

# APPENDIX C: MARKET ANALYSIS

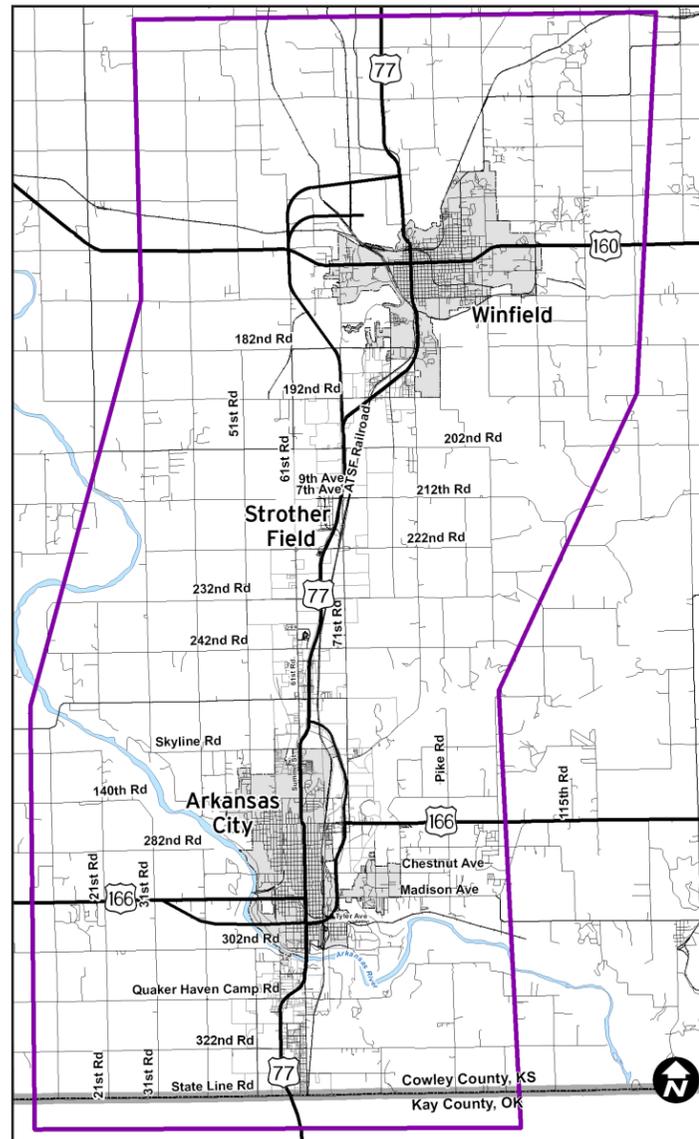
## INTRODUCTION AND METHODOLOGY

This market analysis summarizes the current supply of and the prospective demand for residential, retail, industrial, office, institutional, and mixed-use space along the US-77 Corridor Study Area. It also examines recent trends, such as demographics, business expansions, plant closings, and planned developments, as they contribute to future demand for additional space. The principal result of this analysis is projections for growth and change over the next five, ten, and twenty years in these sectors. Finally, it discusses the best locations along the US-77 corridor for future growth.

## DEMOGRAPHIC TRENDS AND PROJECTIONS

The analysis of demographic data from various sources is done in order to identify historic trends, such as population growth, household growth, and household composition that will affect future development. A US-77 market area was defined for the demographic analysis that includes the area within a 10 to 15 minute drive of US-77 from the Kansas-Oklahoma border on the south to Route 360 in southern Winfield on the north. This market area was defined because much of the population that currently influences the corridor is located outside the boundaries of the US-77 Corridor Study Area. Also, there are retail, office, industrial, and other developments located outside the defined study area that serve the same population and should be considered in determining future demand.

Figure C1: US-77 Market Area



This analysis includes secondary data from the following sources:

- Claritas, Inc. (Census 2000 data, 2006 demographic estimates, 2011 demographic projections, and various retail data);
- US Census Bureau - Census 2000 (Commuting patterns, employment data, and yearly population estimates);
- US Department of Labor, Bureau of Labor Statistics (Employment data)
- Kansas Department of Labor (Employment data, commuting patterns);
- Sales & Marketing Management, Inc., Survey of Buying Power (Retail sales and income trends);
- Arkansas City Chamber of Commerce (Top employers); and
- Interviews with various local officials and community leaders (Current trends).

## Population

Available data indicates that Arkansas City, the US-77 market area, and Cowley County all lost population from 1990 to 2006. Winfield posted a slight population gain during the 1990s, but lost a small proportion of its population during the early 2000s. Each area is also expected to lose a small proportion of its population by 2011. A limitation of yearly estimates by the Census Bureau and Claritas is that they are based on historic trends reflected in previous Census counts and may not take into consideration recent trends. While trends that have occurred since Census 2000 may have slowed or stopped the loss of population in the market area, there has likely been no notable gain in population. Thus, the population of the market area is deemed to be stable at best, and at worst, it is stagnant.

Table C1: Population Trends and Projections

Description	Winfield	Arkansas City	US 77 Market Area	Cowley County	State of Kansas
<b>Population</b>					
2011 Projection	11,566	11,299	28,857	35,037	2,807,898
2006 Estimate	11,849	11,608	29,485	35,601	2,752,576
2000 Census	12,206	11,963	30,237	36,291	2,688,418
1990 Census	12,026	12,781	31,218	36,915	2,477,574
Growth 2006-2011	-2.4%	-2.7%	-2.1%	-1.6%	2.0%
Growth 2000-2006	-2.9%	-3.0%	-2.5%	-1.9%	2.4%
Growth 1990-2000	1.5%	-6.4%	-3.1%	-1.7%	8.5%

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## Households

Not surprisingly, the market area lost households at a rate similar to the rate of population loss and it is expected to continue to lose households through 2011. Winfield has a higher housing occupancy rate (90.1 percent) than Arkansas City (84.0 percent) and the overall market area has an occupancy rate of 87.7 percent. The median age of the housing stock in the market area is about 50 years and most of the

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housing units are detached single-family homes. Also, the majority of the housing in the market area is owner-occupied, although renters occupy 35.1 percent of the housing units in Winfield and Arkansas City. Nearly 80 percent of all households in the market area contain three persons or less and the median housing value is just below \$70,000, which is \$35,000 below the median home value in Kansas. Overall, the housing stock in the market area is somewhat dated, although some new construction in Winfield is meeting the pent-up demand for new housing.

Table C2: Household Trends and Projections

Description	Winfield	Arkansas City	US 77 Market Area	Cowley County	State of Kansas
<b>Households</b>					
2011 Projection	4,390	4,650	11,390	13,678	1,091,126
2006 Estimate	4,502	4,749	11,588	13,857	1,067,289
2000 Census	4,627	4,855	11,798	14,039	1,037,891
1990 Census	4,490	5,151	11,953	14,047	944,726
Growth 2006-2011	-2.5%	-2.1%	-1.7%	-1.3%	2.2%
Growth 2000-2006	-2.7%	-2.2%	-1.8%	-1.3%	2.8%
Growth 1990-2000	3.1%	-5.8%	-1.3%	-0.1%	9.9%
<b>Housing Units (2006)</b>					
2006 Estimate	4,999	5,655	13,219	15,798	1,182,164
<b>Occupied Housing Units (2006)</b>					
2006 Estimate	4,502	4,749	11,588	13,857	1,067,289
<b>Percentage of Occupied Units (2006)</b>					
2006 Estimate	90.1%	84.0%	87.7%	87.7%	90.3%
<b>Housing Units by Units in Structure</b>					
1 Unit Attached	1.1%	2.0%	1.4%	1.3%	3.6%
1 Unit Detached	75.2%	81.5%	77.3%	77.6%	72.5%
2 Units	2.4%	3.3%	2.5%	2.1%	2.9%
3 to 19 Units	7.8%	5.5%	5.4%	4.6%	10.1%
20 to 49 Units	1.9%	2.4%	1.7%	1.5%	2.1%
50 or More Units	4.8%	1.0%	2.2%	1.9%	2.2%
Mobile Home or Trailer	6.8%	4.2%	9.4%	10.9%	6.5%
Boat, RV, Van, etc.	0.0%	0.2%	0.2%	0.2%	0.1%

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The data on population and household trends offers a few important implications. First, it appears that the market for new and/or expanded retail and housing may be relatively weak due to the declining number of residents and households. However, recent plant expansions and openings, combined with a relatively and diverse industry base, indicate that these projection may be inaccurate. Thus, there may be a greater potential for growth than the "numbers" suggest. Finally, a possible reason for slow population loss in the area is a general lack of desirable housing, as there has been minimal new construction of for-sale or rental housing for over 30 years and much of the older housing stock is in need or repair or replacement.

Table C3: Household Trends and Projections Continued

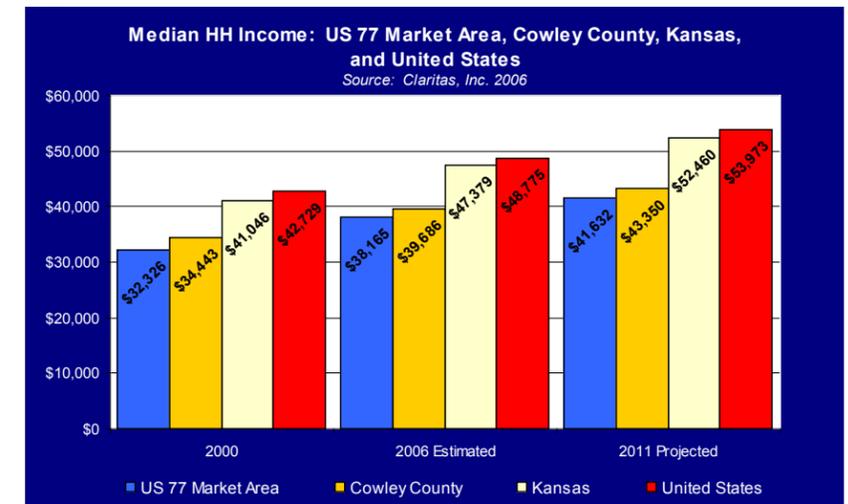
Description	Winfield	Arkansas City	US 77 Market Area	Cowley County	State of Kansas
<b>Tenure of Occupied Housing Units</b>					
Percent of Owner Occupied Units	64.9%	64.9%	69.0%	71.1%	69.9%
Percent of Renter Occupied Units	35.1%	35.1%	31.0%	29.0%	30.1%
<b>Households by Household Type (%)</b>					
Family Households	63.6%	63.8%	66.7%	68.5%	67.6%
NonFamily Households	36.4%	36.2%	33.3%	31.5%	32.4%
<b>Households by Household Size</b>					
One Person	32.7%	32.4%	30.0%	28.4%	27.3%
Two Persons	32.5%	32.6%	34.0%	34.5%	33.6%
Three Persons	14.0%	15.3%	15.2%	15.4%	15.6%
Four Persons	12.1%	11.5%	12.3%	12.8%	13.8%
Five Persons	6.2%	5.6%	5.9%	6.2%	6.4%
Six Persons	0.2%	1.9%	1.9%	2.1%	2.2%
Seven or More	0.7%	0.6%	0.7%	0.8%	1.1%
Average HH Size	2.35	2.34	2.39	2.44	2.50
<b>Median Housing Value (owner-occupied)</b>	\$76,090	\$53,741	\$67,962	\$70,205	\$106,781
<b>Median Year Structure Built</b>	1953	1950	1954	1955	1970
<b>Average Commute Time (minutes)</b>	17.67	18.34	19.38	21.63	20.99

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## Employment and Economy

Residents of the US-77 market area have a slightly lower median income than those in Cowley County and it is about \$10,000 less than the national median income of nearly \$49,000. However as a center of commerce, the market area is able to overcome this "buying power" deficiency by attracting higher income shoppers living outside of the corridor. Arkansas City has the highest concentration of low-income households (those earning less than \$25,000 per year). Kansas has a higher concentration of households earning greater than

Figure C2: Median Household Income



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\$50,000 per year, followed by Winfield and Cowley County. Thus, a higher proportion of the market area's high income households reside in Winfield than in Arkansas City.

The manufacturing sector employs about 23 percent of the workers in Cowley County, compared to 14 percent of all workers in the US. The educational, health, and social services sector employs the largest proportion of the workforce in Cowley County (25.6 percent). The unemployment rate in Cowley County fluctuated between 4.3 percent and 6.9 percent between 1995 and 2005, and declined to 5.0 percent in June 2006. Overall, the labor force consisted of about 550 less workers in June 2006 than in 1996. Currently, both Creekstone Farms and Rubbermaid are hiring a number of workers to expand production, which should improve the current employment picture. However, these jobs are at a fairly modest pay scale, with full-time employees generally earning between \$10 and \$15 per hour.

Figure C3: Employment Growth

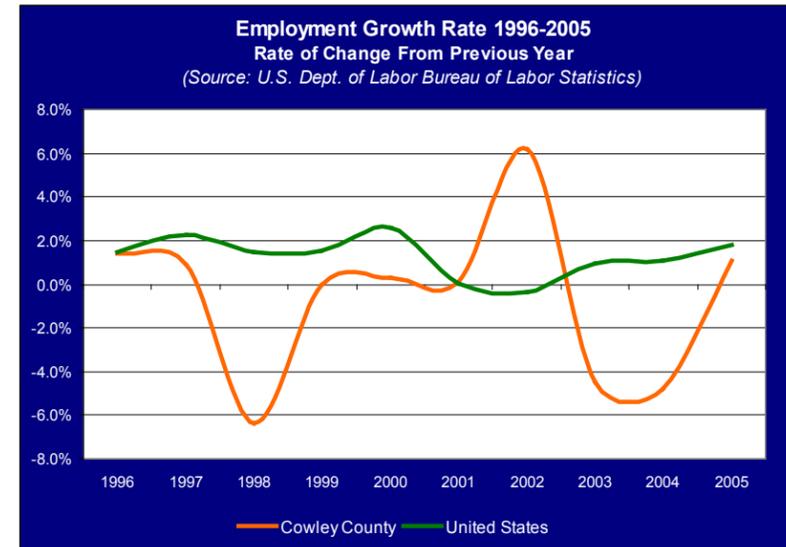


Table C4: Percent Employment by Industry

Industry	Arkansas City	Winfield	Cowley County	United States
Agriculture, forestry, fishing and hunting, and mining	1.6%	2.0%	4.1%	1.9%
Construction	6.7%	5.3%	6.7%	6.8%
Manufacturing	22.4%	20.5%	23.1%	14.1%
Wholesale trade	1.8%	2.0%	1.8%	3.6%
Retail trade	9.7%	9.9%	8.9%	11.7%
Transportation and warehousing, and utilities	7.5%	3.3%	5.4%	5.2%
Information	1.3%	2.3%	1.6%	3.1%
Finance, insurance, real estate, and rental and leasing	3.3%	2.9%	3.3%	6.9%
Professional, scientific, management, and waste management services	3.8%	2.7%	3.1%	9.3%
Educational, health and social services	26.5%	29.9%	25.6%	19.9%
Arts, entertainment, recreation, accommodation and food services	8.8%	9.0%	7.4%	7.9%
Other services (except public administration)	3.7%	4.1%	4.3%	4.9%
Public administration	2.9%	6.1%	4.7%	4.8%

Source: Census 2000

Table C5: Percent Employment by Occupation

Occupation	Arkansas City	Winfield	Cowley County	United States
Management, professional, and related occupations	24.7%	31.4%	28.7%	33.6%
Service occupations	18.1%	18.3%	16.4%	14.9%
Sales and office occupations	19.5%	21.6%	20.4%	26.7%
Farming, fishing, and forestry occupations	0.7%	0.7%	1.0%	0.7%
Construction, extraction, and maintenance occupations	12.4%	8.8%	12.1%	9.4%
Production, transportation, and material moving occupations	24.6%	19.1%	21.4%	14.6%

Source: Census 2000

Table C6: Ten Largest Employers by Occupation

Organization	Product/Service	Location	Employees
General Electric	Air Craft Engine Maint	Strother Field	830
Creekstone Farms Premium Beef	Beef production	Arkansas City	620
USD #465	Education	Winfield	618
Newell Rubbermaid	Coolers & Ice Chests	Winfield	541
USD #470	Education	Arkansas City	400
Winfield Correctional Facility	Minimum Security	Winfield	300
William Newton Hospital	Medical Services	Winfield	226
Saint Gobain Calmar Inc	Plastics	Winfield	210
City of Winfield	City Government	Winfield	196
Southwestern College	Higher Education	Winfield	195

Source: Arkansas City Area Chamber of Commerce, 2006

Figure C4: Cowley County Commuting Patterns

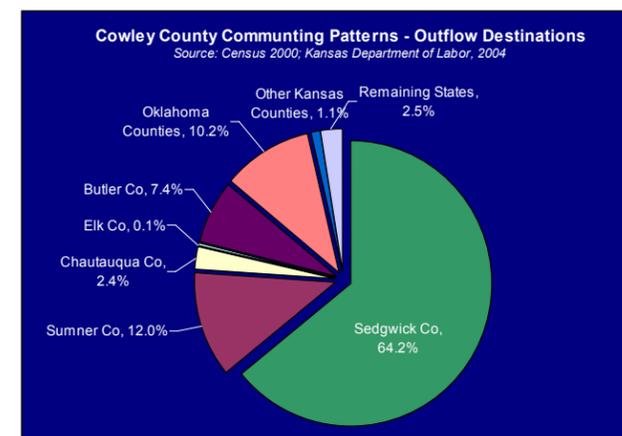
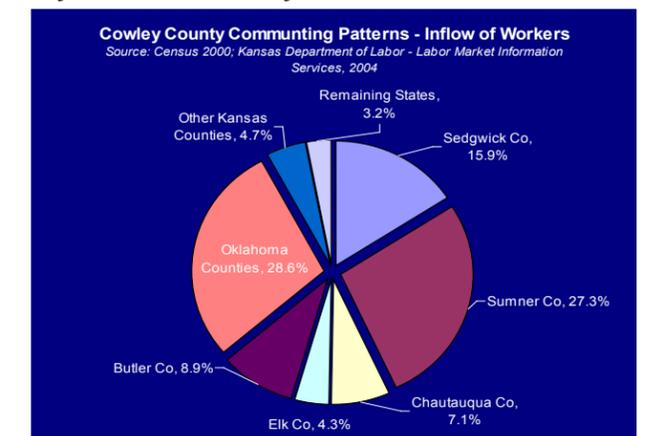


Figure C5: Commuting Patterns - Outflow



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About 75 percent of the workforce in Cowley County lives in the county and a greater proportion of workers commute to jobs located outside of the county than those that commute to Cowley County for work. Of the 15.8 percent of the workforce that commutes outside of the county for work, 64 percent travels to Sedgwick County. About 27 percent of the workforce that commutes to Cowley County for work comes from Sumner County, which borders it to the west, and 28 percent come from Oklahoma. Overall, the local economy appears to be relatively stable after years of ups and downs; however, many of the jobs that are currently available are at a modest pay scale.

## RETAIL DEVELOPMENT

About 90 percent of all retail establishments located within Cowley County are located in the US-77 market area, where nearly 96 percent of all retail sales also occurs. The US-77 market area has an average effective buying income of \$40,612, which is about \$7,000 less than in Kansas and \$11,000 less than the in the US. The top three retail categories in terms of consumer expenditures are food and beverages, transportation, and household goods. Our Retail Opportunity Gap Analysis shows a positive gap, or under-supply, in ten out of 13 retail categories, meaning that a significant proportion of retail spending by local residents “leaks” to other markets. This phenomenon is supported by the ratio of retail sales to effective buying income for the market area, which is 0.84, meaning that only \$0.84 of every \$1.00 of a resident’s effective buying income is being spent locally. A similar analysis called the “retail sales pull factor” produces a ratio of 0.93 for the market area, again indicating that the market area is leaking its buying power to other communities. As a result, our preliminary retail analysis suggests that there is sufficient local demand to support additional retail stores along the US-77 Corridor.

## Assumptions And Methodology

The preliminary demographic analysis indicates that, while there has not been any significant population and household growth for many years, the local economy is relatively stable and a substantial proportion of the local buying power leaks to other communities. This suggests that there is at least some room for additional retail stores in the market area. While the area lost a number of major employers during the last 15 years, the current mix of major employers, including General Electric, Rubbermaid, and Creekstone Farms also appears to be stable. Thus, while the market area is not likely to grow substantially, the local economy and population base appears to have stabilized after about 15 years of ups and downs.

The methodology involves the following four steps:

1. Analyze the existing mix of residential, retail, industrial, office, institutional, and mixed-use space;
2. Identify strengths and weaknesses in each market sector;
3. Discuss potential for growth; and
4. Project five, ten, and twenty-year growth expectations based on various assumptions, which will be discussed for each sector.

A key ingredient to projecting future demand for these uses is to establish baseline projections of population growth. This is important because population growth will fuel demand for new housing units, will

support additional local retail stores to support additional consumer demand, will require additional jobs, and will increase the demand for social services. Thus, the projections are made by calculating the future population and number of households for the US-77 market area in conservative-growth, moderate-growth, and aggressive-growth scenarios.

## Population and Household Projections

Claritas, Inc. estimates that the current population of the US-77 market area is 29,485, which is used as the baseline population in each of the three projection scenarios. Claritas also estimates that there are currently 11,588 households in the market area with 2.39 persons per household on average. The assumptions for the conservative-growth, moderate-growth, and aggressive-growth scenarios are summarized in Table C7.

## RESIDENTIAL DEVELOPMENT PROJECTIONS

It is important to understand historic housing trends to project future demand for new housing units. Key factors that affects demand for new housing products is whether or not a given area is growing in population, number of households, number of jobs, the condition of the available housing stock, and the need for replacement housing.

## Overview of Existing Housing Stock

According to the 2000 Census, very little housing construction occurred in Winfield, Arkansas City, and Cowley County between 1990 and 2000, with Arkansas City experiencing the least amount of new residential construction. A larger portion (68 percent) of the total housing units in Cowley County are located in Arkansas and Winfield. Two-bedroom and three-bedroom units are the most prevalent types of all occupied housing units in Cowley County, making up 75.9 percent of the total mix. The majority of the studio and one bedroom housing units are rental units and are also the most likely vacant units in all the areas. Nearly 28 percent of the households in the county consist of one person, although many one-person households may prefer a two-bedroom unit. Assuming that all housing in the market is in good condition, it appears that the need for housing units with two or more bedrooms has been met. However, often opportunities exist to replace non-competitive units in the market. Based on this analysis, the best source of demand for new housing is the replacement of old, dilapidated units.

Table C7: Population and Household Projections

	Conservative	Moderate	Aggressive
Growth Rate	0%	2%	4%
<b>Population</b>			
2006	29,485	29,485	29,485
2011	29,485	30,079	30,683
2016	29,485	30,686	31,931
2026	29,485	31,936	34,579
<b>Households</b>			
2006	11,588	11,588	11,588
2011	11,588	11,822	12,059
2016	11,588	12,060	12,549
2026	11,588	12,551	13,590



Typical older home in south Arkansas City

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## Building Permits, Housing Prices, and New Construction

Another important indicator that is useful in estimating future demand is the number of building permits issued in the past. Despite a lack of population and household growth, a modest number of building permits were issued in Arkansas City and Winfield each year since 1995. An average of 54 new housing permits were issued each year from 1995 to 2005 in Winfield and Arkansas City combined, with a stronger demand for new housing in Winfield. However, since 2001, more new housing permits have been issued outside of the two cities than within the combined area. There has been a greater lack of new single-family home construction in Arkansas City indicating that, while demand may be greater in Winfield, Arkansas City has a greater pent-up demand for such housing. The median housing value in Arkansas City is about \$54,000 and over \$76,000 in Winfield. The median value for the US-77 market area is \$67,000.



## Potential for New Housing

Again, demand for new housing construction is closely related to population growth. However, there appears to be pent-up demand for new single-family and multi-family housing because so little has been constructed (with the exception of the new subdivisions in Winfield and the Rockhurst Apartments in Arkansas City) for many decades. Some of this demand will obviously be met as the subdivisions that are currently under construction are completed, but there will likely be a steady demand (though not necessarily very strong) in the future because the market area lacks housing variety and much is obsolete. Also, Creekstone Farms currently transports workers in from Wichita daily, indicating a lack of appropriate workforce housing.

A key trend that influences demand for housing in the market area is the fact that Creekstone Farms and Rubbermaid are currently hiring hundreds of employees. These new workers have created a need for additional affordable housing, whether it is for rent or for sale.

## Projections

The overall vacancy rate for housing units in the US-77 market area is 12.3 percent. A normal vacancy rate generally ranges from about five to seven percent and it is believed that, if the population in the market area were to increase, some of the new households would occupy existing homes. Nonetheless, any population growth will likely create an increased demand for new housing. It has also been considered that the majority of the new housing permits issued since 2001 were for areas outside of Winfield and Arkansas City, so it is likely that some of the demand for new units exists outside of the US-77 corridor. Also, in most areas, there are more building permits issued than actual structures built. Therefore, following assumptions have been made in arriving at projections for conservative, moderate,

and aggressive residential growth:

- With no population growth, we estimate that approximately 25 new units will be constructed each year, on average, primarily to replace substandard and uncompetitive units in Winfield and Arkansas City in subdivisions in the US-77 corridor. This estimate is based on the building permit data;
- It is anticipated that approximately 95 percent of any new households moving to the area in the moderate and high growth scenarios will require new housing units. The remaining five percent should fill vacant units;
- Approximately 50 percent of the future demand for housing units in the US-77 market area and Cowley County will be for units located along the US-77 corridor in south Winfield, north Arkansas City, or eastern Arkansas City;
- The gross land use demand and absorption projection uses a ratio 1.15 (gross land demand to land demand) to account for space required for setbacks, and other infrastructure.

## RETAIL DEVELOPMENT

### PROJECTIONS

The US-77 market area contains a wide variety of retail stores, but lacks national chains. In fact, almost every category defined in the retail gap analysis showed a positive gap, indicating that there is an under-supply of most retail categories along the corridor.

### Overview of Existing Retail

Retail developments are located in five main areas within the US-77 market area, which are summarized in the following paragraphs. Two of the five areas are not located within the defined US-77 Corridor Study Area, but are important to the analysis because any retail located near the corridor influences demand for what could be built.

**Winfield Plaza** is a five-store retail strip center located in eastern Winfield at 1900 East 9th Street. This center represents the only concentration of retail that is located off US-77 and is one of two areas not located within the US-77 Corridor Study Area. Winfield Plaza is the best location near US-77 for purchasing clothes. However, there is not any room for expansion at this site, unless a tenant vacates their space. Winfield Plaza has a fairly good location for retail within the region because it is surrounded by residential neighborhoods on the north and south and is located along Highway 160, which is a major east-west route within Cowley County.

Table C8: Residential Land Demand Projections

Land Demand Projections, 2006-2026			
Total Residential (incl. single-family homes and multi-family structures)			
	Conservative	Moderate	Aggressive
Space Demand and Absorption			
Number of Housing Units			
2006-2011	125	236	349
2011-2016	125	238	358
2016-2026	250	483	744
<b>TOTAL</b>	<b>500</b>	<b>957</b>	<b>1,451</b>

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**Downtown Winfield**, which includes the area located along US-77/Main Street between 6th Street to the north and 12th Street to the south, contains the greatest variety of retail in the area. Like Winfield Plaza, Downtown Winfield is not a part of the US-77 Corridor Study Area. The majority of the stores located Downtown are locally-owned, “mom-and-pop”-style stores, with the exception of a few stores. Downtown Winfield is also the local hub of other businesses and services, including doctor’s offices, banks, insurance agencies, financial advisors, the local newspaper, and real estate companies.

A 2000 Downtown Winfield study by HyettPalma indicates that the vacancy rate for Downtown Winfield retail space is about 19 percent. However, there appears to be minimal opportunity for existing companies to expand in their current space. The greatest potential to improve the overall appearance and marketing appeal of the area would be façade improvements. Otherwise, the downtown area is very walkable and the streetscape is appealing. Of further interest are some of the existing historic buildings, which in and of themselves likely attract potential shoppers. The downtown area is also well-located, as it is at the intersection of US-77 and Highway 160, and it experiences a steady flow of local and regional traffic. Another potential strength of Downtown is that the traffic moves slower than areas further east and south, allowing drivers to see more of the shops and businesses. There is also ample free parking.

**North Arkansas City**, which contains the area north of Kansas Avenue and south of the city limits, is similar to South Winfield in that it is the area of the city where new development is occurring and is likely to occur in the future. It also contains a similar mix of restaurants and stores as South Winfield, including a Super Wal-Mart, various fast-food restaurants, car dealerships, auto service shops, and other general retail. The Goff Industrial Park and Creekstone Farms meat packing facility are located west of US-77 and north of Skyline Road. North Arkansas City is the best location for retail expansion in Arkansas City, given the availability of developable land and its location along US-77.



Winfield Plaza



Downtown Winfield



Strip Center in north Arkansas City

**South Winfield** contains a more “commercialized” mix of retail uses, with a wide variety of national and/or regional chains, including fast food restaurants, a Wal-Mart store, a Dillon’s grocery store, several hotels/motels, car dealerships, and automotive service stations. This stretch of US-77/Main Street, which has been defined as being south of 15th Street and north of the city’s southern boundary, is much more car-oriented than Downtown. The existing Wal-Mart in this area, which contains approximately 70,000 square feet, is being replaced with a new Super Wal-Mart containing double the space. The concern is that this might accelerate the trend of forcing out local businesses from the area.

Overall, South Winfield is the best location within the city for retail expansion, due to its accessibility, available developable land, and being the only area where new residential construction is occurring. The area benefits from its location at the intersection of US-77 and the Highway 360 bypass. One potential limitation of future development in South Winfield is the fact that traffic from US-77 is still slowing down from 70 to 35 miles per hour and there are limited access points further south off the highway.

**Downtown Arkansas City**, which generally consists of an area along Summit Street/US-77 south of Walnut Street and north of Jefferson Street, is similar to Downtown Winfield in that it contains a fairly wide variety of local shops with minimal space for expansion. However, Downtown Arkansas City has fewer shops and appears to have slightly more vacant space than Downtown Winfield. Downtown Arkansas City is currently undergoing streetscape upgrades that will enhance its walkability and appearance. Overall, Downtown Arkansas City has a good location for retail within the region because it is located just north of Highway 166, just east of Cowley College, and along US-77. It is also the nearest location for retail and services for residents that live in rural areas located several miles to the south. There are also several banks, other businesses, and social service organizations located in Downtown Arkansas City.

The key tenants and approximate number of different store types in each of the five areas are summarized in the following tables.



South Winfield Wal-Mart (Super Wal-Mart is under construction in background)



Downtown Arkansas City

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Table C9: Overview of Existing Retail Establishments

Development Area	Number of Stores	Key Tenants	Type of Establishment
<b>1. Winfield Plaza</b> 1900 E. 9th Street Winfield, KS	<b>5-Total</b>	Dollar General Apple Market Zeigler's True Value J.C. Penny's Maurice's	General Merchandise Grocery Hardware Clothing and Accessories Clothing and Accessories
<b>2. Downtown Winfield</b> Main St./US-77 (7th St to 12th St) Winfield, KS	<b>8-Furniture/Appliance/ Electronics</b>  <b>9-Restaurants</b>  <b>2-Jewelers</b>  <b>4-Household/Hardware</b>  <b>4-Clothing/Shoes</b>  <b>2-Antiques</b> <b>16(+)-General/Misc.</b>  <b>(69 Total)</b>	Sears Lindly TV & Appliance Furniture by Kyger Advanced Techniques Biederman's Bistro & Catering Neives' Mexican Restaurant Jimmy T's Family Dining Ruppelius Jewelers J. Michael's Jewelry Locke Supply Hometown True Value Home Lumber Co. The Shoe Mart Eagle Nest, Inc. Leirmann's Saddle & Boot Sho Cottage Rose Graves Drugs Alltel Wireless Russ Meier Photo The Shear Point Heath World NAPA Willoughby Music	Appliance/Yard Equip. Sales Appliance/Electronics Furniture Sales Computers and Accessories Restaurant Mexican Restaurant Restaurant Jewelry Sales Jewelry Sales Construction Products Hardware Lumber Products Shoe Sales Clothing and Accessories Shoe Sales/Other Products Antique/Collectable Sales Pharmacy/Misc. Retail Cell Phone Sales/Service Photography Supplies, Portraits Barber/Hair Stylist Heath Products/Vitamins Auto Parts Music Supplies, Instruments
<b>3. North Arkansas City</b> Summit St./US-77 (Kansas Ave to City Limits) Arkansas City, KS	<b>8-General/Misc</b>  <b>3-Hardware/Household</b>  <b>10-Restaurants/Fast Food</b>  <b>14-Automotive</b>  <b>5-Hotel/Motel</b>	Super Wal-Mart Goodwill McDonald Computer Service Family Dollar Love's Country Store Orscheln Westlake Ace Hardware Sears Taco Tico Coffee Club El Torrero Steven Chevrolet Reedy Ford Auto Zone Master Tech Auto North End Phillips 66 Ark City Super 8 Best Western Atrium Garden	General Merchandise/Groceries Clothing Resale Computer Salse/Service General Merchandise Grocery Hardware/Farm Supply Hardware Appliance/Yard Equip. Sales Fast Food Coffee Shop/Breakfast Mexican Restaurant Auto Dealer Auto Dealer Auto Parts Auto Repair/Service Gas Station/Convenience Store Hotel Hotel

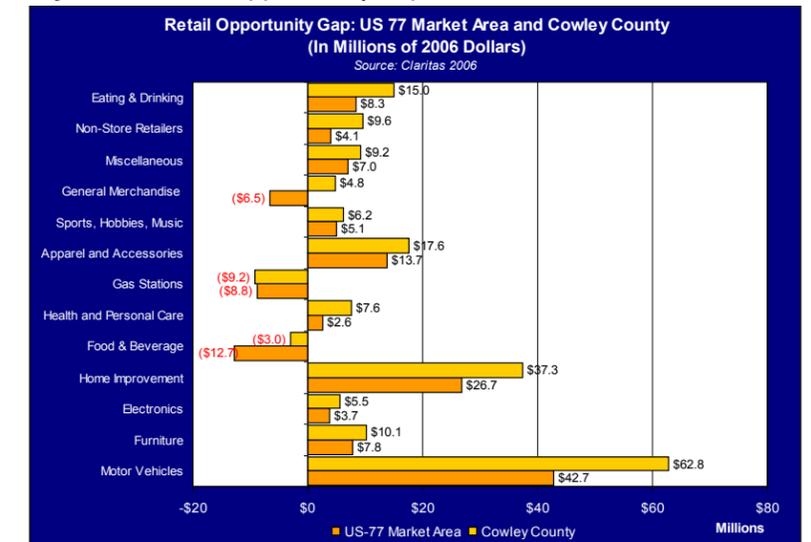
Table C9: Overview of Existing Retail Establishments (Continued)

Development Area	Number of Stores	Key Tenants	Type of Establishment
<b>4. South Winfield</b> Main St./US-77 (15th St. to City Limits) Winfield, KS	<b>11-Restaurants/Fast Food</b>  <b>2-General Merchandise/ Groceries</b> <b>16-Automotive</b>  <b>6-Hotels/Motels</b>	Taco Bell McDonald's The Ridge Wal-Mart Dillon's Winfield Motor Company Kline Motors O'Reilly Auto Parts Phil N Wash Collier's Service Comfort Inn Super 8	Fast Food Fast Food Restaurant General Merchandise Grocery Store Auto Sales Auto Sales Auto Parts Gas/Car Wash Auto Service Hotel Hotel
<b>5. Downtown Arkansas City</b> Summit St./US-77 (15th St. to City Limits) Arkansas City, KS	<b>4-Furniture/Appliance/ Electronics</b>  <b>5-Clothing</b>  <b>3-Antiques</b>  <b>4-Restaurants</b>  <b>2-Jewelers</b>  <b>12(+)-General/Misc.</b>	Foster's Furniture Radio Shack Appliance Clinic Jan's Sport Shack Denim to Lace Stage Summit Antique Mall Mylissa's Garden The Grinder Man Brick's Restaurant Schmidt Jewelers Grimes Jewelers Bryant's Hardware One Stop Body Shop Ark City Barber Graves Drugs McDonald's Used Books	Furniture Sales Electronics Appliance Repair/Sales Sporting Goods/Sportswear Ladies' Clothing Clothing Antique/Collectable Sales Antique/Collectable Sales Deli Family Dining Jewelry Sales Jewelry Sales Hardware Store Personal Care Barber/Hair Stylist Pharmacy/Misc. Retail Used Books/Misc. Retail

## Potential for Retail Expansion

The supply of retail establishments within the US-77 corridor is analyzed now in order to determine potential demand for expansion and/or new stores. The findings are summarized in the Figure C5. To determine the potential for specific store types, the analysis relies on data from BizStats.com and the Urban Land Institute's (ULI) Dollars and Cents of Shopping Centers (2004). The analysis for different retail store categories by average store size, average sales per square foot, excess demand in square footage, and the potential for additional stores is summarized in

Figure C5: Retail Opportunity Gap



# APPENDIX C: MARKET ANALYSIS

the table. It also suggests a representative retailer for each retail store category. In this table, only the retail store types for which there is positive gap (potential for additional stores) have been analyzed. As should be expected in a location with limited growth that is on the outskirts of a much stronger retail market, there is limited room for growth. Based on this analysis, the current positive retail sales gap justifies a maximum of 15 additional stores and 205,000 additional square feet of retail space.

Table C10: Potential Retail Stores

Retail Store Type	Typical Store Size (s.f.)	Estimated Sales/s.f.*	Representative Retailer	Current Excess Demand (s.f.)	Justified Add'l Stores
Automotive Parts/Accsrs, Tire Stores	7,000	\$200	AutoZone	2,000	0
Furniture and Home Furnishings Stores	16,000	\$270	Cost Plus	29,000	2
Electronics and Appliance Stores	8,000	\$400	Radio Shack	9,000	1
Building Material, Garden Equip Stores	105,000	\$300	Lowe's	89,000	1
Health Care and Pharmacies	10,000	\$700	Walgreens, CVS	4,000	0
Clothing and Clothing Accessories Stores	7,200	\$320	Men's Warehouse	43,000	6
Clothing Stores	30,000	\$350	JC Penny's	31,000	1
Shoe Stores	6,000	\$275	Finish Line	6,000	1
Sporting Goods	40,000	\$170	Sport's Authority	6,000	0
Book Stores	4,000	\$240	B. Dalton Books	6,000	1
Food Service and Drinking Places	5,100	\$500	Longhorn Steakhouse	17,000	3
Full-Service Restaurants	5,000	\$450	Applebees	8,000	2
Limited-Service Eating Places	4,000	\$450	Panera/McDonald's	4,000	1
<b>Total (does not include subcategories)</b>	-	-		<b>205,000</b>	<b>15</b>

Supply and Demand data provided by Claritas, 2006. \* Estimated sale per square foot determined using retail industry benchmarks from BizStats.com and ULI Dollars and Cents of Shopping Centers, 2004

These numbers do not take into account any retail that is currently planned, existing vacancies, and/or competition with nearby markets. Thus, it is more reasonable to assume that the market can support fewer stores, to ensure sufficient demand. The demand for new retail by selected retail store types is discussed below

## Eating and Drinking Establishments

The analysis indicates that majority of the restaurants in the US-77 market area are fast-food establishments with some sit-down restaurants. There is a strong desire for a family-oriented restaurant and a "finer" dining restaurant. The Retail Opportunity Gap data supports the idea, indicating that the US-77 market can support up to three additional restaurants. However, a closer analysis indicates that one full-service restaurant, such as Applebee's, and one limited-service restaurant, such as Panera.

## Clothing and Apparel Accessories

An analysis of the existing supply of clothing and apparel stores indicates there is a lack of variety of such stores in the market area, especially professional/dress clothing and shoe stores. There are no regional or national clothing chains in the market area. The Retail Opportunity Gap analysis indicates that the market area could potentially support at least one larger clothing store, a shoe store, a men's clothing store as well, or, perhaps expanded Penny's store.

## Furniture and Home Furnishings

There are only three furniture stores located within the US-77 market area. Stores as Wal-Mart and The Caballero also sell furniture and home furnishings; however, do not meet the local demand as they are limited in variety. In fact, the significant positive gap indicates that the market area could support up to two moderately-sized furniture stores such as Cost Plus.

## Building Material and Garden Equipment Stores

Although there is a significant positive gap for building material stores such as Lowe's or Home Depot, a closer analysis indicates that the US-77 market can only support lower additional square feet for such stores. Moreover, these bigger stores might not choose to located along the corridor, given the limited demand. It would be more appropriate to fill this retail gap with a smaller store, such as RP Lumber out of Edwardsville, Illinois, or Sutherlands Lumber, that carry a similar, although more limited, variety of goods, but require less building space. Another possible category for expansion is Book Stores, although it is likely that only one national chain store would locate in the area.

## Vacant Space

There is limited data for the market area about vacant retail space, however, Downtown Winfield and Downtown Arkansas have higher vacancy rates. However, these areas can support only a limited mix of retail stores, given physical and structural limitations. Aside from the downtowns, it is likely that any retail store that locates in the area would require a new building.

## Projections

Based on our Retail Opportunity Gap analysis, there is currently pent-up demand for additional retail space and the US-77 market area can currently support an additional 205,000 square feet of retail space, or approximately 15 additional stores of varying types and sizes. Our projections are based on the following assumptions:

- All pent-up demand for retail will be met by 2016;
- Not all of the pent-up demand for retail (205,000 square feet) will be met along the US-77 Corridor;
- Since a new retail development will likely take a few years to plan and construction would likely not be complete by 2011, we estimate that approximately 75 percent of the retail constructed to meet existing demand that will be met by retailers along the US-77 Corridor will be completed by 2011. The remaining 25 percent will be built by 2016;
- Data from the 2003 Consumer Expenditure Survey was used to calculate future square footage demand for retail space with population growth;
- The moderate-growth and aggressive-growth scenarios include additional demand generated by population growth; and,
- A ratio of 1.25 was used for gross land use to account for easements, setbacks, roads, and other infrastructure requirements.

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The projections for retail space demand, land demand and total land use for new retail development are summarized in Table C11.

## INDUSTRIAL DEVELOPMENT

The US-77 corridor lost several major industrial employers during the 1990's, including a Total refinery, Rodeo Meats, an elevator manufacturer, and a Benny & Smith (Crayola) factory. These losses contributed to the population decline in the 1990s and early 2000s, along with a decrease in labor force and a substantial increase in unemployment. Although all of the jobs lost have not yet been replaced, the existing mix of industries appears to be stable and diverse. The current mix of major industrial and commercial employers is a strength to the region because of the diversity of the types of businesses represented, as well as the fact the many of the businesses serve a niche market. Another strength of the local industrial and commercial sector is the reported ease of working with local officials, including negotiating utility costs, which are generally significantly lower than in other regions of the country.

### Existing Industrial and Commercial Park Development

There are four industrial parks in the market area that influence the US-77 corridor, although only two are located in the US-77 Corridor Study Area:

**Winfield Industrial Park**, which, for the purposes of this report, includes three adjacent areas - Winfield Industrial Park (65 acres), Winfield Industrial Park II (90 acres), and a separate area containing a Rubbermaid Building and the General Electric facility (86 acres) - is located at Route 360 and Highway 160 in eastern Winfield and is not located in the US-77 Corridor Study Area. Rubbermaid is the largest user of the park. All the lots in the park have been built out, although individual users may have room to expand on their respective lots. Access to local roads and highways is good, although direct rail and air access are not available.

**UTT Business/Industrial Park** was developed in 2005 by Winfield to provide local light industrial and service businesses a location to expand with minimal effort. Utt is the best location in Winfield for industrial and commercial expansions, particularly for companies that require warehouse and/or shipping

Table C11: Retail Land Demand Projections

Land Demand Projections, 2006-2026			
Total Retail (incl. stand-alone stores and multi-store centers)			
	Conservative	Moderate	Aggressive
<b>Space Demand and Absorption</b>			
<i>Net Acres/Units of Space Demand (SF Floor Area)</i>			
2006-2011	125,000	165,000	185,000
2011-2016	35,000	65,000	85,000
2016-2026	25,000	40,000	60,000
<b>TOTAL</b>	<b>185,000</b>	<b>270,000</b>	<b>330,000</b>
<b>Land Demand and Absorption</b>			
<i>Acres of Land by Primary Land Use (0.20 FAR)</i>			
2006-2011	14	19	21
2011-2016	4	7	10
2016-2026	3	5	7
<b>TOTAL</b>	<b>21</b>	<b>31</b>	<b>38</b>
<b>Gross Land Use Demand and Absorption</b>			
<i>Total Acres Required incl. Utilities and Infrastructure (1.25)</i>			
2006-2011	18	24	26
2011-2016	5	9	13
2016-2026	4	6	9
<b>TOTAL</b>	<b>27</b>	<b>39</b>	<b>48</b>

space. Access to local roads and highways is good, although there is no direct rail or air access.

**Strother Field Industrial Park** is the largest and most diverse industrial park in the area. Generally, businesses that want to locate at Strother purchase the lot and construct their own buildings; however, Strother field does lease the land to some users, such as General Electric, and leases some building space, usually warehouse or office space, that it owns. Although most of the existing companies at Strother are in the industrial, manufacturing, and/or distribution sectors, there are a few institutional uses on site, such as, Cowley County Mental Health Center. Cowley Cinema 8 is located just south of the complex. Strother Field has very good access to various transportation networks, as it contains the only local airport, has sites with rail access, and is located just off US-77. Strother Field also has the greatest potential for expansion and growth because of the amount of unused land it currently owns, as well as the abundance of undeveloped farmland surrounding it.

**Goff Industrial Park** is located just north of Arkansas City on the west side of US-77. Creekstone Farms Premium Beef that located here in 2002 is the largest tenant of the park. Access to local roads and highways is good, although direct rail or air access is not available. There is a limited amount of active industrial development located outside of the four industrial parks, including Kan-Pak, a milk and coffee products company, and ADM Milling, a grain storage facility and flour mill. The largest vacant industrial site in the area is the former Total refinery, located in southeast Arkansas City.

The key industrial tenants in three industrial park areas (Winfield Industrial Park and Utt Business and Industrial Park are combined in this analysis) have been summarized and the total square feet of building space for the three parks in Table C12 on the following page.



Creekstone Farms Premium Beef Facility



Winfield Industrial Park

# APPENDIX C: MARKET ANALYSIS

Table C12: Existing Industrial Parks

Industrial Park	Company	Building Size
<b>1. Winfield Industrial Park</b>		
Utt Business/Industrial Park	S&Y	31,000 SF
Route 360 and Hwy 160	BTR	11,500 SF
Winfield, KS	WirePlus	10,300 SF
	Clock Medical	22,100 SF
	Pray Stone	9,000 SF
<i>General Data</i>	Winfield Economic Development (vacant)*	25,000 SF
Total Buildings	15	Winfield Economic Development (GE)
Vacant Buildings:	1	423,000 SF
Vacant Building Space (SF):	25,000	Rubbermaid (3 Bldgs)
Total Land Area:	296	1,268,000 SF
Floor-to-Area Ratio:	0.19	Cates
Available Land (Acres):	49	5,000 SF
		Webster
		42,000 SF
		Nelson Manufacturing
		7,000 SF
		Coca Cola
		14,000 SF
		Galazy Tool
		50,000 SF
		Calmar
		162,000 SF
		Schwan's
		10,000 SF
		<b>Total</b>
		<b>2,089,900 SF</b>
		<i>Vacancy Rate</i>
		1.2%
<b>2. Strother Field Industrial Park</b>		
US-77 and 212nd Road	General Electric	557,854 SF
US-77 Corridor	Former Gordon-Piatt Building*	148,079 SF
Cowley County, KS	Vacant Truck Terminal Building*	15,300 SF
	Big Toy Co.	132,300 SF
	KSQ Blowmolding	171,722 SF
<i>General Data</i>	American Waste	149,280 SF
Total Buildings	54	3-C Towing
Vacant Buildings:	2	11,840 SF
Vacant Building Space (SF):	163,379	Range Oil
Total Land Area (Acres):	1,600	10,510 SF
Floor-to-Area Ratio:	0.04	Morton Buildings
Available Land (Acres):	600**	79,128 SF
		Strother Field (Misc. Uses)
		55,521 SF
		Current Aircraft
		4,800 SF
		B Four Flying
		7,420 SF
		Ark Valley Distribution
		22,020 SF
		Winfield Consumer Products
		170,517 SF
		Cowley County Mental Health
		13,088 SF
		Queenship Publishing
		36,076 SF
		Aero Completions
		12,762 SF
		Selcom USA
		88,204 SF
		Twin Rivers Developmental
		33,994 SF
		TAD, Inc
		67,565 SF
		I.U.E. Local 1004
		2,664 SF
		New Century Leasing (Waste Connections)
		3,256 SF
		Greif Containers
		84,347 SF
		<b>Total</b>
		<b>1,878,247 SF</b>
		<i>Vacancy Rate</i>
		8.7%

\*Denotes vacant building

\*Denotes vacant building

\*\*250 acres immediately available

Table C12: Existing Industrial Parks (Continued)

Industrial Park	Company	Building Size
<b>3. Goff Industrial Park</b>		
NW quadrant of US-77/Skyline Rd	Creekstone Farms Premium Beef	80,000 SF
Arkansas City, KS	West Building (Former Rubbermaid Warehouse)*	156,800 SF
	South Building*	42,000 SF
	South Building 2	42,000 SF
	<b>Total</b>	<b>320,800 SF</b>
<i>General Data</i>	<i>Vacancy Rate</i>	62.0%
Total Buildings	4	
Vacant Buildings:	2	
Vacant Building Space (SF):	198,800	
Total Land Area (Acres):	450	
Floor-to-Area Ratio:	0.2	
Available Land (Acres):	N/A	
<i>*Denotes vacant building</i>		
	<b>TOTAL EXISTING SQUARE FOOTAGE</b>	4,288,947 SF
	<b>TOTAL VACANT SQUARE FEET</b>	387,179 SF
	<b>OVERALL INDUSTRIAL PARK VACANCY RATE</b>	9.0%

## Potential Industrial Expansion

There is ample room for industrial and commercial expansion at the four industrial parks. Although Goff currently has a high vacancy rate, the overall building vacancy rate at the four industrial parks is relatively low (approximately 9.0 percent) and the industrial sector has seen steady growth (both expansions and new companies) over the last several years (about 13 companies and 95,000 SF per year), despite major losses in the 1990s. Most of the growth per year has occurred in the Winfield Industrial Park, where Rubbermaid added a 300,000 facility. It appears that the most growth potential lies in the expansion and support of existing industries.

## Projections

A comparison to the national average vacancy rate (9.2 %) for all industrial space indicates a fairly strong industrial market. It is believed that the majority of the future demand for industrial space will be for new construction, instead of tenants occupying the existing industrial space as it was built for specific purposes. The projections for industrial space are based on the following assumptions:

- Given the availability of air and rail service, the amount of available land, and its location away from residential development, we believe that most of the demand for additional industrial space, or approximately 65 percent will be met by Strother Field;
- An additional ten to fifteen percent of the total demand for industrial space should be met along the US-77 Corridor, some at Goff Industrial Park, while the remaining demand will be met by Utt Business/Industrial Park;
- A majority of the future demand will be generated by the expansion of existing businesses; and,
- A gross land use to land demand ratio of 1.5 was used to account for easements, setbacks, roads, and other supportive infrastructure requirements.

# APPENDIX C: MARKET ANALYSIS

The projections for industrial space demand, land demand and total land use for new industrial development are summarized in Table C13.

## OFFICE DEVELOPMENT

The office development in the US-77 market area it is generally more widely scattered than other developments. Existing office development is generally located in Downtown Winfield, Downtown Arkansas City, within the industrial parks, and scattered throughout other retail and commercial areas.

### Existing Office Space

The current mix of office space located within the US-77 corridor serves a wide range of tenants and varies greatly in quality. For instance, a majority of the downtown office space in both Winfield and Arkansas City is occupied by banks, while institutional uses, such as city and county government, occupy a significant proportion of other office space. The office sector has not seen significant growth for many years except in the medical office sector which saw limited new construction during the last several years. Also, companies with facilities at the four industrial parks generally have office space on site. The Winfield area has seen approximately 60,000 square feet of office space constructed since 2000. Arkansas City has also experienced fairly limited new office construction of about 30,000 square feet since 2000.

### POTENTIAL FOR GROWTH

The most recent office construction was for physician's offices and the medical sector appears to be poised for some additional growth. Another growth area that will likely require additional office space is social services. At present, both Winfield and Arkansas City have an office vacancy rate of approximately 15 percent, varying primarily with the quality of the office space.

Table C13: Retail Land Demand Projections

Land Demand Projections, 2006-2026			
Total Industrial (incl. flex space, contractors, manufacturing, wholesale trade)			
	Conservative	Moderate	Aggressive
<b>Space Demand and Absorption</b>			
<i>Net Acres/Units of Space Demand (SF Floor Area)</i>			
2006-2011	100,000	125,000	150,000
2011-2016	120,000	150,000	175,000
2016-2026	200,000	225,000	250,000
<b>TOTAL</b>	<b>420,000</b>	<b>500,000</b>	<b>575,000</b>
<b>Land Demand and Absorption</b>			
<i>Acres of Land by Primary Land Use (0.25 FAR)</i>			
2006-2011	9	11	14
2011-2016	11	14	16
2016-2026	18	21	23
<b>TOTAL</b>	<b>38</b>	<b>46</b>	<b>53</b>
<b>Gross Land Use Demand and Absorption</b>			
<i>Total Acres Required incl. Utilities and Infrastructure (1.5)</i>			
2006-2011	14	17	21
2011-2016	17	21	24
2016-2026	27	32	35
<b>TOTAL</b>	<b>58</b>	<b>70</b>	<b>80</b>

## Projections

Of the new office space constructed since 2000, about 6,000 square feet, or nine percent, is currently vacant. Our projections for office space are based on the following assumptions:

- Population growth will be fueled, in part, by job growth, which will create the need for new office space;
- Due to the fact that the US-77 Corridor Study Area does not include Downtown Winfield, nor most of the city, the study area will only capture approximately 60 percent of future office growth;
- A majority of the future demand will be generated by expansions of existing businesses and social service agencies; and
- Using a gross land use to land demand ratio of 1.35 to account for easements, setbacks, roads, and other infrastructure requirements.

The projections for office space demand, land demand and total land use for new office development are summarized in Table C14.

## INSTITUTIONAL

Many of the existing and planned construction projects in the US-77 market area are taking place due to expansions and upgrades in the institutional sector. The US-77 market area has a significant amount of institutional development.

### Existing Institutional Space

Institutional uses are generally scattered throughout the US-77 market area. For instance, Southwestern College is in northeast Winfield, Cowley County Community College is located in central Arkansas City, the Cowley County Courthouse is located just west of Downtown Winfield, and the City of Arkansas City government offices are located in Downtown Arkansas City, just west of the main US-77 strip. There is also a variety of governmental agencies located at Strother Field, including the driver's license bureau, Workforce Development Supports, Inc., Twin Rivers Developmental Supports, Inc., Cowley County Economic Development Agency, and the Cowley County Mental Health Center.

Table C14: Office Land Demand Projections

Land Demand Projections, 2006-2026			
Total Office (incl. medical, finance, business services, government)			
	Conservative	Moderate	Aggressive
<b>Space Demand and Absorption</b>			
<i>Net Acres/Units of Space Demand (SF Floor Area)</i>			
2006-2011	22,500	30,000	40,000
2011-2016	25,000	35,000	47,500
2016-2026	67,000	93,000	127,000
<b>TOTAL</b>	<b>114,500</b>	<b>158,000</b>	<b>214,500</b>
<b>Land Demand and Absorption</b>			
<i>Acres of Land by Primary Land Use (0.35 FAR)</i>			
2006-2011	1	2	3
2011-2016	2	2	3
2016-2026	4	6	8
<b>TOTAL</b>	<b>7</b>	<b>10</b>	<b>14</b>
<b>Gross Land Use Demand and Absorption</b>			
<i>Total Acres Required incl. Utilities and Infrastructure (1.35)</i>			
2006-2011	1	3	4
2011-2016	3	3	4
2016-2026	5	8	11
<b>TOTAL</b>	<b>9</b>	<b>14</b>	<b>19</b>

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Recent, current, and planned development projects in the institutional sector include the new Winfield Middle School, Cowley County Mental Health Center expansion, Cowley County Law Enforcement Center, and the new CoVista Medical Center.

### Potential for Growth

Growth in the institutional sector is somewhat less predictable than growth in other sectors because funding for large projects generally requires a public vote and any plans are subject to enhanced scrutiny. The current projects that are underway are taking place in response to a need for either additional space or new facilities.

### PROJECTIONS

Based on recent trends, it is likely that there will be new institutional space constructed in the future. However, it is important to consider the fact that most of the new construction will be to replace older facilities, with only a small net gain in overall institutional space. Nonetheless, much of the new construction taking place requires additional land. Also, without population growth, the demand for additional services should not increase substantially, although the aging baby-boomer generation will require more services than previous generations. The projections for institutional space are based on the following assumptions:

- Most of the demand for new institutional space will be for replacement facilities;
- Approximately 60 percent of all institutional expansion will occur in the US-77 Corridor, as Strother Field has several uses and the CoVista Medical Center is being constructed just off the highway. The aging population will create modest future demand; and
- A gross land use to land demand ratio of 1.35 was used to account for easements, setbacks, roads, and other infrastructure requirements.

The projections for institutional space demand, land demand and total land use for new institutional development are summarized in Table C15.

Table C15: Institutional Land Demand Projections

Land Demand Projections, 2006-2026			
Total Institutional (incl. hospitals, schools, higher education, gov. agencies)			
	Conservative	Moderate	Aggressive
<b>Space Demand and Absorption</b>			
<i>Net Acres/Units of Space Demand (SF Floor Area)</i>			
2006-2011	10,000	20,000	40,000
2011-2016	40,000	50,000	60,000
2016-2026	107,000	133,000	160,000
<b>TOTAL</b>	<b>157,000</b>	<b>203,000</b>	<b>260,000</b>
<b>Land Demand and Absorption</b>			
<i>Acres of Land by Primary Land Use (0.35 FAR)</i>			
2006-2011	1	1	3
2011-2016	3	3	4
2016-2026	7	9	10
<b>TOTAL</b>	<b>11</b>	<b>13</b>	<b>17</b>
<b>Gross Land Use Demand and Absorption</b>			
<i>Total Acres Required incl. Utilities and Infrastructure (1.35)</i>			
2006-2011	1	1	4
2011-2016	4	4	5
2016-2026	9	12	14
<b>TOTAL</b>	<b>14</b>	<b>17</b>	<b>23</b>

### MIXED-USE

A mixed-use development usually involves a mix of residential, office, and/or retail space in a very dense urban settings. There is very limited existing mixed-use space in the downtowns of Winfield and Arkansas City and there is very limited potential for such growth, as some above-storefront space could be converted into residential units. However, it is very difficult to estimate future demand for such space in a rural setting,. Therefore, the projections for potential mixed-use developments have not been made.

### Recommended Location of Future Development

Arkansas City is currently growing to the north along US-77 and Winfield is growing to the south along US-77, with the exception of Utt Business/Industrial Park in eastern Winfield. Based on this trend, the development is expected to continue to move in those directions, particularly considering that both Arkansas City and Winfield's expansion is limited in other directions by natural barriers. Based on the analysis, the following recommendations for the location of future development have been made.

New residential development will be most efficient in areas where utilities already exist or can be easily reached by expansion to and where undeveloped land is readily available. Another important factor in determining an appropriate location for housing is a given site's proximity to shopping and other services. Based on these three factors, the best location along the US-77 Corridor for new residential development are south Winfield and north and east Arkansas City.

There are three locations that we believe are appropriate for new retail development. Both north

Arkansas City and south Winfield already have a decent mix of retail options that generate retail traffic, and both have space for additional development. Either a large single use or a small community shopping center could be constructed in each or either location. A third option is to build a community shopping center south of Strother Field next to Cowley Cinema 8; however, it is important that if any retail is constructed at this site, that it be a mix of types of retail uses, including an anchor store. This would also be the ideal location for a new restaurant, if built in conjunction with such a center. The best location for additional industrial development along US-77 is Strother Field because it has more than enough land to capture future demand.

Office and institutional development is currently scattered throughout the region at the industrial parks, in the downtowns, and at limited scattered sites within Arkansas City and Winfield. Future development may also be located in a variety of locations; however, we believe that it should be located adjacent to existing developments, such as Strother Field, in south Winfield, in north Arkansas City, or adjacent to the new CoVista Medical Center, which will insure that adequate utilities are available.

Overall, little potential for new development is seen in a few locations: 1) along US-77 south of Arkansas City due to a lack of utilities, 2) between the CoVista Medical Center and the Cowley Cinema 8 site, and 3) between Strother Field and south Winfield.

# APPENDIX C: MARKET ANALYSIS

## AGGREGATE LAND DEMAND

The aggregate land demand calculations for all uses are summarized in Table C16 below.

Table C16: Aggregate Land Demand Projections

Aggregate Land Demand Projections, 2006-2026			
Total from all Sectors			
	Conservative	Moderate	Aggressive
<b>Total Housing Units</b>			
2006-2011	125	236	349
2011-2016	125	238	358
2016-2026	250	483	744
<b>TOTAL</b>	<b>500</b>	<b>957</b>	<b>1,451</b>
<b>Space Demand and Absorption</b>			
<i>Net Acres/Units of Space Demand (SF Floor Area)</i>			
2006-2011	257,500	340,000	415,000
2011-2016	220,000	300,000	367,500
2016-2026	449,000	591,000	747,000
<b>TOTAL</b>	<b>926,500</b>	<b>1,231,000</b>	<b>1,529,500</b>
<b>Land Demand and Absorption</b>			
<i>Acres of Land by Primary Land Use</i>			
2006-2011	38	57	76
2011-2016	33	50	69
2016-2026	62	98	136
<b>TOTAL</b>	<b>133</b>	<b>205</b>	<b>281</b>
<b>Gross Land Use Demand and Absorption</b>			
<i>Total Acres Required incl. Utilities and Infrastructure</i>			
2006-2011	49	73	95
2011-2016	44	65	87
2016-2026	82	126	175
<b>TOTAL</b>	<b>175</b>	<b>264</b>	<b>357</b>