

**MARKET ANALYSIS OF DOWNTOWN WHITING**

**A Report To**

**American Structurepoint**

**From**

**GRUEN GRUEN + ASSOCIATES**

*Urban Economists, Market Strategists & Land Use / Public Policy Analysts*

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*APPLYING KNOWLEDGE  
CREATING RESULTS  
ADDING VALUE*

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## CHAPTER I

### INTRODUCTION AND PRINCIPAL FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

#### INTRODUCTION AND PURPOSE

This report summarizes the retail assessment that Gruen Gruen + Associates (“GG+A”) conducted of Downtown Whiting. This research is part of a program to formulate a specific plan for the Downtown and Lakefront. This report presents the key findings and conclusions of the market reconnaissance, including an estimate of the relationship between the potential demand for retail/commercial goods and services and the potential supply of retail space within the market area.

#### WORK COMPLETED

To accomplish the study objectives, GG+A analyzed a variety of data sources and conducted primary research, including the following tasks:

1. Inspected the Downtown and conducted interviews with City and Chamber of Commerce staff, local merchants, and real estate brokers and developers;
2. Designed a brief questionnaire to obtain information about the origins, transportation modes, frequency of visitation to Downtown, and desired changes to the Downtown and analyzed the results of the survey;
3. Analyzed demographic and income characteristics of market area households, and prepared purchasing power estimates for retail goods and services;
4. Converted estimates of purchasing power or retail demand into estimates of the supportable amount of on-the-ground retail space;
5. Estimated the supply of retail space and identified the relationship between estimated retail demand and supply; and
6. Synthesized the results of the primary and secondary research and analysis and field inspections in order to reach conclusions about the potential opportunities and constraints affecting demand for space in Downtown Whiting and to identify strategic action recommendations for the Downtown and Lakefront.



## PRINCIPAL FINDINGS AND CONCLUSIONS

### Primary Advantages

The primary advantages associated with Downtown Whiting include the following:

- The Downtown is highly concentrated in a compact, pedestrian-oriented, secure and safe setting;
- The Downtown is authentic and unique;
- Relatively low rents and sale prices permit the formation of unique stores and food uses operated by local entrepreneurs;
- Events such as the Pierogi festival and Oktoberfest are quite popular and generate visitation to the Downtown and its stores and restaurants;
- Whihala Beach fronting Lake Michigan is proximate to the Downtown and also serves to generate visitors to the area;
- The area around the Downtown includes a large base of employment, albeit heavily industrial in nature;
- Whiting is accessible to the 90-94 Skyway to Chicago and to two state highways, US-20 (Indianapolis Boulevard) and US-41 (Calumet Avenue); and
- The local school district has a positive reputation and the housing stock is affordable.

### Primary Disadvantages

The primary disadvantages include the following:

- The corridor connections to the Downtown via the 90-94 Skyway and Indianapolis Boulevard are relatively unattractive and do not help generate sales spillover to the Downtown. Indianapolis Boulevard and the Downtown sit nearby each other but are visually and functionally unconnected;
- The Norfolk Southern train lines on the eastern edge of the Downtown, toward the Lakefront serve to separate Whihala Beach and the Lakefront from the Downtown and the railroads utilizing the tracks create noise and at times make it difficult to cross the tracks between the Downtown and the Lakefront;



- The Whihala Beach and Lakefront as currently configured and programmed do not maximize visitation and spillover of that visitation to Downtown Whiting;
- The Downtown contains some obsolete and under-maintained space as well as vacant lots;
- The Downtown lacks a significant office space, cultural, and entertainment base that would help generate demand for restaurant, service, and retail uses; and
- The Downtown, and Whiting as-a-whole, is geographically detached from large concentrations of households to the south and west because of the presence of lakes and conservation areas (Wolf Lake, Lake George) and large unpopulated heavy industrial areas which serve as actual and psychological barriers to prospective visitors and customers.

### **Retail Market Area**

The interviews, review of supply, and results of the merchant customer survey described below indicate the primary source of demand for retail space in the Downtown originates from within Whiting and the Hammond neighborhood of Robertsdale. Demand also originates from households in North Hammond, Calumet and neighborhoods in the east side of Chicago. According to the merchant survey, nearly two-thirds of Downtown visitors came to Downtown from within a five-minute drive time.

### **Estimated Retail Demand Within the Primary Market Area**

The estimated total household income from the primary market area of approximately \$243 million is estimated to translate into approximately \$75 million of retail expenditure potential or retail demand, assuming households expend approximately 31 percent of their income on retail goods. Assuming a minimum sales threshold of \$275 per square foot is needed to support the development and operation of new commercial space, the estimated expenditure potential of \$75 million equates to approximately 274,000 square feet of building space.

### **Estimated Retail Supply Within the Primary Market Area**

The retail space supply is estimated in terms of sales and the amount of retail building space. As described below, two rough measures to estimate the current amount of sales generated by the businesses operating in the primary market area and of the types that could locate in Downtown Whiting (excluding, for example, automotive related and building materials) suggest a sales range of approximately \$37 million to \$63 million. Downtown Whiting is estimated to include approximately 90,000 square feet of ground-floor retail space. Approximately 22,000 square feet or 24 percent of this space is estimated to be currently vacant. The vacant space is primarily concentrated in the currently less desirable retail locations and in some cases obsolete space in the Downtown, furthest away from



Indianapolis Boulevard.

### **Relationship Between Retail Demand and Supply Within Primary Market Area**

Comparing estimates of retail sales from stores operating within the primary market area to estimates of expenditure potential, excess expenditure potential or purchasing power totaling approximately \$12.2 million is estimated to currently exist within the primary market area. At a minimum required sales threshold of \$275 per square feet, the unmet demand in terms of expenditure potential would support approximately 44,000 square feet of space.

Comparing the estimate of total primary market area supportable retail demand of 274,000 square feet of space to the estimated retail supply of 194,000 square feet of space indicates additional retail space demand of 80,000 square feet.

Under both methods to estimating the relationship between retail demand and supply, unmet demand exists to support additional retail space in Downtown Whiting. As described below, the challenge is to reduce the leakage of demand outside the primary market area by building up the magnetism of the Downtown.

## **MARKET NICHE, CHALLENGES, AND STRATEGIES**

### **The Purpose of Enhancements**

Enhancements to Downtown and the Lakefront should further differentiate Whiting from other offerings in the region. The strategy for success will require providing the type of environment, convenience, and experience that strongly appeals to residents and area workers. Through design, programming, tenant mix, and maintenance, encourage local households and workers to make the Downtown and Lakefront a preferred “third space” – one that attracts people from their first space (home) and second space (work). Enhancements to the Downtown and Lakefront should embody the hometown feel and personality of the community to reflect the priorities of people looking for places where they can share experiences with others; places that offer social interaction, cultural amenities, shopping and dining, community programming and entertainment for all ages and vibrant outdoor ambiance. The Downtown and Lakefront represent places where community, recreation, and commerce can coalesce in a way to make the Downtown and Lakefront where people really want to be. To position the Lakefront to capture demands for active recreation, provisions should be made to permit Kayak launch and landing stations suitable for easy pick-up and drop-off of kayakers and equipment.

By creating a Downtown and Lakefront that is embraced locally, the Downtown and Lakefront will have the “legs” and appeal to reach out to a much broader audience. In order to reduce leakage of consumer demand to places outside of Whiting, the Lakefront amenity needs to be enhanced to increase spillover visitation to the Downtown while tenanting within the Downtown must be augmented to create a critical mass of stores, restaurants,



office, and other attractions.

### **Improve Linkages**

Identify how to better relate Indianapolis Avenue to the Downtown rather than have the two sit nearby but visually and functionally unconnected. Identify how to better link the Downtown and Lakefront.

### **Retail Targets**

Position Downtown to capture the belt tightening and practical customer looking for more value from their purchases. The Downtown can compete through ambiance, programming, uniqueness of place and experience, with more casual and more accessible, family friendly offerings. The interviews indicate a perception of Whiting among residents/merchants as a great place to live, particularly among families with a strong sense of community and residents taking pride in Whiting and all it has to offer.

Retain and attract unique retailers to differentiate Downtown from standard shopping centers. A vintage clothing store with a real focus and point of view, a comic book store, a scrapbooking store, record/CD store, and knitting store are examples of stores that would complement existing merchants such as The Junkyard, Cheap Seats and the Blue Lotus. These kinds of stores would benefit from the currently relatively low rents available in Downtown and fit with a family friendly positioning and offerings for the Downtown and Lakefront.

In addition, a fast casual restaurant like Panera Bread would fit well with the family-friendly niche, although the population density of Whiting and environs is somewhat lower than the standard site selection criteria for Panera Bread. Based on the interviews, field research and analysis of secondary data, somewhat more high-end restaurants offering unique atmospheres and distinctive experiences are not plentiful. Therefore, after work recreational activities should be sought to be incorporated in conjunction with the physical and programming enhancements to the Downtown and Lakefront. These might include, for example, a brew pub exciting enough and promoted extensively to penetrate into the demands of BP and Cargil workers, faculty, administrators, and students of local colleges including Calumet College of St. Joseph in Whiting, in addition to area households. The brew pub would need to penetrate into the non-resident employment and college base as well as serve visitors beyond the primary market area. This is so given the estimate of approximately \$4.4 million in unmet demand for eating and drinking establishments for the primary market area. If, for example, the brew pub consisted of 6,000 square feet (Rock Bottom Brewery units tend to range from 5,500 square feet to 6,500 square feet), and sales are comparable to the very high sales productivity of the restaurants listed in Appendix A at \$500 per square foot, total sales of \$3.0 million would equate to capturing approximately 70 percent of the estimated unmet demand for eating and drinking places.<sup>1</sup>

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<sup>1</sup> As indicated in the Appendix, the site selection criteria of the national chain restaurants emphasize locations near major regional draws or traffic generators such as malls and interstate highways.

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### The Downtown is More Than a Shopping Center

Downtown should be more than a shopping center. The mixed-use aspect is what helps to create a dynamic environment. The City should continue to encourage personal, professional and business services to locate Downtown, particularly in above ground floor spaces. Investigate options for working more intensively with local colleges and regional economic development entities to encourage the incubation and expansion of both retail and office space using businesses in the Downtown.



## CHAPTER II

### MARKET RECONNAISSANCE

#### MARKET NICHE AND DEMAND OPPORTUNITIES

To gain insight into the potential demand for space in the Downtown, GG+A staff inspected the area and conducted interviews with property owners, developers, real estate brokers, and merchants. We also analyzed relevant available secondary data. We have synthesized the results of the research and analysis, including interviews, into the following sections which are presented below:

1. Factors That Encourage Demand or Primary Advantages; and
2. Factors That Discourage Demand or Primary Disadvantages.

#### FACTORS THAT ENCOURAGE DEMAND OR PRIMARY ADVANTAGES

The site inspections and interviews suggest the factors that encourage demand or constitute primary advantages for the Downtown include the following:

- The Downtown is highly concentrated in a compact, pedestrian-oriented, secure and safe setting;
- The Downtown is authentic and unique;
- Relatively low rents and sale prices permit the formation of unique stores and food uses operated by local entrepreneurs;
- Events such as the Pierogi festival and Oktoberfest are quite popular and generate visitation to the Downtown and its stores and restaurants;
- Whihala Beach fronting Lake Michigan is proximate to the Downtown and also serves to generate visitors to the area;
- The area around the Downtown includes a large base of employment, albeit heavily industrial in nature;
- Whiting is accessible to the 90-94 Skyway to Chicago and to two state highways, US-20 (Indianapolis Blvd) and US-41 (Calumet Avenue); and
- The local school district has a positive reputation and the housing stock is affordable.



**FACTORS THAT DISCOURAGE DEMAND OR PRIMARY DISADVANTAGES**

The following factors discourage the attraction of demand or primary disadvantages:

- The corridor connections to the Downtown via the 90-94 Skyway and Indianapolis Boulevard are relatively unattractive and do not help generate sales spillover to the Downtown. Indianapolis Boulevard and the Downtown sit nearby each other but are visually and functionally unconnected;
- The Norfolk Southern train lines on the eastern edge of the Downtown, toward the Lakefront serve to separate Whihala Beach and the Lakefront from the Downtown and the railroads utilizing the tracks create noise and at times make it difficult to cross the tracks between the Downtown and the Lakefront;
- The Whihala Beach and Lakefront as currently configured and programmed does not maximize visitation and spillover of that visitation to Downtown Whiting;
- The Downtown contains some obsolete and under-maintained space;
- The Downtown lacks a significant office space base that would help generate demand for restaurant, service, and retail uses; and
- The Downtown, and Whiting as-a-whole, is geographically detached from large concentrations of households to the south and west because of the presence of lakes and conservation areas (Wolf Lake, Lake George) and large unpopulated heavy industrial areas which serve as actual and psychological barriers to prospective visitors and customers.



## CHAPTER III

### AN ESTIMATE OF RETAIL DEMAND

#### APPROACH

In addition to the qualitative interviews synthesized in Chapter II, GG+A analyzed demographic and income data to estimate potential retail demand in terms of expenditure potential and the square footage the estimated demand could support, given assumptions about required average sales per square foot of commercial space. As reviewed below, we also estimated the sales volumes of stores operating in the primary market area and identified the amount of retail space within the primary market area. We then compared the demand and supply estimates to assess the likely intensity of competition for the expenditures of shoppers within the primary market area and to reach judgments on whether demand is sufficient to support additional retail space in the Downtown.

In addition to conducting interviews, GG+A also designed a short merchant customer survey directed to obtaining information on the geographic origins of shoppers, their modes of transportation, and frequency of visitation. The Community Development Department took responsibility for distributing and collecting the questionnaires completed by customers of three Downtown merchants. Forty six (46) surveys were provided to GG+A. The results of the survey are presented below.

#### PRIMARY MARKET AREA

A primary market area is the geographic area from which most (i.e., 60 percent) customers of a shopping center or shopping area are drawn. The market area for any specific agglomeration or set of stores is a function of the size and tenant make-up of the agglomeration, its accessibility and the scale and tenancies of competing agglomerations. Therefore, market areas are dynamic and tend to change as a function of the type and supply of competing shopping locations. The travel time people are willing to expend in order to visit a shopping or business location varies as a function of both the size of the shopping areas and the relative uniqueness of the tenancies and environments available at alternative destinations. The relative accessibility to the shopping area and ease of getting in, about, and out of the shopping area also influence the market area. Uniqueness, attraction, and accessibility are not measured in the abstract, but are always relative to the specific competition in the market area.

Not all internally generated demand is satisfied in a primary market area. Some of the potential demand within the market area is lost to retailers outside the market area. Residents in the primary market area leave the area to shop in places like Schererville and Highland for comparison or shopper goods. Conversely, retail sales in a market area will be made to customers such as visitors who live outside the market area.



The interviews, review of supply, and results of the merchant customer survey suggest the primary source of demand for retail space in the Downtown originates from within Whiting and the Hammond neighborhood of Robertsdale. Secondary sources of demand also originate from North Hammond and other communities near Whiting.

**Geographic Origins of Downtown Visitors**

Based on the results of the Downtown merchant customer survey, Table III-1 indicates that 53 percent of the Downtown visitors live in the 46394 zip-code (Whiting/Robertsdale).

<b>TABLE III-1</b>		
<b>Locational Origin of Respondents to Downtown Merchant Survey</b>		
<i>Zip Code of Primary Residence</i>	Number #	Percent %
46394 (Whiting/Robertsdale)	24	53.3
46327 (North Hammond)	6	13.3
60617 (East Side of Chicago)	3	6.7
Other	12	26.7
<b>Total</b>	<b>45</b>	<b>100.0</b>
<i>Did you come here today?</i>		
Directly from home	28	60.9
Directly from work	6	13.0
Directly from school	5	10.9
Directly from another shopping location	2	4.3
Another location	5	10.9
<b>Total</b>	<b>46</b>	<b>100.0</b>
Source: Gruen Gruen + Associates		

Another 13 percent of visitors originated from the 46327 zip-code (North Hammond). One merchant accounts for the preponderance of visitation from outside the Whiting/Robertsdale neighborhoods. That merchant also attracts shoppers from North Hammond and varying nearby locations including Calumet and the east side of Chicago.

Consistent with the finding of a local market area, the majority or 61 percent of visitors reported coming to the merchant directly from home while another 13 percent came directly from work. Only two respondents reported coming from another shopping location indicating little spill over from other shopping destinations. Of the 21 respondents who do not live in Whiting or Robertsdale, 14 of those came directly from home.

Approximately 70 percent of respondents indicated they drove to Downtown. Another 28 percent of respondents indicated walking as their means of transportation while only one respondent indicated bicycling as their transportation mode (none took public transit). This indicates the importance of maintaining an adequate supply of parking and improving the quality and appearance of the corridor entrance to the Downtown.



More than 50 percent of Whiting/Robertsdale residents indicated that they had walked or biked to the Downtown. This finding relates to the Downtown being pedestrian-oriented, compact, and proximate to residential neighborhoods.

Table III-2 presents the results of the distance traveled by time to the Downtown by respondents to the merchant survey. Approximately 61 percent of Downtown visitors traveled 10 minutes or less to get to the Downtown. Of the 25 respondents whom indicated it took greater than five minutes to travel to the Downtown, nine of the respondents walked or biked to the Downtown. Thus, nearly two-thirds of respondents came from within a five-minute drive time.

**TABLE III-2**

**Time Traveled to Downtown by Respondents of Downtown Merchant Survey**

<i>How many minutes did it take you to get here from your last location?</i>	Number #	Percentage %
0-5 Minutes	21	45.7
6-10 Minutes	7	15.2
11-15 Minutes	9	19.6
16-25 Minutes	6	13.0
26-34 Minutes	0	0.0
35+ Minutes	3	6.5
<b>Total</b>	<b>46</b>	<b>100.0</b>

Source: Gruen Gruen + Associates

The travel time results are consistent with our interviews that indicate that the Downtown serves a relatively circumscribed market area. This is at least partially attributable to the physical barriers, as described previously, which discourage non-resident visitors from traveling to Whiting. As time traveled by shoppers' increases, the numbers of shoppers' decreases.

Table III-3 shows the frequency of visitation to the Downtown.

**TABLE III-3**

**Frequency of Visitation to Downtown Whiting**

<i>How Frequently do you visit Downtown Whiting?</i>	All Respondents		Whiting Residents		Non-Whiting Residents	
	#	%	#	%	#	%
Daily	22	48	16	67	6	27
Weekly	17	40	7	29	10	46
Monthly	4	9	0	0	4	18
Less than once a month	3	7	1	4	2	9
<b>Total</b>	<b>46</b>	<b>100</b>	<b>24</b>	<b>100</b>	<b>22</b>	<b>100</b>

Source: Gruen Gruen + Associates

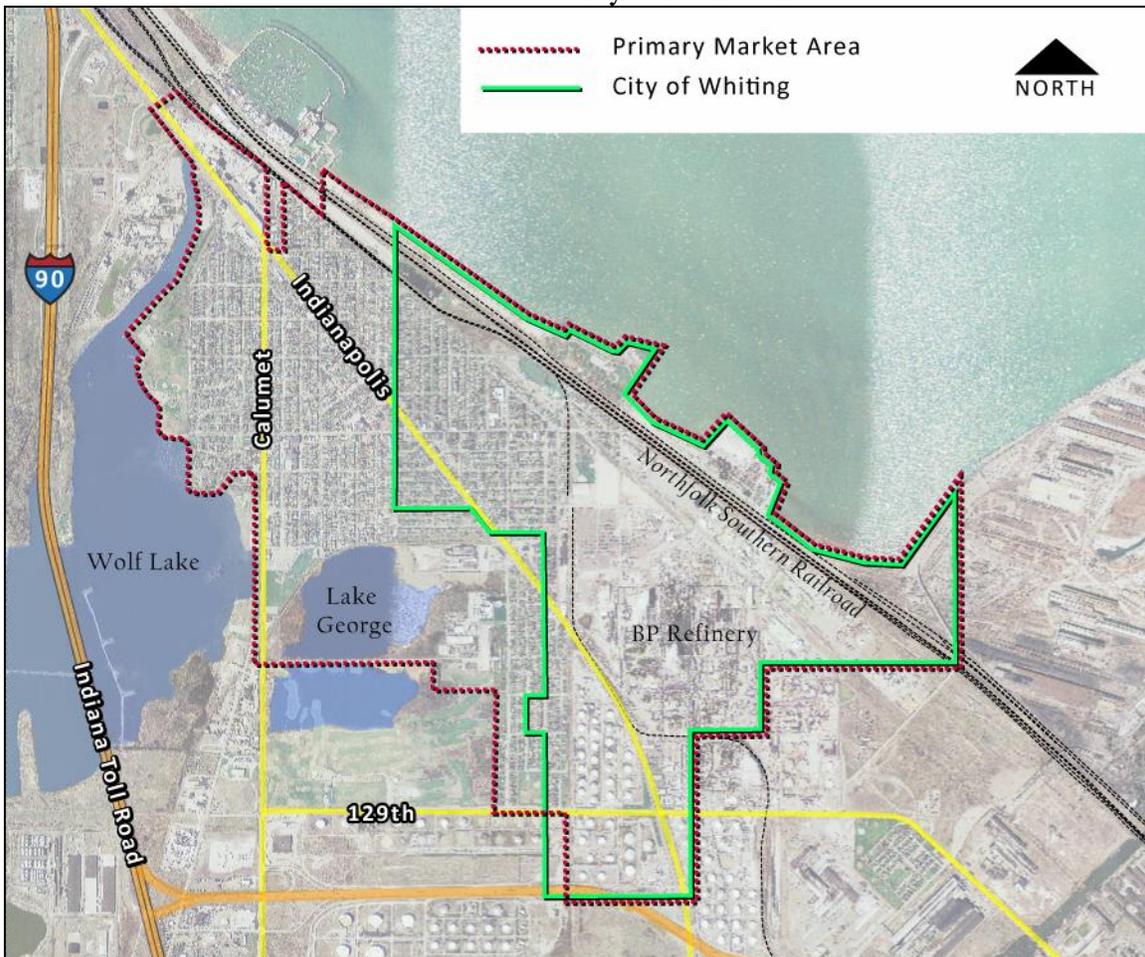


As would be expected, local Whiting residents visit the Downtown more frequently than those shoppers originating from outside the immediate area. Approximately two-thirds of Whiting/Robertsdale residents indicated they visited the Downtown daily. Another 40 percent of the respondents visit the Downtown at least once per week.

**Primary Market Area Definition**

Based on a synthesis of the merchant survey described above and interviews with local real estate professionals and Downtown merchants, Map III-1 below shows the primary market area of Whiting and Robertsdale from which most Downtown retailers and restaurants are likely to attract customers. Most customers to the Downtown originate from within a five-minute-drive-time which is consistent with the boundaries of the Whiting and Robertsdale zip-code area. The primary market area also represents the geographic area from within which the Downtown is likely to compete for tenants.

**MAP III-1: Primary Market Area**



The primary market area definition, which includes Whiting and Robertsdale households and locations of large employers such as the BP Oil Refinery and Cargill Manufacturing, is generally bounded by Wolf Lake to the west, Lake Michigan to the north and east, and Cline Avenue and 125<sup>th</sup> Street to the south.

**ESTIMATE OF TOTAL HOUSEHOLD INCOME**

Table III-4 presents for the Whiting/Robertsdale primary market area estimates of the population and households and total available income. The population and household and average household income estimates are drawn from data obtained from Claritas, a national information vendor.

	2000 Census <sup>1</sup>	2008 Estimate	2013 Forecast	Change 2008- 2013 %	Change 2008- 2013 #/\$
Population	12,610	11,560	10,971	-5.1	-589
Households	5,280	4,869	4,641	-4.7	-228
Average Household Income	\$45,070	\$49,899	\$53,077	6.4	3,178
Total Available Household Income	\$237,969,000	\$242,958,231	\$246,330,357	1.4	3,372,125
<sup>1</sup> Income estimates are for 1999.					
Sources: U.S. Census Bureau, Census 2000; Claritas, <i>Demographic Trends Report</i> ; Gruen Gruen + Associates.					

Between 2000 and 2008, the primary market area is estimated to have decreased in both population and households. Claritas projections indicate that the population and households in the primary market area are expected to continue to decline over the next five years. The number of primary market area households is forecast to decline by 228, or 4.7 percent, from 4,869 in 2008 to 4,642 by 2013.

Unadjusted for the effects of inflation, average household income grew by 1.3 percent annually between 2000 and 2008, from \$45,070 to \$49,899. Average household income is forecast to grow by 1.2 percent annually over the next five years, increasing from approximately \$49,900 in 2008 to almost \$53,100 in 2013. Total available household income is forecast to increase by 1.4 percent from approximately \$243.0 million in 2008 to \$246.3 million in 2013.

**ESTIMATE OF EXPENDITURES FOR RETAIL GOODS**

**Expenditure Rate**

In order to estimate the potential purchasing power, we reviewed the 2006 Bureau of Labor Statistics (“BLS”) Consumer Expenditure Survey (“CES”) for the Chicago Metropolitan



Statistical Area (“MSA”). We also reviewed the estimates by Claritas of expenditure potential of consumers within the primary market area for electronic and appliance stores, food and beverage stores, health and personal care stores, clothing and clothing accessories stores, sporting goods, hobby, book and music stores and florists office supply, gift, novelty and souvenir stores, used merchandise stores and other miscellaneous retail as well as food service and drinking places. As shown on Table III-5, the 2006 BLS Consumer Expenditure Survey for the Chicago MSA indicates that all Chicago region households expend approximately 23 percent of their before-tax income on most retail goods and services.

TABLE III-5		
Chicago MSA Average Household Annual Expenditure on Retail Goods and Services in 2006		
Good/Service	Average Household Annual Expenditures \$	Share of Average Before Tax Income <sup>1</sup> %
Food at Home (Groceries)	3,730	5.1
Food and Drinks Away From Home	3,171	4.3
Alcoholic Beverages	839	1.2
Housekeeping Supplies	695	1.0
Household Furniture & Equipment	1,893	2.5
Apparel & Services	2,468	2.8
Personal Care Products & Services	632	0.9
Reading	141	0.3
Tobacco Products & Smoking Supplies	312	0.4
Entertainment	2,621	3.5
<b>Total</b>	<b>16,503</b>	<b>22.6</b>
<sup>1</sup> Chicago MSA average income before taxes in 2006 was \$73,086.		
Source: Bureau of Labor Statistics Consumer Expenditure Survey 2006		

The largest share of household income is spent on food which includes food away from home. The food category accounts for nearly 10 percent of before-tax household income expenditures. Household furnishings and apparel expenditures comprise approximately 5.3 percent of before-tax household income.

Table III-6 shows the estimate by Claritas of consumer expenditure potential, categorized by type of store, for retail goods and services within the primary market area.



**TABLE III-6**

**Primary Market Area Household Expenditure Potential by Type of Store: 2008<sup>1</sup>**

	2008 Household Expenditure Potential \$	2008 Proportion of Household Income %
Grocery & Convenience Stores	23,777,000	9.8
Health & Personal Care Store	10,851,000	4.5
Eating and Drinking Places	17,160,000	7.1
Furniture and Home Furnishing Stores	4,250,000	1.7
Electronics & Appliance Stores	4,052,000	1.7
Clothing & Accessory Stores	7,451,000	3.1
Sporting Goods, Hobby, Book and Music Stores	2,853,000	1.2
Miscellaneous Retail Stores	4,574,000	1.9
<b>Total</b>	<b>74,968,000</b>	<b>31.0</b>
<sup>1</sup> Figures are rounded.		
Sources: Claritas; Gruen Gruen + Associates.		

The total consumer expenditure potential for the retail categories listed in Table III-7 total approximately \$75 million. Given an estimated 2008 primary market area total income of nearly \$243 million, the expenditure potential estimated by Claritas equates to 31 percent of household income. Claritas estimates eating and drinking places consumer expenditure potential within the primary market area of almost \$17.2 million. This expenditure potential equates to 7.1 percent of total household income. According to Claritas, the expenditure potential for grocery, convenience, and drug stores is estimated to total approximately \$34.5 million or 14.3 percent of household income. The expenditure potential for retail stores providing non necessity or convenience goods (i.e, clothing, furniture, sporting goods, toys, electronics, and home appliances) is estimated to total approximately \$23.2 million or 9.6 percent of household income.

Although Claritas estimates a higher retail expenditure rate (as a percentage of household income) than indicated in the 2006 Consumer Expenditure Survey for Chicago-area households, its estimates appear reasonable because: (a) primary market area residents have an average household income approximately 30 percent below the average household income of those surveyed in the BLS Consumer Expenditure Survey<sup>2</sup>; and (b) the cost of living, particularly housing, is substantially lower in Whiting than most other locations throughout the region.

To estimate the demand for commercial space in the Downtown and Lakefront area, we assume an average total expenditure rate of approximately 31 percent of household income or almost \$15,500 per household. As noted above, not all of the expenditures of households will be made in the Downtown. Retail expenditures, particularly those related to shopper or comparison and discretionary non-essential goods, are made in regional malls, power

<sup>2</sup> Holding all other factors constant, households with lower incomes tend to spend a larger proportion of their income on retail goods and services than higher-income households.



centers, community centers, freestanding stores, outlet centers and other retail formats not found in Whiting and the Downtown.

**Estimated Expenditure Potential of Primary Market Area Households**

As indicated above in the explanation of Table III-6, to estimate the purchasing power or expenditure potential within the primary market area of Downtown Whiting, we assume approximately 31 percent of total household income is spent on retail goods and services, including eating and drinking establishments. Table III-7 presents estimates of potential retail demand within the primary market area.

<b>TABLE III-7</b>				
<b>Estimated Retail Demand from Primary Market Area Households: 2008-2013<sup>1</sup></b>				
	2008	2013	Increase 2008 – 2013	Increase 2008 – 2013
	\$	\$	\$	%
Primary Market Area Household Income	242,958,000	246,330,000	3,372,000	1.4
Estimated Expenditure Potential @ 31 Percent of Total Household Income	75,317,000	76,362,000	1,045,000	1.4
<sup>1</sup> Figures have been rounded.				
Sources: Bureau of Labor Statistics, <i>Consumer Expenditure Survey 2005-2006</i> ; Claritas, <i>Demographic Trends Report</i> ; Gruen Gruen + Associates.				

Multiplying the total household income within the primary market area of \$243 million in 2008 by the 31 percent estimated expenditure rate produces an estimate of expenditure potential or retail demand of approximately \$75.3 million in 2008. 2013 expenditure potential is forecast to increase by about 1.4 percent or over \$1.0 million to \$76.4 million.

**ESTIMATED SUPPORTABLE SPACE DEMAND**

In order to convert estimates of expenditure potential or purchasing power into estimates of potential on-the-ground retail space, an assumption must be made about the average sales per square foot tenants or retailers must generate to viably operate and for landlords to obtain high enough rents to amortize development costs and provide an acceptable return on investment. The estimates of retail demand reflect the assumption that a *new* commercial development would need to generate at least \$275 per square foot in sales in order to be financially feasible. The sales per square foot productivity used to estimate potential retail demand is likely much higher than the sales productivity of many of the merchants operating in space in Downtown Whiting.<sup>3</sup> In addition, higher sales support higher rents and therefore warrant the development or redevelopment of new, higher-quality retail or restaurant facilities than has occurred in the Downtown.

<sup>3</sup> Note, however, that sales thresholds for other retail formats not found in Downtown such as grocery anchored neighborhood centers, community retail centers, and power centers as well as major freestanding stores would need to exceed \$275 per square foot in order to be viable.



Table III-8 shows that demand originating from primary market area households is estimated to be capable of supporting approximately 274,000 square feet of retail and restaurant space assuming a sales level of \$275 per square foot.

	2008	2013
Estimated Potential Retail Expenditures/Demand	\$75,317,000	\$76,362,000
Estimated Total Retail Space in Square Feet @ \$275 Sales Per Square Foot	274,000	278,000
<sup>1</sup> Figures have been rounded.		
Source: Gruen Gruen + Associates		

By 2013, the forecast growth in potential retail expenditures from primary market area households is estimated to translate into increased additional demand of approximately 4,000 square feet of space to about 278,000 square feet of retail space.



**CHAPTER IV**

**RETAIL BUSINESS TRENDS AND ESTIMATED SUPPLY  
OF RETAIL SPACE WITHIN THE PRIMARY MARKET AREA**

Because the supply of retail space in Whiting and Robertsdale primarily consists of freestanding space and commercial units located in multi-story, mixed-used buildings along 119<sup>th</sup> Street as opposed to conventional shopping center formats, the inventory of retail space is not readily available from secondary shopping center databases or tracked by real estate brokerage firms. Taxable retail sales data is also not available for Whiting or any geography smaller than Lake County. Accordingly, in the absence of data available from the City on its retail inventory, to estimate the existing inventory of retail space within the primary market area and Downtown Whiting, we relied upon: (a) retail establishment, employment, and sales data reported under the Census Bureau's Zip Code Business Pattern report and the 2002 Economic Census of Retail Trade; (b) our interviews with Downtown merchants and property owners; and (c) the physical characteristics of commercial buildings in the primary market area and Downtown based on data provided by the Lake County Assessor.

**RETAIL BUSINESS AND EMPLOYMENT TRENDS**

Table IV-1 shows the number of retail and food service establishments located within the primary market area over the past several years. The data from the United States Census Bureau's Zip Code Business Pattern report summarizes information reported in annual tax returns by zip code. The total number of retail establishments is estimated to have declined by 14, or 21 percent, from 68 establishments in 2000 to 54 establishments in 2006. Among the categories that experienced a decline, the clothing and accessory (a decline of three establishments), building materials and hardware (a decline of three establishments), and full-service restaurant (a decline of five establishments) categories experienced the largest decrease in the number of business establishments. The limited-service restaurant (including bars) category was the only group that experienced a net increase in the number of business establishments between 2000 and 2006.



**TABLE IV-1**

**Number of Retail Establishments by Type of Store in Primary Market Area: 2002-2006**

Category	2000 #	2002 #	2004 #	2006 #	Change #	Change %
Grocery, convenience and drug stores	10	11	11	9	-1	-10
Clothing and accessory stores	4	2	2	1	-3	-75
Building material and hardware stores	4	3	2	1	-3	-75
Electronic and appliance stores	3	1	1	2	-1	-33
Miscellaneous retail stores <sup>1</sup>	16	13	12	13	-3	-19
<b>Total Non-Automotive Retail</b>	<b>37</b>	<b>30</b>	<b>28</b>	<b>26</b>	<b>-11</b>	<b>-30</b>
Full-service restaurants	12	11	7	7	-5	-42
Limited-service restaurants and bars	19	20	19	21	2	11
<b>Total Eating &amp; Drinking</b>	<b>31</b>	<b>31</b>	<b>26</b>	<b>28</b>	<b>-3</b>	<b>-10</b>
<b>Total</b>	<b>68</b>	<b>61</b>	<b>54</b>	<b>54</b>	<b>-14</b>	<b>-21</b>

<sup>1</sup> Includes establishments such as gift shops, florists, used merchandise stores, pet stores, toy and sporting goods stores, book/music stores and office supply stores.

Sources: U.S. Census Bureau, Zip Code Business Patterns; Gruen Gruen + Associates.

Table IV-2 summarizes the estimated number of retail (excluding automotive dealers and gasoline stations) and eating and drinking establishments that were located in the primary market area in 2006, categorized by the size of their workforce.

**TABLE IV-2**

**Retail Establishments by Size of Employment: 2006**

<i>Number of Employees</i>	1 – 4 #	5 – 9 #	10 – 19 #	20 – 49 #	50 – 99 #	100 – 249 #	Total #
Non-Automotive Retail Trade	15	5	3	2	0	1	26
Food Services	11	6	7	3	1	0	28
<b>Total Establishments</b>	<b>26</b>	<b>11</b>	<b>10</b>	<b>5</b>	<b>1</b>	<b>1</b>	<b>54</b>
<b>Percentage of Total Establishments</b>	<b>48%</b>	<b>20%</b>	<b>19%</b>	<b>9%</b>	<b>2%</b>	<b>2%</b>	<b>100%</b>

Sources: U.S. Census Bureau, Zip Code Business Patterns; Gruen Gruen + Associates.

The data presented above in Table IV-2 confirms the findings drawn from the interviews and site visits that the primary market area includes smaller entrepreneurial retail and restaurant establishments. With the exception of Walgreen’s adjoining the Downtown (on Indianapolis Boulevard) and the Strack and Van Til Supermarket on Calumet Avenue west of the Downtown, the primary market area contains few larger-scale (i.e., greater than 10,000 square feet) retailers. Approximately 70 percent of retail and restaurant establishments in Whiting and Robertsdale employ fewer than ten workers.

**ESTIMATE OF RETAIL SALES WITHIN THE PRIMARY MARKET AREA**

Because taxable retail sales data is not available from any State or Local agency, we reviewed the results of the now dated, but most recently available data from the 2002 Economic



Census of Retail Trade (“ECRT”) to identify a rough estimate of the historical sales performance of retail and eating and drinking establishments located in the primary market area and Whiting. As summarized below in Table IV-3, approximately 69 percent of all retail and eating and drinking establishments in the primary market area collected less than \$500,000 in annual sales in 2002. Seven, or 15 percent of all establishments, obtained less than \$100,000 in annual sales. Sixteen (16) or one-third of all retailers and restaurants collected between \$100,000 and \$249,999 in annual sales in 2002.

**TABLE IV-3**

**Number of Retail and Eating/Drinking Establishments  
Classified by Annual Sales in the Whiting/Robertsdale Zip Code: 2002<sup>1</sup>**

Annual Sales (2002)	Retail <sup>2</sup> #	Eating & Drinking #	Total #	Total %
Below \$100,000	4	3	7	14.6
\$100,000 to \$249,999	8	8	16	33.3
\$250,000 to \$499,999	3	7	10	20.8
\$500,000 to \$999,999	2	2	4	8.3
Above \$1,000,000	8	3	11	23.0
<b>Total</b>	<b>25</b>	<b>23</b>	<b>48</b>	<b>100.0</b>

<sup>1</sup> Includes only establishments that were open for at least 10 months of the year.  
<sup>2</sup> Excluding motor vehicle dealers and gasoline stations.

Sources: 2002 Economic Census; Gruen Gruen + Associates.

According to the 2002 ECRT, non-automotive retail sales within the City of Whiting totaled approximately \$16 million. A total of 13 eating and drinking places obtained total sales, in 2002, of \$2,947,000. A total of 17 non-automotive retail establishments obtained sales of \$13,015,000. In today’s dollars, assuming sales have increased at the same rate as inflation, total retail sales within Whiting would approximate \$19.4 million. Although total sales in 2002 are not reported for the portion of the primary trade area located in the Robertsdale neighborhood of Hammond, a very rough estimate can be made based on the number of establishments reported. Assuming the same sales performance per retail store or restaurant as reported for Whiting, total sales within Robertsdale would have approximated \$14 million in 2002. Collectively, total retail and restaurant sales within the primary market area are estimated to have totaled \$30 million in 2002. In 2008 dollars, accounting for inflation, this approximates \$37 million.

Claritas, the demographic and market data vendor whose expenditure potential estimates are reviewed above in Chapter III, also produces estimates of retail space sales based on Census data. Table IV-4 summarizes the Claritas 2008 estimate of sales for the primary market area.



Table IV-4	
Estimate of 2008 Retail Sales in the Primary Market Area	
Retail Store Category	Annual Sales <sup>1</sup> \$
Grocery & Convenience	32,600,000
Health & Personal Care	2,533,000
Eating and Drinking Places	12,737,000
Furniture and Home Furnishings	0
Electronics & Appliance	2,750,000
Clothing & Accessory	702,000
Sporting Goods, Hobby, Book and Music	968,000
Miscellaneous Retail	10,460,000
<b>Total</b>	<b>62,749,000</b>
<sup>1</sup> Figures are rounded.	
Source: Claritas 2008	

Claritas estimates that total retail sales for the categories listed in Table IV-4 within the primary market area approximate \$63 million. Given the presence of a Walgreen’s on Indianapolis Boulevard and the Fagan Pharmacy located on 119<sup>th</sup> Street, the estimate of health and personal care store sales appears significantly low. In addition to making and reviewing these inherently rough estimates of sales, we present an estimate of the amount of space within the primary market area below.

**ESTIMATE OF RETAIL/COMMERCIAL SPACE  
WITHIN DOWNTOWN WHITING AND THE PRIMARY MARKET AREA**

Based on our field visits, interviews, and review of assessment information and physical property characteristics for parcels located in the Downtown, Table IV-5 presents an estimate of the total amount of commercial building space and the amount of space occupied by retail merchants in Downtown Whiting. The inventory is summarized by block, the locations of which are also summarized in Map IV-1.



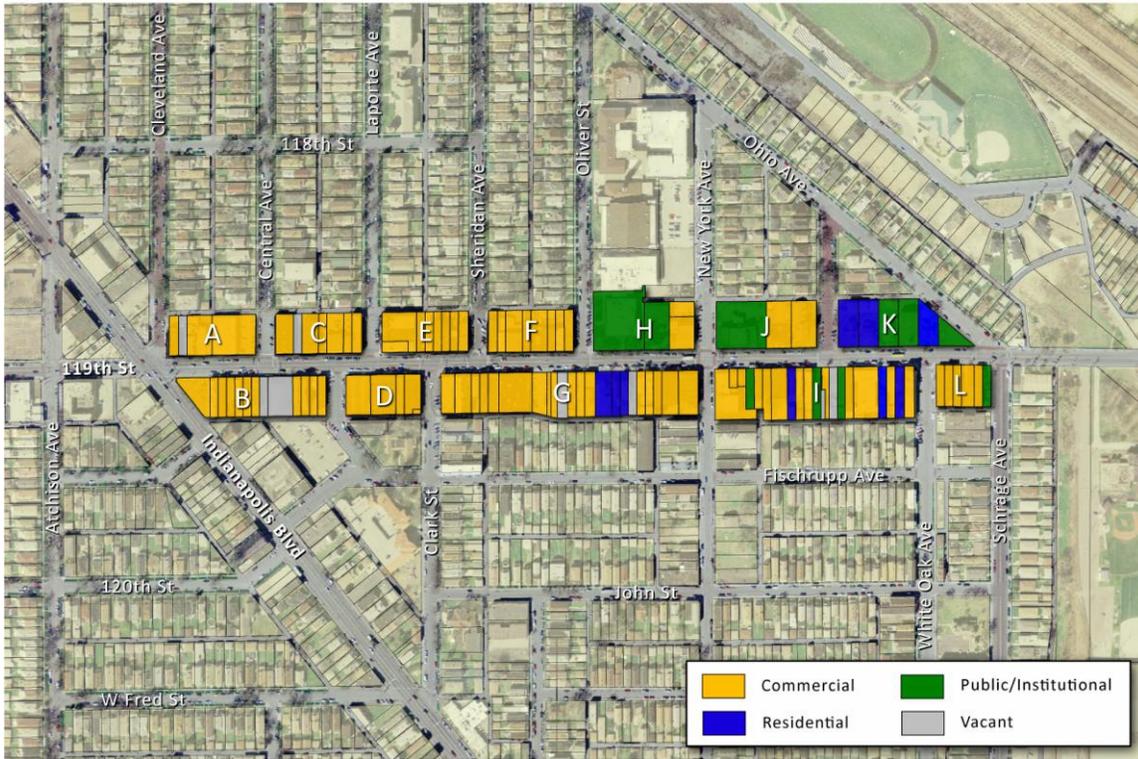
TABLE IV-5

Inventory of Retail and Commercial Space in Downtown Whiting

Block	Total Commercial Building Space <sup>1</sup> # Sq. Ft.	Estimated Ground Floor Retail Space # Sq. Ft.	Vacant Retail Space # Sq. Ft.	Merchants / Tenants
A	14,900	8,600	0	Clipper Bar & Grill, Family Dollar, Baran Funeral Home
B	17,800	7,600	440	Center Lounge & Restaurant, Juliana's Gifts & Fashion, Castelan Jewelry, Elena Travel, Grillers, Scandals Hair Salon, H&R Block, First Neighborhood Financial
C	18,500	8,800	0	Fagan Pharmacy, Junkyard, State Farm Insurance, American Trust & Savings Bank
D	26,700	4,800	4,500	American Slovak Club, Whiting Dental Care, Levin Eye Care Center
E	22,000	14,400	2,600	Whiting Cinema, Whiting Flower Shop, Hazel's Resale Shop, Whiting Refinery Federal Credit Union
F	20,500	6,500	2,600	Full Circle Art, Whiting News Co., Lykos European Food Market, Ultimate Taekwando Training
G	49,400	21,900	3,600	Sun Rise Restaurant, Winey Beach Café, Sun Catchers Inc, Hoosier Flower Shop, Whiting Bakery, Anna's Beauty Supply
H	10,600	0	0	Chase Bank, Whiting City Hall
I	43,600	6,200	3,000	Cheap Seats, Paradise Liquors, Whiting Plumbing Supply, Bonchick Medical Health Center, Center Bank, Rebecca's Hair & Nails
J	7,600	5,200	0	Cool Creations Ice Cream, Whiting Laundromat, ELKS
K	0	0	0	Whiting Baptist Church
L	12,000	6,700	5,200	Blue Lotus Café, Whiting Robertsdale Historical Society
<b>Total</b>	<b>243,600</b>	<b>90,700</b>	<b>21,940</b>	
<sup>1</sup> Includes buildings owned by the City of Whiting Redevelopment Authority that are no longer occupied.				
Sources: Lake County Assessor; Gruen Gruen + Associates.				



MAP IV-1: Downtown Whiting / 119<sup>th</sup> Street Corridor



Much of the existing space within the Downtown consists of small offices, service providers, and second or third floor apartment units. Based on data provided by the Lake County Assessor, the Downtown contains approximately 250,000 square feet of commercial building space. We estimate that the Downtown includes approximately 90,000 square feet of ground floor retail space. We estimate that approximately 12,000 square feet of Downtown retail space is occupied by restaurants and cafés.

Based our field visits, interviews, and a business inventory listing compiled by American Structurepoint, approximately 12 ground-floor spaces were vacant at the time the research was prepared. According to assessment data, these units account for approximately 22,000 square feet of ground floor space. This equates to a high retail vacancy rate of approximately 24 percent. In some cases, the space may be obsolete and not presently suitable for retail/restaurant use. Much of the vacancies are concentrated on the east side of the Downtown, further away from the primary retailing intersection of 119<sup>th</sup> and Indianapolis Boulevard.

This finding is consistent with our interviews which suggest that because of proximity to traffic on Indianapolis Boulevard, the westernmost portion of the Downtown is generally the most desirable location for prospective retailers and restaurants. A local real estate broker and property owner familiar with Downtown Whiting indicated that annual rent for a 1,500-square-foot retail space on the west side of Downtown (closest to Indianapolis



Boulevard) would be \$2-per-square-foot greater than the same space on the east side of 119<sup>th</sup> Street (closer to Lake Michigan).

Table IV-6 and Map IV-2 show the estimated supply of existing retail space located outside of the Downtown but within the primary market area of Whiting and Robertsdale. Much of the existing retail supply within the primary market area consists of fast-food, grocery, and service-related uses concentrated along Indianapolis Boulevard and Calumet Avenue. The two largest retailers within the primary market area include the Strack and Van Till 35,000-square-foot supermarket located at the intersection of Calumet Avenue and 119<sup>th</sup> Street and the 12,500-square-foot Walgreen's drug store adjacent to the Downtown along Indianapolis Boulevard. A small neighborhood strip center at the intersection of Calumet and 117<sup>th</sup> also includes approximately 12,100 square feet of retail space. The remaining supply within the primary market area consists primarily of freestanding restaurants, bars, and food-related stores.



TABLE IV-6

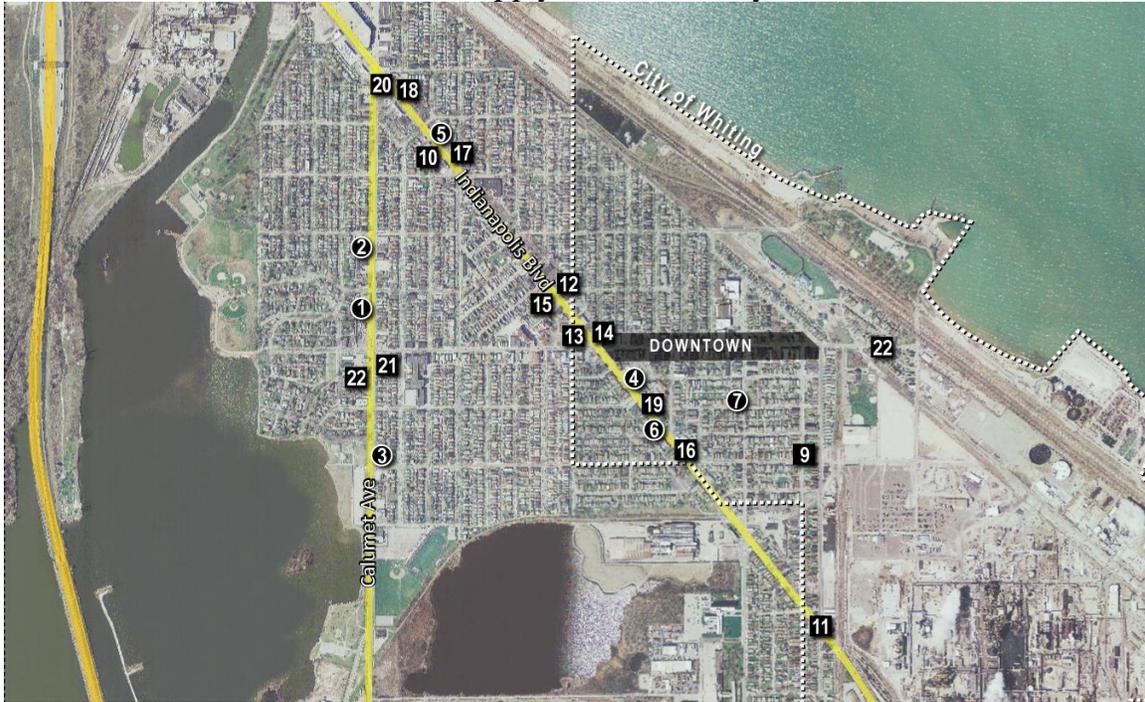
Retail Supply Within Primary Market Area

ID	Name <sup>1</sup>	Location	Year Built	Estimated Space # Square Feet <sup>2</sup>
1	Strack & Van Til Supermarket	1836 Calumet Ave	1993	35,000
2	Neighborhood Center (Richway Gyros, Capri Pizza, Whiting Health Foods)	1704 Calumet Ave	1989	12,100
3	7-11 Convenience Mart	2047 Calumet Ave	1981	2,400
4	Walgreen's	1939 Indianapolis	2005	12,500
5	Boulevard Discount Sales	1519 Indianapolis	1948	4,800
6	Lapalma Supermarket	2040 Indianapolis	1920	2,100
7	Weiner Foods	1950 New York	1955	5,600
8	Game Time Bar & Grill	1708 119 <sup>th</sup> Street	1926	1,200
9	Dino's Pizza	1601 121 <sup>st</sup>	1919	1,100
10	Palermo's	1522 Indianapolis	1949	1,800
11	Dusty's Tavern, John's Restaurant	Schrage/Indianapolis	1982	4,300
12	Burger King	1817 Indianapolis	1983	2,900
13	Keith's	1872 Indianapolis	1900	2,100
14	White Castle	1879 Indianapolis	1967	1,300
15	McDonalds	1812 Indianapolis	2002	3,700
16	Little Ceaser's	2070 Indianapolis	1982	1,300
17	Dunkin Donuts	1531 Indianapolis	1968	1,800
18	Dairy Queen	1441 Indianapolis	1967	900
19	The Office Restaurant	2008 Indianapolis	1913	1,600
20	Purple Steer Restaurant	1402 Indianapolis	1978	2,700
21	Up for Grabs Restaurant	1923 Calumet Ave	1926	1,600
22	Gusto's Pizza	1932 Calumet Ave	1919	900
<b>Total</b>				<b>103,700</b>
<sup>1</sup> Retailers and restaurants were identified through tours of the area and business listings from Yahoo Yellow Pages and Whiting Robertsdale Chamber of Commerce.				
<sup>2</sup> Estimates of retail space are based on assessment data from the Lake County Assessor.				
Sources: Lake County Assessor, Yahoo Yellow Pages; Whiting Robertsdale Chamber of Commerce; Gruen Gruen + Associates.				

The existing retail inventory outside of the Downtown estimated to total approximately 104,000 square feet of building space. Map IV-2 shows the locations of the retail and restaurant supply identified above.



MAP IV-2: Retail Supply Within Primary Market Area



The primary market area, including the Downtown, is estimated to include a total retail supply of approximately 194,000 square feet of space. Outside but within three to four miles of the primary market area are additional convenience and necessity related uses such as a Walgreen's, Aldi's Grocery, and fast-food chains as well as lodging uses such as a Ramada Inn near Interstate 90. North Hammond includes several popular eating and drinking places, including Johnel's adjoining the Ramada Inn, Cavalier Inn, and El Taco Real.

The interviews, area inspections, and analysis of secondary data indicate that for comparison or shopper goods, many primary market area residents shop in locations to the south offering major retail agglomerations along 165<sup>th</sup> Street and Indianapolis Boulevard in Hammond, Highland, and Schererville. For example, the shopping agglomeration near the intersection of Indianapolis Boulevard and 165<sup>th</sup> Street in Hammond includes category-killer and general merchandise retailers such as the Home Depot, Menard's, Carson Pirie Scott, and Wal-Mart. Locations further south on Indianapolis Boulevard in Highland and Schererville include additional major retail stores such as Target, Meijer, Dick's Sporting Goods, Kohl's, Marshall's and T.J. Maxx. The 349,000-square-foot "Shops on Main" retail center is under construction in Schererville.



CHAPTER V

THE RELATIONSHIP BETWEEN ESTIMATED RETAIL DEMAND AND SUPPLY IN THE PRIMARY MARKET AREA

COMPARISON OF ESTIMATED RETAIL EXPENDITURES AND RETAIL SALES WITHIN THE PRIMARY MARKET AREA

Based on the Claritas estimates presented above, Table V-1 summarizes the estimated retail expenditure potential and estimated retail sales by category for the primary market area in 2008.

TABLE V-1			
Relationship Between Estimated Retail Expenditure Potential and Retail Sales Within Primary Market Area by Category: 2008			
	Demand \$	Sales \$	Unmet Demand (Supply Surplus) \$
Grocery & Convenience	23,777,000	32,600,000	(8,823,000)
Health & Personal Care <sup>1</sup>	10,851,000	2,533,000	8,318,000
Eating and Drinking Places	17,160,000	12,737,000	4,423,000
Furniture and Home Furnishings	4,250,000	0	4,250,000
Electronics & Appliance	4,052,000	2,750,000	1,302,000
Clothing & Accessory	7,451,000	702,000	6,749,000
Sporting Goods, Hobby, Book and Music	2,853,000	968,000	1,885,000
Miscellaneous Retail	4,574,000	10,460,000	(5,886,000)
<b>Total</b>	<b>74,968,000</b>	<b>62,749,000</b>	<b>12,219,000</b>
<sup>1</sup> As indicated previously, health and personal care sales are likely to be low given the presence of two existing drug stores within the primary market area.			
Sources: Claritas 2008; Gruen Gruen + Associates.			

Retail expenditure potential of primary market area households is estimated to exceed current retail sales in all but two categories. A sales surplus of \$8.8 million is estimated to apply to grocery and convenience stores, while a smaller sales surplus of \$5.9 million is estimated to apply to miscellaneous retail stores. Demand for eating and drinking places is currently estimated to exceed sales by \$4.3 million. Most of this unmet demand applies to full-service restaurants as the primary market area already contains a number of limited-service (i.e., fast food and cafés) establishments. Unmet demand within the furniture and apparel categories is also estimated to approximate \$4.4 million and \$6.7 million respectively. Because the primary market area and nearby areas are not large enough in population density and available purchasing power to support a complete supply of retail formats and types of retail stores, sales dollars or expenditures potential leaks out to areas south of Whiting which have reached population thresholds large enough to support larger-scale and a more complete variety of stores.



**COMPARISON OF POTENTIAL RETAIL DEMAND AND THE AMOUNT OF RETAIL SPACE SUPPLY WITHIN THE PRIMARY MARKET AREA**

Table V-2 presents the relationship between estimated primary market area retail space demand and retail supply for 2008 and 2013.

<b>TABLE V-2</b>		
<b>Relationship Between Estimated Retail Demand and the Amount of Retail Space within the Primary Market Area: 2008-2013</b>		
	2008 # Square Feet	2013 # Square Feet
Estimated Retail Demand <sup>1</sup>	274,000	278,000
Estimated Retail Supply	194,000	194,000
Estimated Unmet Demand	80,000	84,000
<sup>1</sup> Assuming a retail sales threshold of \$275 per square foot.		
Source: Gruen Gruen + Associates		

As described above, the expenditure potential of primary market area households is estimated to currently support approximately 274,000 square feet of retail space. The amount of supportable space attributable to the primary market area is forecast to modestly increase to approximately 278,000 square feet of space by 2013. The supply of retail space within the primary market area is estimated to contain nearly 194,000 square feet of space. Therefore, based on a sales threshold of \$275 per square foot of retail and restaurant space, demand attributable to primary market area households is estimated to exceed the existing supply by approximately 80,000 square feet. Assuming no additional retail space is added to the primary market area over the next five years, the amount of unmet demand is estimated to increase slightly to 84,000 square feet.



**APPENDIX A: Examples of Casual Dining Restaurants and Site Criteria**

<b>SITE REQUIREMENTS</b>											
	<b>Applebee's</b>	<b>Olive Garden</b>	<b>Smokey Bones BBQ</b>	<b>Cracker Barrel</b>	<b>Red Robin's</b>	<b>Texas Roadhouse</b>	<b>Famous Dave's</b>	<b>Outback Steakhouse</b>	<b>Carrabba's Italian Grill</b>	<b>Red Lobster</b>	<b>Chevy's</b>
Building Size (sq. ft)	5,700	6,000 -7,500	5,700 – 6,700	12,000	6,000	6,950	6,476	5,000-6,500	5,000-6,300	5,700-7,000	7,000-7,500
Lot Size (acres)	1.5	1.2 – 2.4	1.23 - 2	2.5	1.5	1.2 – 1.8	1.51	NA	NA	1.2-2.4	1.35
Traffic Count	NA	30,000	30,000	NA	NA	70,000+	NA	25,000	25,000	30,000	40,000
Building Height (feet)	21'10"	22'	24'10"	NA	NA	NA	NA	NA	NA	29'	NA
Other	setbacks 109' – front 90' – side 52' - rear	NA	NA	attached 'country store' of about 2,100 s.f.	NA	min. frontage of 220'	total seat count of 262	Min. frontage of 60'	Min frontage of 60'	NA	Patio space of 1,000- 1,500 sq. feet
Parking Needs (# spaces)	9	125 - 145	125	NA	120	175 (100 on site)	125	120-125	125	100-150	120



**APPENDIX A: Examples of Casual Dining Restaurants and Site Criteria**

<b>MARKET/DEMOGRAPHIC PREFERENCES</b>											
	<b>Applebee's</b>	<b>Olive Garden</b>	<b>Smokey Bones BBQ</b>	<b>Cracker Barrel</b>	<b>Red Robin's</b>	<b>Texas Roadhouse</b>	<b>Famous Dave's</b>	<b>Outback Steakhouse</b>	<b>Carrabba's Italian Grill</b>	<b>Red Lobster</b>	<b>Chevy's</b>
Demographics	NA	trade area with a minimum of 75,000 people within a 15 minute drive time	Trade area with a minimum of 125,000 people	NA	trade area with a min. of 10,000 people; median income of \$60,000 - \$70,000; age range of 33-34 years	trade area 100,000-130,000; median income of \$35,000-\$50,000; median age 35	3 mile trade area population 30,000-75,000/ employees 50,000; median household income of \$60,000; ages 25 – 55	3 mile trade area with 35,000 households; avg. income of \$50,000	1 mile trade area; 15,000 households and avg. income \$35,000 – 3 mile 35,000 households, avg. income \$50,000	trade area with minimum population of 125,000	One mile trade area with population 10,000; two mile 100,000; 3 mile 250,000; 50,000 potential daytime customers ; median household income > \$50,000
Area of Focus	NA	regional locations that minimize impact to existing locations	prime regional locations that minimize impact to existing locations	located along interstate highways, tourist destinations or off-interstate locations	grouped with other casual dining or big box uses	visible to highway interchange; adjacent to superstore or big box uses	NA	NA	free standing, end caps, in line	regional locations, lifestyle/ power centers	High visibility/ easy access; regional malls, power center, office or entertainment park



**APPENDIX A: Examples of Casual Dining Restaurants and Site Criteria**

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<b>ANNUAL SALES PERFORMANCE</b>											
<i>Costs/Sales</i>	<b>Applebee's</b>	<b>Olive Garden</b>	<b>Smokey Bones BBQ</b>	<b>Cracker Barrel</b>	<b>Red Robin's</b>	<b>Texas Roadhouse</b>	<b>Famous Dave's</b>	<b>Outback Steakhouse</b>	<b>Carrabba's Italian Grill</b>	<b>Red Lobster</b>	<b>Chevy's</b>
Annual Sales Per Square Foot	\$395	\$700	\$475	\$340	\$520	NA	\$400	\$615	\$540	\$590	NA
Development Costs	\$1 million capital; \$1.7-\$3.2 total investment	NA	NA	NA	NA	NA	NA	\$2 million investment cost minimum	NA	NA	Development costs from \$1.7 million to \$3.6



Gruen Gruen + Associates (GG+A) is a firm of economists, sociologists, statisticians and market, financial and fiscal analysts. Developers, public agencies, attorneys and others involved in real estate asset management utilize GG+A research and consulting to make and implement investment, marketing, product, pricing and legal support decisions. The firm's staff has extensive experience and special training in the use of demographic analysis, survey research, econometrics, psychometrics and financial analysis to describe and forecast markets for a wide variety of real estate projects and economic activities.

Since its founding in 1970, GG+A has pioneered the integration of behavioral research and econometric analysis to provide a sound foundation for successful land use policy and economic development actions. GG+A has also pioneered the use of economic, social and fiscal impact analysis. GG+A impact studies accurately and comprehensively portray the effects of public and private real estate developments, land use plans, regulations, annexations and assessments on the affected treasuries, taxpayers, consumers, other residents and property owners.

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