

RETAIL MARKET STUDY AND STRATEGY

City of Tulsa, Oklahoma



VISION

TULSA

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INTRODUCTION AND SUMMARY



Nationwide and in Tulsa, the retail industry is going through a period of transformation.

OUR PURPOSE

Retail is a competitive industry subject to constant change as businesses and developers seek to out-position each other. Those changes can be manifested in the rising and falling fortunes of locations, formats, merchandising strategies, channels, and other practices. There are occasional periods in which those changes are rapid and disruptive. The emergence of catalog and general merchandise chains in the late 1800's (Montgomery Wards, Woolworth's, Sears, J.C. Penney); the shift to suburbs and hollowing out of downtowns in the postwar era, and the rise of discount stores, supercenters, and specialty big box chains in the 1980's and 1990's are examples. The start of the Great Recession in 2007 is seen as the beginning point for another major transitioning, this time to an industry with a smaller footprint, functioning much differently from how it has in the recent past.

It is in this environment that the City of Tulsa seeks to understand, anticipate, and plan for its retail environment in a way that supports the City's sales tax base and ensures access to shopping for all of its citizens. This Retail Market Analysis and Strategy examines market conditions at a broad level before delving more deeply into the issues and opportunities of 13 targeted study areas within the community. It explores trends, identifies strengths and weaknesses, and suggests opportunities from the neighborhood to the metropolitan level. The recommended strategies respond to these unique conditions to ensure more vibrant commercial districts throughout all of Tulsa, and the 13 study area analyses will serve as a model that may be applicable to other, similar parts of the city.

VISION TULSA

The City of Tulsa relies on sales tax income within the city limits to fund operations, maintenance and capital improvements. It is the lifeblood of the City's revenue stream and is supported by economic development initiatives that create jobs. As part of the Vision Tulsa initiative, the City hired a consultant, Place Dynamics, LLC of Milwaukee, Wisconsin to prepare this comprehensive market analysis and strategy.

Vision Tulsa, an \$884 million tax renewal package approved by voters in 2016, will make substantial investments in economic development, education, public safety, streets, and transit needs citywide. Vision Tulsa is the City's largest one-time investment in the quality of life of our citizens.

Our goal is to ensure its implementation helps us achieve core goals of economic prosperity and equity. Its execution builds public faith in what we can accomplish together while creating pride in our community.

SUMMARY

The retail industry is going through a period of transformation. The period of increasing store counts came to an end with the recession in 2007. Aside from a small number of growing chains, most continue to pare their more poorly performing stores, and others continue to liquidate altogether. Nationally, more retail stores have closed than have opened in each of the last several years. That dynamic is playing out in Tulsa as well.

Adding to an industry that is in contraction, Tulsa has some of the same local challenges seen in other cities its size. While the City of Tulsa's population is essentially unchanged, there has been growth in suburban communities. Retailers that did not exist in those places before are now meeting the needs of that population, so that there is less need to travel to Tulsa to shop. At the same time, the internet is capturing a continually larger share of retail spending. Finally, demographic changes and incomes that have not kept pace with inflation have resulted in an actual decrease in spending per household, when adjusted for inflation.

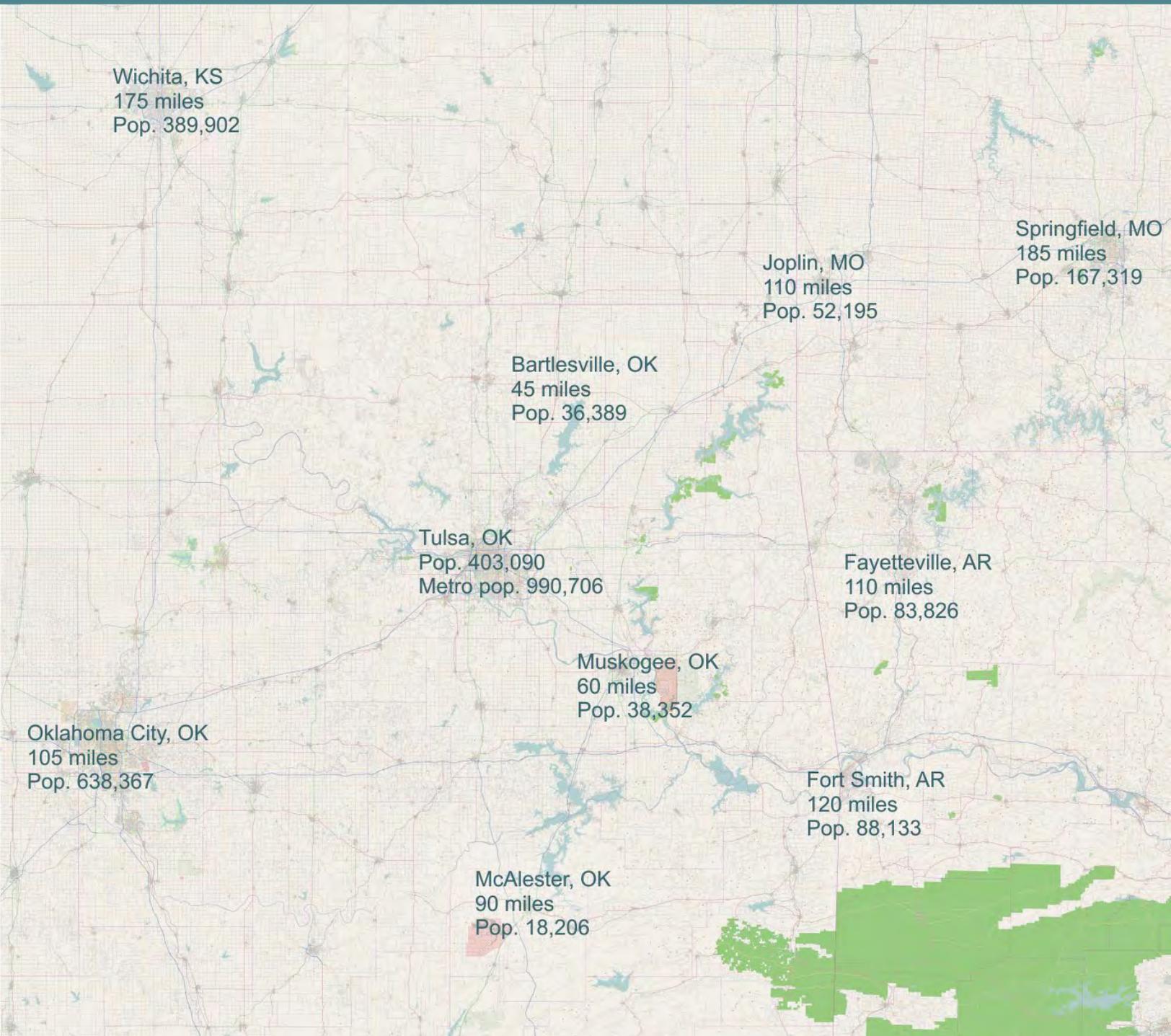
These conditions are already having an effect on the City's commercial districts. At the top of the market, Woodland Hills has strengthened in its role as the dominant retail center in eastern Oklahoma. Tulsa Promenade, meanwhile, has lost two of its anchors and there are considerable vacancies in nearby strip centers. With fewer chains needing to have multiple stores in the market, filling that space will be a challenge. Over the long term, there will be a need to rethink the role that Tulsa Promenade plays and to contemplate its redevelopment and adaptation to a new mix of uses.

Many neighborhood centers are also a victim of a surplus of commercial space. The pattern of commercial centers on each corner of nearly every arterial intersection, at one mile intervals, resulted in too much space for the number of businesses that can actually be supported. The impact is seen most often in Tulsa's outer neighborhoods, where centers draw on a smaller population base and tend to have higher vacancies than those nearer to the city center. Even when these neighborhood centers can attract new businesses, the effect is often simply to shift spending from other locations in the city.

Some of Tulsa's most promising prospects are found in its older neighborhoods. These places were built with a pedestrian-friendly pattern that is very much desired by most demographic groups. Districts in the downtown, Route 66 East, the Pearl District, and possibly others can achieve the same sort of vitality that is seen in places like Brookside and Cherry Street. These districts also have the ability to draw suburban residents and visitors whose spending will increase the volume of sales in Tulsa, rather than simply move it between locations in the city.

The City of Tulsa can take concrete steps to bring about positive change in its retail environment. This study recommends supplementing existing programs with new tools and initiatives that foster revitalization in struggling areas, while ensuring the continued vitality of stronger commercial districts. A market analysis was prepared for thirteen study areas, including recommendations for how tools and programs might be applied in a strategy for each area. These thirteen districts will serve as models or case studies to guide City efforts in other parts of Tulsa.

UNDERSTANDING THE CURRENT RETAIL ENVIRONMENT



Tulsa remains a fundamentally healthy retail environment even while it is buffeted by changes within the retail industry.

THE BIG PICTURE

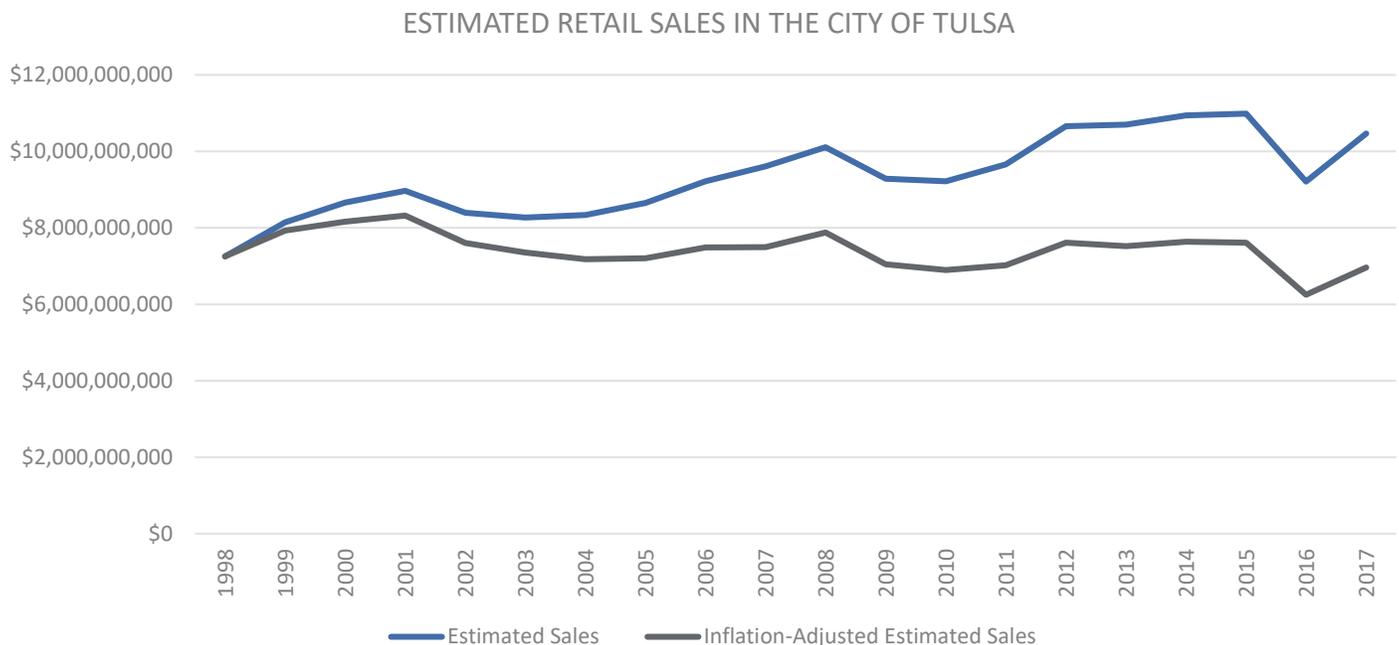
Tulsa serves a regional market, drawing people from across and beyond northeastern Oklahoma to its business districts, to find goods and services that may not be available in their local community. Even when these goods may be available, customers may still gravitate to the larger concentration of stores in Tulsa for reasons such as selection, quality, price, and the experience of visiting. The City's size enables it to support the kinds of higher-order retail businesses and venues – such as department stores, regional malls, and entertainment centers – that are not found in outlying areas. Additional customer traffic originating outside of the city accounts for the large number of retail stores in Tulsa, along with a high volume of sales.

One of the ways in which the strength of the retail sector can be measured is with a statistic called pull factor, which is a comparison of local sales per capita to the state average. Because of issues with the availability of data, the pull factor is calculated at the county level, rather than just for the City of Tulsa. While a pull factor of 1.0 is considered balanced, with sales roughly equal to the spending of the area's residents, a figure greater than 1.0 suggests that the area is capturing more sales than expected. Tulsa County has a pull factor of 1.3. The county has 16.1 percent of the state's population, but captures 20.7 percent of its sales. ESRI estimates that the City of Tulsa accounts for 70.9 percent of all sales in the county.

When adjusted for inflation, retail sales captured in the City of Tulsa declined in the two decades from 1998 to 2017.

Sales Trends and Spending Patterns

Superficially, it appears that aggregate retail sales at Tulsa's businesses have been increasing. Sales in 1998 were estimated to total \$7.15 billion. Twenty years later the total was estimated at \$10.45 billion. A different picture emerges when these numbers are adjusted for inflation. The 2017 inflation-adjusted total is \$6.96 billion, or \$291 million less than in 1998. This is true even while the City's population grew by about 5.8 percent over the two decades. Several factors converged to produce these conditions, which are not simply local, but repeated across the continent.



Income and the Recession

The most immediate effect of the recession was a loss of purchasing potential as people became unemployed or earned less through lost hours or lower wages. The issue of income is more complex, however, due to a longstanding problem of stagnant wages. Middle class wages have not grown, and lower class wages have been declining since the 1970's. Households adapted by adding a second worker, and more recently, by taking "gig" work – project based work as freelancers, independent consultants, or contract workers – to supplement a regular income. Prior to the recession, many households also drew on the equity in their home to fund purchases. That funding stream came to an end with the housing crisis that accompanied the recession.

Income continues to affect purchasing potential. Even while wages are beginning to increase, many households have not made up for losses sustained in the recession. Additionally, young people entering the workforce during the recession years will experience a lasting impact to their earning potential, as many did not find jobs in their selected field. This is particularly significant in that they are entering a stage of household formation and growth that usually brings greater than average spending. Until there is sustained income growth, these issues will continue to be a drag on spending.

US MEDIAN HOUSEHOLD INCOME (THOUSANDS)



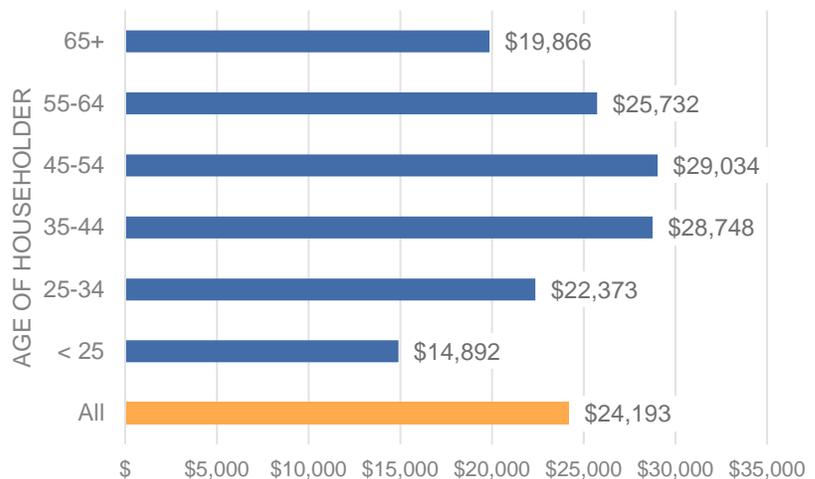
Aging of the Population

Older people spend less. People tend to spend more than average at certain points in their life, such as when forming a household, purchasing a home, or raising children. As families become empty-nester households and eventual retirees, they spend less and even begin to downsize their household. With rising longevity and Baby Boomers entering their retirement years starting in 2011, persons over 65 are the fastest-growing age cohort in the United States. In Tulsa County, 13.0 percent of the population was 65 or older in 2016, up from 12.1 percent in 2010. Overall consumer spending by persons age 65 to 74 is only roughly three-quarters of that of persons 45 to 54. This is only part of the picture, though, as categories of spending also vary by age. Of that lower amount spent by older households, a greater share goes to health care, while less is spent on retail goods like food and apparel.

The Shift to Thrift

The middle class and the stores that cater to them have been especially impacted by the recession and income stagnation. At the top of the market, high-end retail is still doing well as the incomes of the top ten to twenty percent of households have increased. As the remaining shoppers struggle, they have increasingly turned to lower-priced retailers. Apparel and general merchandise retailers like Burlington, Marshall's, TJ Maxx, and Ross have

AVERAGE ANNUAL RETAIL SPENDING BY AGE



been doing well. So have dollar stores and limited assortment grocers like Aldi. Traditional grocers, department stores, and many apparel and specialty chains are struggling. The shift to discount and off-price stores is a big factor in the number of recent closures among department store, apparel, and specialty retail chains at the national level. It also reflects that consumers are spending less.

Growth Elsewhere

Broken Arrow's population grew by close to 33,000 people between 2000 and 2017, while Tulsa added about 11,000 new residents. Owasso, Bixby, and Jenks have each also added about as many residents as Tulsa over the same period. As these places have grown they have been able to attract additional retail development including grocery stores, supercenters, and big box chains that they may not have supported as smaller communities. The result is not so much that Tulsa residents are traveling out of Tulsa to shop, but that residents of outlying areas now have more of their shopping needs met locally, and no longer make as many shopping trips to Tulsa.

Impact of Internet Sales

In February of 2018 the Census Bureau released its estimate that internet sales accounted for 8.9 percent of all retail sales in 2017, up from about 3.6 percent a decade earlier. The share of retail goods purchased online continues to grow. City of Tulsa residents are thought to spend \$5.15 billion annually on all retail trade. If their online purchases are consistent with the national average, then they would be spending about \$458.5 million online instead of in local retail stores. Electronics, apparel, furniture, and sporting goods are the categories most impacted by online sales.

Tulsa residents are estimated to spend \$458.5 million on internet retail purchases. This is equal to the sales of 3.5 Walmart supercenters.

To understand how the shift to online sales is impacting Tulsa's commercial real estate, it may be useful to consider a comparison to Walmart. According to the real estate research firm CoStar, the average retail sales per square foot in 2017 was \$325. At Walmart this figure was \$726. The amount of sales lost to internet competition - \$458.5 million – is the equivalent of 1.4 million square feet of commercial space at the industry average, or 632,000 square feet at the higher average (Walmart) sales figure. The amount Tulsa residents spend online is roughly equal to what would be spent at 3.5 Walmart Supercenters.



CHANGES IN THE RETAIL ENVIRONMENT

The Great Recession marked a turning point for the retail industry. The years up to 2007 saw an ever increasing amount of commercial space being constructed as national and regional chains expanded their footprint through more, and larger stores. In the United States, there is an average of 25 square feet of retail space for every person. This is far above the average for all other countries, and a figure that most experts do not believe is sustainable.

CBRE reports the market vacancy rate within the Tulsa area at about five percent, although many of the city's smaller and older properties are not included in their measure. For different reasons, these smaller properties, along with vacated big box stores, may present some of the greatest challenges in the City's retail strategy. Smaller and older properties are more prone to having building and site design characteristics that are not compatible with chain retail requirements, while there are a shrinking number of retail businesses that need the space available in big box stores.

Several of the City's commercial corridors are characterized by small, usually single tenant buildings with or without parking on the site. Their condition can vary considerably depending on the age of construction and the desirability of the commercial district. In some cases, these buildings will not meet the standards of chain tenants, and whether the building can be remodeled or the site can be redeveloped is dependent upon both the location and the tenant. Independent retail, services, and fast food restaurants tend to occupy these spaces in areas where the market is not very strong. Admiral Place, between Sheridan Road and Memorial Drive is an example of this. Most of the buildings in this corridor are occupied by fast food restaurants, automotive retail and services, and used merchandise or pawn stores. While having a similar character of buildings, South Harvard Street, from Highway 64 south to 41st Street, has fared better. It has a more diverse mix of retail and services uses as well as a greater number of chain businesses, and has attracted considerably more investment in rehabilitated or redeveloped property.

The issue with vacant big boxes is mostly related to demand. These were spaces for which there were any number of potential tenants a decade ago, but the retailers who once filled them are all but universally struggling. They include chains like Gordman's Sears, JC Penney's, Macy's, Toys R Us, Kmart, Circuit City, and others who have closed their doors permanently or have pared back their store counts. Only a handful of big box retailers like Ross, Marshall's, TJ Maxx, Burlington, and At Home are adding stores, and these are already represented in the Tulsa market.

Empty big box space is at risk for being converted to less desirable retail uses, or to a different use altogether. These spaces often anchored the districts in which they were located, helping to generate traffic for smaller businesses. When they are replaced by a down-market retail use (for example, a flea market) or a non-retail use, other businesses in the area may see their customer traffic fall off. This can be a threat to the vitality of the entire district.

Emerging Issues in the Retail Sector

Aside from concerns related to vacancies and demand for big box space, there are other trends that will shape options for Tulsa's retail strategy. Many of these are demographic or technological issues that still do not have a clear trajectory. It is possible to see that change is coming, but it is not clear what the final outcomes may be.

Changing Preferences

One of the more interesting trends to emerge recently is an aligning of preferences between 74 million Baby Boomers and 75 million Millennials. Both of these groups are dominated by smaller households, whether

because Baby Boomers have seen their grown children move out, or because Millennials are delaying marriage and children. They are showing a higher interest in smaller homes and urban living. They are the market for new housing in downtown Tulsa and other mixed use environments that are walkable and offer access to recreation, entertainment, dining, and shopping.

Because of their size and unique circumstances, these generations are leading a cultural change to value experiences more than things. This is manifesting itself in the retail industry in increased interest in new “urban” formats, and more generally in the role of location, design, and amenities in enticing people to visit and shop. It is equally true that these considerations also influence where people want to live and work. As an example, very few enclosed regional malls have opened in the last quarter century. Instead, developers have been building lifestyle centers like Utica Square, and older malls have been redeveloped as hybrids with a lifestyle component added to, or replacing part of the existing space. Newer developments are often truly mixed use, with residences, offices, recreational facilities, and other uses integrated with retail and dining.



Lifestyle centers have emerged as an alternative to enclosed malls. These centers may not even have a department store anchor. Most or all of the businesses exit directly onto a public plaza or roadway as in a typical “Main Street” commercial district.

Changing Patterns

People are changing the way they shop, and the corollary to this is that stores are changing their product and service mix to reflect and to encourage those changes. While crossing most retail categories, most people are likely to notice the changes in grocery stores, convenience stores, small format general merchandise stores (dollar stores), and home centers. Less noticed are changes such as the declining number of trips being made to grocery stores, and especially to shopping malls.

Food consumes a significant part of the typical household budget, and a great number of retailers seek to capture a part of that market. The past decade has seen an expansion in the number of new formats challenging the traditional grocery store. These include limited-assortment grocers (ex., Aldi, Trader Joe’s) and fresh format grocers (ex., Whole Foods, Fresh Market). Added to these are the growing number of other retail types that have expanded food offerings. These include dollar stores like Dollar Tree and Family Dollar, pharmacies like Walgreen’s and CVS, convenience stores, and other retailers who carry a significant number of food items. Examples include Menard’s (a home improvement store), World Market (a furniture and home furnishings store), and TJ Maxx (a discount store). The result is that the share of food sold through grocery stores is declining, but the biggest threat to grocery stores actually comes from restaurants, which now make up the largest share of food expenditures. Grocery stores and convenience stores are responding by offering a greater selection of ready-to-go prepared foods.

Much of the change can be ascribed to the perception of shopping as a chore or as an experience. Where people view the act of shopping as something they have to do and which takes time away from the things they want to do, they look for alternatives. This usually prioritizes convenience, which may be available

through the internet, alternative formats (for example, picking up take-out as opposed going to the grocery store), delivery, or store pick-up of orders placed ahead of time. Other kinds of shopping, such as a trip to Ikea, may be viewed as a form of entertainment. Some retailers are investing in strategies to reinforce that motivation.

More Sales will be Lost to the Internet

The internet offers several advantages hard to duplicate in brick and mortar stores. Convenience and pricing are certainly two that are often mentioned. Many large retailers and online shopping platforms like Amazon reinforce these advantages by offering free and expedited shipping. Less mentioned but equally important are things like online reviews and greater access to a wider range of products. Reviews have become one of the most trusted means of gathering information, and research conducted online easily leads to online purchases. Similarly, an online search will identify a far greater number of comparable products than can be stocked in a physical store, and that selection may result in an online sale.

Online sales continue to grow. In the first quarter of 2018, an estimated 9.1 percent of all retail purchases happened online. The annual rate of growth has actually increased over time, according to Census Bureau statistics, and is averaging over 15 percent per year. That rate of growth is faster than the sector overall, and means that more purchases will be shifted away from physical stores.

Retailers are Changing to Compete

Nationally as well as within Tulsa, the combination of flat or diminished income (buying power), changing preferences and shopping patterns, and growth of online retailing means that less money is being spent in brick and mortar retail stores. One way these changes are obvious is in the closure of retail locations. 2017 was a record year with over 7,000 retail store closures and 600 bankruptcies in the industry. While more will follow that path, it is not entirely a picture of doom and gloom for the industry. Some retail formats are thriving and both retailers and commercial property owners are making adaptations in an effort to stay competitive.

Closing stores can be a way for a chain to be competitive. It may not be necessary to have multiple stores in a market, though this is a shift in thinking from the pre-recession era where store counts were an important metric of success. The specialty retailers like traditional department stores, apparel stores, jewelry stores, and home furnishings stores are particularly likely to find that they need a single location in a city like Tulsa. That change can signal trouble when there is more than one regional mall in a community, as is the case in Tulsa. The results are seen at Promenade Mall, which has lost anchor stores as well as a significant number of specialty stores.

Showrooming, the practice of customers coming into a store to look at a product, but then purchasing it online, is one reason that many retailers believe they will not be hurt by closing some stores. Retailers are hoping to use their stores as part of a broader approach to drive website traffic and sales of the chain overall, even when less volume may be realized in a store. They are also increasingly experimenting with new approaches to lure customers into the store, or to offer pick-up and delivery options to better serve their customers. Some of these approaches include:

- Creating in-store experiences to attract and retain customers, such as that have cooking classes and demonstrations, adding food services in retail stores (like Urban Outfitters buying the fast-casual Pizzeria Vetri chain), or offering product demonstrations or events for customers. As an example, both REI and L.L. Bean organize group events like hiking and camping trips to create a community experience centered on their stores.
- Encouraging in-store pick-up of online orders, usually waiving any delivery charge.

- Using physical stores as part of a distribution system; fulfilling customer orders through merchandise in stock at a local store rather than a more distant distribution center.
- Utilizing services like Uber and Lyft, or in the restaurant industry, Grubhub and Doordash, to provide immediate delivery of items ordered online.

Some of these approaches may have more significant impacts on the design of shopping districts, with implications for zoning and land use. Grocery stores, hardware stores, and other retailers may join the ranks of fast food restaurants, pharmacies, and banks in designing buildings with drive-through windows to pick up orders. Store sizes may change. In many cases this will mean a smaller store, but there are retailers, like Menards, that are expanding their stores to serve as distribution centers. Office supply stores are another type of retail that may take this approach. It is not clear how the change may affect land use and zoning, or transportation through increased truck traffic in commercial centers.

Coping with Vacancies

Commercial property owners of all types of centers are adapting to the changes in the retail industry. Of most concern are the loss of anchor tenants. Not only can these spaces – the department stores in malls or big boxes in strips – difficult to fill, but other leases are often tied to their presence. These co-tenancy clauses allow smaller tenants to leave or pay a lesser rent if the anchor space is not occupied by a certain type of tenant, so that even if the anchor space is leased by uses like a fitness center or subprime tenant, the owner may have to accept a lower rent from other tenants.

Some centers are being repositioned or redeveloped. Tulsa's Eastgate Mall is an example of such a center, which has now largely been transformed into office space. Across the nation, a greater percentage of strip mall space is being filled by non-retail uses including restaurants, services, and offices. A greater number of health care uses are also choosing to locate in strip centers instead of more traditional settings, as the locations tend to be central to populations.

Across the nation, a growing percentage of strip mall space is being filled by non-retail uses.

The Outlook for Tulsa

Tulsa remains a very strong and fundamentally healthy retail environment even while it is buffeted by changes within the retail industry. As the population center for a large region, Tulsa draws in a great number of residents from the outlying areas where some retail goods are lacking. The city also supports a strong tourism market. These added customers help the city's businesses to sell far more than they would if just based on the city's population. These advantages are unlikely to diminish significantly in the near future, giving the City a solid base on which to begin to develop a comprehensive retail strategy.

Threats to Tulsa's retail sector mostly come from changes within the industry. It is all but certain that there will be additional store closings, with possibilities ranging from Sears and JC Penney's down to smaller stores like American Eagle, Rue 21, and Foot Locker. Several restaurant chains are also struggling and closures might include brands like Applebee's, IHOP, Subway, and Sonic, among others that are struggling nationally. Most at risk are places like the Promenade Mall, which has taken second place to Woodland Hills Mall, and other centers that have lost anchor big box tenants.

Contained in the reasons behind changes to the local retail landscape and the national industry sector are some potential strategies for Tulsa to pursue. There may be substantially less demand for parking, enabling denser development on unused parking spaces. Some districts will need redevelopment with new uses while others may simply be repositioned and refurbished. Centers can be better integrated into surrounding neighborhoods, and this may extend to introducing mixed uses and a more pedestrian-friendly, urban

character. That character can be reinforced on existing strips where there is already a core of contributing buildings. Creating these inviting shopping areas will help to ensure that Tulsa continues to draw distant residents and visitors to supplement the local customer base.

TULSA'S RETAIL ENVIRONMENT



The retail and dining needs of Tulsa residents are met in a variety of neighborhood to regional commercial districts.

LAYOUT OF THE CITY'S COMMERCIAL DISTRICTS

Although originally settled in the 1820's Tulsa's growth mostly occurred in the 20th Century. Between 1900 and 1930 the city grew from 1,390 residents to 141,258. The 2017 population of the city is estimated to be 403,505 residents, while over 1.1 million people live in the metropolitan area. The City's relatively recent development has shaped the way its commercial districts developed, resulting in a preponderance of highway strips or commercial corridors, which may be continuous or take the form of nodes of commercial activity at major intersections. There are few of the traditional pedestrian-oriented districts that are returning to favor with shoppers.

Retail Hierarchy

Retail centers are often classed in a hierarchy that describes their role in the retail environment. The International Council of Shopping Center's classification is most often used, but as it is designed to describe single properties, it is not well suited to describing the centers, nodes, and corridors, made up of multiple properties, that are found throughout the city. The general concepts of size, population served, types of businesses, and design format are useful measures used to create the classifications used in this study.

Regional Centers

Tulsa has two regional malls. Woodland Hills is the stronger, with over one million square feet of space. It is anchored by Macy's, Dillard's, JC Penney's, and Sears. It has the greater number of unique to market shops, and is surrounded by a greater concentration of specialty big box stores, some of which are also unique in the Tulsa market. There are still some notable vacancies in the area including the former Gordman's and Toys 'R Us locations, and a handful of smaller outlot or strip spaces.

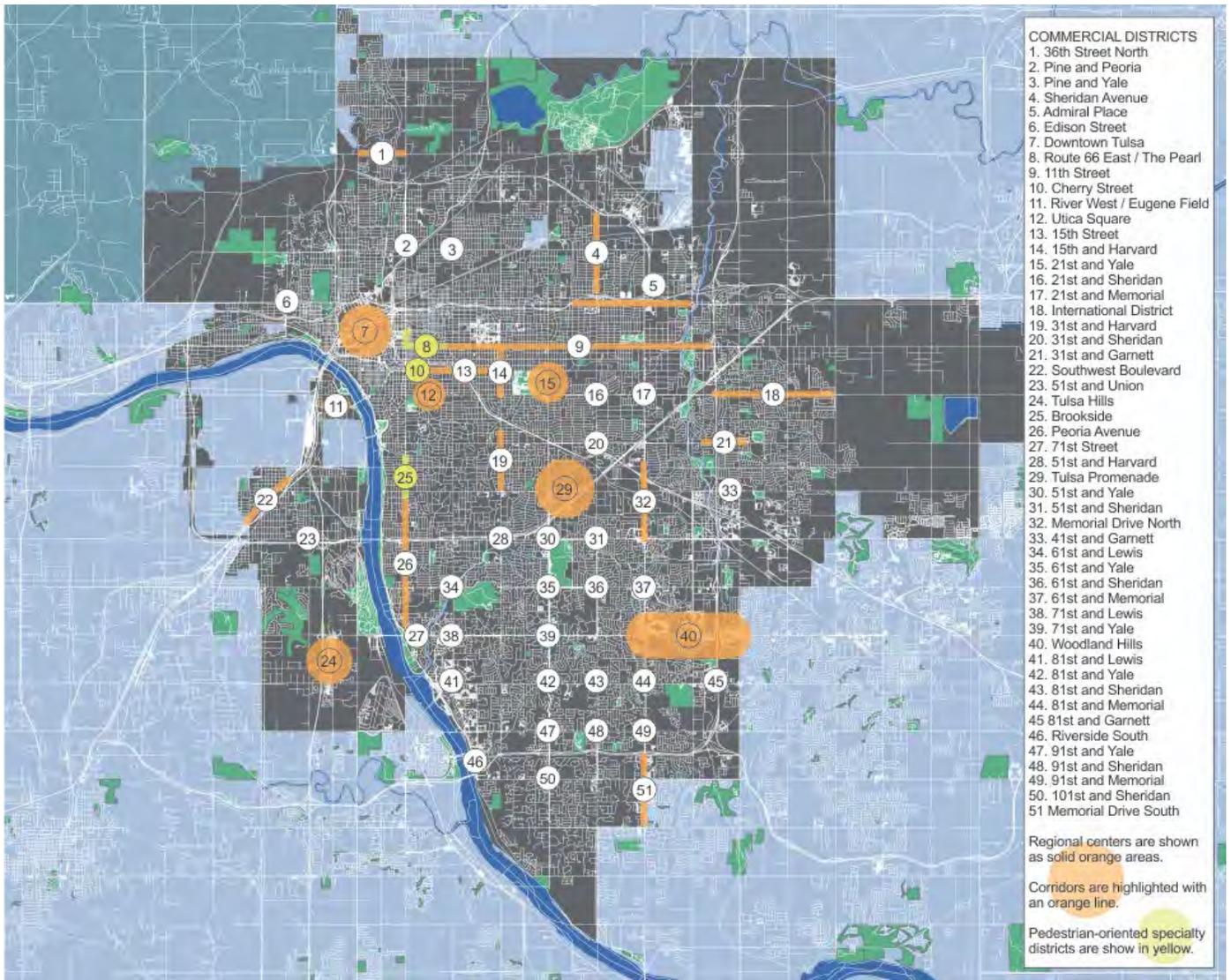
The Tulsa Promenade mall is struggling to maintain its vitality in a market that will only continue to support a single traditional regional mall. It is slightly smaller, at 926,000 square feet, and has suffered the loss of Macy's, though it still has Dillard's and JC Penney's. The surrounding area does not have as many contributing retail uses to help draw traffic. The mall itself is located central to Tulsa's population and has very good access from Interstate 44. By comparison, Woodland Hills has moderately poorer highway access, but it is closer to the rapidly growing southern edge of Tulsa. Shoppers from beyond the city's borders will also be drawn to the greater concentration of other retail stores around Woodland Hills, so that less of the regional traffic flows to Tulsa Promenade.

Dillard's JC Penney's, Macy's, and Sears are all struggling to remain viable as consumers shift spending away from department stores. Sears is widely expected to fail, while there is not great confidence in the ability of the remaining three to survive. They will all continue to close stores, as will a large number of the specialty retailers who fill corridors of the malls. Chains making the decision to have a single store in the market will choose Woodland Hills. Tulsa Promenade, in turn, will need to find a new strategy to remain viable as a commercial center. This may need to find alternatives to department store anchors and a preponderance of apparel and specialty chain stores.

Community Centers

There are several community centers in Tulsa. Memorial Drive, south of Creek Turnpike, is a good example of this type of center, anchored by Costco, Target, Walmart, Homegoods, Lowe's, a theater, and many smaller uses. Other community centers include Olympia Drive on the west side of Tulsa, Peoria Avenue south of Brookside, and Yale Avenue adjacent to the State Fair Park. This latter one is small and has lost key tenants due to struggles of the companies, rather than the site, and may have potential for growth.

COMMERCIAL DISTRICTS IN THE CITY OF TULSA



Two other centers might be considered. The Eastgate Metroplex was originally constructed as an enclosed regional mall, however, it was not successful and was repurposed as offices. A strip center north of the former mall has not attracted quality tenants. Other land in the area remains undeveloped and the other commercial uses in the area are those expected in a neighborhood center. It would be fair to say that this corridor may have started as a community center (or even regional center), but has since moved further down the hierarchy. It is also true that many of the original uses along 21st Street, west of Memorial Drive, have also left. That corridor has attracted numerous ethnic businesses that give it a distinct character, and may be a basis for repositioning the area. As Tulsa's "International District" it can continue to serve a community-level role in the retail environment.

CLASSIFICATION OF RETAIL CENTERS

TYPE OF CENTER	DESCRIPTION	TYPES OF ANCHORS	SIZE (sq. ft.)	POPULATION SERVED
Regional	An area typically including an enclosed mall and surrounding uses, drawing people from a broad region made up of several communities.	Department stores, apparel and specialty stores	1 million or more	Metropolitan or larger
Community	An area comprised of power centers, strips, and freestanding stores that meet the basic needs of a community, or several neighborhoods in larger cities.	Supercenters, discount stores, specialty big box and smaller stores	250,000 up to 1 million	City or several neighborhoods
Neighborhood	A node of commercial activity usually serving a neighborhood and some adjacent areas, made up of strip centers and freestanding buildings.	Supermarkets, drug stores, hardware stores	Up to 250,000	Neighborhood
Urban Center	This term is used to describe a downtown or neighborhood commercial area developed in a walkable “Main Street” pattern. Lifestyle centers will be included in this classification.	Same as neighborhood centers, often with more specialty retail and dining	Varies	City or larger
Corridor	A linear commercial strip where different segments may serve different neighborhoods or even communities. Stronger nodes are often interspersed with lesser quality retail, services, or non-commercial uses.	Same as neighborhood or community centers	Varies	One or more neighborhoods

Neighborhood Centers

Many of the remaining commercial clusters can be classified as serving adjacent neighborhoods, offering the kinds of retail, dining, and services meeting the needs of people who live nearby. The degree to which they do that is mixed. The north side of Tulsa is poorly served by the kinds of uses area residents might desire, particularly when it comes to grocery shopping. There are no supercenters or full line grocery stores north of Interstate 244. A dispersed (low density) population and below-average income profile are factors contributing to this scenario. In general, the north side has few retail uses, and most, like hardware stores, drug stores, and dollar stores, only serve a neighborhood-level market.

While some neighborhood centers are doing well, it appears that others may be overbuilt for the markets they serve. In some cases, the close proximity of other centers may be suppressing demand for commercial space. Larger vacancies are scattered throughout the city, but for different reasons. In the downtown and toward Broken Arrow, they are often the result of newer properties coming onto the market. On the east side (particularly northeast) the issues are similar to the north side. There is too much space to serve a dispersed and somewhat lower income population. Centrally, 21st Street and Sheridan Road and 51st Street and Harvard Avenue appear to be two areas with significant vacancies and little demand for the space.

Riverside Drive at 71st Street, adjacent to some of the city's most significant park space, might present one of the more attractive possibilities for development. In other cities, recreation, entertainment, and dining uses have been integrated into, or along the edge of city parks. It is a mutually beneficial development as the businesses offer services desired by park users, and the park helps to attract customers to the businesses.

Urban Centers

Downtown Tulsa was once the heart of the City's retail industry. As in most cities, that changed as development occurred at the city's edge, which was more accommodating to the retail formats of the time. It first followed corridors like Route 66 and Peoria Avenue into suburban neighborhoods, and then occurred as strip centers, shopping malls, and big box stores at scattered locations throughout the city. New development within the downtown also failed to follow the traditional pattern of retail or other active uses on the ground floor. Offices or even blank walls front the street, disrupting the pattern of closely spaced entries and activities (stores, restaurants, entertainment, etc.) that is essential to creating a walkable environment.

There has been a more recent return to this traditional pattern. Several desirable restaurants and even a few retailers have opened on the periphery of the downtown core. There are very good examples of historic industrial or warehouse buildings being adapted to new uses, and innovative designs like The Boxyard. In March of 2018 the Tulsa World reported 39 development projects in the downtown, including renovation and new construction that will include offices, hotels, apartments, retail, and dining. Although there is a desire for a downtown grocery, there is a question about whether the area yet has the residential density to support one, or in what format.

Utica Square also functions as an urban center, though its design is similar to a contemporary lifestyle center. It has attracted several upper end chains along with independent retailers. Utica Square might serve as a design model for other centers in Tulsa that could be repositioned as their current tenants depart.

Brookside, The Pearl District, and a section of 15th Street between Peoria Avenue and Utica Avenue (called Cherry Street) are three areas that have a mostly traditional, walkable development pattern. Independent businesses dominate these districts. Brookside is the most developed of the three and is further supported by commercial development further south along Peoria Avenue. Cherry Street is also well developed and has a concentration of restaurants. The Pearl is in an earlier stage of development, having begun to attract independent businesses, renovation, and new development. It has considerable potential as a gateway to downtown and for its position along Historic Route 66.

Corridors

Historic Route 66 is the most obvious of the commercial corridors – linear strips sometimes miles long but maybe only a few hundred feet deep – that overlay arterial roads. In older parts of the city these were often developed with small, shallow lots each accommodating a single detached use. They were often built prior to modern design standards and present challenges with both aesthetics and reuse. In other areas the corridors are lined with strip centers and freestanding buildings. Whether because of the condition of the buildings or due to an oversupply of space, several of these corridors have attracted secondary commercial uses. That is the case for Route 66, Sheridan Road north of Interstate 244, and Admiral Place.

THE IMPACT OF DOLLAR STORES

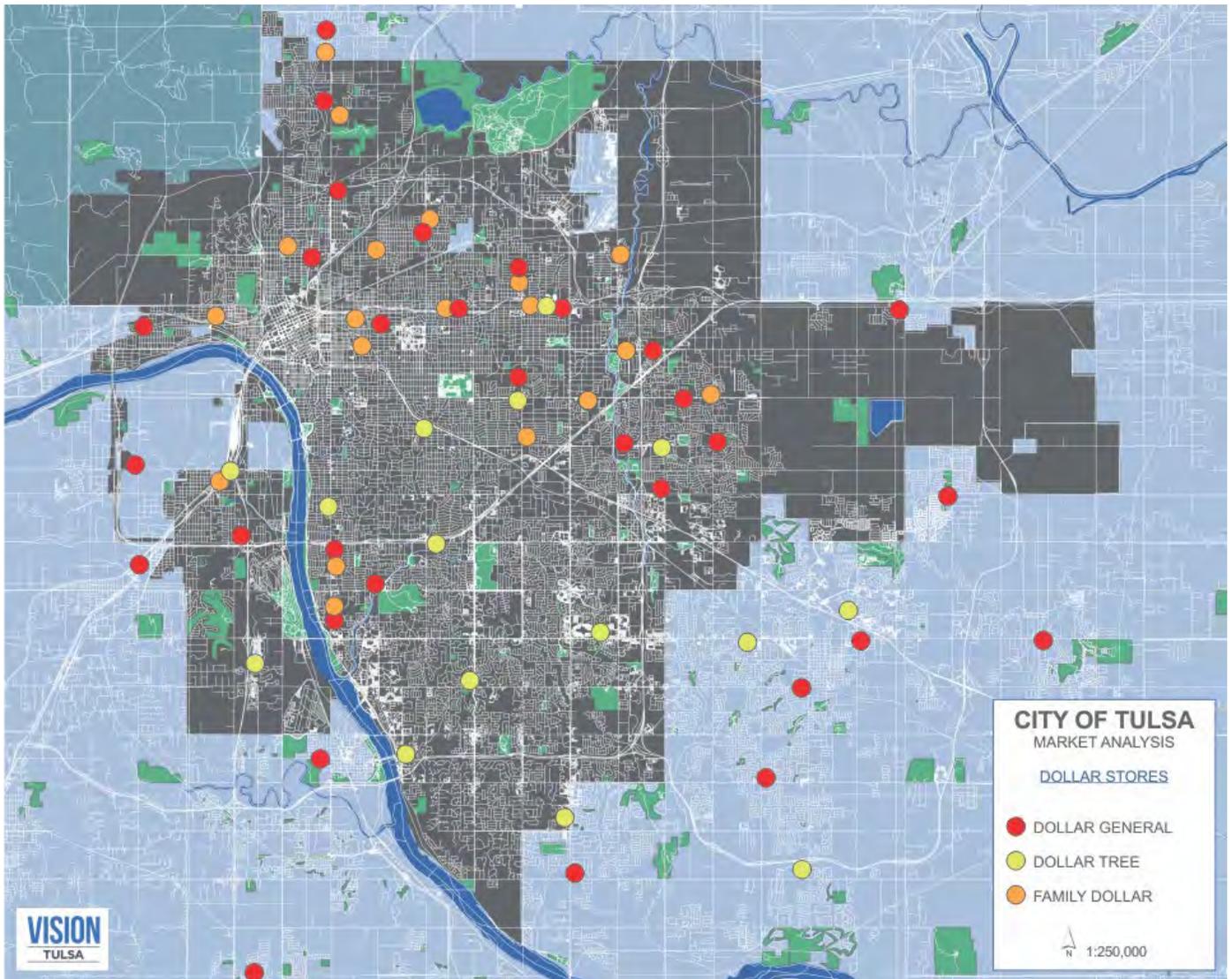


The impact of dollar stores in Tulsa is consistent with national figures for their percentage of the City's overall retail sales and sales of food.

DOLLAR STORES IN THE TULSA AREA

There are 54 chain dollar stores in Tulsa with an aggregate of \$107,130,000 in estimated sales. Their sales range from about \$600,000 to \$6,000,000 individually, and include 22 Dollar General, 13 Dollar Tree, and 18 Family Dollar stores. A significant number of these chain stores can be found in nearby communities like Broken Arrow, Catoosa, Claremore, Owasso, Sand Springs, and Sapulpa. Nationally, this has been one of the few retail categories to continue to expand even through the recession.

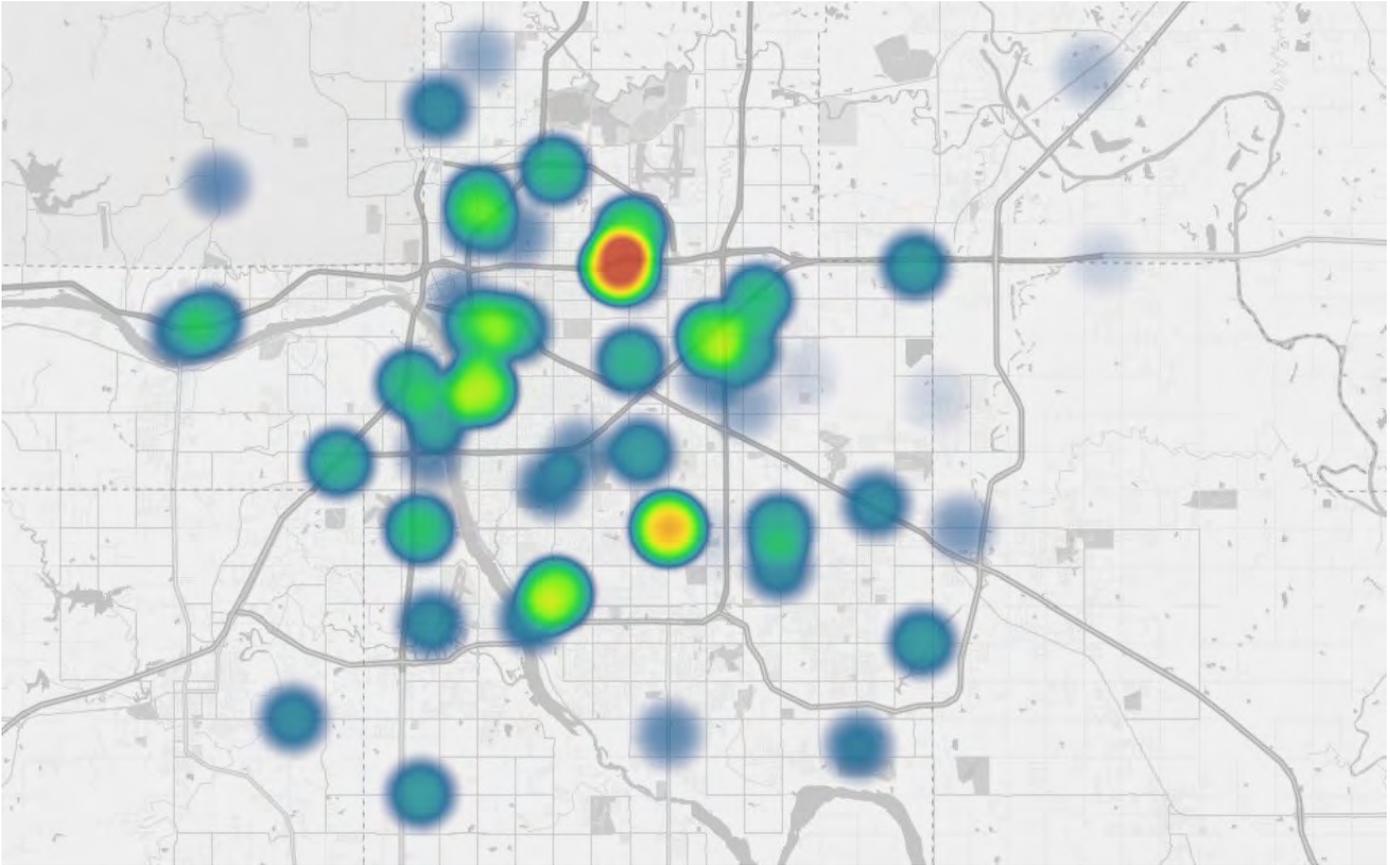
DOLLAR STORE LOCATIONS IN TULSA AND THE SURROUNDING AREA



While dollar stores have traditionally catered to a low income customer, the recession and subsequent belt-tightening has pushed middle-market consumers into these stores. Of the three chains, Dollar Tree has positioned itself to cater more to middle income households. The chain is owned by Family Dollar, and the pattern of store locations demonstrates a preference for sites with a median income higher than that of Family Dollar store sites. Most Family Dollar stores in Tulsa are located in lower income neighborhoods to the north

and west, while nearly all of the Dollar Tree stores are in the midtown and southern parts of the city. Dollar General also has most of its stores in the northern and western parts of Tulsa.

DOLLAR STORE LOCATIONS DEPICTING SALES VOLUME AS A HEAT MAP



The map above depicts the area in which dollar store sales are strongest, based on store locations and the estimated sales of each individual store.

Nationally, these types of stores (the NAICS classification “variety stores”) makes up about 1.35 percent of all retail sales. Within the City of Tulsa, they are estimated to capture 1.36 percent of all sales.

THE CONCERN WITH DOLLAR STORES

One of Tulsa’s primary concerns with regard to dollar stores is whether their presence is damaging to the prospect of attracting full service grocery stores in the same neighborhood. The greatest interest is in the north side of the city, where there are no traditional supermarkets and only a handful of discount or ethnic grocers to serve the area’s population. The Indian Nations Council of Governments estimates that 84 percent of the population in Council District 1, or 37,409 residents, do not have adequate access to a grocery store. The standard they used to determine this was a distance of one mile from a grocery store.

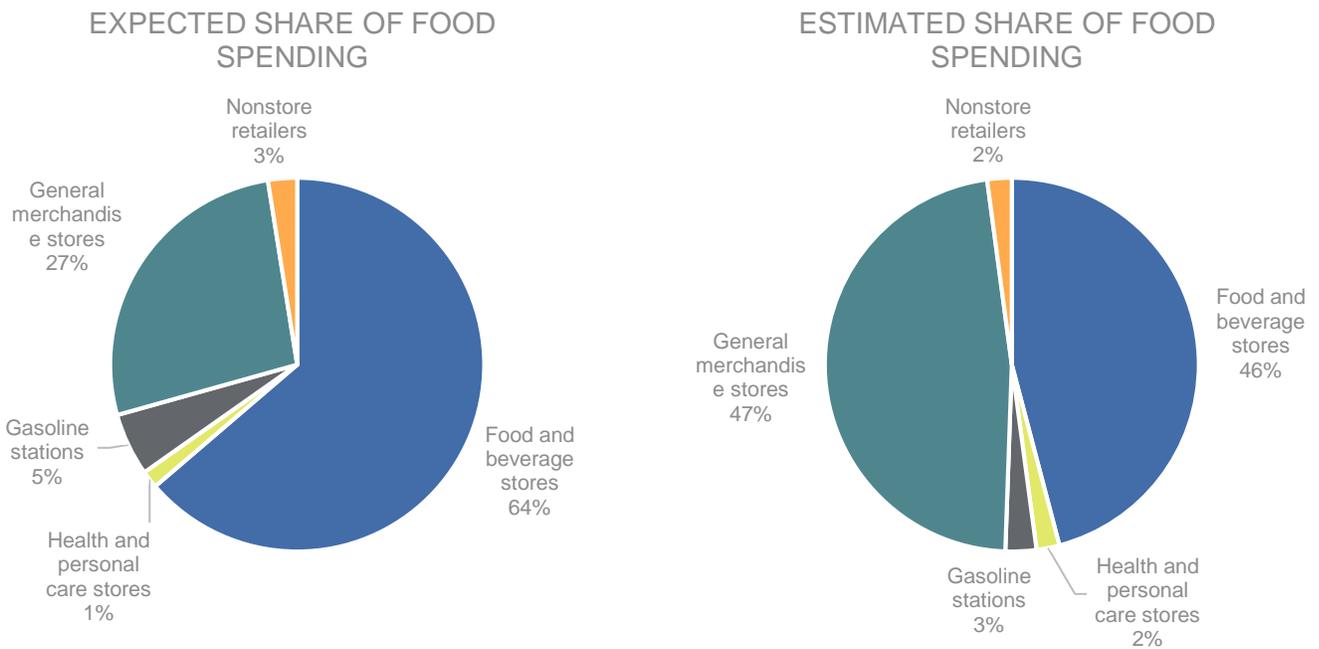
It has been argued that where full line grocery stores are not present, dollar stores can help to meet the demand for food sold within the neighborhood. Although most of the items they stock are packaged, it is becoming more common for dollar stores to stock a limited assortment of fresh items, and the percentage of

floor area devoted to food has grown over time. This is also true of other retail formats, most notably chain pharmacies and convenience stores.

Benchmarking Food Sales

The most recent national data on retail sales by product line comes from the 2012 Economic Census. In that year, food and beverage stores sold 63.4 percent of all “groceries and other food items for human consumption off the premises”, measured as a percentage of sales. Warehouse clubs and supercenters were next in importance with 22.9 percent of the market. Gasoline stations follow with 5.4 percent of the market, and all other general merchandise stores, the category in which the dollar stores fall, comes in fourth with an aggregate 2.1 percent share. Groceries do average 24.2 percent of all sales at these stores, and so are a significant part of their business.

ESRI estimates that Tulsa residents spend about \$1.26 billion on food during the year. Based on the estimated sales by type of store, Tulsa’s market is seen to be very different from the national distribution. Far more of the city’s food spending is occurring in general merchandise stores – discount stores, warehouse clubs and supercenters, and dollar stores – while less is spent in grocery stores. This is consistent with observations of the low sales volume seen in many of the area’s grocery stores.



These two charts depict the share of food spending expected to be captured at different store formats in the City of Tulsa, based on national averages, and an estimate of actual food spending. Far less is spent at food stores than would be expected, and general merchandise stores are capturing a far larger share of the market than would be expected.

It is possible to break out sales from dollar stores from the remainder of general merchandise stores. Based on the national distribution of dollar store sales by product line, food sales at dollar stores in Tulsa would be expected to total \$26.6 million. The amount that they do capture is estimated to be \$26.1 million, or about \$426,000 less than would be expected. It is not dollar stores, but primarily supercenters and warehouse clubs that are taking market share from grocery stores.

THE CASH ECONOMY



*The cash economy is an important source of market potential within
Tulsa's lower income study areas.*

UNDERSTANDING THE CASH ECONOMY

Most estimates of market potential are based on published numbers from government sources. While agencies like the Census Bureau tap a great number of resources to generate their income statistics, it is generally recognized that there is also an unreported cash economy. Also dubbed the underground economy or shadow economy, it consists of earnings that go unreported for tax, or other purposes. Most of this originates from informal work, rather than illegal activities or undocumented workers. It is the people making a living, or supplementing their formal income through activities like yard work, dog sitting, construction labor, or similar services provided for a fee that goes unreported to the government.

In 2009 the World Bank estimated the size of the underground economy to be 8.4 percent of gross domestic product (GDP) in the United States, but across the globe, its size grew rapidly in the recession years and after. Estimates vary, but range as high as 12 percent of GDP. Using these two percentages would result in an estimate of the size of the Tulsa Metropolitan Statistical Area's underground economy ranging from \$4.95 to \$6.99 billion. This is a very simple technique and is likely to produce a highly inaccurate result, as well as one that has a very wide range. A more detailed approach is warranted.

METHODOLOGY FOR ESTIMATING THE CASH ECONOMY

Several parts of Tulsa are thought to have a large share of unreported income. To better understand the cash economy at the local level an approach was developed based on the occupational profile of people living in each individual trade area.

A growing number of people are engaged in the “gig economy”, or contingent workforce, made up of solo businesses, contractors, freelancers, and other self-employed persons. They may be engaged in this work as a source of primary or supplemental income. Academic research has demonstrated a strong correlation between the size of the contingent workforce and the legal element of the underground economy. This is the genesis of an approach to measure the size of Tulsa's underground economy. In a first step, the size of the contingent workforce was measured based on occupational data and rates of participation in the contingent workforce. Next, average earnings were applied and totaled to come up with an aggregate figure. Finally, this figure was adjusted by an estimate of the percentage of unreported income among self-employed persons.

The cash economy was estimated using data from a Rand Corporation survey conducted in October of 2015 for Princeton University and reported in 2016 . That survey estimates average engagement in contingent work – persons paid on a project basis who are not regular employees – for a number of different demographic and employment variables. Examples of contingent work run the gamut from low-skilled laborers and landscapers to highly technical freelancers or consultants. The IRS estimates that 43 percent of the income earned through contingent work is unreported, and is the basis for the “legal” cash economy. Illegal activities that are part of the cash economy are not measured in the analysis, and research has shown them to be a minor contributor to the total.

- Data to support the analysis was gathered from four primary sources including the American Community Survey 5-Year Estimates, ESRI, The US Department of Labor's On the Map data retrieval tool, and US Bureau of Economic Analysis Non-employer Statistics.
- Using the Rand / Princeton Survey, probabilities were assigned to a number of demographic, industry, and occupational variables, to estimate the number of persons engaging in contingent work.

- The value of the contingent work being performed was estimated using mean receipts reported in the BEA's Non-employer Statistics dataset, for each industry sector. The unreported portion – the cash economy – was estimated at 43 percent of the total.
- Spending was allocated to industry group based on the overall proportion of income spent on retail and dining and its allocation to different retail categories, reported by ESRI for the trade area.

There are an estimated 30,859 persons in the contingent workforce within the City of Tulsa. On average, they are estimated to earn \$49,125 per year. This is a gross figure, prior to any costs of conducting business such as the cost of materials, inventory, fuel and utilities, travel, advertising, etc. The range by industry is from \$21,527 in agriculture, to \$73,614 in wholesale trade. In total, these solo businesses and otherwise self-employed persons generate receipts of \$2.4 billion. Of this total, \$651.9 million is thought to be unreported, and representative of the size of the City of Tulsa's cash economy. Not all of this will be spent in stores. Nationally, spending on retail and dining consumes about 34.5 percent of household income. Using this figure, Tulsa's cash economy will add another \$224.8 million in market potential for retail and dining, or \$198.0 million in retail alone.

It is important to note that while the contributions of the cash economy affect, and should be accounted for in the demand side of the analysis, that spending is already captured in the estimates of retail sales. The localized impact of the cash economy will be addressed in the assessment of the thirteen study areas examined in this report.

SUMMARY OF THE CASH ECONOMY WITHIN THE THIRTEEN STUDY AREAS

	Pine Street and Peoria Avenue	Pine Street and Sheridan Road	21 st Street Corridor	Downtown Tulsa	Route 66 East	Tulsa Promenade	51 st Street and Union Avenue	71 st Street and Peoria Avenue	51 st Street and Memorial Drive	71 st Street Corridor	International District	River West / Eugene Field	36 th Street North
Trade area population	9,387	15,091	61,085	28,389	28,030	55,708	12,079	23,456	11,253	368,784	42,690	12,094	17,343
Median household income (\$)	25,596	33,459	42,684	33,215	37,224	55,037	36,376	34,281	52,317	53,047	40,315	36,390	27,756
Population engaged in the cash economy	513	695	3,470	3,360	3,665	7,219	2,021	2,868	2,577	6,965	4,527	977	1,189
Total cash economy earnings (million)	\$8.3	\$11.2	\$56.0	\$54.3	\$59.2	\$116.6	\$32.6	\$46.3	\$41.6	\$112.5	\$73.1	\$15.8	\$19.2
Retail market potential of cash earnings (million)	\$2.5	\$3.9	\$19.3	\$16.5	\$18.0	\$35.4	\$9.9	\$14.1	\$12.6	\$34.2	\$22.2	\$4.8	\$6.6
Dining market potential of cash earnings (million)	\$0.3	\$0.5	\$2.3	\$2.2	\$2.4	\$4.8	\$1.3	\$1.9	\$1.7	\$4.6	\$3.0	\$0.7	\$0.8
Cash economy as a percentage of retail and dining market potential	4.4%	2.1%	2.0%	3.0%	2.9%	3.1%	9.7%	5.5%	3.3%	0.7%	6.8%	3.4%	5.5%

TOOLS AND STRATEGIES FOR RETAIL ECONOMIC DEVELOPMENT



The City of Tulsa can assemble a customized approach to any of its commercial districts using a variety of tools and strategies.

RETAIL ECONOMIC DEVELOPMENT

The City of Tulsa already has a number of programs that can be used to promote retail development, which can be matched to strategies adapted to targeted commercial districts. This section of the report documents existing, or potential new tools and strategies that can be drawn upon to bring about changes in the retail environment.

Retail Incentive Policy

The City's current retail incentive policy establishes guidelines for a project to be considered. To be eligible, a standalone retailer must have sale of \$20 million by the third year of operation. The retailer must not already have a presence in the metropolitan area, or must be part of a project of at least 100,000 square feet. Applications for development projects with multiple retailers must also total at least 100,000 square feet. Projects may also be considered if they are located within a distressed area, defined as an enterprise zone, a designated USDA food desert, or an adopted City of Tulsa sector plan or small area plan.

Retail Development Tools

The City of Tulsa has several existing programs that may be targeted to retail business attraction or to encouraging revitalization in its commercial districts.

- **Business Improvement Districts (BID).** BIDs are commonly used to make targeted investments or to fund ongoing additional services within defined areas. Property within the BID pays a special assessment that is used to fund the investment or services.
- **Local Development Act.** The Local Development Act allows the City to establish Tax Increment Financing (TIFs) or Tax Incentive Districts (TIDs). A TIF earmarks additional taxes paid on improved property for development projects or infrastructure. A TID provides an abatement of taxes paid on real estate projects.
- **Opportunity Zone.** This federal program allows developers to defer taxes paid on capital gains by placing them in an opportunity fund, which must be invested in an opportunity zone. Designated areas in Tulsa include the downtown, the Route 66 corridor west of Harvard Avenue, the 36th Street North corridor, 61st Street and Peoria, and River West / Eugene Field.
- **Brownfield Revolving Loan Fund.** This federal program provides low interest loans for remediation activities.
- **Community Development Block Grant (CDBG) and HOME grants.** Tulsa receives approximately \$3 million annually under these federal programs, which may be used for community development purposes.
- **Historic Preservation Tax Credits.** This federal program enables owners of historic properties to receive a tax credit for investments in restoration that is in keeping with guidelines established for the program.

Other tools might be considered to encourage revitalization. The following are examples of assistance or incentives commonly provided to spur retail development and business district revitalization.

- **Regulatory assistance.** Communities may build greater flexibility into their regulations and processes, to enable development projects to proceed, where they might otherwise run into conflicts. Examples might include bonus or incentive zoning, or modifications to floor area ratios, setbacks, parking requirements, or signage.

- **Expedited permitting and inspections.** Many cities will expedite the permitting and inspections for earmarked development projects.
- **Leasing commitments.** It is becoming increasingly common for cities to incentivize development by placing municipal functions within new development. For example, the City might consider leasing office space in a new or revitalized building, or to open a library branch or other activity that could also draw traffic to the site.
- **Fee reductions.** Cities will often establish policies to reduce or waive fees for new development or redevelopment within designated areas.
- **Small grants and loans.** Small businesses or property owners within the targeted areas of many cities are often eligible for grants or low interest loans. These are usually made for a specific purpose such as to renovate facades, install or replace signage, or to address structural and mechanical issues. Matching funds are usually required.
- **Energy cost reduction.** A growing number of communities have linked investments in energy efficiency, often with collaboration from local utilities, to economic development incentives. By increasing efficiency, businesses enjoy ongoing reduced operational costs.

Retail Development Strategies

Several approaches can be taken to foster retail development. The following are programs that might be established and applied where appropriate.

- **Land banking.** Many cities have established a land bank to acquire and hold property until it is ready to be made available for development. The purpose for this may be to ensure the quality of development, to assemble multiple parcels into a larger development opportunity, or to eliminate blight.
- **Retail entrepreneurship.** Tulsa already has an excellent model of restaurant business entrepreneurship through the Mother Road Market. A similar program should be developed for retail businesses, with components of education, mentoring, and launching the business in “incubator” space. There are four models for providing this space. The first is through a traditional incubator building. The second is to incubate the business within space that it will permanently occupy. A third approach is to use pop-up stores as a path to incubate the business. Finally, a few places are experimenting with retail trucks, operating in a fashion similar to food trucks, that are a step toward occupying traditional space.
- **District management or “Main Street” programs.** The National Main Street Program is a model of business district revitalization usually applied to traditional commercial districts, such as Route 66 East or downtown Tulsa. The key to these programs is that they create an organization, usually with professional staff, that can carry out the initiatives in a district revitalization strategy. Programs usually receive support from the local government while also securing commitments from businesses and property owners in the district, ensuring their buy-in and commitment.
- **Marketing assistance programs.** Many programs link marketing assistance to tourism, and it will be important for Tulsa to continue to market its destination shopping and dining areas as tourism destinations. Beyond this, the City should consider two other initiatives. The first of these is to help to brand and market specific districts, particularly when they have the ability to attract customers from beyond their neighborhood, or where it is necessary to improve public perceptions of the district. The second need is to enhance the marketing knowledge of business owners, especially with regard to online and mobile marketing.
- **Retail recruitment.** Recruitment, usually focused on chain stores, is one of the most common actions taken to promote retail development. An effective program will work closely with commercial brokers

and owners, will provide useful information not available elsewhere (and also overcome bad data or poorly-fitting estimates from other sources), and will utilize an indirect network to initiate contact with targeted businesses. For example, use the civil engineer who designs a chain's sites to provide an introduction to the chain's real estate staff.

PROGRAM APPLICABILITY TO STUDY AREAS

The following table suggests how various programs might be applied to the thirteen study areas examined through this market analysis. Recommendations are based on where programs are considered to have the greatest impact. While recruitment, for instance, might apply to any study area, there are only a handful of places that will be attractive to the chain businesses which would be targeted.

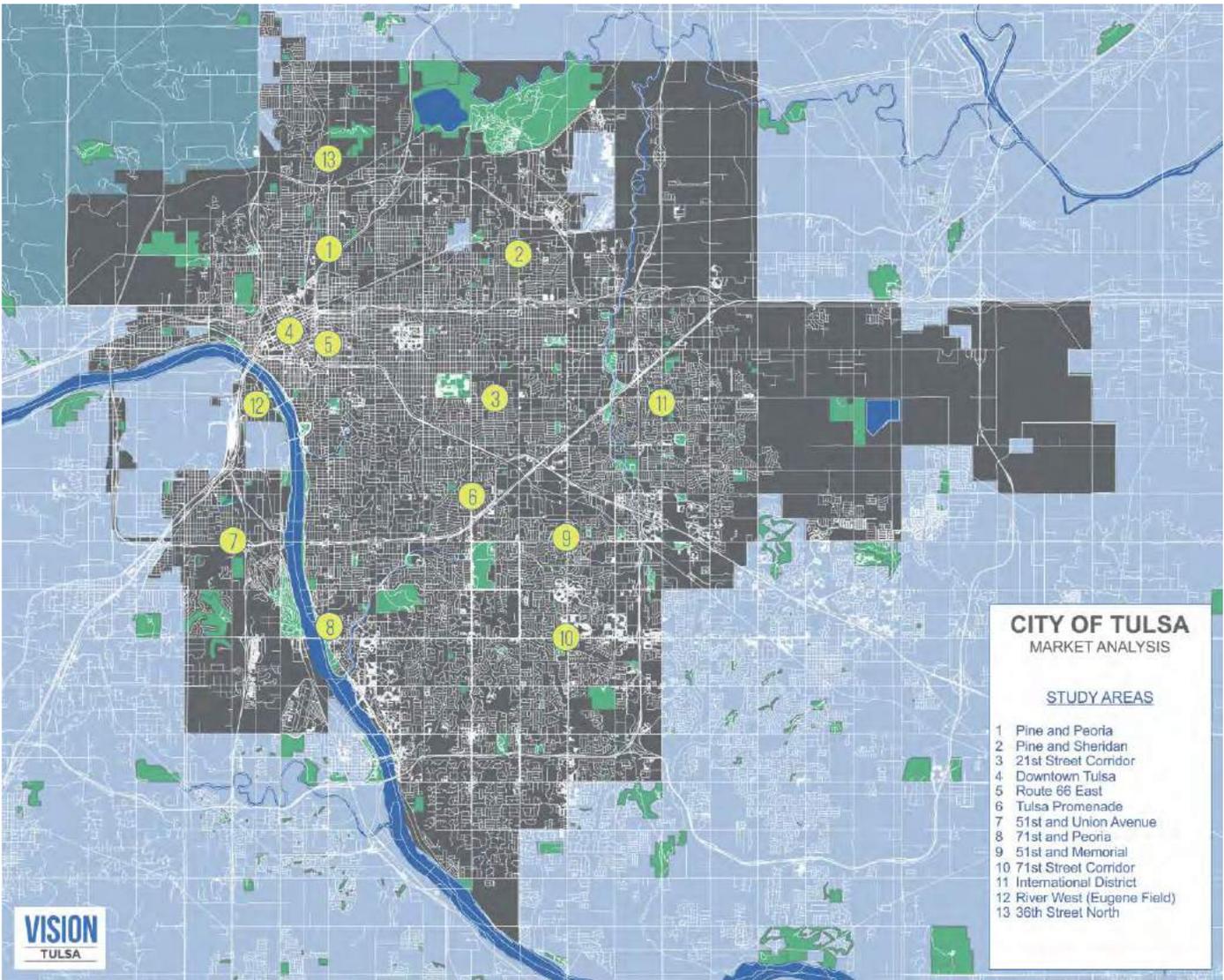
ECONOMIC DEVELOPMENT PROGRAMS APPLICABILITY

STUDY AREA	INFRASTRUCTURE	BID	LOCAL DEVELOPMENT ACT	OPPORTUNITY ZONE	BROWNFIELDS	CDBG / HOME	HISTORIC PRESERVATION	REGULATORY ASSISTANCE	EXPEDITED PERMITTING	LEASING COMMITMENTS	FEE REDUCTIONS	SMALL GRANTS AND LOANS	ENERGY COST REDUCTION	LAND BANKING	RETAIL ENTREPRENEURSHIP	DISTRICT MANAGEMENT	MARKETING ASSISTANCE	RETAIL RECRUITMENT
Pine Street and Peoria Ave.	X		X	X		X		X	X	X	X		X	X	X		X	
Pine St. and Sheridan Ave.	X		X			X		X	X	X	X	X	X	X	X		X	
21 st Street Corridor								X	X	X	X		X					X
Downtown	X	X	X	X	X		X	X	X	X	X	X	X		X	X	X	X
Route 66 East	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	
Tulsa Promenade			X					X	X	X	X		X		X			X
51 st Street and Union Ave.	X		X			X		X	X	X	X	X	X		X		X	
71 st Street and Peoria Ave.			X			X		X	X	X	X	X	X	X	X		X	X
51 st St. and Memorial Dr.								X	X	X	X		X		X		X	
71 st Street Corridor								X	X	X	X		X					X
International District		X	X			X		X	X	X	X	X	X		X	X	X	X
River West / Eugene Field	X		X			X		X	X	X	X		X	X	X		X	
36 th Street North			X	X		X		X	X	X	X		X	X	X		X	

STUDY AREAS



The City of Tulsa can assemble a customized approach to any of its commercial districts using a variety of tools and strategies.



A total of 13 study areas were selected for analysis, with the intent of examining a cross-section of commercial area types. In doing so, the areas that were studied will serve as case studies and models that may be applicable in other locations across the city.

PINE AND PEORIA

In 2018 the City of Tulsa commissioned a Retail Market Analysis to examine general conditions for the commercial sector in all parts of the community, and to take a closer look at unique characteristics of a number of specific study areas. These locations were chosen for a combination of reasons including their diversity, their importance, the challenges or opportunities they present, planned or potential City investment, and other factors. Thirteen study areas were chosen for analysis. Each analysis and strategy is intended to serve as a model that may be applicable to other, similar parts of Tulsa.

This is an area of interest to the City due to the strong desire for a full line grocery to serve the north side, and the failure of Albertsons and its successor, Gateway Market, at this site. Without an anchor it will also be difficult to attract other retail and dining, although Quik Trip plans to open a gas station on the corner.

THE STUDY AREA – PINE AND PEORIA

This is one of the city’s smaller commercial areas, running a third of a mile along Peoria Avenue from the US Highway 75 interchange to the north. Pine Street intersects Peoria Avenue at the southern end of the study area.

Description

This is a study area that has attracted recent real estate investment, but has been unable to retain or attract anchor tenants. A 60,000 square foot Albertson’s grocery originally anchored Seminole Hills Shopping Center, but closed in 2010. It was replaced by an independent, Gateway Market Tulsa. In 2014 that store closed, only to reopen in just 12,000 square feet before closing for good in 2017. No uses have stepped forward for any portion of the 60,000 square foot space. Meanwhile, the small storefronts in Seminole Hills Shopping center and the center to the north are fully occupied.

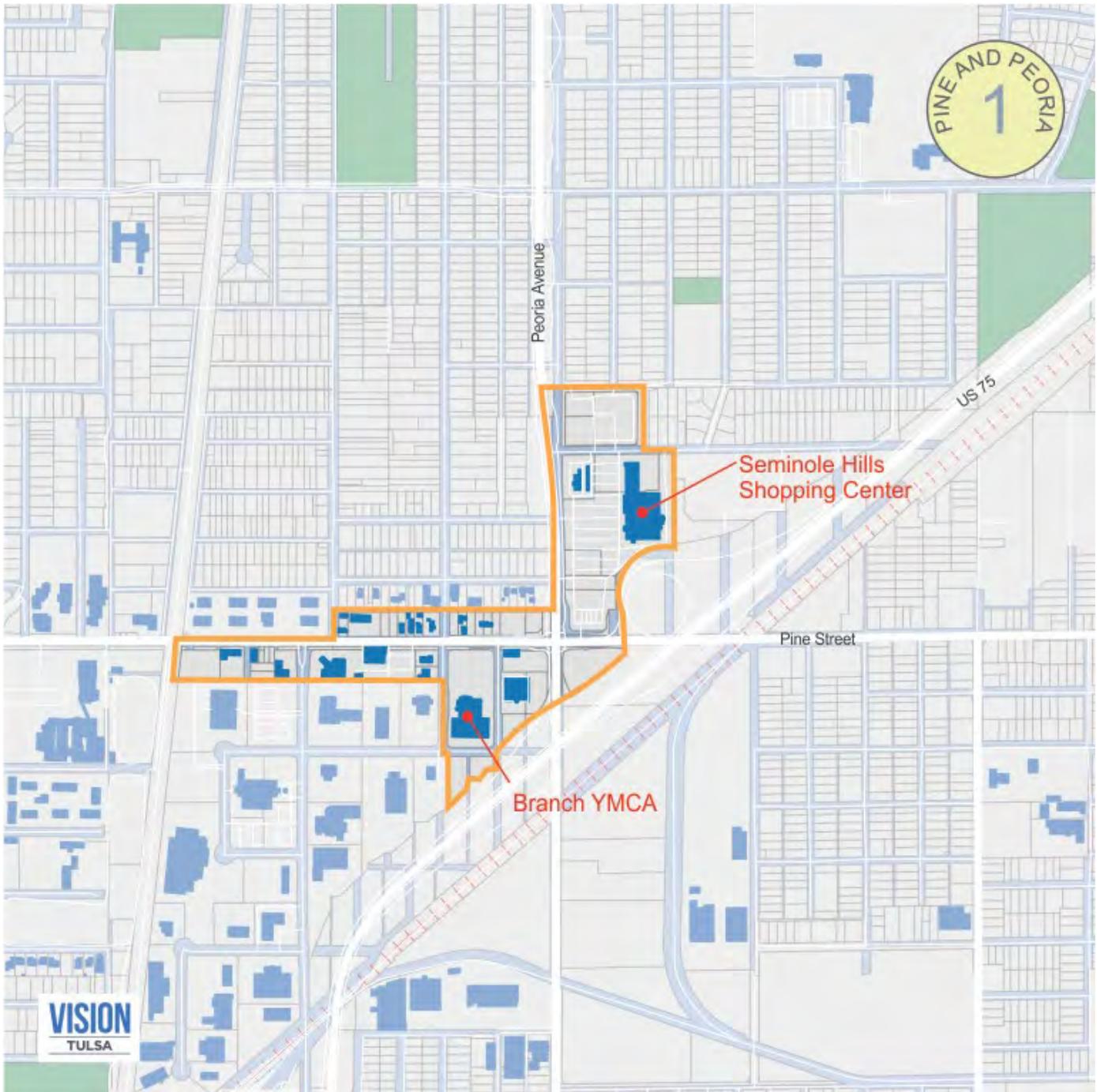


The small commercial strip north of Seminole Hills Shopping Center has an attractive design that could be a model for other strip centers in Tulsa.

VISION TULSA

Vision Tulsa, an \$884 million tax renewal package approved by voters in 2016 will make substantial investments in economic development, education, public safety, streets, and transportation needs citywide. With citizen priorities providing the driving force behind the creation of Vision Tulsa, transformative projects and enhancements will set the stage for a bright future for Tulsa.

PINE AND PEORIA COMMERCIAL STUDY AREA



The Fiesta Mart (BP gas station) on the northeast corner of the intersection is also closed. Quick Trip has plans for a new gas station to replace it. An unnamed grocer has been working with the City, and has received a \$1.5 million grant to construct a grocery store on the undeveloped parcel in front of the Shoppes on Peoria. Its development on an alternate site will still leave the large vacant space in the Seminole Hills Shopping Center. There are few commercial uses on Pine Street. A YMCA west of the interchange helps to anchor the area.

Traffic Patterns

The intersection of Pine Street and Peoria Avenue has the highest traffic volume of any intersection north of I-244, in the City of Tulsa. Peoria Avenue carries 19,300 cars per day headed north, while 13,000 cars travel on Pine Street headed east. No counts are available on the western leg of the intersection. South of US Highway 75, 17,100 cars were recorded on Peoria Avenue. These are counts typical of a neighborhood business district.

Business Mix

There are few businesses in the area, but the list is dominated by chain and independent eating and drinking places. Most are serving the neighborhood with additional commuter and workplace traffic.

It is surprising to not find a larger number of personal services (hair salons, etc.) and other services (realtors, insurance agents, etc.) usually found at the neighborhood level, especially given that they are not in any of the other commercial areas north of Interstate 244. The lack of an anchor may be a factor in not attracting these other businesses, and in this case, so may be the lack of vacant spaces for businesses to occupy. The small shop spaces in both the Shoppes on Peoria and Seminole Hills are occupied. It is the anchor space that is not filled.

Aggregate retail and dining sales in the study area are estimated at \$11,042,000, with dining making up nearly three-quarters of the total (\$8,231,000) and retail making up one quarter (\$2,811,000).

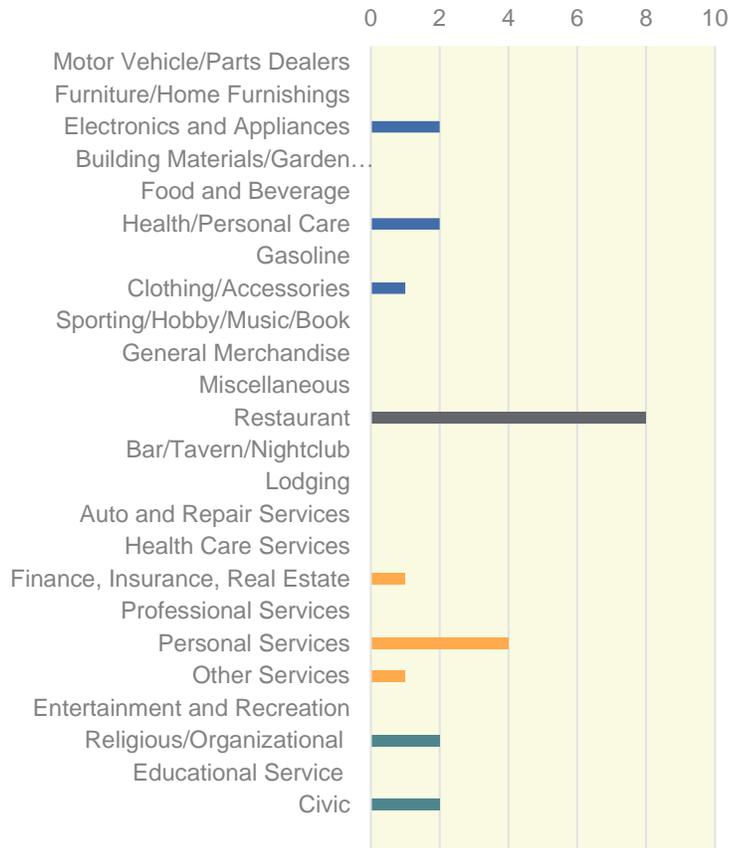
Competition

The north side of Tulsa is an anomaly. There is very little commercial activity of any kind north of I-244. The few uses that do exist are located in this cluster and two other areas at Lewis Avenue and Pine Street, and at Sheridan Avenue and Pine Street. A Save-A-Lot and Walgreens at Lewis Avenue and Pine Street will present the most significant competition. For higher-order uses, residents of the trade area are traveling into Tulsa. 21st Street and Yale Avenue may be the most likely destination, but trips may be defined by place of work, with shopping occurring on the return to home commute.

Commercial Space

As it is currently configured, the Pine Street and Peoria Avenue study area contains 188,335 square feet of non-residential floor space. The new grocery store and Quik trip that are planned for development will alter those numbers.

COMMERCIAL USES BY TYPE



SOURCE: Place Dynamics LLC

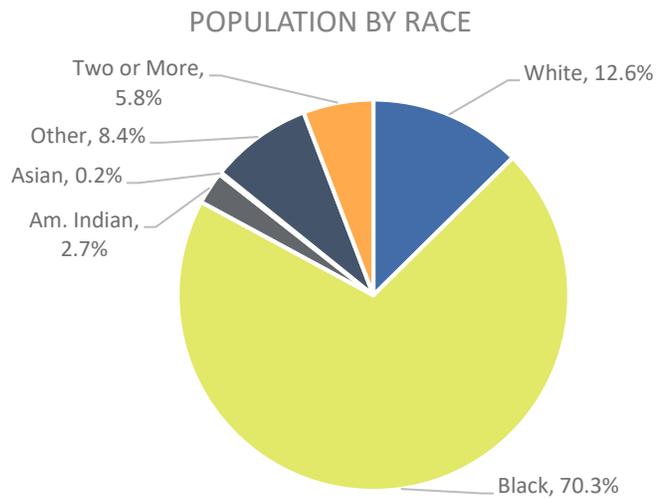
The major retail and dining component in this study area lies along the east side of Peoria Avenue, with 16,947 square feet at the Shoppes on Peoria, and 71,837 square feet in the Seminole Hills Shopping Center, where the 57,365 square foot former grocery space sits empty. In total, 100,500 square feet lies east of Peoria Avenue. To the west of Peoria Avenue, strung out along Pine Street, are a number of single purpose buildings including the YMCA, churches, and small office or service uses. There is a total of 87,835 square feet of commercial floor area in this part of the study area.

DEMOGRAPHICS AND MARKET

This study area is able to attract a market extending through the residential neighborhoods to the north as far as the Gilcrease Expressway. It extends a shorter distance to the south as commercial strips with a greater density of uses will be more attractive to people living south of this site. To the east, the slightly larger commercial node at Pine Street and Lewis Avenue intercepts traffic, while transportation patterns to the west allow people in that area to travel to larger centers just as easily as this location. Were a stronger assemblage of commercial businesses located at this site, there would be an argument for extending the trade area further. This is especially true given the weak competition within the northern part of Tulsa.

Demographic Highlights

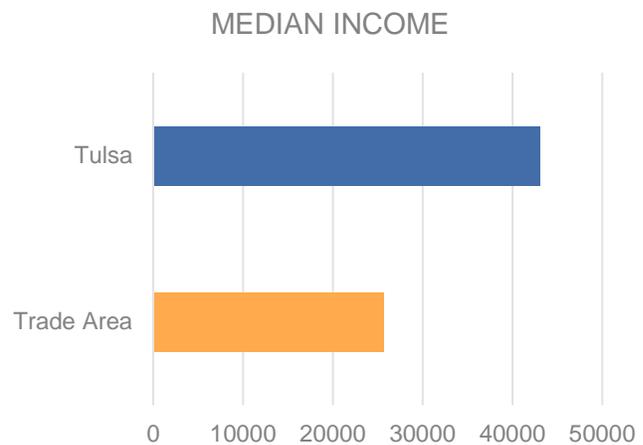
ESRI estimates the current population of this trade area at 9,387 people. Between 2000 and 2010 the area lost population, but the current estimate assumes a 0.55 percent annual growth rate since 2010. ESRI's estimates are based purely on an algorithm. Observations of the area by the consultant team raise some question concerning the validity of this estimate, as the area continues to see a large number of vacant and foreclosed homes. Some new housing being contemplated in the vicinity of the study area, which may help to stabilize the market in the long term..



SOURCE: ESRI and Place Dynamics LLC

The surrounding area, including both the trade area and adjacent neighborhoods, is predominantly black, with less than a third of the residents of some other race or combination of races. Persons of Hispanic origin, regardless of race, make up 13.4 percent of the trade area. The concentration of an ethnic minority may enable it to support businesses catering to that market, that may prefer the study area to others.

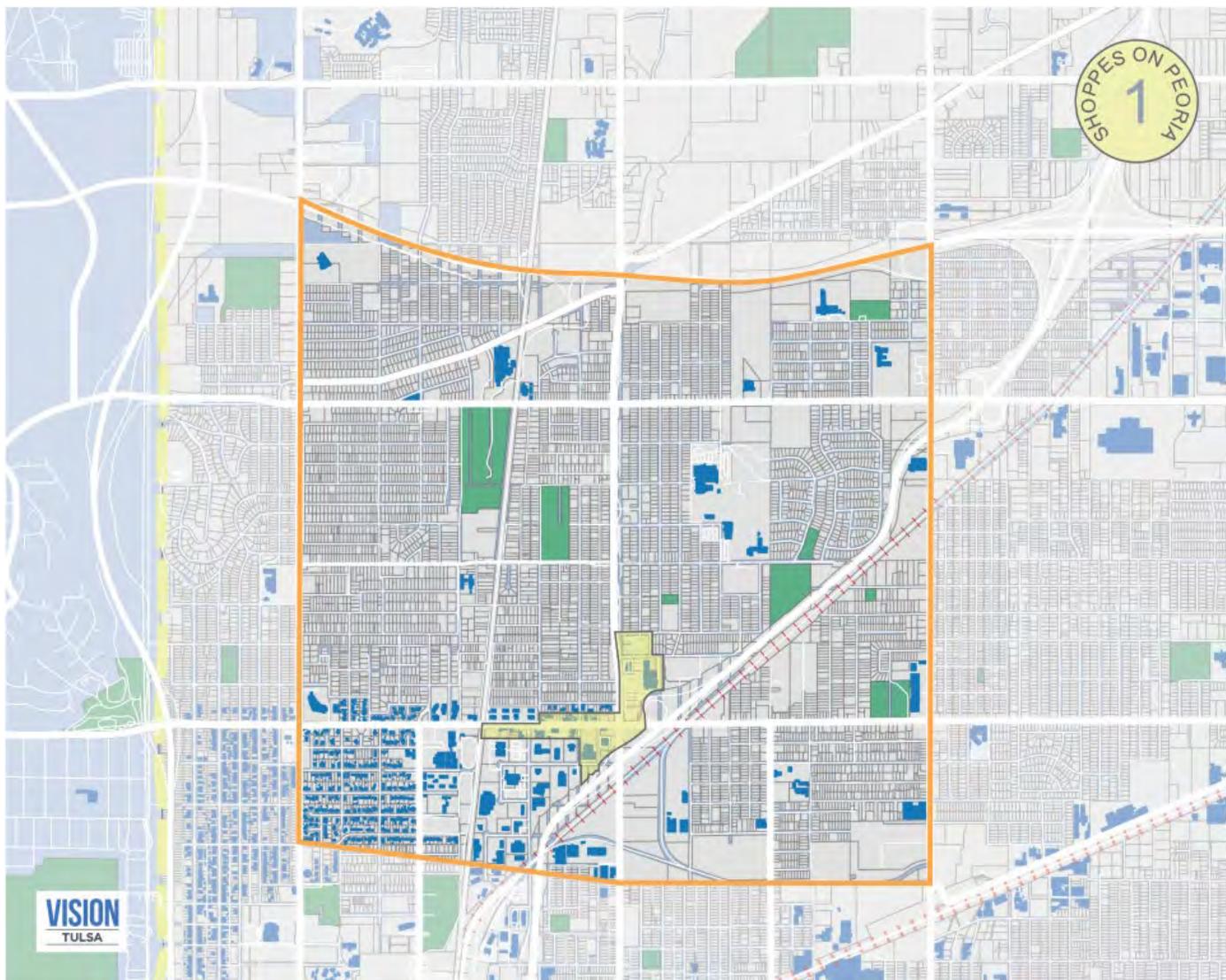
As in other parts of the north side, there has been a decline in home ownership and an increase in both rentals and vacant units. The increase in vacant housing units is not as pronounced as it is further north in Tulsa. The percentage of renters increased from 47.2 percent in 2000 to 56.1 percent in 2018.



SOURCE: Place Dynamics LLC

This trade area has a median household income of \$25,596. That places it among the lowest income areas within Tulsa, at just 59.4 percent of Tulsa’s median income. A challenge of low income areas is that the businesses located in them must usually be a discount operation in order to attract nearby residents, but such businesses do not easily draw people from even modestly more middle income neighborhoods. The relatively light population of the trade area means there is not a great deal of market potential to support a store that will not draw from a large area.

PINE AND PEORIA TRADE AREA



Resident Market Potential

Residents of the trade area annually spend \$6,120,000 at eating and drinking establishments, and an additional \$58,729,000 at retail stores. This comes to a total of \$64,849,000. Broken out by major retail categories, there is not a great deal of spending available to support most business types.

Area Workforce Market Potential

This is another area in which more workers are living, than there are jobs. It does come close to being balanced. In 2015 there were 11,077 jobs in the trade area, extended by one mile in all directions. This is a slight decrease from 11,810 jobs a decade earlier. The number of workers living in the area is 12,015, resulting in a net of 938 workers leaving to work elsewhere. The loss of this workday market has the effect of reducing the area's market potential by just under \$11 million.

Cash Economy

There are 513 people in this trade area who are estimated to be participating in the cash economy, earning a total of \$8.3 million annually that goes unreported. This translates into an additional \$2,856,000 million in spending on retail, and \$341,000 million spent on dining out. Because of the small number of contingent economy workers, their spending does not add significantly to the area's market potential, accounting for just 4.4 percent of the total.

SALES AND MARKET SHARE

Despite expected weaknesses, the study area has some bright spots. Sales at its mostly fast food restaurants are considerably higher than what would be expected. This reinforces the notion that if there were a stronger concentration of commercial activity at this node, it could draw from a larger trade area. The success of these restaurants is a talking point to build from, in trying to draw new businesses into the study area.

Health and personal care stores are also doing well with about a quarter of the market demand being met. Due to competition elsewhere, it is not likely that much more of those sales could be captured.

MARKET POTENTIAL, ESTIMATED SALES, AND MARKET SHARE

	TRADE AREA POTENTIAL	CASH ECONOMY	WORKER POTENTIAL	TOTAL MARKET POTENTIAL	ESTIMATED SALES	MARKET SHARE
Motor vehicle and parts dealers	\$13,921,000	\$595,000	-\$495,000	\$14,020,000	\$0	0.0%
Furniture and home furnishings stores	\$1,738,000	\$74,000	\$0	\$1,812,000	\$0	0.0%
Electronics and appliance stores	\$1,854,000	\$79,000	-\$380,000	\$1,553,000	\$5,500	0.2%
Building materials, garden and supplies	\$3,689,000	\$158,000	\$0	\$3,847,000	\$0	0.0%
Food and beverage stores	\$9,652,000	\$412,000	-\$2,115,000	\$7,949,000	\$4,000	0.0%
Health and personal care stores	\$3,570,000	\$153,000	-\$895,000	\$2,827,000	\$1,351,000	22.7%
Gasoline stations	\$7,973,000	\$341,000	-\$2,243,000	\$6,071,000	\$0	0.0%
Clothing and accessories stores	\$2,182,000	\$93,000	-\$488,000	\$1,788,000	\$175,000	4.9%
Sporting goods, hobby, book and music	\$1,983,000	\$85,000	-\$141,000	\$1,927,000	\$0	0.0%
General merchandise stores	\$11,424,000	\$488,000	-\$2,173,000	\$9,739,000	\$0	0.0%
Miscellaneous store retailers	\$2,568,000	\$110,000	-\$411,000	\$2,267,000	\$0	0.0%
Food services and drinking places	\$6,296,000	\$269,000	-\$1,600,000	\$4,965,000	\$8,231,000	81.5%
TOTAL	\$66,850,000	\$2,856,000	-\$10,941,000	\$58,765,000	\$9,766,500	8.4%

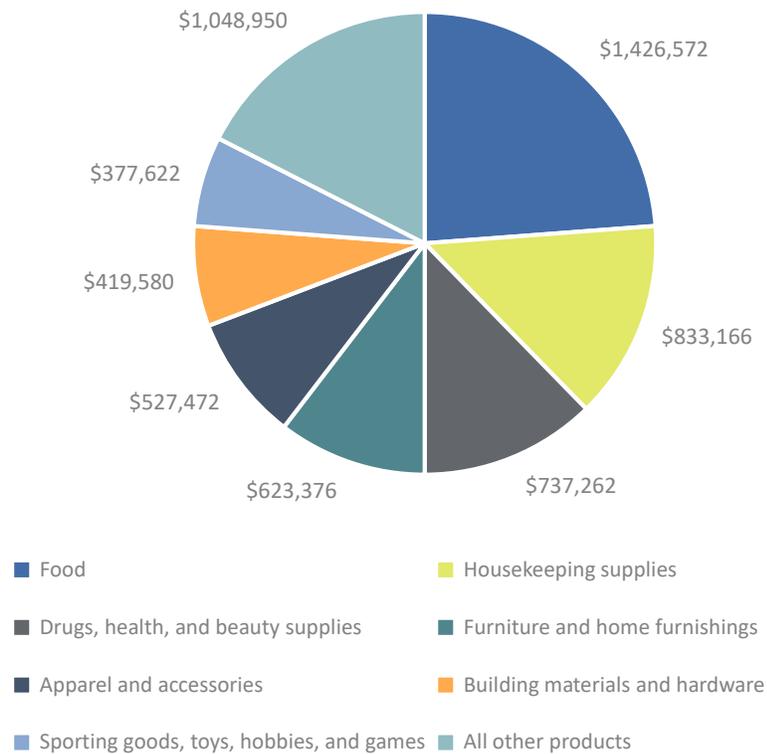
Grocery is another category of concern in this neighborhood. Any store at this location would need to pull from beyond the mapped trade area to achieve a sufficient sales volume. As examples, the average Save-A-Lot has annual sales of about \$3.5 million, and the average Aldi is at \$11.5 million. These figures compare to about \$24 million per store at full-line grocers like Albertsons or Walmart Neighborhood Market, which are at the middle of the pack among the larger grocery chains.

Impact of Dollar Stores

Four dollar stores with total sales of \$5,994,000 are located within the trade area. These are selling \$1,427,000 of food items. If those stores only pulled from the trade area, their sales would account for 18.0 percent of the market potential for food and beverage stores. As they are really pulling from a much larger area, the actual impact on food sales in the trade area will be much smaller.

This is also true of overall sales, where dollar stores capture an amount equal to 10.2 percent of the total market potential within the trade area, but as their sales come from an area larger than the trade area, the impact is less. On a national level, dollar stores account for about six percent of sales. This figure is consistent with observations of the study area and its trade area.

DOLLAR STORE SALES BY PRODUCT LINE



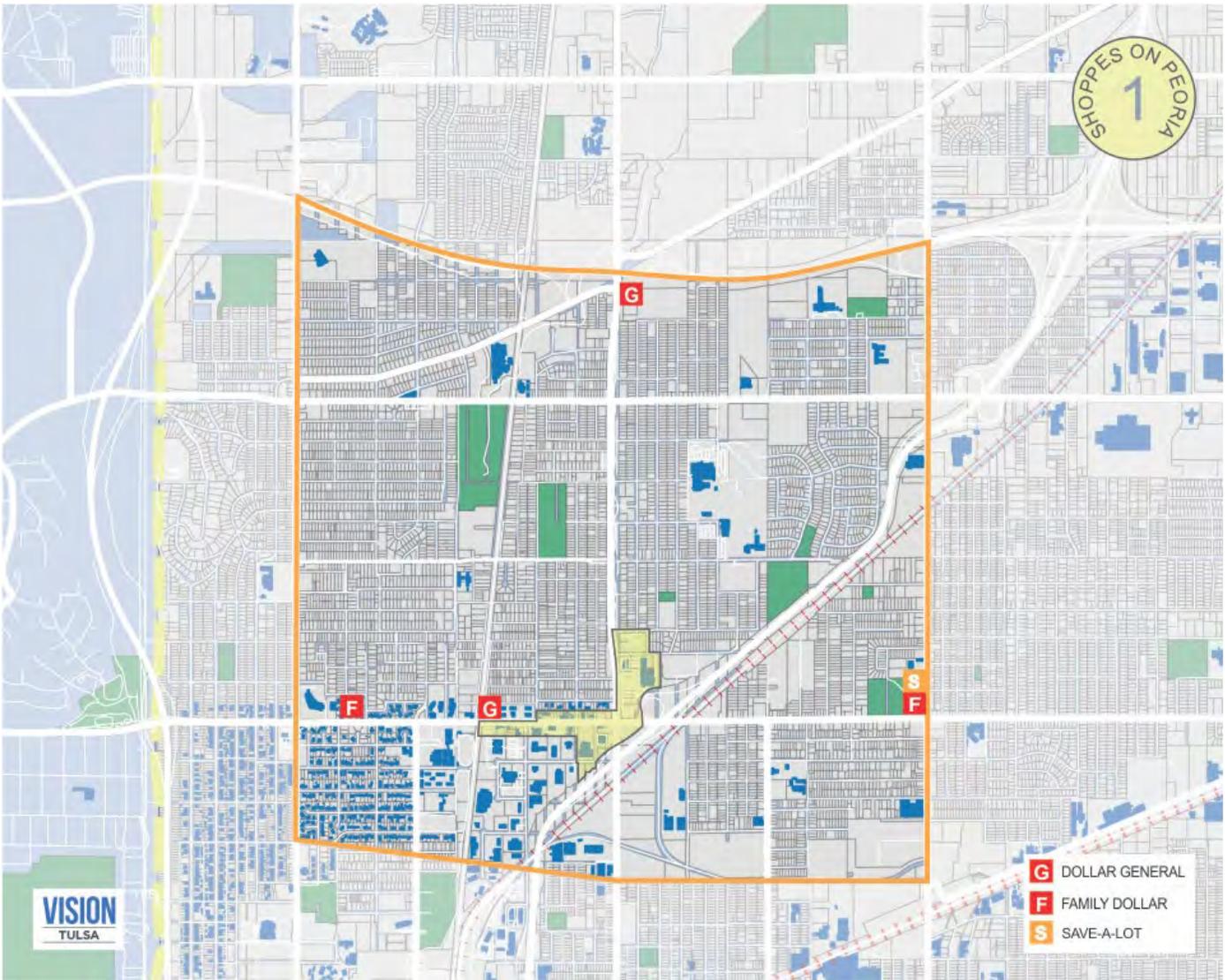
SOURCE: Place Dynamics LLC

GAP ANALYSIS AND POTENTIAL FOR NEW BUSINESSES

While the market share is the portion of the trade area market potential captured by businesses in the study area, the gap analysis compares the trade area potential to estimated sales of all businesses in the trade area. The “gap” is the remaining demand that is not met by businesses in the trade area, and if business sales exceed the demand there is said to be a “surplus”.

While a gap analysis can be a useful tool in helping to determine what businesses might be supported in the study area, it does not necessarily follow that a gap may mean that a given type of store can be viable at the

DOLLAR STORES AND GROCERY STORES IN THE PINE AND PEORIA TRADE AREA



site. Any new store will only capture a portion of the gap available, and will also divert some sales from existing businesses. Attributes of the location such as traffic patterns and volume, visibility, site design, and competition from both inside and outside of the trade area will have an influence on its potential viability. It is equally true that under some circumstances, a surplus may be an indicator of the potential to attract new businesses. This would be the case for stores that thrive by aggregating in close proximity to generate more customer traffic.

This study area has experienced challenges as it has sought to address the neighborhood-level shopping needs of area residents. Of particular note are the struggles to sustain a grocery store. While other businesses have succeeded, the repeated loss of an anchor store is an impediment to their performance, as well as the potential to bring in other stores that are looking for a grocer to drive traffic to the study area. The small population of the trade area and low income of its residents do not generate very strong potential for many store formats. On the other hand, there is a sparsity of retail in the northwestern part of Tulsa, and that lack of competition may enable businesses in this study area to draw from a larger region.

GAP ANALYSIS

RETAIL INDUSTRY GROUP	NAICS	DEMAND	SUPPLY	GAP	BUSINESSES
Automobile dealers	4411	\$10,048,849	\$1,377,538	\$8,671,311	2
Other motor vehicle dealers	4412	\$2,272,345	\$0	\$2,272,345	0
Auto parts, accessories and tire stores	4413	\$1,160,947	\$1,593,351	-\$432,404	3
Furniture stores	4421	\$1,137,439	\$0	\$1,137,439	0
Home furnishings stores	4422	\$553,637	\$0	\$553,637	0
Electronics and appliance stores	4431	\$1,801,638	\$1,314,532	\$487,106	2
Building material and supplies dealers	4441	\$3,341,486	\$849,749	\$2,491,737	1
Lawn and garden equipment and supply stores	4442	\$229,292	\$0	\$229,292	0
Grocery stores	4451	\$8,403,743	\$4,401,953	\$4,001,790	2
Specialty food stores	4452	\$261,357	\$0	\$261,357	0
Beer, wine and liquor stores	4453	\$700,734	\$2,638,061	-\$1,937,327	2
Health and personal care stores	4461	\$3,460,546	\$10,591,961	-\$7,131,415	4
Gasoline stations	4471	\$7,727,335	\$3,338,456	\$4,388,879	2
Clothing stores	4481	\$1,424,393	\$6,180,603	-\$4,756,210	3
Shoe stores	4482	\$301,661	\$0	\$301,661	0
Jewelry, luggage, and leather goods stores	4483	\$396,714	\$0	\$396,714	0
Sporting goods/hobby/musical instruments	4511	\$1,645,139	\$1,270,188	\$374,951	2
Book, periodical and music stores	4512	\$280,472	\$0	\$280,472	0
Department stores excluding leased depts.	4521	\$8,520,129	\$0	\$8,520,129	0
Other general merchandise stores	4529	\$2,572,556	\$4,664,226	-\$2,091,670	3
Florists	4531	\$125,100	\$237,792	-\$112,692	1
Office supplies, stationery and gift stores	4532	\$531,189	\$0	\$531,189	0
Used merchandise stores	4533	\$186,746	\$0	\$186,746	0
Other miscellaneous store retailers	4539	\$1,643,732	\$0	\$1,643,732	0
Special food services	7223	\$86,780	\$106,047	-\$19,267	1
Drinking places - alcoholic beverages	7224	\$130,510	\$0	\$130,510	0
Restaurants and other eating places	7225	\$5,902,773	\$6,239,594	-\$336,821	13
Total retail trade and food and drink		\$65,233,071	\$47,504,025	\$17,729,046	
Total retail trade		44-45	\$59,113,008	\$41,132,724	\$17,980,284
Total food and drink		722	\$6,120,063	\$6,371,302	-\$251,239

SOURCE: Place Dynamics LLC and ESRI

- **Automobile dealers.** Two used car dealers are located in the trade area. These businesses are performing at or below average. While other used car dealers might be supported by the \$8.7 million sales gap, these uses are concentrated to the south, particularly along 11th Street.
- **Other motor vehicle dealers.** Little demand is generated in the trade area, and there are no existing businesses in this category. Given their site preferences and concentration elsewhere, this is not considered a target for the study area.
- **Auto parts, accessories, and tire stores.** The northwestern part of Tulsa has attracted auto salvage and used auto parts stores, such as Pine Street Auto Recyclers, which is located just east of the study area. Chain auto parts dealers like AutoZone, O'Reilly Auto Parts, and Advance Auto Parts are located two miles east and south. Demand from the trade area is low, compared to the typical sales of chain stores. When this is considered along with their existing locations, the use is not seen to be a good fit for the study area.
- **Furniture stores.** There \$1.1 million in demand for furniture stores, with no existing stores in the trade area. The trade area demand is about a third of the average sales volume for a retail furniture store. The use is not a prospect for the study area.
- **Building material and supplies dealers.** The trade area produces little demand for this type of use. If a grocery store could be established in the study area and could demonstrate success over the long term, expanding the trade area, there might be potential for a hardware store. This is largely due to the lack of much competition in the northwestern part of Tulsa. The nearest competitors are Cullison Hardware in Turley and Dawson Hardware on Sheridan Avenue.
- **Lawn and garden equipment and supply stores.** There is very little demand and the study area is not a viable location for this use.
- **Grocery stores.** The \$8.4 million in grocery market potential is very low for most chains, and the Save-A-Lot at Lewis Avenue and Pine Street, one mile east, will be meeting a significant part of the need for this trade area. Introducing a new store in the study area will have an impact on its sales.

For a grocery store to be successful in the study area, it will need to be able to capture a larger trade area than what has been defined based on the current business mix. A full-line grocer would have the potential to expand the trade area, particularly as there are no competing stores to the west and north. For it to be able to capture these markets, it would need to shift shoppers from where they are currently purchasing groceries. Those stores are likely to be the Save-A-Lot at Pine Street and Lewis Avenue, the Warehouse Markets on Lewis Avenue to the south and to the north in Turley, and the Walmart Supercenter on Admiral Place.
- **Specialty food stores.** The trade area market potential does not support these uses.
- **Beer, wine, and liquor stores.** This is a use that is located in the study area and appears to be doing well, generating a sales surplus. With a lack of significant competition, it is likely picking up a good deal of business from neighborhoods north and west, beyond the defined trade area. Because the existing stores are picking up most of the demand from a larger region, it is not likely that the area will support additional stores.
- **Health and personal care stores.** Walgreen's, an independent pharmacy, and a handful of beauty supply stores (catering to an African American clientele) are selling far more than the demand produced within the trade area. These stores are also situated at the periphery of the trade area, and so are drawing from beyond it. As in other retail industries, the lack of competitors to the north and west helps to increase the market for these businesses.

- **Gasoline stations.** With the expectation of a new Quik Trip in the study area, the demand for gas stations should largely be met, and there is no immediate need for additional stores.
- **Clothing stores.** Rainbow Shops, Tops and Bottoms, and Fusion Clothing, on Lewis Avenue, and Habit Boutique in the study area, have sales that are several times the demand generated only within the trade area. The stores on Lewis Avenue represent a cluster of similar discount clothing retailers which is unique to the northern part of Tulsa. Others would tend to locate in close proximity to these stores, rather than in the study area.
- **Shoe stores.** The trade area does not have sufficient demand to support a shoe store in the study area.
- **Jewelry, luggage, and leather goods stores.** There is very little demand from the trade area for this type of business and is not a good fit for the study area.
- **Sporting goods, hobby, and musical instrument stores.** There is a gap of less than \$400,000 in this category. This is not sufficient to make the case for new businesses in the category.
- **Book, periodical, and music stores.** Minimal demand from within the trade area does not support a store of this type.
- **Department stores excluding leased departments.** The \$8.5 million in unmet demand will not support any of the possible formats in this category.
- **Other general merchandise stores.** The trade area's dollar stores produce a significant surplus in sales. Additional stores would not be supported.
- **Office supplies, stationery, and gift stores.** Very low levels of demand do not support development of an office supply store in the study area.
- **Used merchandise stores.** The trade area shows little demand, and the study area is not a good market for additional stores of this type.
- **Other miscellaneous store retailers.** There are no miscellaneous retail stores in the area and there is \$1.6 million in market potential. That does suggest the potential for stores in this category.
- **Special food services.** Very little demand exists for these businesses.
- **Drinking places – alcoholic beverages.** The trade area produces very little demand for drinking establishments.
- **Restaurants and other eating places.** Existing restaurants in the trade area are capturing slightly more sales than the demand generated. This is another type of business that is not well represented further north and west, so that the existing restaurants are probably pulling business from those areas. As long as there is no competing restaurant development in those neighborhoods, there would be the potential to create a greater concentration of restaurants in this study area.

DISCUSSION

Traffic and location make this perhaps the best corner for retail and other commercial development in the northern part of Tulsa, but it has still struggled to keep its anchor tenants. Adding to its appeal, the study area has several new and attractively designed buildings, making it an attractive location for retail and related business development. Quik Trip has announced plans to replace the Fiesta Mart on the northeast corner with a new store, and an unnamed recipient has secured a \$1.5 million grant to build a new discount grocery store. That still leaves the problem of finding a use for the nearly 60,000 square foot space where Albertson's, and later a local grocery chain failed to make their stores successful.

This is a case where intervention is needed beyond the commercial strip to build the opportunity for it to be successful. Low income, property foreclosures, and abandoned homes can be seen in the surrounding neighborhoods. These have a drag on perceptions and the willingness from people in even moderately better neighborhoods to travel there. Addressing these issues and reestablishing surrounding neighborhoods as a desirable place to live, will benefit opportunities for business development in the study area.

Improvements to the neighborhood still leave the challenge of what to do with a large empty space in a market that only wants small retail spaces. One option may be to divide the space into shallower storefronts, while repurposing the back of the building for back office activities. The adjacent lot could be acquired for parking and even similar development.

The trade area for this analysis was drawn over a limited region because many existing stores do not have the ability to pull very far, transportation patterns that allow the study area to be bypassed, and neighborhood demographics. If there are stronger anchors and if the neighborhood can be stabilized (or even have new housing added), it would be possible to justify a larger trade area for the study area. Even while the trade area might be drawn larger if there is a greater concentration of businesses and an anchor use in the study area, it is still vulnerable to competition. That potential to draw customers from north and south exists in part because there are few competing businesses in those areas. If they were to develop, the customers in their neighborhoods would have less of a reason to patronize businesses in this study area.

RECOMMENDATIONS

Despite many attractive qualities as a location, the demographics of neighborhoods surrounding the study area – particularly its low income – is an impediment to retail business development. Improvements to neighborhood conditions will have the best long term impact on the health of the study area.

Business Targets

Few business targets are immediately possible. Restaurants are the most likely opportunity. Retail uses will most likely be independent, rather than chain operations. The City does have a goal of attracting a grocery store to the study area. That will be challenging and is only possible if the store is able to capture customers from a trade area larger than that of most businesses already in the study area. It should recognize that doing so may impact the sales of other grocery stores nearby.

Recommended Actions

The following actions are recommended to spur development within the Pine Street and Peoria Avenue study area.

1. Implement programs to stabilize surrounding neighborhoods, improve the existing housing stock, develop greater residential density, and increase the income of people living in the area. This will help to improve market demand and will help to encourage people from outside of the area to view it as a more appealing place to shop.
2. Work with the owners of the former Albertson's space to explore opportunities to subdivide the frontage into smaller retail storefronts, and to market the back of the space for office uses. In addition to reactivating the building, the jobs created by an office user may be filled by people within the neighborhood.
3. Develop initiatives to assist existing and new businesses in executing a marketing campaign to adjacent neighborhoods, to build awareness of the study area and capture some of the sales currently going to other parts of the city.

PINE AND SHERIDAN

In 2018 the City of Tulsa commissioned a Retail Market Analysis to examine general conditions for the commercial sector in all parts of the community, and to take a closer look at unique characteristics of a number of specific study areas. These locations were chosen for a combination of reasons including their diversity, their importance, the challenges or opportunities they present, planned or potential City investment, and other factors. Thirteen study areas were chosen for analysis. Each analysis and strategy is intended to serve as a model that may be applicable to other, similar parts of Tulsa.

Sheridan Road is an important arterial serving as a secondary gateway to Tulsa International Airport and carrying traffic to large employers in the northeastern part of the city. Over time, additional traffic may be generated by continued industrial and distribution center development.

THE STUDY AREA – PINE AND SHERIDAN

This area takes in a corridor from Interstate 244 north on both sides of Sheridan Road past Oklahoma State Highway 11 (Gilcrease Expressway) to the airport entrance road (Apache Street). This is a distance of about one and a half miles. The corridor is an important north-south route and provides one means of accessing the Tulsa International Airport. This study area is named for the location of its most important concentration of commercial uses, at the corner of Pine Street and Sheridan Road.

Description

The corridor features a variety of uses, often without any consistent transitioning between them. Freestanding and strip commercial buildings, offices, religious uses, small and large warehouses and industrial buildings, and single family homes line both sides of Sheridan Road. The surrounding neighborhood is dominated by single family homes in areas south of Pine Street, and by industrial uses north and east of the intersection of Sheridan and Pine. This is also the location of the airport. The neighborhood north and west of the intersection has a mix of small industrial and single family residential buildings.

The study area has a few newer and well maintained commercial buildings such as the Quik Trip near the Interstate 244 interchange. Most, though, are older single story strips or standalone buildings that have not

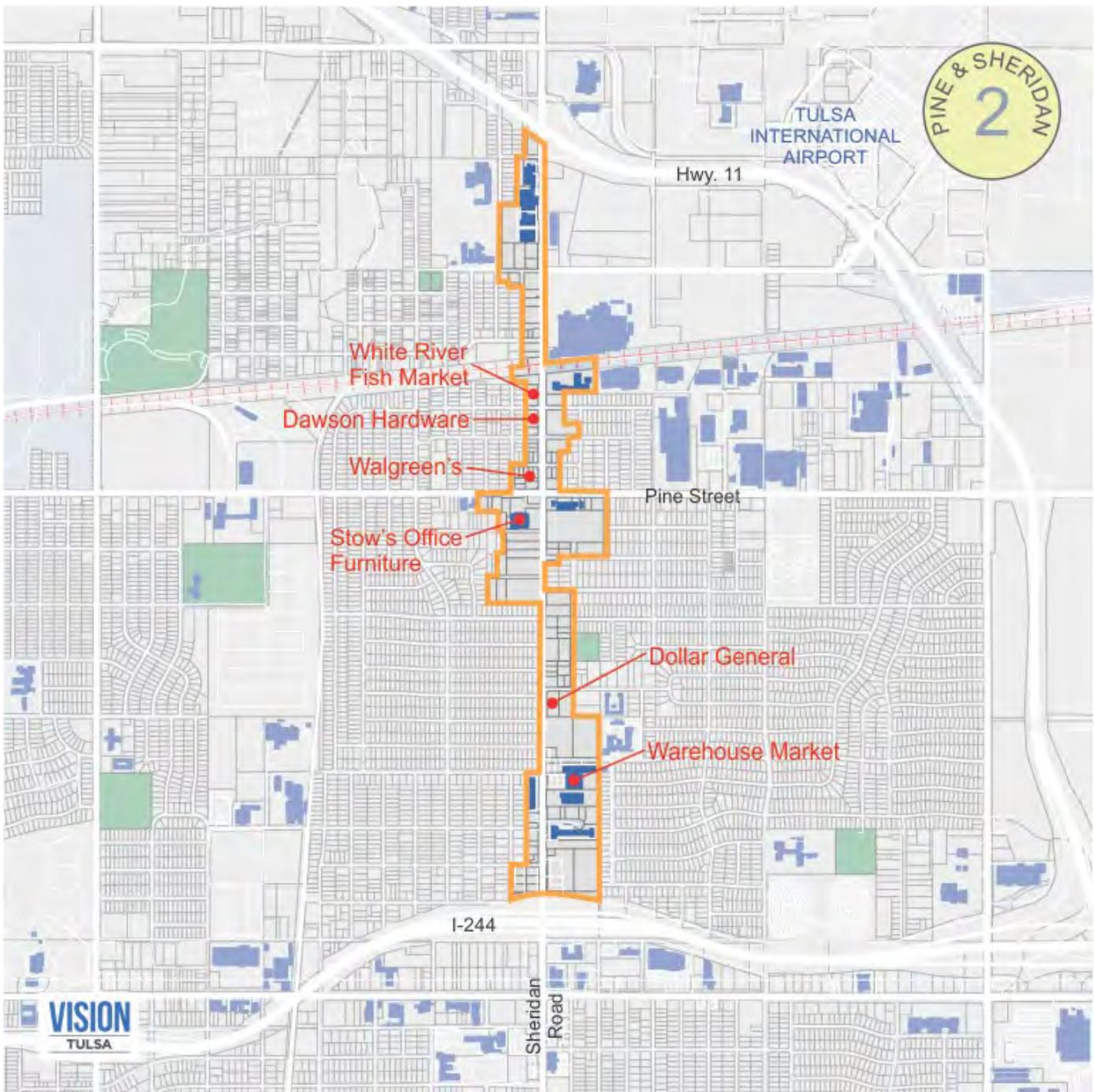


Golden Beauty Supply is typical of commercial buildings in the study area, in terms of its age, site design, appearance, maintenance, and landscaping.



Vision Tulsa, an \$884 million tax renewal package approved by voters in 2016 will make substantial investments in economic development, education, public safety, streets, and transportation needs citywide. With citizen priorities providing the driving force behind the creation of Vision Tulsa, transformative projects and enhancements will set the stage for a bright future for Tulsa.

PINE AND SHERIDAN COMMERCIAL STUDY AREA



been updated, and several show signs of disrepair such as broken windows, damaged facades, and missing signage. There is little to no landscaping on most sites. As one of the gateways to or from the airport, Sheridan Avenue does not offer a very appealing view of the community.

Nearby neighborhoods were developed in a sprawling post-war pattern with mostly small, single family residences. Like the commercial buildings they surround, their quality is mixed. Some have been well maintained while others are tired and in need of improvement. A few are vacant, though that number increases to the west.

There are large number of industrial businesses around the airport and to the east of this study area. These generate significant employment, however, it does not appear that there is a great deal of traffic from those employees to businesses on Sheridan Road.

Traffic Patterns

Sheridan Road is the principal arterial street, while intersecting streets, except for Pine Street, tend to carry a lower volume of traffic. Just south of the study area, between Admiral Place and Interstate 244, Sheridan Road has a volume of 22,300 cars per day. No count is available to the north, but fewer cars are heading in that direction. At Pine Street, the southern leg of Sheridan Road has 15,100 cars, while 10,500 cars are headed north. Pine Street carries 12,200 cars to the west, and 9,800 to the east. These are volumes generally considered light for a commercial district.

Business Mix

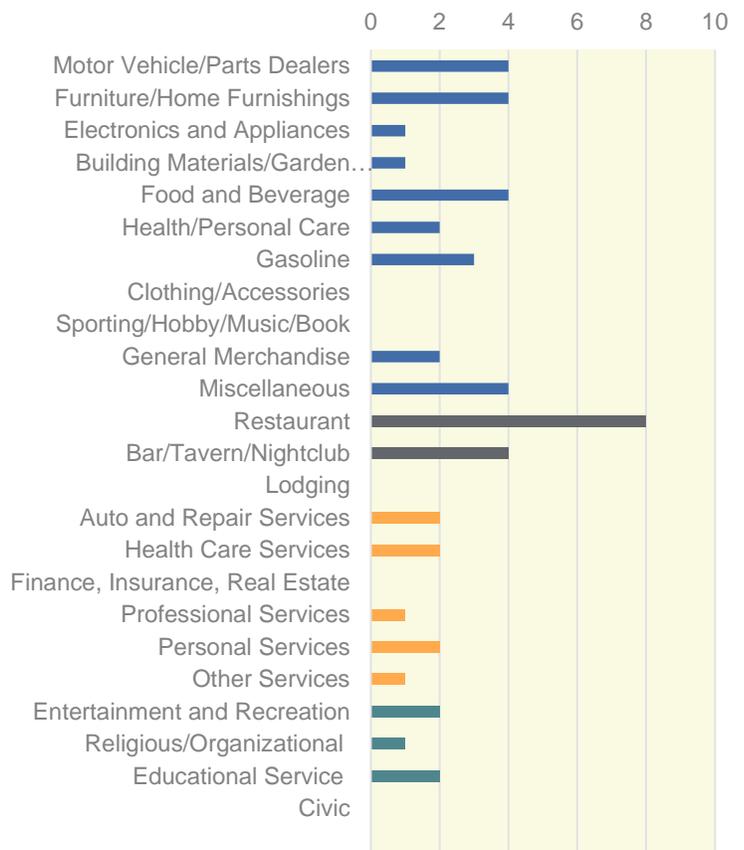
Walgreens, Dollar General, and an older Family Dollar store are the chain anchors of the study area. These all see increasing business through the day, tapering off by 7:00 PM. Warehouse Market is also a significant anchor, as is Dawson Hardware and White River Fish Market. Warehouse Market is a discount grocer and the only full-line grocery north of Interstate 244. White River Market appears to be a well-established business with strong customer traffic. It is both a fish market and restaurant. Altogether, there are 25 retailers in the corridor.

There are eight independent restaurants along the corridor, and no chain restaurants. For most of these businesses, their busiest time of day is during lunch. There are also two bars and two event centers (banquet halls).

A relatively small number of services are located in the area, such as auto repair, hair care, child care, and recreational activities. Remaining non-residential uses include a number of small industrial and wholesale operations that are scattered in among the others, but grow more common toward the airport. This is an area in which small wholesale operations do seem to be more prevalent.

Retail businesses in this study area are estimated to make \$43,974,000 in annual sales, though nearly half of this total is from Warehouse Market and Walgreen’s. The study area’s Walgreen’s, along with Dollar General and Family Dollar, all have sales below their respective company average. The study area’s eight restaurants are estimated to have \$1,839,000 in annual sales.

COMMERCIAL USES BY TYPE



SOURCE: Place Dynamics LLC

There are multiple vacancies in the corridor, particularly in the strip center at Sheridan and Marshall, where Daylight Donuts recently closed. Other properties are underutilized, such as two event centers that are open only sporadically. A former gas station now only has an ice vending machine, and other properties have been converted to non-retail uses such as warehousing.

Competition

Admiral Place provides much of the competition for this corridor. There is a small concentration of hospitality uses, including hotels and restaurants, at Sheridan Road south of Interstate 244. From that intersection headed east, the strip has several fast food chains like Church's Chicken, Arby's, Braum's, Wendy's, KFC, Taco Bueno, Taco Bell, Burger King, and McDonald's. These are capturing traffic from the interstate as well as much of the patronage of workers in the industrial areas east and north.

Retail on Admiral Place has a character similar to Sheridan Road, with few chain stores dominated by auto parts and tire stores. There is a Walmart Supercenter at Memorial Drive, but it has not attracted other national tenants to locate nearby. Further east, failing strip centers have been converted to flea markets or a combination of back office, wholesale, and distribution uses.

Heading east from Sheridan Road, the character of the area quickly changes to industrial before reaching the periphery of the city's built area. To the west, there is little competition as far as Lewis Avenue, Where Save-A-Lot, Walgreen's, and Family Dollar offer a retail concentration similar to that found on Pine and Sheridan.

Commercial Space

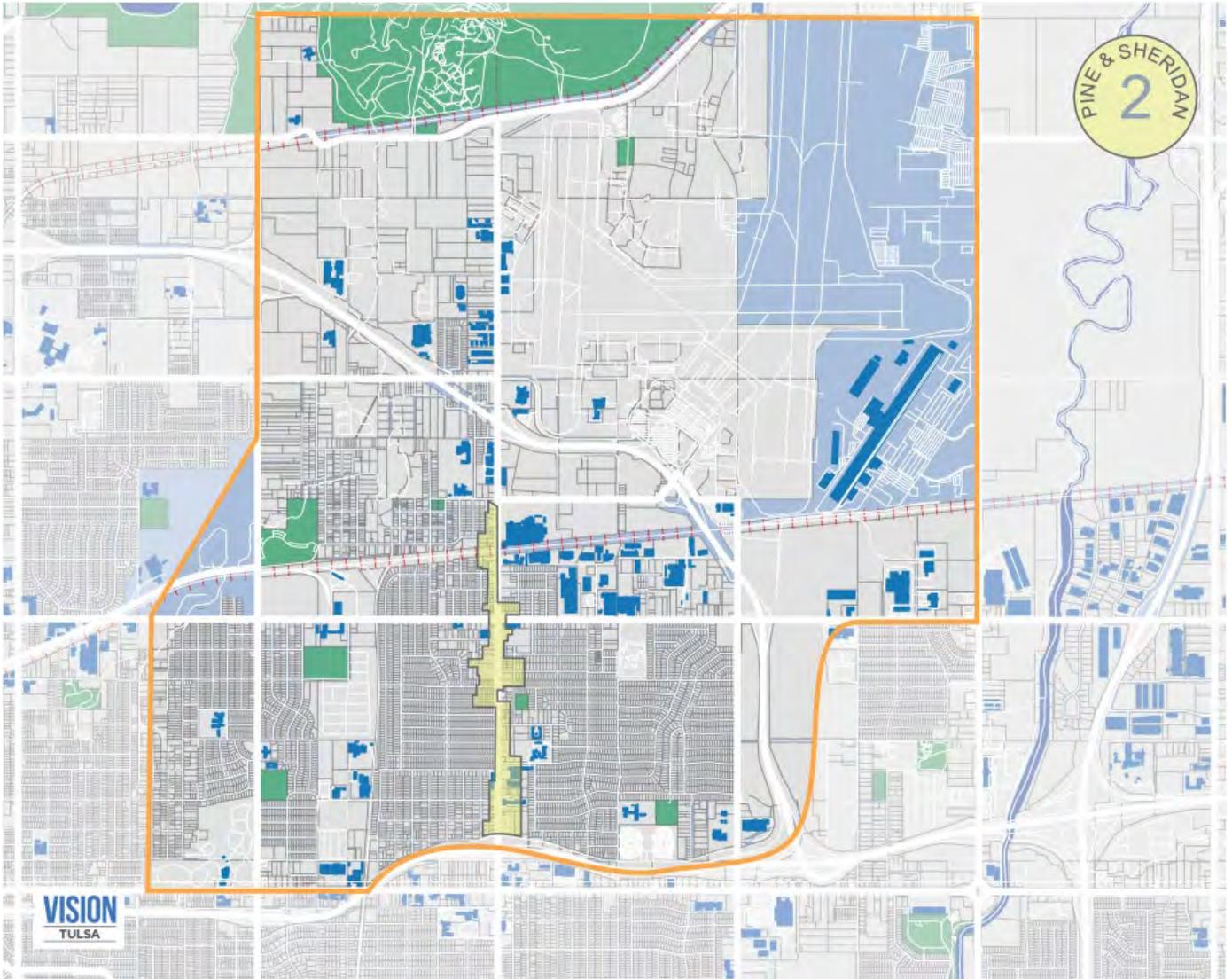
There is a total of 314,261 square feet of commercially developed space within the corridor, though not all of it is occupied by commercial businesses. As noted earlier in the analysis, there are a significant number of vacant properties or storefronts within the study area, and some former commercial frontage has been converted to wholesale, light manufacturing, or storage uses.

The most significant commercial sites in the study area are Stow's Office Furniture (32,333 square feet), Warehouse Market (30,895 square feet), 1708 North Sheridan Avenue (the center in which White's Fish Market is located, 14,978 square feet), 1221 North Sheridan Avenue (mostly vacant strip, 14,300 square feet), and Walgreen's (12,928 square feet).



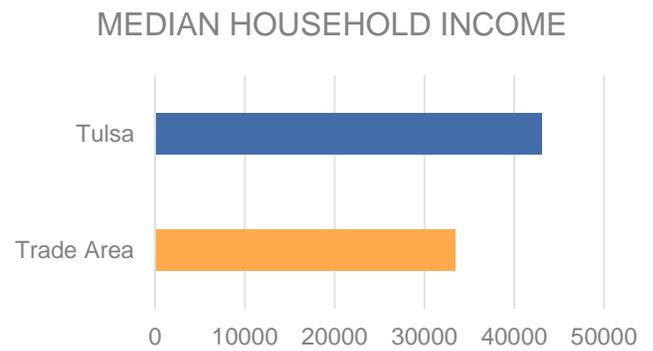
The strip center in the 1200 block of Sheridan Avenue is one of several area properties in need of significant maintenance and repair.

PINE AND SHERIDAN TRADE AREA



DEMOGRAPHICS AND MARKET

The Pine and Sheridan commercial corridor has a trade area that is defined by competition along Admiral Place to the south and on Lewis Street to the west, and by distance to the north and east. It lies at the edge of the metropolitan area and lacks unique or strong businesses that would draw people from more central neighborhoods. The exception to this may be employees of the industries located north and east, who may patronize businesses during their commute or work day.



SOURCE: Place Dynamics LLC and ESRI

Demographic Highlights

The trade area is estimated to have a 2017 population of 15,091 residents living in 5,368 households. This is about 3.7 percent of the City's population. It is a racially diverse area with just over half of the population (52.2 percent) identifying as white, followed by other (18.0 percent), black (12.3 percent), American Indian (9.0 percent) and two or more races (8.1 percent). Nearly a third of the population (30.1 percent) is Hispanic in origin.

As with much of Tulsa's north side, the area experienced a population loss between 2000 and 2010, though less than elsewhere. From 2000 to 2010 the population decreased from 14,992 residents to 14,544. ESRI's projections take the population count back up to about where it stood in 2000.

The number of owner occupied housing units has declined, while both vacant and rental units increased. In 2010 there were 3,029 owner occupied housing units, down from 3,885 in 2000. In 2018 the number had fallen to 2,784 units. Meanwhile, the number of rentals increased from 2,252 in 2010 to 2,584 in 2018. Vacant units increased from 992 to 1,045 since 2010, but are up significantly from 456 units in 2000.

The median household income in this study area's trade area is \$33,459, which is 77.7 percent of Tulsa's \$43,045 median. Unemployment is estimated at 10.2 percent.

Resident Market Potential

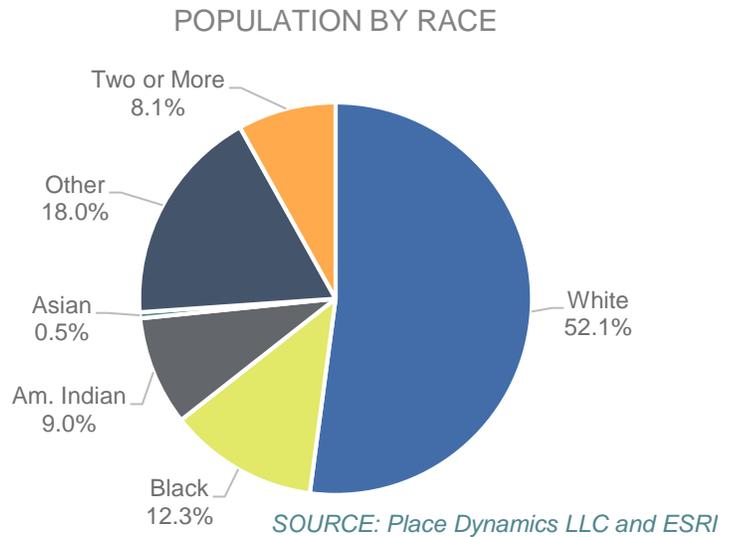
According to ESRI, residents of the trade area spend a total of \$116,737,000 on retail and eating and drinking. This is broken out to \$105,205,000 on retail, and \$11,053,000 on eating and drinking. These are numbers that are reflected in the kinds of businesses found in the study area – a small grocery, dollar stores, a pharmacy, a hardware store, and some restaurants.

Area Workforce Market Potential

There are 29,033 people working within one mile of the edge of the trade area. This number is basically unchanged from a decade earlier, when it was 29,195. The number of workers living in the same geography is only 15,526, and that has declined more sharply from 16,699. Only 1,782 people both live and work in this area, meaning that 13,744 people are commuting out to other jobs, while 27,251 are commuting in. Their workday spending is significant, and is estimated at \$68,479,000, an amount that makes up 29.3 percent of the potential within the trade area.

Cash Economy

There are an estimated 695 people living within this trade area who are participants in the cash economy. In total, they are earning an annual sum of \$11.2 million that goes unreported. Of this, \$3.9 million is spent on retail and another \$462,000 million is spent dining out. This accounts for 2.1 percent of the total market potential in the trade area.



MARKET POTENTIAL, ESTIMATED SALES, AND MARKET SHARE

	TRADE AREA POTENTIAL	CASH ECONOMY	WORKER POTENTIAL	TOTAL MARKET POTENTIAL	ESTIMATED SALES	MARKET SHARE
Motor vehicle and parts dealers	\$23,958,717	\$799,000	\$2,899,000	\$27,657,000	\$3,634,000	13.1%
Furniture and home furnishings stores	\$3,008,376	\$100,000	--	\$3,109,000	\$1,376,000	44.3%
Electronics and appliance stores	\$3,264,322	\$109,000	\$3,073,000	\$6,446,000	\$150,000	2.3%
Building materials, garden and supplies	\$6,501,940	\$217,000	--	\$6,719,000	\$873,000	13.0%
Food and beverage stores	\$16,679,415	\$556,000	\$8,840,000	\$26,076,000	\$13,409,000	51.4%
Health and personal care stores	\$6,004,306	\$200,000	\$5,762,000	\$11,967,000	\$8,903,000	74.4%
Gasoline stations	\$13,693,133	\$457,000	\$13,141,000	\$27,291,000	\$7,110,000	26.1%
Clothing and accessories stores	\$3,868,241	\$129,000	\$4,462,000	\$8,459,000	\$0	0.0%
Sporting goods, hobby, book and music	\$3,550,941	\$118,000	\$1,671,000	\$5,340,000	\$0	0.0%
General merchandise stores	\$20,051,084	\$669,000	\$12,864,000	\$33,584,000	\$4,549,000	13.5%
Miscellaneous store retailers	\$4,397,728	\$147,000	\$3,832,000	\$8,376,000	\$3,970,000	47.4%
Food services and drinking places	\$11,052,961	\$369,000	\$11,935,000	\$23,357,000	\$1,839,000	7.9%
TOTAL	\$116,031,164	\$3,869,000	\$68,479,000	\$188,379,000	\$45,813,000	24.3%

SALES AND MARKET SHARE

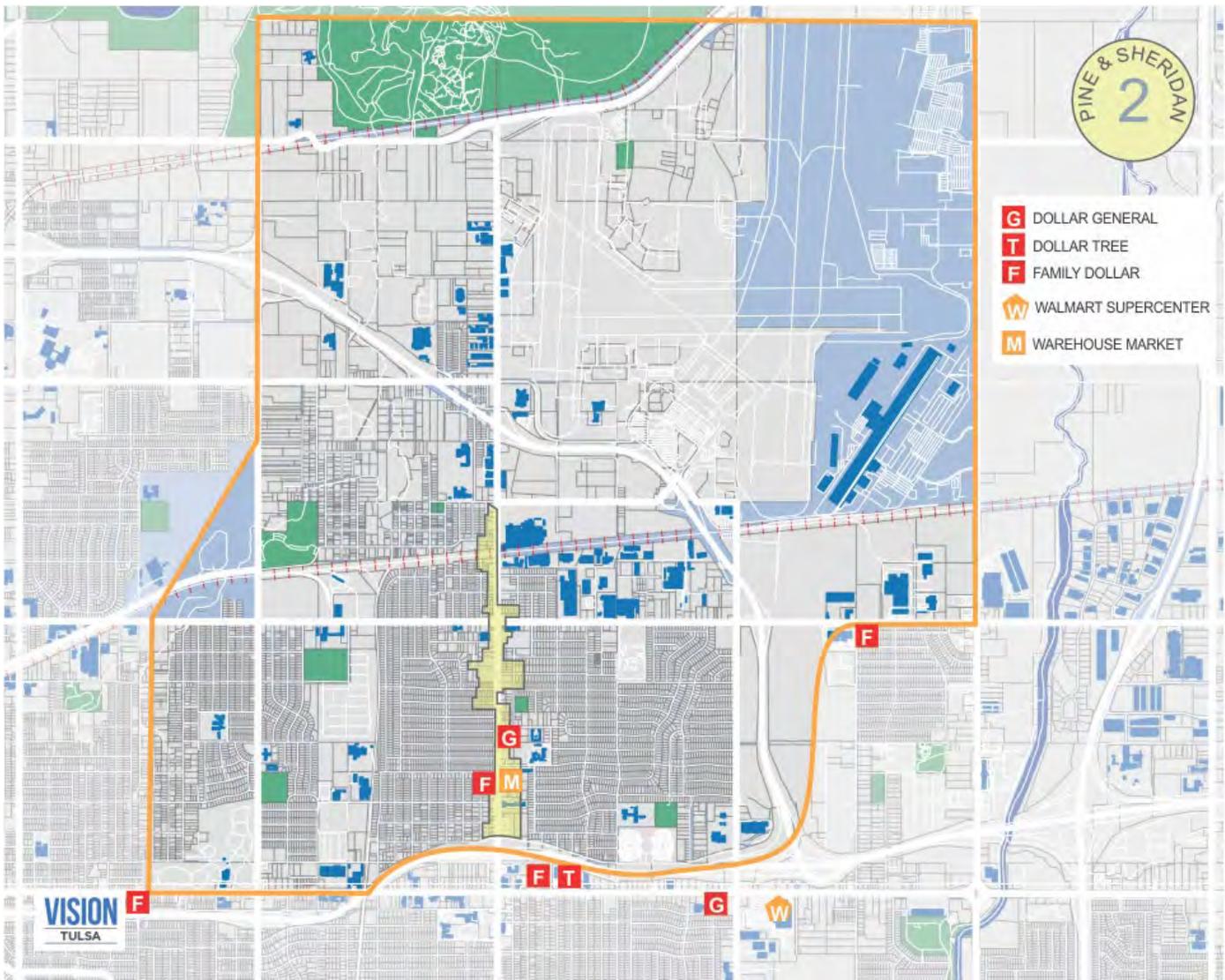
As a neighborhood center, the Pine Street and Sheridan Avenue study area does a respectable job of capturing about a quarter of the available market potential. The share of the market captured in health and personal care stores, food and beverage stores, miscellaneous store retailers, and furniture and home furnishings is near or over 50 percent. In most cases (such as pharmacies, furniture stores, and hardware stores) these are the only stores of their type on Tulsa's north side. Altogether, Sheridan Avenue has the most complete business mix of any north side study area.

Because of the added market potential from workers in the area, there appear to be areas in which better performance would be expected. For example, the market potential from workers for eating and drinking places – primarily lunch and some breakfast traffic – suggests that there would be additional fast food restaurants in the study area, if not additional independent restaurants.

Impact of Dollar Stores

Two dollar stores are located in the study area and there are five more on its southern edge. Together, these six stores have \$13,325,000 in annual sales. More significantly, there is a very strong Walmart Supercenter a short distance south, on Admiral Place, with sales estimated by ESRI at \$154.1 million. This one store significantly impacts commercial areas across the northeastern part of Tulsa.

DOLLAR STORES AND GROCERY STORES IN THE PINE AND SHERIDAN TRADE AREA



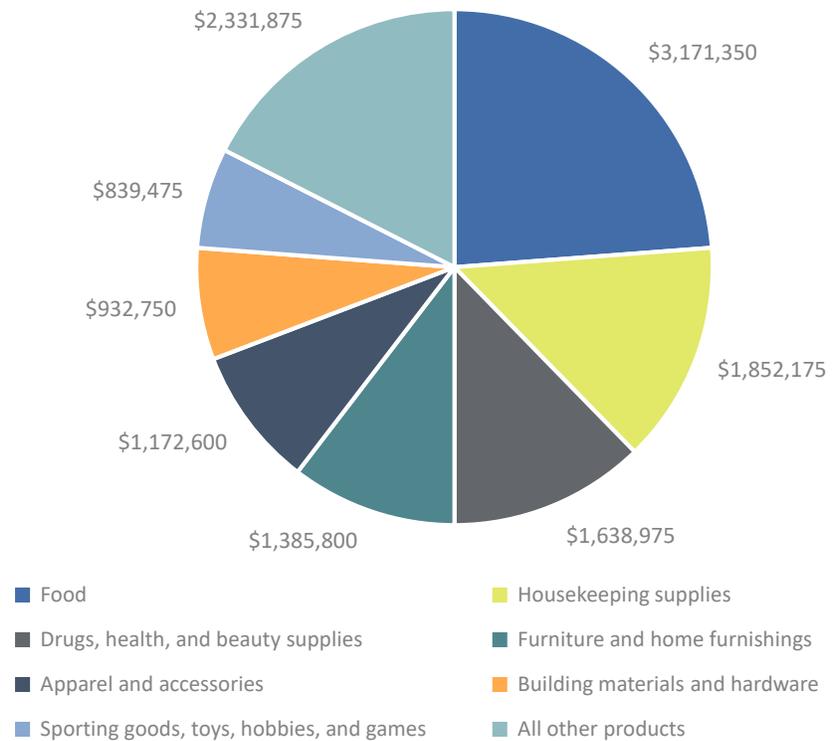
The area's dollar stores sell \$2.3 million in food, or about 7.1 percent of the market potential within the trade area, although some of these stores, particularly the four on the south edge of the trade area, are capturing sales from outside of the Pine and Sheridan trade area.

GAP ANALYSIS AND POTENTIAL FOR NEW BUSINESSES

While the market share is the portion of the trade area market potential captured by businesses in the study area, the gap analysis compares the trade area potential to estimated sales of all businesses in the trade area. The “gap” is the remaining demand that is not met by businesses in the trade area, and if business sales exceed the demand there is said to be a “surplus”.

While a gap analysis can be a useful tool in helping to determine what businesses might be supported in the study area, it does not necessarily follow that a gap may mean that a given type of store can be viable at the site. Any new store will only capture a portion of the gap available, and will also divert some sales from existing businesses. Attributes of the location such as traffic patterns and volume, visibility, site design, and competition from both inside and outside of the trade area will have an influence on its potential viability. It is equally true that under some circumstances, a surplus may be an indicator of the potential to attract new businesses. This would be the case for stores that thrive by aggregating in close proximity to generate more customer traffic.

DOLLAR STORE SALES BY PRODUCT LINE



SOURCE: Place Dynamics LLC

This study area is performing pretty well overall, meeting the neighborhood-level needs of the community along with some convenience needs of the area workforce. Opportunities for business development relate primarily to better capturing the worker traffic.

- Automobile dealers.** There are used car dealers in the study area as well as elsewhere in the trade area, and the market is pretty well balanced in terms of demand and supply. Even so, the study area is an attractive location for the use, and because these are mostly independently-owned businesses, there is the potential that more may locate in the area. It is not, however, a target.
- Other motor vehicle dealers.** ESRI's data shows a sales surplus in this category, which includes uses like motorcycle, ATV, boat, and other motor vehicle dealers. The trade area takes in several mobile home parks, and there are RV, mobile home, and other motor vehicle dealers to the south, accounting for the sales figures. Most dealers would find Admiral Place a more suitable location.
- Auto parts, accessories, and tire stores.** Sales in this category are twice the demand generated within the trade area. The proximity of a large number of auto service uses in the trade area, and to the south, explains these sales. With the existing coverage of chain auto parts stores in the market, the use is not one to be targeted for the study area.
- Furniture stores.** There is a gap of \$1.2 million in furniture sales, however, this is about a third of the average sales volume for a retail furniture store. While not a prime target, characteristics of the area – the proximity of large employers and the large number of wholesale operations in the area – suggest the potential that another furniture business, specializing in office furniture, might consider the area.

GAP ANALYSIS

RETAIL INDUSTRY GROUP	NAICS	DEMAND	SUPPLY	GAP	BUSINESSES
Automobile dealers	4411	\$17,826,837	\$17,353,621	\$473,216	16
Other motor vehicle dealers	4412	\$4,079,757	\$36,571,024	-\$32,491,267	15
Auto parts, accessories and tire stores	4413	\$2,052,123	\$5,738,438	-\$3,686,315	8
Furniture stores	4421	\$2,013,198	\$771,838	\$1,241,360	1
Home furnishings stores	4422	\$995,178	\$1,848,503	-\$853,325	3
Electronics and appliance stores	4431	\$3,264,322	\$2,962,818	\$301,504	3
Building material and supplies dealers	4441	\$6,082,751	\$15,910,656	-\$9,827,905	5
Lawn and garden equipment and supply stores	4442	\$419,189	\$425,410	-\$6,221	4
Grocery stores	4451	\$14,946,913	\$6,775,878	\$8,171,035	3
Specialty food stores	4452	\$466,089	\$251,691	\$214,398	1
Beer, wine and liquor stores	4453	\$1,266,413	\$2,383,403	-\$1,116,990	2
Health and personal care stores	4461	\$6,004,306	\$8,976,671	-\$2,972,365	2
Gasoline stations	4471	\$13,693,133	\$16,716,164	-\$3,023,031	7
Clothing stores	4481	\$2,603,767	\$591,035	\$2,012,732	1
Shoe stores	4482	\$545,685	\$0	\$545,685	0
Jewelry, luggage, and leather goods stores	4483	\$718,790	\$0	\$718,790	0
Sporting goods/hobby/musical instruments	4511	\$3,033,702	\$2,592,709	\$440,993	4
Book, periodical and music stores	4512	\$517,240	\$0	\$517,240	0
Department stores excluding leased depts.	4521	\$15,447,034	\$1,887,964	\$13,559,070	1
Other general merchandise stores	4529	\$4,604,050	\$31,705,227	-\$27,101,177	5
Florists	4531	\$228,754	\$0	\$228,754	0
Office supplies, stationery and gift stores	4532	\$951,978	\$1,482,490	-\$530,512	1
Used merchandise stores	4533	\$343,472	\$0	\$343,472	0
Other miscellaneous store retailers	4539	\$2,873,524	\$5,112,081	-\$2,238,557	5
Special food services	7223	\$163,229	\$240,751	-\$77,522	1
Drinking places - alcoholic beverages	7224	\$240,980	\$753,408	-\$512,428	4
Restaurants and other eating places	7225	\$10,648,752	\$9,781,436	\$867,316	18
Total retail trade and food and drink		\$116,737,045	\$207,980,355	-\$91,243,310	
Total retail trade		44-45	\$105,684,084	\$197,204,759	-\$91,520,675
Total food and drink		722	\$11,052,961	\$10,775,596	\$277,365

SOURCE: Place Dynamics LLC and ESRI

- **Building material and supplies dealers.** The presence of wholesale operations (such as two overhead door companies which include a retail component) results in a surplus in this category.

While other wholesale operations such as these may consider the area, a retail operation such as a hardware store will find that the consumer market is already well covered by stores in the study area and nearby (such as the Lowe's) on 21st Street.

- **Lawn and garden equipment and supply stores.** Supply and demand are in balance within the trade area, but that may not preclude another garden center or similar business from locating in the study area. These businesses do not need to be in a prime commercial site, and will seek out lower-cost land on the periphery of a metropolitan area where they can have outdoor sales space for plants, nursery stock, and bulk materials in warmer months, and Christmas trees and other items seasonally. Sheridan Road may be seen as a viable location.
- **Grocery stores.** Although there is an \$8.2 million gap in this category, that is well below the levels most grocery chains would consider sufficient to support a store, knowing they can only capture a portion of the market. Additionally, the very strong Walmart Supercenter to the south presents a great deal of competition.
- **Specialty food stores.** The trade area market potential does not support these uses, but the White River Fish Market demonstrates how a strong performer has the ability to draw from well beyond a traditional trade area. There may be the opportunity for a similar business to build off of their success, or for a manufacturing operation (such as a bakery) to have a retail component in this vicinity.
- **Beer, wine, and liquor stores.** Businesses in the trade area are selling more in this category than the trade area generates in market demand. Some of these additional sales can be attributed to the lack of similar stores to the northwest, so that they are pulling from beyond the trade area. This is not a good prospect for new store development.
- **Health and personal care stores.** The trade area again shows a sales surplus. Drug stores are one of the most commonly-visited businesses during the workday, as people fill prescriptions or purchase necessities during breaks or on the way home, and often seek a convenient store near their workplace. The Walgreens on Sheridan and Pine is filling that role, along with the CVS at Sheridan and Admiral Place. With the two major chains already represented, there is little opportunity for a new pharmacy. The Walgreen's, though, is under the size of the company's current prototype and it may be worthwhile to discuss the potential of expansion with company management.
- **Gasoline stations.** The location at an interchange on Interstate 244 makes the southern end of the study area a good location for gas stations, particularly as this is a route to the airport and as it serves as a commuter route to large employment areas. This is another case in which the sales surplus is not a limiting factor on potential. If land were available at the interchange, there would be considerable potential to attract a gas station and convenience store, perhaps co-located with fast food.
- **Clothing stores.** Clothing stores are mostly found clustered with similar businesses to help generate customer traffic. That concentration exists in other parts of Tulsa, but is not likely to develop here.
- **Shoe stores.** As is the case with clothing, shoe stores tend to be found near large retail concentrations. They are not a viable target for this area.
- **Jewelry, luggage, and leather goods stores.** With minimal demand and no complimentary retail to draw customers, this type of business is not a good fit for the study area.
- **Sporting goods, hobby, and musical instrument stores.** The unique character of businesses in this area leads to a fairly significant sales volume in this category, within wholesale or similar types of businesses rather than traditional retail outlets. Most of these are dealing in items like firearms or hunting and fishing items. Despite a relatively small gap, there is potential for similar uses.
- **Book, periodical, and music stores.** Minimal demand from within the trade area does not support a store of this type.

- **Department stores excluding leased departments.** The \$13.6 million in unmet demand will not support any of the possible formats in this category.
- **Other general merchandise stores.** Sales at six area dollar stores and other businesses in this category result in a significant surplus. Dollar stores are the most common type of business in the category, and their coverage of the area does not leave room for additional store development.
- **Office supplies, stationery, and gift stores.** There is a surplus in this category, which is likely supported by the number of businesses in the vicinity. Additional stores are not likely.
- **Used merchandise stores.** The trade area shows little demand, and the study area is not a good market for additional stores of this type.
- **Other miscellaneous store retailers.** Miscellaneous retail stores in the area are generating far more sales than there is demand within the trade area. Signage shops and tobacco (vaping) shops account for much of this. The use is not considered a good target for the area.
- **Special food services.** Very little demand exists for these businesses.
- **Drinking places – alcoholic beverages.** The trade area supports drinking establishments that are capturing demand beyond that generated in the trade area. The use of former retail buildings as event centers probably explains part of this, along with after-work traffic from nearby employers. These are independent businesses, and the fact that this area is established as a location for the use may encourage more to open.
- **Restaurants and other eating places.** The significant number of workers in the area generates a very large market, particularly for fast or fast casual restaurants. Overall, the trade area is pretty well balanced with only a \$867,000 gap. Much of the market demand is being met on Admiral Place or elsewhere, but the southern part of the study area and the corner of Sheridan Avenue and Pine Street remain attractive locations. Chain restaurants will prefer to locate to the south, while independents will be more likely to consider the Sheridan Avenue and Pine Street intersection.

DISCUSSION

This study area edges out Pine Street and Yale Avenue as the best-performing commercial district on Tulsa's north side. It benefits by beginning at an important interchange on I-244, serving as a secondary access to the airport, and being located near significant employment concentrations. There is an expectation that new industries will locate in the vicinity, and there has been discussion of the potential for significant warehousing and distribution in the area around the airport.

Such developments would create additional demand for uses that serve the work force, like fast food and full service restaurants, gas stations and convenience stores, and services. Distribution centers may create a specialized demand for truck stops and maintenance facilities, along with additional hotel rooms. This might spur redevelopment of some of the aging properties on the corridor. Most of these uses will prefer a location within one or two blocks from the interstate, while some will continue north to the Sheridan Avenue and Pine Street intersection.

In its current state, it seems there is too much commercial space for the study area to support, even with additional spending from the existing work force. There are several buildings scattered through the area that have been used to meet the needs of non-commercial uses such as small wholesale and light industrial operations. Meanwhile, vital businesses like White River Fish Market, Dawson Hardware, and Water's Liquor Store are located in a less-than-optimal spot at the north end of the corridor. Some thought could be given to relocating these businesses to a stronger retail site south of Pine Street, and encouraging small industrial or warehouse uses at their present site.

There is significant employment in the area and there is a great deal of land available around the airport that might be developed. This is both an opportunity and a threat. From the perspective of trying to sustain the vitality of the Sheridan Avenue corridor, it would be preferable to prioritize development south of the airport and redevelopment of vacant or underutilized property in the corridor. Additionally, any commercial development that might occur along the Gilcrease Expressway will pull customers from this corridor.

RECOMMENDATIONS

This study site offers the best opportunities for retail development north of Interstate 244. A general strategy for the study area will seek to redevelop underutilized properties with higher-quality uses, to improve the physical appearance of both public and private property, and to make transportation and access improvements that position Sheridan Road as a desirable entry to the airport and commuter route to the area's employment centers.

Business Targets

This study area has a unique character that should stimulate the City to think more broadly about uses that fit the role of retailing. Along with traditional retail outlets that mostly meet the need of neighborhood residents and workers, there are a number of nontraditional businesses with a retail component. These include wholesale and manufacturing businesses that may have a retail shop or counter, and more of their type can be encouraged within the corridor. Other cities are beginning to embrace similar strategies to create districts anchored by uses such as bakeries with an outlet, food and beverage manufacturers with a tasting room, sporting goods wholesalers that may have a retail component as well as features like an indoor driving range or shooting range, etc. These will be the best opportunity to fill space outside of the more viable southern end, and Sheridan Avenue and Pine Street intersections, where gas, lodging, and dining uses may be supported.

Recommended Actions

This strategy is designed to reinforce the Sheridan Road corridor as a city gateway and major commuter route, while redeveloping and filling vacant space with a diverse mix of businesses that support retail uses.

1. Improve Sheridan Avenue to improve the road surface and better handle existing and new traffic. This should include access control to minimize entry points and turns.
2. Enhance the appearance of the corridor as a major gateway and access to the airport. This should include both public and private property. Public improvements may include curb, sidewalks, and a terrace with tree plantings. Design standards should be adopted for the corridor to require landscaping and to ensure quality building design, materials, and signage.
3. Work with existing anchor businesses to explore expansion opportunities and investments to upgrade sites, buildings, and signage. The City may consider creating incentive programs to provide matching grants for targeted investments that improve the appearance of private commercial property.
4. Identify priority sites for redevelopment, which may include land assembly in the vicinity of the Interstate 244 interchange, properties at the intersection of Sheridan Avenue and Pine Street, and vacant, underutilized, or poorly maintained property in other parts of the corridor. These properties can be assembled, cleared, and made available for redevelopment to real estate developers or retail businesses.

5. Recruit viable retail and dining businesses to the study area. This can include outreach to retail, dining, and possibly lodging chains. The City may also work with the Lobeck Taylor Foundation and others to help recruit independent retail and dining businesses.
6. Consider a broad view of “retail” in this area, encouraging related businesses such as wholesale and manufacturing operations that can have a retail or dining component. These types of businesses can be successful in this corridor, and help to support a stronger retail environment.

21ST STREET CORRIDOR

In 2018 the City of Tulsa commissioned a Retail Market Analysis to examine general conditions for the commercial sector in all parts of the community, and to take a closer look at unique characteristics of a number of specific study areas. These locations were chosen for a combination of reasons including their diversity, their importance, the challenges or opportunities they present, planned or potential City investment, and other factors. Thirteen study areas were chosen for analysis. Each analysis and strategy is intended to serve as a model that may be applicable to other, similar parts of Tulsa.

Nodes of commercial activity have developed at one mile intervals on 21st Street, at Yale Avenue, Sheridan Road, and Memorial Drive. It is an area in which there are concerns about cannibalization, where three retail concentrations are competing for the same customers. Signs of that can be seen in the comparative strength of anchors and other businesses at each intersection. The City has also noted code enforcement issues with some properties. The presence of the Tulsa State Fair does create an additional draw for the intersection of 21st Street and Yale Avenue.

THE STUDY AREA – 21ST STREET CORRIDOR

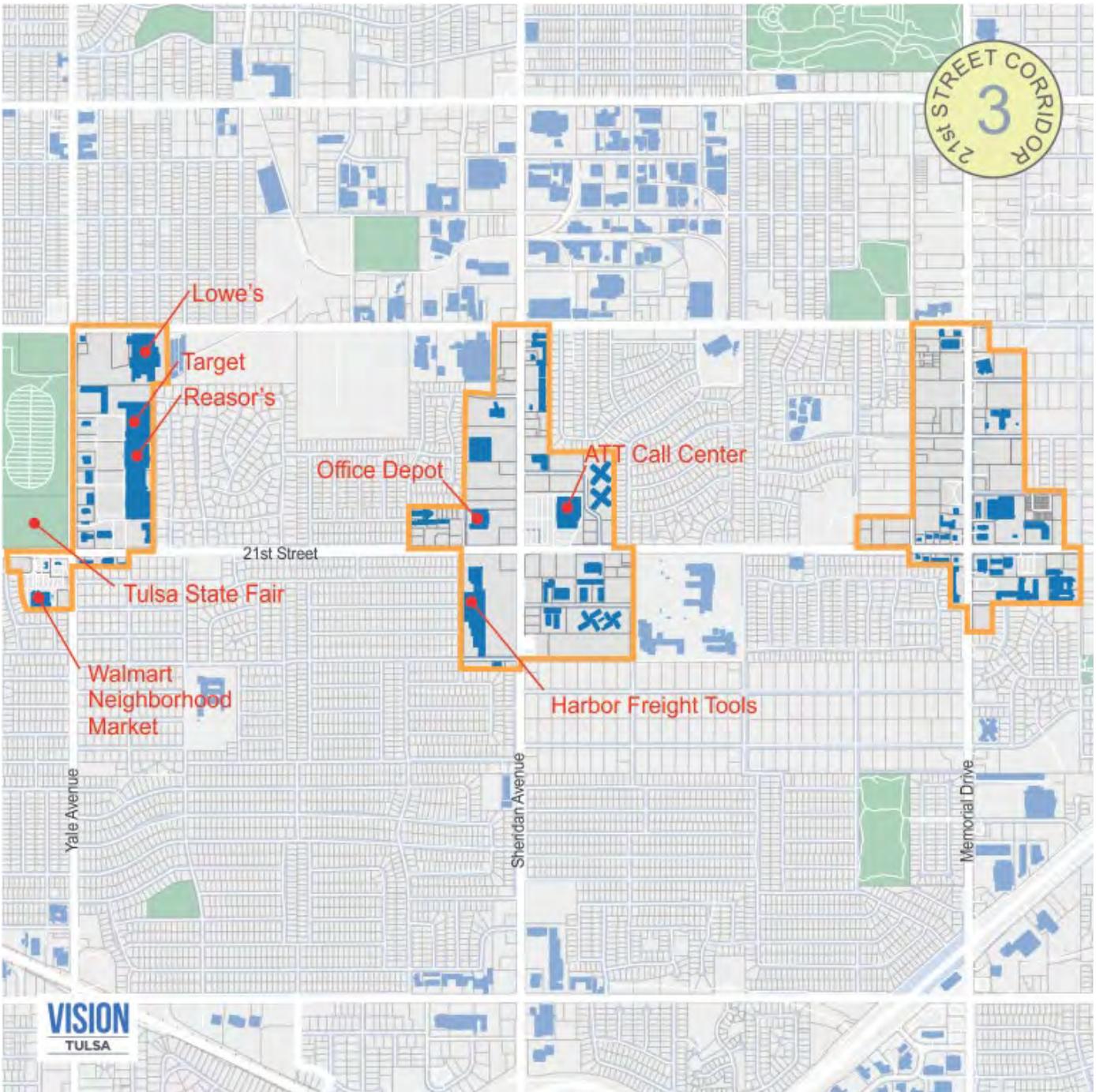
21st Street is typical of some parts of the city where commercial nodes developed at arterial intersections, uniformly spaced at one mile intervals. Each center displays a similar pattern of commercial strips at the corner, often set back behind large expanses of parking. The fundamental question is whether the commercial space provided is too much to be filled based on the market available. In this study area, the quality of tenants and the number of vacant units varies across three intersections and demonstrates conditions seen across the city. Some nodes fare well and attract higher-order national tenants. Others fill their space but need to rely on lower-ranked chains and independents to fill their space. The remaining set have multiple vacancies with fewer chain tenants.



Vision Tulsa, an \$884 million tax renewal package approved by voters in 2016 will make substantial investments in economic development, education, public safety, streets, and transportation needs citywide. With citizen priorities providing the driving force behind the creation of Vision Tulsa, transformative projects and enhancements will set the stage for a bright future for Tulsa.



The commercial nodes at the Sheridan Avenue and Memorial Drive intersections do not attract the national chains found on Yale Avenue.



Description

This corridor stretches for a little over two miles, from just west of Yale Avenue to just east of Memorial Drive. Rather than a linear commercial strip, the corridor is characterized by nodes of commercial activity at Yale Avenue, Sheridan Road, and Memorial Drive, separated by residential uses between them. The Memorial Drive intersection is the least intensely developed, with mostly smaller freestanding buildings along the

frontage. Sheridan Avenue and Yale Avenue feature larger strips and mid or big box stores, with smaller buildings on outlots along the main roads.

The Tulsa State Fair and Tulsa Expo Center is a major attraction at the northwest corner of 21st Street and Yale Avenue. Aside from events held at the facility, the waterpark on 21st Street is heavily used through the summer months. The additional traffic drawn by the Fair includes visitors from well beyond the typical trade area. Store employees reported heavy traffic related to the Fair, which contributes to the strong performance of some of the retailers at this node.

Traffic Patterns

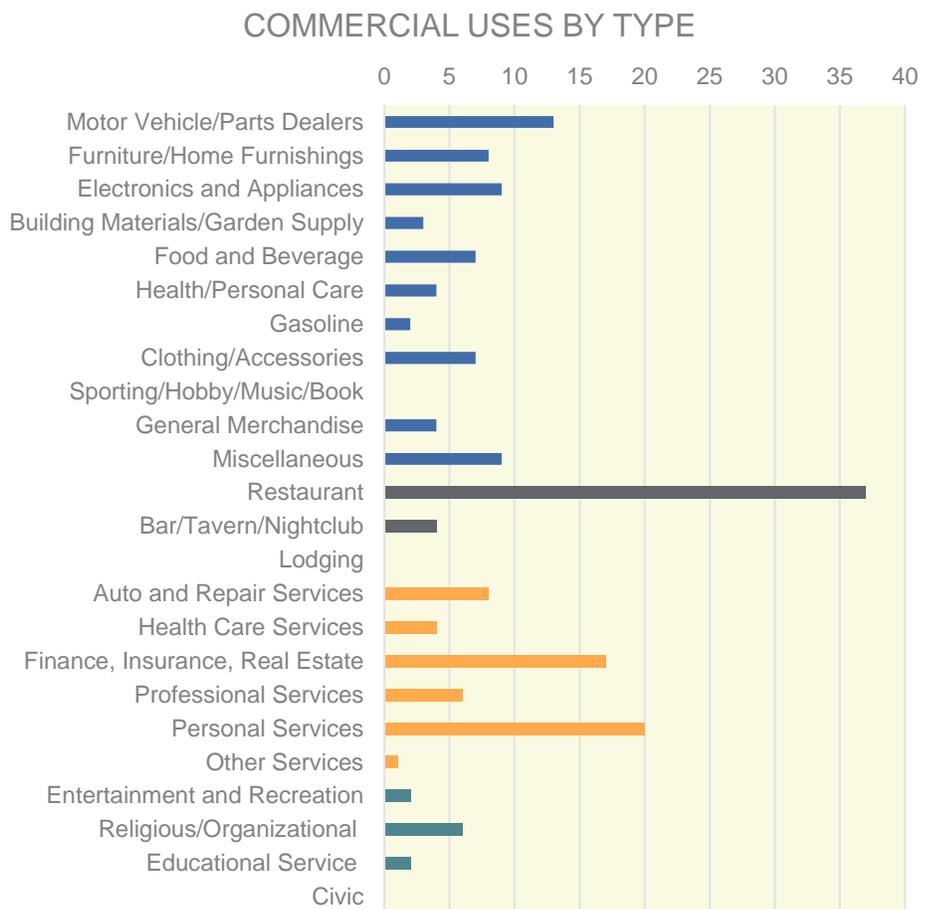
Limited traffic data is available for 21st Street as two of the three intersections were impacted by construction in both 2014 and 2017, when the City reported traffic volumes. The intersection of 21st Street and Yale Avenue has a high volume of traffic, with 15,000 average daily cars on 21st Street to the west, and 16,900 to the east of Yale Avenue. The higher volume is on Yale Avenue, with 24,100 cars to the north and 24,300 to the south of the intersection. Although data is not available for the intersections of 21st Street with Sheridan Avenue or Memorial Drive, similar volumes are seen along most of the length of 21st Street. Memorial Drive has volumes similar to Yale Avenue, while Sheridan Avenue is often higher. The volumes seen here should be attractive to most neighborhood and community level commercial uses.

Business Mix

This study area has one of the more well-rounded mixes of commercial uses in the city. There are a total of 182 businesses in the three commercial nodes along 21st Street. Of these, 107 are retail stores or eating and drinking establishments. Restaurants are by far the largest category of use. There are 33, along with four bars or nightclubs.

The retail sector is mixed, with big box stores like Target and Lowe’s, but also a large number of independent small shops, particularly in the two eastern nodes. The center on Yale Avenue formerly had both a Sears and Gordman’s sharing the strip with Target. Sears closed its store in 2016 and Gordman’s followed in 2017.

Retail and dining uses here are accompanied by a healthy



SOURCE: Place Dynamics

number of personal and financial services. Health care and professional services are more lightly represented.

Competition

As a whole, this corridor functions as a community shopping center, drawing people from multiple neighborhoods. Its strength is in the big box stores (two now vacant) that anchor 21st Street and Yale Avenue, while the two other intersections have a less substantial ability to pull residents from any distance. The study area's central position within the city helps it to attract from large areas north and west, but the easily traveled freeway system makes it possible for shoppers to bypass the study area in favor of heavier retail concentrations near Tulsa Promenade or Woodland Hills. To the north, the Walmart Superstore on Admiral Way offers some competition.

Commercial Space

There is approximately 1,571,403 square feet of commercial floor area in the 21st Street corridor, between Yale Avenue and Memorial Drive. A nearly identical quantity is found at Yale Avenue (654,654 square feet) and Sheridan Avenue (634,326 square feet), while there is 282,423 square feet at Memorial Drive. The space at Sheridan Road includes the former big box that now houses AT&T's call center.

The Yale Avenue intersection has the largest building footprints, with Lowe's and Centennial Plaza, where Target is still located and Sears and Gordman's have closed. Smaller buildings are limited to outlots and a few structures on the south side of 21st Street.

At Sheridan Avenue, the largest block of space is in the Alameda Center on the southwest corner, anchored by Big Lots and Harbor Freight Tools, with some vacancies up to 8,000 square feet. Its condition is deteriorating. The same is true for the Office Depot and center north of 21st Street. The former Kmart on the northeast corner has been converted to a call center. Small buildings dominate the remaining corner and Sheridan Avenue heading north from the intersection. Smaller floor areas will often be more marketable in areas like this, which are less able to attract larger chain retail stores.

The intersection of 21st Street with Memorial Drive has a different character than the two other commercial nodes. Buildings are smaller, including freestanding structures and small strips. Commercial lots have less depth than at the other intersections.

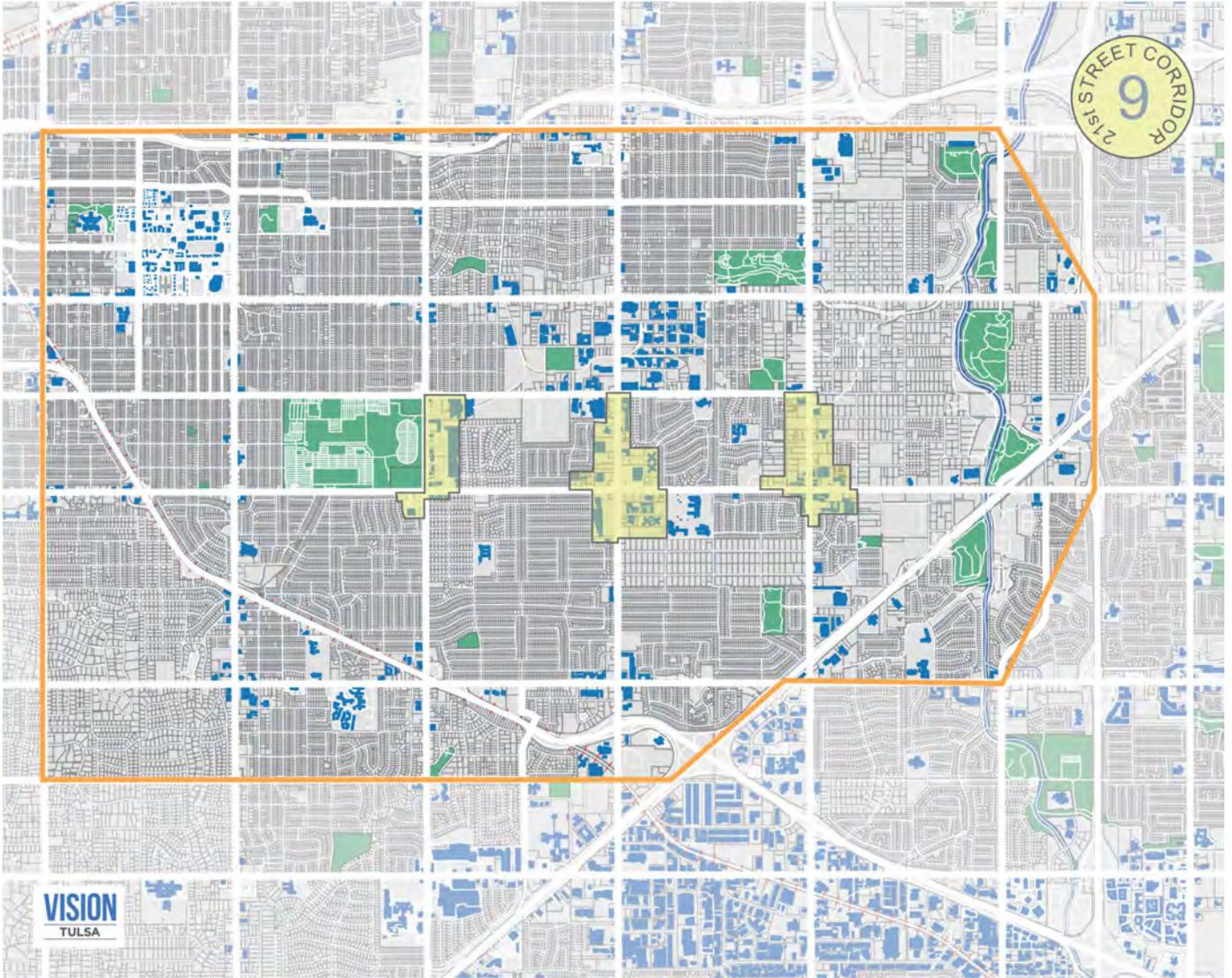
DEMOGRAPHICS AND MARKET

Because the commercial nodes are spread over a large area and due to the drawing power possible at the intersection of 21st Street and Yale Avenue, the trade area for this study area is larger than many others in the city. It might be large, except for the ease of getting to larger centers. Traffic from beyond the trade area is likely using the freeway system to travel to stores in Tulsa, such as at Woodland Hills, therefore bypassing this site.

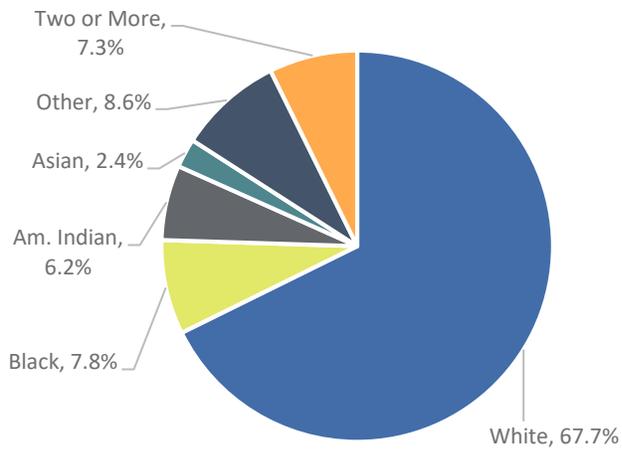
Demographic Highlights

Reflecting its position as a community shopping district, the 21st Street corridor has larger trade area with a 2018 population of 61,085 persons living in 27,168 households. The population is projected to have grown at an annual rate of 0.47 percent since 2010, when it stood at 58,775 persons.

21ST STREET CORRIDOR TRADE AREA

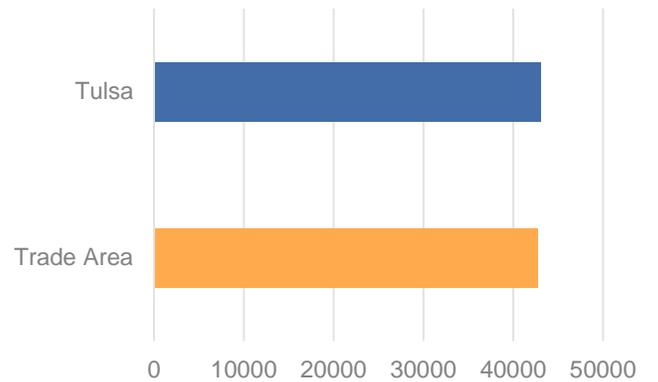


POPULATION BY RACE



SOURCE: Place Dynamics and ESRI

MEDIAN HOUSEHOLD INCOME



SOURCE: Place Dynamics and ESRI

The area is somewhat diverse racially. Most notably, there is an influence of the growing Hispanic population on the east side of Tulsa, and 15.4 percent of the population identifies itself as having an Hispanic origin. Two-thirds of the residents (67.7 percent are white, followed by “other” (8.6 percent) and black (7.8 percent). Incomes in this area come close to matching Tulsa as a whole. The trade area’s median household income of \$42,684 is 99.2 percent of the \$43,045 median for the city. Unemployment is estimated at 5.1 percent.

Resident Market Potential

Residents of the trade area spend over \$1 billion annually on retail and eating and drinking. This includes \$112,692,000 on restaurants, bars, snack and beverage shops, and other venues. That leaves \$913,919,000 in spending on retail goods and services. These numbers are very strong, and are sufficient to support one or more stores of any type within the area, not considering competition in other parts of the city that may be capturing some portion of this market.

Area Workforce Market Potential

A one mile buffer was added to the trade area to define the region from which the center may draw workers, to capture spending during the work day. There is a net total of 22,290 people commuting into this area, which include 38,998 of the 52,749 workers living in the area who commute to another region, and 61,288 of the 75,039 people working in the area who commute in from another location. This is 81.7 percent of the total.

MARKET POTENTIAL, ESTIMATED SALES, AND MARKET SHARE

	TRADE AREA POTENTIAL	CASH ECONOMY	WORKER POTENTIAL	TOTAL MARKET POTENTIAL	ESTIMATED SALES	MARKET SHARE
Motor vehicle and parts dealers	\$163,483,000	\$3,990,000	\$6,469,000	\$173,868,000	\$18,823,000	10.8%
Furniture and home furnishings stores	\$21,406,000	\$501,000	--	\$21,919,000	\$8,741,000	39.9%
Electronics and appliance stores	\$23,471,000	\$544,000	\$8,404,000	\$32,437,000	\$2,912,000	9.0%
Building materials, garden and supplies	\$45,900,000	\$1,083,000	--	\$46,999,000	\$76,442,000	162.6%
Food and beverage stores	\$114,782,000	\$2,778,000	\$15,153,000	\$132,684,000	\$56,563,000	42.6%
Health and personal care stores	\$41,842,000	\$1,000,000	\$13,566,000	\$56,410,000	\$6,516,000	11.6%
Gasoline stations	\$91,800,000	\$2,281,000	\$28,298,000	\$122,297,000	\$3,802,000	3.1%
Clothing and accessories stores	\$28,230,000	\$644,000	\$9,307,000	\$38,213,000	\$2,666,000	7.0%
Sporting goods, hobby, book and music	\$25,326,000	\$591,000	\$3,116,000	\$29,049,000	\$0	0.0%
General merchandise stores	\$140,622,000	\$3,339,000	\$22,237,000	\$166,227,000	\$52,656,000	31.7%
Miscellaneous store retailers	\$30,024,000	\$732,000	\$8,718,000	\$39,461,000	\$10,434,000	26.4%
Food services and drinking places	\$79,882,000	\$1,841,000	\$24,923,000	\$106,718,000	\$26,709,000	25.0%
TOTAL	\$806,768,000	\$19,325,000	\$140,191,000	\$966,284,000	\$266,264,000	27.6%

SOURCE: Place Dynamics LLC and ESRI

These workers annually spend \$140,191,000 on purchases during their work hours, adding to the market potential on 21st Street. Significant areas of spending include eating and drinking establishments, gas stations, and general merchandise stores.

Cash Economy

There are estimated to be 3,470 people within the trade area who are participating in the cash economy. These people are annually earning about \$56.0 million, thereby adding \$19.3 million in retail market potential, and another \$2.3 million in potential for eating and drinking establishments. The combined total is just 2.0 percent of the aggregate market potential generated from all sources in this trade area.

SALES AND MARKET SHARE

The 21st Street corridor businesses have an aggregate \$266,264,000 in sales, capturing 27.6 percent of the available market.

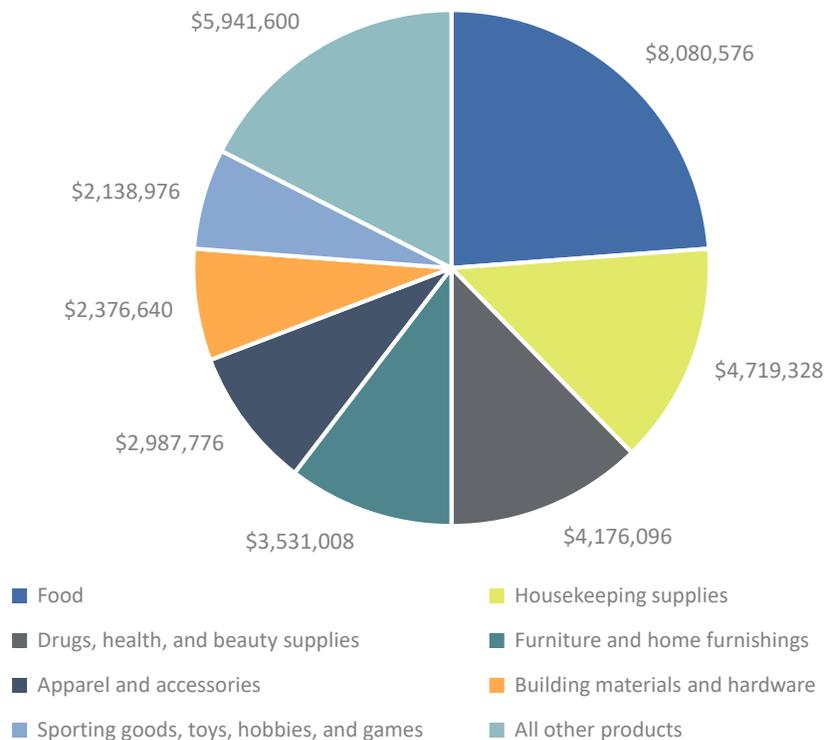
There are several areas in which the study area is performing very well. One of these is home centers (building materials, garden equipment, and supply stores), where sales exceed the market potential of the trade area. In this case, Lowe’s is pulling from beyond the trade area as a result of the lack of significant competition in the northern half of Tulsa. The situation with this store is similar to that of the Home Depot in the downtown study area.

There is a small furniture cluster in the study area, with the several shops in furniture row, which help the study area to capture 40.8 percent of the potential sales in that category. There is also a small cluster of independent clothing stores in a strip center on Memorial Drive.

Impact of Dollar Stores

The 21st Street Corridor has a large trade area, with the result that there are 14 dollar stores inside or adjacent to the trade area. These stores have sales of \$33,952,000, or about 3.5 percent of the trade area’s market potential. Of this, about \$8.1 million is in sales of food items. That is equal to 6.1 percent of the market potential for grocery stores in the trade area, which totals about \$102.0 million.

DOLLAR STORE SALES BY PRODUCT LINE



SOURCE: Place Dynamics

DOLLAR STORES AND GROCERY STORES IN THE 21ST STREET CORRIDOR TRADE AREA



GAP ANALYSIS AND POTENTIAL FOR NEW BUSINESSES

While the market share is the portion of the trade area market potential captured by businesses in the study area, the gap analysis compares the trade area potential to estimated sales of all businesses in the trade area. The “gap” is the remaining demand that is not met by businesses in the trade area, and if business sales exceed the demand there is said to be a “surplus”.

While a gap analysis can be a useful tool in helping to determine what businesses might be supported in the study area, it does not necessarily follow that a gap may mean that a given type of store can be viable at the site. Any new store will only capture a portion of the gap available, and will also divert some sales from existing businesses. Attributes of the location such as traffic patterns and volume, visibility, site design, and competition from both inside and outside of the trade area will have an influence on its potential viability. It is equally true that under some circumstances, a surplus may be an indicator of the potential to attract new businesses. This would be the case for stores that thrive by aggregating in close proximity to generate more customer traffic.

The 21st Street Corridor and its trade area contain a large number of stores including big box retailers that draw customers from across a large part of Tulsa, particularly as there are few of these uses north, east, or west of this concentration. It also includes important concentrations of other uses, like motor vehicle dealers, that help to dramatically increase the sales recorded in the area. As a result, there is a surplus of sales in many of the retail industry groups examined. These surpluses may also help to explain the mixed performance of the three retail nodes (the intersections of 21st Street with Yale Avenue, Sheridan Avenue, and Memorial Drive). If existing establishments are already capturing a large share, or even a surplus of sales, there may not be much demand for additional stores. The strongest performers are attracted to the Yale Avenue node, where they are closer to population concentrations to the west, and the two eastern nodes are less desirable as they are further from the population center.

- **Automobile dealers.** The trade area takes in concentrations of new car dealers on Memorial Drive and other motor vehicle dealers along Admiral Place. As a result, the trade area is estimated by ESRI to capture \$344.7 million in sales in this industry group. Although there is a very large sales surplus, were an additional new car dealer, RV dealer, or similar business to enter the market, they would seek a location near their competition. It is unlikely that this types of use will surface.
- **Other motor vehicle dealers.** As with motor vehicle dealers, the concentration of these uses on Admiral Place produces a sales surplus. Additional uses are possible, but not a strong potential for the area.
- **Auto parts, accessories, and tire stores.** There is a sales surplus in this category and a thorough coverage of the market by the leading chain retailers. Additional stores are not likely.
- **Furniture stores.** This is one of the only study areas to produce a sales surplus in this category. Furniture Row, at the Sheridan Drive node, helps to account for a significant part of these sales, but there are several other furniture stores in the trade area. The 21st Street Corridor will compete with other areas in which furniture stores are concentrated, such as the intersection of 51st Street and Sheridan Avenue (The Farm), the area around Woodland Hills Mall, and trendy urban districts like Brookside and The Pearl District. These two latter areas will be more likely to capture small, independent shops, while the two other districts will be more attractive to chains. The 21st Street Corridor may be better positioned to attract discount and modestly-priced outlets.
- **Building material and supplies dealers.** The Lowe's on Yale Avenue is a very strong performer. Its site is proximate to a large population, with the only competition being the Home Depot stores more than four miles west and three miles southeast. No other chain home improvement centers are located to the north or east. Menard's is the only other major national competitor in this industry group, and it would be likely to consider a location in this study area (among other possible sites).
- **Lawn and garden equipment and supply stores.** These stores can be sensitive to the cost of land, which may make them more inclined to consider the Sheridan Avenue or Memorial Drive nodes. Advantages of these sites include their proximity to the customer base and the nearby presence of Lowe's, which sells complementary merchandise. There is a significant gap of almost \$2.0 million in the trade area.
- **Grocery stores.** Five grocery stores in the trade area have sales of \$148.2 million, while the demand generated in the trade area is \$102.0 million. The sales surplus is caused by the lack of grocery stores in the downtown and adjacent neighborhoods, and their sparsity to the north and east. Additional grocery stores are not likely, and sales can be expected to decrease if new grocery stores open to serve markets downtown and in the northern parts of the city.

GAP ANALYSIS

RETAIL INDUSTRY GROUP	NAICS	DEMAND	SUPPLY	GAP	BUSINESSES
Automobile dealers	4411	\$121,121,307	\$344,734,015	-\$223,612,708	106
Other motor vehicle dealers	4412	\$27,952,800	\$87,737,118	-\$59,784,318	7
Auto parts, accessories and tire stores	4413	\$14,409,377	\$17,828,827	-\$3,419,450	16
Furniture stores	4421	\$14,172,051	\$30,325,587	-\$16,153,536	13
Home furnishings stores	4422	\$7,233,448	\$25,451,185	-\$18,217,737	9
Electronics and appliance stores	4431	\$23,470,682	\$16,778,893	\$6,691,789	21
Building material and supplies dealers	4441	\$42,855,775	\$62,596,656	-\$19,740,881	19
Lawn and garden equipment and supply stores	4442	\$3,044,481	\$1,059,038	\$1,985,443	5
Grocery stores	4451	\$101,970,951	\$148,198,303	-\$46,227,352	27
Specialty food stores	4452	\$3,175,416	\$4,248,445	-\$1,073,029	6
Beer, wine and liquor stores	4453	\$9,635,766	\$15,417,203	-\$5,781,437	11
Health and personal care stores	4461	\$41,841,613	\$72,876,271	-\$31,034,658	30
Gasoline stations	4471	\$91,800,003	\$72,644,077	\$19,155,926	21
Clothing stores	4481	\$18,627,389	\$21,982,622	-\$3,355,233	28
Shoe stores	4482	\$3,838,159	\$1,975,054	\$1,863,105	3
Jewelry, luggage, and leather goods stores	4483	\$5,764,662	\$1,332,622	\$4,432,040	4
Sporting goods/hobby/musical instruments	4511	\$21,629,755	\$15,350,445	\$6,279,310	18
Book, periodical and music stores	4512	\$3,696,723	\$2,392,135	\$1,304,588	5
Department stores excluding leased depts.	4521	\$108,981,230	\$243,293,069	-\$134,311,839	6
Other general merchandise stores	4529	\$31,640,358	\$45,290,734	-\$13,650,376	20
Florists	4531	\$1,755,150	\$3,825,994	-\$2,070,844	7
Office supplies, stationery and gift stores	4532	\$6,864,445	\$13,279,561	-\$6,415,116	12
Used merchandise stores	4533	\$2,452,229	\$12,004,796	-\$9,552,567	26
Other miscellaneous store retailers	4539	\$18,951,722	\$19,756,375	-\$804,653	33
Special food services	7223	\$1,143,441	\$1,124,648	\$18,793	3
Drinking places - alcoholic beverages	7224	\$1,787,459	\$6,906,468	-\$5,119,009	22
Restaurants and other eating places	7225	\$76,950,988	\$80,680,491	-\$3,729,503	150
Total retail trade and food and drink		\$811,783,741	\$1,374,709,960	-\$562,926,219	
Total retail trade	44-45	\$731,901,853	\$1,285,998,353	-\$554,096,500	
Total food and drink	722	\$79,881,888	\$88,711,607	-\$8,829,719	

SOURCE: Place Dynamics LLC and ESRI

- **Specialty food stores.** The trade area is producing a surplus of sales in this category. Additional stores are not considered very likely. This is particularly true given the prospects for their development to the west, in the Route 66 East and downtown study areas.
- **Beer, wine, and liquor stores.** Multiple liquor stores in this area are capturing more sales than there is demand from the trade area. The distribution of these stores across the trade area is fairly uniform, rather than concentrated, but the study area is central to much of Tulsa. While new local chain or independent stores are possible, they are not likely. This is a sector that has not seen a proliferation of national or even multi-state chains, but that is beginning to change. As chains like Total Wines & More and BevMo! expand, they may consider the 21st Street and Yale Avenue commercial node. That scenario is still several years away.
- **Health and personal care stores.** CVS and Walgreen's have multiple pharmacies within the trade area, and there are also a small number of independent pharmacists, beauty supply stores, and other stores in this category. They are generating a significant sales surplus. The category is not a strong candidate for further development.
- **Gasoline stations.** The trade area does not capture the full potential for gasoline station sales. Its residential character may be a factor in that performance, as gas sales tend to be higher along highways and in areas with a concentration of employment. With the existing stores in the study area, there is no demand for additional ones.
- **Clothing stores.** Sales from this trade area outpace the demand it generates. The presence of Burlington is a large factor in these numbers. The area around that store has the potential to attract other chain clothing stores. Sheridan Avenue, meanwhile, has seen the development of a small cluster of independent clothing stores that could be a target for growth. As a starting point, the existing stores need to create a stronger online presence.
- **Shoe stores.** There is unmet demand in the category, but the concentration of shoe stores in other parts of the city makes it more challenging to consider the use in this study area.
- **Jewelry, luggage, and leather goods stores.** There is a sizable gap produced in the trade area, and while chain stores will be inclined to look to the Woodland Hills area or specialty districts like Brookside and downtown, there may be an opportunity for independent operators. This is closely associated with the prospects and outcomes of the small apparel cluster on Sheridan Avenue.
- **Sporting goods, hobby, and musical instrument stores.** There is a significant gap of nearly \$6.3 million in this industry group. While the use is a possible candidate for development, the study area will compete as a location with both stronger commercial districts like Tulsa Promenade and Woodland Hills, and with destination specialty retail districts.
- **Book, periodical, and music stores.** While there is unmet demand, new stores of this type are going to be mostly independent operators who will find other districts a more attractive environment for the use.
- **Department stores excluding leased departments.** The Walmart Supercenter on Admiral Place is the dominant contributor to the sales figures shown. Despite the large surplus produced in the trade area, the concentration of these uses is a draw for others. Chains including TJ Maxx, Marshall's, and Kohl's are not well represented in the Tulsa market, and along with others, might be targets for Yale Avenue and 21st Street. This location serves a region broader than the trade area, as there is no competition north or west.
- **Other general merchandise stores.** The chains that dominate this industry group already have a comprehensive coverage of the area and are not targets for attraction.
- **Office supplies, stationery, and gift stores.** Office Depot and Staples stores in the trade area account for the large sales volume it shows. These stores are increasingly impacted by online sales

and have not been expanding. Gift stores will be more inclined to look at the regional centers and destination specialty districts.

- **Used merchandise stores.** The trade area contains a mix of antique stores, thrift stores, flea markets, and even a Habitat for Humanity ReStore. These attract from beyond the trade area and produce a sizable sales surplus. Because these stores are often independently owned, there is the potential for more to open, especially in the Memorial Drive and Sheridan Road commercial nodes.
- **Other miscellaneous store retailers.** Demand and supply within this category are in close balance. It is interesting to note that the national pet retailers who are a part of this industry group are not represented north of 41st Street and Yale Avenue, but are too close to consider the study area. They might have interest in locations west of Harvard Avenue.
- **Special food services.** There is not a sufficiently large demand to suggest this use for the study area.
- **Drinking places – alcoholic beverages.** Multiple bars in the trade area, many along Sheridan Avenue and Memorial Drive, result in a large sales surplus. Additional establishments are not justified.
- **Restaurants and other eating places.** The study area contains a significant concentration of the chain restaurants that are part of the 150 restaurants ESRI identifies within the trade area. There are at least 15 fast or fast casual chain restaurants, and 28 total restaurants within the study area. These three commercial nodes and the area on 11th Street near the University of Tulsa are the most significant concentrations of restaurants in the trade area. The study area has advantages in that it is central to a large population and it relatively accessible from employment centers to the south. Additional restaurants are possible, with chains more inclined to locate to the west, and most independents to the east.

DISCUSSION

The three commercial nodes get progressively stronger from east to west. This is true even with the vacant Sears and Gordman's stores at Yale Avenue. The Tulsa State Fair is an important driver of traffic to this site. There is a very large expanse of parking in front of the Fair, on 21st Street. If this could be redeveloped with structured parking, there would be the potential to create new development sites for other retailers to locate at this corner.

The center at 21st Street and Sheridan Road is just as large but does not have the same ability to draw customers and leading retailers. This is illustrated by the fate of the former Kmart building, which is now a call center for AT&T. Such conversions may become more common as large spaces are hard to fill with a shrinking number of retailers. The Office Depot across from the call center is another property to watch, as trends are not favoring office supply stores, which may soon be further reducing their store counts. The Sheridan Avenue commercial node does have the Furniture Row development that can help to sustain traffic to other, mostly discount to moderate-priced furniture stores that may locate nearby.

The third center, at 21st Street and Memorial Drive, functions as a neighborhood center. One of the more interesting attributes of this site is the small number of independent clothing stores in a strip at 16th Street. Investment in the properties and businesses in this area might help to grow that node and create a small destination spot within the study area.

RECOMMENDATIONS

Different approaches are warranted for the three nodes that make up the 21st Street Corridor. Yale Avenue is a strong retail location that can attract national chain stores. The other two locations are less strong.

Independent businesses will find them more attractive, but part of the strategy for these areas may involve converting commercial areas to alternate land uses.

Sheridan Avenue has already seen some of its vacant space converted to back office uses (ATT), rather than retail. This is a reflection of both the limited demand for retail in the area, and of the mismatch between the large size of that building, and the small footprints of the mostly independent and discount chains that might consider the Sheridan Avenue or Memorial Drive nodes.

Business Targets

There are opportunities to attract other big box stores to the Yale Avenue node, that will compliment Target and expand upon the shopping choices available to people living in the area. Examples might include off-price stores like Marshall's, Home Goods, TJ Maxx, Sierra Trading Post, and others. The site might even be considered by a department store like Kohl's, Menard's (a home center not already in the market), and smaller stores like Duluth Trading. One challenge with this node, as well as the others on 21st Street, is that they do not have direct freeway access.

Sheridan Avenue could present an opportunity to attract additional furniture and related retail (like carpet, tile, and flooring stores) retail due to the presence of Furniture Row, however, many of these would be discount to moderately-priced stores, as higher end and specialty stores would prefer other locations in the city. On Memorial Drive, there is an opportunity to work to expand the small cluster of independent clothing stores that is located there. All three nodes may support more restaurants, with chains at Yale Avenue and Sheridan Avenue, and independents along Memorial Drive.

Recommended Actions

The recommended strategies are targeted to different nodes in this study area.

1. A traditional retail attraction strategy is fitting for 21st Street and Yale Avenue. This should focus on filling the vacant big box spaces and redeveloping the vacant auto service center on 21st Avenue.
2. Properties such as Furniture Row, the building housing Office Depot and FFO, and the center housing Harbor Freight were developed with more parking than is necessary. These large parking lots can be targeted for infill development. The most likely uses are fast food restaurants and small retail shops.
3. The presence of Furniture Row, FFO, Mill Creek Flooring, and Harbor Freight can be the basis to help build a small cluster of related businesses in the Sheridan Road node. The most likely prospects for attraction are regional chains or single stores that may open a new location.
4. The small cluster of independent clothing stores on Memorial Drive may present a niche expansion opportunity. Related business startups can be steered to this area. Some actions will be required for this idea to have the possibility for success:
 - a. Existing businesses need to improve their marketing, and particularly their online presence. The City may consider investing in the technical expertise to help these businesses with this effort, as well as in general promotion of the cluster.
 - b. The City and its economic development partners should consider developing entrepreneurial programs, including training and the potential for incubation, that will create a pipeline of new businesses that may consider this, and other targeted sites across the city. Suitable space can be leased as part of an incubator program to develop complementary new businesses in places such as this, establishing the new business in space it can permanently occupy upon "graduation", and simultaneously precluding non-contributing businesses from occupying space where they would hamper growth of the desired retail cluster.

- c. There is a need for reinvestment in the centers in which these businesses are located. That would include improvements to the building facades, signage, pedestrian improvements, and landscaping. The City may establish programs to provide grants and low interest loans as an incentive for these investments.
- 5. Over the long term, there may not be viable retail uses for some of the large commercial buildings in the Sheridan Avenue and Memorial Drive nodes. A corridor plan should be prepared to develop concepts for eventual reuse or redevelopment of these sites, and other land use, traffic and bike/pedestrian improvements, and design in these nodes.

DOWNTOWN

In 2018 the City of Tulsa commissioned a Retail Market Analysis to examine general conditions for the commercial sector in all parts of the community, and to take a closer look at unique characteristics of a number of specific study areas. These locations were chosen for a combination of reasons including their diversity, their importance, the challenges or opportunities they present, planned or potential City investment, and other factors. Thirteen study areas were chosen for analysis. Each analysis and strategy is intended to serve as a model that may be applicable to other, similar parts of Tulsa.

Downtown is a key destination for residents of not only Tulsa, but the surrounding region. It is also a significant draw for business and recreational travelers. There is a strong concentration of entertainment and cultural attractions including museums, the performing arts center, the BOK Center, and the ballpark. In recent years there has been an influx of new businesses and residents, and several centers of activity are beginning to emerge.

THE STUDY AREA – DOWNTOWN

The downtown is one of Tulsa’s largest concentrations of employment, with an estimated 30,500 people working in the area bounded by I-244 on the north and west, and US Highway 75 on the east and south. Over the past several years there has been renewed interest in the downtown as a place to live, work, and play, and multiple new residential and commercial, or mixed-use projects are under development.

Description

Tulsa’s downtown is a large area with no single defining character, rather, it is comprised of several unique districts. These include the Deco District at the heart of downtown, the Blue Dome District to the northeast, the Arts District to the north, the Greenwood District in the northeast, the Arena District and Cathedral District on the west, and East Village on the eastern edge of the downtown.



Vision Tulsa, an \$884 million tax renewal package approved by voters in 2016 will make substantial investments in economic development, education, public safety, streets, and transportation needs citywide. With citizen priorities providing the driving force behind the creation of Vision Tulsa, transformative projects and enhancements will set the stage for a bright future for Tulsa.



A relatively dense collection of office buildings is seen in this 2017 Google Earth image, with a far greater number of surface parking lots at the edge.

Several areas within the downtown have a mixed character but might be generally described as having less dense development and larger areas of surface parking or open space. Uses are varied, and include commercial, office, light manufacturing and services, residential, and religious or civic functions. Some important anchors are found in this area, such as the OSU Medical Center in the southwestern part of the district, and the OSU-Tulsa campus north of I-244. Home Depot is located on the north side of 11th Street on the western end of the district. Few other large sites are available in the central part of the city, for big box development, but its location places it central to a large population.

- **Deco District.** This district is the core of downtown and gets its name for the many examples of Art Deco architecture for which Tulsa is well known. The most densely developed part of this district runs from 1st Street on the north to 8th Street on the south, and from Cheyenne Avenue on the west to Detroit Avenue on the east. Beyond these boundaries there is a great deal more surface parking that isolates office buildings, resulting in a less continuous walkable urban environment.

The Deco District is home to several regionally important attractions including the Performing Arts Center, Chapman Music Hall, and a professional sports and concert arena. Museums in the district include the Tulsa Art Deco Museum and Southwest Art Museum. Numerous hotels are located nearby, serving these attractions as well as business travelers.

- **Blue Dome District.** The district is named for the blue dome topping the 1924 White Star Gulf Oil Station, an iconic landmark. It is bounded roughly by the railroad on the north, Cincinnati Avenue on the west, 4th Street on the south, and Greenwood Avenue on the east. The district is positioned as one of downtown Tulsa's two entertainment districts, with a concentration of bars and restaurants. Several annual events are held in the area. There is a growing specialty retail presence. The district is home to The Boxyard, an innovative concept in which shipping containers have been repurposed into small retail and dining business spaces.



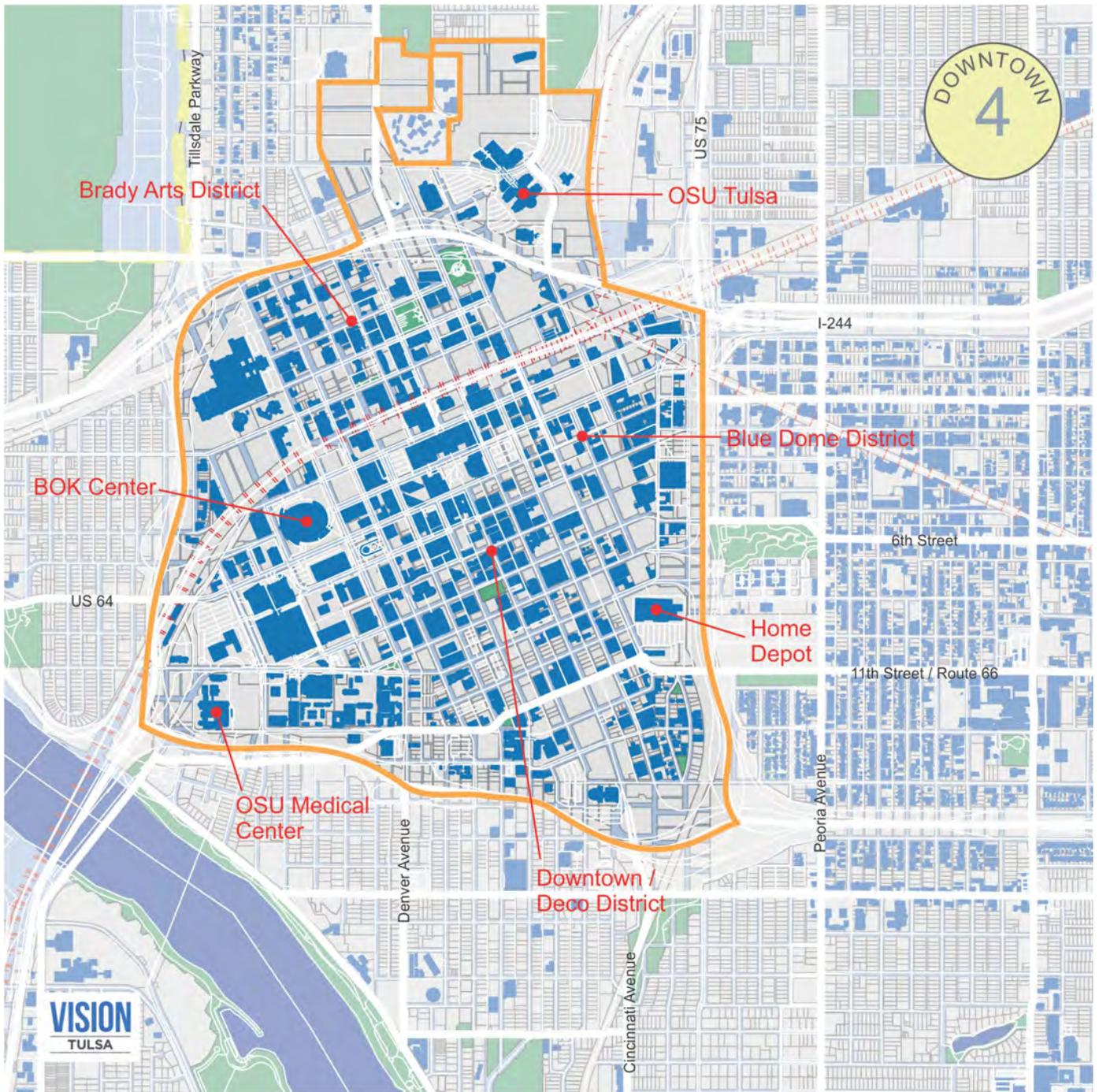
The Boxyard in the Blue Dome District repurposes shipping containers to create small spaces for retail, bars, and restaurants.

- **Arts District.** The part of town lying north of the railroad tracks and south of I-244, centered on Brady Street, has attracted a great deal of new residential and mixed use investment. Much of that development has converted former warehousing into trendy apartments and a smaller number of condominiums, while creating ground level space for shops, bars, and restaurants. The Brady Theater and Woodie Guthrie Center are located in the heart of the district. Boston Avenue continues as a

pedestrian plaza over the railroad to connect with the core downtown area, and contains the Center of the Universe.

- **Greenwood District.** The historic Greenwood District lies in the northeastern part of the downtown and is centered on an area once known as the “Black Wall Street” for its concentration of businesses owned by African Americans. The area was rebuilt after a 1921 race riot, but was later divided by Interstate 244, and significant areas, such as the OSU campus and ONEOK Field, were redeveloped

DOWNTOWN COMMERCIAL DISTRICT



as part of Urban Renewal projects. The area is currently organizing around its heritage to regain stature as a vibrant business district and destination, along with neighboring downtown districts.

- **Arena District.** The Arena District is in the southwestern part of the downtown study area. Its name references the BOK Center, and it also contains the Cox Business Center {a conference center and event center) and the library. A development plan under consideration in 2018 identifies strategic investments in City infrastructure and recommends redevelopment opportunities for the district.
- **East Village.** This district lies east of Elgin Avenue from the railroad south to 11th Street, and includes the Home Depot site. Like other districts in the downtown, it has been attracting new investment, with a number of eating and drinking establishments, and several apartment developments.

Traffic Patterns

A great number of streets in the downtown are currently signed as one way corridors. This can have some adverse impacts such as providing less exposure to businesses, making travel difficult or confusing to residents and visitors, and making it possible for traffic to travel at higher speeds that may be uncomfortable for pedestrians. The City has stated its intent to convert many of these to two-way corridors in the near future.

Aside from key entry points, streets in the downtown are not carrying a high volume of traffic. The walkable nature of the study area, the closely spaced pattern of streets that provide multiple routing options, and the fact that many streets carry traffic in a single direction contribute to these low numbers. The highest volume of traffic is seen where downtown streets meet the US Highway 75 corridor. These include 17,000 cars on 8th Street, 15,000 cars on 6th Street, and 13,000 cars on 11th Street (also the location of Home Depot). Elsewhere in the study area, most traffic counts fall between 4,000 and 7,000 cars per day. These would be considered low in a suburban setting, but for the reasons noted above, as well as the nature of the study area, are not problematic in the downtown.

Business Mix

The downtown area has perhaps the widest diversity of businesses of any study area in Tulsa. ESRI identifies a total of 1,713 businesses within the downtown study area, having 34,499 employees and \$5.77 billion in aggregate sales. Many of the large employers are headquarters and office activities, which is significant because office employees spend more than production workers during the work day.

There are 94 eating and drinking places in the downtown, a number that does not even consider the food trucks and other vendors that come into the study area to make sales. These restaurants, bars, and snack shops take in more than \$58 million in sales. Retail businesses reflect a small number of businesses, such as pharmacies, convenience stores, and gas stations that are serving residents along with workers. There are a larger number of specialty shops such as art



SOURCE: Place Dynamics LLC and ESRI

galleries, gift shops, and others that have a destination market.

Home Depot is an outlier in terms of its presence and its impact. It is not typical to find a big box store, especially a home center, in a downtown location. The site does work very well, though, from a retail perspective. It has excellent access from US Highway 75 and 11th Street. The location is also strategic in that it would not be easy to assemble a similarly sized parcel for development in neighborhoods south and east of downtown. Sales at this store are running about 1.5 times the average within the chain.

Competition

The different parts of downtown function in different roles. Businesses in the core area largely serve the people who work, live, and visit that part of Downtown, and most are food related. Their competition might include similar businesses in the Arts District or Blue Dome District, which are a walkable distance from the center of downtown. Meanwhile, those two entertainment districts are serving the entire region in addition to people living nearby. They will compete with other districts that attract visitors, or residents of the metropolitan area that are looking for a place to eat, drink, or be entertained. The Woodland Mall area, Cherry Street, Brookside, and more recently the Pearl District are their primary competitors within Tulsa, while revitalizing downtowns in suburban communities may also present some competition.

With regard to that competition, all but Woodland Hills are walkable urban environments. Woodland Hills has the greatest number of chain restaurants and forms of entertainment, such as movie theaters, that are not present in the other areas. The Arts District and Blue Dome District have advantages associated with their proximity to significant entertainment venues, the larger concentration of bars and restaurants than the other urban districts, and the number of people who work in the immediate area, making them convenient for after-work activities. Unlike most competing districts, there is new residential development occurring in these two areas, and there is a great deal of land available to support additional population growth, as well as expansion of commercial activity.

Commercial Space

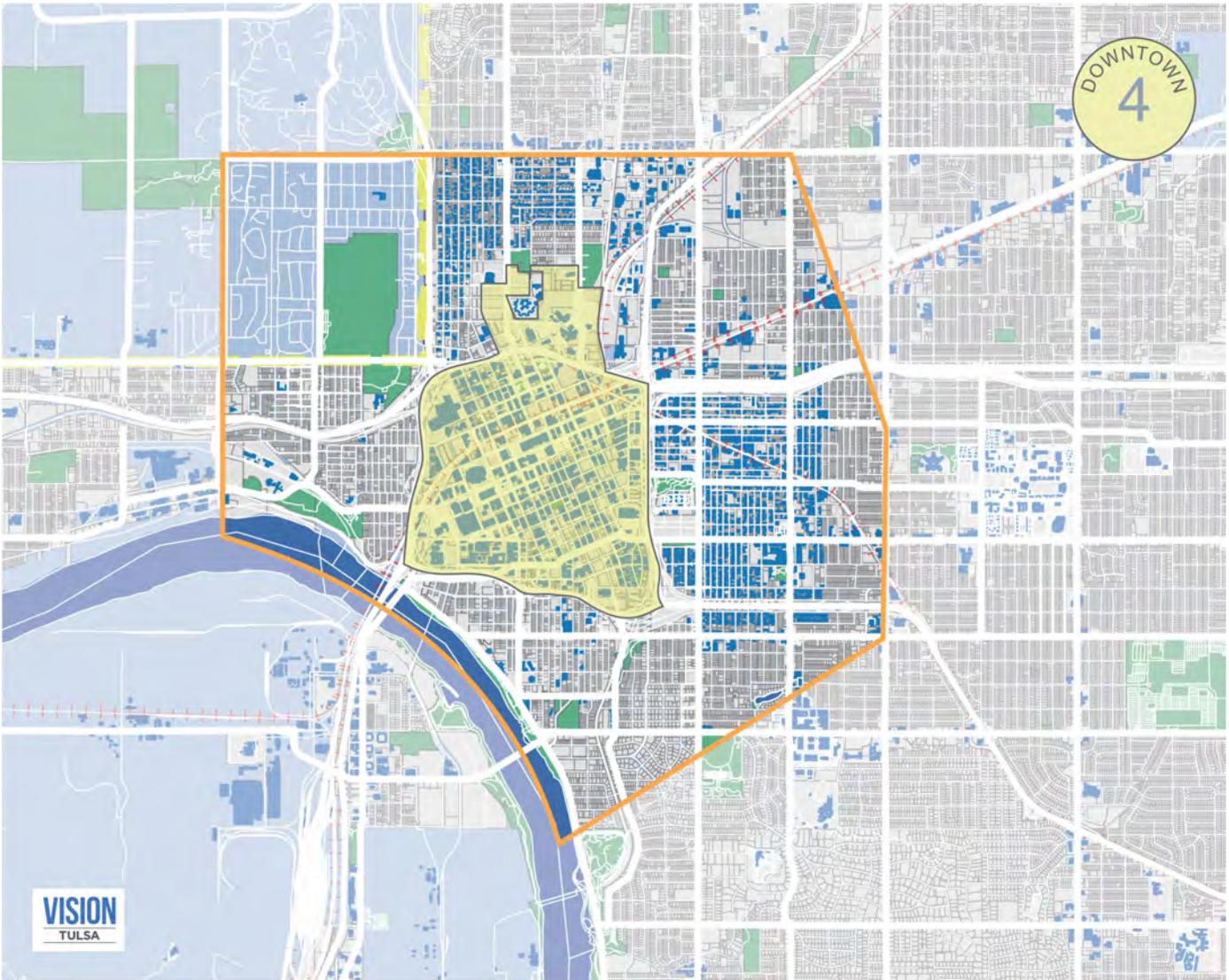
Tulsa's downtown contains more than 4.3 million square feet of commercial space, including the upper floors of multi-story buildings. There is more variation in the character of space in this study area than anywhere else in the city. Examples include new and historic downtown office towers, brick warehouses that are the target of conversions, new mixed use buildings, small commercial buildings, big box stores, hotels, and inventive new concepts like The Boxyard. It is even a popular location for food trucks.

DEMOGRAPHICS AND MARKET

The demographics of the downtown area are undergoing change as new housing is constructed and households move in. This change is not yet reflected in the data.

The downtown has more than one trade area. There is a trade area used here that corresponds to the neighborhood from which the study area will draw for common purchases. Workers are included in this analysis. In addition, the downtown is a destination for residents of the metropolitan area and beyond. These visitors will more commonly visit bars and restaurants, and specialty stores catering to destination shoppers.

DOWNTOWN TRADE AREA

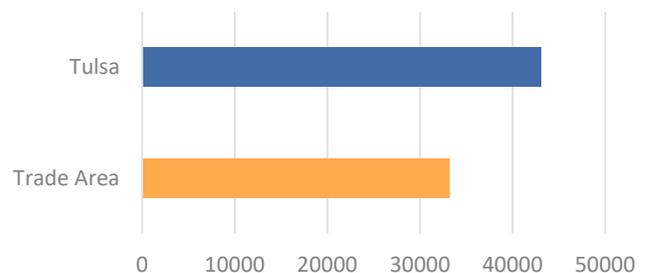


Demographic Highlights

ESRI estimates that there are 28,389 people living in the downtown trade area, an increase from 27,169 in 2010. This is an area that lost population between 2000 and 2010, but has now gained it back as new housing has been added.

Much of that new housing has been in apartment buildings. Renters make up 63.4 percent of the total, compared to 57.0 percent in 2000. The number of vacant units has increased significantly. Whereas this may be due to abandonment in some parts of the city, within the downtown it is likely that these are

MEDIAN HOUSEHOLD INCOME

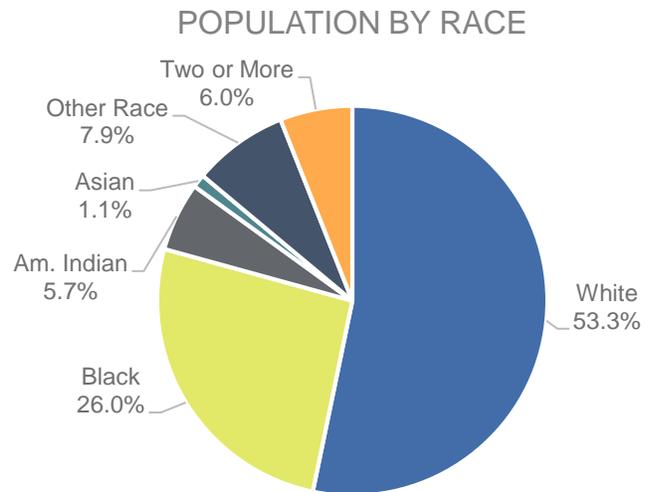


SOURCE: Place Dynamics LLC and ESRI

units coming into the market that have not yet rented or sold. The current total is estimated by ESRI at 2,645 vacant units.

Downtown is a racially mixed neighborhood with slightly more than half of the population white (53.3 percent) and a little over a quarter black (26.0 percent). Persons describing their race as “other” make up 7.9 percent of the total. Six percent are two or more races, and 5.7 percent are American Indian. Persons of Hispanic origin make up 14.8 percent of the total.

Income levels in the downtown lag the city as a whole. The median income of \$33,215 is 77.2 percent of the city median of \$43,045. About 7.5 percent of the working age adults in the trade area are unemployed.



SOURCE: Place Dynamics LLC and ESRI

Resident Market Potential

Residents of the downtown trade area are spending \$350,082,000 annually on retail goods and services. About one tenth of that is spent at eating and drinking places, while the remainder, \$315,020,000, is spent on retail goods. The large market will support a diversity of retail stores, across all industry subsectors.

Area Workforce Market Potential

This is an area in which there are a large number of workers. According to the US Census Bureau Center for Economic Studies, in 2015 there were 67,923 people working within one mile of the trade area, an increase from 61,539 a decade earlier. This is a reflection of job growth in the downtown, as there has been little change in the neighborhoods surrounding it.

The attractiveness of the downtown as a live-work neighborhood is also reflected in the 37.4 percent of workers who both live and work in the area. As a result, there is a net increase of 42,504 people in the area during the work day, with 18,335 residents commuting out to work elsewhere, and 60,839 people commuting in from other parts of the city.

The net impact on market potential is to increase it by \$259,287,000. One of the greatest impacts is among eating and drinking places, where the potential spending by workers actually exceeds that of residents. This is also true for several retail categories like health and personal care stores, gasoline stations, clothing and accessories stores, and miscellaneous retail stores.

Cash Economy

The downtown’s cash economy, with 3,360 participants, is creating an additional \$18.7 million in retail and dining spending. The majority of this, \$16.5 million, is spent on retail. Another \$2.2 million is spent on dining. The total spending in the downtown, due to contributions from the cash economy, is only 3.0 percent of the total market share. This is attributable to the large base of spending from residents combined with a very large contribution from people working in the downtown.

SALES AND MARKET SHARE

The market potential generated from residents of the trade area and workers exceeds \$609 million. Businesses in the downtown actually do a decent job of selling to that market, landing a little under a third (31.8 percent) of the potential sales. There is, however, a considerable degree of variation across different retail business types.

One of the atypical strengths of Tulsa's downtown is home centers (building material, garden equipment, and supply stores). This is a use that is not often found within downtowns for reasons including the usual lack of sufficiently large parcels and low levels of product line spending among the renters and condominium or rowhouse residents that dominate downtown districts. In this case, the Home Depot site is positioned to reach markets south and east of downtown, although highway access makes it easy to travel from all parts of the city. Home Depot Stores typically average around \$41 million in annual sales, while ESRI estimates the volume of this store at over \$55 million. Other retail businesses positioned around this store could benefit from its drawing power.

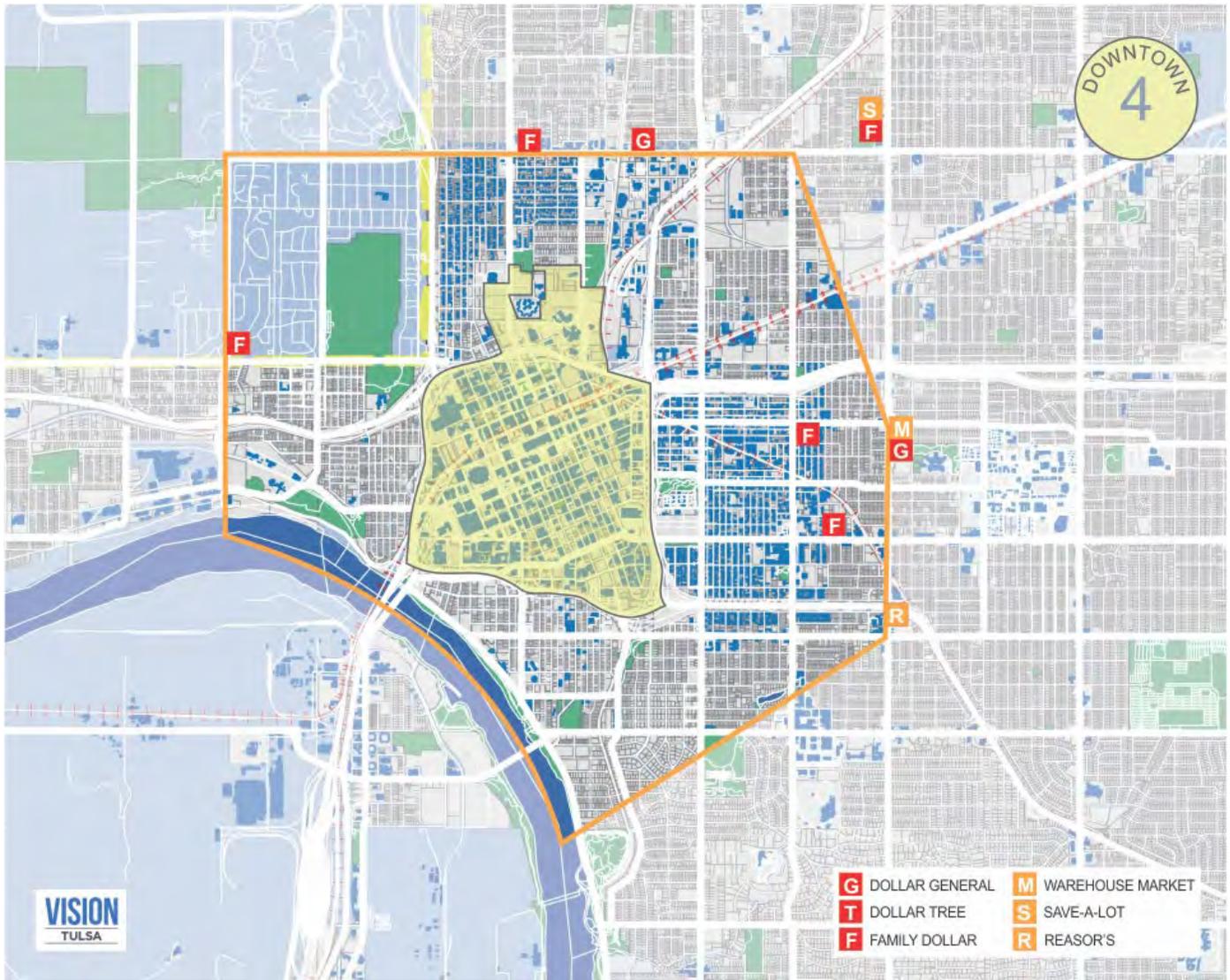
MARKET POTENTIAL, ESTIMATED SALES, AND MARKET SHARE

	TRADE AREA POTENTIAL	CASH ECONOMY	WORKER POTENTIAL	TOTAL MARKET POTENTIAL	ESTIMATED MARKET SALES	MARKET SHARE
Motor vehicle and parts dealers	\$70,476,000	\$3,767,000	\$11,900,000	\$86,143,000	\$4,868,000	5.7%
Furniture and home furnishings stores	\$9,293,000	\$497,000	--	\$9,790,000	\$3,666,000	37.4%
Electronics and appliance stores	\$10,201,000	\$545,000	\$8,713,000	\$19,459,000	\$10,661,000	54.8%
Building materials, garden and supplies	\$19,140,000	\$1,023,000	--	\$20,163,000	\$64,525,000	320.0%
Food and beverage stores	\$50,304,000	\$2,689,000	\$28,843,000	\$81,836,000	\$13,136,000	16.1%
Health and personal care stores	\$18,019,000	\$963,000	\$25,839,000	\$44,821,000	\$12,780,000	28.5%
Gasoline stations	\$39,912,000	\$2,133,000	\$53,898,000	\$95,943,000	\$24,797,000	25.8%
Clothing and accessories stores	\$12,414,000	\$664,000	\$17,726,000	\$30,804,000	\$4,488,000	14.6%
Sporting goods, hobby, book and music	\$10,947,000	\$585,000	\$5,936,000	\$17,468,000	\$1,651,000	9.5%
General merchandise stores	\$61,303,000	\$3,277,000	\$42,355,000	\$106,935,000	\$7,278,000	6.8%
Miscellaneous store retailers	\$13,011,000	\$695,000	\$16,606,000	\$30,312,000	\$5,828,000	19.2%
Food services and drinking places	\$35,062,000	\$1,874,000	\$47,471,000	\$84,407,000	\$58,239,000	69.0%
TOTAL	\$350,082,000	\$18,713,000	\$259,287,000	\$628,082,000	\$211,917,000	33.7%

Impact of Dollar Stores

There are three dollar stores located within the downtown's trade area, and four more along its border. None are located within the study area. There are no grocery stores in the trade area, with the nearest three bordering it to the east. The lack of a downtown grocery store is an issue of concern to many City leaders and downtown area residents.

DOLLAR STORES AND GROCERY STORES IN THE DOWNTOWN TRADE AREA



The area's seven dollar stores have sales of \$8,735,000 in total. This comes to just 1.4 percent of the trade area's market potential. Food makes up just over \$2 million of the sales at these stores. In comparison, the market for food stores in the trade area is \$87.4 million.

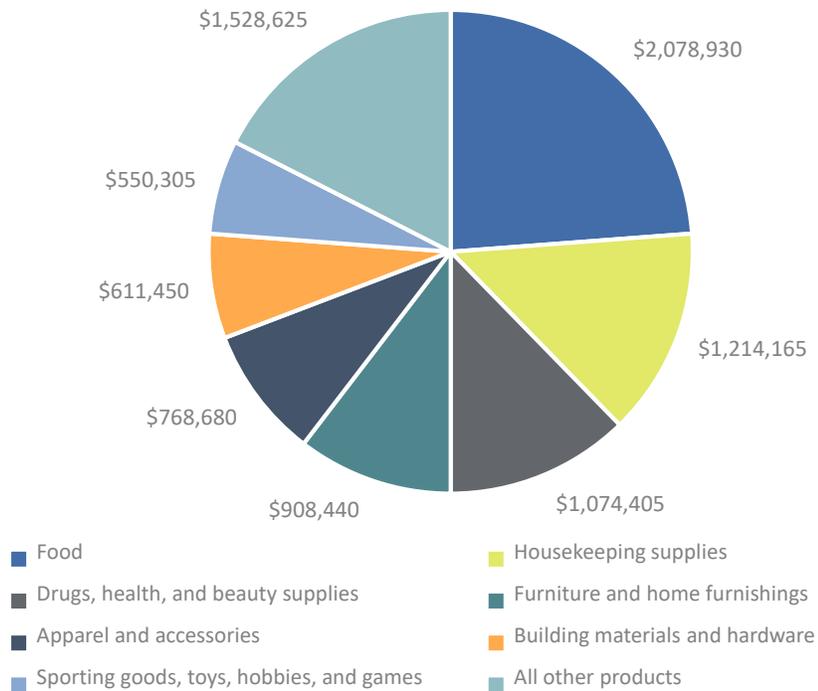
GAP ANALYSIS AND POTENTIAL FOR NEW BUSINESSES

While the market share is the portion of the trade area market potential captured by businesses in the study area, the gap analysis compares the trade area potential to estimated sales of all businesses in the trade area. The "gap" is the remaining demand that is not met by businesses in the trade area, and if business sales exceed the demand there is said to be a "surplus".

While a gap analysis can be a useful tool in helping to determine what businesses might be supported in the study area, it does not necessarily follow that a gap may mean that a given type of store can be viable at the

site. Any new store will only capture a portion of the gap available, and will also divert some sales from existing businesses. Attributes of the location such as traffic patterns and volume, visibility, site design, and competition from both inside and outside of the trade area will have an influence on its potential viability. It is equally true that under some circumstances, a surplus may be an indicator of the potential to attract new businesses. This would be the case for stores that thrive by aggregating in close proximity to generate more customer traffic.

DOLLAR STORE SALES BY PRODUCT LINE



SOURCE: Place Dynamics

The downtown alone is a large study area, and it has a correspondingly large trade area. Most of these neighborhoods were developed prior to the advent of modern retail, with large stores and ample parking. Instead, they are characterized by small lots and buildings on the street. While that configuration can support a types of vibrant commercial area, it does not lend itself to the chain stores that people routinely shop for everyday goods. As a result, the trade area lacks uses like grocery stores, superstores, and home improvement centers that would normally be expected in an area of this size, with its demographic characteristics. On the other hand, it is a regional center, and as such, generates the traffic necessary to support a wide assortment of specialty retail stores.

- **Automobile dealers.** This use is concentrated elsewhere. While there is a large gap, other new car dealers will not be a target, and it would not be an cost effective use of available land in the downtown to devote it to used car lots.
- **Other motor vehicle dealers.** Despite a large gap, the downtown area does not fit the profile of locations favored by these uses, most of which would prefer a visible highway location.
- **Auto parts, accessories, and tire stores.** There is a gap that could support an additional store in this category, however, there is also a large concentration of these uses to the east of the trade area, which are better positioned to serve auto service businesses, along with the consumer market.
- **Furniture stores.** There is a gap of \$1.6 million in furniture sales produced within the trade area, and also a half dozen stores of this type that are capturing \$4.6 million in sales. The downtown and adjacent neighborhoods are seeing the kind of residential development that is targeted by small, specialty furniture stores, whether chains or independent. Additionally, the central location and ability of the downtown to draw regional traffic support this use. It should be considered a prime target for attraction to the area.

GAP ANALYSIS

RETAIL INDUSTRY GROUP	NAICS	DEMAND	SUPPLY	GAP	BUSINESSES
Automobile dealers	4411	\$52,299,416	\$17,756,810	\$34,542,606	13
Other motor vehicle dealers	4412	\$11,949,776	\$685,346	\$11,264,430	1
Auto parts, accessories and tire stores	4413	\$6,226,935	\$3,801,376	\$2,425,559	6
Furniture stores	4421	\$6,220,100	\$4,607,482	\$1,612,618	6
Home furnishings stores	4422	\$3,072,525	\$4,085,053	-\$1,012,528	5
Electronics and appliance stores	4431	\$10,201,477	\$15,985,736	-\$5,784,259	12
Building material and supplies dealers	4441	\$17,884,049	\$36,018,212	-\$18,134,163	10
Lawn and garden equipment and supply stores	4442	\$1,256,015	\$762,052	\$493,963	3
Grocery stores	4451	\$44,682,253	\$7,689,743	\$36,992,510	13
Specialty food stores	4452	\$1,393,835	\$3,120,509	-\$1,726,674	10
Beer, wine and liquor stores	4453	\$4,228,203	\$8,571,978	-\$4,343,775	6
Health and personal care stores	4461	\$18,019,481	\$27,736,836	-\$9,717,355	10
Gasoline stations	4471	\$39,912,132	\$45,464,788	-\$5,552,656	12
Clothing stores	4481	\$8,165,062	\$7,521,906	\$643,156	13
Shoe stores	4482	\$1,696,518	\$2,448,551	-\$752,033	2
Jewelry, luggage, and leather goods stores	4483	\$2,552,199	\$559,656	\$1,992,543	1
Sporting goods/hobby/musical instruments	4511	\$9,328,914	\$7,180,417	\$2,148,497	13
Book, periodical and music stores	4512	\$1,617,707	\$570,891	\$1,046,816	1
Department stores excluding leased depts.	4521	\$47,494,063	\$1,012,605	\$46,481,458	1
Other general merchandise stores	4529	\$13,809,226	\$9,224,173	\$4,585,053	5
Florists	4531	\$727,694	\$2,373,513	-\$1,645,819	6
Office supplies, stationery and gift stores	4532	\$2,994,200	\$6,458,491	-\$3,464,291	9
Used merchandise stores	4533	\$1,071,146	\$877,509	\$193,637	5
Other miscellaneous store retailers	4539	\$8,217,895	\$38,423,523	-\$30,205,628	31
Special food services	7223	\$489,435	\$3,532,329	-\$3,042,894	5
Drinking places - alcoholic beverages	7224	\$784,340	\$8,529,765	-\$7,745,425	25
Restaurants and other eating places	7225	\$33,788,643	\$87,046,835	-\$53,258,192	138
Total retail trade and food and drink		\$352,202,668	\$360,519,338	-\$8,316,670	
Total retail trade		44-45	\$317,140,250	\$261,410,409	\$55,729,841
Total food and drink		722	\$35,062,418	\$99,108,929	-\$64,046,511

SOURCE: Place Dynamics LLC and ESRI

- **Building material and supplies dealers.** Home Depot has found one of very few suitable locations for big box development in the central part of Tulsa, and it is experiencing a very high sales volume.

Others might try to replicate its success, were they able to locate a similarly situated site. Their sales would come to a good degree at the loss of sales from Home Depot.

- **Lawn and garden equipment and supply stores.** There is a small gap produced within the trade area. Apartments and condominiums in the downtown do not have a great deal of demand for the kinds of goods sold in these stores. In general, these uses prefer locations toward the outer edge of the community.
- **Grocery stores.** There are no full-line grocers serving the downtown or its trade area. This has been a growing concern for the City and for area residents as residential development continues within the area. News stories dating back to 2011 discuss potential stores that have been proposed, only to fall through. One of the more recent projects to be proposed includes a grocery store as part of a twelve story building on a parking lot formerly owned by the Performing Arts Center. Reasor's was initially intended as the tenants, but it has not reached an agreement with the developer and no other candidates have been named.

Downtown areas similar to Tulsa's do not typically support traditional full-line grocers. Instead, this space is often filled by so-called "fresh format" grocers, like Fresh Thyme and Fresh Market, that have a smaller assortment that is more heavily focused on produce, meats, bakery, and prepared foods. Stores such as these are considered the best targets for downtown Tulsa.

- **Specialty food stores.** With a relatively large base of residents, having a great inflow of workers, and as a central location able to draw from much of the city, downtown Tulsa is a good location for specialty food retail. This district already produces a significant surplus in the category. It qualities make it a good location to attract similar businesses that serve the city, if not even a regional market.
- **Beer, wine, and liquor stores.** Downtown Tulsa is an entertainment center, as are other districts within the trade area. This, along with the population density of the trade area, allows it to support multiple liquor stores with a considerable sales surplus. Prospects for additional stores of this type may focus on specialty niches, such as a wine shop (though one is now located in The Boxyard).
- **Health and personal care stores.** Many health care purchases are made during or immediately after the work day, so that stores such as pharmacies want to be located where there is a large employment base, or nearby on the "going home" side of the street. The downtown trade area reflects this siting preference with ten stores in the category, selling much more than the demand generated within the trade area. While additional stores of the type are not a strong prospect, independents or others filling niche markets may find the area attractive.
- **Gasoline stations.** There are a large number of gas stations in the trade area, more than meeting the demand that is generated in the area. Most are outside of the downtown study area. There may be a case to be made for a gas station in the study area. Along with meeting the fueling needs of residents, workers, and visitors, gas stations have convenience stores that are often open 24 hours, providing a place where people can purchase items they may need.
- **Clothing stores.** Though not typically as strong a location for clothing stores as a regional mall, downtowns like Tulsa's are regional centers and can attract independent, along with some chain apparel retailers. This is the case here, where 13 clothing stores in the trade area are capturing a significant market share. As the area continues to attract new residents and becomes more of a retail destination, other clothing stores will find it an attractive place to locate a store.
- **Shoe stores.** Because of this industry's close association with clothing stores, it is found downtown and is performing very well. It is not a strong prospect, but additional stores are possible.
- **Jewelry, luggage, and leather goods stores.** The trade area produces modest demand and there are existing sales in this category. These kinds of specialty stores may be possible within the study area.

- **Sporting goods, hobby, and musical instrument stores.** Good demand is already supporting 13 stores of this type in the trade area. This is another case in which the regional drawing power of the district helps businesses to attract customers. Many of the prospects are likely to be specialized, such as a sporting goods store specializing in soccer equipment or a music store specializing in guitars. These are mostly independent businesses.
- **Book, periodical, and music stores.** As a central location, the downtown may be a good choice for this types of use. Many neighborhood areas do not produce sufficient demand to support a book store, so that they will need to be able to reach customers from across the city.
- **Department stores excluding leased departments.** There is significant unmet demand from within the trade area, and in fact, the pattern of discount stores and superstores in Tulsa has very poor coverage of the City’s central neighborhoods. While finding a suitable site is a challenge, there is the potential to attract these businesses to the trade area. Target has been more interested in trying smaller formats that more readily fit within an urban environment. This use might particularly benefit from a site near Home Depot.
- **Other general merchandise stores.** Higher land and development costs in the study area, along with the demographic profile of new residents, do not support the business model for this use.
- **Office supplies, stationery, and gift stores.** These uses, especially gift stores, fit the study area’s role as a regional and visitor center. There is an already large concentration of nine such businesses. Additional stores are competition, but will also help to further expand the market.
- **Used merchandise stores.** This category often conjures the image of thrift stores or pawn shops, which are a significant part of the category. It also includes antiques, vintage collectibles, and more upscale consignment shops. These types of businesses may be good targets for the area, as it is drawing from the regional population and also pulling in visitors who may be a market for these goods. The uses may be a good fit with Historic Route 66 and Art Deco themes helping to drive tourism to the downtown.
- **Other miscellaneous store retailers.** Thirty-one miscellaneous retail stores in the area are generating far more sales than there is demand within the trade area. Much of this can be attributed to the district’s regional drawing power and visitor traffic. As further development occurs and the downtown’s strength as a destination grows, new stores will be supported.
- **Special food services.** With its large worker and visitor population, downtown is a preferred location for these uses, which include food trucks.
- **Drinking places – alcoholic beverages.** Several downtown districts and nearby areas are entertainment and dining centers that draw regionally, which explains the strong performance of the trade area in this industry group. As it grows, the downtown will support more of these uses.
- **Restaurants and other eating places.** The downtown study area and adjacent neighborhood districts have a concentration of restaurants. With its continued growth, the downtown will support more restaurants.

DISCUSSION

The current vision and plans for the downtown are consistent with the market direction. Tulsa residents are in step with the rest of the nation in desiring walkable urban neighborhoods with dining and unique shops, which is what has been developing in the Arts District and Blue Dome District. These are also an attraction for visitors, such as those attending events at downtown venues or visiting for other purposes such as business, recreation, or tourism.

As population grows in the downtown area, there will be increasing demand for businesses that serve the neighborhood population. These include retail operations such as a pharmacy, gas stations and convenience stores, and groceries. In several communities, the food needs of the population have been met in part through local government ventures and partnerships that have created year-round, indoor markets.

Home Depot's success in its downtown location points to a potential opportunity. The central parts of Tulsa offer few opportunities for larger stores to be developed, or even for strip centers that might attract chain businesses. Home Depot is drawing a significant volume of traffic on which other retailers might piggy back. Surface parking lots and other potential redevelopment sites can allow new construction to occur while still retaining – in some cases actually restoring - the urban feel of the downtown.



Chain store development can still create an urban street section, with buildings set to the road and parking to the side and back. Development such as this can bring desired businesses into the downtown while allowing it to restore the character that makes it attractive as a place to live and visit.

RECOMMENDATIONS

Downtown serves to markets. The first of these is comprised of residents in the downtown and nearby neighborhoods who are wanting to have their needs for basic shopping met by stores such as pharmacies, grocery stores, discount or superstores, and home improvement centers. Some of those needs are not being met. The second market is comprised of workers, regional residents, and visitors who need convenience items, specialty retail goods, entertainment, and dining options. The downtown is increasingly successful in meeting their needs.

Both markets can be met, though additional residential development may need to occur to produce the numbers that will make grocery and general merchandise chains more comfortable with urban format stores. A strategy for the downtown study area will identify sites on which to develop the neighborhood or community-serving uses that have a large footprint, while sustaining and enhancing the development of specialty food and dining in a handful of districts that can attract residents from all of the Tulsa region, or beyond.

Business Targets

A grocery store and a discount store should be the priority chain targets for the downtown. One option may be to try to locate them near the Home Depot, which is already pulling traffic from a large area. Both store types may be supported, but may also prefer to see a higher density of residential development in the vicinity, especially within a middle income or higher bracket.

Other prospects for the downtown include a variety of specialty retail formats, such as furniture and home furnishings stores, apparel and accessories stores, specialty food stores, quality used merchandise stores, gift stores, art galleries, and others. Most of these businesses will be independently and locally owned, rather than chain stores.

Recommended Actions

The following actions form the core of a two-part strategy to meet the needs of local residents and enhance the stature of study area districts as a destination retail location.

1. Identify downtown sites where large format uses like a grocery store or discount department store may be developed. This can include acquisition of the property or an option to purchase to hold it until a chain will commit to the project. In addition to the anchor store, sites will ideally be able to accommodate associated smaller uses. Urban formats should be explored.
2. Implement plans to convert one-way streets to two-way traffic.
3. Continue to support high density residential development in the downtown, in order to expand the resident population and improve the demographic profile of the trade area.
4. Neither the US Census nor data vendors like ESRI and Nielsen/Claritas have very effective means of identifying growth at this level, and the estimates they provide may undercount current population. The City should annually prepare more detailed information to present to retailers and developers, including annual counts of units added, information concerning rental and purchase prices for those units, population estimates, worker estimates, and inventories of the retail and dining businesses in each downtown district. This information will be used to describe the changes that are occurring and demonstrate the viability of the downtown study area as a retail location.
5. While there are excellent resources to help develop restaurant businesses in Tulsa, the same is not true for retail. Most of the businesses that locate in Tulsa's downtown districts, as well as other specialty districts like Brookside and the Pearl District, will be locally-owned independent businesses. A variety of initiatives might be considered to help these businesses become established and grow, such as:
 - a. Business incubation, providing extensive training along with physical space that might include a fixed location and/or mobile retail trucks;
 - b. Marketing assistance programs, enhancing the marketing skills and knowledge of retail business operators, and providing targeted financial assistance, such as during the business's launch period or during special events, or to reach out to new markets, like visitors to Tulsa.
 - c. Financial incentives to rehabilitate and occupy new retail space, and to make targeted improvements that will make a site more viable as a retail location.
6. Support district-based organizations, similar to the Main Street Program, where businesses, property owners, and the City can collaborate to provide district management and promotional services.
7. Continue to support tourism and related initiatives that bring visitor traffic to the downtown and to other specialty districts in Tulsa.

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ROUTE 66 EAST

In 2018 the City of Tulsa commissioned a Retail Market Analysis to examine general conditions for the commercial sector in all parts of the community, and to take a closer look at unique characteristics of a number of specific study areas. These locations were chosen for a combination of reasons including their diversity, their importance, the challenges or opportunities they present, planned or potential City investment, and other factors. Thirteen study areas were chosen for analysis. Each analysis and strategy is intended to serve as a model that may be applicable to other, similar parts of Tulsa.

The Route 66 area was drawn to take in a portion of the historic highway and also the Pearl District a few blocks to the north. It is an area where transformation is beginning to occur. Galleries, specialty retail shops, and restaurants are opening, and significant public and private investment is occurring, such as the Mother Road Market. The corridor is being positioned as a tourist destination, and one of the few walkable mixed use business districts that appear to be in demand in Tulsa, as they are in other cities.

THE STUDY AREA – ROUTE 66 EAST

The Route 66 corridor near downtown, along with the Pearl District on 6th Street, is seen as an up-and-coming urban neighborhood with the potential to meet local demand for walkable mixed use corridors lined with interesting shops and restaurants. Its national significance as an historic route makes it an appealing visitor destination. Significant investments are planned for the area, including the Mother Road Market and associated redevelopment sites, and a streetscape that will help to establish a brand for the corridor.

Description

11th Street (Historic US Route 66) has a mixed character to the east, but has a more typical early 19th Century design aesthetic from the Tulsa University campus west to the downtown. This consists of mostly one and two story buildings set to the street edge, though some buildings have small parking lots and service areas to the front. Uses are mixed from Columbia Avenue to St. Louis Avenue, including light industrial and service businesses, neighborhood-serving and convenience retail and services, and the Hillcrest Medical Center.

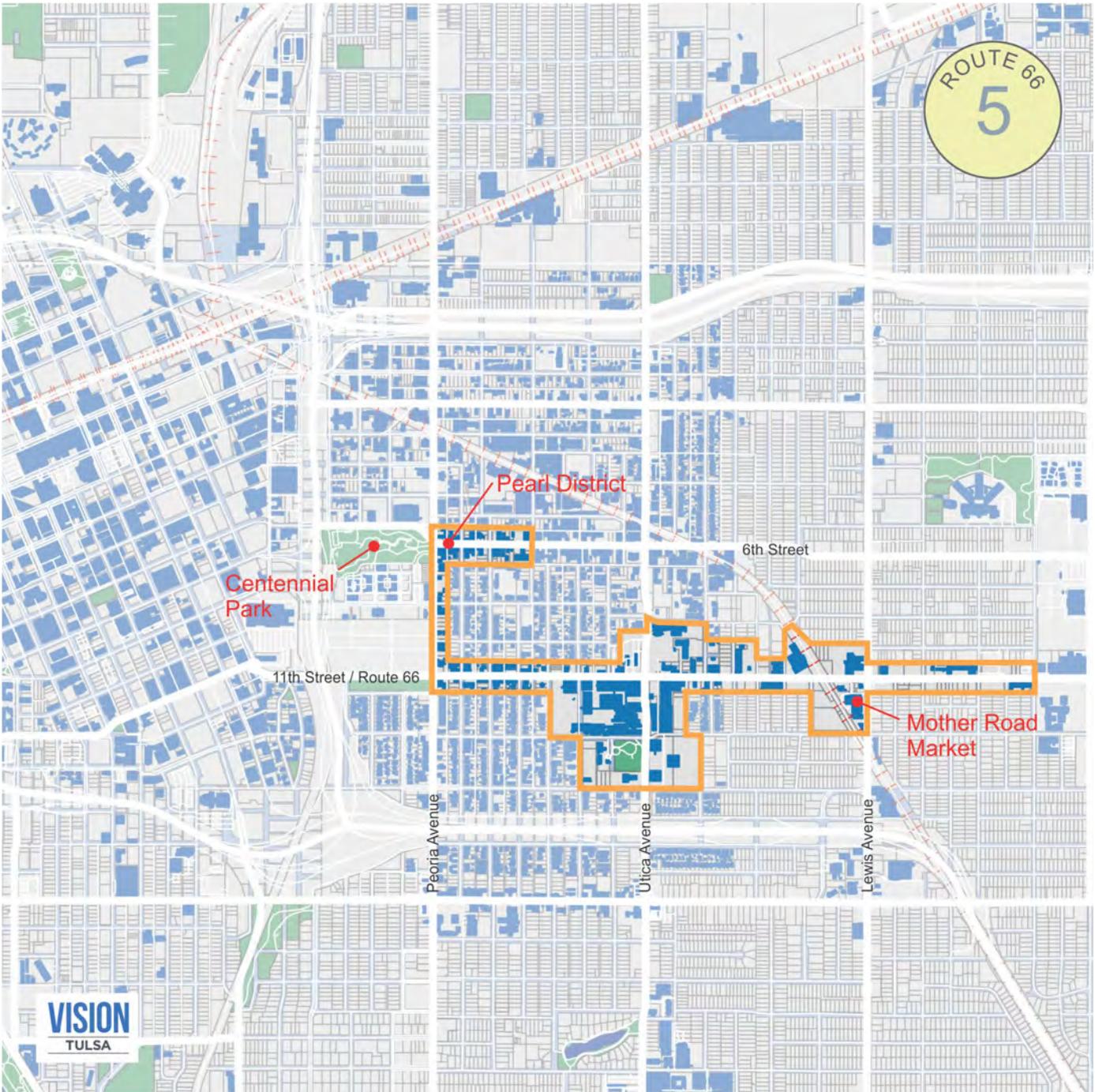


Vision Tulsa, an \$884 million tax renewal package approved by voters in 2016 will make substantial investments in economic development, education, public safety, streets, and transportation needs citywide. With citizen priorities providing the driving force behind the creation of Vision Tulsa, transformative projects and enhancements will set the stage for a bright future for Tulsa.



Businesses along 11th Street (Historic Route 66) report that they do see a significant volume of tourist traffic from people traveling the highway. Building the volume of this traffic is a goal for the City, and plans address improvements to the corridor.

ROUTE 66 EAST STUDY AREA



The four blocks of Route 66 between St. Louis Avenue and Peoria Avenue are becoming more specialty-focused, with art galleries, shops, and restaurants. Similar specialty uses are found in the two blocks east of Peoria Avenue on 6th Street (the Pearl District). Peoria Avenue has a small number of these uses.

No single business or feature is itself an anchor, but rather, the concentration of small businesses has begun to reach a critical mass that will attract residents and visitors. The study area will be getting an anchor with the opening of the Mother Road Market in Autumn of 2018. The food hall and entertainment venue is the first

phase of a larger redevelopment project at the corner of 11th Street and Lewis Avenue. In fact, there are several vacant or underutilized lots on 6th Street, 11th Street, and Peoria Avenue that can be redeveloped, along with buildings that can be renovated to enable the expansion of destination retail and dining uses up and down the corridor.

In December of 2018 the City of Tulsa established a tax increment district covering much of the corridor. The Project Area is generally located along East 11th Street between U.S. Highway 75 and South Delaware Avenue, and along South Lewis Avenue between East 16th Street and East Archer Avenue. The district will be used to construct public improvements and to support redevelopment at key sites.

Traffic Patterns

Traffic volumes on 11th Street (Route 66) are not high, with a 2017 daily volume of 11,900 cars. This may be one of those situations where lower volumes are desirable, as heavy traffic through the study area would make it less attractive for stopping or walking. No traffic data is available for 6th Street (the Pearl District), but observations suggest that it is less than 11th Street. Higher volumes are found on Peoria Avenue, where 15,200 cars traveled between 6th Street and 11th Street.

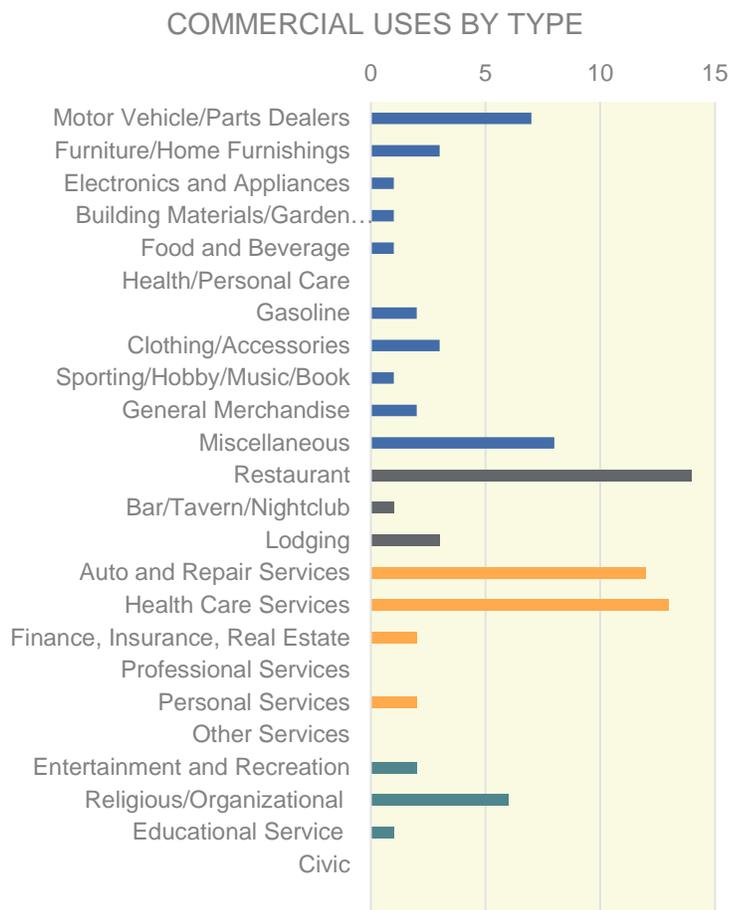
Business Mix

The Route 66 corridor (and 6th Street) is an area of diverse small businesses catering to residents of the neighborhood and the larger community, workers in the area, and visitors. Motor vehicle dealers and parts stores, and automotive and other repair services are examples of activities serving a mostly neighborhood market. Restaurants, home furnishings stores, and several miscellaneous stores (art galleries, gift shops, etc.) attract customers from all over Tulsa and beyond, including visitors traveling Route 66.

Altogether there are 85 businesses identified within the study area. Forty-four, or a little over half, are retailers. That makes this study area one of the more highly concentrated specialty retail areas in Tulsa.

Competition

This study area has a mix of destination and neighborhood-serving shops and restaurants, each with their own competing parts of the city. In this part of Tulsa, neighborhood level services like personal care and repair services are located along corridors one mile apart. The relatively uniform distribution of these activities means that competition is with similar businesses within a radius of one or two miles.



SOURCE: Place Dynamics LLC

The destination uses have a different set of competitors located in other commercial districts that draw from across the region. The Pearl District (6th Street) and Route 66 (11th Street) even compete with each other. Elsewhere, competition is provided by other walkable urban districts like Cherry Street, Brookside, the Arts District, and the Blue Dome District. The Woodland Hills Mall also competes for diners and specialty goods shoppers, though it does so with a concentration of chain, rather than unique independent businesses.

Commercial Space

Not including the Hillcrest Medical Center, there are 99 commercial structures with a total ground floor area of 661,063 square feet in the study area. These range in size from 500 square foot former gas stations to warehouse buildings over 30,000 square feet. Most were constructed from the early to middle 1900's. When originally built, their intended uses included commerce, industry, and warehousing, but now, industrial and warehouse uses are being replaced by offices or commercial uses.

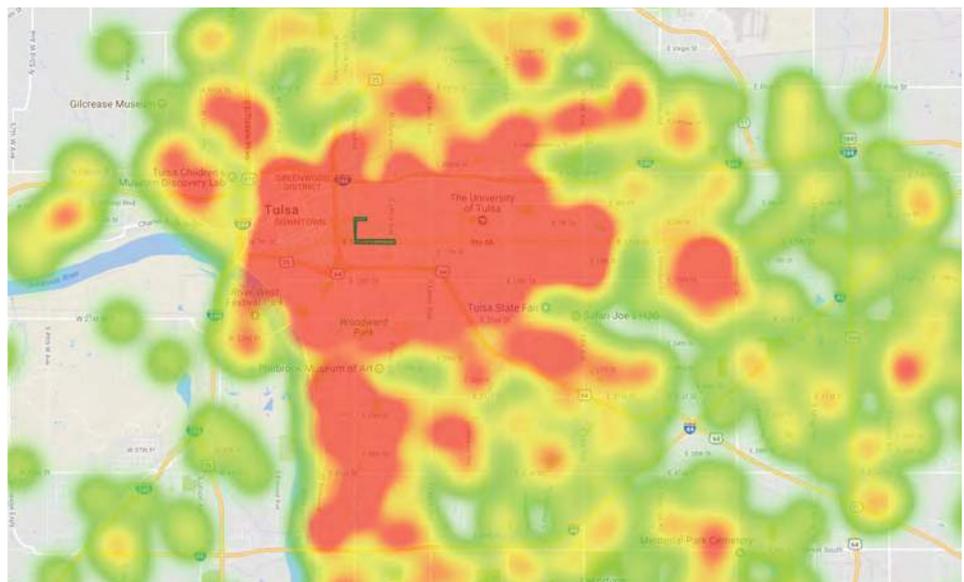
A large number of buildings in this study area are brick and have one or two floors. They are generally built to the street line or with minimal setbacks that provide only small parking areas. Their age and character are one of the attributes that is making this an attractive destination district.

DEMOGRAPHICS AND MARKET

This is a study area to which residents of the neighborhood and the broader city, people working in the area, and visitors (tourists) travel to shop or dine. Location data from mobile phones was used to better understand the market. At the broadest level, the study area is drawing from across the United States, or beyond. Stronger visitor concentrations fall on a line from Galveston and Houston, through Dallas to Oklahoma City, and north through Wichita and Kansas City. Other concentrations correspond to major population centers such as

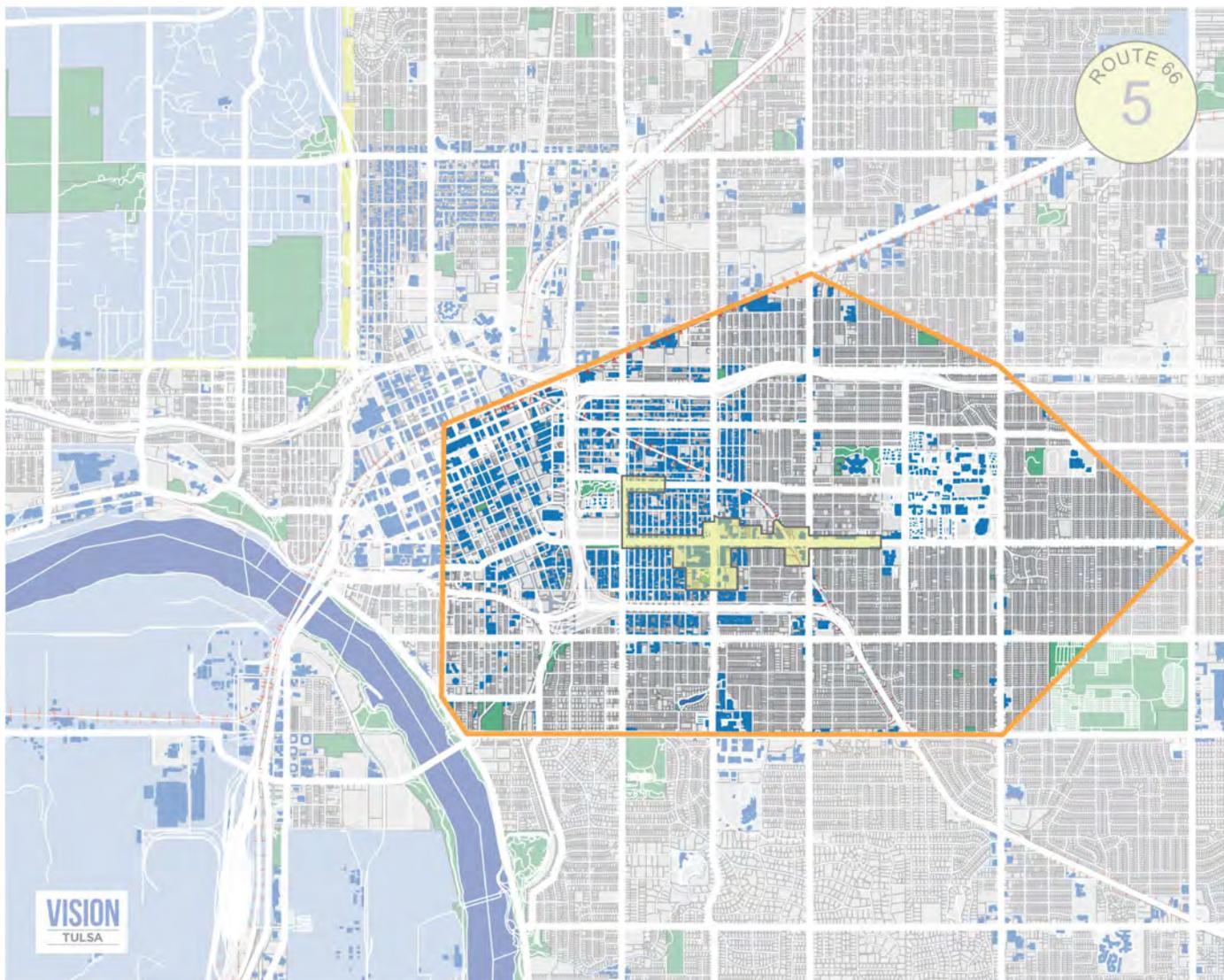


Cell phone tracking can be used to identify the origins of a representative sample of visitors to the Route 66 district. Shaded areas represent concentrations, graduated from green (few) to red (many) visitors.



New York, Denver, and Orlando. At the neighborhood level, the study area draws from further east, and west into the downtown.

ROUTE 66 EAST TRADE AREA



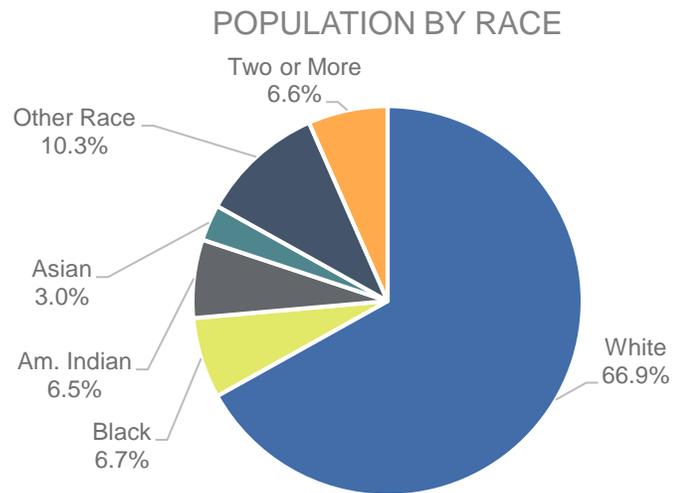
Demographic Highlights

In 2018 there are 28,030 people living within the trade area, an increase from 26,595 in the 2010 Census. Annual growth is projected by ESRI to be 0.64 percent.

The racial composition in this area is less mixed than in other parts of Tulsa, particularly to the north and west. The white population makes up a third of the total (66.9 percent), followed by people defining themselves as “other” (10.2 percent). Persons of Hispanic origin, regardless of race, make up 17.6 percent of the total.

The number of rental households in this area has been steadily increasing since at least 2000, when 7,241 units made up 54.4 percent of the total. The current 8,137 rental units now comprise 60.9 percent of the total. This trade area does take in parts of the downtown where new rental housing has been added. An estimated 2,266 housing units, or 14.5 percent of the total, are counted as vacant.

The trade area has a median household income of \$37,224, which is 86.5 percent of the city median. Unemployment is estimated to be 5.2 percent.



Resident Market Potential

The number of people living in the trade area is a contributing factor in generating a significant sales potential. Trade area residents spend \$371,921,000 annually on retail and dining. This includes \$37,951,000 on eating and drinking places. Retail spending reaches \$336,970,000. Broken out by category, the volume is sufficient to support establishments in any retail industry subsector, if competition were not a factor.

Area Workforce Market Potential

The Route 66 study area's trade area, extended one mile, is an area to which there is a significant inflow of daily workers. There are 77,298 people working in the area, while only 27,758 workers live in the area. The share who both live in and work in the area (31.5 percent) is larger than usual, but still, 68,559 people commute in, while 19,019 commute out. These workers contribute another \$312,921,000 in potential spending during their work day.

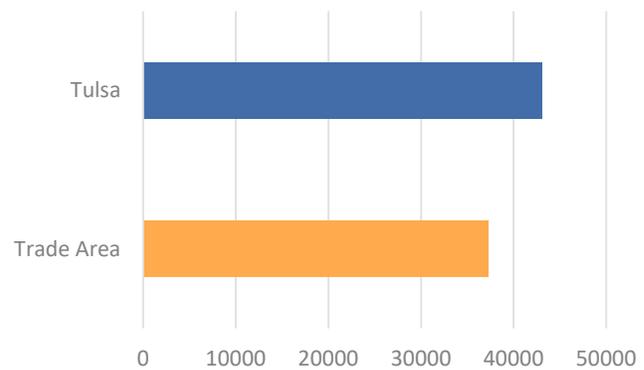
Cash Economy

An estimated 3,665 people in the Route 66 East trade area are participating in the cash economy, earning \$59.2 million annually in unreported income. Of this total, \$20.4 million is spent on retail and dining. This comprises 2.9 percent of the market potential within the trade area, a share that is smaller than in many of the other study areas.

SALES AND MARKET SHARE

Combined, residents and workers generate an annual market potential of \$746,646,000, while businesses in the study area have aggregate sales of \$31,375,000. This is 4.2 percent of the potential. That low figure is partly a function of the number of small stores in the study area, which is governed by the pattern of urban

MEDIAN HOUSEHOLD INCOME



SOURCE: Place Dynamics LLC and ESRI

MARKET POTENTIAL, ESTIMATED SALES, AND MARKET SHARE

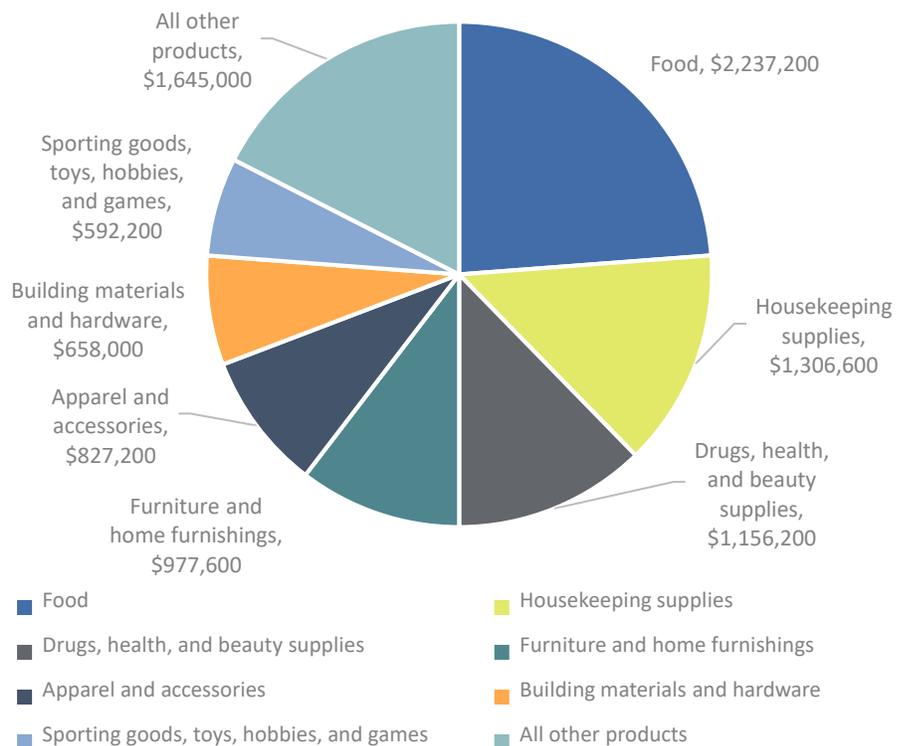
	TRADE AREA POTENTIAL	CASH ECONOMY	WORKER POTENTIAL	TOTAL MARKET POTENTIAL	ESTIMATED SALES	MARKET SHARE
Motor vehicle and parts dealers	\$75,271,000	\$4,098,000	\$14,334,000	\$93,703,000	\$12,154,000	13.0%
Furniture and home furnishings stores	\$9,959,000	\$542,000	--	\$10,501,000	\$1,600,000	15.2%
Electronics and appliance stores	\$11,041,000	\$601,000	\$10,495,000	\$22,137,000	\$311,000	1.4%
Building materials, garden and supplies	\$19,631,000	\$1,069,000	--	\$20,700,000	\$475,000	2.3%
Food and beverage stores	\$54,060,000	\$2,943,000	\$34,742,000	\$91,745,000	\$225,000	0.2%
Health and personal care stores	\$19,011,000	\$1,035,000	\$31,123,000	\$51,169,000	\$0	0.0%
Gasoline stations	\$43,054,000	\$2,344,000	\$64,922,000	\$110,320,000	\$7,529,000	6.8%
Clothing and accessories stores	\$13,380,000	\$728,000	\$21,352,000	\$35,460,000	\$625,000	1.8%
Sporting goods, hobby, book and music	\$11,768,000	\$641,000	\$7,150,000	\$19,559,000	\$200,000	1.0%
General merchandise stores	\$65,900,000	\$3,588,000	\$51,018,000	\$120,506,000	\$1,826,000	1.5%
Miscellaneous store retailers	\$13,895,000	\$756,000	\$20,002,000	\$34,653,000	\$1,788,000	5.2%
Food services and drinking places	\$37,951,000	\$2,066,000	\$57,180,000	\$97,197,000	\$4,642,000	4.8%
TOTAL	\$374,921,000	\$20,411,000	\$312,318,000	\$707,650,000	\$31,375,000	4.4%

land use. The area's small lots do not accommodate large retail stores such as full-line grocery stores, supercenters, and other big or mid box retailers. Uses like car dealers will also need a large site, and their few outlets within a metropolitan region will be clustered among competitors. On the other hand, gas stations and restaurants are scattered throughout the city and their competition will make it difficult for any study area to capture a large percentage of the potential market.

Impact of Dollar Stores

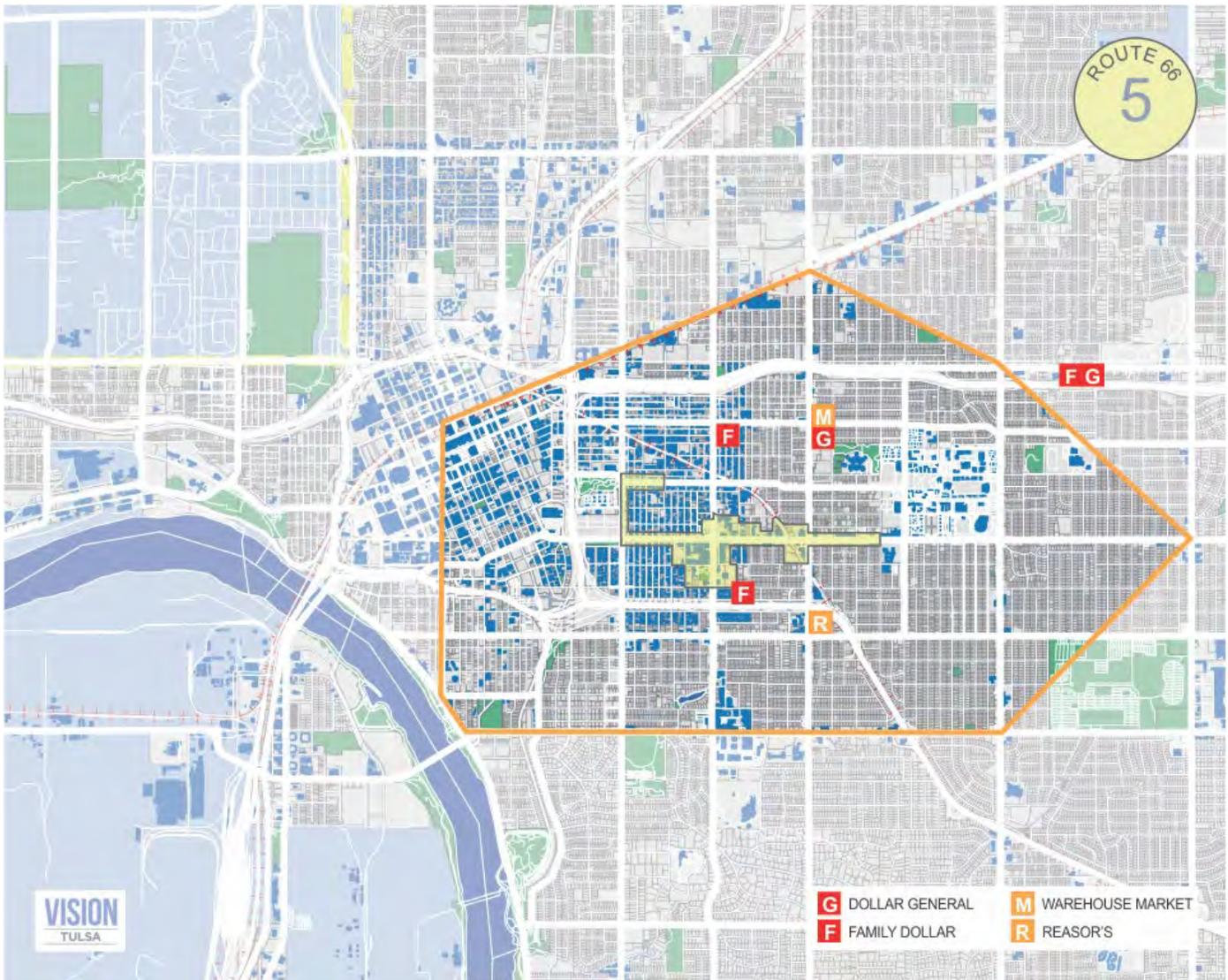
Three dollar stores lie at the center of this trade area, with two more near its eastern edge. None are located within the actual study area. In total, these

DOLLAR STORE SALES BY PRODUCT LINE



five stores have \$9,400,000 in sales. This is equal to 1.3 percent of the trade area potential. Food sales at these stores, coming to \$2,237,000, are equal to just 2.3 percent of the total expected to be sold in grocery stores and other food stores.

DOLLAR STORES AND GROCERY STORES IN THE ROUTE 66 EAST TRADE AREA



DISCUSSION

Route 66 East is another of those urban districts, like Brookside and Cherry Street, that are in demand with both young and older consumers. These consumers are seeking unique shopping and dining experiences rather than the homogeneity of chains at the mall. This part of the Route 66 corridor has the infrastructure to make that possible, with existing buildings having both character and the right scale for the kinds of independent shops and restaurants that are seeking locations. Their character is part of the appeal, having both a patina and quirks that contribute to an interesting and authentic setting.

Route 66 also benefits from its allure as the Mother Road. Visitors traveling the route are already having an impact on businesses in the corridor, who report good visitation from people passing through. Tulsa might look to other urban stretches of the highway, such as the Maplewood district in St. Louis or Nob Hill in Albuquerque, for inspiration. Plans are in place for the study area, and there is significant investment in the Mother Road Market and surrounding area at the intersection of 11th Street and Lewis Avenue.

While that one redevelopment project is being executed, there are many other buildings that would be suitable for conversion, or sites that might be redeveloped. Because of their relatively small scale, a good number are likely to be undertaken by owners without a deep history of property redevelopment. The City will need to develop the right set of tools to help people see the potential and to execute projects that contribute to restoring the vitality of the area. This might include proactive acquisition, concept development, and developer solicitation. The newly-created tax increment district will serve as a mechanism to achieve some of these objectives.

GAP ANALYSIS AND POTENTIAL FOR NEW BUSINESSES

While the market share is the portion of the trade area market potential captured by businesses in the study area, the gap analysis compares the trade area potential to estimated sales of all businesses in the trade area. The “gap” is the remaining demand that is not met by businesses in the trade area, and if business sales exceed the demand there is said to be a “surplus”.

While a gap analysis can be a useful tool in helping to determine what businesses might be supported in the study area, it does not necessarily follow that a gap may mean that a given type of store can be viable at the site. Any new store will only capture a portion of the gap available, and will also divert some sales from existing businesses. Attributes of the location such as traffic patterns and volume, visibility, site design, and competition from both inside and outside of the trade area will have an influence on its potential viability. It is equally true that under some circumstances, a surplus may be an indicator of the potential to attract new businesses. This would be the case for stores that thrive by aggregating in close proximity to generate more customer traffic.

A gap analysis is applicable to a typical business district that serves its adjacent neighborhoods, but is less appropriate in an area such as this, where the market is drawn from across the region and beyond. In these destination districts, the concentration of specialty retail and dining businesses is less closely linked to market potential, and there may be fewer of the kinds of businesses that are mostly serving a local population.

There is a desirable business mix for districts of this type, which will have a prevalence of specialty retail uses and dining. Many of the uses may be themed in some way to connect to the Route 66 heritage that is the district’s “brand”.

- **Automobile dealers.** Existing sales in this category are being captured through used car lots. While there is a gap of nearly \$16 million in the category, it is not considered a good fit for the study area’s ideal business mix. The exception to this is the sale of classic cars, which is in keeping with the heritage of Route 66.
- **Other motor vehicle dealers.** The characteristics of the study area and the desired business mix do not support this use.
- **Auto parts, accessories, and tire stores.** The area has a good representation of the national auto parts stores, and their coverage does not support additional businesses of this type. It is interesting to note the presence of Buck’s classics, which restores classic cars and does have a related parts business.

GAP ANALYSIS

RETAIL INDUSTRY GROUP	NAICS	DEMAND	SUPPLY	GAP	BUSINESSES
Automobile dealers	4411	\$55,906,774	\$40,026,827	\$15,879,947	31
Other motor vehicle dealers	4412	\$12,708,284	\$2,166,354	\$10,541,930	3
Auto parts, accessories and tire stores	4413	\$6,655,899	\$7,318,459	-\$662,560	10
Furniture stores	4421	\$6,733,785	\$4,496,261	\$2,237,524	7
Home furnishings stores	4422	\$3,224,993	\$24,755,737	-\$21,530,744	7
Electronics and appliance stores	4431	\$11,041,000	\$16,984,337	-\$5,943,337	11
Building material and supplies dealers	4441	\$18,366,903	\$24,671,286	-\$6,304,383	10
Lawn and garden equipment and supply stores	4442	\$1,264,407	\$831,956	\$432,451	3
Grocery stores	4451	\$48,016,507	\$81,648,276	-\$33,631,769	20
Specialty food stores	4452	\$1,500,869	\$5,954,747	-\$4,453,878	9
Beer, wine and liquor stores	4453	\$4,542,419	\$8,953,339	-\$4,410,920	7
Health and personal care stores	4461	\$19,011,377	\$31,800,268	-\$12,788,891	14
Gasoline stations	4471	\$43,054,049	\$51,100,935	-\$8,046,886	15
Clothing stores	4481	\$8,815,004	\$11,184,130	-\$2,369,126	18
Shoe stores	4482	\$1,830,535	\$1,683,092	\$147,443	1
Jewelry, luggage, and leather goods stores	4483	\$2,734,945	\$1,356,841	\$1,378,104	3
Sporting goods/hobby/musical instruments	4511	\$9,979,205	\$7,327,351	\$2,651,854	16
Book, periodical and music stores	4512	\$1,788,856	\$1,779,001	\$9,855	4
Department stores excluding leased depts.	4521	\$51,075,237	\$0	\$51,075,237	0
Other general merchandise stores	4529	\$14,824,705	\$13,773,383	\$1,051,322	7
Florists	4531	\$722,493	\$2,616,728	-\$1,894,235	7
Office supplies, stationery and gift stores	4532	\$3,197,912	\$8,529,687	-\$5,331,775	10
Used merchandise stores	4533	\$1,175,306	\$3,948,534	-\$2,773,228	16
Other miscellaneous store retailers	4539	\$8,798,947	\$30,646,300	-\$21,847,353	31
Special food services	7223	\$526,990	\$3,109,649	-\$2,582,659	5
Drinking places - alcoholic beverages	7224	\$862,368	\$7,151,505	-\$6,289,137	23
Restaurants and other eating places	7225	\$36,561,215	\$92,060,306	-\$55,499,091	150
Total retail trade and food and drink		\$377,131,048	\$492,391,953	-\$115,260,905	
Total retail trade		44-45	\$339,180,474	\$390,070,492	-\$50,890,018
Total food and drink		722	\$37,950,573	\$102,321,461	-\$64,370,888

- Furniture stores.** Several small stores in this category are capturing about two-thirds of the \$4.5 million market for furniture. As a destination district, Route 66 and the Pearl District could benefit from more stores of this type, as a larger concentration will draw in more customers.

- **Home Furnishings Stores.** ESRI estimates a very large surplus in this category, mostly generated by a single carpet and flooring business. There is room in the market for other small businesses in this category, positioned to serve the regional and visitor markets with unique products.
- **Building material and supplies dealers.** The trade area shows a surplus in sales within this category, with a number of specialty material suppliers in what were historically industrial areas. Home Depot is located just west of the trade area and Lowe's is located to the east. Other businesses of this type are not likely to consider the study area a good location.
- **Lawn and garden equipment and supply stores.** Demand for this use is modest, and existing stores are capturing a significant part of the business, leaving only about \$400,000 for any new business. This is not sufficient demand to attract a new store.
- **Grocery stores.** Two full-line grocery stores in the trade area, along with smaller food and beverage stores, are recording sales far in excess of what is generated within the trade area. The lack of grocery stores in the downtown and their scarcity to the north is a factor in these strong sales. These businesses are drawing from beyond the trade area. The City has a strong interest in attracting grocery stores to the site at Pine Street and Peoria Avenue, and to the downtown. If these materialize, food store sales in this district will be negatively impacted.
- **Specialty food stores.** The trade area is already producing a surplus of sales in specialty food stores, and with the opening of the Mother Road Market, this will already be increasing. Businesses of this type are attracted to destination retail districts like the Route 66 corridor, which generate strong traffic from customers seeking unique products. Other businesses of this type can be attracted to both Route 66 and to the Pearl District.
- **Beer, wine, and liquor stores.** Sales at seven liquor stores in the trade area exceed the demand that is being generated in the trade area. In general, these stores are not found in the downtown or in neighborhoods to the north, so that residents of those areas will travel into the trade area to make their purchases. None of these stores are located in the study area. A specialty liquor store, such as a wine shop, may have potential in the corridor.
- **Health and personal care stores.** Hillcrest Medical Center is a significant factor in the strong performance of this industry group. As opposed to pharmacies, there are fewer businesses in the area specializing in personal care items. These kinds of businesses, such as those selling handmade soaps, creams, fragrances, and similar products, are attracted to destination retail districts and should be considered a possibility for the study area.
- **Gasoline stations.** Existing gas stations in the trade area are capturing more sales than the demand originating within the area. This occurs as people passing through the trade area's arterial streets, such as commuters on their way to and from work, or travelers along the interstate, stop to make purchases. Additional gas stations are not warranted.
- **Clothing stores.** ESRI's business database for this area is including a number of vintage clothing and specialty clothing store (ex., uniforms and embroidered or silk screened apparel) in coming up with its estimate of clothing store sales. Competition for more traditional clothing stores comes largely from the proximity of Utica Square, although Tulsa Promenade and Woodland Hills Mall also present strong competition at a regional level. The opportunity for stores on Route 66 East and in the Pearl District will come from independently owned stores.
- **Shoe stores.** Specialty shoe stores in the downtown, and others at Utica Square, appear to be capturing the market that might otherwise consider Route 66 or the Pearl District. Additional shoe stores are not a good prospect, given the small demand and gap available.
- **Jewelry, luggage, and leather goods stores.** About half of the available demand is being captured in the trade area, but this is again a use that can benefit from regional and visitor traffic. Other independent businesses of this type are a good fit for the study area.

- **Sporting goods, hobby, and musical instrument stores.** Sixteen businesses are capturing much of the trade area demand, although there remains a \$2.6 million gap. The University of Tulsa helps to make this a strong retail category for the trade area. Additional stores are possible.
- **Book, periodical, and music stores.** Demand and supply for these stores are in balance. The University of Tulsa is again a factor in the performance of the market for this use. Additional stores are not a strong possibility for the study area.
- **Department stores excluding leased departments.** The configuration of the study area's real estate does not accommodate this use, despite a reasonably high \$51.0 million in demand. Walmart and Target stores to the east of the trade area are capturing much of the demand generated here.
- **Other general merchandise stores.** There is a small gap in this category that would not tend to support an additional store, and dollar stores would not contribute to the desired mix of businesses in the study area.
- **Office supplies, stationery, and gift stores.** The trade area sees a large sales surplus in this industry group. Hillcrest Medical Center and the University of Tulsa are important drivers of customer traffic, as is the visitor traffic along Route 66. As that traffic grows and as the districts develop a stronger concentration of supportive businesses more gift stores will be supported along Route 66 and in the Pearl District.
- **Used merchandise stores.** Sales exceed demand, with antique stores being more common close to the study area, and thrift stores more common to the east and south of the trade area. The Route 66 brand and the customer traffic it generates are very supportive of antique stores, vintage collectibles, and similar uses.
- **Other miscellaneous store retailers.** Several art galleries contribute significantly to the high volume of sales recorded among these stores, although about 40 percent of the total is attributable to Ziegler's Religious Articles. Sales at these types of stores often increase as they congregate, as larger numbers draw in more traffic from beyond the trade area. This is considered a good prospect for attraction to the study area.
- **Special food services.** A considerable surplus is already being generated from within the trade area. The University of Tulsa is a significant location where food trucks may congregate. From a policy perspective, thought must be given as to whether food trucks should be encouraged in the study area, where they will compete with restaurants.
- **Drinking places – alcoholic beverages.** The drinking establishments in the trade area are not located within the study area. Its positioning as a destination, attracting people from a large area, suggests the potential to support businesses of the type.
- **Restaurants and other eating places.** There are 150 restaurants in the trade area with about \$90 million in sales – approximately three times the demand generated within the trade area. The University of Tulsa, the Hillcrest Medical Center, and proximity to the downtown are factors in this very strong performance. The trade area also takes in the Cherry Street District, which has a large concentration of popular restaurants. This is an opportunity, and also a necessary element to transform the study area into a strong destination.

RECOMMENDATIONS

This is a study area that will ideally have a large number of independent, local, and unique specialty retail businesses and restaurants, creating a critical mass to bring in larger volumes of traffic from across the region and beyond. The Mother Road Market has the potential to be an anchor and a catalyst to both help spawn new businesses that can migrate out into the corridor as they grow, and to generate traffic to the area.

A strategy for this study area will commit to developing the streetscape and infrastructure to establish a strong identity for the corridor, support real estate redevelopment and reuse that is consistent with the vision of a destination retail and dining district, and invest in programs to help entrepreneurs start new retail businesses.

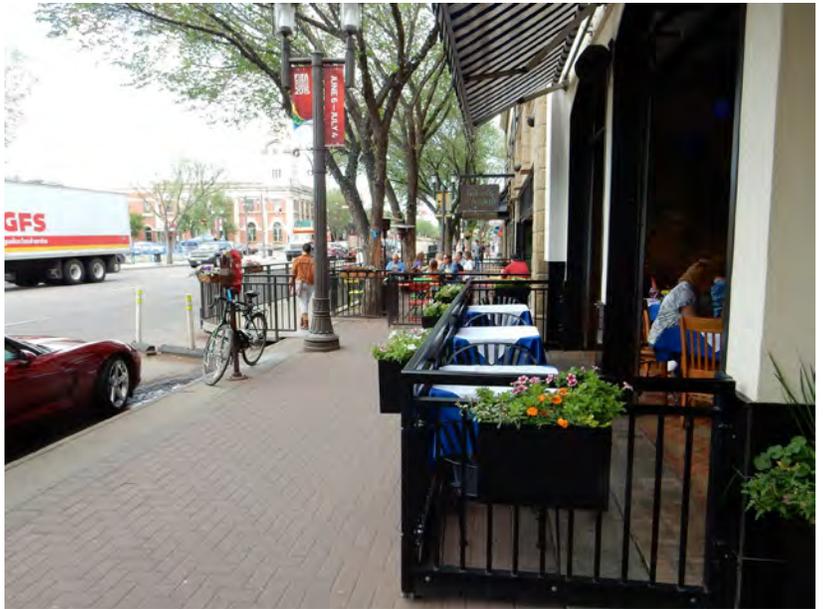
Business Targets

The study area should support a diverse set of specialty retail shops and restaurants. Examples include furniture and home furnishings stores, specialty food and liquor stores, personal care product stores, clothing and accessories stores, jewelry stores, sporting goods and hobby stores, gift stores, antique and vintage collectibles stores, art galleries, and other miscellaneous retail stores. It will also support a larger number of eating and drinking establishments. Many of these uses can be tied to the Historic Route 66 brand.

Recommended Actions

The City of Tulsa and its partners are already carrying out initiatives that should be continued as part of a strategy for the Route 66 East study area. Additional initiatives can be added on to accelerate the area's transition.

1. Continue efforts to market Route 66 as a visitor destination. Tourism represents one of the best means Tulsa has to expand its market. Additional visitors bring in new money from outside of the city's normal trade area. Aside from downtown Tulsa, this is the most interesting and visitor-centered segment of Route 66 in the metropolitan area, and the one that most closely fits visitor's iconic image of the historic highway. It should be recognized as one of the highlights along the entire route.
2. Implement plans for the Route 66 streetscape. The Route 66 Master Plan includes recommendations for streetscaping and other improvements all along the historic corridor. These investments will help to brand the study area and create the ambiance sought by visitors, as well as improve the experience for any patrons of the corridor's businesses. This is especially important in the Route 66 East and Pearl District areas, where there is a need to create a pedestrian-friendly and engaging setting that will encourage people to stroll the sidewalks, visit multiple retail shops, and dine. Improvements should consider strategies to enable and encourage outdoor dining, such as the use of parklets that convert curbside parking spaces to seasonal dining areas.



Outdoor dining is made possible by opening up the front of the building to the sidewalk. In the background, a temporary walkway is used over parking stalls, enabling the restaurant to use the space in front of its building to add outdoor tables.

3. Connect the Pearl District and Route 66 East along Peoria Avenue. These two business districts are now separated from each other, although close and supporting the same kinds of uses. Peoria Avenue can be redeveloped with complementary uses that may still be walkable, although better support automobiles. This would entail developing buildings up to the street wall, while placing parking to the rear. Mixed use development would be appropriate, adding more middle income housing in the neighborhood.
4. Identify and prioritize reuse and redevelopment sites in the study area. Route 66 East (11th Street) has a number of industrial buildings that could be adapted to commercial and mixed use buildings that contribute to the retail and dining potential along the corridor. Other sites may be candidates for redevelopment consistent with the desired character of the study area. Steps the City may consider to spur reuse and redevelopment include:
 - a. Identifying priority sites based on availability, potential, ease of transitioning (for instance, the necessity for environmental remediation, or other issues that can impede development), and other considerations.
 - b. Acquire properties to assemble attractive development sites or reuse opportunities that can be marketed to the development community.
 - c. Prepare conceptual plans for targeted redevelopment opportunities, to provide clear direction to the development community concerning the desired character and mix of uses preferred at the site.
 - d. Solicit potential developers for redevelopment sites through an expression of interest or request for qualifications process.
 - e. Package economic development incentives that may be available to support redevelopment and assist in recruiting businesses to the corridor.
5. Create programs to promote retail business formation. The Mother Road Market is an excellent example of a similar program for restaurants. Elsewhere, cities are experimenting with new approaches to retail business formation through techniques such as pop-up stores, mobile “retail trucks” similar to food trucks, retail incubators, and training programs tailored to retail startups. These programs should be targeted to businesses that will locate in specific districts within the city, such as this study area.

TULSA PROMENADE

In 2018 the City of Tulsa commissioned a Retail Market Analysis to examine general conditions for the commercial sector in all parts of the community, and to take a closer look at unique characteristics of a number of specific study areas. These locations were chosen for a combination of reasons including their diversity, their importance, the challenges or opportunities they present, planned or potential City investment, and other factors. Thirteen study areas were chosen for analysis. Each analysis and strategy is intended to serve as a model that may be applicable to other, similar parts of Tulsa.

The Promenade Mall area has demographics that would be considered ideal by most retailers. It is an attractive middle to upper middle income neighborhood with a commercial strip anchored by one of Tulsa’s two enclosed regional malls, which is surrounded by large strip centers. Restructuring in the retail industry had already begun to take a toll on the area when a tornado touched down in August of 2017, damaging at least 129 businesses, according to the Tulsa World. Owners have been investing to repair and upgrade their properties, but there remain many vacant storefronts in some of the affected centers. In choosing this area, the City seeks to understand how the study area may reposition itself in the face of both recent losses and long term trends.

THE STUDY AREA – TULSA PROMENADE

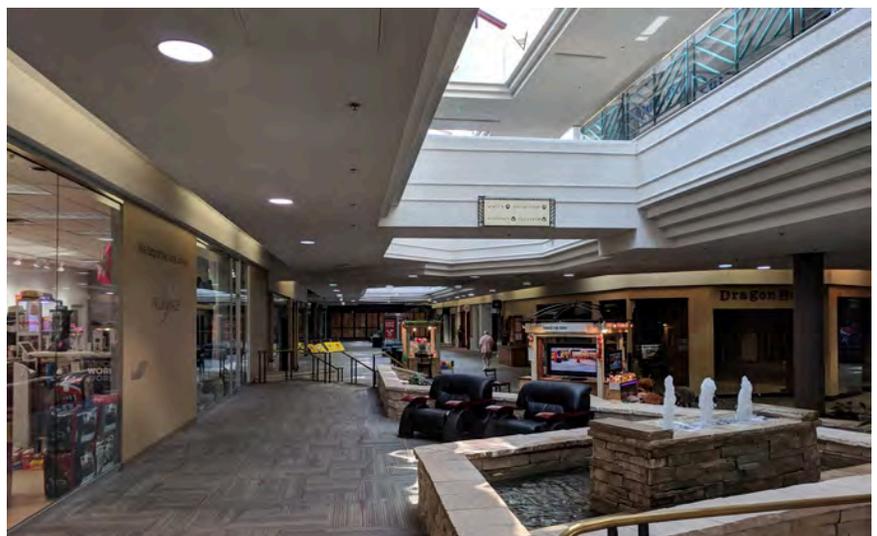
This study area is named for its most notable feature – Tulsa Promenade Mall. The mall is one of only two enclosed shopping centers remaining in the metropolitan area, following the conversion of Eastgate Mall to office uses in the mid-2000’s. Power centers and strip centers have developed around the mall.

Description

This study area runs a little over a mile on both sides of 41st Street from Yale Avenue on the west to Interstate 44 on the east. Tulsa Promenade is located on the southeast corner of 41st Street and Yale Avenue. Southroads, a large open air center / power center, is located to the north. The OU-Tulsa campus is located



Vision Tulsa, an \$884 million tax renewal package approved by voters in 2016 will make substantial investments in economic development, education, public safety, streets, and transportation needs citywide. With citizen priorities providing the driving force behind the creation of Vision Tulsa, transformative projects and enhancements will set the stage for a bright future for Tulsa.

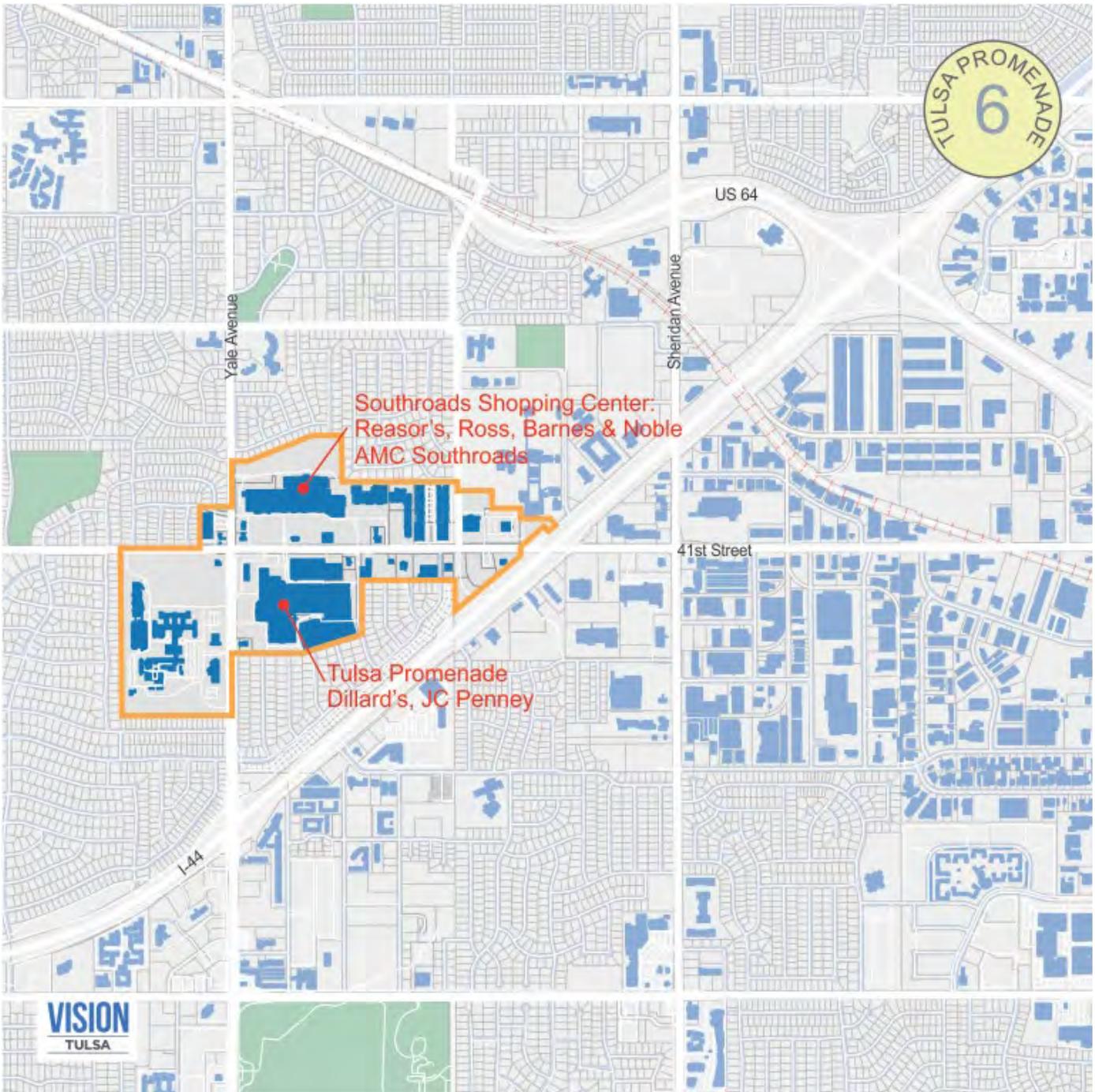


Tulsa Promenade has struggled to fill space in the mall, particularly near its shuttered anchor store spaces.

to the west, with approximately 1,600 students. There is a significant office employment center at the I-44 interchange and a concentration of light industrial uses further east along 41st Street. Mixed in with these uses are other commercial tenants, including Home Depot and Best Buy, along with smaller chain and independent businesses.

The first version of what was to become Tulsa Promenade was built in 1965 as an outdoor shopping center called Southland. In 1986 it was significantly expanded and enclosed, At that time it was anchored by JC

TULSA PROMENADE COMMERCIAL DISTRICT



Penney, Mervyn's, and Dillard's. Foley's was added in 1996 and was later acquired by Macy's. In 2005 the Mervyn's store closed. The Macy's store closed in 2017.

Southroads is a 450,000 square foot power center located across from Tulsa Promenade. Reasor's, AMC, Ross, Barnes & Noble, Michaels, and Petco anchor the center. There are seven spaces available at the east end of the center, totaling 125,753 square feet. Opened in 1967, Southroads was Tulsa's first enclosed mall, but was converted to an open air center in 1997. It and some adjacent buildings were damaged in the 2017 tornado, and repairs as well as remodeling are ongoing.

Traffic Patterns

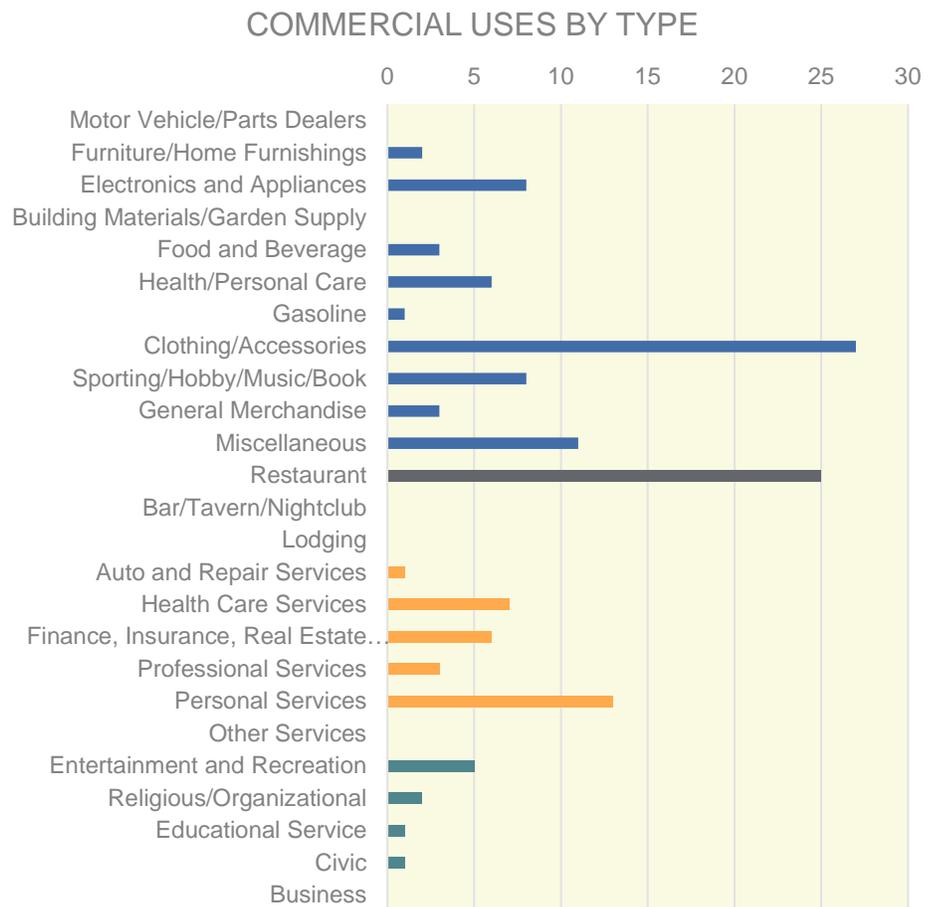
This is an area of very strong traffic. Yale Avenue is carrying 31,000 cars per day north of 41st Street, and 29,900 cars per day to the south. There is an average of 19,800 cars per day on 41st Street east of Yale Avenue, a drop from 38,000 in 2014. This may be an anomaly due to construction in 2017, as all other counts in the area are similar between the two years. Traffic is lighter heading west on 41st Street, with a count of 14,500 cars per day.

Business Mix

The Tulsa Promenade study area has the concentration of specialty retail stores that would be expected of a regional retail center. The highest store count is for clothing and accessory stores, which would be expected of a commercial district containing an enclosed regional mall. There are also numbers of other stores, such as sporting goods, hobby, music and book stores, and miscellaneous stores, not common in other districts in the city. Tulsa Hills and the Woodland Hills area are the other significant locations where some of these businesses can be found. Woodland Hills has the strongest performance among the three.

Competition

The primary competition for this study area is the area around Woodland Hills Mall, which has a larger enclosed mall surrounded by a greater selection of box retail and restaurants. Changes in the retail industry are causing more sales to occur online, and many retailers are finding that they no longer require multiple stores within a market, especially when it is a second tier market with a size such as Tulsa's. The effect is seen in decisions such



SOURCE: Place Dynamics LLC

as that made by Macy's to close its store at Tulsa Promenade. Woodland Hills Mall is the chosen location where one-in-the-market retailers will choose to be. Chain apparel stores and other specialty retailers found in malls are the most likely to adopt a one-in-market strategy. This may lead to more closures and will leave fewer options for Tulsa Promenade to fill the vacant space.

Big box and mid box retailers such as those in the Southroads Shopping Center will also compete with their counterparts near Woodland Hills Mall, which may be too close for some to consider a second store. Less strong competitors, like 21st Street and Yale Avenue, can pull some customers. Tulsa Hills has a comparable selection of these stores and will serve the needs of people on the west side of the city.

Commercial Space

There is a total of 1,487,075 square feet of commercial space in the Tulsa Promenade study area. Although the original construction of this space dates as far back as 50 years ago, the space has been well maintained and regularly upgraded. It continues to be well suited to meeting the needs of modern retail, eating and drinking, and other businesses. Repairs, remodeling, and new construction are ongoing in the Southroads area that was impacted by the tornado in 2017.

It is an industry rule-of-thumb that mall spaces like Tulsa Promenade need to be updated every five to seven years. The common areas on the interior of the mall are beginning to show signs of wear and some replacement would be warranted.

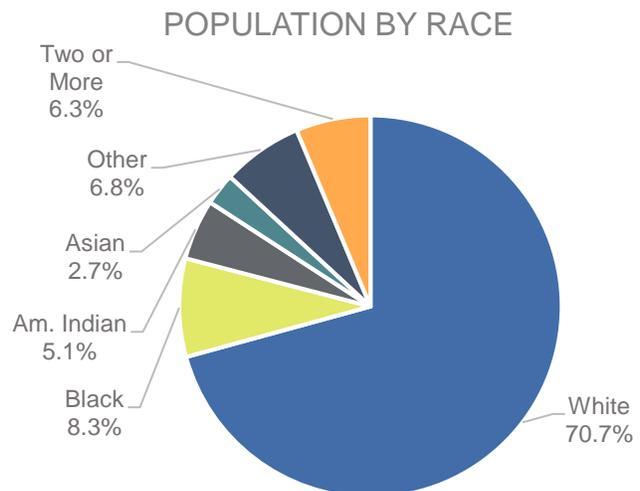
As in other commercial study areas within Tulsa, there is little to no landscaping in most areas. Combined with large expanses of parking, this creates a very harsh appearance.

DEMOGRAPHICS AND MARKET

The concentration of retail and dining businesses in the Tulsa Promenade study area is greater than any except Woodland Hills, in the Tulsa region. That will help it to pull from a large region across the center of the metropolitan area. At greater distances, consumers are more likely to choose to drive to the greater concentration of retail activity around Woodland Hills Mall.

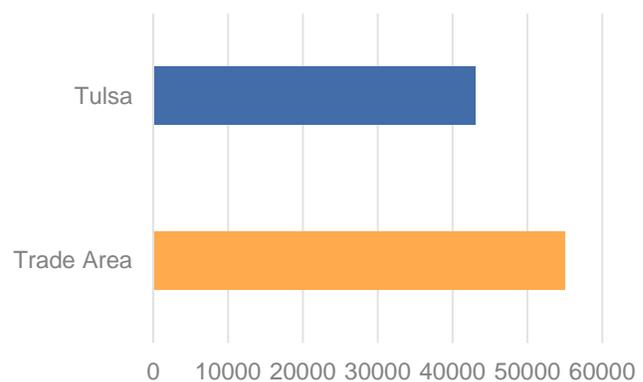
Demographic Highlights

There are 55,708 people living within the trade area. This is a slight increase from 2010, and ESRI has projected an annual 0.38 percent increase in the population. This population is living in 25,068 households. There has been a steady decrease in the number of owner occupied households over time, while there is a corresponding increase in renters, who now make up 39.5 percent of the total. In 2010 they made up 36.6 percent of households.



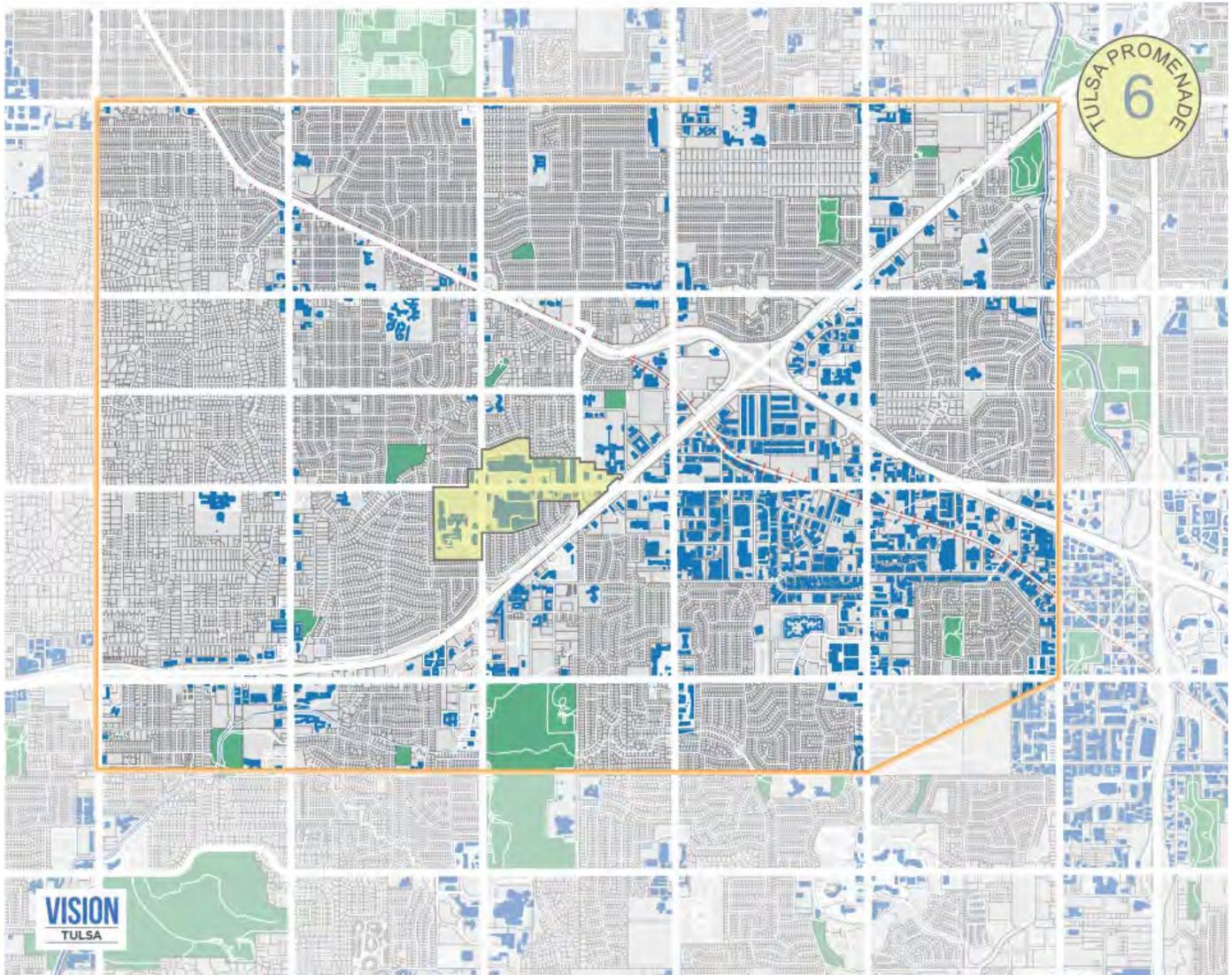
SOURCE: Place Dynamics LLC and ESRI

MEDIAN HOUSEHOLD INCOME



SOURCE: Place Dynamics LLC and ESRI

TULSA PROMENADE TRADE AREA



This is an area that is less racially mixed than other parts of Tulsa. The greatest share of the population is white (70.7 percent) and no other group makes up even ten percent of the total. Persons of Hispanic origin, regardless of race, are slightly higher at 12.5 percent. The median household income is \$55,037, or 128 percent of the city median. Unemployment is very low, at 3.8 percent.

Resident Market Potential

There is a great deal of potential in the marketplace, as the study area draws from a large part of the densely developed midtown area. The large number of people working nearby enhance that market, particularly for lunchtime spending, but also the return commute and other trips. Trade area residents are expected to spend \$796,614,000 on retail goods in the course of a year, and \$87,606,000 on eating and drinking. This comes to a total of \$884,220,000.

Area Workforce Market Potential

One reason that the Tulsa Promenade area is a strong retail center is the number of people working in the office buildings and extensive industrial zones that lie to the east of it. There are 104,687 people working

within an area one mile larger than the trade area. That is 49,982 more than the number of workers living in the same area. That number is larger than the resident population of some trade areas in the city.

A total of 17,884 people both live and work in the area. Each work day, 36,821 workers commute out to jobs in other parts of the city, while 86,803 commute in to work. Workers in the area are a significant source of additional market potential, particularly in categories such as eating and drinking places. Their workday spending adds over \$360 million to the study area’s market potential.

MARKET POTENTIAL, ESTIMATED SALES, AND MARKET SHARE

	TRADE AREA POTENTIAL	CASH ECONOMY	WORKER POTENTIAL	TOTAL MARKET POTENTIAL	ESTIMATED SALES	MARKET SHARE
Motor vehicle and parts dealers	\$179,162,000	\$8,146,000	\$14,504,000	\$201,812,000	\$0	0.0%
Furniture and home furnishings stores	\$23,555,000	\$1,071,000	--	\$24,626,000	\$650,000	2.6%
Electronics and appliance stores	\$25,737,000	\$1,170,000	\$18,841,000	\$45,748,000	\$2,581,000	5.6%
Building materials, garden and supplies	\$51,983,000	\$2,363,000	--	\$54,346,000	\$0	0.0%
Food and beverage stores	\$125,005,000	\$5,683,000	\$45,895,000	\$176,583,000	\$42,727,000	24.2%
Health and personal care stores	\$46,410,000	\$2,110,000	\$28,020,000	\$76,540,000	\$7,968,000	10.4%
Gasoline stations	\$99,348,000	\$4,517,000	\$65,692,000	\$169,557,000	\$3,000,000	1.8%
Clothing and accessories stores	\$31,089,000	\$1,413,000	\$24,638,000	\$57,140,000	\$47,262,000	82.7%
Sporting goods, hobby, book and music	\$27,825,000	\$1,265,000	\$9,559,000	\$38,649,000	\$13,807,000	35.7%
General merchandise stores	\$153,834,000	\$6,994,000	\$71,611,000	\$232,439,000	\$120,523,000	51.9%
Miscellaneous store retailers	\$32,666,000	\$1,485,000	\$19,799,000	\$53,950,000	\$19,130,000	35.5%
Food services and drinking places	\$87,606,000	\$3,983,000	\$61,837,000	\$153,426,000	\$27,121,000	17.7%
TOTAL	\$884,220,000	\$40,201,000	\$360,396,000	\$1,284,817,000	\$284,769,000	22.2%

SOURCE: Place Dynamics LLC and ESRI

Cash Economy

The trade area has 7,219 people participating in the cash economy. They are generating a significant added potential for retail and dining – over \$40.2 million annually, split between \$35.4 million spent on retail and \$4.8 million on dining. Still, because of the size and good demographics of the trade area, this makes up just 3.1 percent of the total market potential. The size of the cash economy is only about 4.5 percent of the trade area resident market, and 11.2 percent of the potential generated from workers in the area.

SALES AND MARKET SHARE

The market available to the Tulsa Promenade study area is almost \$1.3 billion annually, with \$1,131,391,000 in retail spending and \$153,426,000 in potential for eating and drinking. The study area is capturing over one-fifth (22.2 percent) of the available market. A good deal of the losses can be assigned to the fact that the study area is not well represented in categories like motor vehicle and parts dealers (particularly new car

sales), furniture and home furnishings, and building materials, garden equipment, and supplies stores. Some of these, like building materials, electronics, and auto parts are located just outside of the study area, to the east along 41st Street. There is a stronger concentration of furniture and home furnishings at The Farm, on 51st Street and Sheridan Road, one mile east and south.

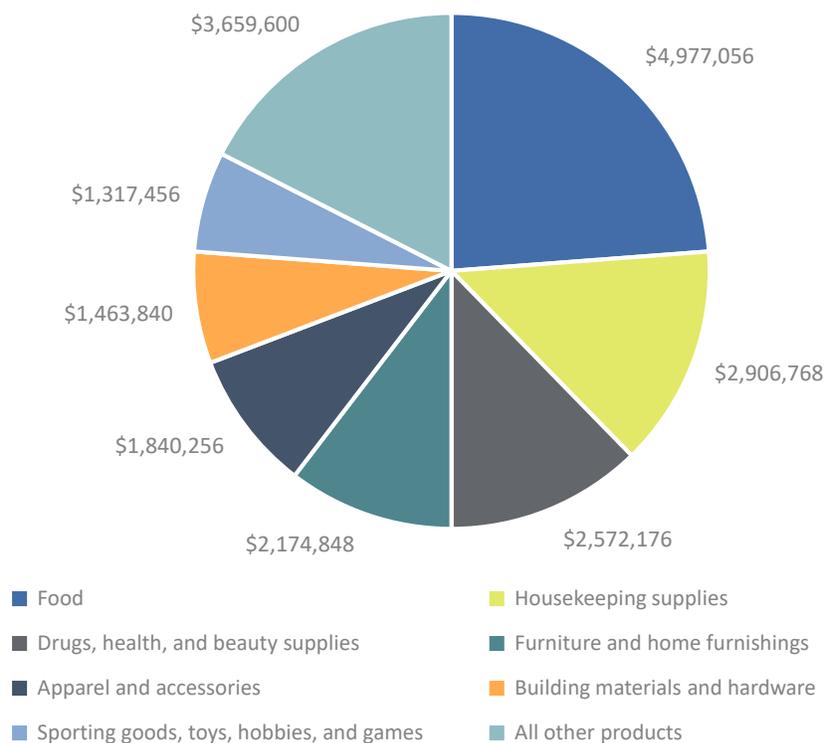
Compared to smaller community centers, the Tulsa Promenade study area is doing a good job of capturing sales in clothing and clothing accessories, general merchandise stores, miscellaneous store retailers, and sporting goods, hobby, music, and book stores. Many of these uses may not be represented in smaller centers.

Impact of Dollar Stores

Seven dollar stores are located within the trade area. These are mostly to the north, reflecting the area’s income profile. Dollar stores cater to a lower income demographic, while incomes tend to increase toward the south and west, within this trade area. Dollar Tree is also more prevalent in this area, which is also consistent with its positioning to appeal to more middle income households. The chain is mostly missing from neighborhoods to the north.

The seven dollar stores in the trade area have aggregate sales of \$20,912,000, including \$4,977,000 in food sales. By comparison, the study area is capturing \$42.7 million in grocery sales, and \$98.7 million is being captured in the trade area. The market potential for grocery stores is \$176.6 million.

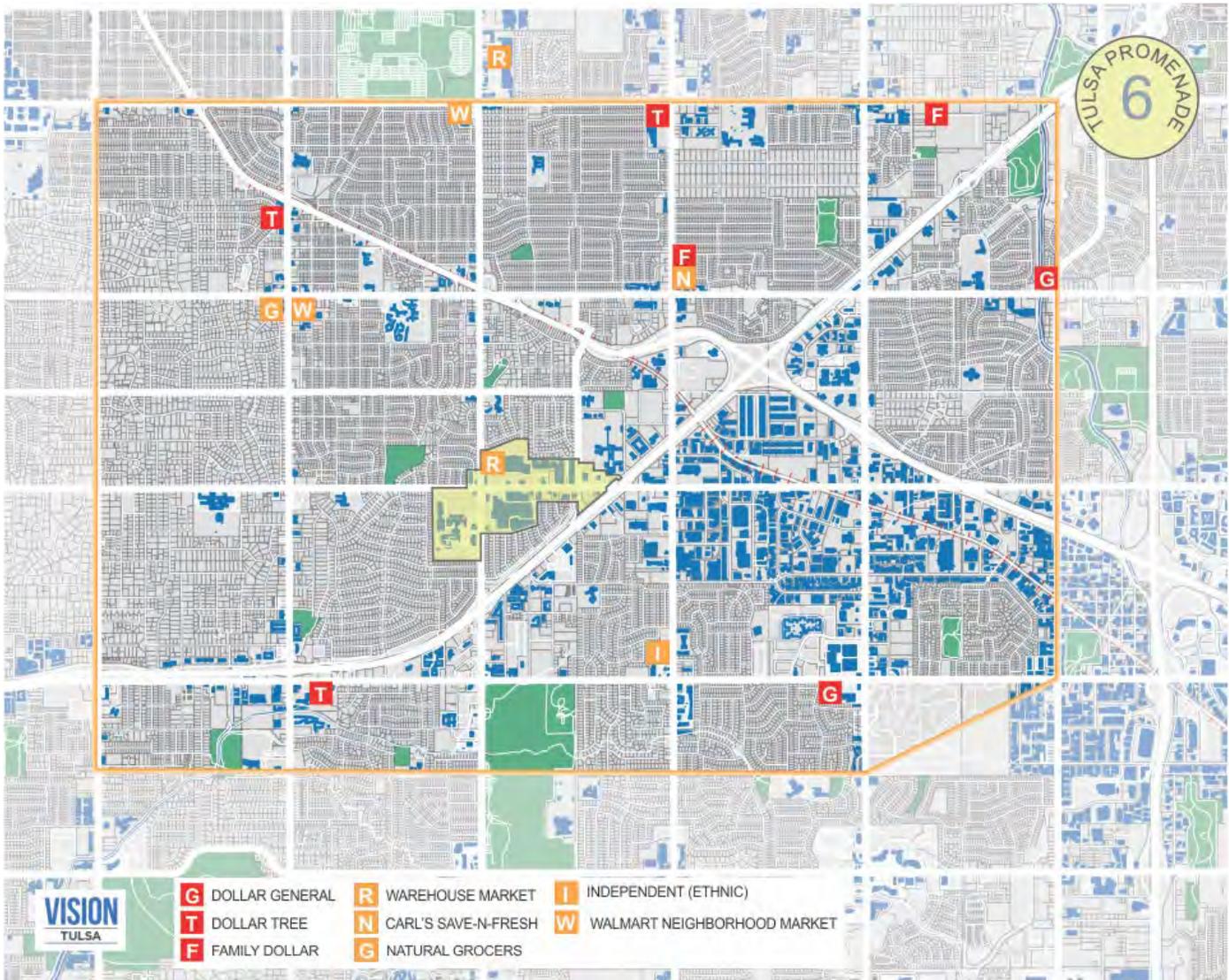
DOLLAR STORE SALES BY PRODUCT LINE



GAP ANALYSIS AND POTENTIAL FOR NEW BUSINESSES

While the market share is the portion of the trade area market potential captured by businesses in the study area, the gap analysis compares the trade area potential to estimated sales of all businesses in the trade area. The “gap” is the remaining demand that is not met by businesses in the trade area, and if business sales exceed the demand there is said to be a “surplus”.

DOLLAR STORES AND GROCERY STORES IN THE TULSA PROMENADE TRADE AREA



While a gap analysis can be a useful tool in helping to determine what businesses might be supported in the study area, it does not necessarily follow that a gap may mean that a given type of store can be viable at the site. Any new store will only capture a portion of the gap available, and will also divert some sales from existing businesses. Attributes of the location such as traffic patterns and volume, visibility, site design, and competition from both inside and outside of the trade area will have an influence on its potential viability. It is equally true that under some circumstances, a surplus may be an indicator of the potential to attract new businesses. This would be the case for stores that thrive by aggregating in close proximity to generate more customer traffic.

The Tulsa Promenade study area is larger than most, reflecting the significance of the mall as a regional center and the concentration of big box uses surrounding the mall. The trade area generates a surplus of sales across most retail industry groups. Even while many of the retailers making these sales are not in the study area, the favorable demographics throughout this part of Tulsa make it attractive to retailers. The downside to this is that there is a great deal of competition in close proximity. Most of the national chains

have a location nearby, if not in the study area, so that few might be prospects for the vacant space that is appearing.

- **Automobile dealers.** Memorial Drive has the largest agglomeration of new car dealers in the metropolitan area. Though sales from within the study area are low, the trade area is capturing \$789.2 million in sales, generating a very large sales surplus. Any new motor vehicle dealers (an doubtful scenario) will be drawn to that location rather than the study area.
- **Other motor vehicle dealers.** Several of these uses are located in the trade area. Characteristics of the use, such as the need for large areas of parking to store and display vehicles, and the desire to be located along an interstate highway, work against its potential within the study area.
- **Auto parts, accessories, and tire stores.** There is a surplus of sales from the trade area. Full coverage of the market by the major chains all but rules this category out as a prospect for the study area.
- **Furniture stores.** Eleven stores in the trade area have sales of \$27.7 million, resulting in a \$12.3 million sales surplus. National chains like Pier 1 and World Market are in the trade area, but not in the study area. There is a small concentration of these uses at The Farm, a short distance to the north, and a large concentration at Woodland Hills. Tulsa Promenade remains competitive as a location, though offering no clear advantage.
- **Building material and supplies dealers.** Home Depot is located just to the east of the study area. The market for this use is well covered, and it produces a surplus within the trade area. While it is possible that other home improvement chains (Menard's) will enter the Tulsa market, the site requirements for a prototype store cannot be met in the study area.
- **Lawn and garden equipment and supply stores.** There is an unmet demand of \$1.6 million for this types of business. The cost of land or lease rates in the study area are higher than many other locations in the city, though, and this is a use that is sensitive to these costs. It is unlikely to locate in the Tulsa Promenade study area.
- **Grocery stores.** Two Reasor's grocery stores, two Walmart Neighborhood Markets, Carl's Save-N-Fresh, Natural Grocers, and smaller food stores have a good pattern of coverage in the trade area. These stores capture sales equal to 89 percent of the demand from within the trade area. Additional full-line grocery stores in the area are unlikely. It may be possible to introduce new chains or alternate models (such as the fresh-format grocer Fresh Thyme), but doing so will have the effect of shifting sales from other stores, rather than significantly expanding the market.
- **Specialty food stores.** Most of the demand generated from within the trade area is met, leaving a very small gap. Specialty food stores do have the potential to draw from a larger region, and are compatible with a regional mall. The demographics of the surrounding neighborhoods also support specialty food stores. It should be considered a possibility for the area.
- **Beer, wine, and liquor stores.** A surplus is produced in this industry group, which has a good coverage of the entire trade area. Other stores may still be possible, including national brands and liquor stores that are specialized, such as wine shops.
- **Health and personal care stores.** This category is producing a very large surplus in the trade area. Chain pharmacy store coverage of the market is complete, and others are not considered likely. Because it is a regional center, personal care and beauty supply stores may gravitate to the study area, including the mall.
- **Gasoline stations.** About two-thirds of the demand for this use is being met in the trade area. Few gas stations are actually located within the study area. Its location might make it attractive, but generally higher-value activities have located at the prime sites along 41st Street near Interstate 44.

GAP ANALYSIS

RETAIL INDUSTRY GROUP	NAICS	DEMAND	SUPPLY	GAP	BUSINESSES
Automobile dealers	4411	\$132,541,616	\$789,208,954	-\$656,667,338	65
Other motor vehicle dealers	4412	\$30,755,131	\$77,655,797	-\$46,900,666	9
Auto parts, accessories and tire stores	4413	\$15,865,673	\$38,304,719	-\$22,439,046	26
Furniture stores	4421	\$15,427,993	\$27,770,931	-\$12,342,938	11
Home furnishings stores	4422	\$8,126,825	\$30,315,204	-\$22,188,379	22
Electronics and appliance stores	4431	\$25,737,092	\$56,877,218	-\$31,140,126	32
Building material and supplies dealers	4441	\$48,513,153	\$63,600,410	-\$15,087,257	28
Lawn and garden equipment and supply stores	4442	\$3,470,292	\$1,903,706	\$1,566,586	6
Grocery stores	4451	\$110,828,274	\$98,685,896	\$12,142,378	17
Specialty food stores	4452	\$3,444,269	\$3,328,758	\$115,511	10
Beer, wine and liquor stores	4453	\$10,732,927	\$27,792,707	-\$17,059,780	13
Health and personal care stores	4461	\$46,409,700	\$113,125,316	-\$66,715,616	51
Gasoline stations	4471	\$99,347,531	\$67,864,859	\$31,482,672	20
Clothing stores	4481	\$20,404,636	\$77,116,593	-\$56,711,957	55
Shoe stores	4482	\$4,192,801	\$17,623,308	-\$13,430,507	16
Jewelry, luggage, and leather goods stores	4483	\$6,491,849	\$7,733,161	-\$1,241,312	14
Sporting goods/hobby/musical instruments	4511	\$23,849,539	\$63,965,184	-\$40,115,645	31
Book, periodical and music stores	4512	\$3,975,280	\$6,857,810	-\$2,882,530	8
Department stores excluding leased depts.	4521	\$119,363,813	\$201,833,258	-\$82,469,445	6
Other general merchandise stores	4529	\$34,470,500	\$139,472,215	-\$105,001,715	17
Florists	4531	\$2,035,367	\$5,948,754	-\$3,913,387	9
Office supplies, stationery and gift stores	4532	\$7,603,817	\$19,997,061	-\$12,393,244	24
Used merchandise stores	4533	\$2,644,332	\$4,368,124	-\$1,723,792	15
Other miscellaneous store retailers	4539	\$20,382,563	\$36,380,401	-\$15,997,838	53
Special food services	7223	\$1,239,784	\$1,448,373	-\$208,589	3
Drinking places - alcoholic beverages	7224	\$1,935,664	\$5,199,347	-\$3,263,683	21
Restaurants and other eating places	7225	\$84,430,351	\$146,198,858	-\$61,768,507	183
Total retail trade and food and drink		\$889,838,438	\$2,139,384,344	-\$1,249,545,906	
Total retail trade		44-45	\$802,232,639	\$1,986,537,766	-\$1,184,305,127
Total food and drink		722	\$87,605,799	\$152,846,578	-\$65,240,779

SOURCE: Place Dynamics LLC and ESRI

- **Clothing stores.** Tulsa Promenade supports a large number of apparel retailers, but that number has been in decline as national chains have been going out of business or closing stores. Many of

the chains are moving to a one-in-market strategy that has hurt Tulsa Promenade's ability to attract these stores, which prefer a location in Woodland Hills. The ability to sustain a healthy mix of these businesses will determine the fate of Tulsa Promenade. Aside from serving as the second location for some chains, the mall and the surrounding area can target independent stores and local chains as an opportunity to offer some unique products.

- **Shoe stores.** Shoe stores seek locations such as this, which draw a regional population. That is seen in the surplus generated in the trade area. Others may be drawn here, although the study area will find itself competing with a stronger location in Woodland Hills.
- **Jewelry, luggage, and leather goods stores.** Changes in this industry group parallel those of apparel retailers. There are few chains, and they have already established their locations in the market. This is not a good prospect for attraction.
- **Sporting goods, hobby, and musical instrument stores.** A very large surplus is being produced as stores in the trade area sell almost three times the demand from the area. The presence of large chain stores is contributing significantly to the sales totals. Other specialty sporting goods or hobby shops may choose to locate in proximity to feed off of their traffic.
- **Book, periodical, and music stores.** There is a surplus being generated in this category, but it is not seen as an opportunity for attraction. The industry group is one that has been especially impacted by online sales, and most of the new businesses have been independent operations, while chain stores are mostly contracting. Independent stores will tend to favor Tulsa's destination specialty retail districts, like the downtown.
- **Department stores excluding leased departments.** Traditional department stores are the challenge of the moment for Tulsa Promenade. Macy's determined that it only needed one store to serve the market. The same may be true for Dillard's which has a store about four miles away at Woodland Hills. Meanwhile, analysts are more skeptical about the long term survival of J.C. Penney's, which also has a Woodland Hills store. Similar malls have filled department store space with discounters like Ross Stores, T.J. Maxx, and Marshall's, but only Marshall's does not have a store serving this part of Tulsa. Aside from this one chain, few department store prospects remain for the study area.
- **Other general merchandise stores.** The demographics surrounding the study area are not supportive of this use, which typically serves lower income households.
- **Office supplies, stationery, and gift stores.** While the trade area produces a surplus in sales, office supply stores are found elsewhere in the trade area. None are located in this study area. It is a sector that is reducing store counts as more purchases occur online, and there is no expectation that additional stores will open in the area.
- **Used merchandise stores.** Fifteen stores in the trade area are producing a surplus in this category, though most of that is generated outside of the study area. The cost of rent in the study area works against the potential for this kind of business.
- **Other miscellaneous store retailers.** The presence of national pet store chains like Petco and PetSmart in this trade area help to generate a significant sales surplus. There are no chain pet stores north of this area, so that these stores are drawing from a very large part of the city, and performing well. There are other pet chains (Pet Supplies Plus, Pet World Warehouse, PetSense, and Bentley's Pet Stuff) that are not in the Tulsa market and could consider this study area as a location.
- **Special food services.** The demand for this use is already being met.
- **Drinking places – alcoholic beverages.** Sales in this category outpace demand from the trade area. The study area is central and is an area drawing from across the region. It is easily accessible and

close to a large workforce population. These are conditions that favor the use. In particular, chain businesses will look to this location for possible sites.

- **Restaurants and other eating places.** A large surplus is generated in the trade area. Restaurants are found throughout the trade area with concentrations in the study area, along Sheridan Road, and elsewhere. Strong demographics, a large workforce (daytime population), and the interstate contribute to the desirability of the area for eating establishments. The study area does have more full service chains than are found elsewhere in the trade area. This will continue to be a business type that can be attracted to the study area.

DISCUSSION

Retail trends are not favorable for the Tulsa Promenade. Because of changes in how people spend, where and how often they shop, and the fortunes of traditional mall retailers like department stores and clothing stores, most cities the size of Tulsa can no longer support two competing regional malls. Tulsa Promenade has lost two of three anchors and nearly whole corridors in the mall sit empty. The current owner is rumored to be marketing the mall and any new owner will need to make choices about how to manage it moving forward. There are buyers who acquire similar properties to take profits without investing, while the quality of tenants falls, and the property decays and gradually goes dark. It should be the City's desire to see the mall repositioned and redeveloped to remain an integral part of the city's retail marketplace.

The proximity of Woodland Hills Mall and its surrounding retail district are a challenge for Tulsa Promenade. Woodland Hills is obviously the dominant center and the mall itself, as well as the remainder of the corridor, have the lion's share of unique-to-market retail outlets. This means that most stores found in and around Tulsa Promenade have at least one duplicate elsewhere in the market, and the study area is unable to pull as effectively from the entire metropolitan region.

Outside of the mall, some of the other strips in the study area are experiencing difficulties. The Southroads Mall has some significant vacancies in its big box space. It will be competing with comparable vacant properties on 71st Street, near the Woodland Hills Mall, for the few potential tenants to take up these large sites.

Some of the smaller centers suffer through poor design. They were developed as long, narrow strips running perpendicular to the street. While businesses on the end cap may have good visibility from the street, those at the back are virtually unseen and unknown. It appears as if there is a high rate of turnover in these spaces, which are tending to be filled with personal services and offices that do not draw traffic to the center and do not generate sales taxes for the city.

RECOMMENDATIONS

This study area has been a strong performer in the City's retail environment and continues to be an important contributor to retail sales, and sales tax collections. It is, however, experiencing the loss of anchors and lingering vacancies that are a sign that it is becoming obsolete in an evolving market. The neighborhood and the location remain highly desirable, but the industry itself is changing in a way that does not favor a second enclosed regional mall. The City, hopefully with willing property owners, can get ahead of any further decline to prepare a strategy that transitions the mall and surrounding properties to new formats and uses. The all-to-common alternative is a prolonged decay until the property is shuttered, sometimes for years before it is redeveloped.

Business Targets

There are chains that will fill some of the vacant space available in the Tulsa Promenade Mall or nearby centers. An attraction effort could focus on discount department stores like Marshall's that need to more fully develop their presence in the market (along with their Home Goods and Sierra Trading Post stores). Furniture stores, specialty food stores, liquor stores (such as Total Wines & More), personal care stores, pet stores, and restaurants are some retail industry groups that will consider the location.

Apparel and shoe stores will mostly have interest in a mall location, however, the existing mall tenants represent most of the midscale chains in this category, and luxury chains will choose Woodland Hills over this location. The mall does have the potential to begin attracting bargain and lower-tier apparel chains, but doing so can tarnish perceptions of the mall and may lead other tenants to leave.

Recommended Actions

The commercial area surrounding Tulsa Promenade Mall has long been one of the most important retail anchors in Tulsa. The area already transformed once when Southroads was converted from an enclosed mall to a power center, in the face of a changing industry and local commercial landscape. Another change is coming that does not favor continued use of Tulsa Promenade in its current configuration, or support the amount of large format retail space found around the mall.

This is an area that needs detailed planning, which needs to happen as a joint effort between the City and property owners. The focus of the plan needs to be the long term transitioning of Tulsa Promenade to a new format that still includes significant commercial development, while introducing new uses to fill in the area and add to its vitality. Additionally, it should address the surplus of commercial space surrounding the mall. While it was beyond the scope of this analysis to consider alternate uses, comparable malls have been redeveloped to add housing and offices, while transforming the commercial space.



The Hilldale Shopping Center in Madison, Wisconsin may be a good model to consider for eventual redevelopment of the Tulsa Promenade. Redevelopment created an open air "Main Street" lined with shops and restaurants, while retaining elements of the enclosed mall. High density middle and upper income housing was added along with new office development.

1. Engage property owners to secure their buy-in to a planning effort that will examine the future character of the area and develop a shared vision for its redevelopment. This planning should include:
 - a. A more detailed real estate and market analysis, addressing office and residential needs in addition to retail, and more closely examining the relationship between market demand by type, and the space available.

- b. A community engagement process that will seek collaboration from property owners and the development community, and acceptance of the vision from residents of the area.
 - c. A conceptual land use plan and recommendations concerning design, circulation, and amenities to develop a successful mixed use neighborhood.
 - d. Recommendations concerning financial incentives, policies and programs, and other tools that can be made available to guide change as a public-private partnership.
2. During the interim, the City and commercial brokerage community should be partnering to recruit those businesses that do have the potential to locate in the study area.

51ST AND UNION

In 2018 the City of Tulsa commissioned a Retail Market Analysis to examine general conditions for the commercial sector in all parts of the community, and to take a closer look at unique characteristics of a number of specific study areas. These locations were chosen for a combination of reasons including their diversity, their importance, the challenges or opportunities they present, planned or potential City investment, and other factors. Thirteen study areas were chosen for analysis. Each analysis and strategy is intended to serve as a model that may be applicable to other, similar parts of Tulsa.

The commercial node at 51st Street and Union Avenue is one of the few serving the west side of Tulsa. It is also an “edge” site where residential neighborhoods quickly give way to large industrial sites and undeveloped land. Interstate 44 and US Highway 75 offer visibility, but can quickly carry customers to districts in other parts of the city, with a greater concentration of retail stores, dining, and services.

THE STUDY AREA – 51ST AND UNION

The neighborhood around 71st Street and Union Avenue is another area that is somewhat isolated and cut off from other parts of Tulsa by the Arkansas River, limited access highways, and heavy industrial uses. It is also on the edge of the community, with undeveloped land not far to the west and south.

Description

The study area lies mostly along Union Street from I-44 north to about 47th Street, a distance of four-tenths of a mile. It appears to have served a neighborhood-level function since the time the surrounding neighborhoods developed, from the 1950’s through the 1970’s. There is a combination of larger buildings, commercial strips, and freestanding buildings. Quite a few of the businesses appear to have been in the area for decades, like Southwest Trophy, Arnold’s Old Fashioned Hamburgers, Mazzio’s Italian Eatery, and Linda-Mar Drive-thru. There are also examples of newer construction including Quik Trip, KFC, and Sonic. These may serve area workers as well as traffic on the interstate, in addition to area residents.

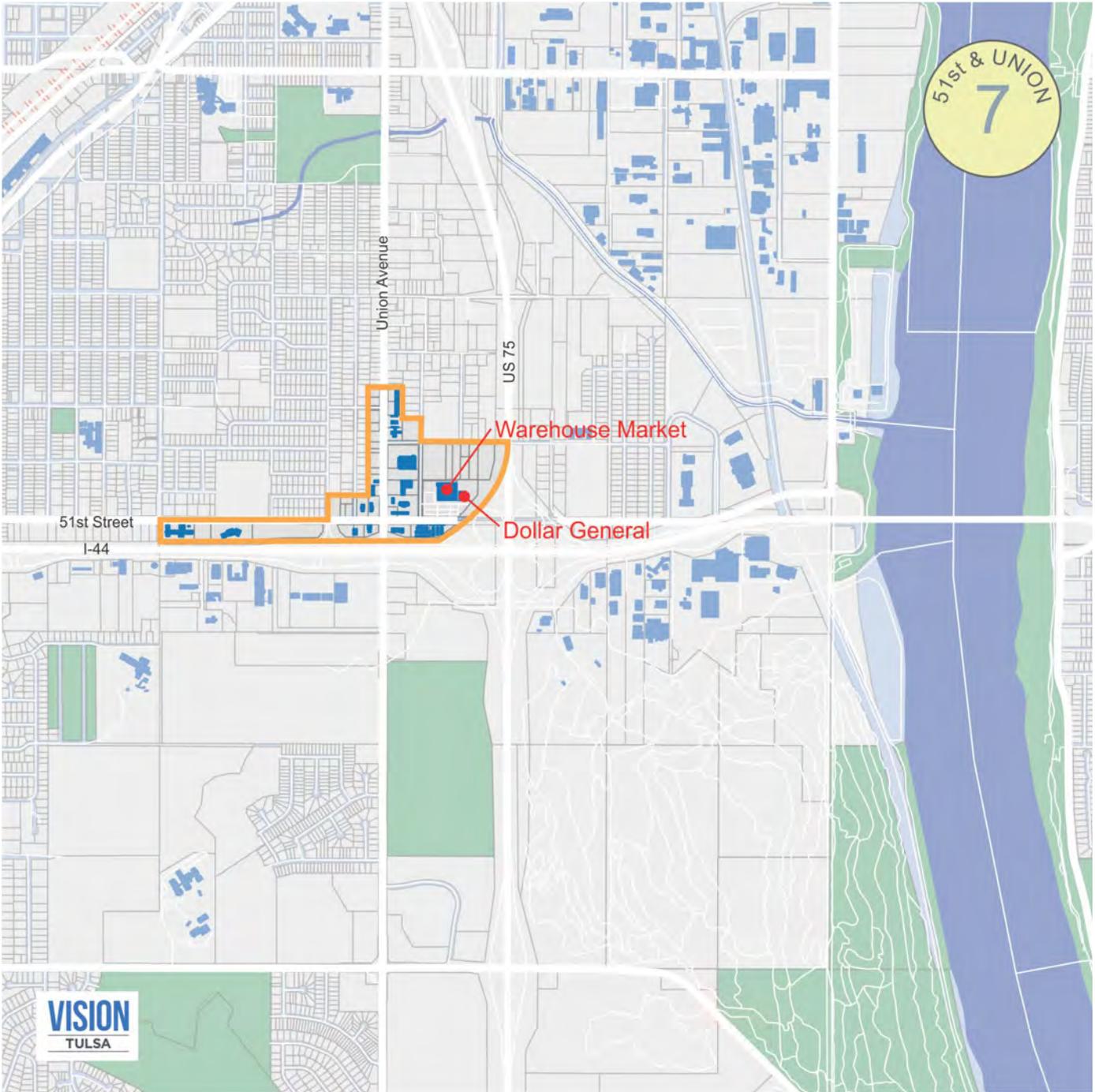


A mix of chain and independent businesses serve the surrounding neighborhood.



Vision Tulsa, an \$884 million tax renewal package approved by voters in 2016 will make substantial investments in economic development, education, public safety, streets, and transportation needs citywide. With citizen priorities providing the driving force behind the creation of Vision Tulsa, transformative projects and enhancements will set the stage for a bright future for Tulsa.

51ST STREET AND UNION AVENUE COMMERCIAL STUDY AREA



Warehouse Market and Family Dollar anchor the study area. Warehouse Market opened in its current location in 1993, after outgrowing an adjacent site on Union Avenue, which is now a back office (financial collections) rather than a commercial use. There are several eating and drinking places in the corridor, along

with personal and professional services that serve the neighborhood. The Zarrow Regional Library is a minor anchor that helps to draw people to the study area.

Traffic Patterns

Traffic on Union Avenue is light, with 9,600 cars per day in 2017 being an improvement over 6,900 cars in 2014. Construction may have influenced these numbers. There are even fewer cars on 51st Street, despite it being the access point to I-44. There were 8,200 car recorded in 2017. While higher counts might suggest that people from outside of the area were exiting to visit businesses in the study area, these lower numbers indicate that it is primarily residents of the adjacent neighborhoods who are passing through the study area and getting on or off of the highway.

Business Mix

The 51st Street and Union Avenue study area contains many of the uses typically associated with a neighborhood center. It is anchored by a grocery store (Warehouse Market) and dollar or variety store (Dollar General) and has a number of smaller retail, dining, and service businesses in the surrounding centers, or in freestanding buildings along Union Avenue.

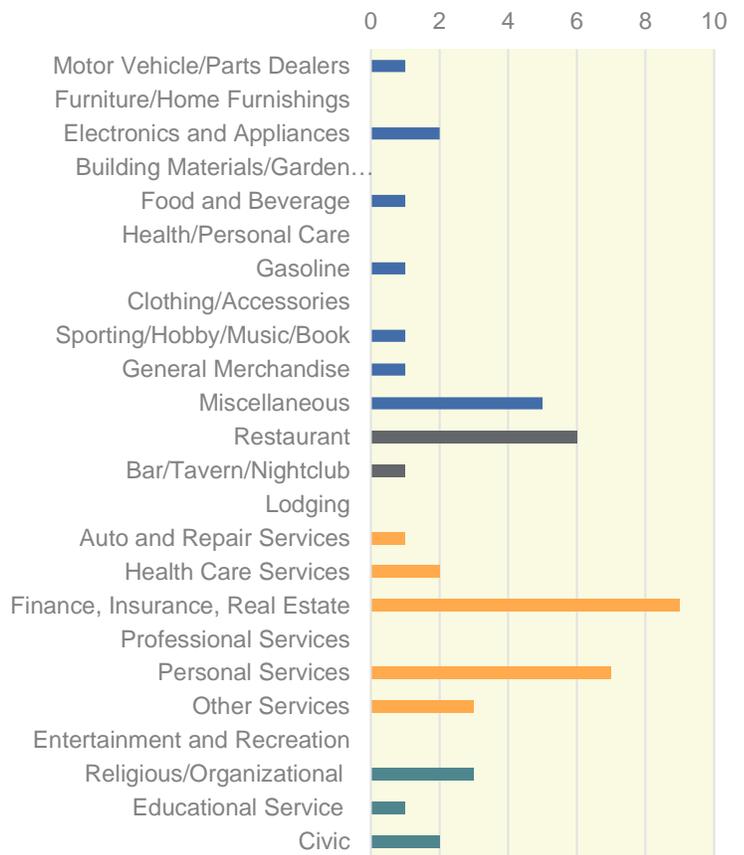
Competition

Tulsa Hills, just two miles to the south, is one of two immediate competitors for this study area. Tulsa Hills has a Target, Belk, Lowe’s, Sam’s Club, and a large number of small and mid-box specialty stores and chain restaurants. Interstate 44 offers quick access across the river to a large number of grocery anchored strips, including Reasor’s, Walmart Neighborhood Market, Sprouts, Whole Foods, and Trader Joe’s. That easy access will enable residents of higher income subdivisions to the south to pass Warehouse Market in favor of the more traditional and specialty grocers east of the river.

Interestingly, Tulsa Hills captures a great share of the community-level commercial market potential west of the Arkansas River, but it does not include a full-line grocery store. It may be a missed opportunity to locate a grocery store in this area, though there is a Reasor’s on the south end of Jenks.

The other nearby competition is located along Southwest Boulevard south of 41st Street. Walgreen’s, Save-A-Lot, Dollar Tree, Family Dollar, several auto parts stores, small shops, gas stations, services, and restaurants are located in this area. Although they are also neighborhood-serving uses, there is a greater concentration, as well as uses not found at 51st Street and Union Avenue.

COMMERCIAL USES BY TYPE



SOURCE: Place Dynamics LLC

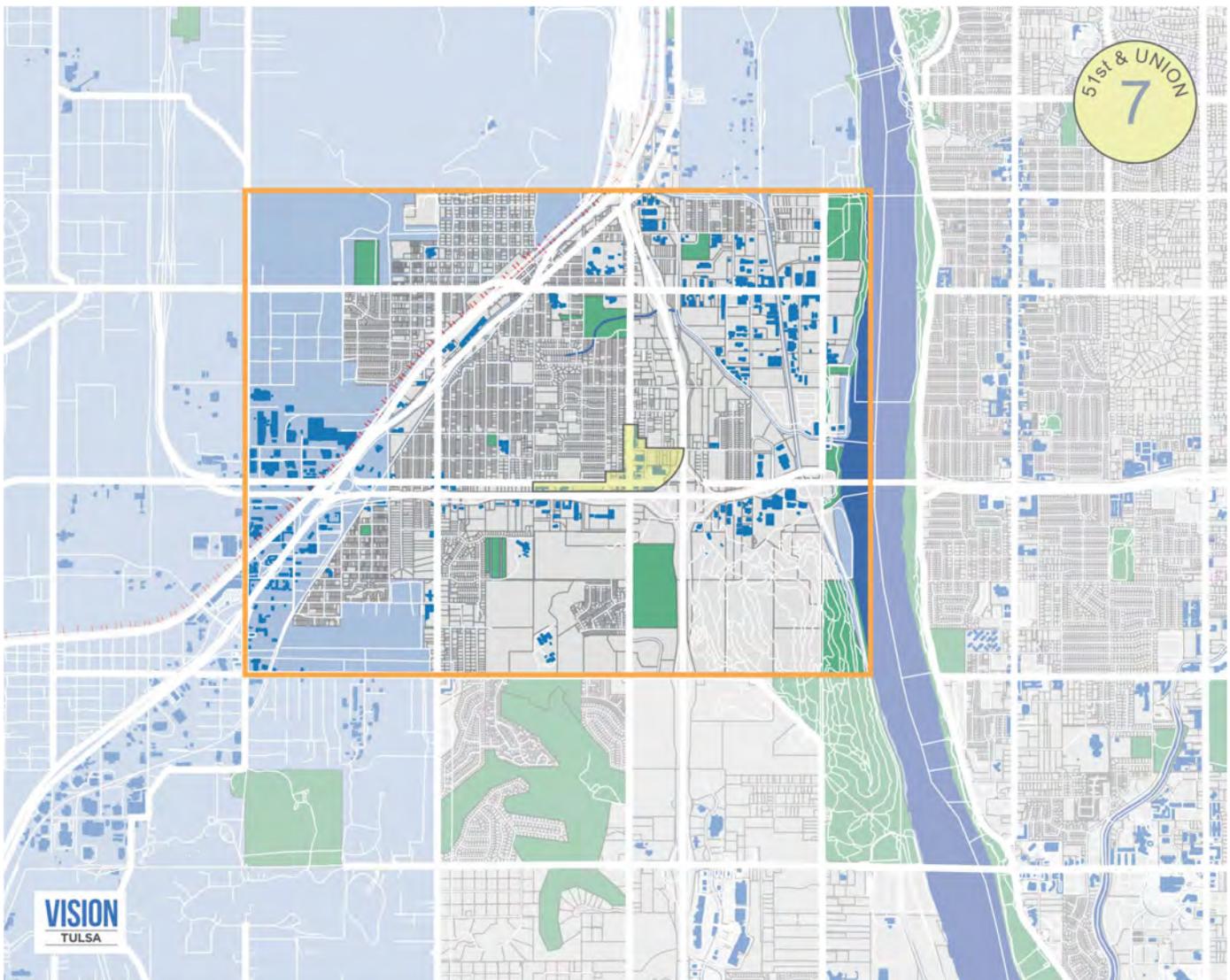
Commercial Space

There is approximately 182,080 square feet of space in the 51st Street and Union Avenue commercial study area. This includes the current and former Warehouse Market buildings, which make up over 40 percent of the total. There are a mix of new and older (mid-1900's) buildings in the study area. Most are in good condition, though they generally lack much visual interest or landscaping. Available space is suitable to the uses that might be considered for the area, and there are lots that can be developed.

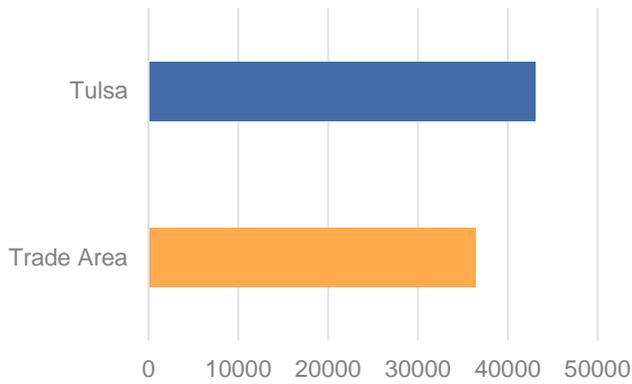
DEMOGRAPHICS AND MARKET

The trade area for this study area is defined industrial lands to the north and west, the differing character of subdivisions to the south, and competition in Sapulpa to the southwest. The highway system enables people to move quickly through Tulsa, so that this site can be bypassed in favor of commercial areas with a greater concentration of uses, so that 51st Street and Union Avenue mostly serves its neighborhood.

51ST STREET AND UNION AVENUE TRADE AREA

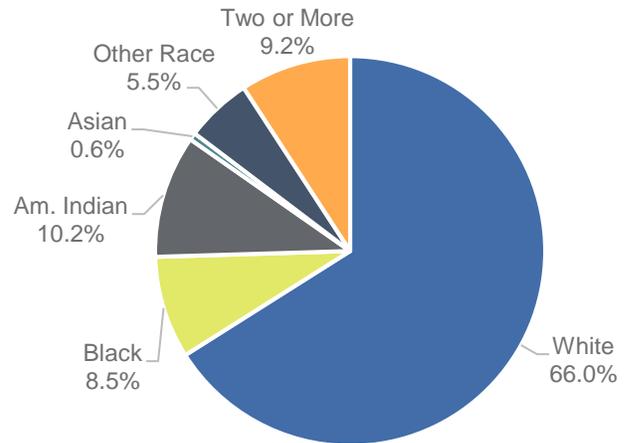


MEDIAN HOUSEHOLD INCOME



SOURCE: Place Dynamics LLC and ESRI

POPULATION BY RACE



SOURCE: Place Dynamics LLC and ESRI

Demographic Highlights

This study area is in many ways similar to River West / Eugene Field, just to the north. Both are isolated from the remainder of Tulsa by the river, though many people pass by while traveling I-44 or I-244 to or from the city. The population of 12,079 is nearly identical to the northern neighbor, as is the racial composition of the area. Income is less by \$14 per household, at \$36,376. Unemployment is estimated to be 8.2 percent.

MARKET POTENTIAL, ESTIMATED SALES, AND MARKET SHARE

	TRADE AREA POTENTIAL	CASH ECONOMY	WORKER POTENTIAL	TOTAL MARKET POTENTIAL	ESTIMATED MARKET SALES	MARKET SHARE
Motor vehicle and parts dealers	\$23,463,000	\$10,432,000	-\$303,000	\$33,592,000	\$240,000	0.7%
Furniture and home furnishings stores	\$2,792,000	\$1,241,000	--	\$4,033,000	\$0	0.0%
Electronics and appliance stores	\$3,072,000	\$1,366,000	-\$232,000	\$4,206,000	\$752,000	17.9%
Building materials, garden and supplies	\$6,376,000	\$2,835,000	--	\$9,211,000	\$0	0.0%
Food and beverage stores	\$16,011,000	\$7,118,000	-\$1,293,000	\$21,836,000	\$12,003,000	55.0%
Health and personal care stores	\$5,915,000	\$2,630,000	-\$547,000	\$7,998,000	\$0	0.0%
Gasoline stations	\$13,275,000	\$5,902,000	-\$1,371,000	\$17,806,000	\$2,401,000	13.5%
Clothing and accessories stores	\$3,583,000	\$1,593,000	-\$298,000	\$4,878,000	\$0	0.0%
Sporting goods, hobby, book and music	\$3,357,000	\$1,493,000	-\$86,000	\$4,764,000	\$80,000	1.7%
General merchandise stores	\$19,009,000	\$8,451,000	-\$1,328,000	\$26,132,000	\$2,123,000	8.1%
Miscellaneous store retailers	\$4,381,000	\$1,948,000	-\$251,000	\$6,078,000	\$800,000	13.2%
Food services and drinking places	\$10,386,000	\$4,618,000	-\$978,000	\$14,026,000	\$4,006,000	28.6%
TOTAL	\$111,620,000	\$49,626,000	-\$6,687,000	\$154,559,000	\$22,405,000	14.5%

SOURCE: Place Dynamics LLC and ESRI

Resident Market Potential

Residents of the trade area generate \$111,620,000 in aggregate annual purchases, with \$101,234,000 in retail and \$10,386,000 in eating and drinking. This is light, but sufficient to support several types of retail and service businesses, as attested by their presence in the study area.

Area Workforce Market Potential

Between 2005 and 2015 there was an increase of 2,675 jobs within an area consisting of the trade area, and an additional one mile ring. In 2005 there were 3,109 more people commuting out of the area than were commuting in. The gap closed to 461 people by 2015. As a result, less market potential is being leaked to other places. The most recent count found 15,389 workers living in the area, while there were 14,928 jobs.

With more workers commuting out of the area, the effect is to reduce the market potential available to local businesses. Based on the occupational profile and expended spending of workers commuting in and out, the lower workday population of the area is expected to result in a net loss of about \$6,687,000 in potential spending.

Cash Economy

The 51st Street and Union Avenue trade area has 2,021 people participating in the cash economy. Their earnings add \$11.3 million in market potential, of which, \$9.9 million is spent on retail goods and services, while \$1.3 million is spent at eating and drinking establishments. This additional spending takes on more significance due to the outflow of spending when workers leave the area during the day. It makes up 9.7 percent of the total market potential in the study area.

SALES AND MARKET SHARE

The study area is constrained by highways, competition, and surrounding nonresidential land uses, but still captures close to 15 percent of the available market potential. The presence of the Warehouse Market and fast food restaurants help the area to perform pretty well, and it is likely that the fast food restaurants also capture some traffic off the highway to supplement local resident and worker spending.

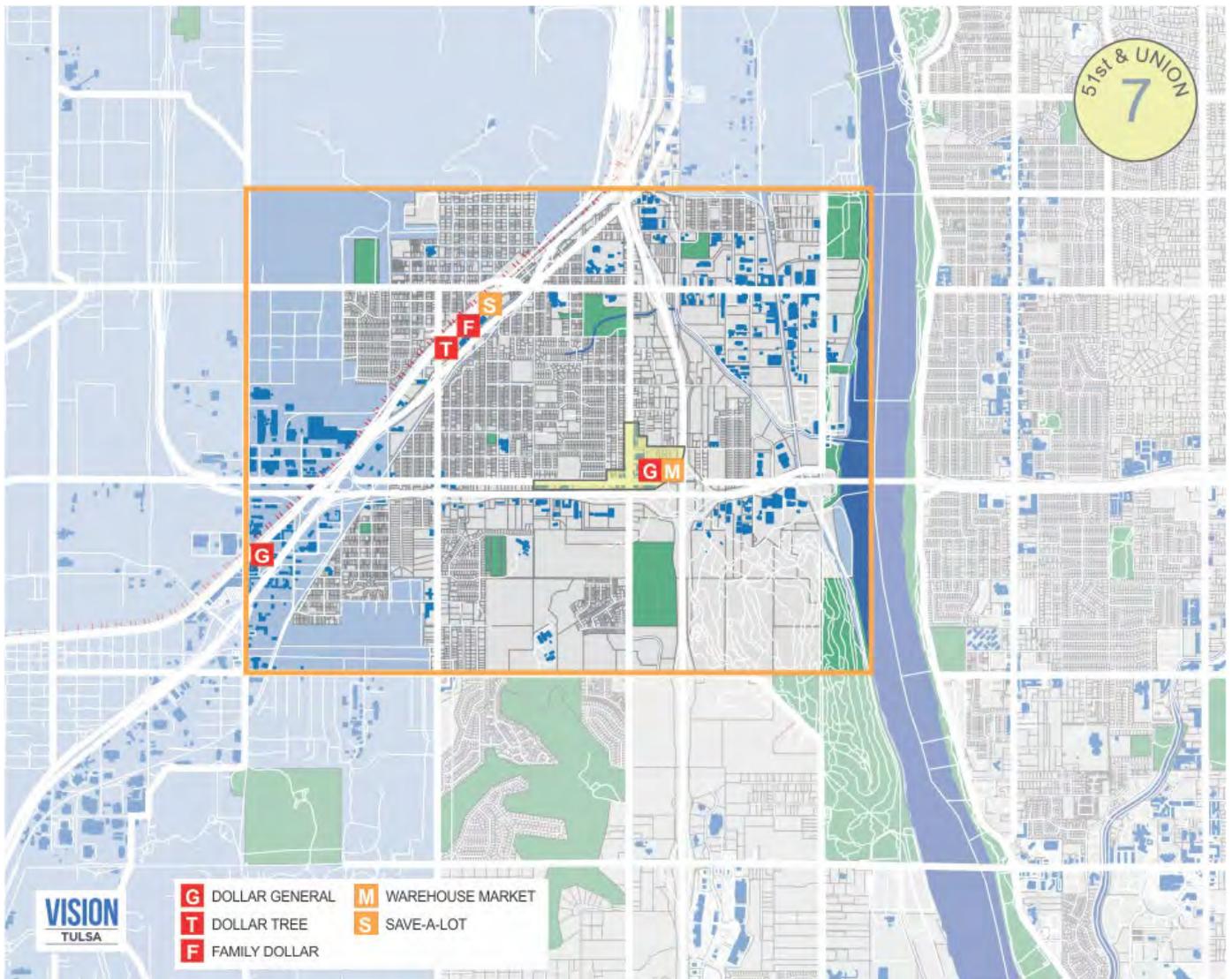
Highway traffic may be the one opportunity to increase sales from the study area, as the trade area presents few opportunities for significant residential growth. Many businesses will still prefer Sapulpa, though, for its easy interstate access and for the fact that it is located ahead of where Interstates 44 and 244 split.

Impact of Dollar Stores

Four dollar stores in the trade area have sales totaling \$8,490,000. One of these, a General Dollar store, is located within the study area. All four stores are performing about average for their respective chains. This is a reflection of the relatively light trade area population and the lack of larger general merchandise stores in close proximity. The Tulsa Hills shopping center is two to three miles south of their locations.

Although dollar stores make up 7.3 percent of the sales from the trade area, that total is skewed by a very high percentage of sales from motor vehicle dealers. If motor vehicles are removed from the total, the dollar stores' percentage of the total jumps to 9.4 percent. Of that, just over \$2 million is spent on food. That is equal to about 12.4 percent of the sales at grocery stores in the trade area.

DOLLAR STORES AND GROCERY STORES IN THE 51ST STREET AND UNION AVENUE TRADE AREA



GAP ANALYSIS AND POTENTIAL FOR NEW BUSINESSES

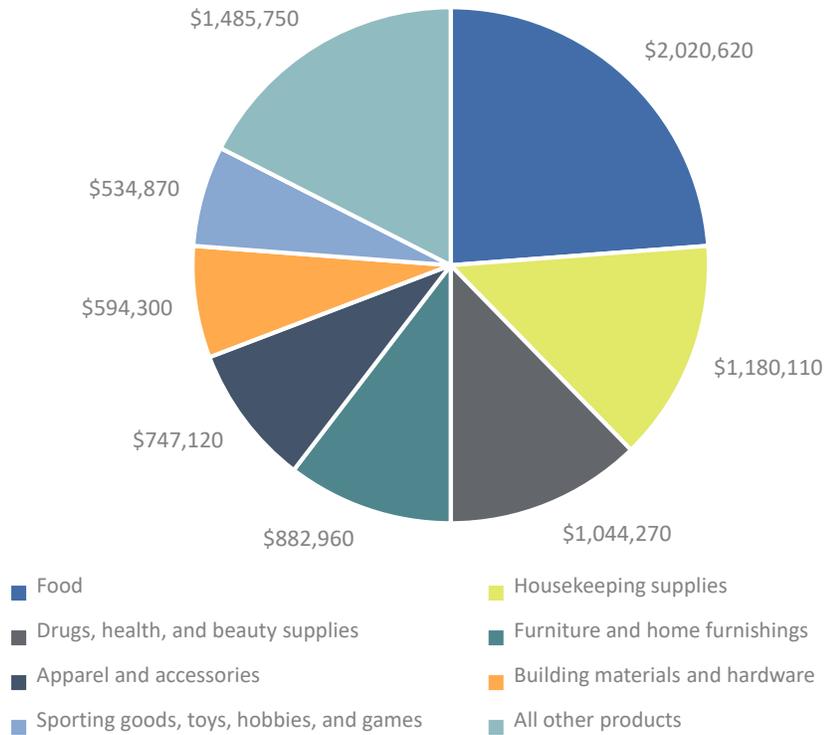
While the market share is the portion of the trade area market potential captured by businesses in the study area, the gap analysis compares the trade area potential to estimated sales of all businesses in the trade area. The “gap” is the remaining demand that is not met by businesses in the trade area, and if business sales exceed the demand there is said to be a “surplus”.

While a gap analysis can be a useful tool in helping to determine what businesses might be supported in the study area, it does not necessarily follow that a gap may mean that a given type of store can be viable at the site. Any new store will only capture a portion of the gap available, and will also divert some sales from existing businesses. Attributes of the location such as traffic patterns and volume, visibility, site design, and competition from both inside and outside of the trade area will have an influence on its potential viability. It is

equally true that under some circumstances, a surplus may be an indicator of the potential to attract new businesses. This would be the case for stores that thrive by aggregating in close proximity to generate more customer traffic.

The 51st Street and Union Avenue trade area is serving its surrounding neighborhood. The fact that the area is physically constrained, without the ability to add population will make it difficult to bring new stores into the study area. Meanwhile, the retail concentration at Tulsa Hills and growth in Sapulpa and other western suburbs is a threat to businesses already in the study area. Although adjacency to the highway offers some potential to attract passing traffic, the design of the interchange makes the area difficult to access.

DOLLAR STORE SALES BY PRODUCT LINE



SOURCE: Place Dynamics LLC and ESRI

- Automobile dealers.** These uses are mostly located along Southwest Boulevard, with used car dealers to the north, and both new and used car dealers to the south, in Sapulpa. Because of this competition and the fact that the uses often cluster, it is not considered a possibility for 51st Street and Union Avenue.
- Other motor vehicle dealers.** Truck sales and motorcycle sales are located in Sapulpa, and there is an RV dealer just south of the study area. The location has many of the qualities desired by these kinds of stores, including lower-cost land and interstate visibility. Any such user would need to be small, though, as there are few large parcels in the study area.
- Auto parts, accessories, and tire stores.** This use is clustered northwest of the study area and the market coverage by major chains is complete. No new stores are needed.
- Furniture stores.** There are no furniture stores located in the trade area and there is less than \$2 million in market potential. The site does not have critical advantages sought by the industry group, such as the ability to pull customers from a larger area. Furniture stores are not a good fit.
- Home Furnishings Stores.** The trade area produces too little demand for this kind of use to attract a chain retailer. While independent stores might consider the location, most will prefer a site with a larger market and better ability to draw customers.
- Building material and supplies dealers.** Independent building supply stores and hardware stores in the trade area are meeting demand from its customers. The market is too small to attract a home improvement center.

GAP ANALYSIS

RETAIL INDUSTRY GROUP	NAICS	DEMAND	SUPPLY	GAP	BUSINESSES
Automobile dealers	4411	\$17,458,750	\$167,642,122	-\$150,183,372	8
Other motor vehicle dealers	4412	\$4,019,891	\$49,306,699	-\$45,286,808	1
Auto parts, accessories and tire stores	4413	\$1,984,048	\$5,361,484	-\$3,377,436	7
Furniture stores	4421	\$1,866,074	\$0	\$1,866,074	0
Home furnishings stores	4422	\$926,224	\$289,302	\$636,922	1
Electronics and appliance stores	4431	\$3,071,840	\$3,389,406	-\$317,566	3
Building material and supplies dealers	4441	\$5,947,213	\$5,523,506	\$423,707	4
Lawn and garden equipment and supply stores	4442	\$428,380	\$327,654	\$100,726	1
Grocery stores	4451	\$14,363,982	\$18,432,865	-\$4,068,883	2
Specialty food stores	4452	\$446,380	\$177,222	\$269,158	1
Beer, wine and liquor stores	4453	\$1,200,657	\$931,715	\$268,942	1
Health and personal care stores	4461	\$5,915,257	\$3,583,527	\$2,331,730	3
Gasoline stations	4471	\$13,275,109	\$30,328,025	-\$17,052,916	8
Clothing stores	4481	\$2,416,834	\$0	\$2,416,834	0
Shoe stores	4482	\$500,394	\$0	\$500,394	0
Jewelry, luggage, and leather goods stores	4483	\$665,858	\$0	\$665,858	0
Sporting goods/hobby/musical instruments	4511	\$2,870,958	\$0	\$2,870,958	0
Book, periodical and music stores	4512	\$486,351	\$0	\$486,351	0
Department stores excluding leased depts.	4521	\$14,585,698	\$0	\$14,585,698	0
Other general merchandise stores	4529	\$4,423,309	\$3,797,502	\$625,807	2
Florists	4531	\$226,001	\$1,783,531	-\$1,557,530	3
Office supplies, stationery and gift stores	4532	\$899,460	\$504,115	\$395,345	2
Used merchandise stores	4533	\$320,320	\$11,074,959	-\$10,754,639	4
Other miscellaneous store retailers	4539	\$2,935,424	\$438,444	\$2,496,980	2
Special food services	7223	\$155,378	\$0	\$155,378	0
Drinking places - alcoholic beverages	7224	\$227,220	\$716,796	-\$489,576	3
Restaurants and other eating places	7225	\$10,003,446	\$11,042,242	-\$1,038,796	16
Total retail trade and food and drink		\$112,356,621	\$314,723,624	-\$202,367,003	
Total retail trade	44-45	\$101,970,577	\$302,963,768	-\$200,993,191	
Total food and drink	722	\$10,386,044	\$11,759,856	-\$1,373,812	

SOURCE: Place Dynamics LLC and ESRI

- Lawn and garden equipment and supply stores.** This is a site that can attract this use. The lower cost of land, relative to more central locations, and the proximity or even visibility from the interstate will be attractive to these stores. These will be independent operations or local chains.

- **Grocery stores.** The existing Warehouse Market in the study area, and Save-A-Lot to the north are meeting a local demand and attracting some customers from outside of the trade area. Competition is growing at Tulsa Hills, and in Sapulpa and Prattville. That will be likely to have a negative impact on the two trade area stores over the long term. There is insufficient demand for another store in the study area.
- **Specialty food stores.** As a small trade area that is not able to easily draw from more distant neighborhoods, this is not a good location for specialty food stores.
- **Beer, wine, and liquor stores.** Demand for beer, wine, and liquor stores is being met, with little unmet demand to support another store.
- **Health and personal care stores.** Pharmacies on Southwest Boulevard are meeting demand from within the neighborhood. The trade area lacks other features that help to support pharmacies, such as large medical centers or concentrations of employment. Other stores in this category, such as eyeglass stores, beauty supply stores, and nutritional stores, will typically require a larger population base. They are located at Tulsa Hills.
- **Gasoline stations.** There is good coverage of the area by gas stations. Truck stops are a use that might be considered, given the interstate location, but Quik Trip already has a truck stop at South 49th West Avenue, south of where Interstates 22 and 244 join. This competition, and site limitations in the study area, make another unlikely.
- **Clothing stores.** The inability of this study area to draw a regional population is seen clearly in the lack of any stores in this category, along with other categories of specialty retail such as shoes, jewelry, sporting goods, and others. The use is not a viable one at this location.
- **Shoe stores.** These stores will not locate in the study area due to its inability to draw a regional population. They will locate at Tulsa Hills.
- **Jewelry, luggage, and leather goods stores.** These stores will not locate in the study area due to its inability to draw a regional population, and the small demand produced in the trade area. They will locate at Tulsa Hills.
- **Sporting goods, hobby, and musical instrument stores.** These stores will not locate in the study area due to its inability to draw a regional population, and the small demand produced in the trade area. They will locate at Tulsa Hills.
- **Book, periodical, and music stores.** These stores will not locate in the study area due to its inability to draw a regional population, and the small demand produced in the trade area. They will locate at Tulsa Hills.
- **Department stores excluding leased departments.** The trade area population is too small to support this use.
- **Other general merchandise stores.** Four dollar stores are found in the trade area, including Family Dollar, Dollar General, and Dollar Tree. These are meeting market demand and there is no need for additional stores of the type.
- **Office supplies, stationery, and gift stores.** Aside from some small independent stores, these businesses will not locate in the study area due to its inability to draw a regional population, and the small demand produced in the trade area.
- **Used merchandise stores.** While there are four of these stores in the trade area, three are average or below-average performers, while most of the sales are recorded by a single business. Its location on Southwest Boulevard is more central to other businesses and a larger population, as well as more traffic to support the business. There isn't demand for other stores of this type, although as most are independently owned, there would be the potential for one to open in the trade area.

- **Other miscellaneous store retailers.** There is about \$2.5 million in unmet demand within the trade area, spread across a diverse set of retail businesses. This does create the potential for small independent businesses that might serve the market, such as a neighborhood pet shop.
- **Special food services.** There is very little demand for the use in the trade area.
- **Drinking places – alcoholic beverages.** There are three drinking establishments in the trade area, with sales far larger than the demand produced in it. More drinking places are not likely to be supported.
- **Restaurants and other eating places.** Restaurant sales are slightly larger than the demand produced in the trade area. Most of the existing restaurants are fast food chains. These are serving area workers and passing traffic along with residents. As with other uses attracted to an interstate highway location, the preferred site will be to the south of where the two highways join.

DISCUSSION

This is a study area that is effectively serving its small neighborhood, but does not have much opportunity for expansion. Physical barriers prevent expansion and growth of the population. Over the long term it may be threatened by further development to the south or in neighboring communities, or a strengthening of the existing neighborhood centers on Southwest Boulevard (Historic Route 66) and the Tulsa Hills Shopping Center. If either of the anchor stores, Warehouse Market or Family Dollar, were to close, it is unlikely that there would be a replacement willing to move in behind them.

The challenge will be to consider expansion that does not cannibalize sales from existing businesses, but rather, expands the market by bringing in spending that would not have otherwise occurred in the city. The adjacent interstate may present an opportunity to support more businesses such as gas stations and fast food restaurants that serve passing traffic, and can also capture some worker and resident traffic. In this, though, the study area is less attractive than locations south of where the two branches of the interstate split.

RECOMMENDATIONS

The goal for this study area should be to preserve the level of activity already here. As retail businesses close it may be difficult to replace them with other retail stores. If one of the anchor uses were to leave, it would have a deleterious effect on the remaining retailers in the area.

Business Targets

There are no strong targets among businesses that might be added to the study area. There is no support for the types of specialty retail that prefers locations to which people are drawn at a regional level. There may be opportunities for uses like garden stores, used merchandise stores, and other miscellaneous retail stores, but other commercial districts in the area will compete for these few stores, all of which are inclined to be independently owned.

Recommended Actions

The following actions are recommended to ensure the continuing relevance of this study area as a commercial district serving the needs of area residents.

1. Develop a system to alert economic development staff to the potential for a business in the area to close. Area's like this may struggle to replace the businesses they lose, and it may be far more effective to prevent their loss by providing assistance up front. One of the more common ways these

kinds of businesses are lost is through the owner retiring, so that the City might contemplate a program to help find buyers to carry them on.

2. Target the area for programs designed to encourage small or independent business startup and expansion. Technical assistance is needed as well as potential financial assistance. For example, many of the independent businesses in this study area have an inadequate online or mobile presence. This is more than a web page or Facebook page. These businesses should be populating sites like Google Map, Bing Maps, Yelp, YP, and other sites, along with using web optimization tools.
3. Improve signage for the Interstate 44 interchange. The unconventional interchange design may be confusing to people what are not familiar with it. Larger signage, with diagrams of the interchange, should be considered on the interstate and on Union Avenue.
4. Capitalize on the existing restaurants at the interchange. The Linda-Mar Drive-in and Arnold's Old Fashioned Hamburgers are well-liked eateries that have the potential to draw customers from beyond the trade area. They can serve as the core of a larger dining cluster, including other unique restaurants along with the fast food establishments on Union Avenue.
5. Market on the interstate. Travelers on Interstate 44 are an opportunity to draw outside traffic into this study area. The Linda-Mar Drive-in and Arnold's Old Fashioned Hamburgers, along with other restaurants, are the area's best bet to capture this passing traffic. The City should work with businesses to exploit this marketing opportunity. Aside from Quik Trip, for instance, no other businesses are listed on the informational signage on Interstate 44, at the interchange. Billboard advertising should also be considered.

71ST AND PEORIA

In 2018 the City of Tulsa commissioned a Retail Market Analysis to examine general conditions for the commercial sector in all parts of the community, and to take a closer look at unique characteristics of a number of specific study areas. These locations were chosen for a combination of reasons including their diversity, their importance, the challenges or opportunities they present, planned or potential City investment, and other factors. Thirteen study areas were chosen for analysis. Each analysis and strategy is intended to serve as a model that may be applicable to other, similar parts of Tulsa.

This is a part of the city in which some people perceive a missed opportunity. The river, parks, and trails are assets that will appeal to some potential users. Available development sites and aging apartment complexes along Riverside Drive might be considered for new commercial or mixed use redevelopment. This is considered a prime location for cooperative public-private investment.

THE STUDY AREA – 71ST AND PEORIA

Riverside Drive, Peoria Avenue, and 71st Street are all important thoroughfares within the City of Tulsa. The point where they come together on the eastern bank of the Arkansas River would seem to be a location where commercial activity would be desirable. This is especially true given the amenity of the river.

Description

Although considered one study area, this area has three different characters. 71st Street is an arterial street that serves as one of the most important east-west connectors in the southern part of Tulsa. It connects the Woodland Hills Mall five miles to the east, with Tulsa Hills Shopping Center, a little under two miles to the west. There is a confusion of land uses along the corridor, with lone office/commercial buildings surrounded by large apartment complexes, self-storage units, a former commercial building converted to a church, and

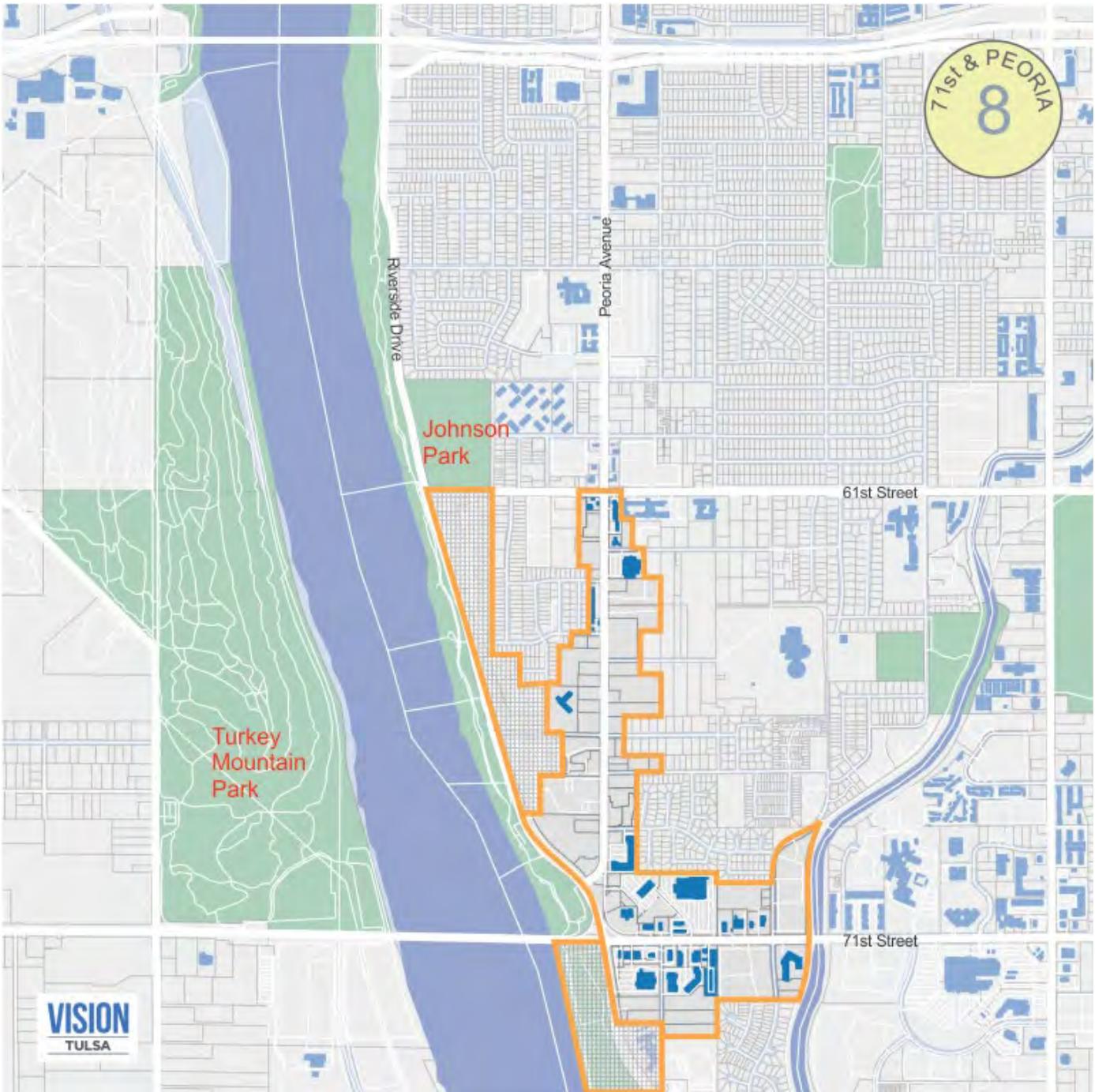


Vision Tulsa, an \$884 million tax renewal package approved by voters in 2016 will make substantial investments in economic development, education, public safety, streets, and transportation needs citywide. With citizen priorities providing the driving force behind the creation of Vision Tulsa, transformative projects and enhancements will set the stage for a bright future for Tulsa.



Parks and pathways along the river are an asset for the study area.

71ST STREET AND PEORIA AVENUE COMMERCIAL STUDY AREA



fast food restaurants. Although the best of the three streets for retail and dining uses, with the exception of the fast food restaurants, the land uses already on the corridor do not allow them to locate there without significant acquisition and redevelopment costs.

Riverside Drive is a boulevard with a continuous strip of park land between the street and the river. With the exception of an office building, the east side of the boulevard is developed with large apartment complexes. The only remaining opportunity is a parcel at the corner of Riverside and Peoria Avenue, which could be

developed with commercial uses. The City of Tulsa does not have any commercial uses in the park in this area. Other cities have increasingly turned to public-private partnerships that place complimentary activities (canoe/kayak rentals, ice cream and snack stands, banquet halls, etc.) in parks with significant user traffic that will appreciate the services and setting. This might be a consideration in the area.

As with 71st Street, Peoria Avenue has a mixed character, though with more space still available for development. There is a small strip center at the southern end of the street, in which there are several vacant storefronts. North of this are large apartment complexes that break up the commercial frontage, then a mix of freestanding buildings, vacant lots, and small strip centers continues north to 61st street. Not all of the uses contribute to a commercial district. There are several self-storage buildings and non-commercial businesses along the corridor. The quality of uses also deteriorates to the north, and there are a greater number of Hispanic businesses in the area.

Riverside Drive

While the core study area lies along 71st Street and Peoria Avenue, there is an interest in understanding the potential of the Riverside Drive corridor. The east side of the street is largely taken up by older, low income apartment complexes that might be targeted for redevelopment, while the west side of the street is lined with city parks along the river. These sites are indicated with hatching on the site map.

Traffic Patterns

Traffic on 71st Street is very good, with 30,100 cars traveling daily east of Riverside Drive. There are 15,600 cars traveling the north leg of Riverside Drive, while 11,900 are found on Peoria Avenue. Traffic on Peoria Avenue increases to 18,700 south of the intersection with 61st Street. Considered without regard to other factors, these counts, particularly on 71st Street, would suggest a high level of retail and other commercial activity than the area currently sustains.



The City of Milwaukee has partnered with private businesses to place uses in its lakefront parks that add to visitors' enjoyment of the setting. Examples include a coffee shop in a former water treatment plant (above) and the Northpoint Custard Stand (below), beer gardens, paddle boat, canoe, kayak, paddle board, and bicycle rentals, a kite shop, a fine dining bistro, and beer gardens. The City owns the structures and leases them to private operators, producing a revenue stream that helps to fund its parks.



Business Mix

Uses in this area are varied. There are even bicycle shops that are destinations for a much broader trade area than the rest of the study area. Businesses at the south end, along 71st Street, meet the needs of a more broad audience, while at the north end there are a number of Hispanic businesses catering to the community, or discount stores that reach a lower income market.

The study area has several restaurants. Again, the chain fast food restaurants are located along 71st Street where there is a significant volume of commuting traffic. Those at the north end of the study area are independent and often feature Hispanic or Asian cuisine.

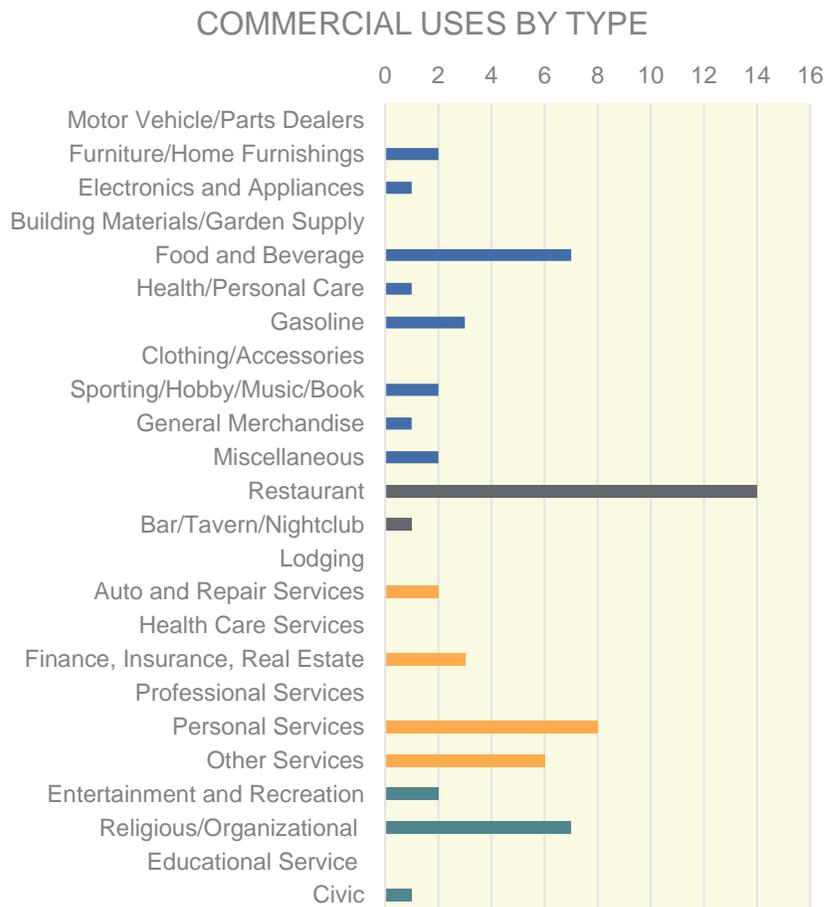
The largest of the food stores in the study area is the Cox Cash Saver on Peoria Avenue, which replaced an earlier Warehouse Market (owned by the same company and rebranded). There are some specialty food stores including Mexican and Asian foods, and a butcher shop (Carniceria).

Businesses in the study area capture about \$28,117,000 in aggregate sales, which can be broken out to \$17,167,000 in retail sales, and \$10,950,000 in sales at eating and drinking establishments. In total, there are 19 retailers in this study area, and 15 eating and drinking establishments.

Competition

The competition for this site depends on the market being served. The large apartment complexes to the north tend to have more lower income and Asian or Hispanic individuals living in them, while further out, neighborhoods of single family homes have more middle income and white, non-Hispanic residents. Each has different shopping patterns. Commuter or pass-through traffic on 71st Street or Riverside Boulevard may have needs that are different from both.

Tulsa Hills is less than two miles distant and quickly reached by 71st Street. It will meet many of the area's general and specialty shopping needs. For more typical shopping trips, it is likely that the area's Hispanic population is continuing north on Peoria Avenue to Supermercado Morelos, or to the International Marketplace on 21st Street. Other parts of the population may split based on income, traveling north to Walmart Neighborhood Market, Reasor's Foods, or specialty grocers like Trader Joe's, Sprouts Farmers Market, or Whole Foods. The shopping areas in which these stores are located contain a large selection of other retail and service businesses routinely visited (pharmacies, hardware stores, hair salons, etc.).



SOURCE: Place Dynamics

Commercial Space

The study area contains 409,935 square feet of non-residential first floor space. Included in this is 98,245 square feet used for religious institutions. Most of the study area's commercial buildings are freestanding structures of around 5,000 square feet or less, with a few larger buildings and strips. There are a couple large office buildings in the study area.

Conditions at the south end of the study area are generally good. Many of the buildings in this area are newer, have a better level of design and materials, and have been well maintained. Conditions deteriorate northwards along Peoria Avenue. Here it is not uncommon to find simple metal-sided buildings with little or no landscaping or design enhancement. Many clearly show signs of deferred maintenance.

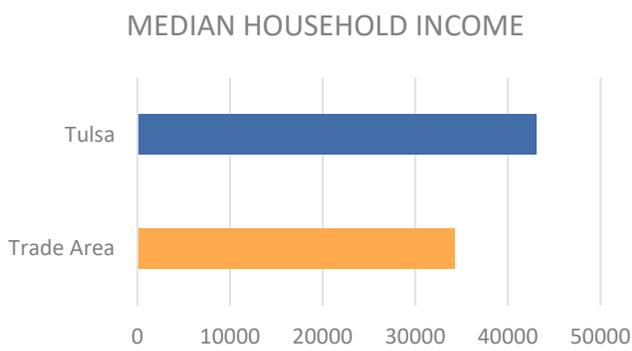
DEMOGRAPHICS AND MARKET

The trade area for the core study area is defined by distance, demographics, and travel patterns. Traffic flowing down Riverside Boulevard and Peoria Avenue from residential areas to the north, some with a much different character than around the study area, will still utilize the area for convenience items and fast food. The closest residents are lower income and more heavily influence the business mix in the area. Competition to the east and west, as well as the changing demographics of those area, keeps the study area from drawing in those directions. Finally, the river is a barrier on the west, except for the crossing at 71st Street.

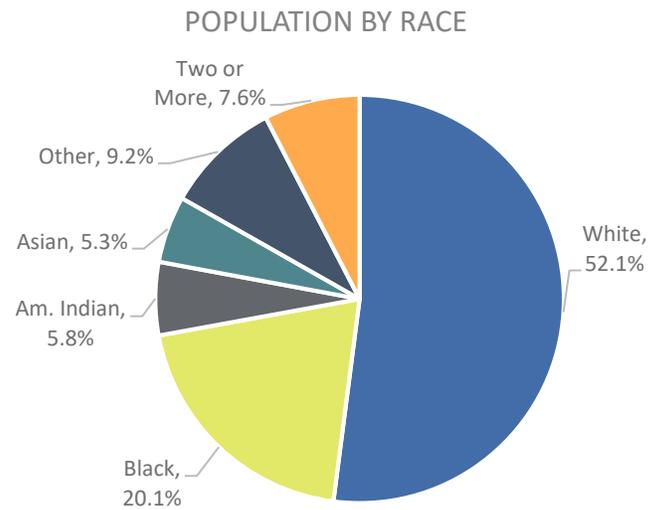
Demographic Highlights

There are 23,456 people living in the trade area, and the population has been growing at a rate of about 0.6 percent annually. Over time, it is expected to grow at a similar rate.

It is a racially diverse neighborhood with 52.1 percent white, 20.1 percent black, and 16.9 percent Hispanic (of any race). The large Hispanic presence is seen in the number of ethnic businesses serving this community. The median household income in this area is less than that of Tulsa as a whole. At \$34,281, it is 79.6 percent of the city's average.

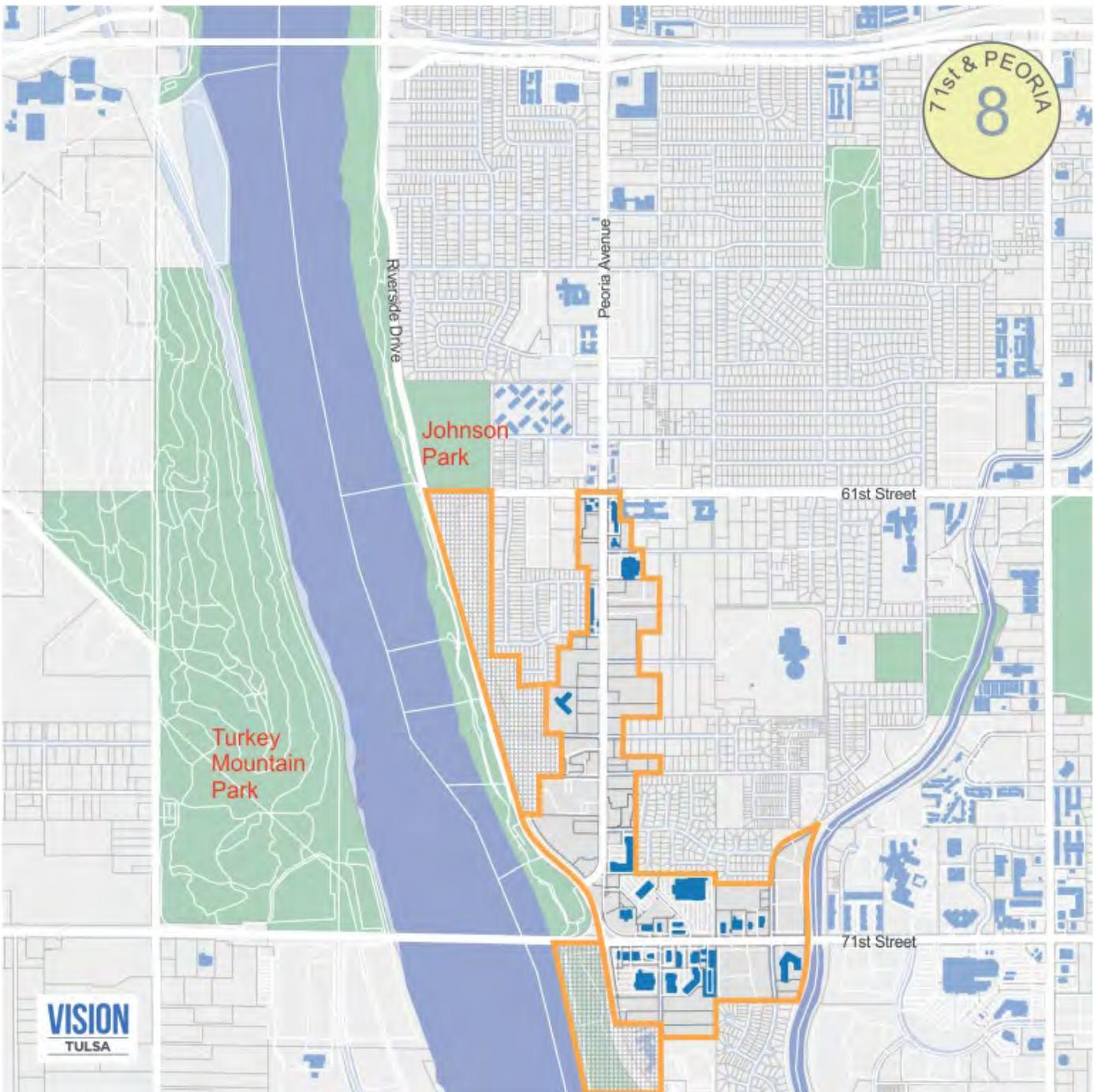


SOURCE: Place Dynamics and ESRI



SOURCE: Place Dynamics and ESRI

71ST STREET AND PEORIA AVENUE TRADE AREA



There are 2,716 owner occupied housing units in the trade area, and 8,234 rental units. There has been a slight increase in the number of rental units (176) since 2000, while also a decrease in the number of owner occupied units (393).

Resident Market Potential

Residents of the trade area generate annual demand for \$239,275,000 in retail goods and \$26,871,000 in eating and drinking. The levels of demand seen in the area would suggest a greater number of retail

businesses would be located in the area. Market potential for retail stores such as motor vehicle and parts stores, food and beverage stores, health and personal cares stores, general merchandise stores, and eating and drinking places are all sufficient to support some of the more common chain stores in these categories.

Area Workforce Market Potential

In 2015 there were 24,072 people working within an area one mile larger than the trade area. This is essentially unchanged from a decade earlier, when there were 24,052 people working in the same area. Nearly nine out of ten workers (89.6 percent) are commuting in from elsewhere. A large number are commuting in as opposed to leaving the area to work elsewhere. As a result, the daytime market grows by 2,218 persons.

The higher number of people commuting in results in an increase to purchasing potential of \$11,431,000 over the course of a year. The impact is felt most strongly in eating and drinking places, gasoline stations, and general merchandise. With the 71st Street bridge over the Arkansas River, this is a site that workers on either side of the river can easily reach.

MARKET POTENTIAL, ESTIMATED SALES, AND MARKET SHARE

	TRADE AREA POTENTIAL	CASH ECONOMY	WORKER POTENTIAL	TOTAL MARKET POTENTIAL	ESTIMATED SALES	MARKET SHARE
Motor vehicle and parts dealers	\$53,427,000	\$3,224,000	\$525,000	\$57,176,000	\$0	0.0%
Furniture and home furnishings stores	\$6,976,000	\$421,000	--	\$7,397,000	\$978,000	13.2%
Electronics and appliance stores	\$7,712,000	\$465,000	\$384,000	\$8,561,000	\$225,000	2.6%
Building materials, garden and supplies	\$13,216,000	\$798,000	--	\$14,014,000	\$0	0.0%
Food and beverage stores	\$38,508,000	\$2,324,000	\$1,272,000	\$42,104,000	\$6,766,000	16.1%
Health and personal care stores	\$13,193,000	\$796,000	\$1,139,000	\$15,128,000	\$150,000	1.0%
Gasoline stations	\$30,747,000	\$1,856,000	\$2,376,000	\$34,979,000	\$5,268,000	15.1%
Clothing and accessories stores	\$9,396,000	\$567,000	\$781,000	\$10,744,000	\$0	0.0%
Sporting goods, hobby, book and music	\$8,263,000	\$499,000	\$262,000	\$9,024,000	\$1,874,000	20.8%
General merchandise stores	\$46,571,000	\$2,811,000	\$1,867,000	\$51,249,000	\$1,516,000	3.0%
Miscellaneous store retailers	\$9,750,000	\$588,000	\$732,000	\$11,070,000	\$390,000	3.5%
Food services and drinking places	\$26,871,000	\$1,622,000	\$2,093,000	\$30,586,000	\$10,950,000	35.8%
TOTAL	\$264,630,000	\$15,971,000	\$11,431,000	\$292,032,000	\$28,117,000	9.6%

SOURCE: Place Dynamics LLC

Cash Economy

There are 2,868 people participating in the cash economy within this trade area. Their unreported earnings of \$46.3 million are adding \$16.0 million in combined retail and dining market potential. Of this total, \$14.1 million is spent on retail and \$1.9 million in eating and drinking. This makes up about 5.5 percent of the total expenditures in the trade area.

SALES AND MARKET SHARE

With worker spending added to the resident market potential, there is a total demand for \$92.0 million in retail and eating and drinking in the trade area and its surroundings. Overall, this study area captures just 9.6 percent of the market. Restaurants are the element performing the best, with a 35.8 percent market share, due to the cluster of fast food restaurants on 71st Street. That location offers high traffic volumes and may also be intercepting traffic passing through the study area en route between places outside of the trade area. There are also two bike shops in that area that are responsible for the reasonably good performance of sporting goods sales.

Retail uses do continue further north along Peoria Avenue, getting stronger as they near Interstate 44, where there is a Walgreens, Family Dollar, and Supermercado Morelos. These stores may be capturing market share that would otherwise be realized within the study area.

Impact of Dollar Stores

Three Dollar General stores, two Family Dollar stores, and a Dollar Tree in the trade area are achieving \$12,462,000 in annual sales. Together, they account for 4.8 percent of the trade area’s sales, and 4.3 percent of the combined market potential (residents, workers, and the cash economy). Food sales make up just under \$3.0 million of that total, which is equal to 5.2 percent of food sales at grocery stores. This is less than the national average for dollar stores’ share of the food market.

This is an area with a large number of independent, mostly ethnic Hispanic and Asian grocery stores. A Walmart Supercenter is located a mile south at 81st Street and Riverside Parkway. These stores influence the ability of dollar stores to capture food sales.

DOLLAR STORE SALES BY PRODUCT LINE



SOURCE: Place Dynamics and ESRI

GAP ANALYSIS AND POTENTIAL FOR NEW BUSINESSES

While the market share is the portion of the trade area market potential captured by businesses in the study area, the gap analysis compares the trade area potential to estimated sales of all businesses in the trade area. The “gap” is the remaining demand that is not met by businesses in the trade area, and if business sales exceed the demand there is said to be a “surplus”.

While a gap analysis can be a useful tool in helping to determine what businesses might be supported in the study area, it does not necessarily follow that a gap may mean that a given type of store can be viable at the site. Any new store will only capture a portion of the gap available, and will also divert some sales from

existing businesses. Attributes of the location such as traffic patterns and volume, visibility, site design, and competition from both inside and outside of the trade area will have an influence on its potential viability. It is equally true that under some circumstances, a surplus may be an indicator of the potential to attract new businesses. This would be the case for stores that thrive by aggregating in close proximity to generate more customer traffic.

The gap analysis is not well suited to this study area, where there is a commuter market of people from other parts of the city passing through, where more affluent households to the north and consumers from other parts of the city might be attracted to commercial development tied to the river, and where Peoria Avenue is mainly serving the lower income neighborhoods in the immediate vicinity. These considerations will be discussed relative to each retail industry group.

- **Automobile dealers.** Used car dealers in the trade area capture about a quarter of the total demand for new and used car sales. New car dealers will not be attracted to the area, and the need for used cars is met with current businesses.
- **Other motor vehicle dealers.** Three businesses in this category (two selling motorcycles and the third selling ATVs, are producing a sales surplus. These uses would not typically be found in this type of location, however, the Brookside area does have a favorable demographic for the use. Others are not expected in the study area.
- **Auto parts, accessories, and tire stores.** Auto parts stores are infrequent in this part of the city, with Auto Zone and O'Reilly on Peoria Avenue in the trade area, but not in the study area. If economic conditions were to improve in the neighborhoods surrounding the study area, this use might be considered.
- **Furniture stores.** Most of the demand in this category comes from more affluent households in the northern part of the trade area, which will differ in their shopping preferences from lower-income, mostly rental households in the south. There is some potential for an independent discount furniture store in the trade area. If conditions were to significantly change with redevelopment of the apartment complexes along Riverside Drive, this is a type of specialty retail store that could go into a mixed use development.
- **Home Furnishings Stores.** As with furniture stores, the split demographic does not help to enable this type of store to be successful in the district today, but with redevelopment, it could locate on Riverside Drive.
- **Electronics and appliance stores.** These businesses (including Video Revolution on 71st Street and Lewis Avenue) are capturing a significant share of the market. With more of the sales in this category shifting online, the prospects for a new store are low.
- **Building material and supplies dealers.** Hardware stores in the trade area are doing well, capturing about half of the market for sales in this category. These stores have a more limited assortment of merchandise than a home improvement center, which could not be located in the study area due to siting constraints.
- **Lawn and garden equipment and supply stores.** In part due to the number of apartment complexes, there is a relatively small demand for this type of business, and none are located in the trade area.
- **Grocery stores.** The combination of Cox Super Saver and several independent, mostly ethnic grocery stores is meeting most of the available demand in the trade area. The presence of a very strong Walmart Supercenter to the south, as well as the split demographic of the trade area, suggest that additional stores would not be supported. Whole Foods, Trader Joe's Reasor's and other stores to the north will draw customers from the northern part of the trade area.

GAP ANALYSIS

RETAIL INDUSTRY GROUP	NAICS	DEMAND	SUPPLY	GAP	BUSINESSES
Automobile dealers	4411	\$39,785,000	\$9,829,000	\$29,957,000	3
Other motor vehicle dealers	4412	\$8,954,000	\$13,410,000	-\$4,456,000	3
Auto parts, accessories and tire stores	4413	\$4,687,000	\$1,835,000	\$2,852,000	3
Furniture stores	4421	\$4,772,000	\$958,000	\$3,814,000	2
Home furnishings stores	4422	\$2,204,000	\$705,000	\$1,499,000	1
Electronics and appliance stores	4431	\$7,712,000	\$5,304,000	\$2,407,000	6
Building material and supplies dealers	4441	\$12,357,000	\$6,203,000	\$6,154,000	5
Lawn and garden equipment and supply stores	4442	\$859,000	\$0	\$859,000	0
Grocery stores	4451	\$34,256,000	\$29,395,000	\$4,860,000	6
Specialty food stores	4452	\$1,073,000	\$1,772,000	-\$699,000	2
Beer, wine and liquor stores	4453	\$3,180,000	\$0	\$3,180,000	0
Health and personal care stores	4461	\$13,193,000	\$20,917,000	-\$7,724,000	11
Gasoline stations	4471	\$30,747,000	\$9,547,000	\$21,200,000	4
Clothing stores	4481	\$6,228,000	\$2,807,000	\$3,420,000	6
Shoe stores	4482	\$1,313,000	\$0	\$0	0
Jewelry, luggage, and leather goods stores	4483	\$1,856,000	\$1,519,000	\$337,000	2
Sporting goods/hobby/musical instruments	4511	\$7,000,000	\$3,966,000	\$3,034,000	4
Book, periodical and music stores	4512	\$1,263,000	\$571,000	\$692,000	1
Department stores excluding leased depts.	4521	\$36,037,000	\$118,562,000	-\$82,524,000	1
Other general merchandise stores	4529	\$10,533,000	\$10,141,000	\$392,000	6
Florists	4531	\$490,000	\$0	\$490,000	0
Office supplies, stationery and gift stores	4532	\$2,247,000	\$7,772,000	-\$5,524,000	6
Used merchandise stores	4533	\$825,000	\$5,721,000	-\$4,897,000	3
Other miscellaneous store retailers	4539	\$6,188,000	\$5,293,000	\$894,000	8
Special food services	7223	\$369,000	\$1,413,000	-\$1,044,000	3
Drinking places - alcoholic beverages	7224	\$605,000	\$826,000	-\$221,000	3
Restaurants and other eating places	7225	\$25,897,000	\$26,152,000	-\$255,000	47
Total retail trade and food and drink		\$266,147,000	\$285,347,000	-\$20,124,000	
Total retail trade		44-45	\$239,276,000	\$256,955,000	-\$18,595,000
Total food and drink		722	\$26,871,000	\$28,392,000	-\$1,520,000

SOURCE: Place Dynamics LLC and ESRI

- **Specialty food stores.** The volume of traffic through the study area, along with the presence of large ethnic communities, suggest the possibility for specialty food stores to locate in the area, even though

the trade area demand is relatively light and there are existing businesses in the category to the north. This use could also locate on Riverside Drive following redevelopment.

- **Beer, wine, and liquor stores.** There is a significant amount of demand and two existing stores, one of which is located in the study area, are effectively meeting it. (ESRI's database fails to include these businesses.)
- **Health and personal care stores.** A CVS and two Walgreen's stores are located within a mile of the study area, and three beauty supply stores are located to the north on Peoria Avenue. These stores are selling more than the market demand generated in the trade area, and others of their type would not be needed to serve the area.
- **Gasoline stations.** There are several gas stations in the trade area along with more in the vicinity. Those in the trade area have sales of about a third of the market potential. Given the prominence of both 71st Street and Riverside Drive as commuter routes, another gas station at this intersection might be a viable use.
- **Clothing stores.** None of the clothing stores in the trade area are located in the study area, which lacks the complementary uses generally needed to drive traffic to the site. This is not a good prospect for the study area. If the Riverside Drive corridor redevelops, there would be potential for this type of store in that area.
- **Shoe stores.** Similar to clothing, stores selling specialized shoes could be attracted to Riverside Drive if the area experiences redevelopment, but it is not a use to be expected in the core study area.
- **Jewelry, luggage, and leather goods stores.** The demand that is generated, and sales that are captured are in the northern part of the trade area. This is not a use suited to the study area.
- **Sporting goods, hobby, and musical instrument stores.** The high volume of traffic on 71st Street can explain the presence of bicycle shops in that area. These specialized sporting goods stores, and others like them, are attracted to sites that are visible and have strong traffic. The proximity of the river and its path systems is an added attraction. While the trade area does have unmet demand, the better prospect is for the use to be included in areas along a redeveloped Riverside Drive. Uses like this may also be a good fit for inclusion in City parks, where they will provide services such as bicycle or canoe rentals that enable people to enjoy the park.
- **Book, periodical, and music stores.** There is a small sales gap in this industry group, however, the use is most likely to locate at the north end of the trade area. It could also fit a redeveloped Riverside Drive corridor.
- **Department stores excluding leased departments.** This use is not supported by the market, especially with the Walmart Supercenter on 81st Street, and the configuration of the study area does not have sites that would accommodate it.
- **Other general merchandise stores.** These stores are already located in the study area and more are in the trade area.
- **Office supplies, stationery, and gift stores.** Office Depot and two independent office supply stores are located on 71st Street, just east of the study area. There are gift shops to the north. These businesses more than meet the demand generated in the trade area. Additional gift shops might be supported in the Riverside Drive corridor if it were to redevelop.
- **Used merchandise stores.** This trade area supports several thrift stores with a sales surplus. There is insufficient demand to support more.
- **Other miscellaneous store retailers.** Most of the demand in this category is being met by businesses in the trade area. Pet stores are a use that is missing from not only the trade area, but from a large swath of the city extending from 81st Street north to the downtown, west of Harvard

Avenue. Small chain stores, such as Bentley's Pet Stuff, or independent stores may find the Peoria Avenue corridor an attractive location, if neighborhood conditions improve. The use could also be attracted to 71st Street.

- **Special food services.** Sales do exceed the demand generated in the trade area. This is a use that might be considered in City parks.
- **Drinking places – alcoholic beverages.** There is limited demand for this use, and existing businesses produce a small surplus. It is not a prospect for the study area.
- **Restaurants and other eating places.** Supply and demand are nearly in balance. Traffic on 71st Street is creating strong demand for fast food restaurants, and more businesses of this type could be attracted that corridor. Peoria Avenue's restaurants are mostly independent, Hispanic establishments. Under current conditions, similar restaurants would be a possibility. Riverside Drive offers the best opportunities to attract full service restaurants as part of a redevelopment of the corridor. In particular, there would be demand for restaurants on the west side of the street, overlooking the river.

DISCUSSION

Existing land uses are one of the greatest impediments to the strength of this study area. It has an attractive central location at a point where a high volume of traffic comes together to cross the river on 71st Street. Several fast food restaurants have found their home here and are performing well, but larger retail uses have been excluded by a jumble of large apartment complexes that break up the commercial frontage, and storage facilities or churches that eat up remaining space.

Were it not for these interfering uses, it is likely that there would be a greater concentration of retail along 71st Street east of Riverside Drive. That might have improved conditions for the southern terminus of Peoria Avenue. It also has non-commercial uses along segments of the street, interspersed with poorly performing commercial buildings. With less traffic, it cannot sustain much more than neighborhood level uses, and has attracted several Hispanic businesses that are not effectively reaching out to the non-Hispanic community.

Riverside Drive presents some potential for a different kind of development. The one acre site at the corner of Riverside Drive and Peoria Avenue could easily be developed. Older apartment complexes that line the east side of Riverside Drive might also be considered for redevelopment, introducing mixed income housing and a mix of commercial and residential uses that takes advantage of the riverside location. Additionally, the City might consider opportunities for public-private partnerships similar to the Blue Rose Café at 21st Street. Carefully selected businesses like this expand upon the ways in which people can enjoy the park.

RECOMMENDATIONS

As noted at the start of this analysis, the Study area is really three areas with different markets and different opportunities. It will also require different strategies, although some action will have a positive impact on more than just one of the three corridors.

Business Targets

71st Street is the area least likely to be impacted by redevelopment along Riverside Drive. It is already a strong corridor that could support more commercial uses, but is constrained by how it has developed. The best opportunities for the area include fast food restaurants and specialty retailers who will benefit from the volume of traffic drawn beyond the immediate area. Examples include specialty food stores, sporting goods stores, hobby stores, and pet stores.

In its current environment, there are limited opportunities to attract new businesses to the segment of Peoria Avenue in the study area. Uses that might be considered include auto parts stores and additional restaurants. If there is a commitment to redeveloping the apartment complexes that lie between Peoria Avenue and Riverside Drive, the complexion of the area may change dramatically, improving the income profile and making it more appealing for other households to shop in the corridor.

Riverside Drive is a corridor that can pull customers from more affluent neighborhoods to the north, and the river parks and path can be leveraged to pull customers from most of the city. Other than the one acre site at the intersection with Peoria Avenue, there are no immediate development sites. Mixed use redevelopment of the large apartment complexes on the east side of the street, or selective development on City park land could open sites for uses like furniture and home furnishings stores, specialty food stores, clothing stores, sporting goods stores, hobby stores, pet stores, and eating and drinking establishments.

Recommended Actions

Recommendations for this area hinge on important policy decisions regarding how City parks may be used, and whether to pursue redevelopment along Riverside Drive.

1. Ensure the high quality of development on remaining sites in the study area. Attractive design and quality tenants will be consistent with the future potential to redevelop Riverside Drive.
2. Develop a vision and planning for the proposed redevelopment area. This could be limited to the apartment complexes on Riverside Drive, or might be expanded to include areas on the east side of Peoria Avenue. The plan might address the potential to develop limited, complementary uses on the west side of Riverside Drive.
3. Make available City programs (financial and technical assistance) to encourage investment in the commercial properties along Peoria Avenue. This can range from improvements to facades and landscaping, to redevelopment of some of the older properties.

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51ST AND MEMORIAL

In 2018 the City of Tulsa commissioned a Retail Market Analysis to examine general conditions for the commercial sector in all parts of the community, and to take a closer look at unique characteristics of a number of specific study areas. These locations were chosen for a combination of reasons including their diversity, their importance, the challenges or opportunities they present, planned or potential City investment, and other factors. Thirteen study areas were chosen for analysis. Each analysis and strategy is intended to serve as a model that may be applicable to other, similar parts of Tulsa.

Concerns over the length of time properties have remained vacant are a reason this district was selected for examination. Vacancies are endemic in strips like the Fontana Shopping Center at the northwest corner of this intersection, which still has good infrastructure and access. This study area is an area where there may need to be changes in land use where there is a much smaller retail footprint, and where retail centers are adapted to new uses.

THE STUDY AREA – 51ST AND MEMORIAL

51st Street and Memorial Drive is a neighborhood center without a neighborhood. One corner of the intersection is occupied by a large cemetery. Most of the land for a mile north and east is occupied by light industrial uses. Most of the residential land is situated more convenient to the corner of 51st Street and Sheridan Road, where a center called The Farm has reinvented itself through design, branding, and a careful selection of destination chain and independent businesses. Other commercial properties on that corner are also performing well.

Description

Memorial Park Cemetery occupies the southeast corner of the intersection. Small commercial buildings are found on the two adjacent corners. The Fontana Shopping Center is on the northeast corner. It has

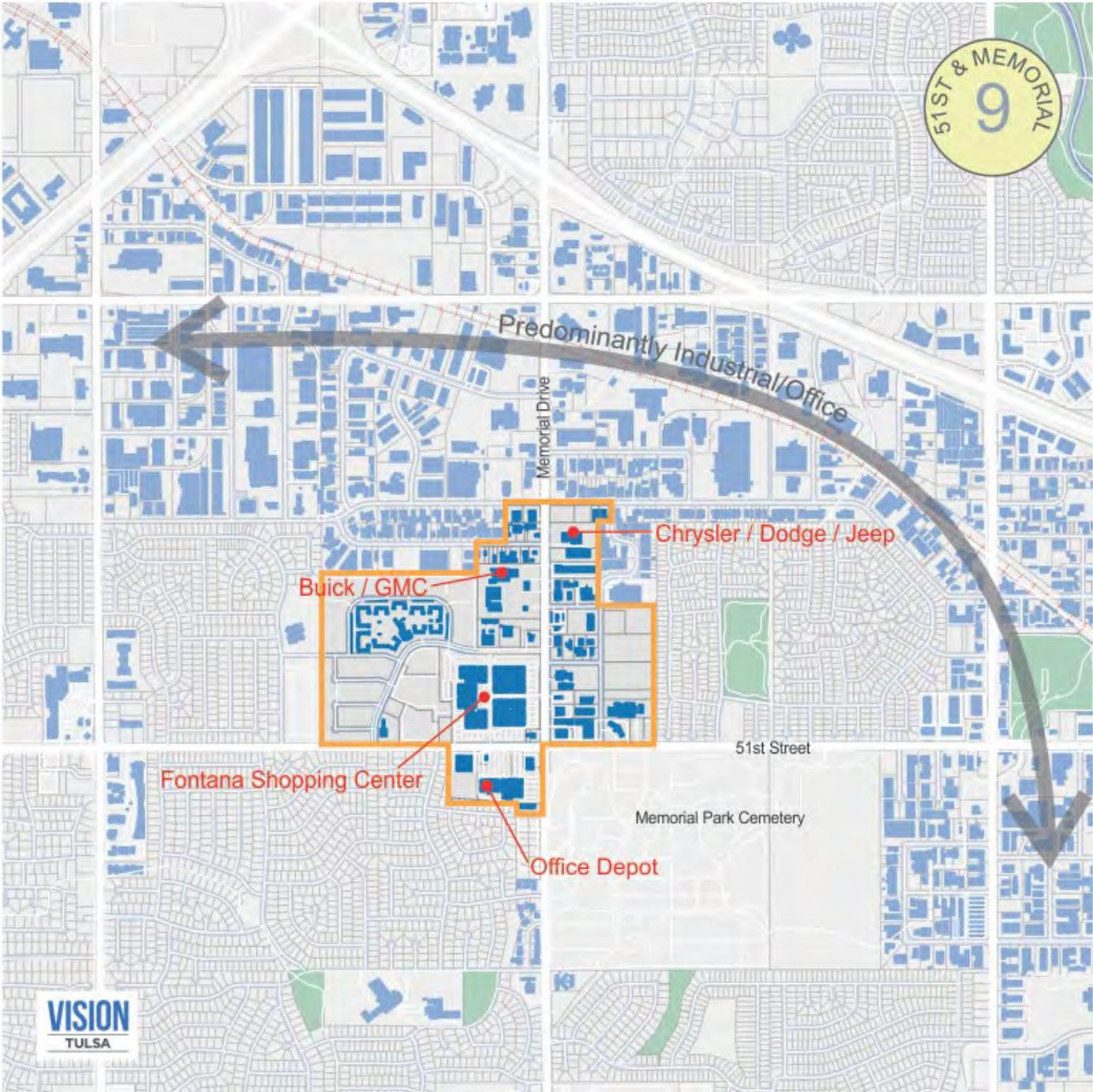


Vision Tulsa, an \$884 million tax renewal package approved by voters in 2016 will make substantial investments in economic development, education, public safety, streets, and transportation needs citywide. With citizen priorities providing the driving force behind the creation of Vision Tulsa, transformative projects and enhancements will set the stage for a bright future for Tulsa.



Fontana Shopping Center's odd configuration contributes to its longtime leasing problems.

51ST STREET AND MEMORIAL AVENUE COMMERCIAL STUDY AREA



experienced difficulties since its opening in 1972. A 2002 article in the Tulsa World described how occupancy was only 42 percent in 1995, when new owners invested in upgrades and positioned a part of the mall for office uses. Those renovations are nearly a quarter century old and mall vacancy appears to have crept back up. While individual tenants have made leasehold improvements, the property itself has not had any significant renovation. Although many vacant office and commercial spaces were observed, there is no leasing information available online at the owner’s website or at common real estate listing sites.

The center’s design might be called a precursor to today’s lifestyle centers, with a group of tightly clustered buildings divided by a “street” with parking, and pedestrian alleys. Unfortunately, it does not seem to have succeeded in creating a particularly inviting atmosphere for either retail or office uses.

Further north along Memorial Drive the character of the area changes. There are several new and used auto dealers that overall, appear to be successful in the location.

Traffic Patterns

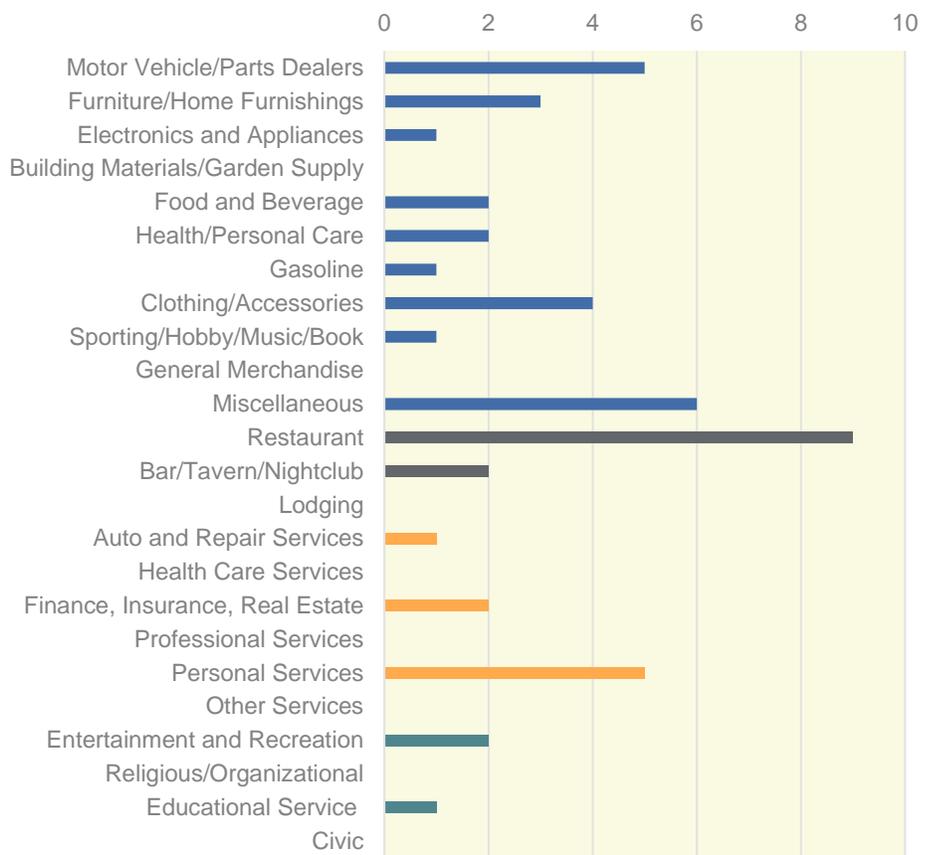
Traffic counts are not available for this area as construction was occurring in both 2014 and 2017 when counts were taken. Memorial Drive has 31,700 cars per day further north at 41st Street, and 34,800 to the south at 61st Street. There are 25,000 cars on 51st Street west of Mingo Road. These numbers suggest that the intersection of 51st Street and Memorial Drive should be similarly high, well within a range that is targeted by community-level tenants such as superstores and specialty big boxes.

Business Mix

The business mix in the area is limited. The kinds of retail and services that might normally serve a neighborhood are largely missing, though there are several restaurants. Many of the retail stores are of a type that does not need to generate high traffic volume, such as uniforms, or flower shops, where the product is often delivered without the customer needing to go to the store. Other businesses are catering to the large employment base in the area.

The strength of the area is in its car dealerships, which begin within the boundaries of the study area and continue north. These are destination uses for which people will travel.

COMMERCIAL USES BY TYPE



SOURCE: Place Dynamics

Competition

Just one mile west, the corner of 51st Street and Sheridan Avenue presents the strongest competition for 51st Street and Memorial Drive. That intersection has The Farm along with other retail centers that draw from the surrounding neighborhoods and beyond. Woodland Hills Mall is two miles south at 71st Street and Memorial Drive. The collection of businesses at that location will easily meet the shopping and dining needs of area residents. Similarly, the Tulsa Promenade area is about the same distance to the north, and will also meet most needs of people living or working in the area.

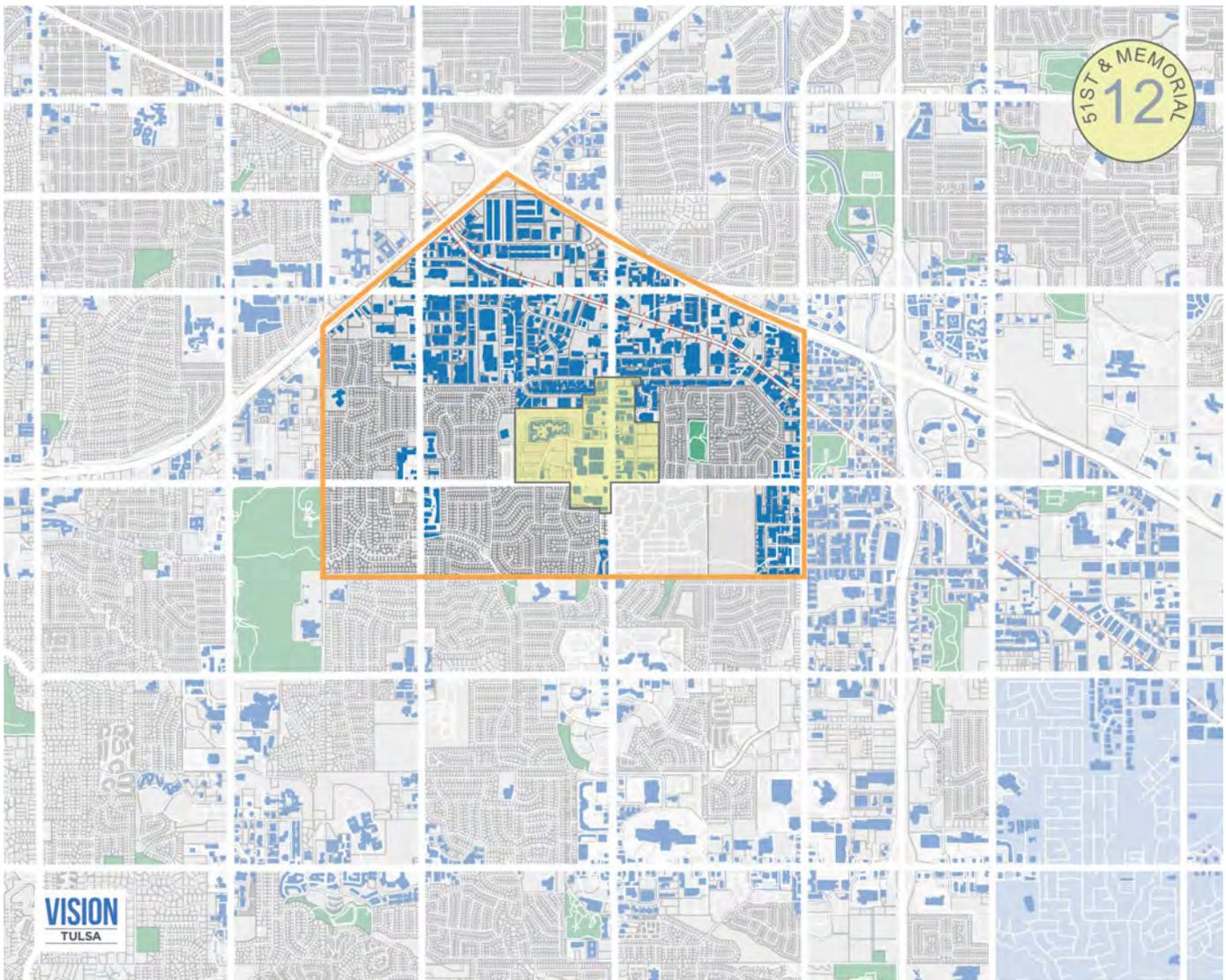
Commercial Space

There is 356,885 square feet of commercial space in the study area. A significant portion of this is devoted to auto dealerships. Building conditions in the area are average. Most of the vacancies are small office or retail spaces within the Fontana Shopping Center, and a large space in the building on the southwest corner (shared with Office Depot). The CVS is in a newer building constructed on the corner, however, there appears to still be far too much parking that might be converted to other purposes.

DEMOGRAPHICS AND MARKET

Commercial businesses at 51st Street and Memorial Drive have a trade area that is truncated by extensive light industrial and office development to the north and east. On the west, Tulsa Promenade and the strong center on 51st Street and Sheridan Road (where The Farm is located) will have the effect of cutting off potential customers approaching from that direction. Woodland Hills Mall and the large number of retailers

51ST STREET AND MEMORIAL AVENUE TRADE AREA



surrounding it are just two miles south. This center is effectively serving as a convenience center for a small neighborhood surrounding it.

Demographic Highlights

Although not very large, the population of this area has steadily grown from 10,559 in 2000, to 11,253 people in 2018. That growth rate is still only 0.59 percent per year. Meanwhile, the number of households is believed to have decreased from 4,804 in 2000, to 4,729 in 2018. This would mean that the typical household size has grown. As in other parts of the city, the number of renters grew slightly while the number of home owners decreased.

The area’s racial composition is not much different from Tulsa as a whole. White persons make up 62.0 percent of the total, followed by “other” (12.6 percent) and black (11.4 percent). The number of people identifying as having an Hispanic ancestry is higher than the citywide figure, at 21.3 percent.

Household incomes in this area are above average for Tulsa. In 2018 the median household income was \$52,317, compared to \$43,045 for all of Tulsa. The unemployment rate was 4.7 percent.

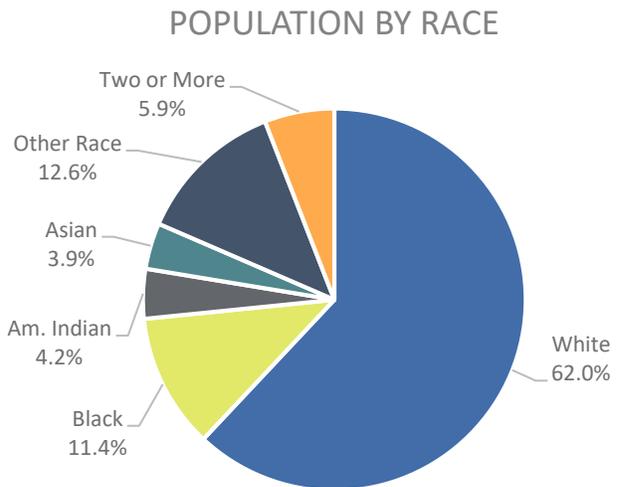
Resident Market Potential

With a small and lightly populated trade area, its residents generate demand for \$136,479,000 in retail and dining. About ten percent of the total is spent on eating and drinking. Not taking competition and traffic patterns into account, this would still be enough to support several stores.

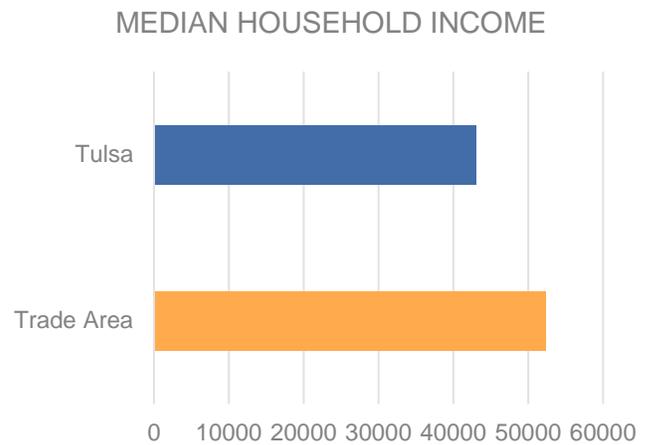
Area Workforce Market Potential

While there may not be many people living in the trade area for 51st Street and Memorial Avenue, there are a significant number of people working nearby. In 2015 there were 58,511 people working in the trade area plus a one mile ring. A small number – 3,726 – both live and work in that area, and 15,797 commute to jobs elsewhere. A total of 54,785 workers commute in from other parts of the Tulsa region.

This is an unusual case where the sheer number of workers commuting in, relative to the small size of the trade area population, results in demand from workers outstripping that of the area’s residents. It is more than twice as much. That demand is generated in different categories, based on how people’s workday spending differs from their overall spending. The categories most impacted are electronics, health and personal care stores, gasoline stations, miscellaneous stores, and eating and drinking establishments.



SOURCE: Place Dynamics and ESRI



SOURCE: Place Dynamics and ESRI

Cash Economy

There are an estimated 2,577 people in this area participating in the cash economy. The large concentration of light industrial and office uses surrounding the site contribute to that number. The unreported income generated by these workers is \$41.6 million, of which \$14.4 million is spent on retail (\$12.6 million) and eating and drinking (1.7 million). This amounts to 3.3 percent of the total market potential available within the trade area.

SALES AND MARKET SHARE

The most notable sales figures recorded in this study area are for motor vehicles. Several new and used car dealerships are located on Memorial Drive, beginning in this study area and heading north. These businesses are attracting customers from all over the metropolitan region to purchase high-value products. The limited trade area is not an accurate reflection of the market for these types of retailers.

MARKET POTENTIAL, ESTIMATED SALES, AND MARKET SHARE

	TRADE AREA POTENTIAL	CASH ECONOMY	WORKER POTENTIAL	TOTAL MARKET POTENTIAL	ESTIMATED SALES	MARKET SHARE
Motor vehicle and parts dealers	\$27,924,000	\$2,936,000	\$11,233,000	\$42,093,000	\$151,271,000	359.4%
Furniture and home furnishings stores	\$3,604,000	\$379,000	--	\$3,983,000	\$1,355,000	34.0%
Electronics and appliance stores	\$3,904,000	\$411,000	\$14,593,000	\$18,908,000	\$609,000	3.2%
Building materials, garden and supplies	\$7,811,000	\$821,000	--	\$8,632,000	\$0	0.0%
Food and beverage stores	\$19,391,000	\$2,039,000	\$35,546,000	\$56,976,000	\$14,640,000	25.7%
Health and personal care stores	\$7,138,000	\$751,000	\$21,702,000	\$29,591,000	\$8,437,000	28.5%
Gasoline stations	\$15,582,000	\$1,638,000	\$50,879,000	\$68,099,000	\$1,801,000	2.6%
Clothing and accessories stores	\$4,706,000	\$495,000	\$19,083,000	\$24,284,000	\$1,943,000	8.0%
Sporting goods, hobby, book and music	\$4,245,000	\$446,000	\$7,403,000	\$12,094,000	\$0	0.0%
General merchandise stores	\$23,652,000	\$2,487,000	\$55,464,000	\$81,603,000	\$0	0.0%
Miscellaneous store retailers	\$5,055,000	\$532,000	\$15,335,000	\$20,922,000	\$4,665,000	22.3%
Food services and drinking places	\$13,467,000	\$1,416,000	\$47,894,000	\$62,777,000	\$7,448,000	11.9%
TOTAL	\$136,479,000	\$14,351,000	\$279,132,000	\$429,962,000	\$192,169,000	44.7%

Other areas in which the study area is doing pretty well include food and beverage stores, health and personal care stores, and miscellaneous stores. Some of these are beneficiaries of the large worker population. That population does not appear to be finding many eating places in the study area. Most restaurants will need both day and evening traffic, and the small area population makes it difficult to generate dinner traffic.

Impact of Dollar Stores

This is one of only two study areas (the other being River West / Eugene Field) that does not have any dollar stores within its trade area or in close proximity. That is partially a reflection of the trade area's higher income

population, while dollar stores target low to moderate income households. The relatively small size of the population in this trade area is a secondary factor.

GAP ANALYSIS AND POTENTIAL FOR NEW BUSINESSES

While the market share is the portion of the trade area market potential captured by businesses in the study area, the gap analysis compares the trade area potential to estimated sales of all businesses in the trade area. The “gap” is the remaining demand that is not met by businesses in the trade area, and if business sales exceed the demand there is said to be a “surplus”.

While a gap analysis can be a useful tool in helping to determine what businesses might be supported in the study area, it does not necessarily follow that a gap may mean that a given type of store can be viable at the site. Any new store will only capture a portion of the gap available, and will also divert some sales from existing businesses. Attributes of the location such as traffic patterns and volume, visibility, site design, and competition from both inside and outside of the trade area will have an influence on its potential viability. It is equally true that under some circumstances, a surplus may be an indicator of the potential to attract new businesses. This would be the case for stores that thrive by aggregating in close proximity to generate more customer traffic.

This trade area has some unusual conditions that shape the performance of its commercial districts. The first of these is the concentration of Tulsa’s new car dealerships on Memorial Drive, beginning in the study area and continuing to the north. The second is the very large industrial/office district to the north and east of the study area. The number of workers contributes significantly to potential spending, but worker spending is concentrated on businesses such as gas and convenience stores, pharmacies, and fast food. Finally, the neighborhood around the study area is also attracting a non-traditional type of “retail” business. These are often characterized as being closer to wholesale, building trades, or industrial uses that have a retail component. Examples include businesses that sell and install doors and windows, that embroider or silk screen apparel, or sell pools and hot tubs. These may be more suited to a light industrial or service commercial zoning district, rather than one limited to retail commercial.

- **Automobile dealers.** New car dealers have concentrated along Memorial Drive north of 51st Street. This leads to sales far in excess of the market potential of the trade area, as these dealers are pulling customers from well beyond the metropolitan area. Although most of the auto makers are represented in the area, there remains the potential for others, or for used car chains (ex., J.D. Byrider) to locate in the area.
- **Other motor vehicle dealers.** Although some of these uses have located in the area, the greater concentration is to the north on Admiral Place, or elsewhere along the interstate corridors.
- **Auto parts, accessories, and tire stores.** In addition to the parts departments of auto dealers, all of the national chains (Advance Auto Parts, AutoZone, Bumper to Bumper, NAPA, and O’Reilly Auto Parts) are already located in the trade area.
- **Furniture stores.** These businesses are found at The Farm, which has attracted a mix of national chains and local stores. Others will choose to locate at that intersection, or at the Tulsa Promenade or Woodland Hills study areas, to be near complementary stores that bring customer traffic to the location.
- **Home Furnishings Stores.** This use is similar to furniture stores, both in the locations in which they have concentrated and their preference to be near others of their type. The 51st Street and Memorial Drive does not compete for this use.

GAP ANALYSIS

RETAIL INDUSTRY GROUP	NAICS	DEMAND	SUPPLY	GAP	BUSINESSES
Automobile dealers	4411	\$20,710,000	\$497,841,000	-\$477,131,000	49
Other motor vehicle dealers	4412	\$4,772,000	\$9,800,000	-\$5,028,000	5
Auto parts, accessories and tire stores	4413	\$2,443,000	\$33,702,000	-\$31,259,000	22
Furniture stores	4421	\$2,381,000	\$10,384,000	-\$8,004,000	7
Home furnishings stores	4422	\$1,223,000	\$23,519,000	-\$22,296,000	15
Electronics and appliance stores	4431	\$3,904,000	\$33,487,000	-\$29,583,000	14
Building material and supplies dealers	4441	\$7,294,000	\$50,282,000	-\$42,988,000	21
Lawn and garden equipment and supply stores	4442	\$518,000	\$769,000	-\$252,000	1
Grocery stores	4451	\$17,241,000	\$9,990,000	\$7,252,000	3
Specialty food stores	4452	\$536,000	\$654,000	-\$118,000	3
Beer, wine and liquor stores	4453	\$1,613,000	\$2,637,000	-\$1,023,000	3
Health and personal care stores	4461	\$7,138,000	\$36,072,000	-\$28,934,000	14
Gasoline stations	4471	\$15,582,000	\$6,566,000	\$9,017,000	4
Clothing stores	4481	\$3,113,000	\$40,418,000	-\$37,305,000	23
Shoe stores	4482	\$646,000	\$7,419,000	-\$6,773,000	6
Jewelry, luggage, and leather goods stores	4483	\$947,000	\$3,802,000	-\$2,855,000	6
Sporting goods/hobby/musical instruments	4511	\$3,634,000	\$18,507,000	-\$14,874,000	15
Book, periodical and music stores	4512	\$611,000	\$334,000	\$277,000	1
Department stores excluding leased depts.	4521	\$18,308,000	\$0	\$0	0
Other general merchandise stores	4529	\$5,345,000	\$0	\$0	0
Florists	4531	\$297,000	\$465,000	-\$168,000	2
Office supplies, stationery and gift stores	4532	\$1,164,000	\$12,148,000	-\$10,984,000	14
Used merchandise stores	4533	\$405,000	\$1,062,000	-\$657,000	4
Other miscellaneous store retailers	4539	\$3,189,000	\$16,373,000	-\$13,184,000	24
Special food services	7223	\$191,000	\$851,000	-\$660,000	2
Drinking places - alcoholic beverages	7224	\$299,000	\$2,375,000	-\$2,076,000	8
Restaurants and other eating places	7225	\$12,977,000	\$43,409,000	-\$30,433,000	60
Total retail trade and food and drink		\$137,330,000	\$867,187,000	-\$753,510,000	
Total retail trade		44-45	\$123,864,000	\$820,543,000	-\$720,341,000
Total food and drink		722	\$13,467,000	\$46,635,000	-\$33,168,000

SOURCE: Place Dynamics LLC and ESRI

- **Home Furnishings Stores.** This use is similar to furniture stores, both in the locations in which they have concentrated and their preference to be near others of their type. The 51st Street and Memorial Drive does not compete for this use.
- **Electronics and appliance stores.** Much of the large surplus generated in this industry group can be attributed to Best Buy and Ford Audio-Visual, while there are numerous small businesses in the trade area meeting niche needs.
- **Building material and supplies dealers.** The trade area produces very little demand for this use, while there is a Home Depot at 41st Street and Sheridan Avenue, and several businesses are meeting a more regional need for specialized goods (ex., garage doors, roofing materials, or windows).
- **Lawn and garden equipment and supply stores.** Several small landscaping companies and a nursery are located within the industrial areas surrounding the study area. These do have retail sales as a component of the business.
- **Grocery stores.** The grocery store sales estimates prepared by ESRI for this trade area are significantly larger than what is actually sold by the two grocery stores (Jerusalem Market and Akin's Natural Foods) actually in the trade area. The trade area produces too little demand to support a full-line grocer, and there are several within two miles of the study area.
- **Specialty food stores.** The trade area does generate enough demand to support some businesses of this type, however, ESRI again overestimates the actual sales recorded in the trade area. These uses will prefer higher-traffic locations such as the Tulsa Promenade and Woodland Hills study areas, both of which are approximately two miles from the 51st Street and Memorial Drive study area.
- **Beer, wine, and liquor stores.** Too little demand is generated in the area for it to be attractive to a liquor store, while an existing business is already capturing the market.
- **Health and personal care stores.** The presence of a large workforce is attractive to a pharmacy, and the study area does have a CVS and Walgreen's. Beauty supply and related businesses have located to the east, at 51st Street and Sheridan Avenue. There is no demand for other stores in this category in the study area.
- **Gasoline stations.** While there is unmet demand in the trade area, sites closer to the interstate will tend to capture more of the demand for gas and convenience stores.
- **Clothing stores.** The clothing stores located in the trade area tend to have a specialization, such as running gear or other sports apparel, leather clothing, or embroidery. These types of businesses do not need a high traffic location, as their customer is highly targeted and will seek them out. Other similar businesses could be attracted to the study area.
- **Shoe stores.** Similar to clothing, stores selling specialized shoes could be attracted to the area.
- **Jewelry, luggage, and leather goods stores.** Relatively little demand is generated in the trade area. A small pocket of these stores has located at The Farm because of the location's more regional draw.
- **Sporting goods, hobby, and musical instrument stores.** Sales in this industry group exceed demand by a considerable degree. Two larger sporting goods stores on 41st Street contribute significantly to the total. In addition to these, there are several niche sporting goods stores (firearms, archery supplies, soccer, etc.) in the industrial/office district surrounding the study area. One hobby store is located in the study area. These types of businesses are illustrative of those with a targeted customer who will seek them out, allowing them to locate in lower-cost locations such as the trade area.
- **Book, periodical, and music stores.** Relatively little demand is generated in the trade area. None of these uses is located near the study area, and it is not a good fit for the location.

- **Department stores excluding leased departments.** There are no department stores in the trade area and the minimal demand generated in the trade area will not support one.
- **Other general merchandise stores.** None of these stores are located in the trade area, which does not have the population base or the preferred demographic to attract the use.
- **Office supplies, stationery, and gift stores.** The Office Depot within the study area is the largest contributor to trade area sales within this category. Several small office supply businesses and two gift shops are located outside of the study area. Office supplies, document services, promotional novelties, and similar businesses are attracted by the number of companies in the area. There would be the potential for more specialty businesses, although not for other office supply stores like Office Depot.
- **Used merchandise stores.** Sales in this category are dominated by consignment and clearance stores on 41st Street, and are not considered a viable use in the study area.
- **Other miscellaneous store retailers.** Tobacco/vape shops and independent, specialized pet supplies stores (ex., fish/aquarium supplies) dominate sales in this category. Aside from one vape shop, none have located in the study area. These are a possibility for attraction.
- **Special food services.** The presence of a large workforce in the adjacent industrial/office districts is supporting this use, which is not located in the study area.
- **Drinking places – alcoholic beverages.** Drinking establishments are distributed in a uniform pattern across this area, with about one per mile, north and south. One is located in the study area. The large workforce population helps to support the use. Additional drinking establishments are not a good prospect for recruitment.
- **Restaurants and other eating places.** Greater concentrations of this use are found a mile west at 51st Street and Sheridan Avenue, where there is also a greater number of full service restaurants, while those at 51st Street and Memorial Drive are mostly fast food. Because of the large number of people working in the area, additional fast food restaurants are a good prospect for development.

DISCUSSION

Car dealerships are the most important use along this corridor, from the study area north to US Highway 64. The City might examine strategies to build upon this concentration to enhance its appeal and to restore vitality to under-performing properties.

Within the study area itself, there is already a transitioning occurring as the owners of Fontana Square have attempted to reposition the space as an office center with commercial uses on the street frontage. There is a significant amount of vacancy, but at least in part, that should be put down to poor marketing. Fontana Square is not listed with a broker or found on any of the common commercial real estate search engines. The owner website lists a contact person and phone number, but provides no information about the center and the space that may be available. Without at least that minimal level of effort, many prospective tenants may not learn of the opportunity, or may choose to pursue others for which information is readily available.

There is a very large light industrial and office area to the north and east with a large number of employees working in it. To the south and west are suburban residential neighborhoods with a modest density of housing. Both could be sources of customers for businesses at the intersection of 51st Street and Memorial Drive, except for the competition it faces. Workday traffic will be pulled to the Tulsa Promenade or to The Farm (at 51st Street and Sheridan Road) for the number of restaurants and shops found in those places. Similarly, residents will be drawn to these commercial districts or to Woodland Hills to meet their shopping

and dining needs. These considerations leave the study area playing the role of a convenience center for workers and nearby residents.

The trade area presents a very interesting dynamic in that the industrial/office areas have attracted businesses with a retail component, that do not need a traditional retail setting. These are businesses that cater to a very well-defined market (ex., door and window sales and installation, aquariums and fish supplies, archery and firearms, soccer enthusiasts, embroidery and silk screening, etc.) and do not need a highly visible location. The trade area offers space in industrial buildings at a lower cost than storefronts in a retail center. Businesses of this type would a prime target to fill space in the Fontana Shopping Center, or elsewhere in the trade area.

RECOMMENDATIONS

The recommended approach for this study area is to allow it to transition to a character more like the industrial/office district to the north and east, while continuing to meet the convenience retail and dining needs of residents and workers.

Business Targets

Additional restaurants can be supported to serve the area's workforce. Retail uses will be mostly non-traditional, targeting businesses that are very specialized and do not need a presence in a strong retail corridor. Many of these have an associated warehousing, service, or light industrial component. It may also be possible to extend the concentration of auto dealerships further south into the study area.

Recommended Actions

The following actions can help to repurpose and fill vacant space within the study area.

1. Consider a zoning change for the Fontana Shopping Center. Parcels in the study area west of Memorial Drive fall into the City's Commercial Shopping (CS) zoning district, while those in the northeast quadrant of the study area are in the Industrial-Light (IL) district. While the IL district allows most uses in the CS district, the CS district does not permit most of the light industrial or quasi-industrial uses allowed in the IL district. This may be keeping some uses from seeking a location in the center.
2. Develop resources to help commercial property owners market their properties. Two initiatives can be considered. The first is to compile and distribute guidance on how available space can be marketed through traditional and web-based techniques. It should identify what information to make available as well as where and how it can be distributed. The second initiative would be to develop a citywide platform where sites, buildings, and space can be listed. This should include tools to ensure that information provided is complete, and to remove inactive listings.

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71ST STREET CORRIDOR

In 2018 the City of Tulsa commissioned a Retail Market Analysis to examine general conditions for the commercial sector in all parts of the community, and to take a closer look at unique characteristics of a number of specific study areas. These locations were chosen for a combination of reasons including their diversity, their importance, the challenges or opportunities they present, planned or potential City investment, and other factors. Thirteen study areas were chosen for analysis. Each analysis and strategy is intended to serve as a model that may be applicable to other, similar parts of Tulsa.

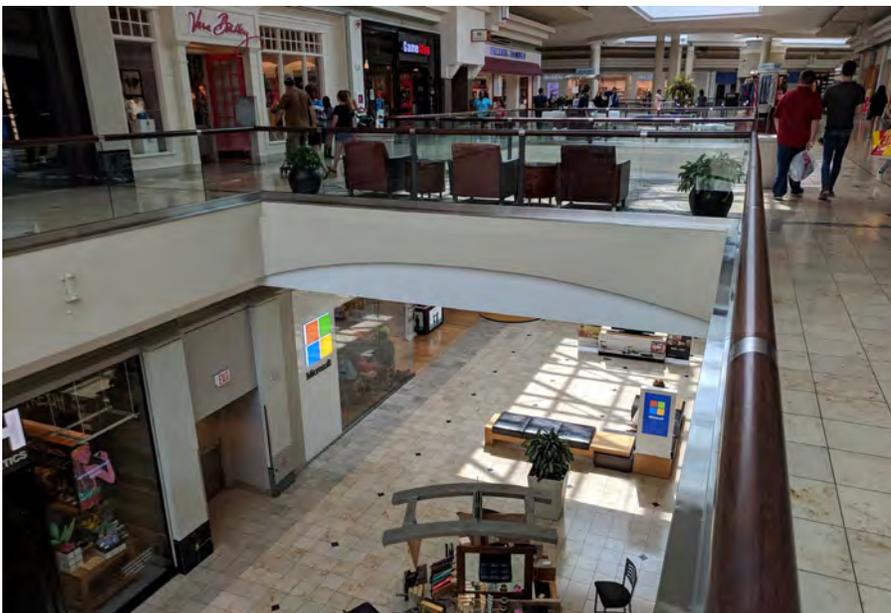
The 71st Street corridor is the most important concentration of commercial activity in eastern Oklahoma. It is routinely drawing from a trade area that extends north and east to the state line or beyond, and well to the south. Woodland Hills Mall is doing well, though the announcement of Sears' bankruptcy in October of 2018 may result in the loss of one of the mall's anchor stores. There have been several recent big box vacancies elsewhere in the study area mainly due to the bankruptcy and closing of national or regional chains like Gordman's or Toys 'R Us. New uses in those spaces have not always been retail, and the loss of sales tax revenue from that square footage is troubling.

THE STUDY AREA – 71ST STREET CORRIDOR

The dominant retail strip in eastern Oklahoma lies along either side of 71st Street from Garnett Road to just west of Memorial Drive. This area is home to Woodland Hills Mall along with several outdoor power centers (Eastside Market, Mingo Marketplace, and others) along with freestanding big box stores and smaller strips, shops, and restaurants along the frontage.

Description

The commercial strip extends about two and a quarter miles along 71st Street. A majority of the study area lies west of US Highway 64/169 (Mingo Valley Expressway), including the Woodland Hills Mall. The



The Woodland Hills Mall is the dominant retail center in eastern Oklahoma.



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surrounding area is mostly residential with a suburban character, although there is a large employment concentration about two miles to the northeast.

Woodland Hills Mall anchors the west end of the study area. It is a two story enclosed mall encompassing 1,092,000 square feet, making it the largest retail property in Tulsa. It is anchored by Dillard’s, Sears (which has now filed for bankruptcy with an uncertain future), Macy’s, and JC Penney. About half of the roughly 120 stores in the mall are unique to the market.

This area has been producing a great deal of the sales taxes collected in Tulsa, driven by both the mall and the number of big box stores surrounding it. As the retail industry confronts significant changes, there are a number of chains that have closed some or all of their stores. In this study area, Toys ‘R’ Us, Babies ‘R’ Us, and Gordman’s have been relatively recent closings.

Traffic Patterns

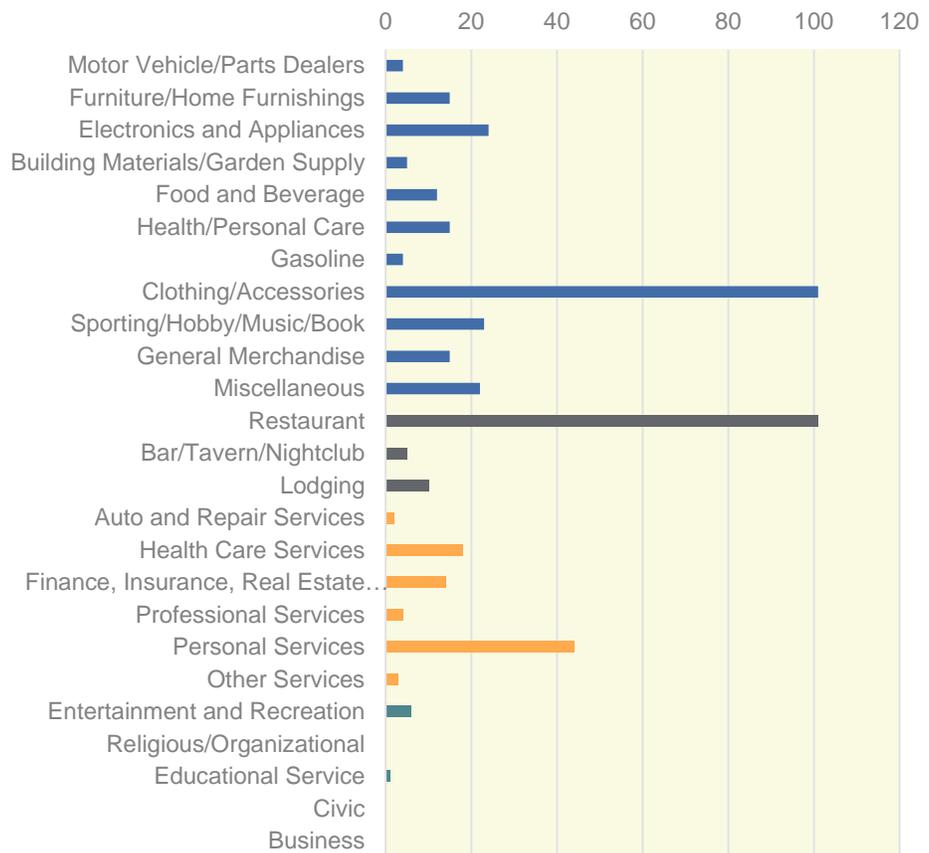
The volume of traffic passing on 71st Street give a clue to the significance of the area. Beginning at Memorial Drive, 71st Street is carrying 34,300 cars per day west of the intersection and 39,100 cars to the east. This increases to 52,100 cars per day west of Mingo Road and 47,000 to the east. At Garnett Road, the western leg of the intersection has 36,400 cars while the number to the west is 32,400. Memorial Drive has the highest north-south volume with 30,100 cars north of 71st Street and 31,800 to the south. The volume on Mingo Road is 20,200 heading north and 20,100 heading south. At Garnett Road, 19,600 cars are found on the north and 19,600 to the south. Any of these are good intersections, but the counts found at 71st Street and Mingo Road indicate that this is the most important commercial corner in Tulsa.

Business Mix

There are 449 businesses in the 71st Street study area, with 346 of them being either retail or eating and drinking establishments. This is far more than any other commercial district in the city.

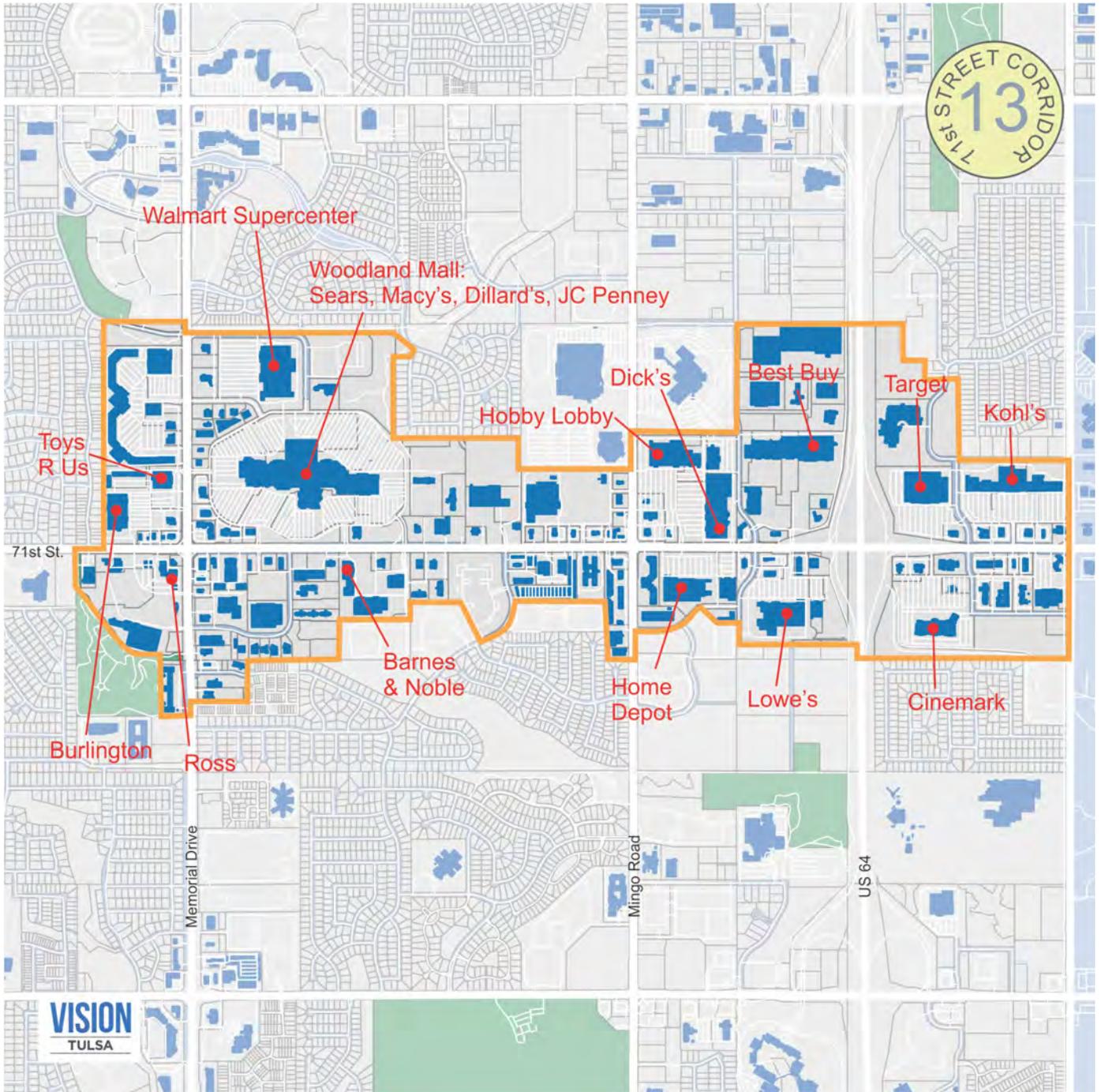
In addition to having the largest overall numbers, the study area has the greatest concentration of specialty store types like furniture and home furnishings stores, sporting goods, hobby, music and book stores, and clothing and accessories stores. There are 101 restaurants, bars and taverns, and snack and beverage shops in the study area.

COMMERCIAL USES BY TYPE



SOURCE: Place Dynamics

71ST STREET CORRIDOR STUDY AREA



Competition

There are two forms of competition facing this study area. The conventional competitors will be cities with still larger concentrations of specialty stores that are not in the Tulsa market. The nearest example is Oklahoma City, where someone might travel to visit a store like Ikea, which is not in Tulsa. These will not be common trips.

The other form of competition is online. Increasingly, people are growing comfortable with, or even prefer to shop online for almost any goods. Visits to stores were becoming less frequent even before internet sales became significant in relation to overall spending. Going forward, the internet will capture an even greater share of the market and chain stores are rethinking the number, size, and experience they offer in their physical locations.

Commercial Space

There is an estimated 4,411,731 square feet of commercial space within the 71st Street study area. Nearly a quarter of this is in the Woodland Hills Mall, while much of the remainder is in power centers and freestanding big box stores like, Walmart, Target, Lowe’s, and Home Depot. Most of this space is in very good condition.

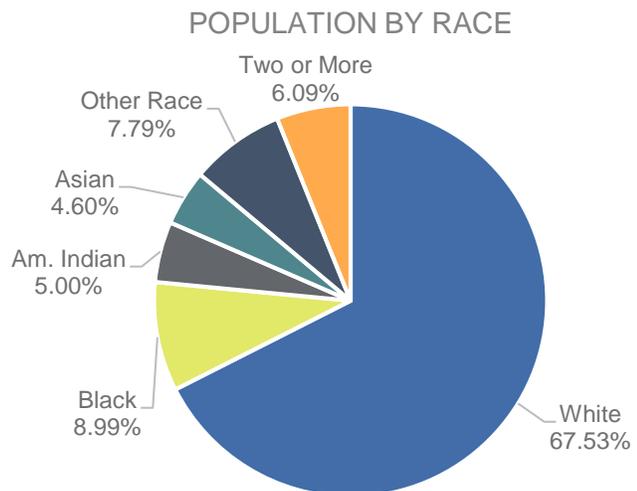
DEMOGRAPHICS AND MARKET

The 71st Street study area is the largest concentration of commercial businesses in eastern Oklahoma. A different approach is necessary when trying to define its trade area. The approach used here relies on cell phone tracking. A filter was used to select people who had visited the mall area at least four times over the course of a year, as representative of the more usual, rather than one-time visitors.

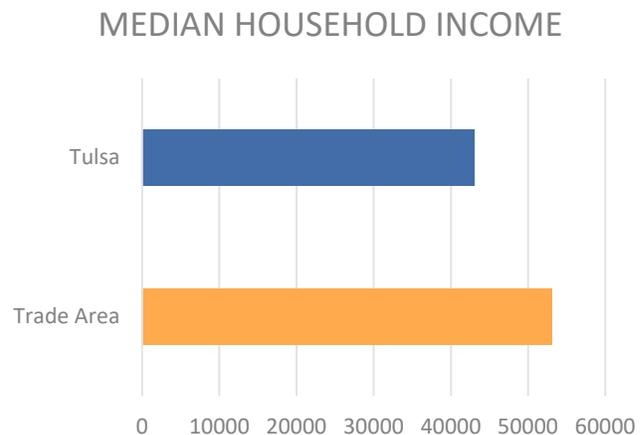
The home location of these visitors was plotted, demonstrating that the study area is pulling from across northeastern Oklahoma and even down into the Oklahoma City and Dallas-Fort Worth areas. The cell phone data does not actually identify what businesses were visited or what purchases were made, so some of these visitors might simply be eating or staying in one of the many hotels in the study area, as opposed to visiting to make a shopping trip.

Point data for visitors was used to understand paths into the study area. The location of each visitor, two hours prior to arrival, was mapped. Rather than interstates, much of the traffic to the site is using local roads.

Lastly, the data vendor uses an algorithm to examine that purchase path and both day and night locations of the area’s visitors to identify an area from which a high density of visitors is drawn. This was used to reflect the trade area for the study area.



SOURCE: Place Dynamics and ESRI



SOURCE: Place Dynamics and ESRI

Demographic Highlights

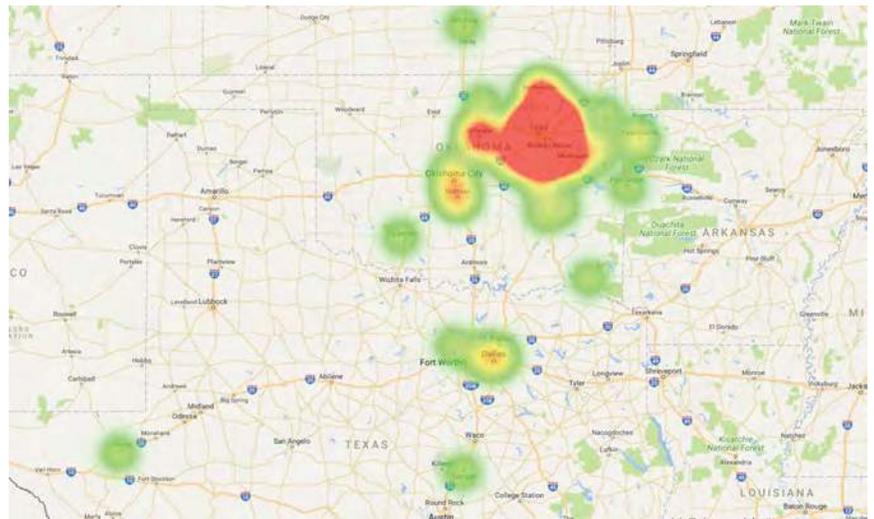
The trade area for the Woodland Hills study area takes in the most densely settled portions of Tulsa and adjacent communities of Broken Arrow and Jenks. In 2018 there were 368,784 people living within its boundaries. This reflects an increase from 342,932 in 2010. The population has been growing at a rate of 0.88 percent each year. The number of households has been increasing at a similar pace, from 144,667 in 2010 to a total of 153,392 in 2018. Home ownership decreased slightly (1.7 percent) since 2010. Meanwhile, there was a 15.9 percent increase in the number of renters. This suggests that new construction includes a larger number of rental units, along with existing homes being converted to rentals.

As it takes in much of the city, the population's racial composition mirrors that of the city. White persons are the largest segment (67.6 percent), followed by black (9.0 percent), and "other" (7.8 percent). The Hispanic population makes up 14.3 percent of the total. Persons of Hispanic origin can be any race.

The median household income in this trade area exceeds that of Tulsa by 123 percent. It is \$53,047. The unemployment rate is 4.5 percent.

Resident Market Potential

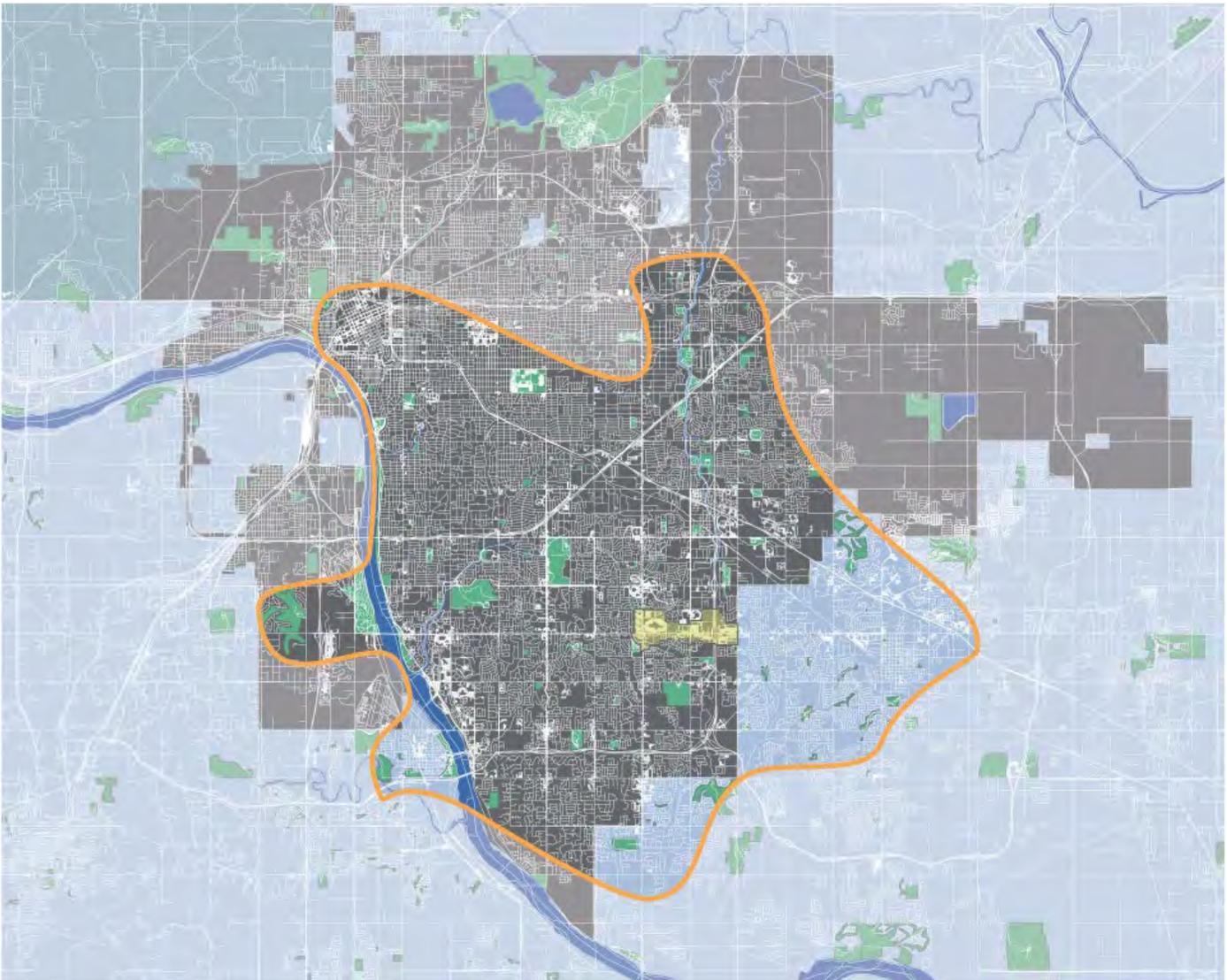
The very large trade area generates \$5.7 billion in spending. The amount spent by residents of this area on eating and drinking establishments, alone, is \$574.8 million. This still leaves \$5,153,292 spent on retail. As a regional level, the Woodland Hills area will be positioned to capture general merchandise and other specialty retail, often referred to as GAFO – general merchandise, apparel, furniture, and other.



Cell phone tracking was used to map locations from which the Woodland Hills Mall area draws customers who visited at least four times between June of 2017 and June of 2018 (top). The second map shows their location two hour prior. The bottom map shows the area from where the greatest density of visitors are being drawn (trade area).



71ST STREET CORRIDOR TRADE AREA



Area Workforce Market Potential

Time and other considerations will have workers coming to the study area from an area smaller than the trade area. For this analysis, a distance of three miles was used. The net number was adjusted by a factor of 0.4 to account for the overlap between people who both work and live in the trade area. Sixty percent of the people who work in the trade area both live and work in it.

In 2015 there were 103,395 people working within three miles of the 71st Street study area. This was an increase from 92,759 ten years earlier, or about an additional thousand workers per year. The number of workers living in the area, 52,906, is slightly smaller than in 2005. Of this number, 35,497 are commuting out to work elsewhere. Meanwhile, 85,986 people are commuting in from other parts of the region.

Workers within three miles of the study area spend an additional \$185,106,000 during their work day. This is a significant figure, although dwarfed by the overall potential available to businesses in the study area.

Cash Economy

The cash economy figures were calculated based upon the same number of workers living in the area. An estimated 6,965 people living within three miles of the corridor are participating in the cash economy. Their unreported earnings of \$112.5 million result in an additional \$38.8 million in potential spending. Because of the size of the regional trade area, this amounts to only 0.7 percent of the total market potential.

SALES AND MARKET SHARE

The market share estimates in the table below consider a market comprised of both trade area residents and workers who do not also reside in that same trade area. Typically, a trade area will describe a geography from which businesses in the study area draw 70 to 80 percent of their customers. Additional customers may come from nearby areas not in the trade area. There is still another source of market potential. That is visitors to the study area, who are defined as people living a great enough distance from the study area that it is not a usual place to which they travel. It is therefore important to keep these two less usual customer groups in mind when looking at the market share numbers.

MARKET POTENTIAL, ESTIMATED SALES, AND MARKET SHARE

	TRADE AREA POTENTIAL	CASH ECONOMY	WORKER POTENTIAL	TOTAL MARKET POTENTIAL	ESTIMATED SALES	MARKET SHARE
Motor vehicle and parts dealers	\$1,157,879,000	\$7,840,000	\$5,112,000	\$1,170,831,000	\$8,944,000	0.8%
Furniture and home furnishings stores	\$154,383,000	\$1,045,000	--	\$155,428,000	\$67,041,000	43.1%
Electronics and appliance stores	\$168,046,000	\$1,138,000	\$5,420,000	\$174,604,000	\$57,403,000	32.9%
Building materials, garden and supplies	\$335,153,000	\$2,269,000	--	\$337,422,000	\$105,550,000	31.3%
Food and beverage stores	\$806,583,000	\$5,462,000	\$42,405,000	\$854,450,000	\$9,470,000	1.1%
Health and personal care stores	\$293,826,000	\$1,990,000	\$10,162,000	\$305,978,000	\$11,929,000	3.9%
Gasoline stations	\$640,389,000	\$4,336,000	\$60,697,000	\$705,422,000	\$8,602,000	1.2%
Clothing and accessories stores	\$204,459,000	\$1,384,000	\$7,870,000	\$213,713,000	\$238,060,000	111.4%
Sporting goods, hobby, book and music	\$181,879,000	\$1,232,000	\$2,946,000	\$186,057,000	\$59,273,000	31.9%
General merchandise stores	\$1,001,604,000	\$6,782,000	\$22,687,000	\$1,031,073,000	\$536,872,000	52.1%
Miscellaneous store retailers	\$209,091,000	\$1,416,000	\$6,759,000	\$217,266,000	\$28,711,000	13.2%
Food services and drinking places	\$574,804,000	\$3,892,000	\$21,048,000	\$599,744,000	\$168,707,000	28.1%
TOTAL	\$5,728,096,000	\$38,787,000	\$185,106,000	\$5,951,989,000	\$1,300,562,000	21.9%

SOURCE: Place Dynamics and ESRI

The table above does not show the sales captured by hotels in the study area. Visitors to Tulsa who also stayed in a hotel in this study area spent \$159,870,00 on lodging alone.

The regional importance of this study area is reflected in both the high and low sales figures seen in the table. The study area does not have a significant presence of motor vehicle and parts dealers, food and beverage stores, health and personal care stores (with some exceptions), and gasoline stations. Other retail

uses require high volume sites and will drive up the cost of space, while the uses just listed may need large expanses of land (car dealers) or serve a neighborhood population (grocery stores and pharmacies). There is no reason for them to pay the high cost of occupancy to be in a location like this study area.

On the other hand, retail that thrives from being close to others of the same, or a complimentary kind, will be drawn to this study area. That is seen in the furniture and electronics stores, clothing stores, sporting goods, hobby, music and book stores, and miscellaneous stores. These are capturing a very large share of the market.

Impact of Dollar Stores

There is a single Dollar Tree in the study area, and aside from a Dollar General at 61st Street and Garnett Road. These stores tend to be less common in middle or upper income neighborhoods such as those surrounding the study area, and are also designed to serve a neighborhood, rather than the regional level of businesses in the corridor. Given the volume of sales that are made in the study area, the two dollar stores have an insignificant impact on the market overall, or on food sales.

GAP ANALYSIS AND POTENTIAL FOR NEW BUSINESSES

While the market share is the portion of the trade area market potential captured by businesses in the study area, the gap analysis compares the trade area potential to estimated sales of all businesses in the trade area. The “gap” is the remaining demand that is not met by businesses in the trade area, and if business sales exceed the demand there is said to be a “surplus”.

While a gap analysis can be a useful tool in helping to determine what businesses might be supported in the study area, it does not necessarily follow that a gap may mean that a given type of store can be viable at the site. Any new store will only capture a portion of the gap available, and will also divert some sales from existing businesses. Attributes of the location such as traffic patterns and volume, visibility, site design, and competition from both inside and outside of the trade area will have an influence on its potential viability. It is equally true that under some circumstances, a surplus may be an indicator of the potential to attract new businesses. This would be the case for stores that thrive by aggregating in close proximity to generate more customer traffic.

Given the size of the trade area, this gap analysis is nearly a surrogate for assessing the performance of the city as a whole. The trade area does omit some northern parts of Tulsa, but brings in parts of neighboring communities. While the trade area does very well overall, the strength of the study area is in the core general merchandise, apparel, furniture, and other specialty retail (GAFO) categories

- **Automobile dealers.** There are two locations along Memorial Drive where new car dealers are concentrated. Both of these fall within the trade area, and their presence, along with others, contributes significantly to the volume of sales made in this category. Additional new car dealers (who are responsible for about 80 percent of sales in the industry cluster) would locate at one of the two concentrations, rather than in the trade area.
- **Other motor vehicle dealers.** These businesses will mostly prefer locations along the interstate highways or near new car dealers.
- **Auto parts, accessories, and tire stores.** Aside from Pep Boys, the national chain auto parts stores are located in commercial districts north and west of the study area. This is to be expected, as auto parts stores more typically serve a local, rather than regional population, and are sensitive to the cost of the space they occupy. This would make them prefer lower costs sites elsewhere.

- **Furniture stores.** The trade area takes in all of the districts in Tulsa to which this use will gravitate (Tulsa Promenade, The Farm, and specialty districts), and so includes most of the furniture sales captured in the city. The surplus is an indication that people are coming from outside of the trade area to add significantly to the volume of sales in this industry group. Sales from within the study area account for about a quarter of furniture and home furnishings combined. With its drawing power, the study area will be a desirable location for other stores of this type.
- **Home Furnishings Stores.** The trade area captures far more in sales than the demand it produces. This is a use that needs a fairly large population base to support it, and the 71st Street corridor's ability to draw from most of eastern Oklahoma is a strong attraction.
- **Electronics and appliance stores.** About a quarter of the trade area's sales from electronics and appliance stores are made at businesses in the study area. The ability to draw from a large region is attractive to the use, and other businesses of the type will consider it a good location.
- **Building material and supplies dealers.** Only one of the three major home improvement chains, Menard's, is not yet in the Tulsa market. Both Home Depot and Lowe's have stores in this study area. At the point where Menard's comes to the city, it will attempt to secure a location in this corridor. Smaller chains are less likely to add stores here due to the cost of space, which is higher than in most other commercial districts in the city.
- **Lawn and garden equipment and supply stores.** Most of the demand generated in the trade area is being captured. This type of store is not seen as a viable use in the study area due to its preference for less expensive land, often used for outdoor storage and merchandise displays.
- **Grocery stores.** The market for groceries is nearly in balance across this trade area, but that does not consider changes within the industry group. Many traditional full-line grocers are struggling, while alternate formats such as limited assortment grocers (ex., Aldi or Trader Joe's) and fresh format grocers (ex., The Fresh Market, Sprouts, or Whole Foods) build out their presence. There may be the potential for one of these chains to consider a site in the study area. Other chains, such as Lidl and Fresh Thyme, have not yet opened stores in Tulsa, and could also consider the 71st Street corridor.
- **Specialty food stores.** There is a surplus generated by sales from businesses in this industry group, within the trade area. As a location with a very strong regional draw, the study area will continue to be an attractive site for this use.
- **Beer, wine, and liquor stores.** The trade area shows a surplus of sales in this category. The character of the study area does enable it to support specialty stores of this type. That may include wine shops or stores selling equipment and materials to make beer and wine. This is an area that would be considered by chain stores that are expanding, such as BevMo! and Total Wines & More.
- **Health and personal care stores.** Walgreen's and CVS have pharmacies already covering the market. The mall, as well as some nearby properties, can be a desirable location for chain or independent health and beauty supply stores.
- **Gasoline stations.** Several gas stations serve the study area. Additional gas stations would be difficult to site and may not be able to outbid other uses for land on which to build.
- **Clothing stores.** More than half of the dollar volume of clothing sales made in the trade area are occurring in the study area. This study area has the largest concentration of clothing stores in eastern Oklahoma. It is also the chosen site of many national chains that have a single store in the Tulsa metropolitan region. It will continue to attract new clothing stores.
- **Shoe stores.** Shoe stores will be attracted by the regional drawing power of the study area and its large number of complementary clothing and accessories stores.
- **Jewelry, luggage, and leather goods stores.** The regional drawing power of the study area makes this a preferred site for jewelry and related stores.

GAP ANALYSIS

RETAIL INDUSTRY GROUP	NAICS	DEMAND	SUPPLY	GAP	BUSINESSES
Automobile dealers	4411	\$856,855,000	\$1,902,415,000	-\$1,045,560,000	218
Other motor vehicle dealers	4412	\$198,824,000	\$156,408,000	\$42,416,000	36
Auto parts, accessories and tire stores	4413	\$102,200,000	\$119,681,000	-\$17,481,000	114
Furniture stores	4421	\$101,261,000	\$156,416,000	-\$55,154,000	72
Home furnishings stores	4422	\$53,121,000	\$134,632,000	-\$81,511,000	81
Electronics and appliance stores	4431	\$168,046,000	\$235,533,000	-\$67,487,000	134
Building material and supplies dealers	4441	\$313,197,000	\$447,211,000	-\$134,014,000	160
Lawn and garden equipment and supply stores	4442	\$21,956,000	\$16,882,000	\$5,074,000	37
Grocery stores	4451	\$714,434,000	\$709,118,000	\$5,316,000	107
Specialty food stores	4452	\$22,233,000	\$29,342,000	-\$7,109,000	57
Beer, wine and liquor stores	4453	\$69,916,000	\$98,270,000	-\$28,354,000	61
Health and personal care stores	4461	\$293,826,000	\$447,969,000	-\$154,143,000	218
Gasoline stations	4471	\$640,389,000	\$342,070,000	\$298,319,000	113
Clothing stores	4481	\$133,968,000	\$437,389,000	-\$303,417,000	287
Shoe stores	4482	\$27,863,000	\$81,457,000	-\$53,594,000	63
Jewelry, luggage, and leather goods stores	4483	\$42,629,000	\$40,768,000	\$1,861,000	62
Sporting goods/hobby/musical instruments	4511	\$155,849,000	\$254,129,000	-\$98,280,000	142
Book, periodical and music stores	4512	\$26,030,000	\$28,840,000	-\$2,810,000	31
Department stores excluding leased depts.	4521	\$778,660,000	\$1,424,307,000	-\$645,647,000	43
Other general merchandise stores	4529	\$222,944,000	\$550,014,000	-\$327,070,000	84
Florists	4531	\$12,964,000	\$14,527,000	-\$1,563,000	40
Office supplies, stationery and gift stores	4532	\$49,479,000	\$85,139,000	-\$35,661,000	95
Used merchandise stores	4533	\$17,347,000	\$36,524,000	-\$19,177,000	81
Other miscellaneous store retailers	4539	\$129,302,000	\$180,476,000	-\$51,174,000	189
Special food services	7223	\$8,196,000	\$11,587,000	-\$3,391,000	26
Drinking places - alcoholic beverages	7224	\$12,666,000	\$32,072,000	-\$19,406,000	92
Restaurants and other eating places	7225	\$553,942,000	\$939,070,000	-\$385,127,000	1126
Total retail trade and food and drink		\$5,762,963,000	\$8,951,250,000	-\$3,188,287,000	
Total retail trade	44-45	\$5,188,159,000	\$7,968,521,000	-\$2,780,363,000	
Total food and drink	722	\$574,804,000	\$982,729,000	-\$407,925,000	

SOURCE: Place Dynamics LLC and ESRI

- **Sporting goods, hobby, and musical instrument stores.** The trade area is capturing sales from well beyond the local market. About 15 to 20 percent of those sales are happening in the study area. It will remain a desirable location for these uses.
- **Book, periodical, and music stores.** The trade area market is largely in balance with a small surplus. This use is heavily impacted by online sales, and most of the new stores opening are independently owned. They are equally likely to consider this location as they would be to look at specialty districts elsewhere in the region.
- **Department stores excluding leased departments.** Department stores are struggling. Macy's is among the better performing chains, but still closed its Tulsa Promenade store. Sears has filed for bankruptcy protection, and many analysts expect it to be liquidated. JC Penney's and Dillard's are both struggling. In this environment, the opportunity for attraction may be to replace stores that are lost. There are remaining few chains that are expanding. Iowa-based Von Muehlke is adding about one store per year. Nordstrom's may consider Tulsa too small a market.

This industry group also includes discounters like Ross Stores and TJ Maxx, and supercenters and warehouse clubs. Most of these chains are already represented in the study area or in close proximity.

- **Other general merchandise stores.** The characteristics of the study area and demographics of the nearby market do not match the profile preferred by this use.
- **Office supplies, stationery, and gift stores.** Office Depot and Staples are already located in the study area. Specialty office supply or stationery stores might consider the Woodland Hills Mall as a location. The study area will also be attractive for gift stores.
- **Used merchandise stores.** Although the Salvation Army and Plato's Closet are located at the eastern edge of the study area, this is a use that typically looks for less expensive locations, and is not considered a good fit for this reason.
- **Other miscellaneous store retailers.** Several of these uses are found in the outdoor centers along 71st Street. Most are small stores. The exceptions are the national pet store chains. While PetSmart is in the study area, the nearest Petco is at Tulsa Promenade, and Pet Supplies Plus has a store one mile north. There may be the potential to attract an additional Petco store, as well as the smaller, but quickly-growing Bentley's Pet Stuff. Independent shops would also consider the study area.
- **Special food services.** This is not a use that would be supported in the trade area.
- **Drinking places – alcoholic beverages.** The trade area produces a sales surplus in this category. The study area is home to national chains and could attract others due to the area's prominence as an eating and drinking destination.
- **Restaurants and other eating places.** The study area's eating and drinking sales account for about 18 percent of the trade area total. Much of this can be attributed to the number of national chain restaurants and the ability of the study area to draw customers from a region larger than the city. Other chains will consider this a good location for a restaurant.

DISCUSSION

This area has been accurately described as Tulsa's retail heart, with the city's largest concentration of general merchandise, apparel, furniture, and other (GAFO) establishments, as well as restaurants. The study area has held up very well against changes that have kept the retail industry in turmoil since the start of the Great Recession in 2008. In that time a great number of retail chains have closed some or all of their stores, including several in the 71st Street study area. At a national level, the pace of closings has accelerated, with 2017 having a greater number of closings than any of the previous years. 2018 is on pace to have a still

higher number of store closings, but within a smaller number of chains. There remain a few vacancies among the big boxes and small strips outside of the mall, which has also had some turnover.

In general, though, the closings have occurred in other parts of the city where market conditions are not so strong. Chains that are rethinking their strategy to go to a single store in the market are choosing to keep that store in the Woodland Hills area, which has the strongest customer traffic. That may help to strengthen the study area, as traffic that once visited other locations will instead travel to this location. When that traffic is generated by store closings in communities surrounding Tulsa, the city will benefit from new tax revenue. In other cases it is simply moving it from less vital commercial areas.

There is a threat associated with the vacant big box space. Non-retail uses may move in. While this does fill and activate the space, uses like a gym or laser tag do not generate the sales taxes that come from retail stores. The City may consider amending the uses permitted by right in its ordinances to have some control over this possibility. Additionally, it can employ an effective strategy for retail recruitment. This should target a relatively small number of retail businesses that are not in the market, or have not fully built out their presence.

RECOMMENDATIONS

This study area's position as the dominant retail center in eastern Oklahoma makes it possible to recruit national or regional chain retailers, some of which may be entering the market, while others will be filling it in with additional locations. The City can support the work of the private sectors property owners and brokers to recruit these businesses, encourage continued investment in commercial property, and create a regulatory environment that favors retail and dining over other uses that do not generate sales tax revenues for the City.

Business Targets

Furniture and home furnishings stores, electronics and appliance stores, specialty food stores, personal care stores, clothing and accessories stores, shoe stores, sporting goods stores, gift stores, and pet stores are the most likely prospects for this study area. There would be the potential to attract the home improvement retailer, Menard's when they target the Tulsa market. This would require the ability to deliver a site of 20 acres or more.

Recommended Actions

Strategies for this area envision the City acting as a partner with commercial property owners and brokers to reinforce their efforts to maintain the quality of private development and recruit new businesses to the study area.

1. Establish a strong partnership with the commercial brokerage community, in which the City plays a supporting role by making available information, technical assistance, and potential incentives to assist in recruitment
2. Maintain regular communication with larger commercial property owners to understand their intended plans for their centers, and to encourage investment when needed. Provide technical assistance and incentives for redevelopment or renovations to centers to make them more appealing to prospective tenants.
3. Develop a proactive approach to identifying and preparing sites that can be made available for development, or buildings suitable for occupancy. As an example, the City can identify centers with an excess of parking where new pad sites can be created, and approach the owner to initiate the process.

4. Conduct direct outreach to targeted retailers, including visits to site selection and store development staff. These may be conducted in conjunction with regional and national industry events. City staff should mine their networks for people to help make the appropriate connections, rather than blindly call on company representatives. For example, local civil engineering or architecture companies are already providing site and building design services to some of these companies. Their staff will share an interest in helping to bring a store to Tulsa for the chance to obtain a new contract.
5. Continue to market the corridor through the City's initiatives to promote tourism.
6. Consider revisions to the City's zoning that prefer retail uses in this study area's commercial districts, to prevent a proliferation of other uses that do not generate sales tax revenue. This study area will often be the City's best location in which to develop new retail that will be unique to market and will draw spending from outside of the city. Converting space to non-retail use can limit the sites at which those businesses may locate.

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INTERNATIONAL DISTRICT

In 2018 the City of Tulsa commissioned a Retail Market Analysis to examine general conditions for the commercial sector in all parts of the community, and to take a closer look at unique characteristics of a number of specific study areas. These locations were chosen for a combination of reasons including their diversity, their importance, the challenges or opportunities they present, planned or potential City investment, and other factors. Thirteen areas were chosen for analysis. Each analysis and strategy is intended to serve as a model that may be applicable to other, similar parts of Tulsa.

A great deal of commercial space was developed along the eastern reaches of 21st Street in Tulsa, that has since struggled to remain filled. The former Eastgate Mall, for example, has been repurposed as office space and the strip across from it, which continues to be marketed for commercial uses, has significant vacancies. With a large number of storefront spaces coming available and affordable lease rates, commercial buildings along the corridor have become dominated by independent Asian and Hispanic businesses. For now, many of these are serving their respective ethnic communities, but over a longer period of time there is a potential to create a new destination district with high quality ethnic dining and retail goods.

STUDY AREA – INTERNATIONAL DISTRICT

The International District developed as a typical suburban strip starting in the 1960's. The character of the area changed over time and many of the conventional businesses moved out or perhaps never materialized. As Hispanic, Asian, and other ethnic groups moved into the nearby neighborhoods, they have increasingly opened businesses that reflect their culture and cater to their respective communities.

Description

While independent and small chain businesses owned by members of Tulsa's ethnic communities can be found throughout the city, there is a concentration of them on the east side. That concentration is centered on 21st Street at its intersections with Garnett Road and at 129th East Avenue.



Mostly Asian and Hispanic cultures are represented by businesses in the International District.



Vision Tulsa, an \$884 million tax renewal package approved by voters in 2016 will make substantial investments in economic development, education, public safety, streets, and transportation needs citywide. With citizen priorities providing the driving force behind the creation of Vision Tulsa, transformative projects and enhancements will set the stage for a bright future for Tulsa.

The east side of Tulsa may be a good example of commercial development getting ahead of the neighborhoods it meant to serve. At no place is that more clear than at Eastgate Metroplex (Eastland Mall). Begun in the 1970's, it sat uncompleted for a decade before opening in 1984. Its success was brief. It began losing stores and dealing with high vacancy as early as the 1990's, and by 2007 was being repositioned as an office center. That change has only been partially successful, as there remains a significant amount of unleased space in the former mall. Across from it, a strip that once contained Toys 'R' Us, Marshall's, and Target is now essentially vacant. Low density suburban subdivisions grow thin before reaching the property, and nearly all of the land east of 145th Avenue, where the former mall is located, is still rural farm land.

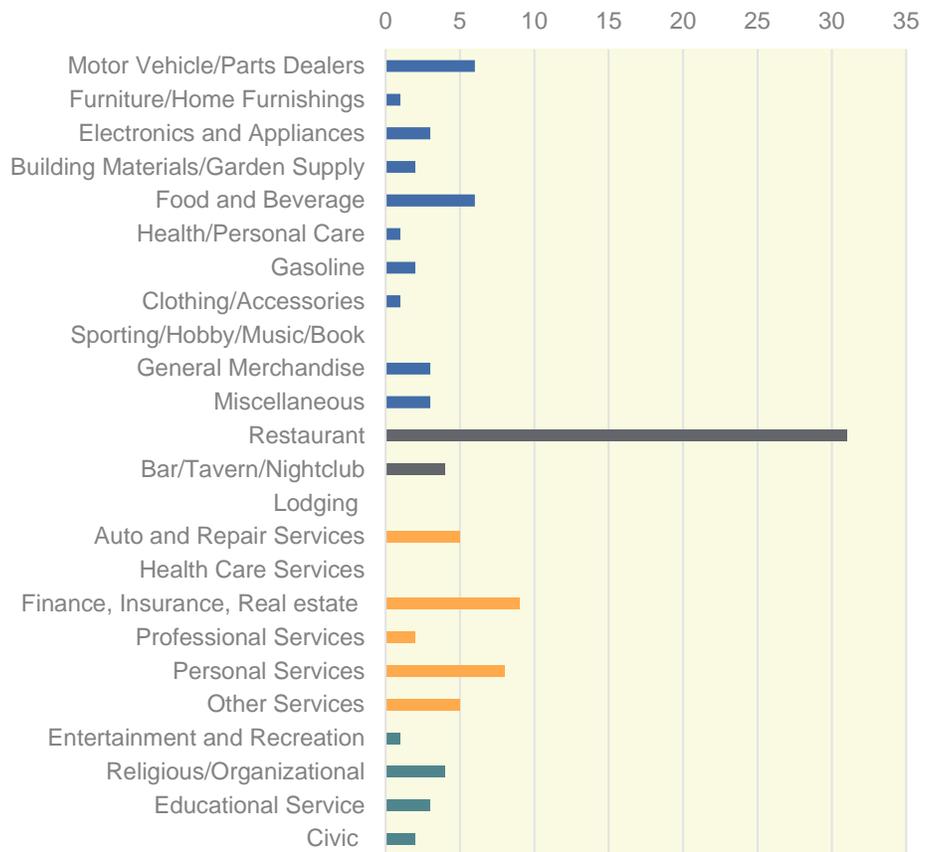
Low density residential development surrounds the International District, one mile west of the former mall. Much of this entire area was developed with large commercial centers at every arterial intersection, at one mile intervals north and south. In this area, though, there is a residential density of only about 6,000 people per square mile. That density will not support much commercial activity.

In terms of its character, the entire area is very suburban. Many of the sites are developed with strip centers or multitenant buildings. Some of these were designed with storefronts along the side or even back walls of the building, resulting in poor visibility that makes the space difficult to lease, and difficult for businesses to have exposure.

Traffic Patterns

The volume of traffic traveling 21st Street drops off quickly, moving east from Highway 169 (Mingo Valley Expressway). Between Highway 169 and Garnett Road there are 34,400 cars per day, and 17,300 travel east of the intersection on 21st Street. That count drops to 4,300 by 145th Avenue. Garnett venue is the most heavily traveled north-south street, with 22,900 cars north of 21st Street and 20,700 cars per day to the south. 129th Avenue is also more heavily traveled than 21st Street, with 18,400 cars per day to the north of the intersection, and 18,300 cars to the south. 21st Street carries 19,900 cars east of 129th Street, and 12,600 to the west.

COMMERCIAL USES BY TYPE



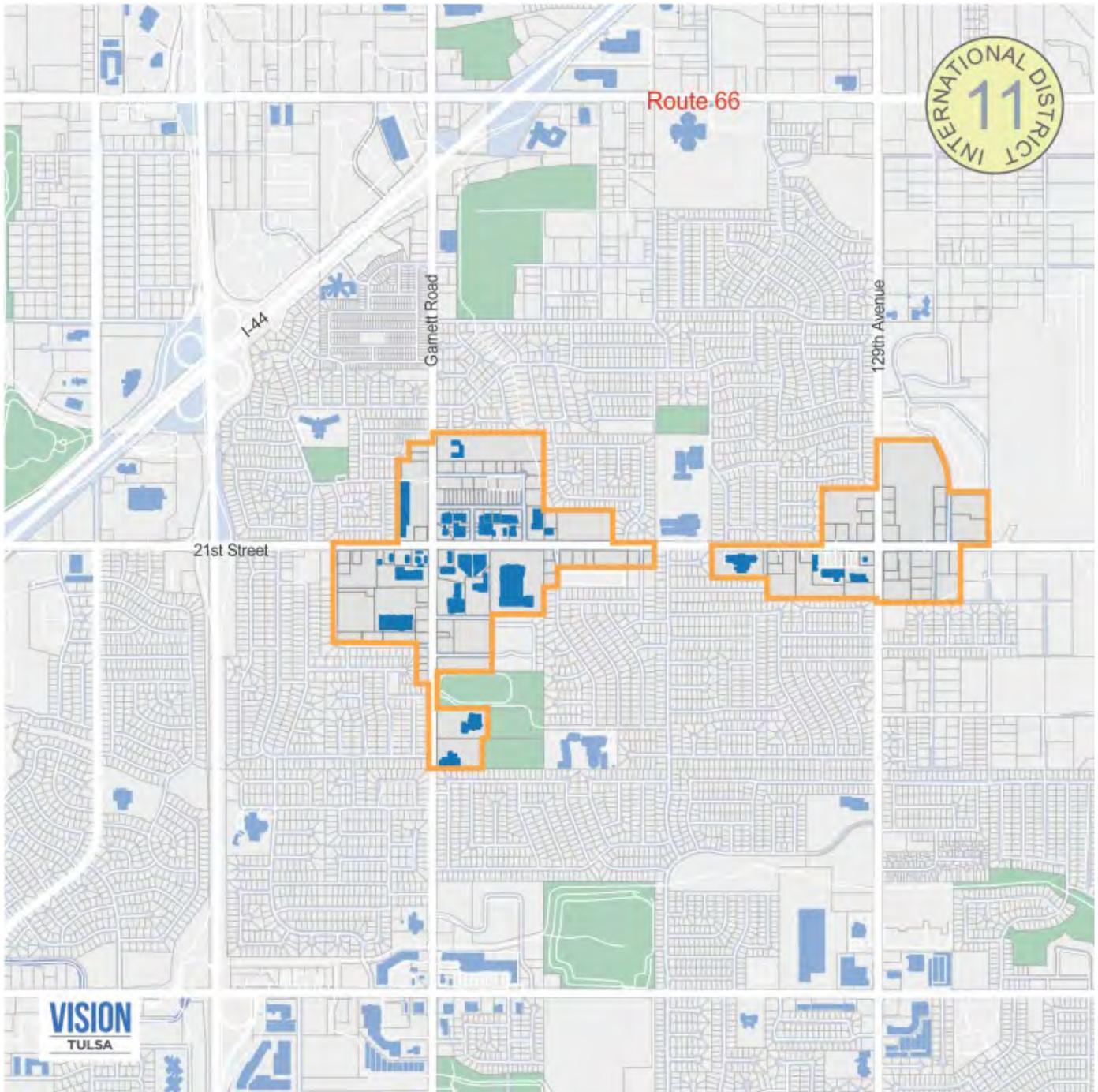
SOURCE: Place Dynamics LLC

Business Mix

There are 104 businesses in this study area. Almost a third, or 31, are restaurants. A majority of these are Mexican. A few chain businesses remain in the area from its earlier days. These include Pizza Hut, KFC, McDonald's, Taco Bell, Cici's Pizza, Long John Silver's, and Arby's. Most of the area's ethnic restaurants are located within small strips, whereas the chains are freestanding.

The concentration of uses at 129th Avenue is smaller than at Garnett Road, but includes anchor uses like Aldi and Family Dollar. There are more vacancies in its commercial strips.

INTERNATIONAL DISTRICT STUDY AREA



Asian businesses are concentrated in a center south of 21st Street and east of Garnett Road. Nam-Hai International Market may be the most important of these, but others include the Que Huong Oriental Market and a handful of service businesses. There are also a fairly large number of services in the district that cater to the Latino community.

Competition

There are other pockets of ethnic businesses in Tulsa, such as on Peoria Avenue at I-44, and smaller concentrations on 11th Street and 31st Street east of US Highway 169. The intersection of 31st Street and Garnett Road has a healthy selection of chain retailers including Walmart Neighborhood Market, Dollar Tree, Aaron’s, Walgreen’s, and several auto parts stores. The 21st Street corridor, from Memorial Drive to Yale Avenue, is a strong community retail center.

Commercial Space

Fifty-five properties in the International District have a total floor area of 625,822 square feet. Larger buildings are common, with room for multiple small tenants. The street frontages also contain many pad sites on which small freestanding buildings, often occupied by fast food restaurants, are located. Overall conditions vary. The chain businesses are generally average in terms of quality and maintenance, while some of the strip and freestanding buildings dated and appear to have suffered from deferred maintenance or lack of new investment.

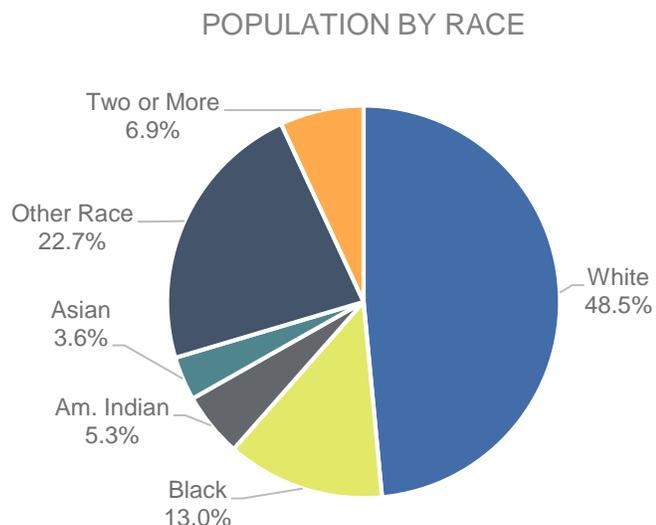
Design is a challenge to leasing some of the large buildings in the area. They were constructed with their longer axis perpendicular to the road, with a line of storefronts extending back on one or both walls of the building. At the rear, it can be difficult or impossible to see these businesses from the street. The lack of visibility can be detrimental to businesses located in those spaces. In some centers, this kind of space is filled with uses like coin laundries and other services which may not need as much visibility.

DEMOGRAPHICS AND MARKET

The International District has a large trade area for the reason that it is serving a specific set of ethnic communities that will travel to visit stores selling the products, or businesses offering the services they need.

Demographic Highlights

The 2018 population of the International District’s trade area is 42,690 persons, and 15,804 households. It has been growing at a rate of 0.46 percent since 2010, when it stood at 41,108 persons. The number of housing units has increased by about 80 units per year, while an increasing number of households are renting, and fewer own their homes.

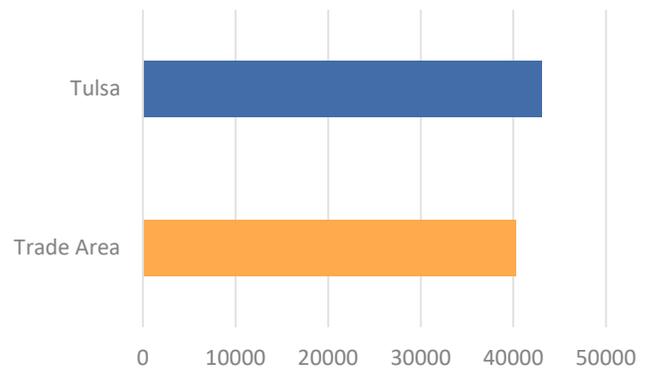


SOURCE: Place Dynamics LLC and ESRI

A little under half of the population (48.5 percent) is white. Over a third (34.3 percent) are of Hispanic origin, regardless of race (the “other” category for race likely includes many Hispanic persons). This is about double the percentage of Tulsa as a whole. More people than average, in this area, define themselves as having two or more races. The size of the Asian population in this area is about average for the city, at 3.6 percent of the total.

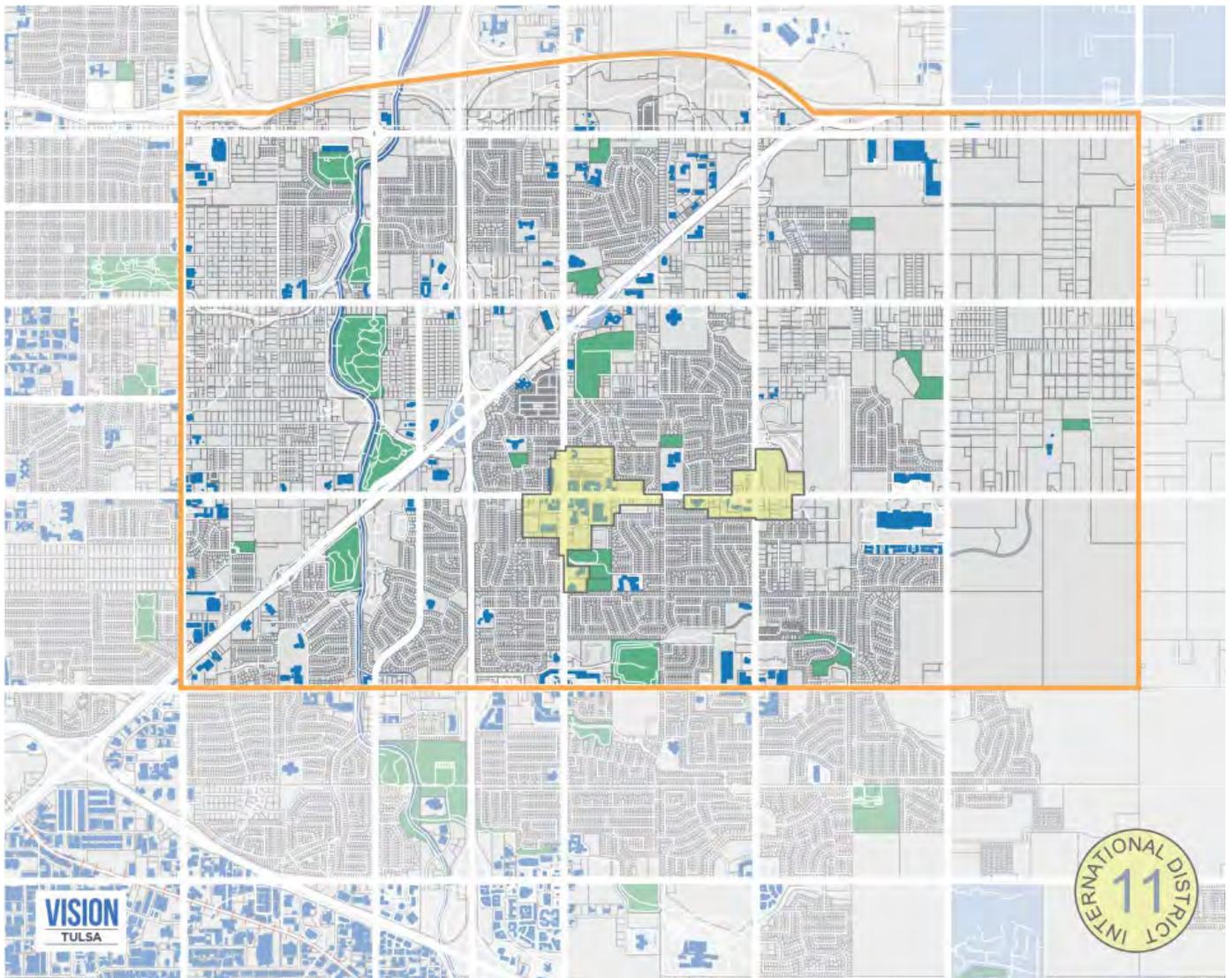
This area has a median household income of \$40,315, which is 93.7 percent of the median for the City of Tulsa. The unemployment rate is estimated to be 5.9 percent.

MEDIAN HOUSEHOLD INCOME



SOURCE: Place Dynamics LLC and ESRI

INTERNATIONAL DISTRICT TRADE AREA



Resident Market Potential

People living in the trade area spend \$385,947,000 each year on retail and eating and drinking. This includes \$348,701,000 on retail and \$37,947,000 on eating and drinking. These numbers are sufficiently high to attract most types of users, however, this is also a study area with some sharply drawn demographic lines. Differing cultures and language issues may cause some people to avoid shopping some of the independent Asian or Hispanic businesses, effectively reducing the size of the market available to them.

Area Workforce Market Potential

There are fewer people working in this trade area than there are workers who live there. During the work day there are 4,324 fewer people available to patronize businesses in the study area.

The 29,746 jobs within the trade area, plus a one mile ring, is only 116 more than the count a decade earlier. At the same time, the 34,070 working people living in the area is a decrease of 387 from ten years prior. Only 3,840 of these workers both live and work in the area, while 30,230 commute out. There are 25,906 people commuting in.

The effect of losing these workers is to lower the daytime population and the amount of spending likely to occur in the study area. A total of \$38,350,000, or about one-tenth of the trade area potential, is lost to other areas in the Tulsa market.

Cash Economy

An estimated 4,527 persons in the trade area are engaged in the cash economy, earning \$73.1 million in unreported income. Of that amount, \$25.2 million will be spent on retail and dining combined, and \$22.2 million on retail alone, and 3.0 million on dining. The total retail and dining spending attributable to the cash economy is about 6.8 percent of the aggregate market potential.

SALES AND MARKET SHARE

There is a total market of \$372,803,000 from which businesses in this study area can pull, but they are only capturing about \$39,398,000 in aggregate sales. This results in an 10.6 percent market share – sales in the study area as a percentage of the available market. This is the result of a relatively small number of retailers in the study area, and significant nearby competition that is capturing those sales.

Eating and drinking places are the International District's strongest performer. Restaurants, bars, and other eating and drinking places in the study area take in an amount close to half (47.2 percent) of the available market. In reality, it is likely that these businesses are both catering to customers in their ethnic community and others outside of the trade area defined, as people elsewhere in the metropolitan area come into the study area to seek authentic ethnic cuisine.

Food is still the best performing category among retailers. There are a handful of small to mid-sized ethnic grocery stores in the International District. These businesses do not have the selection of larger stores, but they do offer a selection of culturally-preferred brands and items that may not be available through conventional grocery stores or supercenters.

MARKET POTENTIAL, ESTIMATED SALES, AND MARKET SHARE

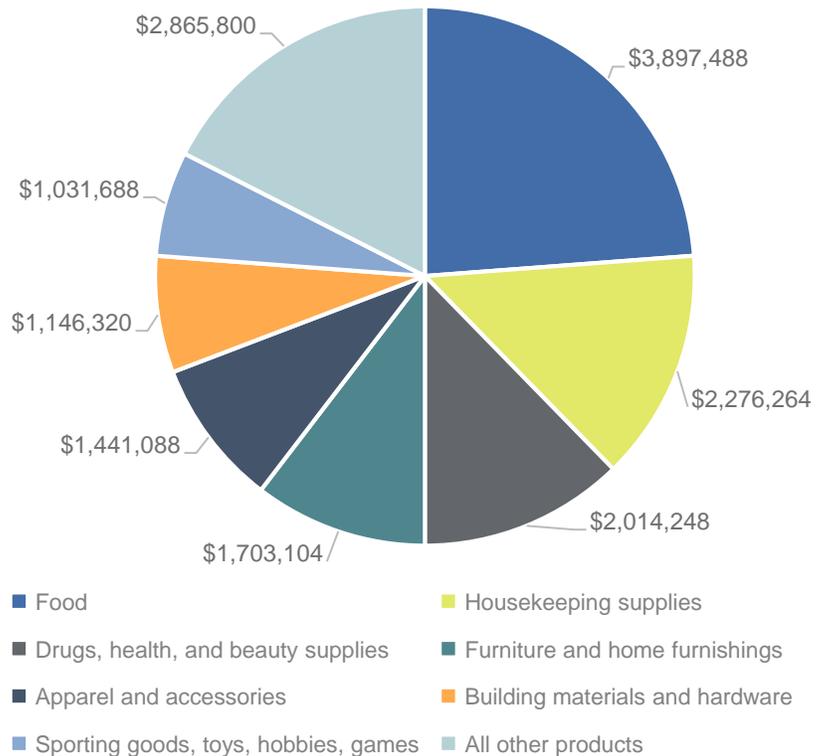
	TRADE AREA POTENTIAL	CASH ECONOMY	WORKER POTENTIAL	TOTAL MARKET POTENTIAL	ESTIMATED SALES	MARKET SHARE
Motor vehicle and parts dealers	\$79,548,000	\$5,195,000	-\$1,543,000	\$83,200,000	\$5,184,000	6.2%
Furniture and home furnishings stores	\$10,034,000	\$655,000	--	\$10,689,000	\$750,000	7.0%
Electronics and appliance stores	\$10,983,000	\$717,000	-\$2,005,000	\$9,695,000	\$0	0.0%
Building materials, garden and supplies	\$21,899,000	\$1,430,000	--	\$23,329,000	\$0	0.0%
Food and beverage stores	\$55,139,000	\$3,601,000	-\$4,884,000	\$53,856,000	\$8,304,000	15.4%
Health and personal care stores	\$19,843,000	\$1,296,000	-\$2,982,000	\$18,157,000	\$0	0.0%
Gasoline stations	\$45,152,000	\$2,949,000	-\$6,990,000	\$41,111,000	\$4,401,000	10.7%
Clothing and accessories stores	\$13,049,000	\$852,000	-\$2,622,000	\$11,279,000	\$585,000	5.2%
Sporting goods, hobby, book and music	\$11,908,000	\$778,000	-\$1,017,000	\$11,669,000	\$0	0.0%
General merchandise stores	\$66,760,000	\$4,360,000	-\$7,620,000	\$63,500,000	\$3,936,000	6.2%
Miscellaneous store retailers	\$14,386,000	\$940,000	-\$2,107,000	\$13,219,000	\$618,000	4.7%
Food services and drinking places	\$37,246,000	\$2,433,000	-\$6,580,000	\$33,099,000	\$15,620,000	47.2%
TOTAL	\$385,947,000	\$25,206,157	-\$38,350,000	\$372,803,000	\$39,398,000	10.6%

SOURCE: Place Dynamics LLC and ESRI

Impact of Dollar Stores

Nine dollar stores are located in, or bordering the trade area for the International District. These have aggregate sales of \$16,376,000, or about 4.4 percent of the market potential and 41.6 percent of the estimated sales within the trade area. For comparative purposes, the Walmart Supercenter on Admiral Place is estimated to have sales of \$154 million, capturing sales equal to 41.3 percent of the market potential and several times the sales in the trade area. In actuality, Walmart has a much larger trade area that takes in more than the International District. This one store has a significant impact on the ability of the International District and other nearby commercial areas to attract stores that will compete with it.

DOLLAR STORE SALES BY PRODUCT LINE



Food makes up the largest share of goods sold at dollar stores, and the nine stores in this trade area are expected to sell about \$3.9 million in food, consisting mostly of groceries sold for consumption off-premises. This comes to about \$433,000 per store. Household supplies such as cleaners and paper products make up the next-largest category, with about \$2.3 million in sales among the nine stores (averaging near \$253,000 per store). The category of drugs, health, and beauty supplies is made up mostly of over-the-counter medications, personal care products, and cosmetics, and comes in third with \$2.0 million in sales (or about \$224,000 per store).

Distributed over the entire trade area, these sums do not appear to have a significant impact on the potential for other store types such as supermarkets, hardware stores, or pharmacies. Despite the presence of nine dollar stores in the trade area, there are a large number of grocery stores including multiple independent, ethnic groceries.

DOLLAR STORES AND GROCERY STORES IN THE INTERNATIONAL DISTRICT TRADE AREA



GAP ANALYSIS AND POTENTIAL FOR NEW BUSINESSES

While the market share is the portion of the trade area market potential captured by businesses in the study area, the gap analysis compares the trade area potential to estimated sales of all businesses in the trade area. The “gap” is the remaining demand that is not met by businesses in the trade area, and if business sales exceed the demand there is said to be a “surplus”.

While a gap analysis can be useful in helping to determine what businesses might be supported in the study area, it does not necessarily follow that a gap may mean that a given type of store can be viable at the site. Any new store will only capture a portion of the gap available, and will also divert some sales from existing businesses. Attributes of the location such as traffic patterns and volume, visibility, site design, and competition from both inside and outside of the trade area will have an influence on its potential viability. It is equally true that under some circumstances, a surplus may be an indicator of the potential to attract new businesses. This would be true for stores that thrive by clustering to generate more customer traffic.

The International District has a trade area larger than most commercial districts within Tulsa, taking in a large number of retailers. As a result, several industry groups show a sales surplus. Few of these present a strong opportunity for new businesses, but the unique character of the International District does open up the possibility of nurturing independent businesses along with some chain stores.

- **Automobile dealers.** There is a surplus among these businesses, which are located within the trade area outside of the International District. This is a use that congregates to draw regional traffic, and the number of dealerships available from auto manufacturers is tightly controlled. It is not a suitable target for the study area.
- **Other motor vehicle dealers.** Motorcycle, ATV, boat, and other motor vehicle dealers area also found in the trade area, and are generating a sales surplus. Like automobile dealers, they tend to pull customers regionally and often locate on streets with significant traffic, or near where their products are used (for example, a boat dealer near lakes). This use is not considered a target for the area.
- **Auto parts, accessories, and tire stores.** These businesses usually serve their nearby neighborhood. It is possible that an auto parts chain may look for a location to fill in its coverage of the Tulsa region, but the market is well covered by stores already generating a surplus, and any new entrants would simply shift sales from existing competitors.
- **Furniture stores.** The trade area produces a gap of \$3.7 million, while in the Tulsa region the average furniture store has sales of \$3.1 million. This does not make a strong case for attracting a traditional furniture store, but a case can be made for independent furniture stores that will specialize in furniture from one or more cultures (for example, East Indian or Asian) and will attract a regional market. Alternatively, an independent furniture store may carry more affordable products and market within a particular culture. This will be less attractive for building the International Marketplace brand.
- **Home furnishings stores.** This category has a small gap. As with furniture stores, the potential lies in unique independent stores selling merchandise from, and representative of a foreign culture.
- **Building material and supplies dealers.** Sutherland’s and a number of small building materials dealers along Admiral Place help to create a surplus in this category, but companies like Home Depot and Lowe’s dominate this industry group. The location of the International Marketplace on the periphery of the metropolitan area makes it less desirable as a site for a new home center, if a competitor like Menard’s were to enter the market.
- **Lawn and garden equipment and supply stores.** Demand and sales in this industry group are closely balanced. While this suggests that there would not be a need for additional stores in the trade area, new entrants could be attracted to the International District for the availability of land at a lower

cost than some other parts of the trade area. Many lawn and garden equipment and supply stores, having greenhouses and selling bedding plants and nursery stock, requiring a large outdoor yard space. This is difficult to find and is likely to be more expensive in developed parts of the city. While not a strong target, these stores are still a possibility for the study area.

GAP ANALYSIS

RETAIL INDUSTRY GROUP	NAICS	DEMAND	SUPPLY	GAP	BUSINESSES
Automobile dealers	4411	\$59,095,000	\$173,574,000	-\$114,479,000	26
Other motor vehicle dealers	4412	\$13,592,000	\$88,486,000	-\$74,894,000	8
Auto parts, accessories and tire stores	4413	\$6,861,000	\$17,336,000	-\$10,475,000	17
Furniture stores	4421	\$6,673,000	\$2,940,000	\$3,732,000	5
Home furnishings stores	4422	\$3,360,718	\$2,960,000	\$401,000	7
Building material and supplies dealers	4441	\$20,509,000	\$77,457,000	-\$56,948,000	19
Lawn and garden equipment and supply stores	4442	\$1,390,000	\$1,406,000	-\$16,000	3
Grocery stores	4451	\$49,292,000	\$37,457,000	\$11,835,000	16
Specialty food stores	4452	\$1,537,000	\$2,421,000	-\$884,000	3
Beer, wine and liquor stores	4453	\$4,310,000	\$5,281,000	-\$971,000	5
Health and personal care stores	4461	\$19,843,000	\$19,091,000	\$753,000	9
Gasoline stations	4471	\$45,152,000	\$33,001,000	\$12,151,000	13
Clothing stores	4481	\$8,709,000	\$7,120,000	\$1,589,000	10
Shoe stores	4482	\$1,837,000	\$868,000	\$969,000	1
Jewelry, luggage, and leather goods stores	4483	\$2,503,000	\$133,000	\$2,371,000	1
Sporting goods/hobby/musical instruments	4511	\$10,185,000	\$10,370,000	-\$185,000	6
Book, periodical and music stores	4512	\$1,723,000	\$245,000	\$1,478,000	2
Department stores excluding leased depts.	4521	\$51,523,000	\$180,558,000	-\$129,036,000	3
Other general merchandise stores	4529	\$15,237,000	\$19,349,000	-\$4,112,000	10
Office supplies, stationery and gift stores	4532	\$3,212,000	\$854,000	\$2,359,000	3
Used merchandise stores	4533	\$1,141,000	\$4,335,000	-\$3,194,000	9
Other miscellaneous store retailers	4539	\$9,267,000	\$16,651,000	-\$7,384,000	14
Special food services	7223	\$541,000	\$76,000	\$465,000	2
Drinking places - alcoholic beverages	7224	\$802,000	\$2,712,000	-\$1,909,000	11
Restaurants and other eating places	7225	\$35,902,000	\$42,729,000	-\$6,827,000	74
Total retail trade and food and drink		\$388,276,000	\$758,940,000	-\$370,664,000	
Total retail trade	44-45	\$351,030,000	\$713,424,000	-\$362,394,000	
Total food and drink	722	\$37,246,000	\$45,516,000	-\$8,270,000	

SOURCE: Place Dynamics LLC and ESRI

- **Grocery stores.** There is an \$11.4 million gap in this category. Though the average grocery store has \$8.6 million in sales, this varies from \$476,000 at convenience stores to \$10.5 million at supermarkets, and a full-line grocer like Reasor's will have sales of about \$24 million. The opportunity for new ethnic grocery stores includes both independent and small chain operators, and larger chains such as Fiesta Mart, El Rio Grande, El Rancho Supermercado and La Michoacana Meat Market.
- **Specialty food stores.** Despite there being a surplus in this category, as with groceries, there is the opportunity to attract additional ethnic specialty food retailers to the study area.
- **Beer, wine, and liquor stores.** There is a large surplus in this category and it is not considered a viable candidate for additional stores.
- **Health and personal care stores.** While chain drug stores dominate sales in this category, other businesses include nutritional supplement and other health stores, cosmetics and beauty supplies, bath, and similar stores. Demand and sales in the trade area are nearly in balance. New entrants may be competitive by catering to the Hispanic or Asian market.
- **Gasoline stations.** While there is a gap within the trade area, the International District does not have the traffic volume or the density of population to support additional gas stations at this time, without cannibalizing sales from others.
- **Clothing stores.** There is a gap of about \$1.6 million while the average clothing store in Tulsa County has sales of \$1.6 million. In most places, this would not be sufficient to support additional clothing stores. Again, the potential is related to the ethnicities represented in the International District. Clothing stores catering to a particular culture will draw from a much larger region, and benefit from concentrating in the area to draw more traffic. These are most likely independently owned small businesses or chains.
- **Shoe stores.** There is a surplus of about \$868,000, while the average shoe store has sales of \$1.2 million. Shoe stores tend to be found near large retail concentrations including clothing stores and general merchandise stores (department stores and superstores). They are not a target for this area.
- **Jewelry, luggage, and leather goods stores.** As with other specialty retail stores, the limited opportunity, predominantly for jewelry stores, is related to those catering to a cultural niche.
- **Sporting goods, hobby, and musical instrument stores.** This industry group has a balance between trade area demand and supply. Sporting goods may present some opportunity within activities favored by individual ethnic groups.
- **Book, periodical, and music stores.** There is unmet demand in this category and there is again the potential to attract a book store catering to ethnic or cultural minorities.
- **Department stores excluding leased departments.** The trade area takes in a very strong Walmart Supercenter and smaller general merchandise stores, resulting in a sales surplus. Additional strong competition is located to the south and west. This is not seen as an opportunity for the area.
- **Other general merchandise stores.** Along with the larger chains (Dollar General, Dollar Tree, and Family Dollar) there are smaller chains and independent dollar or variety stores. Chain coverage of the area is complete.
- **Office supplies, stationery, and gift stores.** There is a market gap of about \$2.4 million in this category, while an office supply store will typically need \$10.5 million in sales, and a gift, souvenir, and novelty shop will average \$2.4 million. If a successful destination can be built using the international theme, there will be an expanded market for independent gift, souvenir, and novelty stores.

- **Used merchandise stores.** There is currently a large surplus of sales in this category, and many of these businesses are concentrated further north on Admiral Place or 11th Street. The International District is not a strong contender for other stores of this type.
- **Other miscellaneous store retailers.** The trade area produces a large surplus in this category. This is a function of proximity to Interstates 44 and 244, where there are RV or mobile home dealers. In general, the more typical retail stores in this category, such as florists, pet stores, and tobacco shops, are not attractive targets for the International District. These businesses will prefer more central and higher-income sites.
- **Special food services.** Observations of the International District suggest that the data from ESRI is not capturing the full number of businesses of this type, particularly with regard to food trucks.
- **Drinking places – alcoholic beverages.** These businesses show a sales surplus within the trade area. To some extent, that is reflected within the International District, where there are a number of bars and entertainment centers that are social gathering places for the Hispanic community, from across the Tulsa area.
- **Restaurants and other eating places.** Again, there is a large surplus in sales. Data for the International District demonstrate a concentration of both independent ethnic restaurants and fast food restaurants that contribute significantly to the performance of the trade area. Proximity to the interstate is a factor in the presence of these restaurants. These businesses are prospects for development, and an emphasis on ethnic restaurants would help to establish the study area as a dining destination.

DISCUSSION

Commercial centers on 21st Street, west of Highway 169, have struggled to retain their conventional tenants. It is also an area in which some of the city's ethnic communities have settled. This is especially true of the Hispanic population. With the cost of renting space in the area's strip centers relatively low, entrepreneurial members of the Hispanic and Asian communities have moved in with a variety of retail, dining, entertainment, and service businesses catering to their respective communities.

Other cities have been successful in capturing the value of these unique venues to turn similar districts into multicultural destinations for shopping, dining, and culture. They can become tourist destinations as well as places for local residents to enjoy, a fact that comes to mind when one of the least interesting remaining segments of Historic Route 66 passes a mile to the north. Destination, internationally-themed districts do not need to be in urban areas like San Francisco's Chinatown. There are examples of such places that have sprung up and been successful in ordinary suburban strip settings. The question is whether that approach can be replicated in Tulsa.

Compared to other places that have taken this approach, there is one hurdle that appears to be stronger in the Tulsa study area. Most of the businesses have not aimed to appeal to the general market, instead seeking to serve their own ethnic community. It will take a concerted effort of outreach and education to train business owners and to build a level of acceptance among the broader consumer base. Aside from this, there are measures that need to be taken to brand and market the area, position it to capture visitor traffic, and develop a more appealing physical location that reinforces the brand.

RECOMMENDATIONS

The International Marketplace is one of a few districts in the Tulsa market that has the potential to become a regional destination. The unique quality that makes this possible is the concentration of ethnic restaurants and retail that can be elevated to establish a unique experience. The study area can become a place for entertainment, culture, and unique shopping and dining that cannot be matched elsewhere in eastern Oklahoma.

Getting to that vision will require commitment from business and property owners along with the City of Tulsa and community groups.

Business Targets

This is an area that is, and should continue to be dominated by independent and chain ethnic businesses from a number of cultures. Businesses in this study area will succeed by capturing traffic from not only their respective communities, but from the general population of the Tulsa region and beyond. The retail businesses considered to have the strongest prospects for growth within the International District include:

- Furniture stores
- Home furnishings stores
- Grocery stores (including Hispanic or Asian chain stores)
- Specialty food stores
- Clothing stores
- Sporting goods, hobby, and musical instrument stores
- Book, periodical, and music stores
- Souvenir, novelty, and gift stores



Indianapolis' International Marketplace will serve as a good model for Tulsa. The International Marketplace was developed in the 1970's and 80's with 5.5 million square feet of retail space in a 1.2 million square foot enclosed mall, and several power centers and strips. New commercial areas went up on the urban fringes even as chains like Venture, Treasury, Service Merchandise, Kmart, and others closed stores in this area. By the early 2000's the district was estimated to have a 60 percent vacancy rate.

The availability of inexpensive commercial space proved to be an opportunity for immigrant and later generations of ethnic entrepreneurs who have opened restaurants and retail shops. In particular, it is the restaurants that draw from all over the region. The selection includes Cajun, Caribbean, Chinese, Cuban, Ethiopian, Indian, Italian, Jamaican, Mexican, Middle Eastern, Pakistani, Peruvian, Russian, Thai, and Vietnamese, among others. It isn't just the quantity and diversity that are drawing crowds, but the quality too, which has drawn the attention of The Atlantic and the New York Times.

The strategy focuses on development and marketing, including a cultural learning center, an international bazaar to incubate new businesses, and redevelopment of the mall and other sites to mixed use centers. The International Marketplace is being marketed to Indianapolis visitors and to people living within a five hour drive, which takes in places like Chicago, Columbus, and Nashville.

Additionally, the study area will support ethnic restaurants and drinking places. These are perhaps the most important businesses to develop initially, in that good restaurants will draw customers from the general public and help to acquaint them with the International District, growing the market for its retail businesses.

Recommended Actions

While there is the potential to make the International District a regional destination for shopping, dining, and entertainment, the challenge will be to broaden the appeal from only the people in each ethnic community, to the broader population. This has been accomplished in places like the Chinatowns of San Francisco, California and Seattle, Washington, the International Village in Vancouver, British Columbia, Devon Street in Chicago, and other places that have become destinations for residents of the metropolitan area and visitors alike. The following are actions the City of Tulsa can take to explore and develop its own opportunity for a multi-ethnic marketplace.

1. Build community support for the idea of an internationally-themed retail, dining, and entertainment destination district. This initiative will first need buy-in and champions from within the various ethnic communities to have the potential for success.
2. Prepare a detailed plan of action, building on the recommendations in this market analysis and establishing land uses, urban design patterns, programs and incentives, and marketing strategies that reinforce the international brand.
3. Hire a business district manager to implement the plan and coordinate marketing, events, or other initiatives. The person hired should have foreign language skills.
4. Implement a business development program that embraces three approaches:
 - Work with existing businesses to enhance their business skills, particularly with regard to their ability to reach a broader market segment.
 - Develop programs to assist entrepreneurs with business formation, and existing businesses to help them grow.
 - Implement a targeted recruitment plan that approaches ethnic businesses in other parts of the Tulsa region, independent and local chain businesses in nearby markets including Oklahoma City, Dallas, and Wichita, and larger Hispanic and Asian chain businesses.
5. Coordinate public and private design enhancements that reinforce the experience of the International District. The City's role should be to invest in streetscaping and signage that helps to develop the overall brand and appeal of the district to visitors. It is vitally important that private commercial property owners and businesses similarly invest in improvements that continue the experience from the street into the store. The City may play a role in design assistance and incentives for investment.
6. Develop cultural and entertainment activities to support the district. This may include examining the feasibility of a cultural center offering educational, exhibit, sporting, festival, and entertainment venues.
7. Conduct a layered marketing and public relations campaign to promote the district. The primary focus of the campaign, at least initially, should be on residents of the metropolitan area. The visitor market can be developed over time as the district grows.

RIVER WEST / EUGENE FIELD

In 2018 the City of Tulsa commissioned a Retail Market Analysis to examine general conditions for the commercial sector in all parts of the community, and to take a closer look at unique characteristics of a number of specific study areas. These locations were chosen for a combination of reasons including their diversity, their importance, the challenges or opportunities they present, planned or potential City investment, and other factors. Thirteen study areas were chosen for analysis. Each analysis and strategy is intended to serve as a model that may be applicable to other, similar parts of Tulsa.

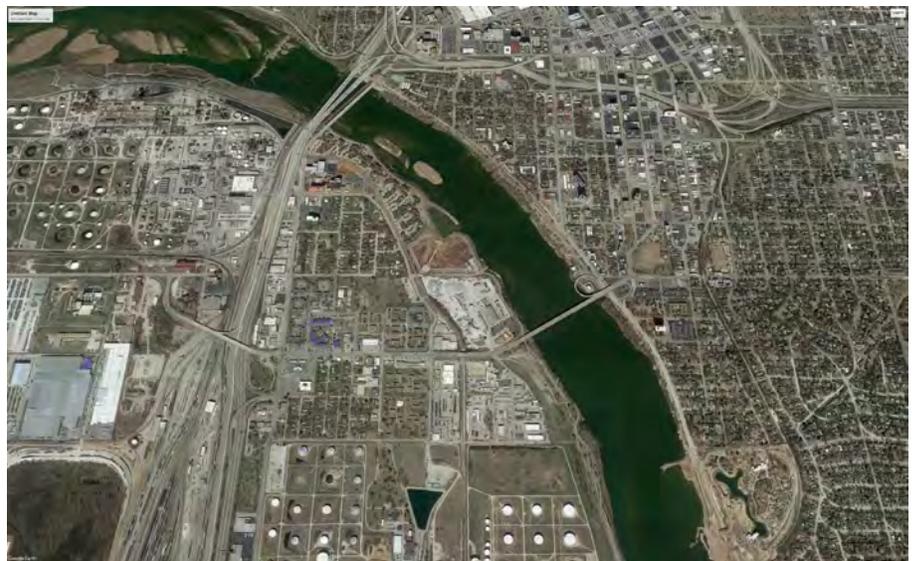
In 2013 the City of Tulsa adopted the *Eugene Field Small Area Plan* envisioning a sweeping redevelopment of this area. The plan calls for a considerable amount of commercial development within a mixed use context. The adjacent concrete plant and public works sites can be part of this redevelopment. At the time this analysis was prepared in 2018, the area had received a \$30 million federal grant under the Choice Neighborhoods Program to help in carrying out the strategy.

THE STUDY AREA – RIVER WEST / EUGENE FIELD

The prospect for large-scale redevelopment creates an interest in understanding what commercial prospects this site may hold. The *Eugene Field Small Area Plan* has an aggressive vision of mixed use development along Southwest Boulevard and a grocery on 23rd Street. It seeks to redevelop public housing and Section 8 housing – the Riverview Park Apartments and Brightwaters Apartments – replacing 390 distressed assisted housing units with 460 units of high-quality mixed-income housing. Other planned transformations include the addition of a community park and recruitment of an operator for a neighborhood grocery store. It is expected that these development will help to spur other redevelopment, including the adjacent concrete plant and city-owned Engineering Services yard sites. These sites have the advantage of being on the river.



Vision Tulsa, an \$884 million tax renewal package approved by voters in 2016 will make substantial investments in economic development, education, public safety, streets, and transportation needs citywide. With citizen priorities providing the driving force behind the creation of Vision Tulsa, transformative projects and enhancements will set the stage for a bright future for Tulsa.



The Google Earth image shows the neighborhood’s isolation, limiting the number of people who may patronize businesses there.

Description

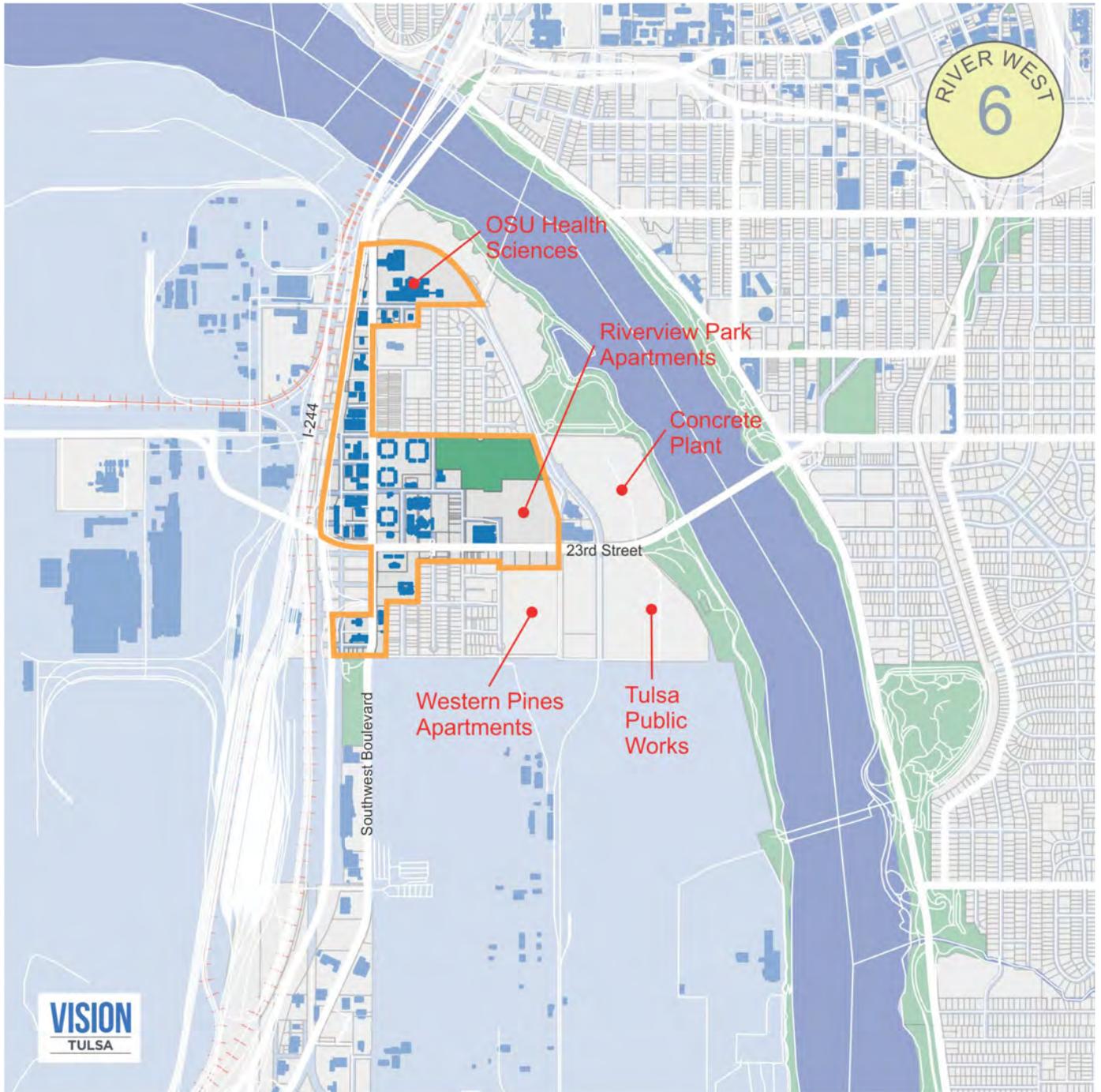
As it is currently configured, the study area is heavily influenced by a concentration of subsidized housing in large superblocks along 23rd Street (Riverview Park Apartments, Brightwaters Apartments, and Western Pines). A fourth large apartment complex, Waterside Apartments, is built between Jackson Street and the Arkansas River. The first three are the focus of the proposed redevelopment project and Choice Neighborhoods grant. Other City property on the Public Works site, and the cement plant along the river may also be redeveloped. The cement plant is expected to be marketed for mixed use development including a hotel, residences, and commercial activities.

Although the area is small and seemingly isolated by the river and I-244, it has some very noteworthy assets. The OSU Center for Health Sciences is located to the north on Southwest Boulevard and 17th Street. River West Festival Park is located along the river north of the cement plant. Riverfront park lands continue south from 23rd Street, and a pedestrian bridge will connect them to the Gathering Place on the opposite bank. The study area is very close to desirable neighborhoods on the east side of the river, and to downtown on the north. The grant application still notes that the neighborhood is “currently stigmatized by a high concentration of federally subsidized housing, high crime rates, and decades of disinvestment”. Additionally, the neighborhood abuts heavy industrial uses to the west and south that stop its ability to grow (thereby adding residents) and detract from its appeal as a place to live.

One of the central commercial recommendations for the grant is to attract a mid-sized grocery to 23rd Street. There is a recognition that it will need to be subsidized. Both the concrete plant site and the City’s Engineering Services site are proposed for mixed use development, and additional commercial uses are seen along Southwest Boulevard.



Conceptual site plan for the Eugene Field area.



Traffic Patterns

The Arkansas River channels vehicle traffic to a few points where there are bridges across it. This helps to increase volume on 23rd Street, which ties I-244 on the west to 21st Street and to Riverside Drive on the east. The few blocks between the interstate and the river carry 15,400 cars per day in 2017. The actual connection to I-244 is from Southwest Boulevard, where a count of 28,300 cars was counted at the entrance and exit

ramps. At 23rd Street, 12,300 cars continue north on Southwest Boulevard. Much of this is commuting traffic, which has implications for the kinds of businesses that can be supported along the streets.

Business Mix

The concentration of subsidized housing in the neighborhood has a bearing on the kinds of uses found in the study area. Religious and social service organizations are more heavily represented than other uses. There are few retail uses, and these tend to be ones that will capture traffic passing through the corridor. There are also few service uses.

Total retail and dining sales are thought to total just \$6,141,000. Somewhat more than half of this (\$3,343,000) is from the area's restaurants and other eating place. Retail uses total \$2,798,000 in sales. Upon closer examination, however, there are just two businesses (McDonald's and Quik Trip) that are capturing more than two thirds of all of the spending in the study area.

Competition

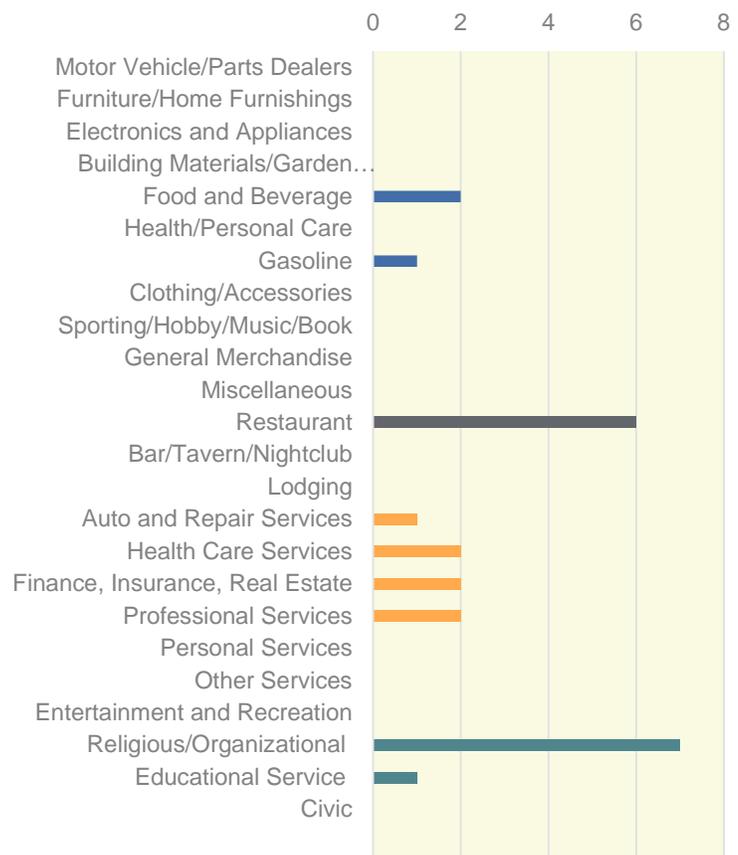
This is an area that supports little commercial activity. Residents need to travel outside of the neighborhood for all but the most basic needs. Their likely destinations include the shopping area along Southwest Boulevard at 41st Street, 31st Street and Harvard Avenue, and 21st Street and Yale Avenue. These locations offer lower-priced grocery options such as Save-A-Lot and Walmart Neighborhood Market, as well as other neighborhood level retail, dining, and services. The commercial node at 21st Street and Yale Avenue has other businesses, like Target and Lowe's that can meet other shopping needs.

Commercial Space

There is a combination of commercial, industrial, and institutional space in the study area. Most of the commercial space is on 23rd Street, followed by 12th Street. These buildings total 86,311 square feet, which makes this one of the smaller study areas in the city. There is nearly 200,000 square feet of institutional space, with OSU's buildings coming to 159,217 square feet, and religious or social service organizations adding 39,539 square feet.

The religious and institutional buildings are in good condition, as are some of the offices. Commercial and industrial buildings have been less well maintained. Most are a single story with metal or block facades. Landscaping is minimal. Their appearance does not contribute to an appealing district that would be able to capture through traffic, or residents from outside of the area.

COMMERCIAL USES BY TYPE



SOURCE: Place Dynamics

DEMOGRAPHICS AND MARKET

The River West / Eugene Field study area is within a small residential neighborhood that is isolated from most of the city by heavy industrial uses on the west and south, and the Arkansas River on the east and north. The industrial areas to the west and south effectively truncate the trade area in those directions.

The character of this neighborhood is different from that of the neighborhoods on the east side of the river, but there is some potential to pull from that area simply because of the lack of space on which to build, east of the river. Potential redevelopment on the concrete plant site and the Public Works site, along with areas planned for investment under the Choice Neighborhood Grant, may improve the character and make it more likely for people to cross the river to shop in this study area. For these reasons, some of the neighborhoods east of the river were included in the trade area.

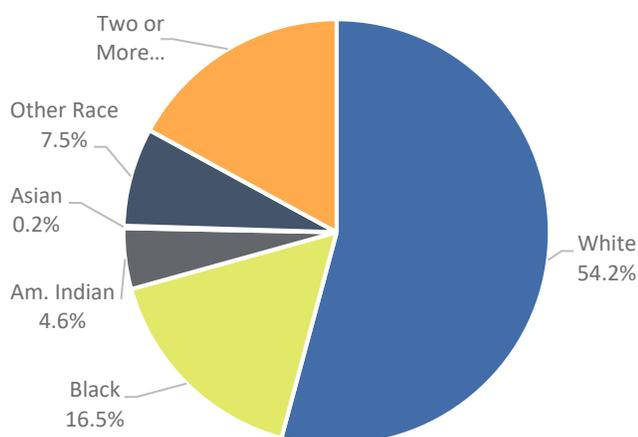
Demographic Highlights

To help paint a clearer picture of the trade area, the demographic information is presented in two for two areas. The first of these is the River West/Eugene Field area itself, lying entirely west of the river. The second set of demographics includes adjacent neighborhoods east of the river. These are areas from which there will be a potential to draw customers if planned redevelopment occurs, including the concrete plant and Public Works sites.

There are 3,032 people living in the area west of the river. This small population is not sufficient to support many businesses, and the low income of the area (a median household income of \$16,905) is an additional challenge for any business located in the neighborhood. In comparison, adding in areas west of the river raises the trade area population to 12,094, and the median household income, while still low, rises to 36,390. Population figures have not changed significantly since 2010.

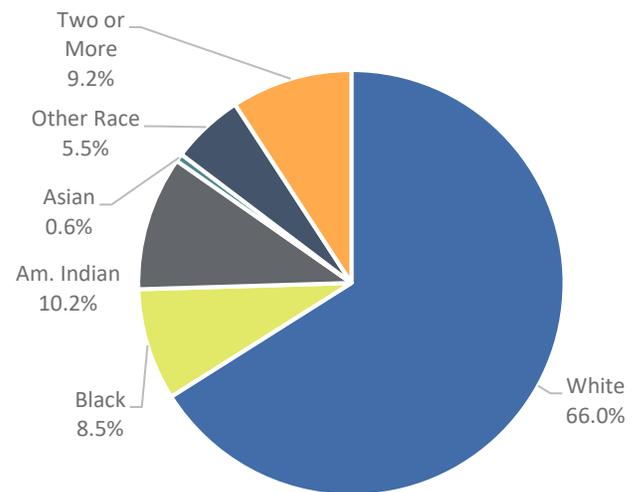
The eastern portion of the trade area is more racially mixed, with still over half (54.2 percent) white, followed by black (16.5 percent) and two or more races (9.6 percent). A larger majority of the combined area (66.1 percent) is white, followed by American Indian (10.2 percent), two or more races (9.2 percent), and black

POPULATION BY RACE
(WEST OF RIVER)



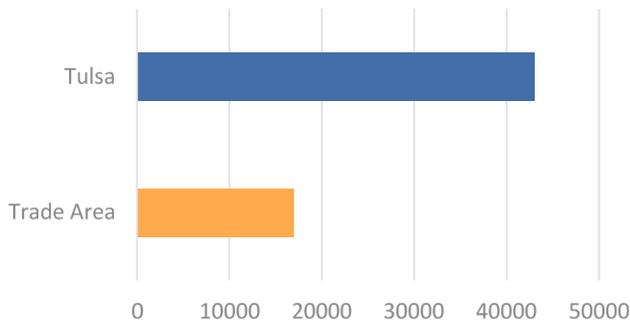
SOURCE: Place Dynamics and ESRI

POPULATION BY RACE
(COMBINED AREAS)



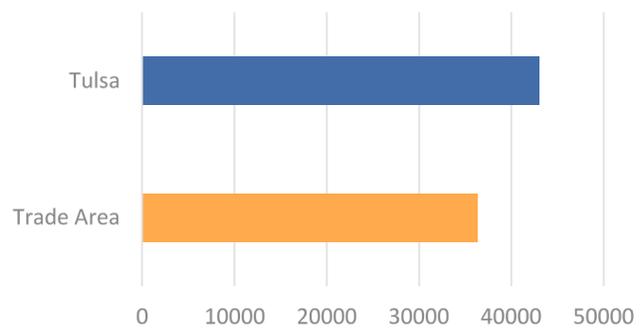
SOURCE: Place Dynamics and ESRI

MEDIAN HOUSEHOLD INCOME (WEST OF RIVER)



SOURCE: Place Dynamics and ESRI

MEDIAN HOUSEHOLD INCOME (COMBINED AREAS)



SOURCE: Place Dynamics and ESRI

(8.5 percent). About 10.1 percent of the combined population is Hispanic in origin, compared to 12.0 percent of the total on the west side of the river.

There has been relatively little change in the number of housing units since 2000. As in other areas around the downtown, the number of renters increased while the number of home owners declined. Vacant units have remained unchanged since 2010.

Resident Market Potential

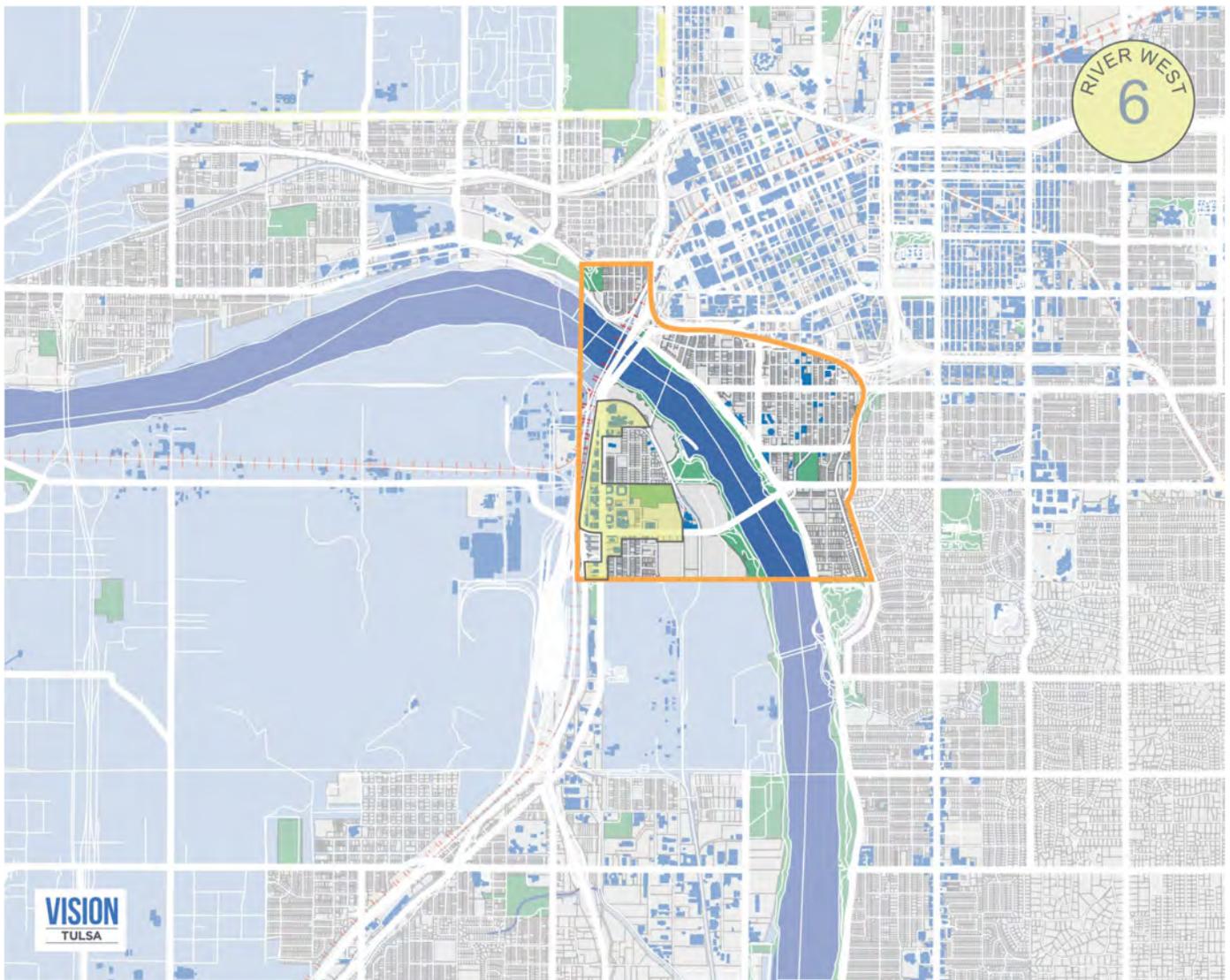
While the combined areas generate a respectable sum of \$111.8 million in annual demand for retail and dining, much of that is from areas east of the river. The Eugene Field neighborhood produces only \$21.1 million in total demand. The small figures for potential west of the river explain why there are so few businesses now in the area. The Choice Neighborhoods project will add 70 housing units and raise incomes to a degree. Other areas that may redevelop could have the potential to add a

MARKET POTENTIAL BY PORTION OF THE TRADE AREA

	WEST OF RIVER	EAST OF RIVER	TOTAL MARKET POTENTIAL
Motor vehicle and parts dealers	\$4,647,000	\$18,866,000	\$23,513,000
Furniture and home furnishings stores	\$602,000	\$2,196,000	\$2,798,000
Electronics and appliance stores	\$686,000	\$2,392,000	\$3,078,000
Building materials, garden and supply stores	\$1,096,000	\$5,295,000	\$6,390,000
Food and beverage stores	\$3,468,000	\$12,575,000	\$16,043,000
Health and personal care stores	\$1,178,000	\$4,750,000	\$5,928,000
Gasoline stations	\$2,758,000	\$10,544,000	\$13,302,000
Clothing and clothing accessories stores	\$832,000	\$2,757,000	\$3,590,000
Sporting goods, hobby, book and music stores	\$726,000	\$2,638,000	\$3,364,000
General merchandise stores	\$4,137,000	\$14,909,000	\$19,046,000
Miscellaneous store retailers	\$876,000	\$3,514,000	\$4,391,000
Food services and drinking places	\$138,000	\$10,268,000	\$10,406,000
TOTAL	\$21,143,000	\$90,704,000	\$111,847,000

SOURCE: Place Dynamics and ESRI

RIVER WEST / EUGENE FIELD TRADE AREA



few hundred housing units, depending on the mix of land uses and densities. That, alone, will not be enough to produce the levels of market demand necessary to support most business types, and particularly the neighborhood-serving uses like pharmacies and grocery stores desired in the area. To accomplish this, the study area must be able to pull customers across the river. The study area does offer the potential of sites that are easier to assemble and develop, but unless perceptions of the Eugene Field area improve, it is doubtful that many people would be willing to cross the river to shop there.

Area Workforce Market Potential

Workforce numbers were run for an area corresponding to the trade area on the east and north, but extending as far south as Interstate 44 and as far west as 65th West Avenue. Because there are so few retail and service businesses in that larger region, workers may be likely to pass through the study area on their way to businesses east of the river. This gives potential businesses in the study area the opportunity to intercept those workers during their commute and workday breaks.

There were 14,448 people employed in the study area in 2015, an increase from 10,693 a decade earlier. Only 622 people, or 8.4 percent of the area's workers, both live and work in this area. That means there are 13,826 people commuting in to work. These workers generate \$43.8 million in retail and dining sales, contributing significantly to the potential of the area.

Cash Economy

The trade area has an estimated 977 people participating in the cash economy, with \$15.8 million in unreported earnings. Of that sum, \$4.8 million is spent on retail and another \$650,000 on eating and drinking, bringing the total contribution to \$5.4 million. This is 3.3 percent of the market potential of the trade area.

MARKET POTENTIAL, ESTIMATED SALES, AND MARKET SHARE

	TRADE AREA POTENTIAL	CASH ECONOMY	WORKER POTENTIAL	TOTAL MARKET POTENTIAL	ESTIMATED SALES	MARKET SHARE
Motor vehicle and parts dealers	\$23,513,000	\$1,144,000	\$1,853,000	\$26,510,000	\$0	0.0%
Furniture and home furnishings stores	\$2,798,000	\$136,000	--	\$2,934,000	\$0	0.0%
Electronics and appliance stores	\$3,078,000	\$150,000	\$1,964,000	\$5,191,000	\$0	0.0%
Building materials, garden and supplies	\$6,390,000	\$311,000	--	\$6,701,000	\$0	0.0%
Food and beverage stores	\$16,043,000	\$781,000	\$5,650,000	\$22,474,000	\$548,000	2.4%
Health and personal care stores	\$5,928,000	\$288,000	\$3,683,000	\$9,899,000	\$0	0.0%
Gasoline stations	\$13,302,000	\$647,000	\$8,400,000	\$22,350,000	\$2,250,000	10.1%
Clothing and accessories stores	\$3,590,000	\$175,000	\$2,852,000	\$6,616,000	\$0	0.0%
Sporting goods, hobby, book and music	\$3,364,000	\$164,000	\$1,068,000	\$4,596,000	\$0	0.0%
General merchandise stores	\$19,046,000	\$927,000	\$8,223,000	\$28,196,000	\$0	0.0%
Miscellaneous store retailers	\$4,391,000	\$214,000	\$2,450,000	\$7,054,000	\$0	0.0%
Food services and drinking places	\$10,406,000	\$506,000	\$7,629,000	\$18,541,000	\$3,343,000	18.0%
TOTAL	\$111,847,000	\$5,443,000	\$43,772,000	\$161,062,000	\$6,141,000	3.8%

SOURCE: Place Dynamics LLC and ESRI

SALES AND MARKET SHARE

As it is currently situated, the study area is functioning as a convenience center, capturing most of its sales from fast food restaurants and gas stations, while supporting almost no other retail business and only a handful of services. Current sales only total \$6.1 million, which is just 3.8 percent of the potential market, under the ideal conditioned hoped for through redevelopment. For the area to have a realistic chance of attracting new businesses, it needs to be able to draw customers from the east side of the river.

Impact of Dollar Stores

This is a part of Tulsa that has no dollar stores. That, alone says something of the market. There are too few people living in the area and incomes are too low for the dollar stores to locate in the Eugene Field neighborhood. The nearest stores are located on Southwest Boulevard, two miles south.

GAP ANALYSIS AND POTENTIAL FOR NEW BUSINESSES

While the market share is the portion of the trade area market potential captured by businesses in the study area, the gap analysis compares the trade area potential to estimated sales of all businesses in the trade area. The “gap” is the remaining demand that is not met by businesses in the trade area, and if business sales exceed the demand there is said to be a “surplus”.

While a gap analysis can be a useful tool in helping to determine what businesses might be supported in the study area, it does not necessarily follow that a gap may mean that a given type of store can be viable at the site. Any new store will only capture a portion of the gap available, and will also divert some sales from existing businesses. Attributes of the location such as traffic patterns and volume, visibility, site design, and competition from both inside and outside of the trade area will have an influence on its potential viability. It is equally true that under some circumstances, a surplus may be an indicator of the potential to attract new businesses. This would be the case for stores that thrive by aggregating in close proximity to generate more customer traffic.

The discussion of opportunities for the River West / Eugene Field study area differs from others in that it presents an “aspirational” view of what uses may be possible. It tries to look forward to a redeveloped neighborhood that has introduced mixed-income housing on currently low income sites, added middle to upper-income housing on the cement plant and Public Works sites as part of mixed-use developments, is generating new traffic from recreational assets, and has improved perceptions of the corridor.

- **Automobile dealers.** This use is not supported by its location relative to concentrations elsewhere, along with the market potential and demographics of the trade area.
- **Other motor vehicle dealers.** As with automobile dealers, the concentrations elsewhere make the use unlikely in this study area.
- **Auto parts, accessories, and tire stores.** Downtown and neighborhoods to the south are generally lacking auto parts stores. There would be the potential to attract a national chain store to this area after redevelopment.
- **Furniture stores.** Furniture stores will usually seek higher-traffic locations. This area continues to have a low population count and market potential for the use. Additionally, there will continue to be a split demographic (low and middle to higher income) that will make it difficult for a store to appeal to the entire market.
- **Home Furnishings Stores.** Relatively little demand is generated in the trade area, and that will be mostly from the east side of the river, where any potential store would prefer to locate.
- **Building material and supplies dealers.** The strength of the Home Depot on 11th Street in the downtown is due to the inability of competing chains to find a workable site in the more central neighborhoods of Tulsa. Although separated by the river, the study area is close to the neighborhoods these competitors would like to service. There is potential for the use, which will require a large site (ten acres or larger).
- **Lawn and garden equipment and supply stores.** There would be some potential for this use, as it offers proximity to higher-income residential neighborhoods.

GAP ANALYSIS

RETAIL INDUSTRY GROUP	NAICS	DEMAND	SUPPLY	GAP	BUSINESSES
Automobile dealers	4411	\$17,496,000	\$167,996,000	-\$150,500,000	8
Other motor vehicle dealers	4412	\$4,029,000	\$49,339,000	-\$45,311,000	1
Auto parts, accessories and tire stores	4413	\$1,988,000	\$5,364,000	-\$3,376,000	7
Furniture stores	4421	\$1,869,000	\$0	\$1,869,000	0
Home furnishings stores	4422	\$928,000	\$291,000	\$637,000	1
Electronics and appliance stores	4431	\$3,078,000	\$3,389,000	-\$312,000	3
Building material and supplies dealers	4441	\$5,961,000	\$5,524,000	\$437,000	4
Lawn and garden equipment and supply stores	4442	\$429,000	\$328,000	\$102,000	1
Grocery stores	4451	\$14,393,000	\$18,433,000	-\$4,040,000	2
Specialty food stores	4452	\$447,000	\$177,000	\$270,000	1
Beer, wine and liquor stores	4453	\$1,203,000	\$932,000	\$271,000	1
Health and personal care stores	4461	\$5,928,000	\$3,584,000	\$2,344,000	3
Gasoline stations	4471	\$13,302,000	\$30,434,000	-\$17,132,000	8
Clothing stores	4481	\$2,421,000	\$0	\$2,421,000	0
Shoe stores	4482	\$501,000	\$0	\$501,000	0
Jewelry, luggage, and leather goods stores	4483	\$667,000	\$0	\$667,000	0
Sporting goods/hobby/musical instruments	4511	\$2,877,000	\$0	\$2,877,000	0
Book, periodical and music stores	4512	\$487,000	\$0	\$487,000	0
Department stores excluding leased depts.	4521	\$14,614,000	\$0	\$14,614,000	0
Other general merchandise stores	4529	\$4,433,000	\$3,798,000	\$635,000	2
Florists	4531	\$226,000	\$1,784,000	-\$1,557,000	3
Office supplies, stationery and gift stores	4532	\$901,000	\$504,000	\$397,000	2
Used merchandise stores	4533	\$321,000	\$11,075,000	-\$10,754,000	4
Other miscellaneous store retailers	4539	\$2,942,000	\$439,000	\$2,503,000	2
Special food services	7223	\$156,000	\$0	\$156,000	0
Drinking places - alcoholic beverages	7224	\$228,000	\$717,000	-\$489,000	3
Restaurants and other eating places	7225	\$10,022,000	\$11,046,000	-\$1,02,4000	16
Total retail trade and food and drink		\$112,585,000	\$315,236,000	-\$202,651,000	
Total retail trade	44-45	\$102,180,000	\$303,470,000	-\$201,290,000	
Total food and drink	722	\$10,406,000	\$11,767,000	-\$1,361,000	

SOURCE: Place Dynamics LLC and ESRI

- **Grocery stores.** Any potential grocer in this area will need to consider the split demographic of the trade area. Lower income households will shop discount grocers such as the Save-A-Lot to the south,

while higher income households will gravitate to Reasor's or specialty grocers like Whole Foods and Trader Joe's. There is little cross-over between the two, and neither has sufficiently large numbers to justify a new store, at least using one of the several traditional models. Other communities are experimenting with alternative approaches to meeting the demand for groceries in underserved communities, such as mobile groceries or grocery cooperatives, which could be examined as an approach in this neighborhood.

- **Specialty food stores.** This use is more likely to be found east of the river, closer to the population it would serve. The exception may be as part of a mixed use development along the river.
- **Beer, wine, and liquor stores.** Too little demand is generated in the area for it to be attractive to a liquor store. Specialty shops will prefer to be east of the river.
- **Health and personal care stores.** There are currently no pharmacies in the study area or vicinity. This may be a potential for recruitment following redevelopment, as it could serve not only the Eugene Field neighborhood, but also neighborhoods east of the river and nearby workers. Commuter traffic on 23rd Street further helps to make the site attractive. A pharmacy might help to meet the need for groceries in the area if a grocery store cannot be attracted.
- **Gasoline stations.** The demand generated in the trade area is being captured, along with commuter and interstate highway traffic. Additional gas stations are not supported.
- **Clothing stores.** The trade area's mixed demographics, low market potential, and poor ability to draw regionally work against the potential for this type of business.
- **Shoe stores.** Relatively little demand is generated in the trade area, and that will be mostly from the east side of the river, where any potential store would prefer to locate.
- **Jewelry, luggage, and leather goods stores.** Relatively little demand is generated in the trade area, and that will be mostly from the east side of the river, where any potential store would prefer to locate.
- **Sporting goods, hobby, and musical instrument stores.** Almost \$2.9 million is generated in demand, while there are no stores of this type in the area. A redeveloped Eugene Field could be an attractive location for these mostly independent stores, where rents may be lower than for space east of the river. The proximity of large recreational sites along the river might be an attraction for some of these businesses, such as sporting goods stores.
- **Book, periodical, and music stores.** Relatively little demand is generated in the trade area, and that will be mostly from the east side of the river, where any potential store would prefer to locate.
- **Department stores excluding leased departments.** The population of the trade area will not support this use.
- **Other general merchandise stores.** Dollar General, Family Dollar, and Dollar Tree are all located on Southwest Boulevard, approximately three miles to the south. Future demand for this use will still come mainly from lower income households in the portion of the trade area west of the river. The number of these households is likely to remain too low for the chains to consider an additional store.
- **Office supplies, stationery, and gift stores.** There is too little demand for most stores in this industry group. Gift stores may be possible in mixed use development along the river, but not within the study area.
- **Used merchandise stores.** Despite having a low income profile often associated with thrift stores, the small population within the area does not produce much aggregate demand.
- **Other miscellaneous store retailers.** There are uses within this industry group that seek lower-cost sites on the edge of a community (ex., pool and spa stores, trophy shops, home security stores), and the study area offers this while still being close to dense urban neighborhoods. Despite low overall market demand, the use could be considered.

- **Special food services.** The study area does not generate the foot traffic needed to support this use.
- **Drinking places – alcoholic beverages.** Although this use is well-represented in the trade area, the riverside locations in a mixed use redevelopment of the cement plant site could be attractive.
- **Restaurants and other eating places.** Commuter traffic and a growing workforce in the area help to create a demand for fast food. Redevelopment that takes advantage of the river may be able to attract full service restaurants.

DISCUSSION

Plans for the River West / Eugene Field neighborhood call for sweeping redevelopment of its low income apartment complexes, replacing them with mixed income housing, civic/organizational uses, and mixed use or commercial development. The Department of Public Works and cement plant sites may also be available for redevelopment. One of the most important questions, though, is how much commercial development can be supported, and of what type or character? The area between the river and Interstate 244 has a small base of population, and even after redevelopment it is likely to still have an income profile below the city average.

The study area has some potentially significant amenities or qualities that can help it. Traffic is relatively strong and 23rd Street is an important connection between Interstate 244 and the near south side of Tulsa. River West Festival Park is in the neighborhood and the Gathering Place is on the east bank, where there will be a pedestrian bridge connecting it to the west bank near the Department of Public Works site. There are few sites on the east side of the river where commercial uses could be added, but it remains to be seen whether people will be willing to cross the river to shop in this area.

With few people in the Eugene Field neighborhood, its prospects for retail development do hinge on its ability to capture commuter and workforce traffic, and to draw from east of the river. A strategy for this study area needs to be focused on these two goals. It also needs to realize that commercial businesses will be the final step in redevelopment. These businesses will want to see the neighborhood well on its way to transitioning before they will commit to a site.

RECOMMENDATIONS

Commercial development is a long term prospect for the study area, only after significant change has occurred elsewhere within the neighborhood. The cement plant site and the Public Works site are where the first commercial or mixed use developments may occur. These sites have the advantage of the river, which can be leveraged to attract eating and drinking establishments, while adding middle to upper income housing, and uses like hotels that can help to generate traffic.

Business Targets

Future targets for the study area might include auto parts stores, lawn and garden equipment and supplies stores, a pharmacy, and fast food restaurants. The riverfront redevelopment areas may be able to attract other uses such as gift stores or other specialty retail, and full service restaurants. There is a small potential that a big box use, like a home improvement center, could be attracted to the area if a sufficiently large site was available. That use would be likely to displace sales occurring elsewhere in the city, rather than generate new demand.

Recommended Actions

The interest in retail development in this study area will only materialize after significant changes have occurred to the neighborhood. A long term approach is needed.

1. Focus city efforts on transforming the neighborhood.
 - a. Redevelop public and assisted housing as envisioned in the Choice Neighborhoods plan, to improve the appearance of the neighborhood and introduce mixed income housing.
 - b. Invest in the public improvements identified in the Choice Neighborhoods plan, including new public parks, improvements to public space on the river, and streetscaping for the neighborhood.
 - c. Develop the supportive public and civic assets outlined in the Choice Neighborhoods plan, such as the community center.

2. Encourage private sector redevelopment on the cement plant and Public Works sites. These mixed use redevelopment sites should embrace the river and be designed to encourage people to pass through from the river to the neighborhood. Private uses such as restaurants or entertainment should be integrated transparently with public assets, like riverfront paths and public spaces, to enhance the visitor experience.



3. Acquire aging commercial property along 23rd Street for future redevelopment. Acquisition will help to prevent undesirable uses from leasing space in these buildings, and will enable the City to assemble larger redevelopment sites that can be attractive to commercial developers.

The photo offers an example of how the City of Columbus, Ohio, integrated a private use (restaurant) into a downtown park. The two activities complement each other, making for a more enjoyable experience than either one could offer alone.

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36TH STREET NORTH

In 2018 the City of Tulsa commissioned a Retail Market Analysis to examine general conditions for the commercial sector in all parts of the community, and to take a closer look at unique characteristics of a number of specific study areas. These locations were chosen for a combination of reasons including their diversity, their importance, the challenges or opportunities they present, planned or potential City investment, and other factors. Thirteen study areas were chosen for analysis. Each analysis and strategy is intended to serve as a model that may be applicable to other, similar parts of Tulsa.

The 36th Street North area was chosen for several reasons. This is an area that has thrived as a retail destination in the past, but now supports very little commercial activity. One question is whether that sales potential is being diverted to Owasso instead of being spent locally. There are also changes that have occurred or are coming, and the City has a desire to understand what impact the nearby casino, sporting tournaments at the Mohawk Sports Complex, planned bus rapid transit, and new employment centers will have on the ability to support commercial businesses in the corridor.

THE STUDY AREA – 36TH STREET NORTH

The 36th Street corridor runs from Peoria Avenue on the east to the edge of Tulsa to Martin Luther King, Jr. Boulevard, a distance of about one mile. 36th Street is the northernmost east-west corridor in Tulsa, but is lightly traveled and ends soon to the west of the study area. Tisdale Parkway, once known as Osage Expressway, was intended to be a limited access highway from Tulsa north to Pawhuska. The State of Oklahoma cancelled the project in 1983, but the City of Tulsa continued to build a segment of the highway, stopping at 36th Street just west of the study area.

Description

It is usually the case that commercial districts in older, central parts of the city succumb to competition on the urban fringe. The opposite is true of the 36th Street corridor. The centerpiece of this study area was the

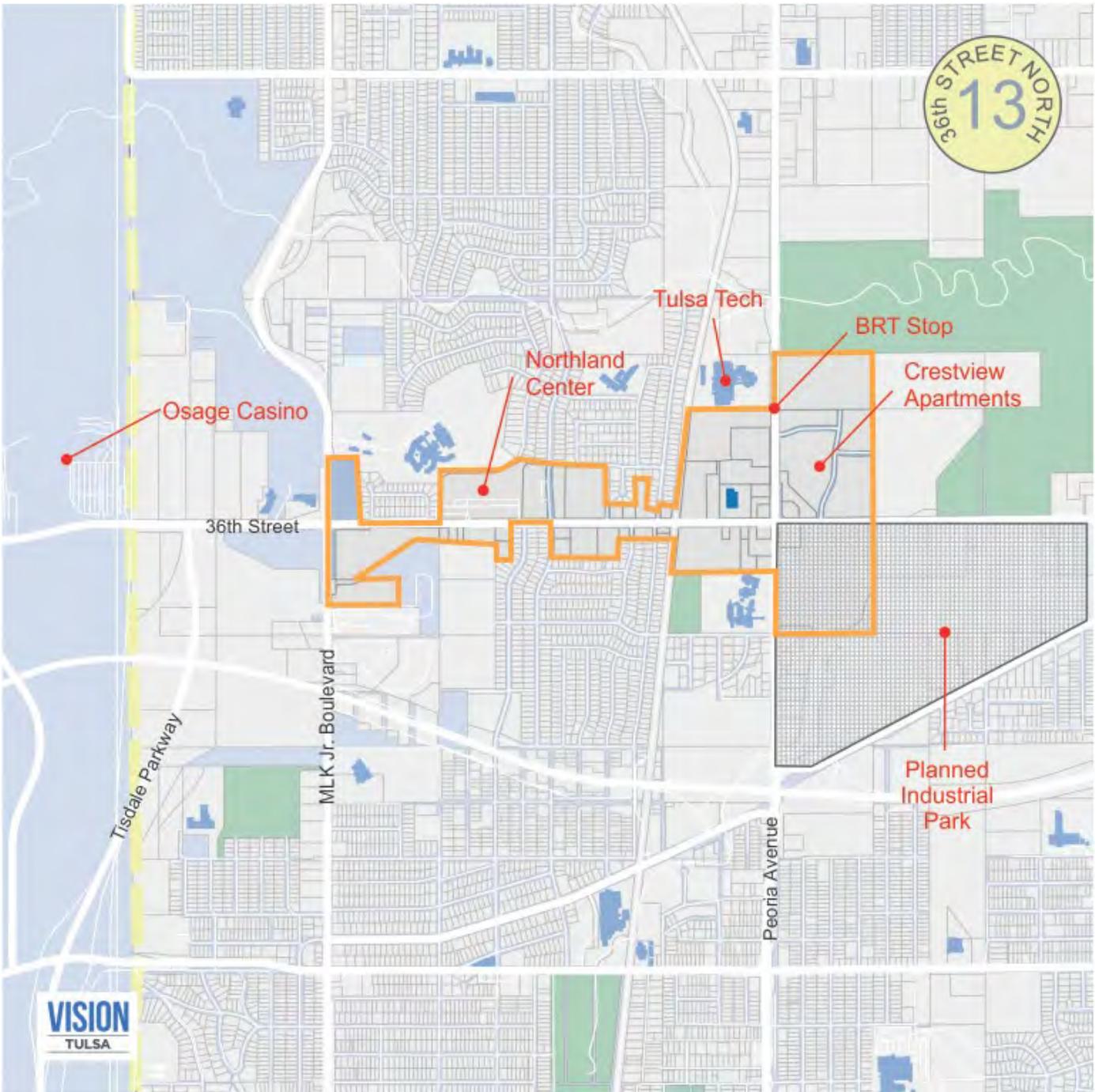


Vision Tulsa, an \$884 million tax renewal package approved by voters in 2016 will make substantial investments in economic development, education, public safety, streets, and transportation needs citywide. With citizen priorities providing the driving force behind the creation of Vision Tulsa, transformative projects and enhancements will set the stage for a bright future for Tulsa.



A recent Google Earth aerial photo of the 36th Street North corridor shows the former Northland Shopping Plaza and other commercial sites that are now largely vacant or underperforming compared to their past use.

36TH STREET NORTH COMMERCIAL DISTRICT



Northland Shopping Plaza, now known as Northland Center. At the time it was built in the late 1950's, the 234,000 square foot structure was Tulsa's largest shopping center, anchored by Dillard's and J.C. Penney's. By the 1980's the center was struggling and around 1990 it was closed. A few years later it was repositioned as an office center, but remains largely vacant.

Few other retail centers were developed or were, in the long run, successful within the corridor. Large former retail buildings now house activities like churches or event centers. Smaller commercial spaces house

independent businesses like auto repair shops, gas stations, and similar businesses, sit vacant, and in some cases have even been demolished, leaving the crumbling pavement and concrete pad.

Most buildings in the corridor were constructed from the 1960's to the 1980's, and have had no significant cosmetic updates in the years since. Nearly all are metal or block buildings surrounded by asphalt, with no landscaping on the street frontage. Northland Center is also challenged by poor visibility. The steep hill along the street frontage blocks most views of its buildings, which are set far back on the site. Aside from Northland Center there are no commercial strips on the corridor. Every site was developed for a sole stand-alone tenant.

Two important anchors are located in the area. Tulsa Tech has a campus on Peoria at the north end of the study area. It is one of eight campuses in the system, offering courses in administration, accounting, health care, cosmetology, criminal justice, and welding. Osage Casino Tulsa is located a half mile west of the study area.

Future development may influence potential along the corridor. The City has partnered with the George Kaiser Family Foundation to develop the Peoria-Mohawk Business Park, with 117 acres intended for medium or flex manufacturing. It is thought that the site will eventually house companies creating up to 1,000 jobs. This business park will be located south of 36th Street between Peoria Avenue and Lewis Avenue. The corner (southeast corner of 36th Street and Peoria Avenue) will be retained for potential commercial development.



The view from the Northland Center parking lot helps to explain factors contributing to the struggles of this corridor. While retailers count rooftops, few can be seen from this site, while there is a great deal of undeveloped land. With regard to Northland Center, 36th Street is not seen, but is below the fence crossing the middle of the photo. Visibility of the center is poor.

The City of Tulsa is also implementing plans for bus rapid transit on the Peoria Avenue corridor, with a stop at 38th Street, where it will serve Tulsa Tech. Plans for the area contemplate a mixed use town center with a higher density of residential and commercial uses than are present at this time.

Traffic Patterns

Little traffic count data is available for this area. In 2017 there were 14,000 average cars per day on 36th Street at Peoria Avenue, up from 10,900 in 2014. On Peoria Avenue, 13,300 cars per day was an increase from 12,300. These are low volumes to support any level of commercial activity, where 20,000 or more cars are usually preferred. Traffic on 36th Street is considerably heavier traveling west from Peoria Avenue than it is headed east, perhaps as traffic is headed to or from the casino or the L.L. Tisdale Parkway. The lack of traffic counts in those areas (due to construction) makes it difficult to ascertain.

Business Mix

There are presently few businesses in the 36th Street Corridor, lending an impression that the corridor has little to offer. The businesses that do exist are not concentrated, but spread out over its length, further reinforcing that perception. Churches are the most common use, followed by several small independent convenience stores and other shops.

The handful of retail and dining businesses in the corridor are estimated to have an aggregate \$2,496,000 in annual sales, with nearly half of that attributed to a single business.

Competition

Aside from a small pocket of commercial activity at the corner of Pine Street and Peoria Avenue, there is little competition on Tulsa's north side. Residents in the northern part of the trade area are most likely splitting their routine shopping trips (groceries, hardware, pharmacies, etc.) between Owasso and other commercial districts in Tulsa, in many cases they may be connecting shopping with the return commute from work. Further south in the trade area, the majority of trips are likely to be into Tulsa. For higher level purchases (supercenters and specialty stores) the majority of trips will be into Tulsa.

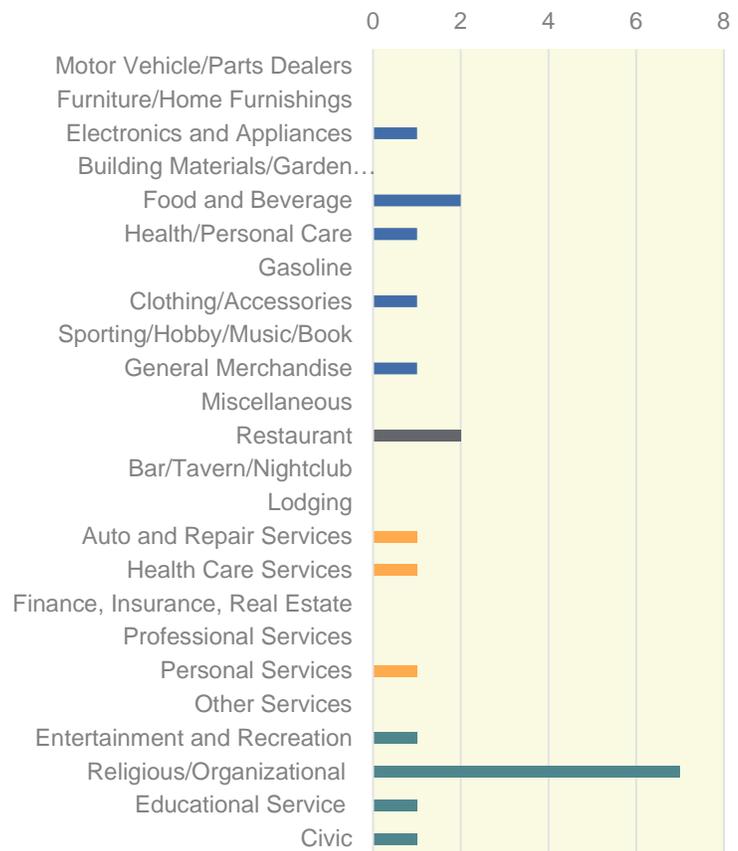
Commercial Space

There is a total of 386,748 square feet of commercial space constructed within the 36th Street North corridor. Nearly a third of this, 121,902 square feet, is within the buildings of Northland Center, which has now been converted to office uses. Other large spaces include several churches, some of which now occupy former retail buildings. It is estimated that no more than 76,900 square feet of space, occupied or vacant, is now available for consumer-oriented commercial uses. Nearly all of that space is dated in appearance and some of the buildings appear to need significant repairs.

DEMOGRAPHICS AND MARKET

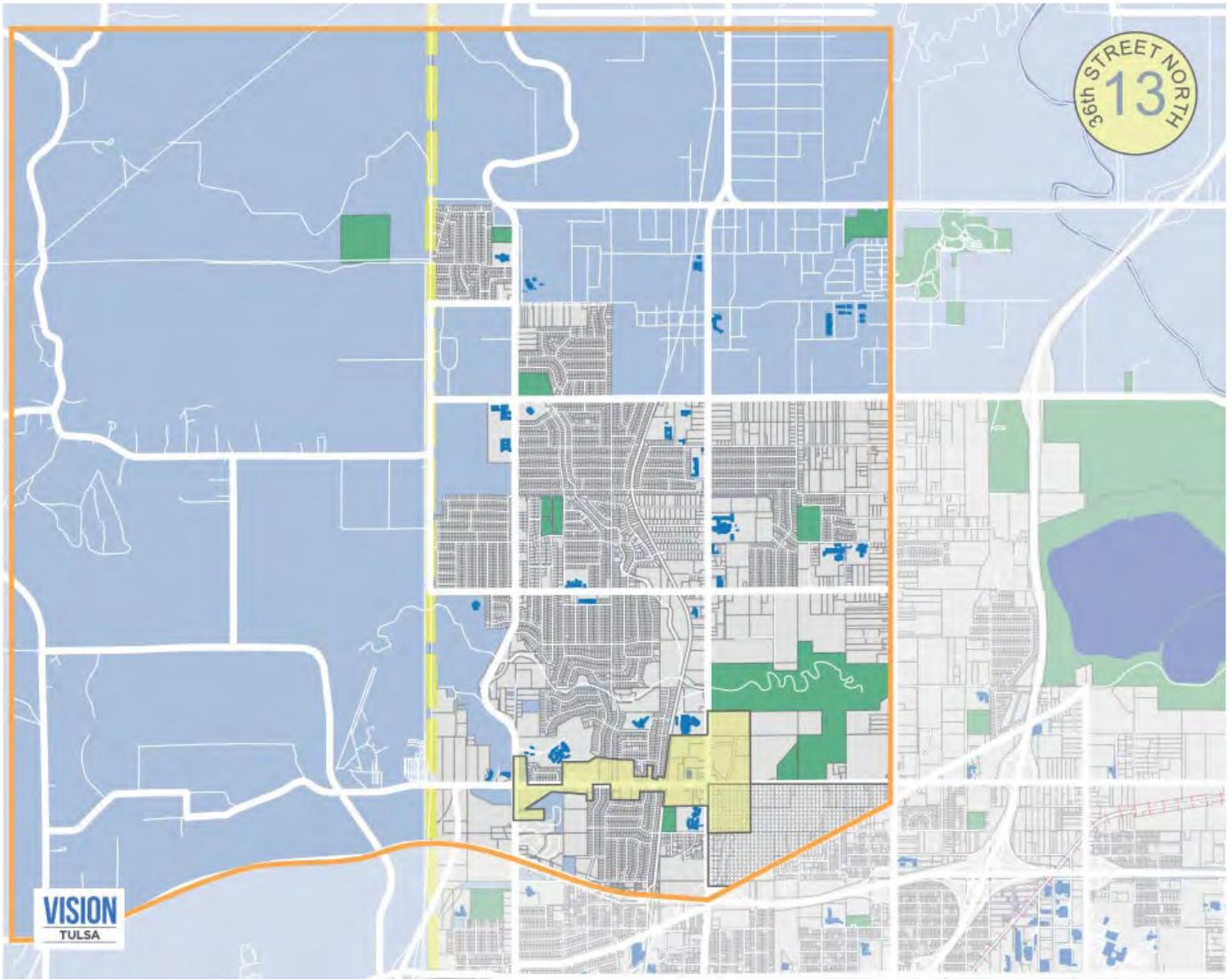
Ease of travel from outlying areas, as well as the lack of retail and services in those areas, should enable this study area to draw from areas north and west. Well-developed freeway systems and common travel patterns impact the ability for this study area to attract customers from the east and south. It is easy for people in those areas to get onto US Highway 75, the Gilcrease Expressway, or Tisdale Parkway and quickly access other parts of the city where there are stronger concentrations of retail. People living east and south of the study area are also accustomed to traveling further south for work, shopping, and other important trips. With their needs better-met to the south, they will not be inclined to go out of their way to shop in this area.

COMMERCIAL USES BY TYPE



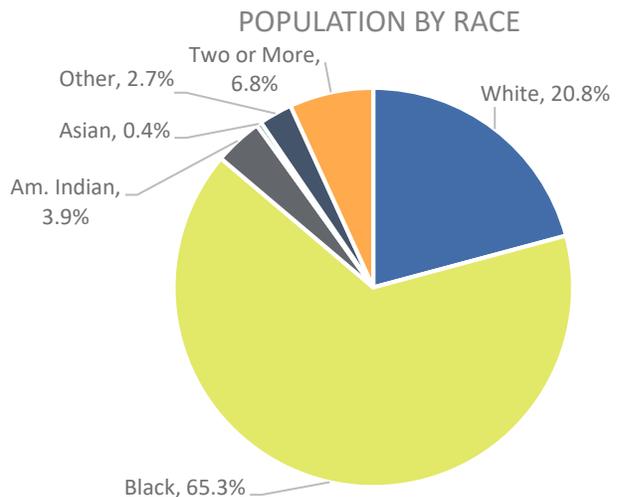
SOURCE: Place Dynamics LLC

36TH STREET NORTH TRADE AREA



Demographic Highlights

The trade area contains 17,343 people. In an area that sees a significant outflow of people (such as during the day when working), this is at the low end for what most chain retail and dining businesses will consider is necessary to support an establishment. According to the Census, from 2000 to 2010 the trade area lost 3,260 residents, at a pace of about 1.75 percent per year. ESRI (a vendor of demographic and business data) suggests that the current population is slightly higher, having grown by 506 people since 2010.

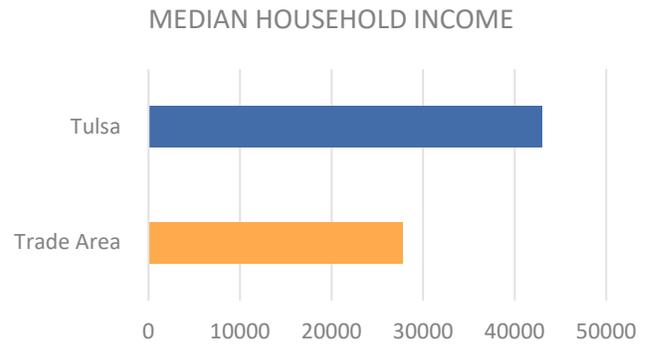


SOURCE: Place Dynamics LLC and ESRI

Racially, this area differs from other parts of Tulsa in that about two-thirds of the total population is black. The white population makes up 20.8 percent of the total and the remaining 13.2 percent are another race or combination of races. This concentration may have implications for the businesses locating in the area, with greater potential for those catering to the black population.

In 2018 there were somewhat more home owners (50.6 percent) than there were renters (49.4 percent). The number of home owners has been falling steadily since at least 2000, when it stood at 4,218. Today there are only 3,202. The number of renters increased from 2,700 to 3,124, suggesting that some homes have been converted to rental units. At the same time, the number of unoccupied units has increased from 826 to 1,516. This is a sign of abandonment that may be among the most crucial issues to be dealt with in trying to bring new commercial business to the area.

Incomes around the study area are very low. The median household income of \$27,756 is just 64 percent of the median for all of Tulsa. According to ESRI, about 13.9 percent of the adult population is thought to be unemployed.



SOURCE: Place Dynamics LLC and ESRI

Resident Market Potential

Residents of the trade area are expected to annually spend \$124,137,000 on all retail goods and dining out. This can be broken out to \$112,704,000 solely on retail, and \$11,433,000 on eating and drinking. Motor vehicle and parts dealers, general merchandise stores (from Family Dollar to Walmart Supercenters), and food and beverage stores are the largest categories of expenditures. These figures do not include estimates of sales at non-store retailers, which would include internet sales along with catalogs, direct sales, and other transactions not occurring in a storefront setting.

Area Workforce Market Potential

This is an area in which the daytime population dips below that of the area's residents. There are 2,774 jobs located within an area one mile larger than the trade area, and a total of 8,957 workers live in this same area. Each day, more people leave to work elsewhere than come to work at jobs located in the area, so that the population decreases by 6,183. The difference between those commuting in and out is smaller than a decade earlier, in part due to new jobs created in the area, but also because there are fewer people living in the area. The major employer in this area is Osage Casino Tulsa.

When people leave an area for work, they are likely to make their workday purchases in close proximity to their place of employment. This is especially true here, where very few businesses exist to capture sales. The result of a net outflow of workers is to lower the market potential for the neighborhood by the amount people typically spend while working. This would include purchases during their commute, over the lunch break, or at other times. In the case of the 36th Street North trade area, those expenditures total \$28,219,000.

Cash Economy

There are estimated to be 1,189 people within the 36th Street North trade area who are participating in the cash economy, with \$19.2 million in aggregate unreported income. Of that total, it is expected that \$6.6 million

will be spent on retail and dining. Especially with a loss of potential from an outflow of workers from the area, the cash economy is significant. It makes up 5.5 percent of the market potential within the trade area. This is about average compared to the other study areas.

SALES AND MARKET SHARE

Once the net loss of daytime population is figured in, the market potential for 36th Street North comes to \$119,819,000. This is still a respectable figure, about twice the sales of an average Walmart Supercenter, which would cover about 200,000 square feet. While characteristics of the study area make it unlikely to capture all of the potential in its trade area, it should be able to support additional retail and dining, along with services in demand within the neighborhood. As it currently stands, the volume of sales in the study area is roughly equivalent to a respectable gas station with a convenience store.

Existing businesses capture about two percent of the market potential. Across the different types of retail stores, no sales are recorded in several categories. At best, about one fifth of the potential in health care stores is captured largely due to a pharmacy within a health care facility, which fills the prescriptions of its own patients.

MARKET POTENTIAL, ESTIMATED SALES, AND MARKET SHARE

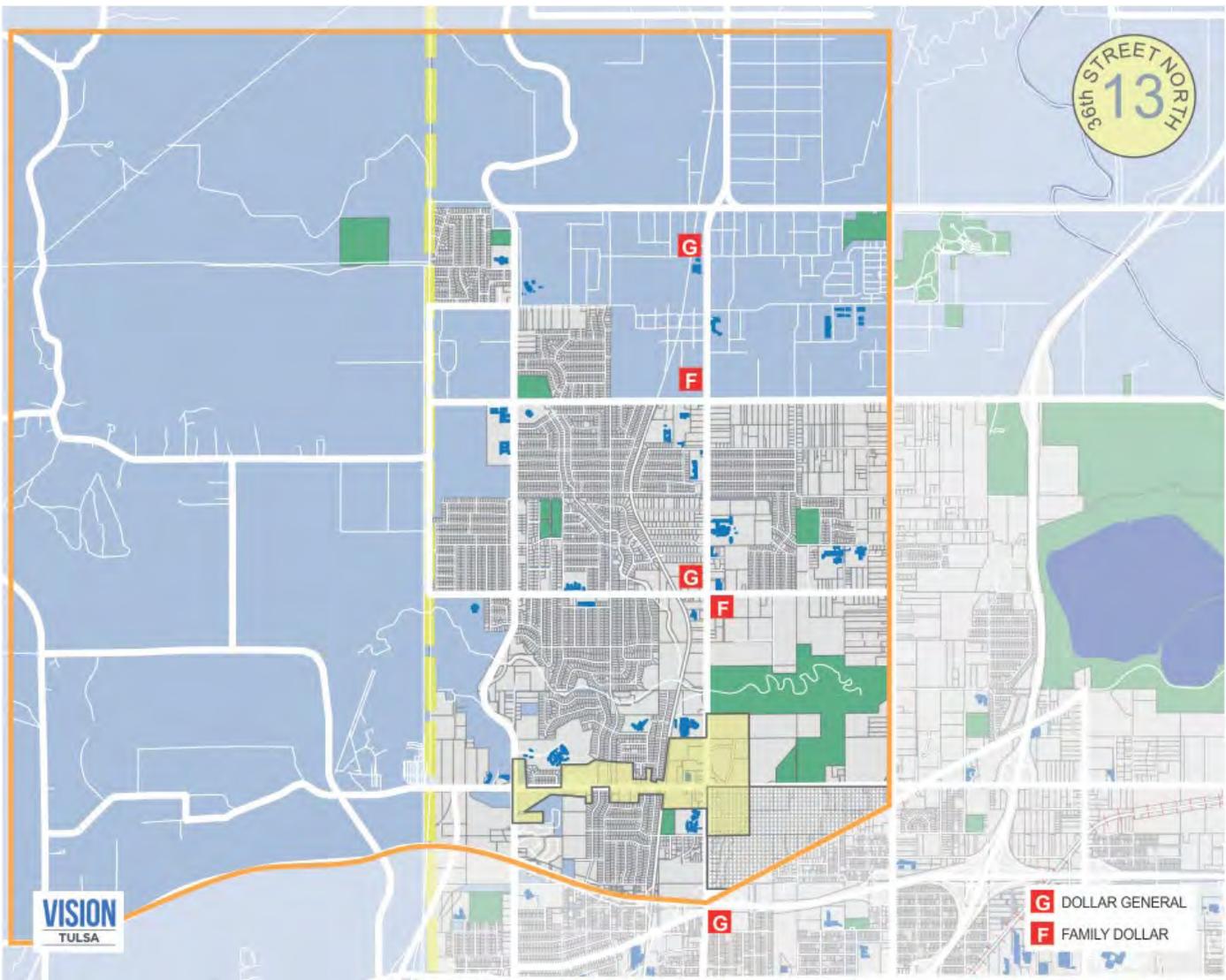
	TRADE AREA POTENTIAL	CASH ECONOMY	WORKER POTENTIAL	TOTAL MARKET POTENTIAL	ESTIMATED SALES	MARKET SHARE
Motor vehicle and parts dealers	\$26,309,000	\$1,404,000	-\$1,277,000	\$27,218,000	\$0	0.0%
Furniture and home furnishings stores	\$3,136,000	\$167,000	--	\$3,303,000	\$0	0.0%
Electronics and appliance stores	\$3,355,000	\$179,000	-\$979,000	\$3,154,000	\$0	0.0%
Building materials, garden and supplies	\$7,062,000	\$377,000	--	\$7,439,000	\$0	0.0%
Food and beverage stores	\$17,824,000	\$951,000	-\$5,455,000	\$16,660,000	\$550,000	3.3%
Health and personal care stores	\$6,692,000	\$357,000	-\$2,308,000	\$6,154,000	\$1,206,000	19.6%
Gasoline stations	\$14,900,000	\$795,000	-\$5,786,000	\$13,451,000	\$0	0.0%
Clothing and accessories stores	\$3,936,000	\$210,000	-\$1,259,000	\$3,658,000	\$184,000	5.0%
Sporting goods, hobby, book and music	\$3,636,000	\$194,000	-\$364,000	\$3,689,000	\$0	0.0%
General merchandise stores	\$20,984,000	\$1,120,000	-\$5,604,000	\$19,931,000	\$150,000	0.8%
Miscellaneous store retailers	\$4,870,000	\$260,000	-\$1,061,000	\$4,719,000	\$0	0.0%
Food services and drinking places	\$11,433,000	\$610,000	-\$4,126,000	\$10,443,000	\$379,000	3.6%
TOTAL	\$124,137,000	\$6,623,000	-\$28,219,000	\$119,819,000	\$2,469,000	2.1%

SOURCE: Place Dynamics LLC and ESRI

Impact of Dollar Stores

There are five chain dollar stores located in, or adjacent to the 36th Street North trade area, and no grocery stores. The nearest supermarket is at Pine Street and Lewis Avenue. The dollar stores have aggregate sales of \$6,067,000, or about 5.1 percent of the market potential within the trade area. These stores also account for 10.7 percent of all sales realized within the trade area.

DOLLAR STORES AND GROCERY STORES IN THE 36TH STREET NORTH TRADE AREA



About \$1,444,000 of the total dollar store sales is in food. This accounts for about 8.7 percent of the market potential for food in the trade area. The figure is higher than in other study areas largely due to the lack of any grocery stores or supercenters in the trade area.

GAP ANALYSIS AND POTENTIAL FOR NEW BUSINESSES

While the market share is the portion of the trade area market potential captured by businesses in the study area, the gap analysis compares the trade area potential to estimated sales of all businesses in the trade area. The “gap” is the remaining demand that is not met by businesses in the trade area, and if business sales exceed the demand there is said to be a “surplus”.

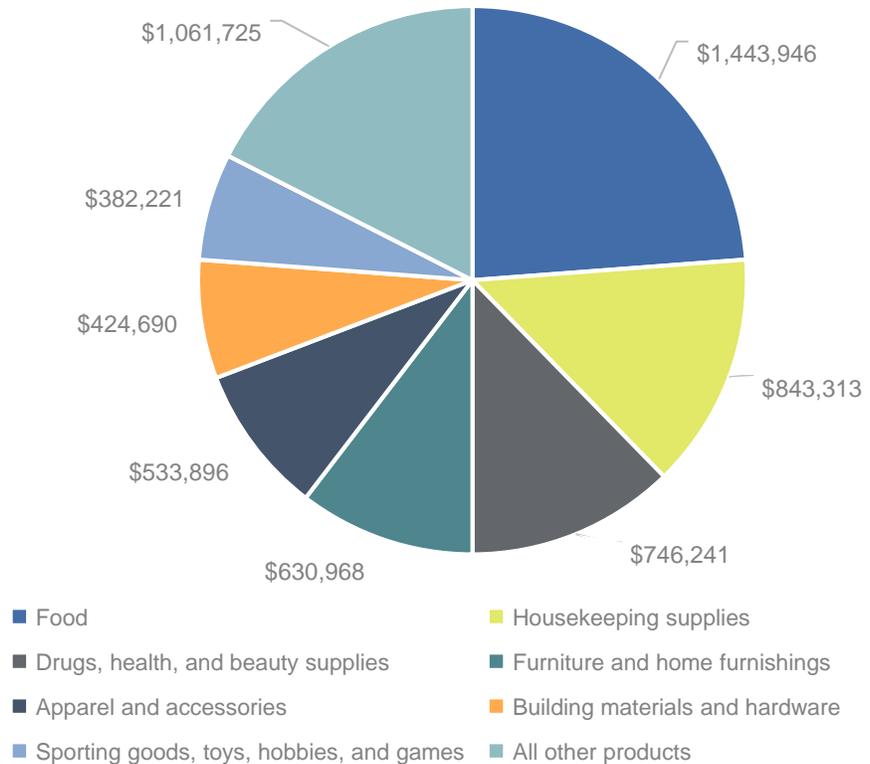
While a gap analysis can be a useful tool in helping to determine what businesses might be supported in the study area, it does not necessarily follow that a gap may mean that a given type of store can be viable at the site. Any new store will only capture a portion of the gap available, and will also divert some sales from

existing businesses. Attributes of the location such as traffic patterns and volume, visibility, site design, and competition from both inside and outside of the trade area will have an influence on its potential viability. It is equally true that under some circumstances, a surplus may be an indicator of the potential to attract new businesses. This would be the case for stores that thrive by aggregating in close proximity to generate more customer traffic.

While the trade area for the 36th Street North study area is physically large, it is lightly populated and has relatively few retail stores or restaurants. That low density population, along with low incomes, travel patterns that have residents

routinely headed south towards more central parts of Tulsa, and the lack of any concentration of commercial activity that might serve to draw consumers, are all challenges to the ability to support additional retail and dining uses in the study area.

DOLLAR STORE SALES BY PRODUCT LINE



SOURCE: Place Dynamics LLC

- **Automobile dealers.** There is unmet demand for \$18.4 million in automobile sales within the trade area. About \$2.4 million of this will be for purchases of used cars. In Oklahoma, the average used car dealer without employees has sales of \$213,000, and the average used car dealer with employees sells about \$636,000 in cars each year. These numbers suggest the potential for the study area to support small used car lots.
- **Other motor vehicle dealers.** Motorcycle, ATV, boat, and other motor vehicle dealers tend to pull customers regionally and often locate on streets with significant traffic, or near where their products are used (for example, a boat dealer near lakes). Neither of these conditions apply to the study area, making it an unlikely choice for the use.
- **Auto parts, accessories, and tire stores.** This is one of the three retail categories in the trade area in which there is a sales surplus. That is not uncommon, where auto parts stores often seek out lower cost sites and may deliver a significant part of their sales, such as deliveries to auto repair shops. It is not likely that the area will support additional auto parts stores, and the major chains already have a healthy pattern of coverage throughout the Tulsa region.
- **Furniture stores.** The trade area has a gap of \$2.1 million, while in the Tulsa region the average furniture store has sales of \$3.1 million. Especially with the light vehicle traffic in the study area, furniture stores are not a good target for attraction.
- **Home furnishings stores.** As with furniture stores, the trade area has a small market potential and light traffic that make this use unlikely.

GAP ANALYSIS

RETAIL INDUSTRY GROUP	NAICS	DEMAND	SUPPLY	GAP	BUSINESSES
Automobile dealers	4411	\$19,634,000	\$1,188,000	\$18,446,000	1
Other motor vehicle dealers	4412	\$4,464,000	\$0	\$4,464,000	0
Auto parts, accessories and tire stores	4413	\$2,211,000	\$2,431,000	-\$220,000	3
Furniture stores	4421	\$2,100,000	\$0	\$2,100,000	0
Home furnishings stores	4422	\$1,036,000	\$0	\$1,036,000	0
Electronics and appliance stores	4431	\$3,355,000	\$898,000	\$2,457,000	2
Building material and supplies dealers	4441	\$6,606,000	\$464,000	\$6,142,000	1
Lawn and garden equipment and supply stores	4442	\$456,000	\$410,000	\$46,000	1
Grocery stores	4451	\$16,026,000	\$401,000	\$15,625,000	1
Specialty food stores	4452	\$497,000	\$0	\$497,000	0
Beer, wine and liquor stores	4453	\$1,302,000	\$0	\$1,302,000	0
Health and personal care stores	4461	\$6,692,000	\$3,905,000	\$2,787,000	2
Gasoline stations	4471	\$14,900,000	\$9,447,000	\$5,453,000	3
Clothing stores	4481	\$2,653,000	\$95,000	\$2,558,000	1
Shoe stores	4482	\$562,000	\$0	\$562,000	0
Jewelry, luggage, and leather goods stores	4483	\$721,000	\$0	\$721,000	0
Sporting goods/hobby/musical instruments	4511	\$3,120,000	\$0	\$3,120,000	0
Book, periodical and music stores	4512	\$516,000	\$0	\$516,000	0
Department stores excluding leased depts.	4521	\$16,071,000	\$0	\$16,071,000	0
Other general merchandise stores	4529	\$4,913,000	\$5,260,000	-\$347,000	3
Florists	4531	\$240,000	\$0	\$240,000	0
Office supplies, stationery and gift stores	4532	\$995,000	\$133,000	\$863,000	1
Used merchandise stores	4533	\$343,000	\$860,000	-\$517,000	2
Other miscellaneous store retailers	4539	\$3,292,000	\$1,410,000	\$1,882,000	1
Special food services	7223	\$164,000	\$0	\$164,000	0
Drinking places - alcoholic beverages	7224	\$239,000	\$0	\$239,000	0
Restaurants and other eating places	7225	\$11,030,000	\$3,796,000	\$7,234,000	10
Total retail trade and food and drink		\$124,906,000			
Total retail trade	44-45	\$113,473,000			
Total food and drink	722	\$11,433,000	\$3,796,000	\$7,638,000	

SOURCE: Place Dynamics LLC and ESRI

- **Electronics and appliance stores.** About \$2.5 million in demand for electronics and appliances is not being met. This is not enough to support a store of the type.

- **Building material and supplies dealers.** The trade area potential of \$6.6 million is well below the average sales of a home improvement center, and even below the Oklahoma average for hardware stores, paint and wallpaper stores, and other uses in this category. Additionally, the trend toward lower levels of home ownership in the area suggests lower potential over the long term. Combined with the location at the edge of the metropolitan area, there does not appear to be an opportunity for these stores in the study area.
- **Lawn and garden equipment and supply stores.** Demand within the trade area is again well below what would typically be needed to support a store in this category.
- **Grocery stores.** There is an \$15.6 million gap in this category, with only one independent convenience store in the trade area. Though the average grocery store in Oklahoma has \$8.6 million in sales, this varies from \$476,000 at convenience stores to \$10.5 million at supermarkets, and a full-line grocer like Reasor's will have sales of about \$24 million. A potential grocery store in the study area would need to consider the market share that will be lost as households split their shopping between different stores, as well as the lower incomes in the area. In a low income neighborhood, grocery stores tend to sell fewer items with a larger markup, and may experience greater losses in fresh produce and meats. This makes it difficult for a traditional grocer to be profitable (and also is at the root of the success of dollar stores, which are geared to selling a high volume of low-margin consumables).
- **Specialty food stores.** The income profile of the area, along with relatively small market, are not favorable for this types of store.
- **Beer, wine, and liquor stores.** A business in this category would need to capture all of the available market within the trade area to attain average sales. This is not practical, and the use is not likely to be successful in the study area.
- **Health and personal care stores.** While chain drug stores dominate sales in this category, other businesses include nutritional supplement and other health stores, cosmetics and beauty supplies, bath, and similar stores. There is about \$2.8 million in unmet demand in the trade area. The demographic profile of the area suggests the potential to attract personal care and beauty supply businesses that cater to the black or African American population. These will usually be independent businesses, and the study area will compete as a location with the nearby study area at Peoria Avenue and Pine Street.
- **Gasoline stations.** There is \$5.4 million in unmet demand for gas within the trade area. Gas, however, is something usually purchased as part of a trip, rather than necessarily within the neighborhood. Gas stations typically look for an inflow of traffic, whereas this trade area has an outflow. Upon completion, the proposed industrial park southeast of Peoria Avenue and 36th Street may help to generate more traffic to support a gas station in the vicinity.
- **Clothing stores.** Clothing stores are mostly found clustered with similar businesses to help generate customer traffic. That concentration exists in other parts of Tulsa, but is not likely to develop here, at the periphery of the community. Clothing stores are not considered a viable target. There is a gap of about \$2.6 million in this category.
- **Shoe stores.** There is a surplus of about \$562,000, which is well below the average shoe store sales of \$1.2 million. Shoe stores tend to be found near large retail concentrations including clothing stores and general merchandise stores (department stores and superstores). They are not a target for this area.
- **Jewelry, luggage, and leather goods stores.** The minimal demand and lack of complimentary retail in the area work against the potential for this type of business.

- **Sporting goods, hobby, and musical instrument stores.** The \$3.1 million in unmet demand is substantial, but industry trends toward consolidation among chains, and the lack of other retail to help draw traffic, suggest that the target is not viable.
- **Book, periodical, and music stores.** Minimal demand from within the trade area does not support a store of this type.
- **Department stores excluding leased departments.** The \$16.0 million in potential will not support any of the possible formats in this category (department stores, discount stores, supercenters, and warehouse clubs).
- **Other general merchandise stores.** Four dollar stores in the trade area are already selling more than the estimated market potential, and that surplus increases when the store just to the south is added. These stores are performing well because there are very few other retailers in the area, so that they capture sales that would normally be realized in other formats. Both of the major national chains are well represented in the trade area, and another store in the study area is unlikely.
- **Florists.** With only \$240,000 in demand, there is no market for florists in the area.
- **Office supplies, stationery, and gift stores.** Minimal demand from within the trade area will not support an office supply store.
- **Used merchandise stores.** Two businesses in this area are already capturing more in sales than is available in demand. Aside from a small number of chains, these are usually independent businesses and there is a low threshold for starting a business. The low cost of space, and a market that may seek lower-cost, used items, holds the potential for more of these businesses in the area.
- **Other miscellaneous store retailers.** While there is \$1.9 million in unmet demand, it is spread across several diverse store types including mobile home dealers, florists, pet stores, and tobacco shops. None are considered good targets for the area.
- **Special food services.** Very little demand exists for these businesses.
- **Drinking places – alcoholic beverages.** The trade area does not generate sufficient demand for this type of business.
- **Restaurants and other eating places.** There is \$7.2 million in unmet demand for full and limited-service restaurants. The area is challenged, however, by an outflow of residents during the day, and the tendency for people from outside of the neighborhood to seldom visit. Adding 1,000 workers in the proposed industrial park will only increase demand by \$370,000. This may still be considered an opportunity, most likely for a low volume chain (such as sandwich shops or pizza delivery) or independent restaurants.

DISCUSSION

The 36th Street North corridor faces stiff challenges, not the least of them being the stigma of having been a failed shopping area. This legacy will tend to deter developers and businesses from risking projects in the area, despite the fact that it can offer some good opportunities.

The study area at the city's northern fringe, where rooftops are sparse. Daily traffic is moving away from this area as it heads into the city. There are fewer jobs here than there are workers, resulting in a low daytime population. For these residents and those further out, the freeway system is fast and it lets people avoid driving through the neighborhood, so that it misses out on much of the potential commuter traffic. What traffic there is will generally take a north-south route like Peoria Avenue, Yale Avenue, or Sheridan Avenue, rather than 36th Avenue.

There will be a bus rapid transit stop on Peoria Avenue at 38th Street. People using the stop may be inclined to visit businesses in the immediate area. For those arriving by other forms of public transit, this would not extend to businesses at 36th Street.

The trade area has a moderately sized population, but one with a low income profile. This further dissuades businesses from locating in the area as there will usually be more lucrative sites in the city or its suburbs.

There have been suggestions that destinations in the area, such as the casino or the Mohawk Sports Complex, may be generating untapped traffic. While these sites do draw visitors, they are unlikely to have much of an impact on the potential of the study area. Casino visitors are traveling the area for a single purpose, and it is unusual for casino visitors to leave to visit any stores, restaurants, or attractions in the area. Similarly, events at the sports complex are held mostly on the weekends through part of the year. While they might generate some extra traffic for restaurants and other businesses, that would only be a minor supplement to the levels that must be generated within the study area, which are low. The same is true of a new business park planned for the south side of 36th Street between Peoria Avenue and Yale Avenue. The estimated 1,000 employees would generate about \$5 million in total spending across all retail and dining categories. There is not enough new demand from these employees, in any single category, to justify a new retail business. The potential for limited service restaurants, for example, is about \$300,000, while it would be \$870,000 for gasoline stations.

Rebuilding this area will take time, patience, and financial assistance from the City of Tulsa. The most viable location is the corner of Peoria Avenue and 36th Street, where there is the potential to develop convenience uses in conjunction with the planned business park. A gas station and convenience store, personal services, small offices, and perhaps some other retail and dining businesses could begin to cluster in this area, creating a base from which to spread and to attract other businesses as the area grows.

RECOMMENDATIONS

This part of Tulsa is effectively functioning as a bedroom suburb to more central parts of the city. Adding to the loss of a daytime population, the low density development pattern, the low incomes of its residents, and lack of other commercial businesses to serve as an anchor make the area still less attractive as a place for new retail development. Commercial development will only occur over the long term with significant investment and redevelopment, and it is worth questioning if commercial development should be a short term (over the next decade) priority for the area. A long term strategy may prioritize setting the conditions for commercial development to be viable, by stabilizing housing, improving employment opportunities and income, and introducing new residential development to build out denser neighborhoods.

Business Targets

There are few strong retail targets immediately possible for this study area, even with the addition of bus rapid transit and a new industrial park with 1,000 employees. The most likely candidates are a gas station with convenience store, and independent used car lots, used merchandise stores, and restaurants.

There is more commercial land area in this corridor than is needed to support the retail that might develop. Were the trade area population to double, there might still only be the need for about 150,000 to 250,000 square feet of retail/commercial space – about the size of a superstore with associated strip and pad development.

Recommended Actions

The recommendations offered here are appropriate for a long term strategy that positions the study area for future development conditions improve. The emphasis should be on stabilizing housing conditions, improving income (purchasing power), and developing new middle income housing. Prime commercial areas should be preserved, while the remainder may be converted to other uses such as multifamily housing.

1. Identify prime sites for commercial development. These should include small sites where desirable commercial uses (such as restaurants and a gas station and convenience store) can be introduced as there is demand, and a larger area to meet long term needs. The corner of 36th Street and Peoria Avenue is the most viable location for commercial uses.
2. 36th Street is lined by many vacant or underdeveloped commercial lots that should be encouraged to transition to other uses. These would be good sites on which to encourage multifamily housing. As these sites are removed from the inventory, commercial activity will be encouraged to cluster and the appearance, along with perceptions of the area, will improve.
3. Continue efforts to stabilize the existing housing stock and to encourage new residential development that will increase density and add middle income households within the area.
4. Continue economic development initiatives to attract new businesses and employment opportunities for area residents.

APPENDIX A: BENCHMARK DATA FOR TULSA'S RETAIL INDUSTRY

The tables in this appendix contain reference data that can be used to better understand the market potential for new stores by type. These benchmark numbers are derived from data collected under the US Census Bureau's Economic Census (conducted every five years) and the annual Business Patterns program.

Business establishments are classified by the North American Industrial Classification System, which establishes a hierarchy of sectors (2-digit NAICS), subsectors (3-digit NAICS), industry groups (4-digit NAICS), and industries (5-digit NAICS). Industries may be further divided. As an example, supermarkets and convenience stores are the industries that make up the industry group called grocery stores. Grocery stores, specialty food stores, and beer, wine and liquor stores make up the food and beverage stores subsector. There are twelve subsectors in the retail sector.

AVERAGE SALES PER STORE AND PER EMPLOYEE

The 2012 Economic Census was used to determine the average sales per store and per employee. The Economic Census is conducted every five years. Although the most recent census occurred in 2017, data for that year has not yet been released. Tulsa County was used as the primary geography. Because the Census Bureau is required to protect the confidentiality of individual businesses, data is suppressed when there are too few stores, or too few chains in the area, and reporting the information would reveal sales figures for the store or chain. In these instances, data for the State of Oklahoma was used to generate the benchmark statistics. Statewide figures are shown in orange in the table.

The average sales per store can be a useful figure when compared against the market potential (or gap) within a trade area. Several things need to be considered when making these comparisons.

1. While it is possible to get an average sales per store figure, there is actually a great deal of variability between the performance of stores in any category. As an example, Aldi and Whole Foods are both supermarkets, but Whole Foods is estimated to have sales of \$34.8 million per store, while Aldi averages \$11.5 million.
2. Trade areas are drawn to show a geographic region from which businesses draw a majority of their sales. A new store will similarly draw most of its sales from that area, but will draw from other areas. How much more it will draw is largely dependent on the strength of the store and its competitors.
3. A new store will not capture all of the available market share in a trade area. That store is likely to target its merchandise mix and marketing budget toward a particular demographic, and to be more concerned about the size of that segment, rather than the total. Even then, it will only capture a percentage of its targeted market segment. As a general rule of thumb, if a new store would need to capture more than half of the available market to reach the average sales within the chain, it is most likely not going to be an attractive site for a store.
4. A new store won't limit itself to taking sales from the "gap" in the market. Sales will be shifted from existing stores. This might not be considered as bad. Existing stores may not be adequately serving the existing market. The amount of sales that are shifted from any one store may not be enough to endanger its survival. In some cases, a concentration of stores may even expand the market so that in the long run, there is more market potential for everyone. The flip side of this, though, is that the arrival of a new store in a commercial district does have the potential to cause existing stores to close.

Average sales per employee is more often used as a tool for assessing the productivity of a store, rather than contributing to a market analysis. This number can be used to estimate the sales volume of stores in a

commercial district, though caution is again required as there can be a great deal of variation between different chains or stores.

ESTABLISHMENTS AND EMPLOYEES

The US Census Bureau's Business Patterns is an annual survey of the number of establishments and their employment. It is conducted annually, allowing a comparison across time to reveal trends. The most recent year for which data is available is 2016.

Data for Tulsa County, in the decade between 2006 and 2016, shows a trend toward fewer stores in many subsectors, industry groups, and industries. Overall, there were 61 fewer stores in 2016 than there were in 2006, with industry groups such as jewelry stores, office supply, stationery and gift stores, florists, and furniture stores seeing some of the most losses. Beer, wine and liquor stores, other miscellaneous store retailers (tobacco and "vape" stores), clothing stores, and other general merchandise stores (dollar stores) saw the largest increases.

Employment grew overall, with some store types adding employees while other shed them. As an indicator, this needs to be viewed with caution. The data does not discriminate between full-time and part-time employees. Most recent investigation by government and academic sources has been suggesting that there is a growing use of part-time employees in the industry, to lower costs and provide greater scheduling flexibility. Although the number of employees is increasing, that is not necessarily a sign that hours worked, or sales volume is increasing.

POPULATION THRESHOLDS

Population thresholds have fallen out of favor as a market research tool as better data and computing capabilities have transformed the practice. Essentially, a population threshold is a calculation of the number of people needed to support a store of a given type. They are obtained by dividing an area's population by the number of stores (by type) in that same area. In this analysis, these figures serve two purposes. They are another benchmark that can be considered along with other data and factors to help determine if new stores can be supported in a commercial district, and they offer trend data to better understand change in the industry.

Within Tulsa County, there is a clear trend to most types of stores supporting a larger number of people in 2016 than they did in 2006. This is particularly the case among specialty retail stores (art, luggage and leather goods, specialty food, books, hobbies, men's clothing, jewelry, etc.). Very little change was seen among industries like supermarkets, women's clothing stores, and pet and pet supplies stores. A few industries even saw significantly reduced thresholds for support, including warehouse clubs and supercenters, confectionery and nut stores, tobacco stores, clothing accessories stores, and hardware stores.

AVERAGE SALES PER STORE AND PER EMPLOYEE

NAICS DESCRIPTION		ESTABLISHMENTS WITH EMPLOYEES				ESTABLISHMENTS WITHOUT EMPLOYEES			
		ESTABLISHMENTS	SALES (000)	SALES PER ESTABLISHMENT	EMPLOYEES	SALES PER EMPLOYEE	NONEMPLOYER ESTABLISHMENTS	SALES (000)	SALES PER ESTABLISHMENT
44-45	Retail trade	2,315	\$10,454,539	\$4,516,000	36,091	\$289,672	3,915	\$194,799	\$49,757
441	Motor vehicle and parts dealers	289	\$2,760,675	\$9,552,509	4,662	\$592,165	414	\$69,385	\$167,597
4411	Automobile dealers	114	\$2,396,792	\$21,024,491	3,150	\$760,886	286	\$61,050	\$213,462
44111	New car dealers	42	\$2,107,876	\$50,187,524	2,696	\$781,853			
44112	Used car dealers	72	\$288,916	\$4,012,722	454	\$636,379	286	\$61,050	\$213,462
4412	Other motor vehicle dealers	34	\$150,768	\$4,434,353	302	\$499,232	57	\$4,052	\$71,088
44121	Recreational vehicle dealers	7	\$46,875	\$6,696,429	50	\$937,500	15	\$1,232	\$82,133
44122	Motorcycle, boat, and other motor vehicle dealers	27	\$103,893	\$3,847,889	252	\$412,274	42	\$2,820	\$67,143
4413	Automotive parts, accessories, and tire stores	141	\$213,115	\$1,511,454	1,210	\$176,128	71	\$4,283	\$60,324
44131	Automotive parts and accessories stores	91	\$132,314	\$1,454,000	802	\$164,980			
44132	Tire dealers	50	\$80,801	\$1,616,020	408	\$198,042			
442	Furniture and home furnishings stores	119	\$284,794	\$2,393,227	1,377	\$206,822	98	\$5,652	\$57,673
4421	Furniture stores	46	\$143,899	\$3,128,239	639	\$225,194	30	\$2,547	\$84,900
4422	Home furnishings stores	73	\$140,895	\$1,930,068	738	\$190,915	68	\$3,105	\$45,662
44221	Floor covering stores	29	\$219,578	\$7,571,655	840	\$261,402			
44229	Other home furnishings stores	44	\$205,163	\$4,662,795	1,502	\$136,593			
443	Electronics and appliance stores	137	\$333,830	\$2,436,715	1,408	\$237,095	65	\$2,915	\$44,846
444	Building material and garden equipment and supplies dealers	169	\$648,647	\$3,838,148	2,911	\$222,826	80	\$3,460	\$43,250

AVERAGE SALES PER STORE AND PER EMPLOYEE

NAICS DESCRIPTION		ESTABLISHMENTS WITH EMPLOYEES				ESTABLISHMENTS WITHOUT EMPLOYEES			
		ESTABLISHMENTS	SALES (000)	SALES PER ESTABLISHMENT	EMPLOYEES	SALES PER EMPLOYEE	NONEMPLOYER ESTABLISHMENTS	SALES (000)	SALES PER ESTABLISHMENT
4441	Building material and supplies dealers	143	\$616,544	\$4,311,497	2,682	\$229,882	60	\$3,254	\$54,233
44411	Home centers	18	\$279,602	\$15,533,444	1,603	\$174,424	6	\$89	\$14,833
44412	Paint and wallpaper stores	22	\$148,569	\$6,753,136	435	\$341,538			
44413	Hardware stores	26	\$259,217	\$9,969,885	1,423	\$182,162			
44419	Other building material dealers	77	\$260,189	\$3,379,078	749	\$347,382	45	\$2,864	\$63,644
4442	Lawn and garden equipment and supplies stores	26	\$32,103	\$1,234,731	229	\$140,188	20	\$206	\$10,300
44421	Outdoor power equipment stores	7	\$10,761	\$1,537,286	39	\$275,923			
44422	Nursery, garden center, and farm supply stores	19	\$21,342	\$1,123,263	190	\$112,326			
445	Food and beverage stores	206	\$980,985	\$4,762,063	4,736	\$207,134	177	\$14,237	\$80,435
4451	Grocery stores	101	\$863,629	\$8,550,782	4,167	\$207,254	47	\$3,529	\$75,085
44511	Supermarkets and other grocery (except convenience) stores	81	\$854,110	\$10,544,568	4,124	\$207,107			
44512	Convenience stores	20	\$9,519	\$475,950	43	\$221,372			
4452	Specialty food stores	38	\$29,912	\$787,158	248	\$120,613	98	\$5,927	\$60,480
4453	Beer, wine, and liquor stores	67	\$87,444	\$1,305,134	321	\$272,411	32	\$4,781	\$149,406
446	Health and personal care stores	219	\$745,972	\$3,406,265	2,736	\$272,651	336	\$9,152	\$27,238
44611	Pharmacies and drug stores	97	\$626,730	\$6,461,134	1,818	\$344,736	24	\$1,234	\$51,417
44612	Cosmetics, beauty supplies, and perfume stores	46	\$144,171	\$3,134,152	1,239	\$116,361	142	\$2,270	\$15,986
44613	Optical goods stores	31	\$88,029	\$2,839,645	726	\$121,252			

AVERAGE SALES PER STORE AND PER EMPLOYEE

NAICS	DESCRIPTION	ESTABLISHMENTS WITH EMPLOYEES				ESTABLISHMENTS WITHOUT EMPLOYEES			
		ESTABLISHMENTS	SALES (000)	SALES PER ESTABLISHMENT	EMPLOYEES	SALES PER EMPLOYEE	NONEMPLOYER ESTABLISHMENTS	SALES (000)	SALES PER ESTABLISHMENT
44619	Other health and personal care stores	45	\$37,404	\$831,200	236	\$158,492	166	\$4,935	\$29,729
447	Gasoline stations	189	\$1,611,493	\$8,526,418	1,690	\$953,546	20	\$3,950	\$197,500
44711	Gasoline stations with convenience stores	179	\$6,725,359	\$37,571,838	11,870	\$566,585			
44719	Other gasoline stations	10	\$2,647,828	\$264,782,800	2,287	\$1,157,774			
448	Clothing and clothing accessories stores	347	\$557,204	\$1,605,775	4,122	\$135,178	233	\$8,016	\$34,403
4481	Clothing stores	238	\$386,824	\$1,625,311	3,325	\$116,338	154	\$5,672	\$36,831
44811	Men's clothing stores	14	\$51,750	\$3,696,429	315	\$164,286			
44812	Women's clothing stores	98	\$104,008	\$1,061,306	991	\$104,953	20	\$1,180	\$59,000
44813	Children's and infants' clothing stores	17	\$78,257	\$4,603,353	705	\$111,003	17	\$325	\$19,118
44814	Family clothing stores	58	\$193,927	\$3,343,569	1,519	\$127,668	17	\$1,006	\$59,176
44815	Clothing accessories stores	25	\$23,368	\$934,720	235	\$99,438	36	\$1,258	\$34,944
44819	Other clothing stores	26	\$85,212	\$3,277,385	763	\$111,680	57	\$1,833	\$32,158
4482	Shoe stores	63	\$74,191	\$1,177,635	504	\$147,204	7	\$442	\$63,143
4483	Jewelry, luggage, and leather goods stores	46	\$96,189	\$2,091,065	293	\$328,290	72	\$1,902	\$26,417
44831	Jewelry stores	43	\$253,520	\$5,895,814	1,067	\$237,601	71	\$1,888	\$26,592
44832	Luggage and leather goods stores	3	\$3,080	\$1,026,667	41	\$75,122			
451	Sporting goods, hobby, musical instrument, and book stores	138	\$276,145	\$2,001,051	1,744	\$158,340	126	\$5,861	\$46,516

AVERAGE SALES PER STORE AND PER EMPLOYEE

NAICS DESCRIPTION		ESTABLISHMENTS WITH EMPLOYEES				ESTABLISHMENTS WITHOUT EMPLOYEES			
		ESTABLISHMENTS	SALES (000)	SALES PER ESTABLISHMENT	EMPLOYEES	SALES PER EMPLOYEE	NONEMPLOYER ESTABLISHMENTS	SALES (000)	SALES PER ESTABLISHMENT
4511	Sporting goods, hobby, and musical instrument stores	124	\$251,951	\$2,031,863	1,574	\$160,071	93	\$4,687	\$50,398
45111	Sporting goods stores	59	\$153,683	\$2,604,797	787	\$195,277	33	\$2,795	\$84,697
45112	Hobby, toy, and game stores	32	\$66,004	\$2,062,625	480	\$137,508	27	\$1,236	\$45,778
45113	Sewing, needlework, and piece goods stores	16	\$35,548	\$2,221,750	428	\$83,056	28	\$414	\$14,786
45114	Musical instrument and supplies stores	17	\$49,103	\$2,888,412	332	\$147,901	5	\$242	\$48,400
4512	Book stores and news dealers	14	\$24,194	\$1,728,143	170	\$142,318	33	\$1,174	\$35,576
452	General merchandise stores	115	\$9,197,115	\$79,974,913	40,799	\$225,425	81	\$3,465	\$42,778
4521	Department stores	23	\$1,290,959	\$56,128,652	7,390	\$174,690			
4529	Other general merchandise stores	92	\$7,906,156	\$85,936,478	33,409	\$236,647			
45291	Warehouse clubs and supercenters	14							
45299	All other general merchandise stores	78							
453	Miscellaneous store retailers	275	\$1,266,449	\$4,605,269	8,584	\$147,536	511	\$23,083	\$45,172
4531	Florists	36	\$11,243	\$312,306	156	\$72,071	27	\$1,079	\$39,963
4532	Office supplies, stationery, and gift stores	75	\$75,843	\$1,011,240	627	\$120,962	106	\$2,509	\$23,670
45321	Office supplies and stationery stores	21	\$220,320	\$10,491,429	1,072	\$205,522			
45322	Gift, novelty, and souvenir stores	54	\$131,009	\$2,426,093	1,506	\$86,991	95	\$1,942	\$20,442
4533	Used merchandise stores	53	\$33,164	\$625,736	462	\$71,784	123	\$3,079	\$25,033

AVERAGE SALES PER STORE AND PER EMPLOYEE

NAICS DESCRIPTION		ESTABLISHMENTS WITH EMPLOYEES				ESTABLISHMENTS WITHOUT EMPLOYEES			
		ESTABLISHMENTS	SALES (000)	SALES PER ESTABLISHMENT	EMPLOYEES	SALES PER EMPLOYEE	NONEMPLOYER ESTABLISHMENTS	SALES (000)	SALES PER ESTABLISHMENT
4539	Other miscellaneous store retailers	111	\$721,608	\$6,500,973	3,007	\$239,976	255	\$16,416	\$64,376
45391	Pet and pet supplies stores	27	\$142,476	\$5,276,889	4,645	\$30,673	13	\$599	\$46,077
45392	Art dealers	3	\$2,930	\$976,667	26	\$112,692			
45393	Manufactured (mobile) home dealers	9	\$33,619	\$3,735,444	82	\$409,988	7	\$271	\$38,714
45399	All other miscellaneous store retailers	72	\$465,074	\$6,459,361	1,741	\$267,130	210	\$14,888	\$70,895
454	Nonstore retailers	112	\$185,214	\$1,653,696	832	\$222,613	1,774	\$45,623	\$25,718
4541	Electronic shopping and mail-order houses	47	\$108,541	\$2,309,383	411	\$264,090	216	\$9,978	\$46,194
4542	Vending machine operators	10	\$27,190	\$2,719,000	178	\$152,753	73	\$3,751	\$51,384
4543	Direct selling establishments	55	\$49,483	\$899,691	243	\$203,634	1,485	\$31,894	\$21,477
45431	Fuel dealers	3	\$148,195	\$49,398,333	611	\$242,545			
45439	Other direct selling establishments	52	\$190,149	\$3,656,712	994	\$191,297	1,483	\$31,478	\$21,226

NUMBER OF RETAIL ESTABLISHMENTS

NAICS	DESCRIPTION	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	CHANGE	PCT.
44-45	Retail trade	2,393	2,382	2,331	2,317	2,312	2,302	2,308	2,313	2,322	2,337	2,332	-61	-2.5%
441	Motor vehicle and parts dealers	311	316	294	286	285	289	292	302	291	287	296	-15	-4.8%
4411	Automobile dealers	120	117	116	106	107	112	114	116	108	112	111	-9	-7.5%
44111	New car dealers	57	53	51	44	42	39	42	42	40	41	38	-19	-33.3%
44112	Used car dealers	63	64	65	62	65	73	72	74	68	71	73	10	15.9%
4412	Other motor vehicle dealers	41	41	35	30	29	30	37	37	31	27	28	-13	-31.7%
44121	Recreational vehicle dealers	5	5	5	3	4	3	8	9	7	5	5	0	0.0%
44122	Motorcycle, boat, and other motor vehicle dealers	36	36	30	27	25	27	29	28	24	22	23	-13	-36.1%
4413	Automotive parts, accessories, and tire stores	150	158	143	150	149	147	141	149	152	148	157	7	4.7%
44131	Automotive parts and accessories stores	105	107	103	98	101	101	91	93	95	91	97	-8	-7.6%
44132	Tire dealers	45	51	40	52	48	46	50	56	57	57	60	15	33.3%
442	Furniture and home furnishings stores	137	142	140	130	125	120	119	123	124	121	120	-17	-12.4%
4421	Furniture stores	61	61	55	49	47	45	46	50	49	45	41	-20	-32.8%
4422	Home furnishings stores	76	81	85	81	78	75	73	73	75	76	79	3	3.9%
44221	Floor covering stores	28	30	33	32	32	33	29	30	28	27	29	1	3.6%
44229	Other home furnishings stores	48	51	52	49	46	42	44	43	47	49	50	2	4.2%
443	Electronics and appliance stores	126	130	113	123	127	132	140	132	115	120	109	-17	-13.5%
444	Building material and garden equipment and supplies dealers	177	169	177	182	177	166	161	158	161	163	162	-15	-8.5%
4441	Building material and supplies dealers	138	137	149	155	152	138	135	134	139	141	139	1	0.7%
44411	Home centers	18	16	20	22	20	20	17	17	18	18	17	-1	-5.6%
44412	Paint and wallpaper stores	19	22	22	23	22	20	22	20	20	20	21	2	10.5%
44413	Hardware stores	21	17	25	25	25	26	24	25	26	26	28	7	33.3%

NUMBER OF RETAIL ESTABLISHMENTS (CONTINUED)

NAICS	DESCRIPTION	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	CHANGE	PCT.
44419	Other building material dealers	80	82	82	85	85	72	72	72	75	77	73	-7	-8.8%
4442	Lawn and garden equipment and supplies stores	39	32	28	27	25	28	26	24	22	22	23	-16	-41.0%
44421	Outdoor power equipment stores	13	13	12	11	10	10	7	6	6	6	7	-6	-46.2%
44422	Nursery, garden center, and farm supply stores	26	19	16	16	15	18	19	18	16	16	16	-10	-38.5%
445	Food and beverage stores	211	218	188	195	199	207	202	208	217	233	236	25	11.8%
4451	Grocery stores	117	118	93	97	98	101	100	102	107	112	119	2	1.7%
44511	Supermarkets and other grocery (except convenience) stores	79	88	73	76	78	81	82	82	83	93	94	15	19.0%
44512	Convenience stores	38	30	20	21	20	20	18	20	24	19	25	-13	-34.2%
4452	Specialty food stores	42	48	42	38	39	39	36	37	34	38	32	-10	-23.8%
44521	Meat markets	9	8	8	11	11	11	9	10	8	8	6	-3	-33.3%
44523	Fruit and vegetable markets	5	5	4	4	4	4	4	4	4	1	4	-1	-20.0%
44529	Other specialty food stores	28	35	30	23	24	24	23	23	22	25	22	-6	-21.4%
445291	Baked goods stores	11	14	11	10	8	6	7	5	4	6	5	-6	-54.5%
445292	Confectionery and nut stores	5	5	6	5	5	7	9	8	9	9	7	2	40.0%
445299	All other specialty food stores	12	16	13	8	11	11	7	10	9	10	10	-2	-16.7%
4453	Beer, wine, and liquor stores	52	52	53	60	62	67	66	69	76	83	85	33	63.5%
446	Health and personal care stores	215	214	213	210	206	216	222	209	214	214	225	10	4.7%
44611	Pharmacies and drug stores	103	100	97	98	86	98	97	81	85	85	103	0	0.0%
44612	Cosmetics, beauty supplies, and perfume stores	45	43	43	41	43	42	46	45	47	51	49	4	8.9%
44613	Optical goods stores	25	26	27	27	29	29	31	31	29	27	27	2	8.0%
44619	Other health and personal care stores	42	45	46	44	48	47	48	52	53	51	46	4	9.5%

NUMBER OF RETAIL ESTABLISHMENTS (CONTINUED)

NAICS	DESCRIPTION	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	CHANGE	PCT.
447	Gasoline stations	199	176	187	188	194	189	190	194	196	201	195	-4	-2.0%
44711	Gasoline stations with convenience stores	186	166	175	177	182	179	181	185	186	192	186	0	0.0%
44719	Other gasoline stations	13	10	12	11	12	10	9	9	10	9	9	-4	-30.8%
448	Clothing and clothing accessories stores	346	353	350	339	355	348	342	337	345	345	329	-17	-4.9%
4481	Clothing stores	219	230	226	228	242	238	235	235	245	244	231	12	5.5%
44811	Men's clothing stores	22	23	15	14	13	13	13	13	15	14	12	-10	-45.5%
44812	Women's clothing stores	82	93	94	93	98	97	105	97	105	99	93	11	13.4%
44813	Children's and infants' clothing stores	16	15	16	14	17	18	16	15	16	20	17	1	6.3%
44814	Family clothing stores	58	58	59	62	67	62	51	55	57	57	61	3	5.2%
44815	Clothing accessories stores	18	18	21	25	26	25	25	27	25	26	25	7	38.9%
44819	Other clothing stores	23	23	21	20	21	23	25	28	27	28	23	0	0.0%
4482	Shoe stores	61	59	64	61	60	61	62	59	58	59	56	-5	-8.2%
4483	Jewelry, luggage, and leather goods stores	66	64	60	50	53	49	45	43	42	42	42	-24	-36.4%
44831	Jewelry stores	61	60	57	47	50	46	43	41	38	39	39	-22	-36.1%
44832	Luggage and leather goods stores	5	4	3	3	3	3	2	2	4	3	3	-2	-40.0%
451	Sporting goods, hobby, musical instrument, and book stores	152	150	138	136	139	141	133	132	125	134	134	-18	-11.8%
4511	Sporting goods, hobby, and musical instrument stores	130	129	118	116	120	122	119	119	113	121	121	-9	-6.9%
45111	Sporting goods stores	60	56	52	52	55	56	57	58	55	60	63	3	5.0%
45112	Hobby, toy, and game stores	34	36	32	32	33	33	32	31	31	32	30	-4	-11.8%
45113	Sewing, needlework, and piece goods stores	17	17	17	16	16	17	16	16	13	12	11	-6	-35.3%
45114	Musical instrument and supplies stores	19	20	17	16	16	16	14	14	14	17	17	-2	-10.5%
4512	Book stores and news dealers	22	21	20	20	19	19	14	13	12	13	13	-9	-40.9%

NUMBER OF RETAIL ESTABLISHMENTS (CONTINUED)

NAICS	DESCRIPTION	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	CHANGE	PCT.	
452	General merchandise stores	117	114	108	115	112	113	114	115	124	124	126	9	7.7%	
4521	Department stores	24	21	20	21	21	21	23	23	23	23	23	-1	-4.2%	
4529	Other general merchandise stores	93	93	88	94	91	92	91	92	101	101	103	10	10.8%	
45291	Warehouse clubs and supercenters	9	9	12	12	12	13	14	14	14	14	15	16	7	77.8%
45299	All other general merchandise stores	84	84	76	82	79	79	77	78	87	86	87	3	3.6%	
453	Miscellaneous store retailers	312	315	310	308	291	278	278	284	295	284	280	-32	-10.3%	
4531	Florists	49	50	44	39	33	32	33	38	38	30	27	-22	-44.9%	
4532	Office supplies, stationery, and gift stores	88	93	91	90	86	80	78	74	67	65	64	-24	-27.3%	
45321	Office supplies and stationery stores	23	23	25	25	23	24	21	18	18	17	19	-4	-17.4%	
45322	Gift, novelty, and souvenir stores	65	70	66	65	63	56	57	56	49	48	45	-20	-30.8%	
4533	Used merchandise stores	53	54	55	56	53	56	53	49	49	48	51	-2	-3.8%	
4539	Other miscellaneous store retailers	122	118	120	123	119	110	114	123	141	141	138	16	13.1%	
45391	Pet and pet supplies stores	23	20	26	29	26	26	27	24	26	25	26	3	13.0%	
45392	Art dealers	4	3	4	4	4	2	2	2	2	2	2	-2	-50.0%	
45393	Manufactured (mobile) home dealers	10	11	10	10	8	8	8	9	9	9	9	-1	-10.0%	
45399	All other miscellaneous store retailers	85	84	80	80	81	74	77	88	104	105	101	16	18.8%	
453991	Tobacco stores	24	21	21	21	22	19	32	34	43	42	40	16	66.7%	
453998	All other miscellaneous store retailers (except tobacco stores)	61	63	59	59	59	55	45	54	61	63	61	0	0.0%	
454	Nonstore retailers	90	85	113	105	102	103	115	119	115	111	120	30	33.3%	
4541	Electronic shopping and mail-order houses	35	39	45	43	40	40	48	54	46	45	47	12	34.3%	
4542	Vending machine operators	13	11	11	10	12	12	10	10	13	14	11	-2	-15.4%	
4543	Direct selling establishments	42	35	57	52	50	51	57	55	56	52	62	20	47.6%	
45431	Fuel dealers	3	3	2	4	3	3	3	4	3	2	3	0	0.0%	
45439	Other direct selling establishments	39	32	55	48	47	48	54	51	53	50	59	20	51.3%	

NUMBER OF RETAIL EMPLOYEES

		2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	CHANGE	PCT.
44-45	Retail trade	39,390	38,809	38,248	37,386	36,583	36,848	36,485	37,521	39,118	40,140	41,617	2,227	5.7%
441	Motor vehicle and parts dealers	5,296	5,214	5,255	4,626	4,722	4,831	4,750	5,123	5,500	5,490	5,801	505	9.5%
4411	Automobile dealers	3,666	3,444	3,491	3,050	3,165	3,231	3,162	3,407	3,697	3,689	3,890	224	6.1%
44111	New car dealers	3,395	3,092	3,132	2,647	2,743	2,705	2,735	2,949	3,171	3,199	3,347	-48	-1.4%
44112	Used car dealers	271	352	359	403	422	526	427	458	526	490	543	272	100.4%
4412	Other motor vehicle dealers	364	341	336	307	270	286	351	380	388	380	417	53	14.6%
44121	Recreational vehicle dealers	56	40	46		34			113	149	148	177	121	216.1%
44122	Motorcycle, boat, and other motor vehicle dealers	308	301	290	272	236	247	245	267	239	232	240	-68	-22.1%
4413	Automotive parts, accessories, and tire stores	1,266	1,429	1,428	1,269	1,287	1,314	1,237	1,336	1,415	1,421	1,494	228	18.0%
44131	Automotive parts and accessories stores	873	1,007	896	861	890	900	806	858	924	925	961	88	10.1%
44132	Tire dealers	393	422	532	408	397	414	431	478	491	496	533	140	35.6%
442	Furniture and home furnishings stores	1,919	2,089	1,977	1,526	1,487	1,463	1,274	1,324	1,416	1,325	1,480	-439	-22.9%
4421	Furniture stores	1,070	1,094	1,057	742	773	740	607	664	711	596	777	-293	-27.4%
4422	Home furnishings stores	849	995	920	784	714	723	667	660	705	729	703	-146	-17.2%
44221	Floor covering stores	209	194	290	266	238	234	193	204	219	216	226	17	8.1%
44229	Other home furnishings stores	640	801	630	518	476	489	474	456	486	513	477	-163	-25.5%
443	Electronics and appliance stores	1,436	1,456	1,254	1,586	1,444	1,404	1,392	1,349	1,402	1,564	1,415	-21	-1.5%
444	Building material and garden equipment and supplies dealers	3,257	3,237	3,372	3,276	3,140	3,145	2,971	3,149	3,160	3,201	3,376	119	3.7%
4441	Building material and supplies dealers	2,915	2,966	3,137	3,052	2,917	2,889	2,729	2,889	2,917	2,938	3,117	202	6.9%
44411	Home centers	1,415									1,878	2,068	653	46.1%
44412	Paint and wallpaper stores	135									98	97	-38	-28.1%
44413	Hardware stores	239	171	229	205	235	178	343	212	230	231	232	-7	-2.9%

NUMBER OF RETAIL EMPLOYEES (CONTINUED)

		2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	CHANGE	PCT.
44419	Other building material dealers	1,126	1,102	1,002	968	870	826	714	683	733	731	720	-406	-36.1%
4442	Lawn and garden equipment and supplies stores	342	271	235	224	223	256	242	260	243	263	259	-83	-24.3%
44421	Outdoor power equipment stores	76	73	72		57	55	40	41	38	42	45	-31	-40.8%
44422	Nursery, garden center, and farm supply stores	266	198	163	168	166	201	202	219	205	221	214	-52	-19.5%
445	Food and beverage stores	5,051	4,998	4,646	4,878	4,946	4,871	4,682	5,276	5,585	5,983	6,355	1,304	25.8%
4451	Grocery stores	4,580	4,514	4,227	4,453	4,494	4,379	4,132	4,640	4,939	5,221	5,574	994	21.7%
44511	Supermarkets and other grocery (except convenience) stores	4,442	4,427	4,172	4,408	4,443	4,319	4,093	4,582	4,856	5,175	5,514	1,072	24.1%
44512	Convenience stores	138	87		45	51	60	39	58	83	46	60	-78	-56.5%
4452	Specialty food stores	229	227	189	162	171	194	217	272	279	354	352	123	53.7%
44521	Meat markets	76	68	72	71	75	97	121	123	128	124	133	57	75.0%
44523	Fruit and vegetable markets							1	9			11		
44529	Other specialty food stores		142	103	79	84	89	95	140	142	222	208		
445291	Baked goods stores		35			28								
445292	Confectionery and nut stores		29	23	26	22				60	53	51		
445299	All other specialty food stores	65	78	48	33			34	61	67	84	82	17	26.2%
4453	Beer, wine, and liquor stores	242	257	230	263	281	298	333	364	367	408	429	187	77.3%
446	Health and personal care stores	2,891	2,611	2,547	2,519	2,440	2,588	2,855	2,673	2,678	2,661	2,658	-233	-8.1%
44611	Pharmacies and drug stores	2,211	1,921	1,810	1,756	1,609	1,698	1,941	1,734	1,693	1,666	1,661	-550	-24.9%
44612	Cosmetics, beauty supplies, and perfume stores	257	285	278	320	359	379	356	356	407	416	482	225	87.5%
44613	Optical goods stores	195	160	183	173	189	233	306	296	223	248	178	-17	-8.7%
44619	Other health and personal care stores	228	245	276	270	283	278	252	287	355	331	337	109	47.8%

NUMBER OF RETAIL EMPLOYEES (CONTINUED)

		2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	CHANGE	PCT.
447	Gasoline stations	2,284		2,122	1,856	2,107	1,732	1,752	2,393	2,662	2,947	3,340	1,056	46.2%
44711	Gasoline stations with convenience stores	2,182		1,935	1,680	1,901	1,622	1,635	2,248	2,495	2,764	3,144	962	44.1%
44719	Other gasoline stations	102	101			206	110	117	145	167	183	196	94	92.2%
448	Clothing and clothing accessories stores	4,189	4,146	3,878	3,736	3,933	4,099	3,993	4,009	4,208	4,190	4,145	-44	-1.1%
4481	Clothing stores	3,212	3,215	3,057	2,920	3,115	3,285	3,257	3,314	3,374	3,337	3,298	86	2.7%
44811	Men's clothing stores	439	286	70	62	58	63	60	69	112	74	66	-373	-85.0%
44812	Women's clothing stores	932	956	978	914	904	1,064	1,165	973	971	967	970	38	4.1%
44813	Children's and infants' clothing stores	212	240	238	213	234	284	256	255	253	188	185	-27	-12.7%
44814	Family clothing stores	1,348	1,388	1,485	1,386	1,513	1,465	1,312	1,510	1,526	1,596	1,598	250	18.5%
44815	Clothing accessories stores	116	147	133	161	191	194	236	243	225	221	219	103	88.8%
44819	Other clothing stores	165	198	153	184	215	215	228	264	287	291	260	95	57.6%
4482	Shoe stores	454	448	462	467	470	472	449	396	491	514	526	72	15.9%
4483	Jewelry, luggage, and leather goods stores	523	483	359	349	348	342	287	299	343	339	321	-202	-38.6%
44831	Jewelry stores		462	344	334	334	329	278	295	335	330	316		
44832	Luggage and leather goods stores													
451	Sporting goods, hobby, musical instrument, and book stores	2,024	2,045	1,965	1,919	1,831	1,805	1,827	1,761	1,815	1,723	1,786	-238	-11.8%
4511	Sporting goods, hobby, and musical instrument stores	1,729	1,715	1,666	1,622	1,588	1,560	1,625	1,602	1,636	1,536	1,590	-139	-8.0%
45111	Sporting goods stores	853	887	775	789	766	752	800	830	790	775	847	-6	-0.7%
45112	Hobby, toy, and game stores	552	502	490	432	476	437	487	471	564	499	491	-61	-11.1%
45113	Sewing, needlework, and piece goods stores	195	224	198	206	152					112	101	-94	-48.2%
45114	Musical instrument and supplies stores	129	102	203	195	194	182	194	150	154	150	151	22	17.1%
4512	Book stores and news dealers	295	330	299	297	243	245				187	196	-99	-33.6%

NUMBER OF RETAIL EMPLOYEES (CONTINUED)

		2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	CHANGE	PCT.
452	General merchandise stores	8,048	7,965	8,039	8,529	7,685	8,143	8,105	7,656	7,728	8,030	8,093	45	0.6%
4521	Department stores	3,242	3,372	2,307	2,379	2,299	2,604	2,459	2,299	2,415	2,411	2,228	-1,014	-31.3%
4529	Other general merchandise stores	4,806	4,593								5,619	5,865	1,059	22.0%
45291	Warehouse clubs and supercenters													
45299	All other general merchandise stores		805	644	751	732	812	676	714	785	819	860		
453	Miscellaneous store retailers	2,459	2,516	2,255	2,197	2,164	2,082	2,148	2,024	2,167	2,266	2,225	-234	-9.5%
4531	Florists	205	223	235	172	153	128		159	156	156	135	-70	-34.1%
4532	Office supplies, stationery, and gift stores	750	795	713	687	681	594	653	606	594	577	569	-181	-24.1%
45321	Office supplies and stationery stores	315	339	284	251	244	230	212	200	201	205	214	-101	-32.1%
45322	Gift, novelty, and souvenir stores	435	456	429	436	437	364	441	406	393	372	355	-80	-18.4%
4533	Used merchandise stores	478	523	394	406	455	446	465	408	370	453	452	-26	-5.4%
4539	Other miscellaneous store retailers	1,026	975	913	932	875	914	880	851	1,047	1,080	1,069	43	4.2%
45391	Pet and pet supplies stores		312	295	334	321	330	350	297	321	319	339		
45392	Art dealers													
45393	Manufactured (mobile) home dealers		91	64	64	62	63	72	95	73	65	65		
45399	All other miscellaneous store retailers	653	571	547	525	483	520	454	455	650	693	662	9	1.4%
453991	Tobacco stores	206	188	171	177	164	161	183	173	222	228	216	10	4.9%
453998	All other miscellaneous store retailers (except tobacco stores)	447	383	376	348	319	359	271	282	428	465	446	-1	-0.2%
454	Nonstore retailers	536	510		738	684	685	736	784	797	760	943	407	75.9%
4541	Electronic shopping and mail-order houses	237							407	380	288	446	209	88.2%
4542	Vending machine operators		31				160		189		252	233		
4543	Direct selling establishments		213	273	280		268	268	188	214	220	264		
45431	Fuel dealers				24	22	25					29		

POPULATION THRESHOLDS FOR RETAIL STORES

NAICS	DESCRIPTION	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	CHANGE	PCT
44-45	Retail trade	241	246	254	260	262	264	266	270	272	274	277	35	14.7%
441	Motor vehicle and parts dealers	1,856	1,853	2,015	2,105	2,123	2,106	2,106	2,065	2,166	2,227	2,179	323	17.4%
4411	Automobile dealers	4,811	5,003	5,107	5,679	5,656	5,435	5,393	5,375	5,837	5,708	5,811	1,001	20.8%
44111	New car dealers	10,128	11,045	11,616	13,681	14,409	15,608	14,638	14,845	15,761	15,591	16,975	6,847	67.6%
44112	Used car dealers	9,163	9,147	9,114	9,709	9,311	8,338	8,539	8,426	9,271	9,003	8,836	-327	-3.6%
4412	Other motor vehicle dealers	14,080	14,278	16,926	20,065	20,869	20,290	16,617	16,851	20,336	23,676	23,037	8,957	63.6%
44121	Recreational vehicle dealers	115,454	117,081	118,481	200,654	151,299	202,900	76,852	69,276	90,061	127,848	129,008	13,554	11.7%
44122	Motorcycle, boat, and other motor vehicle dealers	16,035	16,261	19,747	22,295	24,208	22,544	21,200	22,267	26,268	29,056	28,045	12,010	74.9%
4413	Automotive parts, accessories, and tire stores	3,848	3,705	4,143	4,013	4,062	4,141	4,360	4,184	4,148	4,319	4,109	260	6.8%
44131	Automotive parts and accessories stores	5,498	5,471	5,752	6,142	5,992	6,027	6,756	6,704	6,636	7,025	6,650	1,152	21.0%
44132	Tire dealers	12,828	11,479	14,810	11,576	12,608	13,233	12,296	11,134	11,060	11,215	10,751	-2,078	-16.2%
442	Furniture and home furnishings stores	4,214	4,123	4,231	4,630	4,842	5,073	5,167	5,069	5,084	5,283	5,375	1,162	27.6%
4421	Furniture stores	9,463	9,597	10,771	12,285	12,877	13,527	13,366	12,470	12,866	14,205	15,733	6,269	66.2%
4422	Home furnishings stores	7,596	7,227	6,969	7,432	7,759	8,116	8,422	8,541	8,406	8,411	8,165	569	7.5%
44221	Floor covering stores	20,617	19,514	17,952	18,811	18,912	18,445	21,200	20,783	22,515	23,676	22,243	1,626	7.9%
44229	Other home furnishings stores	12,026	11,479	11,392	12,285	13,156	14,493	13,973	14,500	13,413	13,046	12,901	874	7.3%
443	Electronics and appliance stores	4,582	4,503	5,243	4,894	4,765	4,611	4,392	4,723	5,482	5,327	5,918	1,336	29.2%
444	Building material and garden equipment and supplies dealers	3,261	3,464	3,347	3,307	3,419	3,667	3,819	3,946	3,916	3,922	3,982	720	22.1%
4441	Building material and supplies dealers	4,183	4,273	3,976	3,884	3,982	4,411	4,554	4,653	4,535	4,534	4,641	457	10.9%
44411	Home centers	32,071	36,588	29,620	27,362	30,260	30,435	36,166	36,676	35,024	35,513	37,944	5,873	18.3%
44412	Paint and wallpaper stores	30,383	26,609	26,928	26,172	27,509	30,435	27,946	31,174	31,521	31,962	30,716	334	1.1%
44413	Hardware stores	27,489	34,436	23,696	24,078	24,208	23,412	25,617	24,940	24,247	24,586	23,037	-4,452	-16.2%

POPULATION THRESHOLDS FOR RETAIL STORES (CONTINUED)

NAICS	DESCRIPTION	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	CHANGE	PCT
44419	Other building material dealers	7,216	7,139	7,224	7,082	7,120	8,454	8,539	8,660	8,406	8,302	8,836	1,620	22.5%
4442	Lawn and garden equipment and supplies stores	14,802	18,294	21,157	22,295	24,208	21,739	23,647	25,979	28,656	29,056	28,045	13,243	89.5%
44421	Outdoor power equipment stores	44,405	45,031	49,367	54,724	60,520	60,870	87,831	103,915	105,071	106,540	92,149	47,743	107.5%
44422	Nursery, garden center, and farm supply stores	22,203	30,811	37,025	37,623	40,346	33,817	32,359	34,638	39,402	39,953	40,315	18,112	81.6%
445	Food and beverage stores	2,736	2,685	3,151	3,087	3,041	2,941	3,044	2,998	2,905	2,744	2,733	-3	-0.1%
4451	Grocery stores	4,934	4,961	6,370	6,206	6,175	6,027	6,148	6,113	5,892	5,708	5,421	487	9.9%
44511	Supermarkets and other grocery (except convenience) stores	7,307	6,652	8,115	7,921	7,759	7,515	7,498	7,604	7,596	6,874	6,862	-445	-6.1%
44512	Convenience stores	15,191	19,514	29,620	28,665	30,260	30,435	34,156	31,174	26,268	33,644	25,802	10,610	69.8%
4452	Specialty food stores	13,745	12,196	14,105	15,841	15,518	15,608	17,078	16,851	18,542	16,822	20,158	6,413	46.7%
44521	Meat markets	64,141	73,176	74,051	54,724	55,018	55,336	68,313	62,349	78,804	79,905	107,507	43,366	67.6%
44523	Fruit and vegetable markets	115,454	117,081	148,102	150,490	151,299	152,175	153,704	155,872	157,607	639,242	161,261	45,806	39.7%
44529	Other specialty food stores	20,617	16,726	19,747	26,172	25,217	25,363	26,731	27,108	28,656	25,570	29,320	8,703	42.2%
445291	Baked goods stores	52,479	41,815	53,855	60,196	75,650	101,450	87,831	124,698	157,607	106,540	129,008	76,529	145.8%
445292	Confectionery and nut stores	115,454	117,081	98,734	120,392	121,039	86,957	68,313	77,936	70,048	71,027	92,149	-23,305	-20.2%
445299	All other specialty food stores	48,106	36,588	45,570	75,245	55,018	55,336	87,831	62,349	70,048	63,924	64,504	16,398	34.1%
4453	Beer, wine, and liquor stores	11,101	11,258	11,177	10,033	9,761	9,085	9,315	9,036	8,295	7,702	7,589	-3,513	-31.6%
446	Health and personal care stores	2,685	2,736	2,781	2,866	2,938	2,818	2,769	2,983	2,946	2,987	2,867	182	6.8%
44611	Pharmacies and drug stores	5,605	5,854	6,107	6,142	7,037	6,211	6,338	7,697	7,417	7,520	6,263	658	11.7%
44612	Cosmetics, beauty supplies, and perfume stores	12,828	13,614	13,777	14,682	14,074	14,493	13,366	13,855	13,413	12,534	13,164	336	2.6%
44613	Optical goods stores	23,091	22,516	21,941	22,295	20,869	20,990	19,833	20,113	21,739	23,676	23,890	800	3.5%
44619	Other health and personal care stores	13,745	13,009	12,878	13,681	12,608	12,951	12,809	11,990	11,895	12,534	14,023	278	2.0%

POPULATION THRESHOLDS FOR RETAIL STORES (CONTINUED)

NAICS	DESCRIPTION	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	CHANGE	PCT
447	Gasoline stations	2,901	3,326	3,168	3,202	3,120	3,221	3,236	3,214	3,216	3,180	3,308	407	14.0%
44711	Gasoline stations with convenience stores	3,104	3,527	3,385	3,401	3,325	3,401	3,397	3,370	3,389	3,329	3,468	364	11.7%
44719	Other gasoline stations	44,405	58,541	49,367	54,724	50,433	60,870	68,313	69,276	63,043	71,027	71,671	27,266	61.4%
448	Clothing and clothing accessories stores	1,668	1,658	1,693	1,776	1,705	1,749	1,798	1,850	1,827	1,853	1,961	292	17.5%
4481	Clothing stores	2,636	2,545	2,621	2,640	2,501	2,558	2,616	2,653	2,573	2,620	2,792	156	5.9%
44811	Men's clothing stores	26,240	25,452	39,494	42,997	46,554	46,823	47,293	47,961	42,029	45,660	53,754	27,514	104.9%
44812	Women's clothing stores	7,040	6,295	6,302	6,473	6,175	6,275	5,855	6,428	6,004	6,457	6,936	-104	-1.5%
44813	Children's and infants' clothing stores	36,079	39,027	37,025	42,997	35,600	33,817	38,426	41,566	39,402	31,962	37,944	1,864	5.2%
44814	Family clothing stores	9,953	10,093	10,041	9,709	9,033	9,818	12,055	11,336	11,060	11,215	10,574	622	6.2%
44815	Clothing accessories stores	32,071	32,523	28,210	24,078	23,277	24,348	24,593	23,092	25,217	24,586	25,802	-6,269	-19.5%
44819	Other clothing stores	25,099	25,452	28,210	30,098	28,819	26,465	24,593	22,267	23,349	22,830	28,045	2,947	11.7%
4482	Shoe stores	9,463	9,922	9,256	9,868	10,087	9,979	9,916	10,568	10,869	10,835	11,519	2,055	21.7%
4483	Jewelry, luggage, and leather goods stores	8,747	9,147	9,873	12,039	11,419	12,422	13,663	14,500	15,010	15,220	15,358	6,612	75.6%
44831	Jewelry stores	9,463	9,757	10,393	12,808	12,104	13,233	14,298	15,207	16,590	16,391	16,540	7,076	74.8%
44832	Luggage and leather goods stores	115,454	146,352	197,469	200,654	201,732	202,900	307,407	311,744	157,607	213,081	215,014	99,560	86.2%
451	Sporting goods, hobby, musical instrument, and book stores	3,798	3,903	4,293	4,426	4,354	4,317	4,623	4,723	5,043	4,770	4,814	1,016	26.7%
4511	Sporting goods, hobby, and musical instrument stores	4,441	4,538	5,020	5,189	5,043	4,989	5,167	5,239	5,579	5,283	5,331	890	20.1%
45111	Sporting goods stores	9,621	10,454	11,392	11,576	11,004	10,870	10,786	10,750	11,462	10,654	10,239	618	6.4%
45112	Hobby, toy, and game stores	16,979	16,261	18,513	18,811	18,339	18,445	19,213	20,113	20,336	19,976	21,501	4,523	26.6%
45113	Sewing, needlework, and piece goods stores	33,957	34,436	34,847	37,623	37,825	35,806	38,426	38,968	48,494	53,270	58,640	24,683	72.7%
45114	Musical instrument and supplies stores	30,383	29,270	34,847	37,623	37,825	38,044	43,915	44,535	45,031	37,602	37,944	7,561	24.9%
4512	Book stores and news dealers	26,240	27,877	29,620	30,098	31,852	32,037	43,915	47,961	52,536	49,172	49,619	23,379	89.1%

POPULATION THRESHOLDS FOR RETAIL STORES (CONTINUED)

NAICS	DESCRIPTION	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	CHANGE	PCT
452	General merchandise stores	4,934	5,135	5,485	5,234	5,404	5,387	5,393	5,422	5,084	5,155	5,119	185	3.8%
4521	Department stores	24,053	27,877	29,620	28,665	28,819	28,986	26,731	27,108	27,410	27,793	28,045	3,992	16.6%
4529	Other general merchandise stores	6,207	6,295	6,732	6,404	6,651	6,616	6,756	6,777	6,242	6,329	6,263	55	0.9%
45291	Warehouse clubs and supercenters	64,141	65,045	49,367	50,163	50,433	46,823	43,915	44,535	45,031	42,616	40,315	-23,826	-37.1%
45299	All other general merchandise stores	6,872	6,969	7,795	7,341	7,661	7,705	7,985	7,993	7,246	7,433	7,414	542	7.9%
453	Miscellaneous store retailers	1,850	1,858	1,911	1,954	2,080	2,190	2,212	2,195	2,137	2,251	2,304	453	24.5%
4531	Florists	11,781	11,708	13,464	15,435	18,339	19,022	18,631	16,408	16,590	21,308	23,890	12,109	102.8%
4532	Office supplies, stationery, and gift stores	6,560	6,295	6,510	6,688	7,037	7,609	7,882	8,426	9,409	9,834	10,079	3,519	53.6%
45321	Office supplies and stationery stores	25,099	25,452	23,696	24,078	26,313	25,363	29,277	34,638	35,024	37,602	33,950	8,851	35.3%
45322	Gift, novelty, and souvenir stores	8,881	8,363	8,976	9,261	9,606	10,870	10,786	11,134	12,866	13,318	14,334	5,453	61.4%
4533	Used merchandise stores	10,892	10,841	10,771	10,749	11,419	10,870	11,600	12,724	12,866	13,318	12,648	1,756	16.1%
4539	Other miscellaneous store retailers	4,732	4,961	4,937	4,894	5,086	5,534	5,393	5,069	4,471	4,534	4,674	-58	-1.2%
45391	Pet and pet supplies stores	25,099	29,270	22,785	20,757	23,277	23,412	22,771	25,979	24,247	25,570	24,809	-289	-1.2%
45392	Art dealers	144,318	195,136	148,102	150,490	151,299	304,351	307,407	311,744	315,214	319,621	322,521	178,203	123.5%
45393	Manufactured (mobile) home dealers	57,727	53,219	59,241	60,196	75,650	76,088	76,852	69,276	70,048	71,027	71,671	13,944	24.2%
45399	All other miscellaneous store retailers	6,791	6,969	7,405	7,525	7,472	8,226	7,985	7,085	6,062	6,088	6,387	-405	-6.0%
453991	Tobacco stores	24,053	27,877	28,210	28,665	27,509	32,037	19,213	18,338	14,661	15,220	16,126	-7,927	-33.0%
453998	All other miscellaneous store retailers (except tobacco stores)	9,463	9,292	10,041	10,203	10,258	11,067	13,663	11,546	10,335	10,147	10,574	1,111	11.7%
454	Nonstore retailers	6,414	6,887	5,243	5,733	5,933	5,910	5,346	5,239	5,482	5,759	5,375	-1,039	-16.2%
4541	Electronic shopping and mail-order houses	16,493	15,010	13,165	13,999	15,130	15,218	12,809	11,546	13,705	14,205	13,724	-2,769	-16.8%
4542	Vending machine operators	44,405	53,219	53,855	60,196	50,433	50,725	61,481	62,349	48,494	45,660	58,640	14,235	32.1%
4543	Direct selling establishments	13,745	16,726	10,393	11,576	12,104	11,935	10,786	11,336	11,258	12,293	10,404	-3,341	-24.3%
45431	Fuel dealers	192,424	195,136	296,203	150,490	201,732	202,900	204,938	155,872	210,143	319,621	215,014	22,590	11.7%
45439	Other direct selling establishments	14,802	18,294	10,771	12,541	12,877	12,681	11,385	12,225	11,895	12,785	10,933	-3,869	-26.1%

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APPENDIX B: SURVEY OVERVIEW

In 2018 the City of Tulsa commissioned a Retail Market Analysis to examine general conditions for the commercial sector in all parts of the community, and to take a closer look at unique characteristics of a number of specific study areas. To gain additional insight on the thirteen commercial districts and the city as a whole, two online surveys were conducted over the period from June 5th through July 10th, 2018. The first survey was conducted in English and yielded 1,088 individual responses. The second survey was conducted in Spanish and yielded four responses. Due to the low number of Spanish language survey responses received, the results of both surveys were combined.

The overall goal of the survey is to help the City of Tulsa identify strategies to better meet its residents' local retail and dining needs. The objectives of the survey (which asked identical questions) were to: 1) better understand resident shopping and dining behaviors and 2) better understand resident perceptions of existing commercial districts and opportunities.

SURVEY RESULTS

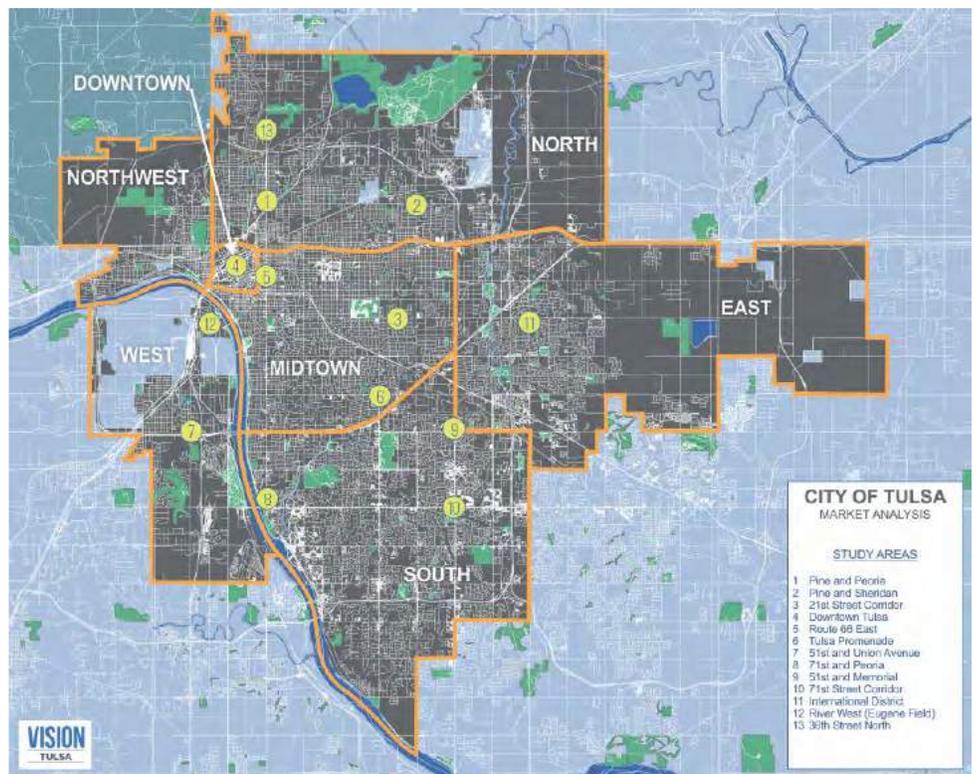
Residents were asked to provide their zip code. Survey responses were aggregated by zip code and coded into one of eight tabulation areas:

- Northwest
- North
- East
- South
- Midtown
- West
- Downtown
- Other

The intent of dividing responses into these areas was to understand if responses varied by where people lived.

The majority of survey responses were from the midtown and downtown neighborhoods, which made up half of all responses. About a third (30 percent) of responses were from respondents in the northwest and south neighborhoods. Ten percent of responses came from outside the City of Tulsa. Only six responses were received from zip codes associated with the north neighborhood.

TABULATION AREAS FOR SURVEY RESPONSES



This map depicts the survey tabulation areas along with the thirteen study areas examined in the market analysis.

On-Line Purchasing Behavior

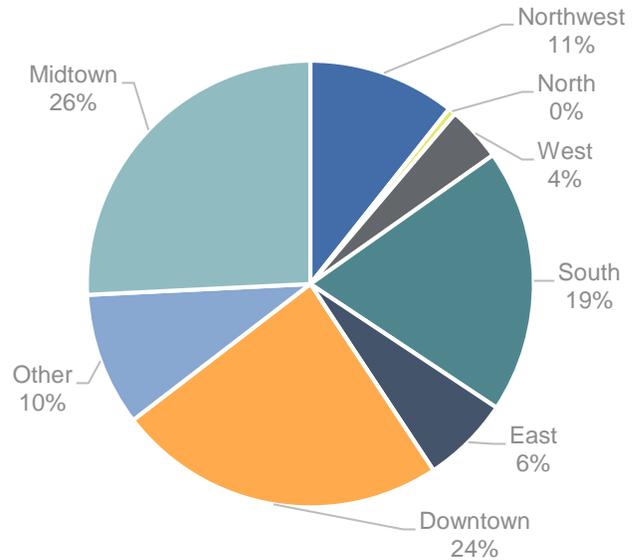
Two questions explored internet purchases, asking: 1) **What percentage of overall retail purchases do you make online?** and 2) **How often do you make online purchases of the following items?** (with several product lines listed).

One-third (33 percent) of retail purchases are done online. A large majority of residents (67 percent) indicated they never buy groceries or food on-line, while just eight percent shop online weekly for groceries. A similar pattern holds true for furniture and home décor, with 42 percent of respondents indicating they never purchase those items on-line and 49 percent of respondents indicating they purchase those items online once per year.

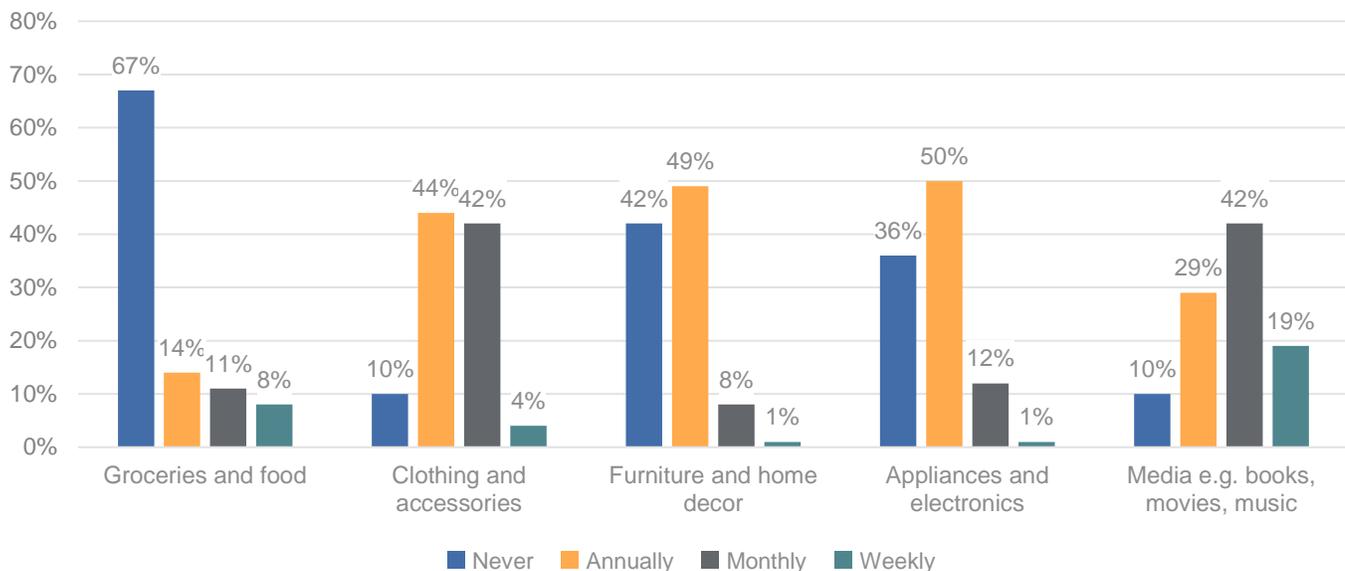
Likewise, residents tend to avoid online shopping for appliances and electronics, with 36 percent of respondents indicating they never shop for those items online and 50 percent indicating they shop online for those items on line once per year. Because appliance and electronics purchases are made less frequently than other goods, the one time per year that many people shop online may still represent a significant share of their expenditures on these items.

Clothing and accessories have a higher rate of online purchasing, with 86 percent of respondents indicating they purchase those items online either monthly or annually. The highest rate of online purchasing was for media, with 61 percent of respondents saying they made online purchases monthly or weekly.

SURVEY RESPONSES BY TABULATION AREA



FREQUENCY OF ONLINE SHOPPING BY PRODUCT LINE



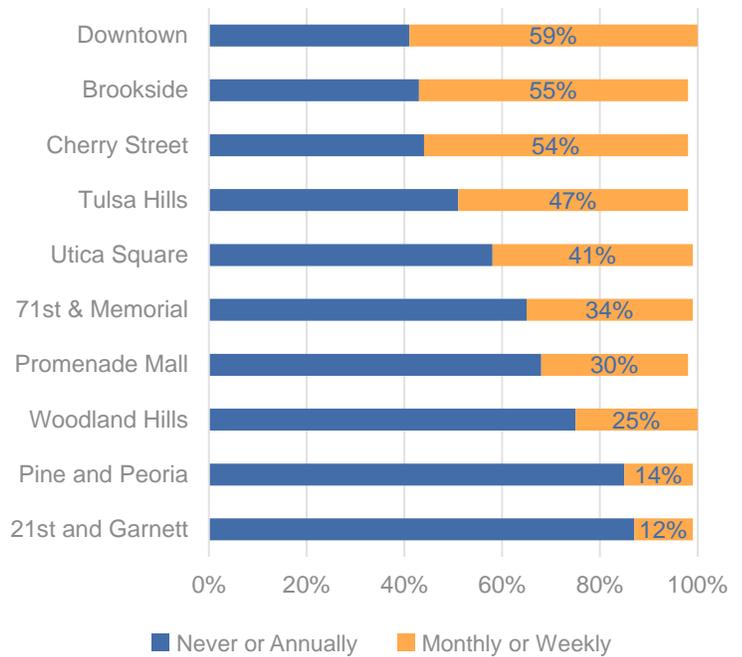
Buying Local

On average, respondents indicated that about three-fourths (76 percent) of their purchases are made within the City of Tulsa, when asked *What percentage of overall in-store purchases do you make in Tulsa city limits?*

Where Tulsans Like to Shop

The survey asked *How often do you visit the following shopping areas in Tulsa?*, listing ten districts. Downtown Tulsa is the commercial district most visited by survey respondents, but it should be remembered that nearly half live in the downtown or midtown neighborhoods. Fifty-nine percent visit downtown monthly or weekly. Over half of respondents also visit the Brookside commercial district (55 percent), and Cherry Street (54 percent) on a monthly or weekly basis. These were followed by Tulsa Hills (47 percent), Utica Square (41 percent), 71st and Memorial Drive (34 percent), and Promenade Mall (30 percent). Fewer respondents indicated they shop monthly or weekly at Woodland Hills Mall (25 percent), Pine Street and Peoria Avenue (14 percent), or 21st Street and Garnett Road (12 Percent).

SHOPPING BY COMMERCIAL AREA



The frequency of shopping area visitation varies by the respondent's neighborhood of origin. Downtown, the Brookside and Cherry Street districts, and Tulsa Hills are the most frequently visited shopping districts.

FREQUENCY OF COMMERCIAL DISTRICT VISITATION BY NEIGHBORHOOD OF ORIGIN

COMMERCIAL DISTRICT		DOWNTOWN	WOODLAND HILLS MALL	PROMENADE MALL	UTICA SQUARE	TULSA HILLS	BROOKSIDE	CHERRY STREET	71 ST STREET AND MEMORIAL DRIVE	PINE STREET AND PEORIA STREET	21 ST STREET AND GARNETT ROAD
NEIGHBORHOOD OF ORIGIN	DOWNTOWN	80%	13%	28%	69%	39%	78%	85%	18%	10%	6%
	MIDTOWN	56%	21%	43%	47%	47%	65%	61%	29%	5%	11%
	SOUTH	41%	48%	17%	36%	64%	44%	35%	68%	2%	2%
	EAST	31%	24%	31%	31%	31%	31%	31%	31%	31%	31%
	NORTH	50%	20%	50%	26%	60%	75%	50%	33%	83%	0%
	NORTHWEST	67%	20%	37%	26%	59%	44%	50%	27%	65%	14%
	WEST	44%	17%	24%	21%	98%	55%	45%	29%	7%	5%
	OTHER	55%	27%	25%	26%	54%	36%	40%	37%	13%	7%

The table above breaks out how likely respondents were to visit each of ten commercial areas based on the neighborhood in which they live. Shaded cells indicate where more than 50 percent of residents are likely to visit.

Some generalizations can be drawn from the responses. People are most likely to visit those commercial districts closest to their home. This can be seen in the preference of people from the downtown and midtown areas shopping in the downtown, Brookside, and Cherry Street, people from the southern part of Tulsa visiting Tulsa Hills and 71st Street and Memorial Drive most frequently, or people in the north and northwestern parts of Tulsa being the most likely to visit Pine Street and Peoria Avenue. The city's malls – Woodland Hills, Tulsa Promenade, and Utica Square – were among the least-visited districts. This is to be expected, as the types of goods sold in the malls are not those for which most people make frequent shopping trips. According to the International Council of Shopping Centers, the 83 percent adults in the U.S. make an average of 0.6 shopping trips per week (about 31 trips per year) for durable and discretionary items such as apparel, electronics, and furniture, which are found in malls. As these goods are sold in locations other than regional malls, only a portion of those trips would be to these three locations.

Locations Where Tulsa Residents Shop Outside of the City

An earlier question found that 76 percent of Tulsa residents' purchases were made in the city, leaving 24 percent spent elsewhere (including online). The most popular destinations for frequent shopping trips outside of the city (defined as either monthly or weekly) were Kansas City, Missouri (22 percent), Broken Arrow (21 percent), Jenks (19 percent), Oklahoma City (5 percent), and Dallas, Texas (2 percent).

Considerations in Choosing Where to Shop

To understand some of the motivations for choosing where respondents choose to shop, the survey asked: ***Which of the following priorities is most important when deciding where to shop or dine?*** Five factors were offered for consideration, and they were ranked as: 1) variety; 2) store experience; 3) price; 4) convenience; and 5) quality.

Preference for Walkable, Open Air Shopping

Throughout conversations with stakeholders, including City staff and elected officials, commercial property owners and brokers, business owners and representatives, and others, there was a consensus that the City desired more pedestrian-oriented, mixed use commercial districts. This idea was tested with a question that asked: ***If more walkable, open air shopping areas like Cherry St., Kendall Whittier, Tulsa Arts District, Utica Square and Brookside were developed near your home/work would you be more inclined to visit them as opposed to a more typical strip center?***

Residents agree with the observations shared by stakeholders, and 88 percent of respondents would be more likely to visit walkable, open air shopping areas near their homes or work places, as opposed to strip center shopping areas.

Neighborhood Shopping Satisfaction

There is a concern that the residents of some parts of Tulsa may not be able to fulfill all of their shopping needs locally. Respondents were asked the question: ***How well do you feel the retail options in your neighborhood meet your common shopping needs: supermarkets, drug stores, hardware stores, restaurants, etc.?*** Responses could range from 0 (does not meet needs) to 100 (meets all needs).

The results show a large cluster of respondents feel that their neighborhood meets their common shopping needs. However, while over half of respondents gave their neighborhood a score of 70 or higher, a significant percentage of respondents (about 27 percent) gave their neighborhood a score of 30 or less.

In general, the lowest scores were found in the north and northwestern parts of the city, where they did not exceed an average of 20 on the scale to 100. The downtown and eastern areas had average scores, from about 40 to 60. A portion of the western part of Tulsa – including the River West / Eugene Field study area, also received an average score. The best scores came from the midtown, southern, and southwestern parts of the city. Across the midtown area, scores were strongest near the downtown, and tended to fall to the east.

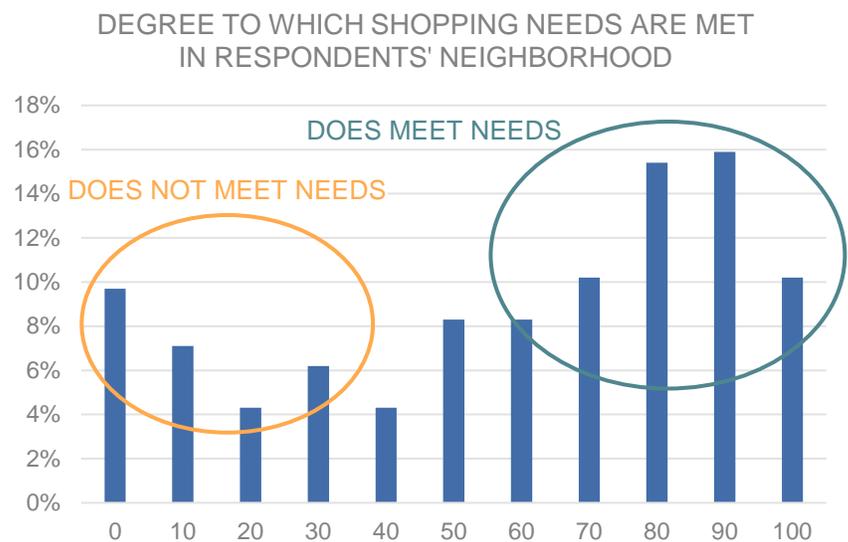
A series of three open-ended questions asked respondents what they liked, wanted to see change, and what types of businesses they would like to see in their neighborhood:

- **What do you like about the shopping district in your neighborhood? i.e. convenience, quality, variety, experience, price, etc.?**
- **What would you change about the shopping district in your neighborhood? i.e. convenience, quality, variety, experience, price, etc.?**
- **What other types of commercial businesses would you like to see in your neighborhood?**

Nearly 2,000 open-ended responses were analyzed using content analysis in order to categorize likes, desired changes, and new commercial businesses desired. There are some consistencies in comments across all parts of the city. Most people are inclined to list convenience as the thing they liked most about the shopping available in their neighborhood. Most residents would also like to see more grocery options and a greater variety of stores. Almost every part of the city also expressed a desire for more restaurants.

There were some variations in comments across different parts of the city.

- **Downtown.** Views are somewhat mixed, with people on the east side of downtown more inclined that their neighborhood meets their needs. They enjoy that it is walkable and that there are unique, local businesses. There is a strong desire to have a grocery store in the area, and also a pharmacy.
- **Midtown.** Residents south and immediately west of downtown provided some of the highest scores in the city, and tend to appreciate the variety and quality of businesses in their area, along with convenience. There are concerns about traffic and parking, and a desire for improved walkability. More restaurants were desired, along with greater variety in general. There is a preference for local businesses.
- **East.** This area received average scores. Aside from convenience, there were not many positive characteristics identified. This is the only part of the city where issues of crime and safety were raised. Residents want greater variety and quality. Restaurants and a grocery store were listed as needs, but with less frequency than in other areas.
- **South.** This area received good scores, mostly averaging in the 70's. Variety was listed as a favorable attribute along with convenience. Many residents would like to see that variety expanded upon, and several commented on there being too many chains or the need for more local businesses. This area was the



least clear in defining what stores they would like to see, with restaurants, a grocery store, and local businesses mentioned most often.

- **West.** As already noted, the northern part of this area is less inclined to feel that their shopping needs are being met, while those closer to Tulsa Hills (specifically mentioned in several comments) gave their neighborhood higher marks. As in most other areas, convenience and variety were listed as strong qualities, while needs included a grocery stores and restaurants.
- **North and Northwest.** These areas received the lowest scores, and residents do not feel like there are enough stores to serve them. Variety, price, and quality were often cited as needs. Grocery stores were consistently listed as a need for the area.

Shopping Local

When asked: *What does the term "shop local" mean to you?*, 59 percent of respondents indicated that it means shopping at locally owned/operated, usually independent businesses. For 17 percent of respondents, shopping at stores in the neighborhood, regardless of ownership, qualifies as shopping local. Fourteen percent of respondents indicated that shopping local means purchasing goods that keep sales tax dollars in the City of Tulsa. Approximately ten percent of respondents indicated that shopping local means purchasing locally-grown or manufactured products, or some combination of the definitions provided.

International District

There has been some contemplation of the prospect to develop a destination, internationally-themed shopping district around the concentration of Asian and Hispanic businesses on 21st Street, in the eastern part of Tulsa. A questions was asked to help understand what might draw residents to the district: *There is a concentration of Asian and Hispanic businesses in east Tulsa. The area may be identified as an "international district" with shopping, dining, and cultural activities representing several ethnicities. What features or activities might encourage/discourage you from visiting?* The top responses included:

- Festivals (58%)
- Farmer's Market (54%)
- Cooking Classes (28%)
- Other 34%)

"Other" responses emphasized the need to improve the general appearance of the area in order to encourage visitation. Safety and perception of crime were also cited as barriers to increased visitation.

Additional Comments

In a final open-ended question, respondents were asked *What additional thoughts would you like to share as the City prepares a strategy for retail development?* There were 685 responses to this question. Responses were analyzed using content analysis and grouped into the following categorical themes:

Walkability, Biking, Public Transit (82)

- More bike trails and bike routes to improve mobility
- Create more retail/restaurant destinations that are accessible on foot or by bike
- Focus retail along bus lines to encourage walking and address parking concerns
- More outdoor seating
- Keep up good work expanding pedestrian, bicycling, and public transit options

Better Land Use (81)

- Create safe, walkable shopping districts
- Full service grocery needed downtown
- Focus on redevelopment/infill versus building new stores
- Fewer strip malls; focus on clustering retail
- More local businesses

More Locally-owned businesses (81)

- Support smaller shops and restaurants
- Promote “only in Tulsa” kind of places
- More community use spaces
- Fewer chain stores

Pay attention to overlooked areas (54)

- “Help North Tulsa pick itself up”; need assets such as community centers/pool; local entrepreneurs should be encouraged to start businesses
- East Tulsa needs help
- “There is too much empty retail space currently; don’t need more”
- Concentrate future redevelopment/infill

Improve Shopping Districts (46)

- Build districts with shops on street with parking behind (like Cherry Street)
- Create more walkable, pedestrian friendly districts
- Better balance in distribution and variety of shopping experiences for all neighborhoods
- Need bigger anchor stores throughout the City

Other (43)

- Better communication with residents

Improve Marketing and Promotions (41)

- “Greater value/attention/promotion of our ethnic communities”
- Incentivize/promote experiential activities versus retail. Need more entertainment
- Create unique districts, branding

Improve Transportation Network (39)

- Fix the roads
- Improve traffic flow
- Widen sidewalks to encourage outdoor seating
- Don’t abandon Midtown in effort to develop Downtown

Address Parking Needs (32)

- “Large parking structure downtown that is free or low cost (like Fort Worth, TX)”

- Make parking areas more attractive, handicap accessible
- Reduce number of unnecessary parking lots

More Grocery Options (32)

- More healthy grocery options
- More grocery stores downtown
- North Tulsa is a food desert
- Large indoor farmer's market like "Your De Kalb Farmers Market" in Georgia

Enhance Security and Image (29)

- Make major retailers provide their own security so police can do its work
- Keep safety as top priority

Improve Building Conditions (27 responses)

- Need to clean up areas with crime
- Reduce excessive amounts of parking
- Renovate vacant/blighted buildings
- Improve visual appeal (signage, etc.)

Diversity Business mix (24)

- More locally-owned businesses
- More fast casual dining choices
- Create more unique destinations (public market, etc.)

More Greenery and Gathering Places (20)

- More trees and public gathering areas
- More venues with indoor/outdoor options

Promote Redevelopment and Infill (17)

- Reduce number of vacant/abandoned buildings; focus on re-use versus new construction

Improve Incentives & Regulations (15)

- Require parcel building owners to maintain property
- Simplify permitting process for small business owners

Neighborhood Revitalization Focus (14)

- Preserve character of older neighborhoods
- Enforce code violations
- Support citizen led beautification efforts

More Mixed Use Development (9)

- "Love mixing, food, drink, shops, music and activities together to add variety and interest"

Better Urban Design (9)

- Improve image of City

- Improve signage code and address vacant buildings

Improve Customer Service & Business Practices (5)

- Improved customer service

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APPENDIX C: SUMMARY TABLE OF STUDY AREA CHARACTERISTICS

STUDY AREA CHARACTERISTICS

		LOCATION	TRADE AREA POPULATION	WORKERS	COMMERCIAL FLOOR AREA (SQ. FT.)	TRAFFIC (ADT)	INCOME	MARKET POTENTIAL (MILLIONS)	MARKET SHARE CAPTURED	CASH ECONOMY AS % OF MARKET POTENTIAL	MARKET CAPTURED BY DOLLAR STORES	COMPETITION	NEW INVESTMENT	STRONG ANCHORS	TYPE OF DISTRICT	ASPIRES TO...
1	Pine Street and Peoria Avenue	Central	Low - 9,387	Negative - (938)	188,335	Good - 18,000	Low - \$25,596	\$100,700	10.5%	46.5%	6.0%	Light	Grocery	None	Convenience	Neighborhood
2	Pine Street and Sheridan Avenue	Truncated	Moderate - 15,091	Good - 13,507	314,261	Low - 15,000	Low - \$33,459	\$234,092	19.6%	21.2%	5.7%	Moderate	Planned	Neighborhood scale	Neighborhood	Neighborhood
3	21st Street Corridor	Central	High - 61,085	Good - 22,290	1,571,403	Good - 20,000	Average - \$42,684	\$1,026,611	25.9%	7.8%	3.3%	Moderate	None	Target, Lowe's	Community	Community
4	Downtown	Central	Good - 28,389	High - 42,504	4,300,000	Low - 15,000	Low - \$33,215	\$666,936	31.8%	8.6%	1.3%	Moderate	Current and Planned	Home Depot, specialty shops	Neighborhood, Destination	Community, Destination
5	Route 66 East	Central	Good - 28,030	High - 49,450	661,063	Right - 12,000	Low - \$37,244	\$746,646	4.2%	8.0%	1.3%	Moderate	Current and Planned	Mother Road, specialty shops	Neighborhood, Destination	Neighborhood, Destination
6	Tulsa Promenade Area	Central	High - 55,708	High - 49,982	1,487,075	High - 30,000	High - \$55,057	\$1,325,731	21.5%	9.2%	1.6%	Strong	Current	Tulsa Promenade, Southroads	Community, Regional	Regional
7	51st Street and Union Avenue	Truncated	Low - 12,079	Negative - (461)	182,080	Light - 8,000	Low - \$36,376	\$154,559	14.5%	32.1%	5.5%	Moderate	None	Warehouse Foods, fast food	Neighborhood	Neighborhood
8	71st Street and Peoria Avenue	Central	Good - 23,246	Low - 2,218	409,935	High - 30,000	Low - \$34,281	\$329,961	8.5%	19.1%	3.8%	Moderate	None	Fast food, bike shops	Neighborhood	Neighborhood
9	51st Street and Memorial Drive	Truncated	Low - 11,253	High - 40,012	356,885	Good - 25,000	High - \$52,317	\$468,695	41.0%	11.3%	0.0%	Strong	None	CVS	Convenience	Convenience
10	71 st Street Corridor	Central	Very High - 368,784	Good - 20,195	4,411,731	High - 35,000	High - \$53,047	\$5,992,768	21.7%	1.3%	0.0%	Light	Current	Woodland Hills, Strips, Big Boxes	Regional	Regional
11	International District	Edge	High - 42,690	Negative - (4,324)	625,882	Low - 17,000	Average - \$40,315	\$412,363	9.6%	15.7%	4.0%	Moderate to Strong	None	Restaurants	Neighborhood, Community	Community, Destination
6	River West / Eugene Field	Truncated	Low - 12,094	Good - 13,826	86,311	Good - 20,000	Low - \$36,390	\$195,023	3.1%	20.2%	0.0%	Moderate	Planned	None	Convenience	Neighborhood
1	36th Street North	Edge	Moderate - 17,343	Negative - (6,183)	386,748	Low - 14,000	Low - \$27,756	\$140,140	2.6	31.6%	4.3%	Light	Planned	None	None	Convenience