



**Economics Research Associates**

**Retail Market Analysis for SFC Yonkers**

Prepared for

**Struever Fidelco Cappelli LLC**

Submitted by

**Economics Research Associates**

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## **General & Limiting Conditions**

Every reasonable effort has been made to ensure that the data contained in this study reflect the most accurate and timely information possible. These data are believed to be reliable. This study is based on estimates, assumptions and other information developed by Economics Research Associates from its independent research effort, general knowledge of the market and the industry, and consultations with the client and its representatives. No responsibility is assumed for inaccuracies in reporting by the client, its agent and representatives or any other data source used in preparing or presenting this study. No warranty or representation is made by Economics Research Associates that any of the projected values or results contained in this study will actually be achieved.

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This study is qualified in its entirety by, and should be considered in light of, these limitations, conditions and considerations.

## **Executive Summary**

This retail market analysis evaluates market support for the retail program included as part of the Struever Fidelco Cappelli (SFC) Phase I development proposal. The socioeconomic consultant considers current retail expenditure potential and the leakage of retail spending potential from relevant trade areas proximate to the SFC Project. The analysis focuses on the resident market, comprised of those households that will generate the majority of retail sales at the SFC Project, and considers demand for convenience retail and comparison retail, including restaurants and drinking establishments.

The retail market analysis compares household expenditure potential with existing retail sales in the trade areas. When potential retail sales exceed existing sales, there is a “sales leakage” that can be captured by new and existing retailers. The estimated sales leakage provides a basis for calculating unmet demand for retail development. The analysis relies on expected sales per square foot to translate the estimated sales leakage into supportable square feet of retail space. The proposed SFC Project retail program is then compared to estimated unmet demand to determine how much of the unmet demand for new retail space must be captured by the SFC Project.

The retail market analysis concludes that there is sufficient demand to support the 563,000 square feet of retail and restaurant space included in the proposed SFC Project Phase I program. The retail demand model also indicates that there is sufficient leaked expenditure potential for additional retail development in the trade areas, including other pipeline retail projects such as Ridge Hill Village and the Cross County Shopping Center expansion.

## ***Retail Market Analysis Findings***

- The annual retail expenditure potential of the resident market within the trade areas is projected to be approximately \$8.4 billion in 2011;
- Existing retail sales in the trade areas currently total roughly \$5.5 billion;
- The difference between retail expenditure potential in 2011 and current sales within the trade areas (i.e., the projected sales leakage) is about \$2.9 billion;
- The projected sales leakage within the trade areas indicates potential support for approximately 8.4 million square feet of retail by 2011, an optimistic estimate of unmet demand;
- Access constraints associated with limited car ownership and public transportation service within parts of the trade areas have the potential to reduce capturable sales leakage to \$1.4 billion;
- The access-constrained projection of sales leakage within the trade areas indicates potential unmet demand for roughly 4.1 million square feet of new retail space by 2011, a conservative estimate of unmet demand;
- Under both optimistic and conservative scenarios, estimated unmet demand for retail space is sufficient to support the proposed SFC retail program and other future retail

developments, including Ridge Hill Village and the expansion of the Cross County Shopping Center;

- The SFC retail development must capture between 7 percent and 14 percent of total unmet demand for retail uses, which is realistic given the magnitude of the proposed retail component and the entertainment uses planned for the area; and
- There is sufficient unmet demand to support the specific retail categories envisioned for the SFC Project.

Figure 1 presents estimated demand for retail uses, including restaurants and drinking establishments, in the trade areas by 2011. As shown, the retail market analysis considers demand for a number of store formats. General merchandise, which includes department stores and super stores, makes up the largest share of demand for retail space. Foodservice and drinking places are also in high demand. The analysis finds that there is limited unmet demand to support new health and personal care stores.

**Figure 1: Summary of Retail Demand by 2011**

Retail Category	Estimated Unmet Retail Potential (SF)	
	Conservative	Optimistic
<b>Convenience Goods Trade Area</b>		
Food and Beverage Stores	129,786	129,786
Health and Personal Care Stores	-	-
Miscellaneous Store Retailers	89,116	89,116
<b>Convenience Goods Trade Area Total</b>	<b>218,902</b>	<b>218,902</b>
<b>Comparison Goods Trade Area</b>		
Furniture and Home Furnishings Stores	107,852	225,633
Electronics and Appliance Stores	165,321	345,860
Building Material, Garden Equip Stores	431,830	903,411
Clothing and Clothing Accessories Stores	101,174	211,662
Sporting Goods, Hobby, Book, Music Stores	187,737	392,754
General Merchandise Stores	2,194,530	4,591,067
Foodservice and Drinking Places	739,721	1,547,534
<b>Comparison Goods Trade Area Total</b>	<b>3,928,166</b>	<b>8,217,921</b>
<b>Combined Trade Area Total</b>	<b>4,147,068</b>	<b>8,436,822</b>

Source: Economics Research Associates

## **Retail Trade Areas and the Competitive Landscape**

### ***Consumer Markets and Trade Areas***

The retail market demand analysis identifies two key trade areas that comprise the core group of consumers that will generate demand for goods and services at the SFC Project. The extent of each trade area is largely based on the potential scale of the SFC Project and the competitive landscape. The trade area analysis also reflects residential density, willingness to travel, physical barriers posed by the Hudson River and its bridges, and the north/south-oriented travel corridor in southern Westchester County. Specifically, the analysis considers the following factors to determine the extent of the trade areas:

- Number of households required to support the magnitude of retail development proposed;
- Amount of time consumers are willing to travel for specific retail offerings;
- Modes of transportation and transportation routes in the local and regional area (including consideration of traffic and congestion); and
- The competitive landscape, including the type and location of existing retail establishments available to consumers.

The trade areas for the SFC Project retail component are defined based on US Postal Service zip codes:

- Those zip codes which include residents living within about a five-minute drive from the Project are defined as the trade area for convenience goods purchases. Convenience purchases include groceries, health care products, or other regularly-purchased goods.
- Those zip codes which include residents living within about 15-minutes drive, excluding zip codes in White Plains and zip codes below 155<sup>th</sup> Street in Manhattan, are defined as the trade area for comparison goods. Comparison goods include electronics, clothing, sporting goods, or other goods for which shoppers are willing to travel further to get the right product or price.

Figure 2 defines the extent of the trade area for each retail category considered by this analysis.



**Figure 2: Trade Area by Retail Category**

<b>Retail Category</b>	<b>Convenience Goods Trade Area</b>	<b>Comparison Goods Trade Area</b>
Furniture and Home Furnishings Stores	✓	✓
Electronics and Appliance Stores	✓	✓
Building Material, Garden Equip Stores	✓	✓
Food and Beverage Stores	✓	
Health and Personal Care Stores	✓	
Clothing and Clothing Accessories Stores	✓	✓
Sporting Goods, Hobby, Book, Music Stores	✓	✓
General Merchandise Stores	✓	✓
Miscellaneous Store Retailers	✓	
Foodservice and Drinking Places	✓	✓

Source: Economics Research Associates

### **Convenience Goods Trade Area**

Those zip codes located closest to the SFC Project contain the households that are most likely to travel to the SFC Project for convenience retail. Convenience retail, typically found in neighborhood shopping centers, relies on households making frequent trips to purchase goods for day-to-day consumption. This distinction applies to three of the ten retail categories analyzed, including food and beverage stores, health and personal care stores, and miscellaneous store retailers (e.g., florists, office supply store, pet/pet supply stores).

### **Comparison Goods Trade Area**

The Comparison Goods Trade Area is significantly larger than the Convenience Goods Trade Area and includes those households that are most likely to travel to the SFC Project for comparison purchases. Consumers are willing to travel longer distances to make purchases which require a comparison of products and prices at a variety of stores. Seven of the ten retail categories considered by this analysis fit this description, including furniture and home furnishings stores; electronics and appliance stores; building material and garden equipment stores; clothing and clothing accessories stores; sporting goods, hobby, book, and music stores; general merchandise stores; and foodservice and drinking places.

## Trade Area Definition

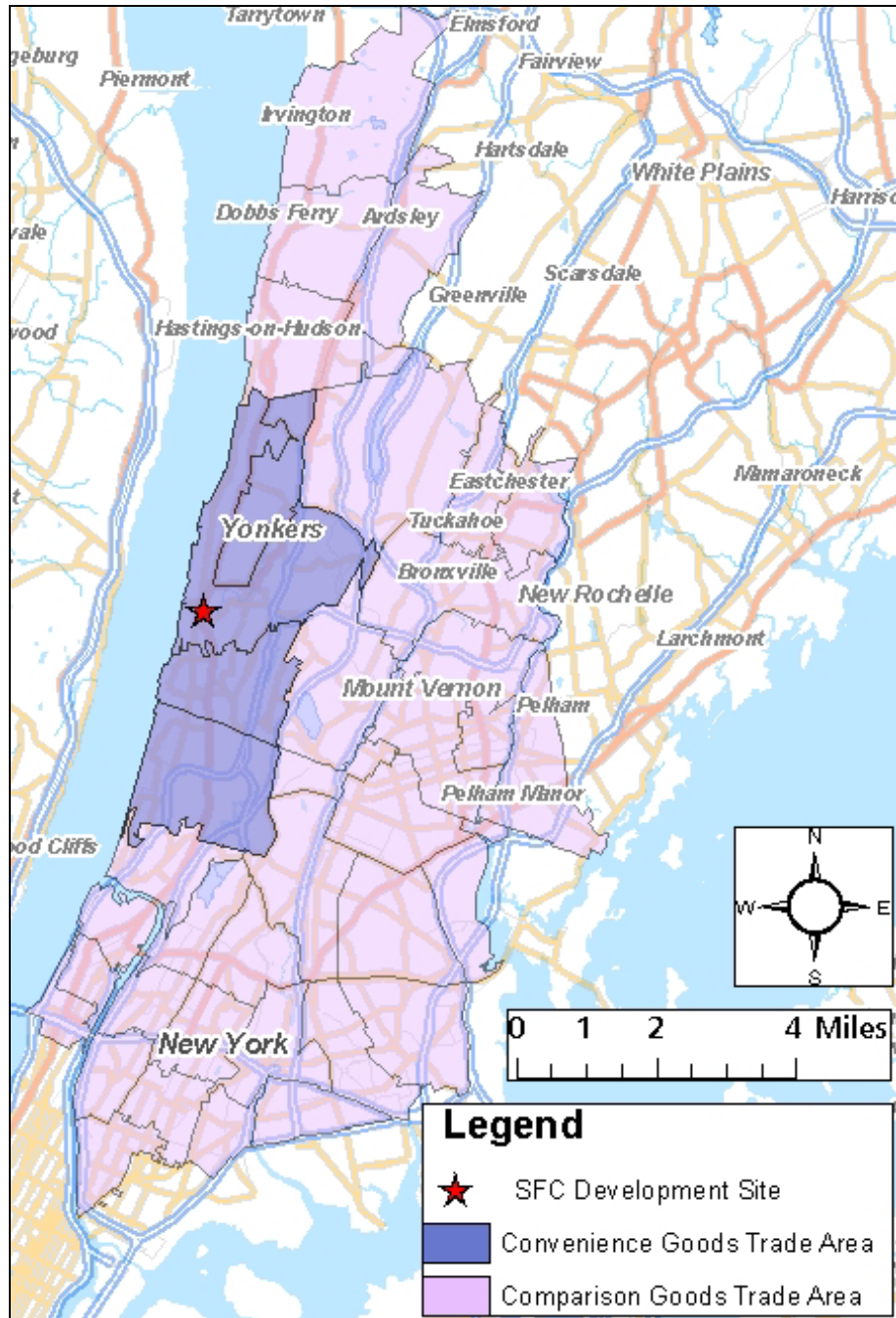
Figure 3 and Figure 4 graphically depict the two trade areas analyzed as part of this retail market study. As shown, the Convenience Goods Trade Area consists of four zip codes near the SFC Project. The Convenience Goods Trade Area includes those zip codes located within approximately five minutes drive from the SFC Project. The linear nature of the Convenience Goods Trade Area reflects the north/south transportation corridor along the Hudson River.

The Comparison Goods Trade Area encompasses 38 zip codes within about 15 minutes drive from the SFC Project. Despite their proximity to the SFC Project, zip codes in White Plains and zip codes south of 155<sup>th</sup> Street in Manhattan are excluded from the retail market analysis. White Plains residents are excluded from the trade area as consumers in this area will generally choose to do their shopping in downtown White Plains, given the availability of similar products. Households below 155<sup>th</sup> Street in Manhattan are excluded due to the competitive retail landscape there and because these households have more limited access to private automobiles.

Figure 5 presents the SFC Project's trade areas in their locational context. The graphic depicts a sphere of influence for Yonkers and White Plains, based on a simple six-mile radius. As shown, the Comparison Goods Trade Area is tailored to exclude households living in zip codes that are fully within White Plains' sphere of influence.

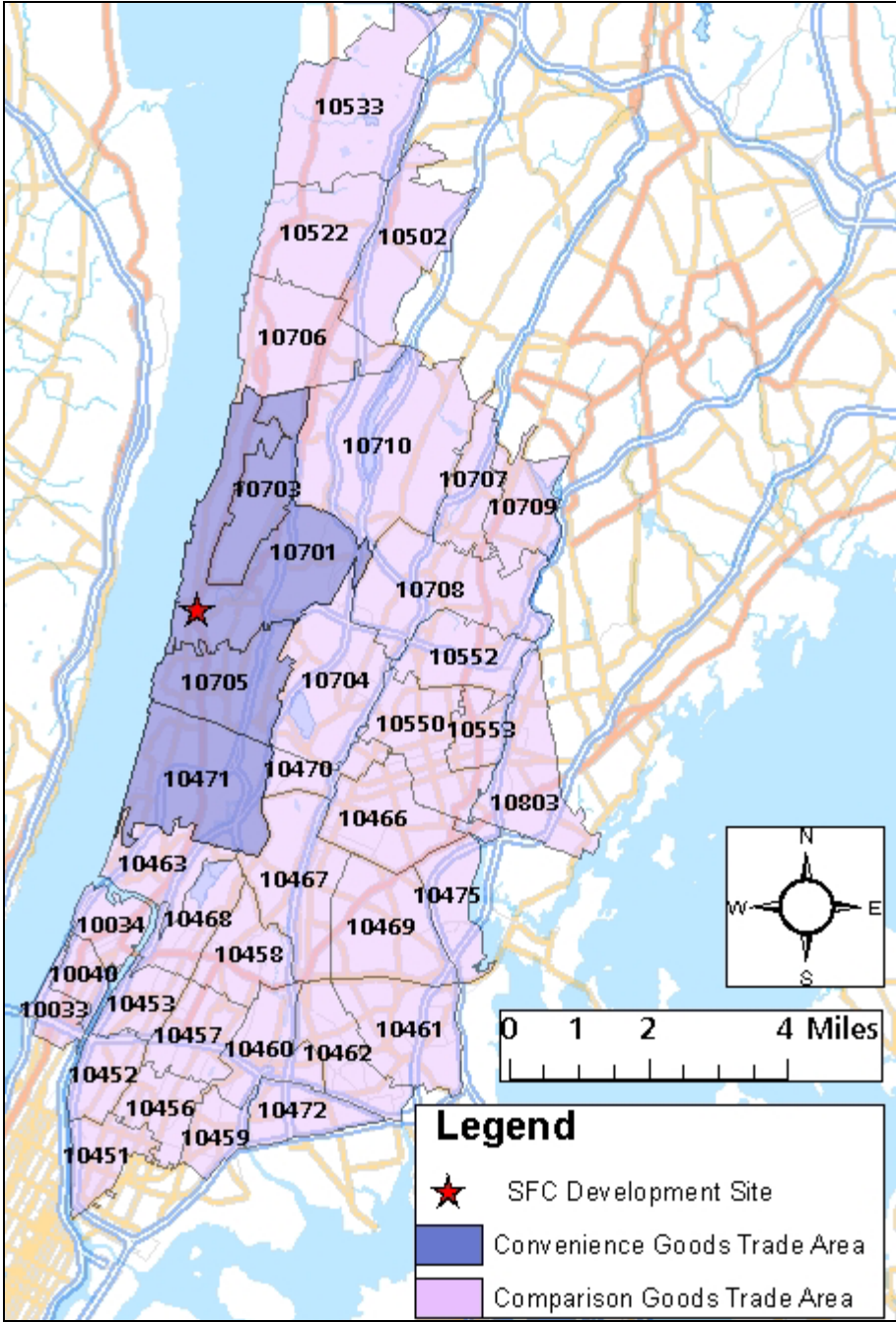


**Figure 3: Convenience and Comparison Goods Trade Areas**



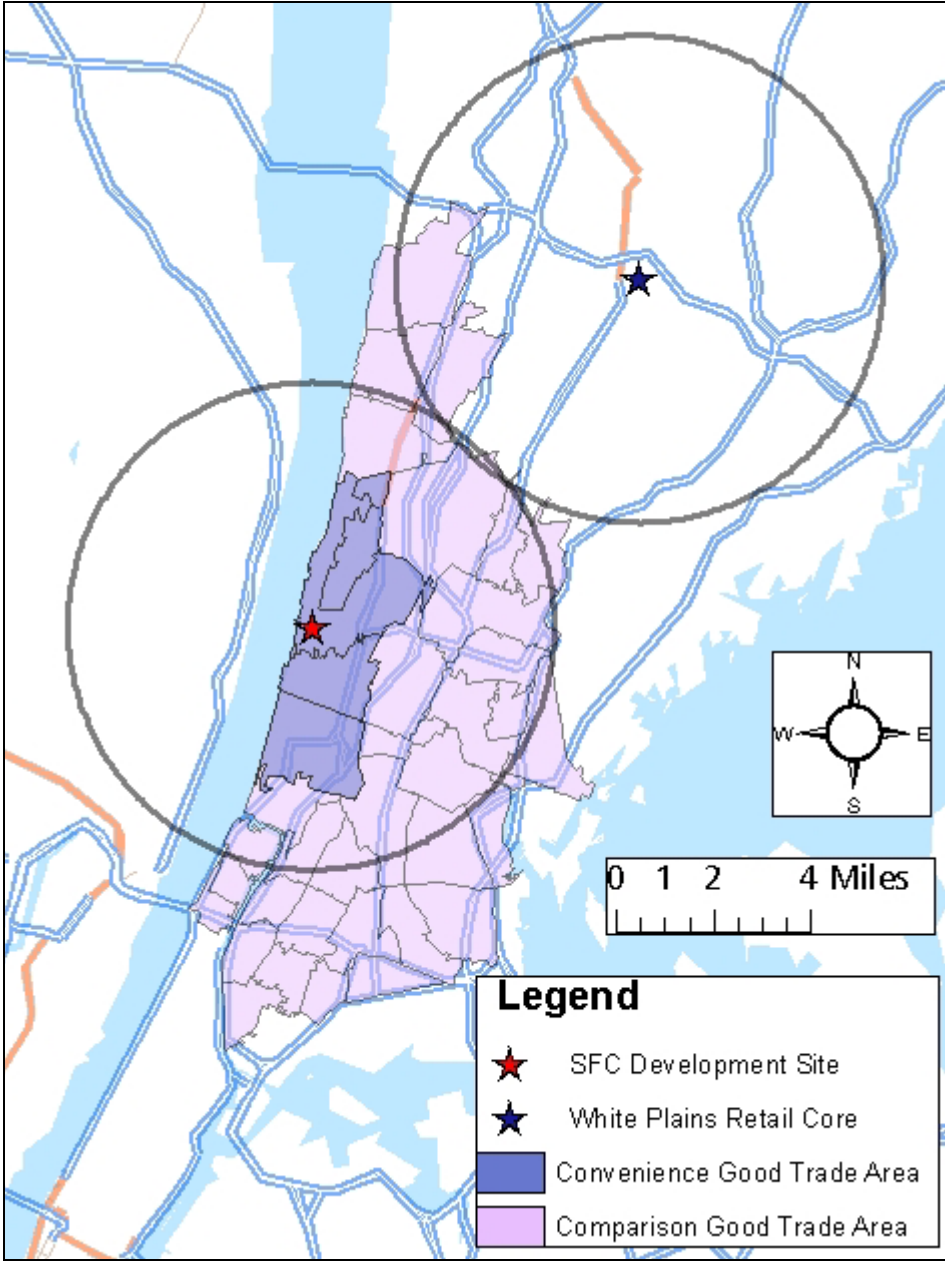
Source: Economics Research Associates

**Figure 4: Convenience and Comparison Goods Trade Areas by Zip Code**



Source: Economics Research Associates

Figure 5: Spheres of Influence - White Plains and Yonkers

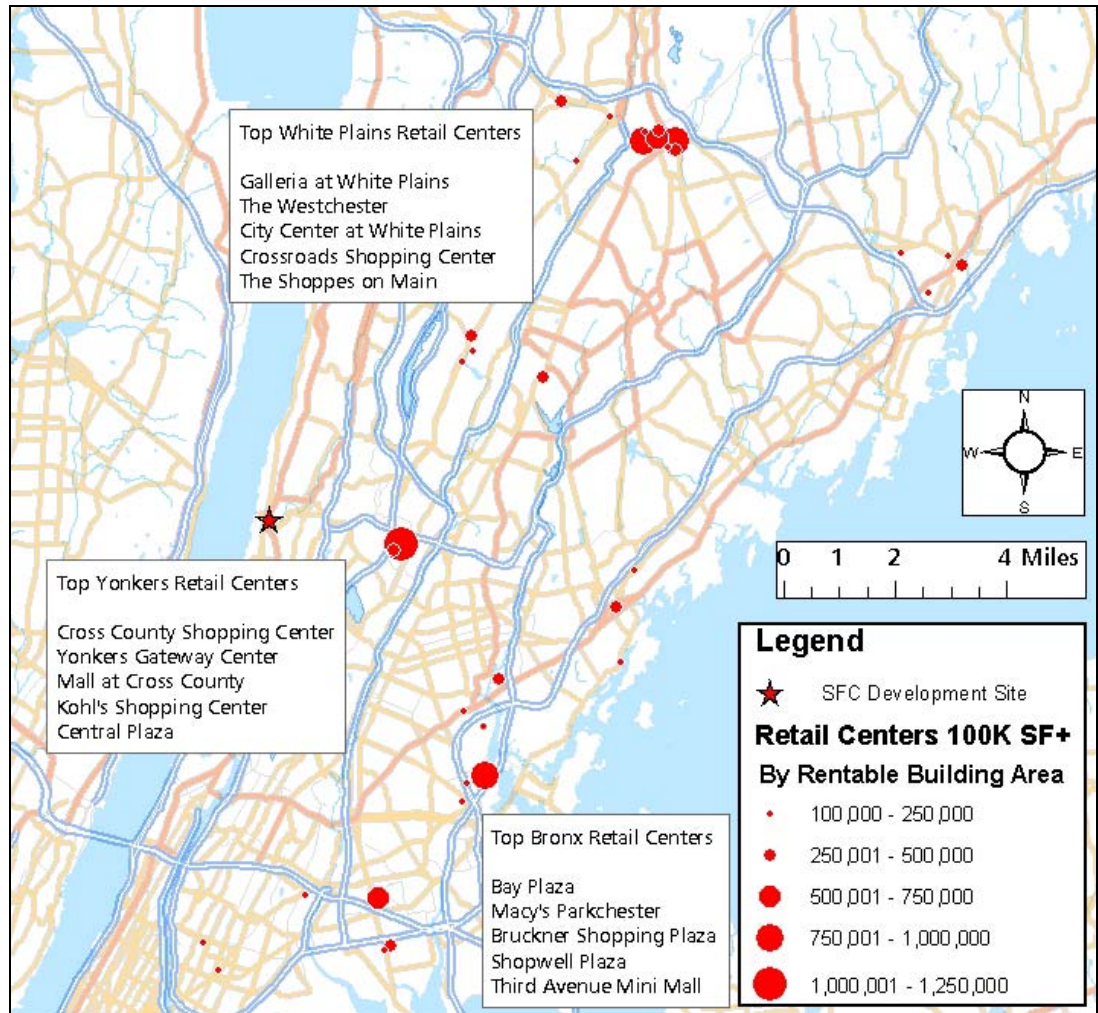


Source: Economics Research Associates

### Shopping Center Overview

To better understand current shopping patterns in southern Westchester County, existing retail offerings were examined, with a focus on traditional shopping centers and mall-format retail. While development of a detailed inventory of retail space is beyond the scope of this research, the analysis relies on data from the International Council of Shopping Centers and CoStar Group to evaluate existing retail centers.

**Figure 6: Map of Major Retail Centers in Westchester County and the Bronx**



Source: CoStar Group; Economics Research Associates



**Figure 7: Major Retail Centers in Westchester County and the Bronx**

Center Name	City	Anchor Tenants	RBA <sup>1</sup>
Cross County Shopping Center	Yonkers	Macy's, Sears, Cross County Multiplex Theaters	1,190,000
Galleria at White Plains	White Plains	H&M, Macy's, Old Navy, Sears	900,000
Bay Plaza	Bronx	JC Penney, Big Kmart, Pathmark, AMC Theatres	900,000
The Westchester	White Plains	Neiman Marcus, Nordstrom	827,695
Cortlandt Towne Center	Mohegan Lake	A&P, Home Depot, Linens-N-Things, UA Cinema, Wal-Mart	642,354
Jefferson Valley Mall	Yorktown Heights	H&M, Macy's, Sears, Trademark Cinemas	588,385
City Center At White Plains	White Plains	Barnes & Noble, Circuit City, Filene's Basement, NA Cinema, Target	547,434
Macy's-Parkchester	Bronx	Macy's	520,000
Yonkers Gateway Center	Yonkers	Best Buy, Levitz Furniture, Pathmark, Movieland 1234	500,000
Bruckner Plaza Shopping Center	Bronx	Kmart, Toys-R-U's, Modell's, Old Navy	498,480
New Roc City	New Rochelle	New Roc Family Entertainment Center	466,076
Vernon Hills Shopping Center	Scarsdale	Lord & Taylor	350,000
Crossroads Shopping Center	White Plains	A&P, Kmart, Modell's Sporting Goods	310,644
Waterfront at Port Chester	Port Chester	Best Buy, Bed, Bath & Beyond, Target, TJMaxx	294,868
The Shoppes On Main	White Plains	Wal-Mart	275,169
The Source at White Plains	White Plains	Fortunoff, Whole Foods Market	270,000
Mall at Cross County	Yonkers	Circuit City, National Wholesale Liquidators, Sports Authority, TJMaxx	263,567
Port Chester Shopping Center	Port Chester	A&P, Kohl's, Linens-N-Things, Modell's Sporting Goods	250,000
River Plaza	Bronx	Target, Marshalls	235,000
Pelham Manor Shopping Plaza	Pelham	Home Depot	234,822
Concourse Plaza	Bronx	National Amusements Cinema	228,638
Shopwell Plaza	Bronx	Basha Furniture	225,000
Beach Shopping Center	Peekskill	Super Stop & Shop	220,915
Mt. Kisco Commons	Mount Kisco	A&P, Target	217,133
Triangle Shopping Center	Yorktown Heights	TJMaxx	208,000
Midway Shopping Center	Scarsdale	Linens-N-Things, CVS	295,000
Staples Plaza	Yorktown Heights	Bed Bath & Beyond, BJs, Staples	220,000
Dalewood Shopping Center	Hartsdale	Christmas Tree Shops, Pathmark, TJMaxx	189,285
Yorktown Green Shopping Center	Yorktown Heights	Food Emporium	187,000
The Westchester Pavilion	White Plains	Daffy's, The Sports Authority, Toys-R-U's	185,242
Third Avenue Mini Mall	Bronx	Conway Stores	175,197
Kohls Shopping Center	Yonkers	Petco, Kohl's	175,000
Shops at Gun Hill Road	Bronx	Home Depot	152,000
Central Plaza	Yonkers	Best Buy, Burlington Coat Factory, DSW Shoe Warehouse, Gap	151,055
Peartree Square Shopping Plaza	Bronx	National Wholesale Liquidators	150,000

Source: CoStar Group; International Council of Shopping Centers; Economics Research Associates

<sup>1</sup> Rentable Building Area in square feet.

## **Retail Centers in Yonkers**

### ***Cross County Shopping Center***

Developed in 1954, Cross County Shopping Center was one of the first open-air shopping malls in the nation. The center is anchored by Macy's, Sears, a movie theater, and Super Stop & Shop supermarket. The center includes other national tenants, such as GAP, Express, and more recently, Old Navy. The Cross County Shopping Center is currently approximately 1.2 million square feet in size.

In February 2006, Brook Shopping Center LLC completed the Final Environmental Impact Statement (FEIS) detailing the proposed expansion of the Cross County Shopping Center. It is expected that the proposed expansion, which calls for 245,000 square feet of new retail and restaurant space, will be approved in the near future. Under the plan, Macy's will add 50,000 square feet and Sears will add 11,400 square feet. Additional improvements include a five-story parking garage containing over 1,900 spaces.

### ***The Mall at Cross County***

To the south of the Cross County Shopping Center is the Mall at Cross County. This mall, opened in 1986 and expanded in 1997, currently contains over 260,000 square feet of retail space. Tenants include Circuit City, TJ Maxx, Sports Authority, and National Wholesale Liquidators, as well as smaller-format retail stores including LensCrafters and GNC.

### ***Central Park Avenue***

Central Park Avenue in Yonkers is characterized by a typical commercial strip development pattern with a combination of strip-mall shopping centers and stand-alone stores. Surface parking lots are generally located between the roadway and the retail stores.

The Yonkers Gateway Center is the largest shopping center on Central Avenue in Yonkers. Located near the Greenburgh town line, the Gateway Center consist of roughly 500,000 square feet of space containing a combination of big-box tenants, such as Burlington Coat Factory, Best Buy, Levitz Furniture and DSW, as well as in-line tenants, including Radio Shack, Payless ShoeSource, and Hallmark. Also, there is a 23,000-square-foot, six-screen, United Artists cinema at the rear corner of the site.

Other significant centers along Central Park Avenue in Yonkers include Central Plaza and the Kohl's Shopping Center. Central Plaza consists of about 150,000 square feet of retail space. The center is anchored by a 17,500-square-foot, four-screen, Clearview Cinema and a Barnes and Noble Booksellers store. The Kohl's Shopping Center consists of about 175,000 square feet and includes Kohl's, Regency Furniture, Petco, and Pearl Vision.

Located just north of the Yonkers city line, the Midway Shopping Center is about 295,000 square feet in size. The center is anchored by Linens 'n Things and includes a CVS and The Door Store.

## **Retail Centers in White Plains**

Downtown White Plains has emerged as a hub of retail activity for central Westchester County. Much of the retail space is located within several indoor shopping centers, including the Galleria at White Plains, The Westchester, and City Center at White Plains. Bloomingdales, Fortunoff, and Wal-Mart also have stores in White Plains.

### ***The Galleria at White Plains***

The Galleria at White Plains is a 900,000-square-foot, mid-market shopping center that features anchor tenants including H&M, Macy's, Old Navy, and Sears.

### ***The Westchester***

The Westchester is an 827,695-square-foot shopping mall with high-end retailers including Neiman Marcus, Nordstrom, Tiffany, Louis Vuitton, and Gucci, in addition to other tenants such as Abercrombie and Fitch, Restoration Hardware, and the Apple Store.

### ***City Center at White Plains***

City Center at White Plains is a 1.1 million-square-foot mixed-use project including national retail tenants such as Target, Filene's Basement, Circuit City, and Barnes and Noble Booksellers. In addition, there are destination restaurants including Zandaros and Legal Seafood as well as a 15-screen cinema.

## **Other Retail Centers in Westchester County**

### ***Cortlandt Towne Center***

Cortlandt Towne Center is a 642,354-square-foot power center in Mohegan Lake that features an A&P supermarket and big-box retailers such as Home Depot, Linens 'n Things, and Wal-Mart. There is also a United Artists Cinema on site.

### ***Jefferson Valley Mall***

Jefferson Valley Mall is a 588,385-square-foot traditional shopping mall in Yorktown Heights that is anchored by H&M, Macy's, and Sears, in addition to Trademark Cinemas.

### ***Stew Leonards***

Stew Leonards is a big-box supermarket located at a site near Austin Avenue, off of the New York State Thruway, in Yonkers. The 122,000-square-foot store is part of larger retail complex that also includes a 103,000-square-foot Home Depot and a 135,000-square-foot Costco.

### ***Other Big-Box Retail Locations***

Retail development near Weyman Avenue in New Rochelle, off of Route 95, includes Home Depot and Costco. In Mt. Vernon, retail development on East Sandford Boulevard, off of the Hutchinson River Parkway, includes Target, Best Buy, and TJ Maxx.

## **Retail Centers in the Bronx**

### ***Bay Plaza***

Near Co-op City, Bay Plaza is a 900,000 square foot shopping center comprised of big-box anchors and a strip-mall-style corridor of smaller, in-line tenants. The center's anchor tenants include JC Penney, Big Kmart, and a Pathmark supermarket. Other major retailers include Marshall's, PC Richards, Toys "R" Us, Linens 'n Things, Modell's Sporting Goods, Staples, Barnes & Noble, and Old Navy. The shopping center also includes a 13-screen movie theater.

### ***Parkchester Retail District***

Located in the Parkchester section of The Bronx, this shopping complex was built between 1938 and 1942 by MetLife as part of its Parkchester development. Macy's opened its first branch outside Manhattan at the site in the 1940s, and the department store remains the retail center's anchor tenant.

### ***Bruckner Plaza Shopping Center***

Bruckner Plaza Shopping Center is a 498,480 square foot center anchored by Kmart and Toys "R" Us. Other tenants include Modell's Sporting Goods, Old Navy, and Key Foods.

### ***Other Big-Box Retail Locations***

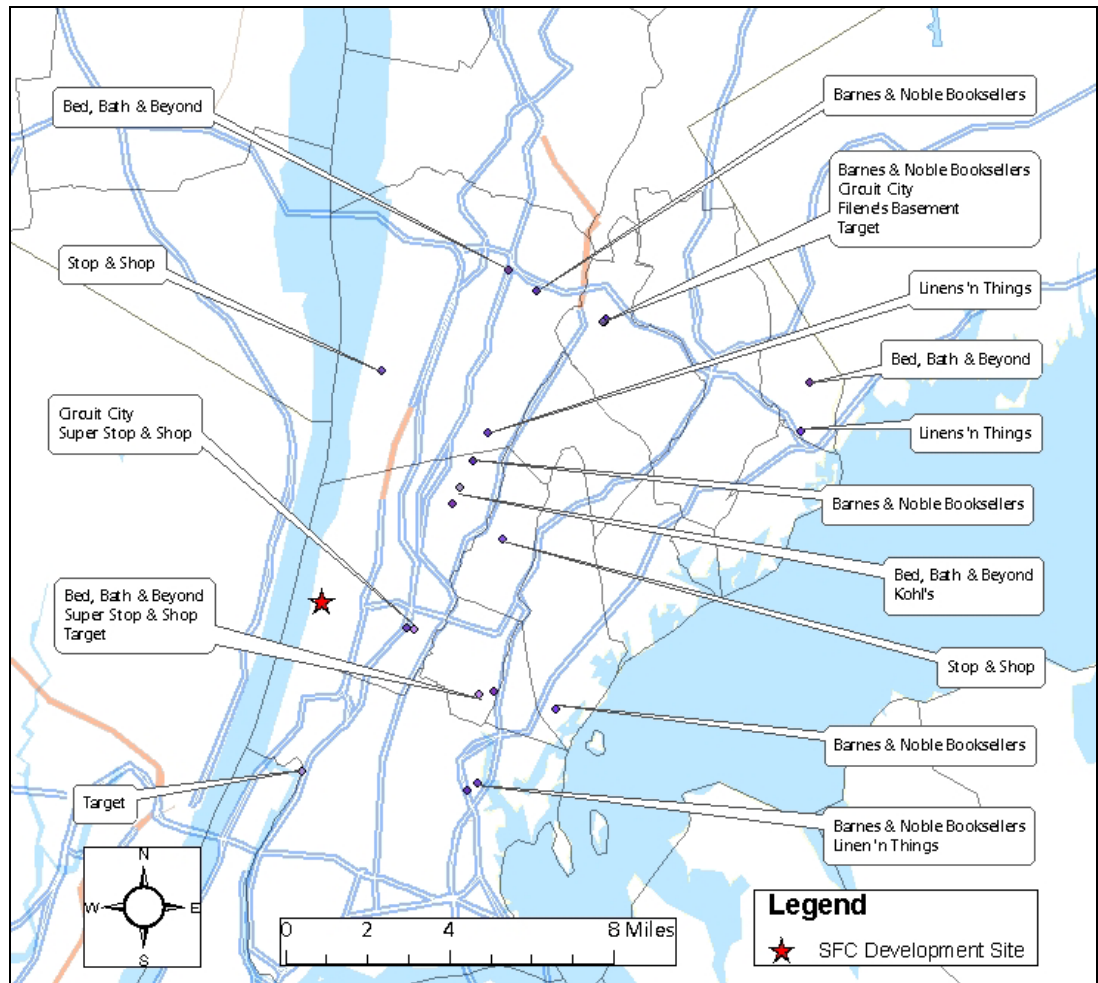
Target has a location on West 225<sup>th</sup> Street, near Riverdale, in the southwestern Bronx. Sears has a store near East Fordham Road, centrally located within the Bronx. Home Depot has two locations in the eastern Bronx, one to the north near Route 95 and the other to the south, near the Bruckner Expressway. In addition to the location at Bay Plaza, Marshall's has a store in the southwestern Bronx at River Plaza, near Route 87.



**Competing Retailers**

A map depicting the location of retailers that are likely to be tenants at the SFC Project (Figure 8) shows that these retailers are not currently found in or around downtown Yonkers.

**Figure 8: Competitive Landscape**



Source: Economics Research Associates

## Retail Demand Analysis

The retail demand model relies on household spending and current retail sales data to calculate supportable retail square footage within the trade area. The basic outline of the model is as follows:

- Project trade area spending potential in 2011;
- Estimate current trade area sales volume;
- Determine unmet spending potential;
- Evaluate sales productivity (sales per square foot); and
- Calculate supportable square footage from unmet spending potential.

### ***Household Expenditure Potential***

Figure 9 presents historical and projected trends in household growth within the Convenience Goods Trade Area and the Comparison Goods Trade Area, 2000 through 2011. As shown, Claritas reports that there are currently about 53,000 households in the Convenience Goods Trade Area and almost 588,000 households in the Comparison Goods Trade Area. Based on the planned residential development projects in downtown Yonkers presented in Figure 10, it is estimated that the number of households in the Convenience Goods Trade Area will grow to over 55,800 by 2011.<sup>1</sup> Based on analysis of demographic trends, Claritas projects there will be about 595,000 households living in the Comparison Goods Trade Area by 2011.

**Figure 9: Trade Area Households**

Trade Area	2000	2006	2011 <sup>1</sup>	Annualized Growth	
				2000-2006	2006-2011
Convenience Goods Trade Area	53,740	53,054	55,839	-0.2%	1.0%
Comparison Goods Trade Area	577,910	587,682	595,001	0.3%	0.2%

Source: Claritas; Economics Research Associates

<sup>1</sup> Projected household growth in the Convenience Goods Trade Area assumes that planned residential development projects there are 95 percent occupied by 2011. Claritas provides data concerning projected household growth in the Comparison Goods Trade Area.

<sup>1</sup> The analysis assumes that the proposed development projects included in Figure 10 will be completed by 2011.



**Figure 10: Planned Residential Development Projects in Downtown Yonkers<sup>1</sup>**

<b>Project Name</b>	<b>Units</b>
River Park Center	950
Palisades Point	436
Buena Vista Phase 2	60
Stan-Lou Building	15
Old Furniture Storage/Cooks	12
Main Street Lofts	171
Collins Phase 2	312
Greystone/North Broadway Lofts	100
Ginsburg	353
Yonkers Green	124
179 Riverdale Avenue	83
1077 Warburton Avenue	71
<u>Ashburton Ave Redevelopment <sup>2</sup></u>	<u>245</u>
<b>Total</b>	<b>2,932</b>

Source: Struever Fidelco Cappelli LLC; Saccardi & Schiff;  
Economics Research Associates

<sup>1</sup> Includes those planned residential projects in Downtown Yonkers with pending approvals.

<sup>2</sup> The Ashburton Avenue Redevelopment replaces 552 units of public housing with 797 new units. This table presents the net increase of 245 housing units attributable to this project.

The analysis estimates the future retail expenditure potential of households in the trade areas (i.e., dollars available to be spent on the ten retail categories) using 2006 consumer spending data and the projected number of trade area households in 2011, and based on the conservative assumption that spending potential remains constant, in real dollars, in the future. By 2011, households in the trade areas will have the potential to spend approximately \$8.39 billion (2006\$) on retail purchases each year. Figure 11 presents the average and aggregate household expenditure potential in each of the ten retail categories analyzed. As shown, the projections indicate that there will be over \$410 million in convenience-goods expenditure potential and nearly \$7.98 billion in comparison-goods expenditure potential by 2011.

**Figure 11: Household Expenditure Potential by 2011 (2006\$)**

Retail Category	Household Expenditure Potential	
	Average	Aggregate
<b>Convenience Goods Trade Area</b>		
Food and Beverage Stores	\$ 4,819	\$ 269,072,157
Health and Personal Care Stores	1,680	93,801,556
Miscellaneous Store Retailers	860	48,013,307
<b>Convenience Goods Trade Area Total</b>	<b>\$ 7,358</b>	<b>\$ 410,887,021</b>
<b>Comparison Goods Trade Area</b>		
Furniture and Home Furnishings Stores	\$ 708	\$ 421,373,658
Electronics and Appliance Stores	748	445,152,956
Building Material, Garden Equip Stores	2,149	1,278,679,331
Clothing and Clothing Accessories Stores	1,729	1,028,621,812
Sporting Goods, Hobby, Book, Music Stores	544	323,799,186
General Merchandise Stores	4,205	2,501,755,151
Foodservice and Drinking Places	3,328	1,980,372,212
<b>Comparison Goods Trade Area Total</b>	<b>\$ 13,411</b>	<b>\$ 7,979,754,308</b>
<b>Combined Trade Area Total</b>	<b>\$ 20,770</b>	<b>\$ 8,390,641,328</b>

Source: Claritas; Economics Research Associates

### **Current Retail Sales**

In order to determine market potential for new retail space, the retail demand model assesses current retail sales in the trade areas based on 2006 data from Claritas. Figure 12 presents retail sales in the Convenience and Comparison Goods Trade Areas in 2006. As shown, retail sales at food and beverage stores, health and personal cares stores, and miscellaneous retailers within the Convenience Goods Trade Area total about \$319 million each year. Retail sales at furniture and home furnishings stores, electronics and appliance stores, building material and garden equipment stores, clothing and clothing accessories stores, sporting goods, hobby, book, and music stores, general merchandise stores, and foodservice and drinking places within the Comparison Goods Trade Area total about \$5.14 billion annually.

**Figure 12: Retail Sales In 2006**

<b>Retail Category</b>	<b>Retail Sales 2006</b>
<b><u>Convenience Good Trade Area</u></b>	
Food and Beverage Stores	\$ 201,626,346
Health and Personal Care Stores	95,834,895
Miscellaneous Store Retailers	21,502,588
<b>Convenience Good Trade Area Total</b>	<b>\$ 318,963,829</b>
<b><u>Comparison Good Trade Area</u></b>	
Furniture and Home Furnishings Stores	\$ 347,810,036
Electronics and Appliance Stores	286,700,459
Building Material, Garden Equip Stores	870,239,127
Clothing and Clothing Accessories Stores	933,647,872
Sporting Goods, Hobby, Book, Music Stores	197,276,893
General Merchandise Stores	1,462,044,958
Foodservice and Drinking Places	1,045,478,264
<b>Comparison Good Trade Area Total</b>	<b>\$ 5,143,197,609</b>
<b>Combined Trade Area Total</b>	<b>\$ 5,462,161,438</b>

Source: Claritas; Economics Research Associates

### **Leakage of Retail Sales**

In order to determine the amount of unmet spending potential in the trade area, household expenditure potential in 2011 is compared to existing sales within each retail category. The difference between expenditure potential and current sales (when expenditure potential exceeds current sales) represents the sales leakage that might be captured by new and existing retailers. Figure 13 presents the projected retail leakage from the Convenience Goods and Comparison Goods Trade Areas by 2011.



**Figure 13: Unmet Expenditure Potential by 2011 (2006\$)**

Retail Category	Aggregate Expenditure Potential (a)	Current Retail Sales (b)	Unmet Expenditure Potential (c) = (a) - (b)
<b>Convenience Goods Trade Area</b>			
Food and Beverage Stores	\$ 269,072,157	\$ 201,626,346	\$ 67,445,811
Health and Personal Care Stores	93,801,556	95,834,895	-
Miscellaneous Store Retailers	48,013,307	21,502,588	26,510,719
<b>Convenience Goods Trade Area Total</b>	<b>\$ 410,887,021</b>	<b>\$ 318,963,829</b>	<b>\$ 93,956,530</b>
<b>Comparison Goods Trade Area</b>			
Furniture and Home Furnishings Stores	\$ 421,373,658	\$ 347,810,036	\$ 73,563,622
Electronics and Appliance Stores	445,152,956	286,700,459	158,452,497
Building Material, Garden Equip Stores	1,278,679,331	870,239,127	408,440,204
Clothing and Clothing Accessories Stores	1,028,621,812	933,647,872	94,973,940
Sporting Goods, Hobby, Book, Music Stores	323,799,186	197,276,893	126,522,293
General Merchandise Stores	2,501,755,151	1,462,044,958	1,039,710,193
Foodservice and Drinking Places	1,980,372,212	1,045,478,264	934,893,948
<b>Comparison Goods Trade Area Total</b>	<b>\$ 7,979,754,308</b>	<b>\$ 5,143,197,609</b>	<b>\$ 2,836,556,699</b>
<b>Combined Trade Area Total</b>	<b>\$ 8,390,641,328</b>	<b>\$ 5,462,161,438</b>	<b>\$ 2,930,513,229</b>

Source: Claritas; Economics Research Associates

### Sales Productivity

Adjusted unmet retail sales are converted to an estimate of supportable square footage using sales data regarding productivity per square foot, by retail category. The analysis relies on industry standards published in the Urban Land Institute’s Dollars & Cents of Shopping Centers 2006. Low and high estimates of productivity show the range in sales per square foot that might be achieved at the SFC Project. The low estimates reflect the median sales productivity for regional shopping centers across the United States. The high estimate reflects the sales productivity premium achieved by the top tier (i.e., top ten percent) of US retail tenants. The retail market analysis relies on the midpoint estimates presented in Figure 14 to calculate unmet demand for retail space.

**Figure 14: Sales Productivity (Annual Sales Per Square Foot, 2006\$)**

Retail Category	US		Upper Decile
	Median	Midpoint	
Furniture and Home Furnishings Stores	\$227	\$326	\$425
Electronics and Appliance Stores	\$319	\$458	\$597
Building Material, Garden Equip Stores	\$315	\$452	\$589
Food and Beverage Stores	\$362	\$520	\$677
Health and Personal Care Stores	\$439	\$631	\$822
Clothing and Clothing Accessories Stores	\$312	\$449	\$585
Sporting Goods, Hobby, Musical Instrument Stores	\$224	\$322	\$420
General Merchandise Stores	\$158	\$226	\$295
Miscellaneous Store Retailers	\$207	\$297	\$388
Foodservice and Drinking Places	\$421	\$604	\$788

Source: Urban Land Institute; Economics Research Associates

### ***Estimate of Unmet Demand for Retail Space***

Figure 15 and Figure 16 present the optimistic and conservative estimates of unmet retail potential, respectively. The optimistic estimate assumes that all households in the trade areas have access to the SFC Project. The conservative estimate assumes that access to the SFC Project from outlying areas within the Comparison Goods Trade Area will require an automobile, thus reducing potential unmet expenditure potential and demand for retail space.

Both the conservative and optimistic estimates indicate that there is sufficient unmet demand for retail space to accommodate SFC retail and additional retail projects proposed within the trade area. Additional retail development proposals within the trade area include Ridge Hill Village (1.2 million square feet of retail), the Cross County Shopping Center expansion (245,000 square feet of retail), and potential development on Tuckahoe Road (at the Mark Buick site) of 375,000 square feet of retail.

### **Optimistic Estimate of Unmet Demand for Retail Space**

As shown in Figure 15, the projected spending leakage of approximately \$2.93 billion within the trade areas in 2011 indicates unmet demand for about 8.4 million square feet of retail space. This estimate is considered optimistic because it assumes that all households in the trade areas will have access to retail offerings throughout the trade area.

### **Conservative Estimate of Unmet Demand for Retail Space**

To develop a conservative estimate of supportable square footage of new retail space in the trade areas, potential transportation access constraints were evaluated. Households within the Convenience Goods Trade Area have access to the SFC Project by foot, bicycle, automobile, or the Westchester County Bus System. However, it is anticipated that households located outside of the Convenience Goods Trade Area will generally use a private vehicle to visit the SFC Project, as public transit is more limited in outlying areas.

To account for varying access to the SFC Project, the conservative estimate of unmet demand for retail space relies on zip-code-level vehicle ownership data from Census 2000 to calculate that 47.8 percent of households within the Comparison Goods Trade Area will have access to the SFC Project. As shown in Figure 16, spending potential attributable to households without access to the SFC Project is excluded from the conservative estimate of unmet retail demand. Adjusting unmet expenditure potential to reflect access to an automobile reduces unmet expenditure potential to \$1.45 billion. This conservative estimate of unmet expenditure potential translates to unmet demand for approximately 4.1 million square feet of retail space.





**Figure 15: Optimistic Estimate of Unmet Retail Development Potential by 2011**

Retail Category	Optimistic Unmet Expenditure Potential (a)	Retail Productivity <sup>1</sup> (b)	Optimistic Unmet Retail Potential (SF) (c) = (a) / (b)
<b><u>Convenience Goods Trade Area</u></b>			
Food and Beverage Stores	\$ 67,445,811	\$520	129,786
Health and Personal Care Stores	-	\$631	-
Miscellaneous Store Retailers	26,510,719	\$297	89,116
<b>Convenience Goods Trade Area Total</b>	<b>\$ 93,956,530</b>		<b>218,902</b>
<b><u>Comparison Goods Trade Area</u></b>			
Furniture and Home Furnishings Stores	\$ 73,563,622	\$326	225,633
Electronics and Appliance Stores	158,452,497	\$458	345,860
Building Material, Garden Equip Stores	408,440,204	\$452	903,411
Clothing and Clothing Accessories Stores	94,973,940	\$449	211,662
Sporting Goods, Hobby, Book, Music Stores	126,522,293	\$322	392,754
General Merchandise Stores	1,039,710,193	\$226	4,591,067
Foodservice and Drinking Places	934,893,948	\$604	1,547,534
<b>Comparison Goods Trade Area Total</b>	<b>\$ 2,836,556,699</b>		<b>8,217,921</b>
<b>Combined Trade Area Total</b>	<b>\$ 2,930,513,229</b>		<b>8,436,822</b>

Source: Claritas, Inc.; Economics Research Associates

<sup>1</sup> Sales productivity is reported as gross revenue per square foot



**Figure 16: Conservative Estimate of Unmet Retail Development Potential by 2011**

Retail Category	Optimistic Unmet Expenditure Potential (a)	Access to SFC Site <sup>1</sup> (b)	Conservative Unmet Expenditure Potential (c) = (a) x (b)	Retail Productivity <sup>1</sup> (d)	Conservative Unmet Retail Potential (SF) (e) = (c) / (d)
<b>Convenience Goods Trade Area</b>					
Food and Beverage Stores	\$ 67,445,811	100%	\$ 67,445,811	\$520	129,786
Health and Personal Care Stores	-	100%	-	\$631	-
Miscellaneous Store Retailers	26,510,719	100%	26,510,719	\$297	89,116
<b>Convenience Goods Trade Area Total</b>	<b>\$ 93,956,530</b>		<b>\$ 93,956,530</b>		<b>218,902</b>
<b>Comparison Goods Trade Area</b>					
Furniture and Home Furnishings Stores	\$ 73,563,622	47.8%	\$ 35,163,411	\$326	107,852
Electronics and Appliance Stores	158,452,497	47.8%	75,740,294	\$458	165,321
Building Material, Garden Equip Stores	408,440,204	47.8%	195,234,417	\$452	431,830
Clothing and Clothing Accessories Stores	94,973,940	47.8%	45,397,544	\$449	101,174
Sporting Goods, Hobby, Book, Music Stores	126,522,293	47.8%	60,477,656	\$322	187,737
General Merchandise Stores	1,039,710,193	47.8%	496,981,472	\$226	2,194,530
Foodservice and Drinking Places	934,893,948	47.8%	446,879,307	\$604	739,721
<b>Comparison Goods Trade Area Total</b>	<b>\$ 2,836,556,699</b>		<b>\$ 1,355,874,102</b>		<b>3,928,166</b>
<b>Combined Trade Area Total</b>	<b>\$ 2,930,513,229</b>		<b>\$ 1,449,830,632</b>		<b>4,147,068</b>

Source: Claritas, Inc.; Economics Research Associates

<sup>1</sup> The conservative estimate of unmet spending potential reflects the conservative assumption that trade area households located outside the Comparison Goods Trade Area must have access to an automobile in order to visit the SFC site. The Convenience Good Trade Area is well-served by the Westchester County Bus System and thus residents within this Trade Area have convenient access to the SFC site. However, access to the SFC site from outlying areas within the Comparison Goods Trade Area will require an automobile. The conservative estimate of unmet spending potential relies on vehicle usage data from Census 2000 (zip code level) to determine the proportion of households that have access to the site from the Comparison Goods Trade Area.

### ***Required Capture of Unmet Demand***

Figure 17 presents the conservative and optimistic estimates of unmet demand for retail space in the trade areas, compares potential unmet demand to the proposed SFC retail program, and calculates what capture of unmet demand must be achieved to support the proposed program. As shown, proposed food and beverage stores at the SFC Project would need to capture about 70 percent of unmet demand from the Convenience Goods Trade Area. Comparison-goods stores at the SFC Project would need to capture between 5 percent and 30 percent of unmet demand from the Comparison Goods Trade Area, depending on the specific retail store type. Overall, the SFC retail program must capture between 7 percent and 14 percent of total unmet demand, across all retail categories.

Site characteristics, including proximity to residential populations and ease of access, as well as the current and future competitive landscape within the trade areas suggest that a significant share of the estimated unmet retail potential could be captured at the SFC Project. Assuming that the SFC Project retail component achieves a unique and attractive tenant mix and that the revitalization of downtown Yonkers elevates the visibility of the area, it is very reasonable to expect that the SFC Project could capture 70 percent of unmet demand in the Convenience Goods Trade Area and 30 percent of unmet demand in the Comparison Goods Trade Area.

It is anticipated that the convenience retail offerings at the SFC Project will attract a high proportion of households from the Convenience Goods Trade Area. The successful capture of unmet demand will result from the selection of retailers that are uniquely positioned in the market. That is, differentiation from existing retailers in the area will allow SFC Project convenience goods retailers to capture sales that would otherwise occur elsewhere. In addition, it is expected that SFC Project convenience goods retailers will target new households locating at the SFC Project and in downtown Yonkers.

Comparison retail will leverage visitation to the proposed ballpark and cinema to attract consumers from throughout the Comparison Goods Trade Area. Customers will dine and shop before and after events at the SFC Project. The retail offerings, in combination with the on-site entertainment, will create a vibrant destination that will attract more consumers than the retail would alone. In addition, the variety of activities (i.e., shopping, dining, event going, etc.) will encourage customers to spend more time at the SFC Project, thus increasing sales potential.

Finally, it is anticipated that the SFC Project will act as a catalyst that improves public perception of downtown Yonkers. The SFC Project will build on redevelopment projects that have already begun on the waterfront in downtown Yonkers, including residential, retail, and office development. The revitalization of downtown Yonkers will increase the popularity area as a destination, thus increasing the potential for SFC Project retailers to capture sales.



**Figure 17: Required Capture of Unmet Retail Potential**

Retail Category	Estimated Unmet Retail Potential (SF)		Proposed Program (SF)	Required SFC Capture Rate	
	Conservative	Optimistic		Low	High
<b>Convenience Goods Trade Area</b>					
Food and Beverage Stores	129,786	129,786	90,000	69%	69%
Health and Personal Care Stores	-	-	-	0%	0%
Miscellaneous Store Retailers	89,116	89,116	-	0%	0%
<b>Convenience Goods Trade Area Total</b>	<b>218,902</b>	<b>218,902</b>	<b>90,000</b>	<b>41%</b>	<b>41%</b>
<b>Comparison Goods Trade Area</b>					
Furniture and Home Furnishings Stores	107,852	225,633	30,000	13%	28%
Electronics and Appliance Stores	165,321	345,860	30,000	9%	18%
Building Material, Garden Equip Stores	431,830	903,411	-	0%	0%
Clothing and Clothing Accessories Stores	101,174	211,662	30,000	14%	30%
Sporting Goods, Hobby, Book, Music Stores	187,737	392,754	33,000	8%	18%
General Merchandise Stores	2,194,530	4,591,067	250,000	5%	11%
Foodservice and Drinking Places	739,721	1,547,534	100,000	6%	14%
<b>Comparison Goods Trade Area Total</b>	<b>3,928,166</b>	<b>8,217,921</b>	<b>473,000</b>	<b>6%</b>	<b>12%</b>
<b>Combined Trade Area Total</b>	<b>4,147,068</b>	<b>8,436,822</b>	<b>563,000</b>	<b>7%</b>	<b>14%</b>

Source: Economics Research Associates