

Hoffman Strategy Group/Jeff Green Partners

RETAIL MARKET STUDY FOR CITY OF PIERRE, SD

## RETAIL MARKET

## BACKGROUND

Hoffman Strategy Group/Jeff Green Partners was retained by the City of Pierre, SD, to conduct a feasibility study for new retail development on available properties in Pierre, SD. This study updates and expands on reports previously completed by other retail consultants. Specifically, the analysis in this report is for the period 2016 to 2021; recommendations are provided regarding retail tenants and tenant mix; and estimated sales forecasts are made for each of the recommended retailers.

Issues that are addressed in this report include:

1. What is an optimal trade area to be served by viable retailers in the City of Pierre?
2. What are the projected residential retail expenditures by store type for the period 2016 to 2021? What impact does that have on retail tenant mix?
3. What is the retail expenditure potential and impact on proposed retail tenant mix from daytime workers? And, if data are available, from tourists?
4. What is the size of the retail market potential by retail category and store type?
5. What are the descriptive features of existing and planned retail space in the trade area, and relation to potential retail tenant mix?
6. What is a viable set of recommended retailers and tenant mix that is specific to key available retail property sites in Pierre? What is an appropriate square foot size for each retailer?
7. What are the sales forecast estimates for each recommended retailer in the first and fifth year of operations?
8. When is the retail likely supportable on each available site in Pierre, SD?
9. What are the updated population and demographic characteristics in the residential trade area for 2016 to 2021?
10. What are the dominant lifestyle or psychographic characteristics of the trade area?

## ASSUMPTIONS

The retail market study is based on these assumptions:

- Population and household growth as projected by national database provider Nielsen/Claritas accurately reflects the greater Pierre, SD, market.
- Expenditure estimates for the residential population using Consumer Expenditure Survey data from the Bureau of Labor Statistics accurately reflects expenditure potential available to retailers within the defined trade area.
- Economic conditions of the greater Hughes County and Pierre market will remain stable over the next five years.
- Site locations for new retail are predominantly concentrated at the Northridge Plaza; along the north-south US Highway 83 corridor especially around East 4<sup>th</sup> Street between Menards and the Walmart Supercenter; and along the east-west corridor of West Sioux Avenue. Sites in these areas provide easy ingress/egress, ample parking, and adequate visibility.
- The Northridge Plaza will remain a viable retail center for the Pierre-area market; and presents an opportunity to introduce new retail tenants for the period 2016 to 2021.

## ABOUT RETAIL AND THE PIERRE MARKET

Pierre, SD, is a relatively captive retail market. The nearest competitive retail markets are: Aberdeen (160 miles northeast), Rapid City (172 miles west), and Sioux Falls (224 miles east). The locus of existing and new retail is in the north-side of Pierre anchored by Menards, Walmart Supercenter, and the Northridge Plaza shopping center. Runnings, a home and farm supplies and outdoor recreation equipment store, benefits from being located in this nexus of retail activity.

There is, however, no fast food or full-service restaurants on the north side of Pierre. The concentration is primarily along West Sioux Avenue and in downtown Pierre: Taco Bell, McDonald's, Burger King, Hardee's, Arby's, and Subway. Restaurants located on Sioux Avenue and in downtown Pierre include Pizza Hut, Guadalajara Mexican Restaurant, La Minestra Italian Bistro, Mad Mary's Steakhouse, among others.

Downtown Pierre also has several local retail stores such as a bicycle and canoe store (Pedal & Paddle); The Card & Candy Shop; Prairie Pages Bookseller; and The Alley Exchange. Walgreens

and Lynn's Dakotamart supermarket and pharmacy are located off of downtown on Sioux Avenue.

Fort Pierre is across the Missouri River from Pierre, SD. Lynn's Dakotamart has a store location in Fort Pierre; and Pizza Ranch and Perkins Restaurant are located in a cluster of hotels – Americinn Lodge & Suites, Holiday Inn Express & Suites, and MyPlace Hotel.

Northridge Plaza is a 215,089 sf enclosed mall that serves as part of the retail hub for the Pierre area. The mall is anchored by a 34,364 sf JCPenney. Other tenants include Hibbett Sports Christopher & Banks, Rue 21, Maurices, TradeHome Shoes, Bath & Body Works, and a mix of local and temporary inline space tenants.

In January, 2016 K-mart announced the closing of the Pierre store as of mid-March 2016, leaving vacant an 80,000 sf box. Hobby Lobby announced in February, 2016, that they would open in K-mart's location. Hobby Lobby will occupy 50,000 sf of the former K-mart space leaving vacant approximately 30,000 sf of space mostly in the back corner of Northridge Plaza. Grand opening is scheduled for fall 2016.

Generational changes in shopping behaviors, consumer tastes and preferences, online retailers such as Amazon, and online retail generally are underlying shifts in retail for markets of all sizes across the US. Retailers are either closing or relocating under-performing stores (e.g., Sears, Kmart, JCPenney); slowing down new store expansion plans; seeking to operate smaller footprint stores; and even using stores as a distribution location for merchandise bought online (e.g., Best Buy).

Moreover, shopping centers like Empire Mall in Sioux Falls, SD, are regional retail centers. Regional and national chain retailers tend to locate in these trade areas. For example, Gordmans is located at Empire Mall. They target markets that have a minimum trade area population of 100,000. Their co-tenants usually include national chain retailers such as Kohl's.

Kohl's smallest store prototype is 55,000 sf. This is usually a single store that is targeted for rural communities with 100,000 people in the trade area, similar to Gordmans.

New regional or national chain retailers and restaurants are still viable in the Pierre market, even though it is a more limited universe from which to recruit. Not only does Pierre present a captive retail market; but, it is a captive market characterized by more affluent consumers principally employed in white collar occupations. For example, Pierre's average income of \$77,497 is higher than both Sioux Falls (\$76,192) and Rapid City (\$65,657); and the State of South Dakota (\$68,124).



Moreover, Pierre's workforce is 69.4 percent white collar, largely associated with the state capitol; compared to 58.8 percent for the State of South Dakota; 62.5 percent in Sioux Falls, and 57.9 percent in Rapid City.

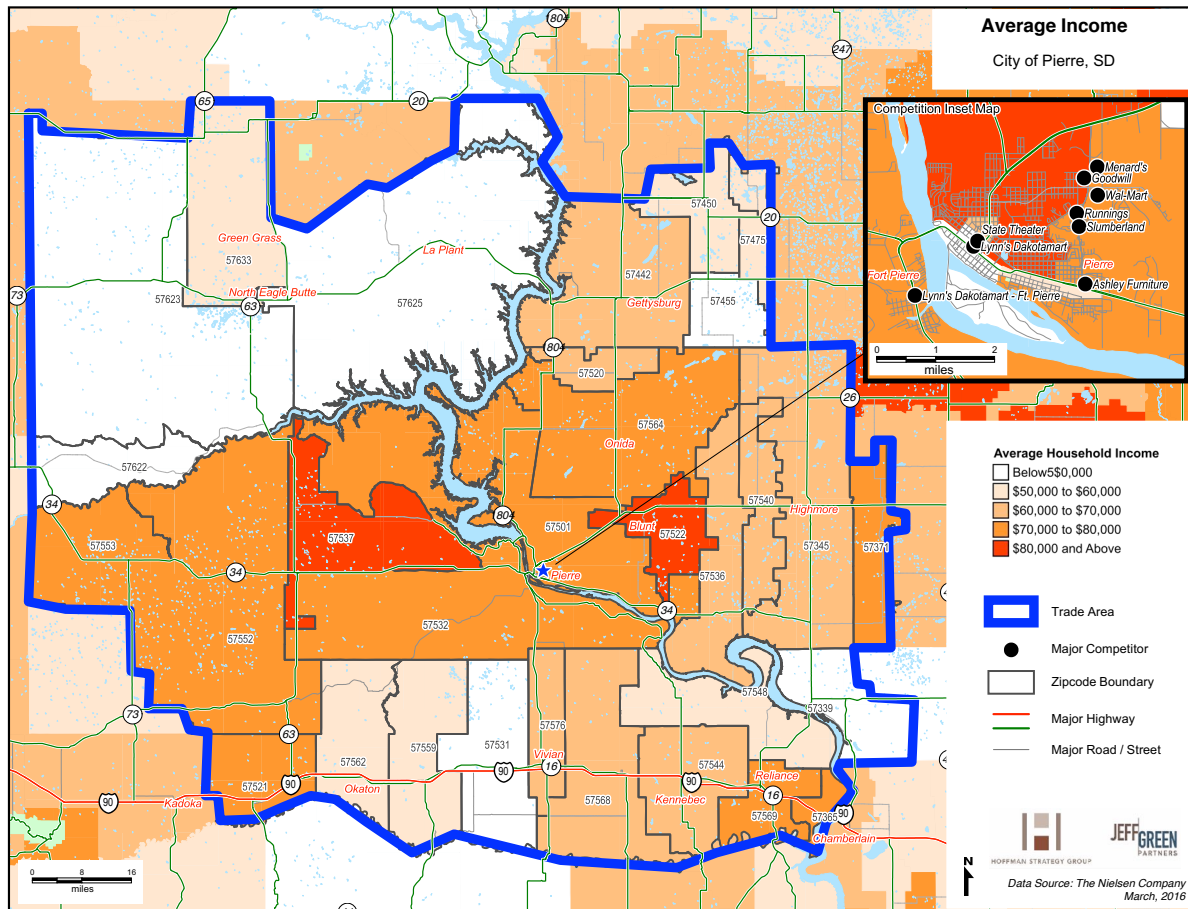
The issues to address relative to recruitment of new retail stores and restaurants include: Which one's are opening new store locations in Pierre-size markets? What are their co-tenancy preferences? What is an anticipated time-to-market? In this context, Pierre's strength for new retail and restaurants is in the West 4<sup>th</sup> Street and North US Highway 83 area; and Sioux Avenue for new restaurants and specialty food places. Sioux Avenue has prime site locations for a Starbucks. Several site locations in the northern area of Pierre are available for a Scooter's drive-thru.

Hoffman Strategy Group/Jeff Green Partners recommends Cato Junior/Misses/Plus. Cato stores are located in trade areas with a minimum population of 25,000. Co-tenancy preference is Walmart Supermarket or other big box power centers (see Mitchell and Sioux Falls, SD). Cato already has targeted new store locations for 2016, and possibly for 2017. An approximate time-to-market may be 36 months, if relationships are built within the first three quarters of 2016.

The balance of this retail market study will address the Pierre trade area size and market characteristics. A set of chain retailers, a supermarket, and restaurants are recommended in the context of these broader retail industry shifts; and the retail market potential specific to Pierre, SD.

## TRADE AREA

Hoffman Strategy Group/Jeff Green Partners has determined that new retail and restaurants in the Pierre trade area should primarily have a strong appeal both to resident consumers and to destination-oriented travelers. This is based on field evaluation, the retail gravitation in the market, traffic patterns, and extensive experience in defining trade areas for retail and mixed use developments throughout the United States.



The trade area capitalizes on a regional population base of 41,243 within approximately 50-miles radius, extending north from Interstate 90 and along US Highway 12 near the North Dakota border. This trade area, defined at the census tract group level, includes 16,381 resident households. There are 18,086 daytime workers, nearly 70 percent in white-collar occupations, within a 10-miles radius of Pierre. Trade area residents are characterized as economically-challenged families to upscale households starting to empty-the-nest.

## RETAIL MARKET STUDY FOR CITY OF PIERRE, SD

Retail opportunity by category for the Pierre trade area is presented in the following table.

<b>Retail Category</b>	<b>2016 Demand (Expenditures)</b>	<b>2016 Supply (Retail Sales)</b>	<b>Void/Surplus</b>
General Merchandise Stores-452	\$80,727,794	\$126,224,696	\$(45,496,902)
Clothing and Clothing Accessories Stores-448	\$30,281,764	\$7,355,463	\$22,926,301
Furniture and Home Furnishings Stores-442	\$13,382,202	\$16,950,622	\$(3,568,420)
Electronics and Appliance Stores-443	\$11,810,483	\$10,279,319	\$1,531,164
Building Material, Garden & Equip. Stores-444	\$75,478,035	\$120,218,139	\$(44,740,104)
Supermarkets, Grocery Stores-4451	\$54,404,762	\$73,979,902	\$(19,575,140)
Sporting Goods, Hobby, Book, Music Stores-451	\$12,536,985	\$26,796,022	\$(14,259,037)
Full-Service Restaurants-72221	\$30,954,089	\$28,405,840	\$2,548,248
Fast Food/Limited Service Eating Place-7222	\$27,917,673	\$20,669,266	\$7,248,407
Special Foodservices-7223	\$7,710,516	\$30,491	\$7,680,025

### **Retail Market Surplus**

This table supports the finding that regional and national chain retail and restaurants can capture sales revenue potential in the Pierre, SD, trade area. Walmart Supercenter, JC Penney, Menards, Runnings, Hibbett Sports, Slumberland, and Ashley Furniture attract consumers from around the Pierre area.

For example, \$126,224,696 in General Merchandise Stores retail sales is comprised of \$80,727,794 in spending by trade area residents; an additional \$45,496,902 in sales comes from consumers outside the trade area. Walmart Supercenter and JCPenney are in this retail store category. Hoffman Strategy Group/Jeff Green Partners does not recommend another general merchandise store because of Walmart's strong retail pull. However, this is confirmation that the East 4<sup>th</sup> Street/US Highway 83 area is a site location opportunity for retail stores that do well co-locating with or near a Walmart (e.g., the proposed Cato and the existing Rue 21).

The Walmart Supercenter and Lynn's Dakotamart's in Pierre is associated with the \$73,979,902 in total retail sales by grocery stores. Of that amount, \$54,404,762 is attributed to trade area resident consumer spending; and an additional \$19,575,140 comes from consumers living outside the trade area. The grocery store category has a strong retail pull. But, this is attributed more to having a captive market than having a variety of quality product. For this reason, Hoffman Strategy Group/Jeff Green Partners recommends a supermarket such as Hy-Vee to introduce a higher product quality in this captive market.

### **Retail Opportunity Void/Gap**

Resident consumers spend more of their retail dollars outside of the Pierre trade area on clothing and clothing accessories (e.g., shoes). That is, trade area residents spend \$30,281,764 on clothing and accessories; but the trade area only records \$7,355,463 in retail sales. That difference of \$22,926,301 represents Pierre's retail sales leakage in this store category. Pierre residents are most likely spending their retail dollars either at Rushmore Mall in Rapid City, SD (Aeropostale, Herberger's, Foot Locker, Payless, Eddie Bauer, and Victoria's Secret); or at the higher-end Empire Mall in Sioux Falls, SD (Macy's, Gap, White House Black Market, Francesca's, and Dick's Sporting Goods).

Cato Junior/Misses/Plus and either Payless or Shoe Sensation is recommended in this category. Each can capture a portion of the retail dollars that are spent on women's apparel in nearby markets like Rapid City and Sioux Falls. Cato and Shoe Sensation are already in Pierre-sized markets such as Mitchell, SD, and Yankton, SD. The area of East 4<sup>th</sup> Street and US Highway 83 meet their co-tenancy and site location criteria of being adjacent to or near a Walmart Supercenter.

Similar market opportunity exists for full-service and quick-service restaurants; and specialty food places. Pierre trade area residents spend more of their food-away-from-home dollars in other markets like Rapid City, SD. The estimated amount of combined spending on fast-food, sit-down restaurants, and special food places (e.g., Starbucks) is \$66.5 million. Pierre's food establishments capture approximately \$49.1 million in sales; with approximately \$17.5 million spent elsewhere.

Hoffman Strategy Group/Jeff Green Partners recommends additional food establishments such as Starbucks, Scooter's drive-thru, Culver's, and a second McDonald's (near Walmart); and Applebee's, Whiskey Creek or Chili's.

### **RETAIL RECOMMENDATIONS**

The Pierre trade area can support **165,750 sf** in new retail stores and restaurants. Store locations should complement the existing mix in the East 4<sup>th</sup> Street and US Highway 83 area; with restaurant opportunities in vacant spaces along West Sioux Avenue. This tenant mix includes:

50,000 sf Hobby Lobby

45,000 sf Hy-Vee, Coborns or Fairway Supermarket

30,000 sf Dunham's Sports

15,000 sf Dollar Store

5,000 sf Cato Junior/Misses/Plus

5,000 sf Payless or Shoe Sensation

5,500 sf Applebee's, Whiskey Creek, or Chili's

3,500 sf Culver's

2,000 sf Starbucks

750 sf Scooter's Drive-Thru

2,000 sf Verizon or ATT

These tenants attract residential consumers, daytime workers, and visitors from outside the trade area; and, offer both a convenience and a destination appeal.

Restaurants are considered an anchor category. This builds in daytime, weekday, and weekend consumer demand components.

This recommended tenant mix is informed by a field evaluation that included visits to:

Pierre, SD

Northridge Plaza, Walmart, Menards, Slumberland and Ashley Furniture

Sioux Avenue, Dakota Avenue, and Downtown Pierre

Fort Pierre

Sioux Falls, SD

Empire Mall, Western Mall, The Bridges at 57<sup>th</sup>, 8<sup>th</sup> & Reid Street (Riverfront)

Yankton, SD

31<sup>st</sup> & Broadway area, Yankton Mall, Hy-Vee, Downtown and the Landing Area,

Vermillion, SD

Walmart Supercenter, Downtown Vermillion

Sioux City, IA

Southern Hills Mall, Lakeport Commons Shopping Center

## RETAIL MARKET STUDY FOR CITY OF PIERRE, SD

## SUPPORTABLE SALES FORECASTS BY RECOMMENDED MIX

The following table details the forecasted sales by individual recommended tenant for the first year and fifth year of operations.

**Retail Expenditure Potential Table**  
City of Pierre, SD

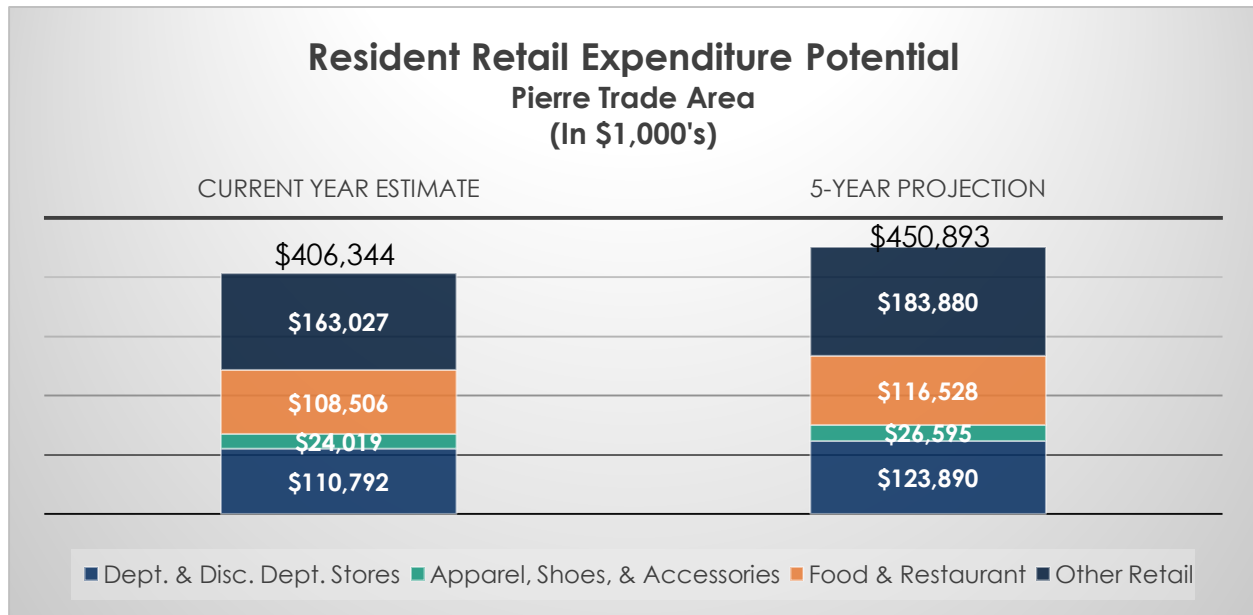
	Total Trade Area		Recommended Size	1st Year Annual Sales*	1st Year Sales* Per Sq Ft	5th Year Annual Sales*	5th Year Sales* Per Sq Ft	Retailers Such As:
	Current Year Estimate	5-Year Projection						
Department Stores	\$26,529,900	\$29,947,200						
Discount Department Stores	\$54,780,400	\$61,216,300	15,000	\$ 2,250,000	\$ 150	\$ 2,625,000	\$ 175	Dollar Store
Warehouse Clubs & Superstores	\$29,481,900	\$32,726,700						
Womens Apparel	\$8,259,000	\$9,134,700	5,000	\$ 1,250,000	\$ 250	\$ 1,425,000	\$ 285	Cato, Etc
Mens Apparel	\$4,915,300	\$5,445,400						
Unisex Apparel	\$3,293,600	\$3,645,000						
Childrens Apparel	\$4,798,000	\$5,327,200						
Shoes & Accessories	\$2,753,100	\$3,042,600	5,000	\$ 1,125,000	\$ 225	\$ 1,295,000	\$ 259	Payless or Shoe Sensation
<b>Total Apparel, Shoes &amp; Accessories</b>	<b>\$24,019,000</b>	<b>\$26,594,900</b>	<b>10,000</b>	<b>\$ 2,375,000</b>	<b>\$ 238</b>	<b>\$ 2,720,000</b>	<b>\$ 272</b>	
Grocery Stores	\$64,910,800	\$69,911,900	45,000	\$18,000,000	\$ 400	\$ 20,700,000	\$ 460	Hy-Vee, Coborns or Fairway
Specialty Food Stores	\$22,559,600	\$24,072,300	2,000	\$ 1,400,000	\$ 700	\$ 1,610,000	\$ 805	Starbucks
			750	\$ 600,000	\$ 800	\$ 690,000	\$ 920	Scooter's Drive-Thru
Alcoholic Beverages	\$5,475,300	\$5,917,800						
Fast Food/Fast Casual Restaurant	\$7,095,000	\$7,516,200	3,500	\$ 1,050,000	\$ 300	\$ 1,207,500	\$ 345	Culver's
			2,000	\$ 1,350,000	\$ 675	\$ 1,554,000	\$ 777	McDonald's (a second store in northern Pierre)
Full-Service Restaurant	\$8,465,600	\$9,109,700	5,500	\$ 2,887,500	\$ 525	\$ 3,003,000	\$ 546	Applebee's, Whiskey Creek or Chili's
<b>Total Food &amp; Restaurant</b>	<b>\$108,506,300</b>	<b>\$116,527,900</b>	<b>58,750</b>	<b>\$25,287,500</b>	<b>\$ 430</b>	<b>\$ 28,764,500</b>	<b>\$ 490</b>	
Appliances, Computers and Electronics	\$14,028,300	\$17,344,000	2,000	\$ 1,000,000	\$ 500	\$ 1,150,000	\$ 575	Verizon or ATT
Art, Craft & Sewing Stores	\$326,400	\$363,500						
Auto Supplies	\$8,863,700	\$9,663,000						
Book Stores	\$1,240,000	\$1,450,700						
Cards & Gift Shops	\$822,900	\$939,200						
Drugstore / Pharmaceutical	\$64,155,900	\$69,300,200						
Florists	\$2,618,600	\$2,956,100						
Health & Beauty Store	\$5,597,400	\$6,197,100						
Furniture, Home Decor & Accessories	\$8,822,000	\$10,175,800	50,000	\$ 7,500,000	\$ 150	\$ 8,650,000	\$ 173	Hobby Lobby
Home Improvement	\$15,076,500	\$16,838,700						
Jewelry Store	\$869,300	\$1,108,400						
Laundry / Dry Cleaning	\$958,700	\$1,103,400						
Luggage Shops	\$138,300	\$165,000						
Optical / Vision Care	\$2,420,100	\$2,856,200						
Personal Expenses & Services	\$7,364,500	\$8,174,200						
Pet Supplies	\$6,039,600	\$6,906,100						
Photographic Equipment & Supplies	\$190,000	\$255,200						
Sporting Goods Store	\$1,988,200	\$2,393,700	30,000	\$ 5,100,000	\$ 170	\$ 5,880,000	\$ 196	Dunham's Sports
Tobacco Shop	\$7,373,700	\$8,714,400						
Toy & Hobby Shops	\$1,242,500	\$1,465,600						
Film & Theatre Entertainment	\$12,890,300	\$15,509,200						
<b>Total Other Retail</b>	<b>\$163,026,900</b>	<b>\$183,879,700</b>	<b>82,000</b>	<b>\$13,600,000</b>	<b>\$ 166</b>	<b>\$ 15,680,000</b>	<b>\$ 191</b>	
<b>Total Identified Retail Expenditure</b>	<b>\$406,344,400</b>	<b>\$450,892,700</b>	<b>165,750</b>	<b>\$43,512,500</b>	<b>\$ 263</b>	<b>\$ 49,789,500</b>	<b>\$ 300</b>	

\* Sales stated in constant 2016 dollars - No adjustment has been made for potential inflation

Forecasts of sales revenue estimates by tenant were derived using Jeff Green Partners' in-house proprietary models of expenditure potential. The Pierre trade area can support 165,750 total square feet of new retail and restaurant tenants. Estimated sales forecasts for these tenants are: \$43,512,500, assumed for 2017; and \$49,789,500 in the fifth year of operations (2022).

## RETAIL MARKET STUDY FOR CITY OF PIERRE, SD

Using data from the *Census of Retail Trade*, sales tax information, and resident population levels, Pierre trade area annual expenditure potential is determined for key retail types.



Total expenditure potential of Pierre trade area residents for current year (2016) is estimated at \$406.3 million; and five-year projection (2021) is \$450.9 million.

Estimates of additional retail spending potential from the daytime worker population is provided in the table below.

Retail Store Type	3-Miles	5-Miles	10-Miles
Department	\$3,728,720	\$4,020,795	\$4,060,307
Drug Stores & Personal Care	\$4,315,964	\$4,654,038	\$4,699,773
Supermarkets	\$18,471,681	\$19,918,587	\$20,114,325
Apparel	\$2,379,576	\$2,565,971	\$2,591,186
Electronics and Appliance	\$3,298,271	\$3,556,628	\$3,591,578
Office Supplies, Stationery, Gifts	\$3,260,157	\$3,515,528	\$3,550,075
Full-Service Restaurants	\$7,109,136	\$7,666,001	\$7,741,335
Fast Food/Deli/Lunch Eateries	\$6,854,086	\$7,390,973	\$7,463,604
Total Identified Expenditures	\$49,417,591	\$53,288,521	\$53,812,183
Sources: ICSC Research, Nielsen Business Facts, Bureau of Labor Statistics			

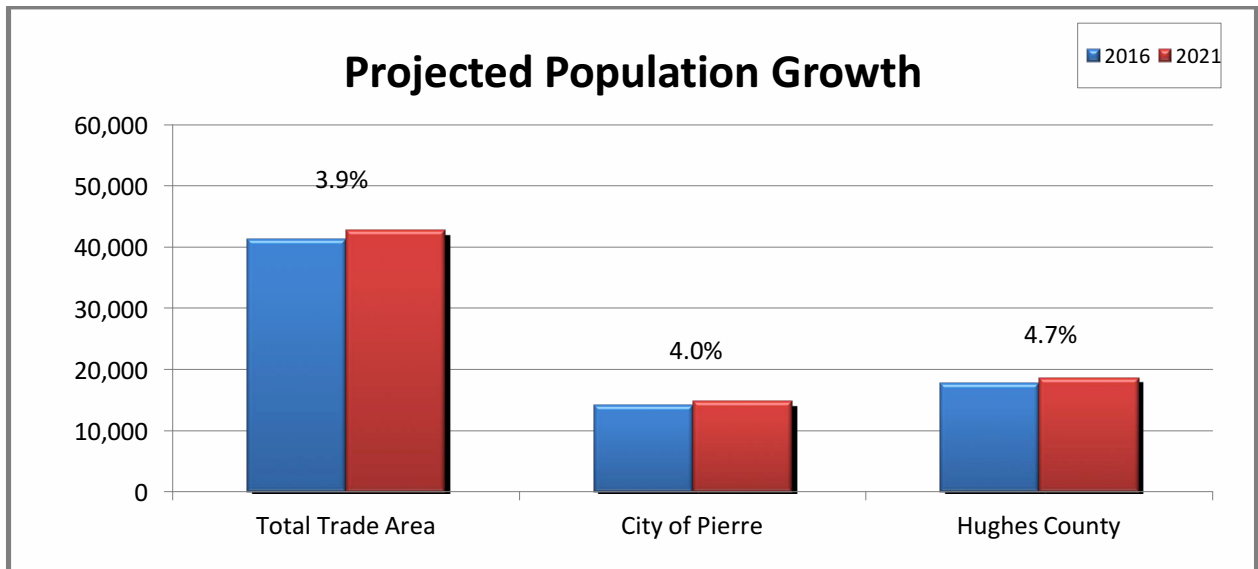
There is an estimated \$53.8 million in potential retail spending from daytime workers within 10-miles radius of Pierre. This amount is in addition to the \$406.3 million in resident spending estimates.

## RATIONALE

The following highlights the rationale for our recommended retail tenant mix.

**Regional Corridor:** Pierre is at the cross-roads of US Highway 83 north-south trade corridor; and US Highway 34 east-west trade corridor. The highest average daily traffic count of 19,000 vehicles is along Sioux Avenue/US Highway 34. Traffic counts on US Highway 83 north are considerably lower.

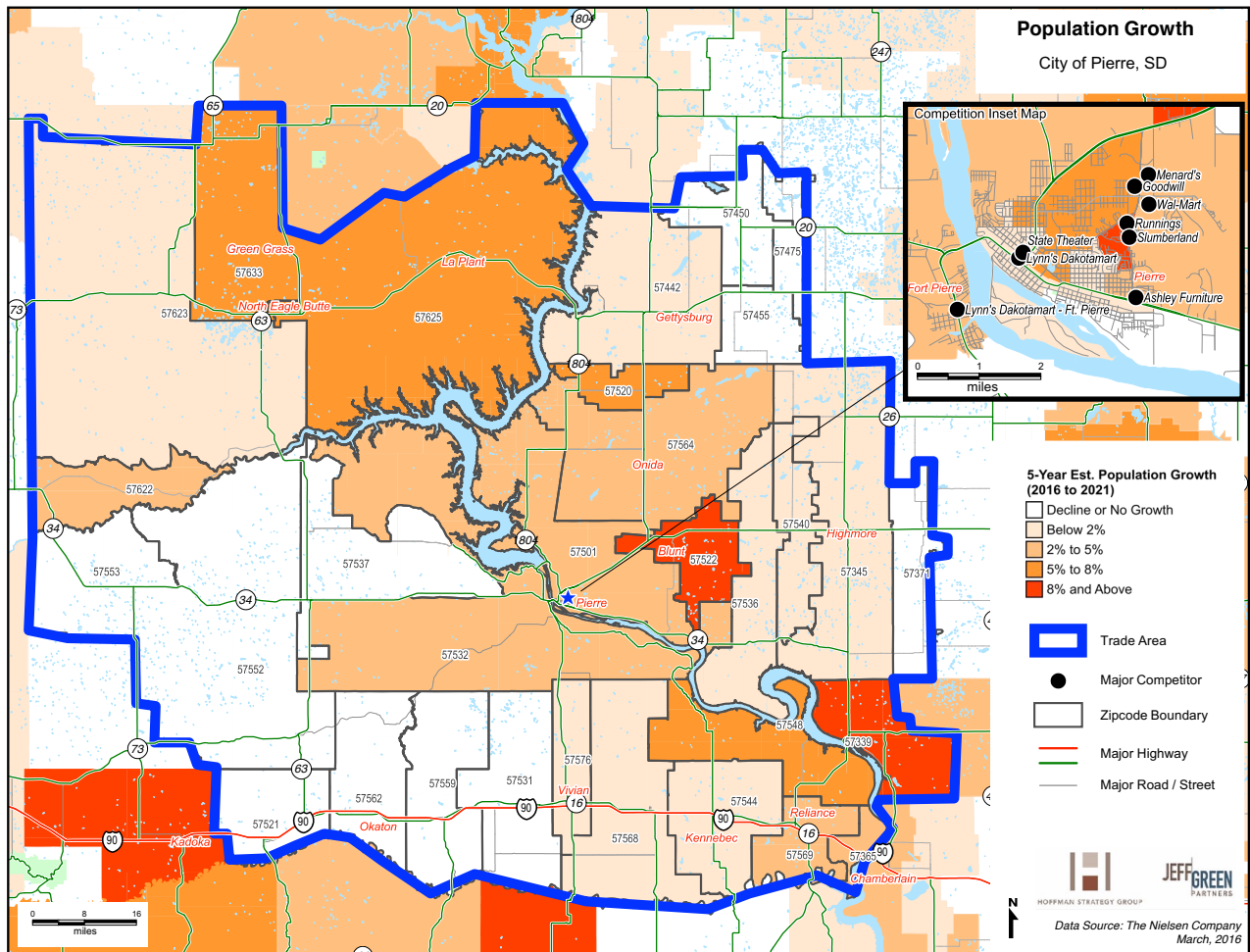
**Population Growth:** Pierre and Hughes County has a stable population. Residential population is projected to grow by four percent by 2021 for the City of Pierre. For Hughes County and the total trade area, the projected population growth rates are: 4.7 percent and 3.9 percent, respectively.



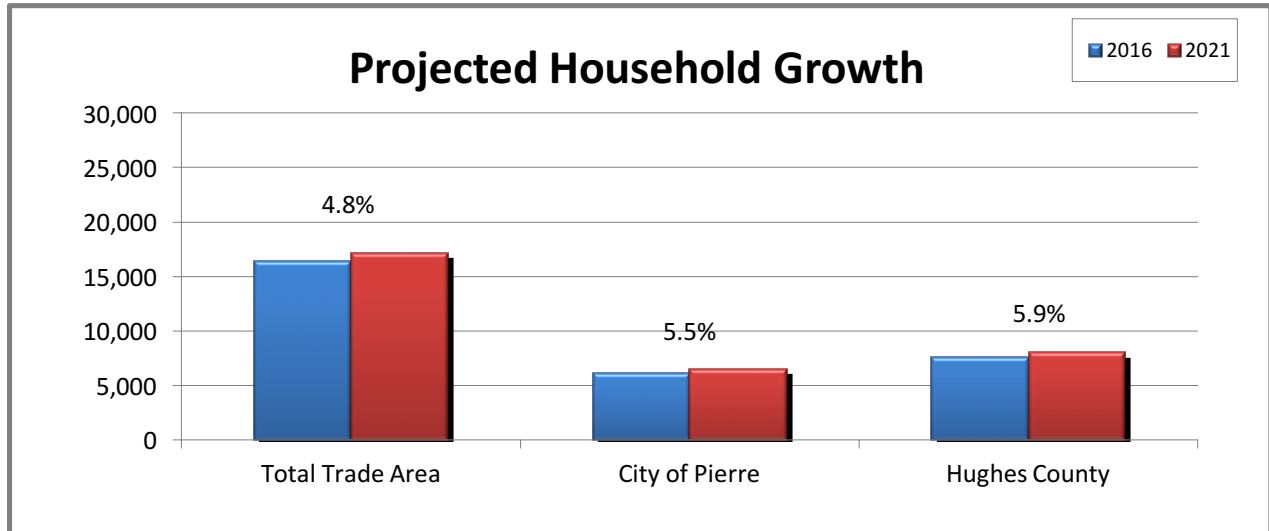
The population growth is concentrated in and to the east of Pierre, as shown in the population growth map on the following page.



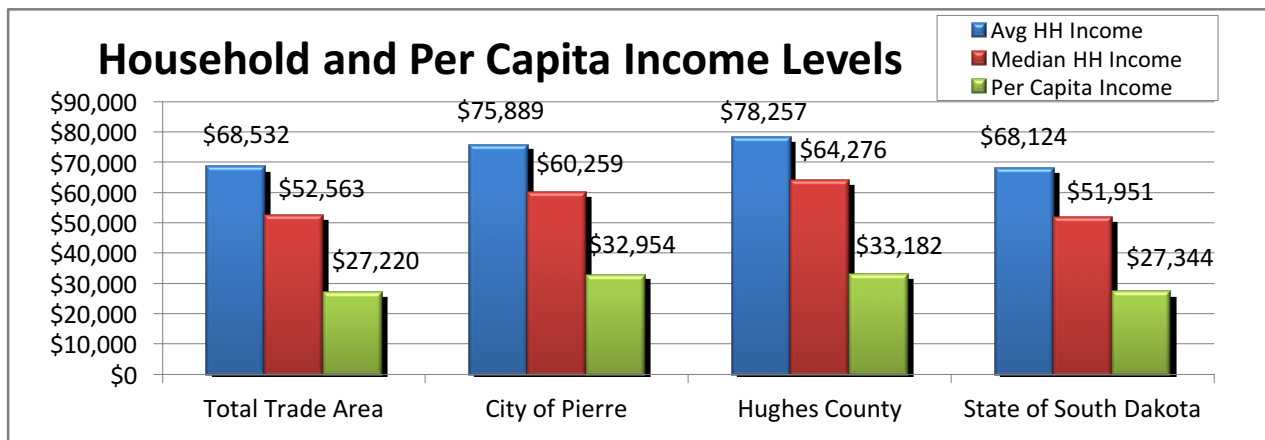
RETAIL MARKET STUDY FOR CITY OF PIERRE, SD



**Household Growth:** Household growth rates for the Pierre Trade Area, City of Pierre and Hughes County are: 4.8 percent, 5.5 percent, and 5.9 percent, respectively.



**Trade Area Household Incomes:** The trade area has a strong presence of middle class households, with an average household income of \$68,532 (2016 est.); \$75,889 for the City of Pierre; and \$78,257 for Hughes County.



**Nielsen PRIZM® Lifestyles:** Nielsen's PRIZM® is a sophisticated consumer lifestyle segmentation system. PRIZM® combines demographics, consumer behavior and geographic data and defines every US household into 66 consumer behavior types or segments. These segments help describe consumer preferences, tastes, lifestyles and purchase behaviors and are used by retailers in their site selection process.

<b>Lifestyle</b>	<b>Trade Area HH's</b>	<b>Short Description</b>
<i>Bedrock America</i>	2,615 (16%)	Bedrock America consists of economically challenged families in small, isolated towns located throughout the nation's heartland. With modest educations, sprawling families, and service jobs, many of these residents struggle to make ends meet. One in five live in mobile homes. One in four haven't finished high school. Rich in scenery, Bedrock America is a haven for fishing, hunting, hiking, and camping.
<i>Traditional Times</i>	2,161 (13.2%)	Traditional Times is the kind of lifestyle where small-town couples nearing retirement are beginning to enjoy their first empty-nest years. Typically, in their fifties and older, these upper-middle-class Americans pursue a kind of granola-and-grits lifestyle. On their coffee tables are magazines with titles like Country Living and Country Home. But they're big travelers, especially in recreational vehicles and campers.
<i>Country Casuals</i>	1,129 (6.9%)	There's a laid-back atmosphere in Country Casuals, a collection of older, upscale households that have started to empty-nest. Most households boast two earners who have well-paying management jobs or own small businesses. Today, these Baby-Boom couples have the disposable income to enjoy traveling, owning timeshares, and going out to eat.
<i>Young &amp; Rustic</i>	1,065 (6.5%)	Young & Rustic is composed of middle-aged, restless singles. These folks tend to be lower-middle income, high school-educated, and live in tiny apartments in the nation's exurban towns. With their service industry jobs and modest incomes, these folks still try to fashion fast-paced lifestyles centered on sports, cars, and dating.
<i>Mayberry-ville</i>	1,050 (6.4%)	Like the old Andy Griffith Show set in a quaint picturesque burg, Mayberry-ville harks back to an old-fashioned way of life. In these small towns, upper-middle-class couples like to fish and hunt during the day, and stay home and watch TV at night. With lucrative blue-collar jobs and moderately priced housing, residents use their discretionary cash to purchase boats, campers, motorcycles, and pickup trucks.
<i>Big Fish, Small Pond</i>	814 (5%)	Older, upper-class, college-educated professionals, the members of Big Fish, Small Pond are often

## RETAIL MARKET STUDY FOR CITY OF PIERRE, SD

		among the leading citizens of their small-town communities. These upscale, empty-nesting couples enjoy the trappings of success, including belonging to country clubs, maintaining large investment portfolios, and spending freely on computer technology.
Golden Ponds	794 (4.8%)	Golden Ponds is mostly a retirement lifestyle, dominated by downscale singles and couples over 65 years old. Found in small bucolic towns around the country, these high school-educated seniors live in small apartments on less than \$35,000 a year; more than one in five reside in a nursing home. For these elderly residents, daily life is often a succession of sedentary activities such as reading, watching TV, playing bingo, and doing craft projects.

The trade area lifestyles reflect a mix of lower- to upper-middle class singles, family households, middle-age couples without children, and empty-nesting Baby-boomers.

Tenant mix recommendations are informed by these lifestyle profiles. For example, the women's apparel chain Cato appeals to market segments such as Young & Rustic. The prevalence of lifestyles that involve sports, hunting, fishing, and camping supports the recommendation for an additional sporting goods store, such as Dunham's Sports.

**Area Demographics:** The following table presents and compares demographic characteristics of the total trade area to that of Pierre and Hughes County.

Characteristics	Total Trade Area	Pierre	Hughes County
% College Degree or Higher	25.3%	33.4%	32.3%
Person per HH	2.5	2.2	2.3
Median Age	38	39	39
% Married	52.5%	55.9%	57.7%
% Owner Occupied Housing	67.5%	62.8%	66.8%
% Seasonal Housing	13.5%	5.9%	6.9%
% White	68.1%	82.7%	83.4%
% African American	1.2%	1.9%	1.9%
% Hispanic	3.1%	3.5%	3.3%
% Asian/Pacific Is.	0.5%	0.8%	0.7%
% White Collar	64.5%	69.4%	70.0%
% Finance, Mgmt, & Professional	35%	35.5%	36.4%
% Services	23.3%	23%	22%
% Sales	22.8%	27.5%	27%

## RETAIL MARKET STUDY FOR CITY OF PIERRE, SD

Data are from the Census Bureau, American Community Survey, and Bureau of Labor Statistics; and made available through Nielsen's Site Reports proprietary GIS database system.

**Daytime Employment Base:** The estimated employment (worker) base for the total trade area based on radii is:

- 3 Mile — 16,609
- 5 Miles — 17,910
- 10 Miles — 18,086

The predominant close-in daytime worker population for a 3-mile, 5-miles, and 10-miles radius of Pierre is provided in the following table.

	3 Mile Radius		5 Mile Radius		10 Mile Radius	
	#	% of	#	% of	#	% of
<i>Employment Type</i>	Employees	Total	Employees	Total	Employees	Total
Retail	1,629	9.8%	1,716	9.6%	1,745	9.6%
Finance, Insurance, Real Estate	699	4.2%	730	4.1%	736	4.1%
Service	4,363	26.3%	4,967	27.7%	5,028	27.8%
Public Administration	8,395	50.5%	8,468	47.3%	8,491	46.9%
Agriculture	47	0.3%	51	0.3%	63	0.3%
Mining	0	0.0%	0	0.0%	0	0.0%
Construction	276	1.7%	656	3.7%	676	3.7%
Manufacturing	139	0.8%	142	0.8%	146	0.8%
Transportation/Communication/Public Utilities	764	4.6%	773	4.3%	788	4.4%
Wholesale Trade	297	1.8%	407	2.3%	413	2.3%
<b>Total</b>	<b>16,609</b>		<b>17,910</b>		<b>18,086</b>	

Top employers in Pierre include:

<b>Employer</b>	<b>Number of Employees</b>
State Government	2,380
Avera St. Mary's Hospital	450
Pierre School District	350
Walmart	317
Federal Government	240
Morris, Inc.	230
Oahe Inc.	175
Avera Medical Associates Clinic	153
City of Pierre	142
BankWest	133

RETAIL MARKET STUDY FOR CITY OF PIERRE, SD

<i>Pierre Indian Learning Center</i>	115
<i>Eagle Creek Software Services</i>	100
<i>Lynn's Dakotamart</i>	90
<i>Hughes County</i>	90
<i>Golden Living Center</i>	75
<i>Runnings Farm &amp; Fleet</i>	73
<i>Source: Pierre Economic Development Corp.</i>	

## APPENDIX

### Population and Demographic Tables and Maps