

SINGLE SITE ANALYSIS

SALES FORECAST

TRADER JOE'S 1001

NWC of S 19th Ave & Stucky Rd

Bozeman, MT

MAY 2023



POWERED BY



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Executive Summary

TRADER JOE'S SITE 1001

- Study to evaluate the sales potential for a new Trader Joe's grocery facility in Bozeman, MT. The new specialty-format store would occupy a retail anchor location within a soon-to-be-developed retail shopping center. "Aaker" project is a master planned, 97-acre mixed-use project located in the southwest quadrant of the City of Bozeman in the Gallatin Valley, Montana.
- The site is in a suburban regional location of Bozeman and is within Gallatin County. Bozeman currently has 9-10 different store banner formats with the more national-brand names operating very effectively.
- Additional site access from Interstate 90, to the north of the site, is a major northwest / southeast arterial that connects to Bozeman and other outlying towns in the valley.
- This site location is in an area where there is new residential growth that encompasses plans for many single-family, as well as multi-family, units and overall enjoys a robust population growth rate.
- Opportunity to provide a vibrant and appealing shopping experience with what would be the surrounding area's first Trader Joe's facility within the Bozeman/Belgrade market. This will also create further market synergy in this format as the company expands its footprint into the south-central Montana retail market. As such, this will attract new consumers to this quality, specialty service format facility as an operator that provides fresh, quality consumables across all food categories.
- www.AakerBozeman.com

Scenario

A proposed Trader Joe's specialty service format facility would be built/opened in the planned "Aaker" development shopping center as a grocery store with an estimated 15,000 SQFT of total area (10,500 SQFT of sales area) at the NWC of S 19th Ave & Stucky Rd in Bozeman, MT in November 2026.

Sales Forecast

Map Key	Scenario	Projected FIT Image	Sales Area	Total Area	Year 1 Ending	Year 1 \$/sqft	Year 2 Ending	Year 2 \$/sqft	Year 3 Ending	Year 3 \$/sqft	Year 1 Annualized	Year 1 \$/sqft	\$/sqft from Total Area	Comment
1001	Trader Joe's	217	10,500	15,000	\$559k	\$53.20	\$604k	\$57.56	\$641k	\$61.08	\$29.0M	\$2766.33	\$1936.43	New

Assumed Power 200; Volumes for year 1-3 represent weekly sales

SITE EVALUATION

Street Conditions

S 19th Ave is a major, 3-lane arterial northbound; it is a major 2-lane arterial southbound. It has a painted center divide and center median. Currently, Stucky Rd is a secondary 2-lane roadway that only extends westbound through the project development.

Comments

The projected sales levels assume that the proposed Trader Joe's grocery store, once built and operating, will capture the local consumer dollars that are attributed to this quality, specialty service format with the consistent amenities, quality fresh food stuffs and pricing structures that are consistent with the current company policies/strategies.

Competitive Assumptions

Town & Country Foods (MK 10) -to Close
Town & Country Foods (MK 100) -replacement

Traffic Controls

Fully-signalized intersection with dedicated and protected left-turn lane on northbound S 19th Ave. Dedicated right-turn lanes.

Affected Sister Stores

None

Co-tenants

TBD

SITE EVALUATION

Access

North	Excellent
South	Excellent
East	Average
West	Average

Population Density

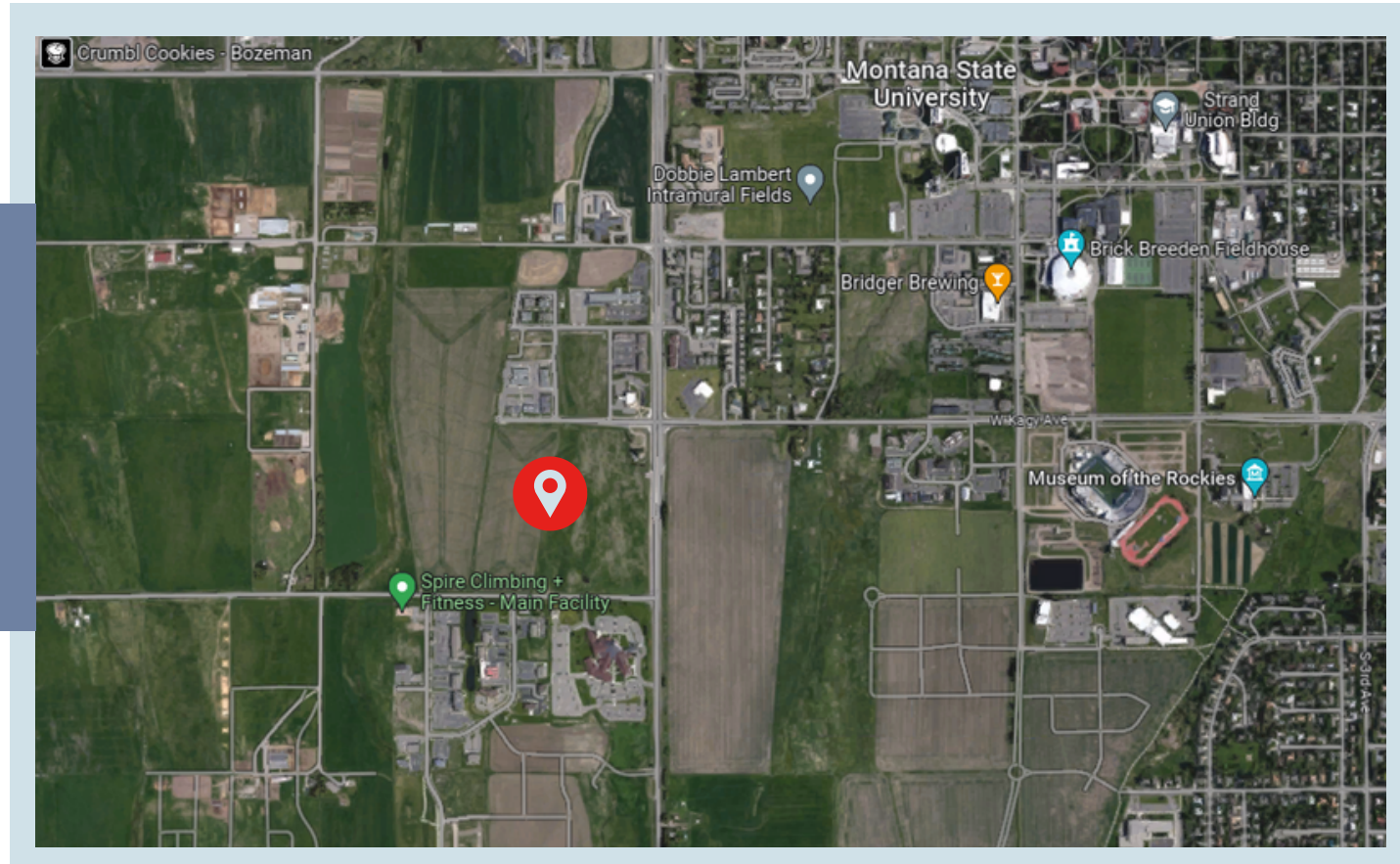
North	Excellent
South	Average
East	Average
West	Fair

Visibility

North	Good
South	Good
East	Average
West	Good

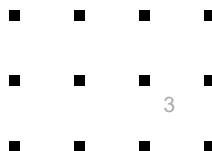
Ingress/Egress

Good



TRADER JOE'S 1001

NWC of S 19th Ave & Stucky Rd



Source of Volume

Source of Volume

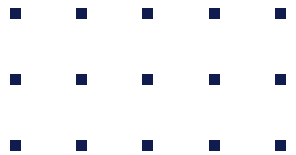
Primary Sources of Projected Volume	Address or Intersection	City	Map Key	FIT Store Power	Straight Line Dist. From Site	Size (sqft) *		Sales (\$k) as of Apr 2023	Trader Joe's Oct 2027 Volume (\$k)			
						Sales Area	Est.Total Area		+Pop Grwth, Infl. & Comp. Chngs	Contrib. to Site \$k	%	Resulting Volume
Company Stores												
Trader Joe's	NWC of S 19th Ave & Stucky Rd	Bozeman	1001	217	-	10,500	15,000	-	-	-	-	559
Existing Competition												
Town & Country Foods	SWC of S 11th Ave & West Lincoln St	Bozeman	14	151	0.65 mi	20,600	26,800	625	615	45	7.3	570
Whole Foods Market	NWC of US-191/Huffine Ln & W College St	Bozeman	12	123	1.22 mi	21,800	31,700	585	673	21	3.2	651
Rosauers	NWC of Technology Blvd & Harmon Stream Blvd	Bozeman	13	130	1.25 mi	46,200	62,500	960	1,101	68	6.2	1,033
Albertsons	SEC of S 23rd Ave & US Highway 191	Bozeman	11	103	1.34 mi	39,800	54,300	710	808	47	5.8	761
Safeway	NEC of W Main St & N 19th Ave	Bozeman	9	96	1.62 mi	40,600	59,900	690	784	44	5.6	740
Community Food Co Op	SWC of W Main St & S 9th Ave	Bozeman	8	125	1.67 mi	7,200	10,400	205	231	7	3.2	224
Smith's	NEC of N 19th Ave & W Oak St	Bozeman	5	114	2.57 mi	39,200	54,100	740	852	42	4.9	810
Town & Country Foods	SEC of E Main St & Highland Blvd	Bozeman	7	84	2.60 mi	18,600	23,300	460	517	28	5.3	490
Walmart SC	NEC of N 7th Ave & W Oak St	Bozeman	6	72	2.76 mi	65,000	205,900	1,090	1,244	39	3.1	1,205
WinCo	NWC of Max Ave & Cattail St	Bozeman	4	71	3.56 mi	56,700	72,400	1,030	1,202	54	4.5	1,148
Target	SWC of Catron St & Max Ave	Bozeman	3	41	3.71 mi	25,000	122,600	175	206	9	4.2	197
Albertsons	SWC of Jackrabbit Ln & W Madison Ave	Belgrade	2	148	9.89 mi	34,800	47,900	1,000	1,222	30	2.5	1,192
Town & Country Foods	NEC of W Madison Ave & Jackrabbit Ln	Belgrade	1	131	9.94 mi	20,600	28,400	445	545	13	2.3	532
				Average Power	107				Subtotal	\$447		
Proposed Competition												
Town & Country Foods	SWC of Fallon St & Resort Dr	Bozeman	100	94	2.14 mi	29,000	38,000	-	485	31	6.4	454
				Average Power	94				Subtotal	\$31		
Sales Potential (Assumes Store Opens Nov 2026)						Sales Transfer from Company Stores			\$0			
Oct 2027 - After Open 1 Year: \$559						Sales Transfer from Competition			\$478			
<i>* Area Devoted to food group</i>						<i>Note: Sales effects based on gravity model analysis</i>			Total Sales Transfer			
<i>(Showing 14/15 stores. A total contribution to site of \$0 was excluded from the report.)</i>									\$478			
						Percent of Sales Explained After One Year			85.6%			

Current Stores

Weekly Summary
April 2023

Map Key	Store Name	Intersection	City	Volume	\$/sqft	Sales Area	PWTA	FIT Power
1	Town & Country Foods	NEC of W Madison Ave & Jackrabbit Ln	Belgrade	\$445,000	\$21.60	20,600	85	131
2	Albertsons	SWC of Jackrabbit Ln & W Madison Ave	Belgrade	\$1,000,000	\$28.74	34,800	85	148
3	Target	SWC of Catron St & Max Ave	Bozeman	\$175,000	\$7.00	25,000	85	41
4	WinCo	NWC of Max Ave & Cattail St	Bozeman	\$1,030,000	\$18.17	56,700	85	71
5	Smith's	NEC of N 19th Ave & W Oak St	Bozeman	\$740,000	\$18.88	39,200	85	114
6	Walmart SC	NEC of N 7th Ave & W Oak St	Bozeman	\$1,090,000	\$16.77	65,000	85	72
7	Town & Country Foods	SEC of E Main St & Highland Blvd	Bozeman	\$460,000	\$24.73	18,600	75	84
8	Community Food Co Op	SWC of W Main St & S 9th Ave	Bozeman	\$205,000	\$28.47	7,200	85	125
9	Safeway	NEC of W Main St & N 19th Ave	Bozeman	\$690,000	\$17.00	40,600	85	96
11	Albertsons	SEC of S 23rd Ave & US Highway 191	Bozeman	\$710,000	\$17.84	39,800	85	103
12	Whole Foods Market	NWC of US-191/Huffine Ln & W College St	Bozeman	\$585,000	\$26.83	21,800	85	123
13	Rosauers	NWC of Technology Blvd & Harmon Stream Blvd	Bozeman	\$960,000	\$20.78	46,200	85	130
14	Town & Country Foods	SWC of S 11th Ave & West Lincoln St	Bozeman	\$625,000	\$30.34	20,600	85	151
Average				\$670,385	\$21.32	33,546		107

Excluding 1 stores with minimal contributions.



Projected Stores

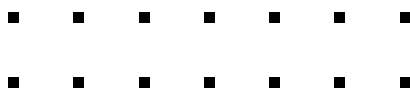
Weekly Summary
October 2027

Map Key	Store Name	Intersection	City	Volume	\$/sqft	Sales Area	PWTA	FIT Power
1	Town & Country Foods	NEC of W Madison Ave & Jackrabbit Ln	Belgrade	\$532,000	\$25.83	20,600	85	131
2	Albertsons	SWC of Jackrabbit Ln & W Madison Ave	Belgrade	\$1,192,000	\$34.25	34,800	85	148
3	Target	SWC of Catron St & Max Ave	Bozeman	\$197,000	\$7.88	25,000	85	41
4	WinCo	NWC of Max Ave & Cattail St	Bozeman	\$1,148,000	\$20.25	56,700	85	71
5	Smith's	NEC of N 19th Ave & W Oak St	Bozeman	\$810,000	\$20.66	39,200	85	114
6	Walmart SC	NEC of N 7th Ave & W Oak St	Bozeman	\$1,205,000	\$18.54	65,000	85	72
7	Town & Country Foods	SEC of E Main St & Highland Blvd	Bozeman	\$490,000	\$26.34	18,600	75	84
8	Community Food Co Op	SWC of W Main St & S 9th Ave	Bozeman	\$224,000	\$31.11	7,200	85	125
9	Safeway	NEC of W Main St & N 19th Ave	Bozeman	\$740,000	\$18.23	40,600	85	96
11	Albertsons	SEC of S 23rd Ave & US Highway 191	Bozeman	\$761,000	\$19.12	39,800	85	103
12	Whole Foods Market	NWC of US-191/Huffine Ln & W College St	Bozeman	\$651,000	\$29.86	21,800	85	123
13	Rosauers	NWC of Technology Blvd & Harmon Stream Blvd	Bozeman	\$1,033,000	\$22.36	46,200	85	130
14	Town & Country Foods	SWC of S 11th Ave & West Lincoln St	Bozeman	\$570,000	\$27.67	20,600	85	151
100	* Town & Country Foods	SWC of Fallon St & Resort Dr	Bozeman	\$454,000	\$15.66	29,000	90	94
1001	Trader Joe's	NWC of S 19th Ave & Stucky Rd	Bozeman	\$559,000	\$53.24	10,500	85	217
Average				\$704,400	\$24.73	31,707		113

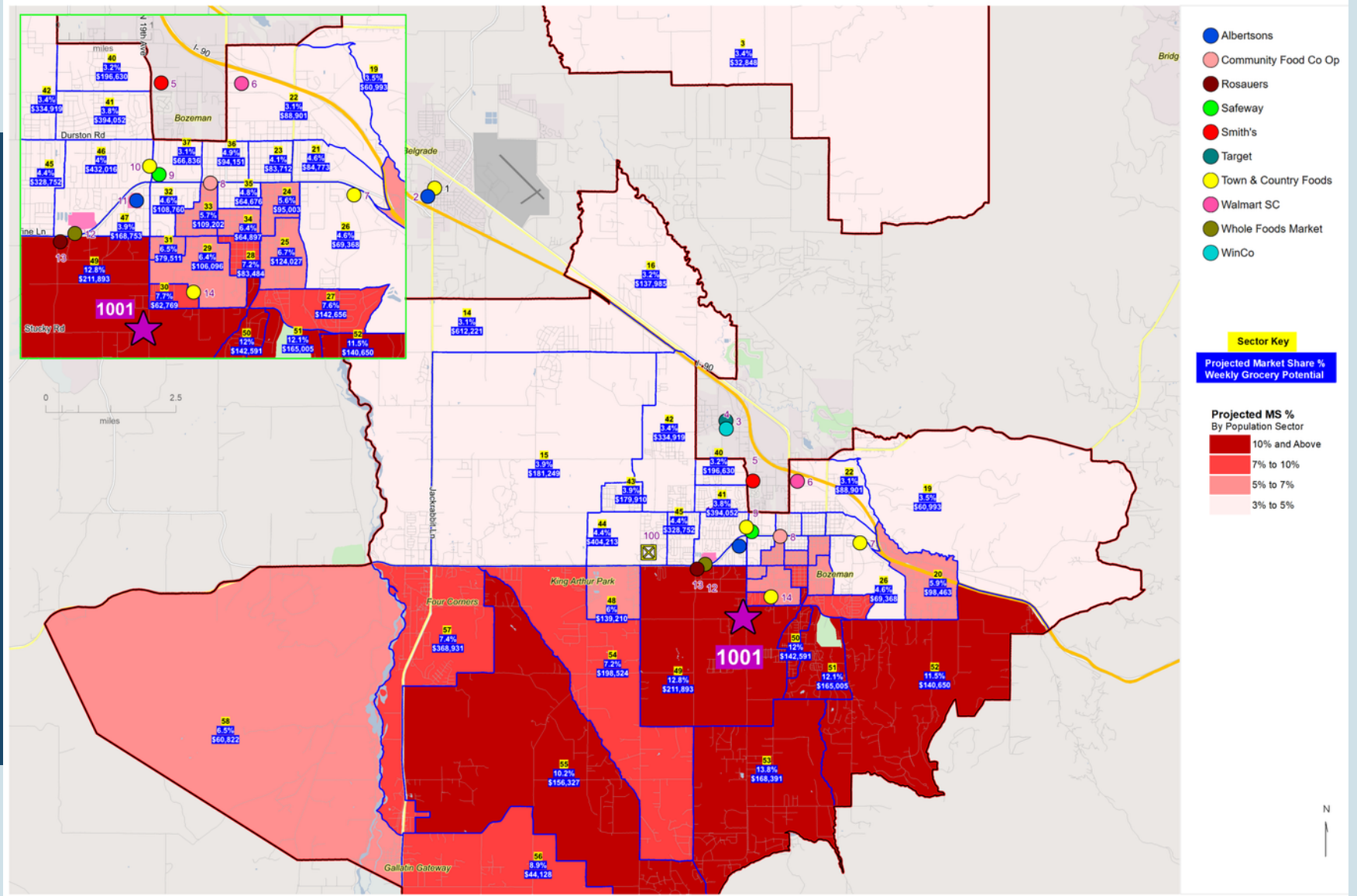
Excluding 1 stores with minimal contributions. * Store Changes

TRADER JOE'S SITE 1001

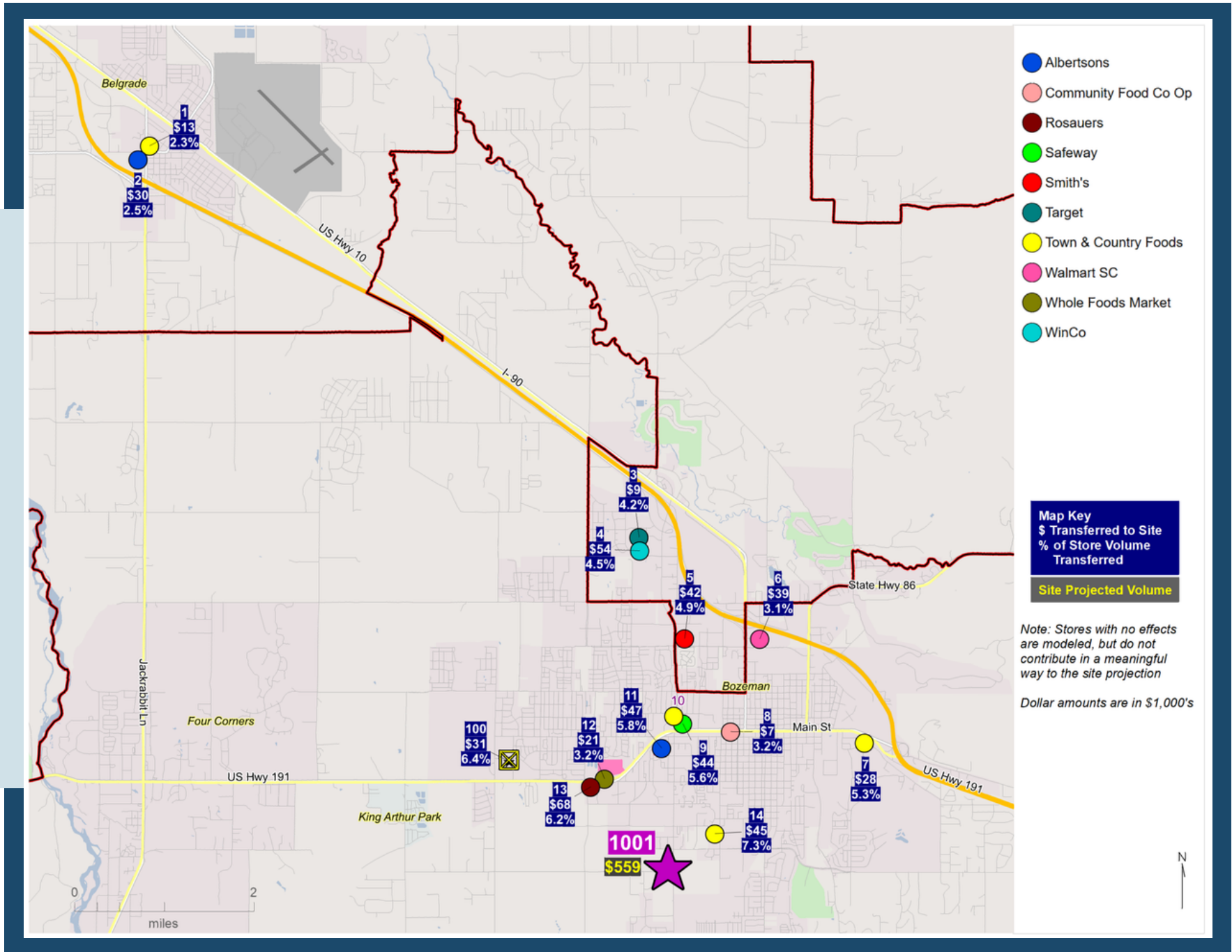
NWC of S 19th Ave & Stucky Rd



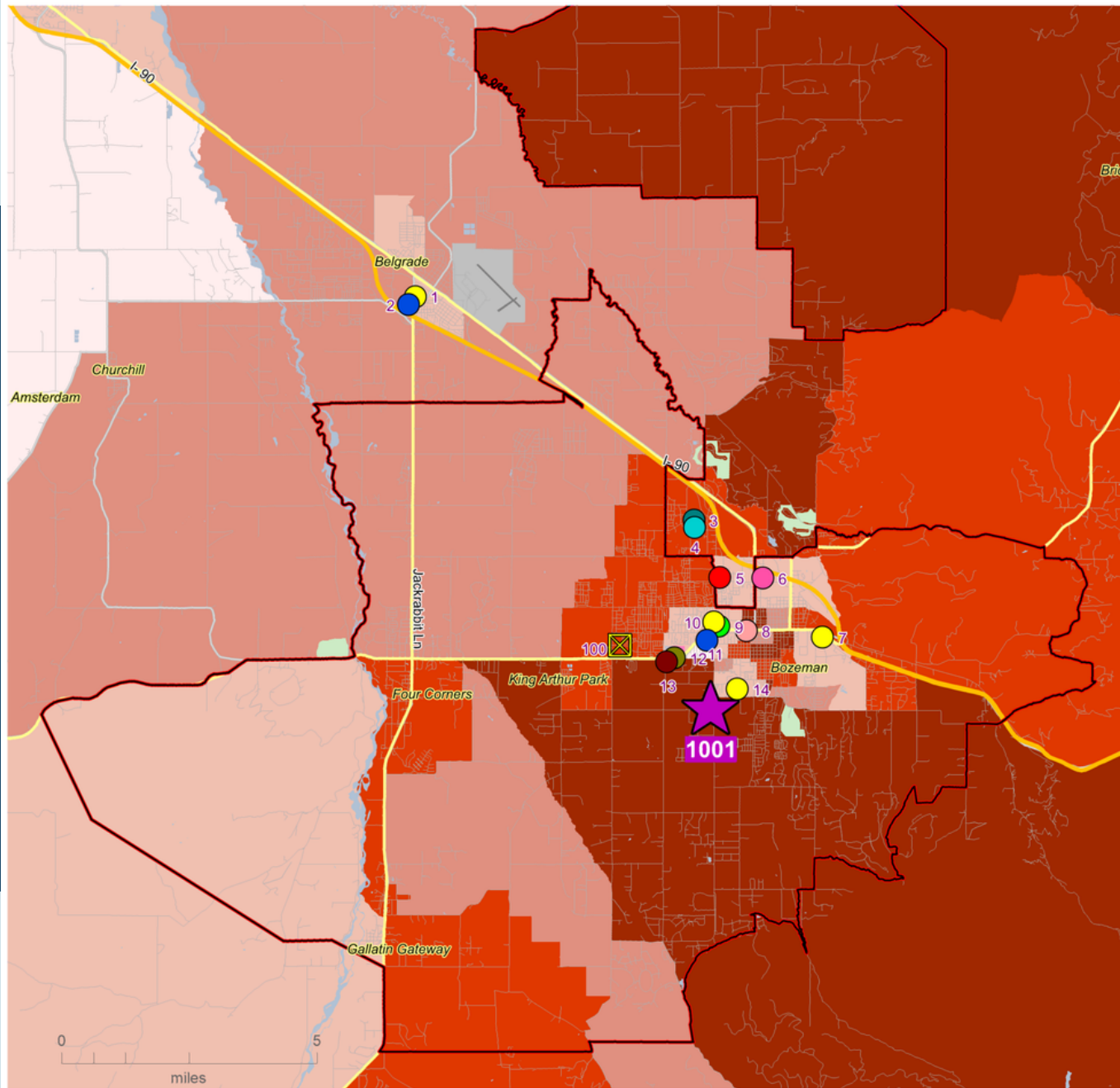
Market Share Map



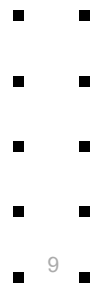
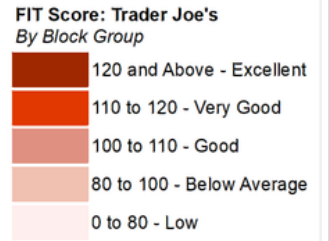
Source of Volume Map



FIT Map

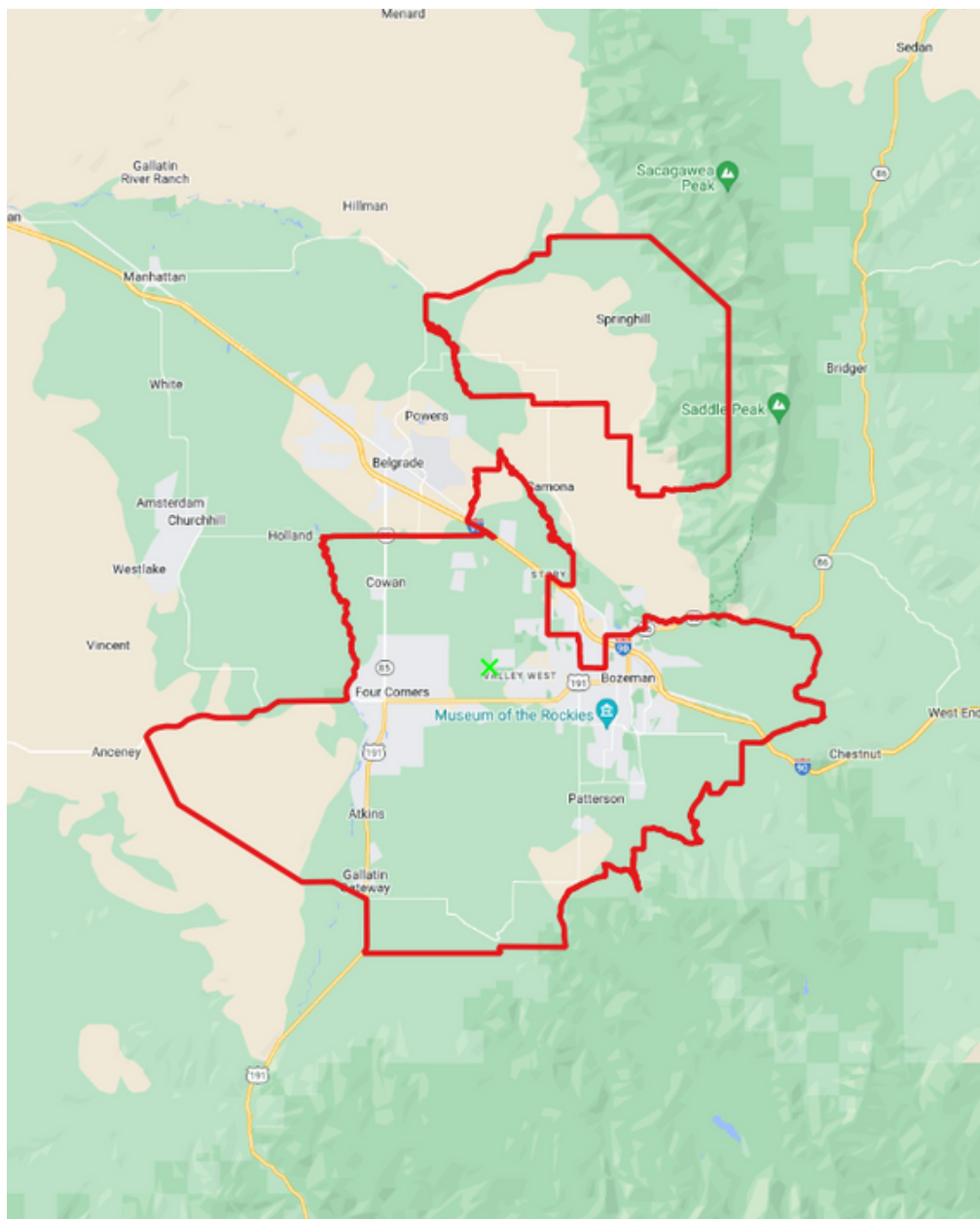


- Albertsons
- Community Food Co Op
- Rosauers
- Safeway
- Smith's
- Target
- Town & Country Foods
- Walmart SC
- Whole Foods Market
- WinCo



Demographics

MTN Database



Trader Joe's 1001, Bozeman, MT	
Population Data	
Current Population	73,094
Daytime Population	86,152
Population 5-Year Projected Growth	6.7%
Population 2-Year Historical Growth	5.12%
Population Per Square Mile	369.2
Median Age	39.2
Average Age	36.9
65 and over	13.8%
Race and Ethnicity	
White alone	91.7%
Black or African American alone	0.5%
Asian alone	1.4%
Other Race	3.0%
Hispanic (Independent of Race)	3.4%
Employment and Education	
Civilian employed population 16 years and over	41,334
Unemployment Rate	1.6%
White Collar	34.9%
Blue Collar	65.1%
High School Graduate, GED, or alternative	8.7%
College No Degree	12.6%
College or Advanced Degree	41.0%
Household Data	
Current Households	30,381
HH 2-year Historical Growth	5.23%
HH 5-year Projected Growth	6.5%
Average Household Size	2.3
Median HH Income	\$76,048
Average HH Income	\$102,289
Median Home Value	\$703,557
Owner Occupied	57.0%

Assumptions & Notations

This projection and data within this marketing package consider the following assumptions:

1. Annual inflation will remain at 1.5%.
2. New store pricing will be competitive & consistent with the company Price model.
3. New store will offer the level of customer service offered in other company stores.
4. The proposed new facility, to open November 2026, will achieve acceptance levels consistent with other company stores.
5. The store will maintain competitive hours of operations.
6. Advertising will reach customers in the Primary Trade Area.
7. The store will maintain adequate stock for advertised and unadvertised items.
8. The economy will remain stable for the study time frame.
9. No competitive changes, other than cited in this report, will occur during the time frame of this report. The likelihood of additional competitive changes increases with the passage of time.
10. The facility will be located optimally in the development with good real estate characteristics including adequate parking. Any single or cumulative inferior real estate characteristics may dramatically affect actual sales volume achieved.

All population, demographic, and lifestyle data provided by:



MTN Retail Advisors believes the information contained in this report to be accurate and sound. Client acknowledges that while it believes the services of MTN Retail Advisors will be a valuable tool in real estate and site location decision-making, it also understands that an important part of said services involves subjective judgment which is dependent upon the correctness of the information made available to MTN Retail Advisors. Therefore, Client fully acknowledges its understanding that MTN Retail Advisors does not guarantee any result from the use of the analysis or other services performed nor shall MTN Retail Advisors be responsible for any loss incurred as a result of the use of said analysis and services.

Glossary of Terms

Leakage	The portion of the potential grocery dollars within the trade area that is not captured by the identified stores. This term is sometimes referred to as “float”.
Market Share	The percent of the potential obtained from the total available grocery dollars in a given area.
Model	A model is a collection of data that represents a study area on one specific date. Most models include data about stores, population, and trade area dynamics.
PCW	Per Capita Weekly Expenditure – This is the monetary amount that the average person is expected to spend on a specific commodity (such as food) over a specified week.
Potential	The total amount of dollars available for the purchase of a specified type of goods within a given population. Normally, the potential can be calculated by multiplying the PCW times the population.
Power	A measure of a store’s performance in relation to other stores of similar size and format. An average store would have a Power of 100. This term is sometimes referred to as “image” or “flavor”.
PWTA	Percent Within Trade Area – This is a percentage from 0 to 100 which measures the amount of store volume that is captured from within the trade area.
Sector	A discrete geographic unit with known boundaries. Most analysts prefer to use census tracts (or a portion) as one sector. This provides a known starting point for population and provides a verifiable boundary.
Trade Area	Geographical boundary outlined within a study.

The Excel-based FIT program identifies how well a store format “fits” the demographic profile of an individual trade area. It is a computer program that can address the “segmentation-blind” weak-point of traditional gravity models and update them to cope with the proliferation of highly-differentiated grocery store formats.

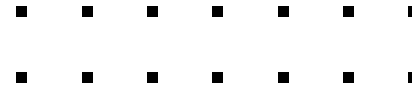
Essentially, the FIT program breaks down the single, all-encompassing POWER or IMAGE estimate to its two (2) core elements:

- 1.The specific appeal of the store format to different socio-economic groups, i.e. ethnic, income, age, and household size categories.
- 2.The (residual) POWER/IMAGE of the store, i.e. the qualities of its site characteristics (access, parking, and visibility), store operations, merchandising, etc.

The FIT program has been developed by DSR Marketing Systems Inc. (DSR) and Richards Consulting LLC through the analysis of Image Audit consumer research surveys conducted throughout the U.S. and Canada over the last ten (10) years. The development of this unique proprietary data base has enabled the direct linkage of demographics, store formats, and shopping patterns.

FIT incorporates data on the following thirteen (13) grocery store formats:

- 1.Club- BJ’s Wholesale, Costco Wholesale, Sam’s Club
- 2.Conventional – Albertsons, Giant, Safeway, Stop & Shop, Walmart NM, Smith’s Food & Drug
- 3.Discount – Dollar General Market, Grocery Outlet
- 4.Hispanic – Amigos, Fiesta Foods, Mi Tienda, Vallarta
- 5.Natural/Organic- MOM’s, New Seasons, PCC, Natural Grocers
- 6.Quality/Service- Harris Teeter, Wegmans, The Fresh Market
- 7.Supercenter- Fred Meyer, Meijer, Super Target, Walmart SC
- 8.Warehouse Store- Buy For Less, Food 4 Less, WinCo
- 9.Aldi
- 10.Save A Lot
- 11.Sprouts
- 12.Trader Joe’s
- 13.Whole Foods



Methodology

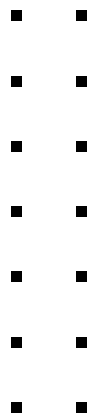
MTN Retail Advisors utilizes the same processes and strategies as employed internally within the supermarket industry. The site evaluation process is a three-tiered process of 1) fieldwork data gathering; 2) computer gravity-model simulation of the existing market; and 3) computer gravity-model simulation of the projected market.

Fieldwork Data

The process of fieldwork includes visiting all major grocery competition within the defined trade area as a means of recording the physical attributes of each facility (sales area size, total store size, store features) and extracting weekly sales volumes. Additionally, MTN Retail Advisors reviews the market for grocery-related competitive changes anticipated to occur within the trade area.

Simulation of Existing Market

Upon completion of the fieldwork evaluation of existing grocery store competition and residential housing activity, MTN Retail Advisors enters the pertinent store/demographic data into a computer market simulation model. This model now represents the current grocery study area and is utilized to evaluate detailed market shares for each store based on a block group level geography. The model allows MTN to determine the overall strength of each individual grocery competitor and access the specific trade area of each store. General market characteristics, such as total grocery trade area potential, specific total chain volume with market shares and demographic assessments, are also determined. All of this information is used to simulate the existing grocery market for the trade area.



Contact Us With Questions

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