APPENDIX

UNIVERSITY DISTRICT REVITALIZATION PLAN PARTICIPANTS

UNIVERSITY DISTRICT ECONOMIC ASSESSMENT

UNIVERSITY DISTRICT PARTNERSHIP

Nader Abou-Diab	Islamic Center of Little Rock
John & Connie Allen	Broadmoor Property Owners Association
Andy Altom, President & CEO	Methodist Family Health
Barbara Anderson, Principal	Bale Elementary
Jim Argue, Senator	Arkansas General Assembly
Mark & Ann Arouh	Fairpark Residents Association
Kemal Aydin	Broadmoor Property Owners Association
Junious Babbs, Associate Superintendent Secondary Education	Little Rock School District
Eric & Ashley Barnes	Fair Park Residents Assocation
Amy Barnes, Assistant Professor	UALR School of Mass Communications
David Beall, Chief Operations Officer	Methodist Family Health
Steve Beck, Assistant Director Public Works	City of Little Rock
Deborah Bell, Director of Community Development	Black Community Developers, Inc.
Andre Bernard, Director Housing & Neighborhood Programs	City of Little Rock
Craig Berry, Chairman	Midtown Redevelopment Advisory Board
Bob Biles, Director Finance Department	City of Little Rock
Elbert and Vernell Binz	Broadmoor Property Owners Association
Mike Blakely, Director Little Rock Zoo	City of Little Rock
Genti Borici, Student	UALR
Tony Bozynski, Director Planning & Development	City of Little Rock
Angi Brenton, Dean	UALR College of Professional Studies
Russ Breshears, Pastor	Oak Forest United Methodist Church
Joe Busby, President	Fair Park Residents Association
Jan Butenschoen, Director	Shepherd's Hope Neighborhood Health Center
Jamie Byrne, Associate Professor/Director	UALR School of Mass Communications

Wali Caradine, Partner	Woods & Caradine Architects
Jim Cargill, President	Arvest Bank Little Rock
Cheryl Chapman, Director	UALR Children International
Larry Choate, Chairman & CEO	Arvest Bank Central Arkansas and member of UALR Board of Visitors
Devon Cockrell	Broadmoor Property Owners Association and District Aide to Congressman Vic Snyder
Iglorida Conley, Facilitator	City of Little Rock Tyler Street Alert Center
Donnie Cook, City President	Bank of America
Wayne Crolley, Area Manager	AES Engineering AT&T Global Services
Jerry Damerow, Associate Director Business Development	UAMS Bioventures
Bryan Day, Assistant City Manager	City of Little Rock
Franchelle Dennis	Oak Forest Resident
Mark DeYmaz, Pastor	Mosaic Church of Central Arkansas
Herb Dicker	Neighborhood Connections
Beverly Divers-White	Oak Forest Resident
John Dominick, Senior Vice President	Bank of America
Joan Duffy, Media Relations Specialist	UALR Office of Communications
Joe & Ethel Edds	Oak Forest Residents
Tamika Edwards, Community Affairs Specialist	Senator Blance Lincoln
Mason Ellis	Oak Forest Resident
William & Alda Ellis	Oak Forest Residents
Eddie Mae Ellis	Oak Forest Resident
David Elrod	Elrod Real Estate
Joseph Emmel	Oak Forest Resident
Charles Enderlin, Owner	Oak Forest Cleaners
Kim Evans, Director	UALR Center for Non Profit Organizations
Beth Felton, Owner	Quality Child Care, Inc.
Steve Ficklin, Executive Director	Argenta Community Development Corporation
John Fisher	Oak Forest Resident
Dickson Flake,Partner	Colliers Dickson Flake Partners
Marq Golden, Youth Services Assistant	City of Little Rock
Chuck Goldner, Dean	UALR Bowen School of Law

Mary Good, Dean	UALR Cyber College
Ruth Griffin	Fair Park Residents Association
Mark Hammond	Mosaic Church of Central Arkansas
Steve Haralson, Director Public Works	City of Little Rock
Antje Harris, President	Broadmoor Property Owners Association
Patrick Harrison	Broadmoor Property Owners Association
Ann Harrison, Minister	St. Luke United Methodist Church
Jay Hartman, Manager - Commercial & Industrial Accounts	Entergy and member of UALR Board of Visitors
Tim Head	Methodist Family Health
Robin Hensen, Publications Manager	UALR Office of Communications
Jennifer Herron	Herron Horton Architects
Nathaniel Hill	Oak Forest Resident
Terri Hollingsworth, Economic Development Coordinator	City of Little Rock
Robert Hooks, President	Oak Forest Movers & Shakers Crime Watch
Andrea Hooten	Broadmoor Property Owners Association
Patricia Hornbeck	Fair Park Residents Assocation
Hattabaugh Hugh, Deputy Superintendent	Little Rock School District
Clayton Johnson	Coalition of Little Rock Neighborhoods
Bonnie Johnson, Attorney	Williams and Anderson, PLC
Meagan Jordan, Associate Professor	UALR Institute of Government
Elliot Kumpe, Information Services Manager	UALR Office of Development
Shirley Lamkin	Oak Forest Resident
India Lee	Broadmoor Property Owners Association
Joni Lee, Associate Vice Chancellor	UALR University Advancement
Brent Little, Development Partner	Place Properties
Charlene Looney	Broadmoor Property Owners Association
Bill Looney	Broadmoor Property Owners Association
Don Lutrick, Pastor	Fairview Baptist Church
Jim Lynch, Director	UALR Office of Institutional Research
Liz Mackenzie	Broadmoor Property Owners Association
Richard Magee, Director of Planning	Metroplan
Sandy Magness, Realtor	Magness Property Management
Walter Malone, Planning Manager	City of Little Rock

Wayne McBride	Broadmoor Property Owners Association
Emma McCoy	Oak Forest Resident
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Cindy Milazzo, Associate Vice Chancellor	UALR Facilities and Services
Virgil Miller, Senior Vice President Community Development	Metropolitan National Bank
Sadie Mitchell, Associate Superintendent Elementary Education	Little Rock School District
Bruce Moore, City Manager	City of Little Rock
Dorothy Nayles, Director of Community Programs	City of Little Rock
Marti North, Senior Vice President Community Development	Bank of the Ozarks
Kevin O'Malley	Broadmoor Property Owners Association
Don & Nancy Patten	Fair Park Residents Assocation
Tamra Patterson, Education Manager	UALR Children International
Jack & Nancy Perciful	Broadmoor Property Owners Association
Lola Perritt, Director	UALR Central Arkansas Educational Renewal Zone
Kevin Pierson, Director of Conservation	Audubon Arkansas
Carol Platt	Oak Forest Resident
Phyllis Poche	Fair Park Residents Association
Albert Porter, President	University Park Homeowners Association
Kellie Reep, Board Chairwoman	Dress for Success Program
Glediane Rexha, Student	UALR
Ken Richardson, City Director, Ward 2	City of Little Rock
Sharon Richardson, Assistant Professor	UALR College of Education
Martha Roberts	Oak Forest Resident
Olivine Roberts, Associate Superintendent Educational Services	Little Rock School District
Roby Robertson, Director	UALR Institute of Government
Paula Rogers	Oak Forest Resident and Educational Manager of UALR Children's International
Janelle Romandia, Vice President	Oak Forest Movers & Shakers Crime Watch
Jonetta Rouse, President	Bale PTA
Tauheed Salaam	New Futures for Youth, Inc.
Crissy San Roman	Mitchell Law Firm
Ramona Sangalli, Executive Director	Lions World Services for the Blind
Bill Saunders	Point O'Woods Resident / Sierra Club

Hillis Schild, Vice President Community Development	Regions Financial Corporation
Elaine Scott	UALR Foundation Fund Board
Michael Shepherd, Director	UALR Purchasing Office
Debra Simpson-Webster	Oak Forest Resident and UALR Office of Human Resources
Velma Sims	Oak Forest Resident
David Sink, Professor	UALR Institute of Government and Broadmoor Property Owners Assocation
Tom Steves, Senior Vice President	Twin City Bank
Daniel Stewart	Fair Park Residents Association
Charles Stewart, Senior Vice President Community Development	Regions Financial Corporation
Mark Stodola, Mayor	City of Little Rock
Greg Summers, Assistant Fire Chief	City of Little Rock
Edward Swaim	Broadmoor Property Owners Association
Joe Swaty, Assistant Dean	UALR Cyber College
Stuart Thomas, Police Chief	City of Little Rock
Diane Thomas-Holladay, Director	UALR Labor Education Program
Truman Tolefree, Director Parks & Recreation	City of Little Rock
Marsha Vault	Oak Forest Resident
Karen Walls	Broadmoor Property Owners Association
Allan Ward	University Park Homeowners Association
Anne Wasson, Editor	Aging Arkansas and Broadmoor Property Owners Association
Mark Webre, Deputy Director, Parks & Recreation	City of Little Rock
Rolf Wigand, Professor	UALR Department Information Science
George Wittenburg, Coordinator	UALR Urban Studies and Design
Doris Wright, City Director, Ward 6	City of Little Rock

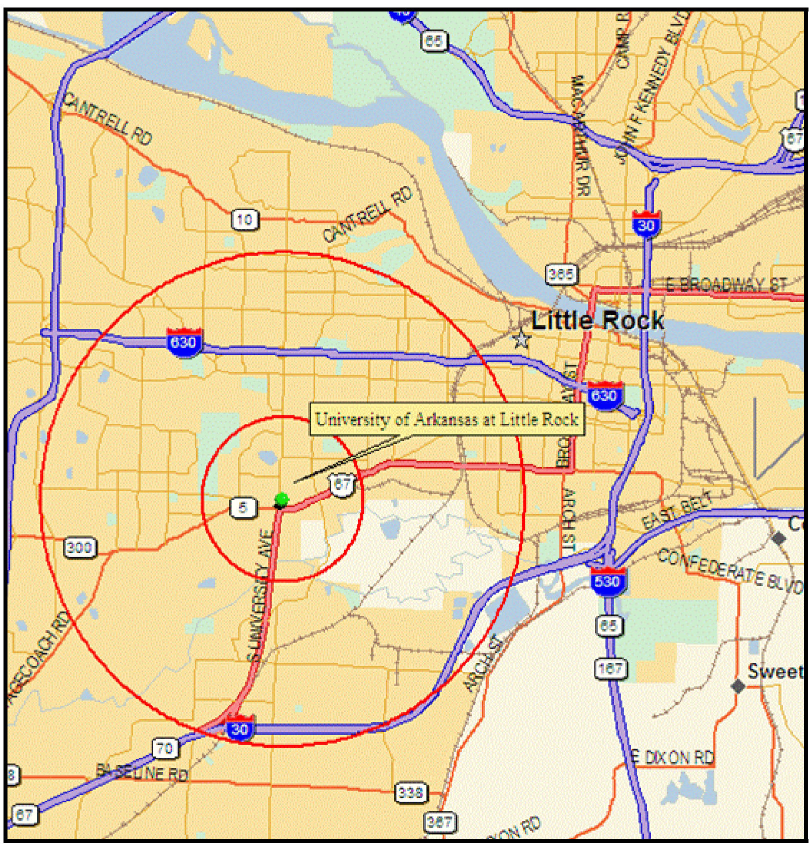
University District Economic Assessment

Overview

As part of the continuing visioning process initiated by the University of Arkansas at Little Rock (UALR) to determine its role as a catalyst for community development, Real Estate Research Consultants, Inc., (RERC) was retained to provide a real estate market analysis and assess future redevelopment opportunities adjacent to the university campus. This effort includes on-site visits of the area, stakeholder interviews and market research of existing conditions related to the retail, residential and office markets.

Specifically, this research analyzed demographic and market factors related to existing real estate inventions within a one and three mile radius of the campus. Using 2005 base figures, projections have been calculated for 2010 and 2015 within the same radii (See Map 1).

Map 1



Demographic Summary

The 2005 demographic information was used as the base data for the study area. One mile and three mile radii were established in compiling the base information and the projections through 2010 and 2015. An interesting anomaly was observed between the two areas. There were modest increases in population within the one mile radius but a decline in population in the three mile area. This seems to indicate that the presence of UALR and its projected growth in students is/will be the major economic stimulus for the foreseeable future for the study area.

The summary of these demographic projections (Table below) includes both resident and daytime populations. Within the one mile radius the 2005 estimated total population is 14,784 people, growing to a total of 16,777 by 2015. The 2015 benchmark has been chosen to coincide with the university's growth projections of 15,000 students. In essence the student population growth, with the accompanying increase in faculty and staff, will comprise almost the entire growth base through 2015.

RESIDENTIAL AND STUDENT DAYTIME POPULATION		
	2005 1-MILE	**2015 1-MILE**
Total # Students	12,000	15,002
Day Time Students	6,000	7,501
# Student Residents	1,000	1,250
Net Day Time	5,000	6,251
Total Residential Pop	9,784	10,526
Total Day Time Pop	**14,784**	**16,777**

The 2010 growth reflects a 6.4% increase and another 6.6% addition to 2015. When the student population figures are backed out of the numbers, the resident population growth is a low 3.7% over the ten year period.

Overview of Stakeholder Interviews

Two days of stakeholder interviews were held with real estate professionals, bankers, businessmen and women, staff, students and homeowners. The summary of these conversations highlighted the following:

- Market not growing.
- Major submarkets are "where the action is": Downtown, West Beltway, Medical Center, North Little Rock, and Ranch Channel Valley.
- Economic Generators: State government, medical center, University of Arkansas at Little Rock; distribution center, information/telecommunications.
- University District – Commuting student body with little local impact, poorly maintained commercial buildings, mixed ethnic population, aging population in the neighborhoods immediately surrounding campus.
- Not in growth corridor – flat or declining population rate.
- Community is skeptical/non trusting of City Hall leadership.

- Need to strengthen ties to medical center.
- Need more creative and aggressive leadership at state level to leverage UALR technology potential.
- University Boulevard widening seen as a negative – supporting commuters not university area.
- Resident homeowners appear to be engaged to some degree and willing to help in stabilizing process.
- Banking and business interests are willing to financially support a UALR plan with accountable benchmarks/milestones.
- Financial resources from the public sector for catalytic redevelopment effort require modifications to existing local and state legislation/policies.
- UALR is the main hope to keep the focus on the issues and drive the implementation program.

Retail and Office Summary

The area immediately fronting the campus on University Boulevard and the area just south of the campus at the intersection with Asher Road shows significant disinvestment. Along University Boulevard, from Asher Road to W. 28th Street, the strip commercial area comprises approximately 335,000 square feet. The tenant mix includes fast-food, chain restaurants, as well as local retailers. There appears to be a wide variety of tenant quality and adaptive reuse of traditional retail buildings for more civic or institutional uses – a sure sign of declining market base.

Nowhere is this decline more evident than the intersection of University Boulevard and Asher Road. The four corners once contained over 466,000 square feet of retail, including a WalMart, two supermarkets and variety of other name brand outlets. Though the vehicular traffic through this intersection continues to be one of the highest daily counts in the state, the former anchors have closed or relocated to more suburban markets. The high vehicular flow on these corridors discourages pedestrian movement from the campus to this area. A result is that an automobile is almost a necessity to access these areas and since there are more appealing restaurant and retail areas within a short drive time, once in a car, potential faculty/staff/student customers will drive by the more proximate retail locations. There is very little office space in the immediate area, except for the small real estate, insurance or other service type businesses located in the strip centers.

Based on the demographic projections, a demand model for both retail and services for the 2005-2010 period was developed, as well as one for the 2010-2015 periods. The results (Table 1) indicates a modest demand in the service sector (defined as financial, insurance, real estate, professional, social services) of an additional 36,671 square feet through 2015.

Similarly, the retail figures (defined as grocery store, convenience goods, shopping goods & restaurants) over the same periods reflect a demand of 43,997 square feet of new space in 2010 and an additional 47,820 square feet in 2015 (Table 2). Most striking is the lack of demand when the student figures are removed from the model – only 6,461 square feet of service demand through 2010.

A summary of the office market demand reflects little to no growth within the one mile radius of the campus. The 142,000 square feet of office space within the area is made up predominately of small real estate, insurance and professional service users, fewer than 10,000 square feet. Only three buildings within the study area consist of over 10,000 square feet of office space.

DEMAND FOR SERVICES			**TABLE 1**
Little Rock 2005 - 2015 ONE MILE			
2005 Demand	**Total Demand**	**Capture Rate**	**Trading Area**
Services			
Finance, Insurance & Real Estate	104,935	45%	47,221
Personal Services	12,248	45%	5,512
Medical Services	54,019	45%	24,308
Legal Services	17,143	45%	7,715
Social Services	36,898	45%	16,604
Professional & Business Services	46,778	45%	21,050
Total Office	**272,021**	45%	**122,410**
2015 Demand			
Services			
Finance, Insurance & Real Estate	119,081	45%	53,587
Personal Services	13,899	45%	6,255
Medical Services	61,301	45%	27,585
Legal Services	19,455	45%	8,755
Social Services	41,875	45%	18,842
Professional & Business Services	53,084	45%	23,888
Total Office	**308,692**	45%	**138,911**
Projected Increase in Demand 2005 - 2015			
Services			
Finance, Insurance & Real Estate	14,146	45%	6,366
Personal Services	1,651	45%	743
Medical Services	7,282	45%	3,277
Legal Services	2,311	45%	1,040
Social Services	4,974	45%	2,238
Professional & Business Services	6,306	45%	2,838
Total Office	**36,671**	45%	**16,502**

DEMAND FOR RETAIL			TABLE 2
Little Rock 2005 -2015 ONE MILE			
2005 Demand	**Total Demand**	**Capture Rate**	**Trading Area**
Grocery Stores	43,493	100%	43,493
Convenience Goods	68,993	100%	68,993
Shoppers Goods	490,837	25%	122,709
Restaurants	77,776	35%	27,222
Total Demand =	**681,098**		**262,416**
2015 Demand	**Total Demand**	**Capture Rate**	**Trading Area**
Grocery Stores	49,356	100%	49,356
Convenience Goods	78,294	100%	78,294
Shoppers Goods	557,005	25%	139,251
Restaurants	88,261	35%	30,891
Total Demand =	**772,916**		**297,792**
Projected Increase in Demand 2005 - 2015			
Grocery Stores	5,863	100%	5,863
Convenience Goods	9,301	100%	9,301
Shoppers Goods	66,169	25%	16,542
Restaurants	10,485	35%	3,670
	91,817		**35,376**

Residential

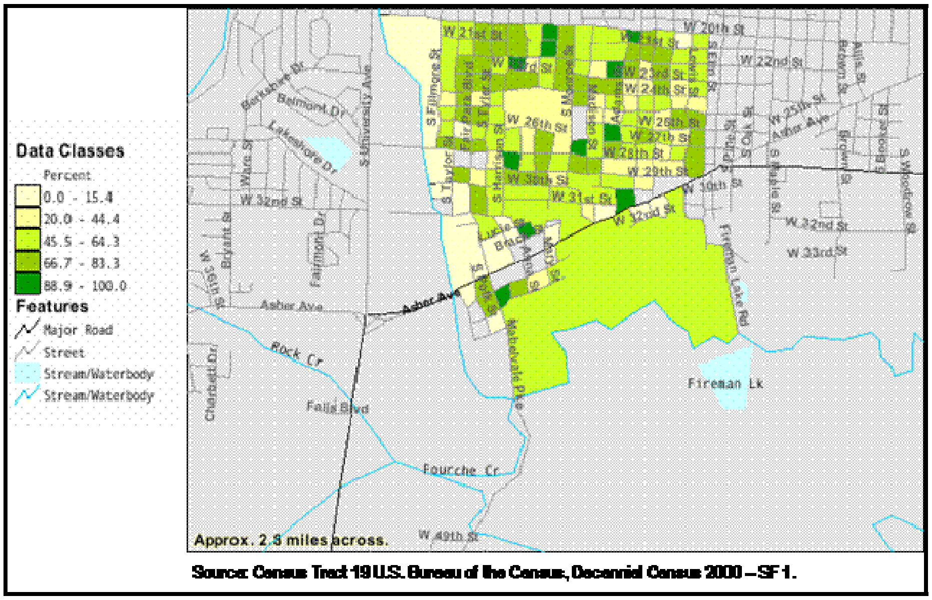
As indicated in the overview section, the neighborhoods adjacent to the campus are comprised of approximately 2,200 residential units, predominately single family homes. Of these, 57% are homesteaded indicating owner-occupants. The Broadmoor neighborhood to the west of the campus consists of approximately 550 homes built primarily in the 1950's and early 60's with a relatively well organized home owners association. The housing stock is in relatively good condition with recent sales values in the $100,000 to $150,000 range. Concerns in the neighborhood center on the loss of nearby retail, the changing demographics and the quality of schools that will encourage younger families to purchase homes (See Map 2 and 3).

The Oak Forest and adjacent neighborhoods bordering the UALR campus on the east consist of a larger number of residences over 3,500 units. Again, most of the housing product is single family residential with a few aging multi-family complexes, some duplex, and townhouse units. The neighborhood appears to have a loosely organized neighborhood association attempting to generate more community focus on their issues relating to neighborhood preservation. The housing stock is in relatively good condition west of Van Buren with the conditions east of Van Buren significantly less appealing due to lack of maintenance. The key issues in these neighborhoods are public safety and the perception of crime having a dampening affect on real estate values. Homes in this area can be purchased as low as $60,000 - $70,000 range. As the UALR student population increases, and on campus housing accommodations does not meet demand, there will be a greater number of single family residences converted to rentals to students, many there to four or more per house. This will decrease the number of owner occupied units, further impacting the quality of the neighborhood.

Another residential issue is the overall lack of quality multi-family properties. The current stock consists of projects over 30 years in age with few amenities found in the current marketplace. Rental rates are in the $.50 - $.65 per square foot range significantly lower than the better quality apartments in the region. UALR’s focus on providing more on campus housing will serve a portion of the demand but to enhance the university’s goal to become less of a commuter institution, higher quality off site housing accommodations must be realized. However, current market conditions indicate that the cost of construction exceeds the projected income rates without some type of financial assistance from non traditional sources.

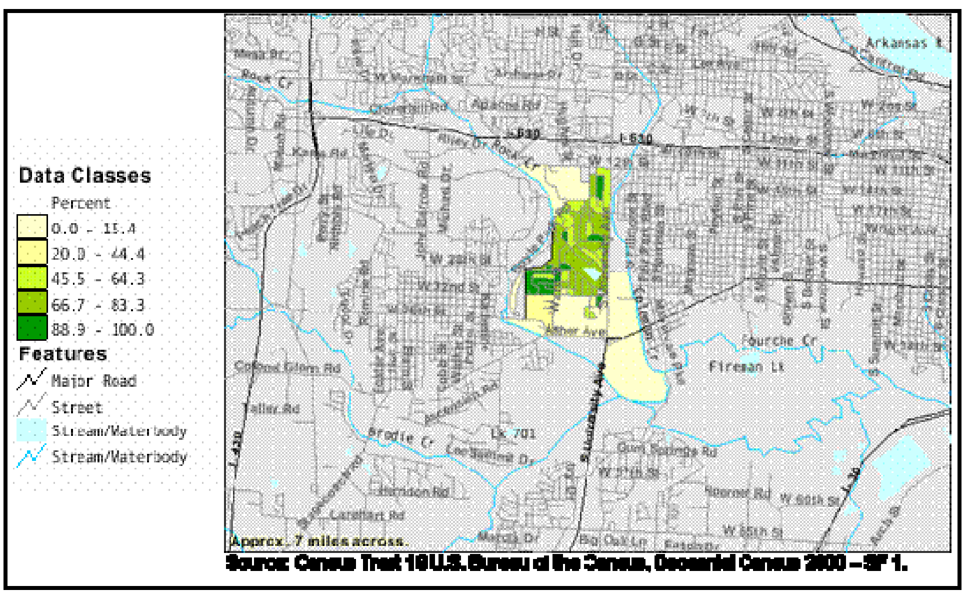
Map 2

Percentage of Owner Occupied Housing Units - UALR – East Neighborhoods



Map 3

Percentage of Owner Occupied Housing Units - UALR – West Neighborhoods



Summary

The summary of this analysis reflects a modest growth rate at best; the stakeholders' attitudes may generally be described as extremely cautious to pessimistic. The lack of confidence in the local government leadership, the difficulty in the current political environment to recognize the need for public assistance, and the greater opportunities for private investment in other parts of the region have generated this somewhat pessimistic atmosphere.

However, the university's willingness to focus resources and convene community and neighborhood leaders on the issues of neighborhood sustainability has created an element of hope and optimism in certain segments of the community – nearby residents, students, the medical and financial related businesses as well as the university faculty and staff. It is critical that the vision and programming of a redevelopment plan build on this optimism with pragmatic and "doable" projects.

Opportunities

To assist in developing recommendations, we may want to focus on certain opportunities, though global in perspective, that have ramifications in guiding UALR's and the community's strategies for success. Recent data collected by a Denver consulting effort for the city identified several critical trends impacting urban sustainability. The trends that could play a role in the UALR visioning and planning effort include the following:

- Changing American Demographics – 77 million "baby boomers": the best educated and wealthiest generation in history; the "millennials" (those born between 1980 & 2003): another 70 million population bubble weaned on technology.
- Immigration – the U.S. is the only industrialized nation in the world with a growing population, due in large part to immigration; growing percentage of Hispanic and Asian born immigrants.
- Creative Class – the next generation of professionals will be dominated by women; 58% of the current college enrollment is women; by 2010 females will make up a majority of the workforce.
- Healthcare & Wellness – demand for medical services will continue to increase, while the qualified workforce numbers are not keeping pace; exercise and preventative health will increase in importance as lifestyle factors.
- Social/Environmental – China & India will be consuming a greater proportion of the non-renewable resources as we enter the "Asian Century"; alternative fuel production and conservation/recycling will increase; greater disparity of wealth.
- Advances in technology – one billion people are currently on-line, with an 11% per year growth rate; nanotechnology, bioinformatics, and genomics will be leading the way – "need to know the small stuff".

Conclusions

Based on the local prospects, the lack of growth will generate a minimal amount of demand for any significant change. The opportunity confronting the university and the community as a whole is how to leverage the local assets to be more attractive to outside investment. Though the road appears difficult at this point in time, there are a number of key elements in place within the study area and the city that can be contributors to a major turnaround in the community. These include the stimulation of a growing student body, faculty and staff; the proximity to three major medical facilities and their support system; the existing UALR emphasis on nanotechnology, bioinformatics, and related specialties; the central geographic location of Little Rock within both the United States and North America; the low cost basis of real estate in the immediate study area; and the attractive natural beauty of the area.

These assets can be leveraged with the appropriate vision and leadership in attracting the resources to enhance the university and the community's ability to not only a sustainable area but a vibrant economic generator that will add to the quality of life for the entire region and beyond.

Recommendations

- Establish the private/public entity that will be responsible for implementing the adopted vision.
- Create a funding source(s) that will adequately underwrite the entity for five years with measurable and accountable milestones.
- Provide funding and begin to assemble land for the development of a research park near the university.
- Create an entity to develop the research park.
- Continue to enhance the symbiotic relationships and sharing of resources between the medical center and the university.
- Create a tax increment area with the necessary powers to effect redevelopment within the study area.
- Develop and adopt the needed state legislation that will allow for the funding to support the enhanced research in the fields of nanotechnology, bioinformatics, and related specialties so that Arkansas can better compete for national and international resources.
- Create incentives to assemble land to provide private development of higher quality multi-family rental units.
- Provide incentives for faculty, staff, teachers, public safety personnel, and other service providers to buy homes in the adjacent neighborhoods.
- Provide additional resources to address the public safety issues in the neighborhoods.
- Through public and private initiatives provide resources to enhance the quality of the public schools serving the area, particularly the elementary and middle schools.

Appendix

REGIONAL BACKGROUND

Population Trends

The University of Arkansas at Little Rock (UALR) is located in the State Capital of Little Rock and Pulaski County. Pulaski County is one of six counties within the Little Rock Metropolitan Statistical Area. According to population estimates in 2002 as identified in the “Arkansas Population Projections: 2003 – 2025” report prepared by the Center for Business and Economic Research, University of Arkansas, Pulaski County is currently the most populous county in the State of Arkansas.

The following table shows historical, current and population projections for the City of Little, Pulaski County, Little Rock MSA and State of Arkansas.

POPULATION ESTIMATES AND PROJECTIONS						
2000 TO 2025	**2000**	**2005**	**2010**	**2015**	**2020**	**2025**
City of Little Rock	183,133	189,220	N/A	N/A	N/A	N/A
Average Annual Growth Rate		***0.16%***				
Pulaski County	361,743	368,133	374,707	381,737	388,248	395,181
Average Annual Growth Rate		***0.35%***	***0.35%***	***0.37%***	***0.34%***	***0.35%***
Little Rock MSA	610,518	644,143	680,511	720,387	764,047	812,011
Average Annual Growth Rate		***1.08%***	***1.10%***	***1.15%***	***1.18%***	***1.23%***
Arkansas	2,673,400	2,779,154	2,935,108	3,094,017	3,274,293	3,479,048
Average Annual Growth Rate		***0.78%***	***1.10%***	***1.06%***	***1.14%***	***1.22%***

Sources: U.S. Bureau of the Census
Center for Business and Economic Research, University of Arkansas
" Arkansas Population Projections 2003 - 2025, June 2003."
Note: Little Rock MSA – six counties

In 2003, two additional counties Grant and Perry were added to the Little Rock MSA. Prior to 2003, the Little Rock MSA was comprised of the four counties: Faulkner, Lonoke, Pulaski and Saline counties. The inclusion of these two new counties into the Little Rock MSA helped to increase the MSA’s population by 4.6%. Population growth rate projections for the State of Arkansas and the Little Rock MSA over the next twenty years, 2005 to 2025, are very similar and reflect an average annual growth rate of 1.10% to 1.22%. This projected growth rate is just a little higher than the historical average annual growth rate of 1.05% for the United States for the time period 2000 to 2005. The average annual projected growth rate for the United States for the twenty-year period 2000 and 2020 is .87%.

Though the Little Rock MSA population is projected to grow, the U.S. Bureau of the Census, 2005 American Communities Survey, shows a population decrease for the City of Little Rock. The 2005 estimate of 176,924 for the City, however, has a margin of error plus or minus of 8,246. This margin of error on the plus side is comparable to the estimate shown in the table above. This latest population estimate reflects a decrease of 6,209 from the 2000 Decennial Census of 183,133. Additional socio-economic data from the Survey reflects a median household income of $39,882 compared to $46,242 for the U.S.

The City of Little Rock is highly educated, this notable statistic from the 2005 American Community Survey reflects that 38.2% of the population of Little Rock has a Bachelor's degree or higher, whereas the figure for the U.S. is 27.2%. For the State of Arkansas, this figure is 18.1%, considerably lower than both the City of Little Rock and the U.S. The table below provides a geographical comparison of educational attainment with the City of Little Rock and Pulaski County.

EDUCATIONAL ATTAINMENT 25 YEARS AND OVER
PERCENT OF POPULATION

	City of Little Rock	Pulaski Co.	Little Rock MSA	Arkansas	U.S.
Bachelor's Degree and higher	38.2%	31.5%	27.0%	18.9%	27.2%

Source: U.S. Bureau of the Census, 2005 American Community Survey

Housing Trends

Even though population growth within the City of Little Rock appears to be somewhat minimal, there is residential construction throughout the City and the MSA. The table below reflects the annual number of single family and multi-family building permits issued within the previously referenced areas. Since 2000, the annual average number of single family and multi-family permits issued in the City of Little Rock is 1,130. Within the Little Rock MSA the average annual number of permits is 4,717.

RESIDENTIAL BUILDING PERMITS
CITY OF LITTLE ROCK AND LITTLE ROCK MSA

CITY OF LITTLE ROCK

	2000	2001	2002	2003	2004	2005	2006 **	
Single Family	515	544	591	725	805	990	618	798
Multi Family	208	24	237	302	1,013	203	3	332
Total Permits	723	568	828	1,027	1,818	1,193	621	1,130

LITTLE ROCK MSA

	2000 *	2001	2002	2003 *	2004	2005	2006 **	Average Annual Permits
Single Family	2,232	2,458	2,731	3,515	3,590	4,196	2,393	3,519
Multi Family	506	560	1,772	583	1,935	1,552	276	1,197
Total Permits	2,738	3,018	4,503	4,098	5,525	5,748	2,669	4,717

Note: * 2000 - 2002 four county Little Rock MSA

* 2003 - 2006 six county Little Rock MSA

** Year-to-date August 2006

Source: U.S. Bureau of the Census

Population Relationship to University Student body Growth

The University of Arkansas at Little Rock (UALR) has approximately 12,000 registered students. This figure is comprised of day time and night time students. UALR has traditionally been a commuter university. Within the next eight years, by the year 2015, the University's vision is to expand the number of students attending both day and night classes, to 20,000. This increase in the student body equates to an average annual growth rate of 5.84% which far exceeds the growth rate for Pulaski County and the Little Rock MSA. The potential increase in the student body population will most likely be culled from the existing population within the surrounding metropolitan area.

It could prove very beneficial to the university and to the community as a whole If the intent of the university is to attract students from outside the metropolitan area or even the State of Arkansas. The entire community would realize a considerable advantage to the increase in population, since the current population growth rate is barely above a decline in population.

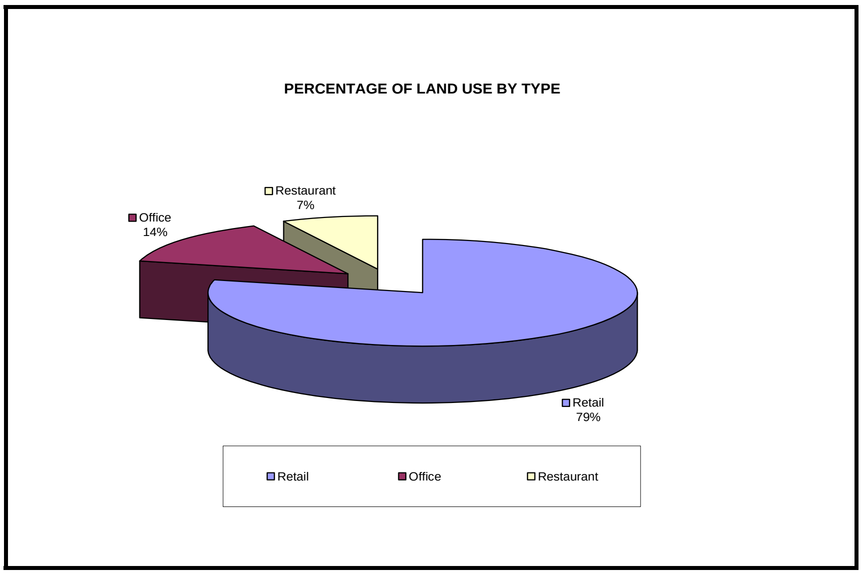
Retail, Office and Restaurant Land Uses

An analysis of the Pulaski County 2006 Tax Roll data reveals the following land uses within the one mile radius of the university (located at University Boulevard and 28th Street). The following table shows the total square footage of office, retail and restaurant space located within this one mile radius. The amount of retail space is abundant and plentiful for the surrounding residential and student population. However, field analysis indicates there is a significant amount of vacant space. The Town and Country Shopping Center is one example of empty retail space that would benefit from an aggressive redevelopment program.

RETAIL, OFFICE AND RESTAURANT SPACE IN UNIVERSITY STUDY AREA TOTAL SQUARE FOOTAGE			
	Retail	**Office**	**Restaurant**
Total Square Feet	801,520	141,757	71,920
Average SF	17,054	8,339	2,852
Number of Establishments	47	17	25

Source: Pulaski County Property Assessor 2006 Tax Roll
One mile radius (University Boulevard Blvd. and 28th Street)

The following pie chart shows the percentage of land uses with the UALR study area



SOCIO-ECONOMIC PROFILE

Although demographic information is important in ascertaining an area's development potential, it must be screened carefully, particularly within a very small area where the margin of error can be high. In census years, such data is assumed extremely accurate. As the census ages, however, its reliability declines and interim estimates must be judged in the context of observed activity or other indicators. In aggressive growth areas, such as this, a conservative bias tends to undercount estimates of population.

We use CLARITAS as one source of current and projected demographic data. The information is based on census data and is generally accepted by the development industry as an analytical benchmark. While recognizing the problems attendant to this and similar data sources, it provides perspective on underlying social influences. Applied with understanding, the data is useful to establish the parameters likely to govern development outcomes. The data, then, are compared to available local information for validation. In this instance – because of the moderate growth in the study area conversations with City planning staff were employed to estimate future population and residential construction activity.

The following is the summary of the demographic characteristics of the residential and student body population surrounding the UALR study area:

RESIDENTIAL AND STUDENT DAYTIME POPULATION		
	2005 1-MILE	2015 1-MILE
Total # Students	12,000	15,002
Day Time Students	6,000	7,501
# Student Residents	1,000	1,250
Net Day Time	5,000	6,251
Total Residential Pop	9,784	10,526
Total Day Time Pop	**14,784**	**16,777**

Source: Claritas, U.S. Bureau of the Census, 2000 Decennial Census; RERC research, and UALR.

The table above outlines the existing population and projected growth within the one-mile radius of the university study area. Due to the anticipated growth in the university's student body, RERC developed the 2005 current population estimates and the 2015 population projections utilizing Claritas, Census Date and UALR student body projections. These projections were developed in order to utilize RERC's proprietary Retail and Services model to determine the existing and projected demand for retail, office and restaurant space (square footage).

Retail and Commercial Space within the UALR Study Area

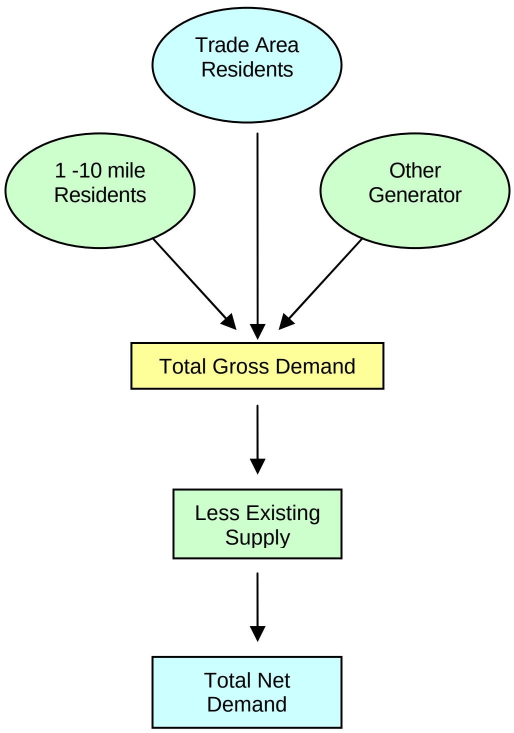
An analysis of the Pulaski County Property Assessor's tax roll data for 2006 reveals there is sufficient retail and commercial development within the one-mile radius of the university's study area.

The majority of retail, office and restaurant space is located along University Boulevard and Asher Road. These two corridors contain over 800,000 square feet of existing retail space.

Retail and Services Demand Calculation

RERC used its own proprietary retail and service demand model to calculate potential space demand in the trade area. The summary of the results of this calculation is outlined below.

Results of the retail model are divided into categories within “Grocery Stores,” “Convenience Goods” and “Shopper Goods”. Convenience goods facilities include; beer, wine, and liquor stores; drug stores, and pharmacies; convenience stores and gasoline; and cosmetic, health and beauty stores. Shopper goods facilities include department stores; discount stores; furniture and home furnishings stores; appliances, electronics, and computer stores; building materials, hardware and garden supplies; apparel and accessory stores; and miscellaneous retail stores. A separate model is used to calculate demand for restaurants of all types and other dining and drinking establishments.



Another way to describe the facilities that house Grocery Stores, Convenience Goods and Shoppers Goods is by the size of these facilities and size of their market area. In general, retail establishments that usually sell Convenience Goods can be found in neighborhood and community retail centers (less than 150,000 SF) and have a smaller market area (approximately 1-3 miles). Conversely, retail centers that provide primarily Shoppers Goods are generally bigger (more than 150,000 SF) and have a larger market area (1-10 miles).

Results of the Retail Demand Analysis

The following table presents a quantitative summary of the projected square foot total demand for retail space in the trade area based upon the RERC model, which calculates space demand based upon market area population, income, and spending patterns. Table 2 segregates the demand figures by types of goods – Grocery Stores Convenience Goods; Shopper Goods; and Restaurants.

DEMAND FOR RETAIL Little Rock 2005 -2010 ONE MILE			
2005 Demand	**Total Demand**	**Capture Rate**	**Trading Area**
Grocery Stores	43,493	100%	43,493
Convenience Goods	68,993	100%	68,993
Shoppers Goods	490,837	25%	122,709
Restaurants	77,776	35%	27,222
Total Demand =	**681,098**		**262,416**
2010 Demand	**Total Demand**	**Capture Rate**	**Trading Area**
Grocery Stores	46,302	100%	46,302
Convenience Goods	73,450	100%	73,450
Shoppers Goods	522,543	25%	130,636
Restaurants	82,800	35%	28,980
Total Demand =	**725,095**		**279,368**
Projected Increase in Demand 2005 - 2010			
Grocery Stores	2,809	100%	2,809
Convenience Goods	4,457	100%	4,457
Shoppers Goods	31,707	25%	7,927
Restaurants	5,024	35%	1,758
	43,997		**16,951**

DEMAND FOR RETAIL Little Rock 2005 -2015 ONE MILE			TABLE 1
2005 Demand	**Total Demand**	**Capture Rate**	**Trading Area**
Grocery Stores	43,493	100%	43,493
Convenience Goods	68,993	100%	68,993
Shoppers Goods	490,837	25%	122,709
Restaurants	77,776	35%	27,222
Total Demand =	**681,098**		**262,416**
2015 Demand	**Total Demand**	**Capture Rate**	**Trading Area**
Grocery Stores	49,356	100%	49,356
Convenience Goods	78,294	100%	78,294
Shoppers Goods	557,005	25%	139,251
Restaurants	88,261	35%	30,891
Total Demand =	**772,916**		**297,792**
Projected Increase in Demand 2005 - 2015			
Grocery Stores	5,863	100%	5,863
Convenience Goods	9,301	100%	9,301
Shoppers Goods	66,169	25%	16,542
Restaurants	10,485	35%	3,670
	91,817		**35,376**

The retail demand model calculates the estimated total potential retail demand supported by the population. It does not calculate where the trade area's population will most likely do their shopping. For the purposes of this study, we have assumed that most of the Grocery and Convenience Goods retail demand generated from the local area (within 1 - 3 miles) stays within the market, while a minimal amount of the Shoppers Goods demand is captured. In reality, some demand may "leak" from the area to other neighboring retail centers if they are nearby and convenient.

In addition, the retail demand total above does not consider the existing or proposed retail centers that could absorb some of the demand originating from residents within or just outside these trading areas. In addition to the existing retail facilities that may be located within the trading area, there are retail facilities outside of the trading area that could absorb some of the retail demand within or just outside the trading area.

As mentioned earlier, Grocery Stores and other Convenience Goods are usually served within 1 - 3 miles and are represented by commercial facilities below 150,000 square feet. Conversely, retail centers that provide primarily Shoppers Goods are generally bigger (more than 150,000 SF) and have a larger market area (1-10 miles). The trade area and projects within this vicinity would most likely be retail facilities providing Grocery Stores, Convenience Goods, Restaurants and a very small percentage of Shoppers Goods. Specifically, we believe that close to 100% of Grocery Stores and Convenience Goods demand within the trade area should be captured, while most of the Shoppers Goods and Restaurant demand (approximately 65% - 75%) would be captured at regional shopping centers or other destination retail centers. The following calculus represents these assumptions:

Calculations of Resident Personal Services Demand Office/Services Space

Based on our experience and observed market trends, personal services, business services, and most office space demand are typically generated by resident population and other nearby businesses in a manner not unlike retail demand. Population is the underlying factor which creates the estimated demand for most personal service components. Much of the business activity that demands office space and other commercial space is summarized in regular publications which report employment and sales such as *2002 Economic Census* by the U.S. Census Bureau.

The primary components of office and miscellaneous commercial demand are included in the employment categories of finance, insurance, and real estate (FIRE); medical services; legal services; and business services. The compilations of these data for counties come from *County Business Patterns*. The data presented for each business category is compared to overall county population figures to determine the per capita demand factors, which are also expressed in terms of square feet of demand.

Like the retail demand model described in the previous section, the services demand model does not address where the commercial establishment is located within the county. Similar to retail space, some tenants prefer to be located together in multi-tenant buildings, while others prefer freestanding locations. Some office development has a much localized, neighborhood orientation, while some is concentrated in office parks with access to regional roadway systems.

In the RERC model, population estimates for a subject trade area are used to determine the commercial and services demand generated by a specific population group. For the purposes of this analysis, we utilized the population estimates and projections identified within the trade area. The results of the services demand model indicate the current population could support about 7,907 square feet of office/services space and in 2015 approximately 16,502 square feet. The following results are summarized and expressed in square feet.

DEMAND FOR SERVICES			Table 3
Little Rock 2005 - 2010 ONE MILE			
2005 Demand	**Total Demand**	**Capture Rate**	**Trading Area**
Services			
Finance, Insurance & Real Estate	104,935	45%	47,221
Personal Services	12,248	45%	5,512
Medical Services	54,019	45%	24,308
Legal Services	17,143	45%	7,715
Social Services	36,898	45%	16,604
Professional & Business Services	46,778	45%	21,050
Total Office	**272,021**	45%	**122,410**
2010 Demand			
Services			
Finance, Insurance & Real Estate	111,714	45%	50,271
Personal Services	13,039	45%	5,868
Medical Services	57,508	45%	25,879
Legal Services	18,251	45%	8,213
Social Services	39,281	45%	17,677
Professional & Business Services	49,800	45%	22,410
Total Office	**289,593**	45%	**130,317**
Projected Increase in Demand 2005 - 2010			
Services			
Finance, Insurance & Real Estate	6,778	45%	3,050
Personal Services	791	45%	356
Medical Services	3,489	45%	1,570
Legal Services	1,107	45%	498
Social Services	2,383	45%	1,073
Professional & Business Services	3,022	45%	1,360
Total Office	**17,572**	45%	**7,907**

DEMAND FOR SERVICES			TABLE 4
Little Rock 2005 - 2015 ONE MILE			
2005 Demand	**Total Demand**	**Capture Rate**	**Trading Area**
Services			
Finance, Insurance & Real Estate	104,935	45%	47,221
Personal Services	12,248	45%	5,512
Medical Services	54,019	45%	24,308
Legal Services	17,143	45%	7,715
Social Services	36,898	45%	16,604
Professional & Business Services	46,778	45%	21,050
Total Office	**272,021**	45%	**122,410**
2015 Demand			
Services			
Finance, Insurance & Real Estate	119,081	45%	53,587
Personal Services	13,899	45%	6,255
Medical Services	61,301	45%	27,585
Legal Services	19,455	45%	8,755
Social Services	41,875	45%	18,842
Professional & Business Services	53,084	45%	23,888
Total Office	**308,692**	45%	**138,911**
Projected Increase in Demand 2005 - 2015			
Services			
Finance, Insurance & Real Estate	14,146	45%	6,366
Personal Services	1,651	45%	743
Medical Services	7,282	45%	3,277
Legal Services	2,311	45%	1,040
Social Services	4,974	45%	2,238
Professional & Business Services	6,306	45%	2,838
Total Office	**36,671**	45%	**16,502**

The model results indicate that over the ten-year period 2005 to 2015, the increase in population and households should support an increase in total demand of 36,671 square feet and a net demand of 16,702 as shown in Table 4 above. We believe these assumptions are very conservative in nature. The total demand patterns of the resident population will not be limited to service businesses within the immediate market area. However, there is a very good chance that local demand for many personal and professional services could be captured in businesses within the nearby neighborhood. Such services as those provided at banks, beauty parlors, real estate offices, video stores, photo labs, child care centers, medical/professional offices and miscellaneous personal service establishments are best located in proximity to residents who provide their support.

For this analysis, we have identified a set of "targeted" services that nearby residents typically use, including personal services, neighborhood scale medical services (dentist, doctors), some finance, insurance, and real estate services, and child care facilities. With these assumed limitations in place, "net demand" for such likely services tenants would be as follows (approximately 45% of total services demand):

Net Demand for "Targeted" Office/Services Tenants

- *2010 Demand*
  Trade Area 17,572 SF
  Total Net Demand = 7,907 SF
- *2015 Demand*
  Trade Area 36,671 SF
  Total Net Demand = 16,502 SF

We expect that the demand for services space defined in this analysis for "targeted tenants" will largely be met in low-density, one- or two-story structures which serve residential markets and could likely be found in a retail/commercial shopping center. In the final analysis, any services tenants should be programmed to be part of and within the context of a neighborhood-based commercial center as these types of services are more frequently being located within neighborhood retail shopping centers.