

**RETAIL MARKET IMPACT ANALYSIS
FOR
PORTERVILLE WALMART SUPERCENTER**

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I. INTRODUCTION

This report evaluates the economic impacts of the Walmart Supercenter project proposed for development in the City of Porterville, California. In particular, the study evaluates the extent to which the proposed project has the potential to trigger the necessary chain of events that can lead to 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 project site totals approximately 22 acres located at the southeast corner of Indiana Street and Springville Drive, immediately northeast of the State Highway 190/State Highway 65 interchange. For purpose of this analysis, the project is assumed to include the following components:

- A 161,602 square foot Walmart Supercenter store, including 34,253 square feet devoted to grocery sales and support space and a 6,612 square foot outdoor garden center; and
- “Pad/out lot” development totaling 41,252 square feet.

The pad/out lots do not currently have identified uses as part of the application. In order to fully evaluate the project’s potential economic impacts, this study assumes these parcels will be developed with the following potential uses:

- Pad 12: 9,386 square feet of restaurant space;
- Pad 13: 10,995 square feet of retail space;
- Pad 14: 14,090 square feet of retail space; and
- Out lot A: 6,781 square feet of restaurant space.

Based on the latest project information, the analysis assumes that the project would open in 2012. The economic impact analysis addresses four key issues:

1. The potential for the proposed grocery component of the Wal-Mart Supercenter to negatively impact the existing supermarkets in the relevant trade area (as defined below);
2. The potential for the proposed Wal-Mart GAFO¹ space to negatively impact existing general merchandise and specialty stores in the trade area;
3. The potential for the planned 41,252 square feet of pad/out lot development to negatively impact existing restaurants and 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.

¹ “GAFO” is a retail industry acronym for the General Merchandise, Apparel, Furniture, and Other/Specialty sales categories. These categories correspond to the typical merchandise mix of a discount department store such as Walmart. The GAFO retail categories are also referred to as “shopper” or “comparison” goods.

Overview of Methodology

For purposes of estimating impacts in the relevant retail categories, this analysis considers a trade area that includes the cities of Porterville and Lindsay along with the surrounding portions of unincorporated Tulare County (including the communities of Cotton Center, Woodville, Springville, and Terra Bella). The analysis projects total resident purchasing power within this 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 outside of the evaluated trade area;
3. Forecast future (14-year) 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 TNDG;
5. Estimate the volumes of additional general merchandise, apparel, furniture, specialty, grocery, and restaurant sales that the trade area could support in future years (through 2020), based on the difference between potentially supportable sales and the 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 City. This additional level of analysis for supermarkets is possible because the universe of supermarkets in the trade area is small (there are only eight 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.

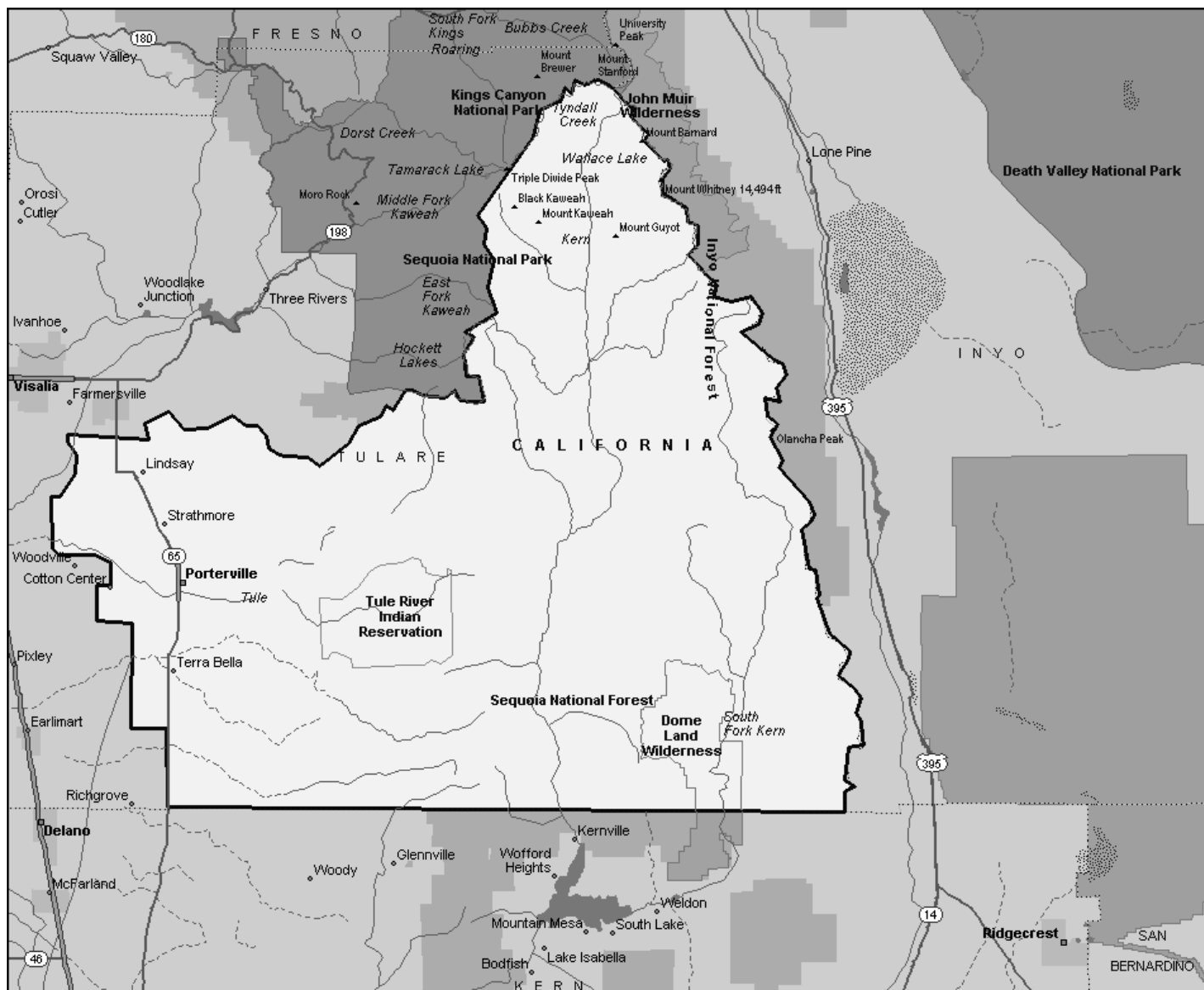
Description of Trade Area

According to the International Council of Shopping Centers (ICSC) – the premier trade association of the shopping center industry – a stand-alone supermarket would typically have a primary trade area of 3 miles or less. The proposed project, however, would create a “supercenter” (combining a general merchandise store with a full-scale supermarket) with four outlot parcels, and would therefore be expected to draw consumers from a larger trade area (consistent with the typical trade area for a community-scale facility). In addition, the project is the second phase of the Riverwalk Marketplace Shopping Center, an existing 144,000-square foot community-scale shopping center anchored by a Lowe’s Home Improvement store.

Reflecting this “dual” characteristic of a supercenter and the community-scale nature of the Riverwalk Marketplace, the market area boundaries have been defined in terms of the polygon shown on Figure I-1 on page 4. As shown on Figure III-1, the trade area extends to County Line Avenue to the south, including the communities of Terra Bella, Ducor, Fountain Springs, Pine Flat, White River, Posey, Fairview and California Hot Springs; to the east and northeast it includes the unincorporated mountain communities of Milo, Springville, Camp Nelson, Sequoia Crest, Cedar Slope, Ponderosa, and Johnsondale; to the north it includes the communities of Strathmore and Plainview and the City of Lindsay; to the west the trade area extends between 5 and 12 miles from Porterville, including a portion of the community of Cotton Center.

TNDG defined the trade area based on the anticipated shopping patterns of residents, taking into account the location of competitive shopping facilities, especially existing and planned Walmart Supercenters. More detailed information on the trade area design is provided in Section III-A.

Figure I-1: Porterville Retail Trade Area



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 effects 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 a trade area (i.e., long-term vacancies leading to physical deterioration of existing retail centers/facilities). For purposes of this analysis prepared for this project, The Natelson Dale Group, Inc. (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 located in the cities of the trade area. In particular, TNDG completed a detailed inventory of existing retail stores and vacancies.

II. EXECUTIVE SUMMARY

II-A. OVERVIEW OF EXISTING RETAIL MARKET IN PORTERVILLE TRADE AREA

As part of this analysis, in 2010 TNDG completed an inventory of existing retail space in the trade area described above and shown in Figure I-1. The main purpose of this task was to provide a quantitative and qualitative measure of the overall “health” of the retail climate in the trade area. A summary of the survey findings is provided in Appendix B. In addition, photographs of existing occupied and vacant retail space in the trade area is provided in Appendices C and D.

The retail environment in the trade area is largely characterized by community-scale shopping centers (in Porterville), grocery-anchored neighborhood shopping centers and smaller strip center retail developments. “Big Box” retail tenants in community centers in the trade area include an existing Walmart store (without a grocery component) and Office Max (Porterville Crossroads), Target and Kohls² (Porterville Marketplace), 99 Cents Only and Factory 2-U (Porterville Plaza), Home Depot (Jaye Street Crossing) and a Lowe’s home improvement store (Riverwalk Marketplace). Given the lack of a regional-serving shopping center or other “big box” retail tenants, the trade area currently experiences some retail sales leakage in the shopper goods retail categories (more on this is provided in Section III-E).

As shown on Table II-1 below, the total inventory of retail space in the trade area is estimated at approximately 2.94 million square feet. Of this total, approximately 2.76 million square feet, or 94% of the overall inventory, is located in the cities of Porterville and Lindsay. The remaining 177,300 square feet is located in the surrounding unincorporated portions of the trade area. The trade area’s retail space is currently 89.6% occupied. The overall vacancy rate (10.4%) is slightly above the range (5% to 10%) generally considered to be reflective of a healthy retail market. However, with the current economic downturn and subsequent retail chain bankruptcies, many markets are experiencing temporary spikes in their overall vacancy rates. In addition, Kohl’s recent reuse of the former Mervyn’s site provides evidence of the relative strength of the local retail market.

² Opened in October 2010.

**Table II-1:
Inventory of Existing Retail Development
Porterville Retail Trade Area**

Retail Category	Square Feet
Apparel	128,626
General Merchandise	574,970
Furniture/Appliances	99,339
Specialty	237,558
Food	477,788
Eating and Drinking	348,494
Building Materials/Hardware	313,268
Auto Parts	82,324
Service Stations	N/A
Services Space	370,509
Vacant Space	306,221
Total	2,939,097

Source: TNDG; Appendix B.

Existing Conditions – Downtown Areas

The downtown areas of Porterville and Lindsay include clusters of downtown dining establishments and an established community of independent, small retail stores offering a variety of goods such as apparel, furniture, jewelry and service retail. Based on findings from this field survey, the current vacancy rate in Downtown Lindsay is estimated at approximately 24%, considerably higher than overall trade area rate. However, to address some of the Downtown’s existing challenges, the City of Lindsay is currently making a significant effort to improve the physical appearance and function of the downtown area. As part of a \$3.4 million downtown improvement effort, the City is currently putting in new curbs, gutters, extended sidewalks, landscaping, lighting, along with improving existing streets.³

In Porterville, the downtown’s⁴ current retail vacancy rate is approximately 15.9%. The downtown has been a long-term area of focus for the City of Porterville, with City investments and revitalization efforts extending back at least three decades. City staff reports that the area gradually improved during the 1990’s and consistently attracted new businesses until the onset of the current recession (i.e., in 2007). Due to the recession, the area has regressed to some degree and vacancy rates have increased. However, there are a number of positive indicators that suggest that the area is well positioned for continued revitalization once the general economy improves. These positive signs include the following:

- The owner of a vacant storefront at 83 N. Main Street is currently working on plans to retrofit the space as a professional (chiropractic) office. This ground floor space (estimated at approximately 6,250 square feet) was formerly occupied by Gardel’s Furniture store; the 2nd

³ Based on information provided by Bill Zigler, City Planner, City of Lindsay.

⁴ Based on direction from City staff, downtown Porterville has been defined for purposes of this analysis as the area bounded by Olive Avenue on the south, Morton Avenue on the north, D Street on the west, and 2nd Street on the east, with the segment of Main Street between Olive and Morton representing the core of the traditional downtown.

floor is an owner-occupied residential unit. City staff estimates that the ground floor office space will be complete in approximately 6 months.

- Vacant space at 122-126 N. Main Street (estimated at approximately 3,025 square feet) is currently being remodeled to accommodate new office (50%) and retail (50%) uses. The building owner recently obtained a conditional use permit and is currently completing the building renovations. City staff estimates that the project will be complete within the next 6 months.
- Remodeling is underway (but stalled) on three contiguous vacant storefronts at 228-234 N. Main Street (all three are under common ownership). Each of the three spaces is estimated at approximately 2,250 square feet. Two of the three facades have been renovated. According to City staff, the building owner encountered financing problems before being able to complete the third storefront and the remodeling project is currently inactive. Nevertheless, the two renovated storefronts are indicative of new investment which will position the downtown to continue attracting new businesses once the general economy improves.
- The City has taken steps to ensure that a vacant commercial lot at 53 N. Main Street does not fall into a state of physical deterioration. The site was previously developed with an older J.C. Penney store that burned down approximately 10 years ago. After the fire, J.C. Penney decided not to re-enter the downtown market and the site began to physically deteriorate (the burned building foundation remained on the site for a number of years). The site has now been fully cleared and the City has required the owner to install a protective fence around the property. Based on this cleaned-up condition, the site is much more suitable for reuse. Although a long-vacant site represents an economically-underutilized asset, it is important to note that this site does not exhibit indications of urban decay. As noted in the introduction to this report, urban decay represents an advanced state of physical deterioration characterized by such conditions as 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. None of these conditions is in evidence at this site. A photograph of the site in its current cleared, fenced conditions is provided in Appendix D.
- The City is currently in the process of acquiring the long-vacant Porterville Hotel building located on the northeast corner of Olive Avenue and Main Street. This building, which was unsuccessfully reused as an affordable housing project in the early 1980's, has been in a state of disrepair for many years and was condemned. The City intends to have the building demolished and to make the site available for new development. Although no specific project has been proposed for the site, City staff anticipates strong interest based on its prime location and its proximity to the new Superior Court complex (see next point below).
- A new Superior Court building is planned at the northwest corner of Olive Avenue and Plano (approximately ½ mile from the Main Street corridor in downtown) at the former fairground site. This project will involve relocating the existing court complex and expanding it from 3 to 9 courtrooms. The new court building is expected to be operational by 2012 or 2013. City staff expects that this project will enhance demand for office space and service-oriented retail (e.g., restaurants) in the downtown area.

There are two relatively large existing vacancies in the downtown area that should be noted:

- The former Longs Drugs building located at 56 North D Street. This is a new building that became vacant approximately two years after the store opened (Longs closed this store because the entire chain was acquired by CVS). The building has been maintained in excellent condition, is being actively marketed for re-tenanting, and shows no signs of urban decay (see picture in Appendix D). It should be noted that this building is part of a neighborhood shopping center (anchored by a Save Mart supermarket) located on D Street (i.e., one block west of Main Street). As such, its setting is both physically separate and functionally distinct from the core downtown area (i.e., the Main Street corridor).
- The former Porter Theater located at 36 Mill Avenue. According to City staff, this building has been vacant for approximately 10 years and the City has expressed a potential interest in acquiring the site. Since this is a “purpose built” building (i.e., designed specifically as a theater, its reuse potentials will not be directly affected by the proposed project (which will absorb *retail* demand). Nevertheless, it is important to note that, although it is an older building, it has been relatively well maintained, is being actively marketed for reuse, and does not exhibit signs of urban decay (see picture in Appendix D).

II-B. POTENTIAL IMPACT OF WALMART GROCERY COMPONENT

It is TNDG’s conclusion that a supermarket component of the proposed Walmart Supercenter could potentially cause one existing supermarket 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 the grocery component of the proposed Wal-Mart would total 34,253 square feet (24,964 square feet of grocery sales area plus 9,289 square feet of grocery support space). TNDG projects that this supermarket space would generate sales levels based on the national average for grocery sales in Walmart Supercenters, or approximately \$625 per square foot (gross area)⁵.

Evaluation of Existing Grocery Market: The trade area currently has eight supermarkets (six in Porterville, and two in Lindsay) totaling an estimated 251,400 square feet. TNDG’s demand analysis indicates that there is currently (year 2010) sufficient demand to support average supermarket sales volumes in the trade area of \$381 per square foot at all eight supermarkets⁶. In comparison, the industry median for supermarkets is approximately \$473 per square foot

⁵ 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 Supercenter, the grocery sales area is equal to approximately 72.9% 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 \$625 per square foot ($\$857 \times 72.9\%$).

⁶ 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 55% of taxable sales in the overall Food category 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.

nationally and \$418 in the Western United States.⁷ Thus, TNDG estimates that, on average, supermarkets in the trade area currently have sales volumes which are lower than 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 \$101.3 million in 2010 to approximately \$114.1 million in 2012, the assumed opening date of the proposed project (see Section III-H, Table III-14 for grocery demand projections). By 2020, total demand for supermarket sales in the trade area is projected to reach approximately \$147.6 million (all projections are given in 2010 constant dollars). Table II-2, below, evaluates the impact of the Walmart's grocery sales in terms of the potential reduction in the sales per square foot volume at the eight existing supermarkets.

**Table II-2:
Potential Sales Impacts to Existing Supermarkets
Grocery Component of Proposed Walmart
Porterville Retail Trade Area**

Description	2010	2012	2013	2015	2017	2020
Total Food Sales Demand	\$180,812	\$197,919	\$218,613	\$225,221	\$232,028	\$242,627
<u>Estimated Supermarket Share</u>	56%	56%	59%	60%	60%	61%
Total Potential Sales	\$101,255	\$114,085	\$129,606	\$134,561	\$139,667	\$147,616
Less Demand Absorbed by New Facilities:						
--Walmart Supercenter 1/	\$0	(\$21,408)	(\$21,408)	(\$21,408)	(\$21,408)	(\$21,408)
Net Demand Available to Support Existing Supermarkets	\$101,255	\$92,677	\$108,198	\$113,153	\$118,259	\$126,208
Existing Supermarket Square Feet	265,487	265,487	265,487	265,487	265,487	265,487
Sales per Square Foot Existing Supermarkets	\$381	\$349	\$408	\$426	\$445	\$475

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

1/ Sales per square foot (gross area) assumptions: \$625. Typically, new retail stores operate below average sales volumes in the first few years after opening, and then reach stabilized sales volume levels after being open for a few years. However, in order to remain analytically conservative (i.e., to depict the maximum potential impact), we have assumed that store would reach its full sales potential (based on the chain-wide average) in year 1.

Conclusion: The above analysis suggests that development of the proposed project could potentially cause one supermarket in the trade area to close, given that the combined sales volumes of the eight existing supermarkets would fall 8.5% from the existing level with the

⁷ 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.

expansion of the Walmart store in 2012. Based on this projected sales impact and an assumed sales-per-square foot support requirement of \$418, the trade area would be overbuilt by approximately 43,800 square feet of supermarket space in 2012. By 2020, the City would be able to support average sales volumes of \$475, well above the \$381 estimate in 2010, and on par with the national median.

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 43,800 square feet of overbuilt grocery space – and the related conclusion that one existing supermarket 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 supermarkets⁸. 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 (BOE), suggesting that the Trade Dimensions’ sales estimates are reasonably accurate.

II-C. POTENTIAL IMPACT OF PROPOSED PROJECT’S “GAFO” SALES

It is TNDG’s conclusion that the proposed project’s GAFO (General Merchandise, Apparel, Furniture/Appliances and Other/Specialty) retail space will not lead to conditions that will result in significant physical impacts. The analysis supporting this conclusion is summarized below.

For purposes of calculating supportable square feet of GAFO space (and other non-grocery space), as discussed on page 2, this analysis compares the estimate of existing trade area retail

⁸ 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.

sales to potential demand. The most recent full-year taxable sales data available from the BOE is for 2008. However, in 2008 the existing Porterville Target store was demolished and rebuilt as a larger store, and the Mervyn's store closed in October of that year. Given these two events, 2008 year sales in Porterville would potentially provide a flawed estimate of sales, as two major general merchandise retailers were not in operation for a significant portion of the year. Thus, this analysis uses 2007 as the base year of the analysis, the most recent year that includes full-year sales from both of these major retailers.

Project Description: The proposed project would include 152,434 square feet of space devoted to tenants in the GAFO retail categories. This includes the non-grocery portion (127,349 square feet) of the proposed Walmart and the non-restaurant portion (25,085 square feet) of the proposed "out lot" development.

Comparison of Existing Supply and Demand: TNDG's demand analysis indicates base year (year 2007) market support for \$276.2 million in GAFO retail sales in the trade area. Base year (2007) estimated sales in the trade area are estimated at \$231.1 million, suggesting that approximately 16.3% of potential GAFO sales are being lost to other jurisdictions outside of the trade area. In other words, as of 2007 there was an estimated \$45.1 (\$276.2 million - \$231.1 million) in unrealized GAFO demand in the trade area – demand "leakage" which could be captured development of additional retail facilities. However, as described further in Section III-C, the recent economic downturn has led to a smaller share of personal income being allocated to retail purchases. Thus, as of 2010 this estimate of demand leakage has been reduced to approximately \$17.9 million. This existing 2010 estimate of demand leakage translates into approximately 59,600 square feet of additional GAFO space that could be supported in the trade area⁹. After accounting for the expansion of the Target store and the closure of the Mervyn's store, both in Porterville in 2008, the trade would be able to support approximately 98,600 square feet of additional GAFO space in 2010¹⁰. Thus, TNDG estimates that the trade area could currently support approximately 243,400 square feet of additional GAFO space over and above the existing inventory.

Projected Growth in Demand: Within the trade area, potential demand for new GAFO space is projected to grow to approximately 177,144 square feet by 2012, 272,144 square feet by 2013, and to 382,381 square feet by 2020. As discussed further in Section III-C, the significant increase in supportable square feet between 2010 and 2013 is in part driven by the fact that trade area residents' share of income spent on retail purchases is projected to return to the long-term historical average rate in 2013, as opposed to the depressed share in 2010 resulting from the economic downturn. These demand projections are based on the detailed analysis and data provided in Section III, Tables III-1 through III-14.

Conclusion: As indicated above, the proposed project would result in a net increase of 152,434 square feet of GAFO retail space. Residual market support for GAFO retail space in the trade area in 2012 (the proposed project's planned completion date) is projected to be

⁹ The inventory includes the existing Walmart store in the Porterville Crossroads shopping center, located at the northwest corner of Prospect Street and Henderson Street. The applicant has not indicated the existing Walmart store will close after the opening of the proposed Supercenter. However, if this store were to close, this would create demand for an additional 100,000 square feet (the approximate size of the existing store) of GAFO space in the trade area, since this store would no longer be generating sales. In this case, the trade area would be able to support approximately 159,600 (59,600 + 100,000) square feet of additional GAFO space over and the existing inventory.

¹⁰ After the base year 2007, the Target store added approximately 38,000 square feet while the 77,000 square foot Mervyn's store closed. The Target expansion square feet (representing new inventory in the trade area) was subtracted from the GAFO demand total while the square feet of the Mervyn's store (which was no longer generating sales after 2008) was added back to the GAFO demand. See Table III-13 on page 38.

approximately 177,144 square feet, indicating that demand for new GAFO space between 2010 in 2012 would be more than sufficient to absorb the space associated with the proposed project. Based on these findings, TNDG believes that it is unlikely that the GAFO retail components of the project would result in economic impacts to existing stores in the trade area, and that it is therefore unlikely that any existing retail stores will be forced to close due to the project.

II-D. IMPACT OF PROPOSED PROJECT'S RESTAURANT SPACE

It is TNDG's conclusion that the fast food restaurants assumed to occupy two of the proposed project's pad/out lots could potentially affect sales levels at existing restaurant 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 16,167 square feet of restaurant space (fast food and/or sit-down), with out lot A and pad 12 developed with 6,781 and 9,386 square-foot fast food restaurants, respectively.

Evaluation of Existing Restaurant Market: TNDG's demand analysis indicates base year (year 2007) potential market support for approximately \$79.4 million in restaurant sales in the trade area. Base year (2007) restaurant sales in the trade area are estimated at \$74.0 million, suggesting that there is currently \$5.4 million (\$79.4 million – \$74.0 million) in unrealized restaurant demand in the trade area. However, as described further in Section III-C, the recent economic downturn has led to a smaller share of individuals' income being allocated to retail and restaurant expenditures. Thus, as of 2010 the supply and demand for restaurant sales are roughly in equilibrium in the trade area.

Projected Growth in Demand: Within the trade area, potential demand for new restaurant space is projected to grow to approximately 11,600 square feet by 2012, 40,400 square feet by 2015 and to 58,800 square feet by 2020. These demand projections are based on the detailed analysis and data provided in Section III, Tables III-1 through III-14.

Conclusion: The proposed project will potentially result in a net increase of 16,167 square feet of restaurant space. Given the residual market support for 11,600 square feet of restaurant space in 2012, the trade area would theoretically be overbuilt by approximately 4,600 square feet in the restaurant category, indicating the potential for some restaurant closures.

These projections of the effect of overbuilt space in the restaurant category should be considered unlikely, however. The proposed project space in the restaurant category would be fully supportable in 2013, just one year after the projected opening date. Given the temporary nature of the projected sales impacts, it is less likely that there would be restaurant closures, as incremental demand in just one year would fully support the project restaurant components. Moreover, the maximum amount of potentially impacted restaurant space (4,600 square feet) represents less than 2% of existing restaurant space in the trade area. Even in the unlikely event of some restaurant closures, growth in incremental demand in the restaurant category by 2013 would be more than sufficient to provide for restaurant reuse opportunities of these potential vacancies. Given the above, it is TNDG's conclusion that it is not reasonably foreseeable that any closed restaurants would remain vacant for extended periods of time. Thus there is no potential for urban decay conditions to result.

II-E. POTENTIAL IMPACTS TO PORTERVILLE DOWNTOWN AREA

TNDG's experience in evaluating the impacts of big box retailers (such as the proposed Wal-Mart) on small, independent merchants throughout southern and central California suggests that the impacts vary widely. While there are examples of small businesses that have been unable to compete with big box stores, there are also prominent examples of traditional downtown areas that have been able to carve out specialized "niches" and continue to thrive despite the entry of big box competitors. Generally speaking, the difference in results can be explained by four factors:

1. The amount of resident demand for retail sales in the market area (i.e., whether the big box stores derive their sales from residual demand or "leakage" versus diverting sales from existing local merchants);
2. The degree to which trends in the traditional downtown areas were on a positive or negative path prior to the entry of the big box competitors (i.e., if an established trend of decline is already in evidence, disinvestment from an area is likely to occur with or without new competition);
3. The degree to which tenants in a downtown are selling goods directly comparable to those available at competitor big box stores; and
4. The degree to which the local government has made a sustained commitment to promoting economic development in its downtown area

Conclusion: Although TNDG's analysis concludes that the proposed project would potentially have substantial economic effects on existing businesses, TNDG believes that these effects would be limited to the potential supermarket closure discussed in Section II-B. As such, TNDG does not believe the downtown areas of Porterville and Lindsay would be specifically vulnerable to urban decay conditions. TNDG bases this conclusion on the following:

- Residual demand is anticipated to be sufficient to support the project without substantially diverting sales from existing GAFO stores or restaurants, as described in the quantitative retail demand analysis in Section III and summarized in Sections II-C and II-D above.
- Small merchants in the downtown areas already face big box competition from the Porterville Crossroads, Porterville Marketplace, Jaye Street Crossing and Riverwalk Marketplace shopping centers, and the proposed project, in and of itself, will not significantly increase the market draw of these established centers away from the downtown. In fact, TNDG believes that the proposed Wal-Mart is more likely to divert sales from the existing Porterville Wal-Mart than it is to divert sales from the downtown.
- The downtown areas have a strong representation of boutique retail, eating and drinking establishments, and service-based businesses, all of which offer a mix of merchandise and services that are not directly comparable to the type of goods that would be available at the proposed Wal-Mart.
- As discussed above, although the estimated 24.0% vacancy rate in Downtown Lindsay is well above the acceptable vacancy range in a healthy retail market, the City is

proactively addressing through significant improvements to the physical appearance and function of the downtown area.

- In Downtown Porterville, the current retail vacancy rate is estimated at approximately 15.9%. Although the downtown's vacancy rate has increased recently due to the recession, there are nevertheless continued signs of tenant interest in the downtown. As described in Section II-A above, there are currently two vacant spaces in the downtown that are being remodeled to accommodate new office and retail uses. Moreover, based on TNDG's field inventory, there are no visible indications of urban decay in the downtown area. The City of Porterville has demonstrated a longstanding commitment to maintaining the physical appearance and improving the economic vitality of its downtown, as has been recently evidenced by its pending purchase of the Porterville Hotel building and its efforts to ensure that the former site of the J.C. Penney building does not physically deteriorate.
- The construction of the new Superior Court complex approximately ½ mile from the downtown Main Street corridor is expected to stimulate renewed interest in commercial investments in the downtown. The timing of the Court project (2012-2013) will coincide well with the expected recovery of the economy as well as the City's planned offering of the Porterville Hotel site as a new development opportunity. Based on these simultaneous events, TNDG believes that the downtown area will be well positioned over the next 2-3 years to resume its long-term revitalization process.
- The largest existing vacant buildings in the downtown area – the former Longs Drugs store and the former Porter Theater – are being actively marketed for reuse. This is a strong indication that the owners of these properties consider the downtown a viable market and that these properties are not likely to become subject to abandonment (a necessary condition for urban decay to ensue).

TNDG's analysis concludes that the only major retail vacancy that would potentially occur as a result of the proposed project would be the possible closure of one supermarket. Given that TNDG is not privy to the existing sales volumes or break-even thresholds of individual supermarkets in the trade area, it is not possible to reliably predict which supermarket, if any, would be most vulnerable to closure. As is more fully discussed in Section II-G below, TNDG's analysis indicates substantial new demand for retail space in the trade area within 2-3 years of the proposed project's opening, which would provide strong incentive for the ownership of any vacated building(s) to maintain them in clean, leasable condition during a period of repositioning.

It is also important to note that TNDG does not believe that the possible closure of one store would result in a chain reaction that would cause further increases in vacancies along the Main Street corridor. In TNDG's experience, contemporary revitalization of historic downtown areas is usually most successful when it focuses on market niches and tenant types different from the typical tenant mix of neighborhood and community shopping centers. The absence of major retail chains along Main Street in Porterville is reflective of contemporary market trends whereby major retail anchor tenants largely favor shopping center locations. As such, successful downtowns typically do not depend on major "anchor" tenants (e.g. supermarkets) to the same degree that shopping centers do.

TNDG has served as the project economist for a number of downtown revitalization strategies for communities throughout southern and central California (including a study completed for the City of Porterville in the early 1990's, as part of the longstanding efforts to revitalize the

downtown area). As part of this work, TNDG has completed numerous inventories of the tenant mixes in successfully revitalized downtown areas. With very few exceptions (and these mostly in very urban areas such as Pasadena and Santa Monica), national retail anchor tenants do not locate in older downtown areas. Successfully revitalized downtowns are almost entirely tenanted by independent specialty stores and restaurants, and local service businesses.

In summary, it is recognized that Downtown Porterville has been a longstanding area of focus for the City and the community. The future vitality of the downtown will largely be a function of several factors unrelated to the proposed Walmart project. These include the City's continued commitment to proactively improving the area (via strategic land acquisition and code enforcement); the positive impacts from the planned Superior Court complex; and projected area-wide growth in retail demand as the national economy recovers and substantial residential growth resumes in the trade area.

II-F. CUMULATIVE IMPACTS OF PROJECTS PLANNED IN THE PORTERVILLE 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 pending retail development/reuse projects (including the proposed project evaluated in this analysis) in the retail trade area. At the time of this writing, there are six known planned and/or pending commercial retail projects (including the proposed project evaluated in this analysis) in the trade area. Table II-3, on the following page, provides the name, location, square footage, and status of each project.

As shown on the table, there is approximately 393,500 square feet¹¹ of retail space planned for development (or reoccupancy) within the trade area. The Walmart Supercenter grocery component will account for approximately 34,300 square feet of this total.

¹¹ As shown on the table, 97,218 of this square footage will be reuse of existing (previously occupied) space. Although this is not technically new development of retail building space, it is equivalent in the sense that the reuses will include two *new* retail tenants in the trade area.

**Table II-3:
Planned and Pending Retail Projects
Porterville Retail Trade Area**

Project	Location	Non-Grocery Square Feet	Grocery Square Feet	Total Square Feet	Status
Walmart Supercenter	SEC Indiana St. / Springville Dr.	127,349	34,253	161,602	Under Review
Walmart Supercenter – outlot parcels	SEC Indiana St. / Springville Dr.	41,252	0	41,252	Under Review
Jay Street Crossing	Jaye St. / State Hwy 190	75,000	0	75,000	Approved
Walgreens	Jaye St. / Olive Ave.	14,550	0	14,550	Approved
Target Grocery Expansion	Henderson Ave. / Prospect St.	0	3,919	3,919	Approved
<i>Subtotal</i>		<i>258,151</i>	<i>38,172</i>	<i>296,323</i>	
<u>Pending Reuse of Major Existing Vacancies</u>					
Monte Mart Reuse 1/	Henderson Ave. / Prospect St.	30,316	0	30,316	Approved
Mervyn's Reuse 2/	Henderson Ave. / Prospect St.	66,900	0	66,900	Under construction
<i>Subtotal</i>		<i>97,216</i>	<i>0</i>	<i>97,216</i>	
GRAND TOTAL		355,367	38,172	393,539	

Source: City of Porterville, Planning Department; TNDG.

1/ The property owner previously was in negotiations with Ross Dress for Less to reoccupy this space. According to City staff, the status of these negotiations is unknown at this time.

2/ Kohl's reoccupied the former Mervyn's space in October 2010.

Cumulative Impacts – Non-Grocery Categories

Within the evaluated trade area, demand for new non-grocery retail space is projected to reach approximately 209,700 square feet in 2012 and 499,200 square feet by 2020. See Table II-4, on the following page, for a breakdown of supportable square feet by retail category from 2012 to 2020.

**Table II-4:
Potential Demand for NEW Retail Space
by Retail Category (non-grocery)**

Retail Category	2012	2013	2015	2017	2020
GAFO	177,144	272,144	302,477	333,727	382,381
Eating and Drinking	11,593	33,437	40,412	47,597	58,785
Building Materials / Hardware	0	0	0	0	0
Auto Parts	0	2,344	3,934	5,572	8,122
Services Space @ 10% of Retail	20,971	34,214	38,536	42,988	49,921
Total	209,708	342,139	385,359	429,884	499,209
Square Feet Absorbed by Planned and Pending Projects 1/	355,367				
NET DEMAND	0	0	29,992	74,517	143,842

Source: TNDG, based on data provided in Tables III-1 through III-10 in Section III.

1/ Non-grocery square feet. Includes proposed project. See Table II-3 for a list of the planned and pending projects.

Based on the potential demand for new non-grocery retail space (as shown on Table II-4 above), the total square feet of planned and approved retail projects in the trade area (as shown on Table II-3) would absorb all of the residual retail demand through 2013. However, due to continued growth in the market, the trade area would be able to support an additional 143,800 square feet of non-grocery space by 2020. Thus, TNDG believes that the planned and pending projects will not have significant cumulative impacts on trade area retailers in the non-grocery categories.

Cumulative Impacts – Supermarket Category

In addition to the proposed project evaluated in this analysis, there is the planned Target expansion which will add 3,919 square feet of grocery sales area. Following the same process as the project-specific analysis, Table II-5, on the following page, provides a summary of the cumulative impacts to the supermarket category.

**Table II-5:
Potential Sales Impacts to Existing Supermarkets-CUMULATIVE ANALYSIS
Grocery Component of Proposed Walmart
Porterville Retail Trade Area**

Description	2010	2012	2013	2015	2017	2020
Total Food Sales Demand	\$180,812	\$197,919	\$218,613	\$225,221	\$232,028	\$242,627
Estimated Supermarket Share	56%	56%	59%	60%	60%	61%
Total Potential Sales	\$101,255	\$114,085	\$129,606	\$134,561	\$139,667	\$147,616
Less Demand Absorbed by New Facilities:						
--Walmart Supercenter 1/	\$0	(\$21,408)	(\$21,408)	(\$21,408)	(\$21,408)	(\$21,408)
--Target Grocery Expansion 2/	\$0	(\$1,736)	(\$1,736)	(\$1,736)	(\$1,736)	(\$1,736)
Net Demand Available to Support Existing Supermarkets	\$101,255	\$90,941	\$106,461	\$111,417	\$116,523	\$124,472
Existing Supermarket Square Feet	265,488	265,487	265,487	265,487	265,487	265,487
Sales per Square Foot Existing Supermarkets	\$381	\$343	\$401	\$420	\$439	\$469

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

1/ Sales per square foot (gross area) assumptions: \$625. Typically, new retail stores operate below average sales volumes in the first few years after opening, and then reach stabilized sales volume levels after being open for a few years. However, in order to remain analytically conservative (i.e., to depict the maximum potential impact), we have assumed that store would reach its full sales potential (based on the chain-wide average) in year 1.

2/ Sales per square foot (sales area) assumptions: \$443.

Given the minimal additional sales impacts under the cumulative analysis – e.g., in 2012 existing supermarket sales would be approximately 98% of the total estimated in the project-specific analysis – there would not be any cumulative impacts to the grocery category above and beyond the project-specific impacts analyzed in Section II-B. Based on an assumed sales-per-square foot support requirement of \$418, the project-specific analysis estimated the trade area would be overbuilt by approximately 43,800 square feet. Using this same sales-per-square foot requirement factor, the trade would be overbuilt by approximately 47,900 square feet. Thus, the estimated additional 4,100 square feet of potentially overbuilt space (47,900 – 43,800) is not expected to cause additional store closures beyond the one potential supermarket closure identified in the project-specific analysis.

II-G. POTENTIAL FOR URBAN DECAY

As discussed in Section II-B, potentially significant economic impacts are projected under the project-specific analysis for the supermarket category. Based on the data provided in Table II-2, the project-specific impact could result, under worst-case conditions, in the closure of one existing supermarket given that the market could technically be overbuilt by approximately 47,900 square feet in 2012 under cumulative conditions. Again, as noted previously, the projection of overbuilt supermarket space is conservatively based on the median regional sales figure of \$418 per square foot, which does not necessarily reflect a break-even threshold for supermarkets. Thus, this is a relatively high or aggressive estimate of the amount of overbuilt space based on the worst-case assumption of supermarkets' break-even sales volumes of \$418 per square foot.

Although a potential supermarket vacancy would clearly be undesirable from the standpoint of a commercial property owner, it is TNDG's conclusion that it is not reasonably foreseeable that urban decay conditions would result. Urban decay is a potential consequence of a downward spiral of store closures and long-term vacancies¹². While urban decay is not defined under CEQA, it is assumed to be indicated by significant deterioration of structures and/or their surroundings. Such deterioration can occur 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.

In areas where higher-than-desirable vacancy rates are expected to be temporary, property owners are more likely to see the prospect of keeping properties leased at favorable rents. Where vacancy rates are persistently high, property owners are more likely to have a pessimistic view of the future and be prone to reducing property maintenance as a way to reduce costs. Very high area-wide vacancy rates (over 25%) that persist for long periods of time are more likely to lead to reduced maintenance expenditures and in turn to physical deterioration.

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 the owners and employees of the firm, within the context of CEQA it is only significant if it results in sustained vacancies which in turn result in deterioration of the physical condition of the vacant building(s) and neighborhoods. With the consolidation in the supermarket industry over the past several years, there are many examples of neighborhood shopping centers that have lost supermarket anchor tenants and have not suffered a significant deterioration of structures and/or their surroundings. Many of these centers have either attracted new (non-supermarket) anchor tenants, sub-divided the space for multiple retail users, or reconfigured the space for non-retail uses (examples of successful re-tenanting and reuse of vacated supermarkets are provided below under the heading "Reuse Potentials of Existing Supermarket Buildings"). Thus, the closing of a supermarket anchor tenant does not necessarily indicate that the shopping center will experience a downward spiral of store closures and long-term vacancies. For example, the former Porterville Save Mart store in the Eastridge Plaza Center remained vacant for 15 years before Vallarta decided to renovate and reoccupy this store (in November of 2009).

On page 22, Table II-6 provides a summary of the demand for new retail space (see Table II-4) along with projected supply increases in the market (see Table II-3). Based on these data, and

¹² As cited in the *Bakersfield Citizens for Local Control v. City of Bakersfield* (2004) 124 Cal. App 4th 1184, p 2.

accounting for the potential vacancies, the table provides an overall estimate of the trade area vacancy rate between 2010 and 2020. As shown on Table II-6, the overall retail vacancy rate in the trade area would temporarily increase to 15.0% in 2012, based on the worst-case assumption that all planned and pending projects are built by 2012. In subsequent years incremental growth in retail demand will drive the projected vacancy rate to decline to levels which are generally considered reflective of a very healthy retail market (typically between 5% and 10%). The projected low vacancy rate over the long term indicates strong re-tenanting potential for any supermarket buildings that may be closed. These market conditions would provide strong incentives for owners to maintain vacated properties in good condition and suitable for releasing even if there is some amount of lag time in the reuse process. This applies to existing vacant retail space as well as retail space that may be vacated under project-specific or cumulative conditions. This in turn indicates that the potential for urban decay is low, taking into account both existing vacant space and potentially vacated spaces, under project-specific and cumulative conditions.

It should be emphasized that the potential peak vacancy rate of 15.0% in 2012 represents worst-case conditions and is likely to significantly overstate the potential cumulative impacts, for two reasons. First, purely for the purposes of a worst-case calculation, this vacancy rate assumes that the project would immediately result in the closure of one supermarket (totaling approximately 47,900 square feet). As previously discussed, the projection of overbuilt square feet in the supermarket category is based on the benchmark sales per square foot factor of \$418, which is above the estimated existing level of sales for the trade area's supermarkets (and is also well above the operating level of many supermarket chains in California, as discussed on page 11). Second, two of the cumulative projects totaling approximately 90,000 square feet have unknown development dates and may be developed well after 2012.

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

	2010	2012	2013	2015	2017	2020
DEMAND						
Existing Occupied Square Feet (SF) 1/	2,632,876	2,632,876	2,632,876	2,632,876	2,632,876	2,632,876
Adjustments for Potential Future Vacancies 2/						
-- Supermarkets		(47,925)	(47,925)	(47,925)	(47,925)	(47,925)
Net Occupancy, Existing Space	2,632,876	2,584,951	2,584,951	2,584,951	2,584,951	2,584,951
Demand for New Occupancies (non-grocery) 3/		209,708	342,139	385,359	429,884	499,209
New Occupied Supermarket Space 4/		<u>38,172</u>	<u>38,172</u>	<u>38,172</u>	<u>38,172</u>	<u>38,172</u>
Net Demand for New Occupancies		247,880	380,311	423,531	468,056	537,381
Potential Occupied Square Feet	2,632,876	2,832,831	2,965,262	3,008,481	3,053,007	3,122,332
SUPPLY						
Total Existing Square Feet 5/	2,939,097	2,939,097	2,939,097	2,939,097	2,939,097	2,939,097
Potential Supply Increases						
-- Proposed Project		202,854	202,854	202,854	202,854	202,854
-- Other New Projects		93,469	93,469	93,469	93,469	93,469
-- Reuse of Existing Vacant Space 6/		<u>97,216</u>	<u>97,216</u>	<u>97,216</u>	<u>97,216</u>	<u>97,216</u>
Total Supply	2,939,097	3,332,636	3,332,636	3,332,636	3,332,636	3,332,636
Vacant Space	306,221	499,805	367,374	324,155	279,629	210,304
Vacancy Rate	10.4%	15.0%	11.0%	9.7%	8.4%	6.3%

Source: TNDG

1/ Includes existing occupied retail and services space in the City (see Appendix B).

2/ Vacancy resulting from overbuilt square feet in Supermarket category. Purely for purposes of a worst-case vacancy calculation, we have assumed a worst-case scenario in which the overbuilt square footage in this retail category becomes vacant (See Section II-F).

3/ Net demand for new retail space. See Table II-4 for retail category detail.

4/ Square feet of all planned and pending supermarkets in trade area.

5/ Includes existing occupied and vacant retail and services space in the trade area (see Appendix B).

6/ Includes reuse of existing vacant space – Monte Mart and Mervyn's (see Table II-3).

Reuse Potentials of Existing Supermarket Buildings

As discussed above, one supermarket in the trade area could potentially close due to project-specific impacts. 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 supermarkets would be most vulnerable to closure. However, TNDG believes that there are viable reuse options for each of the existing eight supermarkets in the trade area, indicating that regardless of which specific store would potentially close, the vacated space would not be likely to remain permanently vacant. As shown on Table II-4, even after accounting for planned and pending projects, there is sufficient residual demand to support some type of retail use at any potential vacant supermarket in the trade area¹³. Thus, TNDG does not believe that the possible closing of one existing supermarket would lead to urban decay. We believe that potential reuse opportunities will fall into one of the following three categories.

- 1. Supermarket Reuse.** Although TNDG's analysis indicates that the retail market would initially be overbuilt to a degree that could cause one existing supermarket to close, projected population growth in the trade area would rapidly result in new demand to support additional grocery sales. By 2015 (i.e., within three years of the proposed project's opening date), projected grocery demand would be sufficient to support the proposed new projects (i.e., the Walmart and the Target expansion) and to re-tenant any vacated supermarket with a new grocery tenant. The very fact that this level of demand would be achieved within three years provides evidence that the proposed project would not necessarily cause another supermarket to close, since it suggests that a competitor store would have reasonable expectation that any initial sales impact would be mitigated within several years.

¹³ As shown on the table, by 2016, just five years after the opening of the project, there will be support for approximately 147,100 square feet of new (non-grocery) retail space.

2. Non-Supermarket Retail Reuse. Given the significant projected growth in residual demand in the non-grocery categories (see Table II-4), many of the existing supermarkets would be suitable for some type of non-supermarket retail reuse, such as a discount store, an apparel store, or a furniture store. For example, Dollar / 99 Cent stores have also been in a significant expansion mode nationally and are generally considered to be ideal reuse candidates for vacated supermarkets.¹⁴ 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 categories¹⁵. Four examples in Tulare and Fresno Counties include the following:

- A closed (1995) Kmart store located on Henderson Avenue in Porterville 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.
- 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 (August 2010), 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 Vons store located at 3170 West Shaw Avenue in Fresno was reoccupied by a Furniture 101 store (August, 2005); and
- A closed Monte Mart Grocery store in Hanford that was reoccupied by a 99 Cent Only discount store (August, 2008).

3. Adaptive Reuse. 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) 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 Porterville, at the Eastridge Plaza center, a former Rite Aid store was converted into the Porterville Health Care Center in 2006. Two additional nearby examples include two former Fairway Market stores in 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

¹⁴ See *Don't Ask. You Can Afford It: Seizing the Moment, Dollar Stores Expand*, New York Times, May 3, 2009.

¹⁵ Although TNDG has not specifically evaluated the architectural suitability of the individual buildings for sub-division, this type of reconfiguration is fairly common practice in the retail development industry.

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.

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 endure for as long as five to six years from the time the proposed project opens¹⁶. (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 five to six 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-4), 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 includes 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.¹⁷ In 2002, the Tulare Joint Union High School District purchased the site and converted it into an adult school.

¹⁶ This assumes the potential vacant space would be reoccupied with non-supermarket uses.

¹⁷ Information on the Tulare example obtained via email correspondence with Mark Kielty, Planning Director, City of Tulare.

III. PORTERVILLE RETAIL TRADE AREA – RETAIL DEMAND ANALYSIS

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 Porterville as well as the resident demand of surrounding communities that would shop at the proposed facility.

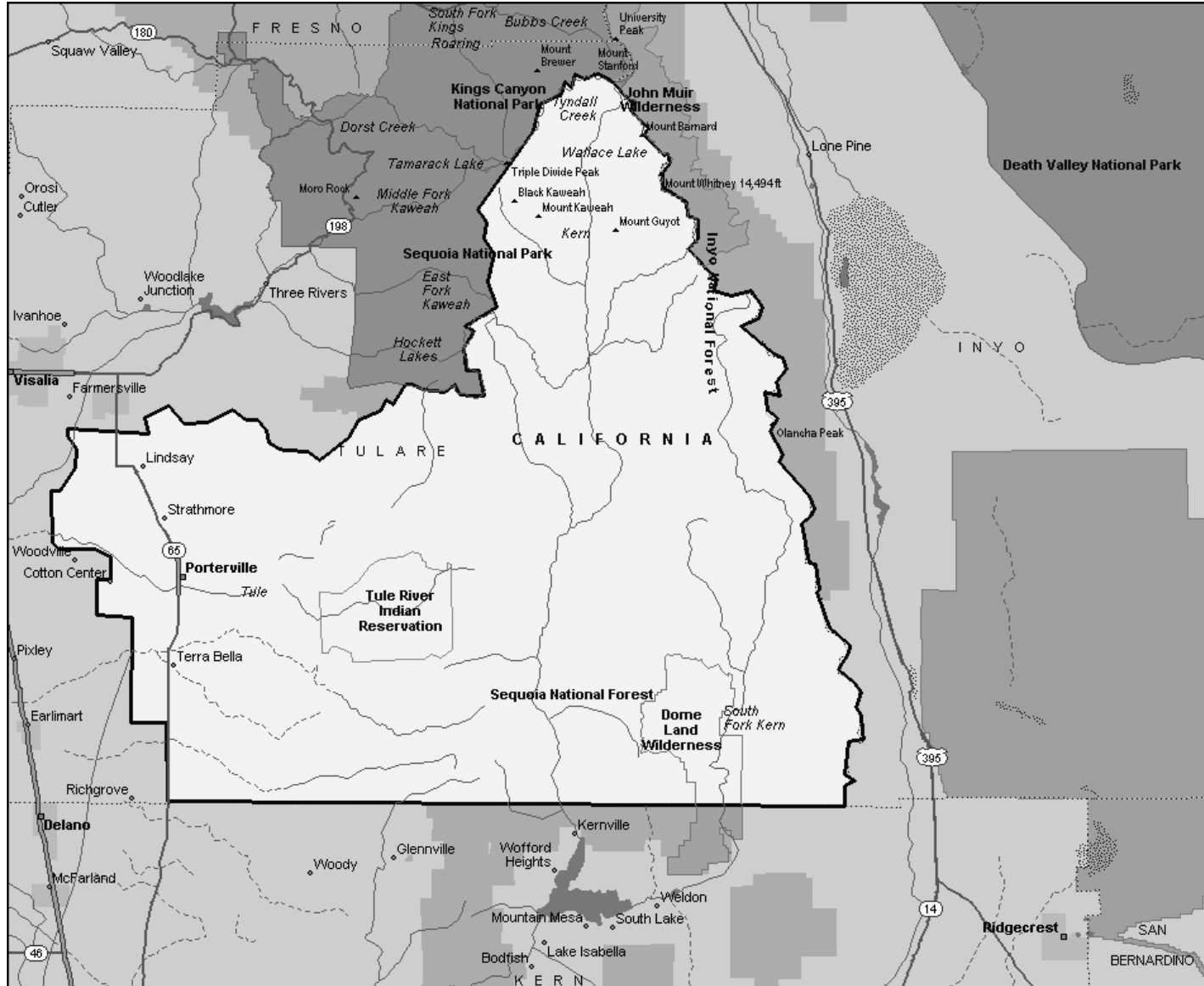
III-A. MARKET AREA BOUNDARIES

According to the International Council of Shopping Centers (ICSC) – the premier trade association of the shopping center industry – a stand-alone supermarket would typically have a primary trade area of 3 miles or less. The proposed project, however, would create a “supercenter” (combining a general merchandise store with a full-scale supermarket) and would therefore be expected to draw consumers from a larger trade area (consistent with the typical trade area for a community-scale facility). Reflecting this “dual” characteristic of a supercenter, the market area boundaries have been defined in terms of the polygon shown on Figure III-1 on the following page. The trade area is referred to herein as the Porterville Retail Trade Area (PRTA).

TNDG, with input from City staff, defined the trade area based on the anticipated shopping patterns of residents, taking into account the location of competitive shopping facilities, especially existing and planned Walmart Supercenters. As shown on the map, the trade area polygon is defined by the following census tracts: 25.00, 26.01, 26.02, 27.00, 28.00, 33.00, 34.00, 35.00, 36.01, 36.02, 37.00, 38.01, 38.02, 39.01, 39.02, 40.00, 41.01, 41.02, and 45.00. The trade area is constructed of census tracts because of the availability of existing household estimates and household projections at the census tract geography level from the Tulare County Association of Governments (TCAG). As shown on Figure III-1, the trade area extends to County Line Avenue to the south, including the communities of Terra Bella, Ducor, Fountain Springs, Pine Flat, White River, Posey, Fairview and California Hot Springs; to the east and northeast it includes the unincorporated mountain communities of Milo, Springville, Camp Nelson, Sequoia Crest, Cedar Slope, Ponderosa, and Johnsondale; to the north it includes the communities of Strathmore and Plainview and the City of Lindsay; to the west the trade area extends between 5 and 12 miles from Porterville, including a portion of the community of Cotton Center.

As shown on Figure III-1, the PRTA includes a relatively large geographic area, especially to the east and the south. For example, the boundaries extend approximately 50 miles to the east. However, only approximately 6% of the trade area’s households are beyond a 10-mile radius to the east. In addition, virtually all of this 6% of trade area households are within 20 miles of the proposed project site. Although this is a significant distance, Porterville would still represent the nearest shopping center destination for these residents. Similarly, the trade area extends approximately 18 miles to the south. However, less than 6% of the trade area’s residents are in the area that is more than 5 miles to the south from the proposed project site. In any event, Porterville would still represent the closest and most convenient shopping center destination for residents in the communities in the southern portion of the trade area listed above.

Figure III-1: Porterville Retail Trade Area (PRTA)



III-B. HOUSEHOLD AND INCOME LEVELS

The population in the PRTA is projected as follows:

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

Market Area	Estimated 2007 Population	Estimated 2010 Population	Projected 2012 Population	Projected 2013 Population	Projected 2015 Population	Projected 2017 Population	Projected 2020 Population
PRTA	106,324	110,821	114,171	115,883	119,386	122,994	128,612

Source: ESRI; TNDG.

The current year (2010) estimate of population (110,821 persons) was obtained from ESRI, a national demographic research services firm. The 2007 population was estimated by TNDG based on ESRI data for the period between 2000 and 2010. For the future year projections, TNDG applied an annual growth rate of 1.5% to ESRI's 2010 estimate. The basis for the 1.5% growth rate is documented in detail below.

In order to develop the current-year estimates and future-year forecasts of population within the Porterville Retail Trade Area (PRTA), TNDG reviewed the following data sources:

- Forecasts adopted in February 2010 by the Tulare County Association of Governments (TGAG). These new forecasts replaced the previous TCAG forecasts adopted in 2004. The new TCAG data include base year (2007) estimates of both population and households, and future year forecasts (of households, but not population) for every five-year period (i.e., 2010, 2015, 2020, etc.) through 2050. The TCAG data are provided at the census tract level.
- Current year (2010) population estimate from ESRI. The ESRI estimate was obtained for the PRTA as a whole, based on the census tracts comprising the trade area.
- The latest population forecasts prepared by the California Department of Finance (DOF). These forecasts are provided at the county level and were released in July 2007.
- County level population projections prepared by the Center for the Continuing Study of the California Economy (CCSCE), and included in the latest (2009/10) edition of CCSCE's *California County Projections* publication. These are important forecasts in that they explicitly take into account the current recession and residential construction slow down.
- Annual estimates of population and dwelling units (for the period 2000 to 2010), published by the California Department of Finance. TNDG reviewed these data for the following geographies: California, Tulare County, and the City of Porterville.
- Residential building permit data for the past 10 years (through July 2010). These data (provided by the Construction Industry Research Board) were compiled for California, Tulare County and Porterville.

Key findings and factors derived from the above data sources are summarized as follows:

TCAG Forecasts

- For the census tracts comprising the PRTA, TCAG estimates a 2007 population of 108,953 persons. Between 2007 and 2010, TCAG forecasts that the number of households will increase by 10.5%, representing a compounded annual growth rate of 3.4%. If this growth rate is applied to the estimated 2007 population, the estimated population in 2010 would be 120,371 persons (i.e., approximately 9,500 more residents than TNDG's analysis assumes, based on the ESRI estimate).
- For the period between 2010 and 2020, the TCAG forecasts indicate a compounded annual growth rate of 1.5% for the PRTA.
- For Tulare County as a whole, the TCAG forecasts indicate a compounded annual growth rate of 1.8% for the period between 2010 and 2020.

California DOF

- The latest county-level forecasts prepared by the DOF were released in July 2007 and therefore do not reflect the effects of the current recession. For the period between 2010 and 2020, the DOF forecasts indicate that Tulare County's population will increase at a compounded annual growth rate of 2.5%
- Historic data from DOF (for the period 2000 to 2010) are evaluated in detail (for California, Tulare County and Porterville) in Appendix E of this report. These data indicate that the Tulare County population grew at an average annual rate of 2.0% between January 2000 and January 2010. The number of dwelling units in the county grew at an average annual rate of 1.8% during the same period.
- Not surprisingly, the data show a sharp reduction in new residential construction in 2008 and 2009. However, the reduction in *population* growth is much less significant. In 2009 (the slowest growth year during the period evaluated), the number of dwelling units in the county increased by only 0.7% - or approximately 40% of the average growth rate for the overall 10-year period. In contrast, population during grew by 1.6% in 2009 – or approximately 80% of the average annual growth rate for the 10-year period. In terms of absolute (rather than percentage) growth, the county grew by 7,979 persons during 2009, representing fully 88% of the average annual change in population during the 10-year period. As shown in Appendix E, similar trends are in evidence statewide and in the City of Porterville¹⁸.
- The above finding – that population growth tends to continue relatively unabated even when housing construction declines dramatically – reflects the fact that household formation rates tend to go down during a recession (e.g., it becomes more common for adult children to live with their parents rather than start separate households of their own). This phenomenon is documented in the CCSCE report cited above.

¹⁸ Caution needs to be applied when reviewing the DOF data at the city level since the numbers for individual years can be distorted by changes in a jurisdiction's geographic boundaries. For example, the DOF data indicate that Porterville's population grew by 13.7% in a single year (between 2005 and 2006). In reality, a significant portion of this increase was the result of an annexation of existing residential development and not actual growth.

Building Permit Data

- Since the DOF data are not yet available for January 2011, it is not possible to evaluate growth rates for 2010. However, year-to-date building permit data for both the County and the City of Porterville (summarized in Appendix E) indicate an increase over 2009 levels.
- Countywide, a total of 728 residential building permits have been issued year to date (through July), compared to 681 at this time last year. For the City of Porterville, 107 permits have been issued year to date, compared to 78 for the same period last year. The 107 permits represent about 74% of the average January-July permit issuance for the period 2000 through 2009.

CCSCE

- The CCSCE forecasts cover the period 2008 through 2018. For this 10-year period, CCSCE forecasts an average annual population growth rate of 1.8% for Tulare County.

Summary Projection of Population Growth Rate

Summarizing the above:

- Whereas the TCAG projection of the trade area's 2010 population would appear to be approximately 9,500 persons (or 8.6%) too high, TCAG's projected growth rate for the period 2010 to 2020 appears to be realistic at both the trade area and county levels. Specifically, the TCAG household forecasts (TCAG does not provide population forecasts) imply an average annual growth rate of 1.8% for the County and 1.5% for the PRTA.
- In order to be conservative, TNDG's analysis utilizes the lower 2010 estimate from ESRI (110,821 persons) instead of the higher estimate (120,371 persons) implied by the TCAG data.
- TNDG's future-year forecasts for the trade area are based on the average annual growth rate (1.5%) indicated by the TCAG forecasts.
- The reasonableness of the 2010-2020 growth rate forecast by TCAG is validated by the CCSCE forecasts (both of which project a countywide growth rate of 1.8% per year, which is very conservative compared to the 2.5% growth rate projected by DOF). Moreover, the countywide growth rate of 1.8% is consistent with the overall average *household* growth rate for the period 2000 through 2009 (a decade which included "average" years, "boom" years, and recessionary years) and is somewhat conservative relative to the average annual *population* growth rate (2.0%) for this period.

The per capita income level in the PRTA is estimated as follows:

**Table III-2:
Average Household Income
Porterville Retail Trade Area**

Market Area	2007 Per Capita Income
PRTA	\$22,362

Source: ESRI, TNDG

The indicated estimate of per capita income was obtained from ESRI and increased 63% 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 household’s purchasing power (i.e., retail demand). Thus, this analysis increases the Claritas estimates of money income by 63% to estimate average household personal income¹⁹.

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 households 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 State Board of Equalization²⁰) 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:

¹⁹ Per capita “personal income” is a full 63% higher than per capita “money income” in Tulare County, based on the 2007 income data provide by the Bureau of Economic Analysis and the U.S. Census Bureau.

²⁰ 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-3:
Total Retail Sales
As a Percentage of Aggregate Personal Income
Tulare County**

1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	10-Year Average
35%	37%	35%	35%	35%	36%	38%	40%	35%	31%	36%

Source: TNDG, based on income data from BEA and retail sales data from State Board of Equalization.

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 PRTA are lower than the countywide average, it is expected that retail expenditures as a percentage of income are somewhat higher in the PRTA. Based on an evaluation of the CES data for households with income levels comparable to those in the PRTA and in the county as a whole, TNDG estimates that the PRTA retail-to-income ratio is approximately 1 percentage point higher in the PRTA compared to the countywide averages estimate in the table above. Thus, TNDG's estimates of the retail-to-income ratio for the PRTA are as follows:

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

1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	10-Year Average
36%	38%	36%	36%	36%	37%	39%	41%	36%	32%	37%

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 32% through 2011, recover to 34% in 2012, and then will return to the long-term average level of 37% for the remainder of the forecast period. It is important to note that TNDG is projecting that the ratio will remain well below the 2006 peak of 41%.

**Table III-5:
Income and Retail Demand
Porterville Retail Trade Area**

Market Area	2007	2010	2012	2013	2015	2017	2020
Total Income	\$2,377,667	\$2,478,231	\$2,553,136	\$2,591,433	\$2,669,759	\$2,750,453	\$2,876,089
Percent of Income Spent on Retail Goods	37%	32%	34%	37%	37%	37%	37%
Total Retail Demand	\$879,737	\$793,034	\$868,066	\$958,830	\$987,811	\$1,017,667	\$1,064,153

Source: TNDG

III-D. DISTRIBUTION OF RETAIL EXPENDITURES

Projected retail demand from market area residents is disaggregated into various retail categories based upon retail expenditure patterns observed in Tulare County. The basic distribution of retail sales by retail category is projected as follows in Table III-6 below.

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

Retail Category	Distribution
<u>Shopper Goods:</u>	
Apparel	4.0%
General Merchandise	18.0%
Furniture/Appliances	3.0%
Specialty	12.0%
<i>Subtotal</i>	<i>37.0%</i>
<u>Convenience Goods:</u>	
Food / Liquor	24.0%
Eating and Drinking	9.5%
<i>Subtotal</i>	<i>33.5%</i>
<u>Heavy Commercial Goods:</u>	
Building Materials/Hardware	6.5%
Auto Dealers	12.0%
Service Stations	11.0%
<i>Subtotal</i>	<i>29.5%</i>
Total	100.0%

Source: State Board of Equalization; TNDG

III-E. CAPTURE RATE ANALYSIS

The PRTA's capture rates of resident demand are projected to be relatively high due to the tendency of residents to shop relatively close to their homes, especially for convenience goods. Generally, it is reasonable to expect that residents will make the vast majority of their retail purchases locally, provided that a competitive mix of retail stores reflective of consumer needs is available. This is consistent with one of the findings from standard urban land use theory, which indicates, all else equal, the relative attractiveness of retail outlets decreases as travel time increases for the consumer²¹ Table III-7, on the following page, shows the projected capture rates of PRTA demand for each retail category.

Generally, this type of analysis would treat the area as a "closed system"; in other words, it would assume that given an adequate supply of retail stores, residents of the market area will make all of their retail purchases somewhere in the PRTA. However, in this case, the capture rates have been adjusted downward to account for the fact that the PRTA does not have a full-

²¹ See, for example, Blair, John. *Urban & Regional Economics*. Irwin, 1991. Hoover, Edgar M. *An Introduction to Regional Economics*. Alfred A. Knopf, 1975. McCann, Phillip. *Urban and Regional Economics*. Oxford University Press, 2001.

scale regional shopping center; therefore, it is assumed that the area will always experience some level of retail “leakage” to other areas of Tulare County (e.g., Visalia) that have a larger array of retail facilities. Based on an analysis of a proprietary database of shopping centers in a major metropolitan area, TNDG has determined that approximately 20% of retail space is in regional or super-regional centers (defined here as centers with 400,000 square feet or more of gross leasable area) while the remaining 80% of the space is in community- and neighborhood-scale centers. Based on these data, we can assume that PRTA, in the absence of such a regional or super-regional center, *could be expected to realistically “capture” up to 80%* of retail demand in the shopper goods categories. That is, based on the existing mix and supply of retail space, along with the planned and pending commercial-retail projects, the trade area could potentially capture up to 80% of retail demand in the shopper goods categories. For the General Merchandise category, the capture rate has been estimated at 90%, reflecting the fact that a number of major general merchandise retailers are located in the trade area, including Walmart, Target and Kohls. The base year sales data indicate that the trade area is already capturing at least 90% of total resident demand in the General Merchandise category.

The PRTA is projected to potentially capture 95% of its residents’ demand in the Food (grocery store) and Eating and Drinking categories, along with 100% in the Auto Dealers and Parts, Building Materials/Hardware and Service Station categories, because of the strong propensity of consumers to purchase goods in these categories as close as possible to their residences.

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

Retail Category	Capture Rate
<u>Shopper Goods:</u>	
Apparel	80.0%
General Merchandise	90.0%
Furniture/Appliances	80.0%
Specialty	80.0%
<u>Convenience Goods:</u>	
Food	95.0%
Eating and Drinking	95.0%
<u>Heavy Commercial Goods:</u>	
Building Materials/Hardware	100.0%
Auto Dealers and Parts	100.0%
Service Stations	100.0%

Source: TNDG

It should be emphasized that the above percentages represent the trade area’s *potential* capture rates of retail demand given the availability of sufficient retail facilities to retain resident purchasing power; the trade area’s actual existing capture rates are, in most categories, significantly lower than the indicated percentages.

III-F. POTENTIAL RETAIL SALES VOLUMES

Based on the capture rates shown above, Table III-8, below, projects the potential market area demand in the PRTA for each retail category. As shown on the table, incremental demand through 2020 for retail sales in the PRTA is projected to grow in proportion to increases in the population.

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

Retail Category	2007	2010	2012	2013	2015	2017	2020
Shopper Goods:							
Apparel	\$28,152	\$25,377	\$27,778	\$30,683	\$31,610	\$32,565	\$34,053
General Merchandise	\$142,517	\$128,472	\$140,627	\$155,330	\$160,025	\$164,862	\$172,393
Furniture/Appliances	\$21,114	\$19,033	\$20,834	\$23,012	\$23,707	\$24,424	\$25,540
Specialty	\$84,455	\$76,131	\$83,334	\$92,048	\$94,830	\$97,696	\$102,159
<i>Subtotal</i>	<i>\$276,237</i>	<i>\$249,013</i>	<i>\$272,573</i>	<i>\$301,073</i>	<i>\$310,173</i>	<i>\$319,548</i>	<i>\$334,144</i>
Convenience Goods:							
Food	\$200,580	\$180,812	\$197,919	\$218,613	\$225,221	\$232,028	\$242,627
Eating and Drinking	\$79,396	\$71,571	\$78,343	\$86,534	\$89,150	\$91,844	\$96,040
<i>Subtotal</i>	<i>\$279,976</i>	<i>\$252,383</i>	<i>\$276,262</i>	<i>\$305,148</i>	<i>\$314,371</i>	<i>\$323,873</i>	<i>\$338,667</i>
Heavy Commercial Goods:							
Bldg. Materials/Hardware	\$57,183	\$51,547	\$56,424	\$62,324	\$64,208	\$66,148	\$69,170
Auto Dealers and Parts	\$105,568	\$95,164	\$104,168	\$115,060	\$118,537	\$122,120	\$127,698
Service Stations	\$96,771	\$87,234	\$95,487	\$105,471	\$108,659	\$111,943	\$117,057
<i>Subtotal</i>	<i>\$259,522</i>	<i>\$233,945</i>	<i>\$256,080</i>	<i>\$282,855</i>	<i>\$291,404</i>	<i>\$300,212</i>	<i>\$313,925</i>
Total	\$815,736	\$735,341	\$804,914	\$889,075	\$915,948	\$943,632	\$986,736

Source: TNDG

Estimated retail sales in the trade area are calculated as follows. Table III-9, below, provides 2007 retail sales for the City of Porterville, as reported by the State Board of Equalization. To estimate total sales for the PRTA²², we first calculated Porterville's share of retail space (in terms of square feet) by category in the entire trade area. Next, we divided the Porterville sales in each category by the percentage factor shown in Table III-9, which provides an estimate of the sales by category in the PRTA.

²² The State Board of Equalization (BOE) provides sales data for incorporated cities in California, not for unincorporated areas. The trade area evaluated in this analysis includes two incorporated cities – Porterville and Lindsay – and unincorporated area in Tulare County. However, for confidentiality reasons, the BOE does not disclose retail sales for a number of categories in the city of Lindsay, in addition to not providing the sales in the unincorporated portion of the trade area. Thus, to calculate retail sales in the trade area, we used the procedure describe above in the text.

**Table III-9:
Estimate of Existing Trade Area Sales
Porterville Retail Trade Area
in thousands of constant dollars**

Retail Category	2007 Sales (Porterville)	Porterville's Share of Trade Area 1/	Estimated Sales (Total Trade Area)
Shopper Goods:			
Apparel	\$8,287	77.0%	\$10,762
General Merchandise	\$122,757	88.0%	\$139,497
Furniture/Appliances	\$41,058	89.0%	\$46,133
Specialty	\$29,180	84.0%	\$34,738
<i>Subtotal</i>	<i>\$201,282</i>	<i>87.1%</i>	<i>\$231,130</i>
Convenience Goods:			
Food	\$131,386	65.0%	\$202,132
Eating and Drinking	\$49,577	67.0%	\$73,996
<i>Subtotal</i>	<i>\$180,963</i>	<i>65.5%</i>	<i>\$276,127</i>
Heavy Commercial Goods:			
Building Materials/Hardware	\$41,629	95.0%	\$43,820
Auto Dealers and Parts	\$84,647	77.0%	\$109,931
Service Stations	N/A	N/A	N/A
<i>Subtotal</i>	<i>\$126,276</i>	<i>82.1%</i>	<i>\$153,751</i>
Total	\$508,521	76.9%	\$661,008

Source: State Board of Equalization; TNDG

1/ Based on square footages from TNDG's field survey.

Based on the demand estimates shown in Table III-8, and the sales estimates provided in Table III-9, Table III-10 provides a comparison of total market area demand with actual sales in each retail category.

**Table III-10:
Comparison of Potential Demand with Estimated Sales
Porterville Retail Trade Area
in thousands of dollars**

Retail Category	2007 Demand	2007 Estimated Sales	Expected Less Actual	Percent Actual/ Expected
GAFO 1/	\$276,237	\$231,130	\$45,108	83.7%
Food	\$200,580	\$202,132	\$0	100.8%
Eating and Drinking	\$79,396	\$73,996	\$5,401	93.2%
Building Materials/Hardware	\$57,183	\$43,820	\$13,363	76.6%
Auto Dealers and Parts	\$105,568	\$109,931	\$0	104.1%
Total	\$718,965	\$661,008	\$63,871	91.9%

Source: TNDG; State Board of Equalization

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

In subsequent years, incremental demand in the PRTA is projected to grow in proportion to population increases. Table III-11, below, shows the projected changes in incremental retail demand in the PRTA over the next few years.

**Table III-11:
Total Potential Capture of Demand for New Retail Sales
Non-Grocery Retail Categories**

Retail Category	2007	2010	2012	2013	2015	2017	2020
GAFO 1/	\$45,108	\$17,883	\$41,443	\$69,943	\$79,043	\$88,418	\$103,014
Eating and Drinking	\$5,401	\$0	\$4,347	\$12,539	\$15,154	\$17,849	\$22,044
Building Materials	\$13,363	\$7,727	\$12,604	\$18,504	\$20,388	\$22,328	\$25,350
Auto Dealers and Parts	\$0	\$0	\$0	\$5,128	\$8,606	\$12,189	\$17,767
Total	\$63,871	\$25,610	\$58,395	\$106,114	\$123,191	\$140,784	\$168,176

Source: TNDG

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

III-G. SUPPORTABLE RETAIL SPACE (NON-GROCERY CATEGORIES)

Sales per Square Foot Standards

Projected sales volume requirements per square foot of retail space by retail category are derived from typical sales standards from the Urban Land Institute's (ULI's) Dollars & Cents Publication (2008 issue) and from typical sales per square foot data from representative stores in each retail category (as reported in the July 2009 issue of Retail MAXIM).

**Table III-12:
Sales per Square Foot Standards for Retail Space
Porterville Retail Trade Area**

Retail Category	Sales/ Square Foot
GAFO 1/	\$300
Eating / Drinking Establish.	\$375
Building Materials / Hardware	\$265
Automotive Parts	\$175

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

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

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-13 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 of the population in the PRTA (see Table III-1). Based on analysis 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-13:
Demand for Retail Space (Non-Grocery)
Porterville Retail Trade Area**

Retail Category	2007	2010	2012	2013	2015	2017	2020
GAFO 1/	150,359	59,610	138,144	233,144	263,477	294,727	343,381
Eating and Drinking	14,402	0	11,593	33,437	40,412	47,597	58,785
Building Materials/Hardware	50,426	29,159	47,563	69,826	76,935	84,258	95,660
Auto Parts 2/	0	0	0	2,344	3,934	5,572	8,122
<i>GAFO Adjustments</i>							
--Target Expansion 3/		(38,000)	(38,000)	(38,000)	(38,000)	(38,000)	(38,000)
--Mervyn's Closure 4/		77,000	77,000	77,000	77,000	77,000	77,000
<i>Adjusted Category Totals</i>							
GAFO	150,359	98,610	177,144	272,144	302,477	333,727	382,381
Eating and Drinking	14,402	0	11,593	33,437	40,412	47,597	58,785
Building Materials/Hardware 5/	50,426	0	0	0	0	0	0
Auto Parts	0	0	0	2,344	3,934	5,572	8,122
Services space @ 10% of retail	23,910	10,957	20,971	34,214	38,536	42,988	49,921
Total	239,097	109,567	209,708	342,139	385,359	429,884	499,209

Source: TNDG

- 1/ GAFO includes General Merchandise, Apparel, Furniture and Other (Specialty).
- 2/ Assumes that automotive parts stores account for 8% of sales in overall Automotive group category (based on statewide average in 2007).
- 3/ Existing Target store expanded by approximately 38,000 square feet in 2008. Thus, this new square feet added subsequent to base year 2007 is subtracted from potential new GAFO demand.
- 4/ Mervyn's store closed in 2008. Thus, the square feet of this store is added to potential new GAFO demand, as it closed after the base year 2007.
- 5/ All residual demand in the Building Materials/Hardware category through 2020 is assumed to be absorbed by the Lowe's Home Improvement store, which opened in February, 2008.)

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

Since the proposed project would include a supermarket²³ component, this section evaluates the demand for grocery sales and supportable grocery space in the PRTA. Table III-14, on the following page, forecasts total demand in the Food category from 2010 to 2020, and provides projections of the potential average sales per square foot for major supermarkets in the trade area.

²³ For purposes of this analysis, it is assumed that the supermarket component of the Walmart Supercenter would be 43,374 square feet.

Based on analysis of available sales tax data, TNDG estimates that the eight existing supermarkets²⁴ in PRTA currently capture approximately 56% 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 61% by 2020²⁵.

The table also provides an estimate of the PRTA 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 Walmart Supercenter.

**Table III-14:
Demand for Supermarket Sales and
Estimate of Sales per Square Foot
Porterville Retail Trade Area
in thousands of constant dollars**

Description	2010	2012	2013	2015	2017	2020
Total Food Sales Demand	\$180,812	\$197,919	\$218,613	\$225,221	\$232,028	\$242,627
Estimated Supermarket Share	56%	58%	59%	60%	60%	61%
Total Potential Sales	\$101,255	\$114,085	\$129,606	\$134,561	\$139,667	\$147,616
Less Demand Absorbed by New Facilities:						
--Walmart Supercenter 1/	\$0	(\$21,408)	(\$21,408)	(\$21,408)	(\$21,408)	(\$21,408)
Net Demand Available to Support Existing Supermarkets	\$101,255	\$92,677	\$108,198	\$113,153	\$118,259	\$126,208
Existing Supermarket Square Feet	265,487	265,487	265,487	265,487	265,487	265,487
Sales per Square Foot Existing Supermarkets	\$381	\$349	\$408	\$426	\$445	\$475

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

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

Walmart: \$625

²⁴ For purposes of this analysis, "supermarkets" have been defined as food stores larger than 13,000 square feet.

²⁵ 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 90% of the *incremental growth* in Food sales. That is, the increase in the supermarkets' share of *total* Food demand from 55% to 61% corresponds to capturing 75% of new or *incremental* Food demand between 2010 and 2020. 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 ANALYSIS
PORTERVILLE TRADE AREA**

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

Area	2007	2010	2012	2013	2015	2017	2020
Porterville Retail Trade Area (PRTA)	106,324	110,821	114,171	115,883	119,386	122,994	128,612
Total Market Area	106,324	110,821	114,171	115,883	119,386	122,994	128,612

Source: ESRI; The Natelson Dale Group, Inc. (TNDG).

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

	2007						
Area	2007	2010	2012	2013	2015	2017	2020
Porterville Retail Trade Area (PRTA)		\$22,362					
Annual Increase Factor		0.00%					
Porterville Retail Trade Area (PRTA)	\$22,362	\$22,362	\$22,362	\$22,362	\$22,362	\$22,362	\$22,362

Source: ESRI; TNDG

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

	2007	2010	2012	2013	2015	2017	2020
Percent of Income Spent on Retail Goods	37.0%	32.0%	34.0%	37.0%	37.0%	37.0%	37.0%
Area	2007	2010	2012	2013	2015	2017	2020
Total Income:							
Porterville Retail Trade Area (PRTA)	\$2,377,667	\$2,478,231	\$2,553,136	\$2,591,433	\$2,669,759	\$2,750,453	\$2,876,089
Total	\$2,377,667	\$2,478,231	\$2,553,136	\$2,591,433	\$2,669,759	\$2,750,453	\$2,876,089
Potential Retail Sales:							
Porterville Retail Trade Area (PRTA)	\$879,737	\$793,034	\$868,066	\$958,830	\$987,811	\$1,017,667	\$1,064,153
Total	\$879,737	\$793,034	\$868,066	\$958,830	\$987,811	\$1,017,667	\$1,064,153

Source: TNDG

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

Retail Category	%Distribution 2007	%Distribution 2010	%Distribution 2012	%Distribution 2013	%Distribution 2015	%Distribution 2017	%Distribution 2020
<i>Shopper Goods:</i>							
Apparel	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
General Merchandise	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%
Home Furnishings	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Specialty	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%
Subtotal	37.0%	37.0%	37.0%	37.0%	37.0%	37.0%	37.0%
<i>Convenience Goods:</i>							
Food	24.0%	24.0%	24.0%	24.0%	24.0%	24.0%	24.0%
Eating and Drinking	9.5%	9.5%	9.5%	9.5%	9.5%	9.5%	9.5%
Subtotal	33.5%	33.5%	33.5%	33.5%	33.5%	33.5%	33.5%
<i>Heavy Commercial Goods:</i>							
Building Materials/Hardware	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%
Auto Dealers and Parts	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%
Service Stations	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%
Subtotal	29.5%	29.5%	29.5%	29.5%	29.5%	29.5%	29.5%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: TNDG, based on historic trends (2007 taxable sales) reported by the State Board of Equalization for Tulare County.

Table A-5
Projected Demand for Retail Sales by Major Retail Category
Porterville Retail Trade Area
In thousands of constant dollars

Retail Category	2007	2010	2012	2013	2015	2017	2020
<i>Shopper Goods:</i>							
Apparel	\$35,189	\$31,721	\$34,723	\$38,353	\$39,512	\$40,707	\$42,566
General Merchandise	\$158,353	\$142,746	\$156,252	\$172,589	\$177,806	\$183,180	\$191,548
Furniture/Appliances	\$26,392	\$23,791	\$26,042	\$28,765	\$29,634	\$30,530	\$31,925
Specialty	\$105,568	\$95,164	\$104,168	\$115,060	\$118,537	\$122,120	\$127,698
Subtotal	\$325,503	\$293,423	\$321,185	\$354,767	\$365,490	\$376,537	\$393,737
<i>Convenience Goods:</i>							
Food	\$211,137	\$190,328	\$208,336	\$230,119	\$237,075	\$244,240	\$255,397
Eating and Drinking	\$83,575	\$75,338	\$82,466	\$91,089	\$93,842	\$96,678	\$101,095
Subtotal	\$294,712	\$265,666	\$290,802	\$321,208	\$330,917	\$340,919	\$356,491
<i>Heavy Commercial Goods:</i>							
Building Materials/Hardware	\$57,183	\$51,547	\$56,424	\$62,324	\$64,208	\$66,148	\$69,170
Auto Dealers and Parts	\$105,568	\$95,164	\$104,168	\$115,060	\$118,537	\$122,120	\$127,698
Service Stations	\$96,771	\$87,234	\$95,487	\$105,471	\$108,659	\$111,943	\$117,057
Subtotal	\$259,522	\$233,945	\$256,080	\$282,855	\$291,404	\$300,212	\$313,925
Total	\$879,737	\$793,034	\$868,066	\$958,830	\$987,811	\$1,017,667	\$1,064,153

Source: TNDG

Table A-6
Potential Capture of Market Area Demand for Retail Sales Expressed in Percentages
Porterville Retail Trade Area

Retail Category	2007	2010	2012	2013	2015	2017	2020
<i>Shopper Goods:</i>							
Apparel	80.00%	80.00%	80.00%	80.00%	80.00%	80.00%	80.00%
General Merchandise	90.00%	90.00%	90.00%	90.00%	90.00%	90.00%	90.00%
Furniture/Appliances	80.00%	80.00%	80.00%	80.00%	80.00%	80.00%	80.00%
Specialty	80.00%	80.00%	80.00%	80.00%	80.00%	80.00%	80.00%
<i>Convenience Goods:</i>							
Food	95.00%	95.00%	95.00%	95.00%	95.00%	95.00%	95.00%
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	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Service Stations	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Source: TNDG

Table A-7
Potential Capture of Market Area Demand for Retail Sales
Porterville Retail Trade Area
In thousands of constant dollars

Retail Category	2007	2010	2012	2013	2015	2017	2020
<i>Shopper Goods:</i>							
Apparel	\$28,152	\$25,377	\$27,778	\$30,683	\$31,610	\$32,565	\$34,053
General Merchandise	\$142,517	\$128,472	\$140,627	\$155,330	\$160,025	\$164,862	\$172,393
Furniture/Appliances	\$21,114	\$19,033	\$20,834	\$23,012	\$23,707	\$24,424	\$25,540
Specialty	\$84,455	\$76,131	\$83,334	\$92,048	\$94,830	\$97,696	\$102,159
Subtotal	\$276,237	\$249,013	\$272,573	\$301,073	\$310,173	\$319,548	\$334,144
<i>Convenience Goods:</i>							
Food	\$200,580	\$180,812	\$197,919	\$218,613	\$225,221	\$232,028	\$242,627
Eating and Drinking	\$79,396	\$71,571	\$78,343	\$86,534	\$89,150	\$91,844	\$96,040
Subtotal	\$279,976	\$252,383	\$276,262	\$305,148	\$314,371	\$323,873	\$338,667
<i>Heavy Commercial Goods:</i>							
Building Materials/Hardware	\$57,183	\$51,547	\$56,424	\$62,324	\$64,208	\$66,148	\$69,170
Auto Dealers and Parts	\$105,568	\$95,164	\$104,168	\$115,060	\$118,537	\$122,120	\$127,698
Service Stations	\$96,771	\$87,234	\$95,487	\$105,471	\$108,659	\$111,943	\$117,057
Subtotal	\$259,522	\$233,945	\$256,080	\$282,855	\$291,404	\$300,212	\$313,925
Total	\$815,736	\$735,341	\$804,914	\$889,075	\$915,948	\$943,632	\$986,736

Source: TNDG

Table A-8
Estimate of Existing Trade Area Sales
Porterville Retail Trade Area
in thousands of constant dollars

Retail Category	2007 Sales (Porterville)	Porterville's Share of Trade Area 1/	Estimated Sales (Total Trade Area)
<i>Shopper Goods:</i>			
Apparel	\$8,287	77.0%	\$10,762
General Merchandise	\$122,757	88.0%	\$139,497
Furniture/Appliances	\$41,058	89.0%	\$46,133
Specialty	\$29,180	84.0%	\$34,738
Subtotal	\$201,282	87.1%	\$231,130
<i>Convenience Goods:</i>			
Food	\$131,386	66.0%	\$199,069
Eating and Drinking	\$49,577	67.0%	\$73,996
Subtotal	\$180,963	66.3%	\$273,065
<i>Heavy Commercial Goods:</i>			
Building Materials/Hardware	\$41,629	95.0%	\$43,820
Auto Dealers and Parts	\$84,647	77.0%	\$109,931
Service Stations	N/A	N/A	N/A
Subtotal	\$126,276	82.1%	\$153,751
Total	\$508,521	77.3%	\$657,945

1/ Based on square footages from TNDG's field survey.

Source: California State Board of Equalization; TNDG Field Survey (Appendix B).

Table A-9
Comparison of Potential Retail Demand with Estimated Sales
Porterville Retail Trade Area
in thousands of constant dollars

Retail Category	2007 Demand	2007 Estimated Sales	Expected Less Actual	Percent Actual/Expected
GAFO 1/	\$276,237	\$231,130	\$45,108	83.7%
Food	\$200,580	\$199,069	\$1,511	99.2%
Eating and Drinking	\$79,396	\$73,996	\$5,401	93.2%
Building Materials/Hardware	\$57,183	\$43,820	\$13,363	76.6%
Auto Dealers and Parts	\$105,568	\$109,931	\$0	104.1%
Total	\$718,965	\$657,945	\$65,382	91.5%

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

Source: California State Board of Equalization; TNDG.

Table A-10
Net Supportable Retail Sales (Non-Grocery Categories)
Porterville Retail Trade Area
In thousands of constant dollars

Retail Category	2007	2010	2012	2013	2015	2017	2020
GAFO	\$45,108	\$17,883	\$41,443	\$69,943	\$79,043	\$88,418	\$103,014
Eating and Drinking	\$5,401	\$0	\$4,347	\$12,539	\$15,154	\$17,849	\$22,044
Building Materials/Hardware	\$13,363	\$7,727	\$12,604	\$18,504	\$20,388	\$22,328	\$25,350
Auto Parts Stores 1/	\$0	\$0	\$0	\$5,128	\$8,606	\$12,189	\$17,767
Total	\$63,871	\$25,610	\$58,395	\$106,114	\$123,191	\$140,784	\$168,176

1/ Assumes that automotive parts stores account for 8% of sales in overall Automotive group category (based on statewide average in 2007).

Source: TNDG

Table A-11
Sales Per Square Foot Standards
Porterville Retail Trade Area

Retail Category	Sales/Square Feet
<i>Shopper Goods:</i>	
GAFO	\$300
Eating/Drinking	\$375
Building/Hardware/Garden	\$265
Automotive Parts	\$175

Source: TNDG, based on data published by ULI (2008) and Retail MAXIM (2008).

Table A-12
Potential Supportable Square Feet of Retail Development (non-grocery)
Porterville Retail Trade Area

Retail Category	2007	2010	2012	2013	2015	2017	2020
GAFO	150,359	59,610	138,144	233,144	263,477	294,727	343,381
Eating and Drinking	14,402	0	11,593	33,437	40,412	47,597	58,785
Building Materials/Hardware	50,426	29,159	47,563	69,826	76,935	84,258	95,660
Auto Parts Stores	0	0	0	2,344	3,934	5,572	8,122
<i><u>GAFO Adjustments</u></i>							
--Target Expansion 1/		(38,000)	(38,000)	(38,000)	(38,000)	(38,000)	(38,000)
--Mervyn's Closure 2/		77,000	77,000	77,000	77,000	77,000	77,000
<i><u>Adjusted Category Totals</u></i>							
GAFO	150,359	98,610	177,144	272,144	302,477	333,727	382,381
Eating and Drinking	14,402	0	11,593	33,437	40,412	47,597	58,785
Building Materials/Hardware	50,426	0	0	0	0	0	0
Auto Parts Stores	0	0	0	2,344	3,934	5,572	8,122
Subtotal, Retail	215,187	98,610	188,737	307,925	346,823	386,896	449,288
Services space @ 10% of retail	23,910	10,957	20,971	34,214	38,536	42,988	49,921
Total	239,097	109,567	209,708	342,139	385,359	429,884	499,209

1/ Existing Target store expanded by approximately 38,000 square feet in 2008. Thus, this square feet is subtracted from potential new GAFO demand.

2/ Mervyn's store closed in 2008. Thus, the square feet of this store is added to potential new GAFO demand, as it closed after the base year 2007.

Source: TNDG

Table A-13
Potential Sales Impacts to Existing Supermarkets
Porterville Retail Trade Area
Expressed in Sales per Square Feet

Demand Variable	2010	2012	2013	2015	2017	2020
Total Food Sales Demand (000's)	\$180,812	\$197,919	\$218,613	\$225,221	\$232,028	\$242,627
Estimated Supermarket Share	56%	58%	59%	60%	60%	61%
Total Potential Supermarket Sales	\$101,255	\$114,085	\$129,606	\$134,561	\$139,667	\$147,616
Less Demand Absorbed by New Facilities 1/ --Wal-Mart Supercenter		(\$21,408)	(\$21,408)	(\$21,408)	(\$21,408)	(\$21,408)
Net Demand Available to Support Existing Supermarkets	\$101,255	\$92,677	\$108,198	\$113,153	\$118,259	\$126,208
Existing Supermarket Sq. Ft.	265,487	265,487	265,487	265,487	265,487	265,487
Sales Per Square Foot Existing Supermarkets	\$381	\$349	\$408	\$426	\$445	\$475

1/ Sales per square foot (gross area) assumptions:
Wal-Mart \$625

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

Table A-14
Potential Sales Impacts to Existing Supermarkets - CUMULATIVE ANALYSIS
Porterville Retail Trade Area
Expressed in Sales per Square Feet

Demand Variable	2010	2012	2013	2015	2017	2020
Total Food Sales Demand (000's)	\$180,812	\$197,919	\$218,613	\$225,221	\$232,028	\$242,627
Estimated Supermarket Share	56%	58%	59%	60%	60%	61%
Total Potential Supermarket Sales	\$101,255	\$114,085	\$129,606	\$134,561	\$139,667	\$147,616
Less Demand Absorbed by New Facilities:						
--Wal-Mart Supercenter 1/		(\$21,408)	(\$21,408)	(\$21,408)	(\$21,408)	(\$21,408)
--Target Grocery Expansion 2/		(\$1,736)	(\$1,736)	(\$1,736)	(\$1,736)	(\$1,736)
Net Demand Available to Support Existing Supermarkets	\$101,255	\$90,941	\$106,461	\$111,417	\$116,523	\$124,472
Existing Supermarket Sq. Ft.	265,487	265,487	265,487	265,487	265,487	265,487
Sales Per Square Foot Existing Supermarkets	\$381	\$343	\$401	\$420	\$439	\$469

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

Wal-Mart \$625

2/ Sales per square foot (sales area) assumptions:

Target \$443

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

APPENDIX B:
RETAIL INVENTORY
PORTERVILLE RETAIL TRADE AREA

Summary Table B
Approximate Square Footage of Retail Space
Shopping Centers/Freestanding Stores

	Downtown		Shopping Centes/Freestanding Stores			Total
	Lindsay	Porterville	Lindsay	Porterville	Unincorp.	
Shopper Goods						
Apparel	27,874	42,505	0	55,690	2,557	128,626
General Merchandise	7,375	8,949	54,350	495,802	8,494	574,970
Furniture/Appliances	4,950	42,413	0	46,008	5,968	99,339
Specialty	16,147	62,321	5,194	136,534	17,362	237,558
<i>Subtotal</i>	<u>56,346</u>	<u>156,188</u>	<u>59,544</u>	<u>734,034</u>	<u>34,381</u>	<u>1,040,493</u>
Convenience Goods						
Food (Supermarkets/Liquor)	17,104	39,098	64,155	276,489	80,942	477,788
Eating and Drinking	49,928	33,825	31,400	201,198	32,143	348,494
<i>Subtotal</i>	<u>67,032</u>	<u>72,923</u>	<u>95,555</u>	<u>477,687</u>	<u>113,085</u>	<u>826,282</u>
Heavy Commercial Goods						
Building/Hardware/Garden	9,000	0	0	296,426	7,842	313,268
Auto Parts	11,000	25,642	3,250	37,625	4,807	82,324
<i>Subtotal</i>	<u>20,000</u>	<u>25,642</u>	<u>3,250</u>	<u>334,051</u>	<u>12,649</u>	<u>395,592</u>
Other Retail Space						
Service business	77,513	84,201	9,544	196,557	2,694	370,509
Vacant	69,750	64,296	10,144	147,567	14,464	306,221
Under Construction	0	0	0	0	0	0
<i>Subtotal</i>	<u>147,263</u>	<u>148,497</u>	<u>19,688</u>	<u>344,124</u>	<u>17,158</u>	<u>676,730</u>
GRAND TOTAL	290,641	403,250	178,037	1,889,896	177,273	2,939,097

Source: The Natelson Dale Group, Inc. (TNDG)

**Table B-1
INVENTORY OF RETAIL TENANTS AND SQUARE FEET OF BUILDING SPACE
DOWNTOWN PORTERVILLE**

TENANT	NUMBER	STREET	RETAIL CATEGORY	SQUARE FEET
Porterville Discount Center	250	E Grand Avenue	GM	7,031
Harris Home Furnishings	214	N 2nd Street	FURN	12,925
Dance Horizons	289	N 3rd Street	SVC	5,775
La Guadalupana	4	N Main Street	ED	1,705
Porterville Auto Parts	22	N Main Street	AUTO	5,625
La Fuente Restaurant	29	N Main Street	ED	3,750
Jackson Mobile Sound	30	N Main Street	SPEC	4,861
Vacant	37 B	N Main Street	VAC	3,900
Downtown Shoes	37	N Main Street	A	3,919
JR Furniture	40	N Main Street	FURN	9,844
Allen's Boot and Saddle	43	N Main Street	A	4,406
Vacant	50	N Main Street	VAC	2,813
TurAmerica Travel	54	N Main Street	SVC	1,875
Vacant (former restaurant)	73	N Main Street	VAC	4,205
Cut Throat Cycles	75	N Main Street	AUTO	3,069
Yessenia's Fashions	79	N Main Street	A	2,750
Bank of Sierra	80	N Main Street	SVC	19,000
Vacant	83	N Main Street	VAC	6,250
Fazzone's Pet Boutique	93	N Main Street	SPEC	545
Chamber of Commerce	93	N Main Street	SVC	3,500
Picture This	93	N Main Street	SPEC	3,500
Mundo Latino	97	N Main Street	A	2,500
Norris Furniture	103	N Main Street	FURN	5,250
House of Brides	106	N Main Street	A	3,575
Coco Attire	109	N Main Street	A	1,364
Leonardos Jewelry	113	N Main Street	SPEC	4,000
La Vintage Rue	114	N Main Street	A	3,575
Discoteca Salone	117	N Main Street	SVC	1,750
Phillip's Barber Shop	117	N Main Street	SVC	1,750
Paris Boutique	118	N Main Street	A	3,300
Bethesda Lutheran Communities	119	N Main Street	SVC	4,143
Tropical Ice	120	N Main Street	ED	2,302
Vacant (former Allen's Tuxedos)	122	N Main Street	VAC	3,025
Fashion Trend	125	N Main Street	A	2,750
Closets Unique Boutique	127	N Main Street	A	2,000
Vacant	129	N Main Street	VAC	2,250
Subway	134	N Main Street	ED	2,344
H&R Block	141	N Main Street	SVC	2,500
Jalisco Jewelers	145	N Main Street	SPEC	3,000
Vacant	147	N Main Street	VAC	2,500
Vacant	148	N Main Street	VAC	2,552

TENANT	NUMBER	STREET	RETAIL CATEGORY	SQUARE FEET
Vacant (former Charter Comm.)	151	N Main Street	VAC	3,325
Porterville Studio	152	N Main Street	SVC	2,531
Split Endz	156	N Main Street	SVC	2,000
Fashion Network	162	N Main Street	A	3,094
Steve's Drapery and Interiors	164	N Main Street	FURN	1,969
Light of Love	159	N Main Street	SVC	6,250
Serrano's Furniture	165	N Main Street	FURN	7,500
The Madras	166	N Main Street	A	1,969
We Buy Gold	168	N Main Street	SPEC	1,969
Mecca	170	N Main Street	ED	1,969
Vacant	172	N Main Street	VAC	2,531
David Horowitz Jewelers	175	N Main Street	SPEC	2,250
Computer Outpost	176	N Main Street	SPEC	2,250
Country Pleasures	177	N Main Street	SPEC	2,250
Cookie Cottage	178	N Main Street	ED	2,531
Lindgren's Jewelers	181	N Main Street	SPEC	2,250
El Futuro Credit Union	182	N Main Street	SVC	3,938
Special Occasions and Gifts	183	N Main Street	SPEC	2,750
Sierra Trophies	197	N Main Street	SPEC	5,938
Earth Angel	199	N Main Street	SPEC	2,250
Mitchells Jewelers	200	N Main Street	SPEC	4,500
Unique Designs	202	N Main Street	SPEC	1,969
Hot Heads	204	N Main Street	SVC	1,969
Poor Richards Pizza	205	N Main Street	ED	2,250
Vanity	206	N Main Street	A	3,094
Let Our Light Shine	207	N Main Street	SVC	2,750
Luis Jewelers	209	N Main Street	SPEC	2,250
Vanity's Addiction	210	N Main Street	A	2,250
Tantalyze	210	N Main Street	SVC	2,531
First Allied	212	N Main Street	SVC	4,219
Vacant	228	N Main Street	VAC	2,250
Vacant	230	N Main Street	VAC	2,100
Vacant	232	N Main Street	VAC	1,181
Vacant	234	N Main Street	VAC	1,181
Action Hobby	238	N Main Street	SPEC	1,150
JR'S Barber	240	N Main Street	SVC	1,150
The Cellar	244	N Main Street	ED	4,219
Don Vino's Italian Kitchen	247	N Main Street	ED	7,750
Edwards	248	N Main Street	SPEC	4,219
Hillman Building Designers	250	N Main Street	SVC	1,108
RC'S & Co.	252	N Main Street	A	1,193
Ziebell's Tutoring	254	N Main Street	SVC	852
Ted Braun's Autoparts	---	Henderson & Main	AUTO	2,745
La Nueva Fonda	96	W. Henderson	FOOD	5,627
Contreras Furniture	28	W. Henderson	FURN	2,268
Vacant	560	N Main Street	VAC	4,126

TENANT	NUMBER	STREET	RETAIL CATEGORY	SQUARE FEET
Platinum Home Mortgage Corporation	525	N Main Street	SVC	1,215
Bay's Chili Dogs	460	N Main Street	ED	153
Vacant (former Century 21)	410	N Main Street	VAC	1,918
El Nuevo Mexicali	370	N Main Street	ED	1,997
Sierra Appliance	863	N Main Street	FURN	2,657
Sick Wit It	745	N Main Street	A	767
Ranchito Market	758	N Main Street	FOOD	1,918
Freddy G's	748	N Main Street	ED	511
Family Mini Mart	575	N Main Street	FOOD	1,553
The Flower Mill	619	N Main Street	SPEC	1,775
Angel's	505	N Main Street	GM	1,918
Smith's Town Square				
Save Mart	50	West Olive	FOOD	30,000
Vacant (Longs Drug)	56	West Olive	VAC	15,789
Suzi's Café	NEC	Olive & D Street	ED	818
Rorbachs Baby News/ Cards & Gifs	76	North D Street	SPEC	5,218
Unnamed Plaza				
Spragnes	NWC	Olive & D Street	AUTO	14,203
Smith's Flowers	55	North D Street	SPEC	3,428
Reflections Beauty Salon	51	North D Street	SVC	2,220
Mom's U-Bake Pizza	49	North D Street	ED	1,526
Farmers Insurance Group	47	North D Street	SVC	971
Randy's Custom Barber	33	North D Street	SVC	914
Sno-White Coin Laundry	NWC	Olive & D Street	SVC	3,657
Quality Cleaners	21	North D Street	SVC	3,314
Reality	NWC	Olive & D Street	SVC	2,319
Vacant	8	W Olive Street	VAC	2,400

Source: TNDG

**Table B-2
SHOPPING CENTERS AND FREESTANDING RETAIL SPACE
CITY OF PORTERVILLE**

<u>Shopping Center / Location</u>	<u>GLA</u>	<u>Vacant</u>	<u>Vacancy</u>	<u>Tenants</u>	<u>Category</u>
EASTRIDGE PLAZA	95,047	13,082	13.76%	TOTAL	
SWC Olive/Plano	32,400			Vallarta	FOOD
	19,120			Porterville Health Care Center	SVC
	3,570			99 Cents Plus	GM
	4,200	4,200		Vacant (Action Video)	VAC
	4,012			Star Image Studio	SVC
	6,438			Department of Motor Vehicles	SVC
	2,800			La Esquina del Sabor	ED
	3,150			Family Rental Center	FURN
	4,875			McDonalds	ED
	2,800			Oyishi Teriyaki Restaurant	ED
	1,050			Premium Insurance	SVC
	1,750			Soap Opera Coin Op Laundry	SVC
	980	980		Vacant	VAC
	980	980		Vacant	VAC
	2,745	2,745		Vacant	VAC
	2,745	2,745		Vacant	VAC
	1,432	1,432		Vacant	VAC
PORTERVILLE CROSSROADS	198,631	4,450	2.24%	TOTAL	
NWC Prospect/Henderson	100,000			Wal-Mart	GM
	47,250			Food 4 Less	FOOD
	23,500			OfficeMax	SPEC
	1,150			Advance America Cash Advance	SVC
	1,800	1,800		Vacant (Flaming Kabob)	VAC
	1,150			Cost U Less Insurance	SVC
	9,000			Denny's	ED
	1,150			Haircuts Plus	SVC
	1,294			Pizza Guys	ED
	1,581			Quiznos	ED
	2,344			Rally's	ED
	1,006			Smokers Paradise	SPEC
	1,006			Starbucks	ED
	3,750			Taco Bell	ED
	850	850		Vacant (Verizon Wireless)	VAC
	1,800	1,800		Vacant (Chill Pill Ice Cream)	VAC
PORTERVILLE MARKETPLACE	301,675	35,566	11.79%	TOTAL	
SWC Prospect/Henderson	132,279			Target	GM
	66,900			Kohl's coming soon	GM
1351	30,316	30,316		Vacant	VAC
	12,000			Dollar Tree	GM
	5,250	5,250		Vacant (Restaurant)	VAC
	5,438			Autozone	AUTO
	1,500			Betty's Beauty Supply	SPEC
	7,500			Big 5 Sporting Goods	SPEC
	875			Check into Cash	SVC
	2,000			Chinas Alley	ED
	1,375			At & T Wireless	SPEC
	1,125			Don Roberto Jewelers	SPEC
	1,125			Tucoema Credit Union	SVC

<u>Shopping Center / Location</u>	<u>GLA</u>	<u>Vacant</u>	<u>Vacancy</u>	<u>Tenants</u>	<u>Category</u>
	341			Massage	SPEC
	5,775			Vacant (Hollywood Video)	VAC
	2,000			Little Caesars Pizza	ED
	5,000			McDonalds	ED
	4,327			Maurice's	A
	2,000			Pet Fair	SPEC
	1,500			Fred Loya Insurance	SVC
	1,125			Sally Beauty Supply	SPEC
	875			Sculpture Nails	SVC
	1,600			Subway	ED
	1,000			Supercuts	SVC
	1,688			Tokyo Bowl	ED
	2,000			UPS Store	SVC
	2,000			Payless Shoes	A
	1,381			All About Ice Cream	ED
	1,381			Jamba Juice	ED
GINGER'S CORNER CENTER	12,897	1,469	11.39%		
NEC Prospect/Henderson	3,591			Fast Payday Loans	SVC
	1,306			Payday Advance	SVC
	1,469			O.P. Nails	SVC
	1,469	1,469		Vacant	VAC
	1,469			H&R Block	SVC
	1,306			Elements Hair Salon	SVC
	1,143			Check 'n' Go	SVC
	1,143			Family Nutrition	FOOD
PROSPECT PLAZA (Recently Built)	14,350	12,000	83.62%		
NEC Grand/Prospect	1,500			Liberty Tax	SVC
	10,500	10,500		Vacant	VAC
	850			Cricket	SPEC
	1,500	1,500		Vacant	VAC
PORTERVILLE PLAZA	206,874	27,587	13.33%	TOTAL	
SWC Highway 65/Henderson	50,000			Galaxy 9 Theaters	SVC
	41,325			99 Cents Only Store	GM
	26,406			In Shape City	SVC
	21,938			Factory 2-U	A
	6,000			Wells Fargo	SVC
	1,406			Cosmo Prof	SVC
	1,094			Donut Factory	ED
	3,900			Genesis Bike Shop	SPEC
	625			Dad's Dog House	ED
	3,900			Cybernet Land	SPEC
	3,088			Ashley's Hair Salon	SVC
	2,500			Launderland	SVC
	4,375			Pizza Factory	ED
	1,719			Sports Cuts	SVC
	2,188			Rosa's Restaurant	ED
	1,250	1,250		Vacant	VAC
	1,094			Thai Kitchen	ED
	5,938	5,938		Vacant	VAC
	4,900	4,900		Vacant	VAC
	1,235			Delta Gas Station	FOOD/GAS
	128			Porter St Barbeque	ED
	2,250			Galaxy Dental	SVC

<u>Shopping Center / Location</u>	<u>GLA</u>	<u>Vacant</u>	<u>Vacancy</u>	<u>Tenants</u>	<u>Category</u>
	2,813	2,813		Vacant	VAC
	4,220	4,220		Vacant	VAC
	2,813	2,813		Vacant (Cherry Tree Catering)	VAC
	5,653	5,653		Vacant	VAC
	1,688			Coleman's Delight	ED
	2,430			Asia Garden Restaurant	ED
PORTERVILLE TOWN CENTER	103,614	5,174	4.99%	TOTAL	
NWC Porter/Henderson	46,721			Save Mart Supermarket	FOOD
	6,630			Anchor Blue	A
	5,525			Blockbuster Video	SPEC
	1,744			Cigarette King	SPEC
	2,758			AT&T	SPEC
	2,146			Party World	SPEC
	1,688			Tae Kwon Do	SVC
	1,600			Domino's Pizza	ED
	1,350			Hair Station	SVC
	1,688			Happy Nails	SVC
	1,050			Mailboxes West	SVC
	1,200			Advance America	SVC
	900			Papa Lolos Pizza	ED
	3,544			Rent a Center	FURN
	1,688			Stafford Chocolates	ED
	5,619			Susie's Deals	A
	852			U.S. Navy Recruiting	SVC
	5,400			Pine Tree	A
	1,023			U.S. Marine Recruiting	SVC
	3,000			Wendys	ED
	3,713	3,713		Vacant (White's Music)	VAC
	1,461	1,461		Vacant (Village Cleaners)	VAC
	1,193			Wink Boutique	A
	1,124			U.S. Army Recruiting	SVC
PORTER PLAZA	31,605	8,349	26.42%	TOTAL	
SEC Porter/Morton	898			Jack's Barber Shop	SVC
	3,771			Jeff's Music	SVC
	4,669			BRE Electric	SPEC
	2,783			Porterville Lock& Safe	SPEC
	2,783	2,783		Vacant (The Tannery Tanning Salon)	VAC
	2,783			Sprint	SPEC
	2,783	2,783		Vacant (Gary GZ)	VAC
	2,783	2,783		Vacant (The Package Place)	VAC
	5,567			Uniform Connection	A
	2,783			New World Mortgage	SVC
W. HENDERSON AVE (300-1187)	109,500	0	0.00%	TOTAL	
1092	4,163			Burger King	ED
1122	3,004			Verizon Wireless	SPEC
1140	4,628			Radio Shack	SPEC
1138	4,408			Round Table Pizza	ED
1187	3,085			JJ's Market	FOOD
1155	34,674			CVS Pharmacy	GM
1075	4,498			Jack in the Box	ED
1035	392			Java Express	ED
1025	4,555			Perkos	ED
222	4,848			The Yellow Rose	SPEC

<u>Shopping Center / Location</u>	<u>GLA</u>	<u>Vacant</u>	<u>Vacancy</u>	<u>Tenants</u>	<u>Category</u>
256	7,363			L&D Chinese Buffet	ED
276	5,738			Pizza Hut	ED
300	10,709			Napa Auto Parts	AUTO
1012	3,325			Shell Station/Sierra Mini Mart	FOOD/GAS
1445	2,220			Quick Stop Gas	FOOD/GAS
800 Westwood	11,891			CVS Pharmacy	GM
TOWN & COUNTRY SHOPPING CENT	115,693	0	0.00%	TOTAL	
1310 W. Olive Avenue	51,188			Town and Country	FOOD
	27,563			Town and Country Drug	GM
	11,063			Dollar City	GM
	2,500			AWCS Medical	SVC
	5,175			Blackburn's Cleaners	SVC
	2,250			El Ranchito Lindo	ED
	2,125			Fish Net	ED
	8,000			Kragen	AUTO
	2,013			Porterville Pure Water	SPEC
	1,125			Valley Barber	SVC
	2,182			Town and Country Gas	GAS
	511			Totally Tina's Fabrics	A
				Clifton's Nursery	SPEC
W. OLIVE STREET (66 - 1585)	262,493	9,511	3.62%	TOTAL	
53	12,022			CVS Pharmacy	GM
11	1,023			Yum Yum Donuts	ED
174	3,550			Porterville Glass	HARD
11	2,000			L&L Mini Mart	FOOD
188	3,069			La Modernia	FURN
230	2,592			Porterville Car Stereo	SPEC
220	1,091			Boost Mobile	SPEC
260	2,864			Aaron's	FURN
283	818			Taqueria El Galito	ED
284	2,865			BR's Food Mart/Gas Station	FOOD/GAS
325	4,263			New China Restaurant	ED
343	1,304			Panaderia	ED
356	1,654			Chinese Fast Food	ED
375	555			Super Burger	ED
390	1,706			Jack 'n' The Box	ED
393	2,645			Pizza Hut	ED
416	1,028			Hoagie's Heroes	ED
440	1,796			Taco Bell	ED
472	6,205			Gray's Furniture	FURN
520	1,662			El Taco Rico	ED
542	1,073			Allen's Boot & Saddle Shop	SPEC
550	1,296			Vietnamese Cusine	ED
550	1,296	1,296		Vacant (Soccerland)	VAC
561	1,790			El Jacalito Taqueria	ED
565	1,024			La Cosecha Panaderia	ED
591	3,328			Thompson Flooring/Covering	HARD
596	2,057			Long John Silver's	ED
610	2,025			Frank's Stop N Go Gas	FOOD/GAS
611	716			Burgos Tile	HARD
612	2,149			Professional Car Audio	SPEC
642	2,155			KFC	ED
700	1,091			Alice's Cottage	SPEC
709	2,500			Olive Mini Mart	FOOD

<u>Shopping Center / Location</u>	<u>GLA</u>	<u>Vacant</u>	<u>Vacancy</u>	<u>Tenants</u>	<u>Category</u>
763	20,765			Weatherby's Furniture	FURN
788	3,453			Pick Em Up Truck Accessories	SPEC
814	718			Friendly Liquor	FOOD
881	11,852			Weisenberger's Ace Hardware	HARD
887	2,100	2,100		Vacant	VAC
910	6,171			Black Bear Diner	ED
947	1,790			Starbucks	ED
947	596			Jackson Hewitt Tax Service	SVC
947	1,074			Subway	ED
24 S Cobb	4,604			J & R Meat Market	FOOD
1043	9,795			Carpets Plus	SPEC
1060	2,552			Express Gas	FOOD/GAS
1091	15,297			El Revention/Seafood Café	ED
1101	1,775			Kwik Stop Liquor	FOOD
1132	9,795			Auto Zone	AUTO
1139	1,469			California Car Stereo	SPEC
1204	5,115			Barnes Welding Supply	HARD
1212	9,828			Sherwin Williams	HARD
1227	13,370			Sears	GM
1289	14,105			Smart & Final	FOOD
1305	1,567			Cigarette Depot	SPEC
1305	665			Oasis Ice Cream	ED
1331	1,330			State Farm	SVC
1365	1,773			Manuel's Barbershop	SVC
1365	4,433	4,433		Vacant (Wally's Hardware)	VAC
1379	1,000			Jackson Mobile Sound	SPEC
1379	887			Paula's Precious Memories	SPEC
1379	1,000	1,000		Vacant (Fleur Boutique)	VAC
1393	3,333			Chaguitos	ED
1474	2,984			The Curiosity Shop	SPEC
1482	835			Born 2 Shop	A
1488	4,177			Sierra Sportsman	SPEC
1521	1,216			Mariscos y Birrieria	ED
1531	955			Sawana Adult Store	SPEC
1531	747			Omega Cigarettes Depot	SPEC
1531	682	682		Vacant	VAC
1549	1,790			Randy's Restaurant	ED
1563	2,685			Flaming K	ED
1580	3,956			Point's Glass	HARD
1585	2,334			Super Burger Drive In	ED
1700	1,705			Al's Anything Shop	GM
22388 Avenue 152	2,839			Spirit Gas/Joe's West Side Mkt	FOOD/GAS
22388 Avenue 152	2,839			Guadalajara Taqueria	ED
_____ Avenue 152	3,325			Shell/Sierra Mini Mart	FOOD/GAS
OLIVE VILLA PLAZA	14,366	0	0.00%	TOTAL	
SWC Olive/Villa	3,526			Tulare Education	SVC
	1,828			Plush Puppy	SVC
	1,437			Global Infusion Tattoos	SVC
	1,437			Fox Tax Service	SVC
	1,437			Alex'z Barber Shop	SVC
	1,437			Agua Purificada	SPEC
	1,828			Herbal Center	SVC
	1,437			Flower Vineyard	SPEC
UNNAMED PLAZA	5,746	3,526	61.36%	TOTAL	

<u>Shopping Center / Location</u>	<u>GLA</u>	<u>Vacant</u>	<u>Vacancy</u>	<u>Tenants</u>	<u>Category</u>
NEC Olive/H St.	1,567			Ace Cash Express	SVC
	653			Payday Loans	SVC
	3,526	3,526		Vacant	VAC
JAYE STREET CROSSING					
S Jaye St / W Poplar Ave.	120,000			Home Depot	HARD
RIVERWALK MARKETPLACE					
NWC Jaye / Poplar Ave.	144,054	4,838	3.36%		
	130,450			Lowe's	HARD
	2,387			Panda Express	ED
	2,429			El Pollo Loco	ED
	2,450			Carls JR	ED
	4,838	4,838		Vacant	VAC
	1,500			Subway	ED
FREESTANDING					
	102,044	16,239	3.70%		
415 Poplar	2,850			Shell/Sunrise Handy Mart	FOOD/GAS
820 Jaye St.	4,416			Burger King	ED
360 Montgomery	4,476			Denny's	ED
940 Morton Ave.	2,800	2,800		Vacant (Mona Lisa Pizza)	VAC
1907 Morton Ave.	2,438			Spirit Gas/Sherwood Handy Market	FOOD/GAS
90 Morton Ave.	2,131			Shell/Morton Express Mart	FOOD/GAS
66 Morton Ave.	19,949			Rite Aid	GM
434 Plano St.	3,000			Warnack Pharmacy	GM
383 Date Ave.	2,429			Sunlines Handy Market/Gas	FOOD/GAS
697 Plano St.	1,533			Plano Jerky	FOOD
670 Plano St.	2,148			Jenny Lynn's Café	ED
699 Plano St.	3,885			Spirit Gas/Food Mart	FOOD/GAS
730 Plano St.	2,884			Shell/Mini Mart/Port of Subs	FOOD/GAS
700 Plano St.	2,500			Plano Market	FOOD
566 Date Ave.	3,106	3,106		Vacant	VAC
604 Date Ave.	4,263			Star Furniture	FURN
605 Date Ave.	3,069			Rainbow Market	FOOD
717 Date Ave.	1,534			Teresa's 99 Cents	GM
740 Date Ave.	6,079			Agri-Home Equipment	HARD
769 Date Ave.	1,688			Gas Station/Food Mart	FOOD/GAS
814 Date Ave.	2,916			Hari's Market	FOOD
490 S Leggett St.	1,500	1,500		Vacant (former Vakash Tobacco)	VAC
___ Date Ave.	1,500			Accos	GM
79 W. Orange Ave.	8,176			Evans Feed and Supply	SPEC
377 S Howard St.	1,024			Three Amigos	ED
315 Locust	934			Saqr Market	FOOD
1531 N Main St.	8,816			Charlies Pizza Kitchen	ED
12 S Main St.	955	955		Vacant	VAC
12 S Main St.	955			Citi Financial	SVC
12 S Main St.	955			Dragon Nail & Spa	SVC
12 S Main St.	955			Starbucks	SVC
21 S Main St.	1,364			China Café	ED
150 S Main St.	2,182			Mercado El Progreso	FOOD
192 S Main St.	1,886			Fosters Freeze	ED
92 S Main St.	3,683			Freeway Auto Parts	AUTO
60 S Main St.	1,194			Judy's Boutique	SPEC
63 S Main St.	1,910			Party Palace	SPEC
35 S Main St.	682			Nena's Gifts	SPEC
33 S Main St.	682			Julie's Hair	SVC
45 S Main St.	7,878	7,878		Vacant	VAC

<u>Shopping Center / Location</u>	<u>GLA</u>	<u>Vacant</u>	<u>Vacancy</u>	<u>Tenants</u>	<u>Category</u>
64 S Main St.	1,023			Fresh Start	SVC
168 S Main St.	2,148			Mubbria Gaby's Furniture	FURN
227 S Main St.	1,620			Valero Gas/Sunshine Market	FOOD
215 S Main St.	1,553			Rainbow Carpets	HARD
284 S Main St.	12,614			Vietnamese Seafood Market	FOOD
329 S Main St.	1,458			Video Mex	GM
355 S Main St.	1,134			Sunshine Herbs	SPEC
1204 S Main St.	2,941			White's Market	FOOD
1200 S Main St.	1,534			Harley's Bar	ED

Source: TNDG

**Table B-3
INVENTORY OF RETAIL TENANTS AND SQUARE FEET OF BUILDING SPACE
DOWNTOWN LINDSAY**

TENANT	NUMBER	STREET	RETAIL CATEGORY	SQUARE FEET
Ingoldsby	419	W Hermosa Street	SPEC	1,200
Texaco	340	W Hermosa Street	FOOD/GAS	1,611
Fast Trip Gas	195	W Hermosa Street	FOOD/GAS	2,592
Bob's Drive In	125	W Hermosa Street	ED	1,313
Tienken Realty	101	E Hermosa Street	SVC	1,563
Soto Payroll	109	E Hermosa Street	SVC	1,563
La Bellissima Boutique	115	E Hermosa Street	A	1,563
Valero Gas	122	E Hermosa Street	FOOD/GAS	1,705
Alicia's Salon de Belleza	123	E Hermosa Street	SVC	1,563
Lindsay Vet Clinic	131	E Hermosa Street	SVC	3,125
Da Vinci Spa and Salon	145	E Hermosa Street	SVC	1,563
99 Cents	157	E Hermosa Street	GM	1,563
Fast N Friendly	185	E Hermosa Street	FOOD/GAS	1,300
El Palmar	122	E Honolulu Street	ED	4,200
Landmark Realty	130	E Honolulu Street	SVC	1,400
Vacant (Good Neighbor)	137	E Honolulu Street	VAC	5,250
Mina's Design	140	E Honolulu Street	A	1,600
Joyeria Mexicana	144	E Honolulu Street	SPEC	1,800
Joyeria Rodriguez	136	E Honolulu Street	SPEC	1,200
Emmanuel Nutritional Products	143	E Honolulu Street	SPEC	1,200
Ashley's Party Supplies	154	E Honolulu Street	SPEC	2,000
La Tiendita Family Design	156	E. Honolulu Street	A	2,000
H & R Block	157	E. Honolulu Street	SVC	844
Todo Fresco	164	E Honolulu Street	FOOD	1,800
State Farm	165	E Honolulu Street	SVC	7,500
La Hermosa	172	E Honolulu Street	FURN	2,888
Twisted Friends		E Honolulu Street	A	2,500
R & R Payroll	175	E Honolulu Street	SVC	4,063
Nena's	190	E Honolulu Street	A	3,150
Panaderia	180	E Honolulu Street	ED	3,150
Myers Funeral Service	199	E Honolulu Street	SVC	8,063
Chevron/City Food Mart	206	E Honolulu Street	FOOD/GAS	2,044
F&F Wireless	234	E Honolulu Street	SPEC	2,000
County of Tulare Agricultural Commissioner	240	E Honolulu Street	SVC	2,000
Turner and Associates Insurance	246	E Honolulu Street	SVC	2,000
Bridal Shop	270	E Honolulu Street	A	2,500
Vacant	280	E Honolulu Street	VAC	2,500
Retail Store	109	E Samoa Street	A	2,681
Mei Wah Chinese Restaurant	138	E Samoa Street	ED	1,563
Cabrera's Jewelry	100	Honolulu Street	SPEC	2,200
Pipeline	123	N Elmwood Avenue	SVC	3,825
Elmwood Seconds	137	N Elmwood Avenue	A	7,000
Vacant	145	N Elmwood Avenue	VAC	7,350
Sundance Photography	160	N Elmwood Avenue	SVC	4,500
Vacant	166	N Elmwood Avenue	VAC	4,500

TENANT	NUMBER	STREET	RETAIL CATEGORY	SQUARE FEET
True Value Hardware	174	N Elmwood Avenue	HARD	7,500
The Rock Church	175	N Elmwood Avenue	SVC	5,363
Fair Oaks Insurance	179	N Elmwood Avenue	SVC	2,681
Southern California Gas	184	N Elmwood Avenue	SVC	3,750
Robles Restaurant and Bakery	185	N Elmwood Avenue	ED	2,681
Lindsay-Strathmore Coordinating Office	189	N Elmwood Avenue	SVC	4,125
Lindsay Theater	190	N Elmwood Avenue	SVC	8,250
Vacant	222	N Elmwood Avenue	VAC	12,000
Delicias (Ice Cream)	246	N Elmwood Avenue	ED	3,438
Carneceria Jimenez		N Elmwood Avenue	ED	3,500
Glamorz	261	N Elmwood Avenue	A	1,181
Farmers Insurance	269	N Elmwood Avenue	SVC	1,313
Virginia Hair Studio	275	N Elmwood Avenue	SVC	1,875
Vacant	286	N Elmwood Avenue	VAC	4,594
Phillips Home Appliance Repair	164	N Mirage Avenue	FURN	2,063
Vacant (Napa Auto Parts)	232	N Mirage Avenue	VAC	5,625
Verizon	180	N Mirage Avenue	SPEC	1,563
Stickerz	248	N Sweetbriar Avenue	SPEC	2,984
Tivolo Ice Cream	176	N Sweetbriar Avenue	ED	1,492
China's Alley Mexican Restaurant	170	N Sweetbriar Avenue	ED	16,500
Cardinal Zone	242	N Sweetbriar Avenue	A	1,568
La Fiesta	132	S Elmwood Avenue	ED	8,000
Gutierrez Auto	137	S Elmwood Avenue	AUTO	8,250
Parts Plus Auto Store	173	S Elmwood Avenue	AUTO	2,750
Vacant (805-6135)	178	S Elmwood Avenue	VAC	8,250
Vacant (Furniture Repair)	190	S Elmwood Avenue	VAC	8,625
TurAmerica	103	W Honolulu Street	SVC	2,325
Vacant (old sheriffs office)	108	W Honolulu Street		10,500
Palmer Insurance	111	W Honolulu Street	SVC	2,131
Vacant (El Patio Mexican Restaurant)	123	W Honolulu Street	VAC	3,294
Chamber of Commerce	133	W Honolulu Street	SVC	2,131
Elegant Attic	133	W Honolulu Street	A	2,131
Friendly Flooring	133	W Honolulu Street	HARD	1,500
Mercado Sol de Vallee	138	W Honolulu Street	GM	5,813
Vacant - leveled	154	W Honolulu Street	VAC	1,875
Vacant	155	W Honolulu Street	VAC	2,325
Vacant - leveled	162	W Honolulu Street	VAC	1,875
Orange Bar	172	W Honolulu Street	FOOD	2,063
Vacant	176	W Honolulu Street	VAC	1,688
Friends Liquor	190	W Honolulu Street	FOOD	2,625
El Molcajete Restaurant #2	322	W Honolulu Street	ED	4,092
Azteca Market	338	W Honolulu Street	FOOD	1,364

Source: TNDG

**Table B-4
SHOPPING CENTERS AND FREESTANDING RETAIL SPACE
CITY OF LINDSAY**

<u>Shopping Center / Location</u>	<u>GLA</u>	<u>Vacant</u>	<u>Vacancy</u>	<u>Tenants</u>	<u>Category</u>
LINDSAY FOOD MART	5,625	0	0.00%	TOTAL	
SWC Highway 65/Hermosa	5,625			Lindsay Food Mart/76 Gas Station	FOOD
LINDSAY TOWN CENTER	15,638	0	0.00%	TOTAL	
SEC Ashland/Hermosa	4,538			Tony's Pizza	ED
	313			Chito's Asadero	ED
	3,125			Mexico Lido Restaurant	ED
	2,269			Placement Pros	SVC
	3,125			Texaco Gas/Food Mart	FOOD/GAS
	2,269			Cigarettes	SPEC
OLIVEWOOD PLAZA	104,591	10,144	9.70%	TOTAL	
SEC Highway 65/Hermosa	30,024			Save Mart Supermarket	FOOD
	17,716			Rite Aid Pharmacy	GM
	1,300			Sculpture Nails	SVC
	1,138			El Dorado Joyeria	SPEC
	1,788			Family Nutrition	SPEC
	1,138			Lindsay Donuts	ED
	2,975			McDonalds	ED
	16,563			Mostly 98 Cents Store	GM
	2,600			Straw Hat Pizza	ED
	1,138			Subway	ED
	2,275			Taco Bell	ED
	3,250			Auto Zone	AUTO
	1,138			Wash Station	SVC
	2,438			WIC Program	SVC
	3,526			Starbucks	ED
	2,400	2,400		Vacant	VAC
	5,681	5,681		Vacant (Movie Gallery)	VAC
	2,400			Finance and Thrift	SVC
	1,313			Crickett Wireless	GM
	1,730			Little Caesar's	ED
	2,063	2,063		Vacant	VAC
UNNAMED SHOPPING CENTER	8,386	0	0.00%	TOTAL	
NEC Highway 65/Hermosa	3,750			Country Waffles	ED
	2,351			Burger King	ED
	1,143			Big Dip	ED
	1,143			AM/PM	FOOD/GAS
R-N MARKET	13,800	0	0.00%	TOTAL	
765 N Harvard Ave	13,800			R-N Market	FOOD

<u>Shopping Center / Location</u>	<u>GLA</u>	<u>Vacant</u>	<u>Vacancy</u>	<u>Tenants</u>	<u>Category</u>
FREESTANDING	29,996		0		
690 N. Elmwood Ave	2,299			Willie's Mini Market	FOOD
207 S. Mirage Ave	800			Panaderia La Cosecha #2	ED
408 S. Mirage Ave	5,064			El Progreso	FOOD
455 S. Mirage Ave	18,758			Lindsay 99 Cents Store	GM
508 S. Mirage Ave	1,300			Sierra Express Gas/Mart	FOOD/GAS
700 E. Honolulu St	1,775			J's Mini Mart	FOOD

Source: TNDG

**Table B-5
INVENTORY OF RETAIL TENANTS AND SQUARE FEET OF BUILDING SPACE
UNINCORPORATED PORTION OF PORTERVILLE TRADE AREA**

TENANT	NUMBER	STREET	RETAIL CATEGORY	SQUARE FEET
TERRA BELLA				
Shell/Sierra Mini Mart/Noble Roman Pizza	23290	Ave. 95	FOOD	3,500
Terra Bella Supply	23328	Ave. 95	SPEC	3,342
Julie's	23348	Ave. 95	ED	1,225
VJ'S	23611	Ave. 95	ED	2,592
Gutierrez 99 Cents	23674	Ave. 95	SPEC	1,193
Lindo Michoacan	23675	Ave. 95	ED	1,875
Terra Bella Handy Market/Gas	23691	Ave. 95	FOOD/GAS	2,450
La Guadalupana Meat Market	23701	Ave. 95	FOOD	3,529
Restaurant	23747	Ave. 95	ED	920
C & F Market/Gas Station	9246	Road 236	FOOD/GAS	1,688
Sabroso Restaurant	9156	Road 236	ED	767
Baby's First	9156	Road 236	A	767
Carneceria Market	9596	Road 236	FOOD	3,581
Terra Bella Feed	23609	Pepper Rd.	SPEC	2,685
Panaderia Rojas	9360	Road 236	ED	1,000
Mister 99 Cents Store	9440	Road 236	GM	3,550
Midway Market/Gas	9596	Road 236	FOOD	1,500
DUCOR				
Shell Station	23314	Ave. 56	FOOD/GAS	3,500
Ducor Market	23530	Ave. 56	FOOD	1,000
Tapatio Restaurant	29095	Ave. 56	ED	2,268
Valero Gas	23215	Ave. 56	FOOD/GAS	2,344
POPLAR/COTTON CENTER				
Blanca Market/Deli	19185	Road 192	FOOD	3,376
Shell Station/Poplar Mini Mart	19227	Road 192	FOOD	4,092
Poplar Market	14454	Road 192	FOOD	3,410
Sabroso Grill	14531	Road 192	ED	3,188
Farmers Market	14534	Road 192	FOOD	2,174
Adam's Tiny Market	14643	Road 192	FOOD	2,146
Cotton Center Autoparts	15025	Road 192	AUTO	2,557
Restaurante Taqueria	15025	Road 192	ED	1,330
Vacant (Café)	15234	Road 192	VAC	6,139
Convenience Mart	15236	Road 192	FOOD	3,410
WOODVILLE				
Superior Market/Gas	16638	Ave. 168	FOOD	2,898
Woodville Market/Liquor	16768	Ave. 168	FOOD	2,884
La Guadalupana Meat Market	16841	Ave. 168	FOOD	1,406
SPRINGVILLE				
Coffee, Etc.	35692	Hwy 190	ED	409
The Hamburger Stand	35684	Hwy 190	ED	409
Patton's House	35680	Hwy 190	SPEC	767
Shell/Giffords Market	35637	Hwy 190	FOOD/GAS	4,774
Stagecoach Bar/Grill	35634	Hwy 190	ED	2,745

TENANT	NUMBER	STREET	RETAIL CATEGORY	SQUARE FEET
Giant Sequoia Mercantile (Souvenirs)	35627	Hwy 190	SPEC	1,193
Vacant (Groceries)	35625	Hwy 190	VAC	1,364
Momentum Fitness	35617	Hwy 190	SVC	1,364
Vacant (Rambo Service)	35621	Hwy 190	VAC	852
Vacant (Catalano's Pizzeria)	35601	Hwy 190	VAC	460
Vacant (Springville Real Estate)	35587	Hwy 190	VAC	665
Main St. Café	35585	Hwy 190	ED	998
C.F. Smith Realty	35588	Hwy 190	SVC	665
A Cut Above	35575	Hwy 190	SVC	665
Hardware	35565	Hwy 190	HARD	2,592
Springville Mercantile Building	35559	Hwy 190	SPEC	656
Vacant (Micky's Apparel)	35559	Hwy 190	VAC	656
Chevron	35514	Hwy 190	FOOD/GAS	1,500
Now for residential use	35543	Hwy 190		
The 9 Iron Steakhouse	35498	Hwy 190	ED	2,046
Springville Armory	35564	Hwy 190	SPEC	511
Nuevo Mexicali	35258	Hwy 190	ED	1,688
STRATHMORE				
Strathmore Drive In	22816	Ave. 196	ED	682
EZ Shop N Go	22903	Ave. 196	FOOD	3,270
Guadalajara Meat Market	22930	Ave. 196	FOOD	3,188
Strathmore Liquor/Gas	19534	Orange Belt Dr.	FOOD/GAS	1,500
Vacant (former gas station)	19654	Orange Belt Dr.	GAS	
Furniture Store	19646	Orange Belt Dr.	VAC	2,898
El Mexicano		Ave. 196	ED	1,193
Herbal Nutrition	19634	Ave. 196	SPEC	1,278
Strathmore Autoparts	19744	Orange Belt Dr.	AUTO	2,250
Strathmore Ladder	19774	Orange Belt Dr.	HARD	5,250
Vacant (Eddie's Boots and Hats)	19823	Orange Belt Dr.	VAC	1,430
Strathmore Handy Mart/Gas	23013	Ave. 196	FOOD/GAS	3,188
La Tienda Market	23087	Ave. 196	GM	1,534
Driftwood Tavern	18020	Orange Belt Dr.	ED	1,534
Harlen's Furniture	17950	Orange Belt Dr.	FURN	5,968
OTHER				
Chevron	20370	Ave. 232	FOOD/GAS	2,268
Shoe Farm	20370	Ave. 232	A	1,790
El Matador	19599	Ave. 232	ED	2,000
Eagle Feather Trading Post	31071	Hwy 190	FOOD/GAS	4,600
Rustlers Cocktails	29198	Hwy 190	ED	3,274
Lake Express Market	28779	Hwy 190	FOOD	1,918
Success Market/Sporting Goods	28420	Hwy 190	GM	3,410
Success Feed	28560	Hwy 190	SPEC	1,737
Fruit Growers Supply	934	W. Scranton Ave.	SPEC	4,000
Chevron	951	Hwy 65	FOOD/GAS	1,534
Shell Gas/Suhovy Market	19575	Ave. 192	FOOD	4,314

Source: TNDG

APPENDIX C:

PICTURES

**RETAIL SHOPPING CENTERS
PORTERVILLE RETAIL TRADE AREA**



1. Eastridge Plaza Center

PROJECT LOCATION: SWC Olive St. / Plano St.
Porterville

ANCHOR TENANTS: Porterville Health Care Center;
Vallarta

SQUARE FEET (SF): 95,047

VACANCIES: 6

VACANT SF: 13,082

VACANCY RATE: 13.7%





2. Porterville Crossroads

<i>PROJECT LOCATION:</i>	NWC Prospect / Henderson Porterville
<i>ANCHOR TENANTS:</i>	Walmart.; Food 4 Less; Office Max
<i>SQUARE FEET (SF):</i>	198,420
<i>VACANCIES:</i>	3
<i>VACANT SF:</i>	4,450
<i>VACANCY RATE:</i>	2.2%





3. Porterville Marketplace

PROJECT LOCATION: SWC Prospect / Henderson
Porterville

ANCHOR TENANTS: Target.; Dollar Tree

SQUARE FEET (SF): 317,721

VACANCIES: 3

VACANT SF: 37,066

VACANCY RATE: 12.3%





4. Porterville Plaza

PROJECT LOCATION: SWC Highway 65 / Henderson
Porterville

ANCHOR TENANTS: Galaxy 9 Theaters; 99 Cents Only; In
Shape City; Factor 2-U

SQUARE FEET (SF): 206,874

VACANCIES: 7

VACANT SF: 27,857

VACANCY RATE: 13.3%





5. Porterville Town Center

<i>PROJECT LOCATION:</i>	NWC Porter / Henderson Porterville
<i>ANCHOR TENANTS:</i>	Save Mart
<i>SQUARE FEET (SF):</i>	103,614
<i>VACANCIES:</i>	2
<i>VACANT SF:</i>	5,714
<i>VACANCY RATE:</i>	5.0%





6. Town and Country Shopping Center

<i>PROJECT LOCATION:</i>	1310 W. Olive Avenue Porterville
<i>ANCHOR TENANTS:</i>	Town and Country Market; Town and Country Drug; Dollar City
<i>SQUARE FEET (SF):</i>	115,693
<i>VACANCIES:</i>	0
<i>VACANT SF:</i>	0
<i>VACANCY RATE:</i>	0.0%





7. Smith's Town Square

<i>PROJECT LOCATION:</i>	50 W. Olive Ave. Porterville
<i>ANCHOR TENANTS:</i>	Save Mart
<i>SQUARE FEET (SF):</i>	51,825
<i>VACANCIES:</i>	1
<i>VACANT SF:</i>	15,789
<i>VACANCY RATE:</i>	30.5%



8. Olivewood Plaza

PROJECT LOCATION: SEC Highway 65 / Hermosa
Lindsay

ANCHOR TENANTS: Save Mart; Rite Aid; Mostly 98 Cents

SQUARE FEET (SF): 105,296

VACANCIES: 3

VACANT SF: 10,144

VACANCY RATE: 9.7%



APPENDIX D:
PICTURES
DOWNTOWN AREAS OF PORTERVILLE AND LINDSAY



Tenant:	La Fuente Restaurant
Location:	29 N Main St Porterville
Square Feet:	3,750



Tenant:	TurAmerica Travel
Location:	54 N Main St Porterville
Square Feet:	1,875



Tenant:	Coco Attire
Location:	109 N Main St Porterville
Square Feet:	1,364



Tenant:	Split Endz
Location:	156 N Main St Porterville
Square Feet:	2,000



Tenant:	Serrano's Furniture
Location:	165 N Main St Porterville
Square Feet:	7,500



Tenant:	Unique Designs
Location:	202 N Main St Porterville
Square Feet:	1,969



Tenant:	Vacant
Location:	228-234 N Main St Porterville
Square Feet:	6,713





Tenant:	Vacant (former restaurant)
Location:	73 N Main St Porterville
Square Feet:	4,205



Tenant:	Norris Furniture
Location:	103 N Main St Porterville
Square Feet:	5,250



Tenant:	Vacant Lot (former J.C. Penney)
Location:	53 N Main St Porterville
Square Feet:	N/A





Tenant:	Vacant Theater
Location:	36 Mill Ave Porterville
Square Feet:	N/A





Tenant:	El Palmar
Location:	122 E Honolulu St Lindsay
Square Feet:	4,200



Tenant:	Vacant
Location:	137 E Honolulu St Lindsay
Square Feet:	5,250



Tenant:	Joyeria Mexicana; Gazette; Joyeria Rodriguez
Location:	136-144 E Honolulu St Lindsay
Square Feet:	4,600



Tenant:	Vacant
Location:	154 E Honolulu St Lindsay
Square Feet:	2,000



Tenant:	True Value
Location:	174 N Elmwood Ave Lindsay
Square Feet:	7,500



Tenant:	Vacant
Location:	166 N Elmwood Ave Lindsay
Square Feet:	4,500



Tenant:	Lindsa Theater
Location:	190 N Elmwood Ave Lindsay
Square Feet:	8,250



Location:	Honolulu Street
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Location:	SEC Honolulu St. / Elmwood Ave
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Location:	NWC Honolulu St. / Mirage Ave.
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APPENDIX E:

CHANGE IN POPULATION AND DWELLING UNITS, 2000 - 2010

**Table E-1
Annual Change in Population and Dwelling Units
State of California
2000-2010**

	Population			Dwelling Units		
	Total January 1	Change During Year	Percentage Growth	Total January 1	Change During Year	Percentage Growth
2000	33,873,086	557,884	1.6%	12,214,550	93,200	0.8%
2001	34,430,970	632,989	1.8%	12,307,750	139,913	1.1%
2002	35,063,959	588,741	1.7%	12,447,663	150,128	1.2%
2003	35,652,700	546,642	1.5%	12,597,791	158,401	1.3%
2004	36,199,342	477,589	1.3%	12,756,192	185,039	1.5%
2005	36,676,931	410,074	1.1%	12,941,231	197,477	1.5%
2006	37,087,005	376,604	1.0%	13,138,708	172,458	1.3%
2007	37,463,609	407,900	1.1%	13,311,166	131,823	1.0%
2008	37,871,509	383,999	1.0%	13,442,989	86,492	0.6%
2009	38,255,508	392,582	1.0%	13,529,481	62,385	0.5%
2010	38,648,090	N/A	N/A	13,591,866	N/A	N/A
<i>Average, 2000-2009</i>		477,500	1.3%		137,732	1.1%
<i>2009 as % of Average</i>		82%	77%		45%	43%

Source: California Department of Finance; TNDG.

Table E-2
Annual Change in Population, Dwelling Units and Residential Building Permits
Tulare County
2000-2010

	Population			Dwelling Units			Building Permits	
	Total January 1	Change During Year	Percentage Growth	Total January 1	Change During Year	Percentage Growth	Annual Total	Total Through July
2000	368,021	4,699	1.3%	119,639	1,156	1.0%	1,651	978
2001	372,720	7,041	1.9%	120,795	1,645	1.4%	1,773	1,092
2002	379,761	8,829	2.3%	122,440	1,737	1.4%	1,988	1,152
2003	388,590	10,020	2.6%	124,177	2,064	1.7%	2,390	1,391
2004	398,610	10,072	2.5%	126,241	2,648	2.1%	2,751	1,653
2005	408,682	8,907	2.2%	128,889	3,580	2.8%	3,386	1,931
2006	417,589	7,634	1.8%	132,469	3,590	2.7%	3,612	2,097
2007	425,223	7,815	1.8%	136,059	3,290	2.4%	2,807	1,763
2008	433,038	7,742	1.8%	139,349	2,160	1.6%	1,590	1,089
2009	440,780	7,034	1.6%	141,509	1,015	0.7%	1,105	681
2010	447,814	N/A	N/A	142,524	N/A	N/A	N/A	728
<i>Average, 2000-2009</i>		7,979	2.0%		2,289	1.8%	2,305	1,383
<i>2009 as % of Average</i>		88%	81%		44%	41%	48%	49%
<i>2010 as % of Average</i>								53%

Source: California Department of Finance; Construction Industry Research Board; TNDG.

Table E-3
Annual Change in Population, Dwelling Units and Residential Building Permits
City of Porterville
2000-2010

	Population			Dwelling Units			Building Permits	
	Total January 1	Change During Year	Percentage Growth	Total January 1	Change During Year	Percentage Growth	Annual Total	Total Through July
2000	39,615	599	1.5%	12,691	158	1.2%	197	112
2001	40,214	850	2.1%	12,849	202	1.6%	218	122
2002	41,064	1,121	2.7%	13,051	248	1.9%	273	147
2003	42,185	1,154	2.7%	13,299	256	1.9%	395	293
2004	43,339	1,035	2.4%	13,555	280	2.1%	282	182
2005	44,374	529	1.2%	13,835	249	1.8%	280	188
2006	44,903	6,137	13.7%	14,084	1,928	13.7%	260	137
2007	51,040	357	0.7%	16,012	207	1.3%	223	128
2008	51,397	578	1.1%	16,219	152	0.9%	97	61
2009	51,975	985	1.9%	16,371	178	1.1%	123	78
2010	52,960	N/A	N/A	16,549	N/A	N/A	N/A	107
<i>Average, 2000-2009</i>		1,335	2.9%		386	2.7%	235	145
<i>2009 as % of Average</i>		74%	64%		46%	40%	52%	54%
<i>2010 as % of Average</i>								74%

Source: California Department of Finance; Construction Industry Research Board; TNDG.