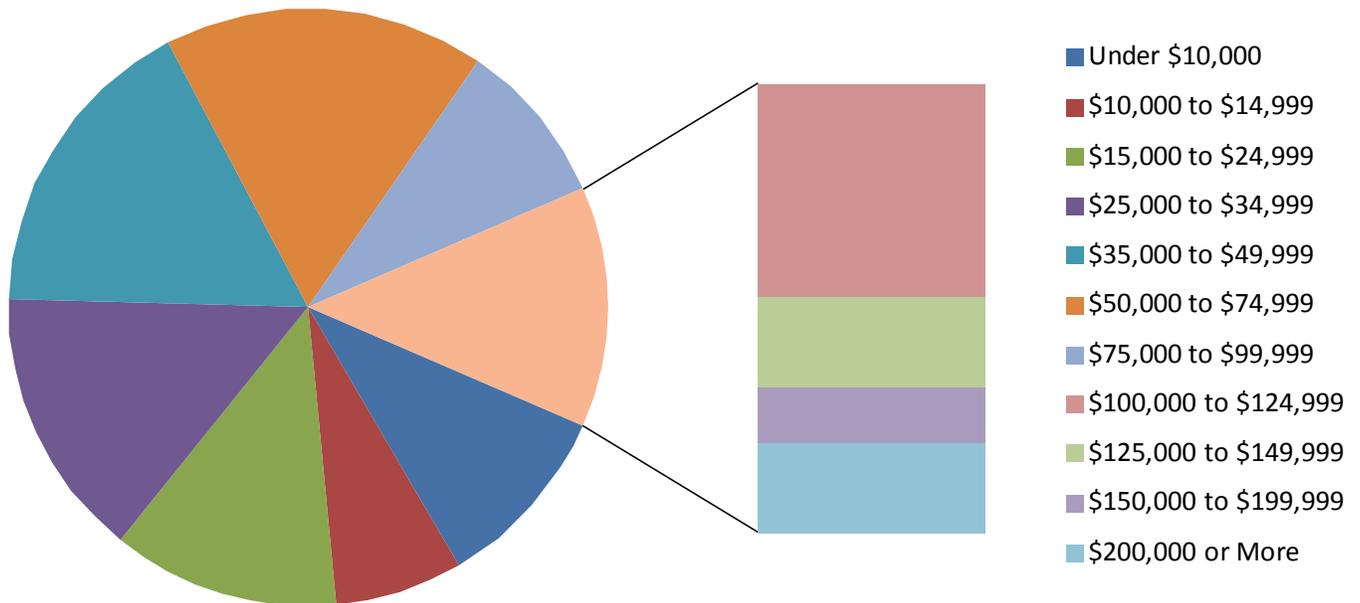
The average household income in the primary trade area of Reno is $62,659.00. Of the households in the primary trade area of Reno, 39.20% have an average annual income at or above $50,000, and 81.90% are family households.

2013 Household Income (Estimated)	
CITY LIMITS	$82,374
PRIMARY TRADE	$62,659
SECONDARY TRADE	$58,416

POPULATION BY EDUCATION

Population by Education / 2013 / Reno Primary Trade

Educational Attainment 2013

- Elementary (Grade Level 0 to 8)
- Some High School (Grade Level 9 to 11)
- High School Graduate
- Some College
- Associate Degree Only
- Bachelor Degree Only
- Graduate Degree
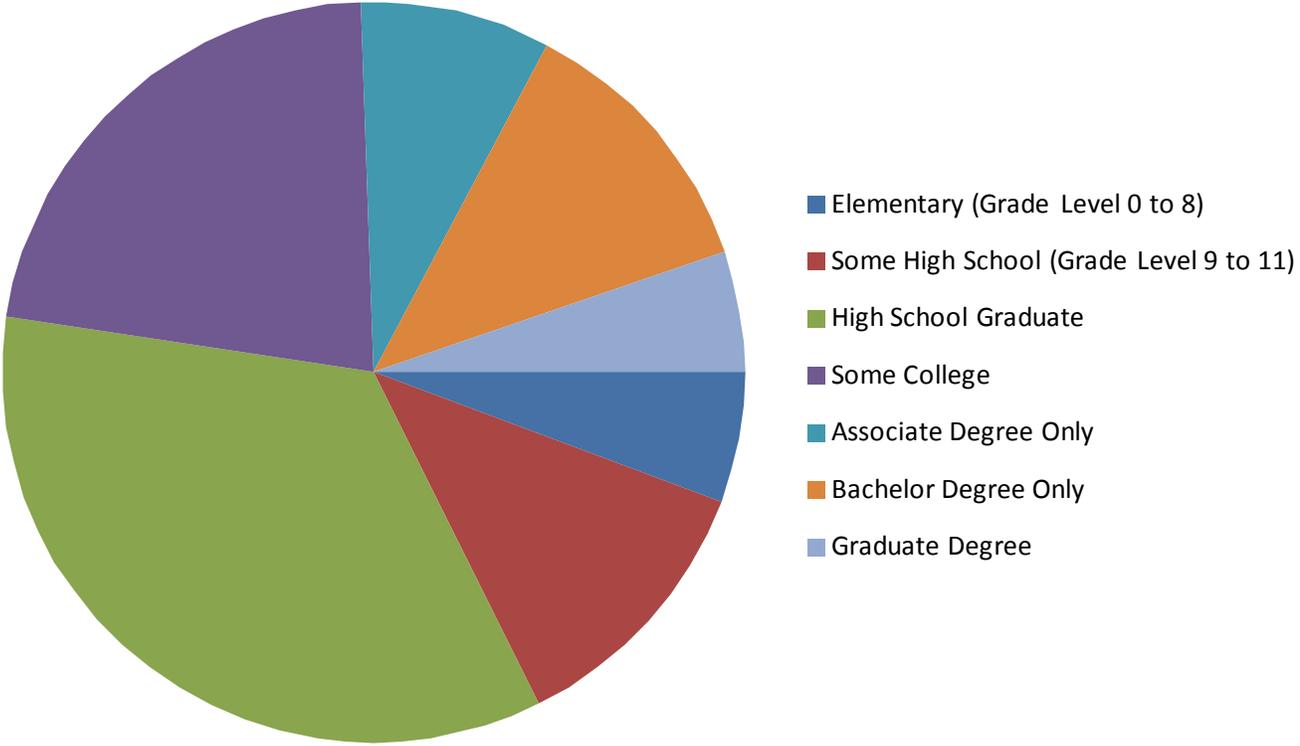
Of the population age 16 and over in the primary trade area of Reno, 47.60% have some post-secondary education, and 25.60% have a college degree.

POPULATION BY OCCUPATION

Population by Occupation / 2013 / Reno Primary Trade

**Occupational Classification,
Employed Population Aged 16+**
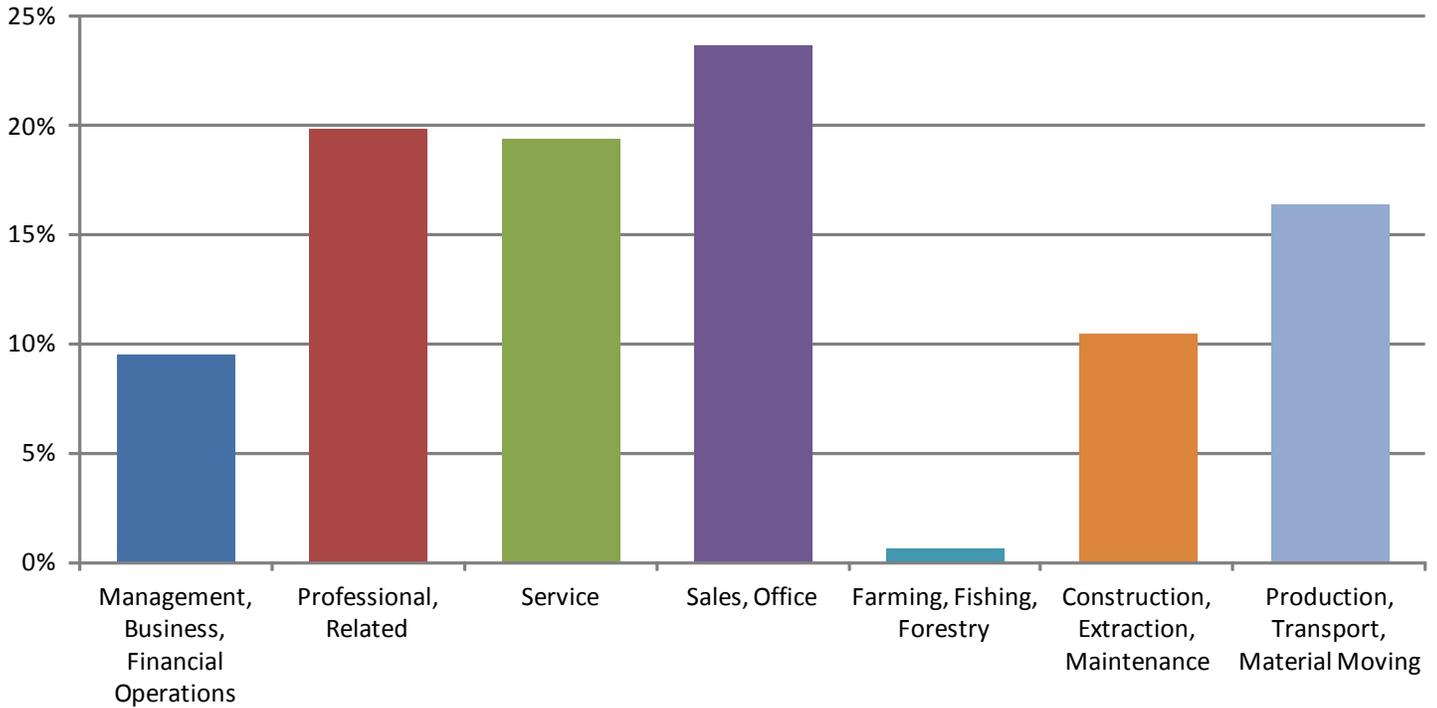
Of the population in the primary trade area of Reno, 53.00% is engaged in white collar occupations, with 19.80% in professional occupations and another 9.50% in management, business and financial operations. Of the population in the primary trade area of Reno, 47.00% is engaged in blue collar occupations with 10.50% in construction and maintenance and 16.40% in production and transport.

HOUSING VALUE DISTRIBUTION

Housing Value Distribution / 2013 / Reno Primary Trade

Housing Value Distribution 2013

- Less than $10,000
- $10,000 - $34,999
- $35,000 - $59,999
- $60,000 - $79,999
- $80,000 - $99,999
- $100,000 - $149,999
- $150,000 - $199,999
- $200,000 - $299,999
- $300,000 - $399,999
- $400,000 - $499,999
- $500,000 - $749,999
- $750,000 - $999,999
- $1,000,000 or more
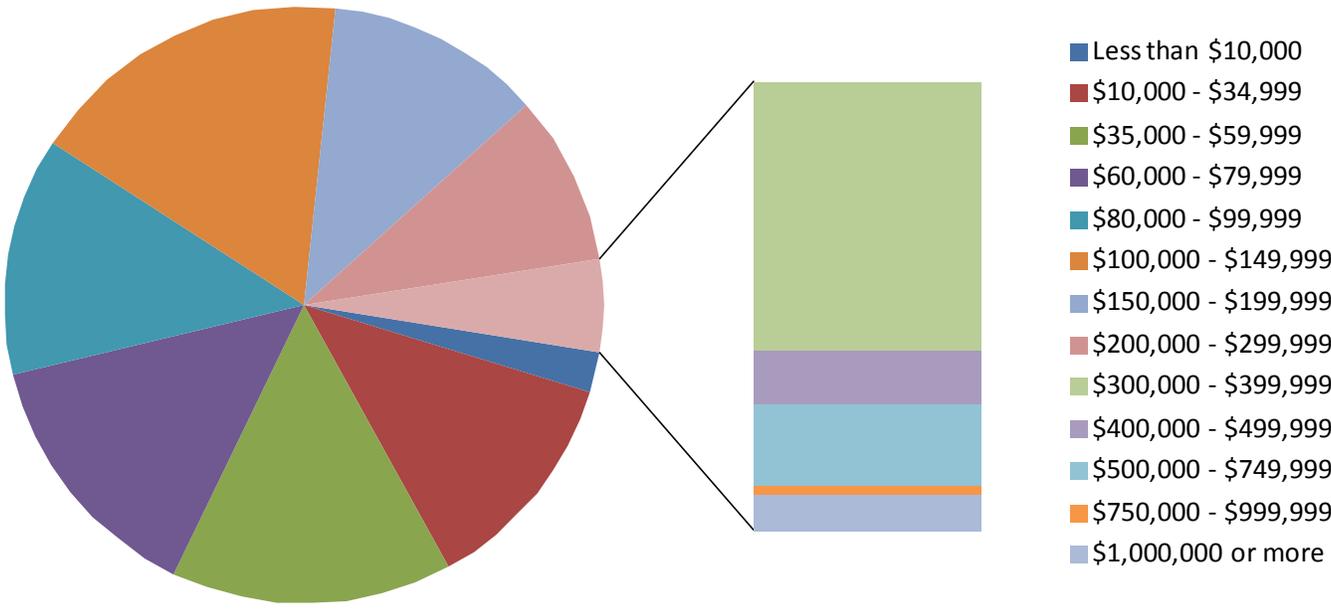
The median value of a home in the primary trade area of Reno is $88,468.00. Of these homes, 66.60% are owner occupied and 16.30% were built between 2000 and 2010.

AREA MAP

The secondary trade area should be used for niche and destination retailers and other shopping and dining establishments that are not readily available in the surrounding areas. This trade area is indicative of the strength of the regional trade pull.

The region has a rich and vibrant history and falls within the area of the Ark-Tex Council of Government. The region is considered by the State Comptroller of Public Accounts to fall within the Upper East Texas economic region. Transportation has played a pivotal role in the growth of the area, and Reno has benefited from good access to the Paris Loop via State Highway 82.

POPULATION BY AGE

Population by Age / 2013 / Reno Secondary Trade

Age Classification 2013
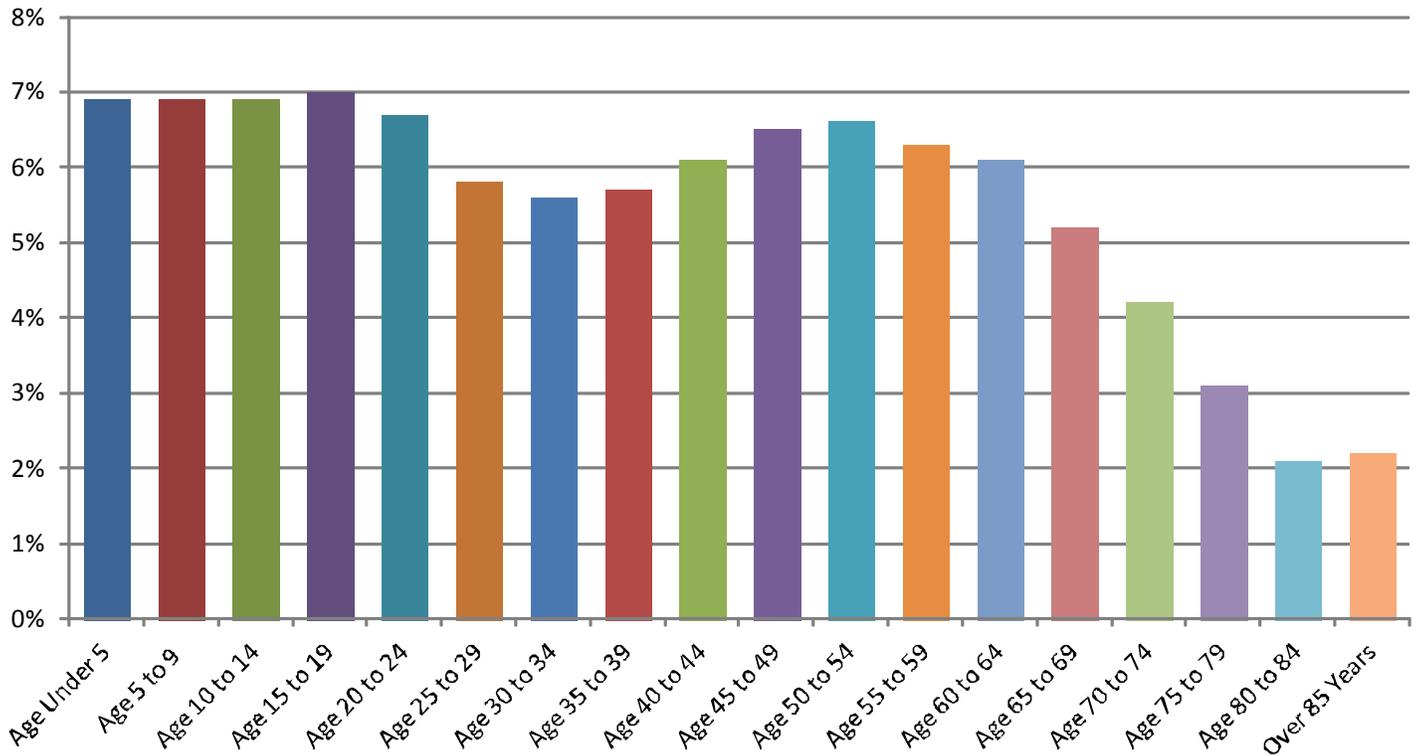
Most retailers desire a market with a heavy concentration of consumers between the ages of 25 and 44 years old. The population in the secondary trade area of Reno has 23.20 percent of their market between the ages of 25 and 44, and the median age is 37.90 years old.

POPULATION BY RACE

Population by Race / 2013 / Reno Secondary Trade

Single Race Classification 2013

- White
- Black or African American
- American Indian or Alaska Native
- Asian
- Hawaiian or Pacific Islander
- Other Race
- Two or More Races
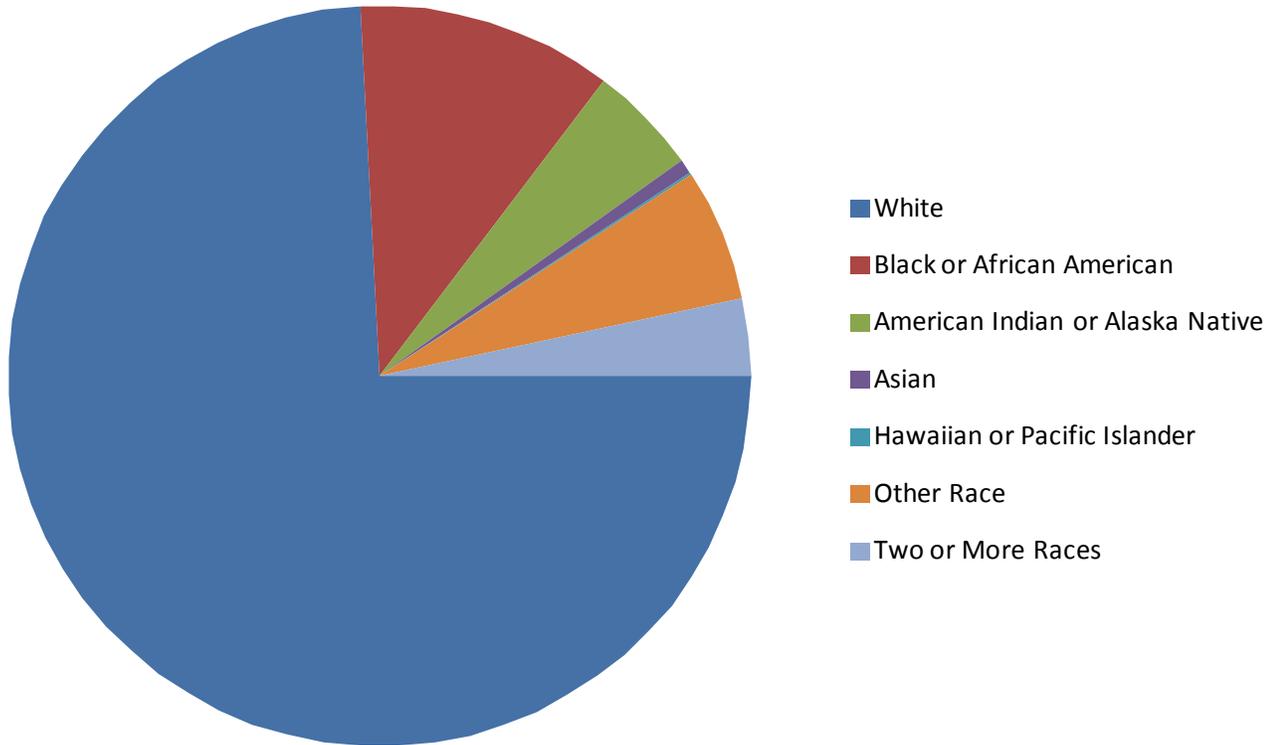
The population in the secondary trade area of Reno has 74.20% White residents, 11.20% Black or African American residents, and 4.80% American Indian or Alaska Native residents. 13.60% of the population is Hispanic or Latino by origin.

POPULATION BY INCOME

Population by Income / 2013 / Reno Secondary Trade

Household Income 2013

Legend:
- Under $10,000
- $10,000 to $14,999
- $15,000 to $24,999
- $25,000 to $34,999
- $35,000 to $49,999
- $50,000 to $74,999
- $75,000 to $99,999
- $100,000 to $124,999
- $125,000 to $149,999
- $150,000 to $199,999
- $200,000 or More
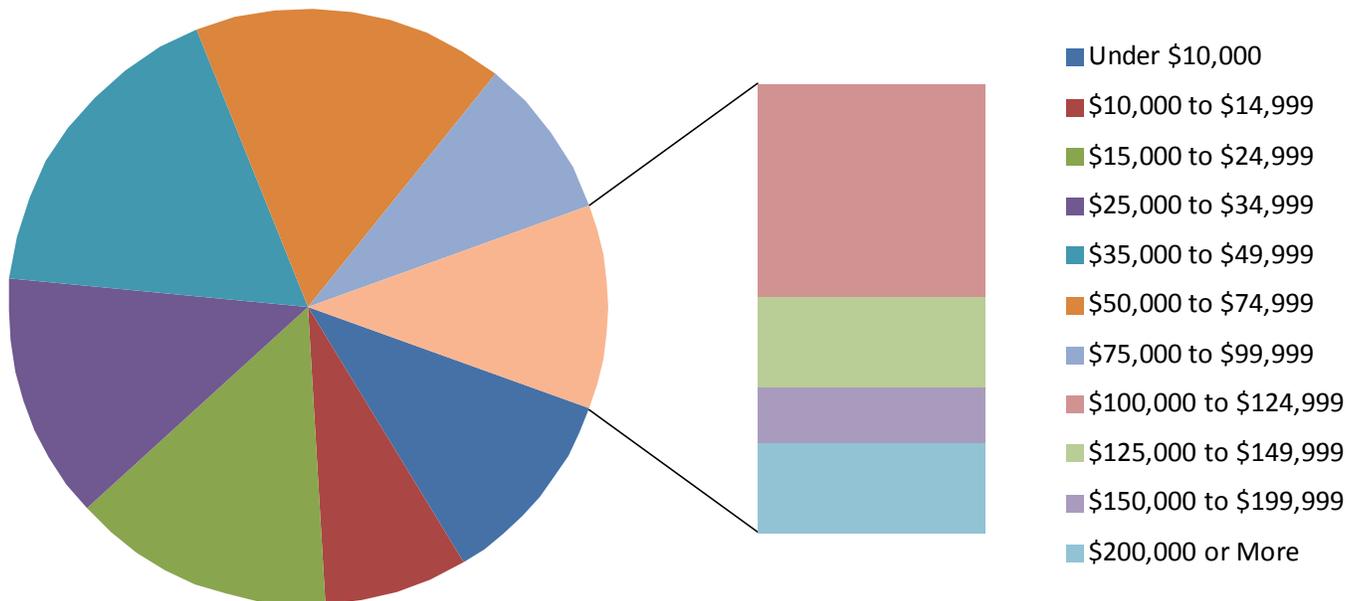
The average household income in the secondary trade area of Reno is $58,416.00. Of the households in the secondary trade area of Reno, 36.60% have an average annual income at or above $50,000, and 81.90% are family households.

2013 Household Income (Estimated)	
CITY LIMITS	$82,374
PRIMARY TRADE	$62,659
SECONDARY TRADE	$58,416

POPULATION BY EDUCATION

Population by Education / 2013 / Reno Secondary Trade

Educational Attainment 2013

- Elementary (Grade Level 0 to 8)
- Some High School (Grade Level 9 to 11)
- High School Graduate
- Some College
- Associate Degree Only
- Bachelor Degree Only
- Graduate Degree
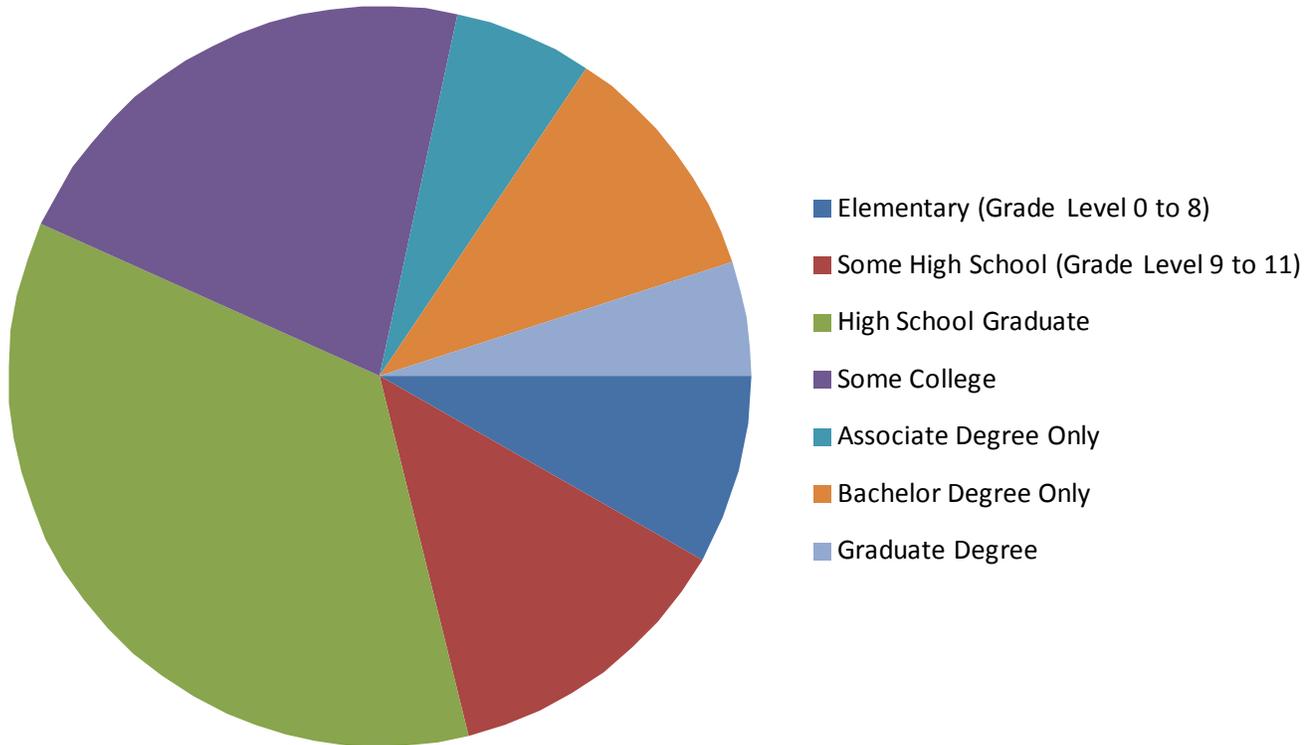
Of the population age 16 and over in the secondary trade area of Reno, 43.20% have some post-secondary education, and 21.60% have a college degree.

POPULATION BY OCCUPATION

Population by Occupation / 2013 / Reno Secondary Trade

**Occupational Classification,
Employed Population Aged 16+**
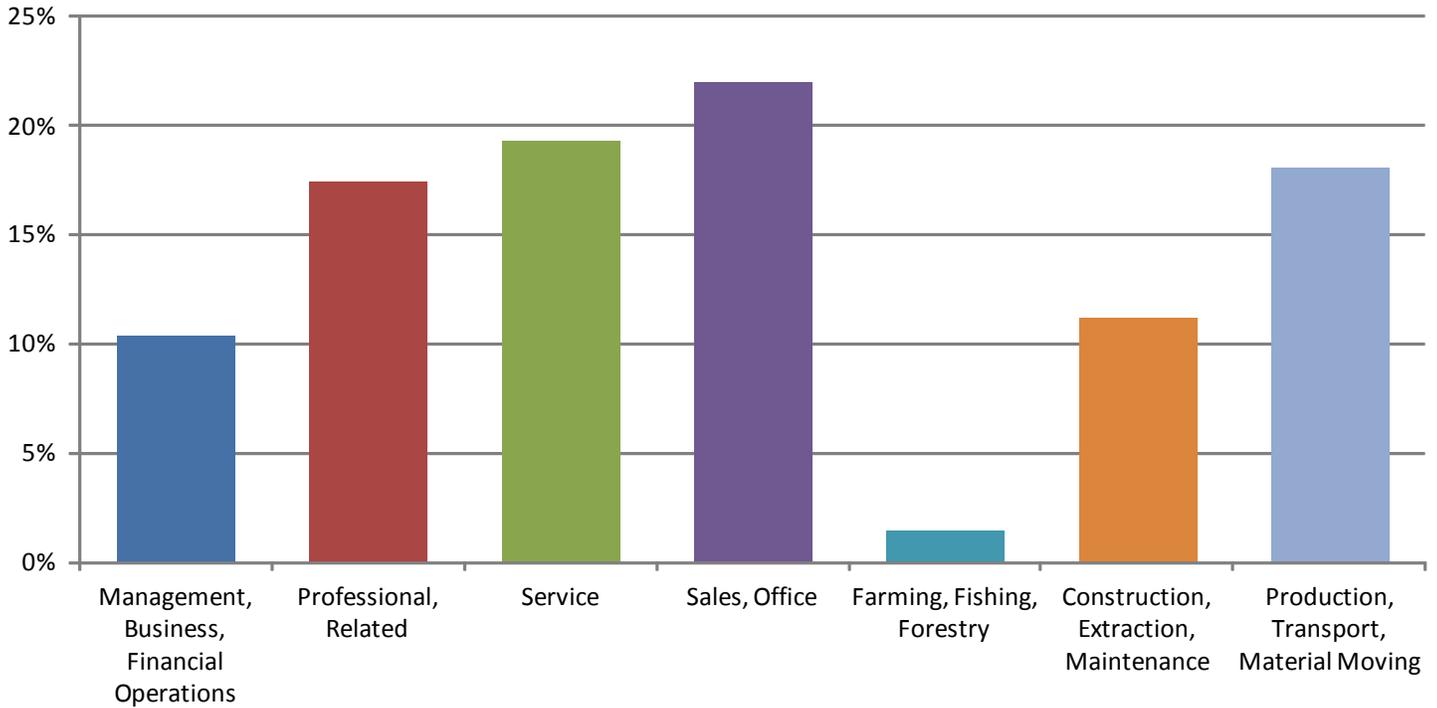
Of the population in the secondary trade area of Reno, 49.80% is engaged in white collar occupations, with 17.40% in professional occupations and another 10.40% in management, business and financial operations. Of the population in the secondary trade area of Reno, 50.20% is engaged in blue collar occupations with 11.20% in construction and maintenance and 18.10% in production and transport.

HOUSING VALUE DISTRIBUTION

Housing Value Distribution / 2013 / Reno Secondary Trade

Housing Value Distribution 2013

Legend:
- Less than $10,000
- $10,000 - $34,999
- $35,000 - $59,999
- $60,000 - $79,999
- $80,000 - $99,999
- $100,000 - $149,999
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- $400,000 - $499,999
- $500,000 - $749,999
- $750,000 - $999,999
- $1,000,000 or more
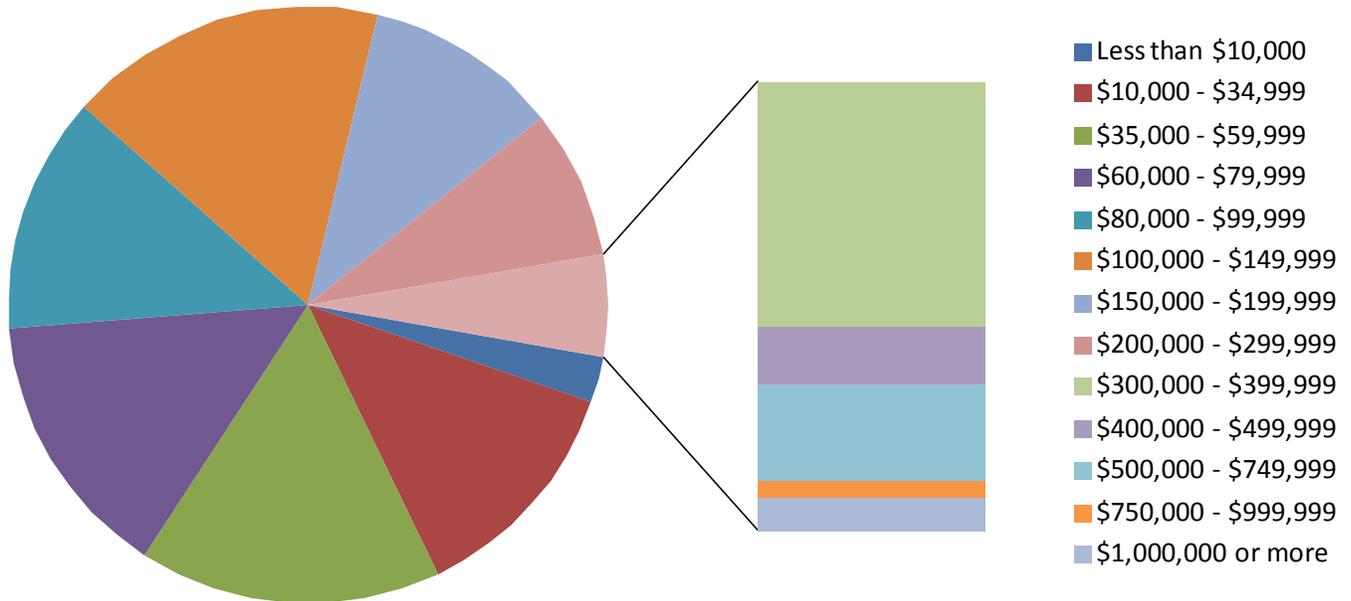
The median value of a home in the secondary trade area of Reno is $88,398.00. Of these homes, 68.50% are owner occupied and 13.90% were built between 2000 and 2010.

AREA MAP

This map shows the highways that service the area and the surrounding communities. The city limits data gives a good representation of the centrally concentrated population in an area.
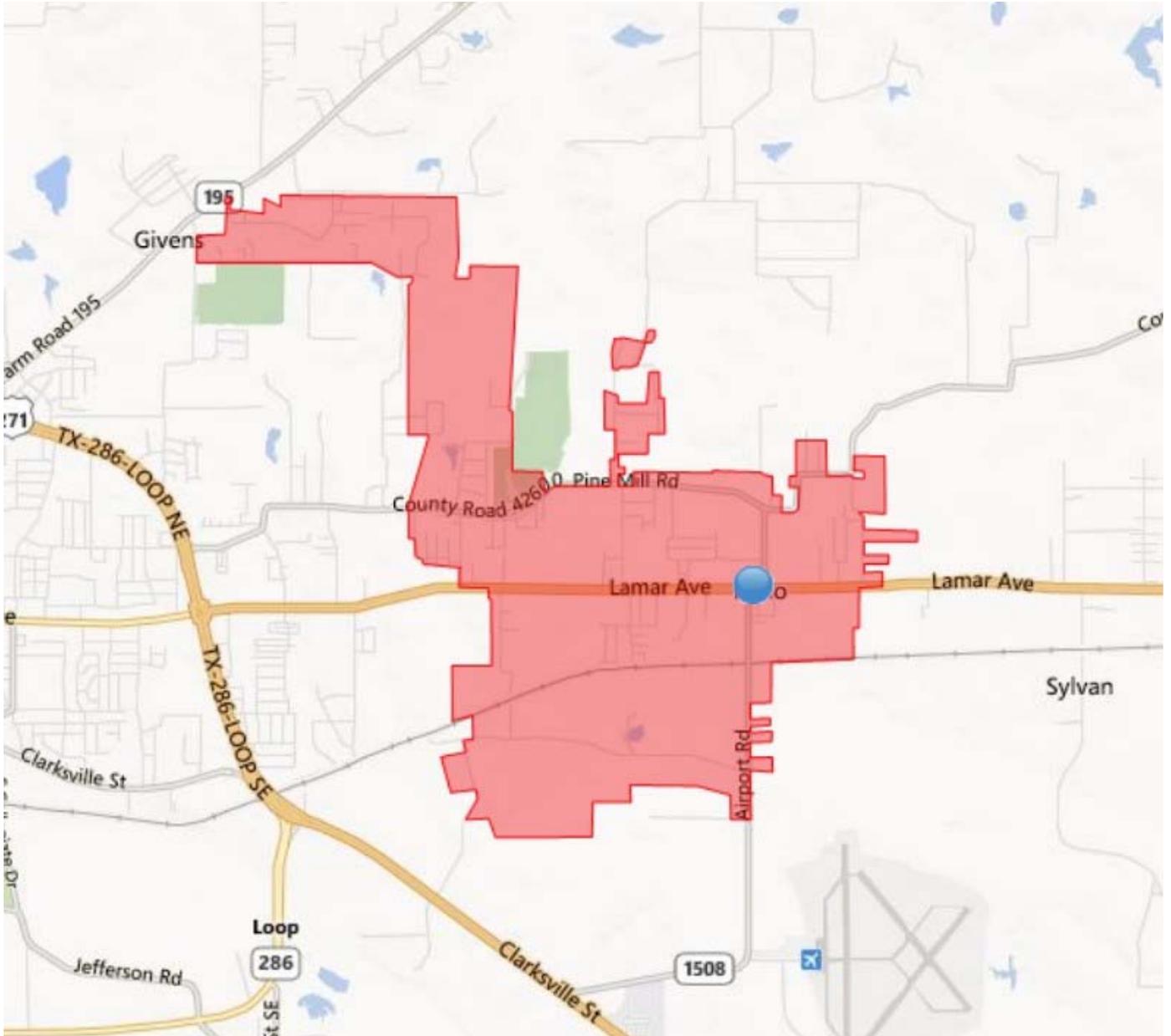
POPULATION BY AGE

Population by Age / 2013 / Reno City Limits

Age Classification 2013
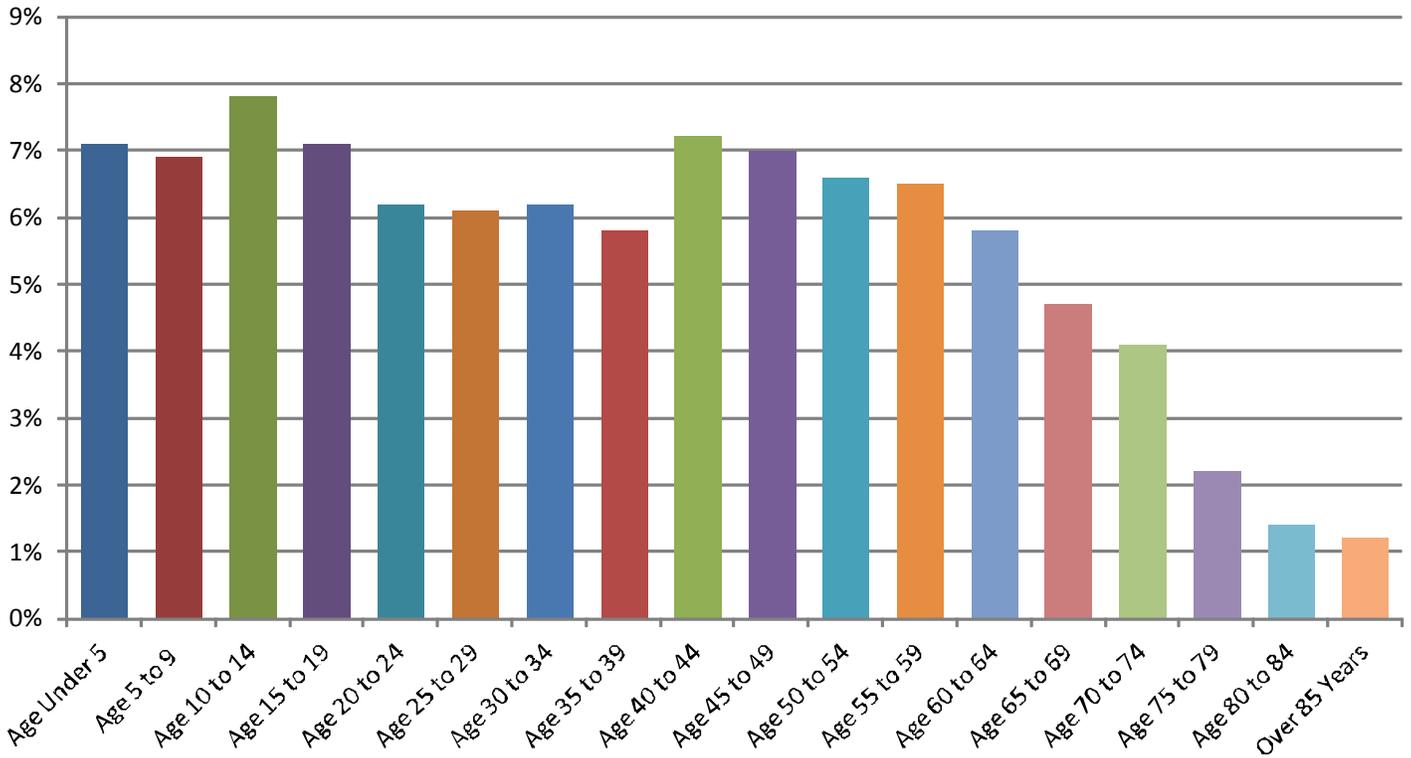
Most retailers desire a market with a heavy concentration of consumers between the ages of 25 and 44 years old. The population in the city limits of Reno has 25.30 percent of their market between the ages of 25 and 44, and the median age is 36.20 years old.

POPULATION BY RACE

Population by Race / 2013 / Reno City Limits

Single Race Classification 2013

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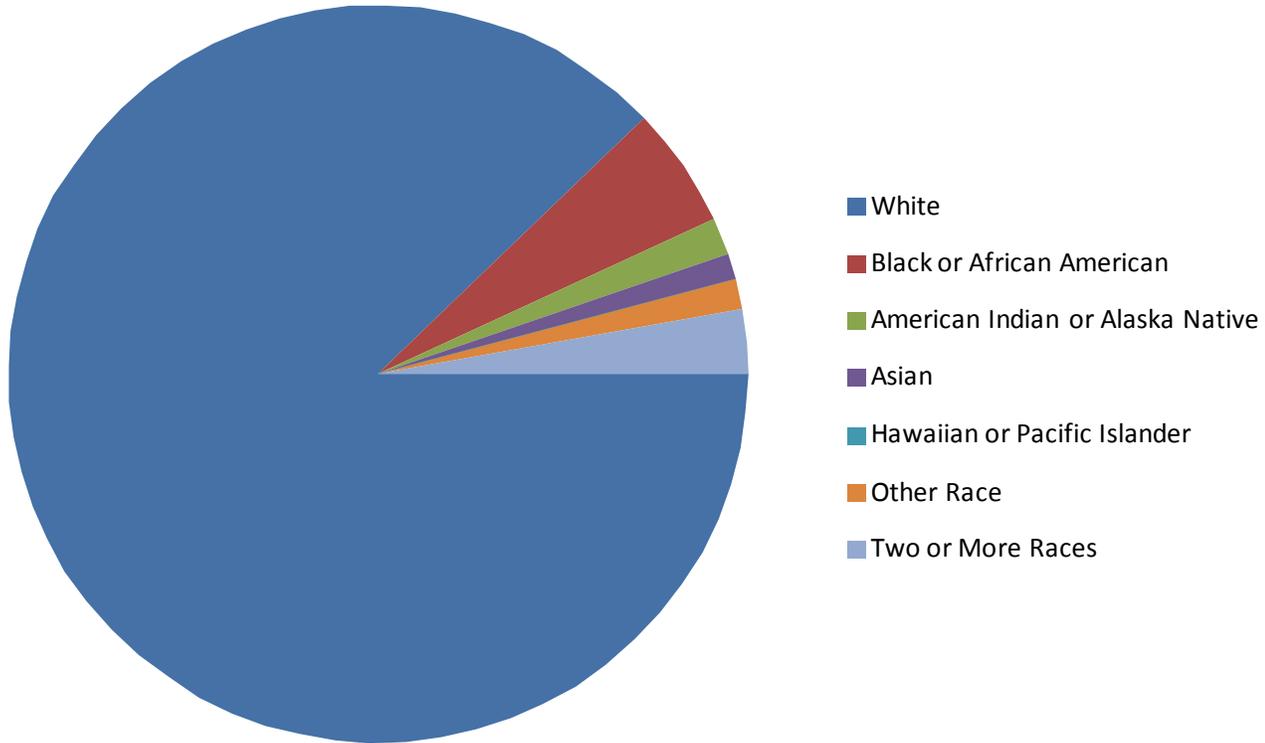
The population in the city limits of Reno has 87.80% White residents, 5.30% Black or African American residents, and 1.60% American Indian or Alaska Native residents. 5.70% of the population is Hispanic or Latino by origin.

POPULATION BY INCOME

Population by Income / 2013 / Reno City Limits

Household Income 2013

Legend:
- Under $10,000
- $10,000 to $14,999
- $15,000 to $24,999
- $25,000 to $34,999
- $35,000 to $49,999
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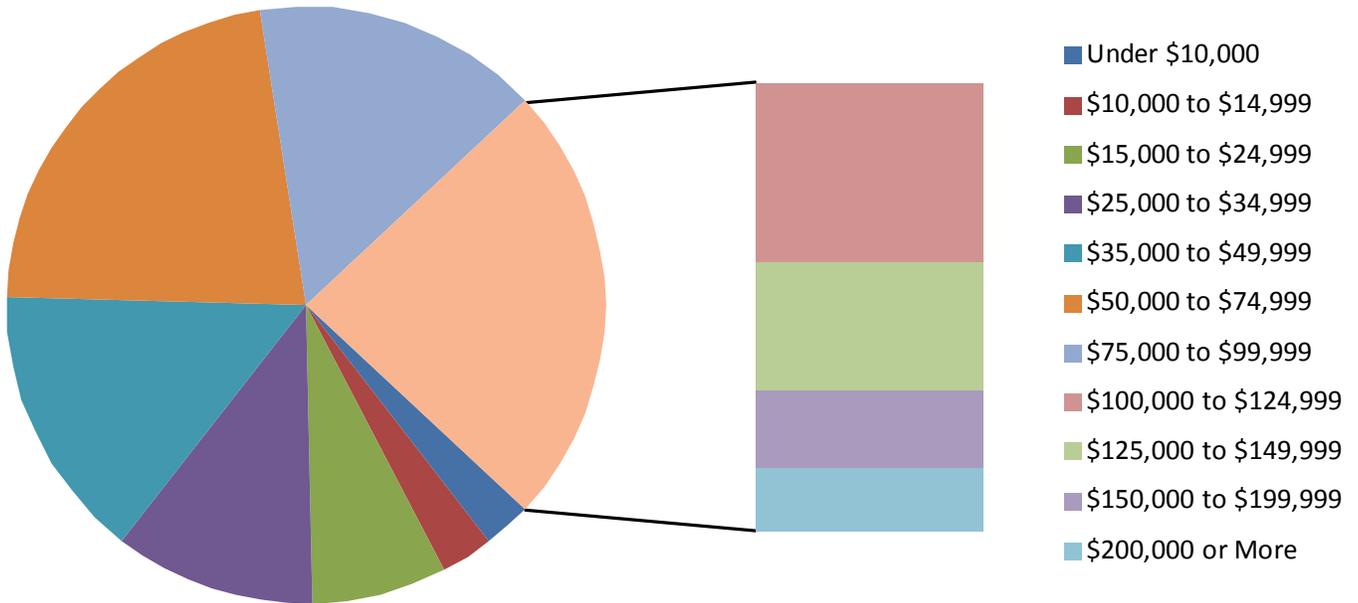
The average household income in the city limits of Reno is $82,374.00. Of the households in the city limits of Reno, 61.50% have an average annual income at or above $50,000, and 87.60% are family households.

2013 Household Income (Estimated)	
CITY LIMITS	$82,374
PRIMARY TRADE	$62,659
SECONDARY TRADE	$58,416

POPULATION BY EDUCATION

Population by Education / 2013 / Reno City Limits

Educational Attainment 2013

- Elementary (Grade Level 0 to 8)
- Some High School (Grade Level 9 to 11)
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- Some College
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- Bachelor Degree Only
- Graduate Degree
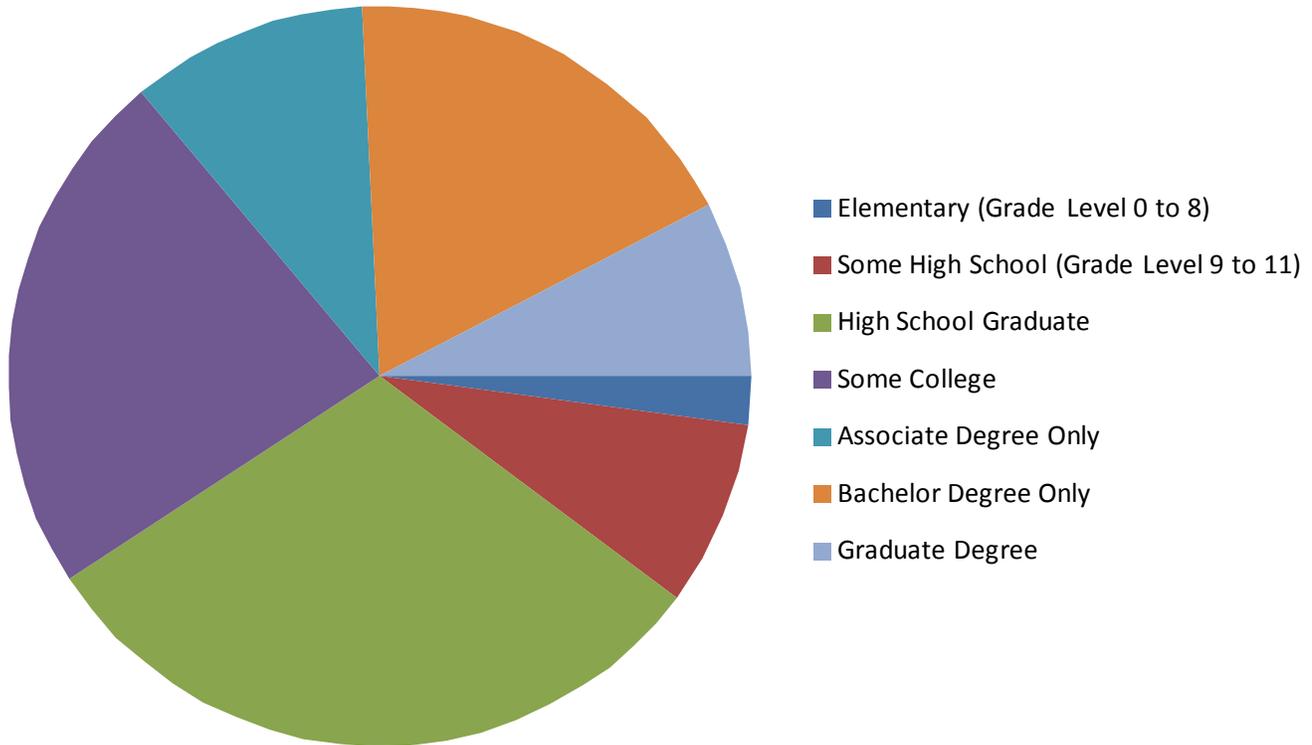
Of the population age 16 and over in the city limits of Reno, 59.20% have some post-secondary education, and 36.10% have a college degree.

POPULATION BY OCCUPATION

Population by Occupation / 2013 / Reno City Limits

**Occupational Classification,
Employed Population Aged 16+**
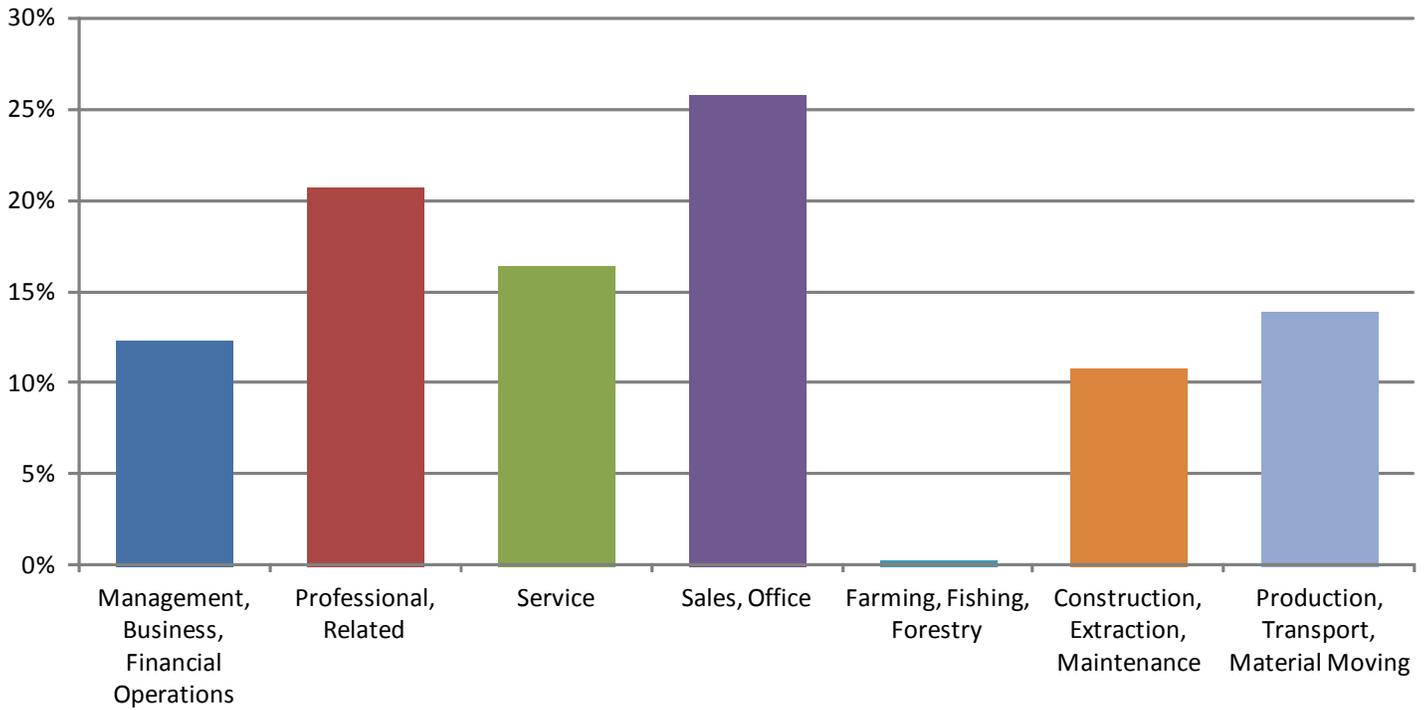
Of the population in the city limits of Reno, 58.80% is engaged in white collar occupations, with 20.70% in professional occupations and another 12.30% in management, business and financial operations. Of the population in the city limits of Reno, 41.20% is engaged in blue collar occupations with 10.80% in construction and maintenance and 13.90% in production and transport.

HOUSING VALUE DISTRIBUTION

Housing Value Distribution / 2013 / Reno City Limits

Housing Value Distribution 2013

Legend:
- Less than $10,000
- $10,000 - $34,999
- $35,000 - $59,999
- $60,000 - $79,999
- $80,000 - $99,999
- $100,000 - $149,999
- $150,000 - $199,999
- $200,000 - $299,999
- $300,000 - $399,999
- $400,000 - $499,999
- $500,000 - $749,999
- $750,000 - $999,999
- $1,000,000 or more
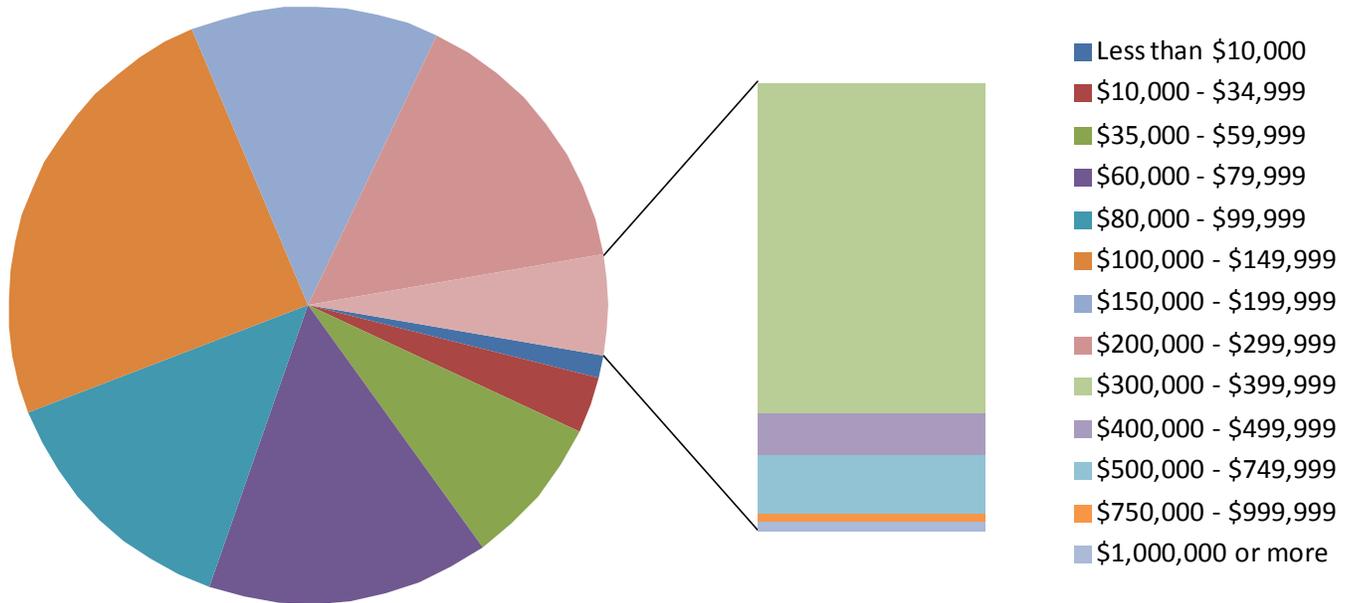
The median value of a home in the city limits of Reno is $112,653.00. Of these homes, 79.80% are owner occupied and 21.90% were built between 2000 and 2010.

NIELSEN CLARITAS RETAIL MARKET POWER

The Nielsen Claritas Retail Market Power™ (RMP) database provides an actionable portrait of sales opportunity for optimal site and market analysis, allowing you to maximize your growth strategies by accurately targeting the sales gaps that exist in the marketplace. By using sales potential to depict supply and geography-based estimates of potential annual consumer expenditures to depict demand within a specific market, RMP enables an opportunity gap analysis of the retail environment. The database was developed using the Consumer Expenditure (CEX) surveys conducted by the Bureau of Labor Statistics and the Census of Retail Trade conducted by the US Census. Current-year (CY) supply and demand estimates and five-year (5Y) demand projections are available for all standard census, postal, and marketing geographies.

Data Sources for Potential Sales:

Census of Retail Trade (CRT) Annual Survey of Retail Trade
Claritas Business-Facts
Census of Employment Wages
State Sales Tax reports
Trade Associations
Demand Side Estimates

Data Sources for Potential Expenditures:

Consumer Expenditure Survey (CEX) Global Insights
Claritas Current Year demographics
Trade Associations

The Nielsen Claritas Retail Market Power™ (RMP) allows you to compare supply and demand to determine potential sources of revenue growth at any standard or user defined geographic level. Such comparison can be achieved at the retail outlet level or the merchandise line level. An opportunity gap appears when household expenditure levels for a specific geography are higher than the corresponding retail sales estimates. This difference signifies that resident households are meeting the available supply and supplementing their additional demand potential by going outside of their own geography. The opposite is true in the event of an opportunity surplus which occurs when the levels of household expenditures are lower than the retail sales estimates. In this case, local retailers are attracting residents from other areas to their stores.

RETAIL CATEGORIES

Vehicle and Parts Dealers
New and used automobile dealers, motorcycle dealers, recreational vehicle dealers, all terrain vehicle dealers, boat dealers, auto parts stores, auto accessories stores and tire dealers

Furniture and Home Furnishings Stores
Furniture stores, home furnishing stores, home decorating stores and floor covering stores

Electronics and Appliance Stores
Household appliance stores, electronics stores, computer and software stores and camera and photographic equipment stores

Building Materials and Garden Supply Stores
Building material and supply dealers, home improvement centers, paint and wallpaper stores, hardware stores, lumberyards, lawn and garden stores, outdoor power equipment stores, nursery and garden centers

Food and Beverage Stores
Grocery stores, supermarkets, convenience stores, specialty food stores and beer, wine and liquor stores

Health and Personal Care Stores
Pharmacies, drug stores, cosmetic dealers, beauty supply stores, perfume stores, optical goods stores, health care stores and personal care stores

Gasoline Stations
Gasoline stations and gasoline stations with convenience stores

Clothing and Clothing Accessories Stores
Men's clothing stores, women's clothing stores, children's and infant's clothing stores, family clothing stores, clothing accessories stores, shoe stores, jewelry stores, luggage stores, leather goods stores

Sporting Goods and Hobby Stores
Sporting goods stores, hobby stores, toy stores, sewing and needlework stores, musical instrument and supplies stores, book stores, newsstands, music stores

General Merchandise Stores
Department stores and other general merchandise stores

Miscellaneous Store Retailers
Florists, office supply stores, stationery stores, gift and souvenir stores, used merchandise stores and other miscellaneous retailers

Foodservice and Drinking Places
Full-service restaurants, limited-service eating places, special foodservices, taverns and bars

RETAIL CATEGORY	POTENTIAL SALES	ACTUAL SALES	SURPLUS/LEAKAGE
Motor Vehicle and Parts Dealers	$99,095,460	$204,952,375	($105,856,915)
Automotive Dealers	$84,360,929	$159,374,209	($75,013,280)
Other Motor Vehicle Dealers	$4,839,661	$19,777,632	($14,937,971)
Automotive Parts and Accessories	$9,894,870	$25,800,534	($15,905,664)
Furniture and Home Furnishings	$14,727,348	$9,201,382	$5,525,966
Furniture	$7,604,447	$3,835,826	$3,768,621
Home Furnishings	$7,122,901	$5,365,556	$1,757,345
Electronics and Appliances	$12,980,718	$3,133,711	$9,847,007
Appliances, TVs, Electronics	$9,634,199	$3,133,711	$6,500,488
Household Appliances	$1,718,664	$0	$1,718,664
Radio, Television, Electronics	$7,915,535	$3,133,711	$4,781,824
Computer and Software	$3,019,706	$0	$3,019,706
Photographic Equipment	$326,813	$0	$326,813
Building Materials and Garden Eqpt	$68,641,609	$53,284,977	$15,356,632
Building Materials	$62,085,795	$43,528,485	$18,557,310
Home Centers	$25,111,266	$43,528,485	($18,417,219)
Paint and Wallpaper	$1,029,596	$0	$1,029,596
Hardware	$6,400,054	$0	$6,400,054
Other Build Materials	$29,544,879	$0	$29,544,879
Lumberyards	$11,149,435	$0	$11,149,435
Lawn and Garden Supplies	$6,555,814	$9,756,492	($3,200,678)
Outdoor Power Equipment	$628,058	$0	$628,058
Nursery and Garden Centers	$5,927,756	$9,756,492	($3,828,736)
Food and Beverage Stores	$101,515,456	$65,064,009	$36,451,447
Grocery Stores	$88,044,343	$0	$88,044,343
Supermarkets	$83,475,287	$0	$83,475,287
Convenience Stores	$4,569,056	$0	$4,569,056
Specialty Food Stores	$7,208,271	$22,512,096	($15,303,825)
Beer, Wine and Liquor Stores	$6,262,842	$42,551,913	($36,289,071)
Health and Personal Care	$50,491,694	$22,694,036	$27,797,658
Pharmacies and Drug Stores	$40,366,079	$0	$40,366,079
Cosmetics and Beauty Supplies	$3,620,475	$1,992,256	$1,628,219
Optical Goods	$1,948,242	$0	$1,948,242
Other Health and Personal Care	$4,556,898	$20,701,780	($16,144,882)
Gasoline Stations	$80,560,527	$65,877,553	$14,682,974
Gasoline with Convenience Store	$59,463,389	$47,369,957	$12,093,432
Other Gasoline Stations	$21,097,138	$18,507,596	$2,589,542

RETAIL CATEGORY (cont)	POTENTIAL SALES	ACTUAL SALES	SURPLUS/LEAKAGE
Clothing and Clothing Accessories	$32,576,601	$32,252,115	$324,486
Clothing	$24,743,235	$15,720,553	$9,022,682
Men's Clothing	$1,380,135	$1,180,582	$199,553
Women's Clothing	$5,464,875	$2,367,193	$3,097,682
Children's Clothing	$1,600,448	$1,216,364	$384,084
Family Clothing	$13,030,634	$7,540,968	$5,489,666
Clothing Accessories	$1,003,712	$904,194	$99,518
Other Clothing	$2,263,431	$2,511,252	($247,821)
Shoes	$4,158,902	$12,247,832	($8,088,930)
Jewelry	$3,380,627	$3,848,684	($468,057)
Luggage and Leather Goods	$293,837	$435,046	($141,209)
Sporting Goods, Hobby, Book Music	$14,318,047	$17,264,271	($2,946,224)
Sporting Goods	$5,526,569	$6,954,441	($1,427,872)
Hobby, Toys, Games	$3,678,501	$3,997,047	($318,546)
Sew, Needlework, Piece Goods	$1,106,229	$1,191,545	($85,316)
Musical Instruments	$891,551	$1,682,285	($790,734)
Book Stores	$2,321,685	$2,611,821	($290,136)
News Dealers and Newsstand	$254,900	$0	$254,900
Prerecorded Tapes, CDs, Record	$538,612	$827,132	($288,520)
General Merchandise	$99,047,102	$131,186,726	($32,139,624)
Miscellaneous Retailers	$21,112,755	$9,370,539	$11,742,216
Florists	$882,946	$158,546	$724,400
Office Supplies, Stationery, Gifts	$6,026,679	$5,001,230	$1,025,449
Used Merchandise	$1,772,996	$274,538	$1,498,458
Other Miscellaneous	$12,430,134	$3,936,225	$8,493,909
Non-Store Retailers	$58,363,487	$12,179,132	$46,184,355
Food and Drink	$76,539,350	$52,528,026	$24,011,324
Full Service Restaurants	$35,344,588	$20,048,069	$15,296,519
Limited Service Restaurants	$31,281,594	$31,124,124	$157,470
Special Food	$6,049,329	$0	$6,049,329
Drinking Places	$3,863,839	$1,355,833	$2,508,006
TOTAL LEAKAGE			$290,605,994
TOTAL SURPLUS			($239,624,692)
BALANCE			$50,981,302

RETAIL CATEGORY	POTENTIAL SALES	ACTUAL SALES	SURPLUS/LEAKAGE
Motor Vehicle and Parts Dealers	$355,891,280	$566,375,441	($210,484,161)
Automotive Dealers	$289,902,064	$451,552,495	($161,650,431)
Other Motor Vehicle Dealers	$29,277,491	$59,856,669	($30,579,178)
Automotive Parts and Accessories	$36,711,725	$54,966,277	($18,254,552)
Furniture and Home Furnishings	$53,609,394	$54,246,782	($637,388)
Furniture	$27,683,806	$35,279,672	($7,595,866)
Home Furnishings	$25,925,587	$18,967,110	$6,958,477
Electronics and Appliances	$48,944,919	$58,156,450	($9,211,531)
Appliances, TVs, Electronics	$36,175,774	$54,299,160	($18,123,386)
Household Appliances	$6,405,742	$994,190	$5,411,552
Radio, Television, Electronics	$29,770,032	$53,304,970	($23,534,938)
Computer and Software	$11,588,675	$3,857,290	$7,731,385
Photographic Equipment	$1,180,470	$0	$1,180,470
Building Materials and Garden Eqpt	$254,874,731	$318,284,312	($63,409,581)
Building Materials	$229,796,838	$265,836,223	($36,039,385)
Home Centers	$92,900,457	$199,532,835	($106,632,378)
Paint and Wallpaper	$3,764,505	$39,788	$3,724,717
Hardware	$23,825,865	$4,181,809	$19,644,056
Other Build Materials	$109,306,012	$62,081,791	$47,224,221
Lumberyards	$41,436,060	$24,273,979	$17,162,081
Lawn and Garden Supplies	$25,077,893	$52,448,090	($27,370,197)
Outdoor Power Equipment	$2,957,367	$10,077,187	($7,119,820)
Nursery and Garden Centers	$22,120,526	$42,370,902	($20,250,376)
Food and Beverage Stores	$383,770,495	$363,574,629	$20,195,866
Grocery Stores	$333,110,894	$258,931,053	$74,179,841
Supermarkets	$315,662,732	$230,916,895	$84,745,837
Convenience Stores	$17,448,162	$28,014,157	($10,565,995)
Specialty Food Stores	$27,289,676	$44,958,085	($17,668,409)
Beer, Wine and Liquor Stores	$23,369,924	$59,685,491	($36,315,567)
Health and Personal Care	$188,608,688	$234,877,799	($46,269,111)
Pharmacies and Drug Stores	$150,929,506	$160,770,624	($9,841,118)
Cosmetics and Beauty Supplies	$13,526,672	$14,263,147	($736,475)
Optical Goods	$7,103,685	$14,206,835	($7,103,150)
Other Health and Personal Care	$17,048,824	$45,637,193	($28,588,369)
Gasoline Stations	$299,210,768	$463,691,732	($164,480,964)
Gasoline with Convenience Store	$221,880,495	$342,754,218	($120,873,723)
Other Gasoline Stations	$77,330,272	$120,937,514	($43,607,242)

RETAIL CATEGORY (cont)	POTENTIAL SALES	ACTUAL SALES	SURPLUS/LEAKAGE
Clothing and Clothing Accessories	$121,104,840	$106,865,609	$14,239,231
Clothing	$92,242,328	$67,986,867	$24,255,461
Men's Clothing	$5,205,415	$2,522,057	$2,683,358
Women's Clothing	$20,176,490	$11,718,491	$8,457,999
Children's Clothing	$6,084,542	$4,298,648	$1,785,894
Family Clothing	$48,686,835	$37,297,183	$11,389,652
Clothing Accessories	$3,684,406	$3,234,541	$449,865
Other Clothing	$8,404,641	$8,915,947	($511,306)
Shoes	$15,904,770	$19,011,875	($3,107,105)
Jewelry	$11,864,147	$19,403,394	($7,539,247)
Luggage and Leather Goods	$1,093,596	$463,474	$630,122
Sporting Goods, Hobby, Book Music	$52,433,137	$30,974,540	$21,458,597
Sporting Goods	$20,744,910	$10,777,497	$9,967,413
Hobby, Toys, Games	$13,125,581	$6,208,733	$6,916,848
Sew, Needlework, Piece Goods	$4,081,156	$1,669,389	$2,411,767
Musical Instruments	$3,162,627	$2,189,443	$973,184
Book Stores	$8,414,489	$4,134,024	$4,280,465
News Dealers and Newsstand	$959,724	$0	$959,724
Prerecorded Tapes, CDs, Record	$1,944,650	$5,995,453	($4,050,803)
General Merchandise	$371,283,039	$239,366,759	$131,916,280
Miscellaneous Retailers	$80,873,006	$31,778,434	$49,094,572
Florists	$3,235,722	$874,799	$2,360,923
Office Supplies, Stationery, Gifts	$22,550,958	$8,361,144	$14,189,814
Used Merchandise	$6,535,656	$1,945,357	$4,590,299
Other Miscellaneous	$48,550,670	$20,597,134	$27,953,536
Non-Store Retailers	$217,654,672	$40,436,044	$177,218,628
Food and Drink	$283,502,330	$183,432,127	$100,070,203
Full Service Restaurants	$130,640,302	$50,646,391	$79,993,911
Limited Service Restaurants	$116,011,789	$127,381,193	($11,369,404)
Special Food	$22,433,353	$2,558,564	$19,874,789
Drinking Places	$14,416,886	$2,845,978	$11,570,908
TOTAL LEAKAGE			$681,437,866
TOTAL SURPLUS			($661,737,226)
BALANCE			$19,700,640

RETAIL CATEGORY	POTENTIAL SALES	ACTUAL SALES	SURPLUS/LEAKAGE
Motor Vehicle and Parts Dealers	$7,830,307	$25,774,144	($17,943,837)
Automotive Dealers	$6,714,042	$21,969,881	($15,255,839)
Other Motor Vehicle Dealers	$372,999	$2,925,198	($2,552,199)
Automotive Parts and Accessories	$743,266	$879,065	($135,799)
Furniture and Home Furnishings	$1,031,042	$148,500	$882,542
Furniture	$539,648	$148,500	$391,148
Home Furnishings	$491,394	$0	$491,394
Electronics and Appliances	$1,006,922	$33,776	$973,146
Appliances, TVs, Electronics	$742,639	$33,776	$708,863
Household Appliances	$130,814	$0	$130,814
Radio, Television, Electronics	$611,825	$33,776	$578,049
Computer and Software	$238,455	$0	$238,455
Photographic Equipment	$25,828	$0	$25,828
Building Materials and Garden Eqpt	$5,065,874	$3,023,930	$2,041,944
Building Materials	$4,573,706	$0	$4,573,706
Home Centers	$1,835,558	$0	$1,835,558
Paint and Wallpaper	$78,788	$0	$78,788
Hardware	$459,821	$0	$459,821
Other Build Materials	$2,199,539	$0	$2,199,539
Lumberyards	$837,196	$0	$837,196
Lawn and Garden Supplies	$492,168	$3,023,930	($2,531,762)
Outdoor Power Equipment	$49,267	$0	$49,267
Nursery and Garden Centers	$442,901	$3,023,930	($2,581,029)
Food and Beverage Stores	$6,805,283	$23,033,321	($16,228,038)
Grocery Stores	$5,884,417	$0	$5,884,417
Supermarkets	$5,582,394	$0	$5,582,394
Convenience Stores	$302,023	$0	$302,023
Specialty Food Stores	$482,254	$824,825	($342,571)
Beer, Wine and Liquor Stores	$438,612	$22,208,496	($21,769,884)
Health and Personal Care	$3,284,312	$2,643,226	$641,086
Pharmacies and Drug Stores	$2,612,082	$0	$2,612,082
Cosmetics and Beauty Supplies	$232,876	$0	$232,876
Optical Goods	$145,043	$0	$145,043
Other Health and Personal Care	$294,311	$2,643,226	($2,348,915)
Gasoline Stations	$5,640,110	$1,425,920	$4,214,190
Gasoline with Convenience Store	$4,124,065	$1,194,943	$2,929,122
Other Gasoline Stations	$1,516,045	$230,977	$1,285,068

RETAIL CATEGORY (cont)	POTENTIAL SALES	ACTUAL SALES	SURPLUS/LEAKAGE
Clothing and Clothing Accessories	$2,450,229	$1,890,088	$560,141
Clothing	$1,844,807	$1,732,805	$112,002
Men's Clothing	$98,761	$0	$98,761
Women's Clothing	$412,832	$54,320	$358,512
Children's Clothing	$122,882	$440,601	($317,719)
Family Clothing	$966,267	$485,609	$480,658
Clothing Accessories	$77,147	$120,093	($42,946)
Other Clothing	$166,918	$632,182	($465,264)
Shoes	$292,412	$0	$292,412
Jewelry	$291,064	$157,283	$133,781
Luggage and Leather Goods	$21,946	$0	$21,946
Sporting Goods, Hobby, Book Music	$1,032,905	$842,685	$190,220
Sporting Goods	$398,542	$314,247	$84,295
Hobby, Toys, Games	$258,271	$189,557	$68,714
Sew, Needlework, Piece Goods	$78,954	$0	$78,954
Musical Instruments	$68,909	$338,881	($269,972)
Book Stores	$169,708	$0	$169,708
News Dealers and Newsstand	$17,420	$0	$17,420
Prerecorded Tapes, CDs, Record	$41,101	$0	$41,101
General Merchandise	$6,902,182	$7,302,028	($399,846)
Miscellaneous Retailers	$1,487,600	$387,030	$1,100,570
Florists	$66,930	$0	$66,930
Office Supplies, Stationery, Gifts	$451,408	$0	$451,408
Used Merchandise	$132,791	$0	$132,791
Other Miscellaneous	$836,471	$387,030	$449,441
Non-Store Retailers	$4,109,974	$0	$4,109,974
Food and Drink	$5,613,822	$3,567,396	$2,046,426
Full Service Restaurants	$2,605,021	$1,207,845	$1,397,176
Limited Service Restaurants	$2,295,427	$2,359,551	($64,124)
Special Food	$443,692	$0	$443,692
Drinking Places	$269,682	$0	$269,682
TOTAL LEAKAGE			$27,676,733
TOTAL SURPLUS			($45,488,215)
BALANCE			($17,811,482)

ABOUT US

Retail Attractions is an economic development consulting firm specializing in market research, creating workable incentive packages and retail recruiting. Our firm believes healthy economic development is a process. Retail Attractions partners with our clients in a coordinated and strategic course of action resulting in extraordinary results. Retail Attractions believes smart, successful retail development is a vital part of a community's economic development program. We leverage our national network of relationships and our proven expertise to bring retailers, developers, landowners and communities together to grow new retail business… one relationship at a time. We partner with our client cities to achieve their community goals through retail development. Far beyond concentric rings, drive times or just another bound report, we develop actionable information and make sure the right people have access to it. In short, we make a difference for your community.

The truth is that anyone or any competent firm can pull demographics for a location based on a radius or a drive time. What makes us different is our custom approach to developing a community's trade area. We evaluate the existing retail options nearby, physical barriers to traffic, natural existing shopping patterns, and the potential draw of new shopping opportunities to develop a custom trade area for each community we serve. Your trade area is prepared by seasoned retail recruitment professionals based on criteria we know is important to the audience who will be receiving the finished marketing materials. We integrate demographic data with data we develop from other sources to create a complete picture of a community... one that will resonate with developers, brokers and retailers. We work with a community to prepare materials and get them in the hands of interested parties rather than merely deliver data that then the community has to send out on its own. We also recognize that "one size DOESN'T fit all" when it comes to trade areas. Some sites may be perfect for a grocery store, with a more localized trade area, while others may support a more regional draw. If your community has unique opportunities that require more than one trade area, we deliver what you need rather than forcing your community into our "standard offering."

Retail Attractions sends our custom marketing material, developed for each city based on the unique characteristics and demographic indicators for that city, to our network of developers, brokers and retailers. In addition, we contact retailers through our accurate, proprietary database to make sure they are aware of opportunities in your city that match their specs.

We have an extensive knowledge of various types of incentives, and their practical application, and the experience to work with city staff to develop a framework for evaluating opportunities and providing creative incentives that result in win-win scenarios for both the public and private sector. Beyond merely a list of incentive possibilities, Retail Attractions serves as an ongoing advisor to city staff, helping to craft incentives that make sense for the city, meet developer's needs and truly encourage new business development.

Retail Attractions understands municipal government and the interplay of political, financial, and regulatory environments. We also understand how development works and what site selectors, developers and retail tenants need to see, hear, and feel from a potential location to move forward. Retail Attractions features a team of research and marketing professionals who assist retail recruiters in developing the necessary data and marketing materials to prove the case for investment in your community. Since beginning Retail Attractions, we have helped our clients launch millions of square feet of retail and reap the associated benefits of additional city revenues, plus new goods and services for citizens, and increasing the quality of life in the community.

OUR STAFF

RICKEY HAYES, PRINCIPAL

During his six years as Economic Development Director for the City of Owasso, Rickey Hayes facilitated new commercial construction totaling more than 4.2 million square feet with more than a quarter of a billion dollars in total value, resulting in a city sales tax base more than double what it had been. Since beginning Retail Attractions, Rickey has helped cities launch millions of square feet of additional retail space and reap the associated benefits in additional revenues, goods and services for their citizens. Rickey has developed an extensive personal network of relationships in the areas of government, retail, land development, real estate and site selection, leasing and tenanting, engineering, creative financing for development projects, and architecture and planning. Rickey holds a Bachelors Degree in Criminal Justice and a Masters Degree in Counseling from Great Plains Baptist College. Rickey is a member of International Council of Shopping Centers (ICSC). Rickey and his wife, Wendy, have four children, and one grandchild.

BETH NICHOLS, PROJECT MANAGEMENT

Beth has a Bachelor of Science in Electrical Engineering from Purdue University. She has been with Retail Attractions since inception and manages marketing and recruitment projects at Retail Attractions. Beth is a member of the International Council of Shopping Centers (ICSC).

ROBERT NICHOLS, INFORMATION TECHNOLOGY

Rob has a Bachelor of Science in Electrical Engineering from Oklahoma State University. He has been with Retail Attractions since inception and manages the website, data storage and access for Retail Attractions.

OUR METHODOLOGY

Our Approach

Just as every city has distinctive characteristics, every consulting project is unique. Retail Attractions employs proven strategies to achieve economic development and growth in your community. We offer three tiers of contract service in addition to project-based and short-term engagements, allowing us to tailor our services to each client community's individual needs. Unlike "cookie-cutter" approaches to retail development that return little more than a bound document, partnering with Retail Attractions means you gain an experienced, dedicated staff who will work diligently on your behalf to grow your city. In addition to our tiered services under contract, additional services such as municipal web site development (for the city overall or specifically for economic development), experienced city and economic development PR efforts, and public meetings/input process management are available as well. These types of services may either be included in the contract for an additional cost or may be utilized on a project / as-needed basis by a client city for an additional estimated cost.

Market Assessment

Retail Attractions uses data from a variety of sources to accurately portray the trade area, retail potential and opportunities within a market. Sources used in this report include Nielsen-Claritas, Applied Geographic Solutions (AGS), the City, various state agencies, US Census Bureau, US Economic Survey and US Bureau of Labor information. Retail Attractions combines physical observation, data-driven research and information, retail site selection methodologies and competitive analysis with personal experience and a reputation for finding the right sites for the right retail to create our market assessment reports.

Retail Recruitment

Our relationships with our clients do not end when we deliver our market assessment report. We promote and actively recruit for our clients throughout the term of their contracts through mail, email, web, phone and personal contacts in our comprehensive nationwide contact database. Our diligent pursuit of development for your community assures your community will be on the radar of appropriate national retailers.

The Benefits

Employing Retail Attractions to fulfill the city's need for an economic development professional allows the city to conserve resources that would otherwise be spent for no direct gain including insurance, employment taxes and other benefits. The city can reap the benefit of utilizing an experienced, successful economic development professional without incurring the expense of a full-time exempt employee. Retail Attractions is intimately familiar with development dynamics and can bring our experience, network and concentrated approach to bear immediately on behalf of the city. No valuable time is lost through a "learning the process" or "learning the area" acclimation period. Commercial development often feels painfully slow when observing the process from the outside. From initial interest in a site to doors open for business is often an 18- to 24-month process. Retail Attractions will be with you every step of the way to help your community reach its maximum retail potential.

OUR DATA

Retail Attractions compiles data from a number of sources including Nielsen-Claritas, Applied Geographic Solutions (AGS), the client City, various state agencies, the US Census Bureau, the US Economic Survey and information from the US Bureau of Labor. The primary sources for the demographic information included in this report are Nielsen-Claritas SiteReports and Applied Geographic Solutions (AGS).

Both Nielsen-Claritas and AGS pull data from public and private sources and apply their proprietary algorithm to determine demographic projections and estimates. Retail Attractions has carefully analyzed the resulting statistics and determined the algorithms that best represent the client community and trade area.

Nielsen-Claritas and AGS are highly respected data providers in the retail industry, and both sources calculate estimates for the current year and projections for five years in the future. Both companies produce data at varying geographic levels including national, state, county, city/town, zip code, and block group. These estimates and projections on a defined population can be analyzed according to population characteristics such as age, sex, race, Hispanic ethnicity, income, education, occupation, housing or rate of growth.

The demographic data contained in this report comes from AGS, and the opportunity gap data comes from Nielsen Claritas Retail Market Power™ (RMP). The RMP data allows the comparison of supply and demand to determine potential sources of revenue growth at any standard or user defined geographic level.

If there are any questions about the data used in this report, please contact Retail Attractions, and we will be happy to answer your questions.

ACKNOWLEDGEMENTS

Nielsen and Applied Geographic Solutions are both highly respected data providers. However, these companies use algorithms to make estimates and projections. While these estimates and projections are based on years of research and adjustment, they are still only estimates and projections.

DISCLAIMER

All information is believed to be accurate and is presented in good faith by Retail Attractions, LLC under the terms and protections of the contact between the Client and Retail Attractions, LLC.

While we do expect to successfully complete the objective of increasing commercial investment in your community, it is impossible to guarantee a level of investment or even any investment since market conditions, retailer's business plans, city policies and other market drivers are subject to change at any time and are beyond the control of Retail Attractions, LLC. You understand and agree that any advice provided under this proposal is true and correct to the best knowledge and ability of Retail Attractions, LLC and will be provided in good faith. The city accepts full responsibility for its decisions to act or not act according to said advice and agrees to indemnify and hold harmless Retail Attractions, LLC; its principals, employees, sub-contractors and associates pertaining to outcomes or situations that arise from the advice, materials or other items provided under this proposal agreement.