Economics Research Associates

Final Report

Study of Retail and Restaurant Opportunities

Prepared for

Manteca Redevelopment Agency
Manteca, California

Submitted by

Economics Research Associates

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ERA Project No. 17685

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General & Limiting Conditions

Every reasonable effort has been made to ensure that the data contained in this report are accurate as of the date of this study; however, factors exist that are outside the control of Economics Research Associates and that may affect the estimates and/or projections noted herein. This study is based on estimates, assumptions and other information developed by Economics Research Associates from its independent research effort, general knowledge of the industry, and information provided by and consultations with the client and the client's representatives. No responsibility is assumed for inaccuracies in reporting by the client, the client's agent and representatives, or any other data source used in preparing or presenting this study.

This report is based on information that was current as of August 2008 and Economics Research Associates has not undertaken any update of its research effort since such date.

Because future events and circumstances, many of which are not known as of the date of this study, may affect the estimates contained therein, no warranty or representation is made by Economics Research Associates that any of the projected value s or results contained in this study will actually be achieved.

This study is qualified in its entirety by, and should be considered in light of, these limitations, conditions and considerations.

I. Introduction and Executive Summary

Introduction

Economics Research Associates (ERA) was retained by the City of Manteca Redevelopment Agency to conduct a study of retail and restaurant opportunities in Manteca. ERA's study included an analysis of Manteca's strengths, weaknesses, opportunities and constraints, a retail market analysis, and strategic recommendations for the city's retail and restaurant opportunities. ERA also sought local resident input for this study through a community workshop and a household shopping pattern survey.

Market Analysis Findings

The City of Manteca and San Joaquin County will experience fairly rapid and steady growth over the next two decades. While growth in any one or two year period will be influenced by business cycles, the long term trend for growth is undeniable. This growth is driven by the economic expansion of the Bay Area and younger households seeking less expensive housing in communities of quality. The projected population, housing and income growth, in and around Manteca, will lead to demand for new retail space. ERA's market analysis indicates that Manteca can support an additional 2.5 million square feet of retail and restaurant space over the next 20 years. This is 1.8 million on top of the 700,000 square foot regional life-style center currently under construction. The total amount of retail space supportable in Manteca will grow from 2.3 million square feet today to 4.9 million square feet by 2028.

Recruitment Targets

ERA's recommendations are based on an integration of the analysis contained in this report and our more than 35 years of experience with retail market analysis and community economic development.

Near Term (2008 to 2011) Recruitment Targets

Retail Stores	Restaurants
Shoe Store (Bakers)	Outback Steakhouse
Jo-Ann Fabrics	Red Robin
WinCo Foods	Sizzler
Aeropostale	Olive Garden
American Eagle	Mimi's Café
Michaels	TGI Friday's
Bed Bath & Beyond	Red Lobster

Intermediate Term (2011 to 2018) Recruitment Targets

Retail Stores	Restaurants
Trader Joe's	Chevy's Fresh Mex
Dillard's	Home Town Buffet
Gottschalks	Elephant Bar
Borders	Marie Callender's
Marshalls	Romano's Macaroni Grill
Hollister	Fresh Choice
GAP	Texas Roadhouse

To be effective Manteca's retail recruiter will need to develop promotional materials for the city and key commercial spaces and properties, meet regularly with commercial building owners and developers to update information, establish working relationships with tenant prospects and maintain a data base of both tenant prospects and commercial spaces and development parcels. If the City of Manteca does not have staff experienced in retail recruiting, having the appropriate staff attend a training program may be a worthwhile investment. ERA is aware of at least one such training program.

Other Programs/Actions to Make the City More Attractive to Retailers

Plan for an Automobile Dealership District or Center

The market analysis indicates that Manteca has the potential to add six to eight new dealerships over a 20 year period. Manteca is fortunate to be outside the ten mile radius from auto dealership concentrations in Stockton, Modesto and Tracy. Manteca currently has Ford, Mercury, Chrysler, Jeep, Chevrolet, Dodge, Pontiac, Buick and GMC in terms of the domestic brands. For foreign brands, it only has Suzuki and Kia. The most likely targets for recruitment are the brands gaining market share: Toyota, Honda, Nissan, Hyundai, Mazda and Subaru. ERA recommends that Manteca plan for an automobile center of 45 to 50 acres. This would accommodate new dealerships coming to town and the possible relocation of a few existing dealerships to the auto center.

The important next step for the City is to identify a couple areas with ample commercial acreage, freeway visibility and good regional access, for the preservation of this future use through appropriate zoning and general plan designations. Ultimately, the automobile dealership district will likely be a private development with the City participating in infrastructure construction. Having more than one site option allows the City greater future negotiating strength and flexibility relative to the land owners/developers of such an automobile sales center.

Invest in the Long-Term Future of the Downtown

Because it provides a community with a unique sense of place and a link to its history, some California cities choose to invest in their downtown areas. If Manteca shares these values, ERA would suggest that the property owners in downtown Manteca form an organization to co-invest with the City or Redevelopment Agency. Based on experience with over 100 other downtowns (rather than the specific work scope of this assignment), ERA would suggest the creation of a town center focal point, preserving and reusing noteworthy buildings of historic interest, creating a system of public parking that can accommodate downtown growth and intensification, and carefully designating selected key blocks for ground floor retail use only to ensure future pedestrian vitality. Most cities achieve the consensus necessary for implementation through a specific plan preparation process.

II. Retail Market Analysis

This section reviews the major retail businesses and restaurants currently in the City of Manteca or about to locate in the city. It then examines the long term growth trends in the city and county to forecast the additional retail, by category, which can be supported over the next couple of decades. The analysis in this section provides the market framework for attracting additional retail and restaurant development in Manteca.

Major Retailers Currently in Manteca

Manteca currently has six major commercial centers, including a traditional downtown area, plus a major life-style center under construction and some significant free-standing retailers. The key commercial centers with their anchor tenants in bold are listed below:

Cardoza Center (Main Street & Louise Avenue)
- **Longs Drugs**
- 99 Cent City
- **Rite Aid**
- **Save Mart**
- 24 Hour Fitness

Downtown (Main Street & Yosemite Avenue)
- American Furniture Gallery
- Auto Zone
- Century Furniture
- Furniture Pros
- Kelly Brothers Brewing Company Brickyard Oven
- Manteca Bedquarters
- Manteca Home Furnishings
- Napa Auto Parts
- Tipton's Stationery & Gifts
- Yosemite Café

The Marketplace (Yosemite Avenue & Union Road)
- Clothes Avenue
- Dollar Tree
- Goodwill
- **Rite Aid**
- **Save Mart**
- **Sears**
- **The Marketplace Stadium 10 (theaters)**

Mission Ridge Center (Main Street & Mission Ridge D
- Big 5 Sporting Goods
- **Mervyns**
- **Pak'n Save Foods**
- Payless Shoe Source
- **Wal- Mart**

Spreckels Park (Highway 99 & Yosemite Avenue)
- Applebee's Neighborhood Grill
- Dollar + Depot
- Food 4 Less
- Home Depot
- Payless Shoe Source
- PetSmart
- Pier 1 Imports
- Staples
- Target
- T.J. Maxx

Stadium Center (Highway 120 & Airport Way)
- Bath & Body Works (tentatively coming)
- Chili's Bar & Grill
- Circuit City
- Costco (coming)
- Famous Footwear
- Fashion Bug
- Justice (tentatively coming)
- Kohl's
- OfficeMax
- Old Navy
- Payless Shoe Source (tentatively coming)
- Ross Dress for Less (under construction)
- Sleep Train Mattress Center

Free - Standing Major Retailers
- Kmart (Northgate Drive & Crestwood Avenue)
- Orchard Supply Hardware (Main Street & Louise Avenue)
- Walgreens (Main Street & Louise Avenue)

The Promenade Shops at Orchard Valley (Highway 120 & Union Road)
- Bass Pro Outdoor World
- Best Buy
- JC Penney
- Kerasotes ShowPlace Theatres

The Promenade Shops at Orchard Valley, currently under construction, is highly visible from Highway 120 and will be anchored by a Bass Pro, JC Penney and a 16-screen cinema. Its completion will make Manteca a much stronger regional retail and entertainment destination in this part of the Central Valley.

In addition to the above commercial areas, the City has earmarked land for additional retail development. Future retail commercial projects include:

- A new Lowe's Home Improvement Center is planned for the 200,000 square foot Stadium Center Annex by Kitchell Development.

- A neighborhood center of 10.7 acres at Airport Way and Daniels Street is planned in the near future.

- A proposed shopping center of 47.1 acres at the southwest corner of Highway 120 & Union Road.

- The City of Manteca owns a 13.7 acre commercial site at the northeast corner of Daniels Street and Milo Candini Drive.

- The Austin Road Business Park, which is on a preliminary annexation map, has approximately 80 acres designated for general commercial (GC) and 57 acres designated for commercial mixed use (CMU).

- A professional office park, located south of Highway 120 at McKinley Avenue, has approximately 209 acres preliminarily proposed for office use and approximately 150 acres proposed for commercial/retail use.

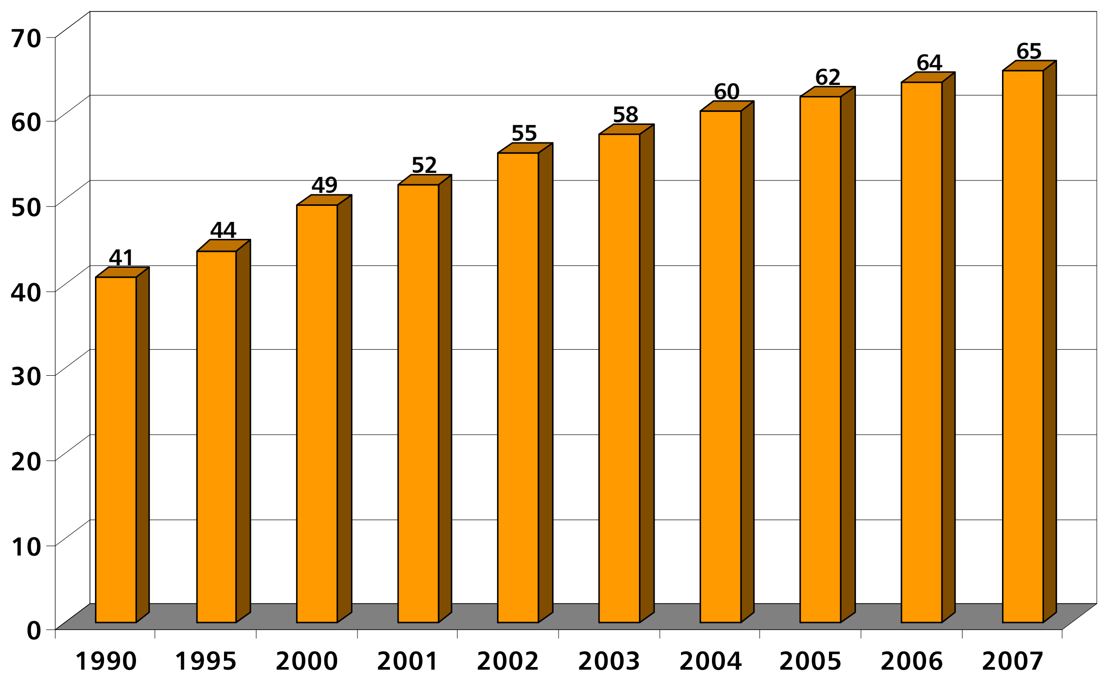
The City of Manteca currently has considerable retail commercial development momentum and will likely move to accommodate additional retail commercial development as market demand justifies. Retail and restaurant success are important to the city's economic and social vitality, and sales tax revenue is critical to the city's ability to provide quality municipal services as population increases.

Regional Economic and Demographic Trends

Manteca has historically been a Central Valley city defined by the crossroads of SR 99, the spine of the Central Valley, and SR 120, the east-west route from the San Francisco Bay Area to Yosemite National Park. Since the 1980's, spillover growth from the Bay Area has gradually transformed Manteca into an outer suburb of the San Francisco Bay Area, which has been characterized by a dynamic but volatile new economy and very high housing prices.

Manteca is located within San Joaquin County. San Joaquin County's population grew by nearly 200,000 from 1990 to 2007, an increase of 41 percent (Table II-1 for details). This corresponds to an average annual rate of growth of 2.06 percent for the county. During the same period, the population of the City of Manteca grew at a faster rate than the county's, increasing by 59 percent. The adjacent cities, particularly the smaller ones, experienced dramatic population growth. From 1990 to 2007, the population of Ripon grew by more than 95 percent, and those of Lathrop and Tracy more than doubled. Compared to these cities, the populations of Stockton and Modesto, Manteca's two largest neighboring cities, have grown at a slower rate.

Figure II-1: Population Growth in Manteca
(1,000s)



To service this rapidly growing population, the San Joaquin County economy has been expanding steadily. Employment growth has averaged 2.2 percent per year since 1995 (see Table II-2 for details).

Employment in farming industries has remained steady. Increases in non-farming industries account for almost all employment growth in the county. The largest employment sectors in the county are the services and government sectors. Together, these account for 50 percent of total employment. Construction is the fastest growing industry. The construction industry experienced strong job growth from 1997 to 2001, when construction employment almost doubled. In 2006, San Joaquin County held approximately 16,100 construction jobs, accounting for seven percent of total employment. With the housing-led recession casting a dark shadow over much of San Joaquin County, construction employment will likely decline in the near-term future. Other growing industries include wholesale trade, transportation and utilities, retail trade and services.

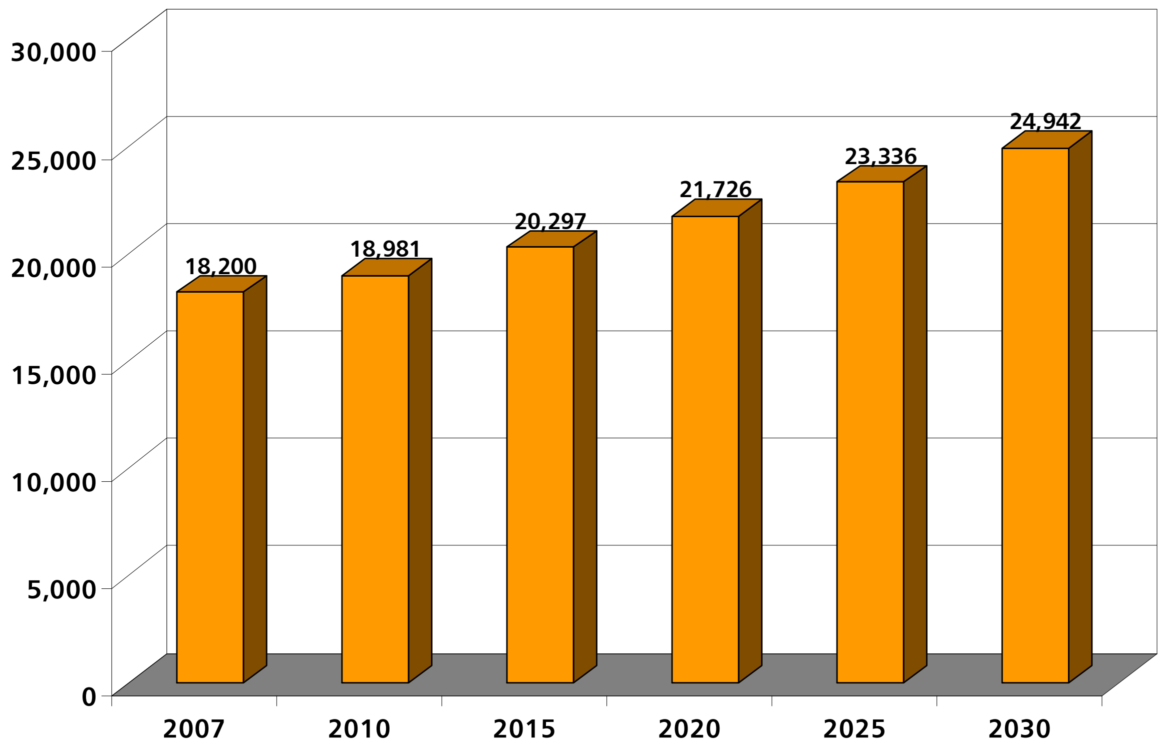
Residential building trends show that the housing market has been very active over the last decade. Residential building permit data reveal that cities within San Joaquin County issued permits at an average of 3,448 per year from 1996 to 2000. From 2001 to 2006 this number increased to 5,365 per year (Table II-3). Residential construction was particularly robust from 1999 to 2003. At the peak in 2003, permits were issued for close to 7,000 new residential units within the county. The pace of residential construction in most cities within the county began to slow in 2004, with the exception of Lathrop, which in 2005 increased the number of residential building permits issued by more than three times that of the previous year.

The three-city area of Manteca, Lathrop, and Ripon accounted for approximately 20 percent of the residential construction activity in the county, with an average of 743 units permitted annually between 1996 and 2000, and 1,059 units annually between 2001 and 2006. Single-family permits accounted for nearly all residential construction in the county during these periods. While permits for multi-family units have increased slightly since 2000, the data does not seem to indicate a trend towards higher-density housing products in the region.

Population projections by the San Joaquin Council of Governments (SJCOG), presented in Table II-4, indicate that the county will continue to grow through 2030 at a rate similar to the growth since 1990. San Joaquin County's population in 2030 is projected to be 77 percent higher than the 2005 estimate, indicating approximately 486,400 new residents. According to the projections, Lathrop and Tracy will continue to be the fastest growing cities in the county; together the two cities are estimated to capture 30 percent of the new countywide growth through 2030. Manteca is estimated to capture ten percent of this growth, adding approximately 51,200 residents from 2005 to 2030.

The SJCOG employment projections show continued economic growth in the county, though at a slower rate compared to the period from 1995 through 2006. The annual rate of employment growth in San Joaquin County from 1995 to 2006 was 2.2 percent. The projections indicate an average annual growth rate of 1.3 percent from 2005 to 2030, adding approximately 82,000 jobs (Table II-4). Claritas, a premier provider of market information resources, estimated that Manteca had 18,200 jobs in 2007. Using SJCOG's rate of employment growth for Manteca, the city is projected add about 6,740 jobs from 2007 to 2030. ERA believes that SJCOG's projections for job growth in Manteca are too conservative. Without the benefit of detailed econometric modeling, ERA is of the opinion that Manteca will add 10,000 to 15,000 new jobs during this 25-year period, with many of those jobs in the retail, services and government sectors.

Figure II-2: Projected Employment in Manteca[1]



Retail Market Growth

Effective retail recruitment depends upon the demonstration of two key factors: 1) market demand as reflected by population and income growth; and 2) community interest as reflected by survey results. ERA's retail demand analysis includes a review of taxable retail sales trends and an analysis of retail inventory, absorption, vacancy and rents. Based on this information, ERA assessed demand for retail space in Manteca for the next 20 years by two ten year periods, 2008 to 2018 and 2018 to 2028.

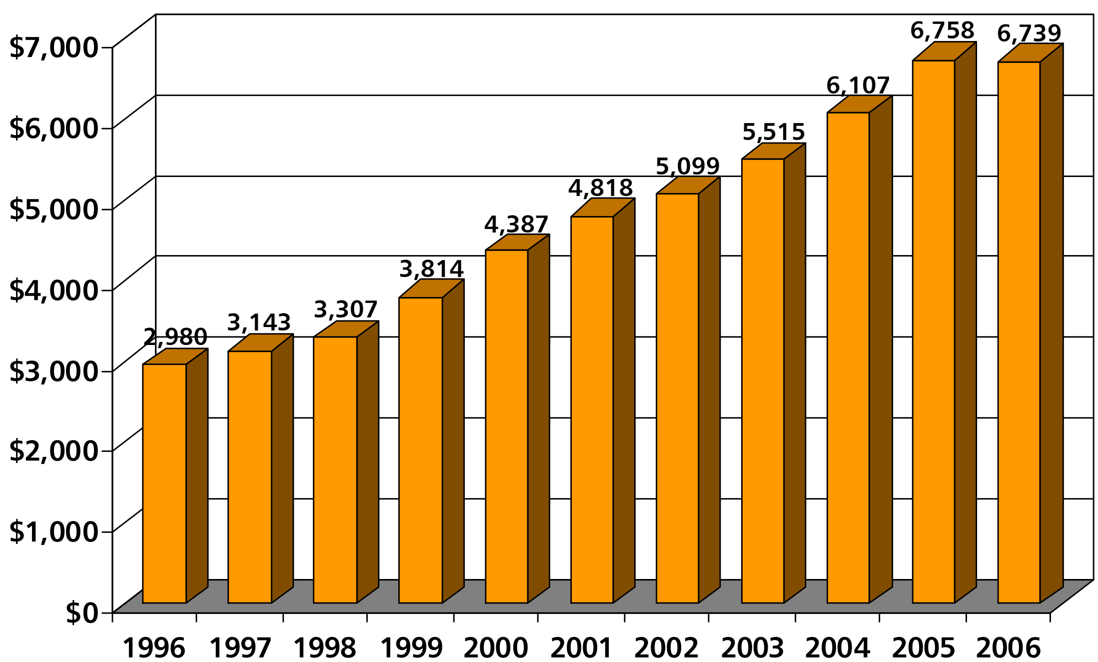
Taxable Retail Sales

ERA examined taxable retail store sales by retail category for San Joaquin County for the ten year period from 1996 through 2006 (Table II-5). Countywide taxable store sales grew rapidly throughout this period, but dropped noticeably in 2006, reflecting the slowdown in residential construction. This drop in taxable store sales was primarily due to decreased sales in the building materials and farm

[1] Employment projections based on Claritas 2007 estimates and SJCOG's employment growth rate through 2030.

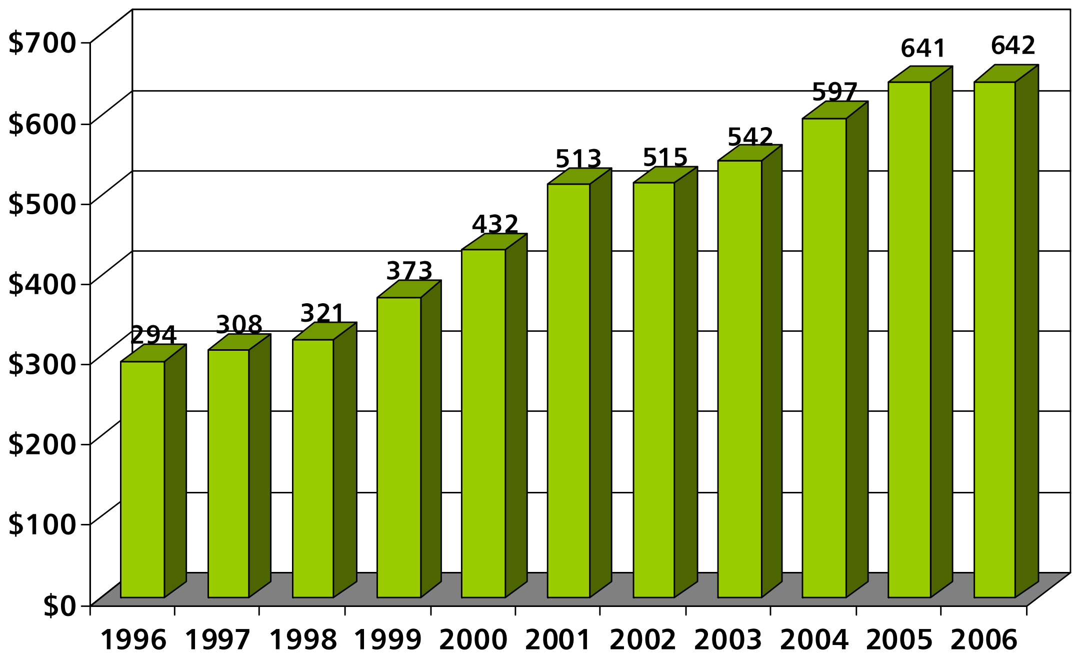
equipment and furnishing and appliances retail categories. With evidence of continued slowdown in the rate of residential construction, ERA expects future growth in building and home related retail sales to be modest compared to the last decade. Overall, the three fastest growing retail categories by taxable sales were service stations, building materials and farm equipment, and apparel stores. On an average annual basis, taxable retail sales in San Joaquin County grew at a rate of 8.5 percent from 1996 through 2006, a phenomenal rate of growth. Per capita retail sales from 1996 to 2006 increased at a rate of 5.5 percent annually (Table II-6).

Figure II-3: Taxable Retail Sales in San Joaquin County
(Millions of Dollars)



The City of Manteca's taxable retail sales trends roughly mirrored the county's from 1996 to 2006 (Table II-7). Sales in Manteca grew tremendously, increasing over 15 percent for three consecutive years between 1999 and 2001. In 2002, growth in sales dramatically decreased to almost zero. The rate of growth recovered in the following two years and similar to the county trend fell to almost zero again in 2006. Manteca's share of the county's taxable retail sales has remained fairly constant over the last decade, between 9.5 to 10.7 percent (Table II-8).

Figure II-4: Taxable Retail Sales in Manteca
(Millions of Dollars)



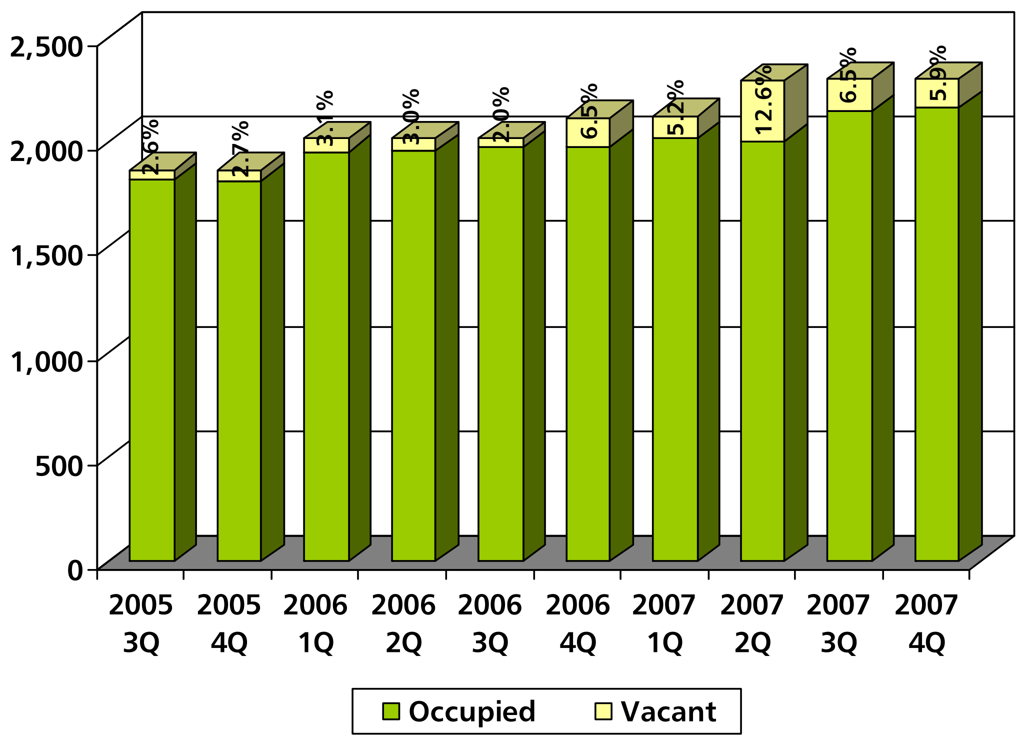
Manteca's apparel stores and building materials and farm equipment sectors have shown the strongest growth during the last ten years. The city's apparel sector has increased its share of county sales from 1996 to 2006. Food stores and specialty/other store sectors in Manteca have lost market share during this period.

Retail Market Trends

Data collected by CoStar, a leading provider of retail market data, indicate that San Joaquin County's retail market has remained strong over the last two and half years, with rising rents and low vacancy rates (Table II-9). As of the fourth quarter in 2007, there were approximately 22.1 million square feet of rentable building space in the county and the vacancy rate was at 4.9 percent. The direct average lease rate was over $21 (triple net), a slight decrease from the second quarter of the same year. Manteca's retail market is relatively strong when compared to the county (Table II-10). The city's retail inventory was 2.3 million square feet of rentable building area as of the fourth quarter of 2007. The vacancy rate at that time was 5.9 percent, slightly higher than that of the county. Manteca's average annual rent was $3 greater than the county's at over $24 (triple net).

Figure II-5: Manteca Total and Occupied Retail Space in Shopping Centers

(1,000s of SF)



With the addition of The Promenade Shops at Orchard Valley, scheduled for completion in 2009, Manteca will have over 2.8 million square feet of retail space located within significant shopping centers (see Table II-11 for details). At completion, the new shopping centers on SR 120, including Stadium Center, Stadium Center Annex, Stadium Plaza and The Promenade Shops, will have 1.45 million square feet of space representing close to 50 percent of the city's total retail square footage. Stadium Center, Stadium Center Annex and Stadium Plaza will have approximately 744,000 square feet of rentable building area, and The Promenade Shops, which will have Bass Pro Shop, Best Buy, JC Penney and Kerasotes ShowPlace Theatres, will add another 702,000 square feet. With these two shopping centers working in tandem along successive interchanges along SR 120 linking I-5 to SR 99, the City of Manteca has created an effective regional shopping destination which will be one of the strongest destinations in San Joaquin County.

Long-Term Demand Estimate

Growth in demand for retail stores is generally a function of the size of a market area and the average retail spending for different retail sectors. The methodology of ERA's retail demand analysis for Manteca is as follows:

- Retailers, depending upon type and size, have different trade areas. That trade area is further determined by the density of urban development and the location of competing retail concentrations. For example, a Bass Pro Shop will attract clientele from a trade area extending beyond 50 miles but a neighborhood serving restaurant may only have a trade area of two or three miles. Considering that Manteca will be recruiting a mix of retailers that serve local neighborhood, community-wide and regional markets, ERA defined a trade area that covers the average of all potential retail recruitment targets. After reviewing drive time maps from key points within Manteca and the location of major retail concentrations in the surrounding communities, ERA defined Manteca's retail trade area as the area within an 18 minute drive time from three points within the city: 1) The midpoint between the two major retail developments along SR 120, The Promenade Shops at Orchard Valley and Stadium Center; 2) the traditional downtown at Yosemite Avenue and Main Street; and 3) The interchange of SR 99 and Yosemite Avenue. We used ESRI Business Analyst to estimate the population within 18 minutes of these three points and then used the average as Manteca's trade area population.

- Per capita resident-generated retail spending by category was then determined based upon the actual San Joaquin per capita taxable sales. ERA then adjusted for items that are not subject to sales tax such as food for home consumption, groceries, and prescription drugs.

- The aggregate resident-based demand growth is then calculated by multiplying the increment in trade area population by the expected per capita retail sales.

- The per capita spending is also adjusted for real income growth or income loss during a recession (as may presently be the case).

- The retail sales by category is then converted to supportable retail square footage by dividing an expected sales per square foot per year factor based on The Urban Land Institute's surveys published in the Dollars and Cents of Shopping Centers.

- ERA then estimated Manteca's potential to capture market share in each retail sector based on the strengths of the location, competing retail developments in neighboring cities, current development plans and access to areas of rapid population growth.

- ERA also estimated the percentage of tourist spending in Manteca shopping districts captured by through traffic on Highway 120 and Highway 99.

This resident-based and visitor-generated demand analysis is detailed in Table II-12 and Table II-13 for 2008 to 2018 and 2018 to 2028 respectively. The analysis indicates that Manteca can support an additional 1.2 million square feet of retail by 2018 and another 1.35 million square feet by 2028, for a total of 2.5 million additional square feet in the next 20 years (Table II-14). The total amount of retail space supportable in Manteca will grow from 2.3 million square feet today to 4.9 million square feet by 2028 when a five percent vacancy factor is assumed at market equilibrium. The majority of the retail demand will be for general merchandise and building materials and hardware. In addition, there is potential for food stores, eating and drinking places, and auto dealers.

Table II-1
SAN JOAQUIN COUNTY EMPLOYMENT GROWTH

Employment Category	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	Ann. Rate of Growth 1990-2006
Total, All Industries	175,400	179,500	185,000	188,600	196,700	202,600	206,800	210,000	213,800	216,500	221,000	223,700	2.2%
Annual Change		4,100	5,500	3,600	8,100	5,900	4,200	3,200	3,800	2,700	4,500	2,700	
Annual Percentage Change		2.3%	3.1%	1.9%	4.3%	3.0%	2.1%	1.5%	1.8%	1.3%	2.1%	1.2%	
Total Farm	15,100	16,000	17,600	17,100	18,100	16,700	15,700	15,900	16,600	16,000	15,200	15,100	0.0%
Total Nonfarm	160,300	163,500	167,400	171,500	178,700	185,800	191,100	194,000	197,300	200,700	205,800	208,600	2.4%
Natural Resources & Mining	100	100	100	100	100	200	200	200	200	200	200	200	6.5%
Construction	6,500	6,800	7,800	8,800	10,500	11,600	13,200	13,500	14,400	15,300	16,700	16,100	8.6%
Manufacturing	22,800	23,300	23,100	22,900	23,800	24,700	22,500	20,800	20,400	20,700	20,900	21,600	-0.5%
Trans. & Utilities	9,800	10,200	10,500	10,500	11,600	11,700	12,300	12,700	13,400	13,300	13,000	13,600	3.0%
Wholesale Trade	6,200	6,100	6,100	6,300	6,300	6,400	6,700	7,200	7,800	8,200	9,100	9,700	4.2%
Retail Trade	20,600	21,000	21,500	21,800	22,500	23,600	24,600	24,800	25,300	25,900	26,900	27,100	2.5%
Finance, Ins. and Real Estate	8,100	8,100	8,300	8,200	8,400	8,500	8,900	9,400	9,900	9,600	9,800	9,900	1.8%
Services[1]	52,500	54,400	55,700	58,000	59,800	62,100	63,900	65,300	66,500	68,200	69,800	70,800	2.8%
Government	33,700	33,600	34,300	34,800	35,600	37,000	38,800	40,100	39,500	39,400	39,600	39,600	1.5%

[1]Services category includes the Information, Professional and Business Services, Educational and Health Services, Leisure and Hospitality, and Other Services Categories.

Source: State of California, Department of Employment Development

Table II-2
MANTECA AREA POPULATION GROWTH [1]

											1990-2007	
	1990	1995	2000	2001	2002	2003	2004	2005	2006	2007	Rate of Growth	Abs. Growth
Manteca	40,773	43,848	49,255	51,658	55,338	57,596	60,258	61,981	63,716	65,076	2.79%	24,303
Lathrop	6,841	8,713	10,445	10,824	11,655	12,135	12,530	12,849	14,627	16,479	5.31%	9,638
Ripon	7,455	8,668	10,158	10,676	11,242	11,665	12,388	13,252	13,911	14,575	4.02%	7,120
Three City Subtotal	55,069	61,229	69,858	73,158	78,235	81,396	85,176	88,082	92,254	96,130	3.33%	41,061
Stockton	210,943	227,397	243,771	249,091	255,464	262,934	271,491	279,623	285,966	289,789	1.89%	78,846
Tracy	33,558	44,546	56,929	61,114	66,081	70,122	74,757	78,374	80,477	80,505	5.28%	46,947
Total San Joaquin County	480,628	517,926	563,598	580,082	599,840	617,474	636,100	654,025	668,259	679,687	2.06%	199,059
Modesto	164,746	177,791	188,861	193,680	199,594	204,145	207,376	207,634	207,738	209,174	1.41%	44,428

[1]Data for 1990, 2000 is as of April of that year. All other data is as of January of that year.

Source: Bureau of Census, California Dept. of Finance and ERA

Table II-3
NEW, PRIVATELY-OWNED RESIDENTIAL BUILDING PERMITS, 1996-2006

												Annual Average	
	1996	**1997**	**1998**	**1999**	**2000**	**2001**	**2002**	**2003**	**2004**	**2005**	**2006**	**96-00**	**01-06**
Manteca													
single family	298	249	322	627	1,147	619	803	745	433	410	553	529	594
multi family	0	0	0	1	0	0	5	7	17	14	2	0	8
Lathrop													
single family	34	47	118	173	148	85	107	148	166	543	457	104	251
multi family	0	0	0	0	0	0	0	0	2	0	0	0	0
Ripon													
single family	73	92	120	121	134	109	220	302	270	189	138	108	205
multi family	0	2	0	1	9	0	0	0	0	1	7	2	1
3-City Subtotal	**405**	**390**	**560**	**923**	**1,438**	**813**	**1,135**	**1,202**	**888**	**1,157**	**1,157**	**743**	**1,059**
Stockton													
single family	945	876	1148	1354	1817	1559	2486	3128	3076	2323	938	1,228	2,252
multi family	22	9	1	0	0	18	26	12	17	6	8	6	15
Tracy													
single family	346	575	1026	1366	1433	914	1343	1492	1012	384	173	949	886
multi family	0	6	12	1	0	25	3	1	13	8	10	4	10
San Joaquin County													
single family	2,117	2,229	3,275	4,189	5,350	4,005	5,654	6,935	6,229	5,684	3,461	3,432	5,328
multi family	24	23	16	7	10	45	35	25	49	37	28	16	37
San Joaquin County Total	**2,141**	**2,252**	**3,291**	**4,196**	**5,360**	**4,050**	**5,689**	**6,960**	**6,278**	**5,721**	**3,489**	**3,448**	**5,365**
Modesto (Stanislaus County)													
single family	345	410	697	957	1306	1330	1109	864	280	398	261	743	707
multi family	15	9	17	4	5	9	10	13	22	23	21	10	16

Source: U.S. Census Bureau

Table II-4
PROJECTED POPULATION, EMPLOYMENT AND HOUSING UNITS

	2005	2010	2015	2020	2025	2030	Rate of Growth '05-'30	Abs. Growth '05-'30
Population								
Manteca	57,499	66,210	75,653	85,605	96,607	108,719	2.6%	51,220
Stockton	268,270	298,267	331,278	366,332	401,997	438,770	2.0%	170,500
Tracy	70,541	85,845	102,478	125,192	153,677	189,389	4.0%	118,848
Lodi	60,913	65,028	69,055	73,130	77,253	81,717	1.2%	20,804
Lathrop	12,369	15,453	19,475	24,144	31,073	41,556	5.0%	29,187
Ripon	11,794	13,615	15,429	17,413	19,543	21,756	2.5%	9,962
Escalon	6,712	7,526	8,422	9,410	10,524	11,782	2.3%	5,070
Seven City Total	488,098	551,944	621,790	701,226	790,674	893,689	2.4%	405,591
Total San Joaquin County	630,613	708,364	792,998	888,536	995,132	1,117,006	2.3%	486,393
Employment								
Manteca[1]	17,697	18,981	20,297	21,726	23,336	24,942	1.4%	7,245
Stockton	92,122	95,901	101,001	105,846	111,607	116,895	1.0%	24,773
Tracy	17,998	19,947	22,160	25,637	30,164	33,306	2.5%	15,308
Lodi	23,438	25,466	27,457	29,449	31,597	33,686	1.5%	10,248
Lathrop	4,872	5,241	5,639	6,063	6,459	6,833	1.4%	1,961
Ripon	3,077	3,237	3,386	3,538	3,727	3,891	0.9%	814
Escalon	2,094	2,285	2,472	2,662	2,868	3,074	1.5%	980
Seven City Total	161,298	171,058	182,412	194,921	209,758	222,627	1.3%	61,329
Total San Joaquin County	207,397	220,000	234,343	250,624	270,406	289,461	1.3%	82,064
Housing Units								
Manteca	18,864	20,839	22,927	24,986	26,968	29,391	1.8%	10,527
Stockton	89,791	98,326	107,395	116,321	125,279	136,959	1.7%	47,168
Tracy	22,987	29,896	36,133	42,029	47,169	53,542	3.4%	30,555
Lodi	22,225	23,138	23,995	24,856	25,605	26,405	0.7%	4,180
Lathrop	3,631	4,753	6,310	9,269	10,988	15,321	5.9%	11,690
Ripon	3,988	4,534	5,078	5,623	6,166	6,897	2.2%	2,909
Escalon	2,372	2,608	2,847	3,085	3,324	3,606	1.7%	1,234
Seven City Total	163,858	184,094	204,685	226,169	245,499	272,121	2.0%	108,263
Total San Joaquin County	213,116	241,046	268,877	297,568	323,739	359,414	2.1%	146,298

[1]Manteca employment based on Claritas 2007 estimates. Employment projections were calculated based on SJCOG's employment rate of growth for Manteca.

Source: San Joaquin Council of Governments Projections 2004, Claritas 2007

Table II-5
SAN JOAQUIN COUNTY TAXABLE RETAIL STORE SALES
(Thousands of Dollars)

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	Rate of Growth
Apparel Stores	$96,328	$100,086	$97,784	$99,710	$118,534	$134,601	$140,058	$155,844	$183,175	$203,123	$218,935	8.6%
Gen. Merchandise & Drug	541,912	581,988	647,026	707,661	770,922	819,610	860,675	916,501	977,739	1,053,886	1,071,005	7.0%
Food Stores	244,172	264,358	262,379	301,895	337,747	357,698	353,959	372,500	400,399	424,270	417,018	5.5%
Eating & Drinking Places	314,525	324,428	339,213	367,189	402,177	439,657	470,032	495,527	536,564	580,022	604,086	6.7%
Furnishing & Appliances	97,572	92,494	104,618	119,691	129,565	129,850	140,851	153,863	165,888	180,523	170,393	5.7%
Bldg Materials & Farm Eqmt	394,802	427,230	467,664	531,850	581,354	634,198	674,005	800,107	1,014,186	1,141,367	1,051,974	10.3%
Auto Dealers & Supplies	693,123	628,412	663,586	810,147	972,738	1,180,908	1,227,642	1,264,160	1,311,722	1,406,106	1,327,543	6.7%
Service Stations	311,551	350,566	326,394	394,086	500,910	512,603	516,721	612,342	699,861	846,350	929,782	11.6%
Other Retail Stores	286,139	373,844	398,669	481,677	573,072	608,448	714,628	744,051	817,777	922,116	947,437	12.7%
Total San Joaquin County	**$2,980,124**	**$3,143,406**	**$3,307,333**	**$3,813,906**	**$4,387,019**	**$4,817,573**	**$5,098,571**	**$5,514,895**	**$6,107,311**	**$6,757,763**	**$6,738,173**	8.5%
Annual Growth	5.8%	5.5%	5.2%	15.3%	15.0%	9.8%	5.8%	8.2%	10.7%	10.7%	-0.3%	

Source: California Board of Equalization

Table II-6
PER CAPITA RETAIL STORE SALES IN SAN JOAQUIN COUNTY

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	Rate of Growth
San Joaquin County Population	525,367	532,567	540,109	549,218	563,598	580,082	599,840	617,474	636,100	654,025	668,259	2.4%
Per Capita Sales												
Apparel Stores	$183	$188	$181	$182	$210	$232	$233	$252	$288	$311	$328	6.0%
Gen. Merchandise & Drug [1]	1,062	1,126	1,234	1,327	1,409	1,455	1,478	1,529	1,583	1,660	1,651	4.5%
Food Stores [2]	1,394	1,489	1,457	1,649	1,798	1,850	1,770	1,810	1,888	1,946	1,872	3.0%
Eating & Drinking Places	599	609	628	669	714	758	784	803	844	887	904	4.2%
Furnishing & Appliances	186	174	194	218	230	224	235	249	261	276	255	3.2%
Bldg Materials & Farm Eqmt	751	802	866	968	1,032	1,093	1,124	1,296	1,594	1,745	1,574	7.7%
Auto Dealers & Supplies	1,319	1,180	1,229	1,475	1,726	2,036	2,047	2,047	2,062	2,150	1,987	4.2%
Service Stations	593	658	604	718	889	884	861	992	1,100	1,294	1,391	8.9%
Other Retail Stores	545	702	738	877	1,017	1,049	1,191	1,205	1,286	1,410	1,418	10.0%
Total San Joaquin County	**$6,633**	**$6,928**	**$7,131**	**$8,082**	**$9,024**	**$9,581**	**$9,723**	**$10,182**	**$10,906**	**$11,678**	**$11,379**	5.5%
Annual Growth		4.4%	2.9%	13.3%	11.6%	6.2%	1.5%	4.7%	7.1%	7.1%	-2.6%	

[1] Adjusted from taxable sales by 3% to reflect non taxable drug sales
[2] Adjusted taxable sales by 3 times to reflect total food store sales

Source: California Board of Equalization

Table II-7
CITY OF MANTECA TAXABLE RETAIL STORE SALES
(Thousands of Dollars)

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	Rate of Growth
Apparel Stores	$2,748	$2,958	$1,687	$1,714	$2,067	$2,471	$2,234	$1,640	$4,574	$8,399	$20,052	22.0%
Gen. Merchandise & Drug	64,155	70,797	77,090	83,878	93,876	103,225	107,580	121,683	126,615	131,542	128,824	7.2%
Food Stores	30,358	29,130	27,649	31,881	34,369	37,606	39,944	40,126	40,309	40,006	38,810	2.5%
Eating & Drinking Places	32,012	31,873	33,003	34,669	40,522	43,461	45,766	47,841	53,000	60,039	63,448	7.1%
Furnishing & Appliances	6,319	6,949	7,448	8,363	8,722	8,368	9,590	9,975	10,134	13,004	13,295	7.7%
Bldg Materials & Farm Eqmt	19,117	21,719	26,112	32,800	43,539	69,900	59,639	61,976	79,949	82,868	80,917	15.5%
Auto Dealers & Supplies	75,236	74,344	74,979	97,842	105,486	136,362	141,486	142,812	148,693	157,168	143,816	6.7%
Service Stations	28,017	26,709	27,704	31,319	44,204	48,136	43,821	50,960	58,810	64,277	66,593	9.0%
Other Retail Stores	36,368	43,666	45,686	50,905	59,157	63,965	65,220	65,235	74,785	83,949	86,294	9.0%
Total City of Manteca	**$294,330**	**$308,145**	**$321,358**	**$373,371**	**$431,942**	**$513,494**	**$515,280**	**$542,248**	**$596,869**	**$641,252**	**$642,049**	8.1%
Annual Growth	3.9%	4.7%	4.3%	16.2%	15.7%	18.9%	0.3%	5.2%	10.1%	7.4%	0.1%	
Total San Joaquin County	**$2,980,124**	**$3,143,406**	**$3,307,333**	**$3,813,906**	**$4,387,019**	**$4,817,573**	**$5,098,571**	**$5,514,895**	**$6,107,311**	**$6,757,763**	**$6,738,173**	8.5%
Share of County	9.9%	9.8%	9.7%	9.8%	9.8%	10.7%	10.1%	9.8%	9.8%	9.5%	9.5%	

Note: Taxable retail store sales does not include business to business sales conducted outside of retail stores or sales of home businesses

Source: California Board of Equalization

Table II-8
CITY OF MANTECA SHARE OF SAN JOAQUIN COUNTY TAXABLE RETAIL STORE SALES

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Apparel Stores	2.9%	3.0%	1.7%	1.7%	1.7%	1.8%	1.6%	1.1%	2.5%	4.1%	9.2%
Gen. Merchandise & Drug	11.8%	12.2%	11.9%	11.9%	12.2%	12.6%	12.5%	13.3%	12.9%	12.5%	12.0%
Food Stores	12.4%	11.0%	10.5%	10.6%	10.2%	10.5%	11.3%	10.8%	10.1%	9.4%	9.3%
Eating & Drinking Places	10.2%	9.8%	9.7%	9.4%	10.1%	9.9%	9.7%	9.7%	9.9%	10.4%	10.5%
Furnishing & Appliances	6.5%	7.5%	7.1%	7.0%	6.7%	6.4%	6.8%	6.5%	6.1%	7.2%	7.8%
Bldg Materials & Farm Eqmt	4.8%	5.1%	5.6%	6.2%	7.5%	11.0%	8.8%	7.7%	7.9%	7.3%	7.7%
Auto Dealers & Supplies	10.9%	11.8%	11.3%	12.1%	10.8%	11.5%	11.5%	11.3%	11.3%	11.2%	10.8%
Service Stations	9.0%	7.6%	8.5%	7.9%	8.8%	9.4%	8.5%	8.3%	8.4%	7.6%	7.2%
Other Retail Stores	12.7%	11.7%	11.5%	10.6%	10.3%	10.5%	9.1%	8.8%	9.1%	9.1%	9.1%
Total City of Manteca	9.9%	9.8%	9.7%	9.8%	9.8%	10.7%	10.1%	9.8%	9.8%	9.5%	9.5%

Source: California Board of Equalization

Table II-9
TRENDS IN SAN JOAQUIN COUNTY RETAIL SPACE

Period	# Bldgs	Total RBA	Total Vacant SF	Total Vacant %	Occupied SF	Occupied %	Direct Net Absorption	Direct Average Rate
QTD	928	22,635,196	1,056,038	4.7%	21,579,158	95.3%	63,087	$21.29/nnn
2007 4Q	890	22,126,673	1,089,305	4.9%	21,037,368	95.1%	(186,810)	$21.34/nnn
2007 3Q	890	22,126,673	925,770	4.2%	21,200,903	95.8%	216,798	$21.04/nnn
2007 2Q	887	22,060,724	1,095,329	5.0%	20,965,395	95.0%	(104,292)	$22.57/nnn
2007 1Q	883	21,850,924	756,761	3.5%	21,094,163	96.5%	308,674	$16.49/nnn
2006 4Q	878	21,742,828	955,593	4.4%	20,787,235	95.6%	258,248	$18.28/nnn
2006 3Q	873	21,470,822	869,963	4.1%	20,600,859	95.9%	48,020	$17.89/nnn
2006 2Q	872	21,440,822	850,973	4.0%	20,589,849	96.0%	289,277	$17.29/nnn
2006 1Q	869	21,324,212	1,023,640	4.8%	20,300,572	95.2%	(85,670)	$18.00/nnn
2005 4Q	866	21,175,629	789,387	3.7%	20,386,242	96.3%	1,001,670	$16.30/nnn
2005 3Q	863	20,159,378	774,806	3.8%	19,384,572	96.2%	(78,527)	$14.34/nnn

Source: CoStar

Table II-10
TRENDS IN CITY OF MANTECA RETAIL SPACE

Period	# Bldgs	Total RBA	Total Vacant SF	Total Vacant %	Occupied SF	Occupied %	Direct Net Absorption	Direct Average Rate
QTD	99	2,410,680	85,801	3.6%	2,324,879	96.4%	50,914	$24.10/nnn
2007 4Q	93	2,299,436	136,715	5.9%	2,162,721	94.1%	14,377	$24.34/nnn
2007 3Q	93	2,299,436	149,892	6.5%	2,149,544	93.5%	143,810	$23.98/nnn
2007 2Q	92	2,294,437	288,703	12.6%	2,005,734	87.4%	4,552	$24.66/nnn
2007 1Q	90	2,125,637	109,650	5.2%	2,015,987	94.8%	36,600	$24.03/nnn
2006 4Q	88	2,116,937	137,550	6.5%	1,979,387	93.5%	1,840	$24.12/nnn
2006 3Q	87	2,016,937	39,390	2.0%	1,977,547	98.0%	20,400	$24.07/nnn
2006 2Q	87	2,016,937	59,790	3.0%	1,957,147	97.0%	3,160	$23.31/nnn
2006 1Q	87	2,016,937	62,950	3.1%	1,953,987	96.9%	135,508	$22.43/nnn
2005 4Q	84	1,868,354	49,875	2.7%	1,818,479	97.3%	(1,125)	$19.12/nnn
2005 3Q	84	1,868,354	48,750	2.6%	1,819,604	97.4%	2,085	$19.12/nnn

Source: CoStar

Table II-11
CITY OF MANTECA SHOPPING CENTERS

Shopping Center	Center Type	Center Address	Anchor Tenants	Center RBA/GLA (SF)	Percent Leased	Year Built
Promenade Shops At Orchard Valley	Regional Mall	500 S. Union Rd	Bass Pro, Best Buy, JC Penney, K Showplace Theatres	701,800	86%	2009
Stadium Center Annex		S. Airport Way at Hwy 120	Lowe's	200,000		2009
Stadium Plaza	Neighborhood Center	S. Airport Way at Hwy 120		100,000	0%	2008
Spreckels Park Shopping Center	Neighborhood Center	261 Spreckels Ave	PetSmart	55,779	89%	2007
Las Casuelas Plaza	Strip Center	1580 W. Yosemite Ave	Las Casuelas Restaurant	4,700	0%	2007
Stadium Center	Power Center	2130-2360 Daniels St	Costco, Kohl's, Circuit City, Chili's	444,047	93%	2006
Crossroads At Spreckles Park	Strip Center	1325-1447 Historical Plaza Way		24,663	87%	2006
(Spreckels)	Community Center	Highway 99		100,000	100%	2006
	Community Center	2111 Moffat Blvd	Aqua Pool & Spa	24,800	66%	2006
Spreckles Park	Community Center	250 Commerce Ave	Home Depot, Target, Staples, Pier1, TJ Maxx	175,935	100%	2005
(Spreckels)	Neighborhood Center	277-297 Commerce Ave		60,000	97%	2004
Manteca Marketplace	Community Center	1223-1499 E. Yosemite Ave	Stadium 10 Cinemas, Save Mart Supermarket, Rite Aid, Sears	184,853	97%	2003
Spreckels Plaza	Neighborhood Center	131 Spreckels Ave	Food 4 Less, Applebee's, IHOP	73,400	100%	2000
Kmart	Neighborhood Center	255 Northgate Dr	Kmart	107,489	100%	1993
Mission Ridge Plaza	Community Center	1009-1205 S. Main St	Mervyn's, Pak 'N Save Foods, Wal-Mart, Big 5 Sporting Goods	290,775	99%	1992
North Main Plaza	Neighborhood Center	510-560 N. Main St		31,905	100%	1992
Raley's Union Square	Neighborhood Center	1280 W Lathrop Rd	Raley's Family of Fine Stores	69,848	100%	1991
Main Street Plaza Shopping Center	Strip Center	S. Main St. at Hwy 120		21,925	100%	1990
Union Station	Strip Center	500 N. Union Rd		16,100	100%	1990
Cardoza Center	Neighborhood Center	189-371 W. Louise Ave	Save Mart, Longs Drugs, Rite Aid, 24Hour Fitness	94,473	100%	1977
Lincoln Center	Neighborhood Center	1000 Blk W. Yosemite		31,000	100%	1963
Total				**2,813,492**		

Source: CoStar and ERA

Table II-12
TRADE AREA RESIDENT AND VISITOR GENERATED RETAIL DEMAND 2008 to 2018
(Dollars are in Thousands)

		2008	2018							
Trade Area Population		245,000	335,709	Market Area Demand Growth and Potential Manteca Capture						
Real Income Adjustment		0.960	1.040							
	2006 Per Capita	Total Market Area Demand		Gain in Sales	Annual Sales/SF	Gain in Sq Ft	Manteca Mkt Share	Trade Area Sq Ft	Visitor [1]	Total Sq Ft
Apparel Stores	0.328	$77,056	$114,343	$37,287	$300	124,290	30.0%	37,287	2.0%	38,033
Gen. Merchandise & Drug	1.651	388,259	576,134	187,875	300	626,251	33.0%	206,663	6.0%	219,063
Food Stores	1.872	440,320	653,388	213,067	425	501,335	29.0%	145,387	5.0%	152,657
Eating & Drinking Places	0.904	212,614	315,496	102,882	375	274,352	35.0%	96,023	15.0%	110,427
Furnishing & Appliances	0.255	59,971	88,991	29,020	275	105,526	35.0%	36,934	0.0%	36,934
Bldg Materials & Hardware	1.574	370,252	549,414	179,162	250	716,648	30.0%	214,994	0.0%	214,994
Auto Dealers & Supplies	1.987	467,241	693,335	226,094	900	251,216	33.0%	82,901	10.0%	91,191
Service Stations	1.391	327,245	485,597	158,351	1,500	105,568	33.0%	34,837	25.0%	43,547
Other Retail Stores	1.418	333,459	494,818	161,358	300	537,861	30.0%	161,358	2.0%	164,585
Total Retail Stores	**$11.379**	**$2,676,418**	**$3,971,516**	**$1,295,097**	**$399**	**3,243,047**	**33.0%**	**1,016,386**	**5.4%**	**1,071,431**
Local Services @ 10% of Retail Store Total								**101,639**		**107,143**
Trade Area Resident Generated Demand & Visitor Demand Captured by Manteca										**1,178,574**

[1] Visitor estimates based on professional judgement

Source: Economics Research Associates

Table II-13
TRADE AREA RESIDENT AND VISITOR GENERATED RETAIL DEMAND 2018 to 2028
(Dollars are in Thousands)

		2018	2028	Market Area Demand Growth and Potential Manteca Capture						
Trade Area Population		335,709	421,424							
Real Income Adjustment		1.040	1.137							
	2006 Per Capita	Total Market Area Demand		Gain in Sales	Annual Sales/SF	Gain in Sq Ft	Manteca Mkt Share	Trade Area Sq Ft	Visitor [1]	Total Sq Ft
Apparel Stores	0.328	$114,343	$156,992	$42,649	$300	142,164	30.0%	42,649	2.0%	43,502
Gen. Merchandise & Drug	1.651	576,134	791,027	214,893	300	716,311	33.0%	236,383	6.0%	250,566
Food Stores	1.872	653,388	897,096	243,708	425	573,431	29.0%	166,295	5.0%	174,610
Eating & Drinking Places	0.904	315,496	433,173	117,677	375	313,806	35.0%	109,832	15.0%	126,307
Furnishing & Appliances	0.255	88,991	122,184	33,193	275	120,702	35.0%	42,246	0.0%	42,246
Bldg Materials & Hardware	1.574	549,414	754,341	204,927	250	819,708	30.0%	245,912	0.0%	245,912
Auto Dealers & Supplies	1.987	693,335	951,944	258,609	900	287,343	33.0%	94,823	10.0%	104,305
Service Stations	1.391	485,597	666,721	181,124	1,500	120,749	33.0%	39,847	25.0%	49,809
Other Retail Stores	1.418	494,818	679,381	184,563	300	615,210	30.0%	184,563	2.0%	188,254
Total Retail Stores	**$11.379**	**$3,971,516**	**$5,452,859**	**$1,481,343**	**$399**	**3,709,424**	**33.0%**	**1,162,550**	**5.4%**	**1,225,511**
Local Services @ 10% of Retail Store Total								**116,255**		**122,551**
Trade Area Resident Generated Demand Captured by Manteca										**1,348,063**

[1] Visitor estimates based on professional judgement

Source: Economics Research Associates

Table II-14
TOTAL POTENTIAL MANTECA RETAIL DEMAND 2008 TO 2028
(SF of Retail Commercial Space)

	2008-18	2018-28	Total
Apparel Stores	38,033	43,502	81,535
Gen. Merchandise & Drug	219,063	250,566	469,628
Food Stores	152,657	174,610	327,266
Eating & Drinking Places	110,427	126,307	236,734
Furnishing & Appliances	36,934	42,246	79,180
Bldg Materials & Hardware	214,994	245,912	460,907
Auto Dealers & Supplies	91,191	104,305	195,497
Service Stations	43,547	49,809	93,356
Other Retail Stores	164,585	188,254	352,840
Total Retail Stores	1,071,431	1,225,511	2,296,942
Services @ 10%	107,143	122,551	229,694
Total Demand	1,178,574	1,348,063	2,526,636

Source: Economics Research Associates

III. Input from the Manteca Community

This section incorporates the input from Manteca residents gathered through a public meeting and a household survey posted on the City's website and published in the local newspapers.

Household Survey Results

ERA conducted a household shopping pattern survey in order to gather additional community input. The survey included a six page questionnaire that asked residents about their typical shopping and dining patterns as well as demographic information such as age, ethnicity, household size, and income.

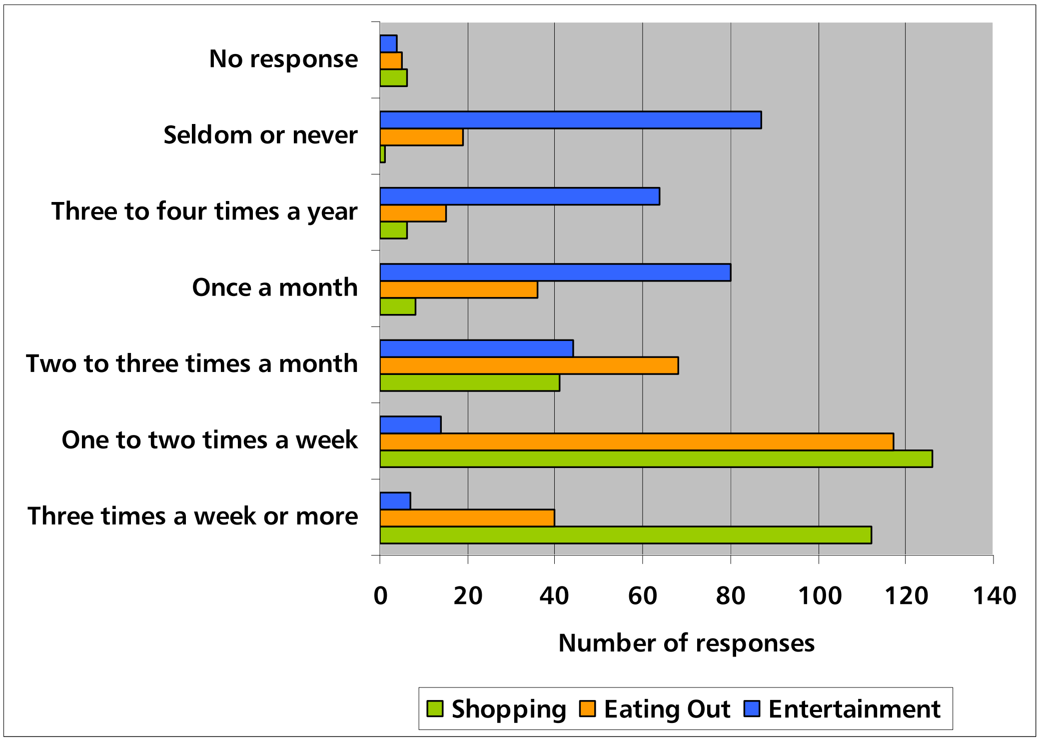
The survey was published in two local newspapers, the *Manteca Bulletin* and the *Sun Post*, on March 27 and 28, respectively. An online web version was also made available to Manteca residents via the City of Manteca's website. ERA gave households approximately two weeks to submit their responses before the results were tabulated and analyzed. ERA received about 1,300 paper responses and 100 online responses for a total of approximately 1,400 survey responses. Based on 23,618 current household mailing addresses in Manteca, the 1,400 survey responses represent roughly six percent of Manteca households. ERA randomly selected 300 survey responses to tabulate and summarize for the following analysis. A sample size of 300 from a population of 23,618 households gives us within 5.6 percent accuracy at a 95 percent confidence interval. The questions used in the survey are presented at the beginning of each subsection. Demographic characteristics of survey respondents are summarized at the end of the section.

Frequency of Activities in Manteca

Question: "How often do you do the following activities in Manteca (check one box for each activity)?"

Survey responses indicated that shopping is the most frequent activity done in Manteca (Figure III-1). Thirty-seven percent of respondents indicated that their household shops in Manteca three times a week or more and 79 percent shop one to two times a week or more. Eating out was indicated at the second most popular activity in Manteca. Fifty-two percent of the households that responded stated that they eat out in Manteca at least one to two times a week and 75 percent eat out two to three times a month or more. Outings for entertainment were the least frequent activity in the city among survey respondents. The greatest number of respondents, at 29 percent, indicated that they seldom or never go out for entertainment in Manteca. Forty-two percent go out for entertainment in the city between one to three times a month and only seven percent do so at least one to two times a week (see Table III-1 for details).

Figure III-1: Frequency of Activities Done in Manteca



Top Retail Stores and Restaurants in Manteca

Question: What are the top three retail stores you shop at most often in Manteca?
Question: What are the top three restaurants you eat at most often in Manteca?

ERA asked households to indicate the top three retail stores and restaurants they patronize most often in Manteca. Not all respondents indicated three establishments, as some only listed one or two. Therefore, ERA compiled all establishments listed and did not include blank answers in the analysis.

Target was the most patronized retail store with 204 out of 878 responses, approximately 23 percent of all stores listed. Wal-Mart and Kohl's followed with 16 percent and eleven percent of total responses respectively (see Table III-2 for details).

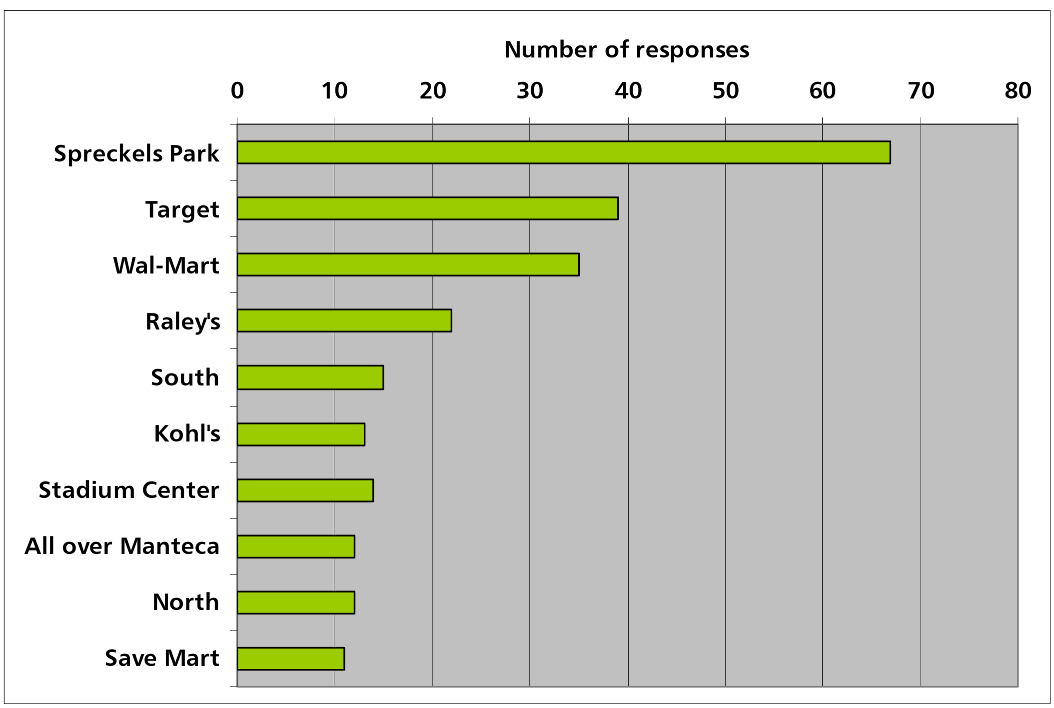
Of restaurants respondents ate at most often in Manteca, Chili's and Applebee's were by far the most frequent with about 100 responses, or 13 percent of the total responses each. El Jardin and Las Casuelas, both Mexican restaurants, followed as the third and fourth most frequented restaurants, each receiving less than half the responses of the top two restaurants, at just under 40 (see Table III-3 for details).

Part of Manteca Where Residents Shop Most Often

Questions: In what part of Manteca (or shopping area in Manteca) do you do most of your shopping?

The survey asked households to indicate in what part of Manteca they do most of their shopping. This was an open-ended question in the survey, so some responses overlapped depending on how the respondents chose to answer the question. Some respondents indicated general areas of the city and some indicated specific shopping centers or retail stores. The largest percentage of households, 22 percent, indicated that they do most of their shopping at Spreckels Park. Thirteen percent of respondents do most of their shopping at Target and twelve percent at Wal-Mart. The top ten areas in Manteca where residents shop most often is presented in Figure III-2. The remainder of the shopping areas indicated in survey responses is detailed in Table III-4.

Figure III-2: Part of Manteca Where Residents Shop Most Often



City of Choice for Purchasing Retail Goods, By Category

Question: Please tell us where your household spends most of its retail dollars by indicating the percentage for each type of merchandise purchased in the cities listed (each row must add up to 100%).

The household survey asked respondents to indicate where they spend the majority of their shopping dollars for casual apparel, professional/formal apparel, household furniture & furnishings, electronics & appliances, grocery & liquor, building materials & garden supplies, restaurants & cafes and specialty items (specified in the survey to be items such as books, music, jewelry, sporting goods, etc). Cities included Manteca, Modesto, Stockton, Tracy and Elsewhere. ERA also asked respondents to estimate the percentage of their household's retail dollars spent in each category by city. Reponses for each city were totaled and analyzed to determine the city that was preferred for buying each type of merchandise. Table III-5 shows the average percentages indicated for each category and city.

ERA found that outside Manteca, respondents tended to shop in Modesto more than the other nearby cities of Stockton or Tracy. Respondents indicated a strong preference for shopping in Manteca in the categories of grocery & liquor and building materials & garden supplies and a moderate preference over Modesto for restaurants & cafes. For casual apparel, household furniture & furnishings, and electronics & appliances, respondents indicated a fairly close split between Manteca and Modesto. Respondents had a preference for shopping for professional/formal apparel and specialty items in Modesto over Manteca. Respondents' cities of choice to shop for goods in each category are illustrated in Figures III-3 through III-10. The top location specified for "Elsewhere" was the Tri-Valley area of Pleasanton, Dublin and Livermore followed by online shopping and San Francisco.

Figure III-3: Cities Where Households Purchase Casual Apparel

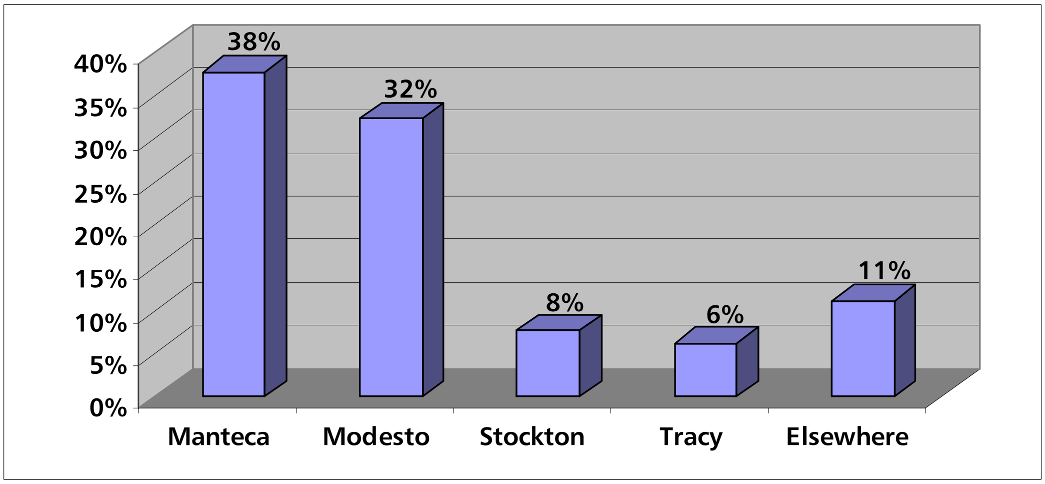


Figure III-4: Cities Where Households Purchase Professional/Formal Apparel

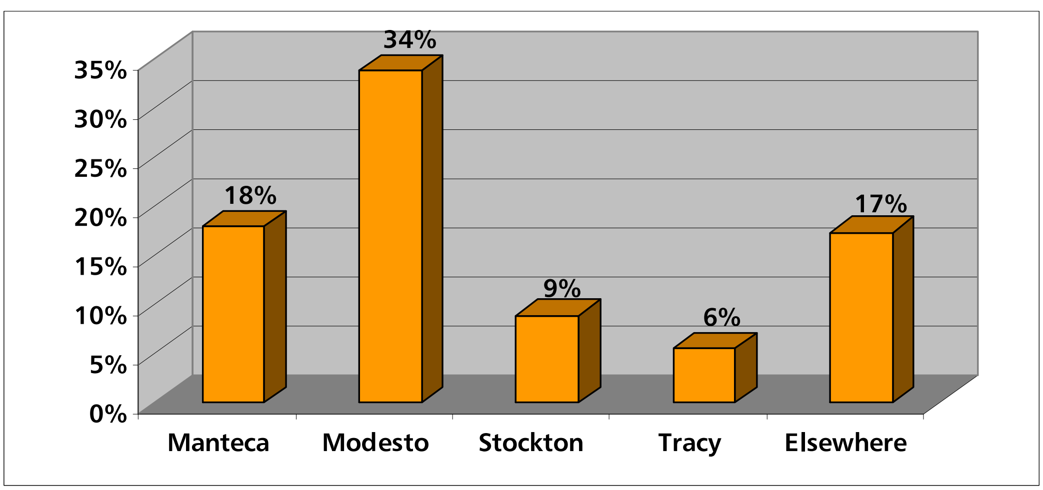


Figure III-5: Cities Where Households Purchase Household Furniture & Furnishings

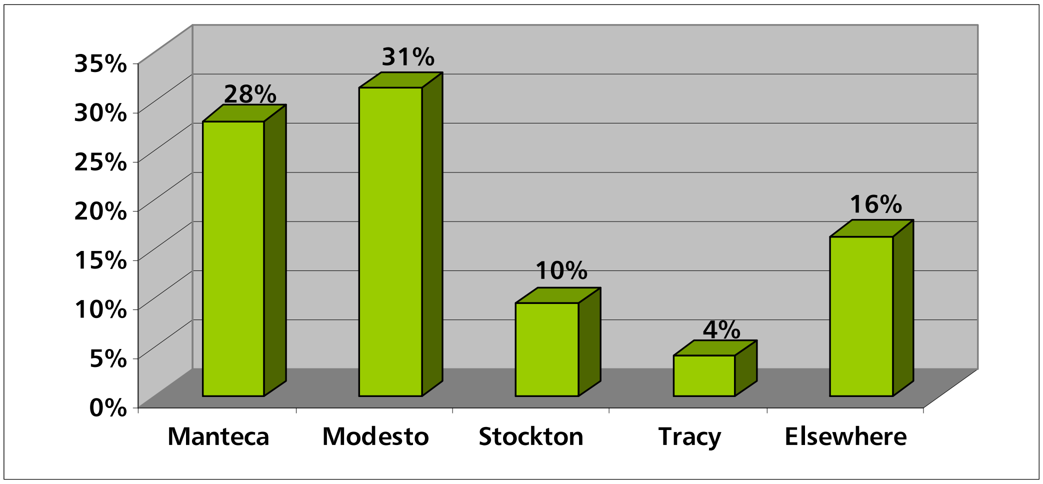


Figure III-6: Cities Where Households Purchase Electronics & Appliances

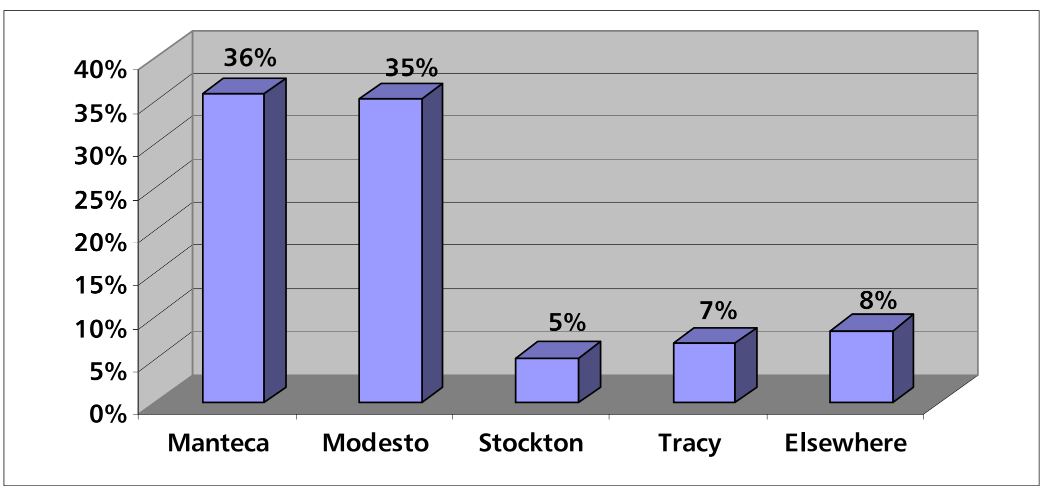


Figure III-7: Cities Where Households Purchase Grocery & Liquor

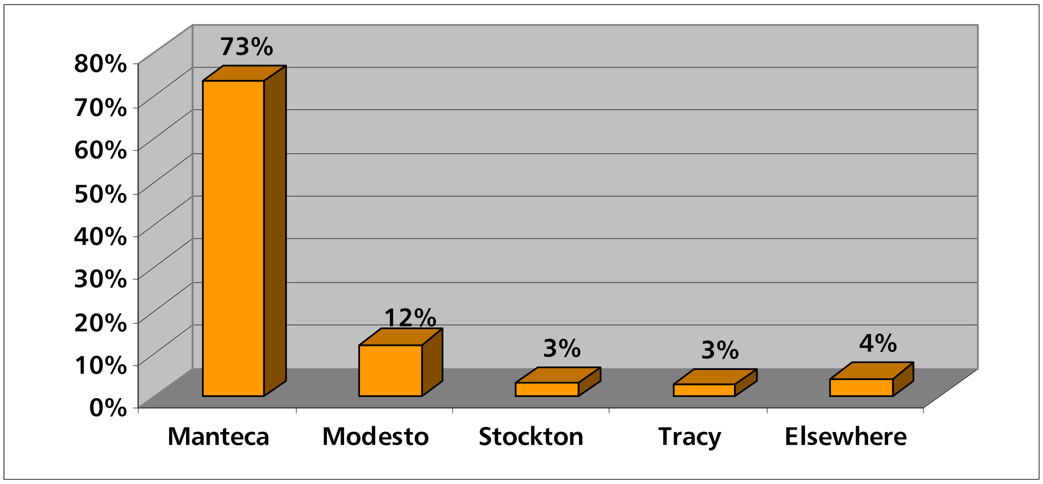


Figure III-8: Cities Where Households Purchase Building Materials & Garden Supplies

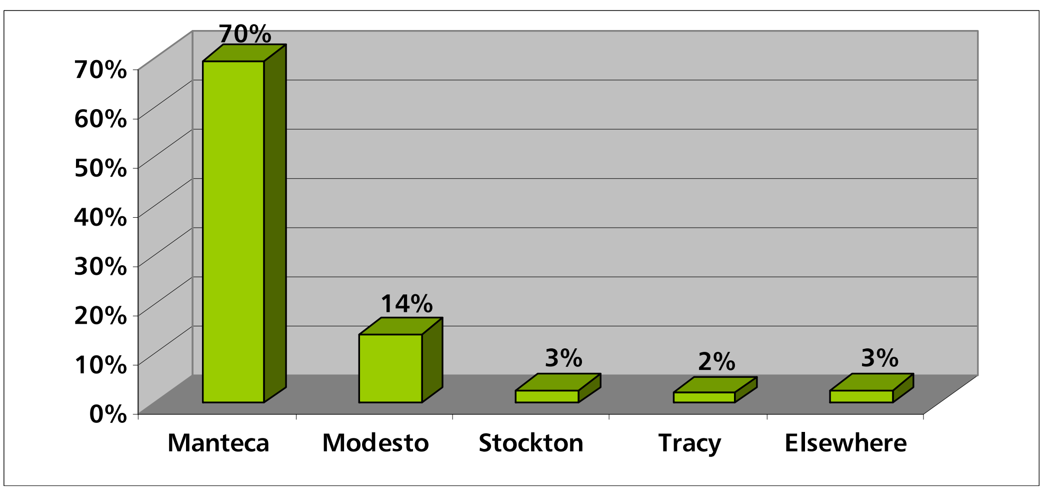


Figure III-9: Cities Where Households Dine Out at Restaurants & Cafes

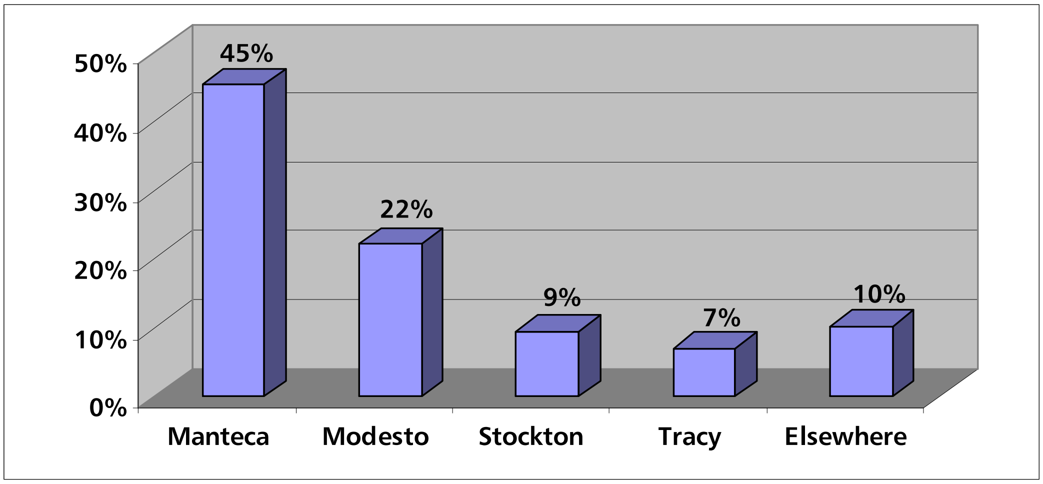
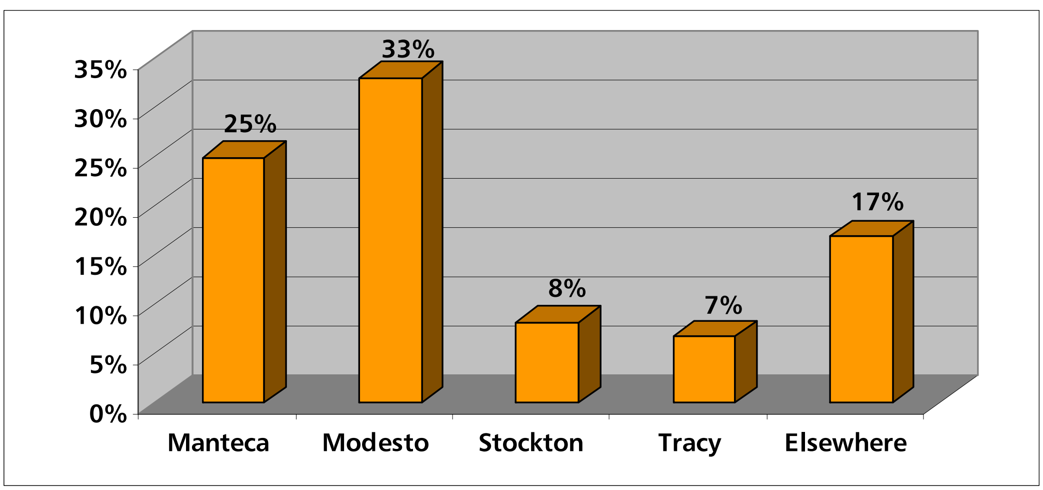


Figure III-10: Cities Where Households Purchase Specialty Items



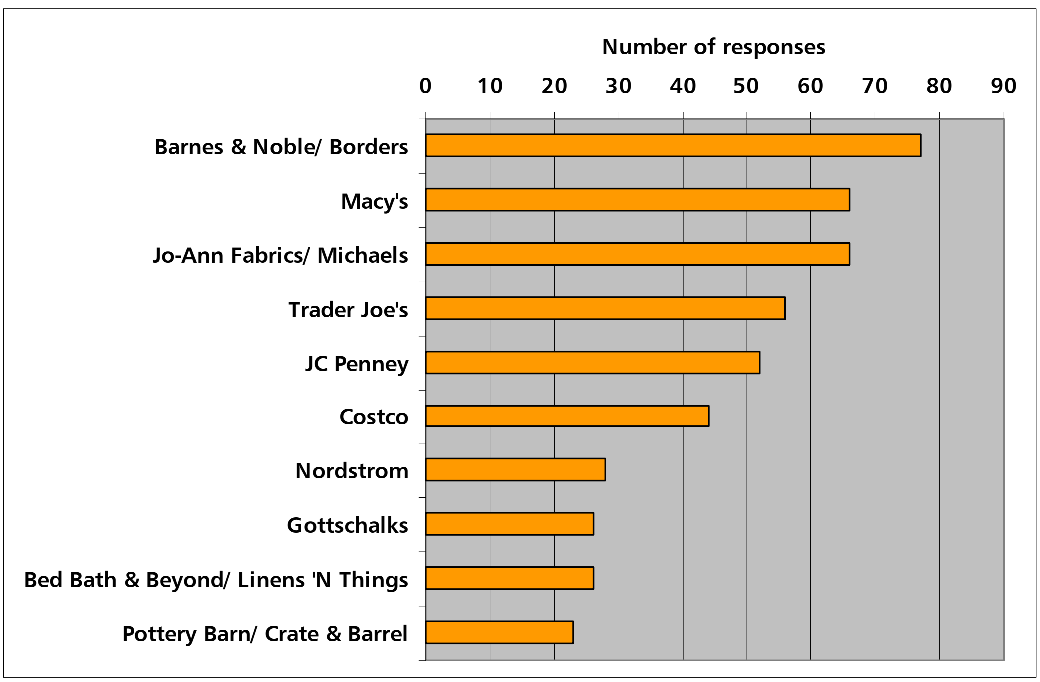
Most Desired Retail Stores and Restaurants in Manteca

Question: What types (or names) of retail stores do you feel are most needed that are not currently in Manteca (top three)?

Question: What types (or names) of restaurants, excluding fast food, do you feel are most needed that are not currently in Manteca (top three)?

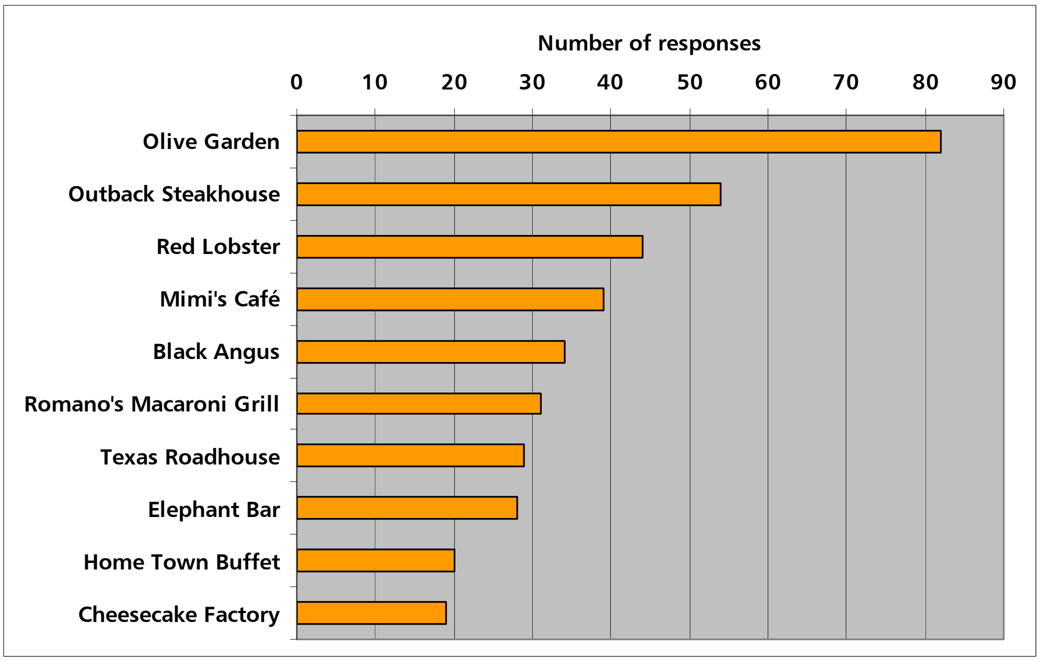
The retail stores indicated as most desired by survey respondents were overwhelmingly specialty stores and department stores. A bookstore such as Barnes & Noble or Borders Books was the most requested store with 77 responses, approximately ten percent of total responses. Macy's and a fabric/craft store such as Jo-Ann Fabrics & Crafts or Michael's followed, both with nine percent of total responses. The top most desired retail stores are illustrated in Figure III-11. The remainder of the retail stores indicated in survey responses is detailed Table III-6.

Figure III-11: Top Ten Most Desired Retail Stores in Manteca



Responses to the most desired restaurants in Manteca indicated a strong preference for family-style, sit-down restaurants and steak houses. The top most desired restaurant chain indicated was Olive Garden with 82 responses, approximately twelve percent of total responses. Three of the top ten desired restaurants are steakhouses: Outback Steakhouse, Black Angus and Texas Roadhouse. The combined number of responses for these three restaurants is 117 or approximately 16 percent of total responses. This exceeds the number of responses for Olive Garden by more than 40 percent. The top ten most desired restaurants are illustrated in Figure III-12. Other restaurants indicated in survey responses are detailed in Table III-7.

Figure III-12: Top Ten Most Desired Restaurants in Manteca



Positive Aspects of Shopping in Manteca

Question: Please give two positive aspects of shopping areas in Manteca.

The survey asked households to give two positive characteristics of shopping areas in Manteca. Based on the input, ERA grouped responses into the following major categories:

- Close proximity and convenience – The most frequent positive comment made about Manteca's shopping areas was the close proximity to home. Residents appreciate the convenience of being able to satisfy their shopping needs without having to travel long distances. Many specifically indicated that saving time and gas are high priorities. Some residents also indicated that they appreciate the retail tax dollars staying local to support the city.

- Ample parking and not crowded – Many households appreciate the abundant, spacious and clean parking lots, particularly at Spreckels Park, Wal-Mart, Home Depot and Kohl's. Some commented that the parking lots were well lit and felt safe and secure. Many households also indicated that they enjoy shopping in Manteca because the stores are not as crowded as in Modesto or the Bay Area.

- Variety of retail with growing selection – Many respondents commented positively on the growing variety of retail stores in Manteca, particularly in the shopping centers along Highway 120.

- Attractive, clean and new – Respondents commented on the general cleanliness of stores in Manteca, particularly Target, Home Depot and Raley's shopping center. Many appreciate that developments in the new shopping centers have made the areas more pleasant, attractive and up-to-date.

Negative Aspects of Shopping in Manteca

Question: Please give two negative aspects of shopping in Manteca.

The survey also asked households to give two negative characteristics of shopping areas in Manteca. Based on the input, ERA grouped responses into the following major categories:

- Not the right mix of retailers and restaurants – While households appreciated the variety of stores, the most frequent complaint about shopping areas in Manteca was the mix of retailers and restaurants. Most respondents commented on the lack of higher quality specialty stores and dining options. Many felt that there are too many fast food and Mexican restaurants.

- Parking, traffic and access – Many respondents criticized the traffic and parking, particularly in the downtown area. Respondents felt that there was poor accessibility to downtown shops. Traffic was too congested to drive down Main Street and Yosemite Avenue and there are no feasible alternate routes. Many commented that the parking downtown is limited and poorly laid out.

- Dirty and run-down image – Although respondents commented on the general cleanliness of newer shopping areas in Manteca, some specific areas were called out as being dirty and run-down. Many commented that the Wal-Mart and Big Boy shopping areas are not well-maintained. Others commented that the intersection of Main Street and Louise Avenue looks tired and out-dated.

- High sales tax – Many households commented that Manteca's sales tax rate is higher than that of Modesto and Tracy. Some survey respondents indicated that the prices offered at shopping areas in Manteca are not the best deals compared to surrounding cities.

Suggestions to Encourage Shopping and Dining in Manteca

Question: What should be done to encourage local residents to shop and dine in Manteca more often?

Households were asked to offer suggestions for strategies that would encourage local residents to shop and dine in Manteca more often. Again, ERA grouped responses into the following major categories:

- Better retail mix – By far, the most common suggestion was to improve the mix of current retail stores by bringing in more upscale brands, specialty stores, and promoting small businesses.

- More dining options – Many respondents suggested bringing in restaurants that would provide more sit-down, high-end and fine dining options. Some respondents stated that they would like to have healthier choices when eating out as well.

- Improve the image of Manteca's shopping areas – Many respondents would like to see the image of Manteca's shopping areas upgraded with street trees, more attractive landscaping, or other features to improve the curb appeal. Many would like to see downtown revitalized with a unique and inviting, small town charm that would create a pleasant strolling environment.

- Coupons, promotions and discounts for local shoppers – Many households mentioned that they would frequent local establishments more often if they were offered savings incentives, such as coupons and discounts. Several suggested a local Manteca coupon book or rotating restaurant discount program.

- Publicity and community events – Some respondents suggested that more publicity and advertising would encourage them as well as people from other cities to shop and dine in Manteca more often. Suggestions included an annual directory of shopping and dining establishments, regular restaurant reviews in the local paper, and community events such as chamber mixers, festivals, concerts and merchant "open house" events.

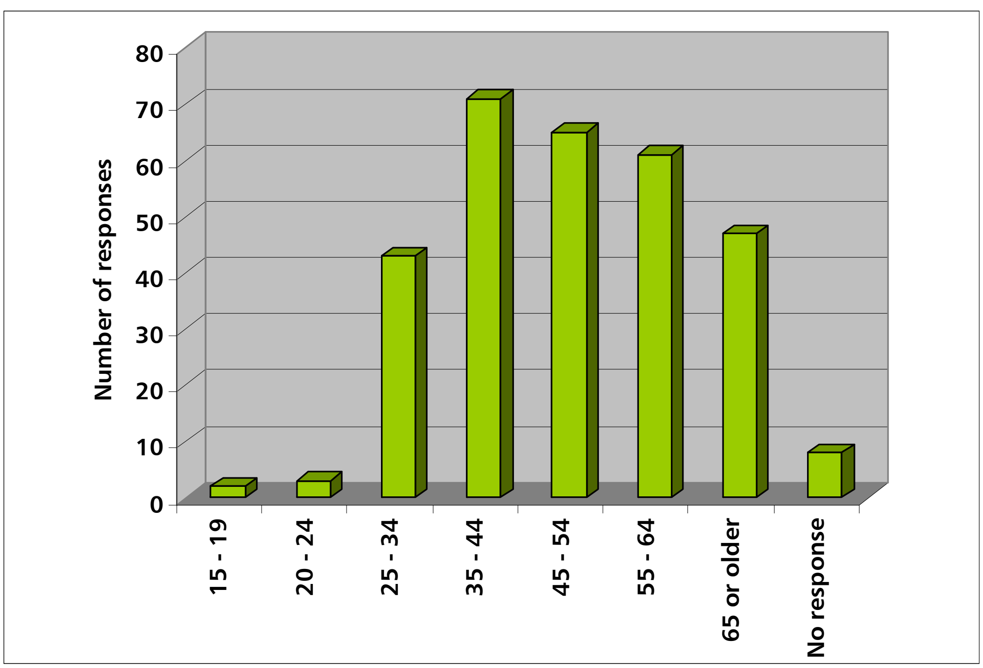
Demographic Characteristics of Respondents

Individuals that responded to the household survey tended to be older, Caucasian women that had lived in Manteca for over six years. The majority of respondents that were employed indicated they worked in Manteca or elsewhere in San Joaquin County.

Age Distribution and Gender

The 35 to 44 age group had the greatest number or survey respondents at 71, representing 24 percent of total responses. Together with the next largest respondent age group, 45 to 54, this accounted for 46 percent of total responses. Respondents over the age of 55 accounted for another 36 percent. The age distribution of individuals that responded to the survey is presented in Table III-8 and Figure III-13. Almost two-thirds of total survey responses were submitted by females as presented in Table III-9.

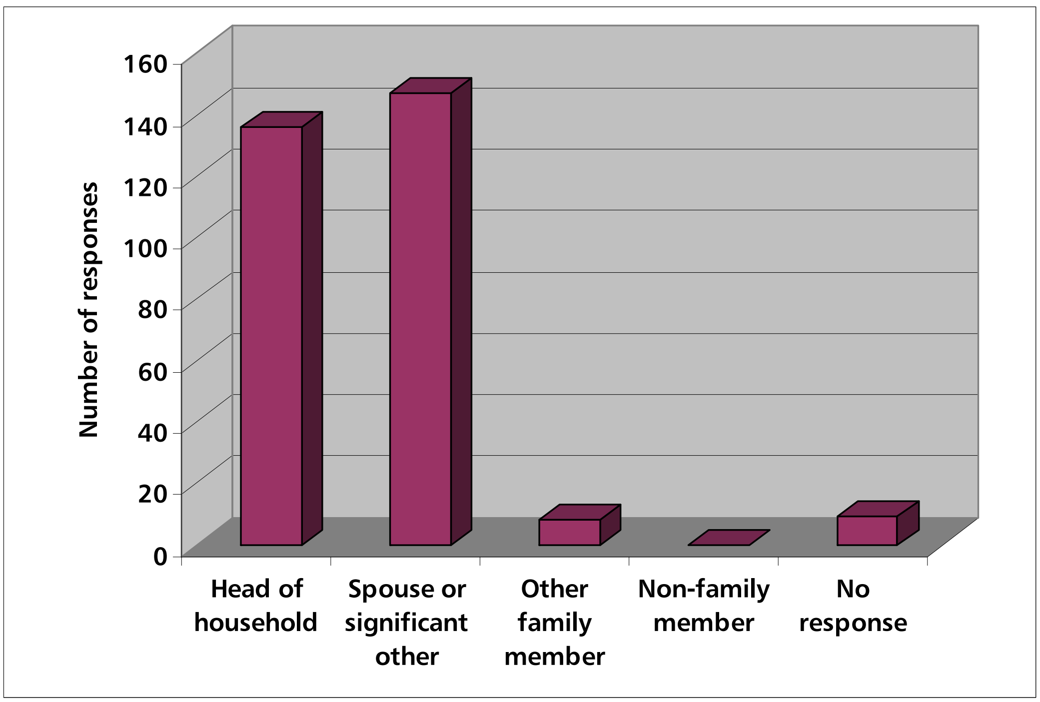
Figure III-13: Age Distribution of Survey Respondents



Role in Household

Forty-nine percent of respondents, 147 individuals, indicated they were the spouse or significant other in their household. Slightly less, at 45 percent of total respondents, indicated they were the head of their household. Respondents' role in the household is summarized in Table III-10 and Figure III-14.

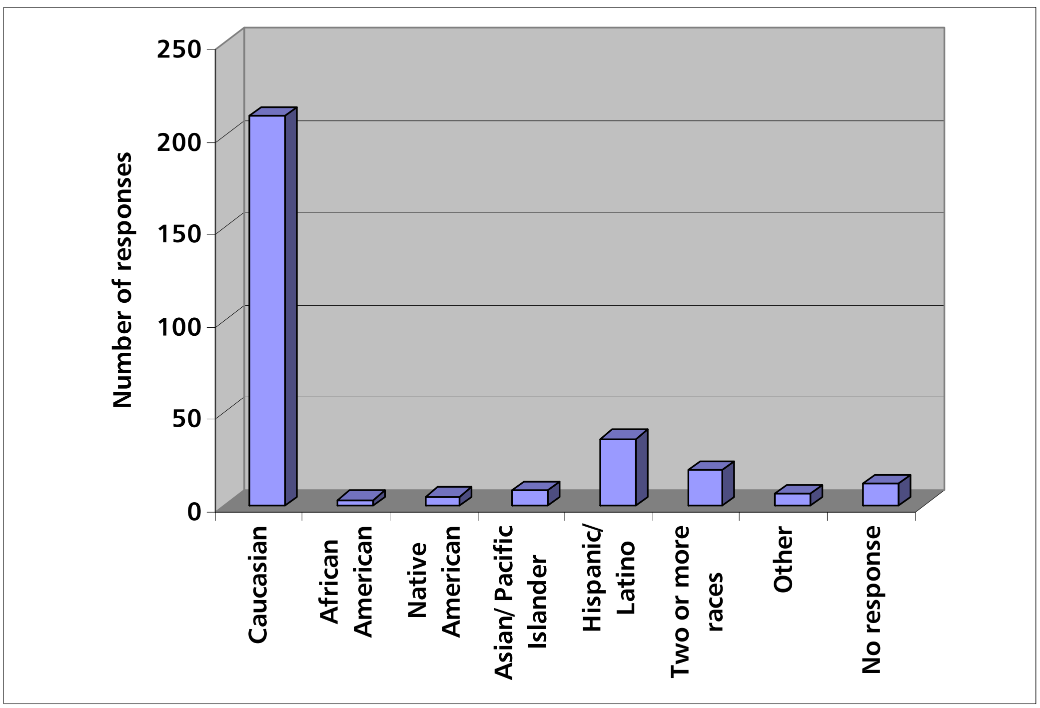
Figure III-14: Role in Household of Survey Respondents



Ethnic Distribution

Caucasian respondents accounted for the largest ethnic group that participated in the survey at 211 responses, approximately 70 percent (Table III-11 and Figure III-15). Hispanic/Latino respondents made up twelve percent and respondents of two or more races, another six percent. No other ethnic group accounted for more than three percent of the 300 tabulated responses. The ethnic distribution of respondents roughly mirrored that of the City of Manteca.

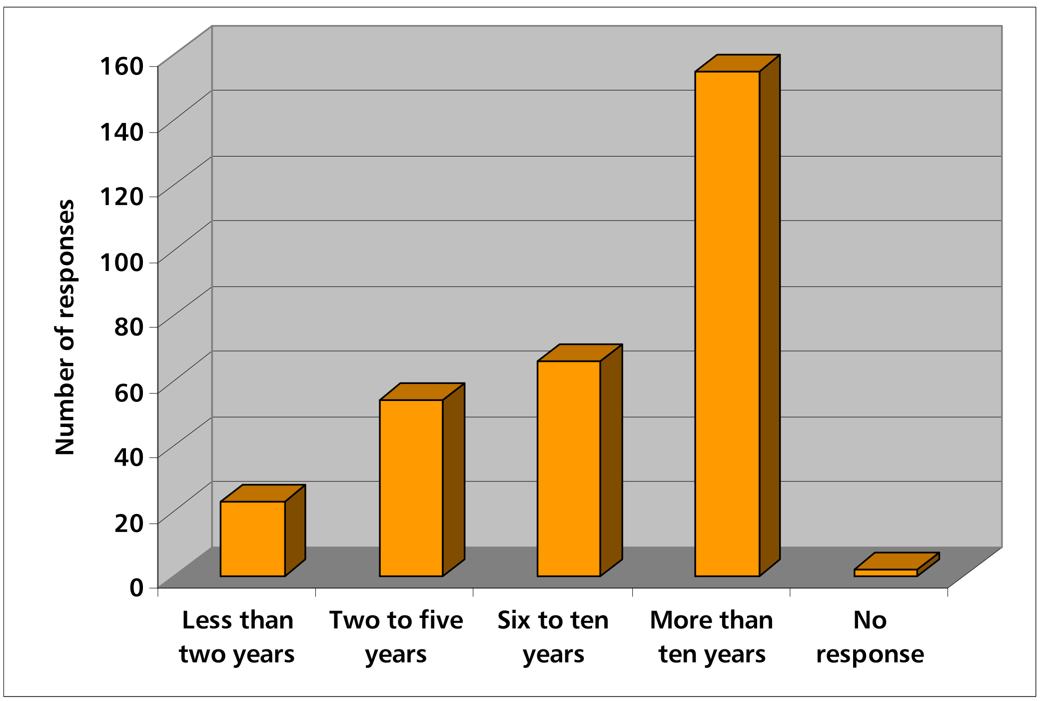
Figure III-15: Ethnicity of Survey Respondents



Years Lived in Manteca

Households that have lived in Manteca for more than ten years made up the largest group of survey respondents at 52 percent. This group was followed by households who have lived in Manteca for six to ten years and then two to five years at 22 percent and 18 percent, respectively. Only eight percent of survey respondents lived in Manteca for less than two years (Table III-12 and Figure III-16).

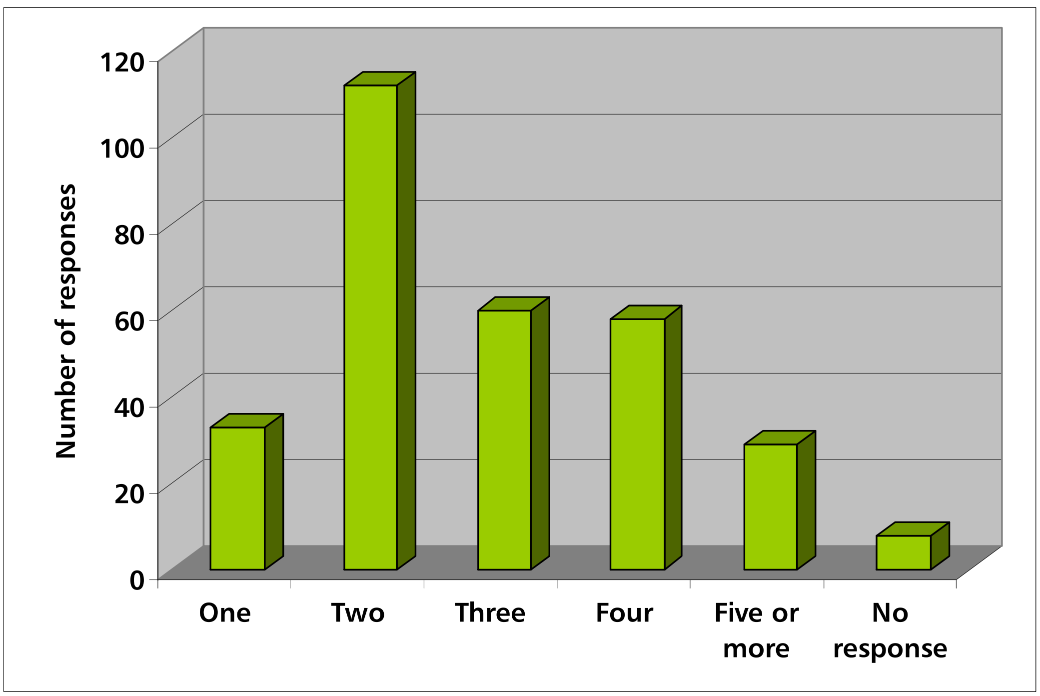
Figure III-16: Years Survey Respondents Lived in Manteca



Household Size

The largest group of survey respondents, at 112 responses and 37 percent, had a household size of two. Household sizes of three and four had 60 and 58 respondents, respectively, together accounting for 39 percent of total responses. Eleven percent of individuals that responded indicated they were from a household of one, and ten percent were from households of five or more. Distribution of household size is presented in Table III-13 and Figure III-17.

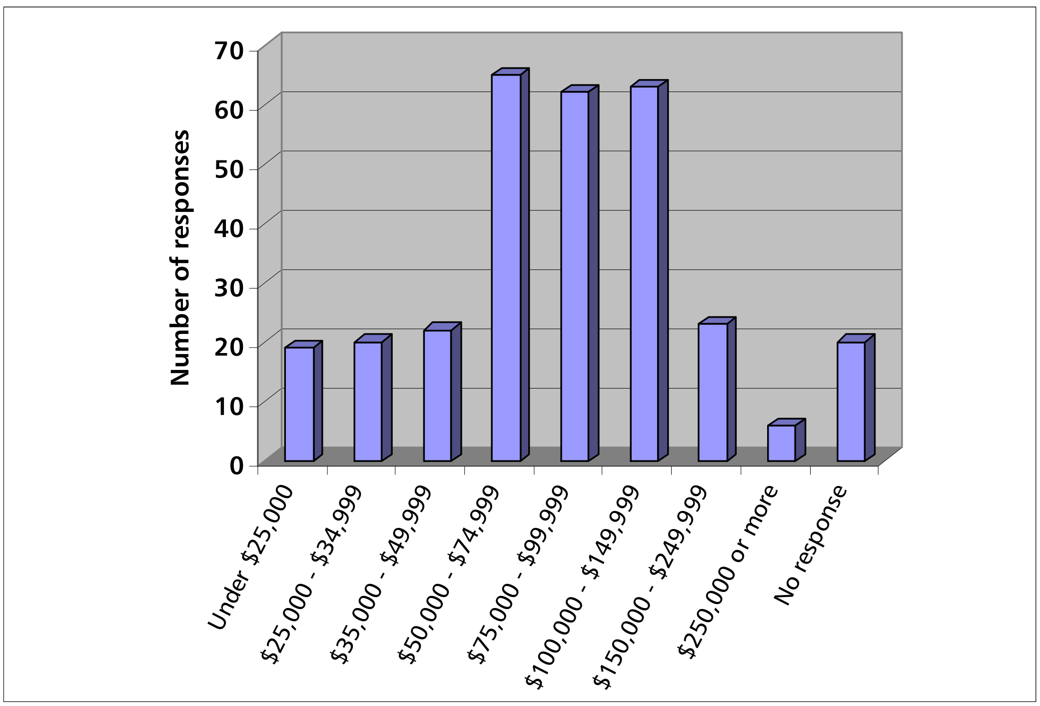
Figure III-17: Household Size of Survey Respondents



Household Income

A household income of $50,000 to $74,999 represented the largest group of respondents at 22 percent. Together with households that indicated their income was between $75,000 and $149,999, this made up 64 percent of total respondents. Nineteen percent of households had an income of less than $49,999 and ten percent had incomes of $150,000 or greater (Table III-14 and Figure III-18). The remaining seven percent of respondents did not indicate their household income.

Figure III-18: Household Income of Survey Respondents



Location of Employment and Occupation

The largest group of respondents, 28 percent, indicated that they worked in Manteca. 23 percent worked elsewhere in San Joaquin County and 21 percent were retired or not working. Fourteen percent worked in Alameda County and another 14 percent in the other counties combined (Table III-15 and Figure III-19). Respondents that held managerial/professional positions made up the largest occupational group of respondents at 22 percent. Fifteen percent indicated they worked in office/administrative support and 14 percent worked in education/healthcare. Seventeen percent of respondents were retired (Table III-16 and Figure III-20).

Figure III-19: Employment Location of Survey Respondents

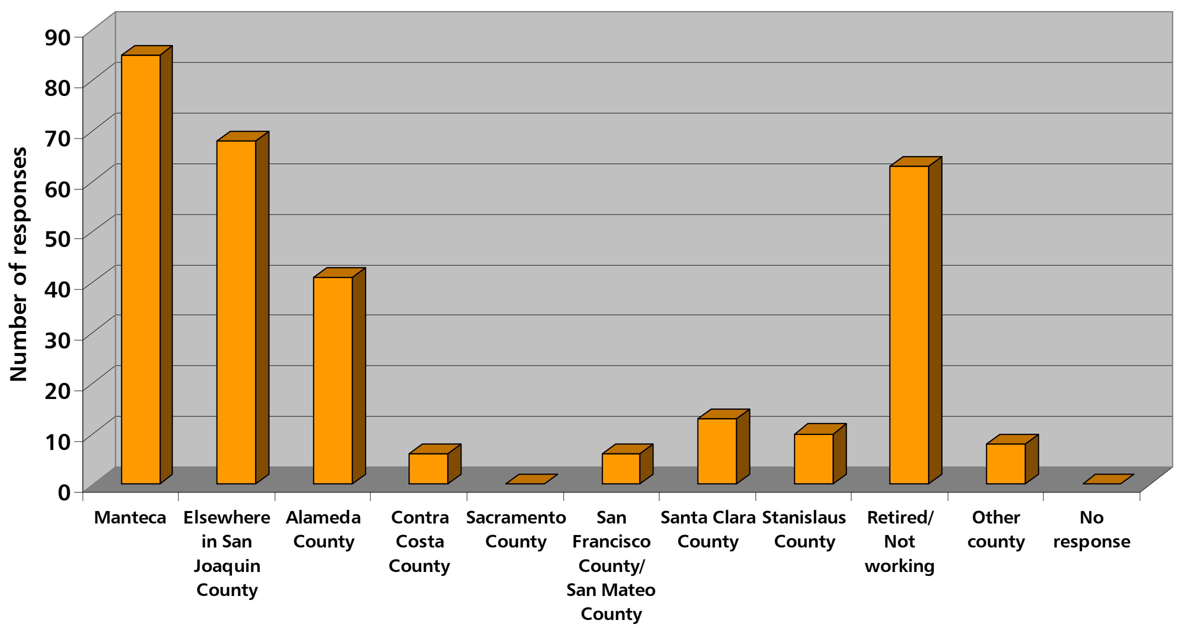
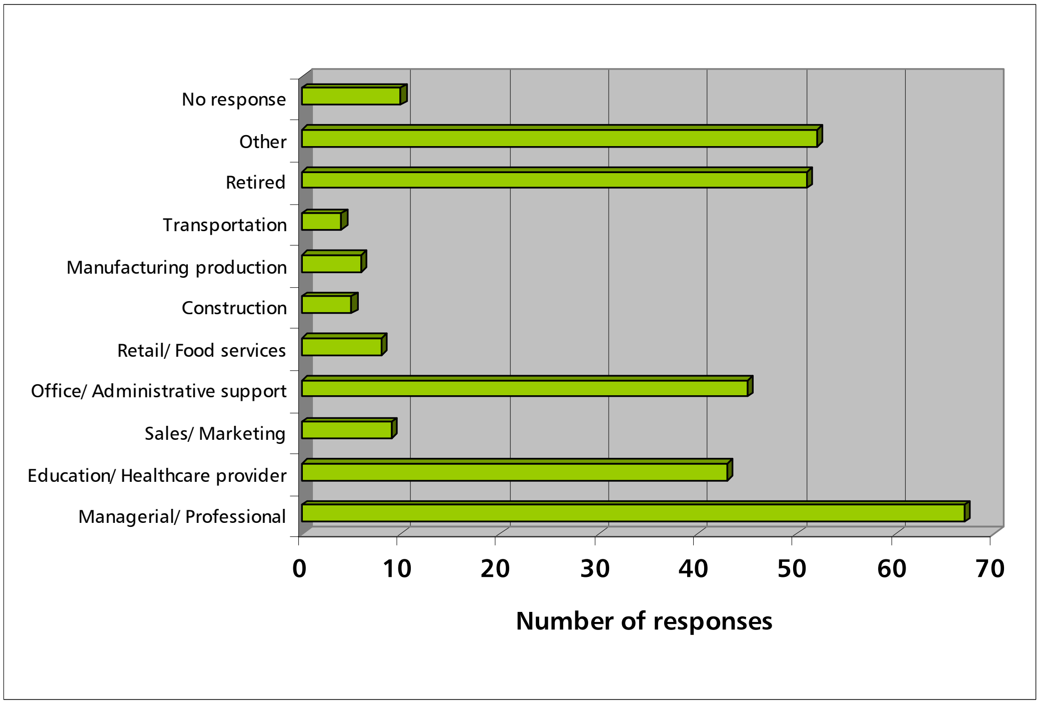


Figure III-20: Occupation of Survey Respondents



Public Meeting Input

ERA conducted a community workshop in Manteca on March 19, 2008 at the Manteca City Council Chambers. ERA presented preliminary retail market analysis findings and solicited input from community members on the types of retail and restaurant businesses desired. Fifteen community members attended the meeting. Participants were asked to comment on what they did and did not like about shopping and dining in Manteca, the specific retail stores and restaurants they would like to have in Manteca, and what types of stores they patronize when they go to neighboring communities.

Workshop participants commented that they appreciate the close proximity, friendliness and personalized service of retail outlets and restaurants in Manteca. They also felt that the city had a variety of options for pet supplies, day spas, health and fitness clubs, and sporting goods. Participants commented that they were discouraged to shop in the city because the sales tax in Manteca is higher than in Tracy and Modesto and store hours were not convenient for most residents. Many shops are closed by the time commuters get home on the weekdays and on Sundays. Many also commented on the need to improve the streetscape of downtown and create a pleasant walking environment that incorporates outdoor dining.

Specific retail outlets that workshop participants indicated they would like to see in Manteca were: a bookstore, such as Borders; a fabric/craft store, such as Jo-Ann's or Michaels; healthy grocery stores, such as Trader Joe's or Whole Foods; See's Candies, Lane Bryant and a quality shoe store.

With regards to dining in Manteca, community members praised some local restaurants, citing the good quality food, friendly atmosphere and cleanliness as valued qualities. They listed Johnny's, Yosemite Café, Isadore's, Waffle House, Dave Wong's and New China as favorite local restaurants. Participants commented that more healthy dining options are needed in Manteca. They felt that there are already too many fast food, pizza and Mexican restaurant outlets in the city. Specific restaurant outlets that workshop participants indicated they would like to see in Manteca were: Marie Callender's, Red Lobster, Angelina's, Macaroni Grill, Hometown Buffet, Cracker Barrel, Sizzler's, Spaghetti Factory, Chick Fillet, Black Bear Diner, Outback Steakhouse, Woody's Wood Fired Pizza, Lonestar Steak House, Texas Roadhouse, Cattleman's, a coffee house, and a seafood restaurant. Some community members also stated that they would like to see more non-national chain restaurant options. They commented that independent restaurant operators need more support in dealing with City Hall. A suggestion was also made for a cooking school restaurant, perhaps as part of a culinary or cooking curriculum with the University of the Pacific in Stockton.

When shopping or dining in other cities, workshop participants indicated that they mainly go to Modesto and Stockton. Participants go to Modesto to patronize: Trader Joe's, Costco, Burlington Coat Factory, Shoebox, Bed Bath & Beyond, Linens 'N Things, JC Penney's, Rogers Jewelry, Hallmark Gold Crown and for western wear. Participants indicated that they travel to Stockton for the restaurant options and to shop at: Barnes & Noble, See's Candies, Macy's, Aaron Brothers, and REI. These two cities accounted for most of the out-of-town shopping and dining. Community members indicated they do not typically shop or dine in Tracy or Sacramento.

Table III - 1
Frequency of Activities Done in Manteca by Survey Respondents

	Shopping		Eating Out		Entertainment		Other	
Frequency	Number of Responses	% of Total	Number of Responses	% of Total	Number of Responses	% of Total	Number of Responses	% of Total
Three times a week or more	112	37%	40	13%	7	2%	15	5%
One to two times a week	126	42%	117	39%	14	5%	18	6%
Two to three times a month	41	14%	68	23%	44	15%	14	5%
Once a month	8	3%	36	12%	80	27%	6	2%
Three to four times a year	6	2%	15	5%	64	21%	8	3%
Seldom or never	1	0%	19	6%	87	29%	23	8%
No response	6	2%	5	2%	4	1%	216	72%
Total	**300**	**100%**	**300**	**100%**	**300**	**100%**	**300**	**100%**

Source: Economics Research Associates

Table III - 2
Top Retail Stores Survey Respondents Shop at in Manteca

Retail Store	Number of Responses	% of Total
Target	204	23%
Wal Mart	140	16%
Kohl's	94	11%
Mervyns	83	9%
Home Depot	44	5%
Save Mart	41	5%
K-Mart	34	4%
Orchard Supply Hardware	34	4%
TJ Maxx	31	4%
Raley's	30	3%
Old Navy	19	2%
Pak N Sav	16	2%
Staples	16	2%
Food 4 Less	12	1%
Dollar Tree	9	1%
Rite Aid	7	1%
Circuit City	6	1%
Pier 1	6	1%
Walgreens	6	1%
Long's Drugs	5	1%
All Other Stores	41	5%
Total	**878**	**100%**

Note: Store listed if it received at least five responses, otherwise it is included in "All Other Stores"

Source: Economics Research Associates

Table III - 3
Top Restaurants Survey Respondents Eat at in Manteca

Restaurant	Number of Responses	% of Total
Chili's	100	13%
Applebees	98	13%
El Jardin	39	5%
Las Casuelas	38	5%
IHOP	22	3%
New China	22	3%
Perko's	22	3%
Waffle Shop	22	3%
Taqueria Manteca	22	3%
Kelley Brothers	21	3%
DeVega Brothers	20	3%
Tommy's	19	2%
Isadore's	18	2%
In-N-Out	18	2%
Chubby's	16	2%
Strings	15	2%
Denny's	13	2%
Round Table	12	2%
Panda Express	11	1%
Lee's Chinese Buffet and Seafood	11	1%
Hong Kong Café	10	1%
McDonald's	10	1%
Taqueria Yvette	10	1%
Johnny's	9	1%
Jack in the Box	8	1%
La Playa	8	1%
Subway	8	1%
Mountain Mike's	7	1%
David and Sylvia's	7	1%
Yosemite Café	6	1%
Ono	6	1%
Carls Jr.	5	1%
Casa Flores	5	1%
La Costa	5	1%
Taco Bell	5	1%
Yukimi's	5	1%
All Other Restaurants	109	14%
Total	**782**	**100%**

Note: Restaurant listed if it received at least five responses, otherwise it is included in "All Other Restaurants"

Source: Economics Research Associates

Table III - 4
Part of Manteca Where Survey Respondents do Most of Their Shopping

Shopping Area	Number of Responses	% of Total
Spreckles Park	67	22%
Target	39	13%
Wal-Mart	35	12%
Raley's	22	7%
South	15	5%
Kohl's	13	4%
Stadium Center	14	5%
All Over Manteca	12	4%
North	12	4%
Save Mart	11	4%
East	8	3%
Highway 120 Corridor	7	2%
Downtown	6	2%
Mervyn's	6	2%
Pak N Save	5	2%
Main and 120	5	2%
Mission Ridge	4	1%
Marketplace	4	1%
All Other Shopping Areas	15	5%
Total	**300**	**100%**

Source: Economics Research Associates

Table III - 5
Percentage of Survey Respondents' Household Retail Dollars Spent in Each City by Type of Merchandise

Type of Merchandise	Manteca	Modesto	Stockton	Tracy	Elsewhere
Casual Apparel	38%	32%	8%	6%	11%
Professional/Formal Apparel	18%	34%	9%	6%	17%
Household Funiture and Furnishings	28%	31%	10%	4%	16%
Electronics and Appliances	36%	35%	5%	7%	8%
Grocery and Liquor	73%	12%	3%	3%	4%
Building Materials and Garden Supplies	70%	14%	3%	2%	3%
Restaurants and Cafes	45%	22%	9%	7%	10%
Specialty Items	25%	33%	8%	7%	17%
Other Items	6%	5%	1%	3%	7%

Source: Economics Research Associates

Table III - 6
Retail Stores Survey Respondents Indicated as Most Needed in Manteca

Retail Store	Number of Responses	% of Total
Barnes & Noble/ Borders	77	10%
Macy's	66	9%
Jo-Ann Fabrics/ Michaels	66	9%
Trader Joe's	56	7%
JC Penney	52	7%
Costco	44	6%
Nordstrom	28	4%
Gottschalks	26	3%
Bed Bath & Beyond/ Linens 'N Things	26	3%
Pottery Barn/ Crate & Barrel	23	3%
Best Buy	18	2%
Whole Foods	18	2%
Aeropostal/ American Eagle / Hollister/ GAP	16	2%
Dillards	15	2%
Sears	13	2%
IKEA	12	2%
Lowe's	11	1%
Marshalls	10	1%
Win Co	10	1%
Shoe Store	10	1%
Babies R Us	9	1%
Ann Taylor/ Talbot's/ New York & Co./ Banana Republic	9	1%
Fry's/ Other Electronics	9	1%
Ross	8	1%
Super Wal Mart	8	1%
Toys R Us	8	1%
Lane Bryant	8	1%
Hallmark	7	1%
Bath & Body Works	6	1%
Sports Authority	6	1%
Beverages & More	6	1%
All Other Stores	95	12%
Total	**776**	**100%**

Note: Store listed if it received at least five responses, otherwise it is included in "All Other Stores"

Source: Economics Research Associates

Table III - 7
Restaurants Survey Respondents Indicated as Most Needed in Manteca

Restaurant	Number of Responses	% of Total
Olive Garden	82	12%
Outback Steakhouse	54	8%
Red Lobster	44	6%
Mimi's Café	39	5%
Black Angus	34	5%
Romano's Macaroni Grill	31	4%
Texas Roadhouse	29	4%
Elephant Bar	28	4%
Home Town Buffet	20	3%
Cheesecake Factory	19	3%
Red Robin	17	2%
TGI Friday's	15	2%
Sizzler	14	2%
Fresh Choice	14	2%
Cattleman's Steakhouse	11	2%
Marie Callender's	11	2%
Old Spaghetti Factory	11	2%
P.F. Chang's	10	1%
Chevy's Fresh Mex	10	1%
Tony Roma's	7	1%
Tahoe Joe's	7	1%
Golden Corral	6	1%
Sweet Tomatoes	5	1%
Panera Bread	5	1%
Claim Jumpers	5	1%
BJ's Restaurant and Brewery	5	1%
Dave and Buster's	5	1%
Fine Dining	27	4%
Locally Owned	10	1%
Seafood	11	2%
Healthy/ Organic	5	1%
All Other Restaurants	122	17%
Total	**713**	**100%**

Note: Restaurant listed if it received at least five responses, otherwise it is included in "All Other Restaurants"

Source: Economics Research Associates

Table III - 8
Age Distribution of Survey Respondents

Age	Number of Responses	% of Total
15 - 19	2	1%
20 - 24	3	1%
25 - 34	43	14%
35 - 44	71	24%
45 - 54	65	22%
55 - 64	61	20%
65 or older	47	16%
No Response	8	3%
Total	**300**	**100%**

Source: Economics Research Associates

Table III - 9
Gender of Survey Respondents

Gender	Number of Responses	% of Total
Male	72	24%
Female	216	72%
No Response	12	4%
Total	**300**	**100%**

Source: Economics Research Associates

Table III - 10
Role in Household of Survey Respondents

Role in Household	Number of Responses	% of Total
Head of household	136	45%
Spouse or significant other	147	49%
Other family member	8	3%
Non-family member	0	0%
No Response	9	3%
Total	**300**	**100%**

Source: Economics Research Associates

Table III - 11
Ethnicity of Survey Respondents

Ethnicity	Number of Responses	% of Total
Caucasian	211	70%
African American	3	1%
Native American	4	1%
Asian/Pacific Islander	8	3%
Hispanic/Latino	36	12%
American Indian	1	0%
Two or More Races	19	6%
Other	6	2%
No Response	12	4%
Total	**300**	**100%**

Source: Economics Research Associates

Table III - 12
Years Survey Respondents Lived in Manteca

Years	Number of Responses	% of Total
Less than two years	23	8%
Two to five years	54	18%
Six to ten years	66	22%
More than ten years	155	52%
No Response	2	1%
Total	**300**	**100%**

Source: Economics Research Associates

Table III - 13
Household Size of Survey Respondents

Household Size	Number of Responses	% of Total
One	33	11%
Two	112	37%
Three	60	20%
Four	58	19%
Five or more	29	10%
No Response	8	3%
Total	**300**	**100%**

Source: Economics Research Associates

Table III - 14
Household Income of Survey Respondents

Household Income	Number of Responses	% of Total
Under $25,000	19	6%
$25,000 - $34,999	20	7%
$35,000 - $49,999	22	7%
$50,000 - $74,999	65	22%
$75,000 - $99,999	62	21%
$100,000 - $149,999	63	21%
$150,000 - $249,999	23	8%
$250,000 or more	6	2%
No Response	20	7%
Total	**300**	**100%**

Source: Economics Research Associates

Table III - 15
Employment Location of Survey Respondents

Location	Number of Responses	% of Total
Manteca	85	28%
Elsewhere in San Joaquin County	68	23%
Alameda County	41	14%
Contra Costa County	6	2%
Sacramento County	0	0%
San Francisco County/San Mateo County	6	2%
Santa Clara County	13	4%
Stanislaus County	10	3%
Retired/Not working	63	21%
Other Cty	8	3%
No Response	0	0%
Total	**300**	**100%**

Source: Economics Research Associates

Table III - 16
Occupation of Survey Respondents

Occupation	Number of Responses	% of Total
Managerial/Professional	67	22%
Education/Healthcare Provider	43	14%
Sales/Marketing	9	3%
Office/Administrative Support	45	15%
Retail/Food Services	8	3%
Construction	5	2%
Manufacturing Production	6	2%
Transportation	4	1%
Retired	51	17%
Other	52	17%
No Response	10	3%
Total	**300**	**100%**

Source: Economics Research Associates

IV. Strengths – Weaknesses – Opportunities – Threats

A rapidly growing Central Valley city, Manteca enjoys some strengths and opportunities but also faces some weaknesses and threats for attracting retail and restaurant operations. This section presents a strengths/weaknesses/opportunities/threats (SWOT) review of Manteca's desirability as a location for national and regional retail and restaurant operations based on the demographic and market analysis presented in Section II and ERA's review of the physical conditions in Manteca. In addition, it provides an analysis of retail leakage from both a quantitative perspective and from the perspective of Manteca residents who responded to the household shopping patterns survey.

Manteca's Strengths

- Manteca benefits from being in the path of Northern California's economic expansion and population growth. San Joaquin County is projected to experience substantial economic and population growth over the next 20 years. The expansion of the San Francisco Bay Area economy and the resulting need for affordable housing is driving the growth of San Joaquin County, which is on the eastern border of the Bay Area.

- Most of the communities in the California's Central Valley are serviced by a single major transportation route, SR 99. Manteca enjoys north-south service from not only SR 99 but also I-5; in addition, it benefits from an important east-west route, SR 120. Being at the hub of this highway network, Manteca is within 30-minute drive time of approximately 900,000 people and within one hour drive time of over two million people[1]. As this part of the Central Valley grows, these numbers will increase. Bass Pro Shops, a highly desirable retailer, selected to locate in Manteca because of its regional reach.

- With the completion of the Big League Dreams complex (six replica-style baseball fields and an indoor soccer field), the Stadium Center (444,000 square foot power center), Stadium Center Annex (200,000 square feet) and the about to be complete Promenade Shops at Orchard Valley (700,000 square foot regional lifestyle center), Manteca has considerable retail development momentum. When The Promenade Shops are completed, with Bass Pro, Best Buy, JC Penney and Kerasotes ShowPlace Theatres serving as anchors, this area of Manteca will become a regional shopping and entertainment destination.

[1] Estimated by ESRI Business Analyst Version IX

- Manteca still has that "home town" feel. Local residents cite personal and friendly service from long standing retailers.

Manteca's Weaknesses

- Manteca has a shortage of fine dining restaurants and professional apparel shops. Local residents patronize neighboring cities for these and other similar offerings.

- The education attainment of local residents in not high compared to the state. According to the 2000 Census, eight percent of Manteca residents had at least a bachelor's degree. For California as a whole, this percentage was 17 percent.

- Manteca lacks institutes of higher education, which produces a better educated workforce, many of whom tend to remain in the community. There are, however, several such institutions within reasonable commuting distance. University of the Pacific and Modesto Junior College are both located approximately 18 miles from Manteca. San Joaquin Delta College and California State University Stanislaus are 20 and 30 miles away, respectively. Merced College, UC Merced and UC Davis are all 60 miles or more from Manteca.

- With 65,000[1] residents and only 18,200[2] jobs, Manteca is primarily a bedroom community. With a large proportion of its residents commuting to jobs outside the community, Manteca does not have a large daytime population to support local shops and restaurants.

- Manteca lacks a distinctive identity or a strong sense of place, although Big League Dreams and The Promenade Shops will help build a new identity.

Opportunities

- The development of The Promenade Shops, with four restaurant pads plus a potential restaurant within the Bass Pro Shop, offers Manteca a superb opportunity to attract some fine dining restaurants and desired specialty shops.

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[1] California State Department of Finance 2007

[2] Claritas 2007

- The Kerasotes ShowPlace Theatres, Bass Pro Shop, Big League Dreams complex plus the restaurants in Stadium Center/Stadium Center Annex and The Promenade Shops will allow Manteca to promote this part of the city as a regional entertainment destination.

- Over the next 20 years, due to population and income growth, Manteca has the opportunity to develop and support an additional 2.5 million square feet of retail and restaurant development, which is 1.8 million square feet on top of The Promenade Shops regional lifestyle center. This opportunity spans all retail sectors.

- With a significant portion of the projected new San Joaquin County population being Hispanic, and to a lesser extent Asian, there will be numerous opportunities for developers, retailers and restaurateurs who understand how to appeal to those niche markets.

- Unlike most cities in the inner Bay Area, Manteca has land for growth.

- The open space and San Joaquin River tributaries to the southwest of the city present opportunities for both recreation and executive housing development.

- With sustained wise City management, good planning and effective economic development, Manteca has every opportunity to develop into a 21st century city that is highly desirable for residents, workers and visitors.

- Manteca has a traditional downtown, with pedestrian scale and buildings of historic interest, which over time can be redeveloped into the symbolic "heart" of the community.

Constraints and Threats

- The lack of local jobs and therefore daytime population makes attracting full service restaurants more challenging because of the scarcity of lunch trade and commuters with little time for "fine dining" in the evenings.

- Manteca has a narrow spectrum of home values and very little executive housing. Having more executives live in Manteca would likely lead to better support for local shops and restaurants. There is a strong statistical correlation between home values and household income. With an increase in the number of higher income households in town, there would likely be more frequent patronage of fine dinning restaurants and higher line shops.

- With the current housing market retrenchment, some households in Manteca will lose wealth and spending power due to declining home values. This decline in wealth and spending power will reduce retail spending. Given the overall strength of the Northern California economy and the growth pressures faced by San Joaquin County, ERA views this as a short-term constraint.

- The national housing market retrenchment has reduced the monetary liquidity in the capital markets. Retailers wishing to expand may find the financing for such expansion to be unavailable or costly in the current economic climate.

- The fiscal structure of California is such that municipalities are highly dependent on sales tax revenue to provide basic services. The slowing economy will slow sales tax growth and place greater pressure on municipalities to compete for this revenue in order to fund services for rapidly expanding populations. The chief threat for Manteca is aggressive retail development by its neighbors – Tracy, Modesto, Stockton and the smaller communities of Lathrop and Ripon.

Retail Leakage

One indication of a community's retail weakness is the "leakage" of retail sales to neighboring communities. There is a quantitative perspective on leakage, which compares what the Manteca population is expected to spend for retail goods and services against the sales actually achieved by Manteca retailers. There is also a qualitative perspective, provided by survey respondents, which indicates that local residents shop in neighboring cities for certain types of goods and service.

In the quantitative analysis, ERA uses the average San Joaquin County taxable retail sales per capita to reflect retail demand associated with each resident. By using the countywide average rather than the city average, we mitigate the affect of cities that are regional centers that attract sales from surrounding communities and therefore overstate local resident retail demand. We then multiply the county average per capital sales generation by the number of residents living in Manteca to estimate Manteca resident demand. If there were a major income difference between the city and county, an adjustment would be made in the city demand calculation. This estimated city resident demand is then compared to the actual taxable sales achieved by retail establishments in Manteca. Because the estimates are based upon taxable sales data collected by the California State Board of Equalization, they are as reliable as any source available. ERA used 2006 taxable sales data because that is the most recent full year data available at the time of report publication.

This quantitative "leakage" analysis shows that the city has almost no "leakage" on an overall net basis (see Figure IV-1 or Table IV-1 for details). By retail category, General Merchandise and Drug and Auto Dealers and Supplies stores in Manteca had more sales than city resident demand, implying these stores captured additional demand from neighboring communities. The quantitative analysis shows that city retail demand in the Service Stations and Building Materials and Farm Equipment categories "leaked" to neighboring communities.

However, when we consider the survey responses, Manteca residents clearly shop in neighboring cities, particularly Modesto, for casual and formal apparel, household furnishings, electronics and appliances, specialty items and dining. The quantitative estimates suggest that residents from neighboring cities, most likely the smaller neighboring cities, shop in Manteca for such items, offsetting the leakage of local resident shopping to the likes of Modesto and Stockton. ERA expects Manteca to be a net importer of retail sales once The Promenade Shops at Orchard Valley opens.

Figure IV-1: Manteca Leakage Analysis by Sector

(Millions of Dollars)

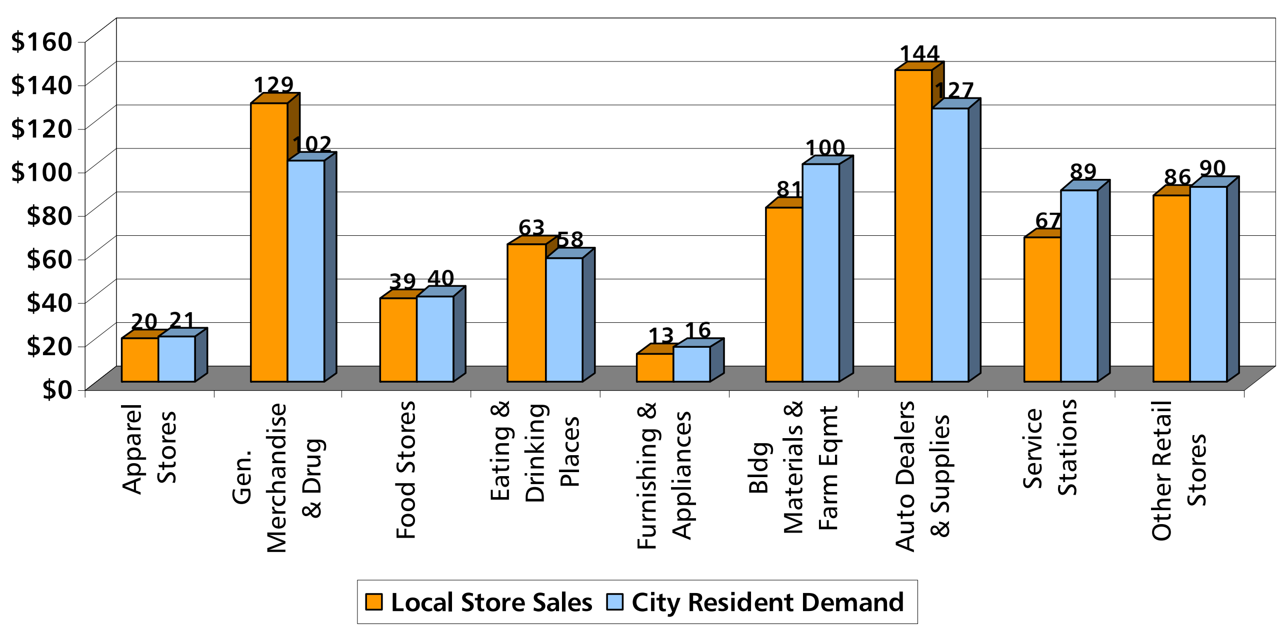

Table IV-1
CITY OF MANTECA RETAIL SALES LEAKAGE 2006
(Thousands of Dollars)

	Per Capita Retail Sales[1]	Total Demand	Taxable Sales	Estimated Retail Leakage
Population	63,716			
Apparel Stores	0.328	$20,875	$20,052	-3.94%
Gen. Merchandise & Drug	1.603	102,116	128,824	26.15%
Food Stores	0.624	39,761	38,810	-2.39%
Eating & Drinking Places	0.904	57,597	63,448	10.16%
Furnishing & Appliances	0.255	16,246	13,295	-18.17%
Bldg Materials & Farm Eqmt	1.574	100,302	80,917	-19.33%
Auto Dealers & Supplies	1.987	126,576	143,816	13.62%
Service Stations	1.391	88,651	66,593	-24.88%
Other Retail Stores	1.418	90,335	86,294	-4.47%
Total Retail Stores	10.083	$642,460	$642,049	-0.06%

[1] Calculated from 2006 San Joaquin County taxable sales

Source: California Board of Equalization, Economics Research Associates

V. Likely Retail Prospects and Local Site Opportunities

In this section, ERA identified the top recruiting targets based on the integration of multiple factors:

- A review of the retailers and restaurants already in or coming to Manteca.
- The demographics of market growth.
- The retailers desired by local residents as indicated by the community meeting and the household survey responses.
- The location criteria as stated in the 2007 Retail Tenant Directory published by retailers.
- For retailers that do not make their location criteria explicit but are of interest to local residents, ERA used over 35 years of experience in retail consulting to evaluate their suitability as recruiting targets.

While ERA used a scoring system to help prioritize the recruitment targets, it will be up to the City's retail recruiter to discuss the specific needs of each retailer and explore if and how the City is able to satisfy those needs. Issues of concern to individual retailers, which cannot be covered in a general citywide study, include:

- The size and location of the tenant space being offered.
- The strength and compatibility of the surrounding tenants.
- For a build-to-suit, the size and location of the land parcel being offered.
- The potential of co-location with other tenants that complement this particular retailer.
- The cost of the space or land being offered.
- Initial recruitment successes that pre-empt other similar recruitment targets.

Evaluation of Recruitment Targets

ERA's evaluation of recruitment targets started with the 20 most desired retailers and 20 most desired restaurants as indicated by responses to the Manteca household shopping pattern survey and the suggestions recorded during the community meeting. The general characteristics and location criteria of these retailers and restaurants are reviewed in Tables V-1 and V-2. The characteristics and location criteria considered included: 1) name of parent company, 2) total number of stores in this national or regional chain, 3) range of typical store sizes, 4) preferred co-location tenants, 5) percent of these stores in shopping malls, 6) required population density within a specified distance, 7) required traffic count as expressed in vehicles per day, 8) if the chain is targeting California for expansion, 9) typical customer base, and 10) location of nearest store(s) to Manteca.

ERA then applied five evaluation criteria, each worth a maximum of ten points, with zero being the lowest possible score and ten being the best score. The criteria were:

- Does Manteca achieve the population density specified by the retailer or restaurant chain? (For example, Outback Steakhouse requires a population of 70,000 within a radius of five miles. Manteca meets this criterion, so Outback got a score of ten.)[1]
- Is the target customer base income achieved? (This is a qualitative evaluation because the customer income base is stated as high, mid, adults, seniors, or families.)
- Is the chain seeking expansion in California? (All those considered were seeking such expansion.)
- Are the preferred co-location tenants in Manteca?
- Is there reasonable distance from the closest store(s) in the chain? (Retailers already in northern Modesto and/or southern Stockton may feel that Manteca is already well served.)

The total possible score was 50. The ranking of how the retail stores desired by local residents scored is presented in Table V-3, and the restaurant rankings and scores are presented in Table V-4. The top scores in each category are displayed in the bar graphs in Figures V-1 and V-2. The rankings

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[1] As measured from Main and Yosemite

are in part based on explicit criteria indicated by the retail chains and in part on ERA's professional judgment.

Figure V-1: Top Ranked Retail Stores for Recruitment

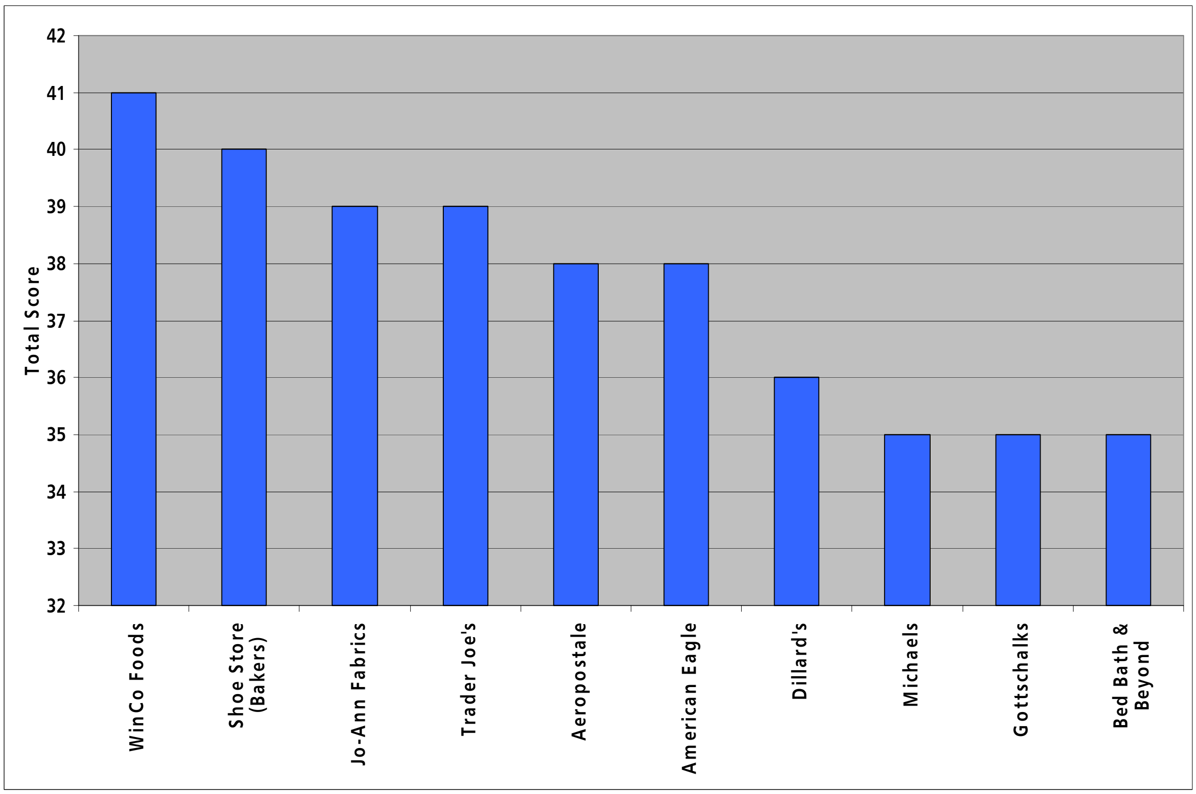
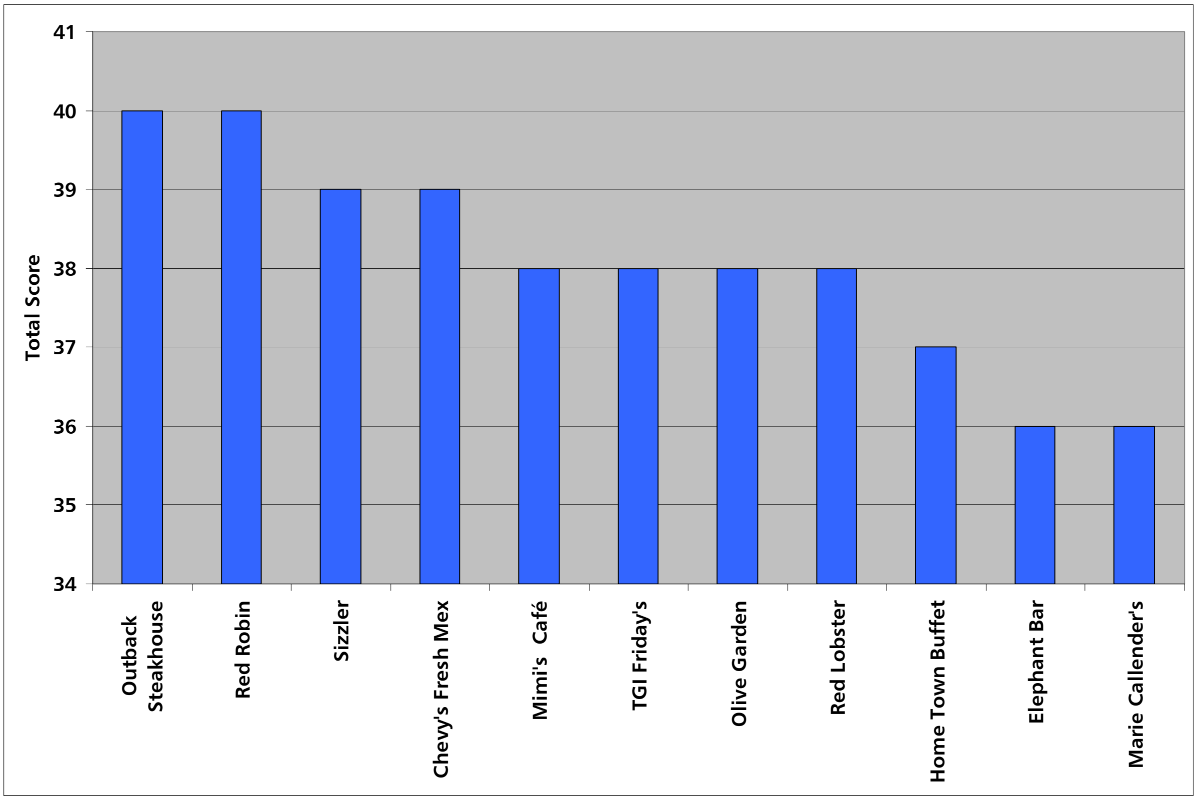


Figure V-2: Top Ranked Restaurants for Recruitment



Areas of the City for Recruitment

- For major anchor grocery stores, like WinCo Foods, a new neighborhood center is the most suitable target area because of its large preferred store size of 92,000 square feet.

- For a specialty grocer like Trader Joe's, the ideal target area would be as a replacement anchor in an existing neighborhood center that has a weak or failing grocery anchor. It could also locate as an anchor tenant to a new neighborhood or community shopping center as well. Trader Joe's could also be a freestanding store near an existing neighborhood or community center.

- For the other top ranked retailers, their preferred location will likely be in the new centers along Highway 120: Stadium Center, Stadium Center Annex, The Promenade Shops at Orchard Valley and/or future retail centers along this corridor.

- For the restaurants in the top ten, location within The Promenade Shops at Orchard Valley and the Stadium Center would be highly attractive.
- For smaller and local or regional restaurants that may not wish to pay shopping mall rents, the downtown would be a logical recruitment location, with public parking as one selling point.
- Downtown has a significant furniture and home furnishings concentration, this can be reinforced with the recruitment of additional smaller scale home furnishing and appliance stores such as lighting stores, kitchen remodeling outlets, bathroom fixture stores, etc.

Table V-1
Recruitment Targets for Top 20 Most Desired Retail Stores in Manteca

	Retail Store	Parent Company Name	Total # Stores	Preferred GLA (SF)	Preferred Co-Tenants	% in Centers/ Malls	Population Density	Traffic Counts	Targeted CA Expansion?	Customer Base	Location of Nearest Outlet to Manteca
1	Barnes & Noble	Barnes & Noble, Inc.	801	2,800-67,500	Upscale	80-100	N/A	N/A	Y	Mid income adult	Tracy, Modesto
	Borders	Borders Group, Inc.	1,165	3,900-25,000	Entertainment, Fashion-oriented, Upscale	80-100	105,000 within 5 miles	N/A	Y	High, mid income	Modesto
2	Macy's	Macy's West	169	190,000-250,000	All considered	80-100	N/A	N/A	Y	N/A	Modesto
3	Jo-Ann Fabrics	Jo-Ann Stores, Inc.	814	14,000-35,000	Discount, Fashion-oriented, Grocery/supermarket	80-100	100,000 within 5 miles	30,000 VPD	Y	High, mid income, adult, teen, female	Modesto
	Michaels	Michaels Stores, Inc.	1,103	5,800-38,000	Fashion-oriented, Upscale	80-100	150,000	N/A	Y	High, mid income, adult, female	Modesto
4	Trader Joe's	Trader Joe's Co., Inc.	270	8,000-15,000	All considered	60-79	90,000 within 5 miles	N/A	Y	High income, adult, college-educated	Modesto
5	JC Penney	J.C. Penney Company, Inc.	1,038	115,000	Fashion-oriented	80-100	N/A	N/A	Y	Mid income	Modesto, Tracy
6	Costco	Costco Wholesale Corp.	490	100,000-160,000	Upscale	40-59	N/A	N/A	Y	High, mid income, adult, senior	coming to Manteca
7	Nordstrom	Nordstrom, Inc.	156	8,000-250,000	Discount, Fashion-oriented, Outlet, Upscale	80-100	N/A	N/A	Y	N/A	Pleasanton
8	Gottschalks	Gottschalks, Inc.	61	80,000-100,000	All considered	80-100	N/A	N/A	Y	Mid income, adult, senior, female	Modesto, Tracy, Stockton
9	Bed Bath & Beyond	Bed Bath & Beyond, Inc.	836	5,500-85,000	Discount, Entertainment, Fashion-oriented, Outlet, Upscale	80-100	100,000 within 5 miles	N/A	Y	High, mid income, adult, female	Modesto, Tracy, Stockton
10	Pottery Barn	Williams-Sonoma, Inc.	582	5,000-13,800	Fashion-oriented, Outlet, Upscale	80-100	700,000	N/A	Y	High income, adult, senior	Pleasanton
	Crate & Barrel	Crate & Barrel	154	6,000-40,000	Fashion-oriented, Upscale	80-100	N/A	N/A	Y	High, mid income, adult, female	Walnut Creek
11	Best Buy	Best Buy Co., Inc.	998	5,000-45,000	Discount, Entertainment	40-59	300,000	40,000 VPD	Y	High, mid income, adult, senior, teen	Modesto, Tracy, Stockton
12	Whole Foods	Whole Foods Market Inc.	186	29,000-80,000	Upscale	80-100	130,000 within 3 miles	N/A	Y	High, mid income, advanced college	San Ramon
13	Aeropostale	Aeropostale Inc.	742	3,500	All considered	80-100	N/A	N/A	Y	Mid income, adult, teen	Tracy, Modesto, Stockton
	American Eagle	American Eagle Outfitters, Inc.	913	5,500-8,500	Fashion-oriented	80-100	N/A	N/A	Y	Mid income, adult, teen	Modesto, Pleasanton
	Hollister	Abercrombie & Fitch Co.	899	4,000-10,000	Upscale	80-100	N/A	N/A	Y	Adult, child, teen	Modesto
	GAP	Gap Inc.	2,875	2,750-35,000	Fashion-oriented, Outlet, Upscale	80-100	N/A	N/A	Y	High, mid income, adult, child, teen	Modesto, Tracy, Stockton
14	Dillard's	Dillard's, Inc.	330	100,000-210,000	All considered	80-100	N/A	N/A	Y	N/A	Stockton
15	Sears	Sears Holding Corporation	3,800	7,500-150,000	All considered	40-59	N/A	N/A	Y	High, mid income, adult, senior, teen	Modesto, Tracy, Stockton
16	IKEA	IKEA	40	320,000-400,000	Discount, Entertainment, Fashion-oriented, Outlet, Upscale	20-39	1,500,000 within 10 miles	N/A	Y	High, mid income, adult	East Palo Alto
17	Lowe's	Lowe's Companies, Inc.	1,325	100,000-150,000	All considered	20-39	N/A	N/A	Y	N/A	Modesto, Stockton
18	Marshalls	TJX Companies, Inc.	2,156	25,000-32,000	Discount, Fashion-oriented	80-100	100,000	N/A	Y	N/A	Tracy, Modesto, Stockton
19	WinCo	WinCo Foods Inc.	54	92,000	All considered	0-19	100,000 within 3 miles	N/A	Y	Mid income, adult	Modesto
20	Shoe Store (Bakers)	Bakers Footwear Group, Inc.	200	1,800	Fashion-oriented	80-100	N/A	N/A	Y	Adult	Pleasanton

Source: 2007 Retail Tenant Directory

Table V-2
Recruitment Targets for Top 20 Most Desired Restaurants in Manteca

	Restaurants	Parent Company Name	Total # Stores	Preferred GLA (SF)	Preferred Co-Tenants	% in Centers/ Malls	Population Density	Traffic Counts	Targeted CA Expansion?	Customer Base	Location of Nearest Outlet to Manteca
1	Olive Garden	Darden Restaurants Inc.	1,432	5,692-8,600	All considered	60-79	75,000-150,000 within 5 miles	30,000 VPD	Y	N/A	Tracy, Modesto
2	Outback Steakhouse	OSI Restaurant Partners, Inc.	1,298	5,500-7,500	All considered	60-79	70,000 within 5 miles	25,000 VPD	Y	High, mid income, adult, senior	Modesto, Stockton
3	Red Lobster	Darden Restaurants Inc.	1,432	5,692-8,600	All considered	60-79	75,000-150,000 within 5 miles	30,000 VPD	Y	N/A	Modesto, Stockton
4	Mimi's Café	SWH Corporation	106	6,600-6,800	All considered	0-19	100,000+ within 3 miles	35,000 VPD	Y	High, mid income, adult, senior	Antioch, Modesto
5	Black Angus	(not found in 2007 Retail Tenant Directory)									
6	Romano's Macaroni Grill	Brinker International	1,660	5,000-16,000	Entertainment	60-79	150,000 within 5 miles	35,000 VPD	Y	N/A	Stockton
7	Texas Roadhouse	(not found in 2007 Retail Tenant Directory)									
8	Elephant Bar	S.B. Restaurant Co.	38	7,000-8,000	All considered	00-19	225,000 within 5 miles	N/A	Y	Mid income, adult, child, senior	Modesto, Stockton
9	Home Town Buffet	Buffets, Inc.	360	9,000-11,000	Discount, Entertainment, Grocery/supermarket	80-100	150,000 within 5 miles	35,000 VPD	Y	Mid income, adult, child, senior	Tracy, Modesto, Stockton
10	Cheesecake Factory	The Cheesecake Factory Incorporat	134	850-21,000	Fashion-oriented, Upscale	80-100	250,000 within 5 miles	N/A	Y	High, mid income	Pleasanton
11	Red Robin	Red Robin International	333	6,000	Entertainment, Fashion-oriented, Grocery/supermarket, Upscale	80-100	70,000 within 5 miles	N/A	Y	High, mid income, adult, child, teen,	Riverbank, Turlock
12	TGI Friday's	Carlson Restaurants Worldwide	879	2,500-7,200	All considered	80-100	100,000 within 3 miles	40,000 VPD	Y	High, mid income, adult, child, teen	Pleasanton, Modesto
13	Sizzler	Sizzler USA Restaurants, Inc.	290	5,000-6,500	All considered	80-100	150,000	N/A	Y	Mid income	Modesto, Stockton
14	Fresh Choice	Fresh Choice Inc.	34	600-7,500	All considered	60-79	100,000 within 3 miles	35,000 VPD	Y	N/A	Modesto
15	Cattleman's Steakhouse	(not found in 2007 Retail Tenant Directory)									
16	Marie Callender's	Perkins & Marie Callender's Inc.	618	4,200-6,000	Entertainment, Upscale	20-39	25,000-30,000	25,000 VPD	Y	Mid income	Stockton, Modesto
17	Old Spaghetti Factory	OSF International, Inc.	37	9,600-12,000	Entertainment	0-19	250,000 within 5 miles	35,000 VPD	Y	High, mid income, families	Stockton
18	P.F. Chang's	P.F. Chang's china Bistro, Inc.	260	3,000-7,500	Entertainment, Upscale	60-79	N/A	N/A	Y	N/A	Pleasanton
19	Chevy's Fresh Mex	Real Mex Restaurants, Inc.	250	6,500-7,500	Casual dining, Entertainment	40-59	75,000 within 3 miles	40,000 VPD	Y	Mid income, adult	Modesto, Tracy
20	Tony Roma's	Romacorp, Inc.	142	4,900-5,700	Entertainment, Fashion-oriented, National full service restaurants, Upscale	60-79	100,000 within 3 miles	30,000 VPD	Y	High, mid income, adult, senior	Modesto, Stockton

Source: 2007 Retail Tenant Directory

Table V-3
Retail Store Ranking Matrix

Retail Store [1]	Population Density Achieved?	Target Customer Base/Income Achieved?	Seeking Expansion in CA?	Preferred Co-Tenants Existing in Manteca?	Reasonable Distance from Nearest Store?	Total Ranking
WinCo Foods	6	10	10	10	5	**41**
Shoe Store (Bakers) [2]	7	8	10	7	8	**40**
Jo-Ann Fabrics	9	7	10	8	5	**39**
Trader Joe's	9	5	10	10	5	**39**
Aeropostale [2]	7	10	10	10	1	**38**
American Eagle [2]	7	10	10	7	4	**38**
Dillard's [2]	4	7	10	10	5	**36**
Michaels	8	7	10	5	5	**35**
Gottschalks [2]	4	10	10	10	1	**35**
Bed Bath & Beyond	9	7	10	8	1	**35**
IKEA	0	7	10	8	10	**35**
Borders	8	7	10	4	5	**34**
Marshalls [2]	8	7	10	8	1	**34**
Hollister [2]	7	8	10	3	5	**33**
GAP [2]	7	8	10	7	1	**33**
Barnes & Noble [2]	6	10	10	3	3	**32**
Macy's [2]	3	4	10	10	5	**32**
Crate & Barrel [2]	6	8	10	5	3	**32**
Sears [2]	4	7	10	10	1	**32**
Whole Foods	4	6	10	3	8	**31**
Nordstrom [2]	2	2	10	8	8	**30**
Pottery Barn	1	4	10	7	8	**30**
Total Possible Points	10	10	10	10	10	**50**

[1] Costco, Best Buy, JC Penney and Lowe's are not included in this retail ranking matrix because outlets are currently being planned in Manteca.
[2] Target population density and/or customer base not specified in the 2007 Retail Tenant Directory. Points for one or both of these categories based on ERA estimate.

Source: ERA

Table V-4
Restaurant Ranking Matrix

Restaurant [1]	Population Density Achieved?	Target Customer Base/Income Achieved?	Seeking Expansion in CA?	Preferred Co-Tenants Existing in Manteca?	Reasonable Distance from Nearest Store?	Total Ranking
Outback Steakhouse	10	7	10	10	3	**40**
Red Robin	10	7	10	7	6	**40**
Sizzler	6	10	10	10	3	**39**
Chevy's Fresh Mex	9	10	10	7	3	**39**
Mimi's Café	5	7	10	10	6	**38**
TGI Friday's	5	7	10	10	6	**38**
Olive Garden [2]	7	8	10	10	3	**38**
Red Lobster [2]	7	8	10	10	3	**38**
Home Town Buffet	6	10	10	10	1	**37**
Elephant Bar	3	10	10	10	3	**36**
Marie Callender's	10	10	10	3	3	**36**
Romano's Macaroni Grill [2]	6	8	10	6	5	**35**
Fresh Choice [2]	5	5	10	10	5	**35**
Cheesecake Factory	3	7	10	4	8	**32**
Old Spaghetti Factory	3	7	10	6	5	**31**
P.F. Chang's [2]	5	4	10	3	8	**30**
Tony Roma's	5	7	10	5	3	**30**
Total Possible Points	10	10	10	10	10	**50**

[1] Black Angus, Texas Roadhouse and Cattleman's Steakhouse cannot be found in the 2007 Retail Tenant Directory and therefore are not included in this restaurant ranking matrix.
[2] Target population density and/or customer base not specified in the 2007 Retail Tenant Directory. Points for one or both of these categories based on ERA estimate.

Source: ERA

VI. Recommendations

Recruitment Targets

ERA's recommendations are based on an integration of the foregoing analysis and our over 35 years of experience with retail analysis and community economic development.

Near Term (2008 to 2011) Recruitment Targets

The near term recruitment targets considers Manteca's current ability or inability to accommodate certain larger tenants as well as target tenants that complement rather than duplicate existing retailers.

Retail Stores	Restaurants
Shoe Store (Bakers)	Outback Steakhouse
Jo-Ann Fabrics	Red Robin
WinCo Foods	Sizzler
Aeropostale	Olive Garden
American Eagle	Mimi's Café
Michaels	TGI Friday's
Bed Bath & Beyond	Red Lobster

Intermediate Term (2011 to 2018) Recruitment Targets

The intermediate term recruitment targets anticipate Manteca's next generation of retail development beyond Stadium Center and The Promenade Shops at Orchard Valley. Additional neighborhood, community and power centers are likely and a blending of shopping center concepts can also be anticipated.

Retail Stores	Restaurants
Trader Joe's	Chevy's Fresh Mex
Dillard's	Home Town Buffet
Gottschalks	Elephant Bar
Borders	Marie Callender's
Marshalls	Romano's Macaroni Grill
Hollister	Fresh Choice
GAP	Texas Roadhouse

Tools and Responsibilities of the Retail Recruiter

To be effective, Manteca's retail recruiter will need some tools in addition to this document. These tools should include:

- Promotional materials on the city emphasizing the quality of neighborhoods and schools, low incidence of crime, public amenities (parks, golf courses, cinemas and Big League Dreams) and high profile retailers that have already chosen to locate in town (Bass Pro).

- An array of financial incentives that the City is willing to provide, including public parking in the downtown, use of redevelopment tax increments, façade improvement loans and grants, etc.

- A full list of contact information on shopping center owners, commercial property owners seeking users/buyers, retail developers and brokers active in town.

The responsibilities of the retail recruiter would include:

- Outline immediate and long-term objectives with regards to key opportunity sites on the primary retail streets or within downtown.

- Meet regularly with landlords and developers to collect up-to-date information on development plans for new centers, available vacancies in existing centers, tenant profiles in each center, asking rents for available space, and asking prices for commercial properties for sale.

- Market all available spaces equally, with no special preferences given to specific landlords, developers or locations.

- Assist the tenants in finding the best-suited space given its specifications for size, location, amenities, rent, and complementary businesses.

- Arrange meetings between prospective tenants and landlords/developers or the designated real estate broker. The recruiter does not perform the job of a broker.

- Guide the tenants through to store opening, assisting with the permitting process and any other issues requiring City approvals.

- Provide guidance to retailers on appropriate window displays and signage.
- Establish working relationships with prospects and continue to implement the retail strategy and maintain standards over time.
- Consider attending a training program that focuses on retail strategy implementation and tenant recruitment. Upon request, ERA can recommend organizations that provide such training.

Other Programs/Actions to Make the City More Attractive to Retailers

Create New Executive Housing Neighborhoods

In order to attract a wider range of shops and restaurants to Manteca, ERA recommends that the City induce the development of new higher income "executive housing" neighborhoods. Having such housing in town not only increases the likelihood that new higher line retailers and restaurants will locate in Manteca but also increases the likelihood that other service businesses will find Manteca appealing.

Plan for an Automobile Dealership District or Center

The market analysis indicates that Manteca has the potential to add three or four new automobile dealerships over the next ten years and six to eight new dealerships over a 20-year period. As City managers know, automobile dealerships are highly productive sales tax generators. Existing dealerships have franchise agreements with the manufacturers that prevent the same brand from encroaching within a ten-mile radius. Manteca is fortunate to be outside that ten mile radius from the dealership concentrations in Stockton, Modesto and Tracy. Manteca currently has Ford, Mercury, Chrysler, Jeep, Chevrolet, Dodge, Pontiac, Buick and GMC in terms of the domestic brands. For foreign brands, it only has Suzuki and Kia. The most likely targets for recruitment are the brands gaining market share: Toyota, Honda, Nissan, Hyundai, Mazda and Subaru. With the exception of Subaru, the others are in one or more of the neighboring communities.

For planning purposes, Manteca should assume eight dealerships at an average of three to four acres each. The existing Manteca automobile dealerships average 3.3 acres. If the auto center has a shared or common area for inventory storage of three acres, then three acres per dealership is likely to be sufficient. If no such common excess inventory parking area is planned, then 3.5 to 4.0 acres per dealership may be more prudent. Eight dealerships at four acres each amounts to 32 acres, and automotive support uses (e.g. tires, batteries, etc.) would likely add another five acres. With road circulation estimated to be about 20 percent of the total, the acreage requirement climbs to 46 acres. ERA recommends that Manteca plan for an automobile center of 45 to 50 acres. This would accommodate new dealerships coming to town and the possible voluntary relocation of existing dealerships to the auto center.

Longer Term Strategies

Invest in the Long-Term Future of the Downtown

With major retailing moving to the suburban style shopping centers, many downtowns have turned to dining and entertainment to regain vitality. For example, Modesto permits new cinema development only in its downtown and has created a reasonably vibrant evening scene with many restaurants in its downtown. In Manteca, the new Promenade Shops at Orchard Valley, which is under construction, will have a Bass Pro Shop, Kerasotes ShowPlace Theatres and several restaurant pads. The new restaurants seeking to locate in Manteca, particularly the national chain restaurants, will likely choose to locate in this center. Until this center is fully leased, downtown will be a secondary consideration.

While ERA's assignment is citywide rather than downtown specific, we are able to make some suggestions for downtown Manteca based on experience with over 100 downtown revitalization assignments:

- Attract the smaller locally-owned restaurants and specialty shops. These tenants are typically not what developers would consider "credit" tenants essential for financing and would have difficulty locating in major malls.

- Protect, preserve and renovate noteworthy older buildings of historic interest. These buildings provide Manteca with a sense of place and authenticity that cannot be readily duplicated by new development.

- Create a town center focal point. This could include a public plaza, fountain, outdoor dining areas, shade trees, etc.

- Create a system of public parking. As demand builds over time, sufficiency of parking may become an issue in the downtown. ERA understand that the City owns or leases property for several public parking lots downtown in support of retail vitality. ERA recommends that the City acquire fee ownership to at least two lots in strategic locations that are large enough to accommodate the construction of multi-level parking structures a decade or two in the future. The public parking can initially be free and later convert to a paid system as demand justifies.

- Consider a retail/restaurant only policy for the ground floor of key blocks. As retail and restaurant demand intensifies, the City may wish to institute a policy of retail and restaurant uses only at the ground floor for a few carefully selected blocks. The continuity of shops and restaurants, uninterrupted by banks, driveways and other uses, is essential for the creation of a good pedestrian experience. Other essentials include on and off street public parking, so that patrons can park once and visit multiple establishments, and a street that has moderate speed traffic with retail on both sides.