Appendix J: Urban Decay

J.1 - Urban Decay Analysis

DRAFT

URBAN DECAY ANALYSIS
FOR
REDLANDS CROSSING RETAIL CENTER

April 12, 2011

Prepared for:

Michael Brandman Associates

Prepared by:

THE NATELSON DALE GROUP, INC.
24835 E. La Palma Avenue, Suite I
Yorba Linda, California 92887
Telephone: (714) 692-9596
Fax: (714) 692-9597
www.natelsondale.com

TABLE OF CONTENTS

LIST OF TABLES

LIST OF FIGURES

I. INTRODUCTION

This report evaluates the potential economic ("urban decay") impacts of the Redlands Crossing retail shopping center proposed for development in the City of Redlands. The project site is near the southeast corner of West San Bernardino Avenue and Tennessee Street. For purposes of this analysis, the project is assumed to include the following components:

- A Walmart store totaling 215,000 square feet, with a portion of the store dedicated to food sales[1];
- A fuel facility with convenience store and single user self-serve carwash;
- Fast-food (with drive-thru) and sit-down restaurants totaling 31,800 square feet; and
- Additional specialty merchandise space totaling 28,700 square feet.

This analysis assumes that the project would open in 2013, and would replace the existing Walmart located at 2050 West Redlands Boulevard. It is further assumed that the proposed Walmart store would include 43,373 square feet devoted to supermarket-type sales, with the balance of the store devoted to general merchandise space.

The economic impact analysis addresses six key issues:

1. The potential for the planned Walmart grocery component to negatively impact the existing supermarkets in the trade area and to determine if such negative impacts result in Urban Decay within the market area;
2. The potential for the new Walmart general merchandise space and the 28,700 square feet of additional specialty merchandise space to negatively impact the existing general merchandise (department) and specialty stores in the trade area and to determine if such negative impacts result in Urban Decay within the market area;
3. The potential for the 31,800 square feet of fast-food and restaurant space to negatively impact the existing restaurants in the trade area;
4. The potential for the fuel facility to negatively impact existing businesses in the trade area;
5. The degree to which there will be market demand to support reuse or redevelopment of the existing Redlands Walmart store once it is vacated; and
6. 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.

<u>Overview of Methodology</u>

The report forecasts the total retail "purchasing power" for residents within the 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.

---

[1] The total square footage includes a garden center.

The report provides two separate but closely related analyses: one which evaluates the potential impacts of the proposed project's supermarket component and one which evaluates potential impacts related to the other (i.e., non-grocery) components of the project. For the reasons described below, the study considers different trade areas for the two separate analyses.

Trade Area for Supermarket Component of Project. 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. However, the proposed project, being a Walmart store that combines a general merchandise store with a full-scale supermarket, would be expected to draw consumers from a larger trade area (consistent with the typical trade area for a community-scale shopping facility). Reflecting the unique market characteristics of this type of Walmart store, the trade area for the supermarket component of the proposed project has been defined in terms of a 5-mile radius centered on the proposed project site. This trade area corresponds to the trade area for a typical community-scale shopping center.

A map of the trade area is shown on Figure I-1 on the following page. Hereinafter, this trade area is referred to as the Community Retail Trade Area ("CRTA").

Trade Area for Non-Grocery Components of Project. The proposed project will be part of a major regional retail shopping area, based on the concentration of existing and planned regional-serving retail adjacent to the project site. It is therefore appropriate to consider a relatively large trade area for the non-grocery components of the project. For purposes of this analysis, the regional trade area is defined by the following three sub-areas:

1. *Primary Market Area (PMA)*: The incorporated boundaries of the City of Redlands;
2. *Secondary Market Area – East (SMA-E)*: An irregular-shaped polygon defined by Traffic Analysis Zones (TAZs) primarily to the east of the City. The southern boundary extends to the Live Oak Canyon Road/County Line Road, approximately 4 miles from the project site; the western boundary extends primarily to Mountain View Avenue/Sterling Avenue, approximately 4 miles from the project site; and the northern and eastern boundaries extend to approximately 12 miles from the project site.
3. *Secondary Market Area – West (SMA-W)*: An irregular-shaped polygon defined by TAZs to the west of the City. The southern boundary extends to Main Street, approximately 6 miles from the project site; the eastern boundary extends primarily to Mountain View Avenue/Sterling Avenue, approximately 4 miles from the project site; and the northern and western boundaries extend to approximately 12 miles from the project site.

A map of the regional trade area is shown on Figure I-2, page 4. Hereinafter, this trade area is referred to as the Regional Retail Trade Area ("RRTA").

Figure I-1: Community Retail Trade Area Boundaries

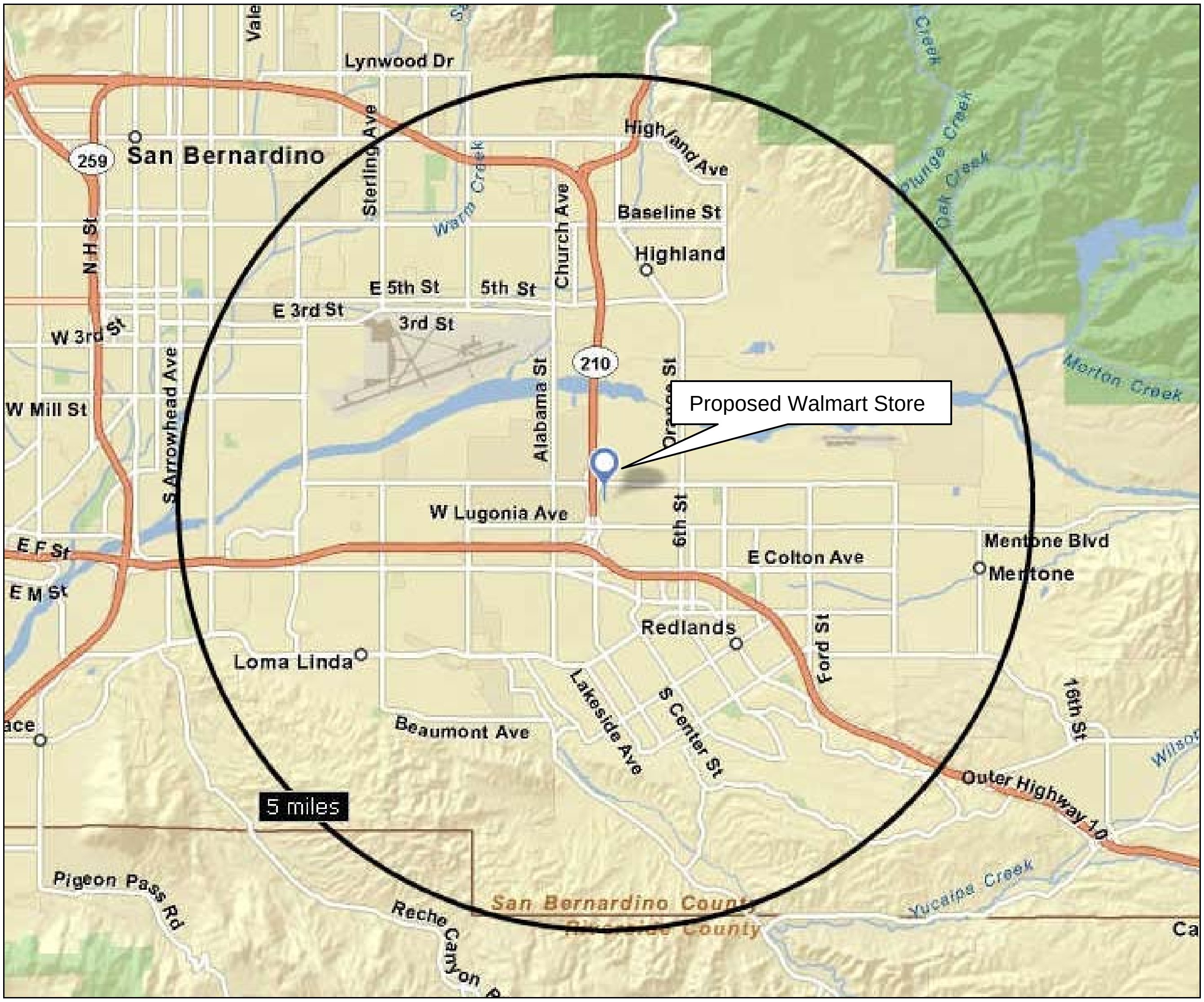
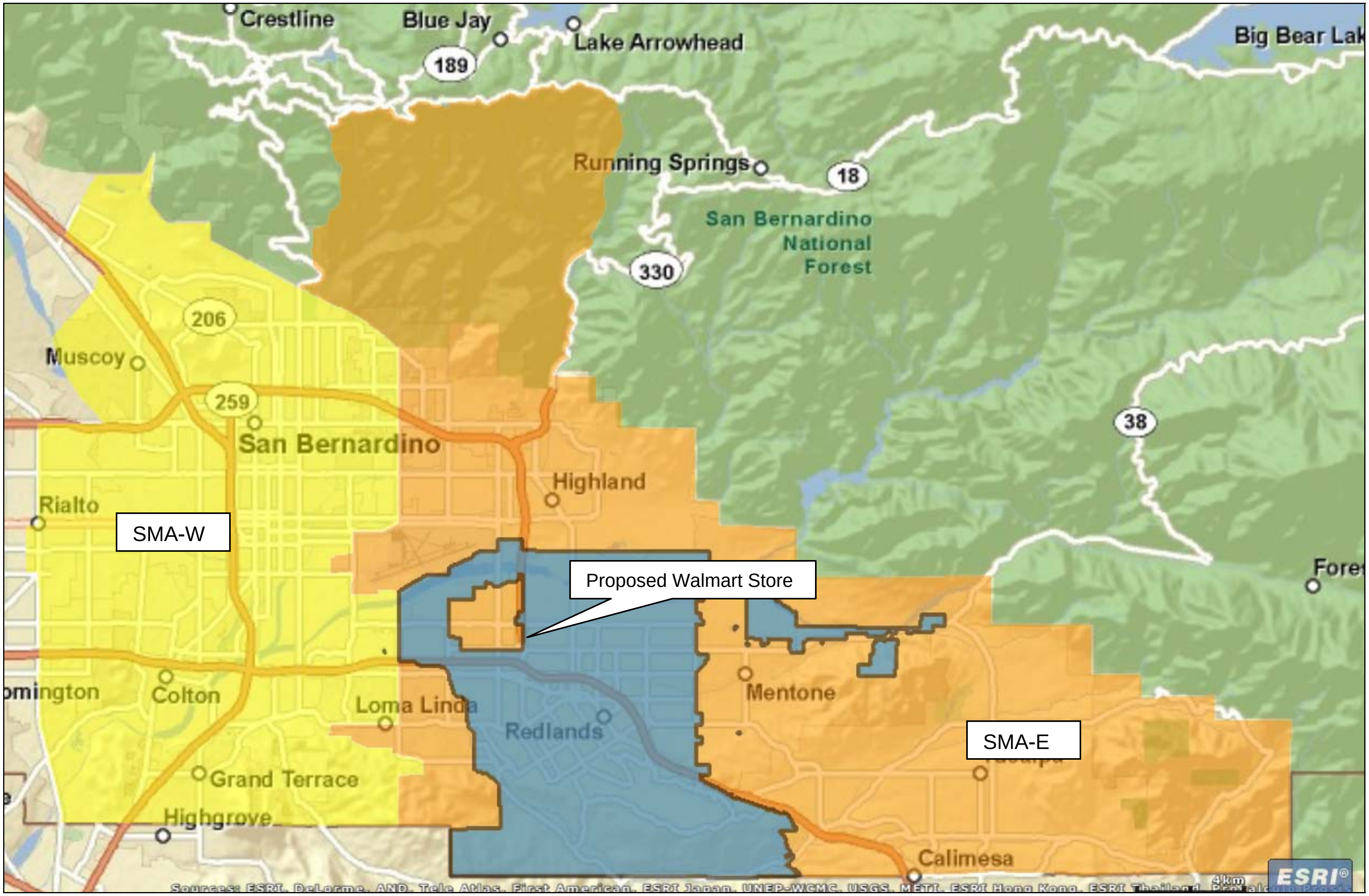


Figure I-2: Regional Retail Trade Area Boundaries



What this Study Provides

Since this study is being completed as part of the Environmental Impact Report (EIR) process for the proposed project, it focuses strictly the types of economic impacts that are defined as significant by the California Environmental Quality Act (CEQA). Specifically, per Section 15131(b) of the CEQA Guidelines, a project's economic impacts on a community are considered significant only if they can be tied to direct physical changes in the market area (i.e., physical deterioration of existing retail centers/facilities). For purposes of this analysis, 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 the 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) to affect the long-term viability of existing shopping centers or districts, subsequently resulting in urban decay. Urban decay may be described as a downward spiral of store closures and long-term vacancies. While the phenomenon of urban decay is not defined under CEQA, it is assumed to be indicated by significant deterioration of structures and/or their surroundings. Such deterioration occurs when property owners reduce property maintenance activities below that required to keep their properties in good condition. A store closure, in and of itself, does not constitute urban decay. 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 and related deterioration of the physical condition of the vacant building(s).

Within the above context, the analysis includes a description of the "baseline" condition of existing retail facilities in the trade area. In particular, TNDG completed a detailed inventory of existing tenants and vacancies in all supermarket-anchored shopping centers in the CRTA and all retail space in the PMA (City of Redlands) of the RRTA[2].

Unless otherwise noted, all dollar amounts in this report are expressed in un-inflated 2009 dollars. Calendar year 2009 is used as the base year in the analysis since it is the latest year for which taxable sales data are available from the State Board of Equalization (BOE).

[2] The initial field survey was completed between June 19 and June 24, 2008, with follow-up field work completed in January 2009, September 2009, and December 2010 to update existing occupancies and vacancies.

II. EXECUTIVE SUMMARY

II-A. SUMMARY CONCLUSIONS REGARDING POTENTIAL FOR URBAN DECAY

Based on the data and analysis presented in this report, TNDG concludes that ***the proposed project would not result in urban decay in the evaluated trade area***. This conclusion applies both when the project is considered by itself and when it is considered in combination with the cumulative projects included in this study.

It is TNDG's conclusion that the project as proposed will not have significant economic impacts on existing retailers. The analysis supporting this conclusion is summarized in Sections II-C through II-F, with the study methodology documented in Sections III and IV. Under cumulative conditions – taking into account the combined impacts of the proposed project along with planned and pending projects – there would potentially be some economic impacts on existing retailers. Although the combined impacts of planned and pending projects would potentially have some economic impact to the Redlands retail market, these impacts would not be severe or persistent enough to constitute urban decay.

In this context, it is important to note that the term "economic impact" refers to a loss of sales, or at most, closure of a business. Under the California Environmental Quality Act (CEQA), such purely economic impacts are not in themselves considered significant. In order to meet the definition of a "significant impact" under CEQA, there must be a substantial physical effect. For example, the competitive effects of a new project could result in a substantial economic impact to an existing business, leading to its closure and result in the vacancy of that space. If that space remained vacant for an extended period without regular maintenance such that it was subject to physical deterioration, then urban decay conditions could ultimately ensue. It is the ultimate physical effect of urban decay that would be considered a significant impact under CEQA, but not the substantial economic effect and ensuing chain of events that caused it.

Table II-1, on the following page, summarizes TNDG's supply/demand projections for retail space in the evaluated trade area for the 12-year period from 2010 to 2022. The current citywide retail vacancy rate in Redlands is estimated at 9.6%. If all planned and pending retail projects in the City were built by 2013 (which is unlikely), the citywide vacancy rate would increase to 22%. This vacancy rate would be over the "normal vacancy" rate for relatively healthy retail markets (usually considered to be in the range of 5% to 10%, based on TNDG's knowledge of retail markets characterized by freestanding retail along with neighborhood- and community-scale shopping centers). TNDG's demand projections indicate that the market would return to normal occupancy levels by 2027 (with a vacancy rate of 10%). However, it should be noted that the vacancy rate projections are worst-case and are unlikely to reach the projected level for the following reasons:

- The existing retail inventory includes the closed Redlands Mall, which skews the existing vacancy rate upward. Although technically part of the City's retail inventory, there are few, if any, viable retail use options for the mall (see discussion on page 26) in its current configuration. Thus, if we exclude the mall's space from the existing retail inventory, the City's existing vacancy rate would fall to 18.7% in 2013. With a lower base year vacancy rate, vacancy rate projections would fall in similar proportion.
- We have assumed that all planned and pending projects would be developed by 2013. A more likely cumulative scenario is that retail market conditions would result in a more gradual buildout of planned retail development, such that the pace of retail development

would more closely follow the growth in retail demand. Under this scenario, there is less potential for overbuilt conditions to occur, and consequently a reduced potential for building vacancies. Consistent with this finding, and as discussed further in Section II-I, the planned and approved 595,000-square foot Mountain Grove shopping center is on hold indefinitely, due to insufficient market and tenant demand. Removing this now speculative project from the planned and pending projects list would reduce the worst-case vacancy rate projection to 9.0% in 2013.

- As shown on Table II-1, the vacancy rate projections assume that, under worst-case conditions, two supermarkets would close due to potential cumulative impacts. As discussed further in Section II-I (on page 21), it is unlikely that two supermarkets would ultimately close, but that finding is made under worst-case assumptions for purposes of CEQA. In addition, the CRTA (the trade area for evaluating potential supermarket impacts) includes areas outside of the City of Redlands. There are 20 supermarkets located in the CRTA, and 10 of these stores are located in the City of Redlands. Thus, even in the worst-case scenario of two supermarkets closing, one or both would not necessarily be located in the City. Assuming that both vacant supermarkets are located in the City, as shown on Table II-1, also increases the projected vacancy rates.

As also shown on Table II-1, we have included the existing Walmart store as vacant space in the vacancy rate projections. Given the potential for several other large retail projects to be developed at approximately the same time as the proposed project (as evaluated in the cumulative impacts analysis), the existing Walmart building (which would be vacated when the proposed Walmart Supercenter opens) would potentially remain vacant for several years.

Table II-1:
Summary Retail Supply/Demand Projections
Based on Cumulative Projects Analysis
City of Redlands

	2010	2013	2016	2020	2022
Projected Occupied Space (Square Feet)					
Existing Occupied Space	3,074,756	3,074,756	3,074,756	3,074,756	3,074,756
Adjustments for Potential Future Vacancies:					
--Existing Walmart Building	N/A	(126,000)	(126,000)	(126,000)	(126,000)
--Potential Supermarket Closures 1/	N/A	(87,000)	(87,000)	(87,000)	(87,000)
Net Demand for New Occupancies 2/	N/A	641,526	741,299	879,625	946,555
Total Potential Occupied Space	3,074,756	3,503,282	3,603,055	3,741,381	3,808,311
Projected Total Supply (Square Feet)					
Total Existing Space	3,400,543	3,400,543	3,400,543	3,400,543	3,400,543
Planned/Pending Competitive Space 3/	N/A	1,045,142	1,045,142	1,045,142	1,045,142
Total Potential Supply	3,400,543	4,445,685	4,445,685	4,445,685	4,445,685
Estimated Vacancy Rate	9.6%	21.2%	19.0%	15.8%	14.3%
Overbuilt Square Feet @ 10.0% Vacancy Rate	N/A	497,834	398,062	259,735	192,806

Source: TNDG.

Notes: 1/ Potential closures of two supermarkets in the City of Redlands under cumulative conditions based on benchmark factor of $473 per square foot (see Table II-8).

2/ Total is different from that shown on Table II-10 because it includes the proposed project's 43,373 square foot Supermarket component.

3/ Total is different from that shown on Table II-9 because it includes the proposed project's 43,373 square foot supermarket component (see Table II-7). Table II-9 provides an estimate of the non-supermarket planned/pending retail space in the trade area.

As noted in the discussion below, the current retail vacancy rate in downtown Redlands (estimated at 8.2%) is below the citywide average. While the growing concentration of regional-serving retail facilities near the I-10 / SR-30 interchange will potentially place increased competitive pressure on downtown retailers, TNDG does not believe that this pressure will result in urban decay. The development of new retail facilities near the I-10 / SR-30 interchange will significantly increase the City's capture of retail demand from outside the City and will also enable the City to retain a larger portion of its resident retail demand[3]. For the types of retail goods normally found in a regional shopping center, TNDG estimates that Redlands currently

[3] There is an 1,100-acre island of County land surrounded by Redlands (west of SR-30 and north of I-10) often referred to as the "doughnut hole". The County island includes the Citrus Plaza power center and other nearby retail. Given that this land is technically located in unincorporated County territory, although situated squarely within the City's boundaries, taxable sales in this island are allocated to the County, and are reported by the State BOE as County taxable retail sales. However, based on a revenue sharing agreement with the County, the City of Redlands receives 90% of the sales tax revenue generated in this County island.

captures only 79% of its potential sales. The remaining 21% currently "leaks" to retail facilities in other jurisdictions. As a consequence, the planned and pending new projects will largely derive their sales from demand that is not currently captured in the city (as opposed to transferring existing sales from within the city). Thus, there is sufficient demand to support the new projects without diverting substantial existing sales from downtown merchants.

The downtown area provides a shopping environment and mix of tenants that is distinct from "big box" and other regional-scale retail facilities. As a practical matter, the long-term viability of the downtown area will depend on the continued efforts of downtown stakeholders (including the Downtown Redland Business Association) to maintain the area's uniqueness and competitive position as a specialty shopping district.[4] This need will exist <u>with or without</u> the proposed project. Maintaining the downtown's competitiveness may require reinvestment in properties which are not optimally suited for contemporary retail uses.

On a positive note, the Downtown vacancy rate has improved between September 2009 and December 2010. In September 2009, based on a previously completed field survey, TNDG estimated the Downtown vacancy rate at 10.2%. As discussed above, the vacancy rate has dropped to approximately 8.2% as of December 2010.

---

[4] For example, a recent Economic Development Strategy (John Husing, September 10, 2008) prepared for the City indicates that the downtown area is beginning to approach a critical mass of independent restaurants that could make the area a regional destination for diners.

II-B. OVERVIEW OF EXISTING RETAIL MARKET IN REDLANDS

Community Retail Trade Area

Table II-2, on page 11, provides the square footage and vacancy rates of all supermarket-anchored shopping centers in the CRTA[5]. As shown in the table, there is approximately 1.28 million square feet of supermarket-anchored shopping center space in the CRTA, including approximately 91,600 vacant square feet of space, resulting in an overall vacancy rate of 7.2%. Based on this field survey, there do not appear to be major indications of economic or physical decline of supermarket-anchored shopping centers in the CRTA. Although there are a couple of centers with relatively high vacancy rates, the overall estimated vacancy rate indicates the market is relatively healthy; vacancy rates in relatively healthy retail markets typically range from 5% to 10%.

Regional Retail Trade Area

TNDG inventoried all retail space (including shopping centers and freestanding) in the City of Redlands, which represents the primary market area for the RRTA. A summary of the inventory, broken down by retail type and area, is provided on Table II-3, on page 12. A detailed inventory of the individual tenants is provided in Appendix E.[6] Overall, there do not appear to be major indications of economic or physical decline in the City of Redlands. TNDG estimates that retail space in the City totals approximately 3.41 million square feet, which is approximately 90.4% occupied. As discussed above, although at the high of the range this vacancy rate is indicative of a relatively healthy retail market. In addition, the estimated vacancy rate may be slightly overstated since all storefront vacant space in the downtown has been counted as retail space. Given the significant presence of office space in the downtown, it is possible that some of the vacant space will ultimately be marketed for office uses (in which case it would be excluded from the retail vacancy rate calculations, resulting in a lower overall vacancy rate).

---

[5] A complete inventory of these shopping centers, including all tenants, is provided in Appendix E.
[6] It should be noted that listed retail space in CRTA and RRTA is not mutually exclusive. That is, the grocery-anchored centers in the CRTA that are located in the City of Redlands are also included in list of the RRTA neighborhood centers.

Table II-2:
Grocery-anchored Shopping Centers
Community Retail Trade Area

Shopping Center	Location	Supermarket 1/	Total Square Feet	Vacant Square Feet	Vacancy Rate
University Plaza	800 E Lugonia Ave Redlands, CA	Redlands Ranch Market	79,087	0	0.0%
Stater Bros. Center	11 E Colton Ave Redlands, CA	Stater Bros.	25,610	0	0.0%
Orange Street Plaza	410-552 Orange St Redlands, CA	Vons / Trader Joes	156,592	10,074	6.4%
Citrus Village Plaza	450 E Cypress Ave Redlands, CA	Albertsons	153,276	10,752	7.0%
Gerrard's Market	705 W Cypress Ave Redlands, CA	Gerrard's	22,540	0	0.0%
Brookside Plaza	1536-1578 Barton Rd Redlands, CA	Stater Bros.	89,662	6,031	6.7%
Smart & Final	1720 W Redlands Blvd Redlands, CA	Smart & Final	14,800	0	0.0%
Village at East Highlands	28930 Greenspot Rd Highland, CA	Stater Bros.	55,247	0	0.0%
Lugonia Plaza	1748 E Lugonia Ave Redlands, CA	Stater Bros.	68,111	4,570	4.1%
Mountain View Plaza	11235 Mountain View Ave, Redlands, CA	Clarks	45,936	0	0.0%
Loma Linda Plaza	25538 Barton Rd Loma Linda, CA	Stater Bros.	116,733	19,631	20.5%
Highland Village Plaza	7197 Boulder Ave Highland, CA	Albertsons	134,050	7,790	7.0%
Stater Bros. Center	3605 Highland Ave Highland, CA	Stater Bros.	61,557	8,183	9.0%
Food 4 Less Center	26529 Highland Ave Highland, CA	Food 4 Less	81,500	0	0.0%
Loma Linda Market	11161 Anderson St Loma Linda, CA	Loma Linda Market	19,250	0	0.0%
Rio Ranch Shopping Center (1)	26500 9th St Highland, CA	Rio Ranch Market	21,748	0	0.0%
Rio Ranch Shopping Center (2)	25745 Base Line St San Bernardino, CA	Rio Ranch Market	44,360	0	0.0%
Seley Plaza	2028 E Highland Ave San Bernardino, CA	Rio Ranch Market	88,588	24,618	19.2%
TOTAL – CRTA			***1,278,647***	***91,649***	***7.2%***

Source:. TNDG, CoStar Group.

Notes: 1/ Although some of the supermarkets on this table (e.g., Gerrard's, Clarks, Trader Joes, and Loma Linda Market) are more specialty-type grocers and would not be considered direct competitors of Walmart, these stores would capture some of the supermarket demand in the CRTA (see Section III-D and Appendix B).

Table II-3:
Summary of Retail Space by Type
Regional Retail Trade Area – PMA (City of Redlands)

Shopping Center Type/Area	Total Square Feet	Vacant Square Feet	Vacancy Rate
Community / Regional Centers	1,968,215	230,305	11.7%
Neighborhood Centers (grocery-anchored)	609,678	31,427	5.2%
Neighborhood Centers (non-grocery) & Freestanding	566,337	42,920	7.6%
Downtown Area	256,313	21,135	8.2%
TOTAL	3,400,543	325,787	9.6%

Source: TNDG; Costar Group.
*See Appendix E for a detailed inventory of the shopping centers and retail tenants.

II-C. IMPACT OF WALMART GROCERY COMPONENT

It is TNDG's conclusion that the proposed project's grocery sales will not have significant economic impacts on existing supermarkets in the trade area. The supermarket impact analysis is summarized below.

Project Description: For purposes of this analysis, it is assumed that the proposed Walmart store would include 43,373 square feet of grocery space. Based on the size and configuration of the proposed expansion, TNDG projects that the grocery component of the store would generate sales of approximately $614 per square foot of building space, or approximately $26.6 million[7] in annual grocery sales.

Evaluation of Existing Grocery Market: By evaluating the trade area demographic characteristics and the typical portion of household income spent of supermarket goods, TNDG estimates that the current sales potential (year 2010) for existing supermarkets within the CRTA is $480 per square foot. In comparison, the median sales performance measures for supermarkets in the U.S. and the Western U.S. are approximately $473 and $418 per square foot, respectively.[8]

Projected Growth in Grocery Demand: Total demand for supermarket sales in the trade area is projected to increase from approximately $324.2 million in 2010 to approximately $337.0 million in 2013, the assumed opening date of the proposed project (see Section III-D for grocery demand projections). By 2020, total demand for supermarket sales in the trade area is projected to reach approximately $369.0 million (all projections are given in 2010 constant dollars). Table II-4, on the following page, evaluates the impact of the Walmart's grocery sales in terms of the potential reduction in the sales per square foot volume at the 20 existing supermarkets.

[7] Based on data from Progressive Grocer's 2010 *Super 50* publication, the national average sales volumes for Walmart grocery space is $857 per square foot of sales area. Based on the floor area configuration for the grocery component of the proposed Walmart store, the grocery sales area is equal to approximately 72% 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 $614 per square foot ($856.94 x 71.7%).

[8] Based on data for neighborhood centers in the 2008 edition of the Urban Land Institute's (ULI) *Dollars & Cents of Shopping Centers*.

Table II-4:
Potential Sales Impacts to Existing Supermarkets
Community Retail Trade Area
In thousands of Constant Dollars

Description	2010	2013	2014	2016	2018	2020
Total Potential Demand for Supermarket Sales (000s)	$324,179	$337,016	$341,407	$350,361	$359,550	$368,980
Estimated Walmart Store Grocery Sales (000s)		$26,631	$26,631	$26,631	$26,631	$26,631
Net Demand for Supermarket Sales (000s)	$324,179	$310,385	$314,776	$323,730	$332,919	$342,349
Existing Supermarket Square Feet	675,818	675,818	675,818	675,818	675,818	675,818
Sales Per Square Foot – Existing Supermarkets	$480	$459	$466	$479	$493	$507

Source: TNDG.

Conclusion Regarding Significance of Impact: As discussed above, the current potential sales volumes of the existing stores is estimated to be slightly above the industry median (for supermarkets in the U.S.) of about $473, suggesting that the existing stores are – on average – performing in line with the typical sales volumes of supermarkets. Thus, it is likely that the supermarket component of the proposed project would result in reduced sales volumes at the existing stores. Assuming the supermarket component of the Walmart store opens in 2013, a significant portion of its initial sales would be derived from sales diversions from existing stores in the CRTA. TNDG projects that, with the opening of the proposed project in 2013, the potential sales volumes at the existing supermarkets in the CRTA would decrease to an average of $459 per square foot, representing a reduction of 4.3% from the existing sales per square foot average of $480 (see Table II-4 above). However, projected growth in trade area demand would be sufficient for the sales volumes at the existing supermarkets to recover to approximately 97% of existing levels by 2014 (i.e., one year after the proposed project's first full year of operation).

The development of the Walmart supermarket component is unlikely to cause any existing supermarkets in the trade area to close, given that average sales volumes at the existing supermarkets in the trade area would never drop below 95% of the 2010 level. Moreover, sales volumes are projected to recover to recover to 97% of existing levels within one year of the proposed project's first full year of operations, and to 100% in 2016 (i.e., within three years of the proposed project's first full year of operation).

II-D. IMPACT OF PROPOSED PROJECT'S "GAFO"[9] SALES

It is TNDG's conclusion that the proposed project's GAFO (General Merchandise, Apparel, Furniture/Appliances and Other/Specialty) sales will not have significant impacts on existing retailers. The analysis supporting this conclusion is summarized below.

Project Description: The proposed project would result in a net increase of 74,327 square feet of retail space devoted to GAFO sales. Although the proposed Walmart's general merchandise space would total approximately 171,627 square feet, a full 126,000 square feet of this amount would just be a replacement of the existing Walmart on 2050 West Redlands Boulevard.[10] In addition, the proposed project would include 28,700 square feet of Other/Specialty space (separate from Walmart).

Comparison of Existing Supply and Demand: TNDG's demand analysis indicates existing (year 2009) market support for $478.4 million in GAFO retail sales in the City of Redlands. Existing sales in these retail categories in the City are estimated at $429.8 million, suggesting that approximately 10% of potential GAFO sales in the City are currently being lost to other jurisdictions. In other words, there is currently an estimated $48.6 million ($478.4 million – $429.8 million) in unrealized GAFO demand in the City – demand which could be recaptured with the development of additional retail facilities. The $48.6 million in unrealized demand translates into approximately 137,100 square feet of additional GAFO retail space that could be currently supported in the City.

Projected Growth in Demand: Within the PMA, potential demand for new retail space in the GAFO retail categories is projected to grow to approximately 413,900 square feet by 2013 (the proposed project's assumed opening date). Net demand for new GAFO space is projected to grow to approximately 484,900 square feet by 2016. See Table II-5, below, for a breakdown of supportable square feet within the GAFO retail categories from 2013 to 2022.

Table II-5:
Potential Demand for NEW Retail Space
Regional Retail Trade Area – PMA
GAFO Retail Categories

Retail Category	2013	2014	2016	2018	2020	2022
Apparel	62,780	65,566	71,233	77,030	82,959	88,577
General Merchandise	112,830	120,910	137,344	154,155	171,350	187,642
Furnishings/Appliances	75,324	76,494	78,874	81,309	83,799	86,159
Other/Specialty	121,595	130,621	148,983	167,764	186,976	205,178
Services Space @ 10% of Retail	41,392	43,732	48,493	53,362	58,343	63,062
GAFO Total	**413,921**	**437,323**	**484,927**	**533,620**	**583,427**	**630,618**

Source: TNDG.

---

[9] "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.

[10] The study also evaluates the reuse potentials of the existing Walmart (see Section II-G below).

Conclusion Regarding Significance of Impact: The proposed project will result in a net increase of 74,327 square feet of GAFO retail space. Given that this space will absorb approximately 18% of the residual market support for GAFO space in the trade area in 2013 (the project's assumed opening date), TNDG believes that it is unlikely that the GAFO retail components of the project will result in severe 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-E. IMPACT OF PROPOSED PROJECT'S RESTAURANT SPACE

It is TNDG's conclusion that the proposed fast food and restaurant space will not have significant impacts on existing restaurant establishments. The analysis supporting this conclusion is summarized as follows:

Project Description: The proposed project would include 31,800 square feet of fast food and sit-down restaurant space.

Evaluation of Existing Restaurant Market: TNDG's demand analysis indicates existing (year 20089 potential market support for approximately $125.6 million in restaurant sales in the PMA. Existing restaurant sales in the PMA are estimated at $117.4 million, suggesting that there is currently $8.2 million ($125.6 million – $117.4 million) in unrealized restaurant demand in the PMA. This translates into approximately 20,500 square feet of additional restaurant space that could currently be supported in the PMA.

Projected Growth in Demand: Potential demand for new restaurant space in the PMA is projected to grow to approximately 66,700 square feet by 2013 (the proposed project's planned opening date). Net demand for new restaurant space is projected to reach approximately 78,000 by 2016.

Conclusion Regarding Significance of Impact: The proposed project will result in a net increase of 31,800 square feet of restaurant space. Given that residual market support for restaurant space in 2013 (the proposed project's planned completion date) is more than the twice the amount of planned square feet, TNDG believes that it is unlikely that the restaurant components of the project will result in severe economic impacts to existing restaurants in the trade area, and that it is unlikely that any existing restaurants will be forced to close due to the project.

II-F. IMPACT OF PROPOSED FUEL FACILITY

It is TNDG's conclusion that the proposed fuel facility with convenience store and single user self-serve carwash will not have significant impacts on existing businesses. The analysis supporting this conclusion is summarized as follows:

- TNDG projects that service/gas station within the proposed project would generate sales of approximately $4.2 million per year[11].
- TNDG's analysis indicates existing market support for $78.0 million in annual service station sales in 2009. Service station sales in 2009 were $74.2 million, suggesting that the supply and demand for gasoline sales in the market are roughly in equilibrium. Due to growth in the market, residual demand for service station sales in 2013 would equal approximately $9.9 million, which is more than sufficient to support the projected service station sales at the proposed project. Thus, potential sales impacts to existing service stations are not expected to be significant, given that the proposed project's service station sales would fit within the available "envelop" of residual or unmet demand.

II-G. POTENTIAL FOR REUSE OF EXISTING WAL-MART SITE

Given that the proposed project will result in the relocation of the existing Walmart store located at 2050 West Redlands Boulevard, it is necessary to evaluate the potential for the existing Walmart building to remain vacant for an extended period of time and thus becoming subject to physical blighting.

TNDG estimates that the proposed project will add approximately 232,100 square feet of non-grocery retail space that will be need to be absorbed in the PMA. This total includes the following:

- The existing Walmart building – 126,000 square feet;
- The net increase in GAFO space proposed for the new Walmart – 45,627 square feet;
- The proposed project's specialty merchandise space – 28,700 square feet; and
- The proposed project's fast food and restaurant space – 31,800 square feet.

Table II-6 on the following page projects potential demand for absorption of this available space.

[11] The approximate average sales volume for all service stations in San Bernardino County in 2009 was approximately $4.2 million.

Table II-6:
Potential Demand for NEW Retail Space (Expressed in Square Feet)
Redlands Regional Trade Area - PMA

Retail Category	2013	2014	2016	2018	2020	2022
Apparel	62,780	65,566	71,233	77,030	82,959	88,577
General Merchandise	112,830	120,910	137,344	154,155	171,350	187,642
Furnishings/Appliances	75,324	76,494	78,874	81,309	83,799	86,159
Other/Specialty	121,595	130,621	148,983	167,764	186,976	205,178
"GAFO" Subtotal	**372,529**	**393,590**	**436,434**	**480,258**	**525,084**	**567,556**
Food (Convenience/Specialty)	20,884	21,606	23,070	24,563	26,085	27,664
Eating / Drinking Establish.	66,687	70,423	78,013	85,766	93,684	101,490
Building Materials / Hardware	78,238	82,318	90,616	99,100	107,773	116,153
Auto Parts	19,364	20,932	24,121	27,384	30,721	33,909
Services Space @ 10% of Retail	59,815	63,104	69,793	76,632	83,625	90,318
Grand Total	***598,153***	***631,041***	***697,926***	***766,318***	***836,252***	***903,182***

Source: TNDG.

Based on the above numbers, as shown on Table II-6, TNDG projects that demand would be more than sufficient by 2013 (i.e., the assumed opening date of the proposed project) to fully absorb all the retail (non-supermarket) space added by the proposed project and the existing Walmart.

II-H. POTENTIAL IMPACTS TO REDLANDS DOWNTOWN AREA

TNDG's experience in evaluating the impacts of big box retailers on small, independent merchants throughout southern and central California suggests that the impacts vary widely depending on the context. Clearly, 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 three 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.

Conclusion Regarding Significance of Impact: TNDG does not believe that the proposed project, by itself, will have a significant impact on the Redlands Downtown area. TNDG bases this conclusion on the following:

- Residual demand is anticipated to be sufficient to support the project without diverting sales from existing GAFO stores or restaurants.
- Small merchants in the downtown already face big box competition from the Citrus Plaza shopping center and Redlands Town Center, and the proposed project, in and of itself, will not significantly increase the market draw of these established centers.
- The downtown's existing vacancy rate at 8.2% is within the "normal vacancy" rate for relatively healthy retail markets (usually 5%-10%), and there are no visible indications of urban decay (i.e., dilapidated buildings or marginal uses).
- The downtown has a strong representation of boutique retail, eating and drinking establishments, and service-based businesses that offer a mix of merchandise and services which are not directly comparable to the type of goods available at the type of big box stores that would locate at the proposed project.
- Although the new store will be larger than the existing store (primarily due to the supermarket component) and include some new specialty merchandise and restaurant space, the project is largely a relocation of the existing Walmart store. Since the downtown area already faces competition from the existing Walmart, the potential net impact of the proposed project is much less than the development of a brand new Walmart store.

II-I. CUMULATIVE IMPACTS OF PLANNED/PENDING RETAIL PROJECTS

Community Retail Trade Area

Whereas the above sections summarize impacts related just to the proposed project, this section evaluates the cumulative impacts to the market based on all known pending supermarket projects in the CRTA and all retail development projects in the RRTA.

At the time of this writing, there are four known planned and/or pending supermarket projects in the CRTA (including the supermarket component of the proposed project evaluated in this analysis). Table II-7, below, provides the name, location, square feet, and status of each project.

Table II-7:
Planned and Pending Supermarket Projects
Community Retail Trade Area

Project	Location	Square Feet	Status
Walmart Store	W San Bernardino Ave & Tennessee St Redlands CA	43,373	Proposed
Walmart Store 1/	Highland Ave & Boulder Ave San Bernardino CA	36,391	Proposed
Specialty Market 2/	Redlands Blvd & Mountain View Ave Loma Linda CA	13,928	Developed (not open)
Specialty Market	Eureka St and I-10 Freeway Redlands CA	20,000	Approved (development by 2030)

Source: Cities of Redlands, San Bernardino and Loma Linda.

Notes: 1/ Construction is anticipated to start in early summer, 2011.

2/ The store was developed as a Fresh & Easy store, which has not yet opened for operations. According to City staff, there is no known opening date store. However, we have included the developed store as a specialty market in the cumulative analysis, assuming it will open as a grocery store either operated by Fresh & Easy or some other operator.

Based on the known planned and pending tenants in the Food category, Table II-8, on page 22, provides an analysis of cumulative impacts of all known planned and pending supermarket projects that would be developed by 2020[12]. This cumulative analysis follows the same process described in Section II-C, differing only in that it includes planned and pending projects in addition to the proposed Redlands Walmart store supermarket component. As shown on the table, the combined sales impacts of the recently developed, approved, and proposed projects would result in average supermarket sales volumes of $413 per square foot in the CRTA in 2013. Thus, using the benchmark median U.S. sales figure of $473 per square foot, the market would technically be overbuilt by approximately 87,100 square feet of space. This suggests that up to two supermarkets would potentially close under cumulative conditions. However, the closing of two supermarkets represents worst-case conditions and is unlikely to occur. The following four key factors would mitigate against the potential closure of two supermarket stores.

---

[12] As indicated in Table II-7, the specialty market proposed for development at the planned retail center located at Eureka Street and the I-10 is projected to be developed by 2030. Since this analysis evaluates Supermarket impacts over a time frame of 2013 to 2020, this potential store is not included for purposes of evaluating cumulative sales impacts to existing supermarkets (see Table II-8 on page 22).

1. It is recognized that the median U.S. sales figure of $473 per square foot does not necessarily reflect a break-even threshold for all supermarkets. Since the $473 per square foot figure reflects the median sales figure, by definition half of all supermarkets are operating below this level, and it is known that some supermarket chains, nationally, operate at substantially lower sales levels than the median. In addition, as indicated in Section II-C, the median regional (for the Western U.S.) sales figure is $418. Based on this benchmark factor, the market would technically be overbuilt by approximately 7,700 square feet, with sales volumes fully recovering to the Western U.S. median figure in 2014 (i.e., one year after the projects' first full year of operations). These facts indicate that it is less likely for two supermarkets to close as a result of cumulative impacts.

   To 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 for more than 3,100 individual stores, includes sales estimates for 49 supermarket chains operating in California along with aggregate sales estimates for independent supermarkets[13]. 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 threshold evaluated 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. These data further suggest that the median U.S. sales figure is a relatively aggressive benchmark for estimating potential store closures[14].

2. Considering the Loma Linda store's limited size (at 13,928 square feet), in many respects this store will likely not be a direct competitor with full-scale supermarkets, which are often 50,000 or more square feet and carry a wider range of grocery items. Markets of this size often focus on a specific product niche – e.g., convenience goods, specialty produce, vitamins and natural supplements, etc. – to differentiate themselves from full-scale supermarkets. Thus, we have potentially overestimated potential impacts to the supermarket category by including a potential more convenience- and specialty-oriented grocer in the cumulative analysis.

3. The cumulative analysis implicitly assumes that the planned grocery markets' trade areas will be identical to the proposed project evaluated in this analysis simply because the planned projects are located in the CRTA. More realistically, each planned grocery market will have its own unique trade area, which will only partially overlap with the

[13] 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.

[14] 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.

CRTA. For instance, the planned San Bernardino Walmart expansion is located near the northern portion of the CRTA. According to the economic impact analysis prepared as part of the Draft EIR for that project, the proposed expanded store's primary trade area would only partially overlap with the CRTA evaluated in this analysis. The San Bernardino's store trade area would include areas well outside the CRTA to the west, east, and north[15]. Thus, assuming all of the planned grocery projects in the CRTA would be equally competitive likely overstates cumulative impacts.

Table II-8:
Potential Cumulative Sales Impacts to Existing Supermarkets
Based on Opening of Planned and Pending Supermarkets
Community Retail Trade Area

Market Area	2010	2013	2014	2016	2018	2020
Potential Supermarket Sales ($000s):						
CRTA	$324,179	$337,016	$341,407	$350,361	$359,550	$368,980
Sales Absorbed by Market Area ($000s): 1/						
Community Retail Trade Area						
Walmart Sales (Redlands)		$26,631	$26,631	$26,631	$26,631	$26,631
Walmart (San Bernardino)		$25,292	$25,292	$25,292	$25,292	$25,292
Remaining Sales ($000s), post Walmart projects:						
CRTA	$324,179	$285,093	$289,484	$298,438	$307,627	$317,057
Other Planned/Pending Supermarkets (Square Feet):						
Specialty Grocer (Loma Linda)		13,969	13,969	13,969	13,969	13,969
Existing + Planned Supermarket Space (Square Feet):						
CRTA	675,818	689,787	689,787	689,787	689,787	689,787
Post Walmart Sales per Square Foot, Existing Stores:						
CRTA	$480	$413	$420	$433	$446	$460
Overbuilt Square Feet:						
@ $473 per square foot	N/A	87,054	77,770	58,840	39,412	19,476
@ $418 per square foot	N/A	7,747	0	0	0	0

Source: TNDG; Progressive Grocer, The Super 50, May 2010; Urban Land Institute, Dollar & Cents of Shopping Centers, 2008.

Notes: 1/ Sales per square foot (gross area) assumptions:
Walmart (Redlands): $614
Walmart (San Bernardino): $695

Both Walmart stores' supermarket sales are projected at $857 per square foot of grocery sales area. The higher sales per square foot figure in the San Bernardino store results from a higher ratio of grocery sales area to gross grocery floor area. See footnote 7 on page 13.

[15] See "Highland Avenue Walmart Expansion Project – Draft Environmental Impact Report", March 19, 2009. Appendix H: Commercial Retail Economic and Fiscal Impact Analysis, May 28, 2008, page 4.

Regional Retail Trade Area

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 PMA of the RRTA (City of Redlands). Table II-9, on the following page, shows the total square feet of new retail space (non-grocery) that could potentially be developed in the PMA over the next five to ten years.

The square feet of planned/pending projects in the SMA-E and SMA-W is not included in the table since this analysis evaluates demand for new space in the City of Redlands. However, the planned/pending projects were taken into account for purposes of estimating capture rates of the SMA's resident retail demand (see Section IV-E on page 48). Appendix F, Table F-1, provides a supplemental list of the planned/pending retail projects in the SMA-E and SMA-W.

Table II-9:
Planned and Pending Retail Projects – Non-Supermarket
Regional Retail Trade Area – PMA

Shopping Center / Location	Square Feet 1/
REDLANDS CROSSING 2/ SEC San Bernardino Ave & Tennessee St	106,127
REUSE - EXISTING WAL-MART 2050 W Redlands Blvd	126,000
REDLANDS CENTER LLC I-10 & California St	51,101
UNNAMED - BARRY WICKMAN SWC Tennessee St & Lugonia Ave	8,048
UNNAMED Pearl Ave, between Eureka & Third	18,200
UNNAMED SEC Lugonia Ave & Orange St	6,750
UNNAMED 1135 Orange St	3,243
MOUNTAIN GROVE San Bernardino Ave & Alabama St	595,000
STONE CREEK NWC Almond & Alabama St	26,500
REDLANDS COMMERCE CENTER Lugonia Ave, between Alabama & Nevada	60,800
TOTAL	**1,001,769**
REDLANDS PROMENADE 3/ Eureka St & I-10	110,000

Source: Redlands Crossing Traffic Impact Analysis, Urban Crossroads; City of Redlands, Planning Department; TNDG.

Notes: 1/ Retail (non-grocery) portion of projects.

2/ Net increase of new space. See Section II-G.

3/ Project is not included in total because buildout is projected by 2030 (according to City staff), which is beyond the time frame evaluated in this analysis. Square feet does not include the proposed project's grocery or office components.

As shown on Table II-9, there could potentially be approximately 1.0 million square feet of new retail (non supermarket) space developed in the PMA sometime over the next five to ten years. Within the evaluated trade area, net demand for new retail space is projected to grow to approximately 903,200 square feet by 2022. See Table II-10, below, for a breakdown of supportable square feet by retail category from 2013 to 2022.

Table II-10:
Potential Demand for NEW Retail Space
by Retail Category (non-supermarket)

	Square Feet					
Retail Category	**2013**	**2014**	**2016**	**2018**	**2020**	**2022**
Apparel	62,780	65,566	71,233	77,030	82,959	88,577
General Merchandise	112,830	120,910	137,344	154,155	171,350	187,642
Furnishings/Appliances	75,324	76,494	78,874	81,309	83,799	86,159
Other/Specialty	121,595	130,621	148,983	167,764	186,976	205,178
Food (Convenience/Specialty)	20,884	21,606	23,070	24,563	26,085	27,664
Eating / Drinking Establish.	66,687	70,423	78,013	85,766	93,684	101,490
Building Materials / Hardware	78,238	82,318	90,616	99,100	107,773	116,153
Auto Parts	19,364	20,932	24,121	27,384	30,721	33,909
Services Space @ 10% of Retail	59,815	63,104	69,793	76,632	83,625	90,318
Total	**598,153**	**631,041**	**697,926**	**766,318**	**836,252**	**903,182**

Source: TNDG.

Based on the potential demand for new non-grocery retail space (as shown on Table II-10 above), the total square feet of planned retail projects in the RRTA (as shown on Table II-9) would absorb all of the projected growth in retail demand through 2022[16].

On Table II-11 (page 27) and Table II-12 (page 28) we provide a range of the projected citywide vacancy rates assuming all of the pending projects are developed by 2013. The "High Scenario" (Table II-11) is based on the assumption that two supermarkets would become vacant, under the worst-case conditions discussed on page 21 (also see Table II-8). The "Low Scenario" (Table II-12) is based on the assumption that no supermarkets would become vacant, as shown on Table II-8[17]. The "High" scenario likely overestimates the amount of new vacant space as a result of potential supermarket closures. The worst-case scenario in which up to two supermarkets potentially close would not necessarily increase the amount of vacant supermarket square feet in the City of Redlands – as implicitly assumed on Table II-11 – because only 10 of the 20 total supermarkets in CRTA are located in the City. Thus, it is possible that potential supermarket closures in the CRTA, under the worst-case conditions, would be outside of the City of Redlands.

[16] The market would be able to support the full 1.0 million square feet of planned and pending retail space by 2025.
[17] Although the market would technically be overbuilt in the Supermarket category by approximately 7,700 square feet, these temporary sales impacts would not be expected to result in the closure of a supermarket. As shown in Table II-8, average sales per square foot would be above the $418 benchmark in 2014, just one year after the proposed project's opening date.

In both scenarios the vacancy rate would be over the “standard” acceptable vacancy rate range for retail commercial space of 5.0% to 10.0% if all of the pending projects were developed in the next 12 years[18]. These projected worst-case impacts, however, are not expected to result in Urban Decay, for the following reasons.

- In both scenarios the vacancy rate estimates are artificially inflated given the status of the Redlands Mall. The existing retail inventory includes the Redlands Mall, which has been shut down as a result of General Growth Properties (the mall’s previous owner) recent bankruptcy filing. The mall is now controlled by the Howard Hughes Corp. – a new company formed as part of the bankruptcy process that has taken over the company’s portfolio of master-planned communities along with potential redevelopment properties. Although General Growth Properties intended to redevelop the mall into a mixed-use urban village - combining multi-family residential, office, and retail development – when it purchased the property in 2004, the Howard Hughes Corp. is currently evaluating the property to determine its “true potential”[19]. In any event, the mall is a functionally obsolete, aging 1970s era development which is not suitable for cotemporary retail uses. Given that retail reuse of the existing mall is probably not viable, and that it has been shut down by its current owner, a case can be made that the mall’s space should be excluded from the retail inventory. Excluding the mall’s space from the inventory, the projected 2022 vacancy rate under cumulative conditions would range from 9.6% (low scenario) to 11.6% (high scenario).
- The potential planned and pending competitive space includes the 595,000-square foot Mountain Grove shopping center, the second phase of the Citrus Plaza shopping center. Majestic Realty, the project’s developer, has postponed the project indefinitely due to current market conditions and limited interest from potential tenants[20]. Given that there are no current plans to develop this retail space, it somewhat speculative to include this project in the new planned and pending competitive space. Removing this project from the planned and pending competitive supply, the highest projected vacancy rate would range from 6.8% (low scenario) to 9.0% (high scenario) in 2013, and would steadily decrease for the remainder of the study period. In addition, if the Mountain Grove shopping center is ultimately developed, the combined center (along with the Citrus Plaza) would function as a super-regional shopping center with over 1 million square feet of regional retail space. This type of center would likely draw shoppers from beyond the trade area boundaries evaluated in this analysis, in addition to capturing a larger share of retail demand from the SMA-E and SMA-W sub-areas of the RRTA (see Section IV-E). Thus, the additional market support for this project – which is not projected this analysis – indicates that the vacancy rates projected in Table II-11 and Table II-12 are relatively aggressive, even with the potential development of the Mountain Grove shopping center project.

---

[18] The projected vacancy rates would reach 10% in 2027 and 2024 under the “High” and “Low” scenarios, respectively.
[19] “Changes Set for Inland Shopping Malls”, The Press-Enterprise, November 9, 2010.
[20] See “Majestic VP talks Sports”, Redlands Daily Facts, March 4, 2010.

Table II-11:
Projected Vacancy Rate – HIGH SCENARIO
Regional Retail Trade Area – City of Redlands
Based on Planned and Pending Projects

	2010	2013	2014	2016	2018	2020	2022
Projected Occupied Space							
Existing Occupied Space	3,074,756	3,074,756	3,074,756	3,074,756	3,074,756	3,074,756	3,074,756
Adjustments for Potential Future Vacancies:							
--Existing Wal-Mart Building	N/A	(126,000)	(126,000)	(126,000)	(126,000)	(126,000)	(126,000)
--Potential Supermarket Closures 1/	N/A	(87,000)	(87,000)	(87,000)	(87,000)	(87,000)	(87,000)
Net Demand for New Occupancies 2/	N/A	641,526	674,414	741,299	809,691	879,625	946,555
Total Potential Occupied Space	3,074,756	3,503,282	3,536,170	3,603,055	3,671,447	3,741,381	3,808,311
Projected Total Supply							
Total Existing Space	3,400,543	3,400,543	3,400,543	3,400,543	3,400,543	3,400,543	3,400,543
Planned/Pending Competitive Space 3/	N/A	1,045,142	1,045,142	1,045,142	1,045,142	1,045,142	1,045,142
Total Potential Supply	3,400,543	4,445,685	4,445,685	4,445,685	4,445,685	4,445,685	4,445,685
Estimated Vacancy Rate	9.6%	21.2%	20.5%	19.0%	17.4%	15.8%	14.3%
Overbuilt Square Feet @ 10.0% Vacancy Rate	N/A	497,834	464,946	398,062	329,670	259,735	192,806

Source: TNDG.

Notes: 1/ Potential closures of two supermarkets in the City of Redlands under cumulative conditions based on benchmark factor of $473 per square foot (see Table II-8).

2/ Total is different from that shown on Table II-10because it includes the proposed project's 43,373 square foot Supermarket component.

3/ Total is different from that shown on Table II-9 because it includes the proposed project's 43,373 square foot supermarket component. Table II-9 provides an estimate of the non-supermarket planned/pending retail space in the trade area.

Table II-12:
Projected Vacancy Rate – LOW SCENARIO
Regional Retail Trade Area – City of Redlands
Based on Planned and Pending Projects

	2010	2013	2014	2016	2018	2020	2022
Projected Occupied Space							
Existing Occupied Space	3,074,756	3,074,756	3,074,756	3,074,756	3,074,756	3,074,756	3,074,756
Adjustments for Potential Future Vacancies:							
--Existing Wal-Mart Building	N/A	(126,000)	(126,000)	(126,000)	(126,000)	(126,000)	(126,000)
--Potential Supermarket Closures 1/	N/A	0	0	0	0	0	0
Net Demand for New Occupancies 2/	N/A	641,526	674,414	741,299	809,691	879,625	946,555
Total Potential Occupied Space	3,074,756	3,590,282	3,623,170	3,690,055	3,758,447	3,828,381	3,895,311
Projected Total Supply							
Total Existing Space	3,400,543	3,400,543	3,400,543	3,400,543	3,400,543	3,400,543	3,400,543
Planned/Pending Competitive Space 3/	N/A	1,045,142	1,045,142	1,045,142	1,045,142	1,045,142	1,045,142
Total Potential Supply	3,400,543	4,445,685	4,445,685	4,445,685	4,445,685	4,445,685	4,445,685
Estimated Vacancy Rate	9.6%	19.2%	18.5%	17.0%	15.5%	13.9%	12.4%
Overbuilt Square Feet @ 10.0% Vacancy Rate	N/A	410,834	377,946	311,062	242,670	172,735	105,806

Source: TNDG.

Notes: 1/ Potential closures of two supermarkets in the City of Redlands under cumulative conditions based on benchmark factor of $473 per square foot (see Table II-8).

2/ Total is different from that shown on Table II-10because it includes the proposed project's 43,373 square foot Supermarket component.

3/ Total is different from that shown on Table II-9 because it includes the proposed project's 43,373 square foot supermarket component. Table II-9 provides an estimate of the non-supermarket planned/pending retail space in the trade area.

II-J. CUMULATIVE URBAN DECAY ANALYSIS

Community Retail Trade Area

As discussed in Section II-I, above, cumulative impacts resulting from planned and pending supermarket projects could result in the closing of up to two supermarkets in the CRTA.[21] This does not, however, mean that the impacts would necessarily result in urban decay in the CRTA. While the phenomenon of urban decay is not defined under CEQA, it is assumed to be indicated by significant deterioration of structures and/or their surroundings. Such deterioration occurs when property owners reduce property maintenance activities below that required to keep their properties in good condition. A store closure, in and of itself, does 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 and related deterioration of the physical condition of the vacant building(s).

With the recent consolidation in the supermarket industry, 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. Thus, losing a supermarket anchor tenant does not necessarily indicate that the shopping center will experience a downward spiral of store closures and long-term vacancies.

Regional Retail Trade Area

With respect to the RRTA, it is possible – as described above – that the market could become overbuilt during the period from 2013 through 2022 if all of the aggregate retail development planned by the proponents comes on line during that period. If an overbuilt retail environment does develop, there would be a potential for business failures with resulting closures of retail facilities in the trade area. However, most of the future tenants of the planned retail projects have not yet been identified. As such, it is currently not possible to identify which retail categories might become overbuilt, or to identify existing businesses in those categories which might be forced to close. Therefore, any attempt to identify specific vacancies which might result, or to determine the potential for physical deterioration or urban decay, would be speculative in this context. For purposes of evaluating CEQA impacts, it is not required or valid to engage in speculative analysis.

A more likely cumulative scenario is that retail market conditions would result in a more gradual buildout of planned retail development, such that the pace of retail development would more closely follow the growth in retail demand. Under this scenario, there is less potential for overbuilt conditions to occur, and consequently a reduced potential for building vacancies and urban decay to follow[22]. But again, any attempt to identify businesses which might be affected under this scenario, if any, and whose closure might ultimately result in urban decay would be speculative, and therefore would not be required under CEQA.

---

[21] As discussed on pages 22 to 23, this is a relatively aggressive estimate of the potential number of supermarket closures under cumulative conditions.

[22] In fact, this finding is consistent with the developer's plans for the planned Mountain Grove project, which has been put on hold indefinitely due to current market conditions and limited interest from potential tenants.

Retail Reuse of Existing Walmart Store

Although the project-specific analysis indicates there would be sufficient demand to support some type of retail reuse of the existing Walmart store, the cumulative analysis, as discussed above, indicates that the retail market has the potential to become slightly overbuilt if all of the planned and pending projects are built by 2013. As indicated in the cumulative analysis, the planned and pending aggregate retail development would absorb all of the residual demand through 2022, which could delay the reuse of the existing Walmart store.

Based on TNDG's knowledge, the relative success in reusing closed Walmart stores for other retail uses represents a "mixed bag" of sorts, with some successfully reconfigured for other retail stores while others have remained vacant now for two to three years. Specifically, TNDG has prepared urban decay studies in the following California Cities that involved the simultaneous closing of an existing Walmart store and the development of a Walmart store combining general merchandise and grocery sales.

City	Reuse Status
La Quinta	Reused as Kohl's
Palmdale	Reused as Burlington Coat Factory and Factory 2U
Palm Springs	Cathedral City Walmart closed; building was recently reoccupied by a 99 Cents Only store; remaining portion of store is still vacant.
Hanford	Still vacant; purchased by two different real estate investment firms; was considered by Lowe's for a store site; currently being marketed for retail reuse.
San Jacinto[23]	Hemet Walmart closed; purchased by Latham Management and Counseling Service in November 2008; preliminary plans call for a medical plaza featuring a cardiac care center and outpatient facilities.

Source: TNDG; Information from City staff members.

However, even if the property owners of the existing store are unable to attract replacement tenant(s) for the Walmart store, the closure of the Walmart store would not necessarily result in long-term physical impacts to the shopping center. Without Walmart, the shopping center would function as a well tenanted[24] neighborhood shopping center with *Food 4 Less* as a strong anchor tenant. In Hanford, CA the similar-size Centennial Plaza experienced the closure of a Walmart store in 2006, but has remained viable without the re-tenanting of that store. Although vacancies have slightly increased, the center is still anchored by a Foods Co. Supermarket (which was remodeled in 2005, well after it was known that the existing Walmart store would be closing), Pep Boys, and a Dollar or Less store.

Impacts to Downtown Redlands

Although in the project-specific analysis (see Section II-H), TNDG did not identify potential impacts to downtown retail tenants resulting from development of the proposed project, the existing and planned retail development near the I-10 / SR-30 interchange will potentially place additional competitive pressures on downtown retailers. This potential impact is also acknowledged in the Economic Development Strategy recently prepared for the City.[25] However, in terms of potential cumulative impacts, the proposed project is not expected to be

[23] Hemet store closed when San Jacinto store opened.
[24] TNDG's field survey revealed that the shopping center was 100% occupied.
[25] *Economic Development Strategy – Redlands*, Economics & Politics, Inc. September 10, 2008.

cumulatively considerable, for two key reasons. First, although the new store will be larger than the existing store (primarily due to the supermarket component) and include some new specialty merchandise and restaurant space, the project is largely a relocation of the existing Walmart store. Since the downtown area already faces competition from the existing Walmart, the potential net impact of the proposed project is much less than the development of a brand new Walmart store. Second, any potential cumulative impacts to the downtown area resulting from the planned and pending projects would occur with or without the development of the proposed project. Moreover, TNDG believes the following factors will mitigate against urban decay impacts in the downtown area

- There is an existing Business Improvement District (BID) – managed by the Downtown Redlands Business Association (DRBA) – that actively works to preserve and promote the downtown area, including promoting public events, decorating public places, maintenance of existing facilities, etc.
- General Growth Properties, a major real estate investment trust (REIT), was considering developing two key projects in the downtown area – the Redlands Promenade and the redevelopment of the Redlands Mall. Due to the firm's recent bankruptcy filing and the current slowdown in the commercial and residential real estate markets, both projects are on hold.[26] Although no application was filed with the City, General Growth Properties extensively evaluated the potential to redevelop the Redlands Mall into a mixed-use (retail, office, and multi-family residential) development incorporating an open-air shopping center. Thus, it is possible that a similar development proposal will emerge to redevelop the mall site once the residential and commercial real estate markets begin to recover.

[26] "General Growth Properties Staggers Under Debt Load," Business Week, October 3, 2008. As noted above, after emerging from bankruptcy General Growth Properties was split into two companies, with Howard Hughes Corp. taking control of the company's portfolio of master planned communities along with potential redevelopment properties. The Howard Hughes Corp. now controls the former Redlands Mall and the development rights to the Redlands Promenade project.

III. RETAIL DEMAND ANALYSIS METHODOLOGY – SUPERMARKET ANALYSIS

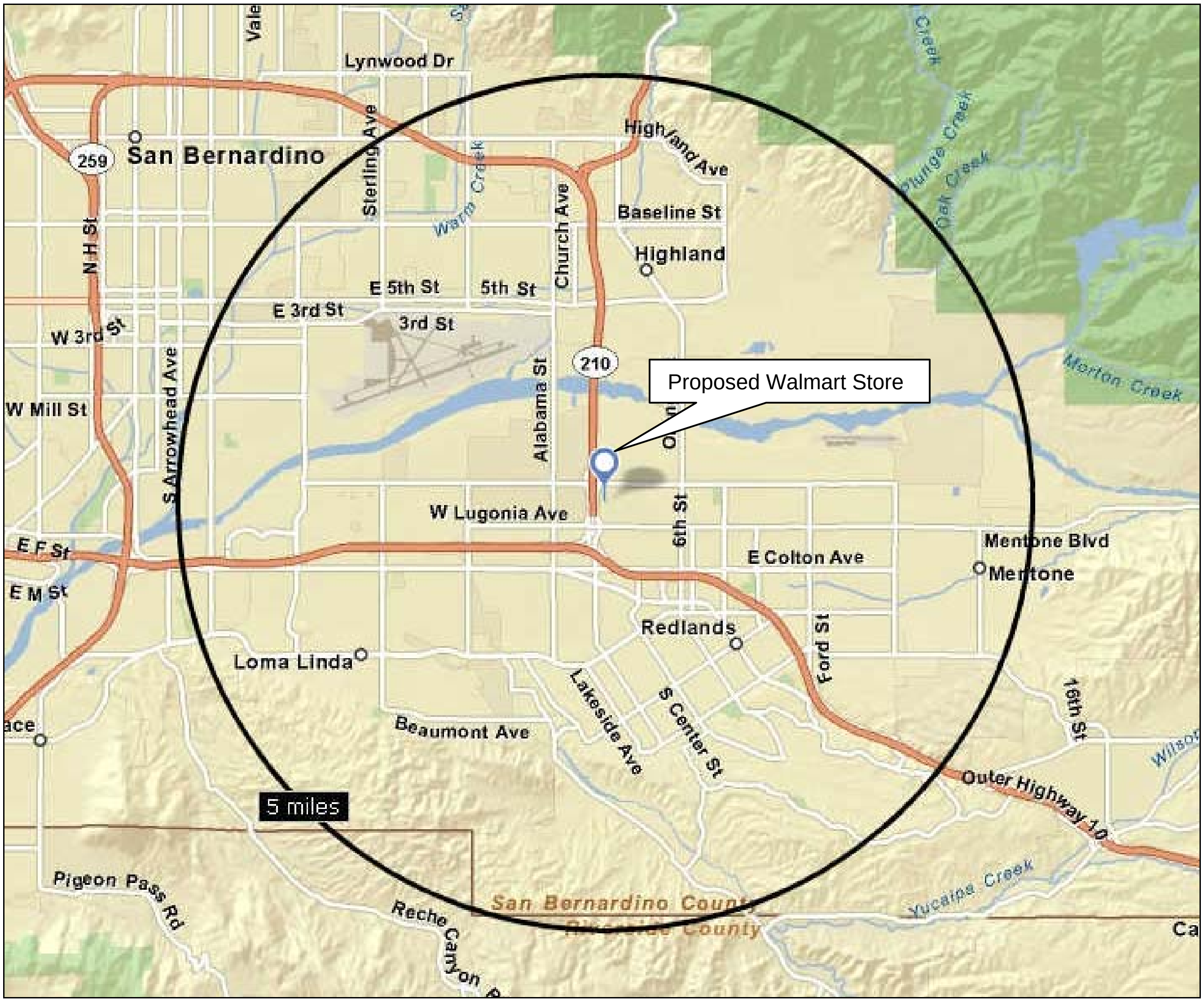
This section examines potential retail demand for supermarket sales in the market area that would be served by the proposed Walmart store.

III-A. MARKET AREA BOUNDARIES

Although a stand-alone supermarket would typically have a primary trade area of 3 miles or less, the proposed project would be combine a general merchandise store with a full-scale supermarket and would therefore be expected to draw consumers from a larger trade area. For purposes of this study, the market area boundaries have been defined in terms of a 5-mile radius centered on the proposed project site, which corresponds to the trade area for a typical community scale shopping center.

The trade area boundaries are shown in Figure III-1 on the following page. The entire market area is referred to as the Community Retail Trade Area (CRTA).

Figure III-1: Redlands Community Trade Area Boundaries



III-B. POPULATION AND INCOME LEVELS

The population in the CRTA is projected as follows:

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

Market Area	Estimated 2010 Population	Projected 2013 Population	Projected 2014 Population	Projected 2016 Population	Projected 2018 Population	Projected 2020 Population
CRTA	185,884	193,245	195,762	200,897	206,166	211,573

Source: Southern California Association of Governments (SCAG); ESRI; TNDG.

The above population estimates are from ESRI, a nationally-recognized provider of demographic data, while the future projections are based on growth forecasts developed in conjunction with SCAG's recently released (March 2010) "Integrated Growth Forecast". The projections are provided at the Traffic Analysis Zone (TAZ) level of geography[27]. The detailed TAZ-based SCAG forecasts are provided on Table D-1, Appendix D.

Current (2010) income levels in the trade area are estimated as follows:

Table III-2:
Per Capita Income
Community Retail Trade Area

Market Area	2010 Per Capita Income
CRTA	$30,383

Source: ESRI, TNDG.

The indicated estimates of per capita income were obtained from ESRI and increased 38% 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. 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 ESRI estimates of money income by 38% to estimate per capita personal income[28].

---

[27] Given that the TAZ boundaries do not correspond exactly to 5-mile radius shown in Figure III-1, we have relied on ESRI's estimates of the existing population in the five-mile radius. The forecasts from 2011 onward are based on the growth rates from the census tracts that most closely correspond to the 5-mile radius.

[28] Per capita "personal income" is a full 38% higher than per capita "money income" in San Bernardino County, based on 2008 income data (the most recent year available) provided by the Bureau of Economic Analysis, Department of Commerce and the U.S. Census Bureau.

III-C. FOOD SALES DEMAND

Population and income characteristics are the primary determinants of the potential dollars available for purchases of goods and services in the market area. The analysis assumes that trade area residents will, on average, spend 7.0% of their income on food purchases. This factor is based on an analysis of existing taxable sales data and income characteristics in the CRTA (see Appendix B for explanation on how this factor was derived).

As shown in the table below, the CRTA's capture rate of resident demand in the Food category (i.e., the portion of resident demand that could potentially be retained within the area) is projected at 100%. The CRTA is projected to potentially capture residents' demand in the Food category because of the strong propensity of consumers to purchase goods in these categories as close as possible to their residences.

Table III-3:
Income and Food Sales Demand
Community Retail Trade Area
In thousands of 2010 constant dollars

Market Area	2010	2013	2014	2016	2018	2020
Income						
CRTA	$5,647,714	$5,871,353	$5,947,850	$6,103,848	$6,263,937	$6,428,224
Market Area Capture Rates						
CRTA	100%	100%	100%	100%	100%	100%
Food Demand						
CRTA	$395,340	$410,995	$416,349	$427,269	$438,476	$449,976

Source: TNDG.

III-D. SUPERMARKET SALES DEMAND

The analysis assumes that trade area residents will, on average, make approximately 85% of their total food store purchases in supermarkets (see Appendix B for an explanation on how this factor was derived). The total demand for supermarket sales is projected as follows on Table III-4.

Table III-4:
Total Demand for Supermarket Sales
Community Retail Trade Area
In thousands of 2010 constant dollars

Market Area	2010	2013	2014	2016	2018	2020
Potential Food Sales						
CRTA	$395,340	$410,995	$416,349	$427,269	$438,476	$449,976
Potential Supermarket Sales (@ 82.0% of total Food Sales)						
CRTA	$324,179	$337,016	$341,407	$350,361	$359,550	$368,980

Source: TNDG.

III-E. POTENTIAL SUPERMARKET SALES IN CRTA

Based on the total demand for supermarket sales shown on Table III-4 above, and the trade area's projected capture rate of the total demand (as shown on Table III-3), Table III-5 projects total potential supermarket sales within the CRTA.

Table III-5:
Existing Supermarkets' Sales Potential
Community Retail Trade Area
In thousands of 2010 constant dollars

Market Area	2010	2013	2014	2016	2018	2020
Total Supermarket Demand ($000s)						
CRTA	$324,179	$337,016	$341,407	$350,361	$359,550	$368,980
Existing Supermarket Space (Square Feet)						
CRTA	$675,818	$675,818	$675,818	$675,818	$675,818	$675,818
Potential Sales per Square Foot						
CRTA	$480	$499	$505	$518	$532	$546

Source: TNDG.

III-F. POTENTIAL SALES IMPACTS TO EXISTING SUPERMARKETS IN THE CRTA

Table III-6, on the following page, provides the final estimates of sales impacts to existing supermarkets in the CRTA as a result of the opening of the Walmart store. As shown in the table, we estimate that the Walmart store will generate approximately $26.5 million in annual supermarket sales[29]. According to the International Council of Shopping Centers (ICSC), a

[29] Based on data from Progressive Grocer's Super 50 publication, May 2010.

typical community center generates 60% to 80% of its sales from its primary trade area, which it defines as a 3- to 6-mile radius[30]. In this analysis, we have estimated that the store will generate 100% of its sales from the CRTA. On this measure we are potentially overestimating impacts to the CRTA, given that we assume all of the store's sales will be derived from the CRTA. As discussed above, according to the ICSC, somewhere between 20% and 40% of a community center's sales are derived from outside the primary trade area – the 5-mile radius evaluated in this analysis. It is especially likely that proposed the Walmart store evaluated in this analysis would draw some market support from outside the CRTA, as it would be the only Walmart store combining a general merchandise store with a full-scale supermarket in more than 10 miles to the east and 9 miles to the west.

Table III-6:
Potential Capture of Market Area Demand – Supermarket Sales (post Walmart)
Community Retail Trade Area
In thousands of 2010 constant dollars

Market Area	2010	2013	2014	2016	2018	2020
Projected Walmart Sales 1/		$26,631	$26,631	$26,631	$26,631	$26,631
Existing Store Sales Absorbed by Walmart ($000s)						
CRTA @ 100%		$26,631	$26,631	$26,631	$26,631	$26,631
Net Supermarket Demand						
CRTA	$324,179	$310,385	$314,776	$323,730	$332,919	$342,349

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

Notes: 1/ Derived by TNDG based on sales performance data from Progressive Grocer's Super 50 publication. Store is assumed to generate sales of $614 per square foot (gross area).

Table III-7, on the following page, estimates potential sales impacts to existing supermarkets on a sales per square foot basis.

[30] As discussed on Page 2, the size and scope of the proposed project indicates it will function as a community-scale shopping center.

Table III-7:
Potential Sales Impacts to Existing Supermarkets
Community Retail Trade Area
In thousands of 2010 constant dollars

Market Area	2010	2013	2014	2016	2018	2020
Remaining Sales, post Walmart ($000s) (1)						
CRTA	$324,179	$310,385	$314,776	$323,730	$332,919	$342,349
Existing Supermarket Space (square feet) (2)						
CRTA	675,818	675,818	675,818	675,818	675,818	675,818
Post Walmart Sales per Sq. Ft., Existing Stores (3)						
CRTA	$480	$459	$466	$479	$493	$507

Source: TNDG.

The sales impacts are derived as follows:

1. ***Remaining Sales, post Walmart ($000s)*** – equal to projected Walmart grocery sales (#1) subtracted from projected captured demand (as shown on Table III-5).
2. ***Existing Supermarket Space (square feet)*** – existing square feet of supermarket space in the CRTA (as shown on Table III-5).
3. ***Post Walmart Sales per Square Foot, Existing Stores*** – equal to remaining sales, post Walmart (#2) divided by existing square feet of supermarket space.

III-G. POTENTIAL CUMULATIVE SALES IMPACTS TO EXISTING SUPERMARKETS IN THE CRTA

Table III-8, on the following page, provides an estimate of the cumulative impacts to the market based on all known pending supermarket projects (including the proposed project evaluated in this analysis) in the CRTA. As shown in the table, in the CRTA, along with the proposed Walmart store, there is a proposed expansion of an existing Walmart store in San Bernardino to include a full-scale supermarket, along with a specialty market[31] recently built (but not yet open) in the City of Loma Linda.

[31] The store was built as a Fresh & Easy, but it has not opened as of January 2011. For purposes of this analysis, we assume that the store will open as a specialty supermarket, either operated by Fresh & Easy or some other grocer.

Table III-8:
Potential Sales Impacts to Existing Supermarkets – Cumulative Analysis
Community Retail Trade Area

Market Area	**2010**	**2013**	**2014**	**2016**	**2018**	**2020**
Potential Supermarket Sales ($000s):						
CRTA	$324,179	$337,016	$341,407	$350,361	$359,550	$368,980
Sales Absorbed by Market Area ($000s): 1/						
Community Retail Trade Area						
Walmart Sales (Redlands)		$26,631	$26,631	$26,631	$26,631	$26,631
Walmart (San Bernardino)		$25,292	$25,292	$25,292	$25,292	$25,292
Remaining Sales ($000s), post Walmart projects:						
CRTA	$324,179	$285,093	$289,484	$298,438	$307,627	$317,057
Other Planned/Pending Supermarkets (Square Feet):						
Specialty Grocer (Loma Linda)		13,969	13,969	13,969	13,969	13,969
Existing + Planned Supermarket Space (Square Feet):						
CRTA	675,818	689,787	689,787	689,787	689,787	689,787
Post Walmart Sales per Square Foot, Existing Stores:						
CRTA	$480	$413	$420	$433	$446	$460

Source: TNDG; Progressive Grocer, The Super 50, May 2010; Urban Land Institute (ULI), Dollar & Cents of Shopping Centers, 2008.

Notes: 1/ Sales per square foot (gross area) assumptions:
Walmart (Redlands): $614
Walmart (San Bernardino): $695

Both Walmart stores' supermarket sales are projected at $857 per square foot of grocery sales area. The higher gross area per square foot figure for the San Bernardino store results from a higher ratio of grocery sales area to gross grocery floor area. See footnote 7 on page 13.

IV. RETAIL DEMAND ANALYSIS METHODOLOGY – REGIONAL RETAIL ANALYSIS

This section examines potential retail demand associated with the population residing in the market area that would be served by the non-grocery components of the proposed project, along with recently constructed and planned regional-serving retail shopping centers adjacent to the project site (for purposes of the cumulative impacts analysis). The analysis projects future retail demand of residents in the City of Redlands as well as the resident demand of surrounding communities that would shop at the proposed facility.

IV-A. MARKET AREA BOUNDARIES

The regional trade area is defined by the following three sub-areas:

1. *Primary Market Area (PMA)*: The incorporated boundaries of the City of Redlands;
2. *Secondary Market Area – East (SMA-E)*: An irregular-shaped polygon defined by Traffic Analysis Zones (TAZs) primarily to the east of the City. The southern boundary extends to the County line, approximately 4 miles from the project site; the western boundary extends primarily to Mountain View Avenue/Sterling Avenue, approximately 4 miles from the project site; and the northern and eastern boundaries extend to approximately 12 miles from the project site.
3. *Secondary Market Area – West (SMA-W)*: An irregular-shaped polygon defined by the TAZs to the west of the City. The southern boundary extends to the County line; the eastern boundary extends to Mountain View Avenue/Sterling Avenue, approximately 4 miles from the project site; and the northern and western boundaries extend to approximately 12 miles from the project site.

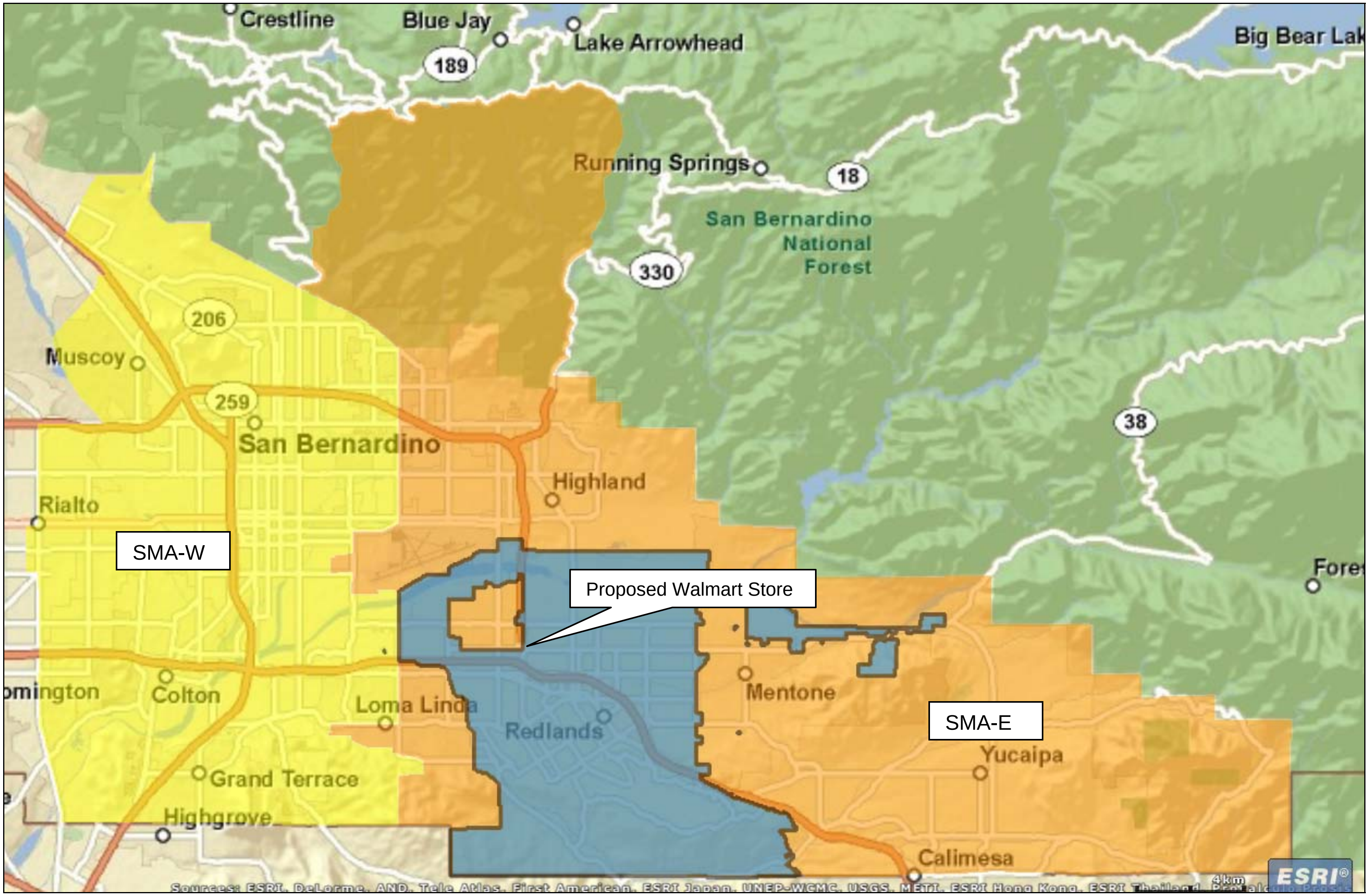
Typically, the trade area for a Walmart store that includes a general merchandise and grocery component would not be this large. However, it should be considered reasonable given that the project is proposed for development adjacent to the I-10 / SR-30 interchange, which is developing into a regional-serving retail destination based on recently developed and planned retail shopping centers. The immediate area includes the following retail development:

- The 500,000 square foot Citrus Plaza Center, anchored by a number of big-box retailers, including Target, Kohl's, Sport Chalet, and Bed Bath and Beyond;
- The 100,000 square foot Orange Tree Marketplace, anchored by Jo Ann's Fabrics and Marshalls;
- The 260,000 square foot Redlands Town Center, anchored by JC Penney, Babies R Us, and Toys R Us; and
- A 130,000 square foot freestanding Home Depot home improvement store.

As described further in this section, this analysis evaluates potential impacts to retailers based on the level of residual demand available to support additional retail sales. Given that, individually and collectively, the retailers listed above draw some of their retail sales from residents that live outside of the City, it is appropriate to consider the trade area described above. The trade area was designed based on the location of competitive regional-serving retail facilities that would also attract shoppers.

The entire market area (i.e., Primary and Secondary Market Areas combined) is referred to herein as the Regional Retail Trade Area (RRTA). The market boundaries are shown on Figure IV-1 on the following page.

Figure IV-1: Regional Trade Area Boundaries



IV-B. POPULATION AND INCOME LEVELS

The population in the RRTA is projected as follows:

Table IV-1:
Population Projections by Year
Regional Retail Trade Area

Market Area	Estimated 2009 Population	Projected 2013 Population	Projected 2014 Population	Projected 2016 Population	Projected 2018 Population	Projected 2020 Population	Projected 2022 Population
PMA	69,957	72,472	73,146	74,513	75,905	77,323	78,820
SMA – E	136,588	144,342	146,405	150,616	154,944	159,391	163,241
SMA – W	331,912	342,211	345,050	350,797	356,641	362,582	367,496
Total	**538,457**	**559,025**	**564,600**	**575,926**	**587,490**	**599,296**	**609,557**

Source: ESRI; SCAG; TNDG.

The above population estimates are from ESRI, a nationally-recognized provider of demographic data, while the future projections are based on growth forecasts developed in conjunction with SCAG's recently released (March 2010) "Integrated Growth Forecast". The projections are provided at the TAZ level of geography. The detailed TAZ-based SCAG forecasts are provided in Appendix D, Tables D-2 and D-3.

Per capita income levels in the RRTA are estimated as follows:

Table IV-2:
Per Capita Income Levels
Regional Retail Trade Area

Market Area	2009 Per Capita Income
PMA	$37,860
SMA – E	$30,426
SMA – W	$20,082

Source: ESRI; TNDG.

The indicated estimates of per capita income were obtained from ESRI and increased 38% 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. 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 ESRI estimates of <u>money</u> income by 38% to estimate per capita <u>personal</u> income[32].

[32] Per capita "personal income" is a full 38% higher than per capita "money income" in San Bernardino County, based on 2008 income data (the most recent year available) provided by the Bureau of Economic Analysis, Department of Commerce and the U.S. Census Bureau.

IV-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 Equalization[33]) to aggregate income (per the BEA). At the countywide level, the ratio of retail sales to total income is estimated as follows for each year of the evaluation period:

Table IV-3:
Total Retail Sales
As a Percentage of Aggregate Personal Income
San Bernardino County

1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	10-Year Average
33.9%	35.8%	33.9%	35.1%	36.6%	39.2%	42.1%	41.8%	38.5%	33.6%	37.0%

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

Whereas the above data area based on countywide income levels, data from the National Consumer Expenditure Survey (CES) allow for evaluation of the variation in retail expenditures by household income level. Since income levels within the sub-areas of the RRTA vary from the countywide average, it is expected that retail expenditures as a percentage of income would vary between sub-areas within the RRTA. Based on the ratio of personal per capita income levels in the sub-areas to the County, TNDG estimates the retail to income ratio for the RRTA as follows in Table IV-4 on the following page.

[33] 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 IV-4:
Total Retail Sales
As a Percentage of Aggregate Personal Income
Redlands Regional Trade Area

Area	Income Index Factor	2008	10-Year Average
County	1.00	33.6%	37.0%
PMA	0.93	31.4%	34.6%
SMA-E	0.99	33.3%	36.8%
SMA-W	1.07	35.8%	39.5%

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

The above data in Table IV-3 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 sub-areas within the trade area will remain at the recession-depressed levels (year 2008) through 2012, recovering to the long-term, 10-year average (as shown in Table IV-4 above) in 2013. It is important to note that TNDG is projecting that the ratio will remain well below the county-indexed 2005 peak of 42.1%.

Table IV-5:
Income and Retail Demand
Regional Retail Trade Area
In thousands of constant dollars

Market Area	2009	2013	2014	2016	2018	2020	2022
PMA	2,648,593	2,743,805	2,769,320	2,821,066	2,873,779	2,927,477	2,984,163
SMA – E	4,155,859	4,391,770	4,454,545	4,582,688	4,714,367	4,849,676	4,966,813
SMA – W	6,665,377	6,872,203	6,929,205	7,044,631	7,161,980	7,281,285	7,379,959
Total Income	**13,469,829**	**14,007,777**	**14,153,070**	**14,448,385**	**14,750,126**	**15,058,437**	**15,330,935**
PMA	831,658	949,356	958,185	976,089	994,328	1,012,907	1,032,521
SMA – E	1,383,901	1,616,171	1,639,272	1,686,429	1,734,887	1,784,681	1,827,787
SMA – W	2,386,205	2,714,520	2,737,036	2,782,629	2,828,982	2,876,107	2,915,084
Total Retail Demand 1/	**4,601,764**	**5,280,048**	**5,334,493**	**5,445,147**	**5,558,197**	**5,673,695**	**5,775,391**

Source: TNDG.

Notes: 1/ Retail demand is calculated by applying the percent of income spent of retail goods factors, provided in Table IV-4, by the income estimates provided above.

IV-D. DISTRIBUTION OF RESIDENT RETAIL EXPENDITURES

Projected retail demand from market area residents is disaggregated into various retail categories based upon retail expenditure patterns observed in Riverside and San Bernardino Counties. The basic distribution of retail sales by retail category is projected as follows on Table IV-6:

Table IV-6:
Distribution of Retail Sales by Category
Regional Retail Trade Area

Retail Category	Distribution
Shopper Goods:	
Apparel	5.0%
General Merchandise	14.5%
Furniture/Appliances	3.5%
Other/Specialty	13.5%
Subtotal	*36.5%*
Convenience Goods:	
Food (Convenience/Specialty) 1/	3.5%
Eating and Drinking	11.5%
Subtotal	*15.0%*
Heavy Commercial Goods:	
Building Materials/Hardware	7.5%
Auto Dealers	14.5%
Service Stations	12.5%
Subtotal	*34.5%*
Total	**86.0%**

Source: State Board of Equalization; TNDG.

Notes: 1/ Supermarket Impacts are evaluated separately in Section III.

IV-E. CAPTURE RATE ANALYSIS

Primary Market Area Capture Rates

The capture rates of Primary Market Area demand are projected to be relatively high due to the tendency of residents to shop close to their homes, especially for convenience goods. Generally, it is reasonable to expect that residents will tend to make the vast majority of their retail purchases locally, provided that a competitive mix of retail stores reflective of consumer needs is available. This is especially becoming the case in Redlands, given the amount of regional-serving retail space recently developed and planned for development in the City. Nevertheless, it is unlikely that Redlands will capture 100% of its resident demand since, for the foreseeable future, there will be some types of stores (e.g., major department stores such as Nordstrom) that the City will lack. Therefore, captures rates are projected at 85% in the GAFO[34] categories and at 95% in the Eating and Drinking category, acknowledging that some amount of residents' retail expenditures likely will always "leak" outside of the City. Food (Convenience/Specialty) and Building Materials/Hardware are projected at slightly higher capture rates, considering the stronger tendency for residents to shop for these types of goods as close as possible to their homes. Given the significant number of residents that commute to

[34] "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.

jobs outside of the City, the Service Station category capture rate is projected at a lower 70% rate. Table IV-7 shows the projected capture rates of PMA demand for each retail category.

Table IV-7:
Capture Rates of Primary Market Area Demand
Regional Retail Trade Area

Retail Category	Capture Rate
Shopper Goods:	
Apparel	85.0%
General Merchandise	85.0%
Furniture/Appliances	85.0%
Other/Specialty	85.0%
Convenience Goods:	
Food (Convenience/Specialty)	100.0%
Eating and Drinking	95.0%
Heavy Commercial Goods:	
Building Materials/Hardware	100.0%
Auto Dealers and Parts	80.0%
Service Stations	70.0%

Source: TNDG.

Secondary Market Area Capture Rates

The PMA's capture rates of SMA-E and SMA-W retail demand are projected to be lower than those for the PMA, given the longer distances that SMA residents need to travel to shop in Redlands. In addition, the capture rates for the SMA-W are projected to be substantially lower than the SMA-E, reflecting the fact that residents in the SMA-W are close to a number of retail establishments in San Bernardino. On the other hand, residents in the SMA-E have fewer shopping establishments to choose from. Therefore, the capture rates are projected to be substantially higher in the SMA-E. Table IV-8, on the following page, shows the projected capture rates for the secondary market area.

Table IV-8:
Capture Rate of Secondary Market Area Demand
Regional Retail Trade Area

Retail Category	SMA – E	SMA – W
Shopper Goods:		
Apparel	35.0%	5.0%
General Merchandise	35.0%	5.0%
Furniture/Appliances	35.0%	5.0%
Other/Specialty	35.0%	5.0%
Convenience Goods:		
Food (Convenience/Specialty)	4.0%	0.0%
Eating and Drinking	17.5%	2.5%
Heavy Commercial Goods:		
Building Materials/Hardware	30.0%	2.5%
Auto Dealers and Parts	30.0%	2.5%
Service Stations	0.0%	0.0%

Source: TNDG.

IV-F. POTENTIAL RETAIL SALES VOLUMES

Based on the capture rates shown above, Table IV-9, on the following page, provides a comparison of total market area demand with actual sales[35] in each retail category. The table excludes "heavy commercial" categories (e.g. automobile dealers) that are typically not found in shopping center settings.

[35] There is an 1,100-acre island of County land surrounded by Redlands (west of SR-30 and north of I-10) often referred to as the "doughnut hole". The County island includes the Citrus Plaza power center and other nearby retail. Given that this land is technically located in unincorporated County territory, although situated squarely within the City's boundaries, taxable sales in this island are allocated to the County, and are reported by the State BOE as County taxable retail sales. However, based on a revenue sharing agreement with the County, the City of Redlands receives 90% of the sales tax revenue generated in this County Island. Thus, to accurately estimate retail sales in the City, TNDG has added the 2009 retail sales from the County Island – based on data provided by the City's Finance Department – into the relevant retail categories as reported by the State Board of Equalization.

Table IV-9:
Comparison of Potential Demand with Actual Sales
Non-Grocery Retail Categories
City of Redlands
In thousands of dollars

Retail Category	2009 Demand*	2009 Sales	Expected Less Actual	Percent Actual/ Expected
Shopper Goods:				
Apparel	$65,529	$56,583	$8,946	86.3%
General Merchandise	$190,035	$184,860	$5,175	97.3%
Furniture/Appliances	$45,870	$15,130	$30,740	33.0%
Other/Specialty	$176,929	$173,227	$3,702	97.9%
Convenience Goods:				
Food (Convenience/Specialty)	$31,045	$25,612	$5,434	82.5%
Eating and Drinking	$125,570	$117,372	$8,198	93.5%
Heavy Commercial Goods:				
Building Materials/Hardware	$97,986	$89,184	$8,802	91.0%
Auto Dealers and Parts	$165,322	$164,202	$1,120	99.3%
Service Stations	$77,968	$74,221	$3,747	95.2%
Total	**$945,210**	**$874,779**	**$70,431**	**92.5%**

Source: TNDG; City of Redlands; CA State Board of Equalization (SBOE).

In subsequent years, incremental demand in the RRTA is projected to grow in proportion to population increases. Table IV-10 shows the projected changes in incremental retail demand over the next few years.

Table IV-10:
Total Potential Capture of Demand for New Retail Sales
City of Redlands
In thousands of constant dollars

Retail Category	2013	2014	2016	2018	2020	2022
Shopper Goods:						
Apparel	$18,834	$19,670	$21,370	$23,109	$24,888	$26,573
General Merchandise	$33,849	$36,273	$41,203	$46,247	$51,405	$56,293
Furniture / Appliances	$37,662	$38,247	$39,437	$40,654	$41,900	$43,079
Other/Specialty	$30,399	$32,655	$37,246	$41,941	$46,744	$51,294
Convenience Goods:						
Food (Convenience/Specialty)	$9,878	$10,220	$10,912	$11,618	$12,338	$13,085
Eating and Drinking	$26,675	$28,169	$31,205	$34,306	$37,474	$40,596
Heavy Commercial Goods:						
Building Materials/Hardware	$23,471	$24,695	$27,185	$29,730	$32,332	$34,846
Auto Parts*	$26,067	$28,178	$32,471	$36,863	$41,355	$45,646
Service Stations	$14,781	$15,609	$17,287	$18,997	$20,739	$22,578
Total	**$221,616**	**$233,715**	**$258,316**	**$283,465**	**$309,174**	**$333,991**

Source: TNDG.

IV-G. SUPPORTABLE RETAIL SPACE

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 Dollars & Cents Publication 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 IV-11:
Sales per Square Foot Standards for Retail Space
Regional Retail Trade Area

Retail Category	Sales/ Square Foot
Apparel	$300
General Merchandise	$300
Furniture/Appliances	$500
Specialty	$250
Food (convenience)	$473
Eating / Drinking Establish.	$400
Building Materials / Hardware	$300
Auto Parts	$175

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

Demand for New Retail Space

The sales per square foot standards are applied to the net demand numbers for each relevant retail category, as shown on Table IV-12 on the following page. 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 trade area. 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.). Thus, this analysis conservatively assumes that, on average, services space accounts for 10% of total space in typical shopping center settings.

**Table IV-12:
Potential Demand for NEW Retail Space
City of Redlands**

Retail Category	2013	2014	2016	2018	2020	2022
Apparel	62,780	65,566	71,233	77,030	82,959	88,577
General Merchandise	112,830	120,910	137,344	154,155	171,350	187,642
Furnishings/Appliances	75,324	76,494	78,874	81,309	83,799	86,159
Other / Specialty	121,595	130,621	148,983	167,764	186,976	205,178
Food (Convenience/Specialty)	20,884	21,606	23,070	24,563	26,085	27,664
Eating / Drinking Establish.	66,687	70,423	78,013	85,766	93,684	101,490
Building Materials / Hardware	78,238	82,318	90,616	99,100	107,773	116,153
Auto Parts 1/	19,364	20,932	24,121	27,384	30,721	33,909
Services Space @ 10% of Total Space	59,815	63,104	69,793	76,632	83,625	90,318
Total	**598,153**	**631,041**	**697,926**	**766,318**	**836,252**	**903,182**

Source: TNDG.

Notes: 1/ Assumes that automotive parts stores account for 13% of sales in overall Automotive group category (based on statewide average as reported by the SBOE).

APPENDIX A:

COMMUNITY RETAIL TRADE AREA
RETAIL DEMAND MODEL

Table A-1
Population Projections
Community Retail Trade Area

Area	2010	2013	2014	2016	2018	2020
Community Retail Trade Area	185,884	193,245	195,762	200,897	206,166	211,573

Source: ESRI; Southern California Association of Governments (SCAG); The Natelson Dale Group, Inc. (TNDG)

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

	2010
Community Retail Trade Area	$30,383
Annual Increase Factor	0.00%

Area	2010	2013	2014	2016	2018	2020
Community Retail Trade Area	$30,383	$30,383	$30,383	$30,383	$30,383	$30,383

Source: ESRI; TNDG

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

	CRTA				
Percent of Income Spent on Food Sales	7.00%				

Area	**2010**	**2013**	**2014**	**2016**	**2018**	**2020**
Total Income:						
Community Retail Trade Area	$5,647,714	$5,871,353	$5,947,850	$6,103,848	$6,263,937	$6,428,224
Market Area Capture Rates:						
Community Retail Trade Area	100%	100%	100%	100%	100%	100%
Potential Food Sales:						
Community Retail Trade Area	$395,340	$410,995	$416,349	$427,269	$438,476	$449,976

Source: TNDG; California State Board of Equalization (BOE)

Table A-4
Total Demand for Supermarket Sales
Community Retail Trade Area
In thousands of constant dollars

		CRTA				
Percent of Food Sales in Supermarkets		82.0%				
Area	**2010**	**2013**	**2014**	**2016**	**2018**	**2020**
Potential Food Sales:						
Community Retail Trade Area	$395,340	$410,995	$416,349	$427,269	$438,476	$449,976
Potential Supermarket Sales:						
Community Retail Trade Area	$324,179	$337,016	$341,407	$350,361	$359,550	$368,980

Source: TNDG; BOE

Table A-5
Existing Supermarkets Sales Estimates
Community Retail Trade Area
Expressed in Potential Sales per Square Feet

Area	2010	2013	2014	2016	2018	2020
Potential Supermarket Demand:						
Community Retail Trade Area	$324,179	$337,016	$341,407	$350,361	$359,550	$368,980
Existing Supermarket Space (Square Feet):						
Community Retail Trade Area	675,818	675,818	675,818	675,818	675,818	675,818
Potential Sales per Square Foot:						
Community Retail Trade Area	$480	$499	$505	$518	$532	$546

Source: TNDG

Table A-6
Potential Capture of Market Area Demand - Supermarket Sales (Post Wal-Mart)
Community Retail Trade Area
in constant dollars

Area		2010	2013	2014	2016	2018	2020
Projected Wal-Mart Sales ($000s)			$26,631	$26,631	$26,631	$26,631	$26,631
Existing Store Sales Absorbed by Wal-Mart ($000s) 1/							
Community Retail Trade Area @	100%		$26,631	$26,631	$26,631	$26,631	$26,631
Net Supermarket Demand:							
Community Retail Trade Area		$324,179	$310,385	$314,776	$323,730	$332,919	$342,349

Source: TNDG

1/ Sales per square foot (gross area) assumptions:
Wal-Mart: $614

Table A-7
Potential Sales Impacts to Existing Supermarkets
Community Retail Trade Area
in constant dollars

Area	2010	2013	2014	2016	2018	2020
Remaining Sales ($000s), post Wal-Mart:						
Community Retail Trade Area	$324,179	$310,385	$314,776	$323,730	$332,919	$342,349
Existing Supermarket Space (Square Feet):						
Community Retail Trade Area	675,818	675,818	675,818	675,818	675,818	675,818
Post Wal-Mart Sales per Square Foot, Existing Stores:						
Community Retail Trade Area	$480	$459	$466	$479	$493	$507

Source: TNDG

Table A-8
Potential Sales Impacts to Existing Supermarkets - CUMULATIVE ANALYSIS
Community Retail Trade Area
in constant dollars

``

Area	2010	2013	2014	2016	2018	2020
Potential Supermarket Sales:						
Community Retail Trade Area	$324,179	$337,016	$341,407	$350,361	$359,550	$368,980
Sales Absorbed by Proposed Projects ($000s)						
Community Retail Trade Area 1/						
Projected Wal-Mart Sales (Redlands)		$26,631	$26,631	$26,631	$26,631	$26,631
Projected Wal-Mart Sales (San Bernardino)		$25,292	$25,292	$25,292	$25,292	$25,292
Remaining Sales ($000s), post Wal-Mart projects:						
Community Retail Trade Area	$324,179	$285,093	$289,484	$298,438	$307,627	$317,057
Other Planned/Pending Supermarkets (Sq. Ft.):						
Specialty Grocer (Loma Linda)		13,969	13,969	13,969	13,969	13,969
Existing + Planned Supermarket Space (Square Feet):						
Community Retail Trade Area	675,818	689,787	689,787	689,787	689,787	689,787
Post Wal-Mart Sales per Square Foot, Existing Stores:						
Community Retail Trade Area	$480	$413	$420	$433	$446	$460
Overbuilt Square Feet @ $473 per Square Foot						
Community Retail Trade Area		(87,054)	(77,770)	(58,840)	(39,412)	(19,476)

Source: TNDG

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

Wal-Mart (Redlands):	$614
Wal-Mart (San Bernardino):	$695

APPENDIX B:

DERIVATION OF GROCERY DEMAND FACTORS

Table B-1, on the following page, shows the steps used to derive the following factors in the grocery demand model: 1) percent of total food sales in supermarkets and 2) percent of personal income spent on food sales (the italicized bold entries in the table). All of the taxable sales data for San Bernardino County and the City of Redlands are provided by the BOE and are for the most recent year available, 2009.

Row 1 – Taxable Food Sales are broken down by the share spent in Supermarkets vs. Other food stores, as reported by the BOE.

Row 2 – Taxable Retail Sales are the total retail sales in 2009 in the two trade areas.

Row 3 – Food Sales Adjustment Factors are factors used to translate total taxable food sales (reported by the BOE) into total food sales. For example, in the case of supermarkets, it is estimated that taxable sales represent approximately 29% and 27% of total store sales in the County and City, respectively. Thus, factors of 3.50 (County) and 3.75 (City) are utilized to convert supermarket taxable sales into total supermarket sales. The sales conversion factors were derived by TNDG based on data provided by the BOE and selected grocery store chains.

Row 4 – Total Food Sales is estimated by multiplying taxable food sales (Row 1) by the food sales adjustment factors (Row 3).

Row 5 – Total Retail Sales is the sum of the total non-food retail sales (Row 1 subtracted from Row 2) and the estimated total food sales (Row 4).

Row 6 – Food Sales as % of Total is calculated by dividing the estimated total food sales (Row 4) by the total retail sales (Row 5). This percentage is broken down between supermarkets vs. other food stores in the two trade areas.

Row 7 – Supermarkets as % of Total Food is the percent of total food sales that are generated by supermarkets. This factor is calculated from taking the ratio of supermarket sales to total food sales (see Row 4). In estimating potential demand for supermarket sales in the trade area, we have used a factor of 82%, which is below the County (88%) and City (89%). To remain analytically conservative in this analysis, we have adjusted this factor downward given that the classification of supermarkets by the BOE may include a wider range of stores than would traditionally be thought of as supermarkets.

Row 8 – 2009 Per Capita Income provides the estimated 2009 per capita income in the two trade areas, as reported by ESRI (and adjusted by TNDG to confirm to the "personal income" definition of income, as described in section III-B of this report).

Row 9 – 2009 Population provides the estimated population in 2009 in the two trade areas, as reported by ESRI.

Row 10 – 2009 Aggregate Income is calculated by multiplying the 2009 per capita income (Row 8) by the total population in 2009 (Row 9).

Row 11 – Food Sales as % of Aggregate Income is calculated by dividing total food sales (Row 4) by the 2009 aggregate income (Row 10). For estimating potential demand for supermarket sales in the trade area, we have used a 7.0%, which is between the County and City factors.

Table B-1
DERIVATION OF SUPERMARKET DEMAND FACTORS
SB COUNTY AND CITY OF REDLANDS

Row #	**BOE Data for 2009**	**SB County**		**Redlands**	
(1)	Taxable Food Sales (000s)		$1,108,248		$60,491
	-- Supermarket Share @	75%	$833,136	77%	$46,483
	-- Other Food Store Share @	25%	$275,112	23%	$14,008
(2)	Taxable Retail Sales (000s)		$16,330,137		$935,269
(3)	Food Sales Adjustment Factors:				
	-- Supermarkets		3.50		3.75
	-- Other		1.49		1.49
	-- Total		3.00		3.23
(4)	Total Food Sales (000s)				
	-- Supermarkets		$2,915,976		$174,311
	-- Other		$408,768		$20,813
	-- Total		$3,324,744		$195,125
(5)	Total Retail Sales (000s)		$18,546,633		$1,069,903
(6)	Food Sales as % of Total				
	-- Supermarkets		15.7%		16.3%
	-- Other		2.2%		1.9%
	-- Total		17.9%		18.2%
(7)	***Supermarkets as % of Total Food:***		***88%***		***89%***
(8)	2009 Per Capita Income		$26,797		$37,860
(9)	2009 Population		2,061,421		69,957
(10)	2009 Aggregate Income ($000s)		$55,239,569		$2,648,593
(11)	***Food Sales as % of Aggregate Income:***				
	-- Supermarkets		5.3%		6.6%
	-- Other		0.7%		0.8%
	-- Total		***6.0%***		***7.4%***

Source: California State Board of Equalization (BOE); 2007 Economic Census; SCAG; ESRI; TNDG.

APPENDIX C:

REGIONAL RETAIL TRADE AREA
RETAIL DEMAND MODEL

Table C-1
Population
Regional Retail Trade Area

Area	2009	2013	2014	2016	2018	2020	2022
Primary Market Area (PMA)	69,957	72,472	73,146	74,513	75,905	77,323	78,820
Secondary Market Area-East (SMA-E)	136,588	144,342	146,405	150,616	154,944	159,391	163,241
Secondary Market Area-West (SMA-W)	331,912	342,211	345,050	350,797	356,641	362,582	367,496
Total	538,457	559,025	564,600	575,926	587,490	599,296	609,557

Source: ESRI; Southern California Association of Governments (SCAG); The Natelson Dale Group, Inc. (TNDG).

Table C-2
Per Capita Income Projections
Regional Retail Trade Area
In constant dollars

	2009
Primary Market Area (PMA)	$37,860
Secondary Market Area-East (SMA-E)	$30,426
Secondary Market Area-West (SMA-W)	$20,082
Annual Increase Factor	0.00%

Area	2009	2013	2014	2016	2018	2020	2022
Primary Market Area (PMA)	$37,860	$37,860	$37,860	$37,860	$37,860	$37,860	$37,860
Secondary Market Area-East (SMA-E)	$30,426	$30,426	$30,426	$30,426	$30,426	$30,426	$30,426
Secondary Market Area-West (SMA-W)	$20,082	$20,082	$20,082	$20,082	$20,082	$20,082	$20,082

Source: ESRI; TNDG

Table C-3
Total Income and Potential Retail Sales Projections
Regional Retail Trade Area
In Thousands of 2009 Dollars

Area	2009	2013	2014	2016	2018	2020	2022
Percent of Income Spent on Retail Goods							
Primary Market Area (PMA)	31.4%	34.6%	34.6%	34.6%	34.6%	34.6%	34.6%
Secondary Market Area-East (SMA-E)	33.3%	36.8%	36.8%	36.8%	36.8%	36.8%	36.8%
Secondary Market Area-West (SMA-W)	35.8%	39.5%	39.5%	39.5%	39.5%	39.5%	39.5%
Total Income:							
Primary Market Area (PMA)	$2,648,593	$2,743,805	$2,769,320	$2,821,066	$2,873,779	$2,927,477	$2,984,163
Secondary Market Area-East (SMA-E)	$4,155,859	$4,391,770	$4,454,545	$4,582,688	$4,714,367	$4,849,676	$4,966,813
Secondary Market Area-West (SMA-W)	$6,665,377	$6,872,203	$6,929,205	$7,044,631	$7,161,980	$7,281,285	$7,379,959
Total Income	$13,469,829	$14,007,777	$14,153,070	$14,448,385	$14,750,126	$15,058,437	$15,330,935
Potential Retail Sales:							
Primary Market Area (PMA)	$831,658	$949,356	$958,185	$976,089	$994,328	$1,012,907	$1,032,521
Secondary Market Area-East (SMA-E)	$1,383,901	$1,616,171	$1,639,272	$1,686,429	$1,734,887	$1,784,681	$1,827,787
Secondary Market Area-West (SMA-W)	$2,386,205	$2,714,520	$2,737,036	$2,782,629	$2,828,982	$2,876,107	$2,915,084
Total Potential Retail Sales	$4,601,764	$5,280,048	$5,334,493	$5,445,147	$5,558,197	$5,673,695	$5,775,391

Source: State Board of Equalization (BOE); U.S. Census Bureau, American Community Survey; U.S. Department of Commerce, Bureau of Economic Analysis; TNDG.

Table C-4
Distribution of Retail Sales by Retail Category
Regional Retail Trade Area

Retail Category	% Distribution 2009	% Distribution 2013	% Distribution 2014	% Distribution 2016	% Distribution 2018	% Distribution 2020	% Distribution 2022
Shopper Goods:							
Apparel	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
General Merchandise	14.50%	14.50%	14.50%	14.50%	14.50%	14.50%	14.50%
Home Furnishings	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
Specialty	13.50%	13.50%	13.50%	13.50%	13.50%	13.50%	13.50%
Subtotal	36.50%	36.50%	36.50%	36.50%	36.50%	36.50%	36.50%
Convenience Goods:							
Food (Convenience/Specialty)*	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
Eating and Drinking	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%
Subtotal	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%
Heavy Commercial Goods:							
Building/ Hardware/ Farm	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%
Auto Dealers and Parts	14.50%	14.50%	14.50%	14.50%	14.50%	14.50%	14.50%
Service Stations	12.50%	12.50%	12.50%	12.50%	12.50%	12.50%	12.50%
Subtotal	34.50%	34.50%	34.50%	34.50%	34.50%	34.50%	34.50%
Total	86.00%	86.00%	86.00%	86.00%	86.00%	86.00%	86.00%

Source: TNDG, based on historic trends for San Bernardino and Riverside Counties as reported by the State Board of Equalization
*Does not include Supermarkets, which are evaluated separately in Appendices A and B.

Table C-5
Projected PMA Demand for Retail Sales by Major Retail Category
Regional Retail Trade Area
In Thousands of 2009 Dollars

Retail Category	**2009**	**2013**	**2014**	**2016**	**2018**	**2020**	**2022**
Shopper Goods:							
Apparel	$41,583	$47,468	$47,909	$48,804	$49,716	$50,645	$51,626
General Merchandise	$120,590	$137,657	$138,937	$141,533	$144,177	$146,872	$149,715
Furniture/Appliances	$29,108	$33,227	$33,536	$34,163	$34,801	$35,452	$36,138
Specialty	$112,274	$128,163	$129,355	$131,772	$134,234	$136,742	$139,390
Subtotal	$303,555	$346,515	$349,737	$356,272	$362,930	$369,711	$376,870
Convenience Goods:							
Food (Convenience/Specialty)	$29,108	$33,227	$33,536	$34,163	$34,801	$35,452	$36,138
Eating and Drinking	$95,641	$109,176	$110,191	$112,250	$114,348	$116,484	$118,740
Subtotal	$124,749	$142,403	$143,728	$146,413	$149,149	$151,936	$154,878
Heavy Commercial Goods:							
Building/ Hardware/ Farm	$62,374	$71,202	$71,864	$73,207	$74,575	$75,968	$77,439
Auto Dealers and Parts	$120,590	$137,657	$138,937	$141,533	$144,177	$146,872	$149,715
Service Stations	$103,957	$118,670	$119,773	$122,011	$124,291	$126,613	$129,065
Subtotal	$286,922	$327,528	$330,574	$336,751	$343,043	$349,453	$356,220
Total	$715,226	$816,447	$824,039	$839,436	$855,122	$871,100	$887,968

Source: TNDG

Table C-6
Projected SMA-E Demand for Retail Sales by Major Retail Category
Regional Retail Trade Area
In Thousands of 2009 Dollars

Retail Category	**2009**	**2013**	**2014**	**2016**	**2018**	**2020**	**2022**
Shopper Goods:							
Apparel	$69,195	$80,809	$81,964	$84,321	$86,744	$89,234	$91,389
General Merchandise	$200,666	$234,345	$237,695	$244,532	$251,559	$258,779	$265,029
Furniture/Appliances	$48,437	$56,566	$57,375	$59,025	$60,721	$62,464	$63,973
Specialty	$186,827	$218,183	$221,302	$227,668	$234,210	$240,932	$246,751
Subtotal	$505,124	$589,903	$598,334	$615,547	$633,234	$651,408	$667,142
Convenience Goods:							
Food (Convenience/Specialty)	$48,437	$56,566	$57,375	$59,025	$60,721	$62,464	$63,973
Eating and Drinking	$159,149	$185,860	$188,516	$193,939	$199,512	$205,238	$210,196
Subtotal	$207,585	$242,426	$245,891	$252,964	$260,233	$267,702	$274,168
Heavy Commercial Goods:							
Building/ Hardware/ Farm	$103,793	$121,213	$122,945	$126,482	$130,117	$133,851	$137,084
Auto Dealers and Parts	$200,666	$234,345	$237,695	$244,532	$251,559	$258,779	$265,029
Service Stations	$172,988	$202,021	$204,909	$210,804	$216,861	$223,085	$228,473
Subtotal	$477,446	$557,579	$565,549	$581,818	$598,536	$615,715	$630,587
Total	$1,190,155	$1,389,907	$1,409,774	$1,450,329	$1,492,003	$1,534,825	$1,571,897

Source: TNDG

Table C-7
Projected SMA-W Demand for Retail Sales by Major Retail Category
Regional Retail Trade Area
In Thousands of 2009 Dollars

Retail Category	**2009**	**2013**	**2014**	**2016**	**2018**	**2020**	**2022**
Shopper Goods:							
Apparel	$119,310	$135,726	$136,852	$139,131	$141,449	$143,805	$145,754
General Merchandise	$346,000	$393,605	$396,870	$403,481	$410,202	$417,036	$422,687
Furniture/Appliances	$83,517	$95,008	$95,796	$97,392	$99,014	$100,664	$102,028
Specialty	$322,138	$366,460	$369,500	$375,655	$381,913	$388,274	$393,536
Subtotal	$870,965	$990,800	$999,018	$1,015,660	$1,032,579	$1,049,779	$1,064,006
Convenience Goods:							
Food (Convenience/Specialty)	$83,517	$95,008	$95,796	$97,392	$99,014	$100,664	$102,028
Eating and Drinking	$274,414	$312,170	$314,759	$320,002	$325,333	$330,752	$335,235
Subtotal	$357,931	$407,178	$410,555	$417,394	$424,347	$431,416	$437,263
Heavy Commercial Goods:							
Building/ Hardware/ Farm	$178,965	$203,589	$205,278	$208,697	$212,174	$215,708	$218,631
Auto Dealers and Parts	$346,000	$393,605	$396,870	$403,481	$410,202	$417,036	$422,687
Service Stations	$298,276	$339,315	$342,129	$347,829	$353,623	$359,513	$364,385
Subtotal	$823,241	$936,509	$944,277	$960,007	$975,999	$992,257	$1,005,704
Total	$2,052,136	$2,334,487	$2,353,851	$2,393,061	$2,432,925	$2,473,452	$2,506,972

Source: TNDG

Table C-8
Potential Capture Rates of PMA Demand
Regional Retail Trade Area

Retail Category	**2009**	**2013**	**2014**	**2016**	**2018**	**2020**	**2022**
Shopper Goods:							
Apparel	85%	85%	85%	85%	85%	85%	85%
General Merchandise	85%	85%	85%	85%	85%	85%	85%
Furniture/Appliances	85%	85%	85%	85%	85%	85%	85%
Specialty	85%	85%	85%	85%	85%	85%	85%
Convenience Goods:							
Food (Convenience/Specialty)	100%	100%	100%	100%	100%	100%	100%
Eating and Drinking	95%	95%	95%	95%	95%	95%	95%
Heavy Commercial Goods:							
Building/ Hardware/ Farm	100%	100%	100%	100%	100%	100%	100%
Auto Dealers and Parts	80%	80%	80%	80%	80%	80%	80%
Service Stations	75%	75%	75%	75%	75%	75%	75%

Source: TNDG

Table C-9
Potential Capture Rates of SMA-E Demand
Regional Retail Trade Area

Retail Category	2009	2013	2014	2016	2018	2020	2022
Shopper Goods:							
Apparel	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%
General Merchandise	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%
Furniture/Appliances	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%
Specialty	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%
Convenience Goods:							
Food (Convenience/Specialty)	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Eating and Drinking	17.5%	17.5%	17.5%	17.5%	17.5%	17.5%	17.5%
Heavy Commercial Goods:							
Building/ Hardware/ Farm	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%
Auto Dealers and Parts	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%
Service Stations	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Source: TNDG

Table C-10
Potential Capture Rates of SMA-W Demand
Regional Retail Trade Area

Retail Category	2009	2013	2014	2016	2018	2020	2022
Shopper Goods:							
Apparel	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
General Merchandise	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Furniture/Appliances	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Specialty	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Convenience Goods:							
Food (Convenience/Specialty)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Eating and Drinking	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Heavy Commercial Goods:							
Building/ Hardware/ Farm	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Auto Dealers and Parts	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Service Stations	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Source: TNDG

Table C-11
Potential Capture of Sales from PMA
Regional Retail Trade Area
In Thousands of 2009 Dollars

Retail Category	**2009**	**2013**	**2014**	**2016**	**2018**	**2020**	**2022**
Shopper Goods:							
Apparel	$35,345	$40,348	$40,723	$41,484	$42,259	$43,049	$43,882
General Merchandise	$102,502	$117,008	$118,096	$120,303	$122,551	$124,841	$127,258
Furniture/Appliances	$24,742	$28,243	$28,506	$29,039	$29,581	$30,134	$30,717
Specialty	$95,433	$108,939	$109,952	$112,006	$114,099	$116,231	$118,482
Subtotal	$258,022	$294,538	$297,277	$302,832	$308,490	$314,254	$320,340
Convenience Goods:							
Food (Convenience/Specialty)	$29,108	$33,227	$33,536	$34,163	$34,801	$35,452	$36,138
Eating and Drinking	$90,859	$103,717	$104,682	$106,638	$108,630	$110,660	$112,803
Subtotal	$119,967	$136,945	$138,218	$140,801	$143,432	$146,112	$148,941
Heavy Commercial Goods:							
Building/ Hardware/ Farm	$62,374	$71,202	$71,864	$73,207	$74,575	$75,968	$77,439
Auto Dealers and Parts	$96,472	$110,125	$111,149	$113,226	$115,342	$117,497	$119,772
Service Stations	$77,968	$89,002	$89,830	$91,508	$93,218	$94,960	$96,799
Subtotal	$236,815	$270,329	$272,843	$277,941	$283,135	$288,425	$294,010
Total	$614,803	$701,812	$708,338	$721,574	$735,057	$748,791	$763,291

Source: TNDG

Table C-12
Potential Capture of Sales from SMA-E
Regional Retail Trade Area
In Thousands of 2009 Dollars

Retail Category	**2009**	**2013**	**2014**	**2016**	**2018**	**2020**	**2022**
Shopper Goods:							
Apparel	$24,218	$28,283	$28,687	$29,513	$30,361	$31,232	$31,986
General Merchandise	$70,233	$82,021	$83,193	$85,586	$88,046	$90,573	$92,760
Furniture/Appliances	$16,953	$19,798	$20,081	$20,659	$21,252	$21,862	$22,390
Specialty	$65,389	$76,364	$77,456	$79,684	$81,973	$84,326	$86,363
Subtotal	$176,793	$206,466	$209,417	$215,441	$221,632	$227,993	$233,500
Convenience Goods:							
Food (Convenience/Specialty)	$1,937	$2,263	$2,295	$2,361	$2,429	$2,499	$2,559
Eating and Drinking	$27,851	$32,525	$32,990	$33,939	$34,915	$35,917	$36,784
Subtotal	$29,788	$34,788	$35,285	$36,300	$37,343	$38,415	$39,343
Heavy Commercial Goods:							
Building/ Hardware/ Farm	$31,138	$36,364	$36,884	$37,945	$39,035	$40,155	$41,125
Auto Dealers and Parts	$60,200	$70,303	$71,308	$73,360	$75,468	$77,634	$79,509
Service Stations	$0	$0	$0	$0	$0	$0	$0
Subtotal	$91,337	$106,667	$108,192	$111,304	$114,503	$117,789	$120,634
Total	$297,919	$347,921	$352,894	$363,046	$373,478	$384,197	$393,477

Source: TNDG

Table C-13
Potential Capture of Sales from SMA-W
Regional Retail Trade Area
In Thousands of 2009 Dollars

Retail Category	**2009**	**2013**	**2014**	**2016**	**2018**	**2020**	**2022**
Shopper Goods:							
Apparel	$5,966	$6,786	$6,843	$6,957	$7,072	$7,190	$7,288
General Merchandise	$17,300	$19,680	$19,844	$20,174	$20,510	$20,852	$21,134
Furniture/Appliances	$4,176	$4,750	$4,790	$4,870	$4,951	$5,033	$5,101
Specialty	$16,107	$18,323	$18,475	$18,783	$19,096	$19,414	$19,677
Subtotal	$43,548	$49,540	$49,951	$50,783	$51,629	$52,489	$53,200
Convenience Goods:							
Food (Convenience/Specialty)	$0	$0	$0	$0	$0	$0	$0
Eating and Drinking	$6,860	$7,804	$7,869	$8,000	$8,133	$8,269	$8,381
Subtotal	$6,860	$7,804	$7,869	$8,000	$8,133	$8,269	$8,381
Heavy Commercial Goods:							
Building/ Hardware/ Farm	$4,474	$5,090	$5,132	$5,217	$5,304	$5,393	$5,466
Auto Dealers and Parts	$8,650	$9,840	$9,922	$10,087	$10,255	$10,426	$10,567
Service Stations	$0	$0	$0	$0	$0	$0	$0
Subtotal	$13,124	$14,930	$15,054	$15,304	$15,559	$15,819	$16,033
Total	$63,533	$72,274	$72,874	$74,088	$75,322	$76,576	$77,614

Source: TNDG

Table C-14
Potential Capture of Sales from Combined Market Areas
Regional Retail Trade Area
In Thousands of 2009 Dollars

Retail Category	**2009**	**2013**	**2014**	**2016**	**2018**	**2020**	**2022**
Shopper Goods:							
Apparel	$65,529	$75,417	$76,253	$77,953	$79,692	$81,471	$83,156
General Merchandise	$190,035	$218,709	$221,133	$226,063	$231,107	$236,265	$241,153
Furniture/Appliances	$45,870	$52,792	$53,377	$54,567	$55,784	$57,030	$58,209
Specialty	$176,929	$203,626	$205,882	$210,473	$215,168	$219,971	$224,521
Subtotal	$478,364	$550,544	$556,645	$569,056	$581,751	$594,736	$607,040
Convenience Goods:							
Food (Convenience/Specialty)	$31,045	$35,490	$35,831	$36,524	$37,230	$37,950	$38,697
Eating and Drinking	$125,570	$144,047	$145,541	$148,577	$151,678	$154,846	$157,968
Subtotal	$156,616	$179,537	$181,372	$185,101	$188,909	$192,796	$196,665
Heavy Commercial Goods:							
Building/ Hardware/ Farm	$97,986	$112,655	$113,879	$116,369	$118,914	$121,516	$124,030
Auto Dealers and Parts	$165,322	$190,269	$192,380	$196,673	$201,065	$205,557	$209,848
Service Stations	$77,968	$89,002	$89,830	$91,508	$93,218	$94,960	$96,799
Subtotal	$341,276	$391,926	$396,089	$404,550	$413,197	$422,033	$430,677
Total	$976,255	$1,122,007	$1,134,106	$1,158,707	$1,183,856	$1,209,565	$1,234,382

Source: TNDG

Table C-15
Comparison of Potential Demand with Actual Sales (Non-Grocery Categories)
City of Redlands
In Thousands of 2009 Dollars

Retail Category	2009 Demand	2009 Sales	Expected Less Actual	Percent Actual/Expected
Shopper Goods:				
Apparel	$65,529	$56,583	$8,946	86.35%
General Merchandise	$190,035	$184,860	$5,175	97.28%
Furniture/Appliances	$45,870	$15,130	$30,740	32.98%
Specialty	$176,929	$173,227	$3,702	97.91%
Subtotal	$478,364	$429,800	$48,564	89.85%
Convenience Goods:				
Food (Convenience/Specialty)	$31,045	$25,612	$5,434	82.50%
Eating and Drinking	$125,570	$117,372	$8,198	93.47%
Subtotal	$125,570	$117,372	$8,198	93.47%
Heavy Commercial Goods:				
Building/ Hardware/ Farm	$97,986	$89,184	$8,802	91.02%
Auto Dealers and Parts	$165,322	$164,202	$1,120	99.32%
Service Stations	$77,968	$74,221	$3,747	95.19%
Subtotal	$341,276	$327,607	$13,669	95.99%
Total	$945,210	$874,779	$70,431	92.55%

Source: TNDG, State Board of Equalization

Table C-16
Net Supportable Retail Sales
Regional Retail Trade Area
In Thousands of 2009 Dollars

Retail Category	**2009**	**2013**	**2014**	**2016**	**2018**	**2020**	**2022**
Shopper Goods:							
Apparel	$8,946	$18,834	$19,670	$21,370	$23,109	$24,888	$26,573
General Merchandise	$5,175	$33,849	$36,273	$41,203	$46,247	$51,405	$56,293
Furniture/Appliances	$30,740	$37,662	$38,247	$39,437	$40,654	$41,900	$43,079
Specialty/Other	$3,702	$30,399	$32,655	$37,246	$41,941	$46,744	$51,294
Subtotal	$48,564	$120,744	$126,845	$139,256	$151,951	$164,936	$177,240
Convenience Goods:							
Food (Convenience/Specialty)	$5,434	$9,878	$10,220	$10,912	$11,618	$12,338	$13,085
Eating and Drinking	$8,198	$26,675	$28,169	$31,205	$34,306	$37,474	$40,596
Subtotal	$13,632	$36,553	$38,389	$42,117	$45,925	$49,812	$53,681
Heavy Commercial Goods:							
Building/Hardware/Garden	$8,802	$23,471	$24,695	$27,185	$29,730	$32,332	$34,846
Auto Dealers and Parts	$1,120	$26,067	$28,178	$32,471	$36,863	$41,355	$45,646
Service Stations	$3,747	$14,781	$15,609	$17,287	$18,997	$20,739	$22,578
Subtotal	$13,669	$64,319	$68,482	$76,943	$85,590	$94,426	$103,070
GRAND TOTAL	$75,864	$221,616	$233,715	$258,316	$283,465	$309,174	$333,991

Source: TNDG

Table C-17
Net Supportable Retail Space for Relevant "Big Box" Categories (Non-Grocery)
Regional Retail Trade Area
Expressed in Sales/Square Feet

Retail Category	**Sales/ Square Feet**	**2013**	**2014**	**2016**	**2018**	**2020**	**2022**
Shopper Goods:							
Apparel	$300	62,780	65,566	71,233	77,030	82,959	88,577
General Merchandise	$300	112,830	120,910	137,344	154,155	171,350	187,642
Furniture/Appliances	$500	75,324	76,494	78,874	81,309	83,799	86,159
Specialty/Other	$250	121,595	130,621	148,983	167,764	186,976	205,178
Food (Convenience/Specialty)	$473	20,884	21,606	23,070	24,563	26,085	27,664
Eating/Drinking	$400	66,687	70,423	78,013	85,766	93,684	101,490
Building/Hardware/Garden	$300	78,238	82,318	90,616	99,100	107,773	116,153
Auto Parts*	$175	19,364	20,932	24,121	27,384	30,721	33,909
Services Space @ 10% of Total Space	N/A	59,815	63,104	69,793	76,632	83,625	90,318
GRAND TOTAL		***598,153***	***631,041***	***697,926***	***766,318***	***836,252***	***903,182***

Source: TNDG

APPENDIX D:

SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS (SCAG) DEMOGRAPHIC FORECASTS

Table D-1
HOUSEHOLD DEMOGRAPHIC FORECASTS: 2005-2035
TRAFFIC ANALYSIS ZONES (TAZs) WITHIN A 5-MILE RADIUS OF PROJECT SITE
REDLANDS COMMUNITY RETAIL TRADE AREA

TAZ	2008	2020	2035
500630200	2,180	2,186	2,199
500640100	975	1,416	1,987
500640200	1,372	1,684	2,010
500650000	1,671	1,963	2,272
500720000	1,488	1,739	2,030
500720001	302	319	339
500720002	91	135	187
500730100	1,559	1,924	2,340
500730101	1,142	2,132	3,244
500730102	2,870	2,906	2,947
500730200	2,267	2,376	2,505
500730201	1,099	1,819	2,630
500730202	38	62	171
500740400	1,749	2,083	2,466
500740600	3,564	3,742	3,913
500740700	935	1,055	1,191
500740800	1,212	1,266	1,322
500750000	0	0	1
500760100	1,938	2,252	2,580
500760200	2,786	3,343	3,731
500770000	0	0	0
500780000	1,644	2,602	3,644
500780001	579	736	1,130
500780002	10	10	11
500790100	2,299	4,007	5,486
500790200	3,004	3,582	3,985
500800100	1,875	2,127	2,401
500800200	2,293	2,919	3,598
500810000	1,598	1,633	1,670
500820000	2,518	2,697	2,891
500830100	2,793	2,871	2,957
500830200	1,263	1,280	1,297
500840100	2,640	3,407	4,237
500840200	2,285	2,306	2,328
500840300	2,292	2,968	3,700
500840400	1,151	1,262	1,382
500850000	3,430	4,233	5,058
500860000	1,177	1,362	1,551
500860001	874	889	960
	785	841	1,021
TOTAL	63,748	76,134	89,372

Source: Southern California Association of Governments (SCAG)

Table D-2
HOUSEHOLD DEMOGRAPHIC FORECASTS: 2005-35
BASED ON TAZ-LEVEL FORECASTS
SECONDARY MARKET AREA-EAST (SMA-E)

TAZ	2008	2020	2035
500730101	2,598	4,587	6,924
500730200	6,821	7,029	7,293
500730202	99	158	511
500740300	7,193	7,624	8,131
500740400	4,982	5,932	7,005
500740600	11,130	11,506	11,951
500740700	3,681	4,133	4,639
500740800	4,025	4,123	4,234
500750000	0	0	3
500760100	7,055	8,011	9,086
500760200	9,416	10,955	12,697
500770000	0	0	0
500780000	3,838	5,726	8,416
500780001	1,389	1,779	3,145
500780002	52	54	57
500790100	7,869	13,488	19,933
500790200	9,999	11,652	13,520
500800100	6,051	6,485	7,119
500800200	8,362	9,967	12,305
500810000	3,434	3,454	3,485
500820000	6,349	6,745	7,405
500830100	7,469	7,577	7,744
500830200	3,335	3,339	3,343
500840100	7,720	9,874	13,013
500840200	6,888	6,890	6,895
500840300	6,494	7,842	9,814
500840400	3,099	3,287	3,564
500850000	10,154	12,303	14,747
500860000	3,476	4,088	4,935
500860001	2,825	2,868	3,119
500860002	2,310	2,446	3,044
500870300	5,412	5,911	6,924
500870301	2,680	3,294	4,277
500870400	7,926	8,246	8,605
500870500	5,320	5,746	6,212
500870600	6,623	7,853	9,193
500870601	1,648	1,919	2,478
500870700	8,734	9,120	9,544
500870800	4,367	4,508	4,666
500880000	7,137	7,138	7,139
501100001	2,705	7,234	12,440
TOTAL	210,665	244,891	289,555
CITY OF REDLANDS	71,509	79,910	92,272
TOTAL, net	139,156	164,981	197,283

Source: SCAG; TNDG

Table D-3
HOUSEHOLD DEMOGRAPHIC FORECASTS: 2005-35
BASED ON TAZ-LEVEL FORECASTS
SECONDARY MARKET AREA-WEST (SMA-W)

TAZ	2008	2020	2035
500360101	11,244	11,259	11,274
500370000	3,784	6,663	9,918
500380000	13,903	15,092	16,435
500390000	4,986	5,621	6,339
500400000	1,938	4,221	6,607
500400003	48	49	50
500400004	23	28	33
500410000	14,041	14,106	14,213
500420100	6,321	6,722	7,174
500420200	4,774	4,776	4,781
500430000	8,726	9,337	10,036
500440100	3,943	4,150	4,380
500440200	10,323	10,795	11,340
500450200	17,982	18,453	19,044
500450201	978	1,855	2,838
500450400	6,271	7,826	9,578
500460100	7,446	8,172	8,992
500460200	11,196	12,740	14,476
500470000	5,524	5,527	5,534
500480000	2,971	2,984	3,001
500490000	2,990	3,148	3,334
500490001	4,561	4,564	4,571
500500000	1,982	1,998	2,021
500510000	7,482	7,570	7,674
500520000	3,862	3,864	3,866
500530000	5,012	5,012	5,013
500540000	5,767	5,789	5,820
500550000	7,968	8,016	8,070
500560000	6,625	7,125	7,686
500570000	1,341	1,550	1,794
500580000	4,068	4,435	4,855
500590000	1,191	1,358	1,549
500600000	445	641	870
500600001	1,171	1,306	1,458
500600002	14	14	14
500610000	8,334	8,590	8,945
500620100	3,354	3,356	3,359
500620200	8,326	8,728	9,215
500630100	4,703	4,832	4,994
500630200	7,621	7,623	7,626
500640100	3,390	4,778	6,477
500640200	5,315	6,265	7,339
500650000	7,451	8,532	9,866
500660000	8,841	9,002	9,181
500660001	4,076	4,094	4,194
500670000	4,131	4,594	5,077
500680000	1,079	1,814	2,580
500690000	3,300	6,017	8,848

TAZ	2008	2020	2035
500700000	7,474	8,615	9,804
500710200	4,235	4,359	4,514
500710201	5,203	5,667	6,152
500710202	1,811	1,857	1,913
500710400	4,333	4,958	5,618
500710500	3,512	4,731	6,148
500710600	4,456	4,724	5,015
500710700	2,946	3,358	3,790
500710800	2,219	2,756	3,319
500720000	5,575	6,541	7,628
500720001	1,137	1,175	1,217
500720002	329	489	669
500730100	3,575	4,521	5,588
500730102	8,144	8,196	8,256
500730201	2,941	4,985	7,337
TOTAL	318,712	351,923	389,307

Source: SCAG

APPENDIX E:

RETAIL INVENTORY

Summary Table
Approximate Square Footage of Retail Space & Vacancy Rates
City of Redlands

Type of Center / Area	Total Square Feet	Square Feet Vacant	Vacancy %
Community / Regional Centers	1,968,215	230,305	11.7%
Neighborhood Centers (grocery-anchored)	609,678	31,427	5.2%
Neighborhood Centers (non-grocery)	566,337	42,920	7.6%
Downtown Area	256,313	21,135	8.2%
TOTAL	3,400,543	325,787	9.6%

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

Table E-1
INVENTORY OF GROCERY-ANCHORED SHOPPING CENTERS
COMMUNITY RETAIL TRADE AREA - PMA

Center	Tenant	Square Feet
UNIVERSITY PLAZA SHOPPING CENTER	Redlands Ranch Market	21,000
800 E Lugonia Ave	Cleaners	1,381
Redlands, CA	Marcis Nails and Hair Styles	1,688
	San Bernardino County	7,000
	Second Life Thrift Store	13,466
	Shell	2,500
	Sky Coin Laundry	1,500
	Uncle Howie's Pizza	4,800
	University Plaza Barber Shop	1,381
	Walgreens	12,990
	Water and Ice Cream	1,381
	YMCA Pre-School	10,000
	Totall Square Feet	*79,087*
	Total Vacant Square Feet	*0*
STATER BROS. CENTER	Stater Bros.	25,610
11 E Colton Ave		
Redlands, CA		
ORANGE STREET PLAZA	Vons	43,279
410-552 Orange St	Arrowhead Physician Recruiting	1,500
Redlands, CA	Attitudes Hair	2,100
	Bliss Hair Studio	1,333
	Candy Apple	3,000
	Ceramic Zone	2,500
	Check Into Cash	1,500
	Coffee Bean & Tea Leaf	2,269
	F.Y.E. For Your Entertainment	3,000
	Five Point Nails	1,004
	Foot Solutions	1,500
	H&R Block	1,476
	Office Depot	23,667
	Ohana Yogurt	1,947
	Open Kitchen	2,936
	Orange Plaza Cleaners	1,367
	Orange Plaza Dentistry	1,640
	Orange Plaza Optometry	1,312
	Police Sub-station	15,000
	PostalAnnex+	1,328
	VACANT	1,312
	Redlands Dental Group	5,184
	Redlands Sports Gallery	4,000
	Sachi Japanese Cuisine	1,476
	Scottrade Branch Office	2,500

Center	Tenant	Square Feet
ORANGE STREET PLAZA (cont.)	Smoke Shop	2,900
410-552 Orange St	Subway	1,319
Redlands, CA	T Mobile Wireless	1,688
	Trader Joe's	12,443
	VACANT	5,925
	VACANT #572	2,837
	Van Shoes	1,350
	Total Square Feet	*156,592*
	Total Vacant Square Feet	*10,074*
CITRUS VILLAGE PLAZA	Albertsons	65,000
450 E Cypress Ave & 700 E Redlands Blvd	24 Hour Fitness	18,969
Redlands, CA	Allure Beauty Shop	5,030
	Blockbuster	7,900
	Check 'n Go	1,100
	Dentist's Office	1,548
	Hairmasters	1,100
	Mr. You Chinese Food	1,100
	Quiznos Sub	1,050
	RadioShack	2,640
	Redlands Cleaners	1,415
	Rite Aid	17,700
	Susie's Deals	6,940
	Panera Bread	5,210
	Tanning Salon	2,580
	The UPS Store	1,482
	VACANT	8,252
	VACANT	500
	VACANT	2,000
	Village Barber Shop	1,260
	Sav-on Pharmacy	500
	Totall Square Feet	*153,276*
	Total Vacant Square Feet	*10,752*
GERRARD'S MARKET	Gerrard's	22,540
705 W Cypress Ave		
Redlands, CA		
BROOKSIDE PLAZA	Stater Bros.	35,332
1536-1578 Barton Rd	ACS Discovery Shops	2,328
Redlands, CA	Advance America Cash Advance	1,280
	VACANT	963
	Cleaners	698
	Conroy's Flowers	1,608
	Family Cuts	1,375
	Hancock Fabrics	14,250
	Holmes and Associates	1,100

Center	Tenant	Square Feet
BROOKSIDE PLAZA (cont.)	Insurance	815
1536-1578 Barton Rd	Kumon Learning Center	1,164
Redlands, CA	Le Basil Restaurant	1,978
	Leslie's Swimming Pool Supplies	3,700
	Antonius Pizza	1,354
	Nails 4 U	815
	Optometry	815
	Phoenicia Restaurant	1,143
	Postal Connection	1,047
	Redlands Family Dentistry	1,513
	Redlands Family Physicians	3,714
	VACANT	1,926
	VACANT (1506)	815
	Smoke Shop	815
	VACANT (1552)	1,629
	Subway	1,200
	Super Sushi Japanese Restaur.	2,201
	VACANT (1558)	698
	Swirly D'Lite Yogurt	931
	West Paws Pet Grooming	825
	Verizon Wireless	815
	Water	815
	Total Square Feet	*89,662*
	Total Vacant Square Feet	*6,031*
THE VILLAGE AT EAST HIGHLANDS	Stater Bros.	44,000
28930-28988 Greenspot Rd	Beyond the Beach	804
Highland, CA	Cold Stone Creamery	1,200
	East Highland Dental Office	905
	East Highland Family Optometry	905
	Fox's Pizza Den	905
	Great Clips Salon/Barber/Spa	804
	It's a Grind Coffee Shop	905
	Mailing Store	804
	Main Squeeze Juice Company	1,206
	McCleaners	905
	Subway Fast-food	1,200
	Village Spa & Nails	704
	Totall Square Feet	*55,247*
	Total Vacant Square Feet	*0*
SMART & FINAL	Smart & Final	14,800
1720 W Redlands Blvd		
Redlands, CA		

Source: TNDG; CoStar Group

Table E-2
INVENTORY OF GROCERY-ANCHORED SHOPPING CENTERS
COMMUNITY RETAIL TRADE AREA - SMA

Center	Tenant	Square Feet
LUGONIA PLAZA	Stater Bros.	30,080
1748-1790 E Lugonia Ave	Diamond Massage	1,000
SWC Lugonia Ave & Wabash Ave	All American Cleaners	1,428
Redlands, CA	Cuca's Mexican Food & Cantina	4,285
	Domino's Pizza	1,000
	H&R Block	518
	State Farm Insurance	1,000
	Joe's Liquor	2,000
	Johnny's Tacos and Sports	1,926
	Karen's Donuts	1,428
	Leading Ladies Fitness Ctr.	1,000
	McDonald's	2,962
	Nails Lugonia	518
	VACANT	1,285
	Panda Bowl Chinese Food	741
	VACANT	3,285
	Smokes	518
	Style Cuts	1,285
	Subway	1,250
	Super 98 + Store	1,000
	East Valley Pet Hospital (Suite #128)	4,000
	Focus Victory Clothing Boutique	741
	Garden Thai	750
	Venezia Pizza	1,185
	Video Fox 2	1,926
	Water Store	1,000
	Total Square Feet	*68,111*
	Total Vacant Square Feet	*4,570*
MOUNTAIN VIEW PLAZA	Clarks	25,000
11235 Mountain View Ave	Rite Aid	18,238
Loma Linda, CA	East Coast Bagels	2,698
	Total Square Feet	*45,936*
	Total Vacant Square Feet	*0*
LOMA LINDA PLAZA	Stater Bros.	45,000
25538-25698 Barton Rd	Adventist Book Center	5,576
Loma Linda, CA	Beauty Supply	1,143
	Blockbuster	7,900
	Boba - Filipino Food	1,428
	Carter Lane, DDS - Orthodontics	1,428
	Chinatown Restaurant	1,857
	Coin-op Laundry	1,428
	Cold Stone Creamery	1,571
	Crown Cleaners	1,428
	Fabulous Finds - Jewelry, Tailors	1,143
	VACANT (25552)	1,947
	H&R Block	1,714
	Hawaiian Beach BBQ	2,142

Center	Tenant	Square Feet
LOMA LINDA PLAZA (cont.)	Highland AT&T Wireless	1,000
25538-25698 Barton Rd	Indo Mart	1,285
Loma Linda, CA	Las Brasas Mexican Food	2,428
	Loma Linda Pharmacy	1,571
	Loma Linda Uniforms	1,143
	Loma Linda Water	1,000
	Mail Choice	1,143
	Manna Donuts	1,285
	Moon Nails	857
	Naida's Beauty Salon	1,476
	New Joy Cellular	1,143
	Papa John's Pizza	1,428
	Quiznos	1,640
	Imports by Leon	1,200
	VACANT (25540)	1,285
	VACANT (25586)	16,399
	Carl's Jr.	2,888
	WH Cigars/Cigarettes	857
	Chevron Food Mart	1,000
	Total Square Feet	*116,733*
	Total Vacant Square Feet	*19,631*
HIGHLAND VILLAGE PLAZA	Albertsons	49,920
7197-7259 Boulder Ave	AFS Shoes	1,000
Highland, CA	Baskin Robbins	3,174
	Avon	1,354
	Calypso Salon	1,058
	VACANT	1,037
	Arrowhead Credit Union	4,571
	Goodwill Bookstore	1,270
	H&R Block	1,323
	3D Donuts	1,143
	Hallmark Cards	5,000
	Highland Jewelry Mart	1,270
	Highland Nails	1,270
	Highland Optometrics	1,338
	Highland Village Dentistry	1,095
	Hilton's Flowers	2,068
	Inland Health Care Group	1,095
	Jade Inn - Chinese Rest.	1,650
	CVS Pharmacy	23,567
	McCleaners	1,397
	Orthodontist	1,800
	Pet Hospital	1,904
	Pizza Hut	2,750
	RadioShack	2,500
	Rosa Maria's Mexican Food	2,518
	Smoke Stop	973
	Straight Ahead Chiropractic	1,333
	Subway	1,143
	Sushi Mac	1,650
	Tae Kwon Do	1,200
	The UPS Store	1,852
	Toucan Tan	889
	VACANT (7215)	1,045
	VACANT (7199A)	2,152

Center	Tenant	Square Feet
HIGHLAND VILLAGE PLAZA (cont.)	VACANT (7197-11)	2,566
7197-7259 Boulder Ave	VACANT (7225-B)	990
Highland, CA	Verizon Wireless	1,185
	Total Square Feet	*134,050*
	Total Vacant Square Feet	*7,790*
STATER BROS. SHOPPING CENTER	Stater Bros.	25,610
3605-3683 Highland Ave	VACANT	1,238
Highland CA	Cleaners	1,238
	ERA Real Estate	1,926
	Golden Outlet 99 Cent Store	4,745
	Hair Fashion East	963
	Launderland Coin Laundry	1,513
	Mega Video and Wireless	4,126
	Oasis Dance Studio	1,513
	Palm Liquor	4,539
	Roberto's Pizza and Party Room	5,158
	VACANT	1,375
	The Water Connection	963
	VACANT (3623)	5,570
	Your Dentist	1,100
	Total Square Feet	*61,577*
	Total Vacant Square Feet	*8,183*
FOOD 4 LESS CENTER	Food 4 Less	58,000
26529-26545 Highland Ave	Big Lots	22,500
Highland, CA	Happiness Nails and Spa	1,000
	Total Square Feet	*81,500*
	Total Vacant Square Feet	*0*
LOMA LINDA MARKET	Loma Linda Market	19,250
11161 Anderson St		
Loma Linda, CA		

Center	Tenant	Square Feet
RIO RANCH SHOPPING CENTER (1)	Rio Ranch Market	15,400
26500 - 26534 9th St	Coin Laundry	1,164
Highland, CA	Highland Liquor	2,010
	Ken's Water Center	1,058
	La Victoria Restaurant	2,116
	Total Square Feet	*21,748*
	Total Vacant Square Feet	*0*
RIO RANCH SHOPPING CENTER (2)	Rio Ranch Market	35,834
25745 Base Line St	Agua Pura Drinking Water	1,143
San Bernardino, CA	Cute Nails	1,000
	Hair Salon	1,143
	Launderland Coin Laundry	2,000
	Mariscos Espinoza	1,000
	Discount Mart	1,560
	Sunshine Food Store	680
	Total Square Feet	*44,360*
	Total Vacant Square Feet	*0*
SELEY PLAZA	Rio Ranch Market	28,500
2028-2130 E Highland Ave	Advance America Cash	1,200
San Bernardino, CA	Big 5 Sporting Goods Sporting Goods	9,720
	VACANT	5,018
	VACANT	1,350
	Coinless Laundry	2,000
	Del Taco Fast-food	2,000
	VACANT	1,200
	RAC Rent a Center	4,000
	Rainbow Ladies' Apparel	1,250
	Rite Aid Drug Store	1,250
	Royal Nails	800
	Sterling Cinema 6 Cinema	1,250
	Sterling Cleaners	1,250
	Styles 4 U	4,500
	Super Penny	1,250
	The Salvation Army Thrift Store	1,250
	Tony's Barber Shop Salon/Barber/Spa	1,250
	VACANT	1,250
	VACANT (2116)	6,500
	VACANT	1,500
	VACANT (2112)	1,500
	VACANT	1,500
	VACANT	1,650
	VACANT	1,500
	VACANT	1,650
	Chase	1,250
	Water and Ice Store	1,250
	Total Square Feet	*88,588*
	Total Vacant Square Feet	*24,618*

Source: TNDG; CoStar Group

Table E-3
INVENTORY OF RETAIL TENANTS AND SQUARE FEET OF BUILDING SPACE
COMMUNITY / REGIONAL SHOPPING CENTERS
CITY OF REDLANDS

Center	**Tenant**	**Square Feet**
CITRUS PLAZA	Barnes & Noble	25,000
27320-27592 Lugonia Ave	Bed Bath & Beyond	28,435
Redlands, CA	BevMo! Beverages & More	4,500
	Café Rio	1,000
	Catherines	5,833
	Chick fil A	4,300
	Cold Stone Creamery	1,804
	Cost Plus	8,249
	David's Bridal	2,000
	Dressbarn	8,000
	DSW	25,000
	EB Games	1,000
	Famous Daves BBQ Restaurant	5,819
	Famous Footwear	7,300
	GameStop	1,500
	Great Clips	1,050
	Hallmark	4,523
	Jamba Juice	1,500
	Kohl's	86,000
	Magic Wok Restaturant	2,381
	Mi Tortilla	2,888
	Michael's	24,064
	Men's Warehouse	3,587
	Niko Sushi	1,511
	Papillon Beauty Spa	3,772
	Party City	10,000
	PETCO	15,000
	Pier 1 Imports	10,500
	VACANT	5,063
	Red Robin	8,570
	Romano's Macaroni Grill	9,850
	Sport Chalet	42,000
	Sprint	2,878
	Starbucks	2,000
	Target	100,000
	The Vitamin Shoppe	3,968
	Verizon Wireless	2,400
	Wells Fargo Bank	4,500
	Total Square Feet	*477,745*
	Total Vacant Square Feet	*5,063*

Center	Tenant	Square Feet
TRI-CITY SHOPPING CENTER	Alladdin's Tea Room	952
1320-1460 Industrial Park Ave	VACANT (1408)	1,233
Redlands, CA	Big Lots	35,000
	Gallagher Jewelers	1,630
	Burger King	3,250
	Citiwear	3,500
	VACANT	1,000
	D&T Revival Workout Center	1,719
	Dollar Tree	7,702
	Dr Grochowski, Chiropractor	1,428
	Dream Dinners	1,200
	El Tepeyac Mexican Restaurant	1,500
	Express Tailoring	952
	Foot Efx	931
	Francis Nail	1,185
	Gary Ketcherside, DDS	640
	Gymboree Play & Music	3,000
	Hobby People	4,500
	VACANT	14,421
	Jenny Craig	2,222
	CVS Pharmacy	25,380
	Long John Silver's	3,000
	Merle Norman	1,265
	Queen's Jewelry	1,200
	Redlands Optometric Group	3,470
	Rent-A-Center	2,528
	Ross Dress for Less	22,974
	Running Center	1,500
	Sears Portrait	1,629
	See's Candies	1,550
	Shiny Nails	2,222
	Skelton Hallmark	3,200
	Skin Retail	1,800
	State Farm Insurance	600
	Styles For Less	2,500
	Supercuts	1,190
	Tempo Fashions	2,000
	Tommy's Blinds and More	1,500
	Tony's Spunky Steer	5,100
	Tri City Cleaners	1,600
	Tri-City Family Dental Care	1,500
	Tuesday Morning	6,000
	U.S. Armed Forces Recruiting	2,595
	VACANT (Backyard Outfitters)	18,727
	VACANT (Beaudoin's Kitchens)	1,300
	VACANT (Chase Manhattan Mortgage)	2,666
	Burlington Coat Factory	75,890
	VACANT (Minute Massage)	889
	VACANT	7,097
	VACANT	2,084
	Chase Home Loans	2,666
	VACANT	8,623

Center	Tenant	Square Feet
TRI-CITY SHOPPING CENTER (cont.)	VACANT	1,500
1320-1460 Industrial Park Ave	Full Steam Cleaners	1,200
Redlands, CA	General Technique Computers	714
	VACANT	2,074
	Chochran Dental Care	1,777
	VACANT	5,306
	World Discoveries	1,200
	Carlson's Wagonlit Travel	1,265
	Total Square Feet	*319,246*
	Total Vacant Square Feet	*66,920*
WAL-MART / FOOD 4 LESS CENTER	AM Donuts	1,428
2050 W Redlands Blvd	Anna's Linens	9,750
Redlands, CA	Applebees	6,073
	Arco	2,700
	AT&T Cellular World	3,523
	VACANT	2,428
	Game Stop	1,200
	Fantastic Sams	1,000
	Fashion Joy	3,600
	Food 4 Less Supermarket	58,000
	H&R Block	1,285
	Hairmasters	1,143
	VACANT	7,210
	VACANT	5,158
	Jack in the Box	2,668
	Jose's Mexican Food	4,142
	Just Tires	8,689
	Lovely Nails	1,000
	McDonald's	2,633
	Mr. You's Chinese Food	1,571
	Payday Advance - Cash America	1,000
	Payless ShoeSource	2,400
	Redlands Diamond District	1,300
	Redlands Pavilions Cleaners	1,857
	Redlands Pavilion Dentistry	1,428
	Sally Beauty Supply	1,600
	Smoke Shop	1,000
	Spa Nail Fashions	1,587
	V Designs	1,617
	Verizon Wireless	1,600
	Wal-Mart	125,999
	Total Square Feet	*266,589*
	Total Vacant Square Feet	*14,796*

Center	Tenant	Square Feet
REDLANDS MALL (pads)	CVS	25,600
100 W Redlands Blvd	Denny's Restaurant	4,402
Redlands, CA	Union Bank	4,500
	Total Square Feet	*170,064*
	Total Vacant Square Feet	*135,562*
LOWE'S CENTER	Lowe's	142,485
1725 Redlands Blvd		
Redlands, CA		
HOME DEPOT CENTER	Home Depot	131,816
1151 W Lugonia Ave		
Redlands, CA		
ORANGE TREE MARKETPLACE	VACANT	3,087
1605-1643 W Lugonia Ave	Bright Now Dental	3,324
Redlands, CA	First Financial Credit Union	1,660
	Hollywood Tans	2,500
	Jo-Ann's	35,350
	Sheer Beauty Medical Skin Care	869
	Marshalls	37,946
	Ono Hawaiian BBQ	1,846
	Starbucks	1,726
	Subway	1,167
	Hair Fanatics	1,820
	Total Square Feet	*91,295*
	Total Vacant Square Feet	*3,087*
REDLANDS TOWN CENTER	Aaron Brothers Art Mart	5,819
10000 Alabama	Babies R Us	35,041
Redlands, CA	Berean Christian Store	10,474
	Canton Bistro - Asian Food	7,961
	Chilis Restaurant	8,041
	Color Me Mine - Art Store	2,037
	VACANT (10040 D)	846
	Noodle 21 (10040 C)	847
	Eurogrill	1,904
	Fantastic Sams	2,857
	First Financial Credit Union	2,476
	GNC	1,238
	Happiness Nails and Spa	1,746
	JCPenney	98,840
	Leroy's Board Shop	7,914
	Matress Discounters	5,205
	Men's Wearhouse	7,210
	Metro PCS	2,285

Center	Tenant	Square Feet
REDLANDS TOWN CENTER (cont.)	Nubi Yogurt	1,323
10000 Alabama	Lugonia Vision Center	1,693
Redlands, CA	Payless Shoe Source	3,000
	Qdoba Mexican Grill	4,497
	Rocky Mountain Chocolate Factory	928
	T-Mobile	3,242
	Tekin Brothers Jewelers	1,693
	Toys R Us	36,564
	VACANT (9900 Alabana - A)	1,650
	Affordable Dentures	5,989
	T Mobil	4,460
	VACANT (10060 Alabama - A, B)	2,381
	Wescom Credit Union	4,814
	Total Square Feet	*274,975*
	Total Vacant Square Feet	*4,877*
K-MART CENTER	K-Mart	84,000
1625 W Redlands Blvd	Sears Auto Center	10,000
Redlands, CA		
	Total Square Feet	*94,000*
	Total Vacant Square Feet	*0*

Source: TNDG; CoStar Group

Table E-4
INVENTORY OF RETAIL TENANTS AND SQUARE FEET OF BUILDING SPACE
NEIGHBORHOOD SHOPPING CENTERS & FREESANDING SPACE (NON-GROCERY)
CITY OF REDLANDS

Center	Tenant	Square Feet
REDLANDS OASIS SHOPPING CENTER	7-Eleven	3,000
Citrus St & Judson St	Pretty Nails	852
Redlands, CA	Vanessa's Beauty Salon	852
	Allstate Insurance	852
	Citrus Cleaners	852
	Total Square Feet	*6,408*
	Total Vacant Square Feet	*0*
PARK WEST PLAZA	A & D Tailoring	1,582
415-461 Tennessee St	A Formal Affair - Tuxedo Rental	1,095
Redlands, CA	Barber Shop	1,095
	Cali Clothing Outlet	3,856
	Calico Horse	1,555
	Curves for Women	3,428
	Cyclery USA	6,000
	Eastern Classic Thai Restaurant	2,285
	VACANT	2,814
	Farmers Insurance	1,338
	The Hairdressers Salon	1,217
	Island Tanning	2,555
	Nu Lite Co. - Solar, Skylights	973
	O'Flanary's Emporium - Gifts	2,857
	Sound Theology - Chris. Music/Bks	12,855
	Moonglow Beads	698
	Total Square Feet	*46,203*
	Total Vacant Square Feet	*2,814*
PLAZA LAS PALMAS	Ben's Nails	852
1150 Brookside Ave	Brenna Hamrick-Stotts - Dentists	1,862
Redlands, CA	Chiropractor	1,693
	Congressman Lewis Office	481
	Gallagher's Finishing Touch	1,047
	Giovanni's Pizza	1,978
	Hana's Alterations	815
	Junior Party Supply	931
	Las Palmas Cleaners	1,280
	Liquor Store	2,211
	Lite Weighs - Weight Loss	3,893
	Moya Lani - Polynesian Dances, etc	1,524
	Hong Kong Cuisine	1,164
	Redlands Police Dept.	815
	Rosa Maria's Mexican Food	1,703

Center	Tenant	Square Feet
PLAZA LAS PALMAS (cont.)	Saint Moore Insurance Agency	3,047
1150 Brookside Ave	State Farm Insurance	1,000
Redlands, CA	Superstar Video	3,571
	Tangles Hair Salon	1,016
	Tax Plus Bookkeeping	2,031
	TCBY Yogurt	1,746
	The Bagel Peddler	1,978
	The Wishy Washy Laundromat	1,513
	Yoga	1,862
	Total Square Feet	*40,013*
	Total Vacant Square Feet	*0*
REDLANDS ALABAMA RETAIL CENTER	VACANT (#D-F)	3,625
1615 W Redlands Blvd	Avis (#C)	1,812
Redlands, CA	Payday Loans	2,142
	Total Square Feet	*7,579*
	Total Vacant Square Feet	*3,625*
REDLANDS AUTOPLEX	Discount Tire Centers	6,000
1647-1667 W Redlands Blvd	Kellems Automotive	5,000
Redlands, CA	VACANT	3,050
	Jiffy Lube	3,052
	Redlands Complete Auto Repair	4,180
	Total Square Feet	*21,282*
	Total Vacant Square Feet	*3,050*
TENNESSEE PLAZA	3H Business Services	2,111
414 Tennessee Ave	AFLAC Insurance	1,095
Redlands, CA	Arroyo Skin Care Institute	1,000
	X-Cell	1,111
	Caring Touch Dental	1,746
	Dutch Girls Cleaners	2,095
	Farmers Insurance	1,862
	Kick Boxing	1,947
	One on One Tutoring	2,068
	Rosina's Beauty and Wellness Ctr.	1,111
	Sales Training Series	1,746
	VACANT (E&F)	1,000
	The Nail Box	973
	Kinship Center	846
	Total Square Feet	*20,711*
	Total Vacant Square Feet	*1,000*

Center	Tenant	Square Feet
HERITAGE CENTER	Botanic Nails	963
1600 E Citrus Ave	BK Subs	1,719
Redlands, CA	Best Cleaners	1,709
	Hairloom - Salon	1,222
	VACANT	804
	Little Caesars	1,400
	VACANT (#I, J)	1,709
	VACANT (#M)	5,040
	Total Square Feet	*14,566*
	Total Vacant Square Feet	*7,553*
NORTH PARK BUSINESS CENTER	Donut Factory	1,481
802 W Colton Ave	King Massage	1,143
Redlands, CA	Luv'd Ones Barber Shop	1,714
	MHS Mental Health Services	1,481
	Paris Nails and Spa	1,714
	Rancho Liquor/Market	3,142
	Redlands Center for Change	1,777
	Ruben's King Pollo Restaurant	2,142
	Innabi Mediterranean Grill/Deli	1,777
	Total Square Feet	*16,371*
	Total Vacant Square Feet	*0*
UNNAMED CENTER	Circle K	3,439
1542-1598 Orange St	A-1 Cleaners	1,428
Redlands, CA	VACANT (#1552)	1,143
	Coin Laundry	2,328
	Discount Outlet	2,312
	Donuts	1,629
	Hair Chic	1,095
	J&M's Party Supply	1,143
	VACANT (#1566)	1,582
	Latino Music	1,143
	VACANT (#1554)	1,000
UNNAMED CENTER (cont.)	M&C Liquor	2,328
1542-1598 Orange St	Meat Maket	2,095
Redlands, CA	Mimi Nails	889
	VACANT (#1556)	1,285
	Police	931
	Super 98 Cent Store	1,746
	VACANT(#1574)	1,047
	VACANT(#1596)	1,111
	VACANT (#1542)	1,485
	Total Square Feet	*31,159*
	Total Vacant Square Feet	*8,653*

Center	Tenant	Square Feet
BIG 5 CENTER	Metro PCS	1,476
1573-1595 W Redlands Blvd	Big 5 Sporting Goods	11,000
Redlands, CA	Crystal Nails & Spa	1,148
	Dentist	1,968
	Mr. J's Donuts	1,312
	VACANT (1589)	2,296
	Quiznos Sub	1,200
	Smoke Shop	1,804
	Starbucks	2,132
	Total Square Feet	*24,336*
	Total Vacant Square Feet	*2,296*
PLAZA ROSA VILLA COMMERCIAL CENTER	Carolyn's Café	1,926
1711 W. Lugonia Ave.	L'envie Nails & Hair	1,185
Redlands, CA	Auto Insurance	1,185
	Taco Village	1,481
	Jenny's Donuts	1,481
	Total Square Feet	7,258
	Total Vacant Square Feet	*0*

<u>OTHER RETAIL</u>

745 E Citrus Ave	AutoZone	10,224
605 E Redlands Blvd	Jack in the Box	2,800
645 E Redlands Blvd	KFC	2,592
514 E Redlands Blvd	Yum Yum Donuts	909
600 E Redlands Blvd	Mc Donalds	4,407
640 E Redlands Blvd	99 Cent What a Bargain Store	7,057
6__ E Redlands Blvd	Alvaro's Mexican Restaurant	1,407
656 E Redlands Blvd	Siam Dish - Thai Cuisine	1,217
660 E Redlands Blvd	Tokyo Sushi	1,513
664 E Redlands Blvd	Dairy Queen	1,709
336 Eureka St	Las Fuentes Mexican Restaurant	9,787
509 Eureka St	Phat Island - Carribean Catering	2,381
606 Eureka St	Dave's Paint	4,676
1625 Industrial Park Ave	Marie Callender's	6,066
1635 Industrial Park Ave	The Old Spaghetti Factory	13,426
1630 Industrial Park Ave	IHOP	6,771
330 N 6th St	Tanning Options	2,000
330 N 6th St	Isabella's	3,999
330 N 6th St	Pizza Rush	1,100
330 N 6th St	VACANT	1,238
1064 Orange St	Taco Tio	880
1125 Orange St	Quick Pick Food Store	3,280

Center	Tenant	Square Feet
1124 Orange St	Alberto's Mexican Food	1,307
1132 Orange St	Nayar Bakery	2,460
1755 Orange Tree Ln	Collective Scrapbooking	1,485
1764 Orange Tree Ln	Orange Tree Lane Deli	2,952
1770 Orange Tree Ln	Nick Rail Music	2,952
1737-A Orange Tree Ln	VACANT	6,771
1737 Orange Tree Ln	Collective Journey Scrapbooking	6,983
1801 Orange Tree Ln	Party Plus	7,706
2065 Orange Tree Lane	Sit N' Sleep	14,172
2073 Orange Tree Ln	VACANT	1,125
2081 Orange Tree Ln	VACANT	1,000
2083 Orange Tree Ln	VACANT	770
2087 Orange Tree Ln	Mill Creek BBQ	1,470
345 Pearl Ave	Eureka Burger	2,381
345 Pearl Ave #230	Dominos Pizza	3,101
345 Pearl Ave #140	Mikan Sushi Restaurant	3,999
345 Pearl Ave. #110	KAOS - Restaurant	1,719
732 Tennessee St	B&B Smoke Shop	910
758 Tennessee St	Fosters Donuts	1,323
762 Tennessee St	Thunder Insurance Srvcs	794
766 Tennessee St	Subway	1,587
770 Tennessee St	Papa John's	2,645
6 W Colton Ave	Ace Cash Express	1,719
10 W Colton Ave	U Save Market	1,323
16 W Colton Ave	Golden Donuts Inn	1,587
18 W Colton Ave	Labor Ready	1,587
30 W Colton Ave	Antonius Pizza	2,857
32 W Colton Ave	My 99 Cent Plus Store	2,247
34 W Colton Ave	Hosanna International Ministry	2,285
410 W Colton Ave	American Tire Depot	4,000
410 W Colton Ave	Certified Tire and Srvcs Center	500
418 W Colton Ave	VACANT	770
501 W Colton Ave	Assistance Living Thrift Shop	1,980
614 W Colton Ave	VACANT	668
6__ W Colton Ave	La Costa Mariscos Restaurant	840
836 W Colton Ave	Shakey's Pizza	2,160
710 W Colton Ave	Valero	2,500
716 Tennessee	Royal Liquor	2,555
720 Tennessee	Crystal Cleaners	1,555
724 Tennessee	Tatoo Revolution	1,444
728 Tennessee	The Show - Sports Store	889
73_ Tennessee	VACANT	1,666
736 Tennessee	The Adult Shop	2,777

Center	Tenant	Square Feet
1140 W Colton Ave	Coco's Bakery Restaurants	5,904
1205 W Colton Ave	Carl's Jr.	3,166
1210 W Colton Ave	El Pollo Loco	2,350
1225 W Colton Ave	Taco Bell	450
1245 W Colton Ave	Arby's	2,750
1265 W Colton Ave	Baker's Drive Thru Restaurants	2,722
1321 W Colton Ave	Revolution Cocktails	2,240
1331 W Colton Ave	déjà vu Cocktails	2,170
1399 W Colton Ave	Pizza Hut	2,750
1405 W. Colton Ave	Mona Lisa Restaurant	2,428
1705 W Lugonia Ave	Brake Masters	4,000
231 W. Lugonia Ave. #L	The Office Court Café	1,889
110 W Redlands Blvd	Sizzler	5,500
1580 W Redlands Blvd	Chevron	1,000
1601 W Redlands Blvd	7 Eleven	2,000
1620 W Redlands Blvd	McDonald's	2,633
1624 W Redlands Blvd	Del Taco	1,862
1626 W Redlands Blvd	Nick's Burgers	3,417
1631 Redlands Blvd	Goodyear	6,865
1639 W Redlands Blvd	Midas	4,000
1650 W Redlands Blvd	Pepboys Auto	22,354
1678 W Redlands Blvd	99 Cents Only	24,743
1894 W Redlands Blvd	Thai House Restaurant	2,999
1911 W Redlands Blvd	Bravo Burgers	2,999
1961 W Redlands Blvd	Wienerschnitzel	1,652
1971 W Redlands Blvd	Angel Nails	0
1971 W Redlands Blvd #A	AT&T Wireless	1,000
1971 W Redlands Blvd	Subway	1,250
1981 W Redlands Blvd	Golden Spoon	1,500
1981 W Redlands Blvd	RadioShack	1,000
1981 W Redlands Blvd	Wok Experience	2,500
1991 W Redlands Blvd	Wendy's	3,255
2005 W Redlands Blvd	Panda Express	2,793
402 W Stuart Ave	Napa Auto Parts	5,350

Source: TNDG; CoStar Group

Table E-5
INVENTORY OF RETAIL TENANTS AND SQUARE FEET OF BUILDING SPACE
NEIGHBORHOOD SHOPPING CENTERS (GROCERY-ANCHORED)
CITY OF REDLANDS

Center	Tenant	Square Feet
UNIVERSITY PLAZA SHOPPING CENTER	Redlands Ranch Market	21,000
800 E Lugonia Ave	Cleaners	1,381
Redlands, CA	Marcis Nails and Hair Styles	1,688
	San Bernardino County	7,000
	Second Life Thrift Store	13,466
	Shell	2,500
	Sky Coin Laundry	1,500
	Uncle Howie's Pizza	4,800
	University Plaza Barber Shop	1,381
	Walgreens	12,990
	Water and Ice Cream	1,381
	YMCA Pre-School	10,000
	Total Square Feet	*79,087*
	Total Vacant Square Feet	*0*
STATER BROS. CENTER	Stater Bros.	25,610
11 E Colton Ave		
Redlands, CA		
ORANGE STREET PLAZA	Vons	43,279
410-552 Orange St	Arrowhead Credit Union	1,500
Redlands, CA	Attitudes Hair	2,100
	Bliss Hair Studio	1,333
	Candy Apple	3,000
	Ceramic Zone	2,500
	Check Into Cash	1,500
	Coffee Bean & Tea Leaf	2,269
	Phoenicia Greek & Lebanese Cuisine	3,000
	Five Point Nails	1,004
	Foot Solutions	1,500
	H&R Block	1,476
	Office Depot	23,667
	Ohana Yogurt	1,947
	Open Kitchen	2,936
	Orange Plaza Cleaners	1,367
	Orange Plaza Dentistry	1,640
	Orange Plaza Optometry	1,312
	Police Sub-station	15,000
	PostalAnnex+	1,328
	VACANT	1,312
	Redlands Dental Group	5,184
	Redlands Sports Gallery	4,000
	Sachi Japanese Cuisine	1,476
	Scottrade Branch Office	2,500

Center	Tenant	Square Feet
ORANGE STREET PLAZA (cont.)	Smoke Shop	2,900
410-552 Orange St	Subway	1,319
Redlands, CA	T Mobile	1,688
	Trader Joe's	12,443
	VACANT	5,925
	VACANT #572	2,837
	Van Shoes	1,350
	Totall Square Feet	*156,592*
	Total Vacant Square Feet	*10,074*
CITRUS VILLAGE PLAZA	Albertsons	65,000
450 E Cypress Ave & 700 E Redlands Blvd	24 Hour Fitness	18,969
Redlands, CA	Allure Beauty Shop	5,030
	Blockbuster	7,900
	Check 'n Go	1,100
	Dentist's Office	1,548
	Hairmasters	1,100
	Mr. You Chinese Food	1,100
	Quiznos Sub	1,050
CITRUS VILLAGE PLAZA (cont.)	RadioShack	2,640
450 E Cypress Ave & 700 E Redlands Blvd	Redlands Cleaners	1,415
Redlands, CA	Rite Aid	17,700
	Susie's Deals	6,940
	Panera Bread	5,210
	Tanning Salon	2,580
	The UPS Store	1,482
	VACANT	8,252
	VACANT	500
	VACANT	2,000
	Village Barber Shop	1,260
	Sav-on Pharmacy	500
	Total Square Feet	*153,276*
	Total Vacant Square Feet	*10,752*
GERRARD'S MARKET	Gerrard's	22,540
705 W Cypress Ave		
Redlands, CA		
BROOKSIDE PLAZA	Stater Bros.	35,332
1536-1578 Barton Rd	ACS Discovery Shops	2,328
Redlands, CA	Advance America Cash Advance	1,280
	VACANT	963
	Cleaners	698
	Conroy's Flowers	1,608
	Family Cuts	1,375
	Hancock Fabrics	14,250

Center	Tenant	Square Feet
BROOKSIDE PLAZA (cont.)	Holmes and Associates	1,100
1536-1578 Barton Rd	Insurance	815
Redlands, CA	Kumon Learning Center	1,164
	Le Basil Restaurant	1,978
	Leslie's Swimming Pool Supplies	3,700
	Antonius Pizza	1,354
	Nails 4 U	815
	Optometry	815
	Phoenicia Restaurant	1,143
	Postal Connection	1,047
	Redlands Family Dentistry	1,513
	Redlands Family Physicians	3,714
	VACANT	1,926
	VACANT (1506)	815
	Smoke Shop	815
	VACANT (1552)	1,629
	Subway	1,200
	Super Sushi Japanese Restaur.	2,201
	VACANT (1558)	698
	Swirly D'Lite Yogurt	931
	West Paws Pet Grooming	825
	Verizon Wireless	815
	Water	815
	Total Square Feet	*89,662*
	Total Vacant Square Feet	*6,031*
LUGONIA PLAZA	Stater Bros.	30,080
1748-1790 E Lugonia Ave	Diamond Massage	1,000
SWC Lugonia Ave & Wabash Ave	All American Cleaners	1,428
Redlands, CA	Cuca's Mexican Food & Cantina	4,285
	Domino's Pizza	1,000
	H&R Block	518
	State Farm Insurance	1,000
	Joe's Liquor	2,000
	Johnny's Tacos and Sports	1,926
	Karen's Donuts	1,428
	Leading Ladies Fitness Ctr.	1,000
	McDonald's	2,962
	Nails Lugonia	518
	VACANT	1,285
	Panda Bowl Chinese Food	741
	VACANT	3,285

Center	Tenant	Square Feet
LUGONIA PLAZA (cont.)	Smokes	518
1748-1790 E Lugonia Ave	Style Cuts	1,285
SWC Lugonia Ave & Wabash Ave	Subway	1,250
Redlands, CA	Super 98 + Store	1,000
	East Valley Pet Hospital (Suite #128)	4,000
	Focus Victory Clothing Boutique	741
	Garden Thai	750
	Venezia Pizza	1,185
	Video Fox 2	1,926
	Water Store	1,000
	Total Square Feet	*68,111*
	Total Vacant Square Feet	*4,570*
SMART & FINAL	Smart & Final	14,800
1720 W Redlands Blvd		
Redlands, CA		

Source: TNDG; CoStar Group

Table E-6
INVENTORY OF RETAIL TENANTS AND SQUARE FEET OF BUILDING SPACE
DOWNTOWN AREA (NON-SHOPPING CENTERS)
CITY OF REDLANDS

Address	Tenant	Square Feet	
320 and 324 E Citrus	A Rolling Stone - Beads, Gifts	2,116	
316 E Citrus	Coins and Collectibles	1,693	
310 E Citrus	Maudin Financial Services	2,116	*
308 E Citrus	State Farm Insurance	926	*
306 E Citrus	Redlands Escrow	1,323	*
304-B E Citrus	Personal Fitness Studio	1,587	*
304-A E Citrus	Hair and Skin Care	1,455	
302 E Citrus	Edward Jones	1,058	*
300 E Citrus	Orange Hill Realty	1,058	*
298 E Citrus	Laura's Travel Service	2,645	*
256 E Citrus	Brisket's Deli Restaurant	2,248	
244 E Citrus	Mozarts - Gifts, Home Furnishings	9,813	
21 E Citrus	Christy's Personal Training	1,904	*
31 E Citrus	Uncle Ron's Barbershop	667	
35 E Citrus	Redlands Jeweler/Clock Repair	2,962	*
12 N 5th	Homan and Stone Attorneys	5,026	*
5 E Citrus #105	The Reader Magazine	762	
5 E Citrus#103	Breathe Yoga Salon	1,047	
5 E Citrus #110	VACANT	1,428	
5 E Citrus #101	Comic Quest	2,031	
105 E Citrus	Martha Green Bread and Pastries	4,121	
111 E Citrus	Martha Green Eating Room/Tea Rm.	3,317	
401 E Citrus	Simple Living Furniture	2,513	
405 E Citrus	Milt Miner, CPA	1,111	*
407 E Citrus	Investor's Capital - Fin. Svcs.	1,000	*
409 E Citrus	Redlands Print Shop	2,000	
415 E Citrus	Hear RX	1,000	*
421 E Citrus	Dance Reflections - Dance Studio	1,095	*
423 E Citrus	The Bag Ladies - Ladie's Apparel	1,095	
425 E Citrus	VACANT	852	
427 E Citrus	Economy West Driving School	973	*
501 E Citrus #A	Serendipity - Hair, Skin Care	1,016	
501 E Citrus #B	Eric's Barber Shop	762	
501 E Citrus #C	Wolf CPA	762	*
501 E Citrus #D	Hogi Yogi - Yogurt, etc.	1,587	
507 E Citrus	Salon Museum - Hair, Skin, Gifts	2,857	
14 E Redlands Blvd	Studio 1 Salon	825	
24 E Redlands Blvd	Tartan Restaurant	3,957	
1 E State St	Charlie Jewells - Restaurant/Bar	4,592	
11 E State St	Leroy's Boardshop	4,592	
15 E State St	Las Brasa's Mexican Restaurant	1,333	
17 E State St	Redlands Galleria	5,480	
25 E State St	Care, Inc.	1,524	*
27 E State St	Emerson and Farrar Jewelers	1,354	

Address	Tenant	Feet	
109 E State St	Affiliate N Vidision Laser Eye Centers	1,270	*
109-A E. State St.	Devi-Clothing	1,428	
113 E State St	Citrograph Printing Co.	1,058	
117 E State St	Cabinet Factory Outlets	7,300	
129 E State St	Modern Home Relics	4,380	
211 E State St	Showstopper	2,698	
205 E State St	Offices	3,618	*
215 E State St	Art Center and Gallery	2,513	
217 E State St	Aveda Salon	794	
221 E State St	Redlands Beauty Center	1,587	
233-H State St	Next Apparel - Women's Apparel	1,852	
233-A State St	Sliger's Music	2,142	
208 E State St	VACANT	1,111	
206 E State St	VACANT	1,111	
204 E State St	Technicolor Salon	1,111	
202 E State St	State Street Deli	1,111	
200 E State St	Bachelli Men's Clothing	1,111	
124 E State St	J.D. Myers Bodywear	1,587	
122 E State St	J.D. Myers Homewares	1,587	
120 E State St	Gourmet Pizza Shop	2,857	
114 E State St	The Blues - Estate Shop	3,015	
112 E State St	Blesch and Associates Real Estate	1,587	*
110 E State St	Smith Jewelers	1,746	
104 E State St	Paxton's Cellar - Home Furnishings	2,381	
104 E State St	Caprice - Restaurant	3,015	
28 E State St	Comic Quest	794	
26 E State St	Betty's Hamburgers	1,455	
24 E State St	Chief Behr Salon	1,058	
22 E State St	The Farm - Restaurant	1,852	
20 E State St	Wilson Jewelry	1,323	
18 E State St	Denim Gallery - Clothing	1,190	
16 E State St	Kerry's Coffee	1,190	
14 E State St	Shake It Up Dance Studio	1,323	*
12 E State St	Nectar - Clothing	1,190	
10 E State St	Mountain Vista Optical	1,190	*
8 E State St	Lasting Impressions - Photography	1,323	*
6 E State St	Todd Hamilton Salon	1,190	
2 E State St	Ozel Jewelers of Redlands	3,703	
404 E State St	VACANT	2,010	
405A E State St	Baskin Robbins	1,333	
409 E State St	Consignment Treasures	1,608	
411 E State St	Treasures	760	
413 E State St	Duanes Hair Designers	762	
415 E State St	Rubie Tuesday's Boutique	931	
419 E State St	Furry Face Café/Boutique - Pet Shop	3,280	
421 E State St	Eden Salon	719	
427 E State St	Eclipse Salon	899	
431 E State St	Hair Brokers	899	
430 E State St	Shear Perfection	2,857	
422 E State St	Redlands Sewing Machine Center	2,714	
420 E State St	Wild Hair Salon/Albion Day Spa	2,857	
202 E State St	DunnRite Painting Specialists	0	*

Address	Tenant	Feet
202 E State St	Sensible Chic	0
218 E State St	1st Centennial Bancorp	8,500 *
220 E State St	Wells Fargo Bank	0 *
300 E State St	A.G. Edwards	2,000 *
300 E State St	Citibank	3,000 *
300 E State St	Eadie and Payne, LLP	10,650 *
300 E State St	Stout & Waner	3,000 *
300 E State St	UBS	4,000 *
11 N 5th St	Identities Hair Salon	846
19 5th St	Oscar's Mexican Restaurant	2,645
109 5th St	Canvas Skin Care Studio	989
113 5th St	Augies Coffeehouse	1,058
108 5th St	Caprice	6,665
6 N 8th St	Don Leonard Realty	1,333 *
10 N 8th St	Traveling Notary	1,111 *
14 N 8th St	Guay Wilson Attorney at Law	1,333 *
4 E Redlands Blvd	Redlands Shoe and Boot Repair	1,143 *
___ Orange St	VACANT	8,000
348 Orange St	Landers Furniture City	11,188
344 Orange St	Wine Shop and Lounge	2,984
342 Orange St	Brockus Conservacory of Dance	2,486 *
340 Orange St	VACANT	1,481
338 Orange St	The Flamingo - Cocktail Lounge	2,407
336 Orange St	VACANT	3,232
330 Orange St	Romano's Italian Restaurant	4,475
328 Orange St	Citrone Restaurant and Bar	2,920
220 Orange St	Joe Greensleeves Restaurant	2,486
218 Orange St	Hot Locks Salon	1,222
214 Orange St	Jersey's Pizza	1,397
208 Orange St	Redlands Guitar Shop	2,095
206 Orange St	Bijoux Luxury Jewelers	873
204 Orange St	Re Global Property Management	1,047 *
120 Orange St	Dance Horizons Dance Studio	1,571 *
118 Orange St	Hapdosool Assoc. - Martial Arts	1,857 *
116 Orange St	Redlands Estate Sale Consign.	2,856
110 Orange St	Antiques	1,857
106 Orange St	Royal Falconer - Brit. Pub/Rest.	1,714
347 Orange St	Ocean Blue - Japanese Rest.	1,651
349 Orange St	VACANT	1,910
409 Orange St	BH Antiques	4,142
501 Orange St	Banned - Skate and Surf Shop	2,619
515 Orange St	Kragen Auto Parts	16,161

Address	Tenant	Feet
623 Orange St	Papaya Bay - Thai Cuisine	3,216
625 Orange St	Verizon Wireless	2,338
627 Orange St	Starbucks	1,640
629 Orange St	Juice It Up	1,496
631 Orange St	Togos	1,640
633 Orange St	Rubios	2,296
635 Orange St	Chipotle Mexican Grill	4,232

Source: TNDG; CoStar Group
*Office/non-retail uses are not counted in square foot totals

APPENDIX F:

PLANNED / PENDING RETAIL PROJECTS
SECONDARY MARKET AREAS

Table F-1:
Planned and Pending Retail Projects
Regional Retail Trade Area – Secondary Market Areas

Shopping Center	Square Feet		Major Tenants	Status
City of Highland				
UNNAMED	15,500		Grease Monkey	Entitled
SWC Base Line Rd & Boulder Ave				
Highland, CA				
SAN MANUEL VILLAGE	32,443			Entitled
27981 Highland Ave				
Highland, CA				
UNNAMED	3,100		Farmer Boys	Entitled
NWC Palm Ave & 5th St	6,200			
Highland, CA				
UNNAMED – Byung Lee	20,000			Entitled
2649 Base Line Rd				
Highland, CA				
GREENSPOT VILLAGE & MARKETPLACE	102,560	*		Submitted
N of Greenspot Rd, btw SR 30 & Boulder Ave				
Highland, CA				
UNNAMED - Milestone Management	13,013		CVS Pharmacy	Entitled
NEC Base Line Rd & Palm Ave	2,100		Baker's	
Highland, CA				
UNNAMED - ICO Real Estate	2,600		Jack in the Box	Submitted
SWC Greenspot Rd & Boulder Ave	28,000			
Highland, CA				
LOWE'S SHOPPING CENTER	170,000		Lowe's	Entitled
SEC Greenspot Rd & SR 30	30,000		Staples	
Highland, CA				
UNNAMED - AYSAR HEIO	23,500			Entitled
S of Base Line Rd, N of Pluto St				
Highland, CA				
UNNAMED - Red Nab	3,800		Denny's	1st Quarter - 2009
NWC Base Line Rd & SR 30	20,000			
Highland, CA				
UNNAMED - Young Shin	5,000		Dairy Queen	Entitled
SWC Base Line Rd & Bonita Dr				
Highland, CA				

Shopping Center	Square Feet		Major Tenants	Status
UNNAMED - Regency Centers SEC Greenspot Rd & SR 30 Highland, CA	65,000 35,000	*	L.A. Fitness	Entitled
JACK IN THE BOX SWC Sterling Ave & Base Line Rd Highland, CA	2,793		Jack in the Box	Entitled
UNNAMED - Saber Awad SWC Sterling Ave & Base Line Rd Highland, CA	22,000			Proposed
TOWN CENTER RETAIL CENTER Base Line, between Palm and Church Ave Highland, CA	13,969		Fresh & Easy	Proposed
UNNAMED - Ram Cam NWC Base Line Rd & Boulder Ave Highland, CA	6,037			Submitted
City of Yucaipa				
RETAIL CENTER – 3 buildings Yucaipa Blvd & 6th St Yucaipa, CA	15,366			Under Construction
City of Loma Linda				
FRESH & EASY Redlands Blvd & Mountain View Ave Loma Linda, CA	13,969			Built
RETAIL/SERVICE BUILDINGS SEC Mountain View Ave & Barton Rd Loma Linda, CA	9,600		McDonalds Chase Bank	Proposed

Source: Cities of Highland, Loma Linda, and Yucaipa.

Notes: * Includes only retail portion of project.