

Retail sales projections

Washington State Department of Revenue (DOR) collects retail sales taxes on all retail sales conducted in Washington State. DOR correlates retail sales by the North American Industrial Classification System (NAICS) defining sales by 6 digit industry classifications able to distinguish sales in convenience stores, for example, from supermarkets, meat markets, fish and seafood markets, fruit and vegetable markets, baked good stores, and all other specialty food stores. DOR collects but does not report sales per store classification when the number of stores is so low that reporting would disclose the sales for any particular store.

DOR collects retail sales data by municipal jurisdiction since the retail sales tax is shared between state and local jurisdictions. In Island County, DOR data is available for 2014 retail sales for Oak Harbor, Coupeville, Langley, and by inference unincorporated Island County.

Urban Land Institute's (ULI) publication Dollars & Cents of Shopping Centers correlates retail sales per square foot of different types of stores located in strip, specialty, neighborhood, community, and regional shopping centers and districts. Except for some specialty centers, the stores are franchises located in newer buildings with efficient stocking and manageable checkout counters. Older buildings occupied by non-franchise stores will likely not perform at as high square foot sales as ULI's data indicates.

South Whidbey estimates - were derived for South Whidbey for 2010 and 2035 by correlating ACS population totals and projections with the retail sales per capita estimates for Bainbridge Island (Winslow - the closest comparable developed retail area served by ferry) and the retail sales per square foot for specialty and neighborhood shopping centers (the closest store type comparable).

The projected 2010 sales per store were subtracted from the 2035 projected retail sales to derive the additional square footage sales potential that population growth will create between the time periods.

Retail square footage available

Convenience	2010	2035	10-35
Supermarket	34,896	37,996	3,100
Hardware	20,329	22,135	1,806
Nursery/garden	19,572	21,315	1,806
Snack/beverage	7,572	8,245	673
Drug/pharmacy	7,145	7,780	635
Pet/supplies	5,552	6,046	493
Convenience	855	931	76

Comparable	2010	2035	10-35
Sporting goods	12,486	13,595	1,109
Family clothing	12,425	13,528	1,104
Furniture	11,509	12,532	1,023
Shoe stores	5,775	6,289	513
Book stores	5,376	5,854	478
Sewing/needle	5,245	5,711	466
Women clothes	4,661	5,075	414
Specialty foods	4,198	4,571	373
Office supplies	4,033	4,392	358
Hobby/toy	2,427	2,642	216
Florists	2,410	2,624	214

Destination	2010	2035	10-35
Restaurants - full service	42,804	46,607	3,803
Restaurants - limited service	16,855	18,352	1,498
Drinking places	7,960	8,667	707
Art dealers	3,336	3,633	296

Sources: DOR, OFM, ULI

- **Convenience goods stores** - (supermarket, hardware, nursery, drug, pets) generate the largest potential square footage currently and by 2035 with the potential square footage increases to compensate for local resident consumer population growth.

A significant portion of this potential, however, has been claimed by the Food Mart in Clinton, Red Apple Market in Ken's Korner, Sebo's, Hanson's Building Supply, and Bay View Farm & Garden in Bay View, Payless Foods, Ace Hardware in Freeland, and Star Foods in Langley.

- **Comparable goods stores** - (family and women's clothing, furniture, shoes, office supplies, sporting goods, books, sewing, and hobby) generate potential square footage now and through 2025.

Except for a few stores in Langley, very little of this market has been recruited in South Whidbey for local consumer populations.

- **Specialty or destination goods stores** - (restaurants, drinking places, art) generate notable square footage potential for local consumers as well as visitors.

Freeland and Langley have recruited a significant number of limited and full-service restaurants and drinking establishments oriented to local, commuter, and tourist consumers.

- **Clinton** - has recruited a number of auto service, sales, and repair, a limited menu restaurant, a convenience store, drinking establishment, and newly opened crafts store oriented primarily to local resident consumers.

Depending on Clinton's development strategy, Clinton could recruit art and artist live/work, specialty sporting goods such as bike, hike, birdwatching, kayaking outfitting, specialty clothing, and specialty foods and beverages including brewery, wine tasting, and coffee houses.

However, Clinton will need to create a central place or focus that is walkable between stores and activities typical of Langley and Coupeville if it is to attract locals as well as passing by commuter and visitor consumers.

Note - the above comments assume existing stores have captured or serve the current market well with good products, service, prices, displays, operating hours, invested ownership and management, and other features.

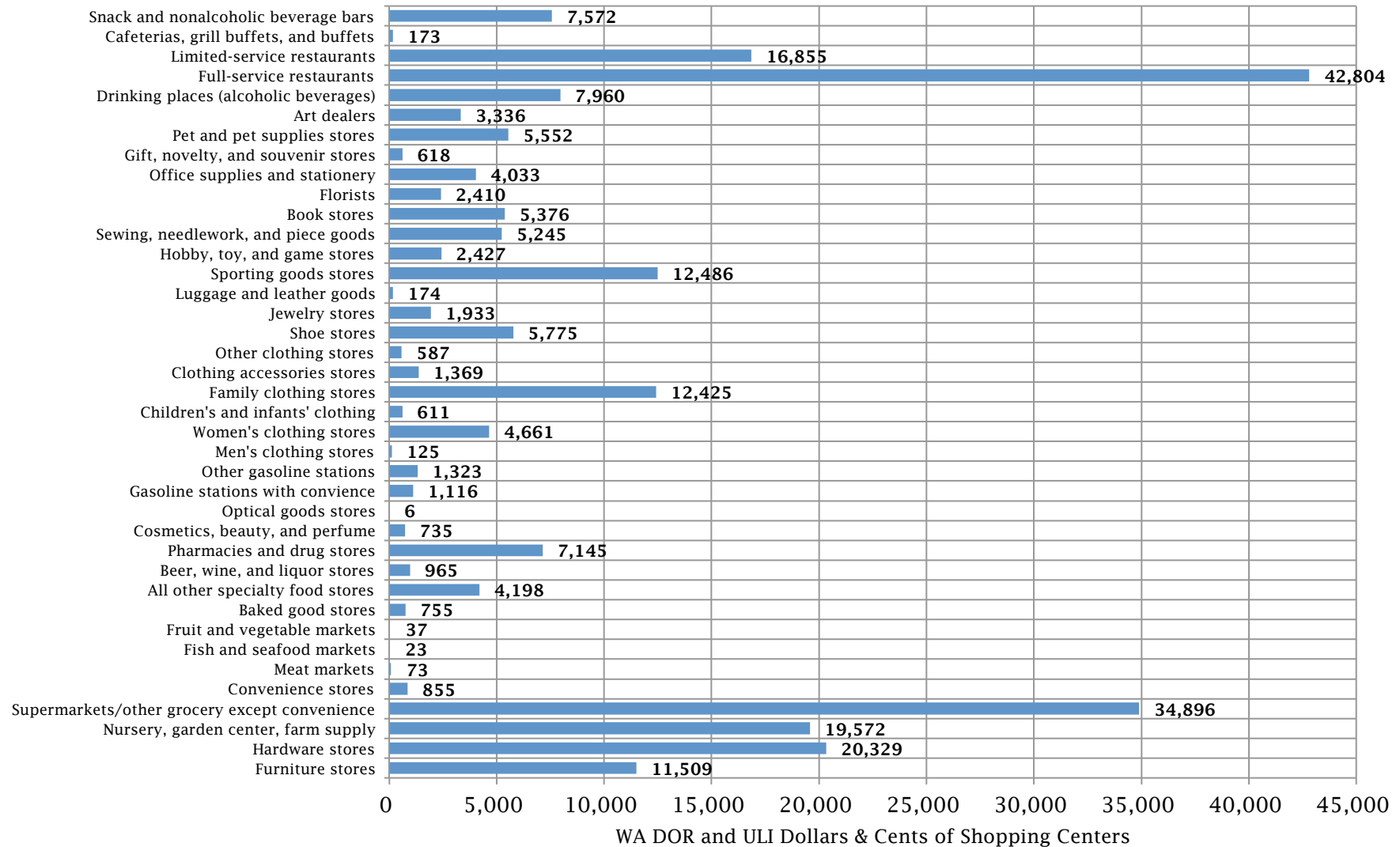
In actuality, retail businesses have a high turnover rate where these characteristics may not be well provided, market conditions and preferences change as due economic impacts on consumer behavior, and ownership and managements evolve. The sales and square footage estimates represent a benchmark to be maintained through the natural business evolutions that affect all retail centers.

Also note - the per capita sales averages for Bainbridge Island (Winslow) include sales to local residents as well as commuters and tourists. These averages should be typical of

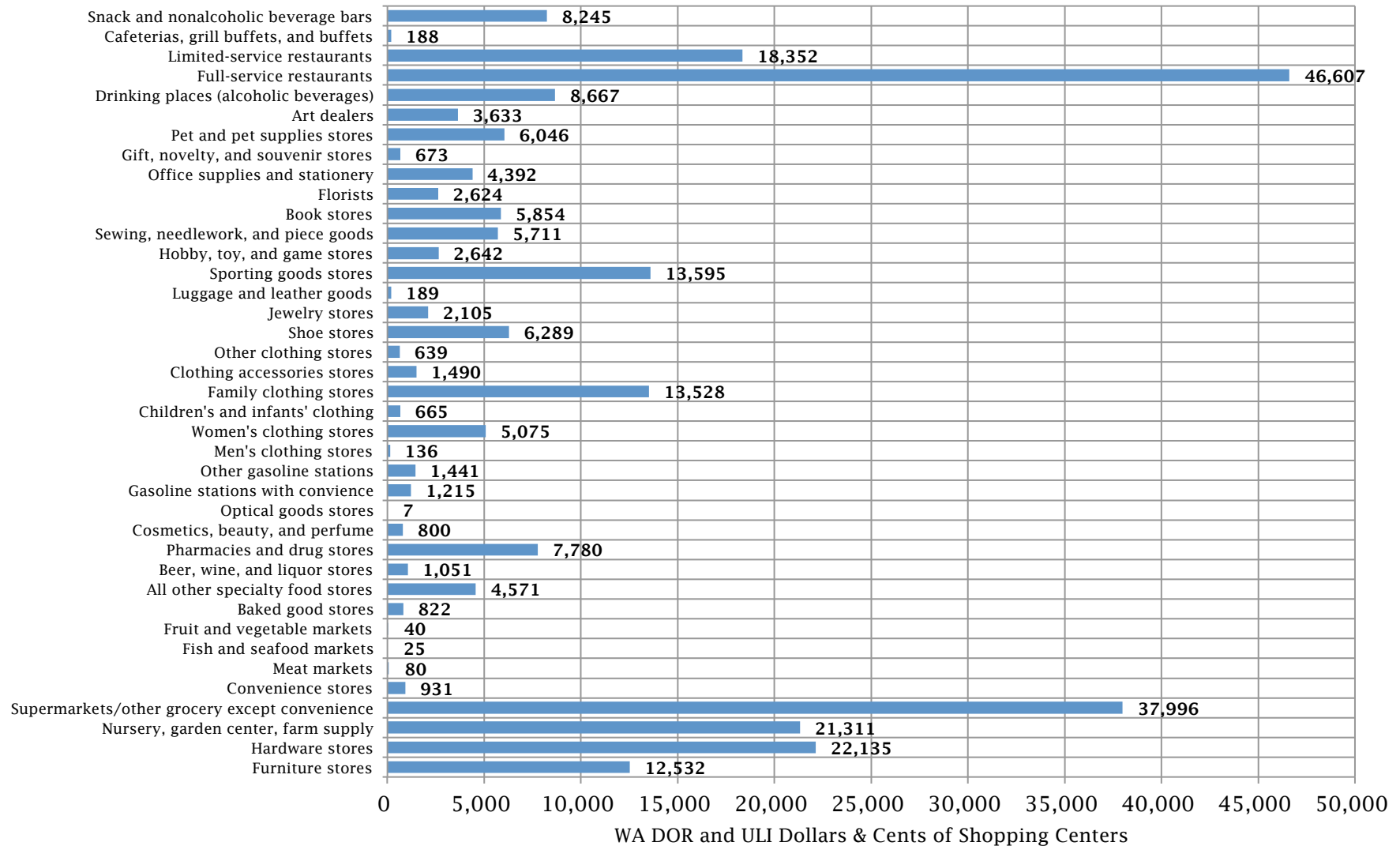
most Clinton sales to local residents, commuters, and tourists as well for most of the store lines indicated.

The projections do not include potential hotel, motel, bed-and-breakfast consumption nor sales related to weddings, corporate retreats, or conferences as these activities are very much site and place specific.

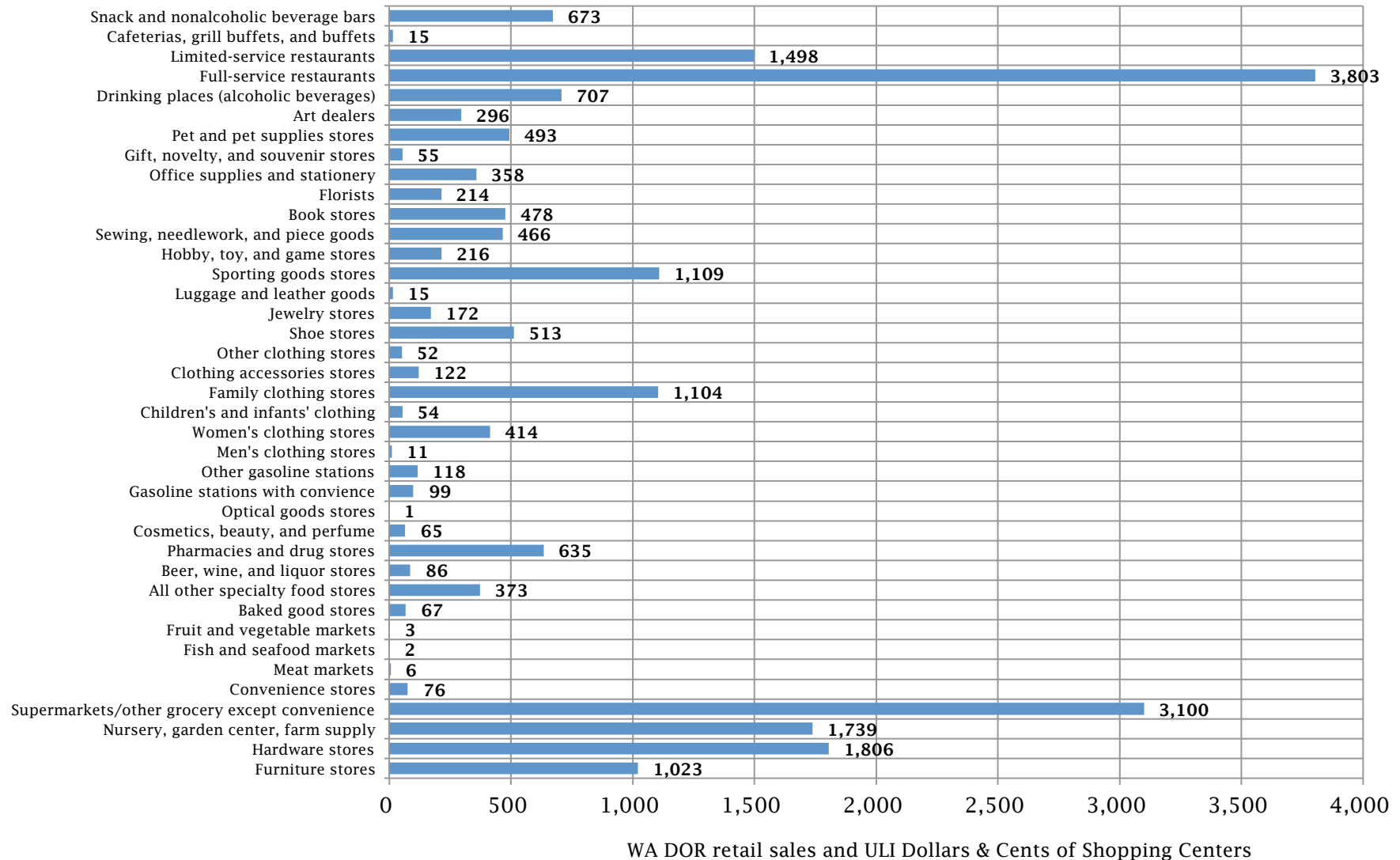
Retail square footage available South Whidbey 2010



Retail square footage available in South Whidbey 2035



Additional sq footage generated South Whidbey 2035



Retail sales potential by NAICS Industry

NAICS	Per capita retail sales				Retail sales South Whidbey		Retail sf available			2035 net sf available
	Washington State	Unincorporated Island County	Bainbridge Island	South Whidbey	2010 13,630	2035 14,841	Sales sq ft	2010 12,483	2035 31,292	
442110 Furniture stores	\$161.56	\$71.49	\$124.42	\$124.42	\$1,695,878	\$1,846,554	\$147.35	11,509	12,532	1,023
444130 Hardware stores	\$104.95	\$209.97	\$213.73	\$213.73	\$2,913,172	\$3,172,002	\$143.30	20,329	22,135	1,806
444220 Nursery, garden center, farm supply	\$59.97	\$55.76	\$205.77	\$205.77	\$2,804,670	\$3,053,859	\$143.30	19,572	21,311	1,739
445110 Supermarkets/other grocery except convenience	\$401.58	\$289.17	\$888.65	\$888.65	\$12,112,289	\$13,188,443	\$347.10	34,896	37,996	3,100
445120 Convenience stores	\$66.36	na	d	\$21.78	\$296,861	\$323,237	\$347.10	855	931	76
445210 Meat markets	\$1.86	\$2.56	d	\$1.86	\$25,352	\$27,604	\$347.10	73	80	6
445220 Fish and seafood markets	\$0.59	na	d	\$0.59	\$8,042	\$8,756	\$347.10	23	25	2
445230 Fruit and vegetable markets	\$1.51	\$0.12	\$0.94	\$0.94	\$12,813	\$13,951	\$347.10	37	40	3
445291 Baked good stores	\$10.49	na	d	\$19.22	\$261,969	\$285,244	\$347.10	755	822	67
445299 All other specialty food stores	\$8.13	\$10.89	\$32.65	\$32.65	\$445,033	\$484,573	\$106.00	4,198	4,571	373
445310 Beer, wine, and liquor stores	\$24.58	\$9.12	\$17.99	\$17.99	\$245,270	\$267,062	\$254.10	965	1,051	86
446110 Pharmacies and drug stores	\$129.77	\$65.82	\$214.08	\$214.08	\$2,917,924	\$3,177,176	\$408.40	7,145	7,780	635
446120 Cosmetics, beauty, and perfume	\$34.82	\$3.35	\$14.82	\$14.82	\$201,997	\$219,944	\$275.00	735	800	65
446130 Optical goods stores	\$2.61	na	\$0.07	\$0.07	\$964	\$1,050	\$159.18	6	7	1
447110 Gasoline stations with convenience	\$186.33	\$118.98	d	\$106.60	\$1,452,958	\$1,582,051	\$1,302.00	1,116	1,215	99
447190 Other gasoline stations	\$44.57	na	\$126.42	\$126.42	\$1,723,145	\$1,876,243	\$1,302.00	1,323	1,441	118
448110 Men's clothing stores	\$13.36	\$0.56	\$1.54	\$1.54	\$20,966	\$22,829	\$167.96	125	136	11
448120 Women's clothing stores	\$49.23	\$4.32	\$57.44	\$57.44	\$782,842	\$852,396	\$167.96	4,661	5,075	414
448130 Children's and infants' clothing	\$12.40	\$0.27	\$7.53	\$7.53	\$102,645	\$111,764	\$167.96	611	665	54
448140 Family clothing stores	\$329.19	\$21.58	\$153.11	\$153.11	\$2,086,828	\$2,272,239	\$167.96	12,425	13,528	1,104
448150 Clothing accessories stores	\$23.48	\$1.13	\$16.87	\$16.87	\$229,913	\$250,340	\$167.96	1,369	1,490	122
448190 Other clothing stores	\$39.40	\$4.71	\$7.23	\$7.23	\$98,564	\$107,321	\$167.96	587	639	52
448210 Shoe stores	\$50.23	\$2.01	\$70.08	\$70.08	\$955,199	\$1,040,067	\$165.39	5,775	6,289	513
448310 Jewelry stores	\$56.89	\$1.35	\$39.72	\$39.72	\$541,390	\$589,492	\$280.09	1,933	2,105	172
448320 Luggage and leather goods	\$14.92	na	\$2.03	\$2.03	\$27,664	\$30,122	\$159.18	174	189	15
451110 Sporting goods stores	\$191.50	\$31.58	\$174.05	\$174.05	\$2,372,325	\$2,583,102	\$190.00	12,486	13,595	1,109
451120 Hobby, toy, and game stores	\$49.94	\$2.55	\$29.05	\$29.05	\$395,915	\$431,092	\$163.15	2,427	2,642	216
451130 Sewing, needlework, and piece goods	\$20.23	\$0.44	\$55.41	\$55.41	\$755,279	\$822,384	\$144.00	5,245	5,711	466
451211 Book stores	\$43.24	\$1.11	\$56.80	\$56.80	\$774,131	\$842,911	\$144.00	5,376	5,854	478
453110 Florists	\$12.00	\$5.71	\$25.46	\$25.46	\$347,020	\$377,852	\$144.00	2,410	2,624	214
453210 Office supplies and stationery	\$92.40	\$5.52	\$42.61	\$42.61	\$580,776	\$632,376	\$144.00	4,033	4,392	358
453220 Gift, novelty, and souvenir stores	\$32.41	\$3.07	\$8.45	\$8.45	\$115,153	\$125,384	\$186.32	618	673	55
453910 Pet and pet supplies stores	\$60.91	\$15.62	\$58.66	\$58.66	\$799,521	\$870,557	\$144.00	5,552	6,046	493
453920 Art dealers	\$7.08	\$10.04	\$38.96	\$38.96	\$531,082	\$578,267	\$159.18	3,336	3,633	296
722410 Drinking places (alcoholic beverages)	\$104.34	\$24.56	\$130.98	\$130.98	\$1,785,199	\$1,943,811	\$224.28	7,960	8,667	707
722511 Full-service restaurants	\$741.09	\$155.35	\$704.34	\$704.34	\$9,600,093	\$10,453,044	\$224.28	42,804	46,607	3,803
722513 Limited-service restaurants	\$461.81	\$80.84	\$277.34	\$277.34	\$3,780,170	\$4,116,031	\$224.28	16,855	18,352	1,498
722514 Cafeterias, grill buffets, and buffets	\$10.96	na	d	\$2.84	\$38,709	\$42,148	\$224.28	173	188	15
722515 Snack and nonalcoholic beverage bars	\$165.35	\$62.80	\$124.60	\$124.60	\$1,698,235	\$1,849,120	\$224.28	7,572	8,245	673

Sources: Retail sales WA Department of Revenue (DOR), Population Office of Financial Management (OFM), Sq ft sales ULI Dollars & Cents of Shopping Centers

2013 population Washington State = 6,882,400, Unincorporated Island County = 53,771, Bainbridge Island = 23,190.

d - records not disclosable due to confidentiality requirements.