DOWNTOWN WHITE BEAR LAKE
RETAIL MARKET DEMAND

Prepared for

City of White Bear Lake

April 2014

McCOMB GROUP, Ltd.
REAL ESTATE AND RETAIL CONSULTANTS

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INTRODUCTION

McComb Group, Ltd. was engaged by the City of White Bear Lake to conduct market analysis of White Bear Lake's Downtown retail area (Downtown). The objectives of this engagement were to:

- Evaluate Downtown's retail area and its tenant mix.
- Evaluate parking supply and demand.
- Identify and evaluate competitive shopping areas.
- Delineate Downtown's trade areas and evaluate its demographic characteristics.
- Determine demand for additional retail, food service, and service uses in Downtown.

The work program was designed to fulfill the above objectives. Work tasks conducted as part of this engagement are summarized below.

- ♦ The Downtown retail area was evaluated to identify its strengths and weaknesses as a location for retail, food service, and services. Factors that were evaluated include, but were not limited to: location, circulation, access, current traffic counts, and relationship to adjacent uses. Downtown's tenant mix was identified and categorized by type. Downtown's parking areas and number of spaces were evaluated in relation to square feet of retail, food service, services, and office space to determine parking ratios in relation to industry standards.

- ♦ Shopping areas that are competitive with Downtown were identified and evaluated. Principal competitors were identified and evaluated for anchor stores and tenant mix.

- ♦ Business owners and/or managers in Downtown were interviewed to obtain their impressions of retailing in Downtown, the area from which they draw their customers, strengths and weaknesses, and suggestions for improving business in Downtown.

- ♦ Residential building permit trends from 1990 to 2012 in White Bear Lake and other trade area communities were evaluated to determine historic growth trends. Building permit trends were compared with historic trends in the Northeast and East Growth Corridors to identify changes in building activity and residential growth. Future estimates of household growth were prepared for the period 2014 through 2035. The results of this analysis were incorporated in the trade area growth estimates in the trade area analysis.

- ♦ Businesses in Downtown were asked to participate in a survey of their customers to determine where they work and live and why they shop at that business. The survey was designed to be executed by employees of each store as customers pay for their goods or services. Survey results were used to identify Downtown's trade areas.

- ♦ The trade areas for Downtown were delineated based on arterial road patterns, drive times, survey results, and McComb Group experience. Trade area delineation takes into consideration competitive shopping areas in surrounding communities, school district boundaries, and newspaper circulation area. 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 included, but were not limited to: daytime employment, population, households, and household income for 2000, 2010, 2014, and 2019. Trade area residential growth trends were evaluated taking into consideration household growth potential for target years of 2015, 2020, and 2025. Retail purchasing power and trade area households were identified for the same target years.

- Retail sales trends for White Bear Lake were analyzed utilizing information from the Census of Retail Trade for 2002 and 2007 to determine current White Bear Lake market share. Market share changes between 2002 and 2007 were identified.

- Future retail sales potential in Downtown were estimated taking into consideration competitive impacts, trade area demographics, trade area purchasing power, and estimated market share. Based on this analysis and current trends, future retail, food service, and service potential were estimated by business type. These retail sales estimates were converted to square feet of retail space by business establishment. Those businesses with sufficient retail sales for profitable operation in Downtown were identified. Estimates of retail, food service, and service space supported by sales potential were prepared for target years 2015, 2020, and 2025.

- Information from the above tasks were summarized in a form suitable for use in marketing Downtown to potential retail stores, food services, and services. This marketing information was prepared in a form that can be used with other White Bear Lake marketing materials.

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 October 7, 2013. This report was prepared with the understanding that the results of our work will be used by the client to determine demand for retail, food service, and service uses in Downtown. 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.

SUMMARY OF FINDINGS

Downtown White Bear Lake (Downtown) is an attractive lifestyle shopping destination serving the northeastern Metropolitan Area. Downtown's trade area will support additional retail stores, food services, and services. Factors that support additional retail development include:

- Shopping goods and food service establishments serve a trade area with an estimated 2014 population of 437,176 living in 166,044 households. Population and households are estimated to increase to about 458,400 and 174,600, respectively, in 2019.
- Median household income of Shopping Goods Trade Area households in 2014 is estimated at $66,779, which is comparable to $66,941 for the Minneapolis-St. Paul MSA.
- Households with incomes above $75,000 total 67,235 (40.9 percent) in 2014 and are expected to increase to over 78,600 (45.7 percent) in 2019.
- An estimated 21,158 households have incomes above $150,000 in 2014. This group is expected to increase to over 28,700 in 2019.
- The trade area for convenience/service establishments has a 2014 population of 209,274 living in 82,350 households. Population and households are expected to increase to over 221,200 and 87,100, respectively, in 2019.
- Convenience/Services Trade Area median household income is estimated at $71,260 in 2014, 6.4 percent above the Minneapolis-St. Paul MSA median income of $66,941. Estimated trade area median income of $77,358 in 2019 is expected to be 7.7 percent higher than the Minneapolis-St. Paul MSA median of $71,838.
- Between 2014 and 2019, population and households in Downtown's trade areas are expected to grow at a faster rate than the Minneapolis-St. Paul MSA.
- Convenience/Services Trade Area residents are well educated with 27.0 percent having graduated from college and 13.8 percent holding graduate degrees.
- In 2014, 67.3 percent and 67.7 percent of Shopping Goods Trade Area and Convenience Goods Trade Area households, respectively, are families compared to 64.7 percent in the Minneapolis-St. Paul MSA.
- Convenient access to Downtown from the Metro Area is provided by I-35E, I-694, and Highways 61 and 96.

Downtown's excellent location, many economic attributes, trade area population, and upper income households provide support for expanded retail stores, restaurants, and services. This report documents the market and consumer research conducted to quantify demand for retail stores. Supportable Square Feet by business type are contained in Table 8-1 on page 8-2 of this report.

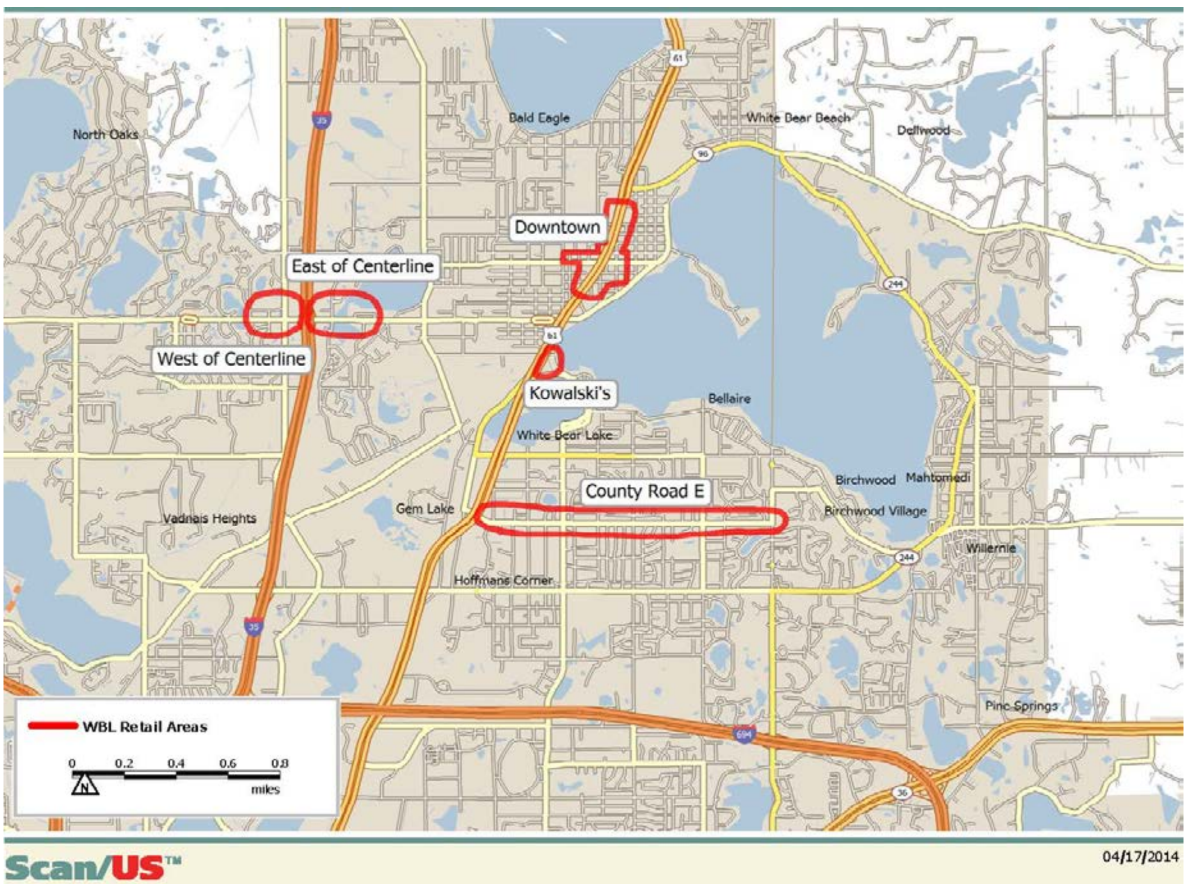
Chapter I

WHITE BEAR LAKE SHOPPING AREAS

White Bear Lake is located in the northeastern portion of the Twin Cities Metropolitan Area. Residential growth has occurred steadily as the area evolved from a summer retreat to a community of full time residents. This growth created demand for retail and service establishments in Downtown White Bear Lake (Downtown) and four other retail areas located throughout the city, as shown on Map 1-1. These retail areas are of various sizes and meet many, but not all of the retail and service needs of area residents. Downtown is the city's dominant retail area with over 200 retail stores and services.

Map 1-1

WHITE BEAR LAKE RETAIL AREAS

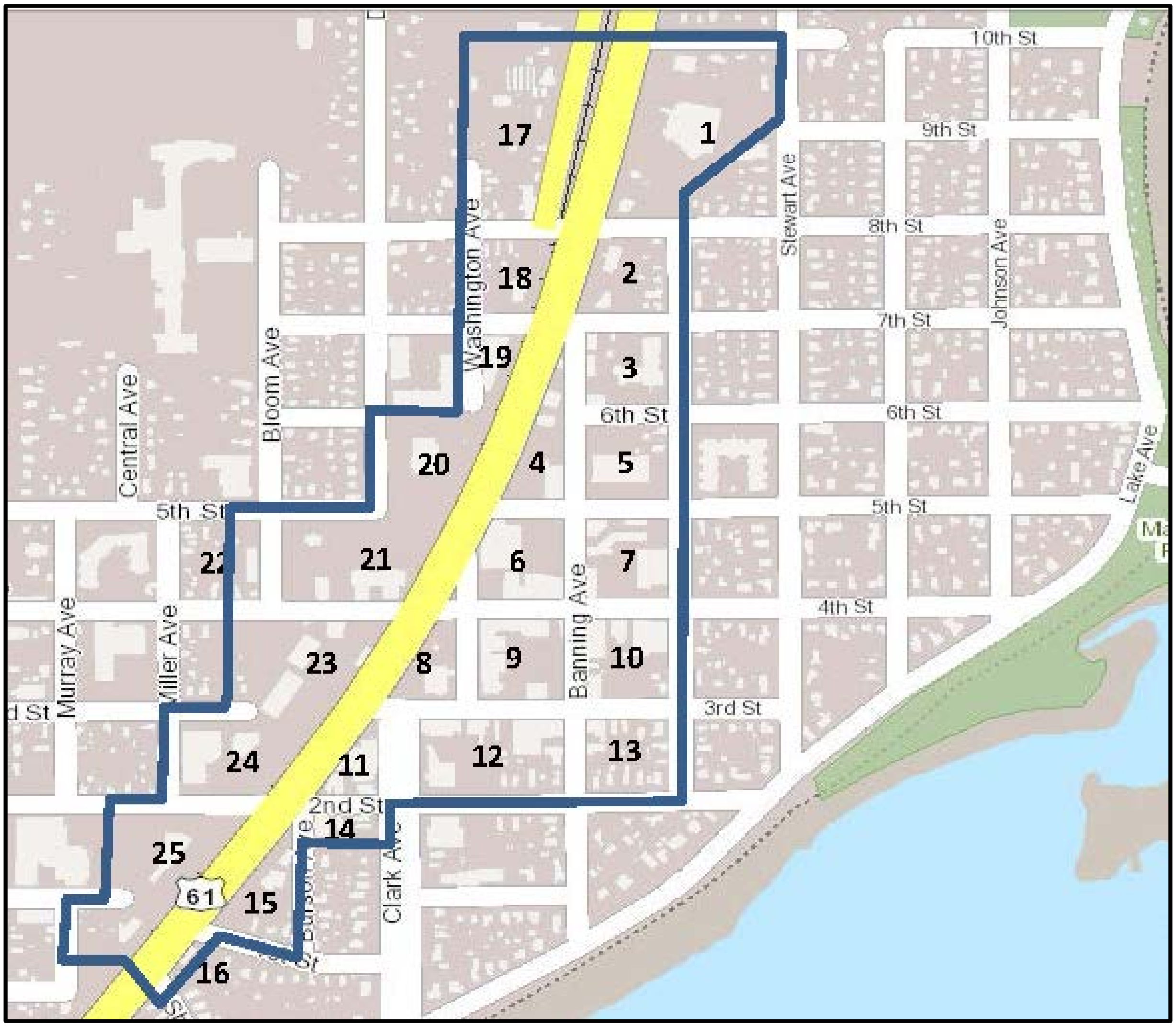


Downtown White Bear Lake Retail Area

Downtown is bisected by Highway 61. The Downtown area, shown on Map 1-2, is generally consistent with the Special Service District. Blocks have been numbered to facilitate analysis contained in the report. The original Downtown retail area is located on the east side of Highway 61 and encompasses approximately 15 blocks. About 25 years ago, retail development began west of Highway 61. The east and west portions of Downtown have evolved with slightly different characteristics, as shown in Table 1-1.

Map 1-2

DOWNTOWN WHITE BEAR LAKE STUDY AREA AND BLOCKS



Source: City of White Bear Lake and McComb Group, Ltd.

Downtown has 79 retail stores and 134 services. The original Downtown has 166 business establishments consisting of 63 retail stores and 103 services. Among the retail stores, 30 shopping goods stores represent almost half of the retail stores, followed by food service with about 25 percent and convenience goods stores representing about 20 percent. The west portion of Downtown has 16 retail stores with 10 food services representing 62 percent of the businesses. The next largest category is shopping goods with four stores.

As a downtown, the area has a large number of services of all types. The vast majority of these services are "retail" establishments that attract customers to Downtown that can patronize retail stores. The businesses that are not strictly retail have employees that patronize Downtown businesses. Dominant "retail" service categories include personal care, personal services, and medical. Services tend to locate in the original portion of Downtown. At the time of our survey, Downtown had 15 vacant store spaces representing a 6.6 percent vacancy rate, which is below average for a retail area of this type.

Table 1-1

SUMMARY OF DOWNTOWN WHITE BEAR LAKE TENANT MIX BY AREA

Merchandise Category	East of Hwy 61	West of Hwy 61	Total
CONVENIENCE GOODS			
Specialty Food Stores	5		5
Other Convenience Goods	7	1	8
Subtotal	12	1	13
FOOD SERVICE			
Full Service	11	5	16
Limited Service	2	3	5
Snacks & Beverage Places		1	1
Drinking Places	2	1	3
Subtotal	15	10	25
CONVENIENCE/GAS	2		2
SHOPPING GOODS			
General Merchandise	2		2
Clothing and Accessories	4	1	5
Home Furnishings	2		2
Other Shopping Goods	22	3	25
Subtotal	30	4	34
OTHER STORES			
Building Materials/Garden	4	1	5
Total Retail	**63**	**16**	**79**
SERVICES			
Personal Care	12	1	13
Dry Cleaning/Laundry	1		1
Personal Services	21	2	23
Rental/Leasing		1	1
Recreation/Entertainment	1	1	2
Household Goods Repair	1		1
Automotive Services	2	2	4
Other Services	10	2	12
Financial	18	6	24
Other Offices (Other than Financial)	15	3	18
Medical and Wellness	16	7	23
Other	2		2
Community	4	6	10
Total Services	**103**	**31**	**134**
TOTAL	**166**	**47**	**213**
VACANT	**11**	**4**	**15**

Source: McComb Group, Ltd.

Downtown has a wide variety of tenants with a solid core of shopping goods and food services that draw customers from a broad area. While Downtown has a large number of services, many of the store spaces in the original Downtown are more suitable for services due to location and/or visibility. A more detailed tenant mix is contained in Table 1-1A at the end of this chapter and a list of businesses is contained in Appendix A.

Other White Bear Lake Retail Areas

The other retail areas in White Bear Lake have a different merchandise focus than Downtown. County Road E, a 2.5-mile strip, is dominated by convenience goods (12), food services (16), and motor vehicles and parts (10) establishments. Highway 96 and Centerline is primarily convenience oriented retailers and non-retail type services. Kowalski's anchors a small shopping area with five food services, three retail stores, and five personal care establishments.

Table 1-2

SUMMARY OF OTHER WHITE BEAR LAKE TENANT MIX BY AREA

	Kowalski's		Hwy 96/Centerline Road		
Merchandise Category	Area	Co. Rd. E	E of Centerline	W of Centerline	Total
CONVENIENCE GOODS					
Food Stores	1	1		1	3
Specialty Food Stores		2			2
Other Convenience Goods	1	9	4	1	15
Subtotal	2	12	4	2	20
FOOD SERVICE					
Full Service	4	6	1	3	14
Limited Service	1	5	4	3	13
Snacks & Beverage Places		3	1		4
Drinking Places		2			2
Subtotal	5	16	6	6	33
CONVENIENCE/GAS		3	2		5
SHOPPING GOODS					
General Merchandise		1			1
Home Furnishings		1			1
Home Appliances/Music		3			3
Other Shopping Goods	1	2	1	1	5
Subtotal	1	7	1	1	10
OTHER STORES					
Motor Vehicles & Parts		10	3	1	14
Subtotal	0	10	3	1	14
Total Retail	**8**	**48**	**16**	**10**	**82**
SERVICES					
Personal Care	5	12	3	5	25
Dry Cleaning/Laundry	1	3		1	5
Personal Services		5		1	6
Recreation/Entertainment		3	2	1	6
Household Goods Repair		2			2
Automotive Services		2	3	1	6
Other Services	1	4	4	3	12
Financial	2	8	9	6	25
Other Offices (Other than Financial)		4	12	4	20
Medical	3	8	8		19
Other		1		1	2
Community				1	1
Total Services	**12**	**52**	**41**	**24**	**129**
TOTAL	**20**	**100**	**57**	**34**	**211**
VACANT	**4**	**6**	**1**	**2**	**13**

Source: McComb Group, Ltd.

Employment

Employees are an important customer group for Downtown businesses, particularly food services. Wage and salary employment trends for the City of White Bear Lake and Downtown , are shown in Table 1-3, which covers the period from 2002 through 2011, the latest detailed employment information that is available. This data is compiled by the U.S. Census and is based on the location where payroll checks are issued.

White Bear Lake and Downtown employment characteristics are shown on Table 1-3 for the years 2002, 2007 and 2011. Downtown experienced an increase of 25 employees and between 2002 and 2007, and a decrease of 549 employees between 2007 and 2011. This decline may reflect a change in where payroll checks are issued rather than a decline in employment. The City of White Bear Lake experienced an increase of 2,345 employees between 2002 and 2007 and a slight decrease of 168 employees between 2007 and 2011.

Downtown has seen employment increases in the age 30 to 54 cohort, with an increase from 41.8 percent in 2007 to 50.3 percent in 2011, small increases in the age 55 and older employee cohort, from 13.8 percent to 16.1 percent and a decrease in the age 29 or younger cohort from 44.4 percent to 33.7 percent. The proportion of younger workers in White Bear Lake has decreased since 2007, decreasing from 31.4 percent in 2007 to 26.7 percent in 2011, while the percentage of workers age 55 and older has increased from 16.9 percent in 2007 to 20.5 percent in 2011.

Jobs by earnings in Downtown skews high for lower earnings with almost 50 percent of employees earning less than $1,250 per month. This may be a result of a higher proportion of part-time employees, which is common in the retail industry. Jobs by earnings for White Bear Lake and Downtown indicates a more evenly spread distribution of earnings within White Bear Lake, with 2011 earnings for each category represented by about one-third of the employees.

Table 1-3

WHITE BEAR LAKE AND DOWNTOWN WHITE BEAR LAKE EMPLOYMENT 2002, 2007 AND 2011

	Downtown			White Bear Lake		
Category	2002	2007	2011	2002	2007	2011
Total All Jobs	2,193	2,218	1,669	9,301	11,646	11,478
Jobs by Worker Age						
Age 29 or younger	33.5 %	44.4 %	33.7 %	27.9 %	31.4 %	26.7 %
Age 30 to 54	54.8	41.8	50.3	58.4	51.7	52.8
Age 55 or older	11.8	13.8	16.1	13.7	16.9	20.5
Jobs by Earnings						
$1,250 per month or less	51.7 %	55.3 %	48.5 %	36.1 %	35.7 %	31.9 %
$1,251 to $3,333 per month	30.8	26.4	30.7	36.3	32.6	34.2
More than $3,333 per month	17.9	18.3	20.8	27.6	31.7	33.8

Source: U.S.Census Bureau, Center for Economic Studies.

Gross Building Area

Downtown contains 684,653 square feet of gross building area (GBA) according to Special Service District records. GBA was allocated by primary use by McComb Group to provide a general indication of property utilization. Original Downtown is more densely developed with 491,360 square feet or 30,700 square feet per block compared to 193,293 square feet (21,500 square feet per block) on the west side. Retail uses (retail, food service, services, and auto services) total 391,834 square feet compared to office with 211,826 square feet and lodging with 59,513 square feet. Almost 80 percent of the retail (304,948 square feet) is located in original Downtown. Office uses are almost evenly divided with about 108,500 square feet in original Downtown and 103,200 square feet on the west side. The other second floor category represents space above commercial buildings for which the utilization was not readily apparent. With about 400,000 square feet of retail space, Downtown is similar in size to Woodbury Lakes and the Shoppes at Arbor Lakes, and is 20 percent larger than the tenant mall building at Maplewood Mall.

Table 1-4

DOWNTOWN WHITE BEAR LAKE
GROSS BUILDING AREA
(Square Feet)

Block	Retail	Food Service	Services	Auto Service	Office	Lodging	Other 2nd Floor	Total
1	7,441	9,830			5,509	59,513		82,293
2					19,794			19,794
3	876				6,426			7,302
4	15,333							15,333
5			21,285 E					21,285 E
6	30,035	12,640	11,021		13,330		5,809	72,835
7	17,989		3,703		16,928			38,620
8			9,018		9,018			18,036
9	18,647	4,571	18,592				2,118	43,928
10	23,560	7,705		5,746	16,385			53,396
11	17,405	3,347			5,348			26,100
12	35,353	1,378	7,844		6,452		10,408	61,435
13	4,292	4,620	1,360		3,288			13,560
14			5,552		892			6,444
15			2,520	1,740	5,194			9,454
16	1,545							1,545
Subtotal	172,476	44,091	80,895	7,486	108,564	59,513	18,335	491,360
17	4,480							4,480
18		4,012						4,012
19				14,194				14,194
20					29,408			29,408
21	18,700	4,892						23,592
22					6,255			6,255
23	28,192	584			279			29,055
24					51,132			51,132
25	1,200		10,632		16,188		3,145	31,165
Subtotal	52,572	9,488	10,632	14,194	103,262	-	3,145	193,293
Total	225,048	53,579	91,527	21,680	211,826	59,513	21,480	684,653

E: Estimated.
Source: City of White Bear Lake and McComb Group, Ltd.

Parking

Downtown's parking areas and number of spaces were evaluated and compared with GBA for each block, as shown in Table 1-5 and on Map 1-2. On-street and on-site parking was inventoried by counting spaces using Google aerial photos. The on-street parking count includes only striped spaces. There may be streets without striped spaces where parking is permitted.

These spaces would be in addition to those counted. In total, Downtown has approximately 2,351 parking spaces: 2,010 located on-site and 341 additional on-street spaces. On-street and on-site parking areas were well maintained and parking space striping was in good to excellent condition.

Table 1-5

DOWNTOWN WHITE BEAR LAKE
PARKING INVENTORY

Block	On-Site	On-Street	Total	GBA	Parking Ratio
1	277	-	277	82,293	3.37
2	61	7	68	19,794	3.44
3	26	16	42	7,302	5.75
4	78	27	105	15,333	6.85
5	77	19	96	21,285	4.51
6	91	28	119	72,835	1.63
7	102	41	143	38,620	3.70
8	15	33	48	18,036	2.66
9	108	36	144	43,928	3.28
10	69	28	97	53,396	1.82
11	14	20	34	26,100	1.30
12	43	63	106	61,435	1.73
13	16	18	34	13,560	2.51
14	-	5	5	6,444	0.78
15	53	-	53	9,454	5.61
16	8	-	8	1,545	5.18
Subtotal	1,038	341	1,379	491,360	2.81
17	55	-	55	4,480	12.28
18	89	-	89	4,012	22.18
19	5	-	5	14,194	0.35
20	248	-	248	29,408	8.43
21	143	-	143	23,592	6.06
22	20	-	20	6,255	3.20
23	190	-	190	29,055	6.54
24	109		109	51,132	2.13
25	113	-	113	31,165	3.63
Subtotal	972	-	972	193,293	5.03
Total	2,010	341	2,351	684,653	3.43

Source: City of White Bear Lake and McComb Group, Ltd.

Original Downtown has about 1,038 on-site spaces and 341 on-street spaces for a total of 1,379 parking spaces. Based on about 491,000 square feet of GBA, the parking ratio averages 2.81 per 1,000 square feet. A review of shopping center parking literature indicates that 4.0 spaces per 1,000 square feet is considered adequate for a typical shopping center. Only five blocks exceed that standard. Five blocks have parking ratios of less than 2.0 spaces per 1,000 square feet. Employee parking may be a contributing factor. Utilizing industry guidelines of 4.0 spaces per 1,000 square feet for office employees and 0.8 spaces per 1,000 square feet for retail, employee parking demand is about 680 spaces out of the current inventory of 1,379, leaving only about 700 spaces for customers in a 16-block area. This analysis does not allow for any commuter parking that may be occurring. The prime retail blocks (6, 7, 8, 9, 10, 11, and 12) have a parking ratio of about 2.2 spaces per 1,000 square feet to serve shoppers and employees. These blocks contain a high proportion of food services, which typically have a higher parking demand than retail stores.

Parking supply in the west portion of Downtown consists of about 972 on-site spaces serving about 193,000 square feet of GBA, indicating a parking ratio of 5.0 spaces per 1,000 square feet. Only two blocks appear to have a parking shortage: Block 19, which is a car wash with low parking demand, and Block 24, which contains City Hall and the Police/Fire Station which have low parking demand and also use a parking lot across the street that is not included in the inventory. Parking supply in the west area is more than adequate to accommodate the current uses.

Traffic Counts

Highway 61 is the major access route for Downtown. Traffic counts between 1999 and 2009 (the latest available) have been generally stable, as shown in Table 1-6. The highest traffic counts are between Highway 36 and Fourth Street, the major entrance to Downtown, and have been relatively stable. Traffic counts between Fourth and Seventh Streets have increased slightly over the 10-year period, reflecting increased development to the north. Traffic counts on White Bear Avenue and Lake Avenue east of Highway 61 have declined moderately, while traffic counts on Highway 96 peaked at 17,900 trips in 2005 and declined to 16,000 in 2009.

Table 1-6

WHITE BEAR LAKE TRAFFIC COUNTS; 1999, 2001, 2004, 2005, 2008, AND 2009

	1999	2001	2005	2009
TH-61				
South of TH-96	25,000	25,500	29,500 *	31,000 **
North of TH-96	32,000	32,000	35,000 *	32,000 **
Between 4th & 7th	25,500	24,000	25,800 *	26,500 **
Between 7th & 12th		20,000	23,700 *	25,100 **
North of Lake Avenue	13,600	13,600	15,500 *	16,900 **
White Bear Avenue East of TH-61	10,000	10,000	10,500	9,500
TH-96 West of TH-61	15,900	16,600	17,900	16,000
Lake Avenue East of TH-61	9,000	8,000	8,500 *	7,400 **

* 2004, ** 2008.

Source: Minnesota Department of Transportation and City of White Bear Lake.

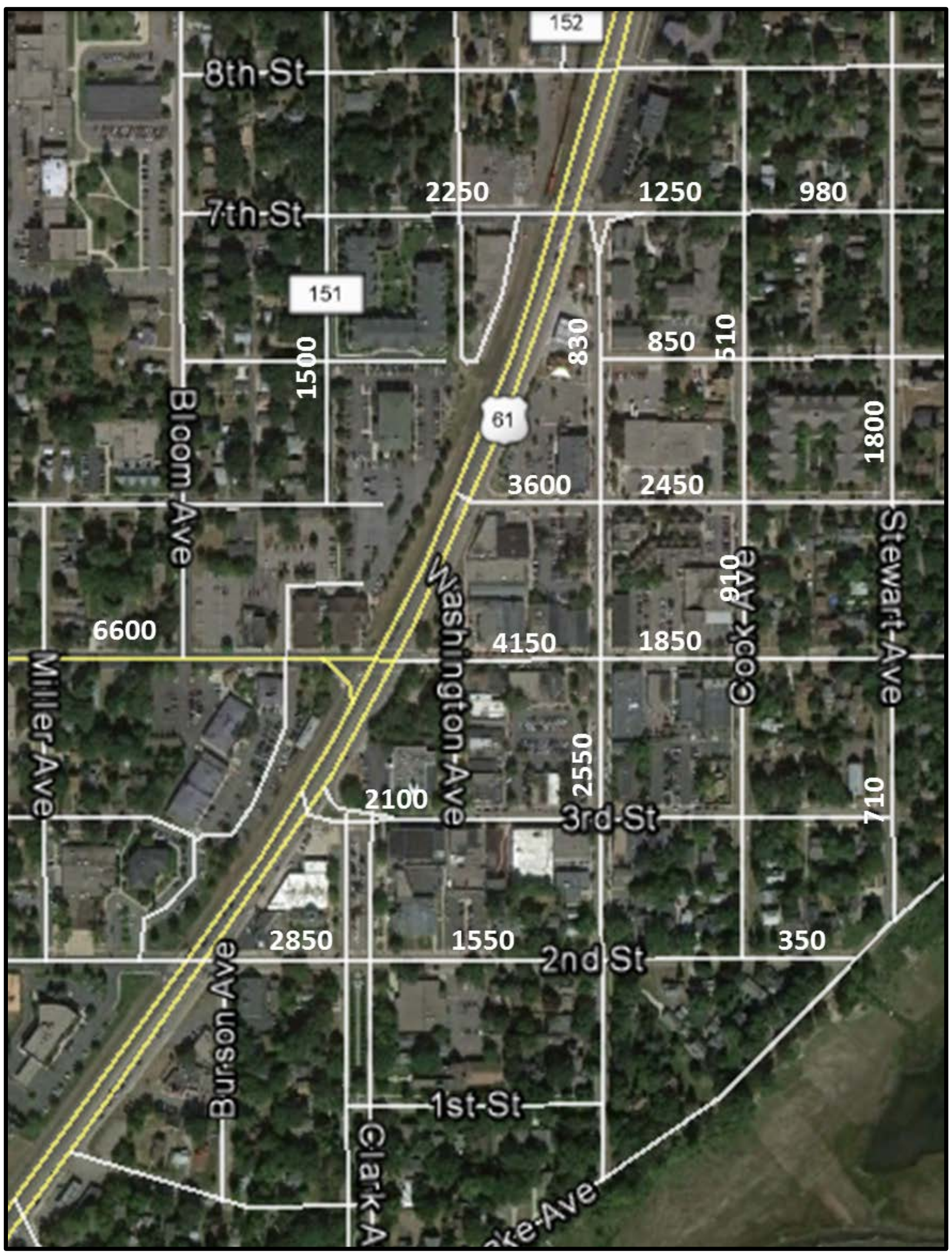
Downtown White Bear Lake Traffic Counts

Downtown is bisected by Highway 61 and the railroad tracks, which influences access to the western portion of Downtown, which has full access at Second, Fourth, Seventh, and Eighth Streets. The eastern portion of Downtown has excellent access from Second, Third, Fourth, Fifth, Seventh, and Eighth Streets. All these intersections have full inbound access from Highway 61. Intersections at Third and Fifth Streets do not have left turn out access to Highway 61, which channels traffic exiting to the south to use one of the four-way intersections.

The design of these intersections influence traffic counts on Downtown streets. Fourth Street has the highest counts, 6,600 west of Highway 61 and 4,150 on the east, as shown on Figure 1-1. Traffic counts on the east side are influenced by cross traffic from the west and southbound exiting traffic. Fifth Street has the second highest traffic counts as it provides convenient inbound and outbound routes for the northern portion of the trade area. Second Street ranks third with 2,850 counts influenced by cross traffic and being the first entrance to Downtown from the south. Third Street, a three-quarter intersection, ranks fourth with 2,100 counts. Traffic counts decline in the second block east of Highway 61. A more even distribution of traffic would benefit businesses on the streets with lower traffic counts.

Figure 1-1

PRELIMINARY DOWNTOWN WHITE BEAR LAKE TRAFFIC COUNTS; 2013



Source: City of White Bear Lake.

Table 1-1A

DOWNTOWN WHITE BEAR LAKE TENANT MIX BY AREA

	Merchandise Category	East of Hwy 61	West of Hwy 61	Total
	CONVENIENCE GOODS			
	Food Stores			
	Subtotal	0	0	0
	Specialty Food Stores			
107	Specialty Food	4		4
108	Bakery	1		1
	Subtotal	5	0	5
	Other Convenience Goods			
110	Drugstore/Pharmacy	2		2
111	Hardware	1		1
112	Liquor/Wine	2		2
113	Flowers/Plant Store	1		1
114	Health Food/Nutrition/Diet	1	1	2
	Subtotal	7	1	8
	Total Convenience Goods	**12**	**1**	**13**
120	**FOOD SERVICE**			
	Full Service			
121	Restaurant With Liquor	6	4	10
122	Restaurant Without Liquor	5	1	6
	Subtotal	11	5	16
	Limited Service			
126	Chinese Fast Food		1	1
128	Hamburgers	1		1
130	Ice Cream Parlor		1	1
140	Pizza	1		1
143	Sandwich Shop		1	1
	Subtotal	2	3	5
150	**Snacks & Beverage Places**			
152	Coffee/Tea		1	1
	Subtotal	0	1	1
	Drinking Places			
162	Cocktail Lounge/Bar	2	1	3
	Subtotal	2	1	3
	Total Food Service	**15**	**10**	**25**
	CONVENIENCE/GASOLINE			
170	Convenience/Gasoline	2		2
	Total Convenience/Gasoline	**2**	**0**	**2**
200	**SHOPPING GOODS**			
	General Merchandise			
208	Other General Merchandise	2		2
	Subtotal	2	0	2
	Clothing and Accessories			
211	Women's Ready-To-Wear	3	1	4
216	Special Apparel - Unisex	1		1
	Subtotal	4	1	5
	Shoes			
	Subtotal	0	0	0
	Home Furnishings			
241	Floor Coverings	1		1
250	Kitchen Store	1		1
	Subtotal	2	0	2
	Home Appliances/Music			
	Subtotal	0	0	0

Table 1-1A (continued)

DOWNTOWN WHITE BEAR LAKE TENANT MIX BY AREA

	Merchandise Category	East of Hwy 61	West of Hwy 61	Total
	Other Shopping Goods			
274	Books	1		1
279	Musical Instruments	2		2
280	Jewelry	1		1
285	Cards and Gifts	1	1	2
2995	Religious Store	1		1
287	Fabric Shop	3		3
288	Pet Shop	1		1
289	Art Gallery	2	1	3
291	Eyeglasses - Optician	2		2
297	Antiques		1	1
298	Pre-Owned	7		7
299	Other Retail	1		1
	Subtotal	22	3	25
	Total Shopping Goods	**30**	**4**	**34**
	BUILDING MATERIALS/GARDEN			
301	Home Improvement	2		2
302	Paint and Wallpaper	1		1
307	Nursery/Garden		1	1
309	Other Home Improvement	1		1
	Total Building Materials/Garden	**4**	**1**	**5**
	MOTOR VEHICLES & PARTS			
	Total Motor Vehicles & Parts	**0**	**0**	**0**
	TOTAL RETAIL	**63**	**16**	**79**
	SERVICES			
	Personal Care			
400	Men's Barber	3		3
401	Unisex Hair	4	1	5
402	Women's Hair Salon	3		3
403	Nail Salon	1		1
405	Tattoo Parlor	1		1
	Subtotal	12	1	13
	Dry Cleaning/Laundry			
407	Dry Cleaner	1		1
	Subtotal	1	0	1
	Personal Services			
410	Film Processing	1		1
411	Photocopy/Fast Print	1		1
415	Interior Decorator	1		1
416	Mailing/Packaging		1	1
417	Photographer	3		3
422	Day Spa	5		5
423	Massage	3		3
425	Other Services	6	1	7
426	Funeral	1		1
	Subtotal	21	2	23
	Rental/ Leasing			
429	Video Rental		1	1
	Subtotal	0	1	1
	Recreation/Entertainment			
432	Health Club	1	1	2
	Subtotal	1	1	2

Table 1-1A (continued)

DOWNTOWN WHITE BEAR LAKE TENANT MIX BY AREA

	Merchandise Category	East of Hwy 61	West of Hwy 61	Total
	Household Goods Repair			
436	Tailor/Alterations	1		1
	Subtotal	1	0	1
	Automotive Services			
440	Auto Repair Service	1		1
441	Body Shop	1	1	2
442	Car Wash		1	1
	Subtotal	2	2	4
	Other Services			
450	Learning Center/College	1	1	2
455	Martial Arts	1		1
460	Lodging	1		1
461	Fraternal	1		1
468	Other Service	6	1	7
	Subtotal	10	2	12
	Financial			
470	Bank/Savings & Loan	4	1	5
472	Finance Company & Mortgage	2		2
475	Investment Advice	4		4
477	Insurance	6		6
478	Real Estate	2	4	6
479	Tax Preparation		1	1
	Subtotal	18	6	24
	Offices (Other than Financial)			
480	Legal	5		5
481	Accounting	2	1	3
482	Employment Agency	1		1
484	Other Office	7	2	9
	Subtotal	15	3	18
	Medical			
490	Physicians Office	1		1
491	Dental	6	5	11
493	Chiropractor	4	1	5
494	Health Wellness		1	1
496	Other Medical	5		5
	Subtotal	16	7	23
	Other			
503	Home Health Care	2		2
	Subtotal	2	0	2
	Community			
510	Post Office	1		1
511	City Office		2	2
515	House of Worship	1	1	2
517	Library	1		1
520	Performing Arts Center/Live Theatre		2	2
521	Business Organization	1	1	2
	Subtotal	4	6	10
	TOTAL SERVICES	**103**	**31**	**134**
	GRAND TOTAL	**166**	**47**	**213**
600	**VACANT**	**11**	**4**	**15**

Source: McComb Group, Ltd.

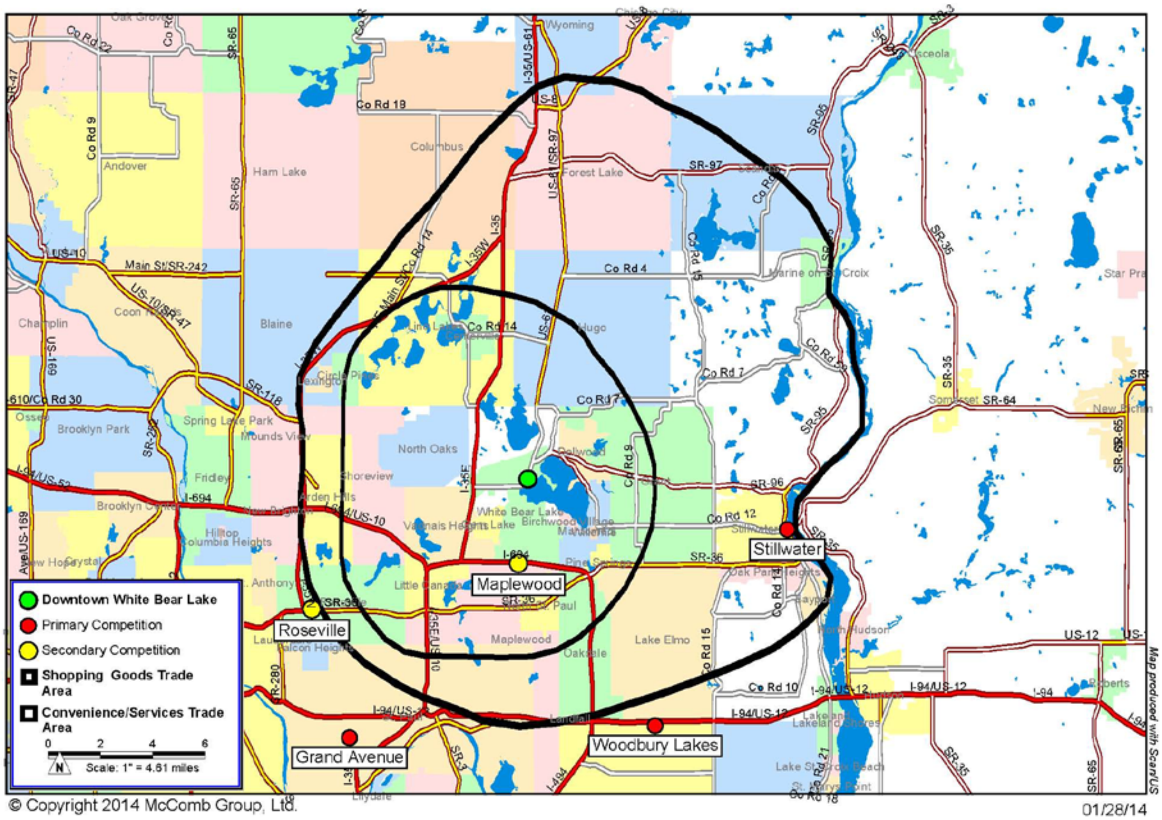
Chapter II

COMPETITIVE SHOPPING AREAS

Downtown White Bear Lake (Downtown) retail and service establishments compete with a variety of other shopping areas. Competitive shopping areas, shown on Map 2-1, are located in such a way that they provide various levels of convenience goods, shopping goods, and services to trade area residents. These shopping areas function as lifestyle centers or regional malls and are categorized as primary competitive retail areas or secondary competitive retail areas. Tenant mix of competitive shopping areas are summarized in Table 2-1, which also includes Downtown for comparative purposes.

Map 2-1

COMPETITIVE SHOPPING AREAS



Primary Competitive Retail Areas

Downtown's primary retail competition includes Grand Avenue in St. Paul, Downtown Stillwater, and Woodbury Lakes Center, as shown in Table 2-1. These competitive retail areas serve the east Metro Area; and Downtown's trade area overlaps their trade areas.

- **Grand Avenue**

  The Grand Avenue retail area, located in St. Paul, provides a wide variety of restaurants, retail, and service establishments. The Grand Avenue shopping area is known for its eclectic mix of retail and restaurant offerings and its quaint "main street" feel with tree lined streets and accessible sidewalks. In total, Grand Avenue has 146 business establishments, including 91 retail stores and 55 service establishments. Retail offerings include 51 shopping goods stores, 30 food services, nine convenience goods, and one convenience/gasoline establishment. Services offerings total 55 establishments with medical, personal care, and personal services being the largest "retail" service categories.

Table 2-1

SUMMARY OF PRIMARY AND SECONDARY COMPETITIVE RETAIL AREAS TENANT MIX

Merchandise Category	Downtown White Bear Lake	Primary Competition: Grand Ave	Primary Competition: Downtown Stillwater	Primary Competition: Woodbury Lakes Center	Secondary Competition: Maplewood Mall
CONVENIENCE GOODS					
Food Stores			1	1	
Specialty Food Stores	5	4	8	1	
Other Convenience Goods	8	5	6	1	3
Subtotal	13	9	15	3	3
FOOD SERVICE					
Full Service	16	19	21	2	
Limited Service	5	6	5	1	10
Snacks & Beverage Places	1	5	2		7
Cafeterias					
Drinking Places	3		2		
Subtotal	25	30	30	3	17
CONVENIENCE/GAS	2	1	1		
SHOPPING GOODS					
General Merchandise	2	2	3		5
Clothing and Accessories	5	19	23	29	32
Shoes		2		1	9
Home Furnishings	2	7	5	3	1
Home Appliances/Music		1	1	1	9
Other Shopping Goods	25	20	28	5	19
Subtotal	34	51	60	39	75
OTHER STORES					
Building Materials/Garden	5				
Motor Vehicles & Parts			1		
Subtotal	5	0	1	0	0
Total Retail	**79**	**91**	**107**	**45**	**95**
SERVICES					
Personal Care	13	9	6	2	6
Dry Cleaning/Laundry	1	2	1		
Personal Services	23	7	13	1	1
Rental/Leasing	1				
Recreation/Entertainment	2	3	1	1	
Household Goods Repair	1	2			2
Automotive Services	4	2			
Other Services	12	3	6		1
Financial	24	8	14	1	
Other Offices (Other than Financia	18	8	24		
Medical	23	10	6		1
Other	2	1			
Community	10		2		
Total Services	**134**	**55**	**73**	**5**	**11**
TOTAL	**213**	**146**	**180**	**50**	**106**
VACANT	**15**	**1**	**13**	**6**	**7**

Source: McComb Group, Ltd.

- **Downtown Stillwater**

  Downtown Stillwater is situated along the scenic St. Croix River and offers a unique shopping and dining experience in this quaint river town. In total, Downtown Stillwater has 61 retail establishments, including 15 convenience goods, 30 food service (majority of restaurants are full service), and 60 shopping goods stores. Half of Downtown Stillwater's shopping goods category is considered "other shopping goods", which indicates the uniqueness of the stores offered. The shopping goods category also includes 23 clothing and accessory stores. Services in Downtown Stillwater include 73 establishments with "retail" services represented by 13 personal services, six personal care, and six medical establishments. Stillwater had the largest number of retail stores.

- **Woodbury Lakes Center**

  Woodbury Lakes Center is a 390,000 square foot open-air lifestyle shopping center located on I-94 in Woodbury, approximately 16 miles from Downtown. This center's highlights include retail and dining choices, along with a "main street" atmosphere. Woodbury Lakes Center has 50 retail and service establishments, with 90 percent of them being in the retail category. Woodbury Lakes Center's largest retail category is shopping goods with 39 merchants, 29 of them offering clothing and accessories. Additional retail establishments include food service and convenience goods with three stores each. Services include two personal care, one personal service, one recreation/entertainment, and a bank.

A detailed list of tenant mixes for each area is contained in Appendix A.

Secondary Competitive Retail Areas

Downtown's secondary retail competition includes Rosedale Center and Maplewood Mall.

- **Rosedale Center**

  Rosedale Center and its environs is the dominant shopping area in the east Metro Area with a wide range of retail stores and merchandise offerings. Rosedale, anchored by Macy's, Herberger's, and JCPenney, has 187 stores and services. While many of the stores at Rosedale are competitive with Downtown businesses, Downtown offers a unique shopping environment and a different shopping experience. This is demonstrated by the fact that Downtown's trade area extends to Rosedale and overlaps about a quarter of Rosedale's trade area.

- **Maplewood Mall**

  Maplewood Mall is a large, enclosed, two-level shopping mall anchored by Macy's, Kohl's, Sears, and JCPenney and has 106 retail and service establishments with 75 of the merchants (70 percent) being shopping goods establishments, as shown in Table 2-1. The largest shopping goods category is clothing and accessories with 32 stores. Maplewood Mall is secondary competition due to the youth orientation of its tenant mix. A detailed tenant mix is contained in Appendix A.

New Retail Development

New retail development is limited to redevelopment of the old Oakdale Mall, which has been demolished and the site has been prepared for a mixed-use development to include retail, commercial, and residential. The newly prepared 18-acre site is located at the northwest corner of I-694 and 10th Street. The first development on the site is a 92-unit senior housing building--Tartan Crossing. Preliminary plans call for over 100,000 square feet of additional retail/commercial space, currently in the marketing phase. The retail component of this development is likely to be small and not competitive with Downtown.

Summary

Among the primary competition, Downtown Stillwater and Grand Avenue are most comparable to Downtown in terms of tenant mix and shopping environment. These similarities and differences are listed below.

Similarities include:

- *Convenience Goods:* Downtown White Bear Lake has 13 convenience goods stores compared to 15 in Stillwater and nine on Grand Avenue.
- *Restaurants:* Downtown has 16 full service restaurants compared to 21 in Stillwater and 19 on Grand Avenue.
- *Limited Service Type Restaurants*: Downtown has nine establishments compared to 11 on Grand Avenue and nine in Stillwater.
- *General Merchandise:* All three shopping areas have two or three small general merchandise stores with unique merchandise offerings.
- *Other Shopping Goods:* Downtown has 25 stores compared to 28 in Stillwater and 20 on Grand Avenue.

Differences include:

- *Clothing and Accessories:* Downtown has five stores in this category compared to 23 in Stillwater and 19 on Grand Avenue.
- *Shoes:* Only Grand Avenue has any shoe stores.
- *Personal Care:* Downtown has 13 services including three barber shops; while Grand Avenue has nine (1 barber shop) and Stillwater has six (no barber shop).
- *Personal Services:* Downtown has a large selection of personal services with 23 compared to 13 in Stillwater and seven on Grand Avenue.

While Downtown is similar to its competition in many respects, the major dissimilarity is clothing and accessories. This is a category that drives a lot of shopping trips; and expanding this category will improve Downtown’s attractiveness as a shopping destination.

Chapter III

DOWNTOWN WHITE BEAR LAKE MERCHANT INTERVIEWS SUMMARY

Interviews were conducted with 16 Downtown White Bear Lake (Downtown) area business owners. The primary purpose of these interviews was to elicit opinions related to the strengths and weaknesses of Downtown, and to solicit ideas and opinions regarding changes that would enhance retail within Downtown. All responses are verbatim and reflect the respondents' personal opinions; they were not screened for accuracy.

Customer Draw

When asked what area they draw their customers from, survey respondents felt that they draw customers from the immediate area--Downtown White Bear Lake, Hugo, Shoreview, Dellwood, Roseville, Forest Lake, North Oaks, and Mahtomedi. Six respondents mentioned Stillwater, and Wisconsin was mentioned by two respondents. Overall, respondents enjoy a large draw area that reaches south to St. Paul, west to New Brighton, north to Wyoming, and east to the St. Croix River.

Other Businesses That Attract Customers

When asked, "Are there other businesses in Downtown White Bear Lake that attract customers that shop at your store?" half (8) of the respondents mentioned Good Things. Salons were mentioned by six respondents and restaurants by five respondents. Other responses are listed below:

- All of them (3)
- Bear Patch Quilting (3)
- Chico's (3)
- Grandma's Bakery (2)
- Washington Square (2)
- Key's (2)
- Aqua
- Boutiques
- Evan's Music
- Fashion Eyes
- Home Consignment
- Ingredients
- Mainstream
- Primp
- Quality Retail
- Rosebuds Cottage
- Sassafrass Health Store
- Services
- Sunbear Spa
- White Bear Antiques
- White Bear Center for the Arts

These responses demonstrate that the broad mix of businesses serve as a collective draw to Downtown.

Primary Strengths

When asked to describe the primary strengths of doing business in Downtown, seven respondents felt that community events were a positive for Downtown. Variety of stores and quaint/charming downtown were also two of the top responses to this question, with one-third of the respondents mentioning these as strengths. Five respondents felt its small town feel and hometown feel were also strengths for Downtown. Four respondents felt that the fact that

Downtown had a flourishing "older" downtown was a unique quality. Friendly business atmosphere (3 respondents) and loyal customers (3 respondents) were also suggested as strengths for Downtown. Each of these strengths were mentioned by two respondents: community based, attractive downtown, active retail and community groups, access to Highway 61, and the fact that Downtown White Bear Lake promotes independent retailers. Other responses are listed below:

- "Not Any." When we moved in, the sense of community was good, the independents made it unique. My perception was wrong.
- Parking (we are by the Plaza).
- Good neighborhoods.
- Good history.
- Good support from city staff.
- Accessible, walk able.
- Variety of restaurants.
- The Arts Center & Lakeshore Players.
- How we are tied into the neighborhood.

In general, these comments suggest that business owners have positive feelings about Downtown, in particular the events within the community and the fact that Downtown is quaint and charming with a small town feel. Respondents see Downtown as a good location for them with many strengths.

Primary Weaknesses

When asked to describe the weaknesses of Downtown, respondents overwhelmingly mentioned parking. The parking issue brought up a number of comments, including: we lose business because of it, lack of short term parking, lack of handicapped spaces for customers, the suggestion that a ramp is needed, the dark parking lots are not safe and the fact that they get complaints about parking everyday from customers. Another weakness that was mentioned by four respondents was the old lamp posts, they felt they were unattractive and didn't match the new ones. Three respondents felt that many of the stores were outdated and lacked general upkeep. Other respondents are concerned about various other issues; these verbatim responses are included below:

- Limited hours.
- Variety of restaurants.
- Communication within the business community.
- It would be nice to connect Third and Fourth Streets and make it a more cohesive area.
- Number of salons.
- The caboose blocks vision from Highway 61.

- Marketfest – it brings people to Downtown for vendors only, does not benefit businesses.
- We are not attached to anything, we are like an island. We are not a true downtown attached to a huge downtown community.
- Not enough people traffic.
- Stop the parking in front of the residents' homes, it gives us bad PR.
- Traffic flow on Fourth Street, corner of Manning and Washington Avenue.
- Snow and ice removal is not good.
- Need to look for new, fresh, happening things.
- The way the town looks – upkeep, sidewalks, no consistency, clean it up and make it look more exciting.
- Need to beautify. Change entrance, it looks old, sign is old, sailboat sculpture and bushes are not maintained.
- Perception of higher prices.
- Connect east and west sides because it is not safe.
- Need more unique shops.
- Lake issues gives a bad perception, people think from the news that they cannot get on the lake.

There were a wide variety of issues and concerns from Downtown business owners; however, the lack of parking was mentioned by more than half of the respondents. Additionally, the overall appearance of the buildings and streetscapes was also a concern of many respondents.

Marketing to Attract New Customers

When asked "What do you do to market your business to attract new customers?" the most common responses were Facebook, web site, White Bear Press, and local newspaper, with almost one-third of respondents mentioning those marketing avenues. Social media, store events, and magazines were each mentioned by four respondents, or one-quarter of the respondents. Three respondents mentioned word-of-mouth, focus on the customer, and corporate involvement in marketing. Other marketing avenues included sponsorships, customer mailing lists, and e-mail blasts.

Due to of the uniqueness of Downtown's retailers, there were a number of different marketing ideas, which will continue to evolve, in particular social media and web-based marketing. What is working for some retailers isn't always working for others. Attracting new customers was important to all respondents and the general feeling was that they continue to try different things to attract new customers; some things work and some do not.

Marketing Activities that have been Successful in the Past

When asked to describe marketing activities that have been successful in the past, one-half of the respondents mentioned events. Five respondents felt that their commitment to satisfying their customers has been successful; and three respondents felt that word of mouth works well for them. Other businesses have had the most success with sales, social media, magazines, and customer mailing, which each had two responses. Other responses include the following: e-mail blasts, radio, coupons and flyers.

Downtown's events are recognized by retailers as successful marketing events. Continuing to provide events year round will help to market all Downtown businesses, while providing a sense of community for business owners and residents alike.

New Businesses for Downtown White Bear Lake

Respondents were asked for suggestions of new businesses that they would like to see in Downtown. While there were many suggestions, the following suggestions were offered by multiple respondents:

- Men's Clothing (7 responses)
- Shoe Store (6)
- More Boutiques/Unique Shops (5)
- Children's Clothing (4)
- Stores for younger People (3)
- "not a spice store" (3)
- Women's Clothing (2)
- Women's Shoe Store (2)
- Wine Bar (2)
- Penzey's/Spice Shop (2)
- Retail, not services (2)

Survey respondents recognize the importance of adding retailers to broaden the merchandise mix in Downtown.

Retail Sales Trends Since 2007

Over half (9) of the respondents have seen increases in sales since 2007, four respondents have seen decreases, and three respondents were from businesses that were still in their first couple years of business. Increases in sales ranged from 10 percent to 50 percent. Decreases ranged from 10 percent to 52 percent. New businesses reported sales increases of two to eight percent over the last three years as they continue to grow their business and gain awareness in the community.

Reasons for sales increases:

- Wealth of the community, proactive in re-inventing ourselves, keeping it fresh.
- Economy and addition we put on.
- Worked hard to promote, sales, listening to customers, catering to their needs and targeting products.
- Continual promotion, services, and caring about every guest.
- Awareness – people finding the place, presentation of the store from corporate.
- Brought on new partners with new ideas. Adding segments of wholesale and American made items.
- Even with direct competition coming in, we are doing the same things, taking care of people and keeping up the store.

- Continued improvement of our product, our staff, and the food.

Reasons for decreased sales:

- Competition (2).
- Economy, plus it's the nature of the business today. Competition with big boxes. On-line sales.
- Recession. However, over the last two years, we've seen an increase, mostly in consumer confidence – they are willing to spend now. Our services have been a plus.

Over half of the respondents reported increased sales and many attribute that to marketing. Although, the economy has played a role in both the success and detriment of local businesses, it was not the leading cause of changes in sales within Downtown.

Plans for Changes to Business within Next Three Years

Thirteen of the 16 respondents had specific plans for changes to their business in the next three years. Five respondents stated that they were always changing and improving, four respondents plan on adding new product lines or segments, and three respondents plan on improving their services. Two respondents mentioned keep growing and expanding; and two other respondents mentioned they will be renegotiating their lease/contract.

In general, Downtown businesses continue to improve their facilities and business operations, which will allow them to continue to attract customers and remain competitive.

Changes That Would Improve Their Business

When asked what could be done to improve retail business for all retail businesses in Downtown, more variety of stores was mentioned by six of the 16 respondents, six respondents also mentioned addressing the parking issues or adding a ramp, and three respondents mentioned better curb appeal, fixing up the buildings, and offering more unique events that draw more people. Additional responses include:

- Bring back historic look of buildings.
- Signs on Highway 61.
- Don't put real estate, dental, etc. on the main floors of the Downtown area.
- I love the idea of a new "entrance" to the downtown area even though it will be an inconvenience for several months.
- New, unique restaurants.
- Something like a Whole Foods that would bring people here and they would see all the other wonderful things we have to offer.
- Efforts to make town better, we need to all work together. Listening to people. Are we giving them what they want? Are we serving the consumer?
- Give them what they want. Need entertainment.

- Lighting.
- Make it look happening and it will attract more people.
- Needs to be more of a destination -- all facets to get a lot of things done -- co-op (food)
- One page ads for group is a big plus, stay connected as a business community.
- Promotion of family-friendly and quaintness of community, look ahead and watch trends, awareness of types of business and how they fit into the existing business tenant mix (i.e. not three oil and spice stores).
- There are six wonderful venues for events (banquet) could become a little Stillwater if we promoted them. Our town has everything one needs for events -- bakery, photography, proximity to things, etc.
- Wish we had an overhang on the sidewalks, it would change the feel of the street. Store fronts would pop out and it would create outdoor covered decks.
- Somehow improve access between the western development, the new marina development, and the Downtown.

Other Comments

As a final question, the business owners were asked if they had any further comments or questions. Respondent verbatim responses are reported below:

- We need a parking ramp for employees and long-term parking; this would take those cars off the streets and lots. The top floors could be used for longer term parking and the lower floors for shoppers. Farmers market ties up parking with their trucks. We should try a shuttle service to see what kind of a difference it would make to take the employee and long term parking off the streets. I think we would soon realize what a difference it would make.

- I believe the city is working hard; the chamber has to continually get the word out. It's encouraging that people are starting to work together.

- There is so much potential in White Bear Lake. There are too many secondhand stores; some of them are less desirable. Better mix, too many antiques/used goods. Primp is good because it brings in the younger crowd. There was a boom in 2011 when a lot of stores opened, but now they are closed -- too much turnover.

- The first step to maintaining the wonderful downtown atmosphere is to conduct surveys like this -- I'm thankful that the town seems to always try to improve things, making it a great place to have a business. One random thing, we need more garbage cans along the sidewalk. This may sound crazy, but people dump their garbage in the most convenient way and sometimes that means on the ground when there isn't a garbage can nearby. Speaking from experience, we had a garbage can at the corner of our building and it was moved by the city--people were so used to it being there that they still dump their garbage by the corner of our building--but alas, no garbage can! I know this seems trivial, but could help maintain the cleanliness of our great little area. We truly believe in supporting the community and direct people to businesses here. Clients come for the day to shop, eat and relax.

- We need to keep the locals shopping her again and again. Increase word of mouth.

- The community and city have been very supportive; we need to continue working together and searching out new unique shops.

Summary

The purpose of this survey was to determine the respondents' opinions and perceptions of being a business owner in Downtown. In general, retailers enjoy their locations within Downtown; and each of these retailers has unique positives and negatives that are specific to their business. Merchant comments suggest that business owners enjoy the community based atmosphere Downtown exhibits and like being part of an active community that holds events that draw customers from all over. The fact that Downtown is unique and has a small town feel is also a positive for Downtown merchants. While they like the variety of stores in Downtown, many believe that Good Things and the salons bring in customers from other communities.

Downtown business owners are concerned about the lack of parking; this theme was present throughout the interview. They would like to see more parking within Downtown and mentioned a parking ramp. Respondents seemed to feel that adding a parking ramp would solve the parking access problems. Additionally, many merchants are concerned about the curb appeal of Downtown businesses. Merchants feel that general upkeep and attention to outdated stores and streetscape are needed, knowing that a more attractive Downtown will bring in more customers and also potential retailers.

Sales for area businesses have been increasing in the last five years as business owners continue to market and grow their businesses. Interview results indicate that Downtown businesses will continue to change and grow their businesses, while they also improve their operations; this will allow them to continue to grow and remain competitive.

Chapter IV

DOWNTOWN WHITE BEAR LAKE CUSTOMER SURVEY

Retail and service businesses in White Bear Lake's Downtown retail area (Downtown) were asked to conduct a brief survey of their customers as part of this study. Thirty-four businesses participated in this survey to determine home address, work zip code, age, time of day, and trip purpose of their customers. These business participants collected information from 1,256 respondents, which provided important information on Downtown's customer base. Frattalone's Hardware also provided general draw area information for their customers, which was also used for determining Downtown's trade areas. All other survey respondent addresses were geocoded to determine geographic distribution of customers. A list of business participants is contained at the end of the chapter.

DOWNTOWN WHITE BEAR LAKE CUSTOMER SPOTTING SURVEY; 2013
SURVEY PARTICIPANTS BY BUSINESS TYPE

Shopping Goods
A Sheepy Yarn Shoppe
Chico's
Emily Gray Kohler
Farmers Daughter
Fashion Eyes
Go Johnny Go Records
Good Things
Lake Country Booksellers
Mainstream Boutique
Sherburne Jewelers
Special Effects
Truly
White Bear Antiques
White Bear Eye Clinic

Food Services
Chez Arnaud
Grandma's Bakery
Ingredients
Rudy's Redeye Grill
Seattle Sutton
Washington Square
White Bear Country Inn

Convenience Goods
Ciresi's Liquor

Services
Associated Electronics Service
Benny's Barber Shop
Fantastic Sam's
Frazer Automotive
Healing Waters
Indulge Salon
North Star Bank
Press Publications
White Bear Glass

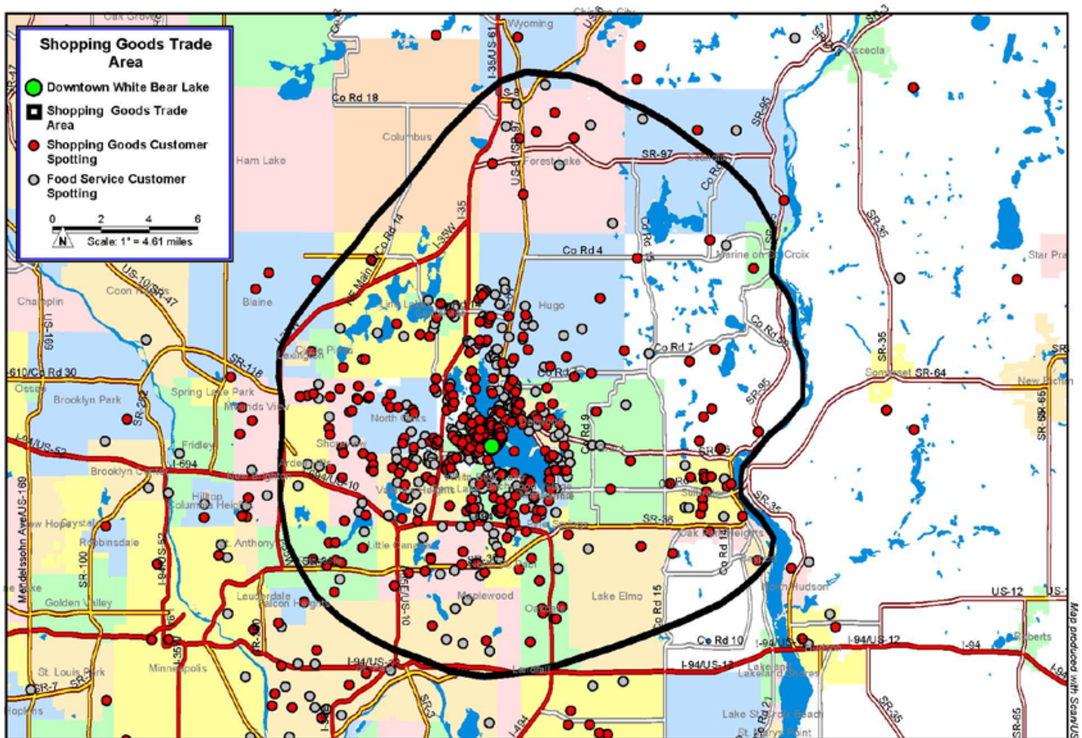
Medical
Kaminski DDS
Signature Orthodontics
The Carlson Clinic

Results from the Downtown customer survey were used to determine trade areas for Downtown's retail area. Survey respondent home addresses were geocoded and plotted on a map, which was used to delineate two trade areas: Shopping Goods Trade Area and Convenience/Services Trade Area, which are shown on Maps 4-1 and 4-2 and described below.

Downtown's Shopping Goods Trade Area, as shown in Map 4-1, was delineated using customer spotting results from 14 shopping goods and seven food service establishments. The Shopping Goods Trade Area represents an area that encompasses 405 square miles.

Map 4-1

DOWNTOWN WHITE BEAR LAKE CUSTOMER SPOTTING
SHOPPING GOODS TRADE AREA



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Shopping Goods Trade Area survey responses by city are shown in Table 4-1, 79.7 percent of survey respondents live within the Shopping Goods Trade Area. The majority (46.2 percent) of those respondents live in White Bear Lake. Inflow customers (respondents that live outside the trade area) represented 20.3 percent of survey respondents.

Table 4-1

DOWNTOWN WHITE BEAR LAKE CUSTOMER SPOTTING SURVEY; 2013
SURVEY RESPONDENTS BY RESIDENCE LOCATION
SHOPPING GOODS TRADE AREA

Residence Location	Number	Percent
White Bear Lake	462	46.2 %
Hugo	73	7.3
Mahtomedi	48	4.8
Shoreview	48	4.8
White Bear Township	48	4.8
Vadnais Heights	47	4.7
Stillwater	40	4.0
North Oaks	35	3.5
Maplewood	31	3.1
Dellwood	24	2.4
Lino Lakes	21	2.1
Other Trade Area Communities	124	12.4
Total	1,001	100.0 %

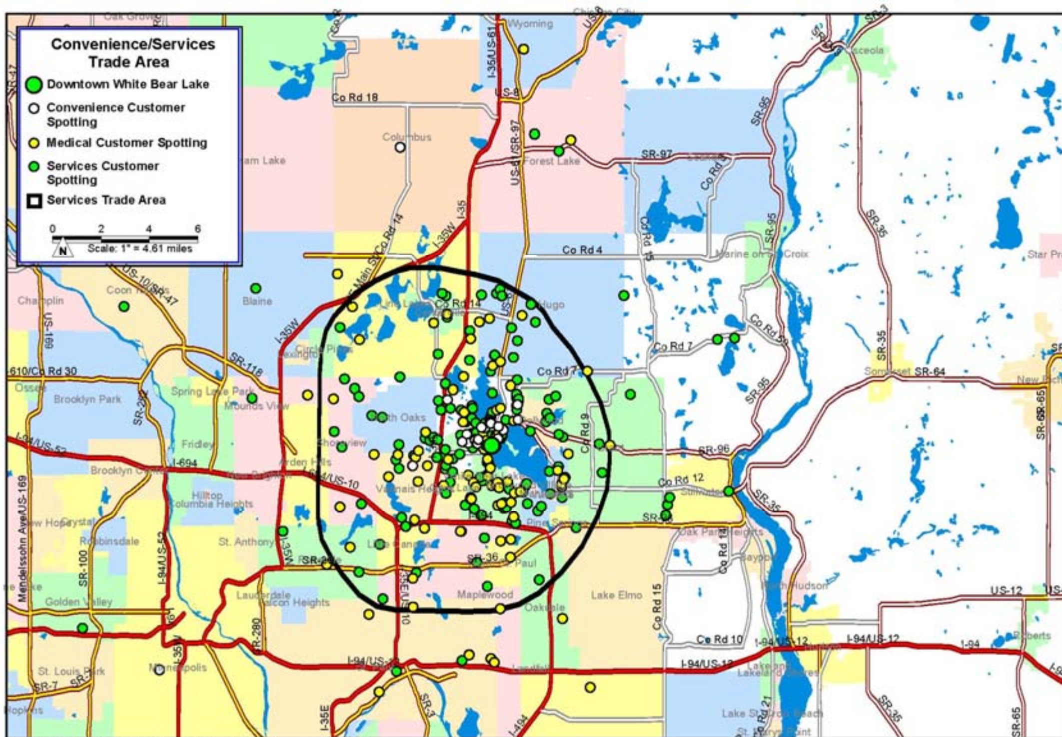
Source: McComb Group, Ltd.

Downtown's Convenience/Services Trade Area was delineated using customer spotting results from nine service, one convenience goods, and three medical establishments. The

Convenience/Services Trade Area is smaller than the Shopping Goods Trade Area and represents an area that encompasses 142 square miles, as shown on Map 4-2.

Map 4-2

DOWNTOWN WHITE BEAR LAKE CUSTOMER SPOTTING
CONVENIENCE/SERVICES TRADE AREA



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Convenience/Services Trade Area survey responses by city, as shown in Table 4-2, indicate that 71.0 percent of the survey respondents live within the Convenience/Services Trade Area. Inflow customers (respondents that live outside the trade area) represented 29.0 percent of survey respondents. A majority (51.8 percent) of Convenience/Services Trade Area respondents live in White Bear Lake. Convenience/Services Trade Area respondents generally live within six miles of Downtown.

Table 4-2

DOWNTOWN WHITE BEAR LAKE CUSTOMER SPOTTING SURVEY; 2013
SURVEY RESPONDENTS BY RESIDENCE LOCATION
CONVENIENCE/SERVICES TRADE AREA

Residence Location	Number	Percent
White Bear Lake	462	51.8 %
Hugo	64	7.2
White Bear Township	48	5.4
Vadnais Heights	47	5.3
Mahtomedi	47	5.3
Shoreview	42	4.7
North Oaks	35	3.9
Maplewood	31	3.5
Dellwood	24	2.7
Lino Lakes	19	2.1
Other Trade Area Communities	73	8.2
Total	892	100.0 %

Source: McComb Group, Ltd.

Survey responses to the question: "Why did you stop here today?" are contained in Table 4-3. In total, "Regular Customer" (54.4 percent) and "Close to Home" (44.3 percent) were the most frequent responses for respondents. The responses to this question, however, varied by business type. "Close to Home" responses were highest for convenience goods (70 percent) and food services (51.6 percent). Shopping goods and services survey responses were both 43 percent. "Close to Work" responses were highest for food services (23.4 percent), followed by convenience goods (15.0 percent). "Driving By" and "Running Errands" are convenience related responses and appear to reflect Downtown's location in relation to the customers that live in White Bear Lake. "Regular Customer" responses were highest for services (78.8 percent) and food services (62.1 percent); while 44.9 percent response for shopping goods reflects an infrequent shopping pattern for about half of the respondents.

Table 4-3

DOWNTOWN WHITE BEAR LAKE CUSTOMER SPOTTING SURVEY; 2013
REASON FOR STOPPING AT BUSINESS BY BUSINESS TYPE

	Business Type					
Reason	Shopping Goods	Food Service	Convenience Goods	Services	Medical	Total
Close to Home	42.3 %	51.6 %	70.0 %	43.0 %	17.8 %	44.3 %
Close to Work	8.7	23.4	15.0	10.9	7.9	14.4
Driving By	13.4	11.4	35.0	1.6	-	10.1
Running Errands	26.8	18.4	25.0	14.0	2.0	19.7
Regular Customer	44.9	62.1	60.0	78.8	16.8	54.4
Other	21.0	19.9	-	9.3	2.0	17.0
Subtotal	93.2 %	98.0 %	95.0 %	97.9 %	25.7 %	90.3 %
No Response	6.8	2.0	5.0	2.1	74.3	9.7
Total	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
Number of Respondents	485	457	20	193	101	1,256

Source: McComb Group, Ltd.

Survey responses for all respondents by age are shown in Table 4-5. Overall, the largest age cohorts for respondents were 54 to 63 with 22.8 percent, 44 to 53 with 17.5 percent, and 64 to 73 with 16.4 percent. This pattern was generally consistent for all business types.

Table 4-4

DOWNTOWN WHITE BEAR LAKE CUSTOMER SPOTTING SURVEY; 2013
AGE OF SURVEY RESPONDENTS BY BUSINESS TYPE

	Business Type					
Age	Shopping Goods	Food Service	Convenience Goods	Services	Medical	Total
4 - 13	- %	0.9 %	- %	0.5 %	1.0 %	0.5 %
14 - 23	2.5	3.5	-	2.1	4.0	2.9
24 - 33	4.7	12.7	25.0	4.7	9.9	8.4
34 - 43	7.2	9.6	15.0	6.2	7.9	8.1
44 - 53	17.5	19.0	5.0	13.5	20.8	17.5
54 - 63	25.2	20.1	25.0	22.8	22.8	22.8
64 - 73	18.1	14.4	20.0	16.1	16.8	16.4
74 - 83	5.6	4.2	-	10.4	11.9	6.2
84 - 93	0.8	0.2	-	1.0	5.0	1.0
Didn't Answer	18.4	15.3	10.0	22.8	-	16.3
Subtotal	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
Number of Respondents	485	457	20	193	101	1,256
Median Age	57	52	54	58	55	55

Source: McComb Group, Ltd.

The median age for respondents averaged 55 years and ranged from 52 to 58, indicating that Downtown attracts more mature consumers. Food service median age was the lowest at 52, while shopping goods and services had the highest median age at 57 and 58 years, respectively.

Survey respondents were asked if they were visiting the store before or after 6:00 pm in order to collect time of day information. Daytime and evening shopping by business type is shown in Table 4-5. In total, 71.0 percent of respondents visited the store before 6:00 pm, 10.1 percent visited the store after 6:00 pm and 18.9 percent of respondents did not answer this question. Services and medical establishments had the highest patronage before 6:00 pm, which is typical for these types of businesses. In the shopping goods category few stores are open in the evening, reflecting the low response rate. Food service evening respondents appear to be understated.

Table 4-5

DOWNTOWN WHITE BEAR LAKE CUSTOMER SPOTTING SURVEY; 2013
DAYTIME AND EVENING SHOPPING BY BUSINESS TYPE

Store Type	Before 6 PM	After 6 PM	No Response	Total
Shopping Goods	64.9 %	5.8 %	29.3 %	100.0 %
Food Service	67.6	17.9	14.4	100.0
Convenience Goods	50.0	40.0	10.0	100.0
Services	86.5	4.7	8.8	100.0
Medical	90.1	-	9.9	100.0
Total	71.0 %	10.1 %	18.9 %	100.0 %

Source: McComb Group, Ltd.

The distribution of female and male respondents is shown in Table 4-6. Patronage was higher for females (68.5 percent) compared to males (25.9 percent), which is typical for surveys of this type. Over five percent of respondents did not respond to this question. Some respondents indicated both genders, which appears to reflect shopper parties of two or more.

Table 4-6

DOWNTOWN WHITE BEAR LAKE CUSTOMER SPOTTING SURVEY; 2013
GENDER OF SURVEY RESPONDENTS BY BUSINESS TYPE

	Business Type					
Gender	Shopping Goods	Food Service	Convenience Goods	Services	Medical	Total
Female	82.3 %	58.4 %	45.0 %	63.7 %	61.4 %	68.5 %
Male	9.7	36.8	45.0	32.6	37.6	25.9
Both*	0.2	0.9	-	0.5	-	0.5
Didn't Answer	7.8	3.9	10.0	3.1	1.0	5.2
Total	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
Number of Respondents	485	457	20	193	101	1,256

* Indicates a party of two people (1 male and 1 female) that answered as one respondent.
Source: McComb Group, Ltd.

Survey responses for all respondents by day are shown in Table 4-7. Responses were highest on Monday and Thursday, 21.0 percent and 18.1 percent, respectively. Sunday had the lowest response with 3.7 percent, which could be a result of some businesses not being open on Sunday.

Table 4-7

DOWNTOWN WHITE BEAR LAKE CUSTOMER SPOTTING SURVEY; 2013
DAY OF SURVEY BY BUSINESS TYPE

	Business Type					
Day	Shopping Goods	Food Service	Convenience Goods	Services	Medical	Total
Sunday	1.4 %	8.8 %	- %	- %	- %	3.7 %
Monday	16.7	24.7	-	19.7	31.7	21.0
Tuesday	12.8	11.2	-	24.4	28.7	15.0
Wednesday	12.8	10.3	-	21.8	21.8	13.8
Thursday	20.2	19.3	-	15.0	11.9	18.1
Friday	14.6	11.8	-	14.0	5.0	12.5
Saturday	10.5	9.4	-	3.6	-	8.0
Didn't Answer	10.9	4.6	100.0	1.6	1.0	7.8
Total	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
Number of Respondents	485	457	20	193	101	1,256

Source: McComb Group, Ltd.

Chapter V

RESIDENTIAL GROWTH TRENDS

Demand for retail space in Downtown White Bear Lake (Downtown) is dependent on future residential growth in Downtown's trade areas. McComb Group maintains an 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 future household growth may occur in the future. The database was used to estimate future household growth from 2014 to 2035.

Convenience/Services Trade Area

White Bear Lake is located in the Northeast Growth Corridor and is also influenced by the East Growth Corridor (excluding Woodbury and St. Paul). Building permits for the Northeast and East Growth Corridor communities, Downtown's Convenience/Services Trade Area communities, and the City of White Bear Lake for the period 1990 through 2012 were compared with Metro Area building permits in Table 5-1.

Table 5-1

RESIDENTIAL BUILDING PERMITS; 1990 TO 2012
METROPOLITAN AREA, NORTHEAST AND EAST GROWTH CORRIDORS,
CONVENIENCE/SERVICES TRADE AREA COMMUNITIES, AND CITY OF WHITE BEAR LAKE

		Northeast & East* Growth Corridors		Trade Area Communities		White Bear Lake	
Year	Metro Area	Building Permits	Market Share	Building Permits	Market Share	Building Permits	Market Share
1990	13,340	2,249	16.86 %	1,860	82.70 %	86	4.62 %
1991	12,060	2,095	17.37	1,358	64.82	55	4.05
1992	15,632	2,917	18.66	2,147	73.60	124	5.78
1993	15,882	2,867	18.05	2,380	83.01	321	13.49
1994	14,205	2,403	16.92	1,583	65.88	66	4.17
1995	13,956	1,753	12.56	1,535	87.56	55	3.58
1996	14,098	2,426	17.21	1,322	54.49	119	9.00
1997	13,234	2,157	16.30	1,156	53.59	94	8.13
1998	15,817	2,454	15.51	1,051	42.83	56	5.33
1999	17,679	2,702	15.28	1,158	42.86	48	4.15
2000	17,050	2,986	17.51	1,393	46.65	62	4.45
2001	16,788	3,422	20.38	1,534	44.83	101	6.58
2002	19,782	3,474	17.56	1,143	32.90	131	11.46
2003	20,973	3,784	18.04	1,400	37.00	114	8.14
2004	19,832	3,126	15.76	1,094	35.00	95	8.68
2005	11,514	3,198	27.77	1,785	55.82	25	1.40
2006	12,109	1,818	15.01	934	51.38	22	2.36
2007	8,039	1,489	18.52	721	48.42	7	0.97
2008	4,711	868	18.42	437	50.35	4	0.92
2009	4,028	631	15.67	435	68.94	64	14.71
2010	5,014	909	18.13	391	43.01	11	2.81
2011	3,875	576	14.86	415	72.05	7	1.69
2012	6,749	756	11.20	304	40.21	6	1.97
Total	296,367	51,060	17.23 %	27,536	53.93 %	1,673	6.08 %

*East growth corridor less Woodbury and North St. Paul.
Source: U.S. Census and McComb Group, Ltd.

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 again in 2012 to 6,749, an increase of 1,735 permits.

Northeast and East Growth Corridors market share of the Metro Area building permits has averaged 17.23 percent between 1990 and 2012. During the period 1990 to 1994, market share averaged 17.57 percent and declined modestly to 15.37 percent in the next five-year period. During the five-year period 2000 through 2004, the Northeast and East Growth Corridors maintained an average market share of 17.85 percent. In 2005, there was a large increase in market share in the Northeast and East Growth Corridors; however, market share dropped to 15.0 percent in 2006 and has averaged 16.13 percent since 2006. Even though building permits have declined sharply, the Northeast and East Growth Corridors have maintained a relatively consistent market share. If the 2005 market share of 27.77 percent is excluded from the total, the 12-year average market share was 16.7 percent.

Convenience/Services Trade Area communities include White Bear Lake, Centerville, North Oaks, Vadnais Heights, Little Canada, North St. Paul, Pine Springs, Gem Lake, Birchwood, and Mahtomedi. Building permits in these communities fluctuated between 1990 and 2005 with a low of 1,051 building permits in 1998 and a high of 2,380 building permits in 1993. In 2006, building permits decreased significantly from 1,785 in 2005 to 934 in 2006 and gradually decreased to 304 in 2012, an all time low for these areas.

Convenience/Services Trade Area communities' market share of building permits experienced a gradual decreasing trend from 1990 to 2002. Market share for trade area communities ranged from a high of 87.56 percent in 1995 to a low of 32.90 percent in 2002. Market share averaged 65.14 percent from 1990 to 1999, fell to an average of 44.70 percent from 2000 to 2008, and declined from 68.94 percent in 2009 to 40.21 percent in 2012.

While Convenience/Services Trade Area communities basically experienced a decreasing trend in market share of Metro Area building permits, the City of White Bear Lake's market share of the trade area communities' building permits fluctuated over the 23-year period. The largest fluctuation in market share occurred between 2008 and 2010 when market share increased from 0.92 percent in 2008 to 14.71 percent in 2009, then declined to 2.81 percent in 2010. White Bear Lake's average share of the market averaged 6.08 percent from 1990 to 2012. More recently, 2007 to 2012, market share averaged about 3.85 percent.

Future household growth projections from 2014 to 2035 for Downtown's Convenience/Services Trade Area are based on estimated future Northeast and East Growth Corridor communities' residential market share of the Metro Area, contained in Table 5-2. Future Metro Area households are shown in the first column for 2014 through 2035. These estimates reflect a growth rate that is about two-thirds of past trends. Assuming that the Northeast and East Growth Corridors will capture 16.0 percent of the increased growth, similar to the past, and the Convenience/Services Trade Area communities are estimated to capture between 54.0 and 50.0 percent of the increased growth resulting in an increase of about 22,408 households in the Convenience/Services Trade Area communities. Because the trade area geography is smaller than the combined trade area communities, it is estimated that the Convenience/Services Trade

Area share of the household growth will range from 81.5 to 76.0 percent of the Convenience/Services Trade Area communities' growth, which is 17,782 additional households over the 22-year period. Total trade area households for the Services trade area are estimated at 82,350 for 2014, increasing to 87,158 in 2019 and 99,198 households by 2035.

Table 5-2

HOUSEHOLD PROJECTIONS; 2014 TO 2035
METRO AREA, NORTHEAST AND EAST GROWTH CORRIDORS,
CONVENIENCE/SERVICES TRADE AREA COMMUNITIES, AND CONVENIECE/SERVICES TRADE AREA

			Market Share					Total
	Metro Area		Northeast	Trade Area Communities		Trade Area		Trade Area
Year	Households	Increase	@ 16.0%	Percent	Households	Percent	Households	Household
2014	1,169,911	13,264	2,122	54.0	1,146	81.5	934	82,350
2015	1,183,326	13,415	2,146	54.0	1,159	81.5	945	83,295
2016	1,196,811	13,485	2,158	54.0	1,165	81.5	950	84,244
2017	1,210,447	13,636	2,182	54.0	1,178	81.5	960	85,204
2018	1,224,239	13,792	2,207	54.0	1,192	81.5	971	86,176
2019	1,238,188	13,949	2,232	54.0	1,205	81.5	982	87,158
2020	1,252,292	14,104	2,257	54.0	1,219	81.5	993	88,151
2021	1,264,213	11,921	1,907	52.0	992	80.0	793	88,944
2022	1,276,243	12,030	1,925	52.0	1,001	80.0	801	89,745
2023	1,288,388	12,145	1,943	52.0	1,010	80.0	808	90,553
2024	1,300,648	12,260	1,962	52.0	1,020	80.0	816	91,370
2025	1,313,020	12,372	1,980	52.0	1,029	80.0	823	92,193
2026	1,324,425	11,405	1,825	51.0	931	78.0	726	92,919
2027	1,335,923	11,498	1,840	51.0	938	78.0	732	93,651
2028	1,347,522	11,599	1,856	51.0	946	78.0	738	94,389
2029	1,359,221	11,699	1,872	51.0	955	78.0	745	95,134
2030	1,371,018	11,797	1,888	51.0	963	78.0	751	95,884
2031	1,381,748	10,730	1,717	50.0	858	76.0	652	96,537
2032	1,392,562	10,814	1,730	50.0	865	76.0	657	97,194
2033	1,403,460	10,898	1,744	50.0	872	76.0	663	97,857
2034	1,414,446	10,986	1,758	50.0	879	76.0	668	98,525
2035	1,425,510	11,064	1,770	50.0	885	76.0	673	99,198
Total		268,863	43,018		22,408		17,782	

Source: McComb Group, Ltd.

Shopping Goods Trade Area

Shopping Goods Trade Area communities include White Bear Lake, and over 20 other communities including Oakdale, Lino Lakes, Stillwater, Forest Lake, Hugo, Vadnais Heights, North St. Paul, and Little Canada. Building permits in these communities fluctuated between 1990 and 2007 with a low of 1,350 building permits in 2007 and a high of 3,260 building permits in 2003. Building permits decreased significantly from 1,350 in 2007 to 832 in 2008. In 2009 building permits decreased further to 802 and increased again to 1,057 in 2010. In 2012, building permits within the Shopping Goods Trade Area communities dropped to 965.

Shopping Goods Trade Area communities' market share of building permits fluctuated between 1990 and 1995, with a high of 115.40 percent in 1995 and a low of 94.13 percent in 1994. Between 1996 and 2008, market share for trade area communities, averaged of 86.89 percent. In 2009, market share for trade area communities increased to 127.10 percent, then decreased to 116.28 percent in 2010, once again increased to a high of 161.28 percent in 2011, and fell again in 2012 to 127.65 percent.

Table 5-3

RESIDENTIAL BUILDING PERMITS; 1990 TO 2012
METROPOLITAN AREA, NORTHEAST AND EAST GROWTH CORRIDORS,
SHOPPING GOODS TRADE AREA COMMUNITIES, AND CITY OF WHITE BEAR LAKE

		Northeast & East* Growth Corridors		Trade Area Communities		White Bear Lake	
Year	Metro Area	Building Permits	Market Share	Building Permits	Market Share	Building Permits	Market Share
1990	13,340	2,249	16.86 %	2,520	112.05 %	86	3.41 %
1991	12,060	2,095	17.37	2,033	97.04	55	2.71
1992	15,632	2,917	18.66	2,943	100.89	124	4.21
1993	15,882	2,867	18.05	3,027	105.58	321	10.60
1994	14,205	2,403	16.92	2,262	94.13	66	2.92
1995	13,956	1,753	12.56	2,023	115.40	55	2.72
1996	14,098	2,426	17.21	1,949	80.34	119	6.11
1997	13,234	2,157	16.30	1,806	83.73	94	5.20
1998	15,817	2,454	15.51	2,030	82.72	56	2.76
1999	17,679	2,702	15.28	2,407	89.08	48	1.99
2000	17,050	2,986	17.51	2,563	85.83	62	2.42
2001	16,788	3,422	20.38	2,898	84.69	101	3.49
2002	19,782	3,474	17.56	2,831	81.49	131	4.63
2003	20,973	3,784	18.04	3,260	86.15	114	3.50
2004	19,832	3,126	15.76	2,841	90.88	95	3.34
2005	11,514	3,198	27.77	2,819	88.15	25	0.89
2006	12,109	1,818	15.01	1,635	89.93	22	1.35
2007	8,039	1,489	18.52	1,350	90.66	7	0.52
2008	4,711	868	18.42	832	95.85	4	0.48
2009	4,028	631	15.67	802	127.10	64	7.98
2010	5,014	909	18.13	1,057	116.28	11	1.04
2011	3,875	576	14.86	929	161.28	7	0.75
2012	6,749	756	11.20	965	127.65	6	0.62
Total	296,367	51,060	17.23 %	47,782	93.58 %	1,673	3.50 %

*East growth corridor less Woodbury and North St. Paul.
Source: U.S. Census and McComb Group, Ltd.

Shopping Goods Trade Area future household growth projections from 2014 to 2035 are shown in Table 5-4. Using the same assumptions as the Convenience/Services Trade Area household projections above, it is estimated that the Shopping Goods Trade Area communities will capture between 90.0 and 87.0 percent of the Northeast and East Growth Corridors increased households resulting in an additional 38,172 households in the trade area. Since the trade area geography is smaller than the combined trade area communities, it is estimated that Downtown's Shopping Goods Trade Area share of the household growth will range from 87.0 to 86.0 percent of the Shopping Goods Trade Area communities growth. This will result in an additional 32,884 households over the 22-year period. Total trade area households for the Shopping Goods Trade Area are estimated at 166,044 in 2014, increasing to 174,598 in 2019 and 197,266 by 2035.

Table 5-4

HOUSEHOLD PROJECTIONS; 2014 TO 2035
METRO AREA, NORTHEAST AND EAST GROWTH CORRIDORS,
SHOPPING GOODS TRADE AREA COMMUNITIES, AND SHOPPING GOODS TRADE AREA

			Market Share					Total
	Metro Area		Northeast	Trade Area Communities		Trade Area		Trade Area
Year	Households	Increase	@ 16.0%	Percent	Households	Percent	Households	Household
2014	1,169,911	13,264	2,122	90.0	1,910	87.0	1,662	166,044
2015	1,183,326	13,415	2,146	90.0	1,932	87.0	1,681	167,725
2016	1,196,811	13,485	2,158	90.0	1,942	87.0	1,689	169,414
2017	1,210,447	13,636	2,182	90.0	1,964	87.0	1,708	171,122
2018	1,224,239	13,792	2,207	90.0	1,986	87.0	1,728	172,850
2019	1,238,188	13,949	2,232	90.0	2,009	87.0	1,748	174,598
2020	1,252,292	14,104	2,257	90.0	2,031	87.0	1,767	176,365
2021	1,264,213	11,921	1,907	89.0	1,698	86.0	1,460	177,825
2022	1,276,243	12,030	1,925	89.0	1,713	86.0	1,473	179,298
2023	1,288,388	12,145	1,943	89.0	1,729	86.0	1,487	180,785
2024	1,300,648	12,260	1,962	89.0	1,746	86.0	1,501	182,287
2025	1,313,020	12,372	1,980	89.0	1,762	86.0	1,515	183,802
2026	1,324,425	11,405	1,825	88.0	1,606	85.0	1,365	185,167
2027	1,335,923	11,498	1,840	88.0	1,619	85.0	1,376	186,543
2028	1,347,522	11,599	1,856	88.0	1,633	85.0	1,388	187,931
2029	1,359,221	11,699	1,872	88.0	1,647	85.0	1,400	189,331
2030	1,371,018	11,797	1,888	88.0	1,661	85.0	1,412	190,743
2031	1,381,748	10,730	1,717	87.0	1,494	86.0	1,285	192,027
2032	1,392,562	10,814	1,730	87.0	1,505	86.0	1,295	193,322
2033	1,403,460	10,898	1,744	87.0	1,517	86.0	1,305	194,627
2034	1,414,446	10,986	1,758	87.0	1,529	86.0	1,315	195,942
2035	1,425,510	11,064	1,770	87.0	1,540	86.0	1,324	197,266
Total		268,863	43,018		38,172		32,884	

Source: McComb Group, Ltd.

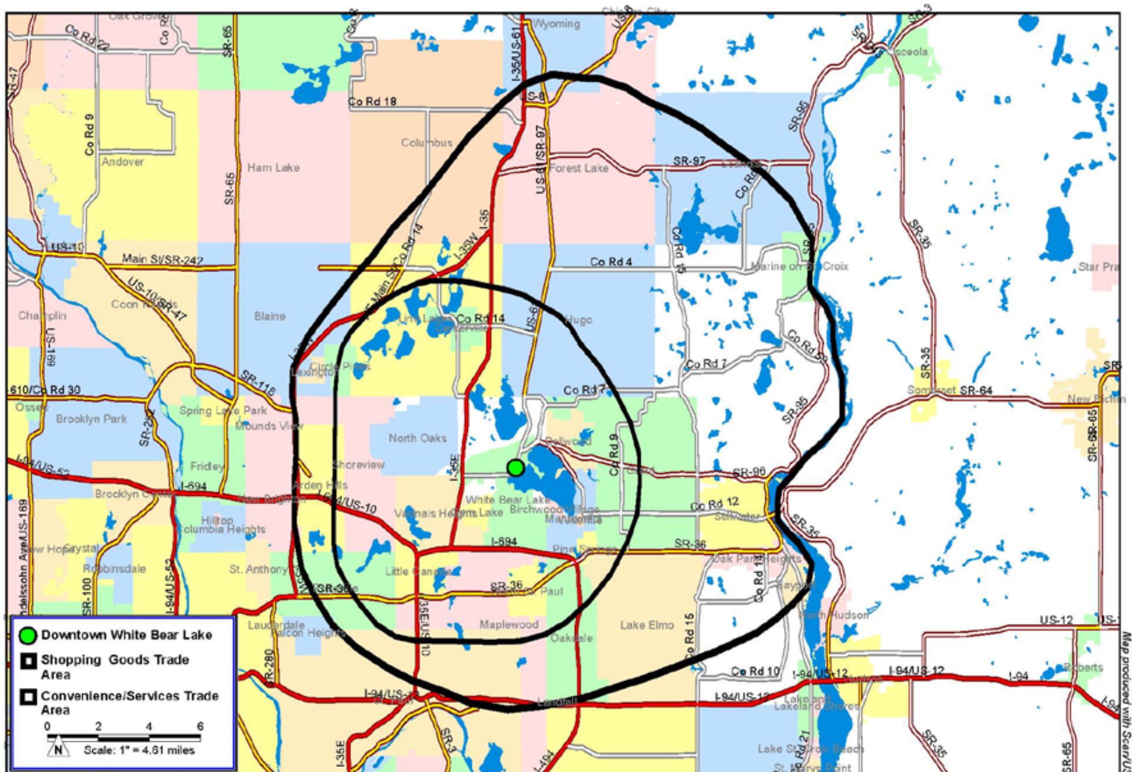
Chapter VI

DOWNTOWN WHITE BEAR LAKE TRADE AREAS

Downtown White Bear Lake (Downtown) has two retail trade areas, shown on Map 6-1, a shopping goods trade area representing the draw of approximately 80.0 percent of shopping goods and food service customers, and a convenience/services trade area, which represents the draw of approximately 85.0 percent of convenience goods, services, and medical services customers. Downtown White Bear Lake trade areas were delineated by McComb Group taking into consideration customer survey results, location of competitive shopping areas, arterial road network, natural boundaries, and previous experience.

Map 6-1

DOWNTOWN WHITE BEAR LAKE TRADE AREAS



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The Shopping Goods Trade Area includes White Bear Lake, and over 20 other communities, with the largest being Oakdale, Lino Lakes, Stillwater, Forest Lake, Hugo, Vadnais Heights, North St. Paul, and Little Canada. This trade area also includes portions of Maplewood, Lake Elmo, Roseville, Shoreview, Circle Pines, Columbus, Wyoming, Scandia, Marine on the St. Croix, and St. Paul. The Shopping Goods Trade Area extends south of White Bear Lake to I-94, west to I-35W, north to the intersection of US-8 and TH-97, and east to the St. Croix River. Downtown's Shopping Goods Trade Area covers approximately 405 square miles.

The Convenience/Services Trade Area extends south of White Bear Lake about 6.5 miles to Wheelock Parkway in St. Paul, west to Hamline Avenue, north seven miles to I-35/US-8, and east to Jamaca Avenue in Grant. This trade area covers approximately 142 square miles and includes White Bear Lake, Centerville, North Oaks, Vadnais Heights, Little Canada, North St. Paul, Pine Springs, Dellwood, Gem Lake, Birchwood, and Mahtomedi, with portions of Hugo, Grant, Lake Elmo, Oakdale, Lino Lakes, Circle Pines, Shoreview, Arden Hills, Roseville, and Maplewood.

Population and Households

Population and household growth trends in Downtown's trade areas and the Minneapolis-St. Paul MSA are shown in Table 6-1. Since 2000, Downtown's trade areas have been growing at a similar rate to the Minneapolis-St. Paul MSA. Population and household growth in both trade areas is estimated to increase slightly faster than the Minneapolis-St. Paul MSA through 2019.

Table 6-1

DOWNTOWN CONVENIENCE/SERVICES 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/ Services	Shopping Goods	Minneapolis- St. Paul MSA
POPULATION			
2000	193,570	405,347	2,968,808
2010	204,037	426,035	3,279,833
2014E	209,274	437,176	3,361,394
2019E	221,263	458,445	3,510,623
Annual Growth Rate			
2000-10	0.53 %	0.50 %	1.00 %
2010-14	0.64	0.65	0.62
2014-19	1.12	0.95	0.87
HOUSEHOLDS			
2000	73,654	150,357	1,136,615
2010	79,932	160,757	1,272,677
2014E	82,350	166,044	1,316,673
2019E	87,158	174,598	1,380,185
Annual Growth Rate			
2000-10	0.82 %	0.67 %	1.14 %
2010-14	0.75	0.81	0.85
2014-19	1.14	1.01	0.95

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

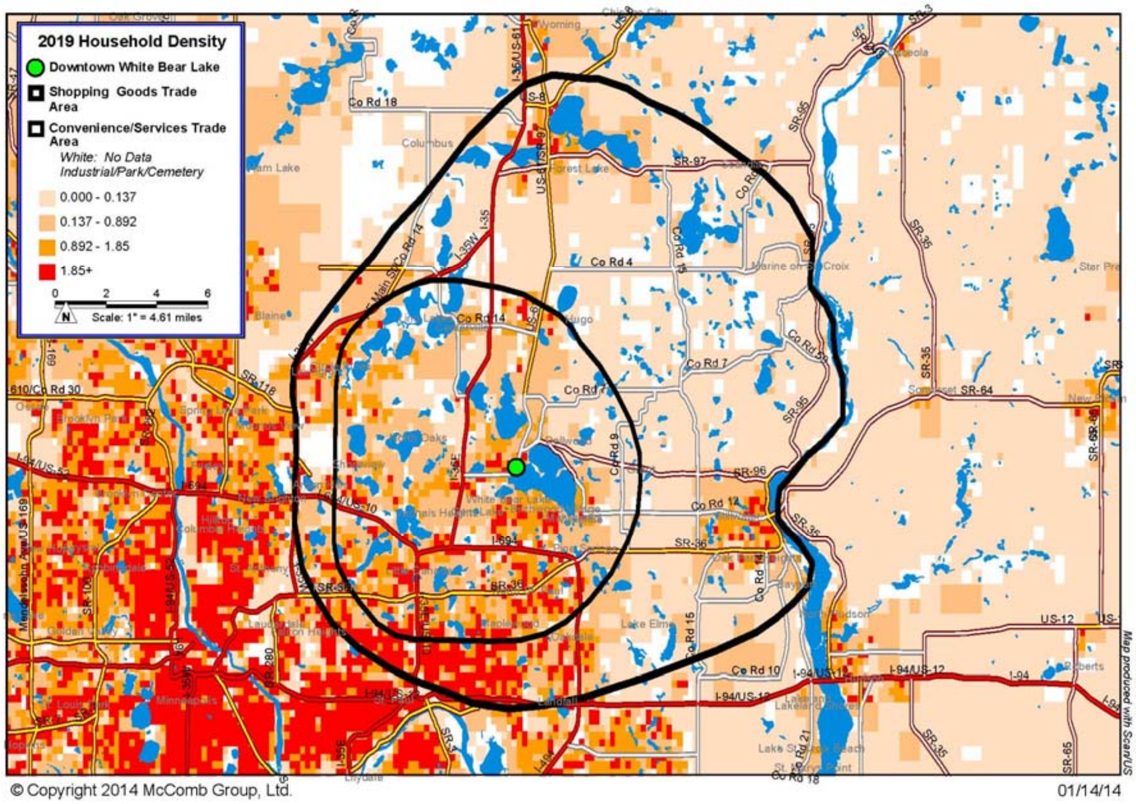
Downtown's Convenience/Services Trade Area population increased at an annual rate of 0.53 percent from 193,570 people in 2000 to 204,037 in 2010. Convenience/Services Trade Area population growth rate increased slightly between 2010 and 2014, increasing at a 0.64 percent annual growth rate bringing population to 209,274 by 2014. Population is estimated to increase at an annual rate of 1.12 percent to 221,263 by 2019. Household growth has been similar, increasing at a rate of 0.82 percent between 2000 and 2010 and an annual rate of 0.75 percent from 2010 to 2014. Households are estimated to increase from 82,350 in 2014 to 87,158 in 2019, an annual growth rate of 1.14 percent.

Downtown's Shopping Goods Trade Area population and households are also contained in Table 6-1. Shopping Goods Trade Area population and household growth is very similar to the Convenience/Services Trade Area. Between 2000 and 2010, Shopping Goods Trade Area population increased from 405,347 to 426,035, a growth rate of 0.50 percent. Over the next four years, population increased at an annual growth rate of 0.65 percent, increasing to 437,176 in 2014. By 2019, Shopping Goods Trade Area population is estimated to increase to 458,445, an annual growth rate of 0.95 percent. Shopping Goods Trade Area households totaled 150,357 in 2000 and increased to 160,757 in 2010, an annual increase of 0.67 percent. In 2014, households were estimated at 166,044. Households are estimated to increase to 174,598 in 2019, an increase of 1.01 percent annually.

Future household density for 2019 in the Downtown trade areas is shown on Map 6-2.

Map 6-2

DOWNTOWN WHITE BEAR LAKE TRADE AREAS
ESTIMATED 2019 HOUSEHOLD DENSITY



Household Income

Average household income in Downtown's Convenience/Services and Shopping Goods Trade Areas and the Minneapolis-St. Paul MSA are shown in Table 6-2. Average household income in 2014 in the Convenience/Services Trade Area is estimated at $86,559 compared to an estimate of $80,014 in the Shopping Goods Trade Area and $85,611 in the Minneapolis-St. Paul MSA. It is estimated that average household incomes for these three areas will continue to increase through 2019, increasing the Convenience/Services Trade Area average household income to $92,744 in 2019 and the Shopping Goods Trade Area to $85,655.

Table 6-2

DOWNTOWN'S CONVENIENCE/SERVICES AND SHOPPING GOODS TRADE AREAS AND MINNEAPOLIS-ST. PAUL MSA AVERAGE AND MEDIAN HOUSEHOLD INCOME 2000 AND 2010 CENSUS; 2014 AND 2019 ESTIMATED

	Convenience/ Services Trade Area	Shopping Goods Trade Area	Minneapolis- St. Paul MSA
Average Household Income			
2000	$ 72,357	$ 65,348	$ 67,906
2010	81,458	75,291	80,346
2014E	86,559	80,014	85,611
2019E	92,744	85,655	91,814
Median Household Income			
2000	$ 60,227	$ 54,639	$ 54,202
2010	65,364	61,205	62,518
2014E	71,260	66,779	66,941
2019E	77,358	72,455	71,838

E: Estimated.
Source: McComb Group, Ltd.

The proportion of households in the Convenience/Services Trade Area, Shopping Goods Trade Area, and Minneapolis-St. Paul MSA with incomes above $75,000, $100,000, and $150,000 are shown in Table 6-3. In 2014, households with incomes above $75,000 were estimated at 44.7 percent in the Convenience/Services Trade Area and 40.9 percent in the Shopping Goods Trade Area. Households with incomes above $100,000 in 2014 were estimated at 31.6 percent in the Convenience/Services Trade Area and 28.0 percent in the Shopping Goods Trade Area.

Table 6-3

DOWNTOWN'S CONVENIENCE/SERVICES AND SHOPPING GOODS TRADE AREAS AND MINNEAPOLIS-ST. PAUL MSA HOUSEHOLD INCOME DISTRIBUTION 2000 AND 2010 CENSUS; 2014 AND 2019 ESTIMATED

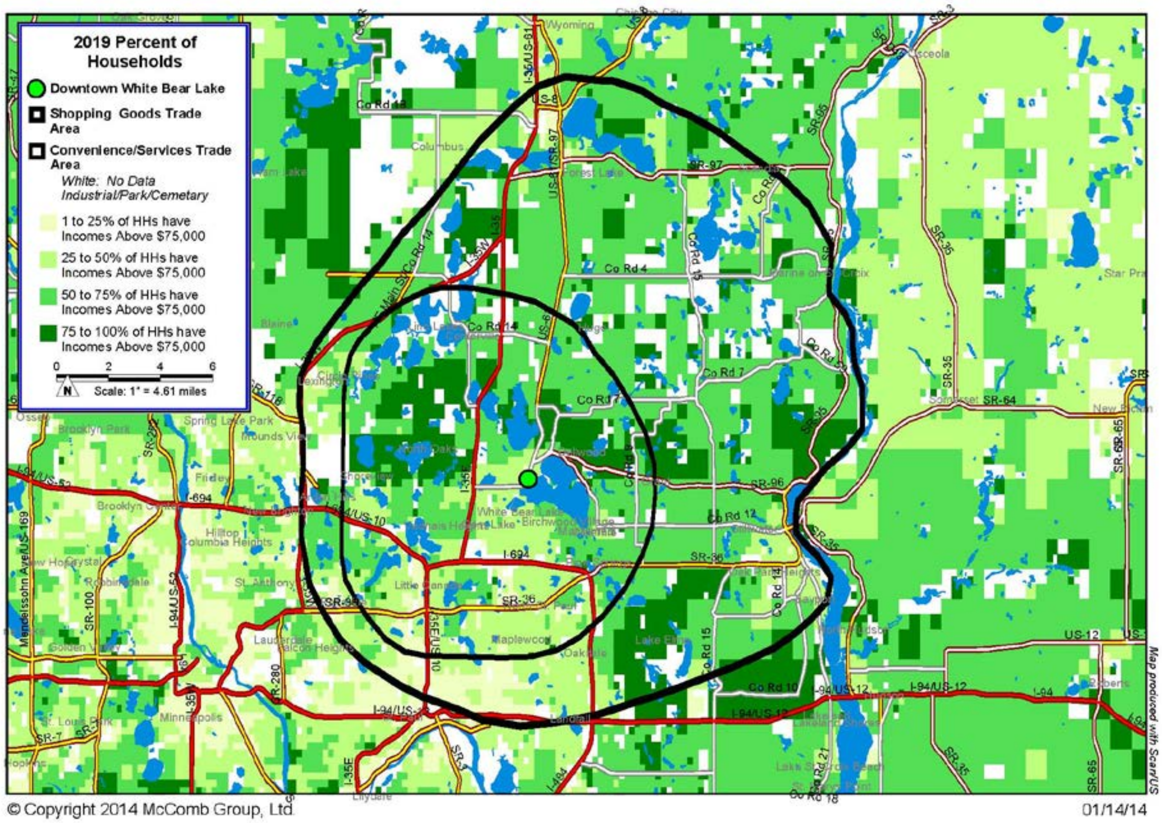
	Convenience/Services Trade Area		Shopping Goods Trade Area		Minneapolis- St. Paul MSA	
	Number	Percent	Number	Percent	Number	Percent
Households above $75,000						
2000	25,649	35.0 %	44,670	29.9 %	357,430	31.4 %
2010	33,404	41.9	60,976	38.1	524,039	41.2
2014E	36,520	44.7	67,235	40.9	580,354	44.1
2019E	42,013	49.3	78,670	45.7	673,744	48.8
Households above $100,000						
2000	14,014	19.1 %	23,654	15.8 %	191,856	16.9 %
2010	21,749	27.3	38,415	24.0	337,204	26.5
2014E	25,800	31.6	46,110	28.0	405,039	30.8
2019E	29,939	35.1	54,209	31.5	472,714	34.3
Households above $150,000						
2000	4,854	6.6 %	7,791	5.2 %	66,951	5.9 %
2010	8,499	10.7	14,609	9.1	137,166	10.8
2014E	12,310	15.1	21,158	12.9	194,563	14.8
2019E	16,437	19.3	28,761	16.7	258,648	18.7

E: Estimated.
Source: McComb Group, Ltd.

Distribution of households with incomes above $75,000 in 2019, shown on Map 6-3, demonstrates that more affluent households are distributed throughout the trade areas with higher concentrations in the northern halves of both trade areas and areas east of I-694.

Map 6-3

DOWNTOWN WHITE BEAR LAKE TRADE AREAS
ESTIMATED 2019 HOUSEHOLD INCOME: PERCENT ABOVE $75,000



Demographic Characteristics

Demographic characteristics for Downtown's trade areas and Minneapolis-St. Paul MSA are summarized in the demographic snapshots contained in Tables 6-4, 6-5, and 6-6. 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 Downtown's trade areas include the following:

- Downtown's Shopping Goods Trade Area is more ethnically diverse than the Convenience/Services Trade Area. In 2010, 76.9 percent of the Shopping Goods Trade Area was white, compared to 82.9 percent in the Convenience/Services Trade Area. These percentages are expected to increase to 77.1 percent white in the Shopping Goods Trade Area and 83.0 percent in the Convenience/Services Trade Area in 2014.

- By 2019, 45.7 percent of the Shopping Goods Trade Area and 49.3 percent of the Convenience/Services Trade Area households are estimated to have incomes above $75,000.

Table 6-4

McComb Group, Ltd.

DEMOGRAPHIC AND INCOME SNAPSHOT

Downtown White Bear Lake Convenience/Services Trade Area 4/18/2014

SNAPSHOT	2000 Census	2010 Census	2014 Estimated	2019 Projected
Population	193,570	204,037	209,274	221,263
Households	73,654	79,932	82,350	87,158
Families	51,397	53,814	55,753	59,244
Per Capita Income	$ 27,665	$ 32,061	$ 34,240	$ 36,711
Median Household Income	$ 60,227	$ 65,364	$ 71,260	$ 77,358
Average Household Income	$ 72,357	$ 81,458	$ 86,559	$ 92,744
Average Household Size	2.59	2.51	2.50	2.50
Median Age	37	40	43	44

	Annual Percent Change		
TRENDS	2000 - 2010	2010 - 2014	2014 - 2019
Population	0.53 %	0.64 %	1.12 %
Households	0.82	0.75	1.14
Families	0.46	0.89	1.22
Median Household Income	0.82	2.18	1.66
Average Household Income	1.19	1.53	1.39

	2000 Census		2010 Census		2014 Estimated		2019 Projected	
HOUSEHOLDS BY INCOME	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than $15,000	5,356	7.3 %	6,438	8.1 %	5,307	6.5 %	4,899	5.6 %
$15,000 - $24,999	6,132	8.4	6,628	8.3	6,071	7.4	5,285	6.1
$25,000 - $34,999	7,354	10.0	7,595	9.5	6,379	7.8	5,597	6.4
$35,000 - $49,999	11,371	15.5	11,069	13.9	12,671	15.5	14,168	16.3
$50,000 - $74,999	17,442	23.8	14,569	18.3	14,785	18.1	14,239	16.3
$75,000 - $99,999	11,635	15.9	11,655	14.6	10,720	13.1	12,349	14.2
$100,000 - $149,999	9,160	12.5	13,250	16.6	13,490	16.5	13,810	15.8
$150,000 +	4,854	6.6	8,499	10.7	12,310	15.1	16,812	19.3

POPULATION BY AGE	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<19	56,880	29.4 %	53,705	26.4 %	54,021	25.9 %	55,085	24.9 %
20-24	10,733	5.6	12,255	6.0	11,821	5.7	14,734	6.7
25-34	23,967	12.4	25,234	12.4	26,297	12.6	25,438	11.5
35-44	34,555	17.9	24,416	12.0	24,230	11.6	25,417	11.5
45-54	28,820	14.9	34,186	16.8	32,132	15.4	28,302	12.8
55-64	16,544	8.6	26,771	13.1	29,234	14.0	32,854	14.8
65-74	11,732	6.1	14,001	6.9	17,165	8.2	22,768	10.3
75-84	7,828	4.1	9,172	4.5	9,176	4.4	10,897	4.9
85+	2,158	1.1	4,062	2.0	4,668	2.2	5,769	2.6

RACE AND ETHNICITY	Number	Percent	Number	Percent	Number	Percent	Number	Percent
White	175,453	90.7 %	169,027	82.9 %	173,667	83.0 %	184,314	83.3 %
Black	4,457	2.3	9,372	4.6	9,534	4.6	9,901	4.5
Native American	734	0.4	917	0.4	939	0.4	986	0.4
Asian/Pacific Islander	8,526	4.4	16,766	8.2	17,026	8.1	17,671	8.0
Other Races	4,272	2.2	7,844	3.8	8,003	3.8	8,391	3.8
Hispanic (Any Race)	3,730	1.9	8,101	4.0	8,686	4.2	9,773	4.4

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

Table 6-5

McComb Group, Ltd.

DEMOGRAPHIC AND INCOME SNAPSHOT

Downtown White Bear Lake Shopping Goods Trade Area 4/18/2014

SNAPSHOT	2000 Census	2010 Census	2014 Estimated	2019 Projected
Population	405,347	426,035	437,176	458,445
Households	150,357	160,757	166,044	174,598
Families	103,142	107,627	111,709	117,954
Per Capita Income	$ 24,457	$ 28,567	$ 30,678	$ 32,889
Median Household Income	$ 54,639	$ 61,205	$ 66,779	$ 72,455
Average Household Income	$ 65,348	$ 75,291	$ 80,014	$ 85,655
Average Household Size	2.63	2.58	2.57	2.56
Median Age	35	38	42	43

	Annual Percent Change		
TRENDS	2000 - 2010	2010 - 2014	2014 - 2019
Population	0.50 %	0.65 %	0.95 %
Households	0.67	0.81	1.01
Families	0.43	0.93	1.09
Median Household Income	1.14	2.20	1.64
Average Household Income	1.43	1.53	1.37

	2000 Census		2010 Census		2014 Estimated		2019 Projected	
HOUSEHOLDS BY INCOME	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than $15,000	14,202	9.5 %	15,985	10.0 %	13,810	8.4 %	12,779	7.3 %
$15,000 - $24,999	14,580	9.8	15,057	9.4	13,176	8.0	11,378	6.5
$25,000 - $34,999	17,215	11.5	15,625	9.8	13,902	8.5	12,741	7.3
$35,000 - $49,999	24,180	16.2	22,285	13.9	26,110	15.9	29,278	16.8
$50,000 - $74,999	34,672	23.2	30,203	18.9	30,263	18.4	28,713	16.4
$75,000 - $99,999	21,016	14.1	22,561	14.1	21,125	12.8	24,784	14.2
$100,000 - $149,999	15,863	10.6	23,806	14.9	24,952	15.2	25,784	14.8
$150,000 +	7,791	5.2	14,609	9.1	21,158	12.9	29,141	16.7
POPULATION BY AGE	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<19	124,277	30.7 %	119,306	28.0 %	119,541	27.4 %	121,338	26.5 %
20-24	24,920	6.2	28,558	6.7	28,069	6.4	32,406	7.1
25-34	53,771	13.3	55,663	13.1	57,749	13.3	55,738	12.2
35-44	70,315	17.4	52,978	12.5	52,202	12.0	54,799	12.0
45-54	56,301	13.9	66,928	15.7	63,314	14.5	57,008	12.4
55-64	31,793	7.9	51,267	12.1	56,321	12.9	62,908	13.7
65-74	22,206	5.5	26,297	6.2	32,475	7.5	43,143	9.4
75-84	15,634	3.9	16,616	3.9	16,957	3.9	20,340	4.4
85+	5,238	1.3	7,805	1.8	9,109	2.1	10,765	2.3
RACE AND ETHNICITY	Number	Percent	Number	Percent	Number	Percent	Number	Percent
White	342,237	84.5 %	327,415	76.9 %	336,960	77.1 %	355,429	77.5 %
Black	17,409	4.3	28,790	6.8	29,225	6.7	29,987	6.5
Native American	2,713	0.7	3,016	0.7	3,110	0.7	3,260	0.7
Asian/Pacific Islander	27,669	6.8	44,789	10.5	45,379	10.4	46,601	10.2
Other Races	15,029	3.7	21,843	5.1	22,317	5.1	23,168	5.1
Hispanic (Any Race)	14,592	3.6	24,548	5.8	26,303	6.0	29,291	6.4

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

Table 6-6

McComb Group, Ltd.

DEMOGRAPHIC AND INCOME SNAPSHOT

Minneapolis-St. Paul MSA 4/11/2014

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.

- In 2010, 28.0 percent of the population in the Shopping Goods Trade Area was under the age of 19, while 26.4 percent of the Convenience/Services Trade Area population was under the age of 19. By 2014, the Shopping Goods Trade Area is expected to have 27.4 percent of the population under the age of 19 and the Convenience/Services Trade Area is expected to have 25.9 percent under the age of 19.

- In 2010, 11.9 percent of the population in the Shopping Goods Trade Area was over the age of 65, which is expected to increase to 13.5 percent by 2014. Downtown's Convenience/Services Trade Area had 13.4 percent of the population over the age of 65 in 2010, with expectations of an increase to 14.8 percent by 2014.

- The median age for the Shopping Goods Trade Area was 38 in 2010 and 40 in the Convenience/Services Trade Area. It is estimated that the Shopping Goods Trade Area median age will be 43 in 2019 and Convenience/Services Trade Area median age will be 44.

Additional demographic characteristics for Downtown's trade areas and Minneapolis-St. Paul MSA are contained in Appendix B.

Purchasing Power

Retail sales potential for the White Bear Lake 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 and Minnesota Department of Revenue. 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 in Downtown. The estimated retail purchasing power summary table for the Downtown trade areas for 2010 and 2015 is shown in Table 6-7. The purchasing power estimates used in this analysis are condensed from the full purchasing power tables, which are contained in Appendix C. These estimates represent the potential dollar sales for a broad range of retail stores generated by residents of each trade area.

Total purchasing power for Downtown's Shopping Goods Trade Area was estimated at $5.7 billion in 2012 and is expected to increase to about $6.1 billion by 2015, an annual growth rate of 1.86 percent in constant 2014 dollars. Purchasing power for shopping goods in this trade area is expected to increase from $1.7 billion in 2010 to $1.8 billion in 2015. Convenience goods purchasing power for this trade area was estimated at $975.8 million in 2010, estimated to increase to $1.03 billion by 2015.

Downtown's Convenience/Services Trade Area purchasing power is increasing at a 1.8 percent annual growth rate in constant 2014 dollars, increasing from a total purchasing power of $3.0 billion in 2010 to $3.2 billion in 2015. Shopping goods purchasing power, estimated at $900.9 million in 2010, is anticipated to increase to $952.9 million in 2015. Estimates indicate that convenience goods purchasing power is $512.9 million in 2010 and is likely to increase to $542.5 million by 2015.

Table 6-7

DOWNTOWN TRADE AREAS
RETAIL PURCHASING POWER; 2012, 2015, 2020, AND 2025
(In Thousands of Constant 2014 Dollars)

Merchandise Category	2012	2015	2020	2025
Shopping Goods Trade Area				
Shopping Goods	$ 1,714,045	$ 1,812,921	$ 1,999,612	$ 2,188,381
Food Service & Drinking	645,108	682,322	752,582	823,629
Convenience Goods	975,829	1,032,120	1,138,407	1,245,875
Gasoline Service Stations & Convenience	709,336	750,254	827,514	905,633
Other Stores	1,700,943	1,799,061	1,984,323	2,171,648
Total	$ 5,745,261	$ 6,076,678	$ 6,702,438	$ 7,335,166
Convenience/Services Trade Area				
Shopping Goods	$ 900,933	$ 952,920	$ 1,055,872	$ 1,151,821
Food Service & Drinking	339,079	358,645	397,394	433,508
Convenience Goods	512,914	542,513	601,124	655,748
Gasoline Service Stations & Convenience	372,840	394,355	436,960	476,667
Other Stores	894,045	945,636	1,047,801	1,143,019
Total	$ 3,019,811	$ 3,194,069	$ 3,539,151	$ 3,860,763

Source: McComb Group, Ltd.

Future estimates indicate further growth at about 1.9 percent annually through 2025. Total purchasing power for the Shopping Goods Trade Area is estimated at $6.7 billion in 2020, increasing to $7.3 billion by 2025. Convenience Goods Trade Area purchasing power is estimated at $3.5 billion in 2020, with an increase to $3.9 billion in 2025.

Chapter VII

RETAIL SALES TRENDS

Future sales potential in Downtown White Bear Lake (Downtown) will build on the retail sales of the existing businesses. Since no source of retail sales for Downtown exists, retail sales for White Bear Lake from the U.S. Census of Retail Trade for 2002 and 2007 were updated to 2012 using retail sales estimates from the Minnesota Department of Revenue. Based on the distribution of businesses in White Bear Lake, retail sales were allocated to Downtown. The results of this analysis are shown in Table 7-1, which includes the major retail categories that are relevant to Downtown.

Table 7-1

CITY OF WHITE BEAR LAKE AND DOWNTOWN
RETAIL AND SERVICES SALES: 2002 AND 2007; 2012 ESTIMATED
(In Thousands of Dollars)

Store Type	2002	2007	2012	2012 Downtown
Retail Stores				
Convenience Retail	$ 50,119	$ 95,559	$ 98,870	$ 16,240
Food Service	36,653	46,936	55,600	27,550
Convenience/Gasoline	32,577	59,423	68,760	14,700
Shopping Goods	14,968	15,524	27,174	24,575
Home Improvement	7,459	4,576	16,500	14,140
Subtotal	$ 141,776	$ 222,018	$ 266,904	$ 97,205
Services				
Personal Services	N/A	N/A	$ 20,730	$ 9,461
Repair Services	10,520	10,199	9,315	4,285
Subtotal	$ 10,520	$ 10,199	$ 30,045	$ 13,746
Health Care	$ 40,873	$ 59,443	$ 54,080	$ 28,097
Total	**$ 193,169**	**$ 291,660**	**$ 351,029**	**$ 139,048**

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

White Bear Lake retail store sales increased from $141.8 million in 2002 to $222.0 million in 2007, according to the Retail Census. Retail sales estimates for 2012 were prepared for White Bear Lake utilizing retail sales information from the Minnesota Department of Revenue. McComb Group estimated 2012 retail sales at $266.9 million. Retail sales were allocated to Downtown based on the number of businesses in other parts of the city and Downtown, and McComb Group experience. Downtown retail sales in 2012 were estimated at $97.2 million, representing 36.4 percent of White Bear Lake retail sales. Personal services sales in Downtown were estimated at $9.5 million or about 45.6 percent of city sales. Repair services have declined slightly with Downtown sales estimated at about $4.3 million. Health care sales in Downtown were estimated at $28.1 million, about 51.9 percent of City sales. Total Downtown sales were estimated at $139.0 million in 2012, representing 39.6 percent of the City's sales. Detailed expenditures by category are contained in Table 7-1A at the end of this chapter.

Market Share

Downtown's retail and service sales for 2012 are compared with purchasing power in Table 7-2 to determine market share. Purchasing power for 2012 was calculated by McComb Group's sales potential model. Retail sales derived from Downtown's trade areas were estimated for each retail category to determine trade area sales and market share as a percent of purchasing power. Using specialty food stores as an example, 2012 purchasing power was estimated at $10.4 million. Retail sales were estimated at $1.5 million with 90 percent of those sales assumed to be derived from the trade area. This results in trade area sales of $1.35 million, which is 13.02 percent of estimated purchasing power or market share.

Table 7-2

DOWNTOWN WHITE BEAR LAKE RETAIL AND SERVICE 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					
Specialty Food Stores	$ 10,365	$ 1,500	90%	$ 1,350	13.02 %
Liquor Stores	50,344	1,240	90%	1,116	2.22
Drug Stores	127,636	13,500	90%	12,150	9.52
Food Service					
Full Service Restaurants	$ 266,494	$ 16,180	80%	$ 12,944	4.86 %
Limited Service Restaurants	202,829	8,620	80%	6,896	3.40
Drinking Places	32,678	2,750	90%	2,475	7.57
Convenience/Gasoline	$ 372,840	$ 14,700	70%	$ 10,290	2.76 %
Shopping Goods					
Clothing & Accessories Stores	$ 240,031	$ 3,900	70%	$ 2,730	1.14 %
Furniture & Home Furnishings	39,439	2,500	70%	1,750	4.44
Sporting Goods, Hobby, Book & Music Stores	127,894	7,975	70%	5,583	4.36
Hobby, Book & Music Stores	53,524	2,300	70%	1,610	3.01
Other Personal Care Stores	13,815	1,100	70%	770	5.57
Miscellaneous Store Retailers	54,651	9,100	70%	6,370	11.66
Home Improvement					
Building Material/Garden Equip./Supplies Dealers	$ 126,451	$ 14,140	90%	$ 12,726	10.06 %
SERVICES					
Personal Services					
Dry Cleaning	$ 5,727	$ 526	90%	$ 473	8.27 %
Hair, Nail, & Skin Care Services	28,906	8,935	85%	7,595	26.27
Beauty Salons	26,906	8,775	85%	7,459	27.72
Nail Salons	1,945	160	85%	136	6.99
HEALTH CARE					
Offices of Physicians	$ 233,569	$ 2,320	80%	$ 1,856	0.79 %
Offices of Dentists	103,304	14,667	80%	11,734	11.36
Offices of Chiropractors	14,912	1,540	80%	1,232	8.26
Offices of Optometrists	16,902	3,340	80%	2,672	15.81
Specialty Therapists	20,531	3,590	80%	2,872	13.99

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

Drug store market share was estimated at 9.52 percent. Limited service restaurants market share was 3.40 percent. In the convenience/gasoline category, market share is estimated at 2.76 percent. Shopping goods market share ranges from a low of 1.14 percent for clothing and accessories to 11.66 percent for miscellaneous store retailers. Market share for individual service categories ranges from 6.99 percent for nail salons to 27.72 percent for beauty salons.

Market share varies widely for individual categories based on trade area size, the number of stores, and market penetration. Generally, those businesses that draw from the shopping goods trade area will have lower market share. These market share calculations were used to estimate future market share for Downtown and determine the amount of additional retail space that can be supported in Downtown.

Retail and service sales potential for Downtown 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, McComb Group's knowledge of the Minneapolis-St. Paul MSA retail market, and analysis contained in Table 7-2. 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.

Resident purchasing power is derived from Table 6-7 in Chapter VI. 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 Downtown by store type is shown in Table 7-3.

Table 7-3

DOWNTOWN WHITE BEAR LAKE TRADE AREA
MARKET SHARE AND TRADE AREA SALES

Store Type	Market Share	Percent Sales
Convenience Goods		
Other Food Stores	15.0 %	90 %
Drug & Proprietary Stores	10.0	90
Liquor Stores	10.0	90
Hardware Stores	10.0	90
Other Convenience Stores	15.0	90
Food Service		
Full Service Restaurants	7.5 %	80 %
Limited Service Restaurants	6.0	80
Snack & Beverage Places	6.0	80
Drinking Places	7.5	90
Convenience/Gasoline Stores	3.0 %	70 %
Shopping Goods		
Misc. General Merchandise	7.5 %	70 %
Apparel & Accessories	7.5	70
Furniture & Home Furnishings	10.0	70
Electronics & Appliances Stores	5.0	70
Other Shopping Goods	10.0	70
Other Retail Stores		
Building Materials	10.0 %	%
Auto Parts & Accessories	10.0	90
Services	10.0-45.0 %	85-90 %
Health Care	1.0-15.0 %	80 %

Source: McComb Group, Ltd.

Using other food stores as an example, market share is 15 percent with an estimated 90 percent of the sales being derived from the Convenience/Services Trade Area. Full service restaurant market share is estimated at 7.5 percent with 80 percent of the sales being derived from the Shopping Goods Trade Area. Apparel and accessories market share is 7.5 percent with 70 percent of the sales being derived from the Shopping Goods Trade Area. Services market share ranges from 10 to 45 percent with 85 to 90 percent of the sales being derived from the Convenience/Services Trade Area. This methodology is presented for the other retail categories.

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 7-4 and 7-5. These tables use apparel and accessories as an example to illustrate how supportable square footage of retail stores and services is determined. Men's and boy's resident purchasing power in 2015 is estimated at $10.7 million in constant 2014 dollars, as shown in Table 7-4. Market share of 7.5 percent results in $804,000 of trade area sales. Adding inflow sales of $345,000 results in total estimated sales of about $1.15 million. Women's clothing has greater purchasing power, which results in retail sales of about $5.1 million. Family clothing is the largest category with the greatest sales potential. Stores in this category sell men's and women's clothes and may include children's and juniors. Combined, the apparel and accessories sales potential totals $23.1 million. Shoe store sales potential is relatively low except family shoes and athletic footwear.

Table 7-4

DOWNTOWN WHITE BEAR LAKE
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
SHOPPING GOODS						
Apparel & Accessories						
Clothing Stores						
Men's and Boy's	$ 10,726	7.5 %	$ 804	70 %	$ 345	$ 1,149
Women's Clothing	47,673	7.5	3,575	70	1,532	5,107
Children's & Infant	22,049	7.5	1,654	70	709	2,363
Family Clothing	110,840	7.5	8,313	70	3,563	11,876
Clothing Accessories Stores	6,555	7.5	492	70	211	703
Other Clothing Stores	17,877	7.5	1,341	70	575	1,916
Shoe Stores						
Men's	$ 1,293	7.5 %	$ 97	70 %	$ 42	$ 139
Women's	2,300	7.5	173	70	74	247
Children's & Infants	596	7.5	45	70	19	64
Family Shoe Stores	23,837	7.5	1,788	70	766	2,554
Athletic Footwear	10,131	7.5	760	70	326	1,086

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 2011. 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 7-5. Using women's apparel as an example, supportable GLA is based on sales potential of $5.1 million divided by $200per square foot resulting in supportable GLA of about 25,500 square feet. Family clothing supportable square footage is about 45,600 square feet. Supportable square footage of family shoe stores is about 14,500 square feet. Supportable GLA is determined for other stores in the manner described above.

Table 7-5

DOWNTOWN WHITE BEAR LAKE
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
SHOPPING GOODS						
Apparel & Accessories						
Clothing Stores						
Men's and Boy's	$ 1,149,000	$ 220	5,223	2,002	4,000	5,635
Women's Clothing	5,107,000	200	25,535	2,074	4,200	8,740
Children's & Infant	2,363,000	240	9,846	1,490	3,912	6,000
Family Clothing	11,876,000	260	45,677	2,374	8,000	28,228
Clothing Accessories Stores	703,000	290	2,424	918	1,400	2,001
Other Clothing Stores	1,916,000	265	7,230	1,060	2,300	8,234
Shoe Stores						
Men's	$ 139,000	$ 290	479	903	1,640	2,186
Women's	247,000	270	915	1,309	2,384	3,158
Children's & Infants	64,000	290	221	1,490	3,912	6,000
Family Shoe Stores	2,554,000	175	14,594	2,021	3,388	10,234
Athletic Footwear	1,086,000	175	6,206	1,535	3,284	11,314

Source: McComb Group, Ltd.

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 8-1 in Chapter VIII.

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.

Table 7-1A

CITY OF WHITE BEAR LAKE AND DOWNTOWN RETAIL AND SERVICES SALES: 2002 AND 2007; 2012 ESTIMATED
(Thousands of Dollars)

	2002		2007		2012		Downtown White Bear Lake	
Store Type	Number	Dollars	Number	Dollars	Number	Dollars	Number	Dollars
RETAIL TRADE	107	$ 458,238	98	$ 457,309				
Convenience Retail								
Food & Beverage Stores	12	$ 50,119	13	$ 52,393	16	$ 50,500		$ 2,740
Grocery Stores			2	43,059	2	37,694	-	-
Specialty Food Store			5	1,834	7	2,126	5	1,500
Liquor Stores	5	6,986	6	7,500	7	8,680	1	1,240
Pharmacies and Drug Stores			7	43,166	5	48,370	2	13,500
Food Service								
Food Service	49	$ 36,653	58	$ 46,936	53	$ 55,600	25	$ 27,550
Full-Service Food Service			22	18,522	26	28,045	15	16,180
Limited Service Food Service	24	18,230	32	23,392	23	22,030	9	8,620
Drinking Places			4	5,022	4	5,525	2	2,750
Convenience/Gasoline	13	$ 32,577	10	$ 59,423	7	$ 68,760	2	$ 14,700
Shopping Goods								
Clothing and Clothing Accessories Stores		$ 3,000	5	$ 3,163	5	$ 3,900	5	$ 3,900
Furniture and Home Furnishings	6	4,080	4	3,802	3	3,500	2	2,500
Electronics	2	300	4	605	3	684	-	-
Sporting Goods, Hobby, Book, and Music Stores	13	7,588	14	7,954	14	7,975	14	7,975
Sporting Goods Stores	8	4,733			-	-	-	-
Hobby, Book, and Music Stores					3	2,300	3	2,300
Other Personal Care Stores					4	2,015	2	1,100
Miscellaneous Store Retailers	17		16		16	9,100	22	9,100
Office Supplies, Stationery and Gift Stores	7	2,880	7	8,004	5		5	
Other Miscellaneous Store Retailers			5		7			
All Other Miscellaneous Stores	4	2,337	4		4		15	
Home Improvement								
Building Material/Garden Equipment/Supplies Dealers	6	$ 7,459	3	$ 4,576	7	$ 16,500	6	$ 14,140
Motor Vehicle & Parts								
Motor Vehicle & Parts Dealers	11	$ 188,357	11	$ 175,459	14	$ 177,500	-	$ -
Motor Vehicle Dealers			8	169,771	9	171,640	-	-
Automotive Parts and Accessories			3	5,688	5	5,860	-	-
Subtotal	**129**	**$ 330,133**	**145**	**$ 397,477**	**147**	**$ 444,404**	**80**	**$ 97,205**
SERVICES								
Personal Services								
Personal and Laundry Services	25		29		46	$ 20,730	21	$ 9,461
Dry Cleaning					6	3,160	1	526
Hair, Nail, and Skin Care Services	18	3,963	17		40	17,570	20	8,935
Beauty Salons	15		17		37	17,090	19	8,775
Nail Salons	3		-		3	480	1	160
Repair Services								
Repair and Maintenance	30	$ 14,320	26			N/A		N/A
Automotive Repair and Maintenance	20	10,520	17	10,199	9	9,315	4	4,285
Automotive Mechanical/Electrical Repair & Maintenance	11	5,595	9		4	3,650	1	910
Automotive Body/Paint/Interior/Glass Repair	5		5	3,995	2	2,550	2	2,550
Car Wash					2	1,650	1	825
Subtotal	**45**	**$ 10,520**	**46**	**$ 10,199**	**55**	**$ 30,045**	**25**	**$ 13,746**
HEALTH CARE								
Ambulatory Health Care Services	42	$ 40,873	51	$ 59,443	40	$ 54,080	23	$ 28,097
Offices of Physicians	7	10,622	11	22,028	6	13,930	1	2,320
Offices of Dentists	15	14,288	17	17,202	15	18,670	11	14,667
Offices of Chiropractors	10	2,502	12	3,549	11	3,390	5	1,540
Offices of Optometrists	3	D	3	3,845	3	4,175	3	4,175
Specialty Therapists			10	6,202	10	7,190	5	3,590
Subtotal	**42**	**$ 40,873**	**51**	**$ 59,443**	**40**	**$ 54,080**	**23**	**$ 28,097**

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

Chapter VIII

DOWNTOWN RETAIL POTENTIAL

Downtown White Bear Lake (Downtown) has many attributes that support expanded retail establishments including retail stores and restaurants located in a compact, walkable shopping area that draws customers from a trade area that encompasses the northeast portion of the Metropolitan Area. Downtown's existing retail establishments can be complemented by additional retail that will enhance merchandise offerings in Downtown.

Estimated additional supportable retail space by store type that can be supported in Downtown is contained in Table 8-1. Convenience goods are merchandise categories that are typically purchased close to home, while shopping goods stores are found in larger concentrations and often involve comparison shopping. Downtown can support additional stores in both categories.

The inventory of Downtown GBA identified about 370,000 square feet of retail, food service, and services GBA in Downtown.

Downtown cannot accommodate all the retail potential identified in Table 8-1, which creates the opportunity to select those businesses that will have the greatest impact on enhancing shopping and dining in Downtown. The additional supportable retail establishments can be used to expand and alter the Downtown tenant mix over time. It is unlikely that all the store types contained in Table 8-1 will choose to locate in Downtown, but it does represent the range of store types that can be considered.

Downtown can support additional dining restaurants catering to a broad range of customers. Limited service restaurant opportunities include fast casual dining establishments.

Downtown's existing shopping goods stores would benefit from a larger base of stores that would create greater customer attraction. Women's clothing should be expanded. The existing Downtown women's apparel stores do not adequately fill these needs. Downtown has no shoe stores and sales potential indicates a store is supportable. Existing apparel stores in Downtown should consider adding complementary merchandise lines to expand sales.

Home furnishings stores can be complementary to women's apparel and contribute to creating a destination character. Downtown's offerings in the other shopping goods store categories could be expanded by building on its existing strengths that include cooking oriented retailers, hobby, and arts and crafts.

Downtown has a wide variety of service establishments. Demand for these will grow as trade area population increases. Service establishments draw customers on a regular basis and are potential patrons for other businesses. Retailers need to develop approaches to capitalize on this customer traffic.

Table 8-1 also contains the range of store sizes in square feet of GLA from *Dollars & Cents of Shopping Centers*. The median store size is bracketed by high and low square feet. Low represents the smallest store size that is likely to be economically viable. In most situations, stores of less than 1,000 square feet are not feasible unless sales per square foot are well above average.

Table 8-1

DOWNTOWN WHITE BEAR LAKE
SUPPORTABLE SPACE BY MERCHANDISE CATEGORY
(Gross Leasable Area)

Merchandise Category	2015	2020	2025	Store Size Low	Store Size Median	Store Size High
CONVENIENCE GOODS						
Food Stores						
Convenience Food	3,480	4,083	4,453	1,349	2,085	5,323
Specialty Food Stores	9,135	10,720	11,695	1,188	2,400	6,000
Meat Markets	3,018	3,538	3,858	1,130	2,215	18,080
Fish & Seafood Markets	836	980	1,068	1,188	2,398	6,000
Fruit & Vegetable Markets	1,830	2,140	2,340	1,036	1,400	2,516
Other Specialty Food Stores	2,551	2,996	3,267	1,112	2,291	9,888
Baked Goods	628	736	800	1,191	1,834	3,285
Confectionery and Nut Stores	491	575	625	702	1,240	2,047
All Other Specialty Food Stores	1,305	1,530	1,670	1,069	2,200	8,007
Other Convenience Goods						
Drug & Proprietary Stores	32,609	38,259	41,735	8,280	11,700	23,714
Hardware	12,416	14,568	15,892	5,638	13,831	27,743
Liquor	15,779	18,509	20,192	1,305	2,856	7,210
Florist	4,579	5,374	5,863	766	1,600	5,396
Food/Health Supplement Stores	1,392	1,632	1,784	1,200	1,234	1,968
Food Service						
Full-Service Restaurants	73,403	86,358	94,511	2,000	4,500	9,775
Limited Service Restaurants	40,225	47,323	51,790	1,335	3,000	3,400
Drinking Places	11,520	15,248	16,688		2,243	
Snack & Beverage Places	11,917	14,023	15,347	850	1,500	2,495
Ice Cream & Soft Serve	1,378	1,615	1,772	902	1,148	1,570
Frozen Yogurt	225	260	285	1,031	1,282	1,700
Doughnut Shops	2,845	3,345	3,659	744	1,200	2,153
Bagel Shops	651	767	840	2,000	2,388	3,400
Coffee Shops	3,800	4,470	4,890	881	1,500	2,000
Cookie Shops	113	130	143	220	602	797
Other Snack Shops	1,986	2,336	2,558	850	1,578	2,495
Gasoline Svs Stations/Conv.						
Gas/Convenience Food Stores	10,854	12,026	13,121	1,500	2,933	6,121
OTHER RETAIL STORES						
Building Materials & Garden Supplies						
Building Materials & Supplies Stores						
Paint, Glass & Wallpaper	6,062	6,716	7,324	2,348	3,533	5,028
Lawn & Garden Equipment						
Outdoor Power Equipment	8,110	8,990	9,800	N/A	N/A	N/A
Retail Nurseries, Lawn & Garden	34,640	38,380	41,870	N/A	15,000	N/A
Motor Vehicles & Parts Dealers						
Auto Parts & Accessories Stores	15,845	17,560	19,155	2,232	6,500	13,000
Tire Dealers	11,975	13,270	14,475	3,514	6,944	12,014

Source: McComb Group, Ltd.

Table 8-1 (continued)

DOWNTOWN WHITE BEAR LAKE
SUPPORTABLE SPACE BY MERCHANDISE CATEGORY
(Gross Leasable Area)

Merchandise Category	2015	2020	2025	Store Size Low	Store Size Median	Store Size High
SHOPPING GOODS						
General Merchandise						
Dollar Stores	7,545	7,768	8,505	2,726	8,000	13,788
Miscellaneous General Merchandise	15,324	15,776	17,264	3,200	8,400	11,212
Apparel & Accessories						
Clothing Stores						
Mens and Boys	5,223	5,377	5,886	2,002	4,000	5,635
Womens Clothing	25,535	26,295	28,775	2,074	4,200	8,740
Children's & Infant	9,846	10,133	11,088	1,490	3,912	6,000
Family Clothing	45,677	47,019	51,462	2,374	8,000	28,228
Clothing Accessories Stores	2,424	2,493	2,728	918	1,400	2,001
Other Clothing Stores	7,230	7,442	8,147	1,060	2,300	8,234
Shoe Stores						
Men's	479	493	538	903	1,640	2,186
Women's	915	937	1,026	1,309	2,384	3,158
Children's & Infant	221	224	248	1,490	3,912	6,000
Family Shoe Stores	14,594	15,023	16,440	2,021	3,388	10,234
Athletic Footwear	6,206	6,383	6,989	1,535	3,284	11,314
Furniture & Home Furnishings						
Furniture	51,731	53,258	58,281	3,108	7,927	36,712
Floor Coverings	22,707	23,373	25,578	1,229	3,593	7,819
Window Treatment Stores	2,433	2,500	2,743	1,489	4,905	9,934
All Other Home Furnishings Stores	34,051	35,057	38,360	2,868	3,570	6,500
Electronics & Appliances Stores						
Household Appliance Stores	15,167	15,618	17,091	2,349	4,000	7,563
Radio, TV & Electronics Stores	28,663	29,507	32,290	1,208	3,406	10,451
Computers, Software, Music, & Other Electronics	8,809	9,067	9,922	997	3,388	25,600
Other Shopping Goods						
Sporting Goods	56,185	57,840	63,300	2,238	7,500	44,116
General Line Sporting Goods	22,985	23,660	25,895	3,765	5,850	28,128
Specialty Line Sporting Goods	29,511	30,382	33,249	1,097	2,449	4,356
Book Stores & Newsdealers	19,688	20,269	22,181	2,428	4,542	29,974
Stationery Stores and Office Supply	11,123	11,453	12,533	585	1,033	2,247
Musical Instrument & Supplies	7,804	8,033	8,796	2,432	7,324	26,094
Jewelry Stores	19,643	20,225	22,132	790	1,450	3,410
Hobby, Toy & Game	17,509	18,029	19,731	1,604	4,050	25,861
Camera & Photographic Supply	4,644	4,782	5,233	816	2,200	5,965
Gift, Novelty & Souvenirs	23,267	23,953	26,213	2,369	4,422	7,015
Luggage & Leather Goods	2,130	2,195	2,400	1,193	2,300	3,102
Sewing, Needlework & Piece Goods	16,170	16,650	18,230	2,678	12,202	19,299
Pet Stores	15,320	15,775	17,265	1,847	3,200	12,398
Art Dealers	2,271	2,333	2,560	675	1,434	2,401
Optical Goods Stores	8,807	9,066	9,921	885	1,561	4,068
Cosmetics, Beauty Supplies & Perfume	6,522	6,716	7,350	1,102	1,953	6,235
All Other Health & Personal Care	13,004	13,385	14,647	697	1,786	3,084

Table 8-1 (continued)

DOWNTOWN WHITE BEAR LAKE
SUPPORTABLE SPACE BY SERVICES CATEGORY
(Gross Leasable Area)

Category	2015	2020	2025	Store Size Low	Store Size Median	Store Size High
Personal Care Services						
Barber Shops	460	525	590	455	788	1,422
Beauty Shops	44,553	50,600	56,584	900	1,400	3,480
Nail Salons	5,591	6,355	7,109	773	1,200	1,807
Other Personal Care Services	2,777	3,154	3,520	703	1,488	4,128
Drycleaning & Laundry Services						
Drycleaning & Laundry Services (except coin-op.)	4,560	5,493	6,140	1,038	1,608	2,731
Other Personal Services						
Photographic Studios	3,582	4,069	4,549	990	1,866	2,550
Veteranarian Services	16,373	18,596	20,791	1,346	2,122	2,701
Pet Care	5,613	6,373	7,120		1,200	
Rental and Leasing						
Formalwear and Costume Rental	534	605	677	763	1,046	1,773
Home Health Equipment Rental	1,844	2,100	2,344	1,200	1,600	3,480
Recreation						
Physical Fitness Facilites	56,313	63,950	71,500	1,433	6,448	32,170
Health Care						
Offices of Physicians (except mental health specialists)	8,720	9,319	10,423	969	1,652	4,008
Offices of Dentists	60,420	64,583	72,217	1,090	1,700	3,970
Offices of Chiropractors	8,722	9,322	10,423	1,090	1,600	3,970
Offices of Optometrists	3,311	3,537	3,957	1,074	1,620	4,347
Offices of Mental Health Practitioners (except physicians)	4,487	4,797	5,365	1,090	1,800	3,970
Physical & Occupational Therapists	7,522	8,041	8,988	1,090	1,600	3,970

Source: McComb Group, Ltd.

Chapter IX

RECOMMENDATIONS

White Bear Lake's Downtown area (Downtown) has been evolving as stores come and go and buildings adapt to changing trends. This evolutionary process should be used to implement desired changes in store types and locations. Downtown has the market potential to support additional retail and services establishments. Downtown, however, does not have enough suitable spaces to accommodate this potential. At the same time, there are areas of Downtown that, if redeveloped or enhanced, could accommodate more retail establishments. Recommendations to continue Downtown's evolution are discussed below.

- **Marketing**. Downtown's Shopping Goods Trade Area includes much of the northeast Metro Area. Customer spotting indicated that 50 percent of the trade area shoppers lived in White Bear Lake or White Bear Township. This indicates low penetration in the balance of the trade area.

  Marketing for Downtown should be expanded to focus on the larger portion of the trade area and attract more shoppers in Downtown. Downtown White Bear Lake Main Street, Inc. should consider increasing its budget to expand marketing activities. Press Publications portfolio of newspapers serves most of the trade area north of I-694.

- **Retail Directory**. Downtown needs an attractive retail directory (similar to a shopping center) that identifies stores, location, merchandise, and services offered. This directory does not need to be as extensive as the Downtown Stillwater and Grand Avenue directories. Directories should be available at all stores.

- **Parking**. There is a shortage of parking in the central portion of Downtown east of Highway 61. Employee parking demand is about 680 spaces out of the current inventory of 1,379 leaving only about 700 spaces for customers in a 16-block area. This analysis does not allow for any commuter parking that may be occurring.

  Short-term approaches to managing the existing parking supply include:

  - Create customer parking areas in Downtown with three- or four-hour time limits to discourage employee and commuter parking.
  - Shorter time limits may be appropriate on streets and portions of on-site parking to facilitate short convenience shopping trips.
  - Enforce parking time limits.

  A longer term parking solution would include considering parking structures or acquiring additional land for parking. Residential buildings along the north side of Second Street and the west side of Cook Avenue in Blocks 10, 12, and 13 could be utilized for expanded parking. Employees should be encouraged to use parking lots on the edge of Downtown.

The first step would be to commission a parking study to determine the number of spaces needed and the economic challenges of providing needed parking.

♦ **Management**. While Downtown is not a shopping center, it is a shopping destination and could benefit from adopting some of the techniques that make shopping centers successful. Downtown should:

  - Create a lease plan showing retail spaces. This could also be used for the retail directory.
  - Identify lease termination dates for retail spaces.
  - Identify the store categories that should be attracted to Downtown and store names within each category.
  - Market Downtown to prospective retailers to build a list of potential stores when spaces become available.
  - Identify potential locations for new businesses that are appropriate for their business.
  - Work with building owners to attract good businesses to Downtown.
  - Encourage renovation and redevelopment to improve Downtown.
  - Establish and maintain relevant information on vacant store spaces and buildings for sale on the Downtown web site.

♦ **Master Planning**. A long-term vision should be created for Downtown to make better use of the existing Downtown area. The retail area could be considered the Special Service District area on Map 1-2. This plan should:

  - Suggest long-term areas for businesses and parking, and pedestrian, bicycle, and auto circulation.
  - Emphasize Banning Avenue as a more intensely utilized retail street and encourage shopper circulation.
  - Encourage the potential to redevelop parcels with functionally obsolete buildings.
  - Suggest guidelines for store front rehabilitation.
  - Seek opportunities to make sidewalks more shopper friendly.
  - Explore ways to increase traffic on low volume streets in Downtown to increase sales.

Creating a long-term master plan will provide focus for changes that will be possible in future years. It is important that this planning incorporate the advice of a consultant knowledgeable in retail site, circulation, and visibility requirements.

The above recommendations are designed to enhance retail sales over the short-term and lay the foundation for longer term improvement to continue Downtown's evolution as an even more attractive shopping destination.