

**URBAN DECAY STUDY
FOR
WOODCREST RETAIL CENTER PROJECT**

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Prepared for:

Applied Planning

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I. INTRODUCTION

This report evaluates the potential economic impacts of the proposed Woodcrest Retail Center Project ("Project"). The Project is located within the Lake Mathews-Woodcrest area of Riverside County. In particular, the study evaluates the extent to which the Project would have competitive impacts on existing retail facilities in the trade area and consequently have the potential to result in urban decay. The Project is essentially a relocation project, with the planned Stater Bros. supermarket anchor tenant replacing the existing Stater Bros. store at 17050 Van Buren Boulevard¹. The project would also add some accessory retail uses, which are discussed further below. In addition to addressing the potential impacts of the Project itself, the study also considers the following:

1. Cumulative impacts, taking into account the impacts from other planned and proposed retail projects in the trade area; and
2. Available demand to support some type of reuse of the existing Stater Bros. space that will close (relocate) once the Project is developed.

The Project development concept is summarized in Table I-1 below.

**Table I-1:
Woodcrest Retail Center Development Concept**

Site Plan Designation		Use(s)	Building Area
Parcel 1	Pad A	Convenience Store w/Retail Gas Station	3,227 sf store w/6 Multi-Product Dispenser (MPD) Fuel Canopy (12 fuel points)
Parcel 1 Alt.	Pad E	Drive-Through Restaurant	2,500 sf
	Pad F	Retail/Sit-Down Restaurant	5,400 sf
Parcel 2	Pad B	Drive-Through Restaurant	3,500 sf
Parcel 3	Pad D	Drive-Through Restaurant (Farmer Boys)	3,390 sf
Parcel 4	Shops A	Retail	5,000 sf
Parcel 5	Pad C	Drive-Through Restaurant	2,500 sf
Parcel 6	Market	Grocery Store (Stater Bros.)	43,403 sf
TOTAL PROJECT (Base)			61,020 Square Feet
TOTAL PROJECT (Parcel 1 Alt.)			65,693 Square Feet

Source: Applied Planning, Woodcrest Retail Center Site Plan Concept, February 2025.

The Project would be between 61,020 square feet (Parcel 1 base scenario) and 65,693 square feet (Parcel 1 alternative scenario).

¹ The existing Stater Bros. store is located across the street from the Project. The new Stater Bros. store would add net increase of about 14,283 square feet of supermarket space, as the new store will be about 43,403 square feet and will replace the existing store (29,120 square feet).

Based on the latest project information, the analysis assumes that the project would open in 2027. The economic impact analysis addresses six key issues:

1. The potential for the Project's net increase of 14,283 square feet² of supermarket grocery space to negatively impact existing supermarkets in the area;
2. The potential for the Project's additional 5,000 square feet of general retail space to negatively impact existing "GAFO"³ stores in the trade area;
3. The potential for the Project's additional 16,790 square feet (maximum total) of restaurant space to negatively impact existing restaurants in the trade area;
4. The potential for the Project's 12-fuel points gas station with 3,227 square feet of convenience store space (base scenario) to negatively impact existing gas stations and convenience stores in the trade area;
5. The potential for reuse of the existing Stater Bros. store at 17050 Van Buren Blvd, which will close (relocate) as a result of the Project; and
6. The cumulative impacts associated with the proposed project when its impacts are considered together with economic impacts of other retail projects currently planned for development in the trade area.

The economic analysis is used to determine, in accordance with the California Environmental Quality Act (CEQA), the proposed project's potential to create urban decay. CEQA does not trigger an automatic presumption that urban decay will occur as a result of other businesses being closed. However, store closures can lead to conditions of urban decay. For the purpose of this analysis, urban decay is defined as physical deterioration due to store closures and long-term vacancies in existing shopping centers that is so prevalent and substantial that it impairs the health, safety, and welfare of the surrounding community. Physical deterioration includes, but is not limited to, abandoned buildings and commercial sites in disrepair, boarded doors and windows, long-term unauthorized use of properties and parking lots, extensive gang or offensive graffiti painted on buildings, dumping of refuse or overturned dumpsters on properties, dead trees or shrubbery, extensive litter, uncontrolled weed growth, and homeless encampments.

Overview of Methodology

For purposes of estimating impacts in the relevant categories, this analysis considers a trade area that includes the area surrounding the Project in the unincorporated Woodcrest community in Riverside County. The analysis projects total resident purchasing power within this trade area, and uses this projection of total demand as the basis for determining the extent to which the proposed project could be supported in the market area without negatively impacting existing businesses. The study methodology includes the following major steps:

1. Estimate the current potential demand for retail sales in the trade area, based on existing demographics;
2. Estimate the portion of total trade area demand that could realistically be "captured" by retail facilities in the trade area, based on an evaluation of the amounts and locations of competitive retail facilities outside of the evaluated trade area;

² As noted above, the new Stater Bros. would replace the existing store located across the street from the Project.

³ "GAFO" is a retail industry acronym for the General Merchandise, Apparel, Furniture, and Other/Specialty sales categories. The GAFO retail categories are also referred to as "shopper" or "comparison" goods.

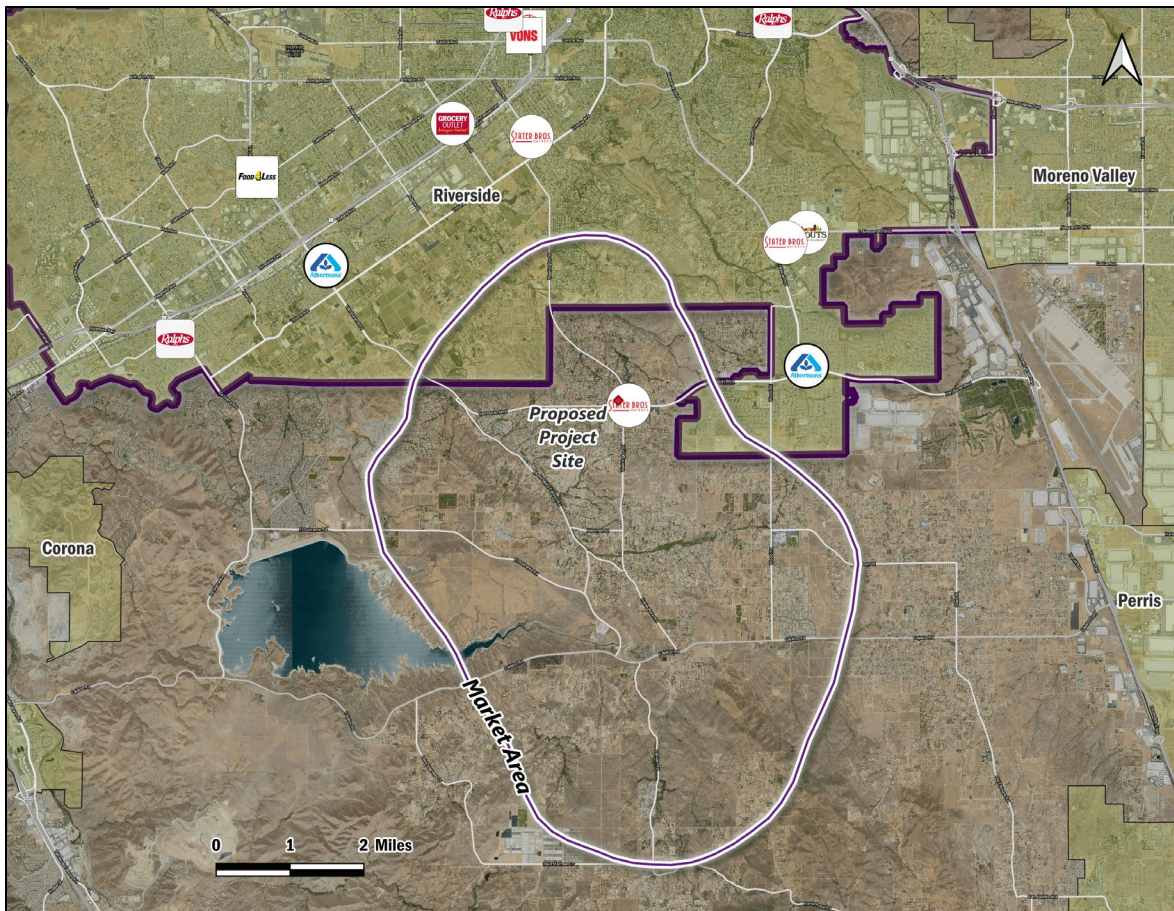
3. Forecast future growth (through 2040) in the amount of supportable retail sales, based on projected increases in the trade area's resident household population;
4. Forecast future growth in retail sales by individual retail category;
5. Estimate supermarket demand by determining the portion of total food store sales captured by supermarkets (versus other types of food stores such as convenience markets); and
6. Evaluate the potential to reuse the existing Stater Bros. site that will close (relocate) as a result of the project.

Description of Trade Area

To define a trade area for purposes this analysis, TNDG began with a default assumption of a 3-mile radius (the standard market area for a supermarket-anchored shopping center in suburban settings)⁴. This default radius was then adjusted/customized for the project site based on factors specific to the trade area, including established traffic patterns and the locations of existing supermarkets within and outside the 3-mile radius. In particular, the 3-mile area was truncated on the north and east based on concentrations of existing supermarkets in those directions and extended significantly to the south based on the absence of competing supermarkets in that direction. These adjustments resulted in the customized trade-area polygon shown in Figure I-1, on the following page, which was used for the supply/demand analysis summarized in this report.

⁴ Per the U.S. Shopping Center Definitions published by the International Council of Shopping Centers (ICSC), April 2009.

**Figure I-1:
Woodcrest Retail Trade Area Boundaries**



Source: TNDG, ArcGIS Business Analyst

What this Study Provides

Since this study is being completed as part of the Environmental Impact Report (EIR) process for the proposed project, it focuses strictly on the types of economic impacts that are defined as significant by the California Environmental Quality Act (CEQA). Specifically, per Section 15131(b) of the CEQA Guidelines, a project's economic impacts on a community are considered significant only if they can be tied to direct physical changes in the market area (i.e., physical deterioration of existing retail centers/facilities). For purposes of this analysis, TNDG has established the following criteria to determine if the project's market impacts would be significant enough to create a lasting physical change in the market area:

- Any diversion of sales from existing retail facilities would have to be severe enough to result in business closings; and
- The business closures would have to be significant enough in scale (i.e., in terms of the total square footage affected and/or the loss of key "anchor" tenants) to affect the long-term viability of existing shopping centers or districts, subsequently resulting in urban decay. Urban decay may be described as a downward spiral of store closures and long-term vacancies. While the phenomenon of urban decay is not defined under CEQA, it is assumed to be indicated by significant deterioration of structures and/or their surroundings. Such deterioration occurs when property owners reduce property maintenance activities below that required to keep their properties in good condition. A store closure, in and of itself, does not constitute urban decay. While the closure of a business is clearly a severe impact to the owners and employees of the firm, within the context of CEQA it is only significant if it results in sustained vacancies and related deterioration of the physical condition of the vacant building(s).

II. EXECUTIVE SUMMARY

II-A. SUMMARY CONCLUSIONS REGARDING POTENTIAL FOR URBAN DECAY

Based on the data and analysis presented in this report, TNDG concludes that the Project would not result in urban decay in the evaluated trade area.

It is TNDG's conclusion that the Project as proposed would not have significant economic impacts on existing retailers. The analysis supporting this conclusion is summarized in Sections II-B through II-G, with the study methodology documented in Section III.

II-B. OVERVIEW OF EXISTING RETAIL MARKET IN TRADE AREA

As part of the analysis, TNDG completed a comprehensive inventory of all existing retail tenants based on CoStar tenant-level and shopping center data. In addition, TNDG verified field data for selected major tenants.

The total inventory of retail space in the trade area is estimated at approximately 159,000 square feet. The inventory of existing retailers provides no indication of current urban decay in the trade area.

The breakdown of the existing retail inventory by category is summarized on Table II-1 below.

**Table II-1:
Inventory of Existing Retail Development
Woodcrest Retail Trade Area**

Retail Category	Square Feet
<u>Shopper Goods:</u>	
GAFO	44,294
<u>Convenience Goods:</u>	
Supermarkets	29,120
Convenience/Specialty Food/Liquor	12,320
Food Service and Drinking	30,166
<u>Heavy Commercial Goods:</u>	
Bldg. Matrl. & Garden Equip. & Supplies	44,297
Auto Parts	0
Service Stations	N/A
Total	158,877

Source: CoStar; TNDG.

Table II-2, on the following page, shows the available demand to support new retail development in the trade area. As shown in the table, there is sufficient demand in all retail categories to support the development of the Project's retail components as summarized in Table I-1.

**Table II-2:
Calculation of NET Retail Demand Projections to Support New Development
Woodcrest Retail Trade Area**

Retail Category	Potential Demand for Retail Space	Existing Estimated Square Feet	Net Demand Available to Support New Development
<u>Shopper Goods:</u>			
GAFO	385,107	44,294	340,813
<u>Convenience Goods:</u>			
Supermarkets	72,198	29,120	43,078
Convenience/Specialty Food/Liquor	19,829	14,439	5,390
Food Service and Drinking	96,725	30,166	66,559
<u>Heavy Commercial Goods:</u>			
Bldg. Matrl. & Garden Equip. & Supplies	53,736	44,297	9,439
Auto Parts	20,453	0	20,453
Service Stations	N/A	N/A	N/A
Total	644,742	158,877	485,731

Source: Costar; TNDG.

Note: Totals may not sum due to rounding

Further discussion for each Project retail component is provided in Sections II-C through II-F.

II-C. IMPACT OF PROPOSED PROJECT'S GROCERY COMPONENT

It is TNDG's conclusion that there is sufficient demand to support the development of the proposed Stater Bros. supermarket. The analysis supporting this conclusion is summarized below.

Project Description: For purposes of this analysis, it is assumed that total grocery area (including selling area and grocery support space) of the new Stater Bros. store would total 43,403 square feet. This total would represent a net increase of approximately 14,283 square feet of grocery space, as the existing store has about 29,120 square feet of grocery area (sales and support space).

Comparison of Existing Supply and Demand: TNDG's demand analysis indicates existing (year 2024) market support for approximately \$50.5 million in supermarket retail sales in the trade area. The \$50.5 million in market demand translates into approximately 72,198 square feet of supermarket retail space that could be currently supported in the trade area. Based on estimates from the field survey completed by TNDG, there is approximately 29,120 square feet of existing supermarket space in the trade area, which is the existing Stater Bros. store. Thus, TNDG estimates that the trade area could currently support about 72,198 square feet of additional supermarket space over and above the existing inventory since the existing Stater Bros store will relocate to the new location as larger new store.

Projected Demand Available to Support New Space: Total demand for supermarket space in the trade area is projected to increase from 72,198 square feet to 74,033 square feet by 2027 (the Project's assumed opening date) and to 81,390 square feet by 2040.

Table II-3:
Potential Demand for NEW Supermarket Space
Woodcrest Retail Trade Area
in Square Feet (all numbers are cumulative)

Retail Category	2024	2027	2030	2040
Supermarkets	72,198	74,033	75,915	81,390

Source: TNDG

Conclusion Regarding Significance of Impact: The above analysis suggests that the trade area could support up to two supermarkets over the next 16 years, assuming an average size of about 40,000 square feet per supermarket. This suggests that the existing Stater Bros. store could be reoccupied with another potential grocery store given residual demand in this category.

II-D. IMPACT OF PROPOSED PROJECT'S GENERAL RETAIL SPACE

It is TNDG's conclusion that the proposed project's new GAFO⁵ (General Merchandise, Apparel, Furniture/Appliances and Other/Specialty) sales will not have significant impacts on existing retailers in the trade area. The analysis supporting this conclusion is summarized below.

Project Description: The proposed project would include approximately 5,000 square feet of new space devoted to sales in the GAFO retail categories (see Table I-1).

Comparison of Existing Supply and Demand: TNDG's demand analysis indicates existing (year 2024) market support for approximately \$173.3 million in GAFO retail sales in the trade area. The \$173.3 million in market demand translates into approximately 385,107 square feet of GAFO retail space that could be currently supported in the trade area. Based on estimates from the field survey completed by TNDG, there is approximately 44,294 square feet of existing GAFO space in the trade area. Thus, TNDG estimates that the trade area could currently support about 340,000 square feet of additional GAFO space over and above the existing inventory.

Projected Growth in Demand: Within the trade area, potential demand for new retail space in the GAFO retail categories is projected to grow to approximately 350,603 square feet by 2027 (the Project's assumed opening date) and 389,844 by 2040. See Table II-4, below, for TNDG's projection of supportable square feet within GAFO retail categories from 2024 to 2040.

**Table II-4:
Potential Demand for NEW GAFO Retail Space
Woodcrest Retail Trade Area
in Square Feet (all numbers are cumulative)**

Retail Category	2024	2027	2030	2040
GAFO 1/	340,813	350,603	360,642	389,844

Source: TNDG.

1/ GAFO = General Merchandise, Apparel, Furniture/Appliances, and Other/Specialty.

Conclusion Regarding Significance of Impact: The Project will result in a net increase of 5,000 square feet of GAFO retail space. Given that this space is well within the level of residual market support for GAFO space in the trade area, TNDG does not believe the GAFO components of the Project will have significant competitive impacts on existing stores in the trade area.

⁵ "GAFO" is a retail industry acronym for the General Merchandise, Apparel, Furniture and Other/Specialty retail categories. The GAFO categories generally correspond to the merchandise mix of general retailers.

II-E. IMPACTS OF PROPOSED PROJECT’S RESTAURANT SPACE

It is TNDG’s conclusion that the proposed project’s new restaurant space, consisting of drive-through and sit-down restaurant sales, will not have significant impacts on existing restaurants in the trade area. The analysis supporting this conclusion is summarized below.

Project Description: The proposed project would include a maximum of approximately 16,790 square feet of new space devoted to sales in the restaurant categories (see Table I-1).

Comparison of Existing Supply and Demand: TNDG’s demand analysis indicates existing (year 2024) market support for approximately \$48.4 million in restaurant retail sales in the trade area. The \$48.4 million in market demand translates into approximately 96,725 square feet of restaurant space that could currently be supported in the trade area. Based on estimates from the field survey completed by TNDG, there is approximately 30,166 square feet of existing restaurant space in the trade area. Thus, TNDG estimates that the trade area could currently support about 66,559 square feet of additional restaurant space over and above the existing inventory.

Projected Growth in Demand: Within the trade area, potential demand for new restaurant space is projected to grow to approximately 71,430 square feet by 2027 (the Project’s assumed opening date) and 77,257 by 2040. See Table II-5, below, for TNDG’s projection of supportable square feet within the restaurant category from 2024 to 2040.

Table II-5:
Potential Demand for NEW Restaurant Space
Woodcrest Retail Trade Area
in Square Feet (all numbers are cumulative)

Retail Category	2024	2027	2030	2040
Food Services and Drinking	66,559	69,017	71,539	78,873

Source: TNDG.

Conclusion Regarding Significance of Impact: The Project will result in a maximum net increase of 16,790 square feet of restaurant space. Given that this space is well within the level of residual market support for restaurant space in the trade area, TNDG does not believe the restaurant components of the Project will have significant competitive impacts on existing restaurants in the trade area.

II-F. IMPACTS OF PROPOSED PROJECT’S POTENTIAL CONVENIENCE STORE WITH GAS STATION (CONVENIENCE STORE COMPONENT ONLY)

It is TNDG’s conclusion that the proposed project’s new potential convenience store and gas station, consisting of a small convenience store and fuel canopy, will not have significant impacts on existing convenience stores in the trade area. The analysis supporting this conclusion is summarized below.

Project Description: The proposed project would include a potential 3,227 square foot convenience store (see Table I-1).

Comparison of Existing Supply and Demand: TNDG's demand analysis indicates existing (year 2024) market support for approximately \$9.9 million in convenience store retail sales in the trade area. The \$9.9 million in market demand translates into approximately 19,829 square feet of convenience store space that could currently be supported in the trade area. Based on estimates from the field survey completed by TNDG, there is approximately 14,439 square feet of existing convenience store space⁶ in the trade area. Thus, TNDG estimates that the trade area could currently support about 5,390 square feet of additional convenience store space over and above the existing inventory.

Projected Growth in Demand: Within the trade area, potential demand for new convenience store space is projected to grow to approximately 5,894 square feet by 2027 (the Project's assumed opening date) and 7,914 by 2040. See Table II-6, below, for TNDG's projection of supportable square feet within the convenience store category from 2024 to 2040.

**Table II-6:
Potential Demand for NEW Convenience Store Space
Woodcrest Retail Trade Area
in Square Feet (all numbers are cumulative)**

Retail Category	2024	2027	2030	2040
Convenience/Specialty Food/Liquor	5,390	5,894	6,410	7,914

Source: TNDG.

Conclusion Regarding Significance of Impact: The Project will result in a maximum net increase of 3,227 square feet of convenience store space. Given that this space is within the level of residual market support for convenience store space in the trade area, TNDG does not believe the convenience store component of the Project will have significant competitive impacts on existing convenience stores in the trade area.

II-G. IMPACTS OF PROPOSED PROJECT'S POTENTIAL CONVENIENCE STORE WITH GAS STATION (GASOLINE STATION COMPONENT ONLY)

It is TNDG's conclusion that the proposed project's new potential convenience store and gas station, consisting of a small convenience store and fuel canopy, will not have significant impacts on existing convenience stores in the trade area. The analysis supporting this conclusion is summarized below.

Project Description: The proposed project would potentially include a Multi-Product Dispenser (MPD) Fuel Canopy with 12 fuel points (see Table I-1).

Comparison of Existing Supply and Demand: TNDG's demand analysis indicates existing (year 2024) market support for approximately \$34.3 million in retail gasoline station sales in the trade area. TNDG has identified three full-scale gasoline stations and one partial-size station:

- Chevron - 16770 Van Buren Blvd

⁶ Including freestanding convenience store space along with convenience stores attached to gasoline stations.

- Unocal 76 - 17905 Van Buren Blvd
- Valero - 17944 Van Buren Blvd
- 7-11 (two fuel points) - 16970 Van Buren Blvd

Based on a review of data from the California Department of Tax and Fee Administration (CDTFA), the average taxable sales per gasoline station in Riverside County was approximately \$7.3 million in 2024. This calculation suggests that the trade area could support close to five full-scale gas stations in the trade area.

Projected Growth in Demand: Within the trade area, potential demand for new gasoline station sales is projected to grow to approximately \$35.1 million by 2027 (the Project's assumed opening date) and 38.6 million by 2040. See Table II-7, below, for TNDG's projection of supportable sales within the gasoline store category from 2024 to 2040.

**Table II-7:
Potential Demand for Gasoline Station Sales
Woodcrest Retail Trade Area
(\$000s of constant dollars)**

Retail Category	2024	2027	2030	2040
Gasoline Stations	\$34,257	\$35,127	\$36,020	\$38,618

Source: TNDG.

Conclusion Regarding Significance of Impact: The Project will result in a maximum net increase of one 12-fuel point gasoline station. Given that this gasoline station is within the level of residual market support for gasoline stations in the trade area, TNDG does not believe the gasoline station component of the Project will have significant competitive impacts on existing gasoline stations in the trade area.

II-H. POTENTIAL REUSE OF EXISTING STATER BROS. STORE

Given that the proposed project will result in the relocation of the existing Stater Bros. store located at 17050 Van Buren Boulevard, it is necessary to evaluate the potential for the existing Stater Bros. building to remain vacant for an extended period of time and thus becoming subject to physical blighting.

TNDG estimates that the proposed project will add a maximum of 65,693 square feet of retail space that will be need to be absorbed in the trade area (see project description in Table I-1, page 1).

Table II-6, below, projects potential demand for absorption of this available space.

**Table II-8:
Potential Demand for NEW Retail Space (Expressed in Square Feet)
Woodcrest Retail Trade Area**

Retail Category	2024	2027	2030	2040
GAFO	340,813	350,603	360,642	389,844
Supermarkets	72,198	74,033	75,915	81,390
Convenience/Specialty Food/Liquor	5,390	5,894	6,410	7,914
Food Service and Drinking	66,559	69,017	71,539	78,873
Bldg. Matrl./Garden Equip./Supplies	9,439	55,102	56,503	60,577
Automotive Parts	20,453	20,973	21,506	23,057
TOTAL	514,851	575,622	592,516	641,656

Source: TNDG.

Based on the above numbers, as shown on Table II-6, TNDG projects that demand would be more than sufficient by 2027 (i.e., the assumed opening date of the proposed project) to fully absorb all the retail space added by the Project and the existing Stater Bros. store.

It should be noted that the finding of the significant residual demand is consistent with the fact that the trade area is relatively underserved with retail facilities. Further, the market's relative strength is evidenced by the fact that the retail center with the existing Stater Bros. store is fully occupied with two other anchor tenants: Dollar Tree and Michaels. Along with the other categories, there would also be sufficient residual demand to reoccupy the existing Stater Bros. space with another grocery tenant, even after development of the Project (see Section II-C.

II-I. CUMULATIVE IMPACTS OF PROJECTS PLANNED IN THE TRADE AREA

Whereas the preceding sections examine potential impacts strictly related to the proposed project, this section evaluates the cumulative impacts to the market based on all known planned and pending retail development/reuse projects in the trade area. Table II-9, below, provides a list of these planned and pending projects, including the projects' square feet and location. As shown on the table, the planned and pending projects in the trade area total approximately 46,393 square feet of (non-gasoline category) retail space, with 14,283 square feet of *new* grocery space⁷. Following the table, Figure II-1, on the following page, provides a map showing the locations of the planned and pending retail projects in the trade area.

**Table II-9:
Planned and Pending Retail Projects
Woodcrest Retail Trade Area**

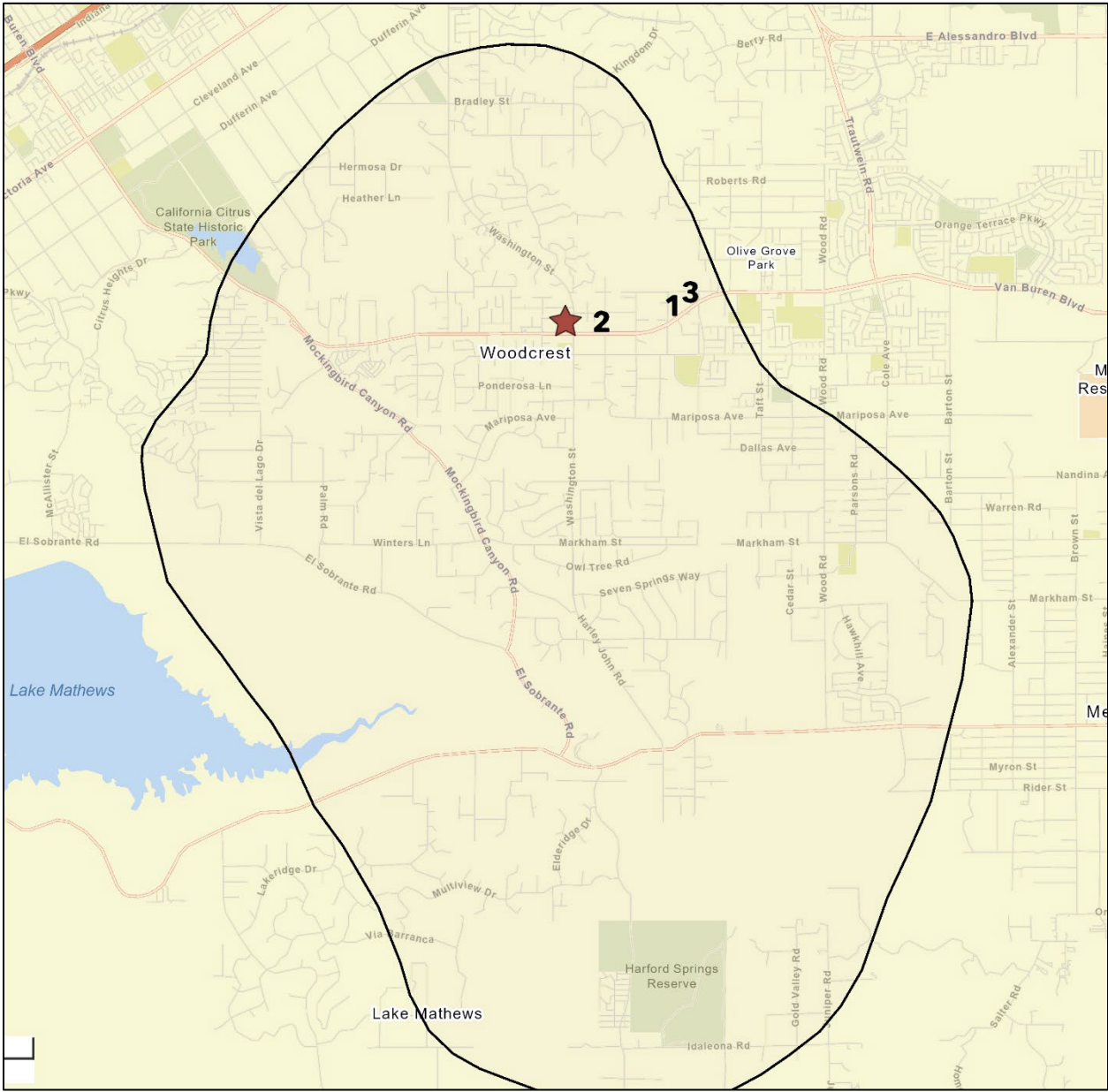
Map Key	Project	Retail Square Feet		
		Non-Grocery	Grocery	Total
	<i>Woodcrest Retail Center Project¹</i> Van Buren Blvd / Washington St Riverside 92504	22,290	14,283	36,573
1	<i>Fast Food with Drive-through</i> 16188 Gamble Avenue Riverside 92508	5,000		5,000
2	<i>General Retail</i> 17270 Van Buren Boulevard Riverside 92504	4,820		4,820
3	<i>Arco Gas Station (3,800 SF convenience store with 16 fuel points)</i> 18002 Van Buren Boulevard Riverside 92508	N/A		N/A
	TOTAL	32,110	14,283	46,393

Source: Applied Planning, TNDG.

1. Square feet total differs from Table I 1 for the following reasons. Impacts to the gasoline stations category are evaluated separately (Parcel 1, base scenario), not on a per square foot basis. In addition, only the additional square feet of the proposed Stater Bros. store (over and above the existing store) is evaluated for competitive impacts purposes.

⁷ Impacts to the gasoline station category are evaluated separately, so the square feet of planned gasoline station convenience store space is not included in the total 46,393 square feet.

**Figure II-1:
Locations of Planned and Pending Retail Projects
Woodcrest Retail Trade Area**



Source: TNDG; ESRI, ArGIS Business Analyst

Cumulative Impacts – Non-Gasoline Categories

Demand for new retail space (non-gasoline/convenience store) in the trade area is projected to reach approximately 570,000 square feet in 2027 and 634,000 square feet by 2040. See Table II-6, below, for a breakdown of supportable square feet by retail category from 2024 to 2040.

**Table II-10:
Demand for NEW Retail Space
by Retail Category (non-grocery)
Woodcrest Retail Trade Area**

Retail Category	2024	2027	2030	2040
GAFO	340,813	350,603	360,642	389,844
Supermarket	72,198	74,033	75,915	81,390
Food Service and Drinking	66,559	69,017	71,539	78,873
Bldg. Matrl./Garden Equip./Supplies	9,439	55,102	56,503	60,577
Automotive Parts	20,453	20,973	21,506	23,057
TOTAL	509,462	569,729	586,105	633,741
Square Feet Absorbed by Planned and Pending Projects		(46,393)	(46,393)	(46,393)
Net Demand	509,462	523,336	539,712	587,348

Source: TNDG, Tables III-1 through III-11.

Cumulative Impacts – Non-Gasoline Categories

Based on the potential demand for new non-gasoline retail space (as shown on Table II-10 above), the total square feet of planned and pending projects would absorb approximately 9% residual demand through 2027. Even after accounting for all of the planned and pending retail space, there would still be residual demand to support about 523,000 square feet of new retail space in 2027. In addition, due to continued growth in the market, the trade area would be able to support an additional 587,000 square feet of non-gasoline retail space by 2040. Thus, TNDG believes that the planned and pending projects will not have significant cumulative impacts on trade area retailers in the non-grocery categories.

Cumulative Impacts – Gasoline Stations

Convenience Store Space

Demand for new convenience store space associated with gasoline stations is projected to reach 7,914 square feet by 2040 (see Table II-6), which is sufficient to accommodate the Project (3,227 square feet) and the planned Arco gasoline station at 18002 Van Buren Blvd (3,800 square feet). Although the analysis suggests that it would take until 2040 to support both projects, it should be noted that the proposed Arco station (18002 Van Buren Boulevard) is at the periphery of the trade area boundaries, and is therefore likely to draw a significant amount of market support from residents to the east of the trade area boundaries (especially given the concentration of residential development just to the east of the boundary). Thus, given this proposed Arco station's location, it would be appropriate to discount its effective square feet by

50%, considering the significant amount of market support it would draw from outside of the trade area evaluated in this analysis. Thus, the “effective” competitive impact of total gasoline - associated convenience store space would total about 5,127 square feet ($3,227 + 50\% \times 3,800 = 5,127$). As shown in Table II-6, the market would be able to support about 5,900 square feet of convenience store space by 2027.

Gasoline Sales

As discussed in II-G, the market could currently support close to five full-scale gas stations. Given that there are three full-scale gasoline stations and one partial-size station (two fuel points), existing demand would be sufficient to support both projects. In addition, applying the same logic as discussed above with respect to the convenience store component, it would be appropriate to discount the effective size of the gasoline sales component of the proposed Arco station. Given its location on the periphery of the trade area boundaries, and the amount of market support it would draw from residents outside of the trade area, the proposed Arco station would be the functional equivalent of 50% of a full-scale gas station.

Along with the discussion above related to gasoline/convenience store sales, gasoline stations tend to draw significant market support from the transient visitor population, in addition to residents. The retail demand analysis focuses on resident-generated market support and does not account for this transient visitor component of gasoline station demand. Therefore, the analysis likely underestimates the amount of demand to support new gasoline stations-convenience stores. Based on that fact and the preceding discussion, TNDG believes that the planned and pending gasoline station/convenience store projects will not have significant cumulative impacts on trade area gasoline stations.

II-J. POTENTIAL FOR URBAN DECAY

This section evaluates the potential urban decay to occur based on the possibility of store closings or a delay in the reuse of existing vacancies that could result from development of the Project. As noted in the above in Sections II-C through II-G, TNDG’s retail demand analysis indicates there would be sufficient marked demand to support Project without negatively impacting existing retailers in the trade area.

As discussed in Section II-I, potentially significant impacts are not projected under cumulative conditions, as well. As shown on Table II-6 and Table III-10, above, residual demand, along with continued growth in the market, would be more than sufficient to support the square feet of retail space (grocery and non-grocery) associated with the planned and pending projects in the trade area.

III. RETAIL DEMAND ANALYSIS METHODOLOGY

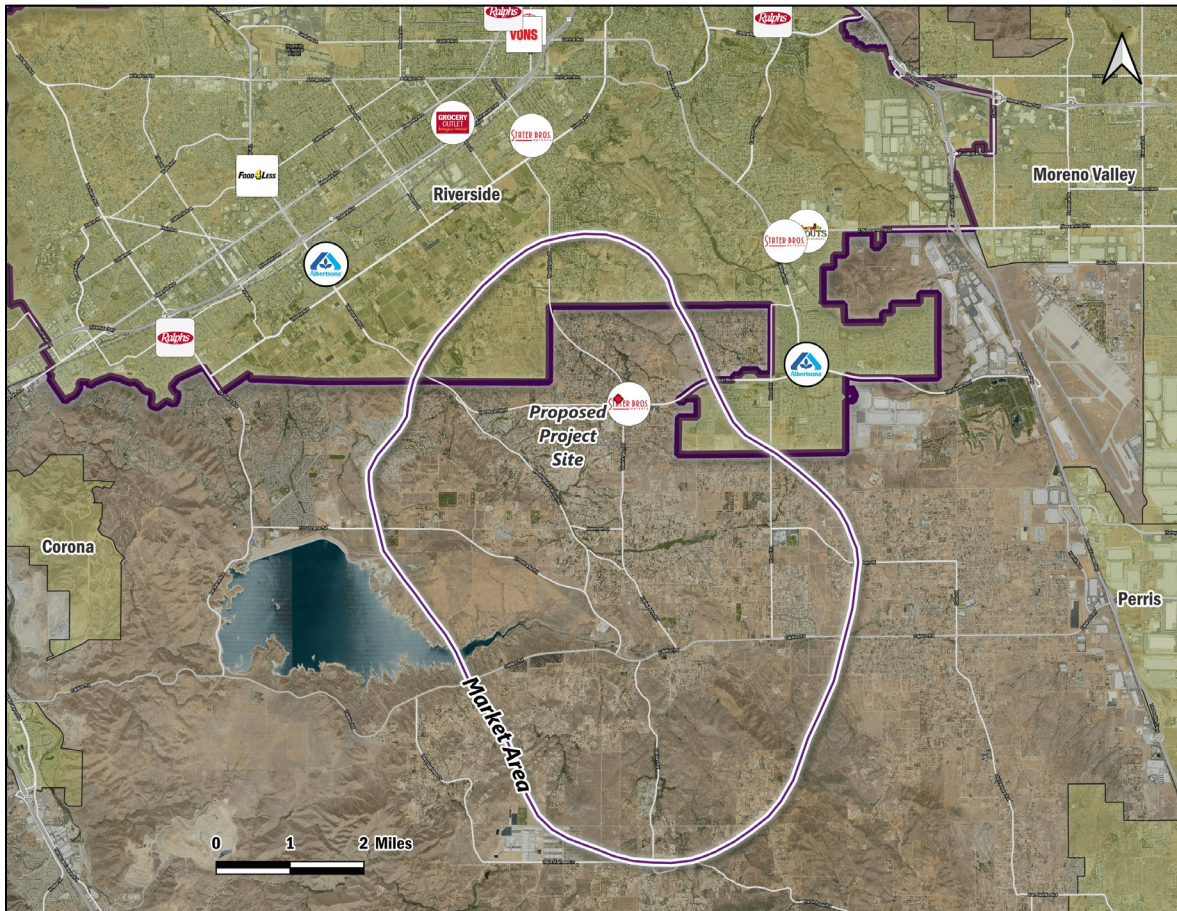
This section examines potential retail demand associated with the household population residing in the market area that would be served by the Project. The analysis projects future retail demand of residents in the surrounding area who would shop at the Project.

III-A. MARKET AREA BOUNDARIES

To define a trade area for purposes this analysis, TNDG began with a default assumption of a 3-mile radius (the standard market area for a supermarket-anchored shopping center in suburban settings). This default radius was then adjusted/customized for the project site based on factors specific to the trade area, including established traffic patterns and the locations of existing supermarkets within and outside the 3-mile radius. In particular, the 3-mile area was truncated on the north and east based on concentrations of existing supermarkets in those directions and extended significantly to the south based on the absence of competing supermarkets in that direction. These adjustments resulted in the customized trade-area polygon shown in Figure III-1, on the following page, which was used for the supply/demand analysis summarized in this report.

The trade area is referred to herein as the Woodcrest Retail Trade Area (WRTA).

Figure III-1: Woodcrest Retail Trade Area (WRTA) Boundaries



Source: TNDG, ArcGIS Business Analyst

III-B. HOUSEHOLDS AND INCOME LEVELS

The Households in the trade area are projected as follows:

**Table III-1:
Population Projections by Year
Woodcrest Retail Trade Area**

Market Area	Estimated 2024 Households	Projected 2027 Households	Projected 2030 Households	Projected 2040 Households
WRTA	7,700	7,896	8,096	8,680

Source: ESRI, Southern California Association of Governments (SCAG); TNDG.

The above households estimate (2024) and projections through 2030 are from ESRI, a nationally-recognized provider of demographic data. The 2030-2040 projections are based on the Southern California Association of Government's (SCAG's) recently completed (April 2023) 2024 RTP/SCS (Connect SoCal 2024). For the 2030-2040 growth projections, the following forecast approach was used:

- Obtain demographic forecasts from SCAG at the Traffic Analysis Zone level (TAZ) level of geography
- Match the TAZ boundaries to the geographic boundaries of the WRTA (see Figure III-1)
- Calculate the households growth rate in the TAZs that most closely correspond to the WRTA boundaries (estimated at 1.2% annually from 2030-2035, and 0.2% from 2035-2040)

Average household income in the WRTA, provided by ESRI, is estimated as follows.

**Table III-2:
Average Household Income Level
Woodcrest Retail Trade Area**

Market Area	2024 Average Household Income
WRTA	\$170,489

Source: ESRI, TNDG

III-C. RETAIL SALES DEMAND

The portion of total income spent on retail purchases varies by the income level of the individual household and also varies depending on the strength of the overall economy. In general, the percentage of income spent on retail goods decreases as income levels rise (more affluent households spend more on retail goods in absolute dollar terms, but less as a percentage of their total income).

In order to forecast the ratio of total trade area income likely to be spent on retail purchases, TNDG evaluated survey data from the National Consumer Expenditure Survey (CES), which shows the variation in retail expenditures by household income level. See Table III-3, below, for the estimated share of household income spent on retail purchases based on household income ranges (and average income levels within the ranges).

Table III-3:
Total Retail Sales
As a Percentage of Household Income

Variable	\$15,000 to \$29,999	\$30,000 to \$39,999	\$40,000 to \$49,999	\$50,000 to \$69,999	\$70,000 to \$99,999	\$100,000 to \$149,999	\$150,000 to \$199,999
Income before Taxes	\$22,684	\$34,918	\$44,781	\$59,346	\$83,578	\$121,816	\$171,339
Total Annual Retail Expenditures	16,454	22,057	22,666	26,575	34,105	42,359	52,418
% of Total Income Spent on Retail	72.5%	63.2%	50.6%	44.8%	40.8%	34.8%	30.6%

Source: 2023 Consumer Expenditure Survey (CES), Bureau Labor Statistics (BLS).

Based on the data shown above, and the average household income level in the WRTA (Table III-3), residents are projected to spend about **30.7%** of their income on retail purchases.

III-D. DISTRIBUTION OF RETAIL EXPENDITURES

Projected retail demand from market area residents is disaggregated into various retail categories based upon retail expenditure patterns observed in Riverside County. The basic distribution of retail sales by retail category is projected as follows in Table III-4 below.

**Table III-4:
Distribution of Sales by Category
Woodcrest Retail Trade Area**

Retail Category	Distribution
<u>Shopper Goods:</u>	
Clothing and Clothing Accessories	6.0%
General Merchandise	10.0%
Home Furnishings and Appliances	3.5%
Specialty/Other	23.5%
<i>Subtotal</i>	43.0%
<u>Convenience Goods:</u>	
Food and Beverage	15.0%
Food Service and Drinking	12.0%
<i>Subtotal</i>	27.0%
<u>Heavy Commercial Goods:</u>	
Bldg. Matrl. & Garden Equip. & Supplies	7.0%
Motor Vehicle and Parts Dealers	14.5%
Gasoline Stations	8.5%
<i>Subtotal</i>	30.0%
Total	100.0%

Source: CDTFA; TNDG.

III-E. CAPTURE RATE ANALYSIS

Trade Area Capture Rates

The WRTA capture rates of resident demand are projected at 100% (see Table III-5 on the following page) due to the tendency of residents to shop relatively close to their homes, especially for convenience goods. Generally, it is reasonable to expect that residents will make the vast majority of their retail purchases locally, provided that a competitive mix of retail stores reflective of consumer needs is available. This is consistent with one of the findings from standard urban land use theory, which indicates, all else equal, the relative attractiveness of retail outlets decreases as travel time increases for the consumer⁸.

Although a small share of residents' retail purchases could "leak" outside the trade area, the analysis does not account for residents who live just outside the trade area boundaries and are likely to do some of their shopping within the WRTA. In addition, the analysis does not account

⁸ See, for example, Blair, John. *Urban & Regional Economics*. Irwin, 1991. Hoover, Edgar M. *An Introduction to Regional Economics*. Alfred A. Knopf, 1975. McCann, Phillip. *Urban and Regional Economics*. Oxford University Press, 2001.

for potential visitor demand for retail purchases. Thus, the 100% capture rate projection is a reasonable assumption for estimating total potential retail demand.

**Table III-5:
Capture Rates of Trade Area Demand
Woodcrest Retail Trade Area**

Retail Category	Capture Rate
<u>Shopper Goods:</u>	
Clothing and Clothing Accessories	100%
General Merchandise	100%
Home Furnishings and Appliances	100%
Specialty/Other	100%
<u>Convenience Goods:</u>	
Food and Beverage	100%
Food Service and Drinking	100%
<u>Heavy Commercial Goods:</u>	
Bldg. Matrl. & Garden Equip. & Supplies	100%
Motor Vehicle and Parts Dealers	100%
Gasoline Stations	100%

Source: TNDG

III-F. POTENTIAL RETAIL SALES VOLUMES

Based on the capture rates shown above, Table III-6, below, projects the potential market area demand in the WRTA for each retail category. As shown on the table, incremental demand through 2040 for retail sales in the WRTA is projected to grow in proportion to increases in the number of households.

**Table III-6:
Potential Capture of Sales
Woodcrest Retail Trade Area
in thousands of constant dollars**

Market Area	2024	2027	2030	2040
<u>Shopper Goods:</u>				
Clothing and Clothing Accessories	\$24,181	\$24,796	\$25,426	\$27,260
General Merchandise	40,302	41,326	42,377	45,433
Home Furnishings and Appliances	14,106	14,464	14,832	15,902
Specialty/Other	94,709	97,117	99,586	106,768
<i>Subtotal</i>	<i>\$173,298</i>	<i>\$177,704</i>	<i>\$182,221</i>	<i>\$195,362</i>
<u>Convenience Goods:</u>				
Food and Beverage	\$60,453	\$61,990	\$63,566	\$68,150
Food Service and Drinking	48,362	49,592	50,852	54,520
<i>Subtotal</i>	<i>\$108,815</i>	<i>\$111,581</i>	<i>\$114,418</i>	<i>\$122,669</i>
<u>Heavy Commercial Goods:</u>				
Bldg. Matrl. & Garden Equip. & Supplies	\$28,211	\$28,929	\$29,664	\$31,803
Motor Vehicle and Parts Dealers	58,438	59,923	61,447	65,878
Gasoline Stations	34,257	35,127	36,020	38,618
<i>Subtotal</i>	<i>\$120,906</i>	<i>\$123,979</i>	<i>\$127,131</i>	<i>\$136,299</i>
Total	\$403,019	\$413,264	\$423,770	\$454,330

Source: TNDG.

Table III-7, on the following page, projects the market demand for consolidated retail categories that are likely to be found in shopping center settings. The following adjustments were made:

- GAFO is a retail industry acronym for the shopper goods retail categories: General Merchandise, Apparel, Furniture Appliances, and Other Specialty. These retail categories are typically found in a variety of shopping center settings.
- Supermarkets are assumed to account for **83.6%** of total *Food and Beverage* demand, based on data from the 2022 Economic Census (see Appendix B, Table B-1)
- Auto Parts are assumed to account for **10.5%** of total *Motor Vehicle and Parts Dealers*, based on statewide taxable sales data from the California Department of Tax and Fee Administration (CDTFA). (see Appendix B, Table B-2)

**Table III-7:
Potential Capture of Sales – “Adjusted” Shopping Center Categories
Woodcrest Retail Trade Area
in thousands of constant dollars**

Market Area	2024	2030	2035	2040
<u>Shopper Goods:</u>				
GAFO ¹	\$173,298	\$177,704	\$182,221	\$195,362
<u>Convenience Goods:</u>				
Supermarkets ²	\$50,539	\$51,823	\$53,141	\$56,973
Convenience/Specialty Food/Liquor	9,914	10,166	10,425	11,177
Food Service and Drinking	48,362	49,592	50,852	54,520
<i>Subtotal</i>	<i>\$108,815</i>	<i>\$111,581</i>	<i>\$114,418</i>	<i>\$122,669</i>
<u>Heavy Commercial Goods:</u>				
Bldg. Matrl. & Garden Equip. & Supplies	\$28,211	\$28,929	\$29,664	\$31,803
Auto Parts ³	6,136	6,292	6,452	6,917
Gasoline Stations	34,257	35,127	36,020	38,618
<i>Subtotal</i>	<i>\$68,604</i>	<i>\$70,348</i>	<i>\$72,136</i>	<i>\$77,338</i>
Total	\$350,717	\$359,633	\$368,775	\$395,369

1. GAFO: General Merchandise, Apparel, Furniture/Appliances, Other/Specialty

2. Assumes Supermarkets account for 83.6% of Food and Beverage Demand (see Appendix B, Table B-1).

3. Assumes Auto Parts account for 10.5% of Motor Vehicle/Other Vehicle Dealers (see Appendix B, Table B-2).

Source: TNDG.

III-G. SUPPORTABLE RETAIL SPACE

Sales per Square Foot Standards

Projected sales volume requirements per square foot of retail space by retail category are derived from typical sales per square foot data from representative stores in each retail category (as reported in a "Retail Sales Per Square Foot Report" from BizMiner). The sales per square foot factors in Table III-8, below, are generally at the high end of the range for each retail category. Relatively high sales per square foot assumptions translate into relatively conservative demand projections for new supportable square feet of retail space.

**Table III-8:
Sales per Foot Standards for Retail Space
Woodcrest Retail Trade Area**

Retail Category	Sales/ Square Foot
GAFO	\$450
Supermarkets	\$700
Food Services and Drinking	\$500
Convenience/Specialty Food/Liquor	\$500
Bldg. Matrl. & Garden Equip. & Supplies	\$525
Automotive Parts	\$300

Source: TNDG, based on data published by BizMiner and representative retail stores.

Demand for New Retail Space

The sales per square foot standards are applied to the net demand numbers for each relevant retail category, as shown in Table III-9 below. This calculation essentially converts potential sales volumes to supportable square feet of new retail space. Supportable development levels will increase in the future by virtue of anticipated growth in households in the WRTA (see Table III-1).

**Table III-9:
Demand for Retail Space
Woodcrest Retail Trade Area**

Retail Category	2024	2030	2035	2040
<u>Shopper Goods:</u>				
GAFO	385,107	394,897	404,936	434,138
<u>Convenience Goods:</u>				
Supermarkets	72,198	74,033	75,915	81,390
Convenience/Specialty Food/Liquor	19,829	20,333	20,849	22,353
Food Service and Drinking	96,725	99,183	101,705	109,039
<u>Heavy Commercial Goods:</u>				
Bldg. Matrl. & Garden Equip. & Supplies	53,736	55,102	56,503	60,577
Auto Parts	20,453	20,973	21,506	23,057
Total	648,047	664,521	681,415	730,555

Source: TNDG.

Existing Square Feet of Space

Provided below in Table III-10 is an estimate of the amount of existing square feet of retail space, broken down by retail category, in the WRTA. As shown in the table, there is an inventory of approximately 118,757 square feet of existing retail space in the WRTA. The retail inventory estimates are based on CoStar tenant-level and shopping center data. In addition, TNDG verified field data for selected major tenants.

**Table III-10:
Estimate of Existing Square Feet of Retail Development
Woodcrest Retail Trade Area**

Retail Category	Square Feet
<u>Shopper Goods:</u>	
GAFO	44,294
<u>Convenience Goods:</u>	
Supermarkets ¹	0
Convenience/Specialty Food/Liquor	14,439
Food Service and Drinking	30,166
<u>Heavy Commercial Goods:</u>	
Bldg. Matrl. & Garden Equip. & Supplies	44,297
Auto Parts	0
Service Stations	N/A
Total	133,196

Source: CoStar; TNDG.

1. Assumes existing Stater Bros. store (17050 Van Buren Blvd) will close once the new Stater Bros. store opens.

Demand for New Retail Space

By subtracting the existing amount of retail space (see Table III-10) from the potential supportable amount (see Table III-9), Table III-11, below, provides the amount of new retail space that could be supported in the WRTA. Currently (as of 2024) the WRTA could support approximately 514,851 square feet of additional retail space. Due to continued growth in the number of households (see Table III-1), the WRTA would be able to support an additional 641,656 square feet of retail space, over and above existing levels, by 2040.

**Table III-11:
Demand for NEW Retail Space
Woodcrest Retail Trade Area**

Retail Category	2024	2030	2035	2040
GAFO	340,813	350,603	360,642	389,844
Supermarkets	72,198	74,033	75,915	81,390
Convenience/Specialty Food/Liquor	5,390	5,894	6,410	7,914
Food Service and Drinking	66,559	69,017	71,539	78,873
Bldg. Matrl./Garden Equip./Supplies	9,439	55,102	56,503	60,577
Automotive Parts	20,453	20,973	21,506	23,057
TOTAL	514,851	575,622	592,516	641,656

Source: TNDG.

APPENDIX A:

RETAIL DEMAND ANALYSIS WOODCREST RETAIL TRADE AREA

Table A-1
Household Projections
Woodcrest Retail Trade Area

Area	2024	2027	2030	2040
Primary Market Area (PMA)	7,700	7,896	8,096	8,680
Total Market Area	7,700	7,896	8,096	8,680

Source: ESRI; Southern California Council of Governments (SCOG).

Table A-2
Household Income Projections
Woodcrest Retail Trade Area
in Constant 2023 dollars

	2024
PMA	\$170,489
Annual Increase Factor	0.00%

Area	2024	2027	2030	2040
PMA	\$170,489	\$170,489	\$170,489	\$170,489

Source: ESRI; U.S. Census Bureau; TNDG.

Table A-3
Total Income and Potential Retail Sales Projections
Woodcrest Retail Trade Area
In thousands of constant dollars

Percent of Income Spent on Retail Goods	PMA 30.7%			
Area	2024	2027	2030	2040
Total Income:				
PMA	\$1,312,765	\$1,346,138	\$1,380,359	\$1,479,903
Total	\$1,312,765	\$1,346,138	\$1,380,359	\$1,479,903
Potential Retail Sales:				
PMA	\$403,019	\$413,264	\$423,770	\$454,330
Total	\$403,019	\$413,264	\$423,770	\$454,330

Source: TNDG, Consumer Expenditure Survey, U.S. Census Bureau.

Table A-4
Distribution of Retail Sales by Retail Category
Woodcrest Retail Trade Area

Retail Category	%Distribution 2024	%Distribution 2027	%Distribution 2030	%Distribution 2040
<i>Shopper Goods:</i>				
Clothing and Clothing Accessories	6.0%	6.0%	6.0%	6.0%
General Merchandise	10.0%	10.0%	10.0%	10.0%
Home Furnishings and Appliances	3.5%	3.5%	3.5%	3.5%
Specialty/Other	23.5%	23.5%	23.5%	23.5%
Subtotal	43.0%	43.0%	43.0%	43.0%
<i>Convenience Goods:</i>				
Food and Beverage	15.0%	15.0%	15.0%	15.0%
Food Service and Drinking	12.0%	12.0%	12.0%	12.0%
Subtotal	27.0%	27.0%	27.0%	27.0%
<i>Heavy Commercial Goods:</i>				
Bldg. Matrl. and Garden Equip. and Supplies	7.0%	7.0%	7.0%	7.0%
Motor Vehicle/Other Vehicle Dealers	14.5%	14.5%	14.5%	14.5%
Gasoline Stations	8.5%	8.5%	8.5%	8.5%
Subtotal	30.0%	30.0%	30.0%	30.0%
Total	100.0%	100.0%	100.0%	100.0%

Source: TNDG, based on historical taxable sales trends for Los Angeles County.

Table A-5
Projected Demand for Retail Sales by Major Retail Category
Woodcrest Retail Trade Area - PMA
In thousands of constant dollars

Retail Category	2024	2027	2030	2040
<i>Shopper Goods:</i>				
Clothing and Clothing Accessories	\$24,181	\$24,796	\$25,426	\$27,260
General Merchandise	40,302	41,326	42,377	45,433
Home Furnishings and Appliances	14,106	14,464	14,832	15,902
Specialty/Other	94,709	97,117	99,586	106,768
Subtotal	\$173,298	\$177,704	\$182,221	\$195,362
<i>Convenience Goods:</i>				
Food and Beverage	\$60,453	\$61,990	\$63,566	\$68,150
Food Service and Drinking	48,362	49,592	50,852	54,520
Subtotal	\$108,815	\$111,581	\$114,418	\$122,669
<i>Heavy Commercial Goods:</i>				
Bldg. Matrl. and Garden Equip. and Supplies	\$28,211	\$28,929	\$29,664	\$31,803
Motor Vehicle/Other Vehicle Dealers	58,438	59,923	61,447	65,878
Gasoline Stations	34,257	35,127	36,020	38,618
Subtotal	\$120,906	\$123,979	\$127,131	\$136,299
Total	\$403,019	\$413,264	\$423,770	\$454,330

Source: TNDG

Table A-6
Potential Capture of Market Area Demand for Retail Sales Expressed in Percentages
Woodcrest Retail Trade Area - PMA

Retail Category	2024	2027	2030	2040
<i>Shopper Goods:</i>				
Clothing and Clothing Accessories	100.0%	100.0%	100.0%	100.0%
General Merchandise	100.0%	100.0%	100.0%	100.0%
Home Furnishings and Appliances	100.0%	100.0%	100.0%	100.0%
Specialty/Other	100.0%	100.0%	100.0%	100.0%
<i>Convenience Goods:</i>				
Food and Beverage	100.0%	100.0%	100.0%	100.0%
Food Service and Drinking	100.0%	100.0%	100.0%	100.0%
<i>Heavy Commercial Goods:</i>				
Bldg. Matrl. and Garden Equip. and Supplies	100.0%	100.0%	100.0%	100.0%
Motor Vehicle/Other Vehicle Dealers	100.0%	100.0%	100.0%	100.0%
Gasoline Stations	100.0%	100.0%	100.0%	100.0%

Source: TNDG

Note: GAFO is a retail industry acronym for the shopper goods retail categories: General Merchandise, Apparel (Clothing and Accessories), Furniture (Home Furnishings and Appliances), and Other (Specialty/Other).

Table A-7

Potential Capture of Market Area Demand for Retail Sales

Woodcrest Retail Trade Area - PMA

In thousands of constant dollars

Retail Category	2024	2027	2030	2040
<i>Shopper Goods:</i>				
Clothing and Clothing Accessories	\$24,181	\$24,796	\$25,426	\$27,260
General Merchandise	40,302	41,326	42,377	45,433
Home Furnishings and Appliances	14,106	14,464	14,832	15,902
Specialty/Other	94,709	97,117	99,586	106,768
Subtotal	\$173,298	\$177,704	\$182,221	\$195,362
<i>Convenience Goods:</i>				
Food and Beverage	\$60,453	\$61,990	\$63,566	\$68,150
Food Service and Drinking	48,362	49,592	50,852	54,520
Subtotal	\$108,815	\$111,581	\$114,418	\$122,669
<i>Heavy Commercial Goods:</i>				
Bldg. Matrl. and Garden Equip. and Supplies	\$28,211	\$28,929	\$29,664	\$31,803
Motor Vehicle/Other Vehicle Dealers	58,438	59,923	61,447	65,878
Gasoline Stations	34,257	35,127	36,020	38,618
Subtotal	\$120,906	\$123,979	\$127,131	\$136,299
Total	\$403,019	\$413,264	\$423,770	\$454,330

Source: TNDG

Table A-8
Potential Capture of Market Area Demand for Retail Sales
Woodcrest Retail Trade Area
In thousands of constant dollars

Retail Category	2024	2027	2030	2040
<i>Shopper Goods:</i>				
Clothing and Clothing Accessories	\$24,181	\$24,796	\$25,426	\$27,260
General Merchandise	40,302	41,326	42,377	45,433
Home Furnishings and Appliances	14,106	14,464	14,832	15,902
Specialty/Other	94,709	97,117	99,586	106,768
Subtotal	\$173,298	\$177,704	\$182,221	\$195,362
<i>Convenience Goods:</i>				
Food and Beverage	\$60,453	\$61,990	\$63,566	\$68,150
Food Service and Drinking	48,362	49,592	50,852	54,520
Subtotal	\$108,815	\$111,581	\$114,418	\$122,669
<i>Heavy Commercial Goods:</i>				
Bldg. Matrl. and Garden Equip. and Supplies	\$28,211	\$28,929	\$29,664	\$31,803
Motor Vehicle/Other Vehicle Dealers	58,438	59,923	61,447	65,878
Gasoline Stations	34,257	35,127	36,020	38,618
Subtotal	\$120,906	\$123,979	\$127,131	\$136,299
Total	\$403,019	\$413,264	\$423,770	\$454,330

Source: TNDG

Table A-9
Potential Capture of Market Area Demand for Retail Sales - ADJUSTED CATEGORIES
Woodcrest Retail Trade Area
In thousands of constant dollars

Retail Category	2024	2027	2030	2040
<i>Shopper Goods:</i>				
GAFO ¹	\$173,298	\$177,704	\$182,221	\$195,362
<i>Convenience Goods:</i>				
Supermarkets ²	\$50,539	\$51,823	\$53,141	\$56,973
Convenience/Specialty Food/Liquor	9,914	10,166	10,425	11,177
Food Service and Drinking	48,362	49,592	50,852	54,520
Subtotal	\$108,815	\$111,581	\$114,418	\$122,669
<i>Heavy Commercial Goods:</i>				
Bldg. Matrl. and Garden Equip. and Supplies	\$28,211	\$28,929	\$29,664	\$31,803
Auto Parts ³	6,136	6,292	6,452	6,917
Gasoline Stations	34,257	35,127	36,020	38,618
Subtotal	\$68,604	\$70,348	\$72,136	\$77,338
Total	\$350,717	\$359,633	\$368,775	\$395,369

1. GAFO: General Merchandise, Apparel, Furniture/Appliances, Other/Specialty

2. Assumes Supermarkets account for 85% of Food and Beverage Demand (see Table B-1)

3. Assumes Auto Parts accounts for 10.5% of Motor Vehicle/Other Vehicle Dealers (see Table B-2)

Source: TNDG

Table A-10
Sales per Square Foot Assumptions by Category
Woodcrest Retail Trade Area

Retail Category	Sales / Square Feet
GAFO	\$450
Supermarkets	\$700
Convenience/Specialty Food/Liquor	\$500
Food Services and Drinking	\$500
Bldg. Matrl. and Garden Equip. and Supplies	\$525
Auto Parts	\$300

Source: TNDG

Table A-11
Potential Supportable Retail Space by Category
Woodcrest Retail Trade Area
Expressed in Square Feet

Retail Category	2024	2027	2030	2040
<i>Shopper Goods:</i>				
GAFO	385,107	394,897	404,936	434,138
<i>Convenience Goods:</i>				
Supermarkets	72,198	74,033	75,915	81,390
Convenience/Specialty Food/Liquor	19,829	20,333	20,849	22,353
Food Service and Drinking	96,725	99,183	101,705	109,039
Subtotal	188,751	193,549	198,470	212,782
<i>Heavy Commercial Goods:</i>				
Bldg. Matrl. and Garden Equip. and Supplies	53,736	55,102	56,503	60,577
Auto Parts	20,453	20,973	21,506	23,057
Gasoline Stations	N/A	N/A	N/A	N/A
Subtotal	74,189	76,075	78,009	83,635
GRAND TOTAL	648,047	664,521	681,415	730,555

Source: TNDG

Table A-12
Existing Square Feet of Retail Space (non-grocery)
Woodcrest Retail Trade Area
Expressed in Square Feet

Retail Category	Square Feet
<i>Shopper Goods:</i>	
GAFO	44,294
<i>Convenience Goods:</i>	
Supermarkets ¹	
Convenience/Specialty Food/Liquor	14,439
Food Service and Drinking	30,166
<i>Heavy Commercial Goods:</i>	
Bldg. Matrl. and Garden Equip. and Supplies	44,297
Automotive Parts	0
Gasoline Stations	N/A
GRAND TOTAL	133,196

1. The proposed Stater Bros is assumed to replace the existing store at 17050 Van Buren Blvd.

Source: CoStar; TNDG.

Table A-13**Net Demand for Retail Space (non-grocery categories)****Woodcrest Retail Trade Area****Expressed in Square Feet**

Retail Category	2024	2027	2030	2040
GAFO	340,813	350,603	360,642	389,844
Supermarkets	72,198	74,033	75,915	81,390
Convenience/Specialty Food/Liquor	5,390	5,894	6,410	7,914
Food Services and Drinking	66,559	69,017	71,539	78,873
Bldg. Matrl. and Garden Equip. and Supplies	9,439	55,102	56,503	60,577
Auto Parts	20,453	20,973	21,506	23,057
GRAND TOTAL	514,851	575,622	592,516	641,656

Source: TNDG

APPENDIX B:
DERIVATION OF RETAIL DEMAND MODEL FACTORS

Table B-1
Derivation of Supermarket Share of Total Food and Beverage Category
2022 Economic Census for State of California

NAICS	Industry	Total Sales (\$000s)
445	Food and Beverage Retailers	124,301
44511	Supermarkets and Other Grocery Retailers (except Convenience Retailers)	103,958
<i>Supermarkets as a percentage of total Food and Beverage</i>		<i>83.6%</i>

Source: U.S. Census Bureau, 2022 U.S. Economic Census

Table B-2
Derivation of Auto Parts Share of Total Motor Vehicle and Parts Dealers Group
State of California - 2024

NAICS	Industry	Taxable Sales (\$000s)
441	Motor Vehicle and Parts Dealers	100,456,369
4413	Automotive Parts, Accessories and Tire Stores	10,542,691
<i>Auto Parts as a percentage of total Motor Vehicle and Parts Dealers</i>		<i>10.5%</i>

Source: California Department of Tax and Fee Administration (CDTFA)