

Prepared For:

The City of Fort Wayne, Indiana

Prepared By:

The Chesapeake Group, Inc.

Building A Foundation For The Future

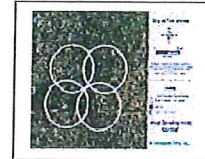
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February, 2009

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Southeast Area Market Analysis & Economic Development Strategy

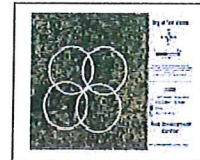
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Southeast Area Market Analysis & Economic Development Strategy

Introduction



The following retail market analysis for Southeast area of Fort Wayne was prepared by The Chesapeake Group, Inc. under contract to the City of Fort Wayne.

The effort included significant primary data derived from field reconnaissance, public input, face-to-face interviews with stakeholders, surveys of current residents, and a survey of business owners and operators. In addition, computer modeling and significant other forms of research and analysis of secondary information were used to identify and develop opportunities to enhance the economic viability of the Southeast area.

Estimates of demand found in the demand forecasting section are considered conservative in nature, tending to understate rather than overstate opportunities. They and all other suggestions and recommendations represent only TCG's opinion based on the presented information and experiences. It is noted that success of any geographic area, collection of activity, or individual components is dependent upon other factors as well as marketability. Some of those other factors are management practices, financial feasibility, regulations and collective cooperation.

In the analyses and strategic program, names of specific businesses are mentioned. Their inclusion does not represent an endorsement by The Chesapeake Group, nor concurrence or any indication of interest on their part.

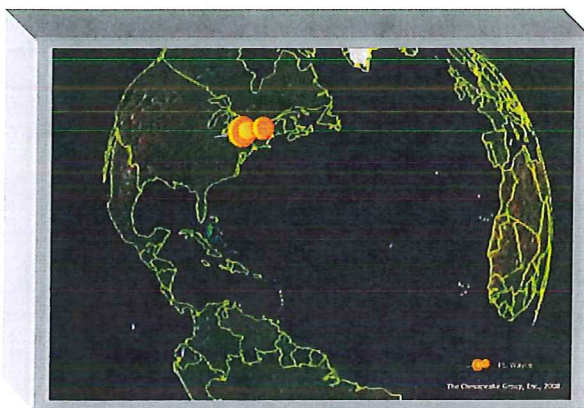
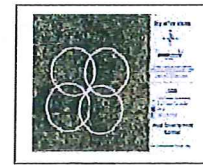
While it is unlikely that all elements associated with the concepts will be implemented, movement on all in some manner will contribute to long-term viability and sustainability. TCG believes that the suggestions are based upon sustainable economic development principals, recognizing that economic development is a dynamic process and commitment.

The analysis indicates that there are a variety of opportunities to reconfigure and enhance retail and the commercial sector in the Southeast area within the context of the existing Southeast Strategic Plan, with the indicated modifications and suggestions. To facilitate changes and the economic enhancement additional program elements are defined. These include:

- Adding Households/Expanding the Market.
- Business and Developer Recruitment.
- Entrepreneurship/Apprenticeship.
- Formation of a Public-Private Partnership.
- Targeting, Regulations & Policy Proposals.
- Additional Funding Options.
- Collective Internet Marketing.

Southeast Area Market Analysis & Economic Development Strategy

Background

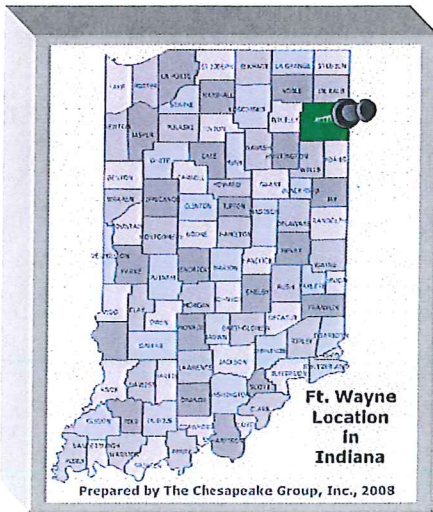


We live in a global market for all goods and services today. "Off-site" activity and employment in many facets of our lives will likely increase and not decrease in the future. The product that once needed to be purchased at a "bricks and mortar" structure near where one lived, worked or visited can often be bought today at or through an establishment thousands of miles away or on another continent. This represents both a challenge to local retail and also an opportunity to serve a larger market than once ever possible or even imagined.

While that position in the global market will be of increasing importance in the future, so too will be conditions associated with both our location within this country as well as economic conditions within this country. Fort Wayne and the Southeast area have changed significantly from the global and national position. Demand for activity has changed with in and out-migrations of employers, employment, population groups, etc.



Indiana finds itself surrounded by other states that have some of the highest income populations as well as some of the most depressed economic conditions and highest unemployment areas in the United States. There are of course both benefits and negatives to this location.



Ft Wayne is located on the eastern edge of Indiana. It is the largest city and metro area within a two or more hour drive of much larger population centers, including Detroit, Cleveland, Chicago and Indianapolis. With its quality highway access, the community has and can benefit from the location from a retail perspective. It is close enough for residents to partake of certain types of retail that will only locate in larger population centers, but far enough away to capture and hold patrons for most shopping activity on a regular basis.

Fort Wayne is the center of Allen County and serves more rural populated areas that surround it.

In spite of perceived economic conditions at the local level, being either within the City of Fort Wayne or the Southeast area, both the City and Allen County have

grown.

According to the U. S. Census Bureau, the population in Fort Wayne has grown by about 44,000 people between 2000 and 2006. The number of households has also expanded from about 83,300 in 2000, to 101,000 by 2006, or by roughly 17,700.

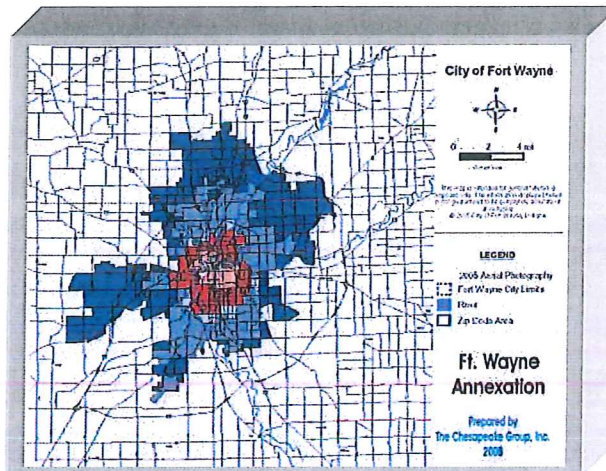
Table 1 - Fort Wayne Population, Household and Income Estimates*

	1990	2000	2006
Population	173,072	205,727	252,121
Households	69,627	83,333	101,024
HH Median Income	\$26,344	\$36,518	\$40,439

*Source: US Census Bureau

According to Allen County's Comprehensive Plan:

- ✓ "Fort Wayne's recent population growth was mostly attributed to the annexation of already populated areas."
- ✓ "Since the 1950's Fort Wayne has annexed over 60 square miles and ...brought in 86,324 persons. Over the same time period the Census reported a total increase of 72,136 persons. Consequently the City experienced an actual net loss of 14,188 persons between the 1950's and 2003."
- ✓ "As of January 2006 Fort Wayne will have annexed another large area on the southwest side which will increase the City's population to approximately 250,000."



It is noted that for Allen County:

- ✓ “Even though, the City’s increase in population (as reported by the Census) came at a loss in population to the unincorporated part of the County, the County as a whole still grew by over 10%. This means that most of the growth was from the other incorporated areas of the County.”

Table 2 – Allen County Population, Household and Income Estimates*

	1990	2000	2006
Population	300,836	331,849	347,316
Households	113,333	128,745	135,486
HH Median Income	\$31,835	\$42,671	\$45,630

*Source: US Census Bureau

There are a variety of sources of population projections for Fort Wayne and Allen County. Different ones have been employed in different analysis performed for the City in recent years. Some, such as that employed by and for the County in its comprehensive plan are more optimistic than others, projecting larger growth. Irrespective of which projection or the source, all have indicated that there will be growth in population in the area in the future.

Table 3 - Allen County Population Projections*

2007	2010	2015	2020	2025	2030	2035	2040
349,488	350,251	358,501	370,388	383,509	395,935	406,792	416,914

*Source: Indiana Business Research Center

The Fort Wayne Metropolitan Statistical Area (MSA) is comprised of 6 Counties. These are:

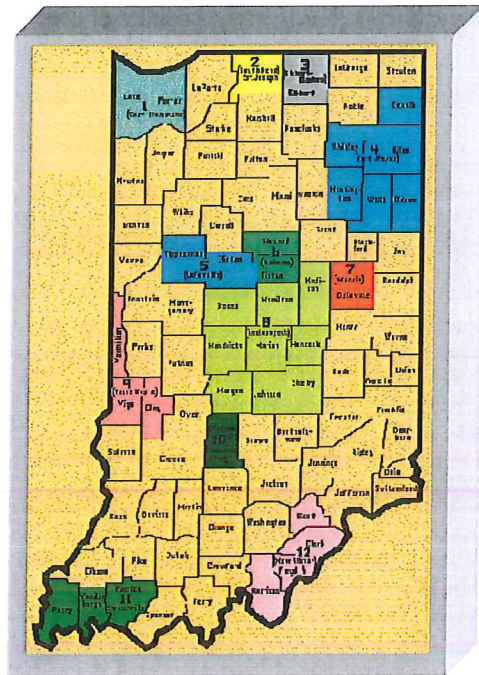
- Adams
- Allen
- DeKalb
- Huntington
- Wells
- Whitley

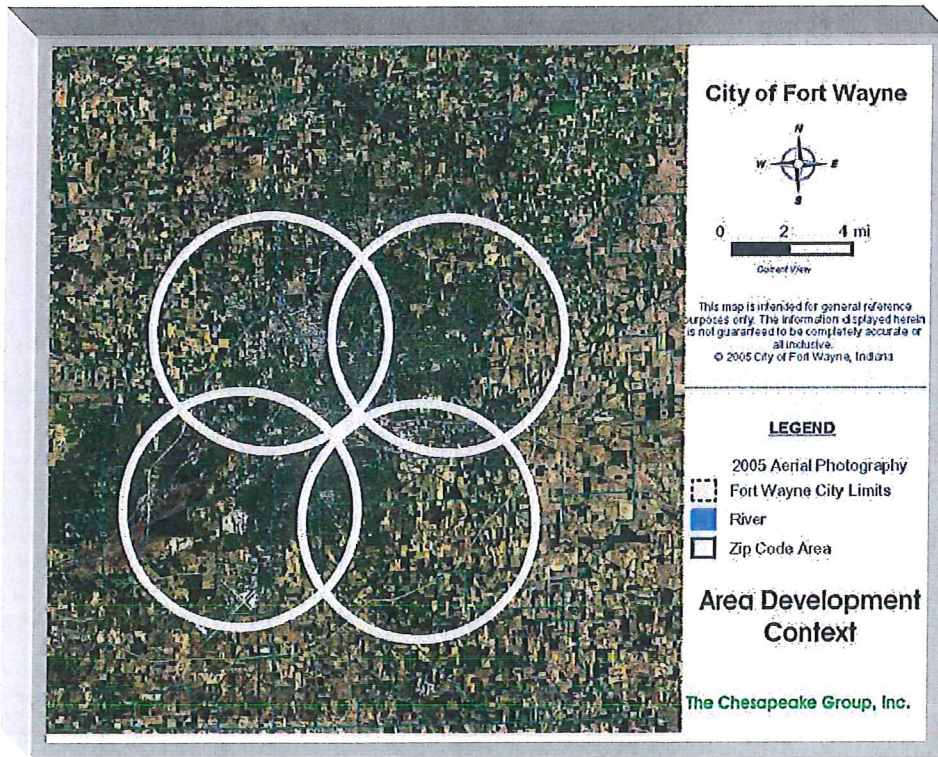
Yet, Allen County makes up more than half of the MSA’s total population. The Fort Wayne MSA contained the following in 2000:

- ✓ A population of about 502,000.
- ✓ Roughly 192,050 households.

The Indiana Business Research Center indicates that the population:

- ✓ Had risen to about 518,000 in 2005.
- ✓ Will contain about 521,000 in 2010.
- ✓ Will reach to about 550,000 by 2020.





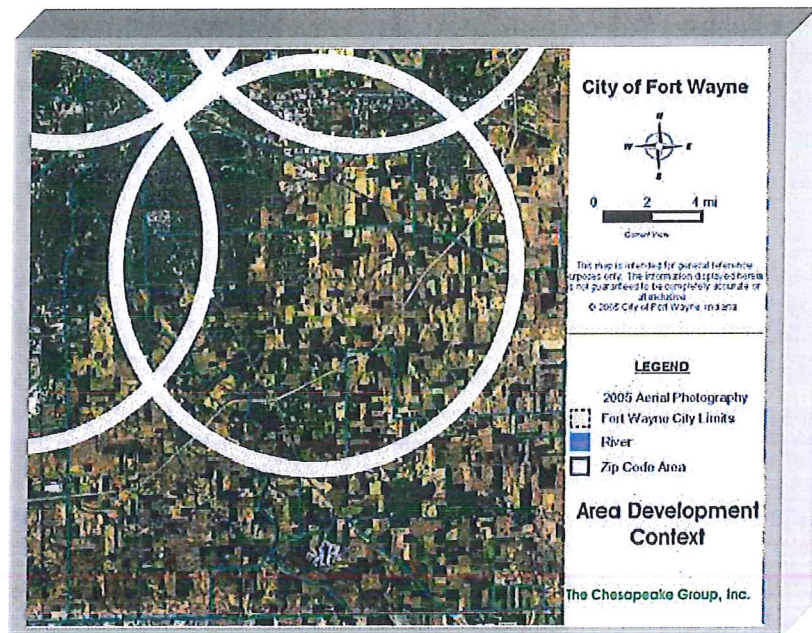
As previously noted, analyses indicate that most of the growth in Fort Wayne is attributable to annexation. Aerial photographs indicate that outside of city boundaries, the development that does exist is rural in character to a large extent.

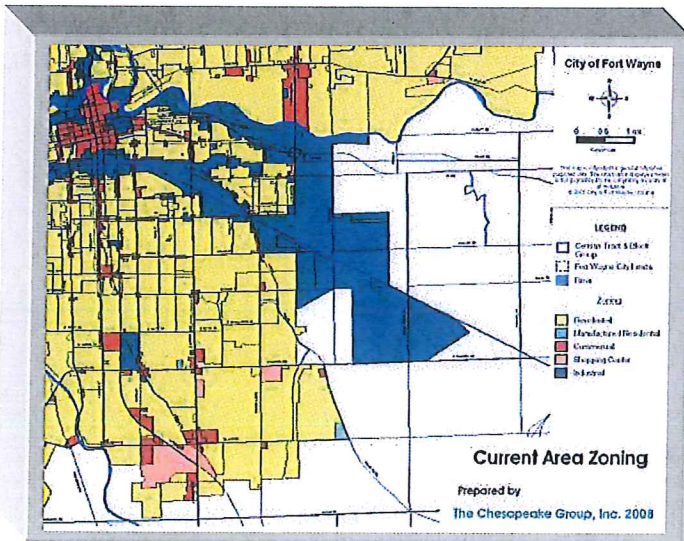
SE Area

Furthermore, this pattern is even more apparent for the Southeast area than perhaps other quadrants of Fort Wayne.

The City's Community Development Division's "Southeast Area Development Strategy, Supplemental Appendices of October, 2007" provides the following information based upon census tracts and blocks.

- ✓ The population in the Southeast area likely declined between 2000 and 2004. It is estimated that the population fell from about 43,930 to 42,070.
- ✓ The number of households and related rooftops likely also declined during that same time frame, decreasing from 16,505 to 16,180.
- ✓ The MetroEdge Retail Market Study of 2004 estimated the Median Household Income within the area to be \$34,535.





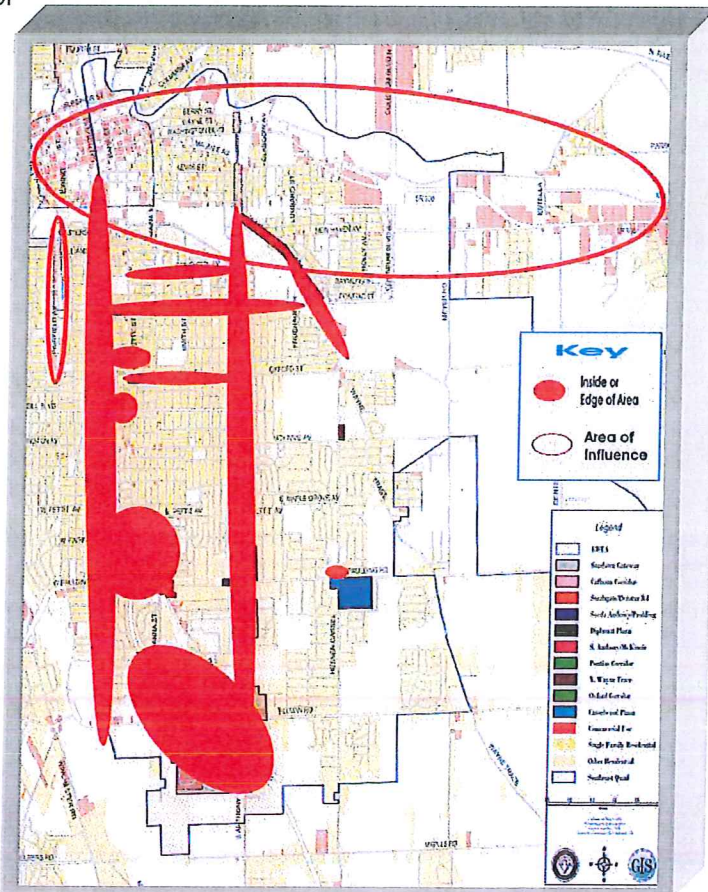
downtown.

The decrease in households and related rooftops is a key factor to understand the present and future opportunities for retail goods and related services activity in the Southeast area. In many ways and irrespective of the movement of major employment activity from the Southeast area and "blue-color" job opportunities for Southeast area of Fort Wayne residents, the area reflects patterns seen in many communities. These include:

- ✓ Commercial strip development on most corridors leading from

- ✓ The aging of commercial corridor activity.
- ✓ Obsolete configuration of properties, lack of depth of commercial properties, and direct abutting of such properties to residential.
- ✓ Proximity to other commercial centers with virtually the same ability to tap patronage from the Southeast area.
- ✓ Overlapping or constrained market areas with other centers, including downtown and the Southwest area.
- ✓ This pattern results in diminished investment and viability in commercial strips.

The impacts are visibly apparent in any reconnaissance of the Southeast area. It is visually apparent that for the Southeast area:





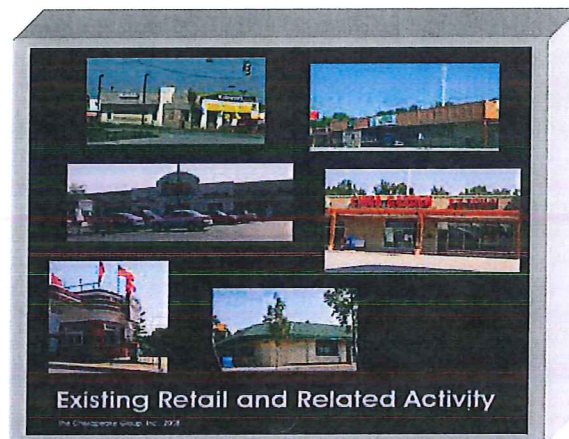
- ✓ The area has received much capital investment by the City, albeit investment that does not have visible signs of a substantial private sector leverage. Furthermore, that the general community is diverse in nature, from housing to commercial facilities and in terms of demographics.

- ✓ The current commercial corridors are not all retail. In fact, some have little to no retail at the present time.



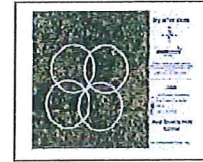
- ✓ There are current vacancies and other signs of disinvestment in commercial activity, even in the areas of most recent vintage.

- ✓ There is a diversity of retail at this time.



Southeast Area Market Analysis & Economic Development Strategy

Business Survey



A survey of existing businesses in the Southeast Strategy Area as well as select face-to-face or one-on-one interviews were conducted to assemble critical information on factors that effect business activity and retention as well as to identify reinvestment opportunities. The following is a synopsis of the survey and interview findings.

Characteristics

The following characterize the survey respondents and related business activity.

- ✓ A majority (63%) of the individuals completing the survey were the owners of the establishments; while 26% work in a management position. In addition, 11% classified themselves as "Other" and included: Presidents, CEOs, Comptrollers, Facilities Managers, Directors of Operations, and Directors of Human Resources.

Table 4 - Respondent's Position*

Position	%
Owner	63
Manager	26
Other	11
Total	100

*Developed by The Chesapeake Group, Inc., 2008.

- ✓ Those employees classified as Managers have been employed by the businesses for periods ranging from less than a year to more than twenty years. 61% have been with the establishments for ten years or more. On average, the Managers have worked for businesses for thirteen years.
- ✓ 52% have held their current position for a minimum of ten years; while only 15% have held their current position for two years or less.
- ✓ While not often recognized as a significant factor in the loss of businesses in established communities, many business operations in fact shut down not as a result of market factors, but rather because they were independently owned and operated and the owner was no longer able to operate the business. There were no succession plans or "lineage" for the establishment. No other family member or associate was prepared to continue the operation. Thus, age is an important factor in assessing the potential for reinvestment.

- ✓ As shown in the table that follows, one-third (33%) of the owners are sixty years of age or older, approaching potential retirement age.

Table 5 – Owner's Age*

Owner's Age	%
Less Than 30	3
30 To 49	31
50 To 59	33
60 Or Older	33
Total	100

*Developed by The Chesapeake Group, Inc., 2008.

- ✓ 42% of the owners at or nearing retirement age reported that they have identified an individual to take over the operation.
- ✓ A majority of 52% of the businesses have operated in the Southeast area of the City for at least twenty years. A number have been operating in the area for fifty years or more. 16% have been in the community for less than five years. It is conservatively estimated that the typical business has been serving the community for fourteen years.

Table 6 – For Those 60 or Over, Has Identified A Future Operator*

Identified Future Operator	%
Yes	42
Uncertain	37
No	21
Total	100

*Developed by The Chesapeake Group, Inc., 2008.

Table 7 - Length of Time Located in S.E. Fort Wayne*

Length	%
Less Than 1 Year	3
1 To 2 Years	6
3 To 4 Years	7
5 To 9 Years	16
10 To 19 Years	16
20 Years or More	52
Total	100

*Developed by The Chesapeake Group, Inc., 2008.

Table 8 - Length of Time Located at This Location*

Length	%
Less Than 1 Year	3
1 To 2 Years	6
3 To 4 Years	7
5 To 9 Years	19
10 To 19 Years	20
20 Years or More	45
Total	100

*Developed by The Chesapeake Group, Inc., 2008.

- ✓ There is a significant correlation between tenure in the area and the amount of time at the current location. The implication is that there has been relatively small or infrequent movement from the time the business opened until the present day.

- ✓ A complete range of businesses exist and responded as shown in Table 9.

Table 9 – Nature of Business*

Type of Business	%
Retail	16
Other Manufacturing	14
Vehicle Service or Dealers	10
Food Service Establishment	9
Construction or Other Contractor	7
Wholesaling, Distribution	7
Retail Related Services	6
Medical Services	5
Non-medical Professional Services	5
Financial Institution	4
Insurance	3
Education Provider	3
Shipping, Transportation	3
Personal Services	3
Arts or Craft	2
Others	6

*Developed by The Chesapeake Group, Inc., 2008.

- ✓ The employment levels range from a single person to several hundred employees. 56% of the establishments represent businesses with one to ten employees. The average number of employees per responding business is twenty-six.

Table 10 – Number of Year Round Employees (Including Owner)*

Number of Year Round Employees	%
5 or Less	27
6 To 10	29
11 to 20	17
21 To 30	12
31 To 50	7
51 To 100	3
101 Or More	5
Total	100

- ✓ 21% have 1 or 2 full-time employees. Over one-half (57%) of the establishments employ between one and ten full-time workers. On the average, the number of full-time employees per business is twenty-four.

*Developed by The Chesapeake Group, Inc., 2008.

Table 11 – Number of Full-Time Employees*

Number of Full-Time Employees	%
1 To 2	21
3 To 5	16
6 To 10	23
11 to 20	17
21 To 50	16
51 To 100	2
101 Or More	5
Total	100

*Developed by The Chesapeake Group, Inc., 2008.

- ✓ 58% of the businesses utilize part-time help. Those firms with part-time help maintain an average part-time employment level of roughly four and one-half part-time employees. Additionally, 3% employ workers on a seasonal basis.

Table 12 – Number of Part-Time Employees*

Number of Part-Time Employees	%
0	42
1 To 2	36
3 To 5	5
6 To 10	13
11 Or More	4
Total	100

*Developed by The Chesapeake Group, Inc., 2008.

Table 13 – Employees' Residence*

Residence	%
Elsewhere in Fort Wayne	53
Within South East	32
Outside but Neighboring the City	8
Other	7
Total	100

- ✓ 85% of the businesses reported that most of their employees reside within the City of Fort Wayne. One-third (32%) indicated that the majority of their employees lived within the Southeast Strategy Area.

*Developed by The Chesapeake Group, Inc., 2008

- ✓ Businesses took multiple factors into account when selecting their locations. The most important consideration related to vehicular traffic and access was followed by the opportunity to own the building. The "other" reasons include affordable rent, adequate parking, and tax considerations.

Table 14 - Primary Factors in Selecting Current Location*

Factors	%
Vehicular Traffic Volume or Access	33
Opportunity to Purchase/Own Building	24
Opportunity to Rent	20
Proximity to Other Businesses	15
Proximity to Home	12
Character of Buildings or Area	11
Obtained Business from Someone	9
Proximity to Residential Activity	7
Proximity to Like Businesses	7
Available Labor	4
Pedestrian Traffic Volume	2
Other Reasons	11

*Developed by The Chesapeake Group, Inc., 2008

- ✓ Importantly, 76% of all business reported that their location had met their expectations; while 12% expressed disappointment. Those businesses that expressed disappointment cited difficulties related to competition, too many vacant businesses and buildings, and local economic problems.

- ✓ A majority of 61% of the businesses own the building that houses their establishment; while 39% are renters. The size of the operations range from a small office of 600 square feet to distribution centers of 350,000 square feet. It is estimated that the average establishment consists of roughly 20,800 square feet; and, on average, each establishment occupies 83% of the building that houses their operation.
- ✓ A minority of 15% that rent expressed an interest in acquiring the property.
- ✓ 38% of those that own report that there exists outstanding debt on the property which housed their business, while 50% reported that the property is debt free.
- ✓ 19% of those that owned the property in which the business was located indicated that they had an interest in selling their property.

Attitudes, Opinions & Trends

- ✓ 23% reported that they have experienced difficulties in attracting qualified workers. A number of firms feel that there was a general shortage of well educated and properly trained applicants. Several employers attributed the problem, in part, to the negative image and perception of the area. Other concerns related to the inability to provide competitive wages and benefits and high employee turnover due to unreliability.

Table 15 – Sales or Revenue Trends Over the Past Two or Three Years*

Sales / Revenues	%
Up	35
Down	29
About the Same	33
Uncertain	3
Total	100

*Developed by The Chesapeake Group, Inc., 2008

- ✓ Collectively, there is a mixed report on the level of sales and revenues over the past few years. About one-third (35%) indicated that their sales had been up, while 29% reported declines.
- ✓ Those businesses reporting a decline or lack of growth generally attribute the problem to the local, regional, or national economy. Other factors cited include:
 - Increased competition.
 - Higher fuel and energy costs causing a decrease in both disposal income and driving,
 - Escalating operating costs including, materials, insurance, and taxes.
 - A continued loss of manufacturing.
 - Credit problems both for the business and customers.
 - A lack of an anchor or draw to the shopping area.
 - A limited market.
 - Street construction.
- ✓ Those businesses reporting increased sales most often attributed their success to:
 - Good business practices such as increased market penetration through targeted and concentrated sales, diversification, and new product lines.

- Location.
 - Adding or augmenting the service component of the business.
 - A quality sales force.
 - Competitive pricing.
- ✓ The three most popular recommendations for changes that would positively impact individual businesses had to do with business assistance efforts, infrastructure improvements, and the effective reuse of underutilized or neglected properties. Collectively, the responses suggested:
- Business assistance efforts targeted at attraction, retention, and expansion, including incentives, preferred financing programs, technical assistance, and reduced taxes.
 - Business attraction or development should include retail, restaurants, entertainment, anchor stores, a pharmacy, and arts and crafts.
 - Infrastructure including: streets, curbs, sidewalks, traffic control, and pedestrian oriented improvements.
 - The reuse or razing of deteriorated properties combined with a general community clean-up.
 - Greater police presence and reduced crime.
 - Support for manufacturing including industrial zoning.
 - The attraction of new residents through marketing and new housing.
 - A marketing effort or campaign designed to improve the community's image.

- ✓ Additional area establishments that members of the business community favored, in order of priority, are detailed below:
- Construction, manufacturing, and transportation and warehousing related establishments offering employment opportunities with good wages.
 - Retail establishments such as grocery, pharmacy, convenience stores, department stores, and apparel.
 - Restaurants.
 - Residential developments.

- ✓ The following are challenges identified that most impacted their ability to "grow" the businesses. Over one-half identified the local economy as the single largest challenge. The "Other" category includes: the high cost of utilities, traffic and parking, tax burdens, the loss of manufacturing, and an on-going image problem related to the area.

- ✓ 43% of the businesses indicated that they feel no need to significantly change their physical facilities in the future, while 21% feel that it would be necessary to expand. Almost one-third (31%) expressed an interest in relocating.

Table 16 – Challenges of Growing Their Business*

Challenges	%
General Economy in Fort Wayne	52
Insurance Costs	29
Finding Qualified Employees	24
The National Economy	24
Cost of Materials	15
Level of Competition	15
Safety Issues	13
Laws & Regulations	11
Lack of Complementary Activity	10
Transportation or Access Issues	10
Lack of Cohesive Business Community	8
Too Few Similar Businesses	8
Marketing or Promotion	8
Availability of Resources	3
Telecommunications Infrastructure	3
Other	16

*Developed by The Chesapeake Group, Inc., 2008.

- ✓ Those establishments which expressed a need or desire to expand were asked if their present location would be able to accommodate such a change. One-third of these feel that they could expand at their current location, but 27% doubted their ability to expand at their current location.

Table 17 – Able to Make Change at Current Location*

Able to Make Change	%
Yes	33
Uncertain	40
No	27
Total	100

*Developed by The Chesapeake Group, Inc., 2008.

Slightly more than one-quarter (27%) of the businesses reported that they had “plans” for new investments and improvements within the next two years.

Table 18 – Have Definite Plans for New Improvements*

Plans	%
Yes	27
Uncertain	43
No	30
Total	100

*Developed by The Chesapeake Group, Inc., 2008.

- ✓ Almost one-third of the business interests expressed a potential interest in participating in financing or technical assistance programs designed to encourage local businesses, while an almost equal number were not interested in such efforts. The greatest proportion expressed uncertainty.

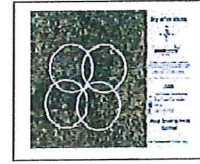
Table 19 – Interested in Financing or Technical Assistance*

Interested	%
Yes	32
Uncertain	35
No	33
Total	100

*Developed by The Chesapeake Group, Inc., 2008.

Southeast Area Market Analysis & Economic Development Strategy

Comparative Assessment



As part of the market analysis of the Southeast area of the City, a comparative assessment was performed as means to identify business “gaps” and opportunities. The U. S. Census Bureau provides annual information on Business Patterns throughout the nation in three different geographical formats: by County, zip code, or by Metropolitan Statistical Areas. This analysis includes assessments of local business patterns on both a County level and by zip code. The identified business gaps defined in this process may or may not be appropriate for either the Southeast area or elsewhere in the city because of the nature of operations, scale, or other factors.

Methodology

The initial analysis requires comparing the business structure of Allen County to that associated with other counties that are similar. In determining communities for which the comparison can be made, the following criteria were used:

- ✓ The population size, characteristics, and household numbers had to be similar to those associated with Allen County, since demand for goods and services are ultimately dependent largely upon the size of the market served.
- ✓ The selected counties all have median household incomes that are comparable to Allen County’s reported incomes.
- ✓ Transportation and interstate highway access had to be similar.
- ✓ Each jurisdiction had to be located inland.

Based on the criteria, eight counties were identified for which the comparison in economic structure of was made. These eight counties are:

Lehigh County, PA
Forsyth County, NC
Richland County, SC
Butler County, OH

Hamilton County, TN
Washtenaw County, MI
Pulaski County, AR
Ada County, ID

It is noted that all population and household estimates upon which the comparisons are made were derived from the same source, U. S. Census Bureau’s 2000, 2005, and 2007 data. Also for consistency purposes, a single source, the U. S. Census Bureau’s 2005 County Business Patterns, was employed to define the business structure within all counties and zip code areas.

The North American Industry Classification System (NAICS) was introduced in 1997 as a more effective business classification system that identifies and groups establishments according to the activities in which they are primarily engaged. It replaces the older Standard Industry Classification (SIC) coding system which was first employed in 1938. NAICS identifies and groups 1,170 different types of "industries" or establishments into twenty major industry sectors ranging from Agriculture (Sector 11) to Public Administration (Sector 92). This analysis examined and extracted data from all of the twenty sectors for all areas. These sectors are:

- ✓ Agriculture, Forestry, Fishing and Hunting (Sector 11): Crop and animal production, forestry and logging, fishing, hunting, trapping, support activities for agriculture and forestry.
- ✓ Mining (Sector 21): oil and gas extraction, mining, support activities for mining.
- ✓ Utilities (Sector 22): power generation, transmission, and distribution, water, sewage, and other systems.
- ✓ Construction (Sector 23): building, developing, general contracting, heavy construction, special trade contractors.
- ✓ Manufacturing (Sector 31-33): food, beverage and tobacco product, textile and textile product mills, apparel, leather and allied products, wood product, paper, printing and related support activities, petroleum and coal products, chemicals, plastics and rubber products, nonmetallic mineral products, primary metals, fabricated metal products, machinery, computer and electronic products, electronic equipment, appliances, and components, transportation equipment, furniture and related products.
- ✓ Wholesale Trade (Sector 42): durable and nondurable goods.
- ✓ Retail Trade (Sector 44-45): Motor vehicle and parts, furniture and home furnishings, electronics and appliances, building material and garden equipment and supplies, grocery and beverage, health and personal care, gasoline stations, clothing and accessories, sports, hobby, books and music, general merchandise and miscellaneous store retailers.
- ✓ Transportation and Warehousing (Sector 48-49): air, rail, water, and truck transportation, transit and ground passenger transportation, pipeline transportation, scenic and sightseeing transportation, support activities for transportation, postal service, couriers and messengers, warehousing and storage.
- ✓ Information (Sector 51): Publishing, motion picture and sound recording and exhibition, broadcasting and telecommunications, information services and data processing.
- ✓ Finance and Insurance (Sector 52): Monetary authorities, credit intermediation, securities, commodities, insurance, funds, trusts, and other financial vehicles.
- ✓ Real Estate, Rental and Leasing (Sector 53): Real estate, rental centers and leasing services.
- ✓ Professional, Scientific and Technical Services (Sector 54): Lawyers, accountants, engineers, computer services, veterinary services, etc.
- ✓ Management of Companies and Enterprises (Sector 55): Management, holding companies, corporate and regional offices.
- ✓ Administrative and Support, Waste Management and Remediation Services (Sector 56): Administrative and facilities support services, employment and business support services, travel arrangements, investigative and security systems and other business services.

- ✓ Educational Services (Sector 61): Public sector schools, business, technical, trade schools and instruction.
- ✓ Health Care and Social Assistance (Sector 62): Ambulatory health care services, hospitals, nursing and residential care facilities and social assistance.
- ✓ Arts, Entertainment, and Recreation (Sector 71): Performing arts, spectator sports, museums, historical sites, amusement, gambling and recreation industries.
- ✓ Accommodation and Food Services (Sector 72): Accommodations, food service and drinking places.
- ✓ Other Services (Sector 81): Repair and maintenance, personal and laundry services, and religious, grant making, civic and professional organizations.
- ✓ Public Administration (Sector 92): executive, legislative, and other general government support.

Under-represented Industries At County Level

Under-represented “industries” or businesses were then defined as those where Allen County had a lesser number of businesses than six or more of the other eight counties. Thus, the number of businesses in Allen County compared to the other communities was below what might be expected.

It is also noted that in some cases, the differences are great, or no businesses in the under-served categories were identified in Allen County. Once again, under-representation does not mean that the identified categories of businesses are desirable for the Southeast area or Fort Wayne in general.

The following are the “industries” or businesses identified as being under-represented in Allen County. About 148 are identified. Those that are retail oriented or financial services are defined through shading in grey.

Table 20 – Under-represented “Industries” at the County Level*

NAICS Code	Type of Business
221210	Natural Gas Distribution
237120	Oil and Gas Pipeline and Related Structures Construction
237130	Power and Communication Line and Related Structures Construction
237210	Land Subdivision
237310	Highway, Street, and Bridge Construction
238120	Structural Steel and Precast Concrete Contractors
238140	Masonry Contractors
238340	Tile and Terrazzo Contractors
238350	Finish Carpentry Contractors
238910	Site Preparation Contractors
311615	Poultry Processing
312111	Soft Drink Manufacturing
312113	Ice Manufacturing

Table 20 – Under-represented “Industries” at the County Level Continued*

NAICS Code	Type of Business
321114	Wood Preservation
321992	Prefabricated Wood Building Manufacturing
323114	Quick Printing
325120	Industrial Gas Manufacturing
325612	Polish and Other Sanitation Good Manufacturing
325620	Toilet Preparation Manufacturing
325910	Printing Ink Manufacturing
326111	Plastics Bag Manufacturing
326140	Polystyrene Foam Product Manufacturing
327331	Concrete Block and Brick Manufacturing
332212	Hand and Edge Tool Manufacturing
332322	Sheet Metal Work Manufacturing
332323	Ornamental and Architectural Metal Work Manufacturing
333922	Conveyor and Conveying Equipment Manufacturing
334310	Audio and Video Equipment Manufacturing
334412	Semiconductor and Related Device Manufacturing
334515	Electricity Measuring & Testing Instrument Manufacturing
335313	Switchgear and Switchboard Apparatus Manufacturing
337212	Custom Architectural Woodwork and Millwork Manufacturing
337920	Blind and Shade Manufacturing
423130	Tire and Tube Merchant Wholesalers
423220	Home Furnishing Merchant Wholesalers
423310	Lumber, Plywood, & Wood Panel Merchant Wholesalers
423430	Computer and Computer Peripheral Equip. and Software Merchant Wholesalers
423450	Medical, Dental & Hospital Equip. & Supplies Merchant Wholesalers
423820	Farm & Garden Machinery and Equipment Merchant Wholesalers
423910	Sporting & Recreational Goods and Supplies Merchant Wholesalers
423940	Jewelry, Watch, Precious Stone, and Precious Metal Merchant Wholesalers
423210	Drugs and Druggists' Sundries Merchant Wholesalers
424340	Footwear Merchant Wholesalers
424410	General Line Grocery Merchant Wholesalers
424420	Packaged Frozen Food Merchant Wholesalers
424430	Dairy Products (except Dried or Canned) Merchant Wholesalers
424440	Poultry and Poultry Product Merchant Wholesalers
424480	Fresh Fruit and Vegetable Merchant Wholesalers
424610	Plastics Materials and Basic Forms and Shapes Merchant Wholesalers
441210	Recreational Vehicle Dealers
441310	Automotive Parts & Accessories Stores
444220	Nursery, Garden Center, and Farm Supply Stores
445110	Supermarkets and Other Grocery (except Convenience) Stores
445120	Convenience Stores
445230	Fruit and Vegetable Markets
445291	Baked Goods Stores
446110	Pharmacies and Drug Stores
446130	Optical Goods Stores

Table 20 – Under-represented “Industries” at the County Level Continued*

NAICS Code	Type of Business
447110	Gasoline Stations with Convenience Stores
447190	Other Gasoline Stations
448110	Men’s Clothing Stores
448140	Family Clothing Stores
448310	Jewelry Stores
452111	Department Stores (except Discount Department) Stores
453210	Office Supplies and Stationery Stores
453920	Art Dealers
454111	Electronic Shopping
454312	Liquefied Petroleum Gas (Bottled Gas) Dealers
481211	Nonscheduled Charter Passenger Air Transportation
484110	General Freight Trucking
485310	Taxi Service
486910	Pipeline Transportation of Refined Petroleum Products
488991	Packing and Crating
493110	General Warehousing and Storage
511120	Periodical Publishers
511130	Book Publishers
511210	Software Publishers
512110	Motion Picture and Video Production
515111	Radio Stations
517310	Telecommunications Resellers
517410	Satellite Telecommunications
518111	Internet Service Providers
519110	News Syndicates
519120	Libraries and Archives
522110	Commercial Banking
522120	Savings Institutions
522292	Real Estate Credit
523120	Securities Brokerage
523920	Portfolio Management
524126	Direct Property and Casualty Insurance Carriers
525930	Real Estate Investment Trusts
531110	Lessors of Residential Buildings and Dwellings
531130	Lessors of Miniwarehouses and Self-Storage Units
531311	Residential Property Managers
532230	Video Tape and Disc Rental
532420	Office Machinery and Equipment Rental and Leasing
541110	Offices of Lawyers
541310	Architectural Services
541320	Landscape Architectural Services
541410	Interior Design Services
541420	Industrial Design Services
541511	Custom Computer Programming Services
541613	Marketing Consulting Services

Table 20 – Under-represented “Industries” at the County Level Continued*

NAICS Code	Type of Business
541620	Environmental Consulting Services
541710	Research & Development in the Physical, Engineering and Life Sciences
541720	Research & Development in the Social Sciences and Humanities
541820	Public Relations Agencies
541850	Display Advertising
541910	Marketing Research and Public Opinion Polling
541930	Translation and Interpretation Services
561110	Office Administrative Services
561210	Facilities Support Services
561320	Temporary Help Services
561422	Telemarketing Bureaus
561431	Private Mail Centers
561520	Tour Operators
561621	Security Systems Services (except Locksmiths)
561710	Exterminating and Pest Control Services
561910	Packaging and Labeling Services
562212	Solid Waste Landfill
562920	Materials Recovery Facilities
562991	Septic Tank and Related Services
611430	Professional and Management Development Training
611512	Flight Training
611630	Language Schools
621111	Office of Physicians (except Mental Health Specialists)
621112	Offices of Physicians, Mental Health Specialists
621210	Offices of Dentists
621511	Medical Laboratories
621512	Diagnostic Imaging Centers
621910	Ambulance Services
623312	Homes for the Elderly
624120	Services for the Elderly and Persons with Disabilities
624410	Child Day Care Services
711110	Theater Companies and Dinner Theaters
711130	Musical Groups and Artists
711510	Independent Artists, Writers, and Performers
712120	Historical Sites
713940	Fitness and Recreational Sports Centers
721191	Bed-and-Breakfast Inns
721310	Rooming and Boarding Houses
722110	Full-Service Restaurants
722211	Limited-Service Restaurants
722310	Food Service Contractors
722320	Caterers
811121	Automotive Body, Paint, and Interior Repair and Maintenance
812320	Drycleaning and Laundry Services (except Coin-Operated)
812930	Parking Lots and Garages

*Developed by The Chesapeake Group, Inc., 2008.

It is noted that there are numerous professional, personal and business services also identified.

Over-represented Industries at the County Level

Over-represented "industries" or business categories are defined as those where Allen County had a greater number of businesses than at least six of the other eight counties. Therefore, the number of businesses in Allen County compared to the other counties was above what might be expected. The following are the businesses identified as being over-represented in Allen County that are retail goods and related services or other activity often found at the neighborhood or community level.

Table 21 – Select Over-represented "Industries" at the County Level*

NAICS Code	Type of Business
441110	New Car Dealers
441120	Used Car Dealers
441221	Motorcycle Dealers
442110	Furniture Stores
443112	Radio, Television, and Other Electronics Stores
444110	Home Centers
444120	Paint and Wallpaper Stores
444130	Hardware Stores
444210	Outdoor Power Equipment Stores
445210	Meat Markets
445292	Confectionery and Nut Stores
445310	Beer, Wine, and Liquor Stores
446120	Cosmetics, Beauty Supplies, and Perfume Stores
446191	Food (Health) Supplement Stores
448150	Clothing Accessories Stores
451110	Sporting Goods Stores
451120	Hobby, Toy & Game Stores
451211	Book Stores
451220	Prerecorded Tape, Compact Disc & Record Stores
452112	Discount Department Stores
452910	Warehouse Clubs and Supercenters
453110	Florists
453310	Used Merchandise Stores
453910	Pet and Pet Supplies Stores
453930	Manufactured (Mobile) Home Dealers
453991	Tobacco Stores
522130	Credit Unions
524114	Direct Health and Medical Insurance Carriers
524210	Insurance Agencies and Brokerages
532111	Passenger Car Rental
532310	General Rental Centers
541213	Tax Preparation Services
621320	Offices of Optometrists

Table 21 – Select Over-represented “Industries” at the County Level Continued*

NAICS Code	Type of Business
621330	Offices of Mental Health Practitioners (except Physicians)
713950	Bowling Centers
722212	Cafeterias
722213	Snack & Nonalcoholic Beverage Bars
722410	Drinking Places (alcoholic beverages)
811192	Car Washes
812112	Beauty Salons
812210	Funeral Homes and Funeral Services
812310	Coin-operated Laundries and Drycleaners
812910	Pet Care (except Veterinary) Services
812992	One-Hour Photofinishing

*Developed by The Chesapeake Group, Inc., 2008.

Southeast Area by Zip Codes

As noted, a second set of comparisons was made. This second analysis requires comparing the business structure of the combined three zip code tabulation areas (ZCTA) 46803, 46806, and 46816, which approximates the Southeast Strategy Area, to that associated with other ZCTAs and communities that are similar. In determining communities for which the comparison can be made, the following criteria were used:

- ✓ The population size, characteristics and household numbers had to be similar to those associated with Southeast Strategy Area.
- ✓ The selected communities all have median household incomes that are comparable to Southeast Strategy Area’s reported incomes.
- ✓ Transportation and interstate highway access had to be similar.
- ✓ Each had to be located inland.

Based on the criteria, nine communities defined by ZCTA were identified for which the comparison in economic structure of was made. These nine communities are:

02860 Pawtucket, RI	47906 West Lafayette, IN
12180 Troy, NY	53215 Milwaukee, WI
18702 Wilkes-Barre, PA	63136 Jennings, MO
30032 Decatur, GA	72401 Jonesboro, AR
47374 Richmond, IN	

Under-represented Industries at Zip Code Level

Under-represented “industries” were then defined as those where the combined zip codes representing the Southeast Strategy Area had a lesser number of businesses than at least six of the other nine communities. Thus, the number of businesses in the Southeast Strategy Area compared to the other communities was below what might be expected.

It is also noted that in some cases, the differences are great, or no businesses in the under-represented categories were identified in the Southeast Strategy Area. Once again, under-representation does not mean that the identified categories of businesses are desirable for the Southeast area of Fort Wayne.

The following are the “industries” or businesses identified as being under-represented in the Southeast Strategy Area. Eighty-three (83) are identified. Like the county level assessment, those that are retail oriented or financial services are defined through shading in grey

Table 22 – Under-represented “Industries” at the Zip Code Level*

NAICS Code	Type of Business
236115	New Single-Family General Contractors
236118	Residential Remodelers
237310	Highway, Street, and Bridge Construction
311811	Retail Bakeries
423420	Office Equipment Merchant Wholesalers
423430	Computer and Computer Peripheral Equip. and Software Merchant Wholesalers
423210	Drugs and Druggists’ Sundries Merchant Wholesalers
441110	New Car Dealers
442110	Furniture Stores
443111	Household Appliance Stores
443112	Radio, Television and Other Electronics Stores
444120	Paint and Wallpaper Stores
445110	Supermarkets and Other Grocery (except Convenience) Stores
445120	Convenience Stores
445210	Meat Markets
445310	Beer, Wine and Liquor Stores
446191	Food (health) Supplement Stores
447110	Gasoline Stations with Convenience Stores
447190	Other Gasoline Stations
448110	Men’s Clothing Stores
448120	Women’s Clothing Stores
448310	Jewelry Stores
451130	Sewing, Needlework, and Piece Goods Stores
451211	Book Stores
451220	Prerecorded Tape, Compact Disc, and Record Stores
453110	Florists
453220	Gift, Novelty, and Souvenir Stores
453310	Used Merchandise Stores
453910	Per and Pet Supplies Stores
454210	Vending Machine Operators
511110	Newspaper Publishers
512110	Motion Picture and Video Production
512131	Motion Picture theaters (except Drive-Ins)
517212	Cellular and Other Wireless Telecommunications

Table 22 – Under-represented “Industries” at the Zip Code Level Continued*

NAICS Code	Type of Business
517310	Telecommunications Resellers
518210	Data Processing, Hosting, and Related Services
522120	Savings Institutions
522292	Real Estate Credit
522310	Mortgage and Nonmortgage Loan Brokers
523120	Securities Brokerage
524112	Direct Life Insurance Carriers
524210	Insurance Agencies and Brokerages
531120	Lessors of Non-Residential Buildings (except Miniwarehouses)
531311	Residential Property Managers
531312	Non-Residential Property Managers
531320	Offices of Real Estate Appraisers
541110	Offices of Lawyers
541211	Offices of Certified Public Accountants
541310	Architectural Services
541370	Surveying & Mapping (except Geophysical) Services
541410	Interior Design Services
541511	Custom Computer Programming Services
541512	Computer Systems Design Services
541810	Advertising Agencies
551114	Corporate, Subsidiary, and Regional Managing Offices
561110	Office Administrative Services
561320	Temporary Help Services
561510	Travel Agencies
621111	Office of Physicians (except Mental Health Specialists)
621210	Offices of Dentists
621310	Offices of Chiropractors
621330	Offices of Mental Health Practitioners (except Physicians)
621340	Offices of Physical, Occupational, and Speech Therapists and Audiologists
621493	Freestanding Ambulatory Surgical and Emergency Centers
621610	Home Health Care Services
622110	General Medical & Surgical Hospitals
623110	Nursing Care Facilities
623312	Homes for the Elderly
624120	Services for the Elderly and Persons with Disabilities
624310	Vocational Rehabilitation Services
624410	Child Day Care Services
711510	Independent Artists, Writers, and Performers
722110	Full-Service Restaurants
722211	Limited-Service Restaurants
722212	Cafeterias, Buffets, and Grill Buffets
722213	Snack and Nonalcoholic Beverage Bars
722310	Food Service Contractors

Table 22 – Under-represented “Industries” at the Zip Code Level Continued*

NAICS Code	Type of Business
722320	Caterers
811112	Automotive Exhaust System Repair
812112	Beauty Salons
812210	Funeral Homes & Funeral Services
812220	Cemeteries and Crematories
812310	Coin-Operated Laundries and Drycleaners

*Developed by The Chesapeake Group, Inc., 2008.

Once again, there are many professional, health, and personal service operations identified as being under-represented.

Over-represented Industries at Zip Code Level

Over-represented “industries” or business categories are defined as those where the Southeast Strategy Area had a greater number of businesses than at least six of the other nine communities. Thus, the number of businesses in the Southeast Strategy Area compared to the other communities was above what might be expected. It is also noted that in some cases, the differences are great, or no businesses in the over-represented categories were identified in the other nine communities.

The following are only the retail and related services businesses identified as being over-represented in the Southeast Strategy Area. While seventy-three (73) businesses are identified as being over-represented, only 4 are retail or related service operations.

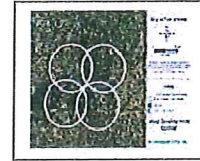
Table 23 – Select Over-represented “Industries” at the Zip Code Level*

NAICS Code	Type of Business
448210	Shoe Stores
453991	Tobacco Stores
612111	Barber Shops
812320	Dry Cleaning and Laundry Services (except Coin-Operated)

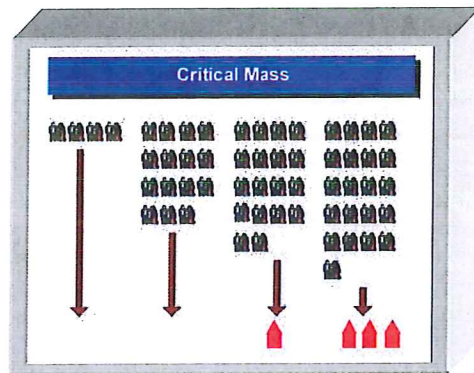
*Developed by The Chesapeake Group, Inc., 2008.

Southeast Area Market Analysis & Economic Development Strategy

Demand Forecast



The market is the driving force behind economic viability, whether it is retail goods and services or other opportunities. The larger the market, the greater the supportable activity is. The market is composed on the number of potential patron households and their ability to make purchases. Commercial opportunity is dependent upon the ability of the consumer to make purchases that result in the generation of revenues and sales.



Telephone Survey of Residents

In an effort to understand the market opportunities, a telephone survey of Fort Wayne households residing within the Southeast Strategy Area in zip codes 46803, 46806, and 46816 was conducted. The following is a synopsis of the survey's findings that are salient to computer modeling essential to forecast demand for retail activity.

Table 24 - Frequency of Trips*

Frequency of Trips	%
More Than Once / Week	40
About Once / Week	27
Few Times / Month	12
Twice / Month	4
Once / Month or Less	17
Total	100

*Developed by The Chesapeake Group, Inc., 2008.

Shopping Patterns

For households in the surveyed areas:

- ✓ 67% frequent commercial areas and establishments at any and all locations at a rate of about once each week.
- ✓ 47% utilize commercial establishments within the Southeast area at a frequency of at least once each week.

Table 25 - Frequency of Trips to Southeast*

Frequency of Trips to Southeast	%
More Than Once / Week	31
About Once / Week	16
Few Times / Month	15
Twice / Month	11
Once / Month	8
Less Often	19
Total	100

*Developed by The Chesapeake Group, Inc., 2008.

Select Demographics

Select demographics for the population derived from the survey include the following.

✓ The size of households is an important factor influencing all types of spending. 35% of the households consist of two people; and 41% contain three or more members. The average household consists of 2.52 members.

✓ 20% of the households contain at least one child six years old or younger; and 10% contain more than one.

✓ 23% of the households contain two or more members working full-time; and 42% contain one member employed full-time.

✓ 28% of the households contain at least one member working on a part-time basis. 13% reported that more than one member of the household held a part-time job. Additionally, 12% of those households with an employed member contain someone employed at two different jobs.

✓ Under-employment and lack of job satisfaction or employment in the area is high. Almost one-third (31%) contain a member with an interest in obtaining full-time or better employment.

Table 26 – Number of Household Members*

Number	%
1	24
2	35
3	18
4	15
5	4
6 Or More	4
Total	100

*Developed by The Chesapeake Group, Inc., 2008.

Table 27 – Total Household Income*

Income Category	%
Under \$15,000	19
\$15,000 To \$24,999	19
\$25,000 To \$49,999	33
\$50,000 To \$74,999	19
\$75,000 To \$99,999	8
\$100,000 Or More	2
Total	100

*Developed by The Chesapeake Group, Inc., 2008.

✓ 29% of the households containing a member with an interest in improved employment felt that a shortage of opportunities close to home represented a factor in job prospects.

✓ The average age of the primary income earners is over 50 years of age.

✓ The average household annual income is roughly \$40,000. This figures includes incomes derived from employment as well as retirement sources.

Select Spending

There are essentially three commodities upon which households spend much of their incomes and assets over time. These are food, transportation, and housing. The type and variety of each commodity often changes with income and other fiscal resources.

Direct and indirect spending information was obtained. Indirect includes information such as how often one shops for various merchandise. Direct includes information such as the amount spent at supermarkets. (The former and latter data are used in computer modeling when combined with industry averages.)

Food for home consumption is generally purchased at supermarkets or other facilities that have a supermarket component, such as Wal*Mart, Target, or Meijer.

- ✓ 36% of the households spend less than \$50 per week on groceries, 22% spend more than \$100 each week on grocery and related items. On average, the households spend approximately \$72 on groceries each week.

Table 28 – Average Amount Spent on Groceries and Related Merchandise per week*

Amount Spent	%
Less Than \$25	8
\$25 To \$34.99	10
\$35 To \$49.99	18
\$50 To \$74.99	21
\$75 To \$99.99	21
\$100 To \$124.99	14
\$125 To \$149.99	2
\$150 Or More	6
Total	100

*Developed by The Chesapeake Group, Inc., 2008.

- ✓ The most popular stores for groceries are the Kroger located on East Pettit Avenue followed by the Kroger on Lincoln Highway West. Other popular stores within and near Southeast include Aldi's on South Anthony Boulevard, Scott's on Decatur Road, the Save-A-Lot store on Bluffton Road in Fort Wayne and the Meijer's on SR 37 in Allen County. Still other identified stores include the Save-A-Lot on East Paulding Road and the Wal*Mart on Southtown Crossing Boulevard, both within the Southeast area.

Other food spending is associated with lunch and dinner trips as well as entertainment activity often sought simultaneously with food or beverage consumption. As revealed:

- ✓ 38% of the households have at least one member who eats lunch out at the rate of at least once a week. 61% have a member eating lunch out at a frequency of at least once per month.

Table 29 - Frequency Lunch is Consumed Outside the Home*

Frequency	%
Few Times / Week	16
About Once / Week	22
Twice / Month	11
Once / Month	12
4 to 9 Times / Year	10
Few Times / Year	3
Once / Year	1
Less Often	25
Total	100

*Developed by The Chesapeake Group, Inc., 2008.

- ✓ Full-service restaurants were the most popular choice for lunch. Popular establishments included: Hall's Restaurant and Bob Evans located in southwest Fort Wayne, Golden Corral Buffet and Grill, Red Lobster, Olive Garden, Red Robin, Lone Star Steakhouse and Saloon,

Table 30 - Type of Establishment Most Often Associated With Lunch*

Type Of Establishment	%
Full-Service Restaurant	51
Fast Food Operation	33
All You Can Eat Buffet	5
Cafeteria	3
Sub Shop	2
Other	8

*Developed by The Chesapeake Group, Inc., 2008.

- ✓ Full-service restaurants were preferred by 71% of the households for the evening meal outside of the home. Popular establishments included: Hall's Restaurant, Richard's Restaurant, Golden Corral Buffet and Grill, Olive Garden, Pizza Hut, Cracker Barrel Old Country Store, Applebee's, Four Seasons, Red Lobster, Nine Mile Restaurant, Pizza King, and Liberty Diner.

- ✓ 60% of the households had at least one member who had dinner at an establishment at least on a monthly basis. This is less than the frequency of lunch trips.

Table 31 – Frequency Dinner is Consumed Outside the Home*

Frequency	%
Few Times / Week	12
About Once / Week	15
Twice / Month	12
Once / Month	21
4 to 9 Times / Year	8
Few Times / Year	3
Once / Year	3
Less Often	28
Total	100

*Developed by The Chesapeake Group, Inc., 2008.

Table 32 - Type of Establishment Most Often Associated With Dinner*

Type Of Establishment	%
Full-Service Restaurant	71
All You Can Eat Buffet	14
Fast Food Operation	10
Cafeteria	1
Other	5

*Developed by The Chesapeake Group, Inc., 2008.

Table 33 – Number of Personal Vehicles Owned or Leased*

Number Owned/Leased	%
0	6
1	36
2	38
3	17
4 Or More	3
Total	100

*Developed by The Chesapeake Group, Inc., 2008.

As noted, transportation represents a major household expense.

- ✓ All but 6% of the households own or lease a personal vehicle. 58% of the households own or lease more than a single vehicle. The average household within the area owns or leases 1.75 personal vehicles.

The third major area of household spending is shelter or housing. Spending on housing over time is dependent upon a number of factors. One of those factors is the ownership pattern. In general, mortgages have a tendency to increase at a slower pace, if at all, than do payments for rent. It is noted that:

- ✓ A majority of 76% own rather than rent their residences.
- ✓ 32% have lived at the same address for more than twenty years.

- ✓ Well over one-half (60%) have resided at the same location for ten years or more. (It is noted that telephone surveys have a tendency to understate those living at a current address for less than two years due to the length of time it takes to list the number in telephone directories.) On average, the households have resided at their current address for approximately twelve and one-half years.

Table 34 – Number of Years Living at the Address*

Number Of Years	%
Two Or Less	14
3 To 4	8
5 To 9	18
10 To 19	28
20 Or More	32
Total	100

*Developed by The Chesapeake Group, Inc., 2008

Table 35 – Amount Spent on Rent or Mortgage Per Month*

Rent/Mortgage	%
None	26
Less Than \$300	4
\$300 To \$499	17
\$500 To \$749	19
\$750 To \$999	21
\$1,000 To \$1,249	9
\$1,250 Or More	4
Total	100

*Developed by The Chesapeake Group, Inc., 2008

- ✓ 26% of the households do not have a monthly mortgage or rent payment. This finding is related to the high degree of homeownership, tenure, and the age of some of the primary income earners. The average monthly housing cost for the households with a monthly rent or mortgage payment is estimated to be just over \$728.

- ✓ 73% of the households currently live in single-family detached housing units.

Table 36 – Type of Housing*

Type of Housing Unit	%
Single-Family Detached	73
Mobile or Manufactured Home	4
Other	23
Total	100

*Developed by The Chesapeake Group, Inc., 2008

- ✓ 40% of the households indicated that they might seek other housing within the next five years whether as a result of changes in the household's size, employment situations, rental or housing markets conditions, physical or fiscal conditions, or other reasons.
- ✓ For those households which indicated that they might seek other housing within five years, roughly 40% feel that a move to another community was a possibility and 32% were uncertain.

- ✓ 23% of the households expressing the potential for a change in housing reported that their new residence would likely be located within a community outside of the general area.
- ✓ When moving, 50% expressed an interest in a home that is smaller than their current residence.

Table 37 – Likely Location*

Location	%
Elsewhere in Ft. Wayne Area	45
Near Family / Friends Nearby	32
Elsewhere in Indiana	14
Outside of Indiana	9
Total	100

*Developed by The Chesapeake Group, Inc., 2008

Table 38 – New Units Size

New Unit Size	%
Larger	13
Smaller	50
Same	29
Uncertain	8
Total	100

*Developed by The Chesapeake Group, Inc., 2008

- ✓ Housing characteristics and amenities desired in their new dwelling units included:

Within a quiet, safe, and friendly neighborhood
 Affordable
 A single story structure
 Central air conditioning
 More than one full bath
 Modern Appliances
 Garage

Good schools
 Close to work
 Convenient shopping
 Fire place
 Wooded lot
 Fenced yard
 Family room
 Laundry room & basement.

- ✓ 25% of the households indicated that they had family members, such as parents, 60 years of age or older to whom they have now or will have increasing responsibilities in the foreseeable future.
- ✓ 44% of those households with older relatives reported that these family members lived nearby.

- ✓ A majority of these older relatives own rather than rent their residence. Slightly more than one-third of these relatives have resided in their current home for at least twenty years and likely have equity in their units that could assist with relocation in the future.

Table 39 – Number of Years Living at the Address*

Number Of Years	%
Four Or Less	12
5 To 9	24
10 To 19	29
20 Or More	35
Total	100

*Developed by The Chesapeake Group, Inc., 2008

- ✓ 21% of the households feel their older relatives would likely move to different housing within the next five years.

- ✓ 23% believe that their older relatives are likely to relocate to a nearby location.
- ✓ 40% feel that their relatives would prefer independent senior housing; while 7% feel that some level of assisted living would be preferred or necessary.
- ✓ 17% feel that the provision of amenities, such as recreation, medical care, or transportation, would influence their relatives' choice of new housing.

Other commercial or spending patterns included:

- ✓ 13% of the households indicated that at least one member went out to the movies at a frequency of at least once each month.

Table 40 - Frequency Household Members Go Out to the Movies*

Frequency	%
About Once / Week	2
Twice / Month	3
Once / Month	8
4 to 9 Times / Year	9
Few Times / Year	11
Once / Year	5
Less Often	62
Total	100

*Developed by The Chesapeake Group, Inc., 2008.

- ✓ 23% of the households have someone making purchases by catalog or over the internet at a rate of at least once each month.

Table 41 - Frequency Household Members Make Purchases by Catalog or On-Line*

Frequency	%
About Once / Week	2
Twice / Month	6
Once / Month	15
4 to 9 Times / Year	10
Few Times / Year	10
Once / Year	4
Less Often	53
Total	100

*Developed by The Chesapeake Group, Inc., 2008.

- ✓ About one-half of the households purchase health and beauty aids at least several times each month; and as would be expected, the purchase of shoes takes places significantly less frequently.

Table 42 - Frequency of Purchases of Selected Household Items (In %)*

Product	Once/ Week +	Once/ Week	Few/ Month	Twice/ Month	Once/ Month	Less Often	Total
Health Care, Beauty Aids	8	15	15	11	26	25	100
Shoes	-	-	2	1	7	90	100

*Developed by The Chesapeake Group, Inc., 2008.

- ✓ The most popular store for clothing or apparel purchases was the Wal*Mart within the Southeast area on Southtown Crossing Boulevard. This was followed by establishments including Macy's, Sears, and J. C. Penney's in the Glenbrook Square Mall. The K-Mart store on South Anthony Boulevard was another popular choice, followed by the three Kohl's stores located in the north, west, and northwest areas of the City.
- ✓ A reasonable number of households reported that they acquired most of their clothing through garage or rummage sales or by catalog. Other popular stores include: A. J. Wright and Big Lots, located within the Southeast area; Goodwill; Value City; other Big Lots; Stein Mart; and other Wal*Mart locations.
- ✓ 50% indicated that types of businesses, activities, or services that they would like to see attracted to the community was simply additional retail operations in general. Individual suggestions included:

Grocery,
Clothing,
Drug stores,
Hardware,
Boutiques,

Specialty and gift shops,
Department stores,
Electronics operations,
Sporting goods, and
Craft stores.

- ✓ A reasonable number of the respondents recommended additional restaurants. The suggested restaurants were characterized as being:

Sit down
Family-style
Reasonably priced.

- ✓ Approximately 12% of the surveyed individuals suggested greater entertainment and recreational venues. Suggestions included:

Kid's activities
Movie theaters
Art galleries

Museums
Mini-golf
Spas

Additional suggestions included:

Job-creating establishments
Medical centers and services
Assisted living facilities
Bicycle lanes and amenities.

Estimates of Demand

As noted, the market is the driving force behind economic viability, whether it is commercial or service opportunity. In an effort to define opportunities specifically for commercial activity for the Southeast area and its corridors, forecasting of demand for goods and services was performed. One of the primary sources, but not the only source of information used to define spending patterns for the retail and related services demand components was the telephone survey. The following represents a review of demand for commercial activity. It is noted that:

- ✓ All estimates are in 2008 dollars. Inflation and deflation have been excluded from all estimates of future demand and associated sales, revenues and, thus, supportable space.
- ✓ There have been some substantial changes in consumer spending in the past year that are anticipated to remain relatively constant over the next few years if not longer.

Market Areas

There are essentially two general markets from which commercial activity in the Southeast area can draw. The two markets are residents of the larger area, generally defined as Allen County and residents of the Southeast area. The primary market is defined as residents of the Southeast area.

Those coming from outside of the first two have been excluded from the analysis in an effort to not overstate potential demand. Yet, it is recognized that some from surrounding counties do come to the Southeast area for employment and may well spend some income in the area. However, the reverse is also true in that some from these two markets go to other areas and spend financial resources.

As previously defined, the number of households and growth in the larger secondary Allen County market are expected to continue to grow. The demand estimates assume the growth, albeit at a much slower pace than in the very recent past.

For the critical primary market, growth in households that would result in new growth in spending is not certain. To assure usefulness of the information applied, two alternatives for this primary market are provided. The first, defined as "Alternative A", assumes no household growth. The second, defined as "Alternative B", assumes modest growth of several hundred housing units in the next ten years, with most coming in the outer years.

Retail & Related Services Sales

- ✓ Aggregate retail goods and related services sales generated by the secondary market, consisting of residents of Allen County, are estimated at about \$5.83 billion in 2008.
- ✓ Aggregate retail goods and related services sales generated by the primary market, consisting of residents of the Southeast area, are estimated at about \$582 million in 2008.

Aggregate retail sales figures represent a compilation of sales associated with ten major categories. The ten major categories of retail goods and related services are as follows:

- Food, such as groceries and related merchandise generally purchased for home preparation or consumption.
 - Eating and drinking, consisting of prepared food and beverages generally consumed on the premises or carried to another location.
 - General merchandise, including variety stores, department stores and large value oriented retail operators.
 - Furniture and accessories, including appliances and home furnishings.
 - Transportation and utilities, including the sale of new and used automotive and other personal vehicles and parts and basic utilities for the home.
 - Drugstores, including those specializing in health and beauty aids or pharmaceuticals.
 - Apparel and accessories.
 - Hardware and building materials, including traditional hardware stores and garden and home improvement centers.
 - Auto services, including gasoline and vehicle repair.
 - Miscellaneous, including a plethora of retail goods and services ranging from florists to paper goods.
- ✓ Many of today's better known operations in fact fall into more than one category. For example, many of the "big box" general merchandisers, such as Meijer, WalMart or Target, have traditional supermarket components within their operations.
- ✓ Table 43 contains the estimates of retail goods and related services sales by major category for the years 2008, 2013, and 2018. Sales by the year 2013 are expected to reach roughly \$6.4 billion.

Table 43 – Estimates of Retail Goods & Related Services Sales by Category for the Secondary Market for 2008, 2013 and 2018*

Category	2008	2013	2018
Food	\$436,710,000	\$457,110,000	\$476,748,000
Eat/Drink	583,057,000	610,293,000	636,513,000
General Merchandise	1,072,825,000	1,122,939,000	1,171,184,000
Furniture	305,522,000	319,794,000	333,533,000
Transportation	1,194,101,000	1,249,880,000	1,303,578,000
Drugstore	267,040,000	279,514,000	291,523,000
Apparel	293,278,000	306,977,000	320,166,000
Hardware	516,589,000	540,720,000	563,950,000
Vehicle Service	626,786,000	656,065,000	684,251,000
Miscellaneous	476,358,000	498,609,000	520,031,000
TOTAL	\$5,830,570,000	\$6,102,931,000	\$6,365,128,000

*Developed by The Chesapeake Group, Inc., 2008.

There are sub-categories found within each retail category. In general, each of these sub-categories is associated with a particular type or cluster of businesses. While not necessarily the largest in terms of sales, the miscellaneous category contains more sub-categories or types of establishments than any other major retail category.

It is important to understand that irrespective of the strength, location factors, mass, or other issues, no community is capable of attract all of the sales generated in a primary or other market area. As examples, people employed elsewhere often spend resources at or near their places of employment. At other times, people make visits and spend money with relatives and friends living in other locations or while on vacations.

- ✓ Table 44 contains the breakdown of retail goods and related services sales by categories and sub-categories generated by the secondary market for 2008, 2013 and 2018.

Table 44 – Estimates of Retail Goods & Related Services Sales by Sub-category for the Secondary Market for 2008, 2013 and 2018*

Sub-category	2008	2013	2018
Food	\$436,710,000	\$457,110,000	\$476,748,000
Supermarkets	364,652,850	381,686,850	398,084,580
Independents	34,936,800	36,568,800	38,139,840
Bakeries	9,607,620	10,056,420	10,488,456
Dairies	5,677,230	5,942,430	6,197,724
Others	21,835,500	22,855,500	23,837,400
Eat/Drink	583,057,000	610,293,000	636,513,000
General Merchandise	1,072,825,000	1,122,939,000	1,171,184,000
Dept. Stores	284,298,625	297,578,835	310,363,760
Variety Stores	77,243,400	80,851,608	84,325,248
Jewelry	74,024,925	77,482,791	80,811,696
Sporting Goods/Toys	116,937,925	122,400,351	127,659,056
Discount Dept.	497,790,800	521,043,696	543,429,376
Antiques, etc.	5,364,125	5,614,695	5,855,920
Others	17,165,200	17,967,024	18,738,944
Furniture	305,522,000	319,794,000	333,533,000
Furniture	72,103,192	75,471,384	78,713,788
Home Furnishings	106,321,656	111,288,312	116,069,484
Store/Office Equip.	66,603,796	69,715,092	72,710,194
Music Instr./Suppl.	13,137,446	13,751,142	14,341,919
Radios, TV, etc.	47,355,910	49,568,070	51,697,615
Transportation	1,194,101,000	1,249,880,000	1,303,578,000
New/Used Vehicles	417,935,350	437,458,000	456,252,300
Tires, Batt., Prts.	526,598,541	551,197,080	574,877,898
Marine Sales/Rentals	63,287,353	66,243,640	69,089,634
Auto/Truck Rentals	186,279,756	194,981,280	203,358,168
Drugstore	267,040,000	279,514,000	291,523,000
Apparel	293,278,000	306,977,000	320,166,000
Men's and Boy's	38,419,418	40,213,987	41,941,746
Women's and Girl's	97,368,296	101,916,364	106,295,112
Infants	6,158,838	6,446,517	6,723,486
Family	81,531,284	85,339,606	89,006,148
Shoes	61,295,102	64,158,193	66,914,694
Jeans/Leather	1,173,112	1,227,908	1,280,664
Tailors/Uniforms	5,279,004	5,525,586	5,762,988
Others	2,052,946	2,148,839	2,241,162
Hardware	516,589,000	540,720,000	563,950,000
Hardware	250,029,076	261,708,480	272,951,800
Lawn/Seed/Fertil.	9,815,191	10,273,680	10,715,050
Others	256,744,733	268,737,840	280,283,150
Vehicle Service	626,786,000	656,065,000	684,251,000
Gasoline	275,785,840	288,668,600	301,070,440
Garage, Repairs	351,000,160	367,396,400	383,180,560
Miscellaneous	476,358,000	498,609,000	520,031,000
Advert. Signs, etc.	7,621,728	7,977,744	8,320,496
Barber/Beauty shop	29,057,838	30,415,149	31,721,891
Book Stores	21,912,468	22,936,014	23,921,426
Bowling	10,956,234	11,468,007	11,960,713
Cig./Tobacco Dealer	3,334,506	3,490,263	3,640,217
Dent./Physician Lab	19,054,320	19,944,360	20,801,240
Florist/Nurseries	35,726,850	37,395,675	39,002,325
Laundry, Dry Clean	16,196,172	16,952,706	17,681,054
Optical Goods/Opt.	11,432,592	11,966,616	12,480,744
Photo Sup./Photog.	32,868,702	34,404,021	35,882,139
Printing	38,584,998	40,387,329	42,122,511
Paper/Paper Prod.	20,483,394	21,440,187	22,361,333
Gifts/Cards/Novel.	68,119,194	71,301,087	74,364,433
Newsstands	3,810,864	3,988,872	4,160,248
Video Rent/Sales	61,926,540	64,819,170	67,604,030
Others	95,271,600	99,721,800	104,006,200
TOTAL	\$5,772,266,000	\$6,041,901,000	\$6,301,477,000

*Developed by The Chesapeake Group, Inc., 2008.

From a public policy perspective, growth opportunities are critical. By focusing on opportunities that result from growth and assuming reasonable competitive positions, no sales or revenues are extracted from existing operations to create or attract new business or businesses. Thus and theoretically, expansions or new businesses do not come at the expense of existing ones.

- ✓ As shown in Table 45, reasonable levels of growth in retail goods and related service sales are anticipated in the selected categories over the next ten years in the secondary market. Most of this growth is likely to occur after the next few years (when no growth in sales is anticipated). Over the next few years, slow household growth will offset likely loss per household in consumption of retail goods and services.

Table 45 – Estimates of Retail Goods & Related Services Sales by Category for the Secondary Market for 2008 and Change from 2008 to 2018*

Category	2008	2008-2018
Food	\$436,710,000	\$40,038,000
Eat/Drink	583,057,000	53,456,000
General Merchandise	1,072,825,000	98,359,000
Furniture	305,522,000	28,011,000
Transportation	1,194,101,000	109,477,000
Drugstore	267,040,000	24,483,000
Apparel	293,278,000	26,888,000
Hardware	516,589,000	47,362,000
Vehicle Service	626,786,000	57,465,000
Miscellaneous	476,358,000	43,673,000
TOTAL	\$5,830,570,000	\$534,558,000

*Developed by The Chesapeake Group, Inc., 2008.

As previously defined, two scenarios are defined for the primary market based on different assumptions with respect to households. In the first scenario, defined as Alternative A, retail goods and related services sales are expected to contract. For the other alternative, defined as Alternative B, sales will increase by a small amount in the future.

- ✓ For Alternative A, primary market generated retail goods and related services sales are estimated at \$581.6 million in 2008 and are expected to be roughly \$552.5 million by 2018.

Table 46 – Alternative A Estimates of Retail Goods & Related Services Sales by Category for the Primary Market for 2008 and 2018*

Category	2008	2018
Food	\$43,563,000	\$41,385,000
Eat/Drink	58,162,000	55,254,000
General Merchandise	107,018,000	101,667,000
Furniture	30,477,000	28,953,000
Transportation	119,116,000	113,160,000
Drugstore	26,638,000	25,306,000
Apparel	29,255,000	27,793,000
Hardware	51,532,000	48,955,000
Vehicle Service	62,524,000	59,398,000
Miscellaneous	47,518,000	45,142,000
TOTAL	\$581,620,000	\$552,539,000

*Developed by The Chesapeake Group, Inc., 2008.

- ✓ For the first scenario, sales are expected to decline by about \$29 million over the ten year period as found in the table that follows.

Table 47 – Alternative A Estimates of Retail Goods & Related Services Sales by Category for the Primary Market for 2008 and Change from 2008 to 2018*

Category	2008	2008-2018
Food	\$43,563,000	\$2,178,000
Eat/Drink	58,162,000	2,908,000
General Merchandise	107,018,000	5,351,000
Furniture	30,477,000	1,524,000
Transportation	119,116,000	5,956,000
Drugstore	26,638,000	1,332,000
Apparel	29,255,000	1,463,000
Hardware	51,532,000	2,577,000
Vehicle Service	62,524,000	3,126,000
Miscellaneous	47,518,000	2,376,000
TOTAL	\$581,620,000	\$29,081,000

*Developed by The Chesapeake Group, Inc., 2008.

- ✓ With the growth in households, sales for Alternative B are expected to increase. Once again, increases are not expected over the first few years. Table 48 contains the estimates of sales in this second scenario generated by the primary market for 2008 and 2018.

Table 48 – Alternative A Estimates of Retail Goods & Related Services Sales by Category for the Primary Market for 2008 and 2018*

Category	2008	2018
Food	\$43,563,000	\$44,640,000
Eat/Drink	58,162,000	59,600,000
General Merchandise	107,018,000	109,664,000
Furniture	30,477,000	31,230,000
Transportation	119,116,000	122,060,000
Drugstore	26,638,000	27,297,000
Apparel	29,255,000	29,979,000
Hardware	51,532,000	52,805,000
Vehicle Service	62,524,000	64,070,000
Miscellaneous	47,518,000	48,693,000
TOTAL	\$581,620,000	\$595,998,000

*Developed by The Chesapeake Group, Inc., 2008.

- ✓ For the second scenario, sales are expected to increase by about \$14 million over the ten year period, representing a total reversal of about \$43 million from Alternative A.

Table 49 – Alternative B Estimates of Retail Goods & Related Services Sales by Category for the Primary Market for 2008 and Change from 2008 to 2018*

Category	2008	2008-2018
Food	\$43,563,000	\$1,077,000
Eat/Drink	58,162,000	1,438,000
General Merchandise	107,018,000	2,646,000
Furniture	30,477,000	753,000
Transportation	119,116,000	2,945,000
Drugstore	26,638,000	659,000
Apparel	29,255,000	723,000
Hardware	51,532,000	1,274,000
Vehicle Service	62,524,000	1,546,000
Miscellaneous	47,518,000	1,175,000
TOTAL	\$581,620,000	\$14,378,000

*Developed by The Chesapeake Group, Inc., 2008.

- ✓ Tables 50 and 51 contain the estimates for Alternative A and Alternative B by type of operation or sub-category.

Table 50 – Alternative A Estimates of Retail Goods & Related Services Sales by Sub-category for the Primary Market for 2008 and 2018*

Sub-category	2008	2018
Food	\$43,563,000	\$41,385,000
Supermarkets	36,375,105	34,556,475
Independents	3,485,040	3,310,800
Bakeries	958,386	910,470
Dairies	566,319	538,005
Others	2,178,150	2,069,250
Eat/Drink	58,162,000	55,254,000
General Merchandise	107,018,000	101,667,000
Dept. Stores	28,359,770	26,941,755
Variety Stores	7,705,296	7,320,024
Jewelry	7,384,242	7,015,023
Sporting Goods/Toys	11,664,962	11,081,703
Discount Dept.	49,656,352	47,173,488
Antiques, etc.	535,090	508,335
Others	1,712,288	1,626,672
Furniture	30,477,000	28,953,000
Furniture	7,192,572	6,832,908
Home Furnishings	10,605,996	10,075,644
Store/Office Equip.	6,643,986	6,311,754
Music Instr./Suppl.	1,310,511	1,244,979
Radios,TV, etc.	4,723,935	4,487,715
Transportation	119,116,000	113,160,000
New/Used Vehicles	41,690,600	39,606,000
Tires, Batt., Prts.	52,530,156	49,903,560
Marine Sales/Rentals	6,313,148	5,997,480
Auto/Truck Rentals	18,582,096	17,652,960
Drugstore	26,638,000	25,306,000
Apparel	29,255,000	27,793,000
Men's and Boy's	3,832,405	3,640,883
Women's and Girl's	9,712,660	9,227,276
Infants	614,355	583,653
Family	8,132,890	7,726,454
Shoes	6,114,295	5,808,737
Jeans/Leather	117,020	111,172
Tailors/Uniforms	526,590	500,274
Others	204,785	194,551
Hardware	51,532,000	48,955,000
Hardware	24,941,488	23,694,220
Lawn/Seed/Fertil.	979,108	930,145
Others	25,611,404	24,330,635
Vehicle Service	62,524,000	59,398,000
Gasoline	27,510,560	26,135,120
Garage, Repairs	35,013,440	33,262,880
Miscellaneous	47,518,000	45,142,000
Advert. Signs, etc.	760,288	722,272
Barber/Beauty shop	2,898,598	2,753,662
Book Stores	2,185,828	2,076,532
Bowling	1,092,914	1,038,266
Cig./Tobacco Dealer	332,626	315,994
Dent./Physician Lab	1,900,720	1,805,680
Florist/Nurseries	3,563,850	3,385,650
Laundry, Dry Clean	1,615,612	1,534,828
Optical Goods/Opt.	1,140,432	1,083,408
Photo Sup./Photog.	3,278,742	3,114,798
Printing	3,848,958	3,656,502
Paper/Paper Prod.	2,043,274	1,941,106
Gifts/Cards/Novel.	6,795,074	6,455,306
Newsstands	380,144	361,136
Video Rent/Sales	6,177,340	5,868,460
Others	9,503,600	9,028,400
TOTAL	\$581,620,000	\$552,59,000

*Developed by The Chesapeake Group, Inc., 2008.

Table 51 – Alternative B Estimates of Retail Goods & Related Services Sales by Sub-category for the Primary Market for 2008 and Change from 2008 to 2018*

Sub-category	2008	2018	2008-2018
Food	\$43,563,000	\$44,640,000	\$1,077,000
Supermarkets	36,375,105	37,274,400	899,295
Independents	3,485,040	3,571,200	86,160
Bakeries	958,386	982,080	23,694
Dairies	566,319	580,320	14,001
Others	2,178,150	2,232,000	53,850
Eat/Drink	58,162,000	59,600,000	1,438,000
General Merchandise	107,018,000	109,664,000	2,646,000
Dept. Stores	28,359,770	29,060,960	701,190
Variety Stores	7,705,296	7,895,808	190,512
Jewelry	7,384,242	7,566,816	182,574
Sporting Goods/Toys	11,664,962	11,953,376	288,414
Discount Dept.	49,656,352	50,884,096	1,227,744
Antiques, etc.	535,090	548,320	13,230
Others	1,712,288	1,754,624	42,336
Furniture	30,477,000	31,230,000	753,000
Furniture	7,192,572	7,370,280	177,708
Home Furnishings	10,605,996	10,868,040	262,044
Store/Office Equip.	6,643,986	6,808,140	164,154
Music Instr./Suppl.	1,310,511	1,342,890	32,379
Radios, TV, etc.	4,723,935	4,840,650	116,715
Transportation	119,116,000	122,060,000	2,945,000
New/Used Vehicles	41,690,600	42,721,000	1,030,750
Tires, Batt., Prts.	52,530,156	53,828,460	1,298,745
Marine Sales/Rentals	6,313,148	6,469,180	156,085
Auto/Truck Rentals	18,582,096	19,041,360	459,420
Drugstore	26,638,000	27,297,000	659,000
Apparel	29,255,000	29,979,000	723,000
Men's and Boy's	3,832,405	3,927,249	94,713
Women's and Girl's	9,712,660	9,953,028	240,036
Infants	614,355	629,559	15,183
Family	8,132,890	8,334,162	200,994
Shoes	6,114,295	6,265,611	151,107
Jeans/Leather	117,020	119,916	2,892
Tailors/Uniforms	526,590	539,622	13,014
Others	204,785	209,853	5,061
Hardware	51,532,000	52,805,000	1,274,000
Hardware	24,941,488	25,557,620	616,616
Lawn/Seed/Fertil.	979,108	1,003,295	24,206
Others	25,611,404	26,244,085	633,178
Vehicle Service	62,524,000	64,070,000	1,546,000
Gasoline	27,510,560	28,190,800	680,240
Garage, Repairs	35,013,440	35,879,200	865,760
Miscellaneous	47,518,000	48,693,000	1,175,000
Advert. Signs, etc.	760,288	779,088	18,800
Barber/Beauty shop	2,898,598	2,970,273	71,675
Book Stores	2,185,828	2,239,878	54,050
Bowling	1,092,914	1,119,939	27,025
Cig./Tobacco Dealer	332,626	340,851	8,225
Dent./Physician Lab	1,900,720	1,947,720	47,000
Florist/Nurseries	3,563,850	3,651,975	88,125
Laundry, Dry Clean	1,615,612	1,655,562	39,950
Optical Goods/Opt.	1,140,432	1,168,632	28,200
Photo Sup./Photog.	3,278,742	3,359,817	81,075
Printing	3,848,958	3,944,133	95,175
Paper/Paper Prod.	2,043,274	2,093,799	50,525
Gifts/Cards/Novel.	6,795,074	6,963,099	168,025
Newsstands	380,144	389,544	9,400
Video Rent/Sales	6,177,340	6,330,090	152,750
Others	9,503,600	9,738,600	235,000
TOTAL	\$581,620,000	\$595,998,000	\$14,378,000

*Developed by The Chesapeake Group, Inc., 2008.

Retail Supportable Space

Retail sales and related services revenues are converted to supportable space through the application of sales or revenue productivity levels. A sales or revenue productivity level is the level of sales or revenues per square foot at which it is assumed that the business will generate sufficient revenue to cover all costs of operation as well as provide a reasonable return on investment for the ownership or operating entity.

Sales productivity levels vary for each sub-category, type of business operation, or store-type. The productivity levels vary from low figures for bowling centers to hundreds of dollars for others. Supportable space is derived by dividing the amount of sales by a productivity level.

- ✓ The larger secondary market or Allen County households supported about 17 million square feet of space in 2008. This is expected to rise to about 18.6 million by 2018. The largest categories of supportable space are General Merchandise, Transportation and Vehicle Service, Hardware and Miscellaneous.

Table 52 – Estimates of Retail Goods & Related Services Supportable Space by Category for the Secondary Market for 2008, 2013 and 2018 (in Square Feet)*

Category	2008	2013	2018
Food	815,580	853,678	890,355
Eat/Drink	1,457,643	1,525,733	1,591,283
General Merchandise	3,499,454	3,662,921	3,820,292
Furniture	959,370	1,004,186	1,047,326
Transportation	3,474,672	3,636,982	3,793,237
Drugstore	534,080	559,028	583,046
Apparel	912,599	955,227	996,267
Hardware	2,196,006	2,298,587	2,397,336
Vehicle Service	1,360,198	1,423,737	1,484,904
Miscellaneous	1,839,844	1,925,784	2,008,521
TOTAL	17,049,446	17,845,863	18,612,567

*Developed by The Chesapeake Group, Inc., 2008.

- ✓ Further breakdown of this space is found in Table 54 on the page that follows. Below is the breakdown for Alternative A for the primary market.

Table 53 – Alternative A Estimates of Retail Goods & Related Services Supportable Space by Category for the Primary Market for 2008 and 2018 (in Square Feet)*

Category	2008	2018
Food	81,357	77,288
Eat/Drink	145,405	138,135
General Merchandise	349,082	331,628
Furniture	95,702	90,916
Transportation	346,613	329,280
Drugstore	53,276	50,612
Apparel	91,034	86,485
Hardware	219,061	208,107
Vehicle Service	135,684	128,900
Miscellaneous	183,528	174,351
TOTAL	1,700,742	1,615,702

*Developed by The Chesapeake Group, Inc., 2008.

- ✓ Further breakdown of this space is found in Table 55.

Table 54 – Estimates of Retail Goods & Related Services Supportable Space by Sub-category for the Secondary Market for 2008, 2013 and 2018 (in Square Feet)*

Sub-category	2008	2013	2018
Food	815,580	853,678	890,355
Supermarkets	618,056	646,927	674,720
Independents	87,342	91,422	95,350
Bakeries	32,025	33,521	34,962
Dairies	15,770	16,507	17,216
Others	62,387	65,301	68,107
Eat/Drink	1,457,643	1,525,733	1,591,283
General Merchandise	3,499,454	3,662,921	3,820,292
Dept. Stores	947,662	991,929	1,034,546
Variety Stores	297,090	310,968	324,328
Jewelry	104,260	109,131	113,819
Sporting Goods/Toys	389,793	408,001	425,530
Discount Dept.	1,659,303	1,736,812	1,811,431
Antiques, etc.	23,322	24,412	25,461
Others	78,024	81,668	85,177
Furniture	959,370	1,004,186	1,047,326
Furniture	232,591	243,456	253,915
Home Furnishings	303,776	317,967	331,627
Store/Office Equip.	222,013	232,384	242,367
Music Instr./Suppl.	65,687	68,756	71,710
Radios, TV, etc.	135,303	141,623	147,707
Transportation	3,474,672	3,636,982	3,793,237
New/Used Vehicles	1,044,838	1,093,645	1,140,631
Tires, Batt., Prts.	1,755,328	1,837,324	1,916,260
Marine Sales/Rentals	171,047	179,037	186,729
Auto/Truck Rentals	503,459	526,976	549,617
Drugstore	534,080	559,028	583,046
Apparel	912,599	955,227	996,267
Men's and Boy's	96,049	100,535	104,854
Women's and Girl's	263,158	275,450	287,284
Infants	20,529	21,488	22,412
Family	271,771	284,465	296,687
Shoes	222,891	233,303	243,326
Jeans/Leather	3,910	4,093	4,269
Tailors/Uniforms	26,395	27,628	28,815
Others	7,896	8,265	8,620
Hardware	2,196,006	2,298,587	2,397,336
Hardware	1,000,116	1,046,834	1,091,807
Lawn/Seed/Fertil.	28,868	30,217	31,515
Others	1,167,022	1,221,536	1,274,014
Vehicle Service	1,360,198	1,423,737	1,484,904
Gasoline	190,197	199,082	207,635
Garage, Repairs	1,170,001	1,224,655	1,277,269
Miscellaneous	1,839,844	1,925,784	2,008,521
Advert. Signs, etc.	27,715	29,010	30,256
Barber/Beauty shop	145,289	152,076	158,609
Book Stores	59,223	61,989	64,653
Bowling	109,562	114,680	119,607
Cig./Tobacco Dealer	6,669	6,981	7,280
Dent./Physician Lab	58,629	61,367	64,004
Florist/Nurseries	84,063	87,990	91,770
Laundry, Dry Clean	53,987	56,509	58,937
Optical Goods/Opt.	32,665	34,190	35,659
Photo Sup./Photog.	93,911	98,297	102,520
Printing	140,309	146,863	153,173
Paper/Paper Prod.	102,417	107,201	111,807
Gifts/Cards/Novel.	227,064	237,670	247,881
Newsstands	7,622	7,978	8,320
Video Rent/Sales	309,633	324,096	338,020
Others	381,086	398,887	416,025
TOTAL	17,049,446	17,845,863	18,612,567

*Developed by The Chesapeake Group, Inc., 2008.

Table 55 – Alternative A Estimates of Retail Goods & Related Services Supportable Space by Sub-category for the Primary Market for 2008 and 2018 (in Square Feet)*

Sub-category	2008	2018
Food	81,357	77,288
Supermarkets	61,653	58,570
Independents	8,713	8,277
Bakeries	3,195	3,035
Dairies	1,573	1,494
Others	6,223	5,912
Eat/Drink	145,405	138,135
General Merchandise	349,082	331,628
Dept. Stores	94,533	89,806
Variety Stores	29,636	28,154
Jewelry	10,400	9,880
Sporting Goods/Toys	38,883	36,939
Discount Dept.	165,521	157,245
Antiques, etc.	2,326	2,210
Others	7,783	7,394
Furniture	95,702	90,916
Furniture	23,202	22,042
Home Furnishings	30,303	28,788
Store/Office Equip.	22,147	21,039
Music Instr./Suppl.	6,553	6,225
Radios, TV, etc.	13,497	12,822
Transportation	346,613	329,280
New/Used Vehicles	104,227	99,015
Tires, Batt., Prts.	175,101	166,345
Marine Sales/Rentals	17,063	16,209
Auto/Truck Rentals	50,222	47,711
Drugstore	53,276	50,612
Apparel	91,034	86,485
Men's and Boy's	9,581	9,102
Women's and Girl's	26,250	24,939
Infants	2,048	1,946
Family	27,110	25,755
Shoes	22,234	21,123
Jeans/Leather	390	371
Tailors/Uniforms	2,633	2,501
Others	788	748
Hardware	219,061	208,107
Hardware	99,766	94,777
Lawn/Seed/Fertil.	2,880	2,736
Others	116,415	110,594
Vehicle Service	135,684	128,900
Gasoline	18,973	18,024
Garage, Repairs	116,711	110,876
Miscellaneous	183,528	174,351
Advert. Signs, etc.	2,765	2,626
Barber/Beauty shop	14,493	13,768
Book Stores	5,908	5,612
Bowling	10,929	10,383
Cig./Tobacco Dealer	665	632
Dent./Physician Lab	5,848	5,556
Florist/Nurseries	8,386	7,966
Laundry, Dry Clean	5,385	5,116
Optical Goods/Opt.	3,258	3,095
Photo Sup./Photog.	9,368	8,899
Printing	13,996	13,296
Paper/Paper Prod.	10,216	9,706
Gifts/Cards/Novel.	22,650	21,518
Newsstands	760	722
Video Rent/Sales	30,887	29,342
Others	38,014	36,114
TOTAL	1,700,742	1,615,702

*Developed by The Chesapeake Group, Inc., 2008.

- ✓ The following table provides the sales and supportable space for 2008 as well as the anticipated change in supportable space for the secondary market from 2008 to 2018.

Table 56 – Estimates of Retail Goods & Related Services Sales and Supportable Space by Sub-category for the Secondary Market for 2008 the change from 2008 to 2018 (in Square Feet)*

Sub-category	2008 Sales	2008-2018 Sales	2008 Space	2008-2018 Space
Food	\$436,710,000	\$40,038,000	815,580	74,774
Supermarkets	364,652,850	33,431,730	618,056	56,664
Independents	34,936,800	3,203,040	87,342	8,008
Bakeries	9,607,620	880,836	32,025	2,936
Dairies	5,677,230	520,494	15,770	1,446
Others	21,835,500	2,001,900	62,387	5,720
Eat/Drink	583,057,000	53,456,000	1,457,643	133,640
General Merchandise	1,072,825,000	98,359,000	3,499,454	320,838
Dept. Stores	284,298,625	26,065,135	947,662	86,884
Variety Stores	77,243,400	7,081,848	297,090	27,238
Jewelry	74,024,925	6,786,771	104,260	9,559
Sporting Goods/Toys	116,937,925	10,721,131	389,793	35,737
Discount Dept.	497,790,800	45,638,576	1,659,303	152,129
Antiques, etc.	5,364,125	491,795	23,322	2,138
Others	17,165,200	1,573,744	78,024	7,153
Furniture	305,522,000	28,011,000	959,370	87,958
Furniture	72,103,192	6,610,596	232,591	21,325
Home Furnishings	106,321,656	9,747,828	303,776	27,851
Store/Office Equip.	66,603,796	6,106,398	222,013	20,355
Music Instr./Suppl.	13,137,446	1,204,473	65,687	6,022
Radios, TV, etc.	47,355,910	4,341,705	135,303	12,405
Transportation	1,194,101,000	109,477,000	3,474,672	318,563
New/Used Vehicles	417,935,350	38,316,950	1,044,838	95,792
Tires, Batt., Prts.	526,598,541	48,279,357	1,755,328	160,931
Marine Sales/Rentals	63,287,353	5,802,281	171,047	15,682
Auto/Truck Rentals	186,279,756	17,078,412	503,459	46,158
Drugstore	267,040,000	24,483,000	534,080	48,966
Apparel	293,278,000	26,888,000	912,599	83,669
Men's and Boy's	38,419,418	3,522,328	96,049	8,806
Women's and Girl's	97,368,296	8,926,816	263,158	24,127
Infants	6,158,838	564,648	20,529	1,882
Family	81,531,284	7,474,864	271,771	24,916
Shoes	61,295,102	5,619,592	222,891	20,435
Jeans/Leather	1,173,112	107,552	3,910	359
Tailors/Uniforms	5,279,004	483,984	26,395	2,420
Others	2,052,946	188,216	7,896	724
Hardware	516,589,000	47,362,000	2,196,006	201,335
Hardware	250,029,076	22,923,208	1,000,116	91,693
Lawn/Seed/Fertil.	9,815,191	899,878	28,868	2,647
Others	256,744,733	23,538,914	1,167,022	106,995
Vehicle Service	626,786,000	57,465,000	1,360,198	124,706
Gasoline	275,785,840	25,284,600	190,197	17,438
Garage, Repairs	351,000,160	32,180,400	1,170,001	107,268
Miscellaneous	476,358,000	43,673,000	1,839,844	168,679
Advert. Signs, etc.	7,621,728	698,768	27,715	2,541
Barber/Beauty shop	29,057,838	2,664,053	145,289	13,320
Book Stores	21,912,468	2,008,958	59,223	5,430
Bowling	10,956,234	1,004,479	109,562	10,045
Cig./Tobacco Dealer	3,334,506	305,711	6,669	611
Dent./Physician Lab	19,054,320	1,746,920	58,629	5,375
Florist/Nurseries	35,726,850	3,275,475	84,063	7,707
Laundry, Dry Clean	16,196,172	1,484,882	53,987	4,950
Optical Goods/Opt.	11,432,592	1,048,152	32,665	2,995
Photo Sup./Photog.	32,868,702	3,013,437	93,911	8,610
Printing	38,584,998	3,537,513	140,309	12,864
Paper/Paper Prod.	20,483,394	1,877,939	102,417	9,390
Gifts/Cards/Novel.	68,119,194	6,245,239	227,064	20,817
Newsstands	3,810,864	349,384	7,622	699
Video Rent/Sales	61,926,540	5,677,490	309,633	28,387
Others	95,271,600	8,734,600	381,086	34,938
TOTAL	\$5,772,266,000	\$529,212,000	17,049,446	1,563,128

*Developed by The Chesapeake Group, Inc., 2008.

To reiterate and from a public policy perspective, opportunities that evolve from growth are important. Growth allows one to focus on opportunities that result from new sales or revenues that do not exist at the present time. Assuming reasonable competitive positions, no sales or revenues are extracted from existing operations to create or attract new business or businesses. Thus and theoretically, expansion or new businesses does not come at the expense of existing ones.

- ✓ To reiterate and without the growth in new households in the primary market, supportable space is expected to decline. As found in Tables 57 and 59, a decline in supportable space for Alternative A is estimated to be about 85,000 square feet between 2008 and 2018. This would further weaken commercial market opportunities for the Southeast area.

Table 57 – Alternative A Estimates of Retail Goods & Related Services Supportable Space by Category for the Primary Market for 2008 the change from 2008 to 2018 (in Square Feet)*

Category	2008	2008-2018
Food	81,357	4,068
Eat/Drink	145,405	7,270
General Merchandise	349,082	17,454
Furniture	95,702	4,785
Transportation	346,613	17,331
Drugstore	53,276	2,664
Apparel	91,034	4,553
Hardware	219,061	10,955
Vehicle Service	135,684	6,784
Miscellaneous	183,528	9,175
TOTAL	1,700,742	85,039

*Developed by The Chesapeake Group, Inc., 2008.

- ✓ On the other hand and as in the secondary market, should household growth occur in the primary market some additional demand is generated, resulting in greater supportable square footage. The information associated with this scenario, once again defined as Alternative B, is found in Table 58 that follows.

Table 58 – Alternative A Estimates of Retail Goods & Related Services Supportable Space by Category for the Primary Market for 2008 the change from 2008 to 2018 (in Square Feet)*

Category	2008	2018
Food	81,357	83,368
Eat/Drink	145,405	149,000
General Merchandise	349,082	357,714
Furniture	95,702	98,065
Transportation	346,613	355,178
Drugstore	53,276	54,594
Apparel	91,034	93,287
Hardware	219,061	224,472
Vehicle Service	135,684	139,039
Miscellaneous	183,528	188,066
TOTAL	1,700,742	1,742,783

*Developed by The Chesapeake Group, Inc., 2008.

Table 59 – Alternative A Estimates of Retail Goods & Related Services Sales and Supportable Space by Sub-category for the Primary Market for 2008 the change from 2008 to 2018 (in Square Feet)*

Sub-category	2008	2008-2018	2008	2008-2018
Food	\$43,563,000	\$2,178,000	81,357	4,068
Supermarkets	36,375,105	1,818,630	61,653	3,082
Independents	3,485,040	174,240	8,713	436
Bakeries	958,386	47,916	3,195	160
Dairies	566,319	28,314	1,573	79
Others	2,178,150	108,900	6,223	311
Eat/Drink	58,162,000	2,908,000	145,405	7,270
General Merchandise	107,018,000	5,351,000	349,082	17,454
Dept. Stores	28,359,770	1,418,015	94,533	4,727
Variety Stores	7,705,296	385,272	29,636	1,482
Jewelry	7,384,242	369,219	10,400	520
Sporting Goods/Toys	11,664,962	583,259	38,883	1,944
Discount Dept.	49,656,352	2,482,864	165,521	8,276
Antiques, etc.	535,090	26,755	2,326	116
Others	1,712,288	85,616	7,783	389
Furniture	30,477,000	1,524,000	95,702	4,785
Furniture	7,192,572	359,664	23,202	1,160
Home Furnishings	10,605,996	530,352	30,303	1,515
Store/Office Equip.	6,643,986	332,232	22,147	1,107
Music Instr./Suppl.	1,310,511	65,532	6,553	328
Radios,TV, etc.	4,723,935	236,220	13,497	675
Transportation	119,116,000	5,956,000	346,613	17,331
New/Used Vehicles	41,690,600	2,084,600	104,227	5,212
Tires, Batt., Prts.	52,530,156	2,626,596	175,101	8,755
Marine Sales/Rentals	6,313,148	315,668	17,063	853
Auto/Truck Rentals	18,582,096	929,136	50,222	2,511
Drugstore	26,638,000	1,332,000	53,276	2,664
Apparel	29,255,000	1,463,000	91,034	4,553
Men's and Boy's	3,832,405	191,653	9,581	479
Women's and Girl's	9,712,660	485,716	26,250	1,313
Infants	614,355	30,723	2,048	102
Family	8,132,890	406,714	27,110	1,356
Shoes	6,114,295	305,767	22,234	1,112
Jeans/Leather	117,020	5,852	390	20
Tailors/Uniforms	526,590	26,334	2,633	132
Others	204,785	10,241	788	39
Hardware	51,532,000	2,577,000	219,061	10,955
Hardware	24,941,488	1,247,268	99,766	4,989
Lawn/Seed/Fertil.	979,108	48,963	2,880	144
Others	25,611,404	1,280,769	116,415	5,822
Vehicle Service	62,524,000	3,126,000	135,684	6,784
Gasoline	27,510,560	1,375,440	18,973	949
Garage, Repairs	35,013,440	1,750,560	116,711	5,835
Miscellaneous	47,518,000	2,376,000	183,528	9,175
Advert. Signs, etc.	760,288	38,016	2,765	138
Barber/Beauty shop	2,898,598	144,936	14,493	725
Book Stores	2,185,828	109,296	5,908	295
Bowling	1,092,914	54,648	10,929	546
Cig./Tobacco Dealer	332,626	16,632	665	33
Dent./Physician Lab	1,900,720	95,040	5,848	292
Florist/Nurseries	3,563,850	178,200	8,386	419
Laundry, Dry Clean	1,615,612	80,784	5,385	269
Optical Goods/Opt.	1,140,432	57,024	3,258	163
Photo Sup./Photog.	3,278,742	163,944	9,368	468
Printing	3,848,958	192,456	13,996	700
Paper/Paper Prod.	2,043,274	102,168	10,216	511
Gifts/Cards/Novel.	6,795,074	339,768	22,650	1,133
Newsstands	380,144	19,008	760	38
Video Rent/Sales	6,177,340	308,880	30,887	1,544
Others	9,503,600	475,200	38,014	1,901
TOTAL	\$581,620,000	\$28,791,000	1,700,742	85,039

*Developed by The Chesapeake Group, Inc., 2008.

- ✓ For Alternative B associated with the primary market, some growth is anticipated as has been noted. In total, about 42,000 square feet of additional demand will be supportable from residents of the primary market by 2018. It is important to note that while small, the actual space supported by new households can be seen by comparing Alternative A (which showed a decrease of about 85,000 square feet) and the addition of 42,000 square feet for Alternative B. In other words, there is a net change of the combination of the two figures or roughly 127,000.
- ✓ Importantly, the added space is not concentrated in any category, diminishing the ability to add retail operations premised upon the difference.
- ✓ Furthermore and as previously defined, no area no matter how dominant can expect to capture all demand in any market. There is always exportation from a market, particularly for "shopper" goods, including business operations associated with General Merchandise, Furniture, Apparel, Transportation, and Miscellaneous categories.

Table 60 – Alternative B Estimates of Retail Goods & Related Services Supportable Space by Category for the Primary Market for 2008 the change from 2008 to 2018 (in Square Feet)*

Category	2008	2008-2018
Food	81,357	2,011
Eat/Drink	145,405	3,595
General Merchandise	349,082	8,630
Furniture	95,702	2,364
Transportation	346,613	8,570
Drugstore	53,276	1,318
Apparel	91,034	2,250
Hardware	219,061	5,415
Vehicle Service	135,684	3,355
Miscellaneous	183,528	4,538
TOTAL	1,700,742	42,046

*Developed by The Chesapeake Group, Inc., 2008.

- ✓ Table 61 that follows on the next page contains the estimates of retail goods and related services space and change in space by sub-category associated with Alternative B.

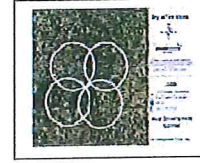
Table 61 – Alternative B Estimates of Retail Goods & Related Services Sales and Supportable Space by Sub-category for the Primary Market for 2008 the change from 2008 to 2018 (in Square Feet)*

Sub-category	2008	2008-2018
Food	81,357	2,011
Supermarkets	61,653	1,524
Independents	8,713	215
Bakeries	3,195	79
Dairies	1,573	39
Others	6,223	154
Eat/Drink	145,405	3,595
General Merchandise	349,082	8,630
Dept. Stores	94,533	2,337
Variety Stores	29,636	733
Jewelry	10,400	257
Sporting Goods/Toys	38,883	961
Discount Dept.	165,521	4,092
Antiques, etc.	2,326	58
Others	7,783	192
Furniture	95,702	2,364
Furniture	23,202	573
Home Furnishings	30,303	749
Store/Office Equip.	22,147	547
Music Instr./Suppl.	6,553	162
Radios, TV, etc.	13,497	333
Transportation	346,613	8,570
New/Used Vehicles	104,227	2,577
Tires, Batt., Prts.	175,101	4,329
Marine Sales/Rentals	17,063	422
Auto/Truck Rentals	50,222	1,242
Drugstore	53,276	1,318
Apparel	91,034	2,250
Men's and Boy's	9,581	237
Women's and Girl's	26,250	649
Infants	2,048	51
Family	27,110	670
Shoes	22,234	549
Jeans/Leather	390	10
Tailors/Uniforms	2,633	65
Others	788	19
Hardware	219,061	5,415
Hardware	99,766	2,466
Lawn/Seed/Fertil.	2,880	71
Others	116,415	2,878
Vehicle Service	135,684	3,355
Gasoline	18,973	469
Garage, Repairs	116,711	2,886
Miscellaneous	183,528	4,538
Advert. Signs, etc.	2,765	68
Barber/Beauty shop	14,493	358
Book Stores	5,908	146
Bowling	10,929	270
Cig./Tobacco Dealer	665	16
Dent./Physician Lab	5,848	145
Florist/Nurseries	8,386	207
Laundry, Dry Clean	5,385	133
Optical Goods/Opt.	3,258	81
Photo Sup./Photog.	9,368	232
Printing	13,996	346
Paper/Paper Prod.	10,216	253
Gifts/Cards/Novel.	22,650	560
Newsstands	760	19
Video Rent/Sales	30,887	764
Others	38,014	940
TOTAL	1,700,742	42,046

*Developed by The Chesapeake Group, Inc., 2008.

Southeast Area Market Analysis & Economic Development Strategy

Conclusions



There are a variety of conclusions that can be drawn from the various analyses that are critical to determining the future for retail and the commercial corridors in the Southeast area. The following is a synopsis of those.

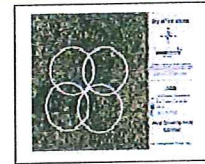
- ✓ The consumer has a greater number of choices than ever before for both products and location for purchasing retail goods and services with the advent of the internet. Yet, most products associated with everyday household functions, such as food and health care aids, are now and will continue to be purchased within the communities in which people live and work.
- ✓ While all communities have difficulties, there will likely continue to be growth in Allen County and Fort Wayne in the future. Historically, recent growth within Fort Wayne has largely been attributed to boundary adjustments or annexation. Also from an historical perspective, less growth has occurred in the Southeast quadrant than other areas because of the above and other factors. Today, much of the land outside of Fort Wayne's boundaries in the Southeast area continues to be rural in character, having a low household and population yield per acre. This represents a market constraint.
- ✓ The Southeast area has not grown substantially in terms of households or "rooftops" or population in recent years. Recent attempts to infuse new housing in the area have met with less than stellar and projected market success.
- ✓ Commercial activity within the Southeast area should be viewed within a larger context. The area is within easy drive of the downtown, an area where City policies are also directed at enhancement. Stronger and more intense commercial use is found to the very immediate west of the Southeast. The Southeast area has some of its strongest retail, but in the furthest southern most points of the area, taking advantage of highway access. Older strip commercial development within the numerous corridors within the Southeast area is obsolete in terms of property lines, with assemblage for newer more modern activity difficult. Natural market adjustments have been made and many "commercial" corridors often have a non-retail focus at present.

- ✓ There has been substantial, broad, and quality investment made within the Southeast area neighborhoods by the public sector. New educational facilities, enhanced recreation, streetscaping, and other public facilities show a strong commitment. Yet, while substantial public dollars have been and continue to be invested, they do not appear to have leveraged private sector investment to any significant amount. This diminishes the impact of such public investments.
- ✓ At least one-third of the current business operators in the Southeast area will likely retire or be forced to cease operation in the next ten years for non-market related factors. Between 20% and 33% have not identified anyone to operate the business should the current owner no longer be able to do so. This will likely result in increased short and long-term vacancies and diminished property values unless alternative ownership is actively sought.
- ✓ There is a complete range of businesses in the Southeast area, and many are doing well or at least meeting current owners' expectations. For those not doing well, "external" factors are often identified as being the issue. For those doing well, "internal" factors are given the credit.
- ✓ Business operators within the area would generally like to see greater business recruitment and retention efforts, increases in quality employment opportunities in the area, and an expanded market.
- ✓ The comparative analyses of like areas indicates that at the county level there are few discernable gaps in retail and related services activity. Many of those that are identified are most typically associated with larger "box" operations in the current environment, or could well be located or better situated in downtown Fort Wayne in close proximity to much of the neighborhood. Many retail operations are over-represented in the larger market at present.
- ✓ There are many more retail operations for which there are identifiable gaps at the local level within the Southeast area. Some but not all can be found in the peripheral areas to the immediate west in corridors that border the Southeast area. The range is from vehicle service and other activity to clothing or apparel operations and the full-range of food service establishments. It is important to note, that full-service food operations are defined as being under-represented on a county-wide basis as well. There are also select professional and business services which are under-represented, representing an opportunity to fill commercial space, create employment, and enhance services. Very limited retail operations are identified as being over-represented at the local zip code level.
- ✓ The average household income in the Southeast area is roughly \$40,000. This income level is likely lower than just a few years ago. There are a substantial number of households where the senior member is at least 50 years of age. Under-employment in the area is likely to be two to three times greater than official unemployment levels. Many are working part-time that would like to work full-time. Many others are in jobs that do not necessarily reflect their skill potential. Others are not now employed and are still actively seeking employment and are, therefore, technically unemployed.
- ✓ Households spend most of their resources on three commodities. These are food, housing, and transportation. The average household currently spends about \$72 on groceries each week. Only 38% of the households have anyone that eats lunch out at least once per week, with trips often associated with places of employment. Fewer eat dinner out with that frequency. The average monthly rental or mortgage payment, for those that have such payment, is in excess of \$725. About one-fourth of the households have no mortgage payment as a result of their tenure in their units. There could well be some relocation of households to and from the Southeast area as a result of changing responsibilities or changes in households in the foreseeable five to ten year period.

- ✓ The proportion of households purchasing goods “on line” is relatively small in the community at present.
- ✓ Likely as a result of income levels and economic pressures, the average household does not frequently shop for apparel or clothing.
- ✓ While no growth in retail sales are anticipated for the larger Allen County market over the next few years, there will be reasonable growth over the next ten years, resulting in the ability to fill vacancies and likely expand space. Demand will grow in this secondary market for the Southeast area by about \$535 million over the ten year period. Most of that growth will be attributable to new household growth during the time frame and anticipated stabilization of economy conditions at some time in the future. The growth in sales will support an additional 1.56 million square feet of retail goods and related services space. Particular opportunities exist, based on current sizes of newer operations in the various categories of retail, including: eating and drinking establishments; General Merchandise; Transportation, drugstores with health/beauty aids; Transportation; and Hardware. On the other hand, competition for such growth in retail will be great and historical development patterns do not provide evidence of the new retail locating in the Southeast area derived from a secondary market, with the exception of the areas closest to the highway interchange. Furthermore and as previously noted, some are more advantageously situated in downtown Fort Wayne.
- ✓ From a public policy perspective, opportunities that evolve from growth are important. Growth allows one to focus on opportunities that result from new sales or revenues that do not exist at the present time. Assuming reasonable competitive positions, no sales or revenues are extracted from existing operations to create or attract new business or businesses. Thus and theoretically, expansions or new businesses do not come at the expense of existing ones.
- ✓ Unless there is growth in households and/or increases in household incomes, demand for goods and services generated by the primary market will diminish over the next ten years. Sales will decline by roughly \$28 million. The amount of supportable space will decline by about 85,000 square feet.
- ✓ A reasonable growth in households, associated with the addition of a couple hundred housing units over a ten year period, can alter the “equation” for demand for retail goods and related services. It is conservatively estimated that demand could grow by 42,000 square feet, or support a net of 125,000 that would either not be supportable or be lost in the market. The largest beneficiary would likely be food service operations.
- ✓ Even with the growth, demand for new retail goods and related service space is not likely to be able to fill voids indicated by vacancies and marginal operations throughout all corridors in the Southeast area. Land use changes, changes in targeted incentives policies, enhanced leverage of private sector investment, and other changes that would enhance viability of commercial corridors along with growth can mitigate current negatives and enhance services, property values, rents, employment and income earning opportunities.

Southeast Area Market Analysis & Economic Development Strategy

Strategic Development Program



Synopsis of Opportunities

Retail growth in the future in the Southeast area is limited. In fact, it is highly probable that without growth in new households in the future, there will be less opportunity and demand for retail in the future than in the past. This has significant implication for planning as well as redevelopment of the commercial corridors within the Southeast area.

Most importantly, economic enhancement of the corridors will depend upon concentration, reconfiguration and recruitment of retail and eliminating continued future retail development in non-developed sections of established linear corridors. Assuming that there will be additional households in the general area, including downtown to the north:

- ✓ About 12,000 square feet of new retail could be developed in the future composed of a full-service restaurant and small hardware operation. Either or both could be independently owned, with the latter part of a larger buying group.
- ✓ In addition, through reconfiguration, re-tenanting, and remerchandising, about 100,000 square feet of space could be developed in a concentrated nodal fashion or at the southern most portions of the Southeast area. This could include:

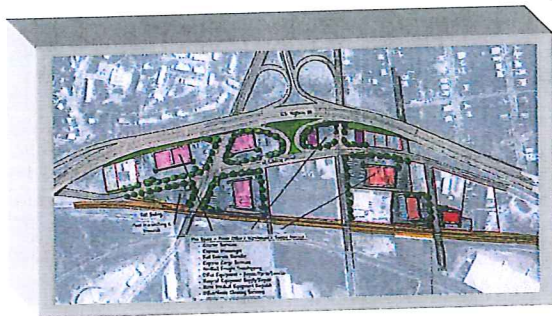
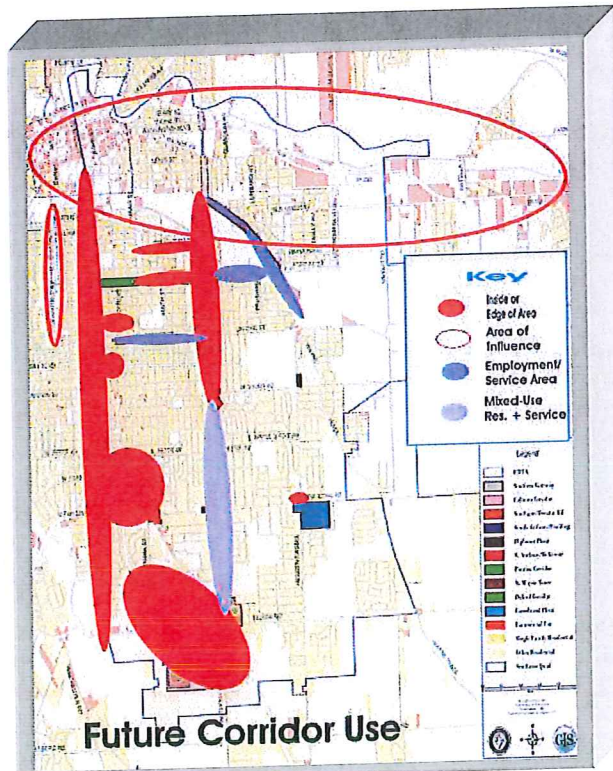
- A buffet,
- A couple or a few full-service value priced, family-style restaurants,
- An additional limited service food establishment,
- A convenience store,
- Some vehicle service activity,
- A "piece" goods operation, and
- An electronics store.

As has been previously viewed, many of the current commercial corridors in the Southeast area are not now composed largely of retail, but other activity such as personal, business and professional services, including some medical related activity.

Based on a review of current uses, the opportunity for non-retail services and the need for expanded housing in the future, including adult and senior housing concentrations (once the financial and housing markets stabilize), the graphic to the right indicates potential proposed general land use composition for existing Southeast area corridors.

The suggested reuse of the corridors implies that other uses will essential fill the space now vacant, marginally used, or in need of substantial reinvestment. While housing is indicated in certain areas, others are contingent upon establishing linear urban "business" parks and retail focused at select nodes.

Such concepts have been employed in other established commercial corridors that are unlikely or no longer serve a retail function. Below is an illustration of one in the Liberty Street corridor area of Winston-Salem in North Carolina. Such concepts employ certain uniformity of design standards and quality to those found in other business transportation related services. Allowable retail activity is generally kept to a minimum and primarily deemed for internal use of employees.



Generally, there is a mixture of allowable uses, from services to light manufacturing and transportation related services. Allowable retail activity is generally kept to a minimum and primarily deemed for internal use of employees.

Some of the additional opportunities identified through the comparative assessment analyses that could be distributed in the future business corridors include:

- ✓ Business services
- ✓ Professional services
- ✓ Personal services

Yet, there are other opportunities that could be achieved related to emerging technology, alternative energy and other aspects of Research & Development. There could be substantial employment benefits in the "product development" component of the R & D activity that could assist in raising area income levels and expanding demand for housing. To understand this opportunity, extensive research was conducted. Identified opportunities are based on the following:

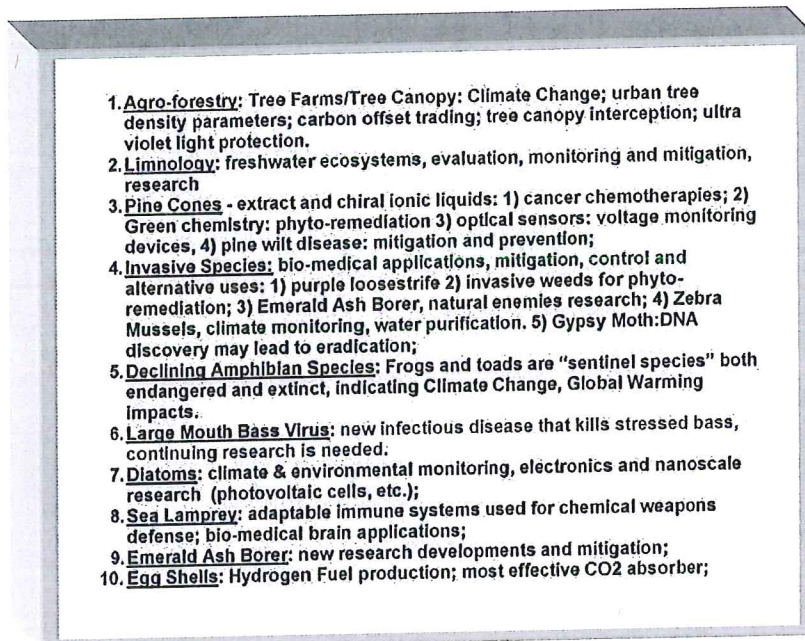
- ✓ The natural or economic resources found in the area or related to those existing industries, including agriculture.
- ✓ The current transportation network.
- ✓ The research or the development of the product that would not negatively impact the environment in the area.

- ✓ The R & D activity related to emerging sectors or markets throughout the country and world.
- ✓ Either or both a reasonable likelihood of interest in funding or current funding.

There are various types of groups that have interests in the noted areas that follow. They include:

- ✓ Some of the largest corporate entities in the world.
- ✓ Small start-up operations that may not survive if the research is not successful, could be bought out by another or larger entity, or may merge with another entity in the foreseeable future.
- ✓ Universities operating elsewhere in the country or internationally.
- ✓ Non-profit associations and consortiums.

Those areas of research that meet the above criteria include those to the left:



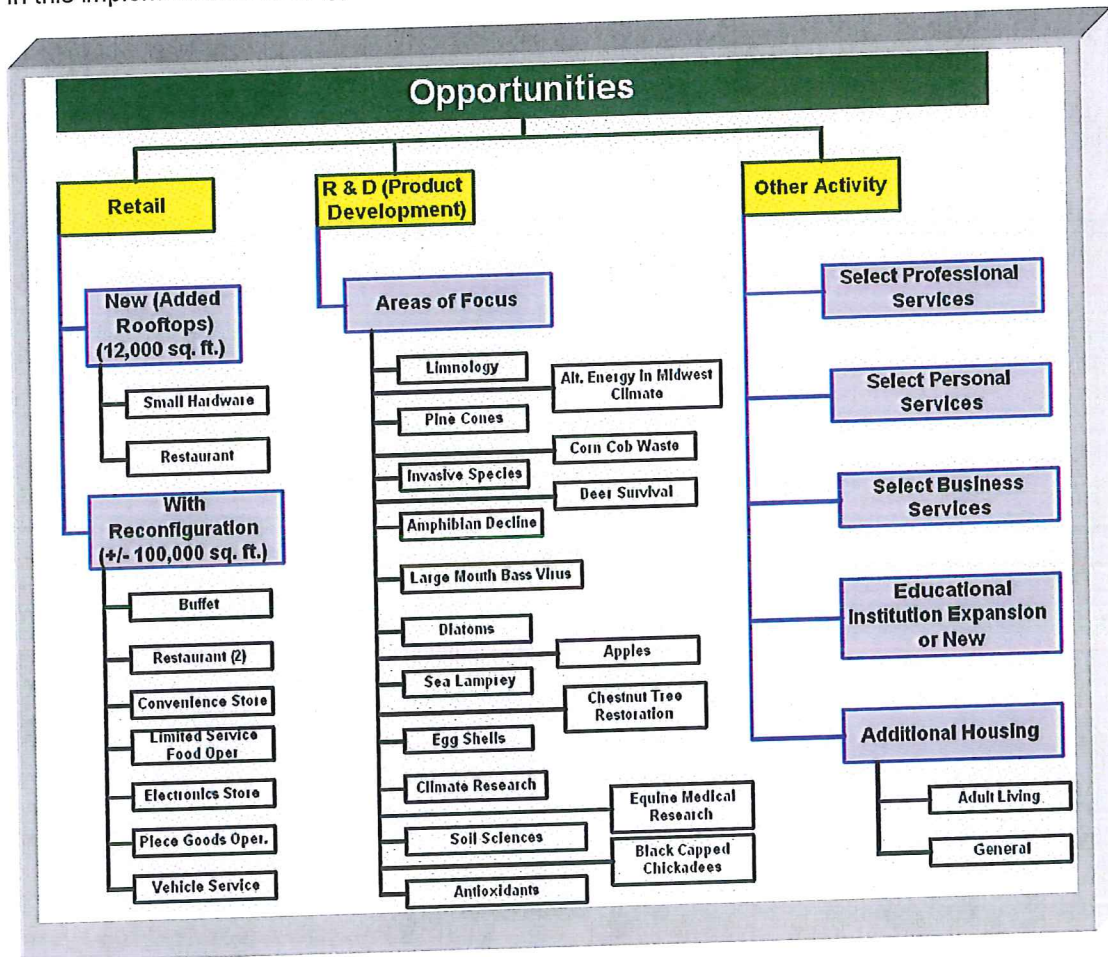
Other areas include:

- 11. Climate Research: long/short-term climate predictions, monitoring earth's atmosphere, electronic climate atlas;
- 12. Soil Sciences, research: climate change; C absorption; soil's chemical composition and

reactions;

- 13. Tomatoes, vegetables, fruits: Antioxidant Flavonoids and Carotenoids, Luteolin, for use in 1) supporting immune health with cancer or the human immunodeficiency virus (HIV); 2) oxidative stress and tissue damage of chronic diseases (atherosclerosis, diabetes, rheumatoid arthritis); 3) adult neurodegenerative disorders, as well as in stroke, trauma, and seizures.
- 14. Apples: Alzheimer's disease, Fetal prevention of asthma
- 15. Corn Cob Waste – high volume natural gas storage; carbon briquettes;
- 16. Deer Survival – wildlife management, Epizootic Hemorrhagic Disease (EHD)
- 17. American Chestnut Trees: species restoration; reforestation efforts; CO2 absorption;
- 18. Equine Medical Research: Horse Cloning- reproduction, Equine – Morris Foundation 2007 Research Report: eye infections, Geriatric Nutrition, RAO heaves, R equi pneumonia, Equine endotoxin – vaccine development; Equine – T cells; Equine Johne's disease; Equine Septic Foals, calcium/magnesium research; Equine – Insulin resistance research;
- 19. Black Capped Chickadees: high functioning language-shaped brains: research of bird/human brain comparisons;

The illustration that follows is a synopsis of the opportunities. That graphic includes the expansion of an educational institutions presence in the area. This is one of the tools indicated in this implementation strategy.



Program Components

The following program components are based upon the current strategy prepared and adopted for the Southeast area and the defined opportunities identified in this assessment. It should be considered a modification of the previous strategy. The program consists of six major elements. These are:

- Adding Households/Expanding the Market.
- Business and Developer Recruitment.
- Entrepreneurship/Apprenticeship.
- Formation of a Public-Private Partnership.
- Targeting, Regulations & Policy Proposals.
- Additional Funding Options.

The program also identifies potential actions to provide for the opportunity for collective internet retailing.

Adding Households/Expanding the Market

Healthier retail will depend upon market expansion. This expansion can come from attracting residents from outside of the primary market area, or from expansion from within the immediate market or downtown. The latter is the most probable for the Southeast. This will mean holding current households and expanding the number of households. The expansion of households will require additional "rooftops" or housing units.

According to recently released data and fiscal resources received by the public sector to mitigate some housing conditions in the area, the Southeast is seeing a substantial number of foreclosures and some additional housing units are likely to be demolished. Both will likely result in still fewer households in the area and less market for retail goods and services.

Yet, there are several possible means of expanding the internal market. These include:

- ✓ Getting the proposed "Renaissance Point" development "on track".
- ✓ Expanding downtown housing opportunities. (Residents of downtown will likely need to obtain some goods and services outside of downtown by virtue of some activity not likely to locate downtown.)
- ✓ Develop larger scale sites along the major corridors for housing and mix of uses instead of additional retail. (If additional retail is pursued it will likely to result in additional vacancies elsewhere in the Southeast. Area.
- ✓ Infill with new units on growing numbers of scattered sites.
- ✓ Incorporate and promote development of current rural surrounding areas into the City in the general Southeast quadrant.

Pursuit of multiple means is most appropriate.

Increasing the construction and speed of units in the Renaissance Point area is one of the least costly given the previous level of investment and is one that the City can exercise a great deal of control. It is suggested that:

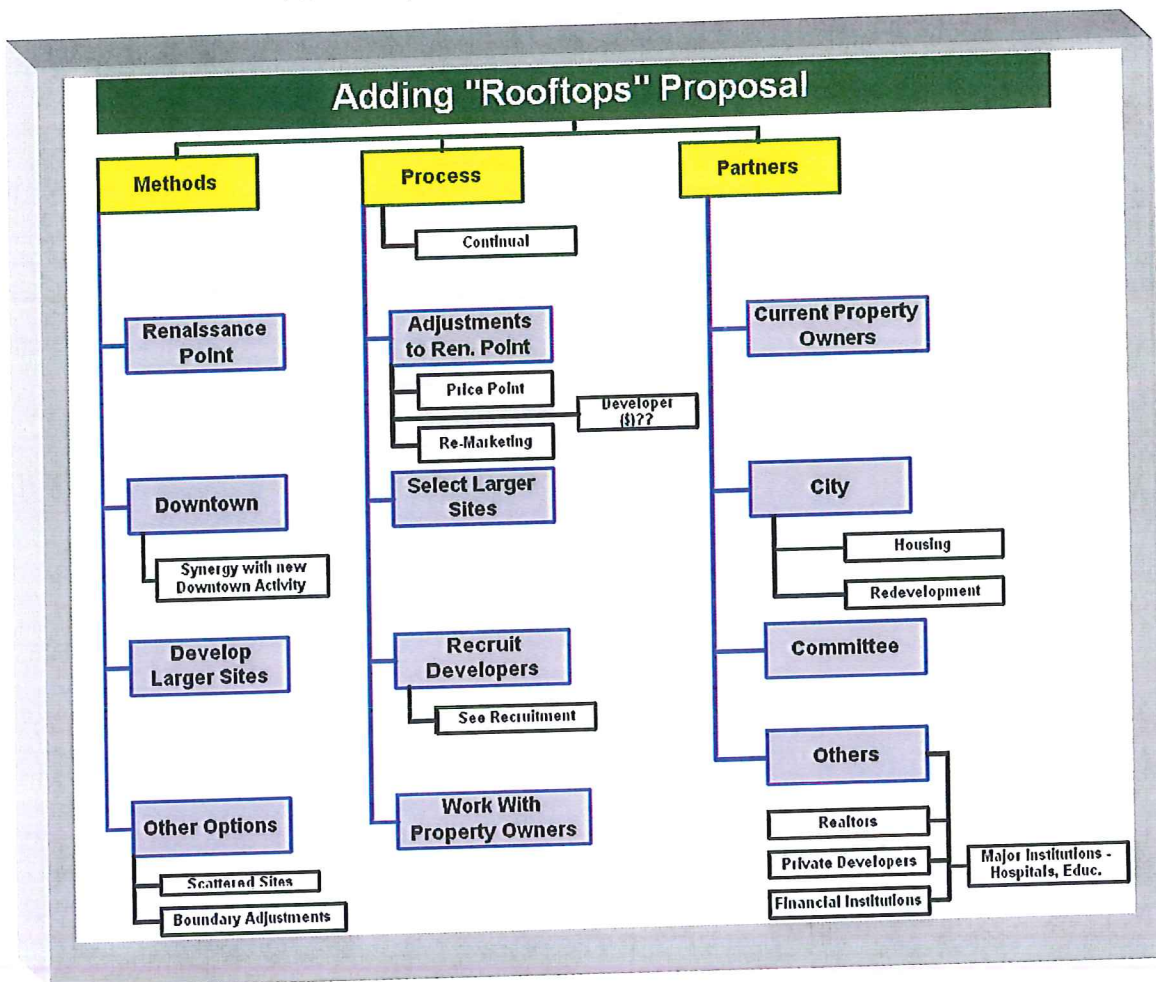
- ✓ Prior to finalizing proposals for a "re-visitation" or revision to "Ren Point" that the City seek input from a public-private partnership committee (to be explained).
- ✓ The project be re-marketed as a quality in-town neighborhood, not directly linked to downtown as previously positioned.
- ✓ More than one option to success be considered. Means of creating momentum or re-jumpstarting might include: (1) a substantial change in the "price point" so that initial units are priced well below their value or construction costs (earned equity over time could be shared, much like reverse mortgages if desired) and well below units in other areas of the city, essentially making initial units a "value just to good to pass up;" (2) establishing rental with the option to buy and portions of rent going toward equity in the unit; (3) insuring maintenance of value of units; (4) working with area universities, hospitals, governments and other major employers to establish a program of incentives for those associated with the institutions or new hires to purchase a home in the Southeast area; (5) etc.

Expanding downtown housing opportunities, developing large scale sites along the corridors, and infill on scattered sites will likely each require recruitment of developers appropriate for each type of activity. (The recruitment process will be defined.)

Because of the rural character and unless development is proposed in areas outside the City, boundary adjustments are the least likely method for achieving an expanded market in the foreseeable future.

Partners in this process include:

- ✓ Individual current property owners.
- ✓ The public-private partnership committee.
- ✓ The City, both Housing and Redevelopment.
- ✓ Major Fort Wayne area institutions.
- ✓ Financial institutions.
- ✓ Realtors active in the Southeast.
- ✓ Additional private developer interests.



Business and Developer Recruitment

The establishment of a recruitment process that will work over an extended time frame for recruitment of retail, services, R & D activity, and other activities is a key component of the strategy. Recruitment is essential.

There are some fundamental considerations associated with a recruitment process. These include fiscal and human resource availability. Yet, in some ways, much of the success with the proposed strategy is dependent upon recruitment. The following are preliminary steps to establish a successful recruitment effort that should be considered.

- A. Decide who will administer and provide staff support for the recruitment effort in general. Based on current local government activity, It is suggested that the administration of the program be within Redevelopment.
- B. Develop marketing materials oriented toward the types of entities to be solicited. (Materials should be flexible, alterable, and reproducible internally. The format should be set, but information changed depending upon the type of entity to be recruited.)
- C. Assure the ability to reproduce the materials on demand via internal computer capabilities.
- D. Develop lists of those to be solicited and update such lists regularly.
- E. Develop a set schedule for phasing of the recruitment process so that the work load is distributed over time.
- F. Establish an "Ambassador Program" through the proposed public-private partnership, composed of business interests to meet with recruited interests as needed. (Do not place burden on one or two individuals.)
- G. The effort should be continual for at least five years.

The associated marketing activity would include:

- ✓ Distribution of developed materials via direct mail; established international contacts and networks; posting information on web sites; advertising in select trade journals, if affordable; internet contact; and "cold call" door knocking for select interests.
- ✓ Follow-up contact via telephone, internet and site visits to answer questions, gauge interest, etc.
- ✓ When developers are sought, preparation of Request for Qualifications and Proposals, review, evaluation of the responses, and establishment of the relationship (such as between the development interest and the private property owner) should be part of the recruitment process.
- ✓ Continued follow-up, acting as an "ombudsman" for the process.

Limited staff and fiscal resources will be available for recruitment activity. Therefore:

- ✓ Only limited activity can be expected, whether monthly or quarterly.
- ✓ Priorities should be established and resource allocation should accordingly follow.
- ✓ Cooperation will be essential between the City, real estate interests, business organizations, and others.
- ✓ The amount of activity will largely depend upon the allocation of staff and volunteer resources, but it is strongly suggested that a partnership be formed with others that share interests.

The need for and level of "pre-screening" potential contacts for recruitment is a fundamental issue in the recruitment process. Consideration must be given to:

- ✓ Available data bases.
- ✓ The cost effectiveness of the "pre-screening".
- ✓ The likelihood of success with obtaining accurate information for a "pre-screening" process.

The following is noted with respect to retail/restaurant recruitment lists:

- ✓ Lists can be developed in the future by obtaining files from several publishers in the country. Generally, such data bases are about 80% to 90% accurate at the time of publication. The data bases will include specific contact information. Non-print computer data bases cost roughly \$1,200 to \$1,300 and one is sufficient. Print versions are in the \$300 to \$400 range, but require greater effort in labor to extract information.
- ✓ The expenditure on retail recruitment in the future should focus on the purchase of print data base and site reconnaissance for non-chains.

The following is noted with respect to services recruitment lists:

- ✓ The primary information can be generated from three major sources. These are:
 - Professional associations.
 - Out of area Chambers of Commerce's membership lists.
 - State regulatory agencies.
- ✓ It is not cost effective to dissect, pre-qualify, or pre-select the services. "Mass mailings" or the like, even if over time, will inevitably have greater cost effectiveness than any pre-qualifying effort.

The following is noted with respect to developer recruitment:

- ✓ Generation of the initial list of developers essentially involves pre-qualification as developers sought should have experience doing similar projects. Thus, the research involves identifying developers through their projects. The most appropriate ways of doing this is through:
 - Contact with professional organizations that track creative development like Urban Land Institute, the Council for Economic Development, the National Trust for Historic & Architectural Preservation, etc.
 - Tapping libraries associated with professional organizations that deal with unique situations like the American Planning Association.
 - Review of Midwest focused development publications.

There are two possible methods for pursuing Research and Development. (A) The first method is to directly recruit individual companies through a coordinated, continual process identical to the process just described. The second method, which is preferred, is (B.) to form a partnership or consortium.

Fundamental to R & D recruitment activity would be to:

- ✓ Establish a "blue ribbon" committee, composed of City or regional interests.
- ✓ Establish a relationship with one or more higher education institutions.
- ✓ The local community college or other higher education interest could be sought as the entity to coordinate a consortium.

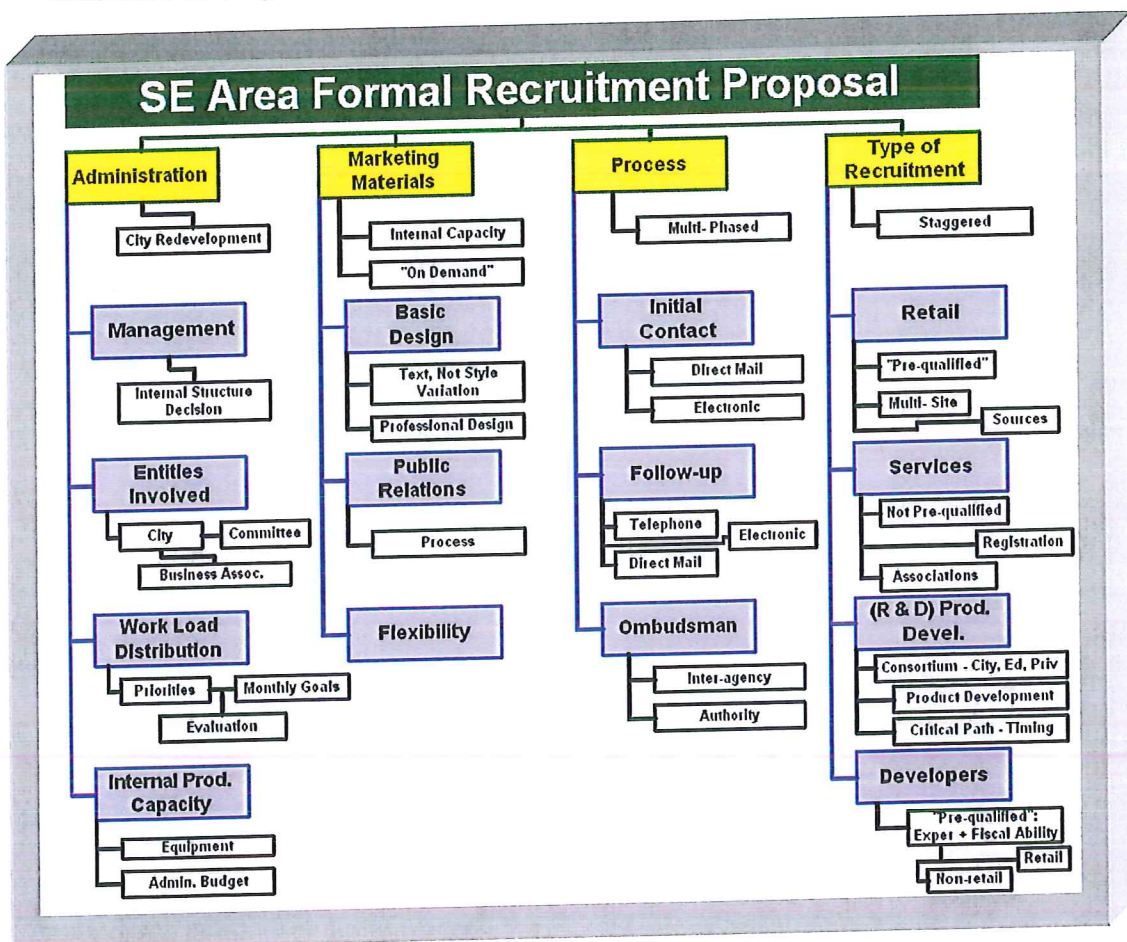
This partnership is suggested because:

- ✓ It can help to form and solidify a partnership between the Federal, State, and City levels of government, insuring greater contact than now occurs and expanded relationships.
- ✓ It may help to expand local higher education opportunities, potentially giving the City greater visibility that might help to increase the proportion of residents seeking higher education and keep those that do within the community.

- ✓ It potentially brings in larger interests and dollars.
- ✓ It has staying power, likely to be around for at least fifteen to twenty years. (Often research, if and when it turns into product "development," takes fifteen or more years.)
- ✓ It is likely to yield, at present and in the future, high levels of employment for highly-skilled individuals, increasing the potential to expand a "permanent younger resident" base.
- ✓ The approach has proven to be successful elsewhere.

It is suggested that the City pursue the following consortium involving:

- ✓ Either a major new or existing regional, national, or international higher education institution along with involvement by a local community or other college.
- ✓ The focus of research should be in one or more of the noted areas and into products or product research and development unlikely to yield a private sector "return" for 10 to 15 years.
- ✓ Because of the high costs and time frame for success with R & D activity in particular, the consortium approach might also require one or more partner companies along with one or more universities to share research.
- ✓ State and Federal government funding and involvement are likely.



Entrepreneurship/Apprenticeship

Creating new ownership for existing and new businesses and franchises through entrepreneurship is both an adjunct and an alternative to recruiting new activity.

An entrepreneurship program, with an apprenticeship component, serves dual purposes of potentially leading to replacement of current owners as they retire and increasing business development opportunities for existing residents. It can be effectuated through community colleges, technical-oriented higher education schools, and other colleges in the larger Indiana area. Relationships with the institutions could be established on a one-to-one basis or collectively through one catalytic institution.

Through the institution or institutions:

A. Students can be identified with potentially entrepreneurship profiles and interests.

B. A "training" process could be developed that would include:

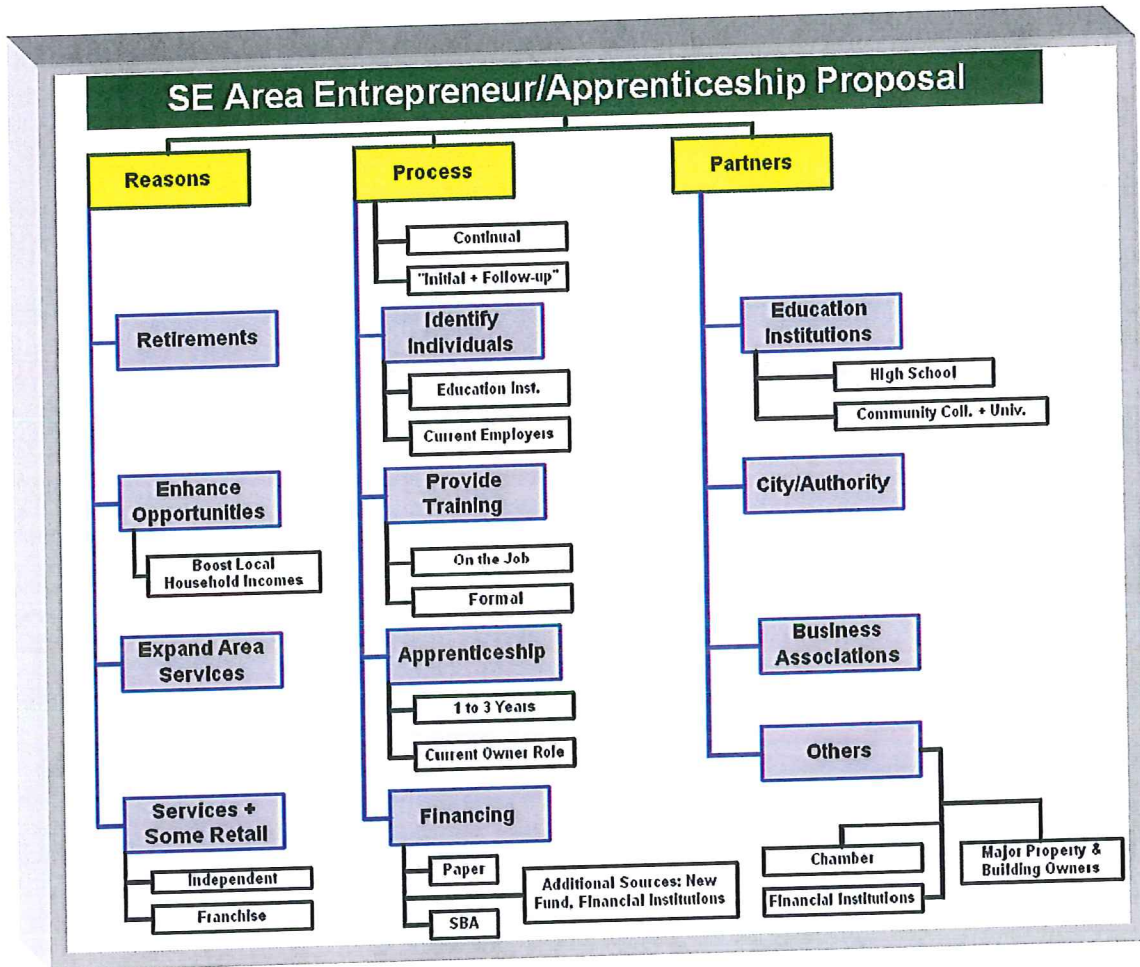
- ✓ Certain business curricula courses.
- ✓ An internship with introduction and at least part-time work while attending school or training.
- ✓ An apprenticeship of 1 to 3 years working and learning in the businesses.
- ✓ Purchase, with previous ownership staying in some capacity for 1 to 2 years, where applicable and possible.

C. Business scholarships to attend business management courses, acquire specific skills, or acquire entrepreneurship skills could be arranged through cooperative partnerships. These partners could sponsor student apprenticeships, assist with financial planning, assist with housing, sharing of needed equipment through incubator activity if appropriate, and procure resources for the purchase and financing of businesses if dealing with existing operations and change of ownership.

D. Current owners of operations could also identify current employees with potential.

It is noted that in many cases, a shift in ownership can and will likely be financed internally by the current ownership holding or taking "paper."

Such a program can also be used as an Incentive for enhancing income and adding households to the area. The individual program participant could be required to live in the Southeast area for a period of time, possibly ranging from 3 to 5 years, as part of their contribution to building the community.



Formation of a Public-Private Partnership Committee

Essential to expanded commercial success is the establishment of enhanced cooperation, leveraging, and programming with private sector interests in the Southeast area. It is suggested that a committee be established to assist with enhanced relationships between the two dynamic economic development forces.

The proposed public-private partnership can play a strategic role and have multiple purposes including:

- ✓ Increasing investment leverage to the advantage of both sectors. (The City has spent substantial resources in building new educational facilities and many other community facilities. These are substantial and high quality facilities. In addition, other public infrastructure has been built, rebuilt and enhanced in sections of the Southeast area. Yet, little private investment occurred immediately around or near such facilities, mitigating some of the potential benefits.)

- ✓ Providing or injecting quality opinions and direction from an alternative view or alternative views of proposed plans for the Southeast area.
- ✓ Contributing to the proposed alternative funding mechanism. (To be explained)
- ✓ Assisting with business and developer recruitment, including but not limited to playing the role of "Ambassadors".
- ✓ Potentially being catalytic or facilitating the development of R & D activity in Ft. Wayne and the Southeast area.

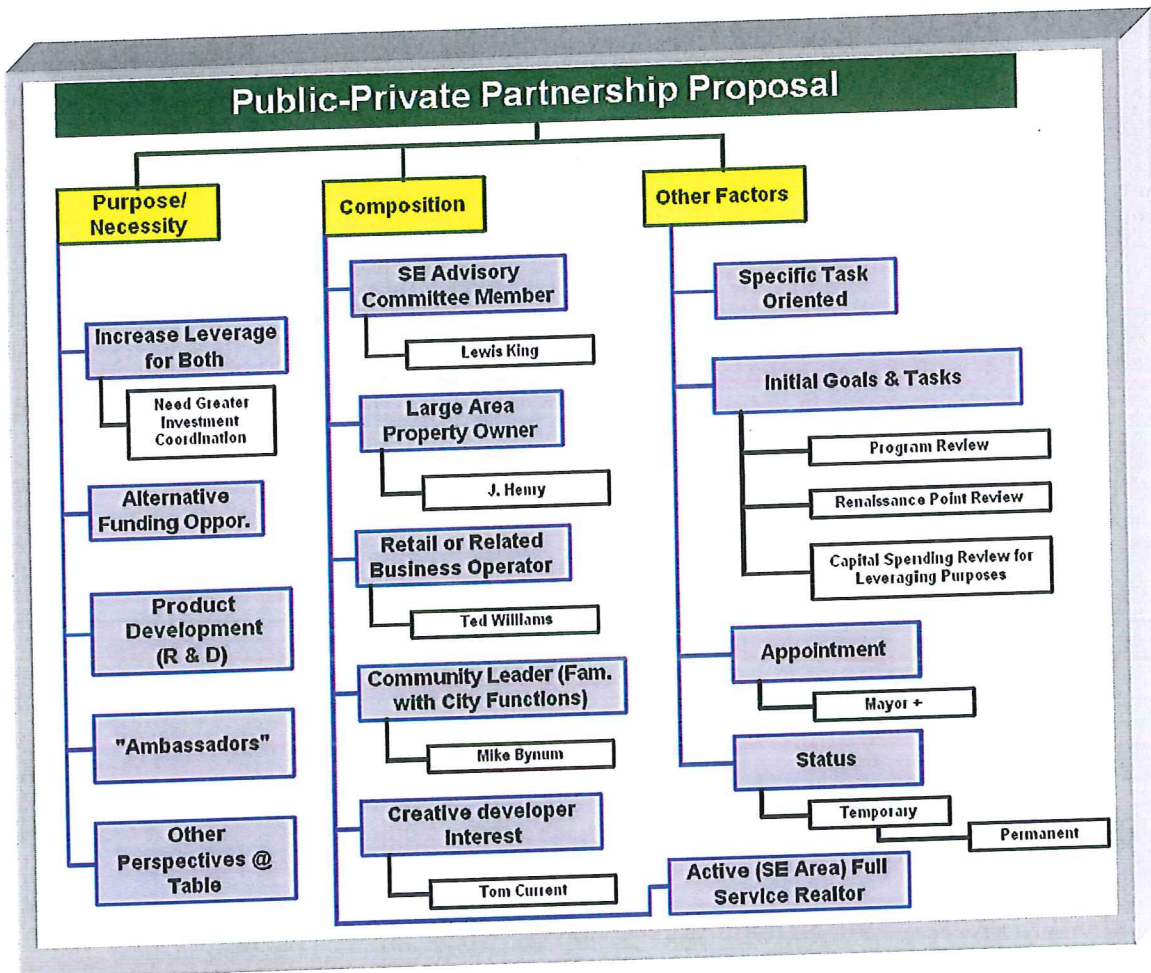
It is suggested that the private sector interests that will form the committee include:

1. A Southeast Advisory Committee member with a small business background.
2. A large or the largest private property owner in the area or their representative.
3. A franchise, national chain operator that has an establishment and quality investment in the area.
4. A community leader that understates the operations of the City and how it functions.
5. A creative developer interest, with a proven track record and interests in or near the Southeast area.
6. A full-service Realtor active in Southeast, preferably having an office in the Southeast area.

The following are additional factors for consideration in the establishment and effective use and operation of this proposed committee.

- ✓ Meetings of the committee should be largely focused on specific tasks, with goals and objectives that can be accomplished in a very finite time frame. Members should not be asked to come to meetings without defined objectives that can be accomplished.
- ✓ Some initial goals and tasks could include: Renaissance Point program; and capital spending familiarization and suggestions.
- ✓ The committee should be appointed by the Mayor, legislative branch of the locality, or other appropriate entity.
- ✓ The initial status of the committee is short-term, but the committee, group or an evolutionary mechanism of the committee could end up being a "permanent" structure. Such a structure could be a development corporation, a revenue or other authority, or any of a number of other potential classes of community-based or quasi-public organizations.

It is further noted that while priorities will be assigned, this public-private partnership committee as proposed has no "out-of-pocket" direct costs associated with it, is likely to be accomplishable in the shortest time frame of any suggestion, and is most important to private enhanced direction and leveraging for the Southeast area as it moves forward.



Targeting, Regulations & Policies Proposals

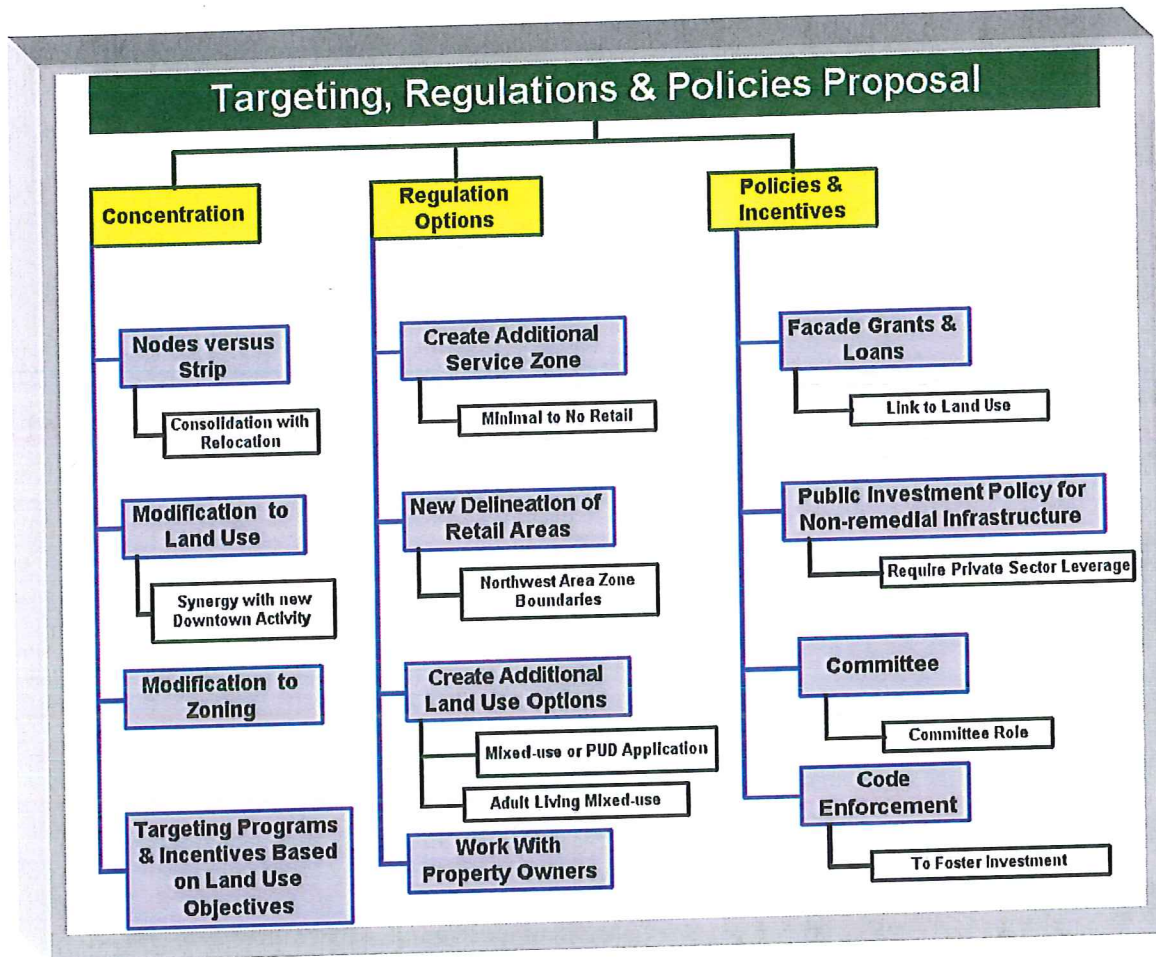
Fort Wayne has effectively taken actions to target program expenditures, actions, and investments to select geographic areas, with additional targeting within those geographic areas. This is a prudent step. It can be assumed that, for at least the next few fiscal years, resources available to the City will be even more limited than in the past.

Further limitations along with the need to focus retail in select areas within the Southeast versus promotion of continuing stripping out of retail will require changes to the Southeast strategy. The following are suggestions to procedures, regulations and other non-fiscal aspects of City government that facilitate taking advantage of the defined market opportunities.

- ✓ Planning for land use should focus on clustering or nodal relocation of retail into select areas, diminishing any and all incentives that support or facilitate strip development. Consolidation and relocation should be fostered.

- ✓ As depicted in the previously presented graphics, new site development of large tracts should have a preponderance of non-retail function and activity.
- ✓ The above actions may require modifications to existing zoning and creation of new mixed-use and service zones.
- ✓ All programs should be targeted to enhance proposed land use. As an example, the City has a façade program that provides matching grants to business operations within its targeted areas, including those within the Southeast area. Further refinement or consideration should be given to limiting grants to retail operations in areas where retail is sought, desired, and expected to be focused in the future. Program benefits can still be made to other businesses, as appropriate to use and activity sought, for services, light industry, etc. in the “non-retail” sections Southeast target areas.
- ✓ Non-remedial public policy infrastructure placement policies should be changed to require leverage by the private sector. This would be much like the current façade grant program operated by the City. Where streetscape and related activity is being done that went beyond routine maintenance, such activity would occur only if there are firm commitments by businesses and/or property owners to match such non-remedial infrastructure expenditures by at least an equal amount in the businesses or buildings.
- ✓ Current code enforcement along with the taxing structure provides no incentive for either the current property owners to invest or sell “distressed” properties. As income declines, non-residential property owners appeal their assessments and diminish out-of-pocket costs. In addition, codes are not enforced to the same extent on vacant properties as they are on occupied properties. The latter is a question of policy that could be changed. If all codes were enforced on vacant properties, there would be an increased probability of investment and attempts to lease property if even at initial terms are “below cost” or for property owners to sell the properties to another party that would make such investment. Consideration should be given to uniform code enforcement to mitigate distress on the neighborhoods. This could be an extremely effective tool in filling vacant space and shifting priorities from “short-term” return to “longer-term” return that would benefit the Southeast area.

Existing property owners in the area should be involved with proposals as they are put forth to modify the economic structure and land use patterns. This again could be facilitated through the proposed public-private partnership committee. It is noted that this may be one of the best times for “planning” in recent years. Current market conditions has slowed development, providing a “window” in which to operate where assumptions that impact the process are relatively stable.



Additional Funding Option

For economic development purposes, the private sector is often not tapped to its full potential as previously defined. When it is tapped, the public sector is often looking for the types of previously noted leverage or contributions or donations. New funding or establishing different priorities could play an important role in effectuating change for both the Southeast and the greater Fort Wayne areas.

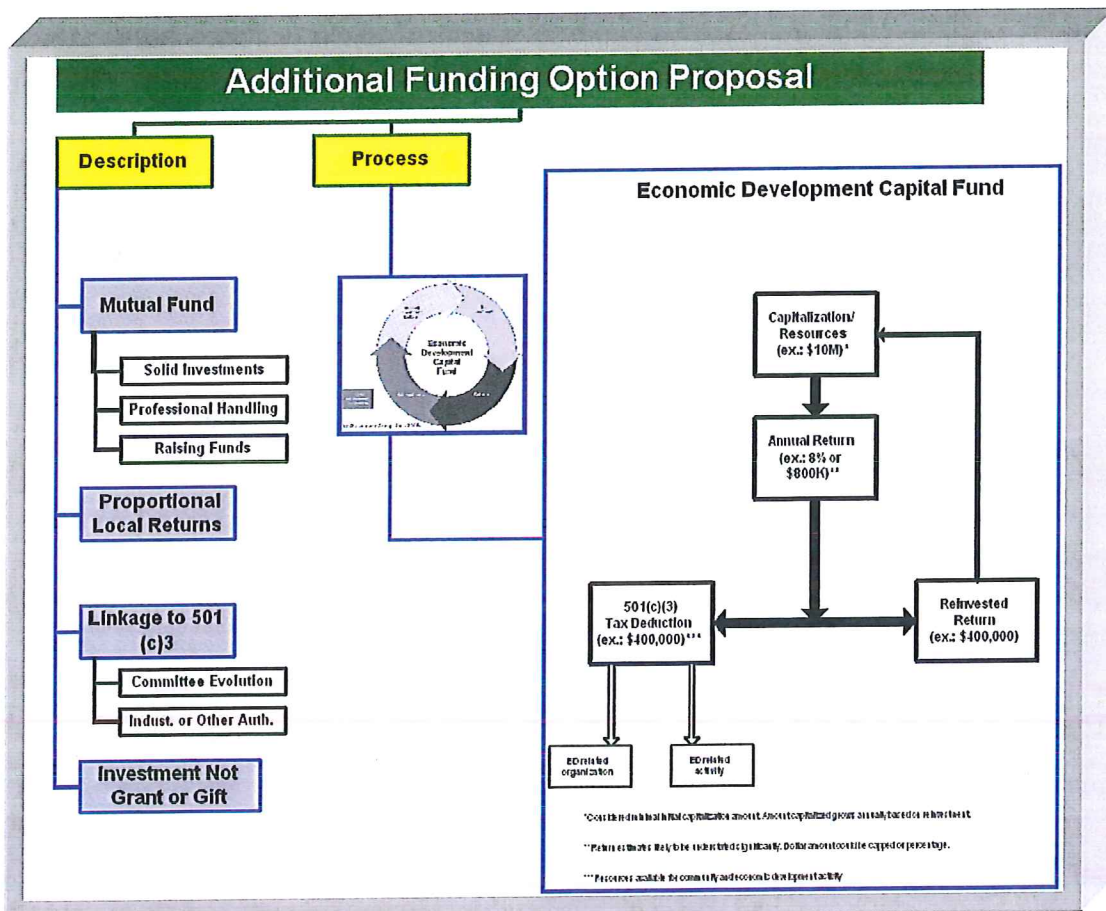
Furthermore, while it is recognized that the past year and potentially this year are difficult times for investments of all types and all capital markets and whether the markets will recover this year, next, or in the next couple of years; they will stabilize and begin providing positive returns again if history is any indication. This is an appropriate time to begin planning for benefiting from that stabilization and reversal.

Funding will be required for a number of the components of the strategy. While public grants and resources can be sought, the resources available in the private sector community far exceed those in the public sector. It is suggested that Fort Wayne, with perhaps the assistance of the County and the other nearby municipalities, counties and regional entities pursue an "Economic Development Capital Fund" in concept that is similar to that which follows.

- ✓ An Economic Development Capital Fund would be identical to any traditional "mutual fund," with a few critical exceptions. The fund would be established by and as part of any traditional brokerage or mutual fund manager, such as T. Rowe Price, Vanguard, American Century, etc. Money is invested, not "given" to the fund. It can be removed by the individual investors after a set time frame or at any time and replaced or additions made by other investors' funds. However, unlike other funds, a proportion of the annual earned income is "given" to a designated 501(c)(3) organization that would invest the money in economic development activity in the area. The investor would get an annual tax deduction for the contribution as well as the return on the remainder or majority not given to the tax exempt entity.

While the amount of direct funds reinvested would be lower than in a traditional fund, the total "return" is only marginally different because of the accrued tax benefit.

In the illustration that follows, a "capitalization" of \$10 million is used. These funds could come from individual investors, corporate interests, pension funds, private pension resources, etc. The illustration assumes an annual return of 8%, which is likely to be below that achieved over an extended time frame.



Next to each "Component" in the above graphic can be found a number ranging from 1 to 5. These numbers indicate the order of priority, with 1 being the highest. However, in this case the "priority" ranking is not based upon that which is most important, but that which can be accomplished quickly with little or no out-of-pocket additional cost to the City.

The following table provides a synopsis of the proposed program components. Estimated time frames for implementation are noted. Short-term is defined as being less than 2 years. Mid-term is defined as two to five years. Long-term is longer than five years. It is noted that those elements defined as being prioritized as "1" can be accomplished within a much shorter time frame, most likely for many in less than six months or one year. Furthermore, the table also contains what are preliminary out-of-pocket costs associated with the elements as well as some suggested evaluative criteria or measures that can be applied to determine whether or not the program is being effectuated or is effective as appropriate to the element.

Table 62 – Synopsis of Proposed Elements to Facilitate Enhanced Retail for the SE Area*

Element	Description	Priority	Time Frame	Out-of-Pocket	Eval. Measures
Adding Households	Necessary to preserve and enhance the market for retail	3	Short thru Long term	Could require substantial public injection of funds	# of housing units produced in general
	"Ren. Point" back on track	1	Short	Could involve further injection of funds to adjust price point	Development of new marketing program; addition of private developer with financial stake; 25 new houses in two to three years
	Develop Large scale sites	2	Short to mid	\$10,000 to \$35,000	RFQ/RFP for Developers; Selection of Developers
	Infill	2	Short to mid	See above	RFQ/RFP for Master Developer; Selection of Developer; 10 to 20 units in 3 Years
Business & Developer Recruitment	Formal Recruitment Process	2	Short to mid	\$10,000 to \$35,000 in materials or assistance	Number of contacts and deals brokered over time
	Define Administration	1	Short	None	Define Structure
	Formalize Process	1	Short	None	Define Structure
	Set Quantitative Goals for Contacts	1	Short	None	Define Structure

Table 62 – Synopsis of Proposed Elements to Facilitate Enhanced Retail for the SE Area Cont.*

Element	Description	Priority	Time Frame	Out-of-Pocket	Eval. Measures
	Develop Materials	1	Short	\$3,000 to \$10,000	Completion of material format and initial focus
	Development of Contact Lists	1	On-going; Initial in 6 Months	\$0 to \$3,000	Lists for priority areas of recruiting, such as select retail, developers, etc.
	Contacts	2	Short and then on-going	Max. \$2,000 for mailing mass, Lesser if pre-screening	Set amount, such as 100 per month if pre-screening or 1,000 if mass.
	Partnership for R & D	2	Mid to Long	None	Formation of Regional Committee; Effective discussions with outside interests
Entrepreneurship		5	Long	None, except potentially when finalizing purchase of business by entrepreneurs	Program Established and Businesses successfully changing hands
	Obtain Interest of higher education institution as coordinator	2	Mid	None	Task accomplished
	Develop Workable Program	3	Mid	None	Task accomplished
	Identify and Recruit Interested Parties and Businesses	3	Mid	None	Task accomplished
	Initiate and maintain activity	5	Long	None, except potentially when finalizing purchase of business by entrepreneurs	Multiple operations changing of hands, but at least four to five years away from early formation efforts.
Formation of Public-Private Partnership Committee	Committee to Input Planning & Reinvestment & Enhance Leverage	1	Short, within two months	None	Formation of the committee and effective use as described in text

Table 62 – Synopsis of Proposed Elements to Facilitate Enhanced Retail for the SE Area Cont.*

Element	Description	Priority	Time Frame	Out-of-Pocket	Eval. Measures
Targeting, Regulations and Policies Proposals	Refine Targeting of Programs, Set new Policies for Leveraging, Additional Planning, Policy Changes for Enforcement of Certain Regulations	1	Short to mid	None that is not programmed in Capital Budget	Changes in structure for each individual piece; At least equal matching of private dollars to public dollars as appropriate
	Clustering	1	Short to mid	None	Not app.
	Site Concepts for Larger Tracks	1	Short to mid	None	Not app.
	Non-remedial streetscape match	1	Short	None	Change in policy
	Code enforcement usage	1	Mid	None	Change in policy and procedures
Additional Funding Option	Creation of a private Sector Generated Funding Mechanism and a Non-profit Implementation Tool	4	Mid to long	None	Creation of fund or similar mechanism with at least 41 million equity
Internet Retail		3		Unknown; Assure high speed internet access & none for cooperative effort	
	Establish Cooperative Marketing via internet for smaller independent retail operations in area	3	Mid	None	Establishment of a sustained cooperative effort

*Developed by The Chesapeake Group, Inc., 2009.