

GEORGIA INSTITUTE OF TECHNOLOGY
Engineering Experiment Station

PROJECT INITIATION

Date: Nov. 27, 1974

Project Title: Feasibility Study on Relocation of Displaced Business Enterprises

Project No.: A-1698

Project Director: P. W. Potts

Sponsor: Urban East Consultants (sub- Small Business Administration)

Effective 11/22/74 Estimated to run until 1/20/75

Type Agreement: Letter dtd 11/21/74 Amount: \$ 3,000

Reports Required: Final

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PROJECT TERMINATION

Date: July 29, 1975

Project Title: **Feasibility Study on Relocation of Displaced Business Enterprises**

Project No.: **A-1698**

Project Director: **P. W. Potts**

Sponsor: **Urban East Consultants**

Effective Termination Date: **1/20/75**

Clearance of Accounting Charges: **all have cleared; final payment rec.**

Grant/Contract Closeout Actions Remaining: **None**

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Project A-1698

FEASIBILITY OF A SHOPPING CENTER
IN GAINESVILLE, GEORGIA

Prepared For
Urban East Consultants
Under the Auspices of
The Small Business Administration
SBA Work Order #UE-5

by
Phillip W. Potts
and
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Industrial Development Division
ENGINEERING EXPERIMENT STATION
Georgia Institute of Technology
January 1975

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Summary and Conclusions

In selecting and evaluating a site for the location of retail outlets, factors relating to the potential market are of primary importance. There must be a sufficient volume of business to sustain operations and provide a reasonable profit, there must be maximum accessibility to the site, there must be a trend of growing population and income to maintain dollar profits in future years, there must be a minimum of competitive units in the area, and the site must be analyzed in terms of the relation of its cost to its productivity.

Census figures for 1970 show a decreasing population from 1960 for Gainesville, but a growing population for Hall County. Nineteen percent of the total families were earning less than \$4,000 annually, while 24% earned \$15,000 or more. However, even though the median income for Gainesville was \$9,236 in 1970, Negro median income was only \$4,576 for 727 families. Of these 727 families, 291 (40%) had incomes of less than poverty level.

Other socioeconomic characteristics were reflected in the fact that 45.8% of all houses were renter occupied. Further, 36.4% of the households had at least one automobile available, 35.5% had at least two available, and 21.3% had none available.

Employment figures indicate that the 1970 economy in Gainesville was strong with only 2% being unemployed, an unrealistic level when projected to the latter part of 1974, with the country's economy depressed and with Gainesville experiencing, as of December 1974, an unemployment level of over 8% and rising.

Travel in the Gainesville area is almost completely limited to the use of the automobile, as there are no public transportation services other than taxis and school buses. The southeastern quadrant of the city, where the proposed shopping center is to be located, is especially immobile because of economic conditions that permit only 19% of the households to be automobile owners.

Retail sales in Gainesville since 1970 have been strong, increasing approximately 20% annually before being adjusted for inflation.

Preliminary plans provided by the developers of the proposed shopping center indicate that 18,306 square feet of gross leasable space will be required. This amount of floor space should have approximately 40,000 square feet of parking area for a total area of approximately 1.5 acres. The proposed site contains approximately .75 acres. Taking into consideration the amount of floor space that will be required and a capitalization figure of approximately \$550,000, it is felt that \$865,000 will have to be realized to break even and \$1,384,000 to obtain a reasonable degree of profitability.

The immediate area surrounding the proposed shopping center site is characterized by a declining population, an almost completely black population, an overall environment of substandard housing, a predominance of low-income families, an average value of owner-occupied homes of between \$5,000 and \$9,900, and an average monthly rent of \$40 to \$59. These are all factors which reflect the level of purchasing power and the buying habits of the area residents.

Not all of the originally proposed tenants are suited for a shopping center location, with the possible exception of a convenience grocery store, cleaners, cafe (if considered fast food service type), and liquor store. The cab company, for instance, does not require expensive shopping center office space and, if cabs are to be parked at the shopping center, valuable parking spaces will be utilized that should be kept available for retail customers. In other words, the types of tenants should depend on overall potential and should be selected accordingly.

Because of several factors, it is felt that the site of the proposed shopping center is not feasible. Socioeconomic factors do not indicate sufficient purchasing power in the trade area to sustain a shopping center, the site is not large enough to allow sufficient parking space, and Athens Street widening will impose an extreme hardship on the shopping center through interrupted traffic for approximately one year after widening has begun. However, there is an available site at the intersection of Myrtle Street and Athens Street, consisting of approximately one acre, zoned for business, that is recommended for the proposed shopping center. It is recognized that this

recommended site is less than the 1.5 acres desired and that the site is located within the trade area that lacks adequate purchasing power, but there are positive factors that should at least partially offset these unfavorable conditions (highly accessible to traffic and not located in the section of Athens Street that will undergo widening construction).

The feasibility of the shopping center can be further enhanced by the local development company, if one is used, establishing a formal organizational structure and outlining the specific responsibilities of both the development company and the individual tenants. For instance, legal commitments from enough tenants to ensure at least 75% occupancy are needed, as well as guidelines such as a minimum five-year lease and the requirement of a security deposit and two months rent in advance from all tenants. And, most importantly, an individual must be designated to spend the necessary time and make the necessary decisions inherent in the management function.

INTRODUCTION

Many factors enter into the proper selection of a business location, usually related to the availability of a market, labor, and/or supply of raw materials. Retail stores are virtually all market oriented, and this should be the dominant factor in the selection of a specific site. There must be a sufficient volume of business to sustain operations and provide a reasonable profit, there must be maximum accessibility to the site, there must be a trend of growing population and income to maintain dollar profits in future years, there must be a minimum of competitive units in the area, and the site must be analyzed in terms of the relation of its cost to its productivity.

The purpose of this study was to examine the feasibility of a proposed site for a shopping center in Gainesville, Georgia. The shopping center is to be owned and operated by minority businessmen being displaced by the relocation of Highway 129 in Gainesville. The approach taken was basically to examine the socioeconomic characteristics of the Gainesville area (the population characteristics, housing characteristics, income levels, consumer purchasing power, etc.) to arrive at a determination of whether or not the market potential is great enough to support the proposed shopping center. No effort was made to evaluate the managerial ability of the participants in the shopping center and their expertise in merchandising; therefore, it is assumed in this report that managerial ability exists to efficiently oversee day-to-day business operations.

Even though the study was for a specific site located at the corner of Athens Street and College Avenue (see Figure 1), other sites were sought and evaluated as alternative courses of action (see Figure 2):

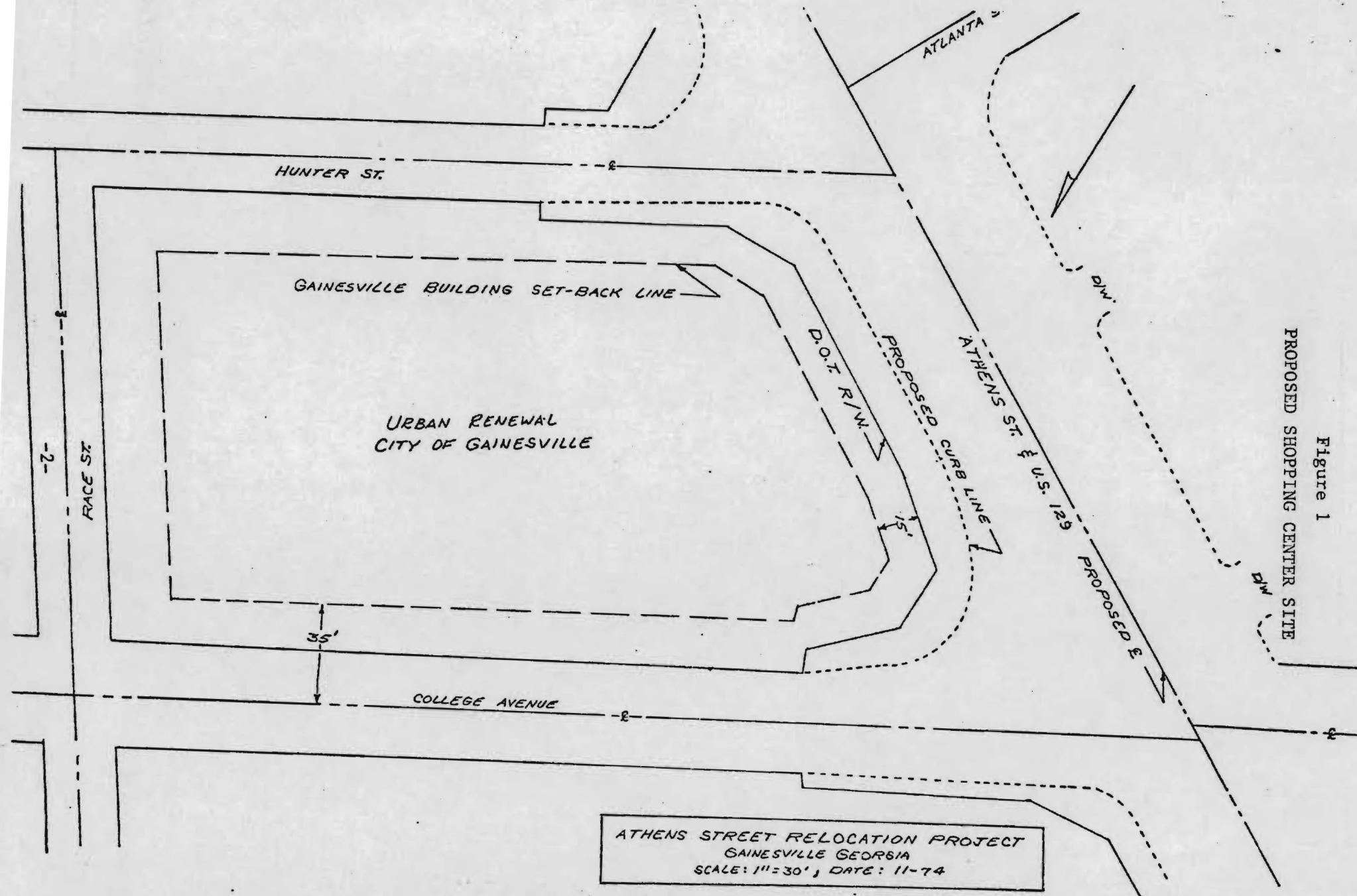
Alternate Site #1 -- Townview Shopping Center

Alternate Site #2 -- The corner of Hudson Street and College Street

Alternate Site #3 -- Athens Street, after widening of street has
been accomplished

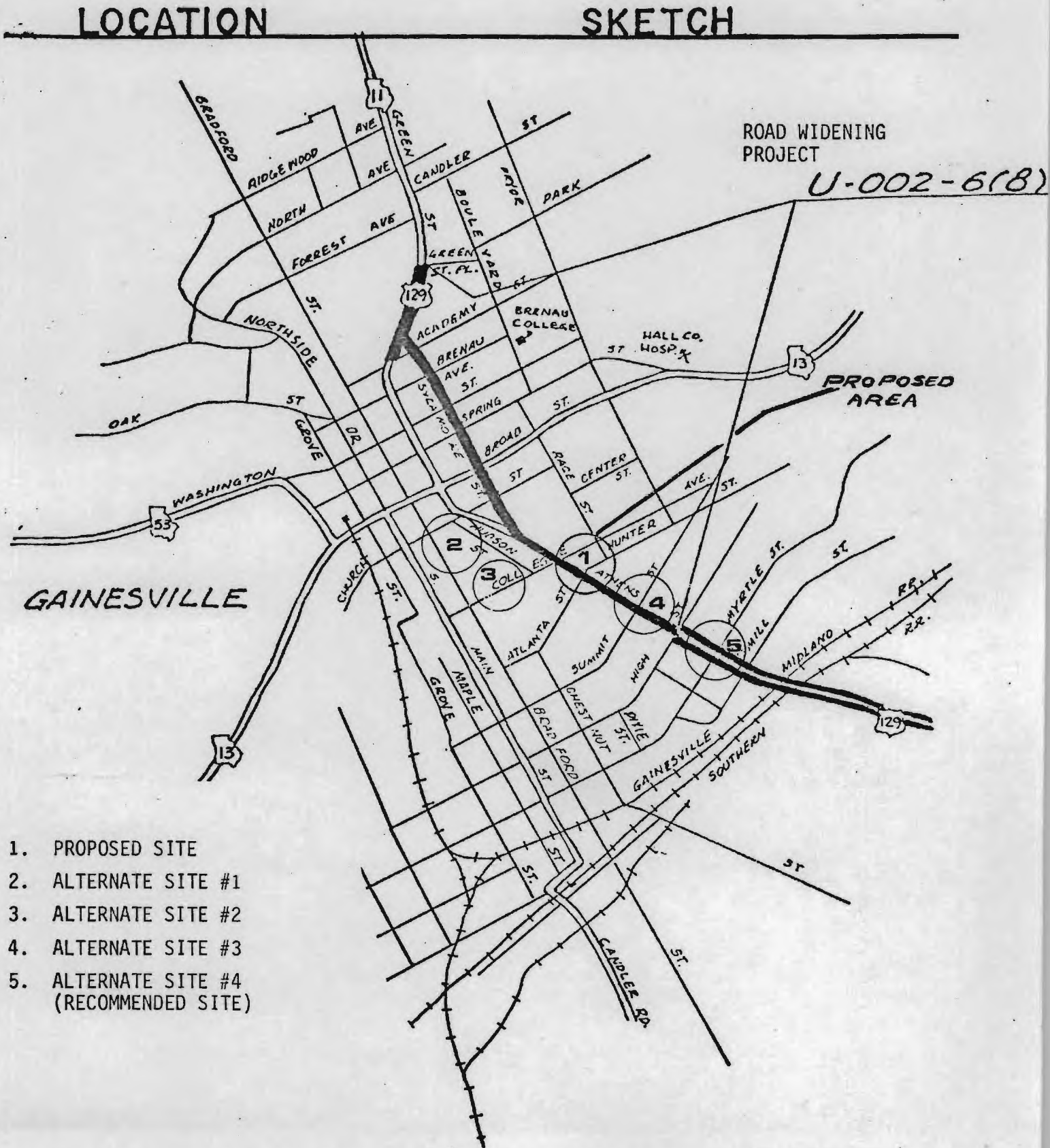
Alternate Site #4 -- The intersection of Athens Street and Myrtle
Street

Figure 1
PROPOSED SHOPPING CENTER SITE



PROPOSED SHOPPING CENTER SITE

Figure 2
LOCATION OF ALTERNATE SITES



GENERAL BACKGROUND ON GAINESVILLE AND HALL COUNTY

Geographical Location, Population, and Socioeconomic Characteristics

The city of Gainesville is located in Hall County, Georgia, approximately 53 miles northeast of Atlanta. Census figures for 1970 list the city's population at 15,459, a 6.4% decrease from 1960. While the city showed a decreasing population in 1970, Hall County during the same census period listed 59,405 persons, a 19% increase over 1960.

A further breakdown of Gainesville's population figures shows the following:

<u>Year</u>	<u>Population</u>	<u>Gain (Loss)</u>	<u>Percent Change</u>
1970	15,459	-1,064	- 6.4
1960	16,523	4,587	38.4
1950	11,936	1,693	16.5
1940	10,243	1,619	18.8
1930	8,624	2,352	37.5
1920	6,272	347	5.9
1910	5,925	1,543	35.2
1900	4,382	--	--

General characteristics of Gainesville's population in 1970, as well as some selected housing statistics for the city, are shown in Table 1 on the pages following.

An analysis of the composition of the 1970 population shows that Gainesville had a 22% Negro population (Hall County 10%), 34% were under 18 years of age (Hall County 36%), 56% were between the ages of 18 and 64 (Hall County 56%), and 10% were over 64 years of age (Hall County 8%). A total of 4,828 households averaged 3.08 persons per household. In addition, the influence of foreign stock was negligible with only 195 persons either being foreign born or a native of foreign or mixed parentage. Approximately one half of the population over 25 years of age graduated from high school.

Table 1
GENERAL CHARACTERISTICS OF 1970 GAINESVILLE POPULATION

<u>RACE</u>		
Population	15,459	
White	12,071	
Negro	3,388	

<u>Age</u>	<u>1970</u>	<u>1960</u>
Under 5 years	1,283	1,959
5 to 9 years	1,449	1,821
10 to 14 years	1,605	1,611
15 to 19 years	1,625	1,365
20 to 24 years	1,184	1,059
25 to 29 years	1,007	1,069
30 to 34 years	787	1,128
35 to 39 years	879	1,212
40 to 44 years	961	1,122
45 to 49 years	910	948
50 to 54 years	865	817
55 to 59 years	747	673
60 to 64 years	669	481
65 to 69 years	527	476
70 to 74 years	372	332
75 to 79 years	300	247
80 to 84 years	155	130
85 years and over	<u>134</u>	<u>73</u>
Total	15,459	16,523
Under 18 years	5,269	6,178
65 years and over	1,488	1,258
Median age	27.9	27.1
Average persons per household	3.08	

Table 1 (Continued)

NATIVITY

Native of native parentage	15,268
Native of foreign or mixed parentage	131
Foreign born	64

YEARS OF SCHOOL COMPLETED
(3,547 males, 25 years and older)

No school years completed	67
Elementary: 1 to 4 years	302
5 to 7 years	533
8 years	181
High school: 1 to 3 years	517
4 years	666
College: 1 to 3 years	408
4 years or more	873
Median school years completed	12.3
Percent high school graduates	54.9

YEARS OF SCHOOL COMPLETED
(4,723 females, 25 years and older)

No school years completed	136
Elementary: 1 to 4 years	352
5 to 7 years	735
8 years	309
High school: 1 to 3 years	853
4 years	989
College: 1 to 3 years	669
4 years or more	680
Median school years completed	11.9
Percent high school graduates	49.5

Table 1 (Continued)

FAMILY INCOME

<u>Income Group</u>	<u>Gainesville Families</u>		<u>Georgia Families</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Under \$2,000	318	8.1	103,043	9.0
\$ 2,000 - \$ 3,999	434	11.0	135,919	11.8
\$ 4,000 - \$ 5,999	502	12.7	157,525	13.7
\$ 6,000 - \$ 7,999	488	12.4	164,896	14.3
\$ 8,000 - \$ 9,999	367	9.3	152,496	13.3
\$10,000 - \$11,999	394	10.0	161,277	14.0
\$12,000 - \$14,999	500	12.7	100,230	8.7
\$15,000 - \$24,999	655	16.6	136,721	11.9
\$25,000 - \$49,999	249	6.3	21,518	1.9
\$50,000 or More	<u>33</u>	<u>.9</u>	<u>16,144</u>	<u>1.4</u>
TOTAL	3,940	100.0	1,149,769	100.0
MEDIAN INCOME	\$9,236		\$8,167	

HOUSING STATISTICS

<u>Age Of House</u> <u>(Construction Date)</u>	<u>Number</u>	<u>Percentage</u>
1939 or earlier	1,584	30.1
1940 - 1949	656	12.8
1950 - 1959	1,659	32.3
1960 - 1970	1,233	24.0
Housing Units	5,132	100.0
Owner occupied	2,477	48.3
Renter occupied	2,351	45.8
Vacant	89	1.7
For sale	86	1.7
For rent	127	2.5
Other vacant	2	--

Table 1 (Continued)

HOUSING STATISTICS (Continued)

<u>Age Of House (Construction Date)</u>	<u>Number</u>	<u>Percentage</u>
Lacking Some or All Plumbing Facilities	479	9.3
Lacking Complete Kitchen Facilities	183	3.6
Automobiles Available	3,674	100.0
One	1,698	36.4
Two	1,658	35.5
Three or more	318	6.8
None	992	21.3
<u>Gross Rent (1970)</u>	<u>Number</u>	<u>Percentage</u>
Less than \$ 40	560	22.6
\$ 40 - \$ 59	764	30.8
\$ 60 - \$ 79	436	17.6
\$ 80 - \$ 99	198	8.0
\$100 - \$149	292	11.8
\$150 - \$199	139	5.6
\$200 - \$249	12	.5
\$250 or more	--	--
No cash rent	76	3.1

Source: U. S. Department of Commerce, Bureau of the Census, 1970 Census of the Population, Vol. 1, Part 12, 1973.

In 1970, 19% of the total families in Gainesville were earning less than \$4,000 annually. Over 15% of the families earned less than poverty level and 24% earned \$15,000 or more. The largest group was that earning \$15,000 to \$24,999 (16.6%).

Even though the median income for Gainesville was \$9,236 in 1970, Negro median income was only \$4,576 for 727 families. Of these 727 families, 291 (40%) had incomes of less than poverty level.

Population statistics for 1970 also show that 43% of all houses were over 20 years old, and 48.3% were renter occupied. Further, 13% lacked plumbing or kitchen facilities. 36.4% of the households had at least one automobile available, 35.5% had at least two available, and 21.3% had no automobile available.

Employment

Of the 15,459 persons residing in Gainesville in 1970, 26% were employed in manufacturing industries, 55% in white collar occupations, 16% in government, and 2% were unemployed. Respective figures for Hall County were 38% employed in manufacturing, 36% in white collar occupations, 12% in government, and 1% were unemployed. However, unemployment figures for Gainesville in December 1974 rose to over 8% of the working force, with no indications of a lessening rate in the immediate future.

The major employers in Gainesville are as follows:

<u>Firm</u>	<u>Products</u>	<u>Approximate Employment</u>
The Pillsbury Company	Dressed frozen poultry	650
Potter and Brumfield	Electric relays, precision snap switches	570
Deering Milliken New Holland Mill Div.	Textile fabrics	560
Deering Milliken Gainesville Mill Div.	Unfinished textile fabrics	540
Gotham Hosiery Mills, Inc.	Hosiery	500
Mar-Jac, Inc.	Poultry processing	400
Fieldale Corp.	Poultry processing	400
Leece-Neville Co.	Motors, regulators, switches	345
Barry Mfg. Co.	Men's suits	305

<u>Firm</u>	<u>Products</u>	<u>Approximate Employment</u>
Gainesville Mfg. Co.	Men's & boys' casual slacks	300
J. D. Jewell, Inc.	Frozen poultry	225
Gainesville Machine Company	Poultry processing equipment	220

Local Transportation

As seen in Table 1, and as mentioned earlier, 36.4% of the households in Gainesville had at least one automobile available, 35.5% had at least two, and 21.3% had none available. Further, travel in, through, and out of both Gainesville and Hall County is almost completely limited to the use of the automobile, as there are no public transportation services other than taxis and school buses.

In August 1974, Traffic Planning Associates, Inc., prepared a study for the City of Gainesville and the Georgia Mountains Planning and Development Commission entitled "Gainesville Transit Study Report." This study cites results from a survey that indicate that, among respondents, getting to shopping areas was the leading problem area (32.9%) relating to a lack of transportation, followed by getting to the doctor (27.5%), seeking recreation (25.2%), obtaining employment (13.4%), and obtaining further education (13.3%).

Commuting patterns in 1970 show the following number of persons traveling from Hall County to other counties for employment. This travel is almost entirely by automobile.

<u>County Of Employment</u>	<u>Number Of Persons Commuting From Hall County</u>
Banks	32
Barrow	26
Clarke	32
Dawson	14
DeKalb	463
Forsyth	21
Franklin	6
Fulton	648
Gwinnett	415
Habersham	173
Hall	20,313
Lumpkin	63

Because of the dependence upon the automobile, there is one area of Gainesville that, due to economic conditions, is highly immobile. If the city were divided into four equal quadrants, the southeastern quadrant would almost completely encompass an area of extreme poverty containing 81% of all zero car-owning households and an area to which 75% of all social agency trips are made. This is also the area where the proposed shopping center is to be located.

Retail Sales

Retail sales for the years 1970 through 1973 show a steady increase for both Georgia and Hall County. As seen in Table 2, both the state and the county experienced approximately 20% average annual increases between 1970 and 1973.

Table 2
RETAIL SALES IN GEORGIA AND HALL COUNTY, 1970-1973

	<u>Georgia</u>	<u>Hall County</u>	
		<u>Total</u>	<u>% of U.S.</u>
Retail Sales (in thousands):			
1970	\$ 7,439,130	\$116,204	.0322
1971	8,111,629	124,374	.0317
1972	9,799,099	149,284	.0336
1973	11,993,808	186,577	.0363
Percentage Change:			
1970-71	9.0	7.0	
1971-72	20.8	20.0	
1972-73	21.7	24.9	
1970-73	61.2	60.6	

Source: Sales Management Magazine, Survey of Buying Power, 1971, 1972, 1973, and 1974 editions.

SPACE, COMPOSITION, AND SALES REQUIREMENTS
FOR THE PROPOSED CENTER

Floor Space

Preliminary plans provided by the developers indicate that a total of 18,306 square feet of floor space will be provided, broken down as follows:

<u>Business</u>	<u>Retail Floor Space</u>	<u>Storage Space</u>	<u>Office Space</u>	<u>Total</u>
Cafe & Lounge	1,666			1,666
	1,406	400	108	1,914
Cleaners	480	2,400	-	2,880
Record Mart, Beer & Wine Store	1,000	1,600	100	2,700
Cab Company	0	0	256	256
Shoe Parlor	400	50	0	450
Grocery Store	2,500	400	150	3,050
Pool Hall & Recreation Area	3,190	100	100	3,390
Clothing Store	<u>1,500</u>	<u>400</u>	<u>100</u>	<u>2,000</u>
TOTAL	12,142	5,350	814	18,306

Parking

The space for parking customers' cars is a basic requirement in shopping center site planning and development. From the site area standpoint, parking takes up more area than all other physical features of the shopping center combined and must be given careful consideration.

There are several methods used for determining parking requirements but, for the purpose of this study, it is felt that a standard of 5.5 parking spaces (400 square feet for each car) per thousand feet of gross leasable area should be maintained. For 18,306 square feet of gross leasable area, 40,273 square feet would be required for parking. In other words, a total land area of about 1.5 acres is desirable for the building area and parking area.

Gainesville building requirements, however, permit a minimum of 30,205 square feet for parking (5.5 spaces per 1,000 square feet of retail space and 300 square feet per car) accompanying 18,306 square feet of gross leasable space, or a total land area of 48,511 square feet (1.1 acres). This 48,511 square feet of land must naturally be considered a minimum acceptable requirement for the project if 18,306 square feet of retail space are utilized.

Suggested Tenants

In a convenience-type shopping center, the convenience food store (such as 7-11 or Little Giant) is the key to attracting customers. It is strongly recommended that the proposed shopping center contain this prime tenant, nationally or regionally recognized, with a minimum of 5,000 square feet of leased space.

Other recommended tenants frequently found in such centers are as follows:

1. Fast-food restaurant, nationally or regionally recognized, 3,000 square feet minimum.
2. Drug store (pharmacy), 1,500 square feet minimum.
3. Dry cleaning (1,000 square feet) and/or laundromat (1,800 square feet), minimum of 2,800 square feet if both are included.
4. Beauty parlor and/or barber shop, minimum of 1,400 square feet.
5. Record and card shop, minimum of 1,400 square feet.
6. Wine, beer, and liquor store, minimum of 2,200 square feet (no drinking on premises of shopping center).
7. Office space, minimum of 800 square feet, for management of shopping center.

The proposed businesses listed in the previous section (see floor space requirements) can be adjusted to the above recommendations (for example, fast food restaurant instead of cafe and lounge) in some instances; however, in other instances, it is necessary that substitute tenants be found if the

potential as a viable business is not great enough. More specifically, there is doubt that expensive shopping center office space is necessary or can be economically justified for a cab company. Also, if cabs are to be parked at the shopping center, valuable parking spaces will be utilized which should be kept available for retail customers.

Retail Sales Requirements

It is estimated that approximately \$550,000 will be required for construction of the proposed shopping center, based on current construction costs of \$30 per square foot of gross leasable space. In order to support such a facility, it is estimated that a minimum annual sales figure of approximately \$865,000 (\$50,000 per 1,000 square feet of gross leasable retail space) will have to be realized to break even and \$1,384,000 to obtain a reasonable degree of profitability (\$80,000 per 1,000 square feet of gross leasable retail space).

Based on a square footage basis, the above would require that each store recommended under the section of this report on suggested tenants gross the following annual sales volume:

<u>Business</u>	<u>Total Space</u>	<u>Break Even Sales Volume</u>	<u>Profitable Sales Volume</u>	<u>% Of Total</u>
1. Convenience Food Store	5,000	\$250,000	\$ 400,000	29
2. Fast-Food Restaurant	3,000	150,000	240,000	18
3. Drug Store	1,500	75,000	120,000	9
4. Dry Cleaning & Laundromat	2,800	140,000	224,000	16
5. Beauty Parlor or Barber Shop	1,400	70,000	112,000	8
6. Record & Card Shop	1,400	70,000	112,000	8
7. Wine and Package Store	2,200	110,000	176,000	12
8. Management Office Space	800	-	-	-
	18,100	\$865,000	\$1,384,000	100

THE POTENTIAL TRADE AREA

Trade Area Delineation

The term "trade area" is normally defined as that area from which the major portion of the continuing patronage necessary for steady support of the shopping center is obtained. New shopping centers cannot create new buying power. They can only attract customers from existing shopping facilities or capture some part of the increase in purchasing power that accrues from a growth in population. Hence, it is necessary to determine the extent of the area from which the center can be expected to draw customers. Naturally this trade area varies according to the type and quality of merchandise that is offered.

Families generally buy "convenience goods" such as food and sundries within their immediate neighborhoods. They go considerable distances to buy "high ticket items" or "shopping goods" like furniture, appliances, and higher-priced clothing. Therefore, estimating the boundaries for a trade area is done by considering a combination of factors, such as shoppers' habits, the location of existing competition, drawing power of the proposed tenants, and access by highway and public transportation.

The proposed center would be comprised of a number of convenience-type shops. Only the initially proposed clothing store might be considered a specialty or "shopping-goods" shop, depending on the price lines and depth of merchandise offered. However, a clothing store as small as the 2,000 square foot store which is proposed would hardly qualify as a "shopping-goods" facility. (A clothing store is not included in the revised list of suggested tenants.)

The proposed center is too small to be considered a neighborhood shopping center, both in square footage and in the type and size of units which are to be included. A neighborhood shopping center is generally considered as one falling in the range of 30,000 to 100,000 square feet, occupying four to ten acres, and including a supermarket (10,000 to 30,000 square feet). A center of but 18,306 square feet and having as the largest tenants a grocery store of 3,050 square feet and a pool hall and recreation center of 3,390 square feet (or a convenience food store of 5,000 square feet in the revised list

of suggested tenants) must be considered as a large convenience-type center, rather than as a neighborhood center.

Being a convenience center, the proposed retail facility can not be expected to draw patrons from any distance. Since a neighborhood center is generally gauged on six minutes of driving time, three minutes is considered appropriate for this center. An area which lies within three minutes of the proposed site and the recommended alternate site (located at the intersection of Athens and Myrtle Streets) is represented by Planning Units 14 and 17^{1/} in Figure 3.

Total Estimated Trade Area Population

In 1970 this trade area contained 3,478 persons living in 1,087 households. The area is characterized by an almost completely black population, an overall environment of substandard housing, a predominance of low-income families having a median income of \$3,200 annually (below the national poverty level) in Planning Unit 14 and a median income of \$5,200 annually in Planning Unit 17, an average resident age of 45 to 54 years in Planning Unit 14 and of under 5 years in Planning Unit 17, an average value of owner-occupied homes of between \$5,000 and \$9,900, and an average monthly rent of \$40 to \$59. These are all factors which reflect the level of purchasing power and the buying habits of the area residents.

Population Projections

Estimates of population made by Mr. William Harris, Executive Director of the Gainesville Development Foundation, indicate that the entire south side of Gainesville has lost in population between 1970 and 1974. The 1970 figure was 5,311 and Mr. Harris' 1974 estimate is 4,675 -- a loss of 636 or 12.0%. Applying this rate of decline to the trade area gives a 1974 population in Planning Units 14 and 17 of 3,061, 417 persons less than the 1970 population.

^{1/} "Neighborhood Analyses, Gainesville, Georgia," prepared by Associates in Planning and Development Consulting, Inc., March 1974, for the City of Gainesville. The study divided the city into 18 separate neighborhood or planning units and analyzed the units regarding various factors that affect the general quality of life.

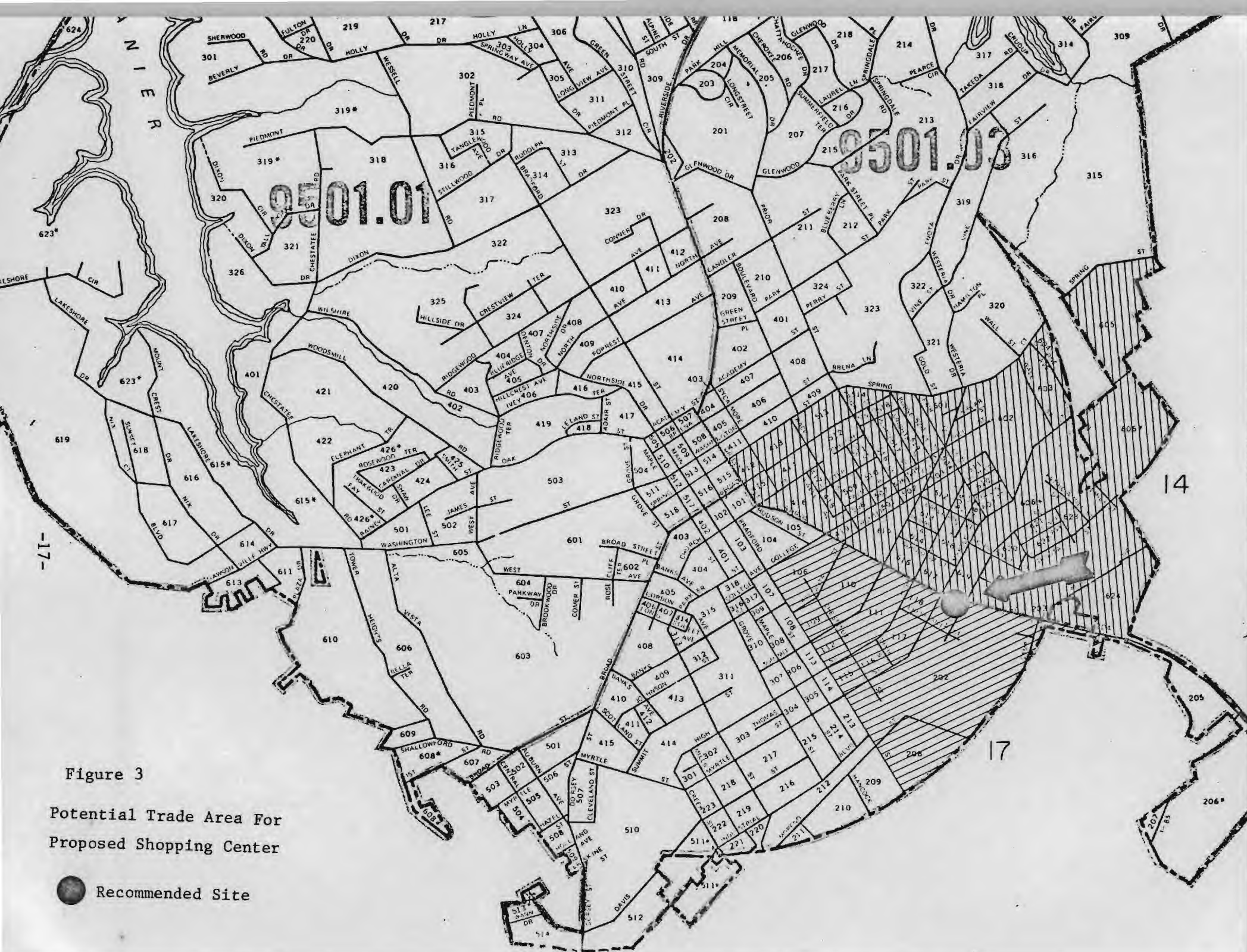


Figure 3

Potential Trade Area For
Proposed Shopping Center

● Recommended Site

CONCLUSIONS AND RECOMMENDATIONS

The purpose of this study was to consider the feasibility of a small shopping center located at the corner of Athens Street and College Avenue. Because of several factors it is felt that this site is not suitable for the proposed shopping center:

1. The socioeconomic characteristics of the population in the trade area do not indicate adequate purchasing power to sustain a shopping center.
2. The site, consisting of approximately 3/4 of an acre, is not large enough to allow sufficient parking space. One and a half acres are preferred for the proposed shopping center.
3. Athens Street will have interrupted traffic for approximately one year or more while street widening is carried out, a burden that cannot be afforded.

Because of the unfavorable aspects of the originally selected site, four additional sites were inspected and evaluated. Evaluations of the four sites follow:

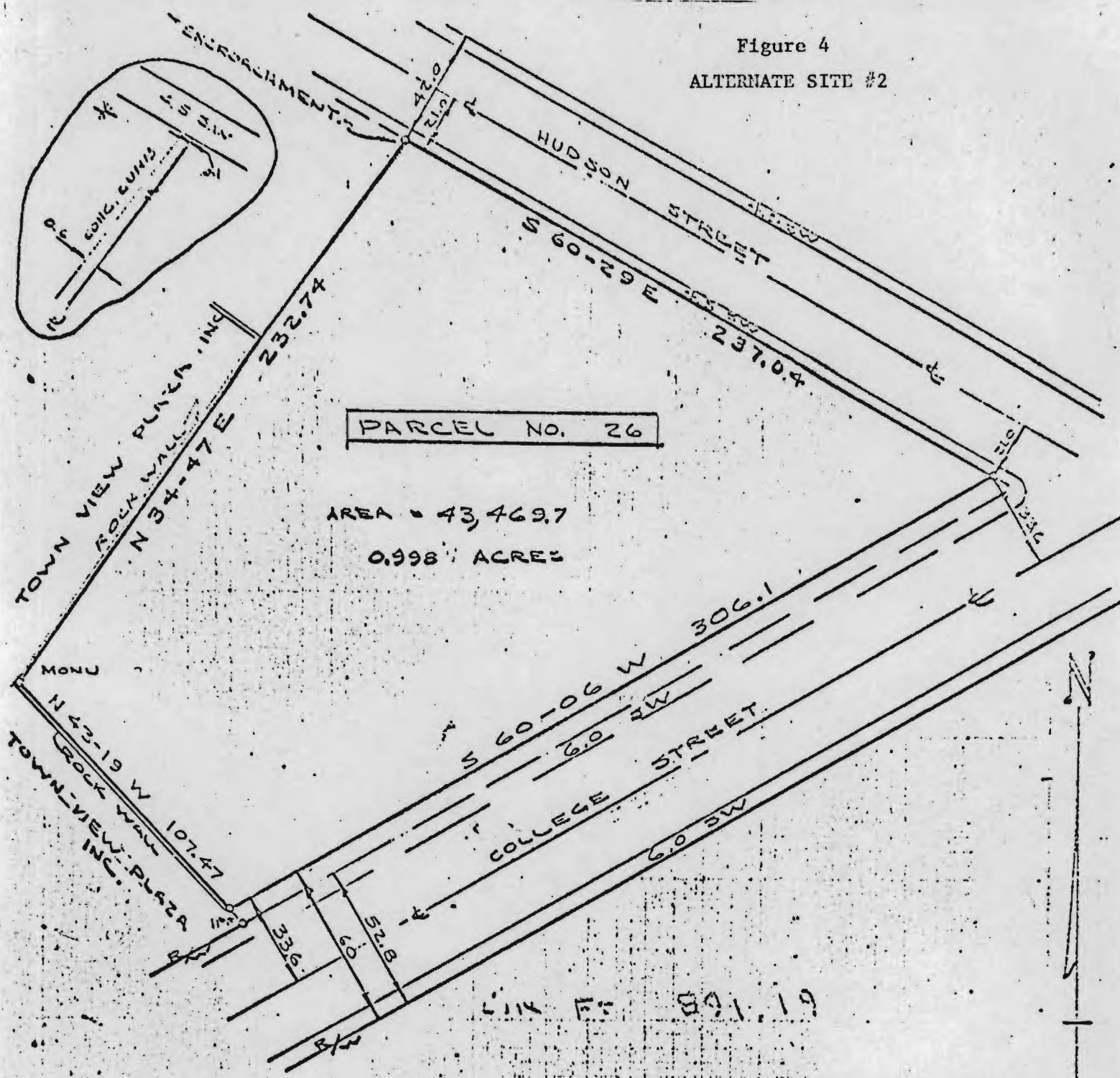
1. Townview Plaza is located approximately two blocks from the originally selected site and has several store vacancies available for leasing. However, this site is not favorable because of poor accessibility from major street and highway traffic. The vacant stores within the shopping center and the length of time they have been vacant indicate a lack of market potential, also.

Space in the Townview Plaza is available as follows (additional space is also available in the immediate area):

- o 2,400 square feet, interior as is (needs paint, floor covering, and ceiling tile), \$450 per month or \$2.25 per square foot annually, taxes and insurance paid but no utilities furnished.

- o 2,400 square feet, redecorated, \$725 per month or \$3.62 per square foot annually, taxes and insurance paid but no utilities furnished.
 - o 1,200 square feet, as is, \$180 per month or \$1.80 per square foot annually, taxes and insurance paid but no utilities furnished.
2. At the corner of Hudson Street and College Street, .998 acres are available at about the same price as the originally selected site (\$50,000 to \$60,000). This site is not favorable for the proposed shopping center because of poor traffic accessibility, insufficient purchasing power of the surrounding trade area, and because size will not allow an adequate parking area. (See Figure 4.)
 3. Along Athens Street quite a few dilapidated structures are to be demolished prior to widening of the street. After the street widening has been completed, numerous sites will be available for business purposes. However, these sites are unfavorable at this time because of an approximate one-year interruption in business which will be caused by building demolition and highway construction. Temporary location elsewhere until street construction is completed is not feasible.
 4. At the intersection of Athens Street and Myrtle Street there is a plot of slightly more than one acre that is zoned for business (sales price of \$60,000), and this location is recommended for the proposed shopping center. (See Figure 5.) The area of the lot is a little less than the 1.5 acres desired and the site is located within the trade area that lacks adequate purchasing power, but there are positive factors that should at least partially offset these unfavorable conditions. The site is highly accessible to traffic from two heavily traveled streets and should attract some portion of such traffic, increasing the trade area limits considerably. Also, this site is not located in the section of Athens Street that will

Figure 4
ALTERNATE SITE #2



PARCEL NO. 26

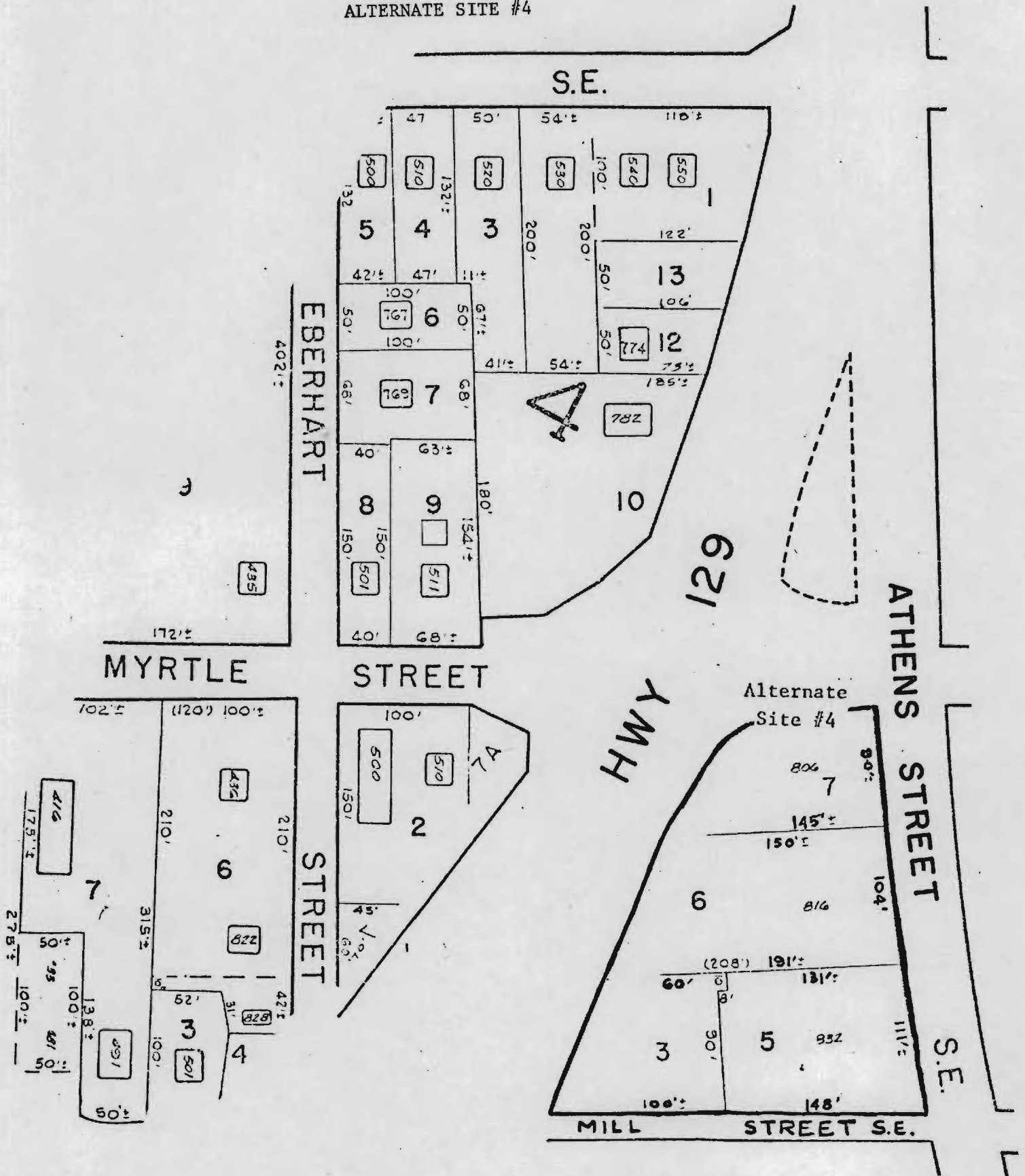
AREA = 43,469.7
0.998 ACRES

PROPOSED USE... GENERAL BUSINESS

REV. APRIL, 6, 1968



Figure 5
ALTERNATE SITE #4



undergo widening construction and will not, therefore, experience an interruption of business activities during the construction period.

It is further recommended that if a local development company (LDC) should be used as a funding vehicle for the shopping center, certain conditions should be met to enhance the overall feasibility of the project. The establishment of a formal organizational structure is most important, involving local groups and spelling out the responsibilities of both the LDC management and the tenants. It should be made clear in this process that tenancy depends on potential, or ability, and not on merely being a member of the LDC. The developers, therefore, must design management plans that indicate that all of the development process is a direct contribution to the viability of the shopping center itself, including the appointing of an individual to spend the necessary time and make the necessary decisions inherent in the management function.

Other areas of these management plans should involve such conditions as the requirement of legal commitments from tenants that would ensure at least 75% occupancy, the requirement of a security deposit and two months rent in advance (to cover both the first and the last month of occupancy), and a minimum lease agreement of five years. If these conditions are not met, the overall feasibility is open to question.

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