

Earhart Boulevard Retail Development

Target Site

- The Target Site is the area between Interstate 10, South Claiborne Avenue, Earhart Boulevard, and Broad Street.

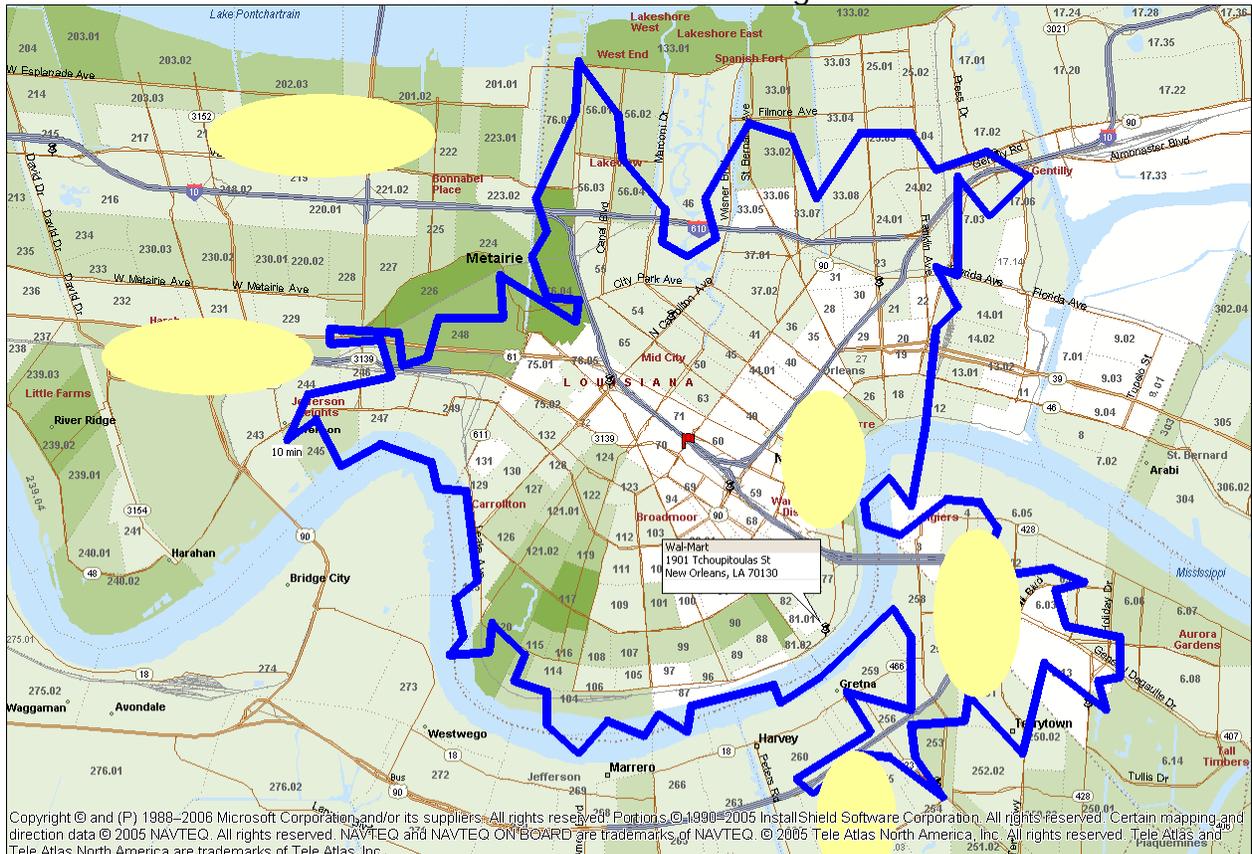
Retail Concept

- The concept is to develop big box retail and ancillary commercial uses along Earhart Boulevard. The community center would be approximately 200,000 to 300,000 square feet. The retail center would be oriented to serving the needs of the community surrounding it.

Retail Competition

- From a community shopping perspective there is considerable competition within a 10- to 15-minute drive from the Target Site.

Retail Nodes 10-Minute Drivetime From Target Site

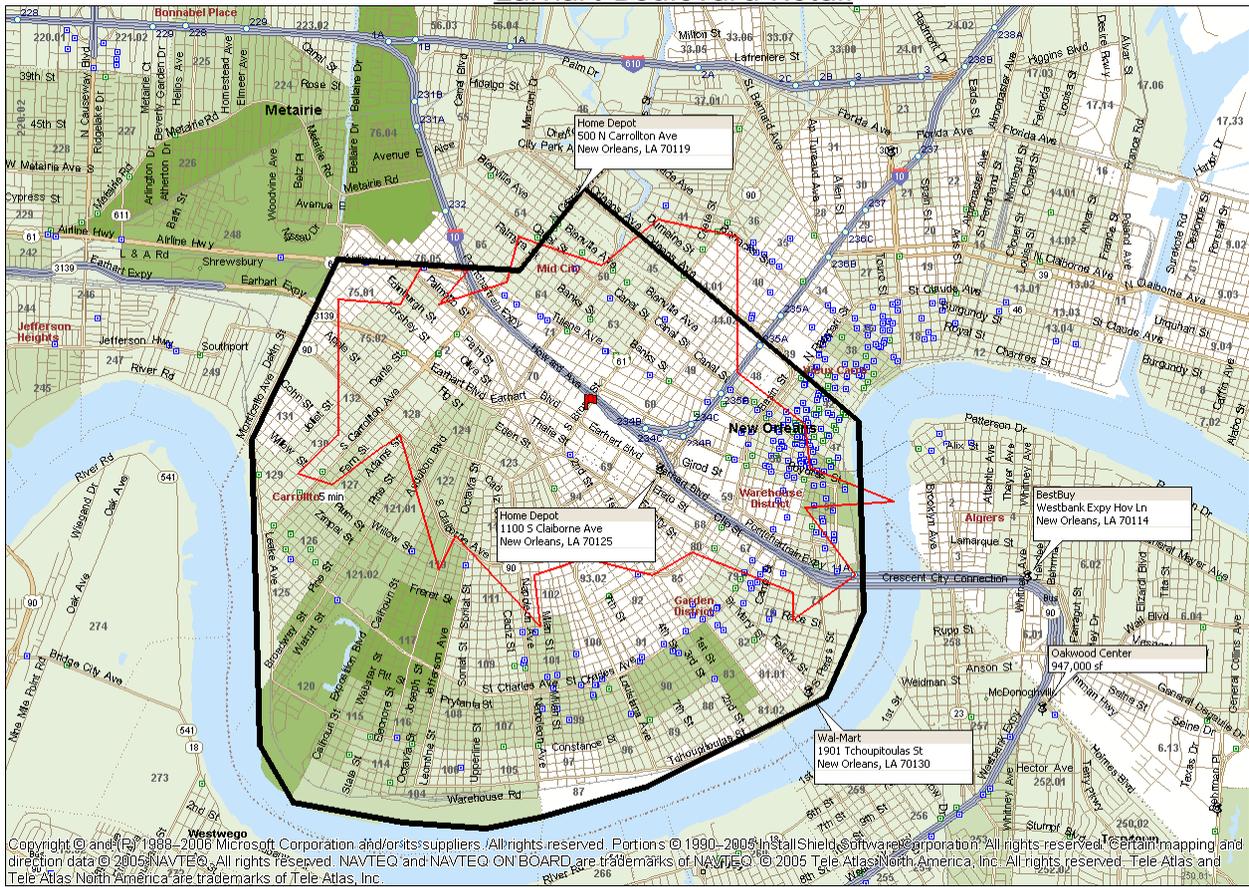


- To the west of the Target Site is Elmwood Center a 1.1 million square feet power center. The center contains a Home Depot, BestBuy, PetSmart, Marshalls, Michaels, Linens N' Things, Sports Authority, TJ Maxx, K-Mart, Office Max, Old Navy, Pier 1 and Cost Plus World Market (furniture and furnishings). The Target Site is within a 10-minute drive to Elmwood Center.
- Veterans Boulevard is within a 10-minute drive northwest from the Target Site. Veterans Boulevard is a commercial strip with two malls as well as big box retail. Clearview Mall is 700,000 square feet with the following anchors: Target, Bed Bath N' Beyond, and Sears. With 1.1 million square feet, Lakeside is a traditional regional mall anchored by Dillard's, JC Penney, and Macy's. K-Mart, BestBuy and other community-oriented retail centers and stores are located on Veterans Boulevard.
- The Westbank contains the Oakwood Mall and other community-oriented retail centers.
- There is a concentration of big box retail on Manhattan Boulevard in Harvey.
- A couple of blocks north of the Target Site adjacent to Xavier University, a developer plans to re-build the Carrollton Shopping Center. According to the Times-Picayune, the plan envisioned contains a book store, pet store, and an office supply store. The strip center will be approximately 200,000 square feet.
- There is already a Home Depot on South Claiborne Street at I-10.
- There is a Wal-Mart within a 5-minute drive of the Target Site on Tchoupitoulas Street.
- The French Quarter contains upscale retail centers like Riverwalk, The Shops @ Canal, and Jackson Brewery. These upscale centers are targeted to specialty shopping and the tourist trade. These centers do not compete directly with a 200,000 square foot community center.

Retail Trade Area

- A Trade Area was developed to test the feasibility of the Concept Plan. Given the level of competition from surrounding retail nodes, the Trade Area consists of a 5-minute drive time from the Target Site. The Trade Area is slightly extended to the south to capture the households on the Mississippi.

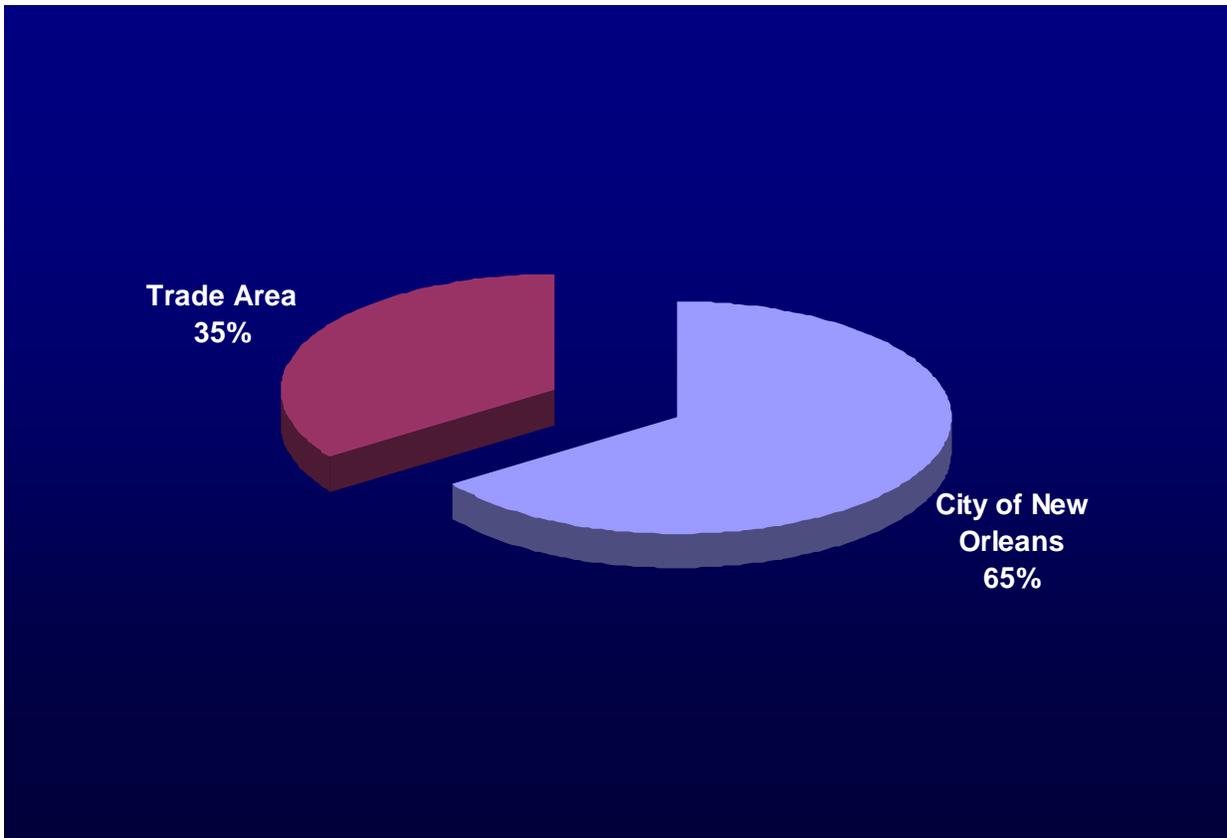
Primary Trade Area Earhart Boulevard Retail



Demographics Within The Retail Trade Area

- Claritas, Inc., a national consumer research organization, is the source of the Trade Area demographic information.
- City population data comes from GCR Consulting. GCR provided 2009 population estimates and 2013 population projections. These estimates have been applied to 2008 data on household composition, income, age and race data provided by Claritas, Inc.

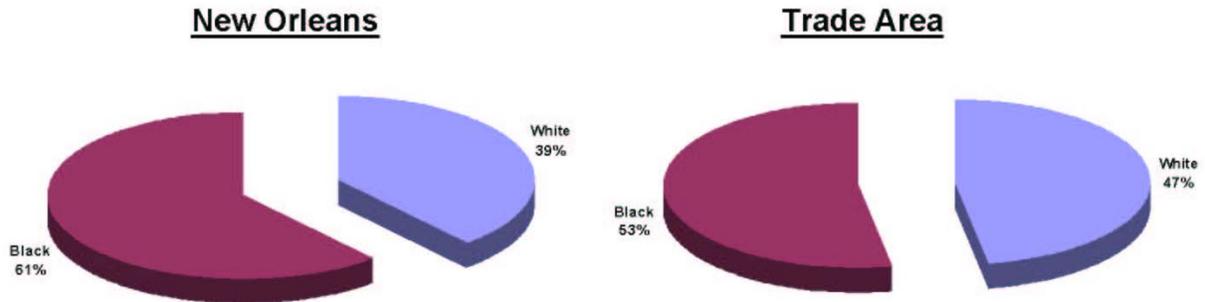
Population
City of New Orleans and Earhart Trade Area
2008



Source: GCR Consulting

- Claritas, Inc. estimated that there were approximately 112,350 people residing in the Trade Area in 2008. The Trade Area population comprised 35 percent of New Orleans' total population.
- Claritas projects that the population of the Trade Area will increase by over a third between 2008 and 2013.
- Using Claritas' estimates of household composition, in 2008 there were approximately 45,000 households in the Trade Area.

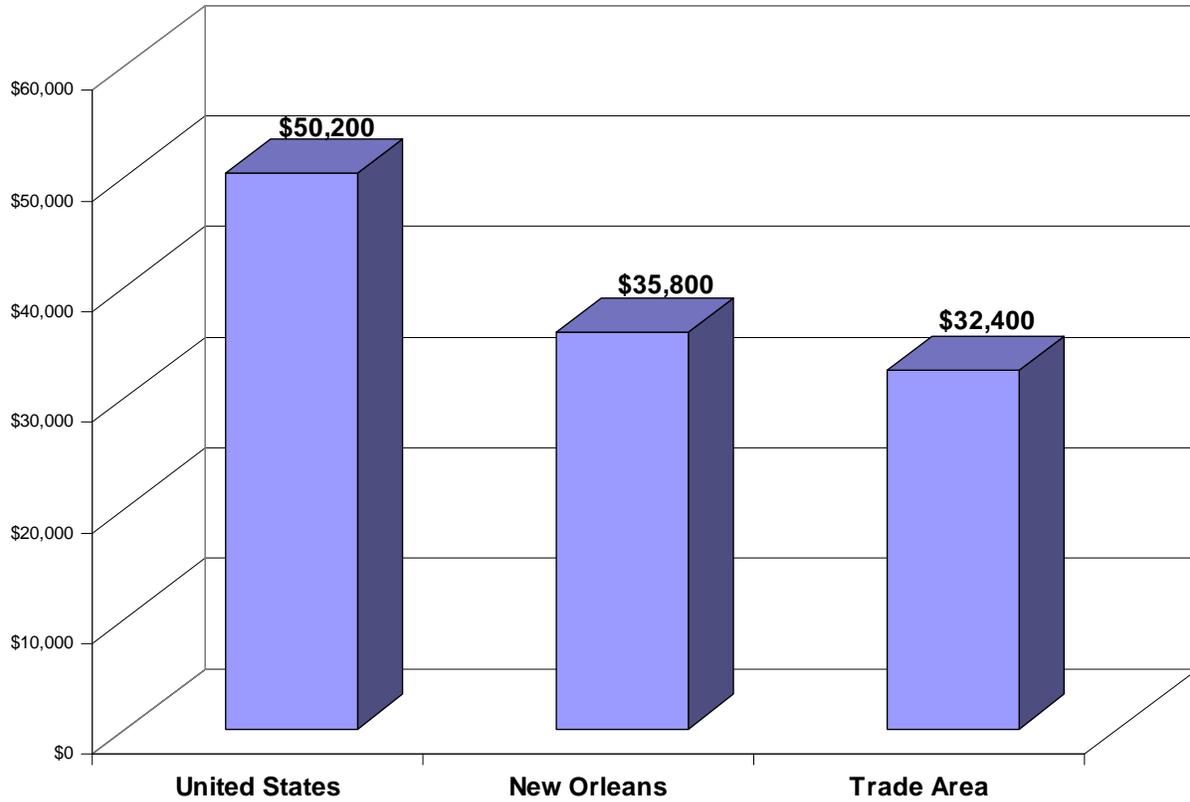
Race
City of New Orleans and Earhart Trade Area
2008



Source: Claritas, Inc.

- According to Claritas, in 2008 the Trade Area's population was 53 percent Black/African American. This compares to 61 percent Black/African American in the City.

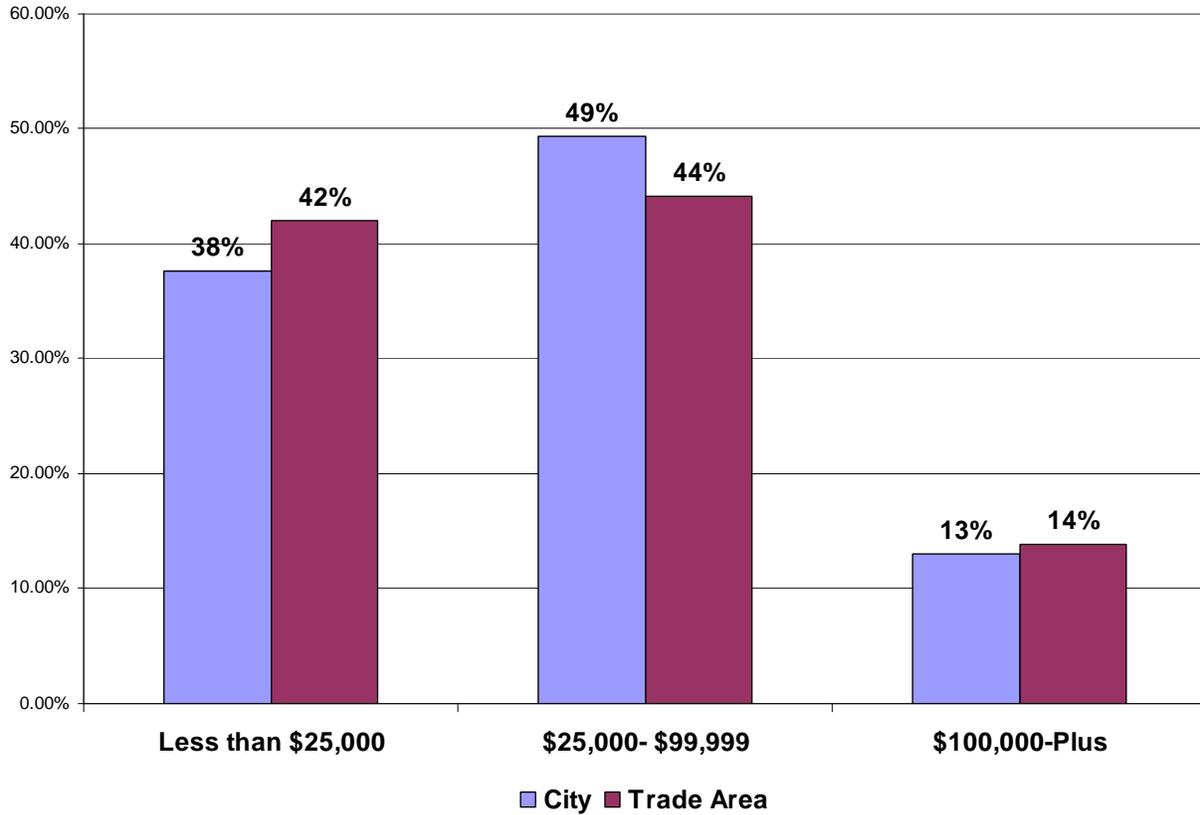
Median Income
United States, New Orleans, Earhart Trade Area
2008



Source: Claritas, Inc.

- Claritas estimates that the median income in the Trade Area was \$32,400 in 2008, below the New Orleans median of \$35,800. Median income in both the Trade Area and the City is below the national average.

Income Distribution
New Orleans, Earhart Trade Area
2008



Source: Claritas, Inc.

- The Trade Area has a higher share of its households in the low income brackets (earning less than \$25,000 per year) as compared to the City as a whole.

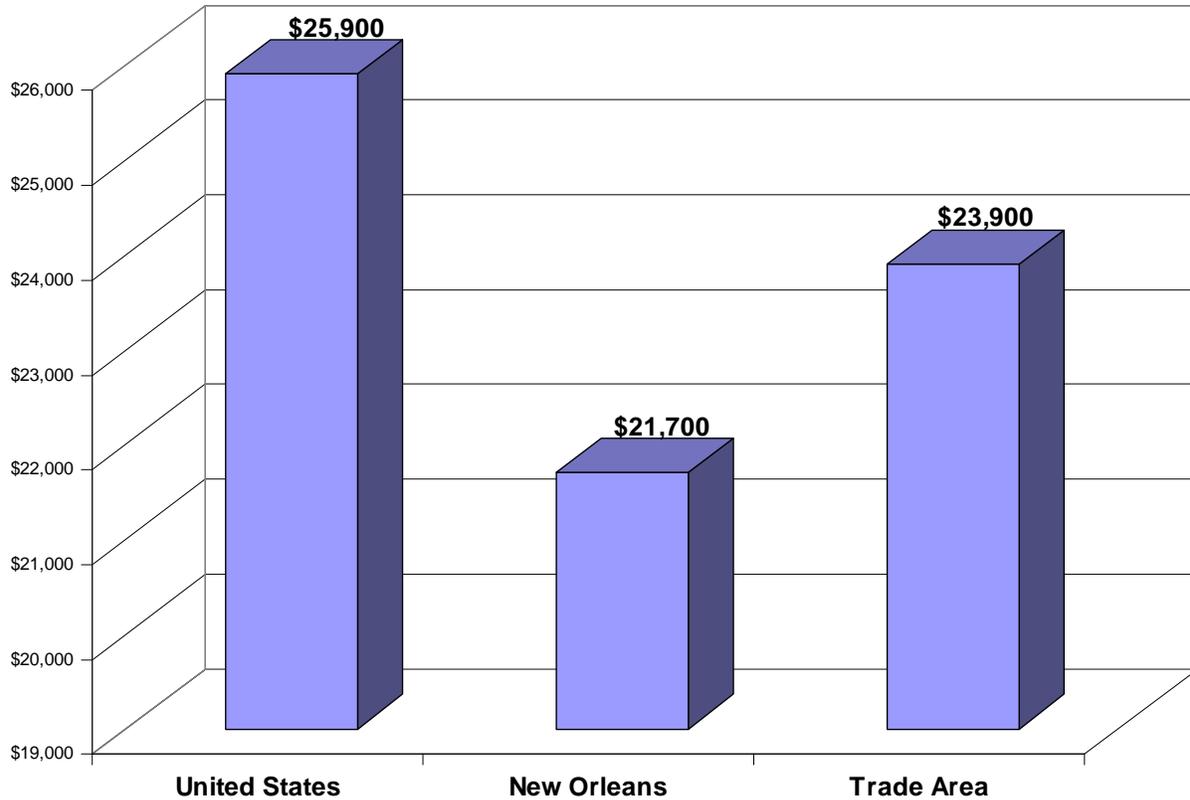
Average Income
United States, New Orleans, Earhart Trade Area
2008



Source: Claritas, Inc.

- Households within the Trade Area have an average income of \$57,500. New Orleans' average household income is \$64,800. Average household income in the United States was \$67,900 in 2008.

Per Capita Income
United States, New Orleans, Earhart Trade Area
2008



Source: Claritas, Inc.

- The Trade Area's 2008 per capita income of \$23,900 was above the New Orleans' per capita income of \$21,700. Claritas estimates that the average household in the Trade Area contained 2.5 people. The average household size in New Orleans was estimated to be 2.6 persons.

Retail Expenditure Potential

- Trade Area residents have approximately \$1.6 billion of retail spending potential. By 2013 retail spending potential will increase to \$2.2 billion.

**Retail Spending Potential
Earhart Trade Area
2009**

	2009	2013
Automobile Sales and Gas	\$487,920,000	\$676,995,000
Non-Store Retail	\$102,409,000	\$142,093,000
Shopping Center-Inclined Retail	<u>\$1,061,790,000</u>	<u>\$1,473,248,144</u>
Total	\$1,652,119,000	\$2,292,336,144

Source: Claritas, Inc.; W-ZHA

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- Approximately, two-thirds of the Trade Area's retail spending will occur in stores typically found in a town center or shopping center environments. These stores, called "shopping center-inclined stores", include the following store types: general merchandise; furniture and furnishings; electronics and appliance; building materials and garden equipment; food and beverage, health and personal care; apparel and accessories; hobby, sporting goods, and musical instruments; miscellaneous shopper's goods stores; and eating and drinking places.

**Shopping Center-Inclined Retail Expenditure Potential
2013**

Convenience		\$447,116,000
	Food and Beverage	\$304,793,000
	Drug	\$142,324,000
General Merchandise, Apparel, Furniture, Other Shopper's Goods		\$604,492,000
	General Merchandise	\$293,937,000
	Other	\$310,555,000
Building Materials		\$242,621,000
Eating and Drinking		<u>\$179,019,000</u>
Total Shopping Center-Inclined Retail		<u>\$1,473,248,000</u>

Source: Claritas, Inc.; W-ZHA

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- Applying an average retail sales per square foot of space assumption of \$400 per year, the Trade Area can support 3.7 million square feet of retail! Given the lack of retail in the Trade Area, it is clear that most of the Trade Area's retail spending is happening outside in surrounding jurisdictions.
- A 250,000 square foot food store anchored center with a mix of medium-sized anchors and in-line shops, will require a capture rate of less than 10 percent of the Trade Area's spending potential. If the mix is changed to reflect a general merchandise store-anchored center and/or a home

improvement store-anchored center (Lowe's) the same holds true -- no store-type must capture more than 15 percent of the Trade Area's expenditure potential to be viable.

**Concept Plan Market Capture
2013**

	Trade Area		270,000 sf Community Center	
	Expenditure Potential		Sales /1	Capture
Convenience		\$447,116,000		
Food and Beverage	\$304,793,000		\$21,600,000	7%
Drug	\$142,324,000		\$5,400,000	4%
General Merchandise, Apparel,		\$604,492,000		
General Merchandise	\$293,937,000		\$40,000,000	14%
Other	\$310,555,000		\$22,400,000	7%
Building Materials		\$242,621,000	\$0	0%
Eating and Drinking		\$179,019,000	\$8,400,000	5%
Total Shopping Center-Inclined Retail		\$1,473,248,000	\$97,800,000	7%

1. Assumed that Trade Area residents account for 90% of food and beverage and drug store sales and 80% of

Source: W-ZHA

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- The Center would be targeted to serving the needs of the Trade Area residents. The store configuration would not be that of a regional retail center targeted to a market beyond the Trade Area.
- It is unlikely that the developer of a community shopping center will incorporate structured parking in the near term. The urban design objective should be to create an attractive building wall along Earhart Boulevard.
- There is sufficient market to support community retail at this location. The challenge will be to recruit a developer willing to compete with the suburban retail nodes. Only with a reputable developer will the anchor tenants be willing to add a store in the urban center.