

CHAPTER TWO – DEMOGRAPHICS AND RETAIL MARKET ASSESSMENT

POPULATION TRENDS

National and Regional

The US Census Bureau's 2000 census brief stated that the United States' 1990 to 2000 population increase of 32.7 million was the largest in American history. The previous record increase was 28.0 million people between 1950 and 1960, a gain fueled primarily by the post-World War II baby boom (1946 to 1964). Total decennial population rate of growth declined steadily in the three decades following the 1950s' peak before rising again in the 1990s. Population growth varied significantly by region in the 1990s, with higher rates in the West (19.7%) and South (17.3%) and much lower rates in the Midwest (7.9%) and Northeast (5.5%). Meanwhile, despite overall population growth in each of the past five decades, the Midwest's share of total United States' population fell from 29% to 23 %.

City of Grandview Population Growth Comparisons

According to the 2000 census, the City of Grandview's population is 24,881 a decrease of 54 people (less than 1%) from the 1990 census (**Ref. Table 1, Fig. 1**). A comparison with a "Control Group" of similar by sized and situated cities in the region show similar trends of stable or declining populations in most first-ring suburban cities. During the 1990s, with the exception of Belton, MO, which increased in population by over 20%, all other cities in the "Control Group" either lost population or experienced a marginal increase of less than 1%. Jackson County registered an increase of over 21,000 people, (3.4%) during the 1990's while the Kansas City Metro Area grew by 12.2%, which is 4% higher than the average for the Midwest region. While higher growth rates have been registered in other parts of the metro area in second-ring suburbs, Grandview has proven itself to be a stable community during the 1980s and 1990s following a 1960-1980 high growth period.

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Table 1: Total Population Comparisons (1970-2000)

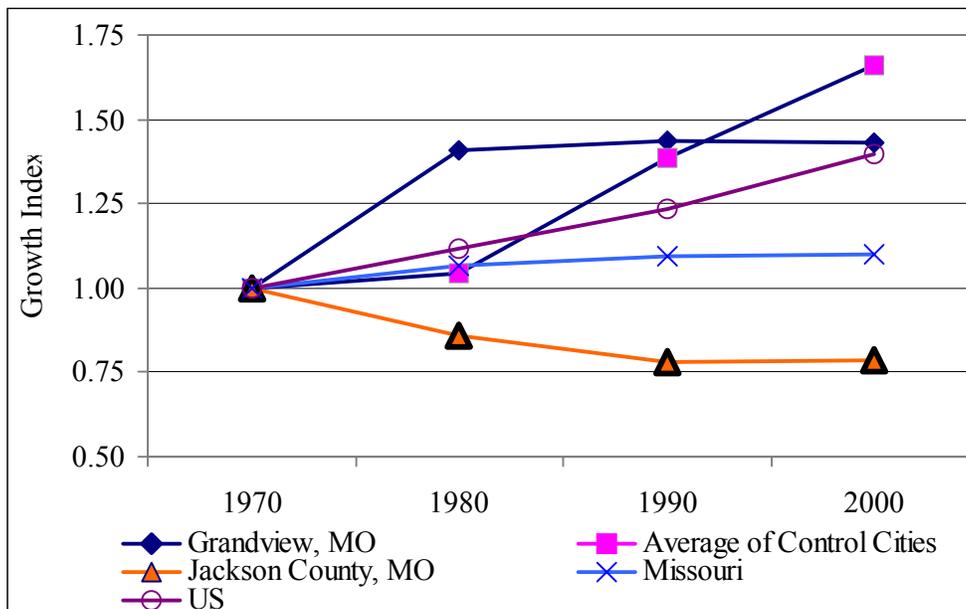
	1970	1980	1990	2000	% Change 70-80	% Change 80-90	% Change 90-00
Grandview, MO	17,381	24,497	24,935	24,881	40.94%	1.79%	-0.22%
Belton, MO	13,066	13,633	18,106	21,730	4.34%	32.81%	20.02%
Ferguson, MO	28,502	24,423	22,316	22,406	-14.31%	-8.63%	0.40%
Gladstone, MO	23,919	25,444	26,222	26,365	6.38%	3.06%	0.55%
Prairie Village, KS	27,918	24,543	23,150	22,072	-12.09%	-5.68%	-4.66%
Raytown, MO	33,909	31,911	30,595	30,388	-5.89%	-4.12%	-0.68%
Jackson County, MO	653,165	628,936	633,232	654,880	-3.71%	0.68%	3.42%
Kansas City MSA	1,327,266	1,381,915	1,511,740	1,695,764	4.12%	9.39%	12.17%
Missouri	4,655,960	4,906,764	5,117,073	5,595,211	5.39%	4.29%	9.34%
US	201,606,786	224,810,186	248,709,166	281,421,906	11.51%	10.63%	13.15%

Source: US Census Bureau, BWR Corp.

Between 1970 and 2000, the population of the City of Grandview increased by about 43% and that of the Kansas City Metropolitan Statistical Area by about 28%. The Office of Management and Budget (OMB) defines Metropolitan Statistical Areas (MSA) as a large population nucleus, together with adjacent communities having a high degree of social and economic integration with that core.¹ Growth indices, which are a means of comparison of growth rates of different entities, assuming the base population of 1 for each entity, show that most of the growth in Grandview occurred between 1970 and 1980. The decade of the 1990s saw most of the metro area growth in the second and third-ring suburbs. In spite of the slight decline in Grandview's population during the 1990s, future residential development in Grandview should result in moderate increases in population while current population forecasts show that the Kansas City MSA is likely to experience even more growth in the near future.

¹ The Kansas City MSA includes 11 counties: Johnson, Kansas; Leavenworth, Kansas; Miami, Kansas; Wyandotte, Kansas; Cass Missouri; Clay, Missouri; Clinton, Missouri; Jackson, Missouri; Lafayette, Missouri; Platte, Missouri; and Ray Missouri.

Figure 1: Growth Indices Comparison (1970-2000)



Source: US Census Bureau, BWR Corp,

RACIAL CHARACTERISTICS

The racial composition of Grandview changed considerably between 1980 and 2000. In 1980 about 90% of the population in Grandview was white. In 2000 that percentage dropped to 62%. At the same time minority population increased from 9% to 38% (Ref. Table 2 Figure 2). Most of the numerical increase in minority population was in the African-American community. While the highest percentage increase was in the Hispanic community, with a 121% increase between 1990 and 2000. However, the Hispanic community, as a percentage of the total population, is only 4.3%. The Control Cities show a similar racial trend, though to a lesser degree.

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Table 2: Racial Characteristics: Comparisons: (1980-2000)

		White	Black or African-American	Other Population	Hispanic Origin *
1980	Grandview, MO	90.20%	8.00%	1.80%	1.60%
	Average of Control Cities	95.13%	3.58%	1.29%	1.24%
	Jackson County, MO	77.60%	20.00%	2.40%	2.60%
	Missouri	88.40%	10.50%	1.10%	0.40%
	US	83.10%	11.70%	5.20%	6.50%
1990	Grandview, MO	81.10%	16.80%	2.10%	2.00%
	Average of Control Cities	92.23%	6.02%	1.75%	1.79%
	Jackson County, MO	75.60%	21.40%	3.00%	3.00%
	Missouri	87.70%	10.70%	1.60%	0.80%
	US	80.30%	12.00%	7.70%	8.80%
2000	Grandview, MO	62.20%	35.20%	2.60%	4.30%
	Average of Control Cities	84.09%	14.09%	1.82%	2.76%
	Jackson County, MO	71.90%	24.20%	3.90%	5.40%
	Missouri	86.10%	11.70%	2.20%	2.10%
	US	75.14%	12.32%	12.54%	12.56%

Source: US Census Bureau, BWR Corp.

* Hispanic Origin represents ethnicity and not race. Therefore, these numbers are already included in other columns

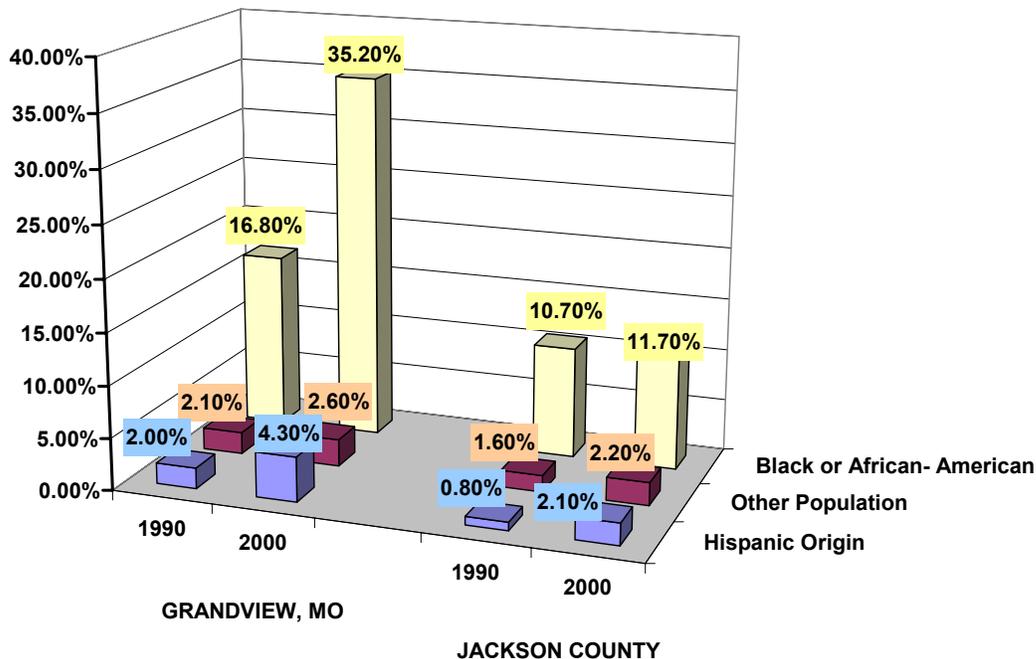
Table 3: Racial Characteristics: City of Grandview, MO (1980-2000)

	Total Population	White	Black or African-American	Other Population	Hispanic Origin *
1980	24,497	22,090	1,952	455	384
1990	24,935	20,230	4,194	511	487
2000	24,881	15,467	8,763	651	1,077
absolute change 80-90	438	-1,860	2,242	56	103
absolute change 90-00	-54	-4,763	4,569	140	590
% change 80-90	1.79%	-8.42%	114.86%	12.31%	26.82%
% change 90-00	-0.22%	-23.54%	108.94%	27.40%	121.15%

Source: US Census Bureau, BWR Corp.

* Hispanic Origin represents ethnicity and not race. Therefore, these numbers are already included in the other columns

Figure 2: Trends in Minority Population (1990-2000)



Source: US Census Bureau , BWR Corp.

Male-Female Ratio Trends

The male-female ratio in Grandview has changed slightly during the 1980s and 1990s resulting in a minor increase in the number of females as outlined in Table 4.

Table 4: Male Female Ratio (1980-2000)

		Males	Females	Change in % from previous Census	
				Males	Females
1980	Grandview, MO	49.50%	50.50%		
	Average of Control Cities	48.10%	51.90%		
	Jackson County, MO	47.40%	52.60%		
	Missouri	48.10%	51.90%		
	US	48.50%	51.50%		
1990	Grandview, MO	49.50%	50.50%	0.00%	0.00%
	Average of Control Cities	47.33%	52.67%	-1.61%	1.49%
	Jackson County, MO	47.50%	52.50%	0.21%	-0.19%
	Missouri	48.20%	51.80%	0.21%	-0.19%
	US	48.70%	51.30%	0.41%	-0.39%
2000	Grandview, MO	48.20%	51.80%	-2.63%	2.57%
	Average of Control Cities	47.04%	52.96%	-0.60%	0.54%
	Jackson County, MO	48.20%	51.80%	1.47%	-1.33%
	Missouri	48.60%	51.40%	0.83%	-0.77%
	US	49.10%	50.90%	0.82%	-0.78%

Source: US Census Bureau, BWR Corp.

Median Age Trends

Changes in the median age are important indicators of the shift in population composition and can be used to establish target age groups to plan for. The median age of Grandview has traditionally been lower than the County, State and National average which is indicative of a “young” population with children. While the difference in the median age was greater in the 70s and 80s, today Grandview still has a much younger than average population to plan for.

Table 5: Median Age (1970-2000)

	1970	1980	1990	2000
Grandview, MO	24.8	25.9	30.7	33.7
Jackson County, MO	33.00	30	33.1	35.2
Missouri	33.00	30	33.6	36.1
US	31.60	29.2	33.4	35.3

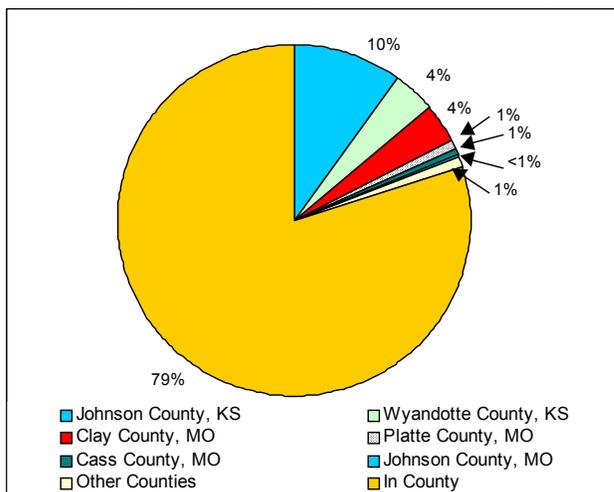
Source: US Census Bureau, BWR

Commuting Patterns

Figure 3 shows the out-commuting and in-commuting patterns in 1990. These numbers are expected to increase by a significant amount in the 2000 Census, because of major population shifts that occurred in the last decade. The 1990 figures are, however, still relevant to show trends and patterns.

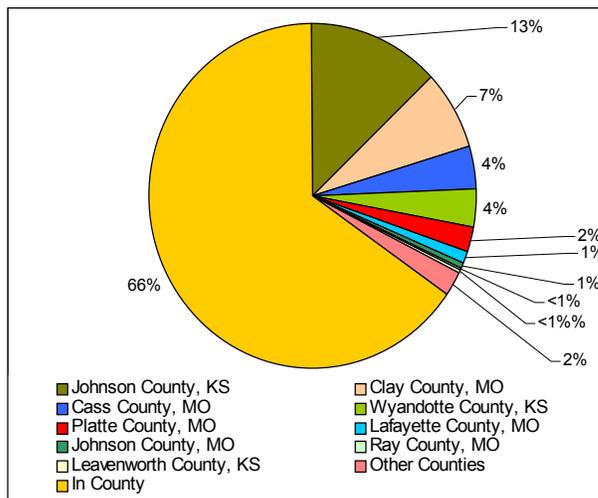
The 1990 out-commuting patterns of residents of Jackson County show that about 21% of Jackson County residents work in other Counties. Among the Jackson County residents who commute to other Counties, about 30,000 commute to Johnson County, KS; 11,800 to Wyandotte County, KS and 11,000 to Clay County, MO. The in-commuting patterns show that about 34% of Jackson County workers commute from locations outside Jackson County. About 48,000 of persons employed in Jackson County come from Johnson County, KS; 26,400 from Clay County, MO; 14,000 from Cass County, MO and about 13,400 from Wyandotte County, KS

Figure 3: County Out-commuting and In-commuting Patterns (1990)



Employment Locations of Jackson County Residents

County	Workers	Percent
Johnson County, KS	29,941	9.90%
Wyandotte County, KS	11,782	3.90%
Clay County, MO	10,934	3.60%
Platte County, MO	2,667	0.90%
Cass County, MO	1,715	0.60%
Johnson County, MO	486	0.20%
Other Counties	3,115	1.03%
Jackson County, MO	241,554	79.87%



County of Residence of Jackson County Workers

County	Workers	Percent
Johnson County, KS	47,728	12.90%
Clay County, MO	26,353	7.10%
Cass County, MO	13,904	3.80%
Wyandotte County, KS	13,351	3.60%
Platte County, MO	8,179	2.20%
Lafayette County, MO	3,809	1.00%
Johnson County, MO	2,138	0.60%
Ray County, MO	1,648	0.40%
Leavenworth County, KS	1,074	0.30%
Other Counties	8,099	2.19%
Jackson County, MO	243,860	65.91%

Source: US Census Bureau, BWR Corp.

AGE CHARACTERISTICS AND TRENDS

Age distribution of a population is an important factor used in demographic analysis. **Figure 4** uses population pyramids to show the age distribution differences between Grandview and Jackson County and Grandview and the Nation 1990 and 2000.

While the total population of Grandview did not increase in the 90s, there have been significant shifts in the age composition of the population. For example, the 6-14 year age group, as a percentage of the total population, has increased from 14.8% to 17.1%. The percentage of 0-5 year olds has increased from 8.7% to 9.6%, while that of 15-24 year-olds has increased by about 1%. These population age shifts indicate an increase in the school age and future college-going population—an indication of a young and thriving community.

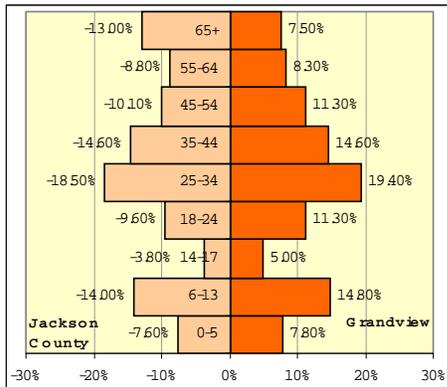
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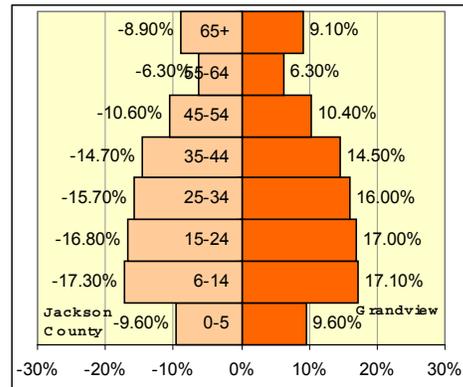
The percentage of 65+ year-olds has increased in the last decade from 7.5% to 9.1%, but still falls well short of the national average of 12.5%.

Figure 4: Population Pyramids

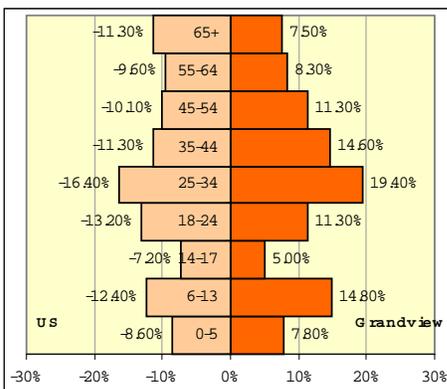
1990 Jackson County – Grandview



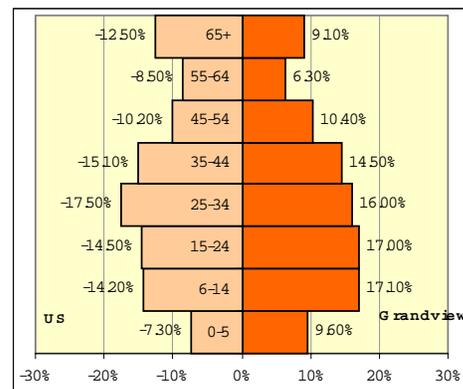
2000 Jackson County – Grandview



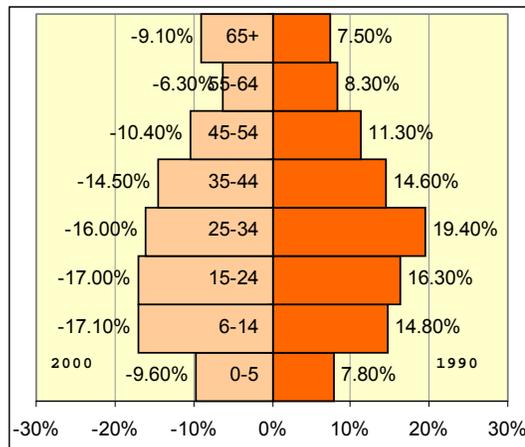
1990 US – Grandview



2000 US – Grandview



1990 Grandview - 2000 Grandview



Source: US Census Bureau, BWR Corp.

Note: Between the 1990 and 2000 Census the US Census Bureau realigned the age groups for the 6-13 and 14-17 brackets.

POPULATION PROJECTIONS AND POPULATION AND HOUSING CHARACTERISTICS

Three alternative population growth scenarios for the City of Grandview have been presented in **Table 6**. The first scenario uses linear regression techniques to project the future growth of the City based on its past trends. This method yields an increase in population to 30,952 by 2020 or 24.4% increase from 2000.

The second scenario is based upon Mid America Regional Council (MARC) population projections for the Kansas City Metro Area by Counties and areas within the Metro. MARC has projected a decline in the population of Southtown/Grandview area. Though not a very significant decline, if the City of Grandview follows the projections for the Southtown/Grandview area as a whole, it will lose about 200 people by 2020 or a decline of 1.1% to 24,601.

The Third scenario projects the population of Grandview, based on the MARC projection for Jackson County. If the County grows by 4.6% in the next 10 years and another 2.5% between 2010 and 2020, the City will add about 1,800 people in the next 20 years to a population of 26,683 in 2020.

While the second scenario is more reflective of the current trends in the area and in Grandview, the opening up of large sections of land for new quality development and the pro-active and pro-development policies of the City will result in an increase of population. Therefore, while it is unlikely that Grandview will experience the population surges of the 1960’s and 1970’s, it will most likely follow scenario III and have a 2020 population of about 26,683.

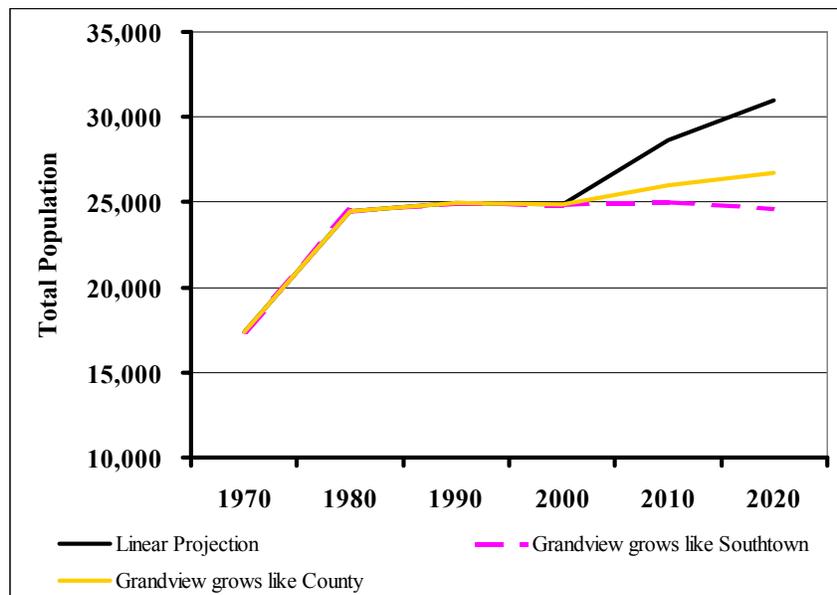
Table 6: City of Grandview Population Projections (2000-2020)

SCENARIO		1970	1980	1990	2000	2010	2020
I	Using Linear Regression for population 1960 to 2000						
	Linear Projection	17,381	24,497	24,935	24,881	28,658	30,952
	Growth rate					15.18%	8.00%
	MARC Projections						
II	Grandview grows like Southtown	17,381	24,497	24,935	24,881	25,051	24,601
	Southtown / Grandview (MARC)	130,382	134,839	135,655	132,493	133,396	131,002
	Growth rate				-2.33%	0.68%	-1.79%
III	Grandview grows like County	17,381	24,497	24,935	24,881	26,027	26,683 *
	Jackson County	654,178	629,266	633,232	654,857	685,030	702,277
	Growth rate				3.42%	4.61%	2.52%

* Recommended Population Projection

Source: Mid-America Regional Council, US Census Bureau, BWR Corp.,

Figure 5: Population Projections (2000-2020)



Source: BWR Corp.

Income Characteristics Comparisons

During the 1980s, Grandview experienced an increase of average household income and median household income at rates higher than the average of the control cities, but lower than the County or State rates. The Grandview median household income increased by about 76%, more than 30% higher than that of the control cities (**Ref. Table 7**). When compared to the average of the control cities, the County and the State, residents of the City of Grandview have higher average, median, and per capita incomes.

Table 7: Income Characteristics (1980-1999)

		1980	1990	1999	% Change 80-90	% Change 90-99
Average Household Income	Grandview, MO	\$22,466	\$37,667		67.66%	
	Average of Control Cities *	\$ 18,579	\$ 29,548		59.04%	
	Jackson County, MO	\$19,673	\$34,129		73.48%	
	Missouri	\$ 18,780	\$ 33,442		78.07%	
Median Household Income	Grandview, MO	\$23,126	\$33,781		46.07%	
	Belton, MO	\$19,551	\$30,301		54.98%	
	Ferguson, MO	\$20,374	\$31,721		55.69%	
	Gladstone, MO	\$28,088	\$37,245		32.60%	
	Prairie Village, KS	\$36,345	\$48,685		33.95%	
	Raytown, MO	\$24,958	\$32,741		31.18%	
	Jackson County, MO	\$17,024	\$29,307		72.15%	
Missouri	\$ 15,704	\$ 28,334		80.43%		
Per Capita Income	Grandview, MO	\$ 7,995	\$14,050		75.73%	
	Average of Control Cities *	\$ 6,884	\$ 11,761		70.86%	
	Jackson County, MO	\$ 7,614	\$13,593	\$ 28,258	78.53%	107.89%
	Missouri	\$ 6,923	\$12,818	\$ 26,404	85.15%	105.99%

Source: US Census, Bureau of Economic Analysis, BWR Corp.

* Except Prairie Village, KS

The US Census does not provide income statistics at the City level for 1999 or 2000.

Housing Characteristics

The Housing market in Grandview has tightened significantly during the 1990s (see Table 8). The 2000 Census shows that total housing units in Grandview increased by only 68 units, due, in part, to the demolition of approximately 300 dwelling units deemed public nuisance. The control cities, on average, added to their housing stock by about 5%. Jackson County saw an increase of about 2.7% while Missouri's housing stock increased by about 11%.

Housing vacancy rates in the 1990s decreased in Grandview. Grandview saw the largest decrease in vacancy rates, when compared to the control cities, the County and the State (See figure 6). Vacancy rates in Grandview dropped from 10% in 1990 to 6.2% in 2000. Most of the increase in housing occupancy occurred in rental units, which increased by about 2.6% during the 1990s. By comparison, owner occupancy increased by only 1.2%. Owner occupied housing in Grandview is about 57% of total occupied housing units, comparable to Jackson County (58%), and the State (63%), but well below the average of the control cities (70%).

Housing values in (Table 9) Grandview are comparable to the cities in the control set, with the exceptions of Gladstone, MO and Prairie Village, KS. Rental rates are somewhat lower than in other cities with the exception of Prairie Village, KS.

Housing trends indicate that there is a market for new housing units in the City of Grandview as housing is getting older and vacancy rates decline. Lower vacancy rates indicate a high demand

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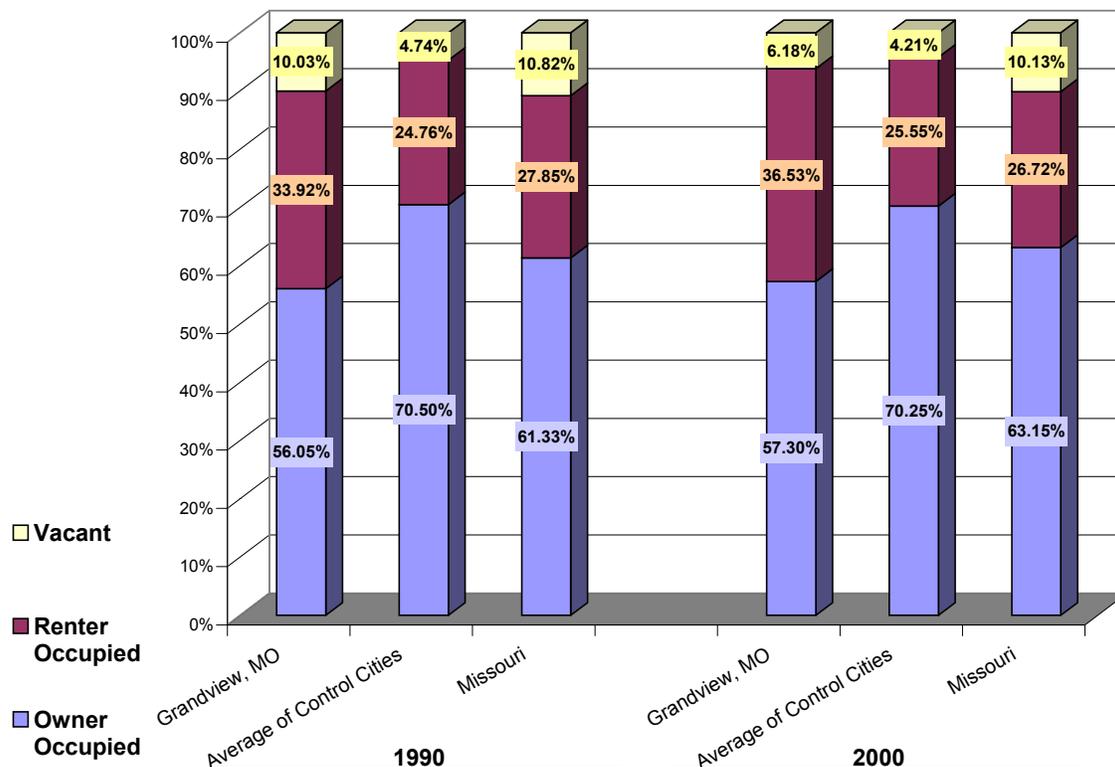
for rental housing but lower rents might suggest older rental housing. The 2000 Census release on housing, and a citywide survey of the existing stock would be more useful in making suggestions on the housing conditions in Grandview.

Table 8: Housing Units Characteristics Comparisons (1990-2000)

		Total Housing Units	Occupied Units	Owner Occupied	Renter Occupied	Vacant
Grandview, MO	1990	10,280	9,249	56.05%	33.92%	10.03%
	2000	10,348	9,709	57.30%	36.53%	6.18%
	% Change	0.66%	4.97%	1.25%	2.61%	-3.85%
Average of Control Cities	1990	10,071	9,594	70.50%	24.76%	4.74%
	2000	10,591	10,146	70.25%	25.55%	4.21%
	% Change	5.16%	5.76%	-0.25%	0.79%	-0.54%
Jackson County, MO	1990	280,729	252,582	55.17%	34.81%	10.03%
	2000	288,231	266,294	58.10%	34.29%	7.61%
	% Change	2.67%	5.43%	2.93%	-0.52%	-2.42%
Missouri	1990	2,199,129	1,961,206	61.33%	27.85%	10.82%
	2000	2,442,017	2,194,594	63.15%	26.72%	10.13%
	% Change	11.04%	11.90%	1.82%	-1.13%	-0.69%

Source: US Census Bureau, BWR Corp.

Figure 6: Trends in Housing Occupancy (1990-2000)



Source: US Census Bureau, BWR Corp.

Table 9: Housing Values Comparisons (1990-2000)

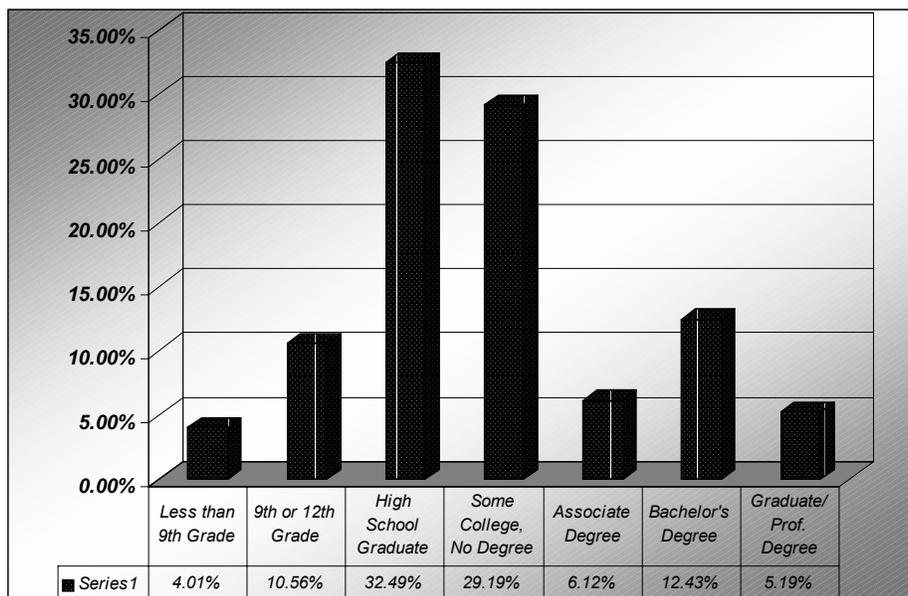
		Average Household Size	Median Housing Value	Median Monthly Mortgage	Median Monthly Rent
Grandview, MO	1990	2.70	52,220	628	405
	2000	2.53			
Belton, MO	1990	2.80	51,812	585	427
	2000	2.70			
Ferguson, MO	1990	2.60	53,529	573	438
	2000	2.58			
Gladstone, MO	1990	2.50	62,368	676	433
	2000	2.27			
Prairie Village, KS	1990	2.40	73,763	757	635
	2000	2.23			
Raytown, MO	1990	2.40	53,302	598	433
	2000	2.32			
Jackson County, MO	1990	2.50	56,903	622	404
	2000	2.42			
Missouri	1990	2.60	59,810	622	375
	2000	2.48			

Source: US Census Bureau, BWR Corp.

Education

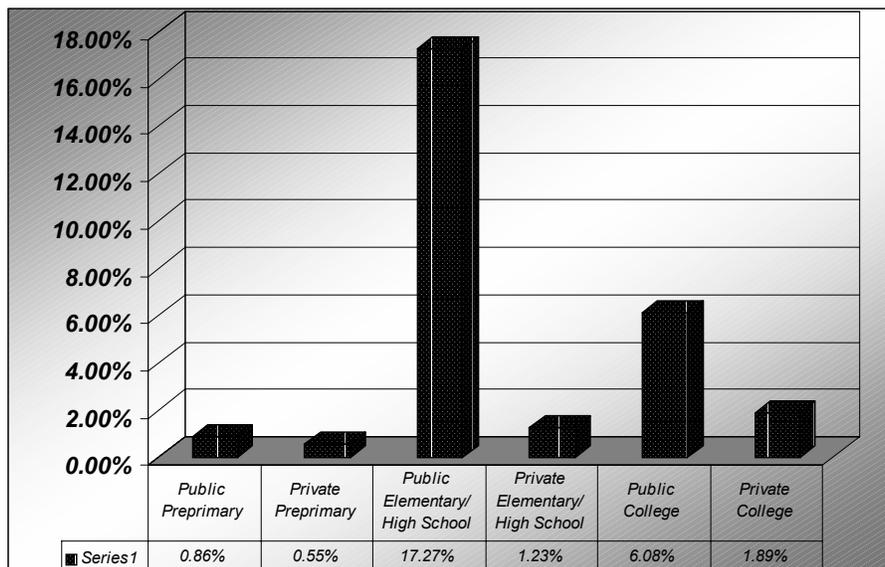
Statistics on education show that most residents of the City of Grandview are either high school graduates (32.5%) or they have some college experience (29%). About 24% are degree holders. School enrollment data indicates a preference and thereby confidence in public schools and colleges.

Figure 7: Grandview Highest Educational Attainment of Persons over 25 (1990)



Source: US Census Bureau, BWR Corp.

Figure 8: Grandview School Enrollment (1990)

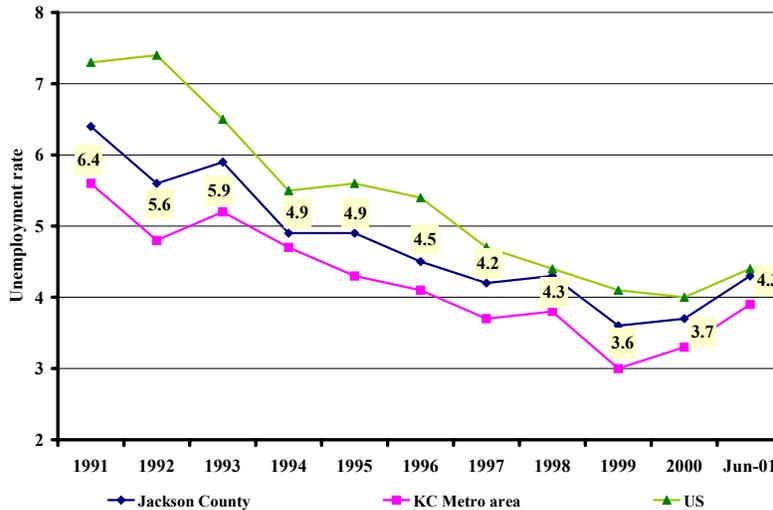


Source: US Census Bureau, BWR Corp.

UNEMPLOYMENT RATE

The unemployment rate in Jackson County has traditionally been higher than the average in the Metro area but lower than the National average. **Figure 9** shows historic unemployment rates for Jackson County, the KC Metro Area and the Nation. As of June 2001, the unemployment rate in the County was 4.3%.

Figure 9: Unemployment Characteristics (1991-2001)



Source: Bureau of Labor Statistics, BWR Corp.

Note: Data for the County and State are seasonally adjusted, while that for the Nation is not seasonally adjusted.

RETAIL MARKET ASSESSMENT

Grandview’s retail base, in comparison to its potential and to other first ring cities in Missouri’s two major metropolitan areas, indicates that Grandview has less than its a fair share of retail floor space.

To estimate the potential amount of retail floor space Grandview can support, the income levels of households and persons residing in Grandview was evaluated. Grandview households in 1998 had 24% more median household income than the Jackson County average household and 1.3% more than the MSA’s median household income level (**Table 10**). Therefore, per capita retail expenditures by Grandview residents can be expected to be above both county and metropolitan per capita expenditure levels.

Table 10: Median Household Income Comparison 1998

Year	City of Grandview	Jackson County	Kansas City MSA
1998	\$42,897	\$34,544	\$42,358

Source: U.S. Bureau of Economic Analysis, MARC.

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Population growth is below that of other developing portions of Jackson County. At a minimum, the rate of growth in retail sales should keep pace with the combined growth rate of population and income levels. Grandview’s population and immediate surrounding area (Southtown/Grandview) has been stable since 1990 and are expected to remain at that level based on county population projections published by the Mid-America Regional Council (see **Table 11**). The absence of population growth makes attraction of new retail development to Grandview more difficult than if the City was experiencing consistent annual increase in population.

Table 11: Population 1990 – 2000

Year	City of Grandview	Southtown /Grandview	Jackson County
1990	24,967	N / a	633,234
2000	24, 881	136,896	654,880
Est. 2010	N / a	136,639	670,860
Est. 2020	N / a	136,505	692,979
1990 – 2000: Net Change % Change	(6) unchanged	N / a	21,646+3.4%

Source: U.S. Census Bureau; MARC.

Total retail sales in Grandview has increased 16.8% between 1997 and 2000 (see **Table 12**) and has nearly kept pace with the 19.9% national retail sales growth rate despite local population growth rate that has not matched the statewide population growth rate.

Table 12: Total Retail Sales

Year	City of Grandview (in thousands)	United States (in millions)
1997	\$230,537	\$2,502,365
1998	\$247,917	\$2,610,562
1999	\$254,635	\$2,745,593
2000	\$269,359	\$2,994,929
1997 – 2000 % Change	+16.8%	+19.7%

Source: Missouri Department of Revenue; U.S. Bureau of Economic Analysis.

Grandview’s sales and real estate property tax rates are slightly above the average for Jackson County’s six largest cities (see **Table 13**). Grandview’s sales tax rate is tied for second highest among the group of six. Grandview’s real estate tax rate is the second highest among the group of six Jackson County cities compared. While not a major impediment to expanding or attracting retail development, these figures indicate Grandview offers no financial competitive advantage to either developer or shopper.

Table 13: Jackson County Cities Tax Rate Comparison

City	Total Sales Tax Rate	Rank	1998 Property Tax Rate	Rank	Overall Tax Rate Rank
Blue Springs	6.6%	3	7.663	4	4
Grandview	7.1%*	2	7.923	2	2
Independence	6.6%	3	6.403	6	6
Kansas City	7.1%	2	7.843	3	3
Lee’s Summit	7.475%	1	8.253	1	1
Raytown	6.35%	4	6.793	5	5
AVERAGE	6.75%	---	7.396	---	---

Source: Missouri Department of Revenue; Jackson County Division of Revenue.

* To become 7.6% as of April 1, 2002. A ½ cent sales tax was passed to pay for development of the Grandview Community Center.

Retail Market Analysis

In order to determine Grandview’s retail potential, analyses of the Grandview business climate was performed from several different perspectives, including:

- The number of retail businesses in Grandview in comparison to 10 comparably populated cities. Based on this assessment, the number of Grandview’s retail establishments is approximately 15 retail businesses lower than average.
- The number of retail establishments per capita compared to the countywide per capita average. In four of 10 retail categories, Grandview was found to have less than its fair share of establishments, for an estimated shortage of 24 retail stores.
- Annual trends in the number of retail businesses in the City and county.

A comparison of nine comparably sized Kansas City and St. Louis metropolitan cities (population between 17,000 and 30,000 persons in 2000) indicates that Grandview has the fifth (5th) highest number of retail businesses and the seventh (7th) highest number of retail employees, retail sales and retail sales per capita (see **Table 14**). Overall, Grandview ranks seventh when weighing all four major retail indicators but has the fifth largest population.

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Table 14: City Retail Business Comparison

Population Rank	City, 2000 Population	Overall Retail Rank	Number of Retail Businesses	Total Retail Employees	Total Retail Sales	Retail Sales Per Capita
1.	Raytown (30,601)	3 rd	1. Bridgeton	1. Bridgeton	1. Maryland Heights	1. Bridgeton
2.	Kirkwood (27,291)	4 th	2. Kirkwood	2. Maryland Heights	2. Bridgeton	2. Maryland Heights
3.	Gladstone (26,243)	5 th	3. Raytown	3. Raytown	3. Raytown	3. Raytown
4.	Maryland Heights (25,407)	2 nd	4. Maryland Heights	4. Kirkwood	4. Kirkwood	4. Kirkwood
5.	Grandview (24,881)	7 th	5. Gladstone	5. Gladstone	5. Gladstone	5. Ferguson
6.	Webster Groves (22,987)	9 th	6. Grandview	6. Ferguson	6. Ferguson	6. Gladstone
7.	Ferguson (22,280)	6 th	7. Webster Groves	7. Grandview	7. Grandview	7. Grandview
8.	Prairie Village, KS (22,072)	8 th	8. Prairie Village	8. Prairie Village	8. Prairie Village	8. Prairie Village
9.	Bridgeton (17,779)	1 st	9. Ferguson	9. Webster Groves	9. Webster Groves	9. Webster Groves

Source: 1997 and 2000 U.S. Census Bureau; Richard Caplan & Associates.

The number of retail establishments in Grandview is approximately 15 lower than the 10-city average. This potential increase in the number of businesses may be measured in comparison to recent trends in the level of establishments in Grandview between 1997 and 2000, the number of retail businesses in Grandview declined from 158 to 136, or 16.2%, according to Missouri Department of Revenue (**see table 15**). The reduction in the number of retail establishments may be partially attributed to the continued emergence of national “big box” retail establishments which offer a larger selection of goods under one roof with competitive prices resulting in a decline of locally owned “mom and pop” stores in Grandview, as well as across the nation.

Table 15: Grandview Retail Establishment Trends 1997 - 2000

MAJOR RETAIL CATEGORY	1997	1998	1999	2000	1997 - 2000 Change
Building Materials, Paint, Hardware, Nurseries, etc.	21	19	18	18	(3)
Variety Stores, General Merchandise	20	20	14	11	(9)
Food and Grocery Stores	11	10	10	10	(1)
Automotive Dealers/Service Stations	31	38	34	32	1
Furniture / Home Furnishings	25	20	19	19	(6)
Eating and Drinking Places	42	38	37	38	(4)
Drug Stores	4	3	3	3	(1)
Apparel / Clothing Accessories	4	5	5	5	1
TOTAL	158	153	140	136	(22)

Source: Missouri Department of Revenue.

Assessing Grandview’s retail market base on a per capita basis can further identify retail opportunities or sales leakages. Therefore, a per capita comparison was performed in major retail categories countywide in Jackson County to the number of retail establishments per capita in the same retail categories located in Grandview. In four of 10 retail categories, Grandview was found to contain less than its fair share number of establishments, for an estimated 24 retail stores below the countywide average (**Table 16**).

Table 16 also analyzes the number of retail establishments in Grandview compared to the Jackson County average per 24,970 residents. The last column calculates the estimated number of additional retail stores that Grandview could expect to absorb in approaching the countywide store average per capita.

Table 16: Retail Establishment Comparison to Jackson County 1997

Major Retail Category	Number of Grandview Stores	Number of Jackson County Stores	Jackson County Stores (Per 24,970 Residents)	Grandview Shortage / Potential
Building Materials / Hardware	21	218	9	0
General Merchandise	3	83	3	0
Food / Grocery Stores	5	272	11	(6)
Automotive Dealers / Service Stations	24	633	25	0
Furniture / Home Furnishings	4	145	6	0
Eating & Drinking Places	42	1,272	51	(9)
Clothing & Clothing Accessories	8	369	15	(7)
Sporting Goods, Hobby, Books, etc.	6	190	7	0
Electronic & Appliance Stores	3	91	3	0
Miscellaneous Retailers	11	335	13	(2)
TOTAL STORE LEAKAGE	--	--	--	(24)

Source: U.S. Census; U.S. Bureau of Economic Analysis.

The four retail sales categories where there is a shortfall in Grandview are defined by the U.S. Department of Commerce as a series of Standard Industry Classification (SIC) codes which include the following major types of stores within each category:

- Food and grocery stores include grocery stores, convenience stores, specialty food stores, meat and fish markets, retail bakeries and candy stores.
- Eating and drinking places include all restaurants, fast food establishments, bars, etc.
- Clothing and clothing accessories stores include men’s, women’s and children’s stores, shoe stores, jewelry, and luggage stores.
- Miscellaneous retail stores include retail establishments not elsewhere classified. These establishments include such businesses as liquor stores, used merchandise stores, florists, office supplies, gift stores, pet stores, art dealers, cigar stores and stands, news dealers and newsstands.

Projected Retail Demand

To realize the capture of existing sales leakage and plan for future growth, it is estimated that Grandview will demand as much as 95,000 square feet of commercial building space for 20 to 25 businesses (see Table 17). These space estimates are based upon the national industry standards of median gross leasable area in square feet for each particular business classification. This

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projected demand assumes the overall population, per capita income and Grandview employment trends will continue through the coming decade at similar levels experienced in the 1990's.

Therefore, the potential increase in Grandview's retail building space has been estimated as summarized in **Table 17**.

Table 17: Projected New Business Demand

Retail Category	Average Square	Store Feet	Potential New	TOTAL EST. DEMAND
	Minimum	Maximum	Stores	(Sq. Feet)
<u>Food & Grocery Stores</u>				
Grocery	30,000	50,000		
Meat or fish market	2,000	2,500		
Convenience store	2,000	2,500		
Bakery	1,500	2,500		
Candy store	1,000	1,500		
Food & Grocery Sub-Total			5 – 6	38,000 – 50,000+
<u>Eating & Drinking Places</u>				
Doughnut shop	1,200	1,500		
Sandwich shop	1,300	1,300		
Barbecue	3,000	3,200		
Pizza shop	1,500	1,600		
Upscale restaurant	4,500	8,000		
Ethnic restaurant	1,500	1,600		
Eating & Drinking Places Sub-Total			7 – 9	12,000 – 15,000+
<u>Clothing & Apparel Accessories</u>				
Women's apparel store	1,500	2,800		
Children's clothing	1,600	2,500		
Uniform shop	1,600	2,600		
Shoe stores	2,800	3,400		
Clothing Sub-Total			6 – 7	12,000 – 15,000+
<u>Miscellaneous Retail</u>				
Arts and crafts store	2,100	2,200		
Hobby store	2,500	2,500		
Religious articles	1,500	2,300		
Fabric store	5,400	12,000		
Pet shop	3,500	16,000		
Flowers / plant store	1,200	1,200		
Fitness center	2,000	2,500		
Music studio and dance	2,000	2,200		
Miscellaneous Retail Sub-Total			2 – 3	8,000 – 12,000+
TOTAL:	n / a	n / a	20 – 25	70,000 – 95,000+

Source: Richard Caplan & Associates; Urban Land Institute Dollars & Cents of Shopping Centers: 2000.

Trends in Retail Shopping

Despite the strong economic conditions that dominated the Kansas City metropolitan area and the country through the 1990's, there are fundamental changes influencing traditional retail shopping. Several changes are occurring as a result in a shift in retail habits. Many economists and other retail analysts believe there are not enough shoppers to justify the amount of retail space that has been built in the 1990's. This is evidenced, in part, by the closing and/or reduction in the number of stores of traditional retail giants, including Montgomery Ward, K-Mart and JC Penney. Specialty stores and reduced-price retail giants are gaining market share.

In the Kansas City metropolitan area, for example:

- The Ward Parkway Shopping Center has suffered a loss of traffic in the 1990's. The mall has been redesigned to accommodate outside entrances for a small number of larger tenants. A new Target store is replacing the abandoned Montgomery Wards.
- Bannister Mall has increasing vacancies due to a loss of image, competition from other shopping areas, and stable or declining population base nearby. A new Bass Pro Shop redevelopment of the north end of Bannister Mall is planned. However, Dillard's recently announced the closing of its Bannister Mall store.
- A telephone call center now occupies a significant part of the former Indian Springs Mall in Kansas City, Kansas.

Nationally, the growth of Internet shopping is reducing retail sales per square foot of floor space in traditional retail stores. Other current retail trends emphasize urban entertainment districts, revitalizing main street retail, continued growth of "big box" retail and Internet shopping.

These trends have occurred at the expense of older retail formats such as first-tier malls (including Bannister Mall and Ward Parkway Center) and outdated community shopping centers (such as Truman Corners Center). According to the leading development organization in the nation, the Urban Land Institute, the most promising retail formats in the coming decade are:

- mixed-use town centers that include office and residential uses;
- neighborhood/community shopping centers;
- urban entertainment centers that routinely include movie theatres.

As stated in this assessment, Grandview can expect to face increased competition from areas where there is significant new residential growth. For example, if all of Lee's Summit's proposed retail space were developed, 1.8 million square feet of shopping would be added according to the regional commercial real estate firm of Colliers International. Therefore, public policies and specific strategies to counter this competing growth are necessary. Strategies are needed to assist in attracting and supporting new businesses to Grandview and directing them to the most suitable sites or centers.