

Appendix L: Urban Decay

**URBAN DECAY STUDY
FOR
PROPOSED WASCO WALMART**

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Prepared for:

City of Wasco

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TABLE OF CONTENTS

<u>SECTION</u>	<u>PAGE</u>
I. INTRODUCTION.....	1
II. EXECUTIVE SUMMARY	5
II-A. SUMMARY CONCLUSIONS REGARDING POTENTIAL FOR URBAN DECAY	5
II-B. OVERVIEW OF EXISTING COMMERCIAL RETAIL MARKET IN TRADE AREA.....	5
II-C. IMPACT OF WALMART GROCERY COMPONENT.....	7
II-D. IMPACT OF PROPOSED PROJECT’S “GAFO” AND BUILDING MATERIALS SALES	9
II-E. IMPACT OF PROPOSED TIRE AND LUBE FACILITY.....	10
II-F. POTENTIAL FOR URBAN DECAY.....	11
II-G. CUMULATIVE IMPACTS OF PROJECTS PLANNED IN THE WASCO RETAIL TRADE AREA.....	15
III. RETAIL DEMAND ANALYSIS METHODOLOGY	19
III-A. MARKET AREA BOUNDARIES.....	19
III-B. POPULATION AND INCOME LEVELS.....	21
III-C. RETAIL SALES DEMAND	22
III-D. DISTRIBUTION OF RESIDENT RETAIL EXPENDITURES	23
III-E. CAPTURE RATE ANALYSIS.....	24
III-F. POTENTIAL RETAIL SALES VOLUMES	25
III-G. SUPPORTABLE RETAIL SPACE	27
III-H. DEMAND FOR GROCERY SALES AND SUPPORTABLE GROCERY SPACE	28

APPENDIX A: RETAIL DEMAND ANALYSIS – WASCO RETAIL TRADE AREA

APPENDIX B: RETAIL INVENTORY – WASCO RETAIL TRADE AREA

I. INTRODUCTION

This report evaluates the potential economic impacts of the proposed Walmart store in the City of Wasco. In particular, the study evaluates the extent to which the proposed Project would have competitive impacts on existing retail facilities in the trade area and consequently have the potential to result in urban decay. In addition to addressing the potential impacts of the proposed Project itself, the study also considers cumulative impacts, taking into account the impacts from other planned/proposed retail projects in the trade area.

The Wasco Walmart (the “Project”) that is the subject of this analysis is a proposed 170,000 square foot store including 34,253 square feet of grocery sales and grocery support space, a 5,762 square foot outdoor garden center, a drive-through pharmacy, and a tire and lube facility. The Walmart store will operate 24 hours per day. The tire and lube facility will have limited hours of operation.

The Walmart store is a single component of the larger Wasco Center approved for development (but not yet built) in the City of Wasco on the north side of State Route 46 between Magnolia Avenue on the west and Palm Avenue on the east. Upon full buildout, the Wasco Center – including the Walmart – will total approximately 423,750 square feet of retail space, including approximately 285,000 square feet of large box retail uses, 105,000 square feet of shopping center space, a 75,000 square foot movie theater, a 100 room hotel, 67,500 square feet of restaurant/office space (For the purpose of this analysis, it is assumed that half of the restaurant/office space will be restaurant [i.e., retail] space), and 123 multi-family residential units with 11,900 square feet of attendant recreation buildings.

In December, 2008, the Wasco Center was granted a number of entitlement approvals from the City of Wasco. At that time, the project parcel was planned as a 158,000 square foot “big box” retailer, with no specific brand or operator identified. The applicant now purposes to increase the building shell from 158,000 sq ft to 170,000 sq ft to develop a Walmart store on the project parcel.

Based on information provided by the project applicant, this analysis assumes that the Walmart would open in 2013 and that the larger Wasco Center project will be built out some time after 2015. For purposes of evaluating potential maximum competitive impacts, this analysis hypothetically assumes that the non-Walmart portions of the Wasco Center would be developed in 2015. In all likelihood, buildout of the remaining portion of the Waco Center would occur well after this date (as indicated by project applicant), given that there are no committed tenants at this time, and that the growth in retail demand would not be sufficient to support the entire square feet of planned space by 2015 (see Section II-G). Thus, the pace of the development of the remaining part of the center would likely follow the growth in market demand.

The economic impact analysis addresses four key issues:

1. The potential for the proposed grocery component of the Walmart store to negatively impact the existing supermarkets in the relevant trade area (as defined below);
2. The potential for the proposed Walmart tire and lube facility to negatively impact existing automotive-service related establishments in the trade area;
3. The potential for the proposed Walmart general merchandise and building supply space to negatively impact existing retail stores in the trade area; and

4. The cumulative impacts associated with the Project when its economic impacts are considered together with the economic impacts of all major retail projects currently planned for development in the trade area.

Overview of Methodology

The analysis projects total resident purchasing power within the relevant trade area, and uses this projection of total demand as the basis for determining the extent to which the proposed Project could be supported in the market area without negatively impacting existing businesses.

The study methodology includes the following major steps:

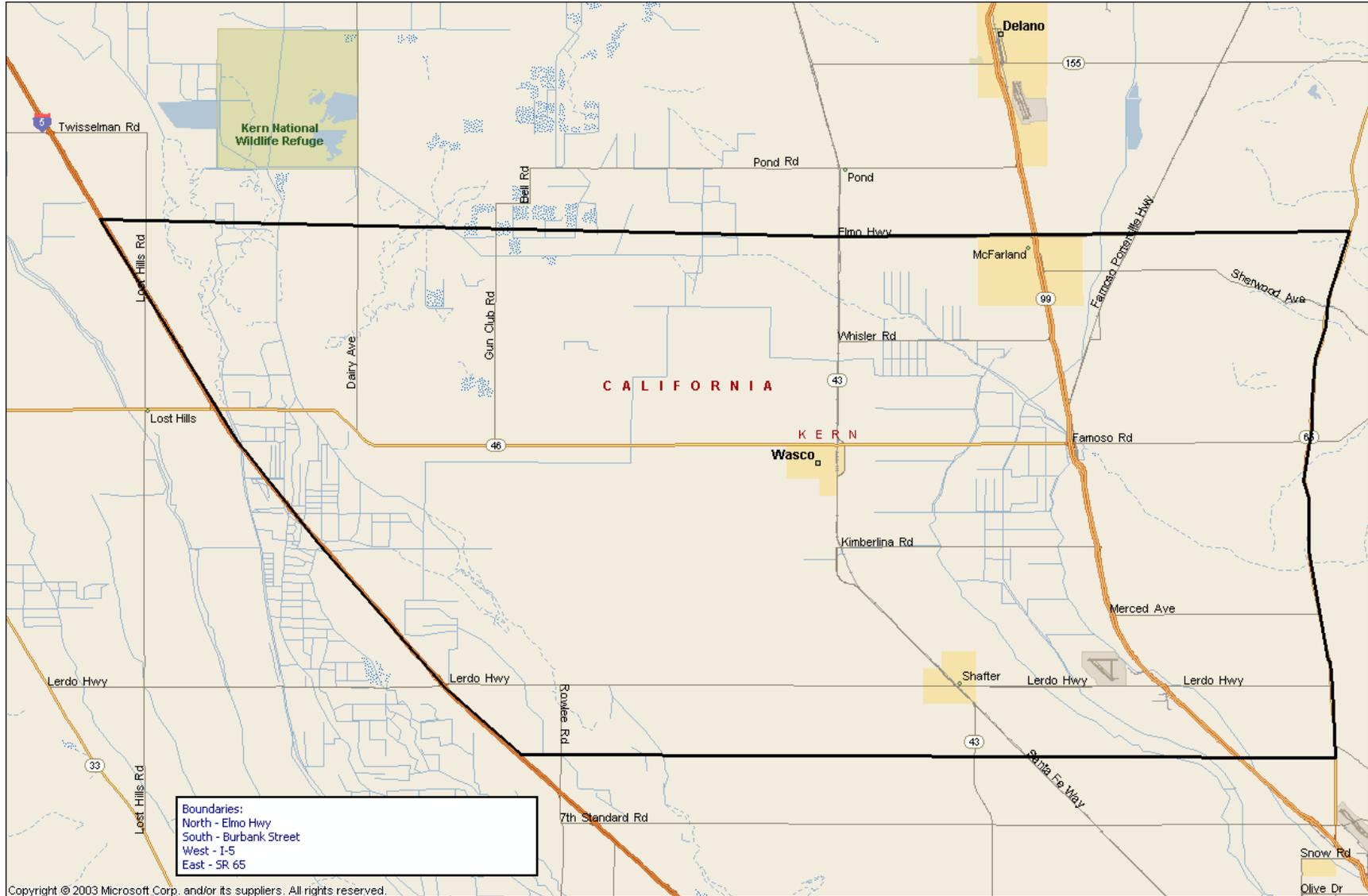
1. Estimate the current potential demand for retail sales in the trade area, based on existing demographics;
2. Estimate the portion of total trade area demand that could realistically be “captured” by retail facilities in the trade area, based on an evaluation of the amounts and locations of competitive retail facilities both within and outside of the evaluated trade area;
3. Forecast future growth in the amount of supportable retail sales, based on projected increases in the trade area’s resident population;
4. Compare this “potential” demand to the estimated volume of retail sales in the trade area, based on taxable sales data from the California State Board of Equalization (SBOE) and estimates from The Natelson Dale Group, Inc. (TNDG);
5. Estimate the volumes of additional general merchandise, apparel, furniture, specialty, grocery, restaurant, building materials, and auto parts sales that the trade area could support in future years (through 2030), based on the difference between potentially supportable sales and existing sales volumes; and
6. Translate potential new retail sales (determined in step 5) into supportable square feet of new retail space, based on standard sales per square foot factors by individual retail category.

For the non-grocery retail categories, the potential impacts are expressed in terms of the square feet of existing businesses that could potentially be displaced by the proposed Project. For the grocery category, in addition to evaluating the potential square footage displacement, the report evaluates direct potential sales impacts (in terms of dollars per square foot) to existing supermarkets in the trade area. This additional level of analysis for supermarkets is possible because the universe of supermarkets in the trade area is small (there are only six supermarkets in the trade area). Thus, it is possible to estimate the existing aggregate and average sales of these supermarkets, based on data from the SBOE.

Description of Trade Area

For the purposes of this study, the trade area for the Project has been defined as a customized polygon based on existing transportation corridors and concentrations of population and commercial development. The boundaries of the trade area polygon are Elmo Highway to the north, State Route 65/Porterville Highway to the east, Burbank Street to the south, and U.S. Interstate Highway 5 to the west. The trade area boundaries are shown on Figure I-1 on the following page.

Figure I-1: Trade Area Boundaries



What this Study Provides

Since this study is being completed as part of the Environmental Impact Report (EIR) process for the proposed Project, it focuses strictly on the types of economic impacts that are defined as significant by the California Environmental Quality Act (CEQA). Specifically, per Section 15131(b) of the CEQA Guidelines, a project's economic impacts on a community are considered significant only if they can be tied to direct physical changes in the market area (i.e., physical deterioration of existing retail centers/facilities). For purposes of this analysis, TNDG has established the following criteria to determine if the Project's market impacts would be significant enough to create a lasting physical change in a market area:

- Any diversion of sales from existing retail facilities would have to be severe enough to result in business closings; and
- The business closures would have to be significant enough in scale (i.e., in terms of the total square footage affected and/or the loss of key "anchor" tenants) that they would be presumed to lead to significant physical deterioration. Physical deterioration includes, but is not limited to, abandoned buildings and commercial sites, boarded doors and windows, long-term unauthorized use of properties and parking lots, extensive gang or offensive graffiti painted on buildings, dumping of refuse or overturned dumpsters on properties, dead trees or shrubbery, extensive litter, uncontrolled weed growth, and homeless encampments.

Within the above context, the analysis includes a description of the "baseline" condition of existing retail facilities in the trade area. In particular, TNDG completed a detailed inventory of existing retail stores and vacancies.

II. EXECUTIVE SUMMARY

II-A. SUMMARY CONCLUSIONS REGARDING POTENTIAL FOR URBAN DECAY

It is TNDG's conclusion that the proposed Project will potentially have substantial economic effects on existing retail businesses in the trade area. In this context, it is important to note that the terms "economic impact" and "economic effect" refer to loss of sales, or at most, closure of a business. Under CEQA, such purely economic impacts are not in themselves considered significant. In order to meet the definition of a "significant impact" under CEQA, there must be a substantial *physical* effect. For example, the competitive effects of a new project could result in a substantial economic impact to an existing business, leading to its closure and result in the vacancy of that space. If that space remained vacant for an extended period without regular maintenance such that it was subject to physical deterioration, then urban decay conditions could ultimately ensue. It is the ultimate physical effect of urban decay that would be considered a significant impact under CEQA, but not the substantial economic effect and ensuing chain of events that caused it.

Key conclusions regarding the proposed Project's potential economic effects are summarized as follows:

- The Walmart grocery component could potentially cause one of the existing supermarkets in the Project's trade area to close;
- There is sufficient "residual demand" (i.e., local purchasing power that currently "leaks" to retail facilities in larger cities) to support the non-grocery components of the proposed Project – including the space allocated to general merchandise, outdoor garden center, drive-through pharmacy and tire and lube facility sales – without negatively impacting existing retailers in these categories.

Urban Decay Conclusions. Whereas the potential closure of one of the trade area's existing supermarkets is clearly a substantial economic impact, TNDG does not believe that it would ultimately result in urban decay. There is sufficient residual demand to support the reuse of any vacated space with other (non-grocery) retail tenants.

Thus, it is TNDG's conclusion that the proposed Project is not likely to result in urban decay. This conclusion also applies to the cumulative projects analysis. The analysis supporting this conclusion is summarized below and detailed in Sections II-F through II-G.

II-B. OVERVIEW OF EXISTING COMMERCIAL RETAIL MARKET IN TRADE AREA

As part of the analysis, TNDG completed a comprehensive inventory of all existing retail tenants and vacancies in the trade area. The detailed inventory is provided in Appendix B of the report.

The total inventory of retail space in the trade area is estimated at approximately 778,100 square feet, 98.8% of which is located within the city boundaries of the cities of Wasco, McFarland, and Shafter. Of this total, approximately 437,800 square feet (57% of the overall inventory) is located in the City of Wasco, 245,700 square feet (31%) in the City of Shafter, and 94,600 square feet (12%) in the City of McFarland.

The inventory of existing retailers provides no indication of current urban decay in the trade area. The overall retail vacancy in the trade area is estimated at 7%, suggesting that the retail

market is relatively strong (a vacancy rate in the range of 5% to 10% is generally considered to be reflective of a healthy retail market).

There have been no significant retail developments in the trade area in recent years. Other than the larger Wasco Center project, which includes the Walmart that is the subject of this analysis, there are no planned and/or pending retail developments in the cities or unincorporated portions of the County within the trade area.

The breakdown of the existing retail inventory by category is summarized on Table II-1 below

**Table II-1:
Summary of Existing Retail Inventory
Wasco Retail Trade Area**

Tenant Category	Total Square Feet	Percent of Total
Apparel	33,496	4.3%
General Merchandise	197,171	25.3%
Food Stores (supermarkets, etc.)	188,039	24.2%
Restaurants	144,068	18.5%
Home Furnishings and Appliances	19,129	2.5%
Hardware & Building Materials	11,216	1.4%
Automobiles & Parts	26,083	3.4%
Service Stations	19,112	2.5%
Specialty/Other	35,664	4.6%
Services in Retail Space	<u>47,337</u>	6.1%
Subtotal, Occupied Space	721,315	92.7%
Vacant Space	<u>56,823</u>	7.3%
Grand Total	778,138	100.0%

Source: TNDG.

II-C. IMPACT OF WALMART GROCERY COMPONENT

It is TNDG's conclusion that a supermarket component of the proposed Walmart could potentially cause one of the existing supermarkets in the trade area to close. The analysis supporting this conclusion is summarized below.

Project Description: For purposes of this analysis, it is assumed that grocery component of the proposed Walmart would total 34,253 square feet (24,955 square feet of grocery sales area plus 9,298 square feet of grocery support space). TNDG projects that the Walmart grocery space would generate sales levels equivalent to the national average for grocery sales in Walmart stores of approximately \$624 per square foot (gross area)¹, or total grocery sales of approximately \$21.4 million.

Evaluation of Existing Grocery Market: There are six existing supermarkets in the trade area – three in Wasco (Save-Mart, National Market, and Fresh and Easy), two in Shafter (Shafter Apple Market and La Hacienda Food Mart), and one in McFarland (Palace Market). These six stores account for approximately 110,722 square feet of supermarket space. TNDG's demand analysis indicates that there is currently (year 2010) sufficient demand to support average supermarket sales volumes in the trade area of \$430 per square foot². In comparison, the industry median for supermarkets is approximately \$473 per square foot nationally and \$418 in the Western United States.³ Thus, TNDG estimates that, on average, supermarkets in the trade area currently have sales volumes which are between the Western regional and national medians.

Projected Growth in Grocery Demand: Total demand for supermarket sales in the trade area is projected to increase from approximately \$47.6 million in 2010 to approximately \$57.7 million in 2013 (the assumed opening date of the proposed Project). By 2025, total demand for supermarket sales in the trade area is projected to reach \$73.6 million (all projections are given in 2010 constant dollars). Given the relatively modest growth in grocery demand over the next several years, only a small portion of Walmart's grocery sales would be supported by incremental demand. The vast majority of the Wasco Walmart's grocery sales would be diverted from existing supermarkets in the trade area. Table III-2, on the following page, evaluates this impact in terms of the potential reduction in the sales per square foot volume at the six existing supermarkets.

¹ Based on data from Progressive Grocer's 2010 Super 50 publication, the national average sales volumes for Walmart grocery space is approximately \$857 per square foot of sales area. Based on the floor area configuration for the grocery component of the proposed Walmart, the grocery sales area is equal to approximately 72.8% of the grocery component's gross building space. Thus, the sales volume for the gross building area of the store's grocery component is estimated at \$624 per square foot ($\$857 \times 72.8\%$).

² Since the State Board of Equalization reports only taxable sales (and a large portion of sales in supermarkets are nontaxable), it is necessary to estimate the total sales of the existing supermarkets. TNDG has utilized the following assumptions for this calculation: (1) taxable supermarket sales account for 57% of taxable sales in the overall Food category (in 2010) and (2) total sales are estimated by multiplying taxable sales by a factor of 3.2. These factors have been derived by TNDG based on numerous analyses of supermarket supply and demand in comparable communities throughout California, and based on data we have reviewed from the State Board of Equalization (BOE), Claritas, and selected supermarket chains.

³ According to the 2008 edition of the Urban Land Institute's (ULI) Dollars & Cents of Shopping Centers, based on ULI's sample of supermarkets in neighborhood shopping centers.

**Table II-2:
Potential Sales Impacts to Existing Supermarkets
Grocery Component of Proposed Walmart
Wasco Retail Trade Area
In thousands of constant dollars**

Description	2010	2013	2015	2020	2025	2030
Total Food Sales Demand	\$83,521	\$96,164	\$98,982	\$105,469	\$116,076	\$128,421
Estimated Supermarket Share	57.0%	60.0%	60.6%	61.8%	63.5%	65.0%
Total Potential Sales	\$47,607	\$57,721	\$59,976	\$65,165	\$73,651	\$83,527
Less Demand Absorbed by New Facilities:						
--Walmart store 1/	\$0	(\$21,386)	(\$21,386)	(\$21,386)	(\$21,386)	(\$21,386)
Net Demand Available to Support Existing Supermarkets	\$47,607	\$36,335	\$38,589	\$43,779	\$52,265	\$62,141
Existing Supermarket Square Feet	110,772	110,772	110,772	110,772	110,772	110,772
Sales per Square Foot Existing Supermarkets	\$430	\$328	\$348	\$395	\$472	\$561

Source: TNDG; Progressive Grocer, The Super 50, May 2010.

1/ Sales per square foot (gross area) assumptions:

Walmart: \$624

Conclusion: The above analysis suggest that the development of the proposed Project could potentially cause one of the existing supermarkets in the trade area to close, given that the combined sales volumes of the six existing supermarkets would fall 24% from the existing level with the entry of the Walmart store in 2013. Based on this projected sales impact and an assumed sales-per-square foot support requirement of \$430, the trade area would be overbuilt by approximately 26,300 square feet of supermarket space in 2013. By 2020, sales volumes (\$395 per square foot) at the existing stores would recover to 95% of the \$418 Western regional benchmark.

It should be noted that the previously cited national and western median regional sales per square foot figures of \$473 and \$418, respectively, do not necessarily reflect break-even thresholds for all supermarkets. Since the \$473 and \$418 per square foot factors reflect median sales figures, by definition half of all supermarkets are operating below these levels. Some supermarkets operate at substantially lower sales levels than the median. This fact indicates that the estimated 26,300 square feet of overbuilt grocery space – and the related conclusion that one of the existing supermarkets would potentially close as a result of the proposed Project – represents a relatively aggressive (i.e., worst case) calculation.

To further evaluate the “typical” sales volumes of California supermarkets, TNDG utilized a proprietary database of chain-specific supermarket sales estimates provided by Trade Dimensions International, Inc., a market research firm of The Nielsen Company. The database,

based on data from more than 3,100 individual stores, includes sales estimates for 49 supermarket chains operating in California along with aggregate sales estimates for independent supermarkets⁴. According to this database, average sales per square foot by chain ranges from \$212 to \$801 per square foot. For all chains combined, the median and average sales per square foot measures are \$385 and \$412, respectively, with a standard deviation of \$133 per square foot. As indicated in the sales per square foot estimates above, there is significant variability in sales volumes at individual supermarkets, and evidence indicating that a number of stores (and entire chains) are operating at well below the \$473 national threshold previously identified in this analysis. In fact, of the 50 grocery chains represented in the database (including the aggregated independent category), 35, or 70% of the total, generate average sales volumes below \$473 per square foot. Further, more than half (54%) of the chains operate at sales volumes below \$400 per square foot, while 20% operate below \$300 per square foot.

It should be noted that the data provided by Trade Dimensions are sales estimates and not the supermarkets' actual sales volumes. However, TNDG has also evaluated similar sales estimates from Trade Dimensions in the form of their Retail Performance Reports, which provide store-level sales estimates for individual trade areas. For trade areas which TNDG has evaluated, the sales estimates in these reports are generally consistent with actual sales data available from the California State Board of Equalization, suggesting that the Trade Dimensions' sales estimates are reasonably accurate.

II-D. IMPACT OF PROPOSED PROJECT'S "GAFO" AND BUILDING MATERIALS SALES

It is TNDG's conclusion that the proposed project's GAFO and Building Materials components would not have substantial economic effects on existing GAFO and Building Materials establishments. The analysis supporting this conclusion is summarized below.

Project Description: The proposed Project would include 131,017 square feet of space devoted to tenants in the GAFO (General Merchandise, Apparel, Furniture/Appliances and Other/Specialty) and Building Materials retail categories. Technically, Walmart is classified (for sales tax reporting purposes) as a General Merchandise store. As practical matter, however, Walmart's merchandise mix extends well beyond the general merchandise (or department store) category to include much of the "GAFO" and Building Materials categories. In addition, the taxable sales in the trade area data are not disclosed for some of the individual retail categories in the GAFO categories and Building Materials, thus requiring the grouping of these retail categories. The square footage indicated above excludes the Walmart's planned grocery and tire and lube sections and includes the indoor and outdoor garden center.

Comparison of Existing Supply and Demand: TNDG's demand analysis indicates potential market support for \$126.2 million in GAFO and Building Materials retail sales in the Wasco Retail Trade Area, in the 2008 base year used in this analysis (hereinafter referred to as "existing"). Existing (2008) sales in these retail categories in the trade area are estimated at \$86.6 million, suggesting that approximately 31.4% of potential GAFO and Building Materials sales in the trade area are being lost to other jurisdictions with more substantial retail development (e.g., Bakersfield). In other words, there is currently an estimated \$39.6 million (\$126.2 million - \$86.6 million) in unrealized GAFO and Building Materials demand in the area –

⁴ Trade Dimensions defines a "chain" as 11 or more stores; for supermarkets with fewer than 11 stores in California, the estimates have been aggregated and treated as a single group.

demand “leakage” which could be recaptured with the development of additional retail facilities. The \$39.6 million in unrealized demand or leakage translates into approximately 146,000 square feet of additional GAFO and Building Materials space that could be supported in the trade area.

Projected Growth in Demand: Within the Wasco Retail Trade Area, potential demand for new retail space in the GAFO and Building Materials retail categories is projected to increase to approximately 211,800 square feet by 2013 (the assumed opening date for the proposed Project), 226,500 square feet by 2015 and 379,700 square feet by 2030. See Table II-3, below, for TNDG’s projection of supportable square feet within the GAFO and Building Materials retail categories from 2010 to 2030.

**Table II-3:
Potential Demand for NEW GAFO and Building Materials Retail Space
Wasco Retail Trade Area
In Square Feet (all numbers are cumulative)**

Retail Category	2010	2013	2015	2020	2025	2030
Demand for New GAFO & Building Materials space	146,021	211,825	226,491	260,251	315,455	379,711

Source: TNDG

Conclusion: As indicated above, the proposed Project would result in a net increase of 131,017 square feet of GAFO and Building Materials retail space. Residual market support for GAFO and Building Materials space in 2013 (the proposed Project’s planned completion date) is projected to be approximately 211,800 square feet, indicating the demand for new GAFO/Building Materials space would be more than sufficient to support the space associated with the proposed Project. Based on these findings, TNDG believes that it is unlikely that the GAFO/Building Materials retail components of the proposed Project would result in economic impacts to existing stores in the trade area, and that it is therefore unlikely that any existing GAFO/Building Materials stores will be forced to close due to the project.

II-E. IMPACT OF PROPOSED TIRE AND LUBE FACILITY

It is TNDG’s conclusion that the proposed Project’s tire and lube facility (TLF) would not have substantial economic effects on existing automotive establishments. The analysis supporting this conclusion is summarized as follows:

Project Description: For purposes of this analysis, it is assumed that the Project would include a 4,730-square foot tire and lube facility. Based on the project description, we have assumed that the facility would be primarily focused on motor oil changes, the sale and installation of automotive tires, and other miscellaneous automotive repairs. Unlike the other expansion area components, data are unavailable from the SBOE to compare potential demand and existing sales for these types of facilities (since they are classified as service rather than retail activities). In terms of potential competitive impacts, types of services and goods that would be provided at the TLF service center are also provided in car dealerships and tire dealers (classified as Motor Vehicle and Parts), gas/service stations (classified as Service Stations), and dedicated motor oil

changing businesses/auto repair facilities (service-based businesses not classified by the SBOE).

To evaluate potential impacts resulting from the TLE service center area, TNDG analyzed sales data in Kern County from the most recent (2007) Economic Census for the following four industries⁵:

- NAICS 44132 – Tire dealers
- NAICS 811191 – Automotive oil change and lubrication shops
- NAICS 811111 – General automotive repair
- NAICS 811198 – All other automotive repair and maintenance

According to the data, the average sales volume per facility in these four industries combined is approximately \$721,489 per year. Based on the population in Kern County in 2007, total annual expenditures in these industries equate to approximately \$257 per person. At this level of expenditures per household, the new population required to support a TLF service center-type facility would equal approximately 2,813.

Projected Growth in Demand: The trade area is projected to add approximately 2,199 residents between 2010 and 2013 (the proposed TLF service center's first full year of operations) and more than 2,900 by 2014 (see Table III-1 on page 21). Thus the growth in the market would be sufficient to support the TLF service center's sales in less than one year after its first full year of operations.

Conclusion: As indicated above, any potential sales impacts to existing automotive repair-related facilities would be temporary, due to continued growth in the market. It should be emphasized that the potential demand estimated for the TLF service centers is based solely on the *growth* in demand; it does not consider any existing under-supply of these services which may lead to current "leakage" of automotive repair expenditures to outside of the trade area. That is, the development of the TLF service center could lead to a re-capture of existing automotive repair service and sales expenditures. This is likely given the estimated retail sales leakage in the GAFO retail categories (see Section II-D above). Thus, the proposed TLF service center is not expected to result in significant economic impacts to existing automotive repair-related facilities in the trade area, and is therefore unlikely that any existing automotive repair-related facilities would be forced to close.

II-F. POTENTIAL FOR URBAN DECAY

Overall Potential for Urban Decay

This section evaluates the potential for urban decay to occur based on the possible future closure of one of the trade area's existing supermarkets as a result of sales capture by the Walmart grocery component. Although the potential closure and resulting vacancy would clearly be undesirable from the standpoint of property's owner, TNDG does not believe that it is

⁵ NAICS = North American Industry Classification System. The Economic Census is conducted in five-year intervals, with the most recent available data from 2007. The county level of geography is the smallest level of geography for which detailed industry data are available.

likely to result in urban decay. Urban decay is a potential consequence of a downward spiral of store closures and long-term vacancies⁶. While the phenomenon of urban decay is not defined under CEQA, it is assumed to be indicated by significant deterioration of structures and/or their surroundings. Such deterioration occurs when property owners reduce property maintenance activities below that required to keep their properties in good condition. Property-owners are likely to make reductions in maintenance under conditions where they see little likelihood of future positive returns. Store closures and vacancies, in and of themselves, do not meet the above criteria.

While the closure of a business is clearly a severe impact to its owners and employees, within the context of CEQA it is only significant if it results in sustained vacancies which in turn results in deterioration of the physical condition of the vacant building(s). For the reasons discussed below, TNDG believes property owners would have sufficient economic incentives to maintain properties based on the potential for some type of retail re-use.

Market Demand for Reuse of Specific Vacancies

This section evaluates the potential for urban decay to occur based on the closure that could result from development of the proposed Project. As indicated in TNDG's demand analysis, the grocery component of the proposed Walmart under worst-case conditions could potentially lead to the closing of one of the trade area's six existing supermarkets shown on Table II-4 below.

**Table II-4:
Existing Supermarkets
Wasco Retail Trade Area**

Supermarket	Square Feet (SF)	Total Shopping Center SF	Vacant SF	Number of Other Tenants	Co-Anchors	Distance from Project
<i>Save Mart</i> 2425 Highway 46, Wasco	29,160	92,746	17,485	10 (plus 3 vacancies)	Rite Aid	0.80 miles
<i>National Market</i> 1101 Highway 46, Wasco	18,271	27,396	5,237	2 (plus 1 vacancy)	Napa Auto Parts	1.60 miles
<i>Fresh & Easy</i> 1304 Highway 46, Wasco	13,969	16,880	0	2	N/A	1.60 miles
<i>Shafter Apple Market</i> 111 N. Central Valley Hwy, Shafter	22,920	31,088	1,500	7 (plus 1 vacancy)	NA	9.90 miles
<i>La Hacienda Food Mart</i> 315 James St, Shafter	7,702	15,198	0	4	NA	8.0 miles
<i>Palace Market</i> 400 W. Perkins Ave, McFarland	18,750	21,585	0	4	NA	7.5 miles

Source: TNDG, 2010.

Since specific data on individual store performance and break-even thresholds are closely held and not available for this study, it is not possible to predict with any degree of accuracy which particular supermarket would be most vulnerable to closure. However, if any store were to

⁶ As cited in the Bakersfield Citizens for Local Control v. City of Bakersfield (2004) 124 Cal. App 4th 1184, p 2.

close in the trade area, TNDG believes that there are viable reuse options for each of the store buildings in the trade area, indicating that regardless of which specific stores potentially close, the vacated space would not be likely to remain permanently vacant.

Table II-5 below projects the demand for new non-grocery retail space (i.e., over and above the existing amount of retail space) in the trade area from 2010 to 2030. As shown on the table, demand for new non-grocery retail space is expected to reach approximately 297,800 square feet by 2013.

**Table II-5:
Net Supportable Retail Space
After Opening of Proposed Project
Wasco Retail Trade Area**

Retail Category	2010	2013	2015	2020	2025	2030
<u>Demand 1/</u>						
GAFO & Building Materials	146,021	211,825	226,491	260,251	315,455	379,711
Eating and Drinking	35,478	48,582	51,502	58,225	69,217	82,012
Automotive Parts	4,650	7,592	8,248	9,758	12,227	15,100
Services @ 10% of Total Space	20,683	29,778	31,805	36,470	44,100	52,980
TOTAL	206,833	297,777	318,047	364,705	440,998	529,803
<u>Square Feet Absorbed by Project: 2/</u>						
--GAFO & Building Materials		(131,017)	(131,017)	(131,017)	(131,017)	(131,017)
<u>Net Demand</u>						
GAFO & Building Materials	146,021	80,808	95,474	129,234	184,438	248,694
Eating and Drinking	35,478	48,582	51,502	58,225	69,217	82,012
Automotive Parts	4,650	7,592	8,248	9,758	12,227	15,100
Services	20,683	29,778	31,805	36,470	44,100	52,980
NET TOTAL	206,833	166,760	187,030	233,688	309,981	398,786

Source: TNDG.

Notes: 1/ See Table III-12 and Appendix A, Table A-10.

2/ See Section I for Project description.

As shown above in Table II-5, TNDG's demand analysis indicates there would be more than sufficient market demand support to a retail reuse of a potentially vacant supermarket in the trade area. In 2013, even after development of the proposed Project, there would still be support for an additional 166,760 square feet of new retail space. This is well over the potential amount of vacant space that would result from the potential store closing discussed above. Just within the GAFO categories, there are a number of retailers in the Other/Specialty and Apparel categories that would be potential candidates to reoccupy a potential vacant supermarket. In the Other/Specialty category, this could include an office supply store (e.g., Staples), a Pets specialty store (e.g., PetSmart), a sporting goods store (e.g. Big 5 Sporting Goods), or an arts/crafts supply store (e.g., Michaels), among others. Along with the Other/Specialty type tenants, in the Apparel category, an off-price apparel retailer – such as a Ross Dress for Less, T.J. Maxx, Marshalls, etc. – would be a candidate to reoccupy a potentially vacant supermarket site. In addition, Dollar / 99 Cent stores have also been in a significant expansion mode nationally and are generally considered to be ideal reuse candidates for

vacated supermarkets⁷. These are just examples of national retail chains that potentially could reoccupy the vacant space. There is no specific knowledge of any of these particular chains' interest in the Wasco market. It is also possible that local independent retailers in the GAFO categories would reoccupy the potential vacant space. For example, in addition to single-tenant retail reuse options, many of the existing supermarket sites could potentially be subdivided for multiple smaller tenants in the GAFO categories .

There a number of examples of vacated big box stores and/or vacated supermarkets in neighboring Tulare and Kings counties that have been reoccupied with some type of non-supermarket retail reuse. Two examples include the following:

- A closed Monte Mart (2006) grocery store located on Henderson Avenue in Porterville was adapted for multi-tenant (3) retail users in 2008. Approximately 20,000 square feet of the store's original building space was demolished to accommodate an expanded Target store. Of the remaining building, Maurice's, a women's apparel store, occupied approximately 4,300 square feet in 2008. To date (March 2011), the remaining approximately 30,300 square feet of building space remains unoccupied. However, according to City staff, the property owner was previously in negotiations with Ross for Dress for Less to reoccupy this remaining space. However, the status of those negotiations is unknown at this time. The smaller of the two uses was occupied in 2008 by Maurice's, a women's apparel store.
- A closed Monte Mart Grocery store in Hanford that was reoccupied by a 99 Cent Only discount store (August, 2008).

In addition to potential commercial reuse options, many of the supermarkets would also be candidates for some type of adaptive reuse, including uses ranging from a recreational facility (e.g., bowling alley, ice rink, fitness center) to institutional uses (e.g., government office facility, library, church, private school) to office/service type uses (e.g., call centers). There are numerous examples of vacant supermarkets and vacant "big box" stores being converted for these types of uses. In nearby Porterville, at the Eastridge Plaza center, a former Rite Aid store was converted into the Porterville Health Care Center in 2006. In addition, a Kmart store that was closed in 1995, and located in Porterville on Henderson Avenue, was remodeled and reoccupied for a South County government complex in 2001, providing Health and Human Services, Probation, Workforce Investment Department, Employment Development Department, and private, non-profit training providers within 71,000± square feet of space. Two additional examples in Tulare County include two former Fairway Market stores in the city of Visalia. A former Fairway Market supermarket in northeast Visalia on the southeast corner of East Houston and North Cain was converted into a Tulare County Department of Education adult training facility in 1999. After the County vacated the property in early 2008, the property was reoccupied by a military academy. A second former Fairway Market, located on 1845 North Dinuba Boulevard in Visalia, is currently in the process of being converted to a Tulare County government complex.

For the reasons discussed above, a closed supermarket is unlikely to be subject to extended vacancy. If a vacancy were to occur, the property owner would have a strong economic incentive to maintain the vacant building in a condition suitable for re-tenanting. It is recognized that few national retailers are expanding in the current challenging economic climate, in

⁷ See *Don't Ask. You Can Afford It: Seizing the Moment, Dollar Stores Expand*, New York Times, May 3, 2009.

response to a significant drop in private household consumption. However, most experts expect the economy to fully recover by 2013. As the economy recovers, and job growth becomes positive once again, consumer demand is expected to increase. In response, national retailers will likely begin to add new stores to match the increase in demand.

Effects of Potential Extended Vacancies

Whereas TNDG believes, for the reasons described above, that a vacated supermarket space would ultimately be suitable for reuse with other retail tenants, it is acknowledged that a potential supermarket vacancy could possibly endure for as long as three or four years from the time the proposed project opens. (As a practical matter, an impacted competitor store would not likely close immediately upon the opening of the proposed project; thus the actual period of vacancy would likely be somewhat shorter than the indicated three to four years). It is therefore appropriate to consider the extent to which a closed supermarket could remain vacant for that period of time and not fall into physical disrepair.

Even in the worst-case scenario of any of the potentially vulnerable supermarkets being vacant for an extended period of time, TNDG believes that, due to their strong re-tenanting potential (based on the projected net demand for new retail space shown on Table II-5), the owners of these buildings would not allow them to fall into disrepair. The example of the closed Save Mart store in the Eastridge Plaza Center in the City of Porterville illustrates the potential for re-tenanting closed supermarkets, even if they remain vacant for extended periods of time. This store remained vacant for approximately 15 years before Vallarta reoccupied the building in late 2009. Another example is the closed Safeway store just northwest of downtown in the City of Tulare. In the early 1980s the Safeway store (located on 351 North K Street) closed, and it remained vacant until sometime in the mid 1990s when it was subdivided for multiple retail tenants – more than 10 years after the store closed. In 2002, the Tulare Joint Union High School District purchased the site and converted it into an adult school.

II-G. CUMULATIVE IMPACTS OF PROJECTS PLANNED IN THE WASCO RETAIL TRADE AREA

Whereas the above sections examine potential impacts strictly related to the proposed Project, this section evaluates the cumulative impacts to the market based on all known planned and pending retail development projects (including the proposed Project evaluated in this analysis) in the retail trade area. The balance of the Wasco Center – the components in addition to the Walmart store – is the only known planned and or pending retail development in the trade area. The Wasco Center is approved for development of approximately 253,750 total square feet of retail space exclusive of the Walmart store. This retail square footage is comprised of approximately 115,000 square feet of large box retail uses, a 105,000 square foot shopping center, and 33,750 square feet of restaurant space.⁸ There are no known tenants at this time, and the project is not expected to be completed until some time after 2015.

Table II-6, on the following page, provides a summary of the demand for new retail space (see Table II-5) along with projected supply increases in the market (see page 1). As shown in the table, the analysis accounts for vacant space resulting from the potential closure of a supermarket. Since specific data on individual store performance and break-even thresholds

⁸ The current Wasco Center project plan calls for 67,500 square feet of “restaurant/office” space. For the purpose of this analysis, it is assumed that half of the restaurant/office space will be restaurant (i.e., retail) space.

are closely held and not available for this study, it is not possible to predict with any degree of accuracy which particular supermarket would be most vulnerable to closure. However, for purposes of calculating worst-case impacts, this analysis assumes that the largest existing supermarket (approximately 29,160 square feet) in the trade area would potentially close due to competitive impacts from the proposed Project.

As shown in Table II-6, the development of the proposed Project along with the balance of the Wasco Center would result in a retail vacancy rate of 13.0% in the trade area in 2015. This rate is slightly above the 5% to 10% that is considered normal for a healthy, balanced retail market. Growth in demand is projected to return the market's retail vacancy to a more acceptable level by 2020 and to a level below 5.0% by 2025. Theoretically the growth in demand would be sufficient to absorb all but 2.8% of the vacant space in the trade area by that time. However, it is likely that there will remain a "structural vacancy rate" of at least 5% to accommodate normal turnover of retail tenants.

**Table II-6:
Supply and Demand for Retail Building Space
Based on Development of Planned and Pending Projects
Wasco Retail Trade Area**

Demand / Supply Variable	2010	2015	2020	2025
DEMAND				
Existing Occupied Square Feet (SF) 1/	729,512	729,512	729,512	729,512
Adjustments for Potential Future Vacancies				
-- Existing Supermarket 2/		(29,160)	(29,160)	(29,160)
Net Occupancy, Existing Space	729,512	700,352	700,352	700,352
Potential Demand for New Occupancies (Non-Grocery) 3/		318,047	364,705	440,998
New Occupied Supermarket SF 4/		<u>34,253</u>	<u>34,253</u>	<u>34,253</u>
Net Demand for New Occupancies		352,300	398,958	475,251
Potential Occupied Square Feet	729,512	1,052,652	1,099,310	1,175,603
SUPPLY				
Total Existing SF 5/	786,335	786,335	786,335	786,335
Supply Increases:				
--Proposed Walmart		170,000	170,000	170,000
--Wasco Center		253,750	253,750	253,750
Total Supply	786,335	1,210,085	1,210,085	1,210,085
Vacant Space	56,823	157,433	110,775	34,482
Vacancy Rate	7.2%	13.0%	9.2%	2.8%

Source: TNDG

- 1/ Includes existing occupied retail and services space in the trade area (see Appendix B).
- 2/ For purposes of worst-case scenario calculations, largest supermarket in trade area is projected to close.
- 3/ Net demand for new retail space. See Table III-12 for retail category detail.
- 4/ Square feet of all planned and pending supermarkets in the trade area.
- 5/ Includes existing occupied and vacant retail and services space in the trade area (See Appendix B).

In the event that the Walmart and the larger Wasco Center were built out by 2015, the trade area would be moderately oversupplied with retail space, based on a projected vacancy rate of 13.0%. For purposes of a CEQA analysis, we have assumed the absolute worst-case scenario regarding potential cumulative impacts. That is, the projected amounts of new retail space (and the corresponding estimate of oversupply of space) are relatively aggressive, being based on the assumption that both planned projects are completed by 2015. However, it is more likely that the Wasco Center will be built in phases based at least in part on commitments of retail tenants to occupy new space and on growth in retail demand from future population growth. Without commitments from key anchor tenants, the Center's developers will be unable to fill inline and other non-anchor space in the project. Moreover, without pre-leasing commitments

from retailers, the developer of the Wasco Center will have difficulty obtaining development financing for the project.

In the event the Wasco Center (including the Walmart) were fully developed by 2015 (which is unlikely based on market conditions), it is possible that the trade area could become moderately overbuilt with retail space, as discussed above. If an overbuilt retail environment does develop, there could be a potential for business failures with resulting closures of retail facilities in the trade area. However, this projected degree to which the market would be overbuilt would not lead to significant cumulative impacts, as the worst-case projected vacancy rate would only be 13.0%. This projected worst-case vacancy rate is only slightly above the range for a healthy, balanced retail market (approximately 5% to 10%). Further, the slightly elevated vacancy rate would only be temporary; due to continued growth in the market, the projected vacancy rate would fall back to 9.2 percent by 2020 (see Table II-6 above).

Along with the fact that the projected worst-case vacancy rate under cumulative conditions would not lead to urban decay, none of the future tenants of Wasco Center, beside Walmart, have been identified. As such, it is currently not possible to identify which retail categories might become overbuilt, or to identify existing businesses in those categories which might be forced to close. Therefore, any attempt to identify specific vacancies which might result, or to determine the potential for physical deterioration or urban decay, would be speculative in this context. For purposes of evaluating CEQA impacts, it is not required or valid to engage in speculative analysis. Rather, we assume that the Wasco Center will likely be developed in phases only if and when future demand dictates and as retail tenants are identified over time, which assumptions are consistent with existing industry customs and practice.

Summarizing the above, it is TNDG's overall conclusion that there would be no significant cumulative impacts to existing or reasonably foreseeable retail facilities in the trade area.

III. RETAIL DEMAND ANALYSIS METHODOLOGY

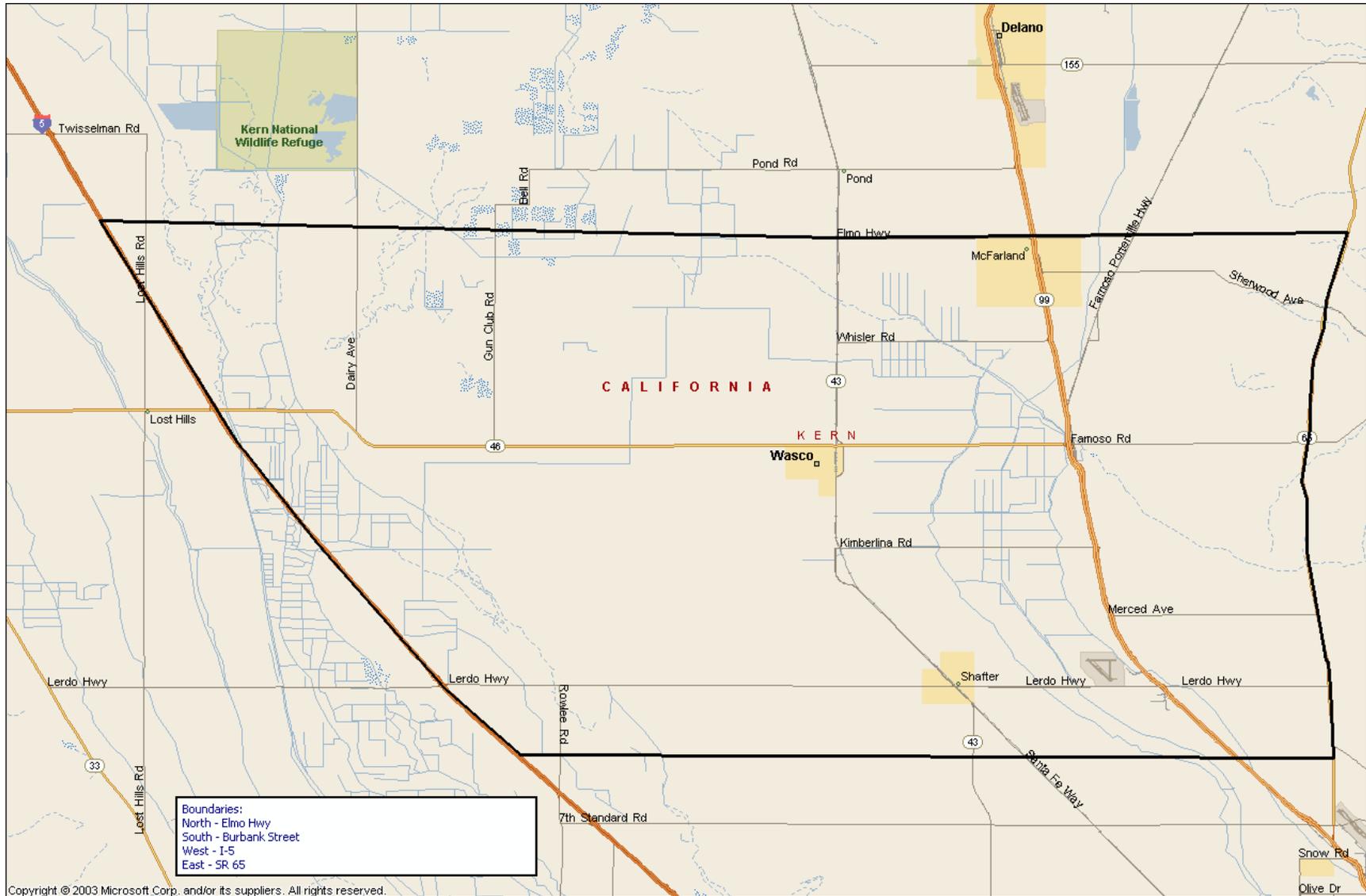
This section examines potential retail demand associated with the population residing in the market area that would be served by the proposed Project. The analysis projects future retail demand of residents in the Wasco Retail Trade Area as well as the resident demand of surrounding communities that would shop at the proposed facility.

III-A. MARKET AREA BOUNDARIES

For the purposes of this study, the trade area for the Project has been defined as a customized polygon based on existing transportation corridors and concentrations of population and commercial development. The boundaries of the trade area polygon are Elmo Highway to the north, State Route 65/Porterville Highway to the east, Burbank Street to the south, and U.S. Interstate Highway 5 to the west. The trade area includes the incorporated cities of Wasco, Shafter, and McFarland, in addition to neighboring unincorporated portions of the County.

The trade area has been carefully designed to account for likely shopping patterns of local residents, taking into account the location of competitive retail facilities – especially planned and existing Walmart stores – in the Bakersfield metropolitan area to the south and the Delano area to the north. The trade area is referred to herein as the Wasco Retail Trade Area (WRTA). Its boundaries are shown on Figure III-1 on the following page.

Figure III-1: Wasco Retail Trade Area (WRTA)



III-B. POPULATION AND INCOME LEVELS

The trade area population is projected as follows:

**Table III-1:
Population Projections by Year
Wasco Retail Trade Area**

Market Area	2008	2010	2013	2015	2020	2030
WRTA	48,066	49,654	51,853	53,372	56,870	69,246

Source: Kern County Council of Governments; TNDG.

The above projections are based on the following average annual growth rates:

2010 – 2015: 1.45%

2015 – 2020: 1.28%

2020 – 2025: 1.93%

2025 – 2030: 2.04%

The population projections are from the most recent forecasts developed by the Kern Council of Government’s (Kern COG) at the Traffic Analysis Zone (TAZ) level of geography⁹.

Average per capita income levels in the WRTA are estimated as follows:

**Table III-2:
Per Capita Income
Wasco Retail Trade Area**

Market Area	2008 Per Capita Income
WRTA	\$19,604

Source: ESRI, TNDG

The indicated estimate of per capita income was obtained from Claritas, a nationally-recognized provider of demographic data, and increased by 45% by TNDG. The reason for this increase factor is that these income estimates are based on “money income” definition of income utilized by the U.S. Census Bureau. This measure of income is narrower than the “personal income” definition used by the U.S. Department of Commerce, Bureau of Economic Analysis. The broader definition includes additional income sources such as fringe benefits (health insurance, retirement funding), imputed income (interest, rent), and direct payments to medical providers by governments. Personal income therefore represents a more complete gauge of a household’s economic status. According to the Center for the Continuing Study of the California Economy (CCSCE), personal income is the preferred measure for purposes of projecting a

⁹ Based on an analysis of Kern COG TAZ-level forecasts adopted in October, 2009.

household's purchasing power (i.e., retail demand). Thus, this analysis increases the Claritas estimates of money income by 45% to estimate per capita personal income¹⁰.

III-C. RETAIL SALES DEMAND

The portion of total income spent on retail purchases varies by the income level of the individual household and also varies depending on the strength of the overall economy. In general, the percentage of income spent on retail goods decreases as income levels rise (more affluent individuals spend more on retail goods in *absolute* dollar terms, but less as a *percentage* of their total income).

In order to forecast the ratio of total trade area income likely to be spent on retail purchases, TNDG evaluated county level data for the period 1999 through 2008 (the latest 10-year period for which official income data are available from the Bureau of Economic Analysis (BEA). In particular, TNDG calculated the ratio of total retail sales (based on data from the SBOE¹¹) to aggregate income (per the BEA). At the countywide level, the ratio of retail sales to total income is estimated as follows for each year of the evaluation period:

**Table III-3:
Total Retail Sales
As a Percentage of Aggregate Personal Income
Kern County**

1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	10-Year Average
36%	38%	38%	37%	38%	40%	43%	42%	38%	34%	38%

Source: TNDG, based on income data from BEA and retail sales data from SBOE.

Whereas the above data area based on countywide income levels, data from the National Consumer Expenditure Survey (CES) allow for evaluation of the variation in retail expenditures by household income level. Since income levels in the WRTA are lower than the countywide average, it is expected that retail expenditures as a percentage of income are somewhat higher in the WRTA. Based on an evaluation of the CES data for households with income levels comparable to those in the WRTA and in the county as a whole, TNDG estimates that the WRTA retail-to-income ratio is approximately 5 percentage points higher in the WRTA compared to the countywide averages estimate in the table above. Thus, TNDG's estimates of the retail-to-income ratio for the WRTA are as follows:

¹⁰ Per capita "personal income" is a full 45% higher than per capita "money income" in Kern County, based on 2002 through 2008 income data provide by the Bureau of Economic Analysis and the U.S. Census Bureau.

¹¹ The Board of Equalization provides data on *taxable* retail sales. In order to estimate total retail sales, TNDG multiplied *taxable* sales in the Food category by a factor of 3.2. As noted previously, this factor has been derived by TNDG based on based on numerous analyses of supermarket supply and demand in comparable communities throughout California, and based on data we have reviewed from the State Board of Equalization (BOE) and selected supermarket chains.

**Table III-4:
Total Retail Sales
As a Percentage of Aggregate Personal Income
Wasco Retail Trade Area**

1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	10-Year Average
41%	42%	43%	42%	43%	45%	48%	47%	43%	39%	43%

Source: TNDG, based on BEA, SBOE and CES data.

The above data clearly show the effects of a strong economy in 2005 and 2006 and the severe recession beginning in 2007. In order to remain analytically conservative, TNDG's analysis assumes that the retail expenditure ratio for the trade area will remain at the recession-depressed level of 39% through 2012 and then will return to the long-term average level of 43% for the remainder of the forecast period. It is important to note that TNDG is projecting that the ratio will remain well below the 2005 peak of 48%.

**Table III-5:
Income and Retail Demand
Wasco Retail Trade Area
In thousands of constant dollars**

Market Area	2008	2010	2013	2015	2020	2025	2030
Total Income	\$942,293	\$973,433	\$1,016,533	\$1,046,322	\$1,114,898	\$1,227,015	\$1,357,521
Percent of Income Spent on Retail Goods	39%	39%	43%	43%	43%	43%	43%
Total Retail Demand	\$367,494	\$379,639	\$437,109	\$449,918	\$479,406	\$527,616	\$583,734

Source: TNDG

III-D. DISTRIBUTION OF RESIDENT RETAIL EXPENDITURES

Projected retail demand from market area residents is disaggregated into various retail categories based upon retail expenditure patterns observed in California counties with similar income characteristics as the trade area. The basic distribution of retail sales by retail category is projected as follows in Table III-6.

**Table III-6:
Distribution of Retail Sales by Category
Wasco Retail Trade Area**

Retail Category	Distribution
<u>Shopper Goods:</u>	
Apparel	3.0%
General Merchandise	13.0%
Furniture/Appliances	3.0%
Specialty	12.0%
<i>Subtotal</i>	<i>31.0%</i>
<u>Convenience Goods:</u>	
Food / Liquor	22.0%
Eating and Drinking	9.0%
<i>Subtotal</i>	<i>31.0%</i>
<u>Heavy Commercial Goods:</u>	
Building Materials/Hardware	8.0%
Auto Dealers	16.0%
Service Stations	14.0%
<i>Subtotal</i>	<i>38.0%</i>
Total	100.0%

Source: SBOE; TNDG

III-E. CAPTURE RATE ANALYSIS

Generally, it is reasonable to expect that residents will tend to make the vast majority of their retail purchases locally, provided that a competitive mix of retail stores reflective of consumer needs is available. Depending on the type and number of stores available, a trade area will normally capture 85% to 100% of its resident demand. Table III-7 below shows TNDG's estimates of capture rates in the WRTA. The WRTA does not have a full-scale regional shopping center (and is not likely to attract one in the foreseeable future). Therefore, it is assumed that the area will always experience some level of retail "leakage" of shopper goods to communities with a larger array of retail facilities (e.g., in the Bakersfield metropolitan area). Thus, the WRTA is projected to capture 85% of demand in the shopper goods retail categories. It is projected that the WRTA will capture 100% of the demand in the Food (grocery store) and Building Materials/Hardware categories because of the strong propensity of consumers to purchase goods in these categories as close as possible to their residences.

**Table III-7:
Capture Rates of Trade Area Demand
Wasco Retail Trade Area**

Retail Category	Capture Rate
<u>Shopper Goods:</u>	
Apparel	85.0%
General Merchandise	85.0%
Furniture/Appliances	85.0%
Specialty	85.0%
<u>Convenience Goods:</u>	
Food	100.0%
Eating and Drinking	95.0%
<u>Heavy Commercial Goods:</u>	
Building Materials/Hardware	100.0%
Auto Dealers and Parts	70.0%
Service Stations	N/A

Source: TNDG

III-F. POTENTIAL RETAIL SALES VOLUMES

Based on the capture rates shown above, Table III-8, on the following page, projects the potential market area demand in the WRTA for each retail category. As shown on the table, incremental demand through 2030 for retail sales in the WRTA is projected to grow in proportion to increases in the population of the trade area.

**Table III-8:
Potential Capture of Sales
Wasco Retail Trade Area
in thousands of dollars**

Retail Category	2008	2010	2013	2015	2020	2025	2030
Shopper Goods:							
Apparel	\$9,371	\$9,681	\$11,146	\$11,473	\$12,225	\$13,454	\$14,885
General Merchandise	\$40,608	\$41,950	\$48,301	\$49,716	\$52,974	\$58,302	\$64,503
Furniture/Appliances	\$9,371	\$9,681	\$11,146	\$11,473	\$12,225	\$13,454	\$14,885
Specialty	\$37,484	\$38,723	\$44,585	\$45,892	\$48,899	\$53,817	\$59,541
<i>Subtotal</i>	<i>\$96,834</i>	<i>\$100,035</i>	<i>\$115,178</i>	<i>\$118,554</i>	<i>\$126,323</i>	<i>\$139,027</i>	<i>\$153,814</i>
Convenience Goods:							
Food	\$80,849	\$83,521	\$96,164	\$98,982	\$105,469	\$116,076	\$128,421
Eating and Drinking	\$31,421	\$32,459	\$37,373	\$38,468	\$40,989	\$45,111	\$49,909
<i>Subtotal</i>	<i>\$112,270</i>	<i>\$115,980</i>	<i>\$133,537</i>	<i>\$137,450</i>	<i>\$146,458</i>	<i>\$161,187</i>	<i>\$178,330</i>
Heavy Commercial Goods:							
Bldg. Materials/Hardware	\$29,400	\$30,371	\$34,969	\$35,993	\$38,352	\$42,209	\$46,699
Auto Dealers and Parts	\$41,159	\$42,520	\$48,956	\$50,391	\$53,693	\$59,093	\$65,378
Service Stations	N/A						
<i>Subtotal</i>	<i>\$70,559</i>	<i>\$72,891</i>	<i>\$83,925</i>	<i>\$86,384</i>	<i>\$92,045</i>	<i>\$101,302</i>	<i>\$112,077</i>
Total	\$279,663	\$288,906	\$332,640	\$342,388	\$364,826	\$401,516	\$444,221

Source: TNDG

Based on the demand estimates shown above, Table III-9, below, provides a comparison of total market area demand with actual sales in each retail category.

**Table III-9:
Comparison of Potential Demand with Actual Sales
Non-Grocery Retail Categories
Wasco Retail Trade Area
In thousands of dollars**

Retail Category	2008 Demand	2008 Sales	Expected Less Actual	Percent Actual/ Expected
GAFO and Building Materials 1/	\$126,234	\$86,600	\$39,634	69%
Food	\$80,849	\$81,937	(\$1,088)	101%
Eating and Drinking	\$31,421	\$19,155	\$12,266	61%
Auto Dealers and Parts	\$41,159	\$32,348	\$8,811	79%
Total	\$279,663	\$220,039	\$59,624	79%

Source: SBOE; TNDG

1/ GAFO includes General Merchandise, Apparel, Furniture and Other (Specialty).

In subsequent years, incremental demand in the WRTA is projected to grow in proportion to population increases. Table III-10 below, shows the projected changes in incremental retail demand over the projection timeline.

**Table III-10:
Total Potential Capture of Demand for New Retail Sales
Non-Grocery Retail Categories
Wasco Retail Trade Area
In thousands of constant dollars**

Retail Category	2008	2010	2013	2015	2020	2025	2030
GAFO and Building Materials	\$39,634	\$43,806	\$63,547	\$67,947	\$78,075	\$94,636	\$113,913
Eating and Drinking	\$12,266	\$13,304	\$18,218	\$19,313	\$21,834	\$25,956	\$30,754
Auto Dealers and Parts	\$8,811	\$10,172	\$16,608	\$18,043	\$21,345	\$26,745	\$33,030
Total	\$60,712	\$67,283	\$98,374	\$105,304	\$121,255	\$147,338	\$177,698

Source: TNDG

III-G. SUPPORTABLE RETAIL SPACE

Sales Per Square Foot Standards

Projected sales volume requirements per square foot of retail space by retail category, as shown below in Table III-11, are derived from typical sales standards from the Urban Land Institute's Dollars & Cents Publication and from typical sales per square foot data from representative stores in each retail category as reported by Retail MAXIM.

**Table III-11:
Sales per Square Foot Standards for Retail Space
Wasco Retail Trade Area**

Retail Category	Sales/ Square Foot
GAFO and Building Materials	\$300
Eating and Drinking	\$400
Auto Parts	\$275

Source: TNDG, based on data published by ULI and Retail Maxim.

Demand for New Retail Space

The sales per square foot standards are applied to the net demand numbers for each relevant retail category, as shown in Table III-12 below. This calculation essentially converts potential sales volumes to supportable square feet of new retail space. Supportable development levels will increase in the future by virtue of anticipated growth in the trade area population. Based on analysis a of proprietary database of shopping centers in a major metropolitan area, TNDG has determined that services space (e.g., dry cleaners, hair salons, banks, etc.) accounts for 10% to 25% of total shopping center space, depending on type of retail development (i.e., regional, community, neighborhood, etc.). To be analytically conservative, this analysis assumes that, on average, services space accounts for 10% of total space in typical shopping center settings.

**Table III-12:
Demand for NEW Retail Space
Wasco Retail Trade Area**

Retail Category	2010	2013	2015	2020	2025	2030
GAFO and Building Materials	146,021	211,825	226,491	260,251	315,455	379,711
Eating and Drinking	35,478	48,582	51,502	58,225	69,217	82,012
Auto Parts 1/	4,650	7,592	8,248	9,758	12,227	15,100
Services Space @ 10% of Total	20,683	29,778	31,805	36,470	44,100	52,980
Total	206,833	297,777	318,047	364,705	440,998	529,803

Source: TNDG

1/ Assumes that automotive parts stores account for 8% of sales in overall Automotive group category (based on statewide average in 2008).

III-H. DEMAND FOR GROCERY SALES AND SUPPORTABLE GROCERY SPACE

Since the proposed Project would include a supermarket component, this section evaluates the demand for grocery sales and supportable grocery space in the WRTA. Table III-13, below, forecasts total demand in the Food category from 2010 to 2030, and provides projections of the potential average sales per square foot for major supermarkets in the trade area.

**Table III-13:
Demand for Supermarket Sales and
Supportable Supermarket Space
Wasco Retail Trade Area
In thousands of 2008 constant dollars**

Description	2010	2013	2015	2020	2025	2030
Total Food Sales Demand	\$83,521	\$96,164	\$98,982	\$105,469	\$116,076	\$128,421
Estimated Supermarket Share	57.0%	60.0%	60.6%	61.8%	63.5%	65.0%
Total Potential Sales	\$47,607	\$57,721	\$59,976	\$65,165	\$73,651	\$83,527
Less Demand Absorbed by New Facilities:						
--Walmart store 1/	\$0	(\$21,386)	(\$21,386)	(\$21,386)	(\$21,386)	(\$21,386)
Net Demand Available to Support Existing Supermarkets	\$47,607	\$36,335	\$38,589	\$43,779	\$52,265	\$62,141
Existing Supermarket Square Feet	110,772	110,772	110,772	110,772	110,772	110,772
Sales per Square Foot Existing Supermarkets	\$430	\$328	\$348	\$395	\$472	\$561

Source: TNDG; Progressive Grocer, The Super 50, May 2010.

1/ Sales per square foot (gross area) assumptions: Walmart – \$624

Based on analysis of available sales tax data, TNDG estimates that the six existing supermarkets in WRTA currently capture approximately 57% of the overall Food category sales. The balance of sales in the overall Food category accrues to smaller convenience and specialty markets. For purposes of projecting future demand, we have assumed that supermarkets will capture increasing shares of Food demand, reaching 65% by 2030¹².

The table also provides an estimate of the WRTA supermarkets' average sales volumes, in terms of sales per square foot, by dividing the estimate of supermarket demand (in dollars) by the square feet of existing supermarket space. Projections of future average sales volumes are net of the demand that would be absorbed by the proposed grocery component of the proposed Walmart.

¹² In fully developed urban markets, supermarket sales typically account for 80% to 90% of sales in the overall Food category. This factor has been derived by TNDG based on numerous analyses of supermarket supply and demand in urban communities throughout California. Thus, based on data from other markets, we would expect supermarkets to capture approximately to 80% 90% of the *incremental growth* in Food sales. That is, the increase in the supermarkets' share of *total* Food demand from 57% to 65% corresponds to capturing 80% of new or *incremental* Food demand between 2010 and 2030. Given that the shift in Food sales would relate to incremental demand, it would not affect the sales volumes of existing non-supermarket Food stores.

APPENDIX A

RETAIL DEMAND MODEL – WASCO RETAIL TRADE AREA

**Table A-1
Population Projections
Wasco Retail Trade Area**

	2008	2010	2013	2015	2020	2025	2030
Population	48,066	49,654	51,853	53,372	56,870	62,589	69,246

Source: Claritas; The Natelson Dale Group. (TNDG)

**Table A-2
Per Capita Income Projections
Wasco Retail Trade Area
In constant dollars**

	2008						
Base Year Income Estimate	\$19,604						
Annual Increase Factor	0.00%						
	2008	2010	2013	2015	2020	2025	2030
Per Capita Income	\$19,604	\$19,604	\$19,604	\$19,604	\$19,604	\$19,604	\$19,604

Source: Claritas; TNDG

Table A-3
Total Income and Potential Retail Sales Projections
Wasco Retail Trade Area
In thousands of constant dollars

Area	2008	2010	2013	2015	2020	2025	2030
Percent of Income Spent for Retail Goods	39.0%	39.0%	43.0%	43.0%	43.0%	43.0%	43.0%
Total Income	\$942,293	\$973,433	\$1,016,533	\$1,046,322	\$1,114,898	\$1,227,015	\$1,357,521
Total Potential Retail Sales	\$367,494	\$379,639	\$437,109	\$449,918	\$479,406	\$527,616	\$583,734

Source: TNDG

Table A-4
Distribution of Retail Sales by Retail Category
Wasco Retail Trade Area

Retail Category	%Distribution 2008	%Distribution 2010	%Distribution 2013	%Distribution 2015	%Distribution 2020	%Distribution 2025	%Distribution 2030
<i>Shopper Goods:</i>							
Apparel	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
General Merchandise	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%
Home Furnishings	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Specialty/Other	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%
Subtotal	31.0%	31.0%	31.0%	31.0%	31.0%	31.0%	31.0%
<i>Convenience Goods:</i>							
Food	22.0%	22.0%	22.0%	22.0%	22.0%	22.0%	22.0%
Eating and Drinking	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%
Subtotal	31.0%	31.0%	31.0%	31.0%	31.0%	31.0%	31.0%
<i>Heavy Commercial Goods:</i>							
Building Materials/Hardware	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%
Auto Dealers and Parts	16.0%	16.0%	16.0%	16.0%	16.0%	16.0%	16.0%
Service Stations	14.0%	14.0%	14.0%	14.0%	14.0%	14.0%	14.0%
Subtotal	38.0%	38.0%	38.0%	38.0%	38.0%	38.0%	38.0%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: TNDG, based on historic trends reported by the State Board of Equalization.

Table A-5
Projected Demand for Retail Sales
Wasco Retail Trade Area
In thousands of constant dollars

Retail Category	2008	2010	2013	2015	2020	2025	2030
<i>Shopper Goods:</i>							
Apparel	\$11,025	\$11,389	\$13,113	\$13,498	\$14,382	\$15,828	\$17,512
General Merchandise	\$47,774	\$49,353	\$56,824	\$58,489	\$62,323	\$68,590	\$75,885
Furniture/Appliances	\$11,025	\$11,389	\$13,113	\$13,498	\$14,382	\$15,828	\$17,512
Specialty/Other	\$44,099	\$45,557	\$52,453	\$53,990	\$57,529	\$63,314	\$70,048
Subtotal	\$113,923	\$117,688	\$135,504	\$139,475	\$148,616	\$163,561	\$180,958
<i>Convenience Goods:</i>							
Food	\$80,849	\$83,521	\$96,164	\$98,982	\$105,469	\$116,076	\$128,421
Eating and Drinking	\$33,074	\$34,167	\$39,340	\$40,493	\$43,147	\$47,485	\$52,536
Subtotal	\$113,923	\$117,688	\$135,504	\$139,475	\$148,616	\$163,561	\$180,958
<i>Heavy Commercial Goods:</i>							
Building Materials/Hardware	\$29,400	\$30,371	\$34,969	\$35,993	\$38,352	\$42,209	\$46,699
Auto Dealers and Parts	\$58,799	\$60,742	\$69,937	\$71,987	\$76,705	\$84,419	\$93,397
Service Stations	\$51,449	\$53,149	\$61,195	\$62,989	\$67,117	\$73,866	\$81,723
Subtotal	\$139,648	\$144,263	\$166,102	\$170,969	\$182,174	\$200,494	\$221,819
Total	\$367,494	\$379,639	\$437,109	\$449,918	\$479,406	\$527,616	\$583,734

Source: TNDG

Table A-6
Potential Capture Rates of Total Trade Area Demand within City of Wasco
Expressed in Percentages

Retail Category	2008	2010	2013	2015	2020	2025	2030
<i>Shopper Goods:</i>							
Apparel	85.00%	85.00%	85.00%	85.00%	85.00%	85.00%	85.00%
General Merchandise	85.00%	85.00%	85.00%	85.00%	85.00%	85.00%	85.00%
Furniture/Appliances	85.00%	85.00%	85.00%	85.00%	85.00%	85.00%	85.00%
Specialty/Other	85.00%	85.00%	85.00%	85.00%	85.00%	85.00%	85.00%
<i>Convenience Goods:</i>							
Food	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Eating and Drinking	95.00%	95.00%	95.00%	95.00%	95.00%	95.00%	95.00%
<i>Heavy Commercial Goods:</i>							
Building Materials/Hardware	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Auto Dealers and Parts	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%
Service Stations	N/A						

Source: TNDG

Table A-7
Potential Retail Sales within Wasco Trade Area
In thousands of constant dollars

Retail Category	2008	2010	2013	2015	2020	2025	2030
<i>Shopper Goods:</i>							
Apparel	\$9,371	\$9,681	\$11,146	\$11,473	\$12,225	\$13,454	\$14,885
General Merchandise	\$40,608	\$41,950	\$48,301	\$49,716	\$52,974	\$58,302	\$64,503
Furniture/Appliances	\$9,371	\$9,681	\$11,146	\$11,473	\$12,225	\$13,454	\$14,885
Specialty/Other	\$37,484	\$38,723	\$44,585	\$45,892	\$48,899	\$53,817	\$59,541
Subtotal	\$96,834	\$100,035	\$115,178	\$118,554	\$126,323	\$139,027	\$153,814
<i>Convenience Goods:</i>							
Food	\$80,849	\$83,521	\$96,164	\$98,982	\$105,469	\$116,076	\$128,421
Eating and Drinking	\$31,421	\$32,459	\$37,373	\$38,468	\$40,989	\$45,111	\$49,909
Subtotal	\$112,270	\$115,980	\$133,537	\$137,450	\$146,458	\$161,187	\$178,330
<i>Heavy Commercial Goods:</i>							
Building Materials/Hardware	\$29,400	\$30,371	\$34,969	\$35,993	\$38,352	\$42,209	\$46,699
Auto Dealers and Parts	\$41,159	\$42,520	\$48,956	\$50,391	\$53,693	\$59,093	\$65,378
Service Stations	N/A						
Subtotal	\$70,559	\$72,891	\$83,925	\$86,384	\$92,045	\$101,302	\$112,077
Total	\$279,663	\$288,906	\$332,640	\$342,388	\$364,826	\$401,516	\$444,221

Source: TNDG

Table A-8
Comparison of Potential Retail Demand with Actual Sales
City of Wasco
In thousands of constant dollars

Retail Category	2008 Demand	2008 Sales	Expected Less Actual	Percent Actual/Expected
<i>Shopper Goods and Building Materials:</i>				
GAFO and Building Materials Total	\$126,234	\$86,600	\$39,634	68.60%
<i>Convenience Goods:</i>				
Food	\$80,849	\$81,937	(\$1,088)	101.35%
Eating and Drinking	\$31,421	\$19,155	\$12,266	60.96%
Subtotal	\$112,270	\$101,091	\$11,179	90%
<i>Heavy Commercial Goods:</i>				
Auto Dealers and Parts	\$41,159	\$32,348	\$8,811	78.59%
Total	\$279,663	\$220,039	\$59,624	78.68%

Source: TNDG, State Board of Equalization

Table A-9
Net Supportable Retail Sales (Non-Grocery Categories)
City of Wasco
In thousands of constant dollars

Retail Category	2008	2010	2013	2015	2020	2025	2030
<i>Shopper Goods and Building Materials:</i>							
GAFO and Building Materials Total	\$39,634	\$43,806	\$63,547	\$67,947	\$78,075	\$94,636	\$113,913
<i>Convenience Goods:</i>							
Eating and Drinking	\$12,266	\$13,304	\$18,218	\$19,313	\$21,834	\$25,956	\$30,754
<i>Heavy Commercial Goods:</i>							
Auto Dealers and Parts	\$8,811	\$10,172	\$16,608	\$18,043	\$21,345	\$26,745	\$33,030
Total	\$60,712	\$67,283	\$98,374	\$105,304	\$121,255	\$147,338	\$177,698

Source: TNDG

Table A-10
Potential Supportable Square Feet of Retail Development (non-grocery)
Wasco Retail Trade Area

Retail Category	Sales/Square Feet	2010	2013	2015	2020	2025	2030
GAFO and Building Materials	\$300	146,021	211,825	226,491	260,251	315,455	379,711
Eating and Drinking	\$375	35,478	48,582	51,502	58,225	69,217	82,012
Auto Parts 1/	\$175	4,650	7,592	8,248	9,758	12,227	15,100
Service space as a % of retail	10.0%	20,683	29,778	31,805	36,470	44,100	52,980
Total		206,833	297,777	318,047	364,705	440,998	529,803

1/ Assumes that automotive parts stores account for 8% of sales in overall Automotive group category (based on statewide average in 2008).

Source: TNDG

Table A-11
Potential Sales Impacts to Existing Supermarkets
City of Wasco

Demand Variable	2010	2013	2015	2020	2025	2030
Total Food Sales Demand (000's)	\$83,521	\$96,164	\$98,982	\$105,469	\$116,076	\$128,421
Estimated Supermarket Share	57.0%	60%	61%	62%	63%	65%
Total Potential Supermarket Sales	\$47,607	\$57,721	\$59,976	\$65,165	\$73,651	\$83,527
Less Demand Absorbed by New Facilities 1/ -- Walmart		\$21,386	\$21,386	\$21,386	\$21,386	\$21,386
Net Demand Available to Support Existing Supermarkets	\$47,607	\$36,335	\$38,589	\$43,779	\$52,265	\$62,141
Existing Supermarket Square Feet (SF)	110,772	110,772	110,772	110,772	110,772	110,772
Sales Per Square Foot Existing Supermarkets	\$430	\$328	\$348	\$395	\$472	\$561

1/ Walmart food sales projected at \$624 per gross square foot of grocery space.

Source: TNDG; Progressive Grocer.

APPENDIX B

RETAIL INVENTORY – WASCO RETAIL TRADE AREA

Table B-1
Retail Inventory - Wasco Retail Trade Area
City of Wasco and Nearby Unincorporated Area

TENANT	NUMBER	STREET	RETAIL CATEGORY	SQUARE FEET
Chevron & Circle K	559	Hwy 46	GAS	1850
Frosty King	1032	Hwy 46	ED	1,333
Subway	1063	Hwy 46	ED	1,300
Vacant (former Pizza Parlor)	1117	Hwy 46	VAC	5,237
National Market	1105	Hwy 46	FOOD	18,271
Napa Auto Parts	1125	Hwy 46	AUTO	3,888
Pizza Bar	1120	Hwy 46	ED	1,693
Jolly Kone Drive In	1212	Hwy 46	ED	889
Texaco Gas & Food Mart	1224	Hwy 46	FOOD	750
Fresh & Easy	1304	Hwy 46	FOOD	13,969
Carl's Jr.	1308	Hwy 46	ED	2,911
Floyd's True Value	1435	Hwy 46	HARD	6,216
Carol's Dairy Freeze	_____	Hwy 46	ED	1,100
Lucky 7 Food Store	1445	Hwy 46	FOOD	1,000
La Cabanita Restaurant	1609	Hwy 46	ED	1,428
Denny's	1804	Hwy 46	ED	4,893
Jack In the Box	1920	Hwy 46	ED	2,806
Chevron Gas	2098	Hwy 46	GAS	NA
Chevron Food Mart	2098	Hwy 46	GAS	3,712
McDonalds	2100	Hwy 46	ED	4,677
Burger King	2101	Hwy 46	ED	2,953
Big O Tires	2150	Hwy 46	AUTO	2,530
Vacant (former Blockbuster)	2320	Hwy 46	VAC	1,984
Amigos Meat Market	_____	Hwy 46	FOOD	1,035
Town & Country Liquors	_____	Hwy 46	GAS	3,200
Baker Square	2445	Hwy 46		
Taco Bell (pad)	2415	Hwy 46	ED	2,355
Perko's Café	2339	Hwy 46	ED	3,528
Autozone (pad)	2301	Hwy 46	AUTO	3,500
Vacant	2435	Hwy 46	VAC	2,817
Vacant	2445	Hwy 46	VAC	11,071
Anytime Fitness	2445 A	Hwy 46	SVC	4,766
Save Mart	2445	Hwy 46	FOOD	29,160
Cigarretes	2355	Hwy 46	SPEC	1,058
Cash Advance	2351	Hwy 46	ED	3,597
Vacant (formarly Super China Buffet)	2345	Hwy 46	VAC	3,597
Discout Mall	2337	Hwy 46	GM	11,215
Pizza & Arcade	2325	Hwy 46	ED	3,571
Rite Aid	2501	Hwy 46	GM	12,511

Table B-1

Retail Inventory - Wasco Retail Trade Area

City of Wasco and Nearby Unincorporated Area

TENANT	NUMBER	STREET	RETAIL CATEGORY	SQUARE FEET
K-Mart Shopping Center				
Vacant	2649 A	Hwy 46	VAC	1,250
Bellissima Salon	2649 B	Hwy 46	SVC	1,250
Los Cazadores Mexian Food	2649 C	Hwy 46	ED	3,000
Dollar Tree	2701	Hwy 46	GM	11,458
K-Mart	2785	Hwy 46	GM	92,667
F Street				
Teresa's Mexian Restaurant	441	F St	ED	1,472
Second Hand Store	540	F St	GM	2,100
La Mexicana Bakerty	615	F St	ED	1,755
Vacant	630	F St	VAC	4,655
Rainbow Clothing	625	F St	APP	3,015
Salon Unisex Forever	649	F St	SVC	1,375
Wasco Valley Pharmacy	638	F St	GM	2,428
La Nortena Panaderia & Tortilleria	1000	F St	FOOD	3,661
Vacant	1139	F St	VAC	770
El Patio Mexian Grill	1345	F St	ED	2,401
J&J Market Gas	1375	F St	GAS	
J&J Market Market	1375	F St	GAS	3,000
Wasco Plaza				
	800-900	7th St		
Monica's Footwear	800	7th St	APP	1,460
Tienda Mexicana El Molino	804	7th St	APP	1,926
99 Cent Discount	810	7th St	GM	2,962
Domino's Pizza	842	7th St	ED	2,000
Mariela's Salon	846	7th St	SVC	2,201
Priscilla's Clothing	848	7th St	APP	2,370
Botas Jaliscos	900 A	7th St	APP	1,143
Marsi's Bionicos & Jugos	837	7th St	ED	2,132
99 Cent Discount	833	7th St	GM	2,031
Gonzales Cellular	829	7th St	SPEC	2,132
Wasco Super Store	817	7th St	GM	4,258
El Burrito Loco	803	7th St	ED	1,650
Wasco Liquor	801	7th St	FOOD	1,650

Table B-1

Retail Inventory - Wasco Retail Trade Area

City of Wasco and Nearby Unincorporated Area

TENANT	NUMBER	STREET	RETAIL CATEGORY	SQUARE FEET
7th St				
Western Furniture Co.	706	7th St	FURN	6,634
Envios de Dinero	908	7th St	SPEC	1,143
Hong Kong Restaurant	912	7th St	ED	2,450
Tommie's	914	7th St	SVC	1,555
Wasco Billiards	922	7th St	ED	1,375
Taqueria Sedano's	922	7th St	APP	1,777
Te Amo Express (Deli)	921	7th St	ED	1,016
Rosie's Fashion	1028	7th St	ED	1,650
Tortilleria Santa Cruz Tacos	1120	7th St	FOOD	3,333
Fiesta Latina Market	1220	7th St	ED	8,397
Ricky's Mexican Food	1157	7th St	ED	1,746
Donuts to Go	1145	7th St	FOOD	1,788
Broadway Market	1101	7th St	FOOD	1,900
Exotic Designs Florist	1025	7th St	SPEC	4,761
La Canasta Market	1017	7th St	FOOD	3,999
Dreams Boutique	1001	7th St	APP	5,761
Blue Cube	947	7th St	ED	1,100
Wasco Jewelers	935	7th St	SPEC	714
Discoteca Hermano's (music store)	937	7th St	SPEC	714
Cesilla's Impressions (salon)	933	7th St	SVC	1,047
La Cocina Del Pueblo	931	7th St	ED	1,000
Metro PC	917	7th St	SPEC	2,031
Charro's Mexian Food	915	7th St	ED	2,031
Chachara Gema	911	7th St	SVC	1,016
Barber Shop	905	7th St	SVC	1,524
Dollar Store	903	7th St	GM	1,750
Tienda Gethsemani	901	7th St	SVC	1,571
Free Standing				
Pinkee's Promise	652	E St	FOOD	1,164
El Pueblo Market	741	E St	FOOD	5,500
Joe's Market	1010	Poso Dr.	FOOD	3,120
Circle K	1395	Palm Ave	FOOD	2,761
Stop 1 Market	639	D St	FOOD	2,708
Hoyet's Diner	727	6th St	ED	816
SQ's Place	834	5th St	ED	1,307
True Value	770	12th St	HARD	5,000
VAC	725	Hwy 43	VAC	1,703

Table B-1
Retail Inventory - Wasco Retail Trade Area
City of Wasco and Nearby Unincorporated Area

TENANT	NUMBER	STREET	RETAIL CATEGORY	SQUARE FEET
Famosa		Hwy 99 & Hwy 46		
Tecaco Food Mart		Hwy 99 & Hwy 46	GAS	750
Chevron Food Mart		Hwy 99 & Hwy 46	GAS	523
Taqueria Jaliscos		Hwy 99 & Hwy 46	ED	1,320
Hwy 46 & I-5				
Buford Star Mart & Gas	14805	Hwy 46	GAS	813

Source: TNDG

Table B-2

**Retail Inventory - Wasco Retail Trade Area
City of Shafter and Nearby Unincorporated Area**

TENANT	NUMBER	STREET	RETAIL CATEGORY	SQUARE FEET
Central Ave				
Zapateria Villegas	147	Central Ave	APP	357.5
Muebleria Jimenez	157	Central Ave	GM	900
Indulge Bridal	159	Central Ave	SPEC	900
Cell Phones	161	Central Ave	SPEC	900
Imagine Toal Salon	169	Central Ave	SVC	900
Estella's Nail Salon	171	Central Ave	SVC	175
Dora's Tax Service	173	Central Ave	SVC	275
Sparkelean Laundry	203	Central Ave	SVC	2047.5
Shafter Cellular	200 A	Central Ave	SPEC	677
Shafter Party Dreams Accessories	200 B	Central Ave	SPEC	677
Gladd Rag's Furniture	208	Central Ave	FURN	6,866
CK's Five Star Pizza	210	Central Ave	ED	5,000
Becker Insurance	217	Central Ave	SVC	1,088
Hair & Nail	221	Central Ave	SVC	525
Family Furniture	226	Central Ave	FURN	5,629
Sun Country Flowers	234	Central Ave	SPEC	2,201
El Michacano	237	Central Ave	ED	1,800
Amanda's Office Services	238	Central Ave	SVC	750
Carniceria La Fuente	242	Central Ave	FOOD	5,049
Expressions Plus Salon	248	Central Ave	SVC	825
El Dorado Western Wear	260	Central Ave	APP	3,555
Bank of America	261	Central Ave	SVC	3,440
Subway	307	Central Ave	ED	1,155
Fabrie Jewelers	309	Central Ave	SPEC	1,375
Lupe's Bakery	311	Central Ave	ED	1,455
Burger Factory	313	Central Ave	ED	1,323
Delune Barber	315	Central Ave	SVC	1,155
Nena's Fashion Botique	317	Central Ave	APP	1,058
Clothing Store	319	Central Ave	APP	1,455
Susan's Tees and Ladies Wear	321	Central Ave	APP	1,455
99 Cent Bargain Store	325	Central Ave	GM	2,513
97 Cents or Less	337	Central Ave	GM	1,587
Los Amigo's Liquor	350	Central Ave	FOOD	2,518
Super Discount Center (thrift shop)	357	Central Ave	SPEC	3,841
Brookside at the Depot Coffee House	402	Central Ave	ED	1,608
Jiffy's Store	538	Central Ave	FOOD	1,804
Dollar Store & Less	248-252	Central Ave	GM	5,250
La Fonda Taqueria & Mariscos/Del Pueblo	358-360	Central Ave	ED	8,180
Subway		Central Ave/James St	ED	3,200

Table B-2

Retail Inventory - Wasco Retail Trade Area

City of Shafter and Nearby Unincorporated Area

TENANT	NUMBER	STREET	RETAIL CATEGORY	SQUARE FEET
Central Ave				
Central Valley Hwy				
S&J Quick Shop-Gas	101	N Central Valley Hwy	GAS	N/A
S&J Quick Shop-Food	101	N Central Valley Hwy	FOOD	1,240
Shafter Apple Market	111	N Central Valley Hwy	FOOD	22,920
Tony's Pizza	139	N Central Valley Hwy	ED	1,494
Frosty King	135	Central Valley Hwy	ED	1,146
Arco/AMPM	451	Central Valley Hwy	GAS	1,063
S & A Market		Central Valley Hwy & Klassen St	GAS	560
Kragen Auto Parts	515	Central Valley Hwy	AUTO	2,665
Vacant	863	Central Valley Hwy	VAC	N/A
Unnamed Center				
Little Ceaser's Pizza	701 A	Central Valley Hwy	ED	719
Physical Therapy	701 B&C	Central Valley Hwy	SVC	2,539
Sweet Stop	701 D	Central Valley Hwy	ED	1,582
Sonic Drive-in	777	Central Valley Hwy	ED	1,371
Shafter Medical Pharmacy	825	Central Valley Hwy	GM	10,808
Fastrip Food Store	105	E Lerdo Hwy	FOOD	3,570
Rite Aid	150	E Lerdo Hwy	GM	17,588
Don Perico's Mexian Restaurant	301	E Lerdo Hwy	ED	6,346
Pappy's Coffee Shop	300	E Lerdo Hwy	ED	4,038
Arco Food Mart	451	E Lerdo Hwy	FOOD	2,560
Subway (Part of Shell)	770	E Lerdo Hwy	ED	500
General's Headquarter's Restaurant	710	E Lerdo Hwy	ED	1,078
McDonalds	101	W Lerdo Hwy	ED	1,464
Meyer's Big Stop Inc.	127	S Shafter St	FOOD	4,500
Fiesta Latina Market Caniceria	300	S Shafter St	FOOD	4,375
Rosy's Mexiacn Food	749	Los Angeles	ED	2,170
La Favorita Market	749	Los Angeles	FOOD	3,775
Jasmine Bakerty (attatched to La Favorita)	282	Sunset Ave	ED	1,513
Smith's Corner Market	18487	Shafter Ave	FOOD	2,684
Kragen	515	N Shafter Ave	AUTO	4,571
Autozone	112	E Marengo	AUTO	3,524
Laundrymat	301	State Ave	SVC	1,270
Foxy Lady Bar	308	State Ave	ED	3,506
Second Hand Store	316	State Ave	SPEC	2,962

Table B-2
Retail Inventory - Wasco Retail Trade Area
City of Shafter and Nearby Unincorporated Area

TENANT	NUMBER	STREET	RETAIL CATEGORY	SQUARE FEET
Central Ave				
Zamora's Bridal	320	State Ave	APP	2,328
Basic Essentials	327	State Ave	FOOD	1,440
Mannys Grocery Outlet	337	State Ave	FOOD	1,440
Vacant	343	State Ave	VAC	765
Vacant (Former Texaco/ Foodmart)	683	Central Valley Hwy	VAC	2,444
Giovanni's Pizza		Walker St & Tulare Ave	ED	880
La Hacienda Market	315	James St	FOOD	7,702
Evelyn's Kids Fashions	555	James St	APP	2,518
La Palomar Bakerty	535	James St	ED	2,370
China Cuisine	563	James St	ED	2,608
The Plaza @ Shafter	1150-1160	NEC Lerdo Hwy & Beech Ave		
Vacant	1150 A		VAC	878
Vacant	1150 B		VAC	878
Vacant	1150 C		VAC	1,080
Vacant	1150 D		VAC	878
Vacant	1150 E		VAC	878
Vacant	1160 A		VAC	878
Vacant	1160 B		VAC	878
Anytime Fitness Coming Soon	116 C,D&E		SVC	2,835
Mission Bank	Suite 200		SVC	2,185
Adopt Dental Group	Suite 200		SVC	1,470
Hwy 99 & Lerdo Hwy				
Vacant	33104 A	Lerdo Hwy	VAC	315
Vaqueros	33104 B	Lerdo Hwy	ED	910
Chevron Food Mart	33102	Lerdo Hwy	GAS	1,085
Red Wagon Café		Beech & Burbank	ED	468

Source: TNDG

Table B-3
Retail Inventory - Wasco Retail Trade Area
City of McFarland and Nearby Unincorporated Area

TENANT	NUMBER	STREET	RETAIL CATEGORY	SQUARE FEET
Kern Ave				
Vacant (formarly Maria's Fashion)	121	W Kern Ave	VAC	690
Lopez Barber Shop	___	W Kern Ave	SVC	518
Vacant (formarly Party Time)	115	W Kern Ave	VAC	863
McFarland Tent & Awning	111	W Kern Ave	SPEC	1,265
Vacant	___	W Kern Ave	VAC	715
Vacant	___	W Kern Ave	VAC	715
Vacant	___	W Kern Ave	VAC	650
Vacant	156	W Kern Ave	VAC	750
Vacant	190	W Kern Ave	VAC	825
Vacant	166	W Kern Ave	VAC	750
Vacant	133	W Kern Ave	VAC	805
Santiago J. Renteria	137	W Kern Ave	SVC	518
H&R Block	___	W Kern Ave	SVC	518
Ricardo Bernadino M.D.	145	W Kern Ave	SVC	748
Pharmacy	___	W Kern Ave	SVC	750
Clothing Store	207	W Kern Ave	APP	563
McFarland Community Health Center	217&209	W Kern Ave	SVC	1,725
McFarland Beauty Salon	225	W Kern Ave	SVC	675
123 Nutrition	165	Lockwood	SPEC	525
McFarland Gas & Fastlane Food Mart	201	W Elmo Hwy	GAS	1495
Tacos El Cazador	206	Kern Ave	ED	1,155
Community Market		SEC Kern & Browning	FOOD	1,950
Sonora Food Market	414	Kern Ave	FOOD	1,050
Carniceria Jaliscos	287	Browning	FOOD	715
Vacant	190	W Kern Ave	VAC	2,000
Second Street				
Maria's Pizza	400	2nd St	ED	1,155
El Mexicano	600	2nd St	ED	1,122
Verizon	432	2nd St	SPEC	855
La Espiga de Oro Market		NWC Second St. & Kern	FOOD	1,568
La Tentacion	403	2nd St	SPEC	125
Sandy's Fruits	405	2nd St	ED	175
Irene's Hair & Nail	406	2nd St	SVC	228
No Limits Wireless	408	2nd St	SPEC	228
Basic Essentials	431	2nd St	GM	300
Census Building	429	2nd St	SVC	263
Charly's Barber Shop	433	2nd St	SVC	263

Table B-3
Retail Inventory - Wasco Retail Trade Area
City of McFarland and Nearby Unincorporated Area

TENANT	NUMBER	STREET	RETAIL CATEGORY	SQUARE FEET
Sherwood Ave				
A&M Food Mart		3rd Pl & W. Sherwood Ave	FOOD	2,000
Snow White Drive In	50	W. Sherwood Ave	ED	630
Lando's Barber Shop	___	W. Sherwood Ave	SVC	358
Herbal Nutricion	106	W. Sherwood Ave	SPEC	138
Vacant	104 B	W. Sherwood Ave	VAC	553
H&R Block	104	W. Sherwood Ave	SVC	340
Subway	102 B	W. Sherwood Ave	ED	382.5
Farmers Insurance	102	W. Sherwood Ave	SVC	298
Chevron Food Mart	100	W. Sherwood Ave	GAS	1,063
Taqueria	___	W. Sherwood Ave	ED	650
Lilly's Flower Shop	___	1st St	SPEC	1,313
McDonalds	101	W. Sherwood Ave	ED	1,200
Napa Auto Parts	53	W. Sherwood Ave	AUTO	3,410
McFarland Fashion	331	W. Sherwood Ave	APP	1,710
Fernando's Flower Shop	327	W. Sherwood Ave	SPEC	1,170
Sistema De Apartado (Flowers)	___	W. Sherwood Ave	SPEC	990
Vacant	321	W. Sherwood Ave	VAC	540
Lupe's Barber Shop	311	W. Sherwood Ave	SVC	540
Poker's Pizza	792	W Perkins Ave	ED	975
Vacant	314	W Perkins Ave	VAC	1,105
Pulse Audio	316	W Perkins Ave	SPEC	780
Donuts	318	W Perkins Ave	ED	650
Vacant	320	W Perkins Ave	VAC	715
Discount Mart	350	W Perkins Ave	GM	5,040
Country Burgers	657	W Perkins Ave	ED	315
Vacant (DMC Import & Export)	350	3rd Pl	VAC	1,100
Vacant	652	W Perkins Ave	VAC	450
Income Tax	335	W Perkins Ave	SVC	300
Capri Liquors	100	W Perkins Ave	GM	1,890
Capri Laundrymat	___	W Perkins Ave	SVC	780
Sno Shack	201	W Perkins Ave	ED	123
ABC Auto Parts	241	W Perkins Ave	AUTO	1,995
MC Fashion	331	W Perkins Ave	APP	1,045
Fernando's Flower Shop	321	W Perkins Ave	SPEC	1,320
Club de Nutricion	315	W Perkins Ave	SPEC	330
Lupe's Barbershop	311	W Perkins Ave	SVC	330
Vacant	352	W Perkins Ave	VAC	150

Table B-3
Retail Inventory - Wasco Retail Trade Area
City of McFarland and Nearby Unincorporated Area

TENANT	NUMBER	STREET	RETAIL CATEGORY	SQUARE FEET
Little Panda Center	400	W Perkins		
Palace Market			FOOD	18,750
Top Discount Mart			GM	1,890
Hair & Nail			SVC	405
Flores Fresca			SPEC	540
E Kern Ave				
Carniceria Jaliscos	287	E Kern	FOOD	660
Sonora Market	414	E Kern	GM	1,085
Community Market		SEC E Kern & Browning	GM	2,000
Ranchito Market		SWC E Kern & San Lucas	GM	2,940
Vacant		SEC E Kern & San Lucas	VAC	495

Source: TNDG