

YELM RETAIL & COMMERCIAL DEVELOPMENT OPPORTUNITIES



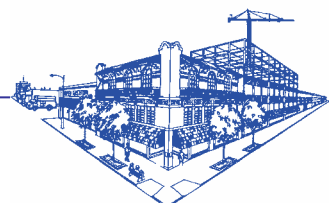
Prepared for:

Thurston County Economic Development Council
& City of Yelm

October 2005

E. D. Hovee & Company, LLC

Economic and Development Services



Yelm Retail & Commercial Development Opportunities

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& City of Yelm

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EXECUTIVE SUMMARY

Working with the City of Yelm, the Thurston County Economic Development Council has contracted with the economic and development consulting from E.D. Hovee & Company, LLC to conduct an analysis of *Yelm Retail & Commercial Development Opportunities*. What follows are major findings and observations from this report.

Stakeholder Contacts. As a starting point for the analysis, personal interviews with a cross-section of business and development interests helped to identify trade area potential and development trends affecting the greater Yelm area. There is general consensus on a retail trade area currently and potentially served by Yelm businesses. This trade area extends well beyond Yelm to include outlying areas encompassing eastern Thurston County and reaching into southeast Pierce County.

Residential growth is clearly seen as a primary driver of broader economic and retail development in the Yelm community. Infrastructure is also viewed as critical – with the SR 510 Yelm Loop generally expected as a benefit for retail including the existing downtown area. There also is recognition that trade area growth will support differing types and locations of future retail development – including downtown, neighborhood centers, larger multi-tenant regional or community commercial centers, and free-standing retail.

Trade Area Delineation. The primary or *convenience trade area* is defined as comprising the Yelm (98597), Roy (98580) and Rainier (98576) zip codes – yielding a combined 2005 population of just over 30,100. The secondary or *comparison trade area* includes the primary market plus the Tenino (98589), Eatonville (98328), Graham (98338) and western portion of Spanaway (98387) zip codes – representing a 2005 base of 99,500 residents.

Market Demographics. With an estimated 4,455 residents as of 2005, Yelm’s population is more than three times its 1990 population of 1,337. Yet the population of Yelm represents only a 15% portion of the primary trade area and only 4% of the population of the larger secondary trade area.

The primary (convenience) trade area served by Yelm is projected to increase to 54,000 residents by 2030, reflecting an average growth rate of just under 2.4% per year. Secondary (comparison) population is projected to increase by 1.9% annually to a 2030 level of 160,100 residents.

By comparison with the state, primary (convenience) trade area household incomes are relatively high and median age is young. The proportion of college graduates is below state and county-wide levels, with Yelm having the highest graduation rates among the trade area zip codes.

Overall local job base remains relatively weak relative to local population – due to considerable out-commuting to employment centers along or near the I-5 and 512 highway corridors both west and north of Yelm. Lifemode grouping data indicates a relatively homogenous, mainstream and family-oriented demographic – especially for the City of Yelm and the primary (convenience) market area.

Current Retail Sales & Leakage. For the Yelm, Roy and Rainier zip codes that cover the *primary area*, total resident spending is estimated at \$250 million annually. The volume of retail sales actually occurring at retail establishments located in the trade area approximates \$175 million, with resulting sales leakage of \$75+ million. If local retailers were to fully recapture 100% of the existing sales leakage, up to 192,000 square feet of added retail space could be supported.

For the larger comparison trade area, total consumer buying power is estimated at \$923 million per year, 3-4 times the spending power in the primary trade area alone. Actual retail sales are estimated at \$412 million – meaning sales leakage of \$511 million (or 55% of resident spending potential). Full 100% recapture of this spending potential would support up to nearly 950,000 square feet of retail space in Yelm or elsewhere in the trade area.

Future Commercial Growth Potential. Yelm’s retail opportunities are not limited to recapture of existing sales leakage. Of even greater importance for the long-term is the potential for added retail and related commercial development to serve the population growth expected to continue at a rapid pace for the foreseeable future.

- Between 2005 and 2030, spending potential from residents within the *primary (convenience) trade area* is expected to increase by 80% – supporting as much as 445,000 square feet of growth-driven added retail (including nearly 150,000 square feet in the next 5 years).
- Over this same time period, spending potential from the larger secondary (comparison) trade area is forecast to increase by more than 60% – supporting up to 1.28 million square feet of added retail development (including over 465,000 square feet in the next 5 years).
- Non-retail but related *service commercial* demand (at establishments ranging from repair services to hotels/motels to banking facilities) can also be expected. The focus of the service analysis is on potentials associated with future trade area population growth. Yelm’s capture opportunities are greatest within the primary trade area – with potential for an added 382,000 square feet of non-retail commercial space by 2030 (including 128,000 square feet over the next 5 years).

Siting Commercial Development. No two cities are precisely alike and Yelm is particularly unique in terms of the large suburban and rural trade area that is served. Other examples of communities profiled in this report that experience retail sales well in excess of what is supported by population include Monroe, Silverwood and Stanwood – all situated at the exurban edge of the Puget Sound metro area. This brief survey illustrates two observations about retail opportunities for small to medium sized cities in western Washington:

- Retail opportunities are not limited by geographic boundaries – but shaped by trade area market demographics, location of retail competition and ability to attract development – often unique to each community.
- There is opportunity for a city to position itself as a dominant center for convenience and/or comparison retailing – if there is unmet need in the larger trade area(s) to be served.

Yelm currently has 460 acres of non-downtown commercially designated land – of which 51% (or 234 acres) can be considered as vacant and/or redevelopable. The maximum anticipated need for retail recapture plus growth *and* local commercial services to 2030 is also estimated at a combined total of approximately 234 acres – a relatively even balance of potential supply and demand.

Factors that could affect this balance include potential application of a market factor to assure competitive land availability, user specific site needs, possible requirements of some land extensive commercial uses, and potential for Yelm to increase per capita service business activity due to a larger, more urban population base. Counterbalancing these factors is the question of the degree to which Yelm serves the entire secondary (comparison) market versus fragmentation of this market into a number of smaller retail districts in communities throughout the trade area.

In addition to questions of gross acreage need, it will be important to pay attention to the varied siting requirements of different types of retail centers – including regional/super regional centers, community and neighborhood centers, strip/convenience and specialty sites, urban street retail, and free-standing retail. In particular, it is noted that regional and community centers typically prefer sites on major arterials such as at a major highway interchange – while neighborhood centers are often located at the intersection of two local arterials closer to residential neighborhoods.

While framing a detailed retail and commercial strategy for Yelm is outside the scope of this market assessment, moving forward with defined development and marketing strategies represents a logical next step for the City of Yelm and Thurston County Economic Development Council:

- Of critical importance is the question of how much of the market potential locally and regionally Yelm should seek to capture. Should the goal be to become a dominant retail center for the convenience and comparison trade areas? Or is a different future desired?
- If Yelm elects to pursue the opportunity continuing towards a role as the dominant (or major) retail center for eastern Thurston and southeastern Pierce Counties, more fine-grained evaluation may be required to determine the most appropriate types of locations for different retail and other commercial uses – including comparison (with large format), neighborhood convenience, non-retail service and urban/mixed-use retail as well as marketing these opportunities both locally and regionally.

This report on *Yelm Retail & Commercial Development Opportunities* is intended to serve as a baseline for a strategic plan – as well as provide independent demographic and retail information to business and development firms interested in the customer potential represented by the Yelm market area.

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I. MARKET ANALYSIS INTRODUCTION

As the most rapidly growing community in Thurston County, Yelm is realizing the opportunity to generate significant added retail business activity and resulting commercial development. Working with the City of Yelm, the Thurston County Economic Development Council has contracted with the economic and development consulting firm E.D. Hovee & Company, LLC to conduct this retail and commercial development market assessment. This report contains results of market research including preliminary observations and findings.

BACKGROUND & PURPOSE

Yelm has been experiencing rapid population growth in recent years. In the 15 years since 1990, the city's population has more than tripled. With this growth has come the opportunity and need for added retail development – serving not only Yelm residents but those who live in a larger geographic area readily accessed by residents of surrounding communities.

This report is intended to describe the likely market potential for additional retail and related commercial development to serve the area's current population base and expected future growth. The report can serve as more than a means to describe retail growth potential; it can also be used to strategically identify the types of retail and service businesses most needed to address local resident needs.

APPROACH TO ANALYSIS

A multi-step approach has been taken in conducting this analysis. Key steps have included:

- Initial meeting with the Yelm Economic Development Committee to discuss project objectives, background information and potential contacts.
- Interviews with selected local and regional retail business and development interests – to ascertain such items as geographic trade area served by Yelm businesses, and area demographic and retail trends.
- Compilation of demographic, economic, retail sales and land use information – as a basis for conducting this market analysis.
- Preparation of a preliminary draft report for review with the economic development committee. Based on comments received and supplemental research, this final report document has been prepared.

QUALIFICATIONS & LIMITATIONS

As noted, this retail and commercial development opportunities analysis has been prepared for the Thurston County Economic Development Council by the economic and development consulting firm E.D. Hovee & Company, LLC. A brief overview of the firm's background and related project experience is provided as Appendix A to this report.¹

Also noted is that the data and analysis in this report is tempered by the as-yet relatively small size of the emerging Yelm market. This affects the analysis in at least two key respects:

- Less comprehensive real estate market data is available than in a larger metropolitan area. For example, there are no identified real estate brokerage firms that maintain comprehensive databases covering such factors as vacancy, absorption, and rental rates for Yelm’s retail and commercial development market.
- A smaller market area can be subject to rapid changes in underlying economic and demographic conditions due to external forces not readily predicted in advance. An example would be the potential effect that changing interest rates would have on demand for new local residential units and the resulting demand for community retail services.

ORGANIZATION OF MARKET OPPORTUNITIES REPORT

The remainder of this report is organized to cover the following topics:

Stakeholder Contacts
Trade Area Delineation
Market Demographics
Current Retail Sales & Leakage
Future Growth Potential
Next Steps

Four appendices are attached with this report. *Appendix A* provides a brief description of the consultant’s background and related project experience. *Appendix B* identifies local contacts interviewed for this analysis. *Appendix C* contains a compendium of statistical market data. *Appendix D* is a listing of the urbanized grouping and tapestry segmentation estimates utilized with the demographic analysis.

II. STAKEHOLDER CONTACTS

As part of this trade area determination and market assessment, personal interviews were conducted with a cross-section of individuals involved in retail business and development activities in the Yelm area. Also interviewed as a group were members of the Yelm Economic Development Committee.

Persons interviewed including members of the Economic Development Committee are listed with Appendix B. The interviews conducted were important as a means to identify both the geographic trade area from which customers of Yelm businesses are drawn and development trends affecting Yelm and the greater market area.

TRADE AREA

There was general consensus from among those interviewed as to the geographic area (or trade area) from which customers to Yelm businesses are drawn – both currently and prospectively. This trade area clearly extends to include outlying communities such as Rainier, Roy, McKenna, Lake Lawrence, and Eatonville. Some businesses, such as the theater and garden store, draw clientele from further distances – such as Olympia, Lacey and even reaching to Gig Harbor. Fort Lewis is generally viewed as a natural boundary to the trade area, except for destination activity.

Some businesses draw customers to their store as a distinct destination; others clearly benefit from the potential for cross-shopping. An example given by several interviewees is out-of-town customers that will patronize multiple establishments – such as Yelm Cinema, Arnold’s Restaurant and Gordon’s Garden Center during a visit to Yelm.

NEW DEVELOPMENT

Interviews are helpful in identifying development currently underway as well as future prospects:

- *Residential* growth is clearly seen as a primary driver of broader economic development activity in the Yelm community. From a base of 80-120 new residential units per year, there is potential for homebuilding to increase to a range of perhaps 200-250 units per year – focused in the SW Yelm Master Planned Community area on the west side of Yelm.

Pricing reportedly has been in the range of \$180,000 - \$200,000, relatively affordable in the Puget Sound region and attractive to young families. Longer term, further Yelm area residential growth may be constrained by the military reservation and river to the north, and rural area to the south – so that future development becomes more likely to transition eastward in the direction of Five Corners or toward McKenna.

- The most significant *retail* project currently proposed is a Wal-Mart supercenter. Other retailers that have looked at the market reportedly include The Home Depot and grocery retailers.

Grocery anchored neighborhood retail center development can be expected to occur to serve the emerging SW Yelm Master Planned residential community. Additional dining retail can be expected – ranging from fast food to coffee/espresso to more upscale and

themed restaurants including microbrew/sports bar venues. Also possible is the expansion of lodging.

Existing retailers see opportunity to diversify to serve the needs of new homeowners as well as continuing to cater to “current customers that love us.” Commercial land prices appear reasonable by comparison with other communities – with values quoted ranging from about \$7 to perhaps \$13 per square foot.

- Yelm’s *office* market is seen as serving primarily locally generated residential demand, ranging from offices for medical and dental clinics to insurance and real estate firms. There is some reported interest in attracting non-local corporate office investment to enhance the community’s job base – including back office operations of companies such as Nintendo, Microsoft, and Intel. State offices are viewed as unlikely to venture beyond current locations along the I-5 corridor of Lacey-Olympia-Tumwater.
- *Industrial* development remains of interest for improved local job base, lessening the need for out-commuting. However, there has not been much industrial development action for a number of years.

Marketability has been limited in large part by transportation constraints – including distance from I-5, congestion on local roadways and resulting dependence on rail served industrial. Potential assets include an increasing and well trained labor force combined with competitively priced industrial land.

OTHER COMMENTS

Those interviewed offered a variety of other comments that relate to the scale and success of an expanded and improved retail environment for Yelm:

- Several comments were made about the importance of *planning and design* for retail development. Some would favor continuation of the western or prairie theme that is evident with much of the commercial space in Yelm; others indicate that more contemporary design has achieved customer acceptance (as with Yelm Cinemas). Continuation and, perhaps, refinement of design guidelines is viewed as integral to achieving high quality development.
- *Infrastructure* is identified as critical in shaping where and how development will occur. Yelm has adequate sewer capacity; timing of added residential development may be paced to availability of added water capacity. Improving transportation capacity and reducing congestion are major priorities for retail development. The SR 510 Yelm Loop (alternative transportation corridor to Yelm Avenue) is generally viewed as a benefit for retail including the existing downtown area – by adding capacity and taking non-retail related thru-traffic out of the downtown area.

A key land use planning question is whether retail development may eventually occur around Loop interchanges or will it remain focused along existing retail corridors. The Yelm Comprehensive Transportation Plan states, “The City will promote construction of commercial developments in the Yelm City Center to foster this section of the City as the economic core of the Urban Growth Area. Construction of commercial development along the alternate routes around the City Center will be limited to minimize potential

traffic congestion.” This City Center area extends along Yelm Avenue (State Route 507) from the City limits to the east to Burnett Road to the west.

- There is recognition that a larger community may support *differing types and locations* of retail development. These types of retail can include downtown areas (with a higher mix of independently owned businesses and destination/tourism activity), neighborhood centers (typically grocery anchored), larger multi-tenant regional or community commercial centers (with adequate provision for large format retail drawing from a larger trade area), and free-standing retail (both independent and national/regional large format stores).
- Both the *City of Yelm and the Thurston County Economic Development Council* are recognized for their contribution and continuing role in encouraging and facilitating retail development appropriate to the Yelm community. The City role is seen as including improvements to traffic access and circulation, events and image building activities, and a long-term commitment to maintain the character and quality of the community – avoiding unnecessary urban sprawl. The EDC is viewed as well positioned to help with long-term visioning and assisting retailers (especially independent, locally owned businesses) to be realistic in business and financial planning.

III. TRADE AREA DELINEATION

Based on stakeholder interviews and discussion with the economic development committee, examination of appropriate the retail trade area(s) suitable for purposes of this analysis was conducted. Trade area determination can be challenging because different businesses may draw clientele from different geographic areas on a regular basis. The task is particularly challenging for Yelm due to the community's as-yet emerging and rapidly changing retail role.

Major factors involved in selection of trade areas appropriate for Yelm include the following:

- Separate trade areas for day-to-day convenience shopping versus less frequent comparison shopping that can draw customers from a wider geographic area.
- Geographic areas from which Yelm retailers currently or prospectively could draw on a regular basis for comparison retail – including department store together with discount related soft and hard goods merchandise.
- Presence of other retail centers elsewhere in Thurston County on a scale likely to significantly compete with Yelm – within the geographic area for which Yelm prospectively could serve as a dominant retail hub.
- Consideration of natural geographic boundaries and major transportation corridors – which for Yelm includes Fort Lewis as a natural boundary and the SR 510 / 507 / 702 / 7 highways as major travel corridors.

For some retail analyses, the choice would be to draw trade area boundaries conservatively – to avoid overstating retail potentials. For this analysis, boundaries are drawn somewhat more expansively – likely reflecting a *best case* situation of what Yelm could support if it aggressively pursues a role as a dominant (or major) retail center for the eastern Thurston / southern Pierce County region.

Primary (Convenience) Trade Area. The primary or *convenience* trade area is defined as comprising the Yelm (98597), Roy (98580) and Rainier (98576) zip codes – yielding a combined population of just over 30,100. This is the geographic area from which customers are most often drawn for day-to-day convenience oriented purchases such as groceries and pharmacy.

Secondary (Comparison) Trade Area. The secondary or *comparison* trade area defined is illustrated by the following chart and accompanying map. This secondary trade area includes the geography covered by the primary trade area *plus* additional areas further removed from Yelm.

For purposes of this analysis, the secondary trade area is comprised of six Yelm and vicinity area zip codes plus a portion of the Spanaway zip code – representing a total 2005 population estimated at just under 99,500. This is the geographic region from which Yelm can draw for *comparison* purchases typically made on the basis of price and selection – with the ability to compare merchandise between different but similar stores.

Secondary (Comparison) Trade Area

Zip Code	City	2005 Population
<i>Secondary (Comparison) Trade Area:</i>		
98597	Yelm	15,600
98576	Rainier	3,900
98589	Tenino	7,100
98580	Roy	10,600
98328	Eatonville	9,500
98338	Graham	24,500
98387	Spanaway (part)	28,300
Trade Area Total		99,500

Source: ESRI Business Information Solutions, E. D. Hovee & Company, LLC. Zip codes noted in **bold type** are also included in the smaller primary trade area.²

Trade Area Considerations.

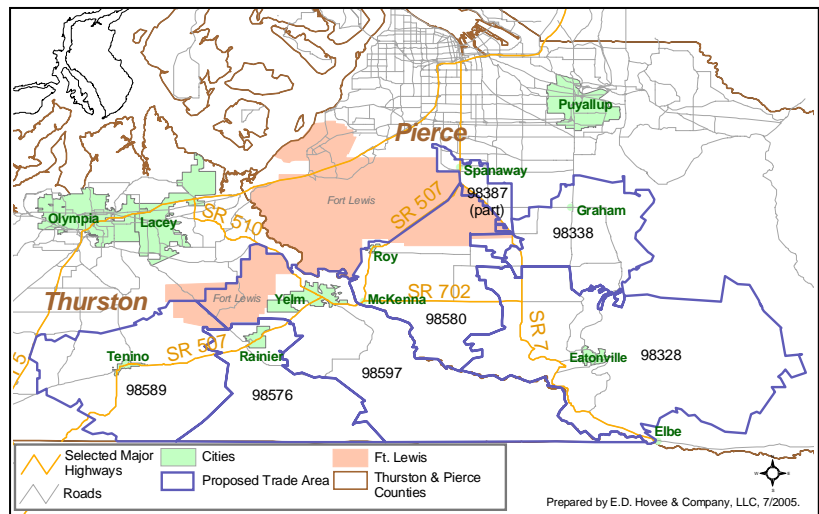
A variety of approaches can be used for alternative trade area delineations. For example, the case could be made that part of the 98328 zip code be included but that the secondary trade area not extend all the way to Eatonville. However, it is noted that the estimated travel time from Eatonville to Yelm is 31 minutes, versus a longer 47 minute drive from Eatonville to Tacoma Mall and 41 minutes from Eatonville to Puyallup.

Similarly, with 98338, a couple of items are noted. Total population is the largest of all the full zip codes recommended for inclusion, so capturing this market area is important to Yelm retail potentials. On paper, Graham is closer to Puyallup than Yelm at 22 versus 31 minutes. However, the western part of the zip code is more accessible to Yelm and the lifestyle modes of this zip code are more similar to those of Yelm than the more urbanized Puyallup area.

Initial consideration was also given to excluding the heavily populated Spanaway zip code (total population of 38,189), due to geographic proximity to Tacoma and Puyallup. Based on City and EDC input, the recommendation is to include the western portion of the zip code which has convenient access to Yelm via the SR 507 corridor. The eastern portion of the zip code is more proximate to Puyallup and therefore excluded from the Yelm trade area.

As detailed in subsequent sections to this report, demographic, retail sales and related market data has been compiled according to these primary and secondary trade area delineations.

Map of Yelm Secondary Retail Trade Area



IV. MARKET DEMOGRAPHICS

Based on the trade areas as defined, the analysis now proceeds to a review of market area demographics. Discussion begins with recap of market trade areas, followed by a description of such demographic factors as population and households, income and education, employment and wages, lifemode groupings and growth potentials to build-out. Detailed data and information sources used with this analysis are provided with data tables in Appendix C to this report.

MARKET TRADE AREAS

Based on the foregoing discussion, two geographic market or trade areas have been defined for purposes of this analysis:

- *Primary (Convenience) Trade Area* – comprising the Yelm (98597), Roy (98580) and Rainier (98576) zip codes. With over 30,100 residents, this is the trade area from which customers would generally be drawn for day-to-day grocery and other convenience shopping needs.
- *Secondary (Comparison) Trade Area* – encompasses 6 zip code areas plus a portion of the Spanaway zip code extending on a generally east-west axis from Eatonville to Tenino. With a 2005 population base of nearly 99,500, this represents a potential geographic area from which to draw for comparison shopping – with purchase decisions typically made on the basis of selection and price.

Specifically noted is that information regarding the secondary trade area also encompasses demographics for the smaller, more geographically concentrated primary trade area.

POPULATION & HOUSEHOLDS

All of the available information reviewed depicts a City together with primary and secondary trade areas that have experienced and are expected to continue a pattern of rapid growth.³

Current Population & Trend:

- With an estimated 4,455 residents as of 2005, Yelm's population is more than three times its 1990 population of 1,337 – just 15 years ago. Looking back over a longer time frame of the last 35 years, population essentially doubled during the decade of the 1970s, stabilized during the 1980s, and moved back into a high-growth mode in 1990. In the 35 years since 1970, population growth in Yelm has averaged 8.1% per year.
- Similar patterns of population growth have been experienced for the other incorporated communities within the primary and secondary trade areas – but at lower rates of overall growth than Yelm. Yelm's population is nearly double that of the next largest incorporated community – Eatonville with 2,330 residents. Other incorporated cities in the trade area include Rainier, Tenino and Roy – which range between less than 900 to over 1,500 residents.
- Yelm's population growth parallels the experience of the unincorporated areas of Thurston County, more so than other incorporated cities. Since 1970, unincorporated Thurston County has experienced population growth averaging 5.1% annually while

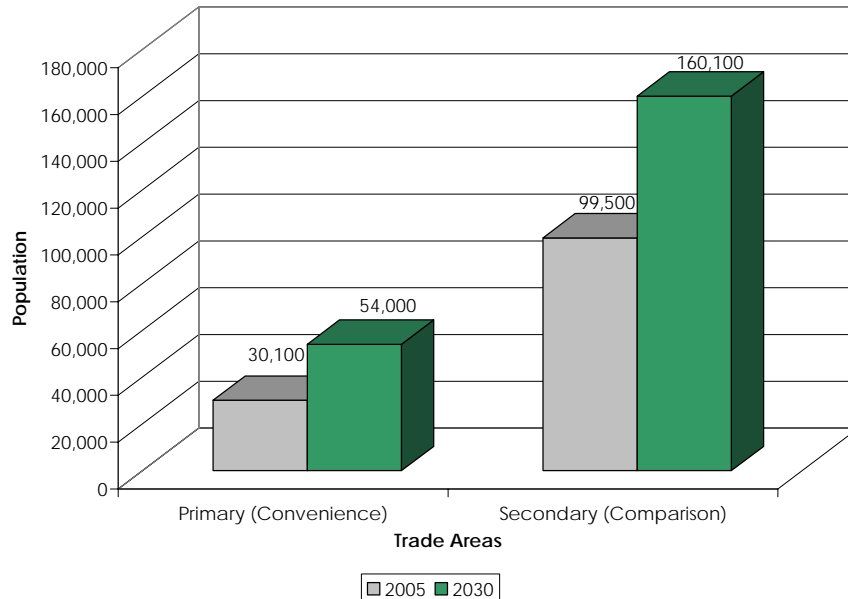
incorporated areas have increased at an average annual rate of 3.6%. As of 2005, unincorporated areas represent 56% of population countywide.

- As of 2005, the Yelm zip code (98597) has an estimated 15,600 residents, more than three times the population within the incorporated city limits. Population of the primary (convenience) trade area is 30,100. The secondary (comparison) trade area has an estimated 99,500 residents. In effect, the secondary trade area potentially served by Yelm retailers is more than 22 times the population within the current City limits.

Population Projections:

- The State of Washington Office of Financial Management prepares low, intermediate and high growth population projections to be used by counties for growth management planning. For Thurston County, the range of average annual growth projected between 2005 and 2025 is from 1.4% to 2.2%.
- Growth projections for Thurston and Pierce Counties have been extended to 2030 by regional planning agencies. From a 2005 base of approximately 226,700 residents, the population of Thurston County is projected to increase at an average annual rate of just over 1.7% to 348,000 by 2030. Pierce County population is projected to grow at the slightly more rapid annual rate of 1.8% to 1.175 million.
- The convenience trade area served by Yelm is projected to increase from 30,100 to 54,000 residents by 2030, reflecting growth averaging just under 2.4% per year. The larger comparison trade area is forecast to increase from 99,500 to 160,100 residents, equating average annual growth of 1.9%.

Trade Area Population & Forecast (2005-2030)



Note: Both here and with other data, the secondary trade area *includes* primary trade area population.
 Source: E.D. Hovee & Company, LLC.

Households:

- With 99,500 residents, the secondary trade area has just under 34,900 households. This equates to a relatively high average of 2.85 residents per household. Household size in Yelm is somewhat lower at 2.70 residents per household. Household size in Yelm and throughout the primary/secondary trade area is above comparable figures for Thurston and Pierce Counties – as well as the entire state with an average 2.59 persons per household.

Age of Population:

- Median age of population is 35.6 years throughout the trade area, with somewhat higher median age of residents in Yelm at 36.0. By comparison, median age statewide is 36.4 and for Thurston County 37.7 years of age. Between 2005 and 2010, median age of residents is expected to increase in communities throughout the market areas considered – as well as regionally and statewide.

INCOME & EDUCATION

Other demographic indicators of interest for retailers include household incomes and education levels of the adult population.

Household Income:

- As of 2005, median income throughout the secondary trade area is \$54,645 per household. This compares well with the statewide median of \$51,537 as well as with Thurston County at \$52,226.

As might be expected, there is considerable variation in household incomes in zip codes throughout the trade area. With a median income of \$45,882, the Yelm zip code (98597) is at the low end of the seven zip code areas considered. Incomes in the nearby Thurston County zip codes of Rainier and Tenino are below \$50,000 while incomes in all of the Pierce County zip codes are above the \$50,000 mark. At the high end of the scale is the Graham area with median income of over \$60,000.

- Between 2005 and 2010, incomes throughout the secondary (comparison) trade area are projected to increase by about 11% to a trade area median of over \$60,650.

Educational Attainment:

- The most recent information is from the 2000 U.S. Census which indicates that 21.5% of residents 25 years of age or more are college graduates with 28.5% having some college. Educational levels are relatively similar throughout the secondary (comparison) market area, with the proportion of college graduates highest in the Yelm zip code at 22.6%.
- However, educational levels are below those of Thurston and Pierce County as well as the entire state. The 21.5% college graduate figure for the secondary trade area compares with a statewide college graduate proportion of 35.7%.

EMPLOYMENT & WAGES

Employment data indicates that the Yelm area has a stronger population than employment base. Locally available jobs have yet to catch up with growth in the residential population:

- Based on 2004 data from the State of Washington Employment Security Department, there are just over 4,500 persons employed in the primary trade area and over 12,300 in the larger secondary trade area. This equates to an average of one job for every 8 residents who live in the larger market area. By comparison, there is one job for about every 2.5 residents throughout Thurston County. In effect, there is considerable out-commuting to employment centers on or near the I-5 and Highway 512/167 corridors both west and north of Yelm.
- Countywide job growth data is of interest as it provides a better context for considering commercial development prospects in the Yelm area. Between 1990 and 2001, employment in Thurston County increased at an average rate of nearly 2.6% per year; job growth has actually accelerated somewhat to over 2.7% between 2002 and 2004. As is true elsewhere in the state, employment countywide has been increasing at a more rapid rate than population.
- As of 2001, government accounted for an unusually high 40% of all employment in Thurston County – due primarily to the presence of the state capitol in Olympia with state office employment also significant in nearby cities including Lacey and Tumwater. Fort Lewis represents a major employer affecting both Thurston and Pierce Counties.
- Through the decade of the 1990s, rapid employment growth was experienced in finance, insurance and real estate, while government employment increased at a rate below the growth in all employment categories countywide.
- Between 2002 and 2004, the pace of government employment growth in Thurston County came to a virtual standstill. New sources of job growth emerged in categories such as wholesale trade, transportation and administrative services.
- In Thurston County, approximately 52% of total personal income comes from wage and salary sources. This is somewhat above the state which averages 50% of income from wage and salary sources. Thurston County is somewhat below the rest of the state in terms of income contributions from other sources – including proprietors, investment income and transfer payments.

LIFE MODE GROUPINGS

National and regional retailers increasingly have come to rely on what can be termed as *psychographics* – combining demographic data with survey information on lifestyle preferences and associated purchasing patterns. For example, the source used with this report – ESRI Business Information Solutions – maintains a classification scheme with 66 lifemode (called “tapestry”) groupings identified nationwide.

In comparison with some metro areas which exhibit considerable lifemode diversity, ESRI identifies a relatively tight cluster of key lifemode categories in the trade area served by Yelm:

- Nearly three-quarters (74%) of households within the primary (convenience) trade area and 60% of Yelm households are identified with the *Midland Crowd* lifemode grouping. This market segment accounts for a somewhat lower 37% share of households throughout the larger secondary (comparison) trade area.

ESRI describes this grouping as Tapestry's largest market, representing 11 million people, nearly 4 percent of the total U.S. population. As might be expected, this market reflects some characteristics of the overall U.S. population, with a median age of 36 years and an average family size of 3.1 people. The median household income of \$47,000 is just below the U.S. median of \$48,100. These differences distinguish the Midland Crowd residents. These neighborhoods are located in mainly rural areas, which since 2000, have been growing at an annual rate of more than 2.5 percent.

Nationally, approximately 40 percent of Midland Crowd homes were built after 1990; more than 95 percent of their homes are single family houses or mobile homes. These do-it-yourselfers take pride in their homes and vehicles.⁴ For leisure, they often go fishing and hunting, listen to country music, and watch television. They are described as politically conservative, devoted pet lovers, and interested in domestic travel.

- The next largest lifemode grouping across both the convenience and comparison trade areas is the *Green Acres* segment, termed by ESRI as a "little bit country," enjoying homes in a pastoral setting – accounting for 11% of primary and 19% of secondary trade area residents (but virtually none of the in-city Yelm residents).

This upscale market represents developing fringe areas, typically with more in the Midwest U.S. Most families are blue-collar baby boomers, many with children aged 6-17 years. Their median household income of \$61,200 and median home value of \$168,000 are high compared to that of the U.S.

Country living describes the lifestyle of Green Acres residents. They tend to be do-it-yourselfers and are not afraid to tackle home improvement projects such as painting and installing decks, patios, and spas. They often are enthusiastic gardeners, even owning a separate freezer to hold the bounty.⁵ Favorite outdoor activities cited include hiking, hunting, and backpacking.

- For households within the City of Yelm, the second most significant segment is the *Main Street, USA* grouping, accounting for just over 40% of Yelm households. ESRI describes this lifemode grouping as families with a growing mix of single households (household size of 2.51), having a median age of 36 years, a comfortable middle income with a median of \$50,000, and homeowners (64 percent) who live in older single family homes with an average market value of \$165,000.

The Main Street grouping includes suburbanites who live in smaller metropolitan U.S. cities. Active members of the community, Main Street USA residents participate in fund-raising and volunteer programs. They enjoy taking day trips to the beach, visiting a theme park or the zoo, or occasionally taking a domestic vacation.⁶ They tend to rely on the Yellow Pages versus the Internet for information about restaurants, stores, and contractors.

- Taken together, the *two top tapestry segments* in Yelm (Midland Crowd and Main Street, USA) account for virtually 100% of in-city households. About 85% of all households in the primary (convenience) trade area and 55% of households in the larger secondary

(comparison) trade area are represented by the two top segments – Midland Crowd and Green Acres.

Other groupings of importance include Main Street, USA (in the City of Yelm) together with Up and Coming Families in both the convenience and comparison trade areas. A group unique to the comparison trade area (particularly Pierce County) is described by ESRI as Milk and Cookies. Descriptions of these and all other U.S. lifemode groupings are found in Appendix D to this report.

- What is notable about the Yelm trade area – especially for the City and primary or convenience trade area – is the relative *similarity of the demographics* across the most commonly reported lifemode groupings for this trade area, as described for the dominant Midland Crowd together with the Green Acres and Main Street (Yelm oriented) groupings.

GROWTH POTENTIALS TO BUILD-OUT

A portion of Yelm’s retail opportunity can be linked to unmet retail demand to serve the existing local and trade area population. Looking over the next 5-25 years, additional significant retail development will be supported to serve further anticipated population growth.

- Between 2000 and 2004, Thurston County has averaged nearly 1,400 single family and manufactured home permits per year. The number of permits increased from 1,056 in 2000 to 1,734 in 2004. Over this same time period, the manufactured home share of the market has declined, from 27% in 2000 to 11% in 2004.
- Current allocations of the Thurston Regional Planning Council (TRPC) indicate that the primary (convenience) trade area is forecast for development of 9,350 added housing units. This is likely a conservative forecast, given build-out capacity of the City, but is consistent with expectations for reduced allocations to other outlying areas.⁷ The larger secondary (comparison) trade area is allocated an added 22,650+ residential units overall, based on TRPC and Puget Sound Regional Council (PSRC) projections.

V. CURRENT RETAIL SALES & LEAKAGE

The analysis now turns directly to a review of retail sales and sales leakage. Sales leakage occurs as local residents travel outside the immediate trade area to make consumer purchases. Detailed statistical tables are provided with Appendix C to this report. These tables are organized to identify and quantify:

- *Supply* – which reflects the volume of retail sales currently being made within the trade area by store type.
- *Demand* – indicating the buying power or retail potential of local residents for purchases made both locally and elsewhere.
- *Sales Leakage* – denoted as the difference between supply and demand.

Patterns of retail supply, demand, and sales leakage are considered first for the primary (convenience) trade area and then for the larger secondary (comparison) shopping trade area.

CONVENIENCE RETAIL

For the Yelm, Roy and Rainier zip codes that encompass the primary (convenience) trade area, total spending potential of residents is estimated to exceed \$250 million annually. The volume of retail sales actually occurring from retail establishments located in the trade area approximates \$175 million. Resulting sales leakage is in the range of \$75+ million, equating to approximately 30% of local consumer spending potential:

- Sales leakage is noted across all retail categories except food and beverage (grocery) stores and general merchandise stores. In effect, grocery and general merchandise stores appear to be generating more retail sales than what the local convenience market alone would support – indicating that the market draw for these retailers extends beyond the primary into the secondary (comparison) trade area.
- Sales leakage exceeds 50% of local consumer spending potential for motor vehicles, furniture and home furnishings, electronics, health and personal care items, apparel, specialty retail items and dining.
- If local retailers were to fully recapture 100% of the existing sales leakage, up to 192,000 square feet of additional local retail space could conceivably be supported. In terms of building space supported, dining offers the greatest square footage potential, followed by apparel, furniture, home improvement, and health and personal care (including pharmacy).
- There is, of course, no assurance of 100% sales leakage recapture. Recapture will be most challenging for retail types that typically locate in stores requiring floor plates exceeding what the local market will support or for which consumers expect to travel to a more urban location. Examples of retailers most difficult to recapture likely include apparel, high end dining, electronics and specialty retail. This is particularly the case if the market area is viewed as restricted to the primary (convenience) geography alone.

COMPARISON RETAIL

The larger secondary (comparison) trade area includes the primary (convenience) trade *and also extends* to cover the Tenino, Eatonville, and Graham zip codes plus a portion of Spanaway. Total consumer buying power of this more encompassing comparison market is estimated at \$923 million, 3-4 times the spending power of the more localized convenience trade area.

Actual retail sales are estimated at \$412 million, with stores in the smaller convenience trade area accounting for \$175 million or 43% of existing secondary trade area spending. The gap between demand and supply for this comparison market indicates total leakage (or spending outside the trade area) of approximately \$511 million annually, equivalent to 55% of trade area resident spending potential:

- For this larger trade area, sales leakage is identified across virtually all store types including grocery and general merchandise stores. Store categories experiencing extraordinarily high rates of sales leakage are similar to what is indicated for the smaller primary (convenience) trade area.
- If 100% of the resident spending potential were to be accommodated within the secondary trade area, up to nearly 950,000 square feet of retail space could be supported in Yelm or elsewhere in the trade area. As with the smaller convenience trade area, dining represents the retail category that (on paper) could conceivably support the greatest increase in commercial building space – followed by apparel, home improvement retailing, furniture, grocery and specialty retail.
- The extent to which Yelm can capture spending from across this larger comparison geography is more uncertain than for the more immediate convenience trade area. In part, this is because a significant part of the unmet consumer need for comparison retailing comes from Pierce County zip codes, for which Yelm is not necessarily the retail location of choice. Also noted is that a significant part of this retail need will be satisfied from large format (big box) retail stores, requiring suitably located large sites and being able to command a critical mass volume of retail sales predicated on a large trade area draw.
- With increasing bifurcation of the retail development market into varied multi-tenant center and free-standing retail formats, it is difficult to generalize about the capacity or interest of major retailers to serve this market from Yelm or a more urban Thurston/Pierce County location. It is clear that the nearly 100,000 residents within the comparison trade area are not enough to support a regional shopping center – which traditionally has required a population base of at least 200,000.

However, regional centers are no longer the preferred source of new retail development. Over the last 10-15 years, the action has shifted to a variety of other formats including so-called power centers, lifestyle centers that can be developed in smaller square footage increments. This phenomenon is more conducive to the level of critical mass that could reasonably be centrally served from a Yelm location.

VI. FUTURE COMMERCIAL GROWTH POTENTIAL

Yelm's retail opportunities are not limited to recapture of existing sales leakage. Of even greater importance for the long-term is the potential for added retail and related commercial development to serve the population growth that is now occurring – and expected to continue at a rapid pace for the foreseeable future.

As a starting point for discussion, this preliminary draft report evaluates retail development potentials over the next 25 years (to 2030). As indicated by the data tables provided with Appendix C, it is possible to consider shorter term time intervals such as the next five years – though timing issues increase the variability of possible near term outcomes.

As a further refinement to the analysis, commercial space demand related to non-retail service commercial needs are also considered. This analysis focuses solely on the future growth potential for service commercial within the primary trade area.

CONVENIENCE TRADE AREA RETAIL GROWTH

Between 2005 and 2030, spending potential from residents within the primary (convenience) trade area is expected to increase from the \$250 to \$450 million per year level, an increase of about 80%.

- If 100% of this consumer growth potential were to be captured *within the trade area*, as much as another 445,000 square feet of added retail development could be supported over the next 25 years – with nearly 150,000 square feet of that demand supported in the next five years. In contrast with sales leakage, the categories of retail for which growth supports the greatest increments of added commercial space are general merchandise followed by dining and grocery retail.
- As with retail sales leakage, realistic opportunities for significant capture of this spending potential are greatest for *day-to-day* convenience items such as grocery, pharmacy and general merchandise retailing. Prospects for increasing the rate of market capture are also enhanced as the total population base of the Yelm convenience trade area increases from the current level of just over 30,000 residents to an estimated 54,000 by 2030.

COMPARISON TRADE AREA RETAIL GROWTH

Between 2005 and 2030, spending potential from residents within the larger secondary (comparison) trade area is expected to increase from the range of \$923 million to nearly \$1.5 billion per year, an increase of over 60%.

- If 100% of this consumer growth potential were to be captured by retailers located within the comparison trade area, as much as another 1.28 million square feet of added retail development could be supported over the next 25 years – with over 465,000 square feet of commercial space potential in the next five years.
- As with the smaller convenience trade area, square footage potentials are greatest for general merchandise, followed by dining and grocery retail. Significant building space potentials are also indicated for home improvement and apparel retailing.

- Opportunities for capture of this spending potential in Yelm are greatest if Yelm can be positioned to serve as the dominant retail center for southeastern Pierce County and eastern Thurston County. Increase of the population base from the current 100,000 level to a 160,000+/- figure can certainly be used to attract the attention of additional national and regional retailers. Yelm's prospects can be further enhanced by actions such as identification of suitably sized large neighborhood and community retail center sites, road improvements to and through Yelm, and improvement of downtown Yelm's commercial image (particularly for specialty retail and dining).

CONVENIENCE TRADE AREA SERVICE GROWTH

In any community, there are a variety of non-retail service businesses that often occupy commercial building space. Based on new employment classifications of the North American Industry Classification System (NAICS), potentially relevant service activities can be defined to comprise:⁸

Information – ranging from newspaper publishers to movie theaters
 Finance/Insurance
 Real Estate, Rental/Leasing
 Professional, Scientific & Technical Services – such as CPAs, attorneys, engineering
 Management Education & Health Services
 Arts, Entertainment & Recreation
 Accommodations – such as hotels and motels
 Other Services – including non-profits
 Repair & Maintenance – as for autos and equipment
 Personal Services – ranging from dry cleaning to pet care

Due to data limitations and the typically local market serving character of service businesses, Yelm's most significant service related potentials are most likely focused on the convenience (primary) rather than the larger comparison (secondary) trade area. Potentials also are assessed only on the basis of serving future growth rather than recapture of any existing sales leakage.⁹

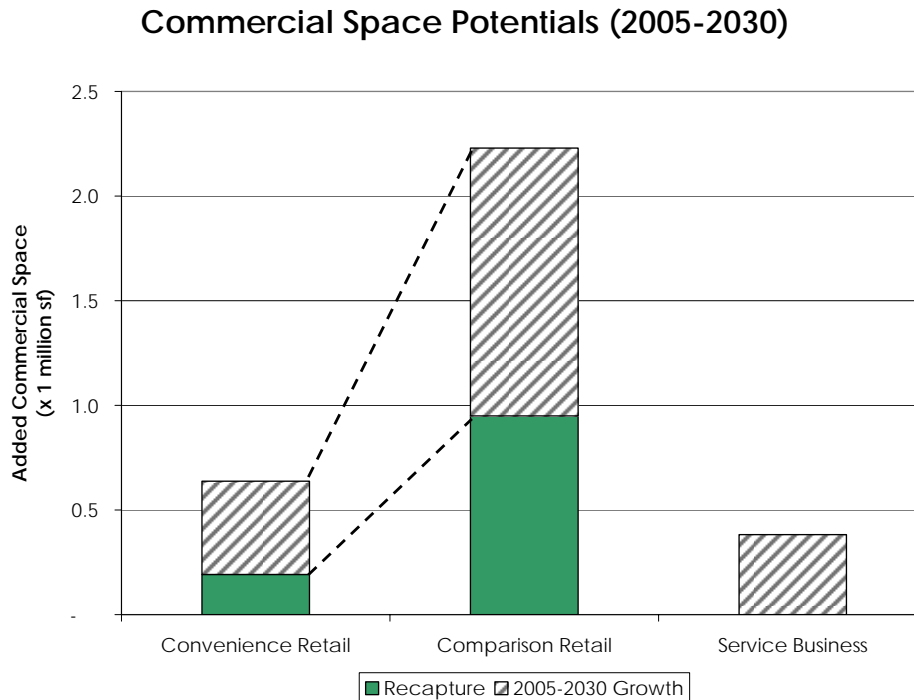
- As of 2005, Yelm service businesses generate in the range of an estimated \$117 million in gross revenues – equating to just under \$3,830 for every resident in the convenience (primary) trade area. This is just over one-fifth of the per capita service expenditure experienced statewide.
- Based on the anticipated 79% growth in primary market population by 2030, service sector sales could increase by \$48+ million, supporting up to an added 382,000 square feet of commercial space.¹⁰ An estimated 128,000 square feet of this demand could be supported over the next five years.
- These demand estimates do not include the potential for additional office-related demand from companies serving non-local markets (that could occur as part of a broader economic development initiative for the Yelm area).
- Population-driven demand potentials are greatest for management, education and health services (at just under 50% of the total) – followed by information and other services.
- Some of this demand would be accommodated in single and multi-tenant buildings also suitable for retail tenants; some will go to more of a purely office format and some to

more specialized structures (ranging from health clinics to movie theaters). Most of these facilities can be expected to be constructed on property zoned for commercial use.

- Opportunities for capture of this service spending potential are greatest to the extent that Yelm positions itself not only as a dominant retail center but as a full service community meeting a broad range of resident and business service needs.

SUMMARY COMMERCIAL DEVELOPMENT POTENTIALS

Combined commercial development potentials for Yelm are illustrated by the following chart. This differentiates between primary (convenience), secondary (comparison) and service business square footage demand.



Note: Convenience trade area potentials are included within the larger comparison trade area figures.

Source: E. D. Hovee & Company, LLC.

Key observations regarding these summary potentials are two-fold:

- For convenience and comparison retail trade uses, demand can be differentiated between recapture and future growth potentials. For non-retail but related commercial service uses, only future growth potentials are identified.
- Primary (convenience) market potentials should be considered *part of* rather than separate from the secondary (comparison) market demand. Consequently, the total maximum market opportunity through 2030 is 2.2 million square feet of combined primary/secondary retail development plus just under another 400,000 square feet of non-retail service commercial demand. This equates to a maximum market potential of 2.6 million square feet of commercial space demand potentially available to the Yelm area.

VII. SITING COMMERCIAL DEVELOPMENT

This final chapter of the *Yelm Retail & Commercial Development Opportunities* report moves to consider questions regarding achievable leakage recapture, developable sites and the beginning outline of a possible strategy for retail capture.

YELM CAPTURE POTENTIAL

This analysis has identified retail potentials if Yelm were to effectively serve 100% of the retail needs of residents in both its primary (convenience) and secondary (comparison) trade areas. The question can be raised as to: How realistic is this opportunity?

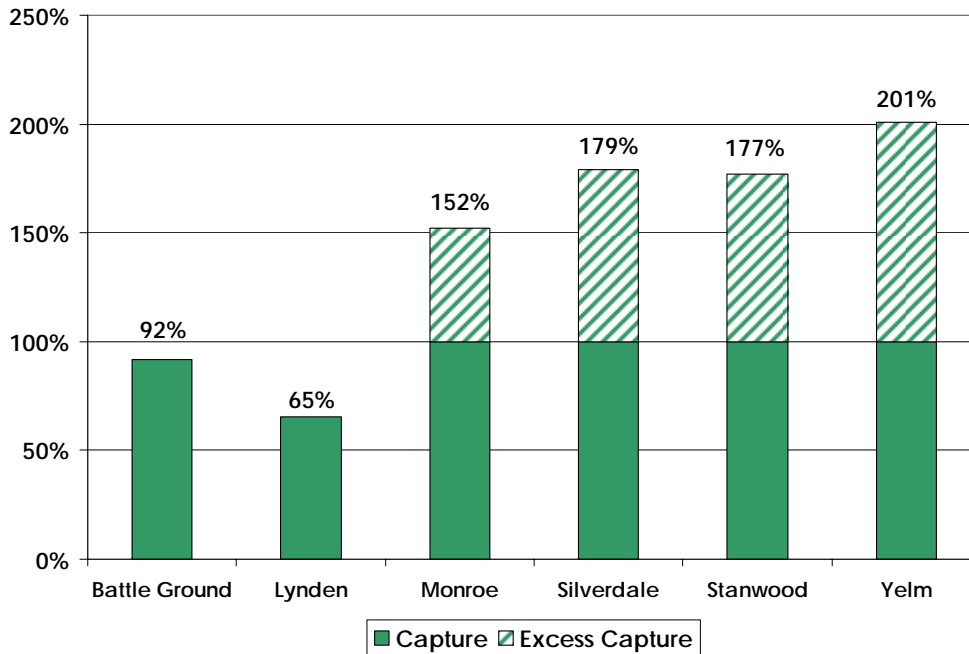
Comparison Communities. One way of addressing this question is to look to the experience of other potentially comparable communities elsewhere in the state of Washington. For this review, we have selected five comparison cities throughout western Washington, all with less than 20,000 residents in-city:

- *Battle Ground* – a rapidly growing community of nearly 11,200 residents in north Clark County
- *Lynden* – a formerly agricultural city of 10,300 situated northeast of Bellingham in Whatcom County
- *Monroe* – a city of 16,000 located on U.S. Highway 2 at the rapidly urbanizing edge of the Seattle metro area
- *Silverdale* – a community of nearly 17,400 that serves as a retail center for much of Kitsap County including Bremerton
- *Stanwood* – situated west of Arlington and the I-5 freeway in northern Snohomish County, with less than 4,500 in-city residents but drawing from a large rural population base including Camano Island.

Median household income of these communities ranges from just over \$49,000 to about \$57,000. With just under 4,500 residents, the City of Yelm is comparable to the smallest of the incorporated cities, though likely serving a higher proportion of rural area to in-city residents. Yelm's in-city median income is also relatively low at \$43,275, though the secondary trade area is more comparable to the other communities reviewed at \$54,645.

Comparison Communities Capture Experience. While recognizing that no two communities are identical in terms of factors such as city size to market area, incomes and competing retail centers, the following comparisons provide a potentially useful frame of reference for considering Yelm capture potentials.

Comparison Communities Capture (Sales as % of In-City Demand)



Source: ESRI Business Information Solutions, E.D. Hovee & Company, LLC.

In this graph, cities capturing more than 100% of in-city demand area (noted as *excess demand*) clearly reach out to serve an expanded trade area of nearby rural areas and, in some cases, adjoining cities.

Of the cities profiled, four are achieving more than 100% capture – Monroe, Silverdale, Stanwood, and Yelm. Yelm is achieving the highest level of out-of-city capture – as retail sales experienced are virtually double what in-City population alone would support. This high level of numerical capture is due, in part, to the relatively low proportion of total trade area population directly in Yelm’s city limits.

As illustrated by the more detailed table in the appendix, each city has certain merchandise categories for which stronger capture is experienced than others:

- Silverdale experiences capture rates of 300%+ across a broad range of shopping center-related categories – including apparel, specialty, electronics, and health and personal care.
- Stanwood’s strengths are focused in grocery and pharmacy by serving as the center of a primary trade area – extending well beyond its city limits.
- Monroe’s strengths are more narrowly focused – with apparel as well as specialty retail.
- Even cities that are below 100% can experience some areas with strong retail performance – as Battle Ground and Lynden, for example, both pull well for specialty retail.

While not definitive, this brief survey of other smaller communities is indicative of two key observations about retail opportunities for small to medium cities in western Washington:

- (1) Retail opportunities are not limited by jurisdictional boundaries – but shaped by trade area market demographics, competition and ability to attract development – often unique to each community.
- (2) There is capacity for a city to position itself as a dominant center for convenience and/or comparison retailing – if there is unmet need in the larger trade area(s) to be served.

For Yelm, this analysis suggests an opportunity for considering the implications and requirements for a maximum development scenario. While 100% capture of current trade area leakage and future growth potentials may not be achieved, planning for maximum opportunity creates the conditions for Yelm to: a) determine requirements for the most effective marketing approach, while also b) allowing the option for the City to select its priorities for the character and location of retail most appropriate to serve both local community and broader trade area needs.

DEVELOPABLE SITES

An additional key component of this analysis has been to identify vacant and redevelopment sites suited for commercial development in the City of Yelm and its urban growth area (UGA). This analysis has been conducted based on input from City staff and the Economic Development Committee.

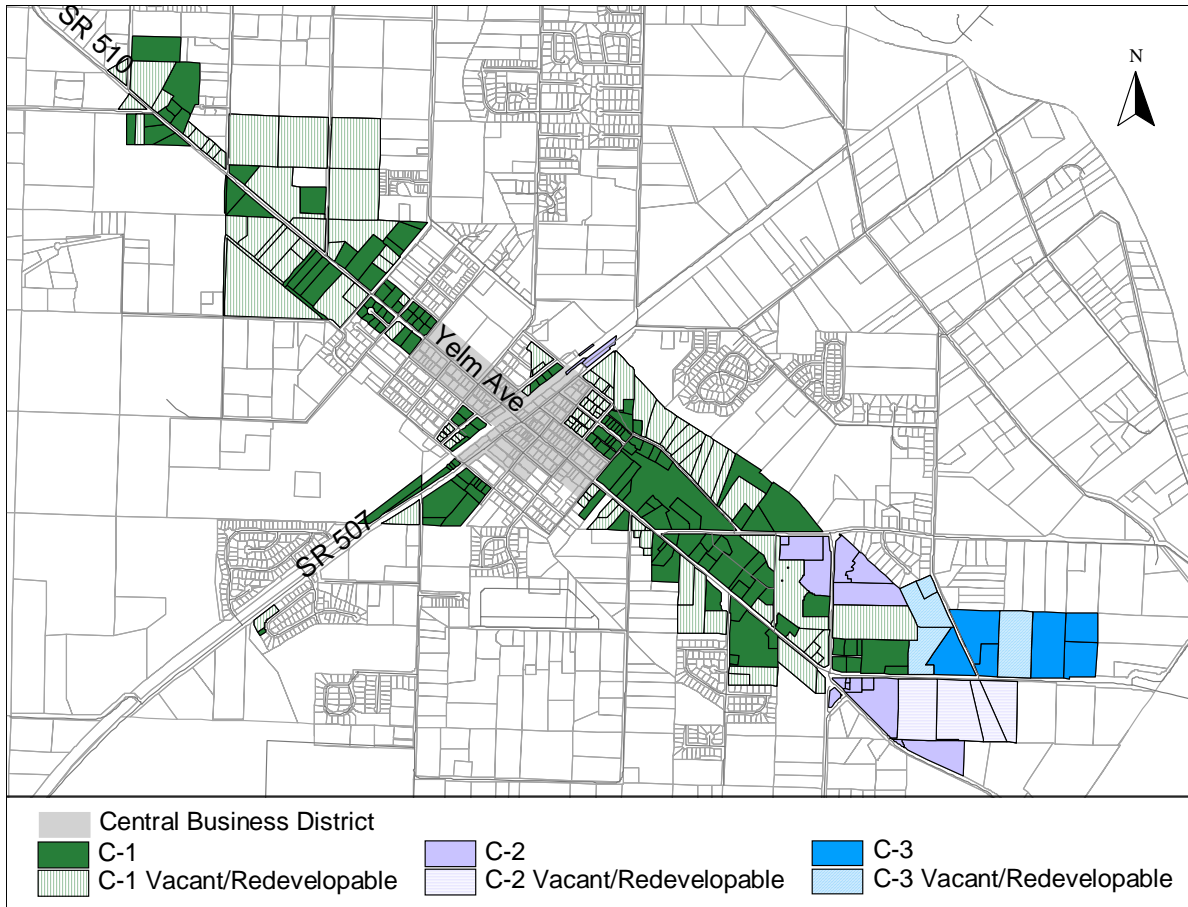
Identifying Sites. To determine vacant and redevelopable commercial parcels in the Yelm city limits, commercial parcels were identified according to City of Yelm zoning designations. Three zoning designations were evaluated: Commercial (C-1), Heavy Commercial (C-2), and Large Lot Commercial (C-3).

Of the identified commercial parcels, City staff indicated which parcels are most appropriately considered as vacant and/or redevelopable. This information was added to the existing GIS and assessor's data to determine the number of parcels and total acreage together with the average per acre building, land and total valuations for vacant and redevelopable commercial parcels – as well as all commercial parcels.

Not specifically evaluated with this analysis are parcels in the Central Business District (CBD). Due to the largely developed nature of this property and relatively small lot/block size, City staff have indicated that there are few sites that could be considered as vacant and/or redevelopable on a basis suitable for substantial levels of new commercial development.

Mapping of Commercial Sites. The map on the following page depicts commercially designated properties in Yelm. Developed sites are shown with solid colors or shading. Vacant and redevelopable sites are indicated by lines through the property.

Yelm Vacant & Redevelopable Commercial Sites



Source: E.D. Hovee & Company, LLC, using City of Yelm data.

As indicated by the map, vacant and redevelopable properties can be found throughout the city. Developable C-1 sites are generally found to the northwest and/or southeast of the CBD. Developable C-2 and C-3 sites are located toward the southeastern edge of Yelm. Throughout Yelm, most of the already developed as well as potentially developable commercial land inventory is well oriented to the major traffic corridor of Yelm Avenue or SR 510/507 east.

Summary Results. Of 287 total (non-CBD) commercial parcels covering 460 acres, 109 parcels comprising 51% of the total commercial acreage (or 234 acres) can be considered as vacant and/or redevelopable.

- Over three-fourths of the commercial acreage deemed vacant and/or redevelopable is designated with the C-1 Commercial zone.
- The remaining 21% of commercial acreage includes 13% designated for C-2 Heavy Commercial and 9% designated C-3 Large Lot Commercial.

- Average parcel size of the vacant/redevelopable inventory is just over 2 acres per parcel. Properties designated for C-2 and C-3 use are somewhat larger, averaging closer to 6.25 acres per parcel.
- As noted, the CBD is not explicitly covered by the calculations noted above. If included, the CBD would add another approximately 33 acres to the inventory of all commercially designated sites – both already developed as well as vacant and redevelopable.
- Based on the assessor’s data as provided, there appears to be a distinction in per acre valuation of all commercial parcels and the vacant/ redevelopable sites. The vacant/redevelopable parcels have an assessed land value that is about 55% that of all commercial sites on a per acre basis, with building value averaging less than 17% of per acre building value for all commercial sites.¹¹

Comparison of Land Supply & Demand. A final step in this analysis is to compare the existing inventory of sites with potential demand. The analysis considers the maximum opportunity scenario involving up to 100% capture of the larger secondary market retail (which also encompasses primary market potentials) *plus* service commercial growth for the primary trade area.

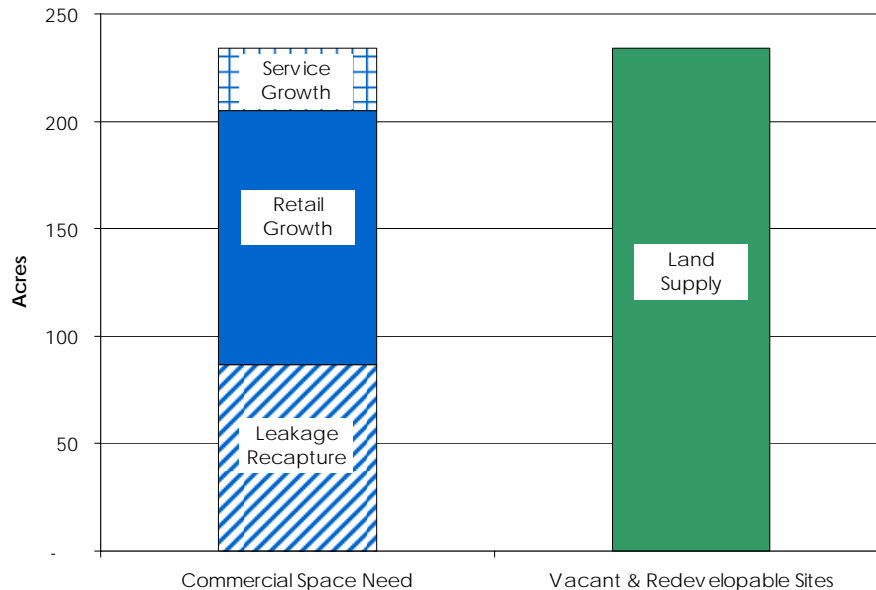
Yelm Commercial Lands Supply & Demand (to 2030)

	Estimated Acres
Existing Inventory of Commercial Vacant & Redevelopable Sites	234
<i>Less</i> Maximum Retail Need for Recapture + Growth	(205)
<i>Less</i> Service Commercial Growth Land Surplus/(Deficit)	(29)
Resulting Land Surplus / (Deficit)	-

Source: E.D. Hovee & Company, LLC. See Figure 7.03 in Appendix C for added detail.

As this chart and the following graph illustrate, Yelm would appear to be able to accommodate even the maximum potential need for retail space over as much as the next 25 years. However, when likely service commercial-related growth is added, the available cushion could shrink to a roughly even balance of supply and demand.

Comparing Yelm Commercial Land Demand & Supply



Source: E. D. Hovee & Company, LLC.

This seeming balance of land supply and demand could be altered to a situation of land shortage with consideration of several additional factors:

- Need or desirability of an added market factor to assure competitive land availability and pricing.¹²
- Likelihood that not all the existing inventory is sized or located to meet the full mix of needs experienced by different retail development entities and retail/services businesses.
- Potential need to accommodate some land extensive commercial uses not fully accounted for by the acreage projections – such as new/used auto dealers, service stations and nursery/landscaping companies.¹³
- Potential for Yelm to gain increased per capita sales of service related business as the community achieves critical mass to support more service business activity locally.

Counterbalancing these needs is the recognition that no single community like Yelm will likely capture all of the retail demand for the entire secondary (comparison) trade area. To the extent that demand is accommodated in smaller developments, the overall level of capture will be reduced (especially for large format uses) and remaining demand will be more dispersed across multiple communities throughout the trade area.

Consequently, while land use/GMA analysis is beyond the scope of this assignment, further needs analysis may be warranted to assess the extent to which additional commercially zoned land is appropriate – and, if so, at what locations.

SITING FOR RETAIL CAPTURE

In addition to the gross acreage calculations depicted above, it is important to pay attention to the varied siting requirements of different types of retail centers:

- *Regional and super regional centers* – both enclosed and open air power center formats, often with large format anchors and typically requiring sites of 25+ acres.
- *Community centers* – which may be anchored by grocery and/or variety/discount drug or apparel typically need sites of 10+ acres.
- *Neighborhood centers* – typically located on 5-20 acre sites; if grocery anchored the need is typically 10+ acres.
- *Strip/convenience and specialty retail sites* – often on smaller 1-5 acre sites.
- *Urban street retail* – often unanchored in a downtown or mixed-use environment in a variety of size configurations.
- *Free-standing store sites* – whose needs will vary depending on the size of the store. For example, a free standing large format retailer of 100,000 square feet likely will require nearly a 10-acre or larger site as typical site coverage ratios allowing for adequate on-site parking and landscaping.

Regional and community centers typically prefer sites on major arterials or at a major highway interchange. Neighborhood centers are often located at the intersection of two local arterials – closer to residential neighborhoods.

STRATEGIC IMPLICATIONS

Framing a retail and commercial development strategy for Yelm is outside the scope of this market assessment. However, the preparation of development and marketing strategies represents a logical *next step* for the City of Yelm and Thurston County Economic Development Council.

While the details of such a strategy have yet to unfold, two key strategic implications are raised for consideration and further discussion:

- (1) Of critical importance is the question of how much of the market potential locally and regionally Yelm should seek to capture. Should the goal be to become a dominant retail center for the convenience and comparison trade areas? Or is a different future desired?

For the long-term, addressing this question may require consideration of such items as fiscal cost and benefit to the city, land availability at appropriate locations, traffic access, and prospective property owner/development interest.

- (2) If Yelm elects to pursue the opportunity continuing towards a role as the dominant (or major) retail center for eastern Thurston and southeast Pierce County, a more fine-grained evaluation may be required to determine the most appropriate types of locations for different retail and other commercial uses:

- (a) Comparison (including large format) retail will require the largest sites with the best access to roadways serving the entire trade area. A key question will be

whether to plan for multi-user centers (likely of 20-25+ acres), or to facilitate individual freestanding uses (on a larger variety of smaller sites).

- (b) As the population in the City of Yelm and its UGA grow, more of the neighborhood-related (i.e. grocery anchored) development may begin to look for sites away from the traditional core located close to new residential neighborhoods. For multi-tenant centers serving a full range of day-to-day convenience needs, sites in the 10-15 acre range located at or near major intersections will most likely be required.
- (c) The needs for non-retail commercial service should not be overlooked but accommodated as part of a balanced program to serve the full range of resident generated consumer requirements. Some uses are best accommodated directly as part of multi-tenant retail centers; others may function equally well or better in office and business park locations.
- (d) While the majority of commercial space demand is expected to be most readily accommodated with multi-tenant centers, urban and mixed-use retail (with possible residential) represents added opportunity. If traffic access and circulation can be addressed, the most likely opportunity for urban and mixed-use retail would be in the Yelm central business district (CBD) or downtown area.
- (e) Marketing represents a final but potentially pivotal link between market opportunity and what is actually realized on the ground. Continuing the current partnership between the Thurston County Economic Development Council and City of Yelm can be useful to better represent and promote community interests in a regional marketplace.

Other private sector partners ranging from local property owners to business organizations such as the Chamber could be involved. An initial step would be to compile pertinent information from this market assessment into a marketing package for distribution to interested property owners plus major retail store and developer prospects.

In conclusion, this report on *Yelm Retail & Commercial Development Opportunities* is intended to serve as a baseline for a strategic plan. The analysis can also provide independent demographic and retail information to business and development firms interested in the customer potential represented by the Yelm market area – both now and in the future.

APPENDIX A. CONSULTANT PROFILE

This review of retail and commercial development opportunities has been prepared for the Thurston County Economic Development Council and the City of Yelm by the economic and development consulting firm E. D. Hovee & Company, LLC. Since 1984, the firm has conducted market and feasibility assessments for retail, office, industrial, residential and lodging-conference projects for a variety of public, non-profit and private clients – focused primarily in the Pacific Northwest states of Oregon and Washington.

Examples of representative project assignments include:

- Retail and related commercial market assessments for communities in western Washington including Bellingham, Anacortes, Mount Vernon, Bremerton, Snohomish, Snoqualmie, Renton, SeaTac, Puyallup, Centralia, Longview, Vancouver, Washougal and Stevenson.
- Similar retail assessments in Oregon communities including Portland, Gresham, Hillsboro, Troutdale, Wilsonville, Eugene, Hood River and Newport and in the California cities of Santa Cruz, Stockton, Paso Robles, Porterville, Thousand Oaks and Encinitas.
- Serving as a resource team member and instructor for economic restructuring in downtowns across the U.S. – on behalf of the National Main Street Center and National Trust for Historic Preservation.
- Market analysis conducted for commercial real estate development firms throughout the Pacific Northwest and for projects involving retailers such as Fred Meyer, The Home Depot, Wal-Mart and Costco.

This retail and commercial development opportunities report has been prepared by Eric Hovee, Principal and Andrea Logue, Research Coordinator.

APPENDIX B. INTERVIEW CONTACTS

The following persons were interviewed as part of this retail market assessment. The interest and participation of all persons interviewed is gratefully acknowledged.

Name	Firm/Organization
<i>Stakeholders:</i>	
Rick Sutherland	Arnold's Restaurant
Mike Edwards	Edwards Properties
Kelly Peterson	Gordon's Garden Center
Jason Nichols	Safeway
Steve Chamberlain	SCA Consulting
Margaret Clapp	Yelm Cinemas
<i>Economic Development Committee:</i>	
Adam Rivas	Mayor, City of Yelm
Ron Harding	Councilman, City of Yelm
Shelly Badger	Yelm City Administrator
Grant Beck	Yelm Community Development Director
Michael Cade	Executive Director, Thurston County Economic Development Council
Glen Cunningham	Yelm Chamber of Commerce Representative

APPENDIX C. STATISTICAL MARKET DATA COMPENDIUM

This appendix provides detailed data used for this retail and commercial development market analysis. Figure numbers are organized to correspond with relevant portions of the main report document.

Figure 4.01. Historic Population (1970-2005)

Geography	1970	1980	1990	2000	2005
Yelm	632	1,294	1,337	3,289	4,455
Eatonville	852	998	1,374	2,012	2,330
Rainier	382	891	991	1,492	1,585
Roy	381	417	258	260	865
Tenino	962	1,280	1,292	1,447	1,500
Unincorporated Thurston Co.	36,132	72,188	94,098	114,061	126,450
Thurston County	76,894	124,264	161,238	207,355	224,100
Unincorporated Pierce Co.	213,885	272,591	339,679	315,359	345,940
Pierce County	412,344	485,667	586,203	700,818	755,900
Washington	3,413,250	4,132,353	4,866,693	5,894,143	6,256,400

Source: U.S. Census Bureau and Washington Office of Financial Management.

Figure 4.02. GMA Population Projections (2000-2025)

Geography	2000	2005	2010	2015	2020	2025
<i>Low Growth</i>						
Thurston County	207,355	219,132	237,345	257,446	274,586	290,091
Pierce County	700,820	711,204	741,265	773,312	803,209	829,098
Washington	5,894,121	5,935,479	6,190,412	6,460,127	6,710,659	6,925,750
<i>Intermediate Growth</i>						
Thurston County	207,355	234,053	258,687	286,449	312,029	336,825
Pierce County	700,820	740,838	788,580	840,557	892,454	942,157
Washington	5,894,121	6,233,345	6,648,112	7,096,501	7,545,269	7,975,471
<i>High Growth</i>						
Thurston County	207,355	255,703	287,919	324,690	360,081	395,601
Pierce County	700,820	791,400	856,004	926,924	999,548	1,071,468
Washington	5,894,121	6,621,080	7,215,892	7,867,806	8,541,588	9,215,093

Source: Washington Office of Financial Management.

Figure 4.03. Trade Area Population Projections (2005-2030)

Geography	2005	2010	2020	2030
Yelm (98597)	15,600	19,800	26,200	31,300
Convenience Trade Area	30,100	38,100	46,400	54,000
Comparison Trade Area	99,500	121,600	141,200	160,100
Thurston County	226,700	254,900	318,800	348,000
Pierce County	757,700	940,300	1,066,300	1,175,400
Thurston + Pierce County	984,400	1,195,200	1,385,100	1,523,400

Source: Thurston Regional Planning Council, Puget Sound Regional Council, and ESRI Business Information Solutions.

Figure 4.04. Trade Area Demographics (2005-2010)

Zip Code	City	Population		Households		Median Age		Household Income	
		2005	2010	2005	2010	2005	2010	2005	2010
98597	Yelm	15,600	17,300	5,768	6,391	36.0	36.8	\$45,882	\$50,592
98576	Rainier	3,900	4,200	1,456	1,585	39.8	41.6	\$46,253	\$50,904
98589	Tenino	7,100	7,700	2,638	2,865	40.1	41.4	\$48,784	\$53,139
98580	Roy	10,600	11,600	3,635	3,979	37.9	38.9	\$52,330	\$57,083
98328	Eatonville	9,500	10,400	3,399	3,732	39.3	40.5	\$52,413	\$57,361
98338	Graham	24,500	26,800	8,254	9,065	36.1	36.8	\$60,175	\$64,853
98387	Spanaway (part)	28,300	30,600	9,727	10,524	33.4	33.7	\$54,467	\$61,497
	Total	99,500	108,600	34,877	38,141	35.6	36.2	\$54,645	\$60,654
	Thurston County	226,700	247,900	89,931	98,916	37.7	38.5	\$52,226	\$58,311
	Pierce County	757,700	814,800	282,596	304,482	35.1	35.6	\$50,627	\$56,740
	Washington State	6,319,300	6,756,800	2,436,150	2,608,833	36.4	37.3	\$51,537	\$58,309

Source: ESRI Business Information Solutions.

Figure 4.05. Trade Area Education Attainment of Population 25+ (2000)

Zip Code	City	High School		
		Graduate	Some College	College Graduate
98597	Yelm	33.4%	28.1%	22.6%
98576	Rainier	35.5%	29.3%	21.0%
98589	Tenino	32.3%	28.5%	22.4%
98580	Roy	36.3%	28.9%	19.1%
98328	Eatonville	37.0%	24.4%	22.4%
98338	Graham	35.2%	30.7%	21.0%
98387	Spanaway (part)	35.4%	28.0%	21.9%
	Total	35.0%	28.5%	21.5%
	Thurston County	23.8%	28.0%	37.7%
	Pierce County	29.8%	28.4%	28.7%
	Washington State	24.9%	26.4%	35.7%

Source: ESRI Business Information Solutions.

Figure 4.06. Trade Area Employment Profile (2004)

	Average Employment
<i>Comparison Trade Area</i>	
Retail	1,893
Other Services	4,063
Goods-Producing, Government	6,370
Total	12,326
<i>Primary Trade Area Total</i>	4,516

Source: Washington Employment Security Department.

Figure 4.07. Thurston County Employment Trend (1990-2001, 2002-2004)

1990-2001 Thurston County Covered Employment	Average Employment SIC		Average Annual % Chg. 1990-2001
	1990	2001	
Total	64,449	85,086	2.56%
Agriculture, Forestry, and Fishing	1,632	1,797	0.88%
Mining	36	57	4.27%
Construction	2,982	3,571	1.65%
Manufacturing	4,241	3,765	-1.08%
Transportation and Public Utilities	1,720	2,232	2.40%
Wholesale Trade	1,871	2,085	0.99%
Retail Trade	11,330	14,617	2.34%
Finance, Insurance, and Real Estate	2,125	3,131	3.59%
Services	11,699	19,573	4.79%
All Government	26,813	34,258	2.25%

Source: Washington State Employment Security Department.

2002-2004 Thurston County Covered Employment	Average Employment NAICS		Average Annual % Chg. 2002-2004
	2002	2004	
Total	86,272	91,067	2.74%
Agriculture, forestry, fishing and hunting	1,449	1,802	11.52%
Mining	*	93	NA
Utilities	*	177	NA
Construction	3,672	4,176	6.64%
Manufacturing	3,392	3,220	-2.57%
Wholesale trade	1,553	2,094	16.13%
Retail trade	9,917	10,386	2.34%
Transportation and warehousing	1,002	1,476	21.37%
Information	1,187	938	-11.11%
Finance and insurance	2,085	2,434	8.05%
Real estate and rental and leasing	1,248	1,311	2.51%
Professional and technical services	2,178	2,590	9.06%
Management of companies and enterprises	377	455	9.87%
Administrative and waste services	2,494	3,696	21.73%
Educational services	1,025	1,147	5.77%
Health care and social assistance	9,309	9,307	-0.01%
Arts, entertainment, and recreation	912	982	3.76%
Accommodation and food services	5,954	6,160	1.71%
Other services, except public administration	3,745	4,041	3.88%
All Government	34,558	34,582	0.03%
Not Elsewhere Classified	217	0	-100.00%

Source: Washington State Employment Security Department.

Figure 4.08. Sources of Thurston County & Washington Personal Income (1993-2003)

Income Type	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
<i>Thurston County</i>											
Wage & salary income	51%	50%	51%	51%	51%	51%	51%	52%	51%	52%	52%
Supplements to wages & salaries	12%	12%	12%	11%	11%	11%	11%	10%	10%	11%	11%
Proprietors income	7%	6%	6%	6%	6%	6%	7%	7%	7%	7%	7%
Investment income	17%	18%	17%	18%	18%	18%	18%	18%	16%	15%	14%
Transfer payments	14%	14%	14%	14%	14%	13%	14%	13%	14%	15%	15%
Total	100%	100%	100%	100%	100%	100%	100%	100%	98%	98%	99%
Per Capita Personal Income	\$21,027	\$21,635	\$22,183	\$23,059	\$24,369	\$25,757	\$26,672	\$29,250	\$30,515	\$30,733	\$31,343
<i>State of Washington</i>											
Wage & salary income	48%	48%	49%	49%	50%	51%	53%	52%	51%	50%	50%
Supplements to wages & salaries	12%	12%	12%	11%	11%	11%	11%	11%	11%	11%	12%
Proprietors income	9%	8%	7%	7%	7%	7%	7%	7%	7%	8%	8%
Investment income	18%	19%	19%	19%	19%	19%	18%	18%	18%	17%	16%
Transfer payments	13%	13%	13%	13%	13%	12%	12%	12%	13%	13%	14%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Per Capita Personal Income	\$22,214	\$22,938	\$23,690	\$25,073	\$26,454	\$28,384	\$30,037	\$31,779	\$32,289	\$32,696	\$33,254

Source: *Regional Accounts Data*, U.S. Department of Commerce, Bureau of Economic Analysis

Figure 4.09. Top "Tapestry" Segments & Urbanized Groups

Top Tapestry Segments	Percent	Top Tapestry Segments	Percent	Top Tapestry Segments	Percent
<i>Convenience Trade Area</i>		<i>Comparison Trade Area</i>		<i>Yelm</i>	
Midland Crowd	74.0%	Midland Crowd	36.7%	Midland Crowd	59.9%
Green Acres	11.3%	Green Acres	18.6%	Main Street, USA	40.1%
Main Street, USA	9.6%	Up and Coming Families	17.2%		
Up and Coming Families	5.0%	Milk and Cookies	11.9%		
Military Proximity	0.1%	Main Street, USA	6.2%		

Source: ESRI Business Information Solutions.

Figure 4.10. Detailed Tapestry Urbanization Groups

PRIMARY	2005 Households		SECONDARY	2005 Households		YELM	2005 Households	
	Number	Percent		Number	Percent		Number	Percent
U1. Principal Urban Centers I	0	0.0%	U1. Principal Urban Centers I	0	0.0%	U1. Principal Urban Centers I	0	0.0%
08 Laptops and Lattes	0	0.0%	08 Laptops and Lattes	0	0.0%	08 Laptops and Lattes	0	0.0%
11 Pacific Heights	0	0.0%	11 Pacific Heights	0	0.0%	11 Pacific Heights	0	0.0%
20 City Lights	0	0.0%	20 City Lights	0	0.0%	20 City Lights	0	0.0%
21 Urban Villages	0	0.0%	21 Urban Villages	0	0.0%	21 Urban Villages	0	0.0%
23 Trendsetters	0	0.0%	23 Trendsetters	0	0.0%	23 Trendsetters	0	0.0%
27 Metro Renters	0	0.0%	27 Metro Renters	0	0.0%	27 Metro Renters	0	0.0%
35 International Marketplace	0	0.0%	35 International Marketplace	0	0.0%	35 International Marketplace	0	0.0%
44 Urban Melting Pot	0	0.0%	44 Urban Melting Pot	0	0.0%	44 Urban Melting Pot	0	0.0%
U2. Principal Urban Centers II	0	0.0%	U2. Principal Urban Centers II	0	0.0%	U2. Principal Urban Centers II	0	0.0%
45 City Strivers	0	0.0%	45 City Strivers	0	0.0%	45 City Strivers	0	0.0%
47 Las Casas	0	0.0%	47 Las Casas	0	0.0%	47 Las Casas	0	0.0%
54 Urban Rows	0	0.0%	54 Urban Rows	0	0.0%	54 Urban Rows	0	0.0%
58 NeWest Residents	0	0.0%	58 NeWest Residents	0	0.0%	58 NeWest Residents	0	0.0%
61 High Rise Renters	0	0.0%	61 High Rise Renters	0	0.0%	61 High Rise Renters	0	0.0%
64 City Commons	0	0.0%	64 City Commons	0	0.0%	64 City Commons	0	0.0%
65 Social Security Set	0	0.0%	65 Social Security Set	0	0.0%	65 Social Security Set	0	0.0%
U3. Metro Cities I	0	0.0%	U3. Metro Cities I	4,743	11.9%	U3. Metro Cities I	0	0.0%
01 Top Rung	0	0.0%	01 Top Rung	0	0.0%	01 Top Rung	0	0.0%
03 Connoisseurs	0	0.0%	03 Connoisseurs	0	0.0%	03 Connoisseurs	0	0.0%
05 Wealthy Seaboard Suburbs	0	0.0%	05 Wealthy Seaboard Suburbs	0	0.0%	05 Wealthy Seaboard Suburbs	0	0.0%
09 Urban Chic	0	0.0%	09 Urban Chic	0	0.0%	09 Urban Chic	0	0.0%
10 Pleasant-Ville	0	0.0%	10 Pleasant-Ville	0	0.0%	10 Pleasant-Ville	0	0.0%
16 Enterprising Professionals	0	0.0%	16 Enterprising Professionals	0	0.0%	16 Enterprising Professionals	0	0.0%
19 Milk and Cookies	0	0.0%	19 Milk and Cookies	4,743	11.9%	19 Milk and Cookies	0	0.0%
22 Metropolitans	0	0.0%	22 Metropolitans	0	0.0%	22 Metropolitans	0	0.0%
U4. Metro Cities II	0	0.0%	U4. Metro Cities II	0	0.0%	U4. Metro Cities II	0	0.0%
28 Aspiring Young Families	0	0.0%	28 Aspiring Young Families	0	0.0%	28 Aspiring Young Families	0	0.0%
30 Retirement Communities	0	0.0%	30 Retirement Communities	0	0.0%	30 Retirement Communities	0	0.0%
34 Family Foundations	0	0.0%	34 Family Foundations	0	0.0%	34 Family Foundations	0	0.0%
36 Old and Newcomers	0	0.0%	36 Old and Newcomers	0	0.0%	36 Old and Newcomers	0	0.0%
39 Young and Restless	0	0.0%	39 Young and Restless	0	0.0%	39 Young and Restless	0	0.0%
52 Inner City Tenants	0	0.0%	52 Inner City Tenants	0	0.0%	52 Inner City Tenants	0	0.0%
60 City Dimensions	0	0.0%	60 City Dimensions	0	0.0%	60 City Dimensions	0	0.0%
63 Dorms to Diplomas	0	0.0%	63 Dorms to Diplomas	0	0.0%	63 Dorms to Diplomas	0	0.0%
U5. Urban Outskirts I	1,040	9.6%	U5. Urban Outskirts I	2,460	6.2%	U5. Urban Outskirts I	541	40.1%
04 Boomburbs	0	0.0%	04 Boomburbs	0	0.0%	04 Boomburbs	0	0.0%
24 Main Street, USA	1,040	9.6%	24 Main Street, USA	2,460	6.2%	24 Main Street, USA	541	40.1%
32 Rustbelt Traditions	0	0.0%	32 Rustbelt Traditions	0	0.0%	32 Rustbelt Traditions	0	0.0%
38 Industrious Urban Fringe	0	0.0%	38 Industrious Urban Fringe	0	0.0%	38 Industrious Urban Fringe	0	0.0%
48 Great Expectations	0	0.0%	48 Great Expectations	0	0.0%	48 Great Expectations	0	0.0%
U6. Urban Outskirts II	0	0.0%	U6. Urban Outskirts II	0	0.0%	U6. Urban Outskirts II	0	0.0%
51 Metro City Edge	0	0.0%	51 Metro City Edge	0	0.0%	51 Metro City Edge	0	0.0%
55 College Towns	0	0.0%	55 College Towns	0	0.0%	55 College Towns	0	0.0%
57 Simple Living	0	0.0%	57 Simple Living	0	0.0%	57 Simple Living	0	0.0%
59 Southwestern Families	0	0.0%	59 Southwestern Families	0	0.0%	59 Southwestern Families	0	0.0%
62 Modest Income Homes	0	0.0%	62 Modest Income Homes	0	0.0%	62 Modest Income Homes	0	0.0%
U7. Suburban Periphery I	541	5.0%	U7. Suburban Periphery I	7,369	18.5%	U7. Suburban Periphery I	0	0.0%
02 Suburban Splendor	0	0.0%	02 Suburban Splendor	0	0.0%	02 Suburban Splendor	0	0.0%
06 Sophisticated Squires	0	0.0%	06 Sophisticated Squires	513	1.3%	06 Sophisticated Squires	0	0.0%
07 Exurbanites	0	0.0%	07 Exurbanites	0	0.0%	07 Exurbanites	0	0.0%
12 Up and Coming Families	541	5.0%	12 Up and Coming Families	6,856	17.2%	12 Up and Coming Families	0	0.0%
13 In Style	0	0.0%	13 In Style	0	0.0%	13 In Style	0	0.0%
14 Prosperous Empty Nesters	0	0.0%	14 Prosperous Empty Nesters	0	0.0%	14 Prosperous Empty Nesters	0	0.0%
15 Silver and Gold	0	0.0%	15 Silver and Gold	0	0.0%	15 Silver and Gold	0	0.0%
U8. Suburban Periphery II	10	0.1%	U8. Suburban Periphery II	1,054	2.6%	U8. Suburban Periphery II	0	0.0%
18 Cozy and Comfortable	0	0.0%	18 Cozy and Comfortable	0	0.0%	18 Cozy and Comfortable	0	0.0%
29 Rustbelt Retirees	0	0.0%	29 Rustbelt Retirees	0	0.0%	29 Rustbelt Retirees	0	0.0%
33 Midlife Junction	0	0.0%	33 Midlife Junction	407	1.0%	33 Midlife Junction	0	0.0%
40 Military Proximity	10	0.1%	40 Military Proximity	10	0.0%	40 Military Proximity	0	0.0%
43 The Elders	0	0.0%	43 The Elders	0	0.0%	43 The Elders	0	0.0%
53 Home Town	0	0.0%	53 Home Town	637	1.6%	53 Home Town	0	0.0%
U9. Small Towns	0	0.0%	U9. Small Towns	1,467	3.7%	U9. Small Towns	0	0.0%
41 Crossroads	0	0.0%	41 Crossroads	1,467	3.7%	41 Crossroads	0	0.0%
49 Senior Sun Seekers	0	0.0%	49 Senior Sun Seekers	0	0.0%	49 Senior Sun Seekers	0	0.0%
50 Heartland Communities	0	0.0%	50 Heartland Communities	0	0.0%	50 Heartland Communities	0	0.0%
U10. Rural I	9,268	85.3%	U10. Rural I	22,434	56.4%	U10. Rural I	808	59.9%
17 Green Acres	1,230	11.3%	17 Green Acres	7,392	18.6%	17 Green Acres	0	0.0%
25 Salt of the Earth	0	0.0%	25 Salt of the Earth	0	0.0%	25 Salt of the Earth	0	0.0%
26 Midland Crowd	8,038	74.0%	26 Midland Crowd	14,598	36.7%	26 Midland Crowd	808	59.9%
31 Rural Resort Dwellers	0	0.0%	31 Rural Resort Dwellers	444	1.1%	31 Rural Resort Dwellers	0	0.0%
U11. Rural II	0	0.0%	U11. Rural II	263	0.7%	U11. Rural II	0	0.0%
37 Prairie Living	0	0.0%	37 Prairie Living	0	0.0%	37 Prairie Living	0	0.0%
42 Southern Satellites	0	0.0%	42 Southern Satellites	0	0.0%	42 Southern Satellites	0	0.0%
46 Rooted Rural	0	0.0%	46 Rooted Rural	263	0.7%	46 Rooted Rural	0	0.0%
56 Rural Bypasses	0	0.0%	56 Rural Bypasses	0	0.0%	56 Rural Bypasses	0	0.0%
66 Unclassified	0	0.0%	66 Unclassified	0	0.0%	66 Unclassified	0	0.0%
Total	10,859	100.0%	Total	39,790	100.0%	Total	1,349	100.0%

Figure 4.11. Thurston County Building Permits (2000-05)

Type of Building Permit	2000	2001	2002	2003	2004	2005
Single Family	769	1,019	1,229	1,198	1,545	424
Manufactured Home	287	288	269	194	189	50
Total	1,056	1,307	1,498	1,392	1,734	474

Note: 2005 permit data is through April 2005.

Source: Thurston County Development Services.

Figure 4.12. Anticipated Yelm Residential Development

	# of Plats	# of Units
In Progress Residential	16	845
Development Anticipated in 3 Years	-	1,200
Total Build Out in 25 Years	-	6,200

Source: City of Yelm.

Figure 4.13. Trade Area Population & Housing Unit Growth to Build-Out

	2005	2030	2005-2030 # Chg.
<i>Convenience Trade Area</i>			
Population	30,100	54,000	23,900
Housing Units	11,827	21,176	9,349
<i>Comparison Trade Area</i>			
Population	99,500	160,100	60,600
Housing Units	37,309	59,963	22,653

Source: Thurston Regional Planning Council (TRPC), Puget Sound Regional Council, and ESRI Business Information Solutions.

Figure 5.01. Convenience Retail Sales & Leakage (2005)
(98597/98576/98580 Zip Codes)

NAICS Code	NAICS Description	Supply (Retail Sales)	Demand (Retail Potential)	Retail Sales Leakage	Number of Businesses
441	Motor Vehicle & Parts Dealers	\$6,186,582	\$62,103,630	\$55,917,048	13
442	Furniture & Home Furnishings Stores	\$464,723	\$5,275,019	\$4,810,296	5
443	Electronics & Appliance Stores	\$441,962	\$2,974,343	\$2,532,381	6
444	Bldg Materials, Garden Equip. & Supply Stores	\$6,617,359	\$11,182,196	\$4,564,837	18
445	Food & Beverage Stores	\$49,061,081	\$37,989,538	-\$11,071,543	26
446	Health & Personal Care Stores	\$2,664,767	\$9,230,520	\$6,565,753	5
447	Gasoline Stations	\$14,455,438	\$21,572,352	\$7,116,914	3
448	Clothing and Clothing Accessories Stores	\$2,137,912	\$9,080,415	\$6,942,503	10
451	Sporting Goods, Hobby, Book, and Music Stores	\$984,570	\$3,537,347	\$2,552,777	15
452	General Merchandise Stores	\$64,025,744	\$38,616,006	-\$25,409,738	4
453	Miscellaneous Store Retailers	\$5,547,885	\$6,920,930	\$1,373,045	18
454	Nonstore Retailers	\$7,878,619	\$7,909,896	\$31,277	2
722	Food Services & Drinking Places	\$14,910,824	\$34,933,567	\$20,022,743	33
	Total	\$175,377,466	\$251,325,759	\$75,948,293	158

Source: ESRI Business Information Solutions.

Figure 5.02. Comparison Retail Sales & Leakage (2005)
(6 Zip Codes-Eatonville to Tenino + Portion of Spanaway)

NAICS Code	NAICS Description	Supply (Retail Sales)	Demand (Retail Potential)	Retail Sales Leakage	Number of Businesses
441	Motor Vehicle & Parts Dealers	\$23,244,037	\$226,253,858	\$203,009,820	44
442	Furniture & Home Furnishings Stores	\$1,504,210	\$19,166,585	\$17,662,375	11
443	Electronics & Appliance Stores	\$1,454,139	\$9,697,483	\$8,243,344	16
444	Bldg Materials, Garden Equip. & Supply Stores	\$14,962,149	\$40,599,461	\$25,637,312	36
445	Food & Beverage Stores	\$116,740,511	\$136,836,684	\$20,096,173	58
446	Health & Personal Care Stores	\$12,342,396	\$29,340,993	\$16,998,597	15
447	Gasoline Stations	\$30,593,807	\$78,654,339	\$48,060,532	7
448	Clothing and Clothing Accessories Stores	\$3,884,639	\$33,043,092	\$29,158,453	17
451	Sporting Goods, Hobby, Book, and Music Stores	\$2,338,153	\$13,004,837	\$10,666,684	30
452	General Merchandise Stores	\$148,421,766	\$160,674,430	\$12,252,665	10
453	Miscellaneous Store Retailers	\$10,668,929	\$25,731,960	\$15,063,030	57
454	Nonstore Retailers	\$7,579,408	\$19,791,841	\$12,212,433	4
722	Food Services & Drinking Places	\$38,436,964	\$130,116,536	\$91,679,572	106
	Total	\$412,171,109	\$922,912,098	\$510,740,990	411

Source: ESRI Business Information Solutions, E. D. Hovee & Company, LLC.

Figure 6.01. Primary (Convenience) Market Growth Projection

NAICS Code	NAICS Description	Demand (Retail Potential) (x \$000)			
		2005	2010	2020	2030
441	Motor Vehicle & Parts Dealers	\$62,104	\$78,589	\$95,709	\$111,386
442	Furniture & Home Furnishings Stores	\$5,275	\$6,675	\$8,129	\$9,461
443	Electronics & Appliance Stores	\$2,974	\$3,764	\$4,584	\$5,335
444	Bldg Materials, Garden Equip. & Supply Stores	\$11,182	\$14,150	\$17,233	\$20,056
445	Food & Beverage Stores	\$37,990	\$48,074	\$58,546	\$68,136
446	Health & Personal Care Stores	\$9,231	\$11,681	\$14,225	\$16,555
447	Gasoline Stations	\$21,572	\$27,299	\$33,246	\$38,691
448	Clothing and Clothing Accessories Stores	\$9,080	\$11,491	\$13,994	\$16,286
451	Sporting Goods, Hobby, Book, and Music Stores	\$3,537	\$4,476	\$5,451	\$6,344
452	General Merchandise Stores	\$38,616	\$48,866	\$59,512	\$69,259
453	Miscellaneous Store Retailers	\$6,921	\$8,758	\$10,666	\$12,413
454	Nonstore Retailers	\$7,910	\$10,010	\$12,190	\$14,187
722	Food Services & Drinking Places	\$34,934	\$44,206	\$53,837	\$62,655
	Total	\$251,326	\$318,039	\$387,323	\$450,764

Source: Thurston Regional Planning Council, Puget Sound Regional Council, and ESRI Business Information Solutions.

Figure 6.02. Secondary (Comparison) Market Growth Projection

NAICS Code	NAICS Description	Demand (Retail Potential) (x \$000)			
		2005	2010	2020	2030
441	Motor Vehicle & Parts Dealers	\$226,254	\$276,621	\$321,208	\$364,203
442	Furniture & Home Furnishings Stores	\$19,167	\$23,433	\$27,210	\$30,853
443	Electronics & Appliance Stores	\$9,697	\$11,856	\$13,767	\$15,610
444	Bldg Materials, Garden Equip. & Supply Stores	\$40,599	\$49,637	\$57,638	\$65,353
445	Food & Beverage Stores	\$136,837	\$167,298	\$194,264	\$220,267
446	Health & Personal Care Stores	\$29,341	\$35,873	\$41,655	\$47,230
447	Gasoline Stations	\$78,654	\$96,164	\$111,664	\$126,611
448	Clothing and Clothing Accessories Stores	\$33,043	\$40,399	\$46,911	\$53,190
451	Sporting Goods, Hobby, Book, and Music Stores	\$13,005	\$15,900	\$18,463	\$20,934
452	General Merchandise Stores	\$160,674	\$196,443	\$228,106	\$258,639
453	Miscellaneous Store Retailers	\$25,732	\$31,460	\$36,531	\$41,421
454	Nonstore Retailers	\$19,792	\$24,198	\$28,098	\$31,859
722	Food Services & Drinking Places	\$130,117	\$159,082	\$184,724	\$209,450
	Total	\$922,912	\$1,128,366	\$1,310,240	\$1,485,619

Source: Thurston Regional Planning Council, Puget Sound Regional Council, and ESRI Business Information Solutions.

Figure 6.03. Primary (Convenience) Market Retail Space Supported

	Current Retail Sales Leakage (Non-Negative)	Added Trade Area Demand (2005-2010)	Added Trade Area Demand (2005-2030)	Retail Sales/SF	Leakage Recapture	Added Retail Space Supported (in SF)			
						Area Growth 2005-2010	Total Area Added Space	Area Growth 2005-2030	Total Area Added Space
Retail:									
Motor Vehicle & Parts Dealers	\$55,917,048	\$16,485,061	\$49,281,916	NA	-	-	-	-	-
Furniture & Home Furnishings Stores	\$4,810,296	\$1,400,224	\$4,185,956	\$225	21,000	6,000	27,000	19,000	40,000
Electronics & Appliance Stores	\$2,532,381	\$789,523	\$2,360,270	\$275	9,000	3,000	12,000	9,000	18,000
Bldg Materials, Garden Equip. & Supply Stores	\$4,564,837	\$2,968,251	\$8,873,556	\$250	18,000	12,000	30,000	35,000	53,000
Food & Beverage Stores	\$0	\$10,084,110	\$30,146,341	\$350	-	29,000	29,000	86,000	86,000
Health & Personal Care Stores	\$6,565,753	\$2,450,190	\$7,324,817	\$375	18,000	7,000	25,000	20,000	38,000
Gasoline Stations	\$7,116,914	\$5,726,260	\$17,118,594	NA	-	-	-	-	-
Clothing and Clothing Accessories Stores	\$6,942,503	\$2,410,345	\$7,205,702	\$200	35,000	12,000	47,000	36,000	71,000
Sporting Goods, Hobby, Book, and Music Stores	\$2,552,777	\$938,969	\$2,807,038	\$190	13,000	5,000	18,000	15,000	28,000
General Merchandise Stores	\$0	\$10,250,403	\$30,643,471	\$300	-	34,000	34,000	102,000	102,000
Miscellaneous Store Retailers	\$1,373,045	\$1,837,122	\$5,492,057	\$250	5,000	7,000	12,000	22,000	27,000
Nonscore Retailers	\$31,277	\$2,099,638	\$6,276,845	NA	-	-	-	-	-
Food Services & Drinking Places	\$20,022,743	\$9,272,920	\$27,721,296	\$275	73,000	34,000	107,000	101,000	174,000
Retail Subtotal	\$112,429,574	\$66,713,015	\$199,437,858		192,000	149,000	341,000	445,000	637,000

Note: Square footage of space is not projected for auto dealers and gas stations as the relationship of building area to land area can vary considerably between different businesses. These businesses often have comparatively small building footprints relative to the land area utilized.

Source: Urban Land Institute, Thurston Regional Planning Council, Puget Sound Regional Council, and ESRI Business Information Solutions.

Figure 6.04. Secondary (Comparison) Market Retail Space Supported

	Current Retail Sales Leakage (Non-Negative)	Added Trade Area Demand (2005-2010)	Added Trade Area Demand (2005-2030)	Retail Sales/SF	Leakage Recapture	Added Retail Space Supported (in SF)			
						Area Growth 2005-2010	Total Added Space	Area Growth 2005-2030	Total Added Space
Retail:									
Motor Vehicle & Parts Dealers	\$203,009,820	\$50,367,354	\$137,948,905	NA	-	-	-	-	-
Furniture & Home Furnishings Stores	\$17,662,375	\$4,266,757	\$11,686,030	\$225	78,000	19,000	97,000	52,000	130,000
Electronics & Appliance Stores	\$8,243,344	\$2,158,799	\$5,912,638	\$275	30,000	8,000	38,000	22,000	52,000
Bldg Materials, Garden Equip. & Supply Stores	\$25,637,312	\$9,038,022	\$24,753,838	\$250	103,000	36,000	139,000	99,000	202,000
Food & Beverage Stores	\$20,096,173	\$30,461,809	\$83,430,492	\$350	57,418	87,000	144,418	238,000	295,418
Health & Personal Care Stores	\$16,998,597	\$6,531,726	\$17,889,454	\$375	45,000	17,000	62,000	48,000	93,000
Gasoline Stations	\$48,060,532	\$17,509,584	\$47,956,221	NA	-	-	-	-	-
Clothing and Clothing Accessories Stores	\$29,158,453	\$7,355,866	\$20,146,655	\$200	146,000	37,000	183,000	101,000	247,000
Sporting Goods, Hobby, Book, and Music Stores	\$10,666,684	\$2,895,063	\$7,929,160	\$190	56,000	15,000	71,000	42,000	98,000
General Merchandise Stores	\$12,252,665	\$35,768,433	\$97,964,570	\$300	40,842	119,000	159,842	327,000	367,842
Miscellaneous Store Retailers	\$15,063,030	\$5,728,303	\$15,688,995	\$250	60,000	23,000	83,000	63,000	123,000
Nonstore Retailers	\$12,212,433	\$4,405,948	\$12,067,254	NA	-	-	-	-	-
Food Services & Drinking Places	\$91,679,572	\$28,965,807	\$79,333,161	\$275	333,000	105,000	438,000	288,000	621,000
Retail Subtotal	\$510,740,990	\$205,453,471	\$562,707,372		949,260	466,000	1,415,260	1,280,000	2,229,260

Note: Square footage of space is not projected for auto dealers and gas stations as the relationship of building area to land area can vary considerably between different businesses. These businesses often have comparatively small building footprints relative to the land area utilized.

Source: Urban Land Institute, Thurston Regional Planning Council, Puget Sound Regional Council, and ESRI Business Information Solutions.

Figure 6.05. Commercial Service Development Potential (2005-2030)

NAICS Description	# of Establishments	2004 Estimated Gross Sales	Added Sales 2030	Com'l Space (SF)
Information	131	\$12,900,000	\$10,240,000	50,000
Finance/Insurance	40	\$33,180,000	\$26,330,000	45,000
Real Estate, Rental/Leasing	93	\$9,200,000	\$7,300,000	18,000
Professional, Scientific & Technical Services	84	\$14,190,000	\$11,260,000	22,000
Management, Administrative & Support, Education & Health Services	192	\$30,190,000	\$23,960,000	103,000
Arts, Entertainment, & Recreation	11	\$990,000	\$780,000	11,000
Accommodations	-	\$1,650,000	\$2,970,000	39,000
Other Services	111	\$7,790,000	\$6,180,000	59,000
Repair & Maintenance	83	\$5,370,000	\$4,260,000	25,000
Personal Services	28	\$1,420,000	\$1,130,000	10,000
Total	773	\$116,880,000	\$94,410,000	382,000

Note: Due to limitations of available data, 2004 annual gross sales for Yelm are estimated based on reported taxable sales in Yelm *multiplied* by the statewide ratio of gross to taxable sales by NAICS category. Additional estimates are made for categories in which sales are not disclosed.

Source: State of Washington Department of Revenue, ESRI Business Information Solutions, E.D. Hovee & Company, LLC.

Figure 7.01. Comparable Cities Retail Capture

Category	Battle Ground			Lynden			Monroe		
	Supply (Retail Sales)	Demand (Retail Potential)	Capture %	Supply (Retail Sales)	Demand (Retail Potential)	Capture %	Supply (Retail Sales)	Demand (Retail Potential)	Capture %
Motor Vehicle & Parts Dealers	\$5,754,681	\$20,690,691	28%	\$9,938,862	\$23,189,482	43%	\$36,310,467	\$30,167,314	120%
Furniture & Home Furnishings Stores	\$487,896	\$2,083,222	23%	\$1,578,600	\$2,238,480	71%	\$3,916,796	\$3,161,749	124%
Electronics & Appliance Stores	\$852,728	\$1,688,134	51%	\$573,578	\$1,817,424	32%	\$246,430	\$1,532,774	16%
Bldg Materials, Garden Equip. & Supply Stores	\$4,282,495	\$3,541,724	121%	\$3,575,017	\$4,229,925	85%	\$2,933,708	\$5,023,074	58%
Food & Beverage Stores	\$21,747,336	\$13,186,359	165%	\$6,056,722	\$14,510,397	42%	\$34,863,877	\$19,580,888	178%
Health & Personal Care Stores	\$2,058,393	\$2,349,085	88%	\$4,381,757	\$3,179,117	138%	\$7,578,609	\$3,745,187	202%
Gasoline Stations	\$14,535,816	\$7,142,455	204%	\$9,251,020	\$8,891,766	104%	\$32,927,126	\$10,218,430	322%
Clothing and Clothing Accessories Stores	\$1,310,710	\$3,125,762	42%	\$1,608,837	\$2,991,106	54%	\$3,089,663	\$4,100,572	75%
Sporting Goods, Hobby, Book, and Music Stores	\$3,226,031	\$1,077,989	299%	\$552,679	\$6,533,593	8%	\$5,229,562	\$1,528,554	342%
General Merchandise Stores	\$1,880,090	\$15,040,135	13%	\$0	\$12,596,888	0%	\$11,410,761	\$18,634,626	61%
Miscellaneous Store Retailers	\$1,336,888	\$2,016,554	66%	\$4,536,944	\$2,555,416	178%	\$4,349,226	\$2,915,895	149%
Nonstore Retailers	\$1,290,687	\$2,206,622	58%	\$5,817,795	\$2,601,498	224%	\$17,037,059	\$6,460,577	264%
Food Services & Drinking Places	\$20,724,484	\$12,480,518	166%	\$17,487,540	\$14,838,576	118%	\$29,938,217	\$18,175,789	165%
Total	\$79,488,235	\$86,629,250	92%	\$65,359,351	\$100,173,668	65%	\$189,831,501	\$125,245,429	152%
Population		11,185			10,304			15,999	
Median Income		\$51,716			\$49,112			\$57,149	

Category	Silverdale			Stanwood			Yelm		
	Supply (Retail Sales)	Demand (Retail Potential)	Capture %	Supply (Retail Sales)	Demand (Retail Potential)	Capture %	Supply (Retail Sales)	Demand (Retail Potential)	Capture %
Motor Vehicle & Parts Dealers	\$8,281,408	\$42,268,584	20%	\$5,319,878	\$8,604,222	62%	\$2,339,145	\$6,954,686	34%
Furniture & Home Furnishings Stores	\$8,935,996	\$3,607,549	248%	\$1,649,733	\$920,586	179%	\$36,944	\$644,623	6%
Electronics & Appliance Stores	\$9,743,016	\$2,524,262	386%	\$304,256	\$452,986	67%	\$115,279	\$390,651	30%
Bldg Materials, Garden Equip. & Supply Stores	\$15,509,692	\$6,115,904	254%	\$940,031	\$1,536,116	61%	\$1,812,508	\$1,292,654	140%
Food & Beverage Stores	\$31,722,912	\$27,183,969	117%	\$34,780,476	\$5,900,482	589%	\$28,140,456	\$4,504,902	625%
Health & Personal Care Stores	\$14,424,577	\$4,307,383	335%	\$7,117,129	\$1,128,757	631%	\$1,856,932	\$1,169,043	159%
Gasoline Stations	\$13,631,200	\$14,471,398	94%	\$8,467,690	\$2,987,792	283%	\$8,928,969	\$2,439,626	366%
Clothing and Clothing Accessories Stores	\$37,185,295	\$5,373,302	692%	\$513,094	\$1,238,082	41%	\$914,253	\$1,102,055	83%
Sporting Goods, Hobby, Book, and Music Stores	\$11,425,876	\$2,819,198	405%	\$658,480	\$457,947	144%	\$226,352	\$423,915	53%
General Merchandise Stores	\$106,382,376	\$31,700,016	336%	\$0	\$5,581,609	0%	\$0	\$4,090,503	0%
Miscellaneous Store Retailers	\$12,966,966	\$5,480,042	237%	\$1,365,344	\$890,496	153%	\$3,679,428	\$803,896	458%
Nonstore Retailers	\$4,178,412	\$2,453,918	170%	\$0	\$2,008,458	0%	\$5,772,464	\$1,177,361	490%
Food Services & Drinking Places	\$37,467,749	\$25,654,643	146%	\$4,669,375	\$5,435,954	86%	\$4,735,667	\$4,136,930	114%
Total	\$311,855,475	\$173,960,168	179%	\$65,785,486	\$37,143,487	177%	\$58,558,397	\$29,130,845	201%
Population		17,384			4,482			3,631	
Median Income		\$53,183			\$51,126			\$43,275	

Source: ESRI and E.D. Hovee & Company, LLC.

Figure 7.02. Yelm Commercial Site Acreage & Valuation

Zoning	Description	# of Parcels	Total Acreage	Average Per Acre		
				Assessed Building Value	Assessed Land Value	Assessed Total Value
<i>All Commercial Taxlots</i>						
C-1	Commercial	245	338.68	\$130,555	\$71,010	\$201,565
C-2	Heavy Commercial	32	70.08	\$87,490	\$43,364	\$130,854
C-3	Large Lot Commercial	10	51.59	\$47,484	\$21,319	\$68,803
	Total	287	460.35	\$114,689	\$61,233	\$175,922
<i>Vacant/Redevelopable Taxlots</i>						
C-1	Commercial	101	184.31	\$24,296	\$39,830	\$64,126
C-2	Heavy Commercial	4	29.41	\$3,604	\$7,609	\$11,213
C-3	Large Lot Commercial	4	20.77	\$5,835	\$14,312	\$20,148
	Total	109	234.49	\$20,066	\$33,529	\$53,595

Source: E.D. Hovee & Company, LLC, using City of Yelm data. Assessed valuation is based on tax assessments of the Thurston County assessor's office.

Figure 7.03. Yelm Commercial Land Needs (2005-2030)

	Added Building Area (SF)	Site Coverage	Acreage Need
Maximum Retail Need			
Leakage Recapture	949,260	25%	87
Future Growth (Comparison Area)	1,280,000	25%	118
Subtotal Retail Need	2,229,260	25%	205
Commercial Service Need			
Future Growth	382,000	30%	29
Combined Retail & Service Need	2,611,260	26%	234
Vacant & Redevelopable Sites			234
Land Surplus/(Deficit)			(0)

Source: City of Yelm, E.D. Hovee & Company, LLC.

Figure 7.04. Retail Center Definition

Retail Center Type	Square Feet	Anchors	Acres Needed	Population Base
Regional/ Super Regional	300,000+	One or more full-line department stores, apparel, variety, food service	25+	40,000 minimum
Community	100,000 - 300,000	Supermarket and/or junior department store and/or variety store or discount drug or apparel	10-35	40,000 minimum
Neighborhood	30,000 - 150,000	Supermarket and sometimes drug or variety	5-20	3,000 - 40,000
Strip/ convenience	10,000 - 40,000	Usually convenience market and/or convenience-oriented retail and service tenants	1-5	2,000 - 20,000
Specialty	10,000 - 40,000	Non-traditional anchor such as fashion, theme, festival, office-price, home improvement, or special architectural character	1-5	Usually depends on neighboring support shopping traffic, rather than a population base
Urban	10,000+	Unanchored; usually downtown shopping district, mixed-use projects, free-standing tenants, etc.	–	Existing employment and metropolitan population base

Source: Real estate brokerage guides, E.D. Hovee & Company, LLC.

APPENDIX D. URBANIZED GROUP & TAPESTRY SEGMENTS

U1. Principal Urban Centers I		
08	Laptops and Lattes	The most eligible and unencumbered marketplace – Laptops and Lattes are affluent, single, and still renting. They are educated, professional, and partial to city life, favoring major metropolitan areas such as New York, Boston, Chicago, Los Angeles and San Francisco. Median household income is more than \$87,000; median age is 38 years. Technologically savvy, the Laptops and Lattes segment is the market for notebook PCs and PDAs. They use the Internet on a daily basis to trade stocks and make purchases and travel plans. They are health conscious and physically fit; they take vitamins, use organic products, and exercise in the gym. They embrace liberal philosophies and work for environmental causes.
11	Pacific Heights	These households are found in the high-rent districts of California and Hawaii. Median home value is \$435,000, with residents favoring single, detached houses or townhouses. This market is small but affluent, with one in two households earning more than \$71,000 annually. They are financially savvy. They trade stocks, bonds, or mutual funds regularly on the Internet, and some might have refinanced their homes. These urbanites embrace a healthy lifestyle by exercising regularly, taking vitamins, and practicing yoga. These households make frequent phone calls overseas and own more than three cell phones.
20	City Lights	City Lights residents have attracted a diverse array of residents to the Northeast. This dense urban market is a mixture of housing, household types, and cultures. Households include both families and singles. Housing types range from owner-occupied town homes to renter-occupied apartments in buildings with two to 50 plus units. With a median age of 38 years, the population is a bit older than the U.S. median. With a median household income of \$56,000, residents earn a good living working in white-collar and service occupations. City Lights residents are more likely to spend on household furnishings than on home maintenance or repair (aside from basics such as painting). Because style is important to City Lights residents, they shop for clothes, shoes, and jewelry from department stores such as Nordstrom, Macy's, and Lord & Taylor. They are conservative investors, owning saving bonds and short-term certificates of deposit.
21	Urban Villages	Urban Villages neighborhoods are the multicultural enclaves of young families that are unique to U.S. gateway cities that are found especially in California. Families dominate this market; most have children. Although education to date is lower, college enrollment is above average. Many are two-income households, earning a median income of \$54,400 in the manufacturing, retail, and service industries. Most residents own older, single family homes with a median value of \$188,500 and, typically in California, multiple vehicles. Family and home dictate the purchases of Urban Villages residents. To maintain their older homes, they spend for roofing, doors, paint, and bedroom remodeling. Their weekly grocery bills often exceed \$150 on average to sustain their large families. For leisure, they rent foreign videos, listen to Hispanic radio, and visit attractions such as Disneyland and Sea World.
23	Trendsetters	The cutting edge in urban style, Trendsetters residents are young, diverse, and mobile and found primarily on the West Coast. Still renting, they favor upscale, multiunit settlements in older city districts. Well educated and professional-but not always typical-they have good jobs and earn a median income of more than \$55,000. More than half of these residents are single and live by themselves or share housing with a roommate. Trendsetters residents are spenders; they buy from stores and online. To keep up and to keep in touch, they are never far from their electronic gadgets such as PDAs, cell phones, MP3 players, or their computers. Many are already preparing for retirement by investing in mutual funds and stocks. Trendsetters residents are health conscious and exercise regularly. They work out at home, in fitness clubs, and outdoors by biking or jogging.
27	Metro Renters	Metro Renters residents are young (approximately 30 percent are in their twenties), well educated singles beginning their professional careers in the largest cities such as New York, Chicago, and Los Angeles. Their median household income of \$50,400 has been increasing faster than most market segments. A majority are renters, often in older high-rise units. They live alone or share with roommates. Metro Renters residents spend money on themselves, buying women's designer jeans, ski apparel, and workout clothing. They enjoy time with friends and entertain at home. For leisure, they attend rock concerts, go to the movies, and go dancing. They play racquetball and tennis, practice yoga, work out regularly, ski, and jog. Surfing the Internet is an important part of their lives; they go online to search for jobs, listen to the radio, and order airline and concert tickets.
35	International Marketplace	International Marketplace neighborhoods represent the cutting edge of immigration, one of the major demographic trends shaping the U.S. future. This developing urban market presents a blend of cultures and household types. With a median age of only 30 years, the population is young. Married-couple and single-parent families with children comprise 45 percent of the households. Most rent apartments in multiunit buildings; however, more than 30 percent have purchased a home. This market is located primarily in coastal gateway states. Home and hearth products are not the top purchases for this young segment; family is their priority. They buy medical insurance, groceries, children's clothing, and diapers. Limited income dictates careful expenditures at stores such as Target, Wal-Mart, and Kmart. For convenience, they also frequently shop at 7-Eleven and other similar stores. International Marketplace residents are loyal listeners of contemporary hit, Hispanic, and urban radio programming.
44	Urban Melting Pot	This small market, rich in ethnicity and household types, includes recently settled immigrants. More than half of these residents were born abroad; half of them immigrated to the United States in the last 10 years. Most rent apartments in the urban canyons of large cities in high-density, high-rise, pre-1950s buildings. Their median age is 35 years, slightly younger than that of the U.S. population. Their median household income is approximately \$36,700. Fashion conscious yet cost conscious, Urban Melting Pot residents love to shop. They enjoy the outdoors with trips to the beach and theme parks. Soccer is important to these residents; they play and attend matches. They purchase long-distance telephone cards and package deals offered by cell phone companies to keep in touch and save money. Reflecting their diversity in age and upbringing, their taste in music covers urban, Hispanic, and contemporary hits radio.

U2. Principal Urban Centers II

45	City Strivers	City Strivers residents are urban denizens, the resident population of densely settled neighborhoods in major metropolitan areas, such as New York and Chicago. With a median age of 32 years, they are younger than the U.S. median. Unemployment is above average; labor force participation is just below average at 60 percent. Employment is also concentrated in the city, in health care and other services. Many are government employees. Their median household income is \$36,500. Housing is older, rented apartments in small multi-unit buildings. City Strivers residents spend their money for groceries, children's clothing, and education. Their rental homes are equipped with the essential bedding and bath linens, cooking and serving utensils, and table settings. Residents enjoy a variety of activities, such as going to movie theaters and musical performances offered by their city lifestyle, but they also take their children to the beach, the zoo, theme parks, and museums.
47	Las Casas	Residents of Las Casas neighborhoods are the latest wave of western pioneers. Settled primarily in California, almost half were born outside the United States. Residents are young, Hispanic and family oriented-62 percent have children. Most households rent, although 42 percent own their homes, with a median value of \$201,000. Housing is a real mix of single family homes and older apartment buildings. The median age is 25 years. The median household income is \$35,000. Modest incomes providing for large families limit the purchase options of Las Casas residents. The presence of children influences their purchases; this is a strong market for baby and children's products. Cars are essential to them; they drive older models, but as their families grow, they upgrade to larger vehicles. TV is primarily for children's programming; however, adults watch the news or sports, in particular soccer and baseball.
54	Urban Rows	Row houses are characteristic of Urban Rows neighborhoods which are found in large cities in the mid-Atlantic region. Built decades ago, few of these homes have undergone gentrification. The median home value is \$62,600, and most of the homes are owner occupied. Vacancies are above average however. The median age is 33 years. Because many homes have been in the family for generations, only a small proportion of households have a mortgage. Major improvements need to be made on many homes, but Urban Rows residents generally can afford minor or critical repair work only. They rarely eat out. Although cable television service is available in most of these neighborhoods, many residents do not subscribe. When Urban Rows residents watch TV, news and game shows are the most popular programs. They enjoy reading the tabloids and listening to news radio stations. Basketball is a favorite sport.
58	NeWest Residents	Among the newest residents in the West, young families, living in mid- or high-rise apartments, comprise this market. More than half of the population is foreign-born. The population is young, with a median age of 25 years. With many small children in families, the average household size is 3.56 for this market. Most of these neighborhoods are located in large cities in California and Texas. Children come first for families in NeWest Residents neighborhoods. They lead a strong family-oriented lifestyle with an emphasis on spending on children's products and groceries. Budget constraints restrict their child-care purchases to essentials such as baby food, baby supplies and car seats, and children's clothing. Residents prepare their meals at home. They prefer to use cash for purchases, credit card ownership and use is low. They like to watch sports on TV, especially baseball, soccer, and football, and listen to Hispanic and contemporary hit radio formats.
61	High Rise Renters	Nine out of 10 householders in this market rent apartments in high-rise buildings in densely populated centers. These residents represent a diverse mix of cultures, and many speak a language other than English. High Rise Renters residents are young, with a median age of 30 years. Most of the work force is employed in the service industry. Some residents enjoy indoor gardening, while others pursue activities such as playing cards or board games, or working crossword puzzles. They are avid viewers of cable and primetime TV and listen to urban and contemporary radio formats. Spending is limited by budget, so they rarely dine out.
64	City Commons	City Commons is one of Tapestry's youngest markets, with a median age of 24 years. Young, single-person or single-parent households dominate this market, and young children abound. Homes are commonly located in cities of large metropolitan areas where mid-rise buildings predominate. Labor force participation is below average; part-time employment is common. Children's products are the major purchases made by City Commons. For exercise, they take their children to play in nearby city parks and playgrounds. When they treat themselves to a sporting event, baseball is their sport of choice. When watching television, Court TV is their show of choice.
65	Social Security Set	Elderly residents who live alone characterize this market. More than four out of 10 householders are 65 years of age or older. This market has one of the lowest household incomes. Most residents live in low-rent, high-rise apartment buildings in large cities across the United States. limited resources somewhat restrict the purchases and activities of Social Security Set residents. They usually shop at discount stores, but for food, they shop at the closest grocery store. Residents depend on Medicare and Medicaid to cover their health care costs. They prefer to pay with cash and bank in person. Many households subscribe to cable or satellite TV, since watching television is essential. Residents especially enjoy watching a variety of sporting events.

U3. Metro Cities I

01	Top Rung	Top Rung residents are the wealthiest consumer market – representing less than 1 percent of all U.S. households. Their median household income tops \$170,000, three and one-half times the national median. Their median home value is approximately \$1,000,000. These residents are in their peak earning years, 45-64, primarily in family households with no children or older children. Their median age is 43 years. With the purchasing power to indulge any choice, Top Rung residents are the best market for the purchase or lease of luxury or imported cars. They travel in style, both domestically and overseas, for business and pleasure. They set aside time in their busy lifestyles for exercise and community activities.
03	Connoisseurs	Second in wealth to Top Rung among the consumer markets, but first for conspicuous consumption, Connoisseurs residents are slightly older, with a median age of almost 45 years, and closer to retirement than child rearing. Their neighborhoods tend to be older bastions of affluence where the median home value tops \$511,000. Growth in these neighborhoods is slow. Residents rate first among Tapestry's segments for conspicuous consumption and spend more for personal travel and vacations than any other Tapestry segment. They also work actively for political candidates or parties, participate in civic activities, and donate to charities.

05	Wealthy Seaboard Suburbs	Wealthy Seaboard Suburbs residents remain established quarters of affluence characteristic of coastal metropolitan areas. Neighborhoods are older and slow to change, with median home values that exceed \$372,000. The labor force is professional. The households consist of married couples living alone or with older children. Their median age is 42 years. Residents maximize their leisure time by relying on contractors and home services to maintain their homes and gardens. They enjoy visiting local beaches and traveling frequently. They are computer savvy but use the Internet for convenience, not entertainment.
09	Urban Chic	Urban Chic residents are professional couples living an urbane, exclusive lifestyle. They are homeowners; many are city dwellers with a preference for expensive homes in high-rise buildings or townhomes (median value tops \$472,000). Median age is 41 years. They travel extensively and embrace city life by visiting museums, attending dance performances and shopping at upscale stores. Civic-minded Urban Chic residents volunteer to work for political parties. Being news junkies, they read multiple newspapers each day and listen to news talk and public radio.
10	Pleasant-Ville	Prosperous domesticity distinguishes the settled homes of Pleasant-Ville neighborhoods. Most residents live in single family homes built in the 1950s with a current median value of \$272,000. Located throughout the United States, these households are headed by middle age residents – most have children, some are nearing early retirement. Median age is almost 39 years. Home improvement is a priority for these residents of older homes, though they employ contractors and other maintenance services to complete the work. Shopping choices are eclectic, ranging from upscale department stores and warehouse stores to big box stores and discounters.
16	Enterprising Professionals	This market is home to young, highly educated working professionals. Single or recently married, they prefer newer neighborhoods with townhomes or apartments. Typically found in cities, these residents would rather rent than own. Median household income is almost \$65,000. Their lifestyle reflects their youth, mobility and growing consumer clout. To keep in touch, Enterprising Professionals residents rely on cell phones, PDAs, and PCs. They use the Internet to search for a job or a place to live, track their investments, or shop. Enterprising Professionals residents travel for business and pleasure. They practice yoga, take aerobic classes and jog to stay physically fit.
19	Milk and Cookies	Milk and Cookies residents are young, affluent married couples who are starting their families. Many already have young children. Residents of these neighborhoods favor single family homes with a median value above \$124,000 in suburban areas largely in the South and West, especially Texas. Families with more than two workers, more than one child, and more than three vehicles are the norm for Milk and Cookies neighborhoods. Focused on family life and their future, Milk and Cookies residents buy baby and children's products, build their investment portfolios, and purchase insurance policies. Leisure time is spent with their children visiting the zoo, going to the movies, and visiting theme parks. To accommodate their busy lifestyle, residents buy time-saving products such as fast food and instant breakfasts.
22	Metropolitans	Metropolitans residents favor city living in older neighborhoods populated by singles or childless couples. These neighborhoods are an eclectic mix of single- and multifamily structures, with a median home value of \$183,000. Residents include both Generation Xers and retirees, most of whom are prosperous with a median household income of more than \$55,000. Busy and actively living the urban lifestyle, Metropolitans residents participate in yoga, attend rock concerts, and visit museums. They listen to jazz, news, talk, and sports radio and rent foreign videos. They travel for business or pleasure, belonging to three or more frequent flyer programs. They participate in numerous civic activities such as volunteering for environmental causes.

U4. Metro Cities II

28	Aspiring Young Families	Residents of Aspiring Young Families neighborhoods are attracted to the large, growing metropolitan areas in the South and West, with the highest concentrations in California, Florida, and Texas. These residents are mainly young, start-up families, married couples, or single parents with children. Although young with a median age of 30 years, almost half of them have already purchased start-up homes, with a high percent of townhouses. Half of them are renters who live in newer multiunit buildings. Residents spend much of their discretionary income on their children and homes. They buy baby and children's products and toys, bedroom and dining room furniture, cameras, and VHS/DVD players. For leisure, families enjoy dining out, going to the movies, playing baseball or basketball, and visiting theme parks. They spend time online visiting chat rooms, searching for employment, playing games, researching information about real estate, and making travel plans.
30	Retirement Communities	Congregate housing, which commonly includes meals and other services in the rent, is concentrated in this market. Although retirement communities can also offer owner-occupied housing and nursing care facilities, most are characterized by congregate housing. Scattered throughout the United States, and dwelling mainly in cities, Retirement Communities residents include well-educated retirees, almost a third of whom are aged 65 years or older. Although their median household income is a relatively modest \$44,400, their median net worth tops \$175,000. Good health is a priority; many Retirement Communities residents visit their doctors regularly, use Weight Watchers for diet control, exercise on a stationary bike, and take vitamins and dietary supplements. Among other activities, these busy seniors spend their leisure time playing golf, attending ice hockey games, and listening to all-news and jazz radio. They like to spend time with their grandchildren and spoil them with toys, and they usually have ongoing home improvement projects.
34	Family Foundations	The bedrock of this market is family life-married couples, single parents, grandparents, young children, and adult children. This small urban market can be found in large metropolitan areas. Their neighborhoods are composed of row houses or single family detached, primarily pre-1960s, owner-occupied houses. There is a gradual decline in population through attrition, but little turnover in the neighborhoods. Unemployment is above average, although 30 percent have completed some college classes. Their median household income is \$41,800. Family Foundations residents are active in their communities; they attend church services, serve on church boards, help with fund-raising projects, and participate in civic activities. Most of their consumer expenditures are for home maintenance and family; baby products and clothing are priority items in their budgets. Basketball is a favorite sport of Family Foundations residents; they enjoy playing and attending college and professional games.

36	Old and Newcomers	Old and Newcomers neighborhoods are in transition, populated by renters who are starting their careers or retiring. Many householders are in their twenties or above the age of 75. The median age of 36 years simply splits this age difference. Spread throughout U.S. metropolitan areas, Old and Newcomers neighborhoods have more single-person and shared households than families. Many residents have moved recently. Mid- or high-rise apartment buildings constructed in the 1970s dominate the housing market. The purchase choices of Old and Newcomers residents reflect their unencumbered lifestyle as singles and renters. Compact cars are preferred by these nonfamily households. Cats are the preferred pets because of apartment living. Among markets with median household income below the U.S. level, this segment has the highest readership of books. Depending on their age, they play sports such as racquetball and golf in addition to jogging or walking.
39	Young and Restless	Change is the constant in this market. With a median age under 29 years, the population is young and on the go. More than 70 percent have moved in the past five years. Still not settled, single-person or shared households are the standard – almost 60 percent of this growing segment. Young and Restless residents are renters who favor multi unit apartment buildings. Many are college graduates; some are still enrolled in college. Their median household income is nearly \$40,000. Technologically savvy, they use the Internet to communicate with family and friends, shop, bank, and search for new employment opportunities. They read magazines to keep up with trends in lifestyle and entertainment. They watch movies in the theater and on video, work out at the gym, and go to bars and nightclubs.
52	Inner City Tenants	Inner City Tenants neighborhoods are a microcosm of urban diversity. This multicultural market consists of renters in mid- and high-rise apartment buildings. The population is young, with a median age of 28 years. The household composition reflects their youth; single-person and shared households comprise 45 percent of all households in this market. Busy lives influence food purchases; they frequently eat at fast-food restaurants and shop for easy-to-prepare frozen and canned foods at local grocery stores. For exercise, they prefer walking, swimming, playing basketball and attending aerobics classes. Younger Inner City Tenants residents enjoy the nightlife at bars and clubs and going dancing.
60	City Dimensions	This market, found in large urban cities, is highly diversified in housing structure, household type, and ethnic background. The population is young, with a median age of 29 years, with both younger householders and children. Two-thirds of City Dimensions residents are renters. They are avid fans of football, basketball, and soccer and one of the top markets for the purchase of team sports clothing. Video game systems are quite popular with these residents. As ardent cable TV viewers, they prefer to watch movies and news programs. When going out, they enjoy dancing, music performances, and the movies. Residents who own a vehicle tend to own a used domestic car.
63	Dorms to Diplomas	More than 80 percent of this market attend college, living in dormitories or off-campus housing. The majority of off-campus housing is in multi-unit apartment buildings. Many work part time in low-paying service jobs. College dominates life for Dorms to Diplomas residents. PCs are considered a necessity, and the Internet is easily accessible to research school assignments, search for jobs, make travel plans, and keep in touch with family. They get their exercise by participating in college sports, walking, jogging, and working out at the campus gym. They enjoy going to rock concerts and the movies, dancing, and playing pool or cards. They shop at discount stores regularly, but prefer apparel from Old Navy, The Gap, and Banana Republic.

U5. Urban Outskirts I

04	Boomburbs	Growth and families describe <i>Boomburbs</i> neighborhoods, the newest additions to suburbia. Young families living a busy, active lifestyle populate these neighborhoods where the rising home value is nearly \$250,000. Two incomes and two vehicles are supporting and transporting most of these households.
24	Main Street, USA	Main Street USA residents profile the American population. They are families with a growing mix of single households (household size of 2.51), have a median age of 36 years, have a comfortable middle income with a median of \$50,000, and are homeowners (64 percent) living in older single family homes with a market value of \$165,000. They are suburbanites who live in smaller metropolitan U.S. cities. Active members of the community, Main Street USA residents participate in fund-raising and volunteer programs. They enjoy taking day trips to the beach, visiting a theme park or the zoo, or occasionally taking a domestic vacation. They invest in tools bought at Home Depot or Lowe's to complete small home improvement and remodeling projects. They rely on the Yellow Pages over the Internet for information about restaurants, stores, and contractors.
32	Rustbelt Traditions	Rustbelt Traditions neighborhoods are the mainstay of the older, industrial cities in the states bordering the Great Lakes. They are the backbone of the manufacturing and transportation industries that sustain the local economy. Most residents live in modest, owner-occupied single family houses with a median value of \$93,000. The median age of these residents is 36 years. A mix of family and household types includes not only married couples but a high proportion of single-parent households and singles. Their median household income is \$43,800. Financially conservative, Rustbelt Traditions residents hold low-value variable life and homeowner's insurance policies. They are attentive to home and garden maintenance. They contract for specialized projects such as roofing, flooring, and carpet installation. Favorite leisure activities include bowling and fishing. Television is important; Rustbelt Traditions residents subscribe to cable and regularly watch sports programming.
38	Industrious Urban Fringe	Settled on the fringe of metropolitan cities, residents in this market employ both the proximity to metropolitan cities and location to earn a living. These diverse families rely on the manufacturing, construction, retail, and agriculture sectors for their livelihood. Their median household income is \$39,000. Family is important to Industrious Urban Fringe residents; many live in multigenerational households with children present in more than half of all households. Two-thirds of Industrious Urban Fringe residents own their homes, which are mostly older, single family houses with a median value of \$105,000. They balance their budget carefully; mortgage payments and necessities for baby and children take priority. Integral to family life is pet ownership, particularly dogs. Big movie fans, Industrious Urban Fringe residents visit the cinema several times each month and watch movies at home. They frequently listen to Hispanic and contemporary hit radio programming.

48	Great Expectations	Young singles and married-couple families dominate this large urban market. The median age of the population is 33 years. A high proportion of Great Expectations residents are in their twenties. Labor force participation is high. They pursue a variety of careers primarily in the manufacturing, retail, and other service sectors. Home ownership is increasing; approximately half of these residents now own single family homes with a median home value of \$95,500. The rest still rent apartments in small multiunit buildings. Their neighborhoods are older suburbs, with most homes built before 1960. They are not afraid to tackle small home maintenance and improvement projects but also enjoy a young, active lifestyle. Leisure time for these residents is spent going out to dinner and a movie, attending music concerts, visiting theme parks, the zoo, and the beach. They have tried their hand at different sports such as fishing, hunting, and canoeing.
U6. Urban Outskirts II		
51	Metro City Edge	Metro City Edge incorporates older, suburban neighborhoods of metropolitan cities. Home to singles and single-parent families, this market is young, with a median age of 29 years. More than half of Metro City Edge residents own their homes—single family dwellings with a median value of \$73,400. The labor force is varied, with jobs primarily in the service sector. The median household income is \$30,200. Their primary concern is the welfare of their children, so they watch their pennies, buying household items and children’s clothing in bulk at superstores and wholesalers. They tend to shop at grocery stores such as Food Lion, Kroger, and Piggly Wiggly. Paying for home Internet access is not a priority, so many will use the Internet at work or at the library. They usually exercise at home, enjoy walking, and participate in community sports such as basketball and football.
55	College Towns	Neighborhoods in College Towns represent on- and off-campus living. This market has a strong presence of college students; nearly 42 percent are enrolled in college and one-third of these students still live on campus. The median age is 25 years, with a high concentration of 18-24 year olds. Housing is a mix of low-income, multiunit rentals and single family detached homes with married couples. The median home value is \$119,900. Convenience is the primary consideration for food purchases; residents frequently eat out, order in, or eat ready-made or easy to prepare meals bought from the closest grocery store. Owning a laptop or desktop computer and being able to access the Internet are necessities. In their leisure time, they enjoy playing sports, attending rock concerts and college football games, and going to the movies and bars. MTV and Comedy Central are their favorite cable television channels.
57	Simple Living	The median age for this market is 40 years, although a high percentage of the population is 75 years or older. Most residents are retired seniors who live alone or in congregate housing. The majority rent apartments in multiunit buildings. There is some retirement income, but many rely on Social Security benefits. Younger residents enjoy going to nightclubs and dancing, while seniors attend bingo nights and pursue hobbies such as photography, bird watching, and woodworking. To stay fit, Simple Living residents walk, swim, and play golf. Cable or satellite television is a must, but many households do not own a PC, cell phone, or DVD player. Residents watch a lot of TV, especially family programs and game shows.
59	Southwestern Families	These families are the bedrock of the Hispanic culture in the Southwest, most with children. The median home value is \$50,700, and more than 60 percent own their homes. Southwestern Families residents are found mainly in suburban neighborhoods. The population is young, with a median age of 28 years. Their median household income is \$25,800. The presence of children in these households dictates essential children’s purchases. They prefer to shop at Albertson’s, H.E. Butt, Kroger, and Vons for their groceries. Most households purchase used cars over new ones. For entertainment, residents enjoy going to the movies and dancing. They prefer to rent action videos and comedies, and listen to Hispanic and contemporary hit radio formats.
62	Modest Income Homes	Most residents in these neighborhoods earn modest incomes. Half of them own their homes, mainly single family homes in older suburbs of metropolitan cities. The median home value is \$51,100. Modest Income Homes residents are family oriented and multigenerational. The median age is 34 years. Television is central to the lives of these residents; they frequently watch daytime and primetime shows. They are content to wait for movies to be shown on TV instead of going to the theater, and they prefer to watch movies on Lifetime, TNT, and USA Network. They enjoy watching major sports events on TV also. Being frugal, they shop at discount stores, limit their long-distance calls, and do not pay for access to the Internet. Residents tend to drive used domestic sedans.
U7. Suburban Periphery I		
02	Suburban Splendor	These successful suburbanites are the epitome of upward mobility, just a couple of rungs below the top and situated recently in growing neighborhoods of affluent homes with a median home value of more than \$377,000. Most are two-income families with children. The household population is younger (median age of 40 years), well educated and well employed. Suburban Splendor homes feature the latest amenities and home design. Residents are more likely to hire home services than undertake do-it-yourself projects. They place importance on family time and travel. They purchase time-saving gadgets and equipment. They are proactive in financial planning, actively investing and owning life insurance policies.
06	Sophisticated Squires	Sophisticated Squires residents enjoy cultured country living in newer home developments with low density and a median value of more than \$214,000. These urban escapees are primarily families with children. They are college-educated, professionally employed and have elected to commute to maintain their semirural lifestyle. From buying golfing equipment to attending golf tournaments, golf is a key part of their lives. Cargo space for golf and do-it-yourself projects determines their preference for SUVs and minivans. With the right tools, they are not afraid to tackle home and garden improvement projects.
07	Exurbanites	Open areas with affluence define Exurbanites neighborhoods and the resident households. Median home value is currently approximately \$235,000, with a median household income of more than \$80,000. Homeowners are older, primarily empty nesters, and professionally employed; many residents work from home. Their financial health is a priority as they near retirement; they consult financial planners and track their investments online. For leisure, they enjoy dining in fine restaurants, reading, and participating in physical activities including golf, boating, and hiking.
12	Up and Coming Families	Up and Coming Families represents the second highest growth market – and the youngest of the affluent family markets. These days, residents are more Generation Xers than baby boomers. Despite the cohort turnover, the profile for the Up and Coming Families neighborhoods remains young affluent families with young children. Their homes are new, with a median

		value of \$169,000. Because family and home priorities dictate the consumer purchases of Up and Coming Families residents, they frequently shop for baby and children's products and home and garden improvement equipment. When they can squeeze leisure time into their busy lives, they visit the zoo, attend ball games, and take adult classes.
13	In Style	In Style residents live in the affluent neighborhoods of metropolitan areas. More suburban than urban, these households nevertheless embrace an urban lifestyle, favoring townhomes over traditional single-family houses. Professional couples are predominant in these neighborhoods. Labor force participation is high and most households have fewer children than the U.S. average. Their median age is approximately 38 years. Technologically savvy, In Style residents own cell phones, PDAs, and fully equipped PCs. Home remodeling and yard work are contracted out. Physical fitness is integral to their lives; they subscribe to Weight Watchers for diet control, work out in regular exercise programs, and take vitamins.
14	Prosperous Empty Nesters	More than half of these residents are aged 55 years or older. Most households are married couples with no children living at home. Well educated and experienced, Prosperous Empty Nesters residents are enjoying the lifestage transition from child rearing to retirement. A median income of more than \$64,000 supports a lifestyle that focuses on travel, home renovation, and investment for the future. Concerned about their health, these residents play golf, go biking and skiing, and work out frequently. Prosperous Empty Nesters residents are active in their communities; they work on political campaigns, join fraternal organizations, and donate to charities. They are financially active too. They plan their investments and save for retirement through the use of financial services and brokerage firms.
15	Silver and Gold	These are Tapestry's wealthiest seniors; with a median age of 58 years, most residents are retired from professional occupations. Their affluence has allowed them to move to sunnier climates. More than half of them live in the South, mainly in Florida. One-fourth of the homes are located in the West with California and Arizona being popular. Their neighborhoods are exclusive, with a median home value above \$276,000 and a high share of seasonal housing. Silver and Gold residents have the free time and resources to pursue their many interests. Golf is a way of life for many of these active seniors; they play golf; buy golfing equipment, accessories, and clothes; and watch The Golf Channel. Residents are avid readers and take active roles in their communities.

U8. Suburban Periphery II

18	Cozy and Comfortable	Settled, married, and still working, Cozy and Comfortable families are nearing retirement. Many couples are still living in the pre-1970s, single family homes in which they raised their children. These houses carry a current market value of \$151,000 and are located mainly in suburban areas of the Midwest and Northeast. With a median age of 40 years, most of the population in this market is older than the U.S. average. Residents prefer mutual funds and consult financial planners. They are likely to have a second mortgage and hold home equity credit lines to complete their home improvement projects. Television is more important than technology for Cozy and Comfortable residents; many households own four or more TV sets. The Golf Channel and Home and Garden Television are among their favorite channels. They own home computers, but they are content with old equipment and software.
29	Rustbelt Retirees	As the name implies, most of these residents live in the Northeast or Midwest, especially in Pennsylvania and areas around the Great Lakes. Although many residents are still working, labor force participation is below average. More than 40 percent of these households draw retirement income. These neighborhoods are typically found in older, industrial cities. Residents live in owner-occupied, single family houses with a current market value of \$111,000. Unlike many retirees, those in the Rustbelt are not inclined to move. These settled, hard working residents are loyal to their communities and country; they make an effort to vote in elections and participate in volunteer activities and fund-raising. They serve on church boards; some are members of veterans' clubs. Rustbelt Retirees residents watch their pennies and search for bargains at discount stores and warehouse clubs. They drive older, domestic vehicles; prefer renting movies over attending the cinema, and dine out only occasionally.
33	Midlife Junction	Somewhere between the child rearing years and retirement lies Tapestry's Midlife Junction segment. Few households still have children. Most of the labor force is still employed but approaching retirement. Approximately one-third of these residents already draw retirement income. Most still own their homes, but many have eschewed home ownership responsibilities and moved into multiunit apartment buildings. The housing market is a mix of single family homes and low-density apartments, somewhere between urban and rural. Midlife Junction residents have a median age of 40 years and a median household income of \$42,900. They live quiet, settled lives. They spend their money prudently and do not succumb to fads. They are comfortable shopping online or by phone. Dining out on the weekends at full-service restaurants is a favorite activity; they also patronize fast-food establishments. They enjoy gardening, watching television, and reading books and the newspaper.
40	Military Proximity	This segment depends on the military for its livelihood. More than 75 percent of the labor force is in the Armed Forces. Civilian jobs on military bases are also included. With a median age of 23 years, the population is young and mobile. Their average household size of 3.38 is high, and two-thirds of the households are married couples with children. Their median household income is more than \$39,000. Military Proximity's home life primarily revolves around the family. They shop for children's products and clothing at major discount department stores and at the commissary. They entertain their children with videos, games on the home PC, and cable television. Their family portrait is not complete without pets, particularly dogs. To ensure the stability of their families' financial future, these households are more likely to have disability income insurance than the average U.S. household.
43	The Elders	The Elders is Tapestry's oldest market, with a median age of 73 years. Representing the highest concentration of retirees, The Elders residents prefer communities designed for senior living, primarily in warm climates. Half live in Florida and most of the others live in Arizona and California. Income sources are primarily Social Security benefits and retirement income. More than 80 percent of the households draw Social Security benefits-more than three times that of the U.S. figure. The Elders residents watch their diets and take prescription drugs for various health conditions. Golf is a favorite activity of these residents; in addition to playing golf, they buy golf clothes and watch golf matches on The Golf Channel. The Elders residents stay informed by reading the newspaper and watching CNN and Fox News. With the freedom of retirement, many residents enjoy traveling.

53	Home Town	Home Town residents stay close to their home base. Although they may move from one house to another, they rarely cross the county line. Single family homes predominate in these suburban neighborhoods with low population density, found mainly in the Midwest and South. The median home value is \$58,900; more than half of Home Town residents own their homes. The local job market offers employment primarily in the manufacturing, retail trade, and support services industries. Residents enjoy going to movies, museums, and zoos and indoor activities such as reading and playing cards. They like to watch CNN, Fox News, Discovery Channel, and any movie channel. Many own pets. Perhaps hindered by a lack of choice, they tend to shop for apparel at discount stores or small local malls, but they are gaining confidence in purchasing online.
U9. Small Towns		
41	Crossroads	Young, mobile families in mobile homes typify Crossroads neighborhoods. Found most often in small towns throughout the South and West, these growing neighborhoods are home to married-couple and single-parent families with children. More than half of these young families own mobile homes. The median home value is \$56,400. Employment is mainly in the manufacturing, construction, and retail sectors. Priorities for Crossroads residents are their children and cars. They shop for children's goods and groceries at discount stores. Crossroads residents prefer domestic cars and trucks, often buying used vehicles and performing the maintenance themselves. They enjoy watching television; listening to country radio; and reading automotive, boating, and fishing magazines.
49	Senior Sun Seekers	Escaping cold winter climates, many Senior Sun Seekers residents have relocated permanently to warmer regions; others are "snowbirds" who move south for the winter months. Most residents are retired or are anticipating retirement. Their median age is 52 years; more than 60 percent of these residents are 55 years or older. Growth markets, especially in Florida, with available seasonal housing, are the areas most favored by the seniors. Most housing is either single family or mobile homes with a median home value of \$91,500. Senior Sun Seekers residents invest limited funds for home improvements such as interior painting and faucet replacement. Most still prefer to bank at full-service institutions; some will patronize credit unions. TV is very prominent in the daily lives of Senior Sun Seekers residents and they take the time to read all sections of the newspaper.
50	Heartland Communities	Heartland Communities neighborhoods are preferred by more than 6.5 million people. These neighborhoods can be found in small towns throughout the Midwest and South. More than 75 percent of homes are single family dwellings with a median home value of \$70,900. Most homes are older, built before 1960. The median age of the population is 41 years; the median age of the homes is 46 years. The distinctly country lifestyle of these residents is reflected in their interest in country music, hunting, and freshwater fishing. They are avid gardeners. Residents tend to participate in religious and civic activities, with many interested in local politics. When eating out, they prefer family restaurants, such as Applebee's and Cracker Barrel, and fast-food chains such as McDonalds and Pizza Hut.
U10. Rural I		
17	Green Acres	A "little bit country," Green Acres residents enjoy homes in a pastoral setting. This upscale market represents developing fringe areas, with more in the Midwest. Most families are blue-collar baby boomers, many with children aged 6-17 years. Their median household income of \$61,200 and median home value of \$168,000 are high compared to that of the United States. Country living describes the lifestyle of Green Acres residents. They are do-it-yourselfers and are not afraid to tackle home improvement projects such as painting and installing decks, patios, and spas. They are enthusiastic about gardeners and own a separate freezer to hold the bounty. For leisure, they watch Home and Garden Television, NASCAR races, and pro football games on TV. Their favorite outdoor activities include hiking, hunting, and backpacking.
25	Salt of the Earth	A blue-collar, rural or small town lifestyle best describes Salt of the Earth residents. They work hard, primarily in the agriculture, manufacturing, or mining sectors. The labor force is slightly older than the U.S. average with low unemployment. Their median household income of \$47,400 is slightly less than that of the U.S. median. Mostly married couples, Salt of the Earth residents own their homes. Their median age is 40 years. Rooted in their settled, traditional, and hard working environments, they handle small home improvement projects and vehicle maintenance. They are active in civic duties, making an effort to vote in elections and participate in fund-raising events. Veterans' clubs and church are an integral part of these communities. Salt of the Earth residents are regular and thorough newspaper readers; watching television is less important to them. They listen to country music radio programs. When they take vacation, they drive to domestic destinations.
26	Midland Crowd	Tapestry's largest market, Midland Crowd, represents 11 million people, nearly 4 percent of the total U.S. population, in one market. As expected, this market reflects some characteristics of the U.S. population, with a median age of 36 years and an average family size of 3.1 people. The median household income of \$47,000 is just below the U.S. median of \$48,100. These differences distinguish the Midland Crowd residents. These neighborhoods are located in mainly rural areas, which since 2000, have been growing at an annual rate of more than 2.5 percent. Approximately 40 percent of the homes were built after 1990; more than 95 percent of their homes are single family houses or mobile homes. These do-it-yourselfers take pride in their homes and vehicles. Their vehicle of choice is a used truck such as a Ford or Chevrolet. For leisure, they go fishing and hunting, listen to country music, and watch television. They are politically conservative, devoted pet lovers, and interested in domestic travel.
31	Rural Resort Dwellers	Rural Resort Dwellers residents follow the scenic route. Favoring milder climates and pastoral settings, they live in rural nonfarm areas throughout the United States. These small, growing communities consist of single family or mobile homes with a significant inventory of seasonal housing. With a median age of 46 years, the population is older than the U.S. median; most residents are married with no children living at home. Although retirement officially looms for many, most are still working. Many in Rural Resort Dwellers neighborhoods are self-employed with a median household income of \$43,000. Simple living and consumer tastes describe the Rural Resort Dwellers residents. They own equipment so they can work on home and garden improvement projects. Domestic four-wheel drive trucks are popular. Their lifestyle includes baking and preparing home-cooked meals as well as participation in local civic issues. They read magazines that focus on fishing, hunting, and home improvement. They go hunting, listen to country music, and zoom around in power boats.

U11. Rural II

37	Prairie Living	Small farm owners in the Midwest dominate this stable market. Family-owned farms naturally favor married couples with and without children. With a median age of 40 years, the population is somewhat older than the U.S. median. Single family, pre-1940s homes are characteristic of the farms, although mobile homes and seasonal housing are also common. The median home value is \$92,000. Prairie Living purchases reflect the residents' rural lifestyle. They own separate freezers, coal and wood stoves, and pressure cookers. To fill those freezers, residents hunt, fish, and plant vegetable gardens in addition to their farm crops. They service their own vehicles and are not afraid to tackle home improvement projects such as kitchen remodeling. Because cable television services are not available in these rural areas, many residents own satellite dishes.
42	Southern Satellites	Southern Satellites neighborhoods are rural settlements, primarily in the South, that are dominated by employment in a single manufacturing and/or construction industry. Families in this market own newer single family or mobile homes, with a median value of approximately \$79,000. With a median age of 37 years, these residents are slightly older than the national median. Southern Satellites residents enjoy country living. They listen to country music and participate in fishing and hunting activities. Their rural setting makes satellite dishes popular and often necessary. They invest time in vegetable gardening over home improvement. They are likely to own riding mowers, garden tractors, and tillers. Vehicles are important to these residents; they frequently own two or more vehicles to meet their transportation requirements.
46	Rooted Rural	This predominantly family market is found in rural areas. Their median age of 41 years is higher than the U.S. figure. Approximately one-third of the households already draw Social Security benefits. Housing in these neighborhoods is predominantly single family homes, with a strong presence of mobile homes and some seasonal housing. The median home value is \$82,800. Stable and settled, Rooted Rural residents tend not to move often. Rooted Rural families seldom eat out; they prefer to prepare meals at home with fresh vegetables grown in their gardens. Residents shop for groceries at Wal-Mart Supercenters or the Winn-Dixie, IGA, or Safeway but will pick up essentials at convenience stores. Many have adopted catalog shopping for apparel and other items.
56	Rural Bypasses	Small towns and country back-roads, primarily in the South, are home to these families. Most own their homes, either single family homes-which make up two-thirds of the housing stock-or mobile homes. Median home value is \$55,500, and vacancies are higher than average. Manufacturing and service industries dominate the local economy. Rural Bypasses residents save money by dining at home and maintaining their homes and gardens themselves. Residents subscribe to limited cable television service to watch sports programs, particularly NASCAR racing, football games, and fishing shows. They prefer listening to country music and reading fishing, hunting, and auto magazines. They tend to shop at discount stores but occasionally purchase apparel at JCPenney or Sears.
66	Unclassified	Unclassified neighborhoods include unpopulated areas such as parks, golf courses, undeveloped land, and institutional group quarters such as prisons, juvenile detention homes, and mental hospitals, as well as areas that have insufficient classification data.

Source: ESRI Business Information Solutions.

ENDNOTES

- ¹ Information for this report has been obtained from sources generally deemed to be reliable. E. D. Hovee & Company, LLC does not guarantee the accuracy of information obtained from third party sources. Information is subject to change without notice.

The opinions and conclusions expressed in this report are those of the author. They should not be construed as representing the opinion of any other party without express approval of the party, whether in whole or part.
- ² Data for the McKenna zip code of 98558 is included in the 98580 zip code of Roy. In ESRI data, a zip code for PO Boxes will often be included in an adjacent zip code called an enclosing zip code.
- ³ Demographic data sources utilized for this analysis have included the U.S. Census Bureau, State of Washington Office of Financial Management, Thurston and Pierce County planning agencies, City of Yelm and a national private data firm (ESRI Business Information Solutions). Other data sources are as noted in the report and statistical appendices.
- ⁴ According to ESRI, the vehicle of choice for the *Midland Crowd* profile is often a used truck such as a Ford or Chevrolet.
- ⁵ ESRI indicates that, for leisure, *Green Acres* households across the U.S. often watch Home and Garden Television, NASCAR races, and pro football games on TV.
- ⁶ According to ESRI, *Main Street* households have a high propensity to invest in tools bought at Home Depot or Lowe's to complete small home improvement and remodeling projects.
- ⁷ As of late summer 2005, the City of Yelm currently has 16 plats in process, representing an estimated 845 units. Together with units not yet constructed, approximately 1,200 new residential units can be expected over approximately the next three years. Given current UGA capacity, up to 6,200 units can be accommodated at build-out over an unspecified number of years. Within the City but outside the UGA, Thurston Highlands is expected to accommodate up to 5,000 units. Additional development may be anticipated from an as-yet unspecified amount of infill lots.
- ⁸ Since 2000, the North American Industry Classification System (NAICS) has replaced the former Standard Industrial Classification (SIC) system of the U.S. Department of Commerce.
- ⁹ Unlike retail, ESRI does not provide data for service business sales and leakage. The primary data sources available are the 2002 U.S. Economic Census for which Yelm specific data is spotty (with considerable data not disclosed) and the State of Washington Department of Revenue (with data reported at the City and not zip code level and on a taxable basis only). For this analysis, the DOR source is utilized. As considerable portions of service activity are tax exempt, taxable data is *grossed up* to estimate total business volume using the relationship between gross and taxable sales for the entire state (as reported by DOR).
- ¹⁰ Productivity of service sector space is generally lower in terms of sales per square foot than for pur retail use. Overall service sales are estimated at just over \$140 per square foot.
- ¹¹ Assessment information is based on tax assessed valuation and does not necessarily correspond with actual market values. This is particularly the case in rapidly growing communities and emerging commercial markets such as Yelm.
- ¹² Market factors applied for commercial development for growth management purposes vary between jurisdictions. A figure that is commonly used and accepted throughout western Washington is in the range of 25%.
- ¹³ As noted in Appendix C, this analysis does provide sales projections but not specific square footage estimates for auto dealers and service stations. These uses often require relatively large land areas relative to the amount of building square footage needed.