Market Analysis

RECENT TRENDS AND KEY FACTS

Prior to the 2005 announcement that Fort Riley would receive several thousand new troops as a result of the Department of Defense's base realignment strategy, the population in Junction City had been slowly declining for many years and was projected to continue to decline at a slow pace into the near future. Nonetheless, the job and retail markets remained relatively stable for many years. The announcement in 2005 that Fort Riley would soon receive many more new troops led to the rapid development of new housing, the expansion of existing companies, and the attraction of new industries to the area. Key development trends are summarized below:

- Fort Riley is expected to gain 8,000 to 10,000 military personnel plus their dependants and additional civilian employees as a result of the Department of Defense's military base realignment strategy. To date, Fort Riley has already gained about 5,000 new solders along with over 7,000 new family members since 2005. It should be noted that 9,500 of the soldiers stationed at Fort Riley are either currently deployed or scheduled to be deployed, which influences current demand for homes and retail in surrounding cities.[1] Based on current estimates, the expansion of Fort Riley's operations will result in a net increase of 21,600 residents in the area by 2011, although the rate of this increase is heavily dependent on the current situation in Iraq.

Table 1. Fort Riley Population Figures

Category	Sep-05	Aug-07	FY 2011 Est.	Net Change 2005 to 2011	% Change 2005 to 2011
Soldiers	10,060	15,138	18,300	8,200	82%
Family Members	12,714	20,063	25,660	12,900	101%
On Post	7,751	7,854			
Off Post	4,963	12,209	17,740	12,800	258%
Civilian Employees	5,805	6,013	6,800	1,000	17%
Retirees	19,752	19,195	unknown		
Total	**48,331**	**60,409**	**69,955**	**21,600**	**45%**

Source: Big Red One & Fort Riley Community Update, August 2007

Fort Riley estimates that about 45 percent of the existing military families currently live in Junction City and the city is poised to absorb a significant portion of the demand generated by the expansion of the base. The most critical implication of this population information is that Junction City, Manhattan, and other nearby towns are experiencing a very rapid influx of new households, which has led to the development of thousands of new homes and is fueling demand for new retail, medical services, classrooms, as well as jobs for the family members of soldiers. Many officials believe that Junction City will absorb a greater proportion of the new military households moving to the area.

[1] *Big Red One & Fort Riley Community Update.* August 2007, Volume 1, Issue 7. According to the report, many military families are reluctant to purchase homes in the area while family members are deployed. This report does not specify where off-post personnel live, and the influx of new families to the area is not captured in population estimates provided by the Census and other demographic providers such as ESRI.

- As of June 2007, nearly 3,500 new single-family (1,260), duplex (1,120), and multi-family (1,100) permits were issued in and by Junction City and many of these units have been completed or are currently under construction. According to www.realtor.com, about 500 new homes are currently listed for sale in Junction City. An additional 1,400 units are currently planned for Junction City, mainly single-family homes. In total, city officials expect 6,000 new homes to be constructed as a result of the Fort Riley expansion, including those already built. The vast majority of the new home construction is taking place on the west side of town in newly-annexed areas along US 77.
- Typical new homes vary widely in price depending on finish materials, size, and other features, although most homes are selling for less than $200,000. A typical duplex consists of three bedrooms, two bathrooms, an attached two-car garage, and contains about 1,300 square feet. These duplexes generally range from $120,000 to $140,000 in price. Similarly-sized single-family homes generally start at about $140,000.
- New apartment developments – Hunter's Ridge Apartments and The Bluffs – filled very quickly and maintain high occupancy rates despite having added 850 units to the market in the past two years.
- The influx of new military households will bring a skilled workforce, as many dependents of military personnel will be looking for jobs. Several announcements have been made during the last few years regarding the expansion of existing businesses and the attraction of other businesses to the area. These include:
    - **EdenSpace** – A biosciences firm is moving its headquarters from Virginia to a new 20,000 square foot building in the Tom Neal Technology Park in Junction City. The company will have an option to expand into 20,000 additional square feet.
    - **Unplugged Cities** – An internet technology firm will locate its main support center in Junction City, initially bringing 31 new jobs to the area.
    - **Capgemini** – A business technology and consulting firm will develop its 600-seat call center in Junction City.
    - **GSC** – The North American distribution center for military base commissaries recently constructed a 150,000 square foot warehouse and has plans to construct another similar warehouse in the I-70 Industrial Park.
    - **Ventria Bioscience** – A biotechnology firm that produces lactoferrin and lysozyme, which are health supplements, recently opened a new facility in the I-70 Industrial Park.
- There are other major employers in the area, including Foot Locker's US distribution warehouse, a Conagra sausage plant, and UPU (plastic wrap).

- Finally, Junction City recently announced plans for Smokey Hill Marketplace, a mixed-use development that will include a 4,500-seat arena, an indoor water park, a new hotel, a 45,000 square foot military museum, 500,000 to 600,000 of new retail, multiple restaurants, 15 soccer fields, five baseball fields, and an auditorium. If developed, this project will bring many new jobs to the area and will serve as a regional entertainment destination. It may also meet most of the future demand for retail and related services generated by the growth that is occurring in the area.

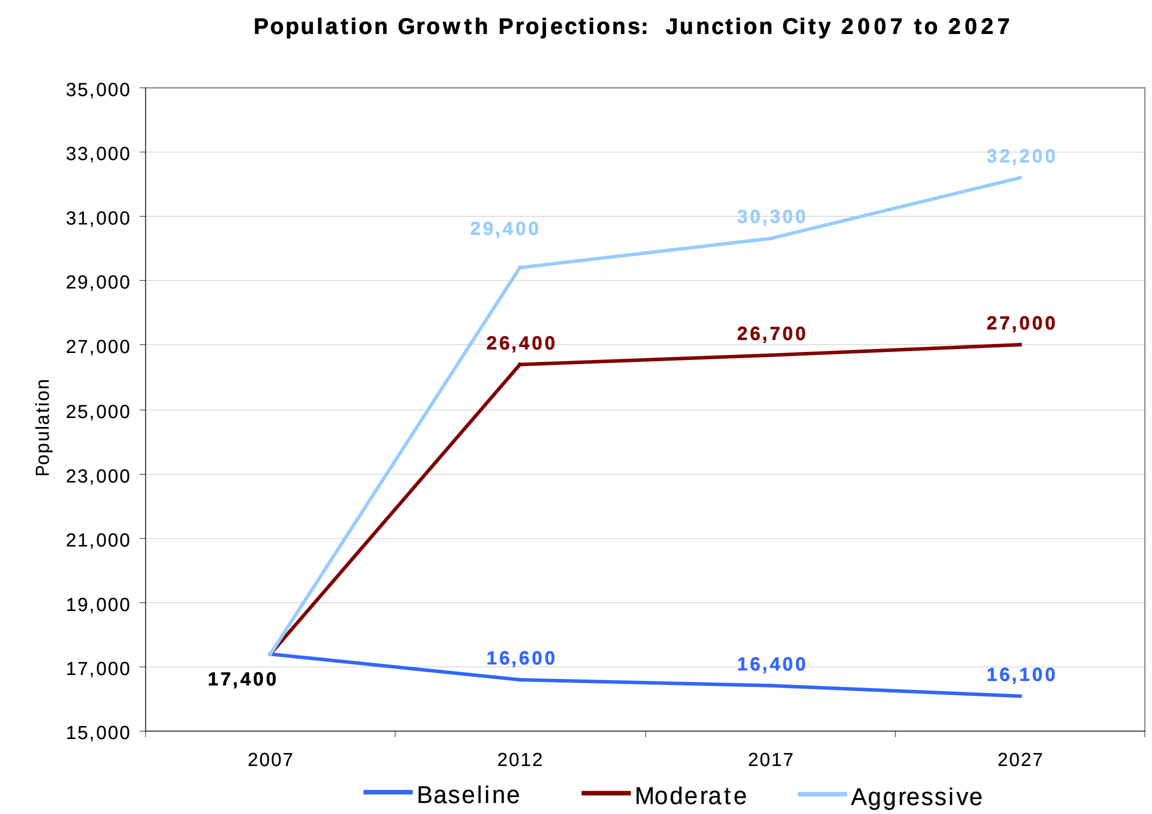
Assumptions

The analysis presented in this memorandum uses three scenarios to estimate the prospective impact of the Fort Riley expansion on the retail, office, industrial, and institutional sectors in Junction City – a baseline, moderate growth, and aggressive growth scenario.

- **Baseline** – The baseline scenario is a hypothetical analysis of Junction City assuming that the Fort Riley expansion will not occur.[2] The population and household estimates, therefore, are based on historic trends prior to the expansion that has already taken place, which indicate that Junction City continues to slowly lose its population. With a declining population, demand for retail and jobs will gradually decrease.
- **Moderate Growth** – This scenario assumes that Junction City will absorb 45 percent of the off-post military and civilian households that will move to the area. This is the proportion that has historically been absorbed by Junction City. Following 2012, when the expansion of Fort Riley is expected to be complete, a one-half percent per year growth rate is applied.
- **Aggressive Growth** – This scenario assumes that Junction City will absorb about 60 percent of the new households moving to the area and is based on the city's projections which are based on actual building permit trends in the area to date. Following the initial influx of new Fort Riley households, a one percent annual growth rate is assumed.

The 2007 population and household numbers[3] in the following graphs are based on Environmental Systems Research Institute (ESRI) estimates, which do not reflect population growth that has occurred since 2005. Fort Riley provides population figures for the soldiers, their dependants, and civilian employees that are based there, but these figures do not specify where off-post families live. The total growth as a result of the expansion of Fort Riley's operations is reflected in the 2012 numbers. The 2012 numbers are based on Fort Riley's current estimates that 21,600 new people will move to the area by 2011 and the average household size is assumed to be 2.5 persons. Thus, approximately 8,640 households will move to the area. Some military personnel, mainly highly-ranked officers and single soldiers, will live on-post, although most new military families will live off-post.

Figure 1.

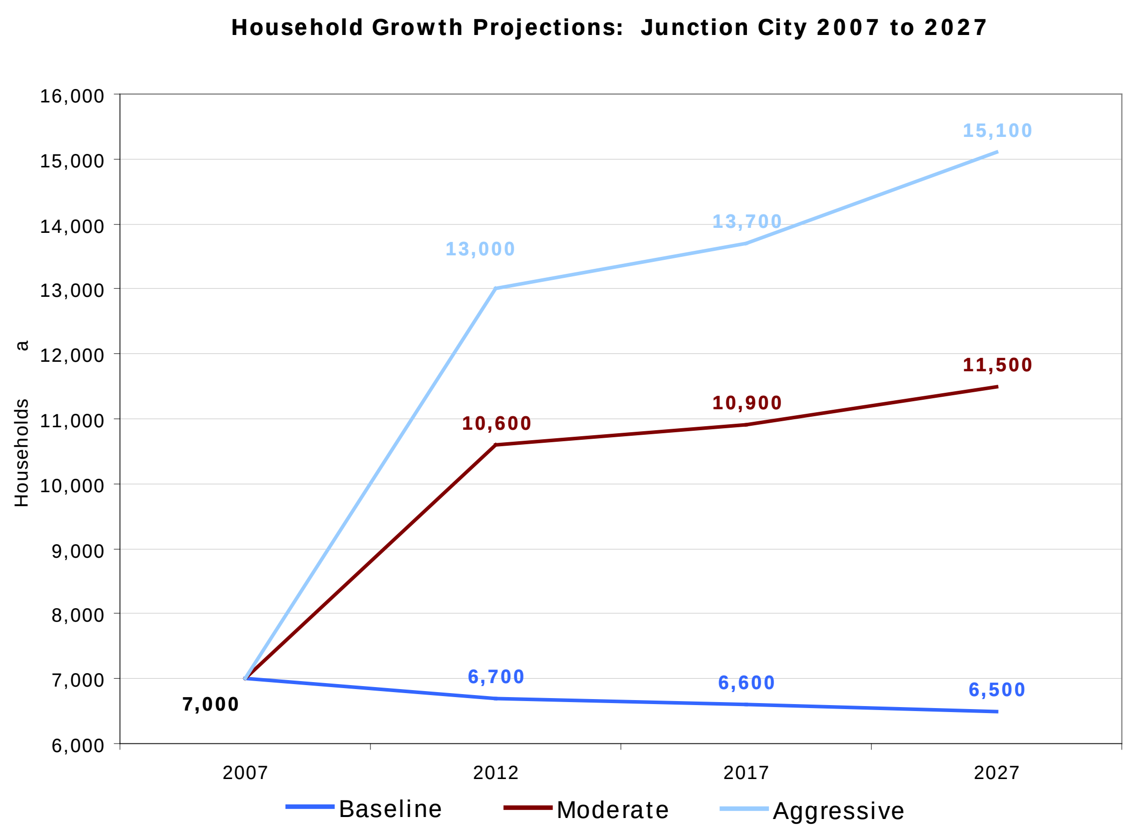


The baseline scenario indicates that Junction City will lose about 7.5 percent of its population from 2007 to 2027. The moderate growth scenario exhibits an increase in population of 63.8 percent, while the aggressive growth scenario exhibits an increase of 116.7 percent from 2007 to 2027.

Similar trends emerge for household growth, as the baseline scenario exhibits a decline in households, the moderate growth scenario exhibits a 64.3 percent increase, and the aggressive growth scenario exhibits a 115.7 percent increase from 2007 to 2027. Overall, the household projections assume a slight decline is average household size (persons per household), a trend that continues to generally affect household demographics in the US.

[2] This is something of a moot point, of course, because much expansion has already occurred. The baseline scenario, however, assumes that the expansion has not occurred at all.
[3] The 2007 estimates from ESRI do not include Fort Riley's expansion to date and reflect a slow decline in population from Census 2000 numbers. ESRI's population estimates are in line with yearly Census estimates through 2006.

Figure 2.



RETAIL MARKET

Despite steady population decline, the retail market in Junction City has remained relatively stable for over ten years. It is true that some stores have closed, but others have generally opened to take the place of the closed stores. In other cases, as with the Alco store, a store closed only to reopen a few years later. It is possible that the apparent stability indicated by the reopening of stores is more due to the influx of new residents generated by the expansion of Fort Riley. There are four main concentrations of retail in the city:

- **Downtown** – Downtown Junction City has a relatively stable office and retail presence. Redevelopment efforts several years ago helped improve the quality of the streetscape and the pedestrian environment. A wide variety of retail options are available in this district, including sporting goods, hardware, clothing, jewelry, cellular phones, furniture, and restaurants. Most shops are located along Washington Street between 6th Street and 10th Street. The area north of 10th street consists of several car dealerships.


Downtown Junction City

- **Grant Avenue** – A wide variety of retailers are located along the stretch of Grant Avenue from the Fort Riley entrance to Freeman Field Airport, including furniture stores, auto dealerships, small strip centers, and banks, service stations and restaurants. These facilities are generally scattered along the street, with a small concentration of stores at Grant Avenue and Washington Street.


Grant Avenue

- **East Junction City** – The largest concentration of retail in the city is located at the I-70/ Chestnut Street inter-change. Several hotels, including the Courtyard by Marriott that is attached to the Geary County Convention Center, are located at this interchange, as is a Wal-Mart, Alco, three or four strip centers containing several different stores, and a few restaurants. The Wal-Mart, Alco, and multiple hotels were constructed during the last five years, although the Wal-Mart and Alco relocated from older stores.


I-70/Chestnut Street Wal-Mart

- **West 6th Street** – There is a concentration of older retail stores located at West 6th Street and Eisenhower, including a Dillon's supermarket, a movie theater, and various other stores.

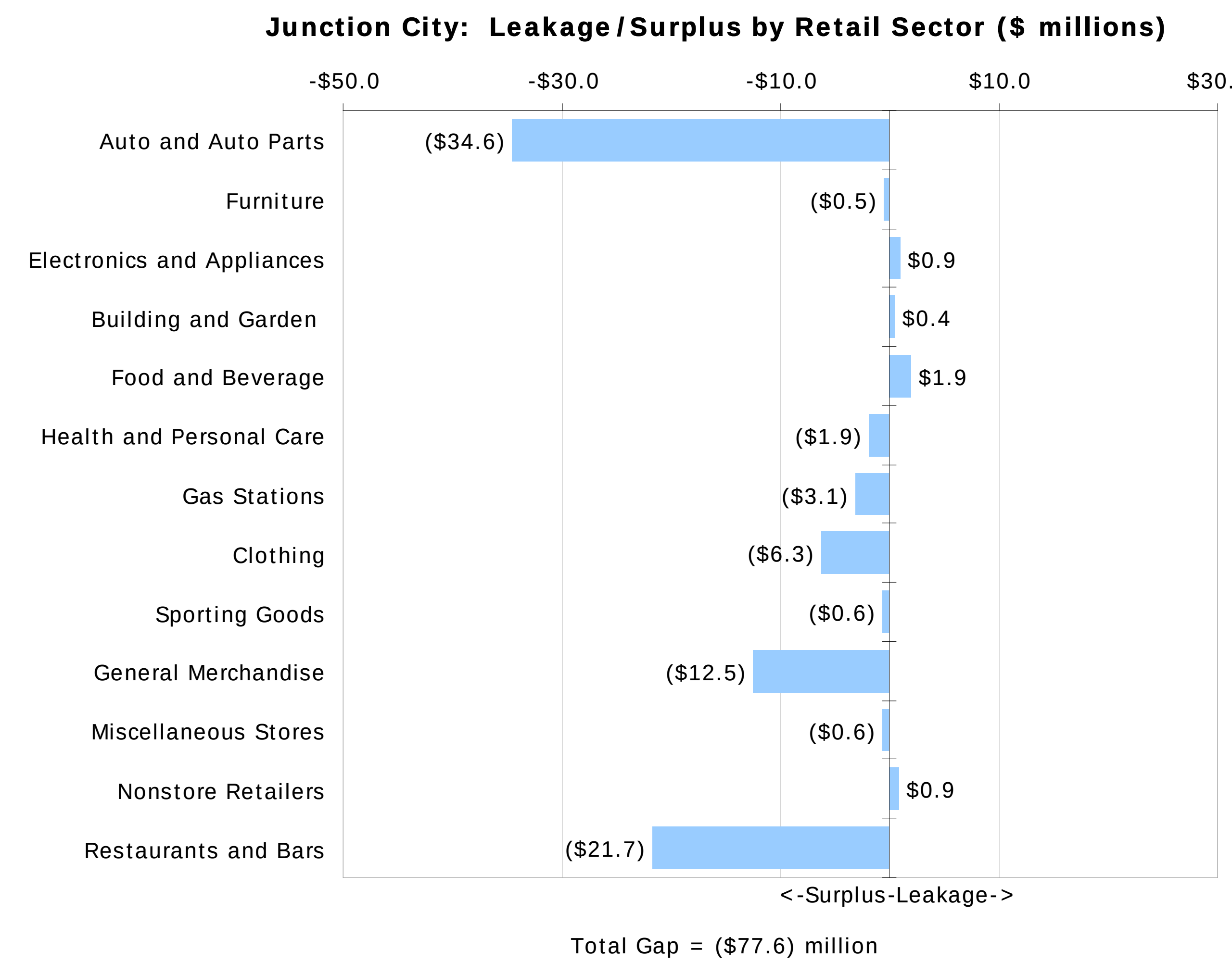

West 6th Street

Additional retail options are scattered throughout the city.

Retail Spending Patterns

Junction City attracts shoppers from outside its borders, particularly from surrounding rural areas and from military personnel living on-post at Fort Riley. According to ESRI data, Junction City residents currently spend nearly $150 million on retail items per year and about $227 million in retail sales occur in the city, indicating that the city attracts about $77 million in retail sales from "outsiders". A "retail gap analysis" is presented in the following chart. A positive value indicates that retail dollars spent by local residents are "leaking" to other areas. In other words, the local supply of retail does not meet the demand generated by local residents. A negative value indicates that the local supply exceeds local demand and that retail sales are attracted from outside of the cities' boundaries. A negative gap typically indicates that there is a strong retail market, while a positive gap indicates a relatively weak market.

Figure 3.



The above chart shows that there is little room for Junction City's retail market to grow based on trends measured before the expansion of Fort Riley began. In fact, the only category that could theoretically support an additional store is electronics and appliances, with a positive gap of about $900,000, which is sufficient to support an additional small-to-medium scale electronics store.

Future Demand

The retail market in Junction City is currently stable and has little room for growth[4], but the influx of new households moving to the area as a result of the expansion of operations at Fort Riley will substantially increase the need for retail options in the area. The baseline scenario will not be discussed in this section because the demand for re-tail in this scenario will decrease very slightly and will not differ much from what is discussed in the previous section.

The moderate growth scenario assumes that Junction City will gain about 3,600 new households by 2012, while the aggressive growth scenario assumes the city will gain 6,000 new households. In order to estimate a "ballpark" figure of what this projected growth can generate in terms of demand for new retail space, the typical retail spending power of each new household is estimated, based on 2007 trends

The first step in estimating future retail demand is to determine the buying power of the new households. According to ESRI, the average disposable household income (2007) in Junction City is $41,000, or about $287 million dollars. The Fort Riley growth will lead to a significant increase in disposable income in the area:

- **Moderate Growth** – Adding 3,600 new households will generate about $152 million in new disposable in-come [3,600 x $41,000 = $152 million], a 58 percent increase.[5]
- **Aggressive Growth** - Adding 6,000 new households will generate about $346 million in new disposable income [6,000 x $41,000 = $246 million], a 94 percent increase.[6]

The next step is to determine what proportion of an average household's disposable income is spent on retail goods. ESRI data indicates that Junction City residents spent about $150 million on retail goods. Thus, about 52 percent [$150 million ÷ $286 million] of the disposable income of an average Junction City household is spent on retail goods. This indicates that the average Junction City household will spend about $21,320 on retail goods [$41,000 x 52%] per year.

- **Moderate Growth** – Adding 3,600 new households will generate about $77 million in new retail spending [3,600 x $21,320 = $77 million], a 51 percent increase.
- **Aggressive Growth** - Adding 6,000 new households will generate about $128 million in new disposable income [6,000 x $21,320 = $128 million], an 85 percent increase.

[4] This is based on ESRI population projections, which do not take into account the population growth that has already taken place due to Fort Riley's expansions.

[5] This estimate is based on 2007 dollars and does not take into consideration any increases in disposable income or adjustments for inflation.

[6] Id

The third step in estimating future retail demand is to divide the new retail spending number by the average sales per square foot for Junction City. ULI's *Dollars and Cents* provides both national and regional sales data for various types of shopping centers. Average sales for a variety of shopping centers average $300 per square foot in the US; Rates in the Midwest range from $250 to $340 per square foot. Older and smaller centers typically garner less sales per square foot while newer centers with a greater concentration of stores, such as those located near the Wal-Mart in east Junction City, garner higher sales numbers.

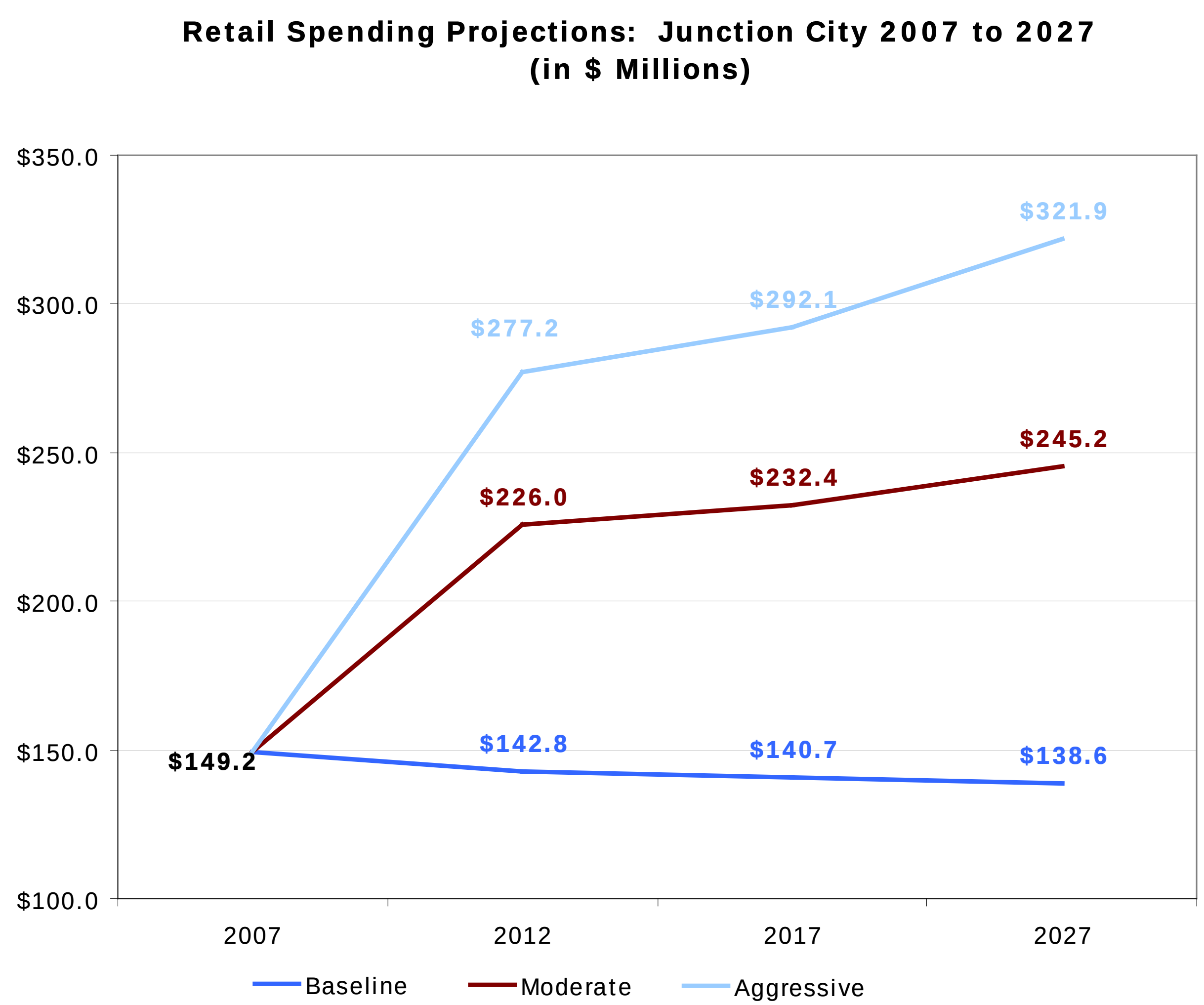
Stores in Junction City likely have lower sales per square foot sales numbers relative to national averages because household retail spending power is higher. For instance, the average disposable household income in Junction City of $41,000 is about 25 percent less than the national average disposable income of $55,000. Thus, the average sales per square foot numbers should be adjusted downward to compensate for locational differences. The projections utilize the median of this range, $255 per square foot.

Table 2. Demand for New Retail Space

	Moderate Growth	*Aggressive Growth*
Projected New Households by 2012	3,600	6,000
Current Avg. Disposable Income	$41,000	$41,000
= New Disposable Income (in millions)	$147.6	$246.0
New Retail Spending (52% of Disp. Inc)	$76.8	$127.9
New Retail Spending per Household	$21,300	$21,300
Demand for New retail Space (in SF) (assuming $255 Sales PSF)	**300,000**	**500,000**

Additional demand for retail space will be generated by the modest population growth projected through 2027, but the most significant increase in demand for retail establishments will occur through 2012.

Figure 4.



Assuming a floor-to-area (FAR) ratio of 25 percent and allocating for utility and infrastructure space, the increase in population generated by the Fort Riley expansion will generate demand for 45 to 80 acres of additional land zoned for retail purposes in all of Junction City. Not all retail uses will be appropriate for the US 77 corridor.

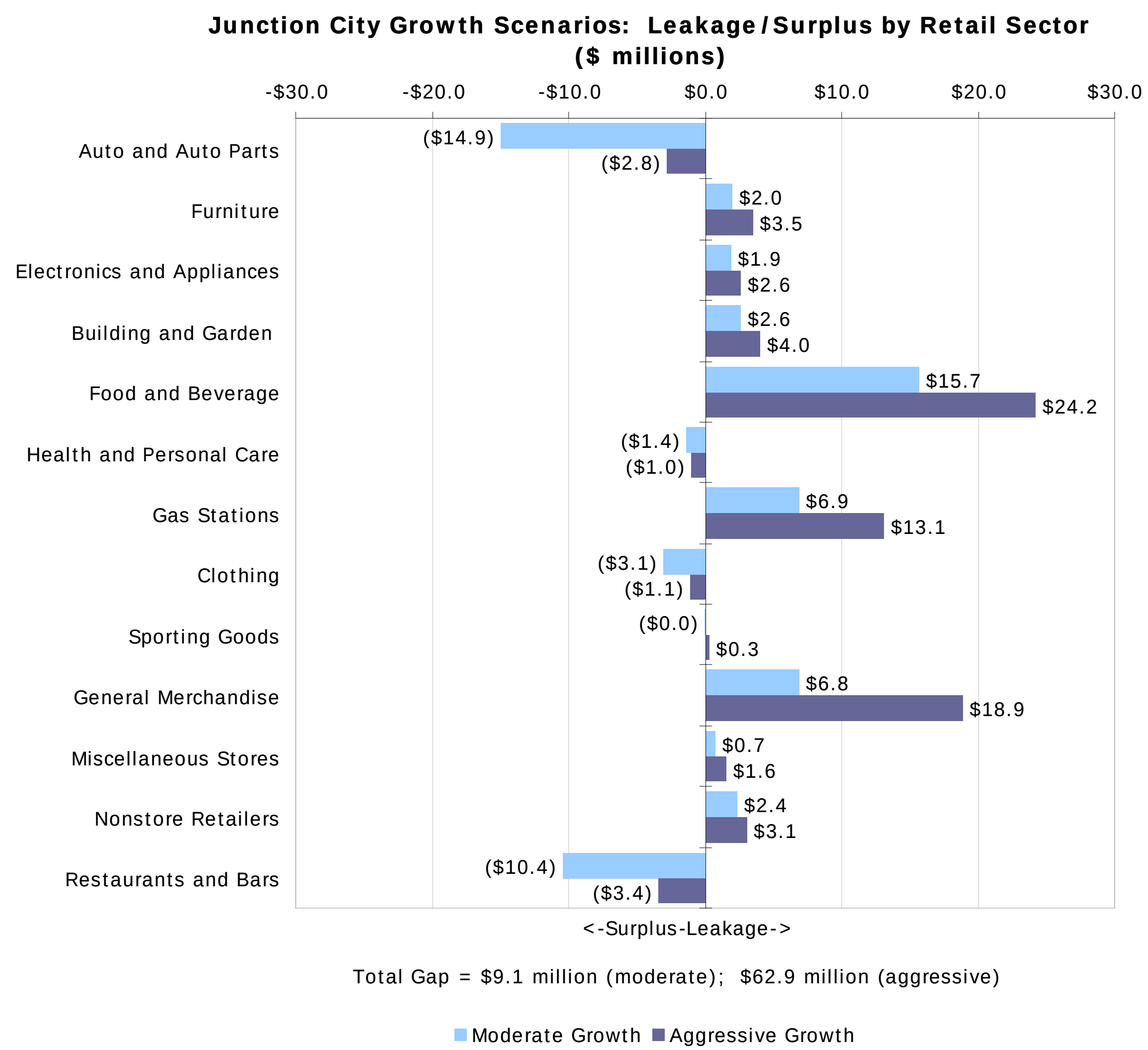
Table 3. Retail Land Demand Projections

Retail Land Demand Projections, 2007-2027 (incl. stand-alone stores and multi-store centers)		
	Moderate	**Aggresssive**
	Space Demand and Absorption *Net Acres/Units of Space Demand (SF Floor Area)*	
2007-2012	300,000	500,000
2012-2017	30,000	60,000
2017-2027	50,000	120,000
TOTAL	**380,000**	**680,000**
	Land Demand and Aborption *Acres of Land by Primary Land Use (0.20 FAR)*	
2006-2011	28	46
2011-2016	3	6
2016-2026	5	11
TOTAL	**36**	**63**
	Gross Land Use Demand and Absorption *Total Acres Required incl. Utilities and Infrastructure (1.25)*	
2006-2011	35	58
2011-2016	4	8
2016-2026	6	14
TOTAL	**45**	**80**

Future Retail Gap

A retail gap analysis can be applied to the retail spending projections for the moderate growth and aggressive growth scenarios to examine which retail sectors will experience the most significant increase in demand by 2012.

Figure 5.



An increase in retail spending of $77 million in the moderate growth scenario and of $128 million in the aggressive growth scenario will lead to an overall positive spending gap in both situations if the current mix of retailers does not change. The general merchandise (i.e. Target, Wal-Mart, and Alco), gas stations, and food and beverage show categories the greatest increase in demand, while the restaurants and bars, clothing, health and personal care, and auto-motive categories still show negative gaps, indicating that Junction City will still attract retail dollars in these categories from outsiders even with substantial household growth.

Using industry sales per square foot data from Dollars and Cents and BizStats.com, there will be demand for the following retail stores.

- **Moderate Growth** – Junction City will be able to support one additional furniture store (i.e. Cost Plus), two small electronics stores (i.e. Radio Shack), one medium-size grocery store, two service stations, and two to three limited-service restaurants (i.e. Panera or McDonald's).
- **Aggressive Growth** – Junction City will be able to support one furniture store, three electronic stores, a supermarket, four service stations, one miscellaneous store retailer, and about five limited-service restaurants. There will also be demand for a 45,000 square foot general merchandise store similar to Alco.

Summary

There will be additional demand generated by the expansion of Fort Riley that could be captured by Junction City retailers, although there will be considerable competition from Manhattan, which already has a more robust retail market given its size and student population. Nonetheless, Junction City is expected to receive more military households than Manhattan due to its more favorable location and more affordable housing prices. Also, the proposed Smokey Hill Marketplace will likely meet future demand for retail if the mix of tenants is geared to fill prospective gaps in the retail market.

Finally, the projections for future retail demand encompass all of Junction City. Although most population growth and household growth will occur along US 77, the area may not be suitable for large-scale retail development, given traffic and access limitations. The most likely retail uses along the US 77 corridor are neighborhood commercial uses, such as a beauty products store, barber shop, a small music store, or restaurants, which are typically contained in relatively small strip centers or free-standing stores.

[7]This analysis assumes that retail spending in each sector increases by the same proportion as overall retail spending (58 percent and 94 percent for the moderate growth and aggressive growth scenarios, respectively).

OFFICE MARKET

Office space in Junction City is generally relegated to governmental entities, banks, medical offices (i.e. dentist or private physician), business services, law offices, and offices at industrial and commercial facilities. The market for office-only facilities is relatively weak in Junction City, as these businesses typically do not require large facilities. Nonetheless, the rapid growth in the area will increase demand for office space, as more doctors, government workers, lawyers, and others will be needed to serve the burgeoning population. At the same time, much of the demand for additional office space that has been generated by companies such as GSC, Ventria, and EdenSpace, is or will be contained within their production facilities. This trend is likely to be the case if similar facilities locate in Junction City or if existing facilities expand.

A significant occurrence in the past few years has been the announcement that both Capgemini and Unplugged Cities will located call/customer service centers in Junction City, which is considered "back office" space. A main reason these companies are locating in Junction City is the influx of military families to the area, which brings spouses and other dependents who will be looking for work. If these facilities are successful and there are a sufficient number of additional workers, it is possible that additional facilities will move to the area, creating additional demand for this type of office space.

As with population growth, household growth, and the increase in retail demand, the initial increase in demand for office space will occur by 2012. Including the Capgemini and Unplugged Cities facilities, there will be demand for an estimated 300,000 to 450,000 square feet of new office space in Junction City during the next 20 years. Some office facilities may locate along US 77 in the Jack Lacy Industrial Park, I-70 Industrial Park, or the Tom Neal Business and Technology Park. There is limited space for office development along the corridor outside of these industrial and business parks, although there is other space throughout the city.

Table 4. Office Land Demand Projections

Land Demand Projections, 2007-2027
Total Office
(incl. medical, finance, business services, government)

	Moderate	Aggresssive
	Space Demand and Absorption* *Net Acres/Units of Space Demand (SF Floor Area)*	
2007-2012	250,000	325,000
2012-2017	25,000	50,000
2017-2027	25,000	75,000
TOTAL	**300,000**	**450,000**
	Land Demand and Aborption *Acres of Land by Primary Land Use (0.35 FAR)*	
2007-2012	16	21
2012-2017	2	3
2017-2027	2	5
TOTAL	**20**	**29**
	Gross Land Use Demand and Absorption *Total Acres Required incl. Utilities and Infrastructure (1.35)*	
2007-2012	22	28
2012-2017	3	4
2017-2027	3	7
TOTAL	**28**	**39**

**Assumes 350 gross square feet per employee for Capgemeni facility- Planner's Estimating Guide: Projecting Land-Use and Facility Needs , by Aruthr C. Nelson, 2004*

INDUSTRIAL MARKET

Prior to the expansion of Fort Riley, Junction City was already home to Foot Locker's distribution facility for the US, as well as GSC's North American distribution center and a Conagra sausage plant. The expansion of Fort Riley has contributed to the expansion of the city's industrial sector, as GSC recently completed a new warehouse and is expected to construct another 125,000 square foot facility. Other companies, such as Ventria, have also located to the area bringing new jobs in new sectors (bioscience). As with office space, the continued success of these companies combined with a growing workforce may attract additional companies to the area, which will fuel additional demand for industrial space.

Junction City has four main locations for industrial facilities: Kaw Valley Industrial Park (Grant Avenue), Republican River Industrial Park, I-70 Industrial Park, and Jack Lacy Industrial Park. I-70 Industrial Park is the largest in the city and is home to Foot Locker, Ventria, and GSC. Each industrial park has room to grow and it is unlikely that the city will have to designate additional land for industrial purposes for many years. Jack Lacy Industrial Park and I-70 Industrial Park are located along the US 77 corridor.

Table 5. Industrial Land Demand Projections

Industrial Land Demand Projections, 2007-2027 Total Industrial (incl. flex space, contractors, manufacturing, wholesale trade)		
	Moderate	**Aggresssive**
	Space Demand and Absorption* Net Acres/Units of Space Demand (SF Floor Area)	
2007-2012	200,000	300,000
2012-2017	50,000	100,000
2017-2027	50,000	75,000
TOTAL	**300,000**	**475,000**
	Land Demand and Aborption Acres of Land by Primary Land Use (0.25 FAR)	
2007-2012	18	28
2012-2017	5	9
2017-2027	5	7
TOTAL	**28**	**44**
	Gross Land Use Demand and Absorption Total Acres Required incl. Utilities and Infrastructure (1.5)	
2007-2012	27	42
2012-2017	8	14
2017-2027	8	11
TOTAL	**43**	**67**

Includes space currently under construction or planned (Ventria, GSC, etc.)

Demand for Schools

USD 475 has already constructed a new Middle School and is considering future schools in west Junction City due to the growth that has already occurred in the area. A new middle school is under construction off K-18 about one-half mile west of US 77 and Spring Valley Elementary School is under construction just north of Tom Neal Business and Technology Park. Two additional elementary schools are planned south of the middle school. Additional population growth will fuel additional demand for educational facilities, especially considering that many military families have young children. The greatest demand will be for elementary schools.

USD. 475 publishes enrollment figures on their website (http://www.usd475.org/info/aboutdistrictfacts.htm). As of September 2006, the district had nearly 6,400 students. Assuming that about two-thirds of the enrollment for the district comes from Junction City, about 4,200 students originate from Junction City households. This is the baseline for the education space needs projections. Overall, an estimated 1,700 to 3,230 new students will move to Junction City during the next 20 years, which will greatly increase the demand for school space.

Table 6. Education Land Demand Projections

Education Land Demand Projections, 2007-2027 Total Education (K-12)		
	Moderate	**Aggresssive**
	New School Enrollment (K-12)**	
*2006 Enrollment**	*4,200*	*4,200*
2007-2012	1,300	2,800
2012-2017	50	210
2017-2027	50	220
TOTAL	**1,400**	**3,230**
	School Building Space Demand (SF) Assumes 115 square feet per pupil***	
2007-2012	150,000	322,000
2012-2017	6,000	24,000
2017-2027	6,000	25,000
TOTAL	**162,000**	**371,000**
	Land Demand and Aborption Acres of Land by Primary Land Use (0.20 FAR)	
2007-2012	17	37
2012-2017	1	3
2017-2027	1	3
TOTAL	**19**	**43**
	Gross Land Use Demand and Absorption Total Acres Required incl. Utilities and Infrastructure (1.15)	
2007-2012	20	43
2012-2017	1	3
2017-2027	1	3
TOTAL	**22**	**49**

**September 2006 enrollment figures from USD 457 Geary County Schools. Assumes that 67 percent of total students (6,374) come from Junction City*

***Enrollment projections based on DSI population growth estimates and pupil per dwelling unit calculations provided by Ehlers & Associates, Inc., November 2000*

Demand for Other Institutional Space

The population growth in Junction City will fuel demand for more schools than any other type of institutional space (i.e. jails, government offices, police and fire stations, etc.). Nonetheless, the dramatic increase in population with significantly increase demand for such services, which, in turn, will drive demand for new institutional space.

Table 7. Institutional Land Demand Projections

Institutional Land Demand Projections, 2007-2027 Excludes Schools (incl. hospitals, higher eduction, gov. agencies)		
	Moderate	Aggresssive
	Space Demand and Absorption *Net Acres/Units of Space Demand (SF Floor Area)*	
2007-2012	100,000	175,000
2012-2017	50,000	75,000
2017-2027	25,000	25,000
TOTAL	**175,000**	**275,000**
	Land Demand and Aborption *Acres of Land by Primary Land Use (0.35 FAR)*	
2007-2012	7	11
2012-2017	3	5
2017-2027	2	2
TOTAL	**12**	**18**
	Gross Land Use Demand and Absorption *Total Acres Required incl. Utilities and Infrastructure (1.35)*	
2007-2012	9	15
2012-2017	4	7
2017-2027	3	3
TOTAL	**16**	**25**

CONCLUSIONS

An increase in demand for new residential units, retail options, office space, industrial facilities, and schools is already evident in Junction City and city, county, and school officials have planned well for much of the growth that has occurred to date. For instance, a significant amount of land has been annexed into the city on its west side and has been zoned residential. Also, a few new schools are currently under construction and the school district has additional schools planned in the area in anticipation of further growth. The city has also created a new business and technology park to support and attract growing bioscience companies.

Citywide, the growth associated with the expansion of Fort Riley (including growth that has occurred since 2005) will fuel demand for an additional 1.25 to 2.17 million square feet of office, industrial, institutional, and school space, in addition to the thousands of housing units planned for the city. This will result in demand for about 146 to 250 acres of land for future growth in these sectors (excluding residential).

Table 8. Aggregate Land Demand Projections

Aggregate Land Demand Projections, 2007-2027 Total from all Sectors		
	Moderate	Aggresssive
	Residential Units	
2007-2012	3,600	6,000
2012-2017	100	400
2017-2027	100	400
TOTAL	**3,800**	**6,800**
	Space Demand and Absorption* *Net Space Demand (SF Floor Area)*	
2007-2012	1,000,000	1,620,000
2012-2017	140,000	280,000
2017-2027	110,000	270,000
TOTAL	**1,250,000**	**2,170,000**
	Land Demand and Aborption *Acres of Land by Primary Land Use*	
2007-2012	86	143
2012-2017	12	23
2017-2027	11	23
TOTAL	**109**	**189**
	Gross Land Use Demand and Absorption *Total Acres Required incl. Utilities and Infrastructure*	
2007-2012	113	186
2012-2017	17	32
2017-2027	16	32
TOTAL	**146**	**250**

The US 77 and K-18 corridors are absorbing and will continue to absorb the majority of the residential growth in the city. Most, if not all, new schools will also be built in the area because of the residential growth, and the I-70 Industrial Park and Jack Lacy Industrial Park are poised to absorb a significant amount of industrial growth. Like-wise, the Tom Neal Business and Technology Park is also poised to absorb a substantial amount of office and re-search facility growth.

At the same time, the US 77 and K-18 corridors will not absorb a significant portion of the city's retail growth. This is because these corridors are not an ideal location for large concentrations of retail given the area's residential nature, as well as traffic and access limitations. Thus, it is assumed that thesw corridors will absorb:

- 80 percent of all residential, school, and industrial growth;
- 50 percent of all office growth; and
- 10 percent of all institutional and retail growth.

Thus, about 670,000 to 1.1 million square feet of building space will be required along or near the US 77 and K-18 corridors to accommodate future demand for retail, office, industrial, school, and other institutional space. This amounts to about 84 to 133-acres. Most of this demand will be accommodated in existing facilities (i.e. the Tom Neal Business and Technology Park, and the Jack Lacy and I-70 industrial parks) or land that has already been set aside for future uses (i.e. land for future schools). Some of the facilities reflected in the square footage figures are already planned or under construction.