

2008 Five Point/Devine Street Retail Analysis

Columbia, SC



ERA

March 2008

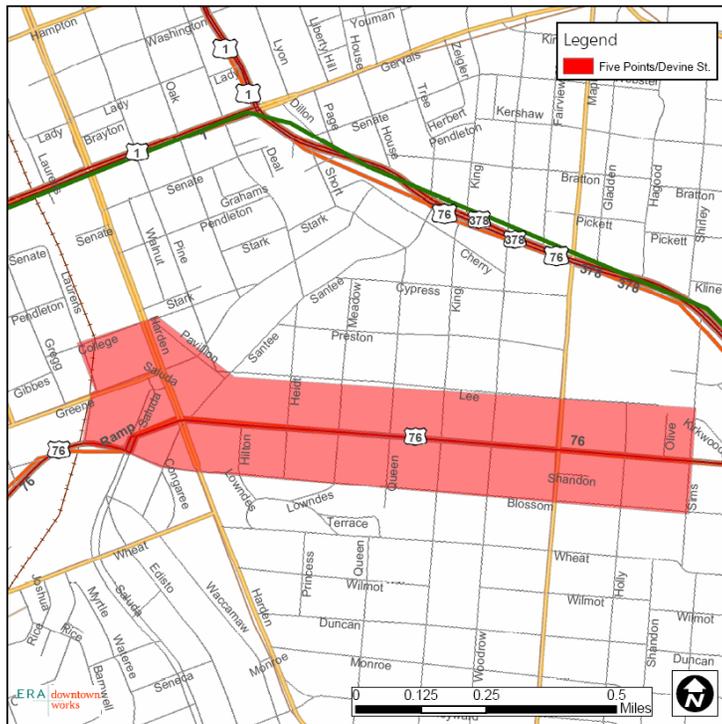
An Analysis of Downtown Retail Market and Retail Corridors in
Columbia, SC



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Five Points Corridor Overview



Five Points/Devine Street Overview

The Five Points area consists of the immediate area surrounding the intersection of Harden Street, Devine Street, and Santee Ave. The area extends along Harden Street north to the intersection with College Street and south along Harden to Blossom Street

The area also is comprised of the two blocks of Greene Street from Laurel Street to Pavilion Ave, also Saluda Ave. from Blossom Street to Greene Street and Santee Ave from Blossom Street to Lee Street

Included in the analysis is the Devine Street retail corridor that extends out of Five Points to the intersection of Devine and Sims Streets.

ERA identified two types of customers that Five Points/Devine Street retailers potentially attract: residents, USC students and USC visitors.

Other student bodies, such as Midlands Technical College, are not represented in the analysis because its student body is already represented in by the resident market.

Methodology/Term Definitions

Summary

The purpose of this study is to suggest ways in which the Five Points market can enhance its retail conditions and offerings through an understanding of customer markets and their spending potential

This analysis includes, identification of key retail demand segments/customer groups, calculation of the market expenditures, an evaluation of the existing retail environment, and recommendations for retail improvements.

In order to calculate the retail potential of the Five Points market, ERA has analyzed the demand generated by two major customer groups:

- Surrounding Residents
- USC students/Visitors

Demand Potential

Major customer groups are analyzed by their retail demand potential. The demand potential is the total annual spending of each market segment (customer group) in the selected retail categories.

Capture Rate

Capture rates identify what portion of demand potential is realistically captured in a given area (i.e. a capture rate of 10% assumes that \$10 of every \$100 is spent in a given area).

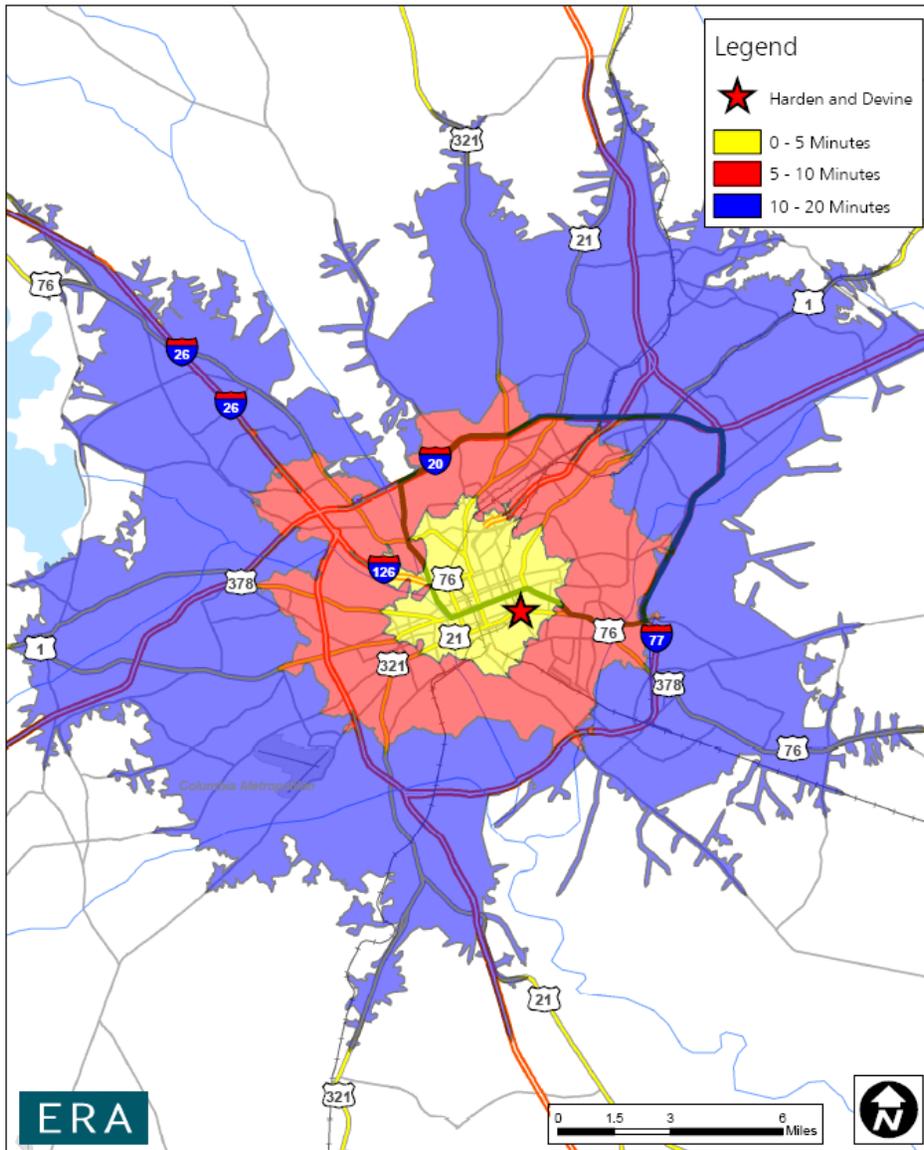
In this study total retail potential of all consumer segments is totaled and then an overall capture rate is calculated. From that an estimate of how a series of recommendations can increase this rate are derived.

Productivity and Supportable Square Feet

Productivity is quantified retail performance on an annual sales volume per square foot basis

Supportable square feet is estimated based on annual market expenditures and productivity

Retail trade areas encompass surrounding households that are potential CBID customers . . . if a distinct merchandise mix that reflects market characteristics, is in place.



Five Points Overview

ERA identified three residential markets from which Five Points/Devine Street retailers can attract customers:

- Primary Market – Residents living within a five minute drive of downtown Columbia (Gervais Street and Main Street)
- Secondary Market – Residents living within a five and ten minute drive of downtown Columbia
- Tertiary Market – Residents living within a ten and twenty minute drive of downtown Columbia

At this scale the difference in size of resident markets for Five Points and downtown Columbia are negligible

Markets identified by drive time are used because these reflect the real accessibility of each market to Columbia

Household income, lifestyle preferences, and expenditure patterns are relevant factors when assessing retail potential and ultimately crafting a merchandise mix plan.

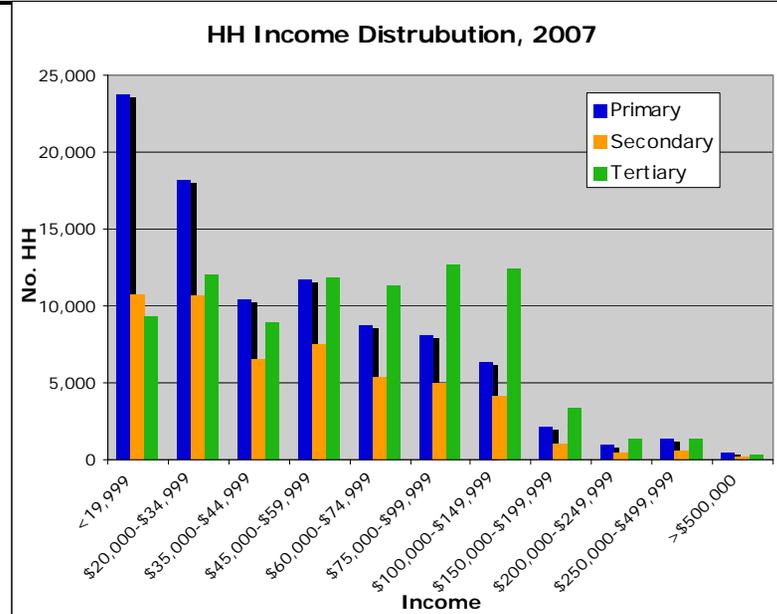
Summary

The combined population and households of the Five Points markets are about 394,000 and almost 157,000 respectively. The market is expected to grow by a little more than 10,200 households between 2007 and 2012 with most of that growth occurring ten to twenty minutes outside of downtown Columbia.

The average household income in the area is expected to increase by \$12,472 over the next 5 years, however the secondary and tertiary markets can expect much higher income growth. This represents a compound annual growth rate (CAGR) between 2.6% and 2.9% and, when adjusted for inflation, an average real growth rate of 1.0%

The total area income is expected to increase by about \$6.5 billion from 2007 to 2012. About 75% of the expected increase in income is a result of income growth in the tertiary market

Area Description	Primary	Secondary	Tertiary
2007 Population	49,637	111,705	232,664
2012 Population	50,999	114,154	247,848
CAGR 07-12	0.54%	0.43%	1.27%
2007 Households	19,675	52,265	85,026
2012 Households	20,687	54,246	92,287
CAGR 07-12	1.01%	0.75%	1.65%
2007 Avg Household Income	\$45,569	\$57,426	\$75,613
2012 Avg Household Income	\$52,076	\$66,812	\$90,734
CAGR 07-12	2.71%	3.07%	3.71%
Real Growth Rate 1/	0.56%	0.92%	1.56%
2007 Median Household Income	\$28,104	\$41,804	\$60,446
2012 Median Household Income	\$31,996	\$47,644	\$69,758
CAGR 07-12	2.63%	2.65%	2.91%



Source: ESRI Business Information Solutions; Economics Research Associates, 2007

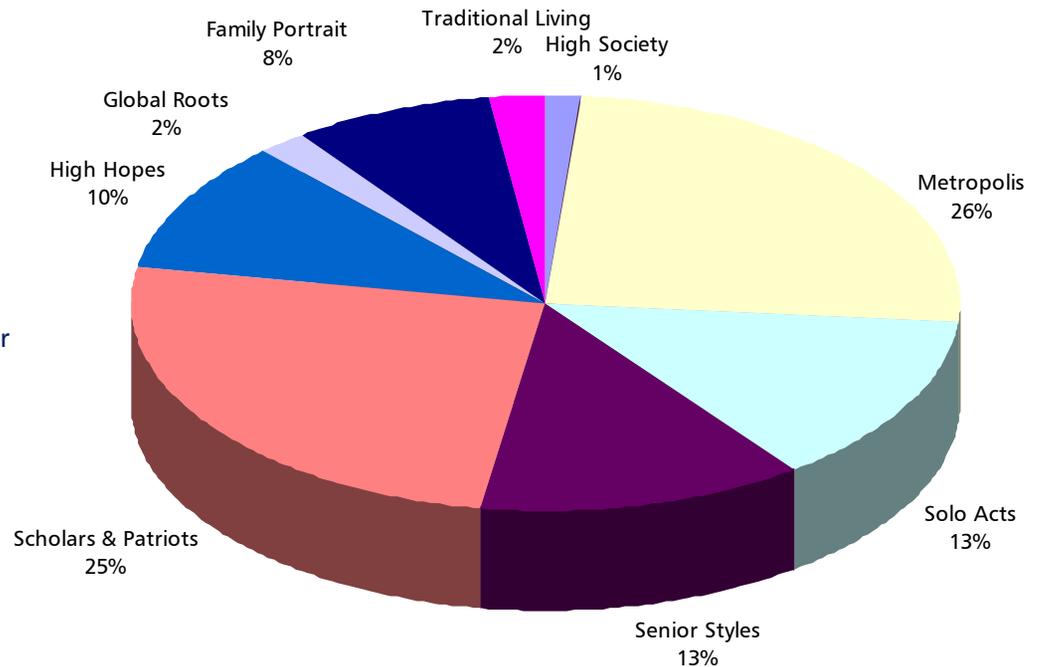
Psychographic information describes the lifestyle preferences and buying patterns of households, which is important when analyzing retail potential and outlining recruitment goals.

Primary Market (5 min. drive)

- Analyzed Life Mode Tapestry groups, which cluster similar lifestyles and life stages
- Each Life Mode group has several more specific segmentation categories (65 in whole system)
- 2nd and 3rd largest groups (Metropolis and Solo Acts), are potential downtown customers
- Scholars and Patriots – 25%
 - **College Towns** 15% of total
 - 4th youngest of all tapestry segments with a median age of 24.5
 - Median household income is \$28,900
 - **Dorms to Diplomas** 10% of total
- Metropolis - 26%
 - **Metropolitans** 13% of total
 - Favor city living, have active urbane lifestyle
 - 75% of those over 25 have college degree or higher
 - Median income \$61,000
 - **Modest Income Homes** 8% of total
- Solo Acts – 13%
 - **Young and Restless** 3% of total
 - **Young population with median income below US median income, but higher discretionary income because only 23% of these households include children**
 - **Old and Newcomers** 3% of total
 - **Typically renters that are starting their careers or retiring**
 - **Higher percentage than national average of people in their 20's or over 75**

➤ **High Society** is relevant for retail - smallest group

- Contains 7 most affluent segments, high disposable income
- Category grows significantly has market extends (3% and 9% of secondary and tertiary markets)



In the secondary market, a larger segment of the population [than in the primary market] are likely urban customers.

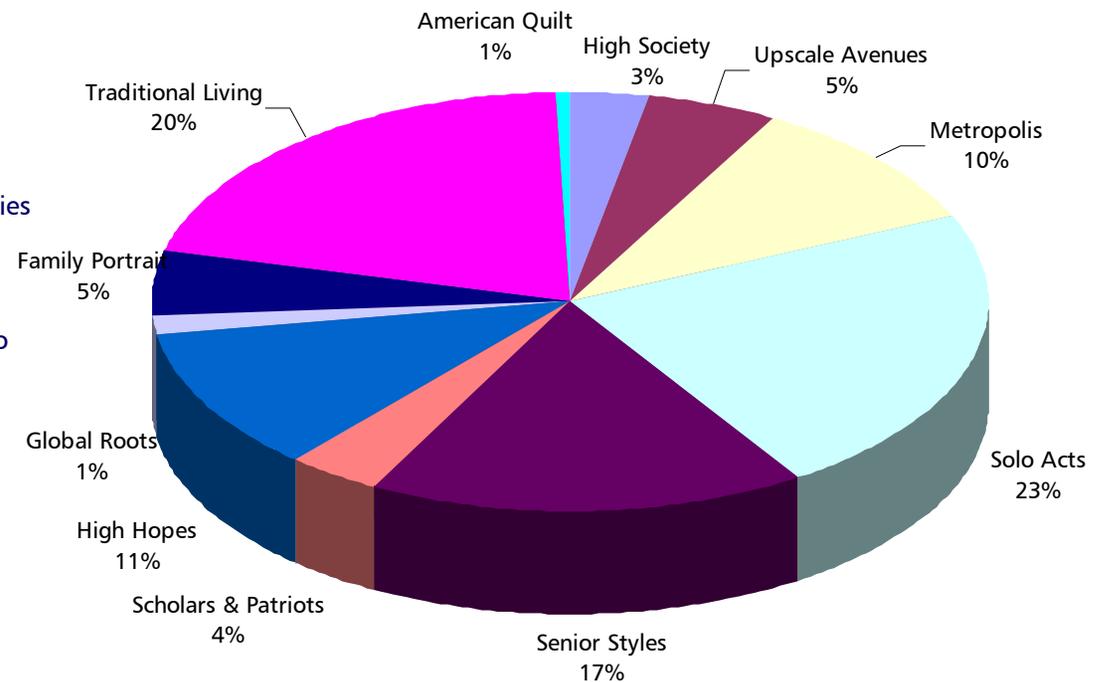
Secondary Market (10 min. drive)

- Solo Acts – 23%
 - **Young and Restless** dominant sub group - 17% of total
 - Young professionals pursuing careers, busy lifestyles
 - Read magazines to stay current on lifestyle, entertainment, and fashion trends
 - Technologically savvy
 - Not yet saving for retirement or investing
 - Frequent movies, clubs, bars

- Traditional Living – 20%
 - **Most are Family Foundations 12% of total**
 - 73% of these households are composed of various family types
 - Median household income is \$42,100
 - They spend on home maintenance and on their families
 - **Midlife Junction are 6% of total**
 - Median age is 40.5
 - Median household income is \$43,600
 - These households spend their money carefully and do not succumb to fads

- Senior Styles – 17%
 - **Prosperous Empty Nesters 5% of total**
 - 56% of Prosperous Empty Nesters are 55 or older
 - Median household income is \$66,200
 - Place a high value on their physical or financial well-being
 - **Rustbelt Retirees 4% of total**
 - Median household income is \$47,400, which is just below the U.S. median household income

➤ Several equally dominant tapestry groups



The Tertiary Market has the most affluent customer base, but they are the farthest from downtown; the quality of Merchandise Mix will determine their impact.

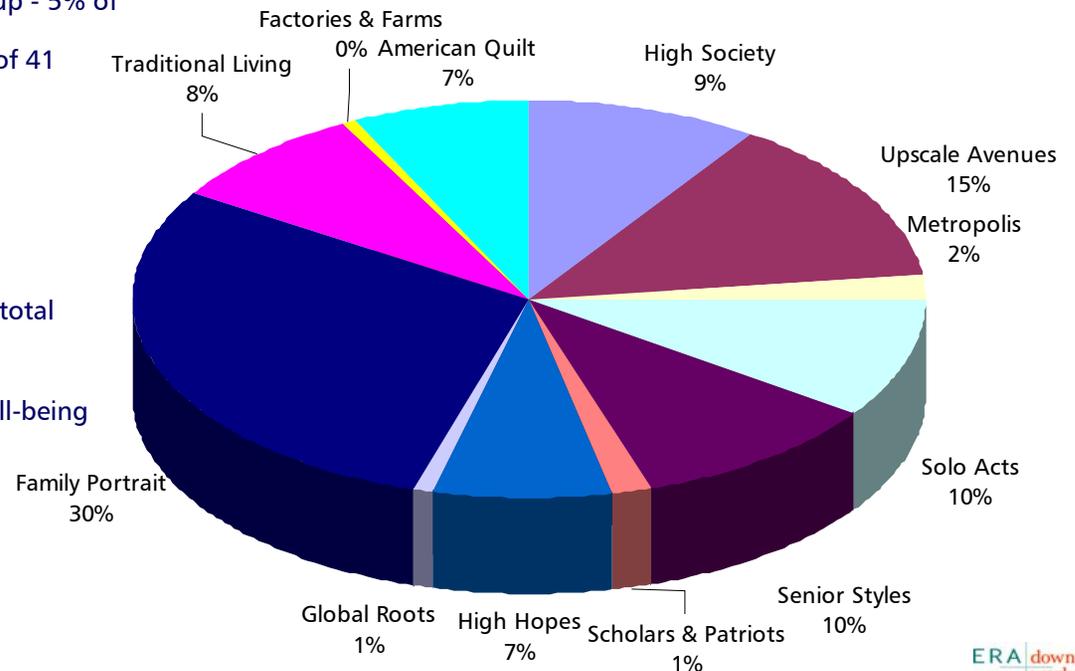
Tertiary Market (20 min. drive)

- Family Portrait – 30%
 - Up and coming Families are 15% of total
 - Youngest segment of the most affluent family markets
 - Median age of 31.9 years
 - Mix of Generation X and Baby Boomers
 - Many are beginning or expanding their families
 - Milk and Cookies are 14% of total
 - Young, affluent, married couples who are starting their families
 - Median household income is \$60,700

- Upscale Avenues – 15%
 - Cozy and Comfortable is most dominant subgroup - 5% of total
 - Middle-aged, married couples with a median age of 41
 - Median household income is \$61,800
 - In Style small subgroup 5% of total
 - Live in suburbs but prefer the city lifestyle
 - Median household income of \$67,800

- Senior Styles – 10%
 - Prosperous Empty Nesters, most of group - 9% of total
 - 56% of Prosperous Empty Nesters are 55 or older
 - Median household income is \$66,200
 - Place a high value on their physical or financial well-being

- Distance from downtown limits likelihood of frequent shopping trips to downtown
- Over 60% are households with affluence who enjoy spending
- Must create great retail mix (destination) to attract

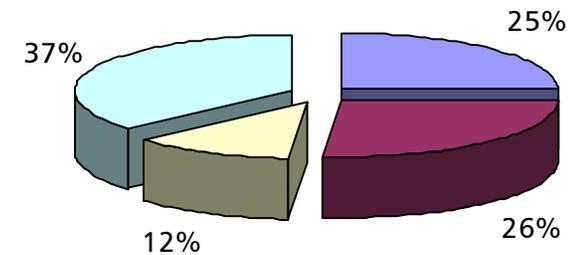


The first step in assessing retail potential is understanding 1) who are the customers, 2) how much money do they spend and 3) where do they spend money (retail categories).

These expenditures:

- are an indication of spending patterns and household spending power
- represent household purchases anywhere, including expenditures that do not occur in the trade area or downtown
- do not indicate total spending in Five Points

Total Residential Retail Spending, 2012



- Apparel & Apparel Services
- HH Furnishings & Electronics
- Personal Care & Services
- Eating & Drinking Places

Summary

\$1.5B annual spending - all categories & markets

\$96.3M projected increase in combined residential market 2007-2012

Spending in selected retail categories is expected to increase by \$6.7M, \$16M, and \$73.6M in the primary, secondary, and tertiary markets from 2007 to 2012

This is a result of growth in households for each market. For accurate comparison, dollars remain constant in 2007 terms

Future economic conditions, consumer behavior, and propensity to consume among residents all have an impact on expenditure growth

Estimated 2012 Market Expenditures

Retail Categories By Market	Total HHs	Avg HH Retail Expenditures 2012	Annual Market Area Retail Expenditures
Primary	20,687		
Apparel & Apparel Services		\$1,660	\$34,157,961
HH Furnishings & Electronics		\$1,761	\$36,234,108
Personal Care & Services		\$784	\$16,133,171
Eating & Drinking Places		\$2,426	\$49,915,462
Subtotal		\$6,632	\$136,440,701
Secondary	54,246		
Apparel & Apparel Services		\$2,007	\$107,857,322
HH Furnishings & Electronics		\$2,208	\$118,660,413
Personal Care & Services		\$1,012	\$54,406,026
Eating & Drinking Places		\$2,927	\$157,302,134
Subtotal		\$8,153	\$438,225,894
Tertiary	92,287		
Apparel & Apparel Services		\$2,595	\$235,821,894
HH Furnishings & Electronics		\$2,679	\$243,420,806
Personal Care & Services		\$1,264	\$114,839,174
Eating & Drinking Places		\$3,756	\$341,295,473
Subtotal		\$10,294	\$935,377,347
Total	167,220		
Apparel & Apparel Services		\$6,262	\$377,837,176
HH Furnishings & Electronics		\$6,648	\$398,315,326
Personal Care & Services		\$3,060	\$185,378,371
Eating & Drinking Places		\$9,109	\$548,513,070
Total		\$25,079	\$1,510,043,943

Five Points greatly benefits from a close proximity to the University of South Carolina, which brings many *potential* customers to the area.

Estimated Off Campus Spending

	Live On Campus	
	Undergraduate	Graduate
Food & Beverage	\$2,584,228	\$193,066
Books & Supplies	\$694,889	\$63,979
Clothing	\$2,261,355	\$93,996
Furniture & Household	\$1,118,070	\$67,182
Retail & Personal Services	\$2,550,329	\$165,363
Total Retail Spending	\$9,208,871	\$583,586

	Live Off Campus	
	Undergraduate	Graduate
Food & Beverage	\$7,204,329	\$6,309,166
Books & Supplies	\$1,842,640	\$1,446,837
Clothing	\$4,251,154	\$2,434,004
Furniture & Household	\$2,543,977	\$2,051,946
Retail & Personal Services	\$6,413,925	\$5,476,973
Total Retail Spending	\$22,256,025	\$17,718,926

Spending by Category	Total
Food & Beverage	\$16,290,790
Retail	\$33,476,619
Total Retail Spending	\$49,767,409

Summary

There are 27,390 undergraduate and graduate students enrolled in the Columbia campus of the University of South Carolina

About 80% of estimated student off campus spending comes from undergraduate or graduate students living off campus in Columbia

About 1/3 of off campus purchases are food & beverage expenditures

Demand is expected to grow as enrollment increases (enrollment has grown by 2.1% per year since 2000) and student discretionary spending increases

Additionally, USC had about 30,000 visits to the visitor center by non-students and faculty members in this past year

USC employs 4,500 people, of which approximately 1200 are full time instructional staff – this is not significant enough for demand line-item

Estimated Total USC Student Spending:
\$49.8M

Source: SBRI Survey (UC San Diego), 2004; Bureau of Labor Statistics, 2001; Darla Moore School of Business Research Department, 2000; Economics Research Associates, 2007

Notes: 1/ Excludes Non-Retail Expenditures (37.8%) According to BLS College Age Consumer Expenditure Report, 2001
 2/ 2007 Student Expenditures inflated using BLS Inflation rate for South East U.S.
 3/ Retail category spending based on spending patterns of students at university with similar student body characteristics (UC San Diego), 2004

If Five Points/Devine retail is successful it will penetrate a portion of total resident and student expenditures (capture); capture rates vary depending on the sub-district, retail type, and customer type.

Capture Rates

Capture Rates or market penetration rates identify a realistic portion of expenditures that could be spent in a given area

Potential spending from the three residential markets is calculated by applying low and high capture rates to estimated expenditures for 2012

Additionally, common consumer behaviors influence the propensity to buy certain items. For example, people:

- Buy groceries and convenience items close to home
- Travel farther more often to go to restaurants as opposed to retail

Market penetration rates take into consideration the following aspects of the sub-districts under study

- Existing and potential critical mass of retail
- Competitive context (i.e. other shopping centers)
- Proximity of market to sub-district

Residential Market Capture Rates

	Primary		Secondary		Tertiary	
	Low	High	Low	High	Low	High
Apparel & Apparel Services	8%	12%	8%	10%	3%	6%
HH Furnishings & Electronics	4%	8%	5%	8%	3%	5%
Personal Care & Services	6%	12%	5%	8%	2%	5%
Eating & Drinking Places	10%	15%	10%	15%	5%	10%

Residential Markets Potential Spending, 2012

	Primary		Secondary		Tertiary	
	Low	High	Low	High	Low	High
Retail	\$ 6,056,767	\$ 10,166,716	\$ 19,664,663	\$ 28,794,685	\$19,307,661	\$38,615,322
Eating & Drinking Places	\$ 4,991,546	\$ 7,487,319	\$ 15,730,213	\$ 23,595,320	\$17,064,774	\$34,129,547
Total	\$ 11,048,313	\$ 17,654,035	\$ 35,394,877	\$ 52,390,006	\$36,372,435	\$72,744,869

ERA estimated USC student expenditures at Five Points/Devine with capture rates and accounted for demand from family and friends visiting USC students by estimating trips per year and expenditures per trip.

USC Student Market Capture Rates

	Low	High
Apparel & Apparel Services	5%	8%
HH Furnishings & Electronics	1%	3%
Personal Care & Services	8%	12%
Eating & Drinking Places	25%	35%

USC Student Potential Spending

	Low	High
Apparel & Apparel Services	\$472,040	\$755,265
HH Furnishings & Electronics	\$60,250	\$180,751
Personal Care & Services	\$1,545,931	\$2,318,897
Eating & Drinking Places	\$7,716,835	\$10,803,569
Total	\$9,795,057	\$14,058,482

USC Family Visits

	Number	Visits	Visitor days
Parents	27972	2	55944

USC Family Related Demand

	Daily Expenditures	Total Spending	Captured Dollars
Retail	\$25	\$1,398,600	\$461,538
Food and Beverage	\$50	\$2,797,200	\$923,076
Total	\$75	\$4,195,800	\$1,384,614

Residential Expenditures

Low: \$82.8M
High: \$142.8M

USC Students/Family Expenditures

Low: \$11.2M
High: \$15.4M

Potential Demand, 2012

Low: \$94M
High: \$158.2M

Summary

- Assumes 1.5 family members visit USC undergraduate students twice during the year
- Assumes Five Points can capture 30% of USC family member expenditures
- The USC market boasts high demand for eating and drinking places but low demand for retail because of the propensity for students to shop for apparel at home rather than at school and in Five Points
- Because of the offerings in Five Points, such as tattoo parlors and tanning beds, personal care and services can potentially capture a significant percentage of student spending

ERA next determined the estimated supportable square feet for downtown retail based on estimated downtown expenditures and sales per square feet.

Five Points Supportable SF, 2012

Retail Category and Market	Annual Market Area Expenditures		Productivity	Supportable Square Feet	
	Low	High		Low	High
Retail					
Residents	\$ 45,029,091	\$ 77,576,723	\$350	128,655	221,648
USC Students	\$ 2,210,966	\$ 3,520,402		6,317	10,058
USC Family Members	\$ 461,538	\$ 461,538		1319	1319
Subtotal	\$ 47,701,595	\$ 81,558,662		136,290	233,025
Food and Beverage					
Residents	\$ 37,786,533	\$ 65,212,187	\$300	125,955	217,374
USC Students	\$ 7,716,835	\$ 10,803,569		25,723	36,012
USC Family Members	\$ 923,076	\$ 923,076		3,077	3,077
Subtotal	\$ 45,503,368	\$ 76,015,756		154,755	256,463
Retail	\$ 47,701,595	\$ 81,558,662		136,290	233,025
Food and Beverage	\$ 45,503,368	\$ 76,015,756		154,755	256,463
TOTAL	\$ 93,204,964	\$ 157,574,418		291,045	489,488

Variables

These low and high estimates reflect conservative and aggressive capture rates

Low estimates assumes the conditions of retail stores remains similar and any additional demand is driven by population growth in Columbia

High estimates are achieved if the tenant mix is improved. The physical appearance in and out of the stores and restaurants are improved.

Market conditions will also influence customer expenditures in Five Points

Productivity

Productivity: Gross annual sales per square foot for retail

- May vary, therefore a constant industry and market appropriate standard was applied (between \$300 and \$350 dollars per SF)
- This further qualifies the tenant mix as one with successful retailers that can pay a sufficient rent and maintain appropriate inventory levels and merchandise
- Typically rent is between 8 – 12 percent of gross sales
- Sufficient productivity enables tenants to continually improve and maintain merchandising, displays, operations, etc.
- Sufficient rent enables landlords continually maintain and renovate buildings

EXISTING SQUARE FOOTAGE:

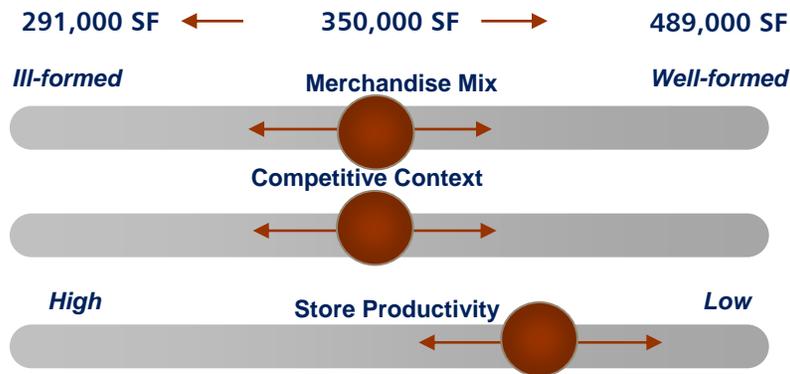
Approximately 372,000 SF

Source: Info USA, 2007; CoStar, 2007; Economics Research Associates, 2007.

Notes: 1/ 2006 SF and sales are rounded

Multiple factors will ultimately affect the supportable square feet and success of the retail clusters over the long-term.

Factors Affecting Store Supportable Demand

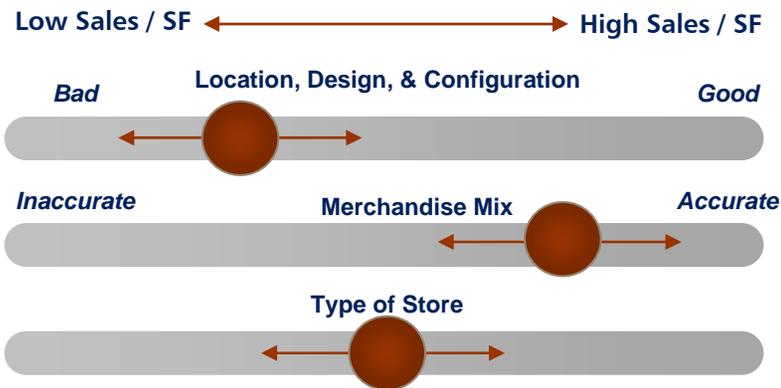


The success and appeal of a retail cluster is directly linked to its merchandise mix and its function as a destination.

New catalytic or competitive development projects can either facilitate additional demand or monopolize market support

The trade areas are capable of spending a certain amount. If more \$\$ are spent in one store less \$\$ will be spent elsewhere.

Factors Affecting Store Productivity



A store's size, location, interior and storefront design are part of total appeal for customers

Price-points and merchandise should accurately reflect the demographics and lifestyle characteristics of the consumers

Merchandise quality (price), quantity (inventory level), and mark-up, as well as store size, influence retailers' profitability (Sales / SF)

Based on the amount of existing retail, there is market support for up to 117,000 additional SF by 2012; however if conditions worsen, low estimates are 81,000 SF less than current retail space.

Existing Retail Space

- ERA estimated the amount of existing retail space utilizing CoStar (a national industry resource for real estate information)
- Includes buildings that are classified as retail, but not currently leased to stores
 - Much of the market demand applies to these buildings that should be renovated, released, or replaced over time as retail grows.

Street	Square Footage
Devine Street	105,350
Five Points	266,759
Total	372,109

Source: CoStar; Economics Research Associates, 2007

Additional Supportable Square Feet, 2012

Category	Supportable Square Feet	
	Low	High
Space Demand		
Retail	136,290	233,025
Eating & Drinking Places	154,755	256,463
Total	291,045	489,488
Existing Retail Estimate	372,109	
Additional Supportable SF	-81,064	117,379

Source: ESRI Business Analyst, 2007; SBRI Survey (UC San Diego), 2004; Bureau of Labor Statistics, 2001; Moore School of Business, Division of Research; Economics Research Associates, 2007

Discussion

- New projects or tenants in five points and on Devine Street and market conditions will influence the supportable SF
- The SF of retail type does not indicate number of stores; stores size varies
- Typical store sizes:
 - Apparel 3,500 SF
 - Accessories 2,000 – 10,000 SF
 - Personal Care 2,000 – 10,000 SF
 - Household Furnishings 3,500 – 10,000 SF
 - Restaurants 3,000 – 6,000+ SF
 - Quick Service food 1,200 – 3,500 SF

Five Points has a base of unique retailers and a strong community identity, from which to build upon.

Market Strengths

- Five Points/Devine Street has some contiguous retail and restaurants along street
- Five Points has several streets considered pedestrian friendly because they are well landscaped and most streets have only 2 lanes
- Variety of retail and reputation for hip/funky merchandise make Five Points a destination
- Restaurants along Devine Street have high quality reputation
- Retail along Devine among most popular retail destinations in downtown Columbia
- Iconic storefront and signage elements that Columbia customers identify with, such as Yesterdays awning bath tub
- The population density in and around Five Points is growing as new residential supply coming online will provide a boost in the primary market sales



Retail uses should strive to draw from an expanded market; balancing night-time bars with daytime uses will help this.

Market Weaknesses

- Retail along Devine Street is interrupted by office space such as law offices and street is wide
- About 30% of restaurants in Five Points/Devine Street are bars that open late in the day and offer very little synergy with retail stores operating during the day
- Bars in Five Points have a higher percentage of sales coming from student spending which is not expected to grow as fast as the residential markets – student spending remains fairly constant
- Retail draws business mainly from residential areas immediately surrounding Five Points, as opposed to farther out
- Signage does not reflect store offerings
- Some awnings are in disrepair



Five Points overarching goal should be to recruit a Merchandise Mix with retailers that cater to all potential customer groups and uphold Five Points' identity.

Strategic Needs Assessment

- Maintain list of property and tenant information – understand current lease terms, etc.
- Develop design guidelines for future infill development

Aesthetic Improvements

- Awnings, facades, and signs should be maintained, clean, and reflect the atmosphere of the restaurant or retail store.
- Storefront and Signage Design Guidelines would be helpful

Tenant Recommendations

Five Points bar turnover should be filled with restaurants (lunch & dinner).

- Moderate price points, such as Charleston-based The Kickin Chicken (2 USC alumni owners), 4 SC locations and growing
- Concept/chef-driven destinations

Recommendation 1: Existing Retail Space

- Utilize existing space to fill retail demand with market appropriate tenants
- Improve or renovate existing spaces, specifically facades and window displays

Recommendation 2: Urban Entertainment Districts

- Unless actively managed, Urban Entertainment Districts are prone to eventually become unbalanced with excessive late-night activity
- Maintain a balance of night-time entertainment and day-time retail uses – this mix results in the most successful district all around
- Discourage establishments that are exclusively bars, rather encourage bars with both lunch and dinner service

Recommendation 3: "Keeping 5-Points Funky"

- As stated in Nov. 23rd, 2007 *The State* article
- Encourage independent and regional stores
- **Potential** (if nurtured) to draw tertiary and farther markets with unique and differentiated merchandise mix and shopping/dining environment
- Build on reputation of high quality retail on Devine Street,

APPENDIX

Reported Productivity at Five-Points and Devine

2006 Sales and SF, 5 Points Restaurants and Bars

	Sales Volume	RBA (SF)	Productivity (Dollars/SF)
India Pavilion	\$80,000	2,749	\$29
Village Idiot	\$914,000	2,500	\$366
Yesterday's Tavern	\$3,400,000	8,791	\$387
Subway	\$200,000	1,026	\$195
Jake's	\$1,072,000	11,336	\$95
Baan Sawan	\$200,000	1,002	\$200
Andy's deli	\$440,000	4,075	\$108
Garbaldi Cafe	\$1,360,000	2,572	\$529
Groucho's Deli	\$720,000	2,749	\$262
Bar None	\$200,000	2,558	\$78
Knock Knock Club	\$1,608,000	8,499	\$189
Sharky's	\$480,000	7,916	\$61
Locals	\$268,000	1,598	\$168
Harpers	\$4,000,000	6,402	\$625
Pop's NY Pizza	\$1,200,000	1,437	\$835
Chubbie's 2x4	\$737,000	2,218	\$332
Gracie's	\$480,000	1,270	\$378
Jungle Jim's	\$737,000	5,097	\$145
Grilled Teriyaki	\$480,000	2,927	\$164
Pour House	\$240,000	2,938	\$82
Dr. Rocco's Tropical Bar	\$240,000	3,329	\$72
Good Times	\$268,000	3,234	\$83
The Saloon	\$268,000	2,561	\$105
Bad Ass Coffee Co.	\$560,000	9,218	\$61
Adrian's Gelateria	\$200,000	1,427	\$140
Delaney's	\$1,420,000	3,266	\$435
Average	\$837,385	3,950	\$235

Summary

Source of sales volume is from InfoUSA, which conducts annual surveys of businesses nationwide. There is a possibility of businesses reporting lower than actual sales figures

Current sales volume per square foot are low in both the retail and food and beverage categories

Restaurants on Devine Street average higher sales per square foot than in 5 Points

One stakeholder estimated that their restaurant/bar sales were down 40% in 2007

2006 Sales and SF, Devine St. Restaurants and Bars

	Sales Volume	RBA (SF)	Productivity (Dollars/SF)
Dianne's on Devine	\$1,200,000	5,953	\$202
Mediterranean Tea Room	\$440,000	2,241	\$196
Yo Burrito	\$1,200,000	2,644	\$454
Night Caps	\$201,000	1,920	\$105
Tiffany's Bakery Cafe	\$800,000	2,532	\$316
Average	\$768,200	3,058	\$254

Source: Info USA, 2007; CoStar, 2007; Economics Research Associates, 2007.

Notes: 1/ 2006 SF and sales are rounded

2/ Only includes bars and restaurants where RBA and Sales are available

Estimated Current Retail Sales Volume

Total Businesses:		341	
Total Sales:		\$292,459,000	
	Businesses	Percent	2006 Sales Total (in 000's)
Agriculture	0	0.0%	\$0
Mining	1	0.3%	\$4,131
Utilities	0	0.0%	\$0
Construction	11	3.2%	\$5,755
Manufacturing	3	0.9%	\$1,590
Wholesale Trade	0	0.0%	\$0
Retail Trade	66	19.4%	\$65,845
Motor Vehicle and Parts Dealers	0	0.0%	\$0
Furniture & Home Furnishings Stores	2	0.6%	\$4,590
Electronics & Appliance Stores	5	1.5%	\$9,376
Bldg Material and Garden Equipment and Supplies Dealers	3	0.9%	\$2,181
Food & Beverage Stores	4	1.2%	\$9,334
Health & Personal Care Stores	2	0.6%	\$2,000
Gasoline Stations	1	0.3%	\$1,856
Clothing and Clothing Accessories Stores	23	6.7%	\$15,915
Sport Goods, Hobby, Book, & Music Stores	8	2.3%	\$7,587
General Merchandise Stores	0	0.0%	\$0
Miscellaneous Store Retailers	18	5.3%	\$13,006
Nonstore Retailers	0	0.0%	\$0
Transportation & Warehousing	3	0.9%	\$528
Information	2	0.6%	\$2,727
Finance & Insurance	21	6.2%	\$71,656
Central Bank/Credit Intermediation & Related Activities	5	1.5%	\$20,497
Insurance Carriers & Related Activities; funds, Trusts & Other financial Vehicles	13	3.8%	\$48,423
Real Estate, Rental & Leasing	22	6.5%	\$20,554
Professional, Scientific & Tech Services	59	17.3%	\$55,902
Legal Services	23	6.7%	\$16,727
Management of companies & Enterprises	0	0.0%	\$0
Administrative & Support & Waste Management & Educational Services	6	1.8%	\$2,246
Educational Services	5	1.5%	\$1,459
Health care & Social Assistance	24	7.0%	\$9,562
Arts, Entertainment, and Recreation	3	0.9%	\$641
Accommodation and Food Services	57	16.7%	\$43,241
Accommodation	2	0.6%	\$2,499
Food Services and Drinking Places	55	16.1%	\$40,742
Other Services (except Public Administration)	46	13.5%	\$6,622
Automotive Repair & Maintenance	1	0.3%	\$920
Public Administration	8	2.3%	\$0
Unclassified Establishments	4	1.2%	\$0

Summary

The total sales volume of \$292.5M represents the total net revenue of all business along the corridor.

For this study the analysis is focused on the retail categories of Apparel and Apparel Services, Household Furnishings and Electronics, Personal Care and Services, and in Eating and Drinking Places.

Total sales volume for the selected retail categories total \$31.8M or 48% of all retail sales.

Select Categories

Retail	\$31,881,000
Apparel & Apparel Services	\$15,915,000
HH Furnishings & Electronics	\$13,966,000
Personal Care & Services	\$2,000,000
Eating & Drinking Places	\$40,742,000
Subtotal	\$72,623,000

Sales Volume in Selected Categories: \$72.6M

Source: ESRI Business Information Solutions; InfoUSA; Economics Research Associates, 2007

General Limiting Conditions

Every reasonable effort has been made to ensure that the data contained in this report are accurate as of the date of this study; however, factors exist that are outside the control of Economics Research Associates and that may affect the estimates and/or projections noted herein. This study is based on estimates, assumptions and other information developed by Economics Research Associates from its independent research effort, general knowledge of the industry, and information provided by and consultations with the client and the client's representatives. No responsibility is assumed for inaccuracies in reporting by the client, the client's agent and representatives, or any other data source used in preparing or presenting this study.

This report is based on information that was current as of February, 2008 and Economics Research Associates has not undertaken any update of its research effort since such date.

Because future events and circumstances, many of which are not known as of the date of this study, may affect the estimates contained therein, no warranty or representation is made by Economics Research Associates that any of the projected values or results contained in this study will actually be achieved.

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