Commercial Market Findings

Downtown Lake Charles

AGENDA

- Economic Framework
- Existing and Planned Conditions
- Retail Opportunities
- Office Opportunities

Economic Framework

- Metro size: 207th of 350
- Metro contains 65% of Southwest Louisiana population
- With 284,000 people, SWLA slightly smaller than Lafayette

Lake Charles Metro Area

Population
Selected Areas
2006

	2006
Louisiana	4,287,800
Southwest Louisiana /1	284,300
Lake Charles Metro Area /2	192,300

1. Calcasieu, Allen, Cameron, Beauregard and Jefferson
2. Calcasieu and Cameron parishes.

Source: US Census; Claritas, Inc.; W-ZHA

W-ZHA

Economic Framework

Population Trends

Population Trends
Selected Areas
1990, 2000, 2006

	1990	2000	2006	Percent Change 1990-00	Percent Change 2000-06
Louisiana	4,219,970	4,468,980	4,287,800	5.9%	-4.1%
Southwest Louisiana [/1]	259,430	283,430	284,300	9.3%	0.3%
Lake Charles Metro Area [/2]	177,390	193,570	192,300	9.1%	-0.7%
Calcasieu Parish	168,130	183,580	184,500	9.2%	0.5%
City of Lake Charles	72,430	71,760	70,220	-0.9%	-2.1%

1. Calcasieu, Allen, Cameron, Beauregard and Jefferson Davis parishes.
2. Calcasieu and Cameron parishes.

Source: US Census; Claritas, Inc.; W-ZHA
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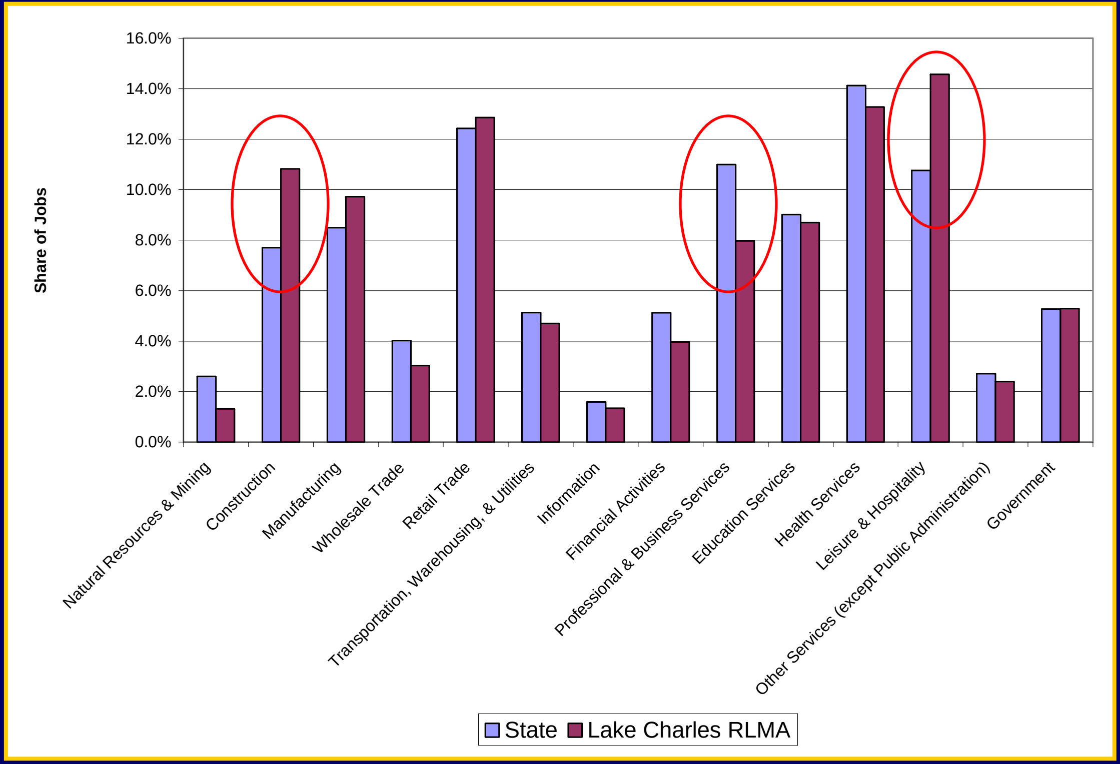
- SWLA & Calcasieu Parish continue to grow.
- The has lost population since 1990.

W-ZHA

Economic Framework

Jobs

- There are 90,300 jobs in the Metro Area
- Job growth faster than population growth between 1990 & 2006
- High concentration of jobs in hospitality & leisure and construction
- Low concentration of office-inclined industries



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Economic Framework

Median Income

- Parish and Metro Area median income above State average.
- City of Lake Charles median income below State average.

Median Household Income

	2006
Southwest Louisiana [1]	$39,530
Lake Charles Metro Area [2]	$41,480
Calcasieu Parish	$41,590
City of Lake Charles	$35,240
Louisiana	$39,260
United States	$48,710

1. Calcasieu, Allen, Cameron, Beauregard and Jefferson Davis parishes.
2. Calcasieu and Cameron parishes.

Existing and Planned Conditions

Downtown Lake Charles

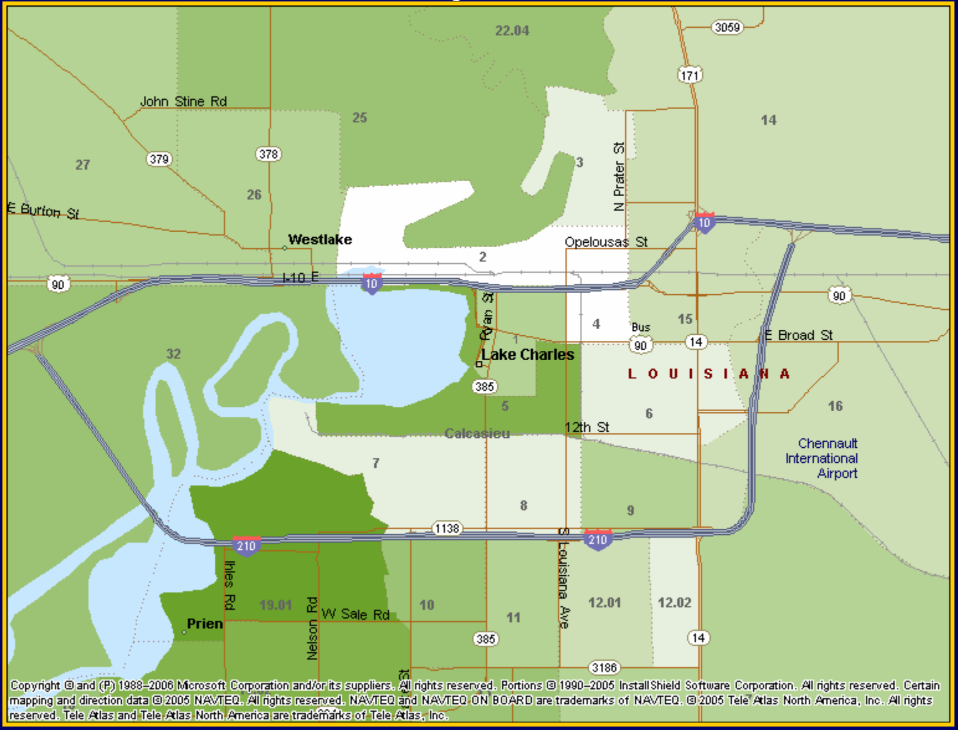
W-ZHA

Existing Conditions

Location & Access

- Downtown civic and government center
- Lakefront visible to I-10 – 44,500 vehicles per day.
- Access circuitous from I-10, good from all other directions
- Strong neighborhoods & household income immediately south & east of Downtown

Median $ By Census Tract



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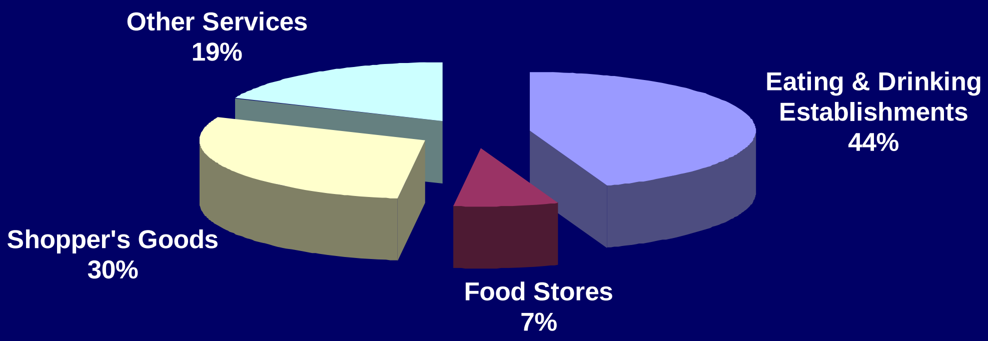
Existing Conditions

Downtown Environment

- Surface parking lots and vacant parcels proliferate the Downtown
- High building vacancy
- Very little retail supply Downtown
- Retail predominated by eating & drinking establishments

Occupied Retail/Service Storefronts



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Plans

- Downtown Master Plan connects Downtown to Lakefront

- Lakefront Plan envisions major public & private investment on Lakefront

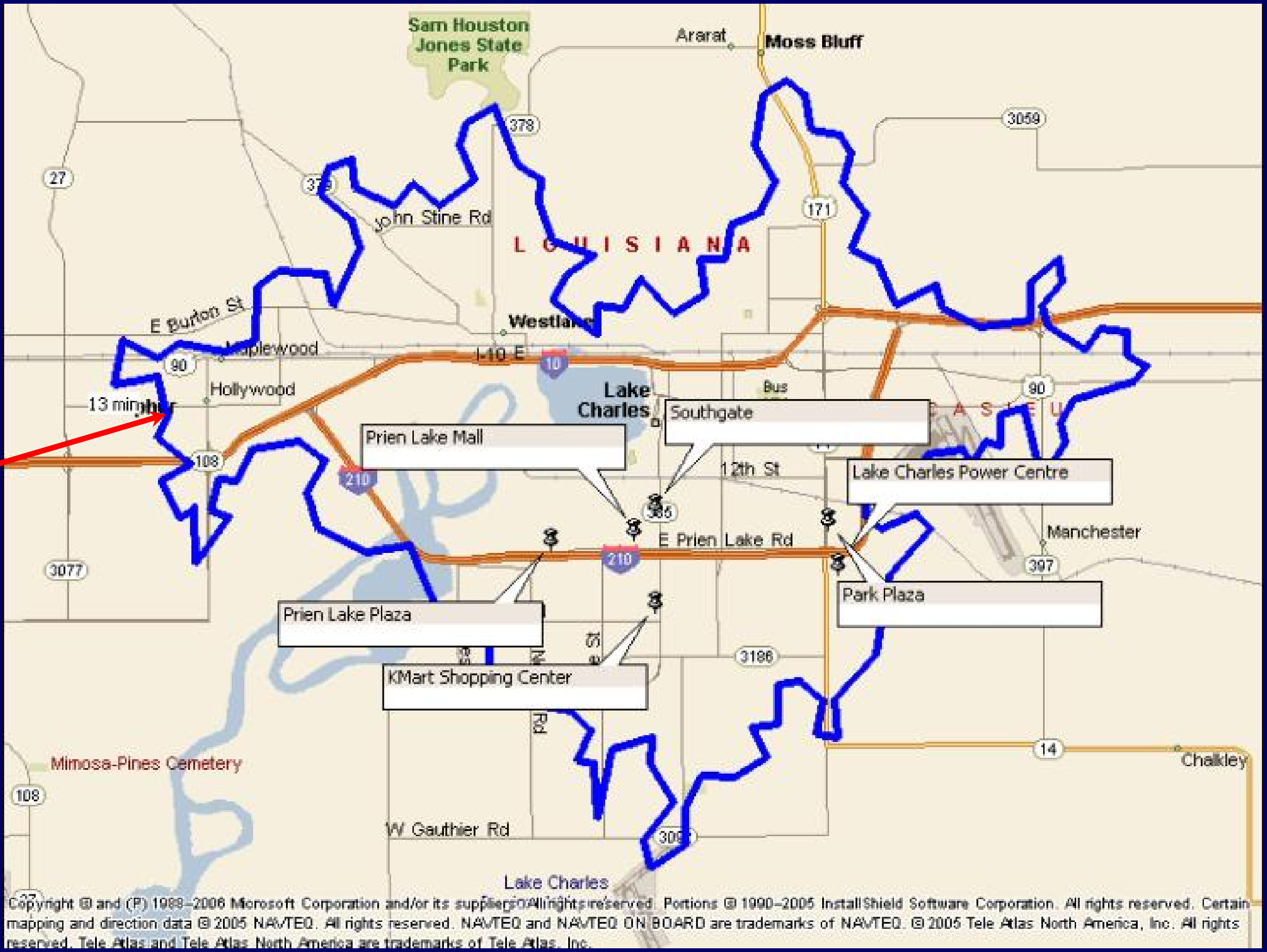
- Marina & America's Wetland Discovery Center will attract visitors and enliven Lakefront

Lakefront Plan

Commercial Market Findings

Market
Context

13-minute drive from Downtown



- Community and regional retail destinations within an easy drive time to Downtown.

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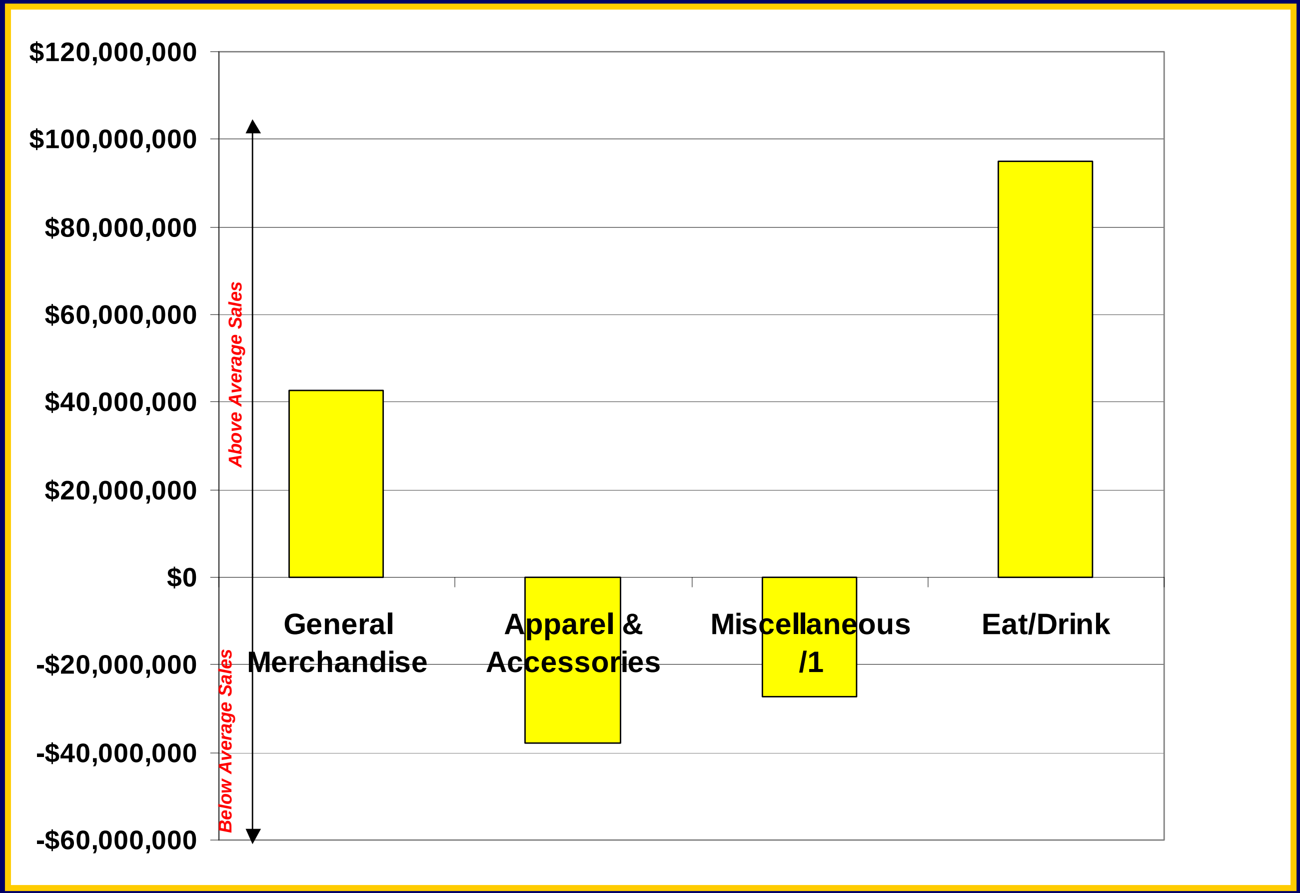
Market

Sales versus Expenditure Potential

- Above average sales in general merchandise – big box
- Above average sales in eating & drinking – gaming
- Below average sales in specialty retail store types

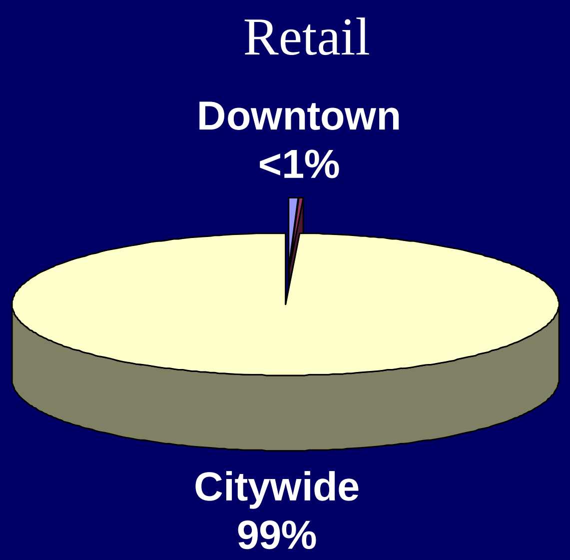


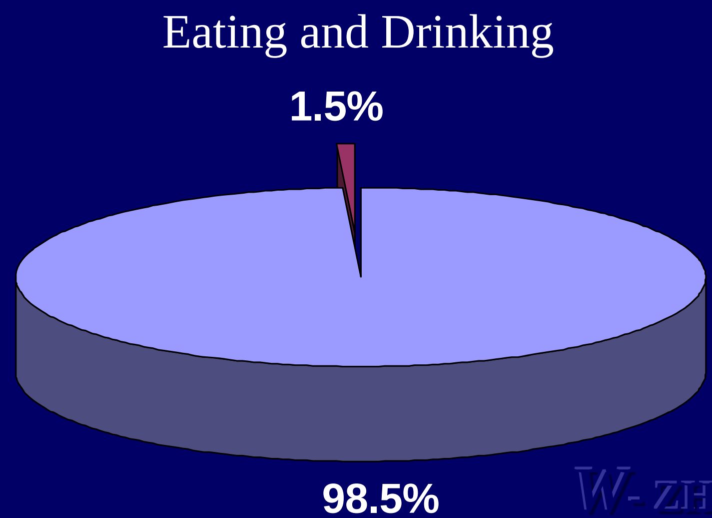
Market

Downtown's Existing Performance

- Downtown is not a retail center

- Downtown's capture of Citywide retail sales is very low!





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Market

Lifestyle Center Proposal – Can retail lead revitalization?

Lifestyle Center

- Critical mass of shopper's goods & restaurants (150,000 sf+)
- Main Street configuration
- High growth, high income markets
- Sited to intercept high income customers

Conclusion

- Growth, Income & Magnitude of Mkt Not Strong Enough to Support Critical Mass of Shopper's Goods Stores and Eating & Drinking
- Retail must be developed incrementally

W- ZHA

Market

Eating & Drinking and Specialty Retail Potential

- With Lakefront development, Downtown should be able to capture 3-4% of Metro eating & drinking sales
- For eating & drinking Lakefront development initially – access, convenience, and "buzz"
- With Lakefront development, Downtown should be able to capture 1.5-2.5% of Metro specialty retail sales
- Need Marina & Wetland Discovery Center & residential development

- 25,000 to 35,000 square feet of restaurant/entertainment space

- 17,000 to 30,000 square feet of specialty retail (galleries, home accessories, unique apparel)

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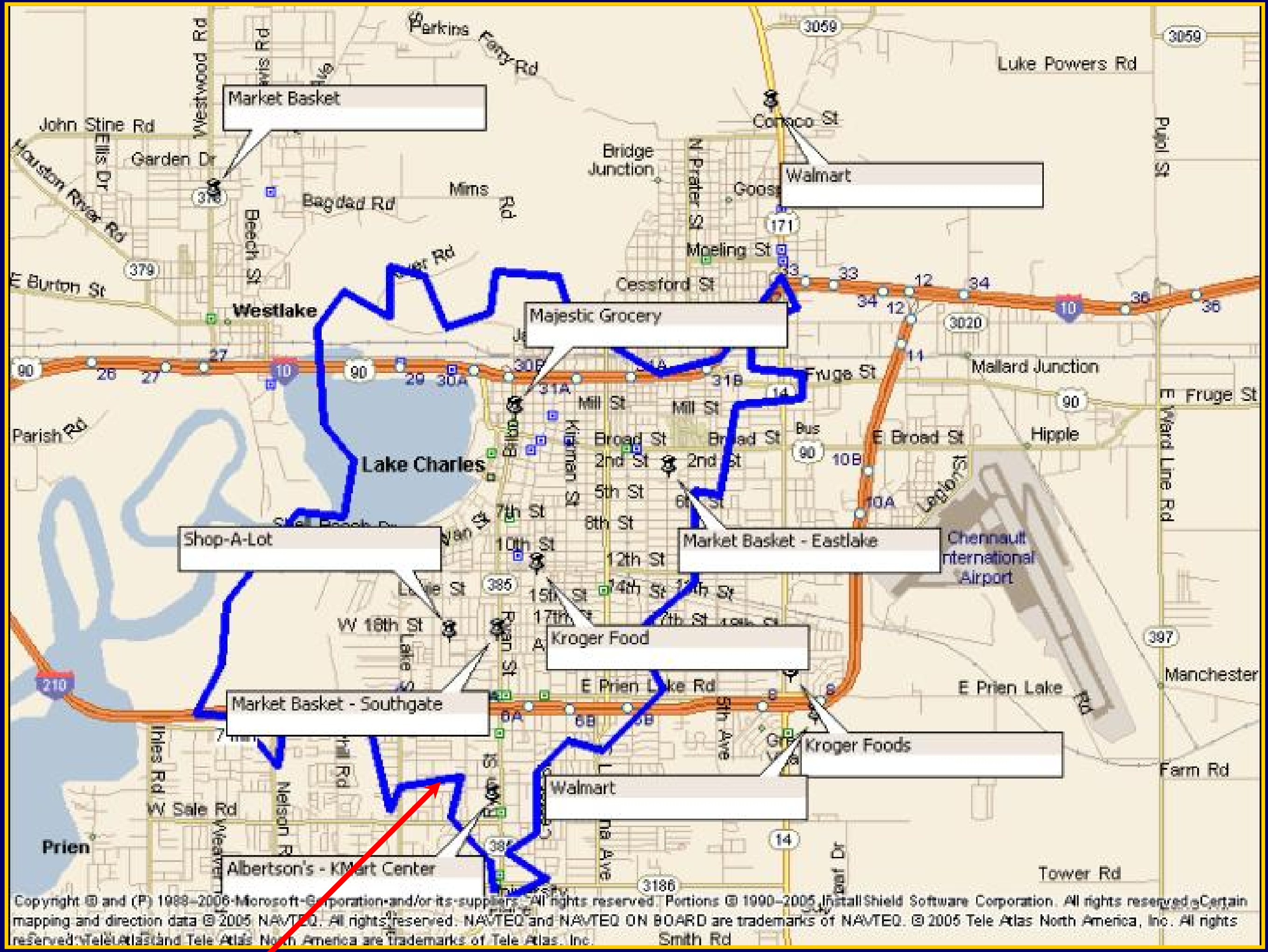
Market

Neighborhood Retail - Convenience

- Downtown residents well-served by grocery stores



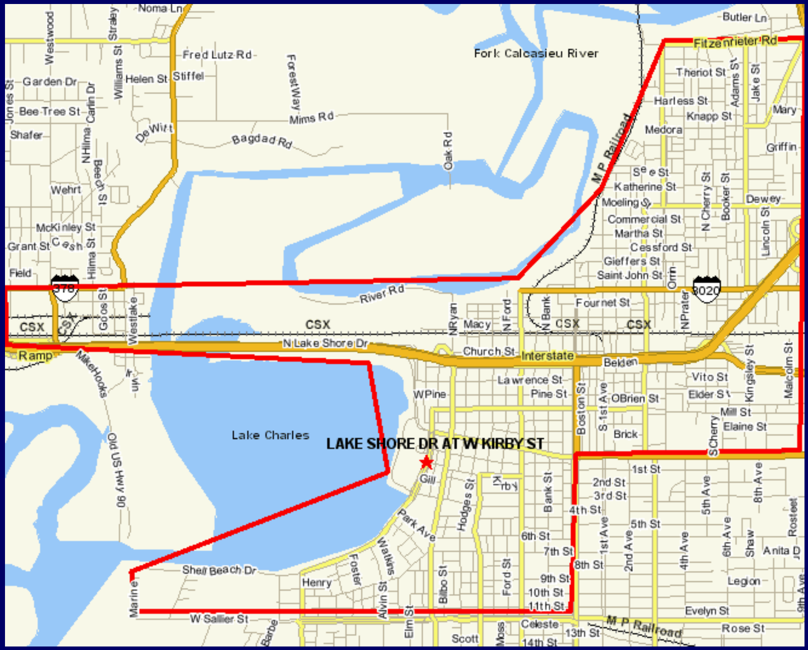
7-Minute drive time from Lakefront

Market

Neighborhood Retail - Convenience

- With new residential, by 2012, small neighborhood grocery store possible
- 22,000 – 25,000 square feet in 2012
- With ancillary neighborhood retail/service 30-40,000 sf center
- Center cannot be buried in Downtown, must be on Lakefront Drive

Neighborhood Center Trade Area



Market

Office

Employment Projections Lake Charles Metropolitan Area 2006-2012				
			Change	
	2006	2012	#	%
Natural Resources & Mining	1,390	1,420	30	2%
Construction	10,140	10,920	780	8%
Manufacturing	8,830	9,090	260	3%
Wholesale Trade	2,790	2,870	80	3%
Retail Trade	10,910	11,500	590	5%
Transportation, Warehousing, & Utilities	3,990	3,510	(480)	-12%
Information	**1,360**	**1,240**	**(120)**	**-9%**
Financial Activities	**3,440**	**3,330**	**(110)**	**-3%**
Professional & Business Services	**7,040**	**7,640**	**600**	**9%**
Education & Health Services	11,490	11,440	(50)	0%
Leisure & Hospitality	11,930	12,590	660	6%
Other Services (except Public Administration)	2,380	2,370	(10)	0%
Government	14,610	15,450	840	6%
Office-Inclined Industries	11,840	12,210	370	3%

- Office potential driven by employment growth in professional and business service industries.

Market

Office

- Net new employment growth will generate a demand for 92,500 square feet of office by 2012
- Downtown has potential to capture 30-50% of growth with Lakefront revitalization
- 30,000 – 45,000 square feet of office potential by 2012
- Small tenant space (<2,500 square feet) heart of market

Commercial Market Conclusions

Land Use	Square Feet	Notes
Professional Office Space	30,000 45,000	Can be a "leading" use
Restaurants	25,000 35,000	Will require a critical mass of development; Can be a "leading" use if developed with other land uses
Specialty Shops	17,000 30,000	Contingent on Downtown/Lakefront transformation; A "following" use
Grocery and Neighborhood Services	30,000 40,000	After 1,000+ housing units developed Downtown