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## Orinda's Disposable Income-It's Leaking

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Orinda recently commissioned a retail leakage study to determine the City's potential to attract new businesses. Bottom line: The retail spending potential to be captured in Orinda is significant, but it will require the development of new commercial space. According to the study prepared by Wahlstrom & Associates, it's simple economics: the retail demands of the 17,700 residents far outpace the supply of retail outlets in the city.

Only \$1 of every \$3 Orinda residents spend at retail stores stays in Orinda, leaking \$175 million of sales to Moraga, Lafayette, Walnut Creek, and other shopping destinations each year. "You do have significant spending leakages, and [the City] could economically support a number of retail options, but there is a very small inventory of existing space," said Stephen Wahlstrom when he presented the study data at the September 7th City Council meeting. In addition, the available retail space is of insufficient size or inappropriate location to attract new apparel, sporting goods, grocery, and home furnishing stores.

Orinda has a retail vacancy rate of 14%, which represents about 30,000 square feet of space, said Wahlstrom. The vacant commercial space is concentrated in the former Phair's Department Store, which has long presented a re-use challenge, and within Theater Square, which has historically proven to be a poor retail location. However, he added, Orinda's existing retail businesses, which occupy just over 100,000 square feet of space-the approximate amount of space within a single Target discount store-do pretty well, achieving total annual sales of \$80 million.

Council members Amy Worth and Steve Glazer both pressed Wahlstrom to define the economic impact on retail sales with the addition of residential units in the downtown districts. Wahlstrom stated that additional housing would increase retail sales but not significantly. He believed that due to the limited supply of retail outlets, additional residents in downtown would also spend two of every three retail dollars outside of Orinda. "You are doing very well with the retail space that you have," said Wahlstrom. "You can't increase sales significantly without expanding the space devoted to retail."

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