CHAN-212

TRADE AREA DEMOGRAPHIC CHARACTERISTICS AND SALES POTENTIAL

Prepared for

Carlston Commercial RE, LLC

June 2014

McCOMB GROUP, Ltd.
REAL ESTATE AND RETAIL CONSULTANTS

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EXECUTIVE SUMMARY

Chan-212 is strategically located at an interchange on Highway 212, a new freeway in the southwest Minneapolis-St. Paul Metropolitan Area. Factors that support retail development of this 92-acre site include:

- Chan-212 trade area population of 407,361 in 2014, which is expected to increase to 438,533 in 2019, an annual growth rate of 1.49 percent.
- Chan-212 trade area households grew at an annual rate of 1.94 percent between 2000 and 2010. During a slow growth period caused by the great recession, household growth averaged 1.0 percent annually.
- Households are expected to increase at an annual growth rate of 1.5 percent from 157,810 in 2014 to 169,997 in 2019.
- The Chan-212 trade area includes Carver and Scott counties, the two fastest growing counties in Minnesota. Between 2010 and 2013, population in Carver and Scott counties grew at annual rates of 1.6 and 1.8 percent, respectively.
- Chan-212 trade area average household income of $103,006 in 2014 is 20 percent above the Minneapolis-St. Paul MSA average household income of $85,611 and 41 percent above the United States average of $72,869.
- Chan-212 trade area median household income of $83,841 in 2014 is 55 percent above the national median household income of $53,958.
- Chan-212 trade area average household income is expected to increase to $110,603 in 2019, while median household income is expected to rise to $91,761.
- In 2014, 60,100 households (38.1 percent) are estimated to have household income above $100,000 and is expected to increase to 71,000 (41.8 percent) in 2019. One-quarter of the households (42,113) are expected to have incomes above $150,000 in 2019.
- Families comprise 70 percent of all households in 2014 compared to 64.7 percent in the Minneapolis-St. Paul MSA and 66.6 percent in the United States.
- Chan-212 trade area population age 25 plus is well educated with 30.4 and 13.1 percent that hold college and graduate degrees, respectively. This is well above the United States rates of 20.8 and 12.2 percent, respectively.
- Chan-212 trade area population in 2014 is 89.9 percent Caucasian followed by Asian/Pacific Islander (4.0 percent), African American (2.3 percent), Native American (0.4 percent), and Other (3.4 percent). Hispanic (any race) is 4.3 percent.

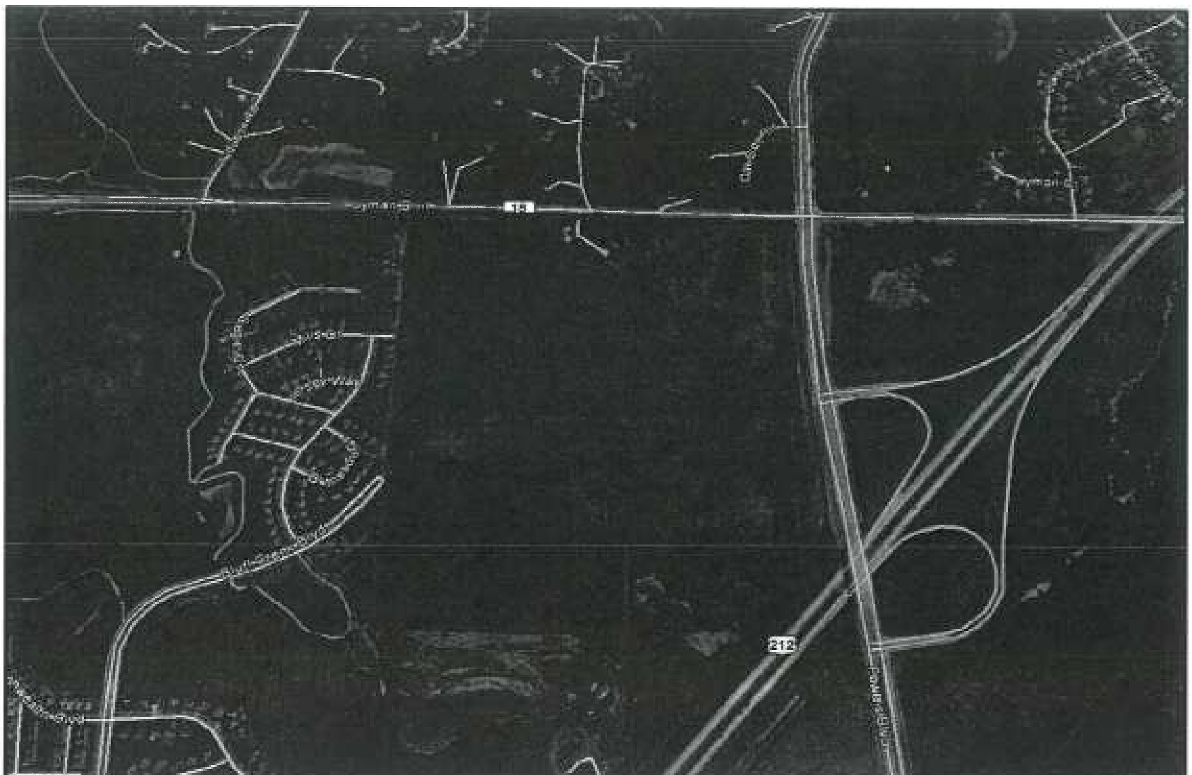
Chan-212 trade area's many economic attributes, population, and upper income households provide support for retail stores, restaurants, and services. Key trade area demographics are contained on the following pages. Demographic comparisons are also provided for the Minneapolis-St. Paul MSA.

Chan-212 Location

Chan-212 is centrally located in Chanhassen, Minnesota, one of the fastest growing cities in the Minneapolis-St. Paul Metropolitan Area. The 92-acre site, shown on Map i, occupies the northwest quadrant of the interchange of Highway 212 and Powers Boulevard. The westbound exit ramp connects to the site's main entrance street. The eastbound exit ramp is a short distance to the south. Highway 212 is a new freeway connecting southwest Minnesota with the metro area. Highway 212 traffic counts were 41,500 in 2012, a 14 percent increase from 36,500 in 2010.

Map i

CHAN-212 SITE



Source: Google and McComb Group, Ltd.

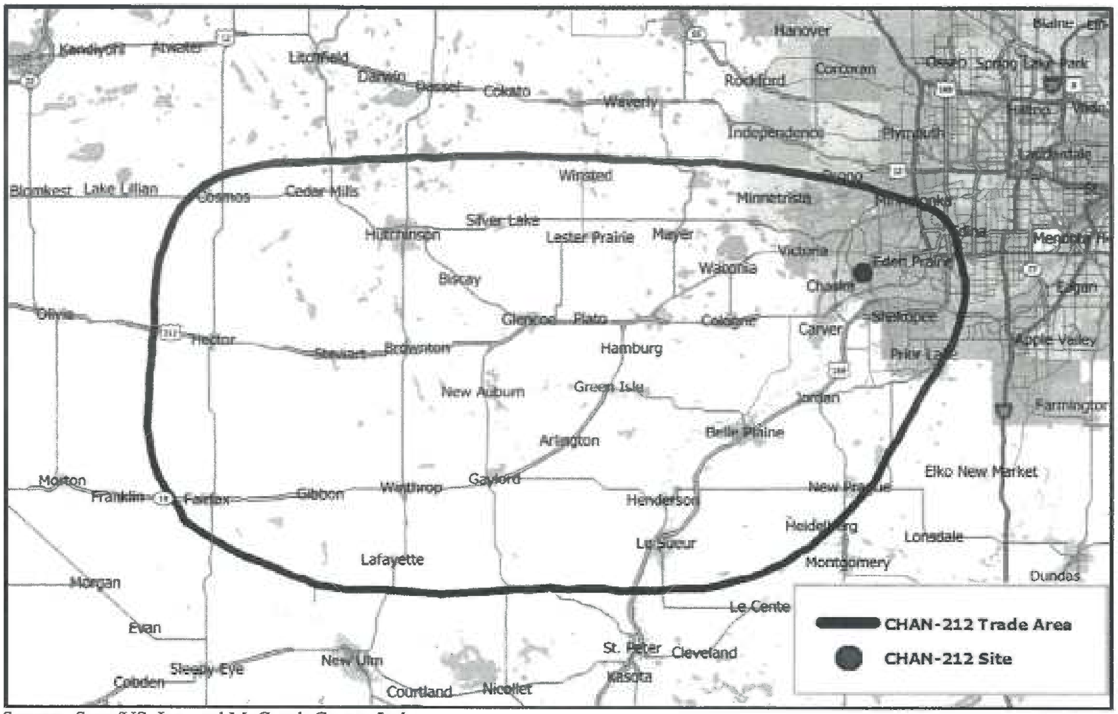
Chanhassen is an ideal location for a major retail development. The city's average household income is $131,021 in 2014, which is projected to increase to $141,957 in 2019. Median household income of $107,251 is double the United States median household income of $53,958.

Two-thirds of Chanhassen households have incomes above $75,000 and 54.2 percent have incomes above $100,000. One-third of the households have incomes above $150,000. Chanhassen's adult population is well educated with 59.0 percent having a college or graduate degree.

Money Magazine ranked Chanhassen 4th in its *Best Place to Live* list in 2013.

Map ii

CHAN-212 SHOPPING GOODS TRADE AREA



Source: Scan/US, Inc. and McComb Group, Ltd.

Chan-212 retailers are expected to attract most of their sales from the Shopping Goods trade area. Population is expected to increase from 407,361 in 2014 to 438,533 in 2019. Trade area households are expected to increase from 157,810 in 2014 to 169,997 in 2019, an annual growth rate of 1.5 percent.

Table i

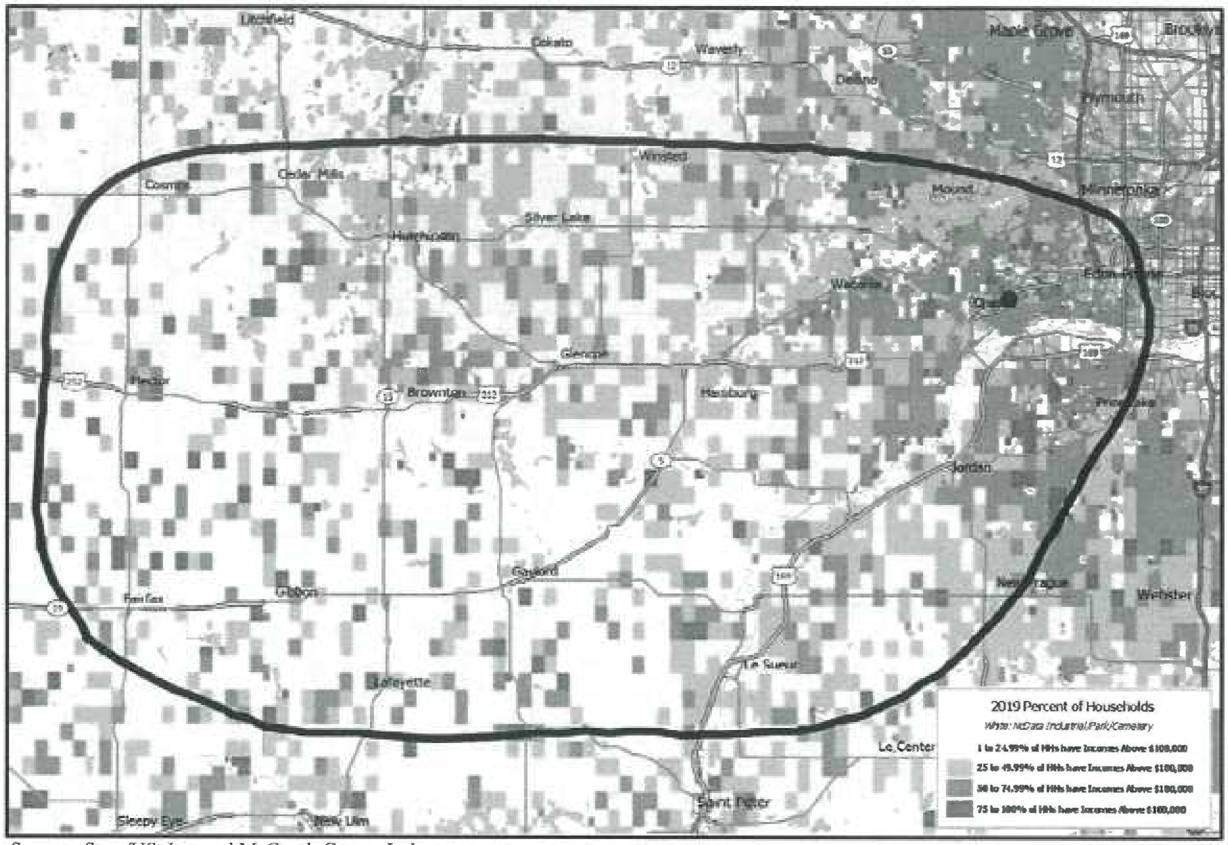
CHAN-212 CONVENIENCE GOODS AND SHOPPING GOODS TRADE AREAS, AND MINNEAPOLIS-ST. PAUL MSA: POPULATION AND HOUSEHOLD GROWTH TRENDS 2000 AND 2010 CENSUS; 2014 AND 2019 ESTIMATED

	Trade Areas		
Year	Convenience Goods	Shopping Goods	Minneapolis-St. Paul MSA
POPULATION			
2000	108,340	333,532	2,968,808
2010	134,614	394,528	3,279,833
2014E	139,366	407,361	3,361,394
2019E	156,825	438,533	3,510,623
Annual Growth Rate			
2000-10	2.20 %	1.69 %	1.00 %
2010-14	0.87	0.80	0.62
2014-19	2.39	1.49	0.87
HOUSEHOLDS			
2000	38,921	125,159	1,136,615
2010	50,156	151,732	1,272,677
2014E	52,373	157,810	1,316,673
2019E	59,190	169,997	1,380,185
Annual Growth Rate			
2000-10	2.57 %	1.94 %	1.14 %
2010-14	1.09	0.99	0.85
2014-19	2.48	1.50	0.95

E: Estimated.
Source: Scan/US and McComb Group, Ltd.

Map iii

CHAN-212 SHOPPING GOODS TRADE AREA
ESTIMATED 2019 HOUSEHOLD INCOME: PERCENT ABOVE $100,000



Source: Scan/US, Inc. and McComb Group, Ltd.

Average 2014 household income is $103,006 and is expected to increase to $110,603 in 2019. Households with incomes above $100,000 in 2019 are distributed throughout the trade area with higher concentrations in the northeast portion.

Table ii

CHAN-212 CONVENIENCE GOODS AND SHOPPING GOODS TRADE AREAS AND MINNEAPOLIS-ST. PAUL MSA: AVERAGE AND MEDIAN HOUSEHOLD INCOME 2000 AND 2010 CENSUS; 2014 AND 2019 ESTIMATED

	Trade Area		
	Convenience Goods	Shopping Goods	Minneapolis-St. Paul MSA
Average Household Income			
2000	$ 92,335	$ 82,151	$ 67,906
2010	106,700	96,786	80,346
2014E	113,852	103,006	85,611
2019E	123,093	110,603	91,814
Median Household Income			
2000	$ 74,242	$ 65,325	$ 54,202
2010	84,104	76,146	62,518
2014E	93,092	83,841	66,941
2019E	102,347	91,761	71,838

E: Estimated.
Source: McComb Group, Ltd.

Households with incomes above $100,000 in 2014 were 43.7 percent for the Convenience Goods trade area and 38.1 percent for the Shopping Goods trade area. Estimates show these proportions increasing through 2019 when it is estimated that over 47 percent of the Convenience Goods trade area households will have incomes above $100,000.

Table iii

CHAN-212 CONVENIENCE GOODS AND SHOPPING GOODS TRADE AREAS AND MINNEAPOLIS-ST. PAUL MSA: HOUSEHOLD INCOME DISTRIBUTION 2000 AND 2010 CENSUS; 2014 AND 2019 ESTIMATED

	Trade Area					
	Convenience Goods		Shopping Goods		Minneapolis-St. Paul MSA	
	Number	Percent	Number	Percent	Number	Percent
Households above $75,000						
2000	18,534	47.6 %	48,497	38.7 %	357,430	31.4 %
2010	27,187	54.2	73,789	48.6	524,039	41.2
2014E	29,925	57.1	81,683	81.8	580,354	44.1
2019E	36,387	61.5	96,362	56.7	673,744	48.8
Households above $100,000						
2000	11,614	29.8 %	28,848	23.0 %	191,856	16.9 %
2010	19,360	38.6	50,234	23.1	337,204	26.5
2014E	22,872	43.7	60,102	38.1	405,039	30.8
2019E	28,033	47.4	71,104	41.8	472,714	34.3
Households above $150,000						
2000	4,766	12.2 %	12,257	9.8 %	66,951	5.9 %
2010	9,633	19.2	23,046	15.2	137,166	10.8
2014E	13,061	24.9	31,857	20.2	194,563	14.8
2019E	17,672	29.9	42,113	24.8	258,648	18.7

E: Estimated.
Source: McComb Group, Ltd.

Educational Attainment

Adult residents of the Chan-212 Convenience Goods trade area are highly educated with 52.7 percent holding either a college or graduate degree in 2014. This educated pattern extends to the Shopping Goods trade area where 43.5 percent held college or graduate degrees.

Table iv

CHAN-212 CONVENIENCE GOODS AND SHOPPING GOODS TRADE AREAS AND MINNEAPOLIS-ST. PAUL MSA EDUCATIONAL ATTAINMENT: 2000 AND 2010 CENSUS; 2014 AND 2019 ESTIMATED

	2000		2010		2014 E		2019 E	
Attainment	Number	Percent	Number	Percent	Number	Percent	Number	Percent
CONVENIENCE GOODS TRADE AREA								
No College	12,236	19.2 %	14,538	17.5 %	15,046	17.4 %	16,898	17.4 %
Some College/2 yr. Degree	20,308	31.9	24,734	29.7	25,840	29.9	28,904	29.8
College Graduate	22,875	35.9	30,371	36.5	31,280	36.2	35,278	36.4
Graduate School	8,237	12.9	13,620	16.4	14,233	16.5	15,924	16.4
SHOPPING GOODS TRADE AREA								
No College	53,206	26.9 %	59,311	23.8 %	60,948	23.6 %	63,627	23.6 %
Some College/2 yr. Degree	65,983	33.3	81,035	32.6	84,534	32.8	88,245	32.7
College Graduate	57,206	28.9	76,167	30.6	78,417	30.4	82,462	30.6
Graduate School	21,689	10.9	32,293	13.0	33,832	13.1	35,283	13.1
MINNEAPOLIS-ST. PAUL MSA								
No College	483,289	28.1 %	507,695	25.3 %	518,016	25.3 %	546,728	25.2 %
Some College/2 yr. Degree	606,358	35.2	679,794	33.9	694,199	33.9	733,140	33.8
College Graduate	440,341	25.6	550,877	27.5	563,878	27.5	596,216	27.5
Graduate School	192,249	11.2	268,265	13.4	274,608	13.4	290,351	13.4

N/A: Not Available or Not Applicable.
E: Estimated.
Source: U.S. Census, Scan/US and McComb Group, Ltd.

Chan-212 Sales Potential

The Chan-212 Convenience Goods and Shopping Goods trade areas have the potential to support more gross leasable area (GLA) than can be accommodated at the proposed development. This creates the enviable situation where the developer can focus the center's retail stores on its core customer.

Estimated sales potential by retail store type are contained in the following tables. These estimates of sales potential are likely to be understated due to the high trade area household income. Also, there are likely to be a large proportion of high income and high asset households where there are few constraints on discretionary spending.

Table v

CHAN-212 SALES POTENTIAL
BY MERCHANDISE CATEGORY
(In Thousands of Dollars)

Merchandise Category	2015	2020	2025
CONVENIENCE GOODS			
Food Stores			
Grocery Stores	$ 43,280	$ 52,073	$ 62,220
Supermarkets	42,407	51,021	60,963
Convenience Food	874	1,052	1,257
Specialty Food Stores	1,530	1,841	2,200
Meat Markets	569	683	817
Baked Goods	131	158	189
Confectionery and Nut Stores	131	158	189
All Other Specialty Food Stores	219	263	314
Other Convenience Goods			
Drug & Proprietary Stores	$ 9,421	$ 11,336	$ 13,544
Hardware	1,442	1,736	2,074
Liquor	7,432	8,942	10,684
Florist	547	658	786
Food/Health Supplement Stores	350	421	503
Food Service			
Full-Service Restaurants	$ 26,134	$ 31,795	$ 38,333
Limited Service Restaurants	16,575	20,166	24,313
Cafeterias	829	1,009	1,215
Snack & Beverage Places	4,420	5,378	6,484
Ice Cream & Soft Serve	553	673	810
Frozen Yogurt	55	68	81
Doughnut Shops	774	941	1,135
Bagel Shops	221	269	324
Coffee Shops	1,879	2,285	2,755
Cookie Shops	55	68	81
Other Snack Shops	884	1,075	1,296
Gasoline Svs Stations/Conv.			
Gas/Convenience Food Stores	$ 9,266	$ 11,273	$ 13,591

Table v (continued)

CHAN-212 SALES POTENTIAL
BY MERCHANDISE CATEGORY
(In Thousands of Dollars)

Merchandise Category	2015	2020	2025
OTHER RETAIL STORES			
Building Materials & Garden Supplies			
Building Materials & Supplies Stores			
Home Centers	$ 31,871	$ 38,775	$ 46,748
Paint, Glass & Wallpaper	2,152	2,618	3,157
Lawn & Garden Equipment			
Outdoor Power Equipment	2,559	3,114	3,754
Retail Nurseries, Lawn & Garden	7,289	8,868	10,692
Motor Vehicles & Parts Dealers			
Auto Parts & Accessories Stores	$ 5,002	$ 6,085	$ 7,337
Tire Dealers	3,780	4,599	5,545
SERVICES			
Personal Care Services			
Beauty Shops	$ 3,056	$ 1,731	$ 2,067
Nail Salons	223	126	151
Diet & Weight Reducing Services	198	112	134
Other Personal Care Services	439	248	296
Drycleaning & Laundry Services			
Drycleaning & Laundry Services	$ 655	$ 1,482	$ 1,771
Other Personal Services			
Child Day Care Services	$ 1,475	$ 1,671	$ 1,996
Photographic Studios	593	671	802
Veteranarian Services	2,216	2,509	2,999
Pet Care	254	287	342
Rental and Leasing			
Formalwear and Costume Rental	$ 176	$ 266	$ 318
Home Health Equipment Rental	416	629	752
Recreation			
Physical Fitness Facilites	$ 5,420	$ 6,138	$ 7,333
Health Care			
Offices of Physicians			
Offices of Physicians	$ 24,884	$ 29,939	$ 35,772
Offices of Dentists	11,108	6,682	7,985
Offices of Chiropractors	1,604	965	1,153
Offices of Optometrists	732	1,321	1,579
Offices of Mental Health Practitioners	825	1,489	1,779
Physical & Occupational Therapists	1,382	2,495	2,981

Source: McComb Group, Ltd.

INTRODUCTION

McComb Group, Ltd. was engaged by Carlston Commercial RE, LLC to conduct market analysis for the proposed Chan-212 regional shopping center in the vicinity of Highway 212 and Powers Boulevard in Chanhassen. The objective of this engagement was to identify the demand for shopping center space at the proposed site. Work tasks conducted as part of this engagement are summarized below.

- The location of the proposed Chan-212 shopping center site was evaluated to determine its suitability for a shopping center for convenience goods and/or shopping goods retailers. Factors that were evaluated include, but were not limited to: ingress and egress, access, visibility, traffic counts, and relationship to adjacent uses.

- Shopping areas that would be competitive with the Chan-212 shopping center were identified and evaluated. Principal competitors were identified and evaluated including anchor stores, inline tenants, and market orientation. Future commercial developments that could affect development of the proposed center or its trade area were identified.

- Residential building permit trends from 1990 to 2013 in Chanhassen and other trade area communities were evaluated to determine historic residential development trends. Recent building permit trends were compared with historic trends in the Southwest Growth Corridor to identify changes in building activity and market share. Future estimates of household growth were prepared for the period 2014 to 2025. This analysis determined if the housing slump affected the trade area share of Metropolitan Area housing development. The results of this analysis were incorporated in the trade area analysis.

- Trade areas for both convenience goods and shopping goods stores were delineated based on arterial road patterns, competitive shopping areas, and McComb Group experience. The economy of the trade area was analyzed to identify and quantify those factors that generate support for retail, food service, and service establishments. Factors that were evaluated include, but were not limited to: employment, population, households, building permits, and household income. Demographic characteristics and growth were evaluated for 2000, 2010, 2014, and 2019. Trade area growth trends were evaluated to determine residential growth potential for target years of 2015, 2020, and 2025. Retail, food service, and service purchasing power for trade area households were estimated using McComb Group's proprietary purchasing power model.

- Market demand for retail, food service, and services at the proposed Chan-212 shopping center were identified based on estimated trade area population and household growth taking into consideration competitive impacts, trade area demographics, and trade area purchasing power. Based on analysis of purchasing power, estimated market share, and current retail trends, future sales potential for stores to be located at the proposed center were estimated by business type. Estimates of retail, food service, and services supportable by sales potential were prepared for target years of 2015, 2020, and 2025. Sales potential was converted to square feet of gross leasable area (GLA) by type of business establishment, including supportable GLA by specific store types.

This report contains the primary information needed to support the principal conclusions. However, in a report of this nature, it is not possible to include all of the information that was developed and evaluated. Any additional information will be furnished upon request.

Report Purpose

This report was prepared in accordance with our proposal dated February 7, 2014. This report was prepared with the understanding that the results of our work will be used by the client to evaluate retail potential for the proposed Chan-212 shopping center at the intersection of Highway 212 and Powers Boulevard in Chanhassen. Our report was prepared for that purpose and is subject to the following qualifications:

- Our analysis did not ascertain the legal and regulatory requirements applicable to this project including zoning, other state, and local government regulations, permits, and licenses. No effort was made to determine the possible effect on the proposed project of present or future federal, state, or local legislation, or any environmental or ecological matters.
- Our report and analysis was based on estimates, assumptions and other information developed from research of the market, knowledge of the industry and discussions with the client. Some assumptions inevitably will not materialize and unanticipated events and circumstances may occur; therefore, actual results achieved will vary from the analysis.
- Our analysis did not evaluate management's effectiveness nor are we responsible for future marketing efforts and other management actions upon which actual results are dependent.

Our report is intended solely for the purpose described above and should not be used for any other purpose without our prior written permission. Permission for other use of the report will be granted only upon meeting company standards for the proposed use.

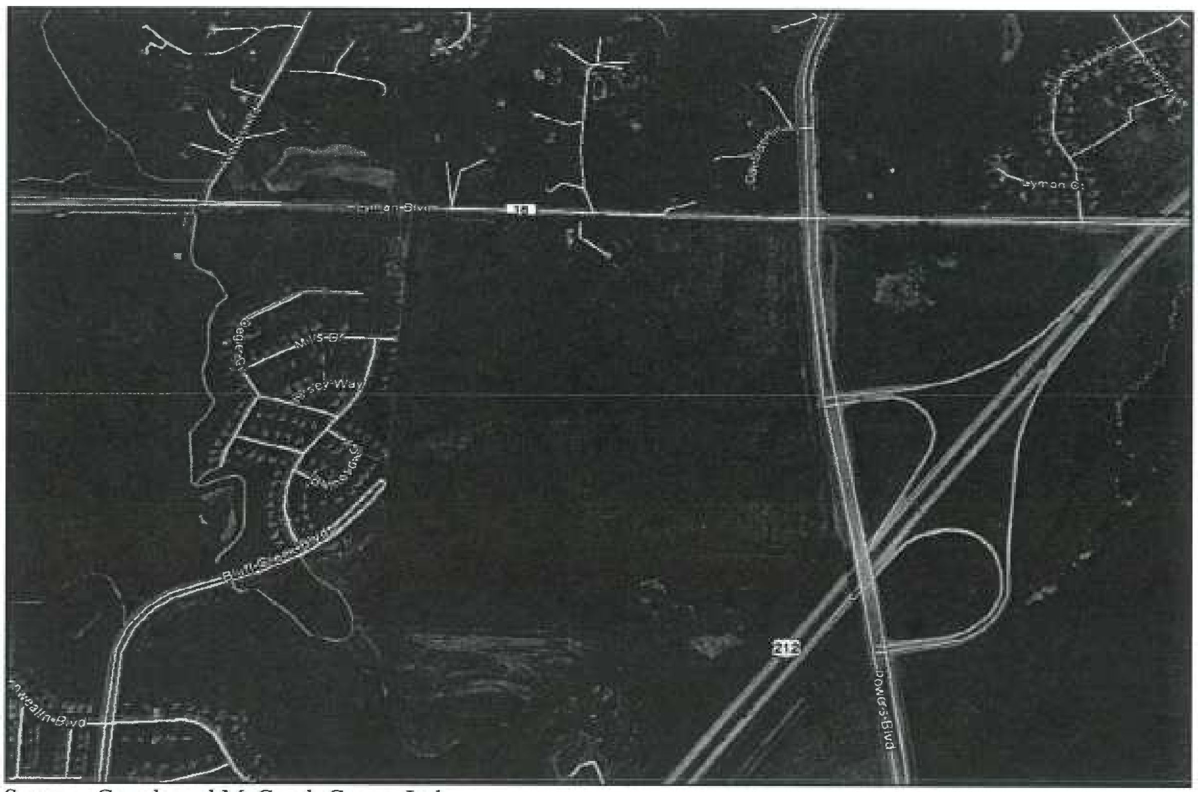
Chapter I

CHAN-212 LOCATION

Chan-212 is a proposed mixed-use development with the potential for a significant retail component located in Chanhassen, Minnesota. The 92-acre site, shown on Map 1, occupies the northwest quadrant of the interchange of Highway 212 and Powers Boulevard. The westbound exit ramp connects to the site's main entrance street. The eastbound exit ramp is a short distance to the south. Highway 212 is a new freeway connecting southwest Minnesota with the Minneapolis-St. Paul Metropolitan Area. Highway 212 traffic counts were 41,500 in 2012, a 14 percent increase from 36,500 in 2010.

Map 1

CHAN-212 SITE



Source: Google and McComb Group, Ltd.

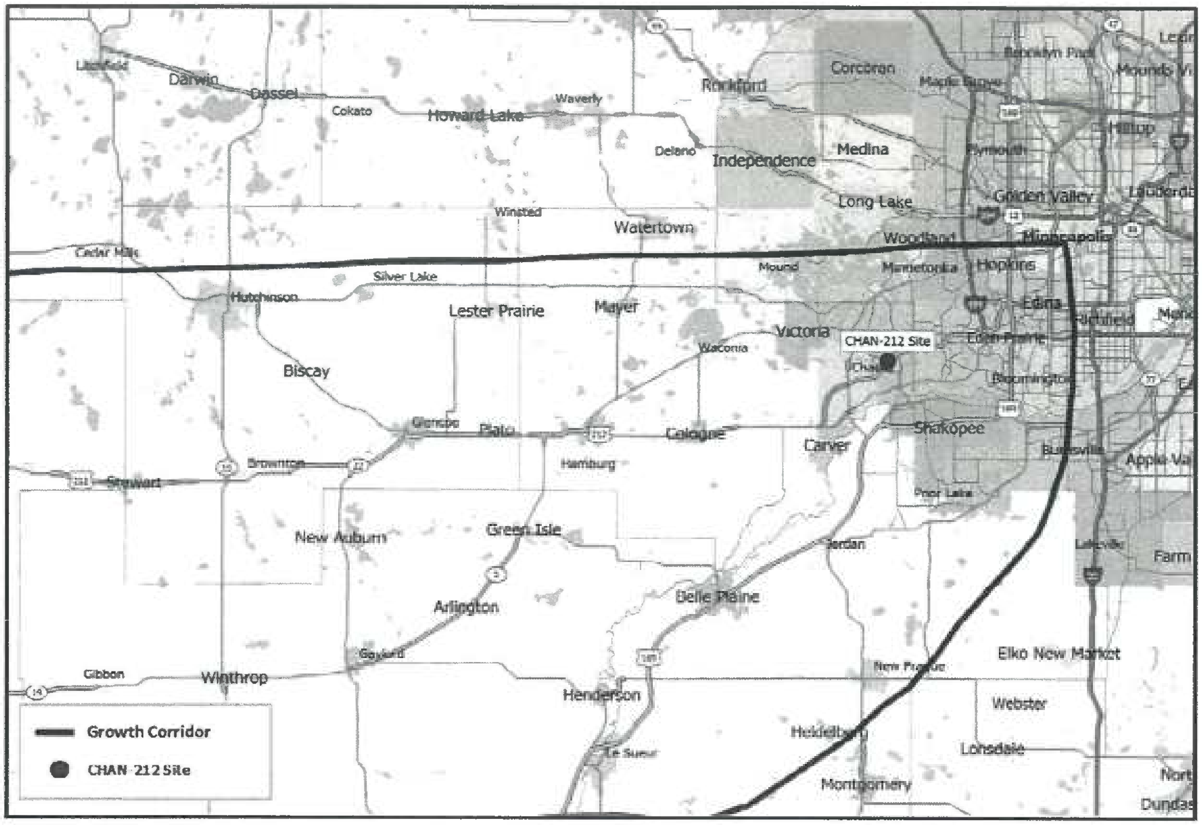
Residential development is located north of Lyman Boulevard and west of the site. Adjoining land to the south is vacant, as is the land east of Powers Boulevard. Chanhassen High School and several business parks are located northwest of the site. There is potential for additional residential development in the immediate vicinity of the Chan-212 site.

Chanhassen is located in the southwest portion of the Minneapolis-St. Paul Metropolitan Area, as shown on Map 2 on the next page. Over the past 20 years, the southwest area has captured over

22 percent of the Metropolitan Area residential growth. This growth is generally funneled in the area between Lake Minnetonka, a large lake that creates a physical barrier on the north, and the Minnesota River on the south. The portion of the southwest corridor north of the Minnesota River is served by four trunk highways that all pass through Chanhassen. North/south routes connect these trunk highways to the Chan-212 location.

Map 2

CHAN-212 SITE AND SOUTHWEST GROWTH CORRIDOR



Regional Access

Located at the interchange of Highway 212 and Powers Boulevard, Chan-212 has excellent regional access. Highway 212 is a new freeway that was completed in 2008 providing access from the east and west that did not previously exist. The major southwest area freeways (I-494, Crosstown, and Highway 169) all intersect with Highway 212 providing convenient routes to the shopping center site, which is only seven minutes from the intersection of I-494 and Highway 212. Trade area residents to the west have convenient access by way of several highways that serve major routes to the Twin Cities. Highway 7 serving the northwest portion of the trade area intersects with Powers Boulevard just north of Chanhassen. Highway 5 connects the western suburbs of Victoria, Waconia, and surrounding areas to Chanhassen and also intersect with Powers Boulevard approximately two miles north of the Chan-212 site. Highway 212, a major route to western Minnesota, is augmented by Highway 5/22, a diagonal route from the southwest portion of the trade area. Residents south of the Minnesota River will have convenient access by way of

Highway 169, which connects to Highway 101 in Shakopee and Highway 41 in Chaska, which both intersect with Highway 212. The Highway 101 river crossing is being expanded to four lanes this year and improvements to Highway 41 are planned for the future.

Traffic Counts

Traffic counts on Highway 212 between 2008 and 2012 (the latest available) have been gradually increasing, as shown in Table 1. Traffic counts east and west of Powers Boulevard have been increasing. Traffic counts east of Powers Boulevard were 34,000 in 2008, and increased at a 5.1 percent annual growth rate to 41,500 average daily trips in 2012. Traffic counts west of Powers Boulevard were 29,000 in 2008, increasing to 34,000 in 2012, representing a 4.1 percent annual growth rate.

Table 1

HIGHWAY 212 AND POWERS BOULEVARD
AVERAGE DAILY TRAFFIC COUNTS; 2008, 2010, AND 2012

Location	2008	2010	2012
Highway 212			
West of Powers Blvd.	29,000	30,000	34,000
East of Powers Blvd.	34,000	36,500	41,500
West of Dell Road	36,500	46,000	46,000
East of Dell Road	39,500	49,000	51,000
Powers Blvd.			
South of Highway 212	N/A	5,800	6,500
North of Highway 212	N/A	7,400	8,600

Source: Minnesota Department of Transportation and McComb Group, Ltd.

Traffic counts for Powers Boulevard south of Highway 212 show a significant increase south of Highway 212. Powers Boulevard south of Highway 212 had average daily traffic counts of 5,800 in 2010 and increased to 6,500 in 2012, an annual growth rate of 5.9 percent. Traffic counts on Powers Boulevard, north of Highway 212 were 7,400 in 2010 and increased to 8,600 in 2012, an annual growth rate of 7.8 percent.

Chapter II

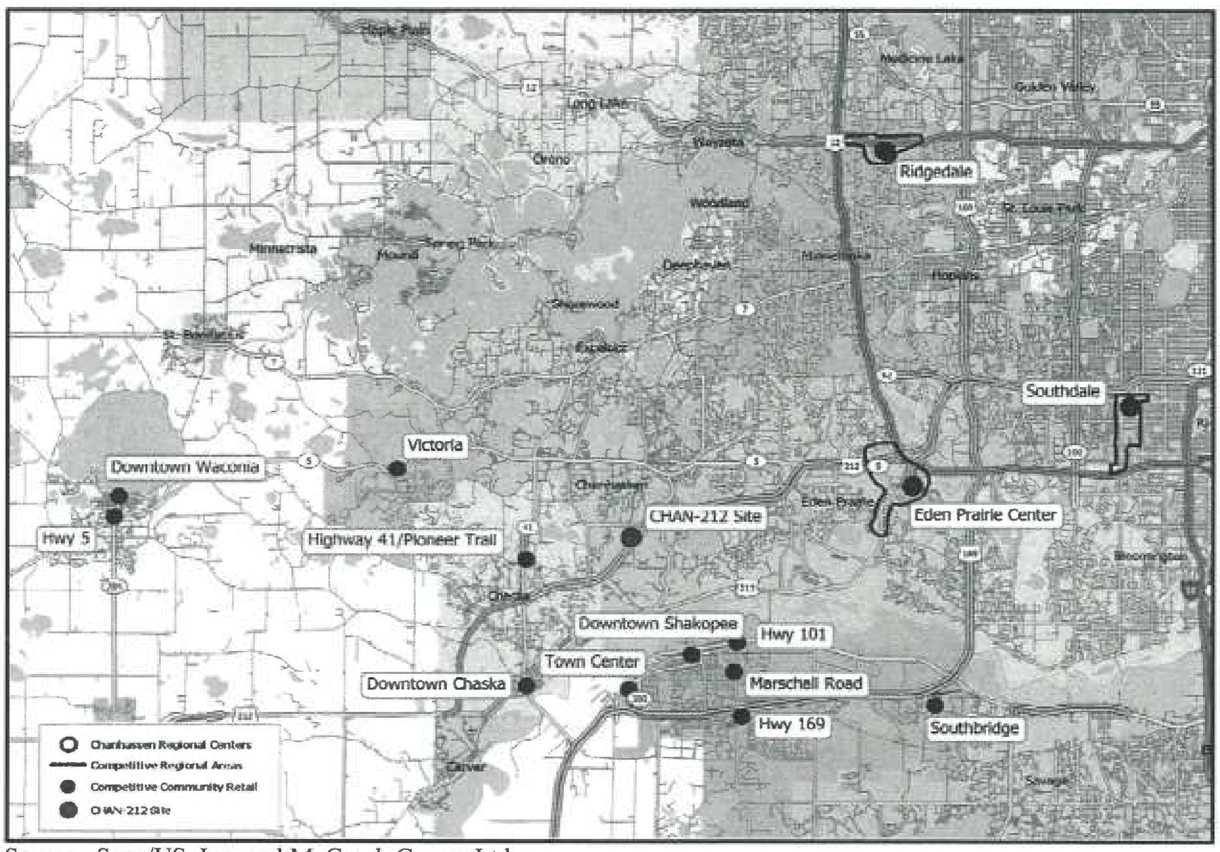
COMPETITIVE SHOPPING AREAS

Shopping areas in the southwest Metropolitan Area include a variety of establishments offering convenience goods and shopping goods. Competitive shopping areas include community and regional shopping areas, as well as commercial areas in outlying communities. Community shopping areas are typically anchored by a supermarket and/or a shopping center. Regional shopping areas are anchored by a regional mall with additional supporting retail. Competitive shopping areas are shown on Map 3.

Competition for convenience retail and services at Chan-212 will come from other convenience retailers in Chanhassen, Chaska, Victoria, Waconia, and Shakopee. Shopping goods retailers will be competitive with stores in the vicinity of Eden Prairie Center, Southdale/France Avenue in Edina, and Ridgedale Mall in Minnetonka.

Map 3

COMPETITIVE SHOPPING AREAS



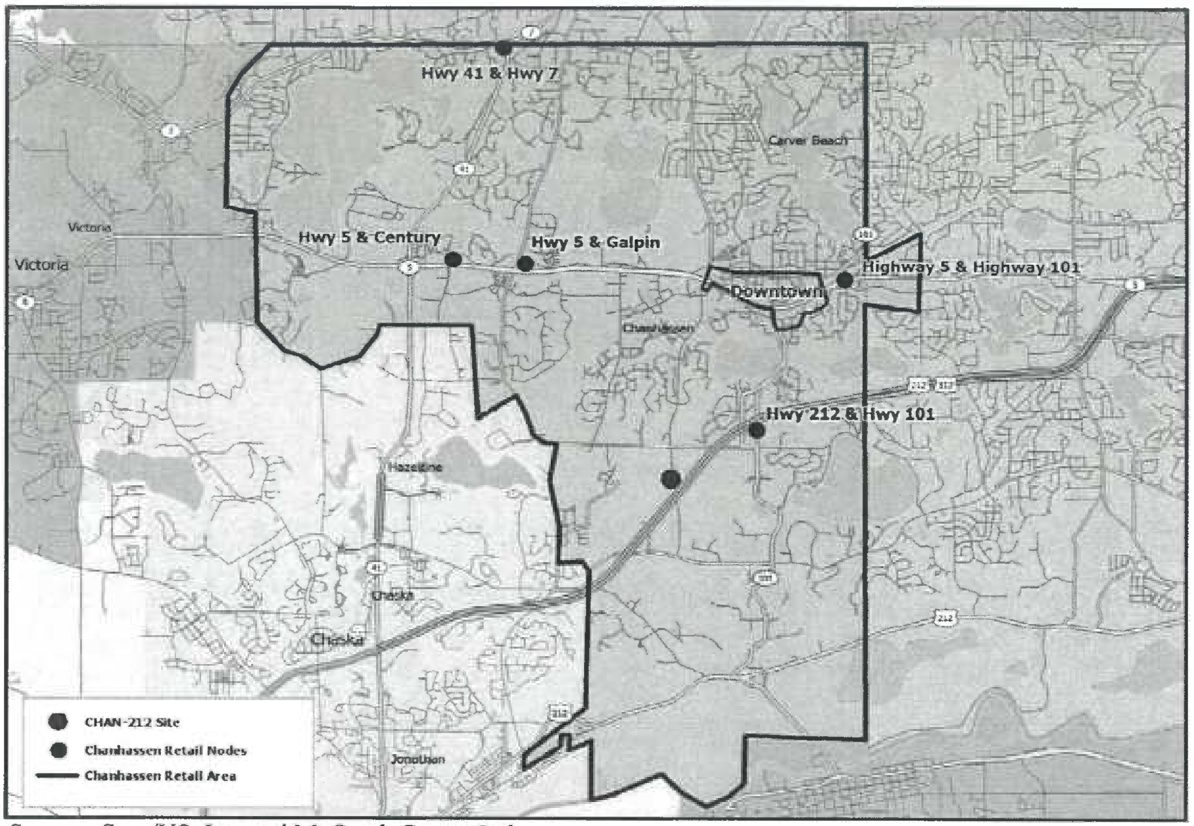
Source: Scan/US, Inc. and McComb Group, Ltd.

CHANHASSEN SHOPPING AREAS

Downtown Chanhassen, the city's largest shopping area, is located about one mile north of the Chan-212 site, as shown on Map 4. Chanhassen has five other smaller, convenience-oriented shopping areas that serve nearby neighborhoods and are not competitive with Chan-212, as shown in Table 2 on the next page.

Map 4

CHANHASSEN RETAIL NODES



Source: Scan/US, Inc. and McComb Group, Ltd.

- **Downtown Chanhassen** is the city's dominant retail area with over 69 retail stores and 65 services. Downtown's tenant mix is oriented to food service (32 establishments) and convenience goods (14 stores). The convenience goods category is anchored by two supermarkets, Cub Foods and Byerly's, and a Walgreens. The food service category includes 11 full service restaurants and 16 limited service establishments. Target anchors the shopping goods category, which includes only two clothing stores. The other shopping goods category is dominated by locally-owned stores with OfficeMax being the only national retailer. Services in Downtown represent almost 50 percent of all Downtown Chanhassen establishments. Of the approximately 65 service establishments, the largest categories are medical, financial, personal care, and personal services.

Table 2

SUMMARY OF CHANHASSEN RETAIL TENANT MIX BY AREA

Merchandise Category	Downtown Chanhassen	Other Retail Areas: Hwy 41/ Hwy 7	Hwy 5/ Galpin Rd	Hwy 5/ Century	Hwy 5/ Hwy 101	Hwy 212 Hwy 101
CONVENIENCE GOODS						
Food Stores	3	1				
Specialty Food Stores	1					
Other Convenience Goods	10	4	1	1	1	1
Subtotal	14	5	1	1	1	1
FOOD SERVICE						
Full Service	11	1				
Limited Service	16	4		4	1	2
Snacks & Beverage Places	4	1				
Cafeterias						
Drinking Places	1					
Subtotal	32	6	0	4	1	2
CONVENIENCE/GAS	3	1	1	1	1	1
SHOPPING GOODS						
General Merchandise	1	2				
Clothing and Accessories	2		1			
Shoes						
Home Furnishings	1					
Home Appliances/Music	2	1				
Other Shopping Goods	12	3			1	
Subtotal	18	6	1	0	1	0
OTHER STORES						
Building Materials/Garden					1	
Motor Vehicles & Parts	2					
Subtotal	2	0	0	0	1	0
Total Retail	**69**	**18**	**3**	**6**	**5**	**4**
SERVICES						
Personal Care	12	5		3		
Dry Cleaning/Laundry	5	2				
Personal Services	11	4		1		
Recreation/Entertainment	6	1		1		
Financial	15	1	14	5		
Medical	16	5	7	3		
Total Services	**65**	**18**	**21**	**13**	**0**	**0**
TOTAL	**134**	**36**	**24**	**19**	**5**	**4**

Source: McComb Group, Ltd.

SUPER REGIONAL SHOPPING AREAS

Three super regional shopping areas will be the primary competition for Chan-212 including Eden Prairie Center, Southdale, and Ridgedale. Each of these shopping centers have attracted other retail stores and services.

Eden Prairie Center Area

Eden Prairie Center and its adjacent shopping centers and retail stores are the nearest super regional shopping concentration, but not necessarily the most competitive. Eden Prairie Center has the largest number of retail stores (86) with 69 in the shopping goods category including 27 clothing and accessories stores and 26 other shopping goods stores, as shown in Table 3. Three nearby shopping areas contain large retail concentrations. These areas include the Eden Prairie periphery area, the area north of I-494, and the area south along Flying Cloud Drive.

Table 3

SUMMARY OF EDEN PRAIRIE CENTER AREA RETAIL TENANT MIX BY AREA

Merchandise Category	Eden Prairie Center	Eden Prairie Periphery	North of I-494	South Flying Cloud
CONVENIENCE GOODS				
Food Stores		1	1	
Specialty Food Stores		1		2
Other Convenience Goods	1	7	1	
Subtotal	1	9	2	2
FOOD SERVICE				
Full Service	3	15	4	2
Limited Service	9	15	3	10
Snacks & Beverage Places	4	5	1	
Cafeterias				
Drinking Places				
Subtotal	16	35	8	12
CONVENIENCE/GAS		2	1	2
SHOPPING GOODS				
General Merchandise	5	3		
Clothing and Accessories	27	4		
Shoes	5			1
Home Furnishings		2	2	2
Home Appliances/Music	6	3	1	
Other Shopping Goods	26	13	7	7
Subtotal	69	25	10	10
OTHER STORES				
Building Materials/Garden		3	4	
Motor Vehicles & Parts		2	4	1
Subtotal	0	5	8	1
Total Retail	**86**	**76**	**29**	**27**
SERVICES				
Personal Care	5	14	4	5
Dry Cleaning/Laundry		3	1	
Personal Services	5	9	4	1
Recreation/Entertainment	1	6	1	2
Financial	1	18	2	2
Medical		18	1	3
Total Services	**12**	**68**	**13**	**13**
TOTAL	**98**	**144**	**42**	**40**

Source: McComb Group, Ltd.

- **Eden Prairie Center** is located about six miles east of Chan-212 at the intersection of I-494, Highway 212 and Highway 5. Eden Prairie Center (1,125,000 square feet) is anchored by JCPenney, Sears, Target, Von Maur, Kohl's, and an AMC Theater with 18 screens. Originally opened in 1976, Eden Prairie Center is the focal point of a major shopping node.

- **Eden Prairie Center Periphery** area contains 76 retail stores of all sizes, including Cub Foods, Costco, Walmart, Best Buy, and Office Depot, along with a number of smaller retail establishments. Food service, with 35 establishments, represents almost half of the retail stores. The shopping goods category includes only four apparel stores and is dominated primarily by hard goods stores. This area included 26 personal care/person services establishments and 18 financial institutions and 18 medical offices.

- **North of I-494** area contains over 29 retail stores including Rainbow Foods, Eden Prairie Liquor, two automobile showrooms, Home Depot, and Menards, along with a number of auto-oriented retailers.

- **South Flying Cloud Drive** retail and service establishments are located south of Eden Prairie Center. There are approximately 27 retail stores along this route including Sports Authority, Home Goods, OfficeMax, and Michael's Arts & Crafts. The largest category is food service with 12 businesses including 10 limited service restaurants.

Southdale Area

Southdale Center opened in 1956 and became the focal point for a major retail node that extends south along France Avenue. The Southdale area is known for its quality shopping experiences, as well as freestanding stores. Southdale area tenant mix by area is shown in Table 4 and summarized below.

- **Southdale Center** (1,318,545 square feet) in Edina is anchored by Herberger's, Macy's, JCPenney, and an AMC 16-screen cinema. In total, there are 102 retail and service establishments, including 89 retail and 13 service providers. Shopping goods is the largest retail category with 70 stores including 34 clothing and accessories and 20 other shopping goods stores. Food service included 16 establishments. Personal care and personal services are the largest service categories accounting for 12 businesses.

- **Galleria**, located south of Southdale, is a 417,000 square foot enclosed center that features upscale retail and service tenants. There are 39 establishments in the Galleria, which includes 36 retail stores and three service establishments. Shopping goods is the largest retail category with 28 retail merchants including 11 clothing and accessories stores, eight home furnishing stores, seven other shopping goods, and two shoe stores. There are three service providers included in the Galleria, including a personal care, personal service, and financial service.

- **Centennial Lakes** shopping center is located three-quarters of a mile south of Southdale Center on France Avenue. This power center contains 27 retail and service establishments (17 retail and 10 service) and is anchored by Whole Foods, Joseph A. Banks, Old Navy, Home Goods, and OfficeMax. Shopping goods and food services are the largest retail categories and personal services is the largest service category.

- **Other Southdale** retail includes over 216 retail and service establishments located in the greater Southdale area encompassing an area around France Avenue from West 66th Street on the north to I-494 on the south. There are approximately 85 retail establishments located in this area including such major retailers as SuperTarget, Byerly's, Cub Foods, Trader

Joe's, The Container Store, Cost Plus World Market, and Pier One, as well as numerous smaller retail establishments. Shopping goods is the largest category with 39 stores including 15 home furnishings and 16 other shopping goods offering primarily hard goods. Food service is a major category with 25 establishments. Personal care and personal services are represented by 23 businesses. Fairview Hospital, located north of Southdale, anchors a medical concentration that includes 82 providers.

Table 4

SUMMARY OF SOUTHDALE AREA RETAIL TENANT MIX BY AREA

Merchandise Category	Southdale Center	Galleria	Centennial Lakes	Other Southdale
CONVENIENCE GOODS				
Food Stores			1	3
Specialty Food Stores	2			3
Other Convenience Goods	1			7
Subtotal	3	0	1	13
FOOD SERVICE				
Full Service	5	5	1	7
Limited Service	7		3	14
Snacks & Beverage Places	4	1	3	4
Cafeterias				
Drinking Places				
Subtotal	16	6	7	25
CONVENIENCE/GAS				4
SHOPPING GOODS				
General Merchandise	4			2
Clothing and Accessories	34	11	2	4
Shoes	5	2		
Home Furnishings	2	8	1	15
Home Appliances/Music	5		2	2
Other Shopping Goods	20	7	4	16
Subtotal	70	28	9	39
OTHER STORES				
Building Materials/Garden		2		3
Motor Vehicles & Parts				1
Subtotal	0	2	0	4
Total Retail	**89**	**36**	**17**	**85**
SERVICES				
Personal Care	7	1	2	12
Dry Cleaning/Laundry				2
Personal Services	5	1	5	9
Recreation/Entertainment	1		3	2
Financial		1		24
Medical				82
Total Services	**13**	**3**	**10**	**131**
TOTAL	**102**	**39**	**27**	**216**

Source: McComb Group, Ltd.

Ridgedale Area

Ridgedale Center, located in Minnetonka near the intersection of I-494 and I-394, opened in 1974. The Ridgedale shopping area includes a number of shopping areas including the area West of Plymouth Road, I-394 North Frontage Road, West Ridge Market, Ridgedale Periphery, and Bonaventure Mall. These retail areas have developed due to the regional draw of Ridgedale Center. Each of these competitive retail areas is summarized in Table 5 and described below:

- **Ridgedale Center** (1,044,000 square feet) is anchored by Macy's, Sears, and JCPenney department stores. In total, it contains over 116 retail and service establishments, with 106 (91 percent) of those establishments being retail orientated. Shopping goods is the largest category for Ridgedale Center with 90 stores including 45 clothing and accessories stores and 23 other shopping goods stores, followed by food services with 13 establishments. Services at Ridgedale Center include nine personal care/personal services.

  Ridgedale Center recently announced renovation plans that include two phases. The first phase is currently under construction and includes an 80,000-square-foot addition to the Macy's store on the north side of the mall. The second phase, which was recently approved, includes a new 142,000 square foot Nordstrom department store in the old Macy's Men's and Home space, as well as a two-story, 87,765 square foot addition to the mall, which will provide a connection to Nordstrom's. Completion of both phases of renovation are expected by fall of 2015. A third phase, which hasn't been finalized yet, envisions additional pads for food service establishments.

- **West of Plymouth Road** retail and service concentrations includes Ridgehaven Mall and various other retail facilities south of I-394. In total, this area has approximately 42 retail stores and 33 service establishments for a total of 75. Shopping goods is the largest retail category with 26 establishments. Major retailers in this area include Byerly's, Best Buy, SuperTarget, Slumberland Furniture, and Petco. The largest service categories include medical, personal services, and personal care, which together represent over 80 percent of the service establishments in this area.

- **I-394 North Frontage Road** retail area is located north of Ridgedale Center and north of I-394. In total, there are 45 retail and service establishments in this area: 33 retail and 12 service. Shopping goods (15 stores) and motor vehicles and parts (10 stores) are the largest retail categories and represent primarily hard goods retailers. Personal care, personal services, and medical represent over 80 percent of the services. Major retailers include Whole Foods, Pier One, Sports Authority, Office Depot, and Toys R Us/Babies R Us.

- **West Ridge Market** is located about one-half mile east of Ridgedale Center in the northwest quadrant of I-394 and Hopkins Crossroads. This power center has 16 retail establishments and four services. The largest retail category is shopping goods with 11 stores including Lands End, Bed Bath & Beyond, Dick's Sporting Goods, Michael's Arts & Crafts, Staples, Schmidt Music, and Shane Company. There are also two personal care services, one financial service provider, and a medical service provider in this area.

- **Ridgedale Periphery** development includes businesses adjacent to the shopping center and along Ridgedale Drive. This area includes the YMCA, three banks, Hennepin County Library, Redstone Restaurant, Firestone tire dealer, and Sears Auto Center.

- **Bonaventure Mall**, located on an out lot of Ridgedale Center contains six retail establishments: two restaurants, Marshall's, DXL Menswear, JoAnn Fabrics, and Pearle Vision.

Table 5

SUMMARY OF RIDGEDALE AREA RETAIL TENANT MIX BY AREA

Merchandise Category	Ridgedale Center	West of Plymouth Rd	I-394 North Frontage Rd	West Ridge Market	Ridgedale Periphery	Bonaventure Mall
CONVENIENCE GOODS						
Food Stores		1	1	1		
Specialty Food Stores	2	2				
Other Convenience Goods	1	3	1			
Subtotal	3	6	2	1	0	0
FOOD SERVICE						
Full Service	4	1		2	1	2
Limited Service	5	3	3	1		
Snacks & Beverage Places	4	3		1		
Cafeterias						
Drinking Places						
Subtotal	13	7	3	4	1	2
CONVENIENCE/GAS						
SHOPPING GOODS						
General Merchandise	3	1				1
Clothing and Accessories	45	2	1	1		1
Shoes	7	3				
Home Furnishings	4	3	2	1		
Home Appliances/Music	8	5	2	1		
Other Shopping Goods	23	12	10	8		2
Subtotal	90	26	15	11	0	4
OTHER STORES						
Building Materials/Garden		3	3			
Motor Vehicles & Parts			10		1	
Subtotal	0	3	13	0	1	0
Total Retail	**106**	**42**	**33**	**16**	**2**	**6**
SERVICES						
Personal Care	4	8	3	2		
Dry Cleaning/Laundry		1				
Personal Services	5	9	3			
Recreation/Entertainment		1			1	
Financial		5	1	1	3	
Medical	1	9	5	1		
Total Services	**10**	**33**	**12**	**4**	**4**	**0**
TOTAL	**116**	**75**	**45**	**20**	**6**	**6**

Source: McComb Group, Ltd.

COMPETITIVE COMMUNITY SHOPPING AREAS

Shopping areas located in Shakopee, Chaska, Waconia and Victoria provide a lower level of competition for Chan-212. Locations of competitive community shopping areas are shown on Map 3. Characteristics of these shopping areas are described below.

Shakopee

Shakopee is a rapidly growing Scott County community that lies south of the Chan-212 site south of the Minnesota River. Access to Chan-212 from the Shakopee area is provided by two primary river crossings: Highway 41 through Downtown Chaska and Highway 101 from Downtown Shakopee. There are several retail areas in Shakopee scattered along the various highways, as shown in Table 6.

- **Downtown Shakopee** is the city's central business district and has 34 retail stores and 44 services. Downtown Shakopee has a large concentration of shopping goods stores (15) including the city's only clothing stores. Other shopping goods is the largest retail category followed by food service (eight) and convenience goods (six). Downtown Shakopee is service-oriented with approximately 44 service establishments with the largest categories being medical services (14), financial services (13), and personal care/personal services (10). Downtown Shakopee's retail and service establishments are primarily locally-owned and characteristic of an older city.

- **Highway 101** is an older, highway shopping area extending east from the downtown area with 21 retail stores and two service establishments. These businesses are primarily auto-oriented. The largest categories are food service with 11 establishments and motor vehicles and parts with five establishments.

- **Highway 169** retail areas have developed recently in response to residential growth that occurred in Scott County following opening of the Bloomington Ferry Bridge and Highway 169 Bypass. There are two major retail concentration areas along Highway 169--Marschall Rd and CSAH 83. These two retail concentrations are located on the south side of Shakopee and include a large group of major retail stores including Target, Cub Foods, Kohl's, and Lowe's. In total, there are approximately 59 retail stores and 43 service establishments, making it the largest retail concentration in Shakopee. Dominant retail categories include 21 food services including 14 limited service, shopping goods with 18 stores, and nine convenience goods retailers. Significant service categories include 13 financial services, 12 personal care/personal services, and nine medical offices.

- **Marschall Road**, a north/south connector route between Highway 101 and Highway 169, contains a number of convenience retail and service establishments. Services represent almost 75 percent of all establishments in this area with approximately 40 service establishments. Major categories include financial services (15), personal care/personal services (13), and 10 medical offices. There are 14 retail stores with the largest category being food service.

- **South Bridge Crossing** is a 500,000 square foot, open-air, power center located south of Highway 169 at CSAH 18. This retail node is anchored by Sam's Club, Walmart, Home Depot, Best Buy, Michael's Arts & Crafts, Pier One, and PetSmart. This retail area has 30 retail establishments. The one dozen food service establishments include 11 limited service outlets. There are also 11 service establishments within this area with medical and personal care being the largest service categories.

- **Town Square**, located southeast of Downtown, is Shakopee's oldest shopping center. This center, anchored by Marcus Cinema, has struggled to maintain its retail presence. Nine retail and service establishments include GNC, Anytime Fitness, Goodwill, and Dollar General, along with various other retail and service establishments.

Shakopee's retail areas are anchored by supermarkets, discount stores, home centers, and a limited number of category killers.

Table 6

SUMMARY OF SHAKOPEE RETAIL TENANT MIX BY AREA

Merchandise Category	Downtown Shakopee	Hwy 101	Hwy 169	Marschall Road	Southbridge Crossing	Town Square
CONVENIENCE GOODS						
Food Stores			1			
Specialty Food Stores	2		3	1		
Other Convenience Goods	4	1	5	2	2	1
Subtotal	6	1	9	3	2	1
FOOD SERVICE						
Full Service	3	4	5	1	1	
Limited Service	2	6	14	4	8	
Snacks & Beverage Places		1	2		3	1
Cafeterias						
Drinking Places	3					
Subtotal	8	11	21	5	12	1
CONVENIENCE/GAS	2	2	5	1	2	
SHOPPING GOODS						
General Merchandise			2		2	1
Clothing and Accessories	2					
Shoes			1			
Home Furnishings	1	1	4		1	
Home Appliances/Music	2		2		2	
Other Shopping Goods	10	1	9	1	6	2
Subtotal	15	2	18	1	11	3
OTHER STORES						
Building Materials/Garden	1		2	1	1	
Motor Vehicles & Parts	2	5	4	3	2	
Subtotal	3	5	6	4	3	0
Total Retail	**34**	**21**	**59**	**14**	**30**	**5**
SERVICES						
Personal Care	3		9	6	3	1
Dry Cleaning/Laundry	2		1	1	1	
Personal Services	5		2	6		1
Recreation/Entertainment			3	1		2
Automotive Services	7	2	6	1		
Financial	13		13	15	3	
Medical	14		9	10	4	
Total Services	**44**	**2**	**43**	**40**	**11**	**4**
TOTAL	**78**	**23**	**102**	**54**	**41**	**9**

Source: McComb Group, Ltd.

Chaska

Chaska, located west of Chanhassen, has two principal retail nodes--Downtown Chaska and Highway 41/Pioneer Trail. Each of these areas is summarized in Table 7 and described below.

- **Downtown Chaska** has 36 retail stores and 42 service establishments. The eight convenience goods stores include Cooper's County Market, Walgreens, and Ace Hardware. Shopping goods are represented by 14 stores. Food service contains 13 establishments, nine of which are limited service. Major service categories include 18 financial services, 14 personal care/personal services, and nine medical practices. Downtown consists primarily of locally owned business establishments.

- **Highway 41/Pioneer Trail** retail area is located about three miles west of the Chan-212 site. This area is located about one mile north of the interchange of Highway 212 and Highway 41 and includes Chaska Commons and Jonathan Square Center. Major tenants include SuperTarget, Kohl's, Rainbow Foods, Home Depot, Petco, and Hazeltine Plaza. SuperValu recently announced that it was purchasing the Rainbow store and converting it to Cub Foods. The area's 28 retail stores include 13 food services and four convenience goods retailers. The relatively small group of services include nine personal care/personal services and seven medical practices including Lakeview Clinic and Chaska Health Care Center.

Chaska retail areas contain a limited number of establishments that would be competitive with Chan-212.

Victoria

Victoria is a small, but rapidly growing community about five miles northwest of the Chan-212 site. It has a small commercial area with approximately 45 establishments, most of which are located along or just north of Highway 5. Victoria has 22 retail establishments that include two liquor stores, eight food services, two convenience/gasoline stores, along with 10 other retail establishments. The town's only supermarket closed recently. There are 23 service establishments, with financial services and medical services being the largest categories.

Waconia

Waconia is a community with a population of about 11,000 located 12 miles west of the Chan-212 site on Highway 5. Waconia has 61 retail stores and 68 service businesses located in two primary retail commercial areas--the older Downtown central business district and the more recently developed retail area along Highway 5 south of Downtown.

- **Downtown Waconia** has 22 retail stores and 38 service establishments. These include Waconia Theatre (six screens), 10 food services, nine shopping goods stores, 12 medical offices, 11 financial services, and 13 personal care/personal service establishments.

- **Highway 5** retail area in Waconia has 39 retail stores including Target, Mackenthun's County Market, Walgreens, and Waconia Farm Supply, and 30 service establishments. Additional tenants include two hardware stores, two new car auto dealerships along with five other auto-oriented businesses, and 11 food services. Ridgeview Medical Center and Lakeview Clinic are also located in this area.

These community shopping areas will be competitive primarily with convenience goods retailers at Chan-212.

Table 7

SUMMARY OF CHASKA, VICTORIA, AND WACONIA RETAIL TENANT MIX BY AREA

	Chaska			Waconia	
Merchandise Category	Downtown Chaska	Hwy 41/ Pioneer Tr	Victoria	Downtown Waconia	Hwy 5
CONVENIENCE GOODS					
Food Stores	1	1			1
Specialty Food Stores	3			1	
Other Convenience Goods	4	3	4	1	6
Subtotal	8	4	4	2	7
FOOD SERVICE					
Full Service	4	5	4	5	5
Limited Service	8	7	3	3	4
Snacks & Beverage Places	1	1		2	2
Cafeterias					
Drinking Places			1		
Subtotal	13	13	8	10	11
CONVENIENCE/GAS	1	1	2		4
SHOPPING GOODS					
General Merchandise		2			1
Clothing and Accessories			1	1	2
Shoes					
Home Furnishings	1			2	1
Home Appliances/Music		2			1
Other Shopping Goods	13	5	2	6	5
Subtotal	14	9	3	9	10
OTHER STORES					
Building Materials/Garden		1	3	1	
Motor Vehicles & Parts			2		7
Subtotal	0	1	5	1	7
Total Retail	**36**	**28**	**22**	**22**	**39**
SERVICES					
Personal Care	8	5	3	6	6
Dry Cleaning/Laundry	1	1	1	1	
Personal Services	5	3	3	6	5
Recreation/Entertainment	1	2	3	2	1
Financial	18	3	8	11	10
Medical	9	7	5	12	8
Total Services	**42**	**21**	**23**	**38**	**30**
TOTAL	**78**	**49**	**45**	**60**	**69**

Source: McComb Group, Ltd.

SUMMARY

Competition for Chan-212 ranges from community retail clusters to super regional shopping areas. The super regional shopping center competition and its proximity to Chan-212 are important. Ridgedale and Southdale, the preeminent super regional shopping centers, are 13 and 15 driving miles, respectively, from Chan-212. Eden Prairie Center is about seven driving miles from Chan-212. The other super regional malls, excluding Mall of America, are about eight to nine miles apart, indicating that Chan-212 is further from its competitive regional malls than the existing malls are from each other.

Community shopping areas in Chaska, Waconia, Victoria, and Shakopee will be competitive with convenience goods retailers at Chan-212. These community shopping areas are generally anchored by discount stores and supermarkets with less drawing power than the regional shopping areas.

COMPETITIVE CHANGES

Recently, SuperValu and three franchise holders announced plans to purchase 12 Rainbow Foods stores in the Metropolitan Area. Two of these Rainbow stores (Eden Prairie and Chaska) that are competitive with Chan-212 will be converted to Cub Foods. This acquisition may affect plans for a Cub Foods anchored neighborhood shopping center at CSAH 10 and Highway 212, about two miles from the Chaska Rainbow.

Chapter III

RESIDENTIAL GROWTH PROJECTIONS

Demand for retail space at Chan-212 is dependent on future residential growth in each of the trade areas. McComb Group maintains a historical database of Seven-County Metropolitan Area (Metro Area) growth trends since 1970. This database demonstrates that the Metro Area has eight growth corridors that tend to capture roughly the same percent of household growth each year unless altered by a new freeway, river crossing, or similar event. These relationships provide a basis for estimating how household growth may occur in the future. This database was used to estimate future household growth from 2014 to 2025.

Future household growth projections were prepared for two trade areas: Convenience Goods and Shopping Goods. Convenience goods are generally purchased close to home. Shopping goods include stores where comparison shopping between stores is common. Comparison shopping draws customers from a greater distance and trade areas are larger.

Convenience Goods Trade Area

The Chan-212 site is located in the Southwest Growth Corridor. Building permits for the Southwest Growth Corridor communities, Chanhassen's Convenience Goods trade area communities, and the City of Chanhassen were compared with Metro Area building permits for the period 1990 through 2013, as shown in Table 8.

Annual Metro Area building permits ranged from 12,060 to 17,679 between 1991 and 1999. As the housing boom unfolded, building permits increased from 17,679 in 1999, peaked at 20,973 in 2003, which was followed by a decline to 4,028 in 2009 and a slight recovery to 5,014 units in 2010. Metro Area building permits increased to 10,260 in 2013.

Southwest Growth Corridor market share of the Metro Area building permits has averaged 21.42 percent between 1990 and 2013. During the period 1990 to 1993, market share averaged 16.53 percent and increased to an average of 21.58 percent in the next six-year period. During the nine-year period 2000 through 2008, the Southwest Growth Corridor maintained an average market share of 23.68 percent. In 2009, market share rose to 32.08 percent in the Southwest Growth Corridor; however, market share has averaged 20.32 percent since 2009. Even though building permits have declined, the Southwest Growth Corridor has maintained a relatively consistent market share of Metro Area growth.

Chan-212 Convenience Goods trade area communities include Chanhassen, Eden Prairie, Shorewood, Chaska, Carver, Victoria, and Shakopee. Building permits in these communities fluctuated between 1990 and 2013 with a low of 444 building permits in 2008 and a high of 2,888 building permits in 2003. Building permits increased significantly from 932 in 1991 to 1,450 in 1992, and gradually increased to a high of 2,888 in 2003. Between 2004 and 2006, trade area communities building permits began to decline. In 2007 building permits fell to 701, the lowest number of building permits since 1991. Since 2008, building permits have averaged 596 permits, with 2013 permits at 873.

Table 8

**METRO AREA, SOUTHWEST GROWTH CORRIDOR,
CHAN-212 CONVENIENCE GOODS TRADE AREA COMMUNITIES, AND CITY OF CHANHASSEN
RESIDENTIAL BUILDING PERMITS; 1990 TO 2013**

		SW Growth Corridor		Convenience Goods Trade Area Communities		Chanhassen	
Year	Metro Area	Building Permits	Market Share	Building Permits	Market Share	Building Permits	Market Share
1990	13,340	1,654	12.40 %	954	57.68 %	197	20.65 %
1991	12,060	2,057	17.06	932	45.31	191	20.49
1992	15,632	2,852	18.24	1,450	50.84	230	15.86
1993	15,882	2,927	18.43	1,633	55.79	267	16.35
1994	14,205	3,014	21.22	1,658	55.01	379	22.86
1995	13,956	3,072	22.01	1,875	61.04	478	25.49
1996	14,098	2,969	21.06	1,635	55.07	207	12.66
1997	13,234	2,982	22.53	1,663	55.77	274	16.48
1998	15,817	3,669	23.20	2,166	59.04	425	19.62
1999	17,679	3,436	19.44	2,001	58.24	275	13.74
2000	17,050	4,293	25.18	2,414	56.23	320	13.26
2001	16,788	3,998	23.81	2,226	55.68	229	10.29
2002	19,782	5,170	26.13	2,842	54.97	300	10.56
2003	20,973	4,689	22.36	2,888	61.59	396	13.71
2004	19,832	3,932	19.83	1,952	49.64	92	4.71
2005	11,514	3,335	28.96	1,618	48.52	84	5.19
2006	12,109	2,439	20.14	1,058	43.38	179	16.92
2007	8,039	1,712	21.30	701	40.95	169	24.11
2008	4,711	1,198	25.43	444	37.06	66	14.86
2009	4,028	1,292	32.08	738	57.12	99	13.41
2010	5,014	996	19.86	468	46.99	101	21.58
2011	3,875	919	23.72	475	51.69	148	31.16
2012	6,749	1,525	22.60	576	37.77	169	29.34
2013	10,260	1,550	15.11	873	56.32	175	20.05
Total	306,627	65,680	21.42 %	35,240	53.65 %	5,450	15.47 %

Source: U.S. Census and McComb Group, Ltd.

Chan-212 Convenience Goods trade area communities' market share of building permits have averaged 53.65 percent between 1990 and 2013, with a low of 37.06 percent in 2008 and a high of 61.59 percent in 2003. During the housing boom 2000-2006, trade area communities' market share averaged 52.86 percent. Since 2006, market share has averaged 46.84 percent. Market share rebounded to 56.32 percent.

City of Chanhassen housing development was strong during the 1990-1995 period when market share averaged 20.28 percent. During the period 1996-2005, market share fluctuated in a downward trend and averaged 12.02 percent. Since then, market share has recovered to an average of 21.43 percent, slightly above the 20.28 percent market share of the early 1990s. This indicates a resurgence in residential development in Chanhassen.

Future household growth projections from 2014 to 2025 for the Chan-212 Convenience Goods trade area are based on estimated future Southwest Growth Corridor communities' residential market share of Metro Area growth contained in Table 9. Future Metro Area households are shown in the first column for 2014 through 2025. These estimates reflect a slowing growth rate that is anticipated by the State Demographer. Assuming that the Southwest Growth Corridor will capture

24.0 percent of the projected growth, similar to the past, the estimated annual household growth in 2015 would be 3,220 and 3,385 households in 2020. Household growth is expected to slow in each of the successive five-year periods. It is estimated that Chan-212 Convenience Goods trade area communities will capture 50 percent of the Southwest Growth Corridor residential growth in the initial seven-year period and then decline slightly to 49 percent in the later five-year period 2021-2025 as the trade area becomes more fully developed.

Table 9

METRO AREA, SOUTHWEST GROWTH CORRIDOR, CHAN-212 CONVENIENCE GOODS TRADE AREA AND CHAN-212 CONVENIENCE GOODS TRADE AREA COMMUNITIES HOUSEHOLD PROJECTIONS; 2014 TO 2025

				Market Share				Total
	Metro Area		Southwest	Trade Area Communities		Trade Area		Trade Area
Year	Households	Increase	@ 24.0%	Percent	Households	Percent	Households	Household
2014	1,169,911	13,264	3,183	50.0	1,592	83.2	1,324	52,373
2015	1,183,326	13,415	3,220	50.0	1,610	83.2	1,339	53,712
2016	1,196,811	13,485	3,236	50.0	1,618	83.2	1,346	55,059
2017	1,210,447	13,636	3,273	50.0	1,636	83.2	1,361	56,420
2018	1,224,239	13,792	3,310	50.0	1,655	83.2	1,377	57,797
2019	1,238,188	13,949	3,348	50.0	1,674	83.2	1,393	59,190
2020	1,252,292	14,104	3,385	50.0	1,692	83.2	1,408	60,598
2021	1,264,213	11,921	2,861	49.0	1,402	81.0	1,136	61,733
2022	1,276,243	12,030	2,887	49.0	1,415	81.0	1,146	62,879
2023	1,288,388	12,145	2,915	49.0	1,428	81.0	1,157	64,036
2024	1,300,648	12,260	2,942	49.0	1,442	81.0	1,168	65,204
2025	1,313,020	12,372	2,969	49.0	1,455	81.0	1,179	66,383
		156,373			18,619		15,334	

Source: McComb Group, Ltd.

The Chan-212 Convenience Goods trade area encompasses about 83 percent of the households living in the trade area communities. In the future, the Chan-212 Convenience Goods trade area is estimated to capture 83.2 percent of the trade area household growth over the seven-year period, declining to 81 percent in 2021. This results in an estimated increase of 1,339 households in 2015 for a total of 53,712. Households are estimated to increase to 60,598 in 2020 and 66,383 in 2025.

Shopping Goods Trade Area

Shopping Goods trade area communities include Chanhassen and over 40 other communities including, Eden Prairie, Shakopee, Chaska, Prior Lake, Hutchinson, and Waconia. Building permits in these communities are summarized in Table 10. Because the trade area includes a number of communities outside of the Metro Area, building permit information for 1990 through 1995 was incomplete. The table begins with 1996.

Shopping Goods trade area communities' building permits increased from 2,706 in 1996 to 3,556 in 2000. During this period, market share averaged 86.96 percent. Between 2000 and 2007, building permits peaked at 4,989 in 2002 and declined to 1,288 in 2007, when the great recession began. Market share averaged 88.46 percent during this period. Since 2007, market share has averaged 74.03 percent. Trade area households increased by 26,573 between 2000 and 2010, which was 88.3 percent of the 30,107 household increase in the trade area communities. Since 2010, trade area households have represented 86.3 percent of household increase in the trade area communities.

Table 10

METRO AREA, SOUTHWEST GROWTH CORRIDOR, AND CHAN-212 SHOPPING GOODS TRADE AREA RESIDENTIAL BUILDING PERMITS; 1996 TO 2013

		SW Growth Corridor		Shopping Goods Trade Area Communities	
Year	Metro Area	Building Permits	Market Share	Building Permits	Market Share
1996	14,098	2,969	21.06 %	2,706	91.14 %
1997	13,234	2,982	22.53	2,565	86.02
1998	15,817	3,669	23.20	3,165	86.26
1999	17,679	3,436	19.44	3,043	88.56
2000	17,050	4,293	25.18	3,556	82.83
2001	16,788	3,998	23.81	3,704	92.65
2002	19,782	5,170	26.13	4,989	96.50
2003	20,973	4,689	22.36	4,395	93.73
2004	19,832	3,932	19.83	3,617	91.99
2005	11,514	3,335	28.96	3,000	89.96
2006	12,109	2,439	20.14	1,931	79.17
2007	8,039	1,712	21.30	1,288	75.23
2008	4,711	1,198	25.43	715	59.68
2009	4,028	1,292	32.08	968	74.92
2010	5,014	996	19.86	847	85.04
2011	3,875	919	23.72	693	75.41
2012	6,749	1,525	22.60	982	64.39
2013	10,260	1,550	15.11	1,313	84.71
Total	221,552	50,104	22.62 %	43,477	86.77 %

Source: U.S. Census and McComb Group, Ltd.

Future household growth projections from 2014 to 2025 for the Chan-212 Shopping Goods trade area are based on estimated future Southwest Growth Corridor residential market share of Metro Area growth contained in Table 11.

Table 11

METRO AREA, SOUTHWEST GROWTH CORRIDOR, CHAN-212 SHOPPING GOODS TRADE AREA COMMUNITIES, AND CHAN-212 SHOPPING GOODS TRADE AREA HOUSEHOLD PROJECTIONS; 2014 TO 2025

	Metro Area		Southwest Growth Corridor		Shopping Goods Trade Area Communities		Trade Area		Total Trade Area
Year	Households	Increase	Percent	Households	Percent	Households	Percent	Households	Household
2014	1,169,911	13,264	24.0 %	3,183	85.5 %	2,722	87.0 %	2,368	157,810
2015	1,183,326	13,415	24.0	3,220	85.5	2,753	87.0	2,395	160,205
2016	1,196,811	13,485	24.0	3,236	85.5	2,767	87.0	2,407	162,612
2017	1,210,447	13,636	24.0	3,273	85.5	2,798	87.0	2,434	165,047
2018	1,224,239	13,792	24.0	3,310	85.5	2,830	87.0	2,462	167,509
2019	1,238,188	13,949	24.0	3,348	85.5	2,862	87.0	2,488	169,997
2020	1,252,292	14,104	24.0	3,385	85.5	2,894	87.0	2,520	172,517
2021	1,264,213	11,921	24.0	2,861	85.5	2,446	87.0	2,128	174,645
2022	1,276,243	12,030	24.0	2,887	85.5	2,469	87.0	2,148	176,793
2023	1,288,388	12,145	24.0	2,915	85.5	2,492	87.0	2,168	178,961
2024	1,300,648	12,260	24.0	2,942	85.5	2,516	87.0	2,189	181,150
2025	1,313,020	12,372	24.0	2,969	85.5	2,539	87.0	2,209	183,358
Total		156,373		37,530		32,088		27,916	

Source: McComb Group, Ltd.

Future Metro Area households are shown in the first column for 2014 through 2025. These estimates reflect a slowing growth rate that is anticipated by the State Demographer. Assuming that the Southwest Growth Corridor will capture 24.0 percent of the projected growth, similar to the past, the estimated annual household growth in 2015 would be 3,220 and 3,385 households in 2020. Household growth is expected to slow in the next five-year period. It is estimated that Chan-212 Shopping Goods trade area communities will capture 85.5 percent of the Southwest Growth Corridor area residential growth over the next 10 years.

The Chan-212 Shopping Goods trade area captures about 87 percent of the increased household growth in the trade area communities. In the future, the Chas-212 Shopping Goods trade area is estimated to capture 87.0 percent of the trade area household growth over the 10-year period. This results in an estimated increase of 2,395 households in 2015 for a total of 160,205. Households are estimated to increase to 172,517 in 2020 and 183,358 in 2025.

Chapter IV

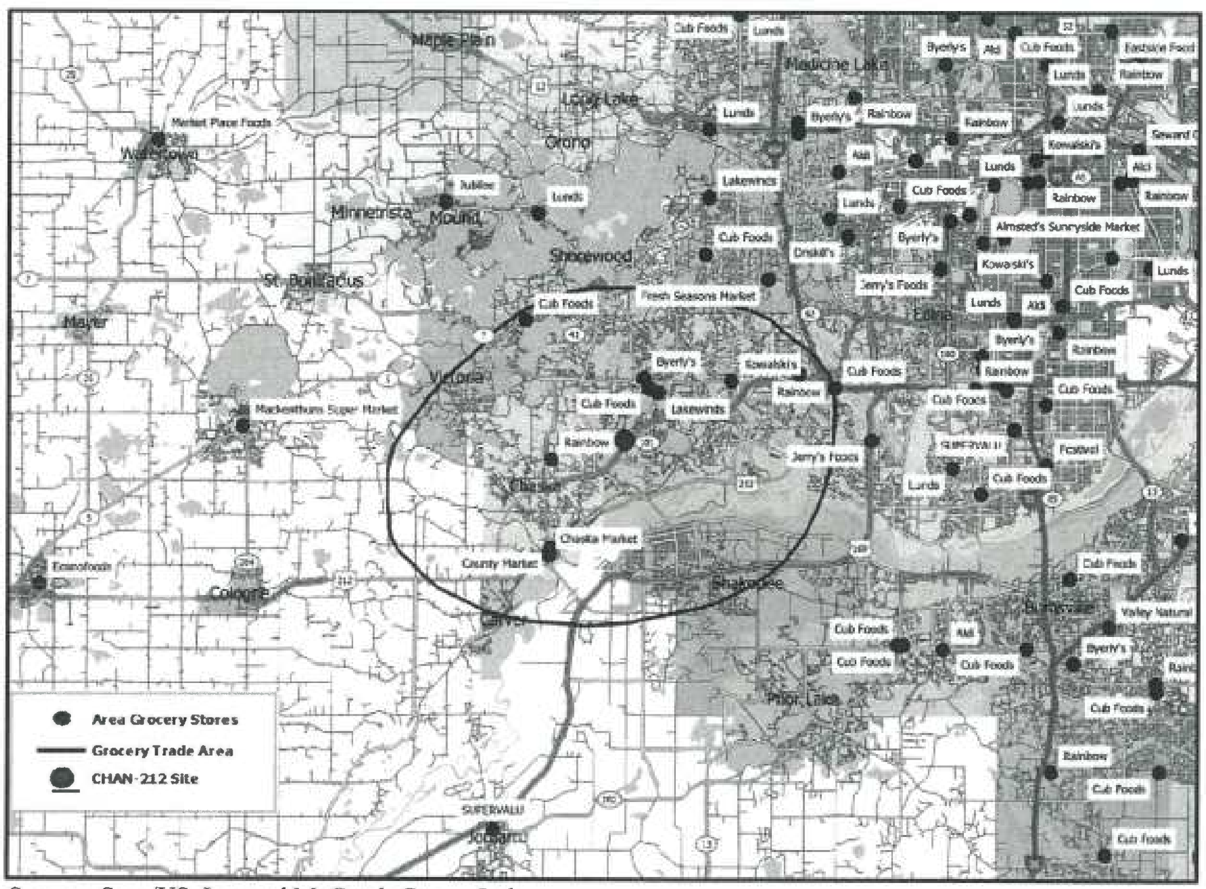
CHAN-212 TRADE AREAS

Two trade areas were delineated for Chan-212. The Convenience Goods trade area reflects the area that convenience goods retailers, such as a supermarket, would draw most of their customers. The Shopping Goods trade area represents the area a regional shopping center or lifestyle center would draw most of their customers. These trade areas were delineated by McComb Group based on the location of competitive retail areas, arterial road networks, natural boundaries, and previous experience.

The Convenience Goods trade area, shown on Map 5, includes Chanhassen, Chaska, and portions of Eden Prairie, Shakopee, Carver, Victoria, Shorewood, Minnetonka, and Excelsior, along with portions of Jackson, Louisville, Dahlgren, and Laketown Townships. This trade area extends north to Lake Minnetonka, east to Highway 212 and I-494, south to Highway 41 in Shakopee, and west to Laketown Road in Laketown Township. The Convenience Goods trade area covers approximately 88 square miles centered on Chanhassen.

Map 5

CHAN-212 CONVENIENCE GOODS TRADE AREA

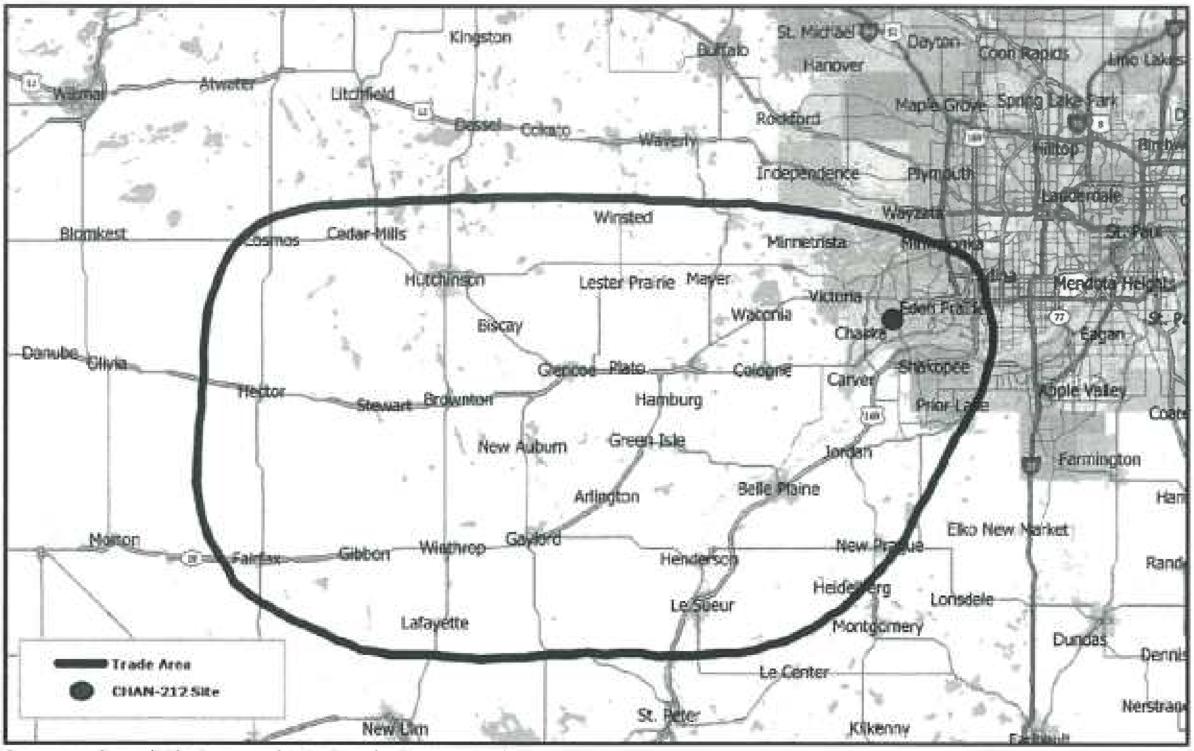


Source: Scan/US, Inc. and McComb Group, Ltd.

The Shopping Goods trade area covers the southwest Metropolitan Area, as shown on Map 6, extending 60 miles west and encompassing over 2,100 square miles. General boundaries are six miles north of Highway 7, east to Highway 100 in Bloomington/Edina, south to Highway 22 just south of LeSueur, and west five miles from Highway 4 in Hector.

Map 6

CHAN-212 SHOPPING GOODS TRADE AREA



Source: Scan/US, Inc. and McComb Group, Ltd.

Population and Households

Population and household growth trends in Chan-212's trade areas and the Minneapolis-St. Paul MSA (MSA) are shown in Table 12. Since 2000, Chan-212 Convenience Goods trade area has been growing at a faster rate than both the Shopping Goods trade area and the MSA.

Chan-212 Convenience Goods trade area population increased at an annual rate of 2.20 percent from 108,340 people in 2000 to 134,614 people in 2010. Convenience Goods trade area population growth rate dropped to less than one percent between 2010 and 2014 as a result of the recession and slower residential development. The growth rate is expected to increase to 2.39 percent by 2019, increasing trade area population to an estimated 156,825 people. Household growth for this trade area has been higher, with an annual growth rate of 2.57 percent annually from 2000 to 2010, increasing trade area households from 38,921 in 2000 to over 50,000 households by 2010. Estimates indicate an increase of 1.09 percent annually through 2014, increasing households to 52,373, with estimates for 2019 at 59,190 households for an annual growth rate of 2.48 percent.

Table 12

CHAN-212 CONVENIENCE GOODS AND SHOPPING GOODS TRADE AREAS, AND MINNEAPOLIS-ST. PAUL MSA: POPULATION AND HOUSEHOLD GROWTH TRENDS 2000 AND 2010 CENSUS; 2014 AND 2019 ESTIMATED

	Trade Areas		
Year	Convenience Goods	Shopping Goods	Minneapolis-St. Paul MSA
POPULATION			
2000	108,340	333,532	2,968,808
2010	134,614	394,528	3,279,833
2014E	139,366	407,361	3,361,394
2019E	156,825	438,533	3,510,623
Annual Growth Rate			
2000-10	2.20 %	1.69 %	1.00 %
2010-14	0.87	0.80	0.62
2014-19	2.39	1.49	0.87
HOUSEHOLDS			
2000	38,921	125,159	1,136,615
2010	50,156	151,732	1,272,677
2014E	52,373	157,810	1,316,673
2019E	59,190	169,997	1,380,185
Annual Growth Rate			
2000-10	2.57 %	1.94 %	1.14 %
2010-14	1.09	0.99	0.85
2014-19	2.48	1.50	0.95

E: Estimated.
Source: Scan/US and McComb Group, Ltd.

Chan-212 Shopping Goods trade area population and households, contained in Table 12, also includes the Convenience Goods trade area. Shopping Goods trade area population and households have been growing at a slower rate than the Convenience Goods trade area, but at a higher rate than the MSA. Shopping Goods trade area population for 2000 was 333,532 and increased to 394,528 by 2010, an annual growth rate of 1.69 percent. Trade area population rose to 407,361 by 2014, an increase of less than one percent from 2010 due to the recession and is expected to increase to 438,533 by 2019, an annual growth rate of 1.49 percent. Chan-212 Shopping Goods trade area households have been growing at faster rates. In 2000, Shopping Goods trade area households were 125,159 and increased to 151,732 by 2010, an annual increase of 1.94 percent. Estimates for 2014 indicate an increase to 157,810 households, further increasing to 169,997 by 2019, an annual increase of 1.50 percent.

Household Income

Average household income in Chan-212 Convenience Goods and Shopping Goods trade areas and the MSA is shown in Table 13. Average household income in the Convenience Goods trade area was $106,700 in 2010, compared to $96,786 in the Shopping Goods trade area and $80,346 in the MSA. It is estimated that average household incomes for these three areas will continue to increase through 2014, increasing Convenience Good trade area average household income to $113,852 and Shopping Goods trade area to $103,006. Further estimates show average household income increasing further to $123,093 in 2019 for the Convenience Goods trade area and $110,603 for the Shopping Goods trade area.

Table 13

CHAN-212 CONVENIENCE GOODS AND SHOPPING GOODS TRADE AREAS AND MINNEAPOLIS-ST. PAUL MSA: AVERAGE AND MEDIAN HOUSEHOLD INCOME 2000 AND 2010 CENSUS; 2014 AND 2019 ESTIMATED

	Trade Area		
	Convenience Goods	Shopping Goods	Minneapolis-St. Paul MSA
Average Household Income			
2000	$ 92,335	$ 82,151	$ 67,906
2010	106,700	96,786	80,346
2014E	113,852	103,006	85,611
2019E	123,093	110,603	91,814
Median Household Income			
2000	$ 74,242	$ 65,325	$ 54,202
2010	84,104	76,146	62,518
2014E	93,092	83,841	66,941
2019E	102,347	91,761	71,838

E: Estimated.
Source: McComb Group, Ltd.

The proportion of Chan-212 Convenience Goods and Shopping Goods trade areas households with incomes above $75,000, $100,000 and $150,000 are shown in Table 14.

Table 14

CHAN-212 CONVENIENCE GOODS AND SHOPPING GOODS TRADE AREAS AND MINNEAPOLIS-ST. PAUL MSA: HOUSEHOLD INCOME DISTRIBUTION 2000 AND 2010 CENSUS; 2014 AND 2019 ESTIMATED

	Trade Area					
	Convenience Goods		Shopping Goods		Minneapolis-St. Paul MSA	
	Number	Percent	Number	Percent	Number	Percent
Households above $75,000						
2000	18,534	47.6 %	48,497	38.7 %	357,430	31.4 %
2010	27,187	54.2	73,789	48.6	524,039	41.2
2014E	29,925	57.1	81,683	81.8	580,354	44.1
2019E	36,387	61.5	96,362	56.7	673,744	48.8
Households above $100,000						
2000	11,614	29.8 %	28,848	23.0 %	191,856	16.9 %
2010	19,360	38.6	50,234	23.1	337,204	26.5
2014E	22,872	43.7	60,102	38.1	405,039	30.8
2019E	28,033	47.4	71,104	41.8	472,714	34.3
Households above $150,000						
2000	4,766	12.2 %	12,257	9.8 %	66,951	5.9 %
2010	9,633	19.2	23,046	15.2	137,166	10.8
2014E	13,061	24.9	31,857	20.2	194,563	14.8
2019E	17,672	29.9	42,113	24.8	258,648	18.7

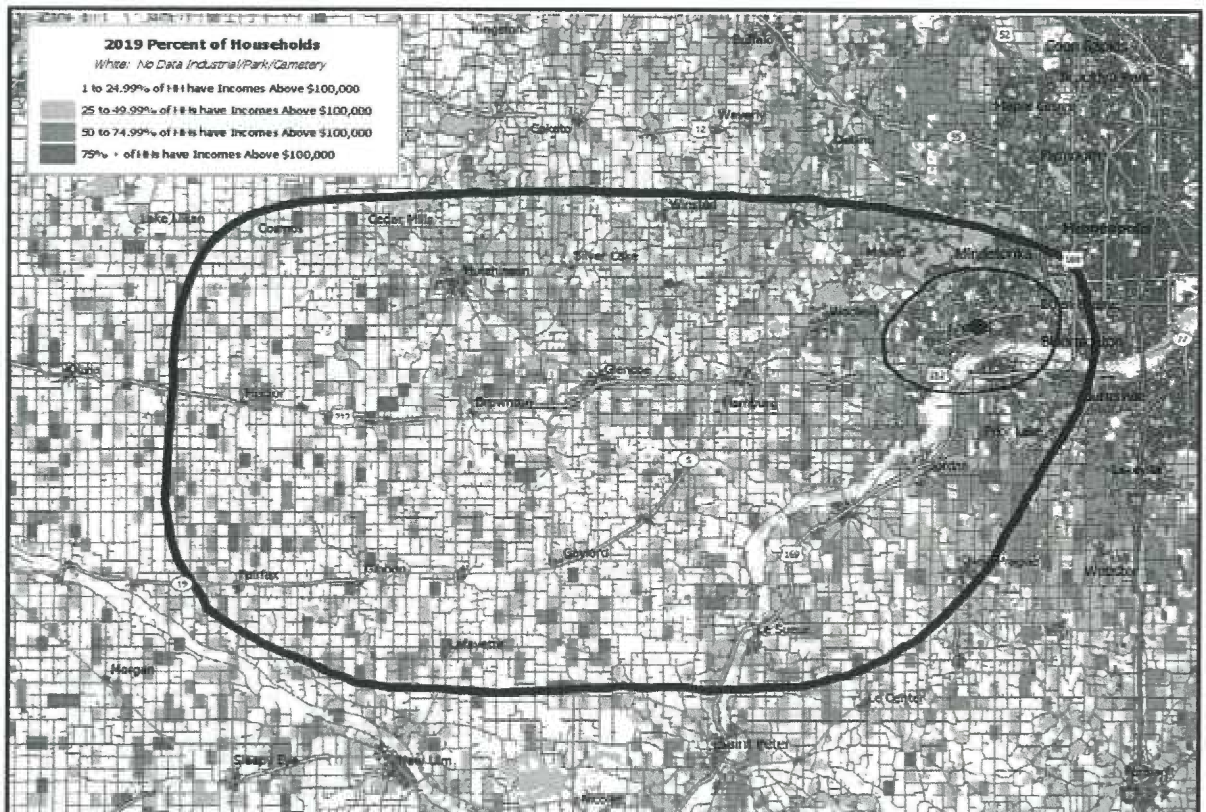
E: Estimated.
Source: McComb Group, Ltd.

In 2010, households with incomes above $75,000 represented 54.2 percent for the Convenience Goods trade area and 48.6 percent for the Shopping Goods trade area. Households with incomes above $100,000 in 2010 were 38.6 percent for the Convenience Goods trade area and 23.1 percent for the Shopping Goods trade area. Estimates show these proportions increasing through 2019 when it is estimated that over 47 percent of the Convenience Goods trade area households will have incomes above $100,000 and 41.8 percent of Shopping Goods trade area households will have incomes over $100,000.

Distribution of households with incomes above $100,000, shown on Map 7, demonstrates that the more affluent households are distributed throughout the area, with the highest concentrations in the northern and eastern portions of the trade areas.

Map 7

CHAN-212 CONVENIENCE GOODS AND SHOPPING GOODS TRADE AREAS
2019 ESTIMATED HOUSEHOLD INCOME: PERCENT ABOVE $100,000



Source: Scan/US, Inc. and McComb Group, Ltd.

Educational Attainment

Adult residents of the Chan-212 Convenience Goods trade area are highly educated with 52.7 percent holding either a college or graduate degree in 2014, as shown in Table 15. This group includes 31,280 college graduates (36.2 percent) and 14,233 graduate degrees (16.5 percent). This educated pattern extends to the Shopping Goods trade area where 78,417 residents held college degrees and 33,832 have graduate degrees.

Table 15

CHAN-212 CONVENIENCE GOODS AND SHOPPING GOODS TRADE AREAS AND MINNEAPOLIS-ST. PAUL MSA
EDUCATIONAL ATTAINMENT: 2000 AND 2010 CENSUS; 2014 AND 2019 ESTIMATED

	2000		2010		2014 E		2019 E	
Attainment	Number	Percent	Number	Percent	Number	Percent	Number	Percent
CONVENIENCE GOODS TRADE AREA								
No College	12,236	19.2 %	14,538	17.5 %	15,046	17.4 %	16,898	17.4 %
Some College/2 yr. Degree	20,308	31.9	24,734	29.7	25,840	29.9	28,904	29.8
College Graduate	22,875	35.9	30,371	36.5	31,280	36.2	35,278	36.4
Graduate School	8,237	12.9	13,620	16.4	14,233	16.5	15,924	16.4
SHOPPING GOODS TRADE AREA								
No College	53,206	26.9 %	59,311	23.8 %	60,948	23.6 %	63,627	23.6 %
Some College/2 yr. Degree	65,983	33.3	81,035	32.6	84,534	32.8	88,245	32.7
College Graduate	57,206	28.9	76,167	30.6	78,417	30.4	82,462	30.6
Graduate School	21,689	10.9	32,293	13.0	33,832	13.1	35,283	13.1
MINNEAPOLIS-ST. PAUL MSA								
No College	483,289	28.1 %	507,695	25.3 %	518,016	25.3 %	546,728	25.2 %
Some College/2 yr. Degree	606,358	35.2	679,794	33.9	694,199	33.9	733,140	33.8
College Graduate	440,341	25.6	550,877	27.5	563,878	27.5	596,216	27.5
Graduate School	192,249	11.2	268,265	13.4	274,608	13.4	290,351	13.4

N/A: Not Available or Not Applicable.
E: Estimated.

Source: U.S. Census, Scan/US and McComb Group, Ltd.

Employment

Employment by industry and employment by occupation in 2014 for the Chan-212 trade areas and MSA are shown in Tables 16 and 17. This data is compiled by Scan/US, Inc. a provider of demographic data and is drawn from a comprehensive industry-standard business list of over 13 million establishments covering 148 million employees.

Employment by industry, as shown on Table 16, demonstrates that services, retail trade, and manufacturing are the leading employment industries for both trade areas, as well as the MSA. Chan-212 Convenience Goods trade area has an estimated 87,214 employees working at over 6,000 establishments. Services represent over 38 percent of the Convenience Goods trade area employment; retail trade represents over 20 percent; and manufacturing represents almost 17 percent.

Employment by industry for the Shopping Goods trade area indicates that over 40 percent of the over 247,000 employees are employed in the service industry, 18.3 percent in retail trade, and 15.5 percent in manufacturing. Employment by industry for the MSA indicates that service employees represent over 42 percent of employees, retail trade employees represent 20 percent, and manufacturing represents over 11 percent of MSA employees.

Table 16

CHAN-212 CONVENIENCE GOODS AND SHOPPING GOODS TRADE AREAS AND MINNEAPOLIS-ST. PAUL MSA: 2014 EMPLOYMENT BY INDUSTRY

	Trade Areas					
	Convenience Goods		Shopping Goods		MSA	
	Number	Percent	Number	Percent	Number	Percent
Establishments	6,088		18,344		154,292	
Average employees per establishment	14		13		14	
Total Employees	87,214		247,470		2,148,822	
Agriculture/forestry/fishing	993	1.1 %	3,279	1.3 %	19,422	0.9 %
Mining	14	0.0	42	0.0	758	0.0
Construction	2,976	3.4	9,735	3.9	80,739	3.8
Manufacturing	14,404	16.5	38,315	15.5	243,954	11.4
Transport/comm/utilities	2,351	2.7	6,940	2.8	85,583	4.0
Wholesale trade	4,864	5.6	12,744	5.1	93,079	4.3
Retail trade	17,610	20.2	45,348	18.3	428,740	20.0
Finance/insurance/real estate	4,039	4.6	15,575	6.3	170,552	7.9
Services	33,838	38.8	103,345	41.8	908,957	42.3
Government/other	6,126	7.0	12,147	4.9	117,038	5.4

Source: Scan/US and McComb Group, Ltd.

Employment by occupation for Chan-212 trade areas and the MSA are shown in Table 17. Management and professionals and sales and office occupations rank the highest for all three areas. Management and professionals occupations represent one third of all employment for both trade areas and MSA, while sales and office employment represents one quarter of all employment for all three areas.

Table 17

CHAN-212 CONVENIENCE GOODS AND SHOPPING GOODS TRADE AREAS AND MINNEAPOLIS-ST. PAUL MSA: 2014 EMPLOYMENT BY OCCUPATION

	Trade Areas					
	Convenience Goods		Shopping Goods		MSA	
	Number	Percent	Number	Percent	Number	Percent
Establishments	6,088		18,344		154,292	
Average employees per establishment	14		13		14	
Total Employees	87,214		247,470		2,148,822	
Management and Professionals	29,401	33.7 %	83,940	33.9 %	751,180	35.0 %
Service	13,775	15.8	38,490	15.6	351,213	16.3
Sales and Office	21,739	24.9	62,662	25.3	552,844	25.7
Natural Resources/Construction/Maintenance	6,652	7.6	19,902	8.0	166,400	7.7
Production/Transportation	15,162	17.4	40,906	16.5	311,116	14.5
Unclassified	485	0.6	1,570	0.6	16,069	0.7

Source: Scan/US and McComb Group, Ltd.

Demographic Characteristics

Demographic characteristics for Chan-212 Convenience Goods and Shopping Goods trade areas and the MSA are summarized in the demographic snapshots contained in Tables 18, 19, and 20 at the end of this chapter. These snapshots contain census data for 2000 and 2010, as well as estimates for 2014 and 2019. These estimates were provided by Scan/US, Inc., a source of Census comparable demographic information. Significant characteristics of Chan-212 trade areas include the following:

- Chan-212 Shopping Goods trade area population is older than the Convenience Trade area and MSA population with a median age of 41, compared to the Convenience Trade area median age of 39 and MSA median age of 37.

- Chan-212 Convenience Goods and Shopping Goods trade areas population is estimated to increase at 2.39 percent and 1.49 percent, respectively, through 2019, which is above the MSA's annual population growth rate of 0.87 percent.

- In 2014, approximately 9.1 percent of the population in the Convenience Goods trade area was over the age of 65, which is expected to increase to about 12.0 percent by 2019. The Shopping Goods trade area and the MSA had about 12.0 percent of the population over the age of 65 in 2014, with expectations of an increase to over 15.0 percent by 2019.

- By 2019, almost 48 percent of the households within the Convenience Goods trade area and 42 percent in the Shopping Goods trade area will have incomes above $100,000, compared to only 34.3 percent in the MSA.

- Over 85 percent of the population within the Convenience Goods trade area is Caucasian, and about 90 percent in the Shopping Goods trade area are Caucasian. This is expected to remain constant through 2019.

Additional demographic characteristics for Chan-212 Convenience Goods and Shopping Goods trade areas are contained in Appendix A at the end of this report.

Purchasing Power

Retail sales potential for the Chan-212 Convenience Goods and Shopping Goods trade areas is based on estimated purchasing power and market share that can be achieved from the trade areas. Retail sales from residents living outside the trade areas are inflow sales. Purchasing power estimates of trade area residents are derived from retail sales by store type as reported by the Census of Retail Trade in 2002 and 2007. Retail sales for 2007 through 2012 were estimated using information available from the U.S. Department of Commerce. Future purchasing power estimates are expressed in constant 2014 dollars and reflect projected household growth.

Purchasing power is based on the number of trade area households adjusted to reflect income characteristics. Purchasing power, for the purpose of this analysis, includes retail categories that are characteristic of tenants that could be located at Chan-212. The estimated retail purchasing power summary table for the Chan-212 Convenience Goods and Shopping Goods trade areas for 2012, 2015, 2020 and 2025 is shown in Table 21. The purchasing power estimates used in this analysis are condensed from the full purchasing power tables, which are contained in a separate Appendix. These estimates represent the potential dollar sales for a broad range of retail stores generated by residents of each trade area.

The Chan-212 Convenience Goods trade area purchasing power is estimated at $2.4 billion in 2012 and is expected to increase to about $2.7 billion by 2015, an annual growth rate of 3.7 percent in constant 2014 dollars. Purchasing power for shopping goods in this trade area is expected to increase from $715.9 million in 2012 to $807.6 million in 2015. Convenience goods purchasing power for this trade area was estimated at $407.6 million in 2012, and is estimated to increase to $459.8 million by 2015.

Table 21

CHAN-212 CONVENIENCE GOODS AND SHOPPING GOODS TRADE AREAS
RETAIL PURCHASING POWER; 2012, 2015, 2020, AND 2025
(In Thousands of Constant 2014 Dollars)

Merchandise Category	2012	2015	2020	2025
Convenience Goods Trade Area				
Shopping Goods	$ 715,933	$ 807,573	$ 1,019,140	$ 1,217,730
Food Service & Drinking	269,449	303,942	383,567	458,309
Convenience Goods	407,591	459,763	580,209	693,267
Gasoline Service Stations & Convenience	296,279	334,203	421,756	503,940
Other Stores	710,456	801,398	1,011,344	1,208,415
Total	$ 2,399,708	$ 2,706,879	$ 3,416,016	$ 4,081,661
Shopping Goods Trade Area				
Shopping Goods	$ 2,009,920	$ 2,241,164	$ 2,726,633	$ 3,287,310
Food Service & Drinking	756,465	843,496	1,026,209	1,237,228
Convenience Goods	1,144,274	1,275,926	1,552,307	1,871,508
Gasoline Service Stations & Convenience	831,780	927,476	1,128,380	1,360,410
Other Stores	1,994,552	2,224,028	2,705,782	3,262,174
Total	$ 6,736,991	$ 7,512,090	$ 9,139,311	$ 11,018,630

Source: McComb Group, Ltd.

Total purchasing power for the Shopping Goods trade area is estimated at $6.7 billion in 2012 and is expected to increase to about $7.5 billion by 2015, an annual growth rate of 3.7 percent in constant 2014 dollars. Purchasing power for shopping goods in this trade area is expected to increase from $2.0 billion in 2012 to $2.2 billion in 2015. Convenience goods purchasing power for this trade area was estimated at $1.1 billion in 2012, estimated to increase to almost $1.3 billion by 2015.

Table 18

McComb Group, Ltd.

DEMOGRAPHIC AND INCOME SNAPSHOT

Chan-212 Convenience Goods Trade Area 6/19/2014

SNAPSHOT	2000 Census	2010 Census	2014 Estimated	2019 Projected
Population	108,340	134,614	139,366	156,825
Households	38,921	50,156	52,373	59,190
Families	28,742	35,828	37,454	42,375
Per Capita Income	$ 33,228	$ 39,829	$ 42,874	$ 46,546
Median Household Income	$ 74,242	$ 84,104	$ 93,092	$ 102,347
Average Household Income	$ 92,335	$ 106,700	$ 113,852	$ 123,093
Average Household Size	2.77	2.67	2.64	2.63
Median Age	33	37	39	40

	Annual Percent Change		
TRENDS	2000 - 2010	2010 - 2014	2014 - 2019
Population	2.20 %	0.87 %	2.39 %
Households	2.57	1.09	2.48
Families	2.23	1.12	2.50
Median Household Income	1.26	2.57	1.91
Average Household Income	1.46	1.64	1.57

	2000 Census		2010 Census		2014 Estimated		2019 Projected	
HOUSEHOLDS BY INCOME	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than $15,000	1,809	4.6 %	2,402	4.8 %	2,075	4.0 %	2,097	3.5 %
$15,000 - $24,999	2,173	5.6	3,174	6.3	2,655	5.1	2,177	3.7
$25,000 - $34,999	2,758	7.1	3,427	6.8	3,187	6.1	3,084	5.2
$35,000 - $49,999	4,789	12.3	4,877	9.7	5,706	10.9	6,995	11.8
$50,000 - $74,999	8,857	22.8	9,089	18.1	8,826	16.9	8,450	14.3
$75,000 - $99,999	6,920	17.8	7,827	15.6	7,053	13.5	8,354	14.1
$100,000 - $149,999	6,847	17.6	9,728	19.4	9,811	18.7	10,360	17.5
$150,000 +	4,766	12.2	9,633	19.2	13,061	24.9	17,672	29.9

POPULATION BY AGE	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<19	36,122	33.3 %	41,291	30.7 %	41,810	30.0 %	43,848	28.0 %
20-24	4,939	4.6	6,005	4.5	6,861	4.9	11,176	7.1
25-34	16,874	15.6	18,501	13.7	17,960	12.9	16,240	10.4
35-44	23,040	21.3	20,724	15.4	20,107	14.4	20,597	13.1
45-54	15,172	14.0	23,481	17.4	23,337	16.7	23,752	15.1
55-64	6,642	6.1	14,277	10.6	16,732	12.0	22,390	14.3
65-74	3,350	3.1	5,941	4.4	7,626	5.5	11,792	7.5
75-84	1,643	1.5	3,030	2.3	3,280	2.4	4,750	3.0
85+	558	0.5	1,364	1.0	1,652	1.2	2,280	1.5

RACE AND ETHNICITY	Number	Percent	Number	Percent	Number	Percent	Number	Percent
White	100,228	92.5 %	114,494	85.1 %	118,727	85.2 %	133,898	85.4 %
Black	1,580	1.5	4,778	3.5	4,888	3.5	5,398	3.4
Native American	338	0.3	519	0.4	531	0.4	613	0.4
Asian/Pacific Islander	3,600	3.3	8,682	6.4	8,852	6.4	9,777	6.2
Other Races	2,594	2.4	6,141	4.6	6,368	4.6	7,139	4.6
Hispanic (Any Race)	3,241	3.0	7,083	5.3	7,873	5.6	9,570	6.1

Source: U.S. Census, Scan/US, Inc. and McComb Group, Ltd.

Table 19

McComb Group, Ltd.

DEMOGRAPHIC AND INCOME SNAPSHOT

Chan-212 Shopping Goods Trade Area 6/19/2014

SNAPSHOT	2000 Census	2010 Census	2014 Estimated	2019 Projected
Population	333,532	394,528	407,361	438,533
Households	125,159	151,732	157,810	169,997
Families	89,673	106,108	110,591	119,378
Per Capita Income	$ 30,926	$ 37,307	$ 40,007	$ 42,977
Median Household Income	$ 65,325	$ 76,146	$ 83,841	$ 91,761
Average Household Income	$ 82,151	$ 96,786	$ 103,006	$ 110,603
Average Household Size	2.63	2.57	2.56	2.56
Median Age	36	39	41	42

	Annual Percent Change		
TRENDS	2000 - 2010	2010 - 2014	2014 - 2019
Population	1.69 %	0.80 %	1.49 %
Households	1.94	0.99	1.50
Families	1.70	1.04	1.54
Median Household Income	1.54	2.44	1.82
Average Household Income	1.65	1.57	1.43

	2000 Census		2010 Census		2014 Estimated		2019 Projected	
HOUSEHOLDS BY INCOME	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than $15,000	8,705	7.0 %	9,926	6.5 %	8,667	5.5 %	8,064	4.7 %
$15,000 - $24,999	9,251	7.4	10,774	7.1	9,014	5.7	7,550	4.4
$25,000 - $34,999	11,083	8.9	11,516	7.6	10,453	6.6	9,746	5.7
$35,000 - $49,999	18,092	14.5	16,996	11.2	20,097	12.7	22,775	13.4
$50,000 - $74,999	29,531	23.6	28,731	18.9	27,896	17.7	25,501	15.0
$75,000 - $99,999	19,649	15.7	23,556	15.5	21,582	13.7	25,257	14.9
$100,000 - $149,999	16,591	13.3	27,187	17.9	28,245	17.9	28,992	17.1
$150,000 +	12,257	9.8	23,046	15.2	31,857	20.2	42,113	24.8

POPULATION BY AGE	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<19	101,866	30.5 %	113,893	28.9 %	114,906	28.2 %	117,819	26.9 %
20-24	15,400	4.6	17,376	4.4	19,440	4.8	29,103	6.6
25-34	45,711	13.7	49,407	12.5	48,104	11.8	42,969	9.8
35-44	62,970	18.9	57,511	14.6	55,737	13.7	54,456	12.4
45-54	48,983	14.7	66,218	16.8	65,174	16.0	62,914	14.3
55-64	26,765	8.0	46,357	11.7	52,901	13.0	63,099	14.4
65-74	16,557	5.0	23,530	6.0	28,898	7.1	39,878	9.1
75-84	11,021	3.3	13,492	3.4	14,190	3.5	18,546	4.2
85+	4,259	1.3	6,745	1.7	8,012	2.0	9,748	2.2

RACE AND ETHNICITY	Number	Percent	Number	Percent	Number	Percent	Number	Percent
White	315,363	94.6 %	354,313	89.8 %	366,114	89.9 %	394,565	90.0 %
Black	3,092	0.9	9,014	2.3	9,229	2.3	9,778	2.2
Native American	1,047	0.3	1,568	0.4	1,617	0.4	1,764	0.4
Asian/Pacific Islander	6,849	2.1	15,978	4.0	16,350	4.0	17,394	4.0
Other Races	7,181	2.2	13,655	3.5	14,051	3.4	15,032	3.4
Hispanic (Any Race)	8,380	2.5	15,824	4.0	17,424	4.3	20,291	4.6

Source: U.S. Census, Scan/US, Inc. and McComb Group, Ltd.

Table 20

McComb Group, Ltd.

DEMOGRAPHIC AND INCOME SNAPSHOT

Minneapolis-St. Paul MSA 6/26/2014

SNAPSHOT	2000 Census	2010 Census	2014 Estimated	2019 Projected
Population	2,968,808	3,279,833	3,361,394	3,510,623
Households	1,136,615	1,272,677	1,316,673	1,380,185
Families	744,303	821,127	851,800	895,465
Per Capita Income	$ 26,170	$ 31,330	$ 33,716	$ 36,282
Median Household Income	$ 54,202	$ 62,518	$ 66,941	$ 71,838
Average Household Income	$ 67,906	$ 80,346	$ 85,611	$ 91,814
Average Household Size	2.56	2.53	2.50	2.50
Median Age	34	36	37	39

	Annual Percent Change		
TRENDS	2000 - 2010	2010 - 2014	2014 - 2019
Population	1.00 %	0.62 %	0.87 %
Households	1.14	0.85	0.95
Families	0.99	0.92	1.00
Median Household Income	1.44	1.72	1.42
Average Household Income	1.70	1.60	1.41

	2000 Census		2010 Census		2014 Estimated		2019 Projected	
HOUSEHOLDS BY INCOME	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than $15,000	104,773	9.2 %	119,486	9.4 %	106,379	8.1 %	98,748	7.2 %
$15,000 - $24,999	104,775	9.2	107,508	8.4	91,764	7.0	77,172	5.6
$25,000 - $34,999	125,167	11.0	113,166	8.9	102,976	7.8	92,979	6.7
$35,000 - $49,999	179,244	15.8	163,267	12.8	190,292	14.5	212,213	15.4
$50,000 - $74,999	265,227	23.3	245,211	19.3	244,908	18.6	225,329	16.3
$75,000 - $99,999	165,574	14.6	186,835	14.7	175,315	13.3	201,030	14.6
$100,000 - $149,999	124,905	11.0	200,038	15.7	210,476	16.0	214,066	15.5
$150,000 +	66,951	5.9	137,166	10.8	194,563	14.8	258,648	18.7

POPULATION BY AGE	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<19	873,681	29.4 %	903,970	27.6 %	903,080	26.9 %	914,622	26.1 %
20-24	193,790	6.5	214,482	6.5	213,991	6.4	227,166	6.5
25-34	457,105	15.4	477,668	14.6	478,978	14.2	439,417	12.5
35-44	528,024	17.8	455,201	13.9	447,282	13.3	467,452	13.3
45-54	405,724	13.7	508,014	15.5	489,532	14.6	463,291	13.2
55-64	225,541	7.6	370,829	11.3	416,363	12.4	468,166	13.3
65-74	145,808	4.9	187,685	5.7	234,287	7.0	311,635	8.9
75-84	100,485	3.4	110,341	3.4	117,048	3.5	145,051	4.1
85+	38,650	1.3	51,643	1.6	60,833	1.8	73,823	2.1

RACE AND ETHNICITY	Number	Percent	Number	Percent	Number	Percent	Number	Percent
White	2,556,853	86.1 %	2,656,553	81.0 %	2,727,284	81.1 %	2,857,513	81.4 %
Black	157,963	5.3	243,414	7.4	246,995	7.3	253,180	7.2
Native American	21,590	0.7	22,726	0.7	23,410	0.7	24,550	0.7
Asian/Pacific Islander	124,025	4.2	189,401	5.8	192,381	5.7	197,766	5.6
Other Races	108,377	3.7	167,739	5.1	171,324	5.1	177,614	5.1
Hispanic (Any Race)	99,121	3.3	176,283	5.4	190,243	5.7	212,333	6.0

Source: U.S. Census, Scan/US, Inc. and McComb Group, Ltd.

Chapter V

RETAIL SALES TRENDS

Future sales potential at Chan-212 shopping center are based on market share that can be achieved taking into consideration trade area households, future growth, and potential competitive developments. Market share estimates for Chanhassen are based on estimated 2012 retail and service sales in Chanhassen.

Retail sales estimates for 2012 were prepared for Chanhassen utilizing retail sales information from the Minnesota Department of Revenue and McComb Group's knowledge of the Twin Cities retail market. Retail sales for 2002, 2007, and 2012 are contained in Table 22. Retail sales in Chanhassen increased from $181.6 million in 2002 to $390.9 million in 2007, according to the U.S. Census of Retail Trade. This represents an average annual increase of 16.6 percent. Comparable sales for 2012 are not available.

Table 22

CHANHASSEN RETAIL AND SERVICES SALES: 2002, 2007 AND 2012 ESTIMATED
(Thousands of Dollars)

	2002		2007		2012 Estimated	
Store Type	Number	Dollars	Number	Dollars	Number	Dollars
RETAIL TRADE	78	$ 181,607	76	$ 390,924	N/A	N/A
Convenience Retail						
Food Stores	4	$ 48,861	4	$ 53,650	4	$ 67,650
Liquor Stores	6	7,725	5	8,475	7	11,250
Pharmacies and Drug Stores	6	11,978	6	13,141	3	16,938
Food Service						
Full-Service Food Service	11	$ 11,802	12	$ 19,364	12	$ 18,795
Limited Service Food Service	22	14,797	21	21,956	30	21,347
Convenience/Gasoline	7	$ 18,567	8	$ 48,077	8	$ 39,977
Shopping Goods						
Clothing and Clothing Accessories Stores	1		2		3	$ 1,154
Furniture and Home Furnishings	4		10		4	3,364
Electronics	1		2		3	2,976
Sporting Goods, Hobby, Book, and Music Stores	5	2,960	6	3,553		1,877
Home Improvement						
Building Material/Garden Equipment/Supplies Dealers	12	$ 29,215	13	$ 42,455	12	$ 84,807
Motor Vehicle & Parts						
Automotive Parts and Accessories	10	8,938	5	6,224	2	2,829
SERVICES						
Personal Services						
Personal and Laundry Services	15		35		36	$ 28,388
Hair, Nail, and Skin Care Services	6		24	7,049	16	23,586
Beauty Salons	6		20		12	6,710
Nail Salons					4	1,120
Repair Services						
Repair and Maintenance						
Automotive Repair and Maintenance	22	60,835	25	33,901	25	N/A
HEALTH CARE						
Ambulatory Health Care Services	16	$ 17,193	26	$ 47,993	30	$ 60,305
Offices of Dentists	5	3,622	10	7,524	9	9,589

D: Suppressed by U.S. Census Bureau.
Source: U.S. Census Bureau and McComb Group, Ltd.

Estimates indicate large increases in home improvement sales increased from $42.5 million to $84.8 million between 2007 and 2012. Sales estimates for personal services are $28.4 million for 2012 and health care is estimated at $60.3 million.

Market Share

Chanhassen's retail and service sales for 2012 are compared with purchasing power in Table 23to determine market share. Purchasing power for 2012 was calculated by McComb Group's sales potential model for both the Convenience Goods and Shopping Goods trade areas. Market share estimates are based on convenience goods purchasing power for categories where customers typically shop close to home. Shopping goods purchasing power is used for comparison shopping and destination categories. Retail sales derived from Chan-212 trade areas were estimated for each retail category to determine trade area sales and market share as a percent of purchasing power.

Table 23

CHANHASSEN MARKET SHARE; 2012
(In Thousands of Dollars)

Store Type	Purchasing Power		Retail Sales	Trade Area Percent	Trade Area Sales	Market Share
RETAIL TRADE						
Convenience Retail						
Grocery Stores	$ 232,976		$ 67,650	85%	$ 57,503	24.68 %
Liquor Stores	40,006		11,250	85%	9,563	23.90
Drug Stores	101,427		16,938	85%	14,397	14.19
Food Service						
Full Service Food Service	$ 111,310	*	$ 18,795	80%	$ 15,036	13.51 %
Limited Service Food Service	84,718	*	17,078	80%	13,662	16.13
Convenience/Gasoline	$ 266,392		$ 39,977	70%	$ 27,984	10.50 %
Shopping Goods						
Clothing & Accessories Stores	$ 281,464	*	$ 1,154	70%	$ 808	0.29 %
Furniture & Home Furnishings	194,236	*	3,364	70%	2,355	1.21
Electronics and Appliances Stores	205,468	*	2,976	70%	2,083	1.01
Sporting Goods, Hobby, Book & Music Stores	135,436	*	1,877	70%	1,314	0.97
Home Improvement						
Building Material/Garden Equip./Supplies Dealers	$ 617,063	*	$ 84,807	90%	$ 76,326	12.37 %
Lawn and Garden Equipment and Supplies Stores	76,638	*	4,366	90%	3,929	5.13
Motor Vehicles & Parts						
Automotive Parts Dealers	$ 20,238		$ 2,829	90%	$ 2,546	12.58 %
Tire Dealers	15,296		2,366	90%	2,129	13.92
SERVICES						
Personal Services						
Drycleaning and Laundry Services	$ 14,391		$ 3,682	90%	$ 3,314	23.03 %
Beauty Salons	21,852		6,710	85%	5,704	26.10
HEALTH CARE						
Ambulatory Health Care Servcies	$ 376,045		$ 60,305	80%	$ 48,244	12.83 %
Offices of Dentists	84,404		9,589	80%	7,671	9.09

* Shopping goods purchasing power.
Source: U.S. Census Bureau and McComb Group, Ltd.

Using grocery stores as an example, purchasing power in 2012 was estimated at $233.0 million. Retail sales were estimated at $67.6 million with 85 percent of those sales assumed to be derived from the trade area. This results in trade area sales of $57.5 million, which is 24.68 percent of estimated trade area purchasing power or market share. Liquor store sales of $11.2 million results in market share of 23.90 percent, similar to grocery stores. Drug store market share was estimated at 14.19 percent.

The food service category is divided into two segments: full service and limited service. Full service restaurants retail sales of $18.8 million results in a market share of 13.51 percent of convenience goods purchasing power with 80 percent of sales derived from the trade area. Limited service establishments had a 16.13 percent market share. Market share in convenience retail categories ranges from 14.19 percent to 24.68 percent.

Market share for shopping goods categories ranges from a low of 0.29 percent for clothing and accessories to 1.21 percent for furniture based on Shopping Goods trade area purchasing power. This low market share reflects sales of the limited number of shopping goods stores and their limited drawing power. Market share for individual service categories ranges from 23.03 percent for dry cleaning and laundry services to 26.10 percent for beauty salons. These market share calculations were used to estimate future market share for Chan-212 and determine the amount of retail space that can be supported at Chan-212.

Retail and service sales potential for Chan-212 is based on market share that can be achieved taking into consideration past market share trends, trade area households, future growth, and potential competitive developments. Market share estimates are based on analysis conducted as part of this engagement and McComb Group's knowledge of the Minneapolis-St. Paul MSA retail market. Sales potential was estimated for target years 2015, 2020, and 2025 to identify growth in retail and service sales as trade area households and purchasing power increase.

Purchasing power is derived from Chapter IV. Market share was estimated for each retail and service category taking into consideration past market share performance, trade area size, competitive store locations, and industry experience. Trade area market share for Chan-212 by store type is shown in Table 24.

Using apparel and accessories stores in the shopping goods category as an example, market share is 12.5 percent with an estimated 75 percent of the sales being derived from the Shopping Goods trade area. Full service restaurant market share is estimated at 6.0 percent with 80 percent of the sales being derived from the Shopping Goods trade area. Grocery store market share is 15.0 percent with 90 percent of the sales being derived from the Shopping Goods trade area. Convenience/gasoline is a possibility for the proposed location, either freestanding or as a component of a grocery store site. Market share is 1.0 percent with 90 percent of sales from the trade area. Services market share ranges from 10.0 to 20.0 percent with 80 percent of the sales being derived from the Convenience Goods trade area. The above market share estimates reflect the fact that the proposed Chan-212 shopping center will draw customers from a large area, and will capture, in general, 5.0 to 20.0 percent of trade area spending potential.

Table 24

CHAN-212 TRADE AREAS
MARKET SHARE AND TRADE AREA SALES

Store Type	Market Share	Percent Sales
Shopping Goods		
General Merchandise	10.0-20.0 %	75 %
Apparel & Accessories	12.5	75
Furniture & Home Furnishings	12.5	75
Electronics & Appliances Stores	15.0	75
Other Shopping Goods*	12.5	75
Food Service		
Full Service Restaurants	6.0 %	80 %
Limited Service Restaurants	5.0	80
Snack & Beverage Places	5.0	80
Convenience Goods		
Grocery Stores	15.0 %	90 %
Drug & Proprietary Stores	7.5	90
Liquor Stores	15.0	90
Hardware Stores	7.5	90
Convenience/Gasoline Stores	1.0 %	90 %
Other Retail Stores		
Building Materials	15.0 %	95 %
Auto Parts & Accessories	7.5	95
Services*	10.0-20.0 %	80 %
Health Care*	10.0 %	85 %

* Convenience Goods trade area purchasing power.
Source: McComb Group, Ltd.

Sales Potential

Estimating retail and service space demand is a two-step process. Sales potential for each retail or service category is estimated first to determine if retail sales are sufficient to support a store. Next, store size is determined based on store productivity and typical store size for each category. This methodology is illustrated for 2015 in Tables 25 and 26. These tables use selected convenience goods and shopping goods stores as an example to illustrate how sales potential and supportable square footage of retail stores and services is determined. Grocery store resident purchasing power in 2015 is estimated at $254.4 million in constant 2014 dollars, as shown in Table 25. Market share of 15.0 percent results in $38.2 million of trade area sales. Due to the large trade area, 90 percent of sales are estimated to be derived from the trade area. Inflow sales are estimated at $4.3 million or 5.0 percent of sales resulting in total sales of $42.5 million. Department store sales potential is estimated at $35.4 million assuming a 20.0 percent market share with 75 percent of sales derived from the trade area. Apparel and accessories market share is estimated at 12.5 percent with 75 percent of sales derived from the trade area. Sales potential for women's clothing and family clothing is $9.8 million and $22.8 million, respectively.

Table 25

CHAN-212 SHOPPING CENTER
RETAIL PURCHASING POWER, MARKET SHARE, AND SALES POTENTIAL; 2015
BY MERCHANDISE CATEGORY
(In Thousands of 2014 Constant Dollars)

Merchandise Category	Resident Purchasing Power	Estimated Market Share	Trade Area Sales	Trade Area Percent	Other Shoppers	Estimated Total Sales
CONVENIENCE GOODS						
Grocery Stores	$ 254,437	15.0 %	$ 38,166	90 %	$ 4,328	$ 42,494
Drug & Proprietary Stores	113,054	7.5	8,479	90	942	9,421
Liquor	44,592	15.0	6,689	90	743	7,432
SHOPPING GOODS						
Department Stores	$ 132,602	20.0 %	$ 26,520	75 %	$ 8,840	$ 35,360
Apparel & Accessories Stores						
Men's and Boy's	$ 13,260	12.5 %	$ 1,658	75 %	$ 553	$ 2,211
Women's Clothing	58,934	12.5	7,367	75	2,456	9,823
Children's & Infants	27,257	12.5	3,407	75	1,136	4,543
Family Clothing	137,022	12.5	17,128	75	5,709	22,837
Clothing Accessories Stores	8,103	12.5	1,013	75	338	1,351
Other Clothing Stores	22,100	12.5	2,763	75	921	3,684

Source: McComb Group, Ltd.

Supportable Space

Retail gross leasable area (GLA) supported by estimated sales potential for each retail store category is based on estimated sales per square foot (in 2014 dollars) by store type. Sales per square foot estimates are derived from median store sales per square foot for each tenant type contained in *Dollars & Cents of Shopping Centers*, published by the Urban Land Institute, and have been increased to reflect sales per square foot in 2014. Supportable GLA is calculated by dividing sales potential by sales per square foot. This analysis was used to provide an estimate of the supportable square footage in each retail store category.

Supportable square feet of GLA is based on estimated sales divided by typical sales per square foot for each retail store type, as shown in Table 26. Using grocery stores as an example, supportable GLA is based on sales potential of $43.3 million divided by $460 per square foot resulting in supportable GLA of about 94,087 square feet. Drug store supportable square footage is about 20,480 square feet. Supportable square footage of liquor stores is about 19,800 square feet. Supportable GLA is determined for other stores in the manner described above.

The last three columns in this table contain the low, median, and high store size for each store type from *Dollars & Cents of Shopping Centers*. Median store size indicates a typical size for a store in each retail category. To the extent that supportable square footage is about the same as the median store size or larger, sales potential exists to support that store type. Supportable square footage by retail and service category for each target year are contained in Table 27 in Chapter VI.

Table 26

CHAN-212 SHOPPING CENTER
RETAIL SALES POTENITAL AND SUPPORTABLE SPACE; 2015
BY MERCHANDISE CATEGORY

Category	Estimated Sales Potential	Sales Sq. Ft.	Supportable Sq. Ft.	Store Size Low	Store Size Median	Store Size High
CONVENIENCE GOODS						
Grocery Stores	$43,280,000	$460	94,087	31,676	52,500	65,888
Drug & Proprietary Stores	9,421,000	460	20,480	8,280	11,700	23,714
Liquor	7,432,000	375	19,819	1,305	2,856	7,210
SHOPPING GOODS						
Department Stores	$35,360,000	$225	157,156	89,641	148,796	243,167
Apparel & Accessories Stores						
Men's and Boy's	$ 2,211,000	$220	10,050	2,002	4,000	5,635
Women's Clothing	9,823,000	200	49,115	2,074	4,200	8,740
Children's & Infants	4,543,000	240	18,929	1,490	3,912	6,000
Family Clothing	22,837,000	260	87,835	2,374	8,000	28,228
Clothing Accessories Stores	1,351,000	290	4,659	918	1,400	2,001
Other Clothing Stores	3,684,000	265	13,902	1,060	2,300	8,234

Source: McComb Group, Ltd.

Store types and median store sizes used in this analysis are based on current retail formats and store size. Since this study extends over a 10-year period, store types and concepts may change during this period. Recent trends have been for many store types to increase in size to accommodate a larger selection of merchandise and increase customer attraction.

Chapter VI

SALES POTENTIAL AND SUPPORTABLE GLA

The Chan-212 Convenience Goods and Shopping Goods trade areas have the potential to support more GLA than can be accommodated at the proposed development. This creates the enviable situation where the developer can choose from a wide variety of retail stores to establish its market position.

Supportable GLA

Estimated Chan-212 supportable GLA by retail store type is contained in Table 27. In almost every category, supportable space exceeds the median store size. These estimates of supportable square feet are likely to be understated due to the high trade area household income. Also, there are likely to be a large proportion of high income and high asset households where there are few constraints on discretionary spending.

Table 27

CHAN-212 SHOPPING GOODS SUPPORTABLE GLA BY MERCHANDISE CATEGORY
(Gross Leasable Area)

Merchandise Category	2015	2020	2025	Store Size Low	Store Size Median	Store Size High
CONVENIENCE GOODS						
Food Stores						
Grocery Stores	94,087	113,202	135,261	31,676	52,500	65,888
Supermarkets	92,189	110,915	132,528	31,245	52,419	69,462
Convenience Food	2,913	3,507	4,190	1,349	2,085	5,323
Specialty Food Stores	7,650	9,205	11,000	1,188	2,400	6,000
Meat Markets	2,529	3,036	3,631	1,130	2,215	18,080
Baked Goods	524	632	756	1,191	1,834	3,285
Confectionery and Nut Stores	409	494	591	702	1,240	2,047
All Other Specialty Food Stores	1,095	1,315	1,570	1,069	2,200	8,007
Other Convenience Goods						
Drug & Proprietary Stores	20,480	24,643	29,443	8,280	11,700	23,714
Hardware	7,795	9,384	11,211	5,638	13,831	27,743
Liquor	19,819	23,845	28,491	1,305	2,856	7,210
Florist	2,879	3,463	4,137	766	1,600	5,396
Food/Health Supplement Stores	1,400	1,684	2,012	1,200	1,234	1,968
Food Service						
Full-Service Restaurants	72,594	88,319	106,481	2,000	4,500	9,775
Limited Service Restaurants	41,438	50,415	60,783	1,335	3,000	3,400
Cafeterias	3,528	4,294	5,170	517	1,073	10,049
Snack & Beverage Places	14,733	17,927	21,613	850	1,500	2,495
Ice Cream & Soft Serve	1,702	2,071	2,492	902	1,148	1,570
Frozen Yogurt	275	340	405	1,031	1,282	1,700
Doughnut Shops	3,518	4,277	5,159	744	1,200	2,153
Bagel Shops	804	978	1,178	2,000	2,388	3,400
Coffee Shops	4,698	5,713	6,888	881	1,500	2,000
Cookie Shops	138	170	203	220	602	797
Other Snack Shops	2,456	2,986	3,600	850	1,578	2,495
Gasoline Svs Stations/Conv.						
Gas/Convenience Food Stores	6,619	8,052	9,708	1,500	2,933	6,121

Table 27 (continued)

CHAN-212 SHOPPING GOODS SUPPORTABLE GLA
BY MERCHANDISE CATEGORY
(Gross Leasable Area)

				Store Size		
Merchandise Category	2015	2020	2025	Low	Median	High
SHOPPING GOODS						
General Merchandise						
Department Stores (Incl. leased depts.)						
Discount Stores	216,484	263,376	317,536	57,720	94,788	141,986
Department Stores	157,156	191,200	230,520	89,641	148,796	243,167
Other General Merchandise Stores						
Warehouse Clubs and Supercenters	270,224	328,758	396,362	90,134	151,980	217,447
Dollar Stores	23,218	28,250	34,055	2,726	8,000	13,788
Miscellaneous General Merchandise	47,148	57,360	69,156	3,200	8,400	11,212
Apparel & Accessories						
Clothing Stores						
Mens and Boys	10,050	12,223	14,732	2,002	4,000	5,635
Womens Clothing	49,115	59,755	72,040	2,074	4,200	8,740
Children's & Infant	18,929	23,029	27,767	1,490	3,912	6,000
Family Clothing	87,835	106,862	128,835	2,374	8,000	28,228
Clothing Accessories Stores	4,659	5,666	6,831	918	1,400	2,001
Other Clothing Stores	13,902	16,909	20,389	1,060	2,300	8,234
Shoe Stores						
Men's	921	1,117	1,348	903	1,640	2,186
Women's	1,759	2,137	2,574	1,309	2,384	3,158
Children's & Infant	424	514	621	1,490	3,912	6,000
Family Shoe Stores	28,063	34,143	41,166	2,021	3,388	10,234
Athletic Footwear	11,931	14,514	17,491	1,535	3,284	11,314
Furniture & Home Furnishings						
Furniture	74,612	90,773	109,442	3,108	7,927	36,712
Floor Coverings	32,742	39,836	48,022	1,229	3,593	7,819
Window Treatment Stores	3,510	4,267	5,143	1,489	4,905	9,934
All Other Home Furnishings Stores	49,114	59,749	72,040	2,868	3,570	6,500
Electronics & Appliances Stores						
Household Appliance Stores	26,255	31,938	38,505	2,349	4,000	7,563
Radio, TV & Electronics Stores	99,203	120,693	145,517	1,208	3,406	10,451
Computers, Software, Music, & Other Electronics	15,241	18,543	22,357	997	3,388	25,600
Other Shopping Goods						
Sporting Goods	81,035	98,585	118,860	2,238	7,500	44,116
General Line Sporting Goods	33,155	40,335	48,625	3,765	5,850	28,128
Specialty Line Sporting Goods	42,564	51,787	62,431	1,097	2,449	4,356
Book Stores & Newsdealers	28,394	34,544	41,650	2,428	4,542	29,974
Stationery Stores and Office Supply	16,043	19,520	23,531	585	1,033	2,247
Musical Instrument & Supplies	11,254	13,696	16,513	2,432	7,324	26,094
Jewelry Stores	28,332	34,471	41,560	790	1,450	3,410
Hobby, Toy & Game	25,257	30,726	37,051	1,604	4,050	25,861
Camera & Photographic Supply	6,695	8,149	9,822	816	2,200	5,965
Gift, Novelty & Souvenirs	33,567	40,827	49,227	2,369	4,422	7,015
Luggage & Leather Goods	3,065	3,735	4,500	1,193	2,300	3,102
Sewing, Needlework & Piece Goods	23,330	28,390	34,210	2,678	12,202	19,299
Pet Stores	22,100	26,885	32,420	1,847	3,200	12,398
Art Dealers	3,276	3,982	4,800	675	1,434	2,401
Optical Goods Stores	12,703	15,452	18,631	885	1,561	4,068
Pre-Recorded Tapes, Compact Discs	3,048	3,709	4,470	1,308	3,426	12,753
Cosmetics, Beauty Supplies & Perfume	9,409	11,447	13,800	1,102	1,953	6,235
All Other Health & Personal Care	18,753	22,811	27,505	697	1,786	3,084

Table 27 (continued)

CHAN-212 SHOPPING GOODS SUPPORTABLE GLA
BY MERCHANDISE CATEGORY
(Gross Leasable Area)

Merchandise Category	2015	2020	2025	Store Size Low	Store Size Median	Store Size High
OTHER RETAIL STORES						
Building Materials & Garden Supplies						
Building Materials & Supplies Stores						
Home Centers	91,060	110,786	133,566	8,981	95,173	135,833
Paint, Glass & Wallpaper	9,564	11,636	14,031	2,348	3,533	5,028
Lawn & Garden Equipment						
Outdoor Power Equipment	25,590	31,140	37,540	N/A	N/A	N/A
Retail Nurseries, Lawn & Garden	72,890	88,680	106,920	N/A	15,000	N/A
Motor Vehicles & Parts Dealers						
Auto Parts & Accessories Stores	25,010	30,425	36,685	2,232	6,500	13,000
Tire Dealers	18,900	22,995	27,725	3,514	6,944	12,014
SERVICES						
Personal Care Services						
Beauty Shops	16,084	9,111	10,879	900	1,400	3,480
Nail Salons	2,027	1,145	1,373	773	1,200	1,807
Diet & Weight Reducing Services	1,320	747	893	1,223	1,856	3,130
Other Personal Care Services	2,509	1,417	1,691	703	1,488	4,128
Drycleaning & Laundry Services						
Drycleaning & Laundry Services (except coin-op.)	4,367	9,880	11,807	1,038	1,608	2,731
Other Personal Services						
Child Day Care Services	14,750	16,710	19,960	3,059	5,050	7,495
Photographic Studios	2,156	2,440	2,916	990	1,866	2,550
Veteranarian Services	9,849	11,151	13,329	1,346	2,122	2,701
Pet Care	3,387	3,827	4,560	900	1,200	1,500
Rental and Leasing						
Formalwear and Costume Rental	482	729	871	763	1,046	1,773
Home Health Equipment Rental	1,664	2,516	3,008	1,200	1,600	3,480
Recreation						
Physical Fitness Facilites	67,750	76,725	91,663	1,433	6,448	32,170
Health Care						
Offices of Physicians						
Offices of Physicians	69,703	83,863	100,202	969	1,652	4,008
Offices of Dentists	32,197	19,368	23,145	1,090	1,700	3,970
Offices of Chiropractors	4,649	2,797	3,342	1,090	1,600	3,970
Offices of Optometrists	1,764	3,183	3,805	1,074	1,620	4,347
Offices of Mental Health Practitioners	2,391	4,316	5,157	1,090	1,800	3,970
Physical & Occupational Therapists	4,006	7,232	8,641	1,090	1,600	3,970

Source: McComb Group, Ltd.

Shopping Center Size

Sales potential and supportable square feet provide an indication of shopping center potential. Shopping center size will depend on tenant interest and the number of anchor stores. The potential GLA by store category ranges from 825,000 square feet to 1,120,000 square feet, as shown in Table 28. Convenience goods ranges from 105,000 square feet to 135,000 square feet depending on supermarket size and number of other retailers. Convenience goods includes stores where convenience is a primary consideration as they are visited on a regular basis. Examples include supermarkets, drug, liquor, hardware, and other stores and services.

Table 28

CHAN-212 POTENTIAL GROSS LEASABLE AREA

	Gross Leasable Area	
Store Category	Low	High
Convenience Goods	105,000	135,000
Shopping Goods		
Anchor Stores	120,000	220,000
Junior Anchors	220,000	315,000
Inline Stores	110,000	180,000
Subtotal	450,000	715,000
Food Service		
Restaurants	20,000	30,000
Fast Food	15,000	20,000
Subtotal	35,000	50,000
Services	20,000	30,000
Destination Stores		
Health Club	50,000	60,000
Home Center	115,000	115,000
Cinema	50,000	60,000
Subtotal	215,000	235,000
Total	825,000	1,165,000

Source: McComb Group, Ltd.

Shopping goods retailers are stores where comparison shopping is a common part of the shopping trip. Department stores typically anchor these shopping centers. Potential anchor store GLA ranges from 120,000 square feet to 220,000 square feet. Junior anchor retailers are various size stores, ranging in size from 10,000 square feet to 50,000 square feet, also adding the center's drawing power. Junior anchor GLA could range from 220,000 square feet to 315,000 square feet. Inline, small store tenants could range from 110,000 square feet to 180,000 square feet. Total shopping goods stores could range from 450,000 square feet to 715,000 square feet.

Food service establishments are expected to range from 35,000 square feet to 50,000 square feet. Services of various types could range from 20,000 square feet to 30,000 square feet.

Destination retailers like health clubs, home centers, and cinemas, could total 215,000 square feet to 235,000 square feet if all three located at Chan-212.

It is possible that not all the anticipated potential tenants will located at Chan-212 indicating that the shopping center is likely to be between 800,000 square feet and 1,000,000 square feet.

Sales Potential

Estimated sales potential by retail store type is contained in Table 29. These estimates of sales potential are likely to be understated due to the high trade area household income.

Table 29

CHAN-212 SALES POTENTIAL
BY MERCHANDISE CATEGORY
(In Thousands of Dollars)

Merchandise Category	2015	2020	2025
CONVENIENCE GOODS			
Food Stores			
Grocery Stores	$ 43,280	$ 52,073	$ 62,220
Supermarkets	42,407	51,021	60,963
Convenience Food	874	1,052	1,257
Specialty Food Stores	1,530	1,841	2,200
Meat Markets	569	683	817
Baked Goods	131	158	189
Confectionery and Nut Stores	131	158	189
All Other Specialty Food Stores	219	263	314
Other Convenience Goods			
Drug & Proprietary Stores	$ 9,421	$ 11,336	$ 13,544
Hardware	1,442	1,736	2,074
Liquor	7,432	8,942	10,684
Florist	547	658	786
Food/Health Supplement Stores	350	421	503
Food Service			
Full-Service Restaurants	$ 26,134	$ 31,795	$ 38,333
Limited Service Restaurants	16,575	20,166	24,313
Cafeterias	829	1,009	1,215
Snack & Beverage Places	4,420	5,378	6,484
Ice Cream & Soft Serve	553	673	810
Frozen Yogurt	55	68	81
Doughnut Shops	774	941	1,135
Bagel Shops	221	269	324
Coffee Shops	1,879	2,285	2,755
Cookie Shops	55	68	81
Other Snack Shops	884	1,075	1,296
Gasoline Svs Stations/Conv.			
Gas/Convenience Food Stores	$ 9,266	$ 11,273	$ 13,591

Table 29 (continued)

CHAN-212 SALES POTENTIAL
BY MERCHANDISE CATEGORY
(In Thousands of Dollars)

Merchandise Category	2015	2020	2025
SHOPPING GOODS			
General Merchandise			
Department Stores (Incl. leased depts.)			
Discount Stores	$ 54,121	$ 65,844	$ 79,384
Department Stores	35,360	43,020	51,867
Other General Merchandise Stores			
Warehouse Clubs and Supercenters	$ 121,601	$ 147,941	$ 178,363
Dollar Stores	5,108	6,215	7,492
Miscellaneous General Merchandise	11,787	14,340	17,289
Apparel & Accessories			
Clothing Stores			
Mens and Boys	$ 2,211	$ 2,689	$ 3,241
Womens Clothing	9,823	11,951	14,408
Children's & Infant	4,543	5,527	6,664
Family Clothing	22,837	27,784	33,497
Clothing Accessories Stores	1,351	1,643	1,981
Other Clothing Stores	3,684	4,481	5,403
Shoe Stores			
Men's	$ 267	$ 324	$ 391
Women's	475	577	695
Children's & Infant	123	149	180
Family Shoe Stores	4,911	5,975	7,204
Athletic Footwear	2,088	2,540	3,061
Furniture & Home Furnishings			
Furniture	$ 19,399	$ 23,601	$ 28,455
Floor Coverings	7,367	8,963	10,805
Window Treatment Stores	737	896	1,080
All Other Home Furnishings Stores	8,595	10,456	12,607
Electronics & Appliances Stores			
Household Appliance Stores	$ 7,220	$ 8,783	$ 10,589
Radio, TV & Electronics Stores	29,761	36,208	43,655
Computers, Software, Music, & Other Electronics	8,840	10,755	12,967
Other Shopping Goods			
Sporting Goods	$ 16,207	$ 19,717	$ 23,772
General Line Sporting Goods	6,631	8,067	9,725
Specialty Line Sporting Goods	9,577	11,652	14,047
Book Stores & Newsdealers	4,543	5,527	6,664
Stationery Stores and Office Supply	6,016	7,320	8,824
Musical Instrument & Supplies	2,701	3,287	3,963
Jewelry Stores	9,208	11,203	13,507
Hobby, Toy & Game	4,420	5,377	6,484
Camera & Photographic Supply	1,841	2,241	2,701
Gift, Novelty & Souvenirs	5,035	6,124	7,384
Luggage & Leather Goods	613	747	900
Sewing, Needlework & Piece Goods	2,333	2,839	3,421
Pet Stores	4,420	5,377	6,484
Art Dealers	737	896	1,080
Optical Goods Stores	3,684	4,481	5,403
Pre-Recorded Tapes, Compact Discs	701	853	1,028
Cosmetics, Beauty Supplies & Perfume	3,011	3,663	4,416
All Other Health & Personal Care	5,157	6,273	7,564

Table 29 (continued)

CHAN-212 SALES POTENTIAL
BY MERCHANDISE CATEGORY
(In Thousands of Dollars)

Merchandise Category	2015	2020	2025
OTHER RETAIL STORES			
Building Materials & Garden Supplies			
Building Materials & Supplies Stores			
Home Centers	$ 31,871	$ 38,775	$ 46,748
Paint, Glass & Wallpaper	2,152	2,618	3,157
Lawn & Garden Equipment			
Outdoor Power Equipment	2,559	3,114	3,754
Retail Nurseries, Lawn & Garden	7,289	8,868	10,692
Motor Vehicles & Parts Dealers			
Auto Parts & Accessories Stores	$ 5,002	$ 6,085	$ 7,337
Tire Dealers	3,780	4,599	5,545
SERVICES			
Personal Care Services			
Beauty Shops	$ 3,056	$ 1,731	$ 2,067
Nail Salons	223	126	151
Diet & Weight Reducing Services	198	112	134
Other Personal Care Services	439	248	296
Drycleaning & Laundry Services			
Drycleaning & Laundry Services (except coin-op.)	$ 655	$ 1,482	$ 1,771
Other Personal Services			
Child Day Care Services	$ 1,475	$ 1,671	$ 1,996
Photographic Studios	593	671	802
Veteranarian Services	2,216	2,509	2,999
Pet Care	254	287	342
Rental and Leasing			
Formalwear and Costume Rental	$ 176	$ 266	$ 318
Home Health Equipment Rental	416	629	752
Recreation			
Physical Fitness Facilites	$ 5,420	$ 6,138	$ 7,333
Health Care			
Offices of Physicians			
Offices of Physicians	$ 24,884	$ 29,939	$ 35,772
Offices of Dentists	11,108	6,682	7,985
Offices of Chiropractors	1,604	965	1,153
Offices of Optometrists	732	1,321	1,579
Offices of Mental Health Practitioners	825	1,489	1,779
Physical & Occupational Therapists	1,382	2,495	2,981

Source: McComb Group, Ltd.

Appendix A

DEMOGRAPHIC CHARACTERISTICS

Table A-1

CHAN-212 CONVENIENCE GOODS AND SHOPPING GOODS TRADE AREAS,
AND MINNEAPOLIS-ST. PAUL MSA
POPULATION AND HOUSEHOLDS: 2000 AND 2010 CENSUS; 2014 AND 2019 ESTIMATED

	Population		Households	
Trade Area / Year	Number	Rate of Change	Number	Rate of Change
CONVENIENCE GOODS TRADE AREA				
2000	108,340	N/A	38,921	N/A
2010	134,614	2.20 %	50,156	2.57 %
2014 E	139,366	0.32	52,373	0.39
2019 E	156,825	2.39	59,190	2.48
SHOPPING GOODS TRADE AREA				
2000	333,532	N/A	125,159	N/A
2010	394,528	1.69 %	151,732	1.94 %
2014 E	407,361	0.29	157,810	0.36
2019 E	438,533	1.49	169,997	1.50
MINNEAPOLIS-ST. PAUL MSA				
2000	2,968,808	N/A	1,136,615	N/A
2010	3,279,833	1.00 %	1,272,677	1.14 %
2014 E	3,361,394	0.22	1,316,673	0.31
2019 E	3,510,623	0.87	1,380,185	0.95

N/A: Not Available.

E: Estimated.

Source: U.S. Census, Scan/US and McComb Group, Ltd.

Table A-2

CHAN-212 CONVENIENCE GOODS AND SHOPPING GOODS TRADE AREAS,
AND MINNEAPOLIS-ST. PAUL MSA
AVERAGE AND MEDIAN HOUSEHOLD INCOMES
2000 AND 2010 CENSUS; 2014 AND 2019 ESTIMATED

Income Type / Year	Convenience Goods Trade Area	Shopping Goods Trade Area	Minneapolis-St. Paul MSA
Average Household Income			
2000	$ 92,335	$ 82,151	$ 67,906
2010	106,700	96,786	80,346
2014 E	113,852	103,006	85,611
2019 E	123,093	110,603	91,814
Median Household Income			
2000	$ 74,242	$ 65,325	$ 54,202
2010	84,104	76,146	62,518
2014 E	93,092	83,841	66,941
2019 E	102,347	91,761	71,838

E: Estimated.

Source: U.S. Census, Scan/US and McComb Group, Ltd.

Table A-3

CHAN-212 CONVENIENCE GOODS AND SHOPPING GOODS TRADE AREAS,
AND MINNEAPOLIS-ST. PAUL MSA
HOUSEHOLD INCOME: 2000 AND 2010 CENSUS; 2014 AND 2019 ESTIMATED

	2000		2010		2014 E		2019 E	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
CONVENIENCE GOODS TRADE AREA								
Households	38,921		50,156		52,373		59,190	
Average Size	2.77		2.67		2.64		2.63	
Household Income								
Median	$ 74,242		$ 84,104		$ 93,092		$ 102,347	
Average	$ 92,335		$ 106,700		$ 113,852		$ 123,093	
Households Above $50,000	27,391	70.4 %	36,276	72.3 %	38,751	74.0 %	44,837	75.8 %
Households Above $75,000	18,534	47.6	27,187	54.2	29,925	57.1	36,387	61.5
Income Distribution								
Less than $15,000	1,809	4.6 %	2,402	4.8 %	2,075	4.0 %	2,097	3.5 %
$15,000 - $24,999	2,173	5.6	3,174	6.3	2,655	5.1	2,177	3.7
$25,000 - $34,999	2,758	7.1	3,427	6.8	3,187	6.1	3,084	5.2
$35,000 - $49,999	4,789	12.3	4,877	9.7	5,706	10.9	6,995	11.8
$50,000 - $74,999	8,857	22.8	9,089	18.1	8,826	16.9	8,450	14.3
$75,000 - $99,999	6,920	17.8	7,827	15.6	7,053	13.5	8,354	14.1
$100,000 - $149,999	6,847	17.6	9,728	19.4	9,811	18.7	10,361	17.5
$150,000 +	4,766	12.2	9,633	19.2	13,061	24.9	17,672	29.9
SHOPPING GOODS TRADE AREA								
Households	125,159		151,732		157,810		169,997	
Average Size	2.63		2.57		2.56		2.56	
Household Income								
Median	$ 65,325		$ 76,146		$ 83,841		$ 91,761	
Average	$ 82,151		$ 96,786		$ 103,006		$ 110,603	
Households Above $50,000	78,028	62.3 %	102,521	67.6 %	109,580	69.4 %	121,863	71.7 %
Households Above $75,000	48,497	38.7	73,789	48.6	81,683	51.8	96,362	56.7
Income Distribution								
Less than $15,000	8,705	7.0 %	9,926	6.5 %	8,667	5.5 %	8,064	4.7 %
$15,000 - $24,999	9,251	7.4	10,774	7.1	9,014	5.7	7,550	4.4
$25,000 - $34,999	11,083	8.9	11,516	7.6	10,453	6.6	9,746	5.7
$35,000 - $49,999	18,092	14.5	16,996	11.2	20,097	12.7	22,775	13.4
$50,000 - $74,999	29,531	23.6	28,731	18.9	27,896	17.7	25,501	15.0
$75,000 - $99,999	19,649	15.7	23,556	15.5	21,582	13.7	25,257	14.9
$100,000 - $149,999	16,591	13.3	27,187	17.9	28,245	17.9	28,992	17.1
$150,000 +	12,257	9.8	23,046	15.2	31,857	20.2	42,113	24.8
MINNEAPOLIS-ST. PAUL MSA								
Households	1,136,615		1,272,677		1,316,673		1,380,185	
Average Size	2.56		2.53		2.50		2.50	
Household Income								
Median	$ 54,202		$ 62,518		$ 66,941		$ 71,838	
Average	$ 67,906		$ 80,346		$ 85,611		$ 91,814	
Households Above $50,000	622,657	54.8 %	769,250	60.4 %	825,262	62.7 %	899,073	65.1 %
Households Above $75,000	357,430	31.4	524,039	41.2	580,354	44.1	673,744	48.8
Income Distribution								
Less than $15,000	104,773	9.2 %	119,486	9.4 %	106,379	8.1 %	98,748	7.2 %
$15,000 - $24,999	104,775	9.2	107,508	8.4	91,764	7.0	77,172	5.6
$25,000 - $34,999	125,167	11.0	113,166	8.9	102,976	7.8	92,979	6.7
$35,000 - $49,999	179,244	15.8	163,267	12.8	190,292	14.5	212,213	15.4
$50,000 - $74,999	265,227	23.3	245,211	19.3	244,908	18.6	225,329	16.3
$75,000 - $99,999	165,574	14.6	186,835	14.7	175,315	13.3	201,030	14.6
$100,000 - $149,999	124,905	11.0	200,038	15.7	210,476	16.0	214,066	15.5
$150,000 +	66,951	5.9	137,166	10.8	194,563	14.8	258,648	18.7

N/A: Not Available or Not Applicable.
E: Estimated.

Source: U.S. Census, Scan/US and McComb Group, Ltd.

Table A-4

CHAN-212 CONVENIENCE GOODS AND SHOPPING GOODS TRADE AREAS,
AND MINNEAPOLIS-ST. PAUL MSA
HOUSEHOLDS, FAMILIES AND HOUSEHOLD SIZE; 2000 AND 2010 CENSUS; 2014 AND 2019 ESTIMATED

	2000		2010		2014 E		2019 E	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
CONVENIENCE GOODS TRADE AREA								
Households	38,921		50,156		52,373		59,190	
Families	28,742		35,828		37,454		42,375	
As Percent of Households		73.8 %		71.4 %		71.5 %		71.6 %
Household Size								
1 Person	7,762	19.9 %	11,450	22.8 %	11,962	22.8 %	13,506	22.8 %
2 Persons	11,996	30.8	15,905	31.7	16,619	31.7	18,755	31.7
3-4 Persons	14,735	37.9	17,515	34.9	18,317	35.0	20,717	35.0
5+ Persons	4,428	11.4	5,286	10.5	5,475	10.5	6,212	10.5
Average Household Size	2.77		2.67		2.64		2.63	
SHOPPING GOODS TRADE AREA								
Households	125,159		151,732		157,810		169,997	
Families	89,673		106,108		110,591		119,378	
As Percent of Households		71.6 %		69.9 %		70.1 %		70.2 %
Household Size								
1 Person	28,252	22.6 %	37,146	24.5 %	38,682	24.5 %	41,562	24.4 %
2 Persons	42,228	33.7	51,556	34.0	53,694	34.0	57,759	34.0
3-4 Persons	41,747	33.4	48,152	31.7	50,170	31.8	54,146	31.9
5 + Persons	12,932	10.3	14,879	9.8	15,263	9.7	16,530	9.7
Average Household Size	2.63		2.57		2.56		2.56	
MINNEAPOLIS-ST. PAUL MSA								
Households	1,136,615		1,272,677		1,316,673		1,380,185	
Families	744,303		821,127		851,800		895,465	
As Percent of Households		65.5 %		64.5 %		64.7 %		64.9 %
Household Size								
1 Person	303,050	26.7 %	350,440	27.5 %	362,455	27.5 %	379,457	27.5 %
2 Persons	370,926	32.6	420,693	33.1	435,230	33.1	456,238	33.1
3-4 Persons	348,717	30.7	376,082	29.6	389,184	29.6	408,342	29.6
5 + Persons	113,922	10.0	125,462	9.9	129,804	9.9	136,148	9.9
Average Household Size								

N/A: Not Available or Not Applicable.

E: Estimated.

Source: U.S. Census, Scan/US and McComb Group, Ltd.

Table A-5

CHAN-212 CONVENIENCE GOODS AND SHOPPING GOODS TRADE AREAS,
AND MINNEAPOLIS-ST. PAUL MSA
EDUCATIONAL ATTAINMENT: 2000 AND 2010 CENSUS; 2014 AND 2019 ESTIMATED

	2000		2010		2014 E		2019 E	
Attainment	Number	Percent	Number	Percent	Number	Percent	Number	Percent
CONVENIENCE GOODS TRADE AREA								
No College	12,236	19.2 %	14,538	17.5 %	15,046	17.4 %	16,898	17.4 %
Some College/2 yr. Degree	20,308	31.9	24,734	29.7	25,840	29.9	28,904	29.8
College Graduate	22,875	35.9	30,371	36.5	31,280	36.2	35,278	36.4
Graduate School	8,237	12.9	13,620	16.4	14,233	16.5	15,924	16.4
SHOPPING GOODS TRADE AREA								
No College	53,206	26.9 %	59,311	23.8 %	60,948	23.6 %	63,627	23.6 %
Some College/2 yr. Degree	65,983	33.3	81,035	32.6	84,534	32.8	88,245	32.7
College Graduate	57,206	28.9	76,167	30.6	78,417	30.4	82,462	30.6
Graduate School	21,689	10.9	32,293	13.0	33,832	13.1	35,283	13.1
MINNEAPOLIS-ST. PAUL MSA								
No College	483,289	28.1 %	507,695	25.3 %	518,016	25.3 %	546,728	25.2 %
Some College/2 yr. Degree	606,358	35.2	679,794	33.9	694,199	33.9	733,140	33.8
College Graduate	440,341	25.6	550,877	27.5	563,878	27.5	596,216	27.5
Graduate School	192,249	11.2	268,265	13.4	274,608	13.4	290,351	13.4

N/A: Not Available or Not Applicable.

E: Estimated.

Source: U.S. Census, Scan/US and McComb Group, Ltd.

Table A-6

CHAN-212 CONVENIENCE GOODS AND SHOPPING GOODS TRADE AREAS,
AND MINNEAPOLIS-ST. PAUL MSA
AGE DISTRIBUTION: 2000 AND 2010 CENSUS; 2014 AND 2019 ESTIMATED

	2000		2010		2011 E		2016 E	
Age Distribution	Number	Percent	Number	Percent	Number	Percent	Number	Percent
CONVENIENCE GOODS TRADE AREA								
Under 5	9,682	8.9 %	9,901	7.4 %	9,490	6.8 %	9,918	6.3 %
5 - 9	10,131	9.4	10,821	8.0	10,627	7.6	10,093	6.4
10 - 14	9,403	8.7	11,134	8.3	11,418	8.2	11,515	7.3
15 - 19	6,905	6.4	9,435	7.0	10,275	7.4	12,322	7.9
20 - 24	4,939	4.6	6,005	4.5	6,861	4.9	11,176	7.1
25 - 34	16,874	15.6	18,501	13.7	17,960	12.9	16,240	10.4
35 - 44	23,040	21.3	20,724	15.4	20,107	14.4	20,597	13.1
45 - 54	15,172	14.0	23,481	17.4	23,337	16.7	23,752	15.1
55 - 64	6,642	6.1	14,277	10.6	16,732	12.0	22,390	14.3
65 - 74	3,350	3.1	5,941	4.4	7,626	5.5	11,792	7.5
75 +	2,200	2.0	4,394	3.3	4,933	3.5	7,030	4.5
25 - 64	61,729	57.0 %	76,983	57.2 %	78,136	56.1 %	82,979	52.9 %
65 and Over	5,551	5.1	10,335	7.7	12,559	9.0	18,822	12.0
SHOPPING GOODS TRADE AREA								
Under 5	24,710	7.4 %	27,356	6.9 %	26,255	6.4 %	26,304	6.1 %
5 - 9	26,992	8.1	30,299	7.7	29,708	7.3	26,635	6.2
10 - 14	27,460	8.2	30,351	7.7	31,075	7.6	30,404	7.1
15 - 19	22,704	6.8	25,887	6.6	27,868	6.8	32,093	7.5
20 - 24	15,400	4.6	17,376	4.4	19,440	4.8	28,515	6.6
25 - 34	45,711	13.7	49,407	12.5	48,104	11.8	42,101	9.8
35 - 44	62,970	18.9	57,511	14.6	55,737	13.7	53,355	12.4
45 - 54	48,983	14.7	66,218	16.8	65,174	16.0	61,642	14.3
55 - 64	26,765	8.0	46,357	11.7	52,901	13.0	61,824	14.4
65 - 74	16,557	5.0	23,530	6.0	28,898	7.1	39,072	9.1
75 +	15,281	4.6	20,237	5.1	22,201	5.4	27,722	6.5
25 - 64	184,429	55.3 %	219,493	55.6 %	221,916	54.5 %	218,922	51.0 %
65 and Over	31,837	9.5	43,767	11.1	51,099	12.5	66,794	15.5
MINNEAPOLIS-ST. PAUL MSA								
Under 5	212,810	7.2 %	226,483	6.9 %	222,212	6.6 %	221,399	6.3 %
5 - 9	225,355	7.6	228,363	7.0	227,598	6.8	222,130	6.3
10 - 14	225,652	7.6	225,476	6.9	226,605	6.7	229,336	6.5
15 - 19	209,864	7.1	223,648	6.8	226,665	6.7	241,757	6.9
20 - 24	193,790	6.5	214,482	6.5	213,991	6.4	227,166	6.5
25 - 34	457,105	15.4	477,668	14.6	478,978	14.2	439,417	12.5
35 - 44	528,024	17.8	455,201	13.9	447,282	13.3	467,452	13.3
45 - 54	405,724	13.7	508,014	15.5	489,532	14.6	463,291	13.2
55 - 64	225,541	7.6	370,829	11.3	416,363	12.4	468,166	13.3
65 - 74	145,808	4.9	187,685	5.7	234,287	7.0	311,635	8.9
75 +	139,135	4.7	161,984	4.9	177,881	5.3	218,874	6.2
25 - 64	1,616,394	54.4 %	1,811,712	55.2 %	1,832,155	54.5 %	1,838,326	52.4 %
65 and Over	284,943	9.6	349,669	10.7	412,168	12.3	530,509	15.1

E: Estimated.

Source: U.S. Census, Scan/US and McComb Group, Ltd.

Table A-7

CHAN-212 CONVENIENCE GOODS AND SHOPPING GOODS TRADE AREAS,
AND MINNEAPOLIS-ST. PAUL MSA
ETHNICITY: 2000 AND 2010 CENSUS; 2014 AND 2019 ESTIMATED

	2000		2010		2014 E		2019 E	
Ethnicity	Number	Percent	Number	Percent	Number	Percent	Number	Percent
CONVENIENCE GOODS TRADE AREA								
Caucasian	100,228	92.5 %	114,494	85.1 %	118,727	85.2 %	133,898	85.4 %
African-American	1,580	1.5	4,778	3.5	4,888	3.5	5,398	3.4
Native American	338	0.3	519	0.4	531	0.4	613	0.4
Asian/Pacific Islander	3,600	3.3	8,682	6.4	8,852	6.4	9,777	6.2
Other	2,594	2.4	6,141	4.6	6,368	4.6	7,139	4.6
Hispanic (any race)	3,241	3.0 %	7,083	5.3 %	7,873	5.6 %	9,570	6.1 %
SHOPPING GOODS TRADE AREA								
Caucasian	315,363	94.6 %	354,313	89.8 %	366,114	89.9 %	386,588	90.0 %
African-American	3,092	0.9	9,014	2.3	9,229	2.3	9,581	2.2
Native American	1,047	0.3	1,568	0.4	1,617	0.4	1,728	0.4
Asian/Pacific Islander	6,849	2.1	15,978	4.0	16,350	4.0	17,042	4.0
Other	7,181	2.2	13,655	3.5	14,051	3.4	14,728	3.4
Hispanic (any race)	8,373	2.5 %	15,817	4.0 %	17,416	4.3 %	19,871	4.6 %
MINNEAPOLIS-ST. PAUL MSA								
Caucasian	2,556,853	86.1 %	2,656,553	81.0 %	2,727,284	81.1 %	2,857,513	81.4 %
African-American	157,963	5.3	243,414	7.4	246,995	7.3	253,180	7.2
Native American	21,590	0.7	22,726	0.7	23,410	0.7	24,550	0.7
Asian/Pacific Islander	124,025	4.2	189,401	5.8	192,381	5.7	197,766	5.6
Other	108,377	3.7	167,739	5.1	171,324	5.1	177,614	5.1
Hispanic (any race)	99,121	3.3 %	176,283	5.4 %	190,243	5.7 %	212,333	6.0 %

E: Estimated.

Source: U.S. Census, Scan/US and McComb Group, Ltd.