

FEASIBILITY STUDY FOR NEW RETAIL, RESIDENTIAL AND ECONOMIC GROWTH

City of Central, Louisiana

3/9/2009

GCR & Associates, Inc.



Commercial Market Analysis: City of Central, Louisiana

GCR & Associates, Inc.

Acknowledgments:

This report is provided by GCR & Associates, Inc., based on field work, research and interviews with local stakeholders.

The following individuals, organizations and entities provided data for this report:

Moore Planning Group, LLC

The City of Central Government

The City of Central Chamber of Commerce

AIA Communities by Design

U.S. Census Bureau

U.S. Bureau of Labor Statistics

Louisiana Department of Labor

Urban Land Institute

Claritas, Inc.

ESRI, Inc.

Baton Rouge Loop

Latter & Blum, Inc.

All photographs presented in this report were taken by GCR & Associates, Inc., June – August, 2008. Aerial imagery provided by Google.

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I. EXECUTIVE SUMMARY

In the summer of 2008, the City of Central contracted with GCR & Associates, Inc. (GCR) to analyze the feasibility of new commercial and residential development. The purpose of this analysis is to provide guidance to the city in developing the Comprehensive Master Plan currently underway. Specifically, the analysis of current and future demand for additional retail services and potential for additional industries will assist the City in determining which areas to target for redevelopment and in prioritizing its future investment strategies.

The contents of this report are divided into four parts, as follows:

1. Baseline analysis of demographics, income, local employment and population projections;
2. An analysis of local and regional housing markets, demand by housing costs, and affordable housing need;
3. An analysis of retail supply and demand, an estimate of additional retail services needed, and a summary of economic development opportunities based on local assets and regional industrial clusters; and
4. A summary of tax revenue and job creation that can result from additional commercial development.

As the baseline for this initiative, GCR first examined current demographic and economic trends and residential building permits to determine future growth. GCR developed three growth scenarios that reflect the potential household growth from 2008 through 2020. The low growth scenario is based on historic growth rates of the Baton Rouge MSA. Under this scenario, Central can expect to add approximately 1,800 households, or 5,725 people, through 2020. The moderate growth scenario assumes the growth rate of the Baton Rouge MSA from 2005 through 2008, which would add approximately 3,300 households, or 10,400 people, through 2020. The high growth scenario assumes Central will continue the pace of residential development exhibited between 2005 to 2007 over the course of the next decade, in which almost 6,000 new households, or 18,000 people, would be added.

Given the recent downturn in the economy, the sluggish pace of housing construction, and the tightened credit markets, this analysis utilizes the low growth scenario, in which approximately 1,800 new homes will be needed to meet demand. At the time this analysis was initiated, approximately 1,200 units were already permitted for construction. Therefore, Central will not require a large number of additional units to meet future housing demand.

Using the low growth scenario, GCR then estimated the current and future demand for additional retail services, categorized by retail type. The most significant finding from this phase of the analysis is that Central has an inadequate number of retailers to meet demand, causing residents to shop outside of city limits for goods and services that should be available closer to their homes. This is most notable in restaurants, apparel stores, hobby stores and entertainment, in which the bulk of spending occurs outside city limits. The lack of retailers is translated into less tax revenue for the city and less entertainment and shopping options for local residents. By calculating current and future spending potential, the figures within this study provide scenarios in which the parish can absorb additional retail spending.

In addition to retail development, the city has several positive attributes that can effectively draw in job opportunities beyond retail. This is possible due to its strategic location near Baton Rouge's hospitals, airport, office parks along Sherwood Forest Boulevard, and government buildings concentrated north of Interstate 10. The vast amount of buildable land may also attract new skilled manufacturing jobs, taking advantage of easy access to major thoroughfares and the existing workforce. Unfortunately, the current recession will hamper investment in this industry in the near future. The same can be said for the FIRE industries (finance, insurance, and real estate), which were even more

impacted by the credit crunch and economic downturn. On a positive note, the health care industry, public service and education are expected to grow in jobs despite the recession. Central will continue to serve as a residential area for workers within these industries and may also provide satellite offices, particularly within the health care industry.

Based on the estimates and projections within this study, the City of Central has the potential to add between **\$30 million - \$90 million** in additional retail spending and between **40 - 71 new retail stores and restaurants**, resulting in between **\$1.5 million - \$4.5 million in city sales tax revenue**. The additional investment in retail activity will produce between **234 - 522 new jobs as a result of construction activity**, and in the long term, between **436 - 867 new jobs as a result of new retail and food services**. Central also has the potential to add between **530 - 3,700 new jobs based on expected regional growth** through 2020, which will lead to an estimated **60,000 - 440,000 square feet in industrial and office space**.

II. INTRODUCTION

The City of Central, established in 2005, is located in the northwest quadrant of East Baton Rouge Parish, within fifteen minutes of downtown Baton Rouge. Before 2005, it functioned as an unincorporated bedroom community for the metropolitan area, largely rural in character with a spattering of subdivisions and older homes on large tracts of land. Today, it is a burgeoning city with massive residential and retail development, a desirable school system, and plans for greater investment in civic structures and recreational space. Similar to development patterns across the United States, this is a classic example of how communities form and grow. In its nascent stage, it functions as a place for families seeking affordable land and a reasonable proximity to their workplaces. As more families move into the area, a sense of community forms, leading to the desire to become its own entity, in this case an incorporated city. With this autonomy, the community has the authority and privilege to form its own laws and choose its own investments, all of which are a reflection of the goals and principles held by its citizens. This unique opportunity is presenting itself currently in Central, and as part of this opportunity, the following report frames several key facts and issues the city will face as development takes hold.

The first pressing question the community will face is the decision of growth – Where should future commercial and residential development be located? How should it be designed and built? And should there be a limit to this growth? Many of these questions will be addressed in the master planning process currently underway, which will be reflected in zoning practices and the initiatives of the Chamber of Commerce. An important component of those decisions is found within this report. This analysis estimates the demand for additional retail services and the potential found within existing retail centers for further expansion. The analysis also includes a summary of economic development opportunities by examining regional trends and industrial strengths.

III. DEMOGRAPHICS AND INCOME

The City of Central, Louisiana is located in East Baton Rouge Parish. It is the state's most recently incorporated city (in 2005) and became the state's 12th largest city instantly upon its creation. At 66 square miles, it is almost equivalent in size to the City of Baton Rouge, but with only 10% of the population. With numerous opportunities for development, Central can expect significant expansion and growth. Following is an analysis of key demographic

indicators which highlight existing trends. The years of analysis include 1990, 2000, and 2008, along with population and household projections through the year 2020.

From 1990 to 2000, Central grew somewhat quickly, at a growth rate of 10.7 percent (1.1 percent annual growth). The growth in number of households was almost double that rate, at 19.5%. This follows national trends, in which household size has decreased, resulting in a larger number of households per existing population.

Table 1: General Population Characteristics, City of Central

General Population Characteristics	1990	2000	2008
Total Population	24,242	26,846	28,045
Total Households	7,950	9,497	10,204
Population Change (from previous)	n/a	10.7%	4.4%
Household Change (from previous)	n/a	19.5%	7.4%

Source: Nielson Claritas, Inc.

To estimate the number of households that will be added to Central, this analysis incorporated three household growth rates based on three historic trends. The low growth scenario utilizes the historic growth rate of the Baton Rouge MSA from 2000 to 2008 according to Nielson Claritas estimates. This figure of 1.4% is robust yet fairly moderate considering the massive number of residential building permits issued in Central from 2005 – 2007. The moderate growth scenario is based on more recent growth trends in the Baton Rouge MSA that reflect post-Katrina development patterns. The high growth scenario assumes Central will continue in its current development patterns, adding an additional 6,000 households by 2020.

The analysis examines several key factors to determine which growth rate is the most appropriate to use to frame Central’s growth potential. First, the Baton Rouge metropolitan area has expanded spatially into traditionally rural areas, similar to most metropolitan areas in the U.S. over the past decade. Because of this, Central has become a suburb of choice for Baton Rouge workers, resulting in a construction boom of single family homes within subdivisions. This development pattern will likely continue as it mirrors the development patterns of more traditional Baton Rouge subdivisions. Second, Central has increased its desirability for families with children by distinguishing itself as a separate jurisdiction, thereby consolidating the school system. The appeal of a centralized school system, with children of the same community attending school together from kindergarten to high school, will attract many families into the area. Third, the expansion of the road networks will allow Central to increase its vehicular capacity, thereby promoting more residential development. The expansion of the three major roads within the city – Joor Road, Sullivan Road, and Hooper Road – from two-lane roads to four-lane roads, will encourage further residential and commercial development. Finally, the demise of three of the four largest investment banks in the country, followed by the credit crunch, stall in construction activity, and ensuing recession, has slowed development in Central. This pause is not so much a reflection of dire economic times for the Baton Rouge MSA, as the metro area is faring well comparatively, but is more likely a result of consumer confidence, which has waned as a result of the recession. In all likelihood, Central will pick up where it left off in 2007, but this may take a few years.

Based on these indicators – including units currently in the pipeline, the pace of residential construction, future infrastructure projects, and the current economic downturn – this analysis assumes the low growth rate when estimating future retail potential.

Table 2: Population Projections, City of Central

	2013		2020	
	Population	Households	Population	Households
Low	30,302	10,932	33,770	12,051
Medium	31,979	11,473	38,430	13,554
High	34,616	12,324	46,480	16,151

The racial makeup of Central’s population has changed notably since 1990. The percentage of the population identified as “White Alone” has decreased slightly since 1990, while the Black/African-American population increased approximately 5% during this same period. What was once an extremely homogenous place, in terms of race, has become a bit more diverse over the past two decades. This trend will likely continue, as Central attracts more households from the Baton Rouge metropolitan area. While the city is expected to remain a predominantly white community, its shift towards a more diverse population is a sign of Central’s transition from a traditionally rural area into a first-ring Baton Rouge community.

Table 3: Race and Ethnicity, City of Central

	1990		2000		2008	
	Central	Baton Rouge MSA	Central	Baton Rouge MSA	Central	Baton Rouge MSA
<i>Non Hispanic</i>						
White Alone	95.87%	64.96%	94.33%	62.06%	90.47%	58.40%
Black/African-American Alone	2.27%	32.04%	3.60%	33.98%	6.61%	36.42%
Native American/Alaska Native Alone	0.20%	0.16%	0.37%	0.22%	0.43%	0.23%
Asian/Pacific Islander	0.19%	0.87%	0.25%	1.32%	0.30%	1.62%
Two or More Races	0.38%	0.53%	0.59%	0.69%	0.98%	0.86%
Other	0.05%	0.04%	0.04%	0.08%	0.04%	0.09%
Hispanic, All Races	1.03%	1.40%	0.81%	1.64%	1.15%	2.39%

Source: Nielson Claritas, Inc.

Age

Similar to national trends, Central has a constricted population, with a larger number of middle-aged and senior citizens in comparison to children and young adults. This disparity is more evident in Central than in the U.S. as a whole, signifying that there also may be an outmigration of young adults and an influx of elderly.

Also similar to national trends, there is a disproportionately greater number of elderly females than elderly males. This is statistically true in almost every community, as women live longer than men on average. Regardless of sex or gender, an older population signifies a sustained demand for a different bundle of services—senior housing, nearby healthcare facilities, wheelchair or motor scooter accessibility on public roads and sidewalks, etc.

While the elderly population will increase in Central, following national trends, there will also be an increase in the number of children, following residential development patterns and local school initiatives. Ultimately, Central’s age pyramid may have two bulges on either end, representing the glut of elderly and school-aged population.

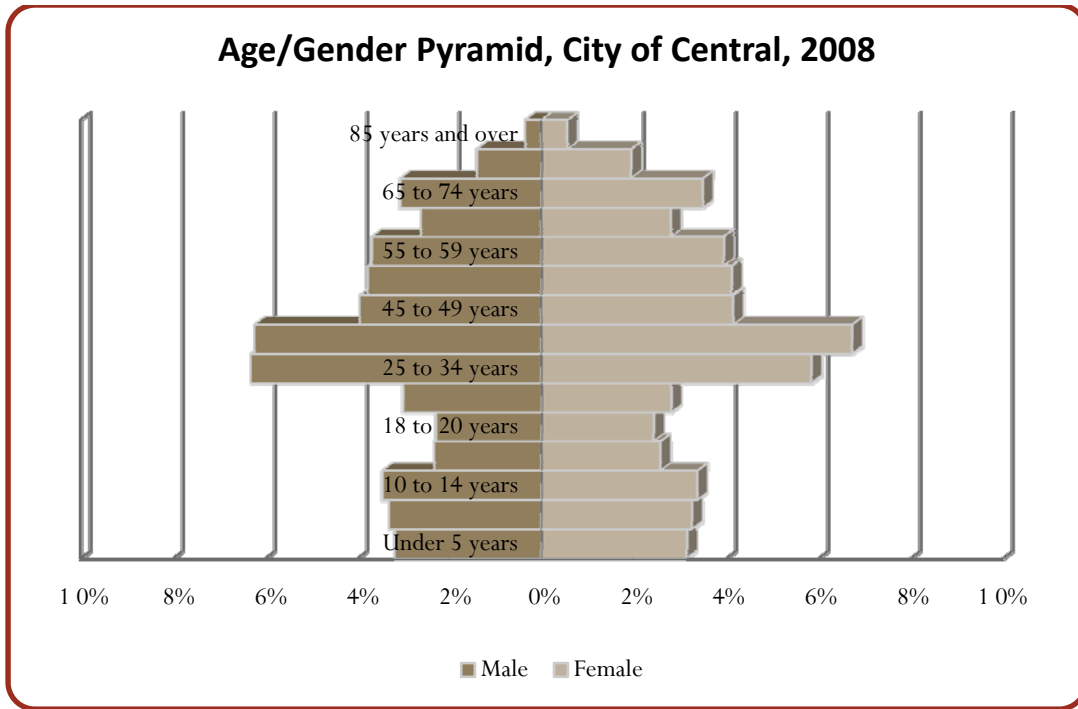


Figure 1 (Source: Nielson Claritas, Inc.)

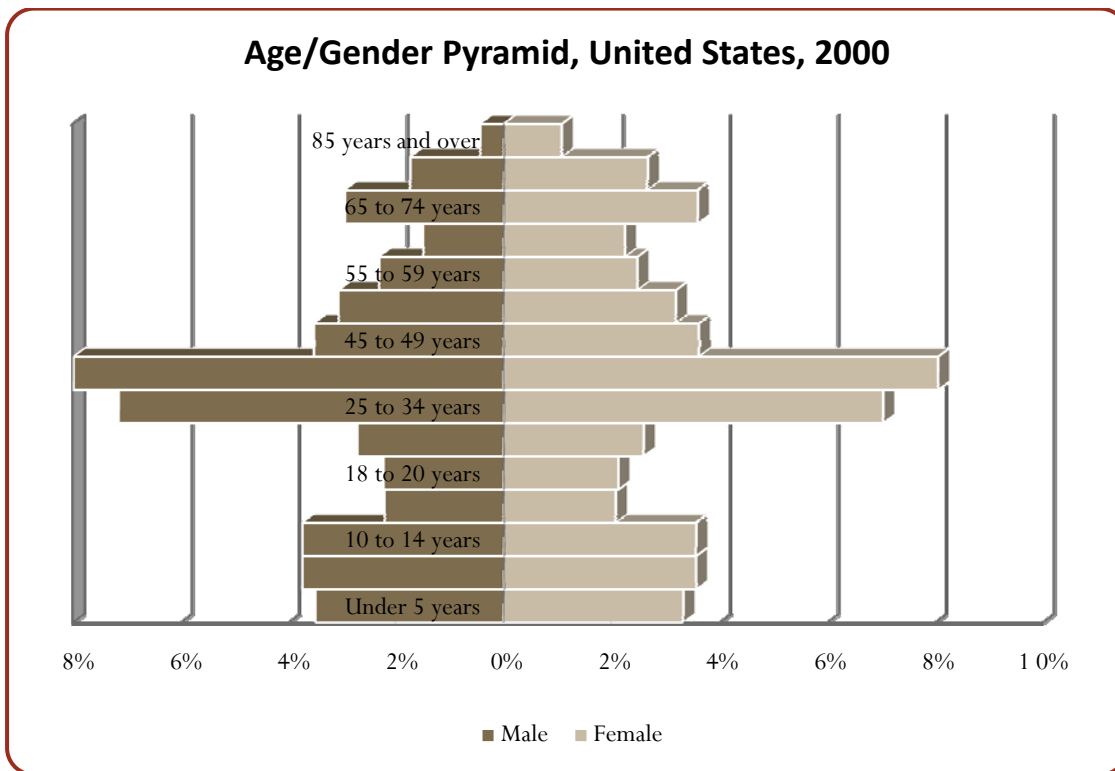


Figure 2 (Source: U.S. Census)

Income

Median household income in Central has consistently climbed according to inflation, but has not shown substantial gains in real income. In 1990, the figure stood at just below \$40,000. In 2000, the median household income was approximately \$52,000. And in 2008, the median household income rose to approximately \$65,000. When these figures take inflation into account, the median income has remained fairly stagnant from 1990 to 2008. What is noticeable overall is the shift in income distribution over time, with a larger percentage of the population clustered towards the center in 2008 when compared to 1990. This follows national trends, in which poverty rates have slowly decreased since 1990.

Even with stagnant economic growth, the median income is greater than state or national figures, indicating a fairly prosperous community. With future development, household income is expected to rise, accounting for inflation.

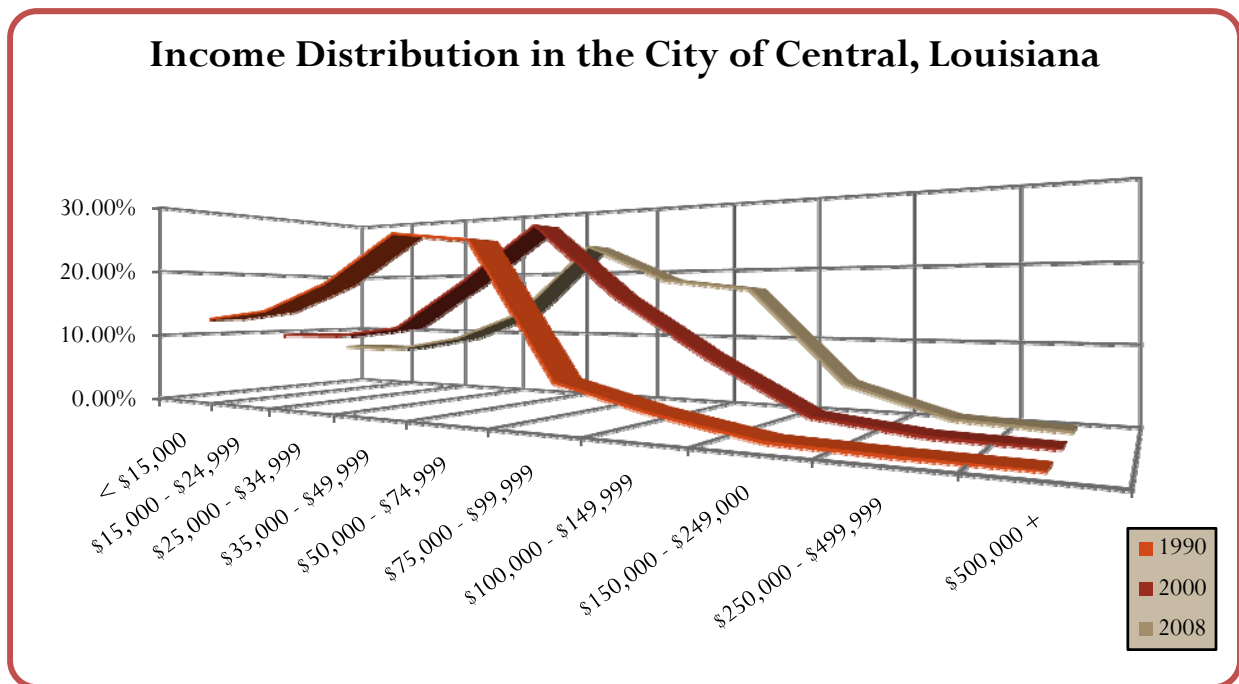


Figure 3 (Source: Nielson Claritas, Inc.)

Educational Attainment

Education levels have not changed significantly from 2000 to 2008. Compared to the Baton Rouge MSA, educational attainment in Central is concentrated within the middle range, with a smaller percentage of the population without a high school degree and a smaller percentage of college graduates than the region. 88% of the working-age population in Central has a high school diploma or equivalent, compared to only 80% for the Baton Rouge area. At the same time, 17% of the working-age population in Central has a college degree, compared to 23% for the region.

Based on current development patterns, a greater percentage of Central's residents will have a college education or higher, as the city attracts higher income households.

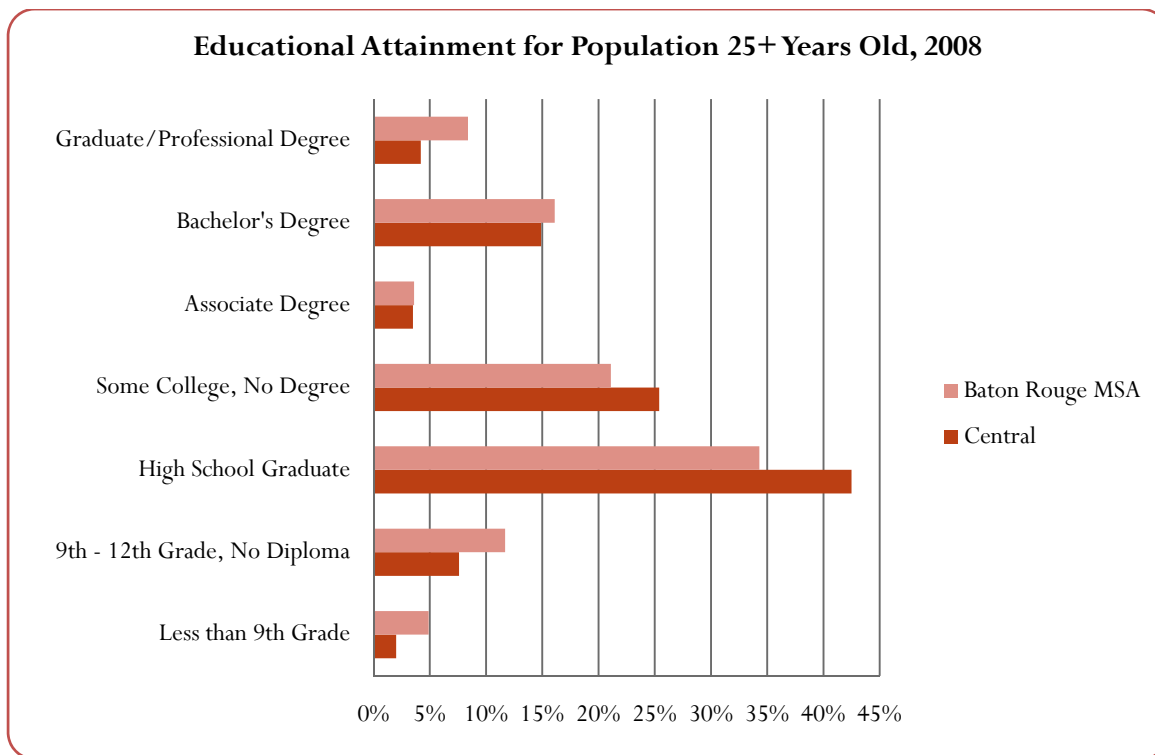


Figure 4 (Source: Nielson Claritas, Inc.)

Employment by Industry

Another indicator that has not changed significantly since 2000 is employment status (categorized by industry of occupation). As a result, only present data is shown (see graph on the following page). The industry which employs the largest percentage of Central residents as of 2008 is manufacturing, comprising 15.0 percent of the population. The next top industries are construction (12.6 percent), retail trade (10.0 percent), healthcare and social assistance (9.3 percent), and public administration (9.2 percent).

Central’s residents do not have a significant presence in traditionally higher-paying industry sectors, such as Information, Finance or Professional Services. This may be a reflection of the residents’ educational attainment, as most of the professions within these industries require a college education. As Central’s demographics shift over the next decade, this will likely change, with a substantial number of the new residents working within these industries, as well as health care, education and public administration. The higher-paying jobs associated with these fields will be reflected in an increase in average home prices as well as a larger number of retail amenities.

The Baton Rouge MSA economy is rooted in the area’s geographic advantages, namely, its access to oil resources, its proximity to the Mississippi River and the Gulf of Mexico, and its function as the state capital and home to the state’s main university. The strongest industries in the region are related to pipeline and water transportation, petroleum and chemical manufacturing, and construction. Additionally, the Baton Rouge MSA, and East Baton Rouge Parish in particular, have a significant employment sector within the broadcasting and professional services.¹

Regional economic development initiatives that seek to build off of untapped resources are expected to add new industry advantages to the area. The most notable include digital media enterprises, logistics support and biotechnology. The Baton Rouge metro area is currently sponsoring an aggressive economic development initiative which offers lucrative tax incentives to industries within these categories. As part of the Baton Rouge metro area, Central may be able to capitalize off these incentives.

The Baton Rouge MSA's economy is expected to grow despite the downturn in the national economy. Unemployment is well below the national average of 8.5%, at 5.4% as of January 2009ⁱⁱ, and employment gains in 2008 exceeded expectations, adding approximately 4,000 non-farm jobs. In fact, Baton Rouge was one of few markets that showed gains in the economy; the nation as a whole lost 1.9% of all jobs in 2008. This bodes well for future economic development opportunities in Central, despite the national recession.

While not its traditional economic strengths, the Baton Rouge MSA is expected to have substantial expansion within the medical services and technology industries from 2008 to 2014, with positions such as Physical Therapists, Medical Technicians, and Computer Software Engineers becoming high in demand in the coming years. Central is expected to participate somewhat in this growth due to its close proximity to regional hospitals and research facilities, so much so that commercial space catering to these industries is feasible within city limits.

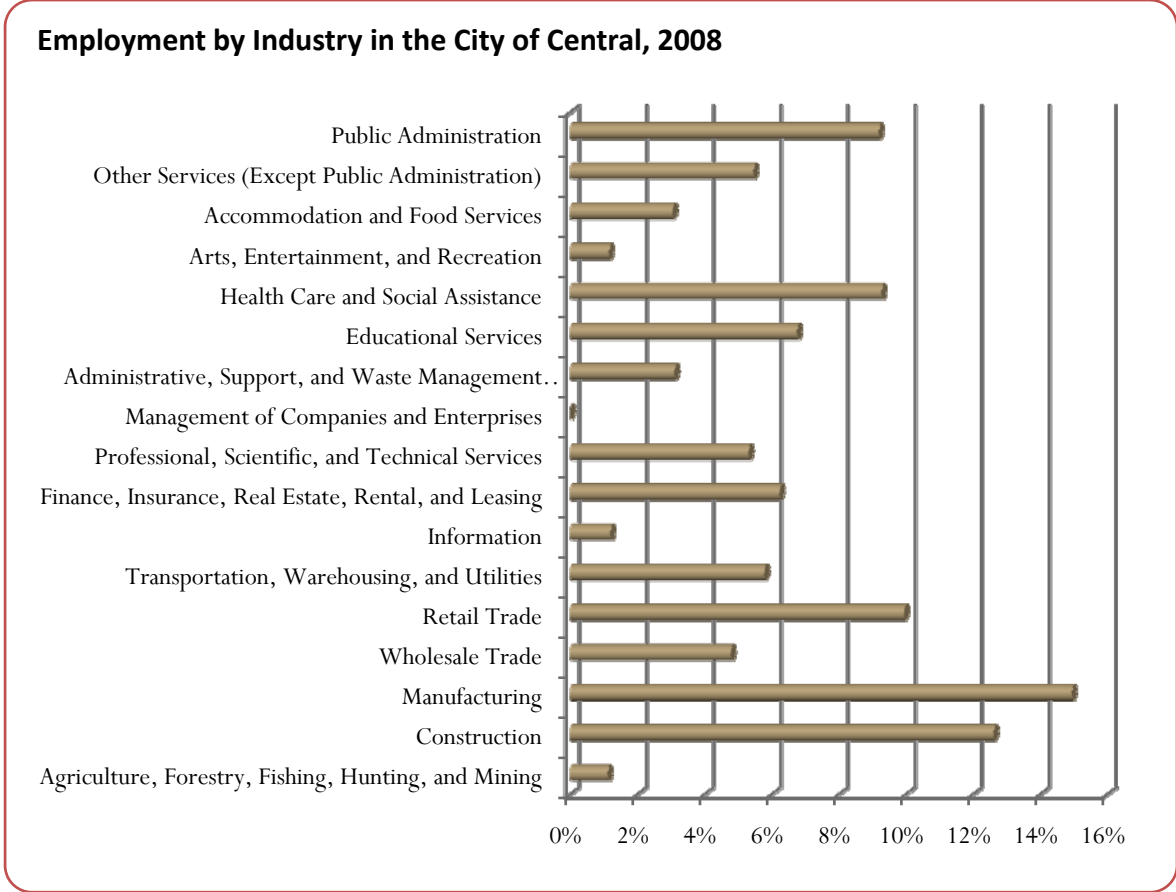


Figure 5 (Source: Nielson Claritas, Inc.)

Demographic Summary

Based on the initial analysis of demographics and the local economy, the report makes the following observations:

- Population growth in Central has been steady, and will rapidly accelerate in the coming years due to new residential development patterns, expansion of Central's major arterial roads and the consolidation of the school system.
- The elderly population and the number of children will increase in relative terms and in real numbers, calling for additional services catering to the elderly and youth.
- The income distribution within Central will shift towards higher income households in the coming years. This is largely due to higher-income families moving into Central rather than new economic opportunities within Central, and is reflected in the cost of new homes.
- The racial profile of Central will become more diverse as the city continues to integrate with the Baton Rouge economy, but the city will remain a predominantly white community.
- In general, new residents will have a higher education level than current residents, and will travel outside the city limits for employment.
- Central may be able to attract employers in the health care, education, and FIRE (finance, insurance and real estate) industries as a part of the Baton Rouge MSA employment growth; Central will continue to attract employees in the public administration and manufacturing industries.
- Central residents are much more likely to own homes than to rent. Most housing in the city was built between 1970 and 1989, though a steady level of new construction is ratcheting the median housing age slowly upward.

IV. HOUSING

This section of the analysis addresses housing issues in general and affordable housing needs specifically, to assure that the city has the opportunity to plan for future growth in an equitable and sustainable manner.

There are three key components to any housing analysis. The first step is to identify how many units are necessary to accommodate future growth. Because Central is a burgeoning bedroom community outside of downtown Baton Rouge, it is slated for rapid population growth in the coming years. Fortunately, the demand for future housing needs is largely reflected in the current building permits issued by the City, totaling approximately 1,200 new units. The

initial phase of the study addressed potential additional growth based on regional job and population growth. The final range of expected future housing needs by 2020 ranges from 1,850 to 5,950 new units.

The second key component is to categorize demand for new units by price range. New families moving to Central may not have the same socio-economic characteristics as current residents, which will be reflected in asking rents and sale prices. Within this study, GCR examined income traits of potential residents based on average wages per occupation, in an attempt to address the price ranges most applicable to Central.

The third key component examines affordability issues that may be present with the existing population. Oftentimes, communities are not aware of housing issues amongst the area’s low income populations. Using data provided by the U.S. Census and the U.S. Department of Housing and Urban Development (HUD), GCR provides a detailed analysis of affordable housing needs in the area by tenure and income.

Based on information provided in this report, the City of Central has a healthy housing market, with a limited number of inadequate housing units and a decent supply of affordable housing for ownership. But this is not to say that there are no prevalent housing issues in the city. Despite faring better than regional or state trends, there are still issues that affect the quality of life for many of Central’s residents. Homeowners with extremely low incomes, often the elderly, have great difficulty affording their homes, even when they have no mortgage. There are few options for young renter households, with the majority of affordable rental housing concentrated in a somewhat deteriorated area. And the bulk of new housing stock is composed of single family homes, limiting housing options for current and future residents that may seek rental units or smaller homes for sale. So while Central is doing quite well in its quality and affordability of housing options, its limited types of housing will deter several types of households, most notably young adults and/or single person households.

Housing Characteristics

The City of Central is overwhelmingly comprised of homeowners, with less than half the proportion of renters than the region or state. While the benefits to homeownership are numerous, both for the owner and the community, an adequate supply of rental housing is beneficial to a community as well because they provide housing options for lower income workers or workers not ready to commit to purchasing a home.

Table 4: Housing Units by Tenure, 2008

	City of Central	Baton Rouge MSA	Louisiana
All Housing Units	8,643	284,217	1,660,624
Renter	13.2%	29.3%	30.2%
Owner	86.8%	70.7%	69.8%

Source: Nielson Claritas, Inc.

In general, rental housing serves the needs of young adults, elderly, transient workers (construction industry, professors on sabbatical, etc.), artists, and a host of other professions that seek less permanent or lower maintenance housing. By limiting the supply of rental housing, jurisdictions oftentimes unknowingly confine the population to families with children. Ideally, a community will have diverse household types, both for the sake of having a multi-generational community, but also as a means to offset municipal costs. Depending on the size and type of rental unit, typical renter households and “condo dwellers” contribute more to the economy than they expend. They tend to have fewer children or no children at all. And because their retail needs are less than a larger family’s, they often tend

to shop locally for goods, opting for convenience over cost savings. In all probability, it will be beneficial to the Central budget to add rental and/or condominium units as a means to offset increasing costs associated with utilities and the school system.

Additionally, with an expected job growth in the manufacturing and retail industries within city limits, it is probable Central will need additional rental units to meet the housing demand of the local workforce. If the city does not add to its rental housing stock, the city may be at an economic disadvantage. All else being equal, workers are less likely to accept positions in areas that do not offer decent and affordable housing. To offset this situation, employers may be required to entice workers with higher salaries than their competition, which can ripple into a less competitive economy. This is especially true for small business owners who do not have the means to offset wage increases.

In terms of age, the majority of Central's housing stock was built between 1970 and 1990, with a large percentage built after 2000. While there are very few historic homes, the large number of homes that are twenty to forty years old will likely have repair and maintenance issues in the coming years. It should be noted that because of materials used during this era, renovation projects will have a greater risk than in homes built before 1970 or after 1990. In particular, electrical issues, asbestos and lead paint may be growing concerns for these homes.ⁱⁱⁱ

Table 5: Age of Housing Stock, City of Central, 2008

Year Structure Built	2000	2008
1999 to Current Year (March 2000 or 2008)	3.01%	12.47%
1995 to 1998	8.84%	7.86%
1990 to 1994	9.11%	8.08%
1980 to 1989	29.05%	26.54%
1970 to 1979	33.15%	29.94%
1960 to 1969	8.59%	7.83%
1950 to 1959	4.78%	4.20%
1940 to 1949	2.00%	1.70%
1939 or Earlier	1.46%	1.31%

Source: Nielson Claritas, Inc.

The existing housing stock in Central is predominantly made up of single-family homes, which comprise almost 80% of all units, followed by mobile homes, which make up almost 15% of the area's housing stock. There are few apartment or condo complexes in the area, and no large developments. The majority of apartments are within small complexes with less than 20 units. When we take into account the number and type of units recently permitted, we can expect a substantial increase in the number of single family homes. Additionally, a senior housing development is slated for construction within city limits, adding 80 new apartments.

Mobile homes, which make up the bulk of the housing stock that is not single-family, have their advantages and disadvantages. The most significant advantage is affordability, allowing lower income households the opportunity to own a home. The disadvantages to mobile homes include faulty construction, particularly for older models, the risk of poor installation, and depreciation, depending on the model.

Table 6: Housing Typology, City of Central

	2008	
	Number	Percent
Single Family Home	8,448	79.0%
Townhome	107	1.0%
Duplex	95	0.9%
Small Multi-Family (3-20 units)	431	4.0%
Medium Multi-Family (20-49 units)	39	0.4%
Large Multi-Family (50+ units)	0	0.0%
Mobile Home	1,579	14.8%
Boat, RV, Van, Etc.	0	0.0%
Total	10,699	100.0%

Source: Nielson Claritas, Inc.

Common to the majority of homes constructed between 1970 and 1990, the most prevalent architectural style is the single-level ranch style home. This is slowly changing, with recent homes following more historic styles, including Acadian, French and Colonial architecture. This trend will likely continue, as new homebuyers are interested in purchasing homes with historic detail. This may pose challenges for Central's older housing stock, however. Single level ranches built between 1970 and 1990 are the least desirable in today's market due to the materials and style specific to that area, which are currently out of fashion.^{iv} Of course, a revived interest in single-story ranches is expected at some point in the future, when the style becomes historically significant. This is generally fifty years from construction date.



Newly built home with French-influenced architecture in Central



Typical ranch-style home in Central from the 1970s



Low rise multi-family housing in Central

Regional Housing Market

The Baton Rouge metro area experienced tremendous housing growth since 2005 as a result of strong economic growth and the absorption of new residents displaced from Hurricane Katrina. From 2005 through 2007, more than 21,000 new residential permits were issued.

Building activity is often measured in relation to population. The national standard is somewhere between five and eight new units per 1,000 persons, with five units representing a lull in the building cycle and eight units representing a building boom. Figure 7 represents average national building rates in relation to the Baton Rouge MSA and City of Central building activity. While the Baton Rouge MSA's building activity spiked after Hurricane Katrina, it has since dropped, and is now within a robust, albeit normal range. The City of Central's building activity is twice the rate of Baton Rouge, signifying a tremendous building boom. ^v

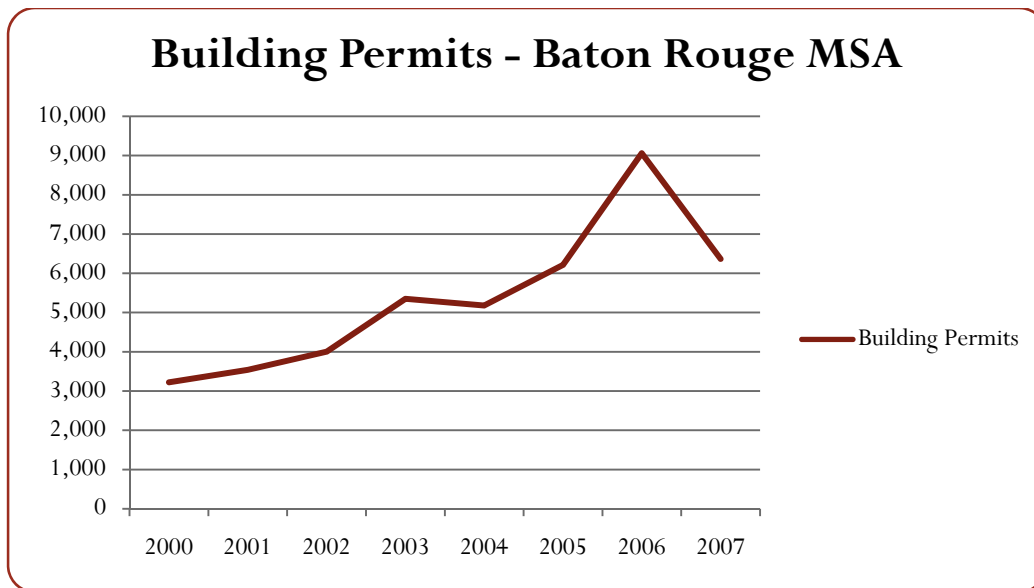


Figure 6 (Source: HUD)

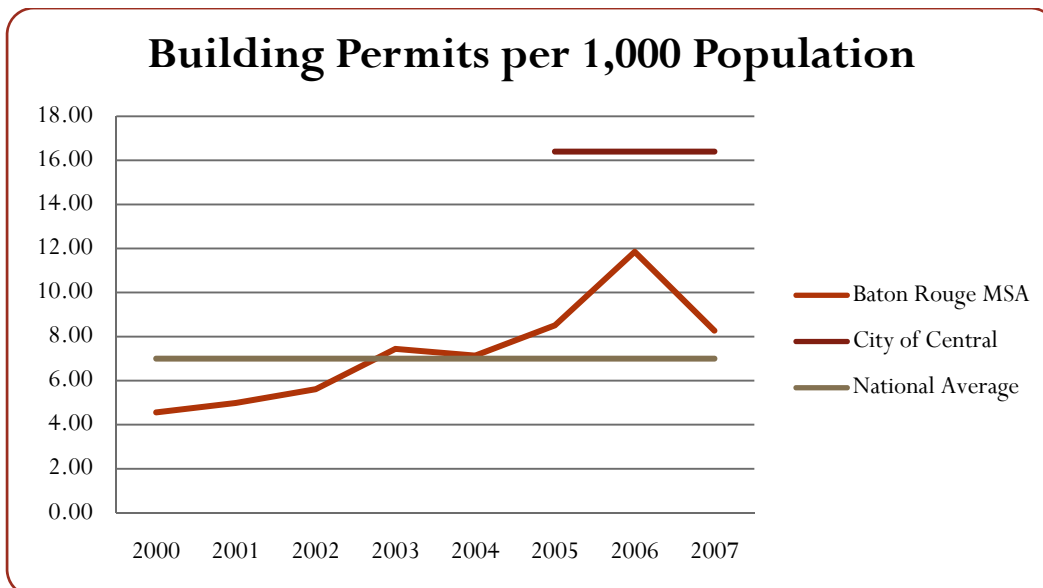


Figure 7 (Source: HUD, City of Central)

The Baton Rouge MSA's residential building industry has slumped over the course of 2008 due to several factors. The most relevant factor is the crash of credit markets beginning in the summer of 2008 due to the home foreclosure crisis. With stricter lending policies and larger down payments required, homebuyers are finding it more difficult to obtain loans. Stemming from the foreclosure crisis, homes are depreciating in value, leaving many potential homebuyers skeptical about whether this is the right time to buy. This is creating a glut of available housing stock, further lowering prices and discouraging homebuilders to build new homes. Finally, the downturn in all reaches of the national economy is leading to more conservative spending, with households making more frugal purchases than two years ago. The concept of being "house poor" for the sake of owning an expensive home is losing favor, and recently built homes priced for dual income, professional families, priced in the \$300K to \$500K range, may have difficulty selling in the next few years. All of these factors will influence development trends in the City of Central.

On a brighter note, the economic outlook for the Baton Rouge metro area is positive. Based on second quarter statistics from 2008, Baton Rouge was ranked fifth in overall wage growth and 25th in overall job growth out of 334 of the largest counties.^{vi} This trend will likely continue, as Baton Rouge's economic foundation – state government, health care, and education – are not deeply impacted by the national recession. Therefore, while spending activity is contracting somewhat in the area, it is more reactive to national trends rather than a reflection of widespread job losses. Many expect the recession to reverse course somewhere in late 2009^{vii}, so this restraint is hopefully temporary, and households will more readily dive into the housing market in 2010.

Household Growth and New Units

According to household projections established earlier in this report, the City of Central can expect to add between 1,800 and 5,900 households over the course of the next decade, with the lower figure representing a conservative growth rate and the high figure representing the most optimistic growth rate. As of September, 2008, the city had more than 1,200 new residential units in the pipeline, with just over 500 lots sold.

Based on field research and discussions with local residents, it appears construction has slowed tremendously in 2008. Slow housing starts are directly correlated with the recent residential construction boom in the Baton Rouge area, leaving an oversupply of available housing.^{viii} But we can assume this slump is temporary, following typical building cycles. Although the economy is currently in a recession, this trend is expected for another two years at most. After that, economic conditions should recuperate, which will increase home sales and thus home construction activity. Because the Baton Rouge metro area has not had the steeply inflated housing prices, residential construction will not falter considerably. There are signs of fewer sales and fewer projects breaking ground, but this should be temporary, as the region's economic fundamentals are healthy. The metro area is expecting a moderate but positive employment and population growth, and new households will require housing. Therefore, while we may currently be in a mild slump, the downward trends will not be significant and the area's housing market will rebound within the next two years. We can expect that units currently approved for construction but have not yet broken ground will be built between now and 2020. That being said, we can also assume population growth will be more conservative than previously thought due to the slow pace of residential construction activity.

Because Central is a bedroom community, it has the capacity to attract various types of residents depending on what homes are available. Families with children tend to prefer single family homes, while young adults (18 – 25 years old) tend to reside in rental apartments. Income, of course, also plays a large part in who moves to Central. Based on lot prices in recent development proposals, it appears much of Central's new housing stock is marketed towards the region's wealthier families, with the majority of new units priced well above the regional median home price of \$180,000. The Village at Magnolia Square, for example, has an average lot price of around \$75,000. Assuming home

prices are four times the lot price, the majority of homes in this development will be more than \$300,000.^{ix} While this will greatly benefit the community in terms of additional tax revenue and services, it should be noted that many local households will not be able to afford these new homes. Table 7 illustrates the housing affordability for various occupations within the Baton Rouge metro area. GCR selected these occupations to demonstrate what is affordable to Central's current and future workforce.^x Based on this analysis, we can see that many workers will not be able to afford to live within Central, particularly lower income, service industry workers (restaurants and retail).

Table 7: Housing Affordability by Occupation, East Baton Rouge Parish

	Income	Maximum Monthly Housing Cost	Rent (Single Income Household)	Home Price (Dual Income Household)
Education				
Elementary School Teacher	\$40,976	\$1,024	\$820	\$205,034
Librarian	\$42,760	\$1,069	\$855	\$213,960
Finance & Insurance				
Teller	\$19,500	\$488	\$390	\$97,573
Insurance Sales Agent	\$46,100	\$1,153	\$922	\$230,673
Loan Officer	\$37,440	\$936	\$749	\$187,340
Healthcare				
Registered Nurse	\$51,880	\$1,297	\$1,038	\$259,594
Medical Assistants	\$22,120	\$553	\$442	\$110,683
Lab Technician	\$39,120	\$978	\$782	\$195,747
Hospitality & Tourism				
Food Prep Workers	\$14,360	\$359	\$287	\$71,854
Restaurant Cooks	\$18,860	\$472	\$377	\$94,371
Recreation Workers	\$18,180	\$455	\$364	\$90,968
Information Technology				
Computer Support Specialist	\$44,860	\$1,122	\$897	\$224,468
Computer Software Engineers	\$64,840	\$1,621	\$1,297	\$324,443
Law and Public Safety				
Fire Fighters	\$27,620	\$691	\$552	\$138,204
Police	\$31,500	\$788	\$630	\$157,618
Emergency Dispatchers	\$26,340	\$659	\$527	\$131,799
Manufacturing				
General Maintenance and Repair	\$31,380	\$785	\$628	\$157,018
Welders, Cutters, Solderers, Brazers	\$38,680	\$967	\$774	\$193,545
Machinist	\$39,160	\$979	\$783	\$195,947
Supervisor	\$56,400	\$1,410	\$1,128	\$282,211
Sales and Service				
Retail Salesperson	\$21,220	\$531	\$424	\$106,180
Retail Manager	\$32,680	\$817	\$654	\$163,522
Sales Rep., Wholesale & Mfg.	\$50,420	\$1,261	\$1,008	\$252,289
Construction				
Laborer	\$23,860	\$597	\$477	\$119,389
Supervisor	\$47,700	\$1,193	\$954	\$238,679
Civil Engineer	\$73,500	\$1,838	\$1,470	\$367,776
Electrician	\$37,700	\$943	\$754	\$188,641

Source: GCR & Associates, Inc. using data provided by the Louisiana Workforce Commission, Occupations in Top Demand, 2006-2016

Housing Affordability

Based on data collected and analyzed from HUD’s Comprehensive Housing Affordability Strategy (CHAS), Central does not have a significant affordable housing problem when compared to regional and state housing figures, with 22% of households either paying too much for housing or living in inadequate conditions. This figure is comparable to parish and state figures, at 21% and 23%, respectively.

HUD defines a residential unit as inadequate if it lacks full kitchen facilities (stove, refrigerator and sink) or bathroom facilities (toilet and shower or bath). These figures likely underestimate the actual number of inadequate units because it does not account for homes which lack heating or cooling systems, are in decrepit condition or are in unsafe areas. But because these elements are difficult to assess in survey form, they are excluded from the total count of inadequate units. HUD defines cost burden as any household which pays more than 30% of their pre-tax income on housing; severe cost burden is equivalent to paying more than 50% of pre-tax income on housing. This includes rent and utilities, if the household is a renter household, or mortgage, utilities, taxes and insurance, in the case of homeowners.

According to the CHAS data, the City of Central has approximately 2,000 homeowners who either live in inadequate conditions or pay too much for their homes. The most significant issue is with extremely low income homeowners, here defined as homeowners who earn less than 30% Area Median Income (AMI). More than half of these homeowners with a mortgage are extremely cost burdened, leaving little room for other necessary expenses like food and health care. More than 40% of these homeowners who do not have a mortgage are also extremely cost burdened. This oftentimes coincides with low income elderly households, who have paid off their mortgages completely but have a difficult time keeping up with rising property taxes, insurance and utility expenses.

There are few renters in Central, but of the approximately 1,200 renter households, approximately 400, or one third of all renters, are either living in inadequate conditions or paying too much for housing. Similar to homeowners, the most significant need is found within renters with the lowest incomes. Approximately 70% of all renters earning less than 30% AMI are severely cost burdened, leaving very little income to pay for additional living expenses. Based on this information, Central’s poorest renters have great difficulty finding affordable housing.

Table 8: Affordable Housing Need for Homeowners, City of Central

	0-30% AMI	30%-50% AMI	50%-80% AMI	80%-95% AMI	>95% AMI	TOTAL
Inadequate Owned Homes	0	5	39	22	77	142
Homes, with Mortgage, Cost Burden	231	172	419	64	247	1,133
Homes, with Mortgage, Severe Cost Burden	213	86	60	4	14	377
Homes, without a Mortgage, Cost Burden	93	56	4	0	10	163
Homes, without a Mortgage, Severe Cost Burden	85	18	4	0	0	107
TOTAL	622	337	526	90	348	1,922
All Homeowners, with Mortgage	385	334	981	537	4,858	7,094
All Homeowners, no Mortgage	212	203	267	107	779	1,568

Source: HUD CHAS, 2000

Table 9: Affordable Housing Need for Renters, City of Central

	0-30% AMI	30%-50% AMI	50%-80% AMI	80% - 95% AMI	95% AMI+	Total
Inadequate Units	10	4	4	10	34	62
Cost Burdened Households	165	128	31	10	0	334
Severely Cost Burdened Households	141	28	4	0	0	173
All Renters	203	205	167	149	463	1,187

Source: HUD CHAS, 2000

V. MARKET FEASIBILITY – COMMERCIAL AND RETAIL DEVELOPMENT

With anywhere between 1,000 and 2,000 new households expected to move to Central over the next decade, the city can expect additional commercial development. The influx of higher income households will increase Central’s purchasing power, thereby increasing financial feasibility for a number of neighborhood and community retailers.

The following section of the report identifies the potential for future retail and commercial development by analyzing several key indicators, including population estimates, local purchasing power, employment patterns, retail sales by establishment type, and the current retail supply.

Based on building permit data and population forecasts, Central can expect an unprecedented number of new households over the next decade. These households will differ slightly from existing residents, with slightly higher incomes and a greater number of children than current household averages. The market feasibility study estimates the retail demands of future populations and determines whether the local retail supply has the capacity to absorb those purchases. Where retail services are lacking, the analysis estimates the number of new establishments that will be required to absorb that gap. The analysis also includes a summary of regional workforce patterns and the city’s ability to absorb a portion of the region’s job growth.

The market feasibility study is presented in nine sections:

1. Market Fundamentals
2. Market Demand
3. Market Supply
4. Projected Retail Needs, 2008 – 2020
5. Targeted Commercial Activity
6. Local and Regional Labor Force
7. Estimated Job Growth, 2008 – 2015
8. Economic Development Workshop Survey
9. General Recommendations

Based on the findings within this analysis, GCR estimates that Central has the potential to increase its retail sales by \$36 million under current conditions, and has the potential to increase its retail sales by \$64 million in 2013 and by \$96 million in 2020. To accommodate for this additional purchasing potential, the city will need to add an additional 146,000 square feet of retail space to meet current demands, and an estimated 326,000 square feet by 2020.

Additionally, based on projected job growth within the Baton Rouge metro area, the city will add between 534 – 3,685 new jobs supported by 63,000 to 438,000 square feet of non-retail commercial space by 2020.

Market Fundamentals

Market Area

The City of Central is located in the northeastern quadrant of East Baton Rouge Parish, and is within an easy commute to downtown Baton Rouge, Interstates 10 and 12, and the Baton Rouge Metropolitan Airport. It is a bedroom community, with the majority of its residents working outside city limits. Based on traffic patterns and current retail centers within the metro area, the city has limited potential to attract additional retail spending beyond the demands of the existing population. Using traffic counts of major thoroughfares in the city – Joor Road, Wax Road, Sullivan Road, and Greenwell Springs Road – and trade area estimates, there is not sufficient traffic to create a regional retail center.^{xi} Therefore, this analysis focuses on retail demand within city limits. As will be evident further in the analysis, the need for additional retail services in Central alone is substantial.

Demographic Profile

As was described in the first phase of this analysis, the City of Central is largely composed of middle-class families, with a growing elderly population and an increasing number of children. The median income is slightly higher than local, state and national figures. Household size is also somewhat larger than regional household size due to a higher percentage of families with children. Educational attainment, while slightly higher than the regional average due to a greater number of high school graduates, is lacking in the percentage of adults with college or advanced degrees. This is expected to change, as the city becomes more cohesive with Baton Rouge, and thus adopts more similar economic and demographic characteristics. Additionally, when we factor in the price and size of new housing units that will be coming onto the market, we can expect the population to become wealthier and younger than previous statistics show. We can also expect greater disposable income as a result, bolstering retail sales in the area.

Population Projections

Based on the population projections completed in the initial phase of this study, the City of Central is slated to grow rapidly in the coming years. This is evidenced in the issuance of more than 1,200 new residential permits from 2006 to 2008, and the planned expansion of the three major thoroughfares in the parish from two-lane to four-lane highways.^{xii} The population projections established in the first phase of the analysis assume a low, medium, and high-growth scenario through 2020, with the low growth scenario limiting growth beyond housing units already in the pipeline and the high growth scenario continuing the high growth activity seen in recent years.

For the purposes of market potential, the market demand uses the low growth scenario, and only accounts for potential purchasing power of additional households based on new residential units. This conservative estimate adds approximately 1,800 new households to the existing 10,200 households by 2020.

Table 10: City of Central Population Estimates and Projections

Households	City of Central, Louisiana			Baton Rouge MSA
	Low	Medium	High	
1990		7,950		217,646
2000		9,497		256,637
2008 (estimate)		10,204		290,771
2013 (projected)	10,932	11,473	12,324	313,456
2020 (projected)	12,051	13,554	16,151	319,334
Annualized Change 1990 - 2008		1.40%		1.62%
Annualized Change 2008 - 2020	1.40%	2.39%	3.90%	0.78%

Source: U.S. Census 1990 and 2000, and GCR & Associates, Inc. using data provided by Claritas, Inc., ESRI, Inc. and the City of Central

Market Demand

Using population estimates and income distribution estimates, households within the City of Central spend \$214 million annually at retail establishments. This estimate was derived by calculating the average spending per household based on household income and region, and then factoring the percentage of disposable income spent on various types of goods, as outlined by the U.S. Bureau of Labor Statistics Consumer Expenditure Survey (2005). According to survey results, food purchases, both in groceries and restaurants, and general store purchases (Wal-Mart, Target, etc.) are the most prominent purchase types. Households also spend a substantial portion of their disposable income on gas and tobacco products, medicine, and home repair and building products. Using the low growth population scenario, the following tables outline the spending patterns of Central's households from 2008 through 2020.

Table 11: City of Central, Current and Projected Retail Expenditure

	2008	2013	2020
Grocery	\$41,043,209	\$47,292,062	\$52,704,539
Restaurants	\$32,444,448	\$36,486,935	\$43,105,022
Clothing and Accessories	\$11,063,660	\$12,748,108	\$14,207,103
Shoes	\$2,117,623	\$2,440,033	\$2,719,290
Jewelry/Leather Goods	\$2,277,982	\$2,624,807	\$2,925,210
Home Furnishings	\$8,442,905	\$9,728,342	\$10,841,731
Home Appliances	\$7,668,422	\$8,835,944	\$9,847,199
Building Materials/Hardware	\$13,432,551	\$15,861,539	\$22,773,892
Automotive	\$3,717,531	\$4,283,528	\$4,773,768
Hobby/Special Interest	\$6,887,972	\$7,936,670	\$8,845,005
Gifts/Specialty	\$5,765,401	\$6,643,187	\$7,403,486
Pharmacy	\$14,328,456	\$16,509,973	\$18,399,504
Personal	\$2,266,350	\$2,611,404	\$2,910,273
Gas Stations/Convenience Store	\$17,175,766	\$19,790,786	\$22,055,800
General Store	\$38,309,110	\$44,911,349	\$50,330,181
Entertainment/Community	\$7,044,274	\$7,922,025	\$9,358,940

Source: GCR & Associates, Inc. using data provided by ESRI, Inc., Claritas, Inc., U.S. Census and U.S. Bureau of Labor Statistics Consumer Expenditure Survey, Southern Region, 2005.

It should be noted that spending estimates are based on current spending patterns projected onto future populations using future wage estimates. It does not account for future shifts in expenditures (i.e. an increase in food costs and household utilities) which would modify household expenditure patterns.

Market Supply

The analysis estimates the current supply of retail services using a multitude of sources. First, the study formed a baseline supply estimate using data provided by InfoUSA via ESRI's Business Analyst online.^{xiii} This was supplemented

with windshield surveys, online research of local businesses through Central’s Chamber of Commerce and Baton Rouge Parish, and data provided by the Urban Land Institute’s Dollars and Cents of Shopping Centers, 2008. The analysis factored in median sales per retail establishment and median square footage per retail establishment to derive the following estimates.

According to the findings, the City of Central has tremendous sales leakage, with Baton Rouge, Denham Springs, Zachary and Baker being the predominant benefactors of the additional tax revenue. The following table measures the “pull factor” of several of the surrounding cities, which is the measure of sales revenue per capita weighed against the state average. As illustrated, Central retains a little more than half its retail potential than what can be considered the state’s normal level, with the state figure at 1.00. And this does not take into account the expected population growth over the next decade, which will further this degree of revenue leakage. Therefore, the city has an undeniable potential to support additional retail services.

Table 12: Pull Factors in Baton Rouge MSA, 2008

	Retail Supply	Population	Pull Factor
City of Central	\$172,734,249	28,045	0.51
Denham Springs	\$202,659,440	9,580	2.07
Zachary	\$186,621,477	13,228	1.38
Baker	\$227,259,844	13,806	1.61
Walker	\$85,836,977	6,367	1.32
Gonzales	\$259,649,269	9,621	2.64
Baton Rouge	\$3,147,443,191	229,938	1.34

Source: ESRI Business Analyst using data provided by InfoUSA and Directory of Shopping Malls, Inc.

To determine the types of retail services in demand required an analysis of sales per business as well as a detailed survey of market activity within the city limits. As a first step in assessing market supply, the analysis used the figures provided by a private market research entity which aggregated all business sales by establishment through sales tax data and survey work.^{xiv} Because Central is continually developing new retail opportunities, and as a measure of quality assurance, this data was supplemented with several windshield surveys of retail establishments within city limits. The additional information gleaned from surveys was incorporated into the supply estimate. Sales revenue and square footage estimates were provided by the Urban Land Institute’s Dollars and Cents of Shopping Centers survey, 2008.

Table 13 outlines the estimated current supply of retail categorized by retail type. Specific goods such as groceries or clothes which were purchased at a general store are not included within their respective retail category, and are only included within the retail supply of General Store. In this way, the analysis does not double-count purchases between general stores (e.g. groceries at Wal-Mart) and product-specific stores (e.g. grocery purchases at Winn-Dixie). The gap outlines the amount of spending committed outside of city limits due to limited retail opportunities within the city and the appeal of retail services within the region. The leakage factor is the measure of loss or gain in spending potential. A negative leakage factor implies there is no retail gap, and in fact, implies that either buyers from outside the trade area are coming into the city to make their purchases, or sales within certain stores are lower than average.

A positive leakage factor means that the trade area is not addressing local demand. The greater the leakage factor, the more of a gap between retail supply and retail demand. As is illustrated in Table 13, the greatest retail leakage is within the Clothing and Accessories, Jewelry and Leather Goods, Home Furnishings, Building Materials, and Hobby/Special Interest categories. There appears to be no additional need for grocery stores, general stores, pharmacies, or personal stores such as salons or dry cleaners.

Table 13: Current Retail Leakage Factors by Retail Type

	Current Supply	Gap	Leakage Factor
Grocery	\$57,980,314	-\$16,937,105	-0.41
Restaurants	\$21,677,616	\$10,766,832	0.33
Clothing and Accessories	\$1,544,048	\$9,519,612	0.86
Shoes	\$1,191,043	\$926,580	0.44
Jewelry/Leather Goods	\$548,813	\$1,729,169	0.76
Home Furnishings	\$1,316,764	\$7,126,141	0.84
Home Appliances	\$1,806,830	\$5,861,592	0.76
Building Materials/Hardware	\$3,334,276	\$10,098,275	0.75
Automotive	\$1,935,499	\$1,782,032	0.48
Hobby/Special Interest	\$1,744,440	\$5,143,532	0.75
Gifts/Specialty	\$1,963,712	\$3,801,689	0.66
Pharmacy	\$15,322,808	-\$994,351	-0.07
Personal	\$4,115,825	-\$1,849,475	-0.82
Gas Stations/Convenience Store	\$14,001,061	\$3,174,705	0.18
General Store	\$41,664,000	-\$3,354,890	-0.09
Entertainment/Community	\$2,587,200	\$4,457,074	0.63

Source: GCR & Associates, Inc., using data provided by ESRI Business Analyst, info USA, Dollars & Cents of Shopping Centers, 2008, online research and field surveys

Unfortunately, not every household would purchase all of their products at retail establishments within the city limits, and the city cannot expect to attract sufficient retailers to meet 100% of the community’s purchasing potential. There are many factors that contribute to how people choose to shop, and what determines where a large retailer locates.

The first factor, product selection, is a function of square footage that can allow a “critical mass” of options for each type of product. Consumers who plan on purchasing a big-ticket item usually seek a diverse selection. Large and infrequent purchases, such as appliances, televisions and furniture, are often found in “big box” stores, considered “category killers” by many in the commercial real estate industry due to their success and the resultant decline of locally operated businesses selling similar wares. Because these stores are so large, there is an ample supply of various floor models to select from. Product-specific, “big box” stores rely on accessibility and visibility to achieve the sales volume required to provide such a selection. Therefore, these store types locate at prominent intersections with high traffic volume and in the vicinity of other shopping opportunities, which creates a “Destination” shopping area. Destination shopping areas can be categorized as clusters of big-box retail stores, shopping malls, or lifestyle centers with at least one anchor department store. The closest destination shopping center to Central is Cortana Mall and its associated retail along Airline Highway, approximately a ten minute drive away.

The second factor that greatly contributes to the consumer decision on where to shop relates to the experience itself, including aesthetic appeal, combination of entertainment options, fellow shoppers, convenience of parking and/or walking, and overall service. This will be a growing concern for retail developers in the coming years, as current trends have an increased demand for “lifestyle” centers, or shopping areas that appeal to a multitude of uses.^{xv} As consumers demand more from their shopping experience, developers have addressed this demand with highly designed, “Main Street” appeal. Now it has become equally important, if not more so, to design shopping centers with community gathering spaces, an extensive number of entertainment and dining options, and elaborate landscaping. In this respect, the City of Central has an opportunity to develop its retail corridors with “Main Street” in mind to improve the local shopping experience.

Because Central is not within immediate proximity to an interstate highway, and there are no roads that carry more than 50,000 cars per day^{xvi}, it is unlikely Central can establish itself as a regional shopping destination at this time. Because of its limitations in location and access, Central will not be able to attract a large number of national, large-scale retailers, and will therefore continue to lose a percentage of retail spending to regional retail centers in the area. But this does not mean that Central does not have the capacity to develop further retail services. On the contrary, there is an immense opportunity to capture the tremendous leakage occurring in retail services often found in neighborhood or community retail centers, including restaurants, clothing and accessory stores, hobby and special interest stores, and entertainment opportunities. It is here in which Central can capitalize on the growing trend in lifestyle-oriented retail, by coordinating future retail development with public investments in infrastructure or landscape improvements.

To determine the number of stores needed in Central, this analysis attempts to translate sales volume into square footage using survey data provided by the Urban Land Institute’s Dollars and Cents of Shopping Centers, 2008. Stores have various square footage and annual sales requirements based on the type of product being sold and the type of store. For example, national chains generally have a higher sales volume per square foot and are larger than their regional counterparts. Jewelry stores tend to have lower square footage requirements due to the size and value of the goods being sold, which is also translated into a higher sales volume per square foot. The following table outlines these standards:^{xvii}

Table 14: Size and Sales Requirements per Retail Establishment

	Median Square Footage per Establishment	Median Annual Sales per Square Foot	Median Annual Sales per Establishment
Grocery	39,378	\$412	\$16,223,736
Restaurants	2,400	\$314	\$753,600
Clothing and Accessories	4,598	\$233	\$1,071,334
Shoes	3,306	\$193	\$638,058
Jewelry/Leather Goods	1,610	\$303	\$487,830
Home Furnishings	6,730	\$209	\$1,406,570
Home Appliances	2,648	\$302	\$799,696
Building Materials/Hardware	8,095	\$389	\$3,148,955
Automotive	6,000	\$238	\$1,428,000
Hobby/Special Interest	3,190	\$220	\$701,800
Gifts/Specialty	4,468	\$170	\$759,560
Pharmacy	10,990	\$429	\$4,714,710
Personal	1,500	\$177	\$265,500
Gas Stations/Convenience Store	3,175	\$1,321	\$4,194,175
General Store	20,020	\$150	\$3,003,000

Source: Dollars and Cents of Shopping Centers, Urban Land Institute, 2008.

Projected Retail Needs, 2008 - 2020

Based on standard store sizes and sales volume, the analysis estimates the number of retail establishments the city can absorb. The estimate factors in current population and the forecasted population through 2020 under a low growth scenario. Expenditures likely to occur outside city limits, within destination retail centers, are also factored within the analysis. The largest gap, in terms of demand for new establishments, is within the Restaurants category. Central can currently absorb an additional eleven restaurants, equivalent to 26,400 square feet.^{xviii} Based on windshield surveys of retail establishments within the city, it is evident there is a shortage of locally operated restaurants, both casual and high end. Additionally, there is limited variety in restaurant options, with the majority of restaurants serving American fare. According to recent dining trends, specialty dining (dessert restaurants, organic restaurants) and ethnic dining (e.g. Korean, Latin) are becoming more popular than American restaurants.^{xix}

There is also a stark need for additional entertainment options. While the city cannot sustain a large movie theater (usually 100,000 square feet), there are other options that can adequately address the gap in entertainment establishments within city limits. These might include an arcade, batting cage, music hall, or bowling alley. The currently planned Fit Physique health club also falls under this category.

Regarding product-specific retail, Central has the largest gap in Clothing and Accessories and Building Materials. However, due to the average square footage of various store types, Central cannot support a national chain hardware store (e.g. Home Depot, Lowe's) without damaging the main, local hardware store's sales. Similarly, there is not adequate demand to attract a large number of national chains for clothing and accessories, which tend to locate in shopping malls or outlet centers. Because of Central's accessibility and local spending patterns, a discount department store (e.g. TJ Maxx, Marshall's) would meet the demand for additional retail apparel, shoes, and home furnishings.

Table 15: Estimated Additional Retail Services Needed in Central

	2008		2013		2020	
	Number of Establishments	Square Footage	Number of Establishments	Square Footage	Number of Establishments	Square Footage
Grocery	--	--	--	--	--	--
Restaurants	11	26,400	15	36,000	21	50,400
Clothing and Accessories	4	18,392	5	22,990	6	27,588
Shoes	1	3,306	1	3,306	1	3,306
Jewelry/Leather Goods	2	3,220	2	3,220	2	3,220
Home Furnishings	1	6,730	1	6,730	2	13,460
Home Appliances	2	2,648	2	2,648	3	7,944
Building Materials/Hardware	2	16,190	3	24,285	5	40,475
Automotive	1	6,000	2	12,000	2	12,000
Hobby/Special Interest	5	15,950	7	22,330	8	25,520
Gifts/Specialty	4	17,872	5	22,340	5	22,340
Pharmacy	--	--	--	--	1	10,990
Personal	--	--	--	--	--	--
Gas Stations/Convenience Store	--	--	1	3,175	2	6,350
General Store	--	--	1	20,020	3	60,060
Entertainment/Community	7	29,400	8	33,600	10	42,000
TOTAL	40	146,108	53	212,644	71	325,653

Source: GCR & Associates, Inc. using data provided by Urban Land Institute's Dollars and Cents of Shopping Centers, 2008, ESRI's Business Analyst, Central Chamber of Commerce, and windshield surveys conducted in July and August of 2008.

Targeted Commercial Activity

Currently, the retail centers within the City of Central serve the needs of local residents and do not function as a regional pull to residents of adjacent areas. This has much to do with the traffic patterns of the city, as previously noted, and the limited infrastructure to support large-scale retail development. While the city does not currently offer regional shopping attractions, it does have several neighborhood retail centers and one community retail center. The following outline describes retail types, which will be referred to later in the study as a guide to future development.

Shopping Destination Categories

A **Convenience Center** is a retail area which provides for everyday needs of the consumer. A convenience center contains at least three stores, with a total gross leasable area of 30,000 square feet. Rather than being anchored by a supermarket, a convenience center is often anchored by a mini-market or convenience store. City Market, at Magnolia Road and Greenwell Springs Road, is a local example of a convenience center.

Neighborhood Center: A neighborhood center is similar to a convenience center, but contains a greater variety of stores and is anchored by a grocery store. Neighborhood centers usually contain at least 60,000 square feet in gross leasable area. Oak Point Center, at the intersection of Sullivan Road and Greenwell Springs Road, is a local example of a neighborhood center.

A **Community Center** is a diverse collection of retail establishments but does not have a department store nor does it serve as a regional shopping destination. Oftentimes it is a combination of apparel, hardware, home furnishings, specialty stores and professional and financial services. The Wal-Mart Superstore, Central Plaza Crossing, and adjoining retail at Sullivan Road and Wax Road is a local example of a Community Center.

Power Centers contain at least four big-box specialty retailers, with at least 100,000 square feet. These stores typically offer a wide selection of one product, and these centers are rarely combined with personal, entertainment or professional services like salons or dry cleaners. Siegen Village Shopping Center, anchored by Big Lots, Party City, Office Depot, and a Super Target across the street, is a local example of a power center.

A **Town Center** is a retail center which combines other uses, such as public space, entertainment, residences and office space. Retail stores align the street rather than an interior space or courtyard, and the shopping experience usually involves a higher volume of pedestrian activity over automobile traffic.

A **Lifestyle Center** is similar to a Town Center, except that it has a larger number of high-end retail anchors and a greater emphasis on design and outdoor amenities such as seating areas and fountains. A lifestyle center also places greater emphasis on entertainment and dining options. The Town Center at Cedar Lodge is a local example of a Lifestyle Center.

A **Regional Center** offers a wide variety of stores, both in depth and breadth, and is combined with professional services, entertainment options, and at least one department store. On average, a regional center offers 500,000 square feet of retail space. The Esplanade mall in Kenner is an example of a regional center.

A **Super Regional Center** is similar to a regional center but is, naturally, larger in size and diversity of stores. Super Regional Centers have at least three department stores and, on average, have roughly 1,000,000 square feet of retail space. The Mall of Louisiana is a local example of a Super Regional Center.

Not all retail centers host a diverse mix of store types. For example, there are no grocery stores in enclosed shopping malls, just as there are no department stores in neighborhood retail centers. The following table outlines what store types are within each retail center category.

Table 16: Retail Type by Neighborhood Center

Store Type	Convenience	Neighborhood	Community	Power	Town/Lifestyle	Regional/Super-Regional
Grocery		X	X		X	
Restaurants	X	X	X	X	X	X
Clothing and Accessories		X	X	X	X	X
Shoes		X	X	X	X	X
Home Furnishings			X	X	X	X
Home Appliances			X	X		X
Building Materials/Hardware		X	X	X		
Automotive		X	X			
Hobby/Special Interest		X	X	X	X	X
Gifts/Specialty		X	X		X	X
Jewelry		X	X		X	X
Pharmacy	X	X	X			
Personal Services	X	X	X			
Entertainment/Community		X	X		X	X

Source: GCR & Associates, Inc.

Commercial Districts

The analysis divides Central’s commercial activity into five distinct districts based on the number of retail amenities available at these locations and current consumer traffic. This information was derived from two surveys conducted in July and August of 2008. The following describes current and potential uses within each center.



Hooper Road and Joor Road

This intersection is currently the least frequented of the three neighborhood centers. It is anchored by a Winn Dixie grocery store, and also includes three fast-food restaurants, a gas station, an automotive supply store and a Dollar general store.

There is ample potential for further development both within the built areas and within adjacent commercial land currently for sale.



Hooper Road and Sullivan Road

This intersection is slated to become the city's town center, with a proposed relocation of City Hall.^{xx} It is currently an outdated and underutilized retail center, anchored by the city's only hardware store of considerable size, Pat's Hardware, and the household goods store, Lancaster House. The majority of supporting establishments cater to personal services (barber, notary, post office), educational services (driving school, karate) or the community (Chamber of Commerce, Central Community School System). Because the area is in need of rehabilitation, and is currently hosting many community-oriented activities, this would be an ideal intersection for a newly designed Main Street, with street-facing storefronts and a community gathering space.



Sullivan Road and Greenwell Springs Road

This intersection has the highest traffic volume within City limits, with more than 30,000 cars passing through on a daily basis. Even with this traffic volume, the retail area is not large enough to be considered a Community Center. It is anchored by a mid-sized, locally owned grocery store, which is predominantly supported by neighborhood amenities like personal care services and restaurants. Few of the stores within this retail area sell goods. Due to the large volume of vehicular traffic, and the expected addition the Village at Magnolia Square master-planned community just west of the site, this intersection would be an ideal location for a neighborhood lifestyle center.



Sullivan Road and Wax Road

This intersection essentially functions as the primary retail center of the community, and is the only Super-Community Retail Center in Central. It is anchored by a Wal-Mart Superstore, with additional retail strips surrounding it. Central Plaza Crossing, the retail strip mall on the northern side of Wax Road, hosts twenty-six storefronts, with sit-down and fast-food restaurants, a variety of apparel stores, personal services and entertainment. It is anchored by a Cato Fashions and Shoe Department retail chains. The smaller strip center which shares the parking lot with Wal-Mart, Blockbuster Center, is anchored by the Blockbuster and Payless Shoe Source chain stores. There are expansion possibilities on the western side of Sullivan Road.



Greenwell Springs Road and Magnolia Bridge Road
 This intersection is anchored by the City Market Retail Center, a Convenience Center within close proximity to recent and proposed residential development. The center is composed of eleven storefronts (two currently vacant) as well as office space. The newly built center appeals to higher-end purchasers, with such stores as a specialty grocery, pet boutique and salon. The area is well-positioned for future expansion. Factoring in its close proximity to the Bellingrath subdivisions and the proposed Fit Physique HealthPlex, this area is well-suited for a small-scale Town Center or Lifestyle Center. The intersection has additional land available for development.

Table 17: Market Demand by Retail Corridor, 2008

		1 mile	3 miles	5 miles
Greenwell Springs Road and Sullivan Road	Households	930	7,696	32,298
	Average Disposable Income	\$57,355	\$53,155	\$49,014
Sullivan Road and Wax Road	Households	973	6,972	18,287
	Average Disposable Income	\$52,169	\$53,014	\$52,071
Sullivan Road and Hooper Road	Households	672	6,160	15,309
	Average Disposable Income	\$50,776	\$51,246	\$52,550
Magnolia Bridge Road and Greenwell Springs Road	Households	405	6,772	22,034
	Average Disposable Income	\$59,800	\$53,019	\$50,722
Hooper Road and Joor Road	Households	729	5,315	19,793
	Average Disposable Income	\$56,475	\$53,575	\$48,899

Source: GCR & Associates, Inc. using data provided by ESRI Business Analyst, 2008.

Based on the existing and future demand for retail services, the current supply, and the condition of existing retail centers, the analysis recommends the following uses within major retail corridors:

- Hooper Road and Sullivan Road: Redevelop area into the civic heart of the community. Reconfigure structures to face street, with rear parking. Emphasize pedestrian activity.
- Sullivan Road and Greenwell Springs Road: Expand and improve area into a small-scale town center. Incorporate interior courtyards and outdoor seating options. Attract a high-end, quick service restaurant (e.g. Qdoba, La Madeleine).

- Sullivan Road and Wax Road: Develop a power center to complement the Super-Walmart. Concentrate big-box retail within this area.
- Greenwell Springs Road and Magnolia Bridge Road: Expand existing retail to further service neighboring residential development. Expand store specialization, with additional food specialty stores (e.g. Martin Wine Cellar, Maxwell's Market). Redevelop vacant land for lease into neighborhood lifestyle center.

As mentioned several occasions throughout the analysis, lifestyle centers are becoming increasingly popular, as households seek greater diversity in their shopping experience. This has many ramifications in terms of development within Central. For one, retail centers strive to look less like retail centers, and developers are shying away from the shopping mall or strip mall formula in lieu of something more compatible with community gathering. In other words, shopping destinations are more appealing to the mass consumer when the experience is combined with public gathering spaces, entertainment and recreation options, and even resident and work options. This will be a challenge for Central due to the existing zoning and infrastructure of Central, which largely caters to strip mall development patterns. Secondly, a fusion of Main Street aesthetics and the conveniences of a shopping mall are now in demand, and this trend is not likely to change as shoppers become used to the visual appeal and convenience that comes with the “best of both worlds.” Again, this will be a significant issue in planning the growth of a new town, due to the infrastructure requirements of grid-like street patterns or pedestrian walkways combined with ample parking. Ultimately, the city will greatly benefit from the formation of public-private partnerships to guide future development in this direction.

Local and Regional Labor Force

Economic projections prior to the recent economic downturn indicate strong job growth in the next five years.^{xxi} This expected increase is based on recent job growth trends and can be seen in the high demand and subsequent rapid development of Class A office space throughout the metropolitan area. Of the jobs expected to experience the strongest growth – Health Care & Social Assistance, Administration, and Accommodation & Food Services will lead in numbers and Health Care & Social Assistance, Professional & Technical Services, and Transportation & Warehousing, will lead in percentage gains. Additionally, state and local investment in the Broadcasting and Bio-Technology industries will likely increase job in these fields in unexpected numbers. Combined, the metro area is expected to gain approximately **52,000** new jobs by 2015.^{xxii}

The job centers in close proximity to Central are the Women's Hospital, Earl K. Long Medical Center, the office parks along Sherwood Forest Boulevard^{xxiii}, and the retail in and around the Mall of Cortana. Additionally, state employees have relatively easy access to government office buildings downtown, while DEMCO headquarters and the Central Park Professional Plaza, a medical office park, are located within city limits.

In general terms, Baton Rouge has not experienced a marked downturn in the economy as witnessed in many other areas around the country. There is no subprime lending crisis, and the unemployment rate is well below national figures at 8.5% compared to 5.4% (as of January, 2009). The current stability of the Baton Rouge economy can be attributed to several factors, the most obvious being the surge in federal investment as part of the recovery effort post-Hurricane Katrina. The State of Louisiana received more than \$60 Billion in recovery dollars, and the majority of this is funneled through activity within Baton Rouge. Additionally, the strength of the regional economy can be

attributed to the bolstering of industry strongholds that existed before Katrina. Healthcare innovation, oil production and transportation, new media technology and a growing film industry all work to fortify the regional economy. The overall health of the economy can be attested in current vacancy rates of commercial space. Generally, vacancy rates of less than 10% signify a strong demand for office space. The Baton Rouge MSA’s vacancy rates, particularly for high end space catering to professional and business services, is between 3% and 7%.

Table 18: Baton Rouge MSA Commercial Office Space, 2008

	Vacancy Rate	Cost per Square Feet
Class A - Commercial Center	96.6%	\$17 - \$25
Class A - Garden Office Space	93.0%	\$16 - \$19
Class B	78.3%	\$10 - \$17

Source: Latter and Blum, Inc., Baton Rouge

In fact, the number of job vacancies currently outweighs unemployment rates, and employers are finding it increasingly difficult to find qualified workers to fill positions. This may be the biggest problem with the regional economy; there are too many jobs available and without a sufficiently trained workforce. Accordingly, new firms are reluctant to locate within the region and existing firms are hesitant to expand.^{xxiv}

Based on Census data of Central’s educational attainment, the majority of Central’s working-age population have a high school diplomas, a figure higher than state and regional figures, and many of the local workforce holds advanced technical training of some kind. With 55% of the available jobs in need of workers with a technical or vocational background, Central would appeal to many industrial, healthcare-related, and administration employers.

Based on historical trends, Central is not known as a job center. It does not attract a large number of workers from outside areas, and the majority of residents work outside city limits. The vast majority of jobs within Central serve the everyday needs of the community – jobs within local stores, banks, schools, clinics and repair shops. The following table illustrates the composition of jobs within Central by industry type.

Table 19: City of Central Business Profile, 2008

	Establishments	Employees
Agriculture & Mining	29	47
Construction	95	793
Manufacturing	16	119
Transportation	13	46
Wholesale Trade	31	152
Retail	126	1,033
Finance/Insurance/Real Estate	55	187
Health Services	19	556
Education and Libraries	12	471
Other	237	867
Total	633	4,271

Source: ESRI Business Analyst, 2008

Jobs located within Central focus on the demands of the existing population, with Retail, Construction, Education, and Health Care being the predominant employment sectors. These jobs types can be defined as “non-basic” services, or jobs that rely on local demand and do not export any goods or services. Yet because of the nature of Central as a bedroom community, the majority of residents work outside city limits.

If we examine the industries in which local residents work within, we see a much more diverse distribution. In fact, Manufacturing, which is a primary “basic” sector, is the number one employment sector for Central residents. A relatively large percentage of Central residents also work in Construction, Finance/Insurance/Real Estate and Public Administration. The Health Care industry has a strong employment base both in Central’s workers and residents.

Table 20: Occupation Distribution for Central Residents, Central Workforce, and Baton Rouge Workforce, 2008

	Central Residents	Central Labor Force	Baton Rouge Metro Area Labor Force
Agriculture, Forestry, Fishing, Hunting, and Mining	1.1%	0.1%	0.99%
Construction	12.6%	18.7%	8.29%
Manufacturing	15.0%	2.9%	7.40%
Wholesale Trade	4.8%	3.6%	3.75%
Retail Trade	10.0%	15.8%	10.83%
Transportation, Warehousing, and Utilities	5.8%	1.8%	3.66%
Information	1.2%	0.5%	1.50%
Finance, Insurance, Real Estate, Rental, and Leasing	6.2%	4.6%	3.26%
Professional, Scientific, and Technical Services	5.3%	2.8%	4.03%
Management of Companies and Enterprises	0.0%	0.0%	1.05%
Administrative, Support, and Waste Management Services	3.1%	1.3%	4.66%
Educational Services	6.8%	11.0%	9.93%
Health Care and Social Assistance	9.3%	15.1%	10.76%
Arts, Entertainment, and Recreation	1.2%	1.8%	1.16%
Accommodation and Food Services	3.1%	8.2%	7.28%
Other Services (Except Public Administration)	5.5%	10.0%	2.95%
Public Administration	9.2%	1.7%	5.72%

Source: U.S. Bureau of Labor Statistics, Louisiana Department of Labor, and ESRI Business Analyst, 2008

Estimated Job Growth in Central, 2008 - 2015

There are three industries that appear to have the greatest chance of success in locating within Central’s city limits. The most obvious is the health care industry, with a strong presence in local and regional employment and an expected growth of close to 40% over the next decade. There are several regional hospitals in close proximity to the city, and the existing aging population will have a greater need for medical services. Secondly, Central is capable of attracting employers within the manufacturing industry. With an abundance of available land zoned for light industrial activity, combined with an existing workforce, the city would be an ideal location for advanced manufacturing. Finally, there is an obvious linkage between the Finance/Insurance/Real Estate cluster along Sherwood Forest Boulevard and the industry within Central. This relationship can be nurtured, with Central functioning as support office space to the activities which take place further south. Although the recent recession and its impact on the housing industry has certainly injured the FIRE industries, it has not had the same degree of impact on Baton Rouge as in most parts of the country. Therefore, any adverse impacts are expected to be short-lived.

Using estimates of future job growth prepared by the Louisiana Department of Labor, this analysis estimates the number of jobs Central can attract based on historic trends in job location and general development patterns. Under the low growth scenario, in which Central absorbs future job growth at the same percentage of jobs it currently holds within the Baton Rouge area (1.03%), Central can expect to add slightly more than 500 jobs over the next seven years. Under the medium growth scenario, we assume future jobs locate proportionally to population distribution, resulting in slightly less than 2,000 new jobs in Central over the next six years. The high growth scenario assumes jobs will follow development patterns. Based on population projections for Central and the Baton Rouge metro area,

Central is expected to absorb more than 7% of regional population growth. Translated into jobs, Central may add more than 3,500 jobs by 2015. While this high growth scenario is unlikely due to current economic conditions, it is not unreasonable, considering the Baton Rouge MSA’s economy continued to grow in 2008.

Job growth does not occur in a vacuum, and as can be expected, how the City positions itself to future development will ultimately determine job growth. This estimate acts as a guideline, using the assumption that job growth will continue within the metro area in industries that are sustainable within Central. At a minimum, Central is expected to add 500 new jobs by 2015. Additional growth will be governed by zoning and infrastructure, the city’s economic development initiatives, and national economic trends.

Table 21: Jobs and Population within Central Relative to Baton Rouge MSA

Metro area jobs within Central (2008 estimate)	1.03%
Metro area population within Central (2008 estimate)	3.71%
Metro area population growth within Central (2008 - 2015)	7.13%

Source: GCR & Associates, Inc. using data provided by Louisiana Department of Labor and ESRI Business Analyst

Table 22: Estimated Job Growth in Central, 2008 - 2015

Scenarios	Total New Jobs
Low Growth	534
Medium Growth	1,918
High Growth	3,685

Source: GCR & Associates, Inc. using data provided by Louisiana Department of Labor and ESRI Business Analyst

Table 23: Estimated Demand for Commercial/Industrial Space, 2008 - 2015

	Low	Medium	High
Office Space	45,791	164,469	315,989
Industrial/Warehouse	17,729	63,678	122,342

Source: GCR & Associates, Inc. using data provided by Louisiana Department of Labor and ESRI Business Analyst

Survey Results

In August of 2008, GCR facilitated a workshop of seventeen local business interests, civic groups and political leaders to assess the perspective of the community on current needs and the potential for future development. The workshop began with an anonymous survey. Following are the primary results of this survey:

- The overwhelming majority of Central residents who responded to the survey list two complaints about their new city: limited shopping, services, and entertainment and poor or congested roads and infrastructure. While everyone’s wish list was not the same, almost all respondents felt that their list of wants and needs brought them to somewhere else in the Baton Rouge metro area when the time came. And they leave the city on roads they feel are either ill-maintained, too small, or too congested.
- The top three goals expressed in the survey, in order of importance, were 1) attract new businesses, services, and retail; 2) improve and expand roads and other infrastructure; and 3) improve and expand education and education infrastructure.

- When asked why people visit Central, a quarter of survey participants did not know or stated that nothing attracted people to Central.
- When asked what the greatest advantages of living within Central are, responding residents far and away declared Central’s quality of life as its best advantage, due to low crime rates, peaceful setting, and nice people. Along with the survey respondents’ assertion that their city boasts extraordinarily “nice and friendly folks”, it is not surprising that they also found their business owners and shop clerks to be just as friendly and personal.
- Almost without fail, Central residents noted that their city is in need of more options for shopping and entertainment.

Additionally, the survey included an assessment of the city’s strengths, weaknesses, opportunities and threats (SWOT Analysis). The following results outline the most common responses:

Strengths	<ul style="list-style-type: none"> • Sense of community • Rural character • Quality of schools • Affordability
Weaknesses	<ul style="list-style-type: none"> • Infrastructure/Traffic • Lack of entertainment options • Lack of retail options • Lack of recreation
Opportunities	<ul style="list-style-type: none"> • New residents • Job creation • Retail center
Threats	<ul style="list-style-type: none"> • Lack of infrastructure deters business • New growth unchecked

During the workshop, individual surveys were followed with group discussions regarding the SWOT Analysis and development goals for the city. The results of this discussion can be found in Appendix 3.

General Recommendations

- Establish a city-sponsored, non-profit development corporation to identify potential areas for retail development and act as a liaison between the City and private development interests.
- Dedicate “nodes” within city limits targeted for retail activity. Separate “nodes” by retail typology through zoning regulations, so that big-box retailers do not detract from the charm of a neighborhood lifestyle center, and the weekly trip to the grocery store is not overwhelmed with traffic to other areas, for example.
- To effectively offer the full range of services consumers now demand, the City will need to coordinate with private developers to fuse public and private spaces. The initial focus of such an initiative would be fitting within the town center at Hooper Road and Sullivan Road, where the city intends to locate its public offices.
- The City can offer incentives to potential developers and retail establishments to direct growth. Incentives can include infrastructure investment (parking lots, traffic lights, sidewalks, landscaping), economic incentives (e.g. tax abatements, bond financing, grants, etc.) or simplified permitting processes. Package incentive programs with state and federal incentive programs.
- To streamline the process of development, and to increase interest in Central amongst developers, market available commercial land through the city’s website. Provide technical assistance to landowners and potential developers to streamline real estate transactions.
- Because so much of Central’s future success depends upon the strong sense of community, identify an interim space for public use as soon as possible. Utilize the space on a regular basis as a means to facilitate community trade and gathering, including but not limited to a farmer’s market, festivals, and craft fairs. Simultaneously, work with the community to develop permanent gathering spaces.
- Develop recreation spaces in proximity to commercial areas to leverage additional spending. This will foster the relationship between recreation activities and related retail spending (e.g. dog park and pet-supply store, baseball field and sports bar, botanical gardens and restaurants with outdoor seating.)
- Encourage new building and design trends through financial incentives and/or collaboration with cutting edge builders. Embracing energy efficiency, green design, and even modern architecture, will create a buzz about the city, and act as a marketing tool for bringing in new businesses.
- Focus on small enterprises as a part of the city’s economic development initiatives. The competition to attract large firms is stiff, and oftentimes the incentives can be pricey for the jurisdiction. Smaller businesses and start-ups, on the other hand, are looking more for a healthy business climate and adequate space. The concentration of small firms will ultimately lead to a diverse business environment.

MARKET IMPACT

To assess the economic impact of potential new retail and commercial development, GCR examined the expected property and sales tax revenue generated through the development scenarios outlined in this report. Additionally, GCR estimated the number of retail and construction jobs that would be added as a result of new development, and translated this job growth into total revenue through an economic impact analysis.

There are a few factors that must be considered when estimating the potential impact of additional retail activity. First, because shopping is a relatively fluid function, with people moving to and from varying tax districts to make purchases, the city has the potential to absorb additional retail sales than what is prescribed in this report. For example, if Central were to develop a neighborhood lifestyle center, which is the favored retail development today, shoppers from Zachary and Baker would likely drive into Central to shop.

First, the analysis quantifies potential additional tax revenue through retail sales. Central residents spend an estimated \$214 million in retail purchases every year, with only \$172 million spent within Central. When we control for retail attractions that bring in outside shoppers, we find that approximately \$65 million is spent by local residents outside city limits. The city has the potential to capture some of this retail spending by attracting new retailers and encouraging its citizens to purchase locally. The following table delineates the additional sales revenue potential based on the current population. If the city were able to retain 50% of this retail leakage, the city would have an additional \$1.6 million in localized sales tax revenue.

Table 24: Potential Additional Sales Tax Revenue, 2008

Absorption Rate	Amount	City - 2%	School - 2%	Streets - .5%	Sewer - .5%	Total Sales Tax Revenue
10%	\$6,438,723.30	\$128,774	\$128,774	\$32,194	\$32,194	\$321,936
25%	\$16,096,808.25	\$321,936	\$321,936	\$80,484	\$80,484	\$804,840
50%	\$32,193,616.50	\$643,872	\$643,872	\$160,968	\$160,968	\$1,609,681
75%	\$48,290,424.75	\$965,808	\$965,808	\$241,452	\$241,452	\$2,414,521
100%	\$64,387,233.00	\$1,287,745	\$1,287,745	\$321,936	\$321,936	\$3,219,362

Source: GCR & Associates, Inc., using data provided by Nielson Claritas, Inc., ESRI, Inc., U.S. Census Consumer Expenditure Reports, and City of Central

In addition to the current sales tax potential, the residents who are expected to move into Central over the next decade will also contribute to the pool of tax revenue. Using the conservative household growth estimate of approximately 1,800 new households, the city will have the potential to absorb an additional \$120 million in retail sales, translating into \$6 million in sales tax revenue. Of course, not all shopping will occur within city limits. Therefore, the following table delineates the absorption potential of the total retail sales of current and additional households.

Table 25: Potential Additional Sales Tax Revenue from Future Households, 2008 - 2020

Absorption Rate	Amount	City - 2%	School - 2%	Streets - .5%	Sewer - .5%	Total Sales Tax Revenue
10%	\$5,559,030.80	\$111,181	\$111,181	\$27,795	\$27,795	\$277,952
25%	\$13,897,577.00	\$277,952	\$277,952	\$69,488	\$69,488	\$694,879
50%	\$27,795,154.00	\$555,903	\$555,903	\$138,976	\$138,976	\$1,389,758
75%	\$41,692,731.00	\$833,855	\$833,855	\$208,464	\$208,464	\$2,084,637
100%	\$55,590,308.00	\$1,111,806	\$1,111,806	\$277,952	\$277,952	\$2,779,515

Source: GCR & Associates, Inc., using data provided by Nielson Claritas, Inc., ESRI, Inc., U.S. Census Consumer Expenditure Reports, and City of Central

Combining the current retail potential and future retail potential, the City of Central can add between \$600,000 and \$6 million in sales tax revenue.

Table 26: Total Potential Additional Sales Tax Revenue, 2008 - 2020

Absorption Rate	Amount	City - 2%	School - 2%	Streets - .5%	Sewer - .5%	Total Sales Tax Revenue
10%	\$11,997,754.10	\$239,955	\$239,955	\$59,989	\$59,989	\$599,888
25%	\$29,994,385.25	\$599,888	\$599,888	\$149,972	\$149,972	\$1,499,719
50%	\$59,988,770.50	\$1,199,775	\$1,199,775	\$299,944	\$299,944	\$2,999,439
75%	\$89,983,155.75	\$1,799,663	\$1,799,663	\$449,916	\$449,916	\$4,499,158
100%	\$119,977,541.00	\$2,399,551	\$2,399,551	\$599,888	\$599,888	\$5,998,877

Source: GCR & Associates, Inc., using data provided by NielsonClaritas, Inc., ESRI, Inc., U.S. Census Consumer Expenditure Reports, and City of Central

If the additional demand for retail services is translated into new retail development, the city can expect job growth within the construction, retail trade, and service industries. Based on the findings within this analysis, it was determined that Central could support an additional 146,000 square feet of retail space, with the potential for an additional 179,000 square feet. These figures were based on current and future population projections, local expenditures for various retail purchases, and the current retail supply. GCR estimated the cost of development based on regional development costs for shopping malls to determine the overall cost of construction. The analysis then incorporates the construction investment into an Input-Output model developed by the Bureau of Economic Analysis (Regional Input-Output Modeling System, RIMS II) to calculate the total economic impact, earnings and jobs that would be created from such an investment. This includes both direct and indirect effects. A direct effect can be defined as the jobs and earnings directly involved with construction, such as an electrician or carpenter. An indirect effect can be defined as the economic activity used to support the workers involved in the construction. For example, additional construction workers will go grocery shopping, buy lunch at a local restaurant, purchase new clothes, etc., all of which will add jobs and earnings in non-construction industries. According to the model, if developers were to construct between 146,000 and 325,000 square feet of retail space, Central can expect to add an additional 234 to 522 new jobs and generate an additional \$25 million to \$56 million within the region. Because the analysis assesses regional impact, these figures do not assume that all jobs and earnings will be solely in the city. There will be leakage into areas outside of the city as many employees may live outside of Central and will likely spend money closer to home. While we cannot determine how much of the overall benefit will be concentrated in Central, we do know that Central will benefit from additional development.

Table 27: Assumptions -Retail Development

	Low	Medium	High
Additional Square Footage, Retail	146,108	212,644	325,653
Construction Cost	\$12,515,401	\$18,214,779	\$27,894,968

Table 28: Impact Based on Final Demand, Construction Trade

Initial Change:	Low	Medium	High
Change in final demand (thousands of dollars):	12,515.40	18,214.78	27,894.97
Final Demand Multiplier:			
Output (dollars)	2.0155		
Earnings (dollars)	0.6398		
Employment (jobs)	18.7300		
Impact on:			
Output (thousands of dollars)	25,224.79	36,711.89	56,222.31
Earnings (thousands of dollars)	8,007.35	11,653.82	17,847.20
Employment (jobs)	234	341	522

Source: Bureau of Economic Analysis RIMS II, 2006, Baton Rouge Metro Region

Table 29: Impact Based on Data in Initial Changes in Employment and Earnings (Retail Trade)

Initial Change:	Low	Moderate	High
Earnings (thousands of dollars)	4,050.72	5,658.48	8,205.84
Employment (jobs)	194	271	393
Direct Effect Multiplier:			
Earnings (dollars)	1.6864		
Employment (jobs)	1.5000		
Impact on:			
Earnings (thousands of dollars)	6,831.13	9,542.46	13,838.33
Employment (jobs)	291	407	590

Source: Bureau of Economic Analysis, RIMS II, 2006, Baton Rouge Metro Region

Table 30: Impact Based on Data in Initial Changes in Employment and Earnings (Restaurants)

Initial Change:	Low	Moderate	High
Earnings (thousands of dollars)	1,837.44	2,505.60	3,507.84
Employment (jobs)	110	150	210
Direct Effect Multiplier:			
Earnings (dollars)	1.7216		
Employment (jobs)	1.3183		
Impact on:			
Earnings (thousands of dollars)	3,163.34	4,313.64	6,039.10
Employment (jobs)	145	198	277

Source: Bureau of Economic Analysis, RIMS II, 2006, Baton Rouge Metro Region

While these estimates are not substantiated by actual investments made by the public or private sectors, they illustrate the potential within Central for additional commercial development. In many places, the public sector will need to do very little to nurture growth. Developers will conduct their own market analyses to identify areas that will be most profitable, and then coordinate with individual landowners to develop commercial and/or retail space. But because Central is a relatively new city with ample developable land, the city is in a position to assemble land through zoning and public-private partnerships that will further incentivize developers and retailers to build. Additionally, with greater organization in the master planning process and in orchestrating future development, the city will be able to decide where they would like to concentrate their shopping, light manufacturing, warehouses, etc. By implementing the comprehensive plan through zoning and investment, the city will be in control of how and where it develops, and can further economic development initiatives by catalyzing future development.

CONCLUSION

The City of Central is a relatively new city that is expected to grow substantially in the coming years. With upcoming investments in infrastructure, schools and public facilities, the community is making great strides to meet the demands of future populations while improving the quality of life for its existing residents. New development in retail and housing further justify the need for additional investment in public amenities; more than 1,000 new homes were permitted between 2005 and 2007 alone, equivalent to almost 10% of the community’s housing stock. Accordingly, the city’s main thoroughfares – Joor Road, Hooper Road and Sullivan Road – are all expected to increase from two-lane to four-lane arterials.

The purpose of this analysis was to provide direction to city leaders and economic development interests in framing future investment and priorities. As a result, this report specifically addressed the potential to add new retail services and jobs based on the existing population and surrounding economic activity. Fortunately, the city is poised to attract additional retail services and jobs, due to its pending residential developments, infrastructure investments and high quality of life, as measured in housing affordability, quality of the school system, and proximity to job centers.

Based on the findings within this analysis, the City of Central has an undeniable potential to add additional retail establishments. Most notably, the city has a substantial gap in the number of sit-down restaurants, apparel retail stores, hobby stores, and entertainment options. In addition to the additional retail the city can support, there are

also opportunities in economic development which take advantage of regional industrial strengths. In the long run, these include skilled manufacturing, finance, real estate and insurance, assuming the economy rebounds in industries previously strong within the Baton Rouge metro area. In the near future, the city is well-positioned to attract employers in the health care, government services, and education industries, all industrial sectors slated for growth.

Assuming Central can capture 25% to 75% of household expenditures, the city can add an estimated 40 to 71 new retail stores and restaurants, resulting in \$1.5 million to \$4.5 million per annum in city sales tax revenue. Additionally, Central has the potential to create 234 to 522 direct and indirect jobs as a result of commercial development, and between 530 and 3,700 jobs based on regional job growth.

Table 31: Summary of Impact from Household Growth

Growth Scenarios	
Estimated New Households 2008 - 2020	1,847
Potential Retail Spending	\$29,994,385 - \$89,983,155
New Retail Establishments	40 – 71 new stores/restaurants
Demand for Retail Square Footage	146,108 – 325,653
Sales Tax Revenue – City of Central	\$1,499,719 – \$4,499,158
Job Creation – Retail & Food Service	436 – 867 new jobs
Job Creation - Construction	234 - 522 new jobs
Job Creation – Regional Job Growth	534 – 3,685 new jobs

APPENDIX

Appendix 1: Survey of Retail Establishments in Central conducted July through September, 2008

RETAIL	TYPE
It's Fashion	apparel
Cato Fashions	apparel
Ditzy and Daisy Boutique	apparel
Laura's Fine Jewelry and Boutique	apparel
Tire Store	automotive
Car Wash	automotive
AutoZone	automotive
Pat's Hardware	building supplies
Trinity Driving School	education
Karate	education
MTI School of Ministry	education
Z Com Wireless	electronics
Nextel	electronics
Radio Shack	electronics
Computer Evolutions	electronics
The Center of Performing Arts	Entertainment/Community
Central Community Theater	Entertainment/Community
Central Christian Academy and Childcare	Entertainment/Community
Crayon Campus Childcare	Entertainment/Community
Imagination Station Childcare	Entertainment/Community
Wanetiri Lakes Recreation	Entertainment/Community
Domino's Pizza	fast food
Cajun Daquiris	fast food
Burger King	fast food
Raising Cane's Restaurant	fast food
Blimpie Sandwiches	fast food
Smoothie King	fast food
Subway	fast food
Papa Murphy's	fast food
Jack in the Box	fast food
Popeye's	fast food
Subway	fast food
Papa Johns	fast food
McDonalds	fast food
Sonic	fast food

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RETAIL	TYPE
Dairy Queen	fast food
Edward Jones Investments	financial
Chase Bank	financial
Whitney Bank	financial
Citi Financial	financial
Cash Advance	financial
Capital Financial Group	financial
Jackson Hewitt Taxes	financial
Edward Jones Investments	financial
Fidelity Bank	financial
People's Bank	financial
Hancock Bank	financial
Bank of Zachary	financial
Capital One Bank	financial
Neighbors Federal Credit Union	financial
Amoco	gas
Chevron	gas/convenience
Shell Gas Station	gas/convenience
Mobil	gas/convenience
Jett's Food Mart	gas/convenience
Circle K	gas/convenience
Dollar General	general
Dollar Tree	general
Dollar General	general
Elegant Creations Flowers and Gifts	gifts
Hallmark	gifts
Tiger Central	gifts
Uniquely Yours Gift Shop	gifts
Bea's Glass Wonders	gifts
Oak Point Grocery Store	grocery
Chris' Specialty Meats	grocery
Ron's Seafood	grocery
Winn Dixie	grocery
Video USA	hobby
GameStop	hobby
Carrie's 5678 Dance	hobby
Blockbuster	hobby
Scrapbook Central	hobby
Flooring Perfectionist	home
Framing Store	home furnishings
Just Mattresses	home furnishings
Pot Stop Pottery	home furnishings
Lancaster House	home furnishings

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RETAIL	TYPE
Coco's Floor Covering	home furnishings
Capital City Jewelers	jewelry
Claire Marie's Boutique	jewelry
Thrift Store	misc.
Smooch my Pooch	misc.
Central Florist	misc.
Tanning Salon	personal
Snap Fitness	personal
Ann's Nails	personal
Beau Ideal Salon	personal
Judy's Heavenly Hair and Skin	personal
Jackie's Headwacker Beauty Salon	personal
Entourage Salon	personal
Nail Salon	personal
Fantastic Sam's Salon	personal
Hair Talks	personal
Aline's Nails	personal
Bellissimo Hair Salon	personal
Planet Beach	personal
Cuts Unlimited	personal
Secret Nails	personal
Curves	personal
Merle Norman Salon	personal
Central Nails	personal
Central Hair Design	personal
Central Barber Shop	personal
Nailtek	personal
CVS Pharmacy	pharmacy
Walgreen's	pharmacy
Central Pharmacy	pharmacy
Nine Dragon Chinese Restaurant	restaurant
Central Perk Café	restaurant
Cooper Catering and Café	restaurant
Our Place Seafood and Steak	restaurant
Rick's Café Roux	restaurant
Cactus Café	restaurant
Pizza Hut	restaurant
Paradise Smoothies	restaurant
Fox's Pizza Den	restaurant
Cracker Barrel	restaurant
Hot Wok	restaurant
Caliente Mexican Craving	restaurant
China Wok	restaurant

RETAIL	TYPE
Great American Chophouse Restaurant	restaurant
US Agencies Insurance	services
Kean's Dry Cleaning	services
Allstate Insurance	services
Red Stick Cleaners	services
Photography	services
Swift Assembly	services
Notary	services
Clothing Alterations	services
Shoe Department	shoes
Payless Shoe Source	shoes
Walmart Superstore	superstore

Appendix 2: Retail Type Definitions

RETAIL TYPE	STORE EXAMPLES
Grocery	Supermarket, Butcher, Deli, Specialty Food, Bakery, Candy Store, Gourmet Grocery, Seafood Warehouse
Restaurants	Restaurant with or without Liquor, Ice Cream Parlor, Fast Food, Take-Out, Pizza, Cookie Shop, Cafeteria, Cocktail Lounge, Doughnut Shop, Coffee Shop
Clothing and Accessories	Women's Specialty, Bridal Shop, Maternity Wear, Hat Shop, Hosiery, Mixed Apparel, Men's Apparel, Lingerie, Athletic Wear, Children's Wear, Leather Shop, Discount Mixed
Shoes	Family Shoes, Women's Shoes, Men's Shoes, Children's Shoes, Athletic Footwear
Jewelry/Leather Goods	Jewelry, Luggage and Leather
Home Furnishings	Furniture, Lamps, Floor Coverings, Curtains and Drapes, China and Glassware, Bath and Linens, Home Accessories, Cutlery, Kitchen Store, Container Store, Closet Store, Beds/Mattresses
Home Appliances	Appliances, Audio/Video, Sewing Machine, Gourmet Cookware, Computer Software, Electronics – General
Building Materials/Hardware	Paint and Wallpaper, Hardware, Home Improvements, Specialty Hardware
Automotive	Automotive Supplies, Service Station
Hobby/Special Interest	Sporting Goods, Cameras, Toys, Bike Shop, Arts and Crafts, Game Store, Art Gallery, Coin Shop, Outfitters, Science/Nature Store, Religious Store
Gifts/Specialty	Candles, Books, Stationary, Newspapers and Magazines, Christmas Store, Party Store, Baby Store, Calendar/Scrapbook Store
Pharmacy	Pharmacy, Drugstore
Personal	Women's Hair Salon, Men's Hair Salon, Unisex Hair Salon, Tanning Salon, Nail Salon, Massage, Day Spa, Tattoo Parlor, Video Rental, Weight Loss Center, Tailor, Drycleaner, Tattoo Parlor, Film Processing
Gas Stations/Convenience Store	Gas Station, Convenience Store, Mini-Market
General Store	Department Store, Variety Store, Warehouse Club, Dollar Store, Discount Department Store
Entertainment/Community	Bowling Alley, Health Club, Martial Arts, Cinema, Daycare, Video Arcade, Performance Club, Learning Center, Gaming, Lottery

Source: Urban Land Institute's Dollars and Cents of Shopping Centers, 2008

Appendix 3: Workshop Survey Results

What attracts people to visit Central? (n= 17)

<u>Responses</u>	<u>No. of Mentions</u>	<u>Pct. of Total</u>
NOTHING/VERY LITTLE/DON'T KNOW	7	28%
VISITING RELATIVES/FAMILY/FRIENDS	4	16%
QUALITY OF SCHOOLS	3	12%
SPORTING EVENTS	2	8%
TIGHT-KNIT/INVOLVED/FRIENDLY COMMUNITY	2	8%
CURIOSITY	1	4%
GROWTH OF CITY	1	4%
NEWNESS OF CITY	1	4%
PRESENCE OF BUSINESSES/RETAIL/SERVICES	1	4%
QUALITY/QUANTITY/AFFORDABILITY OF HOUSING STOCK	1	4%
RURAL CHARACTER/NATURAL BEAUTY	1	4%
WYNETEN LAKE	1	4%
TOTAL	25	100%

What keeps people in Central? (n= 17)

<u>Responses</u>	<u>No. of Mentions</u>	<u>Pct. of Total</u>
QUALITY OF SCHOOLS	6.5	18.6%
TIGHT-KNIT/INVOLVED/FRIENDLY COMMUNITY	5.5	15.7%
RURAL CHARACTER/NATURAL BEAUTY	5	14.3%
LOW CRIME/FEELING OF SAFETY	3	8.6%
QUALITY/QUANTITY OF HOUSING STOCK	3	8.6%
RELATIVES/FAMILY/FRIENDS	3	8.6%
FAMILY-FRIENDLY	2	5.7%
LACK OF TRAFFIC CONGESTION	1.5	4.3%
LOCATION/CLOSE-IN	1.5	4.3%
GOOD GOVERNMENT	1	2.9%
LONG-TERM RESIDENCE	1	2.9%
LOW PROPERTY TAXES	1	2.9%
PRESENCE OF BUSINESSES/RETAIL/SERVICES	1	2.9%
TOTAL	35	100%

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Goods	Purchased in Central	Purchased Outside Central
Food – Restaurants/Fast Food	8	5
Food – Groceries/Dry Goods	7	0
Hardware/Lawn and Garden	5	3
Automotive (incl. supplies and repair)	3	11
Fuel	8	0
Clothing/Specialty/Sporting Goods/Shoes	4	11
Appliances and other “Large Items”	0	6
Household goods and general retail	7	1
Furniture	0	1
Electronics (movies, cell phones, TVs) & gadgets	1	4
Recreation (including Four Wheelers, camping, etc.)	0	2
Office and work-related supplies	0	2
Medicine (pharmaceutical and related supplies)	3	2
General entertainment	1	2
Other general purchases (dry cleaning, hobbies, etc.)	1	1
“I attempt to purchase everything within/outside of Central”	6	0
“I purchase very little within/outside of Central”	0	1

Appendix 4: Workshop Results

Strengths	<ul style="list-style-type: none"> • Good schools and technical training • Low crime rates • Available land • High property values • Relatively high income • Close proximity to the airport • Traffic not bad • Rural atmosphere • Hospitality of citizens • Churches • Affordable housing compared to other areas in Baton Rouge • Local newspaper and access to community information
Weaknesses	<ul style="list-style-type: none"> • Accessibility to other areas of the parish • Flooding and flood mitigation • Lack of retail/no specialty stores • No diversity in businesses • Limited healthcare • Lack of employment • Lack of restaurants • No Main Street • No recreational complex • Lack of family recreational opportunities e.g. bowling alleys, parks, etc. • Limited road frontage
Opportunities	<ul style="list-style-type: none"> • Furniture/Major appliance stores • Available land for development • Highway widening planned • Central thruway • Loop • Master Plan for controlled growth • Healthcare • Advanced education • Professional Businesses • Light Industry
Threats	<ul style="list-style-type: none"> • The Loop could physically and socially divide the community • Limited accessibility and road frontage can limit development • Residential growth too fast • Lack of infrastructure • Anti-tax sentiment • Possible increase in crime • Competition with neighboring cities
Vision/Goals	<ul style="list-style-type: none"> • Sustainable, visually appealing city • Adequate development to meet residents' needs • Maintain rural setting while providing big-city amenities • Create a city in which to live, work and play as a community • Create a center for the community to gather

APPENDIX 5: Employment Growth by Industry, 2004 – 2015

NAICS Code	Industry	Workers, 2004	Projected Workers, 2014	Total Change	Average Annualized Percent Change	Total Percent Change
21	Mining	1,688	2,129	441	2.35%	26.13%
22	Utilities	2,829	2,721	-108	-0.39%	-3.82%
23	Construction	34,287	40,122	5,835	1.58%	17.02%
31	Manufacturing	30,590	30,201	-389	-0.13%	-1.27%
42	Wholesale Trade	15,491	16,575	1,084	0.68%	7.00%
44	Retail Trade	44,781	48,773	3,992	0.86%	8.91%
48	Transportation & Warehousing	12,322	16,485	4,163	2.95%	33.79%
51	Information	6,198	7,350	1,152	1.72%	18.59%
52	Finance & Insurance	13,488	15,356	1,868	1.31%	13.85%
53	Real Estate, Rental & Leasing	5,473	7,064	1,591	2.58%	29.07%
54	Professional/Scientific/Technical	16,665	23,996	7,331	3.71%	43.99%
55	Management of Companies and Enterprises	4,343	5,075	732	1.57%	16.85%
56	Administration Support, Waste Management & Remediation	19,263	25,357	6,094	2.79%	31.64%
61	Education Services	41,048	46,483	5,435	1.25%	13.24%
62	Health Care & Social Assistance	44,508	61,459	16,951	3.28%	38.09%
71	Arts, Entertainment and Recreation	4,797	6,366	1,569	2.87%	32.71%
72	Accommodation and Food Services	30,094	39,663	9,569	2.80%	31.80%
81	Other Services (except Government)	12,185	16,581	4,396	3.13%	36.08%
92	State (excluding Education and Hospitals)	23,662	25,329	1,667	0.68%	7.05%
110	Agriculture, Forestry, Fishing & Hunting	2,415	2,391	-24	-0.10%	-0.99%

Source: Louisiana Department of Labor

ⁱ U.S. Bureau of Labor Statistics, Location Quotients for the Baton Rouge MSA. Location Quotients are a measure of economic strengths in comparison to national standards. A location quotient above 1.00 means more of the local labor force is employed within the industry than national average. For 2007, The Baton Rouge MSA had a location quotient of 2.11 in Construction, 1.68 in Support Activity for Mining, and 1.7 in Broadcasting, signifying economic strengths, or “industrial clusters” within these industries.

ⁱⁱ Louisiana Department of Labor, www.laworks.net, 2009, January Workforce at a Glance Bulletin.

ⁱⁱⁱ Aluminum, rather than copper wiring, was commonly used in the 1970s due to high copper prices. Aluminum has since shown to cause fires due to corrosion. Asbestos, commonly used as an insulator and as a component in “popcorn” ceilings, has since been shown to be carcinogenic. And all homes built before the 1980s used lead paint, now known to cause severe health problems, including neurological disorders and organ failure, particularly in children.

^{iv} Elizabeth Weintraub, “Trends for Homebuyers,” retrieved January 30, 2009, <http://homebuying.about.com/od/buyingahome/qt/Hotbuttons.htm>.

^v Building permit data for City of Central provided by City of Central government. Data does not delineate year in which building permits issued. The analysis divides all units issued since city’s formation over three years.

^{vi} “EBR Ranks High in Wages and Employment Growth,” Baton Rouge Area Chamber press release, January 15, 2009, retrieved January 22, 2009, <http://www.brac.org/site.php?pageID=58&newsID=931>.

^{vii} Anthony Karydakis, “How Long Will the Recession Last?” *Fortune Magazine*, December 3, 2008, retrieved January 14, 2009, <http://money.cnn.com/2008/12/03/news/economy/karydakis.recession.fortune/index.htm>.

^{viii} A healthy housing supply is somewhere around 7 months; the Baton Rouge MSA housing supply is somewhere between 9 and 12 months.

^{ix} The analysis assumes lot prices are approximately one fourth of the home price. Ultimately, the home price will be based on the square footage of the home. In this example, a 1,600 square foot home would cost \$240,000 to build, based on a construction cost of \$150 per square foot. Adding to the lot price, the cost of the home would be \$305,000.

^x The analysis assumes that no one should pay more than 30% of their income on housing, and attempts to quantify affordable rents and homeownership depending on the status of the household. Home price assumes household income equivalent to 150% of wage earner income. Rent prices are based on individual incomes.

^{xi} Based on traffic count and trade area estimates provided by the Louisiana Department of Transportation and GCR & Associates using thresholds established by the U.S. Small Business Administration. Regional shopping destinations generally require a trade area of 150,000 persons.

^{xii} The stretches of Sullivan Road and Joor Road south of Hooper Road, along with the section of Hooper Road between Sullivan Road and Joor Road, are approved and in the process of expansion from two-lane to four-lane roads.

^{xiii} Supply estimated provided by InfoUSA, a demographic and market research firm, through ESRI’s Business Analyst online, aggregated at the Census-designated Block Group level. The Block Groups included in the estimate are: 43.011, 43.012, 43.013, 43.021, 43.022, 43.023, 44.011, 44.012, 44.013, 44.021, 44.022, 44.031, 44.032, 44.033, and 44.034.

^{xiv} InfoUSA aggregates all businesses by type, number of employees, and sales volume, effective January 1, 2008. Methodology for business inventory includes Securities and Exchange Commission (SEC) data, directory listings, federal, state and municipal government, white and yellow pages, business magazines, newsletters, and the U.S. Postal Service.

^{xv} Charles C. Bohl, “The Return of the Town Center,” *Wharton Real Estate Review*, Volume VII (1), Spring 2003: 54-70.

^{xvi} Louisiana Department of Transportation and Development, Estimated Annual Average Daily Traffic Sites, retrieved online August 20, 2008. <http://www.dotd.la.gov/highways/tatv/default.asp>.

^{xvii} Standards are established based on the Urban Land Institutes’ biennial survey of retail establishments. For the 2008 survey, more than 20,000 stores within nearly 200 types of retailers were included.

^{xviii} This assumes an average size of 2,400 sq.ft. per establishment. National sit-down restaurants are often three times this size.

^{xix} The Food Institute Report, “Top Dining Trends, 2008,” December, 2007, based upon research conducted by New York restaurant consultants, Joseph Baum and Michael Whiteman, Co.

^{xx} Based on accounts provided by Central City Council and Central Chamber of Commerce.

^{xxi} Louisiana Department of Labor, Job Growth Projections, 2004 – 2015.

^{xxii} The employment growth projections do not take into account the recent turmoil facing financial markets and the construction industry in 2008. The effects of this slowdown are yet unknown, but will surely have some kind of effect on regional employment.

^{xxiii} The offices along Sherwood Forest have a high concentration of financial and insurance companies, and thus may face dwindling tenants as a result of recent turmoil in the financial and housing markets.

^{xxiv} Penny Brown, “Our 900-Pound Problem,” *Baton Rouge Business Report*, 5/19/08, retrieved online, 9/10/08, <http://www.businessreport.com/news/2008/may/19/our-900-pound-problem-wkpl1/>.