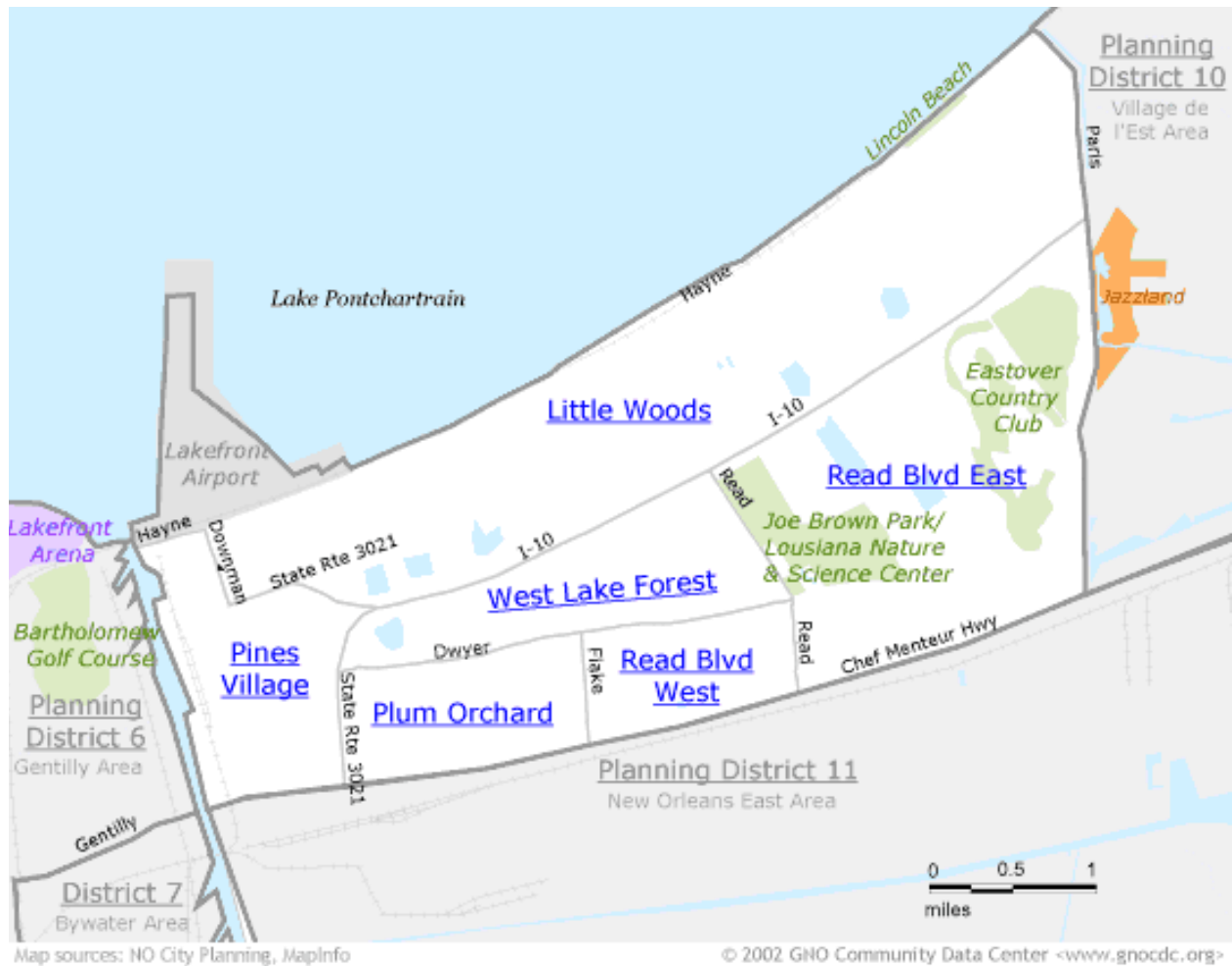


FEASIBILITY OF RETAIL DEVELOPMENTS IN NEW ORLEANS EAST



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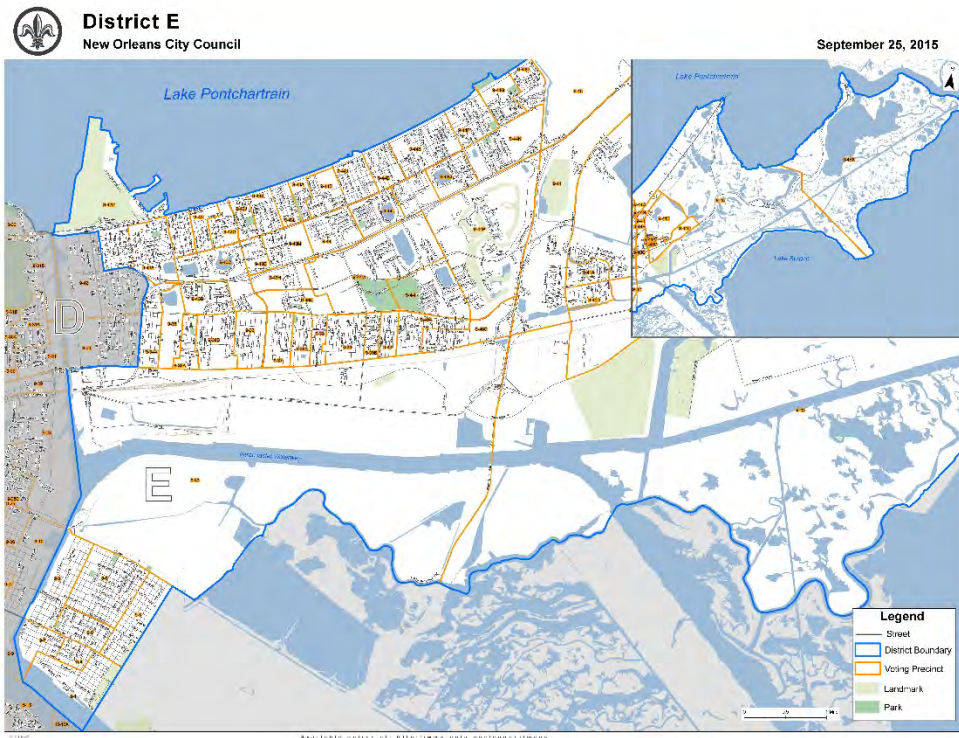
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EXECUTIVE SUMMARY

New Orleans East is the largest land mass in Orleans Parish, 77 square miles, with a population of 75,000, expected to grow to 80,000 over the next 5 years. The area has an average annual household income of \$47,000 with a 52% owning their home; however, the area is underserved by businesses yet to come back to the area which was severely impacted by Hurricane Katrina in 2005.

This report uses the latest technology to determine more about the residents of New Orleans East, including where they spend their money and what businesses are missing that can come to the area and be successful. The top 10 businesses needed in the area would each have sales exceeding \$5,000,000:

Industry Capturing Spending Outside New Orleans East	Forecasted Sales
Grocery Stores	\$29,480,973
Miscellaneous Store Retailers	\$19,048,218
Department Stores Excluding Leased Depts.	\$18,492,427
Sporting Goods, Hobby, Book & Music Stores	\$14,027,283
Furniture & Home Furnishings Stores	\$13,066,252
Sporting Goods/Hobby/Musical Instr Stores	\$12,808,035
Food Services & Drinking Places	\$11,736,569
Restaurants/Other Eating Places	\$11,434,739
Other Miscellaneous Store Retailers	\$9,713,700
Furniture Stores	\$7,294,517

An opportunity exists for businesses in 20 different industries to come to the area and this report examines which are most in demand. Our analysis shows a current need for grocery stores, department stores, sporting goods, restaurants and furniture stores. We reached this conclusion by examining not only the demographics of population, income and age, but also the consumer spending behavior. We benchmarked spending by comparing spending in this area to the national average in a variety of categories to determine where spending is higher than normal, called the Market Potential Index. To discover what businesses are most needed in the area, we conducted a Retail Gap Analysis, where we determine gaps in money spent versus what is sold. We calculated the Leakage Factor showing money spent outside the area which could be spent inside the area, if only businesses were there to provide the goods and services.

Our analysis shows there is real demand for supermarkets and estimate \$82,000,000 is currently spent on food at home, but we also drill down in the data to determine what types of items a supermarket could sell to have a competitive advantage. For example, there is \$28,000,000 spent on snacks for food at home.

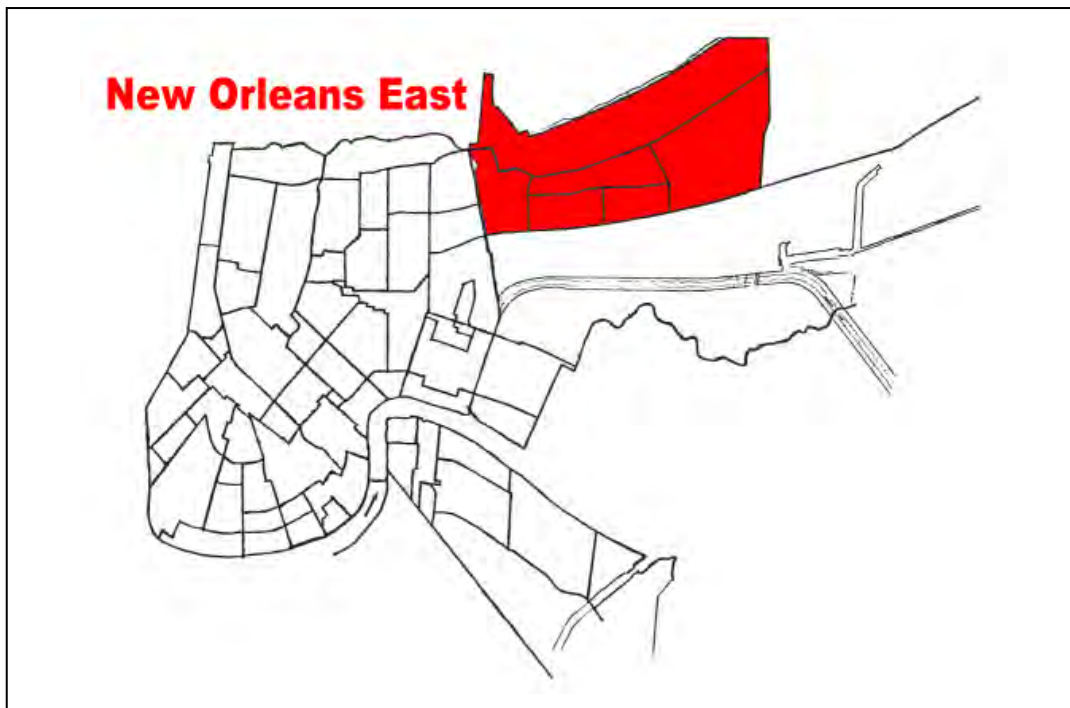
The area has enjoyed a neighborhood rejuvenation with major developments such as the new Wal-Mart on Bullard, a library at Lake Forest, a new Methodist Hospital on Read Road near I-10 which was recently purchased by the City of New Orleans, and the new \$40 million dollar Village de Jardin, a 224-unit mixed-use senior housing center near Crowder and I-10. The area is also unique in that it is close to four colleges and universities, an airport, and also major employers like NASA and Folgers which is undergoing a \$70,000,000 expansion. The Lakefront Airport and the marina area is expected to see a \$24,000,000 luxury housing development, and a 30 acre Tipitina's Festival Park.

HISTORY OF NEW ORLEANS EAST

Until the late 1800's, New Orleans East was outside of the city limits of New Orleans, although within Orleans Parish. Development was primarily in two areas, with the first area hugging the long, narrow ridge of higher ground along Gentilly Road, which followed the natural levee of an old bayou. Various farms, plantations, and small villages such as Michoud were sited along this ridge. The second older area of development consisted of a linear strip of "camps", clusters of houses raised high on wooden stilts, in the shallows along the edge of Lake Pontchartrain, the largest and longest-lasting of these being at Little Woods.

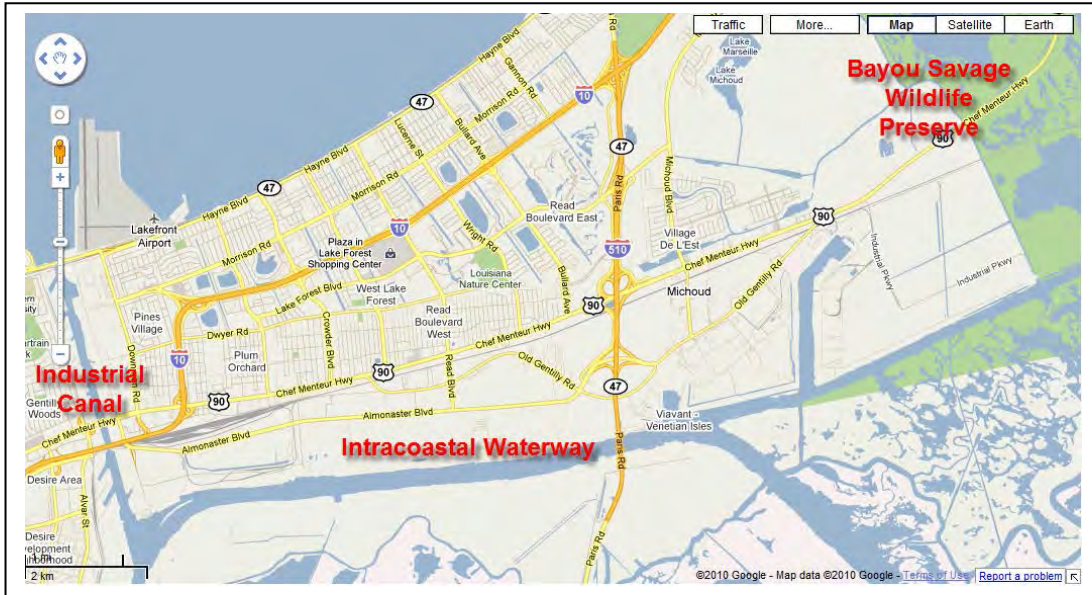
In the early 1900's some residential development of the area began, first as an extension of Gentilly. Construction of the Industrial Canal began in 1918 and was completed in 1923, creating the principal barrier that would separate the East from the rest of New Orleans. New Orleans East's present southern boundary was realized in 1944 with the completion of a re-routing of the Intracoastal Waterway, involving the excavation of a new segment stretching east from the Industrial Canal to the Rigolets and cut through the raw swampland south of the Gentilly Ridge and north of Bayou Bienvenue.

The great growth of the East did not occur until after World War II, and particularly commenced during the administration of Mayor Vic Schiro (1961–1970). Many new subdivisions were developed in the 1960's and 1970's, to cater to those who preferred a more suburban lifestyle but were open to remaining within the city limits of New Orleans. New Orleans East grew in a comparatively well-planned and neatly zoned fashion. Some care was taken to avoid placing major thoroughfares along the rights-of-way of unsightly drainage canals, as had frequently occurred in suburban Jefferson Parish. Instead, major roads such as Mayo, Crowder, Bundy, Read, and Bullard were located equidistant from parallel canals and were outfitted with landscaped medians, or neutral grounds. Numerous subdivisions were developed with large lakes at their centers, providing both an assist to neighborhood drainage and a scenic backdrop for the backyards of homes. From the late 1960's onwards, buried utilities were required, lending to new development in the East a pleasingly uncluttered visual appearance quite distinct from the wire-hung stop light signals, tangled webs of power lines, and forests of leaning utility poles common to suburban New Orleans. By 1980, New Orleans East had received significant commercial office and retail investment, epitomized by the regional mall The Plaza at Lake Forest, the largest in Greater New Orleans at the time of its completion.

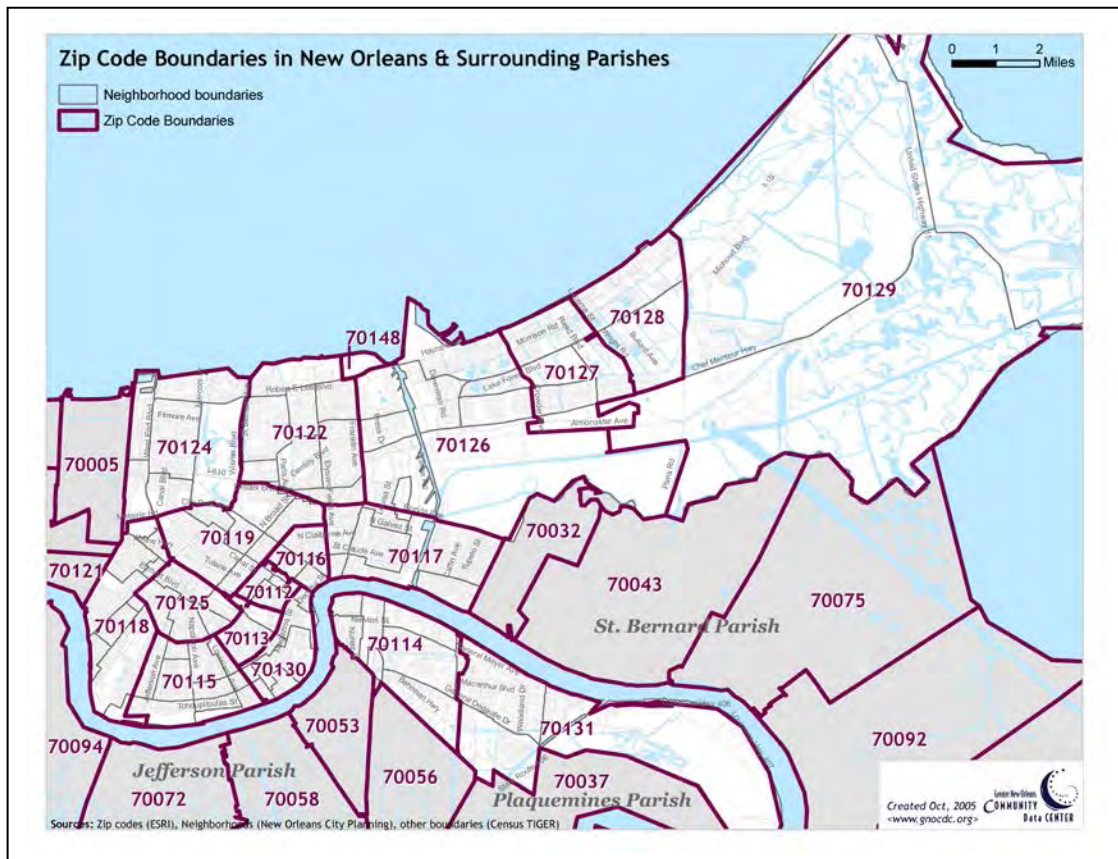


WHERE IS NEW ORLEANS EAST?

New Orleans East is bounded by the Industrial Canal to the West, the Intracoastal Waterway to the South, Bayou Sauvage Wildlife Preserve to the East and Lake Ponchartrain to the North.



New Orleans East is primarily zip codes 70126, 70117, 70128 and 70129. St. Bernard Parish borders the area to the South.



WHERE IS NEW ORLEANS EAST?

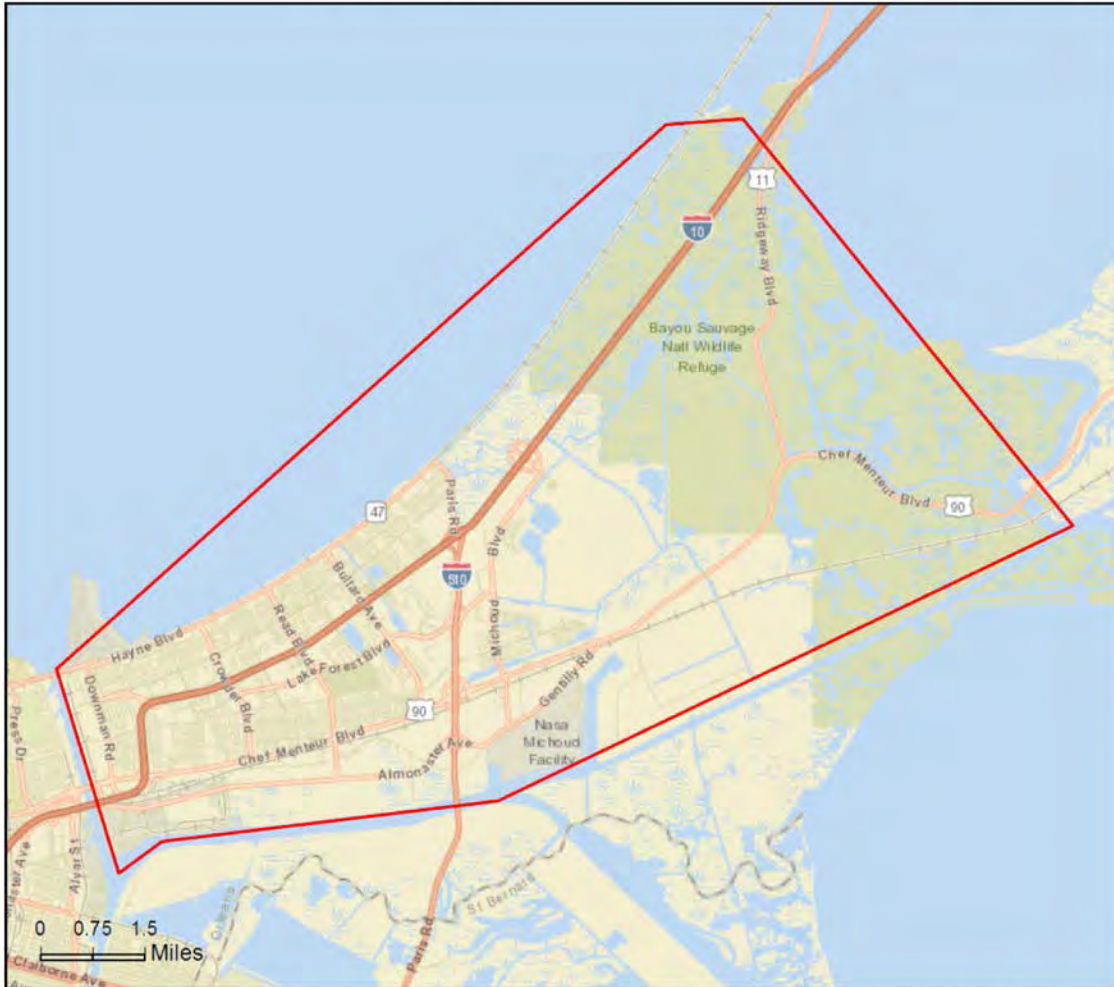
This analysis focuses on the area from the Industrial Canal to Bayou Sauvage Wildlife Preserve, and the Intracoastal to Lake Ponchartrain. The area captures most of the residents who live in New Orleans East and presents an accurate view of what businesses are needed.



Site Map

Polygon
Area: 77.26 square miles

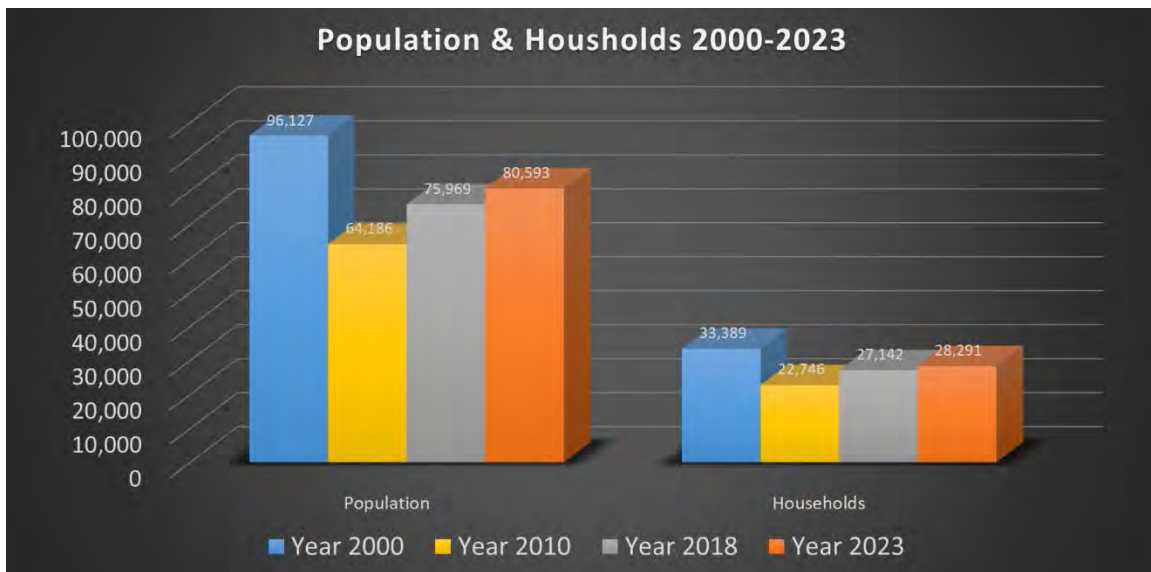
Prepared by Esri



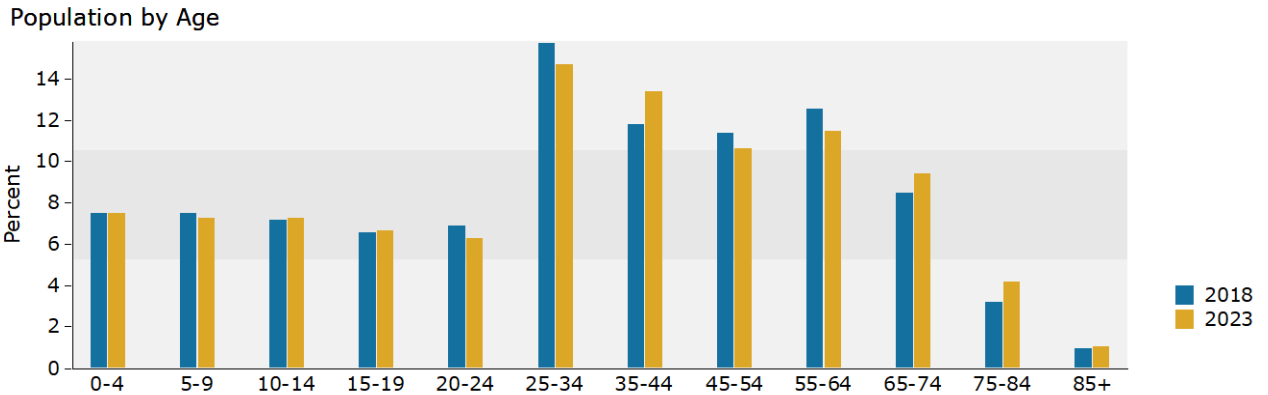
April 21, 2019

POPULATION OF NEW ORLEANS EAST

Within the 77 square mile area, the population is 75,969, and is expected to grow to 80,000 over the next 5 years. Of these, approximately 27,142 are households, with 14,322 owning their home and 12,820 (52%) renting.



The most common age bracket is 25-34 (15%), with growth over the next 5 years in the 35-44 and 65-84 age brackets. This shift in population is usually associated with home ownership versus renting apartments, and a need for retirement homes and assisted living facilities.



New Orleans East is forecasted to have population growth close to 6% over the next 5 years, 50% faster growth than Orleans Parish, and almost double Louisiana and 8 times the growth of Jefferson Parish.

Population Growth Rate		
Area	2018-2023 Annual	Total
St. Tammany Parish	1.520%	7.60%
New Orleans East	1.190%	5.95%
Orleans Parish	0.890%	4.45%
USA	0.830%	4.15%
Louisiana	0.630%	3.15%
Jefferson Parish	0.160%	0.80%

HOUSING AND INCOME

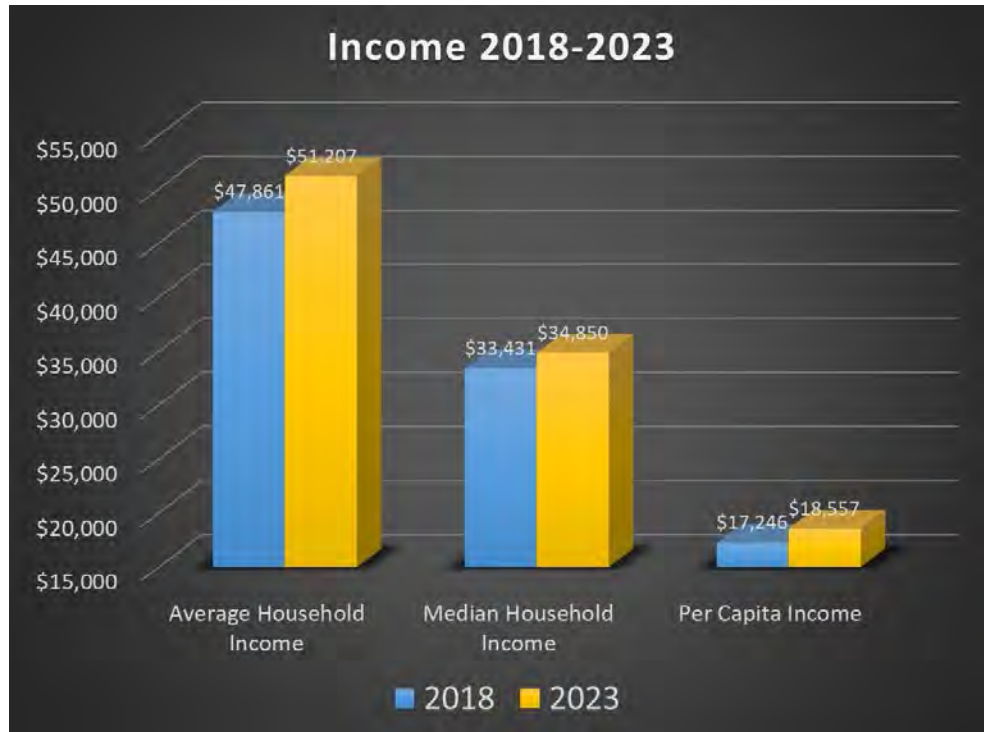
Average rents in New Orleans East are \$900 monthly, making it the most affordable rate in all of Orleans and Jefferson Parish, compared to \$1,500 monthly Uptown, \$1,000 monthly in Algiers and \$2,000 monthly in the Warehouse District. Approximately 52% of households in the area now rent. Since 2010, the population has increased 18%, owner occupied housing increased only 9% but renter occupied housing increased 33%. The supply of vacant housing has only decreased 8% since 2010.

	Population	Households	Owner Occupied Housing	Renter Occupied Housing	Vacant Housing
Year 2000	96,127	33,389	18,199	15,190	2,211
Year 2010	64,186	22,746	13,150	9,596	6,652
Year 2018	75,969	27,142	14,322	12,820	6,376
Year 2023	80,593	28,291	15,337	13,554	6,125



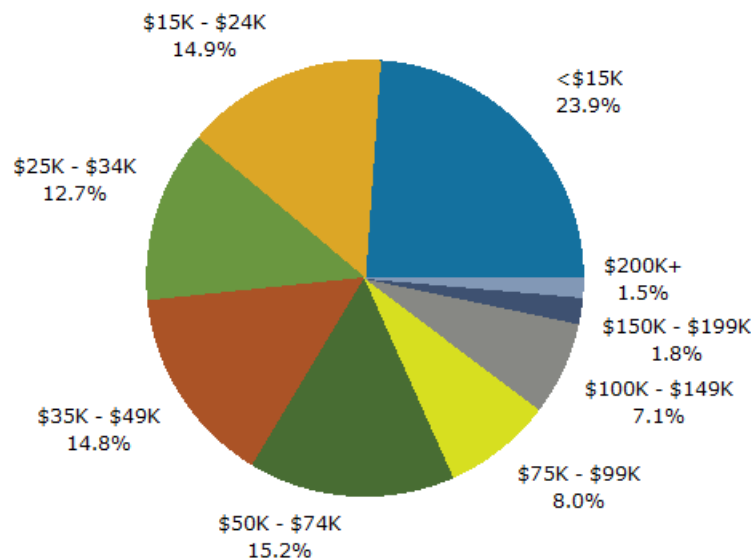
HOUSING AND INCOME

Per capita annual income averages \$17,246, average household annual income is \$47,861, and median household income is \$33,431, which means there is a disproportionate amount of higher income households that skew the average 50% higher than the median. Since 1.5% of households have income over \$200,000 annually, there is an opportunity for high end businesses to locate to the area to capture that disposable income.



Almost 40% of households in the area have under \$24,000 annual income, creating a need for government to provide infrastructure such as public transportation and education so residents can maintain and improve employment.

2018 Household Income



HOW NEW ORLEANS EAST RESIDENTS SPEND THEIR MONEY

Gone are the days when you only had the amount of disposable income to measure where a business needed to locate in order to be the most profitable. Technology now allows a business to see how consumers use their disposable income, culling information from publicly available government sources as well as direct consumer polling.

Using the industries categorized by NAICS code, research allows us to examine where demand might exceed supply which would dictate that a need for a business in that industry exists, therefore, increasing the chance for success. Retail establishments are classified into 27 industry groups in the Retail Trade sector, as well as four industry groups within the Food Services & Drinking Establishments subsector. Developed in cooperation with Canada and Mexico, NAICS represents one of the most profound changes for statistical programs focusing on emerging economic activities. The system was developed using a production-oriented conceptual framework, grouping establishments into industries based on the activity in which they are primarily engaged. NAICS moves down in detail from Sector to Subsector to Group then to Industry. This is an improvement over the previous method, the 1987 Standard Industrial Classification (SIC) system.

Leakage Factor Analysis

The gap between demand and supply is called the Leakage Factor, which presents a snapshot of retail opportunity. This is a measure of the relationship between supply and demand that ranges from +100 (total leakage) to -100 (total surplus). A positive value represents 'leakage' of retail opportunity outside the trade area. A negative value represents a surplus of retail sales, a market where customers are drawn in from outside the trade area.

Retail Gap Analysis

We drill down in the data to determine how the population spends money, which will help determine precisely what businesses will be successful. These data are based upon national propensities to use various products and services, applied to local demographic composition. Usage data were collected in a nationally representative survey of U.S. households, and forecasts are prepared by ESRI. We examine spending behavior, which is demand, and services offered by current businesses, which is supply, and the result is the Retail Gap Analysis.

Retail Market Potential Analysis

This report examines how often and what type of item a consumer purchases, according to a dozen different product groups, from apparel to travel. Details include how many adults in the household purchased the good or service and what percent that amounts to of all adults. The Market Potential Index (MPI) measures the relative likelihood of the adults in households in the specified trade area to exhibit certain consumer behavior or purchasing patterns compared to the United States as a whole. An MPI of 100 represents the U.S. average, and a number higher than this means a higher propensity to spend in that category, compared to the national average.


Retail Goods and Services Expenditures

This report details how much money is spent annually per household and also totally by all households, for a sample of categories within a dozen product groups. For example, total dollars spent on food at home was \$82,000,000, or \$3,035 annually. This correlates to the size of the market, so a business looking to come into the area will have an idea of what revenues they would have.

RETAIL MARKET POTENTIAL ANALYSIS


The Retail Market Potential shows there is a population of 75,969 and 56,089 adults in 27,142 households with a median annual income of \$33,431. The MPI number exceeding 100 means that a good or service is purchased more than average, and the report also shows the number of adults purchasing that product. For example, the MPI of 122 for buying cigarettes at a convenience store the last 30 days means that behavior occurs 22% more than normal, but the number of adults making that purchase is only 7,488. Larger numbers of adults purchased these goods:

- 33,709 shopped at a convenience store the last 6 months.
- 20,807 purchased a cell phone the last year.
- 40,617 drank bottled water.
- 10,784 bought costume jewelry, but 10,697 bought fine jewelry.

 esri Retail Market Potential			
Polygon		Prepared by Esri	
Area: 77.26 square miles			
Demographic Summary			
Population		2018	2023
Population 18+		75,969	80,593
Households		56,089	59,477
Median Household Income		27,142	28,891
		\$33,431	\$34,850
Product/Consumer Behavior			
	Expected Adults/HHs	Percent of Adults/HHs	MPI
Apparel (Adults)			
Bought any men's clothing in last 12 months	23,101	41.2%	87
Bought any women's clothing in last 12 months	22,094	39.4%	91
Bought clothing for child <13 years in last 6 months	15,953	28.4%	106
Bought costume jewelry in last 12 months	10,784	19.2%	106
Bought any fine jewelry in last 12 months	10,697	19.1%	107
Automobiles (Households)			
HH owns/leases any vehicle	19,812	73.0%	85
Bought gasoline in last 6 months	42,897	76.5%	90
Beverages (Adults)			
Drank bottled water/seltzer in last 6 months	40,616	72.4%	104
Drank regular cola in last 6 months	29,628	52.8%	119
Drank beer/ale in last 6 months	21,292	38.0%	90
Cell Phones (Adults/Households)			
Bought cell phone in last 12 months	20,807	37.1%	103
Have a smartphone	44,383	79.1%	99
Have a smartphone: Android phone (any brand)	28,767	51.3%	132
Have a smartphone: Apple iPhone	13,578	24.2%	63
Number of cell phones in household: 1	9,564	35.2%	114
Number of cell phones in household: 2	9,034	33.3%	87
Number of cell phones in household: 3+	7,674	28.3%	103
HH has cell phone only (no landline telephone)	16,383	60.4%	115
Computers (Households)			
HH owns a computer	15,794	58.2%	78
Convenience Stores (Adults)			
Shopped at convenience store in last 6 mos	33,709	60.1%	96
Bought brewed coffee at convenience store in last 30	6,985	12.5%	92
Bought cigarettes at convenience store in last 30	7,488	13.4%	122
Bought gas at convenience store in last 30 days	19,807	35.3%	96
Spent at convenience store in last 30 days: \$100+	12,020	21.4%	96
<p>Data Note: An MPI (Market Potential Index) measures the relative likelihood of the adults or households in the specified trade area to exhibit certain consumer behavior or purchasing patterns compared to the U.S. An MPI of 100 represents the U.S. average.</p> <p>Source: These data are based upon national propensities to use various products and services, applied to local demographic composition. Usage data were collected by GfK MRI in a nationally representative survey of U.S. households. Esri forecasts for 2018 and 2023.</p>			

RETAIL MARKET POTENTIAL ANALYSIS


- 31,213 attended a movie even though no movie theater exists in New Orleans East.
- 21,112 dined out.
- 7,244 gambled at a casino.
- 39,809 visited a doctor and 27,274 purchased vitamins.
- 49,573 read an electronic or printed magazine.
- Of beef, chicken, turkey, and fish, 18,122 adults purchased beef at the grocery the last 6 months.
- 50,222 spent money at a fast food restaurant the last 6 months, with 23,526 going 6 times per month.

 Retail Market Potential			
Polygon		Prepared by Esri	
Area: 77.26 square miles			
Product/Consumer Behavior	Expected Adults/HHs	Percent of Adults/HHs	MPI
Entertainment (Adults)			
Attended a movie in last 6 months	31,213	55.6%	94
Dined out in last 12 months	21,112	37.6%	74
Gambled at a casino in last 12 months	7,244	12.9%	100
Visited a theme park in last 12 months	10,206	18.2%	96
Viewed movie (video-on-demand) in last 30 days	8,661	15.4%	85
Viewed TV show (video-on-demand) in last 30 days	7,734	13.8%	99
Financial (Adults)			
Have home mortgage (1st)	12,494	22.3%	70
Used ATM/cash machine in last 12 months	25,102	44.8%	84
Have savings account	26,278	46.9%	80
Own/used any credit/debit card in last 12 months	38,933	69.4%	87
Did banking on mobile device in last 12 months	10,262	18.3%	78
Paid bills online in last 12 months	20,906	37.3%	76
Grocery (Adults)			
Used beef (fresh/frozen) in last 6 months	18,122	66.8%	97
Used bread in last 6 months	25,545	94.1%	101
Used chicken (fresh or frozen) in last 6 months	18,096	66.7%	97
Used turkey (fresh or frozen) in last 6 months	4,442	16.4%	107
Used fish/seafood (fresh or frozen) in last 6 months	15,681	57.8%	106
Used fresh fruit/vegetables in last 6 months	22,765	83.9%	96
Used fresh milk in last 6 months	22,890	84.3%	98
Used organic food in last 6 months	6,119	22.5%	95
Health (Adults)			
Exercise at home 2+ times per week	13,171	23.5%	84
Visited a doctor in last 12 months	39,809	71.0%	92
Used vitamin/dietary supplement in last 6 months	27,274	48.6%	90
Insurance (Adults/Households)			
Currently carry life insurance	22,536	40.2%	90
Carry medical/hospital/accident insurance	36,207	64.6%	86
Carry homeowner insurance	18,699	33.3%	70
Have auto insurance: 1 vehicle in household covered	8,988	33.1%	108
Pets (Households)			
Household owns any pet	10,823	39.9%	73
Reading (Adults)			
Read any daily newspaper (paper version)	10,832	19.3%	94
Read any digital newspaper in last 30 days	16,294	29.1%	77
Read any magazine (paper/electronic version) in last	49,573	88.4%	98
Restaurants (Adults)			
Went to family restaurant/steak house in last 6	40,981	73.1%	97
Went to family restaurant/steak house: 4+ times a	15,127	27.0%	100
Went to fast food/drive-in restaurant in last 6 months	50,222	89.5%	99
Went to fast food/drive-in restaurant 9+ times/mo	23,526	41.9%	106
Fast food/drive-in last 6 months: eat in	17,641	31.5%	86
Fast food/drive-in last 6 months: home delivery	4,465	8.0%	95
Television & Electronics (Adults/Households)			
Own any tablet	21,050	37.5%	82
HH has Internet connectable TV	5,092	18.8%	73
HH owns 1 TV	5,343	19.7%	94
HH owns 2 TVs	7,123	26.2%	97
HH owns 3 TVs	5,537	20.4%	97
HH owns 4+ TVs	4,740	17.5%	98
HH subscribes to cable TV	12,625	46.5%	104
Travel (Adults)			
Domestic travel in last 12 months	20,762	37.0%	71
Foreign travel in last 3 years	10,273	18.3%	69
Nights spent in hotel/motel in last 12 months: any	18,082	32.2%	74
Took cruise of more than one day in last 3 years	4,488	8.0%	93

HOW MUCH MONEY DOES NEW ORLEANS EAST SPEND?

The Retail Goods and Services Expenditures Analysis shows how much money was spent, which can be used to determine market share and market size.

- \$138,595,522 was spent on food, with \$82,390,590 spent on food at home and \$56,204,932 spent dining out.
- \$28,527,844 was spent on snacks.
- \$16,503,337 spent on cable and satellite television.
- \$3,210,066 spent on membership fees for clubs.
- \$10,044,806 spent on furniture and \$5,562,838 spent on appliances.
- \$7,639,413 spent on child care.

 esri Retail Goods and Services Expenditures			
Polygon		Prepared by Esri	
Area: 77.26 square miles			
Top Tapestry Segments	Demographic	2018	2023
Family Foundations (12A)	Population	75,969	80,593
City Commons (11E)	Households	27,142	28,891
Metro Fusion (11C)	Families	19,116	20,168
Modest Income Homes (12D)	Median Age	34.0	35.2
American Dreamers (7C)	Median	\$33,431	\$34,850
		Spending Index	Average Spent
			Total
Apparel and Services		59	\$1,280.74
Men's		59	\$242.51
Women's		58	\$431.91
Children's		61	\$196.42
Footwear		60	\$281.17
Computer			
Computers and Hardware for Home Use		59	\$99.85
Entertainment & Recreation		58	\$1,858.91
Fees and Admissions		53	\$359.51
Membership Fees for Clubs (2)		52	\$118.27
Fees for Participant Sports, excl. Trips		56	\$63.30
TV/Video/Audio		63	\$817.15
Cable and Satellite Television Services		63	\$608.04
Televisions		63	\$74.62
Pets		56	\$359.15
Sports/Recreation/Exercise Equipment (6)		53	\$95.20
Food		60	\$5,106.31
Food at Home		60	\$3,035.54
Bakery and Cereal Products		61	\$398.91
Meats, Poultry, Fish, and Eggs		62	\$695.13
Dairy Products		59	\$306.17
Fruits and Vegetables		59	\$584.27
Snacks and Other Food at Home (10)		61	\$1,051.06
Food Away from Home		59	\$2,070.77
Alcoholic Beverages		57	\$319.01
Health			
Nonprescription Drugs		61	\$80.93
Prescription Drugs		61	\$218.69
Home			
Maintenance and Remodeling Services		51	\$1,046.41
Maintenance and Remodeling Materials (12)		51	\$249.40
Household Furnishings and Equipment			
Furniture		61	\$370.08
Major Appliances (14)		59	\$204.95
Household Operations			
Child Care		55	\$281.46
Lawn and Garden (16)		55	\$236.20
Housekeeping Supplies (17)		60	\$428.61
Insurance			
Owners and Renters Insurance		57	\$322.81
Vehicle Insurance		60	\$757.67
Life/Other Insurance		53	\$221.48
Health Insurance		58	\$2,201.26
Personal Care Products (18)		59	\$287.30
Smoking Products		69	\$287.16


LEAKAGE SHOWS FLOW OF MONEY OUT OF THE AREA

The Retail Marketplace Profile shows demand and supply by industry, with the difference resulting in a gap which is the unmet revenues from businesses not in the area. The report shows the number of businesses providing that product in the area, and the Retail Gap is the size of the unmet market demand.

esri		Retail MarketPlace Profile					Prepared by Esri
Polygon							
Area: 77.26 square miles							
Summary Demographics							
2018 Population							75,969
2018 Households							27,142
2018 Median Disposable Income							\$28,683
2018 Per Capita Income							\$17,246
2017 Industry Summary		NAICS	Demand (Retail)	Supply (Retail Sales)	Retail Gap	Leakage/Factor	Number Business
Total Retail Trade and Food		44-	\$615,439,281	\$700,154,046	-\$84,714,765	-6.4	291
Total Retail Trade		44-45	\$556,223,919	\$652,675,254	-\$96,451,335	-8.0	212
Total Food & Drink		722	\$59,215,362	\$47,478,793	\$11,736,569	11.0	79
2017 Industry Group		NAICS	Demand (Retail)	Supply (Retail Sales)	Retail Gap	Leakage/Surpl Factor	Number Business
Motor Vehicle & Parts		441	\$121,869,302	\$183,700,752	-\$61,831,450	-20.2	42
Automobile Dealers		4411	\$95,821,616	\$159,501,405	-\$63,679,789	-24.9	22
Other Motor Vehicle Dealers		4412	\$14,714,531	\$8,314,181	\$6,400,350	27.8	4
Auto Parts, Accessories &		4413	\$11,333,156	\$15,885,166	-\$4,552,010	-16.7	16
Furniture & Home		442	\$17,231,953	\$4,165,701	\$13,066,252	61.1	5
Furniture Stores		4421	\$11,080,186	\$3,785,669	\$7,294,517	49.1	4
Home Furnishings Stores		4422	\$6,151,768	\$380,032	\$5,771,736	88.4	1
Electronics & Appliance		443	\$14,912,914	\$18,525,934	-\$3,613,020	-10.8	8
Bldg Materials, Garden		444	\$34,004,378	\$49,268,780	-\$15,264,402	-18.3	14
Bldg Material & Supplies		4441	\$32,154,298	\$49,268,780	-\$17,114,482	-21.0	14
Lawn & Garden Equip &		4442	\$1,850,081	\$0	\$1,850,081	100.0	0
Food & Beverage Stores		445	\$91,777,622	\$118,905,162	-\$27,127,540	-12.9	42
Grocery Stores		4451	\$82,656,869	\$53,175,896	\$29,480,973	21.7	26
Specialty Food Stores		4452	\$5,312,669	\$64,280,025	-\$58,967,356	-84.7	15
Beer, Wine & Liquor Stores		4453	\$3,808,084	\$1,449,240	\$2,358,844	44.9	1
Health & Personal Care		446,44	\$35,528,333	\$35,918,958	-\$390,625	-0.5	18
Gasoline Stations		447,44	\$67,854,463	\$100,636,408	-\$32,781,945	-19.5	25
Clothing & Clothing		448	\$23,293,927	\$17,774,774	\$5,519,153	13.4	20
Clothing Stores		4481	\$15,557,257	\$12,640,818	\$2,916,439	10.3	13
Shoe Stores		4482	\$3,350,595	\$2,640,644	\$709,951	11.8	3
Jewelry, Luggage & Leather		4483	\$4,386,075	\$2,493,312	\$1,892,763	27.5	4
Sporting Goods, Hobby,		451	\$18,745,494	\$4,718,211	\$14,027,283	59.8	5
Sporting		4511	\$16,428,280	\$3,620,245	\$12,808,035	63.9	3
Book, Periodical & Music		4512	\$2,317,215	\$1,097,966	\$1,219,249	35.7	2
General Merchandise Stores		452	\$104,394,465	\$113,992,527	-\$9,598,062	-4.4	24
Department Stores		4521	\$77,447,034	\$58,954,607	\$18,492,427	13.6	7
Other General Merchandise		4529	\$26,947,431	\$55,037,920	-\$28,090,489	-34.3	17
Miscellaneous Store		453	\$23,107,738	\$4,059,520	\$19,048,218	70.1	9
Florists		4531	\$1,208,533	\$0	\$1,208,533	100.0	0
Office Supplies, Stationery		4532	\$5,595,241	\$284,603	\$5,310,638	90.3	1
Used Merchandise Stores		4533	\$3,407,636	\$592,288	\$2,815,348	70.4	4
Other Miscellaneous Store		4539	\$12,896,329	\$3,182,629	\$9,713,700	60.4	4
Nonstore Retailers		454	\$3,503,329	\$1,008,526	\$2,494,803	55.3	1
Electronic Shopping & Mail-		4541	\$1,455,775	\$1,008,526	\$447,249	18.1	1
Vending Machine Operators		4542	\$466,652	\$0	\$466,652	100.0	0
Direct Selling		4543	\$1,580,901	\$0	\$1,580,901	100.0	0
Food Services & Drinking		722	\$59,215,362	\$47,478,793	\$11,736,569	11.0	79
Special Food Services		7223	\$1,057,558	\$982,495	\$75,063	3.7	4
Drinking Places - Alcoholic		7224	\$2,004,723	\$1,777,956	\$226,767	6.0	7
Restaurants/Other Eating		7225	\$56,153,081	\$44,718,342	\$11,434,739	11.3	68
Data Note: Supply (retail sales) estimates sales to consumers by establishments. Sales to businesses are excluded.							

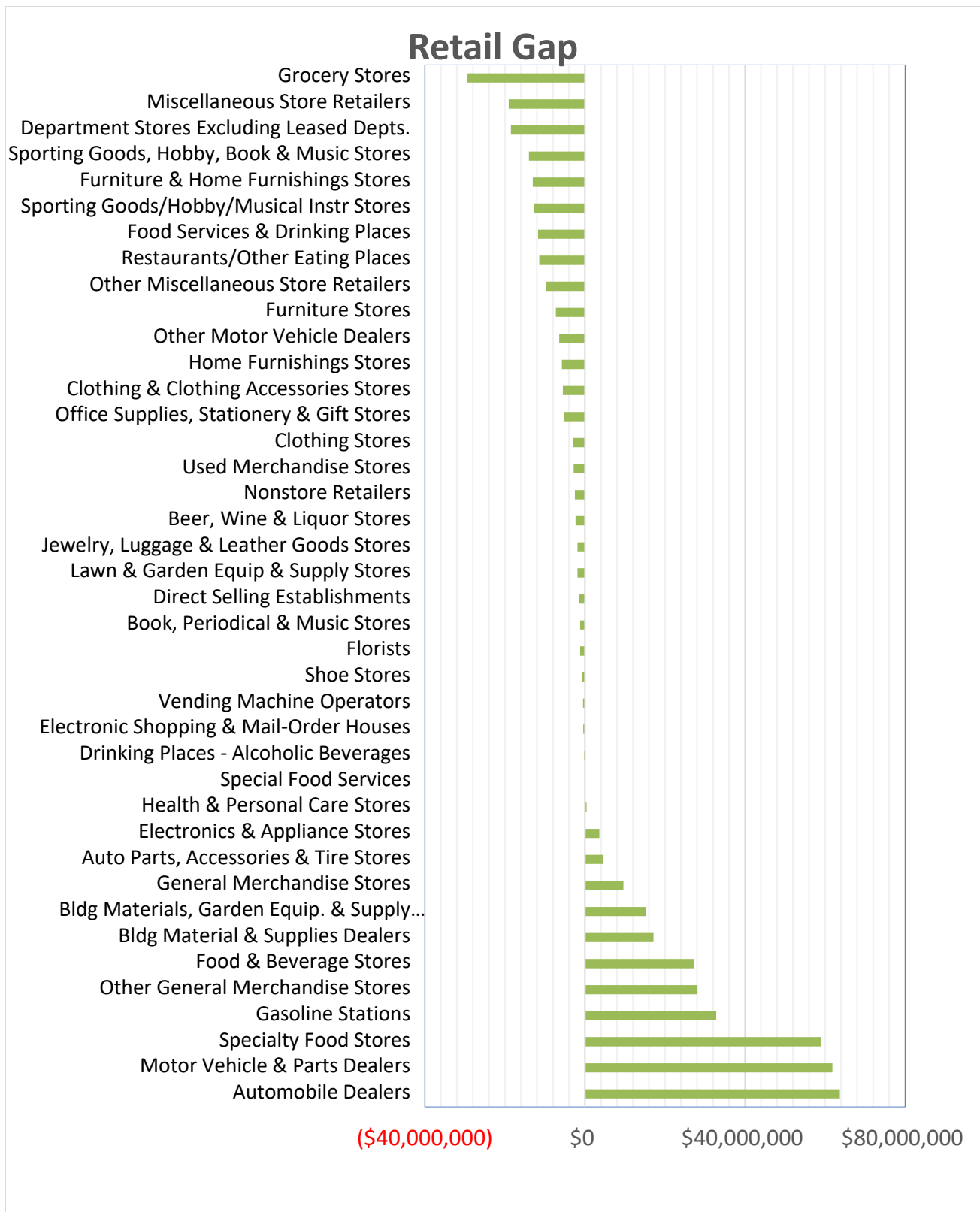
RETAIL MARKETPLACE PROFILE

The table below shows the top 10 businesses needed in the area, culled from the previous leakage table. The Retail Gap is the forecasted sales. For example, there is a Retail Gap of \$29,480,973 in the grocery store industry. Currently there is \$82,656,869 spent in grocery stores, but only \$53,175,896 in sales in grocery stores within the area. That means the difference, \$29,480,973, is spent outside the area. Therefore, the forecast in revenues for a grocery store opening up within the area would be \$29,480,973.

		Retail MarketPlace Profile	
		Polygon	
		Area: 77.26 square miles	
Industry	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap (Forecasted Sales)
Grocery Stores	\$82,656,869	\$53,175,896	(\$29,480,973)
Miscellaneous Store Retailers	\$23,107,738	\$4,059,520	(\$19,048,218)
Department Stores Excluding Leased Depts.	\$77,447,034	\$58,954,607	(\$18,492,427)
Sporting Goods, Hobby, Book & Music Stores	\$18,745,494	\$4,718,211	(\$14,027,283)
Furniture & Home Furnishings Stores	\$17,231,953	\$4,165,701	(\$13,066,252)
Sporting Goods/Hobby/Musical Instr Stores	\$16,428,280	\$3,620,245	(\$12,808,035)
Food Services & Drinking Places	\$59,215,362	\$47,478,793	(\$11,736,569)
Restaurants/Other Eating Places	\$56,153,081	\$44,718,342	(\$11,434,739)
Other Miscellaneous Store Retailers	\$12,896,329	\$3,182,629	(\$9,713,700)
Furniture Stores	\$11,080,186	\$3,785,669	(\$7,294,517)

RETAIL GAP

The chart below depicts the supply and demand for each industry, with total dollars spent on businesses within the area. The industries at the top of the chart are needed the most, with the businesses at the bottom needed the least and susceptible to heavy competition and declining profit margins.



MAJOR EMPLOYERS

The **Michoud Assembly Facility** is an 832-acre site owned by NASA and located in New Orleans East and is part of NASA's Marshall Space Flight Center. It is one of the largest manufacturing plants in the world with 43 environmentally controlled acres under one roof, and can employ over 3,000 people. Starting September 5, 1973, it was used for the construction of the Space Shuttle's External Tanks by its lead contractor Lockheed Martin. The facility was originally constructed in 1940 at the village of Michoud, Louisiana by Higgins-Tucker division of Higgins Industries under the direction of Andrew Jackson Higgins on behalf of the United States government. It was constructed during World War II to make plywood C-46 cargo planes and military landing craft. During the Korean War it made engines for Sherman and Patton tanks. It came under the management of NASA in 1961 and was used for the construction of the S-IC first stage of the Saturn V rocket, the S-IB first stage of the Saturn IB rocket, and the last constructed Saturn V, stage SA-515.

Much of the Michoud Assembly Facility's NASA history was focused on construction and production of NASA's [External Tank](#) (ET). 136 tanks were produced throughout the Space Shuttle program beginning with rollout of ET-1 which flew on [STS-1](#) was on June 29, 1979, and ending with the flight ready tank, ET-122, which flew on [STS-134](#), rolled out on September 20, 2010.

The Michoud Assembly Facility has housed other organizations such as the National Finance Center operated by the United States Department of Agriculture, the United States Coast Guard, and the National Center for Advanced Manufacturing, a partnership between the state of Louisiana, the University of New Orleans, and Blade Dynamics.



WHAT BUSINESSES ARE IN NEW ORLEANS EAST?

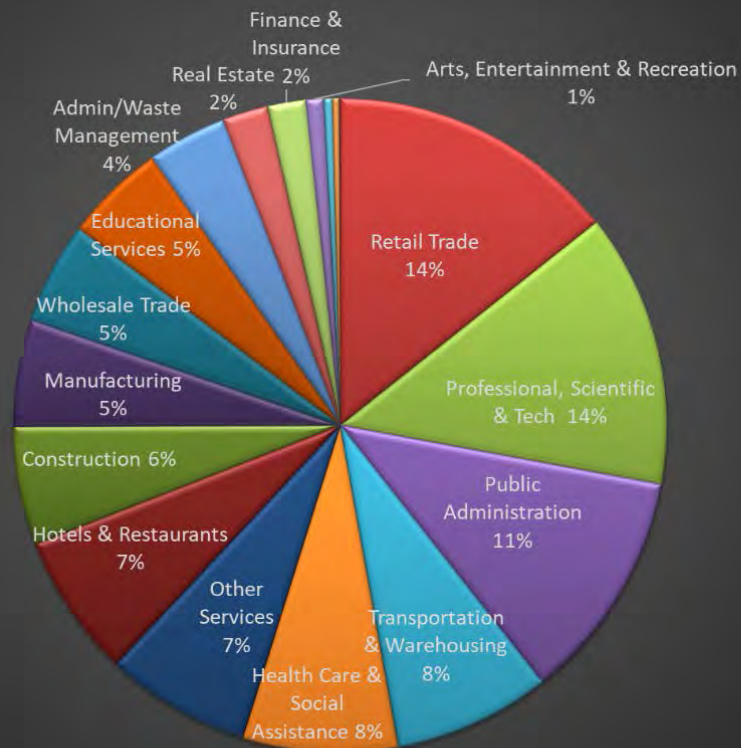
There are approximately 1,300 businesses employing 17,000 people in New Orleans East, and the largest sector is retail where 2,488 people are employed and includes these subsectors:

Retail Trade
Home Improvement
General Merchandise Stores
Food Stores
Auto Dealers, Gas Stations, Auto Aftermarket
Apparel & Accessory Stores
Furniture & Home Furnishings
Eating & Drinking Places
Miscellaneous Retail

Professional and scientific occupations are the next highest category with 2,351 employees (14% of total), followed by 1,989 government jobs (11%), and hotel, warehousing and health care the remaining employment sectors.

Occupations BY NAICS Category	# Employed
Retail Trade	2,488
Professional, Scientific & Tech	2,351
Public Administration	1,989
Transportation & Warehousing	1,346
Health Care & Social Assistance	1,332
Other Services	1,245
Hotels & Restaurants	1,232
Construction	1,010
Manufacturing	919
Wholesale Trade	874
Educational Services	862
Admin/Waste Management	682
Real Estate	389
Finance & Insurance	328
Arts, Entertainment & Recreation	153
Information	73
Mining	55
Agriculture, Forestry, Fishing & Hunting	12
Management	5
	17,345

What Businesses Are Located In New Orleans East?

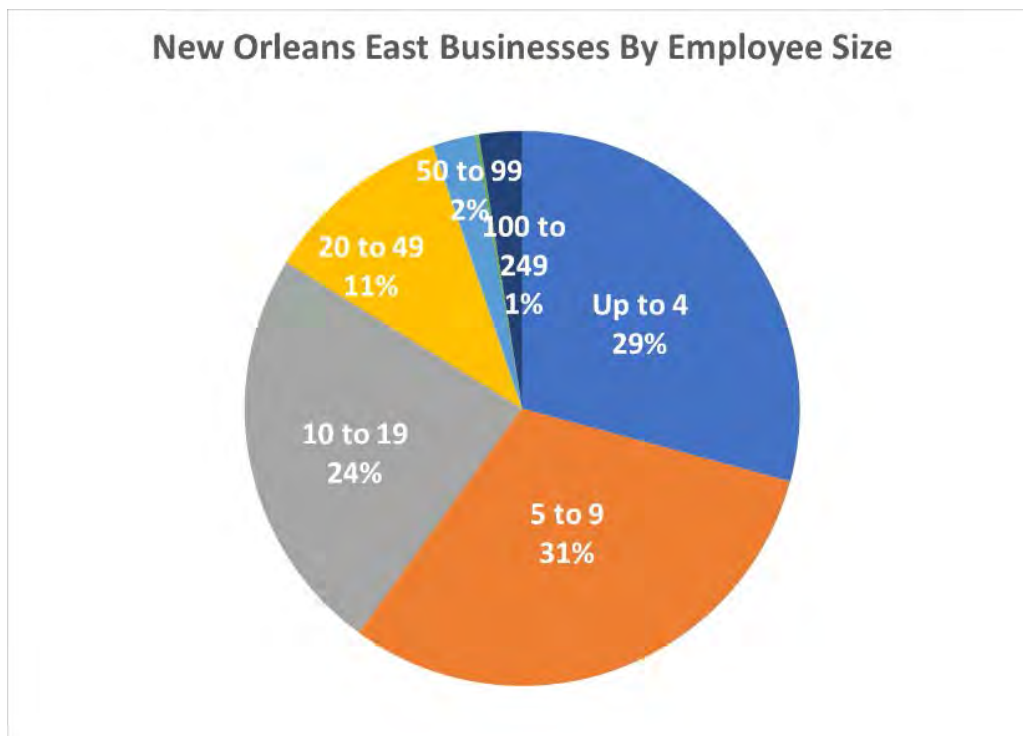


WHAT BUSINESSES ARE IN NEW ORLEANS EAST?

Over 50% of businesses located in New Orleans East have revenues under \$1,000,000, with 34% having revenues under \$500,000. This creates an opportunity for government assistance to educate small business owners on skills to improve their operations, such as marketing, social media, accounting, banking and human resources. There are 36 businesses with revenues exceeding \$5,000,000 so an opportunity exists for the 256 businesses with revenues under \$1,000,000 to provide services to these larger businesses, offering reduced transportation costs and a higher level of service.



60% of businesses have under 9 employees, with the largest size of less than 4 employees amounting to 29% of all businesses.



NEIGHBORHOOD REJUVENATION

The area has enjoyed a rejuvenation since Katrina, with these new businesses replacing previously vacant spaces: Planet Fitness, Dollar General, Walgreens, CVS, McDonald's, Waffle House, Popeye's, Day's Inn, Best Western, Chase Bank, and large developments such as the \$110 million New Orleans East Hospital, the \$40 million senior housing center Village de Jardin, and the new Walmart on Bullard. The Lowe's store on Read Boulevard was one of 51 stores targeted for closing, and is being sold to a developer online in a sealed bid sale May 16th, 2019.




Village de Jardin is a 224-unit mixed-use senior housing center in eastern New Orleans between Lake Forest Boulevard and Interstate 10. The \$39.7 million project, funded by the Federal Emergency Management Agency and the Louisiana Recovery Authority, is expected to be completed in 18 months. The senior housing section of the complex will consist of two apartment buildings, each five stories tall with 150 either one- or two-bedroom apartments. Space is being considered for a commercial kitchen and dining area, a covered garage, an exercise facility, a lounge, a wellness center/clinic, activity rooms, a common area and administrative and maintenance offices. The attached unit housing is composed of eight buildings with three individual living spaces connected by exterior porches and common garden areas. There will be 14 single-family garden homes. In addition, there will be 45 townhouse-style apartments and retail space for lease. The total amount of FEMA funding available for the project is \$46.4 million, including \$6.6 million previously obligated for demolition of the former Gaslight Apartments.

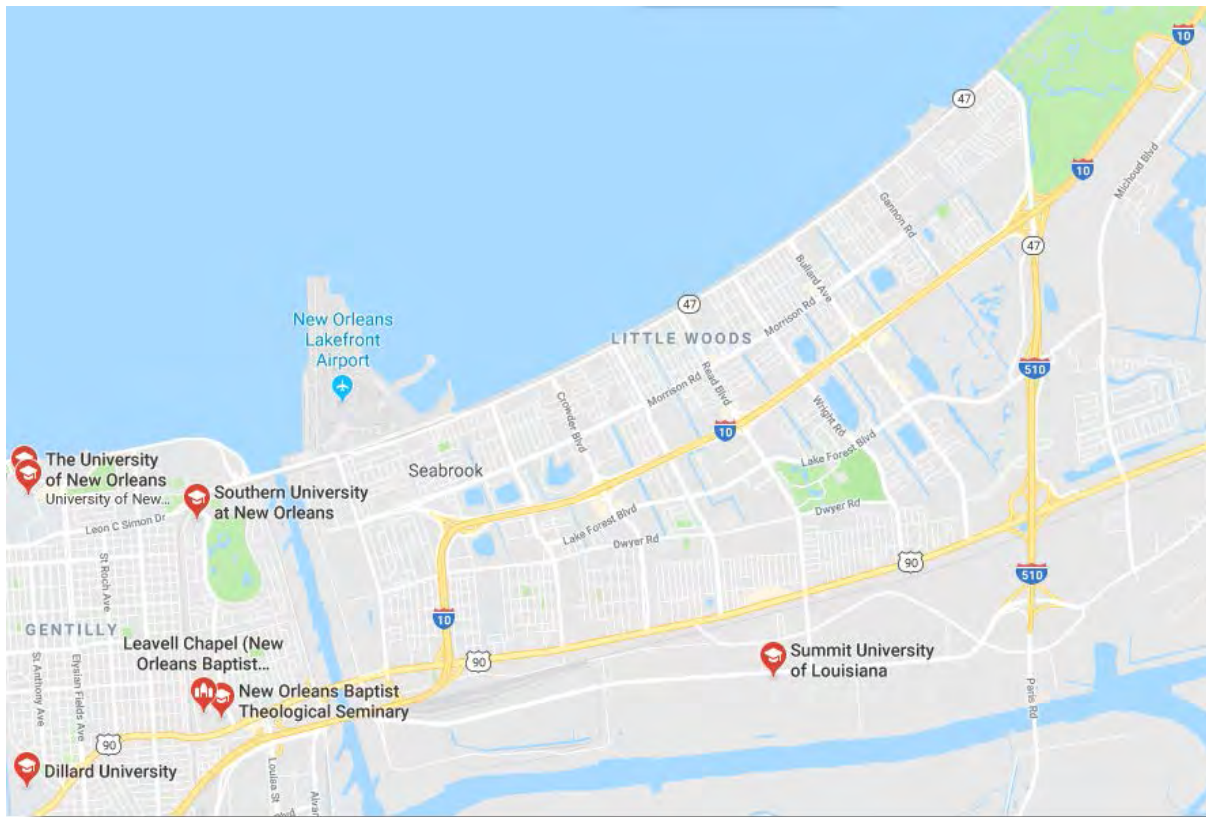
The Methodist Hospital was purchased on June 16, 2010, by the city of New Orleans for \$16.25 million, with Mayor Mitch Landrieu promising to redevelop the vacant building into an 80-bed public hospital that would be the first to open east of the Industrial Canal since Hurricane Katrina in 2005. The total redevelopment, according to the 100-page review of the health care system in eastern New Orleans, was projected to cost \$110 million.



NEARBY UNIVERSITIES

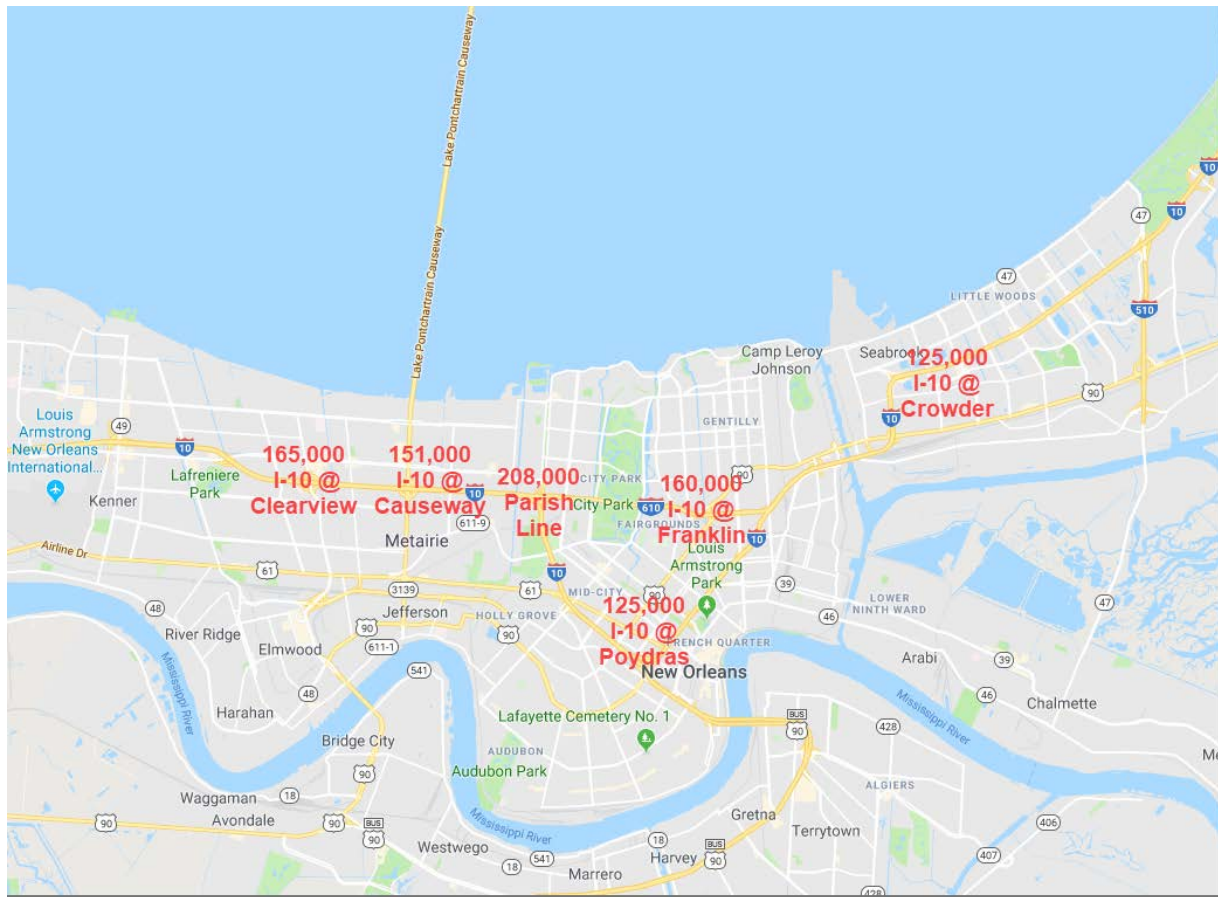
New Orleans East is close to three Universities and Lakefront Airport. This offers an opportunity to partner with universities on housing and student activities. Enrollment at University of New Orleans has fallen 30% in the last 8 years, and Southern University enrollment has dropped 20% in the last 4 years.

-  Southern University, 6,500 student population.
-  University of New Orleans, 8,000 student population.
-  Dillard University, 1,250 student population.



TRAFFIC COUNT

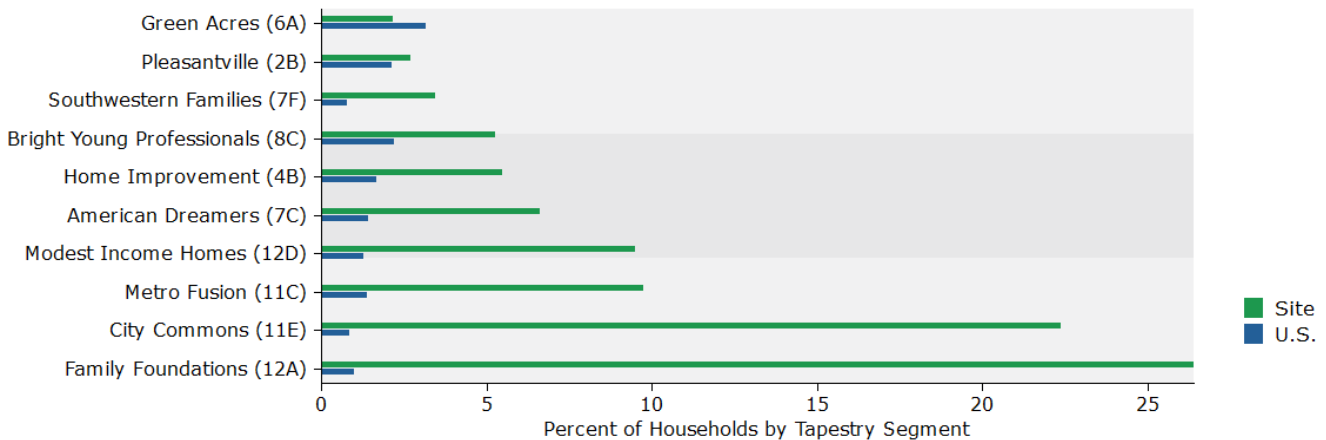
The Louisiana Department of Transportation shows the I-10 traffic at the Crowder Boulevard interchange in New Orleans East to average 125,000 cars per day. This equals the traffic at the CBD Poydras Street interchange, and is 80% of the traffic at Causeway Boulevard and Clearview Parkway.



WHAT DO NEW ORLEANS EAST RESIDENTS BELIEVE?

The Lifestyle Tapestry Analysis utilizes leading edge technology of data mining to look beyond typical demographics of age, income and education level and drill down to the socioeconomic quality of the neighborhood and what residents believe is important in their life. The Tapestry Analysis recognizes that our country is diversified and uses socioeconomic and geodemographic data to organize neighborhoods into 14 LifeMode Groups and then into 67 Market Segments, which help businesses determine optimum locations for success, more efficient advertising and fly-off-the-shelf inventory that appeals to what consumers in the neighborhood want.

Top Ten Tapestry Segments Site vs. U.S.



Top Tapestry Segment is Family Foundations

New Orleans East Tapestry is called Family Foundations, which encompasses 27% of the population compared to 1% normally in the U.S. Members belonging to this Tapestry Segment believe family and faith are most important, and have these traits:

- It is common for older children to continue to live at home.
- Work in health care or government.
- Style is important, and purchases important to them include smartphones and clothing, especially for children.
- Shop at Kmart, Sam's and Dollar Stores.
- Own 3-4 televisions and use the Internet for entertainment.
- Read magazines.
- Found in New Orleans, Houston, Birmingham and Atlanta.



LifeMode Group: Hometown Family Foundations

12A

Households: 1,299,600
Average Household Size: 2.71
Median Age: 39.6
Median Household Income: \$43,100

WHO ARE WE?

Family and faith are the cornerstones of life in these communities. Older children, still living at home, working toward financial independence, are common within these households. Neighborhoods are stable: little household growth has occurred for more than a decade. Many residents work in the health care industry or public administration across all levels of government. Style is important to these consumers, who spend on clothing for themselves and their children, as well as on smartphones.

OUR NEIGHBORHOOD

- *Family Foundations* residents are a mix of married couples, single parents, grandparents, and children, young and adult.
- Average household size is slightly higher at 2.71.
- Neighborhoods are found in principal cities of major metropolitan areas throughout the South and West.
- More than two-thirds are homeowners living in single family houses built before 1970.
- Nearly three-fourths of all households have one or two vehicles at their disposal; average commute time is slightly higher.

SOCIOECONOMIC TRAITS

- More than half have either attended college or obtained a degree; one-third have only finished high school.
- Unemployment rate is high at 10% (Index 191); labor force participation rate is slightly lower at 58% as workers begin to retire.
- Over one-third of households currently receive Social Security benefits; just under a quarter draw income from retirement accounts.
- A strong focus is on religion and character.
- Style and appearance is important.

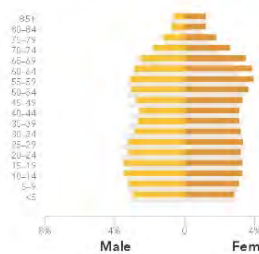


12A LifeMode Group: Hometown Family Foundations



AGE BY SEX (Esri data)

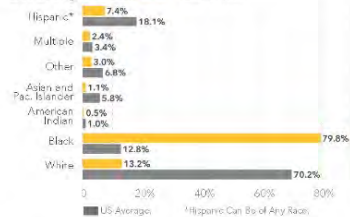
Median Age: 39.6 US: 38.2
 ■ indicates US



RACE AND ETHNICITY (Esri data)

The Diversity Index summarizes racial and ethnic diversity. The index shows the likelihood that two persons, chosen at random from the same area, belong to different race or ethnic groups. The index ranges from 0 (no diversity) to 100 (complete diversity).

Diversity Index: 43.5 US: 64.0



INCOME AND NET WORTH

Net worth measures total household assets (homes, vehicles, investments, etc.) less any debts, secured (e.g., mortgages) or unsecured (credit cards). Household income and net worth are estimated by Esri.

Median Household Income

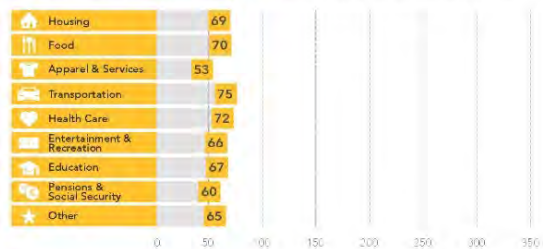


Median Net Worth



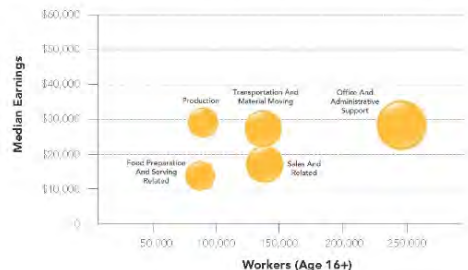
AVERAGE HOUSEHOLD BUDGET INDEX

The index compares the average amount spent in this market's household budgets for housing, food, apparel, etc., to the average amount spent by all US households. An index of 100 is average. An index of 120 shows that average spending by consumers in this market is 20 percent above the national average. Consumer expenditures are estimated by Esri.



OCCUPATION BY EARNINGS

The five occupations with the highest number of workers in the market are displayed by median earnings. Data from the Census Bureau's American Community Survey.



12A

LifeMode Group: Hometown
Family Foundations



MARKET PROFILE

(Consumer preferences are estimated from data by ESRI/ESR)

- Baby and children's products are the primary purchases made by Family Foundations residents.
- They shop at discount stores, such as Marshalls, KMart, dollar stores, and take advantage of savings at Sam's Club.
- Many have no financial investments or retirement savings.
- Magazines, particularly focusing on health and children, are popular.
- They enjoy listening to urban format radio.
- One of their favorite entertainment sources is television: subscribe to premium cable channels and own 3-4 TVs.
- They're connected, but use the Internet primarily for entertainment, chat rooms, and online gaming.

HOUSING

Median home value is displayed for markets that are primarily owner occupied; average rent is shown for renter-occupied markets. Tenure and home value are estimated by Esri. Housing type and average rent are from the Census Bureau's American Community Survey.



Typical Housing:
Single Family

Median Value:
\$116,600

US Median: \$100,000



POPULATION CHARACTERISTICS

Total population, average annual population change since Census 2010, and average density (population per square mile) are displayed for the market relative to the size and change among all Tapestry markets. Data estimated by Esri.



ESRI INDEXES

Esri developed three indexes to display average household wealth, socioeconomic status, and housing affordability for the market relative to US standards.



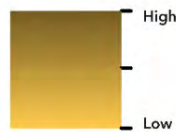
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LifeMode Group: Hometown
Family Foundations



SEGMENT DENSITY

This map illustrates the density and distribution of the Family Foundations Tapestry Segment by households.



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SUMMARY AND RECOMMENDATIONS

Taking into account the needs of the 75,000 people living in New Orleans East and the 1,300 businesses in the area, there is sufficient demand for these businesses to enter the market and be successful:

1. Grocery Stores
2. Sporting Goods Stores
3. Restaurants
4. Furniture Stores

Government can help, and often is required for an area to rebound. A perfect example is the rejuvenation of Tulane Avenue since Katrina, and the same improvement can occur in New Orleans East with a little help. Federal, state and city officials can offer infrastructure improvement, tax breaks and promotion through economic development teams.

New Orleans East offers more opportunity for economic growth than both Orleans and Jefferson Parishes. Here are a few actionable ideas that can bring about immediate improvement:

1. Organize leaders that can bring resources to the area, including:
 - a. Churches.
 - b. Hotels and restaurants in CBD.
 - c. Bankers.
 - d. Mayor and Governor.
 - e. Senate, House and committee members.
2. Bring rapid, frequent direct bus service from a staging area such as Walmart or Lowes to the CBD where residents work.
3. Offer emergency day care so residents don't miss work due to child care.
4. Utilize existing railroad to provide transportation to/from work in CBD.
5. Organize micro-finance startups for residents to open new businesses in the area.

CONTACT

Louisiana Commercial Realty provides a higher level of service to buyers and sellers of New Orleans and Hattiesburg commercial real estate. President Robert Hand is highly qualified to help clients with any real estate issue, from finding office space to buying or selling large commercial properties, having earned an MBA degree and the top two commercial real estate designations: CCIM and SIOR.

Robert is known for using the latest technology to help buyers and sellers solve their real estate problems. His clients benefit from expertise using the latest satellite mapping, knowledge of zoning, and investment and geosocial analysis. He brings a high level of ethical conduct to the industry, with great attention to detail and professionalism, and is known for acquisition and disposition of large complex commercial properties.

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