

Bossier Plan

Chapter 4

Market Assessment

Market analysis forms the basis for real estate investment decisions regarding use, location, size, pricing, design and quality. Forecasting market support entails examining both sides of the traditional supply-demand equation. But while quantifying the supply of complementary and competing uses is fairly straightforward, projecting demand melds standard methodologies and established analytic techniques with intuition, particularly when projects intend to induce consumers to change how they relate to the built environment: where they live, work, shop and play.

Evaluating Real Estate Market Opportunities

Real estate market analysis encompasses a host of data-driven assessments that help decision-makers evaluate the risks and potential rewards inherent in buying, developing or redeveloping property. In addition to developers, those benefiting from real estate market analysis include elected and appointed officials, lenders, neighbors, competitors, and entities operating complementary uses.

The regulatory system, particularly at the local level, affects feasibility; consequently, government has a clear interest in real estate market analysis because the community benefits from appropriate projects that satisfy its goals for the built environment while fulfilling market needs and thus generating a return to investors. Often, however, the public sector focuses on density, traffic and other physical issues without exploring whether a proposed project can succeed given current market dynamics. At the same time, developers are quick to posit dire economic consequences resulting from the mildest land use regulations. Real estate market analysis can help identify feasible development programs that satisfy both investment and design criteria, garnering public support along the way; particularly helpful if special exemptions or other unusual entitlement proceedings ensue. In short, real estate market analysis can mitigate the harmful effects of overly optimistic or pessimistic assumptions on decision-making that emerge when people are forced to

evaluate complex issues without sufficient information.

Although techniques for evaluating market potential vary by real estate product or the type of development being contemplated, all address the following fundamental issues:

- ◆ Can the project capture business from users willing to rent/buy space and/or the products, services or experience being offered within it?
- ◆ What is the relationship between price and market absorption?
- ◆ How should the product be tweaked to optimize its performance in the market place and/or improve its competitiveness?

Like most complex systems, real estate analysis is fraught with inherent contradictions and conundrums that defy statistical approaches. Further, project success depends on notoriously fickle consumers behaving consistently and rationally. Why have 15 restaurants failed at a given location, while others are thriving nearby? Why are cup holders enough to convince people to drive an extra 20 minutes to a different movie theatre? Why is this neighborhood hip? Although hindsight often explains real estate successes or failures, it usually takes judgment, experience and intuition to anticipate them.

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At the end of the day, however, all real estate market analyses concern either:

- ◆ A use in search of a site
- ◆ A site in search of a use

Supply and Demand

As noted previously, real estate market analysis entails identifying sources of both supply and demand for the project type envisioned. The supply side represents the existing or expected competition that offer the market a comparable choice. The demand side represents consumers with affinity and need for the project. In real estate, all locations are, literally, unique although they may share the market: the source of demand.

In real estate market analysis, “the market” can mean many things describing the source of demand depending on the property type undergoing evaluation. The market may be understood or described in many ways, including:

- ◆ **geographic**, as in a region delivering customers to an enterprise;
- ◆ **demographic**, as in shared socio-economic traits that describe income, age and sex;
- ◆ **psychographic**, as in the shared lifestyle orientation conveyed by such shorthand descriptors as “yuppie” or “empty-nester”; and,
- ◆ **product types**, as in “tablecloth restaurants” or regional shopping center.

Market segmentation in real estate continues apace, with new products supplementing established ones or replacing those that have become obsolete. The basic property types — residential, retail, office, industrial, hotel, institutional, etc. — can be categorized according to market requirements revolving around location, price and target user. “Category killer,” “big box,” “strip center,” “outlet mall,” or “family restaurant” all convey very specific information.

Evaluating Supply

Analyzing the supply of competing projects requires an objective assessment of:

- ◆ inventory as available space or competing real estate product, as well as proposed projects and those under construction;
- ◆ vacancy rates, reasons and implications about the performance of different types of space;
- ◆ absorption rates and user traits;
- ◆ price (rent or sale) according to product location as corrected for terms and concessions (tenant improvement allowances, escalation clauses, etc.); and,
- ◆ characteristics — advantages and disadvantages — of the competitive set relative to the proposed project.

Ultimately this information forms the basis for determining whether a given market is under-served relative to a given product type. Signs of trouble — a market careening out of balance — include excess construction activity and/or rising vacancy rates (some is desirable to maintain affordability and accommodate slippage), negative absorption (more space becoming vacant than becoming occupied), falling rents/sales prices, and skittish behavior by major regional employers.

Evaluating Demand

Projecting demand — and determining how best to satisfy it — is much more difficult than evaluating supply. It considers:

- ◆ demographics of available populations and/or households;
- ◆ purchasing power, disposable income and wealth;
- ◆ employment and industrial sectors;
- ◆ travel tolerance (time, distance and cost); and,
- ◆ future growth, if any, anticipated.

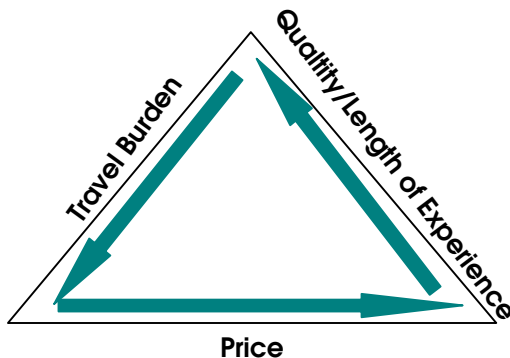
Taken together, the supply and demand assessments enable developers to refine the real estate product to fit the needs of a specific market niche.

Consumers Behaving Rationally

Economic theory holds that consumers always behave rationally, a construct that often fails to explain how people actually function in the real world. However, in a

world where many duplicate experiences exist (consider fast food or convenience stores) some assumptions about consumer behavior can be made that relate to specific uses and also evidence common sense. A few of these include:

- ◆ When uses are exactly or nearly substitutable, people will not drive past one to get to another equivalent use.
- ◆ Products need to be correctly positioned in the triangle shown below for customers to perceive value.



The sweet spot differs for every real estate product; going to Disneyworld is not the same as going to McDonald's. For special occasions and places, having the experience trumps typical expenditure patterns and demographic indicators like household income.

- ◆ People willingly walk great distances from their cars when the objective is in sight or when the real estate product is billed as a single unified destination.
- ◆ Multiple nameplates convey convenient choice, enabling competitors to thrive by being together. That is why shoe stores co-locate and auto-malls exist.
- ◆ Anchor tenants drive perception of character.

Capture and Leakage

When a real estate product succeeds in attracting dollars, it captures dollars from its competitors and the host community benefits. Benefits accruing to the host community range from direct revenues like sales tax dollars to indirect and induced benefits like greater spending at nearby stores, higher property values and increased employment. However, the market seldom rests in a static state: new competitors arrive, congestion denudes the experience, patrons become priced out of the market or convinced that a project's 15 minutes ended. The project's location in the triangle shifts and it must

adapt (continue achieving desired returns) else it wither and die.

Normally the market adapts to a new entrant in Darwinian fashion, whereas: if demand doesn't expand, the victim of consumers shuffling their dollars around may be miles away. This succession — today's Class A space is tomorrow's Class B space until reinvestment rehabilitates it — occurs as product types and properties move up and down the food chain.

If the target market is not robust enough to accommodate a new entrant in a particular product category, its proponents will try to determine what share of demand it must attract to achieve required performance targets: the capture or penetration rate. Unfortunately, capture rates vary immensely based on product type and target markets: for most projects, developers who assume that they capture more than a small percentage of demand do so at their peril.

When a real estate product type is missing from the mix, it thwarts the market, which responds by spending earmarked dollars elsewhere, resulting in leakage. These dollars are available, often times for the following reasons:

- ◆ the area has been neglected by developers;
- ◆ the regulatory environment discourages commercial growth;
- ◆ the resident base has changed without an appropriate response from the commercial sector;
- ◆ the lending community holds old perceptions of the area, perhaps because only aged data is available;
- ◆ outside forces may influence the length of time to market unpredictably (as in "brownfield" sites or projects affected by pending legislative action), creating uncertainty about return and generating unacceptable opportunity costs.

Some of these forces appear to be at play in Bossier.

In addition to capturing existing demand, developers also try to induce demand, effectively creating a new product type that exploits the market's discontentment with the existing mix or with real estate solutions to a need or problem. New real estate products may require new

physical plants (automatic car washes) or merely represent a new tenant type (video rentals).

Feasibility Analysis

Once demand and supply are fully understood, they become key ingredients for a financial feasibility analysis that ultimately reveals whether a project will succeed from the point of view of various stakeholders, including investors, tenants, redevelopment and other public agencies, lenders, and the developer. Like market assessments, feasibility analyses are ongoing ventures, continuously refined as new information becomes available and assumptions are replaced with facts. Preparing a feasibility analysis requires an understanding of both construction costs and operating economics, along with informed strategy for the end game: will the developer own and operate the project in perpetuity, flip it after some number of years, or hire outside management? How will establishing multiple types of uses together affect performance? Are there synergies or dis-incentives that affect how the market resolves its demands? For communities establishing new town centers, these issues are as pertinent as they are for shopping center developers, as shown in the chart below:

Use Compatibility and Synergy									
	Residential	Office	Hotel	Convenience Retail	Specialty Retail	Comparison Retail	Eating and Drinking	Theatres	Health Care
Residential	S	C	S	W	W	W	C	W	
Office	S		S	W	W	W	S	N	W
Hotel	C	S		W	S	S	S	W	W
Convenience Retail	S	W	W		C	C	W	W	N
Specialty Retail	W	W	S	C		S	S	S	N
Comparison Retail	W	W	W	W	S		S	S	N
Eating/Drinking	W	S	S	W	S	S		S	N
Theatres	C	N	W	W	S	S	S		N
Health Care	W	W	W	N	W	W	N	N	

S: Strong W: Weak N: Neutral C: Conflict Potential

Factors relating demand to supportable square feet become crucial intelligence in preparing feasibility analyses. How many square feet do office workers require? What if it's a call center? The same notions apply to estimating operating expenses. How many rooms can a member of the

housekeeping staff clean in a day? What does it cost to heat a building clad in titanium?

Meaning for Bossier

As Bossier reshapes its built environment and responds to changing market dynamics, it becomes crucial to quantify demand and determine what incentives, if any, are necessary to induce developers to respond to opportunities. These issues emerge whenever complex projects arise, particularly when they must overcome real and perceived barriers to success or when taxpayer dollars or strategic parcels are in play. Balancing those risks is commensurate reward: projects that can exert a transformative effect.

As a community, Bossier needs to articulate its desired future — expressed in terms of character as well as land use — and then determine whether sufficient demand exists or can be induced to achieve it. For transformative development, induced demand plays a very significant role: relying on untapped demand is the purview of small, incrementalist projects. Bossier has big dreams and should treat its aspirations carefully, even exercising restraint to realize its ambitions. In short, the Comprehensive Land Use and Development Master Plan creates a forum for addressing Bossier's ambitions: identifying uses first, and then designating appropriate sites through the process.

Key Development Issues and Opportunities

Market Support and Competitive Environment

To estimate the nature of new uses that can be supported in Bossier City, the WSA Consultant Team analyzed the breadth and depth of available market support. Market support entails capturing the interest and dollars associated with three principal markets:

- ◆ For retail, personal service and entertainment uses, local residents from the Bossier City-Parish Metropolitan Planning Commission (MPC) Planning Area encompassing Bossier City and parts of Bossier Parish comprise the immediate neighborhood, while the broader parish market and the Shreveport-Bossier region represent other important market components, generating loyal customers whose

repeat visits create profitability for many retailers. But while the 16,000 Air Force personnel stationed at Barksdale AFB collectively wield salaries totaling millions, most of their conventional retail needs are satisfied at on-base stores offering attractive discounts.

- ◆ Nearby employers provide another key market. In addition to spending associated with daily lunch time activities, given the proper mix of nearby uses, these workers can be induced to change their habits in ways that benefit local businesses, for example, from relying on shopping opportunities near home to developing new relationships with businesses near key employment centers. The more congestion on a region’s roadways, the more likely workers will try to “wait out” the traffic fulfilling personal obligations near the workplace.
- ◆ Area companies themselves represent another market opportunity. Businesses purchase goods and services, supporting the retail, manufacturing and services sectors occupying, respectively, storefront, industrial and office space throughout the region.
- ◆ Bossier’s casinos attract a steady stream of visitors to the community, although outside of Las Vegas the recreational gaming clientele proves very difficult to convert to traditional leisure traveler spending patterns.
- ◆ The visitor market encompasses people traveling on business as well as for leisure. Although the east side of the river lacks a significant resource for holding conventions and meetings, some group business events take place in Shreveport. People visiting companies based in Bossier Parish represent an additional small but significant market for area restaurateurs. While many of these people are relatively transient business travelers, the ability to draw leisure visitors from outside of the region is intrinsically tied to marketing efforts and the character (including retail offerings) of the downtown district.

For some perspective on these markets, consider that:

- ◆ Typical regional shopping malls draw customers from a distance of 10 to 15 miles, with residents typically shopping more than one mall on a continuous basis. Smaller downtown districts, as might be expected, draw customers from a smaller area and face stiff competition from the surrounding malls, which offer convenient

shopping in one climate-controlled location with ample parking.

- ◆ Interest in revitalizing downtown Bossier entails examining the needs of the adjacent neighborhoods. For downtown Bossier, the close-in market — people living within one or two miles — represents an important segment. Although less affluent than those residents living further out, it still represents an important concentration of spending power motivated to do business with local enterprises. These residents are most likely to do day-to-day shopping in downtown due primarily to their close proximity. Consequently, these residents will have a significant impact on the success of any new project geared towards local markets, including small enterprises revitalized under local government auspices. Banks, hair salons, markets, and food/beverage purveyors all rely on local residents: note that the businesses clustered along Texas Street almost all serve the close-in market.
- ◆ Similarly, employees are important simply due to proximity. In a survey of downtown workers, the International Council of Shopping Centers found that workers spend about \$1,300 annually on food and an additional \$800 on retail purchases during the work day. Opportunity — the ability to use one’s lunch hour to both eat and run a quick errand — increases with density and variety: simply put, when there’s more stuff to buy closer together and located closer to them, then people spend more. Proximity pays.
- ◆ In the broader region there are several other small vibrant neighborhoods trading on their architectural character to attract shoppers. Downtown districts offer a unique environment that national retailers are increasingly appreciating. Having committed to their stockholders their intention to expand, some national retailers are trying to find pedestrian-oriented sites for expansion, especially when these environments comport with the brand. A good example is Williams Sonoma, with one third of its locations found in downtown business districts on walkable streets.

A Market Perspective on Area Demographic and Socio-Economic Characteristics

Chapter 2 of the Master Plan, entitled *Area Profile*, reviews key demographic and socio-economic characteristics, concentrating on the region served by the MPC. Businesses in this region, however, draw from a much larger market area that encompasses all of Bossier Parish along with the City of Shreveport, Caddo Parish and small distant towns that rely on the Bossier-Shreveport business cluster to fulfill their retail and service needs.

Almost 400,000 people make their homes in the Shreveport Metropolitan Statistical Area; half live in the City of Shreveport as illustrated in **Table 4.1, Population Data**.

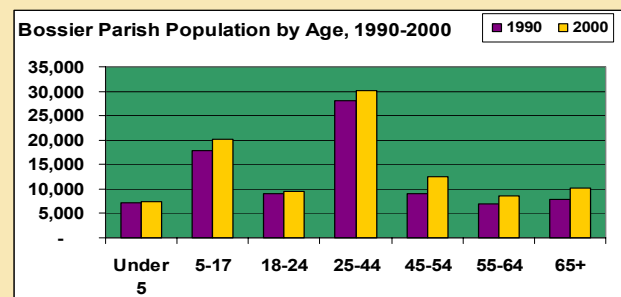
**Table 4.1
Population Data**

	1980	1990	2000	Annual Percent Change		
				1980-90	1990-2000	1980-2000
State of Louisiana	4,206,262	4,175,166	4,468,976	-0.1%	0.7%	0.3%
Shreveport MSA						
Bossier Parish	80,721	86,088	98,310	0.6%	1.3%	1.0%
Caddo Parish	252,358	248,253	252,161	-0.2%	0.2%	0.0%
Webster Parish	43,631	41,989	41,831	-0.4%	0.0%	-0.2%
Total	376,710	376,330	392,302	0.0%	0.4%	0.2%
Key Municipalities						
Bossier City	50,861	52,718	56,461	0.4%	0.7%	0.5%
Shreveport	205,776	198,528	200,145	-0.4%	0.1%	-0.1%

Source: Louisiana Population Data Center, U.S. Census Bureau

Figure 4.1, Bossier Parish Population by Age, 1990-2000, depicts Bossier Parish's nearly 100,000 residents by age cohort, revealing that nearly a third of the people are presently enjoying their peak spending years (24-44), fulfilling the needs of children and new homes.

**Figure 4.1
Bossier Parish Population by Age, 1990-2000**



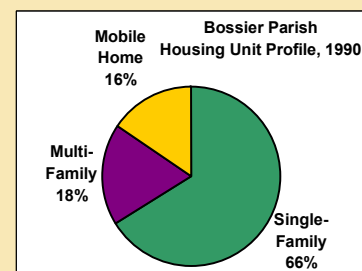
As addressed in the Area Profile, the 2000 Census Housing Profile has yet to be released. Accordingly, 1990 figures

reveal relatively high dependence on apartment and mobile homes as justified by Chapter 5 - Housing. The proportions, shown in

Figure 4.2, Bossier Parish Housing Unit Profile, 1990, reveal the Parish's limited prosperity but also

reflect Barksdale's influence as a source of young transient families earning military pay.

**Figure 4.2
Bossier Parish Housing Unit Profile, 1990**



Homeownership increased by a few percentage points between 1990 and 2000. At present, just under 70 percent of parish households hold deeds to their residences. Projections suggest that overall population figures will increase by about 13 percent over the coming two decades as revealed in **Table 4.2, Population Projections, Bossier Parish, 2000-2020**.

Bossier Parish, 2000-2020.

**Table 4.2
Population Projections, Bossier Parish 2000-2020**

Year	Under 5	5-19	20-34	35-64	65+	Total
2000	6,690	21,770	19,580	35,660	9,170	92,870
2005	6,700	21,610	19,940	37,510	9,840	95,600
2010	6,910	21,700	20,740	38,680	10,910	98,940
2015	7,160	21,730	21,620	38,920	12,690	102,120
2020	7,280	22,240	21,720	38,860	14,830	104,930
Change	590	470	2,140	3,200	5,660	12,060
Rate	8.8%	2.2%	10.9%	9.0%	61.7%	13.0%

Source: Louisiana Population Data Center (1997)

As shown in **Figure 4.3, Population Projections by Age Cohort, Bossier Parish, 2000-2020**, the Parish's gradual aging is offset by slower growth in younger cohorts.

Figure 4.3
Population Projections by Age Cohort, Bossier Parish, 2000-2020

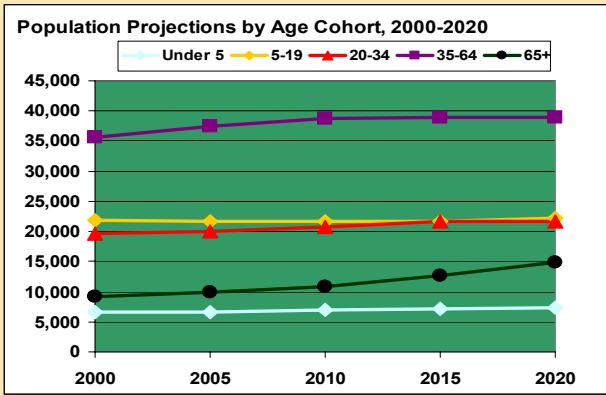


Table 4.3, Bossier MPC Region Employment by Industry compares employment by industry figures for Bossier Parish with those for the nation, the State of Louisiana as a whole, and the Shreveport MSA. The Location Quotients reveal sectors showing strength or weakness as compared to either

state or national standards as follows: Bossier Parish, for example, has only 91 percent of the expected number of jobs in construction relative to the State of Louisiana, but 131 percent relative to the entire country. The most interesting findings revealed by this data relative to land use entail demand for office space: low performance in Finance, Insurance and Real Estate (FIRE), the key driver. However, this situation may reflect the classic chicken-egg conundrum: are there fewer office jobs because there is little office space or vice versa?

In recent years, volatility in the oil and gas industries has rippled through the economy, creating both good times and bad. The region relies on port-based industry and related distribution activities associated with its Interstate 20 location and access to the Dallas and Atlanta markets. General Motors' recent decision to invest some \$800 million in manufacturing improvements bodes well for small suppliers.

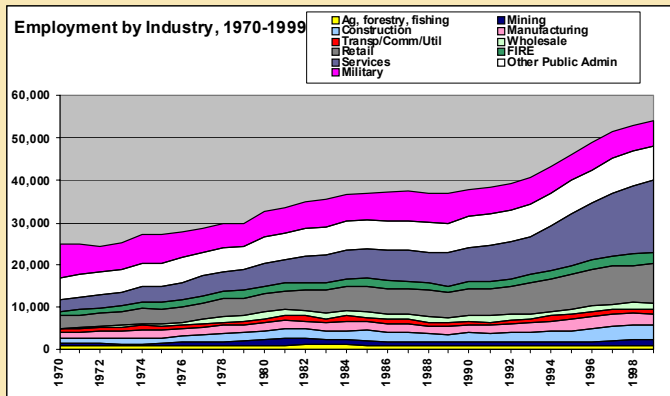
Table 4.3
Bossier MPC Region Employment by Industry, 2000

	All Industries	Mining	Construction	Manufacturing	Transportation Communication & Utilities	Wholesale Trade	Retail Trade	FIRE	Services	Public Admin.
United States Total (000s)										
Employment	130,640	543	6,698	18,469	7,019	7,024	23,307	7,560	39,340	20,680
% of National Total	100.0%	0.4%	5.1%	14.1%	5.4%	5.4%	17.8%	5.8%	30.1%	15.8%
State of Louisiana										
Employment	1,847,620	48,159	136,369	183,372	30,859	95,757	357,302	84,244	708,279	103,279
% of State Total	100.0%	2.6%	7.4%	9.9%	7.1%	5.2%	19.3%	4.6%	38.3%	5.6%
Bossier Parish										
Employment	38,003	1,159	2,549	2,910	1,222	1,186	8,395	1,208	17,067	2,307
% of County Total	100.0%	3.0%	6.7%	7.7%	3.2%	3.1%	22.1%	3.2%	44.9%	6.1%
US Location Quotient		7.34	1.31	0.54	0.60	0.58	1.24	0.55	1.49	0.38
LA Location Quotient		1.17	0.91	0.77	0.45	0.60	1.14	0.70	1.17	1.09
Shreveport MSA										
Bossier	38,003	1,159	2,549	2,910	1,222	1,186	8,395	1,208	17,067	2,307
Caddo	118,613	1,191	6,460	13,419	7,935	7,133	20,471	4,768	53,123	4,113
Webster	12,265	227	911	2,948	535	469	2,556	468	3,656	495
Total Employment	168,881	2,577	9,920	19,277	9,692	8,788	31,422	6,444	73,846	6,915
% of Region Total	100.0%	1.5%	5.9%	11.4%	5.7%	5.2%	18.6%	3.8%	43.7%	4.1%
US Location Quotient		3.67	1.15	0.81	1.07	0.97	1.04	0.66	1.45	0.26
LA Location Quotient		0.50	0.88	1.49	1.78	1.67	0.84	1.20	0.97	0.67

Source: U.S. Bureau of Labor Statistics; State of Louisiana Department of Labor; Economic Stewardship, Inc.

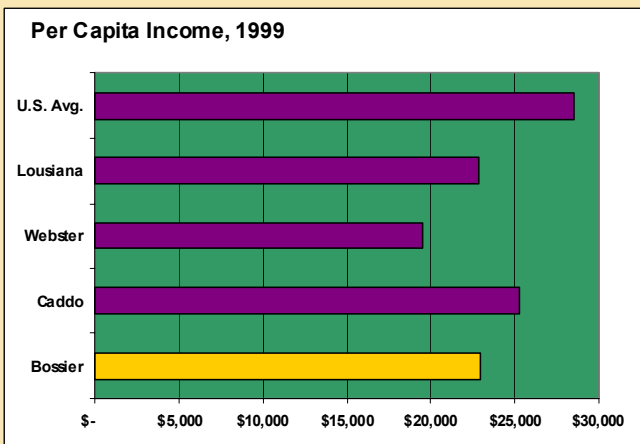
Figure 4.4, Employment by Industry, Bossier Parish, 1970-1999, shows how each sector has evolved over the past 30 years.

Figure 4.4
Employment by Industry, Bossier Parish, 1970-1999



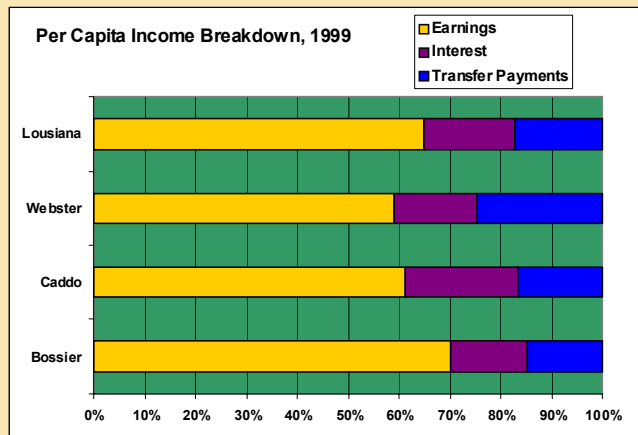
Bossier Parish's per capita income keeps pace with State of Louisiana figures, but falls short of the earnings experienced by people living in Shreveport and surrounding Caddo Parish, as shown in Figure 4.5, Per Capita Income, Bossier Parish, 1999.

Figure 4.5
Per Capita Income, Bossier Parish, 1999



Bossier Parish residents experienced income growth or decline during the 1990s by industry segment as shown in Table 4.4, Personal Income by Major Source and Earnings by Industry, Bossier Parish, 1990-1999. Note the impressive growth posted by a few key sectors (tinted yellow), including entertainment (casinos), metal fabrication and building materials. Many sectors (tinted peach), however, failed to keep pace with inflation. This hurts Bossier Parish residents more than other people living within the SMA. In terms of wealth, Bossier Parish

Figure 4.6
Per Capita Income Breakdown, Bossier Parish, 1999



people rely on income more than other sources such as interest: another socio-economic by-product of the relatively young population and the influence of Barksdale AFB personnel, as revealed by Figure 4.6, Per Capita Income Breakdown, 1999.

**Table 4.4
Personal Income by Major Source and Earnings by Industry, Bossier Parish, 1990-1999 (Thousands of Dollars)**

Category	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	Annual % Change
Total Personal Income	\$1,288,985	\$1,360,138	\$1,478,204	\$1,540,898	\$1,669,853	\$1,802,193	\$1,845,502	\$1,924,024	\$2,028,505	\$2,143,668	5.8%
Population (number of persons)	85,864	85,912	86,184	87,584	88,950	90,421	91,937	93,473	92,334	93,374	0.9%
Per capita personal income (dollars)	\$15,012	\$15,832	\$17,152	\$17,593	\$18,773	\$19,931	\$20,074	\$20,583	\$21,969	\$22,958	4.8%
	\$805,165	\$842,407	\$882,861	\$925,440	\$996,230	\$1,113,465	\$1,209,746	\$1,261,817	\$1,352,451	\$1,403,626	
Ag. services, forestry, fishing, & other	\$4,339	\$4,897	\$5,122	\$6,073	\$5,955	\$6,110	\$6,724	\$7,432	\$8,760	\$10,289	10.1%
Mining	\$22,349	\$22,878	\$20,516	\$20,681	\$21,450	\$22,257	\$30,102	\$36,380	\$46,854	\$40,739	6.9%
Construction	\$44,706	\$39,321	\$47,487	\$53,477	\$60,594	\$62,887	\$70,751	\$80,030	\$85,488	\$86,031	7.5%
Manufacturing	\$52,822	\$51,194	\$60,164	\$60,740	\$68,517	\$83,519	\$84,884	\$83,049	\$86,105	\$87,035	5.7%
Durable goods	\$25,876	\$23,237	\$31,232	\$34,635	\$41,271	\$44,955	\$46,750	\$47,562	\$52,603	\$54,991	8.7%
Lumber and wood products	\$6,044	\$7,284	\$10,429	\$11,123	\$11,621	\$12,017	\$10,463	\$9,516	\$10,299	\$10,138	5.9%
Stone, clay, and glass products	\$3,623	\$3,389	\$3,170	\$3,133	\$3,778	\$4,481	\$4,512	\$4,479	\$6,098	\$5,964	5.7%
Primary metal industries	\$6,881	\$6,760	\$8,639	\$10,560	\$10,890	\$10,560	\$13,590	\$14,137	\$14,241	\$15,570	9.5%
Fabricated metal products	\$1,440	\$1,368	\$5,486	\$5,634	\$6,277	\$6,990	\$7,490	\$7,592	\$7,883	\$12,040	26.6%
Industrial machinery and equipment	(D)	\$1,548	\$831	\$1,033	\$1,370	\$1,700	\$2,014	\$2,730	\$2,394	\$2,472	6.0%
Miscellaneous manufacturing industries	\$1,387	\$1,111	\$1,182	\$1,342	\$1,430	\$1,773	\$1,999	\$2,442	\$2,171	\$1,940	3.8%
Nondurable goods	\$26,946	\$27,957	\$28,932	\$26,105	\$27,246	\$38,564	\$38,134	\$35,487	\$33,502	\$32,044	1.9%
Apparel and other textile products	\$2,431	\$2,627	\$4,091	\$4,100	\$3,766	\$3,966	\$4,167	\$3,965	\$4,218	\$3,791	5.1%
Printing and publishing	\$4,616	\$5,875	\$5,475	\$6,227	\$6,595	\$11,858	\$10,082	\$7,689	\$6,885	\$6,893	4.6%
Chemicals and allied products	\$8,038	\$6,002	\$4,336	\$1,226	\$883	\$1,948	\$996	\$764	(D)	(D)	-28.6%
Petroleum and coal products	\$3,362	\$4,150	\$4,763	\$5,611	\$6,223	\$7,655	\$8,952	\$9,080	(D)	(D)	15.3%
Rubber and misc. plastics products	\$3,150	\$3,751	(D)	(D)	(D)	(D)	(D)	(D)	(D)	\$2,663	-1.8%
Transportation and public utilities	\$20,259	\$19,523	\$21,749	\$22,934	\$30,338	\$33,678	\$35,417	\$43,891	\$43,243	\$49,935	10.5%
Railroad transportation	\$533	\$626	\$642	\$576	\$672	\$737	\$731	\$727	\$818	\$817	4.9%
Trucking and warehousing	\$12,336	\$12,392	\$12,007	\$12,061	\$15,460	\$17,202	\$17,297	\$24,247	\$26,212	\$33,235	11.6%
Transportation services	\$474	\$570	\$452	\$389	\$2,007	\$1,119	\$779	\$1,389	\$1,301	\$1,303	11.9%
Communications	\$1,736	(D)	(D)	\$2,744	\$3,461	\$4,430	\$4,841	\$3,713	\$3,519	\$3,515	8.2%
Electric, gas, and sanitary services	\$4,386	\$4,664	\$5,897	\$6,312	\$7,985	\$7,765	\$8,906	\$10,564	\$8,195	\$7,634	6.4%
Wholesale trade	\$28,133	\$28,994	\$31,421	\$28,277	\$29,586	\$31,968	\$33,740	\$35,582	\$41,686	\$42,208	4.6%
Retail trade	\$79,117	\$84,618	\$91,289	\$101,760	\$110,511	\$119,168	\$129,497	\$135,972	\$144,869	\$153,257	7.6%
Building materials and garden equipment	\$2,942	\$3,362	\$4,019	\$5,056	\$6,304	\$7,862	\$8,554	\$10,014	\$14,861	\$14,941	19.8%
General merchandise stores	\$10,680	\$11,025	\$11,782	\$11,985	\$12,462	\$12,781	\$16,267	\$19,004	\$20,556	\$21,812	8.3%
Food stores	\$12,027	\$12,097	\$14,809	\$17,341	\$17,907	\$18,468	\$18,826	\$18,587	\$16,873	\$17,907	4.5%
Automotive dealers and service stations	\$11,817	\$12,650	\$12,608	\$14,001	\$17,290	\$19,121	\$20,223	\$21,195	\$23,600	\$24,361	8.4%
Apparel and accessory stores	\$3,422	\$4,233	\$4,365	\$4,786	\$4,504	\$5,059	\$5,377	\$5,641	\$5,517	\$5,722	5.9%
Home furniture and furnishings stores	\$2,330	\$2,504	\$2,833	\$4,129	\$4,695	\$5,251	\$5,618	\$5,769	\$6,564	\$6,509	12.1%
Eating and drinking places	\$21,821	\$24,340	\$25,289	\$28,862	\$30,877	\$32,748	\$35,204	\$36,620	\$36,996	\$41,229	7.3%
Miscellaneous retail	\$14,078	\$14,407	\$15,584	\$15,600	\$16,472	\$17,878	\$19,428	\$19,142	\$19,902	\$20,774	4.4%
Finance, insurance, and real estate	\$22,151	\$24,035	\$28,369	\$29,391	\$31,875	\$35,139	\$37,106	\$39,154	\$41,385	\$44,197	8.0%
Services	\$116,755	\$125,166	\$135,117	\$141,928	\$197,850	\$242,359	\$267,707	\$279,113	\$321,556	\$351,927	13.0%
Hotels and other lodging places	\$6,232	\$6,515	\$6,678	\$6,899	\$9,781	\$10,906	\$12,621	\$11,300	\$13,635	\$14,933	10.2%
Personal services	\$9,792	\$12,776	\$12,104	\$12,709	\$11,686	\$13,802	\$14,111	\$12,065	\$13,296	\$13,718	3.8%
Private households	\$1,872	\$1,815	\$2,009	\$2,103	\$2,186	\$2,328	\$2,347	\$2,342	\$2,682	\$2,177	1.7%
Business services	\$16,073	\$18,336	\$18,795	\$14,375	\$17,441	\$17,012	\$18,893	\$15,558	\$16,677	\$17,642	1.0%
Auto repair, services, and parking	\$7,126	\$6,858	\$7,267	\$7,207	\$9,405	\$10,161	\$10,236	\$9,608	\$12,011	\$12,859	6.8%
Miscellaneous repair services	\$3,818	\$7,101	\$8,813	\$9,344	\$4,692	\$5,140	\$5,109	\$4,385	\$4,258	\$5,064	3.2%
Amusement and recreation services	(D)	(D)	(D)	\$15,614	\$58,434	\$97,028	\$108,950	\$121,983	\$149,468	\$159,251	47.3%
Motion pictures	\$446	\$580	\$632	\$685	\$808	\$637	\$766	\$765	\$796	\$751	6.0%
Health services	\$32,312	\$34,100	\$40,347	\$45,510	\$50,934	\$52,440	\$61,868	\$67,266	\$69,043	\$80,728	10.7%
Legal services	\$2,965	\$2,463	\$2,673	\$3,271	\$4,180	\$3,916	\$4,243	\$4,386	\$5,087	\$4,764	5.4%
Educational services	\$2,811	\$2,727	\$973	\$1,176	\$3,451	\$3,004	\$3,479	\$4,166	\$4,867	\$3,663	3.0%
Social services	\$2,821	\$2,759	\$3,067	\$5,097	\$5,224	\$5,589	\$5,655	\$5,912	\$7,062	\$7,919	12.2%
Engineering and management services	\$10,132	\$8,498	\$8,621	\$9,163	\$9,513	\$9,557	\$8,760	\$9,038	\$12,207	\$16,887	5.8%
Miscellaneous services	\$946	\$1,080	\$967	\$1,245	\$1,984	\$2,660	\$1,915	\$1,193	(D)	\$1,259	3.2%
Government and government enterprises	\$414,534	\$441,781	\$441,627	\$460,179	\$439,554	\$476,380	\$513,818	\$521,214	\$532,505	\$538,008	2.9%
Federal, civilian	\$77,368	\$80,404	\$85,658	\$92,954	\$68,598	\$70,847	\$76,056	\$79,389	\$80,636	\$81,487	0.6%
Military	\$233,956	\$246,876	\$238,123	\$243,710	\$239,199	\$258,693	\$281,247	\$277,365	\$273,377	\$277,982	1.9%
State and local	\$103,210	\$114,501	\$117,846	\$123,515	\$131,757	\$146,840	\$156,515	\$164,460	\$178,492	\$178,539	6.3%

Source: U.S. Bureau of Economic Analysis; Economic Stewardship, Inc.

KEY:	
Grew > 10%	x.x%
Grew < 3%	
or Declined	x.x%

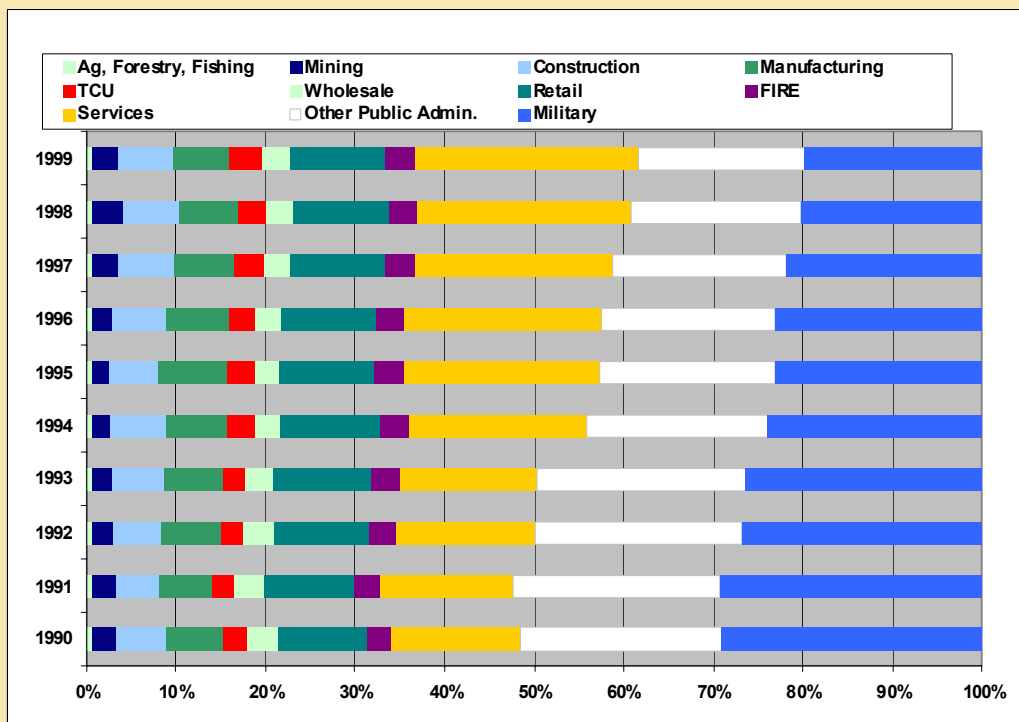
Figure 4.7, Per Capita Income by Industry, Bossier Parish, 1990-1999,

presents one last way of looking at the contribution each industry makes to regional wealth. The decreasing economic significance of Barksdale AFB and the increasing contribution of the services sector is made plain (although recent events may be reversing this trend).

As shown in Figure 4.8, Unemployment Rate, 1990-2000,

the region's unemployment trends closely follow one another, but not those experienced by the United States as a whole. The 1990s prosperity was short-lived in the Shreveport-Bossier MSA, and the recession came early .

**Figure 4.7
Per Capita Income by Industry, Bossier Parish, 1990-1999**



**Figure 4.8
Unemployment Rate, 1990-2000**

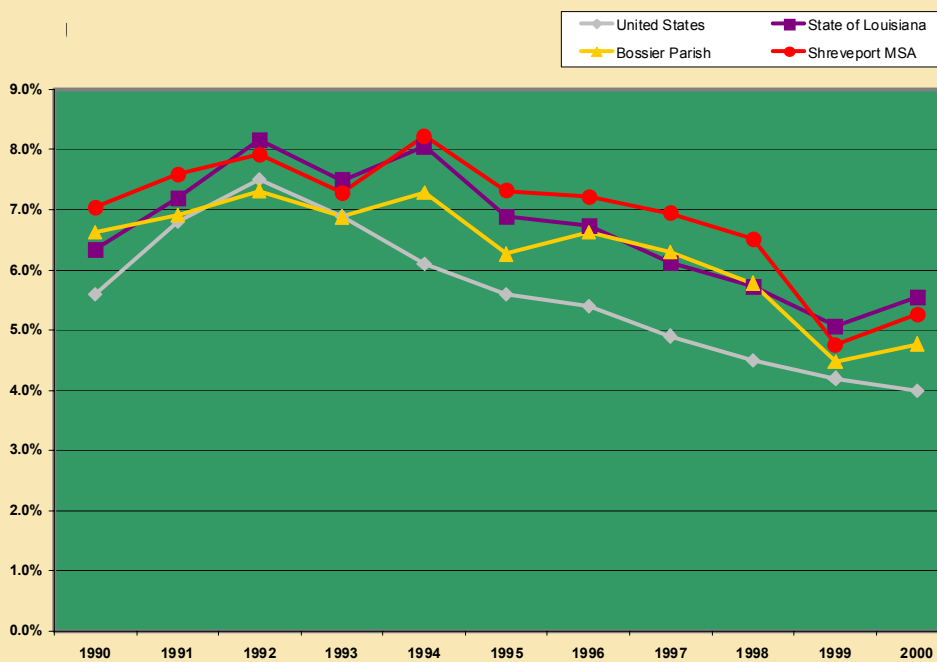
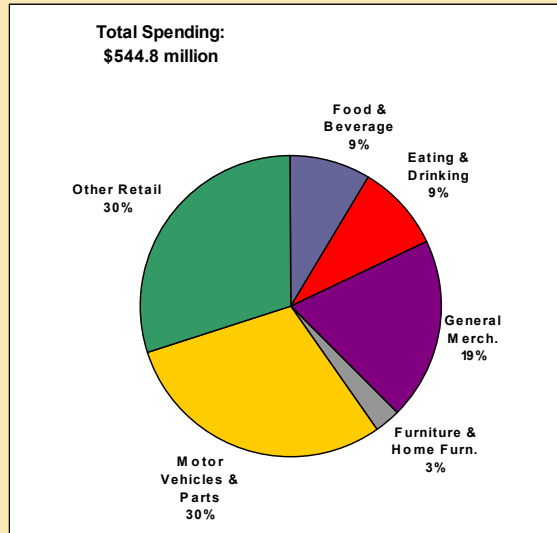


Figure 4.9
Annual Retail Spending by Category, Bossier Parish



Retail

Figure 4.9 – Annual Retail Spending by Category and Tables 4.5 – Retail Sales and 4.6 – Retail Sales Comparison show how people spent some of their earnings in the Bossier MPC region.

Table 4.5
Retail Sales

	State Total	Bossier	Caddo	Webster
2000				
Food & Beverage	\$6,383,478	\$ 110,051	\$340,290	\$48,450
Eating & Drinking	4,551,747	93,008	245,687	19,522
General Merch.	7,352,153	238,919	513,128	38,936
Furniture & Home Furn.	1,719,906	33,565	87,078	18,760
Motor Vehicles & Parts	13,505,384	360,047	885,872	152,811
Other Retail	14,434,343	331,163	899,156	77,854
Total	\$47,947,011	\$1,166,753	\$2,971,211	\$356,333
2001				
Food & Beverage	\$ 6,519,254	\$107,632	\$340,839	\$43,148
Eating & Drinking	4,874,426	119,125	265,889	24,507
General Merch.	7,626,426	243,727	572,057	39,012
Furniture & Home Furn.	1,704,572	34,680	59,424	18,478
Motor Vehicles & Parts	13,611,812	372,949	846,468	54,585
Other Retail	14,581,633	377,040	968,962	97,988
Total	\$48,918,123	\$1,255,153	\$3,053,639	\$377,718

Source: Sales & Marketing Management Survey of Buying Power, ESI

Table 4.6
Retail Sales Comparison, 2001

	State Total	Bossier	Caddo	Webster
Population	4,487,700	99,200	252,500	41,800
Households	1,642,400	36,300	98,600	16,400
Effective Buying Income				
Avg. Per Capita	\$14,889	\$17,151	\$15,727	\$11,609
Avg. Per Household	\$40,682	\$46,869	\$40,274	\$29,588
Annual Sales per Capita, 2001				
Food & Beverage	\$1,453	\$1,085	\$1,350	\$1,032
Eating & Drinking	1,086	1,201	1,053	586
General Merch.	1,699	2,457	2,266	933
Furniture & Home Furn.	380	350	235	442
Motor Vehicles & Parts	3,033	3,760	3,352	3,698
Other Retail	3,249	3,801	3,837	2,344
Total	\$10,900	\$12,653	\$12,094	\$9,036
Comparison Factors				
Parish to State Spending	1.00	1.16	1.11	0.83
Spending to EBI	0.73	0.74	0.77	0.78
Annual Sales per Household, 2001				
Food & Beverage	\$3,969	\$2,965	\$3,457	\$2,631
Eating & Drinking	2,968	3,282	2,697	1,494
General Merch.	4,643	6,714	5,802	2,379
Furniture & Home Furn.	1,038	955	603	1,127
Motor Vehicles & Parts	8,288	10,274	8,585	9,426
Other Retail	8,878	10,387	9,827	5,975
Total	\$29,785	\$34,577	\$30,970	\$23,032
Comparison Factors				
Parish to State Spending	1.00	1.16	1.04	0.77
Spending to EBI	0.73	0.74	0.77	0.78

Source: Sales & Marketing Management Survey of Buying Power; Economic Stewardship, Inc.

On a per capita or household basis, Bossier Parish holds its own, posting sales that match up very respectably with adjacent Caddo Parish, home of many of the region's wealthiest families. Strong automobile sales are part of the story, as is the Heart of Bossier shopping center complex, the regional visitor market, and Barksdale AFB. While few national retailers currently do business in the Bossier MPC area, those in place appear to be patronized by area residents.

Table 4.7, Revenues and Payroll Generated by Tourism quantifies the economic impacts associated with tourism in Bossier Parish and nearby jurisdictions. Note that the region delivers approximately 10 percent of Louisiana’s entire tourism sector revenue, a substantial contribution.

**Table 4.7
Revenues and Payroll Generated by Tourism (\$000s)**

	1998	1999	2000
Revenues			
Louisiana	\$7,169,100	\$7,681,730	\$8,177,710
Bossier	\$297,320	\$313,600	\$332,290
Caddo	373,890	398,290	427,910
Webster	26,690	28,150	31,950
Region Total	\$697,900	\$740,040	\$792,150
% of State Total	9.7%	9.6%	9.7%
Payroll			
Louisiana	\$1,671,000	\$1,736,900	\$1,868,430
Bossier	\$88,000	\$90,870	\$97,250
Caddo	86,800	89,160	96,740
Webster	3,310	3,360	3,860
Region Total	\$178,110	\$183,390	\$197,850
% of State Total	10.7%	10.6%	10.6%
Employment			
Louisiana	106,800	109,930	113,810
Bossier	5,250	5,400	5,570
Caddo	4,620	4,750	4,960
Webster	210	210	230
Region Total	10,080	10,360	10,760
% of State Total	9.4%	9.4%	9.5%

Source: Travel Industry Association of America, The Economic Impact of Travel on Louisiana Parishes, 2000

Tourism creates about 5,600 jobs in the parish, about 600 more than realized in Caddo Parish across the river. Casino patrons driving in from Dallas and elsewhere generate significant overnight stays and concomitant revenue, but the region’s corporations also generate substantial business travel. Barksdale AFB generates both business and leisure travel, particularly since military personnel may not have sufficient leave time for visiting friends, and relatives are often the largest visitor sub-market.

Available Markets

Although it is convenient to think of available resident markets as being readily identifiable and consistent, two factors

greatly influence their breadth and depth. First, human preferences and behavior — expressed in willingness to invest time or money to travel — determines from how large an area a given project can expect to draw. At the extreme ends of the spectrum, urban dwellers travel for hours to experience certain types of entertainment, such as theme parks, “must see” historical attractions and casinos, but would consider it a hardship to drive more than 15 minutes to a grocery store.

While some of this reticence relates to scarcity — convenience stores may be found on every corner but there’s only one Grand Canyon — for commercial enterprises, operational economics and willingness to invest travel time are forces that, taken together, do much to establish the character of our built environment and leisure time. For example, just as a regional mall must draw from farther afield to capture enough revenue to support its stores, at the same time people are willing to drive further to get there because it offers more choice.

Choice also plays a key role, particularly when there are equivalent goods (competition) available closer to the market. Marketeers devote immense resources to determining how to get people to drive past one option in order to get to the preferred choice, competing on quality, price, brand panache, and other factors to motivate the change in behavior. For example, most gas stations have grafted on a convenience store, as operators discovered that they could make more money and distinguish themselves from the competition by offering customers the chance to fulfill two needs at once, for a small amount of capital and a minimal increase in operating costs. It’s “worth it” to drive a few blocks farther to be able to get coffee while filling the tank.

To arrive at market demand, the WSA Consultant Team first determined the total pool of available dollars attributable to the various market segments, assuming uses corresponding to an array of intensity and typical draw as shown in **Table 4.8, Available Market Segments by Real Estate Product Type.**

Table 4.8
Available Market Segments by Real Estate Product Type

	Neighborhood Serving Uses	Community Serving Uses	Regional Serving Uses
Residents			
Bossier City	yes	yes	yes
Bossier Parish	no	yes	yes
Rest of MSA	no	no	yes
Employees			
Bossier Parish	no	yes	yes
Visitors			
Casino	no	yes	yes
Other Bossier Overnight	no	yes	yes
Others Visiting SMA	no	yes	yes

The markets were then broken down into primary and secondary markets, with the primary market representing those individuals most likely to frequent commercial establishments within the Bossier MPC area. Each segment and related land uses are discussed in turn on the pages that follow.

Markets for Retail Development

Three market segments offer the most promise for generating new economic activity in the Bossier MPC area:

- ◆ People living within Bossier City, an easy walk or a quick car ride to uses that serve basic neighborhood functions and provide every-day goods and services, such as a grocery store, dry cleaner, photo shop, craft shop(s), drug store, deli/pizza, coffee/donuts, bank branch, shoe repair, etc. Some of these establishments currently do business along Texas Street and the other arterials, but many are presently unavailable to area residents.
- ◆ People living within Bossier Parish currently travel outside of the city for many community-scale goods and services. Community-serving enterprises begin to encompass larger restaurants and national chains specializing in a particular product line or service, e.g., books, music, sporting goods, toys, apparel, fitness club, beauty supplies, art, etc. Restaurants at this level might include establishments working simple themes, for example, sports bars, brew pubs and specific cuisines.

- ◆ People living within the Shreveport-Bossier MSA will make the trek into Bossier (and across the river, in many cases) for experiences and ambiance that are different from what is available elsewhere: destination restaurants (table cloth fine dining for special occasions), nightclubs featuring name performers, museums, comedy clubs, movie theatres distinguished from vanilla box suburban multiplexes, specialized/ designer apparel, fine art, etc. Often it is as much the ambiance as the offerings that make regional destinations so compelling.

Right now it is apparent that Bossier is drawing extensively from the regional market to support its retail space. If the space is, on average, performing at \$250 per square foot, the retail sales figures suggest square footage throughout Bossier Parish totaling just over 3 million square feet excluding car sales. If solely supported by Bossier Parish residents, this level of retail sales would imply consuming over 50 percent of their gross income, clearly an implausible scenario. Bossier's dilemma is not lack of retail space: it is the range of products available particularly given the increased wealth injected into the Bossier MPC area as developers build housing geared to upper end markets. At the same time, Bossier hopes to revitalize its waterfront area with a mix of uses intended to attract regional and visitor dollars as well as resident spending.

This strategy entails inducing additional demand and, moreover, staunching leakage to Caddo and even Dallas: wherever area residents shop when they could be purchasing goods and services in the Bossier MPC area. Although the overall figures are very healthy, the gap in the retail menu holds potential to serve as a catalyst for revitalization.

How much money is available for potential new uses located within the core of the Bossier MPC area? Using a conservative estimate of income (the bottom of the range including the median figure) and then applying a factor describing the percentage of total household income available for discretionary goods ("disposable income") derived by the Bureau of Economic Analysis yields the total pool of funds available from the resident markets, as shown in **Table 4.9, Disposable Income:**

**Table 4.9
Disposable Income**

	Bossier City	Bossier Parish	Rest of MSA
Population	56,461	98,310	237,531
Per Capita Income	\$22,958	\$22,958	\$25,278
Area Income	\$1,296,231,638	\$2,257,000,980	\$6,004,308,618
Disposable	21.0%	21.0%	21.0%
Available	\$272,208,644	\$473,970,206	\$1,260,904,810

Approximately 24,000 employees work in the Bossier City core, including people affiliated with Barksdale AFB. Downtown employees spend an average of about \$2,100 annually on food and other retail items during the workday according to research conducted by the International Council of Shopping Centers. At these spending rates, Bossier City employees generate about \$50.4 million in annual retail spending and a whopping \$31.2 million on food and beverages. However, these figures are greatly influenced by opportunity and ability: the higher the income of the workforce and the larger the array of retail shopping opportunities, the more spending results.

The Bossier MPC area has a nearby population of affluent employees available for capture — the downtown Shreveport crowd — who, according to anecdotal evidence, are not spending on the east side of the Red River. Converting these employees to spenders represents a significant opportunity. In the same vein, inducing visitors to Shreveport to cross the Red River and sample Bossier’s offerings would dramatically increase potential spending. Making it easy for gamers to get around the region and convincing visiting friends and relatives that Bossier offers an experience worth the trip could all yield significant additional spending. All in all, tourists and employees represent a significant potential market as shown in **Table 4.10, Income by Market Area Available for Capture**, which assumes that 10 percent of all visitor spending is available for discretionary goods.

**Table 4.10
Income by Market Area Available for Capture**

	Bossier City	Bossier Parish	Rest of MSA
Employees	24,000	14,003	130,878
Available	\$50,400,000	\$29,406,300	\$274,843,800
Tourists	\$26,583,200	\$6,645,800	\$45,986,000

**Table 4.11
Available Spending by Real Estate Product Type**

	Neighborhood Serving Uses	Community Serving Uses	Regional Serving Uses
Residents			
Bossier City	\$272,208,644	\$272,208,644	\$272,208,644
Bossier Parish	\$	\$473,970,206	\$473,970,206
Rest of MSA	\$	\$	\$1,260,904,810
Employees	\$	\$50,400,000	\$50,400,000
Visitors	\$	\$26,583,200	\$26,583,200
Total	\$272,208,644	\$823,162,050	\$2,084,066,860

Table 4.11, Available Spending by Real Estate Product Type summarizes spending potentials by market segment as detailed in the preceding sections.

Translating this spending, along with that associated with regional residents, yields the supportable retail square footages arrayed in **Table 4.12, Supportable Square Feet by Real Estate Product Type**. This analysis assumes small changes in regional spending patterns that total about 15 percent of the local market decreasing to a scant few percent of the regional market. The result: a range of supportable space totaling approximately 540,000 square feet and encompassing uses corresponding to the three principal varieties of retail space. That development program suggests enough intensity to be competitive while not presenting an insurmountable threat to the rest of the Bossier retail sector.

The graphic displayed in **Figure 4.10, Bossier**

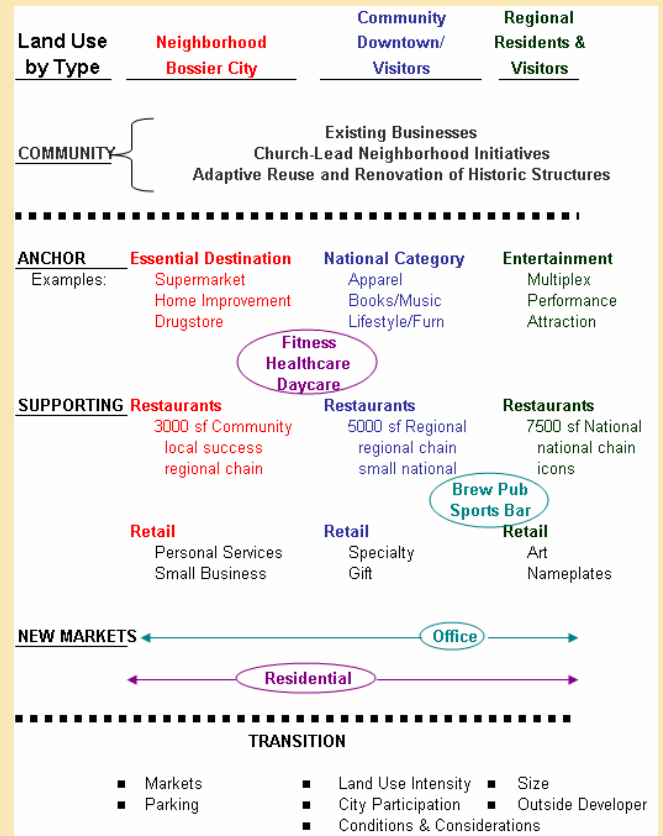
MPC Core in the Context of the Region Market Segments and Geographic Orientation, provides food for thought about this prospect. It shows how scale changes with market reach, drawing a relationship between draw, risk and reward. It notes several uses which demonstrate how straddling market categories might make sense for the core areas of the Bossier MPC region. Finally, it looks at how expanding the size of available markets by increasing the supply of housing or adding square footage of new employment increases the dollars available to support the project.

Table 4.12
Supportable Square Feet by Real Estate Product Type

Neighborhood Serving Uses			
	Available Spending	Capture Rate	Resulting Sales
Residents			
Bossier City	\$272,208,644	3.0%	\$8,166,259
Bossier Parish	\$		\$
Rest of MSA	\$		\$
Employees	\$		\$
Visitors	\$		\$
TOTAL:	\$272,208,644		\$8,166,259
Square Feet Supportable at Alternative Productivity Levels:		\$225	\$36,294
		\$250	32,665
		\$275	29,695
Community Serving Uses			
	Available Spending	Capture Rate	Resulting Sales
Residents			
Bossier City	\$272,208,644	5.0%	\$13,610,432
Bossier Parish	\$473,970,206	3.0%	\$14,219,106
Rest of MSA	\$		\$
Employees	\$ 50,400,000	15.0%	\$7,560,000
Visitors	\$26,583,200	25.0%	\$ 6,645,800
TOTAL:	\$823,162,050		\$42,035,338
Square Feet Supportable at Alternative Productivity Levels:		\$225	186,824
		\$250	168,141
		\$275	152,856
Regional Serving Uses			
	Available Spending	Capture Rate	Resulting Sales
Residents			
Bossier City	\$272,208,644	7.0%	\$19,054,605
Bossier Parish	\$473,970,206	5.0%	\$23,698,510
Rest of MSA	\$1,260,904,810	2.5%	\$ 31,522,620
Employees	\$50,400,000	5.0%	\$2,520,000
Visitors	\$26,583,200	25.0%	\$6,645,800
TOTAL:	\$2,084,066,860		\$ 83,441,536
Square Feet Supportable at Alternative Productivity Levels:		\$225	370,851
		\$250	333,766
		\$275	303,424
Total Square Footage Supportable:		485,975	593,969

Within the Bossier MPC area, however, remain physical problems that contribute to the difficulty in realizing the available economic potentials. In particular, the city's historic land use patterns have created parcels that are not conducive to many modern projects, often because they lack either enough frontage or depth to accommodate traffic including deliveries.

Figure 4.10
Bossier MPC Core in the Context of the Region
Market Segments and Geographic Orientation



Retail and entertainment uses contribute to the vitality of any downtown neighborhood and, for Bossier City, harken back to its heritage as one of the region's most vibrant neighborhoods. The core of the Bossier MPC area offers the capacity to attract a modest proportion of regional expenditures for eating, drinking and specialty retail establishments and the potential to establish an entertainment district that takes advantage of both waterfront opportunities as well as the traditional retail corridors. These clusters rely on market support that draws

from both resident and visitor markets: they offer an experience that is, by definition, a fun and/or special occasion ... and people have more fun, especially on weekdays, when they are away from home whether for business or leisure.

Entertainment districts depend upon a “critical mass” of activities and options: people want abundant choice so they can move from place to place until they find the ambiance that suits their needs. A festive atmosphere enhances the experience for convention event attendees as well. Multiple bars, restaurants and entertainment opportunities along with public open spaces and related amenities play a strong role. Similarly, a regular series of programmed events that allow for spontaneous interaction with other people in an organized, safe setting — street festivals, outdoor concerts, public markets, etc. — deliver new people to urban neighborhoods.

An entertainment district becomes a destination when it offers a range of restaurants, bars, nightclubs, and other entertainment opportunities in a concentrated area to maximize consumer choice. Restaurants and bars often complement cinemas, live performance venues and retail shops. While the magnitude of these uses should be consistent with both the available market support and the physical capacity of sites in play, it is critical to maintain (in part through renovation) what remains of the character of Bossier’s oldest neighborhood to solidify its capacity to draw. As is available in Bossier, successful districts often offer a physical amenity, such as waterfront access or historic fabric, which distinguishes them from other neighborhoods:

- ◆ An entertainment district requires a significant amount of space developed at a relatively high cost per square foot. While entertainment districts in larger markets, whether historic (as in New Orleans) or new (such as Church Street Station in Orlando), can be huge, smaller areas are also viable. In Richmond, Virginia, for example, with Shokoe Bottom, the Warehouse District and other such neighborhoods already fill this role to some extent.
- ◆ Outdoor entertainment can integrate an entertainment district into the downtown environment. Street festivals, outdoor concerts, artists markets, and other special events all add life to downtown streets and bring people to the neighborhood who might otherwise not make the trip. If reluctant visitors discover other downtown amenities like restaurants or entertainment, they may be

more likely to return. Similarly, downtown employees attracted to these events will rediscover a reason to go to central Bossier and how close it is to their workplace.

- ◆ Downtown cinemas, which are not an urban entertainment district when built on a stand-alone basis, represent excellent catalysts for downtown redevelopment. If a downtown theatre can offer a superior or distinctive product (e.g., stadium seating, expanded food service, cutting edge sound, etc.) it will bring people in from outlying locations. Moviegoers looking to round out their evening supply a market for other destinations like restaurants, nightclubs and bookstores.

Right now there are few viable stores, restaurants or entertainment venues in Bossier that draw from a market beyond the immediate area. Entertainment could play a key role in establishing the Bossier MPC area as a regional destination. Although many larger markets support substantial districts (Second Avenue in Nashville, Beal Street in Memphis, the French Quarter in New Orleans), this scale would affect Bossier’s neighborhoods substantially in a way that might be deemed undesirable by residents. However, one can envision a smaller concentration of retail, restaurant, entertainment and public open space forming the nucleus of a destination district that attracts both residents and regional visitors.

Quantifying supportable square footage entails identifying the prospective project’s ability to attract dollars given the characteristics of the available market support and the nature of the competition. Although the analysis on the preceding pages does not specify whether a single project or multiple individual initiatives are envisioned, the two are not interchangeable. To succeed, commercial ventures must achieve a viable productivity level, usually expressed as dollars per square foot (psf). For some perspective, non-anchor retail stores in typical regional malls usually generate sales on the order of at least \$250 psf and usually more. Street retail varies based on location, synergy with neighboring enterprises, access, streetscape quality, and other factors that reflect the risks and rewards of choosing an environment without centralized management. To the extent that Bossier decides to encourage government action to reduce risk

and create incentives, the payoff will come in increased viability and shorter time to market.

New Potential Markets:

Residential and Employment

Left unmentioned above is the opportunity to reinforce the existing market by increasing Bossier’s ability to compete for jobs-producing uses and residents searching for new housing prospects.

Office demand has always been weaker on Bossier’s side of the Red River than in downtown Shreveport, which has become the region’s business and financial hub. Additional office-based employment uses would provide a substantial boost to Bossier by increasing the number of potential patrons for area businesses and sources of demand for housing in Bossier’s core. As shown in **Figure 4.11, Office Occupancy Rates by Market**, vacancy rates for office space within the region are substantial.

Although the current vacancy rates, at about 22 percent, are significant, they are not out of line with the experience in many cities across the country today. However, it is also apparent that demand has yet to outstrip supply and that prospects for new office development without a pre-signed tenant are unlikely. If a new corporate headquarters for an existing company in the region (or one from farther afield) could be attracted to the Bossier MPC area, it would provide a tremendously positive statement about the east side of the Red River. The indirect benefits — improved image and credibility — would be substantial. Attracting such a use, however, is nearly always a formidable task and would probably require additional economic incentives.

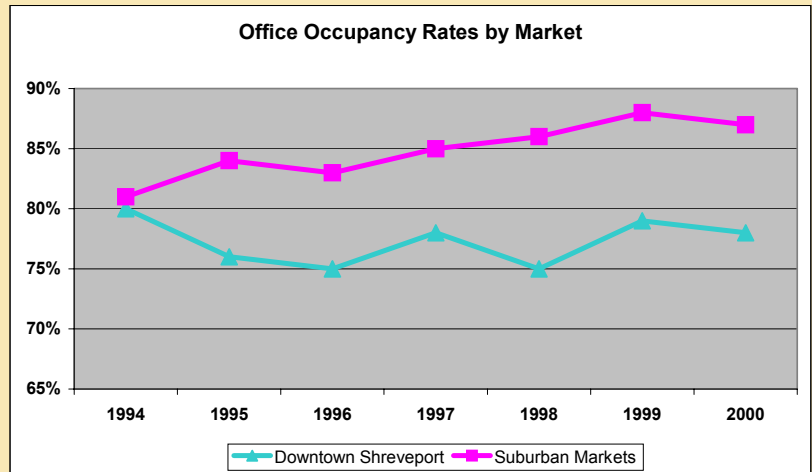
With regard to housing, the Bossier MPC area provides a variety of housing that enables people to fulfill their needs at different points during their lives: as young singles, newlyweds, families, and ultimately as retired empty-nesters. While the core areas will not appeal to everyone — some people will never appreciate urban living — other parts of the Bossier MPC area provide pleasing alternatives. In the older areas, small lots make it challenging to accommodate large families or to create single-level homes preferred by people anticipating future physical limitations. Nonetheless the

Figure 4.11
Office Occupancy Rates by Market

Regional Historic Office Characteristics

Occupancy Rates	1994	1995	1996	1997	1998	1999	2000
Downtown Shreveport	80%	76%	75%	78%	75%	79%	78%
Suburban Markets	81%	84%	83%	85%	86%	88%	87%

Source: U.L. Coleman



Bossier core is eminently suitable for a broad swath of the market and can be an exciting in-town option. As shown in **Figure 4.12, Comparative Permitting Activity, Bossier City and Shreveport**, Bossier City is experiencing healthy, steady housing growth limited only by availability and pitching the right product to the right market.

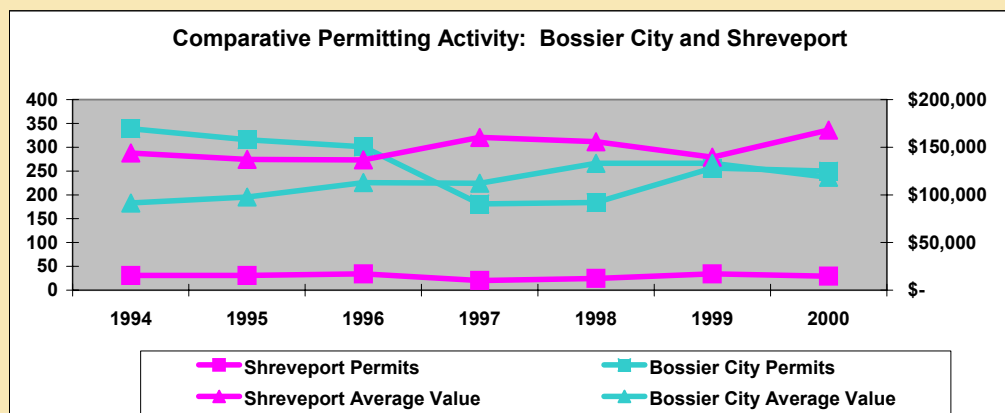
Figure 4.12
Comparative Permitting Activity, Bossier City and Shreveport

New Permitting Activity

Regional Single Family Dwelling Units

Shreveport	1994	1995	1996	1997	1998	1999	2000
Value	\$ 33.8	\$ 34.0	\$ 37.7	\$ 37.8	\$ 40.2	\$ 50.0	\$ 55.4
Permits	235	248	276	236	258	358	330
Average Value	\$143,830	\$137,097	\$136,594	\$160,169	\$155,814	\$139,665	\$167,879
Bossier City	1994	1995	1996	1997	1998	1999	2000
Value	\$ 31.0	\$ 30.9	\$ 34.0	\$ 20.3	\$ 24.5	\$ 34.1	\$ 29.6
Permits	339	316	301	181	184	256	250
Average Value	\$ 91,445	\$ 97,785	\$112,957	\$112,155	\$133,152	\$133,203	\$118,400
Combined Market	1994	1995	1996	1997	1998	1999	2000
Value	\$ 64.8	\$ 64.9	\$ 71.7	\$ 58.1	\$ 64.7	\$ 84.1	\$ 85.0
Permits	574	564	577	417	442	614	580
Average Value	\$112,892	\$115,071	\$124,263	\$139,329	\$146,380	\$136,971	\$146,552

Source: U.L. Coleman, Inc., Economic Stewardship, Inc.



- ◆ Reestablish older neighborhoods through revitalizing the housing stock to establish a safe, functional and aesthetically pleasing community environment.
- ◆ Strengthen Bossier's viability as a destination within the region by expanding special events and festivals.

Promote Economic Vitality

Economic vitality depends on continuous public and private sector investment that promotes economic activity and ensures that Bossier does not become economically isolated from the rest of the region. However, development

should be consistent with Bossier's built environment to ensure that it enhances community character and sense of place.

Goal 4.1: Maintain Bossier's character while continuing to promote economic vitality.

Objective A: Create new development opportunities through adaptive reuse and redeveloping economically unproductive sites.

Objective B: Initiate additional catalyst projects to jump-start retail/office activity and leverage the Louisiana Riverwalk project.

Objective C: Support the Chamber's efforts to build Bossier's economic base and nurture jobs-producing uses.

Action 4.1.1: Encourage both the private and public sector to acquire and reuse properties that have become functionally obsolete by virtue of their

Goals, Objectives and Actions

In the community meetings, Bossier's stakeholders—its citizens and business owners—made plain their desire to revitalize areas of their community that have experienced a gradual decline in economic vitality, housing conditions and quality of life. Moreover, Bossier people want to establish stronger linkages between the market strength they wield and the built environment, including shopping opportunities that characterizes the community. While many of the goals associated with these objectives are included in Chapter 5 - Land Use, additional goals to harness market opportunities for Bossier include:

- ◆ Maintain Bossier's character while continuing to promote economic vitality.
- ◆ Create incentives for renovating homes in both private hands and under lease to Bossier residents.

location, condition or value. These properties, which no longer function at their highest potential economic use and so depress the value and viability of surrounding uses, can then be used to create new development opportunities.

Action 4.1.2: Establish a process for communicating Bossier opportunities to developers and recruiting prospects.

Action 4.1.3: Create a community identity program and accompanying marketing/communications program to heighten positive awareness of Bossier.

Action 4.1.4: Create a “Buy Bossier” program to help support local businesses.

Action 4.1.5: Increase Bossier’s entrepreneurial capacity by encouraging and assisting new small enterprises and helping employees become business owners, e.g., via micro loan programs, retail and business incubators, etc.

Homeownership and Housing Opportunities

Many Bossier neighborhoods include housing units that have fallen into disrepair, whether renter- or owner-occupied. And while many Bossier residents own their homes, for others that dream remains out of reach. Some Bossier residents who could afford a home do not appreciate homeownership as a means of building wealth.

Goal 4.2: Create incentives for renovating homes in both private hands and under lease to Bossier residents and increasing homeownership.

Objective A: Encourage infill housing.

Objective B: Increase homeownership and help the poor and people living on fixed incomes to stay in their homes.

Objective C: Protect historic homes that enhance area character.

Objective D: Encourage the creation of new housing products, e.g., live/work options, congregate care housing for independent seniors, etc.

Action 4.2.1: Work with area lenders to provide mortgages and home equity loans to area residents, identify candidates for homeownership, and explain its financial benefits.

Action 4.2.2: Expand the availability of existing programs that provide assistance with down payments, underwriting interest rates, weatherization, reducing utilities costs, etc.

Action 4.2.3: Pursue designation of appropriate historic homes and any clusters that might qualify as a historic district. Publicize the availability of financial assistance programs, such as restoration tax credits, geared towards encouraging preservation-friendly renovation.

Action 4.2.4: Create a landlord register program to facilitate communication.

Action 4.2.5: Identify workable incentives to increase affordable housing development, e.g., density bonuses, permit discounts, etc.

Bossier Neighborhoods

Vibrant, safe neighborhoods that appreciate benefit from the friendly vigilance of residents safeguarding their homes and blocks.

Goal 4.3: Reestablish older neighborhoods through revitalizing the housing stock to establish a safe, functional and aesthetically pleasing community environment.

Objective A: Help Bossier’s neighborhoods regain their identities and help residents influence the future of their environs.

Action 4.3.1: Help small neighborhoods form associations and identify appropriate projects to tackle, e.g., neighborhood clean-up days, converting vacant lots to parks and community gardens, etc.

Action 4.3.2: Direct resources to revitalizing small neighborhood-serving commercial districts.

Action 4.3.3: Expand resident volunteer neighborhood-watch programs.

Bossier as a Tourism Destination

Bossier’s casinos and the presence of BAFB means that new visitors arrive on a daily basis. These visitors represent both an immediate market opportunity and long-range business prospects who may one day be making place-based investment decisions.

Goal 4.4: Strengthen Bossier's viability as a destination within the region.

Objective A: Introduce (and re-introduce) Bossier to the region's residents.

Objective B: Expand the menu of things to see and do within Bossier.

Objective C: Increase the knowledge of Bossier visitors take home with them.

Action 4.4.1: Expand special events and festivals while remaining sensitive to neighborhood needs.

Action 4.4.2: Work with casino management to make information available about Bossier to hotel guests.

Action 4.4.3: Create public market for fresh produce, flowers and other home- and farm-made goods on Saturday mornings.

Action 4.4.4: Coordinate with the Louisiana Riverwalk project sponsors on how to market the region together.