



Appendix T:

Murrieta General Plan Update Retail Land Use Market Analysis

Retail Land Use Market Analysis Murrieta General Plan Update

Prepared for:

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EXECUTIVE SUMMARY

The purpose of this study is to evaluate the market viability of the proposed retail land uses under the City of Murrieta General Plan update for build-out conditions by 2035. The proposed General Plan retail land use acreages are analyzed for the constituent amount of regionally competitive retail space which trade in general merchandise, furnishings, apparel and other specialty retail (GAFO) goods. The balance of retail space comprising food stores, eating and drinking, building materials, auto sales and supplies and service stations is also projected.

As shown in Table 1, under the Recommended Scenario, total retail sales are projected to be about \$2.4 billion and about \$2.7 billion under Scenario B for the City. Retail sales in the GAFO, eating and drinking and service station categories have also been factored up in order to account for increased retail sales due to projected increases in employment, visitors, and some business-to-business sales in Murrieta

As shown on Table 1, based on the total retail sales estimates and the estimated sales per square foot, the projected total retail center square feet is about 4.68 million square feet under the Recommended Scenario and 5.19 million square feet under Scenario B. Also the number of new permits projected for New Auto Dealers range from 14 to 16 while new permits projected for Service Stations range from 40 to 46.

Based on about 9.06 million square feet of existing and proposed retail developments in Murrieta, the projected 4.68 million square feet of demand under the Recommended Scenario represents about 52 percent of the total; the projected 5.19 million square feet of demand under Scenario B represents about 57 percent of the total.

Table 1
Projected Retail Sales and Square Footage for General Plan Growth Scenarios: 2035
City of Murrieta

	Recommended	Scenario B
Projected Total Retail Sales		
GAFO ²	\$1,033,452,925	\$1,107,618,943
Food and Groceries ¹	\$355,112,077	\$416,740,195
Eating and Drinking ²	\$265,445,352	\$311,512,210
Building Materials	\$153,299,630	\$179,904,098
Auto Supplies and Parts	\$38,308,336	\$44,956,577
Auto Dealers - New	\$229,850,017	\$269,739,464
Auto Dealers - Used, RV and Other	\$51,077,782	\$59,942,103
Service Stations ²	<u>\$259,192,834</u>	<u>\$304,174,595</u>
<i>Total Retail Sales</i>	\$2,385,738,953	\$2,694,588,185
Projected Square Feet Increment		
GAFO	2,952,700	3,164,600
Food and Groceries	682,900	801,400
Eating and Drinking	482,600	566,400
Building Materials	425,800	499,700
Auto Supplies and Parts	<u>136,800</u>	<u>160,600</u>
Total Retail Center Square Feet	4,680,800	5,192,700
<i>Total Existing and Proposed Square Feet</i>	9,058,965	9,058,965
Retail Center to Total Existing and Proposed Square Feet	52%	57%
Auto Dealers - New		
Taxable Sales per Permit	\$16,845,000	\$16,845,000
Projected Permits at 2008 Rates	14	16
Service Stations		
Taxable Sales per Permit	\$6,558,000	\$6,558,000
Projected Permits	40	46

1. Food store sales have been converted to taxable sales using a taxable factor of 25% based on State of California, BOE taxable/non-taxable food sales, 1985.
2. The household retail sales projections for GAFO, Eating and Drinking and Service Stations have been factored by 1.25 to account for increased retail sales due to projected increases in employment, visitors and some business-to-business sales in Murrieta; this is a rough approximation by the retail consultant to account for these uncertain demand sources.

Source: Stanley R. Hoffman Associates, Inc.

CHAPTER 1 INTRODUCTION

1.1 Purpose of the Study

The purpose of this study is to evaluate the market viability of the proposed retail land uses under the City of Murrieta General Plan update. The proposed General Plan retail land use acreages are analyzed for the constituent amount of regionally competitive retail space, which trade in general merchandise, furnishings, apparel and other specialty retail (GAFO) goods. It is assumed that the balance of the retail space, comprising food stores, building materials and retail services, will be sustained by future household growth within the City.

The proposed growth in GAFO retail space supply is analyzed in relation to projected increases in households and their associated retail expenditures over a larger geographic area, encompassing the regional vicinity of Murrieta from which the proposed General Plan GAFO uses could draw potential customers. Household retail expenditures have been calculated for: a. existing conditions (2008); and b. long-term projection (2008 to 2035). The area over which stores draw household retail expenditures is referred to as the ‘retail trade area’ – typically a 10-mile area for GAFO goods from a given point of analysis.

In this study, the GAFO retail trade area is defined as approximately a 10-mile ring from the Golden Triangle in Murrieta at the intersection of Interstate 215 and Interstate 15. Further, stores outside the City competing with the proposed General Plan GAFO retail for the retail expenditures of the same households residing within the retail trade area could also be located farther beyond the 10-mile GAFO retail trade area. Households residing at the periphery of the 10-mile ring could potentially commute away from the center of the ring to shop for GAFO goods. The larger retail stores geography serving the 10-mile trade area households is defined as the competitive retail store area (CRSA) and includes GAFO stores in Temecula, Lake Elsinore, Menifee, Wildomar and Hemet.

The analytical question being addressed in this market study is to assess the absorption of the projected new GAFO retail space within the CRSA, including that proposed under the General Plan update and projected additions in other CRSA cities, given the projected growth in household retail expenditures, while holding constant assumptions regarding the sales per square foot performance of GAFO retail within the CRSA. Additionally, it is assumed that current vacancies at prevailing market retail sales per square foot performance rates are absorbed first before the absorption of the proposed new GAFO retail space in the CRSA. This analytical question is answered under two sets

of conditions – a) Project Only; and b) Cumulative Impacts.

The Project Only scenario conducts the assessment of the proposed General Plan GAFO retail uses assuming that no other projected retail developments occur outside the City. The Cumulative Impacts scenario assumes that all future retail developments occur, including those within and outside the City in the CRSA.

1.2 Murrieta and its Regional Context

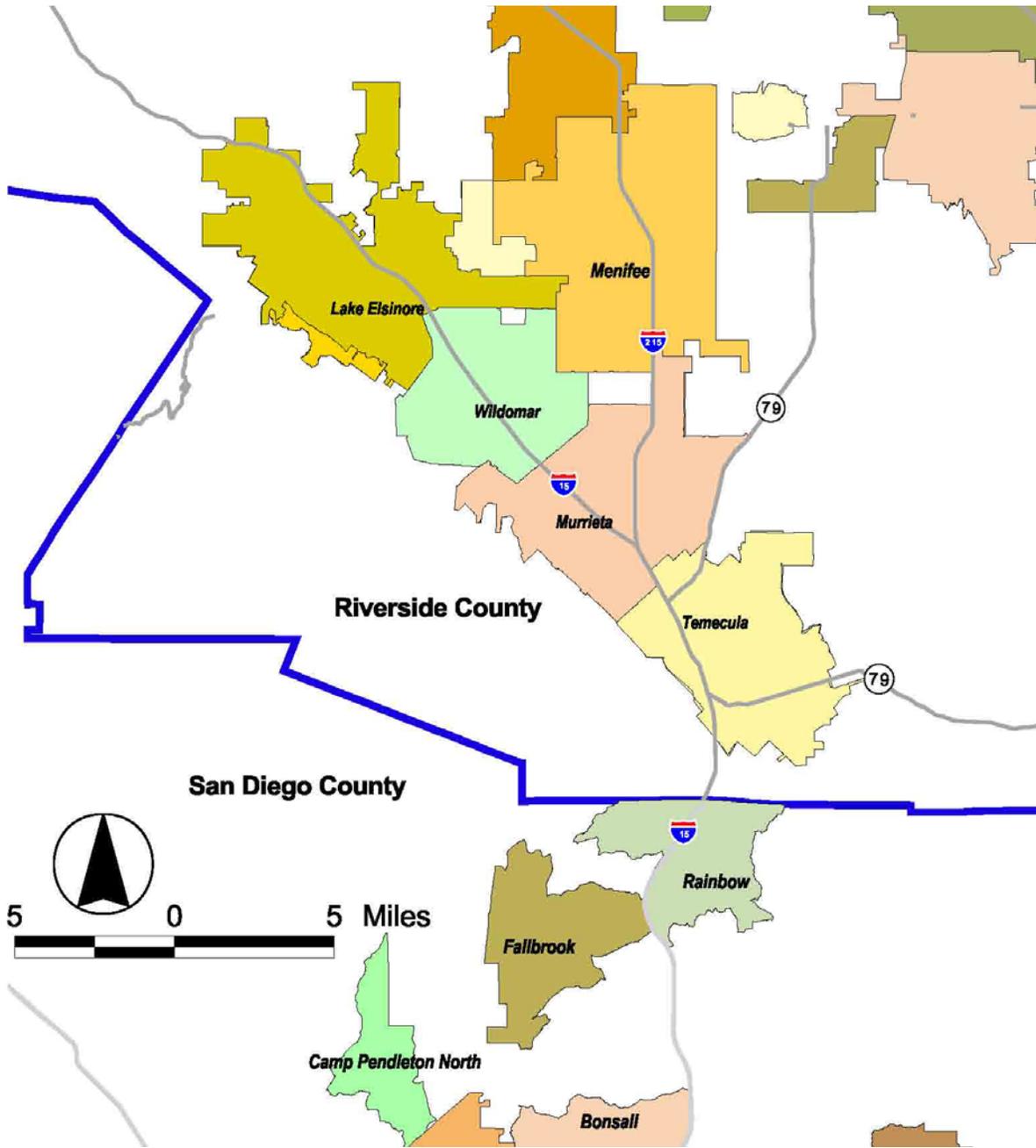
The City of Murrieta is located in southwestern Riverside County, immediately north of the City of Temecula and San Diego County border, as shown in Figure 1-1. Murrieta and the surrounding cities of Temecula to the southeast, Menifee to the northeast and Wildomar to the northwest, along with the unincorporated areas northerly and easterly of Murrieta along the I-215 and Highway 79 corridors, taken together are defined in this study as the Temecula Valley Sub-region.

As shown in Figure 1-1, the city is well served by two freeways that traverse the city in a generally north-south direction: 1) Interstate Highway 15; and 2) Interstate Highway 215. The city is also served by the north-south Winchester Corridor (Highway 79). This corridor begins to the south in Temecula at its intersection with Interstate Highway 15 and proceeds northerly along the eastern side of Murrieta and continues through the City of Menifee, eventually reaching Interstate Highway 10, which is a major east-west interstate corridor.

At present, rail transportation to other Southern California locations is accessed from the Metrolink station located in the City of Corona 31 miles north of Murrieta. Plans to extend the rail network to southwest Riverside County are currently underway. Further, several stations along the California High Speed Rail are planned within the Temecula Valley Region, with one station being located somewhere within the City of Murrieta in the general vicinity of the confluence of Interstate 15 and Interstate 215. This area, called the “Golden Triangle”, is positioned to become a major regional node of business, retail and residential development.

Further, the Temecula Valley sub-region is served by several major airports, including the Ontario International Airport in San Bernardino County to the north located within 49 miles of Murrieta, the John Wayne Airport in Orange County at about 65 miles, the San Diego International Airport at 68 miles to the southwest and the Los Angeles International Airport located in the City of Los Angeles about 68 miles from Murrieta.

Figure 1-1
Regional Context Map



Source: Stanley R. Hoffman Associates, Inc.

1.3 Sources of Information

This study is based upon information from several sources including:

Historic Data

- Historic population and household growth data from the U.S. Bureau of the Census, American Community Survey 2008, and the California Department of Finance, 1991 to 2009.
- Baseline (2008) estimates of population and households within the City and the remainder 10-mile GAFO retail trade area is based on statistics provided in the Riverside RIVTAM Traffic Demand model provided by Iteris – the General Plan traffic consultants.
- Household income estimates for the households residing within the 10-mile retail trade area by zones are obtained from the RIVTAM model. The RIVTAM model income statistics are based on the Southern California Association of Governments (SCAG) RTP 2008 socio-economic and demographic (SED) data.
- The RIVTAM/SCAG SED income statistics, dated for 2003, are further calibrated to the most current (2008) estimates of average household income within the retail trade area based on the American Community Survey (ACS) at the Public Use Microdata Area (PUMA) level.
- Current estimates of household retail expenditure spending patterns by household income and household size are assembled from the Bureau of Labor Statistics (BLS) and the American Community Survey (ACS) 2008.
- Taxable sales data for Murrieta for the 1997 to 2008 time period and information on surrounding communities for 2008 from the California State Board of Equalization.
- Retail market inventory data have been assembled based on information obtained from CoStar and field surveys undertaken by the Consultant in Murrieta and its surrounding areas through August 2010.
- Existing levels of vacancy in GAFO retail centers within the competitive retail stores area (CRSA) are based on surveys conducted by the consultant through August 2010.

Growth Projection Data

- Household growth projections at build-out (2035) for the City of Murrieta are obtained from the General Plan update as provided by RBF Consulting – the General Plan update lead consultants;
- Household growth projections for the 10-mile trade area for 2035 for areas outside Murrieta are obtained from the Riverside RIVTAM Traffic Demand model;
- Proposed retail land uses within the City of Murrieta are obtained from the General Plan update as provided by RBF Consulting.
- A list of GAFO retail developments that are currently under construction, planned or proposed within the CRSA has been assembled by Stanley R. Hoffman Associates based on data obtained from the Planning departments of the CRSA cities, including Temecula, Lake Elsinore, Menifee, Wildomar and Hemet.

1.4 Outline of the Report

This report is organized by the following chapters:

- Chapter 2 discusses the definition and assembly of geographies used in this market analysis including the 10-mile GAFO retail trade area and the competitive retail supply area (CRSA).
- Chapter 3 provides estimates of population, households and household size for the baseline (2008) conditions and at projected build-out (2035) for the City and the 10-mile GAFO retail trade area.
- Chapter 4 documents an inventory of existing GAFO retail supply and vacant space within Murrieta and the remainder CRSA, based on available market data and surveys conducted by the Consultant. Data is provided on the average retail sales per square foot performance of popular GAFO retail chains operating in the U.S. Also provided in this chapter is a discussion of the projected Murrieta General Plan update retail land-uses, as provided RBF Consulting, and information on new retail under-construction, planned and proposed within the larger CRSA.
- Chapter 5 provides the estimation of household GAFO retail expenditures within the 10-mile trade area based on the calculation of average household income within the trade area and the household retail expenditure patterns.
- Chapter 6 assesses the projected growth GAFO retail demand in the 10-mile trade area in comparison to the growth in supply of competitive GAFO retail space within the CRSA in order to estimate market viability (absorption) of the proposed GAFO retail under the Murrieta General Plan update.
- Appendix A provides the supporting technical tables on demographic and income estimations used in this market analysis report.
- Appendix B provides support information on the GAFO retail inventory assembled for this study.

CHAPTER 2 RETAIL TRADE AREAS

2.1 Definition of Trade Area

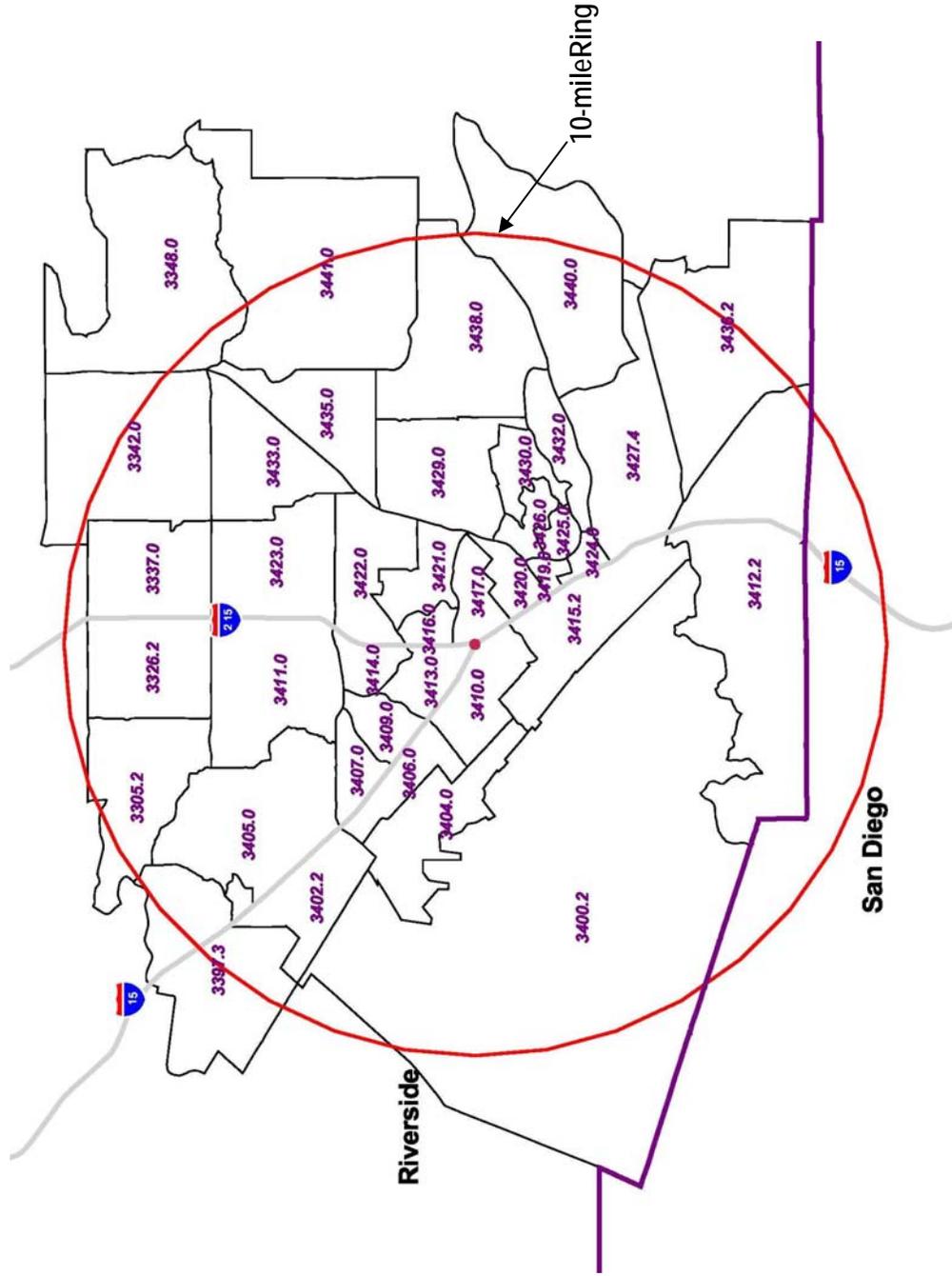
The present study analyzes the market viability of the regionally competitive general merchandise, apparel, furnishing, and other specialty (GAFO) retail space projected under the proposed Murrieta General Plan update land uses. The competitive retail trade area is defined as the area from which the GAFO retail stores are expected to draw most of their retail demand.

According to the International Council of Shopping Center's (ICSC) Dictionary of Shopping Center Terms, a trade area is ".....the territory from which 85 percent to 90 percent of retail trade will come on a continuing basis" (2005, p. 157). For GAFO merchandise, a trade area surrounding the City was defined based on SCAG traffic analysis zones (TAZ) that were wholly or partially within 10.0 miles of the intersection of the I-15 and the I-215.

Further each SCAG TAZ is comprised of constituent smaller Riverside RIVTAM Traffic Demand model zones, which formed the basis for the General Plan update demographic data, as provided to the Consultant by Iteris. A map of the study retail trade area definition based on an aggregation of selected SCAG TAZs can be found in Figure 2-1. The households residing within this trade area comprise the majority of the customer base for the proposed competitive GAFO retail space under the Murrieta General Plan update and other competitive retail stores in the region.

The decision was made to conform the trade area definition to the SCAG TAZs because (a) these zones are used by state, regional and local governmental entities in traffic and other planning activities, (b) they are consistent with US Census Bureau census tract definitions and (c) these zones are consistent with ongoing forecast revisions reflecting the local area input as provided by the Riverside RIVTAM model. The distance criterion was selected by the consultants after an assessment of various factors including existing and future residential development, present and future road patterns, the locations of competitive GAFO retail stores and centers, and the trade area draw of typical GAFO store types including discount stores, department stores, specialty hard goods stores and apparel and specialty soft goods stores. The typical draw for these types of stores is in the 5 to 8 mile range in urban settings (See, Ray, 1996, pp. 138-142). The distance criterion has been relaxed to 10 miles to account for the more suburban character of the Temecula Valley region.

Figure 2-1
GAFO Trade Area by SCAG Traffic Analysis Zones



Source: Stanley R. Hoffman Associates, Inc.

2.2 Study GAFO Retail Trade Area

Most of the projected retail demand in GAFO is derived from retail expenditures of households residing within their respective trade areas. Accommodating additional retail space in these trade areas will depend on the growth in retail-space demand from an increase in household retail expenditures in the GAFO categories. These expenditures have been calculated for: a. existing conditions (2008); and b. long-term projections (2008 to 2035).

The growth in household retail expenditures in the trade area over the study time period will depend on growth in the number of households, average household income and average household size. These household characteristics have been estimated from data obtained from the Riverside County RIVTAM Traffic Demand model, the Southern California Association of Governments (SCAG) 2008 Regional Transportation Plan (RTP) and the U.S. Bureau of the Census American Community Survey (ACS). The estimated growth of households and persons per household in the retail trade area is estimated from data provided at the local level in the RIVTAM model at the smaller analysis zones.

Assembling the GAFO Retail Trade Area

The definition and assembly of the retail trade area for this study involve several steps, including the selection of SCAG TAZs and the constituent smaller RIVTAM model zones, followed by a final step to create larger study zones used for the market analysis.

The first step in defining the trade area for this market study involved identifying SCAG TAZs that fell wholly or partially within the 10-mile trade area, as shown in Appendix Figure A-1. This step was followed by selecting the smaller RIVTAM zones that constitute the identified SCAG TAZs, as shown in Appendix Figure A-2. Updated base-year (2008) estimates of population and households for the City of Murrieta were provided by Iteris with inputs from City Staff at the smaller RIVTAM zone level. Information for areas outside the City was also taken from the RIVTAM model. As stated earlier, the RIVTAM model is based on SCAG's RTP model template, and it is updated regularly to incorporate local inputs of jurisdictions within Riverside County. The zones within the RIVTAM model, as a consequence, are smaller constituent parts of the SCAG TAZs, which in most Southern California sub-regions are coterminous with Census Tract geographies.

Further, household income statistics reported in the RIVTAM model are actually based directly on numbers reported in the SCAG RTP socio-economic and demographics (SED) TAZ data, with the smaller RIVTAM zones taking on the same value as the parent SCAG TAZ household income

values. However, upon further investigation by the Consultant, it was discovered that the SCAG TAZ household income numbers were not current for the year 2008, and needed further calibration to the Census American Community Survey (ACS) 2008 household income estimates, which will be discussed later in Chapter 5.

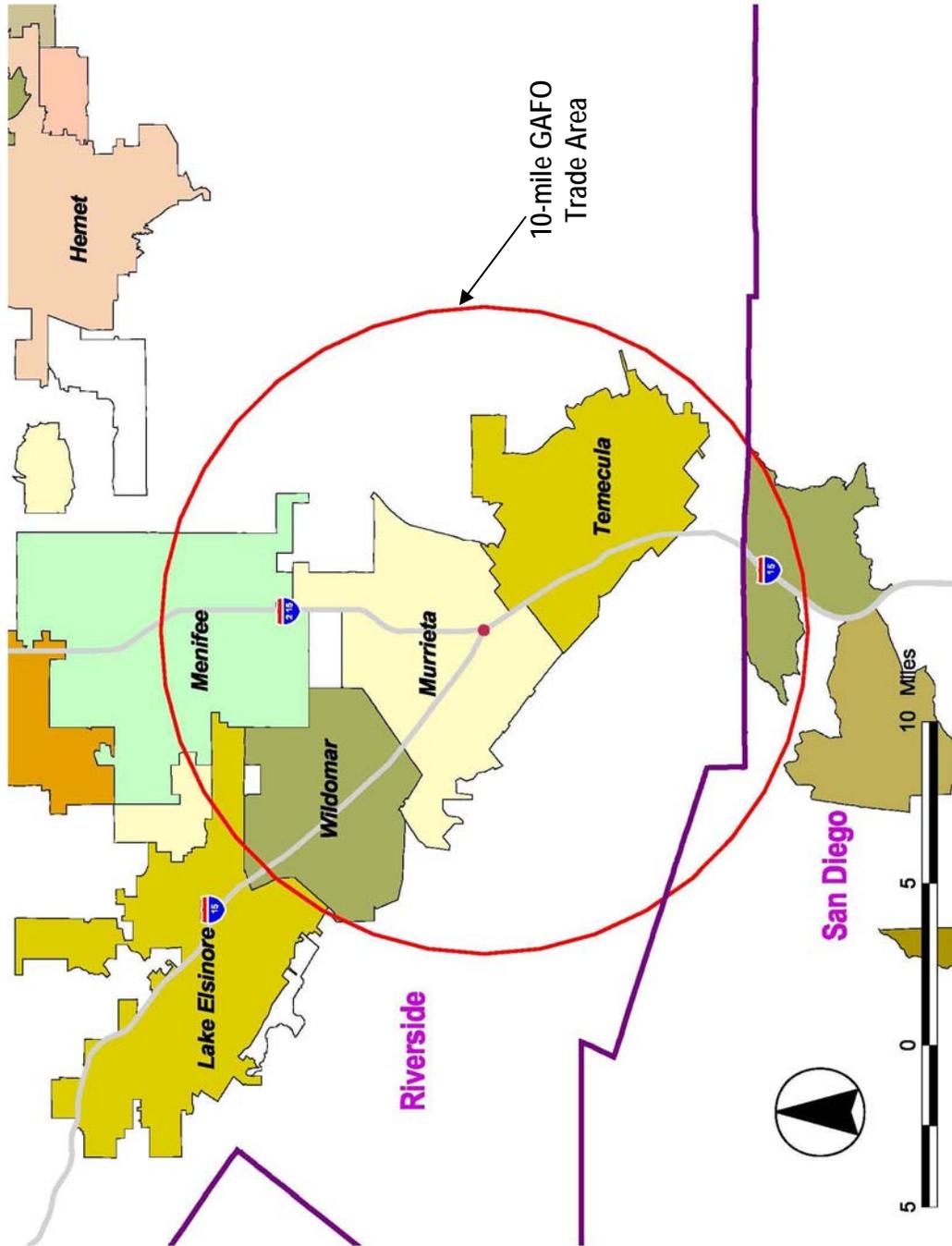
An updated dataset was thus prepared at the SCAG TAZ level, including current estimates of population and household statistics based on local inputs for the City of Murrieta and other Riverside County areas from the RIVTAM model zones, and adjusted average household income statistics based on the ACS 2008.

The last step in the process of defining the retail trade involved the aggregation of few of the selected study 10-mile SCAG TAZs to larger TAZ-based “Demand Zones”, based on geographical remoteness from the center of the retail trade area and relative distribution of household density. The final aggregation of the SCAG TAZs to the Demand Zones was displayed previously in Figure 2-1, and this forms the basis for data input and analysis within a spatial framework to assess the impact of the geographical distribution of household retail expenditures within the GAFO retail trade area on existing and future GAFO retail supply.

2.3 Competitive Retail Supply Area

The supply of GAFO retail space is taken in this study over a larger competitive retail supply area (CRSA), which besides including Murrieta also includes the cities of Temecula, Lake Elsinore, Menifee, Wildomar and Hemet. As stated earlier, stores in these other cities would also compete with the projected growth in household retail expenditures within the 10-mile GAFO retail trade area. As explained before, this results in the CRSA being larger than the 10-mile GAFO retail trade area. A schematic of the CRSA is shown in Figure 2-2, indicating the cities in which the competitive retail stores are located. A detailed map of store location within the CRSA cities is shown and discussed later in Chapter 4.

Figure 2-2
Competitive Retail Supply Area Cities



Source: Stanley R. Hoffman Associates, Inc.

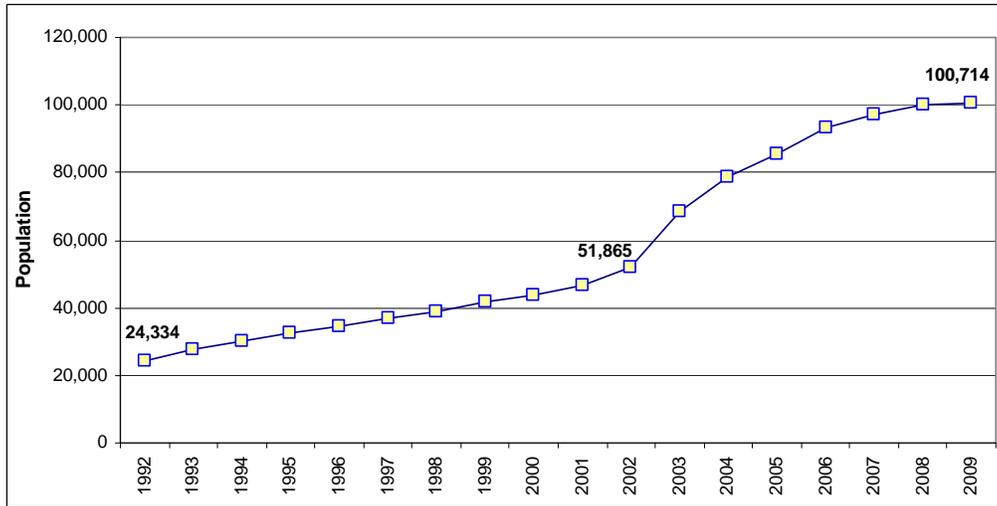
CHAPTER 3 TRADE AREA DEMOGRAPHIC GROWTH

This chapter presents an overview of historic demographic growth and projected future household growth within the City of Murrieta and the 10-mile retail trade area. Historic estimates of population and households for the City are obtained from the Census and the California Department of Finance. The baseline (2008) estimates of population and households within the City and the overall retail trade area used in this market analysis are obtained from the RIVTAM model. This is followed by an estimation of projected household growth at build-out (2035) within the City and the overall retail trade area. Projected household growth for the City of Murrieta at build-out is obtained from RBF Consulting, as proposed under the General Plan update, while population and household growth projections for other parts within the trade area are estimated from the RIVTAM model aggregated to SCAG traffic analysis zones (TAZs).

3.1 City Historic Population and Household Growth: 1990 to 2010

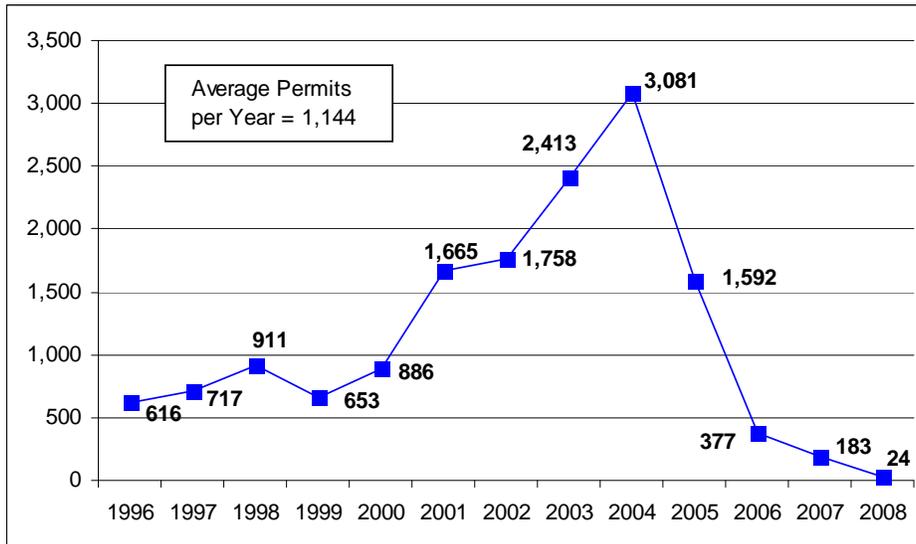
- The City of Murrieta was incorporated in 1991 with an estimated population of 24,334 at the beginning of 1992, according to the California Department of Finance (DOF).
- As shown in Figure 3-1, the City's population grew to 51,865 in 2002, more than doubling over a 10-year period.
- Population growth rate accelerated rapidly over the 2002 to 2007 time period, with population almost doubling from 51,865 in 2002 to 97,329 in 2007 in just 5 years.
- The City's population was estimated by the California Department of Finance to have reached 100,714 by January 2009.
- As shown in Figure 3-2, this rapid population growth over the 2002 to 2007 time period was led by high levels of residential construction, as shown by permitting activity over 2001 to 2005 relative to the preceding 5-year time period reported by the U.S. Bureau of the Census .
- As shown in Figure 3-2, residential permitting activity slowed down beginning 2006.
- Residential permitting activity declined from 1,592 units in 2005 to 377 units in 2006, well below the 1996 to 2008 average of 1,144 per year.
- This decline continued into 2008 when permits for only 24 residential units were granted.
- The City's population grew at an annual average growth rate of 8.71 percent over the 1992 to 2009 time period compared to overall Riverside County, which grew at 3.0 percent per annum over this time period.
- The number of households in the City of Murrieta increased from 7,538 in 1992 to 32,677 in 2009 with the average household size decreasing from 3.22 in 1992 to 3.06 in 2009.

Figure 3-1
 Historic Population
 City of Murrieta
 1992 to 2009



Source: Stanley R. Hoffman Associates, Inc.
 California Department of Finance, 1992 to 2009

Figure 3-2
 Residential Building Units Permitting Activity
 City of Murrieta
 1996 to 2008



Source: Stanley R. Hoffman Associates, Inc.
 U.S. Census Bureau

3.2 Retail Trade Area Base-line Estimates: 2008

The baseline (2008) estimates of population and households within the City of Murrieta and the remainder Trade Area are obtained from the Riverside RIVTAM model. Also discussed are current estimates of household size in the City and the remainder trade area. The detailed data by the smaller zones in the RIVTAM model selected within the 10-mile trade area are listed in Appendix Table A-1. This data is summarized for population and households for the City and remainder trade area, as discussed further in Table 3-1 below.

City of Murrieta

As shown in Table 3-1, based on data provided by Iteris to the Consultant on the basis of RIVTAM model zones, the General Plan baseline residential population for the City of Murrieta in 2008 was estimated at 101,315, while households were estimated at 33,745. This translates to an average household size of 3.002 for the City in 2008.

Remainder of 10-mile Trade Area

Residential population in the remainder of the 10-mile trade area in 2008 was estimated at 192,520, while households were estimated at 61,715, as shown in Table 3-1. This translates to an average household size of 3.120 for the remainder of the trade area.

Total 10-mile Trade Area

Total baseline residential population for the 10-mile trade area is estimated at 293,835, while households are estimated at 95,460, as shown in Table 3-1. The overall average household size in the 10-mile retail trade area is estimated at 3.078.

**Table 3-1
Baseline 2008 Estimates of Population and Households
10-mile Retail Trade Area**

	Murrieta	Remainder 10-mile Trade Area	Total 10-mile Trade Area
Residential Population	101,315	192,520	293,835
Households	33,745	61,715	95,460
Average Household Size	3.002	3.120	3.078

Source: Stanley R. Hoffman Associates, Inc.
Iteris and City Staff
Riverside RIVTAM Traffic Demand Model

3.3 Trade Area Demographic Projections: 2008 to 2035

This section discusses the comparison of population, household, and employment growth for the existing conditions from SCAG-RIVTAM forecasts (SCAG), the Recommended Scenario land uses (Recommended Scenario), and Scenario B land uses (Scenario B). Growth scenarios are shown for the geographies of the City of Murrieta, Outside City, which includes Temecula, Lake Elsinore, Menifee and Wildomar, as well as adjacent unincorporated county areas, and the total trade area. Data was obtained from the SCAG-RIVTAM model, Iteris Inc., and from RBF Consulting.

General Plan Growth Scenarios for Murrieta

Residential population growth from 2008 to 2015 is estimated to range from 31,946 in the Recommended Scenario, 46,976 in the SCAG forecasts, to 55,106 in Scenario B. As shown in Table 3-2, household growth is estimated to range from 10,739 in the Recommended Scenario, 15,877 in the SCAG forecasts, to 18,459 in Scenario B. Growth in Persons per household is estimated to stay relatively the same ranging from 2.96 in the SCAG forecasts, 2.97 in the Recommended Scenario, and 2.99 in Scenario B.

The estimated growth in employment for the two scenarios exceeds the estimated SCAG forecasts at 76,700. As shown in Table 3-2, employment growth for Scenario B is 98,524 and 110,265 for the Recommended Scenario. Retail employment growth, as a percentage of total employment growth, is higher under the SCAG forecasts at an estimated 42 percent; the Recommended Scenario and Scenario B range from an estimated 19 percent to 24 percent, respectively. Therefore, employment in the Recommended Scenario and Scenario B is more focused on growth in non-retail based jobs such as professional/technical, industrial, medical, and research and development type jobs. By 2035, the jobs per household is projected to range from 2.27 in Scenario B to 2.93 in the Recommended Scenario, compared with 1.95 for SCAG forecasts.

General Plan Growth Scenarios for Total Trade Area

The growth scenarios for the total trade area include the communities of Murrieta, Temecula, Lake Elsinore, Menifee, and Wildomar, as well as adjacent unincorporated County areas. The purpose for the retail analysis is to analyze the commercial potential for the GAFO type retail which includes: General Merchandise, Apparel, Home Furnishings and Appliances, and Other Specialty Retail. In addition to the two scenarios for Murrieta, the Recommended Scenario and Scenario B, the SCAG forecasts have been used for the broader market area outside Murrieta.

Table 3-2
Comparison of Growth Scenarios
City of Murrieta

	2008	2035	Change	AAGR ¹
SCAG-RivTAM-Existing				
Resident Population	101,315	148,291	46,976	0.014
Households	33,745	49,622	15,877	0.014
Persons per Household	3.00	2.99	2.96	
Employment	19,888	96,588	76,700	0.060
Retail Employment	10,968	43,012	32,044	0.052
Jobs per Household	0.59	1.95	4.83	
Recommended Scenario				
Resident Population	101,315	133,261	31,946	0.010
Households	33,745	44,484	10,739	0.010
Persons per Household	3.00	3.00	2.97	
Employment	19,888	130,153	110,265	0.072
Retail Employment	10,968	31,633	20,665	0.040
Jobs per Household	0.59	2.93	10.27	
Scenario B				
Resident Population	101,315	156,421	55,106	0.016
Households	33,745	52,204	18,459	0.016
Persons per Household	3.00	3.00	2.99	
Employment	19,888	118,412	98,524	0.068
Retail Employment	10,968	34,762	23,794	0.044
Jobs per Household	0.59	2.27	5.34	

1. AAGR: Annual Average Growth Rate

Source: Stanley R. Hoffman Associates, Inc.
Iteris, Inc.
RBF Consulting
SCAG-RivTAM Forecast Model

As shown in Table 3-3, population in the Recommended Scenario for the City, as a percent of the total trade area, is projected to decrease from 34 percent in 2008 to 31 percent in 2035. This trend is reflected in the projected employment for the City, as a percent of the total trade area, which is estimated to decrease from 52 percent in 2008 to 48 percent in 2035. The projected population growth for the total trade area from the 2008 to 2035 time period for the Recommended Scenario is 139,830, while employment growth is projected at 230,476.

**Table 3-3
Recommended Scenario Land Uses
City of Murrieta and Total Trade Area**

	2008	2035	Change
CITY			
Resident Population	101,315	133,261	31,946
Households	33,745	44,484	10,739
PPH	3.00	3.00	2.97
Total Employment	19,888	130,153	110,265
Retail Employment	10,968	31,633	20,665
OUTSIDE CITY¹			
Resident Population	192,520	300,404	107,884
Households	61,715	98,690	36,975
PPH	3.12	3.04	2.92
Total Employment	18,309	138,520	120,211
Retail Employment	10,290	23,733	13,443
TOTAL TRADE AREA			
Resident Population	293,835	433,665	139,830
Households	95,460	143,174	47,714
PPH	3.08	3.03	2.93
Total Employment	38,197	268,673	230,476
Retail Employment	21,258	55,366	34,108

1. Outside City includes the cities of Temecula, Lake Elsinore, Menifee, and Wildomar as well as adjacent unincorporated County areas.

Source: Stanley R. Hoffman Associates, Inc.
Iteris -- RivTAM/Southern California Association of Governments.
RBF Consulting

Scenario B shows population for the City, as a percent of the total trade area, projected to remain fairly the same from 34 percent in 2008 to 34 percent in 2035, as shown in Table 3-4. Unlike this trend, employment for the City, as a percent of the total trade area, is projected to decrease from 52 percent in 2008 to 46 percent in 2035. The projected population growth for the total trade area for Scenario B for the same time period is 162,990, while employment growth is projected at 218,735.

Table 3-4
Scenario B Land Uses
City of Murrieta and Total Trade Area

	2008	2035	Change
CITY			
Resident Population	101,315	156,421	55,106
Households	33,745	52,204	18,459
PPH	3.00	3.00	2.99
Total Employment	19,888	118,412	98,524
Retail Employment	10,968	34,762	23,794
OUTSIDE CITY¹			
Resident Population	192,520	300,404	107,884
Households	61,715	98,690	36,975
PPH	3.12	3.05	2.92
Total Employment	18,309	138,520	120,211
Retail Employment	10,290	23,733	13,443
TOTAL TRADE AREA			
Resident Population	293,835	456,825	162,990
Households	95,460	150,894	55,434
PPH	3.08	3.03	2.94
Total Employment	38,197	256,932	218,735
Retail Employment	21,258	58,495	37,237

1. Outside City includes the cities of Temecula, Lake Elsinore, Menifee, and Wildomar as well as adjacent unincorporated County areas.

Source: Stanley R. Hoffman Associates, Inc.
Iteris -- RivTAM/Southern California Association of Governments.
RBF Consulting

CHAPTER 4 RETAIL SUPPLY WITHIN TRADE AREA

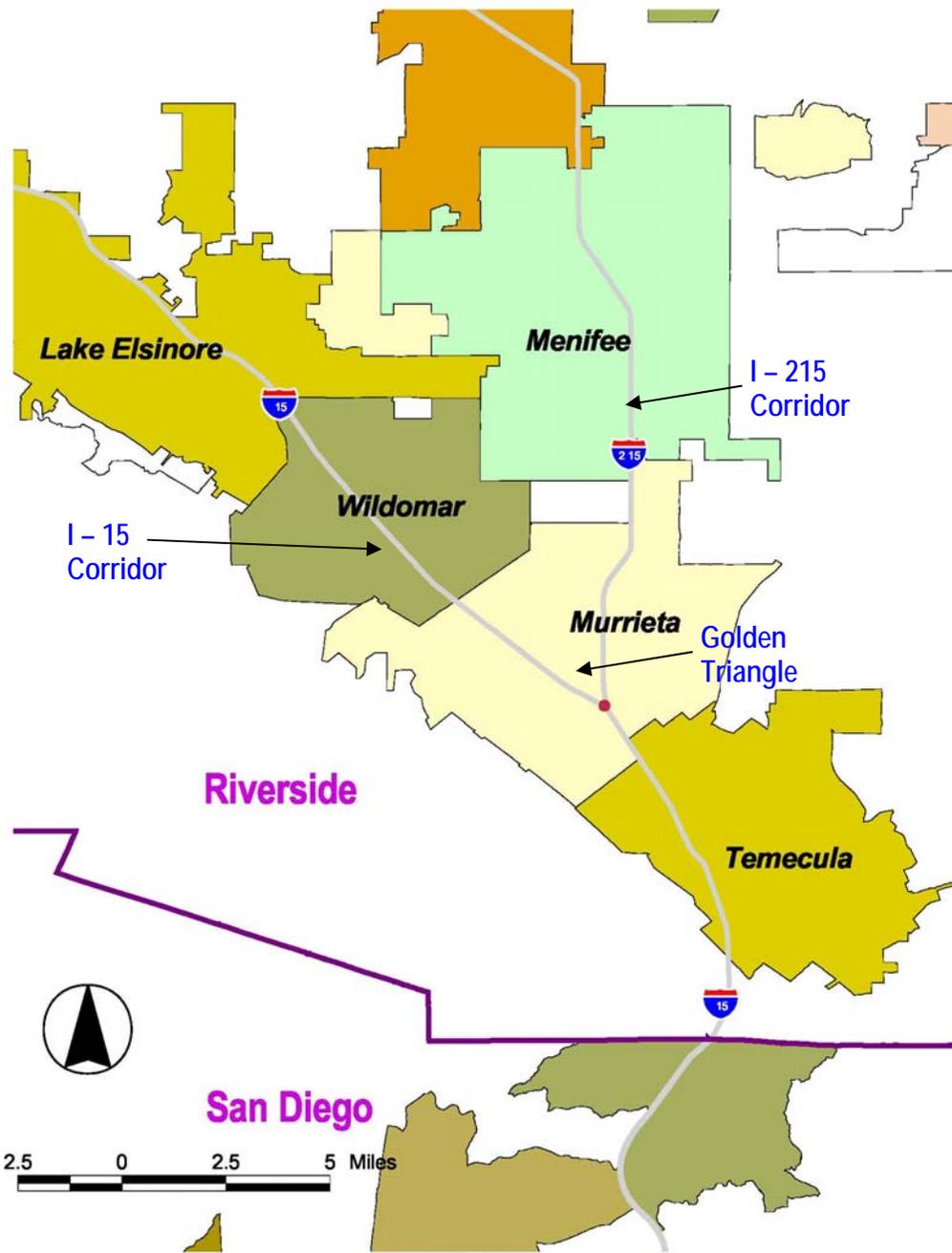
This chapter presents an analysis of the existing and future retail supply within Murrieta and the surrounding trade area. Stanley R. Hoffman Associates (SRHA) has conducted field research and collected data on retail stores that will likely compete for retail expenditures of households located in the overall trade area. Retail stores trading general merchandise, apparel, furnishings, and other specialty retail (GAFO) goods are of particular interest to this study as these retail categories have a wider regional draw. The competitive inventory of GAFO is selected from the competitive retail store areas (CRSAs) that serve households residing within the 10-mile trade area from the Golden Triangle in Murrieta, as defined previously in Chapter 2. The field survey conducted by SRHA was built upon market data on existing inventories and vacancies obtained from Costar and provided by City Staff.

4.1 Existing Overall Retail Supply

Total and vacant retail square footage was provided by Costar at an aggregate level for Murrieta, Temecula, the Interstate 15 (I-15) Corridor, and the Interstate 215 (I-215) Corridor as of December 2009. The geographical boundaries of these four areas are illustrated in Figure 4-1. As shown in the Figure, the I-15 Corridor is defined as the area along I-15 running from Lake Elsinore, south to the northern boundary of the City of Murrieta. The I-215 Corridor is defined as the area north of the northern edge of Murrieta, running north to, and including, the City of Menifee along I-215, and north along Highway 79 through French Valley to the Winchester area. Total and vacant retail square footage is divided into two categories: 1) Community, Neighborhood, and Strip Commercial Retail, which primarily serves the local community, and 2) All Other Retail, which includes regional, power center, and theme/festival centers. Vacancy is defined as currently vacant space as well as short-term, occupied space that is available for lease.

As shown in Table 4-1, the total area had a combined estimated total retail space of about 23.3 million square feet and a vacancy rate of 20.2 percent. Of that, Community, Neighborhood and Strip Commercial Retail had about 13.2 million square feet of retail space and a 23.5 percent vacancy rate. Meanwhile, All Other Retail had a total of about 10.1 million square feet and a vacancy rate of 15.9 percent. The vacancy rate for All Other Retail is lower than Community Retail possibly because the retail shopping centers that are relatively larger with national chain retailers are probably better able to handle economic downturns than the smaller, locally owned retailers and shopping centers.

Figure 4-1
Map of Murrieta, Temecula, I-15 Corridor, and I-215 Corridor



Source: Stanley R. Hoffman Associates, Inc.

Overall, Murrieta was estimated to have total retail space of approximately 7.6 million square feet. Of this, about 4.7 million square feet, or 62.0 percent, was Community, Neighborhood, and Strip Commercial Retail, and about 2.9 million square feet, or 38.0 percent, was All Other Retail. The overall total retail vacancy rate in Murrieta was estimated to be 24.2 percent, which was higher than Temecula (13.6 percent) and the I-15 Corridor (19.6 percent), but less than the I-215 Corridor (29.8 percent).

Table 4-1
Total and Vacant Retail Square Footage
Murrieta, Temecula and Surrounding Areas
December 2009

	Murrieta	Temecula	I-15 Corridor¹	I-215 Corridor²	Total Square Footage
Community, Neighborhood and Strip Commercial					
Vacant Space	1,176,013	729,196	373,318	819,213	3,097,740
Total Rentable Space	4,690,688	3,973,638	2,410,023	2,091,670	13,166,019
Vacancy Rate	25.1%	18.4%	15.5%	39.2%	23.5%
All Other Retail³					
Vacant Space	652,991	452,243	380,087	121,072	1,606,393
Total Rentable Space	2,877,595	4,713,204	1,438,550	1,065,608	10,094,957
Vacancy Rate	22.7%	9.6%	26.4%	11.4%	15.9%
Total Retail					
Vacant Space	1,829,004	1,181,439	753,405	940,285	4,704,133
Total Rentable Space	7,568,283	8,686,842	3,848,573	3,157,278	23,260,976
Vacancy Rate	24.2%	13.6%	19.6%	29.8%	20.2%

1. I -15 Corridor is defined as the area along the Interstate 15 running from Lake Elsinore south to the northern boundary of the City of Murrieta.
2. I -215 Corridor is defined as the area north of the northern edge of the City of Murrieta, running north to and including the City of Menifee along Interstate 215, and north along Highway 79 through French Valley to the Winchester area.
3. Includes Regional, Power Center and Theme/Festival Centers.

Sources: Stanley R. Hoffman Associates, Inc.
 Costar, December 2009.

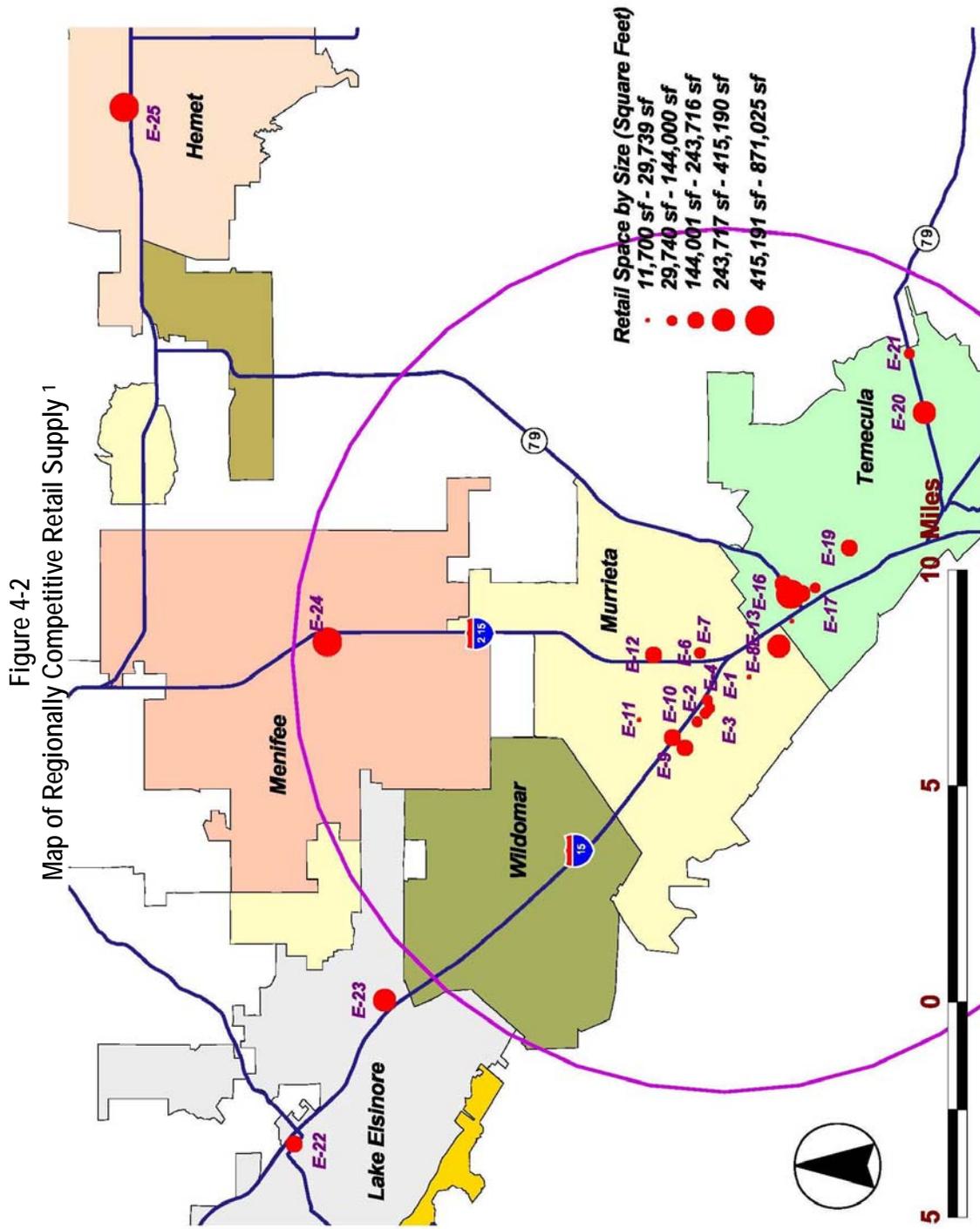
4.2 GAFO Retail Supply

This section examines the existing supply of regionally competitive retail shopping centers and their vacancy rates. A shopping center is considered “regionally competitive” if it contains stores that specialize in General Merchandise, Apparel, Home Furnishings, or Other Retail Merchandise – commonly referred to by the acronym GAFO – which serve a broad, regional market. These retail centers are generally comprised of community oriented, “big-box” centers, including anchor stores such as Target, Walmart, or Kohl’s. The trade area analyzed was defined as a circle with a 10 mile radius centered on the intersection of the I-15 and I-215 Freeways, as illustrated in Figure 4-2. Data was collected between January 2010 and May 2010 through site visits and a field survey to confirm anchor tenants, gross leasable area (GLA), and vacancies.

As shown in Table 4-2, regionally competitive retail shopping centers were identified in five cities within the trade area: Murrieta, Temecula, Lake Elsinore, Menifee, and Hemet. Combined, the retail centers in these cities have a GLA totaling about 10.0 million square feet. Of that, approximately 59.3 percent, or about 6.0 million square feet, is dedicated to GAFO. As illustrated in Figure 4-3, Temecula accounts for approximately 34.8 percent of GAFO space in regionally competitive retail centers within the trade area, totaling approximately 2.7 million square feet. This is followed by Murrieta at 31.9 percent (1.9 million square feet) and Menifee at 13.1 percent (782,787 square feet).

Also shown in Table 4-2 is the total center and GAFO vacancy rates in the regionally competitive retail shopping centers within the trade area. Vacancy rates were calculated based on the square footage that was vacant at the time of the site visits and field survey. Overall, the total vacancy rate for the centers identified was estimated to be 8.4 percent (or 840,511 square feet) while the vacancy rate for GAFO space within these centers was slightly higher, at approximately 9.4 percent (or 558,754 square feet). Within the trade area, Menifee had the highest estimated GAFO vacancy rate (21.3 percent), followed by Hemet (14.4 percent), and Murrieta (10.2 percent). However, Murrieta had the largest amount of vacant GAFO space, with an estimated 193,617 square feet available, or about 34.7 percent of the total vacant GAFO space in the trade area, as illustrated in Figure 4-5.

A detailed summary of the regionally competitive retail shopping centers within the trade area arranged by shopping center is presented in Table 4-3. In some cases, the retail shopping centers are referred to as “clusters,” which indicates that the data has been aggregated from two or more smaller regional centers or stores in close proximity. Individual data for these clusters is located in Table B-1 in Appendix B.



1. See Table 4-3 for the labels of the GAFO Retail centers included in this map.

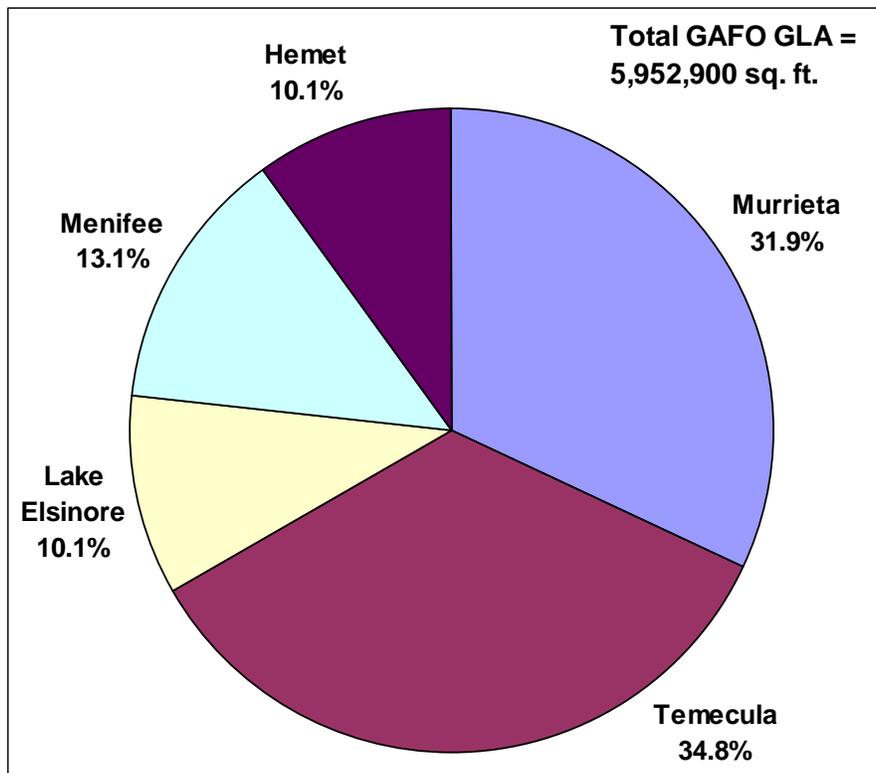
Source: Stanley R. Hoffman Associates, Inc.

Table 4-2
Summary of GAFO¹ GLA² by City
Trade Area³
May 2010

City	Total Center GLA (Sq.Ft.)	Total Vacant GLA (Sq.Ft.)	Vacancy Rate	GAFO GLA (Sq.Ft.)	% GAFO	Estimated Occupied GAFO (Sq.Ft.)	Estimated Vacant GAFO (Sq.Ft.)	GAFO Vacancy Rate
Murrieta	3,355,642	330,798	9.9%	1,896,198	56.5%	1,702,581	193,617	10.2%
Temecula	4,057,368	211,573	5.2%	2,069,194	51.0%	1,973,934	95,260	4.6%
Lake Elsinore	1,088,707	32,843	3.0%	602,821	55.4%	585,908	16,913	2.8%
Menifee	941,267	178,797	19.0%	782,787	83.2%	616,323	166,464	21.3%
Hemet	<u>601,900</u>	<u>86,500</u>	<u>14.4%</u>	<u>601,900</u>	<u>100.0%</u>	<u>515,400</u>	<u>86,500</u>	<u>14.4%</u>
Total	10,044,884	840,511	8.4%	5,952,900	59.3%	5,394,146	558,754	9.4%

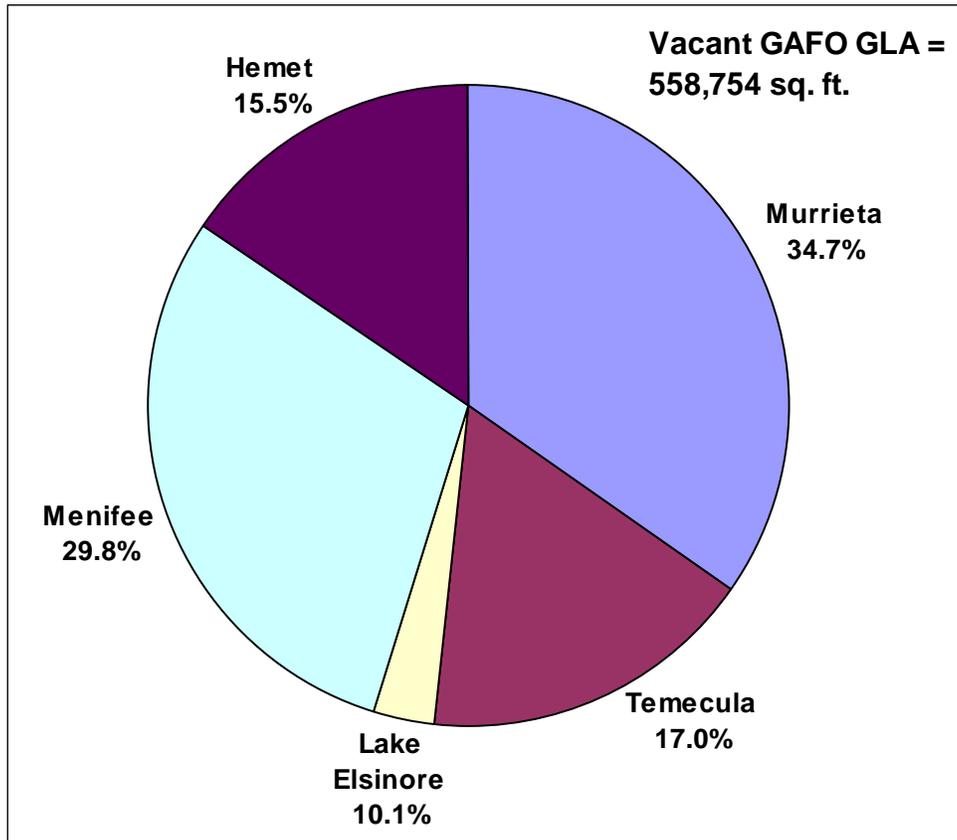
1. GAFO is an acronym for General Merchandise, Apparel, Home Furnishings, and Other Retail Merchandise.
 2. GLA stands for "gross leasable area."
 3. Trade Area is a circle with a 10 mile radius centered on the intersection of the 15 Freeway and 215 Freeway.
 Source: Stanley R. Hoffman Associates, Inc.

Figure 4-3
Distribution of Total GAFO¹ GLA² by City
Trade Area³
May 2010



1. GAFO = General Merchandise, Apparel, Home Furnishings, and Other Retail Merchandise.
 2. GLA = Gross Leasable Area (in square feet).
 3. Trade Area is a circle with a 10 mile radius centered on the intersection of the 15 Freeway and 215 Freeway.
 Source: Stanley R. Hoffman Associates, Inc.

Figure 4-4
Distribution of Vacant GAFO¹ GLA² by City
Trade Area³
May 2010



1. GAFO = General Merchandise, Apparel, Home Furnishings, and Other Retail Merchandise.
 2. GLA = Gross Leasable Area (in square feet).
 3. Trade Area is a circle with a 10 mile radius centered on the intersection of the 15 Freeway and 215 Freeway.
- Source: Stanley R. Hoffman Associates, Inc.

4.3 Current Performance Levels of General Merchandise Retailers

As shown in Table 4-4, retail sales per square foot for the U.S. West Region are shown for Super Regional Shopping Centers, Regional Shopping Centers, and Super Community/Community Shopping Centers. Data is obtained from the *Dollars and Cents of Shopping Centers* published by Urban Land Institute (ULI) for 2008. According to ULI, a Super Regional Shopping Center ranges in size from 500,000 to 1,500,000 square feet that offers a variety in general merchandise, apparel, furniture, and home furnishings, as well as a variety of services and recreational facilities. A Regional Shopping Center ranges in size from 250,000 to more than 900,000 square feet that provides general merchandise, apparel, furniture, and home furnishings, as well as a range of services and recreational facilities. A Super Community/Community Shopping Center ranges in size from 100,000 to 500,000 or more square feet of convenience tenants, while offering a wider range of apparel, hardware, home furnishings, home improvement, and specialty stores.

Average retail sales per square foot in the U.S. west region ranged from \$338 per square foot for Super Regional Shopping Centers to \$371 per square foot for Regional Shopping Centers, in 2008 dollars. The average of these factors was \$350 per square foot, rounded to the nearest tens.

Table 4-4
Average Retail Sales per Square Foot
U.S. West Region
2006
(In 2006 and 2008 Dollars)

Type of Shopping Center	2006 Dollars ¹	2008 Dollars
Super Regional Shopping Centers	\$324	\$338
Regional Shopping Centers	\$356	\$371
Super Community/Community Shopping Centers	\$331	\$345
Average of the Factors ³	\$340	\$350

1. According to the *Dollars and Cents of Shopping Centers* by ULI, seventy percent of the centers reported a fiscal year ending in, or at the end of, the fourth quarter of 2006.

2. A factor of 1.04 (214.7/206.2), based on the West Urban region Consumer Price Index (CPI), was applied to the 2006 retail sales per square foot data (\$340) which resulted in \$350 in average retail sales per square foot in 2008 dollars, rounded to the nearest tens.

3. Rounded to the nearest tens.

Source: Stanley R. Hoffman Associates, Inc.

Dollars and Cents of Shopping Centers, Urban Land Institute (ULI), 2008.
Consumer Price Index (CPI), West Urban region, 2005 to 2006.

Shown on Table 4-5, the average sales per square foot for other retail categories ranged from an estimated \$280 to \$550 in other retail categories based on data provided by The HdL Companies and *Dollars and Cents of Shopping Centers*, ULI. As shown on Appendix Table D-1, other retail categories include Chain Supermarket, Restaurants/Fast Food/Coffee Shops, Warehouse Building Supply, and Auto Supplies and Parts. Of the other retail categories, only 25 percent of goods in Chain Supermarkets are taxable so the taxable sales have been converted to total sales based on State of California, BOE taxable/non-taxable food sales, 1985.

The average sales per square foot for other retail categories are used in the projection of total retail sales and square footage for the City of Murrieta General Plan growth scenarios for 2035, shown in Table 6-7.

Table 4-5
Other Retail Categories Sales per Square Foot
U.S. National

	Taxable Sales	Total Sales	Midpoint
Chain Supermarket	\$110 - \$150	\$440 - \$600	\$520
Restaurants/Fast Food/Coffee Shops	\$300 - \$800	\$300 - \$800	\$550
Warehouse Building Supply ¹	\$325 - \$400	\$325 - \$400	\$363
Auto Supplies and Parts ²	\$173 - \$387	\$173 - \$387	\$280

1. Rounded to the nearest tens.

2. Range is for Automotive in U.S. Super Community/Community Shopping Centers and U.S. Neighborhood Shopping Centers from the *Dollars and Cents of Shopping Centers*, Urban Land Institute (ULI), 2008.

Source: Stanley R. Hoffman Associates, Inc.

The HdL Companies

Dollars and Cents of Shopping Centers, Urban Land Institute (ULI), 2008.

4.4 New Retail within Other Trade Area Cities

The following is an inventory of retail developments that are either currently under construction, planned or proposed within the Competitive Retail Supply Area (CRSA) for the 10-mile trade area. This area includes, besides Murrieta, the cities of Menifee, Wildomar, Temecula, Hemet and Lake Elsinore. The compilation of a list of future developments was completed by Stanley R. Hoffman Associates, Inc. based on data assembled from the Planning and Community Development Departments of Menifee, Wildomar, Temecula, Hemet and Lake Elsinore. Once the projects were identified and located, the breakdown of gross leasable area for each retail project was found using The Riverside County Land Information System.

A total of 17 new retail centers are either in construction or proposed for the CRSA as shown in Table 4-5. Of the 17 new retail centers, 7 retail centers are proposed to be in Menifee, 5 retail centers are proposed to be in Wildomar, 6 centers proposed for Temecula and 1 center proposed for Hemet. No new or planned retail developments were identified for Lake Elsinore. As shown in the table below, the total GLA of new retail developments in the CRSA will be an estimated 3.0 million square feet ranging from, at the smallest retail center of 10,500 square feet, to the largest retail center at an estimated 1.09 million square feet. Some of the larger scale retail developments are discussed below.

Menifee Shopping Center, located in Menifee on the northeast corner of Scott Road and Haun Road, is planning a retail development anchored by Wal-Mart Super Center. The whole development is estimated to be 236,000 square feet with 3 drive-through restaurants, a gas station, convenience market and a carwash proposed. This retail center is estimated to have 236,000 square feet of GAFO GLA based on examination of other Wal-Mart centers proposed in neighboring cities.

Another large retail development planned in Menifee is Heritage Square Shopping Center with a total GLA of 132,671 square feet of retail development. This development is projected to provide fast food restaurants, multi-tenant retail shops, and a gas station in their list of retail tenants. Heritage Square Shopping Center is estimated to have about 33,629 GLA of GAFO according to Table 4-5. The Shops at Scott center located on Scott Road and Haun Road in Menifee is proposing an 87,733 square foot retail center. This retail center is estimated to have 84,233 square feet of GAFO GLA as shown on Table 4-6. It is also located just south of the proposed Menifee Shopping Center as discussed previously.

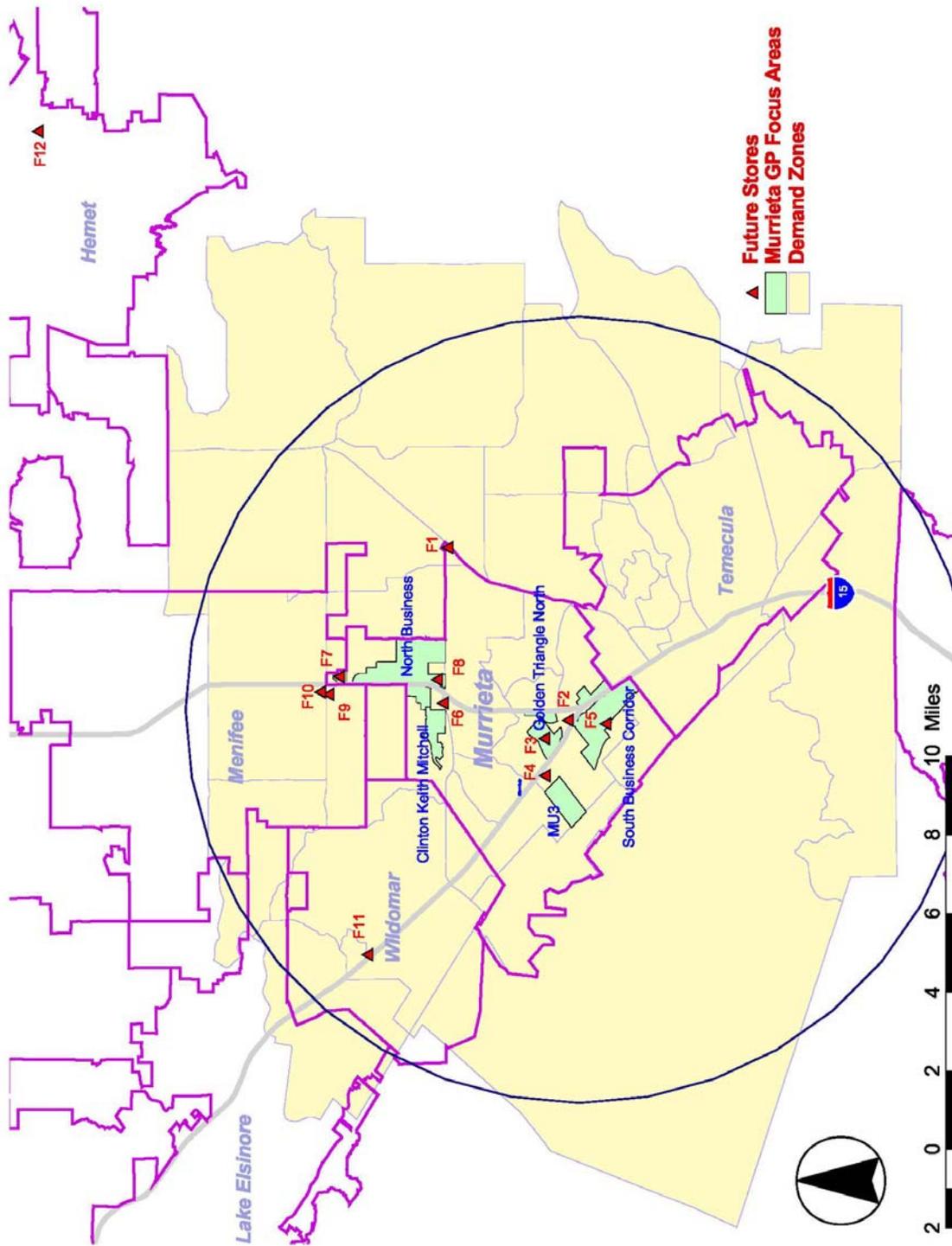
Bundy Canyon Commercial Center located in Wildomar on the southeast corner of Bundy Canyon Road and the I-15 freeway, is projected to be about 1.09 million square feet and anchored by a “big box” retailer. Wal-Mart Inc. is the current property owner and although this retail project completed a preliminary site plan, it is currently on hold due to some controversy over developing a Wal-Mart Super Center within close proximity of other existing Wal-Mart retail centers in neighboring cities such as Menifee, Lake Elsinore and Murrieta. Although it’s not certain who the “big box” retailer will be, Wildomar is estimated to develop some level of GAFO retail at the site with the remainder of the site possibly occupied by office or commercial buildings or mixed use residential.

Wildomar Square, located on the southwest intersection of Clinton Keith Road and the I-15 freeway is proposing a multiple use center of 46,600 square feet. The uses will include 2 multi-tenant commercial buildings, restaurants, a fast food restaurant and a tire sales and service store. Another retail center in Wildomar, Clinton Keith Village, is proposing a 46,600 square feet retail center. In Temecula, Vail Ranch Town Square, located on Wolfe Store Road and Luseno Court is proposing a 7 building town center totaling 145,150 square feet.

Table 4-7 displays the estimated retail GAFO square footage based on online survey of retail inventory in the market area, phone interviews with City Planning Departments, Riverside County Land Information System and estimated identification of GAFO retailers in the inventoried retail centers. As shown on Table 4-5, the total market area is projected to have an estimated 3,005,737 square feet of new retail space with GAFO GLA estimated at 1,153,862 square feet, or about 38 percent of the total.

As shown in Table 4-8, the 7 proposed retail centers in Menifee will have an estimated GAFO GLA of 353,862 square feet (38.2 percent) of the total GLA of retail centers in Menifee. Based on the estimated GAFO square footage, Menifee has the highest percent of GAFO GLA in the total market area. Wildomar, with 5 proposed retail centers, will have an estimated GAFO GLA of 300,000 square feet (24.6 percent) of the total retail GLA and Hemet, an estimated 500,000 square feet (24.8 percent) of GAFO space. For Temecula, no new GAFO retail square footage was identified in the proposed retail centers in the City.

Figure 4-5
Map of Future Regionally Competitive Retail Supply¹



1. See Table 4-5 for the labels of the GAFO Retail centers included in this map.
Source: Stanley R. Hoffman Associates, Inc.

**Table 4-6
Future Regionally Competitive Stores
Competitive Retail Supply Area
August 2010**

Center ID	Name	Best Representative Intersection	City	Recommended Scenario GAFO ¹ GLA ² (Sq.Ft.)	Scenario B GAFO ¹ GLA ² (Sq.Ft.)
F1	French Valley Cluster	SWC Winchester Rd and Thompson Rd	Murrieta	300,632	300,632
F2	Golden Triangle	I-15 and I-215	Murrieta	427,000	427,000
F3	Golden Triangle North	North of Murrieta Hot Springs Rd	Murrieta	138,353	138,353
F4	MU3	I-15 and Juniper Street	Murrieta	582,267	655,683
F5	South Business Corridor	Fig Street and	Murrieta	0	0
F6	Clinton Keith Mitchell	Clinton Keith and McElwain	Murrieta	149,813	149,813
F7	North Business (North)	SEC I-215 and Scott Rd	Murrieta	473,261	473,261
F8	North Business (South)	NEC I-215 and Clinton Keith	Murrieta	473,261	473,261
F9	Shops at Scott	SEC Scott Rd and Haun Rd	Menifee	84,233	84,233
F10	Menifee Shopping Center	NEC Scott Rd and Haun Rd	Menifee	236,000	236,000
F11	Bundy Canyon Commercial Center	SEC Bundy Canyon Rd and 15 Fwy	Wildomar	300,000	300,000
F12	Hemet Cluster	Florida Ave and Buena Vista St	Hemet	<u>500,000</u>	<u>500,000</u>
Total				3,664,819	3,738,235

1. GAFO is an acronym for General Merchandise, Apparel, Home Furnishings, and Other Retail Merchandise.

2. GLA stands for "gross leasable area."

Source: Stanley R. Hoffman Associates, Inc.

Table 4-7
New Retail Development Under-Construction, Approved or Proposed
Menifee, Wildomar, Hemet, Temecula and Lake Elsinore
August 2010

Name	Location	City	Use	Types of Retail	GLA (Sq. Ft.)	GAFO (Sq. Ft.)
Heritage Square Shopping Center	Mccall Blvd and Menifee Rd	Menifee	Retail	Stater Bros.	43,830	
			Retail	Major Retail Bldg with drive-thru	15,661	
			Retail	Multi-tenant shops	15,600	
			Retail	Retail pad	9,973	
			Retail	Fast food restaurant	3,860	
			Retail	Gas Station	3,878	
			Retail	3 major retail bldgs	33,629	33,629
			Retail	Retail pad	6,240	
			Total Center	132,671	33,629	
Menifee Lakes Plaza	Antelope Rd and Newport Rd	Menifee	Hotel	4-story, 70 room hotel	48,500	
			Retail	Bldg for shops	6,500	
			Retail	Gas station	n/a	
			Retail	Drug store	n/a	
				Total Center	141,500	
Shops at Scott	Scott Rd and Haun Rd	Menifee	Retail	Smallest bldg	3,500	
			Retail	Largest bldg	18,850	18,850
			Retail	Other bldgs	65,383	65,383
				Total Center	87,733	84,233
Menifee Shopping Center	Scott Rd and Haun Rd	Menifee	Retail	Walmart Supercenter	206,000	206,000
			Commercial	2 Commercial bldgs	30,000	30,000
			Retail	3 Drive-thru restaurants	n/a	
			Retail	Gas station	n/a	
			Retail	Convenience market	n/a	
			Retail	Car wash	n/a	
				Total Center	236,000	236,000
Hwy 74 and Briggs Center	Hwy 74 and Briggs Rd	Menifee	Retail	Market	n/a	
			Retail	Drive-thru	n/a	
			Retail	Restaurant	n/a	
			Retail	Drug store	n/a	
				Total Center	N/A	
Newport and Bradley Center	Newport Rd and Bradley Rd	Menifee	Retail	Bldg 1	7,516	
			Retail	Bldg 2	7,964	
			Retail	Bldg 3	4,981	
			Other	Not Specified	57,991	
				Total Center	78,442	
Newport and Menifee Center	Newport Rd and Menifee Rd	Menifee	Retail	Retail bldgs	61,489	
			Office	Office bldgs	58,800	
			Other	Child Care Center	129,204	
				Total Center	249,493	
Renaissance Plaza	32450 Clinton Keith Rd	Wildomar	Retail	Rite Aid Pharmacy	17,272	
			Retail	Multi-tenants	9,595	
				Total Center	26,867	
Wildomar Square	Clinton Keith Rd and 15 Fwy	Wildomar	Retail	Restaurant	5,660	
			Commercial	Multi-tenant commercial bldg	16,242	
			Retail	Restaurant	5,375	
			Retail	Tire sales and service store	7,575	
			Retail	Fast food restaurant	3,500	
			Commercial	Multi-tenant commercial bldg	8,248	
				Total Center	46,600	
Clinton Keith Village	Clinton Keith Rd and George Avenue	Wildomar	Retail	Shopping center	46,600	
				Total Center	46,600	
Bundy Canyon Commercial Center	Bundy Canyon Rd and 15 Fwy	Wildomar	Retail	Owned by Wal-Mart	200,000	300,000
				Other bldgs	889,000	
				Total Center	1,089,000	300,000
Bundy Canyon and 15 Fwy Center	Bundy Canyon Rd and 15 Fwy	Wildomar	Retail	Subway + other stores	10,500	
				Yellow basket	n/a	
				Total Center	10,500	
Vail Ranch Town Square	32785 Wolf Store Rd	Temecula	Retail	7 commercial buildings	145,150	
Redhawk Pavilion	44060-44066 Margarita Rd	Temecula	Retail	3 buildings	29,498	
Gateway Plaza	tract map 29132	Temecula	Retail	1 2-story building	30,573	
Butterfield Ranch Shopping Center	33449 Highway 79 South	Temecula	Retail	5 commercial buildings	42,385	
Old Town Plaza One	28544 Old Town Front St	Temecula	Retail	3 story building	29,409	
Ridge Park Plaza	tract map 18254	Temecula	Office/Retail	office building, some retail	83,316	
Hemet Cluster		Hemet	Retail	Consolidated Estimate of GAFO	500,000	500,000
GAFO Retail						
Menifee						353,862
Wildomar						300,000
Hemet						500,000
Temecula						0
Lake Elsinore						0
					Total	1,153,862
Other Retail/Uses						
Menifee						571,977
Wildomar						919,567
Hemet						0
Temecula						360,331
Lake Elsinore						0
					Total	1,851,875
Total Market Area						
Menifee						925,839
Wildomar						1,219,567
Hemet						500,000
Temecula						360,331
Lake Elsinore						0
					Total Market Area	3,005,737

1. Cases refer to planning cases from The Riverside County Land Information System. (<http://www3.tlma.co.riverside.ca.us/pa/rclis/index.html>)

Source: Stanley R. Hoffman Associates, Inc.
The Riverside County Land Information System.
(<http://www3.tlma.co.riverside.ca.us/pa/rclis/index.html>)
Menifee, Wildomar, Hemet, Temecula and Lake Elsinore City Planning Departments

Table 4-8
 Projected GAFO¹ Square Footage
 Menifee, Wildomar, Hemet, Temecula and Lake Elsinore
 August 2010

Jurisdiction	Number of Proposed Retail Centers	Category	Total Center GLA ² (Sq. Ft.)	Percent of Total
Menifee	7	Estimated GAFO ¹	353,862	38.2%
		All other Retail/Uses	<u>571,977</u>	<u>61.8%</u>
			925,839	100.0%
Wildomar	5	Estimated GAFO ¹	300,000	24.6%
		All other Retail/Uses	<u>919,567</u>	<u>75.4%</u>
			1,219,567	100.0%
Hemet ³	0	Estimated GAFO ¹	500,000	24.8%
		All other Retail/Uses	<u>1,520,000</u>	<u>75.2%</u>
			2,020,000	100.0%
Temecula	5	Estimated GAFO ¹	0	0.0%
		All other Retail/Uses	<u>360,331</u>	<u>100.0%</u>
			360,331	100.0%
Lake Elsinore	0	Estimated GAFO ¹	0	0
		All other Retail/Uses	<u>0</u>	<u>0</u>
			0	0
Total Market Area	17	Estimated GAFO ¹	1,153,862	38.4%
		All other Retail/Uses	<u>1,851,875</u>	<u>61.6%</u>
			3,005,737	100.0%

1. GAFO is defined as General Merchandise, Apparel, Home Furnishings and Other Retail Groups
2. GLA stands for Gross Leasable Area
3. The square footage of All other Retail/Uses for Hemet is based on existing rate of GAFO square footage to non GAFO square footage in the total market area, excluding Hemet.

Source: Stanley R. Hoffman Associates, Inc.

The Riverside County Land Information System.

(<http://www3.tlma.co.riverside.ca.us/pa/rclis/index.html>)

Menifee, Wildomar, Hemet, Temecula and Lake Elsinore City Planning Departments

CHAPTER 5 ESTIMATED RETAIL DEMAND WITHIN TRADE AREA

This Chapter presents historic retail expenditure trends and projected retail demand for the trade area. Retail expenditure trends are shown for the City of Murrieta over the 1994 to 2008 time period, and comparisons are made for the year 2008 with other neighboring cities including Temecula and Lake Elsinore. This chapter also examines projected growth in retail demand from household growth within the trade area. This is prepared by first establishing the baseline (current) estimate of households within the defined retail trade area, and their household incomes and retail expenditure patterns. The second step involves estimating the projected household growth within the trade area, which includes the City of Murrieta and balance of the 10-mile trade area falling in other nearby cities and unincorporated Riverside County areas. Projected household growth for the City of Murrieta is obtained from RBF consulting for the proposed land uses for the General Plan update. Data on household growth in other parts of the trade area, outside the City of Murrieta, is estimated from the RIVTAM model organized at SCAG RTP 2008 traffic analysis zone (TAZ) level.

5.1 Taxable Retail Sales Trends

The following tables present historic taxable retail sales trends for the City and taxable retail sales trends for Murrieta and surrounding cities and counties for 2008 which is the latest year for which these data have been published by the California Board of Equalization. These tables present the data for Murrieta and surrounding cities and counties including Temecula, Lake Elsinore, Corona, Riverside County, San Bernardino County, and San Diego County.

Table 5-1 shows the historic taxable sales transactions of Murrieta from 1994 to 2008 in constant 2009 dollars. Total taxable sales increased over the 1994 to 2008 time period from about \$229 million in 1994 to about \$965 million in 2008 with an annualized growth rate of 11.07 percent. Retail taxable sales increased from about \$206 million in 1994 to about \$828 million in 2008. Non-retail taxable sales increased from about \$23 million in 1994 to about \$137 million in 2008.

As shown in Figure 5-1, non-retail, or business-to-business taxable sales increased as a percentage of total taxable sales from 10 percent in 1994 to 14 percent in 2008. While the bulk of taxable sales are still generated primarily from households, this trend suggests that businesses that generated taxable sales to other businesses were increasing within the City's economic base.

Table 5-1
Historic Taxable Sales Transactions
City of Murrieta
1994 to 2008
(in Thousands of Constant 2009 Dollars)

Year	Retail	Non-Retail	Total
1994	\$205,600	\$23,382	\$228,982
1995	\$240,197	\$25,412	\$265,609
1996	\$292,533	\$32,793	\$325,326
1997	\$305,438	\$34,130	\$339,568
1998	\$346,480	\$41,091	\$387,572
1999	\$388,768	\$48,204	\$436,972
2000	\$408,146	\$52,667	\$460,813
2001	\$508,052	\$62,355	\$570,407
2002	\$581,527	\$72,393	\$653,920
2003	\$753,807	\$83,476	\$837,283
2004	\$909,741	\$113,556	\$1,023,297
2005	\$996,545	\$138,086	\$1,134,631
2006	\$1,043,163	\$145,831	\$1,188,993
2007	\$982,887	\$145,266	\$1,128,154
2008	\$827,982	\$136,860	\$964,842
AAGR	11.31%	14.56%	11.70%

Source: Stanley R. Hoffman Associates, Inc.
California State Board of Equalization, 1994 - 2008

Figure 5-1
Historic Taxable Sales Transactions
City of Murrieta
1994 to 2008
(in Constant 2009 Dollars)

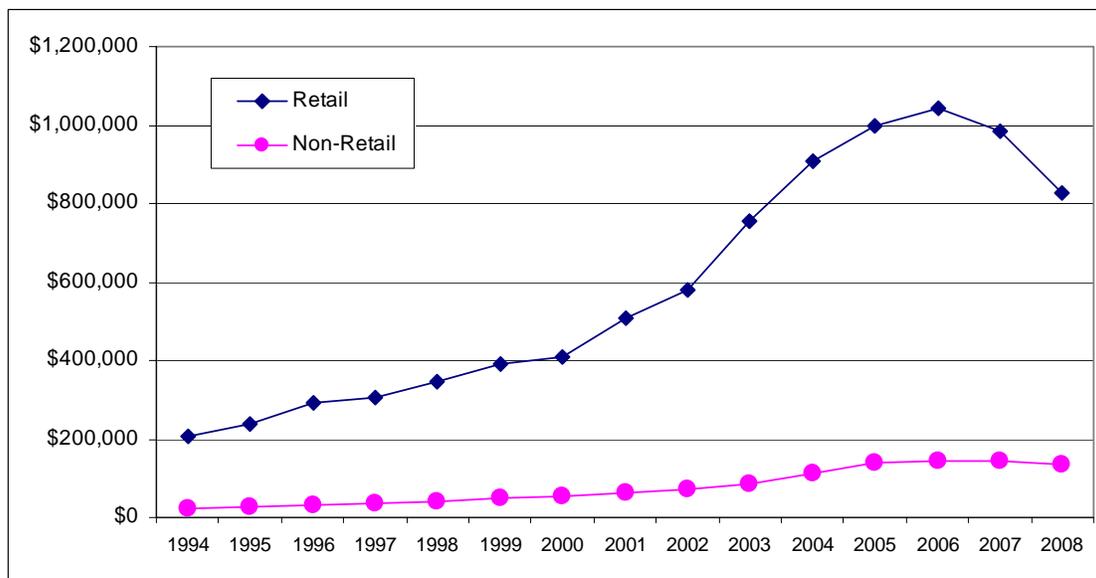


Table 5-2
Comparison of Per Capita Taxable Sales Transactions
City of Murrieta
1994 to 2008
(in Constant 2009 Dollars)

Retail Group	1994	2008	1994-2008		Average Annual Rate of Growth
			Difference in Sales	% Change	
Apparel Stores	\$232	\$217	(\$15)	-6.5%	-0.5%
General Merchandise	273	1,764	1,491	546.4%	15.4%
Food Stores	776	619	(157)	-20.3%	-1.7%
Eating & Drinking Places	590	878	288	48.8%	3.1%
Home Furnishings & Appliances	23	783	760	3307.0%	31.2%
Bldg. Mtrls. & Farm Implements	2,656	854	(1,801)	-67.8%	-8.4%
Auto Dealers & Auto Supplies	27	866	839	3092.4%	30.5%
Service Stations	713	1,140	427	59.8%	3.7%
Other Retail Stores	<u>1,495</u>	<u>1,194</u>	<u>(302)</u>	<u>-20.2%</u>	<u>-1.7%</u>
Retail Subtotal	\$6,785	\$8,315	\$1,530	22.5%	1.6%
All Other Outlets	<u>\$772</u>	<u>\$1,374</u>	<u>\$603</u>	<u>78.1%</u>	<u>4.5%</u>
Total Taxable Sales	\$7,557	\$9,690	\$2,132	28.2%	1.9%
Retail as % of Total	89.8%	85.8%			
Population	30,300	99,576			

Sources: Stanley R. Hoffman Associates, Inc.
California Department of Finance, 1994, 2008
California State Board of Equalization, 1994, 2008

Table 5-2 shows a comparison of per capita taxable sales from 1994 to 2008 in constant 2009 dollars. Per capita total taxable sales increased from \$7,557 in 1994 to \$9,690 in 2008 with an annualized growth rate of 1.9 percent. Retail taxable sales comprised 89.8 percent of total taxable sales in 1994 then decreased to 85.8 percent of total taxable sales in 2008. Retail sales per capita increased from \$6,785 in 1994 to \$8,315 in 2008. General Merchandise retail group had the highest increase by \$1,491 per capita over the 1994 to 2008 time period. The Building Materials retail group declined the most over the same time period from \$2,656 in 1994 to \$854 in 2008 in constant 2009 dollars.

As shown in Table 5-3, on a retail per capita basis, Murrieta is performing below both the County of Riverside's and the sub-regional averages. In addition to Murrieta, for comparison purposes, the sub-region is defined as the neighboring cities of Temecula to the south and Lake Elsinore to the north plus Corona farther north along the I-15 corridor. Murrieta at an overall retail sales per capita ratio of \$8,315 is performing about 7 percent below the County of Riverside's retail per capita average of \$8,920 and about 35 percent below the sub-regional retail per capita average of \$12,796. Murrieta is not capturing its fair share of household expenditures from within the City and its

environs. This is particularly striking for General Merchandise and Apparel, as shown in Table 5-3. Murrieta's General Merchandise per capita sales of \$1,764 is only 46 percent of Temecula's per capita sales of \$3,847. Murrieta's Apparel per capita estimate of \$217 is even lower at 20 percent of Temecula's per capita sales of \$1,087. The Other Retail Stores category is also about 44 percent of the Temecula average per capita. These striking differences have implications for the potential of regional retailing opportunities in Murrieta, particularly since General Merchandise, Apparel and Other Retail Stores comprise key components of regional retail centers. This also has implications for the City's fiscal health given the importance of sales tax revenues.

Murrieta appears to be performing at or near the area per capita average for Home Furnishings and Appliances and Building Materials, but is estimated to be lagging in per capita sales in Eating and Drinking Places. The Eating and Drinking Places per capita average of \$878 is about 79 percent of Riverside County's average per capita estimate of \$1,117 and even lower at 40 percent of Temecula average per capita of \$2,194.

And finally, in the retail sales tax category of Auto Dealers and Auto Supplies, Murrieta's per capita average of \$866 is about 58 percent of the Riverside County per capita average and only 22 percent of Temecula's per capita average. While retail sales of automobiles, trucks and recreational vehicles have slowed considerably during the recessionary downturn from 2007 through 2010, Murrieta should evaluate its long term opportunities to capture a higher proportion of the automotive retail category in the future.

Table 5-3
Per Capita Taxable Sales Transactions
City of Murrieta and Surrounding Cities and Counties
2008
(in thousands of Constant 2009 Dollars)

PANEL A - Taxable Retail Transactions by Jurisdiction (in thousands)

Retail Group	Murrieta	Temecula	Lake Elsinore	Corona	Sub-Region Total ¹	San		
						Riverside County	Bernardino County	San Diego County
Apparel Stores	\$21,612	\$108,569	\$41,468	\$80,216	\$251,864	\$1,112,626	\$988,755	\$2,188,032
General Merchandise	\$175,631	384,250	146,731	344,988	1,051,601	3,362,983	3,061,378	5,263,071
Food Stores	\$61,610	67,648	31,690	86,558	247,506	1,244,393	1,135,503	1,853,610
Eating & Drinking Places	\$87,442	219,097	65,592	219,902	592,033	2,321,945	2,252,813	4,830,780
Home Furnishings & Appliances	\$77,948	79,332	10,916	82,807	251,003	809,888	866,195	1,577,685
Building Materials & Farm Implem.	\$85,085	107,777	49,382	185,143	427,388	1,423,925	1,314,986	2,165,649
Auto Dealers & Auto Supplies	\$86,262	389,311	93,596	320,838	890,006	3,090,269	3,083,121	4,970,250
Service Stations	\$113,542	228,847	110,234	321,174	773,796	2,987,532	3,496,847	4,121,434
Other Retail Stores	<u>\$118,849</u>	<u>271,171</u>	<u>34,409</u>	<u>153,658</u>	<u>578,088</u>	<u>2,187,092</u>	<u>2,714,599</u>	<u>4,492,997</u>
Retail Subtotal	\$827,982	\$1,856,002	\$584,017	\$1,795,285	\$5,063,286	\$18,540,653	\$18,914,197	\$31,463,507
% of Sub-Region	16.4%	36.7%	11.5%	35.5%	100.0%			
% of Riverside County	4.5%	10.0%	3.1%	9.7%	27.3%	100.0%	102.0%	169.7%

PANEL B - Per Capita Taxable Retail Transactions

Retail Group	Murrieta	Temecula	Lake Elsinore	Corona	Sub-Region Total ¹	San		
						Riverside County	Bernardino County	San Diego County
Apparel Stores	\$217	\$1,087	\$837	\$547	\$636	\$535	\$484	\$699
General Merchandise	\$1,764	3,847	2,961	2,352	2,658	1,618	1,497	1,681
Food Stores	\$619	677	639	590	625	599	555	592
Eating & Drinking Places	\$878	2,194	1,324	1,499	1,496	1,117	1,102	1,543
Home Furnishings & Appliances	\$783	794	220	564	634	390	424	504
Building Materials & Farm Implem.	\$854	1,079	996	1,262	1,080	685	643	692
Auto Dealers & Auto Supplies	\$866	3,898	1,889	2,187	2,249	1,487	1,508	1,587
Service Stations	\$1,140	2,291	2,224	2,189	1,955	1,437	1,710	1,316
Other Retail Stores	<u>\$1,194</u>	<u>2,715</u>	<u>694</u>	<u>1,047</u>	<u>1,461</u>	<u>1,052</u>	<u>1,328</u>	<u>1,435</u>
Retail Subtotal	\$8,315	\$18,584	\$11,785	\$12,238	\$12,796	\$8,920	\$9,249	\$10,047
2008 Population	99,576	99,873	49,556	146,698	395,703	2,078,601	2,044,895	3,131,552

PANEL C - Comparison of Riverside County Cities to County Per Capita Retail Transactions

Retail Group	Murrieta	Temecula	Lake Elsinore	Corona	Sub-Region Total ¹	San		
						Riverside County	Bernardino County	San Diego County
Apparel Stores	0.41	2.03	1.56	1.02	1.19	1.00	0.90	1.31
General Merchandise	1.09	2.38	1.83	1.45	1.64	1.00	0.93	1.04
Food Stores	1.03	1.13	1.07	0.99	1.04	1.00	0.93	0.99
Eating & Drinking Places	0.79	1.96	1.18	1.34	1.34	1.00	0.99	1.38
Home Furnishings & Appliances	2.01	2.04	0.57	1.45	1.63	1.00	1.09	1.29
Building Materials & Farm Implem.	1.25	1.58	1.45	1.84	1.58	1.00	0.94	1.01
Auto Dealers & Auto Supplies	0.58	2.62	1.27	1.47	1.51	1.00	1.01	1.07
Service Stations	0.79	1.59	1.55	1.52	1.36	1.00	1.19	0.92
Other Retail Stores	1.13	2.58	0.66	1.00	1.39	1.00	1.26	1.36
Retail Subtotal	0.93	2.08	1.32	1.37	1.43	1.00	1.04	1.13

1. Sub Region represents a sum of taxable sales for the listed cities of Murrieta, Temecula, Lake Elsinore, and Corona only.

Sources: Stanley R. Hoffman Associates, Inc.
California State Board of Equalization, 2008
California Department of Finance, 2008

Table 5-4 displays the per capita taxable sales for General Merchandise, Apparel, Home Furnishings and Other retail groups, which is referred to by the acronym “GAFO” or retailing categories generally found in regional type retail centers. Murrieta’s per capita GAFO ratio of \$3,957 is about 10 percent higher than Riverside County’s ratio, but is just 73 percent of the sub-regional ratio and only 47 percent of Temecula’s ratio.

Table 5-4
GAFO¹ Per Capita Taxable Sales
City of Murrieta and Surrounding Cities and Counties
2008
(in Constant 2009 Dollars)

Retail Group	Murrieta	Temecula	Lake Elsinore	Corona	Sub-Region Total ¹	Riverside County	San Bernardino County	San Diego County
General Merchandise	\$1,764	\$3,847	\$2,961	\$2,352	\$2,658	\$1,618	\$1,497	\$1,681
Apparel Stores	217	1,087	837	547	636	535	484	699
Home Furnishings & Appliances	783	794	220	564	634	390	424	504
Other Retail Stores	\$1,194	\$2,715	\$694	\$1,047	\$1,461	\$1,052	\$1,328	\$1,435
GAFO Total	\$3,957	\$8,444	\$4,712	\$4,510	\$5,389	\$3,595	\$3,732	\$4,318

1. GAFO is defined as General Merchandise, Apparel Stores, Home Furnishings and Other Retail

Sources: Stanley R. Hoffman Associates, Inc.
California State Board of Equalization, 2008

5.2 Average GAFO Retail Expenditures of Households Residing within the Trade Area

Household expenditures in their trade areas comprise about 75 to 80 percent of all sales made at GAFO stores. The retail impact analysis in this report uses household expenditures as the main source of revenue for GAFO stores. Expenditure profiles of households residing within the GAFO 10-mile retail trade area based on average household retail expenditure patterns, average household income and persons per household ratios. These expenditure profiles are prepared for existing base-line conditions (2008) and build-out (2035) projections, following several steps. These steps include first estimating the retail expenditure profile for households based on their household size and average household income using the estimated average household incomes and household sizes within the retail trade area.

Estimation of Average Household Income within Trade Area

Current (2008) average household income for the 10-mile trade area was estimated for each of the TAZ-based Demand Zones from the data made available by Iteris through the RIVTAM Traffic Demand model. As shown in Appendix Table A-1, the aggregate and average household incomes for each of the smaller RIVTAM zones were analyzed. These were then aggregated up to the larger SCAG TAZs, as shown in Appendix Table A-2, which were then aggregated up to the final study

Demand Zones, as shown in Appendix Table A-3. The average and aggregate household incomes for each of these steps are also shown in the respective tables. Based on these steps, the average household income for the 10-mile trade area was estimated at about \$79,470 based on an estimated 95,460 households residing within the area and aggregate household income of about \$7.6 billion. Further, upon examination of the average household income trends for the region and in talking with the Traffic Consultants, it was discovered that the reported household income data in the RIVTAM model was taken directly from the SCAG RTP socio-economic and demographic (SED) data. However, this reported income data was found to not be current for the year 2008, based on comparison with the 2008 American Community Survey (ACS). As shown in Appendix Table A-4, the reported average household income for the 5 percent Public Use Microdata Area (PUMA5) 08002 – a geography similar to the 10-mile retail trade area -- was estimated at \$85,829, which was higher compared to the SCAG income statistic by a factor of 1.08. This estimated factor was used to revise upward the calculated average household incomes for each of the Demand Zones within the 10-mile retail trade area, as shown in Appendix Table A-5.

CHAPTER 6 POTENTIAL IMPACTS OF PROJECTED RETAIL DEVELOPMENT

6.1 Overview of Methodology

This chapter examines the market viability of the proposed GAFO retail uses under the Murrieta General Plan update. As stated before, this analysis involves an assessment of projected increases in household retail expenditures within the 10-mile retail trade area over the 2008 to 2035 time period in comparison to the projected increases in the total GAFO retail space supply within the competitive retail supply area (CRSA).

Additionally, a factor is applied to account for overall increases to the general employment base, visitors traveling to or through Murrieta, and some business-to-business sales. The analysis first projects GAFO-type retail sales and then projects other categories of retail sales, including Food and Groceries, Eating and Drinking, Building Materials, and Automotive Sales and Parts.

6.2 Analysis of Impact on GAFO Retail Stores

As shown in Table 6-1, total household GAFO spending for the retail trade area in the current (2008) year is estimated at \$1.04 billion. This estimate was based on the average household income of \$85,829 from the reported average household income for the 5 percent Public Use Microdata Area (PUMA5) as described in the previous section, and the General Merchandise, Apparel, Home Furnishings and Appliances, and Other Specialty Retail (GAFO) spending per household. Using the same method, the total GAFO spending for the Recommended Scenario is projected to be about \$1.54 billion and about \$1.63 for Scenario B.

Also shown in Table 6-1, the estimated supportable GAFO space from household spending for the 10-mile area was 2.97 million square feet for the current (2008) year. Based on Urban Land Institute's (ULI) *2008 Dollars and Cents of Shopping Centers*, the average retail sales per square foot estimate was \$350 adjusted to 2008 dollars. By dividing the estimated household GAFO spending potential by the average sales per square foot results in estimated supportable GAFO space from the trade area households before any allocation to retail shopping centers is made. Supportable GAFO space for the Recommended Scenario is projected to be about 4.4 million square feet. It is slightly higher at about 4.6 million square feet for Scenario B.

Table 6-1
Supportable GAFO¹ Space from Residents of
Murrieta Retail Trade Area
(In 2008 Dollars)

	2035		
	2008	Recommended	Scenario B
Population	293,835	433,665	456,825
Number of Households	95,460	143,174	150,894
Household Size	3.078	3.029	3.027
Average Household Income	\$85,829	\$85,075	\$85,542
GAFO ¹ Spending per Household	\$10,892	\$10,746	\$10,773
Total GAFO¹ Spending	\$1,039,710,000	\$1,538,564,000	\$1,625,582,000
Supportable Space at \$350/Sq. Ft.²	2,971,000	4,396,000	4,645,000

1. GAFO is an acronym that stands for General Merchandise, Apparel, Furnishings and Other stores.

This table uses an extended definition of GAFO, including Electronics & Appliance and Drug stores.

2. According to the 2008 *Dollars and Cents of Shopping Centers* by ULI, seventy percent of the centers reported a fiscal year ending in, or at the end of, the fourth quarter of 2006. A factor of 1.04 (214.7/206.2), based on the West Urban region Consumer Price Index (CPI), was applied to the 2006 retail sales per square foot data (\$340) which resulted in \$350 in average retail sales per square foot in 2008 dollars, rounded to the nearest tens.

Source: Robert Goldman Based on Consumer Expenditure Survey 2005-06 and U.S. Census of Retail 2002 data.
Dollars and Cents of Shopping Centers, Urban Land Institute (ULI), 2008.
SCAG-RivTAM Forecast Model

As shown in Table 6-2, the estimated sales and sales per square foot are from expenditures by residents who live within the Primary Trade Area. Such sales typically account for 60 to 80 percent of total sales from a shopping center. In 2008, such sales averaged about \$239 per square foot of gross leasable area (GLA) for GAFO stores in Murrieta in the estimates shown in Table 6-2. Inflating this estimate by 25 percent to account for sales beyond those attributable to residents of the Primary Trade Area produces an estimate of close to \$300 per square foot.

Under the 2035 land use alternative entitled “2035 Recommended” in combination with the projected addition of GAFO retail space identified as projects F-1 through F-8, as shown in Table 4-5, the unadjusted figure declines to \$195 per square foot with the adjusted figure at \$242 per square foot. For the 2035 land use alternative entitled “Scenario B” with the addition of the same retail projects F-1 through F-8, the unadjusted figure is \$209 per square foot and the adjusted number is \$261 per square foot.

As shown on Table 6-3, total General Merchandise, Apparel, Home Furnishings and Appliances, and Other Specialty Retail (GAFO) sales totaled about \$397 million in 2008 for the City of Murrieta. Based on the 2008 State Board of Equalization, the category of General Merchandise also included Drug Stores. This estimate is about 98 percent of the actual reported GAFO sales of \$407 million in 2008 by the State Board of Equalization (SBOE).

Table 6-2
Estimated and Projected Impacts of Residential Growth
Murrieta Retail Trade Area

Center ID	Name	Sales Generated by Primary Trade Area Residents			GLA in Square Feet		Sales per Square Foot		
		2035		2035	2008	2035	2035		2035
		2008	Recommended	Scenario B			2008	Recommended	
E-1	Murrieta Springs Plaza	\$24,571,000	\$20,332,000	\$21,144,000	105,366	105,366	\$233	\$193	\$201
E-2	Madison Square	\$21,072,000	\$17,201,000	\$17,911,000	89,625	89,625	\$235	\$192	\$200
E-3	Murrieta Spectrum	\$17,494,000	\$14,313,000	\$14,901,000	74,538	74,538	\$235	\$192	\$200
E-4	Wal-Mart Store #29524	\$33,858,000	\$27,645,000	\$28,764,000	144,000	144,000	\$235	\$192	\$200
E-5	Kohls	\$19,117,000	\$15,330,000	\$15,997,000	79,625	79,625	\$240	\$193	\$201
E-6	Murrieta Town Center	\$20,318,000	\$16,439,000	\$17,080,000	82,736	82,736	\$246	\$199	\$206
E-7	Murrieta Plaza	\$29,325,000	\$23,756,000	\$24,681,000	119,728	119,728	\$245	\$198	\$206
E-8	Jefferson Gateway	\$2,291,000	\$1,992,000	\$2,064,000	11,700	11,700	\$196	\$170	\$176
E-9	Village Walk Plaza	\$51,588,000	\$41,452,000	\$43,403,000	207,358	207,358	\$249	\$200	\$209
E-10	Cal Oaks Plaza	\$40,782,000	\$31,759,000	\$33,309,000	151,421	151,421	\$269	\$210	\$220
E-11	California Oaks Center	\$9,852,000	\$7,180,000	\$7,568,000	29,739	29,739	\$331	\$241	\$254
E-12	HomeCenter Cluster	\$69,191,000	\$53,080,000	\$55,532,000	243,716	243,716	\$284	\$218	\$228
E-13	Jefferson Avenue Cluster	\$67,890,000	\$60,611,000	\$62,559,000	363,029	363,029	\$187	\$167	\$172
F1	French Valley Cluster		\$59,133,000	\$63,096,000		300,632		\$197	\$210
F2	Golden Triangle		\$79,964,000	\$83,140,000		427,000		\$187	\$195
F3	Golden Triangle North		\$31,942,000	\$33,159,000		138,353		\$231	\$240
F4	MU3		\$114,700,000	\$119,990,000		582,267		\$197	\$206
F5	South Business Corridor					-			
F6	Clinton Keith Mitchell		\$30,239,000	\$34,189,000		149,813		\$202	\$228
F7	North Business (North)		\$84,301,000	\$99,296,000		473,261		\$178	\$210
F8	North Business (South)		\$95,422,000	\$108,414,000		473,261		\$202	\$229
TOTAL		\$407,349,000	\$826,791,000	\$886,197,000	1,702,581	4,247,167	\$239	\$195	\$209

Source: Robert Goldman Based on Consumer Expenditure Survey 2005-06 and U.S Census of Retail 2002 data. Stanley R. Hoffman Associates, Inc.

Table 6-3
GAFO¹ Sales of Murrieta Stores
City of Murrieta
2008

Retail Stores in Murrieta	Taxable Sales ²
Apparel	\$21,785,000
General Merchandise ³	\$177,039,000
Home Furnishings and Appliances	\$78,573,000
Other Specialty Retail	<u>\$119,802,000</u>
Total GAFO¹ Sales	\$397,199,000

- GAFO includes General Merchandise, Apparel, Home Furnishings and Appliances, and Other Specialty Retail Stores.
- Based on data from the 2008 State Board of Equalization (SBOE) taxable sales for the City of Murrieta.
- General Merchandise includes General Merchandise and Drug Stores.

6.3 Analysis of Impact on Other Retail Stores

As shown in Table 6-4, total projected Other Retail Sales for the City of Murrieta in the 2035 Recommended Scenario ranged from \$1,247,358,390 and \$1,463,831,881 based on growth scenarios provided by RBF Consulting and Iteris Inc. Using data from the 2008 State Board of Equalization for the cities of Murrieta, Temecula, Corona, and Lake Elsinore, the average taxable sales per household of other retail categories was calculated. This data was used along with the projected population, household and employment growth to estimate the projected other retail sales. The Food and Groceries retail category is estimated to be 25 percent taxable which has been accounted for in the calculation of total Food and Grocery retail sales.

**Table 6-4
Projected Other Retail Sales for General Plan Growth Scenarios: 2035
City of Murrieta**

	Recommended	Scenario B
Growth¹		
Population	133,261	156,421
Households	44,484	52,204
Employment	130,153	118,412
Other Retail Sales Factor²		
Food and Groceries ³	\$7,983 per Household	
Eating and Drinking	\$4,774 per Household	
Building Materials	\$3,446 per Household	
Auto Dealers and Parts	\$7,176 per Household	
Service Stations	\$4,661 per Household	
Projected Other Retail Sales		
Food and Groceries ³	\$355,112,077	\$416,740,195
Eating and Drinking	\$212,356,282	\$249,209,768
Building Materials	\$153,299,630	\$179,904,098
Auto Dealers and Parts	\$319,236,135	\$374,638,144
Service Stations	<u>\$207,354,267</u>	<u>\$243,339,676</u>
Total	\$1,247,358,390	\$1,463,831,881

1. Growth scenarios provided by RBF Consulting and Iteris Inc. from 2008 to 2035.
2. Based on the average taxable sales per household for the sub-region consisting of Murrieta, Temecula, Corona, and Lake Elsinore; data is from the State Board of Equalization (SBOE), 2008.
3. It is estimated that 25% of Food and Grocery sales are taxable in order to estimate total Food and Grocery sales shown here.

Source: Stanley R. Hoffman Associates, Inc.
Iteris, Inc.
RBF Consulting
State Board of Equalization (SBOE).

Shown on Table 6-5 is the projected other retail square footage for the two General Plan 2035 growth scenarios. An estimated 1.6 million square feet of retail is projected under the Recommended Scenario and 1.9 million square feet under Scenario B. This was calculated based on the projected other retail sales shown on Table 6-5 and the estimated sales per square foot, shown previously on Table 4-5. Projected retail sales for Food and Groceries has been adjusted by a taxable factor of 25 percent of food sales based on historic California State Board of Equalization (SBOE) data.

Also, the distribution of the auto-related retail sales such as Auto Supplies and Parts, New Auto Dealers, and Used and Other Auto Dealers, is based on the Riverside County distribution of auto-related sales from SBOE. New Auto Dealers comprised the largest share of retail sales in Riverside County at about 72 percent, followed by about 16 percent for Used and Other Auto Dealers and about 12 percent for Auto Supplies and Parts.

Table 6-5 also shows the projected permits for New Auto Dealers and Service Stations. The number of permits projected for New Auto Dealers under the two scenarios range from 14 to 16 while the number of permits projected for Service Stations range from 32 to 37.

Table 6-5
 Projected Other Retail Square Footage for General Plan Growth Scenarios: 2035
 City of Murrieta

	Recommended	Scenario B
Projected Other Retail Sales		
Food and Groceries ¹	\$355,112,077	\$416,740,195
Eating and Drinking	\$212,356,282	\$249,209,768
Building Materials	\$153,299,630	\$179,904,098
Auto Supplies and Parts ²	\$38,308,336	\$44,956,577
Auto Dealers - New ²	\$229,850,017	\$269,739,464
Auto Dealers - Used, RV and Other ²	\$51,077,782	\$59,942,103
Service Stations	<u>\$207,354,267</u>	<u>\$243,339,676</u>
	\$1,247,358,390	\$1,463,831,881
Estimated Sales per Square Foot³		
Food and Groceries	\$520	\$520
Eating and Drinking	\$550	\$550
Building Materials	\$360	\$360
Auto Supplies and Parts	\$280	\$280
Projected Other Retail Square Feet		
Food and Groceries	682,908	801,423
Eating and Drinking	386,102	453,109
Building Materials	425,832	499,734
Auto Supplies and Parts	<u>136,815</u>	<u>160,559</u>
Subtotal	1,631,658	1,914,825
Auto Dealers - New		
Taxable Sales per Permit	\$16,845,000	\$16,845,000
Projected Permits at 2008 Rates	14	16
Service Stations		
Taxable Sales per Permit	\$6,558,000	\$6,558,000
Projected Permits at 2008 Rates	32	37

1. Food store sales have been converted to total sales using a taxable factor of 25% based on State of California, BOE taxable/non-taxable food sales, 1985.
2. Based on the Countywide State BOE taxable sales distribution for Riverside County, new auto sales are 72%, used auto, RV and other vehicle sales are 16% and auto supplies and parts are 12% of the BOE Motor Vehicle and Parts category.
3. Sales per square foot factors for all categories, except Auto Supplies and Parts, are from The Hdl Companies, 2007 Retail Store Taxable Sales Estimates; the factor for Auto Supplies and Parts is from the ULI Dollars & Cents of Shopping Centers, 2008.

Source: Stanley R. Hoffman Associates, Inc.

6.4 Findings and Conclusions

Finally, Table 6-6 shows the projected total retail sales and square footages for the 2035 Recommended Scenario and Scenario B in the City of Murrieta. Total retail sales include General Merchandise, Apparel, Home Furnishings and Appliances, and Other Specialty Retail (GAFO) retail sales and other retail sales. Household generated retail sales are projected to be \$2.07 billion under the Recommended Scenario and \$2.35 billion under Scenario B.

Under the Recommended Scenario, total retail sales are projected to be about \$2.4 billion and about \$2.7 billion under Scenario B for the City. A factor of 1.25 was applied to the retail categories of GAFO, Eating and Drinking, and Service Stations in order to account for increased retail sales due to projected increases in employment, visitors, and some business-to-business sales in Murrieta. The 1.25 factor is an approximation by the retail consultant to account for these uncertain demand sources.

As shown on Table 6-6, based on the total retail sales estimates and the estimated sales per square foot estimates, the projected total retail center square feet is about 4.68 million square feet under the Recommended Scenario and 5.19 million square feet under Scenario B. Also projected, the number of new permits projected for New Auto Dealers range from 14 to 16 while new permits projected for Service Stations range from 32 to 37.

Based on about 9.06 million square feet of existing and proposed retail developments in Murrieta, the projected 4.68 million square feet of demand under the Recommended Scenario represents about 52 percent of the total; the projected 5.19 million square feet of demand under Scenario B represents about 57 percent of the total.

Table 6-6
Projected Retail Sales and Square Footage for General Plan Growth Scenarios: 2035
City of Murrieta

	Recommended	Scenario B
Projected Total Household Generated Retail Sales		
GAFO	\$826,762,340	\$886,095,154
Food and Groceries ¹	\$355,112,077	\$416,740,195
Eating and Drinking	\$212,356,282	\$249,209,768
Building Materials	\$153,299,630	\$179,904,098
Auto Supplies and Parts	\$38,308,336	\$44,956,577
Auto Dealers - New	\$229,850,017	\$269,739,464
Auto Dealers - Used, RV and Other	\$51,077,782	\$59,942,103
Service Stations	<u>\$207,354,267</u>	<u>\$243,339,676</u>
<i>Household Generated Retail Sales</i>	\$2,074,120,730	\$2,349,927,035
Projected Total Retail Sales		
GAFO ²	\$1,033,452,925	\$1,107,618,943
Food and Groceries ¹	\$355,112,077	\$416,740,195
Eating and Drinking ²	\$265,445,352	\$311,512,210
Building Materials	\$153,299,630	\$179,904,098
Auto Supplies and Parts	\$38,308,336	\$44,956,577
Auto Dealers - New	\$229,850,017	\$269,739,464
Auto Dealers - Used, RV and Other	\$51,077,782	\$59,942,103
Service Stations ²	<u>\$259,192,834</u>	<u>\$304,174,595</u>
<i>Total Retail Sales</i>	\$2,385,738,953	\$2,694,588,185
Estimated Sales per Square Foot³		
GAFO	\$350	\$350
Food and Groceries	\$520	\$520
Eating and Drinking	\$550	\$550
Building Materials	\$360	\$360
Auto Supplies and Parts	\$280	\$280
Projected Square Feet Increment		
GAFO	2,952,700	3,164,600
Food and Groceries	682,900	801,400
Eating and Drinking	482,600	566,400
Building Materials	425,800	499,700
Auto Supplies and Parts	<u>136,800</u>	<u>160,600</u>
Total Retail Center Square Feet	4,680,800	5,192,700
<i>Total Existing and Proposed Square Feet</i>	9,058,965	9,058,965
Retail Center to Total Existing and Proposed Square Feet	52%	57%
Auto Dealers - New		
Taxable Sales per Permit	\$16,845,000	\$16,845,000
Projected Permits at 2008 Rates	14	16
Service Stations		
Taxable Sales per Permit	\$6,558,000	\$6,558,000
Projected Permits	40	46

1. Food store sales have been converted to taxable sales using a taxable factor of 25% based on State of California, BOE taxable/non-taxable food sales, 1985.
2. The household retail sales projections for GAFO, Eating and Drinking and Service Stations have been factored by 1.25 to account for increased retail sales due to projected increases in employment, visitors and some business-to-business sales in Murrieta; this is a rough approximation by the retail consultant to account for these uncertain demand sources.
3. Sales per square foot factors for all categories, except Auto Supplies and Parts and GAFO, are from The HdI Companies, 2007 Retail Store Taxable Sales Estimates; the factors for Auto Supplies and Parts and GAFO are from the ULI Dollars & Cents of Shopping Centers, 2008.

Source: Stanley R. Hoffman Associates, Inc.

Projected retail sales have been translated into taxable retail sales as shown in Table 6-7. This has been prepared by reducing Food and Groceries by the non-taxable component estimated at 75 percent. The next step was to allocate these taxable sales by focus areas and the remainder of the City as shown in Panel B of Table 6-8. The basic assumption that has been made to distribute the taxable sales has been to assume that all non-GAFO retail sales are distributed similar to the GAFO retail as discussed earlier. One exception is the new auto center sales which are allocated 100 percent to the focus areas, as the auto center is located within the South Business Corridor focus area. As shown in Panel B of Table 6-7, about \$1.04 billion or 49 percent of the projected total taxable sales is allocated to the focus areas in the Recommended Scenario, while \$1.22 billion or 51 percent is allocated to the focus areas in Scenario B.

Table 6-7
Distribution of Total Taxable Sales for All Focus Areas
City of Murrieta

	Recommended	Scenario B
A. Projected Taxable Retail Sales		
GAFO ²	\$1,033,452,925	\$1,107,618,943
Food and Groceries ¹	\$88,778,019	\$104,185,049
Eating and Drinking ²	\$265,445,352	\$311,512,210
Building Materials	\$153,299,630	\$179,904,098
Auto Supplies and Parts	\$38,308,336	\$44,956,577
Auto Dealers - New	\$229,850,017	\$269,739,464
Auto Dealers - New, RV and Other	\$51,077,782	\$59,942,103
Service Stations ²	<u>\$259,192,834</u>	<u>\$304,174,595</u>
<i>Total Taxable Retail Sales</i>	\$2,119,404,895	\$2,382,033,039
B. Distribution of Total Taxable Sales		
	Focus Areas	\$1,042,358,615
	Rest of City	\$1,220,271,573
Total Taxable Sales	<u>\$1,077,046,280</u>	<u>\$1,161,761,466</u>
	\$2,119,404,895	\$2,382,033,039

1. Food store sales have been converted to taxable sales using a taxable factor of 25% based on State of California, BOE taxable/non-taxable food sales, 1985.
2. The household retail sales projections for GAFO, Eating and Drinking and Service Stations have been factored by 1.25 to account for increased retail sales due to projected increases in employment, visitors and some business-to-business sales in Murrieta; this is a rough approximation by the retail consultant to account for these uncertain demand sources.

Source: Stanley R. Hoffman Associates, Inc.

APPENDIX A RETAIL INVENTORY TABLES

Table A-1
Detailed GAFO¹ GLA² by Cluster³
Trade Area⁴
May 2010

Name	Address	City	Total Center GLA (Sq.Ft.)	Total Vacant GLA (Sq.Ft.)	Vacancy Rate	GAFO GLA (Sq.Ft.)	% GAFO	Estimated Occupied GAFO (Sq.Ft.)	Estimated Vacant GAFO (Sq.Ft.)	GAFO Vacancy Rate
HomeCenter Cluster										
HomeCenter Murrieta	Based off Costar Coordinates	Murrieta	351,000	62,000	17.7%	273,000	77.8%	224,778	48,222	17.7%
Murrieta Gateway	Based off Costar Coordinates	Murrieta	153,596	39,301	25.6%	25,450	16.6%	18,938	6,512	25.6%
Total: HomeCenter Cluster			504,596	101,301	20.1%	298,450	59.1%	243,716	54,734	18.3%
Jefferson Avenue Cluster										
Corning Plaza	26540 Jefferson Avenue	Murrieta	95,000	0	0.0%	16,300	17.2%	16,300	0	0.0%
Gateway Centre	26341 Jefferson Avenue	Murrieta	112,058	17,909	16.0%	53,036	47.3%	44,560	8,476	16.0%
Jefferson Plaza	26755 Jefferson Avenue	Murrieta	42,155	0	0.0%	22,305	52.9%	22,305	0	0.0%
Jefferson Business Park	26835 Jefferson Avenue	Murrieta	454,799	0	0.0%	279,864	61.5%	279,864	0	0.0%
Total: Jefferson Avenue Cluster			704,012	17,909	2.5%	371,505	52.8%	363,029	8,476	2.3%
Commons at Temecula Cluster										
Commons At Temecula	40500 Winchester Road	Temecula	320,550	35,700	11.1%	231,280	72.2%	205,522	25,758	11.1%
Winchester Meadows	40405 Winchester Road	Temecula	200,000	1,360	0.7%	33,563	16.8%	33,335	228	0.7%
Total: Commons at Temecula Cluster			520,550	37,060	7.1%	264,843	50.9%	238,857	25,986	9.8%
The Promenade Cluster										
The Promenade	40820 Winchester Road	Temecula	1,013,000	7,956	0.8%	830,207	82.0%	823,687	6,520	0.8%
Bel Villaggio	41577 Margarita Road	Temecula	116,470	5,986	5.1%	34,000	29.2%	32,253	1,747	5.1%
Margarita Promenade	Based off Costar Coordinates	Temecula	56,210	3,540	6.3%	16,100	28.6%	15,086	1,014	6.3%
Total: The Promenade Cluster			1,185,680	17,482	1.5%	880,307	74.2%	871,025	9,282	1.1%
Temecula Town Center Cluster										
Tower Plaza Center	27511 Ynez Road	Temecula	134,510	43,326	32.2%	28,000	20.8%	18,981	9,019	32.2%
Temecula Town Center	29720 Rancho California Road	Temecula	542,822	50,158	9.2%	204,097	37.6%	185,238	18,859	9.2%
Total: Temecula Town Center Cluster			677,332	93,484	13.8%	232,097	34.3%	204,219	27,878	12.0%
Highway 79 Cluster										
Highway 79 South Cluster										
32425 Highway 79 S	32425 Highway 79 S	Temecula	101,784	0	0.0%	40,000	39.3%	40,000	0	0.0%
Vail Ranch Center	SEC 31845 Hwy 79 S	Temecula	204,204	18,249	8.9%	35,902	17.6%	32,694	3,208	8.9%
Staples	32120 Highway 79 South	Temecula	23,942	0	0.0%	23,942	100.0%	23,942	0	0.0%
Subtotal: Highway 79 South Cluster			329,930	18,249	5.5%	99,844	30.3%	96,636	3,208	3.2%
Redhawk Towne Center	32797 Redhawk Pky	Temecula	345,113	0	0.0%	149,500	43.3%	149,500	0	0.0%
Villages at Paseo Del Sol	Based off Costar Coordinates	Temecula	348,220	3,220	0.9%	56,342	16.2%	55,821	521	0.9%
Total: Highway 79 Cluster			1,023,263	21,469	2.1%	305,686	29.9%	301,957	3,729	1.2%
Butterfield Cluster										
Butterfield Station	33145 State Highway 79	Temecula	75,000	7,669	10.2%	63,750	85.0%	57,231	6,519	10.2%
Butterfield Ranch	43842 Butterfield Stage Road	Temecula	55,685	0	0.0%	16,305	29.3%	16,305	0	0.0%
Total: Butterfield Cluster			130,685	7,669	5.9%	80,055	61.3%	73,536	6,519	8.1%
Lake Elsinore South Cluster										
Lake Elsinore City Center	Based off Costar Coordinates	Lake Elsinore	260,151	21,543	8.3%	141,885	54.5%	130,136	11,749	8.3%
Lake Elsinore Town Center	Based off Costar Coordinates	Lake Elsinore	157,768	8,000	5.1%	42,750	27.1%	40,582	2,168	5.1%
Total: Lake Elsinore South Cluster			417,919	29,543	7.1%	184,635	44.2%	170,718	13,917	7.5%
Lake Elsinore North Cluster										
Lake Elsinore Marketplace	Based off Costar Coordinates	Lake Elsinore	319,298	0	0.0%	220,936	69.2%	220,936	0	0.0%
Lake Elsinore Square	Based off Costar Coordinates	Lake Elsinore	208,296	0	0.0%	67,250	32.3%	67,250	0	0.0%
Oak Grove Crossing	Based off Costar Coordinates	Lake Elsinore	143,194	3,300	2.3%	130,000	90.8%	127,004	2,996	2.3%
Total: Lake Elsinore North Cluster			670,788	3,300	0.5%	418,186	62.3%	415,190	2,996	0.7%
Menifee Cluster										
Target	30251 Antelope Rd	Menifee	111,000	111,000	100.0%	111,000	100.0%	0	111,000	100.0%
Menifee Town Center	30145 Antelope Road	Menifee	114,562	7,795	6.8%	54,188	47.3%	50,501	3,687	6.8%
Countryside Marketplace	Based off Costar Coordinates	Menifee	715,705	60,002	8.4%	617,599	86.3%	565,822	51,777	8.4%
Total: Menifee Cluster			941,267	178,797	19.0%	782,787	83.2%	616,323	166,464	21.3%
Hemet Cluster										
JC Penney (Hemet Valley Mall)	2200 W. Florida Ave.	Hemet	124,000	0	0.0%	124,000	100.0%	124,000	0	0.0%
Kmart	220 W. Stetson Ave.	Hemet	86,500	86,500	100.0%	86,500	100.0%	0	86,500	100.0%
Sears	2200 W. Florida Ave.	Hemet	111,400	0	0.0%	111,400	100.0%	111,400	0	0.0%
WalMart	1231 S. Sanderson Ave.	Hemet	130,000	0	0.0%	130,000	100.0%	130,000	0	0.0%
Target (Hemet Valley Shopping Center)	3527 W. Florida Ave.	Hemet	120,000	0	0.0%	120,000	100.0%	120,000	0	0.0%
Ross	3001 W. Florida Ave.	Hemet	30,000	0	0.0%	30,000	100.0%	30,000	0	0.0%
Total: Hemet Cluster			601,900	86,500	14.4%	601,900	100.0%	515,400	86,500	14.4%

1. GAFO is an acronym for General Merchandise, Apparel, Home Furnishings, and Other Retail Merchandise.
2. GLA stands for "gross leasable area."
3. A "cluster" refers to a collection of two or more regionally competitive shopping centers or stores in close proximity that were aggregated together.
4. Trade Area is a circle with a 10 mile radius centered on the intersection of the 15 Freeway and 215 Freeway.
Source: Stanley R. Hoffman Associates, Inc.

APPENDIX B HOUSEHOLD SPENDING TABLES

Table B-1
Average Annual Household Spending on Merchandise
by Type of Merchandise
Murrieta Retail Trade Area⁴
(In 2008 Dollars)

	2035		
	2008	Recommended	
Food			
Food At Home	\$5,011	\$4,929	\$4,932
Food Away from Home	\$4,040	\$3,987	\$3,997
Alcoholic Beverages	\$790	\$779	\$780
Housing Operations and Maintenance			
Maint., repairs, other exp.	\$818	\$808	\$810
Utilities, Fuels and Public Services	\$0	\$0	\$0
Household Operations	\$0	\$0	\$0
Housekeeping Supplies	\$885	\$872	\$873
Household Furnishings and Equipment			
Household Textiles	\$235	\$232	\$233
Furniture & Floor Coverings	\$979	\$969	\$973
Major Appliances	\$409	\$404	\$406
Small Appliances	\$190	\$188	\$189
Misc. Household equip.	\$1,308	\$1,293	\$1,298
Apparel and services			
Men and boys	\$676	\$667	\$669
Women, girls & Children Under 2	\$1,169	\$1,152	\$1,155
Footwear	\$449	\$442	\$443
Other apparel products and services	\$462	\$456	\$458
Transportation			
Vehicle Purchases	\$6,134	\$6,066	\$6,091
Gasoline and Motor Oil	\$3,116	\$3,073	\$3,080
Vehicle Maintenance and Repairs	\$1,175	\$1,160	\$1,163
Health Care			
Drugs and Medical Supplies	\$795	\$781	\$781
Entertainment			
Fees and Admissions			
TV, Radios & Sound Equipment	\$1,333	\$1,315	\$1,318
Pets, Toys & Playground Equipment	\$667	\$658	\$660
Entertainment -- Other	\$986	\$977	\$983
Other			
Personal Care Products and Services	\$888	\$876	\$878
Reading	\$205	\$203	\$203
Education-Books, Supplies & Equipment	\$121	\$120	\$120
Tobacco Products and Smoking Supplies	\$345	\$338	\$337
Total	\$33,188	\$32,746	\$32,829
Household Income	\$85,829	\$85,075	\$85,542
Household Size	3.085	3.029	3.027

Source: Robert Goldman Based on Consumer Expenditure Survey 2005-06 and U.S. Census of Retail 2002 data.

Table B-2
Average Annual Household Spending on Merchandise
by Type of Store
Murrieta Retail Trade Area⁴
(In 2008 Dollars)

	2008	2035	
		Recommended	Scenario B
Motor vehicle & parts dealers	\$7,382	\$7,299	\$7,327
Furniture & home furnishings stores	\$853	\$844	\$848
Electronics & appliance stores	\$962	\$950	\$952
Bldg. material & garden equip.& supplies dlrs.	\$1,059	\$1,046	\$1,050
Food & beverage stores	\$5,537	\$5,449	\$5,453
Health & personal care stores	\$1,453	\$1,431	\$1,433
Gasoline stations	\$3,386	\$3,339	\$3,345
Clothing & clothing accessories stores	\$1,637	\$1,615	\$1,618
Sporting goods, hobby, book, & music stores	\$1,127	\$1,114	\$1,118
General merchandise stores	\$4,481	\$4,419	\$4,429
Miscellaneous store retailers	\$378	\$373	\$374
Eating Places	\$4,040	\$3,987	\$3,997
Nonstore retailers	\$893	\$881	\$883
Total	\$33,188	\$32,746	\$32,829
Household Income	\$85,829	\$85,075	\$85,542
Household Size	3.085	3.029	3.027

Source: Robert Goldman Based on Consumer Expenditure Survey 2005-06 and U.S. Census of Retail 2002 data.

Table B-3
Average Annual Household Spending on GAFO¹ Merchandise
by Type of Store
Murrieta Retail Trade Area⁴
(In 2008 Dollars)

	2008	2035	
		Recommended	Scenario B
442 Furniture & home furnishings stores	\$853	\$844	\$848
443 Electronics & appliance stores	\$962	\$950	\$952
448 Clothing & clothing accessories stores	\$1,637	\$1,615	\$1,618
451 Sporting goods, hobby, book, & music stores	\$1,127	\$1,114	\$1,118
452 General merchandise stores	\$4,481	\$4,419	\$4,429
453 Miscellaneous store retailers	\$378	\$373	\$374
446 Health & personal care stores	\$1,453	\$1,431	\$1,433
GAFO¹ Total	\$10,892	\$10,746	\$10,773
Household Income	\$85,829	\$85,075	\$85,542
Household Size	3.085	3.029	3.027

1. GAFO is an acronym that stands for General Merchandise, Apparel, Furnishings and Other stores. This table uses an extended definition of GAFO, including Electronics & Appliance and Drug stores.

Source: Robert Goldman Based on Consumer Expenditure Survey 2005-06 and U.S. Census of Retail 2002 data.

APPENDIX C RETAIL GROWTH TABLE

Table C-1
Estimated and Projected Impacts of Residential Growth
Murrieta Retail Trade Area

Center ID	Name	Sales Generated by Primary Trade Area Residents			GLA in Square Feet		Sales per Square Foot		
		2008	2035 Recommended	2035 Scenario B	2008	2035	2008	2035 Recommended	2035 Scenario B
E-1	Murrieta Springs Plaza	\$24,571,000	\$20,332,000	\$21,144,000	105,366	105,366	\$233	\$193	\$201
E-2	Madison Square	\$21,072,000	\$17,201,000	\$17,911,000	89,625	89,625	\$235	\$192	\$200
E-3	Murrieta Spectrum	\$17,494,000	\$14,313,000	\$14,901,000	74,538	74,538	\$235	\$192	\$200
E-4	Wal-Mart Store #29524	\$33,858,000	\$27,645,000	\$28,764,000	144,000	144,000	\$235	\$192	\$200
E-5	Kohls	\$19,117,000	\$15,330,000	\$15,997,000	79,625	79,625	\$240	\$193	\$201
E-6	Murrieta Town Center	\$20,318,000	\$16,439,000	\$17,080,000	82,736	82,736	\$246	\$199	\$206
E-7	Murrieta Plaza	\$29,325,000	\$23,756,000	\$24,681,000	119,728	119,728	\$245	\$198	\$206
E-8	Jefferson Gateway	\$2,291,000	\$1,992,000	\$2,064,000	11,700	11,700	\$196	\$170	\$176
E-9	Village Walk Plaza	\$51,588,000	\$41,452,000	\$43,403,000	207,358	207,358	\$249	\$200	\$209
E-10	Cal Oaks Plaza	\$40,782,000	\$31,759,000	\$33,309,000	151,421	151,421	\$269	\$210	\$220
E-11	California Oaks Center	\$9,852,000	\$7,180,000	\$7,568,000	29,739	29,739	\$331	\$241	\$254
E-12	HomeCenter Cluster	\$69,191,000	\$53,080,000	\$55,532,000	243,716	243,716	\$284	\$218	\$228
E-13	Jefferson Avenue Cluster	\$67,890,000	\$60,611,000	\$62,559,000	363,029	363,029	\$187	\$167	\$172
E-14	Etco Plaza	\$2,482,000	\$2,249,000	\$2,314,000	12,897	12,897	\$192	\$174	\$179
E-15	Commons at Temecula Cluster	\$54,033,000	\$49,379,000	\$50,609,000	238,857	238,857	\$226	\$207	\$212
E-16	The Promenade Cluster	\$183,786,000	\$167,762,000	\$172,081,000	871,025	871,025	\$211	\$193	\$198
E-17	Palm Plaza	\$39,841,000	\$36,617,000	\$37,525,000	195,217	195,217	\$204	\$188	\$192
E-18	Costco	\$15,463,000	\$14,255,000	\$14,584,000	76,226	76,226	\$203	\$187	\$191
E-19	Temecula Town Center Cluster	\$43,805,000	\$41,128,000	\$41,863,000	204,219	204,219	\$215	\$201	\$205
E-20	Highway 79 Cluster	\$98,186,000	\$96,855,000	\$97,601,000	301,957	301,957	\$325	\$321	\$323
E-21	Butterfield Cluster	\$20,079,000	\$19,615,000	\$19,792,000	73,536	73,536	\$273	\$267	\$269
E-22	Lake Elsinore North Cluster	\$9,550,000	\$8,691,000	\$9,120,000	170,718	170,718	\$56	\$51	\$53
E-23	Lake Elsinore South Cluster	\$56,255,000	\$55,259,000	\$57,069,000	415,190	415,190	\$135	\$133	\$137
E-24	Menifee Cluster	\$92,419,000	\$77,719,000	\$82,946,000	616,323	616,323	\$150	\$126	\$135
E-25	Hemet Cluster	\$16,462,000	\$14,972,000	\$15,885,000	515,400	515,400	\$32	\$29	\$31
F1	French Valley Cluster		\$59,133,000	\$63,096,000		300,632		\$197	\$210
F2	Golden Triangle		\$79,964,000	\$83,140,000		427,000		\$187	\$195
F3	Golden Triangle North		\$31,942,000	\$33,159,000		138,353		\$231	\$240
F4	MU3		\$114,700,000	\$119,990,000		582,267		\$197	\$206
F5	South Business Corridor					-			
F6	Clinton Keith Mitchell		\$30,239,000	\$34,189,000		149,813		\$202	\$228
F7	North Business (North)		\$84,301,000	\$99,296,000		473,261		\$178	\$210
F8	North Business (South)		\$95,422,000	\$108,414,000		473,261		\$202	\$229
F9	Shops at Scott		\$14,524,000	\$16,775,000		84,233		\$172	\$199
F10	Menifee Shopping Center		\$40,349,000	\$46,025,000		236,000		\$171	\$195
F11	Bundy Canyon Commercial Center		\$60,514,000	\$62,660,000		300,000		\$202	\$209
F12	Hemet Cluster		\$11,937,000	\$12,727,000		500,000		\$24	\$25
TOTAL		\$1,039,710,000	\$1,538,616,000	\$1,625,773,000	5,394,146	9,058,965	\$193	\$170	\$179

Source: Robert Goldman Based on Consumer Expenditure Survey 2005-06 and U.S. Census of Retail 2002 data.
Stanley R. Hoffman Associates, Inc.

**APPENDIX D
TAXABLE SALES TABLES**

**Table D-1
Retail Store Taxable Sales Estimates
U.S. National**

Store Type	Square Feet (in thousands)	Example Stores	Annual Sales Tax (in thousands)	Annual Taxable Sales/Gross SF
Women's Apparel Stores				
Boutique	1.5-3	Chicos, Hot Topic, Cache, B J Vines	\$10-25	\$400-700
Small Fashion	3-4.5	Ann Taylor, Bebe, BCBG, Pacific Sunwear	10-30	300-750
Mid-Fashion	4-6.5	Coldwater Creek, Avenue, Limited, J Jill, Sizes Unlimited	15-30	250-550
Large Fashion	5-10	Lerner New York, Dress Barn, Fashion Bug, Charlotte Russe	15-25	150-500
Men's Apparel Stores				
Casual	2-7	Casual Male, Patrick James, Rochester Big & Tall	5-12	150-350
Business Attire	6-10	Men's Wearhouse, Jos A Bank, 3 Day Suit Brokers	5-25	200-300
Family Apparel				
Children	2-4.5	Childrens Place, Carters, Gymboree, Naartjie Custom Kids	10-30	300-650
Casual	6-35	Gap, Old Navy, Hollister, Abercrombie & Fitch	25-75	250-425
Discount	25-35	Ross, T. J. Maxx, Marshalls, Nordstrom Rack, H & M	75-225	250-500
Shoe Stores				
Small	1,2-2.5	J. Stephens, Jarman, Naturalizer, Aldo Shoes, Skechers	3-12	250-475
Mid-Sized	3-5.5	Payless, Footlocker, Famous Footwear, Cole Haan, Shoe Inn	6-20	150-325
Large	6+	DSW, Nike, Warehouse Shoe Sale, Shoe Pavillion	40-90	150-325
Department Stores/General Merchandise				
Closet/Dollar Stores	12-30	Big Lots, 99 Cents Only, Dollar Tree	10-40	100-150
Discount Department	120-140	Target, Wal Mart	300-550	300-450
Membership Warehouse	120-150	Costco, Sam's Club	275-1,000	275-775
Mid-Sized Department	85-110	Mervyns, Gottschalks, Kohls, Burlington Coat Factory	115-185	110-175
Large Department	125-190	Sears, J C Penney, Dillard's, Macys	230-450	150-300
Upscale Department	120-180	Nordstrom, Bloomingdales, Neiman Marcus	425-975	425-825
Food Stores				
Convenience	2-3	7 Eleven, Circle K, Fastrip, Shop N Go	10-20	325-650
Specialty Food	10-30	Whole Foods, Wild Oats, Henrys Marketplace	25-40	100-350
Chain Supermarket	40-65	Ralphs, Albertsons, Safeway, Raleys, Stater Bros.	30-60	110-150
High End Supermarket	20-25	Bristol Farms, Gelsons	30-60	175-250
Warehouse Grocery	45-60	Pak N Save, Food 4 Less, Superior Warehouse, Food Maxx	40-60	90-140
Ethnic Market	25-50	99 Ranch, Gigante, Superior Warehouse	10-30	40-115
Drug Stores				
	15-22	Longs, Rite Aid, Walgreens, CVS	20-35	125-215

(Continued)

Source: the HdL Companies

Table D-1 (Continued)
Retail Store Taxable Sales Estimates
U.S. National

Store Type	Square Feet (in thousands)	Example Stores	Annual Sales Tax (in thousands)	Annual Taxable Sales/Gross SF
Restaurants				
Coffee/Juice Bars	5-1	Starbucks, Coffee Bean & Tea Leaf, It's A Grind	\$ 5-1.8	\$75-150
Fast Food	2-3	Mc Donalds, Burger King, Taco Bell, Wendys	10-20	350-750
Fast Casual	1.8-3	Panera Bread, Pasta Bravo, Pick Up Stix, Daphnes Greek Café	6-12	300-700
Coffee Shops	2.5-4	Dennys, IHOP, Cocos, Corner Bakery	10-20	400-600
Buffet	7.5-10	Hometown Buffet, Souplantation, Sweet Tomatoes	20-40	300-400
Family Dining	5-8.5	Applebees, Red Robin, Islands, Chilis, Johnny Carinos	25-40	400-650
Dinner House	6.5-7.5	Outback, P F Changs, Black Angus, El Torito	25-55	325-800
Home Improvement/Furnishings				
Kitchen/Bath/Bedding	30-40	Linens N Things, Bed Bath & Beyond	40-100	110-250
Imports/Accents	10-20	Pier One, Cost Plus, HomeGoods	15-40	200-300
Home Décor/Accessories	10-40	Crate & Barrel, Pottery Barn, Z Gallerie	25-125	300-525
Volume Decorator/Fixtures	50-110	Expo, Great Indoors	125-225	150-250
Paint	3-10	Sherwin Williams, Vista Paint, Dunn Edwards, Frazee Industries	15-45	250-450
Warehouse Building Supply	110-160	Home Depot, Lowes	400-600	325-400
Furniture	15-30	Sit N Sleep, Ethan Allen, Thomasville, Mancinis Sleepworld	20-65	225-325
Large-Format Furniture	40-60	Levitz, Wickes, Bassett, EasyLife, Linders	45-150	200-275
Warehouse Furniture		RC Willey, Living Spaces, IKEA		
Small Electronics	1.3-2.5	Radio Shack, Gamestop, palmOne, Affordable Portables	6-8	325-600
Volume Electronics/Appliances	25-45	Circuit City, Best Buy, Comp USA	75-425	250-950
Miscellaneous Retail				
Bath & Beauty	1-3	Bath & Body Works, Body Shop, L'Occitane, Sally Beauty	5-15	400-800
Book Stores - Small	6-12	B Dalton, Waldenbooks, Family Christian, Half Price Books	10-25	100-300
Book Stores - Large	25-30	Barnes & Noble, Borders	35-90	125-275
Cards/Gifts	1-5	Hallmark, Spencers Gifts, Things Remembered, Sannio	2-8	150-600
Craft Shops	12-35	Michaels, Joann Fabrics & Crafts, Hancock Fabrics	10-45	100-250
Multi-plex Cinemas	10-20 screens	Edwards, AMC, Pacific	10-20	500-1,000/screen
Music Recordings	20-40	Sam Ash, Tower Records, Virgin Megastore	40-105	200-450
Office Supplies	23-30	Officemax, Staples, Office Depot	40-80	190-260
Party Supplies	6-12	Party America, Party City, Party Concepts	5-40	100-325
Pet Supplies	15-25	Petsmart, Petco, Pet Food Express, Pet Club	20-40	75-225
Sporting Goods	20-55	Sport Mart, Sport Chalet, REI, Copelands, Sports Authority	50-125	150-350
Toys - Mail Stores	2-10	Kay Bee, Hobby Shack, Gamestop	5-30	200-500
Video	3-6	20/20 Video, Hollywood Video, Blockbuster	6-9	150-225

Source: the HdL Companies

APPENDIX E PROJECT REFERENCES

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