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# Retail Impact Study Proposed Oak Hills Marketplace City of Yucaipa

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Prepared for:

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September 1, 2006

SRHA JOB #1129

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## CHAPTER 1 INTRODUCTION AND SUMMARY

### 1.1 Overview

This report examines the impact of the proposed Oak Hills Marketplace project in the City of Yucaipa on existing and future retail stores and centers within the City's trade area. The central concern of this study is to determine whether the opening of the Center would likely cause "urban decay" in the trade area. The findings are summarized as answers to a set of questions relating to the potential for the proposed project to generate adverse economic impacts that will in turn lead to "urban decay", that is a "downward spiral of store closures and long-term vacancies."<sup>1</sup>

The analysis has been conducted for a trade area that includes the whole City of Yucaipa, and portions of the cities of Calimesa and Redlands, and portions of unincorporated San Bernardino County. The trade area was defined by assembling census tracts intersecting a 5-mile ring from the proposed project site. The supply of existing retail stock as well as current vacancy rates were surveyed within the trade areas. Retail sales trends are presented for Yucaipa and nearby cities, and the counties of Riverside and San Bernardino. In addition to estimating the future supply of retail space from projects planned for the short-term (2005-2010) and long-term (2005-2020), demand for retail space was calculated based on the existing demographics and projections of growth for the trade area. The demand for future retail space was estimated based upon an analysis of retail expenditures of existing and projected residents in the trade area.

### 1.2 Project Description

The Oak Hills Marketplace project consists of approximately 61.33 acres of commercial development and 2.33 acres of road right-of-way/ dedication. The total 63.66 acre site is located at the southeast corner of Interstate 10 and Live Oak Canyon Road in the City of Yucaipa, as shown in Figure 1-1. The site is relatively flat, with a gentle slope towards the west and moderately steep slopes ascending to the south. Wildwood Creek and adjacent hillsides define the site's southern boundary.

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<sup>1</sup> As cited in the *Bakersfield Citizens for Local Control v. City of Bakersfield* (2004) 124 Cal. App 4<sup>th</sup> 1184.

Oak Hills Marketplace is proposed as a commercial development of approximately 665,376 square feet of building area. The Center's location at the primary gateway to the City, when combined with high freeway visibility and freeway access from east and west travel directions, provides an ideal setting for a regional commercial center with nationally known anchor tenants.

Figure 1-1  
Oak Hills Marketplace: City of Yucaipa  
Proposed Project Site Location



Source: Stanley R. Hoffman Associates, Inc.  
Google Earth™ Mapping Service

The anchor tenants, in turn, will attract other high quality tenants to the center. It is anticipated that Oak Hills Marketplace will act as strong, sub-regional retail center for the City of Yucaipa and provide goods and services, employment opportunities and sales tax revenue not presently available in the City. Table 1-1 presents a detailed breakdown of the expected development of the proposed project.

Table 1-1  
Oak Hills Marketplace  
Project Description

Major Tenants	GLA
Target	185,079
Costco	149,776
Cost Plus	18,200
Best Buy	29,665
Bed Bath & Beyond	28,500
Pets Mart	20,067
Michaels	22,562
Office Depot	20,000
Sports Mart	36,000
Peir 1	10,000
Other Stores	<u>95,692</u>
<b>Total Retail GLA (SF)</b>	<b>615,541</b>
<b>Cinema</b>	<b>44,835</b>
<b>Bank</b>	<u><b>5,000</b></u>
<b>Total Center (GLA)</b>	<b>665,376</b>

Source: Stanley R.Hoffman Associates, Inc.  
Michael Brandman Associates

### 1.3 Summary of Findings and Conclusions

The retail impact analysis of the proposed Oak Hills Marketplace addresses a set of questions as to whether the proposed project would likely generate adverse economic impacts that would lead to “urban decay”, i.e., “a downward spiral of store closures and long-term vacancies.”

1) *What is the present state of retail activity in the area surrounding the location of the proposed project?*

- There is strong demand for retail within the trade area of the proposed Oak Hills Marketplace.
- Per capita retail sales comparisons indicate a net leakage of retail spending from the City of Yucaipa.
- The leakage is particularly acute in the Apparel, General Merchandise, Home Furnishings and Other Retail Stores categories.
- Vacancy rates in shopping centers in the City of Yucaipa and in the 5-mile trade area are estimated to be low at about 3 percent, indicating strong demand for competitive retail space.

2) *What stores and centers would compete with the proposed project?*

- The proposed project is predominantly regional in character. It is likely to compete with centers located nearly 10-miles away in Redlands, Beaumont and Moreno Valley. These centers are currently drawing retail spending from Yucaipa.
- The Yucaipa Valley Center, which contains a Ross and Vons store, would compete with the proposed project. However, the projected increase in household retail spending from population growth in the 5-mile trade area would keep overall retail vacancies low.
- While the Uptown Business District in Yucaipa would likely experience some retail impact, this area does not serve a regional market and does not provide the same range of goods and services as the proposed project; redevelopment and revitalization efforts would still be important in the Uptown district to maintain its specialty retailing, services, and pedestrian oriented character.
- There would be some competition with existing food stores located in the trade area, such as the Stater Bros and Vons markets. However, based on our projections, there is enough projected growth of demand in the trade area to support the food component of the proposed project without substantial adverse impacts on existing food stores.

- In the longer-term, the Freeway Corridor Specific Plan in Yucaipa and the Summer Wind Specific Plan in Calimesa are being planned for additional retail space, but the level of development with both specific plans is too speculative at this time to prepare any quantitative projections, and to our knowledge no concrete retail proposals have yet been brought forward for either area.

3) *Is retail activity strong or weak within the City of Yucaipa and the 5-mile Trade Area?*

- The current outflow of household retail expenditures, the low retail vacancy rates and the development and rapid lease-up of new centers, illustrate that retail market activity in the City of Yucaipa and the 5-mile trade area is currently strong.
- The trade area is deficient in significant regional and community serving categories, such as general merchandise, apparel, furniture and furnishings and specialty retail stores.
- The commercial vacancy rates in the trade area are low, at about 3 percent, for the fourteen centers that were surveyed. Overall, food stores have less than a 5 percent vacancy rate.

4) *Will the proposed project lead to store closures and an increase in commercial vacancies?*

- While some older and less well located stores may experience competition and some short-term loss in retail sales, the substantial growth in the projected household retail expenditures that is not being captured in the trade area indicates that the proposed project will not likely result in any significant persistent retail vacancies.

5) *Will any projected increases in retail vacancies lead to “urban decay?”*

- Based upon our projections of retail demand in the 5-mile trade area, any increases in retail vacancies are likely to be short-term and not lead to “urban decay”.
- While Specific Plan efforts underway in Yucaipa and Calimesa have the potential to accommodate more retail development, their likely effects are uncertain at this time and each of these Specific Plans will also require their own CEQA process.
- Strong existing and projected future household retail demand indicate significantly more retail development than the proposed project could be absorbed in the trade area over 2005 to 2020.
- Based upon the data compiled and the analysis performed by the consultants, there is no support for the conclusion that the proposed project would lead to “urban decay.”

## 1.4 Organization of the Report

This report is organized as follows:

Chapter 1. Introduction and Summary

Chapter 2. Methodology; describes the steps involved in the retail impact analysis, including definition of trade area geographies, assembly of demographic data, collection of market data, and estimation of the demand and supply scenarios for retail space over the short-term (2005 to 2010) and the long-term (2005 to 2020).

Chapter 3. Demographic and Economic Profile of the Market Area; presents the underlying demographic and economic changes in the market area that result in the future retail space demand scenarios. This includes socio-economic data from the U.S. Census Bureau (2000) and SCAG (2000 to 2020) for the trade area.

Chapter 4. Competitive Retail Context; examines taxable retail sales trends within the market area. The retail inventory data includes existing floor areas and vacancy rates in the trade area, and information on under construction, planned and proposed retail developments.

Chapter 5. Retail Impact Analysis; this chapter shows the calculations and results of the retail impact analysis over the short-term (2005 to 2010) and long-term (2005-2020).

Appendices.

- *Appendix A.* Allocation of Census Tracts to the Trade Area
- *Appendix B.* Adjustment to SCAG RTP 2004 Households in 2005
- *Appendix C.* Household Income Allocation by Census Tracts to the Trade Area
- *Appendix D.* New Retail Development in the Trade Area
- *Appendix E.* List of Contacts and References

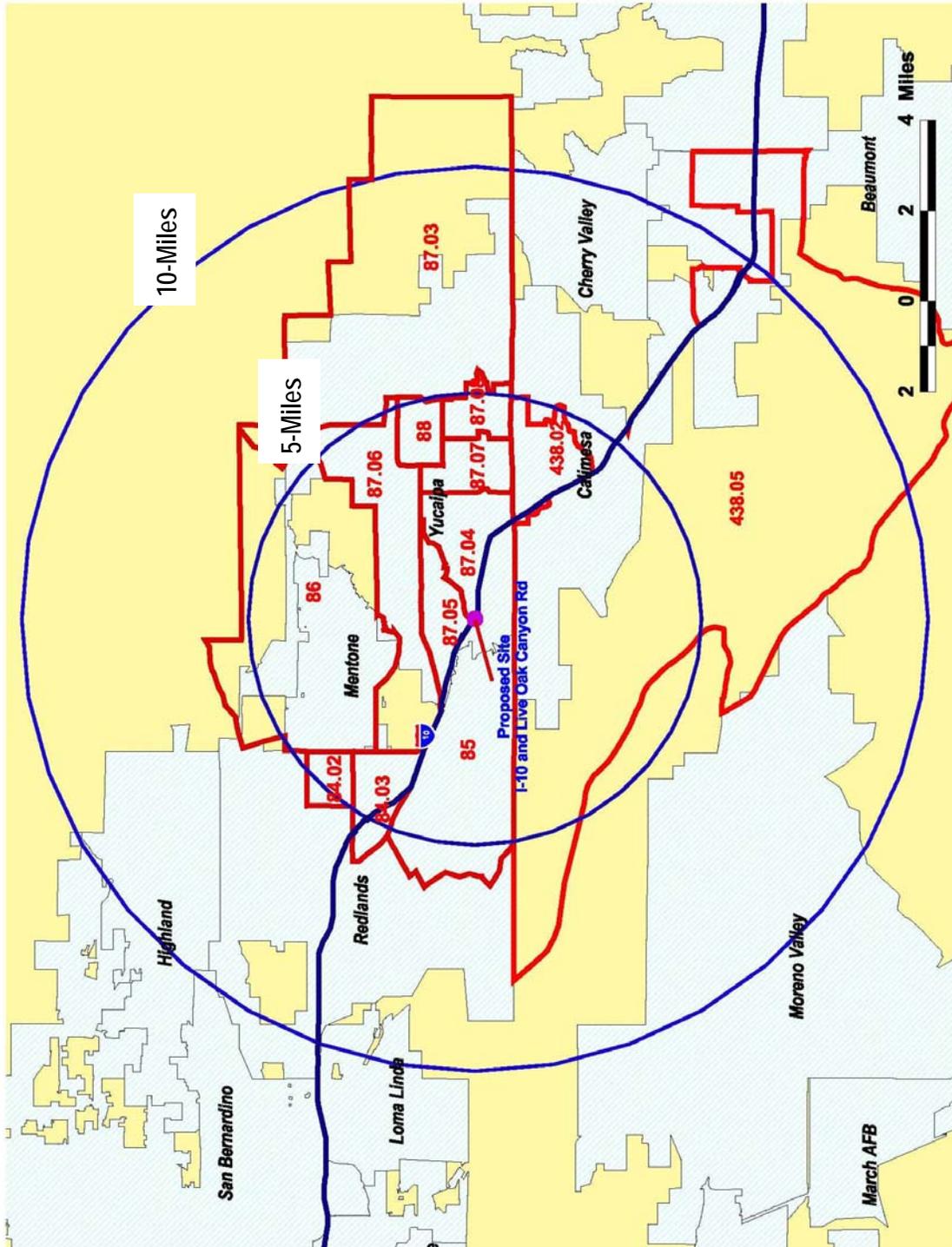
## CHAPTER 2 METHODOLOGY

This chapter estimates future demand for retail space from household-generated retail expenditures for 2005-2010 (short-term) and 2005-2020 (long-term) and the supply of new retail space in these projection years. The analysis compares the demand and supply quantities to make informed judgments on the impact of the opening of the proposed Oak Hills Marketplace on the retail inventory within the 5-mile Trade Area. The steps involved in this analysis include; 1) the definition of the Trade Area, 2) an assessment of existing retail stock; 3) the estimation of future retail space demand by sources of demand; 4) an assessment of future retail supply; and 5) the estimated quantitative and qualitative impacts.

### 2.1 Definition of Trade Area

- The present study analyzes the retail impact of the proposed Oak Hills Marketplace within its competitive trade area. Trade area is defined based on the distance that someone might typically travel to make retail purchases at a regional or community shopping center.
- The Oak Hills Marketplace will largely contain regional and community retail uses, as well as a large grocery component.
- In retail market analyses, 5 miles is commonly used to define the primary trade area in a suburban setting. A rule-of-thumb is that 80 percent of a regional center's patronage would come from the primary trade area. For community and regional centers, such as the proposed Super Target within the proposed Oak Hills Marketplace, a typical area for retail demand is a 5.0-mile radius from the subject site. This distance will fluctuate depending on levels of urbanization and accessibility in the area.
- The trade area for the retail analysis is generally defined by assembling census tracts that either lie partially or entirely within a distance of 5 miles of the proposed project, as shown in Figure 2-1.
- From the above, the trade area includes all the census tracts comprising the City of Yucaipa, and selected census tracts in the cities of Redlands and Calimesa, and the unincorporated community of Mentone.
- Further, in some cases, only selected portions of those census tracts that are distributed across more than one jurisdiction have been included in the study trade area. For example, only the Yucaipa portion of census tract 87.03 and only the Calimesa portion of census tract 438.05 have been included in the trade area.

Figure 2-1  
 Oak Hills Marketplace  
 Trade Area Census Tracts



Source: Stanley R. Hoffman Associates, Inc.

## 2.2 Inventory of Existing Retail Stock and Vacancy

Existing retail supply and vacancy rates were examined for the 5-mile trade area of the proposed project. The Shopping Center Directory and a shopping center database provided by CB Richard Ellis were used to generate a preliminary list of centers within the trade area, as referenced in Appendix E. Stanley R. Hoffman Associates then met with City staff to refine the list and visited all of these centers within the trade area during July-August, 2006 to confirm anchor tenants, gross square footage of the center, vacant square footage and a qualitative assessment of condition.

## 2.3 Future Competitive Retail Supply

Future levels of retail-space supply for conducting the impact analysis over the short-term (2005 to 2010) and long-term (2005 to 2020) have been projected. This involved preparing an inventory of competitive retail developments that are either currently under construction or planned within the trade area.

## 2.4 Estimate of Retail Sales Trends for Primary Trade Area

In order to measure current taxable retail sales trends in the trade area, taxable sales data from the California Board of Equalization for 1994 and 2004 was compiled for Yucaipa and neighboring cities, as well as the counties of San Bernardino and Riverside.

## 2.5 Historic Demographic Characteristics and Future Growth

Population, household and employment data was assembled for historic years. Demographic data for 1990 and 2000 was collected from the U.S. Bureau of the Census. Population and household data for Yucaipa, Calimesa and Redlands for 2005 and 2006 was compiled from the California Department of Finance (DOF). Growth projections from 2000 to 2020 for the trade area were prepared by adjusting the SCAG RTP 2004 projections to account for the 2005 population estimates as published by the California Department of Finance.

## 2.6 Estimate of Current and Future Retail Demand by Primary Trade Area Residents

The total amount spent on various kinds of retail purchases by residents within the trade area was generated by multiplying an estimate of retail purchases per household by the total number of households. Retail expenditures per household vary according to household income and household size. The household spending estimates were generated by using a model of consumption patterns that was derived from U.S. Consumer Expenditure Survey data. These were converted into

estimates of average household retail spending by store category by using data from the U.S. Census of Retail on merchandise line by store type.

## 2.7 Potential Impact of Proposed Project on Retail Vacancy

The final stage of the analysis in this study involves a projection of the likely impact of the proposed project on the state of demand and supply, and an examination of whether the impacts of the proposed project would in turn have adverse physical environmental impacts (“urban decay”) by causing high and persistent retail vacancies. While the phenomenon of urban decay is not defined under CEQA, it is reasonable to assume that it includes significant physical deterioration of structures and/or their surroundings.

The analysis presented in this report is based upon the premise that such deterioration occurs when property owners reduce property maintenance activities below that required to keep such properties in good condition. Property-owners are likely to make such reductions in maintenance activities under conditions where they see little likelihood of future positive returns from such expenditures.

Where vacancy rates are low and/or are short lived, property owners are more likely to see the prospect of keeping properties leased-up at favorable rents. Commercial vacancy rates under 5 percent are often assumed as “frictional”, i.e. the level expected in a healthy market. Short-term vacancies of up to one year are also not uncommon in retail properties. A retail space often remains unoccupied for such periods during lease-up and installation of tenant improvements and move-ins.

Where vacancy rates are high and are persistent, property owners are more likely to have a pessimistic view of the future and be prone to reducing property maintenance as a way to reduce costs. Certainly most knowledgeable observers would agree that very high vacancy rates (say over 25 percent) that persist for very long periods of time, for example, for multiples of years are more likely to lead to reduced maintenance and in turn to physical deterioration.

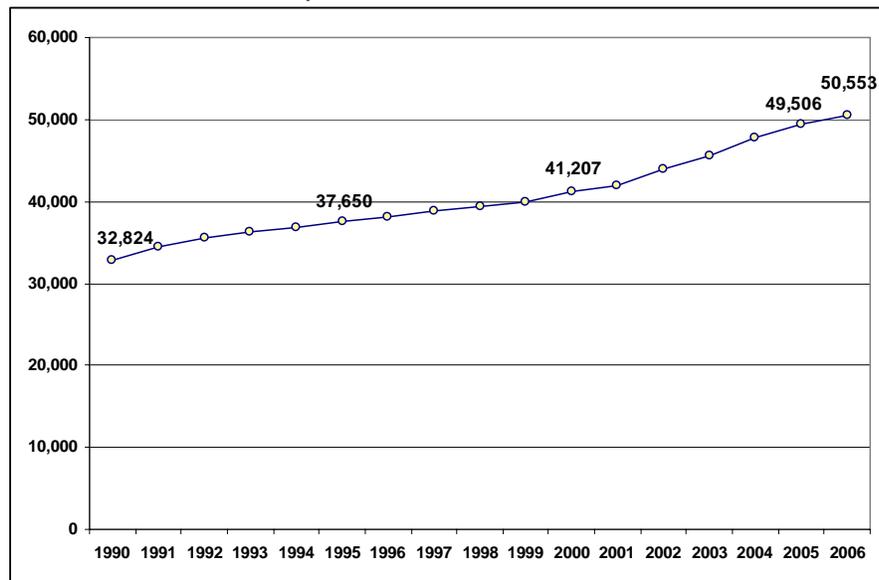
Whether or not conditions in between those discussed above (i.e. moderate vacancy levels that persist for moderately long periods of time) are likely to lead to “urban decay” depends on many factors including the financial strength of existing tenants and landlords, the profitability of existing stores, and the potential for conversion to another land use or mixture of land uses.

## CHAPTER 3 PROJECTED TRADE AREA GROWTH

### 3.1 Population and Households

- As shown in Figure 3-1, population in the City of Yucaipa grew from 32,824 in 1990 to 41,207 in 2000, representing an increase of 25.5 percent.
- According to the California Department of Finance, in January 2006, the City's population was estimated at 50,553, a growth of 22.7 percent over 2000.
- Table 3-1 compares population and household growth from 1990 to 2005 in Yucaipa, Redlands and Calimesa as well as a three city total.
- Population in the Three Cities sub-region grew from 97,865 in 1990 to 127,478 in 2005.
- The population of the City of Yucaipa in 2005 comprises about 38.8 percent of the Three Cities Total, up from 33.5 percent in 1990.
- As shown in Table 3-1, population and households in Yucaipa grew at a faster rate than the overall Three Cities region from 1990 to 2005, and comprised almost 56 percent of the total population growth during this period.

Figure 3-1  
City of Yucaipa  
Historic Population Growth Trends: 1980 - 2006



Source: Stanley R. Hoffman Associates, Inc.  
California Department of Finance

Table 3-1  
Population and Household Growth: 1990 - 2005

	1990	2000	2005	Numerical Change: 1990 - 2005	Percent Increase: 1990 - 2005	Average Annual Growth: 1990 - 2005
<b>Population</b>						
Yucaipa	32,824	41,207	49,506	16,682	50.8%	2.8%
Redlands	60,394	63,591	70,490	10,096	16.7%	1.0%
Calimesa	<u>4,647</u>	<u>7,139</u>	<u>7,482</u>	<u>2,835</u>	<u>61.0%</u>	3.2%
Three Cities Total <sup>1</sup>	97,865	111,937	127,478	29,613	30.3%	1.8%
<i>Yucaipa as % of Three Cities Total</i>	<i>33.5%</i>	<i>36.8%</i>	<i>38.8%</i>	<i>56.3%</i>		
San Bernardino County	1,418,380	1,709,434	1,950,806	532,426	37.5%	2.1%
Riverside County	1,170,413	1,545,387	1,888,311	717,898	61.3%	3.2%
<b>Households</b>						
Yucaipa	13,319	15,193	17,246	3,927	29.5%	1.7%
Redlands	21,985	23,593	24,729	2,744	12.5%	0.8%
Calimesa	<u>1,879</u>	<u>2,982</u>	<u>3,025</u>	<u>1,146</u>	<u>61.0%</u>	3.2%
Three Cities Total <sup>1</sup>	37,183	41,768	45,000	7,817	21.0%	1.3%
<i>Yucaipa as % of Three Cities Total</i>	<i>35.8%</i>	<i>36.4%</i>	<i>38.3%</i>	<i>50.2%</i>		
San Bernardino County	464,737	528,594	569,043	104,306	22.4%	1.4%
Riverside County	402,067	506,218	598,032	195,965	48.7%	2.7%

1. Includes the Cities of Yucaipa, Calimesa and Redlands.

Source: Stanley R. Hoffman Associates, Inc.  
U.S. Census Bureau , SF-1, 1990 and 2000.  
California Department of Finance, 2005.

### 3.2 Projected Population, Household and Employment Growth: 2005 to 2020

Future demand for retail is largely dependent upon the future levels of retail spending by households residing within the trade area. Household spending on retail goods and services in turn depends on the market and characteristics of residents and households (primarily in terms of income and size). The growth in retail demand translates to growth in demand for retail space. A comparison of the relative growth of demand for retail space compared to the growth in retail supply forms an important component of this retail impact analysis.

Projections provided by the Southern California Association of Governments (SCAG) RTP 2004 have been used in this analysis to estimate growth of population and households within the competitive trade area of the Oak Hills Marketplace project. The projections for the trade area have been estimated by aggregating the SCAG RTP 2004 projections by census tracts. The 2005 SCAG households and population numbers have been adjusted to benchmark current estimates of population and household from the California Department of Finance (DOF).

The SCAG RTP 2004 projections for 2005 to 2020 were revised by adjusting the SCAG 2005 households to the estimates of households (occupied housing units) in 2005 for Yucaipa, Redlands and Calimesa per the DOF E-5 report, as shown in Appendix Table B-1. Revised household projections for 2010 and 2020 were reached by maintaining the growth increments from SCAG RTP 2004 over the 2005-10 and 2005-20 time periods over the adjusted 2005 household base.

#### City of Yucaipa

- The City of Yucaipa is projected to experience moderate growth in population, households and employment for the projected period of twenty years.
- As shown in Table 3-2, population is projected to grow from about 41,394 in 2000 to about 59,448 in 2020 at an average annual growth rate of 1.2 percent
- Households are projected to grow faster compared to the population from about 15,236 in 2000 to 22,341 in 2020, at an annual average growth rate of 1.7 percent.
- Employment in the City of Yucaipa is projected to grow from about 7,874 in 2000 to 12,468 in 2020, with an average annual growth rate of 2.3 percent.
- Persons per household are projected to decline from 2.87 in 2005 to 2.85 in 2010 to 2.66 in 2020.
- Jobs-per-household ratio are projected to increase slightly from 0.52 in 2000 to 0.56 in 2020.

#### 5-Mile Trade Area

- As shown in Table 3-2, population in the trade area is projected to grow from 75,490 in 2000 to 108,993 in 2020. This represents an average annual growth rate of 1.6 percent over the twenty-year period from 2000 to 2020.
- Households in the trade area will grow from 27,795 in 2000 to about 42,415 in 2020.
- The employment total in the trade area is also projected to increase from 17,589 in 2000 to 27,389 in 2020.
- Persons per household are projected to decline from 2.85 in 2005 to 2.80 in 2010 and 2.57 in 2020.
- Jobs-per-household ratio is projected to increase slightly from 0.63 in 2000 to 0.65 in 2020. These projected figures are higher than for the City of Yucaipa.

Table 3-2  
Oak Hills Marketplace  
Trade Area Demographic Growth Projections: 2005 – 2020

	2000	2005	2010	2020	2005-2010	2005-2020	2005-2020 Annual Average Growth Rate
<b>City of Yucaipa</b>							
Population	41,394	49,506	52,153	59,448	2,647	9,942	1.2%
Households	15,236	17,246	18,314	22,341	1,068	5,095	1.7%
Employment	7,874	8,824	10,130	12,468	1,306	3,644	2.3%
<i>Persons per Household</i>	2.72	2.87	2.85	2.66			
<i>Jobs per Household</i>	0.52	0.51	0.55	0.56			
<b>Trade Area</b>							
Population	75,490	86,341	92,014	108,993	5,673	22,653	1.6%
Households	27,795	30,281	32,917	42,415	2,637	12,134	2.3%
Employment	17,589	19,294	21,645	27,389	2,351	8,095	2.4%
<i>Persons per Household</i>	2.72	2.85	2.80	2.57			
<i>Jobs per Household</i>	0.63	0.64	0.66	0.65			

Source: Stanley R. Hoffman Associates, Inc.  
SCAG RTP 2004

### 3.3 Trade Area Household Income Projections

#### Methodology

- Average household incomes for 2005, 2010 and 2020 for the trade area were projected based on estimating the impact of new households entering the trade area over this time.
- The above involved estimating the average household income for the trade area in 2000, income growth trends from 1990 to 2000, and household growth projections over 2005 to 2020.
- Average household income for the trade area in 1999 (Census 2000) was calculated from the aggregate household income and total number of households of the census tracts comprising the trade area, as shown in Appendix Table C-1.
- Aggregate household income and number of households in Census Tract 438.05 and Census Tract 87.03 have been allocated to the trade area on a pro-rata basis, as shown in Appendix Table C-1.
- The average household incomes of existing households in the trade area were estimated in 2005 dollars based on the increase in the consumer price index of 22.1 percent from 1999 to 2005. This was estimated from an area consisting of the cities of Yucaipa, Redlands and Calimesa, as shown in Table 3-3.

- Average household incomes for 2005, 2010 and 2020 were calculated by taking into account the estimated income of new households projected to enter the trade area from 2005 to 2020, as shown in Table 3-4.

Table 3-3  
Oak Hills Marketplace 5-mile Retail Trade Area  
Distribution of Households by Census Tracts

	1999 Average HH Income <sup>1</sup>	
	1999 Dollars	2005 Dollars
Census Tract 438.02	\$44,254	\$54,025
Census Tract 438.05 <sup>2</sup>	\$40,427	\$49,354
Census Tract 84.02	\$69,294	\$84,595
Census Tract 84.03	\$77,247	\$94,304
Census Tract 85	\$114,775	\$140,119
Census Tract 86	\$51,508	\$62,881
Census Tract 87.03 <sup>3</sup>	\$77,013	\$94,018
Census Tract 87.04	\$45,978	\$56,131
Census Tract 87.05	\$48,313	\$58,981
Census Tract 87.06	\$58,529	\$71,453
Census Tract 87.07	\$36,891	\$45,037
Census Tract 87.08	\$55,505	\$67,761
Census Tract 88	\$45,989	\$56,144
<b>Retail Trade Area</b>	\$60,584	\$73,961
<b>Comparisons with Other Jurisdictions</b>		
Calimesa city	\$47,708	\$58,243
Riverside County	\$56,000	\$68,365
Yucaipa city	\$51,140	\$62,433
San Bernardino County	\$53,064	\$64,781
<b>CPI</b>	165	202
<b>CPI Factor</b>		1.221

1. Census 2000 SF3 reports aggregate income of households from the year 1999.
2. The Calimesa portion of Census Tract 438.05 has been included in the Trade Area.
3. The Yucaipa portion of Census Tract 87.03 has been included in the Trade Area.

Source: Stanley.R.Hoffman Associates,Inc.  
U.S. Census Bureau 2000, SF-3.

## Household Income Projections: 2000 to 2020

- As shown in Table 3-4, the estimated average household income in 2000 for the trade area was about \$74,000 in constant 2005 dollars.
- In comparison, the City of Yucaipa had a lower average household income of around \$62,400, in constant 2005 dollars.
- As shown in Table 3-4, new households entering the trade area were estimated to have an average household income of around \$107,400 in constant 2005 dollars.
- Accounting for the higher incomes of the new households entering the trade area, household incomes in trade area were projected to grow from about \$76,700 in 2005 to about \$79,200 in 2010 and about \$85,500 in 2020.

**Table 3-4**  
**Oak Hills Marketplace**  
**Trade Area Household Income Growth Projections: 2005 – 2020**  
(In constant 2005 dollars)

	Average HH Income	HH
<b>1990 (Three Cities)</b>	\$67,109	37,379
<b>2000 (Three Cities)</b>	\$71,337	41,765
1990 to 2000 Change		4,386
<b>Avg. HH Income of New Households</b>	\$107,369	
<b>Market Area 1999 HH Income in 2005 Dollars <sup>1</sup></b>	\$73,961	27,795
2000 to 2005 Increase SCAG 2005	\$107,369	2,486 30,281
<b>2005 Avg HH Income</b>	\$76,704	
2000 to 2010 Change SCAG 2010	\$107,369	5,123 32,918
<b>2010 Avg HH Income</b>	\$79,160	
2000 to 2020 Change SCAG 2020	\$107,369	14,620 42,415
<b>2020 Avg HH Income</b>	\$85,476	

1. Estimated from Census 2000 SF3 aggregated by census tracts.

Source: Stanley R.Hoffman Associates, Inc.

### 3.4 Trade Area Population Trends: 1990 to 2004

- As shown in Table 3-5, the population of Yucaipa grew at a 2.6 percent average annual growth rate from 1994 to 2004, similar to the growth rate for the Inland Empire.
- This was also relatively faster than the 2.0 percent average annual growth rate for the trade area cities over this same period.

### 3.5 Average Household Retail Expenditures

- The expenditure analysis for the trade area includes all merchandise categories based on an estimation of total sales, including both taxable and non-taxable retail transactions.
- As shown in Table 3-6, average household retail expenditures were projected to increase only slightly increase from \$27,387 in 2005 to \$27,984 in 2020.
- Even though household income will increase over the next fifteen years, the percentage of retail spending as a percentage of household income is projected to decrease from 35.7 percent to 32.7 percent based on changes in household income and household size.

Table 3-5  
Trade Area Population Trends: 1994 to 2004

	Population		Percent Change	AAGR 1999 - 2004
	1994	2004		
<b>Yucaipa</b>	<b>36,750</b>	<b>47,712</b>	29.8%	2.6%
Banning	22,450	27,667	23.2%	2.1%
Beaumont	10,650	16,631	56.2%	4.6%
Calimesa	7,000	7,477	6.8%	0.7%
Highland	38,650	49,546	28.2%	2.5%
Redlands	63,200	69,239	9.6%	0.9%
Trade Area Cities Total	<b>178,700</b>	<b>218,272</b>	22.1%	2.0%
San Bernardino County	<b>1,561,900</b>	<b>1,897,691</b>	21.5%	2.0%
Riverside County	<b>1,311,988</b>	<b>1,807,624</b>	37.8%	3.3%
<b>Two Counties</b>	<b>2,873,888</b>	<b>3,705,315</b>	28.9%	2.6%

Source: Stanley R. Hoffman Associates, Inc.  
California Department of Finance, 1994 and 2004.

Table 3-6  
Average Expenditures Per Household By Store Type  
Yucaipa Trade Area  
Constant 2005 Dollars

	Trade Area 2005	Trade Area 2010	Trade Area 2020
Apparel Stores	\$1,597	\$1,615	\$1,652
General Merchandise Stores	\$4,742	\$4,798	\$4,918
Drug Stores	\$1,315	\$1,321	\$1,323
Food Stores	\$5,975	\$5,939	\$5,705
Liquor Stores	\$609	\$610	\$604
Eating and Drinking Places	\$3,425	\$3,477	\$3,602
Home Furnishings	\$1,173	\$1,194	\$1,249
Building Materials	\$1,058	\$1,071	\$1,100
Auto Dealers and parts	\$4,464	\$4,545	\$4,755
Gasoline Service Stations	\$1,736	\$1,740	\$1,721
Other Retail	\$1,294	\$1,312	\$1,354
<b>Total Retail Expenditures</b>	<b>\$27,387</b>	<b>\$27,621</b>	<b>\$27,984</b>
Household Size	2.85	2.80	2.57
Household Income	\$76,704	\$79,160	\$85,476
Retail Spending As % of Income	35.7%	34.9%	32.7%

Source: Stanley R.Hoffman Associates, Inc.

### 3.6 Total Household Retail Expenditures

- Multiplying the average household retail expenditures by the total number of households, results in the projected total retail expenditures in the trade area, as shown in Table 3-7.
- Total retail expenditures in the trade area were projected to increase from \$706.5 million in 2005 to about \$1.0 billion in 2020, in constant 2005 dollars, as shown in Table 3-7.
- General Merchandise Stores are projected to experience a large increase from \$143.6 million in 2005 to \$208.6 million in 2020, in constant 2005 dollars.
- Food Stores expenditures are projected to increase from \$180.9 million in 2005 to about \$242.0 million in 2020, in constant 2005 dollars.

Table 3-7  
 Total Household Retail Expenditures  
 Yucaipa Trade Area  
 (In constant 2005 dollars)

	Yucaipa Area 2005	Yucaipa Area 2010	Yucaipa Area 2020
Apparel Stores	\$48,363,713	\$53,169,669	\$70,070,962
General Merchandise Stores	\$143,590,617	\$157,942,500	\$208,597,056
Drug Stores	\$39,818,697	\$43,498,251	\$56,104,213
Food Stores	\$180,933,266	\$195,496,190	\$241,972,306
Liquor Stores	\$18,431,406	\$20,071,686	\$25,636,422
Eating and Drinking Places	\$103,701,355	\$114,437,876	\$152,761,996
Home Furnishings	\$35,505,805	\$39,298,397	\$52,991,165
Building Materials	\$32,032,737	\$35,262,581	\$46,666,531
Auto Dealers and parts	\$12,407,625	\$13,730,629	\$18,513,039
Gasoline Service Stations	\$52,556,321	\$57,267,088	\$72,981,461
Other Retail	\$39,192,520	\$43,178,671	\$57,443,591
<b>Total</b>	<b>\$706,534,062</b>	<b>\$773,353,538</b>	<b>\$1,003,738,742</b>
<b>Change from 2005</b>		<b>2005-2010</b>	<b>2005-2020</b>
<b>Change in Food Expenditures</b>		\$14,562,924	\$46,476,116
<b>Change in Total Expenditures</b>		\$66,819,476	\$230,385,204

Source: Stanley R.Hoffman Associates, Inc.

## CHAPTER 4 THE COMPETITIVE RETAIL CONTEXT

Field research was conducted in June and July 2006, and data was collected on retail centers located within the 5-mile Trade Area of the proposed Oak Hills Marketplace site to assess current retail market conditions. The data included center size and vacancy rates, anchor tenants and tenant mix characteristics. Taxable retail sales for Yucaipa and nearby cities in Riverside and San Bernardino Counties were derived from California State Board of Equalization publications.

### 4.1 Historic Taxable Retail Sales Trends

- Table 4-1 shows the taxable sales of stores compiled by city for 1994 and 2004 (latest published data available from the California Board of Equalization). A comparison is also made with the totals for San Bernardino and Riverside Counties.
- The City of Yucaipa increased its share of the trade area from 10.8 percent of taxable retail sales in 1994 to 12.1 percent in 2004.
- The cities of Yucaipa and Beaumont had the highest average annual growth rate for taxable retail sales at 6.4 percent between 1994 and 2004.
- The City of Yucaipa grew at a faster average annual growth rate (6.4 percent) than that of the combined Inland Empire Counties (5.0 percent) over this same time period.

Table 4-1  
Trade Area Taxable Retail Sales Trends: 1994 to 2004  
(In thousands of constant 2005 dollars)

	Taxable Retail Sales 1994	Taxable Retail Sales 2004	Percent Change	AAGR 1999 - 2004
<b>Yucaipa</b>	<b>\$98,128</b>	<b>\$182,058</b>	85.5%	6.4%
Banning	141,057	172,511	22.3%	2.0%
Beaumont	62,936	117,209	86.2%	6.4%
Calimesa	21,603	39,345	82.1%	6.2%
Highland	73,220	102,657	40.2%	3.4%
Redlands	512,144	889,600	73.7%	5.7%
<b>Trade Area Cities Total</b>	<b>\$909,088</b>	<b>\$1,503,379</b>		
San Bernardino County	<b>\$10,776,956</b>	<b>\$19,290,099</b>	79.0%	6.0%
Riverside County	<b>\$13,004,417</b>	<b>\$19,549,061</b>	50.3%	4.2%
<b>Two Counties</b>	<b>\$23,781,373</b>	<b>\$38,839,159</b>	63.3%	5.0%

Source: Stanley R. Hoffman Associates, Inc.  
California State Board of Equalization, 1994 and 2004.

## 4.2 Per Capita Retail Taxable Transactions Comparison

- As shown in Table 4-2, per capita taxable sales in Yucaipa are about 36.4 percent of the Inland Empire per capita taxable sales in 2004 and about 55.4 percent of the per capita average for the trade area cities.
- This indicates that the City of Yucaipa captures less taxable retail sales than the average for the Inland Empire and its immediate neighbors – thus, indicating significant retail household expenditures leaking outside the City of Yucaipa.
- The City of Redlands showed relatively large retail capture with a share of taxable retail sales that was 22.6 percent larger than the Inland Empire average in 2004.
- As shown in Table 4-3, when comparing Yucaipa’s retail sales on a ratio basis by retail category – with a ratio of 1.0 indicating the same per capita sales using the Inland Empire as the benchmark -- sizable retail household expenditures are shown as being captured outside of Yucaipa in all categories.
- As shown in Table 4-3, the ratios are the lowest for apparel stores (0.05) and home furnishings (0.19) for the City of Yucaipa and highest for Food (0.83) and Service Stations (0.84). Overall, the ratio is 0.36 for the City of Yucaipa is significantly below the ratio of 1.23 for the City of Redlands that has a wider distribution of types of retail centers and major retail tenants.

Table 4-2  
Trade Area Per Capita Taxable Retail Sales Trends: 1994 to 2004  
(In thousands of constant 2005 dollars)

	Taxable Retail Sales		Percent	AAGR <sup>1</sup>
	1994	2004	Change	1999 - 2004
<b>Yucaipa</b>	<b>\$2,670</b>	<b>\$3,816</b>	42.9%	3.6%
Banning	6,283	6,235	-0.8%	-0.1%
Beaumont	5,909	7,048	19.3%	1.8%
Calimesa	3,086	5,262	70.5%	5.5%
Highland	1,894	2,072	9.4%	0.9%
Redlands	8,104	12,848	58.6%	4.7%
Trade Area Cities Total	<b>\$5,087</b>	<b>\$6,888</b>	35.4%	3.1%
San Bernardino County	<b>\$6,900</b>	<b>\$10,165</b>	47.3%	4.0%
Riverside County	<b>\$9,912</b>	<b>\$10,815</b>	<u>9.1%</u>	<u>0.9%</u>
<b>Two Counties</b>	<b>\$8,275</b>	<b>\$10,482</b>	26.7%	2.4%

1. Average annual growth rate (AAGR)

Sources: Stanley R. Hoffman Associates, Inc.  
California State Board of Equalization, 1994 and 2004.  
California Department of Finance, 1994 and 2004.

**Table 4-3**  
**Per Capita Taxable Retail Sales by Retail Categories: 2004**  
(In thousands of constant 2005 dollars)

Retail Group	Yucaipa	Banning	Redlands	San Bernardino County	Riverside County	Two Counties Total
<b>PANEL A- Taxable Retail Transactions by Jurisdiction (in constant 2005 dollars)</b>						
Apparel Stores	\$1,057	\$1,174	\$13,239	\$775,230	\$905,881	\$1,681,111
General merchandise stores	19,563	33,009	168,777	3,107,504	\$3,161,048	\$6,268,551
Food stores	23,712	18,617	59,176	1,077,591	\$1,128,045	\$2,205,636
Eating and drinking places	31,363	29,881	92,949	1,973,260	\$2,026,993	\$4,000,254
Home furnishings and appliances	3,960	2,572	13,239	687,434	\$900,946	\$1,588,380
Bldg. matrl. And farm implements	14,904	2,557	160,213	2,019,005	\$2,325,209	\$4,344,214
Auto dealers and auto supplies	23,934	46,824	230,414	4,221,775	\$4,366,004	\$8,587,779
Service stations	45,554	20,993	64,534	2,258,228	\$1,937,847	\$4,196,075
Other Retail Stores	<u>18,012</u>	<u>16,884</u>	<u>87,058</u>	<u>3,170,072</u>	<u>\$2,797,087</u>	<u>\$5,967,159</u>
<b>Retail Subtotal</b>	<b>\$182,058</b>	<b>\$172,511</b>	<b>\$889,600</b>	<b>\$19,290,099</b>	<b>\$19,549,061</b>	<b>\$38,839,159</b>
<b>2004 Population</b>	47,712	27,667	69,239	1,897,691	1,807,624	3,705,315
<b>PANEL B- Per Capita Taxable Retail Transactions (in constant 2005 dollars)</b>						
<b>Per Capita Retail Sales</b>						
Apparel Stores	\$22	\$42	\$191	\$409	\$477	\$454
General merchandise stores	410	1,193	2,438	1,638	1,666	\$1,692
Food stores	497	673	855	568	594	\$595
Eating and drinking places	657	1,080	1,342	1,040	1,068	\$1,080
Home furnishings and appliances	83	93	191	362	475	\$429
Bldg. matrl. And farm implements	312	92	2,314	1,064	1,225	\$1,172
Auto dealers and auto supplies	502	1,692	3,328	2,225	2,301	\$2,318
Service stations	955	759	932	1,190	1,021	\$1,132
Other Retail Stores	<u>378</u>	<u>610</u>	<u>1,257</u>	<u>1,670</u>	<u>1,474</u>	<u>\$1,610</u>
<b>Retail Subtotal</b>	<b>\$3,816</b>	<b>\$6,235</b>	<b>\$12,848</b>	<b>\$10,165</b>	<b>\$10,301</b>	<b>\$10,482</b>
<b>PANEL C - Comparison of City to County Per Capita Retail Transactions (in constant 2005 dollars)</b>						
Apparel Stores	0.05	0.09	0.42	0.90	1.05	1.00
General merchandise stores	0.24	0.71	1.44	0.97	0.98	1.00
Food stores	0.83	1.13	1.44	0.95	1.00	1.00
Eating and drinking places	0.61	1.00	1.24	0.96	0.99	1.00
Home furnishings and appliances	0.19	0.22	0.45	0.85	1.11	1.00
Bldg. matrl. And farm implements	0.27	0.08	1.97	0.91	1.05	1.00
Auto dealers and auto supplies	0.22	0.73	1.44	0.96	0.99	1.00
Service stations	0.84	0.67	0.82	1.05	0.90	1.00
Other Retail Stores	<u>0.23</u>	<u>0.38</u>	<u>0.78</u>	<u>1.04</u>	<u>0.92</u>	<u>1.00</u>
<b>Retail Subtotal</b>	<b>0.36</b>	<b>0.59</b>	<b>1.23</b>	<b>0.97</b>	<b>0.98</b>	<b>1.00</b>

Source: Stanley R. Hoffman Associates, Inc.  
California State Board of Equalization, 1994 and 2004.

### 4.3 Existing Retail Supply and Vacancy Rates

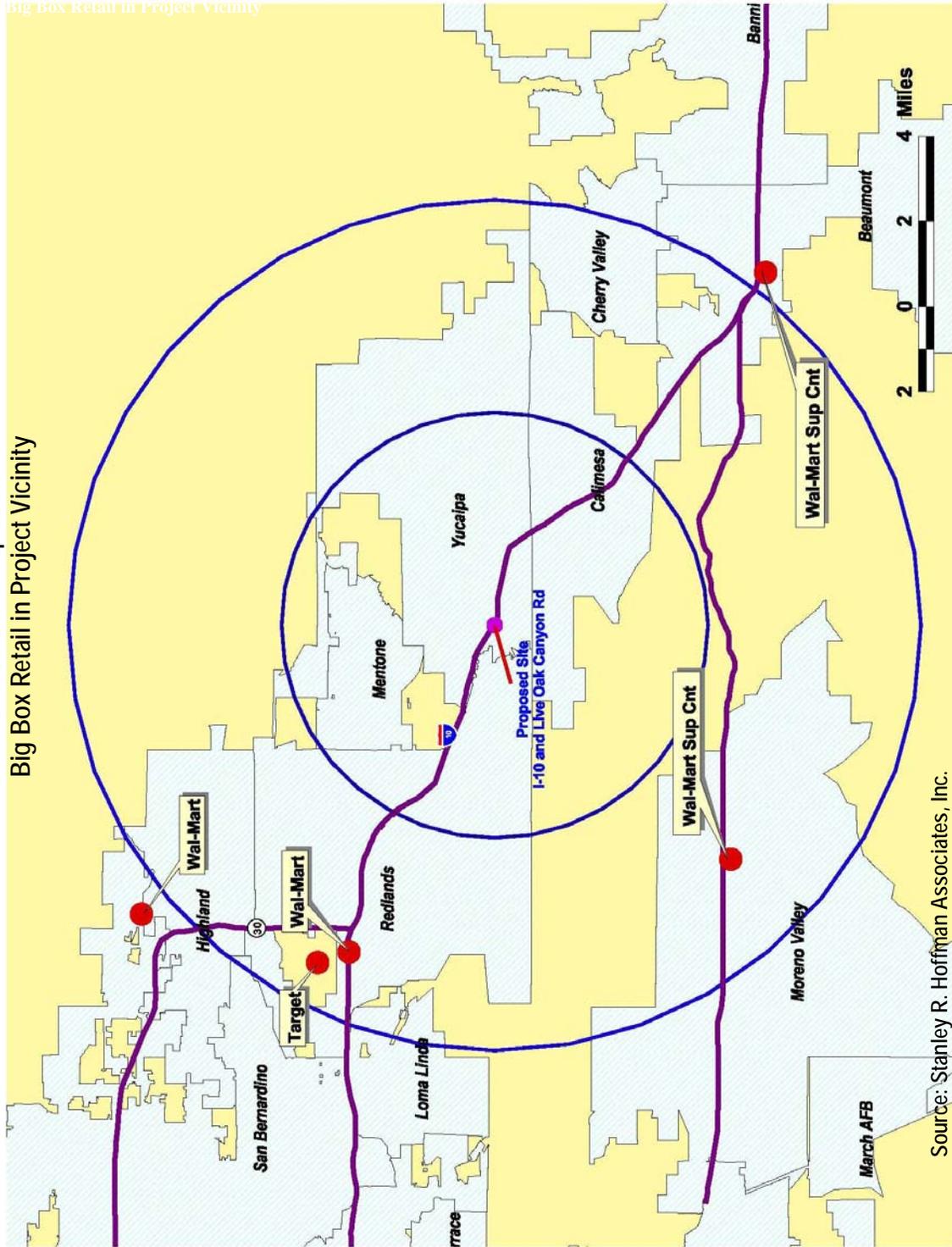
- As shown in Table 4-4, shopping center vacancies in the trade area are currently very low at 3.0 percent; and as shown in Figure 4-1, there are no existing big-box retail developments within the 5-mile trade area of the proposed project.
- The nearest box retail developments to the City of Yucaipa are located about 8 to 10-miles from the proposed project; Wal-Mart Super Centers recently opened in Beaumont and Moreno Valley.
- Also, an existing Wal-Mart store in Redlands is being proposed to be relocated as a Super Center near the intersection of Interstate 10 and Highway 30 in the vicinity of Redlands.
- The nearest Target Store is in Redlands near the intersection of I-10 and Highway 30.
- Centers within the trade area are predominantly community and neighborhood serving retail with a smaller amount of older strip and downtown commercial development.

**Table 4-4**  
**Competitive Shopping Centers: 5-mile Trade Area**

Center Name	City	Distance from Proposed Project (miles)	Total GLA	Vacant GLA
YUCAIPA VALLEY RETAIL CENTER	Yucaipa	0.7	226,000	3,007
YUCAIPA PLAZA	Yucaipa	1.6	27,762	1,394
OAK GLEN CENTER	Yucaipa	1.8	29,375	4,251
CALIMESA PLAZA	Calimesa	2.1	51,241	-
CROWN VILLAGE	Calimesa	2.8	39,974	-
CHAPMAN HEIGHTS PLAZA	Yucaipa	2.8	81,262	3,629
YUCAIPA SQUARE	Yucaipa	3.0	39,001	-
MARKETPLACE AT FIFTH	Yucaipa	3.0	70,341	9,032
YUCAIPA CENTER	Yucaipa	3.1	42,745	2,344
STATER BROTHERS SHOPPING CENTER	Calimesa	3.2	37,267	1,089
LONG'S TRAIL'S END SHOPPING CENTER	Calimesa	3.2	24,031	-
REDLANDS OASIS SHOPPING CENTER	Redlands	4.4	6,000	-
STATER BROS SHOPPING CENTER	Redlands	4.4	76,000	-
CITRUS VILLAGE SHOPPING CENTER	Redlands	5.1	160,000	2,333
<b>Total Trade Area</b>			910,999	27,079
<b>Vacancy Rate</b>				3.0%

Source: Stanley R.Hoffman Associates, Inc.

Figure 4-1  
Oak Hills Marketplace  
Big Box Retail in Project Vicinity



Source: Stanley R. Hoffman Associates, Inc.

## Yucaipa Uptown Business District

The Uptown Business District (Uptown) is Yucaipa's historic commercial center. It is comprised of predominantly small, neighborhood-serving retail and service businesses. A few industrial uses and a number of undeveloped parcels are also present. Most of the existing structures were built prior to 1955 and are generally in fair condition. Some of these buildings are currently vacant.

Residential uses in the Uptown are predominantly single-family dwelling units. A few small, multi-family dwelling units are also present. Most of the residential structures were built prior to 1960 and are in fair to good condition.

Yucaipa's General Plan designates most of the Uptown as General Commercial. Under the General Commercial designation stores, offices, service establishments and amusements scaled to meet neighborhood and community needs are permitted. Remaining portions of the Uptown are designated Multiple Residential.

While Uptown Yucaipa plays an historic role in the city, it is also an area that is in need of redevelopment. In May 1992, the Yucaipa Redevelopment Project Plan established a redevelopment area for large stretches of the City, including the Uptown. This was followed in July 1995 with the Uptown Business District Plan designed to articulate a vision for the area as an attractive, pedestrian-friendly, mixed-use activity center.

The area of Uptown, as defined in the Specific Plan, is bounded on the north by Acacia Avenue, on the east by Bryant Street then narrowing to Adams Street; on the south by Avenue "D"; and on the west by Second Street then narrowing to First Street. This area contains small, older neighborhood retail and service based businesses. Most of the buildings are not taller than two stories and look as if they were built in the 1950's.

California Street has been redeveloped to look like an old downtown. The Yucaipa Little Theatre and some nearby shops have been restored. A selection of businesses along this street includes small beauty and service shops, antique stores, a restaurant, a locksmith and other miscellaneous shops. The street has been repaved and the lighting has been improved to create a more unified look. Mature trees line the street and create an inviting atmosphere.

However, there are some sections of Downtown Yucaipa that have undergone minimal revitalization, including some sections that have dilapidated and boarded-up buildings. Some buildings have little or no signage and have not been upgraded since they were built. The sidewalk is uneven and the street contains large potholes. Also, the supply of parking is not considered adequate.

The Uptown Business District is located in the eastern part of the City near the foothills of the nearby mountains. It is located generally along and adjacent to Yucaipa Boulevard, a major arterial through the City.

## CHAPTER 5 POTENTIAL IMPACTS OF NEW RETAIL DEVELOPMENT

This chapter examines the projected economic impacts of the proposed Oak Hills Marketplace project on the 5-mile trade area. The analysis starts with the existing supply-demand conditions based on the current vacancy survey, and then projects changes from these existing conditions with the addition of the proposed project to the retail supply and continued residential development in the area.

### 5.1 Projected Retail Space Demand: 2005 to 2020

- The projected future demand for retail space is estimated from existing households as well as the growth in households and household income in the trade area.
- The total retail expenditures in the trade area were calculated based on existing and future households and growth in average household income.
- Total household expenditures in the trade area for retail, excluding automobile sales, are projected to grow from 706.5 million in 2005 to about 1.0 billion in 2020 (in constant 2005 dollars) as shown in Table 5-1.
- As shown in Table 5-1, demand for total non-automobile retail space is projected to grow from 2.05 million square feet in 2005 to 2.94 million square feet in 2020.
- Also shown in Table 5-1, total household food-store related expenditures in the trade area are projected to grow from about 181.0 million in 2005 to about 242.0 million in 2020, in constant 2005 dollars.
- Demand for food-stores space is projected to grow from approximately 381,000 square feet in 2005 to about 509,000 square feet in 2020.

Table 5-1  
Retail Space Demand  
5.0 Mile Trade Area

	2005	2010	2020
<b>Trade Area Households</b>	30,281	32,917	42,415
Food Store Expenditures	\$180,933,300	\$195,496,200	\$241,972,300
<b>Food Store Space Demand (SF)</b>	380,900	411,600	509,400
Total Household Retail Expenditures	\$706,534,100	\$773,353,500	\$1,003,738,700
<b>Total Retail Space Demand (SF)</b>	2,051,400	2,250,500	2,944,800

Source: Stanley R.Hoffman Associates, Inc.

## 5.2 Estimated New Retail Space Supply: 2005 to 2020

An estimation of future supply of retail in the trade area was compiled in consultation with the planning departments of Yucaipa, Calimesa and Redlands as shown in Table 5-2. Only those projects under construction, approved or proposed have been included in the future supply of retail in the trade area. Although there are three large specific plans in the planning process in both Yucaipa and Calimesa, there are no specific development proposals being processed at this time related to these specific plans. Because of their uncertainty, these plans have not been included in the quantitative retail impact calculations, but have been included in the discussion of the long-range retail impact analysis.

### New Developments in the Market Area

- As shown in Table 5-2, besides the 615,000 square feet of retail development in the proposed project, an estimated 164,800 square feet of new retail is under-construction, approved or proposed in the trade area by 2010.
- An additional 45,000 square feet of food store space, besides the estimated 50,000 square feet grocery component in the proposed project, is expected to enter the retail supply by 2010.

**Table 5-2  
Oak Hills Marketplace Trade Area  
Projects Under Construction, Approved or Proposed**

Projects	Location	Distance (miles)	GLA	Status
<b>Proposed Project</b>	<b>Oak Hills Canyon Blvd and I-10</b>		<b>615,000</b>	<b>Proposed</b>
<b>City of Yucaipa</b>				
Yucaipa Center	North Side of Yucaipa Blvd. Btwn. 6th & 7th Street	2.8	13,300	Near Completion
Centerpoint Plaza	Oak Glen Blvd. & Yucaipa Blvd.	2.1	37,000	Breaking ground - Complete 1 year
Unnamed Shopping Center	Hampton & Overcrest	2.3	10,650	Approved occupancy plan
Stater Brothers	Oak Glen Blvd. & Bryant Ave.	5.2	45,000	
Unnamed Shopping Center	SWC Yucaipa Blvd. & Oak Glen	2.1	<u>34,700</u>	Near Completion
	<b>Sub-total</b>		<b>140,650</b>	
<b>City of Redlands</b>				
Citicom Development, LP	NEC of Parkford Drive & Marshall Street	4.1	<u>24,150</u>	Subject to water quality management plan
	<b>Sub-total</b>		<b>24,150</b>	
<b>City of Calimesa</b>				
Summer Wind Ranch <sup>1</sup>	Specific Plan - Western Part of the City		n/a	Being Completed in Phases - Next 10 years
Mesa Verde Estate	Specific Plan		<u>n/a</u>	
	<b>Sub-total</b>		<b>0</b>	
<b>Total less Proposed Project</b>			<b>164,800</b>	

1. The Summer Wind Specific Plan includes 129.5 acres of retail development. There are no further details available on projects proposed under this plan.

Source: Stanley R. Hoffman Associates, Inc.

### Yucaipa Uptown Specific Plan

- Yucaipa’s General Plan designates most of the Uptown as General Commercial, with smaller stores, offices, service establishments and entertainment.
- The area of Uptown, as defined in the Specific Plan, is bounded on the north by Acacia Avenue, on the east by Bryant Street then narrowing to Adams Street; on the south by Avenue “D”; and on the west by Second Street then narrowing to First Street.
- While some revitalization has occurred in recent years in the Uptown, there are no major commercial projects proceeding at this time.

### Freeway Corridor Specific Plan

- The Freeway Corridor Specific Plan covers 1,234 acres along the southern border of the City of Yucaipa. The planning area is bisected by the I-10 (San Bernardino) Freeway.
- The Super Target center is being processed separately from the larger Freeway Corridor Specific Plan that would surround this center at the I10 Freeway at the Live Oak Canyon Road/Oak Glen Road interchange.
- A recent study by Keyser Marston Associates (KMA) estimated that there was sizable demand for retail and commercial development in the specific plan area with their projection of supportable retail development in the City of 565,000 square feet now and 762,000 square feet by 2010.

### City of Calimesa: Summer Wind Ranch Specific Plan

- Summer Wind Ranch will be located along the western portion of the City of Calimesa. The entire project is 2,951 acres and will take more than ten years and several phases to complete.
- The location of the project area is between Interstate 10 and San Timoteo Canyon Rd. To the north, it is bounded by Garden Air Wash and Sandalwood Drive and to the south by Cherry Valley Blvd.
- The Summer Wind Ranch includes a proposed 130 acres of commercial with shops, offices, restaurants, and theaters.

### 5.3 Retail Space Supply and Demand Analysis

The impact analysis of the proposed project on retail in the 5-mile trade area includes an analysis of supply and demand of retail space over the short-term (2005-2010) and long-term (2005-2020). The supply-demand analysis is conducted at two levels: 1) impact on total non-automobile retail space in the trade area; and 2) impact on food stores in the trade area. The retail demand-supply analysis for each of these cases is conducted for two different conditions. The first condition examines the impact on retail in the trade area including only the proposed project over the study period (2005 to 2020). The second impact condition looks at the cumulative effect of the proposed project plus new retail development identified in the trade area over the study period.

#### 5.4 Non-Automobile Retail Stores

The supply-demand analysis for all retail space, excluding automobile sales, was first conducted for the project only and then as a cumulative retail impact analysis.

##### Project Only Analysis

- Assuming the impact of the project only on retail space in the trade area, 615,000 square feet of new non-auto retail inventory is estimated to be added to future trade area retail supply.
- As shown in Table 5-3, resident supportable retail is projected to increase from 2.25 million square feet in 2010 to 2.94 million square feet in 2020.
- Supply as percent of demand is projected to increase from 44 percent in 2005 to about 68 percent in 2010, eventually declining to about 52 percent in 2020.
- These low percentages of supply to demand show that substantially more retail floor area than the proposed project could be supported.

Table 5-3  
**Resident Supportable Retail Assessment: Project Only Impact**  
**5.0 Mile Trade Area**  
(in constant 2005 Dollars)

	2005	2010	2020
<b>Resident Supportable Retail Space</b>	<b>2,051,412</b>	<b>2,250,490</b>	<b>2,944,784</b>
Estimated Existing Shopping Center Space (SF)	911,000	911,000	911,000
Proposed Project <sup>1</sup>	<u>0</u>	<u>615,000</u>	<u>615,000</u>
<b>Cumulative Trade Area Retail Supply</b>	<b>911,000</b>	<b>1,526,000</b>	<b>1,526,000</b>
<b>Difference between Demand and Supply</b>	<b>1,140,412</b>	<b>724,490</b>	<b>1,418,784</b>
Supply as Percent of Demand	44.4%	67.8%	51.8%

1. Proposed project is estimated to enter the trade area supply in 2009 and be fully operational in 2010.

Source: Stanley R.Hoffman Associates, Inc.

## Cumulative Analysis

- Nearly 780,000 square feet of new, non-automobile retail inventory is estimated to be added to future trade area supply.
- As shown in Table 5-4, resident supportable retail space is projected to increase from 2.25 million square feet in 2010 to 2.94 million square feet in 2020.
- Supply as percent of demand is projected to increase from 44 percent in 2005 to about 75 percent in 2010, eventually declining to about 57 percent in 2020.
- These low percentages of supply to demand show that substantially more floor area than the proposed project could be supported.

Table 5-4  
**Resident Supportable Retail Assessment: Cumulative Impact**  
**5.0 Mile Trade Area**  
(in constant 2005 Dollars)

	2005	2010	2020
<b>Resident Supportable Retail Space</b>	<b>2,051,412</b>	<b>2,250,490</b>	<b>2,944,784</b>
Estimated Existing Shopping Center Space (SF)	911,000	911,000	911,000
Proposed Project <sup>1</sup>	0	615,000	615,000
All Other Trade Area Supply Aggregated over Time <sup>2</sup>	<u>0</u>	<u>164,800</u>	<u>164,800</u>
<b>Cumulative Trade Area Retail Supply</b>	<b>911,000</b>	<b>1,690,800</b>	<b>1,690,800</b>
<b>Difference between Demand and Supply</b>	<b>1,140,412</b>	<b>559,690</b>	<b>1,253,984</b>
Supply as Percent of Demand	44.4%	75.1%	57.4%

1. Proposed project is estimated to enter the trade area supply in 2009 and be fully operational in 2010.

2. Includes projects identified in the trade area that are either under construction, planned or proposed.

Source: Stanley R.Hoffman Associates, Inc.

## 5.5 Food Stores

The second component of the retail impact analysis looks at the supply-demand scenarios for food store space for the project only and cumulative impact alternatives, as shown in Table 5-5.

### Project Only Analysis

- Assuming the impact of only the project on retail food store space in the trade area, about 50,000 square feet of food store space would be added to the future trade area supply.
- As shown in Table 5-5, resident supportable retail is projected to increase from about 411,600 square feet in 2010 to about 509,400 square feet in 2020.
- Supply as a percent of demand is projected to increase from about 61 percent in 2005 to about 69 percent in 2010, eventually declining to about 55 percent in 2020.
- These low percentages of supply to demand show that substantial additional food store floor space than the proposed project could be supported.

**Table 5-5**  
**Project Only Resident Supportable Food Store Space Assessment**  
**5.0 Mile Trade Area**  
(in constant 2005 Dollars)

	<b>2005</b>	<b>2010</b>	<b>2020</b>
<b>Resident Supportable Retail Space</b>	<b>380,912</b>	<b>411,571</b>	<b>509,415</b>
Estimated Existing Shopping Center Space (SF)	231,823	231,823	231,823
Proposed Project <sup>1</sup>	<u>0</u>	<u>50,000</u>	<u>50,000</u>
<b>Cumulative Trade Area Retail Supply</b>	<b>231,823</b>	<b>281,823</b>	<b>281,823</b>
<b>Difference between Demand and Supply</b>	<b>149,089</b>	<b>129,748</b>	<b>227,592</b>
Supply as Percent of Demand	60.9%	68.5%	55.3%

1. Proposed project is estimated to enter the trade area supply in 2009 and be fully operational in 2010.

Source: Stanley R.Hoffman Associates, Inc.

## Cumulative Analysis

- Assuming the impact of all future food stores in the trade area, about 95,000 square feet of food store space is estimated to be added to future trade area supply.
- Again as shown in Table 5-6, resident supportable food store retail is projected to increase from about 411,600 square feet in 2010 to about 509,400 square feet in 2020.
- Supply as percent of demand is projected to increase from about 61 percent in 2005 to about 79 percent in 2010, eventually declining to about 64 percent in 2020.
- As before, these low percentages of supply to demand show that under the cumulative analysis there is still substantial food store floor space than the proposed project that could be supported.

Table 5-6  
**Resident Supportable Food Store Space Assessment**  
**5.0 Mile Trade Area**  
(in constant 2005 Dollars)

	2005	2010	2020
<b>Resident Supportable Retail Space</b>	<b>380,912</b>	<b>411,571</b>	<b>509,415</b>
Estimated Existing Shopping Center Space (SF)	231,823	231,823	231,823
Proposed Project <sup>1</sup>	0	50,000	50,000
All Other Trade Area Supply Aggregated over Time <sup>2</sup>	<u>0</u>	<u>45,000</u>	<u>45,000</u>
<b>Cumulative Trade Area Retail Supply</b>	<b>231,823</b>	<b>326,823</b>	<b>326,823</b>
<b>Difference between Demand and Supply</b>	<b>149,089</b>	<b>84,748</b>	<b>182,592</b>
Supply as Percent of Demand	60.9%	79.4%	64.2%

1. Proposed project is estimated to enter the trade area supply in 2009 and be fully operational in 2010.

2. Includes projects identified in the trade area that are either under construction, planned or proposed.

Source: Stanley R.Hoffman Associates, Inc.

## APPENDICES

Appendix A: Allocation of Census Tracts to the Trade Area

Appendix B: Adjustment to SCAG RTP 2004 Households in 2005

Appendix C: Household Income Allocation by Census Tracts to the Trade Area

Appendix D: New Retail Development in the Trade Area

Appendix E: List of Contacts and References

Appendix A: Allocation of Census Tracts to the Trade Area

Table A-1  
 Oak Hills Marketplace Trade Area  
 Census Tracts Market Area Allocation

Census Tracts	Allocation
438.02	100.0%
438.05 <sup>1</sup>	34.9%
84.02	100.0%
84.03	100.0%
85	100.0%
86	100.0%
87.03 <sup>2</sup>	92.5%
87.04	100.0%
87.05	100.0%
87.06	100.0%
87.07	100.0%
87.08	100.0%
88	100.0%

1.Includes only the Calimesa portion of Census Tract 438.05.  
 2.Includes only the Yucaipa portion of Census Tract 87.03.

Source: Stanley.R.Hoffman Associates,Inc.  
 U.S. Census Bureau 2000, SF-3.

## Appendix B: Adjustment to SCAG 2005 Households

Table B-1  
Adjustment to SCAG 2005 Households

**A. SCAG 2005 to DOF 2005 Households Comparison**

City	Households		Difference (DOF - SCAG)
	Total City SCAG 2005	Total City DOF 2005	
Yucaipa	16,591	17,246	655
Redlands	24,857	24,729	(128)
Calimesa	3,336	3,025	(311)

**B. Tract as percent of Total City <sup>1</sup>**

City	Tract No. in Trade Area	SCAG 2005 Households		Tract Percent of Total
		City Total	Tract	
Redlands	8402	24,857	2,271	9.1%
	8403	24,857	2,153	8.7%
	8500	24,857	2,956	11.9%
Calimesa	43802	4,174	2,053	49.2%
	43805	4,174	663	15.9%

**C. Adjustment to SCAG 2005 Households <sup>2</sup>**

City	DOF SCAG Difference	Tract	Tract as percent City	Adjustment
Yucaipa	655	All tracts	100%	655
Redlands	(128)	8402	9.1%	(11.69)
		8403	8.7%	(11.09)
		8500	11.9%	(15.22)
Calimesa	(311)	43802	49.2%	(152.97)
		43805	15.9%	(49.40)
<b>Total Trade Area (Additional HHs)</b>				<b>415</b>

1. From SCAG RTP 2004 projections by census tracts.

2. The SCAG RTP 2004 projection for 2005 has been revised by adjusting the SCAG 2005 households to the estimates of occupied housing units in 2005 per the California Department of Finance, E-5 report.

Source: Stanley R.Hoffman, Associates, Inc.

## Appendix C: Household Income Allocation by Census Tracts to the Trade Area

**Table C-1**  
**Allocation and Distribution of Household Income by Census Tracts**  
**Oak Hills Marketplace 5-Mile Retail Trade Area**

	100 percent Tract		Percent in Trade Area	5-mile Trade Area Allocation		1999 Average <sup>1</sup> HH Income
	Aggregate HH Inc.	SF3 Sample HHs		Aggregate HH Inc.	SF3 Sample HHs	
Census Tract 438.02	\$86,250,400	1,949	100.0%	\$86,250,400	1,949	\$44,254
Census Tract 438.05 <sup>2</sup>	55,627,800	1,376	34.9%	19,437,199	481	40,427
Census Tract 84.02	153,209,600	2,211	100.0%	153,209,600	2,211	69,294
Census Tract 84.03	157,815,900	2,043	100.0%	157,815,900	2,043	77,247
Census Tract 85	331,815,000	2,891	100.0%	331,815,000	2,891	114,775
Census Tract 86	147,878,100	2,871	100.0%	147,878,100	2,871	51,508
Census Tract 87.03 <sup>3</sup>	169,043,200	2,195	92.5%	156,332,613	2,030	77,013
Census Tract 87.04	116,923,100	2,543	100.0%	116,923,100	2,543	45,978
Census Tract 87.05	71,503,000	1,480	100.0%	71,503,000	1,480	48,313
Census Tract 87.06	136,021,200	2,324	100.0%	136,021,200	2,324	58,529
Census Tract 87.07	118,640,800	3,216	100.0%	118,640,800	3,216	36,891
Census Tract 87.08	73,654,800	1,327	100.0%	73,654,800	1,327	55,505
Census Tract 88	\$103,153,600	2,243	100.0%	<u>\$103,153,600</u>	<u>2,243</u>	<u>\$45,989</u>
<b>Retail Trade Area</b>				<b>\$1,672,635,312</b>	<b>27,609</b>	<b>\$60,584</b>
<b>Comparisons with Other Jurisdictions</b>						
Calimesa city	\$144,031,000	3,019				\$47,708
Riverside County	28,379,728,500	506,781				\$56,000
Yucaipa city	775,081,200	15,156				\$51,140
San Bernardino County	\$28,062,339,600	528,839				\$53,064

1. Census 2000 SF3 reports aggregate income of households from the year 1999.
2. The Calimesa portion of Census Tract 438.05 has been included in the Trade Area.
3. The Yucaipa portion of Census Tract 87.03 has been included in the Trade Area.

Source: Stanley.R.Hoffman Associates, Inc.  
U.S. Census Bureau 2000, SF-3.

## Appendix D: New Retail Development in the Trade Area

**Table D-1  
New Retail Development in Trade Area**

Projects	Location	Distance (miles)	GLA	Status
<b>Proposed Project</b>	<b>Oak Hills Canyon Blvd and I-10</b>		<b>615,000</b>	<b>Proposed</b>
<b>City of Yucaipa</b>				
Yucaipa Center	North Side of Yucaipa Blvd. Btwn. 6th & 7th Street	2.8	13,300	Near Completion
Centerpoint Plaza	Oak Glen Blvd. & Yucaipa Blvd.	2.1	37,000	Breaking ground - Complete 1 year
Unnamed Shopping Center	Hampton & Overcrest	2.3	10,650	Approved occupancy plan
Stater Brothers	Oak Glen Blvd. & Bryant Ave.	5.2	45,000	
Unnamed Shopping Center	SWC Yucaipa Blvd. & Oak Glen	2.1	<u>34,700</u>	Near Completion
	<b>Sub-total</b>		<b>140,650</b>	
<b>City of Redlands</b>				
Citicom Development, LP	NEC of Parkford Drive & Marshall Street	4.1	<u>24,150</u>	Subject to water quality management plan
	<b>Sub-total</b>		<b>24,150</b>	
<b>City of Calimesa</b>				
Summerland Ranch <sup>1</sup>	Specific Plan - Western Part of the City		n/a	Being Completed in Phases - Next 10 years
Mesa Verde Estate	Specific Plan		<u>n/a</u>	
	<b>Sub-total</b>		<b>0</b>	
<b>Total less Proposed Project</b>			<b>164,800</b>	
			<b>Total</b>	<b>779,800</b>

1. The Summerland Specific Plan includes 129.5 acres of retail development. There are no further details available on projects proposed under this plan.

Source: Stanley R. Hoffman Associates, Inc.

## Appendix E: List of Contacts and References

### CITIES

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### REFERENCES

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### APPELLATE DECISION

Bakersfield Citizens for Local Control v. City of Bakersfield (2004) 124 Cal.App 4<sup>th</sup> 1184.