Independence, Kentucky Market Study Highlights

Gem Public Sector Services

In conjunction with the following:
City of Independence, Kentucky
Northern Kentucky Area Planning Commission
KKG Kinzelman Kline Gossman
URS Corporation

February 22, 2007

Key Demographics

- Household Growth Well Ahead of Statistical Estimates and Projections
- Resulting Population Growth Well Ahead of Statistical Estimates and Projections
- Markets for Retail Goods, Professional Services, and Personal Services Are All Significantly Underserved

Key Demographics (continued)

- **2000 Households: 5,181Census**

- **2006 Households: 5,742 Statistical Estimate**
- **2006 Households: 8,059 Field Observation**
- **Estimated Variance <u>+2,317 Households</u>**

- **2011 Households: 6,145 Statistical Projection**
- **2011 Households:10,174 Field Based Forecast**
- **Projected Variance <u>+4,029 Households</u>**

Key Demographics (continued)

- **2000 Population: 14,981 Census**

- **2006 Population: 16,244 Statistical Estimate**
- **2006 Population: 22,807 Field Observation**
- **Estimated Variance <u>+6,563 Persons</u>**

- **2011 Population: 17,107 Statistical Projection**
- **2011 Population: 28,284 Field Based Forecast**
- **Projected Variance <u>+11,177 Persons</u>**

Key Demographics (Continued)

<u>School Age Children (5-18)</u>

- **2000 – 3,479 Census**

- **2006 – 3,654 Statistical Estimate**
- **2006 – 5,132 Field Estimate**
- **Current Year Variance <u>+1,478 Children</u>**

- **2011 – 3,814 Statistical Projection**
- **2011 – 6,307 Field Projection**
- **Projected 2011 Variance <u>+2,493 Children</u>**

Key Demographics (continued)

<u>Senior Population (Age 65+)</u>

- **2000 – 974 Census**
- **2006 – 1,137 Statistical Estimate**
- **2006 – 1,597 Field Estimate**
- **Current Year Variance <u>+460 Seniors</u>**
- **2011 - 1,352 Statistical Projection**
- **2011 – 2,234 Field Based Projection**
- **Projected Variance <u>+882 Seniors</u>**

Key Demographics (continued)

- **2000 Aggregate HH Income: $291.5 Million - Census**

- **2006 Aggregate HH Income: $342.8 Million - Statistical Estimate**
- **2006 Aggregate HH Income: $481.1 Million - Field Observation**
- **Estimated Variance <u>+138.3 Million</u>**

- **2011 Aggregate HH Income: $398.2 Million - Statistical Projection**
- **2011 Aggregate HH Income: $659.3 Million - Field Forecast**
- **Projected Variance <u>+$261.1 Million</u>**

The Housing Market

- **Robust Growth Expected to Continue but Not at the Pace of Growth Between 2000 and 2006**
- **2,864 Housing Units Added From 2000 to 2006**
- **2,115 More Units Projected From 2006 to 2011**
- **Virtually All New Housing Units Are Freestanding, Single-Family Residences**

The Housing Market (continued)

- **Annual home sales are estimated to include approximately 693 existing homes and 423 new homes per year, on average, through 2011.**
- **Annual residential rentals are estimated to include between 450 and 460 units per year through 2011 with a minimal inventory increase projected.**

The Retail Market

- **Every household in the City spends approximately $21,592 on retail goods annually, today.**

- **City of Independence based businesses only captured 43% of the retail expenditures of Independence households in 2006; approximately, $75,000,000 out of $174,000,000 of expenditure potential.**

The Retail Market (continued)

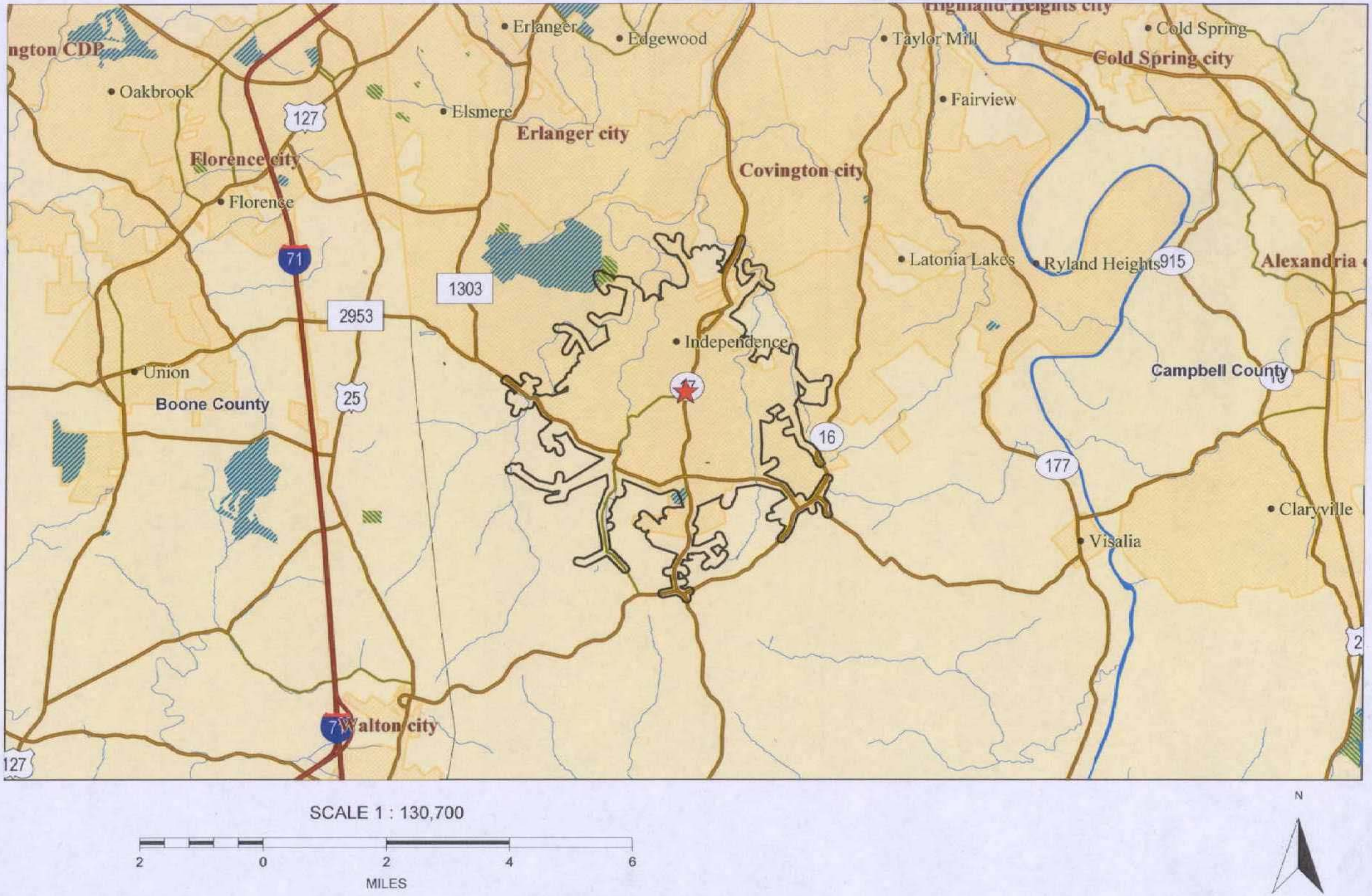
- **The existing business base in Independence will only capture 36% of the retail market potential of Independence households by 2011.**

- **Some retail market categories are significantly underserved; clothing stores, furniture stores, specialty food stores and specialty merchants.**

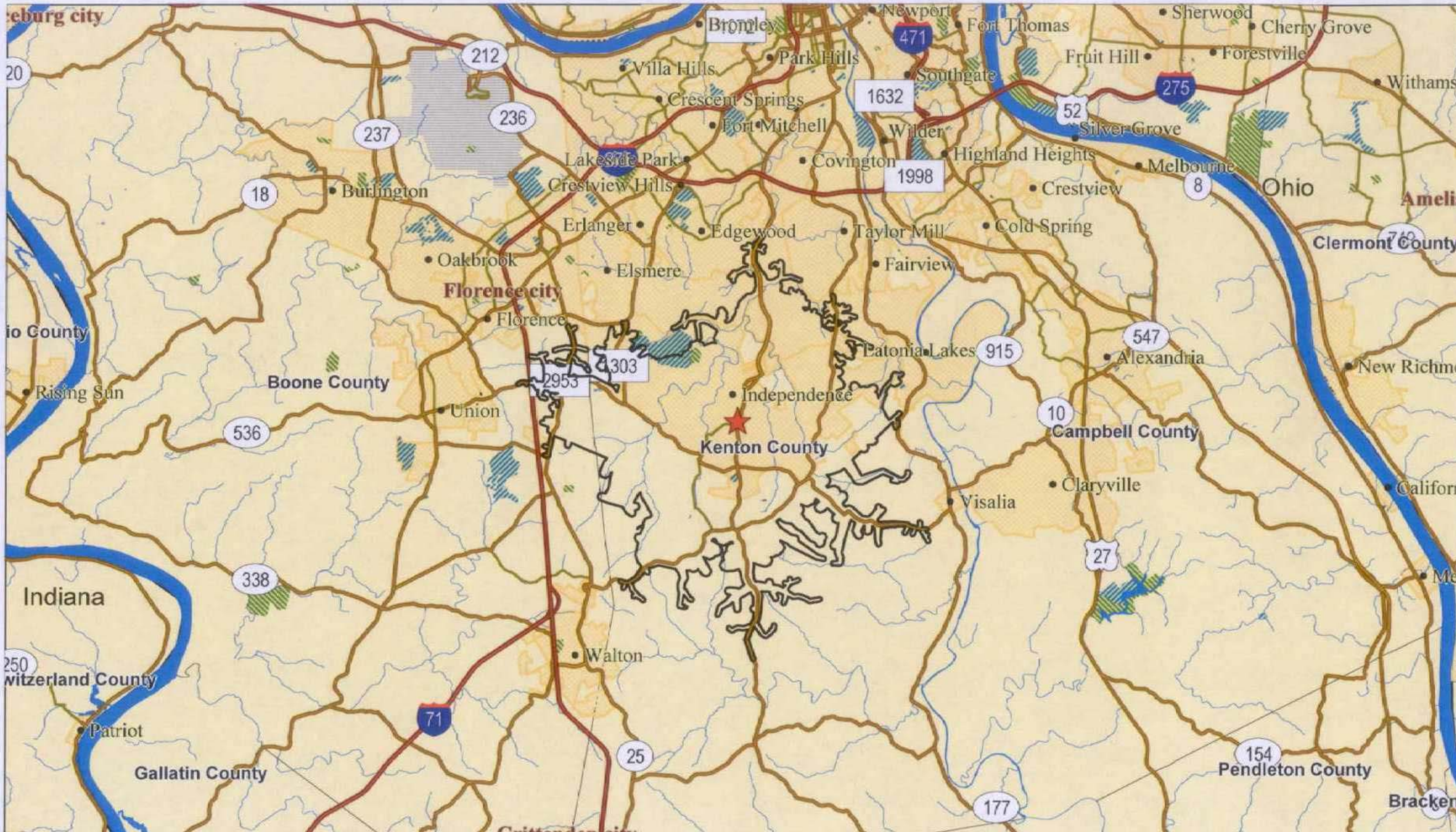
The Retail Market (continued)

- **The available retail market extends beyond the boundaries of Independence.**
- **The 10 minutes drive-time market is 1.35 times the size of Independence and the 15 minutes drive-time market is 3.60 times the size of independence.**
- **Independence is in the path of future growth that will bring developers and merchants to the City; more likely more alternatives than the community can reasonably handle.**

5 Minutes Drive-time from Route 17 & McCullum Road, Independence, Kentucky



10 Minutes Drive-time from Route 17 & McCullum Road, Independence, Kentucky



SCALE 1 : 261,401

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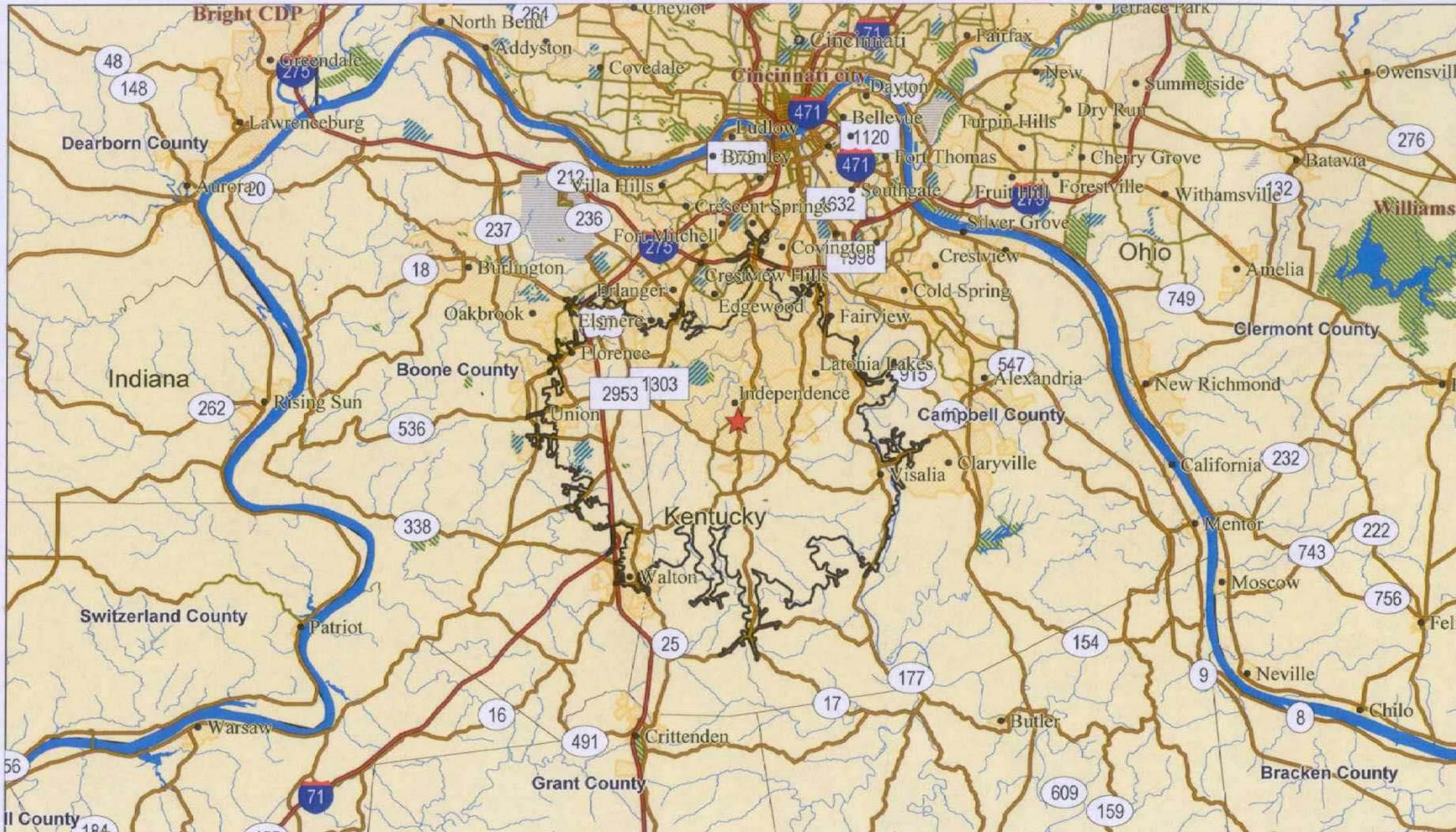
15 Minutes Drive-time from Route 17 & McCullum Road, Independence, Kentucky



SCALE 1 : 392,101

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The Services Market

- **Independence based service businesses are only capturing 22% of the annual Independence household demand for services.**
- **By 2011 existing Independence service businesses will only be capturing 18% of the annual, local market demand.**

The Services Market (continued)

- **Service businesses comprise the office market in many suburban communities and Independence is an example of this.**
- **Health and medical services, legal services, and other professional services are all in short supply in Independence.**

The Market and Independence

- **Growth in the next five years will bring numerous alternatives for development to the City of Independence.**
- **Residential growth is projected to be low density, freestanding, single-family, owner-occupied housing.**
- **Target marketed housing products should be considered to diversify the housing inventory.**

The Market and Independence

- **Retail growth could include virtually all categories of retail merchants.**
- **Retail merchants in the convenience, neighborhood and community oriented segments of the market may all have needs to fill.**
- **Service needs are even more underserved than retail needs in the City and drive-time market areas.**

The Market and Independence

- **The City is not an employment center.**
- **There is less than one job in the City for every five residents in the workforce.**
- **With the exception of growth in retail and service sector jobs, employment is likely to be outside of Independence in the near term.**
- **A “market ready” land area for industrial growth should be part of the City’s plans for the future.**

The Market and Independence

- **The city is in the midst of dynamic growth, it can direct the path of future development.**
- **The City should not be afraid to say "NO" to development that is not in the City's long-term best interest.**
- **A cluster of destination oriented retail and service businesses should be targeted for inclusion in a "town center" on old Route 17 near the City Building.**