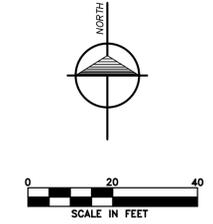
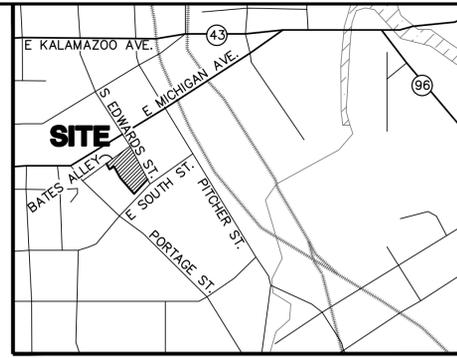


LEGAL DESCRIPTION
 1908 Original Plat of the Town (now City) of Kalamazoo, Kalamazoo County, Michigan, Liber 6 of Plats, Page 8, that part of the Northeasterly 50 feet of Lot 101 lying South of Bates Alley. Also that part of Lots 103 and 105 lying South of Bates Alley. Also blank lots bounded on the West by Lots 154, 156 and 158 of said Plat, on the South by the North line East South Street, on the East by the West line South Edwards Street, and on the North by the South line of Lots 103 and 105 of said Plat.



3 WORKING DAYS BEFORE YOU DIG CALL MISS DIG 1-800-482-7171



VICINITY MAP
NOT TO SCALE

BASIS OF BEARINGS

Bearings are based on the Easterly line of Portage Street being North 45°00'00" West per Document No. 2017-023779, Kalamazoo County Records.

LAND AREA

PARENT PARCEL: 54,710 S.F. (1.26± ACRES)

PARKING NOTE

114 REGULAR PARKING SPACES
 3 HANDICAP PARKING SPACES
 117 TOTAL PARKING SPACES

LEGEND

- ▲ - TRAVERSE POINT
- ▲ - WELL
- - HIGHWAY
- ⊙ - MONUMENT
- ⊙ - MONUMENT BOX
- - RIGHT OF WAY MARKER
- - SET WOODSTAKE
- ✂ - XCUT
- PK - PK NAIL
- - FOUND IRON STAKE
- - SET IRON STAKE
- - SIGN
- RR - RR SIGN
- - GUY POLE
- - GUY ANCHOR
- - UTILITY POLE
- ★ - LIGHT POLE
- - ORNAMENTAL LIGHT POLE
- - POST
- - U.G. UTILITY MARKER
- XX - SOIL BORING
- MB - MAILBOX
- - SATELLITE DISH
- - HAND HOLE
- AC - AC UNIT
- - U.G. UTILITY MARKER
- - FIRE HYDRANT
- ⊙ - PIV - POST INDICATOR VALVE
- - WATER VALVE
- ⊗ - GAS VALVE
- - UST FILL PORT
- - GAS PUMP
- - GAS METER
- WM - WATER METER
- TE - TELEPHONE RISER
- EM - ELECTRIC METER
- CTV - CABLE TV RISER
- CB - CATCH BASIN
- RCB - ROUND CATCH BASIN
- UM - UTILITY MANHOLE
- SM - STORM MANHOLE
- SMH - SANITARY MANHOLE
- EMH - ELECTRIC MANHOLE
- TMH - TELEPHONE MANHOLE
- WMH - WATER MANHOLE
- HP - HANDICAP PARKING SPACE
- SH - SHRUB
- T - TREE
- PT - PINE TREE
- TL - TELEPHONE UTILITY LINE
- EL - ELECTRIC UTILITY LINE
- WL - WATER UTILITY LINE
- GL - GAS UTILITY LINE
- SL - STEAM UTILITY LINE
- STL - STORM UTILITY LINE
- SUL - SANITARY UTILITY LINE
- FOL - FIBER OPTIC UTILITY LINE
- OL - OVERHEAD UTILITY LINE
- FL - FENCE LINE

All utilities as shown are approximate locations derived from actual measurements and available records. They should not be interpreted to be in exact location nor should it be assumed that they are the only utilities in the area.

SURVEYOR'S CERTIFICATE

To: The City of Kalamazoo and Transnation Title Agency of Michigan Grand Rapids

This is to certify that this map or plat and the survey on which it is based were made in accordance with the 2016 Minimum Standard Detail Requirements for ALTA/ACSM Land Title Surveys, jointly established and adopted by ALTA and NSPS, and includes items 2, 3, 4, 7(a) 7(b)(1), 7(c), 8, 9, 13, and 16 of Table A thereof.

The field work was completed on October 26, 2020.

Date of Map: _____

PRELIMINARY

Anthony A. Milanowski P.S. #4001066015

NOTES CORRESPONDING TO SCHEDULE B

1. The Title Search Summary, issued by Transnation Title Agency of Michigan Grand Rapids, as File No. 332131, dated October 07, 2020 contains the following exceptions which are survey matters and affect / do not affect the subject property or its appurtenant easements as noted:
9. Easements over subject property as shown on the recorded plat. NOTHING TO PLOT.
10. Terms, conditions and provisions which are recited in the Deed recorded in Liber 145, Page 579. UNABLE TO READ DOCUMENT.
11. The Agreement as recorded in Liber 246, Page 387. UNABLE TO PLOT.
12. The Agreement as recorded in Liber 572, Page 630. AFFECTS THE SUBJECT PROPERTY AS PARTIALLY SHOWN; MISSING DOCUMENTS AND REFERENCES BUILDINGS THAT APPEAR TO NO LONGER EXIST.
13. Terms, conditions and provisions which are recited in the Quit Claim Deed and Easement recorded in Liber 582, Page 361. DOES NOT AFFECT THE SUBJECT PROPERTY.
14. The Sign Easement as recorded in Liber 975, Page 158. AFFECTS THE PROPERTY AS SHOWN APPROXIMATE.

GENERAL NOTES

1. At the time of this survey there was no evidence, visible or documented that indicates the subject property has ever been used as a cemetery.
2. No buildings were observed on the subject property. (Item 7)
3. No observable evidence of earth moving work, building construction or building additions within recent months. (Item 16)

FLOOD PLAIN INFORMATION

We have consulted the Federal Emergency Management Agency national flood insurance map as prepared for Kalamazoo County, Michigan, Map Number 26077C0187D dated February 17, 2010, and find that the project site is in Zone X (Unshaded). (Area of minimal flood hazard).

ELEVATION DATUM

All Elevations are based on NAVD 88 Datum. Contours are illustrated at 1.0' intervals.

Bm#1) Elevation: 775.11'
 Railroad spike on southwesterly side of utility pole on west side of Edwards Street.

RE: 140 S EDWARD ST
 KALAMAZOO, MI

PARCEL NO. 06-15-384-001
 GRIN, LLC

williams&works
 engineers | surveyors | planners
 616.224.1500 phone | http://williamsworks.com
 549 Ottawa Ave NW | Grand Rapids, MI 49503

NO	REVISIONS	BY	DATE
1			

MAP OF SURVEY OF
 PART OF 1908 ORIGINAL PLAT OF THE TOWN OF KALAMAZOO
 CITY OF KALAMAZOO, KALAMAZOO COUNTY, MICHIGAN
 AS PREPARED FOR
 MICHIGAN MUNICIPAL LEAGUE

SURVEYED BY	DATE	DRAWN BY	DATE	CHECKED BY	DATE
B. McCURE	10/26/20	E. VANDENBERG	12/02/20	A. MILANOWSKI	12/02/20

PROJECT 220136
 FILE 220136bm.dwg

1
 SHEET NO.

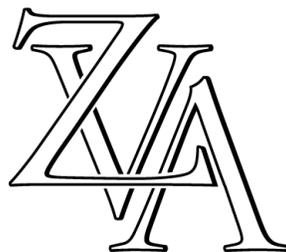
AN ANALYSIS OF RESIDENTIAL MARKET POTENTIAL

The Target Market Study Area
Downtown Kalamazoo and Surrounding Neighborhoods

The City of Kalamazoo,
Kalamazoo County, Michigan

June, 2018

Conducted by
ZIMMERMAN/VOLK ASSOCIATES, INC.
P.O. Box 4907
Clinton, New Jersey 08809





ZIMMERMAN/VOLK ASSOCIATES, INC.

Post Office Box 4907
Clinton, New Jersey 08809
908 735-6336
info@ZVA.cc • www.ZVA.cc

Residential Market Analysis Across the Urban-to-Rural Transect

STUDY CONTENTS

An Analysis of Residential Market Potential 1
The Target Market Study Area
Downtown Kalamazoo and Surrounding Neighborhoods
Introduction 1
Annual Average Market Potential for the City of Kalamazoo 3
Annual Average Market Potential for the Target Market Study Area 5
Target Market Analysis 10
The Current Context 13
Multi-Family Rental Properties 13
Multi-Family And Single-Family Attached For-Sale Properties 16
Single-Family Detached For-Sale Properties 17
Optimum Market Position 18
Multi-Family For-Rent Distribution By Rent Range 18
Multi-Family For-Sale Distribution By Rent Range 20
Single-Family Attached For-Sale Distribution By Rent Range 22
Single-Family Detached For-Sale Distribution By Rent Range 24
OPTIMUM MARKET POSITION: THE TARGET MARKET STUDY AREA 26
MARKET CAPTURE 30
Study Area Housing Types 33
Supporting Tables 36
Table 1: Annual Market Potential for New and Existing Housing Units
Table 2: Annual Market Potential By Lifestage And Household Type
Table 3: Summary Of Selected Rental Properties
Table 4: Summary Of Selected For-Sale Multi-Family And Single-Family Attached Developments
Table 5: Summary Of Selected Sales: New/Resale Single-Family Detached Houses
Table 6: Target Groups For New Multi-Family For-Rent
Table 7: Target Groups For New Multi-Family For-Sale
Table 8: Target Groups For New Single-Family Attached For-Sale
Table 9: Target Groups For New Urban Single-Family Detached For-Sale
Table 10: Optimum Market Position
Assumptions and Limitations
Copyright





ZIMMERMAN/VOLK ASSOCIATES, INC.

Post Office Box 4907
Clinton, New Jersey 08809
908 735-6336
info@ZVA.cc • www.ZVA.cc

Residential Market Analysis Across the Urban-to-Rural Transect

AN ANALYSIS OF RESIDENTIAL MARKET POTENTIAL

The Target Market Study Area Downtown Kalamazoo and Surrounding Neighborhoods *The City of Kalamazoo, Kalamazoo County, Michigan*

June, 2018

INTRODUCTION

The purpose of this study is to update the market potential and optimum market position for newly-introduced urban housing units—created both through adaptive re-use of existing non-residential buildings as well as through new construction—that could be developed over the next five years within the Target Market Study Area in the City of Kalamazoo, Kalamazoo County, Michigan. The optimum market position has been derived from: the housing preferences, financial capacities, and lifestyle characteristics of the target households; the Study Area’s location, visibility and physical attributes; the rental and for-sale housing market context in the Downtown Kalamazoo market area; and Zimmerman/Volk Associates’ extensive experience with urban development and redevelopment. The original study was published in December 2014.

The Study Area encompasses Census Tracts 1, 2.01, 2.02, 3, 5, 6, 9, 10, and 11 and includes the core Downtown and some or all of the in-town neighborhoods—Northside, Eastside, Edison, Southside, Vine, Stuart, West Main Hill, and Fairmount (Douglas)—that surround the Downtown.

The depth and breadth of the potential market of the potential market for new housing units to be developed within the Study Area were identified using Zimmerman/Volk Associates’ proprietary target market methodology. This methodology was developed in response to the challenges that are inherent in the application of conventional supply/demand analysis to urban development and redevelopment. Supply/demand analysis ignores the potential impact of newly-introduced housing supply on settlement patterns, which can be substantial when housing choices in the market are increased with new housing types that match the housing preferences and economic capabilities of the draw area households.

The Target Market Study Area
Downtown Kalamazoo and Surrounding Neighborhoods
The City of Kalamazoo, Kalamazoo County, Michigan
June, 2018

In contrast to conventional supply/demand analysis, then, which is typically limited by supply-side dynamics and baseline demographic projections, target market analysis determines the depth and breadth of the potential market derived from the housing preferences and socio-economic characteristics of households in the defined draw areas. Because it considers not only basic demographic characteristics, such as income qualification and age, but also less frequently analyzed attributes such as lifestage, mobility rates, lifestyle patterns and household compatibility issues, the target market methodology is particularly effective in defining a realistic housing potential for urban development and redevelopment where often no directly-comparable properties exist.

For this update, Zimmerman/Volk Associates re-examined the following:

- Where the potential renters and buyers of new and existing housing units in the City of Kalamazoo and the Target Market Study Area are likely to move from (the draw areas);
- How many households have the potential to move within and to the city and the Study Area each year if appropriate housing units were to be made available (depth and breadth of the market);
- What their housing preferences are in aggregate (rental or ownership, multi-family or single-family);
- Who the households are that represent the potential market for new units in the Study Area (the target markets);
- What their range of affordability is by housing type (income qualifications);
- What their current housing alternatives are (the Downtown Kalamazoo area market context);
- What the rents and prices are of new units that could be developed within the Target Market Study Area that correspond to target household financial capabilities (optimum market position); and
- How quickly they will rent or purchase the new units (absorption forecasts).

The target market methodology is described in detail in the METHODOLOGY AND TARGET MARKET TABLES document, provided separately.

The Target Market Study Area
Downtown Kalamazoo and Surrounding Neighborhoods
The City of Kalamazoo, Kalamazoo County, Michigan
June, 2018

ANNUAL AVERAGE MARKET POTENTIAL FOR THE CITY OF KALAMAZOO

The extent and characteristics of the potential market for new residential units within the City of Kalamazoo and the Target Market Study Area have been re-examined through detailed analysis of households living within the appropriate draw areas.

An understanding of mobility trends, as well as the socio-economic and lifestyle characteristics of households currently living within defined draw areas, is the first step in the analysis. The draw areas are derived primarily through household migration analysis (using the latest taxpayer data provided by the Internal Revenue Service). To refine the draw area for the city, the IRS migration data have been supplemented by population migration and mobility data for the City of Kalamazoo from the most recent American Community Survey.

Where are the potential renters and buyers of new and existing housing units in the City of Kalamazoo likely to move from?

Updated migration and mobility data—as derived from taxpayer records compiled by the Internal Revenue Service from 2011 through 2015 and from the most recent American Community Survey for Kalamazoo County and for the City of Kalamazoo—shows that the draw areas for new and existing housing units in the city include the following:

- The local draw area, covering households currently living within the Kalamazoo city limits.
- The county draw area, covering households currently living elsewhere in Kalamazoo County.
- The regional draw area, covering households with the potential to move to the City of Kalamazoo from Van Buren, Calhoun, Allegan, Kent, and St. Joseph Counties.
- The national draw area, covering households with the potential to move to the City of Kalamazoo from all other U.S. counties.

As derived from the updated migration, mobility and target market analyses, then, the draw area distribution of market potential (those households with the potential to move within or to Kalamazoo each year over the next five years) is as shown on the table on the following page:

The Target Market Study Area
 Downtown Kalamazoo and Surrounding Neighborhoods
The City of Kalamazoo, Kalamazoo County, Michigan
 June, 2018

Annual Average Market Potential by Draw Area
City of Kalamazoo, Kalamazoo County, Michigan

City of Kalamazoo:	49.7%
Balance of Kalamazoo County:	18.2%
Van Buren, Calhoun, Allegan, Kent, and St. Joseph Counties:	10.9%
Balance of the U.S.:	<u>21.2%</u>
Total:	100.0%

SOURCE: Zimmerman/Volk Associates, Inc., 2018.

*How many households have the potential to move within
 and to the city each year?*

As determined by the target market methodology, which accounts for household mobility within the City of Kalamazoo, as well as migration and mobility patterns for households currently living in all other counties, an annual average of 9,445 households represent the annual potential market for new and existing housing units within the city each year over the next five years, down slightly from the nearly 10,000 households in 2014.

Younger singles and couples are likely to account for 58.3 percent of the annual potential market, down from nearly two-thirds in 2014; another 28.6 percent are likely to be traditional and non-traditional families, an increase from 20.2 percent in 2014; and 13 percent are likely to be empty nesters and retirees, slightly higher than the 12.7 percent in 2014.

The Target Market Study Area
 Downtown Kalamazoo and Surrounding Neighborhoods
The City of Kalamazoo, Kalamazoo County, Michigan
 June, 2018

ANNUAL AVERAGE MARKET POTENTIAL FOR THE TARGET MARKET STUDY AREA

Where are the potential renters and buyers of new and existing housing units the Target Market Study Area likely to move from?

As in the original study, the target market methodology identifies those households that prefer living in downtowns and walkable mixed-use neighborhoods. After discounting for those segments of the city's potential market that have preferences for housing in more suburban neighborhoods, the distribution of draw area market potential for new and existing housing units in the Study Area is summarized as follows:

Annual Average Market Potential by Draw Area The Target Market Study Area <i>City of Kalamazoo, Kalamazoo County, Michigan</i>	
City of Kalamazoo:	55.5%
Balance of Kalamazoo County:	12.9%
Van Buren, Calhoun, Allegan, Kent, and St. Joseph Counties:	5.3%
Balance of the U.S.:	<u>26.3%</u>
Total:	100.0%

SOURCE: Zimmerman/Volk Associates, Inc., 2018.

Approximately 44 percent of the target households will be moving to the Study Area from outside the Kalamazoo city limits.

How many households have the potential to move within and to the Target Market Study Area each year?

Based on the updated analysis, then, which accounts for household mobility within the City of Kalamazoo and the balance of Kalamazoo County, as well as migration and mobility patterns for households currently living in all other cities and counties, an annual average of 3,180 younger singles and couples, empty nesters and retirees, and traditional and non-traditional families of all incomes represent the potential market for new and existing housing units within the Study Area each year over the next five years (*see Table 1 following the text*). This number is considerably higher than the annual average of just under 2,500 Study Area households in 2014. Approximately 71.4 percent of these households are likely to be younger singles and couples, considerably higher than their two-thirds share in 2014; 16.4 percent are likely to be empty nesters and retirees, slightly lower than 16.6 percent in 2014; and the remaining 12.2 percent are likely to be traditional and non-traditional families, five percentage points lower than in 2014. (*See Table 2.*)

The Target Market Study Area
 Downtown Kalamazoo and Surrounding Neighborhoods
The City of Kalamazoo, Kalamazoo County, Michigan
 June, 2018

What are their housing preferences in aggregate?

The protracted ownership housing slump since 2008 has led to a measurable shift in market preferences from home ownership to rental dwelling units, particularly among younger households, yielding a higher share of consumer preference for multi-family rentals even among relatively affluent consumers than would have been typical less than a decade ago. At the same time, there continues to be a significant shift in preferences from suburban subdivisions toward mixed-use, walkable neighborhoods.

The updated tenure (rental or ownership) preferences of the 3,180 draw area households that represent the annual potential market for new housing units in the Study Area show that, reflecting that shift, approximately 64.7 percent of these households (or 2,056 households) comprise the potential market for new rental units, a significant increase since the 51 percent rental share in 2014. The remaining 35.3 percent (1,124 households) would choose some form of ownership housing (nearly eight percentage points below the current estimated homeownership rate in the city of 43.2 percent).

The combined tenure and housing type propensities of those 3,180 renter and owner households are outlined on the table on the following page (*see again* Table 1):

Tenure/Housing Type Propensities
 Annual Average Market Potential for New Housing Units
 THE TARGET MARKET STUDY AREA
City of Kalamazoo, Kalamazoo County, Michigan

HOUSING TYPE	NUMBER OF HOUSEHOLDS	PERCENT OF TOTAL
Multi-family for-rent (lofts/apartments, leaseholder)	2,056	64.7%
Multi-family for-sale (lofts/apartments, condo/co-op ownership)	253	8.0%
Single-family attached for-sale (townhouses/live-work, fee-simple/ condominium ownership)	270	8.5%
Single-family detached for-sale (houses, fee-simple ownership)	<u>601</u>	<u>18.8%</u>
Total	3,180	100.0%

SOURCE: Zimmerman/Volk Associates, Inc., 2018.

The Target Market Study Area
 Downtown Kalamazoo and Surrounding Neighborhoods
The City of Kalamazoo, Kalamazoo County, Michigan
 June, 2018

What is their range of affordability by housing type?

The 3,180 households that represent the annual potential market for new housing units in the Target Market Study Area have also been segmented by income, based on the Kalamazoo-Portage median family income (AMI), which, as determined by the U.S. Department of Housing and Urban Development (HUD) in 2018, is \$70,300, for a family of four; this study examines affordability based on the following general income groupings:

- Households with incomes below 30 percent AMI (the majority of these households typically qualify only for public housing or older existing units);
- Households with incomes between 30 and 50 percent of AMI (these households typically qualify for existing affordable rental housing, or heavily subsidized ownership housing);
- Households with incomes between 50 and 80 percent of AMI (these households typically qualify for new workforce or affordable rental housing or subsidized ownership housing);
- Households with incomes between 80 and 100 percent AMI (these households typically qualify for existing market-rate rentals or new workforce or affordable for-sale housing); and
- Households with incomes above 100 percent AMI (these households generally have sufficient incomes to rent or purchase market-rate housing).

The combined tenure and housing type preferences and financial capabilities of the 3,180 target households are shown on the following table (*see again* Table 1):

Tenure/Housing Type Propensities by Income
 Annual Average Market Potential for New Housing Units
 The Target Market Study Area
City of Kalamazoo, Kalamazoo County, Michigan

HOUSING TYPE	..... HOUSEHOLDS	
	NUMBER	PERCENT
Multi-family for-rent		
< 30% AMI	494	15.5%
30% to 50% AMI	294	9.3%
50% to 80% AMI	380	12.0%
80% to 100% AMI	207	6.5%
> 100% AMI	<u>681</u>	<u>21.4%</u>
Total multi-family for-rent	2,056	64.7%

continued on following page . . .

The Target Market Study Area
 Downtown Kalamazoo and Surrounding Neighborhoods
The City of Kalamazoo, Kalamazoo County, Michigan
 June, 2018

... continued from preceding page

HOUSING TYPE	.....HOUSEHOLDS.....	
	NUMBER	PERCENT
Multi-family for-sale		
< 30% AMI	49	1.6%
30% to 50% AMI	32	1.0%
50% to 80% AMI	42	1.3%
80% to 100% AMI	20	0.6%
> 100% AMI	<u>110</u>	<u>3.5%</u>
Total multi-family for-sale	253	8.0%
Single-family attached for-sale		
< 30% AMI	52	1.6%
30% to 50% AMI	31	1.0%
50% to 80% AMI	46	1.5%
80% to 100% AMI	22	0.7%
> 100% AMI	<u>119</u>	<u>3.7%</u>
Total single-family attached for-sale	270	8.5%
Single-family detached for-sale		
< 30% AMI	103	3.2%
30% to 50% AMI	71	2.2%
50% to 80% AMI	105	3.3%
80% to 100% AMI	61	1.9%
> 100% AMI	<u>261</u>	<u>8.2%</u>
Total single-family detached for-sale	601	18.8%
Grand total	3,180	100.0%

SOURCE: Zimmerman/Volk Associates, Inc., 2018.

Summarizing the incomes and financial capabilities of the 3,180 target households that represent the annual potential market for new housing units in the Study Area, 21.9 percent (698 households) have incomes at 30 percent or less than the AMI; 13.5 percent (428 households) have incomes between 30 and 50 percent AMI; 18 percent (573 households) have incomes between 50 and 80 percent AMI; 9.7 percent (310 households) have incomes between 80 and 100 percent AMI; and 36.9 percent (1,171 households) have incomes above 100 percent AMI.

Because of the significant subsidies required to enable households with incomes below 50 percent AMI to rent or own newly-constructed housing, those households have not been included in the more detailed analysis of the potential market which follows. Limited to households with incomes above 50 percent AMI, then, an annual average of 2,054 households currently living in the defined draw areas represents the pool of potential renters/buyers of new housing units (new construction

The Target Market Study Area
 Downtown Kalamazoo and Surrounding Neighborhoods
The City of Kalamazoo, Kalamazoo County, Michigan
 June, 2018

and/or adaptive re-use of non-residential structures) within the Target Market Study Area each year over the next five years.

As derived from the tenure and housing preferences, qualified by income, of those 2,054 draw area households, the distribution of rental and for-sale multi-family and for-sale single-family attached and detached housing types is shown on the following table:

**Tenure/Housing Type Propensities by Income
 Incomes At or Above 50 Percent AMI
 Annual Average Market Potential for New Housing Units
 The Target Market Study Area
 City of Kalamazoo, Kalamazoo County, Michigan**

HOUSING TYPE	..... HOUSEHOLDS	
	NUMBER	PERCENT
Multi-family for-rent		
50% to 80% AMI	380	18.5%
> 80% AMI	<u>888</u>	<u>43.2%</u>
Total multi-family for-rent	1,268	61.7%
Multi-family for-sale		
50% to 80% AMI	42	2.0%
> 80% AMI	<u>130</u>	<u>6.4%</u>
Total multi-family for-sale	172	8.4%
Single-family attached for-sale		
50% to 80% AMI	46	2.2%
> 80% AMI	<u>141</u>	<u>6.9%</u>
Total single-family attached for-sale	187	9.1%
Single-family detached for-sale		
50% to 80% AMI	105	5.1%
> 80% AMI	<u>322</u>	<u>15.7%</u>
Total single-family detached for-sale	427	20.8%
Grand total	2,054	100.0%

SOURCE: Zimmerman/Volk Associates, Inc., 2018.

Approximately 27.9 percent (573 households) of the target households have incomes between 50 and 80 percent AMI, and 72.1 percent (1,481 households) have incomes above 80 percent AMI. The rents and price points for new market-rate housing units that could be developed in the Study Area have been derived from the income and financial capabilities of those target households that have incomes above 80 percent of the AMI. The target households with incomes between 50 and 80 percent of the AMI would qualify for new workforce/affordable housing units.

The Target Market Study Area
Downtown Kalamazoo and Surrounding Neighborhoods
The City of Kalamazoo, Kalamazoo County, Michigan
June, 2018

TARGET MARKET ANALYSIS

Who are the households that represent the potential market for new units in the Study Area?

As determined by the target market analysis, the general market segments, by lifestage and household type, that represent the potential market for new housing units in the Target Market Study Area include (*see also* Table 2):

- Younger singles and childless couples—including young professionals, office, government and retail workers, knowledge workers, as well as students and other young college, university and hospital-related employees (71.4 percent);
- Empty nesters and retirees, some with incomes from social security alone, others who also have pensions, savings and investments, and the remainder who are still working (16.4 percent); and
- Traditional and non-traditional family households, of which a significant number are single parents with one or two children, as well as traditional family household heads, ranging from blue-collar workers, government employees, as well as small business owners and office employees, or affiliated with one of the hospitals or educational/cultural institutions located in the city (12.2 percent).

Some of the factors contributing to the largest share of the market held by younger singles and couples are:

- Their higher mobility rates—young people tend to move much more frequently than older people;
- Their strong preference for urban apartments, particularly lofts;
- The reduced mobility of older singles and couples because of their inability, or reluctance, to sell their existing units; and
- The fact that, outside of cities like New York, Chicago, or San Francisco, downtown dwelling units are rarely the choice of traditional families, in large part because of concerns

The Target Market Study Area
Downtown Kalamazoo and Surrounding Neighborhoods
The City of Kalamazoo, Kalamazoo County, Michigan
June, 2018

about school quality, and the lack of private outdoor space in which their children can play unsupervised.

This younger market includes a variety of white-collar professionals and young entrepreneurs—*New Power Couples*, *The VIPs*, and *Fast-Track Professionals*, artists and “knowledge workers,” as well as recent college graduates working in Downtown—the *New Bohemians*, *Cosmopolitan Elite*, and *Suburban Achievers*; retail and office workers and hospital affiliates—*Small-City Singles*, *Twentysomethings*, *Second-City Strivers*, and *Suburban Strivers*, also including *Downtown Couples*, *Downtown Proud*, and *Multi-Ethnic Singles*.

Over 57 percent of the younger singles and couples that represent the market for new housing units in the Target Market Study Area would be moving from elsewhere in the city; 13 percent would be moving from elsewhere in Kalamazoo County; just six percent would be moving from the regional draw; and approximately 23 percent would be moving from elsewhere in the United States.

The next largest general market segment, at just over 16 percent of the annual potential market for new housing units in the Target Market Study Area, is comprised of older households (empty nesters and retirees). Most of these households have adult children who no longer live in the family home; many are enthusiastic participants in community life and most are still actively involved in well-paying careers in the banking, legal and financial professions. These target groups range from the most affluent *Social Register*, *The One Percenters*, and *Old Money* to the well-to-do *Affluent Empty Nesters*, *Suburban Establishment*, *Urban Establishment*, and *Second-City Establishment* to the comfortable *Mainstream Empty Nesters*, *Middle-American Retirees*, *Blue-Collar Retirees*, *Middle-Class Move-Downs*, *Multi-Ethnic Empty Nesters*, and *Cosmopolitan Couples*. Also included are older households who are struggling financially, the *Hometown Seniors* and *Second City Seniors*.

Half of the older households would be moving from elsewhere within the City of Kalamazoo; approximately 12.5 percent would be moving from another location in Kalamazoo County; just under four percent are currently living in one of the counties of the regional draw area; and the remaining third would be moving from elsewhere in the U.S.

The Target Market Study Area
Downtown Kalamazoo and Surrounding Neighborhoods
The City of Kalamazoo, Kalamazoo County, Michigan
June, 2018

Family-oriented households represent just over 12 percent of the market for new dwelling units in the Target Market Study Area. Households with children are now increasingly diverse and in many urban areas are largely non-traditional families. Heads of the more affluent households have careers in government and public service, and upper-middle management jobs, or are professionals in the financial and legal sectors. These households include *Corporate Establishment, e-Type Families, Fiber-Optic Families and Unibox Transferees. Late-Nest Suburbanites, Uptown Families, and Multi-Ethnic Families* are mid-level office and retail workers. Just under half of the family households heads are blue-collar or service workers, many of whom are economically stressed, ranging from *Inner-City Families* and *Single-Parent Families*, to *In-Town Families* and *New American Strivers*.

More than 51 percent of the family households are already living in the City of Kalamazoo, 11.5 percent are currently living elsewhere in Kalamazoo County, just three percent would be moving from one of the counties in the regional draw area, and the remaining 35 percent would be moving from elsewhere in the U.S.

APPENDIX THREE, TARGET MARKET DESCRIPTIONS, contains detailed descriptions of each of these target market groups and is provided in a separate document. The METHODOLOGY document describes how the target market groups for the Study Area are determined.

The Target Market Study Area
Downtown Kalamazoo and Surrounding Neighborhoods
The City of Kalamazoo, Kalamazoo County, Michigan
June, 2018

THE CURRENT CONTEXT

What are the alternatives?

—Multi-Family Rental Properties—

Summary supply-side information for the Kalamazoo market area (covering multi-family rental and for-sale properties and for-sale single-family attached and detached units) is provided in tabular form following the text: Table 3, Summary of Selected Rental Properties; Table 4, Summary of Selected For-Sale Multi-Family and Single-Family Attached Developments, which includes both resale listings and new construction; and Table 5, Summary of Selected Sales, New/Resale Single-Family Detached Houses.

Walk Score, a number between 0 and 100 denoting the walkability of a specific address or neighborhood, has grown in importance as a value criterion. Walk Scores above 90 indicate a “Walker’s Paradise,” where daily errands do not require a car. Walk Scores between 70 and 90 are considered to be very walkable, where most errands can be accomplished on foot. Walk Scores below 50 indicate that most or almost all errands require an automobile.

The overall Walk Score for Downtown Kalamazoo is 87, very walkable. Walk Scores for the 23 rental properties included in the survey range between 0 and 92, with the highest scores registered by properties located in Downtown Kalamazoo, and the lowest scores by properties located in the outer-ring suburbs.

—Multi-Family Rental Properties—

Table 3 provides detailed information on the 23 rental properties included in the survey and is summarized below.

—Studios (five properties)—

- Rents for studios range from \$495 per month at the Prange Building on South Rose Street in Downtown to \$635 per month at Woodstone Apartments, on Greenleaf Boulevard.
- Studios range in size from 288 square feet at Clayborne Court on Clayborne Drive, to 650 square feet at the Prange Building on South Rose Street.

The Target Market Study Area
 Downtown Kalamazoo and Surrounding Neighborhoods
The City of Kalamazoo, Kalamazoo County, Michigan
 June, 2018

- The studio rents per square foot range between \$0.92 at the Prange Building and \$1.80 at Old Towne Commons on North Burdick Street.

—*One-Bedroom Units (18 properties)*—

- Rents for one-bedroom apartments with one or one-and-a-half baths range from \$588 per month at Peppertree Apartments on South 11th Street to \$1,850 per month for a one-bedroom with one-and-a-half baths at Peregrine Square on South Kalamazoo Mall.
- One-bedroom units range in size from 440 square feet at Old Town Commons to 1,291 square feet for the one-bedroom/one-and-a-half bath unit at Peregrine Square.
- One-bedroom rents per square foot for flats range from \$0.83 for a loft unit at Coopers Landing on Coopers Landing Drive to \$2.38 for a furnished unit at Drakes Pond on South Drake Road. Coopers Square is the only property that offers one-bedroom townhouses; they have one-and-a-half baths in 844 square feet and rent for \$799 a month (\$0.95 per square foot).

—*Two-Bedroom Units (20 properties)*—

- Two-bedroom units include two-bedroom apartments with one or one-and-a-half baths (12 properties); two-bedroom apartments with two or two-and-a-half baths (15 properties); and two-bedroom townhouses with two or two-and-a-half baths (two properties).

Rents for two-bedroom/one-bath units range from \$640 per month at Nottingham Place on South Drake Road to \$2,200 per month for a furnished unit at Drake's Pond. Rents for two-bedroom/two-bath units range from \$830 per month at Gull Prairie/Gull Run on Gull Run Drive to \$2,750 per month for a two-bedroom/two-and-a-half bath apartment at Barclay Square at Kalamazoo Commons on South Kalamazoo Mall.

Rents for two-bedroom townhouses range from \$1,125 per month at Greenhill Apartments on Lake Forest Boulevard to \$1,485 per month at Gull Prairie/Gull Run.

The Target Market Study Area
 Downtown Kalamazoo and Surrounding Neighborhoods
The City of Kalamazoo, Kalamazoo County, Michigan
 June, 2018

- Two-bedroom apartments range in size from 655 square feet for a two-bedroom/one-bath apartment at Peppertree Apartments to 1,810 square feet for a two-bedroom/two-and-a-half bath apartment at Kalamazoo Commons.

Two-bedroom townhouses range in size from 1,240 square feet (one-and-a-half baths) at Greenhill, to 2,059 square feet (two-and-a-half baths) at Gull Prairie/Gull Run.

- Two-bedroom apartment rents per square foot generally fall between \$0.67 for a two-bedroom/one-bath apartment at Nottingham Place on South Drake Road and \$2.16 for a furnished unit at Drakes Pond.

Rents per square foot for two-bedroom townhouses start at \$0.68 at Gull Prairie/Gull Run to \$1.01 at Greenhill.

—*Three-Bedroom Units (10 properties)*—

- Three-bedroom units include three-bedroom apartment with one or one-and-a-half baths (three properties) and three-bedroom apartments with two or more baths (five properties); and three-bedroom townhouses (two properties).

Rents for three-bedroom flats range between \$845 per month at Nottingham Place and \$3,300 per month at Kalamazoo Commons.

Rents for three-bedroom townhouses range between \$1,129 per month at Coopers Landing and \$1,605 per month at Gull Prairie/Gull Run.

- Three-bedroom apartments contain between 900 square feet at Old Towne Commons and 3,000 square feet for a furnished apartment at the Rosenbaum Building on East Michigan Avenue.

Three-bedroom townhouses range between 1,260 square feet at Coopers Landing and 2,093 square feet at Gull Prairie/Gull Run.

The Target Market Study Area
Downtown Kalamazoo and Surrounding Neighborhoods
The City of Kalamazoo, Kalamazoo County, Michigan
June, 2018

- Three-bedroom rents per square foot for apartments fall between \$0.57 at the Prange Building and \$1.43 at Kalamazoo Commons, and for townhouses from \$0.75 at Gull Prairie/Gull Run to \$0.92 at Coopers Landing.

Of those properties that provided information on vacancies, all but one are at functional full occupancy (less than five percent vacancy rate); many are fully-occupied. To make up for the lack of walkability, nearly all of the more recently-constructed apartment properties in the suburbs provide extensive amenities, with, at minimum, swimming pools, fitness centers, playgrounds, and tennis courts.

—*Multi-Family and Single Family Attached For-Sale Properties*—

Table 4 provides detailed information on the few condominium and single-family attached (mostly in duplex structures) units for sale in the Kalamazoo area in April 2018. Only two resales were on the market in the Downtown area at the time of the survey: a one-bedroom/two bath loft at Arcadia, located on North Kalamazoo Mall, priced at \$250,000 for 1,071 square feet of living space (\$233 per square foot); and a three-bedroom/three-and-a-half bath townhouse at City Place Bella Vista on Summit Drive containing over 3,400 square feet and priced at \$315,000 (\$92 per square foot). The Walk Scores of each of the listings were above 75, very walkable.

In the Kalamazoo market area, four properties currently selling attached units, primarily duplexes, have been included in the survey. These include Hunter's Creek, Walden Woods, Redstone Farms, and Carriage Pointe at Applegate. The two-bedroom units at Hunter's Creek are priced between \$259,900 and \$404,290, with square footages ranging between just under 1,600 square feet and 2,160 square feet (\$120 to \$257 per square foot).

Walden Woods is marketing two- and three-bedroom duplexes, starting at \$295,200 and priced up to \$351,200 for 1,284 to 2,268 square feet of living space (\$155 to \$230 per square foot). At Redstone Farms, the 2,237-square-foot units can be configured with either two- or three-bedrooms, priced at \$309,210 and \$333,900 (\$138 to \$149 per square foot). Finally, Carriage Pointe at Applegate is selling two- to five-bedroom floorplans ranging in price from \$376,900 to \$394,900 for 2,050 to 3,083 square feet of living space (\$128 to \$184 per square foot).

The Target Market Study Area
Downtown Kalamazoo and Surrounding Neighborhoods
The City of Kalamazoo, Kalamazoo County, Michigan
June, 2018

—*Single Family Detached For-Sale Properties*—

Most of the single-family detached houses included in the survey are older houses in several of the Study Area neighborhoods including Northside, Edison, Southside, Vine, Stuart, West Main Hill, and Stuart, along with West Douglas and Oakland-Winchell. Because of the age of most of these houses, the price per square foot is less than \$100.

Of the 32 houses on the market in April, 2018, only six had prices per square foot above \$100: three were larger, more expensive houses on Long Road ranging in price from \$799,000 to \$1,165,500 and in price per square foot from \$147 to \$333. Two century-old houses were located on Grand Avenue in West Main Hill, with asking prices of \$314,900 and \$349,000 (\$137 and \$129 per square foot, respectively). The most expensive house, on Shelter Pointe Drive in the Oakland-Winchell area, built in 2012, was listed at \$1.8 million, or \$278 per square foot.

In Kalamazoo County, a number of subdivisions are selling new detached houses. At Sky King Meadows in Oshtemo Township, three- and four-bedroom floorplans carry base prices between \$209,900 to \$318,900 for 1,743 to 3,423 square feet of living space (\$93 to \$133 per square foot). Two newly-constructed four-bedroom houses are listed for \$229,900 and \$279,900 for 1,870 and 2,393 square feet (\$123 and \$117 per square foot, respectively).

The second phase of Meadowwood in Comstock Township has four three-bedroom houses on the market, priced between \$227,000 and \$229,000 for the 1,472-square-foot model to \$239,000 and \$242,000 for the 1,817-square-foot floorplan (\$133 to \$154 per square foot).

In Texas Township, several resales are on the market, as well as new houses being developed in subdivisions. The three- and four-bedroom floorplans at Applegate Trails range between 1,653 and 3,423 square feet in size and \$279,900 to \$343,900 in price (\$100 to \$169 per square foot). Three four-bedroom Applegate Trails houses have been built on Waltham Drive, priced at \$317,900, \$344,900, and \$369,900, containing 2,392, 2,637, and 3,070 square feet respectively (\$120 to \$133 per square foot). The most expensive new construction house has been built on Veronica Street and contains four bedrooms/three-and-a-half baths, priced at \$524,900 for 2,956 square feet of living space (\$178 per square foot).

The Target Market Study Area
 Downtown Kalamazoo and Surrounding Neighborhoods
The City of Kalamazoo, Kalamazoo County, Michigan
 June, 2018

OPTIMUM MARKET POSITION

As noted above under AVERAGE ANNUAL MARKET POTENTIAL FOR THE TARGET MARKET STUDY AREA, the market-entry rents and price points for new housing units that could be developed within the Study Area are derived from the income and financial capabilities of the draw area target households. Of the total 2,054 draw area target households, 573 have annual incomes between 50 and 80 percent of AMI (workforce/affordable, an income range between \$24,100 for a single-person household to over \$59,500 for a five-person household); and 1,481 have annual incomes above 80 percent AMI (market-rate, annual incomes above \$38,550).

—Multi-Family For-Rent Distribution by Rent Range—

An annual average of 1,268 households with incomes at or above 50 percent AMI represent the target markets for newly-constructed market-rate and affordable/workforce rental housing units within the Target Market Study Area (*as shown on Table 6 following the text*). Seventy percent (888 households) have annual incomes above 80 percent of the AMI (market-rate) and 30 percent (380 households) have annual incomes between 50 and 80 percent of the AMI (affordable/workforce).

For market-rate rentals, supportable rent ranges are based on 25 percent of the annual gross incomes, ranging from below \$800 per month to over \$2,500 per month, of the average annual 888 target households with incomes above 80 percent of the AMI, yielding the following distribution:

New Multi-Family For-Rent Distribution by Rent Range
 Target Households With Incomes Above 80 Percent AMI
 THE TARGET MARKET STUDY AREA
City of Kalamazoo, Kalamazoo County, Michigan

MONTHLY RENT RANGE	HOUSEHOLDS PER YEAR	PERCENTAGE
\$750–\$1,000	233	26.2%
\$1,000–\$1,250	224	25.2%
\$1,250–\$1,500	199	22.4%
\$1,500–\$1,750	137	15.5%
\$1,750–\$2,000	61	6.9%
\$2,000 –\$2,250	13	1.5%
\$2,250 –\$2,500	11	1.2%
\$2,500 and up	10	1.1%
Total:	888	100.0%

SOURCE: Zimmerman/Volk Associates, Inc., 2018.

The Target Market Study Area
 Downtown Kalamazoo and Surrounding Neighborhoods
The City of Kalamazoo, Kalamazoo County, Michigan
 June, 2018

For affordable/workforce rentals, supportable rent ranges have been established at 25 percent of the annual gross incomes, ranging between approximately \$500 per month for a single-person household to \$1,250 per month for a five-person household, of the average annual 380 target households with incomes between 50 and 80 percent of the AMI, yielding the following distribution:

New Multi-Family For-Rent Distribution by Rent Range
 Target Households With Incomes Between 50 And 80 Percent AMI
 THE TARGET MARKET STUDY AREA
City of Kalamazoo, Kalamazoo County, Michigan

MONTHLY RENT RANGE	HOUSEHOLDS PER YEAR	PERCENTAGE
\$500–\$750	177	46.6%
\$750–\$1,000	152	40.0%
\$1,000–\$1,250	<u>51</u>	<u>13.4%</u>
Total:	380	<u>100.0%</u>

SOURCE: Zimmerman/Volk Associates, Inc., 2018.

- The largest group of target renters are younger singles and couples, at over 81 percent of the market for new rental units within the Target Market Study Area. A plurality, over 47 percent, of the younger singles and couples can afford rents between \$500 and \$1,000 per month. A third would be able to support rents between \$1,000 and \$1,750 per month. Just under 17 percent have careers that provide them with the financial capacity to afford rents at or above \$1,750 per month, primarily *New Power Couples*, the *New Bohemians*, *The VIPs*, and *Fast-Track Professionals*.
- Empty nesters and retirees represent just under 11 percent of the market for new rental units within the Study Area. Half of the older households represent the market for new units with rents between \$500 and \$1,000 per month. Just under 32 percent are able to support rents between \$1,000 and \$1,750 per month. Nearly 18 percent of the targeted empty nester and retiree market—*The One Percenters*, *Old Money*, *Social Register*, *Affluent Empty Nesters*, and *Suburban Establishment*—have the income and assets that enable them to support rents significantly above \$1,750 per month.
- Traditional and non-traditional families make up just eight percent of the market for new rental units within the Study Area. The majority—over 60 percent—can support rents between approximately \$750 and \$1,250 per month. Just 13 percent of the family market can afford rents between \$1,250 and \$1,750 per. However, almost 27 percent represent the

The Target Market Study Area
 Downtown Kalamazoo and Surrounding Neighborhoods
The City of Kalamazoo, Kalamazoo County, Michigan
 June, 2018

market for new units with rents above \$1,750 per month, predominantly *Corporate Establishment, Nouveau Money, e-Type Families, and Button-Down Families.*

—*Multi-Family For-Sale Distribution by Price Range*—

An annual average of 172 households with incomes at or above 50 percent AMI represent the target markets for newly-constructed market-rate and affordable/workforce for-sale housing units (condominiums) within the Target Market Study Area (*as shown on Table 7 following the text*). Nearly 76 percent (130 households) have annual incomes above 80 percent of the AMI (market-rate) and over 24 percent (42 households) have annual incomes between 50 and 80 percent of the AMI (affordable/workforce).

Supportable market-rate price points have been determined by assuming a down payment of 10 percent, and a monthly mortgage payment, excluding taxes and utilities, that does not exceed 25 percent of annual gross income of the average annual 120 target households with incomes above 80 percent of the AMI (\$40,000 per year and up), yielding the following distribution:

New Multi-Family For-Sale Distribution by Price Range
 Target Households With Incomes Above 80 Percent AMI
 THE TARGET MARKET STUDY AREA
City of Kalamazoo, Kalamazoo County, Michigan

PRICE RANGE	HOUSEHOLDS PER YEAR	PERCENTAGE
\$125,000–\$150,000	27	20.8%
\$150,000–\$175,000	29	22.3%
\$175,000–\$200,000	26	20.0%
\$200,000–\$225,000	17	13.1%
\$225,000–\$250,000	13	10.0%
\$250,000–\$275,000	9	6.9%
\$275,000 and up	<u>9</u>	<u>6.9%</u>
Total:	130	100.0%

SOURCE: Zimmerman/Volk Associates, Inc., 2018.

For affordable/workforce condominiums, supportable price ranges have again been established at 25 percent of the annual gross incomes of the average annual 42 target households with incomes between 50 and 80 percent of the AMI (approximately \$24,100 to over \$170,000 for a family of five at 80 percent of AMI), yielding the distribution shown on the following page:

The Target Market Study Area
 Downtown Kalamazoo and Surrounding Neighborhoods
The City of Kalamazoo, Kalamazoo County, Michigan
 June, 2018

New Multi-Family For-Sale Distribution by Price Range
 Target Households With Incomes Between 50 And 80 Percent AMI
 THE TARGET MARKET STUDY AREA
City of Kalamazoo, Kalamazoo County, Michigan

PRICE RANGE	HOUSEHOLDS PER YEAR	PERCENTAGE
\$75,000–\$100,000	17	40.5%
\$100,000–\$125,000	13	31.0%
\$125,000–\$150,000	<u>12</u>	<u>28.5%</u>
Total:	42	100.0%

SOURCE: Zimmerman/Volk Associates, Inc., 2018.

- Younger singles and couples again represent the largest share of the market, at over 70 percent of the market for new for-sale condominiums within the Target Market Study Area. Approximately 44 percent of the younger singles and couples would be in the market for new condominiums with base prices between \$75,000 and \$150,000. More than half of the younger households could afford new units priced between \$150,000 and \$250,000. Just five percent would have the income and equity to purchase new units priced above \$250,000 (*New Power Couples, New Bohemians, and Cosmopolitan Elite*).
- Empty nesters and retirees are the next largest segment of the market for new condominiums within the Target Market Study Area, at over 17 percent of the market. Just under 17 percent of the older singles and couples could afford new units priced over \$250,000, primarily *The Social Register, Suburban Establishment, and Urban Establishment*. Over 43 percent of the older households would be in the market for new condominiums with base prices between \$150,000 and \$250,000. The remaining 40 percent of the empty nesters and retirees could only afford units priced between \$75,000 and \$150,000.
- The remainder of the market, traditional and non-traditional families, comprises just 12.2 percent of the market for new for-sale condominiums within the Target Market Study Area. One third have the income and assets to purchase new units priced at \$250,000 or more, primarily *Nouveau Money, e-Type Families, Button-Down Families, and Unibox Transferees*. Just under 53 percent of the family households would be in the market for new units priced between \$150,000 and \$250,000, and the remaining 14 percent can afford new condominiums priced between \$75,000 and \$150,000.

The Target Market Study Area
 Downtown Kalamazoo and Surrounding Neighborhoods
The City of Kalamazoo, Kalamazoo County, Michigan
 June, 2018

—*Single-Family Attached For-Sale Distribution by Price Range*—

An annual average of 218 households represents the target markets for newly-constructed single-family attached housing units (rowhouses/townhouses/duplexes) within the Target Market Study Area (*as shown on Table 8 following the text*). As with the for-sale condominiums, supportable price points for these units have been determined by assuming a down payment of 10 percent, and a monthly mortgage payment, excluding taxes and utilities, that does not exceed 25 percent of annual gross income.

The purchase potential of the 141 households with annual incomes above 80 percent of the AMI would be distributed as shown on the following table:

New Single-Family Attached For Sale Distribution by Price Range
 Target Households With Incomes Above 80 Percent AMI
 THE TARGET MARKET STUDY AREA
City of Kalamazoo, Kalamazoo County, Michigan

PRICE RANGE	HOUSEHOLDS PER YEAR	PERCENTAGE
\$150,000–\$175,000	37	26.2%
\$175,000–\$200,000	33	23.4%
\$200,000–\$225,000	20	14.2%
\$225,000–\$250,000	19	13.6%
\$250,000–\$275,000	16	11.3%
\$275,000 and up	<u>16</u>	<u>11.3%</u>
Total:	141	100.0%

SOURCE: Zimmerman/Volk Associates, Inc., 2018.

The purchase potential of the 77 households with annual incomes between 50 and 80 percent of the AMI would be distributed as outlined on the table on the following page:

The Target Market Study Area
 Downtown Kalamazoo and Surrounding Neighborhoods
The City of Kalamazoo, Kalamazoo County, Michigan
 June, 2018

New Single-Family Attached For-Sale Distribution by Price Range
 Target Households With Incomes Between 50 And 80 Percent AMI
 THE TARGET MARKET STUDY AREA
City of Kalamazoo, Kalamazoo County, Michigan

PRICE RANGE	HOUSEHOLDS PER YEAR	PERCENTAGE
\$75,000–\$100,000	31	40.2%
\$100,000–\$125,000	27	35.1%
\$125,000–\$150,000	16	20.8%
\$150,000–\$175,000	<u>3</u>	<u>3.9%</u>
Total:	77	100.0%

SOURCE: Zimmerman/Volk Associates, Inc., 2018.

- Younger singles and couples again represent the largest share, at nearly 62 percent, of the market for new single-family attached (rowhouses/townhouses/duplexes) within the Target Market Study Area. Just over 15 percent of the targeted younger singles and couples market—*New Power Couples, New Bohemians, Cosmopolitan Elite, and The VIPs*—have the incomes and assets that enable them to purchase new rowhouses/townhouses/duplexes with base prices above \$225,000. More than 51 percent could afford base prices between \$150,000 and \$225,000, and the remaining third are only able to purchase new units priced between \$100,000 and \$150,000.
- Empty nesters and retirees are again the second largest market, at 20.6 percent, for new for-sale single-family attached units within the Target Market Study Area. One third of the empty nesters and retirees have the incomes and assets that enable them to purchase rowhouses/townhouses/duplexes with base prices above \$225,000, primarily *The One Percenters, The Social Register, Affluent Empty Nesters, and Suburban Establishment*. Over half would be able to support base prices between \$150,000 and \$225,000, and nearly 16 percent could only afford new units priced between \$100,000 and \$150,000.
- Traditional and non-traditional families make up the remaining 17.4 percent of the market for new rowhouses/townhouses/duplexes within the Target Market Study Area. Over 39 percent of those traditional and non-traditional families market—*Corporate Establishment, Nouveau Money, e-Type Families, and Unibox Transferees*—have the income and assets that enable them to purchase new rowhouses/townhouses/duplexes with base prices above \$225,000. Approximately 45 percent are financially capable of purchasing new units priced

The Target Market Study Area
 Downtown Kalamazoo and Surrounding Neighborhoods
The City of Kalamazoo, Kalamazoo County, Michigan
 June, 2018

between \$150,000 and \$225,000, and the remaining 16 percent of the family market can afford base prices of new rowhouses/townhouses/duplexes between \$100,000 and \$150,000.

—*Single-Family Detached For-Sale Distribution by Price Range*—

An annual average of 427 households represents the target markets for newly-constructed single-family detached housing units (houses) within the Target Market Study Area (*as shown on Table 9 following the text*). As with the other for-sale housing types, supportable price points for these units have been determined by assuming a down payment of 10 percent, and a monthly mortgage payment, excluding taxes and utilities, that does not exceed 25 percent of annual gross income.

The purchase potential of the 322 households with annual incomes above 80 percent of the AMI would be distributed as shown on the following table:

New Single-Family Detached For Sale Distribution by Price Range
 Target Households With Incomes Above 80 Percent AMI
 THE TARGET MARKET STUDY AREA
City of Kalamazoo, Kalamazoo County, Michigan

PRICE RANGE	HOUSEHOLDS PER YEAR	PERCENTAGE
\$150,000–\$175,000	56	17.4%
\$175,000–\$200,000	68	21.1%
\$200,000–\$225,000	64	19.9%
\$225,000–\$250,000	59	18.3%
\$250,000–\$275,000	35	10.9%
\$275,000 and up	<u>40</u>	<u>12.4%</u>
Total:	322	100.0%

SOURCE: Zimmerman/Volk Associates, Inc., 2018.

The purchase potential of the 105 households with annual incomes between 50 and 80 percent of the AMI would be distributed as outlined on the table on the following page:

The Target Market Study Area
 Downtown Kalamazoo and Surrounding Neighborhoods
The City of Kalamazoo, Kalamazoo County, Michigan
 June, 2018

New Single-Family Detached For-Sale Distribution by Price Range
 Target Households With Incomes Between 50 And 80 Percent AMI
 THE TARGET MARKET STUDY AREA
City of Kalamazoo, Kalamazoo County, Michigan

PRICE RANGE	HOUSEHOLDS PER YEAR	PERCENTAGE
\$75,000–\$100,000	39	37.2%
\$100,000–\$125,000	35	33.3%
\$125,000–\$150,000	16	15.2%
\$150,000–\$175,000	<u>15</u>	<u>14.3%</u>
Total:	105	100.0%

SOURCE: Zimmerman/Volk Associates, Inc., 2018.

- Empty nesters and retirees are the largest market, at 38.2 percent, for new for-sale single-family detached units within the Target Market Study Area. Over 35 percent of the empty nesters and retirees have the capacity to purchase detached houses with base prices above \$250,000, with the same affluent groups—*The One Percenters, The Social Register, Affluent Empty Nesters, and Suburban Establishment*—the primary purchasers. Thirty percent would be able to support base prices between \$150,000 and \$250,000, and nearly 35 percent could only afford new units priced between \$75,000 and \$150,000.
- Younger singles and couples represent the second largest share, at nearly 35 percent, of the market for new single-family detached houses within the Target Market Study Area. Less than 2.5 percent of the younger singles and couples—*New Power Couples* and a few *New Bohemians*—have the incomes and assets that enable them to purchase new detached houses with base prices above \$250,000. The clear majority—almost 80 percent—could afford base prices between \$150,000 and \$250,000, and the remaining 17.5 percent are only able to purchase new units priced between \$75,000 and \$150,000.
- Traditional and non-traditional families make up the remaining 26.9 percent of the market for new single-family detached houses within the Target Market Study Area. Over 23 percent of those traditional and non-traditional families market—again, the *Corporate Establishment, Nouveau Money, e-Type Families, and Unibox Transferees*—have the income and assets that enable them to purchase new detached houses with base prices above \$250,000. Approximately 58 percent are financially capable of purchasing new units priced

The Target Market Study Area
Downtown Kalamazoo and Surrounding Neighborhoods
The City of Kalamazoo, Kalamazoo County, Michigan
June, 2018

between \$150,000 and \$250,000, and the remaining 18.2 percent of the family market can only afford base prices of new houses between \$100,000 and \$150,000.

—OPTIMUM MARKET POSITION
THE TARGET MARKET STUDY AREA—

There are several factors that contribute to the desirability of living in the Target Market Study Area:

- **Employment:** Downtown is the principle regional employment center, with multiple federal, county, and city government offices, Bronson Hospital and the Western Michigan University Medical School, numerous small businesses, shops, and restaurants.
- **Culture:** Downtown Kalamazoo is the cultural center of the region, where the Kalamazoo Institute of Arts, multiple museums, theaters, and performance venues are located, including four civic and professional performance organizations and a 14-screen cinema.
- **Historic buildings/districts:** A large number of architecturally and historically significant buildings and districts provide an historic identity for the city, both in the Downtown core and the surrounding neighborhoods, including the Bronson Park Historic District, the Haymarket Historic District, the Stuart Area Historic District, the South Street Historic District, Rose Place Historic District, and the Vine Area Historic District.
- **Educational Institutions:** Kalamazoo College and Western Michigan University, and the downtown campus of Kalamazoo Valley Community College, with thousands of students and education affiliates, are located adjacent to or within Downtown.
- **Walkability:** The Downtown is compact enough to walk from one end to the other; a 20-minute walk from the center of Downtown will take the pedestrian a couple of blocks north of Paterson Street in the Northside neighborhood, or almost to the city limits in the east, or to just south of Stockbridge Avenue in the Edison neighborhood and Pioneer Street in the Vine neighborhood in the south, or well into the campus of Western Michigan University and beyond Kalamazoo College, incorporating all of the Stuart neighborhood and part of the Douglas/Fairmont neighborhood in the west.

As detailed in AVERAGE ANNUAL MARKET POTENTIAL FOR THE TARGET MARKET STUDY AREA, an average of 1,268 potential renter households, 172 potential condominium purchaser households, 187 potential rowhouse/townhouse purchaser households, and 427 potential detached house purchaser

The Target Market Study Area
Downtown Kalamazoo and Surrounding Neighborhoods
The City of Kalamazoo, Kalamazoo County, Michigan
June, 2018

households—a total of 2,054 households with incomes at or above 50 percent of the AMI—comprise the annual potential market for new residential development in the Target Market Study Area over the next five years.

Approximately 28 percent of the target households, with incomes between 50 and 80 percent of the AMI, would qualify for new affordable/workforce housing units, and the remaining 72 percent, with incomes above 80 percent of the AMI, would qualify for new market-rate housing units. For new rental units, the ratio would be approximately 30 percent affordable/workforce to 70 percent market-rate; for new condominium units, the ratio would be approximately 24 percent affordable/workforce to 76 percent market-rate; and for new single-family attached and detached units, the ratio would be approximately 25 percent affordable/workforce to 75 percent market-rate.

The urban housing and unit types appropriate for construction in the core Downtown are rental and for-sale (condominium) lofts and apartments developed in the upper floors of Downtown multi-story buildings, as well as new multi-family construction, including podium and liner buildings, on redevelopment sites. In the surrounding neighborhoods, the appropriate urban housing types include small-scale apartment buildings, mansion apartment buildings, and new construction infill for-sale townhouse and urban detached houses. (*For greater detail, see URBAN BUILDING AND UNIT TYPES below.*)

The optimum market position of new housing units to be developed in the Target Market Study Area has therefore been established based on a variety of factors, including but not limited to:

- The tenure and housing preferences, financial capabilities, and lifestages of the target households;
- The physical and locational characteristics of the Study Area; and
- Current market area residential market dynamics.

Based on these factors, the optimum market position for new rental and for-sale housing within the Target Market Study Area is summarized on the table on the following page (*see also Table 10 following the text for greater detail*):

The Target Market Study Area
 Downtown Kalamazoo and Surrounding Neighborhoods
The City of Kalamazoo, Kalamazoo County, Michigan
 June, 2018

Optimum Market Position
 THE TARGET MARKET STUDY AREA
City of Kalamazoo, Kalamazoo County, Michigan

HOUSING TYPE	UNIT RENT/PRICE RANGE	UNIT SIZE RANGE	BASE RENT/PRICE PER SQ. FT.
MULTI-FAMILY FOR-RENT—61.7%			
Loft Apartments	\$600 to \$1,550/mo.	350 to 950 sf	\$1.32 to \$2.14
Upscale Apartments	\$1,150 to \$2,450/mo.	550 to 1,400 sf	\$1.75 to \$2.09
MULTI-FAMILY FOR-SALE—8.4%			
Condominiums	\$135,000 to \$190,000	800 to 1,200 sf	\$158 to \$169
Upscale Condominiums	\$195,000 to \$425,000	850 to 2,000 sf	\$200 to \$229
SINGLE-FAMILY ATTACHED FOR-SALE—9.1%			
Rowhouses/ Townhouses	\$160,000 to \$200,000	1,100 to 1,450 sf	\$138 to \$145
Duplexes/ Triplexes	\$175,000 to \$230,000	1,150 to 1,550 sf	\$148 to \$152
Upscale Rowhouses/ Townhouses	\$225,000 to \$295,000	1,200 to 1,700 sf	\$174 to \$188
URBAN SINGLE-FAMILY DETACHED FOR-SALE—20.8%			
Cottages/ Bungalows	\$165,000 to \$195,000	1,000 to 1,400 sf	\$139 to \$165
Urban Houses	\$210,000 to \$270,000	1,350 to 1,850 sf	\$146 to \$156
Upscale Urban Houses	\$235,000 to \$325,000	1,250 to 1,800 sf	\$181 to \$188

SOURCE: Zimmerman/Volk Associates, Inc., 2018.

Based on the unit types, sizes, and rents/prices outlined in the optimum market position, the weighted average rents and prices for each of the housing types are shown on the table on the following page:

The Target Market Study Area
 Downtown Kalamazoo and Surrounding Neighborhoods
The City of Kalamazoo, Kalamazoo County, Michigan
 June, 2018

Weighted Average Base Rents, Prices and Size Ranges
 THE TARGET MARKET STUDY AREA
City of Kalamazoo, Kalamazoo County, Michigan

HOUSING TYPE	WEIGHTED AVERAGE BASE RENT/PRICES	WEIGHTED AVERAGE UNIT SIZE	WEIGHTED AVERAGE BASE RENT/PRICES PER SQ. FT.
MULTI-FAMILY FOR-RENT			
Loft Apartments	\$1,003 per month	603 sf	\$1.66 psf
Upscale Apartments	\$1,818 per month	990 sf	\$1.84 psf
MULTI-FAMILY FOR-SALE			
Condominiums	\$161,000	988 sf	\$163 psf
Upscale Condominiums	\$260,000	1,263 sf	\$206 psf
SINGLE-FAMILY ATTACHED FOR-SALE			
Rowhouses/Townhouses	\$178,000	1,250 sf	\$142 psf
Duplexes/Triplexes	\$203,750	1,358 sf	\$150 psf
Upscale Rowhouses/Townhouses	\$265,500	1,495 sf	\$178 psf
SINGLE-FAMILY DETACHED FOR-SALE			
Cottages/Bungalows	\$178,500	1,200 sf	\$149 psf
Urban Houses	\$242,000	1,620 sf	\$149 psf
Upscale Urban Houses	\$282,000	1,535 sf	\$184 psf

SOURCE: Zimmerman/Volk Associates, Inc., 2018.

The proposed rents and prices are in year 2018 dollars and are exclusive of location or floor premiums and consumer-added options or upgrades.

From the perspective of draw area target market propensities and compatibility, a broad range of new construction as well as renovation of existing buildings will be required to support and sustain residential diversity in the study area. An effective housing strategy to build strong neighborhoods should include:

- Preservation of the built environment: the restoration, repositioning and/or adaptive re-use of existing buildings when they contribute positively to the urban context;
- New residential construction: the introduction of housing types not currently available or under-represented in the study area;

The Target Market Study Area
Downtown Kalamazoo and Surrounding Neighborhoods
The City of Kalamazoo, Kalamazoo County, Michigan
June, 2018

- Support for a variety of housing types, both rental and for-sale including higher-value market-rate as well as affordable and workforce housing units, throughout the Study Area; and
- Mixed-use development: the inclusion of both residential and retail within multi-story buildings, particularly along the commercial corridors.

The perception of investment opportunities in the Target Market Study Area will continue to evolve; the perception of economic potential in places once seen as high risk will ultimately shift from vulnerable to inevitable. It will therefore be important to develop the edges of the Study Area as well as the core Downtown.

Over the next five years, location will continue to have a significant impact on rents and prices; projects situated within or within a short walking distance of the core Downtown will command rents and prices at the upper end of values. Those projects that are located on the outer edges of the Study Area are likely to command rent and prices at the lower end of values.

—MARKET CAPTURE—

Based on over 30 years' experience employing the target market methodology in urban locations at every scale in 47 states, Zimmerman/Volk Associates has determined that new multi-family rental development (including adaptive re-use of existing non-residential buildings as well as new construction) within the Target Market Study Area should be able to achieve an annual capture of between 10 and 12 percent of the annual potential rental renter households each year over the next five years, assuming the production of appropriately-positioned new or renovated housing.

Given current economic conditions, and the expectation of continued improvement for new higher-density for-sale housing, Zimmerman/Volk Associates has determined that a capture of between 10 and 12 percent of the annual potential market for new condominiums, 7.5 percent to 10 percent for new rowhouses/townhouses; and five percent to 7.5 percent for new single-family detached houses could be achievable in the Study Area.

Annual average absorption over the next five years within the Target Market Study Area is forecast as shown on the table on the following page:

The Target Market Study Area
 Downtown Kalamazoo and Surrounding Neighborhoods
The City of Kalamazoo, Kalamazoo County, Michigan
 June, 2018

Annual Capture of Market Potential
Households With Incomes At Or Above 50 Percent AMI
The Target Market Study Area
City of Kalamazoo, Kalamazoo County, Michigan

HOUSING TYPE	NUMBER OF HOUSEHOLDS	CAPTURE RATE	NUMBER OF NEW UNITS
Multi-family for-rent (lofts/apartments, leaseholder)	1,268	10%-12%	127-152
Multi-family for-sale (lofts/apartments, condo/co-op ownership)	172	10%-12%	17-20
Single-family attached for-sale (rowhouses/townhouses, fee-simple ownership)	187	7.5%-10%	14-19
Single-family detached for-sale (urban houses, fee-simple ownership)	427	5%-7.5%	21-32
Total	2,054		179-223

SOURCE: Zimmerman/Volk Associates, Inc., 2018.

Based on the above capture rates of the potential market for new rental housing and new for-sale condominiums, rowhouses/townhouses/duplexes, and single-family houses, the Target Market Study Area should be able to absorb between 179 and 223 new rental and for-sale affordable/workforce and market-rate housing units per year each year over the next five years. Of that total, based on target household incomes, each year 51 to 63 new rental and for-sale units would be affordable to households earning between 50 percent and 80 percent of the AMI.

Over five years, these absorption forecasts/capture rates support the construction and absorption of between 895 and 1,115 new affordable and market-rate dwelling units within the Study Area. Of that total, based on target household incomes, 255 to 315 new rental and for-sale units would be affordable to households earning between 50 percent and 80 percent of the AMI. New mixed-income housing units, configured according to target market preferences, can not only attract new households to the Study Area, but can also provide appropriate alternatives to households living in the city who, due to a change in household or economic status, might otherwise have moved out.

The capture rates of the annual potential market used here fall within the target market methodology's parameters of feasibility.

NOTE: The target market capture rates of the potential purchaser or renter pool are a unique and highly-refined measure of feasibility. Target market capture rates are not equivalent to—and should not be confused with—penetration rates or traffic conversion rates.

The Target Market Study Area
Downtown Kalamazoo and Surrounding Neighborhoods
The City of Kalamazoo, Kalamazoo County, Michigan
June, 2018

The **target market capture rate** is derived by dividing the *annual* forecast absorption—in aggregate and by housing type—by the number of households that have the potential to purchase or rent new housing within a specified area *in a given year*.

The **penetration rate** is derived by dividing the *total* number of dwelling units planned for a property by the *total* number of draw area households, sometimes qualified by income.

The **traffic conversion rate** is derived by dividing the *total* number of buyers or renters by the *total* number of prospects that have visited a site.

Because the prospective market for a property is more precisely defined using the residential target market methodology, a substantially smaller number of households are qualified; as a result, target market capture rates are higher than the more grossly-derived penetration rates. The resulting higher capture rates remain within the range of feasibility.

The Target Market Study Area
Downtown Kalamazoo and Surrounding Neighborhoods
The City of Kalamazoo, Kalamazoo County, Michigan
June, 2018

STUDY AREA HOUSING TYPES

Building and unit types most appropriate for the Target Market Study Area include:

- Courtyard Apartment Building: In new construction, an urban, pedestrian-oriented equivalent to conventional garden apartments. An urban courtyard building is three or more stories, often combined with non-residential uses on the ground floor. The building should be built to the sidewalk edge and, to provide privacy and a sense of security, the first floor should be elevated significantly above the sidewalk. Parking is either below grade, at grade behind or interior to the building, or in an integral structure.

The building's apartments can be leased, as in a conventional income property, or sold to individual buyers, under condominium or cooperative ownership, in which the owner pays a monthly maintenance fee in addition to the purchase price.

- Loft Apartment Building: Either adaptive re-use of older warehouse or manufacturing buildings or a new-construction building type inspired by those buildings. The new-construction version is usually elevator-served with double-loaded corridors.
- Liner Building: An apartment building with apartments and/or lofts lining two to four sides of a multi-story parking structure. Units are typically served from a single-loaded corridor that often includes access to parking. Ground floors typically include a traditional apartment lobby and can also include maisonette apartments (*see below*), retail or some combination of the two.
- Mansion Apartment Building: A two- to three-story flexible-use structure with a street façade resembling a large detached or attached house (hence, “mansion”). The attached version of the mansion, typically built to a sidewalk on the front lot line, is most appropriate for downtown locations. The building can accommodate a variety of uses—from rental or for-sale apartments, professional offices, any of these uses over ground-floor retail, a bed and breakfast inn, or a large single-family detached house—and its physical structure complements other buildings within a neighborhood.

The Target Market Study Area
Downtown Kalamazoo and Surrounding Neighborhoods
The City of Kalamazoo, Kalamazoo County, Michigan
June, 2018

Parking behind the mansion buildings can be either alley-loaded, or front-loaded served by shared drives. The form of the parking can be in open lots, in garages with units above, or integral to the building.

Mansion buildings should be strictly regulated in form, but flexible in use. However, flexibility in use is somewhat constrained by the handicapped accessibility regulations in both the Fair Housing Act and, when non-residential uses are included, the Americans with Disabilities Act.

- Mixed-Use Building: A pedestrian-oriented building, either attached or free-standing, with apartments and/or offices over flexible ground floor uses that can range from retail to office to residential.
- Podium Building: A small-scale apartment building construction type with two or more stories of stick-frame residential units (lofts or apartments) built over a single level of above-grade structured parking, usually constructed with reinforced concrete. With a well-conceived street pattern, a podium building can include ground-level non-residential uses lining one or more sides of the parking deck.

—MULTI-FAMILY UNIT TYPES—

- Microlofts: Several cities across the country are changing minimum unit size requirements as part of a strategy to attract young knowledge workers with contemporary yet affordable units. Millennial knowledge workers have responded positively to efficiency units as small as 220 square feet, often leasing out new micro loft projects within a matter of days.
- Loft Apartments: Unit interiors typically have high ceilings, are fully finished and partitioned into individual rooms. Units may also contain architectural elements reminiscent of hard lofts, such as exposed ceiling beams and ductwork, concrete floors and industrial finishes, particularly if the building is an adaptive re-use of an existing industrial structure.

The Target Market Study Area
Downtown Kalamazoo and Surrounding Neighborhoods
The City of Kalamazoo, Kalamazoo County, Michigan
June, 2018

- Apartments: More conventionally-finished single-level units, typically with completely-partitioned rooms.—trim, interior doors, kitchens and baths are often fitted out with higher-end finishes and fixtures than in lofts.

—SINGLE-FAMILY ATTACHED—

- Rowhouse/Townhouse: Similar in form to a conventional suburban townhouse except that the garage—either attached or detached—is located to the rear of the unit and accessed from an alley or auto court. Unlike conventional townhouses, urban rowhouses/townhouses conform to the pattern of streets, typically with shallow front-yard setbacks. To provide privacy and a sense of security, the first floor should be elevated significantly above the sidewalk. The rowhouse, as distinct from the townhouse, typically has a uniform front façade and cornice height.
- Duplexes/Triplexes: Two- or three-unit townhouses with the garages—either attached or detached—located to the rear of the units. Like the rowhouses/townhouses, urban duplexes/triplexes conform to the pattern of streets, typically with shallow front-yard setbacks. In a corner location, duplex units can each front a different street.

—SINGLE-FAMILY DETACHED—

- Cottages/Bungalows: Small one-, one-and-a-half- or two-story single-family detached houses on small lots, usually with alley-loaded parking. As distinct from the cottage, a bungalow always includes a large porch, usually spanning the full width of the front façade.
- Urban Houses: One-and-a-half- or two-story single-family detached houses on small lots, often with alley-loaded parking with attached, detached, or open parking—whether alley-loaded or not—set well back from the front façade; in many instances, the garage is framed by a porte-cochère.



Table 1

Annual Market Potential For New And Existing Housing Units
 Distribution Of Annual Average Number Of Draw Area Households With The Potential
 To Move Within/ To The Target Market Study Area* Each Year Over The Next Five Years
 Based On Housing Preferences And Income Levels

The Target Market Study Area*

City of Kalamazoo, Kalamazoo County, Michigan

*City of Kalamazoo; Balance of Kalamazoo County;
 Van Buren, Calhoun, St. Joseph, Kent, and Allegan Counties, Michigan; Balance of U.S.
 Draw Areas*

Annual Number Of Households With The Potential To Rent/Purchase Within The City of Kalamazoo	9,445
Annual Number Of Target Market Households With Potential To Rent/Purchase Within The Target Market Study Area*	3,180

Annual Market Potential

	<i>Below 30% AMI</i>	<i>30% to 50% AMI</i>	<i>50% to 80% AMI</i>	<i>80% to 100% AMI</i>	<i>Above 100% AMI</i>	<i>Subtotal</i>
<i>Multi-Family For-Rent:</i>	494	294	380	207	681	2,056
<i>Multi-Family For-Sale:</i>	49	32	42	20	110	253
<i>Single-Family Attached For-Sale:</i>	52	31	46	22	119	270
<i>Single-Family Detached For-Sale:</i>	103	71	105	61	261	601
Total:	698	428	573	310	1,171	3,180
Percent:	21.9%	13.5%	18.0%	9.7%	36.9%	100.0%

Note: For fiscal year 2018, Kalamazoo-Portage, MI MSA Median Family Income for a family of four is \$70,300.

* Census Tracts 1, 2.01, 2.02, 3, 5, 6, 9, 10, 11. Includes some or all of the neighborhoods of Downtown, Northside, Eastside, Edison, Southside, Vine, West Main Hill, Stuart, and Fairmont.

SOURCE: Claritas, Inc.;
 Zimmerman/Volk Associates, Inc.

Table 2

Annual Market Potential By Lifestage And Household Type

Derived From Purchase And Rental Propensities Of Draw Area Households With The Potential To Move Within/To The Target Market Study Area* Each Year Over The Next Five Years
Based On Housing Preferences And Income Levels

*The Target Market Study Area**

City of Kalamazoo, Kalamazoo County, Michigan

	Total	Below 30% AMI	30% to 50% AMI	50% to 80% AMI	80% to 100% AMI	Above 100% AMI
Number of Households:	3,180	698	428	573	310	1,171
Empty Nesters & Retirees	16.4%	12.4%	14.5%	14.0%	13.6%	21.3%
Traditional & Non-Traditional Families	12.2%	11.7%	8.4%	12.4%	11.6%	14.1%
Younger Singles & Couples	71.4%	75.9%	77.1%	73.6%	74.8%	64.6%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Note: For fiscal year 2018, Kalamazoo-Portage, MI MSA Median Family Income for a family of four is \$70,300.

* Census Tracts 1, 2.01, 2.02, 3, 5, 6, 9, 10, 11. Includes some or all of the neighborhoods of Downtown, Northside, Eastside, Edison, Southside, Vine, West Main Hill, Stuart, and Fairmont.

SOURCE: Claritas, Inc.;
Zimmerman/Volk Associates, Inc.

Summary Of Selected Rental Properties
The City of Kalamazoo, Kalamazoo County, Michigan
April-June, 2018

<u>Property (Date Opened)</u> <u>Address</u>	<u>Number</u> <u>of Units</u>	<u>Unit</u> <u>Type</u>	<u>Reported</u> <u>Base Rent</u>	<u>Reported</u> <u>Unit Size</u>	<u>Rent per</u> <u>Sq. Ft.</u>	<u>Additional Information</u>
. Downtown/Near Downtown						
The Prange Building (2014) 346 South Rose Street Metro Properties	14	....Apartments.... Studio/1ba	\$495 to \$595	300 to 650	\$0.92 to \$1.65	100% occupancy Laundry facilities.
92 Walk score		2br/1ba	\$790 to \$1,000	1,000	\$0.79 to \$1.00	
		3br/2ba	\$850 to \$1,350	1,500	\$0.57 to \$0.90	
Old Towne Commons (2007) 319 North Burdick Street Trident Property	12	....Apartments.... Studio/1ba	\$630	350	\$1.80	100% occupancy Laundry facilities, and sun deck.
86 Walk score		1br/1ba	\$670 to \$850	440 to 625	\$1.36 to \$1.52	
		2br/1ba	\$850 to \$900	720 to 740	\$1.18 to \$1.22	
		3br/1ba	\$1,050	900	\$1.17	
Metropolitan Center (2012) 105 East Michigan Avenue Mavcon Community	28	....Apartments.... 1br/1ba	\$960 to \$1,150	603 to 725	\$1.59 to \$1.59	100% occupancy LEED Building, and controlled access.
84 Walk score		2br/2ba	\$1,450	859	\$1.69	
Lovell Square (1979;1997) 475 West Lovell Street ROCO Real Estate	47	....Apartments.... 1br/1ba	\$1,000 to \$1,400	509 to 1,092	\$1.28 to \$1.96	98% occupancy BBQ/picnic area, fitness center, and courtyard garden.
86 Walk score						
Norbridge Building (2014) 510 East Butler Court NoMi Developers, LLC	5	....Lofts.... 1ba/1ba	\$1,075 to	600 to 1,000	\$1.79	100% occupancy Deck, and utilities included.
62 Walk score		....Apartments.... 1 br/1ba	\$1,450	850	\$1.71	

Summary Of Selected Rental Properties
The City of Kalamazoo, Kalamazoo County, Michigan
April-June, 2018

<u>Property (Date Opened)</u> <u>Address</u>	<u>Number</u> <u>of Units</u>	<u>Unit</u> <u>Type</u>	<u>Reported</u> <u>Base Rent</u>	<u>Reported</u> <u>Unit Size</u>	<u>Rent per</u> <u>Sq. Ft.</u>	<u>Additional Information</u>
. Downtown/Near Downtown (continued)						
Skyrise (1985) 525 South Burdick Street Hinman Company	305	....Apartments.... 2br/2ba	\$1,470 to \$2,290	1,062 to 1,838	\$1.25 to \$1.38	100% occupancy Club room, fitness center, controlled access, and conference room.
89 Walk score		....Penthouses.... 2br/2ba	\$1,750 to \$2,330	1,177 to 1,838	\$1.27 to \$1.49	
Kalamazoo Commons (2007) 125 South Kalamazoo Mall Meyer C. Weiner Company	17	....Apartments.... 1br/1ba	\$1,250 to \$1,500	566 to 867	\$1.73 to \$2.21	100% occupancy Laundry facilities.
90 Walk score		2br/1ba	\$1,200 to \$1,300	713 to 821	\$1.58 to \$1.68	
		2br/1.5ba	\$1,700 to \$2,000	1,103 to 1,251	\$1.54 to \$1.60	
		2br/2ba	\$2,500	1,596	\$1.57	
		2br/2.5ba	\$2,750	1,810	\$1.52	
		3br/1.5ba	\$1,200 to \$2,000	971 to 1,482	\$1.24 to \$1.35	
		3br/3.5ba	\$3,300	2,313	\$1.43	
The Rosenbaum Building (1985) 310 East Michigan Avenue Metro Properties	8	....Apartments.... 1br/1ba	\$1,390	912	\$1.52	88% occupancy Central air.
81 Walk score		1br/2ba	\$1,350	1,216	\$1.11	
		2br/1ba	\$1,300	1,203	\$1.08	
		2br/2ba	\$1,550 to \$2,500	1,350 to 1,550	\$1.15 to \$1.61	
		3br/2ba	\$1,590	1,400	\$1.14	
		....Furnished Apartment.... 3br/2ba	\$3,500	3,000	\$1.17	
Peregrine Tower (1921; 2000) 336 South Burdick Street Peregrine Company	28	....Apartments.... 1br/1.5ba	\$1,500	1,105	\$1.36	100% occupancy Fitness room, and community room.
90 Walk score		2br/2ba	\$1,600 to n/a	1,248 to 1,820	\$1.28 to n/a	
De Visser Place (2007) 214 South Kalamazoo Mall Catalyst Development Co., LLC	6	....Apartments.... 1br/1.5ba to	\$1,575 to	1,245 to	\$1.27 to	100% occupancy
		2br/2.5ba	\$3,400	2,301	\$1.48	

SOURCE: Zimmerman/Volk Associates, Inc.

Table 3
Summary Of Selected Rental Properties
The City of Kalamazoo, Kalamazoo County, Michigan
April-June, 2018

<u>Property (Date Opened)</u> <u>Address</u>	<u>Number</u> <u>of Units</u>	<u>Unit</u> <u>Type</u>	<u>Reported</u> <u>Base Rent</u>	<u>Reported</u> <u>Unit Size</u>	<u>Rent per</u> <u>Sq. Ft.</u>	<u>Additional Information</u>
. Downtown/Near Downtown (continued)						
Peregrine Square (2008) 350 South Kalamazoo Mall Peregrine Company	4	....Apartments.... 1br/1.5ba 2br/2ba	\$1,850 n/a	1,292 1,363 to 1,480	\$1.43 n/a	
90 Walk score						
Peregrine Plaza (2014) 316 South Kalamazoo Mall Peregrine Company	14	....Apartments.... 2br/2ba	\$2,000 to n/a	1,400 to 2,100	\$1.43 n/a	Terrace, and controlled access.
91 Walk score						
. Other Kalamazoo						
Clayborne Court (1987) 4651 Clayborne Drive	139	....Apartments.... Studio/1ba 1br/1ba	\$500 \$600	288 576	\$1.74 \$1.04	Central A/C.
40 Walk score						
Peppertree Apts (1968; 2000) 1842 South 11th Street Group Five Management	70	....Apartments.... 1br/1ba 2br/1ba	\$588 to \$608 \$698	540 655	\$1.09 to \$1.13 \$1.07	Laundry facilities.
25 Walk score						
Candlewyck (1971) 100 East Candlewyck Drive Zidan Management Group, Inc.	489	....Apartments.... Studio/1ba 1br/1ba 2br/1ba 2br/2ba 3br/2ba 4br/2ba....Lofts.... 1br/1ba	n/a \$619 n/a n/a to \$1,550 n/a to \$1,580 \$904 n/a	600 718 to 734 898 to 931 967 to 1,014 1,254 1,540 800	n/a \$0.86 n/a n/a to \$1.66 n/a to \$1.56 \$0.72 n/a	99% occupancy Clubhouse, business center, two pools, fitness center, playground, BBQ/picnic area, courtyard, tanning bed, and laundry facilities.
54 Walk score						

SOURCE: Zimmerman/Volk Associates, Inc.

Summary Of Selected Rental Properties
The City of Kalamazoo, Kalamazoo County, Michigan
April-June, 2018

<u>Property (Date Opened)</u> <u>Address</u>	<u>Number</u> <u>of Units</u>	<u>Unit</u> <u>Type</u>	<u>Reported</u> <u>Base Rent</u>	<u>Reported</u> <u>Unit Size</u>	<u>Rent per</u> <u>Sq. Ft.</u>	<u>Additional Information</u>
. Other Kalamazoo (continued)						
Nottingham Place (1979) 704 South Drake Road Eighteen Capital Group 39 Walk score	283	....Apartments.... 1br/1ba 2br/1ba 2br/1.5ba 3br/1.5ba	\$625 to \$640 \$640 to \$670 \$685 to \$705 \$845 to \$900	620 to 645 950 1,010 1,150	\$0.99 to \$1.01 \$0.67 to \$0.71 \$0.68 to \$0.70 \$0.73 to \$0.78	97% occupancy Indoor/outdoor pool, fitness center, laundry facilities, resident lounge, business center, and courtyard.
Woodstone (1968; 2013) 3707 Greenleaf Boulevard Gardner Group 26 Walk score	99	....Apartments.... Studio/1ba 1br/1ba 2br/2ba 3br/2ba	\$635 \$730 to \$830 n/a \$1,275	538 700 to 825 1,075 1,505	\$1.18 \$1.01 to \$1.04 n/a \$0.85	98% occupancy Pool, spa, sundeck, fitness center, business center, clubhouse, lounge, and playground.
Gull Priairie/Gull Run (1997) 4495 Gull Run Drive Edward Rose & Sons 59 Walk score	672	....Apartments.... 1br/1ba 2br/1ba 2br/2ba....Townhouses.... 2br/2ba 2br/2.5ba 3br/2.5ba	\$685 to \$770 \$805 \$830 to \$935 \$1,485 \$1,405 \$1,580 to \$1,605	686 to 709 885 958 to 1,015 1,856 2,059 2,093	\$1.00 to \$1.09 \$0.91 \$0.87 to \$0.92 \$0.80 \$0.68 \$0.75 \$0.77	99% occupancy Laundry facility, pool, sundeck, recreation room, and community building.

Summary Of Selected Rental Properties
The City of Kalamazoo, Kalamazoo County, Michigan
April-June, 2018

<u>Property (Date Opened)</u> <u>Address</u>	<u>Number of Units</u>	<u>Unit Type</u>	<u>Reported Base Rent</u>	<u>Reported Unit Size</u>	<u>Rent per Sq. Ft.</u>	<u>Additional Information</u>	
. Other Kalamazoo (continued)							
Coopers Landing (2000) 5001 Coopers Landing Drive Land & Company	548	<i>....Apartments....</i>					97% occupancy <i>Fitness center, playground, tennis courts, laundry facilities, and grilling area.</i>
		1br/1ba	\$739 to \$894	670 to 1,004	\$0.89 to \$1.10		
		2br/1.5ba	\$834 to \$884	857 to 950	\$0.93 to \$0.97		
0 Walk score		2br/2ba	\$914 to \$1,019	962 to 1,144	\$0.89 to \$0.95		
		3br/2ba	\$1,164	1,552	\$0.75		
<i>....Lofts....</i>							
		1br/1ba	\$799	822 to 968	\$0.83 to \$0.97		
		2br/1.5ba	\$849 to \$944	983 to 1,117	\$0.85 to \$0.86		
		2br/2ba	\$1,014 to \$1,034	1,095 to 1,180	\$0.88 to \$0.93		
<i>....Townhouses....</i>							
		1br/1.5ba	\$799	844	\$0.95		
		3br/2ba	\$1,129 to \$1,154	1,260	\$0.90 to \$0.92		
Hunters Ridge (1990; 2000) 4130 West Michigan Avenue ROCO		287	<i>....Apartments....</i>					98% occupancy Fitness center, and BBQ/picnic area.
	1br/1ba		\$740	750	\$0.99		
	2br/2ba		\$880	1,000	\$0.88		
39 Walk score		4br/4ba	\$1,720	2,000	\$0.86		
The Landing (1964; 2016) 3306 West Main Street Trillium Ventures MSV, LLC	180	<i>....Apartments....</i>					97% occupancy <i>Pool, dog park, fitness center, and courtyard.</i>
		2br/1ba	\$815 to \$920	730 to 830	\$1.12 to \$1.11		
32 Walk score							

Summary Of Selected Rental Properties*The City of Kalamazoo, Kalamazoo County, Michigan***April-June, 2018**

<u>Property (Date Opened)</u> <u>Address</u>	<u>Number</u> <u>of Units</u>	<u>Unit</u> <u>Type</u>	<u>Reported</u> <u>Base Rent</u>	<u>Reported</u> <u>Unit Size</u>	<u>Rent per</u> <u>Sq. Ft.</u>	<u>Additional Information</u>
<i>. Other Kalamazoo (continued)</i>						
Greenhill (1988) 200 Lake Forest Boulevard Trillium Ventures MSV, LLC	292	<i>....Apartments....</i>				97% occupancy <i>Pool, fitness center, sundeck, unicourt, clubhouse, dog parks, and grilling areas.</i>
		1br/1ba	\$817 to	740 to	\$1.10 to	
			\$939	780	\$1.20	
		1br/1.5ba	\$1,014 to	1,005	\$1.01 to	
			\$1,034		\$1.03	
45 Walk score		2br/1ba	\$1,014	1,005	\$1.01	
		2br/1.5ba	\$1,051	1,170	\$0.90	
		<i>....Townhouses....</i>				
		2br/1.5ba	\$1,125 to	1,240	\$0.91 to	
			\$1,145		\$0.92	
		2br/2ba	\$1,167 to	1,330 to	\$0.88 to	
			\$1,349	1,395	\$1.01	
Drakes Pond (1987) 555 South Drake Road Monarch Investment and Management Group	497	<i>....Apartments/Furnished Apartments....</i>				96% occupancy <i>Indoor pool, business center, fitness center, playground, BBQ/ picnic area, and sports courts.</i>
		1br/1ba	\$880 to	780	\$1.13 to	
			\$1,860		\$2.38	
		2br/1ba	\$1,000 to	1,000 to	\$1.00 to	
			\$2,200	1,020	\$2.16	
		2br/2ba	\$1,145 to	1,125	\$1.02 to	
			\$1,340		\$1.19	
43 Walk score		3br/2ba	\$1,265 to	1,250 to	\$1.01 to	
			\$1,480	1,300	\$1.14	

Table 4

**Summary Of Selected For-Sale Multi-Family
And Single-Family Attached Developments**
City of Kalamazoo, Kalamazoo County, Michigan
April, 2018

<u>Development (Date Opened)</u> <u>Developer/Builder/Address</u>	<u>Unit Type</u>	<u>Base Price Range</u>	<u>Unit Size Range</u>	<u>Base Price Per Sq. Ft.</u>	<u>Total Units</u>	<u>Walk Score</u>
<i>..... Downtown/Near Downtown</i>						
Arcadia (2002) 222 N Kalamazoo Mall	1br/2ba	<i>..... Loft</i> \$250,000	1,071	\$233	20	87
City Place Bella Vista (2009) Summit Dr Kalcer Group	3br/3.5ba	<i>..... Townhouse</i> \$315,000	3,415	\$92	4	75
<i>..... Kalamazoo Area</i>						
Hunter's Creek (2003; 2017) Hunters Run & Hunters Pond Watts Homes and Construction	2br/2.5ba 2br/2ba	<i>..... Duplexes</i> \$259,900 \$404,290	2,160 1,571	\$120 \$257	108	1
Walden Woods Wetherington Pt American Village Builders (AVB)	2br/2ba 2br/2ba 3br/3ba	<i>..... Duplexes</i> \$295,200 \$296,100 \$351,200	1,284 1,512 2,268	\$230 \$196 \$155	64	15
Redstone Farms 120 Round Hill Rd Redstone Homes	3br/2.5ba 2br/2.5ba	<i>..... Ranch Condominiums</i> \$309,210 \$333,900	2,237 2,237	\$138 \$149	97	21
Carriage Pointe at Applegate Preakness Dr Allen Edwin Homes	2br/2ba 5br/3ba	<i>..... Floorplan</i> \$376,900 <i>..... Ranch Condominiums</i> \$394,900	2,050 3,083	\$184 \$128	14	12

SOURCE: Zimmerman/Volk Associates, Inc.

Summary of Selected Sales
New/Resale Single-Family Detached Houses
City of Kalamazoo, Kalamazoo County, Michigan
April, 2018

<u>Property Address</u>	<u>Lot Size</u>	<u>Sale/Asking Price</u>	<u>Unit Size</u>	<u>Price psf</u>	<u>Configuration</u>	<u>Year Built or Proposed</u>
<i>...City of Kalamazoo...</i>						
<i>...West Douglas...</i>						
404 Hilbert St	0.15	\$35,900	1,450	\$25	3br/1ba	1890
1115 Douglas Ter	0.06	\$80,000	1,532	\$52	4br/1ba	1918
402 Prairie Ae	0.11	\$89,000	950	\$94	2br/2ba	1895
<i>...Northside...</i>						
536 Harding Place	0.12	\$39,900	714	\$56	2br/1ba	1952
425 Myrtle Street	0.14	\$49,900	1,121	\$45	2br/1ba	1895
718 Simpson Street	0.13	\$69,000	1,539	\$45	4br/2ba	1870
<i>...Edison...</i>						
1427 Clinton Ave	0.14	\$49,900	1,510	\$33	3br/1ba	1906
408 E Stockbridge Ave	0.31	\$52,000	n/a	n/a	6br/1ba	1924
721 E Vine St	0.12	\$54,904	1,330	\$41	4br/2ba	1960
1101 Clinton Ave	0.14	\$55,000	1,248	\$44	3br/1ba	1910
1309 Bryant St	0.09	\$58,500	868	\$67	2br/1ba	1955
1916 Cameron St	0.09	\$59,900	1,648	\$36	4br/2ba	1911
1016 E Alcott St	0.13	\$69,900	1,916	\$36	4br/2ba	1926
711 E Stockbridge Ave	0.17	\$74,000	1,960	\$38	5br/3ba	1908
824 Franklin St	0.11	\$76,900	1,396	\$55	3br/1ba	1915
1416 Egleston Ave	0.14	\$79,900	1,460	\$55	3br/1ba	1933
453 Egleston Ave	0.12	\$82,900	1,322	\$63	4br/1ba	1911
923 Lay Blvd	0.10	\$88,000	1,502	\$59	3br/1ba	1923
<i>...Southside...</i>						
2115 Haveman Ct	0.09	\$55,000	1,482	\$37	4br/2ba	1909
<i>...Vine...</i>						
1313 Oak St	0.07	\$70,000	1,155	\$61	3br/1.5ba	1917
819 Locust Pl	0.07	\$70,000	1,078	\$65	3br/1ba	1924
918 Davis St	0.15	\$129,000	1,622	\$80	5br/2ba	1910
1116 Merrill St	0.20	\$139,900	2,644	\$53	5br/3ba	1900
1560 Long Rd	1.10	\$799,000	5,420	\$147	6br/4.5ba	2001
1550 Long Rd	1.51	\$870,000	5,800	\$150	4br/4ba	1928
1405 Long Rd	0.94	\$1,165,000	3,500	\$333	4br/5.5ba	1929

SOURCE: Multiple Listing Service;
 Zimmerman/Volk Associates, Inc.

Summary of Selected Sales
New/Resale Single-Family Detached Houses
City of Kalamazoo, Kalamazoo County, Michigan
April, 2018

<u>Property Address</u>	<u>Lot Size</u>	<u>Sale/Asking Price</u>	<u>Unit Size</u>	<u>Price psf</u>	<u>Configuration</u>	<u>Year Built or Proposed</u>
...City of Kalamazoo (continued)...						
<i>...Stuart...</i>						
219 Woodward Ave	0.41	\$225,000	4,548	\$49	7br/5.5ba	1870
<i>...West Main Hill...</i>						
1728 Greenlawn Ave	0.43	\$240,000	2,484	\$97	4br/1.5ba	1931
1411 Grand Ave	0.19	\$314,900	2,300	\$137	3br/2.5ba	1910
1442 Prospect Hl	0.53	\$339,000	3,571	\$95	3br/3ba	1977
1403 Grand Ave	0.22	\$349,000	2,697	\$129	5br/6ba	1897
<i>...Oakland-Winchell...</i>						
2323 Shelter Pointe Dr	1.60	\$1,800,000	6,471	\$278	5br/5.5ba	2012
...Kalamazoo County...						
<i>...Oshtemo Township...</i>						
<i>...Individual Resale Listings...</i>						
1540 Ellington Dr	0.28	\$189,900	1,554	\$122	3br/3ba	2009
168 Red Oak Cir	0.62	\$525,000	4,314	\$122	5br/4ba	2016
Sky King Meadows (2018)						
<i>...Floorplans...</i>						
		\$209,900	to 1,743	to \$120	to 3br/2ba	
		\$292,900	2,300	\$127		
		\$223,900	to 1,682	to \$133	to 3br/2.5ba	
		\$284,900	2,780	\$102		
		\$255,900	to 2,410	to \$106	to 4br/2.5ba	
		\$318,900	3,423	\$93		
<i>...New Construction...</i>						
6262 Wood Hollow Ave	0.19	\$229,900	1,870	\$123	4br/2.5ba	2018
6342 Wood Hollow Ave	0.18	\$279,900	2,393	\$117	4br/2ba	2018
Western Woods (2018)						
40 lots						
<i>...New Construction...</i>						
8741 Western Woods Dr	0.55	\$349,000	1,748	\$200	3br/2.5ba	2018

Summary of Selected Sales
New/Resale Single-Family Detached Houses
City of Kalamazoo, Kalamazoo County, Michigan
April, 2018

<u>Property Address</u>	<u>Lot Size</u>	<u>Sale/Asking Price</u>	<u>Unit Size</u>	<u>Price psf</u>	<u>Configuration</u>	<u>Year Built or Proposed</u>
...Kalamazoo County {continued}...						
...Comstock Township...						
Meadowwood II (2017)						
...New Construction...						
4144 Wild Meadow St	0.24	\$227,000	1,472	\$154	3br/2ba	2017
4233 Wild Meadow St	0.24	\$229,000	1,472	\$156	3br/2ba	
4145 Prairie Hill St	0.24	\$239,000	1,817	\$132	3br/2.5ba	
4195 Country Meadow St	0.24	\$242,000	1,817	\$133	3br/2.5ba	
...Texas Township...						
...Individual Resale Listings...						
6127 Texas Dr	1.00	\$385,900	3,245	\$119	4br/2.5ba	2014
7434 Breezy Meadow Ct	0.52	\$499,000	6,077	\$82	6br/5ba	2014
7860 Crooked Cove St	0.75	\$548,000	4,035	\$136	5br/4.5ba	2011
5655 W Q Ave	8.55	\$1,350,000	5,727	\$236	4br/4.5ba	2012
Applegate Trails (2016)						
...Floorplans...						
		\$279,900	to 1,658	to \$169	to 3br/2ba	
		\$317,900	2,300	\$138		
		\$275,900	to 2,244	to \$123	to 3br/2.5ba	
		\$309,900	2,780	\$111		
		\$310,900	to 2,637	to \$118	to 4br/2.5ba	
		\$343,900	3,423	\$100		
...New Construction...						
7317 Waltham Dr	0.33	\$317,900	2,392	\$133	4br/2.5ba	2018
7275 Waltham Dr	0.33	\$344,900	2,637	\$131	4br/2.5ba	
7236 Waltham Dr	0.33	\$369,900	3,070	\$120	4br/2.5ba	
...Resale Listing...						
7287 Annandale Dr	0.34	\$360,000	2,637	\$137	4br/2.5ba	2016
West Haven (2018)						
...New Construction...						
3438 Northfield Trl	0.50	\$468,700	3,069	\$153	5br/3.5ba	2018
Huntington Hills						
32 lots						
...New Construction...						
6609 Terrier Trl	0.97	\$555,000	4,157	\$134	4br/3.5ba	2018
The Marshes (2018)						
12 lots						
...New Construction...						
9130 S 8th St	1.40	\$569,900	3,478	\$164	4br/4.5ba	2018

SOURCE: Multiple Listing Service;
 Zimmerman/Volk Associates, Inc.

Summary of Selected Sales
New/Resale Single-Family Detached Houses
City of Kalamazoo, Kalamazoo County, Michigan
April, 2018

<u>Property Address</u>	<u>Lot Size</u>	<u>Sale/Asking Price</u>	<u>Unit Size</u>	<u>Price psf</u>	<u>Configuration</u>	<u>Year Built or Proposed</u>
<i>...Kalamazoo County (continued)...</i>						
<i>...Texas Township (continued)...</i>						
<i>...Individual New Construction Listing...</i>						
6855 Veronica St	0.54	\$524,900	2,956	\$178	4br/3.5ba	2018
<i>...Kalamazoo Township...</i>						
<i>...Individual Resale Listing...</i>						
4646 Winding Way	2.40	\$679,000	3,560	\$191	5br/3.5ba	2015
<i>...Cooper Township...</i>						
<i>...Individual Resale Listing...</i>						
4446 W C Ave	22.50	\$819,900	5,633	\$146	6br/5.5ba	2013

Target Groups For New Multi-Family For Rent
The Target Market Study Area*
City of Kalamazoo, Kalamazoo County, Michigan

. Number of Households

Empty Nesters & Retirees**	<i>50% to 80% AMI†</i>	<i>Above 80% AMI†</i>	<i>Total</i>	<i>Percent of Total</i>
The One Percenters	0	1	1	0.1%
Old Money	0	1	1	0.1%
The Social Register	0	1	1	0.1%
Affluent Empty Nesters	0	1	1	0.1%
Suburban Establishment	0	5	5	0.4%
Urban Establishment	2	10	12	0.9%
Second City Establishment	1	3	4	0.3%
Mainstream Empty Nesters	5	19	24	1.9%
Middle-American Retirees	2	8	10	0.8%
Multi-Ethnic Empty Nesters	0	3	3	0.2%
Cosmopolitan Couples	2	8	10	0.8%
Blue-Collar Retirees	6	14	20	1.6%
Middle-Class Move-Downs	2	4	6	0.5%
Hometown Seniors	2	2	4	0.3%
Second City Seniors	13	23	36	2.8%
Subtotal:	35	103	138	10.9%
Traditional & Non-Traditional Families††				
Corporate Establishment	0	1	1	0.1%
Nouveau Money	0	2	2	0.2%
e-Type Families	0	2	2	0.2%
Button-Down Families	1	3	4	0.3%
Unibox Transferees	1	7	8	0.6%
Fiber-Optic Families	0	2	2	0.2%
Late-Nest Suburbanites	2	5	7	0.6%
Full-Nest Suburbanites	1	3	4	0.3%
Kids 'r' Us	2	4	6	0.5%
Multi-Ethnic Families	1	3	4	0.3%
Uptown Families	4	11	15	1.2%
Multi-Cultural Families	0	2	2	0.2%
Single-Parent Families	1	2	3	0.2%
Inner-City Families	1	1	2	0.2%
In-Town Families	5	8	13	1.0%
New American Strivers	12	14	26	2.1%
Subtotal:	31	70	101	8.0%

* Census Tracts 1, 2.01, 2.02, 3, 5, 6, 9, 10, 11. Includes some or all of the neighborhoods of Downtown, Northside, Eastside, Edison, Southside, Vine, West Main Hill, Stuart, and Fairmont.

† For fiscal year 2018, Kalamazoo-Portage, MI MSA Median Family Income for a family of four is \$70,300.

** Predominantly one- and two-person households.

†† Predominantly three -to five-person households.

SOURCE: Claritas, Inc.;
Zimmerman/Volk Associates, Inc.

Target Groups For New Multi-Family For Rent
The Target Market Study Area*
City of Kalamazoo, Kalamazoo County, Michigan

..... *Number of Households*

Younger Singles & Couples**	<i>50% to 80% AMI†</i>	<i>Above 80% AMI†</i>	<i>Total</i>	<i>Percent of Total</i>
New Power Couples	0	4	4	0.3%
New Bohemians	8	42	50	3.9%
Cosmopolitan Elite	1	6	7	0.6%
The VIPs	14	64	78	6.2%
Fast-Track Professionals	11	54	65	5.1%
Suburban Achievers	5	13	18	1.4%
Suburban Strivers	59	131	190	15.0%
Small-City Singles	10	20	30	2.4%
Downtown Couples	6	14	20	1.6%
Downtown Proud	11	24	35	2.8%
Twentysomethings	136	254	390	30.8%
Second-City Strivers	39	69	108	8.5%
Multi-Ethnic Singles	14	20	34	2.7%
Subtotal:	314	715	1,029	81.2%
Total Households:	380	888	1,268	100.0%
Percent of Total:	30.0%	70.0%	100.0%	

* Census Tracts 1, 2.01, 2.02, 3, 5, 6, 9, 10, 11. Includes some or all of the neighborhoods of Downtown, Northside, Eastside, Edison, Southside, Vine, West Main Hill, Stuart, and Fairmont.

† For fiscal year 2018, Kalamazoo-Portage, MI MSA Median Family Income for a family of four is \$70,300.

** Predominantly one- and two-person households.

SOURCE: Claritas, Inc.;
Zimmerman/Volk Associates, Inc.

Target Groups For New Multi-Family For Sale
The Target Market Study Area*
City of Kalamazoo, Kalamazoo County, Michigan

. *Number of Households*

Empty Nesters & Retirees**	<i>50% to 80% AMI†</i>	<i>Above 80% AMI†</i>	<i>Total</i>	<i>Percent</i>
The Social Register	0	1	1	0.6%
Suburban Establishment	0	2	2	1.2%
Urban Establishment	0	3	3	1.7%
Second City Establishment	0	1	1	0.6%
Mainstream Empty Nesters	1	5	6	3.5%
Middle-American Retirees	1	3	4	2.3%
Multi-Ethnic Empty Nesters	0	1	1	0.6%
Cosmopolitan Couples	0	2	2	1.2%
Blue-Collar Retirees	1	1	2	1.2%
Middle-Class Move-Downs	1	1	2	1.2%
Hometown Seniors	0	1	1	0.6%
Second City Seniors	2	3	5	2.9%
Subtotal:	6	24	30	17.4%
Traditional & Non-Traditional Families††				
Nouveau Money	0	1	1	0.6%
e-Type Families	0	1	1	0.6%
Button-Down Families	0	1	1	0.6%
Unibox Transferees	0	3	3	1.7%
Late-Nest Suburbanites	1	2	3	1.7%
Full-Nest Suburbanites	0	2	2	1.2%
Kids 'r' Us	0	1	1	0.6%
Multi-Ethnic Families	0	1	1	0.6%
Uptown Families	1	2	3	1.7%
Multi-Cultural Families	0	1	1	0.6%
Single-Parent Families	0	1	1	0.6%
In-Town Families	0	1	1	0.6%
New American Strivers	1	1	2	1.2%
Subtotal:	3	18	21	12.2%

* Census Tracts 1, 2.01, 2.02, 3, 5, 6, 9, 10, 11. Includes some or all of the neighborhoods of Downtown, Northside, Eastside, Edison, Southside, Vine, West Main Hill, Stuart, and Fairmont.

† For fiscal year 2018, Kalamazoo-Portage, MI MSA Median Family Income for a family of four is \$70,300.

** Predominantly one- and two-person households.

†† Predominantly three -to five-person households.

SOURCE: Claritas, Inc.;
Zimmerman/Volk Associates, Inc.

Target Groups For New Multi-Family For Sale
The Target Market Study Area*
City of Kalamazoo, Kalamazoo County, Michigan

..... *Number of Households*

Younger Singles & Couples**	<i>50% to 80% AMI†</i>	<i>Above 80% AMI†</i>	<i>Total</i>	<i>Percent</i>
New Power Couples	0	2	2	1.2%
New Bohemians	1	7	8	4.7%
Cosmopolitan Elite	1	3	4	2.3%
The VIPs	3	15	18	10.5%
Fast-Track Professionals	1	6	7	4.1%
Suburban Achievers	1	1	2	1.2%
Suburban Strivers	9	21	30	17.4%
Small-City Singles	1	2	3	1.7%
Downtown Couples	1	3	4	2.3%
Downtown Proud	1	2	3	1.7%
Twentysomethings	10	18	28	16.3%
Second-City Strivers	3	6	9	5.2%
Multi-Ethnic Singles	1	2	3	1.7%
Subtotal:	33	88	121	70.3%
Total Households:	42	130	172	100.0%
Percent of Total:	24.4%	75.6%	100.0%	

* Census Tracts 1, 2.01, 2.02, 3, 5, 6, 9, 10, 11. Includes some or all of the neighborhoods of Downtown, Northside, Eastside, Edison, Southside, Vine, West Main Hill, Stuart, and Fairmont.

† For fiscal year 2018, Kalamazoo-Portage, MI MSA Median Family Income for a family of four is \$70,300.

** Predominantly one- and two-person households.

SOURCE: Claritas, Inc.;
Zimmerman/Volk Associates, Inc.

Target Groups For New Single-Family Attached For Sale
The Target Market Study Area*
City of Kalamazoo, Kalamazoo County, Michigan

..... Number of Households

Empty Nesters & Retirees**	<i>50% to 80% AMI†</i>	<i>Above 80% AMI†</i>	<i>Total</i>	<i>Percent</i>
The One Percenters	0	1	1	0.5%
The Social Register	0	1	1	0.5%
Affluent Empty Nesters	0	1	1	0.5%
Suburban Establishment	0	4	4	1.8%
Urban Establishment	0	2	2	0.9%
Second City Establishment	0	2	2	0.9%
Mainstream Empty Nesters	3	9	12	5.5%
Middle-American Retirees	2	3	5	2.3%
Multi-Ethnic Empty Nesters	0	2	2	0.9%
Cosmopolitan Couples	0	2	2	0.9%
Blue-Collar Retirees	2	4	6	2.8%
Middle-Class Move-Downs	1	1	2	0.9%
Hometown Seniors	0	1	1	0.5%
Second City Seniors	2	2	4	1.8%
Subtotal:	10	35	45	20.6%
Traditional & Non-Traditional Families††				
Corporate Establishment	0	1	1	0.5%
Nouveau Money	0	2	2	0.9%
e-Type Families	0	1	1	0.5%
Button-Down Families	0	2	2	0.9%
Unibox Transferees	1	3	4	1.8%
Fiber-Optic Families	0	2	2	0.9%
Late-Nest Suburbanites	1	2	3	1.4%
Full-Nest Suburbanites	0	2	2	0.9%
Kids 'r' Us	1	2	3	1.4%
Multi-Ethnic Families	0	1	1	0.5%
Uptown Families	2	4	6	2.8%
Multi-Cultural Families	0	1	1	0.5%
Single-Parent Families	0	1	1	0.5%
Inner-City Families	0	1	1	0.5%
In-Town Families	2	1	3	1.4%
New American Strivers	3	2	5	2.3%
Subtotal:	10	28	38	17.4%

* Census Tracts 1, 2.01, 2.02, 3, 5, 6, 9, 10, 11. Includes some or all of the neighborhoods of Downtown, Northside, Eastside, Edison, Southside, Vine, West Main Hill, Stuart, and Fairmont.

† For fiscal year 2018, Kalamazoo-Portage, MI MSA Median Family Income for a family of four is \$70,300.

** Predominantly one- and two-person households.

†† Predominantly three -to five-person households.

SOURCE: Claritas, Inc.;
Zimmerman/Volk Associates, Inc.

Target Groups For New Single-Family Attached For Sale

*The Target Market Study Area**

City of Kalamazoo, Kalamazoo County, Michigan

..... Number of Households

Younger Singles & Couples**	<i>50% to 80% AMI†</i>	<i>Above 80% AMI†</i>	<i>Total</i>	<i>Percent</i>
New Power Couples	0	2	2	0.9%
New Bohemians	1	3	4	1.8%
Cosmopolitan Elite	1	3	4	1.8%
The VIPs	5	12	17	7.8%
Fast-Track Professionals	1	3	4	1.8%
Suburban Achievers	2	4	6	2.8%
Suburban Strivers	19	24	43	19.7%
Small-City Singles	4	5	9	4.1%
Downtown Couples	4	4	8	3.7%
Downtown Proud	0	1	1	0.5%
Twentysomethings	11	11	22	10.1%
Second-City Strivers	5	5	10	4.6%
Multi-Ethnic Singles	4	1	5	2.3%
Subtotal:	57	78	135	61.9%
Total Households:	77	141	218	100.0%
Percent of Total:	35.3%	64.7%	100.0%	

* Census Tracts 1, 2.01, 2.02, 3, 5, 6, 9, 10, 11. Includes some or all of the neighborhoods of Downtown, Northside, Eastside, Edison, Southside, Vine, West Main Hill, Stuart, and Fairmont.

† For fiscal year 2018, Kalamazoo-Portage, MI MSA Median Family Income for a family of four is \$70,300.

** Predominantly one- and two-person households.

SOURCE: Claritas, Inc.;
Zimmerman/Volk Associates, Inc.

Target Groups For New Urban Single-Family Detached For Sale

*The Target Market Study Area**

City of Kalamazoo, Kalamazoo County, Michigan

..... Number of Households

Empty Nesters & Retirees**	<u>30% to 80% AMI†</u>	<u>Above 80% AMI†</u>	<u>Total</u>	<u>Percent</u>
The One Percenters	0	3	3	0.7%
Old Money	0	4	4	0.9%
The Social Register	0	2	2	0.5%
Affluent Empty Nesters	1	7	8	1.9%
Suburban Establishment	3	22	25	5.9%
Urban Establishment	0	1	1	0.2%
Second City Establishment	2	13	15	3.5%
Mainstream Empty Nesters	6	25	31	7.3%
Middle-American Retirees	5	19	24	5.6%
Multi-Ethnic Empty Nesters	1	3	4	0.9%
Cosmopolitan Couples	0	1	1	0.2%
Blue-Collar Retirees	9	22	31	7.3%
Middle-Class Move-Downs	2	4	6	1.4%
Hometown Seniors	2	2	4	0.9%
Second City Seniors	2	2	4	0.9%
Subtotal:	33	130	163	38.2%
Traditional & Non-Traditional Families††				
Corporate Establishment	0	3	3	0.7%
Nouveau Money	1	4	5	1.2%
e-Type Families	0	1	1	0.2%
Button-Down Families	3	12	15	3.5%
Unibox Transferees	2	12	14	3.3%
Fiber-Optic Families	2	7	9	2.1%
Late-Nest Suburbanites	2	5	7	1.6%
Full-Nest Suburbanites	1	3	4	0.9%
Kids 'r' Us	4	9	13	3.0%
Multi-Ethnic Families	2	4	6	1.4%
Uptown Families	5	11	16	3.7%
Multi-Cultural Families	0	1	1	0.2%
Single-Parent Families	0	1	1	0.2%
Inner-City Families	0	1	1	0.2%
In-Town Families	6	9	15	3.5%
New American Strivers	2	2	4	0.9%
Subtotal:	30	85	115	26.9%

* Census Tracts 1, 2.01, 2.02, 3, 5, 6, 9, 10, 11. Includes some or all of the neighborhoods of Downtown, Northside, Eastside, Edison, Southside, Vine, West Main Hill, Stuart, and Fairmont.

† For fiscal year 2018, Kalamazoo-Portage, MI MSA Median Family Income for a family of four is \$70,300.

** Predominantly one- and two-person households.

†† Predominantly three -to five-person households.

SOURCE: Claritas, Inc.;
Zimmerman/Volk Associates, Inc.

Target Groups For New Urban Single-Family Detached For Sale
The Target Market Study Area*
City of Kalamazoo, Kalamazoo County, Michigan

..... *Number of Households*

Younger Singles & Couples**	<i>30% to 80% AMI†</i>	<i>Above 80% AMI†</i>	<i>Total</i>	<i>Percent</i>
New Power Couples	0	2	2	0.5%
New Bohemians	0	1	1	0.2%
Cosmopolitan Elite	1	5	6	1.4%
The VIPs	3	16	19	4.4%
Fast-Track Professionals	0	2	2	0.5%
Suburban Achievers	6	13	19	4.4%
Suburban Strivers	15	32	47	11.0%
Small-City Singles	9	20	29	6.8%
Downtown Couples	2	4	6	1.4%
Downtown Proud	0	1	1	0.2%
Twentysomethings	3	6	9	2.1%
Second-City Strivers	1	3	4	0.9%
Multi-Ethnic Singles	2	2	4	0.9%
Subtotal:	42	107	149	34.9%
Total Households:	105	322	427	100.0%
Percent of Total:	24.6%	75.4%	100.0%	

* Census Tracts 1, 2.01, 2.02, 3, 5, 6, 9, 10, 11. Includes some or all of the neighborhoods of Downtown, Northside, Eastside, Edison, Southside, Vine, West Main Hill, Stuart, and Fairmont.

† For fiscal year 2018, Kalamazoo-Portage, MI MSA Median Family Income for a family of four is \$70,300.

** Predominantly one- and two-person households.

SOURCE: Claritas, Inc.;
Zimmerman/Volk Associates, Inc.

Optimum Market Position
Households With Incomes Above 50 Percent AMI
Target Market Study Area
City of Kalamazoo, Kalamazoo County, Michigan
June, 2018

<i>Households: Share Number</i>	<i>Housing Preferences</i>	<i>Unit Configuration</i>	<i>Unit Mix</i>	<i>Base Rent/Price Range</i>	<i>Unit Size Range</i>	<i>Base Rent/Price Per Sq. Ft.</i>	<i>Annual Units Absorbed</i>
61.7%	Multi-Family For-Rent						127 to 152
813	Loft Apartments	Microloft/1ba	25%	\$600 to \$750	350	\$1.71 to \$2.14	81 to 98
		Studio/1ba	30%	\$800 to \$975	500	\$1.60 to \$1.95	
		1br/1ba	25%	\$1,000 to \$1,300	700	\$1.43 to \$1.86	
		2br/2ba	20%	\$1,250 to \$1,550	950	\$1.32 to \$1.63	
		Weighted Average:		\$1,003	603	\$1.66	
455	Upscale Apartments	Studio/1ba	20%	\$1,150	550	\$2.09	46 to 55
		1br/1ba	25%	\$1,500	800	\$1.88	
		2br/2ba	30%	\$2,000	1,100	\$1.82	
		3br/2ba	25%	\$2,450	1,400	\$1.75	
		Weighted Average:		\$1,818	990	\$1.84	
8.4%	Multi-Family For-Sale						17 to 20
102	Condominiums	1br/1ba	40%	\$135,000	800	\$169	10 to 12
		1br/1.5ba/den	35%	\$170,000	1,050	\$162	
		2br/2ba	25%	\$190,000	1,200	\$158	
		Weighted Average:		\$161,000	988	\$163	
70	Upscale Condominiums	1br/1ba	25%	\$195,000	850	\$229	7 to 8
		2br/2ba	40%	\$250,000	1,250	\$200	
		2br/2ba/den	30%	\$300,000	1,500	\$200	
		3br/2.5ba PH	5%	\$425,000	2,000	\$213	
		Weighted Average:		\$260,000	1,263	\$206	

NOTE: Base rents and prices are in year 2018 dollars, do not include location, floor, or view premiums, consumer-added options or upgrades.

SOURCE: Zimmerman/Volk Associates, Inc.

Optimum Market Position
Households With Incomes Above 50 Percent AMI
Target Market Study Area

City of Kalamazoo, Kalamazoo County, Michigan

June, 2018

<i>Households: Share Number</i>	<i>Housing Preference</i>	<i>Unit Configuration</i>	<i>Unit Mix</i>	<i>Base Price Range</i>	<i>Unit Size Range</i>	<i>Base Price Per Sq. Ft.</i>	<i>Annual Units Absorbed</i>
9.1%	Single-Family Attached For-Sale						14 to 19
70	Rowhouses/ Townhouses	2br/1.5ba 2br/2.5ba 3br/2.5ba	40% 40% 20%	\$160,000 \$185,000 \$200,000	1,100 1,300 1,450	\$145 \$142 \$138	5 to 7
		Weighted Average:		\$178,000	1,250	\$142	
60	Duplexes/ Triplexes	2br/2.5ba 2br/2.5ba/den 3br/2.5ba	35% 35% 30%	\$175,000 \$210,000 \$230,000	1,150 1,400 1,550	\$152 \$150 \$148	5 to 6
		Weighted Average:		\$203,750	1,358	\$150	
57	Upscale Rowhouses/ Townhouses	2br/2.5ba 2br/2.5ba/den 3br/2.5ba	25% 40% 35%	\$225,000 \$265,000 \$295,000	1,200 1,500 1,700	\$188 \$177 \$174	4 to 6
		Weighted Average:		\$265,500	1,495	\$178	

NOTE: Base rents and prices are in year 2018 dollars, do not include location, floor, or view premiums, consumer-added options or upgrades.

SOURCE: Zimmerman/Volk Associates, Inc.

Optimum Market Position
Households With Incomes Above 50 Percent AMI
Target Market Study Area

City of Kalamazoo, Kalamazoo County, Michigan

June, 2018

<i>Households: Share Number</i>	<i>Housing Preference</i>	<i>Unit Configuration</i>	<i>Unit Mix</i>	<i>Base Price Range</i>	<i>Unit Size Range</i>	<i>Base Price Per Sq. Ft.</i>	<i>Annual Units Absorbed</i>
20.8%	Urban Single-Family Detached For-Sale						21 to 32
125	Cottages/ Bungalows	2br/1.5ba 2br/2.5ba 3br/2.5ba	35% 40% 25%	\$165,000 \$180,000 \$195,000	1,000 1,250 1,400	\$165 \$144 \$139	6 to 9
		Weighted Average:		\$178,500	1,200	\$149	
237	Urban Houses	3br/1.5ba 3br/2.5ba 3br/2.5ba/den	30% 40% 30%	\$210,000 \$245,000 \$270,000	1,350 1,650 1,850	\$156 \$148 \$146	12 to 18
		Weighted Average:		\$242,000	1,620	\$149	
65	Upscale Urban Houses	3br/2.5ba 3br/2.5ba 3br/2.5ba/den	30% 40% 30%	\$235,000 \$285,000 \$325,000	1,250 1,550 1,800	\$188 \$184 \$181	3 to 5
		Weighted Average:		\$282,000	1,535	\$184	
100.0%							179 to 223
2,054	Target Households						Total units per year
							895 to 1,115 new units over five years

NOTE: Base rents and prices are in year 2018 dollars, do not include location, floor, or view premiums, consumer-added options or upgrades.

SOURCE: Zimmerman/Volk Associates, Inc.



ZIMMERMAN/VOLK ASSOCIATES, INC.

Post Office Box 4907
Clinton, New Jersey 08809
908 735-6336
info@ZVA.cc • www.ZVA.cc

Residential Market Analysis Across the Urban-to-Rural Transect

ASSUMPTIONS AND LIMITATIONS—

Every effort has been made to insure the accuracy of the data contained within this analysis. Demographic and economic estimates and projections have been obtained from government agencies at the national, state, and county levels. Market information has been obtained from sources presumed to be reliable, including developers, owners, and/or sales agents. However, this information cannot be warranted by Zimmerman/Volk Associates, Inc. While the proprietary residential target market methodology™ employed in this analysis allows for a margin of error in base data, it is assumed that the market data and government estimates and projections are substantially accurate.

Absorption scenarios are based upon the assumption that a normal economic environment will prevail in a relatively steady state during development of the subject property. Absorption paces are likely to be slower during recessionary periods and faster during periods of recovery and high growth. Absorption scenarios are also predicated on the assumption that the product recommendations will be implemented generally as outlined in this report and that the developer will apply high-caliber design, construction, marketing, and management techniques to the development of the property.

Recommendations are subject to compliance with all applicable regulations. Relevant accounting, tax, and legal matters should be substantiated by appropriate counsel.





ZIMMERMAN/VOLK ASSOCIATES, INC.

Post Office Box 4907
Clinton, New Jersey 08809
908 735-6336
info@ZVA.cc • www.ZVA.cc

Residential Market Analysis Across the Urban-to-Rural Transect

RIGHTS AND STUDY OWNERSHIP—

Zimmerman/Volk Associates, Inc. retains all rights, title and interest in the ZVA residential target market methodology™ and target market descriptions contained within this study. The specific findings of the analysis are the property of the client and can be distributed at the client's discretion.

© Zimmerman/Volk Associates, Inc., 2018



Downtown Kalamazoo Retail Market Analysis

Kalamazoo, Michigan



Prepared for:
City of Kalamazoo

Prepared by:
Gibbs Planning Group

25 May 2017
Draft

TABLE OF CONTENTS

INTRODUCTION	1
Executive Summary	1
Background	3
Methodology	5
Trade Area	7
Demographic Characteristics	8
Tapestry Lifestyles	11
Employment Base	15
TRADE AREA CHARACTERISTICS	17
Location	18
Access	18
Traffic	19
Student Population.....	21
Other Shopping Areas	20
Special Events	21
Regional Centers	22
Community Centers	22
Neighborhood Centers	24
SUMMARY OF FINDINGS.....	28
Supportable 2017 Retailers & Potential Tenants	30
2017-2022 Supportable Retail Table	31
Recommended Retailers.....	32
Retail Category Definitions	37
Shopping Center Definitions	37
Rationale	40
Limits of Study.....	41
APPENDIX	43

INTRODUCTION

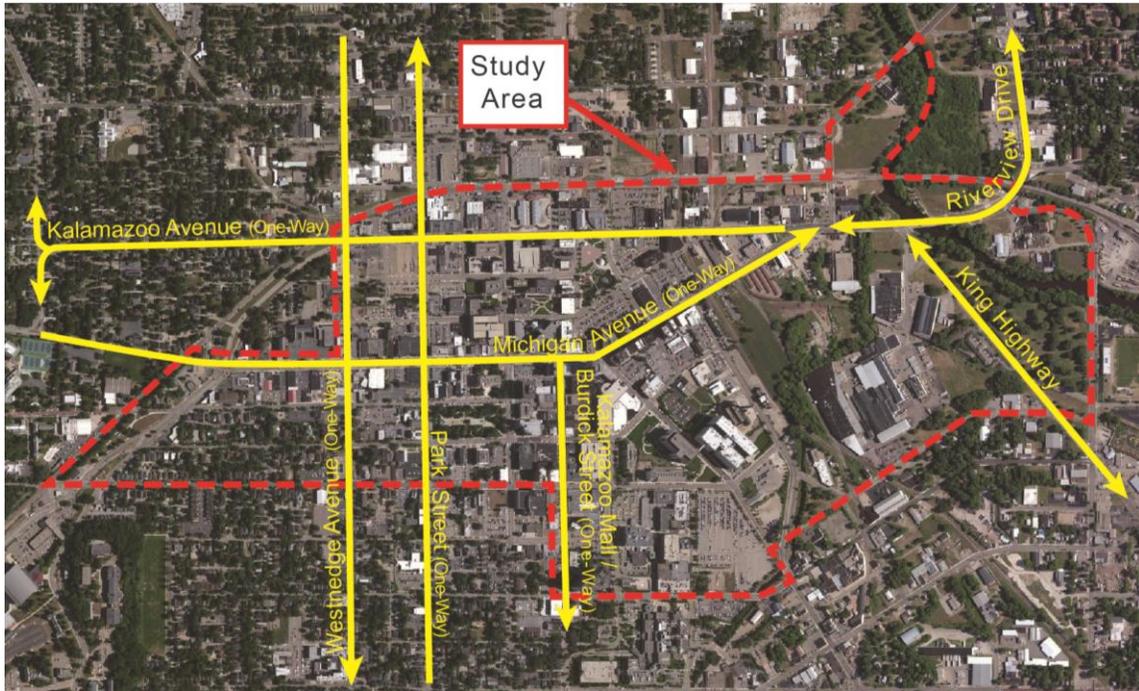


Figure 1: The Downtown Kalamazoo study area, shown above, can presently support an additional 27,800 sf of retail and restaurant development.

Executive Summary

This study finds that the Downtown Kalamazoo study area can presently support up to 27,800 square feet (sf) of new retail and restaurant development, generating nearly \$5.3 million in sales. If developed as a single-site shopping center it would be considered a convenience-type center by industry standard definitions and could include 10 to 12 restaurants and shops. The demand could also be absorbed as infill into existing vacancies, more profitable businesses replacing hobby retailers or existing retailers achieving higher sales with business improvements.

Conversely, this study finds that the downtown retail market is currently underperforming by non-market conditions including difficult navigation in and around shopping areas, outdated parking management, limited marketing and a lack of relevance to university students. Many of these impediments have been identified in various studies dating to the 1980s and most recently in the 2009 Downtown Comprehensive Plan. The study area could support up to 156,500 sf (45 to 60 stores) of additional retail and restaurant space generating as much as \$51.6 million in sales if the city were to implement the following 2009 Downtown Comprehensive Plan recommendations:

- Promote additional on-street parking
- Create an inviting pedestrian friendly streetscape
- Grow specialty retailers
- Establish the downtown as a primary shopping destination (through marketing)
- Develop a retail incubator program to assist with at least five start-ups
- Cluster businesses effectively
- Grow locally-owned businesses through recruitment and retention programs
- Mandate retail at ground level in retail emphasis zones
- Encourage downtown establishments to remain open for common and extend hours

- Assist in the development of three new student-oriented businesses
- Continue to support retail focused events.

In addition, GPG recommends the city implement the following physical and policy improvements to meet or exceed industry standards for downtown shopping districts:

- Return all streets to two-way traffic and implement traffic calming techniques
- Expand on-street parking in the downtown, especially in or near the mall
- Install parking meters along all commercial streets and offer two-hours of free parking in public parking garages
- Develop a business recruitment plan
- Develop a market-based merchandising plan for the study area
- Implement a comprehensive marketing plan for the downtown

Table 1: 2017 Supportable Retail

<i>Retail Category</i>	<i>2017 Status Quo Estimated Supportable SF</i>	<i>Estimated Supportable SF with Improvements</i>	<i>No. of Stores</i>
Retailers			
Apparel Stores	1,800 sf	26,500 sf	8 - 10
Miscellaneous Store Retailers	4,000 sf	17,900 sf	6 - 8
Department Store Merchandise	2,400 sf	14,400 sf	3 - 4
Specialty Food Stores	4,100 sf	12,300 sf	1 - 3
Electronics and Appliance Stores	- sf	10,400 sf	3 - 4
Pharmacy and Personal Care Stores	- sf	9,900 sf	1 - 2
Gift Stores	2,100 sf	9,400 sf	5 - 6
Book and Music Stores	1,100 sf	4,300 sf	1
Home Furnishings Stores	1,800 sf	3,300 sf	1 - 2
Beer, Wine and Liquor Stores	- sf	2,600 sf	1
Jewelry Stores	1,700 sf	2,300 sf	1
Shoe Stores	- sf	1,400 sf	1
Florists	- sf	1,100 sf	1
Total New Supportable Retail	19,000 sf	115,800 sf	33 - 44
Restaurants			
Full-Service Restaurants	3,800 sf	13,400 sf	3 - 4
Limited-Service Eating Places	- sf	11,600 sf	4 - 5
Bars, Breweries and Pubs	2,500 sf	9,100 sf	2 - 3
Special Food Services	2,500 sf	6,700 sf	3 - 4
Total New Supportable Restaurant	8,800 sf	40,700 sf	12 - 16
Retailer & Restaurant Totals	27,800 sf	156,500 sf	45 - 60

Table 1: With improvements, the study area could support up to 156,500 sf of new retail and restaurant development.

The supportable retail with improvements includes 8-10 apparel stores, 5-6 gift stores, 4-5 limited-service eating places, 3-4 full-service restaurants, 3-4 stores selling department store merchandise, 3-4 electronics and appliance stores, 3-4 special food services stores, 2-3 drinking establishments, 1-3 specialty food stores, 1-2 pharmacy and personal care stores, 1-2 home furnishings stores and a variety of other retail. Although the trade area will not support a grocery store downtown, GPG recommends that the city consider a small to medium-size, year-round

public market, such as those in Bay City, Flint, Grand Rapids and the Oxbow Market in Napa. A summary of the 2017 total new supportable retail can be found in Table 1.

The study area is Kalamazoo's Central Business District, southwest Michigan's retail, employment, entertainment, civic and residential hub for the surrounding region. It is centered on Michigan Avenue and bound by Willard Street, Mills Street, Walnut Street and I-94/US-131. Regionally, it is located in the southwest corner of the state of Michigan approximately 40 miles from both the state's southern border and its eastern border on Lake Michigan. It is 45 miles south of Grand Rapids, 60 miles southwest of Lansing and 20 miles west of Battle Creek. Access to the study area is excellent, via Interstate 94 for east-west visitors, and north-south via US-131.

This study further finds that the study area has a primary trade area population of 237,300 persons, increasing to 244,900 persons by 2022 with a projected annual growth rate of 0.63 percent. Average and median household income in the primary trade area (\$64,400 and \$45,500, respectively) is slightly more than the total trade area, while the percentage of those holding a bachelor's or graduate degree (22.0 percent and 14.6 percent, respectively) is higher than the total trade area and the state. The primary trade area has a labor base of 158,600 employees.

Background

Gibbs Planning Group Inc. (GPG) has been retained by the City of Kalamazoo to conduct an independent retail market analysis for its downtown Central Business District. Kalamazoo is located in western Michigan, approximately 45 miles south of Grand Rapids.



Figure 2: The city's predominance of one-way streets in the downtown is detrimental to robust commerce and would be better served with implementation of the 2009 Kalamazoo Comprehensive Plan's proposed two-way conversion plan.

The study area encompasses Kalamazoo Mall, which was the first pedestrian shopping mall in the United States when it opened in 1959. Designed by legendary mall architect Victor Gruen, it is located in the heart of downtown. The two blocks of Burdick from Eleanor Street to W. Michigan Avenue are designated North Kalamazoo Mall; the two blocks south of W. Michigan to W. Lovell Street, South Kalamazoo Mall. As proposed by Victor Gruen, the city also incorporated a north-south one-way couplet (Westnedge Avenue and Park Street) and an east-west one-way couplet (Michigan Avenue and Kalamazoo Avenue). The one-way couplets facilitated expedient movement through the downtown, often at the expense of retailers and pedestrian comfort. The mall underwent renovations in the 70s, but by the 1990s the mall suffered from a limited selection of shops, inadequate nearby parking and increased crime. A proposal to reopen the two blocks of the Mall south of W. Michigan to auto traffic was approved in May 1997. The street officially reopened in October 1998, albeit one way. The one-way couplets remain, although their conversion has been the subject of study since the 1980s.

More than 130 mostly local or regional retailers & restaurants beckon shoppers today. The retailers include: Alfred E. Bike, Arcadia Pharmacy, Dobbs Optical, Fireplace & Grill Shop, Gazelle Sports, Homestead Furniture, Lana's Fashion Boutique, Maggiknits, Milan the Style Shop, Morrison Jewelers, Newman's Bookshop, Okun Brothers Shoes, Pop City Popcorn, Stewart & Clarke Fine Furniture, URBAN, V&A Bootery and Van Sweden Jewelers. Among the full and limited-service restaurants are Bell's Eccentric Café, Bimbo's Pizza, Central City Tap House, Comensoli's Italian Bistro & Bar, Epic Bistro, Food Dance, The Gatsby, London Grill - Singapore, Mangia Mangia, The Park Club, Rustica, Sarkozy Bakery, Union Cabaret & Grill, Webster's Prime and Zazio's.



Figure 3: The Downtown Kalamazoo study area is located in western Michigan.

GPG addressed the following issues in this study:

- What is the existing and planned retail market in the study and trade areas?
- What are the primary and total trade areas for Downtown Kalamazoo?
- What are the population, demographic and lifestyle characteristics in the trade areas, currently and projected for 2022?
- What is the current and projected growth for retail expenditures in the primary trade area, now and for the next five years?

- How much additional retail square footage is supportable in the Downtown Kalamazoo study area and what retail uses should be encouraged? What sales volumes can development achieve in or near the study area?



Figure 4: The Downtown Kalamazoo study area in southwestern Michigan. Kalamazoo is approximately equidistant to Detroit and Chicago (150 miles) and less than 50 miles from Grand Rapids.

Methodology

To address the above issues, GPG conducted an evaluation of most major existing shopping centers and retail concentrations in the primary trade area surrounding the Downtown Kalamazoo study area. During the week of April 10, 2017 GPG visited and assessed most major and planned retail concentrations in the area.

GPG also visited the area during the daytime, as well as the evening, to gain a qualitative understanding of the retail gravitational patterns and traffic patterns throughout the study area. GPG then defined a trade area that would serve the retail in the study area based on the field evaluation, geographic and topographic considerations, traffic access/flow in the area, relative retail strengths and weakness of the competition, concentrations of daytime employment, and the retail gravitation in the market, as well as our experience defining trade areas for similar markets. Population, consumer expenditure and demographic characteristics of trade area residents were

collected by census tracts from the U.S. Bureau of the Census, U.S. Bureau of Labor Statistics, and Esri and updated based on information gathered from local planning sources.

Finally, based on the projected consumer expenditure capture (demand) in the primary trade area of the gross consumer expenditure by retail category, less the current existing retail sales (supply) by retail category, GPG projects the potential net consumer expenditure (gap) available to support new development. The projected net consumer expenditure capture is based on household expenditure and demographic characteristics of the primary trade area, existing and planned retail competition, traffic and retail gravitational patterns and GPG's qualitative assessment of the study area.

Net potential captured consumer expenditure (gap) is equated to potential retail development square footage, with the help of retail sales per square foot data provided by Dollars and Cents of Shopping Centers (Urban Land Institute and International Council of Shopping Centers), qualitatively adjusted to fit the urbanism and demographics of the study area.

For the purposes of this study, GPG has assumed the following:

- Other major community retail centers may be planned or proposed, but only the existing retail is considered for this study. The quality of the existing retail trade in the study area is projected to remain constant. Gains in future average retail sales per sf reflect higher sales per sf in newly developed retail and selected increases in sales per sf by individual retail categories.
- No new major regional retail centers will be developed within the trade area of this analysis through 2022 for the purposes of this study.
- Annual population growth for the primary trade area is estimated to be 0.63 percent throughout the five-year period of this study.
- Employment distribution is projected to remain constant, without a significant spike or decline in employment by NAICS categories.
- The projected lease and vacancy rate model is based on our proprietary econometric model of the relationship between changes in employment and changes in vacancy and lease rates. Data was gathered from the U.S. Census Bureau, Esri, CBRE and local brokerage services.
- The region's economy will continue at normal or above normal ranges of employment, inflation, retail demand and growth.
- Retailers will exemplify retail industry best practices in store management, merchandising, store layout, general appearance, product selection, marketing and customer service.
- Parking for the Downtown will meet or exceed the industry standards.
- Visibility of any new retail in the Downtown study area is also assumed very good, with signage as required to assure easy visibility of the retailers.
- Any new construction in the study area will be planned, designed, built and managed to the best practices of the American Planning Association, American Institute of Architects, American Society of Landscape Architects, the Congress for the New Urbanism, the International Council of Shopping Centers and The Urban Land Institute.

Trade Area

Based on GPG's field evaluation, the existing retail hubs, population clusters, highway access, and the retail gravitation in the market, as well as our experience defining trade areas for similar mixed-use developments, GPG determined that consumers in the primary trade area generate demand to support a wide variety of retailers. This potential will continue to grow over the next five years, sustained by an annual population growth rate of 0.63 percent and annual household income growth of 2.9 percent.

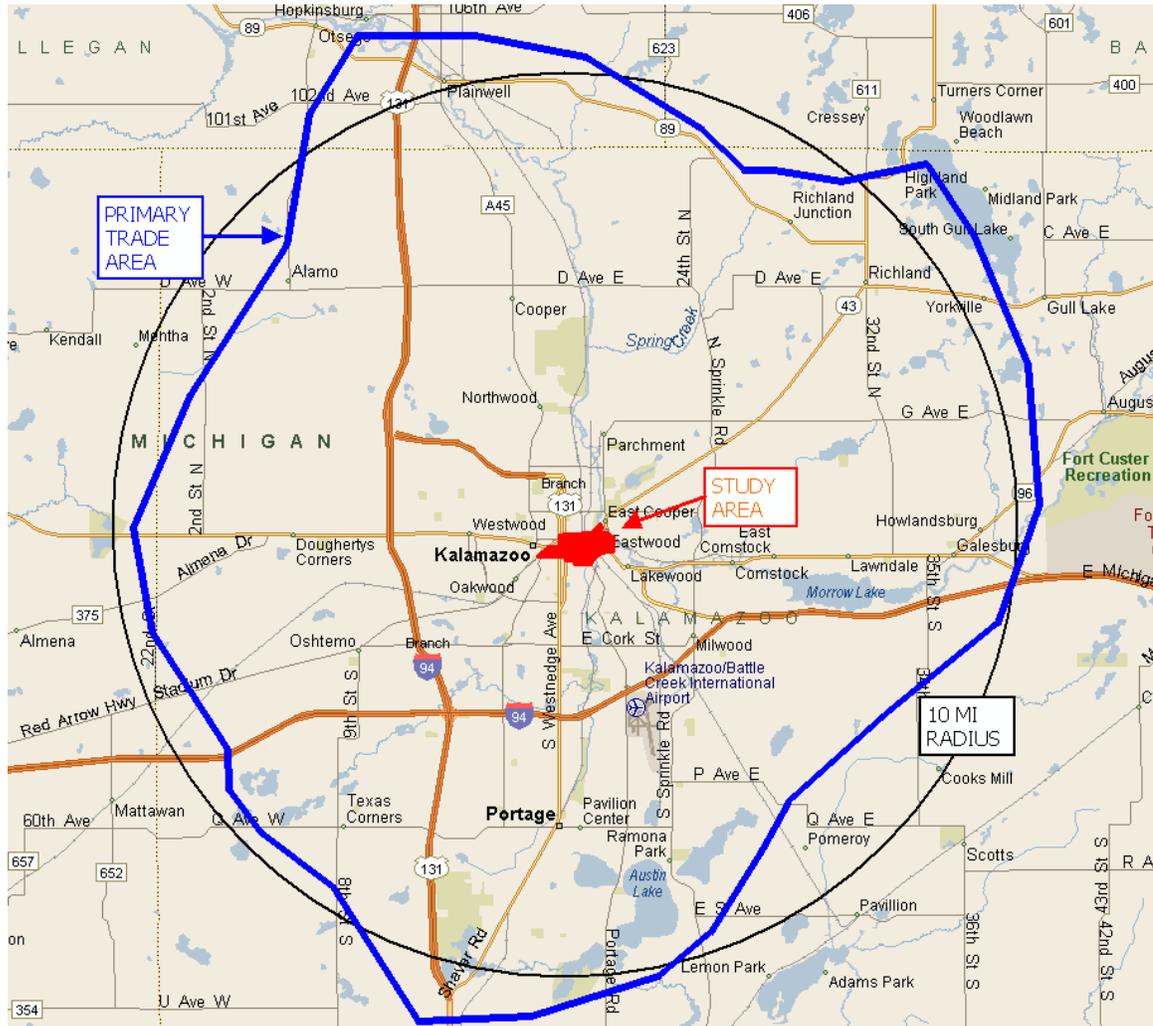


Figure 5: The Downtown Kalamazoo primary trade area, outlined in blue, encompasses approximately 308 square miles.

The primary trade area is the consumer market where the study area has a significant competitive advantage because of access, design, lack of competition and traffic and commute patterns. This competitive advantage equates to a potential domination of the capture of consumer expenditure by the retailers in the study area.

GPG defined a primary trade area by topography, vehicular access, strength of retail competition and residential growth patterns instead of standardized “drive-times.” Consumers inside the primary trade area will account for up to 60 to 70 percent of the total sales captured by retailers in the study area.

The following borders approximately delineate the primary trade area:

- North: 106th Avenue
- South: U Avenue
- East: 38th Street
- West: Kalamazoo/Van Buren County Line.

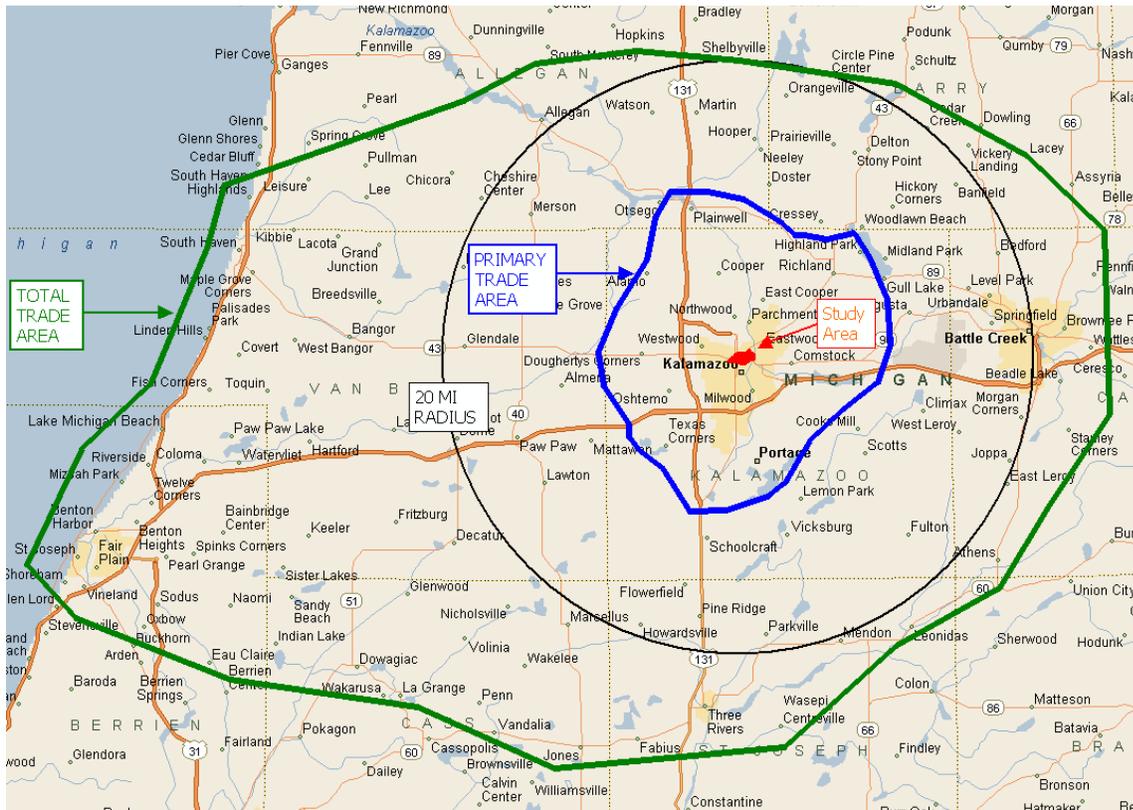


Figure 6: The total trade area, outlined in green, encompasses nearly 2,700 square miles of southwestern Michigan.

The total trade area (Figure 6) extends to include residents and workers who, because of convenient access and a lack of meaningful competition, may currently or in the future contribute expenditure to study area retailers. The boundaries of the total trade area extend:

- North to 124th Avenue
- East to 11 Mile Road
- South to Harvey Street
- West to Lake Michigan.

Residents who live in the total, but not within the primary, trade area will shop in Downtown Kalamazoo occasionally, but the area will not be their primary shopping destination. Consumer expenditure by these residents will account for approximately 15 to 20 percent of retail sales.

Demographic Characteristics

Using data from Esri (Environmental Systems Research Institute) and the U.S. Census Bureau, GPG obtained the population and demographic characteristics, most recent (2017) and projected for 2022, for the defined trade areas as well as regional statistics.

The Downtown Kalamazoo primary trade area has an estimated 2017 population of 237,300 persons, which is estimated to grow to 244,900 by 2022, at an annual projected increase of 0.63 percent over the total five-year period. This annual growth rate is nearly twice that of the total trade area's projected annual increase of 0.35 percent. The number of households in the primary trade area is 95,700, holding 2.39 persons-per-household, and is projected to increase to 98,700 per household by 2022, at an annual increase of 0.62 percent over the five-year period.

Table 2: Demographic Comparisons

<i>Demographic Characteristic</i>	<i>Primary Trade Area</i>	<i>2-Mile Radius</i>	<i>Total Trade Area</i>	<i>State of Michigan</i>
2017 Population	237,300	44,700	608,000	9,954,600
2017 Households	95,700	15,500	240,900	3,921,100
2022 Population	244,900	45,700	618,700	10,067,300
2022 Households	98,700	15,900	245,200	3,975,700
2017-2022 Annual Population Growth Rate	0.63%	0.44%	0.35%	0.23 %
2017-2022 Annual HH Growth Rate	0.62%	0.48%	0.36%	0.28%
2017 Average Household Income	\$64,400	\$44,200	\$62,100	\$68,100
2017 Median Household Income	\$45,500	\$28,800	\$45,800	\$50,700
2022 Average Household Income	\$70,800	\$47,700	\$68,400	\$75,000
2022 Median Household Income	\$52,200	\$28,800	\$52,000	\$56,700
% Households w. incomes \$75,000 or higher	29.4%	16.5%	28.3%	32.5%
% Bachelor's Degree	22.0%	15.2%	16.5%	16.8%
% Graduate or Professional Degree	14.6%	11.7%	10.2%	11.1%
Average Household Size	2.39	2.47	2.46	2.48
Median Age	34.3	26.5	38.4	39.9

Table 2: This side-by-side table compares and contrasts primary trade area demographic statistics with those of a 2-mile radius area, the total trade area and the State of Michigan.

The median and average household incomes in the primary trade area (\$45,500 and \$64,400, respectively) are similar to the total trade area incomes of \$45,800 and \$62,100. Additionally, the percentage of households with incomes over \$75,000 is 29.4 percent, as compared to 28.3 percent in the total trade area, while the percentage of those holding a graduate degree is 14.6 percent, higher than the total trade area (10.2%) and the state (11.1%). The median age in the primary trade area is 34.3.

The total trade area includes a population of 608,000 and 240,900 households, growing to 618,700 and 245,200, respectively, by 2022. This area has an average household size of 2.46 and median age of 38.4.

A closer-in two-mile radius area reports a population of 44,700, projected to grow at an annual rate of 0.44 percent to 45,700 in five years. Its 15,500 households will grow to 15,900 by 2022 at an annual rate of 0.48 percent. Average and median households in 2017 are lower than the primary trade area at \$44,200 and \$28,800, respectively; by 2022 the average household income will have increased to \$47,700 annually, while the median income remains stagnant. Households with incomes over \$75,000 is lowest of the comparative geographies at 16.5 percent. Bachelor's and graduate degrees have been earned by 15.2 percent and 11.7 percent of the population, respectively. This area's current household size is 2.47 and holds the youngest median age at 26.5 years.

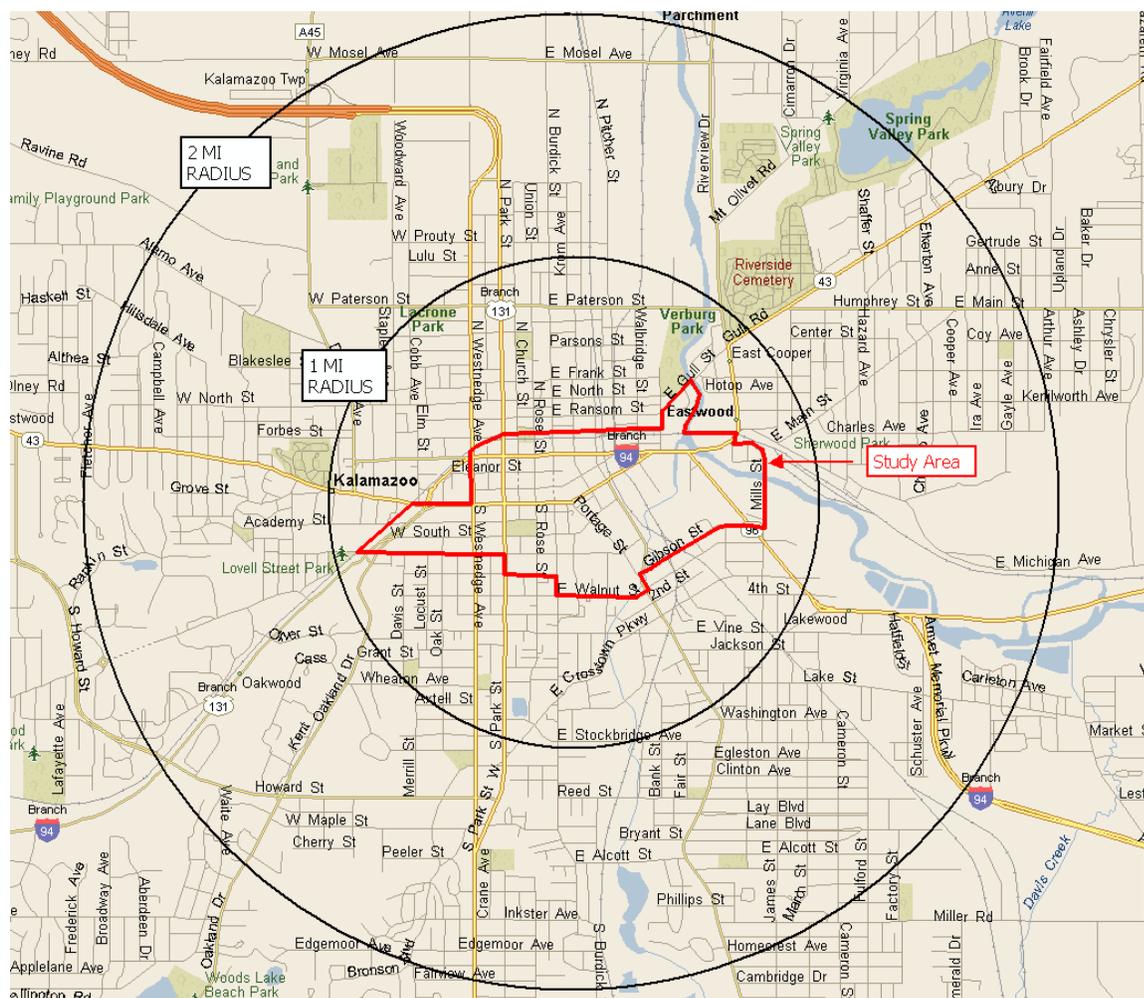


Figure 7: Two-mile radius map of the Downtown study area shows the historic core and surrounding neighborhoods.

On the largest scale, the state of Michigan includes 9,954,600 people and 3,922,100 households. The former is expected to grow at an annual rate of 0.23 percent, and the latter is projected to grow at an annual rate of 0.28 percent to 2022, when the state's projected population will be 10,067,300 with 3,975,700 households. This projected growth will be slower than the trade areas

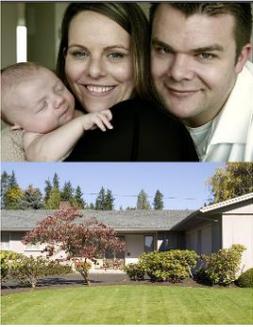
and 2-mile radius area, at 23.0 percent and 28.0 percent, respectively. The 2017 state median and average household income statistics are greater than the three other comparison areas at \$50,700 and \$68,100, respectively. The state's figures for average household size of 2.48 persons, median age of 39.9 years, and 32.5 percent of the population that earned over \$75,000 annually in 2017 is highest of all the comparative geographies. The percentage of residents holding a bachelor's degree is 16.8, while 11.1 percent have earned a graduate degree.

Of all households in the primary trade area, 54.9 percent are owner-occupied, a number that will stay flat at 54.8 percent by 2022. Renter-occupied households have increased from 35.3 percent in 2010 to 36.3 percent in 2017, and this statistic is projected to taper off to 36.5 percent by 2022. The vacancy rate is projected to decrease correspondingly from 8.8 percent in 2017 to 8.7 percent in 2022. The average home value of \$183,200 is expected to increase to \$207,500 in five years, while the median home value of \$144,000 is expected to increase to \$176,800 by 2022.

Tapestry Lifestyles

Esri (Environmental Systems Research Institute) has developed Tapestry Lifestyles, which is an attempt to create 65 classifications, or lifestyle segments, that help determine purchasing patterns. These segments are broken down to the U.S. Census Block Group level and used by many national retailers to help determine future potential locations. The following Table 3 details the top Tapestry Lifestyles found in the primary trade area.

Table 3: Tapestry Lifestyles

<i>Lifestyle</i>	<i>Primary Trade Area Statistics</i>	<i>Short Description</i>
 <p>Traditional Living</p>	<p>Population 23,400</p> <p>Households 12,300</p> <p>Median HH Income \$37,000</p> <p>12.8% Primary Trade Area Households Market Share</p> <p>2.0% National Market Share</p>	<p><i>Traditional Living</i> residents live primarily in low-density, urban clusters of metro areas throughout the Midwest and South. Households are a mix of married-couple families and singles. This is a younger market—beginning householders who are juggling the responsibilities of living on their own or a new marriage, while retaining their youthful interests in style and fun.</p> <p>Unemployment for this group is higher at 10.9%, while labor force participation is also a bit higher at 64.6%. The primary sources of employment for these residents are the manufacturing, retail trade and health care sectors. They tend to carry credit card balances, have student loans, and pay bills in person.</p> <p><i>Traditional Living</i> residents are cost-conscious consumers that are comfortable with brand loyalty - unless the price is too high. Grocery shopping is done at discount stores such as Walmart supercenters; Kmart is a favorite for apparel and household and personal care products.</p> <p>Half of households use cell phones exclusively and are connected and comfortable with the Internet. They're fast food devotees. They enjoy outdoor activities such as camping and visiting the zoo.</p>

<i>Lifestyle</i>	<i>Primary Trade Area Statistics</i>	<i>Short Description</i>
 <p>Green Acres</p>	<p>Population 21,400</p> <p>Households 10,400</p> <p>Median HH Income \$72,000</p> <p>10.8% Primary Trade Area Households Market Share</p> <p>3.2% National Market Share</p>	<p>The <i>Green Acres</i> lifestyle embraces country living and self-reliance. They live in rural enclaves in metropolitan areas, primarily but not exclusively, in older homes with acreage. Their homes are single-family and owner-occupied, with a median value of \$197,000. This is an older market, primarily married couples, most with no children.</p> <p>Sixty percent are college educated and consequently unemployment is low (6%) and the labor force participation rate is high at (67.4%). Income is derived from wages and salaries, self-employment (more than 15% of households), investments (30% of households), and from retirement.</p> <p>These homeowners favor DIY home improvement projects and gardening. They enjoy a variety of outdoor sports such as hunting and fishing, motorcycling, hiking, camping, and even golf. They purchase a variety of vehicles from trucks and SUVs to ATVs and motorcycles, preferably late model. Media of choice are provided by satellite service, radio, and television.</p> <p>Physical fitness, from working out on home exercise equipment to playing a variety of sports, is avidly pursued. Residents are active in their communities and a variety of social organizations, from fraternal orders to veterans' clubs.</p>
 <p>College Towns</p>	<p>Population 16,800</p> <p>Households 8,700</p> <p>Median HH Income \$28,000</p> <p>9.1% Primary Trade Area Households Market Share</p> <p>0.9% National Market Share</p>	<p>About half the residents of <i>College Towns</i> are enrolled in college, while the rest work for a college or the services that support it. These are nonfamily households with many students living alone or with roommates.</p> <p>Dwellings are a mix of densely developed student housing and dorms with local residences. Half of the housing stock is comprised of off-campus, low rent apartments. Over three-quarters of the households are renter occupied, while one-third of homes are single family, mostly occupied by local residents who own their homes.</p> <p>Students are thrifty due to limited incomes, except for a tendency to splurge on the latest fashions. They don't eat healthy or see a doctor regularly. They prefer cars that get good gas mileage and environmentally friendly products. This group uses computers and cell phones to watch TV and movies, shopping, school work, news and social media.</p> <p>This market is bike and pedestrian friendly, like to go out to the movies and for drinks, and are politically liberal.</p>

<i>Lifestyle</i>	<i>Primary Trade Area Statistics</i>	<i>Short Description</i>
  <p data-bbox="323 646 521 674">Rustbelt Traditions</p>	<p data-bbox="613 327 730 384">Population 13,400</p> <p data-bbox="613 411 740 468">Households 7,000</p> <p data-bbox="613 495 818 552">Median HH Income \$49,000</p> <p data-bbox="613 579 828 653">7.3% Primary Trade Area Households Market Share</p> <p data-bbox="613 680 764 737">2.2% National Market Share</p>	<p data-bbox="867 327 1430 520"><i>Rustbelt Traditions</i> residents are married-couple families and singles living in older industrial cities in states surrounding the Great Lakes. Most households are without children, reflecting the aging population. While varied, the work force is primarily white collar, with a higher concentration of skilled workers in manufacturing, retail trade, and health care. They live in older developments of single-family homes; nearly three-quarters own their homes.</p> <p data-bbox="867 541 1430 688"><i>Rustbelt Traditions</i> represents a large market of stable, hard-working consumers with modest incomes but above average net worth. Labor force participation is slightly higher than the U.S. at 67%, although nearly 30% of households collect social security and 20% are drawing income from retirement accounts.</p> <p data-bbox="867 709 1430 783">These are family-oriented consumers who have been in the same area for years and value time spent at home. They favor American-made products and read newspapers.</p> <p data-bbox="867 804 1430 877">They enjoy watching TV; many households have more than four TVs. Online gaming is the dominant Internet use. Radio is typically tuned to classic rock stations.</p>
  <p data-bbox="323 1283 521 1310">Dorms to Diplomas</p>	<p data-bbox="613 926 730 982">Population 15,200</p> <p data-bbox="613 1010 740 1066">Households 5,000</p> <p data-bbox="613 1094 818 1150">Median HH Income \$17,000</p> <p data-bbox="613 1178 828 1251">5.2% Primary Trade Area Households Market Share</p> <p data-bbox="613 1278 764 1335">0.5% National Market Share</p>	<p data-bbox="867 926 1430 1045"><i>Dorms to Diplomas</i> are students on their own for the first time. School and part-time work take up much of the day, but the remainder is filled with socializing and fun with friends. This youngest market reports half of its population is aged 20-24.</p> <p data-bbox="867 1066 1430 1186">Housing caters to young renters with a mix of dorms, and on- and off-campus housing. Eighty percent of housing is apartments, with many older homes converted into multi-family units. These residents walk, bike and car pool to class.</p> <p data-bbox="867 1207 1430 1354"><i>Dorms to Diplomas</i> are impulse buyers who buy trendy clothes on a budget. Vehicles are used, imported subcompact cars. This is the first online generation - they use a computer for just about everything including news, entertainment, shopping, blogging, social media, TV, movies, and homework.</p> <p data-bbox="867 1375 1430 1428">This segment is active, participating in sports and yoga. Frozen dinners and fast food are go-to meals.</p>

Table 3: The top five Tapestry Lifestyle groups profiled above portray a large number of students and singles with few responsibilities in the primary trade area.

The trade area's most common tapestry lifestyle group is *Traditional Living*, representing 12.8 percent of the primary trade area households. Residents of these neighborhoods earn a median household income of \$37,000. Their average household size is 2.50, with a median age of 34.8 years. These consumers live in low-density, settled neighborhoods in urban clusters of metro areas in the Midwest, and married couples are the dominant household type, followed by single-parent and single-person households. More than 70 percent have completed high school or some college.

While unemployment is higher at 10.9 percent, labor force participation is also higher at 64.6 percent. Over three quarters of this segment's households derive income from wages and salaries. They are connected to the Internet, while TV is seen as the most trusted media. They shop at discount stores such as Walmart and Kmart, while frequenting convenience stores for fueling and lottery ticket purchases.

Green Acres is an older market segment, primarily married couples with an average age of 43.0, and their average household size of 2.69 reflects that most households have no children. They live in rural enclaves of metropolitan areas, most often in single-family, older homes with acreage and a median value of \$197,000. Their median household income is \$72,000. Unemployment is low at six percent, and labor force participation is high at 67.4 percent. More than 15 percent of households are self-employed.

These consumers are focused on quality and durability, and comfortable with debt such as home and auto loans. They are do-it-yourselfers, maintaining and remodeling their homes, and enjoy gardening, outdoor sports and golf. These households prefer late model vehicles, from trucks and SUVs to motorcycles. They are active in their communities and social organizations.

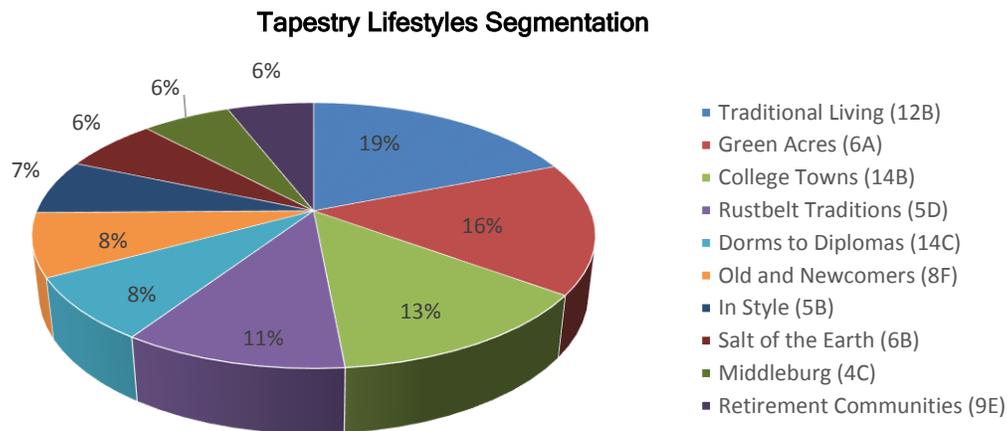


Figure 8: Pie chart shows the relative proportions of the top Tapestry Lifestyle segments found in the primary trade area.

College Towns represents the third largest group in the primary trade area. About half these residents are enrolled in college, while the rest work for a college or its supporting services. With a young median age of 24.3, their median household income is \$28,000. The average household size of 2.12 reflects nonfamily households, with many students living alone or with a roommate. Dwellings are densely developed student housing and dorms mixed with local residences. Single-family homes make up one-third of the market, usually occupied by local residents who own their own home.

This young demographic's limited incomes drive thrifty purchases resulting in fast food and infrequent doctor visits. Just the same, many students are new to managing their own finances and tend to make impulse buys and splurge on the latest fashions. They prefer environmentally friendly products and vehicles with good gas mileage. They own a laptop and MP3 player, watch movies and TV online, and use the Internet for keeping socially connected, blogging, paying bills and downloading music. They use cellphones exclusively and customize them. Popular activities include backpacking, Pilates, Frisbee, and going out to the movies and for drinks.

Employment Base

The employment dynamic found in the primary trade area reflects a strong *Services* and *Retail* sector foundation, with additional elevated levels of *Manufacturing* and *Finance, Insurance and Real Estate (FIRE)*. As shown in Table 4, the *Services* (39.5%) and *Retail Trade* (20.2%) categories account for the majority of employment (59.7%) found in the primary trade area. *Services* is the highest employment sector in all the comparison geographies and categories. Within *Services*, the leading subcategories after the catchall *Other Services* (14.7%) are *Education Institutions and Libraries* (10.6%) and *Health Services* (9.8%).

Retail Trade (20.2%) is the second-leading sector of employment in the primary trade area, as it is in the total trade and state of Michigan areas. The dominant categories under *Retail Trade* are *Eating and Drinking Places* (5.9%) and *Food Stores* (3.1%).

Manufacturing (10.6%) and *Finance, Insurance and Real Estate (FIRE)* (10.3%) are the two other notable employment segments in the primary trade area.

Table 4: Employment Comparison by Sector

<i>Sector</i>	<i>2-Mile Radius</i>	<i>Primary Trade Area</i>	<i>Total Trade Area</i>	<i>State of Michigan</i>
Agriculture and Mining	0.3%	1.3%	1.8%	1.5%
Construction	1.6%	3.9%	3.5%	3.8%
Manufacturing	5.8%	10.6%	13.7%	11.9%
Transportation	3.3%	2.4%	2.5%	2.7%
Communication	0.5%	0.7%	0.7%	0.8%
Utility	0.3%	0.2%	0.4%	0.6%
Wholesale Trade	1.6%	6.9%	5.9%	4.7%
Retail Trade	8.3%	20.2%	19.6%	20.9%
Finance, Insurance and Real Estate	18.3%	10.3%	6.4%	6.1%
Services	53.2%	39.5%	39.6%	41.3%
Government	6.4%	3.7%	5.7%	5.5%
Other	0.4%	0.3%	0.2%	0.2%

Table 4: *The Services sector is the dominant sector of employment in the primary trade area, employing nearly 62,700 workers.*

Consumer expenditure from daytime employment compliments that captured in the evenings and on weekends by households in the trade area. “*Office Worker Retail Spending in a Digital Age*”, published by the International Council of Shopping Centers in 2012, provides insight into the impact of office worker employment. Weekly office worker expenditure, adjusted for 2017 dollars, is estimated at \$180. Weekly non-office worker expenditure, in 2017 dollars, is estimated at 37 percent of office workers. Non-office workers are estimated to have slightly less disposable income, to have multiple work locations including at home and typically are on the road more during their workweek. Retail purchases (general merchandise, apparel, home furnishings, electronics, grocery and convenience items) make up the majority of the office worker dollars, at \$120 per week. Restaurant expenditures (full service, limited service and drinking places) account for the balance at \$60 per week.

Annualized, each office worker expends \$9,360 before, during and after work. Some of this potential expenditure can be captured by future additional Downtown retailers to supplement the demand generated by trade area households.

Table 5: Drive Time and Trade Area Employment by Industry Sector

<i>Employment Sector</i>	<i>5-Minute Drive-time</i>	<i>10-Minute Drive-time</i>	<i>Primary Trade Area</i>
Agriculture & Mining	50	700	2,000
Construction	600	2,000	6,100
Manufacturing	1,900	5,900	16,700
Transportation	700	2,100	3,900
Communication	50	600	1,100
Utility	60	300	400
Wholesale Trade	500	2,100	11,000
Retail Trade	3,000	9,200	32,100
Home Improvement	100	500	1,700
General Merchandise Stores	30	550	3,300
Food Stores	300	1,300	4,900
Auto Dealers, Gas Stations, Auto Aftermarket	200	550	2,900
Apparel & Accessory Stores	70	200	1,200
Furniture & Home Furnishings	200	400	1,500
Eating & Drinking Places	1,600	4,200	11,800
Miscellaneous Retail	500	1,500	4,800
Finance, Insurance, & Real Estate	9,200	10,800	16,400
Banks, Savings, & Lending Institutions	300	600	1,500
Securities Brokers	200	300	1,100
Insurance Carriers & Agents	200	300	1,600
Real Estate, Holding, Other Investment	8,500	9,600	12,100
Services	15,800	37,400	62,700
Hotels & Lodging	600	800	1,400
Automotive Services	200	580	1,700
Motion Pictures & Amusements	400	1,180	2,800
Health Services	7,200	9,890	15,500
Legal Services	700	735	1,100
Education Institutions & Libraries	1,700	12,426	16,800
Other Services	5,000	11,735	23,400
Government	2,900	4,500	5,800
Other	200	300	400
Total Employment	35,000	75,900	158,600

Table 5: "Services" is the largest employment sector category within a ten-mile drive-time of the study area, with elevated levels in the "Retail Trade," "Manufacturing" and "FIRE" (Finance, Insurance and Real Estate) sectors.

For the purposes of this study, an hour lunch break for area workers was assumed and a ten-minute drive time boundary was used to estimate the spending potential of workers near the study area. The annual impact of the 75,900 workers within a ten-minute drive time is \$147.3 million in prepared food and beverage establishments, \$171.8 million in retail goods sales, \$73.6 million in

grocery purchases, and \$49.1 million in convenience items, totaling \$441.9 million in total worker expenditure before, during and after the workday. Detailed results are found in Table 6.

Table 6: 10-Minute Drive Time Worker Expenditure

Retail Category	Weekly Expenditure	Annual Expenditure	Office Worker Expenditure	Non-Office Worker Expenditure	Total Expenditure
			30,400	45,450	
Retailers					
Limited & Full Service Restaurants	\$44	\$2,288	\$69,555,200	\$38,476,152	\$108,031,352
Drinking Places	\$16	\$832	\$25,292,800	\$13,991,328	\$39,284,128
General Merchandise, Apparel, Home, Electronics	\$70	\$3,640	\$110,656,000	\$61,212,060	\$171,868,060
Grocery	\$30	\$1,560	\$47,424,000	\$26,233,740	\$73,657,740
Convenience	\$20	\$1,040	\$31,616,000	\$17,489,160	\$49,105,160
Totals	\$180	\$9,360	\$284,544,000	\$157,402,440	\$441,946,440

Table 6: Employees within a ten-minute drive of the study area could expend \$830.3 million dollars annually.

Further research, including focus groups, are recommended to fully understand the existing policies and physical conditions that are limiting daytime worker shopping and dining.

TRADE AREA CHARACTERISTICS

Market analytics provided by CoStar show mixed trends, but suggest the availability of quality leasable space is tightening.

Table 7: Kalamazoo Retail Market Conditions

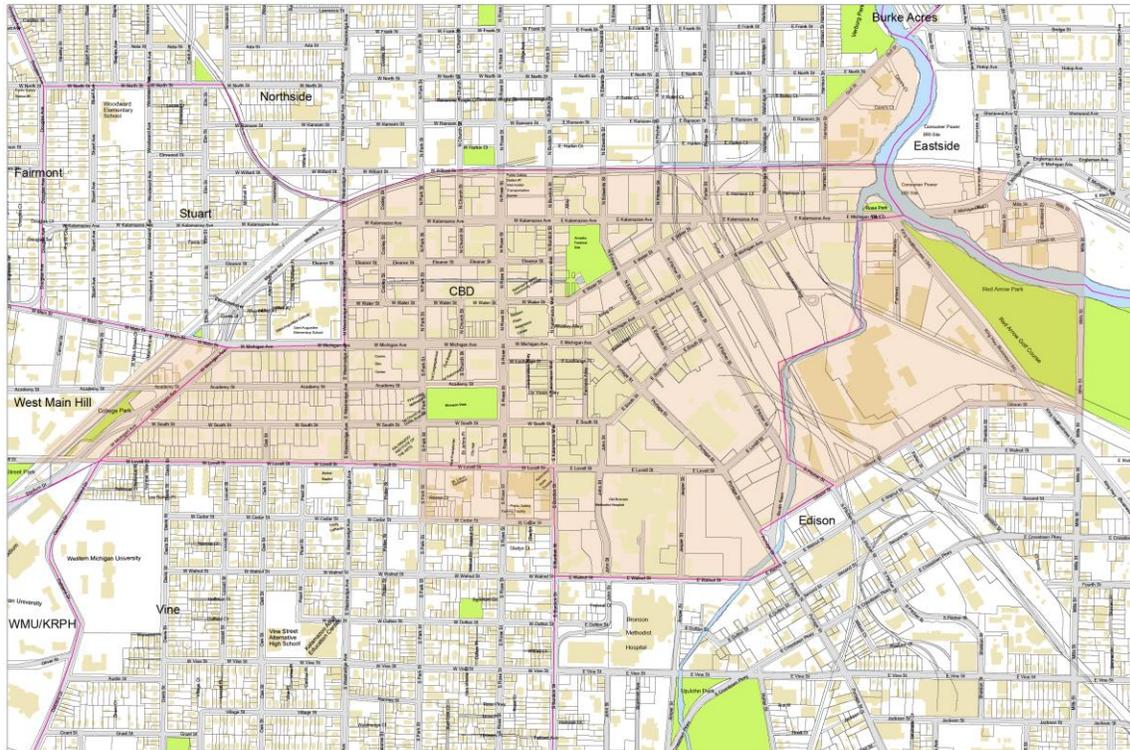
Availability	Survey	5-Year Avg	Inventory	Survey	5-Year Avg
NNN Rent Per SF	\$10.94	\$11.12	Existing Buildings	66	66
Vacancy Rate	14.0%	15.3%	Existing SF	1,597,151	1,595,651
Vacant SF	223,078	244,467	12 Mo. Const. Starts	17,800	6,560
Availability Rate	26.3%	20.8%	Under Construction	17,800	2,890
Available SF	425,433	332,767	12 Mo. Deliveries	0	3,333
Sublet SF	10,800	4,766			
Months on Market	11.9	25.5			

Demand	Survey	5-Year Avg	Sales	Past Year	5-Year Avg
12 Mo. Absorption SF	-37,614	29,008	Sale Price Per SF	\$63	\$40
12 Mo. Leasing SF	40,834	53,131	Asking Price Per SF	\$107	\$74
			Sales Volume (Mil.)	\$1.1	\$1.6
			Cap Rate	-	8.5%

Table 7: The vacancy rate in the Kalamazoo market is down, but the availability rate is up.

The average retail rent in the Kalamazoo market is \$10.94 per sf (NNN), which is slightly lower than the five-year average but may improve as new construction becomes occupied. The vacancy rate is down to 14.0 percent from a five-year average of 15.3 percent, however the availability rate is up nearly six percentage points (26.3) from the average of 20.8 percent. This may be due in part to the tripling of construction starts over the last 12 months and/or functional obsolescence of

existing space that has yet to be redeveloped or brought up to contemporary standards. Correlating this movement, the negative absorption trend shows that more tenants are leaving the market than signing new leases, although this figure is somewhat affected by the increase in new construction. The average months that a vacancy spends on the market is more than halved, showing that many of the remaining tenants are jockeying for modern space in desirable locations. Suggesting investors are envisioning improved returns, the annual sales volume has decreased and the average asking and sales prices have risen 57.5 and 44.5 percent respectively. The cap rate (8.5 percent) is above the national average, meaning returns as well as risk, can be greater than other markets.



LEGEND

- PARKS
- BUILDINGS
- WATER FEATURES

Figure 9: Central Business District Boundary Map.

Location

The study area is located in the southwest corner of the state of Michigan approximately 40 miles from both the state’s southern border and its eastern border on Lake Michigan. It is 45 miles south of Grand Rapids, 60 miles southwest of Lansing and 20 miles west of Battle Creek. Downtown Kalamazoo is centered on Michigan Avenue and bound by Willard Street, Mills Street, Walnut Street and Westnedge Avenue.

Access

The most direct access to the subject area is W. Kalamazoo Avenue/M43 from the east, W. Main Street/M43 from the west, N. Westnedge Avenue from the north, and S. Park Street from the south. Regionally, access to the study area is excellent, via I-94 for east-west visitors, and north-south via US-131.

Regional access south of the study area is provided at key exits from I-94: via the E. Michigan Avenue exit 10 miles east; via the branch road Amvet Memorial Parkway exit four miles southeast which turns into Kings Highway/I-96; the S. Westnedge Avenue exit almost four miles to the south; and exits at both Oakland Avenue and branch US-131 into the southwest area. Access from the west is via US-131, approximately four miles west of the study area at the W. Main Street exit, and five miles northwest of the study area via a branch US-131 that turns into N. Park Street and N. Westnedge Avenue. Access from the northeast is via Gull Road/SR 43, which meets M89 in Richland, almost nine miles away.

Table 8: Traffic Counts

Location	Traffic Count, AADT
I-94 at S. Westnedge Avenue	77,800
US-131 at Stadium Drive	47,900
M43/W. Main Street at Douglas Avenue	26,100
E. Kalamazoo Avenue at Westnedge Avenue	22,800
Gull Road/S. Riverview Drive at Michigan Avenue	17,700
E. Michigan Avenue at Park Street	17,400
S. Westnedge Avenue at Vine Street	13,200
S. Park Street at Vine Street	13,100
Kings Highway at E. Michigan Avenue	11,100
N. Park Street at W. Kalamazoo Avenue	8,700
N. Westnedge Avenue at Kalamazoo Avenue	8,200

Table 8: The traffic chart shows the heaviest traffic into the study area is M43/W. Main Street at Douglas Street, at 26,100 ADT, from the west, and E. Kalamazoo Avenue from US-131 to E. Michigan Avenue.

Traffic

High traffic volumes seen in Table 8 depict the routes with the best regional access (I-94 at S. Westnedge Avenue and US-131 at Stadium Drive), and the highest concentration of activity, as well as best local access points. The traffic counts in the area are provided by MDOT, and measured in terms of Average Daily Traffic Volume.

In the downtown study area, the one-way westbound Kalamazoo Avenue demonstrates the highest traffic levels, 22,800 cars per day, while the eastbound Michigan Avenue averages 17,400 cars per day. The north-south couplet of Westnedge Avenue and Park Street show similar traffic levels: just above 13,000 cars per day south of downtown and over 8,000 cars per day north of downtown.

Downtown Kalamazoo is served by Metro Transit with 15 different routes connecting area residents to downtown. Annual ridership has steadily grown to more than three million - route frequencies range from 30 to 60 minutes depending on the time of day and the one-way fare is \$1.50. The majority of downtown serving routes connect to the Kalamazoo Transportation Center at the intersection of Burdick Street and Kalamazoo Avenue. The transit center is also a stop for Greyhound bus and Amtrak rail service. The Wolverine and Blue Water Amtrak routes connect Kalamazoo to Detroit, Port Huron and Chicago.



Figure 10: Students from (l-r) Western Michigan University, Kalamazoo College, Kalamazoo Valley Community College and Davenport University contribute almost 45,000 students and faculty to Kalamazoo's population.

Student Population

Students are an important gear in the economic engine for Downtown. Western Michigan University, Kalamazoo College, Kalamazoo Valley Community College and Davenport University, with over 40,000 students and 4,000 faculty and staff, make Kalamazoo a major center for advanced education.

1. Western Michigan University

With an enrollment of 26,600 students, (18,600 undergraduates and 8,000 graduate students) Western is a significant source of consumers for the downtown study area. Founded in 1903, this public research university is divided into five campuses in and around Kalamazoo; West Campus is the “Main Campus,” the primary and largest WMU campus in Kalamazoo, located 1.5 miles west of the study area. Western offers schools of Law and Medicine and the College of Aviation, one of the largest and most prestigious Flight Science programs in the United States. The university’s more than 140 undergraduate programs are enhanced by master’s degree programs including Business, Engineering and Education and Human development, as well as highly ranked programs training speech-language pathologists, physician assistants, rehabilitation counselors and audiologists.

2. Kalamazoo College

Kalamazoo College is a private liberal arts college, founded in 1833. Notable as among the 100 oldest colleges and universities in the United States, it offers its 1,400 undergrads some 28 majors, as well as 11 interdisciplinary majors. It is consistently considered one of the best liberal arts colleges in the country for experiential learning, study abroad and academics. The importance of experiential education is

entrenched in its academic plan, known as the "K plan," which consists of a rigorous liberal arts education supplemented by experience abroad and in the Kalamazoo community.

3. Davenport University

Davenport University is a private, non-profit university with campuses throughout Michigan and online. It was founded in 1866 and offers Associate's, Bachelor's, and Master's Degrees, diplomas, and post-grad certification programs in business, technology, health professions, and graduate studies (MBA). It has a partnership with Kalamazoo Valley Community College at the KVCC's downtown campus whereby KVCC graduates can seamlessly transition into a bachelor's degree program with onsite programs offered on the KVCC campus.

4. Kalamazoo Valley Community College

Administrative Offices for Kalamazoo Valley Community College are located downtown at 202 N. Rose Street, serving as the northern terminus of the North Kalamazoo pedestrian Mall. This location is the Arcadia Commons Campus, which serves as a hub for a community, business and education partnership that renovated and revitalized a significant portion of the historic downtown area. KVCC is a comprehensive, public, two-year college with four campuses: Texas Township, Arcadia Commons, Groves Campus and the Bronson Healthy Living Campus. The downtown Arcadia campus enrolls 3,000 students a year.

Kalamazoo is also the beneficiary of the Kalamazoo Promise, an anonymously funded endowment, in perpetuity, which awards Kalamazoo Public School graduates with up to 100% tuition for continuing their post-secondary education.

Special Events



Figure 10: Downtown Kalamazoo hosts a number of weekly, monthly and annual events.

The study area is a frequent platform for civic events, a popular feature of the pedestrian mall days, which draw visitors from throughout the community and the region. Perhaps the most well-known event is the monthly Art Hop that pairs artists with downtown businesses in an open house format. Beginning in 1995, there have been 235 Art Hops at 5,400 stops featuring over 7,400 artists. Over 75,000 participants are annually drawn to the event with an estimated economic impact of \$2.46 million. In addition to Art Hop, Lunchtime Live! is a popular summer event that features food trucks and music in Bronson Park, drawing many of the office workers out into the downtown.

It should be noted that events can be a detriment to retailers when they occur during productive shopping periods. While they often bring folks downtown that otherwise may not, the lack of parking, traffic and over-crowding are often enough to keep away regular patrons. Events should be planned with retailer representation and the negative effects mitigated as feasible.

Other Shopping Areas

As part of GPG's field evaluation, neighborhood, community and regional shopping centers near the study area were visited to assess their retail appeal, strength of tenant mix, general maintenance and accessibility. In addition to the onsite inspection of the most significant competing shopping concentrations to the study area, GPG used information from the International Council of Shopping Centers' Global Shopping Center Directory.

Regional Centers



Figure 12: Crossroads Mall is the only regional center within a 45-mile radius of the study area.

1. **The Crossroads** is the only enclosed regional center within a 45-mile radius of the study area. The 769,200-sf center is situated five miles south of the study area, at S. Westnedge Avenue in Portage, north of a Best Buy. Its 97 retailers are augmented by a 20,000-sf food court, a 36-foot double-decker carousel, and the adjacent Celebration! Cinema & IMAX. Renovated in 2001, its anchors are JC Penney, Macy's and Sear's. Notable retailers include ALDO, Bath & Body Works, Best Buy Mobile, Build-A-Bear Workshop, Burlington, Charming Charlie, Forever 21, Kay Jewelers, Pandora, Victoria's Secret and Zumiez. GGP is the property owner.

Community Centers

2. **University Commons** is a 200,000 SF community center located off US-131 at Stadium Drive, nearly two miles southwest of the study area. University Commons services commuters as well as the college students from nearby Kalamazoo College, Western Michigan University, the Western Michigan University Business Technology & Research Park, and Western Michigan University Engineering College. Grocery-anchored by Save a Lot, other retailers are At Home, Craft Draft 2 Go, Harbor Freight & Tools, Planet Fitness, Barrett's Smokehouse, Jimmy John's, Arby's, Qdoba and Uccello's.



Figure 13: University Commons (left) and Maple Hill Pavilion.

3. **Maple Hill Pavilion** originally opened as Maple Hill Mall in 1971, but after years of decline was mostly demolished and rebuilt by Kimco in 2004. Now owned by Devonshire REIT, it is located at 5050 W. Main Street, nearly 3.5 miles west of the study area. More than 20 stores are anchored by Hobby Lobby, Lowe’s, Marshall’s, OfficeMax and PetSmart. Target shadow-anchors the center to the west. Other retailers in the 284,300-sf community center include America’s Best, Dollar Tree, DSW, Five Below, GNC, Maurices, Pier 1 Imports, Rooms Today and Rue21. An outparcel holds Old Country Buffet.

4. **West Main Shopping Center** is a 363,000-sf community center that enjoys easy access to US-131 from its location at the southwest corner of West Main and Drake, just across the street from Maple Hill Pavilion. The center’s anchor tenants include Harding’s Food Market, Kohl’s, Lowe’s and MC Sports. Ancillary tenants include Blaze Pizza, Family Dollar, Fashion Connection Menswear, Payless ShoeSource, Niskers Grill, Style M.E. Boutique, Hunan Gardens, the UPS Store and Verizon.



Figure 14: Kohl’s is among the four anchors of West Main Shopping Center (left). Corner @ Drake (right) is expanding its footprint to attract inline retailers to supplement a Costco and Field and Stream.

5. **Corner @Drake** is a \$70 million shopping plaza on 40 acres, located at the northeast quadrant of US-131 and Stadium Drive, 3.5 miles slightly southwest of the study area. Already home to a 148,000 sf Costco (opened in 2014) and a 50,000 sf Field & Stream (opened in 2016), a new retail section called The Corner Shoppes currently features a Firehouse Subs shop bookended by a credit union and a bank. Two new buildings fronting Drake Road are currently under construction, and offer up to 20,000 sf of prime retail or restaurant space by developer AVB Inc.



Figure 15: Southland Mall (left) and Portage Crossings (right) add to the draw of the Crossroads Mall area.

6. **Southland Mall**, five miles south of the downtown study area, is a 365,000-sf community center situated at S. Westnedge Avenue and W. Milham Avenue in Portage, midway between the I-94 interchange and Crossroads regional mall. Anchors include Barnes & Noble, Kohl's, Old Navy, T.J. Maxx and Ulta. They are buttressed by ABC Warehouse, David's Bridal, Hallmark, Helzberg Jewelers, Lane Bryant, MC Sporting Goods, Maurices, Petco and Tuesday Morning. Customers can swing by Noodles and Company, Pancho's, Pizza Hut and Taco Bell for a meal break. The Meyer C. Weiner Company owns and operates Southland.

Across S. Westnedge Avenue from Southland is a retail assembly that includes Aldi, Chuck E. Cheeses, Dick's Sporting Goods, Jo-Ann Fabrics & Crafts and Toys R Us.

7. **Portage Crossings** is a 290,000-sf community center across S. Westnedge Avenue from Crossroads Mall, at J.L. Hudson Drive and S. Westnedge in Portage. It was built in 1988 and last renovated in 1992. Its 20 stores are anchored by Target and Home Depot, and include Bargain Books, Catherine's, Edible Arrangements, GameStop, Great Party, Life Uniforms and Sakura Japanese Steakhouse and Zoup!, as well as several beauty and service-oriented tenants.



Figure 16: Tiffany's Village (left) is the closest retail competition to Downtown. Westwood Plaza (right) is situated in the same vicinity as Maple Hill Pavilion and West Main Center.

Neighborhood Centers

8. **Tiffany's Village** is a 30,000-sf neighborhood center in Kalamazoo Twp., located less than 1.5 miles from the study area at 1714 W Main Street. Tiffany's Wine and Spirits anchors the center, which also includes QD Pharmacy, Klai Beauty Supply, Nina's Café, Papa John's Pizza and Zooroona Restaurant. The center is owned by the Mandwee Family.

9. **Westwood Plaza** is a 100,000-sf neighborhood center approximately 3.2 miles west of the study area at 4604 W. Main Street, on the northeast corner of West Main & Drake. Its retailers and eateries include Biggby Coffee, Cold Stone Creamery, Discovery Shop, Kyoto Japanese Steakhouse, Lumber Liquidators, MacKenzie's Café & Bakery, Main Street Pub, Merle Norman Cosmetic Studio National Health Food Center, Taste of Heaven, Penn Station Subs, Sleep Doctor Mattresses, Phantom Fireworks and Wild Bill's Tobacco. The center is owned by Treystar.
10. **Willow Creek Shopping Center** is a 47,600-sf neighborhood center offering a selection of restaurants, retailers and medical service providers at 5132 S. Westnedge Avenue in Portage. Situated near I-94, its retailers include Batteries Plus, Dollar Tree, Medical Weight Loss, Payless ShoeSource, Vladimir Arts and Wild Bill's Tobacco. The retail is supported by quick service eateries Biggby Coffee, Jersey Giant Subs and Papa John's Pizza. Located nearly 3.5 miles south of the study area, the leasing manager is Hinman Development.

Over one million square feet of critical retail mass adjacencies surround Willow Creek. The center is directly in front of Lowe's, adjacent to Earth Fare and Pet Supplies Plus, and across the street from Meijer. North of Willow Creek is a community center with Bert's Bakery, Big Lots, Family Christian, Hibachi Sushi Buffet and anchor Office Depot.



Figure 17: Willow Creek Shopping Center (left) is adjacent to significant large-scale retail stores. Oakwood Plaza (right) is anchored by a recently expanded Sawall Health Foods.

10. **Oakwood Plaza**, located about 4.7 miles south of downtown at 700 Mall Drive in Portage, is a 52,000-sf neighborhood specialty center. Situated 1.5 miles of Western Michigan University, it benefits from some college trade. It is grocery-anchored by recently renovated 24,000-sf Sawall Health Foods, which is the most successful and well known independent health food store in the area. When the center renovated the exterior renovation, and added parking in 2015, Sawall also expanded its size by 8,000 sf. It added an upper level to include space for more pre-cooked foods as well as an outdoor sitting area. Owned & operated since 1989 by the Matthew C. Weiner Co., its 17 tenants include Barks 5th Avenue, Bookbug, Fletcher's Pub, Initial Attraction, Treat Street ice cream and Wild Birds Unlimited.



Figure 18: Greenspire Shoppes (left) and Woodbridge Village (right) are near each other on W. Centre Avenue.

11. **Greenspire Shoppes** is located near Woodbridge Shopping Village, at 3279 W. Centre Avenue in Portage. Hinman and AVB have developed this 13,400-sf upscale neighborhood retail center that offers Biggy Coffee, Breakfast at Tiffany's, Centre Street Tap House, Kazoo Audio and Sticks & Stones, as well as additional service-oriented tenants. It is approximately 6.8 miles southwest of the study area.
12. **Woodbridge Shopping Village** is a 65,000-sf neighborhood center located one-half mile east of US-131 at 3750 W. Centre Avenue in Portage. Retail and restaurant tenants include Big Apple Bagels, Cookies by Design, Design Details, Fieldstone Grill, Harding's Market, Little Caesars, Spicy Pickle, Subway, The Big Burrito, UniQ Jewelry Gallery and Ziingo. They are joined by a variety of service-oriented tenants. The center is managed by Treystar Leasing.

North of Kalamazoo is a retail conglomeration on Allegan Street/M89 just west of the exit from US-131 in Plainville, approximately 11.5 miles north of the study area. It includes:



Figure 19: Otsego Plaza (left) and Oaks Crossing Mall (right) are farther north of the site in Plainwell.

13. **Otsego Plaza** is a 33,000 GLA neighborhood center located at 1221 M-89 in Plainwell. Constructed in 1992, and shadow-anchored by Home Depot, it offers Dollar Tree, Payless Shoe Source and Tractor Supply Company. A Meijer is just east of this plaza. It is represented by Simon Jonna & Group of Marcus & Millichap.
14. **Oaks Crossing Mall** is a neighborhood center located at 406 Cross Oaks Blvd., southwest of Otsego Plaza across M89/Allegan Street, between a Walmart and M-89 Cinema. Built in 1988, its selection of tenants includes Cricket Wireless, Empire Wok, Family Fitness Center, GameStop, Goin' Postal, Jo's Hallmark, NDS Electronics, Mancino's Italian Eatery and Sleep Solutions.

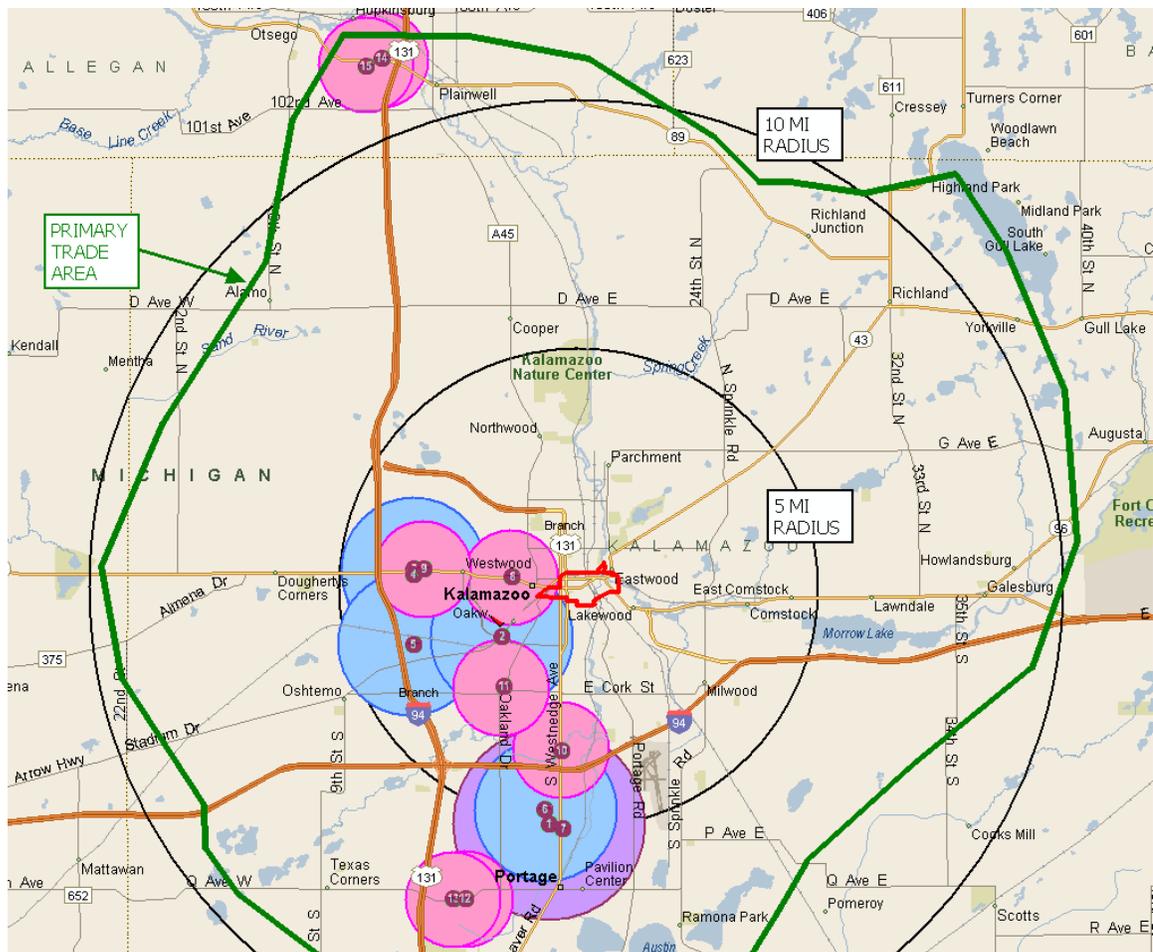


Figure 20: Location map showing location of the significant retail competition to the subject area.

Table 9: Shopping Center Competition

Map Designation	Retail Center Name	S/F	Distance from Site	Shopping Center Type
1	Crossroads Mall	769,200 sf	5.0 MI S	Regional Center
2	University Commons	200,000 sf	1.9 MI SW	Community Center
3	Maple Hill Pavilion	284,300 sf	3.5 MI W	Community Center
4	West Main Shopping Center	363,000 sf	3.5 MI W	Community Center
5	Corner @ Drake	220,000 sf	3.6 MI SW	Community Center
6	Southland Mall	365,000 sf	5.0 MI S	Community Center
7	Portage Crossings	290,000 sf	5.1 MI S	Community Center
8	Tiffany's Village	30,000 sf	1.4 MI NW	Neighborhood Center
9	Westwood Plaza	100,000 sf	3.2 MI W	Neighborhood Center
10	Willow Creek Shopping Center	47,600 sf	3.3 MI S	Neighborhood Center
11	Oakwood Plaza	52,000 sf	4.7 MI S	Neighborhood Center
12	Greenspire Shops	13,400 sf	6.8 MI S	Neighborhood Center
13	Woodbridge Village	65,000 sf	7.0 MI S	Neighborhood Center
14	Otsego Plaza	33,000 sf	11.5 MI N	Neighborhood Center
15	Oaks Crossing Mall	27,400 sf	11.5 MI N	Neighborhood Center



Figure 21: Downtown can boast some recent new development, as seen on the left. However, Michigan Avenue has certain characteristics, such as the one-way street shown right, that impede the success of these enhancements.

SUMMARY of FINDINGS

This study finds that the Downtown Kalamazoo study area can presently support up to 27,800 square feet (sf) of new retail and restaurant development, generating nearly \$5.3 million in sales. Alternatively, with recommended physical and policy changes to the downtown's operations, the study area could support up to 156,500 sf of new retail and restaurant, producing up to \$51.6 million in gross sales. This retail development could include:

- **Corner Stores:** One to two corner stores at 1,500 to 2,500 sf, located near neighborhood entries.
- **Convenience Centers:** Two to three 20,000 to 30,000 sf convenience centers with excellent visibility and sufficient parking. These centers can include a wide range of retailers such as pharmacy, gifts stores, electronics, full-service and limited-service restaurants, special food services, florists and apparel.
- **Main Street Centers:** One 100,000 to 150,000 sf Main Street center located with direct access from Kalamazoo Avenue or Michigan Avenue. The Main Street center would ideally secure an anchor tenant and feature a strong collection of lifestyle tenants such as apparel, shoes, jewelry, home furnishings, department store merchandise and gifts, as well as a critical mass of dining and entertainment options.

These centers could be developed as single-site stand-alone developments or as infill development into the existing downtown.

The demographics of the primary trade area show a population base of 237,300 people, which will grow to 244,900 by 2022, at an annual growth rate of 0.63 percent. The persons-per-household is 2.39, and median age is 34.3 years old. The average household income of \$64,400 and the median household income of \$45,500 in the primary trade area are similar to the total trade area incomes of \$62,100 and \$45,800, respectively. Primary trade area households report 29.4 percent of incomes greater than \$75,000 per year, as compared to a 28.3 percent of residents in the total trade area.

There are approximately 158,600 employees within the primary trade, 39.5 percent of which are concentrated in the *Service* sector and 20.2 percent in *Retail Trade*. These daytime consumers

expend up to \$830.3 million annually, with the *General Merchandise, Apparel, Home & Electronics* sector leading at over \$322.9 million per year.

Tapestry lifestyles in the market reflect a majority base of *Traditional Living*, representing 12.8 percent of the primary trade area households. Residents of these neighborhoods earn a median household income of \$37,000, with a median age of 34.8 years. These consumers live in low-density, settled neighborhoods in urban clusters of metro areas in the Midwest, and married couples are the dominant household type, followed by single-parent and single-person households.

Many families encompass two generations who have lived and worked in the community. The manufacturing, retail trade, and health care sectors are the primary sources of employment for these residents. This is a younger market—beginning householders who are juggling the responsibilities of living on their own or a new marriage, while retaining their youthful interests in style and fun. More than 70 percent have completed high school or some college.

More than 75 percent of households derive income from wages and salaries, augmented by Supplemental Security Income and public assistance. They are cost-conscious, brand-loyal consumers, unless the price is too high. Households have one or two vehicles. While unemployment is higher at 10.9 percent, labor force participation is also higher at 64.6 percent. Over three quarters of this segment's households derive income from wages and salaries. They are connected to the Internet, while TV is the most trusted media. They shop at discount stores such as Walmart and Kmart, while frequenting convenience stores for fueling and lottery ticket purchases.

Fuel and incidentals like lottery tickets are often purchased at convenience stores. This segment is likely to carry credit card balances, have student loans and pay their bills in person. Favorite TV channels include QVC, CMT, and Game Show Network. They enjoy outdoor activities and fast food.

Green Acres is an older market segment, primarily married couples with an average age of 43.0, and their average household size of 2.69 reflects that most households have no children. They live in self-reliant rural enclaves of metropolitan areas, most often in single-family, older homes with acreage and a median value of \$197,000. Their median household income is \$72,000. Unemployment is low at six percent, and labor force participation is high at 67.4 percent. More than 15 percent of households are self-employed.

These consumers are focused on quality and durability, and comfortable with debt such as home and auto loans. They are do-it-yourselfers, maintaining and remodeling their homes, and enjoy gardening, outdoor sports and golf. These households prefer late model vehicles, from trucks and SUVs to motorcycles. They are active in their communities and social organizations.

Supportable 2017 Retail and Potential Tenants

- **26,500 sf Apparel:** Apricot Lane, Country Casuals / Expressions / J. Philips, Del Sol, Dennis Uniform, Educational Outfitters, Group USA, J. McLaughlin, Jos. A Banks, Roots and Tom James.
- **17,900 sf Miscellaneous Retail:** Miscellaneous retail includes cosmetics, eyewear and special interest retailers. Potential retailers include Blo Blow Dry Bar, Dick Blick, GNC, Orvis, Painting with a Twist and President Tuxedo.
- **14,400 sf Department Store Merchandise:** Visionworks, SEE Eyewear and Sola Salon.
- **13,400 sf Full-Service Restaurants:** Andiamo, Peppino's Sports Grille, Real Seafood Company, Red Mesa Grill, Red Olive, The Melting Pot and Tucano's Brazilian Grill.
- **12,300 sf Specialty Food Stores:** Achatz Handmade Pie Company, Bryn + Dane's, Edible, Ric's Food Center, Spice & Tea Merchants and Street Corner.
- **11,600 sf Limited-Service Eating Places:** 1000 Degrees Pizza, Big Smoke Burger, Cor Life, Naf Naf Grill, Olga's and Sweet Lorraine's Mac n Cheez.
- **10,400 sf Electronics & Appliances:** iStore, Simply mac, T-Mobile and uBreakiFix.
- **9,900 sf Pharmacy & Personal Care Stores:** Benzer Pharmacy, Ehardt's Pharmacy, La Vida Massage, Massage Envy and Massage Green.
- **9,400 sf Gift Stores:** Cherry Republic, Country Clutter Gifts, Crown Trophy, Kirlin's Hallmark, Swan Creek Candle Company and Ten Thousand Villages.
- **9,100 sf Drinking Establishments:** Griffin Claw, Bar Louie, Claddagh Irish Pub, Gordon Biersch Brewing Company, Bier Markt, Sedona Taphouse and Rusty Bucket.
- **6,700 sf Special Food Services:** Ben's Pretzels, Big Apple Bagel, Biggby Coffee, Breadsmith, Gigi's Cupcakes, Great Lakes Chocolate & Coffee, Kilwin's, Sanders, South Bend Chocolate Co. and Zoyo Neighborhood Yogurt.
- **4,300 sf Books & Music Stores:** Argos Book Shop, Book World and Books and Mortar.
- **3,300 sf Home Furnishings:** California Closets, Klingman's, La-Z-Boy, the Great Frame Up, US Mattress.
- **2,700 Beverage Stores:** Michigan by the Bottle, Tinder Box and Winestyles.
- **2,300 sf Jewelry:** Alex & Ani, Medawar, Pandora and The Jewelry Source.
- **1,400 sf Shoes:** Potential shoe stores are Good Feet, Foot Solutions, red Wing Shoes and V&A Shoes.
- **1,200 Florists:** 1 (800) Flowers and VanderSalm.

A detailed examination of the supportable sf of retail uses is found in the following Table 10.

Table 10: 2017 Supportable Retail Table

Retail Category	Status Quo Supportable SF	Sales/ SF	Status Quo Estimated Retail Sales	Supportable SF with Improvements	Sales/ SF	2022 Estimated Retail Sales	No. of Stores
Retailers							
Apparel Stores	1,780	\$205	\$364,900	26,460	\$340	\$8,996,400	8 - 10
Beer, Wine & Liquor Stores	-	\$230	\$0	2,650	\$385	\$1,020,250	1
Book & Music Stores	1,130	\$170	\$192,100	4,270	\$280	\$1,195,600	1
Department Store Merchandise	2,420	\$230	\$556,600	14,360	\$380	\$5,456,800	3 - 4
Electronics & Appliance Stores	-	\$205	\$0	10,430	\$340	\$3,546,200	3 - 4
Florists	-	\$145	\$0	1,140	\$245	\$279,300	1
Gift Stores	2,130	\$160	\$340,800	9,400	\$270	\$2,538,000	5 - 6
Home Furnishings Stores	1,810	\$195	\$352,950	3,280	\$325	\$1,066,000	1 - 2
Jewelry Stores	1,650	\$265	\$437,250	2,290	\$445	\$1,019,050	1
Miscellaneous Store Retailers	3,980	\$160	\$636,800	17,880	\$265	\$4,738,200	6 - 8
Pharmacy & Personal Care Stores	-	\$290	\$0	9,910	\$485	\$4,806,350	1 - 2
Shoe Stores	-	\$170	\$0	1,420	\$285	\$404,700	1
Specialty Food Stores	4,090	\$175	\$715,750	12,260	\$295	\$3,616,700	1 - 3
Retailer Totals	18,990	\$200	\$3,597,150	115,750	\$334	\$38,683,550	33 - 44
Restaurants							
Bars, Breweries & Pubs	2,470	\$200	\$494,000	9,060	\$335	\$3,035,100	2 - 3
Full-Service Restaurants	3,780	\$210	\$793,800	13,390	\$350	\$4,686,500	3 - 4
Limited-Service Eating Places	-	\$170	\$0	11,570	\$280	\$3,239,600	4 - 5
Special Food Services	2,520	\$180	\$453,600	6,690	\$295	\$1,973,550	3 - 4
Restaurant Totals	8,770	\$190	\$1,741,400	40,710	\$315	\$12,934,750	12 - 16
Retailer & Restaurant Totals	27,760	\$198	\$5,338,550	156,460	\$329	\$51,618,300	45 - 60

Table 10: Sales stated in constant 2017 dollars.

A breakdown of suggested category retailers and supportable square feet for each may be found in the following Table 11. Although the trade area will not support a grocery store downtown, GPG recommends that the city consider a small to medium-size, year-round public market, such as those in Bay City, Flint, Grand Rapids and the Oxbow Market in Napa.

City Market, Bay City, Michigan

Bay City will open a new year-round, indoor farmers market at 401 Center Avenue in June 2017. The market is located in a former downtown JC Penney building and will be fully occupied with approximately 30 vendors selling fresh, locally sourced food. They range from farmers offering fresh produce to a fishmonger selling fresh catches from Lake Huron, as well as: Bee Leaf Teas, Artisanne Chocolatiers, Brewtopia coffee shop, Burdock Root farm-to-table restaurant, Chubby Duck Asian restaurant and grocery, Cinnamom bakery, Elaine's bake shop, GCC Organics USDA- certified butchery, Half-Mile Handmade kitchen products (Michigan-made), Oily Apothecary essential oils booth, The Devout Sprout salad bar and The Petal Boutique flowers, among others. The market has 10 vendors on a waiting list to join the new enterprise.



Figure 22: Workers put the finishing touches on the new City Market in Bay City, set to open in June (left). The Flint Farmer's Market (right) relocated to downtown in the former Flint Journal building.

Flint Farmers' Market

The 70+ year-old Flint Farmers' Market moved to a new downtown location in May 2014. The market features more than 50 vendors offering produce, meat and poultry, groceries, spices, beverages, flowers, gifts, baked goods and eating places in an indoor-outdoor venue. Open three days a week (Tuesday, Thursday and Saturday) year-round, the 32,000-sf market also sponsors events such as live music, storytellers, authors, and demonstrations focusing on foods that can help limit the effects of lead poisoning (the market emphasizes that their water filter system is lead-free). Voted #3 in the nation, the market's selection of vendors includes: Willow's Garden Juice Bar, Hoffman's Chop Shop butcher shop, Charlie's Smokin' BBQ, d'Vine Wines, Maria's Garden, Bagels & Beans, Beirut Restaurant, Crust, a baking company, Fresh Donuts by Porter's, Fresh Lake Whitefish Company, Godfrey's Poultry & Eggs, Gourmet Apple Cart, Hills Home Cured Cheese, J Deans Smoke House, Market Deli by Hoffman's, Market Tap full service bar, in addition to an assortment of farms offering seasonal Michigan homegrown fruits and vegetables.

The market's Dort Federal Credit Union Demonstration Kitchen hosts weekly cooking classes and demos. The indoor-outdoor market also features an art gallery, a café and several spaces to host private events, including the Atrium, or indoor Town Square, which has a 70-foot-high ceiling; the Rooftop Terrace overlooking downtown Flint; and the Ramsdell Room that seats 200.

Grand Rapids Downtown Market

The Grand Rapids Downtown Market, located at 435 Ionia Ave. SW, is home to 22 indoor market vendors, two full-service restaurants, monthly outdoor market events, hands-on cooking classes, private event venues, a state-of-the-art incubator kitchen, rooftop greenhouses and more. Opened on May 3, 2013 indoor facility, the \$30 million market is LEED Gold certified (the first in the country). Grand Rapids Downtown Market, Inc. operates the Market.

The 138,000-sf space offers an array of vendors including Crane Dance Farm, Trillium Haven Farm, Slows Bar B Q, Social Kitchen & Bar, Aperitivo, Blue Spoon Pasta Studio, bokay Flower Market, Carver's Grand Rapids Finest Meats, Dorothy & Tom's Gourmet Popcorn, Field & Fire Bakery, Fish Lads, Love's Ice Cream, Madcap Coffee, Making Thyme Kitchen, Michigan Pantry, Rocket Pies and Spice Merchants.



Figure 23: The Grand Rapids Public Market (left) is the first LEED-certified public market in the country. The Oxbow Public Market in Napa, California (right) opened in 2007.

Oxbow Public Market

The Oxbow Public Market is a 40,000-sf indoor marketplace in Napa, California that features local and regional artisan food and wine vendors and restaurants. The market leases space to owner-operated businesses that focus primarily on sustainable local foods. Opened in 2007, its indoor vendors all share a roof, an airy, open space, and the twice-weekly farmers' market in the parking lot outside, while also featuring an outdoor deck overlooking the Napa River. The 22 merchants offer a tenant mix of local food vendors, artisan cafes and an organic produce outlet for local farms, including, C Casa, Fatted Calf Charcuterie, Five Dot Ranch & Cookhouse, Hog Island Oyster Co., Hudson Greens & Goods, Model Bakery, Napa Bookmine, Napa Valley Distillery, Oxbow Cheese and Wine Merchant, Ritual Coffee, Three Twins Ice Cream and Whole Spice. Managed by Madison Oxbow Ventures LP, the market is open seven days a week.

Table 11: Recommended Retailers

Apparel		Supportable SF=	26,460
		Number of Stores	8 to 10
Prospect		SF	
Country Casuals / Expressions / J. Phillips			2,500
Apricot Lane			2,500
Del Sol			2,000
Dennis Uniform			3,000
Educational Outfitters			4,000
Group USA			5,000
J. McLaughlin			2,300
Jos. A Banks			4,500
Roots			3,000
Tom James			3,000
			31,800
Beer, Wine & Liquor		Supportable SF=	2,650
		Number of Stores	1
Prospect		SF	
Winestyles			2,000
Tinder Box			1,000
Michigan By The Bottle			2,000
			5,000
Book & Music Stores		Supportable SF=	4,270
		Number of Stores	1
Prospect		SF	
Argos Book Shop			3,000
Book World			3,000
Books & Mortar			2,500
			8,500
Department Store Merchandise		Supportable SF=	14,360
		Number of Stores	3 to 4
Prospect		SF	
Visionworks			3,000
SEE Eyewear			1,200
Sola Salon			5,000
			9,200
Electronics + Appliance Stores		Supportable SF=	10,430
		Number of Stores	3 to 4
Prospect		SF	
iStore			3,000
Simply Mac			5,000
T-Mobile			3,000
uBreakiFix			1,500
			12,500

Table 11 continued on next page

Table 11: Recommended Retailers (con't)

Florist		Supportable SF=	1,140
		Number of Stores	1
Prospect			SF
1 (800) FLOWERS			2,000
VanderSalm			2,200
			4,200
Gift		Supportable SF=	9,400
		Number of Stores	5 to 6
Prospect			SF
Cherry Republic			5,000
Country Clutter Gifts			2,000
Crown Trophy			1,000
Kirlin's Hallmark			3,000
Swan Creek Candle Co			2,000
Ten Thousand Villages			2,500
			15,500
Home Furnishings		Supportable SF=	3,280
		Number of Stores	1 to 2
Prospect			SF
California Closets			1,000
Klingman's			5,000
La-Z-Boy			5,000
The Great Frame Up			1,500
US Mattress			3,000
			15,500
Jewelry		Supportable SF=	2,290
		Number of Stores	1
Prospect			SF
Alex & Ani			1,500
Medawar			2,500
Pandora			1,000
The Jewelry Source			2,000
			7,000
Miscellaneous Store Retailers		Supportable SF=	17,880
		Number of Stores	6 to 8
Prospect			SF
Blo Blow Dry Bar			1,200
Dick Blick			5,000
GNC			1,200
Orvis			12,000
Painting with a Twist			2,000
President Tuxedo			1,500
			22,900

Table 11 continued on next page

Table 11: Recommended Retailers (con't)

Pharmacy & Personal Care	Supportable SF=	9,910
	Number of Stores	1 to 2
Prospect		SF
Benzer Pharmacy		5,000
Ehardt's Pharmacy		4,000
La Vida Massage		2,000
Massage Envy		2,000
Massage Green		2,000
		15,000
Shoe Stores	Supportable SF=	1,420
	Number of Stores	1
Prospect		SF
V&A Shoes		3,000
Foot Solutions		1,500
Good Feet		3,000
Red Wing Shoes		2,200
		9,700
Specialty Food Services	Supportable SF=	12,260
	Number of Stores	1 to 3
Prospect		SF
Achatz Handmade Pie Co		3,500
Bryn + Dane's		3,500
Edible Arrangements		1,200
Ric's Food Center		7,000
Spice & Tea Merchants		1,500
Street Corner		1,000
		17,700
Restaurants:	Supportable SF=	9,060
Bars, Breweries & Pubs	Number of Stores	2 to 3
Prospect		SF
Griffin Claw		7,000
Bar Louie		5,000
Claddagh Irish Pub		8,000
Gordon Biersch Brewing Co.		8,000
Bier Markt		8,000
Sedona Taphouse		6,000
Rusty Bucket		6,000
		48,000
Restaurants:	Supportable SF=	13,390
Full-Service Restaurants	Number of Stores	3 to 4
Prospect		SF
Andiamo		6,000
Peppino's Sports Grille		6,000
Real Seafood Company		6,000
Red Mesa Grill		5,500
Red Olive		4,000
The Melting Pot		5,000
Tucano's Brazilian Grill		7,000
		39,500

Table 11 continued on next page

Table 11: Recommended Retailers (con't)

Restaurants:	Supportable SF=	11,570
Limited-Service Eating Places	Number of Stores	4 to 5
Prospect		SF
1000 Degree Pizza		3,000
Big Smoke Burger		3,000
CoreLife		3,500
Naf Naf Grill		3,000
Olga's Kitchen		4,000
Sweet Lorraine's Mac n Cheez		1,800
		18,300
Restaurants:	Supportable SF=	6,690
Special Food Services	Number of Stores	3 to 4
Prospect		SF
Ben's Pretzels		1,000
Big Apple Bagel		1,800
Biggby Coffee		1,500
Breadsmith		1,800
Gigi's Cupcakes		1,500
Great Lakes Chocolate & Coffee		1,800
Kilwin's		1,800
Sanders		1,500
South Bend Chocolate Co.		2,500
Zoyo Neighborhood Yogurt		1,500
		16,700

Table 11: Names and sizes of possible retailers supportable in the study area.

Retail Category Definitions

Retail categories in the Supportable Retail Table correspond to the North American Industry Classification System (NAICS), the standard used by Federal statistical agencies in classifying business establishments for the purpose of collecting, analyzing, and publishing statistical data related to the U.S. business economy. The following NAICS codes and definitions are provided by the U.S. Census Bureau:

Retail

Auto Supply Stores (4411): establishments known as automotive supply stores primarily engaged in retailing new, used, and/or rebuilt automotive parts and accessories; automotive supply stores that are primarily engaged in both retailing automotive parts and accessories and repairing automobiles; establishments primarily engaged in retailing and installing automotive accessories; and establishments primarily engaged in retailing new and/or used tires and tubes or retailing new tires in combination with automotive repair services.

Furniture Stores (4421): establishments primarily engaged in retailing new furniture, such as household furniture (e.g., baby furniture box springs and mattresses) and outdoor furniture; office furniture (except those sold in combination with office supplies and equipment); and/or furniture sold in combination with major appliances, home electronics, home furnishings, and/or floor coverings.

Home Furnishings Stores (4422): establishments primarily engaged in retailing new home furnishings (except furniture).

Electronics and Appliance Stores (4431): establishments primarily engaged in retailing the following new products: household-type appliances (refrigerator, dishwasher, oven), cameras, computers/software, televisions, and other electronic goods.

Hardware Stores (4441): establishments primarily engaged in retailing new building materials and supplies (lumber, plumbing, electrical, tools, housewares, hardware, paint, and wallpaper)

Lawn and Garden Supply Stores (4442): establishments primarily engaged in retailing new lawn and garden equipment and supplies. (Nursery, farm, and garden products, outdoor power equipment)

Grocery Stores (4451): establishments primarily engaged in retailing a general line of food products (canned/frozen food, fruits and vegetables, meat, fish, poultry, milk, bread, eggs, soda)

Specialty Food Stores (4452): establishments primarily engaged in retailing specialized lines of food (meat, fish/seafood, fruits/vegetables, baked goods, candy, nuts, confections, popcorn, ice cream, items not made on the premises)

Beer, Wine, and Liquor Stores (4453): establishments primarily engaged in retailing packaged alcoholic beverages, such as ale, beer, wine, and liquor.

Health & Personal Care Stores (4461): establishments primarily engaged in retailing health and personal care products (pharmacies/drug stores, first aid, beauty products, household supplies, candy, prepackaged snacks, optical goods, vitamins/supplements).

Clothing stores (4481): men's and boys' clothing stores; women's and girls' clothing stores; children's and infants' clothing stores; family clothing stores; clothing accessories stores.

Shoe Stores (4482): Shoes (men's, women's, child/infant, athletic)

Jewelry Stores (4483): Jewelry, luggage, and leather goods (silverware, watches, clocks, handbags, briefcases, belts, gloves)

Sporting Goods Stores (4511): establishments primarily engaged in retailing new sporting goods (fitness equipment, bikes, camping, uniforms, foot-wear)

Book & Music Stores (4512): establishments primarily engaged in retailing new books, newspapers, magazines, and prerecorded audio and video media.

Department Stores (4521): establishments known as department stores primarily engaged in retailing a wide range of the following new products with no one merchandise line predominating: apparel; furniture; appliances and home furnishings; and selected additional items, such as paint, hardware, toiletries, cosmetics, photographic equipment,

jewelry, toys, and sporting goods. Merchandise lines are normally arranged in separate departments.

General Merchandise Stores (4529): establishments primarily engaged in retailing new goods in general merchandise stores (except department stores) (warehouse clubs, supercenters, apparel, auto parts, dry goods, hardware, groceries, housewares, no line predominating).

Florists (4531): establishments known as florists primarily engaged in retailing cut flowers, floral arrangements, and potted plants purchased from others. These establishments usually prepare the arrangements they sell.

Office Supplies & Gift Stores (4532): establishments primarily engaged in one or more of the following: (1) retailing new stationery, school supplies, and office supplies; (2) retailing a combination of new office equipment, furniture, and supplies; (3) retailing new office equipment, furniture, and supplies in combination with retailing new computers; and (4) retailing new gifts, novelty merchandise, souvenirs, greeting cards, seasonal and holiday decorations, and curios.

Miscellaneous Retailers (4539): establishments primarily engaged in retailing new miscellaneous specialty store merchandise (except motor vehicle and parts dealers; furniture and home furnishings stores; consumer-type electronics and appliance stores; building material and garden equipment and supplies dealers; food and beverage stores; health and personal care stores; gasoline stations; clothing and clothing accessories stores; sporting goods, hobby, book, and music stores; general merchandise stores; florists; office supplies, stationery, and gift stores; and used merchandise stores). Pet supplies, art dealers, manufactured home dealers, tobacco/cigar stores,

Restaurants

Full-Service Restaurants (7221): establishments primarily engaged in providing food services to patrons who order and are served while seated (i.e., waiter/waitress service) and pay after eating. Establishments that provide these types of food services to patrons with any combination of other services, such as carryout services are classified in this industry.

Limited-Service Restaurants (7222): establishments primarily engaged in providing food services where patrons generally order or select items and pay before eating. Most establishments do not have waiter/waitress service, but some provide limited service, such as cooking to order (i.e., per special request), bringing food to seated customers, or providing off-site delivery (cafeterias, snack/ juice bar, ice cream/soft serve shops, cookie shops, popcorn shops, donut shops, coffee shops, bagel shops)

Special Food Services (7223): establishments primarily engaged in providing:
(1) one of the following food services; (2) a location designated by the customer; or
(3) from motorized vehicles or nonmotorized carts.

- Food Service Contractors: Establishments may be engaged in providing food services at institutional, governmental, commercial, or industrial locations of others based (cafeteria, restaurant, and fast food eating-place) on contractual

arrangements with these types of organizations for a specified period of time. The food services contractor always provides management staff.

- **Caterers:** providing single event-based food services. These establishments generally have equipment and vehicles to transport meals and snacks to events and/or prepare food at an off-premise site. Banquet halls with catering staff are included in this industry. Examples of events catered by establishments in this industry are graduation parties, wedding receptions, business or retirement luncheons, and trade shows.
- **Mobile Food Services:** establishments primarily engaged in preparing and serving meals and snacks for immediate consumption from motorized vehicles or non-motorized carts. The establishment is the central location from which the caterer route is serviced, not each vehicle, or cart. Included in this industry are establishments primarily engaged in providing food services from vehicles, such as a hot dog cart and ice cream truck.

Shopping Center Definitions

This study utilizes the shopping centers typologies defined by the International Council of Shopping Centers (ICSC) as follows:

- **Convenience Centers:** Convenience centers are 30,000 sf or less, unanchored, and generally will service a trade area of up to one mile. These centers include banking, carryout foods, florists, mail centers, small restaurants, small food markets, and professional services such as real estate and financial consulting. The centers typically include six to eight businesses.
- **Neighborhood Centers:** Neighborhood centers are anchored with a full-sized supermarket and typically range from 60,000 to 100,000 sf. They service a trade area of two to three miles and can include apparel, banks, carryout food, hardware, mail centers, restaurants, sporting goods, and professional services such as financial consulting and real estate.
- **Community Centers:** Community centers typically range from 150,000 to 300,000 sf and are almost always anchored with a full-sized department store. They also include junior anchor retailers selling books, crafts, shoes, and sporting goods. Community centers often include large home improvement stores and medium-sized discount apparel stores. Their service area is typically five to seven miles in suburban locations.
- **Lifestyle Centers:** Lifestyle centers average 150,000 to 200,000 sf and feature popular apparel, book, and home furnishing stores, as well as cinemas and a wide selection of themed restaurants. The centers are frequently planned as walkable areas with main streets. Recently, lifestyle centers have included large anchors such as department stores, public libraries, and supermarkets. These centers typically have a trade area of four to six miles when developed in suburban settings. Lifestyle centers that include civic, employment, and residential buildings along with the retail land use are defined as 'town centers.'
- **Regional Centers:** Regional centers average trade areas of eight to 12 miles and are anchored with multiple department stores. The centers can range from 800,000 to 1,500,000 sf, and often include cinemas along with 200,000 sf of national brand fashion.

Rationale

The rationale for the findings in this study follows:

- **Advantageous population and income growth:** Downtown Kalamazoo is located in a growing area represented by annual population growth of 0.63 percent and average household income growth of 2.9 percent. These base economic characteristics contrast many other regions of Michigan and create a favorable environment for new commercial development.
- **Major institutions and employment centers:** Downtown Kalamazoo is within two miles of a robust population of over 25,000 students. College-aged consumers crave urban living, shopping and entertainment and are a largely untapped market for downtown. Luring them to the study area with relevant retail and entertainment could greatly expand the sales capture of existing and future tenants. Similarly, major employers such as Bronson Hospital, Western Michigan University, Pfizer Corporation and the Stryker Corporation serve as economic drivers for the region and downtown. High-wage earning workers generate significant expenditure for retailers before, during and after the workday.
- **Underserved trade area:** The households in the primary trade area are currently underserved by existing retailers represented by the \$51.6 million in sales that could be captured by Downtown Kalamazoo. National trends demonstrate a resurgence in the demand for urban, mixed-use and walkable communities to live and shop. With continuing residential development in the study area, the opportunity to expand the depth and variety of the shopping district will be strong.
- **Tourism and Events:** As the urban hub of southwestern Michigan, residents throughout the region view Downtown Kalamazoo as a frequent destination for shopping, dining and entertainment venues not otherwise offered in smaller towns and villages. Additionally, exceptionally well-known craft breweries serve as anchors for the community and draw enthusiasts from throughout the Midwest. Lastly, popular events hosted in the downtown extend the variety of reasons area that shoppers find for heading downtown. These conditions combine to represent a robust and varied consumer base familiar with Kalamazoo and could be enticed to more frequently visits or lengthen existing visits to downtown and increase the overall commercial expenditure.

Limits of Study

The findings of this study represent GPG's best estimates for the amounts and types of retail projects that should be supportable in the study area. Every reasonable effort has been made to ensure that the data contained in this study reflect the most accurate and timely information possible and are believed to be reliable. This study is based on estimates, assumptions, and other information developed by GPG independent research effort, general knowledge of the industry, and consultations with the client and its representatives. This study is designed as objective third party research and GPG does not recommend that any or all of the supportable retail be developed in the study area.

No responsibility is assumed for inaccuracies in reporting by the client, its agent and representatives or in any other data source used in preparing or presenting this study. This report is based on information that was current as of May 25, 2017, and GPG has not undertaken any update of its research effort since such date.

This report may contain prospective financial information, estimates, or opinions that represent GPG's view of reasonable expectations at a particular time, but such information, estimates, or opinions are not offered as predictions or assurances that a particular level of income or profit will be achieved, that particular events will occur, or that a particular price will be offered or accepted.

Actual results achieved during the period covered by our prospective financial analysis may vary from those described in our report, and the variations may be material. Therefore, no warranty or representation is made by GPG that any of the projected values or results contained in this study will be achieved.

This study should not be the sole basis for programming, planning, designing, financing, or development of any commercial center. This study is for the use of the City of Kalamazoo for general planning purposes only, and is void for other site locations or developers.

-- END OF ANALYSIS --

APPENDIX EXHIBIT A1: Primary Trade Area Community Profile

Gibbs Planning Group

Community Profile

PTA
Area: 308.4 square miles

Prepared by Gibbs Planning Group

Population Summary	
2000 Total Population	220,235
2010 Total Population	230,628
2016 Total Population	237,299
2016 Group Quarters	8,592
2021 Total Population	244,861
2016-2021 Annual Rate	0.63%
2016 Total Daytime Population	252,487
Workers	131,447
Residents	121,040
Household Summary	
2000 Households	86,713
2000 Average Household Size	2.41
2010 Households	93,247
2010 Average Household Size	2.38
2016 Households	95,700
2016 Average Household Size	2.39
2021 Households	98,700
2021 Average Household Size	2.39
2016-2021 Annual Rate	0.62%
2010 Families	54,419
2010 Average Family Size	2.99
2016 Families	55,025
2016 Average Family Size	3.00
2021 Families	56,321
2021 Average Family Size	3.01
2016-2021 Annual Rate	0.47%
Housing Unit Summary	
2000 Housing Units	91,934
Owner Occupied Housing Units	60.3%
Renter Occupied Housing Units	34.1%
Vacant Housing Units	5.7%
2010 Housing Units	101,762
Owner Occupied Housing Units	56.4%
Renter Occupied Housing Units	35.3%
Vacant Housing Units	8.4%
2016 Housing Units	104,906
Owner Occupied Housing Units	54.9%
Renter Occupied Housing Units	36.3%
Vacant Housing Units	8.8%
2021 Housing Units	108,099
Owner Occupied Housing Units	54.8%
Renter Occupied Housing Units	36.5%
Vacant Housing Units	8.7%
Median Household Income	
2016	\$45,512
2021	\$52,184
Median Home Value	
2016	\$143,982
2021	\$176,826
Per Capita Income	
2016	\$26,629
2021	\$29,193
Median Age	
2010	33.4
2016	34.3
2021	35.3

Data Note: Household population includes persons not residing in group quarters. Average Household Size is the household population divided by total households. Persons in families include the householder and persons related to the householder by birth, marriage, or adoption. Per Capita Income represents the income received by all persons aged 15 years and over divided by the total population.

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2016 and 2021 Esri converted Census 2000 data into 2010 geography.

APPENDIX EXHIBIT A2: Primary Trade Area Community Profile

Gibbs Planning Group

Community Profile

PTA
Area: 308.4 square miles

Prepared by Gibbs Planning Group

2016 Households by Income	
Household Income Base	95,700
<\$15,000	16.1%
\$15,000 - \$24,999	12.2%
\$25,000 - \$34,999	11.4%
\$35,000 - \$49,999	13.6%
\$50,000 - \$74,999	17.3%
\$75,000 - \$99,999	11.2%
\$100,000 - \$149,999	10.9%
\$150,000 - \$199,999	3.5%
\$200,000+	3.8%
Average Household Income	\$64,393
2021 Households by Income	
Household Income Base	98,700
<\$15,000	16.2%
\$15,000 - \$24,999	11.6%
\$25,000 - \$34,999	11.4%
\$35,000 - \$49,999	8.5%
\$50,000 - \$74,999	18.6%
\$75,000 - \$99,999	12.5%
\$100,000 - \$149,999	12.6%
\$150,000 - \$199,999	4.4%
\$200,000+	4.3%
Average Household Income	\$70,836
2016 Owner Occupied Housing Units by Value	
Total	57,576
<\$50,000	12.3%
\$50,000 - \$99,999	19.4%
\$100,000 - \$149,999	20.8%
\$150,000 - \$199,999	17.9%
\$200,000 - \$249,999	10.2%
\$250,000 - \$299,999	5.3%
\$300,000 - \$399,999	5.7%
\$400,000 - \$499,999	3.9%
\$500,000 - \$749,999	3.4%
\$750,000 - \$999,999	0.7%
\$1,000,000 +	0.5%
Average Home Value	\$183,208
2021 Owner Occupied Housing Units by Value	
Total	59,277
<\$50,000	8.2%
\$50,000 - \$99,999	15.0%
\$100,000 - \$149,999	14.4%
\$150,000 - \$199,999	23.1%
\$200,000 - \$249,999	15.6%
\$250,000 - \$299,999	7.8%
\$300,000 - \$399,999	6.3%
\$400,000 - \$499,999	4.3%
\$500,000 - \$749,999	3.9%
\$750,000 - \$999,999	0.9%
\$1,000,000 +	0.4%
Average Home Value	\$207,534

Data Note: Income represents the preceding year, expressed in current dollars. Household income includes wage and salary earnings, interest dividends, net rents, pensions, SSI and welfare payments, child support, and alimony.

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2016 and 2021 Esri converted Census 2000 data into 2010 geography.

APPENDIX EXHIBIT A3: Primary Trade Area Community Profile

Gibbs Planning Group

Community Profile

PTA
Area: 308.4 square miles

Prepared by Gibbs Planning Group

2010 Population by Age	
Total	230,626
0 - 4	6.4%
5 - 9	6.2%
10 - 14	6.3%
15 - 24	19.5%
25 - 34	13.6%
35 - 44	11.7%
45 - 54	13.0%
55 - 64	11.1%
65 - 74	6.2%
75 - 84	4.0%
85 +	2.0%
18 +	77.4%
2016 Population by Age	
Total	237,298
0 - 4	6.0%
5 - 9	5.8%
10 - 14	5.9%
15 - 24	19.6%
25 - 34	13.6%
35 - 44	11.3%
45 - 54	11.8%
55 - 64	11.9%
65 - 74	7.9%
75 - 84	4.1%
85 +	2.2%
18 +	78.7%
2021 Population by Age	
Total	244,859
0 - 4	5.9%
5 - 9	5.6%
10 - 14	5.8%
15 - 24	18.8%
25 - 34	13.6%
35 - 44	11.4%
45 - 54	11.0%
55 - 64	11.6%
65 - 74	9.4%
75 - 84	4.7%
85 +	2.2%
18 +	79.2%
2010 Population by Sex	
Males	112,467
Females	118,161
2016 Population by Sex	
Males	115,988
Females	121,311
2021 Population by Sex	
Males	119,871
Females	124,990

APPENDIX EXHIBIT A4: Primary Trade Area Community Profile

Gibbs Planning Group

Community Profile

PTA
Area: 308.4 square miles

Prepared by Gibbs Planning Group

2010 Population by Race/Ethnicity	
Total	230,628
White Alone	80.4%
Black Alone	11.8%
American Indian Alone	0.4%
Asian Alone	2.2%
Pacific Islander Alone	0.0%
Some Other Race Alone	1.6%
Two or More Races	3.5%
Hispanic Origin	4.2%
Diversity Index	39.2
2016 Population by Race/Ethnicity	
Total	237,300
White Alone	78.7%
Black Alone	12.1%
American Indian Alone	0.4%
Asian Alone	2.8%
Pacific Islander Alone	0.1%
Some Other Race Alone	2.0%
Two or More Races	4.0%
Hispanic Origin	5.3%
Diversity Index	42.9
2021 Population by Race/Ethnicity	
Total	244,863
White Alone	77.1%
Black Alone	12.5%
American Indian Alone	0.4%
Asian Alone	3.2%
Pacific Islander Alone	0.1%
Some Other Race Alone	2.3%
Two or More Races	4.5%
Hispanic Origin	6.4%
Diversity Index	46.2
2010 Population by Relationship and Household Type	
Total	230,628
In Households	96.3%
In Family Households	72.8%
Householder	23.6%
Spouse	16.9%
Child	27.5%
Other relative	2.4%
Nonrelative	2.4%
In Nonfamily Households	23.5%
In Group Quarters	3.7%
Institutionalized Population	0.8%
Noninstitutionalized Population	2.9%

Data Note: Persons of Hispanic Origin may be of any race. The Diversity Index measures the probability that two people from the same area will be from different race/ethnic groups.

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2016 and 2021 Esri converted Census 2000 data into 2010 geography.

APPENDIX EXHIBIT A5: Primary Trade Area Community Profile

Gibbs Planning Group

Community Profile

PTA
Area: 308.4 square miles

Prepared by Gibbs Planning Group

2016 Population 25+ by Educational Attainment	
Total	148,887
Less than 9th Grade	2.0%
9th - 12th Grade, No Diploma	4.8%
High School Graduate	19.3%
GED/Alternative Credential	3.3%
Some College, No Degree	24.0%
Associate Degree	9.9%
Bachelor's Degree	22.0%
Graduate/Professional Degree	14.6%
2016 Population 15+ by Marital Status	
Total	195,331
Never Married	40.2%
Married	43.3%
Widowed	4.9%
Divorced	11.6%
2016 Civilian Population 16+ in Labor Force	
Civilian Employed	93.6%
Civilian Unemployed	6.4%
2016 Employed Population 16+ by Industry	
Total	118,458
Agriculture/Mining	1.1%
Construction	3.6%
Manufacturing	18.1%
Wholesale Trade	2.3%
Retail Trade	11.5%
Transportation/Utilities	2.7%
Information	1.1%
Finance/Insurance/Real Estate	5.6%
Services	51.5%
Public Administration	2.6%
2016 Employed Population 16+ by Occupation	
Total	118,459
White Collar	60.7%
Management/Business/Financial	14.0%
Professional	23.9%
Sales	10.5%
Administrative Support	12.3%
Services	19.6%
Blue Collar	19.7%
Farming/Forestry/Fishing	0.5%
Construction/Extraction	3.3%
Installation/Maintenance/Repair	2.7%
Production	7.6%
Transportation/Material Moving	5.6%
2010 Population By Urban/ Rural Status	
Total Population	230,628
Population Inside Urbanized Area	85.0%
Population Inside Urbanized Cluster	2.6%
Rural Population	12.4%

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2016 and 2021 Esri converted Census 2000 data into 2010 geography.

APPENDIX EXHIBIT A6: Primary Trade Area Community Profile

Gibbs Planning Group

Community Profile

PTA
Area: 308.4 square miles

Prepared by Gibbs Planning Group

2010 Households by Type	
Total	93,247
Households with 1 Person	30.6%
Households with 2+ People	69.4%
Family Households	58.4%
Husband-wife Families	41.9%
With Related Children	17.7%
Other Family (No Spouse Present)	16.5%
Other Family with Male Householder	4.2%
With Related Children	2.5%
Other Family with Female Householder	12.3%
With Related Children	8.6%
Nonfamily Households	11.0%
All Households with Children	29.2%
Multigenerational Households	2.3%
Unmarried Partner Households	7.6%
Male-female	6.9%
Same-sex	0.7%
2010 Households by Size	
Total	93,247
1 Person Household	30.6%
2 Person Household	34.2%
3 Person Household	14.8%
4 Person Household	12.1%
5 Person Household	5.3%
6 Person Household	1.9%
7 + Person Household	1.1%
2010 Households by Tenure and Mortgage Status	
Total	93,247
Owner Occupied	61.5%
Owned with a Mortgage/Loan	43.5%
Owned Free and Clear	18.0%
Renter Occupied	38.5%
2010 Housing Units By Urban/ Rural Status	
Total Housing Units	101,762
Housing Units Inside Urbanized Area	85.9%
Housing Units Inside Urbanized Cluster	2.6%
Rural Housing Units	11.5%

Data Note: Households with children include any households with people under age 18, related or not. Multigenerational households are families with 3 or more parent-child relationships. Unmarried partner households are usually classified as nonfamily households unless there is another member of the household related to the householder. Multigenerational and unmarried partner households are reported only to the tract level. Esri estimated block group data, which is used to estimate polygons or non-standard geography.

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2016 and 2021 Esri converted Census 2000 data into 2010 geography.

APPENDIX EXHIBIT A7: Primary Trade Area Community Profile

Gibbs Planning Group

Community Profile

PTA
Area: 308.4 square miles

Prepared by Gibbs Planning Group

Top 3 Tapestry Segments		
1.		Traditional Living (12B)
2.		Green Acres (6A)
3.		College Towns (14B)
2016 Consumer Spending		
Apparel & Services: Total \$		\$164,514,661
Average Spent		\$1,719.07
Spending Potential Index		85
Education: Total \$		\$122,853,100
Average Spent		\$1,283.73
Spending Potential Index		91
Entertainment/Recreation: Total \$		\$233,386,885
Average Spent		\$2,438.73
Spending Potential Index		84
Food at Home: Total \$		\$413,428,087
Average Spent		\$4,320.04
Spending Potential Index		87
Food Away from Home: Total \$		\$254,887,649
Average Spent		\$2,663.40
Spending Potential Index		86
Health Care: Total \$		\$421,761,907
Average Spent		\$4,407.13
Spending Potential Index		83
HH Furnishings & Equipment: Total \$		\$142,519,485
Average Spent		\$1,489.23
Spending Potential Index		84
Personal Care Products & Services: Total \$		\$58,190,758
Average Spent		\$608.05
Spending Potential Index		83
Shelter: Total \$		\$1,263,431,682
Average Spent		\$13,202.00
Spending Potential Index		85
Support Payments/Cash Contributions/Gifts in Kind:		\$185,743,039
Average Spent		\$1,940.89
Spending Potential Index		84
Travel: Total \$		\$142,775,082
Average Spent		\$1,491.90
Spending Potential Index		80
Vehicle Maintenance & Repairs: Total \$		\$84,055,318
Average Spent		\$878.32
Spending Potential Index		85

Data Note: Consumer spending shows the amount spent on a variety of goods and services by households that reside in the area. Expenditures are shown by broad budget categories that are not mutually exclusive. Consumer spending does not equal business revenue. Total and Average Amount Spent Per Household represent annual figures. The Spending Potential Index represents the amount spent in the area relative to a national average of 100.

Source: Consumer Spending data are derived from the 2013 and 2014 Consumer Expenditure Surveys, Bureau of Labor Statistics. Esri.

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2016 and 2021 Esri converted Census 2000 data into 2010 geography.

APPENDIX EXHIBIT B1: Total Trade Area Community Profile

Gibbs Planning Group

Community Profile

TTA
Area: 2,667.29 square miles

Prepared by Gibbs Planning Group

Population Summary	
2000 Total Population	592,521
2010 Total Population	599,406
2016 Total Population	607,964
2016 Group Quarters	14,536
2021 Total Population	618,666
2016-2021 Annual Rate	0.35%
2016 Total Daytime Population	612,618
Workers	287,526
Residents	325,092
Household Summary	
2000 Households	228,830
2000 Average Household Size	2.50
2010 Households	237,434
2010 Average Household Size	2.46
2016 Households	240,894
2016 Average Household Size	2.46
2021 Households	245,233
2021 Average Household Size	2.46
2016-2021 Annual Rate	0.36%
2010 Families	152,851
2010 Average Family Size	3.00
2016 Families	153,132
2016 Average Family Size	3.01
2021 Families	154,837
2021 Average Family Size	3.01
2016-2021 Annual Rate	0.22%
Housing Unit Summary	
2000 Housing Units	254,796
Owner Occupied Housing Units	64.0%
Renter Occupied Housing Units	25.8%
Vacant Housing Units	10.2%
2010 Housing Units	274,317
Owner Occupied Housing Units	59.8%
Renter Occupied Housing Units	26.7%
Vacant Housing Units	13.4%
2016 Housing Units	279,938
Owner Occupied Housing Units	58.5%
Renter Occupied Housing Units	27.6%
Vacant Housing Units	13.9%
2021 Housing Units	285,207
Owner Occupied Housing Units	58.4%
Renter Occupied Housing Units	27.6%
Vacant Housing Units	14.0%
Median Household Income	
2016	\$45,818
2021	\$52,010
Median Home Value	
2016	\$133,449
2021	\$169,750
Per Capita Income	
2016	\$25,095
2021	\$27,594
Median Age	
2010	37.4
2016	38.4
2021	39.3

Data Note: Household population includes persons not residing in group quarters. Average Household Size is the household population divided by total households. Persons in families include the householder and persons related to the householder by birth, marriage, or adoption. Per Capita Income represents the income received by all persons aged 15 years and over divided by the total population.

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2016 and 2021. Esri converted Census 2000 data into 2010 geography.

APPENDIX EXHIBIT B2: Total Trade Area Community Profile

Gibbs Planning Group

Community Profile

TTA
Area: 2,667.29 square miles

Prepared by Gibbs Planning Group

2016 Households by Income	
Household Income Base	240,894
<\$15,000	14.7%
\$15,000 - \$24,999	12.1%
\$25,000 - \$34,999	11.7%
\$35,000 - \$49,999	14.6%
\$50,000 - \$74,999	18.5%
\$75,000 - \$99,999	11.8%
\$100,000 - \$149,999	10.5%
\$150,000 - \$199,999	3.1%
\$200,000+	2.9%
Average Household Income	\$62,077
2021 Households by Income	
Household Income Base	245,233
<\$15,000	14.9%
\$15,000 - \$24,999	11.8%
\$25,000 - \$34,999	11.9%
\$35,000 - \$49,999	9.1%
\$50,000 - \$74,999	19.2%
\$75,000 - \$99,999	13.3%
\$100,000 - \$149,999	12.5%
\$150,000 - \$199,999	4.0%
\$200,000+	3.4%
Average Household Income	\$68,375
2016 Owner Occupied Housing Units by Value	
Total	163,680
<\$50,000	14.3%
\$50,000 - \$99,999	22.5%
\$100,000 - \$149,999	19.7%
\$150,000 - \$199,999	15.8%
\$200,000 - \$249,999	9.0%
\$250,000 - \$299,999	5.1%
\$300,000 - \$399,999	6.2%
\$400,000 - \$499,999	2.9%
\$500,000 - \$749,999	3.3%
\$750,000 - \$999,999	0.6%
\$1,000,000 +	0.6%
Average Home Value	\$174,980
2021 Owner Occupied Housing Units by Value	
Total	166,435
<\$50,000	9.7%
\$50,000 - \$99,999	17.1%
\$100,000 - \$149,999	15.1%
\$150,000 - \$199,999	20.6%
\$200,000 - \$249,999	13.5%
\$250,000 - \$299,999	7.9%
\$300,000 - \$399,999	7.4%
\$400,000 - \$499,999	3.4%
\$500,000 - \$749,999	4.0%
\$750,000 - \$999,999	0.8%
\$1,000,000 +	0.5%
Average Home Value	\$202,098

Data Note: Income represents the preceding year, expressed in current dollars. Household income includes wage and salary earnings, interest dividends, net rents, pensions, SSI and welfare payments, child support, and alimony.

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2016 and 2021 Esri converted Census 2000 data into 2010 geography.

APPENDIX EXHIBIT B3: Total Trade Area Community Profile

Gibbs Planning Group

Community Profile

TTA
Area: 2,667.29 square miles

Prepared by Gibbs Planning Group

2010 Population by Age	
Total	599,404
0 - 4	6.4%
5 - 9	6.5%
10 - 14	6.8%
15 - 24	15.3%
25 - 34	12.2%
35 - 44	12.2%
45 - 54	14.6%
55 - 64	12.5%
65 - 74	7.3%
75 - 84	4.4%
85 +	2.0%
18 +	76.1%
2016 Population by Age	
Total	607,962
0 - 4	6.0%
5 - 9	6.1%
10 - 14	6.3%
15 - 24	15.2%
25 - 34	12.4%
35 - 44	11.6%
45 - 54	13.0%
55 - 64	13.6%
65 - 74	9.2%
75 - 84	4.5%
85 +	2.1%
18 +	77.8%
2021 Population by Age	
Total	618,668
0 - 4	5.9%
5 - 9	5.9%
10 - 14	6.2%
15 - 24	14.5%
25 - 34	12.5%
35 - 44	11.6%
45 - 54	11.8%
55 - 64	13.4%
65 - 74	10.8%
75 - 84	5.3%
85 +	2.1%
18 +	78.3%
2010 Population by Sex	
Males	294,291
Females	305,115
2016 Population by Sex	
Males	299,171
Females	308,792
2021 Population by Sex	
Males	305,220
Females	313,446

Source: U.S. Census Bureau, Census 2010 Summary File 1, Esri forecasts for 2016 and 2021 Esri converted Census 2000 data into 2010 geography.

APPENDIX EXHIBIT B4: Total Trade Area Community Profile

Gibbs Planning Group

Community Profile

TTA
Area: 2,667.29 square miles

Prepared by Gibbs Planning Group

2010 Population by Race/Ethnicity	
Total	599,407
White Alone	82.0%
Black Alone	10.8%
American Indian Alone	0.6%
Asian Alone	1.5%
Pacific Islander Alone	0.0%
Some Other Race Alone	2.1%
Two or More Races	2.9%
Hispanic Origin	5.0%
Diversity Index	38.1
2016 Population by Race/Ethnicity	
Total	607,964
White Alone	80.7%
Black Alone	10.9%
American Indian Alone	0.6%
Asian Alone	1.9%
Pacific Islander Alone	0.0%
Some Other Race Alone	2.5%
Two or More Races	3.4%
Hispanic Origin	5.9%
Diversity Index	41.1
2021 Population by Race/Ethnicity	
Total	618,667
White Alone	79.6%
Black Alone	11.0%
American Indian Alone	0.6%
Asian Alone	2.3%
Pacific Islander Alone	0.0%
Some Other Race Alone	2.7%
Two or More Races	3.8%
Hispanic Origin	6.7%
Diversity Index	43.5
2010 Population by Relationship and Household Type	
Total	599,406
In Households	97.6%
In Family Households	79.2%
Householder	25.5%
Spouse	18.5%
Child	29.9%
Other relative	2.7%
Nonrelative	2.6%
In Nonfamily Households	18.3%
In Group Quarters	2.4%
Institutionalized Population	0.9%
Noninstitutionalized Population	1.5%

Data Note: Persons of Hispanic Origin may be of any race. The Diversity Index measures the probability that two people from the same area will be from different race/ethnic groups.

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2016 and 2021 Esri converted Census 2000 data into 2010 geography.

APPENDIX EXHIBIT B5: Total Trade Area Community Profile

Gibbs Planning Group

Community Profile

TTA
Area: 2,667.29 square miles

Prepared by Gibbs Planning Group

2016 Population 25+ by Educational Attainment	
Total	403,469
Less than 9th Grade	3.1%
9th - 12th Grade, No Diploma	6.2%
High School Graduate	25.5%
GED/Alternative Credential	4.4%
Some College, No Degree	24.4%
Associate Degree	9.6%
Bachelor's Degree	16.5%
Graduate/Professional Degree	10.2%
2016 Population 15+ by Marital Status	
Total	496,114
Never Married	33.4%
Married	48.1%
Widowed	5.8%
Divorced	12.7%
2016 Civilian Population 16+ in Labor Force	
Civilian Employed	93.9%
Civilian Unemployed	6.1%
2016 Employed Population 16+ by Industry	
Total	286,690
Agriculture/Mining	2.3%
Construction	4.6%
Manufacturing	22.0%
Wholesale Trade	2.2%
Retail Trade	10.8%
Transportation/Utilities	3.6%
Information	1.0%
Finance/Insurance/Real Estate	4.6%
Services	45.6%
Public Administration	3.2%
2016 Employed Population 16+ by Occupation	
Total	286,688
White Collar	54.7%
Management/Business/Financial	12.6%
Professional	20.1%
Sales	9.6%
Administrative Support	12.3%
Services	18.6%
Blue Collar	26.8%
Farming/Forestry/Fishing	1.4%
Construction/Extraction	4.5%
Installation/Maintenance/Repair	3.5%
Production	11.0%
Transportation/Material Moving	6.4%
2010 Population By Urban/ Rural Status	
Total Population	599,406
Population Inside Urbanized Area	55.8%
Population Inside Urbanized Cluster	10.2%
Rural Population	34.1%

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2016 and 2021 Esri converted Census 2000 data into 2010 geography.

APPENDIX EXHIBIT B6: Total Trade Area Community Profile

Gibbs Planning Group

Community Profile

TTA
Area: 2,667.29 square miles

Prepared by Gibbs Planning Group

2010 Households by Type	
Total	237,434
Households with 1 Person	28.0%
Households with 2+ People	72.0%
Family Households	64.4%
Husband-wife Families	46.6%
With Related Children	18.8%
Other Family (No Spouse Present)	17.8%
Other Family with Male Householder	4.8%
With Related Children	2.9%
Other Family with Female Householder	13.0%
With Related Children	8.9%
Nonfamily Households	7.6%
All Households with Children	31.2%
Multigenerational Households	3.1%
Unmarried Partner Households	7.4%
Male-female	6.8%
Same-sex	0.6%
2010 Households by Size	
Total	237,434
1 Person Household	28.0%
2 Person Household	35.0%
3 Person Household	15.2%
4 Person Household	12.4%
5 Person Household	5.8%
6 Person Household	2.2%
7 + Person Household	1.4%
2010 Households by Tenure and Mortgage Status	
Total	237,434
Owner Occupied	69.1%
Owned with a Mortgage/Loan	47.4%
Owned Free and Clear	21.7%
Renter Occupied	30.9%
2010 Housing Units By Urban/ Rural Status	
Total Housing Units	274,317
Housing Units Inside Urbanized Area	54.9%
Housing Units Inside Urbanized Cluster	10.6%
Rural Housing Units	34.4%

Data Note: Households with children include any households with people under age 18, related or not. Multigenerational households are families with 3 or more parent-child relationships. Unmarried partner households are usually classified as nonfamily households unless there is another member of the household related to the householder. Multigenerational and unmarried partner households are reported only to the tract level. Esri estimated block group data, which is used to estimate polygons or non-standard geography.

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2016 and 2021 Esri converted Census 2000 data into 2010 geography.

APPENDIX EXHIBIT B7: Total Trade Area Community Profile

Gibbs Planning Group

Community Profile

TTA
Area: 2,667.29 square miles

Prepared by Gibbs Planning Group

Top 3 Tapestry Segments		
1.	Salt of the Earth (6B)	
2.	Traditional Living (12B)	
3.	Green Acres (6A)	
2016 Consumer Spending		
Apparel & Services: Total \$		\$389,047,818
Average Spent		\$1,615.02
Spending Potential Index		80
Education: Total \$		\$270,257,758
Average Spent		\$1,121.89
Spending Potential Index		79
Entertainment/Recreation: Total \$		\$572,996,394
Average Spent		\$2,378.62
Spending Potential Index		82
Food at Home: Total \$		\$1,010,141,102
Average Spent		\$4,193.30
Spending Potential Index		84
Food Away from Home: Total \$		\$606,550,058
Average Spent		\$2,517.91
Spending Potential Index		81
Health Care: Total \$		\$1,078,049,437
Average Spent		\$4,475.20
Spending Potential Index		84
HH Furnishings & Equipment: Total \$		\$345,116,797
Average Spent		\$1,432.65
Spending Potential Index		81
Personal Care Products & Services: Total \$		\$141,357,231
Average Spent		\$586.80
Spending Potential Index		80
Shelter: Total \$		\$2,953,642,327
Average Spent		\$12,261.17
Spending Potential Index		79
Support Payments/Cash Contributions/Gifts in Kind:		\$465,734,798
Average Spent		\$1,933.36
Spending Potential Index		83
Travel: Total \$		\$347,032,707
Average Spent		\$1,440.60
Spending Potential Index		77
Vehicle Maintenance & Repairs: Total \$		\$207,788,120
Average Spent		\$862.57
Spending Potential Index		83

Data Note: Consumer spending shows the amount spent on a variety of goods and services by households that reside in the area. Expenditures are shown by broad budget categories that are not mutually exclusive. Consumer spending does not equal business revenue. Total and Average Amount Spent Per Household represent annual figures. The Spending Potential Index represents the amount spent in the area relative to a national average of 100.

Source: Consumer Spending data are derived from the 2013 and 2014 Consumer Expenditure Surveys, Bureau of Labor Statistics. Esri.

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2016 and 2021 Esri converted Census 2000 data into 2010 geography.

Data for all businesses in area					
		Businesses		Employees	
		Number	Percent	Number	Percent
Total Businesses:		9,931			
Total Employees:		158,563			
Total Residential Population:		237,299			
Employee/Residential Population Ratio:		0.67:1			
by SIC Codes		Number	Percent	Number	Percent
Agriculture & Mining		271	2.7%	2,053	1.3%
Construction		699	7.0%	6,117	3.9%
Manufacturing		378	3.8%	16,730	10.6%
Transportation		225	2.3%	3,875	2.4%
Communication		86	0.9%	1,074	0.7%
Utility		18	0.2%	391	0.2%
Wholesale Trade		372	3.7%	10,978	6.9%
Retail Trade Summary		2,030	20.4%	32,057	20.2%
Home Improvement		133	1.3%	1,656	1.0%
General Merchandise Stores		63	0.6%	3,272	2.1%
Food Stores		181	1.8%	4,859	3.1%
Auto Dealers, Gas Stations, Auto Aftermarket		258	2.6%	2,889	1.8%
Apparel & Accessory Stores		121	1.2%	1,173	0.7%
Furniture & Home Furnishings		169	1.7%	1,521	1.0%
Eating & Drinking Places		572	5.8%	11,833	7.5%
Miscellaneous Retail		533	5.4%	4,854	3.1%
Finance, Insurance, Real Estate Summary		1,309	13.2%	16,362	10.3%
Banks, Savings & Lending Institutions		537	5.4%	1,528	1.0%
Securities Brokers		135	1.4%	1,108	0.7%
Insurance Carriers & Agents		178	1.8%	1,606	1.0%
Real Estate, Holding, Other Investment Offices		459	4.6%	12,120	7.6%
Services Summary		3,984	40.1%	62,694	39.5%
Hotels & Lodging		56	0.6%	1,398	0.9%
Automotive Services		262	2.6%	1,698	1.1%
Motion Pictures & Amusements		287	2.9%	2,797	1.8%
Health Services		673	6.8%	15,495	9.8%
Legal Services		175	1.8%	1,107	0.7%
Education Institutions & Libraries		221	2.2%	16,818	10.6%
Other Services		2,311	23.3%	23,381	14.7%
Government		278	2.8%	5,825	3.7%
Unclassified Establishments		281	2.8%	406	0.3%
Totals		9,931	100.0%	158,563	100.0%

Source: Copyright 2016 Infocrowd, Inc. All rights reserved. Esri Total Residential Population forecasts for 2016.

Data Note: Data on the Business Summary report is calculated using Esri's Data allocation which uses census block groups to allocate business summary data to custom areas.

PTA
Area: 308.4 square miles

by NAICS Codes	Businesses		Employees	
	Number	Percent	Number	Percent
Agriculture, Forestry, Fishing & Hunting	70	0.7%	714	0.5%
Mining			110	0.1%
Utilities	4	0.0%		
Construction	9	0.1%	229	0.1%
Manufacturing	754	7.6%	6,950	4.4%
Wholesale Trade	395	4.0%	16,600	10.5%
Retail Trade	366	3.7%	10,959	6.9%
Motor Vehicle & Parts Dealers	1,415	14.2%	19,757	12.5%
Furniture & Home Furnishings Stores	188	1.9%	2,613	1.6%
Electronics & Appliance Stores	74	0.7%	799	0.5%
Bldg Material & Garden Equipment & Supplies	77	0.8%	655	0.4%
Food & Beverage Stores	132	1.3%	1,657	1.0%
Health & Personal Care Stores	160	1.6%	4,496	2.8%
Gasoline Stations	139	1.4%	1,847	1.2%
Clothing & Clothing Accessories Stores	70	0.7%	277	0.2%
Sport Goods, Hobby, Book, & Music Stores	161	1.6%	1,364	0.9%
General Merchandise Stores	113	1.1%	1,271	0.8%
Miscellaneous Store Retailers	63	0.6%	3,272	2.1%
Nonstore Retailers	213	2.1%	1,397	0.9%
Transportation & Warehousing	25	0.3%	110	0.1%
Information	150	1.5%	3,202	2.0%
Finance & Insurance	187	1.9%	2,225	1.4%
Central Bank/Credit Intermediation & Related Securities, Commodity Contracts & Other Financial	859	8.6%	4,264	2.7%
Insurance Carriers & Related Activities; Funds, Trusts	542	5.5%	1,540	1.0%
Real Estate, Rental & Leasing	139	1.4%	1,118	0.7%
Professional, Scientific & Tech Services	178	1.8%	1,606	1.0%
Legal Services	573	5.8%	12,325	7.8%
Management of Companies & Enterprises	886	8.9%	6,796	4.3%
Administrative & Support & Waste Management & Educational Services	189	1.9%	1,244	0.8%
Health Care & Social Assistance	5	0.1%	232	0.1%
Arts, Entertainment & Recreation	424	4.3%	4,464	2.8%
Accommodation & Food Services	260	2.6%	16,879	10.6%
Accommodation	976	9.8%	22,248	14.0%
Food Services & Drinking Places	211	2.1%	2,459	1.6%
Other Services (except Public Administration)	641	6.5%	13,402	8.5%
Automotive Repair & Maintenance	56	0.6%	1,398	0.9%
Public Administration	585	5.9%	12,004	7.6%
Unclassified Establishments	1,185	11.9%	8,447	5.3%
	194	2.0%	1,030	0.6%
	281	2.8%	5,896	3.7%
Total	281	2.8%	406	0.3%
	9,931	100.0%	158,563	100.0%

Source: Copyright 2016 Infogroup, Inc. All rights reserved. Esri Total Residential Population forecasts for 2016.
Date Note: Data on the Business Summary report is calculated using Esri's Data allocation which uses census block groups to allocate business summary data to custom areas.

TTA
Area : 2,667.29 square miles

Data for all businesses in area			
Total Businesses:	24,175		
Total Employees:	337,485		
Total Residential Population:	607,964		
Employee/Residential Population Ratio:	0.56:1		
by SIC Codes	Businesses	Employees	
	Number	Percent	Number Percent
Agriculture & Mining	838	3.5%	6,087 1.8%
Construction	1,884	7.8%	11,936 3.5%
Manufacturing	998	4.1%	46,082 13.7%
Transportation	639	2.6%	8,603 2.5%
Communication	188	0.8%	2,225 0.7%
Utility	70	0.3%	1,416 0.4%
Wholesale Trade	867	3.6%	19,893 5.9%
Retail Trade Summary	4,800	19.9%	66,125 19.6%
Home Improvement	379	1.6%	3,884 1.2%
General Merchandise Stores	181	0.7%	7,041 2.1%
Food Stores	485	2.0%	10,885 3.2%
Auto Dealers, Gas Stations, Auto Aftermarket	683	2.8%	7,044 2.1%
Apparel & Accessory Stores	232	1.0%	1,716 0.5%
Furniture & Home Furnishings	336	1.4%	2,555 0.8%
Eating & Drinking Places	1,265	5.2%	22,137 6.6%
Miscellaneous Retail	1,240	5.1%	10,862 3.2%
Finance, Insurance, Real Estate Summary	2,791	11.5%	21,488 6.4%
Banks, Savings & Lending Institutions	1,218	5.0%	3,395 1.0%
Securities Brokers	230	1.0%	1,420 0.4%
Insurance Carriers & Agents	407	1.7%	2,501 0.7%
Real Estate, Holding, Other Investment Offices	937	3.9%	14,172 4.2%
Services Summary	9,412	38.9%	133,713 39.6%
Hotels & Lodging	234	1.0%	3,937 1.2%
Automotive Services	695	2.9%	3,346 1.0%
Motion Pictures & Amusements	619	2.6%	9,184 2.7%
Health Services	1,424	5.9%	32,560 9.6%
Legal Services	314	1.3%	1,726 0.5%
Education Institutions & Libraries	683	2.8%	31,740 9.4%
Other Services	5,444	22.5%	51,219 15.2%
Government	1,085	4.5%	19,317 5.7%
Unclassified Establishments	602	2.5%	599 0.2%
Totals	24,175	100.0%	337,485 100.0%

Source: Copyright 2016 InfoGroup, Inc. All rights reserved. Esri Total Residential Population forecasts for 2016.

Date Note: Data on the Business Summary report is calculated using Esri's Data allocation which uses census block groups to allocate business summary data to custom areas.

TTA

Area: 2,667.29 square miles

APPENDIX EXHIBIT D2: Total Trade Area Business Profile

by NAICS Codes	Businesses		Employees	
	Number	Percent	Number	Percent
Agriculture, Forestry, Fishing & Hunting	342	1.4%	3,400	1.0%
Mining	15	0.1%	151	0.0%
Utilities	40	0.2%	1,038	0.3%
Construction	2,006	8.3%	13,160	3.9%
Manufacturing	1,039	4.3%	45,663	13.5%
Wholesale Trade	853	3.5%	19,852	5.9%
Retail Trade	3,436	14.2%	43,186	12.8%
Motor Vehicle & Parts Dealers	472	2.0%	5,610	1.7%
Furniture & Home Furnishings Stores	143	0.6%	1,210	0.4%
Electronics & Appliance Stores	157	0.6%	1,282	0.4%
Bldg Material & Garden Equipment & Supplies	370	1.5%	3,856	1.1%
Food & Beverage Stores	448	1.9%	10,287	3.0%
Health & Personal Care Stores	301	1.2%	5,236	1.6%
Gasoline Stations	211	0.9%	1,434	0.4%
Clothing & Clothing Accessories Stores	298	1.2%	2,009	0.6%
Sport Goods, Hobby, Book, & Music Stores	254	1.1%	1,959	0.6%
General Merchandise Stores	181	0.7%	7,041	2.1%
Miscellaneous Store Retailers	535	2.2%	2,896	0.9%
Nonstore Retailers	67	0.3%	365	0.1%
Transportation & Warehousing	443	1.8%	7,013	2.1%
Information	418	1.7%	4,785	1.4%
Finance & Insurance	1,877	7.8%	7,378	2.2%
Central Bank/Credit Intermediation & Related Securities, Commodity Contracts & Other Financial	1,230	5.1%	3,424	1.0%
Insurance Carriers & Related Activities; Funds, Trusts	240	1.0%	1,453	0.4%
Real Estate, Rental & Leasing	407	1.7%	2,501	0.7%
Professional, Scientific & Tech Services	1,193	4.9%	16,628	4.9%
Legal Services	1,707	7.1%	11,605	3.4%
Management of Companies & Enterprises	351	1.5%	1,975	0.6%
Administrative & Support & Waste Management & Educational Services	13	0.1%	325	0.1%
Health Care & Social Assistance	976	4.0%	9,159	2.7%
Arts, Entertainment & Recreation	732	3.0%	31,691	9.4%
Accommodation & Food Services	2,152	8.9%	44,645	13.2%
Accommodation	512	2.1%	8,896	2.6%
Food Services & Drinking Places	1,519	6.3%	26,323	7.8%
Other Services (except Public Administration)	234	1.0%	3,937	1.2%
Automotive Repair & Maintenance	1,286	5.3%	22,386	6.6%
Public Administration	3,208	13.3%	22,534	6.7%
Unclassified Establishments	541	2.2%	2,291	0.7%
	1,092	4.5%	19,452	5.8%
Total	602	2.5%	599	0.2%
	24,175	100.0%	337,485	100.0%

Source: Copyright 2016 InforGroup, Inc. All rights reserved. Esri Total Residential Population forecasts for 2016.

Date Note: Data on the Business Summary report is calculated using Esri's Data allocation which uses census block groups to allocate business summary data to custom areas.

APPENDIX EXHIBIT E1: Tapestry Segmentation Area Profile

Gibbs Planning Group

Tapestry Segmentation Area Profile

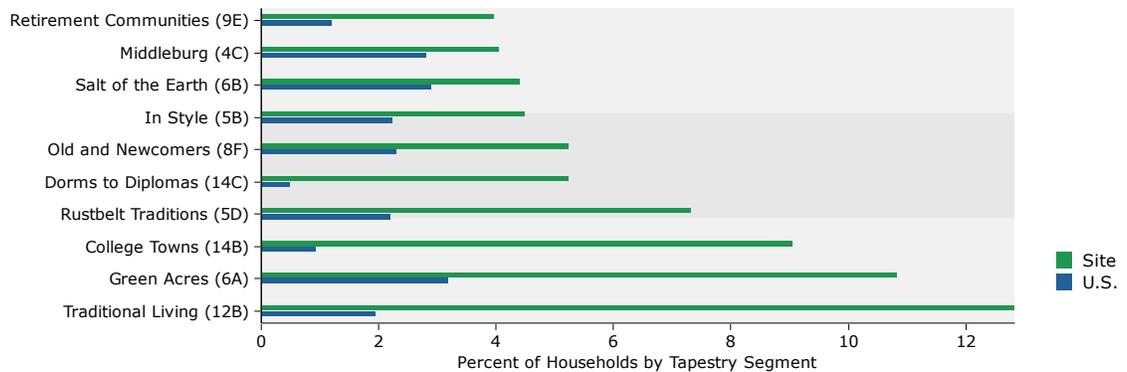
PTA
Area: 308.4 square miles

Prepared by Gibbs Planning Group

Top Twenty Tapestry

Rank	Tapestry Segment	2016 Households		2016 U.S. Households		Index
		Percent	Cumulative Percent	Percent	Cumulative Percent	
1	Traditional Living (12B)	12.8%	12.8%	2.0%	2.0%	656
2	Green Acres (6A)	10.8%	23.6%	3.2%	5.2%	339
3	College Towns (14B)	9.1%	32.7%	0.9%	6.1%	960
4	Rustbelt Traditions (5D)	7.3%	40.0%	2.2%	8.3%	330
5	Dorms to Diplomas (14C)	5.2%	45.2%	0.5%	8.8%	1,035
Subtotal		45.2%		8.8%		
6	Old and Newcomers (8F)	5.2%	50.4%	2.3%	11.1%	226
7	In Style (5B)	4.5%	54.9%	2.3%	13.4%	200
8	Salt of the Earth (6B)	4.4%	59.3%	2.9%	16.3%	152
9	Middleburg (4C)	4.1%	63.4%	2.8%	19.1%	144
10	Retirement Communities (9E)	4.0%	67.4%	1.2%	20.3%	328
Subtotal		22.2%		11.5%		
11	Young and Restless (11B)	3.9%	71.3%	1.7%	22.0%	229
12	Comfortable Empty Nesters (5A)	3.0%	74.3%	2.5%	24.5%	122
13	Hardscrabble Road (8G)	2.9%	77.2%	1.2%	25.7%	238
14	Set to Impress (11D)	2.8%	80.0%	1.4%	27.1%	200
15	Bright Young Professionals (8C)	2.6%	82.6%	2.2%	29.3%	115
Subtotal		15.2%		9.0%		
16	Midlife Constants (5E)	2.0%	84.6%	2.5%	31.8%	81
17	Exurbanites (1E)	1.9%	86.5%	1.9%	33.7%	100
18	City Commons (11E)	1.9%	88.4%	0.9%	34.6%	208
19	Savvy Suburbanites (1D)	1.5%	89.9%	3.0%	37.6%	51
20	Soccer Moms (4A)	1.2%	91.1%	2.8%	40.4%	42
Subtotal		8.5%		11.1%		
Total		91.3%		40.6%		225

Top Ten Tapestry Segments Site vs. U.S.



Data Note: This report identifies neighborhood segments in the area, and describes the socioeconomic quality of the immediate neighborhood. The index is a comparison of the percent of households or Total Population 18+ in the area, by Tapestry segment, to the percent of households or Total Population 18+ in the United States, by segment. An index of 100 is the US average.
Source: Esri

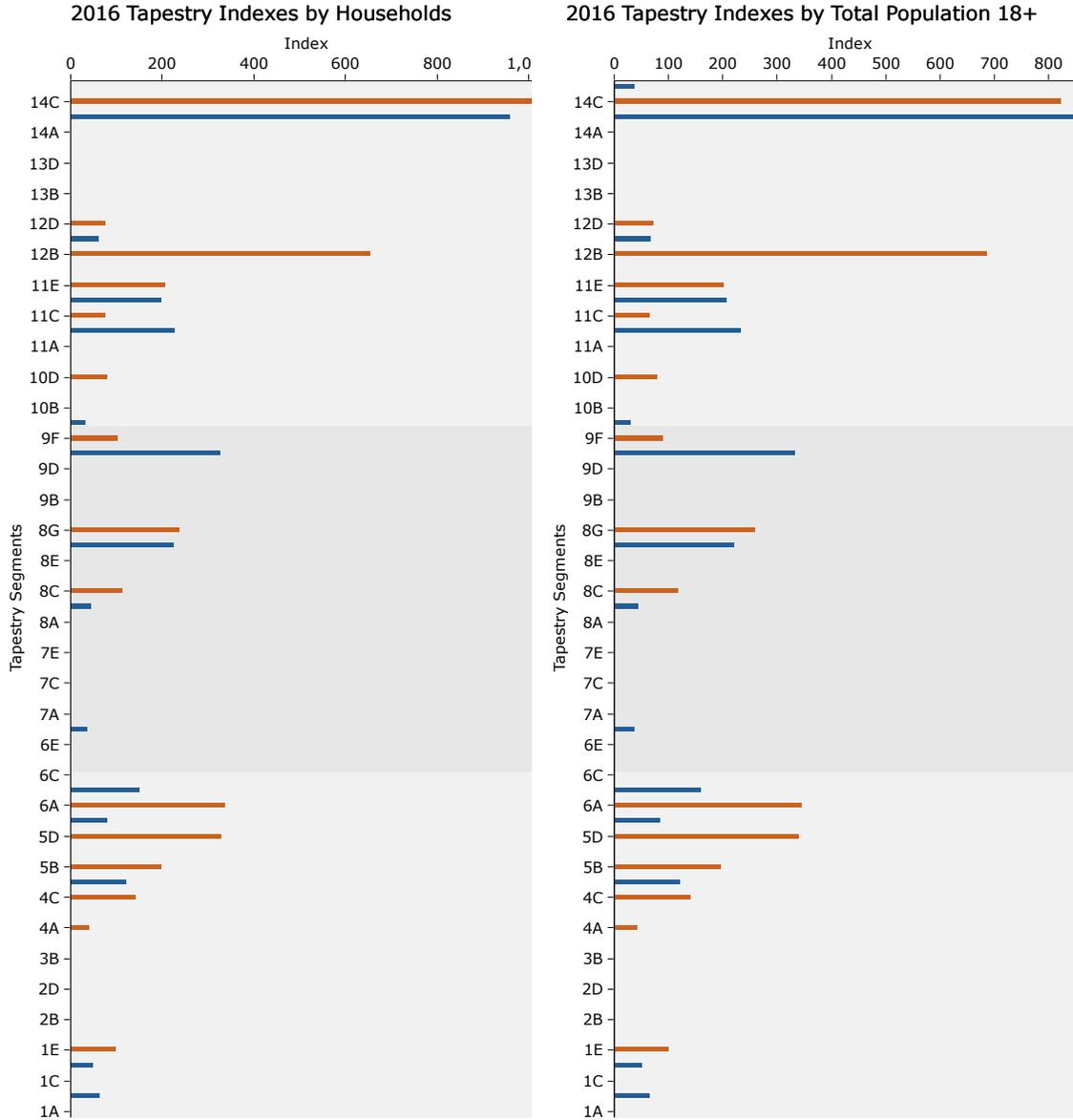
APPENDIX EXHIBIT E2: Tapestry Segmentation Area Profile

Gibbs Planning Group

Tapestry Segmentation Area Profile

PTA
Area: 308.4 square miles

Prepared by Gibbs Planning Group



APPENDIX EXHIBIT E3: Tapestry Segmentation Area Profile

Gibbs Planning Group

Tapestry Segmentation Area Profile

PTA
Area: 308.4 square miles

Prepared by Gibbs Planning Group

Tapestry LifeMode Groups	2016 Households			2016 Adult Population		
	Number	Percent	Index	Number	Percent	Index
Total:	95,701	100.0%		186,836	100.0%	
1. Affluent Estates	4,310	4.5%	46	9,096	4.9%	47
Top Tier (1A)	0	0.0%	0	0	0.0%	0
Professional Pride (1B)	990	1.0%	64	2,217	1.2%	67
Boomburbs (1C)	0	0.0%	0	0	0.0%	0
Savvy Suburbanites (1D)	1,464	1.5%	51	3,170	1.7%	53
Exurbanites (1E)	1,856	1.9%	100	3,709	2.0%	102
2. Upscale Avenues	0	0.0%	0	0	0.0%	0
Urban Chic (2A)	0	0.0%	0	0	0.0%	0
Pleasantville (2B)	0	0.0%	0	0	0.0%	0
Pacific Heights (2C)	0	0.0%	0	0	0.0%	0
Enterprising Professionals	0	0.0%	0	0	0.0%	0
3. Uptown Individuals	0	0.0%	0	0	0.0%	0
Laptops and Lattes (3A)	0	0.0%	0	0	0.0%	0
Metro Renters (3B)	0	0.0%	0	0	0.0%	0
Trendsetters (3C)	0	0.0%	0	0	0.0%	0
4. Family Landscapes	5,051	5.3%	71	9,912	5.3%	69
Soccer Moms (4A)	1,156	1.2%	42	2,474	1.3%	44
Home Improvement (4B)	0	0.0%	0	0	0.0%	0
Middleburg (4C)	3,895	4.1%	144	7,438	4.0%	141
5. GenXurban	16,149	16.9%	147	30,517	16.3%	148
Comfortable Empty Nesters	2,880	3.0%	122	5,626	3.0%	122
In Style (5B)	4,310	4.5%	200	7,769	4.2%	198
Parks and Rec (5C)	0	0.0%	0	0	0.0%	0
Rustbelt Traditions (5D)	7,018	7.3%	330	13,356	7.1%	342
Midlife Constants (5E)	1,941	2.0%	81	3,766	2.0%	85
6. Cozy Country Living	15,424	16.1%	133	31,702	17.0%	142
Green Acres (6A)	10,370	10.8%	339	21,371	11.4%	347
Salt of the Earth (6B)	4,225	4.4%	152	8,782	4.7%	161
The Great Outdoors (6C)	0	0.0%	0	0	0.0%	0
Prairie Living (6D)	0	0.0%	0	0	0.0%	0
Rural Resort Dwellers (6E)	0	0.0%	0	0	0.0%	0
Heartland Communities (6F)	829	0.9%	37	1,549	0.8%	38
7. Ethnic Enclaves	0	0.0%	0	0	0.0%	0
Up and Coming Families (7A)	0	0.0%	0	0	0.0%	0
Urban Villages (7B)	0	0.0%	0	0	0.0%	0
American Dreamers (7C)	0	0.0%	0	0	0.0%	0
Barrios Urbanos (7D)	0	0.0%	0	0	0.0%	0
Valley Growers (7E)	0	0.0%	0	0	0.0%	0
Southwestern Families (7F)	0	0.0%	0	0	0.0%	0

Data Note: This report identifies neighborhood segments in the area, and describes the socioeconomic quality of the immediate neighborhood. The index is a comparison of the percent of households or Total Population 18+ in the area, by Tapestry segment, to the percent of households or Total Population 18+ in the United States, by segment. An index of 100 is the US average.

Source: Esri

APPENDIX EXHIBIT E4: Tapestry Segmentation Area Profile

Gibbs Planning Group

Tapestry Segmentation Area Profile

PTA
Area: 308.4 square miles

Prepared by Gibbs Planning Group

Tapestry LifeMode Groups	2016 Households			2016 Adult Population		
	Number	Percent	Index	Number	Percent	Index
Total:	95,701	100.0%		186,836	100.0%	
8. Middle Ground	10,918	11.4%	104	19,668	10.5%	103
City Lights (8A)	0	0.0%	0	0	0.0%	0
Emerald City (8B)	648	0.7%	48	1,053	0.6%	46
Bright Young Professionals	2,444	2.6%	115	4,468	2.4%	119
Downtown Melting Pot (8D)	0	0.0%	0	0	0.0%	0
Front Porches (8E)	0	0.0%	0	0	0.0%	0
Old and Newcomers (8F)	5,019	5.2%	226	8,397	4.5%	223
Hardscrabble Road (8G)	2,807	2.9%	238	5,750	3.1%	261
9. Senior Styles	4,615	4.8%	84	7,496	4.0%	80
Silver & Gold (9A)	0	0.0%	0	0	0.0%	0
Golden Years (9B)	0	0.0%	0	0	0.0%	0
The Elders (9C)	0	0.0%	0	0	0.0%	0
Senior Escapes (9D)	0	0.0%	0	0	0.0%	0
Retirement Communities (9E)	3,812	4.0%	328	6,356	3.4%	334
Social Security Set (9F)	803	0.8%	104	1,140	0.6%	91
10. Rustic Outposts	1,895	2.0%	24	3,564	1.9%	23
Southern Satellites (10A)	1,019	1.1%	34	1,844	1.0%	31
Rooted Rural (10B)	0	0.0%	0	0	0.0%	0
Diners & Miners (10C)	0	0.0%	0	0	0.0%	0
Down the Road (10D)	876	0.9%	80	1,720	0.9%	80
Rural Bypasses (10E)	0	0.0%	0	0	0.0%	0
11. Midtown Singles	9,253	9.7%	156	15,378	8.2%	150
City Strivers (11A)	0	0.0%	0	0	0.0%	0
Young and Restless (11B)	3,753	3.9%	229	6,007	3.2%	234
Metro Fusion (11C)	1,042	1.1%	77	1,634	0.9%	67
Set to Impress (11D)	2,667	2.8%	200	4,661	2.5%	209
City Commons (11E)	1,791	1.9%	208	3,076	1.6%	203
12. Hometown	14,393	15.0%	240	27,343	14.6%	247
Family Foundations (12A)	0	0.0%	0	0	0.0%	0
Traditional Living (12B)	12,282	12.8%	656	23,399	12.5%	687
Small Town Simplicity (12C)	1,142	1.2%	63	2,179	1.2%	68
Modest Income Homes (12D)	969	1.0%	76	1,765	0.9%	73
13. Next Wave	0	0.0%	0	0	0.0%	0
International Marketplace	0	0.0%	0	0	0.0%	0
Las Casas (13B)	0	0.0%	0	0	0.0%	0
NeWest Residents (13C)	0	0.0%	0	0	0.0%	0
Fresh Ambitions (13D)	0	0.0%	0	0	0.0%	0
High Rise Renters (13E)	0	0.0%	0	0	0.0%	0
14. Scholars and Patriots	13,693	14.3%	893	31,999	17.1%	748
Military Proximity (14A)	0	0.0%	0	0	0.0%	0
College Towns (14B)	8,671	9.1%	960	16,800	9.0%	873
Dorms to Diplomas (14C)	5,022	5.2%	1,035	15,199	8.1%	824
Unclassified (15)	0	0.0%	0	161	0.1%	39

Data Note: This report identifies neighborhood segments in the area, and describes the socioeconomic quality of the immediate neighborhood. The index is a comparison of the percent of households or Total Population 18+ in the area, by Tapestry segment, to the percent of households or Total Population 18+ in the United States, by segment. An index of 100 is the US average.

Source: Esri

APPENDIX EXHIBIT E5: Tapestry Segmentation Area Profile

Gibbs Planning Group

Tapestry Segmentation Area Profile

PTA
Area: 308.4 square miles

Prepared by Gibbs Planning Group

Tapestry Urbanization	2016 Households			2016 Adult Population		
	Number	Percent	Index	Number	Percent	Index
Total:	95,701	100.0%		186,836	100.0%	
1. Principal Urban Center	0	0.0%	0	0	0.0%	0
Laptops and Lattes (3A)	0	0.0%	0	0	0.0%	0
Metro Renters (3B)	0	0.0%	0	0	0.0%	0
Trendsetters (3C)	0	0.0%	0	0	0.0%	0
Downtown Melting Pot (8D)	0	0.0%	0	0	0.0%	0
City Strivers (11A)	0	0.0%	0	0	0.0%	0
NeWest Residents (13C)	0	0.0%	0	0	0.0%	0
Fresh Ambitions (13D)	0	0.0%	0	0	0.0%	0
High Rise Renters (13E)	0	0.0%	0	0	0.0%	0
2. Urban Periphery	11,473	12.0%	71	21,223	11.4%	63
Pacific Heights (2C)	0	0.0%	0	0	0.0%	0
Rustbelt Traditions (5D)	7,018	7.3%	330	13,356	7.1%	342
Urban Villages (7B)	0	0.0%	0	0	0.0%	0
American Dreamers (7C)	0	0.0%	0	0	0.0%	0
Barrios Urbanos (7D)	0	0.0%	0	0	0.0%	0
Southwestern Families (7F)	0	0.0%	0	0	0.0%	0
City Lights (8A)	0	0.0%	0	0	0.0%	0
Bright Young Professionals	2,444	2.6%	115	4,468	2.4%	119
Metro Fusion (11C)	1,042	1.1%	77	1,634	0.9%	67
Family Foundations (12A)	0	0.0%	0	0	0.0%	0
Modest Income Homes (12D)	969	1.0%	76	1,765	0.9%	73
International Marketplace	0	0.0%	0	0	0.0%	0
Las Casas (13B)	0	0.0%	0	0	0.0%	0
3. Metro Cities	51,585	53.9%	295	99,607	53.3%	314
In Style (5B)	4,310	4.5%	200	7,769	4.2%	198
Emerald City (8B)	648	0.7%	48	1,053	0.6%	46
Front Porches (8E)	0	0.0%	0	0	0.0%	0
Old and Newcomers (8F)	5,019	5.2%	226	8,397	4.5%	223
Hardscrabble Road (8G)	2,807	2.9%	238	5,750	3.1%	261
Retirement Communities (9E)	3,812	4.0%	328	6,356	3.4%	334
Social Security Set (9F)	803	0.8%	104	1,140	0.6%	91
Young and Restless (11B)	3,753	3.9%	229	6,007	3.2%	234
Set to Impress (11D)	2,667	2.8%	200	4,661	2.5%	209
City Commons (11E)	1,791	1.9%	208	3,076	1.6%	203
Traditional Living (12B)	12,282	12.8%	656	23,399	12.5%	687
College Towns (14B)	8,671	9.1%	960	16,800	9.0%	873
Dorms to Diplomas (14C)	5,022	5.2%	1,035	15,199	8.1%	824

Data Note: This report identifies neighborhood segments in the area, and describes the socioeconomic quality of the immediate neighborhood. The index is a comparison of the percent of households or Total Population 18+ in the area, by Tapestry segment, to the percent of households or Total Population 18+ in the United States, by segment. An index of 100 is the US average.
Source: Esri

APPENDIX EXHIBIT E6: Tapestry Segmentation Area Profile

Gibbs Planning Group

Tapestry Segmentation Area Profile

PTA
Area: 308.4 square miles

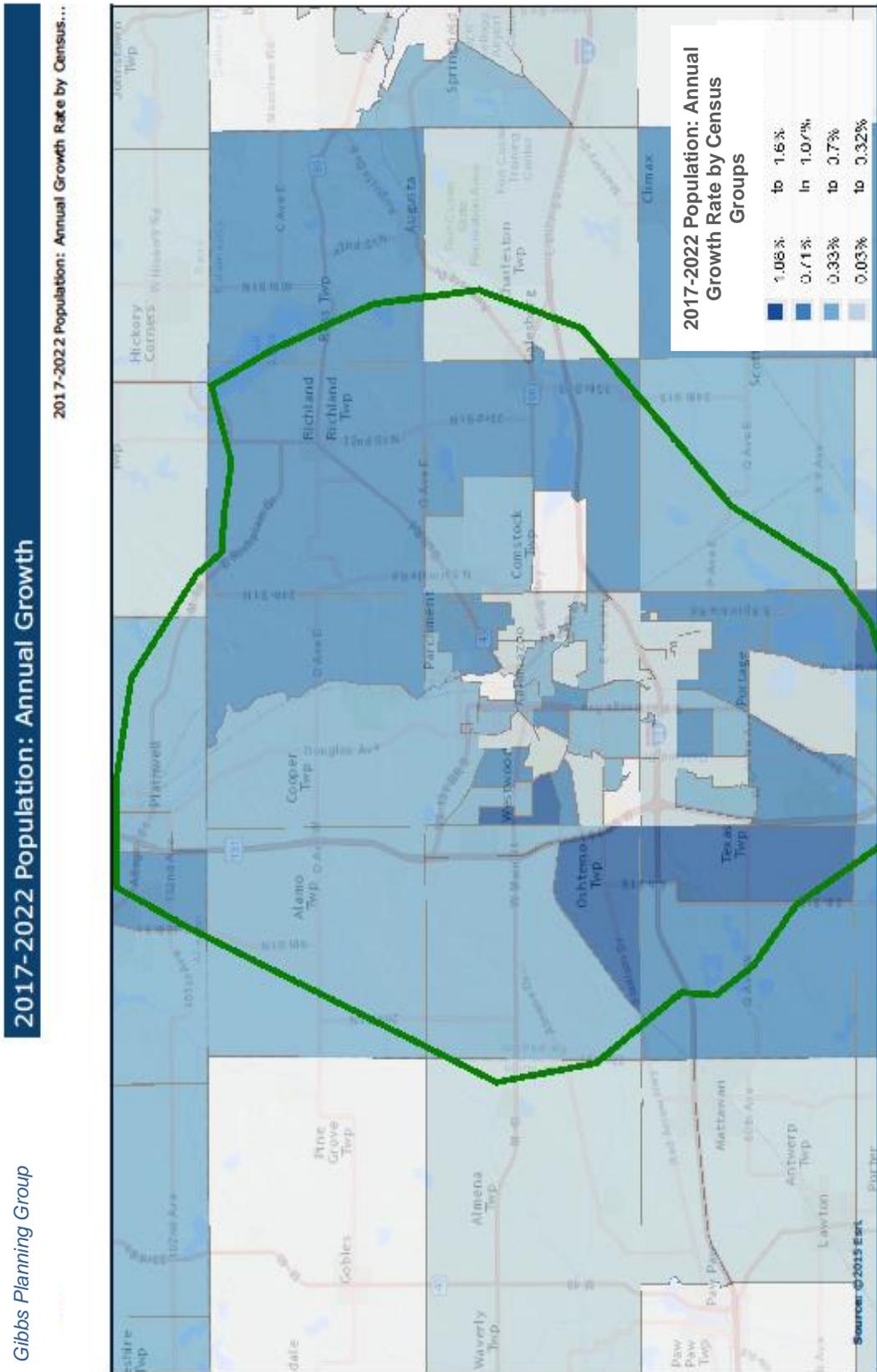
Prepared by Gibbs Planning Group

Tapestry Urbanization	2016 Households			2016 Adult Population		
	Number	Percent	Index	Number	Percent	Index
Total:	95,701	100.0%		186,836	100.0%	
4. Suburban Periphery	10,287	10.7%	34	20,962	11.2%	35
Top Tier (1A)	0	0.0%	0	0	0.0%	0
Professional Pride (1B)	990	1.0%	64	2,217	1.2%	67
Boomburbs (1C)	0	0.0%	0	0	0.0%	0
Savvy Suburbanites (1D)	1,464	1.5%	51	3,170	1.7%	53
Exurbanites (1E)	1,856	1.9%	100	3,709	2.0%	102
Urban Chic (2A)	0	0.0%	0	0	0.0%	0
Pleasantville (2B)	0	0.0%	0	0	0.0%	0
Enterprising Professionals (2D)	0	0.0%	0	0	0.0%	0
Soccer Moms (4A)	1,156	1.2%	42	2,474	1.3%	44
Home Improvement (4B)	0	0.0%	0	0	0.0%	0
Comfortable Empty Nesters	2,880	3.0%	122	5,626	3.0%	122
Parks and Rec (5C)	0	0.0%	0	0	0.0%	0
Midlife Constants (5E)	1,941	2.0%	81	3,766	2.0%	85
Up and Coming Families (7A)	0	0.0%	0	0	0.0%	0
Silver & Gold (9A)	0	0.0%	0	0	0.0%	0
Golden Years (9B)	0	0.0%	0	0	0.0%	0
The Elders (9C)	0	0.0%	0	0	0.0%	0
Military Proximity (14A)	0	0.0%	0	0	0.0%	0
5. Semirural	6,742	7.0%	75	12,886	6.9%	76
Middleburg (4C)	3,895	4.1%	144	7,438	4.0%	141
Heartland Communities (6F)	829	0.9%	37	1,549	0.8%	38
Valley Growers (7E)	0	0.0%	0	0	0.0%	0
Senior Escapes (9D)	0	0.0%	0	0	0.0%	0
Down the Road (10D)	876	0.9%	80	1,720	0.9%	80
Small Town Simplicity (12C)	1,142	1.2%	63	2,179	1.2%	68
6. Rural	15,614	16.3%	96	31,997	17.1%	101
Green Acres (6A)	10,370	10.8%	339	21,371	11.4%	347
Salt of the Earth (6B)	4,225	4.4%	152	8,782	4.7%	161
The Great Outdoors (6C)	0	0.0%	0	0	0.0%	0
Prairie Living (6D)	0	0.0%	0	0	0.0%	0
Rural Resort Dwellers (6E)	0	0.0%	0	0	0.0%	0
Southern Satellites (10A)	1,019	1.1%	34	1,844	1.0%	31
Rooted Rural (10B)	0	0.0%	0	0	0.0%	0
Diners & Miners (10C)	0	0.0%	0	0	0.0%	0
Rural Bypasses (10E)	0	0.0%	0	0	0.0%	0
Unclassified (15)	0	0.0%	0	161	0.1%	39

Data Note: This report identifies neighborhood segments in the area, and describes the socioeconomic quality of the immediate neighborhood. The index is a comparison of the percent of households or Total Population 18+ in the area, by Tapestry segment, to the percent of households or Total Population 18+ in the United States, by segment. An index of 100 is the US average.

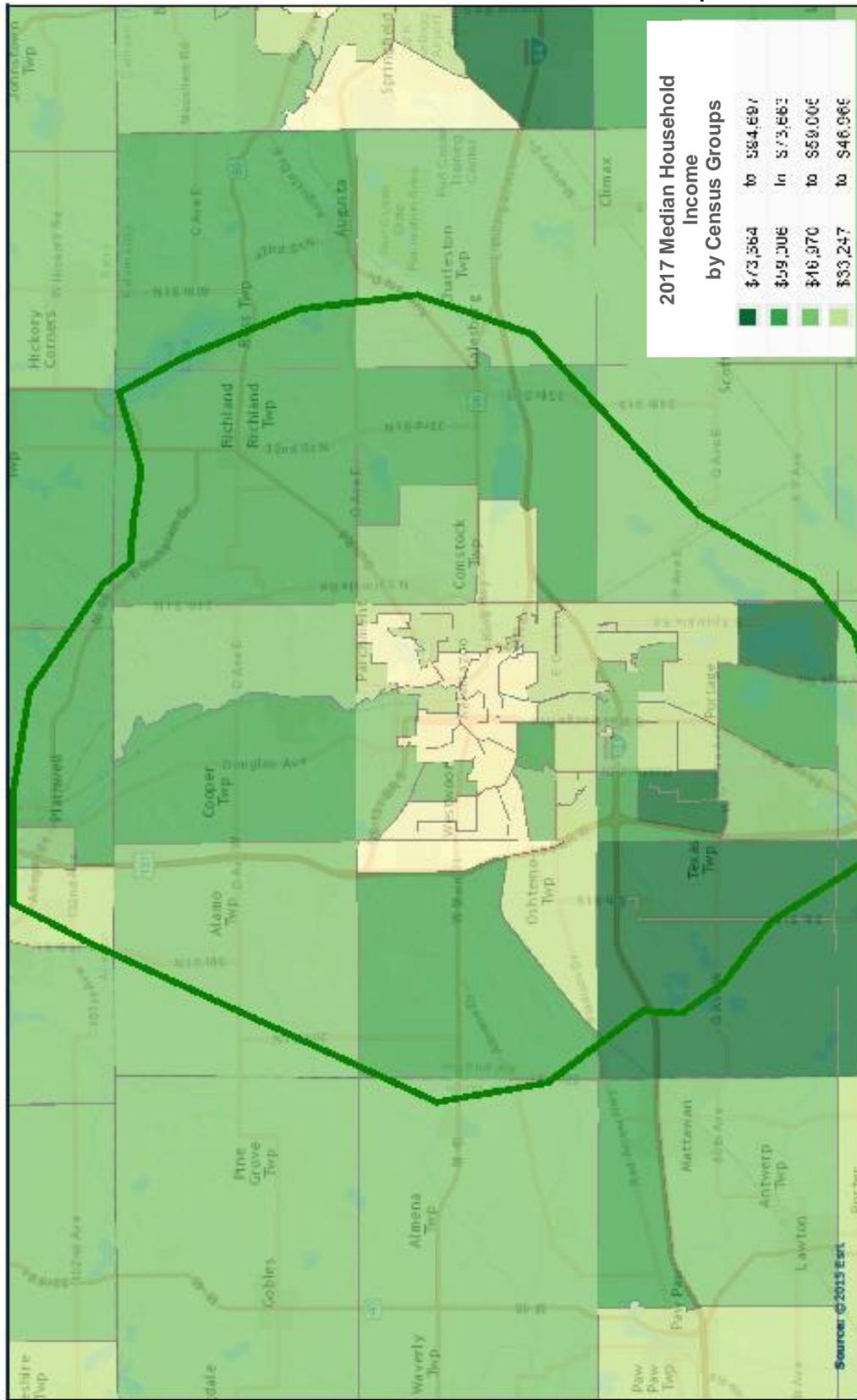
Source: Esri

APPENDIX EXHIBIT F: 2017-2022 Annual Population Growth Rate Map

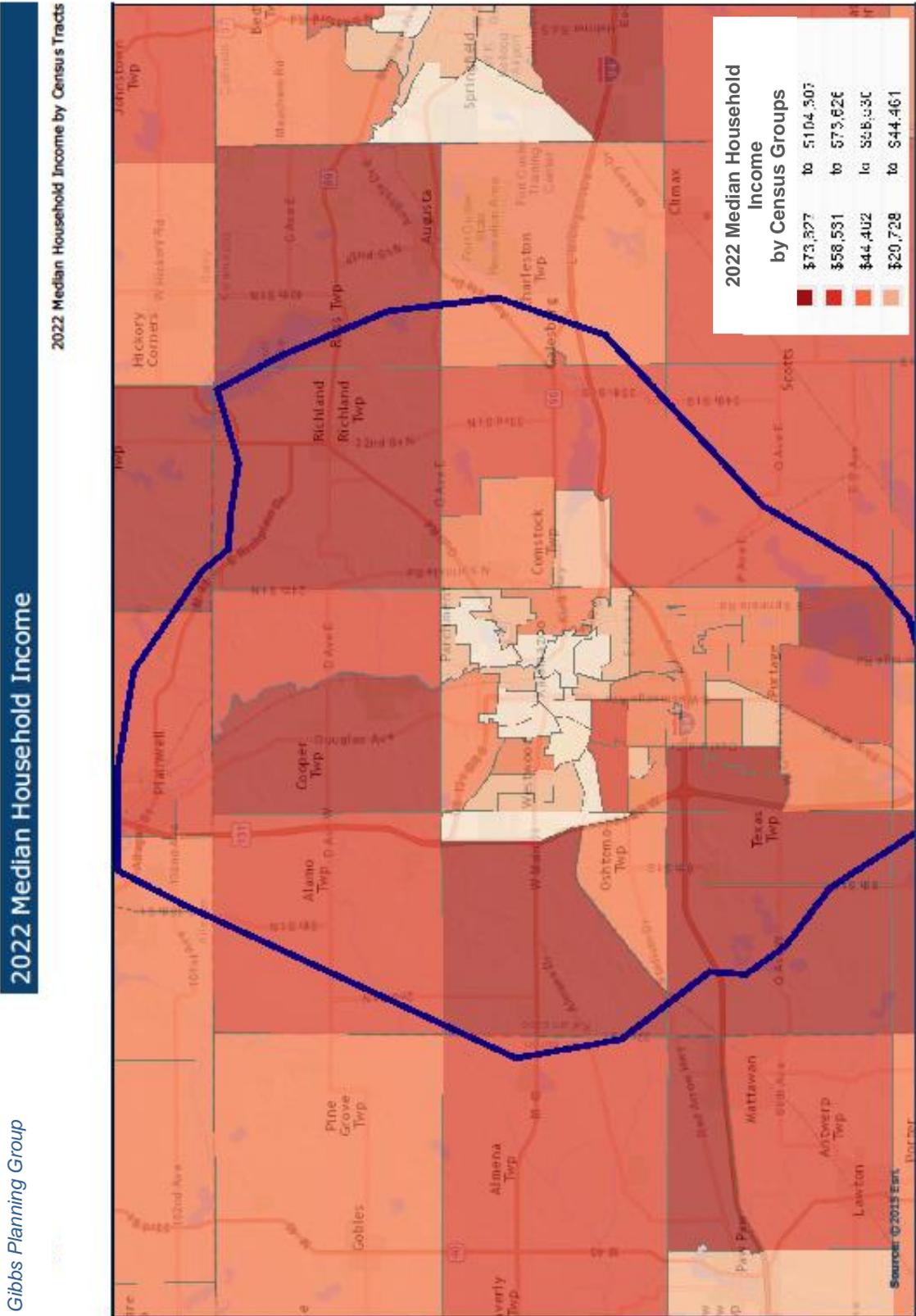


2017 Median Household Income

2017 Median Household Income by Census Tracts



APPENDIX EXHIBIT H: 2022 Median Household Income Map

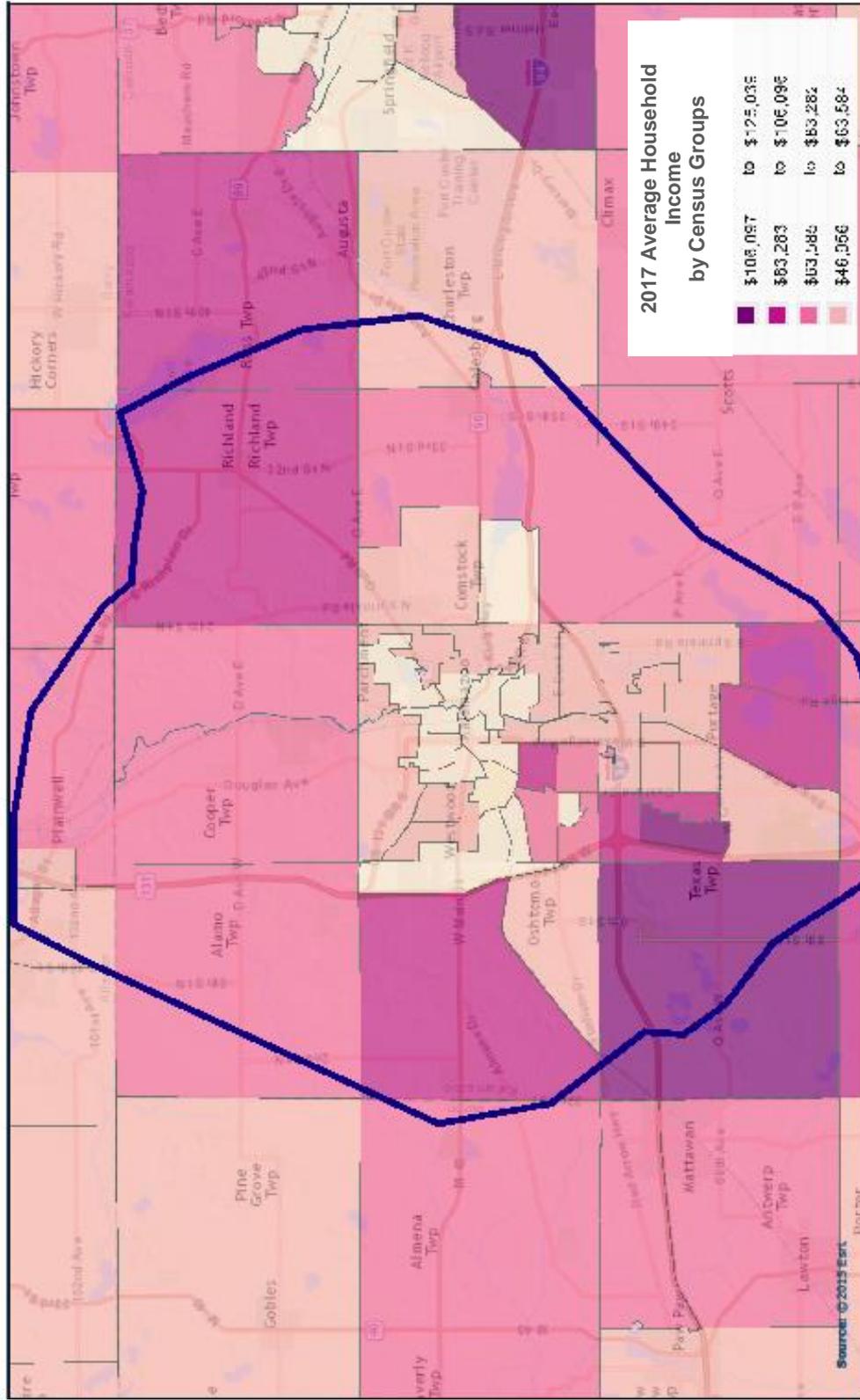


APPENDIX EXHIBIT H: 2017 Average Household Income Map

Gibbs Planning Group

2017 Average Household Income

2017 Average Household Income by Census Tracts

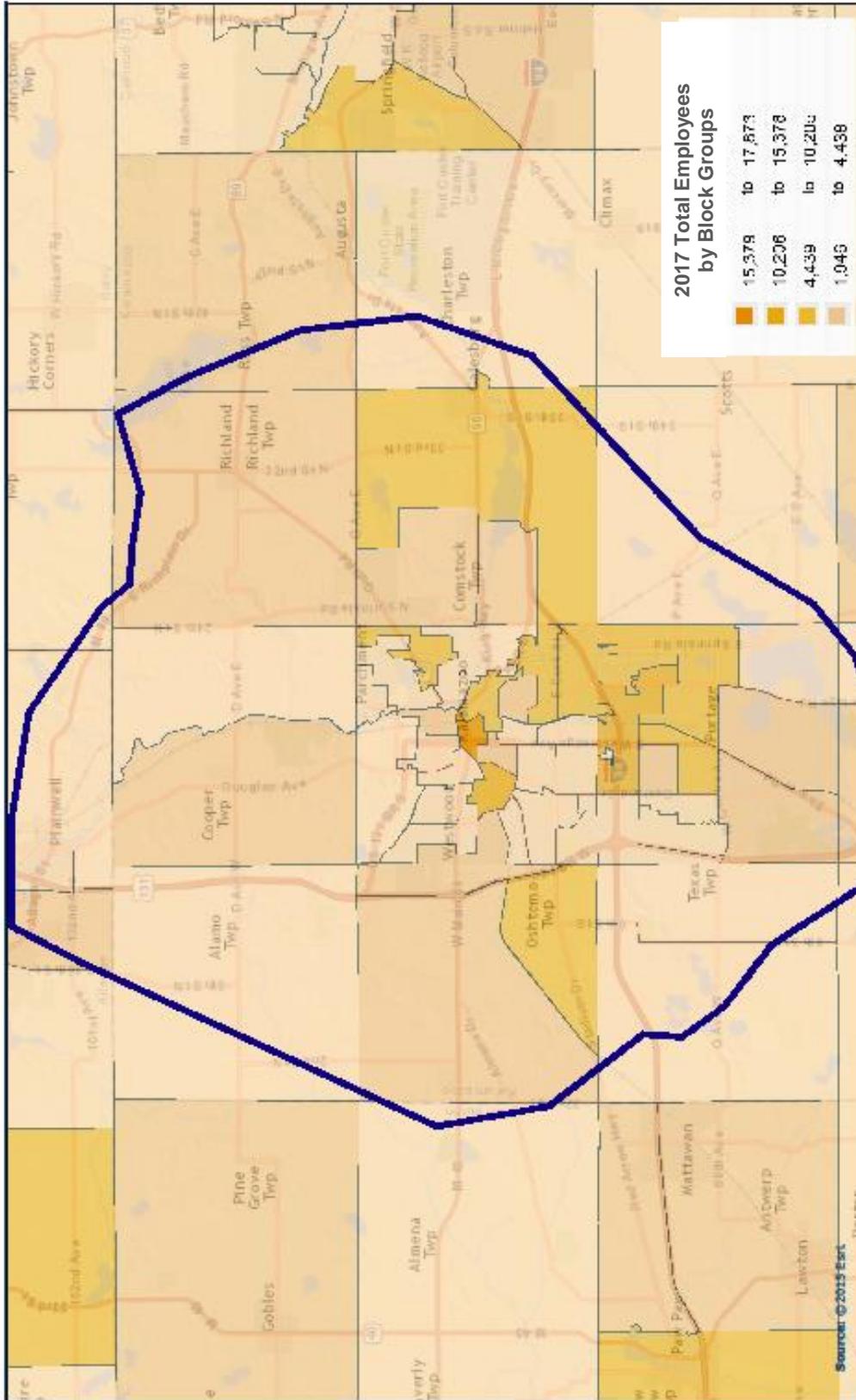


APPENDIX EXHIBIT I: 2017 Total Employees

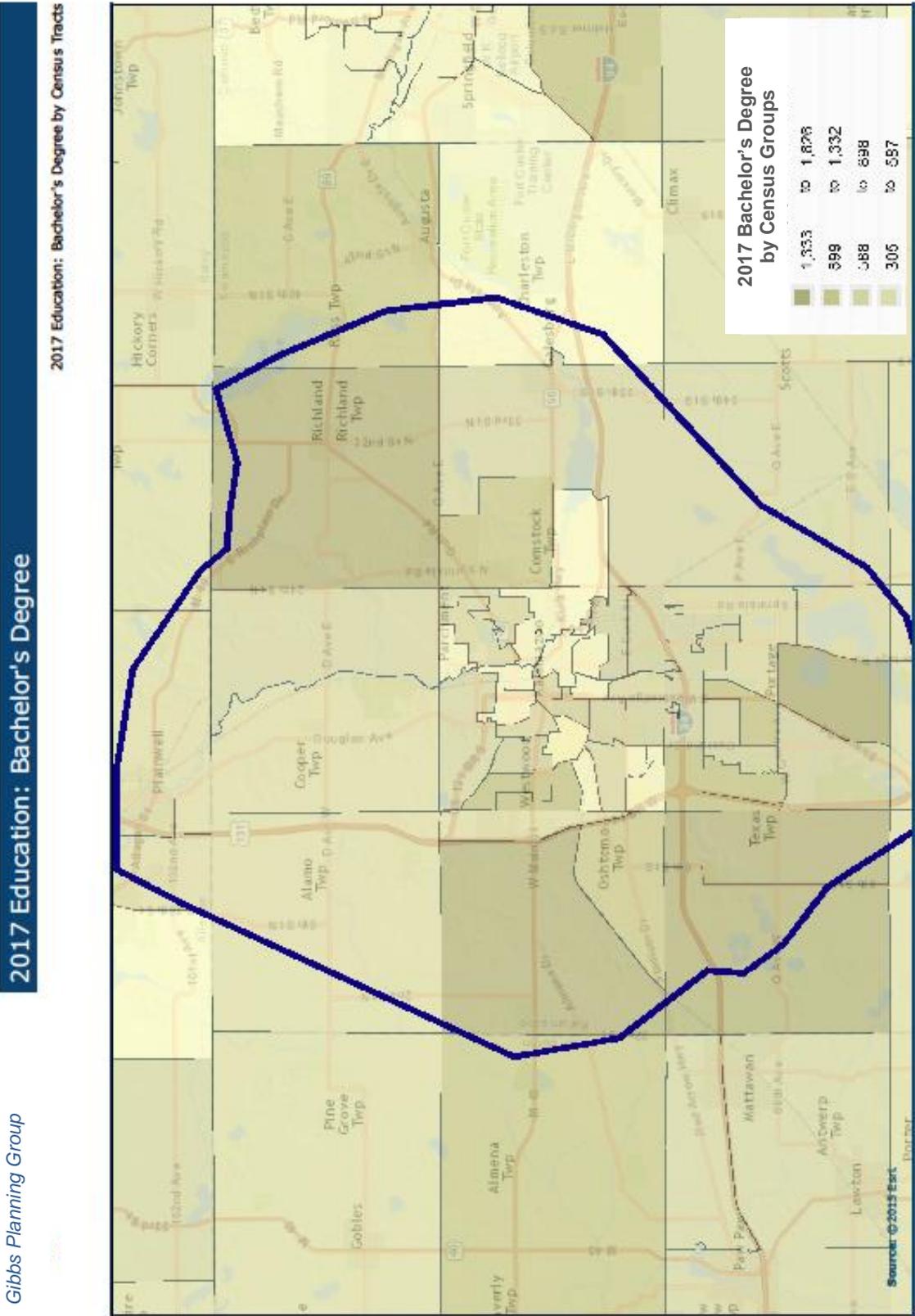
Gibbs Planning Group

2017 Total Employees

2017 Total Employees by Census Tracts



APPENDIX EXHIBIT J: 2017 Bachelor's Degrees

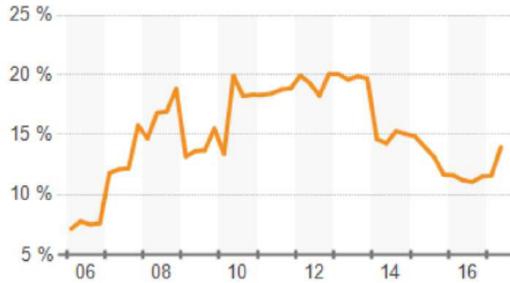


APPENDIX EXHIBIT K: CoStar

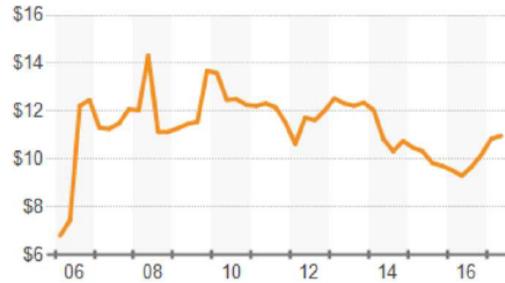
Availability	Survey	5-Year Avg	Inventory	Survey	5-Year Avg
NNN Rent Per SF	\$10.94	\$11.12	Existing Buildings	66	66
Vacancy Rate	14.0%	15.3%	Existing SF	1,597,151	1,595,651
Vacant SF	223,078	244,467	12 Mo. Const. Starts	17,800	6,560
Availability Rate	26.3%	20.8%	Under Construction	17,800	2,890
Available SF	425,433	332,767	12 Mo. Deliveries	0	3,333
Sublet SF	10,800	4,766			
Months on Market	11.9	25.5			

Demand	Survey	5-Year Avg	Sales	Past Year	5-Year Avg
12 Mo. Absorption SF	-37,614	29,008	Sale Price Per SF	\$63	\$40
12 Mo. Leasing SF	40,834	53,131	Asking Price Per SF	\$107	\$74
			Sales Volume (Mil.)	\$1.1	\$1.6
			Cap Rate	-	8.5%

Vacancy Rate



NNN Asking Rent Per SF



Net Absorption



Copyrighted report licensed to CORE Partners, LLC - 708835.