

FINAL
SUPPLEMENTAL
ENVIRONMENTAL IMPACT REPORT

For
DELANO MARKETPLACE
(SCH 2005011089)

Prepared by:



City of Delano
Community Development Department
1015 11th Avenue, Delano, CA 93216
Phone (661) 721-3340 Fax (661) 721-2135

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INTRODUCTION AND LIST OF COMMENTERS

1.0.1 INTRODUCTION

This Final Supplemental Environmental Impact Report (“Final SEIR”) for the Delano Marketplace Project (“Project”) contains public and agency comments received during the public comment period for the Draft SEIR, a list of persons and organizations commenting on the Draft SEIR, and the responses of the City of Delano, as lead agency. This document has been prepared by the City of Delano in accordance with the California Environmental Quality Act (“CEQA”).

1.0.2 PRIOR SUPERIOR COURT DECISION AND EFFECT ON THIS DOCUMENT

The City initially certified an Environmental Impact Report (“EIR”) and approved the Project in August 2007. In subsequent litigation challenging those actions, the Kern County Superior Court (“Court”) granted the petition in part and denied in part. The Court upheld the EIR’s analysis of urban decay for areas located within the City of Delano and the EIR’s conclusion of less-than-significant impact without the need for mitigation. However, the Court found that the EIR failed to adequately analyze the potential impacts to urban decay outside the City of Delano and within the identified secondary regional market area.

In light of the deficiency identified by the Court, the City has prepared this SEIR that analyzes the Project’s potential urban decay impacts outside Delano and within the previously-identified secondary regional market area. Consistent with CEQA, this SEIR includes only information and analysis on the issue of urban decay regarding geographic areas located outside of the City of Delano and within the regional market area.

1.0.3 THE DRAFT SEIR

The Draft SEIR was circulated for a 45-day public review period pursuant to CEQA Guidelines section 15105, subdivision (a). The 45-day public review period was from June 2, 2009 to July 17, 2009. The Draft SEIR was submitted to the State Clearinghouse for circulation to state agencies. The Notice of Availability of the Draft SEIR was published in the Delano Recorder, which is a newspaper of local circulation. A Notice of Availability was also posted with the Kern County Clerk and mailed to adjacent property owners.

1.0.4 LIST OF COMMENTERS

The following is a list of letters received regarding the Draft SEIR with identifying letter numbers, agency or person submitting the letter, and date of letter:

1. B.M. Smith, Department of California Highway Patrol, June 29, 2009
2. Kenneth Rossen, City of McFarland and McFarland Redevelopment Agency, July 15, 2009
3. Mark R. Wolfe, M.R. Wolfe & Associates, July 17, 2009
4. Terry Roberts, State Clearinghouse and Planning Unit, July 21, 2009

COMMENTS AND RESPONSES

2.1 ADE's MASTER ANALYSES

MEMO

TO: Keith Woodcock, Community Development Director
FROM: Peter Cheng (ADE Senior Associate) and Tony Daysog (ADE Senior Associate)
DATE: July 31, 2009
RE: Responses to Public Comments on Economic and Urban Decay Analysis

MASTER ANALYSIS 1. DATA SOURCES AND METHODOLOGY

The section below addresses comments raised by the City of McFarland on why ADE used the ZIP Codes Statistics as the baseline dataset for its impact analysis. In particular, the discussion below addresses points raised in: Comment 3, on the use of California Board of Equalization, and Dun and Bradstreet; Comment 6, on whether impacts to McFarland were understated; Comment 8, on store closures; Comment 9, on extent of the northwest commercial area; Comment 10, on the southern commercial district; Comment 11, on grocery stores; Comment 12, on general merchandise stores; Comment 13, on other retail; Comment 14, on eating places; Comment 15, on impacts to downtown; Comment 19, on additional store closures; and, Comment 20, cumulative impacts.

The section below also address comments raised in the Wolf memo, specifically the following: Comment 1, on when ADE visited sites/definition of urban decay¹; Comment 1(a), on Earlimart; Comment 2(B), on 2018 sales; Comment 2C, on re-tenanting

In analyzing impacts stemming from the proposed project, it is important to remember that the analysts were simultaneously examining a number of commercial areas in towns and cities in the regional market trade area outside of the City of Delano. The analysts examined six towns and cities in the area, i.e. Pixley, Earlimart, Alpaugh, Wasco, Richgrove, and McFarland. Given the number of areas, the analysts sought to use readily accessible data organized in a consistent manner. We also visited these areas during the week of February 16, 2009.

ADE considered a number of data sources, including local governments of places such as McFarland or Wasco. However, by law, local governments can only share data under very limited circumstances, given the confidential nature of their taxable sales data. As it is, local

¹ See the definition of urban decay in the Delano Marketplace Economic Impact Study dated April 23, 2007.



governments typically do not share confidential taxable retail sales data with vendors not under contract with them.

In instances where retail data are not available directly from primary sources such as local governments, secondary sources such as the California Board of Equalization (BOE) are the best sources of such data. This secondary source posts taxable retail sales data for counties and incorporated cities on the Internet, and data are arranged on quarterly and annual bases.

For counties and medium- to large-size cities, the BOE organizes taxable retail sales data by retail store types useful for purposes of analyzing urban decay impacts. For small incorporated cities, the BOE simply presents the overall taxable retail sales amount and does not breakdown this data by store types. Thus, data for unincorporated Pixley, Earlimart, Alpaugh, and Richgrove were unavailable from the BOE. For incorporated Wasco and McFarland, BOE data were in a format not useful for the purposes of the urban decay analysis. For example, while the BOE specifies the total number of retailers and taxable retail sales generated in 2007 in Wasco and McFarland (or, 139/\$60,874,000 and 56/\$21,914,000 respectively), the BOE does not specify data by particular store types.

Because BOE data were either unavailable or in a format not useful for purposes of the urban decay analysis, ADE utilized other secondary data sets. In addition to the BOE, the analyst gathered information from secondary sources such as Zip Code Statistics from the 2002 Economic Census² ("ZIP Code Statistics"), Dun and Bradstreet's ZAP Data³ ("D&B"), ZIP Business Patterns ("ZBP")⁴, 2002 Economic Census for Kern County⁵, and 2002 Economic Census for Bakersfield. Because data were available for all areas in the regional market trade area, and in a consistent format, the analyst settled on Zip Code Statistics from the 2002 Economic Census as the baseline data set. The analyst continued to refer to the other secondary data sets when seeking to fill data gaps, double-check initial findings based on Zip Code Statistics, and/or when seeking to update the 2002 ZIP Code Statistics data set to 2008. The table below identifies ZIP Codes used for purposes of the study.

TABLE 1
TOWNS/CITIES IN REGIONAL MARKET TRADE
AREA: ZIP CODES

Alpaugh	Tulare County	93201
Earlimart	Tulare County	93219
Pixley	Tulare County	93256

²<http://www.census.gov/econ/census02/guide/g02zip.htm>

³<http://www.zapdata.com/>

⁴<http://censtats.census.gov/cbpnaic/cbpnaic.shtml>

⁵<http://factfinder.census.gov/>



Tipton	Tulare County	93272
Richgrove	Tulare County	93261
MacFarland	Kern County	93250

Source: ADE, Inc.

The table below is an example of retail data from ZIP Code Statistics from the 2002 Economic Census for the City of McFarland. According to ZIP Code Statistics, there were 20 retailers and eating places (15 retailers and five restaurants) in 2002. As the table shows, ZIP Code Statistics organized its data by detailed industry codes comparable to industry categories used by other secondary sources, such as the BOE, allowing the analyst to combine data sets, or to use one set of data to refine another. Subsequent to 2002, another secondary source called ZIP Business Patterns (“ZBP”) reported that there were 19, 22, 25, and 26 retailers/eating places in McFarland between 2003, 2004, 2005, and 2006 respectively.

TABLE 2. EXAMPLE OF RETAIL CONDITIONS IN REGIONAL MARKET TRADE AREA CITY: MCFARLAND, 2002: ZIP CODE STATISTICS FROM THE US ECONOMIC CENSUS

			Establishments, 2002
Retail trade and Eating Places			20
44-45	Retail trade	All establishments	15
441310	Automotive parts & accessories stores	Establishments with sales/revenue < \$100,000	1
441310	Automotive parts & accessories stores	Establishments with sales/revenue of \$250,000 to \$499,999	1
441310	Automotive parts & accessories stores	Establishments with sales/revenue of \$500,000 to \$999,999	1
445110	Supermarkets & other grocery (except convenience)	Establishments with sales/revenue of \$250,000 to \$499,999	1
445110	Supermarkets & other grocery (except convenience)	Establishments with sales/revenue of \$1,000,000 or more	3
445120	Convenience stores	Establishments with sales/revenue of \$500,000 to \$999,999	1
445310	Beer, wine, & liquor stores	Establishments with sales/revenue of \$250,000 to \$499,999	1
446110	Pharmacies & drug stores	Establishments with sales/revenue of \$500,000 to \$999,999	1
447110	Gasoline stations with convenience stores	Establishments with sales/revenue of \$1,000,000 or more	1
453220	Gift, novelty, & souvenir stores	Establishments with sales/revenue less than \$100,000	1
454390	Other direct selling establishments	Establishments with sales/revenue of \$1,000,000 or more	1
Eating Places			5
722110	Full-service restaurants	Establishments with sales/revenue less than \$100,000	2
722110	Full-service restaurants	Establishments with sales/revenue of \$100,000 to \$249,999	1
722211	Limited-service restaurants	Establishments with sales/revenue of \$100,000 to \$249,999	2

Source: ADE, Inc., based on ZIP Code Statistics from US Economic Census 2002

The analysis assumes retailers generated sales equivalent to the mid-point of the revenue range with which they were associated. For example, according to the data in Table 2, there is one automotive parts and accessories store that generates between \$250,000 and \$499,999 in annual sales. For purposes of analysis, we placed sales for this store at \$375,000. There are three store types where retailers generated “\$1,000,000 or more.” For these store types, we examined a variety of sources, including Dun and Bradstreet to obtain additional information regarding probable revenue streams. We also analyzed 2002 Economic Census for Kern County and the 2002 Economic Census for the City of Bakersfield, to estimate



average sales for Kern County retailers *outside* of Bakersfield, and then applied this estimate to the McFarland auto part store generating more than \$1,000,000 in sales.

As the table above indicates, three supermarkets earned more than \$1 million in sales. To estimate aggregate revenues for these stores, we first attempted to identify these stores. In all likelihood, these stores are Palace Supermarket, La Espiga de Oro, and A&M Grocery Store. According to Dun and Bradstreet, Palace and A&M generated \$2.4 million and \$240,000 respectively; there was no data on La Espiga in D&B. We approached D&B figures for Palace and A&M with caution, and ultimately decided against using the D&B data. As a full service supermarket selling fresh meats, produce, and a wide variety of staples, packaged goods, and prepared foods, Palace is expected to generate more than the \$151.25 per square foot that would result had we used D&B. While we do not expect Palace to perform as well as a Safeway on a sales-per-square foot basis (i.e. \$548 per square foot)⁶, Palace has a large parking lot in front of the store and a good location, so we expect per square foot sales to be above \$300. A&M also sells fresh meats and produce, and while it is smaller than Palace and its parking area very limited, this 3,300 square feet supermarket is located on a busy street, leading us to conclude that this store generates more than \$240,000 in sales as reported in D&B.

Using the Economic Census for Kern County and Bakersfield, we estimated revenues generated by Kern County supermarkets *outside* of the City of Bakersfield, converted this figure into a revenue-per-employee ratio, which we then multiplied against number of workers at Palace, La Espiga, and A&M. Estimates on number of workers at these stores come from ZIP Business Patterns. Through this approach, we estimated store revenues at \$6,283,250, \$1,256,650, and \$1,256,650 respectively, which is consistent with the ZIP Code Statistics, which indicate three supermarkets generating at least \$1,000,000 in sales. On a per square foot basis, these revenues amount to \$395, \$369, and \$380 for Palace, La Espiga, and A&M respectively, which is far more typical of expected revenues for this type of retail store, i.e. more than \$150 per square foot but less than \$548 per square foot. In aggregate, these three supermarkets generated an estimated \$8,796,550 in sales. Combined with estimated sales for the supermarket generating between \$250,000 and \$499,999, the four supermarkets included in the Census data generated approximately \$9,921,550 in sales.

⁶ Safeway 2009 SEC 10-k corporate annual report



**TABLE 3. EXAMPLE OF RETAIL CONDITIONS IN REGIONAL MARKET TRADE AREA CITY:
ADJUSTED MCFARLAND, 2002: ZIP CODE STATISTICS FROM THE US ECONOMIC CENSUS**

	Establishments, 2002	Aggregate Revenues, 2002 : Based on ZIP Statistics Mid- Point	Aggregate Revenues, 2002
Retail trade and Eating Places	20		\$16,447,803
44-45 Retail trade	15		\$15,922,803
441310 Automotive parts & accessories (<\$100K)	1	\$50,000	\$50,000
441310 Auto parts & accessories (\$250K-\$499K)	1	\$375,000	\$375,000
441310 Auto parts & accessories (\$500K-\$999K)	1	\$750,000	\$750,000
445110 Supermarkets & other grocery (\$250K-\$499K)	1	\$375,000	\$375,000
445110 Supermarkets & other grocery (>\$1 million)	3	solve	\$8,796,550
445120 Convenience stores (\$500K-\$999K)	1	\$750,000	\$750,000
445310 Beer, wine, & liquor stores (\$250K-\$499K)	1	\$375,000	\$375,000
446110 Pharmacies & drug stores (\$500K-\$999K)	1	\$750,000	\$750,000
447110 Gas stations w/ convenience (>\$1 million)	1	solve	\$1,285,400
453220 Gift, novelty, & souvenir stores (<\$100K)	1	\$50,000	\$50,000
454390 Other direct selling estab (>\$1 million)	1	solve	\$2,415,853
Eating Places			\$525,000
722110 Full-service restaurants (<\$100K)	2	\$100,000	\$100,000
722110 Full-service restaurants (\$100K-\$249K)	1	\$175,000	\$175,000
722211 Limited-service restaurants (\$100K-\$249K)	2	\$350,000	\$350,000

Source: ADE, Inc., based on ZIP Code Statistics from US Economic Census 2002/Economic Census 2002

The 2002 ZIP Code Statistics also included a gas station generating over \$1 million in retail sales. To estimate annual revenue for this store, we used the Economic Census 2002 for Kern County and Economic Census 2002 for the City of Bakersfield, to estimate store average for Kern County gas stations *outside* of Bakersfield, which we then applied to the McFarland station. At \$1,285,400, this estimate accords with data in the Zip Codes Statistics. There was also a store categorized under “Other Direct Selling Establishment” (NAICS Code 454390) generating more than \$1 million in sales. Again, we used the Economic Census for Kern County and Bakersfield. More than likely, this store was mis-coded; it struck the analyst as odd that there was a retail storefront generating more than \$1 million in sales that is an “Other Direct Selling Establishment.” More than likely, the store was/is a general merchandise store. Instead of using sales average for “Other Direct Selling Establishment,” we used the sales average for “All Other General Merchandise Store.” On average, “All Other General Merchandise Stores” outside of Bakersfield generate \$2,415,853 in sales.

Table 3 above also includes data regarding five restaurants in McFarland in 2002. Two full-service restaurants generated less than \$100,000 in sales, one generated between \$100,000



and \$249,999. Two limited-service restaurants generated between \$100,000 and \$249,999. Based on mid-point approach, these stores generated an estimated \$625,000 in aggregate revenues. As we had for the other retail store types, we checked 2002 ZIP Code Statistics against ZIP Business Patterns (ZBP), to see how the number of stores changed between 2002 and 2006. According to the ZBP, there were four full service restaurants, five limited service restaurants, and one drinking place in 2006. We also checked Dun and Bradstreet, which indicated that there were eight full service restaurants and five limited service restaurants, including a coffee shop. In this case, we decided to use Dun and Bradstreet's data with respect to number of establishments and revenues because of the number of eating places we saw in our site visit to McFarland. Controlling for the one limited service restaurant that is a national chain/franchise, i.e. McDonalds, the average sales derived in using D&B accorded with the sales ranges presented in 2002 Zip Code Statistics. Based on this approach, we estimated aggregate sales to be \$4,454,346, instead of the initial \$625,000.

The table below re-organizes data from the ZIP Code Statistics by store category, a format typically used in retail analyses, including urban decay impact analyses. California BOE's detailed data are also arranged in this fashion. Retailers in the General Merchandise Group below generated \$3,715,127 in sales. This figure is based on \$2,415,853 in sales by the "Other Direct Selling Establishment", \$750,000 in sales by the pharmacy, and \$549,275 in sales by a miscellaneous general merchandise store that was not in the 2002 ZIP Statistics data set but was in 2006 ZIP Business Patterns ("ZBP"). Above, we indicated that the specialty retailer generated \$50,000 based on the mid-point approach. Based on the Economic Census, we determine Kern County specialty retail gift and novelty stores *outside* of Bakersfield generated, on average, \$176,000 in sales. If the \$176,000 figure is any indication for the gift store in McFarland, we concluded that the original \$50,000 figure potentially understates the true figure, leading us to surmise that the true figure rests somewhere between \$50,000 and \$99,999 not \$0 and \$99,999, resulting in a new mid-point at \$75,000.



TABLE 4. EXAMPLE OF RETAIL CONDITIONS: CITY OF MCFARLAND RETAIL CONDITIONS PER BOE CATEGORIES

Retail Group	McFarland (Kern Co.)
Total	\$19,825,423
Apparel Store Group	
General Merchandise Group	\$3,715,127
Specialty Retail Group	\$75,000
Food, Eating, Drinking	\$14,749,896
Grocery Stores	\$9,921,050
Specialty Food Stores	
Liquor Stores	\$374,500
Eating Places	\$4,454,346
Building Materials\ Homefurnishings	\$0
Furniture & Furnishings	
Appliances & Electronics	
Used Merchandise	
Home Improvement	
Automotive Group	\$1,285,400
New/Used vehicles	
Gasoline Service Stations	\$1,285,400
Auto Parts & Accessories	

Source: ADE, Inc.

The comment is correct that we did not include revenue estimates for auto parts and accessories in McFarland in the June 1, 2009 report called "Delano Marketplace Impacts: Regional Market Area Impacts Addendum." While the auto parts may have been excluded, this information was included in ADE's underlying analysis of regional sales, leakage, recapture of leakage, etc. According to the ZIP Code Statistics, three auto parts/supplies stores generate an estimated \$1,175,000 in combined sales. The Delano Marketplace project may impact auto parts/supplies stores in the regional trade market area by \$85,202, of which \$40,982 will fall on McFarland auto parts/supplies stores, or 3.5 percent of estimated sales. This is not enough to close any stores. If no new auto parts/supplies stores open in McFarland between 2008 and 2018, in 2018 McFarland auto supply stores will bear an estimated \$38,573 in impacts, or 3.3 percent of estimated sales. Again, this is not enough to lead to store closures. The revised table below includes the \$1,175,000 auto supplies sales amount, which places McFarland's overall sales at \$21,000,423. Even when adjusting for non-taxable transactions, the \$21,000,423 is very close to BOE's estimated 2005, 2006, and 2007 sales for McFarland - \$19,892,000, \$20,550,000, \$21,914,000 respectively - confirming the reliability of the data and methodology.



TABLE 5. EXAMPLE OF RETAIL CONDITIONS: CITY OF MCFARLAND RETAIL CONDITIONS PER BOE CATEGORIES: INCLUDING AUTO PARTS/SUPPLIES

Retail Group	Stores	Revenues (revised)
Total	27	\$21,000,423
Apparel Store Group	0	\$0
General Merchandise Group	3	\$3,715,127
Specialty Retail Group	1	\$75,000
Food, Eating, Drinking	19	\$14,749,896
Grocery Stores	5	\$9,921,050
Specialty Food Stores		
Liquor Stores	1	\$374,500
Eating Places	13	\$4,454,346
Building Materials, Homefurnishings		\$0
Furniture & Furnishings		
Appliances & Electronics		
Used Merchandise		
Home Improvement		
Automotive Group	4	\$2,460,400
New/Used vehicles		
Gasoline Service Stations	1	\$1,285,400
Auto Parts & Accessories	3	\$1,175,000

Source: ADE, Inc.

Thus, we were able to characterize retail conditions in towns in the regional market area starting with the ZIP Code Statistics from the Economic Census 2002 as the baseline data set, then checking (and where necessary updating) initial findings from this data set against industry benchmarks, Dun and Bradstreet, Economic Census 2002 for Kern County, Economic Census 2002 for Bakersfield, Zip Business Patterns and the California Board of Equalization. We selected ZIP Code Statistics as our baseline dataset because the information presented therein analyzes a number of towns and cities, is packaged in a consistent format that allowed for simultaneous analysis, included revenue ranges for retail establishments, and is organized by retail establishments by industry codes in such a way that allowed us to match this data source with other secondary sources for purposes of updating our initial dataset where necessary.

Number of Establishments: Employer and Non-Employer Statistics

It is important to note that federal secondary sources such as the ZIP Code Statistics, ZIP/County Business Patterns, and the Economic Census track economic trends for businesses with employees. Secondary sources such as the California Board of Equalization and Dun and Bradstreet track trends for businesses with employees and businesses operated solely by the owner, also known as “non-employers.” Analyzing employers addresses a critical part of any urban decay analysis, as anchor retailers such as supermarkets and general merchandise stores that drive traffic to their respective retail centers come from the pool of businesses with employees. For most areas, employers also represent the bulk of retail sales



activity, a point confirmed by our analysis for McFarland, where 27 establishments with employees generate an estimated \$21,000,423 in sales. For these two reasons, our analysis focuses on employer-based businesses. By including non-employer businesses in the analysis, particularly for store types where impacts are identified, we risk understating potential impacts that could trigger urban decay, by spreading impacts over a larger set of businesses and thus lessening impacts on any one retailer that is typically scrutinized closely in these analyses, namely anchor tenants driving traffic to their respective areas.

Other reasons the analysis focused on employer-based data from ZIP Codes Statistics are discussed here. While the BOE includes non-employers in its data set, the BOE tracks data for incorporated areas, meaning that data - including employer- and non-employer data - were not available for four out of the six areas regional market area towns and cities. While Dun and Bradstreet is a potential source of employer- and non-employer data for incorporated and unincorporated areas, it is not always the most accurate, as shown in the discussion above regarding revenue estimates for Palace Supermarket, A&M Market, and La Espiga. In fact, D&B warns data purchasers about potential inaccuracies with respect to their data because this vendor depends on a mixture of actual and estimated data.⁷ Data from ZIP Codes Statistics from the Economic Census are presumed to be “reliable,” in so far as all businesses are required by federal law to fill out their respective economic census, which the US Census then publishes in ways that offer insights into economic trends down to the ZIP Code level while preserving confidentiality of particular businesses at these and other geographic levels.

It is important to note that impacted stores at possible risk of closure will not be necessarily be replaced by similar stores. The City of McFarland indicated that two commercial stores were replaced by non-commercial uses (see McFarland, Comment 8). This underscores the point that while some stores are at-risk of closure, it does not follow that store closures, including vacancies occurring in the Central Business District or other areas, will automatically trigger urban decay (see McFarland, Comments 17, 18, and 19). Moreover, in 2002, there were 20 retailers/eating places in McFarland according to the ZIP Statistics, and subsequent to 2002, another secondary source called ZIP Business Patterns (“ZBP”) reported that there were 19, 22, 25, and 26 retailers/eating places in McFarland between 2003, 2004, 2005 and 2006 respectively. Over these years, the number of stores in the City has been increasing, suggesting that at some level re-tenanting is occurring.

⁷According to D&B’s disclaimer, “Because the functionality of the Site is inherently complex and may not be completely free of errors, you are advised to verify your work. D&B makes no warranty, either express or implied, as to the accuracy, completeness, correctness, merchantability, or fitness for a particular purpose of the Services, the Data or the Site.” (<http://www2.zapdata.com/zl/includes/license.htm>)



It is also important to underscore that based on our analysis the downtown anchor, La Espiga, is not predicted to close due to impacts stemming from the Delano Marketplace project. Likewise, for reasons observed in the June 2009 Addendum, the other anchor – the pharmacy store – is not at-risk of closure from impacts stemming from the Delano Marketplace project.



MASTER ANALYSIS 2. USE OF GRAVITY MODEL FOR PURPOSES OF DISTRIBUTING IMPACTS

The comment below addresses Comments 4, 5, and 6, on use of the gravity model in the impact analysis, and from what precise point to compare McFarland relative to the City of Delano.

ADE employed the Huff Gravity Model when distributing impacts stemming from a project across a geographic area. Gravity-models are accepted in the planning field, not just in retail analysis but also traffic modeling and planning. “The Huff model is widely regarded as the industry standard for determining the probability of a retail location to attract customers.”⁸ The following summary of the Huff Model is found on the website of the geographic information systems (GIS) data and tool vendor, ESRI:

- “The Huff Model is a spatial interaction model that calculates gravity-based probabilities of consumers at each origin location patronizing each store in the store dataset. From these probabilities, sales potential can be calculated for each origin location based on disposable income, population, or other variables. The probability values at each origin location can optionally be used to generate probability surfaces and market areas for each store in the study area.

... To account for differences in the attractiveness of a store relative to other stores, a measure of store utility such as sales volume, number of products in inventory, square footage of sales floor, store parcel size, or gross leasable area is used in conjunction with the distance measure. Potential store locations can also be input into the model to determine new sales potential as well as the probabilities of consumers patronizing the new store instead of other stores.⁹

The Gravity Model “rests on the assumption that group behavior is predictable on the basis of mathematical probability because the idiosyncrasies of any one individual or small group tend to be canceled out.”¹⁰ The underlying principle is analogous to Isaac Newton’s theory of gravitational attraction in that “interaction between two areas of population is a direct

⁸ Anderson, Volker and Phillips “Converse’s Breaking-Point Model Revised” (02/19/09)
(<http://www.aabri.com/manuscripts/09219.pdf>)

⁹ “ESRI/ArcView, Market Analysis with the Huff Model”
([/resources.esri.com/geoprocessing/index.cfm?fa=codeGalleryDetails&scriptID=15999](http://resources.esri.com/geoprocessing/index.cfm?fa=codeGalleryDetails&scriptID=15999))

¹⁰ Huff, D.L. (1962) “A Probabilistic Analysis of Consumer Spatial Behavior” in W.S. Decker (Ed.), *Emerging concepts in Marketing*, Chicago: American Marketing Association.



function of the size of the masses and an inverse function of the distance between them.”¹¹ Below is one expression of the Huff Gravity Model equation.

$$\text{probability formula} = P_{1,2,3,n} = \frac{(a_{\text{weight1}}/d^2_{1})}{\text{sum}(a_{\text{weight1,2,3,n}}/d^2_{1,2,3,n})}$$

where

- | | |
|--|---|
| a_{weight1} = aggregate retail sales of place "a ₁ " | d_1 = distance between place "a ₁ " and Delano |
| a_{weight2} = aggregate retail sales of place "a ₂ " | d_2 = distance between place "a ₂ " and Delano |
| a_{weight3} = aggregate retail sales of place "a ₃ " | d_3 = distance between place "a ₃ " and Delano |
| a_{weightn} = aggregate retail sales of place "a _n " | d_n = distance between place "a _n " and Delano |

The relative attractiveness of consumer spending locations in Pixley, Earlimart, Alpaugh, Richgrove, McFarland, and Wasco are compared against Delano using estimated retail sales as one factor, along with distance. The distance to a given store, or the disincentive to travel to that location, can be measured in many ways. “Costs related to intraurban transportation have typically been measured as travel distance or travel time, but a wide range of approaches at varying degrees of detail and complexity exist for determining these measures.”¹² Taking the temporal aspect out of the equation, distance can be measured as the crow flies or along a transportation route. In delineating distance between Delano and surrounding areas, ADE did not utilize the crow’s-flight path advocated by McFarland. Instead, ADE employed its ArcView GIS 3.0 software tool, defining central points in each community because the central point of each place represents the average of all points in that community, and therefore an average of the disincentive to travel. Additionally, we measured distance between various points via major roadways, as opposed to measuring distance “as the crow flies” as in real life, most customers will get to Delano by auto along major roads.

The resulting findings accord with intuition, as retail areas closest to Delano such McFarland are impacted the highest, at 48.1 percent. Furthermore, Wasco has almost three times more retail activity than McFarland, yet because of McFarland’s proximity to Delano, impacts are on McFarland are almost double than on Wasco. Similarly, although Wasco and Alpaugh are

¹¹ Mason, J. Barry (1975), “Retail Market Area Shape and Structure: Problems and Prospects”, in Schlinger, Mary Jane (Ed.), *Advances in Consumer Research* Volume 02, Association for Consumer Research, pages 173 – 186.

¹² Woudsma, Jensen, Kanaroglou, Maoh “Logistics Land Use and the City: A Spatial-Temporal Modeling Approach” in *Transportation Research Part E: Logistics and Transportation Review*, Volume 44, Issue 2, March 2008, Pages: 277-297



approximately the same distance away from Delano, Wasco has significantly more retail activity, so at 22.9 percent its attractiveness factor is greater than Alpaugh's 0.2 percent.

TABLE 6. DISTRIBUTION OF IMPACTS BASED ON ADE GRAVITY MODEL

	Pixley (Tulare Co.)	Earlimart (Tulare Co.)	Alpaugh (Tulare Co.)	Richgrove (Tulare Co.)	McFarland (Kern Co.)	Wasco (Kern Co.)	Total
Distance from Delano (miles)	14.6	8.0	21.1	9.7	7.7	20.1	
Initial Weights (est. sales)	\$6,173,961	\$5,579,782	\$375,000	\$4,653,162	\$16,532,759	\$52,959,653	
Gravity Model Distribution of Impacts	5.1%	15.1%	0.2%	8.6%	48.1%	22.9%	100%

Source: ADE, Inc., based on Yahoo Maps



MASTER ANALYSIS 3: MCFARLAND'S AREA EAST OF HIGHWAY 99

The discussion below addresses McFarland's Comment 7, which states that "There is a fourth commercial area which centers on the intersection of Kern Avenue and Browning Road east of Highway 99," and Comment 16. The discussion below also addresses a similar comment raised by Wolfe (see Wolfe memo Comment 1B).

Concern was raised that the June 2009 analysis did not include an area of McFarland east of Highway 99. As individual business closures are purely economic impacts outside the scope of CEQA, our analysis focused on central business districts (including downtown commercial areas), shopping centers, or areas with large format retailers similar to K-Marts. Moreover, we looked to analyze shopping areas/centers with anchor tenants that attract shoppers to their respective areas. The area located east of Highway 99 is not such an area, as demonstrated by information contained in McFarland's comment letter.

First, the "Layout of Eastern Commercial Area" prepared by the City of McFarland, does not reveal a dense central business district or large shopping center. Instead, it reveals individual commercial buildings spread over several city blocks in a residential nature. Commercial outlets located in residential areas do not need to attract customers, but instead may depend primarily on area residents for their vitality, so residential areas are more resistant to urban decay. Even in a situation in which commercial tenants are scarce, a growing population will increase demand for residences – so these particular commercial buildings might even be converted to residential uses.

Second, the background information provided in McFarland's comment letter illustrates precisely why such individual commercial buildings are not properly subject of an analysis that considers a possible "ripple of store closures" that characterizes urban decay. According to McFarland's letter, two buildings in this area are presently vacant. One of these buildings, located at 301 San Juan, was sold for delinquent taxes back in 1995. Yet these isolated vacancies did not prevent subsequent investment in the area, as correctly identified by McFarland itself in its comment letter:

- The building closes to the vacant 301 San Juan, now contains the Carniceria Jalisco that "was converted from a Laundromat into a meat market between 2005 – 2008."
- The Community Market is rated in "average condition by the assessor." This is supported by the photo, which does not reveal any neglect;
- The Sonora Food Market was built in 2003, well after the 1995 tax sale of the 301 San Juan property;
- The Mi Ranchito Market was "given a new roof in 1999," four years after the tax sale for 201 San Juan property.



In short, the existence of the two vacant parcels has not hindered subsequent retail investment in this area. As McFarland's comment notes, the active buildings are in "average" condition (although the condition of Mi Ranchito Market isn't disclosed, it was obviously worth the significant investment in a new roof in 1999). Accordingly, McFarland's own assertions establish why areas containing such individual business should not be the focus of urban decay analysis because they are not subject to the same risk of at risk for the "ripple of store closures" as central business districts and large shopping centers. It is worth noting that businesses in this area are clearly neighborhood-serving businesses that serve different markets than a Wal-Mart Supercenter (i.e. not in direct competition).



MASTER ANALYSIS 4: SALES OUTSIDE OF SIX COMMUNITIES

The discussion below addresses comment 2A from the Wolfe memo, on sales impacts outside of the six communities.

The interpretation that “39% of the Project’s sales impacts will be felt by retailers in areas such as Bakersfield, Tulare, and Visalia,” requires clarification in light of the fact that the 39% figure only applies to the \$25.7 million in project impacts that are projected to occur outside of Delano. The estimated \$9.9 million in economic impacts that were allocated to retailers outside of the six regional cities and towns represent less than 12% of the total Project impacts.

Page 18 of the ADE Economic Impact Study, and page 1 of the Regional Market Area Addendum, June 1, 2009, state that “the report does not assume that 100 percent of household spending will occur in Delano. The rate at which secondary market households shop in Delano is based on a ratio of store sales in Delano versus overall store sales in the regional market trade area.” Upon further refining of the analysis for impacts within the regional trade area, ADE determined that applying 100% of the \$25.7 million in regional trade area impacts to the six regional cities and towns would substantially overestimate the impacts on these areas based on our reconnaissance of these six communities and the nature of their retail businesses they contain. As explained in the June 2009 Addendum, the national chain stores that will likely populate the Project generally compete less directly with many of the small, locally-owned stores that are located in the regional trade area.

In light of the sales estimation and the field verification, ADE determined that the remaining \$9.9 million in economic impacts would occur outside of Delano and outside of the six regional cities and towns. For these geographically unallocated economic impacts, there is no way to identify with any precision where these impacts would occur. Delano is situated at a key juncture along Highway 99. This highway is one of the primary north-south state highways in California, and facilitates long distance travel between the major population centers and many smaller towns in the Central Valley. This access makes it very likely that Delano will attract spending from travelers.

At the Woolomes Avenue interchange, the traffic volume that passes through averages 99,950 vehicles per day.¹⁵ This is a significant volume of traffic that goes through Delano and the surrounding communities on a daily basis. Moreover, the Caltrans traffic data also indicate that trucks make up about 28 percent of the vehicle traffic passing through Delano, and these trucks will often travel over long distances and make many stops in between.

¹⁵ Caltrans Traffic Operations Program, 2008 Traffic Count Data.



After making adjustments to account for the on-the-ground conditions within the regional trade area, the trade area accounted for nearly 89% of the estimated impact distribution. This is consistent with industry practice, and actually captures a higher proportion of the economic activity than is typically defined in a retail trade area.

The International Council of Shopping Centers (ICSC) and the Urban Land Institute (ULI), two of the leading membership organizations in the fields of real estate development, shopping center development, and retail trade, issue publications that are widely cited by industry professionals and they serve as a data resource for professional education. ICSC's 2007 publication *Developing Successful Retail in Secondary & Rural Markets* cites the following guideline for defining a retail trade area:¹⁴

Defining a retail trade area is an art and a science. In general, a trade area should reflect the geography from which 75-90 percent of retail sales are generated. Different stores can have different trade areas based on their individual drawing power and competitive market context.

The ICSC publication also indicates that a retail trade area should be "based on distance to the nearest communities with the type of retail you are seeking" and to "be careful to establish the boundaries of your trade area based on the size of your community relative to the sizes of neighboring communities." In this respect, ADE's trade area boundaries follow the procedure recommended by ICSC because they approximate the halfway distance to the large population centers of Visalia and Bakersfield.

ADE's trade area definition is also consistent with the ULI guidelines, which specify that "the primary trade area should generally supply 70 to 80 percent of the sales generated by the site."¹⁵ ADE's analysis found that 70% of the impacts would occur in Delano, so this is consistent with how ULI recommends defining the primary trade area. In addition, ULI indicates that sometimes a "significant share of a center's customer – particularly for large specialty centers, downtown centers, off-price centers, and entertainment centers – may be drawn from tourists and other travelers who do not live in the market at all."¹⁶ Because of Delano's presence along Highway 99 and the high volume of truck traffic that goes through the community, this is consistent with the analytical findings that less than 12% of the project impacts would be geographically unallocated residual demand.

¹⁴ ICSC, *Developing Successful Retail in Secondary and Rural Markets*, 2008, p.7.

¹⁵ ULI, *Shopping Center Development Handbook, 3rd Edition*, 1999, pp.44-46.

¹⁶ Ibid.



MASTER ANALYSIS 5. IMPACTS ON GENERAL MERCHANDISE, APPAREL, AND SPECIALTY RETAIL STORES IN MCFARLAND

Below we respond to comments on how we analyzed impacts to General Merchandise (City of McFarland, Comment 5), and Apparel-Specialty Retail stores (City of McFarland, Comment 6) in McFarland.

The Delano Marketplace will impact McFarland in a number of retail categories. Originally, impacts on the three general merchandise stores were projected at \$4,784,593, which is the product of McFarland's 48.1 percent gravity model factor and \$9,941,510, the overall projected sales diversions from general merchandise stores throughout the regional trade area. At \$4,784,593, initial impacts exceed store sales of \$3,715,127, meaning that the actual impacts could amount to \$3,715,127, with the difference impacting stores outside of the regional trade area. As discussed in the June 2009 Addendum, our site visit to McFarland led us to conclude that the pharmacy would not close, notwithstanding the predictions of the impact calculations. Accordingly, anticipated impacts to general merchandise stores in McFarland were further revised further to \$2,965,128. (The \$2,965,125 impact corrects the impact figure in the June 2009 Addendum, which was arrived at using the same methodology described above. In our underlying data table in the June report, we used a \$750,000 figure for an impacted discount store when we should have used a \$550,000 amount, resulting in the \$200,000 difference). It is possible that Wal-Mart may simply fail to achieve its projected \$750,000 in sales at the expense of the McFarland drug store.

The \$2,965,128 in general merchandise impacts stemming from the Delano project will fall on the two discount stores. One or both are at-risk of closure. If both close, there are no sales to re-allocate to the pharmacy since all sales generated by these two stores are completely absorbed by the Project. Over time, the increase in households moving into the region around Delano and McFarland will lessen general merchandise store impacts from what it is now at \$2.9 million to \$1.7 million in 2018. By then, the discount store in the commercial strip would be generating revenues of an estimated \$1.2 million.

REVISED TABLE 19. MCFARLAND GENERAL MERCHANDISE STORES

Impact Detail	2008	2018
1. Categorical Retail Sales	\$3,715,127	\$3,715,127
2. Project Impact	\$2,965,128	\$1,767,0303
3. Post Project Impact Sales (Existing Retailers)	\$750,000	\$1,948,097
4. Number of Stores	3	3
5. At-Risk Stores	2	1
6. Potential Store Closure Losses (Reallocated to Remaining Businesses)	\$0	\$221,941
7. Residual Sales	\$750,000	\$1,948,097
8. Percent Change (Combined)	-80%	-47%

Source: ADE, data estimated from Board of Equalization and U.S. Economic Census ZIP Code Files



The City of McFarland indicates that there are three apparel and three specialty retail stores in McFarland. As explained above in Master Analysis 1, non-employer retailers were not included by our baseline data source. ZIP Code Statistics from the 2002 Economic Census do not include any apparel, nor do ZIP Business Patterns for years between 2002 and 2006. As noted above, the Board of Equalization does not issue data by specific store types for smaller-sized cities such as McFarland, and we use D&B with caution. Accordingly, the June Addendum did not include apparel stores and one specialty retail store, not three. None of these are anchor stores that drive traffic and repeat shopping to commercial areas.

2.2 INDIVIDUAL COMMENTS AND RESPONSES

Letter 1: Department of California Highway Patrol.

State of California

Business, Transportation and Housing Agency

M e m o r a n d u m

Date: June 29, 2009

To: State Clearing House
1400 Tenth Street, Room 121
Sacramento, CA 95814

From: **DEPARTMENT OF CALIFORNIA HIGHWAY PATROL**
Bakersfield Area

File No.: 420.11428.12677.EIR

Subject: DELANO MARKET PLACE SCH# 2005011089

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7-16-09
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Thank you for the opportunity to review the "Notice of Completion" environmental document from the State Clearing House regarding the Reina Ranch Project, State Clearing House (SCH)# 2005011089. The California Highway Patrol (CHP) is the primary agency providing traffic enforcement, safety, and traffic management in the unincorporated areas of Kern County. The Bakersfield CHP Area does not anticipate an immediate impact by this project, although we do offer the following comments:

1-1

Due to the anticipated increase in traffic volume from this and other planned projects in the area, access to and from the development sites will impact State Route 99 and several county roads patrolled by the CHP, which will in turn require the direction of more CHP resources to those areas.

If you have any questions regarding these comments please contact Lieutenant Ralph Castro at (661) 864-4444.

Sincerely,

B. M. SMITH, Captain
Commander

cc: Central Division
Special Projects Section

Safety, Service, and Security

COMMENT 1-1:

Comment: While recognizing no “immediate impact by this project,” the commenter suggests cumulative impacts to traffic and public safety may require the direction of more CHP resources in the area.

Response: The comment raises issues of traffic and public safety, which are outside the scope of this SEIR. Accordingly, no further response is necessary. The issues of traffic and public safety were addressed in the prior Delano Marketplace Recirculated Draft EIR (“RDEIR”) and Final EIR.

Letter 2: City of McFarland and McFarland Redevelopment Agency

CITY OF McFARLAND

Incorporated July 10, 1957



Mayor:
Kenneth Rosson

Councilmembers:
Mayor Pro-Tem
Jennie Campbell

Jennis Maslin
Steve Garza
Stephen McFarland

Interim
City Administrator:
Robert L. Wilburn

City Planner

City Clerk:
Blanca Reyes-Garza

Public Works Director:
Ray De Leon

Finance Officer:

July 15, 2009



Mr. Keith Woodcock
Community Development Director
City of Delano
P. O. Box 3010
Delano, CA 93216

Re: Comments on the Draft Supplemental Environmental Impact Report for Delano Marketplace (SCH 2005011089) by the City of McFarland and the McFarland Redevelopment Agency

Dear Mr. Woodcock:

The City of McFarland and the McFarland Redevelopment Agency reviewed the Draft Supplemental Environmental Impact Report for Delano Marketplace ("the draft report"), which discusses the Project's potential environmental impact on six cities and towns within 21 miles from the City of Delano. Consistent with section 18086(c) of the CEQA Guidelines, McFarland has limited its review, and the following comments, to environmental impacts within its city limits. Because the draft report applies the same general methodology and mode of analysis to the other five urban areas, several of our comments apply equally to them.

The draft report incorporates by reference a study prepared by Applied Development Economics ("ADE Addendum"), entitled *Delano Marketplace Impacts Regional Market Area Addendum* (June 1, 2008) ("ADE Addendum"). The draft report and the ADE Addendum make a number of important factual errors concerning McFarland. As a result, the information in the draft report and the analysis based thereon are not substantial evidence to support the conclusion that the Project's environmental impact on McFarland is less than significant.

The Project specifically includes "an approximate 230,000 square foot Wal-Mart Supercenter ... and an approximate 173,000 square foot home improvement store." (Draft report § 2.0.) These two megastores will sell nearly everything offered for sale at the retail in the City of McFarland, including:

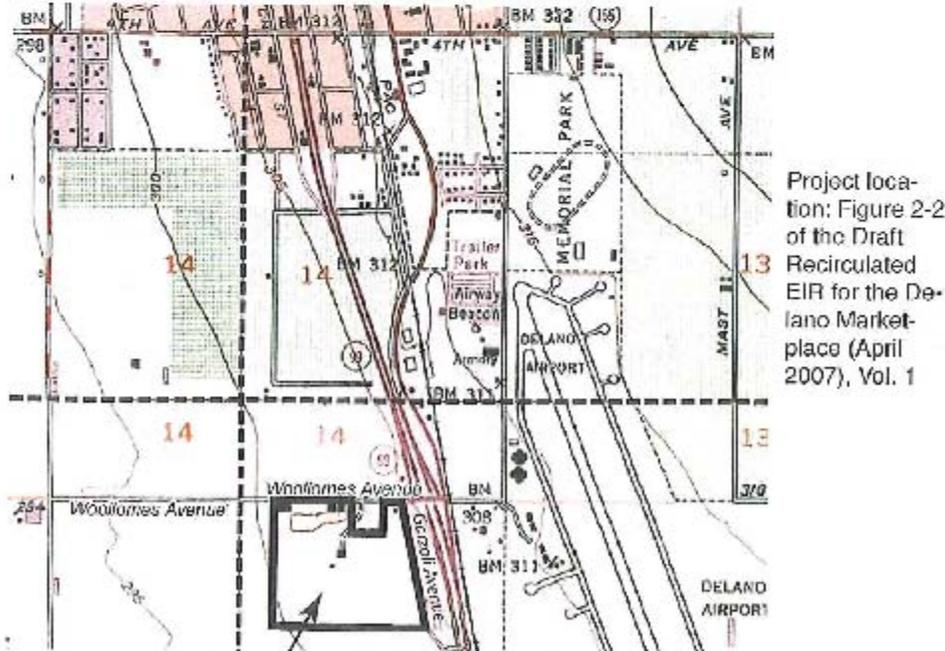
401 W. KERN AVE. MCFARLAND, CALIFORNIA 93250
PH: 661-792-3091 – FAX: 661-792-3093 – www.mcfarlandcity.org

- Groceries;
- General merchandise;
- Liquor;
- Pharmaceuticals;
- Food service;
- Automotive tires, lubrication, parts, and accessories;
- Clothing;
- Furniture, and
- Audio equipment.

(Draft report § 2.0; ADE, *Delano Marketplace Economic Impact Study* (April 23, 2007), Table 13, pp. 17–18 (“ADE 2007”).)

All four of McFarland’s commercial districts (northwestern, downtown, southern, and eastern) are within the McFarland Redevelopment Agency’s project area.

Although ADE’s study recognizes that McFarland is a mere 7.7 miles away from Delano, the Project would be a little more than half that distance from McFarland; about 4.2 miles as the crow flies.



Project location: Figure 2-2 of the Draft Recirculated EIR for the Delano Marketplace (April 2007), Vol. 1

It would be a short and inexpensive trip for McFarland residents to the Delano Marketplace to shop for bargains. McFarland retailers, as a group, already operate on low margins; a number of McFarland's commercial buildings are vacant, shuttered, or show signs of deferred maintenance or neglect. The draft report and ADE Addendum estimate that McFarland retailers will suffer a 38% reduction in sales in the first year of operation of the Delano Marketplace. (ADE Addendum, Tables 2 and 4.) McFarland's retailers will be pushed to the brink, and many of them are likely to close. There are no likely alternative takers for much of the space that is already vacant or will become vacant. It is more probable than not that the Delano Marketplace will tip at least two of McFarland's four commercial districts into decay, with the consequential environmental impact on the city.

For simplicity's sake in the comments that follow, we will use "the regional market area" to mean the Delano regional trade area depicted in Figure 1 of Appendix A to the draft report, excluding Delano.

Comments Concerning § 4.3 of the Draft Report and the Corresponding Portions of the ADE Addendum

Comment 1:

The first sentence of the second paragraph of section 4.3 states: "ADE predicted that the Project would impact stores outside the City of Delano by approximately \$26 million dollars." The sentence should be clarified. The figure of \$26 million represents retail sales of merchandise that the retailers of the Delano Marketplace would capture from retailers outside of Delano during the *initial* year of operation. Capture would continue to occur in subsequent years, and thus the overall impact would be greater than \$26 million. Explicit recognition should be given to this fact.

2-1

Comment 2:

Section 4.3 of the draft report provides an incomplete and only partially accurate description of the steps that ADE took in conducting its analysis. According to the addendum, ADE took the following steps:

- (1) It estimated the "Impact on Existing Regional Stores (Excluding Delano)" according to Retail Groups (such as "Grocery Stores"). (ADE Addendum, Table 1.)
- (2) It estimated the retail sales of merchandise in each of the six cities and towns within the regional market area, breaking the sales down according to Retail Groups. (ADE Addendum, p. 3 & Table 2.) Here it made factual errors concerning retailers in McFarland, which we will explain at a later point in this letter.
- (3) It then assigned a weighted percentage—the "impact ratio"—to each urban area, determined according to a "gravity model" that took at least two variables into account: the distance of each urban area from Delano and each area's relative sales activity. The sum of the impact ratios is 100%. ADE estimated that McFarland has 20% of the total sales of all six urban areas and is in closest proximity to Delano (7.7 miles). ADE calculated McFarland's impact ratio as 48.1%—more than twice the amount of the next largest percentage. (ADE Addendum, p. 5 & Table 3.) We will have more to say about the gravity model.
- (4) Relying in part on the impact ratios it developed, ADE distributed the regional impact on each Retail Group among seven recipients: the six urban areas and a residual category, ambiguously defined as "Economic Impacts Outside Regional Towns and Cities." (ADE Addendum, pp. 5 & 6, & Table 4.) We will have more to say about ADE's distribution of impacts to McFarland.
- (5) Finally, it analyzed the impact's effect on each the six urban areas. (ADE Addendum, pp. 8–36.) In doing so, ADE made factual errors that undermine its analysis of the impact on McFarland, as we will show.

2-2

Comment 3: McFarland's retail merchants and their sales

Table 18 of the addendum contains ADE's estimate of the retail sales in McFarland:

**TABLE 18
RETAIL SALES: CITY OF MCFARLAND**

Retail Group	Establishments	Est. Sales
Total (excluding non-merchandise receipts)	25	\$19,825,423
Apparel Store Group	0	\$0
General Merchandise Group	3	\$3,715,127
Specialty Retail Group	1	\$75,000
Food, Eating and Drinking Group	20	\$14,749,896
Grocery Stores	5	\$9,921,050
Specialty Food Stores	0	\$0
Liquor Stores	1	\$374,500
Eating Places	14	\$4,454,346
Building Materials and Homefurnishings Group	0	\$0
Automotive Group	1	\$1,285,400
Gasoline Service Stations	1	\$1,285,400

Source: ADE, data estimated from BofE and U.S. Economic Census ZIP Code Files

ADE made a number of important errors in estimating McFarland's retail sales:

- (1) ADE believes "there are 25 retail establishments operating in McFarland, the bulk of which are eating places." (ADE Addendum, p. 24.) This is incorrect, as is ADE's estimate of \$19,825,423 in retail sales of merchandise. During 2007, which is the most recent year for which retail sales data is available, the State Board of Equalization reported that there were 56 retail stores in McFarland with taxable transactions of \$21,914,000. (SBE, Taxable Sales In California (Sales & Use Tax) During 2007, p. 32, available at http://www.boe.ca.gov/news/pd/lts_a07.pdf.) Currently, there are approximately 45 retail stores open for business in the commercial districts of McFarland, not counting barber shops and beauty parlors, and 14 of them are eating places.
- (2) According to the addendum, "It is important to note that there are no apparel stores in any of the towns and cities in the regional market area" (ADE Addendum, p. 3.) Subsequently, the addendum notes that there is one apparel store in Wasco. (ADE Addendum, p. 5 & Table 2.) However, McFarland has no fewer than three clothing stores in its commercial districts:
 - (a) McFashion, in McFarland's northwestern commercial district;
 - (b) Maria's Fashion and
 - (c) Maggi's Clothing, both of which are in the downtown commercial district.

2-3

City of McFarland's Comments—Delano Marketplace Supplemental EIR—page 6



2-3
(continued)

City of McFarland's Comments—Delano Marketplace Supplemental EIR—page 7



Dun & Bradstreet provides an estimate of sales for only one of the stores, which is \$110,000. No estimate is available for McFashion, which is the largest of the three stores and should have retail sales at least equal to that amount. ADE should have estimated the retail sales of McFarland's clothing stores as at least \$250,000.

(3) ADE believes there are no stores retailing "Auto Parts & Accessories" within the City of McFarland: its estimate of retail sales in this category is zero. (ADE Addendum, Table 2.) This too is an error. McFarland has no fewer than four stores in this Retail Group:

- (a) Tire Zone, on Frontage Road near Elmo Highway in north McFarland;
- (b) ABC Auto Parts, on West Perkins in the northwestern commercial district;



City of McFarland's Comments—Delano Marketplace Supplemental EIR—page 8

2-3
(continued)