



Rogers Road Business Analysis

Prepared for the
Town of Chapel Hill and the Town of Carrboro

December 12, 2018



Summary and Conclusions

This study was jointly commissioned by the Town of Chapel Hill and the Town of Carrboro to guide rezoning of the Rogers Road area. This rezoning is part of the implementation of the 2016 community plan whose business-related goals include better access to social and retail services, connecting to living-wage jobs, building space for smaller businesses, and leveraging local skills and leadership.

This study finds that conventional, stand-alone retail development is not feasible here because of limited access, exposure and population density. There are, however, niche opportunities for business development in providing coffee, snacks and convenience items; personal services such as hair styling; home construction and maintenance; and catering and artisanal food production. These goods and services can be provided at the community center, in home-based businesses ("live/work" locations), and in mixed commercial space in the nearby Millhouse Road Enterprise Zone.

These opportunities can be realized with change at three levels which involve differing levels of immediacy, government involvement and funding: community-led initiatives at the community center, zoning changes in and near Rogers Road, and more public investment as resources permit.

Community-led initiatives include installing vending machines to sell snacks and sundries, matching youth and seniors to create ordering services, running an internet cafe, and holding "Makers" classes that engage children in applied learning activities.

Zoning changes include allowing for a large mix of uses at the community center, changing the approach to home-based businesses to enable more live/work situations, and changing the regulations at Millhouse Road Enterprise Zone to allow for a greater variety of uses there, including showrooms, tasting rooms and retail outlets of small producers operating onsite.

The third level, public investment, involves exploring possibilities such as extending sewer and water to more property at Millhouse Rd that will accelerate job-creating development there; paving a trail under the power lines to provide better access to Millhouse Road and stores and restaurants in the Weaver Dairy/ MLK area; and funding construction of a multi-purpose room at the community center or other public space where a cafe or coffee bar could be operated part time. Longer term, converting the nearby rail line into a regional trail will help other parts of north Carrboro and Chapel Hill gain access to learning and work opportunities downtown and at the university.

Introduction

This study examines the potential for retail and business development in the Rogers Road area, and was commissioned by the Town of Chapel Hill and the Town of Carrboro to guide rezoning efforts that implement portions of the 2016 plan prepared by the community. This report identifies four kinds of business opportunities and how best to realize these through community action, zoning and regulation, and public investment. The appendix includes an analysis of the existing retail landscape, a summary of the demographic characteristics of the area, a retail gap analysis, and a profile of selected business centers with various uses that might grow up here or in the Millhouse Road Enterprise Zone. This report was prepared by Business Street, a real estate and economic development consulting firm based on Bainbridge Island, WA.

Community Goals for Business Development

While one goal of the community plan is better access to social and retail services, many if not most of the other business-related goals relate to shaping development to benefit the existing community. The following list paraphrases business-related goals from this plan:

- Connect to key places & one another.
- Leverage job skills & leadership.
- Integrate development with the community.
- Expand the community center.
- Provide space for smaller businesses.
- Connect to living wage jobs.
- Cater to more than one demographic.

Note that "access", "connection" and "community" are key words here, and that "cater(ing) to more than one demographic" can have a two-way meaning: not only avoiding gentrifying development, but building on the diverse needs and strengths of the larger community that lives near Rogers Road.

Opportunities

Conventional, stand-alone retail or commercial development is not feasible on or near Rogers Road. There is simply not a large-enough population base here now or with anticipated levels of new development, and compared to other retail areas in the Chapel Hill/ Carrboro area, this area lacks access and exposure¹. However, there are four kinds of business opportunities which can be located in alternative settings, such as the home or in nearby business parks. These opportunities include:

1. Coffee, Snacks and Convenience Items. A number of latchkey children in the area do not have access to snacks after school, some households do not have a car for shopping, and various residents lack internet service or do not shop online. There are various ways to address these needs, including the installation of vending machines at the community center that sell snacks and convenience items, matching children with adults to use computers at the community center to place online orders,

¹ See the appendix for the analysis of retail demand. It is possible that some retail-related uses may be supportable in the Millhouse Road Enterprise Zone if enough artisanal manufacturers and other service business locate there and open show rooms, tasting rooms or retail outlets. There are already a Crossfit studio and gymnastics center in that area that draw consumer use almost every day.

and, with increased community space and use of that space, operating a part-time cafe or coffee bar there.

2. Personal Services. There are about 3500 people living within a five-minute drive of the community center, many of them in households with substantial disposable income. In-home businesses could cater to their need for hair care and styling, pet care, personal training, and household management.

3. Housing Construction and Maintenance. Many if not most of the landscape and construction companies serving the area drive into the area from other towns such as Durham and Cary where rents for commercial space are lower. These services could be provided by local companies operating out of their owner's homes or in business space at Millhouse Road.

4. Catering and Artisanal Food Production. Most educated communities like Chapel Hill and Carrboro have a large base of small companies catering to "locavore" tastes. Because of the shortage of commercial space, Chapel Hill and Carrboro do not. There is already a cooking school in one local household, however, and if the zoning for home-based and live/work uses were relaxed, more such businesses would spring up locally. Those that became really successful could expand at Millhouse Road. Exhibit 12 in the appendix contains details on two business areas in Raleigh near Atlantic Road and off Whittaker Mill Rd. where some of these types of businesses have located.



Clockwise from upper left, local opportunities for business development that serve the local community include vending snacks and sundries at the community center, providing personal services like hair care in home-based businesses ("live/work"), providing catering services and producing food and drink at the artisanal scale, and providing home construction and maintenance services to the many affluent households in surrounding areas.

Development Strategy

In "Mapping Our Community's Future", the community stated its hope that that plan would "not (be) another plan shelved for people to reference."² Here are three levels of action for realizing these business opportunities that involve differing levels of immediacy, government involvement and funding. Some of these are low-cost and immediate, and others require more multiple sources of financing.

1. Leveraging the Community Center. Most commercial development is anchored by an activity generator such as a supermarket, a collection of restaurants, or a major employer. Here the community center can be that anchor, and incremental changes can build use of that center that eventually lead to opening of a part-time cafe there³. The community center can also be a place that draws people of different backgrounds together and that engages children and youth in hands-on learning that prepares them for work in the 21st century economy. Some of the more entrepreneurial youth might start an online ordering service for people who do not have internet access or who are reluctant to buy online, with the goods delivered to an Amazon Locker there⁴.

The starting point for this is "Makers" activities and the creation of an internet cafe that will draw children not only from the historically African American neighborhood and Habitat for Humanity subdivisions, but the newer, larger housing off Tallyho Trail, Claymore Road and Sylvan Way. Candy bars and snacks sold in vending machines may get them to bike there, but hands-on projects will keep them there, and working together. There are about 500 children in the greater Rogers Road area. With enough volume of use, this can become a place that connects people across generations and neighborhoods.



An internet cafe will identify more computer-savvy children interested in working with their elders to place online orders that can then either be delivered to the doorstep, to an Amazon "Locker" at the community center, or picked up at nearby supermarkets. Makers classes will engage youth who can then intern or work part-time in nearby live/work businesses, at Millhouse Road, or downtown and at the university.

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- 2 Marian Cheeks Jackson Center, "Mapping Our Community's Future", page 6.
 - 3 A cafe or snack bar will not be feasible until there is a much higher level of activity, which in turn, will require program and facility expansion. Longer term, it is possible that a commercial kitchen could be opened that both serves the community and is rented out for catering or the production of artisanal foods. That kitchen would require substantial construction and equipment.
 - 4 For more on this, see the appendix section on alternative formats and Exhibit 10. There is now an Amazon Locker at the Whole Foods store off Hwy. 15-501.

2. Regulatory Changes. Zoning changes should focus on enabling this expanded use of the community center, more home-based business, and more rapid development of the Millhouse Road Enterprise Zone.

According to the community plan, "Mapping Our Community's Future", the Rogers Road area has a wealth of talent, including construction and engineering expertise. More and more people are working as contractors in the "gig economy", and today the larger Rogers Road area is probably already home to professionals working at a desk and screen developing software, writing, or doing video editing. With enabling zoning, this in-home employment can be expanded to include more hands-on, tangible, and face-to-face work, including hair dressing, chiropractic medicine, counseling, personal training, cabinet making, catering, machining, fabrication, materials testing, and artisanal production. If there are more interesting in-home business nearby, there will also be more opportunities for youth to be mentored and to work at part-time jobs that lead to interesting and rewarding careers.



At this live/work loft on Bainbridge Island, the entire ground floor can be given over to work use. This building is located in a semi-rural area very like that around Rogers Road.

Encouraging the growth of in-home business may require a change in the basic approach to zoning uses, from prescribing which uses are allowed and what percentage of a home they can be, to proscribing or limiting un-neighborly effects⁵. It may be possible to accomplish much of this with occupancy permits⁶.

Besides the community center, there are two other areas that deserve special zoning treatment. One of these is the Buddha LLC property west of Rogers Road, where there is opportunity to make creative and live/work uses a basic part of the development and identity of the property⁷. The other is the Millhouse Road Enterprise Zone, where looser zoning requirements could permit a greater variety of uses. At the latter, some uses now considered "ancillary" should be considered "primary"⁸.

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- 5 These effects could include the sound of a router being used late at night, a large semi-trailer truck making noise as it delivers goods in early morning, employee and customer parking spilling over into roadways, dust or the smell of resin drifting over the neighborhood, or the unsightly storage of vehicles or materials. The use of the word "reasonable" in business and zoning regulations would give staff discretion in regulating this activity.
 - 6 Occupancy permits, which run with the business rather than the land, are generally easier to stipulate, enforce and revise.
 - 7 The Buddha LLC property would probably support the development of 5000 to 10,000 square feet of centralized studio and workshop space, if this is part of a larger residential development for which design and artisanal production are major themes.
 - 8 While zoning for the Millhouse Road Enterprise Area has recently been amended, there are still certain restrictions that make it difficult to develop space for or operate the variety of businesses that might otherwise go in there and provide work opportunities for Rogers Road residents. Current zoning should be tested against the uses shown in Exhibits 11, 12 and 13 to determine what additional changes may be necessary.

3. New Investment and Development. Simply intensifying the use of the community center and the zoning in the area will not be enough to meet the community's goals for access, connection and business development. This will also take public and private investment.

To really attract frequent use, particularly at a level that will support a part-time cafe or coffee cart, the community will need a multi-purpose room that can be used day to day, for exercise and yoga classes, children's games, and youth sports. These kinds of activity will cut across local differences in age, race and income and bring people with diverse skills and needs together.

Second, local government needs to extend sewer and water service to more property in the Millhouse Road area if it wants to accelerate development there and provide more job opportunities. The prospects for development should not depend on the plans of just a handful of owners.

Third, there need to be stronger connections to nearby employment and retail areas. One obvious improvement is a paved trail under the Duke Power lines⁹. Another, longer term, is converting the rail line to a regional trail that connects not just this neighborhood but all areas of north Chapel Hill to the downtown and university. These improvements will benefit not only Rogers Road area but the Chapel Hill/ Carrboro area as a whole¹⁰.



Larry's Coffee (above left), is an example of an artisanal producer that sells regionally yet operates out of a small industrial building near Pershing Road about a mile north of downtown Raleigh. The photo at right shows how close the RENA Community center would be to work opportunities in the Millhouse area and to the Weaver Dairy/ MLK retail area if there was a paved trail under the power lines.

⁹ There are a variety of possible financing sources for these improvements. State government and foundation grants helped fund the Riverwalk in Hillsborough.

¹⁰ The economic development strategy for Chapel Hill assumes that the town will "take its place on the map as a worldwide center of research and development". Many if not most of its competitors, including places like Boulder and Palo Alto, have such regional trails, which help brand them as sustainable communities with green infrastructure.

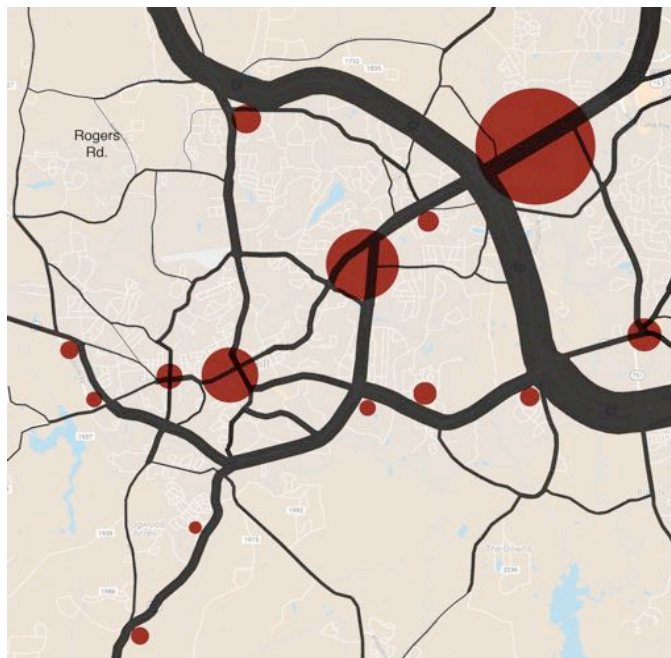
Appendix 1: Business Analysis

The Retail Landscape

The greater Chapel Hill/ Carrboro area includes a total of about four million square feet of retail space in more than a dozen local subareas. The largest single subarea is New Hope¹¹, where most of the big box stores are located. Downtown Chapel Hill is now, primarily, a regional dining and entertainment center, and area residents do more of their day-to-day and weekly shopping in the Ephesus Church/ University Place triangle bound by Estes Dr., East Franklin St. and Fordham Blvd. This and most of the other shopping areas in the greater Chapel Hill/ Carrboro area, including downtown Carrboro, are anchored by supermarkets. The Weaver Dairy/ MLK area is one of the larger of these areas. It is anchored by not just one but two supermarkets (Food Lion and Harris Teeter), as well as a cinema and a large concentration of medical office space.

Access and exposure are important to retail anywhere, but are particularly important in Chapel Hill and Carrboro, where two out of three working adults commute to jobs elsewhere in the region, and frequently shop on the way home. This has tended to pull the center of gravity for retail to the east. This can be seen in the map at right¹².

Access and exposure are becoming even more important as people change the way they shop, particularly at food stores, which have traditionally been the anchor for most local retail development. Thirty years ago, 88 percent of all food sales went to local grocery stores, and few shoppers went beyond their neighborhood to make food purchases. A study by one retail consulting firm¹³ estimates that by 2021 traditional supermarkets like Food Lion and Harris Teeter will have less than a third of all food sales, with the other two-thirds going to super centers like Walmart, fresh format stores like Whole Foods, drugstores like Walgreens, and convenience stores like Speedway. Exhibit 2 shows different types of stores now selling food in the Research Triangle, all of which offer competition for new retail at Rogers Road. There is now so much competition in food sales that one national retail expert, David Livingston, has predicted that the Food Lion chain may close¹⁴. The opening of the new Wegman's on Hwy. 15-501



This map shows retail areas and major roadways in the greater Chapel Hill/ Carrboro area. The size of the red circles is proportionate to the total retail floor area in each retail area, while the width of the black lines is proportionate to the average daily traffic volume on those roadways.

¹¹ Which is technically in Durham, but effectively part of the local market area.

¹² Exhibit 1 provide more exact detail on the size and location of these retail areas.

¹³ Inmar Willard Willard Bishop, "2017, Future of Food Retailing".

¹⁴ Two years ago Livingstone also predicted that Save-A-Lot and Bi-Lo/Winn Dixie would close. They did so last year.

may lead to the closure of some other local supermarkets, creating vacancies in existing retail areas that they now anchor¹⁵.

The other big change in retailing is the high growth of online shopping. In the last 12 months this has contributed to the closure of thousands of big box stores nationwide, and now online ordering is affecting daily and weekly food purchases, especially as major retailers like Walmart and amazon/ Whole Foods try to move more ordering on line. Walmart has already opened pickup locations for electronic orders in the parking lots of various stores in the Research Triangle, and Amazon is offering online discounts to shoppers who pick up their food at Whole Foods¹⁶. Rogers Road residents who do not have ready access to a car or the internet will not be able to participate in these changes.

Demographic and Lifestyle Profiles

There are about 1000 people living off Rogers Road in about 340 houses that are largely owner-occupied. Exhibit 6 shows that there are about 60 houses in the historically African American neighborhood, about 70 are in Habitat for Humanity subdivisions, and about 210 in subdivisions off Tallyho Trail, Claymore Road and Sylvan Way.

According to a survey of area residents carried out by the Marian Cheek Jackson Center in 2014, about 60% or about 36 of the houses in the historically African American neighborhood are still occupied by African Americans. A number of those households have several generations living under one roof. The majority of households have median incomes that are less than half the U.S. average, and another third make less than 80% of the U.S. average.

According to Rose Caldwell, office manager of the RENA Community Center, the Habitat for Humanity subdivisions include a number of Asian and Hispanic families. Discussions with Habitat for Humanity staff indicate that their household income is probably comparable to that of the historically African American households. Because most families in those subdivisions have owned their houses for far less time, however, fewer of those households have paid off their mortgages. Their income after mortgage payments is probably lower.

In contrast, many of the households living off Tallyho Trail, Claymore Road, and Sylvan Way have household incomes about twice the U.S. average. Seven out of eight adults in these households have bachelors or masters degrees, and most are professionals, business owners and high-level managers. Many if not most of the families have children in middle school, high school or college¹⁷. These households have notably high spending on travel, dining, and education¹⁸.

15 Exhibits 3 and 4 show that the Chapel Hill/ Carrboro area has twice as much food sales space per capita as the region as a whole. The region itself is so competitive for food sales that last year 14 relatively new Kroger stores closed down. Exhibit 5 shows where these anchoring food stores are located now.

16 It is quite possible that if the Food Lion at Timberlyne were to close, Walmart might rent this location and install one of its smaller format "Neighborhood Markets" here, simply to have a local pickup location for online orders placed by nearby residents.

17 Because the houses on these streets are older than those in the Habitat for Humanity subdivisions, it is likely that a number of the families are older, with more children in high school, college or grown and left.

18 Exhibit 7 shows the areas within a 5.0 minute and 7.5 minute drive of the RENA Center, while Exhibit 8 includes detail on the demographic characteristics of households in those areas. There is not the same level of demographic detail available at the 2.5-minute level or on the historically African American community because the U.S. Census service does not disclose information for neighborhoods or blocks this small. Much of the Habitat for Humanity housing was

This combined population of about 1000 people living off Rogers Road is not enough to support local retail, since it takes more than 10,000 to support a supermarket, and about 4500 for even a sandwich or pizza shop. This analysis therefore looked at the population within a five-minute and a 7.5-minute drive of the RENA Community Center. Exhibit 7 shows what areas can be reached in these drive times, while Exhibit 8 shows the demographic characteristics of those drive sheds. The characteristics of households within a five-minute drive of the RENA Center area essentially similar to those off Tallyho Trail, Claymore Road and Sylvan Way, while those living in the 7.5 minute drive shed include more renters, young people and room-mate situations. It would be difficult to attract many of those living 7.5 minutes away to come to new retail on Rogers Road since many of the area's existing retail areas would be more convenient to reach.

Gap Analysis

Exhibit 9 shows the gap between demand and supply for different retail categories, and the types of locations where most of the spending now goes. As is true for most smaller neighborhoods, most of the spending goes to larger retail areas. In this area, gas stations and convenience stores along MLK intercept some of the sales that would otherwise go to stores at Weaver Dairy/ MLK or to the south and east. Because of the spending power and characteristics of households in the larger Rogers Road area, there are niche business opportunities for offering coffee, snacks and convenience items at the community center; in providing personal services such as hair styling, chiropractic medicine and training; in providing home construction and maintenance to local residents; and in catering and the artisanal production of craft food and drink.

Alternative Retail Formats

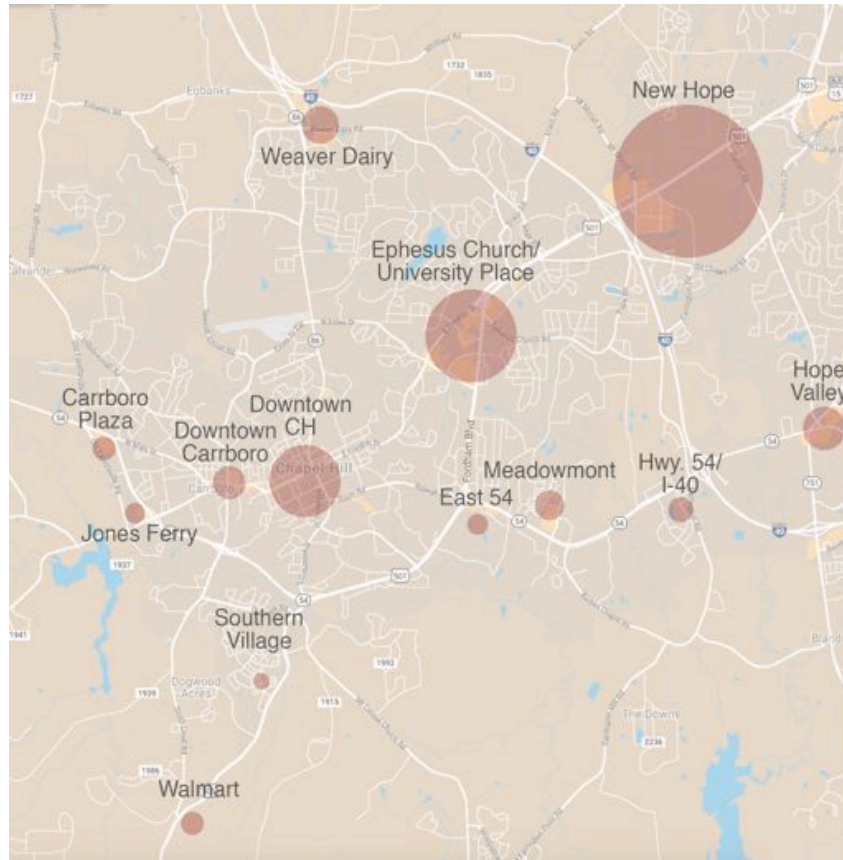
Exhibit 10 shows an example of an Amazon Locker location. This is one way that purchasing can be made easier for neighborhood residents. Many more affluent households pay \$120 per year for an Amazon Prime membership, which entitles them to unlimited free delivery, but this amount is beyond the spending capability of many low-income households. Amazon now has a program in which it discounts the annual cost of Amazon Prime membership to \$59 for EBT-card holders. Amazon also has another program called "Hub By Amazon" which has lockers which will accept packages from all shippers, but that program is designed for large apartment complexes, and the lockers must be owned by a private entity.

Selected Work Districts

This report has focused on home-based business opportunities in the Rogers Road area, but, immediately outside this area, land at Millhouse Road has also been zoned for work, for which there are a limited number of allowed uses. Exhibits 11 and 12 map and provide details on work districts in the region that could be a partial model for what can be developed at Millhouse Road. The three examples in Hillsborough and Durham were selected because they have rural locations comparable to that of Millhouse Road. The two examples in Raleigh were selected because they have design, artisanal and retail uses which might be attracted to Millhouse Road. Exhibit 13 provides a photographic example from Bainbridge Island, WA of a business park there a number of artisanal and consumer uses. Note that all of those uses are front-loaded, an approach prohibited at Millhouse Road.

built after the last census, and there is no published information on those households either.

Exhibit 1: Retail Areas in the Greater Chapel Hill/ Carrboro Area



<u>Location</u>	<u>Size (sf)</u>	<u>Share</u>
New Hope	1,185,000	30%
Ephesus Church/University Place	680,000	17%
Downtown Chapel Hill	670,000	17%
Hope Valley	290,000	7%
Weaver Dairy/ MLK	270,000	7%
Downtown Carrboro	190,000	5%
Walmart	120,000	3%
Meadowmont	115,000	3%
Carrboro Plaza	105,000	3%
Hwy 54/ I-40	80,000	2%
East 54	75,000	2%
Jones Ferry	65,000	2%
<u>Southern Village</u>	<u>65,000</u>	<u>2%</u>
Total	3,910,000	100%

Source: Business Street tally of building sizes in each area using Google Maps measurement tools.

Exhibit 2:
A Crowded World of Food Stores:
Different Food Sellers in the Region



Exhibit 3: Size and Market Share of Food Chains in the Region

<u>Chain</u>	<u>Locations</u>	<u>Avg. Store Size</u>	<u>Total Store Area</u>	<u>Sales Per SF</u>	<u>Total Regional Sales</u>	<u>Share of Regional Sales</u>
Harris Teeter	19	46,000	874,000	\$500	\$437,000,000	18%
Walmart Super Ctr.	11	50,000	550,000	700	385,000,000	16%
BJ's	5	70,000	350,000	850	297,500,000	12%
Whole Foods	7	37,000	256,000	900	230,400,000	9%
Food Lion	19	34,000	646,000	325	209,950,000	8%
Sam's Club	4	70,000	280,000	600	168,000,000	7%
Costco	2	70,000	140,000	1000	140,000,000	6%
Publix	4	46,000	184,000	550	101,200,000	4%
Wegmans	1	100,000	130,000	650	84,500,000	3%
Trader Joe's	3	16,000	48,000	1750	84,000,000	3%
Aldi	7	16,000	112,000	675	75,600,000	3%
Target	10	25,000	250,000	300	75,000,000	3%
Fresh Markets	5	18,000	90,000	700	63,000,000	3%
Lidl	2	34,000	68,000	550	37,400,000	2%
Misc.	5	20,000	100,000	300	30,000,000	1%
Compare Foods	3	25,000	75,000	300	22,500,000	1%
Weaver Street	3	12,000	37,000	500	18,500,000	1%
Sprouts	1	25,000	25,000	600	15,000,000	1%
Total or average	111	714,000	4,215,000	\$587	\$2,474,550,000	100%

Estimated Population, 2018

Wake County	1,024,000
Durham County	301,000
<u>Orange County</u>	<u>141,000</u>
Total	1,466,000

Store area per person 2.9 square feet

Source: Business Street count of store locations in the region. Average store size based on sample of significant number of locations for each chain. Sales estimates per square foot taken from multiple online articles.

Exhibit 4: Size and Location of Major Food Stores in the Chapel Hill/ Carrboro Area

<u>Store</u>	<u>Location</u>	<u>Size</u>
Food Lion	N.W. Carrboro	33,300
Food Lion	Carrboro Plaza	46,500
Food Lion	Ephesus Church/ U.P.	30,000
Food Lion	Weaver Dairy	32,900
Fresh Market	East 54	28,400
Harris Teeter	Downtown Carrboro	34,700
Harris Teeter	Ephesus Church/ U.P.	36,400
Harris Teeter	Meadowmont	45,100
Harris Teeter	Weaver Dairy	46,600
Target	Franklin St.	5,000
Trader Joes	Ephesus Church/ U.P.	13,000
Walmart	New Hope	50,000
Walmart	S. 501	50,000
Weaver St. Market	Downtown Carrboro	13,500
Weaver St. Market	Southern Village	12,700
Wegman's	Hwy. 15-501	100,000
<u>Whole Foods</u>	<u>Ephesus Church/ U.P.</u>	<u>41,000</u>
Total		619,100
Number of local residents		115,000
Square feet per capita in the greater Chapel Hill/ Carrboro area		5.4
Square feet per capita in the Research Triangle region		2.9
Percent by which local exceeds regional average		87%

Source: Business Street analysis using Google Maps planimetric functions.
Population estimate provided by Triangle J Council of Governments.

Exhibit 5:
Supermarkets in the Chapel Hill/ Carrboro Area



Exhibit 6:
Different Types of Housing and Households
in the Rogers Road Area

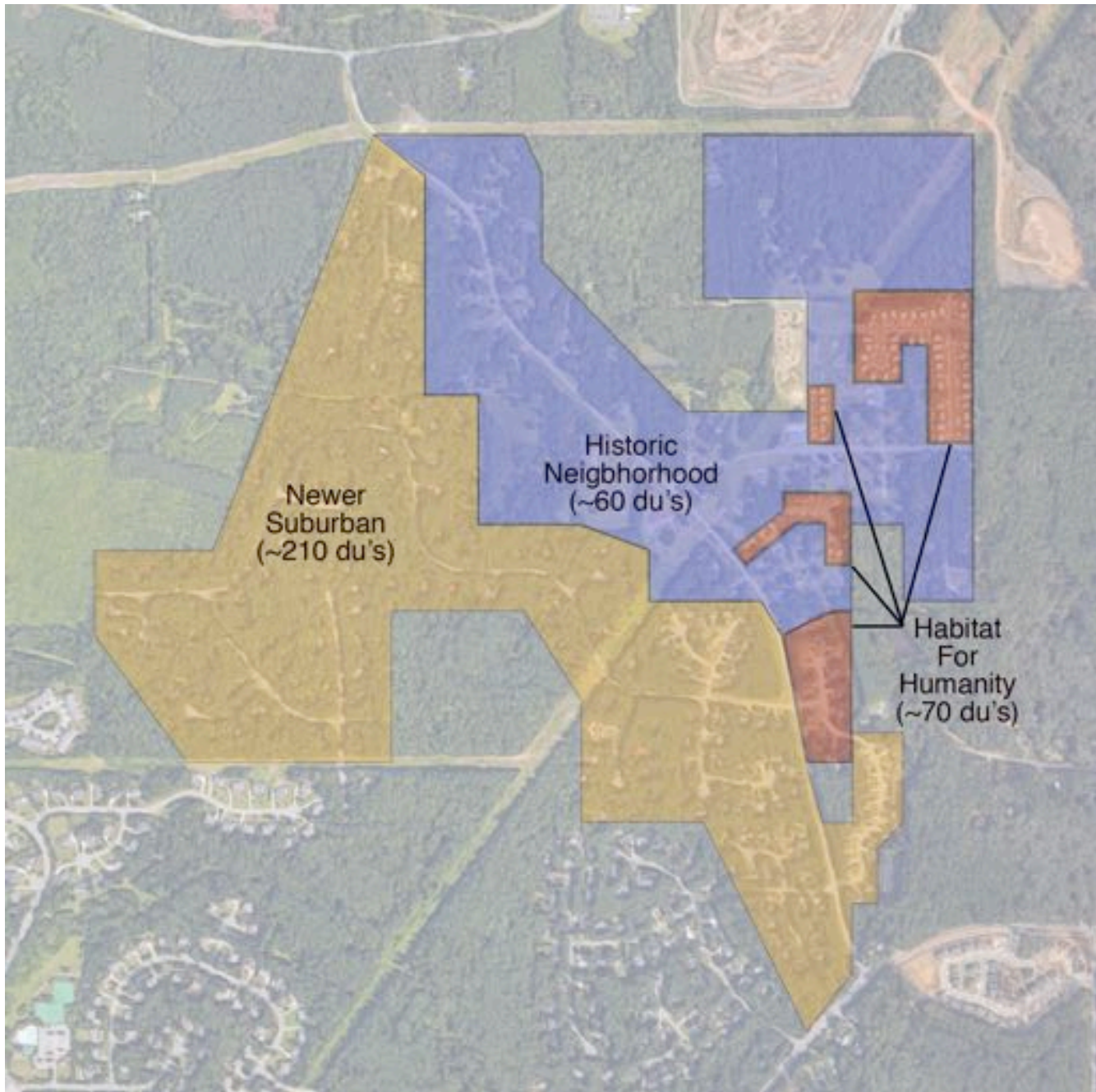


Exhibit 7:
Drive Sheds from the RENA Community Center

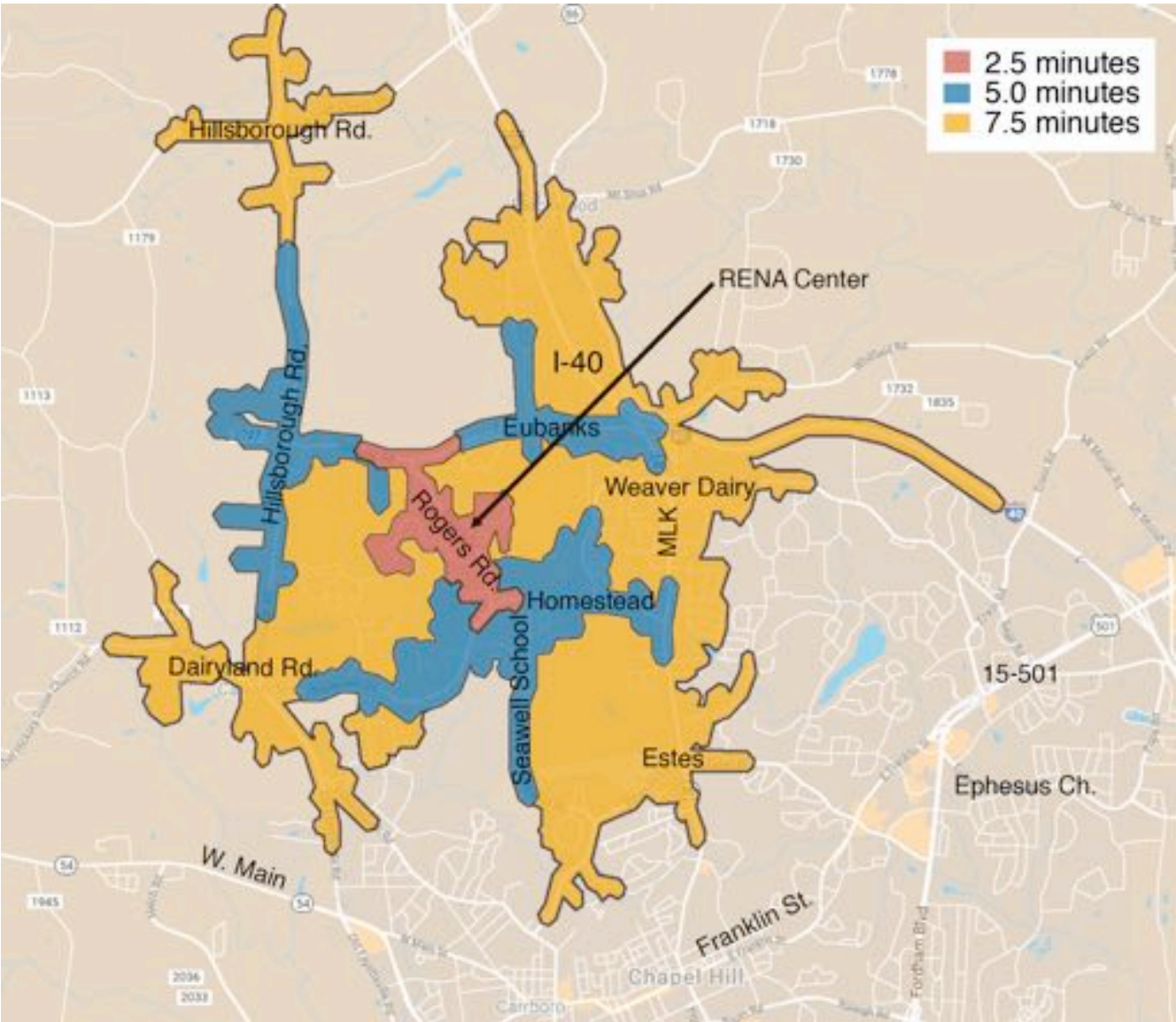


Exhibit 8: Demographic Characteristics of Households in Local Drive Sheds

	<u>5.0 mins</u>	<u>7.5 mins</u>
Population	3,462	14,128
Households	1,118	5,020
Ownership/ Rental		
Owner-occupied housing	82%	66%
Rental housing	15%	31%
Age		
Median age (years)	38.2	35.3
Married	63%	54%
Households with children	60%	42%
Non-family households	6%	18%
Population <15	25%	22%
Population 15-24	14%	18%
Population > 65	9%	10%
Education and Income		
Median household income	\$141,675	\$97,494
HH income <\$50,000	16%	32%
HH income >\$100,000	68%	49%
BA or master's degree	83%	79%
Professional	52%	52%
Services	8%	13%
Blue collar	7%	5%
Race		
Caucasian	65%	64%
African American	7%	8%
Asian	22%	21%
Spending Index		
Apparel and Services	196	157
Education	215	177
Entertainment and recreation	189	150
Food at home	176	145
Food away from home	191	156
Health care	179	140
Household furnishings	195	154
Personal care	195	154
Shelter	184	153
Support payments	193	151
Travel	209	160
Vehicle maintenance	181	148

Source: ESRI Community Profile, using RENA Center as starting point.

Exhibit 9: Gap Analysis for Local Goods and Services

	<u>5.0 Minutes</u>	<u>7.5 Minutes</u>	<u>Typical Setting</u>
Population	3,462	14,128	
<u>Retail Gap</u>			
Motor Vehicles and Auto Parts	14,648,685	52,064,344	
Automobile dealers	11,971,052	42,585,308	Southpoint
Other vehicle dealers	1,208,294	4,201,479	
Auto parts	1,469,340	5,277,558	Major arterials
Furniture and Furnishings	2,708,433	9,680,897	
Furniture	1,744,656	6,219,944	Major arterials, Macy's, Ikea
Furnishings	963,777	3,511,584	malls and main streets
Electronics and Appliances	2,203,097	6,848,141	On-line, Best Buy, Apple store
Building Materials and Garden	4,389,972	15,206,066	
Building Materials	4,099,553	14,655,648	Regional lumber yards
Garden	328,810	550,481	Lowes, Home Depot, specialty garden centers
Food and Beverage	11,686,435	2,310,115	
Grocery stores	10,794,227	712,885	Harris Teeter, Walmart, Walgreens, Whole Foods.
Specialty food	429,372	734,653	Trader Joe's, specialty stores in upscale locations
Beer, wine and liquor stores	462,837	862,577	ABC store, bottle shops on main streets
Health and Personal Care	4,114,562	4,838,866	Drugstores, beauty supplies, nutrition stores.
Gas Stations	6,899,486	12,150,970	Major arterials
Clothing and Accessories	3,634,141	11,771,473	
Clothing	2,329,684	7,120,039	Major malls, big box stores like Marshalls.
Shoes	576,473	2,033,345	Major malls, sporting goods stores.
Jewelry and luggage	727,984	2,618,088	Major malls, big box stores like Marshalls.
Sporting Goods, Books, Music	1,962,714	5,828,920	
Sporting Goods, Hobby	1,660,364	5,650,598	Big box stores on major arterials
Book and Music	302,349	1,111,728	Malls, specialty stores on upscale main streets.
General Merchandise	11,806,113	41,909,406	
Department Stores	8,685,742	31,096,942	Major malls, big box stores like Target
Other general merchandise	3,120,371	10,812,464	
Miscellaneous	2,706,384	6,617,499	
Florists	68,835	-35,432	Supermarkets and flower stores on upscale main streets.
Office supplies, gifts	664,656	1,984,783	Big box stores on major arterials
Used merchandise	382,673	562,798	Goodwill stores
Other miscellaneous	1,702,054	4,105,351	
Restaurants, Bars and Cafes	7,236,486	20,094,223	
Specialty food service	75,792	262,135	Hospitals, research centers, corporate complexes.
Bars	602,747	2,132,835	Main streets and shopping centers.
Restaurants and cafes	6,557,767	17,703,677	Everywhere

Source: ESRI Retail Marketplace Profile, with RENA Community Center as epicenter.

Exhibit 10:
Example of an Amazon Locker Location



**Exhibit 11:
Selected Work Districts
in the Research Triangle**

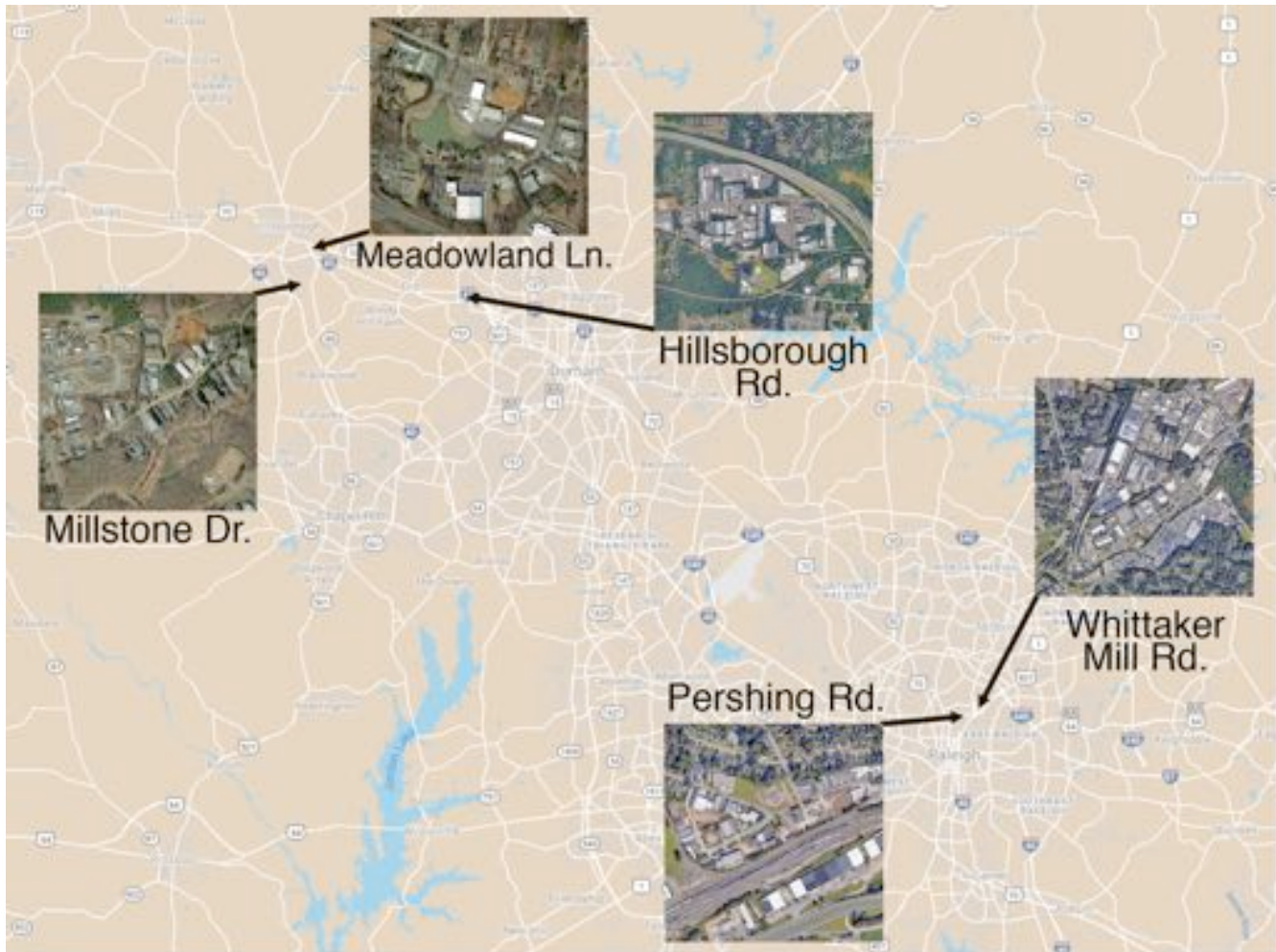


Exhibit 12: Characteristics of Selected Business Centers in the Research Triangle¹⁹

Name, Location and Form:***Uses:***

<p><u>Atlantic Ave., Raleigh</u> Industrial area with large mill buildings, warehouses from the 1950's and 60s, newer flex/ retail space, and recent mill rehab. The area is changing from traditional manufacturing and distribution use towards sale of consumer and professional goods and services.</p>	<p>Three craft breweries, cafe, co-working space, furniture store, wine distributor, lighting store, hair salon, wholesale florist, fitness center, exercise equipment store, leather goods, millwork co., cabinetmakers, two hardware stores, two musical instrument stores,, HVAC co.'s, event center and caterers, wine wholesaler, flooring co., embroidering and business promotion products, specialty camera store, vocational rehab, commercial printers, art gallery, export/ import, gun wholesaler, appliance parts.</p>
<p><u>Hillsborough Road, Durham</u> An older collection of individual business parks developed in the 1960s and 1970s near the intersection of Hillsborough and I-85. Buildings appear to be about 85 to 90% occupied, although there is deferred maintenance and rents are probably lower than in newer industrial districts closer to RDU.</p>	<p>Gymnastics studio, dialysis center, mini storage, wine distributor, equipment rentals, auto and truck repair, telecom networking installer, sheetmetal co., furniture distributor, landscape supply, body shop, nut roasting, HVAC installer, kennel, exterminator, fitness center, vocational rehab, financial advisors.</p>
<p><u>Meadowland Lane, Hillsborough</u> A 2000s era business park on Hwy 70 east of central Hillsborough that has become the town's premium location for offices and businesses. The park is extensively landscaped, with a central loop surrounding a lake. Most of the sites are developed and fully occupied.</p>	<p>Orange County Sportsplex. professional offices, nursing home, sex toy headquarters and distribution, veterinary clinic, doctors offices, coffee wholesaler, printing and embroidery shop, church, Orange Co. emergency services center, promotional products, charter school, electrical supplier.</p>
<p><u>Millstone Drive, Hillsborough</u> A 1980s to 90s business park with a serpentine road running between Old and new NC 86 bordered by a mix of professional office buildings and warehouse buildings with offices at the front. The park is full and one of the two main business and service centers outside the downtown.</p>	<p>Montessori school, dance and gymnastics studio, veterinary clinic, T-shirt printer, millwork company, church, yoga studio, HVAC contractor, formalwear outlet, guitar maker, event company, machining company, professional offices.</p>
<p><u>Pershing, Raleigh</u> An older, post WW I, rail-oriented industrial area 1.5 miles north of downtown Raleigh, on the edge of the rapidly gentrifying "East Five Points" neighborhood. The area is rough, but attracting design and artisanal production companies.</p>	<p>Coffee roaster, wholesaler and retail outlet, construction companies, auto and truck repair, cement plant, embroidery and commercial promotional products, brewery, furniture sales, printer, commercial lighting, plumber, office equipment, construction companies.</p>

¹⁹ These districts were chosen based on their comparability to what could be developed on Millhouse Road. They have different combinations of office, retail, service, manufacturing and distribution space. Note that many of the businesses in the more interesting areas, particularly Atlantic Ave. in Raleigh, have loading docks at their entrance which have been turned into retail dining space, and not their rear, as required in the Millhouse Road zoning.

Exhibit 13:
Profile of Tenants
Coppertop Business Park, Bainbridge Island, WA



Note the number of artisanal food uses in this complex, which include a craft brewery, distillery, coffee roasting plant, caterer, chocolate maker, and pizza maker. All but one of those have retail operations on site. Youth activities include a boys-and-girls club, which makes daily use of the green, a rock climbing gym, and a private center for math clubs and Destination Imagination clubs. Office users include a physical therapy center, financial professionals, insurance agents, and private counselors. This center now enjoys use on both weekdays and weekends, and during the day and in the evening.