

III. Market Analysis

NOMAR INTERNATIONAL PUBLIC MARKET

MARKET ANALYSIS

Introduction

In this section, ERA estimates potential consumer demand for new retail development in the Nomar District. ERA collected demographic data for the relevant market areas, and also analyzed the tourism and visitor trends to Wichita. ERA also analyzed taxable retail sales trends and per capita spending patterns. Based on these factors, ERA calculated total demand generated by each of the major source markets, and calculated the amount of new supportable retail development currently and over the next five year period.

It is important to note that the demand estimate includes the entire Nomar District area, and is not exclusive to the Nomar International Market. The Nomar International Market may have the potential to capture a significant share of the future retail demand, depending on the site and location, vendor demand, design, access, and other factors.

Finally, ERA also summarizes the results of interviews with prospective vendors and presents a recommended tenanting strategy for the proposed Nomar International Market.

Market Demographics

The Nomar District has historically attracted a diverse mix of residents and businesses. In recent years, it has de-

veloped into a center for the Hispanic community, serving first-generation immigrants as well as more well-established Hispanic residents throughout the Wichita metropolitan area. The businesses in the core of the Nomar District largely reflect this, with a proliferation of stores selling apparel, music, food, groceries, and services targeting the Hispanic market. In addition, an increasing amount of Asian businesses have begun to locate in the area, including restaurants and grocery stores.

Because of the importance and the fast growth of the Asian and Hispanic market segments in the Nomar District, as well as the international concept for the market, ERA has considered them as the primary source markets for new retail development in the area.

One of the objectives of the Nomar District plan is to attract Wichita residents to the area. The surveys conducted by the Greteman Group indicated interest on the part of city residents to visit the district for food or shopping, if the right retail experience were provided. Therefore, ERA also evaluated market demand from all non-Hispanic and non-Asian residents within a 15-mile radius of the Nomar District.

With the idea that the Nomar District

may eventually develop into a visitor attraction, ERA also considered demand generated by visitors to the Wichita region, including business/convention visitors and leisure travelers.

Hispanic Market

ERA analyzed demand from the Hispanic market, which includes all residents of Hispanic origin in the metropolitan area. Retailers in the Nomar District already report that their Hispanic customers come from within the district, as well as Wichita's suburban and rural communities, and even Oklahoma. The ethnic goods and specialty items offered in the District are likely to continue drawing a significant number of members from the regional Hispanic community.



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Within the Wichita MSA, there are currently approximately 56,000 Hispanics. By 2013, at an annual average growth rate of 3.4 percent, the Hispanic population in this secondary market area is forecast to increase to over 71,000.

Asian Market

As mentioned above, ERA also estimated the demand generated from the Asian community, which is becoming increasingly visible in the District. In the Wichita MSA, there are nearly 21,000 Asian residents. It is estimated that by 2013, the Asian population in the region will grow to over 24,000, at an annual average growth rate of 2.3 percent.

Secondary Market

The secondary market includes all residents within a 15-mile radius of the Nomar District, excluding the Hispanic and Asian populations. Currently, the secondary market population is estimated at 327,000. By 2013, the secondary market population is projected to increase to almost 340,000.

Visitor Market

According to the Tourism Economic Impact Study conducted by the Center for Economic Development and Business Research at Wichita State University, Wichita received 3.4 million visitors in 2003. ERA reviewed historical airport

arrival patterns to forecast tourism growth to Wichita, and estimated that by 2013, the total visitation to the area would approach 3.8 million.

Historical Taxable Sales

The Wichita MSA has experienced moderate growth in retail sales over the past four years, growing at an average annual rate of 3.2 percent from 2002 to 2006. As shown in Table III-1, taxable sales for all store categories increased during this period, but the sectors with the most rapid growth included building materials/garden supplies, furniture and home furnishings, and health/personal

care. Nonstore retail sales grew dramatically at an annual average rate of 18.8 percent during this period. Total taxable retail sales for 2006 was approximately \$4.9 billion.

Table III-2 shows the percentage of retail sales by category over the 2002-2006 period. Auto sales and general merchandise sales dominated, followed by food services and drinking places.

Per capita taxable retail sales by type of business is presented in Table III-3. As shown, per capita sales have grown from \$7,427 in 2002 to \$8,267 in 2006.

Retail Category	2002	2003	2004	2005	2006	CAGR 02 to 06
Motor Vehicle and Parts Dealers	\$1,112,057	\$1,080,717	\$1,117,795	\$1,121,544	\$1,161,070	1.1%
Furniture and Home Furnishings Stores	142,895	137,558	155,452	163,564	181,267	6.1%
Electronics and Appliance Stores	185,214	183,767	192,611	195,592	204,418	2.5%
Building Material and Garden Supply Stores	401,141	399,513	439,261	488,612	551,917	8.3%
Food and Beverage Stores	562,089	551,505	546,527	544,185	562,449	0.0%
Health and Personal Care Stores ¹	74,330	73,135	81,943	86,159	91,995	5.5%
Gasoline Stations	169,928	166,567	163,527	167,597	179,307	1.4%
Clothing and Clothing Accessories Stores	217,893	210,097	224,895	241,205	255,256	4.0%
Sporting Goods, Hobby, Book, & Music Stores	139,893	136,034	139,719	145,182	154,677	2.5%
General Merchandise Stores	1,063,394	1,063,634	1,123,754	1,183,784	1,253,226	4.2%
Miscellaneous Store Retailers	174,978	165,643	173,148	178,063	188,483	1.9%
Nonstore Retailers	43,941	42,420	46,410	44,258	87,637	18.8%
Food Services and Drinking Places	579,678	520,989	617,070	641,060	688,961	4.4%
Total Retail Sales	\$4,285,589	\$4,208,461	\$4,402,655	\$4,557,235	\$4,869,022	3.2%
¹ Adjusted from taxable sales by 3% to reflect non taxable drug sales						
Source: Kansas Department of Revenue						

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Table III-2
Distribution of Retail Sales in Wichita MSA, 2002 to 2006

	2002	2003	2004	2005	2006
Motor Vehicle and Parts Dealers	25.9%	25.7%	25.4%	24.6%	23.8%
Furniture and Home Furnishings Stores	3.3%	3.3%	3.5%	3.6%	3.7%
Electronics and Appliance Stores	4.3%	4.4%	4.4%	4.3%	4.2%
Building Material and Garden Supply Stores	9.4%	9.5%	10.0%	10.7%	11.3%
Food and Beverage Stores	13.1%	13.1%	12.4%	11.9%	11.6%
Health and Personal Care Stores ¹	1.7%	1.7%	1.9%	1.9%	1.9%
Gasoline Stations	4.0%	4.0%	3.7%	3.7%	3.7%
Clothing and Clothing Accessories Stores	5.1%	5.0%	5.1%	5.3%	5.2%
Sporting Goods, Hobby, Book, & Music Stores	3.3%	3.2%	3.2%	3.2%	3.2%
General Merchandise Stores	24.8%	25.3%	25.5%	26.0%	25.7%
Miscellaneous Store Retailers	4.1%	3.9%	3.9%	3.9%	3.9%
Nonstore Retailers	1.0%	1.0%	1.1%	1.0%	1.8%
Food Services and Drinking Places	13.5%	12.4%	14.0%	14.1%	14.1%
Total Retail Sales	100.0%	100.0%	100.0%	100.0%	100.0%
¹ Adjusted from taxable sales by 3% to reflect non taxable drug sales					
Source: Kansas Department of Revenue					

Table III-3
Per Capita Retail Spending, Wichita MSA

	2002	2003	2004	2005	2006
Motor Vehicle and Parts Dealers	\$1,927	\$1,863	\$1,917	\$1,914	\$1,971
Furniture and Home Furnishings Stores	\$248	\$237	\$267	\$279	\$308
Electronics and Appliance Stores	\$321	\$317	\$330	\$334	\$347
Building Material and Garden Supply Stores	\$695	\$689	\$753	\$834	\$937
Food and Beverage Stores	\$974	\$951	\$937	\$929	\$955
Health and Personal Care Stores ¹	\$129	\$126	\$141	\$147	\$156
Gasoline Stations	\$295	\$287	\$280	\$286	\$304
Clothing and Clothing Accessories Stores	\$378	\$362	\$386	\$412	\$433
Sporting Goods, Hobby, Book, & Music Stores	\$242	\$235	\$240	\$248	\$263
General Merchandise Stores	\$1,843	\$1,834	\$1,928	\$2,020	\$2,128
Miscellaneous Store Retailers	\$303	\$286	\$297	\$304	\$320
Nonstore Retailers	\$76	\$73	\$80	\$76	\$149
Food Services and Drinking Places	\$1,005	\$898	\$1,058	\$1,094	\$1,170
Total Retail Sales	\$7,427	\$7,256	\$7,552	\$7,777	\$8,267
¹ Adjusted from taxable sales by 3% to reflect non taxable drug sales					
Source: Kansas Department of Revenue, Center for Economic Development and Business Research, ERA					

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Retail Demand Forecast

ERA estimated current retail spending and forecast future retail spending for all of the market segments: the Hispanic market, the Asian market, the secondary market, and the tourist market. Current demand estimates were based on 2006 population estimates and per-capita spending. Forecasts of incremental demand from 2006 to 2013 were based on population estimates and per-capita spending rates by retail sector, adjusting for income growth.

ERA then calculated total current supportable space in the Nomar District based on projected retail sales capture for current and future demand, and the estimated sales volume per square foot per year by retail sector.

Hispanic Market

With total per capita retail spending estimated at about \$6,500 and a market of about 56,000 people, ERA estimates that Wichita area Hispanics have total retail spending potential of approximately \$368 million in 2006. This translates to supportable retail space of 1.2 million square feet. Applying capture rates to each category, with the ethnic character of the Nomar District, ERA estimates that the district could capture about 5.8 percent of the retail purchases of the area's Hispanic population (see Table

III-4).

As the Nomar District matures and the Hispanic population grows in the region, the district will be poised capture a greater percentage of the incremental retail demand generated by the Hispanic market. From 2007 to 2013, the District could capture more than 10 percent of the incremental demand for retail space from the Hispanic market (see Table III-5).

Asian Market

The estimated per-capita spending from the Asian market is about \$6,700, with a total population of almost 21,000. Therefore, Wichita's Asian population has a current spending potential of \$138 million, translation to almost 440,000 square feet of retail space. ERA estimates that the district can capture about 5.7 percent of the current demand (Table III-6).

The growth in the Asian population from 2007 to 2013 will spur incremental retail demand of \$15 million, equivalent to 86,000 square feet of retail. ERA estimates that the Nomar District could capture nearly 11 percent of this new retail demand from the Asian market segment (Table III-7)

Secondary Market

The secondary market population is about 327,000. Based on an assumption of per-capita spending of \$7,000, the spending power of the secondary market is almost \$2.4 billion, supporting more than seven million square feet of retail. The Nomar District could conservatively capture 0.6 percent of the existing demand generated by the secondary market (Table III-8).

The secondary market will grow by 13,000 from 2007 to 2013, generating incremental demand of \$95 million to support an additional 426,000 square feet of retail development. ERA estimates that the Nomar District can capture slightly less than two percent of this incremental demand (Table III-9).



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Table III-4
Retail Demand Estimate: Hispanic Market
(In constant dollars)

	Per-Capita Spending 2006	Total Spending 2006	Average Sales/ SF	Supportable Space (SF)	Capture Rate	Supportable Retail (SF) 2006
Hispanic Market Population ¹		56,331				
Furniture and Home Furnishings	\$286	\$16,122,500	\$300	53,742	5.0%	2,687
Electronics and Appliance	\$323	\$18,181,700	\$350	51,948	3.0%	1,558
Building Material and Garden Supply	\$871	\$49,089,500	\$350	140,256	3.0%	4,208
Food and Beverage Stores	\$888	\$50,026,200	\$400	125,066	10.0%	12,507
Health and Personal Care	\$145	\$8,182,400	\$500	16,365	7.0%	1,146
Clothing and Clothing Accessories Stores	\$403	\$22,703,400	\$175	129,734	7.0%	9,081
Sporting Goods, Hobby, Book, & Music Stores	\$244	\$13,757,500	\$250	55,030	8.0%	4,402
General Merchandise Stores	\$1,979	\$111,466,400	\$300	371,555	2.5%	9,289
Miscellaneous Store Retailers	\$298	\$16,764,300	\$250	67,057	6.0%	4,023
Food Services and Drinking Places	\$1,088	\$61,278,700	\$400	153,197	12.0%	18,384
Retail Total²	\$6,525	\$367,572,700		1,163,948	5.8%	67,285

¹ Includes total Hispanic population in Wichita MSA
² Excludes auto dealers, gas stations and non-store sales.

Source: Kansas Department of Revenue; Center for Economic Development and Business Research; and ERA.

Table III-5
Retail Demand Forecast: Hispanic Market
(In constant dollars)

	Per-Capita Spending 2006	Total Spending		Incremental Spending 2006-13	Average Sales/ SF	Supportable Space (SF)	Capture Rate	Supportable Retail (SF) 2006-13
Hispanic Market Population ¹	3.4% annually	56,331	71,374					
Income Growth Adjustment	0.25% annually	1,000	1,018					
Furniture and Home Furnishings	\$286	\$16,122,500	\$20,788,200	\$4,665,700	\$300	15,552	10.0%	1,555
Electronics and Appliance	\$323	\$18,181,700	\$23,443,200	\$5,261,500	\$350	15,033	3.0%	451
Building Material and Garden Supply	\$871	\$49,089,500	\$63,295,300	\$14,205,800	\$350	40,588	7.0%	2,841
Food and Beverage Stores	\$888	\$50,026,200	\$64,503,200	\$14,477,000	\$400	36,193	20.0%	7,239
Health and Personal Care	\$145	\$8,182,400	\$10,550,300	\$2,367,900	\$500	4,736	12.0%	568
Clothing and Clothing Accessories Stores	\$403	\$22,703,400	\$29,273,400	\$6,570,000	\$175	37,543	10.0%	3,754
Sporting Goods, Hobby, Book, & Music Stores	\$244	\$13,757,500	\$17,738,800	\$3,981,300	\$250	15,925	10.0%	1,593
General Merchandise Stores	\$1,979	\$111,466,400	\$143,723,400	\$32,257,000	\$300	107,523	5.0%	5,376
Miscellaneous Store Retailers	\$298	\$16,764,300	\$21,615,700	\$4,851,400	\$250	19,406	15.0%	2,911
Food Services and Drinking Places	\$1,088	\$61,278,700	\$79,011,900	\$17,733,200	\$400	44,333	20.0%	8,867
Retail Total²	\$6,525	\$367,572,700	\$473,943,400	\$58,519,700		336,831	10.4%	35,155

¹ Includes total Hispanic population in Wichita MSA
² Excludes auto dealers, gas stations and non-store sales.

Source: Kansas Department of Revenue; Center for Economic Development and Business Research; and ERA.

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	Per-Capita Spending 2006	Total Spending 2006	Average Sales/ SF	Supportable Space (SF)	Capture Rate	Supportable Retail (SF) 2006
Asian Market Population ¹		20,752				
Furniture and Home Furnishings	\$292	\$6,067,200	\$300	20,224	5.0%	1,011
Electronics and Appliance	\$330	\$6,842,100	\$350	19,549	3.0%	586
Building Material and Garden Supply	\$890	\$18,473,200	\$350	52,781	3.0%	1,583
Food and Beverage Stores	\$907	\$18,825,700	\$400	47,064	10.0%	4,706
Health and Personal Care	\$148	\$3,079,200	\$500	6,158	7.0%	431
Clothing and Clothing Accessories Stores	\$412	\$8,543,700	\$175	48,821	7.0%	3,417
Sporting Goods, Hobby, Book, & Music Stores	\$249	\$5,177,200	\$250	20,709	8.0%	1,657
General Merchandise Stores	\$2,021	\$41,946,700	\$300	139,822	2.5%	3,496
Miscellaneous Store Retailers	\$304	\$6,308,700	\$250	25,235	5.0%	1,262
Food Services and Drinking Places	\$1,111	\$23,060,200	\$400	57,651	12.0%	6,918
Retail Total ²	\$6,666	\$138,323,800		438,014	5.7%	25,068

¹ Includes total Asian population in Wichita MSA
² Excludes auto dealers, gas stations and non-store sales.

Source: Kansas Department of Revenue; Center for Economic Development and Business Research; and ERA.

	Per-Capita Spending 2006	Total Spending 2006	2013	Incremental Spending 2006-13	Average Sales/ SF	Supportable Space (SF)	Capture Rate	Supportable Retail (SF) 2006-13
Asian Market Population ¹	2.3% annually	20,752	24,387					
Income Growth Adjustment	0.3% annually	1,000	1,018					
Furniture and Home Furnishings	\$292	\$6,067,200	\$7,255,600	\$1,188,400	\$300	3,961	15.0%	594
Electronics and Appliance	\$330	\$6,842,100	\$8,182,300	\$1,340,200	\$350	3,829	7.0%	268
Building Material and Garden Supply	\$890	\$18,473,200	\$22,091,700	\$3,618,500	\$350	10,339	10.0%	1,034
Food and Beverage Stores	\$907	\$18,825,700	\$22,513,300	\$3,687,600	\$400	9,219	15.0%	1,383
Health and Personal Care	\$148	\$3,079,200	\$3,682,300	\$603,100	\$500	1,206	12.0%	145
Clothing and Clothing Accessories Stores	\$412	\$8,543,700	\$10,217,200	\$1,673,500	\$175	9,563	8.0%	765
Sporting Goods, Hobby, Book, & Music Stores	\$249	\$5,177,200	\$6,191,300	\$1,014,100	\$250	4,056	12.0%	487
General Merchandise Stores	\$2,021	\$41,946,700	\$50,163,100	\$8,216,400	\$300	27,388	7.0%	1,917
Miscellaneous Store Retailers	\$304	\$6,308,700	\$7,544,400	\$1,235,700	\$250	4,943	10.0%	494
Food Services and Drinking Places	\$1,111	\$23,060,200	\$27,577,200	\$4,517,000	\$400	11,293	20.0%	2,259
Retail Total ²	\$6,666	\$138,323,800	\$165,418,400	\$15,270,000		85,797	10.9%	9,345

¹ Includes total Asian population in Wichita MSA
² Excludes auto dealers, gas stations and non-store sales.

Source: Kansas Department of Revenue; Center for Economic Development and Business Research; and ERA.

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	Per-Capita Spending 2006	Total Spending 2006	Average Sales/ SF	Supportable Space (SF)	Capture Rate	Supportable Retail (SF) 2006
Secondary Market Population ¹		326,820				
Furniture and Home Furnishings	\$308	\$100,580,100	\$300	335,267	1.0%	3,353
Electronics and Appliance	\$347	\$113,426,300	\$350	324,075	0.0%	0
Building Material and Garden Supply	\$937	\$306,244,000	\$350	874,983	0.0%	0
Food and Beverage Stores	\$955	\$312,087,900	\$400	780,220	1.0%	7,802
Health and Personal Care	\$156	\$51,045,800	\$500	102,092	0.0%	0
Clothing and Clothing Accessories Stores	\$433	\$141,634,700	\$175	809,341	1.0%	8,093
Sporting Goods, Hobby, Book, & Music Stores	\$263	\$85,826,200	\$250	343,305	2.0%	6,866
General Merchandise Stores	\$2,128	\$695,381,900	\$300	2,317,940	0.0%	0
Miscellaneous Store Retailers	\$320	\$104,584,100	\$250	418,336	0.0%	0
Food Services and Drinking Places	\$1,170	\$382,286,100	\$400	955,715	2.0%	19,114
Retail Total²	\$7,016	\$2,293,097,200		7,261,274	0.6%	45,229

¹ Includes population within a 15-mile radius of Market Street and West 21st Street, excluding Asian and Hispanic populations.
² Excludes auto dealers, gas stations and non-store sales.

Source: Kansas Department of Revenue; ESRI Business Analyst; and ERA.

	Per-Capita Spending 2006	Total Spending 2006	2013	Incremental Spending 2006-13	Average Sales/ SF	Supportable Space (SF)	Capture Rate	Supportable Retail (SF) 2006-13
Secondary Market Population ¹	0.6% annually	326,820	339,978					
Income Growth Adjustment	0.4% annually	1,000	1,018					
Furniture and Home Furnishings	\$308	\$100,580,100	\$106,474,000	\$5,893,900	\$300	19,646	3.0%	589
Electronics and Appliance	\$347	\$113,426,300	\$120,073,000	\$6,646,700	\$350	18,991	0.0%	0
Building Material and Garden Supply	\$937	\$306,244,000	\$324,189,800	\$17,945,800	\$350	51,274	0.0%	0
Food and Beverage Stores	\$955	\$312,087,900	\$330,376,100	\$18,288,200	\$400	45,721	4.0%	1,829
Health and Personal Care	\$156	\$51,045,800	\$54,037,100	\$2,991,300	\$500	5,983	0.0%	0
Clothing and Clothing Accessories Stores	\$433	\$141,634,700	\$149,934,400	\$8,299,700	\$175	47,427	3.0%	1,423
Sporting Goods, Hobby, Book, & Music Stores	\$263	\$85,826,200	\$90,855,600	\$5,029,400	\$250	20,118	4.0%	805
General Merchandise Stores	\$2,128	\$695,381,900	\$736,131,000	\$40,749,100	\$300	135,830	0.0%	0
Miscellaneous Store Retailers	\$320	\$104,584,100	\$110,712,700	\$6,128,600	\$250	24,514	0.0%	0
Food Services and Drinking Places	\$1,170	\$382,286,100	\$404,687,900	\$22,401,800	\$400	56,005	5.0%	2,800
Retail Total²	\$7,016	\$2,293,097,200	\$2,427,471,600	\$95,197,800		425,507	1.7%	7,446

¹ Includes population within a 15-mile radius of Market Street and West 21st Street, excluding Asian and Hispanic populations.
² Excludes auto dealers, gas stations and non-store sales.

Source: Kansas Department of Revenue; ESRI Business Analyst; and ERA.

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Tourist Market

The total number of visitors to Wichita in 2003 was approximately 3.4 million. According to the Center for Economic Development and Business Research at Wichita State University, per capita tourist expenditures in 2003 were approximately \$95. In terms of retail spending, 26 percent of visitor expenditures are on food and beverage (including food stores and restaurants), and 26 percent on shopping (including clothing, specialty items, and miscellaneous retail). ERA estimates tourist spending in 2006 to be over \$185 million, supporting 640,000 square feet of retail. The estimated capture rate of retail spending at Nomar District is about three percent (Table III-10).

Based on historical patterns, ERA projects that in 2013, Wichita will attract approximately 3.8 million visitors, amounting in \$24 million in incremental visitor expenditures from 2007. ERA estimates that the Nomar District could capture about five percent of additional tourist spending during this period (see Table III-11).

Supportable Retail Development

According to our analysis, the current demand for retail space at Nomar Dis-

trict generated by the market segments analyzed above totals 158,000 square feet. From 2007 to 2013, ERA estimates that the Nomar District could support an additional 56,000 square feet of retail from demand growth in these segments (see Table III-12) for a total of 214,000 square feet.

The majority of the current and future retail demand is for the following store categories:

- Food services and drinking places (32 percent of total retail space)
- Food and beverage stores (17 percent of total retail space)
- Clothing and accessories (14 percent)

A substantial amount of the retail space, about 42 percent, would be geared towards the Hispanic market in the Wichita metropolitan area. Asian residents account for 16 percent of the demand. The secondary market will compose about 29 percent of the retail demand. Finally the visitor market is the smallest source of demand, accounting for 13 percent of the space (Table III-13).

The market demand for retail in the Nomar District would support the development of over 200,000 square feet in the next five years. The amount of this



demand that is captured within the International Market facility depends on a variety of factors including: the site characteristics such as size, location, and access; vendor demand for stall space; the amount of parking that can be accommodated; the surrounding land uses and densities; and other factors.

It is ERA's opinion that in order to have a catalyzing effect, the new retail additions in the Nomar District should be sized at a scale large enough to have a significant impact on the community and draw from the larger resident and visitor markets. It is unclear whether the Nomar International Market alone will be large enough to revitalize the area. There may be a need to incentivize other types of private retail development near and around the market in order to have enough of a "critical mass."

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Table III-10						
Retail Demand Estimate: Visitor Market						
(In constant dollars)						
	Per-Capita Spending 2006	Total Spending 2006	Average Sales/ SF	Supportable Space (SF)	Capture Rate	Supportable Retail (SF)
Visitor Market to Wichita MSA ¹		3,440,963				
Food and Beverage Stores	\$5	\$18,855,700	\$400	47,139	2.0%	943
Home Furnishings	\$5	\$18,250,200	\$300	60,834	3.0%	1,825
Clothing and Clothing Accessories Stores	\$8	\$27,375,300	\$175	156,430	2.0%	3,129
Sporting Goods, Hobby, Book, & Music Stores	\$8	\$27,375,300	\$250	109,501	3.0%	3,285
Miscellaneous Store Retailers	\$5	\$18,250,200	\$250	73,001	3.0%	2,190
Food Services and Drinking Places	\$22	\$75,422,700	\$400	188,557	5.0%	9,428
Retail Total²	\$54	\$185,529,400		635,462	3.3%	20,799

¹ ERA forecast tourism growth based on historical trends in airport arrivals at Mid-Continent Airport.

² Tourism arrivals and spending estimates are based on the Economic Impact of Tourism Study by the Center for Economic Development and Business Research, Wichita State University.

Source: Center for Economic Development and Business Research, WSU; ERA.

Table III-11								
Retail Demand Forecast: Visitor Market								
(In constant dollars)								
	Per-Capita Spending 2006	Total Spending 2006	Total Spending 2013	Incremental Spending 2006-13	Average Sales/ SF	Supportable Space (SF)	Capture Rate	Supportable Retail (SF) 2006-13
Visitor Market to Wichita MSA ¹	1.50% annually	3,440,963	3,818,936					
Income Growth Adjustment	0.25% annually	1.000	1.018					
Food and Beverage Stores	\$5	\$18,855,700	\$21,295,800	\$2,440,100	\$400	6,100	3.0%	183
Home Furnishings	\$5	\$18,250,200	\$20,612,000	\$2,361,800	\$300	7,873	5.0%	394
Clothing and Clothing Accessories Stores	\$8	\$27,375,300	\$30,918,000	\$3,542,700	\$175	20,244	3.0%	607
Sporting Goods, Hobby, Book, & Music Stores	\$8	\$27,375,300	\$30,918,000	\$3,542,700	\$250	14,171	5.0%	709
Miscellaneous Store Retailers	\$5	\$18,250,200	\$20,612,000	\$2,361,800	\$250	9,447	5.0%	472
Food Services and Drinking Places	\$22	\$75,422,700	\$85,183,400	\$9,760,700	\$400	24,402	7.0%	1,708
Retail Total²	\$54	\$185,529,400	\$209,539,200	\$24,009,800		82,237	5.0%	4,073

¹ ERA forecast tourism growth based on historical trends in airport arrivals at Mid-Continent Airport.

² Tourism arrivals and spending estimates are based on the Economic Impact of Tourism Study by the Center for Economic Development and Business Research, Wichita State University.

Source: Center for Economic Development and Business Research, WSU; ERA.

NOMAR INTERNATIONAL PUBLIC MARKET MARKET ANALYSIS

Market Segment	Supportable Retail 2006 (SF)	Incremental Demand 2006-2013	Total Supportable SF	Share of Total Demand
Furniture and Home Furnishings	8,876	3,132	12,008	5.6%
Electronics and Appliance	2,145	719	2,864	1.3%
Building Material and Garden Supply	5,791	3,875	9,666	4.5%
Food and Beverage Stores	25,958	10,633	36,591	17.1%
Health and Personal Care	1,577	713	2,290	1.1%
Clothing and Clothing Accessories Stores	23,721	6,549	30,270	14.1%
Sporting Goods, Hobby, Book, & Music Stores	16,210	3,593	19,803	9.2%
General Merchandise Stores	12,784	7,293	20,078	9.4%
Miscellaneous Store Retailers	7,475	3,877	11,353	5.3%
Food Services and Drinking Places	53,844	15,633	69,477	32.4%
Retail Total	158,381	56,019	214,400	100.0%

Source: Economics Research Associates

Market Segment	Current Demand Retail Space (SF)	Incremental Demand Retail Space (SF)	Total Demand 2007-2013	Share of Total Demand
Hispanic Market	67,285	35,155	102,440	42.5%
Asian Market	25,068	9,345	34,414	15.8%
Secondary Market	45,229	7,446	52,675	28.6%
Visitor Market	20,799	4,073	24,872	13.1%
Total Retail Demand	158,381	56,019	214,400	100.0%

Source: Economics Research Associates

NOMAR INTERNATIONAL PUBLIC MARKET

MARKET ANALYSIS

Recommended Tenanting Strategy

Nomar International Market's share of the future retail demand depends on various factors, including:

- Site characteristics
- Design, visibility and access
- Vendor demand and merchandise mix
- Availability of parking on-site

Based on ERA's experience with other similar public markets, we recommend that the Nomar International Market be sized at approximately 25,000 to 30,000 square feet (in gross leasable area) in order to be at a scale large enough to attract some portion of the regional market demand rather than serving simply as a neighborhood/convenience retail center. ERA has found that in many cases, smaller markets have trouble generating sufficient revenues to cover fixed operating costs (such as personnel and utilities) and have limited potential to attract customers from outside the immediate area.

Based on ERA's market research, as well as case studies of comparable market facilities, the tenant mix indicated in Table III-14 is recommended for a

market with 30,000 square feet of leasable space.

Interviews with Stakeholders and Vendors

As part of this study, ERA conducted interviews with retail business owners and property owners in the Nomar District to understand perceptions and ideas related to the Nomar District, as well as the International Market. Key issues that were raised during our stakeholder interviews are summarized in this section.

Existing and Potential Vendors

ERA collected information on individual retail businesses in the Nomar District based on retail tax collections for the West 21st Street Corridor. According to the City, there are approximately 71

retail businesses generating taxable sales in the Corridor, and 13 non-retail businesses such as liquor stores, quick loan businesses, manufacturers, etc. In total, the Corridor generated almost \$1.35 million in sales taxes in 2006. Table III-15 summarizes the inventory of retail businesses on West 21st Street.

Based on this inventory as well as ERA's observations, existing retail businesses in the district are scattered, targeting primarily first-generation Mexicans, with little appeal to non-Hispanics. In addition, many of these businesses have inconsistent hours of operation, discouraging the casual shopper from stopping in. The only existing Hispanic-oriented shopping center is the Plaza Mexico development, a converted bowling alley which features about a dozen businesses.

Tenant Category	Share	Sq Ft	Stall Size	No. Vendors
Restaurants (sit-down, anchor restaurants)	25%	7,500	1,500-3,500	3
Prepared and Specialty Foods (cafes, ethnic foods, bakeries, etc.)	22%	6,600	300-500	17
Produce, Meats, Cheese, Seafood, etc.	18%	5,400	400-700	9
Apparel and Accessories	7%	2,100	400-700	4
Specialty (Arts, Jewelry, Gifts, Flowers)	15%	4,500	400-700	9
Day vendors - farmers market	13%	3,900	100-200	26
Total	100%	30,000		68

Source: Economics Research Associates

NOMAR INTERNATIONAL PUBLIC MARKET MARKET ANALYSIS

Table III-15 Commercial Businesses in West 21st Street Corridor	
Business Name	Land Use Description
21st Carryout Hamburgers	Drive in Restaurant
American Auto Window Tinting	Warehouse, Distrib. or Storage
American Window Tinting	Automobile Service Garage
Angie's Fashion	Neighborhood Shopping Center
Autobuses Los Paisanos	Neighborhood Shopping Center
Barber Stylist	Strip Store
Basham Furniture Rental	Retail Store (Free Standing)
Boba Tea & Coffee	Retail Store (Free Standing)
Bob's Transmission - automotivve	Automobile Service Garage
Break Through Ministries Church	Church - Place of Worship
Car Wash	Car Wash (Self-Service)
Carnitas Rio Grande Authentic Mexican Food	Retail Store (Free Standing)
China Market - retail grocer	Supermarket (Free Standing)
China Market - retail grocer	Supermarket (Free Standing)
China Market Inc.	Warehouse, Distrib. or Storage
City Park	General Recreation Park-Wildlife Rese
Coast to Coast Sales - Scooters, trikes, bikes, cigarettes, gifts	Retail Store (Free Standing)
ColorTime Rent -to -Own	Downtown Row Type
Confidential Tax Service	Retail Store (Free Standing)
Connie's Mexican Café	Restaurant (Free Standing)
Cricket (cellular telephones)	Retail Store (Free Standing)
Cricket Payment Center	Retail Store (Free Standing)
Cy's Television & Appliances	Retail Store (Free Standing)
Davidson Pham Insurance Agency & Income Tax	Strip Store
El Mariachi	Downtown Row Type
El Sinaloa & Club	Downtown Row Type
El Zorape Sports Bar & Grill	Neighborhood Shopping Center
Emprise Bank	Branch Bank-S&L with Drive Thru
Essets	Strip Store
Family Doctors Clinic	Strip Store
Family Dollar Store	Strip Store
Family Haircuts	Downtown Row Type
First Wireless - radio communications equipment	Downtown Row Type
FSC Sign Co, Inc - commercial sign mftrg	Warehouse, Office Combination
Garcias Tacos	Downtown Row Type
Gillette Real Estate	Office Building Low Rise 1 to 4 storie
Grupa La Ultima Milla	Downtown Row Type
Holleicke-Perrin Tires - retail	Automobile Service Garage
I-21 Bingo	Neighborhood Shopping Center
Joelys (baby shower, wedding services/retail)	Strip Store

Table III-15 Commercial Businesses in West 21st Street Corridor	
Business Name	Land Use Description
Kansas Orthopedic Center	Surgical Clinic-Health Center
KC's Services, Taxes, Immigration	Strip Store
KFC	Fast Food Restaurant (Franc or Cl
Kim Chi Jewelry - retail	Retail Store (Free Standing)
KPTS (public television station)	Television Broadcast Studio
La Chavena (music, sombreros, gifts)	Downtown Row Type
La Favorita (general merchandise - retail)	Downtown Row Type
La Moda Galindo's - fashions store	Retail Store (Free Standing)
La Segundita Store	Retail Store (Free Standing)
Latino Boom	Bar-Lounge-Disco-Club-Tavern
Law Offices of Blase & Blase P.A.	Office Building Low Rise 1 to 4 st
Lopez Liquor (retail)	Strip Store
Machine Shop Welding	Downtown Row Type
Melina - Palm Reading / Home Telephone Service	Strip Store
Menudos Norteros Restaurant	Strip Store
Mid-Kansas Tool & Manufacturing Co	Downtown Row Type
Moda Jalisco	Downtown Row Type
Money Express	Strip Store
Mr Sound Car Audio, Video, Sound	Retail Store (Free Standing)
New Beginnings Seventh Day Adventist Church	Church - Place of Worship
Noa Club	Bar-Lounge-Disco-Club-Tavern
NorthCell Communications (importers)	Retail Store (Free Standing)
Nova Care	Surgical Clinic-Health Center
Office Building	Office Building Low Rise 1 to 4 st
Offices of Belinda Blasé	Office Building Low Rise 1 to 4 st
Offices of Champion Industries	Office Building Low Rise 1 to 4 st
OK's Income Tax Service	Neighborhood Shopping Center
old theatre (vacant)	Warehouse, Office Combination
Order Express - money transfer service	Strip Store
O'Reilly Auto Parts	Retail Store (Free Standing)
Patty's Fashion	Strip Store
Patty's Too Clothing Shoes & accessories	Strip Store
Plaza El Mercadito	Downtown Row Type
Powers Liquor North - coming soon	Strip Store
Quick Trip	Convenience Store
Restoration Ministries Church	Retail Store (Free Standing)
Ria Envios De Dinero	Retail Store (Free Standing)
Ricos Tacos - El Torito - restaurant	Downtown Row Type
Rodrigues Fashions	Downtown Row Type
Rosie's Hair Fashion	Retail Store (Free Standing)

NOMAR INTERNATIONAL PUBLIC MARKET MARKET ANALYSIS

Table III-15 Commercial Businesses in West 21st Street Corridor	
Business Name	Land Use Description
Rostzeria Los Reyes Mexican Buffet	Restaurant (Free Standing)
S & S Equipment Co. - Compressors - air & gas	Downtown Row Type
Salyer Pharmacy	Strip Store
Sam's Shoe Repair	Strip Store
Sandy's New & Used Furniture	Downtown Row Type
Sheena B's BBQ	Neighborhood Shopping Center
SOS Optical	Strip Store
Spin City Laundromat	Retail Store (Free Standing)
Super Del Centro	Downtown Row Type
Surgery Center of Kansas	Surgical Clinic-Health Center
Tacos - Mexican Fast Food	Restaurant (Free Standing)
Thai Binh Super Market	Neighborhood Shopping Center
The Upholstery Shop	Retail Store (Free Standing)
Transportes Rangel (travel services)	Downtown Row Type
Valero (gas and convenience store)	Convenience Store
Video Mexico, video tapes, discs & restaurant	Strip Store
Washboard "Too" Laundromat	Strip Store
Waxene Products - Wipers, cleaning products	Warehouse, Office Combination
X-citement Video	Downtown Row Type
Source: City of Wichita, ERA.	

Plaza Mexico primarily targets first-generation Hispanic families, offering formal dresses for special events, Hispanic music, “cowboy” clothing and shoes, and a Mexican restaurant with seating for about 50 people. According to the owner of Plaza Mexico, the development took several years to lease up, and is currently about 85 to 90 percent occupied. During ERA’s visit to the shopping center mid-morning on a weekend, many of the businesses were closed. The design, layout, and lighting of the former bowling alley is not condu-

cive to generating foot-traffic in some parts of the shopping center. Rents average \$1.00 per square foot per month, with the restaurant paying slightly more. The owner plans to expand the shopping center in the future.

In order to better understand the competitive climate for retail in the Nomar District, and to identify vendor interest in locating in the International Market, ERA conducted interviews with existing business and property owners. ERA’s attempts to identify and contact potential

vendors outside of the Nomar District were unsuccessful. The interviews revealed a number of opportunities and challenges for the Nomar International Market, as outlined.



Opportunities

Overall, most business owners were optimistic about the future of the Nomar District. A summary of the strengths discussed in our interviews is as follows:

- The Nomar District is located a short distance from Downtown and Uptown Wichita, which allows it to attract some of those employees during the lunch hour especially.

NOMAR INTERNATIONAL PUBLIC MARKET

MARKET ANALYSIS

Challenges

- The District is well-established as the center of the region's Hispanic population, with destination stores that draw Hispanics from various parts of the city and neighboring communities. In fact, although there may be similar stores in their own neighborhoods, Hispanic residents prefer to shop in the Nomar District. The Hispanic population could be an important customer segment for the Market.
- Existing historic buildings such as the Nomar Theater are a valuable asset and add character to the neighborhood.
- Nomar has several restaurants that are very popular and draw both Hispanics and non-Hispanics to the area.
- Many of the area property owners are waiting for the Market to be developed in order to begin investing in their own properties. If successfully built, the Market could have an important catalyzing effect on nearby parcels and encourage more private investment throughout the District.

For existing business owners, there were a number of concerns about the viability of their own businesses if the market is developed, and fears about the future of the District overall. Some of the established businesses in the Nomar District see the Market as competition and feel threatened by the development. The central issues discussed in our interviews are described below:

- Currently, rents in the Nomar District for retail space are very low at \$5 or less annually. There is concern from many of the businesses that the rents at the Market facility will be too high for them to be able to afford it.
- None of the business owners that we interviewed can be considered "anchors" for the Market facility. Although there is much interest from existing business owners and entrepreneurs in locating in the Market facility, many of these entrepreneurs have limited experience running a business. There are various business training programs that may help to prepare business owners, but they are not directly linked to the Market project.

- Business and property owners are concerned that the newly formed West 21st Street CDC has limited capacity to manage and operate the facility once it is built.
- Business owners reported that crimes and gang activities in the area, combined with disinvestment by some area property owners over the years, has created a perception among many Wichita area residents that the neighborhood is unsafe.
- The frequency of train traffic on the railroad tracks just east of Broadway and 21st Street can limit and/or delay access to the neighborhood, and to the proposed sites for the Market.

