



ADDISON

SAM'S CLUB SPECIAL AREA STUDY

Appendix 5

Site & Market Analysis

DRAFT

Study Area Quick Facts



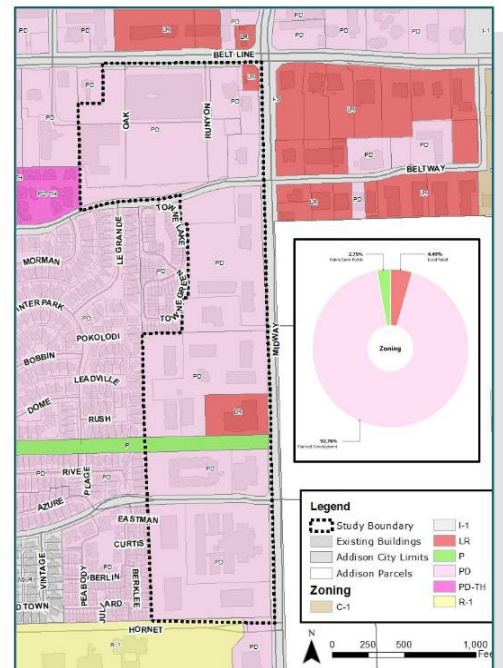
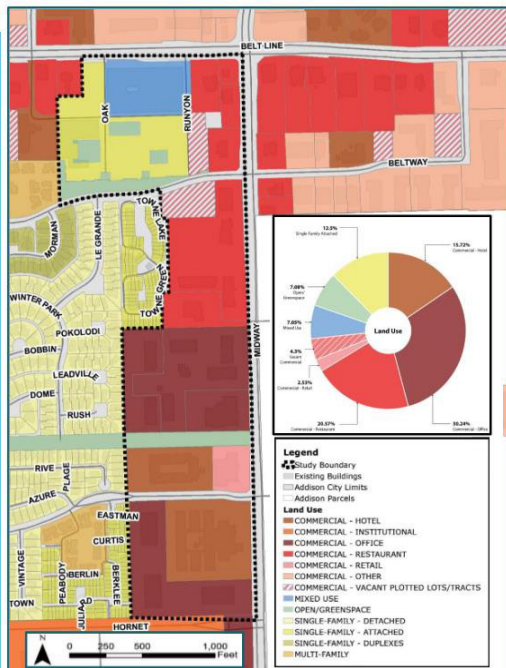
79 Total Acres



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Station #1

Existing Development Patterns



Existing Land Use

Current Zoning

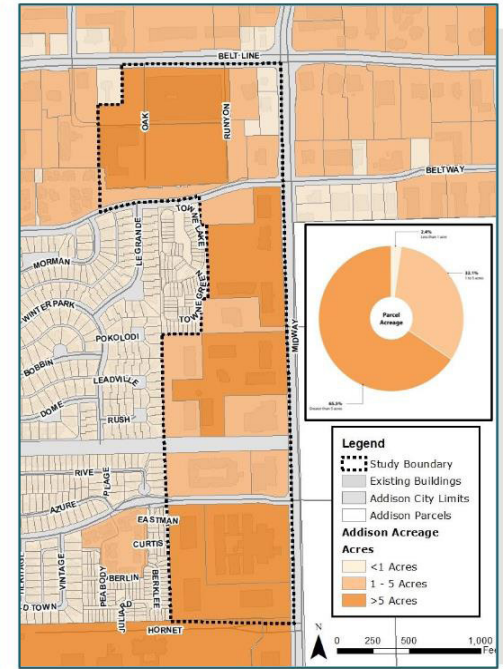
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Station #1

Existing Development Patterns



Parcel Ownership

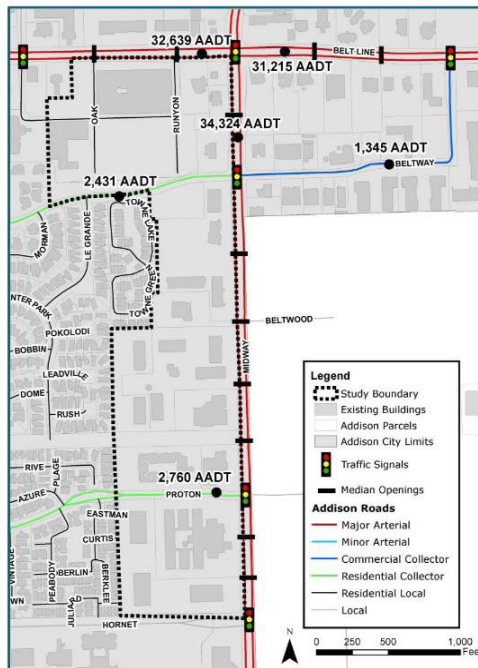


Parcel Size

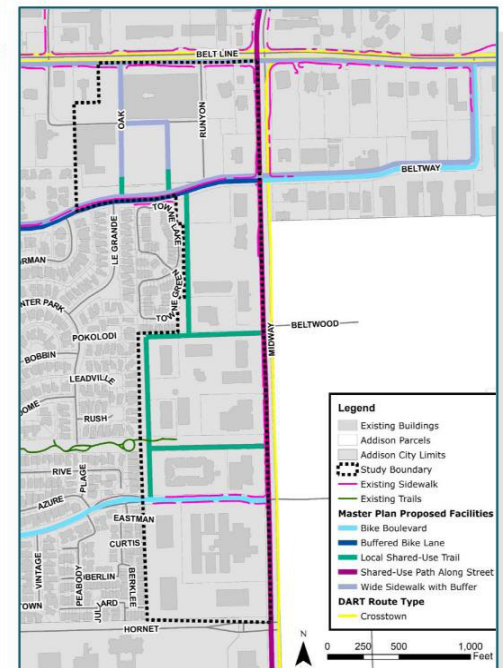
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Station #5

Mobility Map



Master Transportation Plan

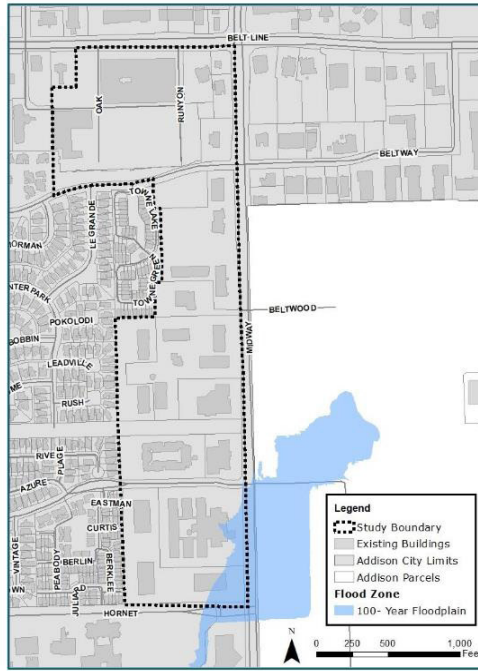


Citywide Trails Master Plan

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Station #6

Open Space, Trails, & Placemaking



Floodplain



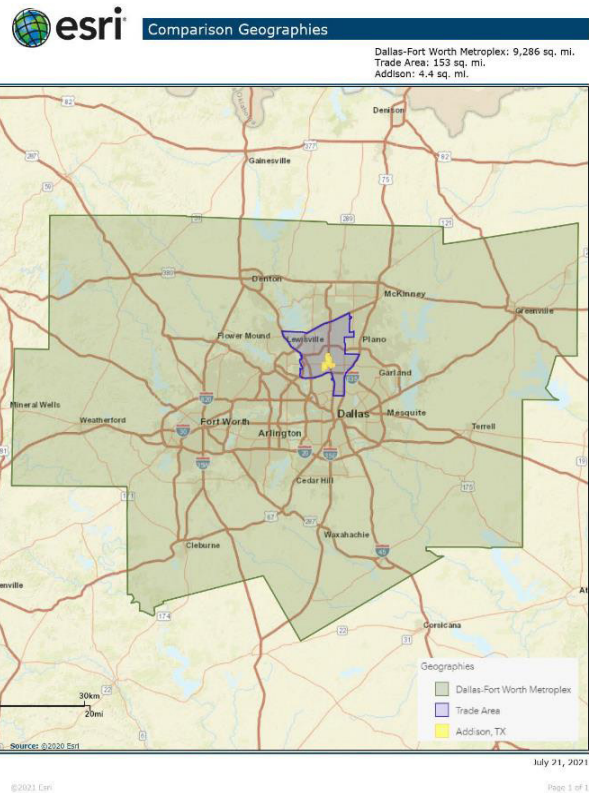
Existing/Planned Open Spaces

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Demographic, Economic & Market Update



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Three geographies are used for comparisons

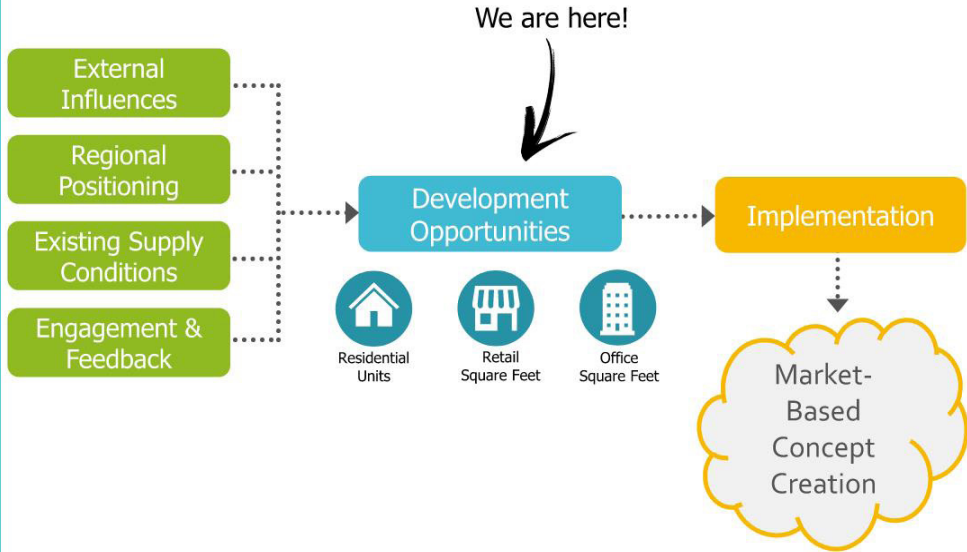
- Town of Addison
- Addison Trade Area
- Metroplex

Comparison Areas



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Market Update Process Overview



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Demographic Snapshot



Area	Population	Median Age	Households with Children	Growth Rate	% owner households	Avg. HH Size
Town of Addison	17,895 2020 Estimated Population	34.8	15.2%	+42.5% Growth Rate since 2010	18.0%	1.79
Metroplex	7,830,250 2020 Estimated Population	35.2	39.6%	+23.0% Annual Growth Rate since 2010	57.3%	2.76

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Demographic Details



	Addison, TX	Trade Area	Metroplex
2021 Total Population	17,859	635,969	7,830,258
2021 Total Daytime Population	49,314	797,580	7,832,799
2021 Households	9,970	265,530	2,802,401
2021 Average Household Size	1.79	2.39	2.76
2021 Housing Units	11,022	286,444	3,003,568
Owner Occupied Housing Units	18.0%	43.2%	56.4%
Renter Occupied Housing Units	72.5%	49.5%	36.9%
Vacant Housing Units	9.5%	7.3%	6.7%
2021 Median Household Income	\$76,929	\$80,437	\$73,903
2021 Median Disposable Income	\$60,175	\$64,468	\$59,021
2021 Median Home Value	\$338,914	\$374,254	\$266,838
2021 Median Age	34.8	37.7	35.2
Population 65 and older	10.9%	14.1%	12.4%
All Households with Children	15.2%	31.5%	39.6%
Hispanic Origin	32.8%	25.6%	31.0%
Diversity Index	81.1	78.1	78.7
Civilian Population 16+			
Unemployment Rate	4.5%	4.8%	5.8%

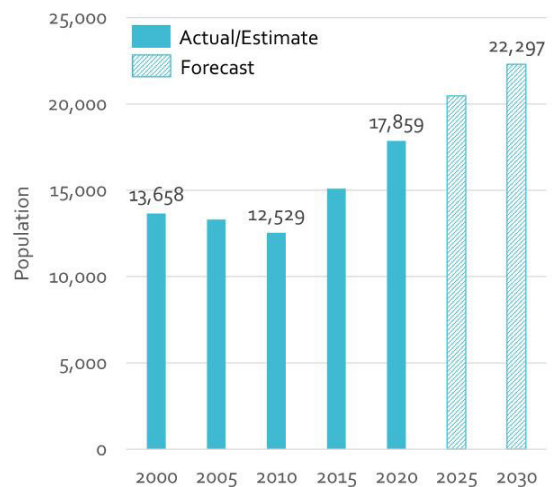
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Population Trends & Forecasts



- Addison population estimated at 17,859 in 2020
- Represents a 42.5% increase since the last US Census (2010)
- Forecasted growth of 24.9%, or 4,438 residents over the next decade

Population Trends & Forecast, Town of Addison, 2000-2030



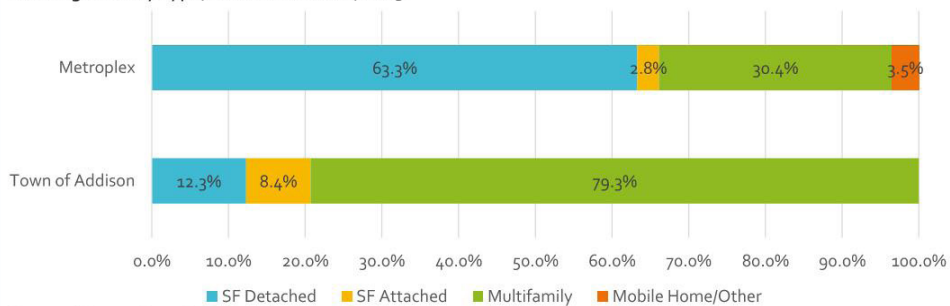
Source: US Census; ESRI BAO; Kimley-Horn

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Housing Takeaways



Housing Units by Type, Town of Addison, 2019



Source: US Census; ESRI BAO; Kimley-Horn

- Housing units in Addison increased by 35% since 2010
- Nearly 80% of the Addison housing stock is multifamily
- Reflects an intentional difference in growth approach and desired community character from other communities in the Metroplex
- Multifamily has been a component of support for the Town's successful economic base
- Owner-occupancy is forecasted to increase gradually over the next five years

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Housing Takeaways



For-Sale Takeaways

- For-sale inventories are at an all-time low, leading to a strong seller's market
- Median sales prices in the Metroplex have increased 17.86% in the last year, reaching \$355,000 in June
- Conversely, active listings in the region declined 54.09% and available months of inventory just 1.1 in June
- Addison's comparably limited inventory of for-sale product remains in high demand

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Rental Takeaways

- Although multifamily experienced some retraction at the onset of the pandemic, markets have largely recovered
- Rental multifamily in Addison have an average vacancy rate of 5.5%, lower than the regional average
- Monthly asking rent in Addison averages nearly \$1,500, higher than the regional average of approximately \$1,250
- Low for-sale inventories will likely support continued demand in the near-term

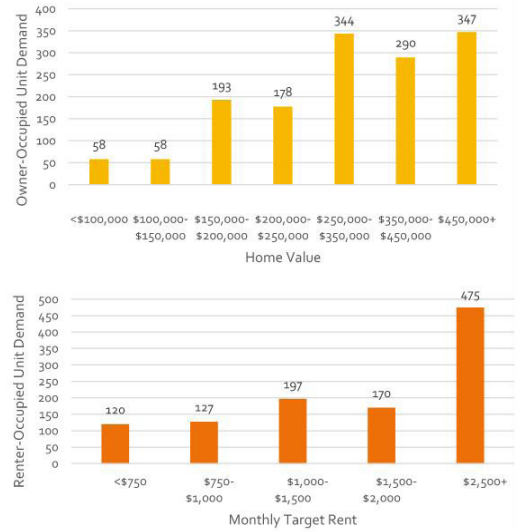
Housing Demand Forecast



Housing Unit Demand by Tenure, Town of Addison, 2020-2030

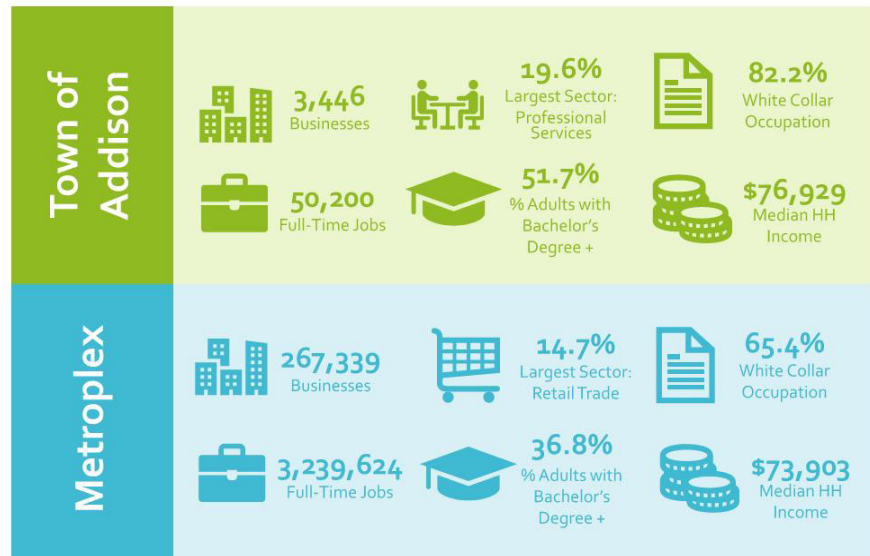
Total Housing Unit Demand		2,556
Owner-Occupied Unit Demand		1,467
Owner-Occupied Home Value	<\$100,000	58
	\$100,000-\$150,000	58
	\$150,000-\$200,000	193
	\$200,000-\$250,000	178
	\$250,000-\$350,000	344
	\$350,000-\$450,000	290
	\$450,000+	347
Renter-Occupied Unit Demand		1,089
Monthly Target Rent	<\$750	120
	\$750-\$1,000	127
	\$1,000-\$1,500	197
	\$1,500-\$2,000	170
	\$2,500+	475

Source: US Census; ESRI BAO; NCTCOG; Kimley-Horn



It should be noted that the methodology utilized to estimate housing demand is based on future population and household projections for the Town. It also considers assumptions for what those new households can reasonably afford to spend on housing. These forecasts are likely conservative and should only be used to guide visioning discussions. Development of new housing in Addison has proven to be attractive and is driven by projections of developer return that may not align with what the model defines as future demand.

Economic Snapshot

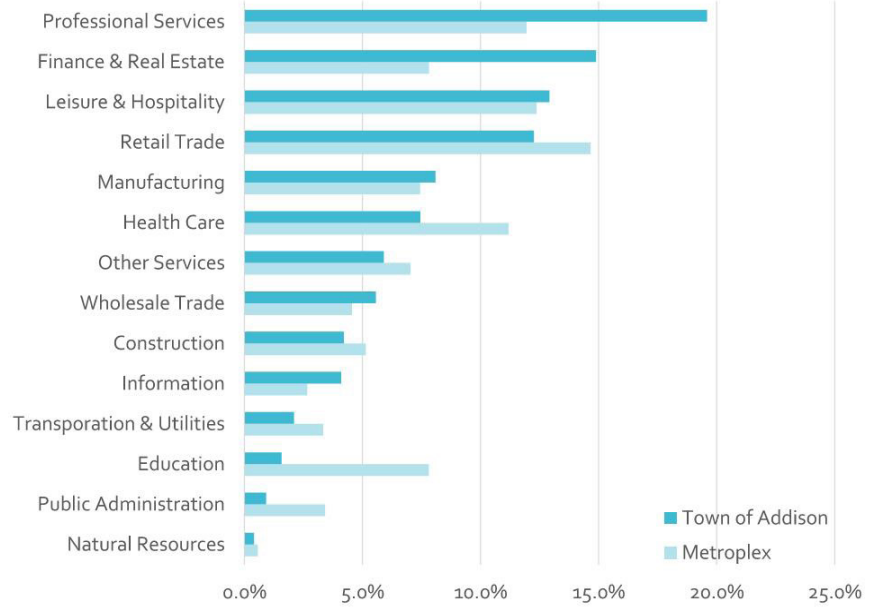


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Employment by Sector



Share of Jobs by Sector, Town of Addison, 2020



Source: US Census; ESRI BAO; Kimley-Horn

Sam's Club Special Area Study

Employment Details



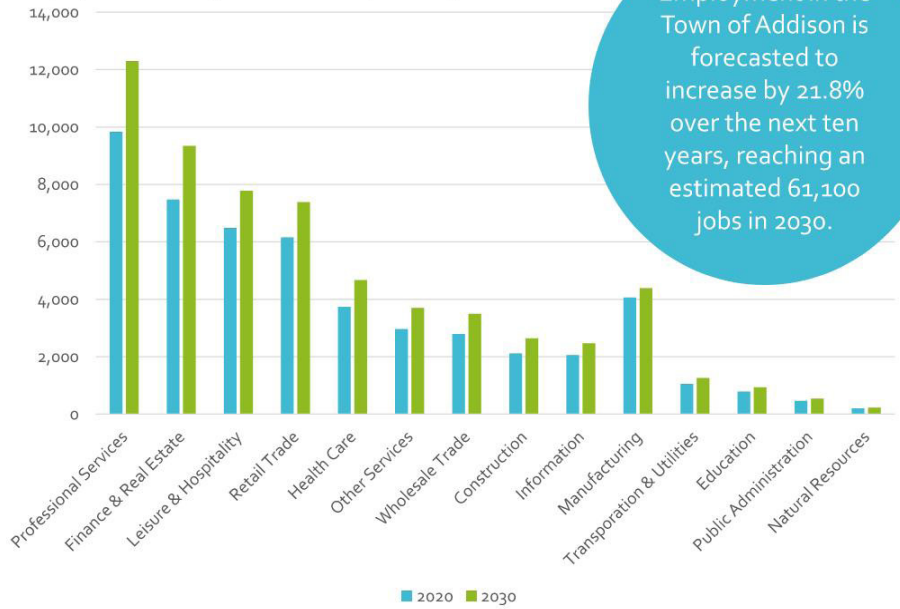
	Addison, TX				Trade Area				Metroplex			
	Businesses	Employees	Businesses	Employees	Businesses	Employees	Businesses	Employees	Businesses	Employees	Businesses	Employees
Total Employees	50,199				491,468				3,239,624			
Employee/Residential Population Ratio	2.81				0.77				0.41			
Standard Industrial Categories												
Agriculture & Mining	42	1.2%	319	0.6%	558	1.5%	7,205	1.5%	4,727	1.8%	47,658	1.5%
Construction	126	3.7%	1,800	3.6%	1,684	4.6%	22,315	4.5%	16,276	6.1%	153,546	4.7%
Manufacturing	111	3.2%	3,573	7.1%	891	2.4%	34,368	7.0%	7,341	2.7%	236,313	7.3%
Transportation	66	1.9%	1,199	2.4%	687	1.9%	8,853	1.8%	6,657	2.5%	106,644	3.3%
Communication	32	0.9%	484	1.0%	334	0.9%	5,561	1.1%	2,445	0.9%	27,703	0.9%
Utility	4	0.1%	120	0.2%	55	0.1%	1,162	0.2%	606	0.2%	14,385	0.4%
Wholesale Trade	101	2.9%	2,800	5.6%	1,008	2.7%	25,756	5.2%	8,009	3.0%	149,811	4.6%
Retail Trade	521	15.1%	11,723	23.4%	6,485	17.5%	116,056	23.6%	57,181	21.4%	778,721	24.0%
Finance, Insurance, Real Estate	608	17.6%	7,618	15.2%	5,173	14.0%	57,215	11.6%	28,358	10.6%	253,933	7.8%
Personal and Professional Services	1,313	38.1%	19,835	39.5%	14,766	40.0%	203,302	41.4%	102,255	38.2%	1,344,069	41.5%
Government	31	0.9%	462	0.9%	231	0.6%	7,099	1.4%	3,770	1.4%	110,515	3.4%
Unclassified Establishments	491	14.2%	266	0.5%	5,079	13.7%	2,577	0.5%	29,714	11.1%	16,326	0.5%

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Employment Forecast



Employment Forecast, Town of Addison, 2020-2030



Source: ESRI BAO; NCTGOG; Woods & Poole; Kimley-Horn

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Retail/Service Takeaways



- Retail gap refers to the difference between retail sales and retail purchases by residents within the same area
- Sales in the Trade Area surpassed the amount spent by residents
- Proximity to major transportation thoroughfares and employment centers bolster sales from non-residents



Source: ESRI; Kimley-Horn

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Retail/Service Takeaways



Retail Market Performance Trends, Town of Addison, 2014-2021



Source: Addison Economic Pulse

- Retail sector was struggling nationally pre-COVID; conditions are worsening
- Vacancy rates for retail space (10.4%) have increased in Addison in the last year; still lower than the region-wide average of 12.8%
- Rents have increased modestly since 2015, but have leveled off as tenants struggled to make payments during the pandemic
- Retail vacancy rates are likely to increase as the results of COVID continue to work through the system

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Retail Demand Forecast



Consumer Spending Forecast, Town of Addison, 2020-2030

Business Category	Consumer Spending (2020)	Forecasted Demand (2030)	2020-2030 Δ	
			#	%
Apparel and Services	\$23,601,192	\$31,408,902	\$7,807,710	33.1%
Computer/TV/Video	\$14,640,010	\$18,356,048	\$3,716,038	25.4%
Pets	\$6,861,175	\$10,109,972	\$3,248,797	47.4%
Toys/Games/Crafts/Hobbies	\$854,773	\$1,063,137	\$208,364	24.4%
Sports/Exercise Equipment	\$1,871,221	\$2,348,849	\$477,628	25.5%
Reading	\$2,523,643	\$2,700,158	\$176,515	7.0%
Food at Home	\$57,055,394	\$79,982,061	\$22,926,667	40.2%
Food Away	\$49,729,212	\$73,543,359	\$23,814,147	47.9%
Furniture/Furnishings/Household	\$21,944,066	\$25,682,904	\$3,738,838	17.0%
Pharmacy/Personal Care	\$14,686,605	\$19,509,218	\$4,822,613	32.8%
Automotive	\$36,711,854	\$48,708,007	\$11,996,153	32.7%
Home Improvement	\$26,202,297	\$34,423,380	\$8,221,083	31.4%
Total	\$256,681,442	\$347,835,994	\$91,154,552	35.5%

Source: ESRI BAO; Kimley-Horn

Retail SF Demand, Town of Addison, 2020-2030

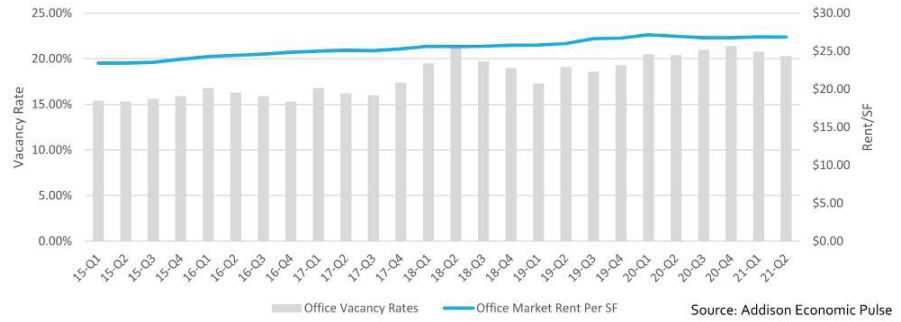
Business Category	Net New Spending Potential	Sales per Sq. Ft.	10-Year Retail Demand (SF)
Apparel and Services	\$7,807,710	\$280	27,885
Computer/TV/Video	\$3,716,038	\$400	9,290
Pets	\$3,248,797	\$245	13,260
Toys/Games/Crafts/Hobbies	\$208,364	\$150	1,389
Sports/Exercise Equipment	\$477,628	\$150	3,184
Reading	\$176,515	\$150	1,177
Food at Home	\$22,926,667	\$400	57,317
Food Away	\$23,814,147	\$350	68,040
Furniture/Furnishings/Household	\$3,738,838	\$180	20,771
Pharmacy/Personal Care	\$4,822,613	\$300	16,075
Automotive	\$11,996,153	\$440	27,264
Home Improvement	\$8,221,083	\$260	31,620
Total	\$91,154,552	\$329	277,273

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Office Takeaways



Office Market Performance Trends, Town of Addison, 2014-2021



- Future of office space following the pandemic remains uncertain
- Office vacancy rates in Addison have been on the rise, reaching 20.3% in 2Q2021
- Vacancy in Addison is lower than 25.0% regional average; excess space due to reconfiguration of office during and following COVID
- Average asking rents is comparable to ~\$26PSF average for region

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Office Demand Forecast



Office-Job Forecast, Town of Addison, 2020-2030

Industry	Office Share	2020	2030	2020-2030 Δ	
				#	%
Professional Services	90.0%	8,853	11,067	2,213	25.0%
Finance & Real Estate	90.0%	6,728	8,409	1,682	25.0%
Leisure & Hospitality	10.0%	649	778	130	20.0%
Retail Trade	10.0%	616	739	123	20.0%
Health Care	40.0%	1,496	1,871	374	25.0%
Other Services	30.0%	889	1,111	222	25.0%
Wholesale Trade	20.0%	559	699	140	25.0%
Construction	25.0%	529	661	132	25.0%
Information	80.0%	1,646	1,975	329	20.0%
Manufacturing	5.0%	203	219	16	8.0%
Transportation & Utilities	15.0%	158	190	32	20.0%
Education	20.0%	158	187	28	18.0%
Public Administration	40.0%	185	218	33	18.0%
Natural Resources	25.0%	51	56	5	10.0%
Total		22,719	28,179	5,460	24.0%

Source: ESRI BAO; NCTGOG; Woods & Poole; Kimley-Horn

Office SF Demand, Town of Addison, 2020-2030

Industry	Total Jobs	New Office SF per Office Job	Estimated Demand
Finance & Real Estate	1,682	200	336,375
Leisure & Hospitality	130	200	25,948
Retail Trade	123	200	24,624
Health Care	374	200	74,820
Other Services	222	200	44,445
Wholesale Trade	140	200	27,950
Construction	132	200	26,425
Information	329	200	65,824
Manufacturing	16	200	3,250
Transportation & Utilities	32	200	6,324
Education	28	200	5,695
Public Administration	33	200	6,653
Natural Resources	5	200	1,025
Total	5,460		1,092,023

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10-Year Demand Summary (Town of Addison)



Kimley»Horn

Town of Addison: 10-Year Demand (2020-2030)



HOUSING



RETAIL



OFFICE

Demand Forecast (approx.)

2,550 Units*

277,200 Square Feet

1,090,000 Square Feet

*See methodology note on the Housing Demand Forecast slide.

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Study Area Development Opportunities



Kimley»Horn



For-Sale Housing

Opportunity: Immediate
Products: Cottage
Townhouse
Missing Middle

Market Considerations

- Increases ownership opportunities in Addison
- Buffers existing SFD neighborhoods
- Adds rooftops to support commercial
- Land cost will influence price points



Rental Housing

Opportunity: Immediate
Products: Market-Rate MF
Active Adult MF
Senior Care

Market Considerations

- Recent MF developments prove viability
- Market-rate communities performing well
- Seniors are fastest growing age group
- Increases options for aging in place



Neighborhood-Serving Retail

Opportunity: Mid-Term
Product: In-line retailers
Destination
Service office

Market Considerations

- Retail in a state of flux
- New development will seek premier locations
- Smaller-scale retail can be an amenity
- Role for services beyond traditional retail



Office

Opportunity: Mid- to Long-Term
Product: Service office
Flexible workspaces
Medical

Market Considerations

- Continued recovery from pandemic
- Higher vacancy rates; excess space absorbed
- Smaller-scale neighborhood-services
- Medical office integrated in a master plan

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Market Assessment – Deep Dive, Part 1

Psychographics



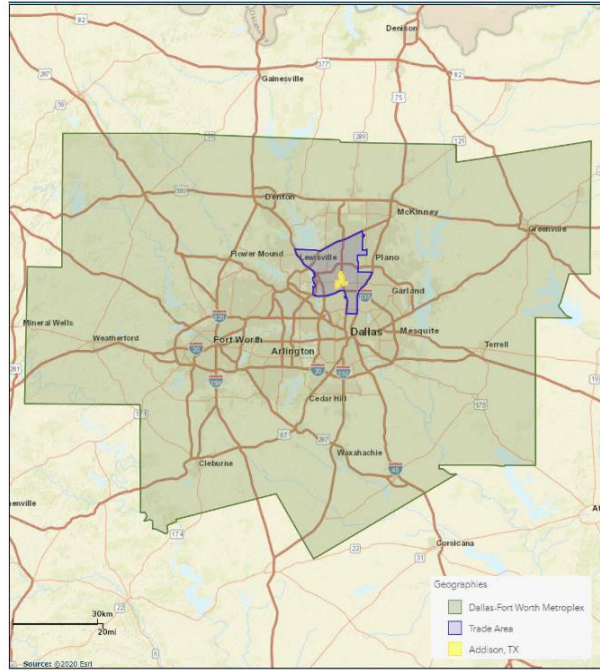
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Psychographics



- Put the 'face' on the numbers
- In addition to demographic data (age, employment status, etc.), psychographics look at interests and choices people make
- 67 segments include the entire US population
- Used by retailers and others to understand where people shop, what they do for recreation, etc.
- Helpful to understand the character of a community

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Three geographies are used for comparisons

- Town of Addison
- Addison Trade Area
- Metroplex



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Page 1 of 1

Town of Addison Psychographics



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Top Tapestry Segments – Town of Addison



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Rank	Tapestry Segment	2021 Households		2021 U.S. Households		Index
		Percent	Cumulative Percent	Percent	Cumulative Percent	
1	Metro Renters (3B)	50.20%	50.20%	1.70%	1.70%	2,916
2	Young and Restless (11B)	22.20%	72.40%	1.80%	3.50%	1,268
3	Enterprising Professionals (2D)	11.40%	83.80%	1.40%	4.90%	798
4	Urban Chic (2A)	10.30%	94.10%	1.30%	6.20%	793
5	Exurbanites (1E)	3.70%	97.80%	1.90%	8.10%	191
6	Emerald City (8B)	2.20%	100.00%	1.40%	9.50%	156
	Total	100.0%		9.5%		1,047

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Metro Renters (50.2% of households)



Kimley»Horn



LifeMode Group: Uptown Individuals

Metro Renters

3B

Households: 1,911,500

Average Household Size: 1.67

Median Age: 32.5

Median Household Income: \$67,000

WHO ARE WE?

Residents in this highly mobile and educated market live alone or with a roommate in older apartment buildings and condos located in the urban core of the city. This is one of the fastest growing segments; the popularity of urban life continues to increase for consumers in their late twenties and thirties. *Metro Renters* residents' income is above the US average, but they spend a large portion of their wages on rent, clothes, and the latest technology. Computers and cell phones are an integral part of everyday life and are used interchangeably for news, entertainment, shopping, and social media. *Metro Renters* residents live close to their jobs and usually walk or take a taxi to get around the city.

OUR NEIGHBORHOOD

- Over half of all households are occupied by singles, resulting in the smallest average household size among the markets, 1.67.
- Neighborhoods feature 20+ unit apartment buildings, typically surrounded by offices and businesses.
- Renters occupy close to 80% of all households.
- Public transportation, taxis, walking, and biking are popular ways to navigate the city.

SOCIOECONOMIC TRAITS

- Well-educated consumers, many currently enrolled in college.
- Very interested in the fine arts and strive to be sophisticated; value education and creativity.
- Willing to take risks and work long hours to get to the top of their profession.
- Become well informed before purchasing the newest technology.
- Prefer environmentally safe products.
- Socializing and social status very important.



Note: The Index represents the ratio of the segment rate to the US rate, multiplied by 100. Consumer preferences are calculated from data by MR-Sentient.

Young and Restless (22.2% of households)



LifeMode Group: Midtown Singles Young and Restless

11B

Households: 2,131,500
Average Household Size: 2.04
Median Age: 29.8
Median Household Income: \$40,500

WHO ARE WE?

Gen Y comes of age: Well-educated young workers, some of whom are still completing their education, are employed in professional/technical occupations, as well as sales and office/administrative support roles. These residents are not established yet, but striving to get ahead and improve themselves. This market ranks in the top 5 for renters, movers, college enrollment, and labor force participation rate. Almost 1 in 5 residents move each year. More than half of all householders are under the age of 35, the majority living alone or in shared nonfamily dwellings. Median household income is still below the US. Smartphones are a way of life, and they use the Internet extensively. Young and Restless consumers typically live in densely populated neighborhoods in large metropolitan areas; over 50% are located in the South (almost a fifth in Texas), with the rest chiefly in the West and Midwest.

OUR NEIGHBORHOOD

- One of the youngest markets: More than half the householders under age 35; median age 29.8.
- Primarily single-person households (Index 163) with some shared households (Index 201).
- Highly mobile market, beginning careers and changing addresses frequently.
- One of the top 5 renter markets (Index 233).
- Apartment rentals popular: 44% in 5-19 unit buildings (Index 487), 27% in 20+ unit buildings (Index 318).
- Majority of housing built in 1970 or later (84%).

SOCIOECONOMIC TRAITS

- Education completed: More than 2 out of 3 have some college, an associate's degree, or a bachelor's degree or higher. Almost 14% are still enrolled in college (Index 175).
- Labor force participation rate is exceptionally high at 75.0%.
- These careful shoppers are aware of prices, and demonstrate little brand loyalty.
- Like to be the first to try new products, but prefer to do research before buying the latest electronics.
- Most of their information comes from the Internet and TV, rather than traditional media.
- Carry their cell phone everywhere they go.



Note: The index represents the ratio of the segment rate to the US rate, multiplied by 100. Consumer preferences are calculated from data by MR-Sentronix.

Enterprising Professionals (11.4% of households)



LifeMode Group: Upscale Avenues Enterprising Professionals

2D

Households: 1,737,200
Average Household Size: 2.48
Median Age: 35.3
Median Household Income: \$86,600

WHO ARE WE?

Enterprising Professionals residents are well educated and climbing the ladder in STEM (science, technology, engineering, and mathematics) occupations. They change jobs often and therefore choose to live in condos, town homes, or apartments; many still rent their homes. The market is fast-growing, located in lower density diverse neighborhoods of large metro areas. This young market makes over one and a half times more income than the US median, supplementing their income with investments. At home, they enjoy the Internet and TV on high-speed connections with premier channels and services.

OUR NEIGHBORHOOD

- Almost half of households are married couples, and 29% are single person households.
- Housing is a mixture of suburban single-family homes, row homes, and larger multiunit structures.
- Close to three quarters of the homes were built after 1980; 25% are newer, built after 2000.
- Renters make up nearly half of all households.

SOCIOECONOMIC TRAITS

- Median household income one and a half times that of the US.
- Over half hold a bachelor's degree or higher.
- Early adopters of new technology in hopes of impressing peers with new gadgets.
- Enjoy talking about and giving advice on technology.
- Use smartphones for news, accessing search engines, and maps.
- Work long hours in front of a computer.
- Strive to stay youthful and healthy, eat organic and natural foods, run and do yoga.
- Buy name brands and trendy clothes online.



Note: The index represents the ratio of the segment rate to the US rate, multiplied by 100. Consumer preferences are calculated from data by MR-Sentronix.

Urban Chic (10.3% of households)



Kimley»Horn



LifeMode Group: Upscale Avenues

Urban Chic

2A

Households: 1,635,200

Average Household Size: 2.39

Median Age: 43.3

Median Household Income: \$109,400

WHO ARE WE?

Urban Chic residents are professionals that live a sophisticated, exclusive lifestyle. Half of all households are occupied by married-couple families and about 30% are singles. These are busy, well-connected, and well-educated consumers—avid readers and moviegoers, environmentally active, and financially stable. This market is a bit older, with a median age of 43 years, and growing slowly, but steadily.

OUR NEIGHBORHOOD

- More than half of Urban Chic households include married couples; nearly 30% are singles.
- Average household size is slightly lower at 2.39.
- Homes range from prewar to recent construction, high-rise to single family. Over 60% of householders live in single-family homes; more than one in four live in multiunit structures.
- Two-thirds of homes are owner occupied.
- Major concentrations of these neighborhoods are found in the suburban periphery of large metropolitan areas on the California coast and along the East Coast.
- Most households have two vehicles available. Commuting time is slightly longer, but commuting by bicycle is common (Index 252).

SOCIOECONOMIC TRAITS

- Well educated, more than 65% of residents hold a bachelor's degree or higher (Index 212).
- Labor force participation is higher at 68%.
- Residents are employed in white collar occupations—in managerial, technical, and legal positions.
- Nearly 40% of households receive income from investments.
- Environmentally aware, residents actively recycle and maintain a "green" lifestyle.
- These busy, tech-savvy residents use PCs extensively for an array of activities such as shopping, banking, and staying current—a top market for Apple computers.

Note: The Index represents the ratio of the segment rate to the U.S. rate, multiplied by 100. Consumer preferences are calculated from data by MB&S research.



Exurbanites (3.7% of households)



Kimley»Horn



LifeMode Group: Affluent Estates

Exurbanites

1E

Households: 2,398,200

Average Household Size: 2.50

Median Age: 51.0

Median Household Income: \$103,400

WHO ARE WE?

Exurbanites residents are now approaching retirement but showing few signs of slowing down. They are active in their communities, generous in their donations, and seasoned travelers. They take advantage of their proximity to large metropolitan centers to support the arts but prefer a more expansive home style in less crowded neighborhoods. They have cultivated a lifestyle that is both affluent and urbane.

OUR NEIGHBORHOOD

- Established neighborhoods (most built between 1970 and 1990) found in the suburban periphery of large metropolitan markets.
- A larger market of empty nesters, married couples with no children; average household size is 2.50.
- Primarily single family homes with a high median value of \$423,400 (Index 204), most still carrying mortgages.
- Higher vacancy rate at 9%.

SOCIOECONOMIC TRAITS

- Residents are college educated; more than half have a bachelor's degree or higher; nearly 81% have some college education.
- This labor force is beginning to retire. 1 in 3 households currently receive Social Security or retirement income. Labor force participation has declined to less than 60% (Index 95).
- More of the residents prefer self-employment (Index 178) or working from home (Index 177).
- Consumers are more interested in quality than cost. They take pride in their homes and foster a sense of personal style.
- Exurbanites residents are well connected, using the Internet for everything from shopping to managing their finances.
- Sociable and hardworking, they still find time to stay physically fit.

Note: The Index represents the ratio of the segment rate to the U.S. rate, multiplied by 100. Consumer preferences are calculated from data by MB&S research.



Emerald City (2.2% of households)



LifeMode Group: Middle Ground Emerald City

8B

Households: 1,748,600
Average Household Size: 2.06
Median Age: 37.4
Median Household Income: \$59,200

WHO ARE WE?

Emerald City's denizens live in lower-density neighborhoods of urban areas throughout the country. Young and mobile, they are more likely to rent. Half have a college degree and a professional occupation. Incomes close to the US median come primarily from wages, investments, and self-employment. This group is highly connected, using the Internet for entertainment and making environmentally friendly purchases. Long hours on the Internet are balanced with time at the gym. Many embrace the "foodie" culture and enjoy cooking adventurous meals using local and organic foods. Music and art are major sources of enjoyment. They travel frequently, both abroad and domestically.

OUR NEIGHBORHOOD

- There are mostly older, established neighborhoods with homes built before 1960; around 30% built before 1940.
- Just over half of all homes are renter occupied.
- Single-person and nonfamily types make up over half of all households.
- Median home value and average rent are slightly above the US levels; around half of owned homes are worth \$150,000-\$300,000.

SOCIOECONOMIC TRAITS

- Consumers research products carefully before making purchases.
- They buy natural, green, and environmentally friendly products.
- Very conscious of nutrition, they regularly buy and eat organic foods.
- Cell phones and text messaging are a huge part of everyday life.
- They place importance on learning new things to keep life fresh and variable.
- They are interested in the fine arts and especially enjoy listening to music.



Note: The house represents the rate of the segment rate to the US and multiplied by 100. Consumer preferences are calculated from data by MRI-Simmons.

Trade Area Psychographics



Sam's Club Special Area Study

Top Tapestry Segments – Trade Area



Kimley»Horn

Rank	Tapestry Segment	2021 Households		2021 U.S. Households		Index
		Percent	Cumulative Percent	Percent	Cumulative Percent	
1	Young and Restless (11B)	16.10%	16.10%	1.80%	1.80%	916
2	Metro Renters (3B)	11.10%	27.20%	1.70%	3.50%	645
3	Enterprising Professionals (2D)	8.50%	35.70%	1.40%	4.90%	590
4	Top Tier (1A)	7.70%	43.40%	1.70%	6.60%	463
5	Professional Pride (1B)	5.50%	48.90%	1.60%	8.20%	335
	Subtotal	48.90%		8.20%		
6	Savvy Suburbanites (1D)	5.10%	54.00%	3.00%	11.20%	172
7	NeWest Residents (13C)	4.90%	58.90%	0.80%	12.00%	634
8	Home Improvement (4B)	4.50%	63.40%	1.70%	13.70%	266
9	Boomburbs (1C)	3.40%	66.80%	1.80%	15.50%	189
10	Urban Chic (2A)	3.30%	70.10%	1.30%	16.80%	258
	Subtotal	21.20%		8.60%		
11	Exurbanites (1E)	3.30%	73.40%	1.90%	18.70%	172
12	Bright Young Professionals (8C)	2.50%	75.90%	2.30%	21.00%	108
13	In Style (5B)	2.40%	78.30%	2.20%	23.20%	107
14	Golden Years (9B)	2.40%	80.70%	1.30%	24.50%	179
15	Laptops and Lattes (3A)	2.30%	83.00%	1.10%	25.60%	216
	Subtotal	12.90%		8.80%		
16	Workday Drive (4A)	2.30%	85.30%	3.00%	28.60%	78
17	Old and Newcomers (8F)	2.10%	87.40%	2.30%	30.90%	89
18	Urban Edge Families (7C)	1.60%	89.00%	1.50%	32.40%	109
19	Emerald City (8B)	1.60%	90.60%	1.40%	33.80%	111
20	Parks and Rec (5C)	1.30%	91.90%	2.00%	35.80%	66
	Subtotal	8.90%		10.20%		
	Total	91.7		35.7		257

DRAFT -- Sam's Club Special Area Study

Young and Restless (16.1% of households)



Kimley»Horn



LifeMode Group: Midtown Singles

Young and Restless

11B

Households: 2,131,500

Average Household Size: 2.04

Median Age: 29.8

Median Household Income: \$40,500

WHO ARE WE?

Gen Y comes of age: Well-educated young workers, some of whom are still completing their education, are employed in professional/technical occupations, as well as sales and office/administrative support roles. These residents are not established yet, but striving to get ahead and improve themselves. This market ranks in the top 5 for renters, movers, college enrollment, and labor force participation rate. Almost 1 in 5 residents move each year. More than half of all householders are under the age of 35, the majority living alone or in shared nonfamily dwellings. Median household income is still below the US. Smartphones are a way of life, and they use the Internet extensively. *Young and Restless* consumers typically live in densely populated neighborhoods in large metropolitan areas; over 50% are located in the South (almost a fifth in Texas), with the rest chiefly in the West and Midwest.

OUR NEIGHBORHOOD

- One of the youngest markets: More than half the householders under age 35; median age 29.8.
- Primarily single-person households (Index 163) with some shared households (Index 201).
- Highly mobile market, beginning careers and changing addresses frequently.
- One of the top 5 renter markets (Index 233).
- Apartment rentals popular: 44% in 5-19 unit buildings (Index 487), 27% in 20+ unit buildings (Index 318).
- Majority of housing built in 1970 or later (84%).

SOCIOECONOMIC TRAITS

- Education completed: More than 2 out of 3 have some college, an associate's degree, or a bachelor's degree or higher. Almost 14% are still enrolled in college (Index 175).
- Labor force participation rate is exceptionally high at 75.0%.
- These careful shoppers are aware of prices, and demonstrate little brand loyalty.
- Like to be the first to try new products, but prefer to do research before buying the latest electronics.
- Most of their information comes from the Internet and TV, rather than traditional media.
- Carry their cell phone everywhere they go.



Note: The Index compares the ratio of the segment rate to the U.S. rate, multiplied by 100. Consumer preferences are calculated from data by IMS-Research.

Metro Renters (11.1% of households)



LifeMode Group: Uptown Individuals

Metro Renters

3B

Households: 1,911,500
 Average Household Size: 1.67
 Median Age: 32.5
 Median Household Income: \$67,000

WHO ARE WE?

Residents in this highly mobile and educated market live alone or with a roommate in older apartment buildings and condos located in the urban core of the city. This is one of the fastest growing segments; the popularity of urban life continues to increase for consumers in their late twenties and thirties. *Metro Renters* residents income is above the US average, but they spend a large portion of their wages on rent, clothes, and the latest technology. Computers and cell phones are an integral part of everyday life and are used interchangeably for news, entertainment, shopping, and social media. *Metro Renters* residents live close to their jobs and usually walk or take a taxi to get around the city.

OUR NEIGHBORHOOD

- Over half of all households are occupied by singles, resulting in the smallest average household size among the markets, 1.67.
- Neighborhoods feature 20+ unit apartment buildings, typically surrounded by offices and businesses.
- Renters occupy close to 80% of all households.
- Public transportation, taxis, walking, and biking are popular ways to navigate the city.

SOCIOECONOMIC TRAITS

- Well-educated consumers, many currently enrolled in college.
- Very interested in the fine arts and strive to be sophisticated; value education and creativity.
- Willing to take risks and work long hours to get to the top of their profession.
- Become well informed before purchasing the newest technology.
- Prefer environmentally safe products.
- Socializing and social status very important.



Note: The icons represent the ratio of the segment size to the US and multiplied by 100. Consumer preferences are calculated from data by MRI-Siemens.

Enterprising Professionals (8.5% of households)



LifeMode Group: Upscale Avenues

Enterprising Professionals

2D

Households: 1,737,200
 Average Household Size: 2.48
 Median Age: 35.3
 Median Household Income: \$86,600

WHO ARE WE?

Enterprising Professionals residents are well educated and climbing the ladder in STEM (science, technology, engineering, and mathematics) occupations. They change jobs often and therefore choose to live in condos, town homes, or apartments; many still rent their homes. The market is fast-growing, located in lower density diverse neighborhoods of large metro areas. This young market makes over one and a half times more income than the US median, supplementing their income with investments. At home, they enjoy the Internet and TV on high-speed connections with premier channels and services.

OUR NEIGHBORHOOD

- Almost half of households are married couples, and 29% are single person households.
- Housing is a mixture of suburban single-family homes, row homes, and larger multiunit structures.
- Close to three quarters of the homes were built after 1980; 25% are newer, built after 2000.
- Renters make up nearly half of all households.

SOCIOECONOMIC TRAITS

- Median household income one and a half times that of the US.
- Over half hold a bachelor's degree or higher.
- Early adopters of new technology in hopes of impressing peers with new gadgets.
- Enjoy talking about and giving advice on technology.
- Use smartphones for news, accessing search engines, and maps.
- Work long hours in front of a computer.
- Strive to stay youthful and healthy, eat organic and natural foods, run and do yoga.
- Buy name brands and trendy clothes online.



Note: The icons represent the ratio of the segment size to the US and multiplied by 100. Consumer preferences are calculated from data by MRI-Siemens.

Top Tier (7.7% of households)



LifeMode Group: Affluent Estates Top Tier

1A

Households: 2,113,000
Average Household Size: 2.84
Median Age: 47.3
Median Household Income: \$173,200

WHO ARE WE?

The residents of the wealthiest Tapestry market, *Top Tier*, earn more than three times the US household income. They have the purchasing power to indulge any choice, but what do their hearts' desire? Aside from the obvious expense for the upkeep of their lavish homes, consumers select upscale salons, spas, and fitness centers for their personal well-being and shop at high-end retailers for their personal effects. Whether short or long, domestic or foreign, their frequent vacations spare no expense. Residents fill their weekends and evenings with opera, classical music concerts, charity dinners, and shopping. These highly educated professionals have reached their corporate career goals. With an accumulated average net worth of over 3 million dollars and income from a strong investment portfolio, many of these older residents have moved into consulting roles or operate their own businesses.

OUR NEIGHBORHOOD

- Married couples without children or married couples with older children dominate this market.
- Housing units are owner occupied with the highest home values—and above average use of mortgages.
- Neighborhoods are older and located in the suburban periphery of the largest metropolitan areas, especially along the coasts.

SOCIOECONOMIC TRAITS

- *Top Tier* is a highly educated, successful consumer market: more than one in three residents has a postgraduate degree.
- Annually, they earn more than three times the US median household income, primarily from wages and salary, but also self-employment income (Index 177) and investments (Index 251).
- These are the nation's wealthiest consumers. They hire financial advisers to manage their diverse investment portfolios but stay abreast of current financial trends and products.
- Socially responsible consumers who aim for a balanced lifestyle, they are goal oriented and hardworking but make time for their kids or grandkids and maintain a close-knit group of friends.
- These busy consumers seek variety in life. They take an interest in the fine arts; read to expand their knowledge; and consider the Internet, radio, and newspapers as key media sources.
- They regularly cook their meals at home, attentive to good nutrition and fresh organic foods.



Note: The Index represents the ratio of the segment rate to the US rate, multiplied by 100. Consumer preferences are calculated from data by MRIServers.

Professional Pride (5.5% of households)



LifeMode Group: Affluent Estates Professional Pride

1B

Households: 1,982,300
Average Household Size: 3.13
Median Age: 40.8
Median Household Income: \$138,100

WHO ARE WE?

Professional Pride consumers are well-educated career professionals that have prospered through the Great Recession. To maintain their upscale suburban lifestyles, these goal oriented couples work, often commuting far and working long hours. However, their schedules are fine-tuned to meet the needs of their school age children. They are financially savvy; they invest wisely and benefit from interest and dividend income. So far, these established families have accumulated an average of 1.6 million dollars in net worth, and their annual household income runs at more than twice the US level. They take pride in their newer homes and spend valuable time and energy upgrading. Their homes are furnished with the latest in home trends, including finished basements equipped with home gyms and in-home theaters.

OUR NEIGHBORHOOD

- Typically owner occupied (Index 146), single-family homes are in newer neighborhoods: 67% of units were built in the last 20 years.
- Neighborhoods are primarily located in the suburban periphery of large metropolitan areas.
- Most households own three or more vehicles; long commutes are the norm.
- Homes are valued at more than twice the US median home value, although three out of four homeowners have mortgages to pay off.
- Families are mostly married couples (almost 80% of households), and nearly half of these families have kids. Their average household size, 3.13, reflects the presence of children.

SOCIOECONOMIC TRAITS

- *Professional Pride* consumers are highly qualified in the science, technology, law, or finance fields; they've worked hard to build their professional reputation or their start-up businesses.
- These consumers are willing to risk their accumulated wealth in the stock market.
- Most have a preferred financial institution, regularly read financial news, and use the Internet for banking transactions.
- Residents are goal oriented and strive for lifelong learning and learning.
- Life here is well organized; routine is a key ingredient to daily life.



Note: The Index represents the ratio of the segment rate to the US rate, multiplied by 100. Consumer preferences are calculated from data by MRIServers.

Metroplex Psychographics



Sam's Club Special Area Study

Top Tapestry Segments – Metroplex



Rank	Tapestry Segment	2021 Households		2021 U.S. Households		Index
		Percent	Cumulative Percent	Percent	Cumulative Percent	
1	Up and Coming Families (7A)	9.10%	9.10%	2.60%	2.60%	349
2	Boomburbs (1C)	7.20%	16.30%	1.80%	4.40%	398
3	Forging Opportunity (7D)	6.30%	22.60%	1.00%	5.40%	612
4	Young and Restless (11B)	6.30%	28.90%	1.80%	7.20%	358
5	Metro Renters (3B)	5.10%	34.00%	1.70%	8.90%	294
	Subtotal	34.00%		8.90%		
6	Home Improvement (4B)	4.60%	38.60%	1.70%	10.60%	273
7	Professional Pride (1B)	4.40%	43.00%	1.60%	12.20%	271
8	Urban Edge Families (7C)	4.30%	47.30%	1.50%	13.70%	292
9	Workday Drive (4A)	4.10%	51.40%	3.00%	16.70%	138
10	NeWest Residents (13C)	3.70%	55.10%	0.80%	17.50%	478
	Subtotal	21.10%		8.60%		
11	Savvy Suburbanites (1D)	3.20%	58.30%	3.00%	20.50%	109
12	Middleburg (4C)	3.00%	61.30%	3.00%	23.50%	101
13	Green Acres (6A)	2.80%	64.10%	3.30%	26.80%	86
14	Metro Fusion (11C)	2.70%	66.80%	1.40%	28.20%	192
15	Bright Young Professionals (8C)	2.60%	69.40%	2.30%	30.50%	117
	Subtotal	14.30%		13.00%		
16	Southern Satellites (10A)	2.40%	71.80%	3.20%	33.70%	75
17	Enterprising Professionals (2D)	2.10%	73.90%	1.40%	35.10%	147
18	Comfortable Empty Nesters (5A)	1.90%	75.80%	2.40%	37.50%	79
19	Top Tier (1A)	1.70%	77.50%	1.70%	39.20%	100
20	Rustbelt Traditions (5D)	1.40%	78.90%	2.20%	41.40%	65
	Subtotal	9.50%		10.90%		
	Total	79.0%		41.2%		192

DRAFT -- Sam's Club Special Area Study

Up and Coming Families (9.1% of households)



LifeMode Group: Sprouting Explorers Up and Coming Families

7A

Households: 2,901,200
Average Household Size: 3.12
Median Age: 31.4
Median Household Income: \$72,000

WHO ARE WE?

Up and Coming Families is a market in transition—residents are younger and more mobile than the previous generation. They are ambitious, working hard to get ahead, and willing to take some risks to achieve their goals. The recession has impacted their financial well-being, but they are optimistic. Their homes are new; their families are young. And this is one of the fastest-growing markets in the country.

OUR NEIGHBORHOOD

- New suburban periphery: new families in new housing subdivisions.
- Building began in the housing boom of the 2000s and continues in this fast-growing market.
- Single-family homes with a median value of \$194,400 and a lower vacancy rate.
- The price of affordable housing: longer commute times (Index 217).

SOCIOECONOMIC TRAITS

- Education: 67% have some college education or degree(s).
- Hard-working labor force with a participation rate of 71% (Index 114).
- Most households (61%) have 2 or more workers.
- Careful shoppers, aware of prices, willing to shop around for the best deals and open to influence by others' opinions.
- Seek the latest and best in technology.
- Young families still feathering the nest and establishing their style.



Note: The Index represents the ratio of the segment rate to the US rate, multiplied by 100. Consumer preferences are calculated from data by MR-Sentron.

Boomburbs (7.2% of households)



LifeMode Group: Affluent Estates Boomburbs

1C

Households: 2,004,400
Average Household Size: 3.25
Median Age: 34.0
Median Household Income: \$113,400

WHO ARE WE?

This is the new growth market, with a profile similar to the original: young professionals w/ families that have opted to trade up to the newest housing in the suburbs. The original *Boomburbs* neighborhoods began growing in the 1990s and continued through the peak of the housing boom. Most of those neighborhoods are fully developed now. This is an affluent market but with a higher proportion of mortgages. Rapid growth still distinguishes the *Boomburbs* neighborhoods, although the boom is more subdued now than it was 10 years ago. So is the housing market. Residents are well-educated professionals with a running start on prosperity.

OUR NEIGHBORHOOD

- Growth markets are in the suburban periphery of large metropolitan areas.
- Young families are married with children (Index 220); average household size is 3.25.
- Home ownership is 84% (Index 134), with the highest rate of mortgages, 71.5% (Index 173).
- Primarily single-family homes, in new neighborhoods, 66% built since 2000 (Index 441).
- Median home value is \$350,000 (Index 169).
- Lower housing vacancy rate at 3.7%.
- The cost of affordable new housing comes at the expense of one of the longest commutes to work, over 30 minutes average, including a disproportionate number (33.6%) commuting across county lines (Index 141).

SOCIOECONOMIC TRAITS

- Well educated young professionals, 55% are college graduates (Index 178).
- High labor force participation at 71.3% (Index 114); most households have more than two workers (Index 124).
- Longer commute times from the suburban growth corridors have created more home workers (Index 156).
- Well connected, own the latest devices and understand how to use them efficiently; biggest complaints—too many devices and too many intrusions on personal time.
- Financial planning is well under way for these professionals.



Note: The Index represents the ratio of the segment rate to the US rate, multiplied by 100. Consumer preferences are calculated from data by MR-Sentron.

Forging Opportunity (6.3% of households)



7D

LifeMode Group: Sprouting Explorers Forging Opportunity

Households: 1,289,900
Average Household Size: 3.62
Median Age: 28.9
Median Household Income: \$38,000

WHO ARE WE?

Family is central within these communities, bringing rich traditions to these neighborhoods in the urban outskirts. Dominating this market are younger families with children or single-parent households with multiple generations living under the same roof. These households balance their budgets carefully but also indulge in the latest trends and purchase with an eye to brands. Most workers are employed in skilled positions across the manufacturing, construction, or retail trade sectors.

OUR NEIGHBORHOOD

- Family market; over a third of all households are married couples with children, with a number of multigenerational households and single-parent families; household size is higher at 3.62.
- While most residents live in single-family homes, almost 10% of householders reside in mobile home parks.
- Homes are owner occupied, with slightly higher monthly costs (Index 103) but fewer mortgages (Index 83).
- Most are older homes, nearly 60% built from 1950 to 1989.
- Most households have one or two vehicles; many commuters car pool or walk to work (Index 145).
- *Forging Opportunity* residents live within the urban periphery of larger metropolitan areas across the South and West.

SOCIOECONOMIC TRAITS

- While a majority finished high school, over 40% have not (Index 321).
- Labor force participation is slightly lower at 61%.
- More than one in four households is below the poverty level (Index 183).
- Residents balance their budgets carefully by spending only on necessities and limiting activities like dining out.
- Many have no financial investments or retirement savings, but they have their homes.



Note: The index represents the rate of this segment rate to the US rate, multiplied by 100. Consumer preferences are calculated from data by MR-Scorecard.

Young and Restless (6.3% of households)



11B

LifeMode Group: Midtown Singles Young and Restless

Households: 2,131,500
Average Household Size: 2.04
Median Age: 29.8
Median Household Income: \$40,500

WHO ARE WE?

Gen Y comes of age: Well-educated young workers, some of whom are still completing their education, are employed in professional/technical occupations, as well as sales and office/administrative support roles. These residents are not established yet, but striving to get ahead and improve themselves. This market ranks in the top 5 for renters, movers, college enrollment, and labor force participation rate. Almost 1 in 5 residents move each year. More than half of all householders are under the age of 35, the majority living alone or in shared nonfamily dwellings. Median household income is still below the US. Smartphones are a way of life, and they use the Internet extensively. *Young and Restless* consumers typically live in densely populated neighborhoods in large metropolitan areas; over 50% are located in the South (almost a fifth in Texas), with the rest chiefly in the West and Midwest.

OUR NEIGHBORHOOD

- One of the youngest markets: More than half the householders under age 35; median age 29.8.
- Primarily single-person households (Index 163) with some shared households (Index 201).
- Highly mobile market, beginning careers and changing addresses frequently.
- One of the top 5 renter markets (Index 233).
- Apartment rentals popular: 44% in 5-19 unit buildings (Index 487), 27% in 20+ unit buildings (Index 318).
- Majority of housing built in 1970 or later (84%).

SOCIOECONOMIC TRAITS

- Education completed: More than 2 out of 3 have some college, an associate's degree, or a bachelor's degree or higher. Almost 14% are still enrolled in college (Index 175).
- Labor force participation rate is exceptionally high at 75.0%.
- These careful shoppers are aware of prices, and demonstrate little brand loyalty.
- Like to be the first to try new products, but prefer to do research before buying the latest electronics.
- Most of their information comes from the Internet and TV, rather than traditional media.
- Carry their cell phone everywhere they go.



Note: The index represents the rate of this segment rate to the US rate, multiplied by 100. Consumer preferences are calculated from data by MR-Scorecard.

LifeMode Group: Uptown Individuals
Metro Renters

Households: 1,911,500
Average Household Size: 1.67
Median Age: 32.5
Median Household Income: \$67,000



Metro Renters (5.1% of households)



WHO ARE WE?

Residents in this highly mobile and educated market live alone or with a roommate in older apartment buildings and condos located in the urban core of the city. This is one of the fastest growing segments; the popularity of urban life continues to increase for consumers in their late twenties and thirties. *Metro Renters* residents income is above the US average, but they spend a large portion of their wages on rent, clothes, and the latest technology. Computers and cell phones are an integral part of everyday life and are used interchangeably for news, entertainment, shopping, and social media. *Metro Renters* residents live close to their jobs and usually walk or take a taxi to get around the city.

OUR NEIGHBORHOOD

- Over half of all households are occupied by singles, resulting in the smallest average household size among the markets, 1.67.
- Neighborhoods feature 20+ unit apartment buildings, typically surrounded by offices and businesses.
- Renters occupy close to 80% of all households.
- Public transportation, taxis, walking, and biking are popular ways to navigate the city.

SOCIOECONOMIC TRAITS

- Well-educated consumers, many currently enrolled in college.
- Very interested in the fine arts and strive to be sophisticated; value education and creativity.
- Willing to take risks and work long hours to get to the top of their profession.
- Become well informed before purchasing the newest technology.
- Prefer environmentally safe products.
- Socializing and social status very important.



Note: The icons represent the ratio of the segment size to the US size, multiplied by 100. Consumer preferences are calculated from data by IMS-Berkeley.

Market Assessment – Deep Dive, Part 2

Key Market Opportunities



DRAFT -- Sam's Club Special Area Study



Deeper Dive: Missing Middle, Active Adult & Senior Care



- Can take the form of townhouses, duplexes, tri- or quadplexes, live-work
- Building permits in Addison have been focused on opposite ends of the spectrum; only 0.5% in the last five years have been in the realm of 'missing middle'
- Supportive of smaller households which works well with Addison's 83.7% share of one- and two-person homes
- Land prices and market viability will impact affordability as densities are lower than commodity multifamily
- Promotes walkability and best suited for infill locations



Market Metric Checklist

- Forecasted household growth
- Higher shares of smaller households
- Availability of walkable infill sites
- Access to multimodal transportation
- Land prices can't be prohibitive
- Nearby amenities

Sam's Club Special Area Study



Deeper Dive: Missing Middle, Active Adult & Senior Care



Kimley»Horn

- Fosters the ability to downsize from family home
- Can include a wide array of product types, ranging from cottages to multifamily
- Typically restricted to ages 55+ so some residents will still be working
- Residents aged 55+ in Addison increased by 70.8% in the last 10 years
- Greystar's Overture brand expanding
 - Achieves a notable rent premium over standard market-rate product
 - Study of several newer communities showed 65%-115% premiums
 - Typically includes a variety of product offerings with one- and two-bedroom options

Overture Plano



Market Metric Checklist

- Forecasted household growth
- Growth in households 55+
- Growth in higher-income households
- Access to culture and entertainment
- Access to retail services
- Walkability

Sam's Club Special Area Study



Deeper Dive: Missing Middle, Active Adult & Senior Care



Kimley»Horn

	Multi-Family	Congregate Care			Healthcare
	Senior Apartments	Independent Living	Assisted Living	Memory Care	Nursing Care
Building Facility	Similar to apartments but may have special access and common area designs.	Similar to apartments but has commercial kitchen, dining room and additional common area amenities.	Most units do not have a full kitchen, only dorm room size refrigerator and microwave. Many units are studios.	Units do not have a full kitchen, only dorm room size refrigerator and microwave. Many units are studios.	Units resemble hotel rooms and many rooms have shared occupancy.
Ideal Building Size	60 to 200 Units	100 to 150 Units	80+ Units	24 to 36 Units	120 Beds (70 Units)
Resident Entry Age ⁽¹⁾	55 to 75	75 to 84 (avg. 80.6)	75 to 85 (avg. 87)	Included with assisted living	80 to 90
Percent Revenue from Services ⁽²⁾	0%	45%	65%	Included with assisted living	75%
Typical Services Provided	Organized social activities.	Restaurant-style dining, social activities, weekly housekeeping, laundry and transportation.	Independent living services plus assistance with bathing, eating and dressing; medication reminders (no administration of medicine).	Assisted living services plus special behavior/memory care, secured access only.	Assisted living services plus administration of medications. 24 hour care by RA, RN licensed personnel.
Average Length of Stay ⁽³⁾	5 to 12 Years	2.0 to 3.6 Years	1.2 to 3.0 Years	1.3 to 2.7 Years	30 Days to 2 Years
Average Monthly Rent ⁽⁴⁾		\$3,183	\$4,820	\$6,434	\$9,632
Trailing 47 Quarter Avg. Stabilized Occupancy / Avg. Current Quarter Stabilized ⁽⁴⁾ Occupancy		90.3%/92.0%	90.4%/89.5%	90.3%/87.9%	89.0%/86.6%

Source: CBRE Senior Housing & Care Market Insight

Sam's Club Special Area Study



Deeper Dive: Missing Middle, Active Adult & Senior Care



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- Attractive locations have strong growth in older residents
- Population 75+ in Addison increased by 131.6% in the last decade
- Range of services and care levels
- Model for development is changing based on desires of Baby Boomers
- Incorporation of walkability and open space is becoming more widespread
- Sam's Club Study Area has several hospital campuses within five miles

Sam's Club Special Area Study



Market Metric Checklist

- Forecasted household growth
- Growth in households 75+
- Proximity to medical services
- Access to retail and amenities
- Land availability/acreage
- Distribution of competition



Deeper Dive: Neighborhood- Serving Retail



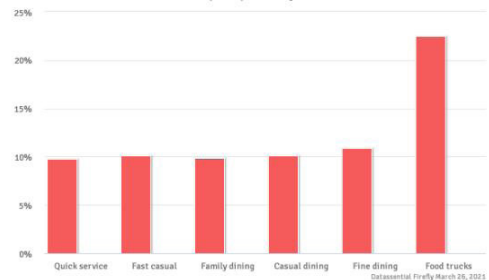
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- Neighborhood-serving retail can take the form of traditional retailers or professional services – both are seeking locations with access to customers
- Restaurants attracted to premier locations with access to major thoroughfares
- Restaurants operate on razor thin margins; more than 110,000 closed in 2020 nationally
- Consider nodes of existing (and future) competition – how does the Study Area stack up?
- Focus destination options in SW corner of Midway and Belt Line; neighborhood opportunities will come with new rooftops

Sam's Club Special Area Study

Cumulative COVID restaurant closures by segment

Among all US restaurants that have been in operation since COVID began, including newly opened, % that are reported permanently closed.



Market Metric Checklist

- Rooftops to support sales
- Household income levels
- Market performance of area
- Visible location with high traffic counts
- Distribution of competition
- Surplus and gaps in the market

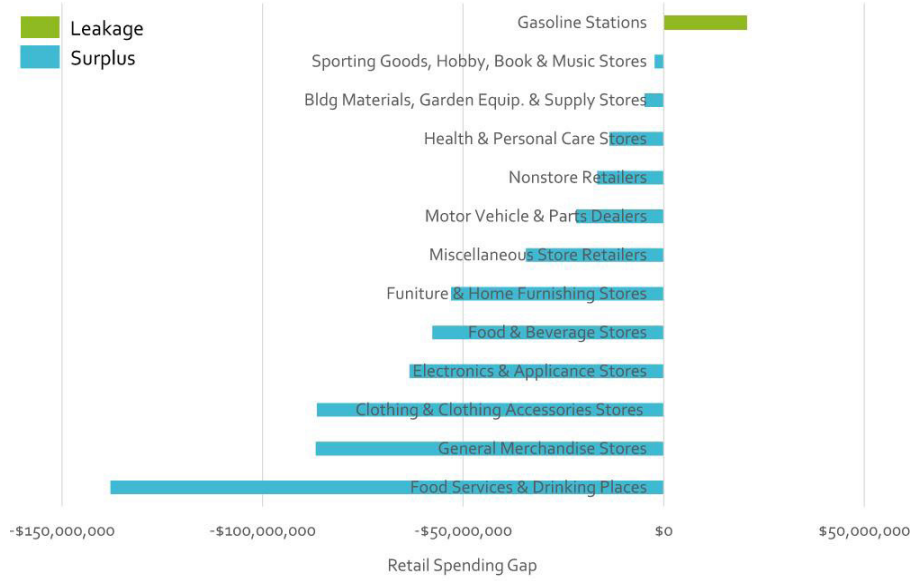


Deeper Dive: Neighborhood- Serving Retail



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Retail Gap Analysis, Town of Addison, 2020



Source: ESRI BAO; Kimley-Horn

Sam's Club Special Area Study

Market Assessment – Sample Pro Formas



Sam's Club Special Area Study

1

Property Values and Taxes



	Parcel Size (ac)	Land Value*	Improvement Value*	2021 Estimated Town Property Taxes*	Property Taxes Collected Per Acre
Midway Office Park	2.643	\$1,434,290	\$2,238,290	\$22,590.22	\$8,547.19
James Antony Home	1.749	\$914,230	\$1,941,660	\$17,566.72	\$10,043.87
Courtyard by Marriott	4.1416	\$1,804,080	\$2,445,920	\$26,141.96	\$6,312.04
Office in the Park	11.390	\$5,186,390	\$4,817,450	\$61,534.12	\$5,402.47
Cinema Event Center	2.281	\$993,600	\$856,400	\$11,379.44	\$4,988.80
Midway Square	8.1676	\$3,913,580	\$757,270	\$28,730.63	\$3,517.63
Motel 8 Tract	1.804	\$942,980	\$0	\$5,800.32	\$3,215.25
TOTAL	32.1762	\$15,189,150	\$15,406,180	\$188,193.40	\$5,848.84
Elan Addison Grove Multifamily	4.194	\$2,740,350	\$49,256,470	\$319,835.04	\$76,260.14
Towne Lake (66 parcels)	6.6	Land & Improvements \$24,830,920		\$152,736.23	\$23,141.85

* \$0.615105 per \$100 of Valuation.
* Based on the 2021 property appraisal roll published by the Dallas Central Appraisal District (DCAD) and the proposed tax rate included in the City Manager's FY21-22 Proposed Budget.

Sam's Club Special Area Study

2

Property Values and Taxes



Projected 2021 Property Tax Collections			
Townwide Total	Share of Total		
	Beltway to Proton	Elan Addison Grove Multifamily	Towne Lake (66 parcels)
\$30,126,363	0.62%	1.06%	0.51%

Projected Combined Operating and Capital Budget			
Townwide Total	Property Tax Collection as Share of Total		
	Beltway to Proton	Elan Addison Grove Multifamily	Towne Lake (66 parcels)
\$130,200,000	0.14%	0.25%	0.12%

Sam's Club Special Area Study

3

Role of a Pro Forma



- Provides a sense of the general level of expenses for a development without spending the time and money to draw up detailed project designs and engineering plans
- Offers the ability to compare expenses for different possible development programs
- Shows whether the project is likely to be profitable enough to pursue
 - Will financial institutions provide loans?
 - Does the public sector need to 'fill gaps'?
 - Does it return adequate profit for the company?
 - Is it a better way to spend the company's time and resources than another project somewhere else?
- In this case ...
 - Very generalized pro forma using typical per unit costs
 - Not detailed enough for making investment decisions
 - Useful to gain a sense of whether development might be realistic

Sam's Club Special Area Study

Single-Family Pro Forma Test Results



Sam's Club Special Area Study

Pro Forma Test Case Study Property

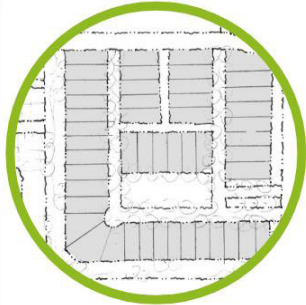


Crowne Plaza Property

- Known contract price
- 6.935 acres offers enough to be attractive to developer
- Access to existing infrastructure

Sam's Club Special Area Study

Single-Family Pro Forma Test Descriptions



Single-family Detached Pro Forma Test 1

- Consistency with nearby neighborhoods
- Averages 6,000SF lots
- Potential yield:
 - 48 lots
 - 1,800 linear feet of roads
 - 1,200 linear feet of alleys



Single-family Detached Pro Forma Test 2

- Increased density but remains detached
- Averages 3,500SF lots
- Potential yield:
 - 104 lots
 - 2,600 linear feet of roads
 - 1,800 linear feet of alleys

Sam's Club Special Area Study

Expense Considerations & Results



Expense Considerations

- Site acquisition
- Demolition
- Site preparation
- Design & engineering
- Permitting
- Infrastructure installation
- Fees, Legal, Tax, Ins.
- Debt Service

Test Option 1: 6,000 SF Lots

48 lots
 Expenses = \$37.1M
 Internal Rate of Return (IRR) = 20%-25%
 Average Estimated Sale Price Per Home:
\$1.20-\$1.25M
 12-month construction period
 24-month sales and absorption

Test Option 2: 3,500 SF Lots

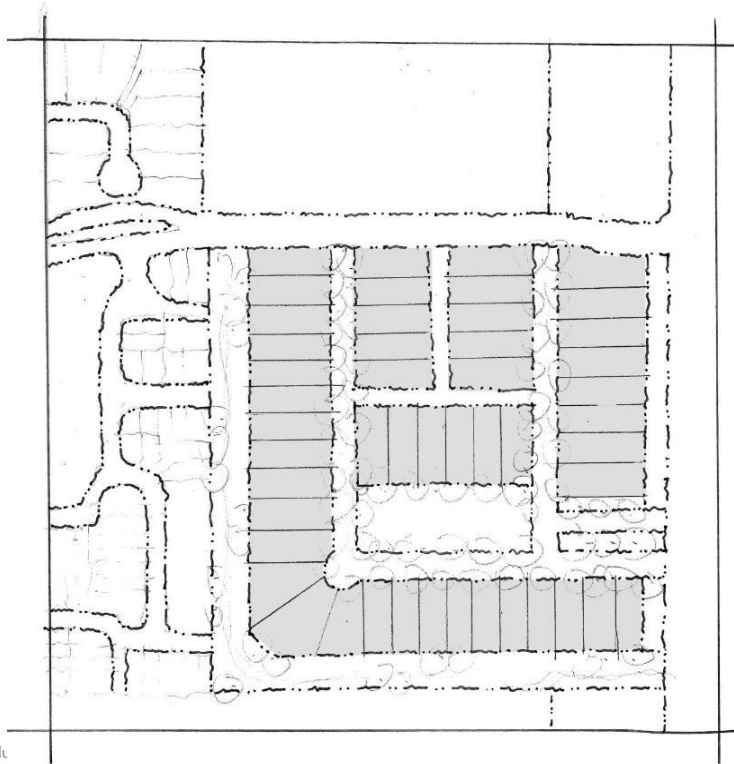
104 lots
 Expenses = \$47.2M
 IRR = 20%-25%
 Average Estimated Sale Price Per Home:
\$900,000-\$950,000
 12-month construction period
 36-month sales and absorption

Sam's Club Special Area Study

Pro Forma Test Layout #1



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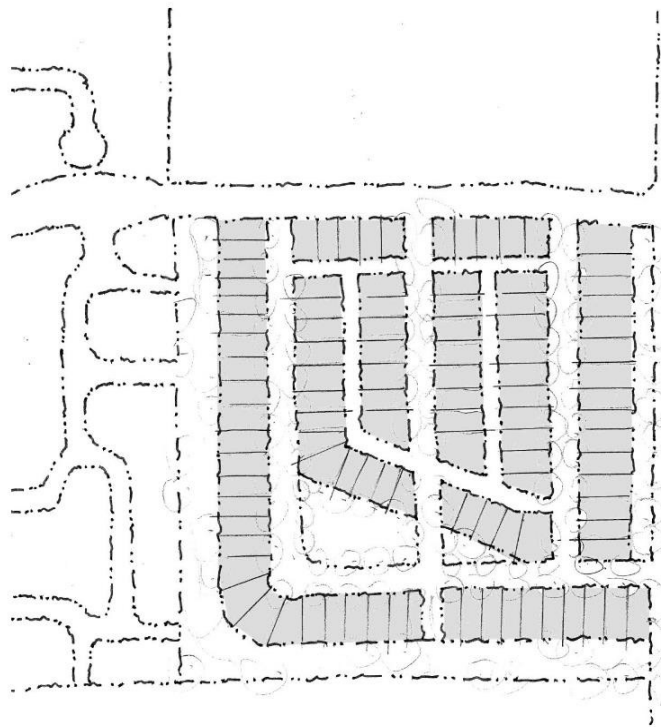


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Pro Forma Test Layout #2



Kimley»Horn



Sam's Club Special Area Study



Sam's Club Special Area Study

Results of the Alternatives Evaluation



STRATEGIC
COMMUNITY
SOLUTIONS




August 19, 2021



Sam's Club Special Area Study

1

Study Area
South of
Proton


Study Area Existing Conditions

- Legend**
- Property Lines
 - Existing Roads
 - ←- - - Master Plan Trails
 - 🚦 Traffic Signals
 - ▭ Existing Building Footprint
 - ⬜ Study Area Boundary
 - ▭ Area for Alternatives Evaluation

- Two alternatives were evaluated for this part of the study area
- Qualitative comparison of two options for the future



Sam's Club Special Area Study

2

Alternatives for Study Area South of Proton



• Option 1: Adaptive Reuse

- Retain some or all of the existing office buildings
- Reuse for medical offices, medical-related services, nursing or memory care
- Redevelop Crowne Plaza property with a variety of senior housing types
- Shown below are an illustrative block structure and site plan



Sam's Club Special Area Study

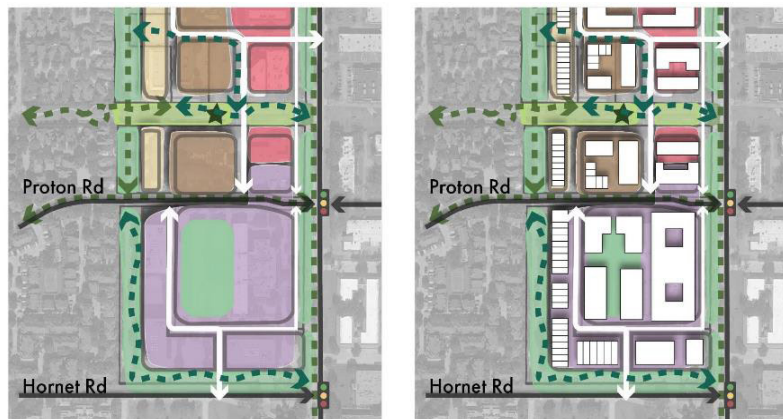
3

Alternatives for Study Area South of Proton



• Option 2: Redevelopment

- Assume all existing buildings are removed and a new, coordinated plan is created
- Include a wider range of senior housing types
- Include some medical office & services
- Shown below are an illustrative block structure and site plan



Sam's Club Special Area Study

4

Analysis of Alternatives



Strategic Objectives	Option 1	Option 2
1. Strengthen the area as a distinctive Addison destination.	Same – Moderately supports strengthening the area as a destination - the area will be a draw for seniors within Addison and surrounding communities by providing additional, desirable living options.	
2. Support new development with uses, character and buffering that continues the desirability of surrounding neighborhoods.	Same – this objective is supported - provides compatible uses and significantly stronger buffers than exist today.	
3. Include useable public green space throughout the area.	Same – the options provides significant, publicly accessible green spaces throughout the development.	
4. Provide opportunities for uses, development patterns and pedestrian connections that supplement the options available in Addison now.	Same – the options provides a higher level of connectivity than exists today.	

Analysis of Alternatives



Strategic Objectives	Option 1	Option 2
5. Include development options that are feasible under anticipated current and future market conditions.	Same – market analysis to date suggests current and future support for the continuum of care residential options as proposed.	
6. Enable development to occur in phases over time, with useable open space in each phase.	This option provides a development pattern that supports phasing over time with usable open space in each phase	This option is more likely to develop as a single development by combining two parcels and will less likely be phased with usable open space in each phase.
7. Build in flexibility to adapt to changing market demands and circumstances.	This option maintains a high level of flexibility - the current office buildings would be repurposed as assisted living and could be repurposed for additional uses in the future.	The building types in this option have a lower flexibility to be repurposed to meet changing market demands and circumstances.

Analysis of Alternatives



Physical Development Compatibility	Option 1	Option 2
Infrastructure capacity to accommodate new development pattern	Lower demand on water and wastewater than Option 2 due to lower density of residential uses and medical office uses.	Higher demands on water and wastewater than Option 1 due to higher level of residential uses.
New infrastructure requirements	Retrofit of infrastructure on portions of site with adaptive reuse / new infrastructure on redeveloped portions. No major offsite infrastructure needs identified.	New infrastructure required throughout site. No major offsite infrastructure needs identified.
Connections to existing Addison community	Same – provides a higher level of connectivity to the greater Addison community than exists today.	
Implications for traffic congestion	Lower level of trips generated than Option 2 due to focus on assisted living/memory care.	Higher level of trips generated than Option 1 due to independent living residential units.
Connections to and through site for walkability (North/South Trail Access)	Same – provides a higher level of walkability through the site than exists today.	
Transition to adjacent uses	Reuse of existing office buildings as assisted living adjacent to residential neighborhoods.	Townhome uses adjacent to all existing residential neighborhoods.

Sam's Club Special Area Study

7

Analysis of Alternatives



Physical Development Compatibility	Option 1	Option 2
Impacts on surrounding neighborhoods	Replaces Commercial Use with senior living within existing buildings.	Replaces Commercial uses with residential (townhome) uses.
Building Massing/Scale Relation to Existing Neighborhoods	Maintains existing 3 story building.	Replaces 3 story office with 2-3 story townhome.
Areas for landscaping, walls, buffers	Same – provides a minimum 50' green buffer with trails.	
Important design features	Same – provides significant green spaces and trail connections to the Dog Park and greater Addison Community.	
Ability to repurpose buildings as market changes	Higher ability to repurpose buildings in the future - Adaptive reuse of current office buildings would be repurposed as assisted living and could be repurposed for additional uses in the future.	Lower ability to repurpose buildings in the future.
Support for local people and businesses	Provides senior (continuum of care) housing options for Addison residents that will allow them to have the ability to stay in the community as they age.	Provides a wider range of senior (continuum of care) housing options for Addison residents that will allow them to have the ability to stay in the community as they age.

Sam's Club Special Area Study

8

Analysis of Alternatives



- Conclusions

- Two options are similar in their support for most Strategic Objectives
- Option 1 requires less demolition and could be adapted to a different set of uses more easily if that was needed in the future
- Option 2 offers a wider range of housing choice and continuum of care for residents
- Study Area recommendations could include both options if desired for flexibility in responding to the market

- Committee Discussion

Sam's Club Special Area Study

9