

Memorandum

Date: 25 March 2022 Draft 1.0

To: Christina Anderson, AICP
City of Kalamazoo

From: Bob Gibbs

Subject: Northside Cultural District & Downtown Retail Market Impact Analysis

Message

Christina: I'm pleased to forward our draft market retail market analysis of the potential impacts of the proposed urban design and traffic calming initiatives. We will send additional details April 5th and the entire reports by the end of April, or as needed.

Northside Cultural District:

- + \$6.1 million additional / New Retail Sales / year
- + \$1.8 million additional – New Restaurant Sales / year
- + 7.9 million New-Additional Retail & Restaurant Sales / year
- + 46 % New Retail & Restaurant Sales Gains Above Existing Business Sales
- + 12 New Retail & Restaurant Businesses

Overall Downtown District:

- + \$28.3 million additional / New Retail Sales / year
- + \$5.7 million additional – New Restaurant Sales / year
- + \$ 34 million of Combined Additional – New Restaurant & Retail Sales / year
- + 29 % New Retail & Restaurant Sales Gains Above Existing Business Sales
- + 38-50 New Retail & Restaurant Businesses

Demographic & Demands Descriptions	Northside Cultural District	Downtown	Totals
Overall Trade Area 2019 Consumer Spending	\$50,000,000	\$445,000,000	\$495,000,000
New Retail Growth w/Improvements	+ 46%	+29%	Blended + 31%
Total New Retail & Restaurant Growth w/Improvements	+\$28,500 sf	+ 77,500 sf	+ 106,000 sf
Total Supportable New Stores & Restaurant's w/Improvements	+ 12 New Stores & Restaurants	+ 38-50 New Stores & Restaurants	+ 50 New Stores & Restaurants
2017 Reported Retail Sales	\$12,800,000	\$72,700,000	\$85,550,000
2017 Reported Restaurant Sales	\$4,400,000	\$43,400,000	\$47,800,000
2017 Total Reported Retail & Restaurant Sales	\$17,200,000	\$116,100,000	\$133,300,000
New / Additional Retail Sales / Improvements	+ \$6,100,000	+ \$28,300,000	+ \$34,400,000
New/Additional Restaurant Sales w/Improvements	+ \$1,800,000	+ \$5,700,000	\$7,500,000
Net Additional New Supportable Retail & Restaurant Sales w/ Improvements	+ \$7,900,000 + 46%	+ \$34,000,000 + + 29%	+\$41,900,000 Blended + 31%

Overall Downtown Kalamazoo Retail Demand Proposed Urban Design Impact Analysis

Draft 1.0

Retail Category	2017 Trade Area Consumer Spending	Total New Store Sales / yr. / w Improvements	New Store Sales /sf/yr. w/ Improvements	New Store Supportable Sizes w/Improvements	No. New Stores w/ Improvements
Retailers					
Apparel Stores	\$162,133,100	\$7,361,300 /yr.	\$340 sf	+21,650 sf	8 -9
Book & Music Stores	\$31,122,600	\$1,260,500 /yr.	\$280 sf	+\$4,500 sf	1-2
Dept. Store Merchandise	\$196,055,200	\$1,174,600 /yr.	\$330 sf	+\$3,560 sf	3-4
Electronics, Phones, Appl.	\$75,472,600	\$629,300/yr.	\$440 sf	+\$1,430 sf	1+
Furniture, Lamps & Art	\$72,134,500	\$1,838,800 /yr.	\$380 sf	+\$48,340 sf	2-3
Grocery - Gourmet Markets	\$370,990,400	\$8,469,500 yr.	\$520 sf	+\$16,290 sf	1
Jewelry & Fine Gifts	\$29,903,200	\$1,748,300 /yr.	\$565 sf	+\$3,100 sf	2 - 3
Pharmacy & Personal Care	\$178,765,700	\$1,914,440 /yr.	\$665 sf	+\$2,880 sf	1
Shoes & Handbags	\$40,971,710	\$1,694,300 /yr.	\$485 sf	+\$3,500 sf	2 - 3
Toys, Sporting Goods, Hobbies	\$63,393,981	\$542,700 /yr.	\$285 sf	+\$1,9040 sf	1
Foods: Cheese, Meats, Produce	\$29,980,500	\$1,622,900/ yr.	\$310 sf	+\$5,200 sf	3-4
Retailer Totals	\$1,250,923,400	+\$28,256,400 /yr.	+\$418 sf	+\$68,900 sf	+ 25 – 32 New Stores
Restaurants					
Bars & Breweries	\$85,067,510	+\$1,895,200 /yr.	\$460 /sf	+4,100 sf	2 - 3
Full-Service Restaurants	\$127,985,810	+\$4,970,400 yr.	\$350 /sf	+1,500 sf	3 - 4
Limited Services Restaurants	\$221,146,410	+\$4,080,000 /yr.	\$280 /sf	+14,600 sf	5 - 7
Bakery, Coffee, Ice Cream, etc.	\$9,680,500	+\$896,800 /yr.	\$290 /sf	+3,040 sf	3 - 4
Restaurant Totals	\$443,880,200	\$5,736,723 yr.	\$340/sf	+8,650 sf	13 – 18 New Restaurants
Retailer & Restaurant Totals	\$1,694,803,700	+\$34,000,000	\$410 /sf	+77,500 sf	38 – 50 New Restaurants & Stores